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Brocair Partners, founded in 2004, is a financial advisor to businesses serving the healthcare, wellness, and pharmaceutical industries. We provide mergers & acquisitions, corporate finance, and strategic advisory services to companies worldwide.

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Dental Products Industry Perspective

The U.S., Europe and Japan are the dominant dental markets, collectively accounting for more than 85% of global revenue.

In recent years, an aging population coupled with rising awareness of the importance of oral health, higher aesthetic standards and improved dental treatments have boosted the growth of this segment. In a recent study, the American Dental Association reported that a person's smile outranked eyes, hair and body as the most important physical feature. All of these factors have brought the global dental equipment and consumables market to an estimated size of US\$19.7 billion in 2010¹. This market, driven by technological advancements, is expected to grow at a compound annual growth rate (CAGR) of 7%, reaching an estimated size of \$27.6 billion by 2015.

Revenue growth in this market is expected to be highest in the U.S. and Europe, where the generation of aging baby boomers can afford higher quality dental procedures. This is also expected to be a catalyst for the growth and popularity of cosmetic treatments and implants along with the increasing demand for better orthodontic products by adolescents. Recovering from the financial crisis, the dental implant market is also expected to achieve a 5-year sales CAGR of 7%, growing from US\$3.6 billion in 2010 to \$5.1 billion by 2015. The most important sources of dental implant growth are new dentists being converted from traditional dental procedures. With a 15% penetration rate, there is still considerable scope for dental implant-supported tooth replacements to displace conventional solutions.

Also spurring growth is emerging technology, which reduces the overall turnaround time for dental

procedures while improving efficiency of the dental practitioner. For example, the introduction of CAD/CAM (computer-aided design and manufacturing) has increased precision and reduced designing time for dental crowns and bridges. Many market participants and industry experts are pointing to this area of the dental products market for the next wave of growth. Demand for customized prosthetics with better quality, higher precision of fit and greater ease of fabrication is increasing rapidly. In 2010, the CAD/CAM dental prosthetics market was already a US\$1 billion market, growing at a 5-year CAGR of 15%². Separately, the use of 3D imaging techniques has improved patient diagnosis and procedure planning. According to a recent Morgan Stanley survey, over 60% of North American dentists currently use some form of in-office digital imaging technology, a rate which has been steadily climbing for over 20 years and continues to trend positively³.

Looking at the emerging dental markets, rapid expansion is taking place in countries like China and India. For example, by the year 2017 the forecasted market volume for dental implants in both countries will exceed US\$400 million⁴. Strong double-digit growth rates are also predicted for Brazil, another potent emerging market. The rapid growth of dental implants will also drive the market for dental biomaterials and bone substitutes within these countries. The deregulation of dental care services in China and India has also fueled the growth of private dental clinics in major developing urban centers.

1 Market News, 2011
2 Deutsche Bank Research, 2011
3 Morgan Stanley Research, 2011
4 Frost & Sullivan, 2011








Competitive Matrix

Below is a matrix of select dental products companies by product type. Companies in bold are profiled on the next page.

Company	Laboratory Products	Laboratory Services	Dental Office Equipment	Dental Office Consumables	Prosthetics / Implants	Materials	Preventative Supplies	Distribution
A-Dec								
3M (ESPE/Unitek)								
AAP Implantate								
Air Techniques								
Align Technology								
Amann Girrbach								
Arseus								
Benco								
BioHorizons								
BIOLASE								
Biomet (3i)								
Brasseler USA								
Cantel Medical								
Cendres+Métaux								
COLTENE								
Danaher								
Den-Mat								
DentalEZ								
DENTSPLY								
Dürr Dental								
EMS - Electro Medical Systems								
Glidewell Laboratories								
Henry Schein								
Heraeus Holding (Heraeus Kulzer)								
ImageWorks								
Ivoclar Vivadent								
Keystone								
Koninklijke Philips								
Kyocera Medical								
Lisi								
Meta Biomed								
Millennium Dental Technologies								
MIS Implants								
Nakanishi								
Neoss								
Nobel Biocare								
Ocumenta								
Osstem								
Patterson								
Planmeca								
Premier Products								
Pro-Dex								
Ranir								
Schütz Dental								
SDI Ltd.								
Sentage (Dental Services Group)								
Septodont								
Shin Hung								
Shofu								
Sirona Dental Systems								
Sterngold								
Straumann								
Tekka								
Tigran								
Value Added Technologies								
Vita Zahnfabrik H. Rauter								
Wieland Dental +Technik								
Young Innovations								
Zest Anchors								
Zimmer								

Profiles of Selected Participants

Below are profiles of selected companies with over \$250 million in revenue.

Company	Brief Description	LTM* (US\$)	
		Sales	EBITDA
	Align Technology designs, manufactures, and markets a clear aligner system (Invisalign), intra-oral scanners, and computer-aided design (CAD) and computer-aided manufacturing (CAM) restorative models.	546.1	137.9
	DENTSPLY designs and produces dental consumable products, dental laboratory products, and dental specialty products worldwide. The company's customers include dentists, dental hygienists, dental assistants, dental laboratories, and dental schools.	2,913.2	528.3
	Henry Schein, Inc. distributes products and software to office-based dental practitioners, schools and other institutions. The company offers consumable dental products, dental laboratory products, and both small and large dental equipment.	8,871.7	738.0
	Nobel Biocare engages in the provision of restorative and esthetic dental solutions worldwide. It offers bone-level and tissue-level dental implants, individualized CAD/CAM abutments as well as treatment planning software. The company markets its products to oral surgeons, general practitioners, specialists, and laboratories.	579.3	106.2
	Patterson Dental offers its customers a selection of dental products, including approximately 96,000 SKUs of which approximately 5,000 are private-label products sold under the Patterson brand. Patterson Dental also offers customers a range of related services, including dental equipment installation, maintenance and repair.	3,577.5	403.2
	Sirona offers its dental products in four segments, including dental computer-aided design/computer-aided manufacturing (CAD/CAM) systems; imaging systems; treatment centers; and instruments. The company distributes its products globally to dental practices, clinics and laboratories.	950.8	236.1
	Straumann engages in the research, development, and manufacture of implants, instruments, CAD/CAM prosthetics, and tissue regeneration products for use in tooth replacement and restoration or to prevent tooth loss.	688.0	132.9

*Latest Twelve Months