



CONSOLIDATION CONTINUES IN THE DENTAL INDUSTRY

Deal snapshot

- G Square Healthcare Private Equity (G Square) has invested in C.D.C. Complete tandzorg (CDC). The partnership will enable CDC to expand its dental care services to other regions in the Netherlands by opening new dental practices.
- CDC has become the Netherlands' leading dental care provider for patients who need complex treatments. The firm specializes in the construction, placement and maintenance of dental prosthesis, such as bridges and crowns, dentures, click dentures and dental implants. CDC also assists patients in finding the optimal dental care solution within their insurance coverage and budget, and has a special dental program for children. Additionally, CDC has a state-of-the-art anesthetic center, which is a unique value-driving asset that offers patients treatment under full anesthesia.
- G Square is a London-based independent private equity firm targeting mid-sized healthcare companies in Europe. In 2010, G Square invested in zahnarztzentrum.ch, a Switzerland-based dental chain with 10 practices, and supported its growth to 35 practices.



What our client and buyer said



Eric and Rob Dral, Founders and Managers, CDC, the Netherlands

"G Square's pan-European healthcare and specialized dental care experience is very attractive for us. We believe G Square is the perfect partner and will be able to support us in our growth objectives. Oaklins' Dutch team set up a well-organized process within the predefined timeframes and exceeded our expectations."



Dr. Laurent Ganem, President and Founder, G Square, UK

"We are delighted to invest in CDC and look forward to working together with its highly knowledgeable and experienced management. The anesthetic center and patient-oriented approach has enabled CDC to become a thriving dental care provider with a unique market position. We are very impressed with what has been achieved so far and believe the management has the capability to successfully replicate the model in other locations in the Netherlands."



Our role in the transaction

Oaklins' Dutch team originated the deal and acted as lead advisor to CDC's shareholders. Cavendish, an Oaklins member firm in the UK, played a fundamental role in identifying G Square as the buyer.

Market trends and deal drivers

- Taking into account the regulatory framework, GDP growth, population size and level of fragmentation, the Dutch dental market is one of the most attractive in Europe.
- Substantial growth potential exists for CDC as demand for dental care is growing, the market is shifting towards CDC's paid-employment model and the company has significant overcapacity in its treatment rooms to benefit from this.
- The company could serve as a platform for further growth in the Netherlands.

M&A valuation aspects

- The financial terms of the transaction have not been disclosed, but the deal represents an attractive EBITDA multiple.
- Following consolidation in the UK market, financial and strategic buyers are looking with great interest at continental Europe as they foresee the same consolidation there and want to be at the forefront of this.

Oaklins industry specialists



✉ **Marc van de Put**, Partner, Oaklins, the Netherlands

"In Europe, we see a growing demand for dental care, a shortage of dentists and consolidation where small practices become part of larger dental chains. CDC seized these market opportunities and is able to benefit from economies of scale and the increased productivity of dentists. Their leading position in the Dutch dental care market created an ideal platform for further growth that has attracted the interest of many strategic and financial buyers."



✉ **Gordon Hamilton**, Partner, Cavendish, an Oaklins member firm, UK

Gordon has sixteen years' experience advising healthcare companies. Recent deals in the sector include the sale of Barbican Dental Care to Bupa, the UK-based international healthcare group, in 2014. "The UK dental market has been consolidating for some time, with 15-20% of the market owned by PE-backed chains. Consequently, investors are constrained by the lack of available consolidation platforms in the UK market. This contrasts with the highly fragmented European dental investment landscape, so when we were approached by Oaklins' Dutch team looking for potential investors for CDC, we could recommend a number of highly credible PE investors, including G Square, that were looking for consolidation platforms."

OAKLINS HAS CLOSED 110 DEALS IN HEALTHCARE IN THE LAST 5 YEARS

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