

OC Dental Industry Plots Return to Growth

DSOs, Device Makers Expect Sales Rebound This Year

By PETER J. BRENNAN

Orange County's dental industry, still trying to recoup from the pandemic, is planning on better days this year.

The Business Journal's second annual list of dental companies showed an 8.6% year-over-year drop in OC employee count to 5,312.

The biggest decline was 31% to 1,207 at No. 2 Irvine-based **Pacific Dental Services**, which also saw its companywide employee count fall 6.4% to 11,888.

"The pandemic has impacted our total workforce," Chief Executive **Stephen Thorne** told the Business Journal. "Additionally, it has been a challenge to bring people back given the various regulatory mandates."

In the first months of the pandemic in 2020, only about 5% of dental practices were open, he estimated, saying he initially expected his company's sales to fall to \$1 billion in 2020.

"Pacific Dental Services had a remarkable rebound in the second half of last year, and despite the pandemic, revenue was down only 1% from 2019," Thorne said. "Overall, the industry is returning to growth and expected to have a 4.4% compounded annual growth rate over the next five years."

Pacific Dental builds and manages office practices for dentists, taking care of just about everything except the actual dentistry. The company, which is known as a dental support organization, or DSO, is on track to generate



Pacific Dental Services HQ

\$2 billion this year, Thorne said.

The biggest revenue jump on the list was 56% to \$1 billion at Irvine-based **Smile Brands Inc.**, which is also a DSO. Smile Brands supports nearly 700 affiliated practices across 30 states, up from 440 offices in 18 states at the end of 2019. It grew through the late-2020 acquisition of DSO competitor **Midwest Dental**.

Varied Businesses

OC's sector of dental-focused business is a varied collection of makers of implants and braces, dental support organizations, software firms servicing dental practices, as well as dentistry-focused device maker.

Companywide, their employee count rose almost 1% to 135,715.

The six companies that reported revenue collectively saw a 2.7% decline to \$5.2 billion.

No. 3 **Envista Holdings Corp.** (NYSE: NVST) saw the biggest decline on a dollar basis, 17% to \$2.3 billion.

Things are looking much better this year for Envista, which reported 30% sales growth to \$709.2 million in the first quarter; it's scheduled to report second-quarter results on Aug. 3

"We are off to a great start in 2021," Envista Chief Executive **Amir Aghdaei** said in a statement on the first-quarter results.

"A robust recovery in the dental market combined with strong execution and our continuous improvement culture drove broad-based strength across our portfolio."

The Brea-based provider, which serves over 1 million dentists in 150 countries, was originally formed as a subsidiary of **Danaher Corp.** in 2018. This week's list includes three Envista units: **Ormco** and **Nobel Biocare Systems** that make specialty products while **KaVo Kerr** makes equipment and consumables.

Root Canal Day

No. 6 **Sonendo Inc.** kept its OC employee count flat at 127, even though its 2020 revenue fell 33% to \$23.4 million.

It's a reversal in fortunes for the Laguna Hills dental device maker that was the fastest-growing mid-sized private company in OC for two years in a row pre-pandemic—it reported two-year revenue growth of 814% to \$38.4 million for the year ended June 30, 2019. At the beginning of 2020, it had raised \$85 million in funding.

The company, best known for its GentleWave root canal system, is also the parent of San Diego-based **TDO Software**, the leading endodontics practice management software, business that helped offset lost revenue from its

device business in 2020, according to Chief Executive **Bjarne Bergheim**.

Sonendo believes it is already returning to growth mode at a much faster rate than other dental equipment providers due to the technological and safety advantages of GentleWave, which uses a combination of a liquid solution and acoustic energies to clean a tooth's root canal system, Bergheim told the Business Journal in June.

"We're changing root canal therapy in a big way," Bergheim said, noting the company expects to release a new procedure instrument this year.

To stay positive during the pandemic, in May it issued a press release to celebrate "National Root Canal Appreciation Day."

"We are proud to have completed over 600,000 GentleWave Procedures, i.e., over 600,000 patients whose pain and infection was resolved, and natural teeth saved by endodontists," Bergheim said in the statement.

Newcomer

No. 15 on the list, **Virtual Dental Care Inc.** is the owner of the Teledentix-branded platform, which provides video dentistry.

Richard Lee, who built the platform, was the founder of Newport Beach-based DSO No. 11 **Planet DDS** in 2003.

Teledentix averages about 4,000 to 10,000 video sessions and about 5,000 online appointments every month. It reaches about 30 enterprise organizations through its clients and estimates it serves the largest number of mobile dental companies that serve enterprise businesses in the U.S. ■

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THE LIST DENTAL COMPANIES



JOHN R. BEAVER
CEO and President
Biolase Inc.



STEVEN C. BILT
CEO
Smile Brands Inc.



RICHARD LEE
Co-founder and CEO
Virtual Dental Care Inc.



JOHN PHAM
Co-founder and CEO
Swift Health Systems Inc. dba Inbrace



STEPHEN E. THORNE IV
Founder, CEO and President
Pacific Dental Services



SCOTT WELLWOOD
President
DentalXChange

THE LIST DENTAL COMPANIES

▶ NEXT WEEK'S LIST

Hotel Meeting Rooms

RANKED BY NUMBER OF OC EMPLOYEES

Rank	Company name •Address •Headquarters	Company logo	OC employees •yearly % change	Companywide employees •yearly % change	Revenue for 12 months ended Dec. 31, 2020 •yearly % change	Company/product description	Parent company	Top official(s) •Title •Phone/fax	
1	Glidewell 4141 MacArthur Blvd. (2) Newport Beach 92660-2015 Newport Beach Website: glidewelldental.com Email: mail@glidewelldental.com		1,500 0%	4,000 NA	wnd	Custom dental restorative services, materials and devices manufacturer		Jim Glidewell CEO/president (949) 440-2600/(949) 440-4501	
2	Pacific Dental Services 17000 Red Hill Ave. (1) Irvine 92614-5626 Irvine Website: pacificdentalservices.com Email: info@pacificdentalservices.com		1,207 -31%	11,888 -6%	\$2 billion -1%	Dental business support organization providing business and administrative services		Stephen E. Thorne IV founder/CEO/president (714) 845-8500/(949) 250-0510	
3	Envista Holdings Corp. 200 S. Kraemer Blvd. (3) Brea 92821-6208 Brea Website: envistaco.com		900 ⁽¹⁾ NA	12,000 0%	\$2 billion -17%	Portfolio spans dental implants and treatment options, orthodontics, and digital imaging technologies		Amir Aghdaei CEO/president (714) 817-7000/(714) 817-5450	
	KaVo Kerr 200 S Kraemer Blvd., Bldg E2 Brea 92821-6208 Brea Website: kavokerr.com		240 ⁽¹⁾ NA	6,000 ⁽¹⁾ NA	wnd	Dental diagnosis and treatment solutions includes restoratives, digital imaging solutions, treatment units, rotary instruments, laboratory equipment, infection prevention and practice education	Envista Holdings Corp.	Jean-Claude 'JC' Kyrillos president, KaVo Kerr/senior VP, Envista (714) 516-7400	
	Nobel Biocare 22715 Savi Ranch Parkway Yorba Linda 92887-4609 Yorba Linda Website: nobelbiocare.com Email: info.usa@nobelbiocare.com		200 ⁽¹⁾ NA	2,500 ⁽¹⁾ NA	wnd	Makes dental implant systems, custom prosthetics, biomaterials and surgical tools for treatment planning and guided surgery	Envista Holdings Corp.	Patrik Eriksson president, Nobel Biocare Systems/senior VP, Envista (714) 282-4800/(714) 998-9236	
	Ormco 200 S. Kraemer Blvd. Brea 92821 Brea Website: ormco.com		200 ⁽¹⁾ NA	2,600 ⁽¹⁾ NA	\$380 million ⁽¹⁾ NA	Manufactures and distributes orthos, accent mini tubes, snaplink, washbon, tru-arch, pendex, positioners, spring retainers and other related products	Envista Holdings Corp.	Jeff Kappler president, Ormco/senior VP, Envista (800) 854-1741/(714) 516-7543	
4	Smile Brands Inc. 100 Spectrum Center Drive, Ste. 1500 (4) Irvine 92618-4984 Irvine Website: smilebrands.com Email: contactus@smilebrands.com		675 0%	8,000 54%	\$1 billion 56%	Dental management services		Steven C. Bilt CEO (714) 668-1300	
5	3M Oral Care 2111 McGaw Ave. (5) Irvine 92614-0908 St. Paul, Minn. Website: 3m.com/3M/en_US/plant-locations-us/irvine/		400 14%	95,000 ⁽²⁾ -1%	wnd	Restorative composites, adhesives, abrasives, crowns, impressions, other dental products	3M Co.	David Goldinger plant manager (949) 863-1360	
6	Sonendo 26061 Merit Circle, Ste. 102 (6) Laguna Hills 92653-7010 Laguna Hills Website: sonendo.com Email: info@sonendo.com		127 0%	194 3%	\$23 million -33%	Dental technologies developer; the Gentlewave System uses sound waves and irrigation fluids to clean teeth		Bjarne Bergheim President and CEO (949) 766-3636/(949) 305-5201	
7	Swift Health Systems Inc. dba Inbrace 111 Academy Drive, Ste. 150 (8) Irvine 92617-3053 Irvine Website: inbrace.com Email: info@inbrace.com		100 ⁽¹⁾ NA	100 ⁽¹⁾ NA	wnd	Invisible braces		John Pham/Hongsheng Tong co-founder, CEO/co-founder (877) 258-8677	
8	Keating Dental Lab Inc. 16881 Hale Ave. (7) Irvine 92606-5067 Irvine Website: keatingdentallab.com Email: shaun@keatingdentallab.com		95 -24%	95 -24%	wnd	Full-service dental laboratory		Shaun Keating CEO (949) 955-2100/(949) 955-2199	
9	DentalXChange.com 17701 Cowan, Ste. 250 (9) Irvine 92614-6841 Irvine Website: dentalxchange.com Email: marketing@dentalxchange.com		87 9%	87 9%	wnd	Provider of EDI technology for the interaction between dentists, their patients and insurance companies; services include claims processing, merchant processing, patient statements, payer credentialing services, website design services and more	EDI-Health Group Inc.	Scott Wellwood president (800) 576-6412 / (800) 866-0006	
10	Biolase Inc. 27042 Towne Centre Drive, Ste. 270 (12) Foothill Ranch 92610-2811 Irvine Website: biolase.com Email: info@biolase.com		56 40%	147 13%	\$23 million -40%	Medical device maker		John R. Beaver CEO/president (949) 361-1200/(949) 273-6677	

Abbreviations: NA: not applicable; NR: not ranked; wnd: would not disclose

Note: To the best of our knowledge, this information is accurate as of press time. While every effort is made to ensure the accuracy and thoroughness of the list, omissions and typographical errors sometimes occur. Unless otherwise noted, the information on this list was provided by the companies themselves. List may not be reprinted without permission of the editor. Photos show the first top official listed.

⁽¹⁾ Business Journal estimate

⁽²⁾ Reflects parent company











Researched by Meghan Kliever

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11 (11)	Planet DDS 3990 Westerly Place, Ste. 200 Newport Beach 92660-2312 Newport Beach Website: planetdds.com Email: info@planetdds.com		56 37%	140 92%	\$19 million 46%	Cloud-based dental practice management software and services for dental groups and solo practices		Eric Giesecke CEO (800) 861-5098/(714) 242-2060	
12 (10)	Western Dental & Orthodontics 530 S. Main St. Orange 92868-4525 Orange Website: westerndental.com Email: corporate@westerndental.com		50 ⁽¹⁾ NA	4,000 ⁽¹⁾ NA	\$250 million ⁽¹⁾ NA	Braces, aligners, implants, dentures, crowns, bridges, at-home dental care kits		Daniel D. Crowley chairman/CEO (800) 579-3783	
13 (13)	Pacific Companies Inc. 75 Enterprise, Ste. 220 Aliso Viejo 92656-2626 Aliso Viejo Website: pacificcompanies.com Email: info@pacificcompanies.com		36 -18%	36 -18%	wnd	Permanent and locums tenens healthcare recruitment for physicians, nurse practitioners, advanced practice providers, and dentists		Gary Cook CEO/president (714) 619-3080/(800) 741-7620	
14 (14)	DiamoDent 1580 N. Harmony Circle Anaheim 92807-2092 Anaheim Website: diamodent.com Email: jrassoli@diamodent.com		15 ⁽¹⁾ NA	16 ⁽¹⁾ NA	\$2 million ⁽¹⁾ NA	Offers high precision prosthetic dental implant components and tools that are compatible to most major dental implant systems		Jeff Rassoli president (714) 701-0171/(714) 701-0176	
15 (NR)	Virtual Dental Care Inc. 5319 University Drive Irvine 92612-2965 Irvine Website: get.teledentix.com Email: d gates@virtualdentalcare.com		8 60%	12 50%	wnd	Telecommunication tools: live video, recorded video, chat, text, email, image and document uploads; some modules include consultation network management, patient engagement tools, peer-to-peer record collaboration		Richard Lee/Bill Jackson co-founder, CEO/co-founder, COO (800) 838-9897	

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