



THE DUTCH DENTAL CARE MARKET

AN M&A TREND REPORT BY IMAP NETHERLANDS

INTRODUCTION

IMAP Netherlands, a leading independent M&A boutique, is home to a team of seasoned professionals with deep industry expertise and a proven track record of delivering exceptional results.

This M&A trend report is based on insights from recent transactions in the dental care sector. It offers a unique perspective on market trends, key drivers, and emerging opportunities, supported by ongoing deals expected to close soon.

For more information on what IMAP Netherlands can do for you and your business, please contact Cees van Vliet or Jeroen van Mil.



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General M&A Market Developments

The dental care market is experiencing positive trends, driven by increasing consolidation and evolving demographic dynamics. In the Netherlands alone, approximately 4,400 dental care practices generate over EUR 3.2 billion in services annually. The sector is undergoing significant transformation, marked by a decline in the number of active dentists and an aging population. These factors, combined with growing consolidation, are key drivers of acquisition activity and reshaping the competitive landscape.

Buyer sentiment

- Many private equity investors in the dental care market have switched their portfolios from a defensive stance to an offensive stance with respect to both add-ons and platform acquisitions.
- High levels of remaining liquidity for private equity funds are increasing the pressure to invest; investors remain however, strongly focused on A-quality assets. A-quality is mostly defined as stable, larger practices (> 4 chairs) with high quality management.
- The dental care market is witnessing continuous consolidation, as plenty of investors actively compete to acquire the most promising assets and expand their existing portfolios.

Valuation

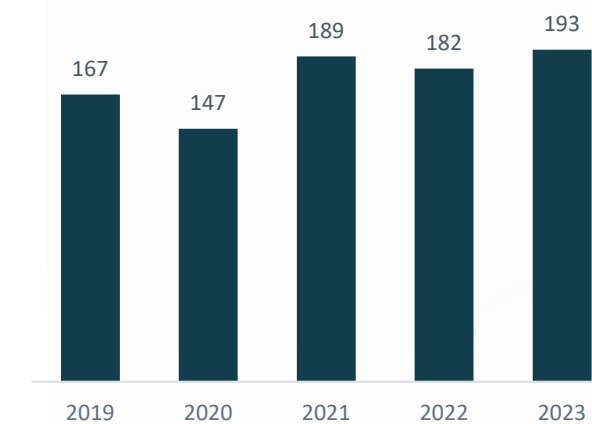
- Valuations are often expressed as a multiple of the EBITDA.
- These valuations have been very high in the past years due to the high demand for assets and the recurring nature of dental care business models. This is underscored in part by the transaction volume, which has been at peak levels in the past 3 years.
- While valuations remain high, they have diminished slightly in the past year due to increasing interest rates.
- A-quality assets continue to increase interest and competitive valuations, while average companies benefit from the sector-wide interest from multiple competing buyers.

Economic Expectations

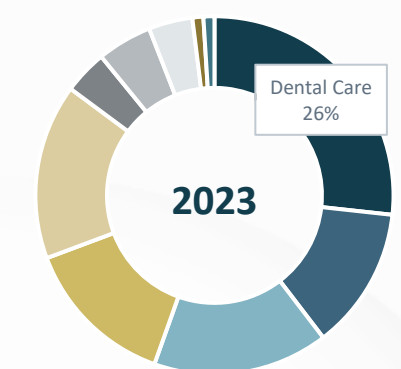
- Dutch economic growth for 2025 -2026 (1.5%) is expected to be modest, mainly due to high inflation rates;
 - Decreasing household expenditure;
 - Shortage of labor.
- Despite patient choice slightly affecting the utilization of dental care services, the industry remains robust in times of economic downturn as patients value regular dental check-ups and cleanings for preventing dental issues and promoting long-term dental health.



of Healthcare M&A transactions in the Netherlands



NL healthcare transaction distribution by sector





Annual spending dental health care

\$ 3.2 B 

In 2024, the expected spending on dental health care in the Netherlands is EUR 3.2 billion. This is 2.9% of all healthcare spending.

CAGR healthcare spending

2.9 % 

Health care spending is increasing by an average of 2.9% per year. In 2024 healthcare spending is expected to amount to over EUR 109.2 billion.

Average practice size

3.2 chairs 

In 2024, a dental practice has an average of 3.2 treatment chairs. This shows an increase from the average 2.8 chairs in 2021.

Dental Ratio

1,865 

The dentist ratio in the Netherlands is 1,865, which means that per dentist there are 1,865 inhabitants.

Age of dentists

44.9 Years 

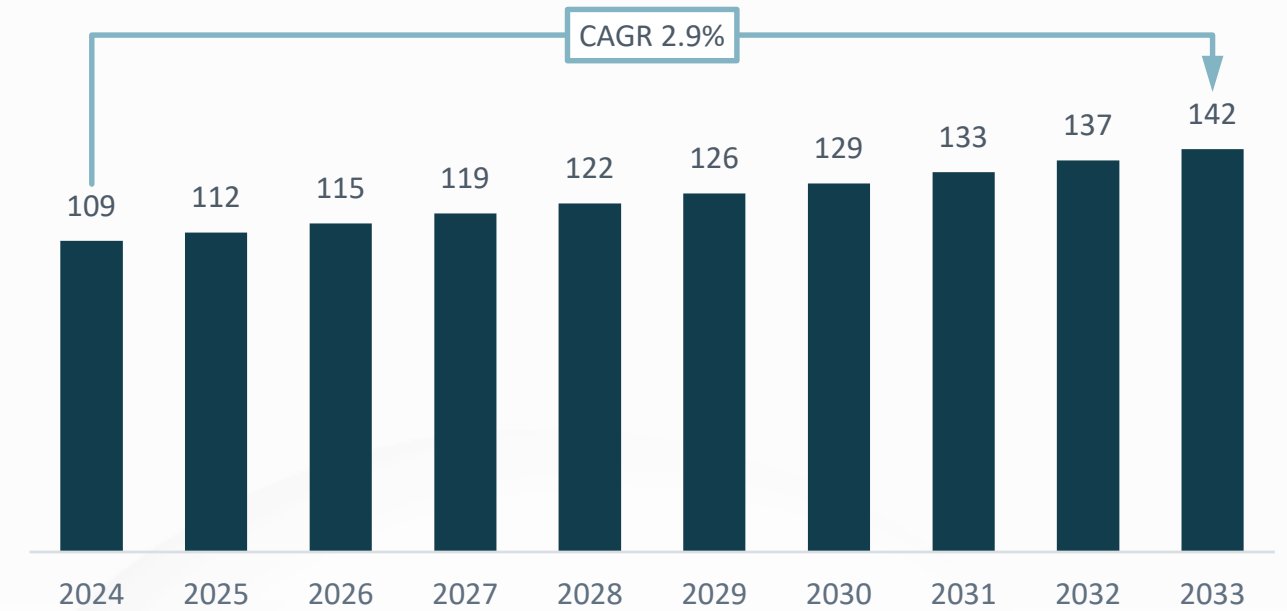
Dentists are on average 44.9 years old. 19% of dentists belonging to the active profession are between 60 and 67 years old.

Number of practices

4,400 # 

There are approximately 4,400 dental care practices in the Netherlands. The number of practices has decreased significantly from 4,725 practices in 2021.

Annual health care spending Netherlands (EUR billion)

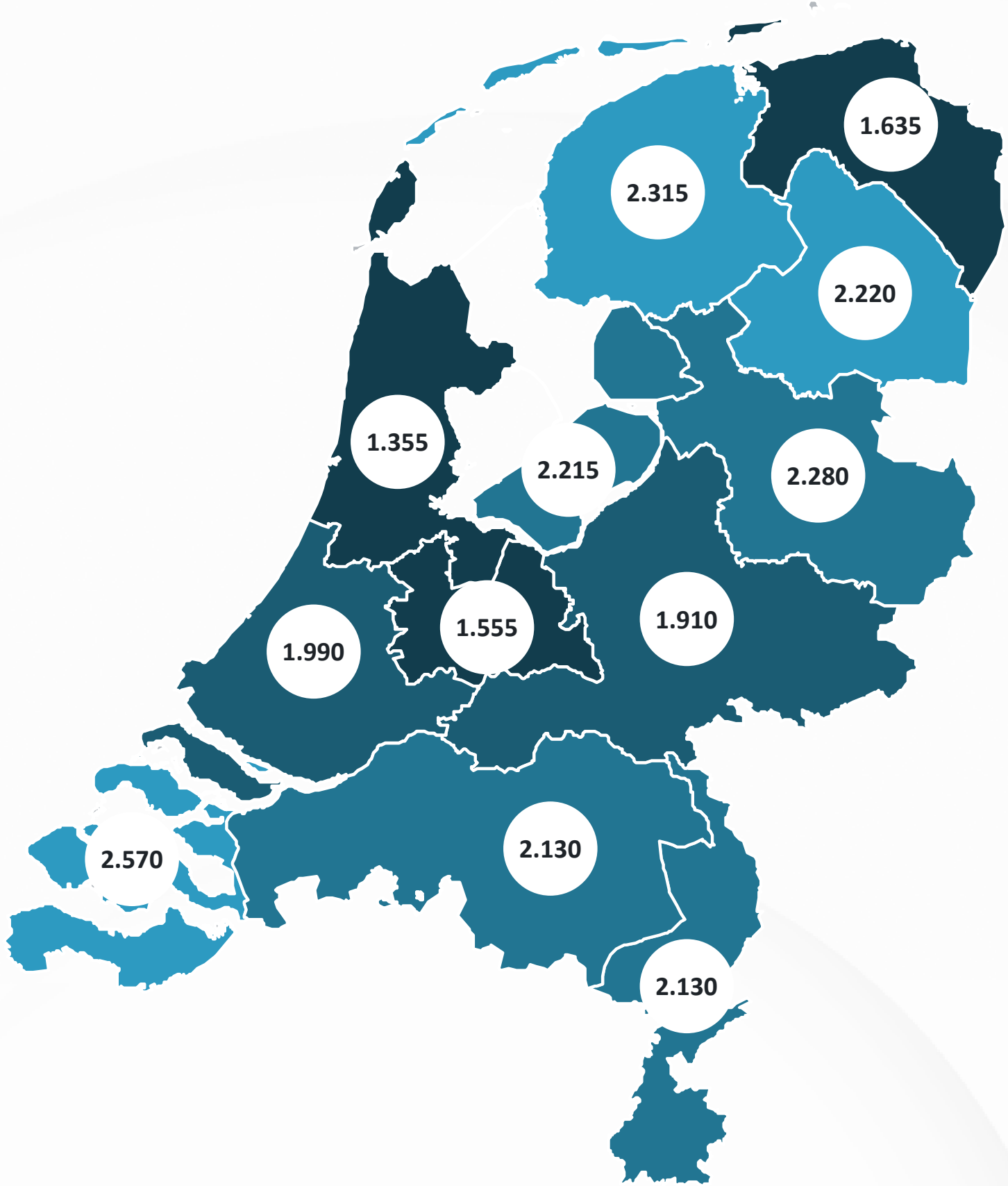


Distribution of practices by type (2024)



Bronnen: JBR Zorgsamenwerkingsmonitor 2024, ABN AMRO Brancherapport 'Mondzorg in Beeld 2024', CBS, RIVM, KNMT

Dental ratios of the Netherlands by province in 2024



General M&A Market Figures

The dental care sector in the Netherlands is characterized by a stable number of active dentists, with approximately 9,376 currently practicing. This stability is maintained by the annual entry of around 275 new dentists, while about 280 retire each year.

Across the country, there are 4,400 dental practices, each with an average of 3.2 treatment chairs. Notably, over 13% of these practices are now part of a dental chain—up from just 5% in 2014—a trend expected to grow rapidly, particularly outside major cities.

Additionally, women represent 50% of all active dentists, a figure likely to increase as the majority of new dentists under 29 are female (69%).

Financial M&A Market Figures

In the Netherlands, approximately 80% of the population visits the dentist at least once a year, resulting in an average revenue of EUR 235 per active patient.

A full-time dentist generates an average turnover of EUR 230k per chair, contributing to the total annual expenditure on dental care of EUR 3.2 billion. While part of this spending is covered by basic insurance, 79% of adults also have supplementary insurance for dental care.

With an aging population, the average revenue per active patient is expected to grow in the coming years.

Bronnen: KNMT, ABN AMRO Brancherapport 'Mondzorg in Beeld 2024', BNR

Trends & Developments



The past two years have seen a sharp rise in so-called **zero practices**. These are practices with no client base that open independently. They are driven by factors such as the mismatch between supply and demand, competition from chains, the price-driving effect on acquisition costs, and the dental shortage.



Currently, the **number of dentists remains stable**; the annual inflow is similar to the outflow. In addition, the number of female dentists that will work part-time is increasing. This shortage is met by an influx of foreign dentists.



Through **economies of scale and delegation** of tasks, there is more room for specialization within the practice.



The demand for **preventive and aesthetic** dental care is increasing. Dental care practices that can meet this demand will benefit.



The Dutch population is **ageing**. As a result, the demand for more complex health care is raising. Elderly people also increasingly want to retain their own elements and so the demand for solutions to this will increase.



An increasing number of dental health practices are joining dental chains. These chains benefit from greater operational efficiency and stronger purchasing power compared to independent practices, often backed by investment companies.



M&A Trends & Developments

Accelerating Growth



- Dental chains tend to have a strong vision for acquisitions through a 'buy-and-build' strategy, as they accelerate growth by integrating the acquired practices within the existing organization.
- Patients often stay with their dentist for a long time, which is why an acquisition is often the fastest way to expand the patient base.

Economies of Scale and Synergies



- Back-office centralization enables the implementation of a more efficient operational model.
- Collaboration within the practices or chain using team concepts, whereby specialists are involved but the dentist remains responsible, improves the quality of services to patients.
- Centralized purchasing or fixed price agreements with suppliers improves procurement conditions.

Fragmented Landscape



- Despite many (recent) acquisitions, the industry is still fragmented, with a small number of relatively large chains, many medium and smaller chains and independent practices, only 13% of practices is part of a chain.
- In addition, chains can often provide the right solution for the independent practices with a succession issue.

Geographic Growth and Increase Market Share



- An increasing focus on creating a regional or national network coverage of practices will enable patients to be more broadly served and leverages cross-sell opportunities.

Taking Advantage of Opportunities in Innovation and Development



- Dental chains typically have a greater capacity to invest in and share knowledge about innovations through collaboration, while also leveraging technical and digital opportunities.



Selection of our Sector Experience



de tandartsengroep
de toekomst in de praktijk

ACQUIRED 100% OF BUSINESS OPERATIONS

MondZorg
Dordrecht
Tandheelkundig Centrum
Pijnacker

GEZONDHEIDSZORG

ADVISED ON SALE OF COMPANY



VITADENT
Voor de zorgafhankelijke cliënt
Mondzorg

ACQUIRED 100% OF BUSINESS OPERATIONS

NOVIACURA
de nieuwe weg naar zorg

GEZONDHEIDSZORG

ADVISED ON PURCHASE OF COMPANY



BED & MED
CAPITAL INVESTMENT

ACQUIRED

makdo
MONDZORG PRAKTIJEN

GEZONDHEIDSZORG

ADVISED ON SALE OF COMPANY



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