



QUARTERLY MARKET REPORT

Dental Market Report

Q4 2026

Learn how the dental industry continues shifting and adapting. TUSK Practice Sales' report will feature insights into the macroeconomic environment, practice transitions, DSO and private equity investment strategies, and an end-of-year outlook.



EXECUTIVE SUMMARY

What 2026 Means for Your Transition Options

If you own a dental practice and are weighing what comes next, this year has given you plenty to consider. DSOs and private equity groups are expanding into new states. A few large platforms have reset their finances, and more groups are preparing recapitalizations or public offerings. Borrowing costs rose in September, and the next generation of dentists is entering practice with record debt. This report recaps the third quarter and the year to date, explains what each development means for owners, and outlines what to expect through December.



01

DSOs and Private Equity Groups Keep Expanding

Large platforms are combining, adding regional groups and entering new states. A few that took on heavy debt in 2021 have reset their balance sheets and are focused on operations.



02

More Groups Are Heading to Market

Given the fact that there are over 20 DSOs 7+ years into their hold period, we expect many of them are preparing to go to market in the next 12 months. DSOs preparing for recapitalization are looking to partner with healthy practices to increase attractiveness in the market.



03

Financing Is Tighter and Costlier

The Fed raised rates in September, and new SBA underwriting rules took effect on October 1. Associates interested in acquiring or opening a dental practice face financing constraints in today's market, paired with their existing levels of educational debt.



04

Ownership Is Changing, and So Are Your Options

Ownership has dropped from 85% of dentists in 2005 to 73%, and DSO affiliation has more than doubled since 2015. Owners 5 to 10 years from an exit should map every path now.

About TUSK Practice Sales

TUSK is a sell-side healthcare M&A advisory firm. Our team brings 125+ years of combined industry experience and has advised on more than \$1.5B in transactions, representing practice owners and never buyers. In dental, we advise general and specialty practices, including orthodontics, pediatrics, oral surgery, periodontics, endodontics and prosthodontics, on partnerships with DSOs and private equity groups.

SECTION 01 · STATE OF THE INDUSTRY

DSOs and Private Equity Groups Continue Acquiring

Activity in Q3 concentrated among groups with capital and a clear integration plan. Much of the announced volume is add-on acquisitions and de novo openings rather than platform-level M&A.

SGA, Gen4 and Modis announced on Jun 17 that they are combining under the SGA banner (Thurston Group), creating a platform with more than 250 locations and 500 dentists across 26 states. Heartland Dental added Foundation Dental Partners on Oct 2, bringing 33 supported practices across Georgia, Tennessee, South Carolina and Kentucky into its network. Dental Care Alliance (June) and Affordable Care (August) reset their capital structures and extended maturities to 2031.

DSOs Are Entering New States

One of the clearest signs of an active acquirer is a willingness to open a state where it has no presence. A broad mix of DSOs did exactly that in 2026, from implant and pediatric specialists to general dentistry platforms, and a Canada-based group entered the US for the first time.

Regulation is one reason groups enter new states. North Carolina is a recent example: effective July 7, 2026, Session Law 2026-41 no longer requires dental management arrangements between practices and DSOs to be submitted to the State Board of Dental Examiners for review before they take effect. Fewer administrative delays and lower transaction costs can help DSOs and private equity groups move faster, though the Board can still investigate these arrangements and enforce the Dental Practice Act.

Where DSOs Planted Flags in 2026

Representative map of new-state entries announced this year (not exhaustive)



Sources: Becker's Dental Review; Group Dentistry Now deal roundups; company announcements (see Sources)

WHAT THIS MEANS FOR YOU

If you practice in or near one of these states, new local buyers may be interested in practices like yours. This has expanded the buyer pools for many dental practices. Even where no new entrant has appeared, DSOs and private equity groups are still willing to commit capital to unfamiliar markets.

Hold Times and Exit Supply

Private equity sponsors have held many dental platforms longer than planned. PitchBook's Q2 2026 healthcare services report found **20 or more PE-backed dental companies held seven years or longer**, a count shared with five other healthcare services categories. Across all healthcare services, PE deal count fell 18.5% year over year in Q2. Within dental, PE deal count fell 37.2% in 2025, while oral surgery rose 9.1%.

Sponsors with older platforms need a path to liquidity, and quality earnings are what make any path work. That keeps well-run practices in demand even as the overall deal count softens. DSOs in today's environment are attracted to businesses with low risk profiles with characteristics such as high margins, EBITDA between \$300K and \$3M, and synergistic operations with their existing systems. For large groups over \$3M of EBITDA, DSOs continue to come to the table with higher levels of scrutiny as they perceive these businesses as higher-risk investments.

DSOs Preparing To Go to Market

Given the fact that there are over 20 DSOs 7+ years into their hold period, we expect many of them are preparing to go to market in the next 12 months. TUSK Practice Sales continues to survey buy-side groups to understand how their market timing will impact their appetite for acquisitions. In the months leading up to a GTM, several DSOs will look to partner with healthy practices and grow their own EBITDA. Once new capital enters the market, TUSK anticipates a resurgence of M&A activity. Additionally, the IPO route is being considered by several groups, with Park Dental Partners leading the charge after its IPO in December 2025. Below is more information on what this means for practice owners.

The IPO Route: What It Means for the Industry and for Doctors

In a public offering, or IPO, a group sells shares to public investors and then reports its results every quarter. For a doctor who partners with a public company, that changes what you own, what you can see, and how decisions get made.

Where the Public Market Stands

Park Dental Partners (NASDAQ: PARK) is currently the only US dental service organization IPO. It priced Dec 3, 2025 at \$13 per share, raised about \$20M, and has about 4.5 million shares outstanding. Canada's dentalcorp listed in 2021 and was taken private in a transaction completed Jan 14, 2026.

What Changes for a Doctor Who Partners With a Public Company

- **Your equity can become shares.** Rollover equity may convert to public stock, usually with a lock-up period before you can sell. Its value then moves with the market, not with periodic private valuations.
- **You can see more.** Public companies file financials, debt levels, and strategy, so you can evaluate your partner in detail. Expect that same scrutiny to shape its decisions.
- **Decisions follow the quarter.** Hiring, new openings, cost control, and acquisition pace are managed against quarterly results. Public reporting also adds costs that private groups do not carry.
- **Stock can be part of the price.** Public shares can be used as currency, but a thin trading float means cash and seller notes remain common. Ask how much of your price is stock.

What Does Not Change

Dentists still own the clinical practices. In public dental service organizations, practices stay owned by licensed dentists, with the company providing administrative services under long-term agreements. State corporate practice rules apply to every group, public or private.

SECTION 02 · INSURANCE AND MACROECONOMIC ENVIRONMENT

Macroeconomic Forces and a Shifting Insurance Landscape

The dental industry, like many others, is impacted by macroeconomic forces alongside the current insurance landscape, which saw meaningful shifts this year.

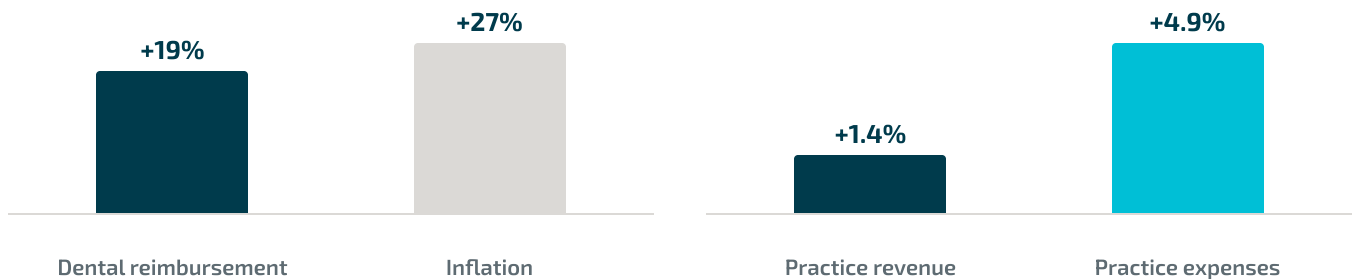
For owners, these forces matter in two ways. They shape what a buyer, whether a DSO, a private equity group or an associate, can finance, and they shape how much margin your practice keeps as costs rise and reimbursement lags.

Costs Are Outrunning What Practices Are Paid

Reimbursement versus inflation, and revenue versus expense growth

Cumulative change since Jan 2021

Five-year growth, general dentists



Source: ADA Health Policy Institute, Q2 2026 and 2025 practice data

- **The Fed.** The FOMC raised the target range by 25 bp to 3.75%-4.00% on Sept 16 (12-0). The Fed's projections cluster year-end rates at 4.1% to 4.4%.
- **SBA lending.** Most associates and new owners finance a practice purchase with an SBA-backed loan, and the rules for those loans changed on Oct 1 (SOP 50 10 8.1). As reported, lenders now want the practice's cash flow to cover its loan payments with a cushion (a 1.25x debt service coverage ratio), a seller note that stays on standby, with no payments, for 36 months, an independent quality-of-earnings review on deals above \$3M, and a 10-year maximum loan term. For a buyer, that means less room for error and more reliance on the seller. For dentists selling, it matters because an associate buy-in depends on it, so confirm the details with the lender.
- **Reimbursement and staffing.** ADA HPI shows reimbursement up 1.1% in H1 2026 against 1.8% inflation, and 36.8% of dentists are recruiting hygienists, 87.7% of whom call it very or extremely hard. Today's operating environment continues to be a challenge for many practice owners.
- **Payers.** This applies mainly to practices in Delta Dental networks. The JPML ruled Oct 6th that five new suits stay in the Delta Dental antitrust MDL. Class certification was denied in September 2025, so dentists pursue claims individually. Separately, the ADA called for stronger oversight of dental insurance on Sept 18th, which concerns any practice that accepts insurance.
- **Medicaid and state law.** OBBBA Medicaid provisions begin phasing in from Oct 1, and Colorado cut Medicaid dental rates 2% effective July 1. State ownership and notice laws in California, Washington, Kentucky, North Carolina, and Illinois are also changing how deals are structured. Dentists must remain vigilant on state-level legislation.

WHAT THIS MEANS FOR YOU

Financing costs are rising and lender underwriting is tightening while margins stay under pressure. That favors owners with clean, documented earnings and a realistic view of whether their successor can finance a purchase. A seller note is increasingly part of the answer, and it works best when planned early.

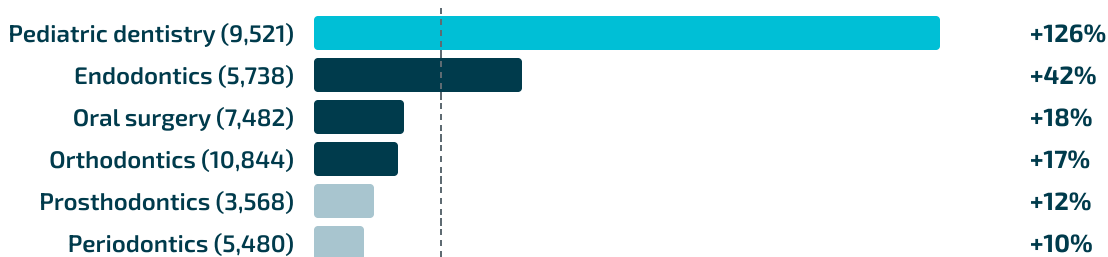
SECTION 03 · SPECIALTIES AND MULTI-SPECIALTY GROUPS

Specialties Are Growing at Very Different Paces

Since 2001, the profession as a whole has added 25.5% more dentists, but specialties have not grown evenly. Pediatric dentistry has expanded by 126% and endodontics by 42%, while the other specialties have each grown 10% to 18%.

Pediatric Dentistry Has Grown Fastest; Perio and Prostho the Slowest

Change in active dentists by specialty, 2001 to 2025. Dashed line: all dentists, +25.5%



Source: ADA Health Policy Institute, Supply of Dentists in the U.S. 2001-2025, Table 4. Counts overlap across specialties.

ORTHO-PEDO: A GROWING POINT OF INTEREST

OSOs that once focused exclusively on acquiring pure-play orthodontic practices have shown more interest in partnering with multi-specialty practices that contain orthodontic and pediatric service lines. The draw is the natural progression of patients from one service to the other.

These are not necessarily the most attractive businesses for every buyer, and that depends on the buyer. They are, however, regarded more positively than in past years. Orthodontist-owned practices fell from 80% in 2018 to 68% in 2025 among AAO survey respondents.

Behind these growth rates are the newest dentists, who are entering the profession with an average of **\$297,800 in education debt** (ADEA, class of 2025). That debt shapes who can buy a practice, how they finance it, and whether they want to own at all.

SECTION 04 · DEMOGRAPHICS AND OWNERSHIP

Practice Ownership Is Shifting & What It Means for Exit Strategies

For dentists expecting to exit their practice in the next 5 to 10 years, four forces are driving shifts in how they should be exit planning.

The Lending Environment & Its Threat to Doctor-to-Doctor Sales

Associates or recent graduates who want to buy in face higher rates, tighter SBA underwriting and longer seller standby periods, on top of nearly \$300K of education debt. Lenders increasingly expect a 10% to 25% seller note for doctor-to-doctor transitions. In a seller note, the selling dentist provides part of the purchase price as a loan to the buyer: rather than receiving full payment at closing, the seller is paid that portion over time, with interest, out of the practice's earnings.

The math shows why this is hard. Take a practice that generates \$1.5M in annual revenue. If it is priced at 70% of revenue (an illustrative figure), the price is \$1.05M. With a 10% to 25% seller note, the buyer still needs to borrow roughly \$790K to \$945K. At an interest rate near 10%, a \$900K loan over 10 years costs about \$11,900 a month. A graduate who already carries \$300K or more in education debt would then owe roughly \$1.2M in total, before living expenses or the cost of running the practice. Even a practice of modest size can sit out of reach.

The gap is wider for specialists. The American Association of Orthodontists reports that the average orthodontic resident graduates with \$567,000 in federal student loan debt, nearly double the \$297,800 average for the class of 2025, so an orthodontist financing a \$900K practice loan would carry nearly \$1.5M. For a selling owner, this means the associate in your practice may be your most natural buyer and still be unable to finance a purchase.

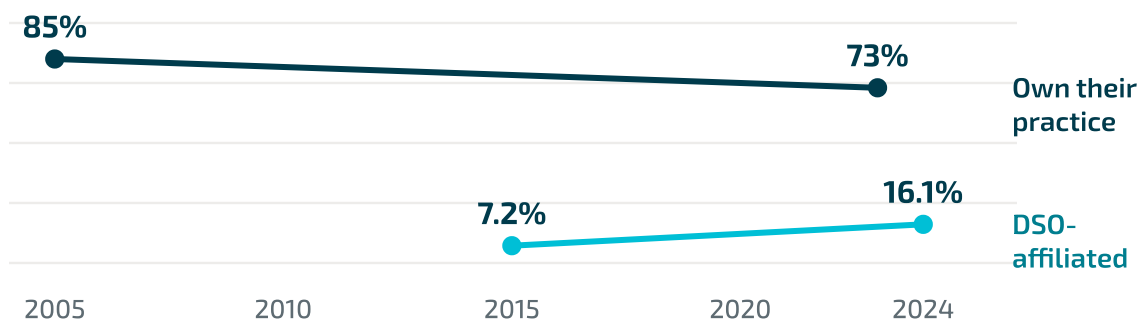
How Dentists Practice

In 2024, **34%** of dentists worked in a solo practice, **39%** in a single-location practice with more than one dentist, and **11%** in practices with 100 or more locations (ADA HPI). Among dentists 5 to 9 years out of school, 21% own a practice, compared with 90% of those 25 or more years out.

That split tells you where owners are in their careers. Ownership is concentrated among dentists in the later stages of practice: 33.8% of dentists are 55 or older, and the average retirement age has risen from 64.7 in 2001 to 68.7. The dentists who would be their natural buyers are earlier in their careers, and a growing share of them are choosing employment with a group instead: 26.5% of dentists up to 10 years out are DSO-affiliated, versus 9.1% of those 25 or more years out. For an owner planning to exit in the next 5 to 10 years, the pool of doctors who both want to own and can finance a practice is smaller than it was when you bought yours, and groups are increasingly where early-career dentists are choosing to work.

Ownership Is Slipping While DSO Affiliation Climbs

Share of US dentists, by year available



Source: ADA Health Policy Institute. Affiliated is broader than equity ownership.

The Growing DSO Footprint

DSO affiliation grew from 7.2% of dentists in 2015 to 16.1% in 2024. New-state entries and add-on acquisitions continue to widen the number of DSOs and private equity groups available for dentists to partner with. Market forecasts point the same way: Polaris Market Research projects the global DSO market to grow at a 17.4% compound annual rate through 2032, while IMARC projects US dental services overall to grow about 4% a year from 2026 to 2034.

Projected Annual Growth: DSOs Versus Dental Services

17.4%

Global DSO market, annual growth rate through 2032

About 4%

US dental services overall, annual growth rate, 2026 to 2034

Compound annual growth rates as projected by market research firms (Polaris Market Research; IMARC Group). The two cover different scopes, so read them for direction only.

Generational Attitudes Toward Ownership and Risk

The ADA Health Policy Institute attributes much of the decline in ownership to generational preferences about lifestyle, work and mobility, and its research suggests debt is not the main driver. The share of dental school seniors planning to join a DSO rose from 12% in 2015 to 30% in 2020. HPI also finds that younger dentists still become owners, only later: 21% of 2016–2020 graduates owned a practice at the 5-to-9-year mark versus 33% of 2011–2015 graduates, and by 15 to 19 years out the gap narrows. The associate in your practice may well want to own someday, and may not want to, or be able to, take on the debt to do it today.

33.8%

of dentists are 55 or older

68.7

average retirement age, up from 64.7 in 2001

\$297.8K

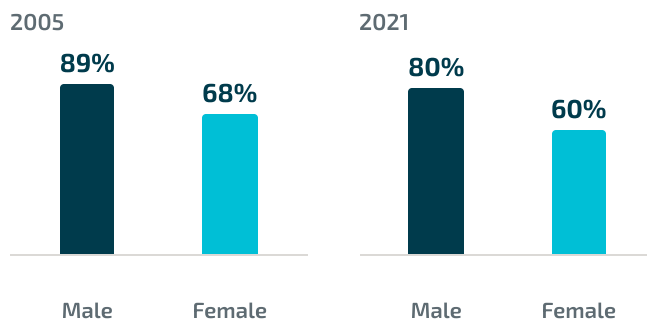
average education debt, class of 2025

26.5%

of dentists up to 10 years out are DSO-affiliated, versus 9.1% of those 25+ years out

Women Are Less Likely to Own at Every Career Stage

Share of US dentists who own their practice, by gender



Source: ADA Health Policy Institute webinar (Mar 2022), via DrBicuspid; ADA News (June 2025)

Women make up 39.4% of dentists and about half of those 35 and under. ADA Health Policy Institute data show women are less likely to own a practice at every career stage: **60% versus 80% in 2021**, with ownership rates about **16 percentage points lower early in their careers** (ADA News, June 2025). In 2024, 17.6% of female dentists were DSO-affiliated versus 14.8% of male dentists.

The ADA lists shifting preferences, including work-life balance, educational debt, and demographics as possible factors as to why women dentists are less likely to own a practice.

Three Paths Worth Mapping

Every owner's situation is different, and the right answer often combines more than one of these. The point is to evaluate each with real numbers before deciding.



PATH 1

Sell to an Associate

Keeps the practice in familiar hands. Plan for a seller note, a longer payout, and a financing process that depends on the associate's debt capacity. This transaction will be priced on a percentage of collections.



PATH 2

Sell to a DSO or Private Equity Group

Opens the widest set of potential partners and a full exit, often with a transition period of continued practice. Structure, governance, and the partner's financial position matter as much as the offer.



PATH 3

Sell a Stake and Keep Leading

You do not have to sell 100% of your practice. Selling a percentage to a DSO or private equity group allows you to de-risk, take money off the table, and keep your leadership role, with retained equity that can participate in a future sale.

Bringing Your Associate Along

A transaction with a DSO or private equity group does not have to leave your associate behind. Many owners are gifting partnership stakes to their associates as part of the deal, giving the associate a route to ownership without a buy-in loan and rewarding the doctor who helped build the practice. How this works depends on the buyer's partnership model, how equity is issued, and how the stake is valued and taxed, so it needs to be negotiated and documented as part of the transaction, with legal and tax counsel involved early.

WHAT THIS MEANS FOR YOU

Owners within 5 to 10 years of an exit have time to compare every path, and that time is an advantage. Run the numbers on each one, including a partial sale and an associate partnership, before you decide which fits your goals.

SECTION 05 · KEY TAKEAWAYS

Four Moves for Owners Planning an Exit

01

Vet the DSO or PE Group as Hard as the Offer

Capital position, ownership and acquisition capacity belong in diligence. Recapitalizations and public offerings are reasons to ask, not reasons to worry.

02

Watch Who Is Expanding Near You

New-state entries and regional add-ons mean new potential partners in markets that did not have them last year.

03

Map Every Path Before You Exit

Compare an associate sale, a DSO or PE sale and a partial sale with real numbers, 5 to 10 years ahead, and ask whether your associate can share in the deal.

04

Run a Process That Shows You the Market

Every TUSK go-to-market puts a group in front of hundreds of buyers. Seeing the full range is what lets you choose well.

Thinking About a Transition in the Next 5 to 10 Years?

Start with a confidential conversation. We represent sellers only, charge no retainers and are paid only when a deal closes, so our interests stay aligned with yours.

TuskPracticeSales.com

Sources

- **New-state entries:** Becker's Dental Review, DSOs planting their flag in new states in 2 weeks (Sept 29, 2026) and Where DSOs added the most in September (Oct 1, 2026); Becker's, DSOs kick off 2026: 5 notable moves (Jan 9, 2026) and Who's snatching up DSOs? 5 deals in 2026 (Oct 7, 2026); Group Dentistry Now, DSO Deal Roundups for July and August 2026.
- **Platform activity:** Group Dentistry Now and Becker's Dental Review roundups; Heartland Dental press release (PR Newswire, Oct 2, 2026); LevinPro; DrBicuspid; Milbank, Octus and Benesch coverage of the Dental Care Alliance and Affordable Care recapitalizations.
- **PE and market data:** PitchBook, Q2 2026 US Healthcare Services Report; Foley & Lardner, Q3 2026 PE exit data; TUSK webinar, August 2026.
- **Public offerings:** SEC filings and company releases for Park Dental Partners; dentalcorp and GTCR announcements; GMR Solutions IPO coverage.
- **Workforce and ownership:** ADA Health Policy Institute, Supply of Dentists in the U.S. 2001-2025, US Dentist Workforce 2025 and Q2 2026 Economic Outlook; ADA News, HPI: Younger dentists still become practice owners, just later in careers (June 2025); DrBicuspid, Practice ownership fades as the face of dentistry changes (Mar 13, 2022); ADA HPI brief, Practice Transitions and Career Satisfaction Among New Dentists; ADEA.
- **Macro and lending:** Federal Reserve (Sept 16, 2026 FOMC); Bureau of Labor Statistics (August CPI); SBA SOP 50 10 8.1; AAE Q1 2026 market landscape; AAO; AAOMS; HRSA.
- **State regulation:** North Carolina Session Law 2026-41 (effective July 7, 2026), as reported by Holland & Knight, Dykema and DrBicuspid.
- **Education debt and market forecasts:** American Association of Orthodontists, AAO Leading on Student Loan Debt Challenges and Opportunities (2026); Polaris Market Research, Global Dental Service Organization Market; IMARC Group, US Dental Services Market.

For general information only; not legal, tax or financial advice. Figures are drawn from the sources above as of October 2026.