

CASE STUDY

Midwest Oral Maxillofacial & Implant Surgery

Funding Growth and Liquidity

Our Client: Midwest Oral Maxillofacial & Implant Surgery (Midwest OMS) is the largest oral surgery and dental implant practice management group in the St. Louis region.

Situation: The group includes seven oral surgeons whose tenure with the group ranges from the founder's 18 years to the newest associate that had been with the group for less than 12 months. Although they had grown to be the largest oral surgery group in their market, the group was committed to additional growth. However, given the rapid changes occurring in the healthcare services environment, the group recognized they needed additional economic and strategic resources to maintain market leadership and achieve their growth objectives.

Challenge: While each of the surgeons was interested in continued growth, they did not share the same investment time horizons or risk profiles. Furthermore, each of the surgeons sought varying levels of liquidity in order to diversify their personal financial holdings. Finally, the group wanted to maintain the collegial culture and clinical excellence that was key to the group's success.

The Solution: The Fortune Group positioned the group as a platform poised for continued growth and expansion in a consolidating sector and pursued a select group of buyer prospects interested in partnering with the surgeons in a recapitalization transaction. As a platform, the group's surgeons, management, and support staff could maintain their culture and clinical standards while ensuring that future growth opportunities would align with these values. A recapitalization structure permits the group to "de-risk" its growth plans and gives each surgeon the opportunity to reinvest at a level that will allow him to achieve his individual financial objectives.

The Results: The Fortune Group's carefully managed sale process generated multiple attractive offers from buyers seeking to acquire healthcare practice management groups. From these offers, Midwest OMS selected a healthcare-focused private equity partner with a strong track record of growth at a valuation that far exceeded the surgeons' expectations. The recapitalization transaction permitted the surgeons to receive a significant portion of the transaction proceeds in cash at closing. In addition, each surgeon retained an individualized minority ownership interest in the group that will allow him to share in the financial upside of the group's future growth on a tax-efficient basis.

About The Fortune Group: Founded in 1987, The Fortune Group is a mergers and acquisitions advisory firm serving middle market companies considering a sale or recapitalization of their business. With over 200 years of combined dealmaking experience, the firm has established itself as a leader in creating value for its clients by completing transactions that meet both financial and strategic objectives. Learn more at fortunegrp.com.

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