

Project Smile

Request: Up to \$500,000 Senior Debt and Growth Capital

Project Smile (“Company”) provides aligners, both brackets and clear, to dental patients to improve their smile thru a network of 10,000 trained dentists in the US and a few countries abroad. The Company is comprised of a seasoned management team and a single shareholder whom purchased it March of 2019. The Company is seeking up to 500,000 in senior debt by the end of the year, and an additional up to \$1mm in growth capital to expand its network throughout Europe.

The company operates in the short term ortho (“STO”) market which is large and quickly growing thanks to marketing and awareness from Invisalign and Smile Direct. Company is position in a way to capitalize on the growing market aligning with the dentists.

In addition to the strong U.S. market presence, the company has a strong international presence offering products in countries including Canada, Croatia, Germany, Ireland, and the United Kingdom. The company has plans to expand into Australia, New Zealand, Denmark, South Africa, Saudi Arabia, Japan, and China.

The Company was previously backed by a private equity group which sold the company to the current CEO, previously led a successful dental supply business, in early 2019 as the investment into digital and new aligner product was not something that fit the old fund’s objective and additional investment requirements. Currently, the new product line is expected to ramp up sales and ultimately become a big part of the company’s sales on a go-forward basis. Additionally, a partnership to offer patient financing is looking to kick off prior to year-end.

Project Smile

Profit & Loss (Accrual)

	Co-Prep 2017		Co-Prep 2018		T3M Annu. Sept 2019		Pro-Forma 2020		Pro-Forma 2021	
		%		%		%		%		%
Total Revenue	10,232,440	100.0%	7,860,020	100.0%	6,992,156	100.0%	8,708,000	100.0%	10,438,000	100.0%
Gross Profit	5,912,862	57.8%	4,055,820	51.6%	3,721,032	53.2%	5,151,390	59.2%	6,106,080	58.5%
EBITDA	702,375	6.9%	(1,298,535)	-16.5%	(599,627)	-8.6%	406,390	4.7%	981,080	9.4%

Investment Considerations

- Established invisible orthodontics company with over 10,000 trained doctors
- Aligned with dentists vs. direct to consumers
- Extensive international footprint and resources;
 - Currently in over 25 countries with plans to expand further
- Recent losses due to significant investment into digitizing business and product development
- New product offering and patient financing expected to ramp up sales by \$3.5M by 2021
- Expected to be cashflow positive in Q4 2019

Neil Johnson
Managing Partner
njohnson@lawrenceevans.com

Darin Soat
Analyst
dsoat@lawrenceevans.com

Tel: 614-448-1304