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Aug 14, 2015, 5:00am CDT

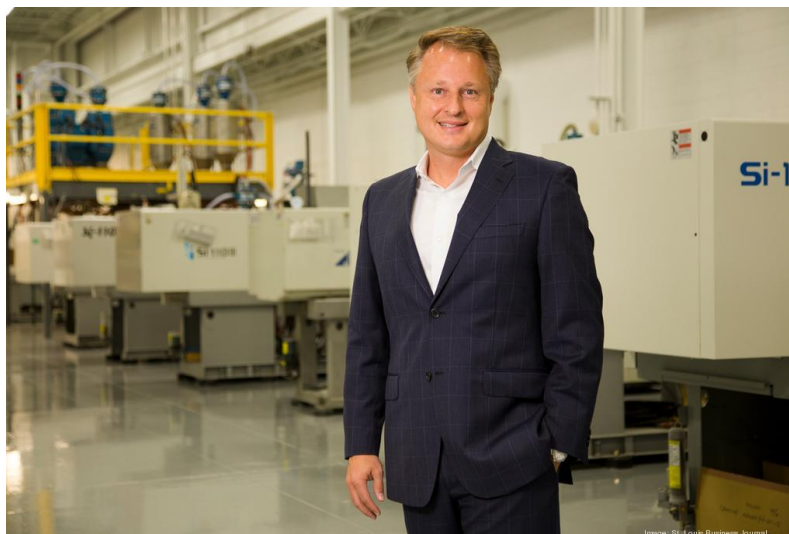
Young Dental adds jobs, products with acquisition

Corey Noles

Reporter

St. Louis Business Journal

Young Dental, an Earth City-based subsidiary of privately held Young Innovations Inc., is expanding its product lines and employment numbers. The company plans to add 40 jobs as part of a recent acquisition, a 36 percent increase from its current staff of 110.



Andreas Wolf | DILIP VISHWANAT

Andreas Wolf, vice president and general manager for Young

Dental, said the company closed this week on the purchase of the professional dental contract manufacturing division of Philadelphia-based Medical Products Laboratories. The division manufactures fluoride varnish, prophylaxis paste and other materials used in preventive and restorative dental procedures. Financial terms of the deal were not disclosed.

Wolf said a shift in trends among dentists nationwide over the last 10-plus years made the acquisition attractive to Young Dental. “This is an area prime for significant growth,” he said. “There’s been a switch among dentists from traditional fluoride foams and gels to fluoride varnishes in recent years. The acquisition will give us a larger role in that market.”

The newly acquired contract manufacturing operations will relocate from Philadelphia to Young Dental’s Earth City plant, but an exact date has not been set, Wolf said.

Young Dental manufactures a variety of professional dental products, with the production of prophylaxis angles — tools used by dentists to polish teeth — at the core of its business model. Production at Young’s 115,000-square-foot Earth City plant has been boosted to more than 90 million prophylaxis angles per year following its acquisition in November 2014 of four Oral-B products and licensing of its commercial line from

Procter & Gamble for an undisclosed amount. Oral care, including brands such as Oral-B, accounted for 7 percent, or about \$5.8 billion, of Procter & Gamble's \$83 billion in fiscal 2014 sales.

According to **Fred Freedman**, vice president of marketing and member relations for the Dental Trade Alliance, the Arlington, Virginia-based organization has seen a lot of growth in disposable dental equipment, such as the prophylaxis angles produced by Young Dental. "The disposables market has really grown, largely due to increased concerns regarding infection control," Freedman said. "The FDA is really encouraging everyone to take a hard look at their infection control policies."

With disposables, there is no need to sterilize after a tool has been used, which reduces the risk of poor or inadequate sterilization procedures.

Young Innovations Inc. was publicly held from 1997 until its purchase in January 2013 by Chicago-based private equity firm Linden Capital Partners for about \$314 million. Wolf said since moving back into the private sector, the company has had more financial resources at its disposal to use for growth.

"We've been able to complete several acquisitions in the last two and a half years," Wolf said. "Linden Capital is very interested in growing this company, so deals like this are just part of our growth strategy now."

Since its purchase by Linden Capital, Young Innovations no longer releases revenue figures. Young Innovations had 2014 revenue of about \$122 million, according to *Business Journal* estimates. The company posted a profit of \$16.5 million on revenue of \$106.2 million in 2011, according to its last public filing. Young Innovations had projected 2015 revenue of \$123 million, according to a January 2013 proxy filed with the Securities and Exchange Commission related to its sale to Linden Capital.