

1H'17 Results Presentation

March 2017



1300 SMILES
Dentists

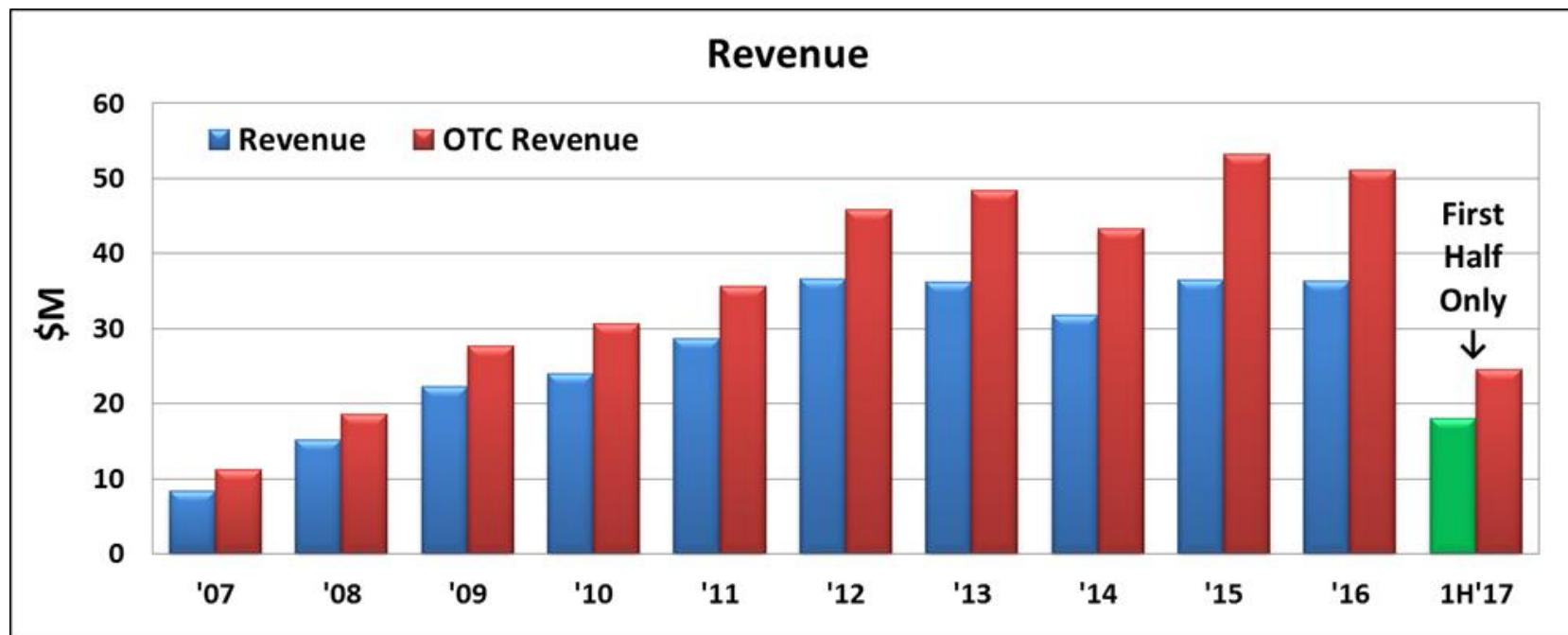
www.1300SMILES.com.au

Results Overview

	H1 FY2017 (\$m)	H1 FY2016 (\$m)	Change (\$m)	Change %
Statutory Revenue	18.0	19.0	(1.0)	-5.2%
Normalised Statutory Revenue	18.0	18.6	(0.6)	-3.4%
EBITDA	6.3	6.8	(0.5)	-7.0%
Exceptional items	-	0.4	(0.4)	
EBITDA excluding exceptional Items	6.3	6.4	(0.1)	-1.7%
Net Profit after Tax	3.8	3.9	(0.1)	-2.4%
Normalised Net Profit after Tax	3.8	3.6	0.2	4.5%
EPS (cents)	15.98	16.37	(0.4)	-2.4%
Normalised EPS (cents)	15.98	15.29	0.7	4.5%
Interim Dividend (cents)	11.25	11.00	0.25	2.3%

Normalised results exclude capital gain on asset disposal in the half year ended 31 December 2016.

Revenue

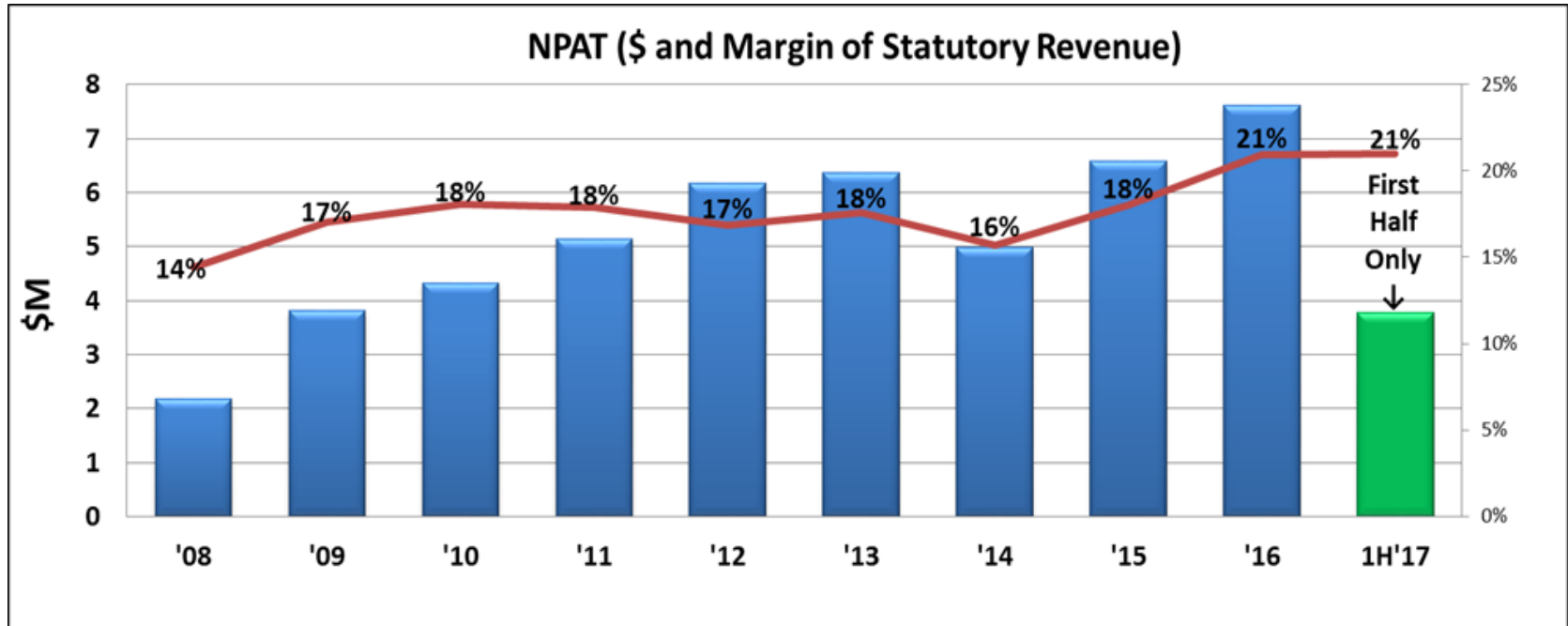


Reconciliation of OTC Revenue (non-IFRS) to Statutory Revenue per (Financial Statements)

	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	1H'17
OTC Revenue (\$m)	7.0	8.3	11.2	18.6	27.6	30.7	35.7	45.9	48.5	43.3	53.2	51.1	24.6
Less amount retained by self-employed Dentists (\$m)	1.6	2.1	2.8	3.4	5.3	6.8	6.9	9.2	12.3	11.5	16.6	14.7	6.6
Statutory Revenue (\$m)	5.4	6.2	8.4	15.2	22.4	23.9	28.7	36.7	36.2	31.8	36.6	36.4	18.0

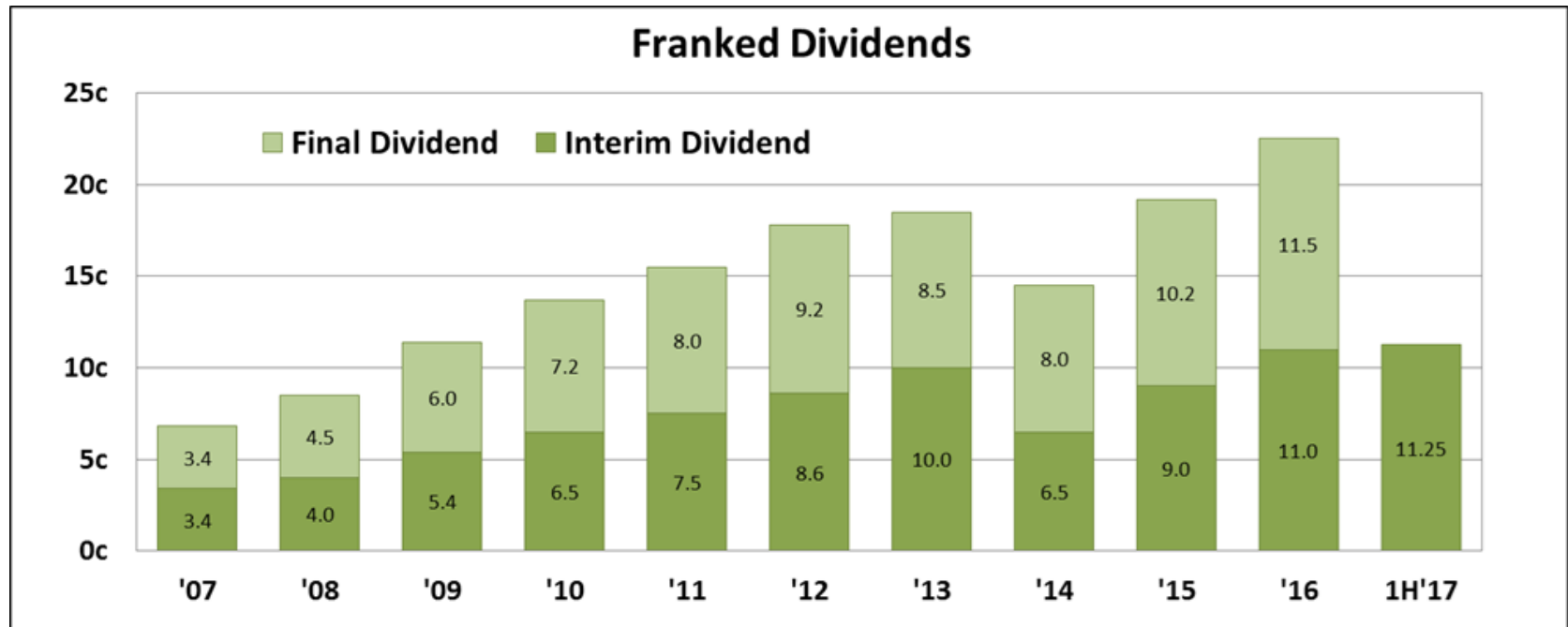
- Revenue (Stat) down 5.2% to \$18m & (OTC) down 6.1% to \$24.6m pcp
- Normalised Revenue (Stat) down 3.4% to \$18m

NPAT



- NPAT down 2.4% to \$3.8m
- Normalised NPAT up 4.5% to \$3.8m

Franked Dividends



- Interim Dividend up 2.3% to 11.25c (71% payout)

Cash Flow

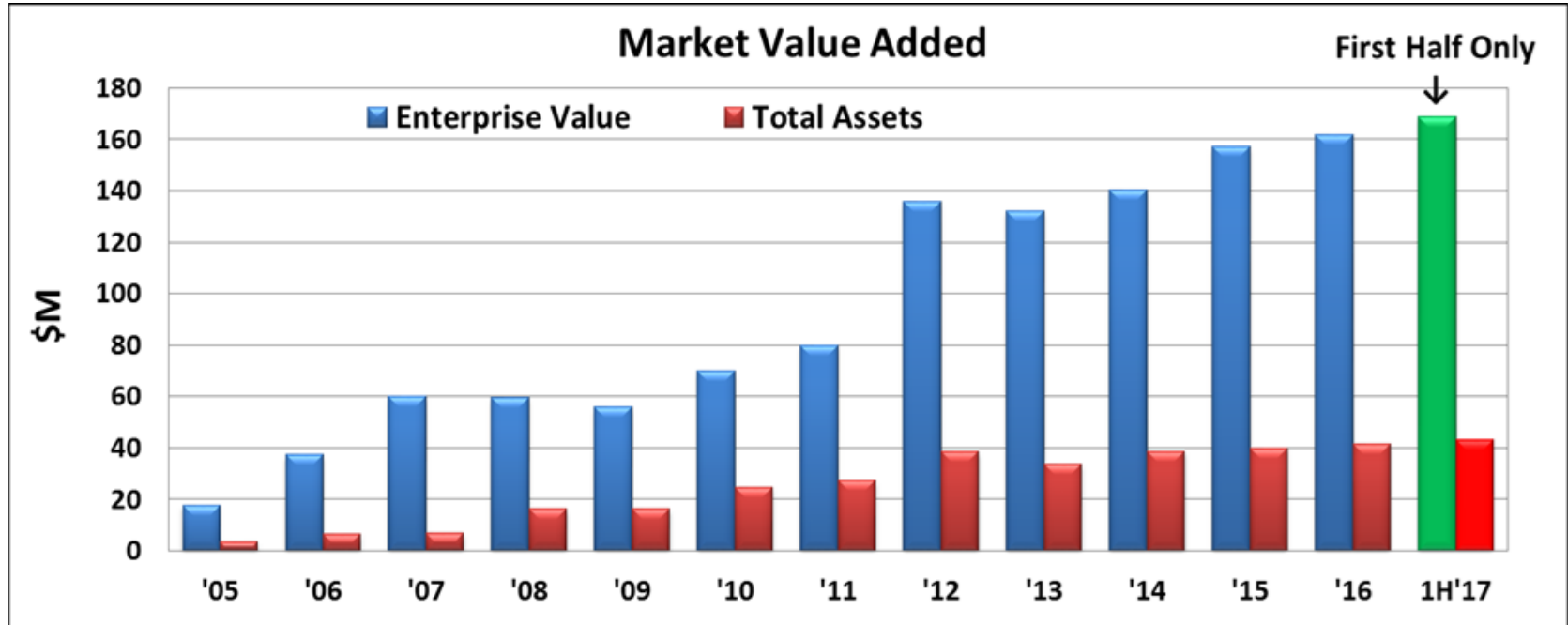
Continued strong cash conversion in H1 (94%) reflects effective working capital management.
No debt drawn down – self funding acquisitions at the end of H1FY2017.

	H1 FY2017 (\$m)	H1 FY2016 (\$m)	Change (\$m)
EBITDA	6.3	6.8	(0.5)
Ungearred, pre-tax operating cash flows	6.0	6.1	(0.1)
Cash Conversion %	94%	90%	5%
Net cash from operating activities	5.6	3.5	2.1
Net cash from investing activities	(1.8)	0.1	(1.9)
Dividends Paid	(2.7)	(2.4)	(0.3)
Net increase in cash and cash equivalents	1.05	1.14	(0.1)
Cash and cash equivalents at the end of half-year	8.59	7.42	1.2

Share Price History - Yearly



Market Value Added



"Enterprise Value" is a measure of the value of our business as determined by the market. It is calculated as the market value of all issued shares in 1300SMILES minus our net cash balance. It's counter-intuitive to subtract the cash balance, which is clearly a good thing, but this measure gets at the pure value of the operating business and ignores borrowings and cash holdings.

Acquisition and Expansion

Sydney

- Stanmore – new acquisition
- Waterloo – new acquisition



Townsville

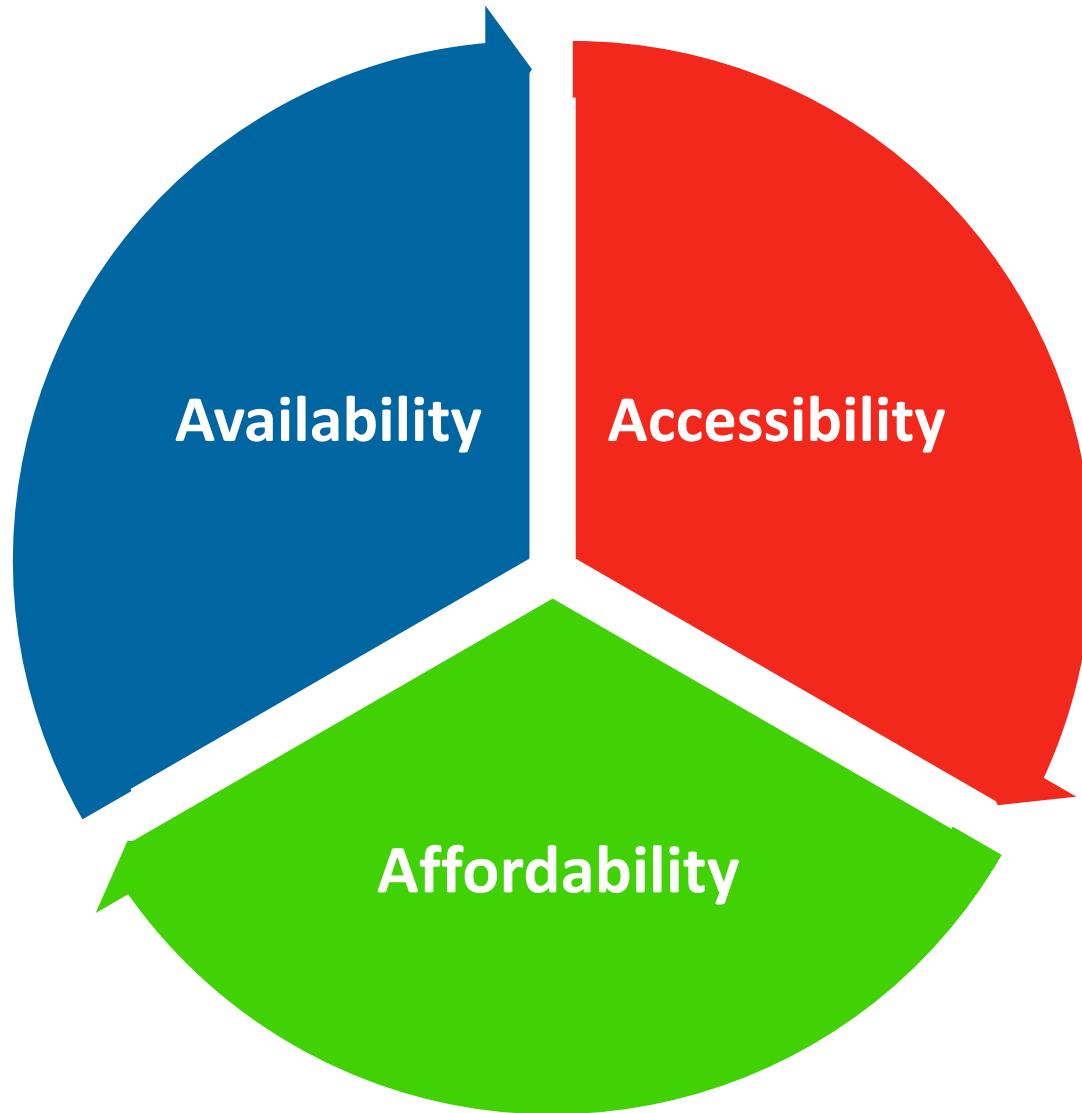
- Kirwan – new acquisition (Mar'17)

Cairns

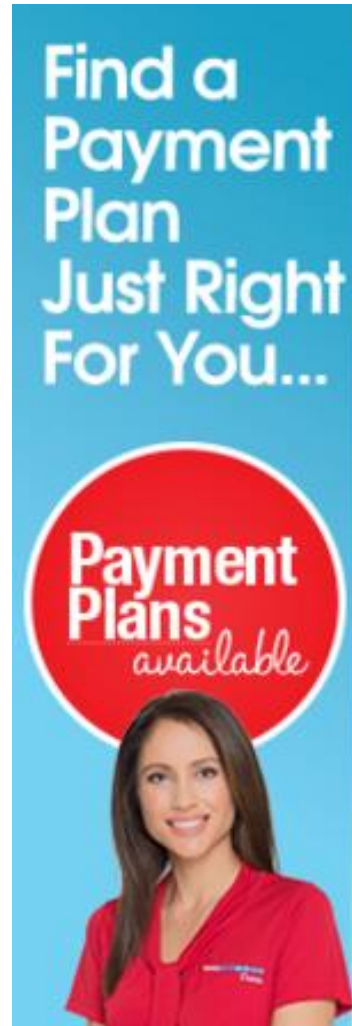
- Smithfield – relocation to larger, higher profile location, with increased foot-traffic, near shopping centre food court



Our Triple A's



DMA Treatment Plans & Vouchers



Industry Update

Industry Update

The overall dental industry in Australia is estimated to be worth \$10.1bn.¹

An estimated 32.9% of the \$10.1bn market is driven by preventative and diagnostic services.¹


The Dental Services industry is characterised by low market share concentration.¹

Supply of new dental graduates in Australia has increased significantly over the past few years.

There are approximately 15,000 dental practitioners in Australia today with the proportion of female dentists increasing to approximately 50% of the total.²

1 Ibis World, Dental Services in Australia February 2017

2 Dental Board of Australia Registrant Data as of December 2016



“Only when the *tide* goes out do you
discover who has been
swimming naked”

– *Warren Buffett*

OUR CORE VALUES

- We Care
- Treat others as you like to be treated
- Honesty and Integrity
- Excellence in everything
- Win-Win
- Social Responsibility

1300 Smiles™
We Care



Corporate/Social Responsibility



YWAM

Since 2010 YWAM Medical Ships has:

- Invested over 60million PGK into Papua New Guinea
- Seen 96,000 patients

In just 2016 to date, YWAM have seen 30,000 patients!

In 2016 alone, YWAM Medical Ships has:

- 194 PNG nationals directly engaged in the field
- Engaged 171 villages

In 2016 alone, *Townsville-based YWAM Medical Ship, MV YWAM PNG* delivered over **233,000 healthcare and training services to 42,000 patients in 208 remote villages**. This includes over **5,000 dental procedures**, and in-service training and mentoring for PNG dental professionals.

- There is just 1 dentist for every 100,000 people in PNG

YWAM





1300 SMILES
Dentists

www.1300SMILES.com.au