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ASX ANNOUNCEMENT

Pacific Smiles Group Limited (ASX: PSQ)

22 November 2023

2023 ANNUAL GENERAL MEETING

Pacific Smiles Group Limited (ASX: PSQ) will today address shareholders at its Annual General Meeting, commencing at 4:30pm AEDT.

Attached is a copy of the Address and the Presentation to be delivered by the Chairperson, Ms Zita Peach, and the Interim Chief Executive Officer, Mr Paul Robertson.

ENDS

Authorised for release by the Company Secretary.

For further information, please contact:

Investor Relations

Paul Robertson

Interim Chief Executive Officer

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Pacific Smiles Group Limited
2023 Annual General Meeting
Chairperson Script

Good afternoon, ladies and gentlemen. Welcome to the 2023 Annual General Meeting for Pacific Smiles Group Limited. I am Zita Peach, Chair of the Company and of today's meeting.

I would like to firstly acknowledge the traditional custodians of the land on which I stand today, the Gadigal of the Eora Nation people, and pay our respects to their Elders: past, present, and future. I'd also like to acknowledge the Elders of the land where each of you are today – noting that many of us are in different Cities and Countries for today's meeting.

It is now 4:30pm and there being a quorum present, I declare the meeting open for business. I confirm that the meeting has been properly constituted.

In opening the 2023 AGM I would like to introduce the board and management team of Pacific Smiles Group Limited who are in attendance

Directors in attendance include:

- Mark Bloom;
- Scott Kalniz (who is dialling in remotely);
- Jodie Leonard;
- Steven Rubic;
- Simon Rutherford; and
- Giselle Collins, who is a proposed Director seeking election at today's meeting.

Management in attendance includes Paul Robertson, our Interim CEO, and Matt Cordingley, our CFO.

We are also joined today by Belinda Cleminson, our Company Secretary; and Kevin Leighton from KPMG, the Company's Auditor. The auditors will be available to answer questions on the conduct of the audit and the Audit Report for the year ended 30 June 2023.

In terms of today's Agenda I will provide a brief address which will include highlights from the FY23 financial year, along with some comments on the growth foundations of our business. I will also provide some more colour on your Board of Directors, in particular those standing for election or re-election today.

Our interim CEO Paul Robertson will then provide a more detailed review of the FY23 financial year, followed by an overview of our growth strategy pertaining to our centres, stakeholder investments, partnerships, and finally an update on recent trading.

Then we will move to the Annual General Meeting business. The Board and management will take questions in relation to each of the resolutions, following which Shareholders will be invited to vote on each of the Resolutions. Each Director up for election or re-election will deliver a short address prior to the announcement of the relevant Resolution. This will then conclude the business in relation to the AGM, following which we will have a general

Question & Answer session for all shareholders. Please note today's meeting has been scheduled for one hour, which should provide sufficient time for the official business to be completed along with any additional questions shareholders may have.

As with our previous AGMs, the Shareholder's name will be announced prior to their question being asked.

We ask Shareholders to consider the following:

- Questions should be concise
- Similar questions may be grouped together, and a single response provided
- Questions must be confined to the particular item being discussed and to matters relevant to shareholders as a whole
- Questions and responses are to be informative and respectful and not contain defamatory, insulting or discourteous remarks
- Shareholders are limited to [one / two] questions at a time
- We ask that no recording devices are used during today's meeting and that shareholders do not publish any meeting materials without prior consent.

Turning to Slide 6. During fiscal year 2023, we experienced the return of many of our patients to our dental centres, after a period in which they were unable to see their dentists due to the COVID-19 pandemic and associated restrictions. This return in patient visits, combined with our efforts to enhance operational efficiency, led to a substantial improvement in both our operational and financial performance for the year.

Our FY23 results can be seen through the lens of five key interrelated elements that have combined to put Pacific Smiles on a strong footing, and with a foundation for continued growth.

These are:

First: Strong Top Line Growth, with Patient Fees growing almost 20% over FY22 and appointment volumes rising 16%. The rate at which patients returned to our centres for more complex treatments continued to improve, and patient fee growth was observed across all centre cohorts;

Second: Greater Operating Efficiency, with the business achieving substantial improvements in labour productivity alongside a reduction in cancellation rates, which are now at pre-pandemic levels. We have also focused on ensuring our business is appropriately sized for the current rate of growth;

Third: Improving Utilisation as centres continue to mature, which remains a major opportunity for further growth. All cohorts are now ahead of FY20 utilisation levels and we continue to focus on increasing the utilisation of in-situ assets;

Fourth: Expanded Profitability, with our EBITDA margin expanding to 8.9% in FY23 on the combination of strong revenue growth, the return of labour efficiency to pre-pandemic levels, and continued improvement in cohort profitability; and

Finally: Significant Deleveraging, with strong cash generation allowing Pacific Smiles to significantly reduce debt, which resulted in a Net Cash position of \$9.6m at year end. This leaves the business today on a very strong financial footing and allowed the Board to resume dividend payments.

Altogether these five elements leave us very well positioned to self-fund future growth.

This leads us to slide 7, which represents our foundations for our growth. Our plan to deliver greater shareholder value is built on continuing to improve network utilisation levels

via more appointments and higher fees per chair, and expanding our centre network, which is underpinned by our industry-leading foundations for growth.

Our three growth pillars are:

First: Embedded capacity, where we can increase utilisation and grow higher-value procedures in well-established centres in a capital-lite manner;

Second: Cohort maturation, which refers to the ongoing process of newer cohorts adding more chairs and progressively building their utilisation rates; and

Third: Network growth, via expansion in the number of centres, which continues to underpin our long-term targets and can now be undertaken from a very financially sound capital base.

There a number of factors enabling this growth, which are detailed on the slide. In particular I would like to highlight our focus on the investment Pacific Smiles has made in key facets of our ecosystem that will drive financial returns in lock-step with higher dentist, patient and employee experience. In particular, our Single Patient Record. This is unique and market-leading in our industry and leads to a simple process for the patient and a seamless experience for our dentists in providing the best oral care.

Overall, our growth strategy is aligned with ongoing investment in our stakeholders, including dentists, patients, and employees, along with our partnerships. Paul will provide more colour on each of these during his address.

I'd like to remind investors that the investment we have made in our growth foundations has not stretched us financially. We have a strong balance sheet and continue to generate positive cashflows, which provides us with the financial flexibility to continue to invest accretively in our business and pay dividends, without the need to raise additional capital.

Turning to slide 8. The individuals on the Pacific Smiles board have the strong mix of skills required to drive the growth strategy outlined. Our collective experience includes time spent running and growing dentist services businesses, directly managing healthcare businesses, developing strategies to attract and retain customers, and proactively engaging with practitioners, alongside significant broader executive and listed entity directorships.

In May of this year, we appointed two new Non-Executive Directors to the Board, namely Ms. Jodie Leonard and Mr. Steven Rubic. Jodie brings with her more than three decades of experience in various marketing positions, including in the oral care division at Colgate Palmolive, and also serving as Chief Marketing Officer of GE Capital. Jodie is also an experienced remuneration committee Chair and has been appointed as Chair of the Nomination & Remuneration Committee. Steven has over 30 years of experience in senior leadership roles, most recently as the CEO of private healthcare provider Healthscope.

As part of Board succession planning, we identified Ms Giselle Collins who is standing for election to the Board today as a Non-Executive Director to the Board and Chair of the Audit & Risk Committee. Giselle has a strong financial background and significant commercial experience in customer-facing businesses and in the property sector.

During the year Hilton Brett resigned from the board, effective June 30, 2023, Phil McKenzie departed as CEO and Managing Director on 31st August, while Simon Rutherford advised he will retire as a Non-Executive Director at the conclusion of this meeting. On behalf of the board and the broader Pacific Smiles community, we express our deep appreciation for Hilton, Phil and Simon's many years of dedicated service to our company.

I would like to take this opportunity to thank all our dedicated staff, including the employees who provide high-quality support in our centres, as well as our management team led by Paul. I would also like to thank our dentists who have chosen to grow their practices with Pacific Smiles for the excellent quality of care they provide to their patients.

I will now hand over to Paul to provide a more detailed update on the business' financial and operational performance this year, followed by a trading update.



Pacific Smiles Group Limited
2023 Annual General Meeting
Interim CEO Script

Thank you, Zita.

Good afternoon everyone and thank you for joining us for the Pacific Smiles Annual General Meeting 2023. I'm Paul Robertson, the interim Chief Executive Officer, and today it is my pleasure to provide you with an update on recent company performance and our strategic goals.

The strong financial results achieved in FY23 allowed the business to resume dividend payments to shareholders and also significantly de-leverage our balance sheet.

Patient Fees increased by 19.5% over the prior year to \$270.5m, while patient fees on a same-centre basis grew by 14.9%, as we saw patients continue to return to their dentists.

Improvements in operating efficiency contributed to Underlying EBITDA more than doubling to \$24.1m for the year, which flowed on to a strong uplift in free cash flow.

Free Cash Flow of \$16.9m in FY23 represented a reversal of the Free Cash Outflow of \$16.7m reported in FY22 and drove a similar swing in Net Cash to \$9.6m as at the end of June, compared with a Net Debt figure of \$6.7m in the previous year.

Importantly, this improved financial position allowed us to resume dividend payments, with a final dividend declared of 2.27 cents per share. The total FY23 dividend reflects a payout ratio for the full year at the top end of the Board-approved dividend policy range of 70 to 100 per cent of underlying Net Profit After Tax.

As a result of this strong financial performance, we are amply capitalised, providing significant financial flexibility for us to continue to drive our growth strategy and continue to pay dividends.

Turning to slide 11. I'll now briefly recap on the key operational highlights for FY23.

Key operational metrics all continued to trend positively as we put the pandemic behind us.

We now have 130 Dental Centres and 8 HBF Dental Centres. There are 545 Dental Chairs in Pacific Smiles centres, more than 60 chairs in HBF centres, and over 900 Dentists engaging our services.

The number of new Dental Centres was deliberately moderated over the past year following the accelerated rate of expansion undertaken in prior years, with those centre cohorts being bedded down and generating continued improvements in performance. We installed 17 new chairs from a combination of these new centres and from in-filling capacity in existing centres. After accounting for the reduction in chairs from centre consolidation and the exclusion of non-fee-generating training chairs from current year numbers, we ended with an overall increase of 11 chairs.

Practitioners continue to choose Pacific Smiles in pleasing numbers, reflecting the attractive and flexible offering that our organisation affords. As detailed at our Investor Day in May, these professionals continue to choose our services and facilities as we offer them something very unique, including:

- Clinical autonomy, with dentists choosing how they want to practice;
- A broad range of business and clinical support services, including the provision of trained dental assistants, patient marketing and IT support;
- Full books of patients;
- Flexibility in working hours; and
- Consistency of facilities and patient records

The Staff to Practitioner ratio provides a very useful representation of our operating efficiency, which translates into a lower proportion of labour expenditure as a percentage of patient fees and revenue. This metric is calculated as the ratio of total staff hours worked within our dental centres to Dentist hours worked. This clearly continues to normalise and has now broadly returned to pre-pandemic levels – a sustainable and efficient operating rhythm for Pacific Smiles.

Finally, patient Net Promoter Score remains at a very high level, which we are particularly proud of. This is evidence of the great work being done at the centre level and reflects our ongoing commitment to excellence.

Turning to Slide 12. We continue to see a significant market opportunity ahead of us, as a number of structural tailwinds continue to drive demand in what is a highly fragmented industry.

These tailwinds include:

1. A growing and ageing population, both of which increase demand for core dental services;
2. Private Health Insurance participation rates, supporting continued dental service growth and ancillary claiming (and somewhat insulating Pacific Smiles from broader economic conditions);
3. Access to Preferred Provider Agreements (or PPAs), which underpins patient demand as insurers promote dentist locations within their PPA network;
4. The Child Dental Benefits Scheme (or CDBS), which is funded by the Commonwealth Government and provides eligible children with access to dental care;
5. Cosmetic dentistry and demand for orthodontic procedures (for example aligners), teeth whitening, veneers, and crowns; and
6. The rising number of restorative and higher-value services, including treating damaged or decayed teeth & gums.

As we have previously noted, the dental services industry is predominantly made up of independent sole proprietors that operate relatively small-scale dental practices, with 95% of dental services enterprises producing less than \$2m in annual revenue. This significant fragmentation leaves considerable scope for growth, and we are well positioned to capitalise.

Turning to Slide 13. Pacific Smiles is a growth business with a clear runway to increase our scale and profitability. As Zita touched on earlier, our strategy to do so is built around three key pillars.

The first of these is maximising our embedded capacity. Pacific Smiles is able to increase utilisation and same centre growth across existing centres through service mix uplifts and productivity improvements as practitioners develop and upskill. Importantly,

further growth here does not require material capex.

The second pillar is the maturation of newer centres as they ramp up. Typically, our new centres are built with 5 surgeries to house 5 dental chairs. Upon the opening of a new centre we commission 3 surgeries with 3 chairs, and as the centre grows with more patients and more practitioners, we add the 2 remaining new chairs to fill capacity and meet marginal demand. Over time, the overall mix of mature versus newer centres increases, which in turn grows overall top line and scale efficiency.

The third pillar is our ability to build more new centres, and we once again reaffirm our long-term targets, which include more than 250 centres and EBITDA margins over 15%. We will continue to be judicious and rigorous in evaluating new sites so that they will provide maximum returns to shareholders. Importantly, our strong financial position provides significant flexibility to self-fund this expansion.

We see these pillars driving further growth for Pacific Smiles well into the future.

Turning to slide 14. This plan to deliver greater shareholder value involves continuous investment in our key stakeholder relationships. These key stakeholder groups are dentists, patients, and employees.

Dentists are of course at the heart of our business model, and the dentist value proposition was the focus of our Investor Day back in May. Our model is strongly supportive of dentists seeking to determine their own future and build their skills enabling them to practice at top of scope. It is also pleasing to see the extent to which our model is now recognised and understood across the Australian healthcare market.

For our patients, we remain committed to ensuring they receive the best clinical outcomes across their range of needs, while providing them with high levels of convenience, flexibility, and access. This allows Pacific Smiles to drive higher patient retention.

Finally, our employees are crucial to effective service delivery and as such we have put significant work into ensuring this group remains incentivized and motivated. This includes continuing to work on a range of career pathways to employees across the business and ensuring optimal communication and engagement.

Focusing on how best to serve each of these stakeholder groups drives a range of positive operational and financial outcomes across the business, which we ultimately know will deliver greater value to you, our shareholders.

Turning to slide 15. Pacific Smiles has a number of key partnership relationships.

Our commercial arrangement with HBF is focused on building and operating HBF dental centres on their behalf, with HBF providing the capital and Pacific Smiles running the centres. This is a mutually beneficial arrangement, and for us it is accretive and capital-lite.

There was material growth in both appointment volumes and the number of practitioners working in HBFD centres in FY23, proving the success of a Pacific Smiles-like model in a new market. This is no more greatly evidenced than by the Patient Net Promoter Scores achieved of 84, up on the prior year, and rapidly approaching the levels achieved by Pacific Smiles on the east coast.

We also continue to maintain close relationships with all of our other private health fund partners.

Educational institutions are also key partners for Pacific Smiles, which ultimately supports our goal of attracting and retaining high-quality dentists to our services, while we are also

committed to contributing to the local communities in which we operate.

Turning to Slide 16. ESG remains a top priority for Pacific Smiles.

We continue to pursue the objective of environmental sustainability. As an example, through our partnership with Close the Loop we have successfully diverted 560 printer cartridges, totaling 446 kilograms, from landfills. We also implemented the use of autoclavable mixing wells and cheek retractors to further reduce single-use plastics.

In our social responsibility endeavors, we continue to make strides in fostering inclusivity and giving back to our communities and have begun utilizing AI technology to reduce biases and ensure impartial evaluation throughout our recruitment process. We also donated dental items to various charities during the year.

Recognising the critical importance of strong governance practices, Pacific Smiles maintains a focus on transparency and ethical behavior. Our governance practices are fortified by dedicated Board sub-committees and our Dental Advisory Committee. Our comprehensive policies and procedures serve as guiding principles for our team, aiding them in making ethical decisions that uphold our commitment to responsible business practices.

Turning to Slide 18. Performance to date for FY24, as of 21st November 2023 has been:

- Patient Fees of \$113.7m
- This represents 10.5% total patient fees year on year growth, and
- Same centre patient fees year on year growth of 9.6%

The year-on-year patient fee growth since the last trading update on 24th August reflects two conditions:

- A soft July and August trading result in FY23, resulting in a higher growth rate for that comparable 7-week period in FY24 vs FY23; and
- A subsequent slight softening in patient attendances during September and October in the current financial year, coinciding with ongoing macroeconomic headwinds and reduced consumer sentiment associated with cost-of-living pressures.

Despite the recent moderation in patient fee growth, Pacific Smiles is now entering its busiest trading period for FY24, which coincides with the traditional calendar year-end health fund claiming period. The current appointment outlook for this period appears favourable, and the vast majority of Pacific Smiles patients hold private health insurance.

While management remains pleased with the overall operating performance of the business in difficult economic conditions, given ongoing macroeconomic uncertainty FY24 guidance is not being provided at this time.

Pacific Smiles is targeting the opening of up to 5 new centres in the second half of FY24, subject to trading conditions. Site selection is undergoing detailed and stringent review relative to the current economic climate and its impacts on some demographics.

I will now hand back to Zita to handle the formal business as set out in the Notice of Meeting.

Pacific Smiles Dental



PACIFIC

SMILES GROUP

Annual General Meeting

22 November 2023

Zita Peach – Chairperson

Paul Robertson – Interim Chief Executive Officer

Pacific
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Dental

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Dental

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Pro forma financial information

Pacific Smiles uses certain measures to manage and report on its business that are not recognised under Australian Accounting Standards. These measures are referred to as non-IFRS financial information.

Pacific Smiles considers that this non-IFRS financial information is important to assist in evaluating Pacific Smiles' performance. The information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. For a reconciliation of the non-IFRS financial information contained in this presentation to IFRS-compliant comparative information, refer to the Appendices of this presentation.

All dollar values are in Australian dollars (A\$) unless otherwise stated.

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

See page [40] for a glossary of the key terms used in this presentation.

Acknowledgement of Country

Pacific Smiles Group would like to acknowledge the Traditional Owners of Country throughout Australia and recognises their continuing connection to lands, waters and communities.

Pacific Smiles Group pay our respect to Aboriginal and Torres Strait Islander cultures; and to Elders past, present, and emerging.



Zita Peach
Chairperson



Paul Robertson
Interim Chief Executive Officer

Agenda

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Chairperson's
Address

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Interim CEO's
Address

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Trading Update

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Annual
General
Meeting
Business

05

Q&A

Pacific Smiles Dental



1. Chairperson's Address

Recapping FY23 Highlights

PACIFIC SMILES EMERGED FROM A DIFFICULT PERIOD IN A POSITION OF STRENGTH



Strong Top Line Growth

Increase in patient fees

Appointment volume growth and higher value treatments

Growth across all centre cohorts



Greater Operating Efficiency

Labour productivity

Cancellation rates reduced

Focus on managing support office costs



Improving Utilisation

Newer centres ramping up

All cohorts well ahead of FY20 levels

Focus on increasing utilisation of in-situ assets



Expanded Profitability

Improved EBITDA to patient fees margin

Rebound in revenue growth & in-centre labour efficiency

Continued cohort performance improvement



Significant Deleveraging

Strong cash position

Resumption of dividend payments

Significant debt repayment

Our Foundations for Growth

EXPANDING THE NETWORK, INCREASING UTILISATION, SCALING-UP FOR EFFICIENCY, HIGHER VALUE PROCEDURES

STAKEHOLDER INVESTMENT

Dentist Value Proposition

Patient Value Proposition

Employee Value Proposition

CENTRES

Embedded Capacity

Increase utilisation & grow higher-value procedures in well-established centres

Cohort Maturation

As centres mature, more chairs are added, and utilisation rates increase, revenue & earnings increase

Network Growth

Self-funded centre growth is a key long-term opportunity, with long-term targets reaffirmed

Culture aligned with Stakeholders

Operational Excellence

Strong Balance Sheet & Financial Flexibility

Modern Systems / Data Warehouse / BI Maturity

Industry Leading Patient Experience – Single Patient Record

Customer focus on Dentists

ENABLED BY AN INDUSTRY-LEADING DENTAL ECOSYSTEM

Board of Directors

THE RIGHT TEAM IN PLACE WITH A DIVERSE RANGE OF RELEVANT SKILLS

Zita Peach, Non-Executive Chair



Significant experience in the pharmaceutical, biotechnology, medical devices, and health services industries. Held senior executive roles at global healthcare firm Fresenius Kabi, which involved building and scaling the Aus & NZ business.

NED of MVF and member of the Hudson Institute of Medical Research Board.

Mark Bloom, Non-Executive Director



Previously CFO of Scentre.

Mark has extensive experience in corporate transactions, change management and restructuring.

NED at AGL Energy Limited, Abacus Storage King, and EBOS Group Limited.

Dr Scott Kalniz, Non-Executive Director



Originally a practicing dentist, acquired a number of centres and sold business to North American Dental.

As CEO and Chief Dental Officer at DSO Elite Dental Partners, drove significant location expansion.

Experience in multi-site DSOs, dentist engagement along with DA training & innovation,

Jodie Leonard, Non-Executive Director



Has held a range of directorships, with career background in marketing.

Significant experience with brand building, digital platforms, and consumer health.

Experience in supporting growth agendas, evolving go-to-market strategies, and championing data utilisation

Steven Rubic, Non-Executive Director



Significant healthcare executive experience including CEO of Healthscope, I-MED Radiology Network, and St Vincent's & Mater Health.

Experience in clinician engagement, staff management, operational efficiency, health insurance, and multi sites.

Giselle Collins, Non-Executive Director (nominated)



Strong financial background with significant commercial experience.

Previously Chair of the Heart Research Institute, partnering with clinicians and scientists pursuing innovation and improved clinical outcomes.

Experience in finance, risk, capital management, multi site, consumer facing businesses, property and site selection.

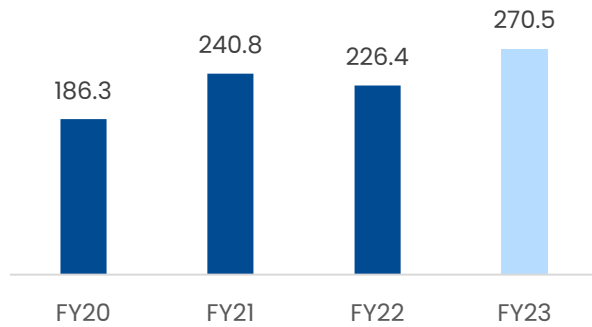


2. Interim CEO's Address

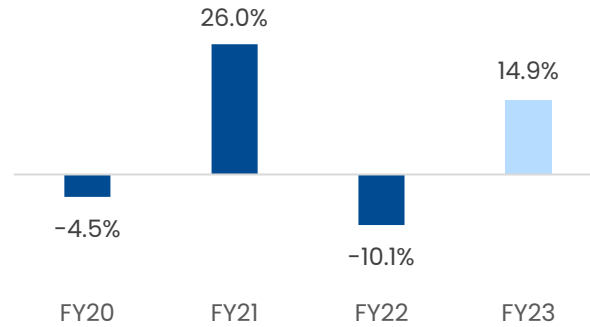
FY23 Financial Highlights

PSQ HAS RETURNED TO STRONG GROWTH WITH A SOLID CAPITAL POSITION AND RESUMPTION OF DIVIDENDS

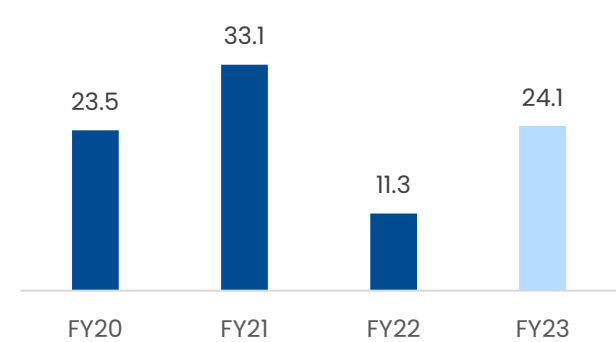
Patient Fees (\$m) – up 19.5% YoY



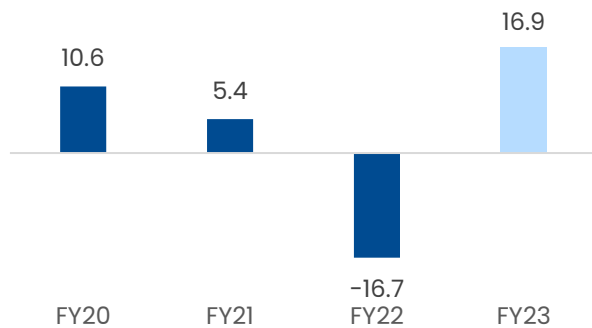
Same Centre Patient Fee Growth – positive



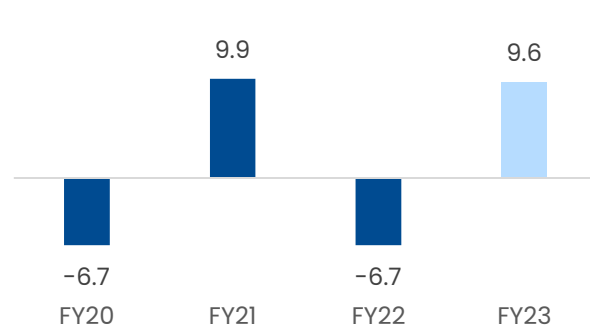
Underlying EBITDA (\$m) – up 113.3% YoY



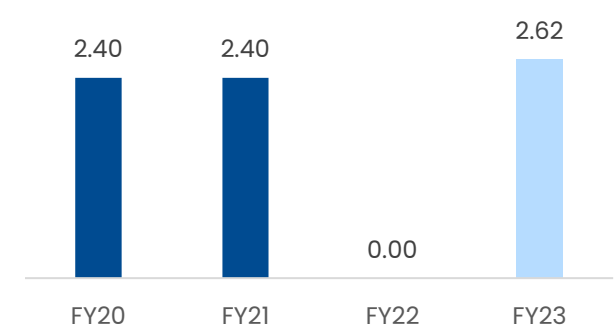
Free Cash Flow (\$m) – return to positive



Net (Debt)/Cash (\$m) – strong balance sheet



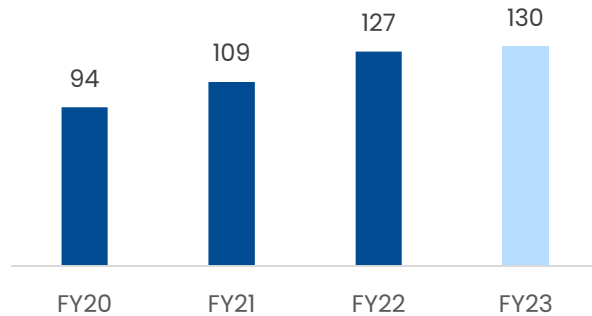
Dividend (cps) – return to distributions



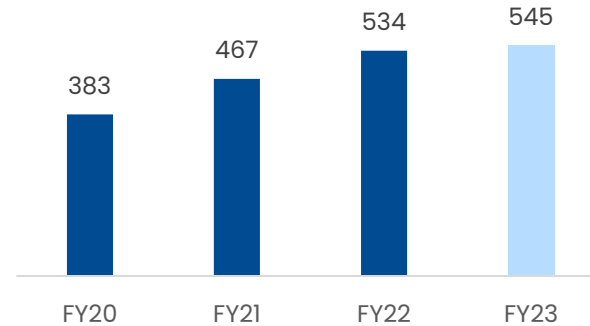
FY23 Operational Highlights

KEY OPERATIONAL METRICS CONTINUE TO TREND POSITIVELY, POST PANDEMIC-AFFECTED PERIOD

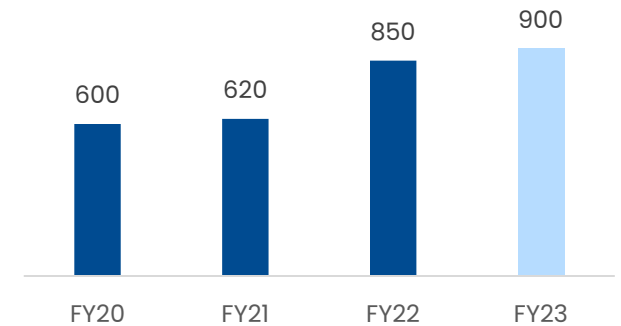
Dental Centres¹ – up 2.4% YoY



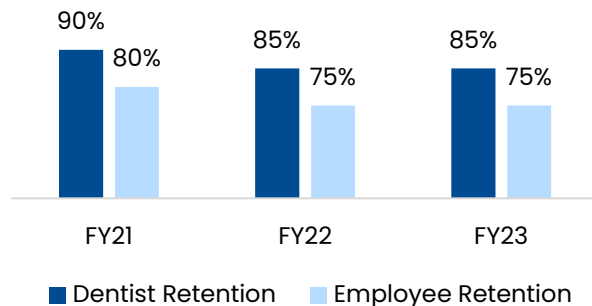
Dental Chairs² – 11 new (net)



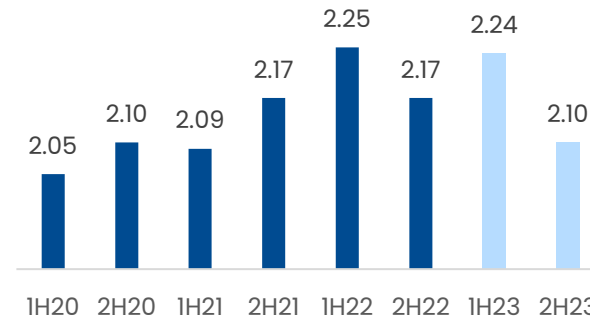
Number of Dentists³ (min)



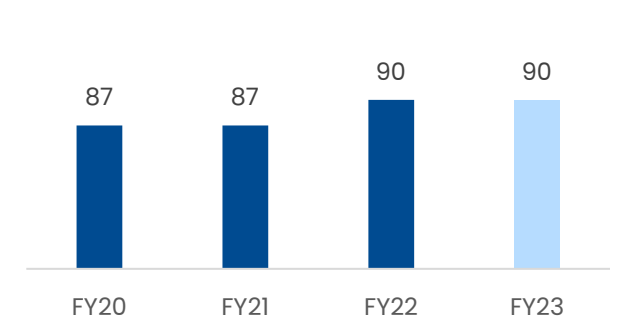
Dentist & Employee Retention



Staff to Practitioner Ratio at pre-pandemic levels



Patient Net Promoter Score

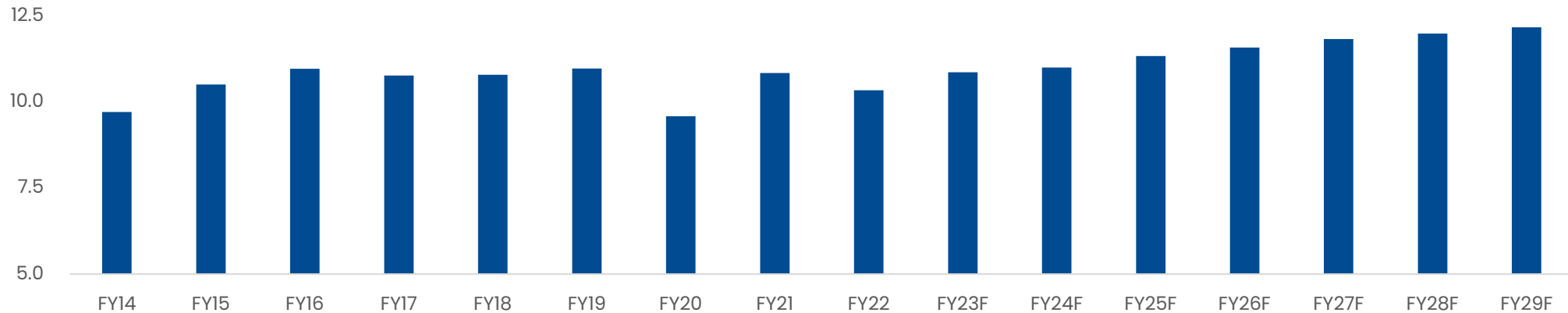


1. PSD and NIB Chatswood merged into one site in FY23, reducing the total increase in centres to 3
 2. Excluding HBF Dental (and Parramatta Uni in FY23) and including a net chair reduction of 2 with the consolidation of Chatswood
 3. Number of dentists as at 30 June 2023, includes 62 HBF Dental dentists

Market Opportunity

STRUCTURAL TAILWINDS DRIVING LONG-TERM DEMAND IN HIGHLY FRAGMENTED INDUSTRY

Australia Dental Services Industry Revenue (\$bn)



Source: IBISWorld



Ageing and population growth



PHI participation rates



Access to Preferred Provider Agreements (PPAs)



Commonwealth-funded Child Dental Benefits Scheme (CDBS)



Cosmetic dentistry



Rising number of restorative and higher-value services



Opportunity to increase market share

Commitment to Growth

MULTI-FACETED, LONG-TERM GROWTH PLAN

Embedded Capacity



Ability to **increase utilisation** and grow **higher value procedures** in well-established centres.

Clear opportunity for profitable growth that does not require material capex.

Cohort Maturation



Cohort mix maturation remains an opportunity. As newer cohorts mature and more chairs are added and utilisation rates increase, revenue, and ultimately earnings increase.

Network Growth



Self-funded network centre growth remains a key long-term opportunity for Pacific Smiles.

Long term targets remain unchanged.

Long-Term Targets Reaffirmed:

>250 centres
(Jun 23: 130)

>800 chairs
(Jun 23 : 545)

>15% EBITDA margin¹
(FY23 : 8.9%)

5% Market share²
(FY23 : 2.5%)

Stakeholder Investment

CONTINUOUS INVESTMENT IN KEY STAKEHOLDER RELATIONSHIPS TO FURTHER GENERATE SHAREHOLDER VALUE

Dentist Value Proposition



OBJECTIVE

- Increase **dentist attraction and retention**
- Increase referrals within our network
- Improve **clinical outcomes** for patients
- Higher hourly rates, increasing **financial rewards for dentists and PSG shareholders**

DELIVERED BY

- **Delivering on our promise** for any dentist choosing us for their career
- Increasing dentist confidence & skill for them to **practice at top of scope**, complemented by **procedure-based marketing**
- Ensuring our model remains **clearly understood** across the healthcare industry

Patient Value Proposition



- High patient **NPS**
- Increase **patient attraction and retention**
- **Treatment planning** and more complex work retained within the PSG network

- Our trusted network of dental centres ensuring patients receive the **best clinical outcomes** across scope of practice
- Patients **trusting these clinical outcomes** and valuing the convenience, flexibility and access on offer

Employee Value Proposition



- Higher **employee attraction and retention**
- Improve **employee engagement** and job satisfaction
- Increase employee **productivity** and cost **efficiency**
- **Better outcomes** for dentists and patients

- Providing **career pathways to all employees**, giving optimum support to dentists where they need it
- **Communicating** with employees more, and more effectively

Partnerships

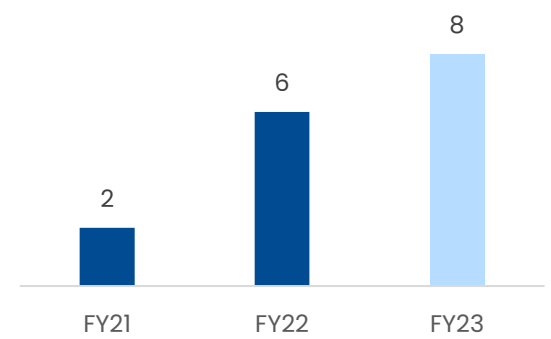
MAINTAIN CLOSE RELATIONSHIPS WITH OUR PRIVATE HEALTH FUND PARTNERS

Health Fund	Status
HBF	Further Growth of HBF Dental and expansion of network Preferred Provider Agreements in Eastern States
nib	Continue longstanding partnership
Medibank / ahm	Exclusive ahm no-gap provider on eastern seaboard
Other Funders	Work with most other health funds to allow their members access to high quality care Working with third party funders including DVA, Local Area Health Services and Medicare Child Dental Benefits Schedule

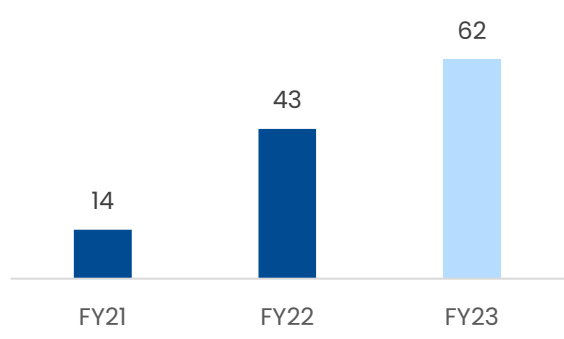
Partners	Status
Universities/ TAFE	New Graduate programs, dental assisting certification and clinical placements
Community	Support local charities, schools and programs
Suppliers	Scale benefits with group agreements



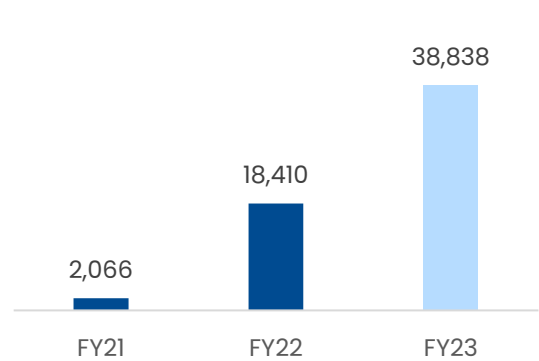
Dental Centres – up 33% YoY



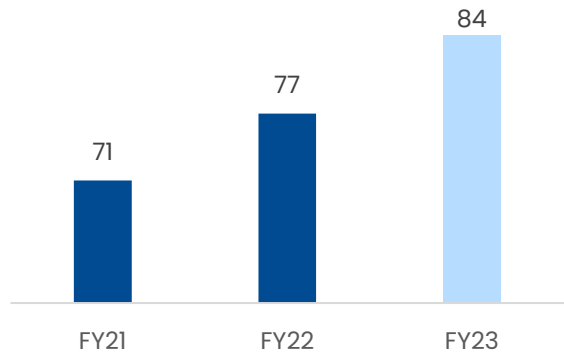
Number of Dentists



Attended appointments – up 111% YoY



Patient Net Promoter Score



ESG – How We Make a Difference

THROUGH STRATEGIC INITIATIVES IN THE FIELD, AT OUR DENTAL CENTRE SUPPORT OFFICE,
AND IN OUR NEW CENTRE BUILD SCHEDULES

Environmental

- Increase our usage of environmentally friendly consumables, sourced from responsible organisations that prioritise sustainable and ethical practices
- Printer cartridge return and recycle program through Close the Loop has saved 560 printer cartridges (446kg) from Landfill
- Changed over to autoclavable mixing wells and cheek retractors reducing single use plastics

Social

- Continuing use of AI technology to reduce bias from candidate screenings in our recruitment process
- During FY23 we donated dental items to various charities, for example Central Coast and Hunter-based charity We Care Connect, which helps care for local children living in poverty

Governance


- Build transparency and trust through governance, evidenced by our Board sub-committees and Dental Advisory Committee, which govern our operating and risk environment
- Our policies and procedures guide our people on how to make the right decisions and demonstrate ethical behaviours



3. Trading Update

Trading Update

- **Performance to date for FY24**, as of 21st November 2023:
 - Patient Fees \$113.7m
 - Patient Fees +10.5% YoY
 - Same Centre Patient Fees +9.6% YoY
- The YoY patient fee growth since the last trading update on 24th August reflects two conditions:
 1. A soft July and August trading result in FY23, resulting in a higher growth rate for that comparable 7-week period in FY24 vs FY23; and
 2. A subsequent slight softening in patient attendances during September and October in the current financial year, coinciding with ongoing macroeconomic headwinds and reduced consumer sentiment associated with cost-of-living pressures.
- Despite the recent moderation in patient fee growth, Pacific Smiles is now entering its busiest trading period for FY24, which coincides with the traditional calendar year-end health fund claiming period. **The current appointment outlook for this period appears favourable, and the vast majority of Pacific Smiles patients hold private health insurance.**
- While management remains pleased with the overall operating performance of the business in difficult economic conditions, given ongoing macroeconomic uncertainty **FY24 guidance is not being provided at this time.**
- **Pacific Smiles is targeting the opening of up to 5 new centres in the second half of FY24**, subject to trading conditions. Site selection is undergoing detailed and stringent review relative to the current economic climate and its attendant impacts on some demographics.

The image shows the exterior of a Pacific Smiles Dental office. The building features a modern design with large glass windows and a wall of vertical wood slats. The company name "Pacific Smiles Dental" is displayed in large, blue, illuminated letters on the wood slat wall, with a blue smile icon below it. Through the glass, a family of four is visible inside the office. The floor is made of grey tiles.

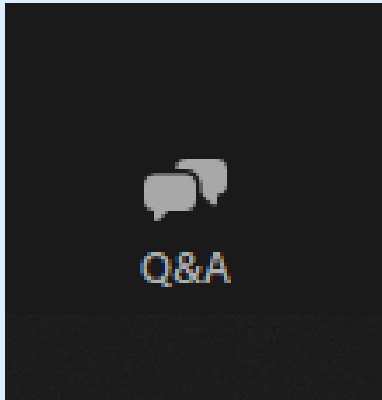
**Pacific
Smiles
Dental**



4. Annual General Meeting Business

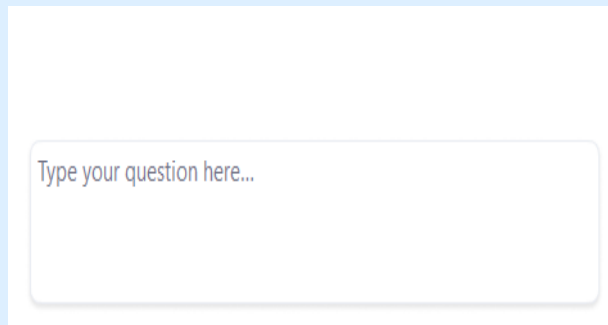
Online Q&A

1. Click on the Q&A icon



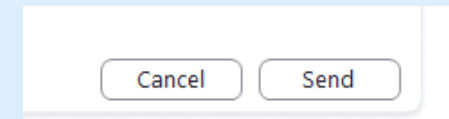
2. Insert your question at the bottom of the screen & press enter to submit

(include your SRN or HIN at the start of your question so that you can be identified as a shareholder)



3. Type your question and 'I'd like to speak' if you would like to ask your question verbally

(include your SRN or HIN at the start of your question so that you can be identified as a shareholder)



To contact support:

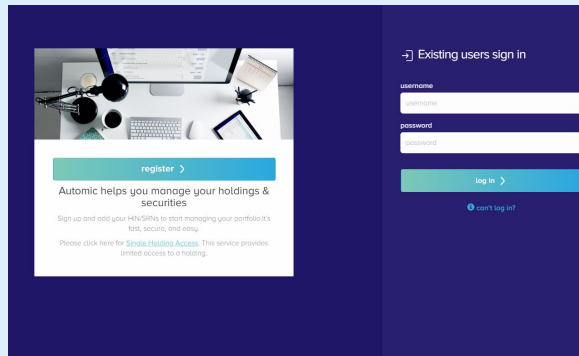
Call 1300 816 159 or open live chat from the Investor Portal

NOTICE OF ANNUAL GENERAL MEETING AND PROXIES

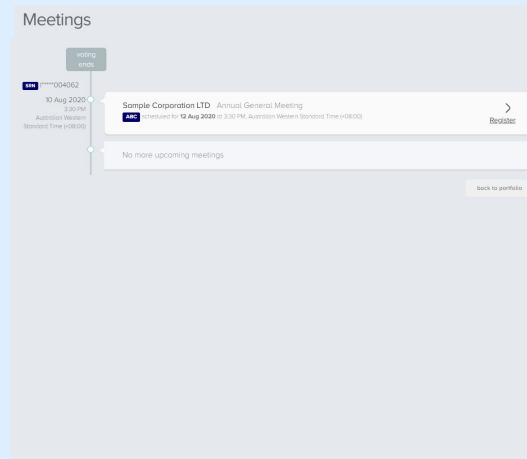
Registration and Voting

1. Log in or register at:

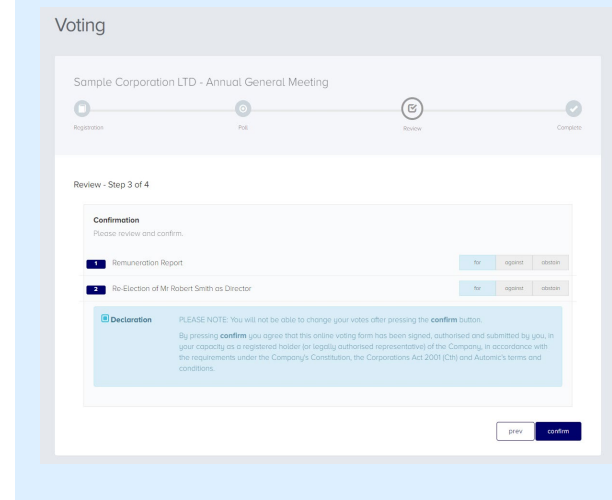
<https://investor.automic.com.au/#/home>



2. Click view and register your attendance for the meeting



3. Record your vote. Once you confirm it is lodged and final



To contact support:

Call 1300 816 159 or open live chat from the Investor Portal

FINANCIAL STATEMENTS AND REPORTS

Resolution 1

Adoption of Remuneration Report

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s Annual Financial Report for the financial year ended 30 June 2023.”

Resolution 1

Adoption of Remuneration Report

Proxies		
For	Against	Open
89,293,873	6,389,860	3,769,825
89.78%	6.42%	3.80%

Resolution 2

Election of Steven Rubic as Director

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That, Steven Rubic, a Director appointed as an additional Director and holding office until the next general meeting of the Company after his appointment in accordance with the Company’s Constitution, be elected as a Director of the Company, effectively immediately.”

Resolution 2

Election of Steven Rubic as Director

Proxies		
For	Against	Open
97,638,101	445,985	3,769,825
95.86%	0.44%	3.70%

Resolution 3

Election of Jodie Leonard as Director

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That Jodie Leonard, a Director appointed as an additional Director and holding office until the next general meeting of the Company after her appointment in accordance with the Company’s Constitution, be elected as a Director of the Company, effective immediately.”

Resolution 3

Election of Jodie Leonard as Director

Proxies		
For	Against	Open
89,039,862	8,954,224	3,769,825
87.50%	8.80%	3.70%

Resolution 4

Election of Giselle Collins as Director

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That Giselle Collins, having consented to act, be elected as a Director of the Company, with effect from the close of the meeting.”

Resolution 4

Election of Giselle Collins as Director

Proxies		
For	Against	Open
89,039,862	8,954,224	3,769,825
87.50%	8.80%	3.70%

Resolution 5

Re-election of Dr Scott Kalniz as Director

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That Dr Scott Kalniz, a Director who retires by rotation in accordance with the Company’s Constitution, and being eligible offers himself for re-election as a Director of the Company, effective immediately.

Resolution 5

Re-election of Dr Scott Kalniz as Director

Proxies		
For	Against	Open
91,245,033	6,840,015	3,769,825
89.58%	6.72%	3.70%

Resolution 6

Adoption of the Long Term Incentive Plan

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That, for the purposes of ASX Listing Rule 7.2 (exception 13(b)), and for all other purposes, the Shareholders of the Company approve the adoption of the Long Term Incentive Plan, on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”

Resolution 6

Adoption of the Long Term Incentive Plan

Proxies		
For	Against	Open
78,517,386	435,498	3,769,825
94.92%	0.53%	4.55%

Resolution 7

Board Spill Meeting (Conditional Item)

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“That subject to and conditional on at least 25% of the votes cast on Resolution 1 being cast against the adoption of the Remuneration Report:

- (1) an extraordinary general meeting of the Company (the Spill Meeting) be held within 90 days of the passing of this resolution;
- (2) all of the Directors in office (excluding the Managing Director) when the resolution to make the Directors’ Report for the financial year ended 30 June 2023 was passed and who remain in office at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and
- (3) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote of Shareholders at the Section 250V meeting.

In accordance with Section 250V(2) of the Corporations Act 2001 (Cth), Resolution 7 will only be put to the 2023 Annual General Meeting if at least 25% of the votes cast on Resolution 1 are cast against it.”

Resolution 7

Board Spill Meeting (Conditional Item)

Proxies		
For	Against	Open
14,321,296	81,335,715	3,771,132
14.40%	81.80%	3.80%

CONDUCTING OF THE POLL

5. Q&A



Glossary

Statutory EBITDA	Earnings Before Interest, Tax, Depreciation, and Amortisation
Reported EBITDA	Statutory EBITDA excluding the impact of AASB 16 (lease accounting standard)
Underlying EBITDA	Statutory EBITDA excluding: the impact of AASB 16 (lease accounting standard); expenses not related to ongoing employee expenses; and expenses related to non-recurring or extraordinary events
Centre Cohorts	Cohorts represent Pacific Smiles centres grouped by the financial year(s) in which they opened
HBF partnership	Pacific Smiles operates eight dental centres in Western Australia on behalf of HBF, for a fee
nib partnership	Pacific Smiles owns and operates 11 nib Dental Care centres, and all Pacific Smiles centres are part of the nib First Choice network
Free Cash Flow	Operating Cash Flow less Investing Cash Flow
Patient Fees vs Revenue	Total fees paid by patients (customers of dentists utilising the Pacific Smiles network) vs Pacific Smiles share
Staff to Practitioner Ratio	The ratio of total staff hours worked in dental centres to dentist hours worked
Utilisation	A measure of activity relative to the total effective productive capacity of each dentist chair
