

ASX ANNOUNCEMENT

24 June 2024

Trading Update – EBITDA guidance confirmed

Pacific Smiles Group Limited (ASX: PSQ) (Pacific Smiles) today provides an update on its trading performance further to the last update at the interim results announcement on 27 February 2024, as well as updating the guidance range as to Patient Fees and Underlying Earnings Before Income Tax, Depreciation and Amortisation (EBITDA) for the financial year to 30 June 2024 (FY24) announced to the market on 21 December 2023.

Trading as at the close of business on 23rd June 2024 shows:

- Patient Fees of \$285.4m (\$264.5m in the previous corresponding period);
- Patient Fees +7.9% Year on Year (YoY); and
- Same Centre Patient Fees +7.4% YoY.

Trading in the second half of FY23 has tapered compared to the first half, impacting YoY growth in patient fees, including a softening in appointment volumes in May and June compared to guidance expectations. Management attribute this softening to the weakening macroeconomic environment, which it believes is temporarily depressing demand for dental services, as cost of living pressures impact patients spending decisions.

Pacific Smiles updates its guidance for FY24 as follows:

- Underlying EBITDA¹ is forecast (subject to any customary year end audit adjustments) to be towards the middle of the previous guidance range of \$26m to \$28m; and
- Patient Fees will fall just below the bottom end of the previous guidance range of \$293m to \$297m and is now forecast to be between \$291m and \$292m.

Notwithstanding patient fees falling below full year guidance expectations, management have actively managed operational efficiency and productivity to insulate earnings.

¹ The underlying EBITDA guidance for FY24 excludes unusual or one-off costs associated with prior periods, including payroll tax assessments in respect of financial years prior to FY24 (including the recent assessment from the ACT Revenue Office), advisor and other costs specifically related to responding to change of control proposals from third parties, and other customary one-offs related to the non-cash amortisation of Long-Term Incentive Performance rights and redundancy payments.

The full year results for FY24 are expected to be released in the last week of August 2024, subject to the timing and outcome of the Scheme of Arrangement with National Dental Care.

This announcement was authorised by the Pacific Smiles Board.

ENDS

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Forward-looking statements

This announcement contains certain forward-looking statements. Forward-looking statements should not be relied on as an indication or guarantee of future events. Forward-looking statements involve inherent known and unknown risks and may involve significant elements of subjective judgment and assumptions as to future events which may or may not prove to be correct, which can cause actual results to differ materially. As such, undue reliance should not be placed on any forward-looking statement. No representation or warranty is made by any person as to the likelihood of achievement or reasonableness of any forward-looking statements. Pacific Smiles does not undertake any obligation to update or review any forward-looking statements (other than to the extent required by applicable law).