



**FY24 Result**

28 August 2024

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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.

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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 28 for a glossary of the key terms used in this presentation.

**Andrew Vidler**  
Chief Executive Officer /  
Managing Director



**Matthew Cordingley**  
Chief Financial Officer



# Agenda

**01**

FY24 Result  
Overview

**02**

FY24 Financial  
Summary

**03**

FY25 Update

**04**

Q&A





**01**

**FY24 Result Overview**

# FY24 Key Highlights

KEY OPERATING AND FINANCIAL METRICS CONTINUE TO STRENGTHEN



## Top Line Growth

**Patient Fees \$291.8m  
+7.9% YoY**

Pacific Smiles is seeing **growth across key centre cohorts**

**3.5%** increase in appointment volumes from pcp



## Strong Operating KPIs

**Cancellations rates declining**

Cancellation rates continue to decline, reflecting greater focus on **appointment confirmations and patient communications**

**Labour efficiency maintained**



## Rising Utilisation

**Strong utilisation improvement in new cohorts**

Utilisation **continues to improve**, in particular newer cohorts

Key focus on **increasing utilisation** of our in-situ assets



## Expanded Profitability

**Underlying EBITDA \$28.2m; +16.9% YoY**

**Underlying NPAT \$8.9m, +98.3% YoY**

**Revenue growth and ongoing efficiency improvements** have driven significant margin improvement of 110bps YoY, despite offsetting impact of inflationary cost pressures



## Debt-Free / Net Cash

**Net Cash \$17.7m  
Dividend 3.25cps**

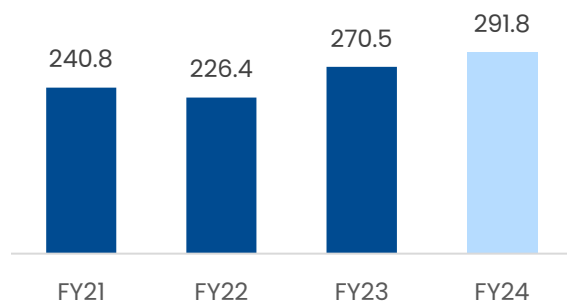
Strong financial performance and cash flow has allowed for a **final dividend and further debt repayment**

Opportunity for **capital allocation options** in the future

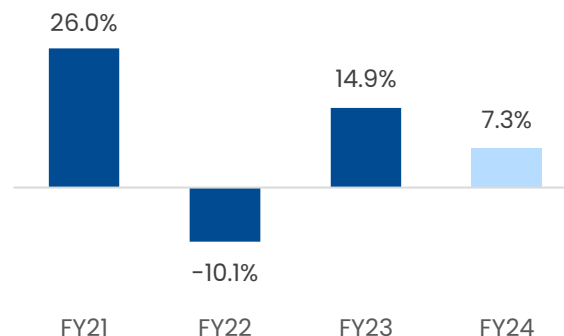
# FY24 Financial Highlights

DELIVERED STRONG EARNINGS AND CASH FLOW DESPITE INFLATIONARY HEADWINDS

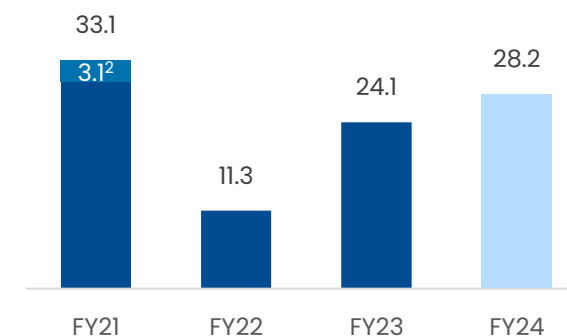
**Patient Fees (\$m)**  
Continued growth



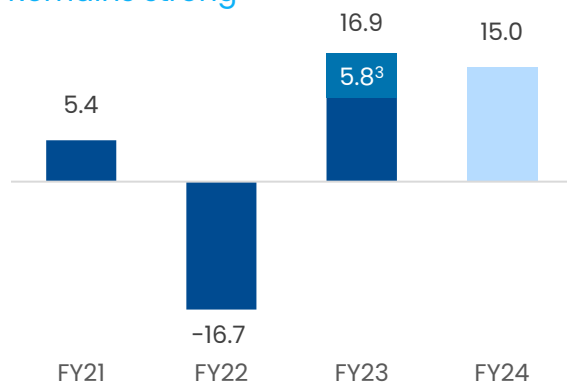
**Same Centre Patient Fee Growth**  
Normalising



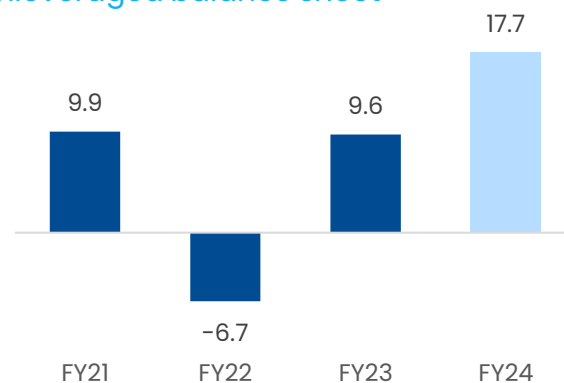
**Underlying EBITDA (\$m)**  
Resilient earnings



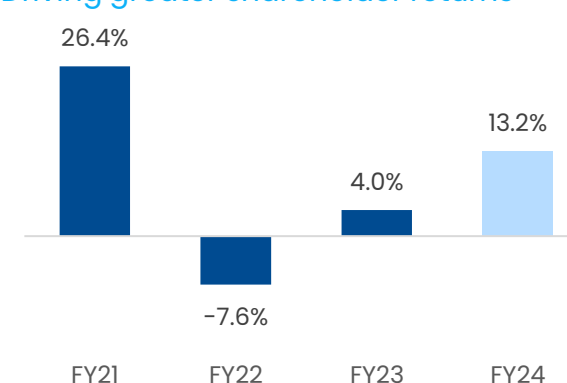
**Free Cash Flow (\$m)**  
Remains strong



**Net Cash/(Debt) (\$m)**  
Unleveraged balance sheet



**Return on Equity<sup>1</sup>**  
Driving greater shareholder returns



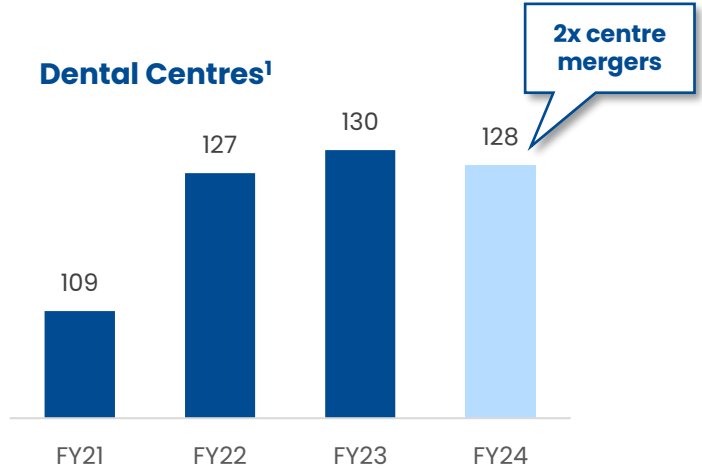
1. Return on Equity is calculated as the Statutory Net Profit after Tax, divided by average total equity (i.e. opening plus closing total equity divided by 2).

2. \$3.1m in EBITDA earnings attributable to net JobKeeper impacts.  
3. \$5.8m in free cash flow relates to carry-back tax losses received in FY23.

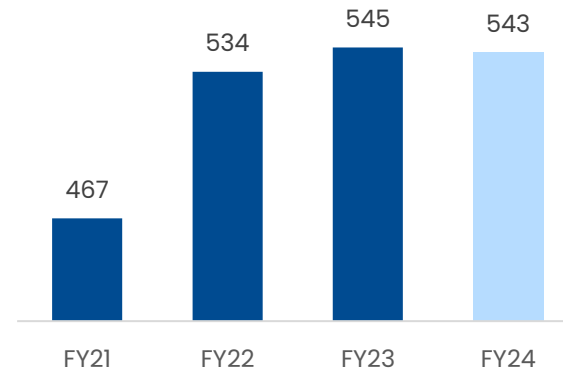
# FY24 Operational Highlights

STRONG EXECUTION ON OPERATING KPIS AND CUSTOMER METRICS IN LINE WITH TARGETS

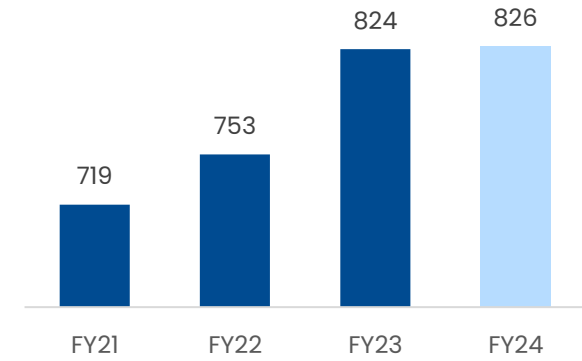
Dental Centres<sup>1</sup>



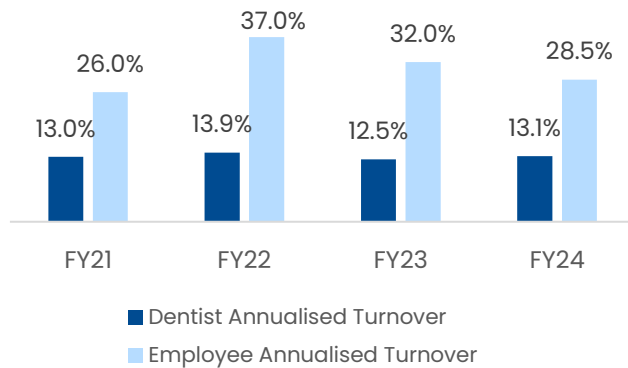
Dental Chairs<sup>2</sup>



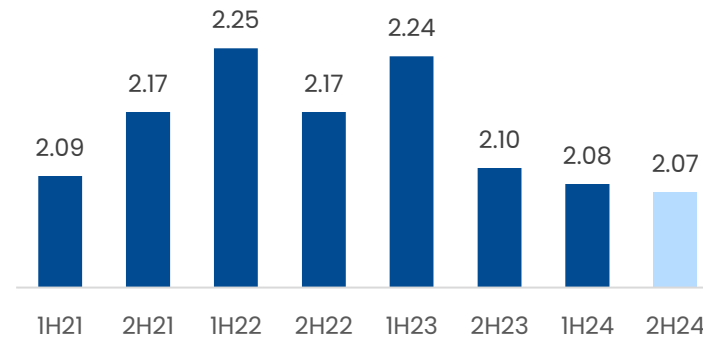
Number of Active Dentists<sup>3</sup> (inc Hbfd)



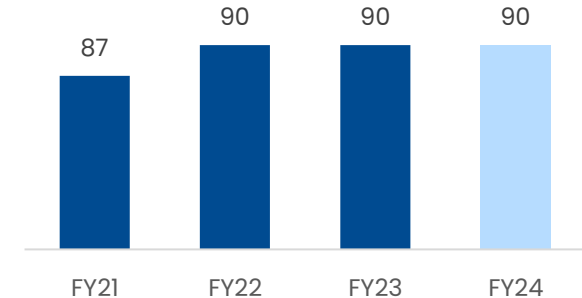
Annualised Dentist & Employee Turnover (%)



Staff to Practitioner Ratio



Patient Net Promoter Score

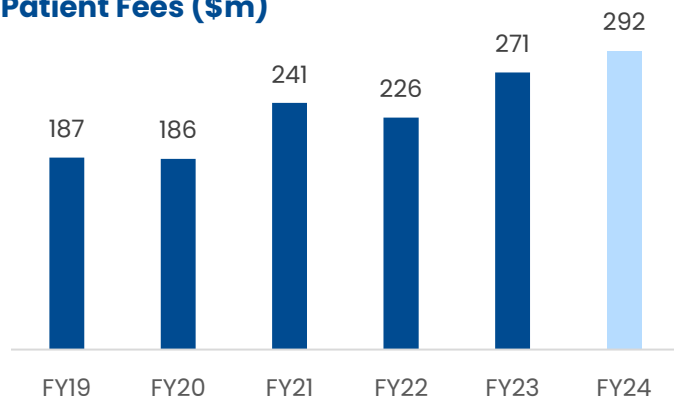


1. PSD and nib Newcastle merged into one site and PSD and nib Woden also merged into one site in FY24, reducing the total centres by 2.  
 2. Excludes HBF Dental (and Parramatta Uni in FY23); 1 new chair was installed in Redbank Plains, however, the reduction in chairs in FY24 relates to the merger of PSD and nib Newcastle reducing the chair count by 3.  
 3. Number of active dentists as at 30 June 2024, includes 62 HBF Dental dentists (prior disclosure included inactive dentists). Active dentists are SFA dentists invoiced in the last month of the period, and locum dentists paid commission in the last month of the period.

# Patient Fees and Earnings

## INCREASED UTILISATION HAS DRIVEN PATIENT FEE GROWTH AND MARGIN IMPROVEMENT

**Patient Fees (\$m)**



**Total patient fees increased 7.9% YoY to \$291.8m, with same centre patient fees rising 7.3% YoY on:**

- Growth in appointment volumes driven by increased utilisation – no new centres were opened in FY24; and
- Growth in practitioner average hourly rate and average fee per appointment, driven by price increases and mix of services.

**Falling cancellation rates** contributing to appointment volume growth, reflecting operational focus on appointment confirmations and enhanced patient communication.

**Total and same centre patient fee growth** remains positive across all cohorts.

**Underlying EBITDA increased 16.9% YoY to \$28.2m on:**

- Higher patient fees and revenue; and
- Improved operational efficiency, including efficient staffing levels in centre and prudent support office expenditure.

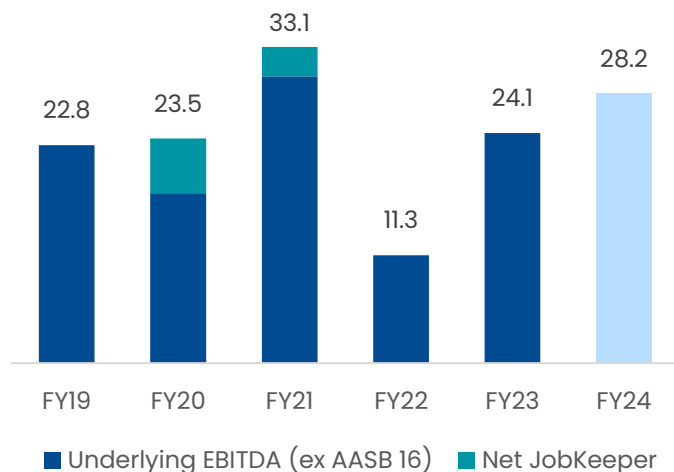
**Inflationary cost pressures became more evident in FY24**, driven mostly by the Fair Work decision and CPI-linked lease expenses. **This was partly offset by a reduction in consumables costs** due to improved supplier partnerships and focused in-centre inventory management.

**Labour efficiency approaching historic levels** supporting dental centre margins.

**Centres become significantly more efficient** as they grow their patient base, which will drive further improvement in financial performance.

**Staff turnover continues to decline**, improving financial outcomes, centre operating stability, and the dentist experience.

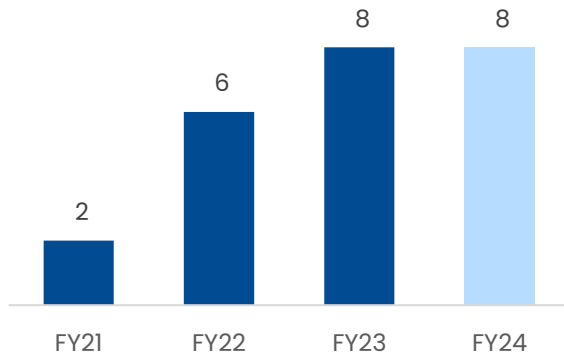
**Underlying EBITDA (\$m) (ex AASB 16)**



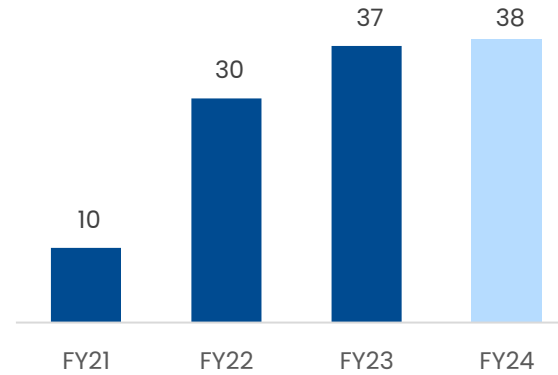


## PARTNER PROGRAM DELIVERING STRONG GROWTH, WITH A FURTHER 2 CENTRES PLANNED FOR FY25

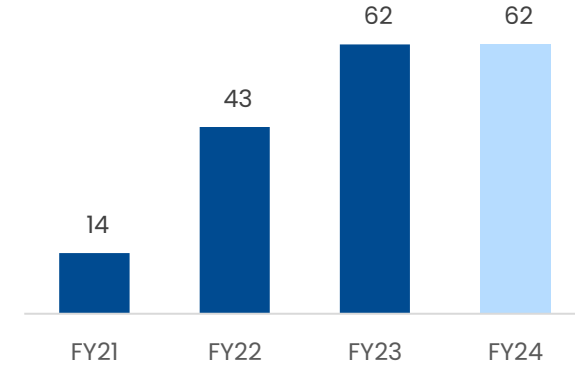
### Dental Centres



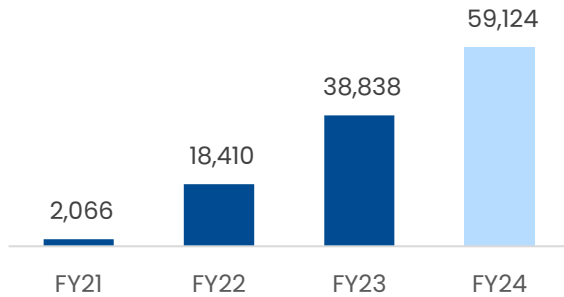
### Dental Chairs



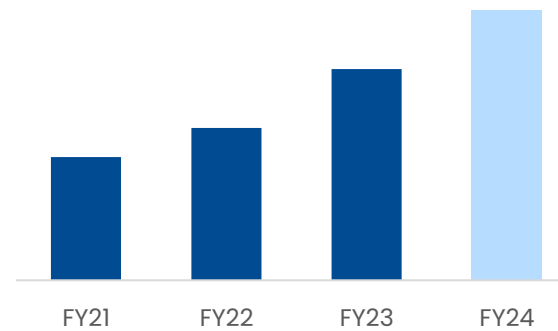
### Number of Active Dentists<sup>1</sup>



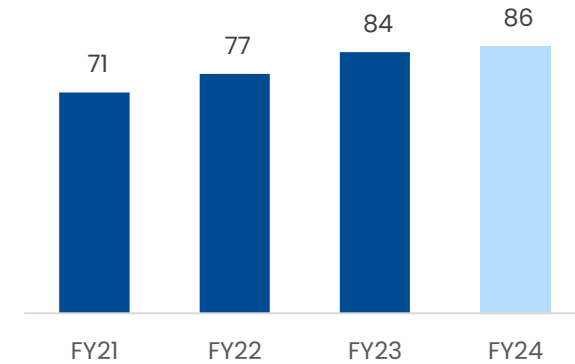
### Attended Appointments



### Utilisation



### Patient Net Promoter Score

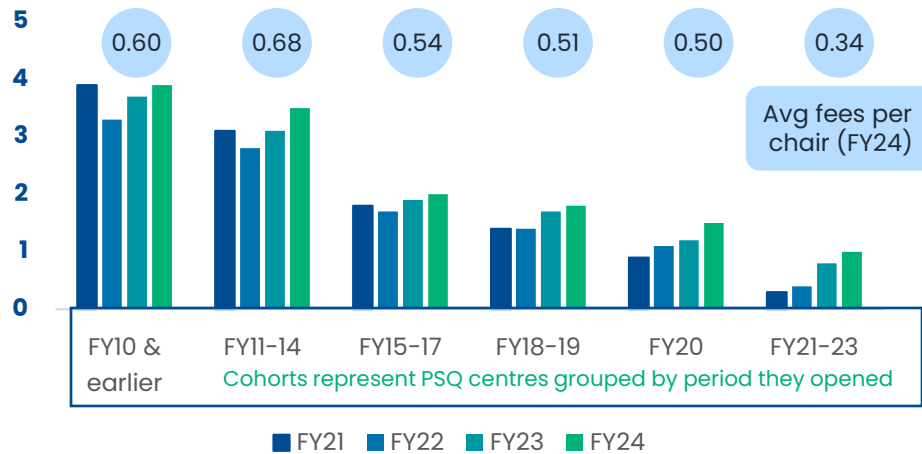


1. Number of active dentists as at 30 June 2024.

# Cohort Performance – Fees & Utilisation

PERFORMANCE IMPROVING ACROSS COHORTS, WITH FURTHER UPSIDE ON EXISTING FOOTPRINT

Average patient fees per centre, by cohort (\$m)

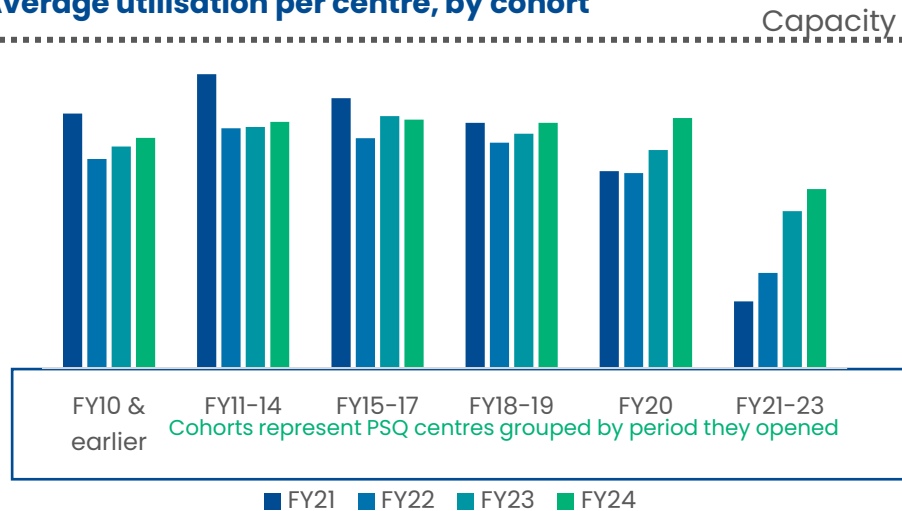


**Average patient fees rose across all cohorts in FY24**, largely in line with expectations.

**Margin held across most cohorts**, driven by disciplined cost management.

**Further capacity for growth across key cohorts**, especially newer cohorts as the business continues to fill capacity by attracting new patients while increasing practitioner hours worked.

Average utilisation per centre, by cohort



**Utilisation of existing chairs continues to improve through increased dentist hours:**

- Utilisation rates and appointment volumes increased in all but one cohort (based on age), with higher growth rates achieved in newer centres established in FY20 or later.
- Further capacity to expand utilisation with limited investment through placing new chairs in available surgeries.



# 02

## FY24 Financial Summary

# FY24 Income Statement

## SIGNIFICANT IMPROVEMENT IN PROFITABILITY DRIVEN BY REVENUE GROWTH AND OPERATING EFFICIENCY

\$m	FY24	FY23	Change
<b>Revenue</b>	<b>179.8</b>	<b>165.3</b>	<b>8.7%</b>
Gross profit	170.6	157.4	8.4%
<b>Underlying EBITDA</b>	<b>28.2</b>	<b>24.1</b>	<b>16.9%</b>
Depreciation & amortisation	-16.1	-16.4	-1.8%
<b>EBIT</b>	<b>12.1</b>	<b>7.7</b>	<b>56.6%</b>
Net interest expense	-0.1	-0.8	-86.7%
<b>Profit before tax</b>	<b>12.0</b>	<b>6.9</b>	<b>73.9%</b>
Tax	-3.1	-2.4	27.9%
<b>Net profit after tax</b>	<b>8.9</b>	<b>4.5</b>	<b>98.3%</b>
<b>Key financial metrics</b>			
Earnings per share (cents)	5.6	2.8	98.3%
Underlying EBITDA to Revenue margin	15.7%	14.6%	+110bp
Underlying EBITDA to Patient Fees margin	9.7%	8.9%	+80bp
Underlying EBIT to Revenue margin	6.7%	4.7%	+200bp
Corporate EBITDA to Patient Fees margin	6.4%	6.9%	-50bp

Figures are Underlying and exclude the impact of AASB 16 (see reconciliation in appendix)

**The FY24 results reflect the Company's strategy of capitalising on previous investments to leverage operational efficiencies and growth in patient appointment and practitioner hours to drive profitability.**

**Revenue increased 8.7% YoY to \$179.8m** driven by higher appointment volumes and modestly higher prices reflecting small increases provided by health funds.

**Net interest costs decreased to \$0.1m from \$0.8m in the prior year.** Reduced interest paid on the debt facility was driven by the progressive repayment of the term debt facility combined with improved interest receipts associated with higher rates. **Pacific Smiles is currently debt-free.**

**Underlying EBITDA increased 16.9% to \$28.2m** on revenue growth and improved operational efficiency, underpinned by continued staff to practitioner ratio improvements.

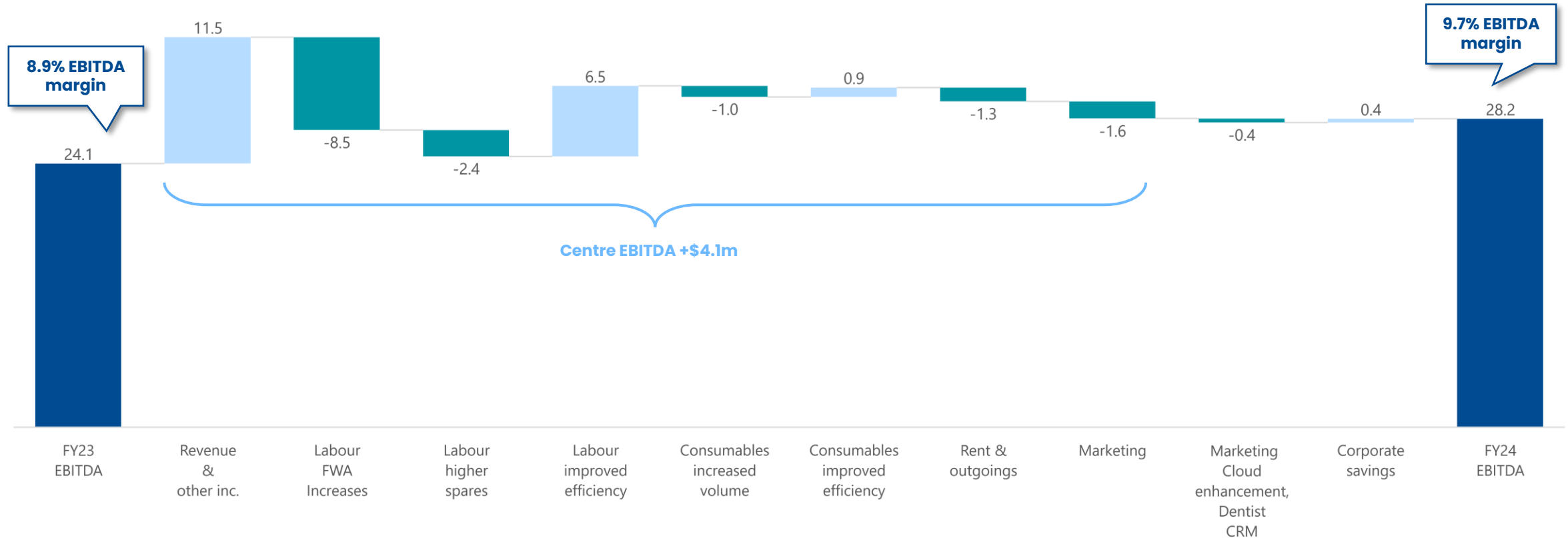
**EBITDA margins at a centre level increased slightly** compared to FY23, despite the challenging cost environment, impacted by the Fair Work Commission's wages determination for FY24 increasing wages by 5.75%.

**Underlying NPAT increased 98.3% to \$8.9m compared to \$4.5m in the prior year.**

**Statutory NPAT increased 232.1% to \$8.0m from the \$2.4m FY23 NPAT,** driven by increased patient volumes, modest increase in pricing and disciplined cost management.

# FY24 EBITDA Bridge

EARNINGS RESILIENT AGAINST INFLATION, FUTURE UPSIDE FOLLOWING CURRENT COST CATCH-UPS



**Continued Centre EBITDA growth** despite a number of inflationary cost increases.

**Labour efficiency of \$6.5m in FY24** offset by a \$8.5m increase from FWA.

**Corporate costs** reduced as a proportion of patient fees in FY24, despite \$0.4m of expenditure on IT related improvement initiatives.



# FY24 Cash Flow

SOLID COST CONTROL AND TARGETED CAPITAL DEPLOYMENT PROVIDE SIGNIFICANT OPTIONALITY

\$m	FY24	FY23	Change
<b>Reported EBITDA (pre-AASB 16)</b>	<b>27.3</b>	<b>21.9</b>	<b>24.0%</b>
Other non-cash items	-1.8	-3.6	-50.0%
Changes in working capital (excl income tax)	-3.0	5.9	nm
Net interest paid	-0.1	-1.1	-90.0%
Income tax paid	-3.6	4.8	nm
<b>Operating Cash Flow</b>	<b>18.8</b>	<b>27.9</b>	<b>-32.5%</b>
Net capital expenditure	-3.8	-11.1	-65.8%
<b>Investing Cash Flow</b>	<b>-3.8</b>	<b>-11.1</b>	<b>-65.8%</b>
Borrowings (net)	-9.0	-9.5	-5.3%
Dividends paid	-7.0	-0.6	1149%
<b>Financing Cash Flow</b>	<b>-16.0</b>	<b>-10.1</b>	<b>58.8%</b>
<b>Net Cash Flow</b>	<b>-0.9</b>	<b>6.8</b>	<b>-113.5%</b>

Figures are statutory amounts adjusted for the impacts of AASB 16.

**Operating Cash Flow** continued to strengthen in YoY terms during FY24 on:

- Increased patient and practitioner volumes;
- Strong centre labour efficiency;
- Stability in other key expenses, notably consumables; and
- Minor price increases.

**Debt free** business in FY24, driving lower net interest costs

**Investing Cash Flow** significantly decreased in line with reduction in expenditure for new centres

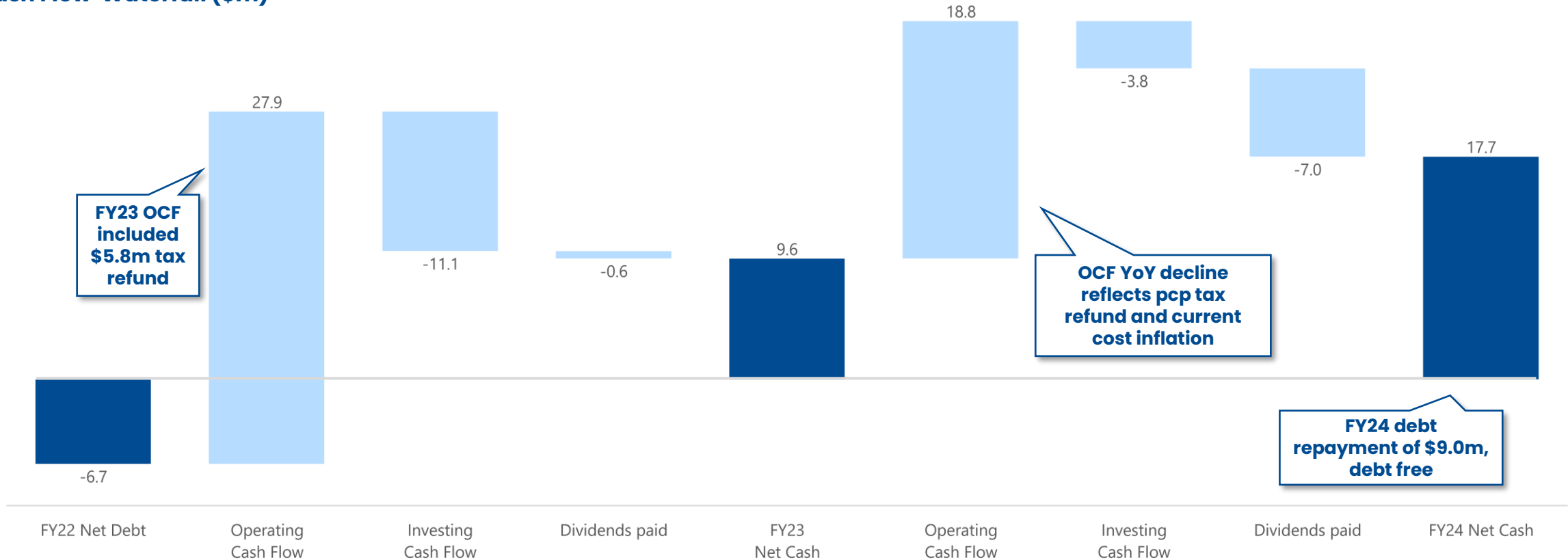
**Financing Cash Flow** increased YoY reflecting repayment of debt and higher dividend payments

**Working capital outflow** driven by minor increases in current liabilities and increases to current assets.

# FY24 Cash Flow Bridge

DEBT FREE, STRONG OPERATING PERFORMANCE AND CASH GENERATION

## Cash Flow<sup>1</sup> Waterfall (\$m)



**Operating Cash Flow** remained strong in FY24 on continued volume growth and cost control.

Pacific Smiles is now debt free with a **\$17.7m cash balance at year end**.

# FY24 Capital Expenditure

CAPEX HAS REDUCED AS PREVIOUS CENTRE GROWTH WAS MODERATED

\$m	FY24	FY23	Change
New centres	-	3.9	-100%
Centre relocations, expansions, refurbishments and new chairs	0.2	2.3	-91%
Technology upgrades	0.3	1.0	-70%
Replacement of surgical equipment	3.3	2.3	43%
Dental scanning equipment	-	1.6	-100%
<b>Total capital expenditure<sup>1</sup></b>	<b>3.8</b>	<b>11.1</b>	<b>-66%</b>

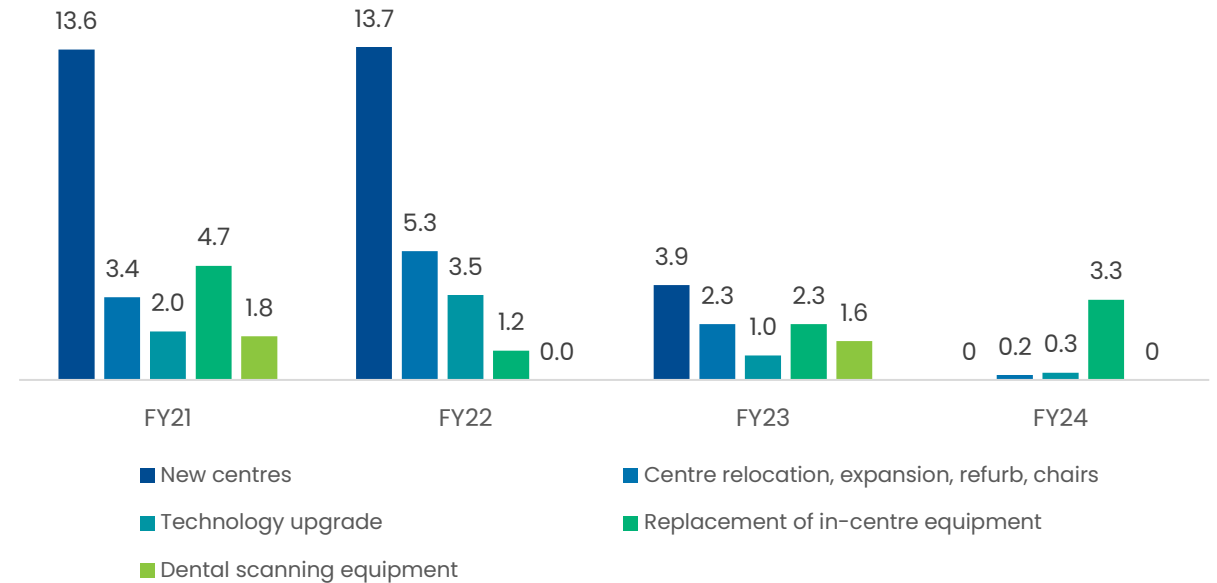
<sup>1</sup>Total capital expenditure excludes disposal cost.

**Capital expenditure for the year was lower at \$3.8m compared to FY23 at \$11.1m**, primarily due to not opening any new centres during the year.

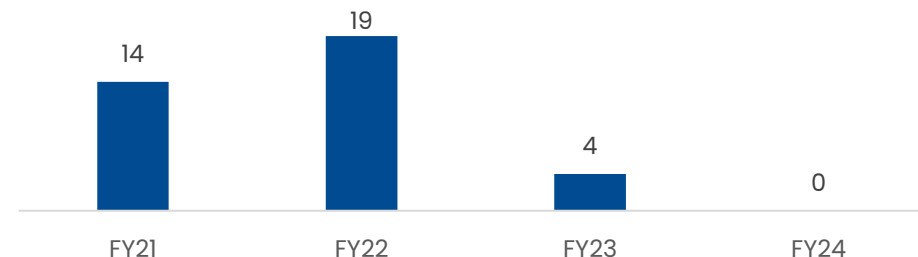
Pacific Smiles spent \$3.3m on in-centre equipment, including the purchase of 30 new dental chairs to be used in both growth initiatives and to replace ageing chairs in the fleet.

An additional \$0.4m of IT related project expenditure was also spent in operating expenditure.

Capital expenditure (\$m)



New Dental Centres



# FY24 Balance Sheet

## STRONG LIQUIDITY AND NO DEBT HIGHLIGHT SELF-FUNDING CAPABILITY

\$m	30-Jun-24	30-Jun-23	Change
Cash and cash equivalents	17.7	18.6	-4.8%
Other current assets	13.3	10.5	26.0%
Property, plant and equipment	51.2	62.0	-17.5%
Other assets	23.2	21.2	9.3%
<b>Total Assets</b>	<b>105.4</b>	<b>112.3</b>	<b>-6.1%</b>
Payables and other liabilities	23.0	20.7	11.2%
Provisions	13.1	13.1	-0.5%
Borrowings	0.0	9.0	-100.0%
<b>Total Liabilities</b>	<b>36.1</b>	<b>42.8</b>	<b>-15.8%</b>
<b>Net Assets</b>	<b>69.3</b>	<b>69.5</b>	<b>-0.3%</b>

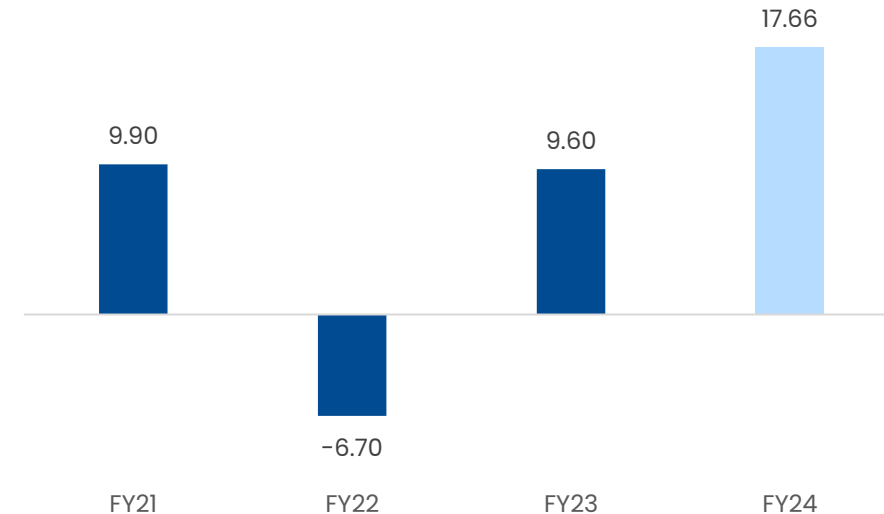
Figures exclude the impact of AASB 16 but include non-underlying adjustments (see reconciliation in appendix)

**\$9.0m debt was repaid**, fully repaying the amount outstanding under the Company's term debt facility, continuing strong focus on cash management and fiscal discipline.

**Borrowings declined to zero** as strong operating performance allowed for the retirement of debt and a resumption of dividends.

**Strong net cash position of \$17.7m** providing opportunity for capital allocation going forward.

### Net cash (\$m)





**03**

**Outlook**



# FY25 Update

## Trading to date, as of 27 August 2024:

- Patient Fees \$50.8m
  - Patient Fees +10.9% YoY<sup>1</sup>
  - Patient Fees +8.4% YoY on an equivalent like-for-like trading days basis<sup>2</sup>
- FY24 growth has generally continued into FY25 to date with July patient fees a record month and key operating metrics exhibiting the same positive trends.
  - Fair Work Determination increasing modern awards (which applies to the bulk of the Company's staff) by 3.75% has been applied from 1 July 2024. This is below the 5.75% determination in FY23.
  - Guidance for FY25 is not being provided at this time given the recent distraction of the proposals from NDC BidCo and Genesis and the attendant scheme meeting.
  - The Company will provide a strategic update to investors in due course.

<sup>1</sup>No new centres were opened in FY24, therefore total patient fee growth is equivalent to same centre patient fee growth

<sup>2</sup>There has been two additional weekdays of trading YTD compared to the previous corresponding period

## Update on proposals from NDC BidCo and Genesis

- Following the announcement of the scheme meeting results on 8 August 2024, Pacific Smiles has now terminated its scheme implementation deed with NDC BidCo Pty Ltd.
- The Board of Pacific Smiles has no further update on corporate interest at this stage and will keep the market informed in accordance with its continuous disclosure obligations.
- The Board is focused on improving business performance and will only consider an alternate transaction if it is in the best interests of Pacific Smiles shareholders as a whole.



**04**

**Q&A**



**Pacific  
Smiles  
Dental**



**Pacific  
Smiles  
Dental**



Cameron Park's  
Local Dentist

**05**

**Appendix**



# Centre Locations

## NSW

Ashfield  
Balgowlah  
Bateau Bay  
Ballina  
Bankstown\*  
Bass Hill  
Baulkham Hills  
Belmont  
Belrose  
Bondi Junction  
Blacktown  
Brookvale  
Cameron Park\*\*  
Campbelltown  
Charlestown  
nib Chatswood  
Chullora\*\*

Corrimal\*\*  
Dapto\*\*  
Erina  
nib Erina  
Figtree  
Forster  
Gladesville  
Glendale  
nib Glendale  
Goulburn\*\*  
Greenhills  
Greenhills Ortho  
Hornsby\*\*  
Hurstville  
Jesmond  
Kotara  
Lake Haven

Lane Cove  
Maroubra\*\*  
Marrickville  
Merrylands\*\*  
Morisset  
Mount Hutton  
Narellan  
nib Newcastle‡  
nib Nth  
Parramatta  
Nowra  
Parramatta  
Penrith  
Queanbeyan  
Raymond  
Terrace

Richmond\*\*  
Rockdale\*\*  
Rutherford  
Salamander Bay  
Shellharbour  
Singleton  
Sylvania\*\*  
nib Sydney  
Toronto  
Town Hall  
Tuggerah  
Tweed Heads  
Wagga Wagga  
Wollongong  
nib Wollongong

## ACT

Belconnen  
Gungahlin  
Manuka  
Tuggeranong  
nib Woden‡

## WA (HBFD)

Belmont\*  
Bull Creek  
Cannington  
Floreat\*  
Joondalup  
Karrinyup  
Mandurah  
Morley

## VIC

Bairnsdale  
Bendigo  
Caroline Springs  
Chirnside Park  
Craigieburn\*\*  
Cranbourne Park  
Doncaster East\*\*  
Drysdale  
Endeavour Hills\*  
Epping  
Frankston\*\*  
Glen Iris  
Glen Waverley  
Greensborough

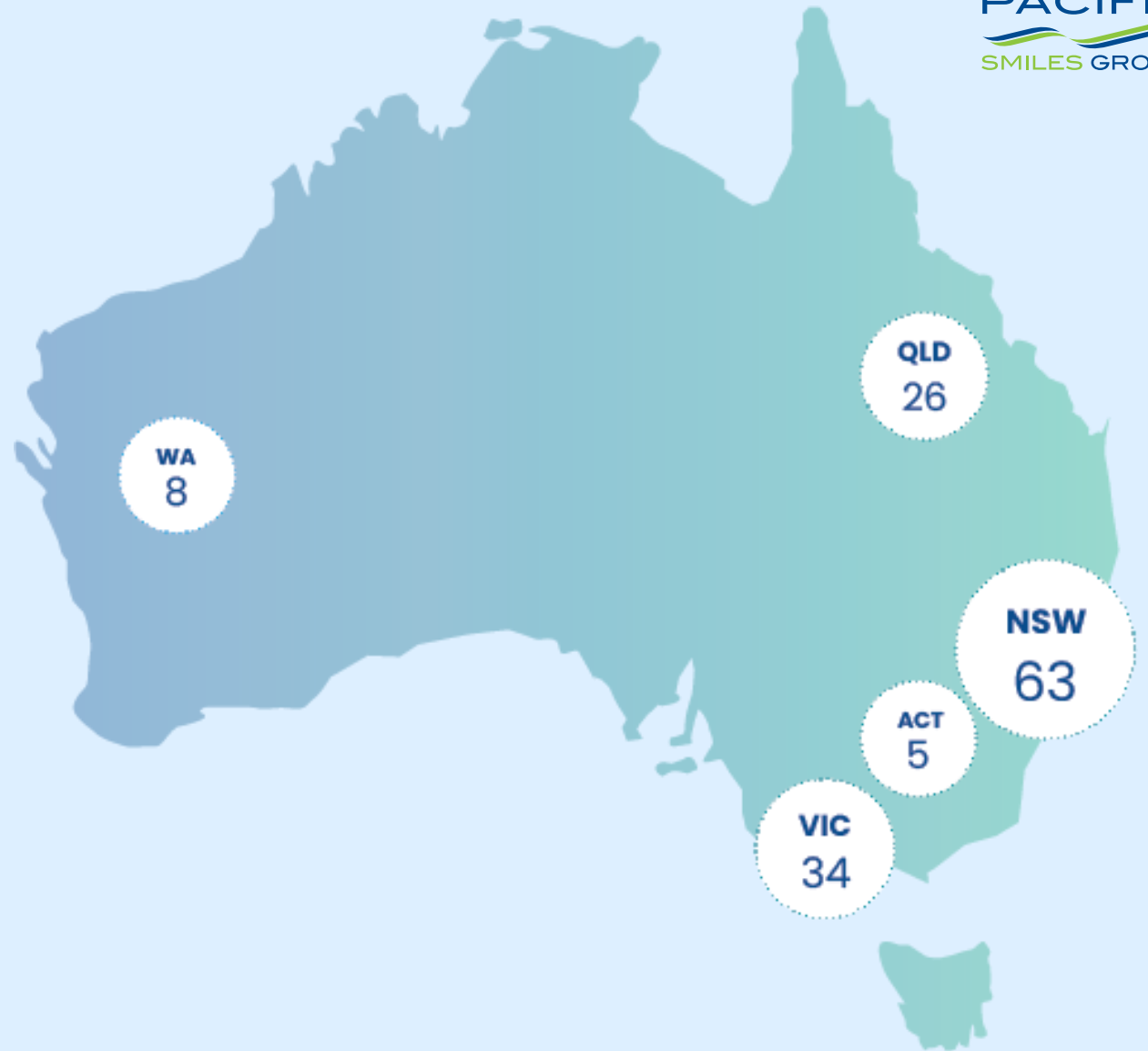
Keysborough  
Leopold  
Melbourne  
nib Melbourne  
Melton  
Mill Park  
Mulgrave  
Narre Warren  
Oakleigh\*\*  
Ocean Grove  
Point Cook  
Preston  
Ringwood  
Sale

Taylors Lake  
Torquay  
Traralgon  
Warragul  
Waurin Ponds  
Werribee

## QLD

Aspley  
Birtinya  
Bribie Island  
Brisbane CBD  
Browns Plains  
Buddina  
Burleigh Heads  
Capalaba  
Chermside\*  
Cleveland  
Coomera\*\*  
Deception Bay  
Helensvale  
Loganholme\*\*

Maroochydore\*  
Mitchelton  
Morayfield  
Mt Gravatt  
Mt Ommaney  
Newstead  
North Lakes  
Redbank Plains  
Robina  
Runaway Bay  
Strathpine  
Victoria Point



Notes:  
\* FY2023 New Centres  
\*\* FY2022 New Centres  
‡ PSD Woden merged with nib Woden and PSD Newcastle was rebranded to nib Newcastle

# Why Dentists Choose Pacific Smiles





# ESG – How We Make a Difference

MULTIPLE INITIATIVES UNDERWAY & A FULL REVIEW OF ESG STRATEGY PLANNED FOR FY25

## Environmental

- Transitioned to a single supplier for uniforms & gowns, reducing environmental impact of separate supply chains (freight etc).
- Pilot of paper cups replacing plastic cups completed – rolled out across HBFD centres in line with WA plastics ban.
- Reduction in non-recyclable impression products with the increased use of 3D scanners.

## Social

- Now in its third year, the career-ready placement partnership with the University of Newcastle provides students with real-world industry experience, preparing them for future workplace opportunities.
- Continued use of AI technology producing excellent recruitment outcomes by reducing bias from candidate screenings in our recruitment process.

## Governance

- Improved the median gender pay gap (WGEA) from 8.7% to 1.8%.
- Gender, professional and educational diversity embedded in the new Clinical Governance Committee and Dental Advisory Committee.
- High level of cultural and gender diversity across our engaged dentists (more than 60% female) and workforce.

# Cohort Performance Data

## Average patient fees per centre (\$m)

Cohort	# Centres	# Surgeries	# Chairs	FY15	FY16	FY167	FY18	FY19	FY20	FY21	FY22	FY23	FY24
FY21-23	34	175	98							0.3	0.4	0.8	1.0
FY20	5	19	15						0.3	0.9	1.1	1.2	1.5
FY18-19	19	75	69				0.3	0.6	1.0	1.4	1.4	1.7	1.8
FY15-17	28	112	105	0.3	0.5	0.7	1.0	1.3	1.3	1.8	1.7	1.9	2.0
FY11-14	14	78	73	1.7	2.0	2.3	2.3	2.5	2.4	3.1	2.8	3.1	3.5
FY10 & earlier	28	191	183	3.5	3.6	3.5	3.5	3.7	3.4	3.9	3.3	3.7	3.9
<b>Total</b>	<b>128</b>	<b>650</b>	<b>543</b>										

## Average EBITDA margin per centre (\$m)

Cohort	# Centres	# Surgeries	# Chairs	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
FY21-23	34	175	98							-39.7%	-31.2%	-8.9%	-2.1%
FY20	5	19	15						-29.7%	-2.5%	-0.8%	6.7%	10.4%
FY18-19	19	75	69				-25.9%	-7.0%	2.7%	9.0%	6.3%	13.5%	14.1%
FY15-17	28	112	105	-23.3%	-11.2%	-2.2%	5.1%	11.3%	11.5%	15.8%	11.6%	15.5%	14.6%
FY11-14	14	78	73	20.1%	23.2%	23.5%	22.5%	21.7%	20.9%	22.9%	20.6%	23.1%	22.6%
FY10 & earlier	28	191	183	23.8%	24.0%	24.5%	24.1%	21.7%	20.7%	22.5%	20.2%	20.5%	20.3%
<b>Total</b>	<b>128</b>	<b>650</b>	<b>543</b>	<b>22.1%</b>	<b>21.4%</b>	<b>20.8%</b>	<b>19.4%</b>	<b>17.9%</b>	<b>16.7%</b>	<b>18.2%</b>	<b>13.2%</b>	<b>15.8%</b>	<b>16.0%</b>

<b>New Centres Opened</b>	<b>8</b>	<b>9</b>	<b>12</b>	<b>10</b>	<b>11</b>	<b>5</b>	<b>14</b>	<b>19</b>	<b>4</b>	<b>0</b>
<b>Total Patient Fees (\$m)</b>	<b>121.4</b>	<b>133.8</b>	<b>147.0</b>	<b>164.5</b>	<b>187.4</b>	<b>186.3</b>	<b>240.8</b>	<b>226.4</b>	<b>270.5</b>	<b>291.8</b>
<b>Total EBITDA (\$m)</b>	<b>25.0</b>	<b>27.1</b>	<b>29.2</b>	<b>30.4</b>	<b>33.3</b>	<b>30.9</b>	<b>43.6</b>	<b>29.8</b>	<b>42.7</b>	<b>46.8</b>
<b>Total EBITDA margin (%)</b>	<b>22.1%</b>	<b>21.4%</b>	<b>20.8%</b>	<b>19.4%</b>	<b>17.9%</b>	<b>16.7%</b>	<b>18.2%</b>	<b>13.2%</b>	<b>15.8%</b>	<b>16.0%</b>

# Reconciliation – Underlying to Statutory Income Statement

\$m	FY24			FY23		
	Underlying (ex AASB 16)	Adj	Statutory	Underlying (ex AASB 16)	Adj	Statutory
Revenue	179.8	-	179.8	165.3	-	165.3
Direct expenses	-9.2	-1.0	-10.2	-7.9	-1.0	-9.0
<b>Gross profit</b>	<b>170.6</b>	<b>-1.0</b>	<b>169.6</b>	<b>157.4</b>	<b>-1.0</b>	<b>156.4</b>
Other income	1.1	-0.2	0.8	2.3	0.2	2.5
<b>Expenses</b>						
Employee	-83.3	1.3	-82.0	-78.9	-1.2	-80.1
Consumable supplies	-13.3	1.4	-11.9	-13.2	-	-13.2
Occupancy	-22.2	17.5	-4.7	-20.9	17.0	-3.9
Marketing	-5.1	-	-5.1	-3.6	-	-3.6
Admin & other	-19.6	-2.4	-21.9	-19.0	-0.7	-19.7
<b>Total expenses</b>	<b>-143.4</b>	<b>17.8</b>	<b>-125.6</b>	<b>-135.6</b>	<b>15.1</b>	<b>-120.4</b>
<b>EBITDA</b>	<b>28.2</b>	<b>16.6</b>	<b>44.7</b>	<b>24.1</b>	<b>14.3</b>	<b>38.5</b>
Depreciation & amortisation	-16.1	-14.2	-30.3	-16.4	-13.8	-30.2
<b>EBIT</b>	<b>12.1</b>	<b>2.4</b>	<b>14.4</b>	<b>7.7</b>	<b>0.5</b>	<b>8.3</b>
Net finance costs	-0.1	-3.6	-3.7	-0.8	-3.5	-4.3
<b>PBT</b>	<b>12.0</b>	<b>-1.2</b>	<b>10.7</b>	<b>6.9</b>	<b>-3.0</b>	<b>3.9</b>
Income tax expense	-3.1	0.4	-2.7	-2.4	0.9	-1.5
<b>NPAT</b>	<b>8.9</b>	<b>-0.9</b>	<b>8.0</b>	<b>4.5</b>	<b>-2.1</b>	<b>2.4</b>

**FY23 Income Statement adjustments** remove the impact of:

- Once-off severance
- Executive LTI plan
- Insurance recoveries associated with the closure of the flood-impacted Lismore centre
- Legal & consulting costs related to the Dec 2022 EGM
- Adjustments to workers compensation premiums for prior years
- Payroll tax on Service and Facilities Agreements with independent dentists

**FY24 Income Statement adjustments** remove the impact of:

- Once-off severance
- Executive LTI plan
- Legal & consulting costs associated with take over proposals and Scheme of Arrangement
- Adjustments to workers compensation premiums for prior years
- Payroll tax on Service and Facilities Agreements with independent dentists

# Reconciliation – Underlying to Statutory

## Balance Sheet & Cash Flow Statement

\$m	FY24			FY23			\$m	FY24			FY23		
	Reported <sup>1</sup>	Adj. AASB 16	Statutory	Reported <sup>1</sup>	Adj. AASB 16	Statutory		Reported <sup>1</sup>	AASB 16	Statutory	Reported <sup>1</sup>	AASB 16	Statutory
Cash	17.7	-	17.7	18.6	-	18.6	Reported EBITDA	27.3	17.4	44.7	21.9	16.6	38.5
Receivables	4.5	0.2	4.7	2.7	0.2	2.9	Other non-cash items	-1.8	-	-1.8	-3.6	-	-3.6
Current tax receivables	-	-	-	-	-	-	Changes in working capital (ex income tax)	-3.0	-0.2	-3.2	5.9	-0.3	5.5
Inventories	7.7	-	7.7	6.2	-	6.2	Net interest paid	-0.1	-3.2	-3.3	-1.1	-3.2	-4.3
Other	1.1	-	1.1	1.6	-	1.6	Net income taxes	-3.6	-	-3.6	4.8	-	4.8
<b>Total Current Assets</b>	<b>31.0</b>	<b>0.2</b>	<b>31.2</b>	<b>29.1</b>	<b>0.2</b>	<b>29.3</b>	<b>Operating Cash Flow</b>	<b>18.8</b>	<b>14.0</b>	<b>32.8</b>	<b>27.9</b>	<b>13.0</b>	<b>40.9</b>
Receivables	-	0.3	0.3	-	0.5	0.5	Net capital expenditure	-3.8	-	-3.8	-11.1	-	-11.1
Property, plant and equipment	51.2	62.4	113.6	62.0	71.5	133.5	Finance lease payments	-	0.4	0.4	-	0.5	0.5
Intangible assets	12.9	-	12.9	14.6	-	14.6	<b>Investing Cash Flow</b>	<b>-3.8</b>	<b>0.4</b>	<b>-3.4</b>	<b>-11.1</b>	<b>0.5</b>	<b>-10.6</b>
Deferred tax assets	10.3	3.7	14.0	6.6	3.5	10.2	Borrowings (net)	-9.0	-	-9.0	-9.5	-	-9.5
<b>Total Non-Current Assets</b>	<b>74.4</b>	<b>66.4</b>	<b>140.8</b>	<b>83.2</b>	<b>75.5</b>	<b>158.8</b>	Payments of lease liabilities	-	-14.4	-14.4	-	-13.5	-13.5
<b>Total Assets</b>	<b>105.4</b>	<b>66.6</b>	<b>172.0</b>	<b>112.3</b>	<b>75.7</b>	<b>188.1</b>	Dividends paid	-7.0	-	-7.0	-0.6	-	-0.6
Payables	18.7	-	18.7	19.3	-	19.3	<b>Financing Cash Flow</b>	<b>-16.0</b>	<b>-14.4</b>	<b>-30.4</b>	<b>-10.1</b>	<b>-13.5</b>	<b>-23.6</b>
Lease liabilities	-	14.6	14.6	-	13.7	13.7	<b>Net Cash Flow</b>	<b>-0.9</b>	<b>-</b>	<b>-0.9</b>	<b>6.8</b>	<b>-</b>	<b>6.8</b>
Current tax liabilities	4.4	-	4.4	1.4	-	1.4							
Borrowings	-	-	-	-	-	-							
Provisions	4.8	-	4.8	4.8	-	4.8							
<b>Total Current Liabilities</b>	<b>27.8</b>	<b>14.6</b>	<b>42.4</b>	<b>25.4</b>	<b>13.7</b>	<b>39.2</b>							
Payables	-	-	-	-	-	-							
Lease liabilities	-	60.7	60.7	-	70.2	70.2							
Borrowings	-	-	-	9.0	-	9.0							
Provisions	8.3	-	8.3	8.4	-	8.4							
<b>Total Non-Current Liabilities</b>	<b>8.3</b>	<b>60.7</b>	<b>69.0</b>	<b>17.4</b>	<b>70.2</b>	<b>87.6</b>							
<b>Total Liabilities</b>	<b>36.1</b>	<b>75.3</b>	<b>111.4</b>	<b>42.8</b>	<b>84.0</b>	<b>126.8</b>							
<b>Net Assets</b>	<b>69.3</b>	<b>-8.7</b>	<b>60.6</b>	<b>69.5</b>	<b>-8.3</b>	<b>61.3</b>							
Contributed Equity	52.1	-	52.1	52.1	-	52.1							
Reserves	6.8	-	6.8	15.5	-	15.5							
Retained profits	10.4	-8.7	1.7	1.9	-8.3	-6.3							
<b>Total Equity</b>	<b>69.3</b>	<b>-8.8</b>	<b>60.6</b>	<b>69.5</b>	<b>-8.3</b>	<b>61.3</b>							

# Glossary

<b>Active Dentist</b>	SFA dentists invoiced by Pacific Smiles in the last month of the period, and locum dentists paid commission during the last month of the period
<b>Annualised Turnover</b>	Number of terminations (employees or dentists) during the past 12 months divided by the average number of employees or dentists
<b>Centre Cohorts</b>	Cohorts represent Pacific Smiles centres grouped by the financial year(s) in which they opened
<b>Corporate costs</b>	Includes costs relating to head-office and revenue associated with HBF Dental master service agreement
<b>EBITDA (Statutory)</b>	Earnings Before Interest, Tax, Depreciation, and Amortisation
<b>EBITDA (Reported)</b>	Statutory EBITDA excluding the impact of AASB 16 (lease accounting standard)
<b>EBITDA (Underlying)</b>	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
<b>EBITDA margin</b>	Unless otherwise stated, refers to Underlying EBITDA divided by Patient Fees for the period
<b>Free Cash Flow</b>	Operating Cash Flow less Investing Cash Flow
<b>HBF partnership</b>	Pacific Smiles operates eight dental centres in Western Australia on behalf of HBF, for a fee
<b>nib partnership</b>	Pacific Smiles owns and operates 11 nib Dental Care centres, and all Pacific Smiles centres are part of the nib First Choice network
<b>Net Jobkeeper</b>	This relates to the net impact on EBITDA relating to the JobKeeper receipts and payments
<b>Patient Fees vs Revenue</b>	Total fees paid by patients (customers of dentists utilising the Pacific Smiles network) vs Pacific Smiles share
<b>Staff to Practitioner Ratio</b>	The ratio of total staff hours worked in dental centres to dentist hours worked
<b>Utilisation</b>	A measure of activity relative to the total effective productive capacity of each dentist chair