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ASX ANNOUNCEMENT

20 November 2024

2024 Annual General Meeting

Pacific Smiles Group Limited (ASX:PSQ) (**Pacific Smiles**) 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 Chairman, Ms Giselle Collins, and the Managing Director and Chief Executive Officer, Mr Gary Carroll.

This announcement was authorised by the Company Secretary of Pacific Smiles Group Limited.

ENDS

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Pacific Smiles Group Limited
2024 Annual General Meeting
Chairman Script

Good afternoon, ladies and gentlemen.

Welcome to the 2024 Annual General Meeting for Pacific Smiles Group Limited. I am Giselle Collins, Chairman 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 people of the Eora Nation, 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. I would also like to pay our respects to all those that value and care for this wonderful country of ours, whether indigenous or not.

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 2024 AGM I would like to introduce the board and management team of Pacific Smiles Group Limited who are in attendance.

Directors in attendance include:

Jodie Leonard;

Scott Kalniz (who is dialling in remotely);

Steven Rubic;

Brent Cubis; and

Gary Carroll, our CEO & Managing Director.

Management in attendance includes Matthew 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 2024.

In terms of today's Agenda, I will provide a brief address which will focus on the recent activities that have been undertaken by the Board to strengthen the Company as well as an update on

the Genesis takeover offer. I will also provide some further information on your Board of Directors, in particular those standing for election or re-election today.

Our CEO & Managing Director, Gary Carroll, who joined Pacific Smiles Group in mid-October, will then provide a detailed review of the FY24 financial year, together with his initial observations on the business from his first few weeks at Pacific Smiles. Finally, Gary will reconfirm guidance for FY25.

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 respect the following:

Questions should be concise

Similar questions may be grouped together, so that a single response can be provided

Questions must be confined to the particular item being discussed and to matters relevant to shareholders as a whole.

Shareholders are limited to one question 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.

For those of you joining online, Slide 6 contains an update on recent activity, which we are confident will place the business on a strong footing going forward.

Firstly, the results for the FY24 year and the first quarter of FY25 demonstrates the great resilience of the business despite the corporate distraction. I am proud of the effort the whole team – both the Pacific Smiles team and our dental practitioner partners, put into achieving these results. Pleasingly, from a shareholder perspective, top line growth has translated to

improved profit margins and strong cash flows. Gary will provide a more detailed review of the FY24 results in his presentation.

The second and third bullets on the refreshed Board and management team and the Genesis off-market takeover offer I will deal with separately in a moment in more detail, but we hope this demonstrates the action-oriented approach the Board has taken for shareholders.

In my capacity as Chairman, alongside my other Directors and management we have spent significant time with shareholders listening to their feedback, and on the back of this Gary, along with the Board, are preparing a strategy update for presentation following release of the half year results. I am excited to work alongside Gary in developing this, as there are exciting areas of opportunity for us to grow the business and shareholder value.

Finally, the Board has continued to maintain focus on the business and supporting management which has allowed us to restart a number of organic growth activities following the strong start to the FY25 year.

Pacific Smiles has already made a significant investment in our dental centres and in FY24 the team serviced more than one million appointments. We remain committed to driving growth and return on investment not just from our dental centre network, but also from investments made in developing digital infrastructure to better service the needs of our patients and dentists. Better utilising embedded capacity to optimise utilisation will remain a cornerstone of the business plan moving forward. A key priority being increasing both the number of patient visits and the mix of services provided to those patients.

Turning to slide 7.

The Board has worked efficiently to refresh the Board and Management team who had been significantly disrupted due to the ongoing takeover processes of which you are all aware.

On behalf of the Board and shareholders, I would like to thank Zita Peach for leading the Company over the past four years – I am sure you join me in thanking her for her efforts and her stewardship of the business. Additionally, we acknowledge the contributions of Mark Bloom and Simon Rutherford, both long-standing Non-Executive Directors who resigned during the past financial year.

I would like to take a moment to thank my board colleagues Jodie Leonard, Steven Rubic and Scott Kalniz who have had to contend with a magnitude of decisions and meetings and provide wise counsel at each turn. I would particularly like to single out Jodie Leonard who could not have provided more support in enabling me to lead the Company in the best way possible.

I am pleased to welcome Brent Cubis to the Board as Non-Executive Director and Chair of the Audit & Risk Committee. His background in strategic and financial leadership of large-scale healthcare businesses complements the skills of our existing Directors. You will hear more about Brent's experience as he introduces himself to you later in the meeting.

We will also look to appoint an Australian-based dentist to the Board in the near future, further bolstering the industry skills on our Board.

As you are aware, Andrew Vidler announced his resignation in early September 2024. The Board would like to thank Andrew for his contribution as CEO & Managing Director during the 2024 calendar year.

We are pleased to have appointed Gary Carroll as the CEO & Managing Director. Gary joined us in October and brings extensive experience as a CEO and senior executive in listed companies with large-scale networks in the human services and retail sectors. We also plan to appoint Martin White as Acting CFO from February 2025 when Matt Cordingley leaves the company. Martin brings significant financial capability combined with his existing deep knowledge of Pacific Smiles finances.

As previously mentioned, the Board will be working with Gary Carroll and his management team to design and implement a strategy to continue the growth of the business. As you may be aware, we have a very concentrated share register and I am cognisant that many shareholders have views on what Management and the Board should do and I look forward to engaging with you on this.

For the Board to be effective, it is imperative that we have your support and trust to lead the Company and provide the opportunity for the new management team to focus on optimising the potential of each of our dental centres without distraction. By doing so, we can drive revenue through maximising patient fees and innovating our services for both dental practitioners and patients. It is a tremendous business of which I am very proud to be a part of, and we are excited to get on and execute our vision.

Turning to slide 8 for a brief update on the Genesis Bidco takeover offer.

As you would all be aware, Genesis made an unsolicited and opportunistic takeover offer for Pacific Smiles culminating in an increase in the All Cash Consideration that translates to a payment of \$1.95 per share on issue as at 10 October 2024. The cash component of the Mixed scrip and cash consideration increases by a proportional amount.

Genesis Bidco has now declared its takeover offer unconditional, and the revised offer price best and final, meaning that the offer price will not be increased, in the absence of an alternative or competing proposal.

On 19 November 2024, Genesis Bidco further announced that the offer period will not be extended, meaning the offer will close on 29 November 2024.

Pacific Smiles shareholders should note that if Genesis Bidco reaches voting power greater than 50% in the last 7 days of the offer (from 7:00pm, 22 November 2024), the offer will automatically be extended for 14 days allowing shareholders further time to consider.

As at 18 November 2024, Genesis Bidco have disclosed voting power of 32.11% in Pacific Smiles.

The Pacific Smiles Board continues to unanimously recommend that shareholders reject the offer by taking no action.

The concentration of our register means that the rest of the register is impactful in its decision making on the conduct of the business. As I mentioned earlier, we will be looking to add a local dentist to the board, and we will seek Genesis input as a major shareholder on an appropriate candidate.

Pacific Smiles' Board and management team remain focused on delivering value for shareholders as a whole.

Before I hand over to Gary, I wanted to conclude by saying healthcare businesses are all about the people, and, pleasingly, this year our team showed their belief and dedication to providing outstanding services to our Dental practitioners and in turn to their patients. The resilience and improvement in the results in the FY24 year and the early stages of FY25 highlight the passion and calibre of both the people who work for Pacific Smiles and our dental practitioners partners, who all turn up each and every day so that they can do what they do best for the patients at our dental centres. On behalf of the Board, I would like to thank every team member and practitioner that forms part of the Pacific Smiles Group for their efforts and commitment during the year.

I will now hand over to Gary to provide a detailed update on the business' financial and operational performance this year, followed by his initial observations.

Pacific Smiles Group Limited
2024 Annual General Meeting
Managing Director and CEO Script

Thanks Giselle and good afternoon, everyone. It's nice to meet those I've not had a chance to say hello to yet. I will start with an overview of the FY24 financial and operating performance which is set out on slide 10 of the pack.

The key financial and operating highlights of FY24 were:

Firstly: Strong Top Line Growth, with Patient Fees of \$291.8m, which was a 7.9% increase year on year, underpinned by a 3.5% increase in the number of appointments. Importantly, growth was observed across all centre cohorts. Fee growth was driven through a combination of higher practitioner hours and attracting new patients. Marketing initiatives to drive new patient acquisitions were implemented, including above-the-line campaigns aimed at stimulating increased awareness and demand for our dental services. Secondly, cancellation rates declined during the year, the result of a real operational focus on seamless patient communications and increasing the number of appointment confirmations, which we know correlates to lowering appointment non-attendance.

Secondly: Expanded Profitability. Underlying EBITDA for the year grew to \$28.2m, a circa 17% improvement on last year and it also translates to margin expansion over the prior year of 110 basis points. This flowed down to a material increase in underlying net profit after tax of \$8.9 million, nearly doubling the prior year's result. The improved profit was driven by increased utilization as centres continue to mature, which remains a major opportunity for further growth. The business's labour efficiency has also materially improved in FY24. The improving employee turnover result, stable practitioner base and high patient Net Promoter Score are all testament to the proposition we offer to our practitioners, patients and employees and underpin both top-line and bottom-line growth; and

Finally: Significant Deleveraging, with strong cash generation allowing Pacific Smiles to pay a final dividend of 3.25 cents as well as significantly reduce debt, with the Group having a Net Cash position of \$17.7m at year end. This provides us with significant flexibility in making capital allocation decisions going forward.

The team have delivered strong earnings and cash flow results despite some headwinds over the past 12 months relating to the state of the broader economy, inflation and cost of living pressures that have impacted Australians' spending habits. In addition, the business faced increases in wages and occupancy costs. These cost increases were mitigated through the investment in resources and focus to drive growth and utilisation, especially in centres with embedded capacity that are continuing to mature. In addition to the cost pressures, the Group

has had to weather the distraction from ongoing takeover offers. It is a credit to the team to deliver quality results in such an environment.

We are a business that is now debt-free and in an attractive net cash position, with strong cash flows that provide significant financial flexibility going forward. Over the coming period I will be working with the management team and Board to finalise a strategy to continue to grow the business in the coming years and I look forward to presenting that strategy to shareholders following the release of the half-yearly accounts.

Turning now to the successful continuation and expansion of our partnership with HBF under a managed services agreement to build and run dental centres for HBF in Western Australia. The FY24 highlights are contained on slide 11.

As a reminder, our contract with HBF is to build and operate HBF dental centres on their behalf. HBF put up the capital and Pacific Smiles runs the centres. It is a mutually beneficial arrangement for both organisations.

The HBF Dental Network in FY24 continued with the 8 existing centres, with a further 2 centres on track to be opened in FY25.

With no change to the number of dental centres, a small increase of chairs and active dentists has achieved significant increases in attended appointments and utilisation for HBF. There has logically also been a continued uplift in practitioner hours to support this. Attended appointments were up an impressive 52% on last year.

And the Patient Net Promoter Scores achieved was 86, up on the prior year.

We are very privileged to have this relationship with HBF. . The teams at HBF and Pacific Smiles work closely together, the business model is working, practitioners and patients are responding we forward to continuing to grow with HBF into the future.

I have been with Pacific Smiles Group since mid-October and have visited our centres in the Hunter, Sydney, Melbourne and South-east Queensland during this time. Those visits, plus the time spent with the team in our centralised support office, have led to my initial observations, which are set out on slide 12.

Firstly, as evident in the results for the FY24 year and the first quarter of FY25, the operational foundations of the group are strong. Robust standardised processes help, as does the service culture of the entire team which is focused on building and maintaining strong relationships with practitioners and patients.

Secondly, in my visits I have witnessed excellent partnerships between our dental practitioner partners and the Pacific Smiles teams. It is clear to me that continuing to grow those

partnerships, for example, by providing outstanding day-to-day support and working with practitioners to develop their skills and experience, is key.

Thirdly, the DSO model being operated by the Group, when properly executed, does provide a scale advantage that can benefit practitioners, patients and team members. Given the relatively low penetration of such a model in the Australian market, that equates to a significant market opportunity.

From a strategic perspective, while detailed strategic planning will be finalised in the next few months, the existing strategic growth pillars are compelling and there are a number of near-term strategic opportunities to drive optimisation and growth in our network. Pleasingly, we have already seen growth from some of these near-term activities in the FY25 year, utilizing the technology and network footprint that is in place.

Finally, there are a number of opportunities to further drive value, such as higher value dentistry, driving improved productivity, investing in developing our practitioners and team members and continuing to drive increase patient engagement and bookings.

I will now walk through the market and strategic opportunities in more detail, starting with the market growth opportunity which is set out on slides 13 and 14.

Dentistry forms an integral part of the overall healthcare system, with good oral health having various significant positive impacts on overall health, such as reducing the risk of systemic diseases such as heart disease as well as preventing digestive issues and improving the immune system. Importantly, regular oral exams with dental professionals can result in early detection of disease.

General dentistry, which is Pacific Smiles' focus, represents 93% of overall spend and therefore we see it as a highly attractive area of healthcare to be operating in.

Moving onto slide 14, this demonstrates where we see tangible opportunity in the Australian market.

The penetration of DSO companies such as Pacific Smiles is significantly below overseas jurisdictions such as the US. Long-term demand factors are positive, such as a growing and ageing population, continued growth in private health insurance rates, access to preferred provider agreements and increasing demand for cosmetic dentistry such as orthodontic procedures, whitening, veneers and crowns.

Similarly, we see strong increasing demand from high-quality practitioners who want flexibility and an ability to service their patients to a high-standard while being able to focus on dentistry without the burden and complexity of running a small business.

Turning to the strategic opportunities for the Group, slide 15 sets out the current strategic growth pillars of the Group, which involve driving value through utilising embedded capacity that is already in the network, improving performance through enhanced maturation of existing cohorts and undertaking disciplined network growth.

Each of these pillars contain a combination of near-term and longer-term opportunities that can be executed to drive growth in both revenue and profitability. Some of the activities that have been completed or are underway in this current financial year are:

Roll-out of a new patient segmentation framework, which has been used in conjunction with our existing AI-enabled marketing engine to drive a 7% increase in new patient and treatment plan conversions;

Trials of two separate AI tools in clinics – one for scanning technology to assist practitioners with the process as well as increase treatment plan conversion results, and another to improve practitioner productivity;

Execution of more centre-specific marketing activities to improve booking volumes in our newer cohort centres;

Rolling out phase one of our new training programs for practitioners and dental assistants to uplift skills and productivity;

Installation of an additional 4 chairs in existing clinics in order to achieve our target of at least 10 additional chairs in existing clinics during FY25; and

Commitment to a new greenfield centre in Victoria, with another 3 centres planned to be opened in the FY25 year. In addition, 2 new HBF centres are on track to be opened during the year. We are also assessing a small number of brownfield acquisitions.

Within the current strategic pillars there are a number of other medium-term opportunities to leverage the existing network footprint and technology platforms to drive strategic growth. These opportunities are listed on slides 16 and 17. Turning first to slide 16, as we continue to evolve our customer segmentation framework and use of AI tools in our existing platform we expect to unlock further growth in patient conversions and appointments, building on the good early progress made in Q1 of this year.

There is also an opportunity to leverage our footprint and tech platforms to improve scheduling of practitioners as well as driving productivity of both practitioners and team members. Growing our existing practitioner portal to improve communication and visibility for dentists on an everyday basis is forecast to assist with practitioner engagement and retention.

As mentioned previously, we will be rolling our phase one of our new practitioner training program shortly. As that program evolves, we expect it to assist with attracting new and graduate dentists into our network as well as allowing existing practitioners to perform more complex, higher value dentistry. For our well-established, highly skilled practitioners the focus is on reviewing and refining our partnership to increase retention of this cohort.

From a team perspective, there are some key strategic opportunities, which are set out on slide 17. As is the case with practitioners, investing in upskilling our key Dental Assistant and leadership team members is forecast to improve their retention and performance, while also driving improved outcomes for dentists and patients.

As Giselle noted, we are a people business and our culture is what binds us together to grow and thrive. Continuing to evolve and grow our culture, including the implementation of a merit-based reward and recognition program, will be a key focus moving forward.

Finally, as has been the case with HBF and nib in prior periods, Pacific Smiles has the opportunity to leverage its scale and data insights to grow our healthcare partnerships to the mutual benefit of our patients, partners and team.

To wrap up my presentation, I wanted to summarize our guidance for the FY25 year. A full version of the guidance statement that was released to the ASX on 13 November is contained on slide 40 of the slide pack, with the summary being contained on slide 20.

The FY25 guidance range is provided as follows:

Patient Fees \$310m to 318m (+6.2% to 9.0% on FY24)

Underlying EBITDA \$31.2m to \$34.2m (+10.6% to 21.3% on FY24)

This guidance is driven the following assumptions:

At the upper end, Pacific Smiles assumes its current growth levers continue to perform throughout the remainder of FY25 and market conditions are unchanged. The lower end of guidance contemplates softening in operating conditions, amidst ongoing cost of living pressures.

Labour productivity rates remain in line with management expectations

Four new centres to open in FY25, funded entirely from cash reserves, with an expected EBITDA drag of \$0.4m during ramp-up.

Two underperforming centres will be closed in the first half of the financial year, resulting in a \$1.0m reduction in patient fees for FY25, with no material impact to Underlying EBITDA.

Guidance excludes \$1.2 million of non-recurring IT and cyber initiatives that will add value in future years.

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



2024 Annual General Meeting

20 November 2024

Giselle Collins – Chairman

Gary Carroll – Chief Executive Officer

Important Notice and Disclaimer

This document is a presentation prepared by Pacific Smiles Group Limited (ACN 103 087 449) (Pacific Smiles).

Material in this presentation provides general background information about the activities of Pacific Smiles current at the date of this presentation, unless otherwise noted. Information in this presentation remains subject to change without notice. Circumstances may change and the contents of this presentation may become outdated as a result.

The information contained in this presentation is a summary only and does not purport to be complete. It should be read in conjunction with Pacific Smiles' other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

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Forward looking statements

This document contains certain forward-looking statements and comments about expectations about the performance of its businesses. Forward looking statements can generally be identified by the use of forward-looking words such as, without limitation, 'expect', 'outlook', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'would', 'believe', 'forecast', 'estimate', 'target' and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings or financial position or performance are also forward-looking statements.

Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that such predictions, forecasts, projections and other forward-looking statements will not be achieved. Forward looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. Forward looking statements involve known and unknown risks, uncertainty and other factors, 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 Pacific Smiles' actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements and many of these factors are outside the control of Pacific Smiles. As such, undue reliance should not be placed on any forward-looking statement. Past performance is not a guide to future performance and no representation or warranty is made by any

person as to the likelihood of achievement or reasonableness of any forward-looking statements, forecast financial information or other forecast. Nothing contained in this presentation, nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee as to the past, present or the future performance of Pacific Smiles. Pacific Smiles does not undertake any obligation to update or review any forward-looking statements (other than to the extent required by applicable law).

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 38 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. We respect and thank all those people that care for our wonderful and diverse country.

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



Giselle Collins
Chairman



Gary Carroll
Chief Executive Officer

Agenda

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Chairman's
Address

02

CEO's Address

03

FY25 Guidance

04

Annual
General
Meeting
Business

05

Q&A

1. Chairman's Address

Pacific Smiles Group | 2024 AGM



Recent Company Activities



Delivered strong Patient Fee growth in FY24 and Q1 FY25 despite the distraction of corporate interest



Continued the refresh of the Board and Management, including the appointment of a new CEO



Recommend shareholders REJECT opportunistic takeover from Genesis Capital



Updating the strategy to be presented in Q3 FY25



Accelerating initiatives to drive organic growth that has contributed to strong trading in FY25

The Board has acted swiftly to fill key Board and Management roles

- The **Board has acted promptly to fill Board and Management gaps** and establish a refreshed and experienced Board and management team
- Proposed appointment of an **Australian-based dentist** in FY25 will further strengthen the Board
- With runway to execute on strategy, the **Board is confident it can deliver long-term shareholder value**



Giselle Collins
Non-Executive Director
Chairman



Gary Carroll
Managing Director and
Chief Executive Officer



Brent Cubis
Non-Executive Director and
Chair of the Audit & Risk
Committee

Update on Genesis Bidco Takeover Offer

- On 11 November 2024, Genesis Bidco announced an increase to the cash consideration under its takeover offer, with the All Cash Consideration increasing to \$1.9825 (resulting in payment of **\$1.95 per share** on issue at the time the 3.25 cent dividend was paid on 10 October 2024) and the cash component of the Mixed Consideration increasing by a proportional amount
 - Genesis Bidco also declared its takeover offer **unconditional**, and the revised offer price **best and final** (meaning that the offer price will not be increased, in the absence of an alternative or competing proposal)
- On 19 November 2024, Genesis Bidco announced the **offer period will not be extended, meaning the offer will close on 29 November 2024** unless, on or before that date, Genesis Bidco has voting power in Pacific Smiles of at least 50% or a competing or alternative proposal emerges (in which case Genesis Bidco reserves the right to extend the offer period or allow its offer to close)
- Pacific Smiles shareholders should note that if Genesis Bidco reaches voting power greater than 50% in the last 7 days of the offer (from 7:00pm, 22 November 2024), the **offer will automatically be extended for 14 days** allowing shareholders further time to consider
- As at 18 November 2024, Genesis Bidco and its Associates have disclosed voting power of 32.11% in Pacific Smiles
- **As announced in Pacific Smiles' Second Supplementary Target's Statement released on 13 November 2024, the Pacific Smiles Board continues to unanimously recommend that shareholders REJECT the offer by TAKING NO ACTION**
- **Pacific Smiles' Board and management team remain focused on delivering value for shareholders as a whole**



2. CEO's Address

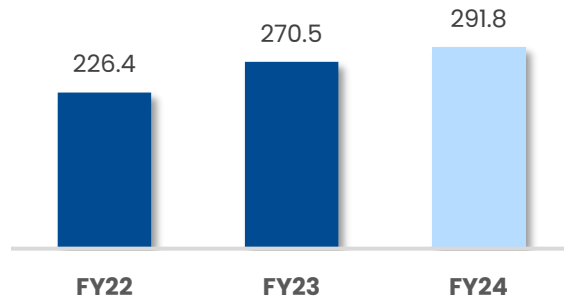
Pacific Smiles Group | 2024 AGM

FY24 Highlights

DELIVERED STRONG EARNINGS AND CASH FLOW GROWTH

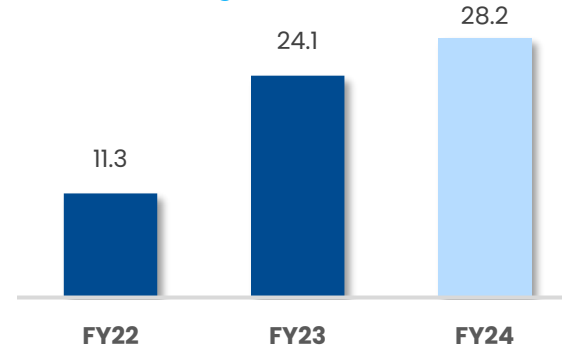
Patient Fees (\$m)

Continued growth



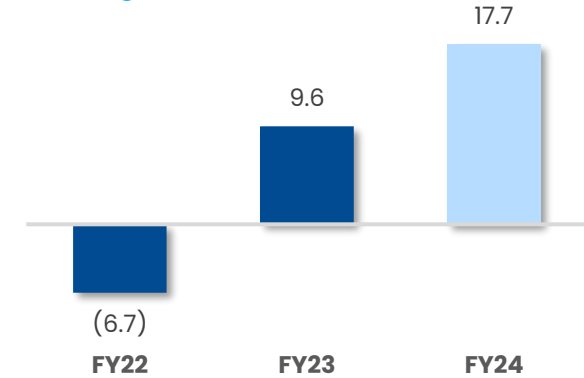
Underlying EBITDA (\$m)

Resilient earnings



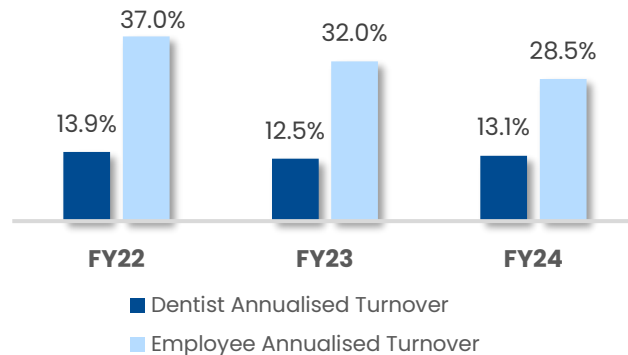
Net Cash/(Debt) (\$m)

Unleveraged balance sheet



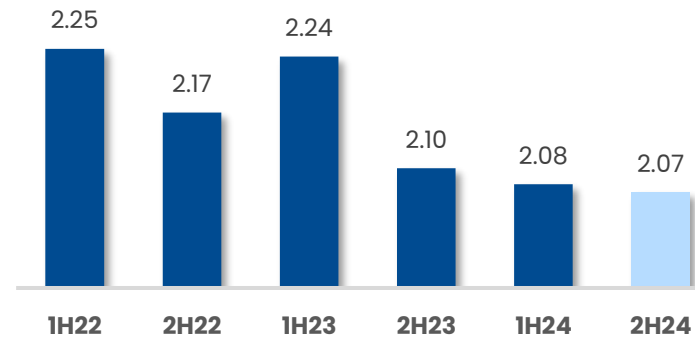
Annualised Dentist & Employee Turnover (%)

Positive trend



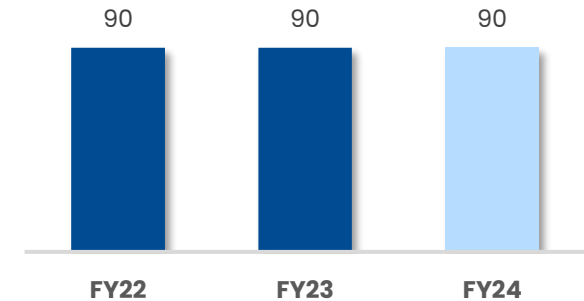
Staff to Practitioner Ratio

Efficient operations



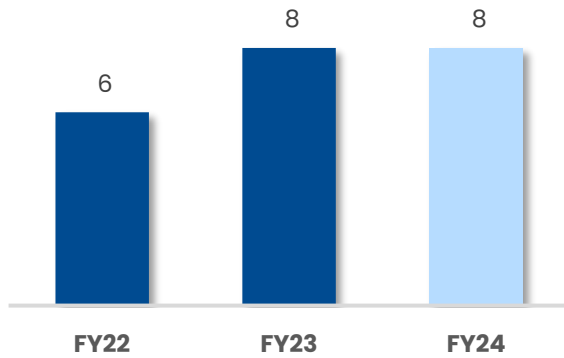
Patient Net Promoter Score

Consistently high

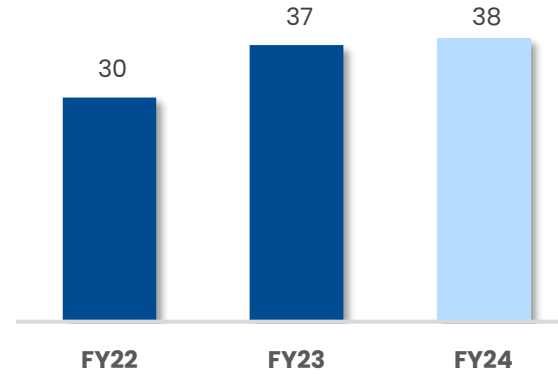


PARTNER PROGRAM DELIVERING STRONG GROWTH, WITH A FURTHER 2 CENTRES PLANNED FOR FY25

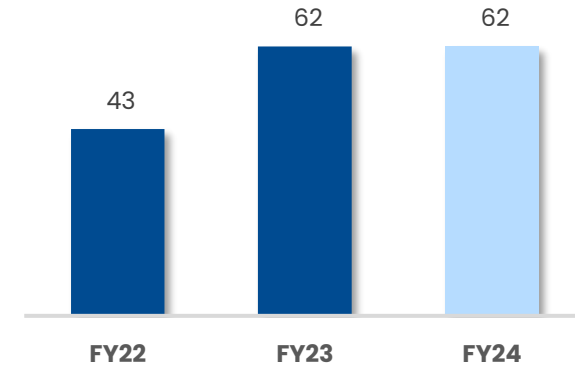
Dental Centres



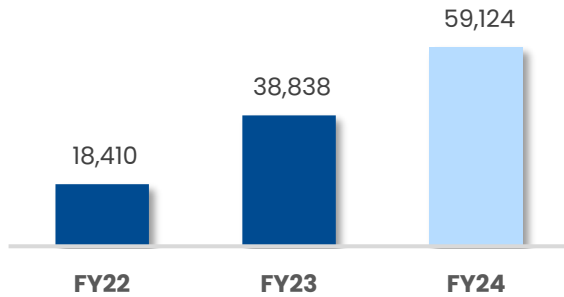
Dental Chairs



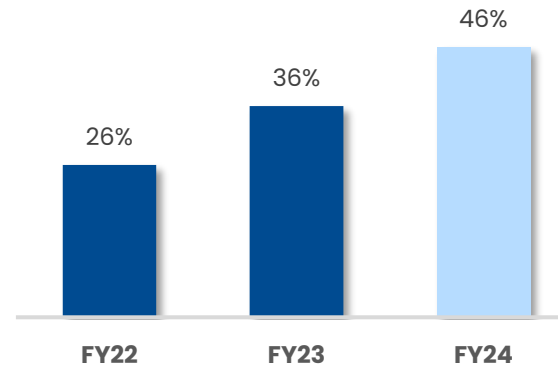
Number of Active Dentists¹



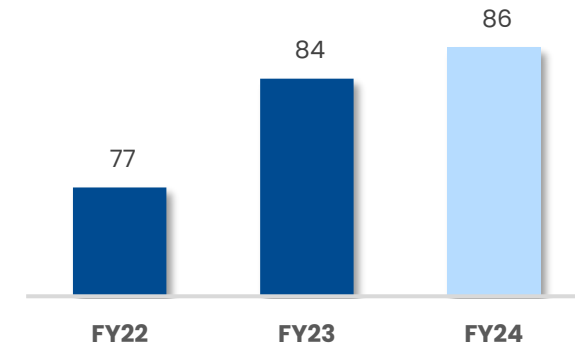
Attended Appointments



Utilisation



Patient Net Promoter Score



Initial CEO Observations

1 **Strong operational foundations**, centred on robust processes and focus on building strong relationships

2 **Excellent partnerships** exist between our **practitioners** and the **PSQ teams** – continuing to grow and develop such partnerships is key

3 The **market opportunity is significant**, with DSO scale advantages and market penetration growth potential being sizeable

4 **Existing strategic growth pillars are compelling**

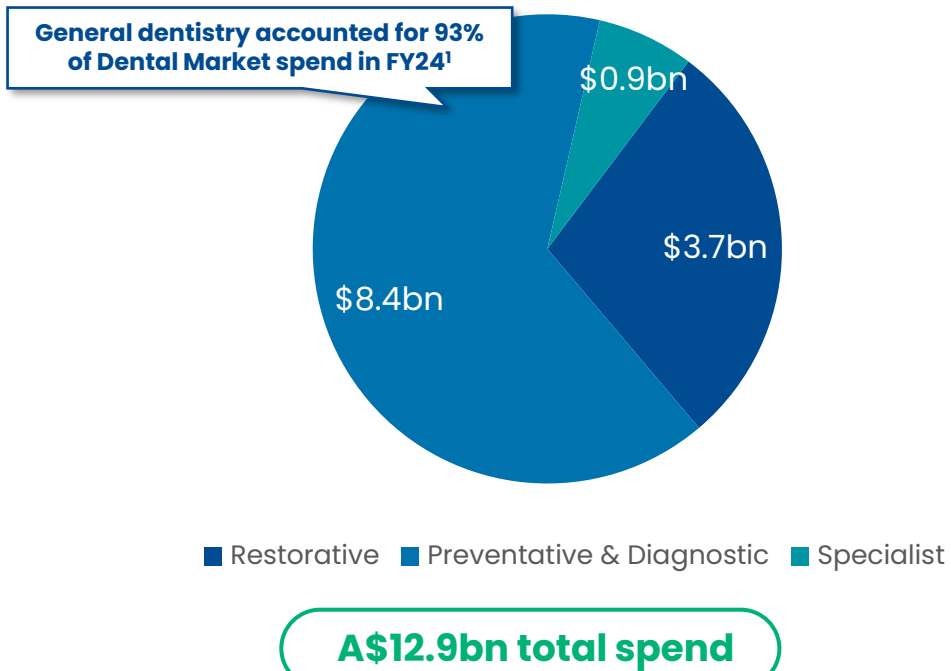
5 FY25 activities **are delivering growth** in strategic focus areas, with **footprint and technology platforms in place** to further drive optimization and network growth

6 **Higher value dentistry**, practitioner and team **development, productivity** and increased patient **engagement and bookings** are key areas to driving value

Dentistry Contributes to Better Health

AN INTEGRAL PART OF A PROGRESSIVE NATIONAL HEALTHCARE SYSTEM

Australian Dental Market Spend (FY24¹)



Good oral health is essential to good overall health

- ✓ Good oral health **reduces the risk of systemic diseases** including heart disease and diabetes
- ✓ Can help **prevent digestive issues** and nutrient absorption
- ✓ **Promotes healthy bacteria** in the mouth and gut
- ✓ **Self-esteem** and confidence from healthy smile and breath
- ✓ **Detection of disease** from regular oral exams with dental professionals

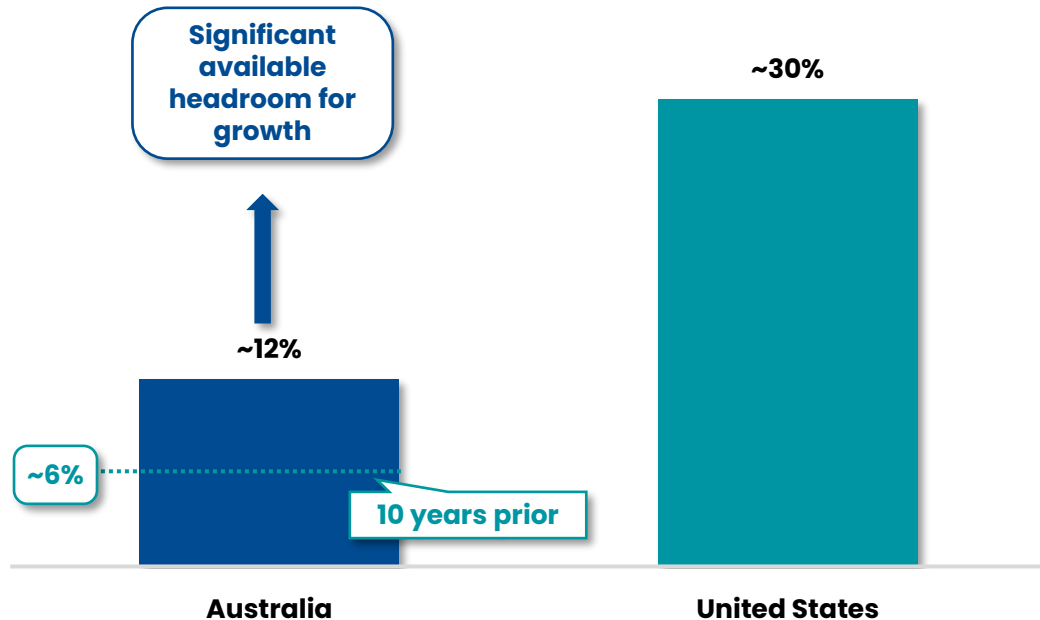
Pacific Smiles – Australia’s local dentist providing over 1 million dental health appointments per year

Attractive Market Opportunity

LARGE FRAGMENTED MARKET WITH SIGNIFICANT SCOPE FOR GROWTH IN CORPORATE DENTISTRY

Corporate Dental Group Ownership by Country¹

% of practices







Key demand factors supporting the industry

- 1 Ageing and population growth** – Dental problems are highest for people aged 75 and older, and therefore demand is growing with Australia’s ageing population.
- 2 PHI participation rates** – APRA data (Mar-24) revealed continued PHI policy growth of 1.6%, supporting continued dental growth and ancillary claiming.
- 3 Access to Preferred Provider Agreements (PPAs)** – PSG has access to a broad spectrum of PPAs from insurers, which underpins patient demand as insurers promote dentist locations within their PPA network.
- 4 Child Dental Benefits Scheme** – Financial support funded by the Commonwealth Government for eligible children to receive access to dental care.
- 5 Cosmetic dentistry** – Increasing demand for orthodontic procedures (aligners etc.), teeth whitening, veneers and crowns.

Strategic Growth Pillars

SEVERAL ACTIVITIES HAVE ALREADY COMMENCED IN FY25

	Opportunities	FY25 Focus Areas
 Fill Available Capacity	<ul style="list-style-type: none">• Fill existing spare appointments• Drive higher utilisation of existing chairs through more appointments and dentist hours	<ul style="list-style-type: none">• Approximate 7% increase in new patient and treatment plan conversions driven by:<ul style="list-style-type: none">– Roll out of patient segmentation framework– Executing AI tools to drive conversions and bookings• AI trials underway to improve treatment plan conversion and increase dentist productivity
 Cohort Maturation	<ul style="list-style-type: none">• Growth via the addition of new dentist chairs• Improving offering, pricing, mix etc. in existing centres	<ul style="list-style-type: none">• Centre-specific marketing activities• Rolling-out phase one of new dentist and dental assistant training program to uplift skills and productivity• Full-year target of 10+ new chair uplifts, with 2 complete and 2 more in-motion
 Network Growth	<ul style="list-style-type: none">• Continued organic growth in footprint, with benefits and efficiency emanating from clusters• Strategic approach to targeting new locations	<ul style="list-style-type: none">• Target of 4 new centres for FY25, with one new centre under development and several other sites under review• Assessing small number of brownfield acquisitions
 Inorganic Growth / M&A	<ul style="list-style-type: none">• Potential for attractive targets within fragmented Australian dentistry market	<ul style="list-style-type: none">• Optional / opportunistic M&A a strategic consideration

Executing on our Strategy

MEDIUM TERM OPPORTUNITIES THAT LEVERAGE EXISTING FOOTPRINT AND TECHNOLOGY PLATFORMS



Marketing:

- Continue to refine customer segmentation framework and AI capability of our existing technology platform to drive increased patient visits



Productivity:

- Leverage technology investment and network footprint to improve staff to practitioner ratio and practitioner productivity
- Drive practitioner portal to improve practitioner engagement and communication



Practitioner Attraction, Retention and Development:

- Evolve and grow our training and development programs to:
 - Improve attraction and retention of dental practitioners; and
 - Increase capability to drive more complex, higher value dentistry
- Review and refine our programs to drive retention of our existing high value practitioners

Executing on our Strategy (Cont'd)

MEDIUM TERM OPPORTUNITIES THAT LEVERAGE EXISTING FOOTPRINT AND TECHNOLOGY PLATFORMS



Team development and retention:

- Continued roll-out of training to upskill Dental Assistants
- Implement training programs to grow leadership capability



Performance based culture:

- Evolve our values-based culture and implement merit-based reward and recognition program to drive performance, retention and engagement of our team



Healthcare Partnerships:

- Leverage network growth and technology-enabled data insights to grow our healthcare partnerships and drive improved value for patients, partners and PSQ



3. FY25 Guidance

FY25 Guidance

- The full FY25 guidance statement that was released to the ASX on 13 November is contained in the Appendix on slide 40.
- The range provided was as follows:
 - Patient Fees \$310m to 318m (+6.2% to 9.0% on FY24)
 - Underlying EBITDA \$31.2m to \$34.2m (+10.6% to 21.3% on FY24)

This guidance is driven by the following assumptions:

- At the upper end, Pacific Smiles assumes its current growth levers continue to perform throughout the remainder of FY25 and market conditions are unchanged. The lower end of guidance contemplates softening in operating conditions, amidst ongoing cost of living pressures.
- Labour productivity rates remain in line with management expectations.
- Four new centres to open in FY25, funded entirely from cash reserves, with an expected EBITDA drag of \$0.4m during ramp-up.
- Two underperforming centres will be closed in the first half of the financial year, resulting in a \$1.0m reduction in patient fees for FY25, with no material impact to Underlying EBITDA.
- Guidance excludes \$1.2 million of non-recurring IT and cyber initiatives.



**Pacific
Smiles
Dental**



**Pacific
Smiles
Dental**



Cameron Park's
Local Dentist

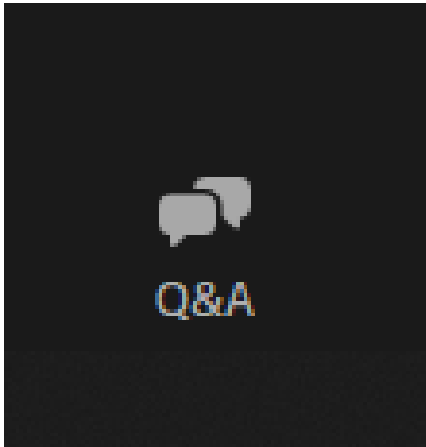
4. Annual General Meeting Business

Pacific Smiles Group | 2024 AGM

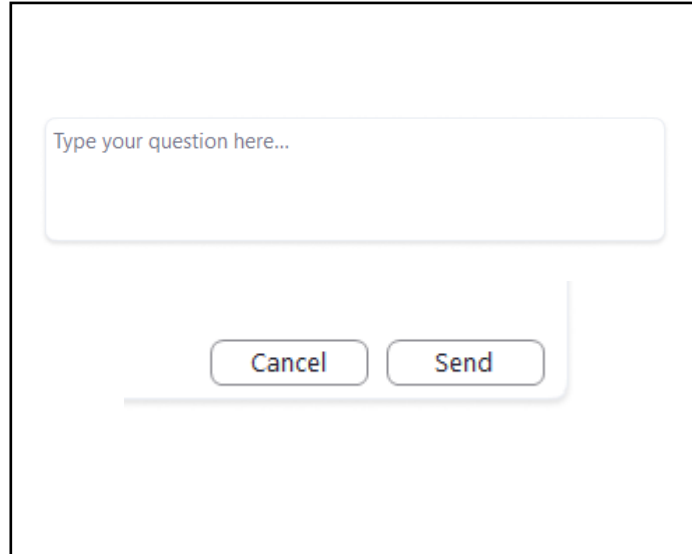


Online Q&A

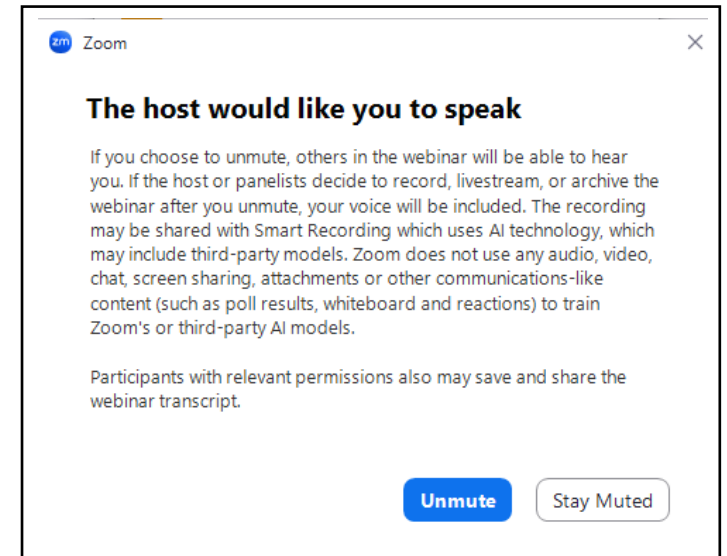
1. Click on the Q&A icon.
Type your HIN or SRN first to verify you are a shareholder.



2. Type your question if you want to ask a written question. If you want to ask your question verbally, please type 'I want to ask a verbal question'. Hit enter to submit.



3. If asking a verbal question, a moderator will allow you to unmute your microphone while you ask your question. When prompted, please click the 'unmute' button.



To contact support:

Please call 1300 816 159 (within Australia) or +61 2 8072 1479 (outside of Australia)

NOTICE OF ANNUAL GENERAL MEETING AND PROXIES

Registration and Voting

→ Investor sign in

Manage Your Holdings & Securities.

Register

Sign up and add your HIN/SRNs to start managing your portfolio. It's fast, secure, and easy.

USERNAME
username

PASSWORD
password [show](#)

Log in

[Can't log in?](#)

Virtual Meetings

TODAY

SYDNEY CORPORATION - Annual General Meeting [Voting Open](#)

[NOW OPEN](#) WEBINAR Register to access webinar KEY DATES & TIME Meeting 3 Oct 2024 08:00 AM AWST (+08:00)

SRN I*****000515 MR SHIRLEY LOPEZ <THE LOPEZ FAMILY A/C> [Register](#)

- 1**
Go to
<https://investor.automic.com.au/#/home>
- 2**
Once logged in you will see that the meeting is open for registration. Click on “view”
- 3**
Click on “register” to register your attendance for the meeting

To contact support:

Please call 1300 816 159 (within Australia) or +61 2 8072 1479 (outside of Australia)

Registration and Voting

Registration

WILL YOU BE REGISTERING TO VOTE?
 If you have already lodged a Proxy Form and wish for your proxy vote to stand, please select "NO, I will not be voting".
 If you have lodged a Proxy Form and wish to amend your vote, please select "YES, I would like to vote".

YES, I would like to vote NO, I will not be voting

Meeting Resolutions

RESOLUTIONS
 You must vote on all resolutions, except for those marked as withdrawn.

1 Ordinary Resolution

For Against Abstain

Required!

SYDNEY CORPORATION - Annual General Meeting

Meeting 3 Oct 2024 08:00 AM AWST (+08:00)

SYD

You can join the meeting online using the following link

<https://www.automicgroup.com.au/>

Declaration

PLEASE NOTE: You will not be able to change your votes after pressing the **confirm** button.

By pressing **confirm** you agree that this online voting form has been signed, authorised and submitted by you, in your capacity as a registered holder (or legally authorised representative) of the Company, in accordance with the requirements under the Company's Constitution, the Corporations Act 2001 (Cth) and Automic's terms and conditions.

Previous Save

4

Once the Chair of the Meeting declares voting open, you should select "refresh"

5

To vote simply select the direction in which you would like to cast your vote, the selected option will change colour.

6

Once voting is declared closed you must select "next" and then "confirm" to submit your vote.

To contact support:

Please call 1300 816 159 (within Australia) or +61 2 8072 1479 (outside of Australia)

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 2024.”

Resolution 1

Adoption of Remuneration Report

Proxies		
For	Against	Open
54,103,442	7,163,604	11,160
88.29%	11.69%	0.02%

Resolution 2

Election of Brent Cubis as Director

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

“That Brent Cubis, who ceases to hold office in accordance with Listing Rule 14.4 and rule 6.1(e) of the Company’s Constitution, and being eligible, offers himself for election, be elected as a Director of the Company.”

Resolution 2

Election of Brent Cubis as Director

Proxies		
For	Against	Open
59,100,095	2,333,018	11,160
96.18%	3.80%	0.02%

Resolution 3

Re-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 who retires by rotation in accordance with rule 6.1(f) of the Company’s Constitution, and being eligible offers himself for re-election, be elected as a Director of the Company.”

Resolution 3

Re-election of Steven Rubic as Director

Proxies		
For	Against	Open
57,008,252	4,432,649	11,160
92.77%	7.21%	0.02%

Resolution 4

Amendments to the Company's Constitution

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

"That, for the purposes of section 136 of the Corporations Act and for all other purposes, the Company's Constitution be amended as set out in the Explanatory Statement."

Resolution 4

Amendments to the Company's Constitution

Proxies		
For	Against	Open
61,434,469	1,015	11,160
99.98%	0.00%	0.02%

Resolution 5

Renewal of Proportional Takeover Provisions

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

“That, for the purposes of section 648G of the Corporations Act and for all other purposes, approval is given for the Company to renew the existing proportional takeover provisions in its Constitution for a period of three years commencing on the date of the Meeting.”

Resolution 5

Renewal of Proportional Takeover Provisions

Proxies		
For	Against	Open
56,350,955	5073,141	11,160
91.72%	8.26%	0.02%

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

APPENDIX

Full FY25 Guidance Statement

In light of the trading update, Pacific Smiles provides the following FY25 guidance.

- Patient Fees \$310m to \$318m (+6.2% to 9.0% on FY24)
- Underlying EBITDA \$31.2m to \$34.2m (+10.6% to 21.3% on FY24)

Pacific Smiles' FY25 guidance is underpinned by the following assumptions:

- At the upper end, Pacific Smiles assumes its current growth levers continue to perform throughout the remainder of FY25 and market conditions are unchanged. The lower end of guidance contemplates softening in operating conditions, amidst ongoing cost of living pressures.
- Labour productivity rates remain in line with management expectations in the financial year-to-date. Pacific Smiles targets maintaining current operational efficiency levels to offset the impact of inflation on the cost base, including the absorption of 4.25% award wage increases for most field employees.
- Pacific Smiles intends to open four new centres in FY25, with an expected EBITDA drag of \$0.4m during ramp-up. To date, one new centre is under development and is expected to be opened in the third quarter of FY25. The four new centre openings will be funded entirely from existing cash reserves, requiring no debt to be drawn down.
- Pacific Smiles has made the decision to exit two underperforming centres in the first half of the financial year as part of continued network optimisation. Closure of these underperforming centres is expected to reduce patient fees by \$1.0m for FY25, with no material impact to Underlying EBITDA.
- Underlying EBITDA guidance excludes \$1.2 million of non-recurring IT and cyber initiatives, which are part of Pacific Smiles' broader strategic IT initiatives totalling \$1.5m. These strategic IT initiatives are expected to contribute to improved operating efficiency and leverage once embedded in the business. Adjusting the result for these operating expenditures (as has been done above) highlights the underlying margin expansion that is forecast to be achieved in FY25.
- Pacific Smiles' FY25 net cash position is forecast to improve despite ongoing business reinvestment, supporting growing dividend payments.