



Half Year FY25 Result

27 February 2025

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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.

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

**Gary Carroll**  
Chief Executive Officer /  
Managing Director



**Martin White**  
Acting Chief Financial Officer



# Agenda

**01**

HY25 Result  
Overview

**02**

HY25 Financial  
Summary

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**04**

Q&A

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Appendix



**01**

**HY25 Result Overview**

# HY25 Key Highlights

KEY OPERATING AND UNDERLYING FINANCIAL METRICS CONTINUE TO IMPROVE



## Top Line Growth

**Patient Fees \$160.3m  
+9.0% YoY**

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

**4.8%** increase in appointment volumes from pcp



## Improved Operating KPIs

**Cancellations rates declining**

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

**Labour efficiency improved**



## Rising Utilisation

**Continued utilisation improvements in new cohorts**

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

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



## Expanded Profitability

**Underlying EBITDA \$16.3m; +16.8% YoY**

**Underlying NPAT \$6.7m, +51.5% YoY**

**Revenue growth and ongoing efficiency improvements** have driven significant margin improvement of 68bps YoY, despite offsetting impact of inflationary cost pressures



## Net Cash

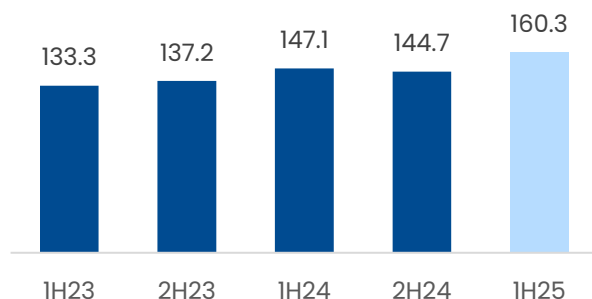
**Net Cash \$8.1m  
Underlying NC<sup>1</sup> \$18m**

Net cash remained strong but was temporarily impacted by takeover-related costs

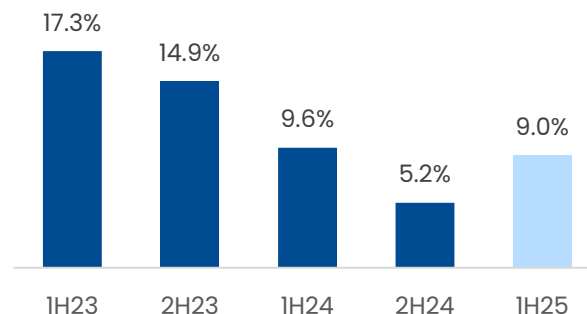
# HY25 Financial Highlights

DELIVERED STRONG UNDERLYING EARNINGS DESPITE INFLATIONARY HEADWINDS

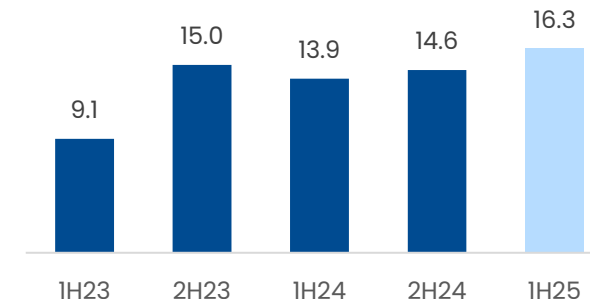
**Patient Fees (\$m)**  
Continued growth



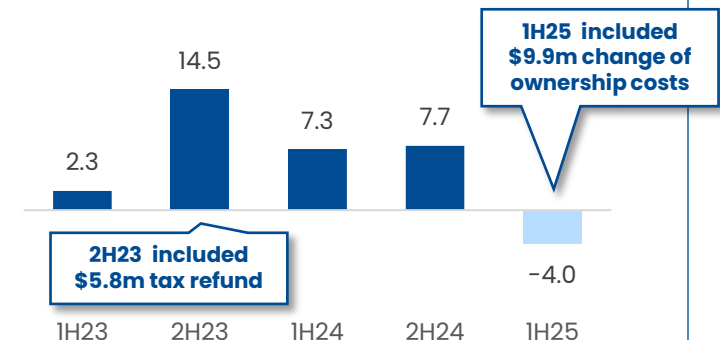
**Same Centre Patient Fee Growth**  
Normalising



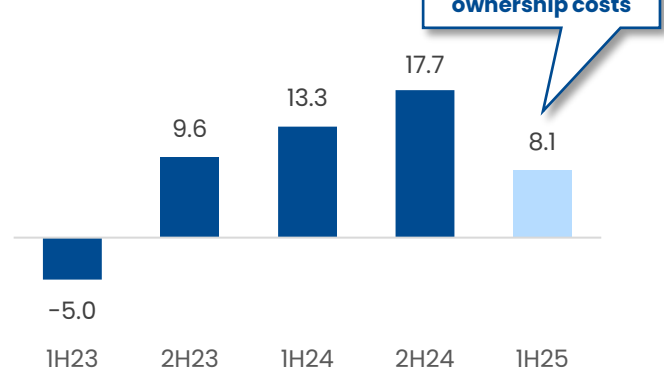
**Underlying EBITDA<sup>1</sup> (\$m)**  
Resilient earnings



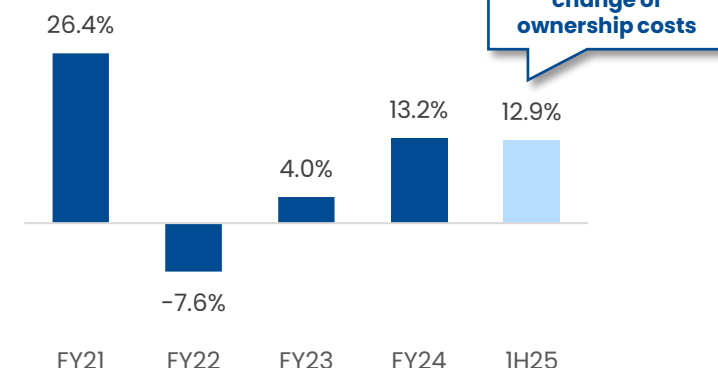
**Free Cash Flow (\$m)**  
Temporarily impacted by take-over costs



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



**Return on Equity<sup>2</sup>**  
Strong underlying performance

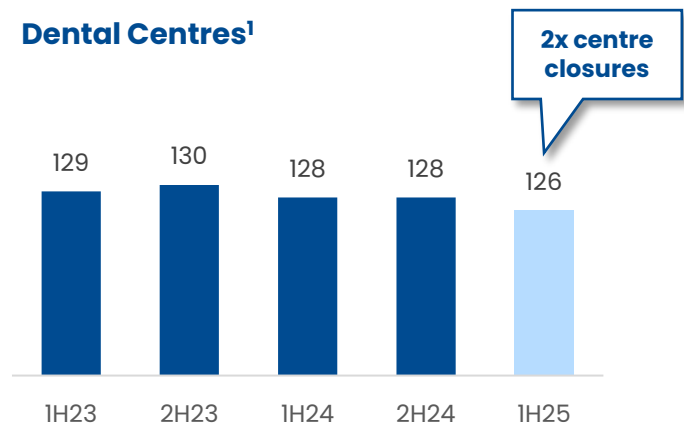


1. The prior period underlying EBITDA has been restated to exclude strategic technology initiatives, in line with the updated approach to underlying adjustments applied in the current period.  
2. Return on Equity is calculated as the Statutory Net Profit after Tax, divided by average total equity (i.e. opening plus closing total equity divided by 2).

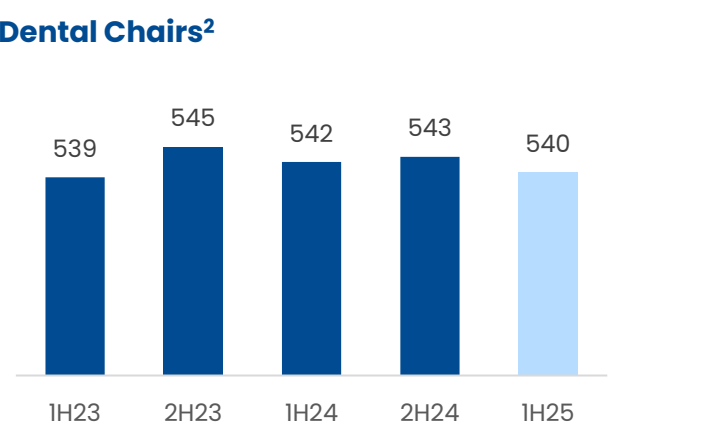
# HY25 Operational Highlights

## IMPROVEMENT IN OPERATING KPIS AND CUSTOMER METRICS OVER PRIOR PERIOD

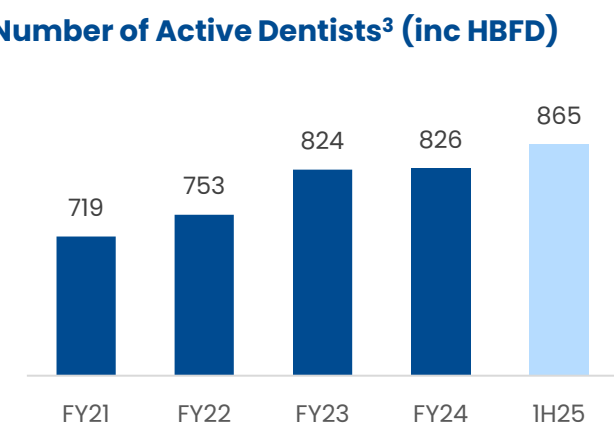
**Dental Centres<sup>1</sup>**



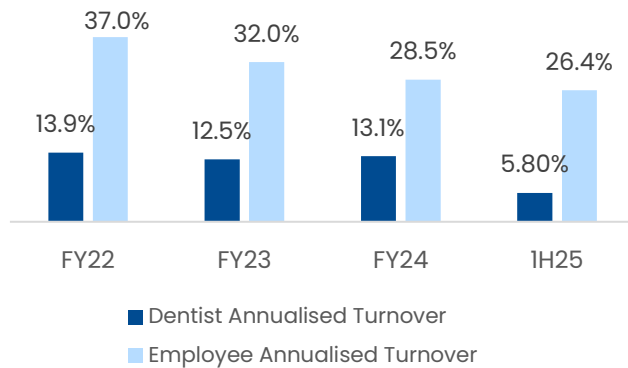
**Dental Chairs<sup>2</sup>**



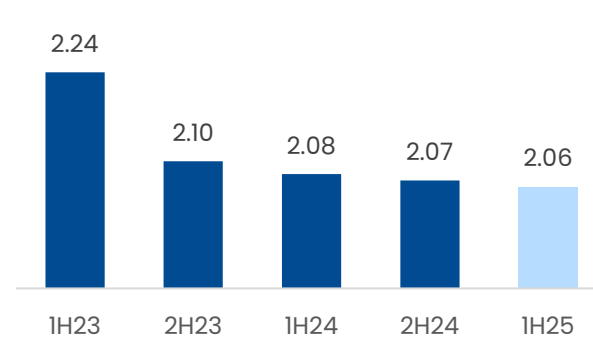
**Number of Active Dentists<sup>3</sup> (inc Hbfd)**



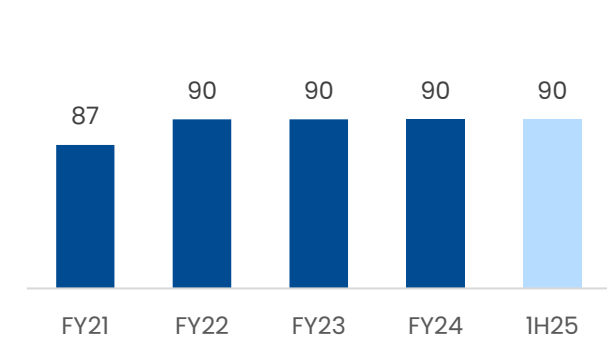
**Annualised Dentist & Employee Turnover (%)**



**Staff to Practitioner Ratio**



**Patient Net Promoter Score**



1. Closures of Singleton & Toronto, reducing the total centres by 2.

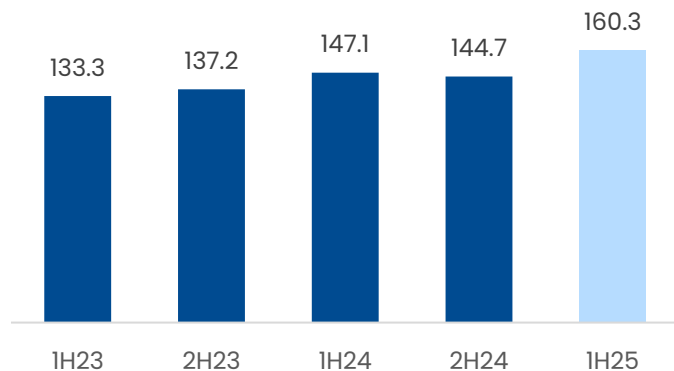
2. Excludes HBF Dental (and Parramatta Uni in FY23); 1 new chair was installed in Belconnen & Lake Haven, however, the reduction in chairs in 1H25 relates to the closure of Singleton & Toronto reducing the chair count by 3.

3. Number of active dentists as at 31 December 2024, includes 66 HBF Dental 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 & MARGIN GROWTH ON TRACK TO MEET FY25 GUIDANCE

## Patient Fees (\$m)



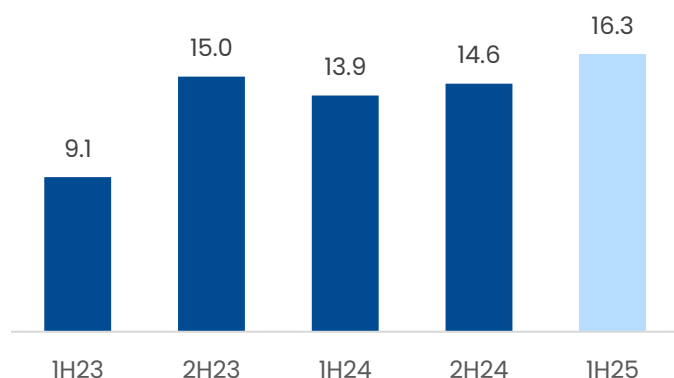
**Total patient fees increased 9.0% YoY to \$160.3m** on:

- Growth in appointment volumes driven by increased utilisation – no new centres were opened in 1H25; 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<sup>1</sup> (\$m) (ex AASB 16)



**Underlying EBITDA increased 16.8% YoY to \$16.3m** on:

- Higher patient fees and revenue; and
- Improved operational efficiency, including efficient staffing levels in centre, reductions in consumables costs and prudent support office expenditure more than offsetting inflationary cost pressures such as by the Fair Work decision and CPI-linked lease expenses.

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

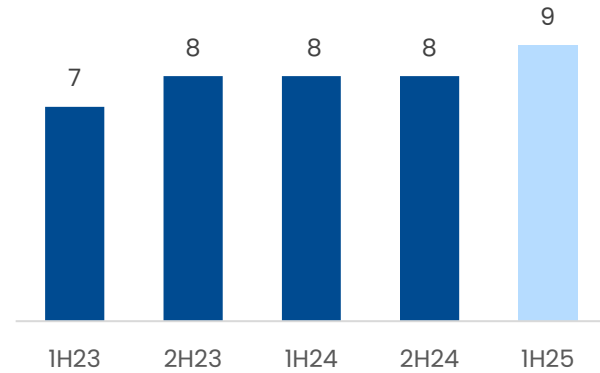
**Centres become significantly more efficient** as they grow their patient base, which will drive further improvement in financial performance.

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

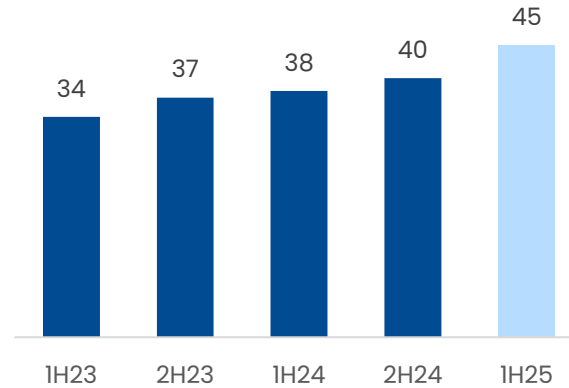


## PARTNER PROGRAM DELIVERING STRONG GROWTH, WITH A FURTHER 1 CENTRE PLANNED FOR 2H25

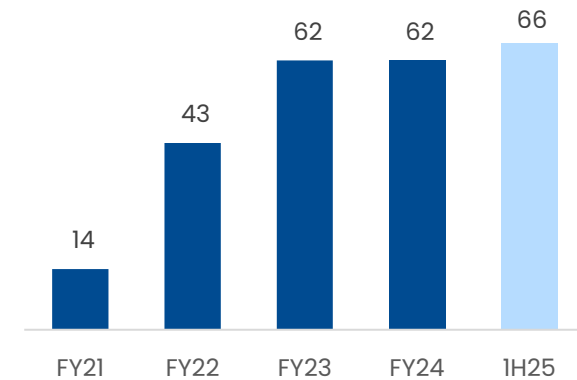
**Dental Centres**



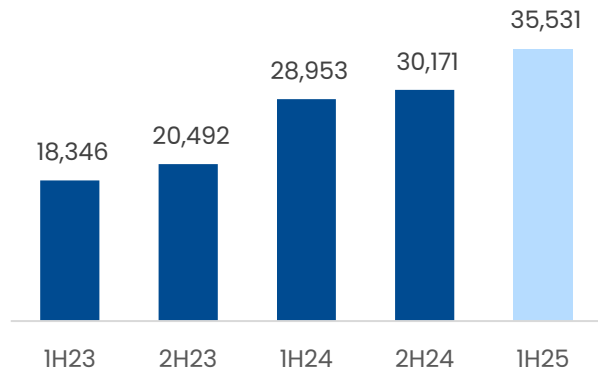
**Dental Chairs<sup>2</sup>**



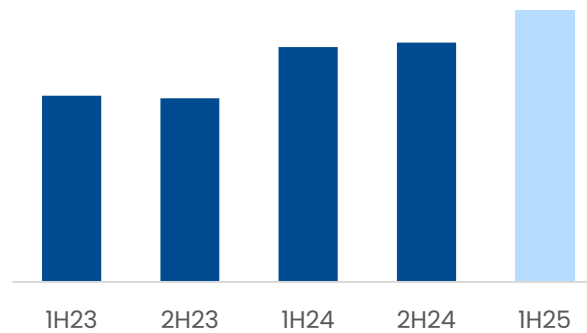
**Number of Active Dentists<sup>1</sup>**



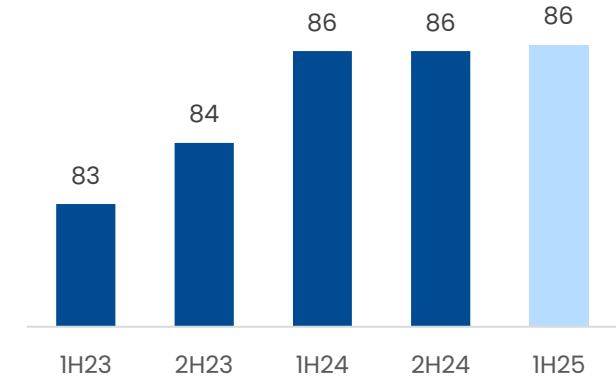
**Attended Appointments**



**Utilisation**



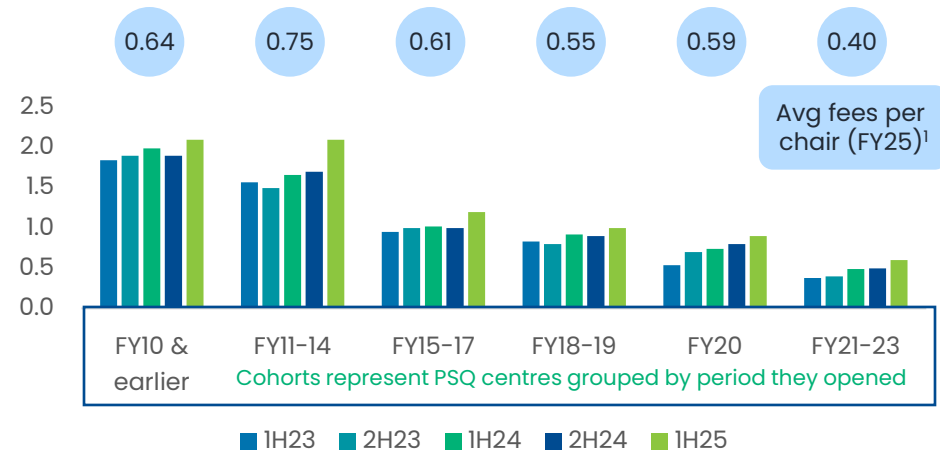
**Patient Net Promoter Score**



# Cohort Performance – Fees & Utilisation

PERFORMANCE IMPROVING ACROSS COHORTS, WITH FURTHER UPSIDE ON EXISTING FOOTPRINT

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

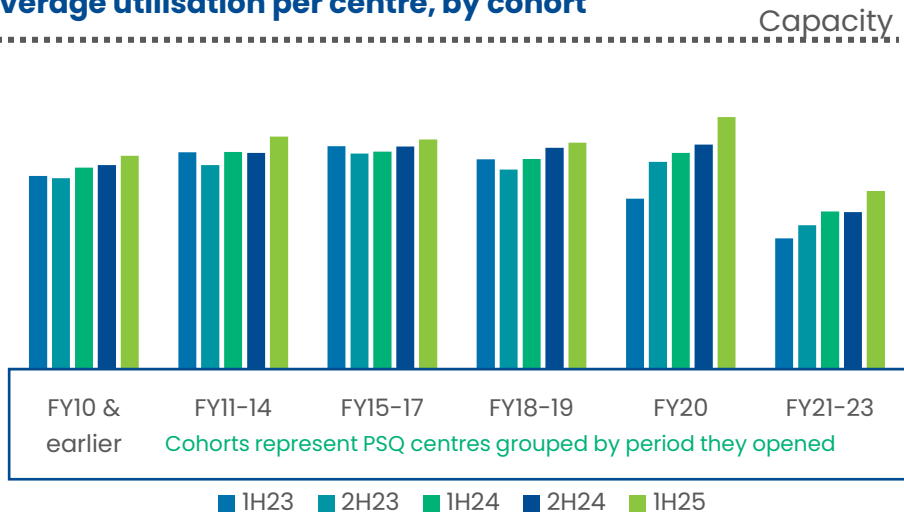


**Average patient fees continued to grow across all cohorts in 1H25**, with new cohorts (FY20 onwards) ramping ahead of forecasts and contributing to the positive momentum.

**Margin improvement across all but one cohort**, driven by disciplined cost management, with the FY21-23 cohort achieving an overall positive margin for the first time and exceeding forecast expectations.

**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 cohorts (based on age); and
- Further capacity to expand utilisation with limited investment through placing new chairs in available surgeries.

1. FY25 annualised average fee per chair based on 1H25.

Note: Lismore, Haymarket, Everything Dentures and JobKeeper have been excluded for comparability. See appendix for relevant data tables.



**02**

**HY25 Financial Summary**

# HY25 Income Statement

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

\$m	1H25	1H24 <sup>1</sup>	Change
<b>Revenue</b>	<b>99.0</b>	<b>90.0</b>	<b>10.0%</b>
Gross profit	94.2	85.3	10.4%
<b>Underlying EBITDA</b>	<b>16.3</b>	<b>13.9</b>	<b>16.8%</b>
Depreciation & amortisation	-7.3	-8.1	-10.8%
<b>EBIT</b>	<b>9.0</b>	<b>5.8</b>	<b>55.6%</b>
Net interest income / (expense)	0.2	-0.2	209.7%
<b>Profit before tax</b>	<b>9.2</b>	<b>5.6</b>	<b>63.1%</b>
Tax	-2.5	-1.2	105.3%
<b>Net profit after tax</b>	<b>6.7</b>	<b>4.4</b>	<b>51.5%</b>
<b>Key financial metrics</b>			
Earnings per share (cents)	4.2	2.8	49.6%
Underlying EBITDA to Revenue margin	16.5%	15.5%	+97bp
Underlying EBITDA to Patient Fees margin	10.2%	9.5%	+68bp
Underlying EBIT to Revenue margin	9.1%	6.4%	+267bp
Corporate EBITDA to Patient Fees margin	6.5%	6.6%	-18bp

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

The **1H25 Results** reflect the Group's strategy of leveraging past investments to enhance operational efficiencies, increase patient appointments and practitioner hours, and drive profitability.

**Revenue increased 10.0% YoY to \$99.0m** driven by higher appointment volumes and modestly higher prices reflecting small increases provided by health funds.

**Net interest costs moved to net interest income in 1H25 of \$0.2m from \$0.2m net interest expense in the prior year** with nil funds drawn on the debt facility in the period.

**Underlying EBITDA increased 16.8% to \$16.3m** on revenue growth and improved operational efficiency, underpinned by continued staff to practitioner ratio improvements without impacting practitioner services.

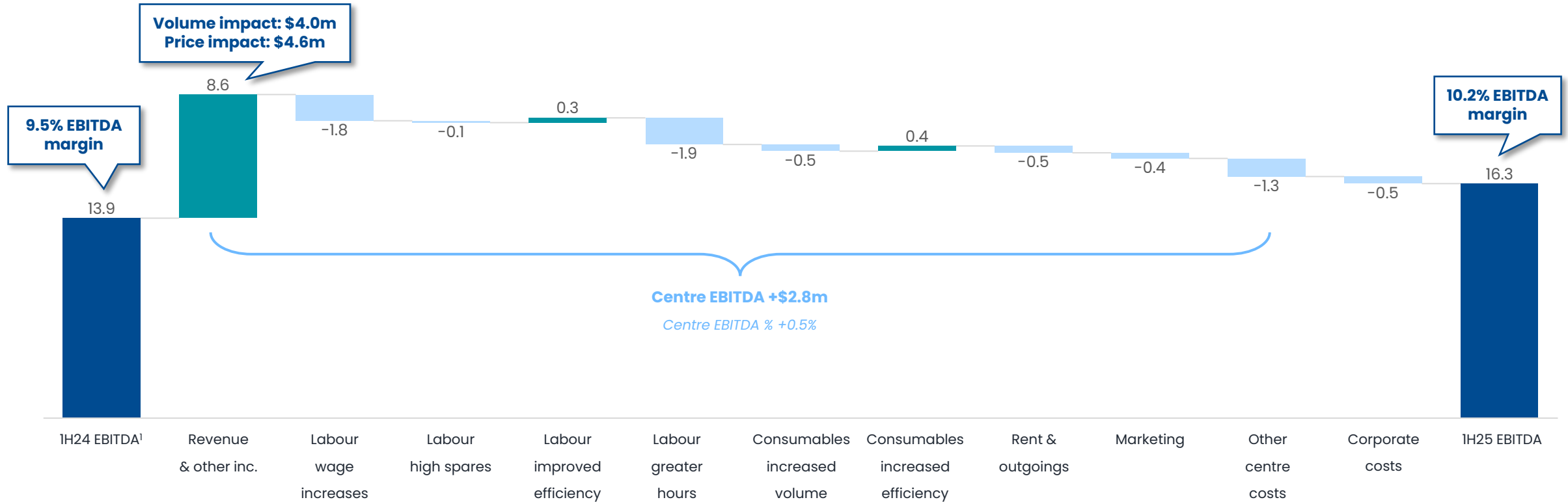
**EBITDA margins at a centre level increased modestly** compared to 1H24, despite the challenging cost environment, impacted by the Fair Work Commission's wages determination increasing wages by 4.25%.

**Underlying NPAT increased 51.5% to \$6.7m compared to \$4.4m in the prior year.**

**Statutory Net Loss of \$2.0m from the \$4.4m 1H24 NPAT**, affected primarily by the \$9.9m of change of ownership costs.

# HY25 EBITDA Bridge

EARNINGS RESILIENT AGAINST INFLATION, FUTURE UPSIDE FOLLOWING CURRENT YEAR ONE-OFFS



**Sustained dental centre EBITDA growth**, underpinned by 10% revenue growth and sustained efficient service delivery.

**Labour efficiencies of \$0.3m** in 1H25, contributing to operational improvements and helping to offset wage increases, while maintaining high service delivery standards.

**Enhanced corporate cost efficiency**, with costs representing a lower proportion of patient fees in 1H25, despite strategic investments in executive recruitment, director fees, cybersecurity, and inflationary pressures.

1. The prior period underlying EBITDA has been restated to exclude strategic technology initiatives, in line with the updated approach to underlying adjustments applied in the current period.

# HY25 Cash Flow

## EXCLUDING TAKEOVER-RELATED EXPENSES, FREE CASH FLOW REMAINED ROBUST

\$m	1H25	1H24	Change
<b>Reported EBITDA (pre-AASB 16)</b>	<b>3.8</b>	<b>13.4</b>	<b>-72.0%</b>
Other non-cash items	2.7	-1.9	241.7%
Changes in working capital (excl income tax)	-1.5	-1.2	27.7%
Net interest received/(paid)	0.2	-0.2	212.1%
Income tax paid	-6.3	-1.3	386.8%
<b>Operating Cash Flow</b>	<b>-1.1</b>	<b>8.9</b>	<b>-113.4%</b>
Net capital expenditure	-3.2	-1.8	82.2%
Finance lease payments received	-	0.2	-100.0%
<b>Investing Cash Flow</b>	<b>-3.2</b>	<b>-1.6</b>	<b>107.1%</b>
Borrowings (net)	-	-5.0	-100.0%
Dividends paid	-5.2	-3.6	43.2%
<b>Financing Cash Flow</b>	<b>-5.2</b>	<b>-8.6</b>	<b>-39.5%</b>
<b>Net Cash Flow</b>	<b>-9.6</b>	<b>-1.3</b>	<b>649.4%</b>
<b>Underlying Net Cash Flow<sup>1</sup></b>	<b>0.3</b>	<b>-1.3</b>	<b>126.2%</b>

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

**Operating Cash Flow** temporarily impacted by \$9.9m in change of ownership costs.

**Operating Cash Flow (underlying)** continued to strengthen in YoY terms during 1H25 on:

- Increased patient and practitioner volumes;
- Strong centre labour efficiency;
- Stability in other key expenses, notably consumables;
- Higher income tax payments in 1H25 due to higher profits in FY24 as well as timing of FY23 final tax payment in 2H24, and
- Minor price increases.

**Debt free** business in 1H25, resulting in net interest income.

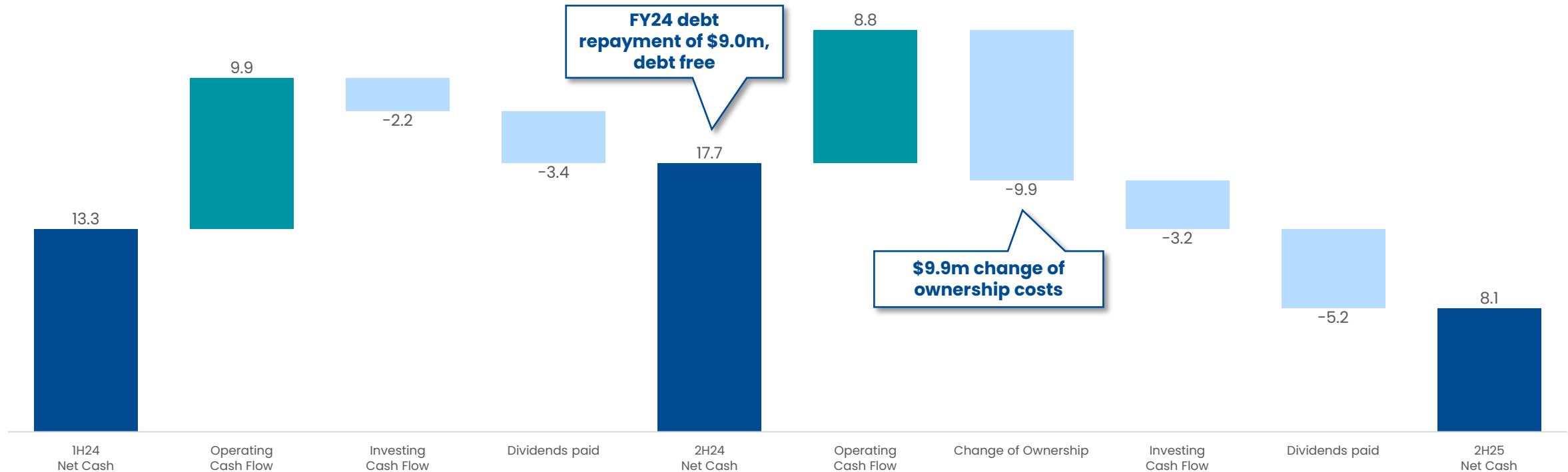
**Investing Cash Flow** remains low in line with no new centres but has increased YoY with increased capital expenditure on centres and dental equipment.

**Financing Cash Flow** decreased YoY due to the absence of debt despite higher dividend payments.

# HY25 Cash Flow Bridge

STRONG OPERATING PERFORMANCE AND CASH GENERATION IMPACTED BY ONE-OFF ACQUISITION EXPENSES

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



**Operating Cash Flow** (excluding change of ownership costs) remained strong in 1H25 on continued volume growth and cost control.

Pacific Smiles finished the period debt free with a **\$8.1m cash balance at year end**.

# HY25 Capital Expenditure

CAPEX INCREASED WITH INVESTMENTS IN EXISTING CENTRES AND DENTAL EQUIPMENT

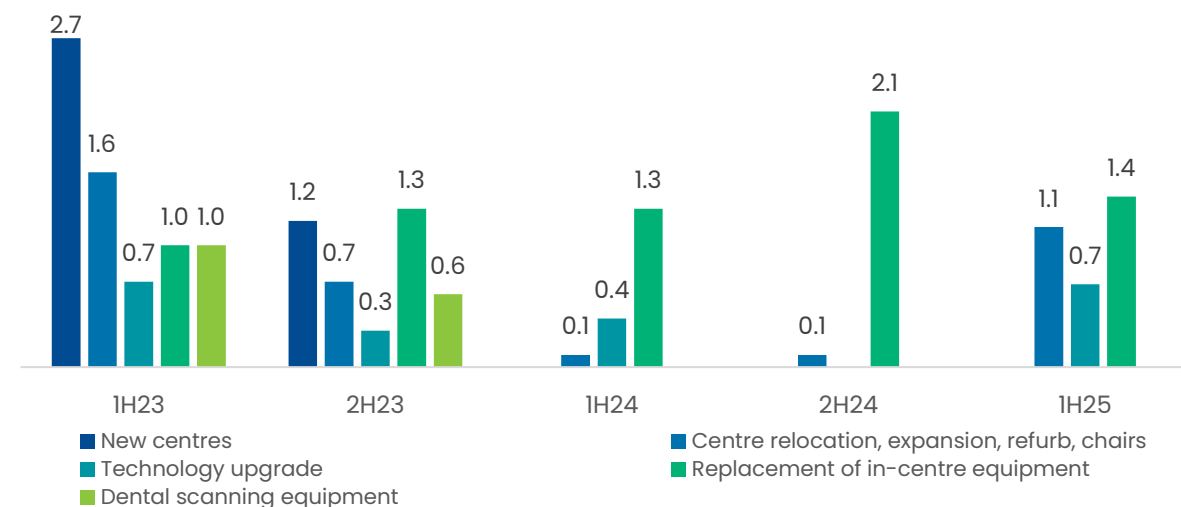
\$m	1H25	1H24	Change
New centres	-	-	-
Centre relocations, expansions, refurbishments and new chairs	1.1	0.1	1,049%
Technology upgrades	0.7	0.4	70%
Replacement of surgical equipment	1.4	1.3	8%
Dental scanning equipment	-	-	-
<b>Total capital expenditure<sup>1</sup></b>	<b>3.2</b>	<b>1.8</b>	<b>79%</b>

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

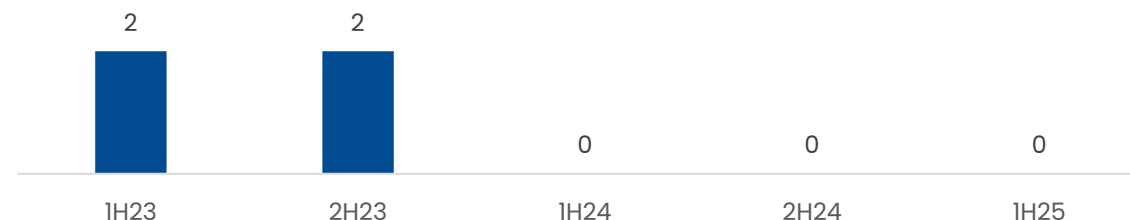
**Capital expenditure for the year was higher at \$3.2m compared to 1H24 at \$1.8m**, due to the refurbishment of 11 centres as well as the relocation of Lake Haven.

Pacific Smiles spent \$1.4m on in-centre equipment in 1H25.

Capital expenditure (\$m)



New Dental Centres





# HY25 Balance Sheet

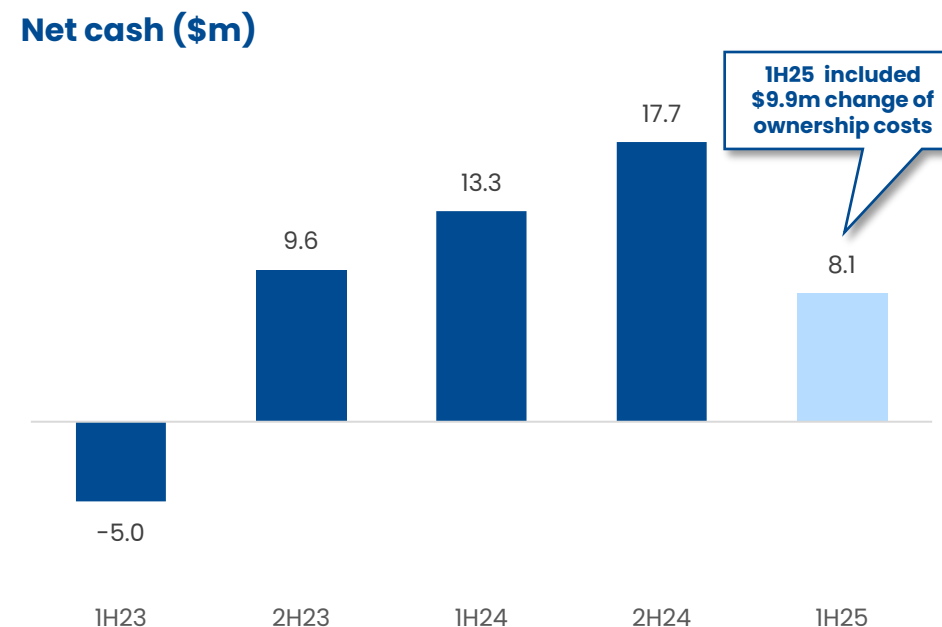
UNDERLYING LIQUIDITY REMAINED STABLE, WITH A TEMPORARY IMPACT FROM ACQUISITION COSTS

\$m	31-Dec-24	31-Dec-23 <sup>1</sup>	Change
Cash and cash equivalents	8.1	17.3	-53.3%
Other current assets	14.5	12.1	20.3
Property, plant and equipment	47.9	56.1	-14.7%
Other assets	26.2	22.5	16.5%
<b>Total Assets</b>	<b>96.7</b>	<b>108.0</b>	<b>-10.5%</b>
Payables and other liabilities	19.4	22.1	-12.1%
Provisions	18.0	17.0	5.9%
Borrowings	0.0	4.0	-100.0%
<b>Total Liabilities</b>	<b>37.4</b>	<b>43.1</b>	<b>-13.1%</b>
<b>Net Assets</b>	<b>59.3</b>	<b>65.0</b>	<b>-8.7%</b>

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

**Borrowings ended the period as nil** as strong operating performance allowed for the continuation of dividends despite the \$9.9m payments relating to the change of ownership.

**Net cash position of \$8.1m** temporarily impacted by takeover-related costs, with overall cash flow balance and generation remaining sufficient to meet all forecast requirements.





**03**

**Outlook**

# FY25 Update

## Trading to date, as of 25 February 2025:

- Patient Fees \$208.1m
- Patient Fees +9.7% YoY<sup>1</sup>
- Patient Fees +9.1% YoY on an equivalent like-for-like trading days basis<sup>2</sup>

## Full-year guidance provided on 13 November 2024 is re-affirmed:

- Patient fees in the range of \$310m to \$318m (+6.2% to 9.0% on FY24)
- Underlying EBITDA in the range of \$31.2m to \$34.2m (+10.6% to 21.3% on FY24)
- Year-to-date trading continues to be strong ,with fee growth underpinned by an uplift in appointment volumes and price. Importantly, this growth continues to be seen across Pacific Smiles' newer centres (FY2020 to FY2023 cohorts), which continue to show uplift in both patient fees and profitability
- Fair Work Determination increasing modern awards (which applies to the bulk of the Company's staff) by 4.25% has been applied from 1 July 2024.

## Genesis BidCo Update

- On 6 February 2025, Beam Dental Bidco Pty Ltd, an associate of Genesis Capital Manager I Pty Ltd (Genesis Capital), announced it had Voting Power of 89.23% of Pacific Smiles. This Voting Power has now increased to 89.27% as at 25 February 2025.
- The Offer closed as at 7:00pm (Sydney time) on 11 February 2025.
- Under the control of Genesis Capital, Pacific Smiles intends to continue its focus on organic greenfield growth supplemented by potential M&A opportunities as they arise



**04**

**Q&A**



Pacific  
Smiles  
Dental



**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  
 Sylvania  
 nib Sydney  
 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  
 Midland\*  
 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:  
 \* FY2025 New Centres  
 † Singleton & Toronto closed in 1H25

# Why Dentists Choose Pacific Smiles



# ESG – How We Make a Difference

## A HY25 UPDATE

### Environmental

- Renewed electricity contracts with improved levels green energy being a uniform 50% across all contracts.
- Improved recycled content in common consumable products, most notably classes of regularly used gloves.
- Continued reduction in non-recyclable impression products with the usage of existing and further purchase of 3D scanners.

### Social

- Continued support of local charity to support disadvantaged families.
- Updated Modern Slavery Statement lodged highlighting increased obligations on key suppliers.
- Ensuring greater due diligence on social diversity and inclusion when selecting new business partners.

### Governance

- Continued emphasis on updating policies and procedures and training of staff to reinforce
- Controls and reviews to ensure compliances with awards and monitoring WH&S risks



# Cohort Performance Data

Cohort	# Centres	# Surgeries	# Chairs	Average patient fees per centre (\$m)									
				FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	1H24	1H25
FY21-23	34	175	98					0.3	0.4	0.8	1.0	0.5	0.6
FY20	5	19	15				0.3	0.9	1.1	1.2	1.5	0.7	0.9
FY18-19	19	75	69		0.3	0.6	1.0	1.4	1.4	1.7	1.8	0.9	1.0
FY15-17	27	108	103	0.7	1.0	1.3	1.3	1.8	1.7	1.9	2.0	1.0	1.2
FY11-14	13	75	72	2.3	2.3	2.5	2.4	3.1	2.8	3.1	3.5	1.8	2.1
FY10 & earlier	28	191	183	3.5	3.5	3.7	3.4	3.9	3.3	3.7	3.9	2.0	2.1
<b>Total</b>	<b>126</b>	<b>643</b>	<b>540</b>										

Cohort	# Centres	# Surgeries	# Chairs	Average EBITDA margin per centre (\$m)									
				FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	1H24	1H25
FY21-23	34	175	98					-39.7%	-31.2%	-8.9%	-2.1%	-2.8%	2.5%
FY20	5	19	15				-29.7%	-2.5%	-0.8%	6.7%	10.4%	10.1%	13.5%
FY18-19	19	75	69		-25.9%	-7.0%	2.7%	9.0%	6.3%	13.5%	14.1%	13.6%	14.4%
FY15-17	27	108	103	-2.2%	5.1%	11.3%	11.5%	15.8%	11.6%	15.5%	14.6%	14.5%	16.1%
FY11-14	13	75	72	23.5%	22.5%	21.7%	20.9%	22.9%	20.6%	23.1%	22.6%	23.0%	22.3%
FY10 & earlier	28	191	183	24.5%	24.1%	21.7%	20.7%	22.5%	20.2%	20.5%	20.3%	20.7%	22.0%
<b>Total</b>	<b>126</b>	<b>643</b>	<b>540</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>16.1%</b>	<b>16.6%</b>

<b>New Centres Opened</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>0</b>	<b>0</b>
<b>Total Patient Fees (\$m)</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>147.1</b>	<b>160.3</b>
<b>Total EBITDA (\$m)</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>23.7</b>	<b>26.6</b>
<b>Total EBITDA margin (%)</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>16.1%</b>	<b>16.6%</b>

# Reconciliation – Underlying to Statutory

## Income Statement

\$m	1H25			1H24 <sup>1</sup>		
	Underlying (ex AASB 16)	Adj	Statutory	Underlying (ex AASB 16)	Adj	Statutory
Revenue	99.0	-	99.0	90.0	-	90.0
Direct expenses	-4.8	-	-10.2	-4.7	-1.0	-5.7
<b>Gross profit</b>	<b>94.2</b>	<b>-</b>	<b>94.2</b>	<b>85.3</b>	<b>-1.0</b>	<b>84.3</b>
Other income	0.2	-0.1	0.1	0.6	-0.1	0.5
<b>Expenses</b>						
Employee	-46.1	-2.2	-48.3	-42.0	1.4	-40.6
Consumable supplies	-6.9	-	-6.9	-6.9	-	-6.9
Occupancy	-11.5	8.8	-2.7	-11.0	8.7	-2.3
Marketing	-2.9	-	-2.9	-2.5	-	-2.5
Admin & other	-10.7	-10.3	-21.0	-9.5	-0.1	-9.6
<b>Total expenses</b>	<b>-78.1</b>	<b>-3.6</b>	<b>-81.7</b>	<b>-72.0</b>	<b>10.1</b>	<b>-61.9</b>
<b>EBITDA</b>	<b>16.3</b>	<b>-3.7</b>	<b>12.6</b>	<b>13.9</b>	<b>8.9</b>	<b>22.9</b>
Depreciation & amortisation	-7.3	-7.1	-14.3	-8.1	-7.2	-15.3
<b>EBIT</b>	<b>9.0</b>	<b>-10.8</b>	<b>-1.8</b>	<b>5.8</b>	<b>1.8</b>	<b>7.6</b>
Net finance costs	0.2	-1.6	-1.5	-0.2	-1.8	-2.0
<b>PBT</b>	<b>9.2</b>	<b>-12.4</b>	<b>-3.2</b>	<b>5.6</b>	<b>0.0</b>	<b>5.6</b>
Income tax expense	-2.5	3.7	1.2	-1.2	-0.0	-1.2
<b>NPAT</b>	<b>6.7</b>	<b>-8.7</b>	<b>-2.0</b>	<b>4.4</b>	<b>0.0</b>	<b>4.4</b>

**1H24 Income Statement adjustments** remove the impact of:

- Executive LTI plan;
- Adjustments to workers compensation premiums for prior years;
- Payroll tax on Service and Facilities Agreements with independent dentists.;
- Legal & consulting costs associated with take over proposals and Scheme of Arrangement;
- Severance expenses; and
- One-off costs relating to strategic technology initiatives.

**1H25 Income Statement adjustments** remove the impact of:

- Executive LTI plan;
- Additional costs associated with change of ownership;
- Severance expenses; and
- One-off costs relating to strategic technology initiatives.

# Reconciliation – Underlying to Statutory

## Balance Sheet & Cash Flow Statement

\$m	1H25			1H24			\$m	1H25			1H24		
	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	8.1	-	8.1	17.3	-	17.3	Reported EBITDA	3.8	8.8	12.6	13.4	-9.4	22.9
Receivables	3.2	0.2	3.4	3.1	0.2	3.3	Other non-cash items	2.7	-	2.7	-1.9	-	-1.9
Current tax receivables	-	-	-	-	-	-	Changes in working capital (ex income tax)	-1.5	-0.1	-1.6	-1.2	0.7	-1.9
Inventories	7.5	-	7.5	6.2	-	6.2	Net interest paid	0.2	-1.5	-1.3	-0.2	1.6	-1.8
Other	3.8	-	3.8	2.8	-	2.8	Net income taxes	-6.3	-	-6.3	-1.3	-	-1.3
<b>Total Current Assets</b>	<b>22.6</b>	<b>0.2</b>	<b>22.8</b>	<b>29.4</b>	<b>0.2</b>	<b>29.6</b>	<b>Operating Cash Flow</b>	<b>-1.2</b>	<b>7.2</b>	<b>6.0</b>	<b>8.9</b>	<b>-7.1</b>	<b>16.0</b>
Receivables	-	0.2	0.2	-	0.4	0.4	Net capital expenditure	-3.2	-	-3.2	-1.8	-	-1.8
Property, plant and equipment	47.9	56.7	104.6	56.1	67.9	124.0	Finance lease payments	-	0.2	0.2	0.2	-	0.2
Intangible assets	12.2	-	12.2	13.9	-	13.9	<b>Investing Cash Flow</b>	<b>-3.2</b>	<b>0.2</b>	<b>-3.0</b>	<b>-1.6</b>	<b>-</b>	<b>-1.6</b>
Deferred tax assets	14.0	3.9	17.9	8.6	3.5	12.1	Borrowings (net)	-	-	-	-5.0	-	-5.0
<b>Total Non-Current Assets</b>	<b>74.1</b>	<b>60.8</b>	<b>134.9</b>	<b>78.6</b>	<b>71.8</b>	<b>150.5</b>	Payments of lease liabilities	-	-7.4	-7.4	-	7.1	-7.1
<b>Total Assets</b>	<b>96.7</b>	<b>61.0</b>	<b>157.7</b>	<b>108.0</b>	<b>72.0</b>	<b>180.1</b>	Dividends paid	-5.2	-	-5.2	-3.6	-	-3.6
Payables	18.7	-	18.7	18.7	-	18.7	<b>Financing Cash Flow</b>	<b>-5.2</b>	<b>-7.4</b>	<b>-12.6</b>	<b>-8.6</b>	<b>7.1</b>	<b>-15.7</b>
Lease liabilities	-	14.9	14.9	-	14.4	14.4	<b>Net Cash Flow</b>	<b>-9.6</b>	<b>-</b>	<b>-9.6</b>	<b>-1.3</b>	<b>-</b>	<b>-1.3</b>
Current tax liabilities	0.7	-	0.7	3.4	-	3.4							
Borrowings	-	-	-	-	-	-							
Provisions	5.0	-	5.0	4.8	-	4.8							
<b>Total Current Liabilities</b>	<b>24.4</b>	<b>14.9</b>	<b>39.2</b>	<b>26.8</b>	<b>14.4</b>	<b>41.2</b>							
Payables	-	-	-	-	-	-							
Lease liabilities	-	54.8	54.8	-	67.0	67.0							
Borrowings	-	-	-	4.0	-	4.0							
Provisions	13.0	-4.9	8.1	12.3	-4.5	7.7							
<b>Total Non-Current Liabilities</b>	<b>13.0</b>	<b>49.9</b>	<b>62.9</b>	<b>16.3</b>	<b>62.4</b>	<b>78.7</b>							
<b>Total Liabilities</b>	<b>37.4</b>	<b>64.7</b>	<b>102.2</b>	<b>43.1</b>	<b>76.8</b>	<b>119.9</b>							
<b>Net Assets</b>	<b>59.3</b>	<b>-3.8</b>	<b>55.5</b>	<b>65.0</b>	<b>-4.7</b>	<b>60.2</b>							
Contributed Equity	56.2	-	56.2	52.1	-	52.1							
Reserves	0.0	-	0.0	10.0	-	10.0							
Retained profits	3.2	-3.8	-0.6	2.8	-4.7	-1.9							
<b>Total Equity</b>	<b>59.3</b>	<b>-3.8</b>	<b>55.5</b>	<b>65.0</b>	<b>-4.7</b>	<b>60.2</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