

*Investor
Presentation
1H'21*

**Dr Daryl Holmes OBE
Founder & Managing
Director**



Financial results 1H'21

\$34.8M
Revenue (OTC)
up 8%

Increase in SSS
Same Store Sales
up 10%

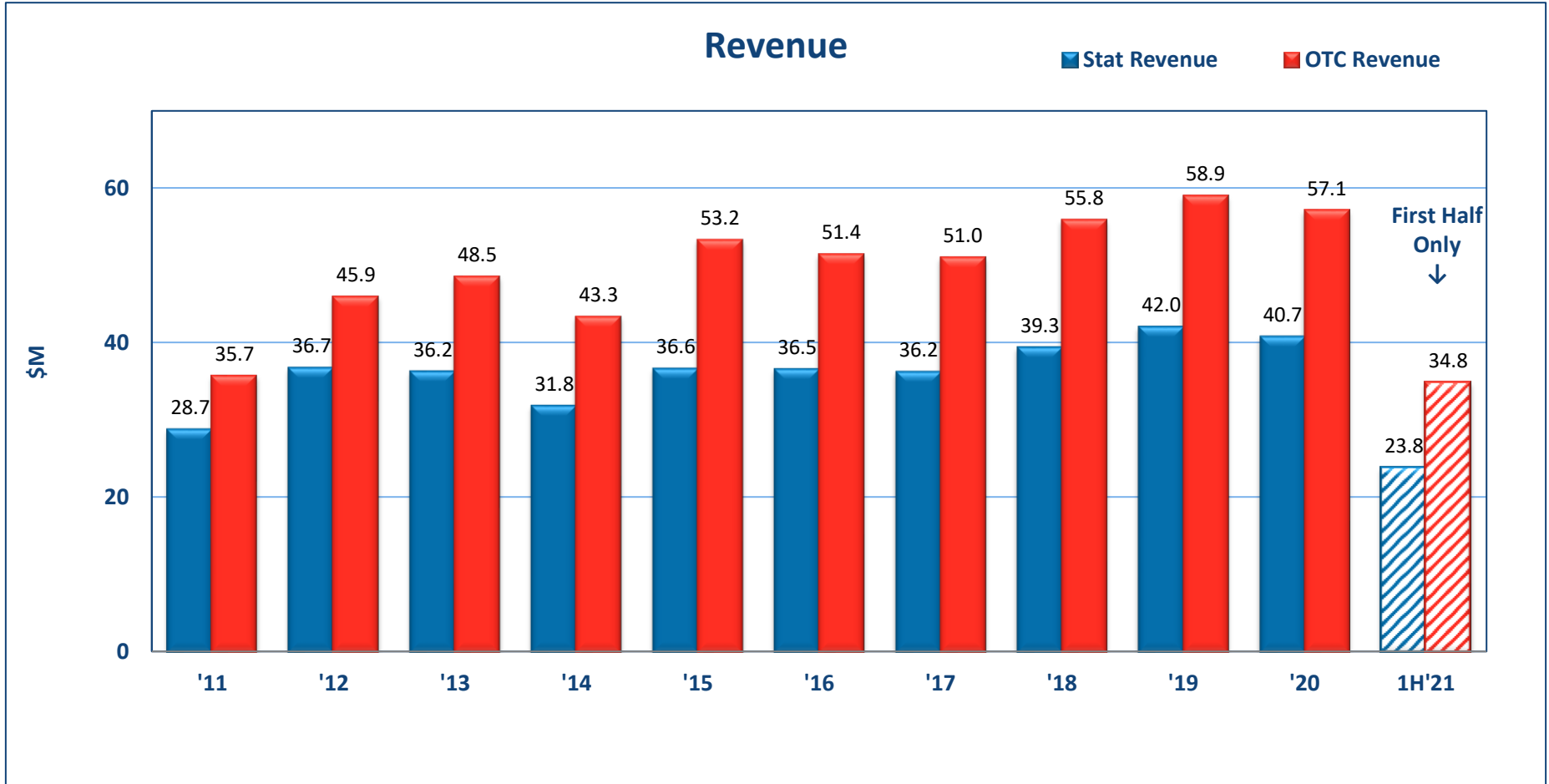
\$11.0M
EBITDA
up 17%

14.5c
Interim dividend
up 9%

\$5.9M
NPAT
up 35%

\$10.5M
Bank debt
down 30%

Financial results (continued)



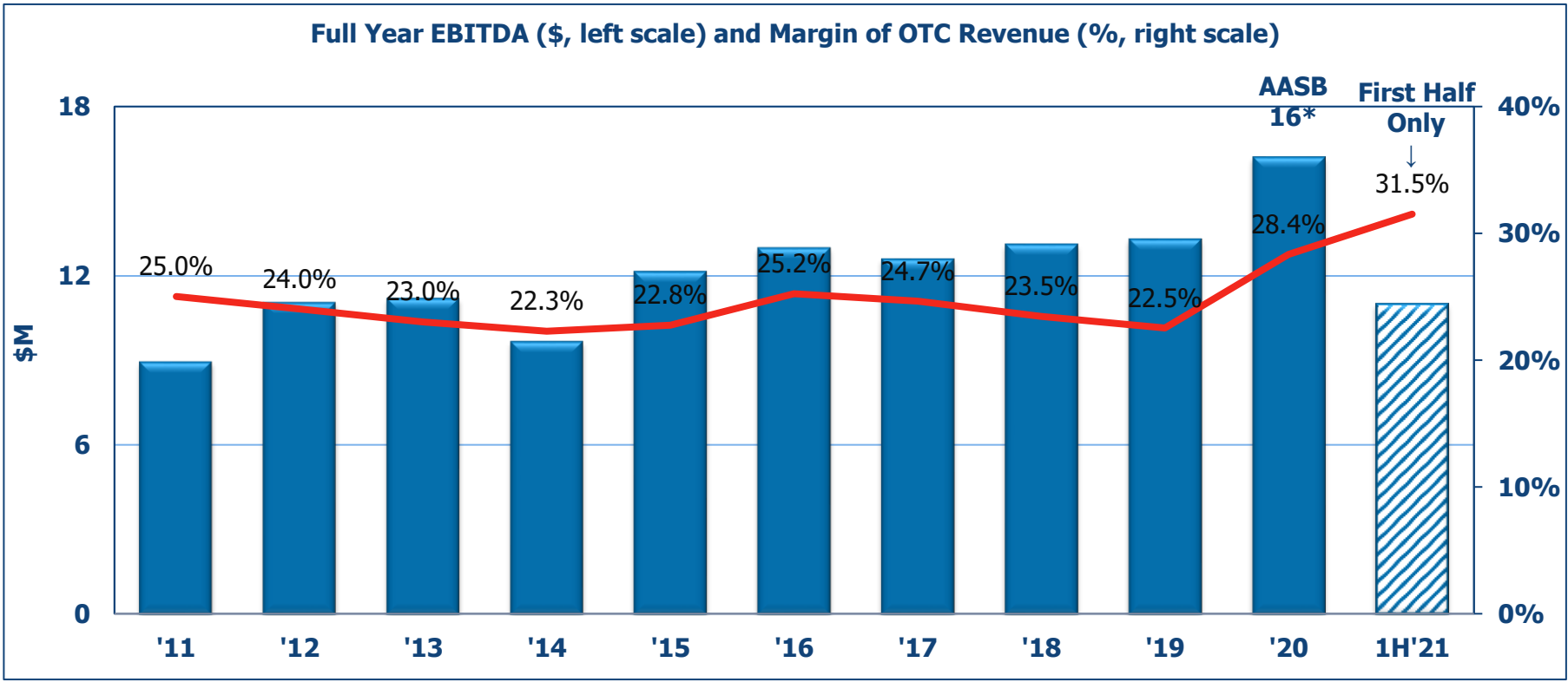
Financial results (continued)

	1H'21	1H'20	Change
Total Revenue	23,784	23,495	1%
EBITDA	10,969	9,375	17%
Depreciation and amortisation	2,575	2,821	-9%
Earnings before interest and tax	8,394	6,554	28%
Finance costs	266	473	-44%
Profit before Tax	8,128	6,081	34%
Income Tax Expense	2,217	1,697	31%
Net Profit After Tax	5,911	4,384	35%
Earnings Per Share (cents)	24.96	18.53	35%
Key metrics			
OTC Revenue	34.8M	32.1M	
EBITDA Margin	46%	40%	
EBIT Margin	35%	28%	
PBT Margin	34%	26%	
NPAT Margin	25%	19%	

- Over The Counter (OTC) Revenue was up 8% to \$34.8M. Statutory Revenue was up 1% to \$23.8M.
- Variation in growth rate because of \$1.5M non recurring income recognised in statutory revenue in 1H'20 from profit on disposal of practice, de-recognition of contingent liability, and consulting income. Other income not considered as part of OTC Revenue.
- More importantly, Same Store Sales (SSS) increased by a record 10% on 1H'20 because of increase in number of patients seen and growth in fees earned per patient.
- EBITDA up 17% to \$11.0M. SS EBITDA was up 15% because of 10% increase in revenue and improved staff and dentists efficiency. Productivity, measured by hours worked, improved from 76% to 89%.
- EBITDA was also boosted by \$2.0M JobKeeper receipts.
- Finance costs decreased by 44% because of lower improvement in liquidity and less reliance on debt.
- Net Profit after Tax and EPS were up 35%.
- Dividend of 14.5 cents up 9% (58% pay out ratio).

Financial results (continued)

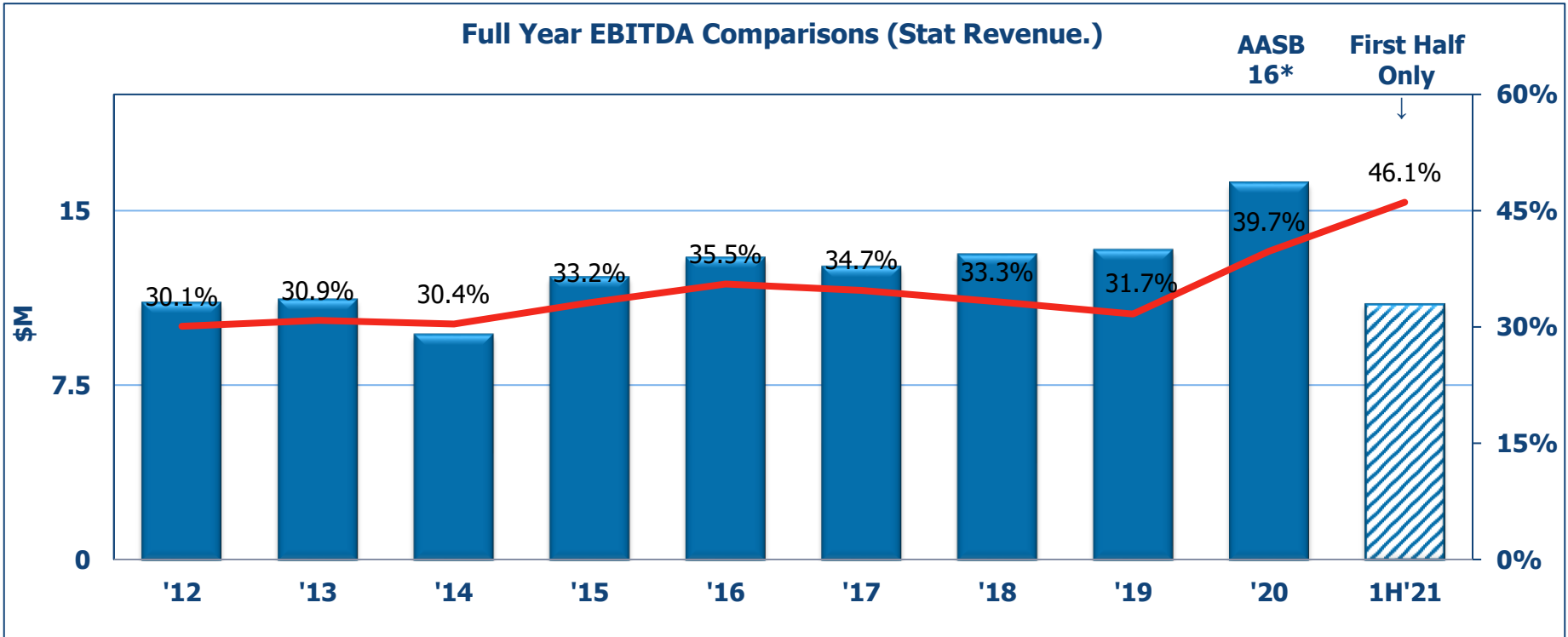
Full Year EBITDA (\$, left scale) and Margin of OTC Revenue (% , right scale)



* AASB 16 Leases implemented in FY'20

Financial results (continued)

Full Year EBITDA Comparisons (Stat Revenue.)



* AASB 16 Leases implemented in FY'20

Financial results (continued)

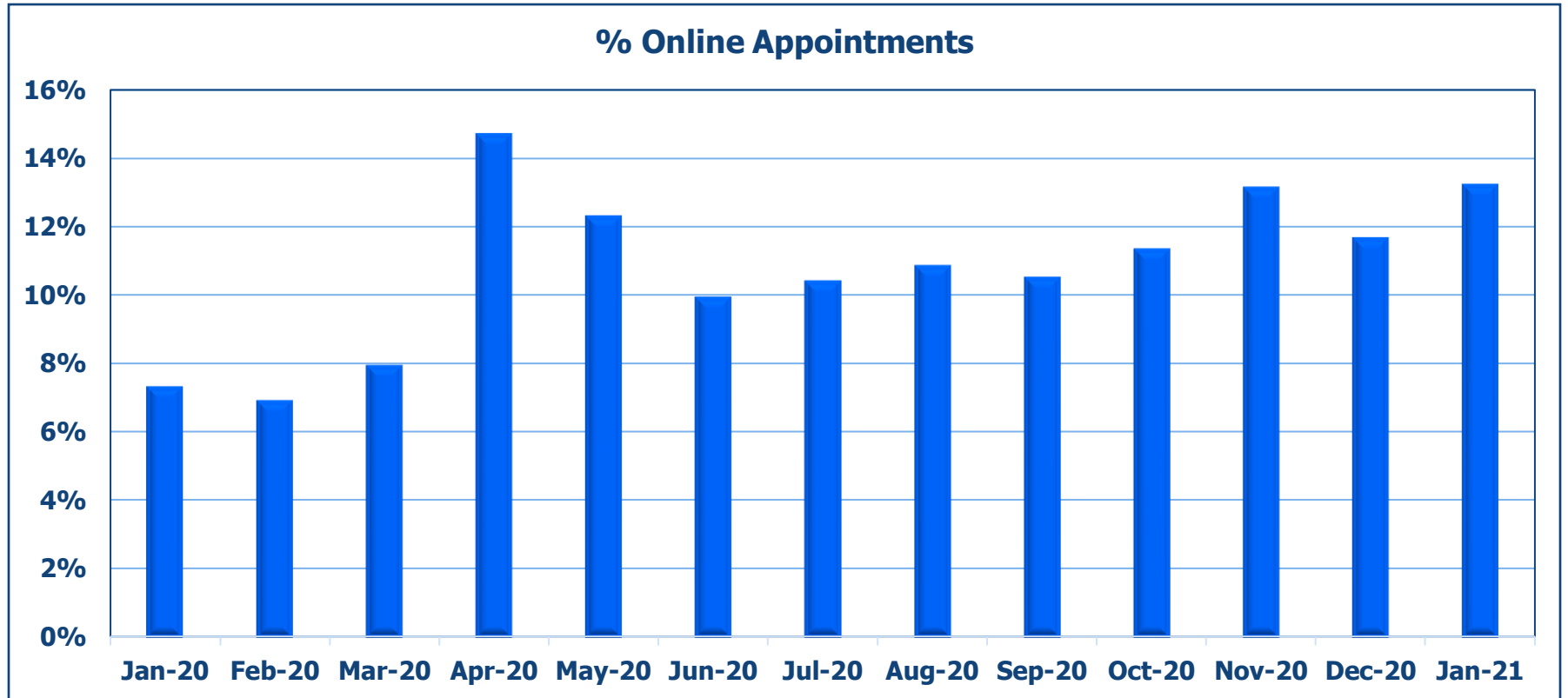
Summary Balance Sheet	31 Dec 20	30 June 20
Cash and cash equivalents	5,209	6,681
Other current assets	3,814	4,776
Property, plant and equipment	12,790	12,767
Other non current assets	48,622	49,931
Total assets	70,435	74,155
Trade payables	4,265	4,300
Other liabilities	5,064	6,240
Borrowings	10,500	15,000
Other non –current liabilities	6,522	7,482
Total liabilities	26,351	33,022
Net Assets	44,084	41,133

Summary Cash flow	1H'21	1H'20
Net cash inflow from operating activities	8,807	6,174
Net cash outflow from investing activities	(1,416)	(2,803)
Net cash outflow from financing activities	(8,863)	(2,412)
Net decrease in cash and cash equivalents	(1,472)	959
Cash at beginning of 1H'21	6,681	634
Cash at the end of 1H'21	5,209	1,593

- Strong cash generation, cash inflow from operating activities up 42%
- Debt down by 30% from \$15M at 30 June 2020 to \$10.5M at 31 December 2020 because of positive free cash flows from increased revenue and profits
- Cash expended in investing activities includes cost of acquiring a 3rd practice in Bundaberg

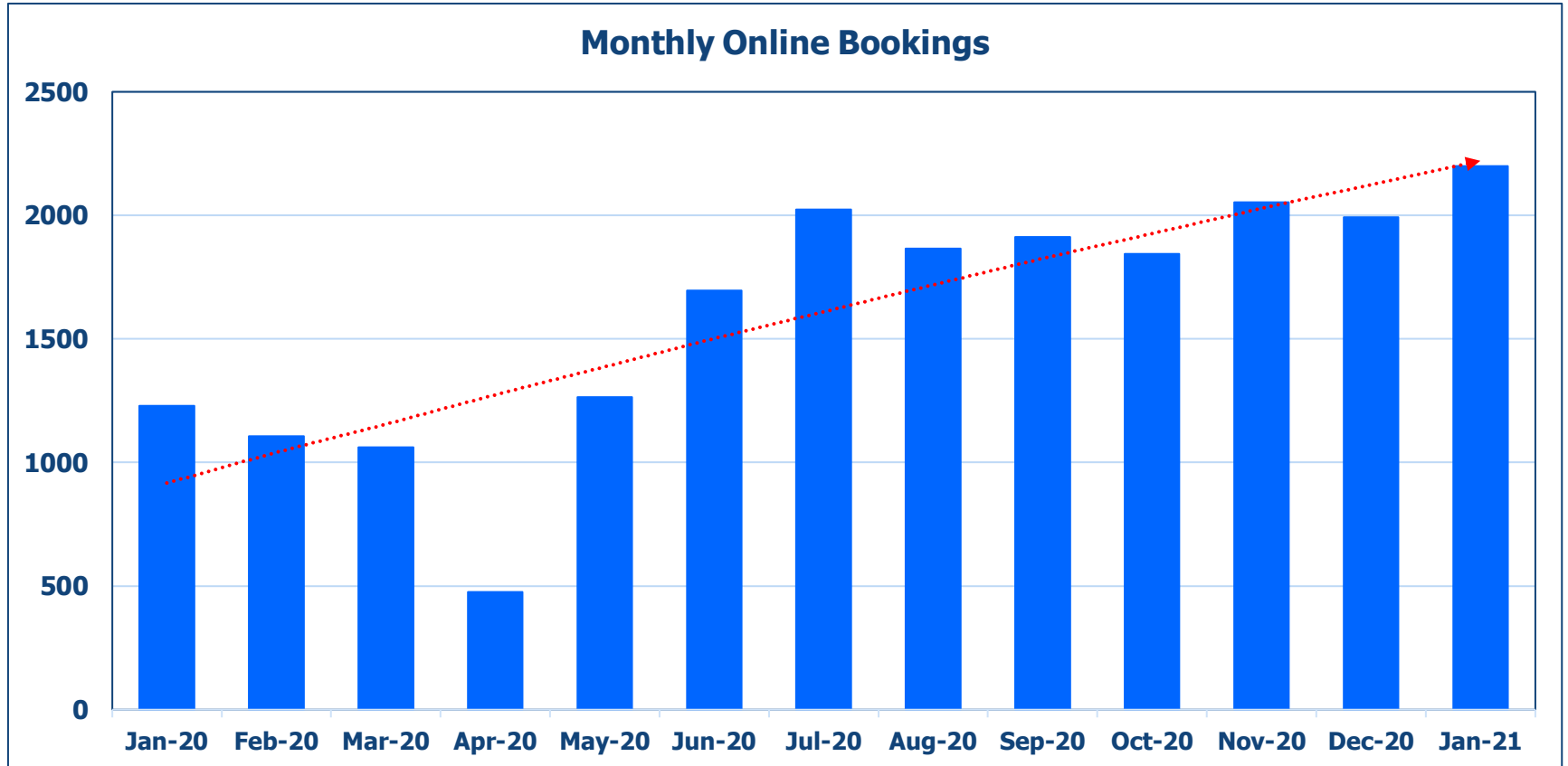
Highlights

1H'21 has seen strong performance through our digital channels, especially Paid (YoY increase of 5.46%) and email (YoY increase 5.24%). Online appointments made up an average of 11.53% of total appointments over the past 13 months.



* April 20 online appointments was the only available channel during COVID.

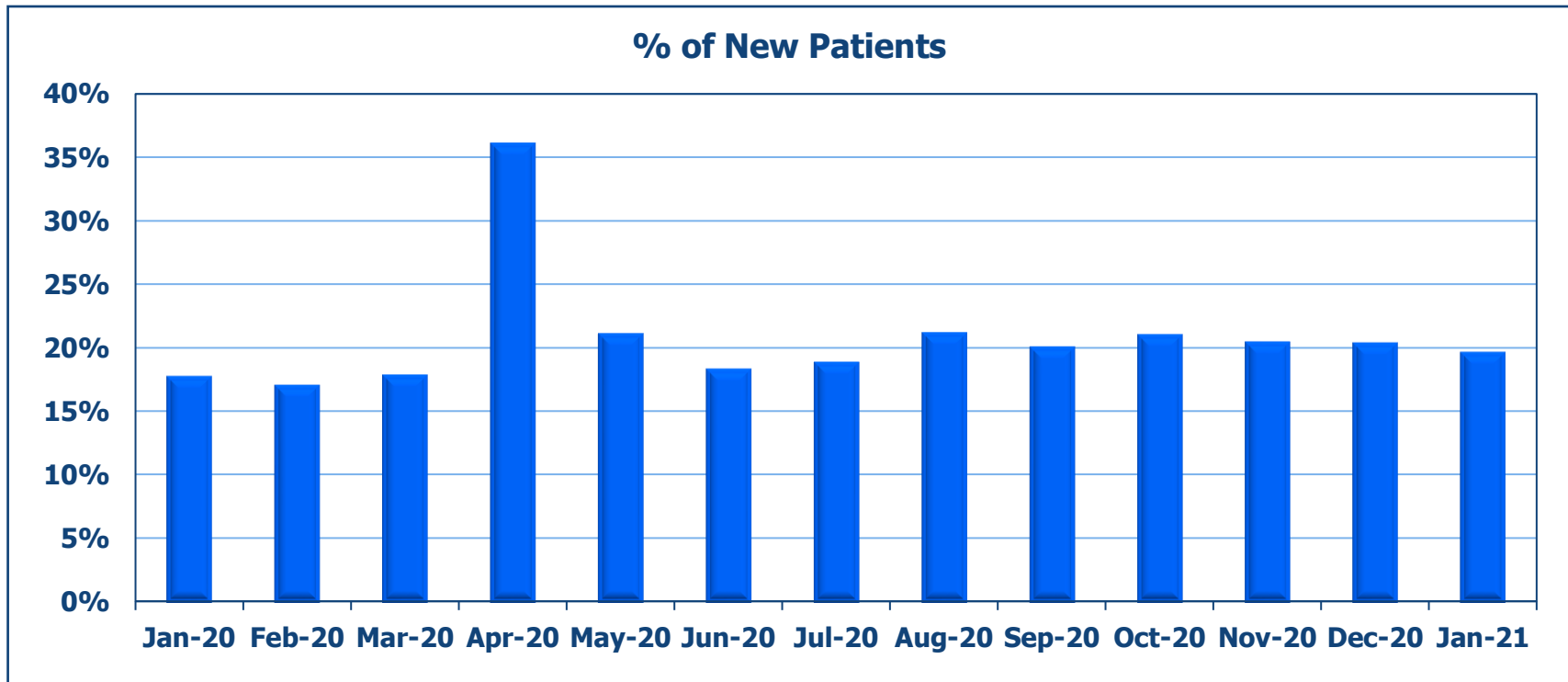
Highlights (continued)



* April 20 online appointments was the only available channel during COVID.

Highlights (continued)

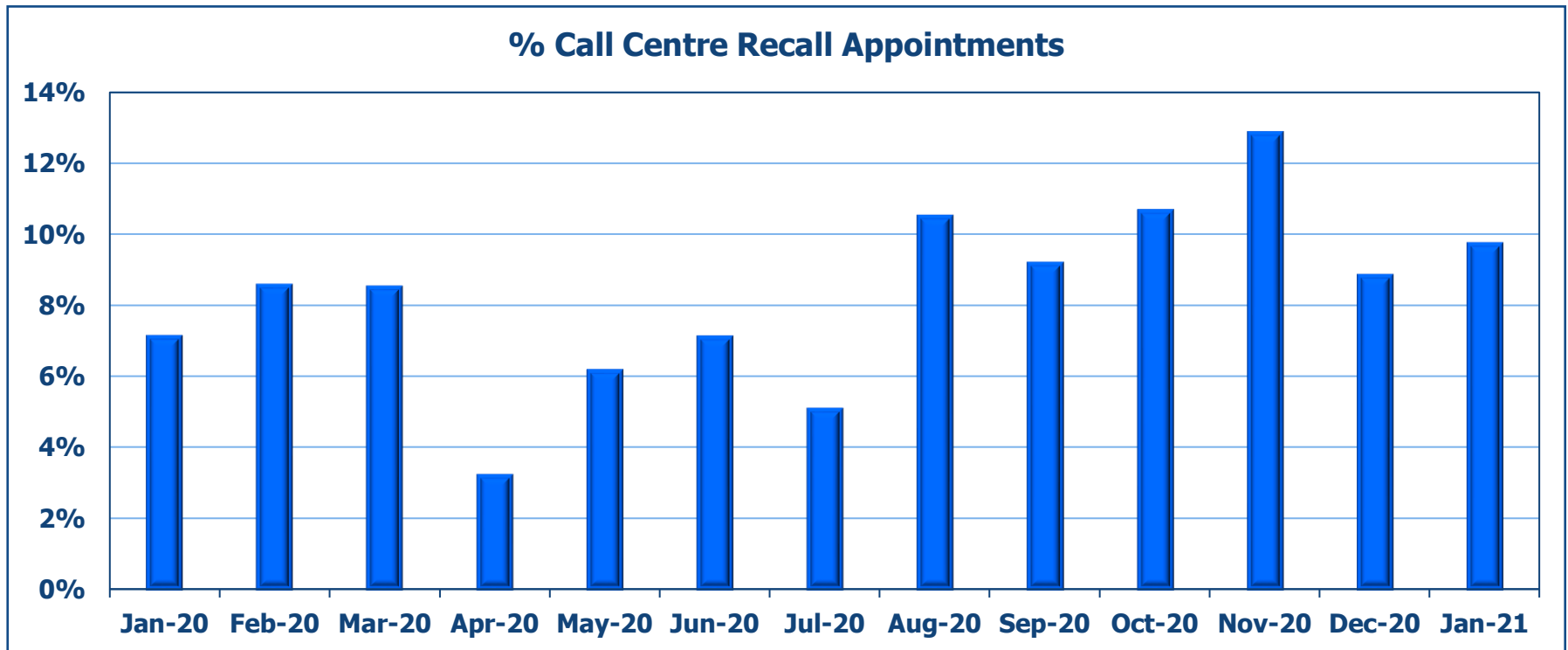
1H'21 saw returning patients exceed an monthly average of 79%, with new patients making up just over 20%. This optimal returning patient percentage is due to strong relationships with our patients and the focus on recalls and treatment planning.



* April 20 spike due to new patient influx during COVID restrictions

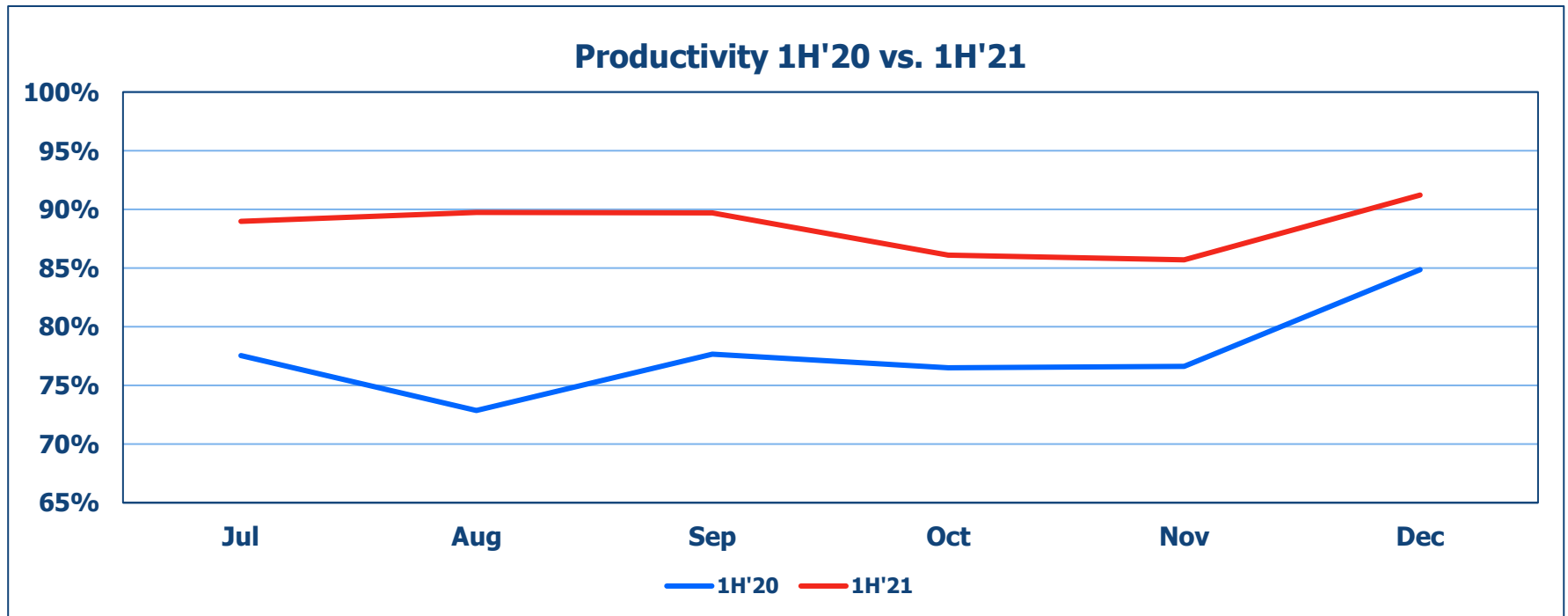
Highlights (continued)

1H'21 saw call centre scale up to full staffing capacity in August due to the demand of outstanding recall appointments. Post-COVID saw patients more receptive to scheduling their missed / cancelled preventative care appointments.



Highlights (continued)

The upward trend in productivity that was presented for FY'20 has continued into FY'21 i.e. utilising our providers better providing 1300SMILES with more revenue.



105 Denham Street Townsville Qld 4810
PO Box 5021 Townsville Qld 4810
tel 07 4720 1300 | fax 07 4771 5217
email admin@1300SMILES.com.au
ABN 91 094 508 166
www.1300SMILES.com.au

Thankyou

Any questions please?