

## ASX ANNOUNCEMENT

27 February 2025

### 1H25 Result

## Increased utilisation and patient attendance continues strong underlying growth

Dentist service organisation Pacific Smiles Group (ASX: PSQ) today released its financial results for the 6 months ended 31 December 2024. The Group's continued focus on increasing utilisation within existing centres and improving operational efficiency has delivered strong patient fee growth and improved underlying profitability.

#### 1H25 Results Summary:

- **Patient Fees of \$160.3m**, up 9.0% vs pcp
- **Group Revenue of \$99.0m**, up 10.0% vs pcp
- **Underlying<sup>1</sup> EBITDA of \$16.3m**, up 16.8% vs pcp
- **Underlying<sup>1</sup> NPAT of \$6.7m**, compared with \$4.4m in the pcp
- **Underlying Net Cash of \$8.1m at end-December 2024**, vs Net Cash of \$13.3m in the pcp
- **Total Pacific Smiles centres of 126**, with two closures in 1H25 of Singleton & Toronto

The strong financial performance of the Group in 1H25 is attributed to its continued strategic approach of maximising value in its existing centres, in addition to effective cost management and improvement in labour productivity. Leveraging the capacity present in current centres in driving strong volume and profit growth for the Group, particularly in the maturing of the new centres.

During 1H25 patient fees increased by 9.0% YoY to \$160.3 million, with the Company experiencing activity growth across all centre cohorts. Total practitioner hours rose 5.3% YoY to 380k hours, whilst total appointments attended increased 4.8% YoY to ~560k.

Underlying EBITDA rose 16.8% vs pcp to \$16.3m, reflecting the uplift in revenue and improved operational efficiency. EBITDA performances continue to be strong despite ongoing inflationary cost pressures, in particular the Fair Work decision and CPI-linked

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<sup>1</sup> Underlying results exclude the impact of the Australian accounting standard (AASB 16) and other one-off related items. A reconciliation of underlying to statutory results is disclosed in the Appendix of the 1H25 Investor Presentation, and Appendix 4D.

lease expenses. Despite these inflationary headwinds, Pacific Smiles continued to manage growth and profitability effectively.

EBITDA margins, both at a centre level and group level, showed improvement on the pcp, reflecting revenue growth and leverage.

Underlying NPAT of \$6.7m represented a substantial improvement on the pcp (1H24: \$4.4m).

Pacific Smiles' corporate overhead margin was slightly below the pcp at 6.5% (1H24: 6.6%).

Capital expenditure for the period of \$3.2m was higher than the \$1.8m reported in 1H24. During 1H25, Pacific Smiles made investments in centre refurbishments, with 11 centres undergoing enhancements to improve patient experience and operational efficiency. Additionally, one centre was successfully relocated, expanding surgery capacity to service more patients.

This strong financial performance flowed through to the Company's balance sheet, with \$8.15 net cash at 31 December 2024 despite payments totaling \$9.9m related to take-over costs.

No interim dividend was declared for FY25.

The Pacific Smiles management team remain focused on maintaining the company's positive culture, for both dentists and employees. As such it is pleasing to report that dentist turnover and employee turnover both continue to improve. Meanwhile, patient satisfaction remains very high with patient net promoter score remaining at 90 for the period.

### **Trading Update & Outlook**

Performance to date for FY25, as of 25 February 2025:

- Patient Fees \$208.1m
- Patient Fees +9.7% YoY<sup>2</sup>
- Patient Fees +9.1% YoY on an equivalent like-for-like trading days basis<sup>3</sup>

Full year guidance provided on 13 November 2024 is re-affirmed, being

- 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)

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<sup>2</sup> No new centres were opened in FY24 or FY25, therefore total patient fee growth is equivalent to Same Centre Patient Fee growth

<sup>3</sup> There has been two additional weekdays of trading YTD compared to the previous corresponding period

**Pacific Smiles Managing Director & Chief Executive Officer, Gary Carroll, said:** " I have joined Pacific Smiles in a period of transformational change. What I see is a company well positioned for growth as it continues to reap the benefits of a significant investment program over the past three years. This is clearly reflected in the result today, with the company in a position of strong revenue and underlining earnings growth. We look forward to continuing our growth trajectory over the coming periods, including assessing inorganic growth opportunities."

**ENDS**

### **Result Conference Call**

Pacific Smiles will host a conference call for investors to discuss the half-year results at 11:00 am AEDT, Monday 3 March.

### **Pre-Registration Link:**

<https://s1.c-conf.com/diamondpass/10045278-g37dgr.html>

Once registered you will receive a calendar invite and a unique code which is to be quoted when dialing into the call.

Complete half year results materials will be released to the ASX and will be available on the Company website via the following link:  
<http://investors.pacificsmilesgroup.com.au/Investors/>.

Authorised for release by the Board of Directors.

### **For further information, please contact:**

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