



Pacific Smiles Group Limited 2018 Annual General Meeting Chairman's Script

I am honoured to address you as Chairman of Pacific Smiles Group at our 2018 Annual General Meeting. Pacific Smiles Group continues to expand and lead with our branded network approach to the Australian dental services industry.

At today's Annual General Meeting, I will provide a brief address, covering some high level aspects of our business, then I will move to the Annual General Meeting business, before handing over to Phil McKenzie, our newly appointed CEO and Managing Director for a review of FY18 and some guidance as to FY19.

I use this opportunity to formally welcome Phil and introduce him to you. Phil comes to us with a very successful track record in retail and health, particularly multi-site network businesses. Most recently Phil was the Chief Executive Officer of Audiology Management Group. We are very pleased to welcome Phil to Pacific Smiles.

I remind you all of our True Purpose - to improve the oral health of ALL Australians to world's best. This is an aligning and non-negotiable cultural value that drives our commitment to superior service and care in the delivery of an exceptional patient experience.

We know that many Australians visit the dentist either sporadically or not at all. We believe there is a compelling opportunity to make high quality preventive dentistry more accessible for all Australians and this guides our vision into the future.

In FY2018 our commitment to our True Purpose was underpinned by some impressive service and treatment statistics. With approximately 670,000 appointments provided across our network in FY18, we know that our staff and dentists are making a real impact.

They are also impressing our patients and exceeding their expectations. 75% of our surveyed patients rated us a 9 or 10 out of 10.

The less privileged in our society also deserve access to quality dental care in a timely manner and I am very pleased that Pacific Smiles is the major sponsor of three patient care programs run by the Australian Dental Health Foundation to provide pro-bono dental services to the least privileged in our society.

Pacific Smiles success is built on our employees; the dentists who work within our facilities, as well as our strong connection to community. We provide a place for employees to build their careers and for dentists to build their practices, all whilst giving back to the community and those most in need.

Our strategic framework has been established with our True Purpose at its core. Our key values of service, mutual respect, integrity, learning, energy and safety underpin our five strategic pillars of success.

Our success is ultimately dependent upon delivering a perfect patient experience, which requires the attraction and retention of best-in-class dentists, a high performance culture and employees, underpinned by efficient and effective operations. We build upon our success with an ongoing commitment to expansion and growth.



Our strategic framework links specific focus areas and sources of competitive advantage to our five strategic pillars and key values.

Our delivery of a perfect patient experience is the culmination of a long track record of providing superior levels of patient satisfaction and strong rebooking and retention rates. Our strategic collaborations with private health insurers attract more patients and help to make dentistry as accessible and affordable as possible.

Dentists are customers in our model and we appeal to them through the professional and lifestyle benefits of practising from our modern centres and the provision of training and development opportunities for skills enhancement. Training and development initiatives for dentists have been bolstered to provide a real value-add to the dentists and to the patients they serve.

The ongoing development of a high performance culture is apparent through the number of internal training programs and initiatives for managers and employees. This is being further enhanced with the addition of field-based trainers this year to support frontline training.

Scale advantage in operations is demonstrated in our buying power and network marketing benefits through which we are growing our brand awareness. Business data and analytics is increasingly an area where our scale and reach is being leveraged as a source of competitive advantage.

With over 10 years' experience of greenfields expansion of our branded dental network and proven unit economics, we have experience and knowledge that is unmatched in our market. Our multi-state network has less local-area vulnerability than smaller and more concentrated operators and the consistent brand builds awareness and trust.

The last 10 years of performance is shown in the two charts here with historical performance from FY08. In that period, we have grown the number of dental centres from 17 to 80 by end of FY18, with patient fees stepping up in every year.

The EBITDA graph shows a similar pattern of growth, reaching \$21.5m for the full year.

On behalf of the Board I would like to thank our shareholders for their ongoing support.

I will now hand over to Phil McKenzie, Pacific Smiles' CEO and MD to discuss business performance in more detail.