

## **ASX ANNOUNCEMENT**

**12 March 2019**

### **1300SMILES acquires two new QLD practices**

1300SMILES Limited has completed the acquisition of two established, multi-chair dental practices in Springfield Lakes and Maroochydore, further strengthening its position in South-East Queensland and complementing recent acquisitions in Buderim and Noosa.

Springfield Lakes is a rapidly expanding community located approximately 32km south-west of Brisbane's CBD and 21km from Ipswich and is host to a range of premium education institutions, dining and shopping precincts and medical facilities. Maroochydore is a popular holiday destination located on Queensland's Sunshine Coast, approximately 100km north of Brisbane.

The practices provide a full range of dental services to the local communities with a combined ten chairs, ten dentists (some full-time and some part-time) and a team of hygienists, dental prosthetist and support staff along with laboratory facilities.

Commenting on the acquisitions, 1300SMILES Managing Director, Dr. Daryl Holmes OBE said: "This is a very exciting acquisition of two practices with enormous growth potential providing excellent dental health options in both these regions. We look forward to great success now and in the years ahead."

The acquisitions are expected to make an immediate contribution to the Company's earnings with the combined annual revenue of the two practices expected to be approximately \$4.5m with an EBITDA margin in the 16-18% range.

The acquisitions have been completed on customary commercial terms and conditions and include a cash earn out payable to the seller, which is subject to financial performance hurdles. The acquisitions will be funded from the Company's existing cash reserves and debt facilities.

This announcement and further information about 1300SMILES Limited can be found on the company's website at [www.1300SMILES.com.au](http://www.1300SMILES.com.au).

For further information, please contact:

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## **ABOUT 1300SMILES LTD**

### **OVERVIEW OF THE COMPANY'S BUSINESS**

1300SMILES Ltd owns and operates full-service dental facilities at its sites in New South Wales, South Australia, and in the ten major population centres in Queensland. The company continually seeks to expand its presence into other geographical areas throughout Australia. It does so both by establishing its own new operations and by acquiring existing dental practices. The administrative and corporate offices are in Townsville.

1300SMILES enables the delivery of services to patients by providing the use of dental surgeries, practice management and other services to self employed dentists who carry on their own dental practices. The services provided by the company allow the dentists to focus on the delivery of dental services rather than on the administrative aspects of carrying on their businesses. The dentists pay fees to the company for the provision of these services under a Dental Service Agreement with the company. In some circumstances the company also employs qualified dentists.

The dentists who use the company's services range from new graduates to experienced dental professionals. Several dentists who use the company's services have special interests and experience in such areas as endodontics, oral surgery, implants and periodontics and cross-refer work to other dentists who use the company's services.

The company provides comprehensive services in the areas of marketing, administration, billing and collections, and facilities certification and licensing to all participating dentists. The company also provides all support staff, equipment and facilities, and sources all consumable goods using the buying power which derives from such a large group of dental businesses.

### **FUTURE DEVELOPMENTS**

The company's core objective is to continue to increase profits and shareholder returns while providing a rewarding environment for our staff and the dentists using our facilities.

The company aims to achieve a combination of organic growth in its existing locations and the addition of new practice management facilities.

The key drivers for future growth of the company are:

- Increasing profits by attracting more dentists to our existing facilities and expanding those facilities which are already at full capacity;
- Assisting dentists who already practice within the 1300SMILES system to increase their turnover and income through benchmarking, training, and mentoring;
- Establishing new practices in existing and new regions (greenfield sites);
- Acquiring substantial existing practices where we can do so on favourable terms; and
- Managing dental facilities owned by others.

### **DENTIST ENQUIRIES**

Owners of dental practices who are interested in unlocking the goodwill value of their businesses (or freeing themselves from all the management hassles) are invited to contact Dr. Daryl Holmes OBE, Managing Director, on +61 (7) 4720 1300 or [md@1300SMILES.com.au](mailto:md@1300SMILES.com.au).

Qualified dentists who wish to know more about joining one of our established facilities are encouraged to contact Dr. Holmes directly or email [dentalcareers@1300smiles.com.au](mailto:dentalcareers@1300smiles.com.au) or visit our website [www.1300smiles.com.au/careers](http://www.1300smiles.com.au/careers).