



# SILK Laser Australia Limited (ASX: SLA)

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2022 Annual General Meeting

22 November 2022



## Meeting agenda

- › Chairperson's address
- › Managing Director's address
- › Resolutions
- › Meeting close



# Your Board of Directors



Boris Bosnich  
Chairperson



Martin Perelman  
Founder & Managing Director



Jacinta Caithness  
Non-executive Director



Andrew Cosh  
Non-executive Director



Sinead Ryan  
Non-executive Director



Richard Willson  
Company Secretary



Chairperson's address

Boris Bosnich



Managing Director's  
address

Martin Perelman



## FY22 highlights: executing IPO plan and beating guidance

**\$162.7m**

Network cash sales

+91% vs PCP

**\$81.3m**

Reported revenue

+38% vs PCP

**\$22.0m**

Adjusted EBITDA

+27% vs PCP

**\$9.6m**

Adjusted NPAT

+27% vs PCP

**\$6.4m**

Statutory NPAT

+24% vs PCP

**127 clinics**

+66 clinics since end of FY21 to 31 July 2022



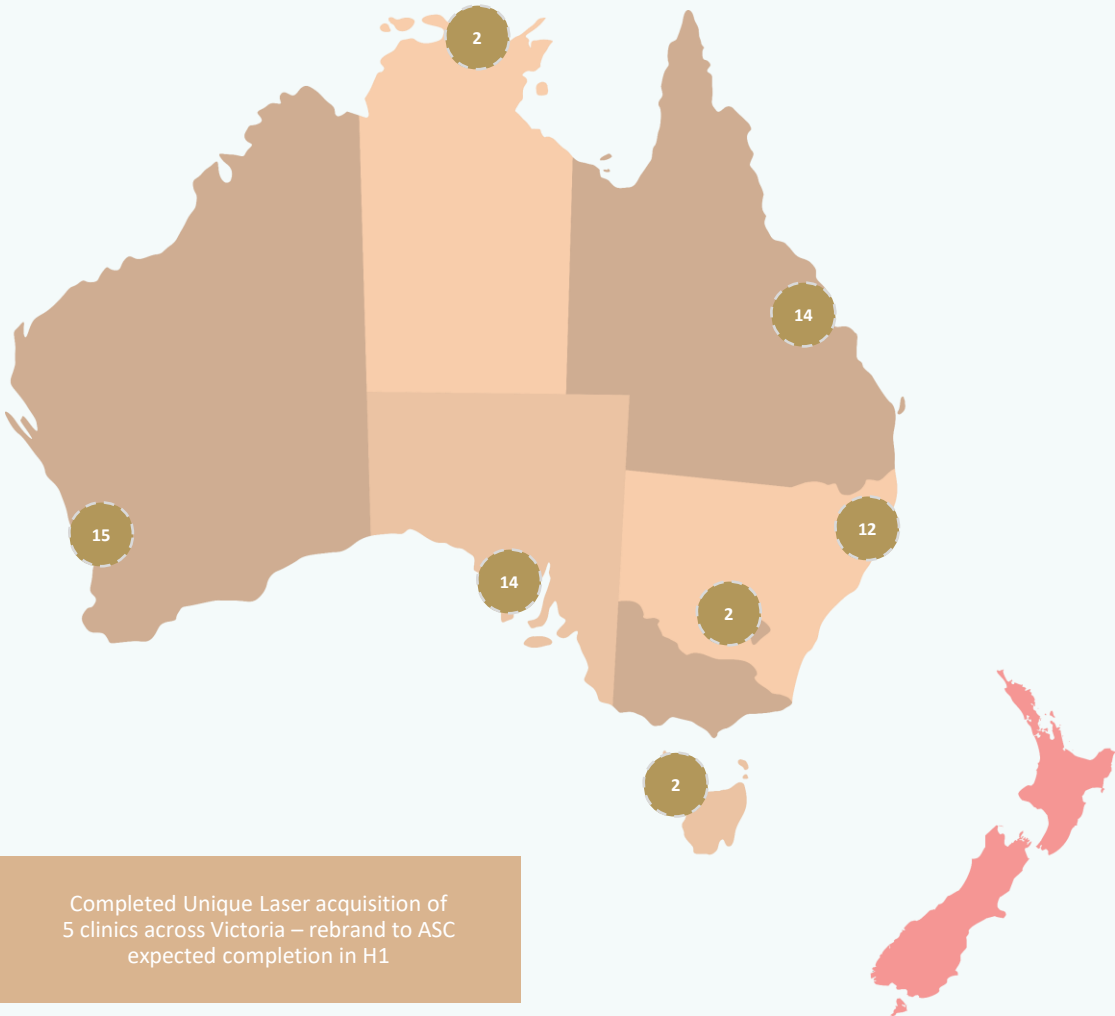
## Successfully acquired and integrating ASC + TCC

- › Initial integration completed, including combining management teams, head office support and aligning operations
- › Category integration progressing well:
  - › Strong early traction with \$1.0m ARx Skincare + Medipen sold in second half of FY22, from standing start
  - › Dermaplaning and selected ARx peels rolled out across ASC
  - › Medipen rollout completed in Australia, NZ due for FY23
  - › Injectable offerings aligned across ASC and SLA
  - › Body rollout continues across network
- › Upgrading systems to position for further growth
  - › Finance system implemented Q1
  - › HRIS/ payroll system implemented in October 2022
  - › POS upgrade underway, planned to complete by end of Q1 FY24



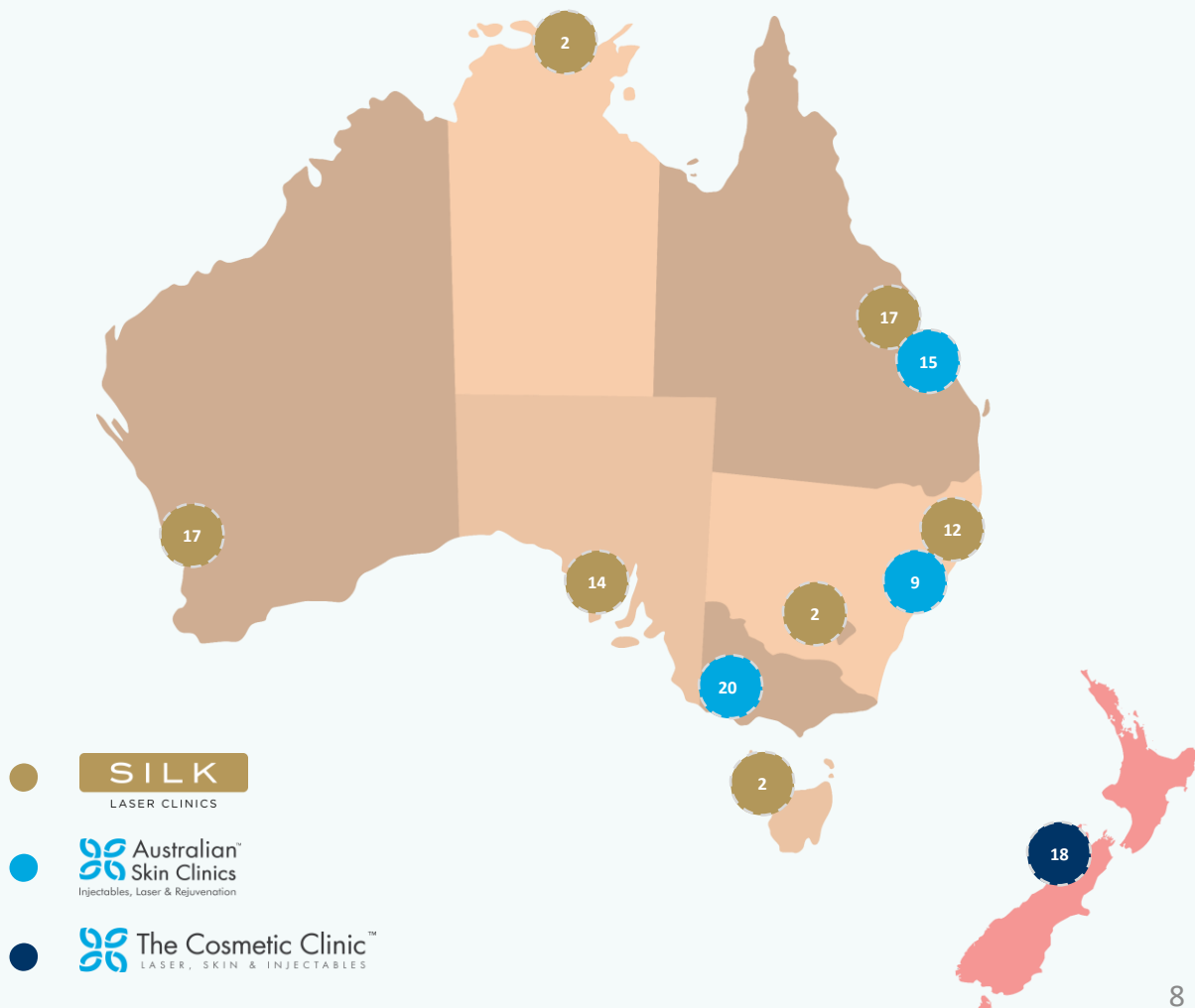
# Continued network growth

30 June 2021 - 61 clinics



Completed Unique Laser acquisition of 5 clinics across Victoria – rebrand to ASC expected completion in H1

31 October 2022 – 128 clinics



- SILK LASER CLINICS
- Australian Skin Clinics  
Injectables, Laser & Rejuvenation
- The Cosmetic Clinic™  
LASER, SKIN & INJECTABLES



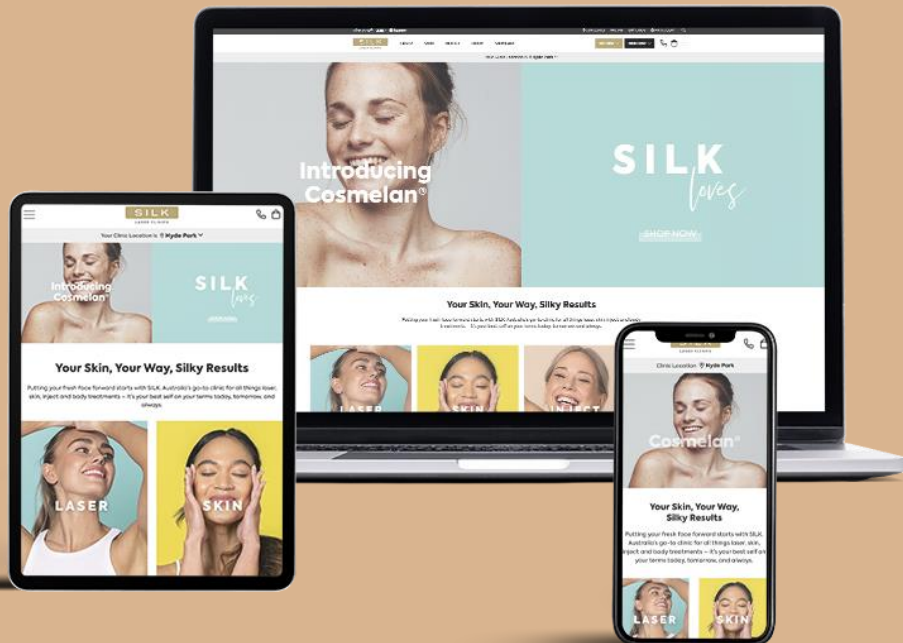
# New website driving stronger engagement

## Brand NEW look!

New headless eCommerce website launched in May. The emphasis has been to ensure the new site is customer-centric, modern and provides a richer user experience.

The navigation is clear and simple and the online booking and purchasing pathways have been streamlined for clients.

The responsive design is critical for driving online sales and ASC will follow with the same approach.



## Skincare Online (Click & Collect)

Skincare is now available for purchase on the new website. This means our clients can purchase skincare with their SILK treatments and may choose to Click & Collect or have their products delivered.

We are confident the incremental purchases of clients adding skincare to their cart before finalising payment will achieve a positive uplift in total skincare sales. All skin treatments on the site will have recommended skincare options.



## Safety and compliance engrained in culture

- › Established independent Medical Board which includes three specialist doctors and two specialist nurses to set stringent protocols and cases across the network.
- › Australian training infrastructure and organisation has been combined across SILK and ASC , leveraging the strengths of both teams and resulted in complete training teams based in each Australian state
- › National adverse event rate across all categories below .05% with all events managed to a positive outcome
- › SILK was the first operator licensed as a day procedure centre under Section 9 of the Tasmanian Government Health Service Establishments Act 2006.



“I don’t get Emsculpt for cosmetic reasons - it really helps with my posture - it strengthens my core muscles. I’ve had several abdominal surgeries and find it really hard to workout specific muscle groups. Despite the rising cost of living, these procedures are a necessity for me - it’s not just cosmetic. This helps me improve the quality of my everyday life. The SILK team is so supportive of my journey.”

Daniel, QLD  
Emsculpt



"Getting my injectables every 6 months is a necessity - it makes me feel good. I go to SILK because of Nurse Anna - she's an amazing injector. And, while I'm in the clinic, I get my laser hair removal maintenance done too."

Kristy, NSW



## Leading regulatory compliance

- › First operator licensed as a day procedure centre under Section 9 of the Tasmanian Government Health Service Establishments Act 2006.
- › Over an 18-month period, SILK worked side-by-side with Tasmania Health to obtain our licence.
- › Tasmania Health's focus on this regulatory change was around better medical oversight and more thorough poisons management.
- › We continue to work closely with all State and Territory Governments as a key stakeholder for regulatory change.

## A community of business owners, working to have a **positive social impact**

**60%**

Female leadership  
team

**Community  
minded**

Supporting local sporting  
clubs, schools and  
organisations

**98%**

Female Workforce

**50%**

Female / Male non-  
executive directors

**76% female  
franchisees**

Empowering women in  
business, but supplementing  
the network with diversity

**Committed to  
doing better**

Reviewing areas for further  
opportunity such social partnerships,  
diversity metrics and supply chain  
efficiency



"I am passionate about what I do and I feel fortunate to have a business in an industry that I enjoy. We support other women in our franchise network and in our industry to become the best they can be. SILK and now ASC can take learnings from my and other female business owners' experiences from the early days into the future."

Nurse Cher Zollo  
-Franchise Partner, South Australia



# Growth momentum continues in Q1 FY23

## Q1 FY23 (3 months to 30 September 2022) financial performance update (unaudited):

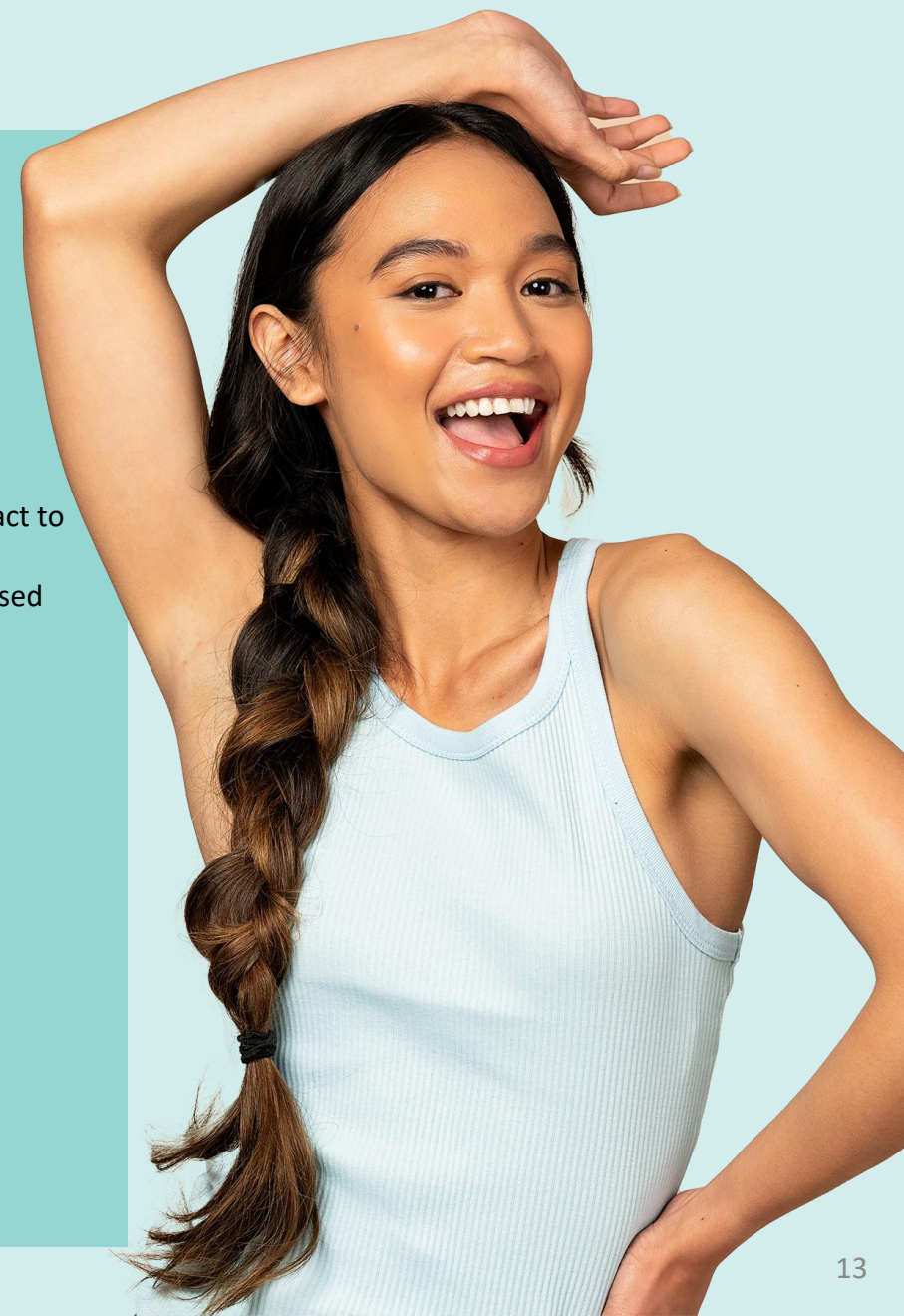
- Network cash sales of \$51.7m<sup>1</sup>, noting meaningful LFL comparisons to Q1 FY22 not possible given:
  - significant portion of clinics were closed due to COVID restrictions at the time
  - ASC/ TCC group was acquired on 1 September 2021
- Reported Revenue<sup>2</sup> of \$24.0m
- Adjusted EBITDA of \$7.1m<sup>3</sup>
- Series of strategic price increases to mitigate cost inflation implemented from 1 July 2022, with no noticeable impact to transaction volumes to date
- ASC/TCC and Unique Laser integrations progressing well. The take up of SILK branded skincare products and increased group buying of Injectables products delivering improved margins to franchisees and synergy benefits to SILK
- Service mix continues to skew further to the Inject category
- SILK continues to evaluate organic growth and M&A opportunities, including clinic buy-backs to execute focused growth strategy
- 128 clinics open at 31 October 2022, following opening of TCC Queenstown in late October; two more clinics are planned to open before Christmas and two in early in CY23 (all joint venture franchised clinics)
- The cash balance at the end of September 2022 was \$20.6m and bank debt was \$22.5m.

Note 1: Network cash sales comprises sales from all clinics in the network (SILK, ASC and TCC) on a cash paid basis exclusive of GST.

Note 2: Reported revenue includes revenues from owned and majority owned clinics (IFRS 15 basis), Distribution sales and Franchise revenues.

Note 3: stated on post IFRS 16 basis, noting cash rent paid in Q1 FY23 was \$1.2m and in FY22 it was \$1.0m, and is adjusted for one-off items.

For more detailed definitions see Glossary at slide 22.



# Resolutions



Meeting close.

Thank you



# Glossary

## Network cash sales

Represents cash sales (non IFRS measure) of all clinics in the SILK network, regardless of ownership, exclusive of GST where applicable. Cash sales represents treatments and other items sold and paid for by SILK's clients, rather than treatments performed for SILK's clients (presented net of GST).

## Like-for-like growth

Represents the increase in total network clinic cash sales compared with the prior comparable period, based on clinics open for the whole of both periods, adjusted in prior period for days closed due to COVID-19 restrictions.

## Reported Revenue

Comprises clinic sales, distribution sales and franchise revenue as reported in SILK's consolidated financial statements under statutory accounting policies.

## Adjusted EBITDA, EBIT and NPAT

Follows statutory accounting and based on a post IFRS 16 basis but makes adjustments for income and expense items of a one-off nature, such as; COVID related government support (FY21 only), Business combination expenses, IPO expenses and investment in cloud-based systems.

## Headless eCommerce

The separation of the front and backend of an eCommerce application. The front and back-end function independently, allowing increased agility and adaptability.

## Net promoter score or NPS

The percentage of clients rating their likelihood to recommend a company, a product or a service to a friend or colleague.



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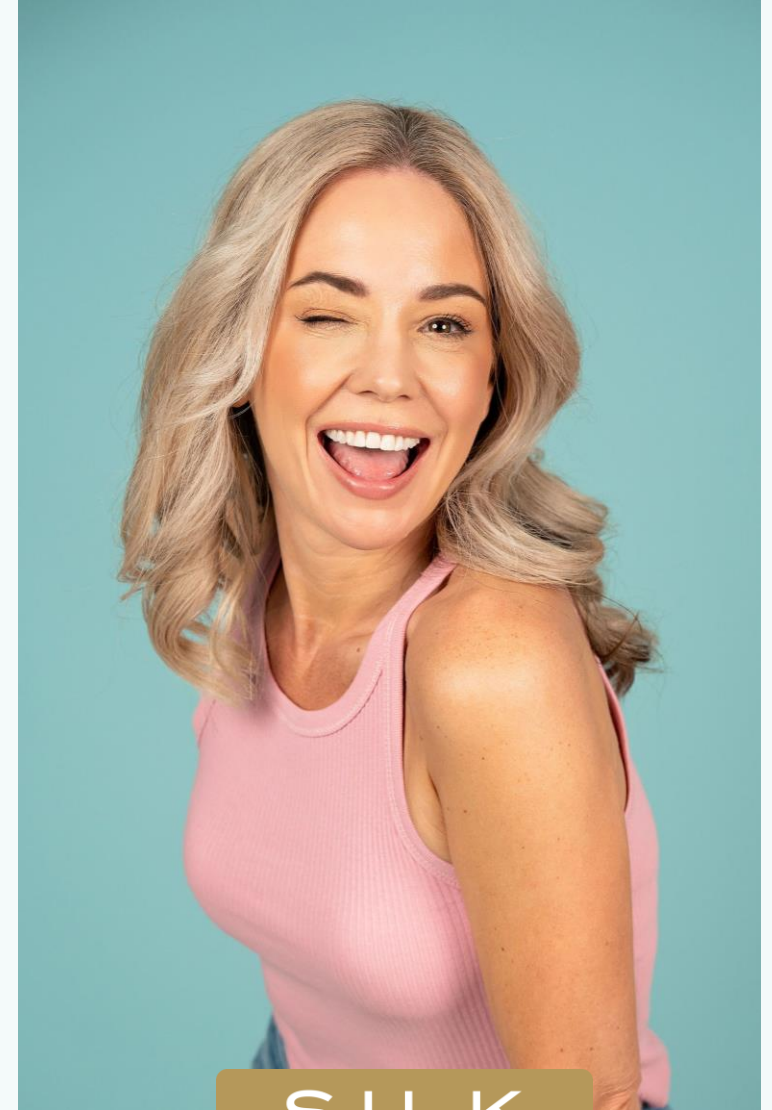
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LASER CLINICS

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