PACIFIC SMILES GROUP

Results H1 FY 2023

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PACIFIC SMILES GROUP
Phil McKenzie
Chief Executive Officer

Our True Purpose

To improve the oral health of ALL Australians to world's best.

Our Patients **Trust** us

Our Dentists are **Respected** by us

Our Employees **Matter** to us

H1 FY 2023 Performance[1]

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$133.3m

Patient Fees – up 22.5%

17.3%

Same Centre Growth

$0.5m

Underlying NPAT

129

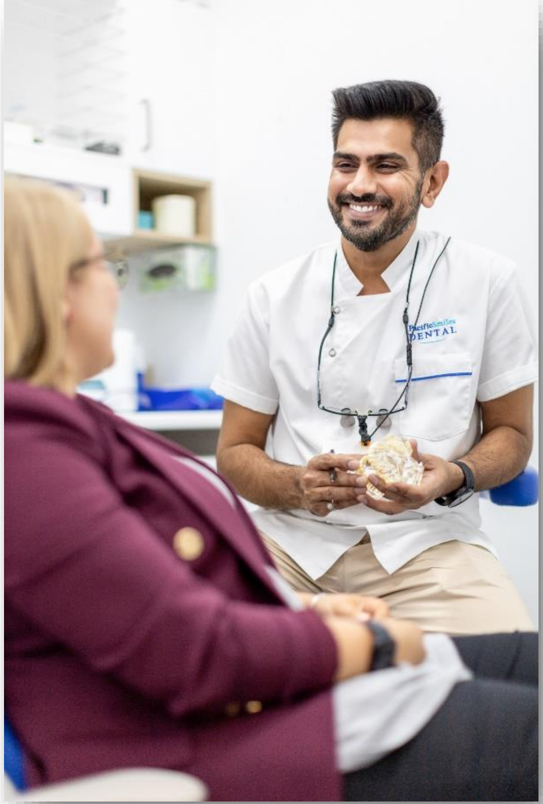
Dental Centres[2] – up 8.4%

$9.1m

Underlying EBITDA – up 84.4%

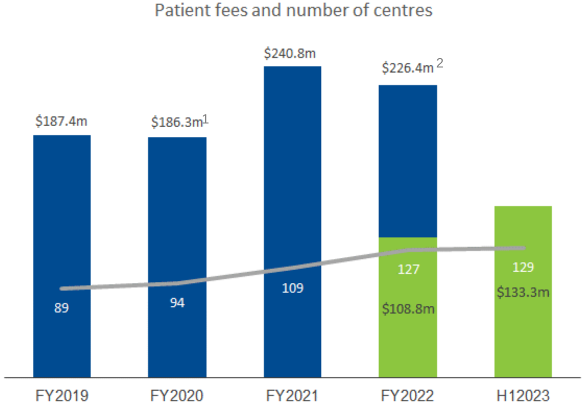
0.35 cps

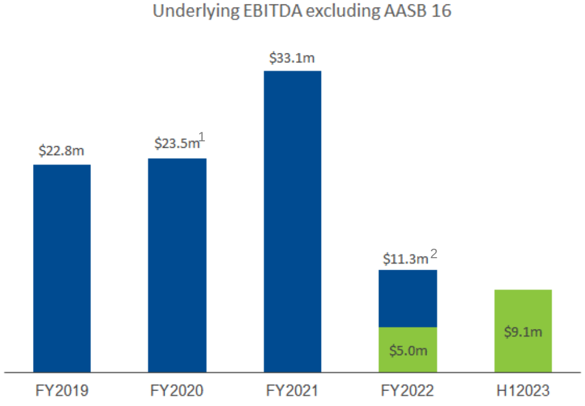
Interim Dividend Declared



Notes:
1. Comparison to H1 FY 2022
2. Excludes HBF dental centres

Patient Fees and Earnings





Patient Fees

- Total patient fees **increased by 22.5% to $133m** reflecting a return to more normal post-pandemic trading. The level of fee growth is increasing at a more uniform rate over a longer period compared to the post-lockdown “surge” levels seen in FY 2021
- While trading conditions have materially improved, they were still impacted in H1 by a **slower decline in patient cancellation rates than expected**, and changes to practitioner working patterns, which has resulted in lower-than-expected attendances for H1
- Business volume and activity is clearly showing signs of returning to pre-pandemic levels, with **key business KPIs continuously improving through the half**
- PSG’s centres retain the **practitioner capacity to see more patients** and drive higher attendances

EBITDA

- Underlying EBITDA for H1 **was up 84.4% to $9.1m** driven by **increased patient fees**
- The **lower attended appointments** mentioned above impacted top line revenue, although **higher fees per appointment** is offsetting some of the drop in volume
- Other than revenue variance, the main contributor to EBITDA performance is associated with a **lag in maximising the operating leverage** in the business. Staff to practitioner ratios are higher than pre-pandemic levels, reflecting rostering inefficiencies and an intent to ensure centres have the right level of support to service expected increasing volumes as patient and practitioner attendance patterns are not yet back at pre-pandemic normals
- **Labour efficiency continues to be a key focus** of management into H2, and is already showing signs of improvement

Notes:
1. FY 2020 impacted by government mandated dental restrictions due to COVID-19
2. FY 2022 impacted by wide-spread outbreak of COVID-19 variant Omicron and government mandated lockdowns

Operational Highlights

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2 new

Dental Centres
And 1 new HBF dental centre

>85

Patient Net Promoter Score

>75%

Employee Retention

9 new

Dental Chairs[1]
3 chairs in existing centres

>925

Number of Dentists[2]

>85%

Dentists Retention

Notes:
1. Excluding HBF Dental
2. Number of dentists as at 31 December 2022 and includes 45 HBF Dental dentists

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Matthew Cordingley

Chief Financial Officer

Summary Income Statement

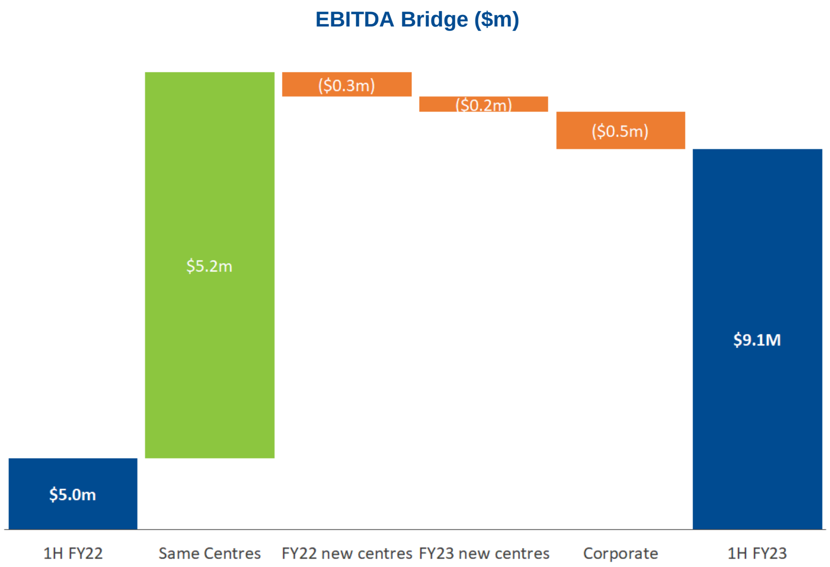
For the half year ended 31 December 2022

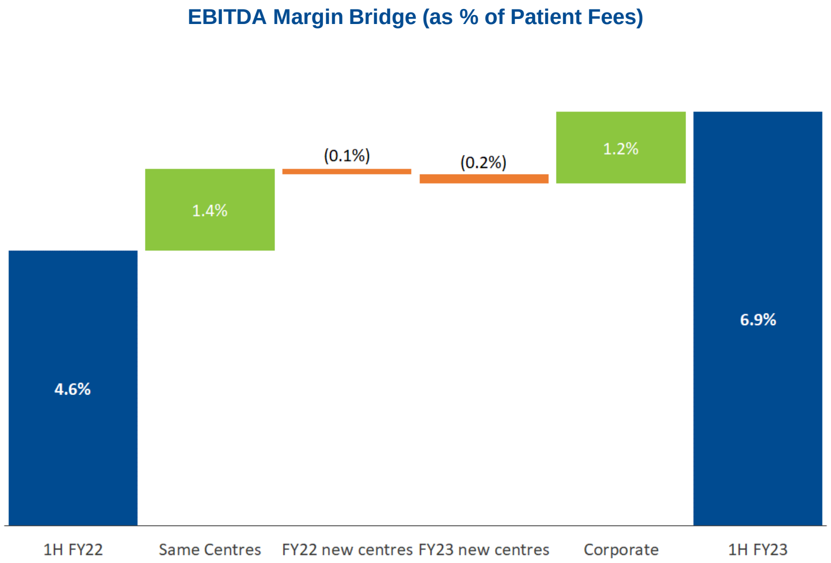
$ MILLIONS	UNDERLYING [1] H1 2023	UNDERLYING [1] H1 2022	CHANGE
Revenue	81.6	66.9	21.9%
Gross profit	77.9	63.6	22.4%
EBITDA	9.1	5.0	84.4%
Depreciation and amortisation	(7.9)	(7.4)	6.8%
EBIT	1.3	(2.4)	152.0%
Net interest expense	(0.5)	(0.3)	94.0%
Profit before tax	0.7	(2.7)	126.9%
Tax	(0.2)	1.2	(116.5%)
Net profit after tax	0.5	(1.5)	134.8%
Key operating metrics			
Number of Dental Centres	129	119	8.4%
Number of Commissioned Dental Chairs	539	508	6.1%
Patient Fees ($m)	133.3	108.8	22.5%
Same Centre Patient Fees growth	17.3%	(14.0%)	223.8%
Key financial metrics			
Earnings per share (cents)	0.3	(1.0)	134.8%
EBITDA margin	11.2%	7.4%	51.2%
EBITDA to Patient Fees margin	6.9%	4.6%	50.5%
EBIT margin	1.5%	(3.6%)	142.7%

1. Underlying excluding the impact of AASB 16 with reconciliation provided in the appendix

- **Revenue up 21.9% to $81.6m** reflecting a return to more stable trading following the removal of COVID-19 related lockdowns and abatement in significant outbreaks
- **EBITDA has also improved, up 84.4% to $9.1m** (H1 FY 2022: $5.0m) in line with increased revenue. Realisation of labour efficiency in centres has been slower than expected due to a more modest return to pre-pandemic patient attendances and higher cancellation rates (albeit much lower than at the peak of COVID-19), and changed practitioner operating patterns post-pandemic, the combination of which has made efficient rostering more challenging
- However, the business expects to realise increased labour efficiencies in H2, better matching labour hours to practitioner hours
- Dental centres increased by 10 new centres, opening 9 in H2 FY 2022 (and closing 1) and opening 2 in H1 FY 2023
- Same centre patient fees improved 17.3% (H1 FY 2022: -14.0%) with H1 FY 2022 impacted by the Delta COVID-19 lockdown

H1 FY 2023 EBITDA Bridge (Value and Margin)





The key drivers of the movement in the above charts are summarised below:

- **Same centre patient fees increased by 17.3%** (H1 FY 2022: negative 14.0%) driven by a return to more normalised trading conditions
- **FY 2022 new centre EBITDA declined by $0.3m** in H1 FY 2023. This was driven by the timing of opening of several new centres in this cohort late in H2 of FY 2022. These centres are ramping in line with management expectations
- The start-up losses from 3 new centres opening in H1 FY 2023 is $0.2m
- **Corporate costs were down 1.2%** as a proportion of patient fees. This was achieved notwithstanding the one-off $0.3m cost of the GROW 22 Employee Conference (held for the first time in 3 years) and a reduction in capitalised labour compared to prior years, associated with a slower roll out of new centres year-on-year

H1 2022 Cash Flow & Balance Sheet

Cash flow $ MILLIONS	REPORTED[1] H1 2023	REPORTED[1] H1 2022
EBITDA	8.9	3.4
Other non-cash items	0.2	1.4
Changes in working capital (exc. Income tax)	0.3	(2.1)
Net interest paid	(0.5)	(0.3)
Income tax paid	-	(3.0)
Total cash flow from operating activities	**8.8**	**(0.5)**
Cash flows from investing activities		
Net capital expenditure	(7.0)	(14.2)
Finance lease payments received	0.5	-
Total cash flows from investing activities	**(6.5)**	**(14.2)**
Cash flows from financing activities		
Borrowings (net)	-	13.5
Total cash flows from financing activities	-	**13.5**
Net cash flow	**2.3**	**(1.3)**

- Cash flow from operating activities has improved year-on-year in line with revenue and a return to more stable operating conditions
- Cash flow from investing activities is expenditure of $7.0m (net of disposals), including:
  – New centres, including prior year carry over ($2.7m);
  – Centre relocations, expansions, refurbishments and new chairs ($1.6m);
  – Purchase of new and replacement of surgical equipment ($1.0m);
  – Completion of investment in 3D scanners ($1.0m); and
  – Technology upgrades ($0.7m)

Balance sheet $ MILLIONS	REPORTED[1] 31 DEC 2022	REPORTED[1] 31 DEC 2021
Cash and cash equivalents	13.5	9.7
Other current assets	15.5	10.9
Property, plant and equipment	66.5	71.3
Other assets	23.9	22.5
Total Assets	**119.4**	**114.5**
Payables	17.3	16.7
Provisions	8.1	8.4
Borrowings	18.5	14.5
Total Liabilities	**43.9**	**39.6**
Net Assets	**75.5**	**74.9**
Total Equity	**75.5**	**74.9**

- Increase in cash a result of the improved operating cash flows this financial year
- Increases in other current assets reflects an increase in receivables, including a $5.8m tax refund pursuant to the temporary loss carry-back rules associated with COVID-19. The $5.8m tax refund was received in H2 contributing to an attendant reduction in net debt, post balance-date
- Reductions in property, plant and equipment reflects the slow down in roll out of new centres this half year, with D&A expense now greater than capital expenditure
- Additional $4m in borrowings was drawn in H2 FY 2022, with no increase in borrowings this half
- Interim dividend declared for H1 FY 2023 of 0.35 cents per share (H1 FY 2022: nil)
- 31 December 2021 has been restated for the error in indirect tax liabilities

Notes:
1. Reported equals statutory excluding the impact of AASB 16 and includes the underlying impacts of severance payments, executive LTI plan, the closure of our flood impacted Lismore centre and EGM costs

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Phil McKenzie

Chief Executive Officer

ESG - How we make a difference?

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Through strategic initiatives in the field, at our Dental Centre Support office and in our new centre build schedules

ENVIRONMENTAL

- Confirmed 25% green power on all direct supply electricity contracts
- Updated SOP on barriers included in operating procedures reducing unnecessary plastic coverings
- Trialing reusable high speed evacuation tips (saves 100 disposable tips per 1 reusable)
- Commitment to change from plastic to paper patient water cups by end of calendar 2023

SOCIAL

- Our inclusion and diversity program in 2022 included the introduction of AI technology to reduce bias from candidate screenings in our recruitment process
- In October 2022 PSG hosted our first Mindshop Excellence Program providing a work experience program for high school students

GOVERNANCE

- We build transparency and trust through strong governance, evidenced by our Board sub-committees and Dental Advisory Committee, which govern our operating and risk environment
- Our policies and procedures guide our people on how to make the right decisions and demonstrate ethical behaviours

HBF Dental

1 new centre opened at Belmont in H1 FY 2023, and Floreat to be opened in H2, which will take the HBFD network to 8 dental centres

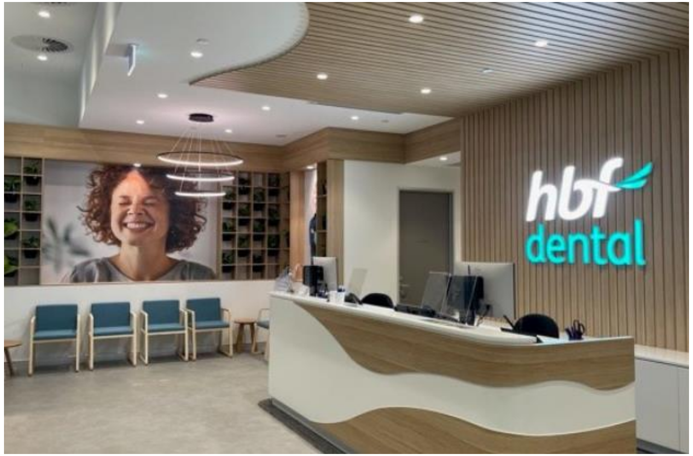
Belmont opened with the usual strong patient volumes, and an additional surgery has been commissioned in HBFD Morley in response to increased patient demand. All other centres continued to grow patient attendances

45 dentists practicing at HBFD as at 31st December 2022

Net Promoter Score of >80

All centres accredited under the QIP program

Dedicated leadership development programs for HBFD employees for existing and future leaders, and a graduate program for dentists



Cohort Performance and Growth

Cohort	# centres	# surgeries	# chairs	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	H1 2023
				Average Patient Fees Per Centre ($ Millions)									
FY 2021 to FY 2023	34	174	98								0.3	0.4	0.4
FY 2020	5	23	15							0.3	0.9	1.1	0.5
FY 2018 to FY 2019	19	75	68					0.3	0.6	1.0	1.4	1.4	0.8
FY 2015 to FY 2017	28	112	103		0.3	0.5	0.7	1.0	1.3	1.3	1.8	1.7	1.0
FY 2011 to FY 2014	15	77	72	1.1	1.7	2.0	2.3	2.3	2.5	2.4	3.1	2.8	1.6
FY 2010 and earlier	28	190	183	3.2	3.5	3.6	3.5	3.5	3.7	3.4	3.9	3.3	1.8

Cohort	# centres	# surgeries	# chairs	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	H1 2023
				Average EBITDA Margin Per Centre (%)									
FY 2021 to FY 2023	34	174	98								-39.7%	-31.2%	-13.9%
FY 2020	5	23	15							-29.7%	-2.5%	-0.8%	0.9%
FY 2018 to FY 2019	19	75	68					-25.9%	-7.0%	2.7%	9.0%	6.3%	11.3%
FY 2015 to FY 2017	28	112	103		-23.3%	-11.2%	-2.2%	5.1%	11.3%	11.5%	15.8%	11.6%	13.6%
FY 2011 to FY 2014	15	77	72	14.8%	20.1%	23.2%	23.5%	22.5%	21.7%	20.9%	22.9%	20.6%	22.5%
FY 2010 and earlier	28	190	183	25.5%	23.8%	24.0%	24.5%	24.1%	23.1%	21.4%	22.6%	20.2%	19.3%

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	H1 2023
Number of New Centres Opened	**6**	**8**	**9**	**12**	**10**	**11**	**5**	**14**	**19**	**2**
Total All Centres Patient Fees ($m)	95.2	113.3	126.7	140.7	157.2	186.3	185.3	239.8	226.0	133.3
Total All Centres EBITDA ($m)	22.6	25.0	27.1	29.2	30.4	34.7	31.5	43.7	29.8	18.9
Total All Centres EBITDA Margin (%)	23.8%	22.1%	21.4%	20.8%	19.4%	18.6%	17.0%	18.2%	13.2%	14.2%

Note: Lismore, Haymarket, Everything Dentures and JobKeeper have been excluded for comparability

- Cohort performance overall improving post-pandemic impact
- Demand continuing to grow, albeit at different rates across cohorts
- Further capacity for growth across key cohorts, especially newer cohorts that are in ramp phase
- FY 2010 and earlier cohort contains several large CBD-located centres, where patient volumes are not yet back at pre-pandemic levels given the change in social and working-from-home patterns that continue to prevail. Opportunity for growth as population and workforce shifts back to CBD office locations over time

PSG's Focus Areas & Opportunities for H2 FY 2023

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Growth and Margin Expansion	• Growing our new centres and infilling chairs • Focus on attracting new patients to centres that were impacted more acutely by COVID-19 (such as CBD centres), where we have capacity to deliver more services and appointments • Continued focus on improving labour efficiency and operating leverage to deliver margin growth
Delivering Value to our Dentists	• Enhanced communication pathways to further increase dentist engagement with the business • Creation of a national continuing professional development community and clear clinical progression pathways to facilitate confident top of scope work and value based care • Development of improved defined service offerings for high value segments of dental professionals (specialists, top of scope general dentists)
People and Culture	• Tailored onboarding plans based on level of dental experience • Refreshed learning materials and introduced new content for core elements of the role • Investing in new devices to ensure more accessible learning options for our team members
Growing our Patient Base by Enhancing Their Experience	• Leveraging our data platform to acquire new patients and reach a wider audience • Reengagement with lapsed patients to return them to routine visitation • Industry-leading patient experience initiatives, including an Emergency Appointment finder tool, fast and easy online bookings, "find me my nearest appointment" feature and payment options
Leveraging our Industry-Leading Technology Platform	• Scaling our investment in a cloud-based PMS is fundamental to delivering safer, more efficient and connected patient experiences. The single view of the patient increases focus on personalised care and communications • It is more easily maintained, supported, and enhanced, enabling unimpeded business scalability • Create connectivity to PSG's state of the art digital scanners, and integration to our intelligent online booking platforms
Growing and Investing in our Partnerships	• Continuing to grow our business servicing HBF under the HBFD Managed Services Agreement, consolidating growth in existing centres and continue to explore opportunities to establish new centres to service HBF members • Partnerships with HBF, nib and other health funds, critical suppliers, landlords and our financier, buttress the strength of our own organisation to grow shareholder returns

FY 2023 Trading Outlook and Guidance Update

(Excludes the impact of AASB16 Leases)

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Trading and Guidance Update

- Performance to date, as of 20th February 2023, has been:
  - Patient fees YTD $169.7m
  - Patient fee increase YOY 21.0%
  - Same centre patient fee increase 15.8%
- On 17th August 2022, PSG provided guidance for the full year FY 2023 as follows:
  - Patient fees between $270m and $285m
  - Underlying EBITDA between $24m and $27m
  - 5 new PSG centres and 2 new HBFD centres to be opened in FY 2023
- Based on the operating and financial performance in H1 FY 2023, impacted by a slower than expected ramp in patient attendances, the trading to date in H2 and the improved outlook for the remainder of FY 2023 (see adjacent commentary), **PSG is updating its guidance for FY 2023 to be at the bottom end of the previously provided guidance range, being $270 million in Patient fees and $24 million underlying EBITDA. This includes $3 million of EBITDA drag from loss-making new centres[1]**
- PSG opened 2 new centres in H1, at Endeavour Hills (VIC) and Chermside (QLD). 2 more new centres, Maroochydore (QLD) and Bankstown (NSW) are expected to be opened in H2, bringing total PSG centres to 131 by the end of FY 2023. In HBFD, a new centre at Belmont was opened in H1 and Floreat is expected to be opened in H2, bringing total HBFD centres to 8 by the end of FY 2023

Note: 1. FY 2020 to FY 2023 cohort

Commentary on FY2023 Trading & Outlook

- **Higher Patient fees** are currently forecast for H2 compared to H1 based on the following assumptions, including:
  - **Higher attendances**, due to i) the expected build in the **ramp profile** of PSG's new centres, which are attracting new patients, ii) a further **reduction in cancellation rates** which has been evidenced through January and February, iii) stable dentist retention and an intake of **new dentists** in H2, including a cohort of new graduates, iv) the increase in **return visits** to our centres of **insured patients** reflecting a more normal twice a year check-up cadency post-pandemic, and v) a continued **increase in fees per appointment** due to an increase in the restorative treatments required by patients post-pandemic
- **Higher EBITDA** in H2 v H1 is forecast to be driven by:
  - Higher patient fees
  - Improved operating leverage, driven by more efficient rostering of labour to practitioner hours, and higher practitioner hours and patient attendances
  - Corporate overhead efficiencies continuing to drive down overhead relative to patient fees
- The operating tailwinds behind PSG underpin the updated guidance for FY 2023. **The key factors that could cause PSG's FY 2023 result to be below the updated guidance include**:
  - The assumptions outlined above not being met
  - Economic conditions worsening, in particular weakening consumer sentiment and higher cost-of-living leading to i) a reduction in private health insurance participation, ii) deferral of higher cost restorative or non-essential dental treatments not fully covered by PHI, iii) a reduction in dentist attendances by uninsured patients, iv) slower growth in dentist attendances by insured patients, but who are charged a gap
- Equally, if operating conditions continue to improve relative to the assumptions outlined above, there is potential to exceed the updated guidance

Appendix

PSG Value Proposition

Foundations for Future Growth towards >250 centres, >800 chairs, >15% EBITDA margin & 5% market share

Large, fragmented market underpins growth

Scale opportunity to double market share

Favourable sector trends, defensive characteristics

Growth upside for investors

Invested footprint, ready to scale

Release of operational leverage to increase margin

Leading Australian dentistry brand

Attractive proposition for dentists and their patients

Demonstrated track-record of financial growth pre COVID-19

Proven model

Connected and experienced field and support team

Strong culture

Centre Locations

QLD

Aspley
Birtinya
Bribie Island
Brisbane CBD
Browns Plains
Buddina
Burleigh Heads
Capalaba
Chermside*
Cleveland
Coomera**
Deception Bay
Helensvale
Loganholme**
Mitchelton
Morayfield
Mt Gravatt
Mt Ommaney
Newstead
North Lakes
Redbank Plains
Robina
Runaway Bay
Strathpine
Victoria Point

VIC

Bairnsdale
Bendigo
Caroline Springs
Chirnside Park
Craigieburn**
Cranbourne Park
Doncaster East**
Drysdale
Endeavour Hills*
Epping
Frankston**
Glen Iris
Glen Waverley
Greensborough
Keysborough
Leopold
Melbourne
nib Melbourne
Melton
Mill Park
Mulgrave
Narre Warren
Oakleigh**
Ocean Grove
Point Cook
Preston
Ringwood
Sale
Taylors Lake
Torquay
Traralgon
Warragul
Waurn Ponds
Werribee

NSW

Ashfield
Balgowlah
Bateau Bay
Ballina
Bass Hill
Baulkham Hills
Belmont
Belrose
Bondi Junction
Blacktown
Brookvale
Cameron Park**
Campbelltown
Charlestown
Chatswood**
nib Chatswood
Chullora**
Corrimal**
Dapto**
Erina
nib Erina
Figtree
Forster
Gladesville
Glendale
nib Glendale
Goulburn**
Greenhills
Greenhills Ortho
Hornsby**
Hurstville
Jesmond
Kotara
Lake Haven
Lane Cove
Maroubra**
Marrickville
Merrylands**
Morisset
Mount Hutton
Narellan
Newcastle**
nib Newcastle
nib Nth Parramatta
Nowra
Parramatta
Penrith
Queanbeyan
Raymond Terrace
Richmond**
Rockdale**
Rutherford
Salamander Bay
Shellharbour‡
Singleton
Sylvania**
nib Sydney
Toronto
Town Hall
Tuggerah
Tweed Heads
Wagga Wagga
Wollongong
nib Wollongong

ACT

Belconnen
Gungahlin
Manuka
Tuggeranong
Woden
nib Woden

WA – MANAGED SERVICES HBFD

Belmont*
Bull Creek
Cannington
Joondalup
Karrinyup
Mandurah
Morley

Notes:
* FY2023 New Centres
** FY2022 New Centres
‡ Warilla merged with Shellharbour

AASB 16 Leases

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Impact of AASB 16 Leases at 31 December 2022[1]

Profit and Loss

- EBITDA impact – increase of $8.0m
- NPAT impact – reduction of $0.2m

Balance Sheet

- Recognition of right of use asset and lease liability
- Total Assets – increase by $74.8m
- Total Liabilities - increase by $91.4m
- Net Asset impact – reduction of $16.6m
- Retained Earnings – reduction of $16.6m

Adoption date and comparatives

- AASB 16 was adopted from 1 July 2019
- H1 FY 2023 Investor Presentation is presented excluding the impacts of AASB16, with reconciliations to the new accounting standards

Notes:
1. Impact is against underlying results.

Underlying Results Reported with AASB16

Reconciliation

$ MILLIONS	UNDERLYING excl. AASB 16 H1 2023	*ADJ'S for AASB 16 H1 2023*	UNDERLYING incl. AASB 16 H1 2023	UNDERLYING excl. AASB 16 H1 2022	*ADJ'S for AASB 16 H1 2022*	UNDERLYING incl. AASB 16 H1 2022
Revenue	81.6	-	81.6	66.9	-	66.9
Direct expenses	(3.7)	-	(3.7)	(3.3)	-	(3.3)
Gross profit	77.9	-	77.9	63.6	-	63.6
Other income	0.7	0.3	0.4	0.7	0.3	0.4
Expenses						
Employee expenses	(40.9)	-	(40.9)	(33.4)	-	(33.4)
Consumable supplies expenses	(6.7)	-	(6.7)	(5.6)	-	(5.6)
Occupancy expenses	(10.4)	(8.3)	(2.1)	(9.3)	(7.8)	(1.6)
Marketing expenses	(2.1)	-	(2.1)	(2.0)	-	(2.0)
Administration and other expenses	(9.4)	-	(9.4)	(9.0)	-	(9.0)
EBITDA	9.1	(8.0)	17.2	5.0	(7.5)	12.4
Depreciation and amortisation	(7.9)	6.6	(14.4)	(7.4)	5.3	(12.7)
EBIT	1.3	(1.5)	2.7	(2.4)	(2.1)	(0.3)
Net finance costs	(0.5)	1.6	(2.1)	(0.3)	1.5	(1.8)
Profit before tax	0.7	0.2	0.6	(2.7)	(0.6)	(2.1)
Income tax expense	(0.2)	0.0	(0.2)	1.2	0.2	1.0
Net profit after tax	0.5	0.2	0.3	(1.5)	(0.4)	(1.1)

Underlying to Statutory Reconciliation

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Profit and Loss

$ MILLIONS	UNDERLYING H1 2023	*ADJ'S H1 2023*	STATUTORY H1 2023	UNDERLYING H1 2022	*ADJ'S H1 2022*	STATUTORY H1 2022
Revenue	81.6	-	81.6	66.9	(0.0)	66.9
Direct expenses	(3.7)	(0.0)	(3.8)	(3.3)	-	(3.3)
Gross profit	77.9	(0.0)	77.8	63.6	(0.0)	63.6
Other income	0.7	0.3	1.0	0.7	(0.3)	0.4
Expenses						
Employee expenses	(40.9)	(0.3)	(41.2)	(33.4)	(1.5)	(34.9)
Consumable supplies expenses	(6.7)	-	(6.7)	(5.6)	-	(5.6)
Occupancy expenses	(10.4)	8.3	(2.1)	(9.3)	7.8	(1.6)
Marketing expenses	(2.1)	-	(2.1)	(2.0)	-	(2.0)
Administration and other expenses	(9.4)	(0.5)	(9.9)	(9.0)	-	(9.0)
EBITDA	9.1	7.1	16.9	5.0	5.9	10.9
Depreciation and amortisation	(7.9)	(6.6)	(14.4)	(7.4)	(5.3)	(12.7)
EBIT	1.3	1.2	2.4	(2.4)	0.6	(1.8)
Net finance costs	(0.5)	(1.6)	(2.1)	(0.3)	(1.5)	(1.8)
Profit before tax	0.7	(0.4)	0.3	(2.7)	(0.9)	(3.6)
Income tax expense	(0.2)	0.1	(0.1)	1.2	0.3	1.4
Net profit after tax	0.5	(0.3)	0.2	(1.5)	(0.6)	(2.2)

- Adjustments in FY 2023 Income Statement remove the impacts of once-off severance, executive LTI plan, finalisation of costs associated with the closure of our flood impacted Lismore centre, and legal and consulting costs incurred in respect of the December 2022 Extraordinary General Meeting
- Adjustments in FY 2022 Income Statement remove the impacts of once-off severance, executive LTI plan, and costs associated with the closure of our flood impacted Lismore centre net of insurance recoveries
- In addition, both years underlying results excludes the impact of AASB16

Underlying to Statutory Reconciliation

Balance Sheet as at 31 December 2022

$ MILLIONS	REPORTED[1] 31 DEC 2022	AASB 16 31 DEC 2022	STATUTORY 31 DEC 2022	REPORTED[1] 31 DEC 2021	AASB 16 31 DEC 2021	STATUTORY 31 DEC 2021
Current Assets						
Cash and cash equivalents	13.5	-	13.5	9.7	-	9.7
Receivables	2.5	(0.2)	2.7	2.1	(0.5)	2.6
Current Tax Receivable	5.8	-	5.8	1.0	-	1.0
Inventories	6.1	-	6.1	6.1	-	6.1
Other	2.1	-	2.1	1.8	-	1.8
Total Current Assets	30.0	(0.2)	30.2	20.6	(0.5)	21.1
Non-Current Assets						
Receivables	-	(0.4)	0.4	-	(0.3)	0.3
Property, plant and equipment	66.5	(74.2)	140.7	71.3	(67.9)	139.3
Intangible assets	14.9	-	14.9	10.9	-	10.9
Deferred tax assets	9.0	-	9.0	11.7	-	11.7
Total Non-Current Assets	90.5	(74.6)	165.1	93.9	(68.2)	162.1
Total Assets	120.5	(74.8)	195.2	114.5	(68.8)	183.3
Current Liabilities						
Payables	18.3	-	18.3	16.7	-	16.7
Lease Liabilities	-	(13.4)	13.4	-	(12.4)	12.4
Current Tax Liabilities	-	-	-	-	-	-
Borrowings	(0.0)	-	(0.0)	(0.0)	-	(0.0)
Provisions	5.0	-	5.0	5.3	-	5.3
Total Current Liabilities	23.3	(13.4)	36.7	22.0	(12.4)	34.4
Non-Current Liabilities						
Payables	-	-	-	-	-	-
Lease Liabilities	-	(72.7)	72.7	-	(70.9)	70.9
Borrowings	18.5	-	18.5	14.5	-	14.5
Provisions	3.1	(5.3)	8.4	3.1	(0.4)	3.5
Total Non-Current Liabilities	21.6	(78.0)	99.6	17.6	(71.3)	88.9
Total Liabilities	44.9	(91.4)	136.3	39.6	(83.7)	123.3
Net Assets	75.5	16.6	58.9	74.9	14.9	60.0
EQUITY						
Contributed equity	51.9	-	51.9	51.9	-	51.9
Reserves	15.5	-	15.5	14.5	-	14.5
Retained profits	8.1	16.6	(8.5)	8.5	14.9	(6.4)
Total Equity	75.5	16.6	58.9	74.9	14.9	60.0

- 31 December 2021 has been restated for the error in indirect tax liabilities.
- Increase in non-current provisions in H1 FY 2023 is caused by an increase in the estimate for the make good provision

Notes:
1. Reported refers to the Statutory result excluding the impact of AASB 16

Underlying to Statutory Reconciliation

Cashflow

$ MILLIONS	REPORTED[1] H1 2023	AASB 16 H1 2023	STATUTORY H1 2023	REPORTED[1] H1 2022	AASB 16 H1 2022	STATUTORY H1 2022
EBITDA	8.9	8.0	16.9	3.4	7.5	10.9
Other non-cash items	0.2	-	0.2	1.4	-	1.4
Changes in working capital (exc. Income tax)	0.3	0.2	0.5	(2.1)	(0.2)	(2.2)
Net interest paid	(0.5)	(1.6)	(2.1)	(0.3)	(1.5)	(1.8)
Income tax paid	-	-	-	(3.0)	-	(3.0)
Total cash flow from operating activities	**8.8**	**6.6**	**15.4**	**(0.5)**	**5.8**	**5.2**
Cash flows from investing activities						
Net capital expenditure	(7.0)	-	(7.0)	(14.2)	-	(14.2)
Finance lease payments received	0.5	-	0.5	-	0.3	0.3
Total cash flows from investing activities	**(6.5)**	-	**(6.5)**	**(14.2)**	**0.3**	**(14.0)**
Cash flows from financing activities						
Borrowings (net)	-	-	-	13.5	-	13.5
Payments of lease liabilities	-	6.6	(6.6)	(0.0)	6.0	(6.0)
Total cash flows from financing activities	-	**6.6**	**(6.6)**	**13.5**	**6.0**	**7.5**
Net cash flow	**2.3**	-	**2.3**	**(1.3)**	-	**(1.3)**

Notes:
1. Reported is Statutory excluding the impact of AASB 16

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