

ABANO 2018 ANNUAL MEETING SUMMARY AND VOTING RESULTS

Abano Healthcare Group Limited (NZX: ABA) held its annual meeting today, updating shareholders on its strategic plan and the progress being made in 2019 financial year to date.

2018 was the year Abano completed the transition to become solely focused on the \$11-billion trans-Tasman dental sector. The company owns the largest group of dental practices in Australasia, with some 231 practices across Australia and New Zealand.

In his last meeting before stepping down as Chairman, Trevor Janes commented: “Our goal is to be leading oral healthcare provider in Australasia and we have a clear strategy in place to enable us to achieve this. Abano’s strengths lie in the maturity of its dental business along with its scale; the investment we have made and continue to make into the group and in our national brands; and in the culture and calibre of our clinicians. The company is well positioned to continue delivering value to shareholders and to our patients.”

The company has continued to deliver on its strategy in the FY19 year to date, with a focus on growth, people and technology:

- The acquisition of six further practices in Australia and one in New Zealand (which was immediately merged into an existing practice) which are expected to generate approximately \$14.2 million in annualised gross revenue.
- Continuing to enhance the patient experience with the rollout of the Dental Plan and the launch of a new advertising campaign.
- Establishment of trans-Tasman leadership structure with country-specific general managers. To support them, a trans-Tasman COO is to be appointed who will be responsible for the operations of both Lumino and Maven.
- Appointment of Manager of Learning & Development to manage and enhance training and career development opportunities within the group.
- Additional resources being put into recruitment to ensure an appropriate pipeline and pool of dentists to replace retiring dentists, fill organic growth requirements and provide flexibility for those dentists wanting to work flexi or part time hours.
- Continuing investment into technology, including IT systems, proprietary software applications and data analytics. The roll out of customised dashboards for practices and clinicians has now been completed and is providing greater insight into performance and opportunities.

Abano CEO, Richard Keys, provided an update on the company’s financial performance in the year to date.

“Lumino the Dentists in New Zealand continues to deliver same store growth and we expect another year of same store growth in line with our KPI target of equal or greater than 2% per annum.

The Australian economy remains challenging, particularly outside of the mining sector. Anecdotally, many businesses, including other dental corporates and Abano’s Maven Dental Group, were impacted in August and the Westpac Bank Consumer Sentiment Index for Australia declined by 2.3% in August and a further 3% month-over-month in September. This was reflected in Maven’s same store performance. While June and July were a positive month, August was negative, resulting in -2.3% same store sales for the first quarter.

We are continuing to work towards achieving our three-year financial KPI goals. However, given our accelerated acquisition growth rate for the last two years; the increased investment into our infrastructure to enable us to continue to scale up our business; and the soft start to the financial year, particularly in Australia, we expect a short term impact on the gross margin and earnings per share KPIs in the current year.

We remain focused on driving growth despite the challenging environment, with a particular emphasis on:

- Recruitment to replace any vacancies and realise further opportunities to increase clinical days in existing practices;
- Training and development to increase the skills and services provided, and allow for higher value services to be offered; and
- Marketing and finance offers to drive new and existing patient visits.

Our growth ambitions remain and we have a strong pipeline of acquisitions in place, with seven practices already acquired in the year to date. We are currently assessing a number of larger practices in Australia, and if acquired, these would be some of the bigger practices in our trans-Tasman group. Our bank remains supportive of our growth strategy and we have recently negotiated an increase of our banking facilities to \$200 million.

We are well positioned to accelerate our growth rate, and we have a clear pathway ahead. We will continue to invest in our businesses while delivering increasing earnings and value for our shareholders.”

Details of Abano’s annual meeting speeches and presentation are available on the company website www.abano.co.nz/annualmeeting.

Shareholders passed all resolutions at the 2018 Abano Annual Meeting:

Resolution	For	Against	Abstain
Authorise Directors to fix the auditor’s remuneration	9,861,783 99.92%	7,495 0.08%	13,934
Re-election of Dr Ginni Mansberg as a Director	8,955,911 90.75%	912,912 9.25%	14,389
Election of Dr Tracey Batten as a Director	9,835,274 99.73%	26,381 0.27%	21,557
Increase in total Directors’ remuneration to \$697,100	6,961,726 71.47%	2,779,021 28.53%	142,465

ENDS

Released on behalf of Abano Healthcare Group Limited by Jackie Ellis tel +64 9 360 8500 or email jackie@ellisandco.co.nz

For more information, visit www.abanohealthcare.co.nz or please call:

Richard Keys
Chief Executive Officer
Tel: +64 9 300 1413 Mob: +64 274 818368

Rosemary Ferguson
Interim Chief Financial Officer
Tel: +64 9 300 1671

Abano Healthcare Group is listed on the NZX and owns and operates one of the largest dental networks in Australasia, comprising Lumino The Dentists in New Zealand and Maven Dental Group in Australia.