



2019 ANNUAL SHAREHOLDERS' MEETING

25 November 2019



ABANO BOARD



PIP DUNPHY
INDEPENDENT CHAIRMAN



MURRAY BOYTE
INDEPENDENT DEPUTY CHAIR
AUSTRALIA-BASED



DR TRACEY BATTEN
INDEPENDENT DIRECTOR



MIKE ALLEN
INDEPENDENT DIRECTOR



DR GINNI MANSBERG
INDEPENDENT DIRECTOR
AUSTRALIA-BASED



TREVOR JANES
INDEPENDENT DIRECTOR
RETIRING AT ASM



DANNY CHAN
INDEPENDENT DIRECTOR
RETIRING AT ASM



CHAIR'S
PRESENTATION

Pip Dunphy

OUR BUSINESS

- Largest trans-Tasman dental group
- Established networks with national brand recognition
- Committed to clinical excellence
- High calibre respected clinicians
- Strong culture focused around patient care
- Significant investment into digital dentistry and clinical technologies
- World class, unified dental platform
- Strong and scalable infrastructure with capacity for growth
- Strong market positions.

Largest trans-Tasman dental group

More than 1,000 dentists, specialists and clinicians

2,300+ people
2 brands

239 practices;
100 added in the last five years

More than 1.1M patient visits annually

NZ \$345M+ annualised gross revenue

OUR DENTAL NETWORKS



- 123 practices
- New Zealand-wide coverage
- ~17% market share
- FY19 gross revenue of NZ\$147m
- Underlying EBITDA of NZ\$17m



- 116 practices
- Coverage in seven states and territories
- 1%-2% market share
- FY19 gross revenue of A\$179m
- Underlying EBITDA of A\$19m



**\$1,000
FREE DENTAL
FOR KIDS***

*T&Cs Apply.

INTEREST IN ABANO

- From late 2018: Commenced Board strategic review and deep dive into the business, enabled by new data and IT capabilities
- Late March 2019: Provided update on trading, growth strategy including pause in Australian acquisitions and focus on organic growth
- 1 July 2019: Announced receipt of various expressions of interest in Abano itself and/or its businesses
- Appointment of expert advisers: Cameron & Partners, Rothschild & Co and Harnos Horton Lusk
- Commissioned independent valuation advice.

COMPETITIVE PROCESS

- Receipt of Expressions of Interest from various parties
- Company announcement plus approaches by Abano's advisers identified further interest from numerous parties
- Competitive process undertaken over nearly six months - enabled the Board to satisfy itself that all relevant options had been identified, risk-assessed, valued and considered
- Thorough assessment of all options including the divestment of individual businesses or the group under different transaction alternatives, as well as status quo.

ASSESSMENT OF OPTIONS

The Board adopted a long term view of risks and rewards and considered:

- Our New Zealand and Australian dental groups' growth aspirations and earnings potential
- The time and capital investment required to realise our ambitions
- Near term earning expectations and how this would impact on the share price
- The expected returns and risks of continuing to own and operate the business compared to realising value for shareholders now
- The price offered by BGH/OTPP relative to our assessment of value based on the input of our advisors and our judgement
- The prospective value of other available options.

BGH/OTPP OFFER

The offer is being made by Bidco, a company that will be owned by BGH Capital (“BGH Capital”) and Ontario Teachers’ Pension Plan Board (“OTPP”).

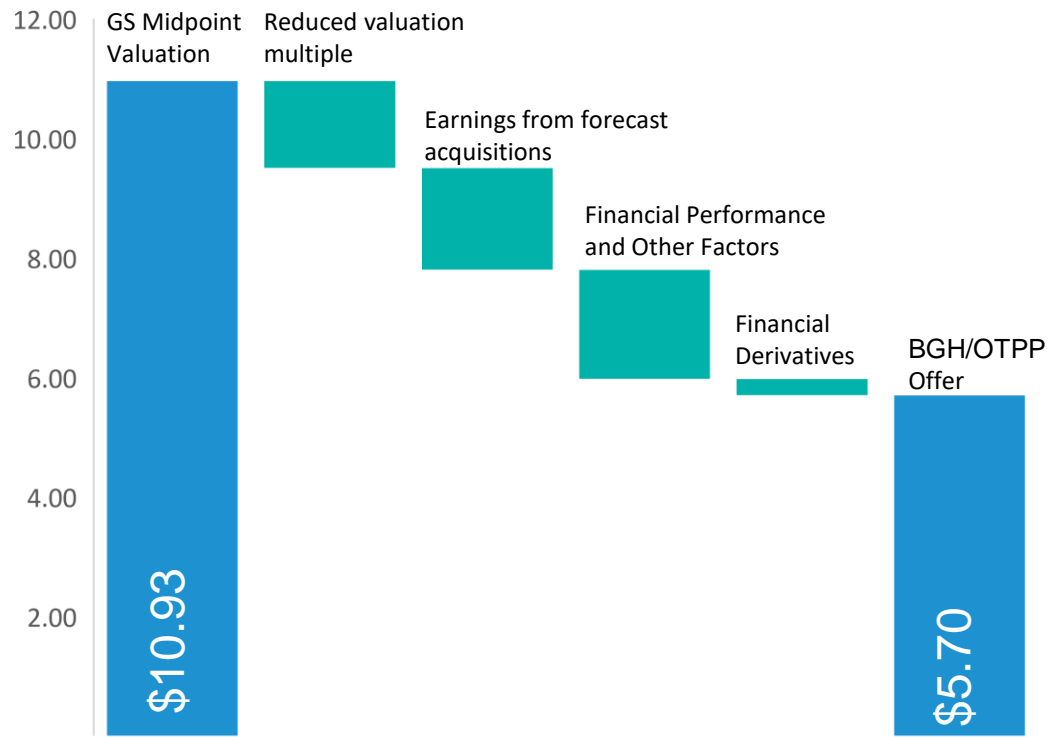
Cash offer of \$5.70 cash per share for 100% of the shares in Abano.

This represents:

- An equity value for Abano of \$150m and an estimated enterprise value of \$300m
- A premium of 63% to Abano’s closing price on the NZX of \$3.50 per share on Friday 28 June 2019, being the last trading day prior to Abano announcing that it had received various expressions of interest on Monday 1 July 2019
- A premium of 49% to Abano’s volume weighted average share price (VWAP) over the 30-day period prior to 1 July 2019
- An implied EV/EBITDA multiple of 8.9x, based on FY19 underlying EBITDA of \$33.7m.

ABANO VALUATION: 2016 VS 2019

Valuation Bridge (Indicative Analysis)



Summary of Key Factors Impacting Abano valuation since 2016:

- Reduction in sector valuation multiples
- EBITDA value attributed to future acquisitions; and recent change in Abano's growth profile and acquisition strategy
- Financial performance.
- Exclusion of financial derivatives

BOARD RECOMMENDATION

The Board has concluded that the offer from BGH/OTPP (Bidco) provides the most compelling value for shareholders.

Abano's Directors unanimously recommend that shareholders **support the transaction**

in the absence of a superior proposal arising and provided that the price is, and remains, within the Independent Advisor's valuation range for Abano shares.



CEO'S PRESENTATION

Richard Keys

THE OPPORTUNITY IN DENTAL

\$11-BILLION REVENUE TRANS-TASMAN DENTAL MARKET



Worth approx. NZ\$11 billion revenue

Australia: A\$9.4b NZ: \$0.8b

~9,000

Private Dental
Practices

Large and fragmented market,
ripe for consolidation

Growing Acceptance And
Popularity Of The
Corporate Dental Model

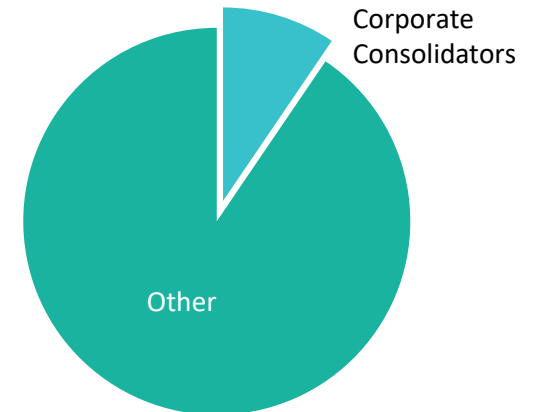


Changing workforce in favour of
dental corporates



Predominantly privately funded

Trans-Tasman Market Ownership

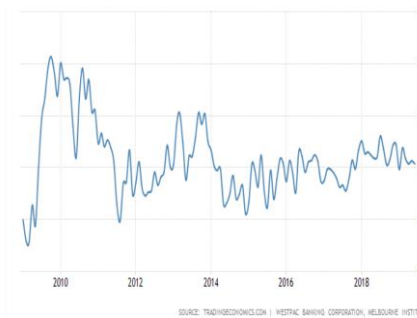


Long Term Growth Trends

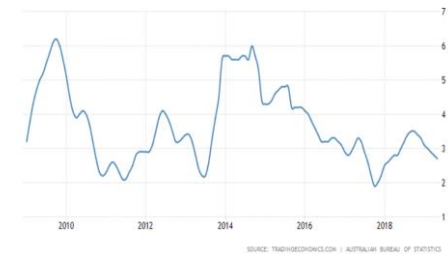
OPERATING ENVIRONMENT: AUSTRALIA

- Challenging economic conditions
- Increasing pressure from health insurers. Approx. 57% of Maven's dental patients have healthcare insurance
- The increase in the number of dentists and therefore increased industry competition for patients
- Competitor activity from corporate dental groups pushing up acquisition multiples.

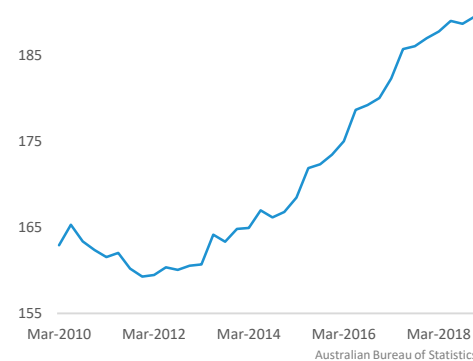
Consumer Confidence



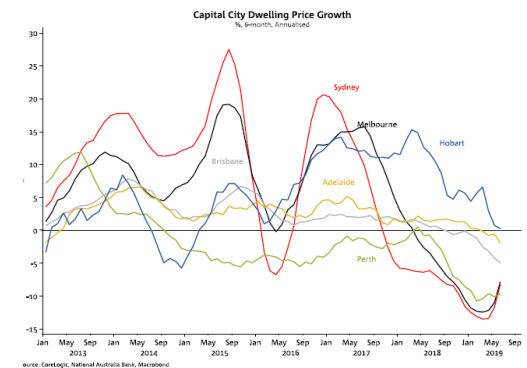
Retail Spending



Household Debt to Income



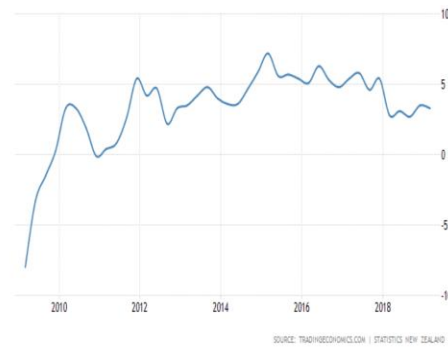
Dwelling Prices



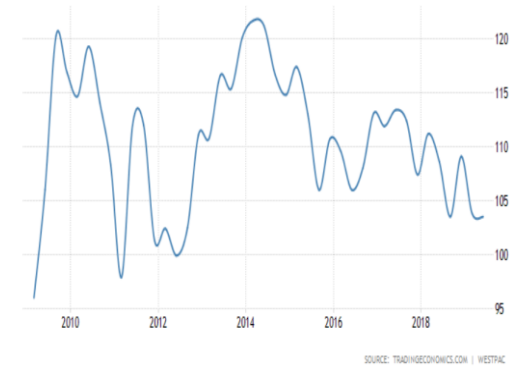
OPERATING ENVIRONMENT: NEW ZEALAND

- Market conditions are more robust than Australia, however some weakening being seen in recent months
- Majority of payment for dental services is private payment with limited insurance cover
- Multiples for New Zealand acquisitions are lower than Australia.

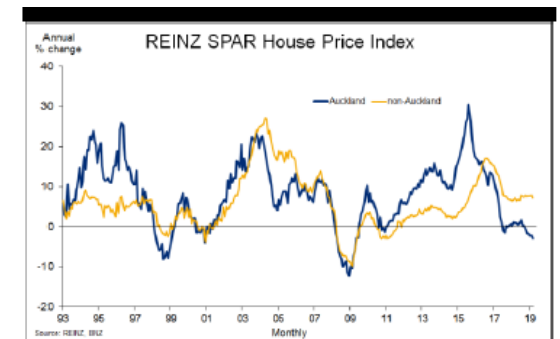
Retail Spending



Consumer Confidence

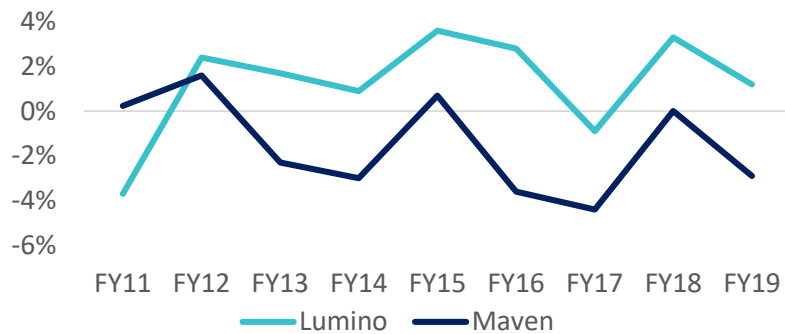


Household Debt to Income

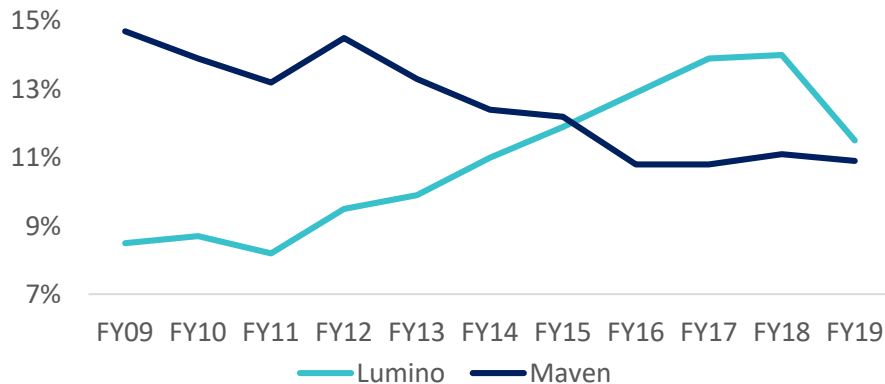


STORY OF TWO NETWORKS

FY11 – FY19 same store performance



Underlying EBITDA Margin



LUMINO

- Established business with multi-year track record of margin and same practice growth
- Majority of network is branded; business of scale
- Strength and ability to weather economic fluctuations
- New Zealand economy has been stronger than Australia.

MAVEN

- Ability to scale in larger market
- Partially branded, yet to achieve critical mass or benefits of brand awareness in most states
- Same store performance impacted by weaker economy, trading conditions and workforce factors, particularly since FY15
- Improvement in same store performance in FY17/18 with a number of positive months.

CAPITAL PROJECTS

Significant investment over FY18/19 has been made into IT, people and systems to support the scale of the group and a strong platform is now in place.

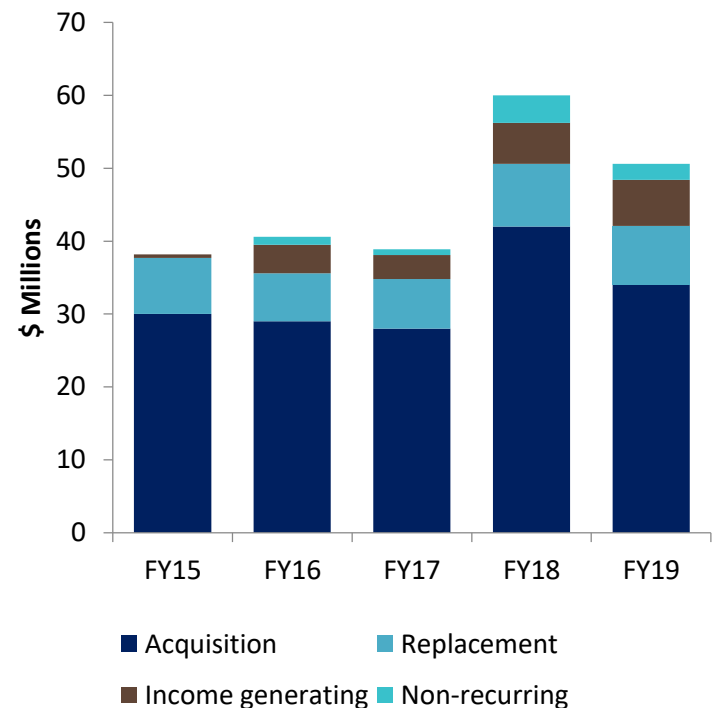
Recent non-recurring investment:

- Move of support office IT Infrastructure into the cloud in FY18
- Auckland support office relocation.

Recent income generating capex:

- Practice expansions
- Greenfield development
- Relocations including flagship Lumino Central practice
- Lumino Dental Plan
- IT initiatives including Clinical Dashboards and Practice Essentials.

Dental Capital Expenditure by Type
NZ\$m



FY19 FULL YEAR RESULTS SNAPSHOT

\$millions	FY19	FY18 Dental Only	FY18
Gross Revenue	338.9	303.4	312.7
Revenue	279.3	250.2	259.5
EBITDA	32.7	32.4	34.5
Underlying EBITDA	33.7	33.7	35.8
NPAT	7.6	10.3	12.6
Underlying NPAT	10.9	13.3	13.6

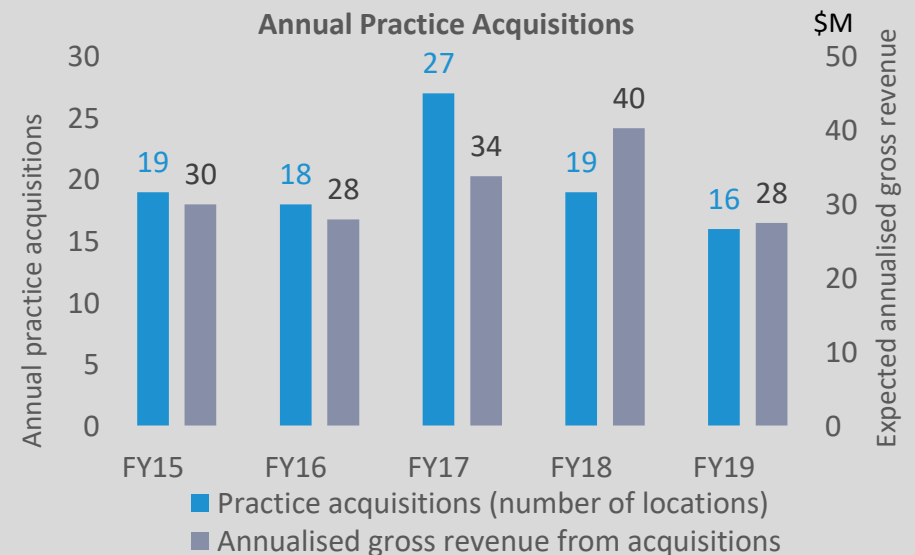
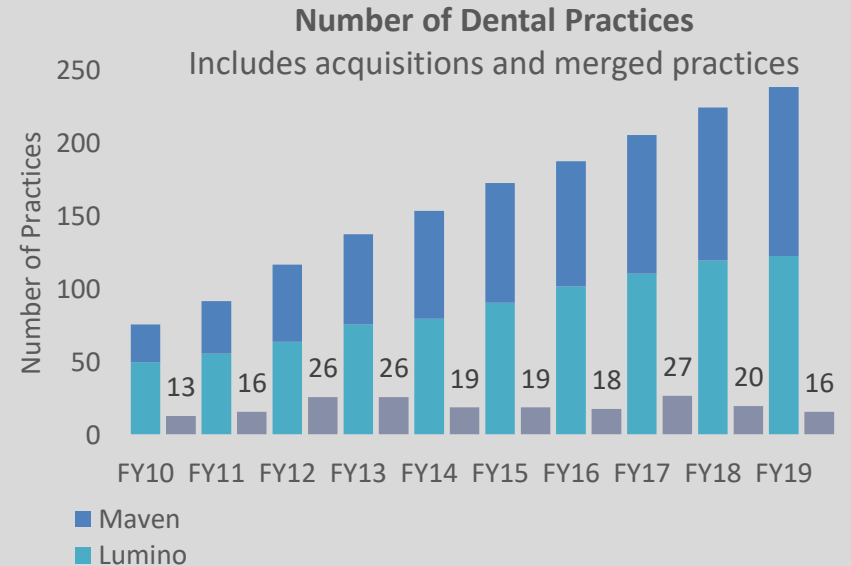
Radiology business sold in FY18. FY18 NPAT included \$2.1m gain on sale.

More information on gross revenue, EBITDA, Underlying EBITDA and Underlying NPAT, which are non-GAAP financial measures, is available at www.abano.co.nz/underlyingearnings.

- Dental revenue growth of 12% driven by acquisitions, and same practice growth in New Zealand
- EBITDA reflects additional investment into infrastructure, IT and people to lift business capability, growth initiatives to drive patient visits, incremental increase in support costs due to acquisitions, and higher laboratory costs
- NPAT includes non-cash impairment of \$2.6m relating to four practices in Australia and write back of deferred consideration of \$1.1m
- Final partially imputed dividend of 8 cents per share, taking FY19 total dividends to 24 cents per share.

ACQUISITION STRATEGY

- **Strategy was to build scale in as short a time as possible.**
- Average multiple paid over past five years: Lumino 3.8x, Maven 4.5x
- Australia offers the most opportunity for growth
- Increasing competition has led to higher acquisition multiples. Taking longer to achieve scale and economies expected
- Board focus on return on investment. Change in acquisition strategy in late FY19
- No Maven acquisitions planned in FY20, and only a small number of acquisitions planned for Lumino in H2 FY20.



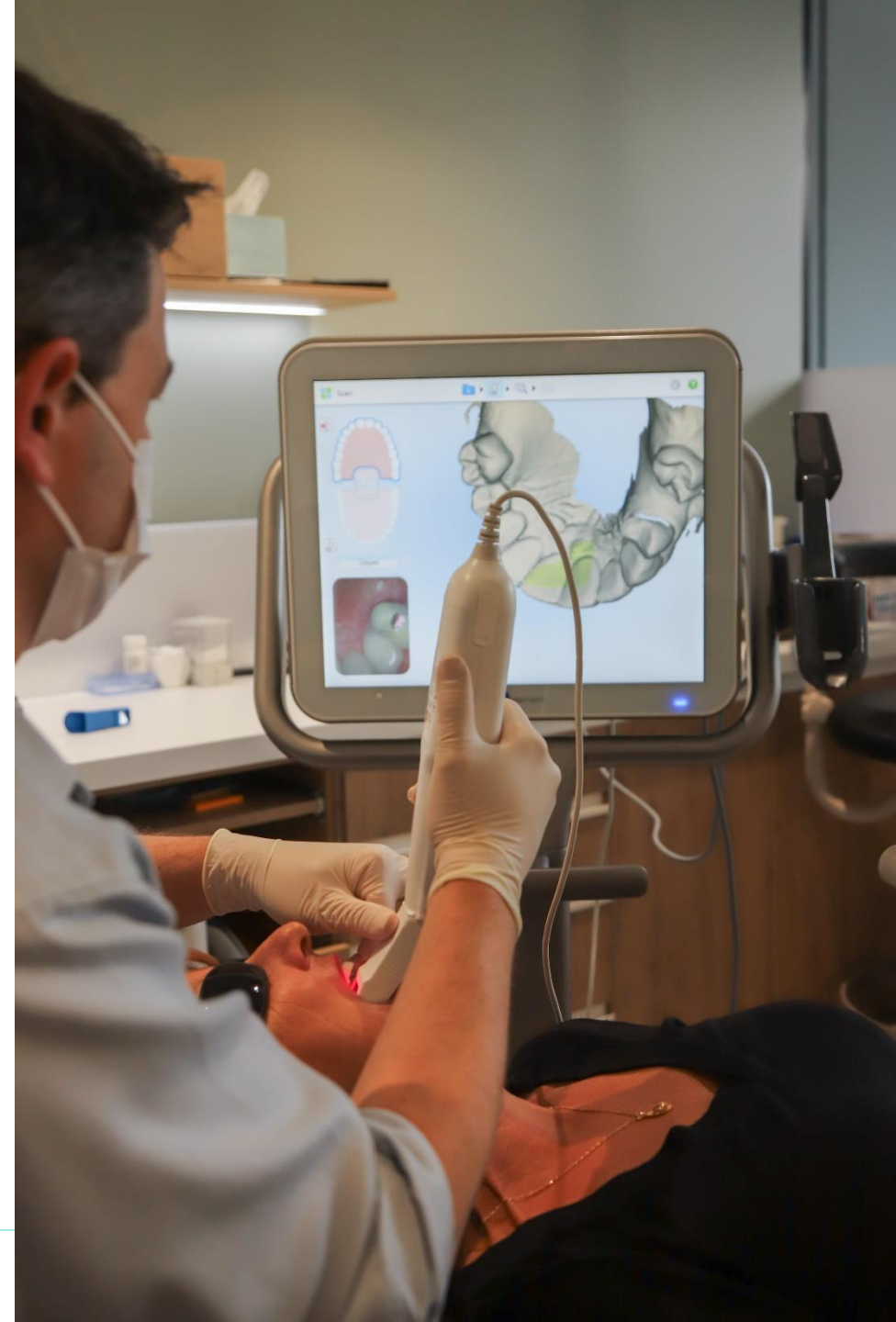
FY20 GROWTH STRATEGY

The priority is Return on Invested Capital.

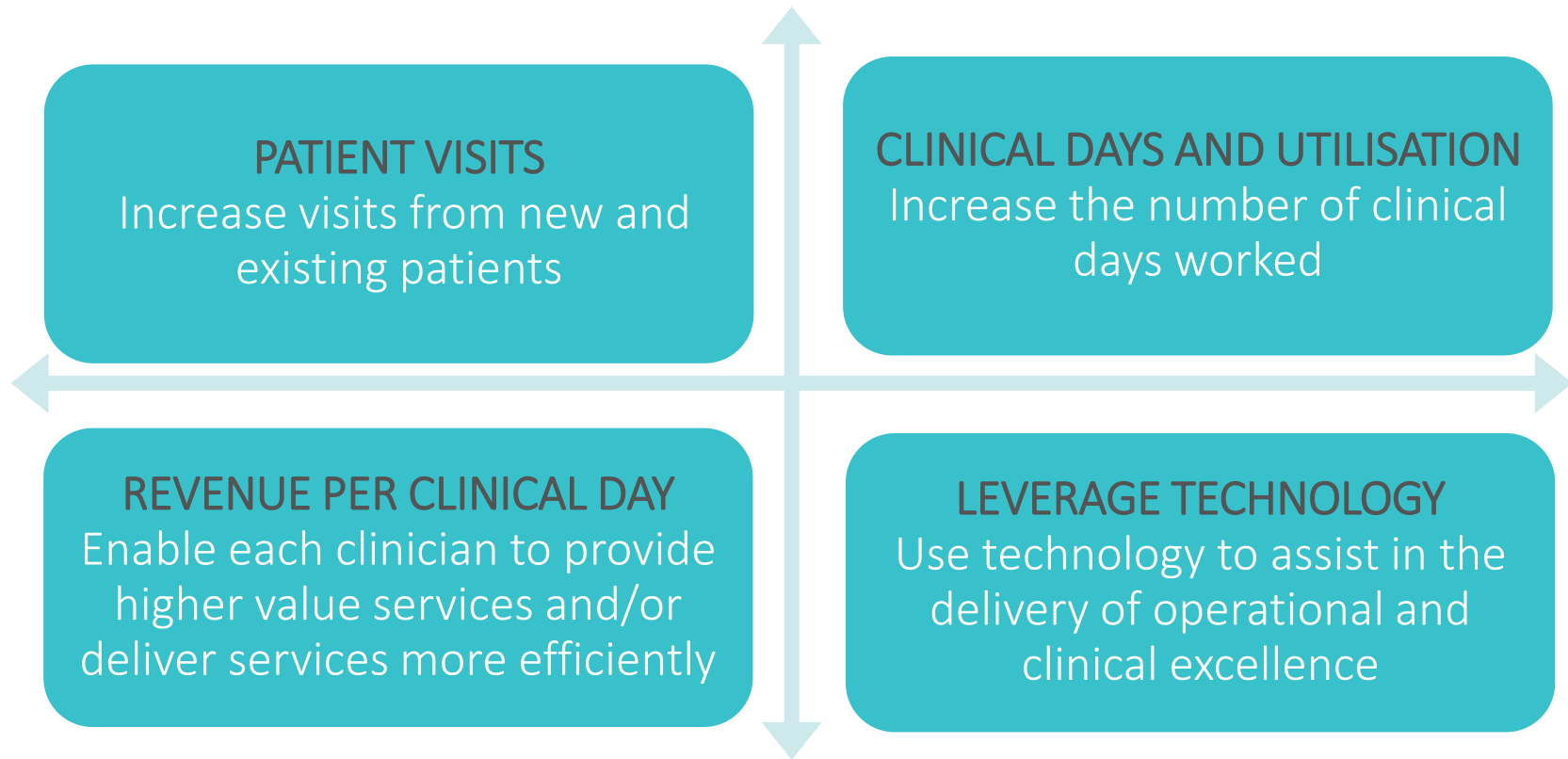
Our strategy is four-fold:

- Focus on organic growth
- Expanding existing platform capacity
- Optimisation of existing network structure
- Expansion by acquisition.

FY20: Focus on driving benefit from major initiatives and investments in FY19 and improving margin performance and return on investment.



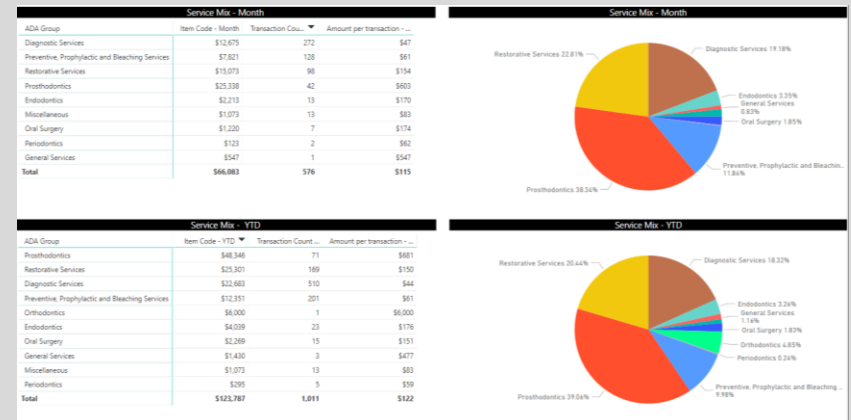
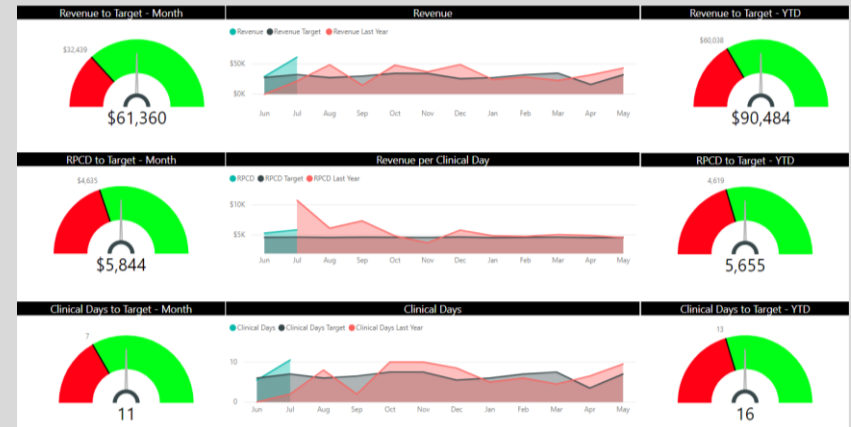
KEY GROWTH DRIVERS



DASHBOARDS

Simple and intuitive real-time practice level reporting platform

- Clinicians have ease of access to key information about their performance including clinic days and revenue
- Patient information analysis including treatment mix and treatment plans
- Real time information for clinical and practice performance management
- Reporting on KPIs and targets at clinician, practice, regional and group levels
- Delivered to smart devices.



PRACTICE MANAGEMENT SYSTEMS AND CRM

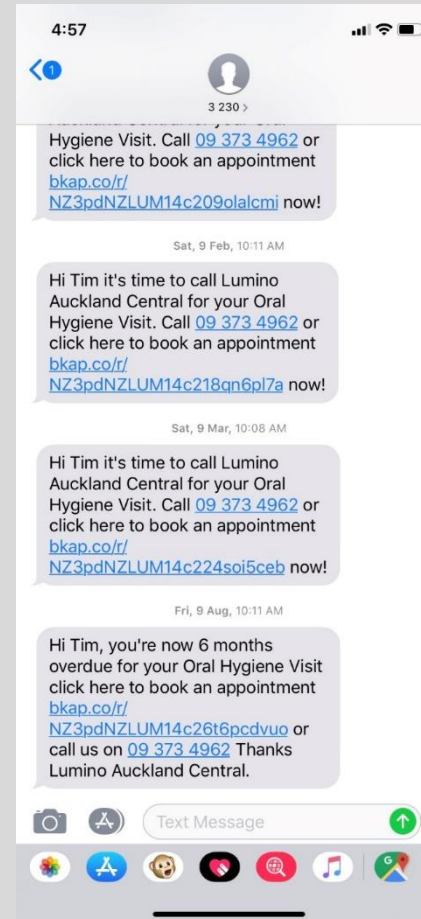
Targeted systems to drive and maintain customer relationships

Practice Management Systems

- Personalised reminders to book appointments, recalls, etc., with links to online booking
- Self-service integrated online booking system
- Contact centre integrated online booking system.

Centralised CRM


- Centralised marketing system
- Ability to target specific patients and notify them of special offers
- Performance measuring for marketing campaigns
- Automated Net Promoter Score surveys and reporting.



Lumino The Dentists
Call (09) 361 2060

Great news, Melanie.
Looking after your smile has never been easier!

\$69
Exam and X-Rays* Offer



\$69 Exam & X-Rays* Offer
It's been a while and we've missed you. Our \$69 Exam & X-Rays* Offer is usually just for new patients, but we're keen to share it with you. You'll save money and have something to smile about.

With our wide range of leading-edge general and cosmetic dental services and various pay later options to choose from, Lumino The Dentists have you covered. Looking after your smile has never been easier.

We look forward to helping you start the year off right and giving you that healthy smile you're after. Book online today and get instant confirmation.

This offer is usually for new patients. As a valued existing Lumino patient, we are delighted to extend this offer to you. This offer is only valid from 21 January 2019 to 21 March 2019 at participating practices. *Terms and conditions apply.

Online booking has never been easier.
Save time and get instant appointment confirmation.

Book your appointment now

Lumino The Dentists Ponsonby
Level 1, 114 Ponsonby Road Auckland
Call (09) 361 2060

**SPECIAL
OFFER**



DIGITAL MARKETING DRIVING RESULTS

Launch of new Lumino website meeting the needs of 123 individual practices.

- Conversion rate up 13%
- Recorded second highest day ever for online bookings
- Positive decrease in visitor drop off rates
- Mobile speed performance has increased by 243%

Increase in Total Patient Count

- 3.4% increase year to date

Integrated digital and email campaigns driving website visits and bookings

- +28% Website traffic yoy (end-Sept 2019)
- +20% Bookings per practice yoy (end-Sept 2019)

Use of data insights to constantly drive improvements and results

- Email campaign unique open rates @40%

DENTAL PLAN



Bundled subscription service to encourage loyalty and regular visits

- One exam and x-ray (if necessary) appointment and two hygiene appointments per year at a bundled discounted rate
- 10% off additional dental treatments (excludes orthodontics and implants)

The Benefits

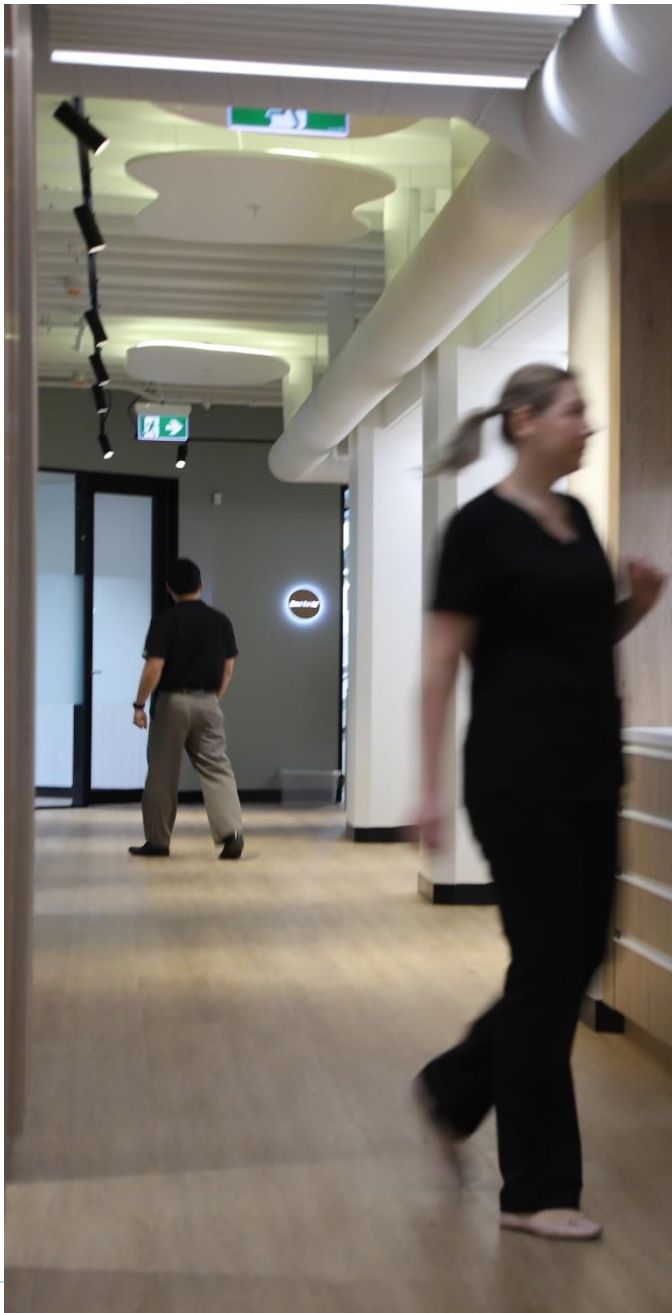
- **Clinicians:** Opportunity to see patients more frequently and to take care of their oral health at regular opportunities
- **Patients:** Improved oral health through regular visits; Increased affordability via discounted preventative treatment, reduced bill shock and spreading of payments
- **Business:** More opportunity to see patients and ability to deliver treatment, creating a regular income stream and reduced patient churn.

FY20 PERFORMANCE TO DATE

For the five months to end-October 2019:

- Lumino same store revenue of 0.8%, despite a short term reduction in clinical days due to vacant roles, in part due to immigration processes
- Maven same store performance continues to improve, lifting from -2.9% same store revenue growth at the end of the financial year to -1.9% at the end of October
- Cost savings being realised from restructuring of the support offices, tighter controls around lab costs and materials and other initiatives
- Half year result will include some of the costs associated with the assessment of expressions of interest and the competitive process and will also reflect the adoption of IFRS 16
- Currently trading in line with market expectations
- Unaudited underlying EBITDA of \$14.4m (excluding impact of IFRS 16), slightly ahead of the prior comparative period.





SHAREHOLDER DISCUSSION



RESOLUTIONS

RESOLUTIONS

RESOLUTION 1: To record the reappointment of PricewaterhouseCoopers as auditor of the Company and to authorise the Directors to fix the auditor's remuneration.

RESOLUTION 2 : That Mike Allen, who was appointed as a Director by the Board during the year, be elected as a Director of the Company.

RESOLUTION 3: That the existing constitution of the Company is revoked, and the constitution tabled at the meeting, and referred to in the explanatory notes, is adopted as the constitution of the Company, with effect from the close of the Annual Meeting.

PROXIES

RESOLUTION	PROXIES		
	FOR	AGAINST	PROXY DISCRETION
Auditor's remuneration	7,515,708	52,081	534,665
Election of Mike Allen	7,533,917	14,293	548,217
Adoption of amended Constitution	7,435,373	26,713	559,993

Total proxies received in respect of 8,102,454 shares representing 30.8% of total shares on issue. Voting on each resolution will be by way of poll.

OTHER BUSINESS

CLOSE OF MEETING

Results of the voting will be
released to the NZX

Presentations available online at
www.abano.co.nz



GLOSSARY

NON-GAAP FINANCIAL MEASURES:

- GROSS REVENUE is represents the fees paid by all dental patients regardless of whether the services are provided by dentists contracted directly by the Group or by dentists to whom we provide facilities and services under Facilities and Services Agreements. Gross revenue is reported within the segment note in the Financial Statements.
- EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (“EBITDA”) is reported within the segment note in the Financial Statements and is Net Profit After Tax (“NPAT”) excluding GAAP compliant net finance expenses, fair value adjustments, realised foreign exchange gains/losses, asset impairments, gains/losses arising on sale of businesses, practice partnering scheme – profit share, non-controlling interests, tax, depreciation and amortisation costs.
- UNDERLYING FINANCIAL MEASURES: In addition to reporting results under IFRS, the Abano Board also reports on Underlying NPAT and Underlying EBITDA. These are the measures used within the Company to evaluate performance, establish strategic goals and to allocate resources. Underlying NPAT is also the basis for the Company’s dividend policy. The Abano Board believes that these measures provide a more appropriate representation of Abano’s performance and Abano has been reporting these metrics on a consistent basis over a number of years. A reconciliation is provided on slide 27 of the FY19 results presentation.
- UNDERLYING EBITDA is EBITDA excluding business acquisition and transaction costs.
- UNDERLYING NPAT is NPAT excluding business acquisition costs, fair value adjustments, asset impairments and gains/losses arising on sale of businesses, including their tax effect if any.
- More information on gross revenue and underlying earnings is available on the Abano website at www.abano.co.nz/underlyingearnings.
- DISCONTINUED BUSINESSES: Radiology shareholding divested FY18
- REVENUE only includes Australian dental revenues after the payment of dentists’ commissions.
- SAME PRACTICE GROSS REVENUE GROWTH is all practices owned for 12 months normalised for trading days.
- DENTAL MARGIN is calculated as dental Underlying EBITDA as a percentage of Gross Revenue.
- NET PROMOTER SCORE (NPS) : An index ranging from -100 to 100 that measures the willingness of customers to recommend a company's products or services to others. It is used as a proxy for gauging the customer's overall satisfaction with a company's product or service and the customer's loyalty to the brand.

DISCLAIMER

This presentation has been prepared by Abano Healthcare Group Limited ("Abano"). The information in this presentation is of a general nature only. It is not a complete description of Abano.

This presentation is not a recommendation or offer of financial products for subscription, purchase or sale, or an invitation or solicitation for such offers.

This presentation is not intended as investment, financial or other advice and must not be relied on by any prospective investor. It does not take into account any particular prospective investor's objectives, financial situation, circumstances or needs, and does not purport to contain all the information that a prospective investor may require. Any person who is considering an investment in Abano securities should obtain independent professional advice prior to making an investment decision, and should make any investment decision having regard to that person's own objectives, financial situation, circumstances and needs.

Past performance information contained in this presentation should not be relied upon (and is not) an indication of future performance. This presentation may also contain forward looking statements with respect to the financial condition, results of operations and business, and business strategy of Abano. Information about the future, by its nature, involves inherent risks and uncertainties. Accordingly, nothing in this presentation is a promise or representation as to the future or a promise or representation that an transaction or outcome referred to in this presentation will proceed or occur on the basis described in this presentation. Statements or assumptions in this presentation as to future matters may prove to be incorrect.

A number of financial measures are used in this presentation and should not be considered in isolation from, or as a substitute for, the information provided in Abano's financial statements available at www.abano.co.nz/latestfinancials. This presentation includes non-GAAP financial measures. This information has been included on the basis that Abano management and directors consider that this non-GAAP information assists readers to understand the key drivers of Abano's performance which are not disclosed as GAAP measures in Abano's financial statements. More information on certain non-GAAP financial measures used by Abano is available at: www.abano.co.nz/underlyingearnings.

Abano and its related companies and their respective directors, employees and representatives make no representation or warranty of any nature (including as to accuracy or completeness) in respect of this presentation and will have no liability (including for negligence) for any errors in or omissions from, or for any loss (whether foreseeable or not) arising in connection with the use of or reliance on, information in this presentation.