

ABANO RE-OPENING ITS DENTAL PRACTICES IN NZ AND AUSTRALIA

Trans-Tasman dental provider, Abano Healthcare Group Limited (NZX: ABA) advises that it is re-opening its New Zealand and Australian dental practices as Government-imposed restrictions are eased. This will see a return to the provision of a full range of dental treatments, in line with guidelines from the dental and health regulators.

The reduction in restrictions was announced in Australia on Friday 8 May 2020 and is being implemented by the various States and Territories this week. In New Zealand, restrictions have eased following the move to Level 2 on Thursday 14 May 2020. This means that in both countries, a full range of dental services can be undertaken. The health and safety of patients and staff remains paramount and Abano will continue with its already high levels of infection control.

Both networks have recommenced marketing, including promotion of payment plans such as interest free and pay later options, and booking patient appointments. Additional costs will be incurred with re-opening practices, including additional sanitisation and cleaning protocols to ensure equipment is ready for use. In response to COVID-19, management continue to review and implement both network and practice optimisation plans.

The recommencement of a full range of dental services in New Zealand and Australia will provide a benefit in the final two weeks of Abano's FY20 financial year (ending 31 May 2020). The company has therefore extended its guidance range for FY20 to be Underlying EBITDA of between \$17m and \$20m (pre-IFRS 16).

As previously advised, it is expected that the business will make a full recovery to pre-COVID-19 earnings levels over time and as patient visits build back up, however clarity cannot be provided on how long this will take. Abano's FY21 Underlying EBITDA and margins are expected to be materially adversely impacted until this occurs. Given the uncertainty, the company is not currently in a position to provide guidance for FY21 (year ending 31 May 2021).

In addition to pursuing initiatives to restore the businesses and its financial performance to pre Covid-19 levels, the Board is continuing to explore a range of opportunities, including transaction possibilities. These will be assessed by the Board by reference to the best interests of the Company and all stakeholders. There is no certainty that this will lead to a proposal for shareholders to consider or to any transaction. Abano will continue to keep shareholders updated as matters progress.

Extension of Full Year Reporting

Abano advises that its full year results for the 12 months to 31 May 2020 will be released by the end of August 2020. This is in reliance on the NZX class waiver dated 3 April 2020, which provides listed companies with an additional 30 days to prepare and release their full year results.

ENDS

14 May 2020
Company Announcement



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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.