

## ABANO MARKET UPDATE JUNE 2020

Abano Healthcare Group Limited (NZX: ABA) provides the following market update:

### **Abano's dental networks have reopened and positive momentum is being achieved**

Following the easing of COVID-19 restrictions in Australia and New Zealand in mid-May 2020, Abano's dental practices in both countries have now re-opened and are offering a full range of dental services. Marketing and customer communications have recommenced and patient numbers are increasing as patients rebook deferred appointments as well as new appointments. Both patient appointments and revenue generated has been higher than initial expectations in the first two weeks since re-opening. Management continue to focus on longer term business and network optimisation initiatives in both New Zealand and Australia.

### **Outlook**

As previously advised, it is expected that the business will make a full recovery to pre-COVID-19 earnings levels over time, however clarity cannot be provided on how long this will take. Given the uncertainty of the full extent of the impact of COVID-19 on financial performance and the timeframe to recovery, it remains unlikely that dividends will be paid in respect of the FY20 or FY21 financial years.

### **Transaction opportunities continue to be explored**

The Board is committed to addressing the Company's capital structure requirements during the 2020 calendar year. In its announcement of 14 May 2020, Abano advised that it was continuing to explore a range of opportunities, including transaction possibilities. The Company, with the assistance of its financial advisers, is in the process of evaluating various potential transactions intended to address the impacts of COVID-19 on the business. Abano will continue to keep shareholders updated as matters progress.

### **Continuing support from long term banking partners**

Abano's banking partners remain supportive of the Company and of the transaction opportunities being explored. Various amendments have been agreed to Abano's banking facilities. These meet the Company's projected operating requirements while providing Abano with flexibility to pursue the various transaction possibilities as well as execute existing business and network optimisation initiatives.

Amendments to the Company's existing banking terms include:

- Maintaining existing facilities at \$169<sup>1</sup> million. Abano's net bank debt at 31 May 2020 was approximately \$135m.
- Financial covenant relief through to November 2021.
- All facilities extended by 12 months with maturity dates now between March 2022 and July 2023.
- Pricing on banking facilities has increased, reflecting the tenure extension and financial covenant relief.
- Pricing and facility review events will be assessed by reference to progress against the option the Company elects to pursue.

**ENDS**

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<sup>1</sup> Comprised of NZD\$49m and AUD\$112m bank facilities (AUD:NZD 0.9342)

2 June 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.