

ABANO TRADING UPDATE: JULY 2020

Given the current uncertain market conditions, the Board of Abano Healthcare Group Limited (NZX: ABA) has today provided the following market update.

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. Since reopening in May 2020, Abano's dental networks have continued to recover strongly and are performing ahead of expectations.

- For June 2020, Lumino's same store revenue was approximately 113% of the same period last year, with Maven at approximately 98%. Maven's performance reflects some impact from social distancing requirements still in force in Australia.
- Forward bookings for both Lumino and Maven, for the next two months, are ahead of where they were at the same point 12 months ago.
- Abano's net debt at 30 June 2020 was \$124.4m, with existing facilities at \$169 million.¹
- As part of the optimisation program, the company has recently closed or is divesting seven under-performing practices in Australia and two under-performing practices in New Zealand.

The Board notes that there are currently no additional restrictions on dental services due to the six-week Stage 3 Stay at Home restrictions in Melbourne, Australia (which commenced on 8 July 2020) and Abano's local dental practices will remain open and continue delivering quality and safe dental services. The health and safety of patients, clinicians and staff remains paramount and Abano will continue with its already high levels of infection control. Abano has six practices in the restricted area which provide less than 0.5% of Abano Group's annualised revenue. The Board notes that even if these practices were to close for a six-week period, this would equate to approx. A\$1.2 million of Abano's projected revenue.

Priorities remain to deliver an improved financial performance and an increased return on invested capital. Management's focus remains on optimising the use of spare capacity within Abano's dental practices, leveraging the trust and awareness of our brands with targeted marketing and offers to attract patients into practices (such as the Lumino Dental Plan) and leveraging the investment made into technology to drive further efficiencies and better serve patients.

The Board continues to evaluate proposals it has received from third parties (as referred to in previous announcements), taking into account the Board's view of the long term risks and potential rewards for shareholders. As stated previously, any proposal endorsed by the Board would need to satisfactorily address the Company's underlying value and to provide sufficient certainty of execution and price to Abano shareholders. The company will continue to keep shareholders informed and any person considering trading in Abano shares may wish to seek financial advice.

ENDS

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

¹ Comprised of NZD\$49m and AUD\$112m bank facilities (AUD:NZD 0.9340)

9 July 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.