



## General E-mail Alert

# 1300 SMILES Limited

This note is being sent to all our clients. It is not specific advice for you. Please speak to your adviser if you would like more information.

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### Key Points

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| • <b>Revenue (OTC) up 8% to \$34.8 million</b> | • <b>Revenue (Statutory) up 1% to \$23.8 million</b> |
| • <b>EBITDA up 17% to \$11.0 million</b>       | • <b>NPBT up 34% to \$8.1 million</b>                |
| • <b>NPAT up 35% to \$5.9 million</b>          | • <b>Earnings Per Share up 35% to 25.0c</b>          |
| • <b>Interim dividend up 9% to 14.5c</b>       | • <b>Bank debt down 30% to \$10.5 million</b>        |
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COVID-19 has led to an unpredictable outcome for the 2020 year. 1300SMILES has performed well over the half-year and looked to capitalise on the situation. Managing director, Daryl Holmes insisted on a vigorous and positive response to COVID-19. 1300SMILES half year results reflect the commitment that the company has to providing professional services in all market conditions.

Net Profit After Tax grew 35% which translated to a 35% or \$0.25 increase in earnings per share and a 9% increase for the interim dividend now \$0.14.

Dr Holmes suggest it is reflective of the company's efforts to increase revenue, control cost and manage capital. 1H'21 has seen an increased interim dividend of 14.5c per share for their shareholders.

Statutory revenue, in comparison to last year, was up by only 1%, however, over the counter revenue increased by 8%. Over the counter is a better indication of business size, rather than statutory revenue as it is the total amount paid by patients for 1300SMILES service.

Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) was up by 17% or \$11 Million. It is to note that there has been a new accounting standard changing the way EBITDA is now calculated which reduces the EBITDA as compared to last year. Regardless, 1H21 performance for EBITDA overall has increased.

Overall the half year has shown a great financial result in trying conditions, with over the counter sales growth indicating a robust business model and loyal clients. The share price closed on Friday at \$7.54 after hitting highs of \$7.90 last week.

If you would like more information about 1300SMILES shares, contact our office.

Best Regards

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