



Integrated Dental Holdings



FY 2015 Annual Results - Investor presentation
29 May 2015

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Agenda

- UK dentistry and the group
- 2015 strategic highlights
- Brand journey
- 2015 financial review
- Current trading and outlook

“We are Europe’s largest vertically integrated dental business focused on delivering the best possible patient care, highest clinical standards and a comprehensive choice of treatment through our growing UK practice network.”

Who is mydentist?



- ✓ The UK's #1 dental chain
- ✓ 644 practices nationwide
- ✓ Over 2x the size of the next largest competitor
- ✓ Over 5 million patients through extensive national network
- ✓ The UK's 2nd largest dental supply & service company
- ✓ The only fully integrated dental company



Helping The Nation Smile

A large, dark grey thought bubble with a teal outline is positioned on the right side of the slide. Inside the bubble, the text 'Helping The Nation Smile' is written in a blue, sans-serif font. Three smaller circles of decreasing size lead from the bottom of the bubble down towards the list of bullet points.

The story so far..



2011

2013

2014

2015

IDH
acquired
by Carlyle
& merged
with ADP

Acquisition
of dbg

£400m
bond
listing

Appointment
of CEO; Terry
Scicluna

Acquisition
of Dental
Directory

Bond
tap -
£100m

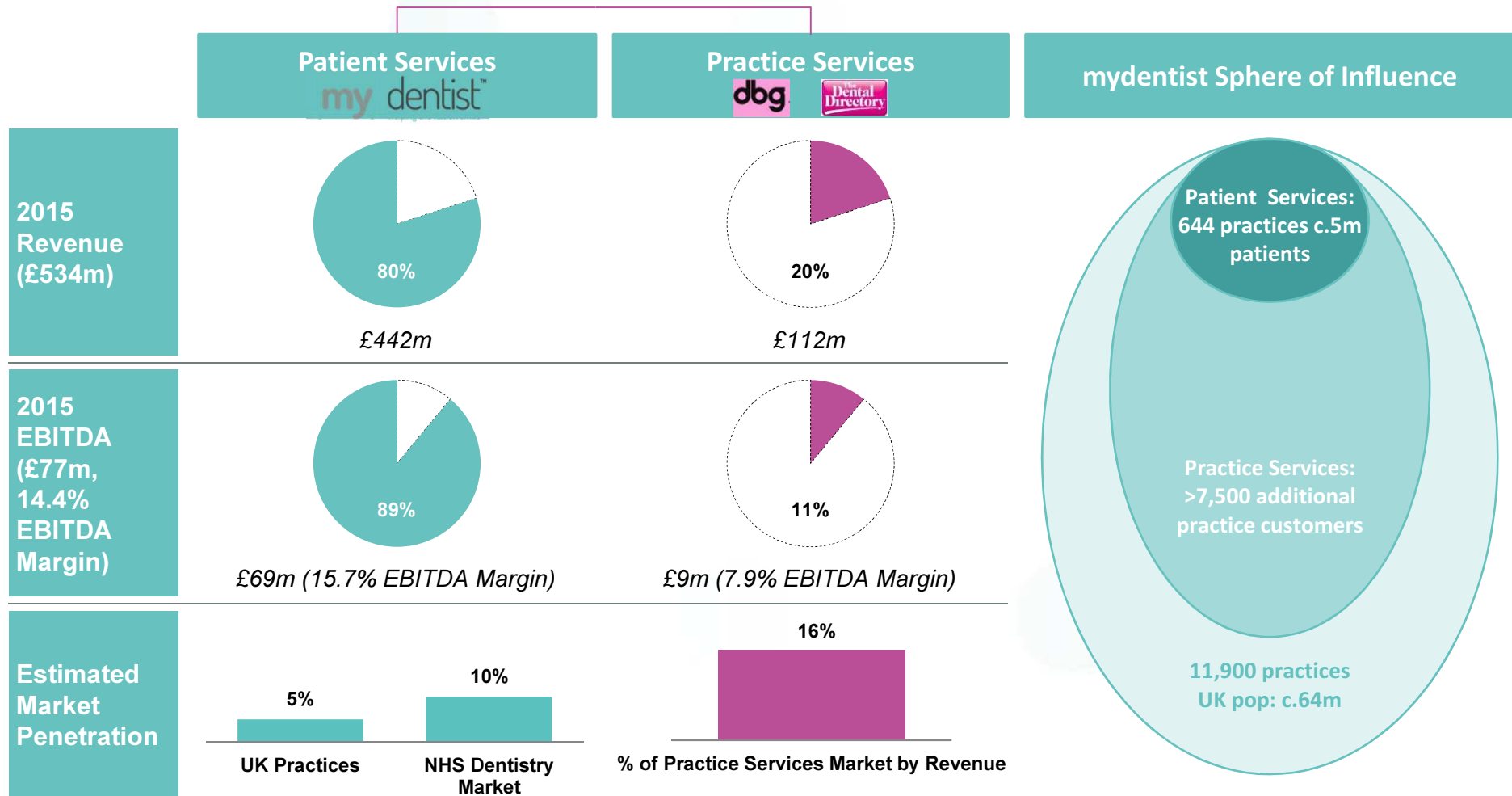
Launch of
mydentist
Brand

Leading an industry transformation



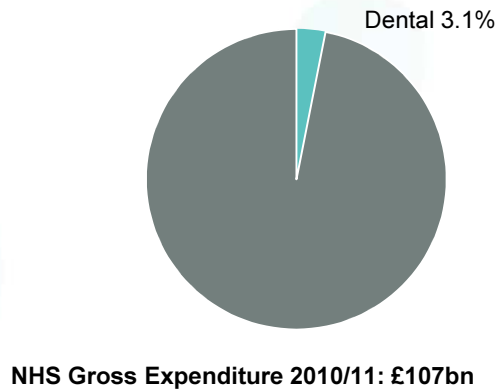
	Optician / Pharmacy	Dentistry Today	Dentistry Tomorrow
High standards of quality and care	✓	✓	✓
Brand	✓	✗	✓
Choice for Patients	✓	✗	✓
Accessibility	✓	✗	✓
Proactive Engagement	✓	✗	✓
Market Consolidation	✓	✗	✓

The group at a glance

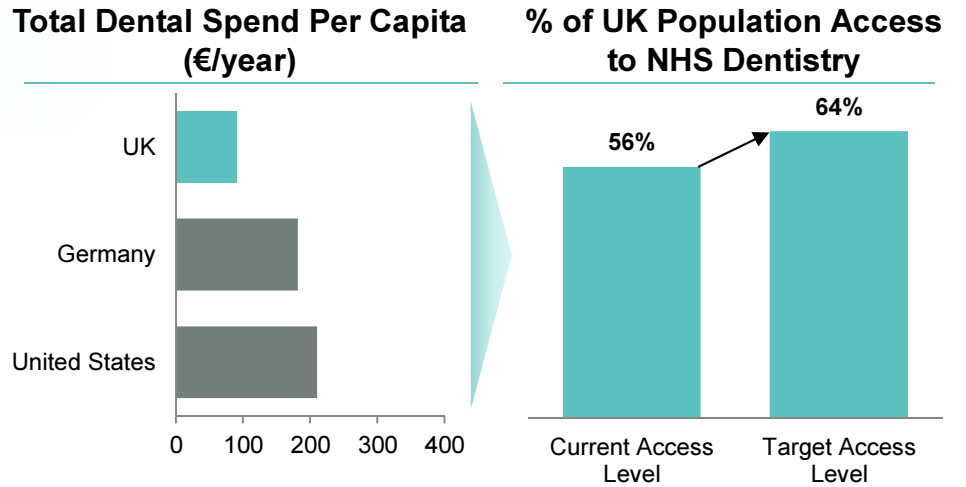


NHS market is stable and highly attractive

1 Dentistry is a Small Portion of NHS Gross Expenditure



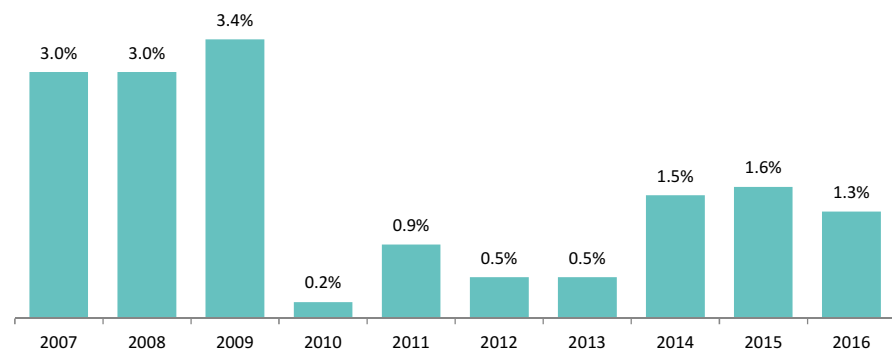
2 UK Dentistry Market is Underdeveloped



3 Stable Contractual Regime and Government Commitment



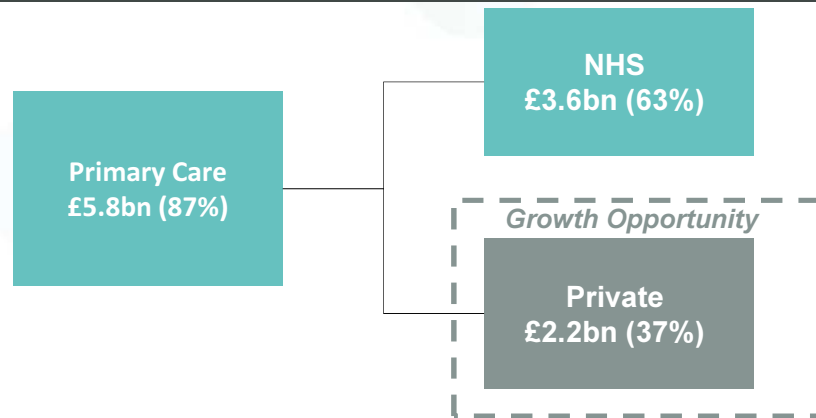
4 Annual NHS Price Increases



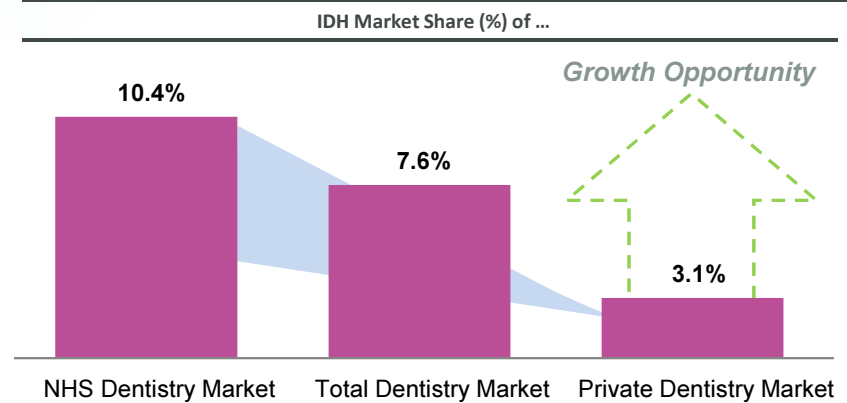
Source: mydentist management information, Laing & Buisson 2014 density UK market report

Private dentistry is a key growth opportunity

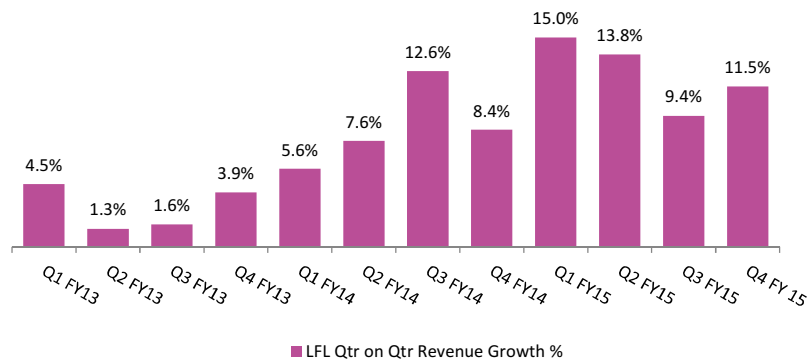
1 Private Dentistry is a Large Market Opportunity



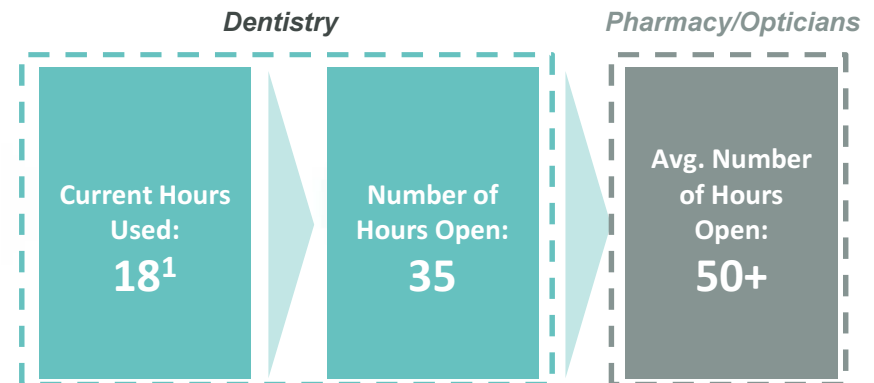
2 IDH has a Significant Opportunity to Grow Market Share in Private Dentistry



3 IDH's Accelerating Growth in Private Dentistry



4 IDH Practices are Underutilised



Source: Laing & Buisson 2014 Dentistry UK Market Report; IDH Management Information

¹ 18 hours / week represent the dentists' productivity portion of weekly opening hours, calculated by IDH management as 52.7%.

Growth Business with Defensive Highlights

“Growth”

- 1 Private dentistry
- 2 Roll-up
- 3 Industry transformation / Re-branding & vertical integration



“Defensive”

- 1 Largest UK dental player
- 2 Stable NHS base business
- 3 Evergreen contracts

Benefits of Skill and Scale

Operational Excellence and Attractive Investment Proposition

FY 2015 Strategic Highlights



A year of solid progress as the group transitions Patient Services into a customer-led operation and develops its Practices Services offer across the UK

Patient Services - mydentist

- Continued investment in the customer offer, the supporting infrastructure and in acquisitions
- Roll-out of the new “mydentist” brand for patient services creating a compelling consumer offer
- 102 practices re-branded by the year-end
- Record year for private revenue LFL growth – 12.2%
- 644 practices at 31 March 2015, a net increase of 59 year on year

FY 2015 Strategic Highlights



Practice Services – Dental Directory (“DD”) & dbg

- DD acquired in April 2014
- New management team in place - COO, FD & Commercial Director
- Merging of dbg activities into DD underway to deliver synergies:
 - Engineering
 - Consumables
 - Handpiece repairs
 - Membership services
- Plans in place to develop packaged services for members & customers

FY 2015 Financial Highlights



- EBITDA up 13.3% on FY 2014 to £76.8m
- Turnover up 31.1% to £534.2m following acquisition of Dental Directory and further practice acquisitions
- LFL private revenue up 12.2% (FY 2014 – 8.6%)
- Pro-forma LTM EBITDA of £85.1m
- Normalised cash conversion after maintenance capital expenditure of 87.3%
- Q4 FY 2015 EBITDA up 14.8% on Q4 FY 2014



Strategic Progress Review





The Brand journey



A new brand, a new dawn

- A brand enables us to clearly demonstrate what makes us different from the competition
- Successful branding is about collectively promoting our strengths
- Our brand will demonstrate the benefits relevant to both our customers and our clinicians
- The communication must be the right message to the right segment to achieve stand out to enable us to build brand awareness and loyalty
- The key measures for the new brand are:
 - Growth in LFL private revenues
 - Improved UDA delivery %
 - Growth in new patient numbers
 - Improving net promoter score
- Too early to draw any conclusions





{idh} dental™
helping the nation smile

{my} dentist™
helping the nation smile



Lancaster - Reception



Before



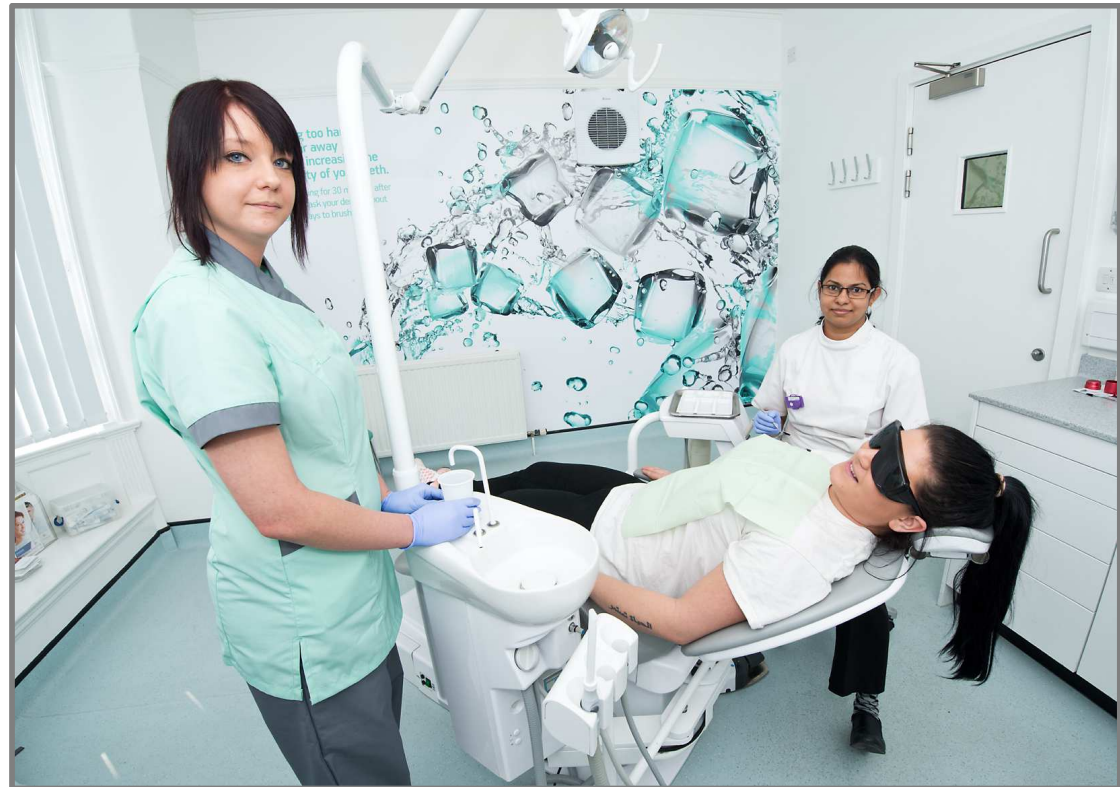
After

"Brilliant for customers, simple for practices"

Lancaster – Treatment Room



Before



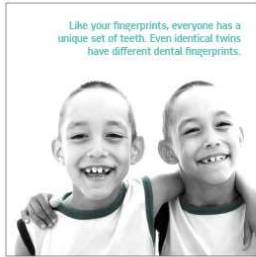
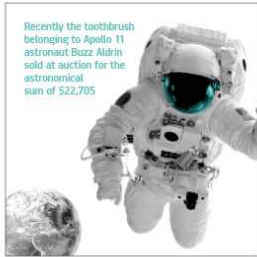
After

"Brilliant for customers, simple for practices"



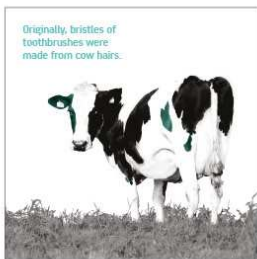
SERVICE POSTERS - A2

Our primary method of providing information to our patients. Engaging, friendly and easy to absorb, a lot of consideration has been taken over each poster as they represent the essence of the mydentist brand.



CORRIDOR IMAGERY

Our acrylic panels feature primarily in corridors, they help to lighten any anxiety patients may be experiencing when on their way to the treatment rooms.



SURGERY WALLS

Our surgery walls serve two purposes; firstly they help to calm the patient whilst undergoing treatments and Secondly, they provide subtle educational messages that inform about how they can look after their teeth.



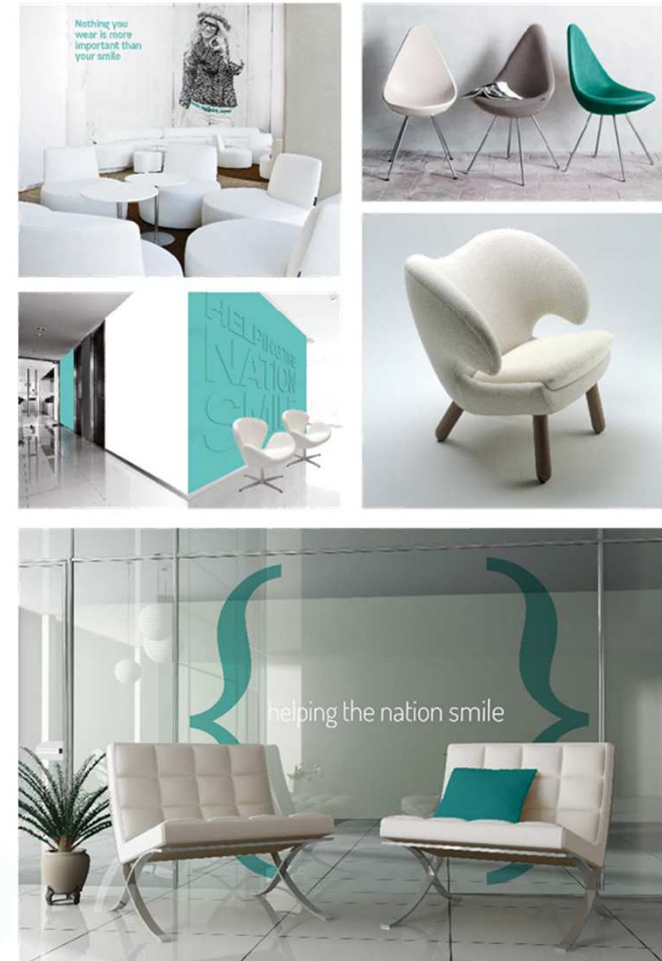
Segmenting the estate

Private & Specialist

Full review has taken place, feedback sessions with Practice Managers and clinicians

Specific segment requirements e.g.:

- More contemporary look and feel in practice
- Photo books for clinicians
- Thank you loyalty gifts
- Marketing packs for all services
- Patient care information
- Referral Program
- Breakfast Clubs
- Supplier promotions



Acquisitions

Professional look and feel focused on the journey

Call us on 0845 260 1277

guiding
you through
integration

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www.idhdentalacquisitions.co.uk idhacquisitions@idhgroup.co.uk

Join us
on our
journey

exploring
new horizons

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1. **WE MEET WITH YOU**
We discuss what your needs and objectives are. We develop a joint understanding with mutual understanding. You explain the MyDentist story. We answer any questions you have.

2. **WE BUILD YOU AN OFFER**
We build you an offer based on our experience. We discuss the offer with you face to face.

3. **AGREE AN OFFER**
If you are happy with the offer, we will manage the transition to ensure a smooth handover.

4. **WE EVALUATE THE PROPERTY**
The findings of our survey are used to determine a property valuation based on a number of financial and commercial factors. Financial health and arrangements agreed.

5. **WE SUPPORT YOU**
We will support you for the duration of the transition period. We will assist in the preparation of all the necessary legal and financial documents. We will help with the paperwork.

6. **WE WELCOME YOU INTO PRACTICE**
We assist in welcoming your practice to MyDentist. We meet with you to make a smooth transition programme. We help engage staff and attract new patients. We will ensure your practice and procedures. We will always be here to help.

Call us on 0845 260 1277
www.idhdentalacquisitions.co.uk & acquisitions@mydentist.co.uk

This is our growing network of practices that offer customers the best of both worlds. The quality of our services is always the same. We are proud to be part of our team. We are proud to be part of our team. We are proud to be part of our team.

next steps
in the
process

Call us on 0845 260 1277
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What we stand for?

We're a fast growing dynamic business providing a trustworthy and professional service in every single practice. We pride ourselves on the consistent care we provide to all of our patients. So when we're in our bag, they'll know exactly what to expect.

Above all, putting our network means you'll have the time and resources to focus on delivering the best possible service to your patients. Not to mention helping us to improve the nation's dental health.

Our values are your values

TRUSTED You can rely on us to offer a fair and reasonable valuation for your business.

HONEST We want each acquisition to be the right decision for everyone. That's why we want an honest and transparent discussion about your expectations and whether we can meet them.

WARM & WELCOMING We'll be happy and proud to welcome your lovely team into the mydentist family.

UNDERSTANDS ME We know that every acquisition is as unique as each owner. That's why we provide tailor-made solutions and offers to meet individual needs. Above all, we provide choice.

LOYAL We fully appreciate that continuity of care for existing patients is the main aim of any acquisition. Your patients mean everything to us.

INNOVATIVE You will benefit from numerous innovations including clinical development, training, investment in technology and closer links to the supply chain. And of course, we value your continued contribution.

Seven reasons to believe

- You won't need to worry about the burden of running a business.
- You won't be released.
- You'll be free to focus on what you do best.
- You'll be able to retire knowing your practice is safe hands.
- You'll still have real career and development opportunities.
- You'll be at the forefront of the challenge and changes faced by the dental industry.
- You'll be part of a network of like-minded practitioners passionate about dentistry.

What our recent sellers say about us...

My engaging, friendly staff, my new digital capability and my administrative team. I can't believe the change around. It's been an incredibly enjoyable journey. I'm grateful to the support and advice from the mydentist team. They've been very helpful and professional. They've been very professional. They've been very professional. They've been very professional.

Burton Burton - Principal Dentist, Wigan - Mixed NHS and Private Practice sold in 2022

We had this practice and the time was right to make a sale to focus on our biggest practice. mydentist handled the integration really well and knew the existing staff and I'll have one year and that can be a good thing. They have a much needed staff resource and some really good work. We have had a few complaints from our staff.

If anyone was thinking about selling their practice you'd be home exactly what you're getting. They're very professional and the company with a really efficient acquisition process and we were really happy with that. If we were to sell our other practice, we'd be talking to them.

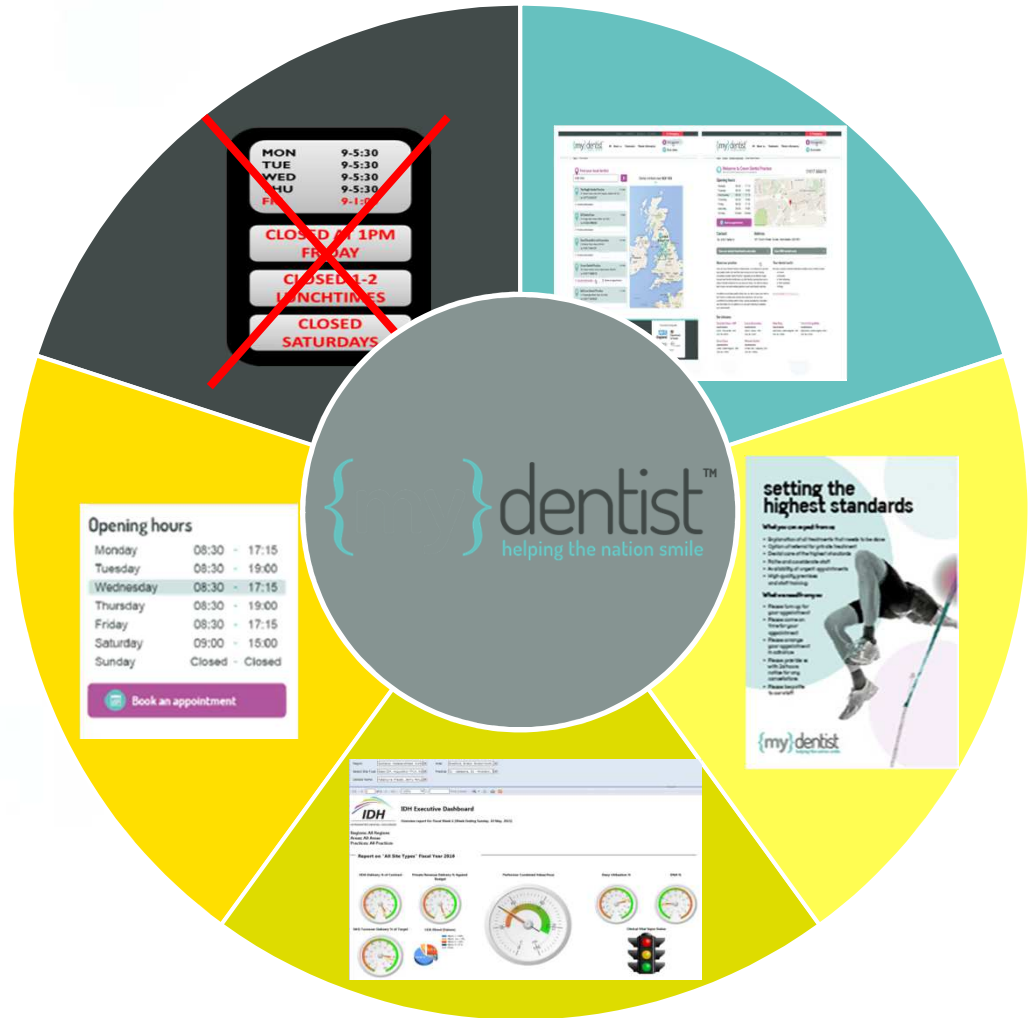
Janet McLaughlin - Practice Owner, Leeds - NHS Practice acquired January 2024

“mydentist” – Much More Than Just a New Brand, a Business Transformation

Transformational Movements

- ✓ Complete Re-engagement of Our Business
- ✓ Structural Change of Customer Experience
- ✓ Cultural Shift in Colleague Behaviour

- ! Overwhelming positive feedback (from colleagues and patients)
- ! Early signs of increased new patients registration





FY2015 Financial Review



Financial results for FY 2015

Profit and loss account

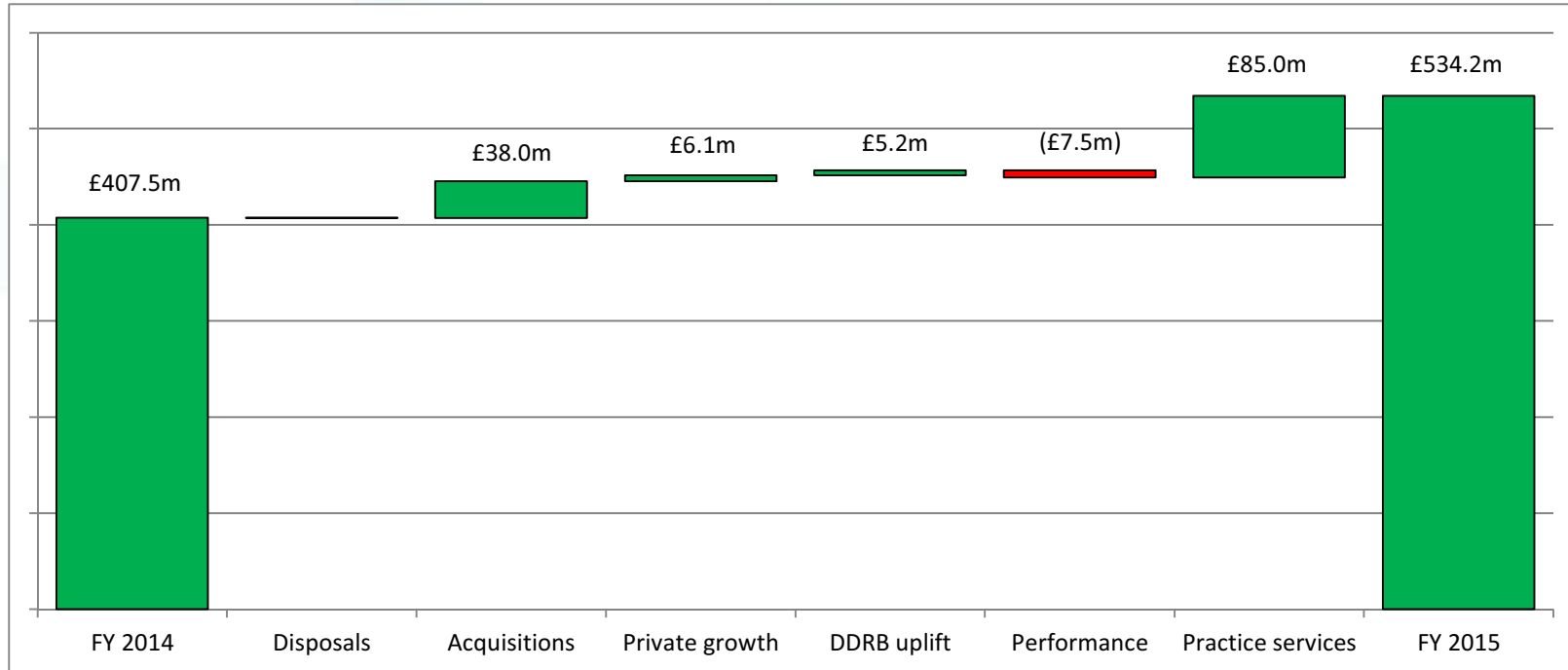


	FY 2015 £m	% of revenue	FY 2014 £m	% of revenue	% change
Turnover	534.2		407.5		31.1%
Gross profit	239.4	44.8%	196.7	48.3%	21.7%
Administrative expenses*	(164.4)	30.8%	(130.6)	32.0%	(25.9%)
Other operating income	1.8	0.3%	1.7	0.4%	7.5%
EBITDA	76.8	14.4%	67.8	16.6%	13.3%

* Administrative expenses before depreciation, amortisation and exceptional items

Financial results for FY 2015

Turnover

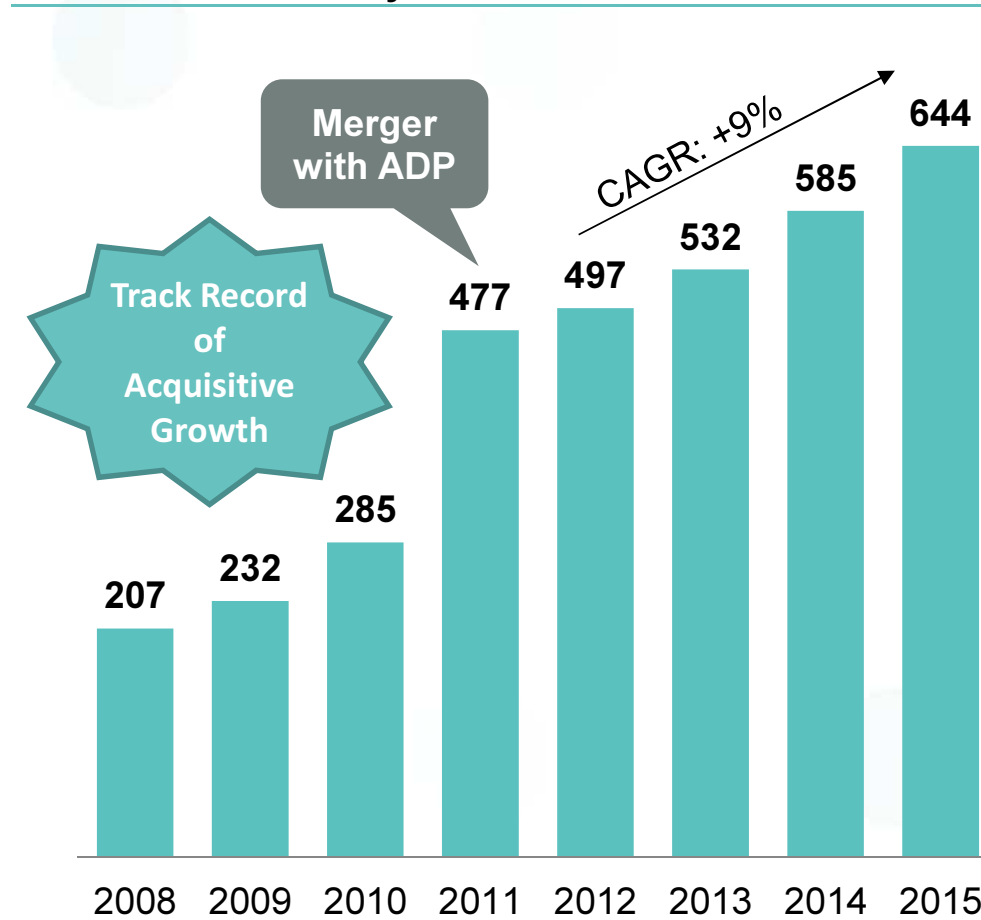


Financial results for FY 2015

Acquisitions

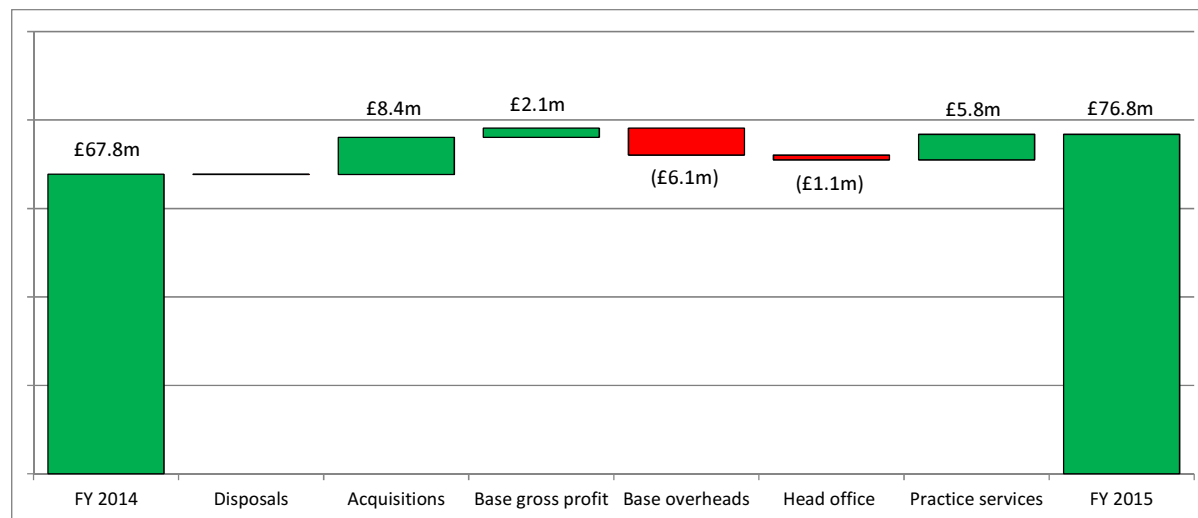


of mydentist Practices



Financial results for FY 2015

EBITDA



EBITDA (£m)	FY 2015	FY 2014	%
Q1	17.7	15.4	15.2%
Q2	19.1	15.6	22.3%
Q3	18.0	17.7	1.9%
Q4	21.9	19.1	14.8%
YTD	76.8	67.8	13.3%

* Q2 FY 2014 reduced through effect of IT issues with some recovery in Q3 FY 2014. Q2 FY 2015 and Q3 FY 2015 year-on-year growth combined is 11.5%.

Financial results for FY 2015

Pro-forma EBITDA



	£m
LTM EBITDA before exceptional items at 31 March 2015	76.8
Estimated adjusted EBITDA of acquired dental practices at 31 March 2015	5.2
Adjusted EBITDA for The Dental Directory including annualised synergies	3.1
Estimated pro-forma adjusted EBITDA	85.1

- Pro-forma EBITDA calculated following the methodology set out in the IDH Finance plc Offering Memorandum.
- The adjusted EBITDA of acquired practices are management estimates for the annual EBITDA of an acquired practice less the actual results consolidated in LTM EBITDA.
- The estimated Dental Directory adjustment includes the annualised effect of the synergies resulting from the acquisition.

Financial results for FY 2015

Cash flow statement



£m	FY 2015	FY 2014
Operating cash flow	81.3	54.8
Capital expenditure	(15.1)	(23.5)
Corporation tax	(0.5)	0.2
Cash flow before acquisitions and debt service	65.7	31.5
Interest	(33.5)	(26.0)
Acquisitions	(118.0)	(93.6)
Debt issue costs	(1.7)	(15.4)
Financing	109.7	68.0
Net cash flow	22.2	(35.5)
Opening cash	6.9	42.4
Closing cash	29.1	6.9
Net debt	491.7	401.2

Financial results for FY 2015

Cash conversion



£m	FY 2015	FY 2014
Operating cash flow	81.3	54.8
Exceptionals	4.5	1.8
Working capital adjustments	(0.6)	6.1
Adjusted operating cash flow	85.2	62.7
Maintenance capital expenditure	(20.6)	(17.9)
Adjustments	2.3	8.7
Adjusted cash flow	66.9	53.5
EBITDA	76.8	67.8
Adjusted cash conversion %	87.3%	78.9%

Financial results for Q4 FY 2015 Summary



	Q4 FY 2015 £m	% of revenue	Q4 FY 2014 £m	% of revenue	% change
Turnover	141.7		106.7		32.8%
Gross profit	63.9	45.1%	51.6	48.4%	23.8%
Administrative expenses*	(42.5)	30.0%	(32.9)	30.9%	(28.9%)
Other operating income	0.4	0.3%	0.4	0.4%	18.1%
EBITDA	21.9	15.4%	19.1	17.9%	14.8%
Operating cash flow	27.5		18.2		50.8%
Adjusted cash conversion**	104.8%		87.6%		

* Administrative expenses before depreciation, amortisation and exceptional items

** Operating cash flow adjusted for maintenance capital expenditure and one-off items divided by EBITDA

Current trading and outlook



- NHS delivery
- Private growth
- Practice services sales
- Gross margins
- Overheads
- Capital expenditure
- Cash conversion
- Exceptional charges

Please note contact details are changing:

Further questions can be addressed to:

- Email: investorrelations@mydentist.co.uk
- Telephone: 01204 799651

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