



# TOOTH BOOTH

DENTAL LOUNGE

29/8/2017

## The Tooth Booth Update

The Tooth Booth Board is pleased to announce that it has reviewed the 2017 annual results recently released by 1300Smiles and Pacific Smiles and notes that the Tooth Booth business model delivers a much better GP margin percentage.

With currently 3 clinics in operation, Tooth Booth has over achieved its forecast to 30June17: 171K actual vs 50K forecast EBITDA on revenues of \$2.3m actual vs \$2.2m forecast and is running at 66% gross margin (ASX listed comparable companies are achieving 45-52% GP). The Company is profitable and is looking to open a further two clinics this financial year which should generate \$924K EBITDA based on the previous forecast run rate.

The replacement cost for the operating assets in the current clinics is at least \$2.6m (3x\$870K), and as the utilisation increases at each of the existing clinics the company generates more EBIT and becomes more valuable. The return on invested capital in FY17/18 is expected to be >20% based on the EBIT generated.

Tooth Booth has an experienced team, has multiple income streams, is well established, has a unique large high growth market opportunity (>\$8bn), has a strong and unique operating model with a defined exit strategy. ASX listed companies in this space are currently trading at P/E multiples in excess of 25.

Tooth Booth also benefits from [a push by the Queensland Government](#) for more dental check-ups as Tooth Booth's clinics in Brisbane and on the Gold Coast cover up approx. 60% of the state's population. "More than 80 per cent of Queensland children are eligible for free dental care until they are 17."

For more information about [Tooth Booth](#), please contact Funding Strategies on +61 7 3160 2840 or via email [brisbane@fundingstrategies.com.au](mailto:brisbane@fundingstrategies.com.au)

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