IDH Finance plc

Q2 FY 2021 – Interim investor presentation: Trading update
29 October 2020

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Group performance

- NHS contract payments have continued through Q2 in full
- Expectation is that the NHS will continue this approach for the foreseeable future while operating restrictions remain in place (e.g. fallow period)
- Increase in {my}dentist revenues in Q2 compared to Q1 due to the removal of the abatement deduction, to reflect higher PPE costs
- Activity levels are currently restricted by fallow time regulations
- The Group has invested £1.25m in air filtration units in October. This has allowed {my}dentist to reduce the fallow time across all of our practices from one hour to a maximum of 20 minutes, thereby allowing more patients to be treated. We believe we will shortly be able to bring the fallow time down further.
- Underlying patient demand is strong, with pent up demand at an all time high; the BDA estimates that some 14m patient appointments have been deferred due to the pandemic
- DD continues to outperform FY20
- Q2 FY21 will be EBITDA positive versus the small loss in Q1 FY21
- £78.2m of SSRCF repaid in September, taking drawdown to £20.0m

- Activity levels including remote NHS triage increased through Q2 to c75% of normal levels
- Q1 activity limited to remote triage and Urgent Dental Care centres
- NHS activity considerably exceeds the minimum level required under the latest guidelines to qualify for contract payments
- Fallow time, cleaning, changing PPE and triage requirements all reduce the amount of face-to-face activity possible
- Reducing the fallow time to 20 minutes through air filtration is expected to double non-AGP and triple AGP capacity per hour by the end of Q3
- Potential for fallow time with air filtration to reduce further to 10 minutes
- Air filtration units to be in all surgeries by the end of October to provide long term future proofing
- Private revenue increased from £1.1m in June to £5.8m in August
- Private revenue will also benefit from the measures being undertaken to reduce fallow time

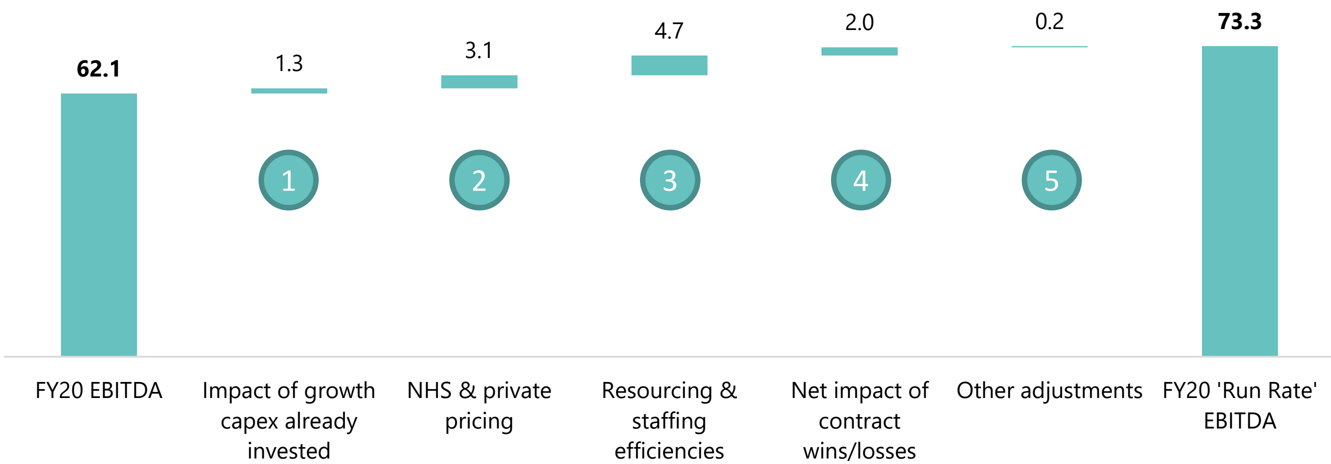
Resourcing

- Continued strong performance in resourcing through multiple channels
- Year to date 466 new clinician offers have been made (equating to c11,500 weekly hours)
- 131 newly qualified dentists starting in the business this year (FY20: 115)
- 282 new starters in practice year to date (adding c7,500 weekly hours)
- August YTD net 109 new heads in practice
- Pipeline remains strong with over 20 offers per week made on average over the last 12 weeks
- In September, we achieved our highest ever number of starters with 167 new clinicians joining us in the month; further 87 starters projected for October
- Clearly demonstrates the resilience of the business and how well we have looked after our clinicians through the pandemic
- Improvements in clinician churn reflected in leavers rate down 28% on this time last year.
- The key reasons for leaving were retirement, leaving the profession and returning to countries of origin
- Overall, we continue to add hours to drive future growth plans and profitability
- Survey data shows that 89% of clinicians prefer larger dental groups during period of instability

DD

- H1 FY21 EBITDA expected to be +25% higher than the same period in FY20 driven by management's successful pivot to sales into the public sector during lockdown months
- Dental revenues down by c40% in H1 FY21 but has been offset by the sale of PPE into new channels (Police, Care homes, Ambulance and primary care)
- Sales in the medical beauty sector have ramped rapidly post lock down and are back to historic run rates
- H2 performance will be supported by key contract wins
    - BUPA Dental consumables contract live in October
    - BUPA engineering support increasing from October
    - Launch into non-medical beauty market in October, with exclusive weight management brand to launch in November

FY20 Management Run Rate



- Management have estimated the 'run rate' EBITDA of the business as it was operating prior to the impact of COVID-19, based on the FY20 EBITDA to March 2020 as a starting point.
- The key components of this are as follows:
  1. Expected full year impact of investment made in a series of growth initiatives. These include merge/relocates, AOHCs and new surgery additions to existing practices
  2. Predominantly the confirmed impact of the DDRB uplift to NHS contracts, as well as expected impact of private pricing increases
  3. Full year effect of net additional clinicians added to the business, as well as other staffing and headcount efficiencies
  4. Net impact of new long term contract wins in DD (including recent wins post year end such as BUPA) offset by impact of NHS ortho tenders
  5. Impact of other adjustments including impact of COVID in final week of FY20, further portfolio optimisation and implementation of clear aligner strategy