

SILK achieves key 60 clinic milestone

Charlestown, NSW, clinic opens with record first-day sales

New clinics expected to generate positive cash flow in first year of operation

Adelaide, South Australia: 7 June 2021 – SILK Laser Australia Limited (ASX: SLA) (“SILK” or the “Company”), one of Australia’s largest specialist non-surgical clinic networks, is pleased to announce it has achieved its key milestone of 60 clinics with the opening of two new clinics in Woden, ACT and Charlestown, NSW. The new clinic openings are in line with SILK’s organic network growth strategy of rolling out additional clinics in markets where SILK is currently under-penetrated, including Canberra and Newcastle.

SILK has now opened 10 new clinics this financial year (FY21), with two more clinics expected to open by the end of this financial year. This will exceed SILK’s organic growth goal of opening six to ten new clinics per annum as the Company progresses to its medium-term network plan of approximately 150 clinics.

The new Woden and Charlestown clinics operate under the joint venture ownership model with leading cosmetic injectable nurses as SILK’s joint venture partners in these clinics. Both joint venture partners have a strong existing client base in their respective markets and, as a result, the new clinics are expected to ramp up sales quickly and generate positive cash flow and EBITDA in their first year of operation.

Commenting on the clinic openings, SILK’s Managing Director and co-founder, Martin Perelman, said:

“We are very excited to launch our newest injector-led clinics in Woden and Charlestown. The joint venture ownership model offers the injector nurses an attractive entry into business ownership while allowing us to attract key talent to SILK and deliver strong clinic performance from day-one.

“Our first clinic in Canberra opened in March this year and, pleasingly, it has performed in line with expectations. We see great potential in the ACT market, and we’re excited to expand our presence there to two locations following the opening of our Woden clinic. The Charlestown clinic in Newcastle is off to a flying start, recording SILK’s highest opening day of sales on record. We are fortunate to have two experienced nurse injectors with strong existing client bases onboard to lead our newest clinics, and I am confident that they will be successful in their respective markets.”

Trading update

SILK continues its strong momentum and is on track to deliver its upgraded guidance for FY21:

- Network Cash Sales in the range of \$82.0 million to \$86.0 million
- Pro forma EBITDA in the range of \$15.0 million to \$16.0 million
- Underlying EBITDA in the range of \$14.0 million to \$15.0 million

The Company is planning to open a further two clinics this month, with SILK’s network expected to be at 62 clinics by 30 June 2021, ahead of the IPO Prospectus forecast of 60 clinics.

SILK

LASER CLINICS

SILK Laser Clinics Head Office

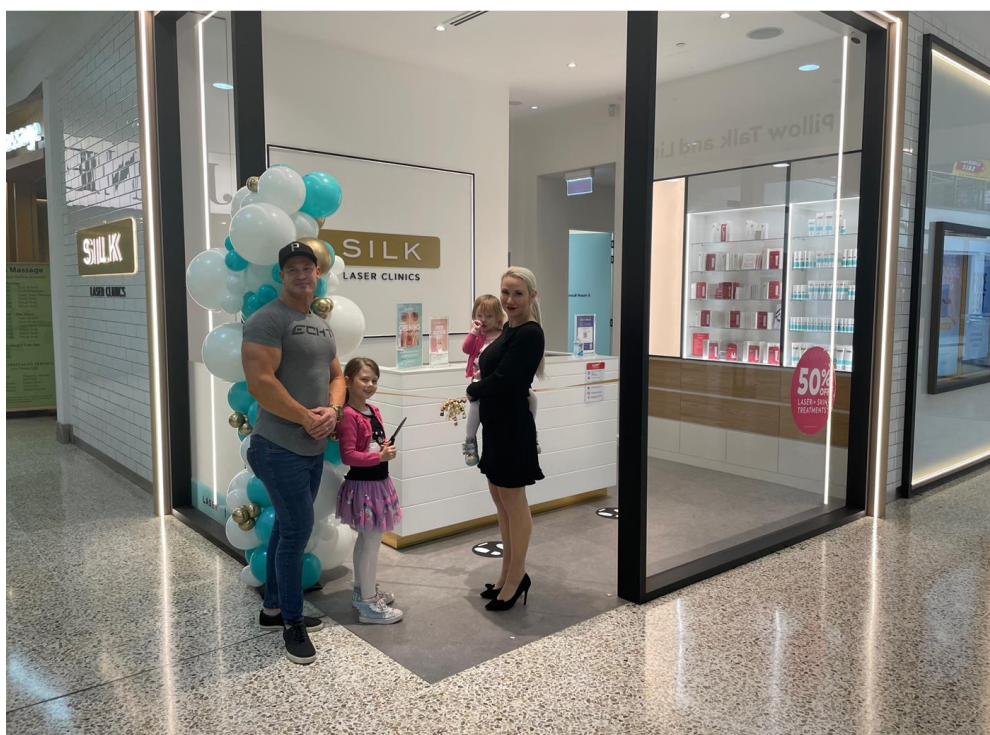
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Picture 1 – Joint Venture partner, Anna Crossingham, at the clinic opening in Charlestown



Picture 2 – Joint Venture partner, Catherine Tyler, at the Woden clinic

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This announcement has been authorised for release by SILK's Company Secretary, Richard Willson.

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About SILK Laser

Founded in 2009, SILK is one of Australia's largest specialist clinic networks, offering a range of non-surgical aesthetic products and services. SILK's five core offerings comprise laser hair removal, cosmetic injectables, skin treatments, body contouring and skincare products. SILK has 60 clinics in its network throughout metropolitan and regional Australia. Visit: www.silkclaser.com.au/investors.