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TOTAL FACE GROUP LTD

17th March 2016

Australian Securities Exchange
Company Announcement Office
Stock Exchange Centre
20 Bridge Street SYDNEY NSW 2000

Dear Sir/Madam,

Pursuant to Listing Rule 3.1, attached is a presentation to be presented to institutional investors by the Company's Chief Executive Officer, Mrs Joanne Hannah and Chairman, Paul Fielding.

Yours faithfully,

Chief Financial Officer & Company Secretary

-END-

About TFG

TFG is Australia's largest group of premium cosmetic clinics offering Cosmetic Injectable treatments, Skin Solutions and Coolsculpting body fat reduction treatments. With seven clinics in Melbourne and three in Sydney, Total Face Group provides an honest, consistent and highly professional medical approach to facial rejuvenation and body sculpting treatments.

Our clinics have been providing clinical excellence for 27 years to men and women in Australia. It is our commitment to education, safety and product choice, which means we are the trusted national provider of cosmetic treatments.



Total Face Group Ltd

Investor Presentation

March 2016

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OVERVIEW



- Corporate overview
- Company overview
- Key metrics
- Financials
- Clinic locations
- Growth strategy
- Industry overview
- 2016 & beyond
- Investment Summary
- Contacts



CORPORATE OVERVIEW



Capital Structure

Total Shares on Issue¹	74.1m
Share Price @ 15.03.16	\$0.30
Market Capitalisation	\$22.4m
Cash² @ 29.02.16	\$4.0m
Borrowings² @ 29.02.16	\$1.7m
Enterprise Value	\$20.2m

Notes:

¹ 32.1m (42.9%) of total shares on issue are escrowed for up to 2 years from listing

² Unaudited, all borrowings relate to equipment leases

Board of Directors

Joanne Hannah
Managing Director & CEO

Paul Fielding
Executive Chairman

Dr Vilma Di Maria
Non executive Director

John Conidi
Non executive Director

Top Shareholders

Paul Fielding	17.2%
Mick Catanzariti	7.7%
Australian Executor Trustee	6.4%
Top 20	60.3%

Shareholder Type

Founders / Management / Staff	51.0%
Institutions / Wholesale	39.0%
Retail	10.0%

COMPANY OVERVIEW

GOAL

to become the most respected, influential and successful organisation in the medical aesthetic market

WHY

to make people feel good about themselves and confident in being who they are

HOW

to offer our clients the very best in aesthetic solutions by excellence in education, products & technology and customer service



COMPANY OVERVIEW

Corporate timeline

Pre IPO Milestones

- **1988**
Heber Davis commenced operations
- **1993**
MCF commenced operations
- **1996**
Skinovate commenced operations
- **April 2014**
TFG holding company formed
- **Mid 2014**
Acquired 3 Melbourne Clinics (including MCF)
- **Q1 2015**
Acquired Skinovate (2 Melbourne Clinics)
- **Q3 2015**
Pre IPO raise \$3m
- **Q4 2015**
Acquired Heber Davis in Sydney
- **Q4 2015**
Opened first organic clinic in Melbourne

Post IPO Significant Events

- **January 2016**
Listed on ASX and raised \$6m
- **February 2016**
Acquired Face Today (Chatswood, Sydney)
- **February 2016**
Acquired Rejuvenate (Penrith, Sydney)
- **March 2016**
Acquired Lase By The Sea (Frankston, Melb.)
- **March 2016**
Retail Finance Agreement with zipMoney

COMPANY OVERVIEW

- TFG operates within the Australian aesthetic industry and provides non-invasive cosmetic procedures to its clients
- Incorporated in April 2014 by Joanne Hannah and Jane Fielding to create a business to provide aesthetic clients with the very best in treatment outcomes. Their mission is to create a network of centres dedicated to clinical excellence predicated on a customer centric culture
- The company currently operates 11 clinics across Melbourne & Sydney with 34 clinicians and 12 Doctors delivering TFG modalities across these locations
- The company's key competitive advantage and drivers of customers and revenue are its brand creation, clinical excellence and medical governance
- The company has significantly grown revenues since incorporation through acquisition and strong organic growth



Collins Street Melbourne Clinic

COMPANY OVERVIEW

Our modality offering

- ❁
Anti Ageing – 60%
 - Dermal fillers used by TFG include Juvederm® and Restylane® both are temporary and made from hyaluronic acid gel
 - Anti-wrinkle injections provided are either Botox® or Dysport®
- ❁
Skin Solutions – 21%
 - Medical grade skin peels
 - Obagi® skin care
 - Intense pulsed light (IPL) and laser
- ❁
Body Fat Reduction using Coolsculpting® - 19%
 - The procedure was developed by Harvard scientists and is based on the proprietary science of Cryolipolysis®
 - a process demonstrating that when fat cells are exposed to extreme cold, they die and are eliminated naturally from the body.
 - No needles, no downtime and no surgery

Anti-Ageing	Skin Solutions	Body Fat Reduction
Anti-wrinkle treatments Dermal filler treatments Lip enhancement treatments	Laser skin rejuvenation Skin Peels Medical Grade Skin Care Systems	Body Fat Reduction using Coolsculpting®



Coolsculpting® Machine

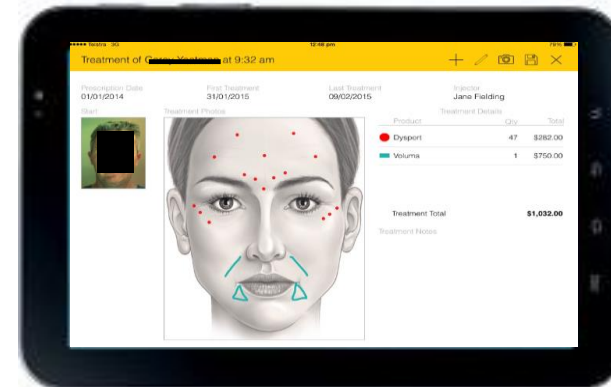


Obagi® skin care

COMPANY OVERVIEW

Competitive advantage

- Strong and loyal customer base
- Reputation for excellence and safety
- Long standing industry participation
- Education and an honest approach
- Financial capacity
- Attracting the best clinicians and therapists in the industry
- Highest quality equipment and consumables available globally
- Highest levels of patient outcomes through excellence in customer service, products and technology
- Strong industry knowledge and supplier relationships, with some of the world's leading pharmaceuticals multinationals...



KEY METRICS

Operating and financial metrics highlight significant opportunity

- Group gross margins (excluding labour) above ~70% across all modalities
- Group Clinic Operating Profit 1HFY16 \$0.6m (~20% margin)
- Current seasonally adjusted pro forma clinic operating profit \$3.0m (~25% margin)
- Corporate and operating infrastructure largely in place with minimal incremental fixed costs as revenue footprint continues to gain momentum
- Cash at bank at 29 Feb 2016 of ~\$4.0m

FINANCIALS – AT THE CLINIC LEVEL



	1HY16			Seasonally Adjusted Pro Forma		
	Clinic VIC	Clinic NSW	Combined	Clinic VIC	Clinic NSW	Total
Revenue	2,121,384	866,979	2,988,363	5,128,185	6,951,656	12,079,841
COGS	532,422	97,958	630,380	1,538,455	2,172,209	3,710,664
Gross profit	1,588,962	769,021	2,357,983	3,589,729	4,779,448	8,369,177
Margin	75%	89%	79%	70%	69%	69%
Direct Clinic Costs						
Labour	951,662	524,641	1,476,303	1,940,327	2,325,400	4,265,728
Facilities	227,507	50,565	278,072	472,459	471,516	943,976
	1,179,169	575,206	1,754,375	2,412,787	2,796,917	5,209,703
Clinic Profitability	409,793	193,815	603,608	1,176,943	1,982,531	3,159,474
Margin	19%	22%	20%	23%	29%	26%

- Clinician utilisation across Melbourne clinics provides further growth opportunity
- Forecast group clinic operating profit to remain at or above 25% based on current supply contracts

FINANCIALS – MODALITY SPLIT



	HY16				Seasonally Adjusted Pro Forma			
	Injectables	Coolsculpting	Skin Solutions	Total	Injectables	Coolsculpting	Skin Solutions	Total
Revenue	1,859,537	291,611	837,215	2,988,363	7,247,905	2,536,767	2,295,170	12,079,841
	62%	10%	28%	100%	60%	21%	19%	100%
COGS	383,506	112,406	134,468	630,380	2,174,371	1,014,707	521,586	3,710,664
Gross profit	1,476,030	179,205	702,747	2,357,983	5,073,533	1,522,060	1,773,584	8,369,177
Margin	79%	61%	84%	79%	70%	60%	77%	69%
Direct Modality Costs								
Labour - Clinicians	713,170	21,594	378,161	1,112,925	1,967,634	65,029	1,138,792	3,171,455
Labour - clinic CLO's	226,115	35,459	101,803	363,378	656,563	229,797	207,912	1,094,272
Facilities	173,033	27,135	77,904	278,072	566,385	198,235	179,355	943,976
	1,112,318	84,188	557,869	1,754,375	3,190,583	493,061	1,526,059	5,209,703
Modality Profitability	363,713	95,017	144,879	603,608	1,882,950	1,028,999	247,525	3,159,474
Margin	20%	33%	17%	20%	26%	41%	11%	26%

- Key focus on driving Coolsculpting modality
- Key focus on driving increased retail sales within Skin Solutions modality
- Increased doctor footprint in Victoria

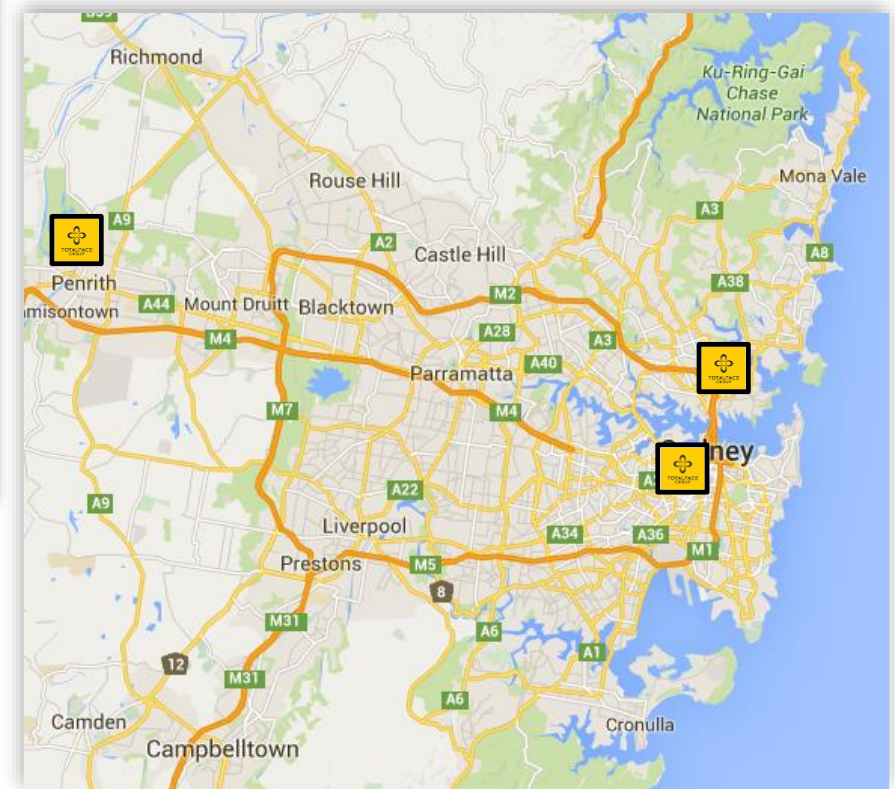
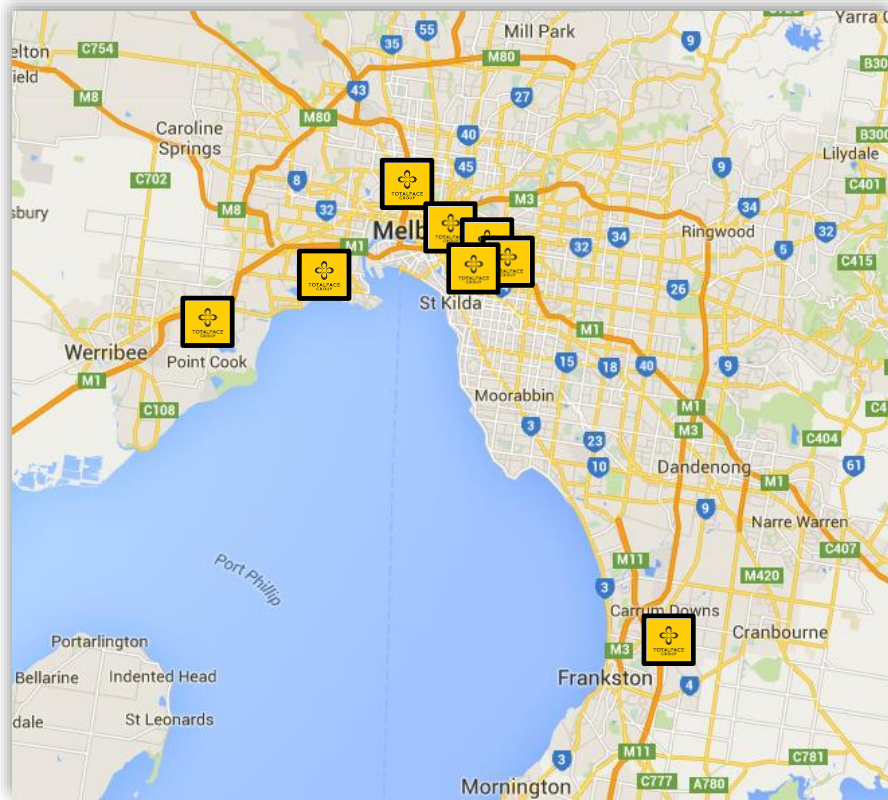
FINANCIALS – CORPORATE COSTS



	1HFY16	Pro Forma
Labour	388,209	913,165
Marketing	127,486	195,000
ICT Costs	96,028	269,557
Legal and Accounting	71,798	115,349
Insurances	13,472	115,179
Head Office Occupancy	48,507	174,947
Other	122,844	318,308
Total Corporate	868,345	2,101,505
Depreciation	224,738	518,638
Net Interest Expense	73,196	141,615
Total Depreciation & Interest	297,934	660,254
Total	1,166,278	2,761,759

- Heavy focus on marketing initiatives
- Rolling out national IP network connecting all clinics on one architecture
- Insurances across the group reviewed and aligned
- Depreciation and net interest substantially relates to Coolsculpting equipment supporting Body Fat Reduction modality

CLINIC LOCATIONS



GROWTH STRATEGY

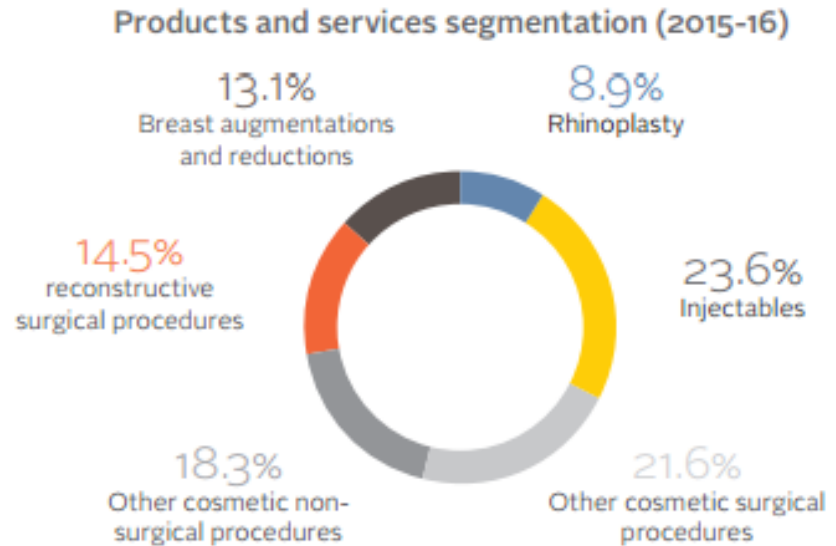
Organic and Acquisitive

- See significant organic growth through:
 - Increased clinician utilisation across Melbourne clinics
 - Rollout of Body Fat Reduction across key clinics in NSW
 - Marketing initiatives including 360 and i360 campaigns
 - Development of online store for Skin Solutions modality
 - Continued maturity of TESSA
- A number of acquisitive opportunities continue to present themselves with our focus remaining on:
 - Geographic spread and concentration
 - Business model alignment
 - Quality of client base and clinical talent
 - Expansion of treatments across our modalities

INDUSTRY OVERVIEW

Non-invasive Cosmetic Industry

- In which TFG operates is often included within the general industry description of 'Plastic Surgery'
- The industry generates approximately \$1 billion in revenues annually, of which approximately 42% is addressable by TFG



Source: www.ibisworld.com.au
Figure 1: Australian Cosmetic Surgery Industry*

Competitive environment...

- Cosmetic Injectable products are Schedule 4 medicines as defined by the Therapeutic Goods Administration (TGA) and their purchase is restricted. This significantly effects the competitive landscape and ability of new participants to enter the industry
- Highly fragmented, where practitioners typically operate from one location < 10 employees
- Typical operators include:
 - operators who rely on high traffic and low pricing in order to drive turnover;
 - plastic surgeons and dermatologists seeking diversification;
 - owners of beauty, skin care or day spa clinics seeking higher margins general practitioners supplementing traditional revenue streams

Factors driving increased demand for non-invasive procedures include...

- An ageing population
- Australian climate
- Higher levels of obesity
- Younger clients seeking procedures
- Risk profile of invasive versus non-invasive treatments
- Sociological pressures including increased divorce rates
- Increase in trust and understanding of the products and treatments
- Increasing disposable income and procedure affordability over surgical alternatives

The accessibility to these services has seen a significant shift in recent years, largely the result of increased social acceptance and affordability

Several important features distinguish non-invasive modalities from Plastic Surgery...

- Generally accepted that non-invasive treatments have a lower risk of complication
- Less costly and are temporary in nature
- The administration of injections into the skin, face and body is the largest product segment within the industry and fastest growing
- Cosmetic minimally invasive treatments such as laser hair removal, microdermabrasion and chemical peels as well as non-invasive body fat reduction treatments are generally much less expensive than surgical options, with consumers undergoing them more frequently

2016 & BEYOND

Key focus areas

- Consolidate current clinic footprint
- Expand “Coolsculpting” within the Body Fat Reduction Modality
- Continue to develop and roll out TESSA
- Establish online store for Skin Solutions
- Expand geographic footprint in key markets

Financial Targets

- Cash Flow positive by June 2016
- Target revenue of \$17m in FY17 within current clinic footprint
- Maintain group clinic operating margin at or above 25%

INVESTMENT SUMMARY



Large & Growing Market

- High growth industry with strong demographic and societal drivers
- Large market ~ \$1 billion of revenue annually
- 42% of existing market directly addressable by TFG

Compelling Business Model

- Fragmented industry provides significant opportunity for large well funded operator
- Strong cash generation with negative underlying working capital

Strong Brand & Reputation

- High degree of customer loyalty
- Portfolio of high quality and strategically located clinics
- Strong market position and highly regarded reputation

Competitive Advantage

- Early track record of high revenue growth
- Material improvement in acquired clinic performance, evidencing strong scale benefits
- Highly experienced board, operating and practitioner team
- Conservative capital structure, with zero term debt

CONTACTS



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