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2020 Q2 Results
August 2020

Forward-Looking Statements
This presentation contains forward-looking statements. All statements other than statements of historical facts may be forward-looking statements. Forward-looking statements generally relate to future events and include, without limitation, projections, forecasts and estimates about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans, and objectives. Some of these statements may include words such as "expects," "anticipates," "believes," "estimates," "targets," "plans," "potential," "intends," "projects," and "indicates."

Although they reflect our current, good faith expectations, these forward-looking statements are not a guarantee of future performance, and involve a number of risks, uncertainties, estimates, and assumptions, which are difficult to predict. Some of the factors that may cause actual outcomes and results to differ materially from those expressed in, or implied by, the forward-looking statements include, but are not necessarily limited to: the duration and magnitude of the COVID-19 pandemic and related containment measures; our ability to manage our growth; the execution of our business strategies, implementation of new initiatives, and improved efficiency; our sales and marketing efforts; our manufacturing capacity, performance, and cost; our ability to obtain future regulatory approvals; our financial estimates and needs for additional financing; consumer acceptance of and competition for our clear aligners; our relationships with retail partners and insurance carriers; our R&D, commercialization, and other activities and expenditures; the methodologies, models, assumptions, and estimates we use to prepare our financial statements, make business decisions, and manage risks; laws and regulations governing remote healthcare and the practice of dentistry; our relationships with vendors; the security of our operating systems and infrastructure; our risk management framework; our cash and capital needs; our intellectual property position; our exposure to claims and legal proceedings; and other factors described in our filings with the Securities and Exchange Commission, including but not limited to our Annual Report on Form 10-K for the year ended December 31, 2019 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2020.

New risks and uncertainties arise over time, and it is not possible for us to predict all such factors or how they may affect us. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. We are under no duty to update any of these forward-looking statements after the date of this presentation to conform these statements to actual results or revised expectations. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this presentation.

Market and Industry Data
This presentation also contains estimates and other statistical data obtained from independent parties and by us relating to market size and growth and other data about our industry and ultimate consumers. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates and data. In addition, projections, assumptions, and estimates of our future performance and the future performance of the geographic and other markets in which we operate are necessarily subject to a high degree of uncertainty and risk.

Non-GAAP Financial Measures
This presentation contains certain non-GAAP financial measures, including adjusted EBITDA ("Adjusted EBITDA"). We provide a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure in the appendix to this presentation and in our Current Report on Form 8-K announcing our quarterly earnings results, which can be found on the SEC's website at www.sec.gov and our website at investors.smiledirectclub.com.

This presentation is a supplement to, and should be read in conjunction with, SmileDirectClub's earnings release for the quarter ended June 30, 2020.

Over 1 million happy grinners.

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WHAT WE STAND FOR

Our mission is to democratize access to a smile each and every person loves by making it affordable and convenient for everyone.

We are a global medtech platform with unique value propositions.

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1. Mission-driven brand with positive member experience.
2. Omni-channel presence with a large SmileShop network.
3. Exclusive licensed doctor network across the U.S., Canada, U.K., Australia, New Zealand, Ireland, Hong Kong, Germany, Austria, & Singapore.
4. SmilePay captive financing increases accessibility and reduces purchasing friction.
5. Vertical integration, powered by SmileCheck, allows us to optimize every step of the member journey.
6. Visionary, founder-led company with a history of disrupting incumbents.

Access
Convenience
Affordability
Members

Control of our destiny
Compelling unit economics
Accelerating growth
Business

1mm+ members
treated with aligners.

3,800 Wal-Mart stores
3,000 CVS stores
6,800 Total Locations
Full line of oral care products.

~250 licensed orthodontists and dentists[1]

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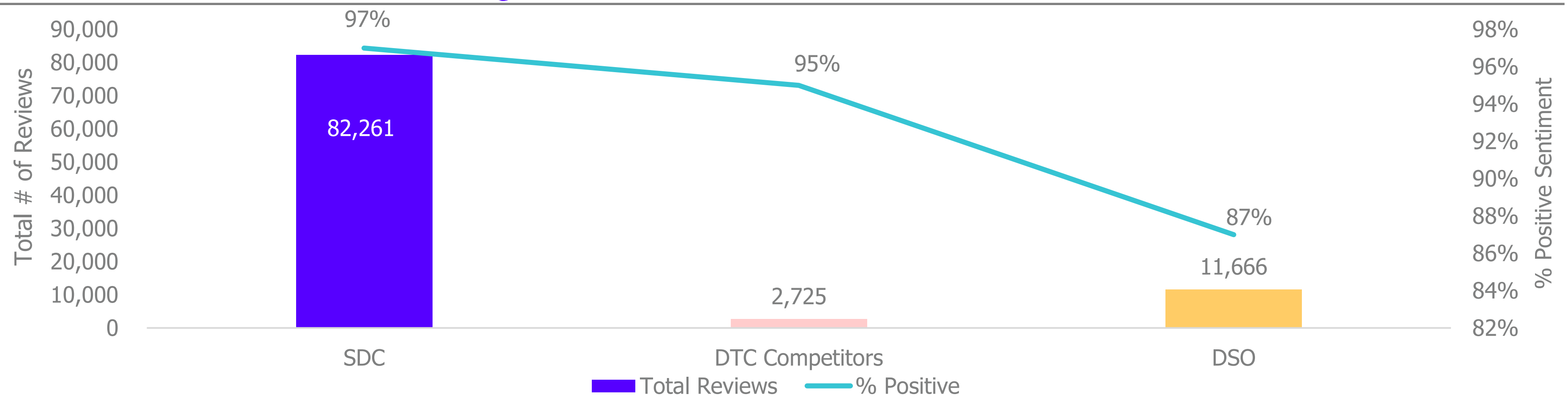
Note: SDC metrics as of June 2020.
[1] Representative of proprietary network across all 50 states, Puerto Rico, Canada, Australia, New Zealand, U.K, Ireland, Hong Kong, and Germany.

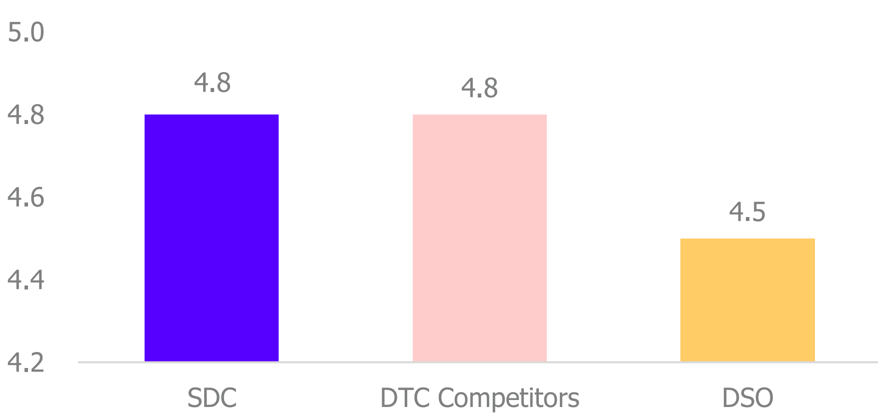
SDC has built a brand at scale that our members love.

We compared our member satisfaction scores with those of other DTC competitors and traditional DSO providers and consistently tracked higher than the competition.

Google Reviews & Member Sentiment



Customer Rating[1]



NPS 49[2] – one of the highest in spec. healthcare industry.

Approx. 21% of members come from referrals.

BBB rating of A+

Average rating 4.6 / 5.0 with over 200K member reviews[3].

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Source: Internal company surveys, public information. Data as of June 2020.
Note: DTC rating is an average of DTC competitors. DSO rating is average of two larger DSOs in the US.
(1) Google rating. (2) All time average rating. (3) Company website.

Growth & Margin Initiatives

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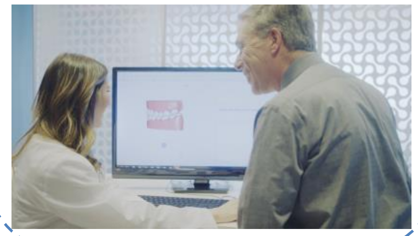
Growth Initiatives.

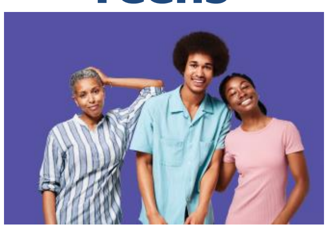
In addition to our core business, we saw great momentum in the quarter across the three growth drivers we have previously discussed: the professional channel, teens, and international expansion.

New Acquisition Channels



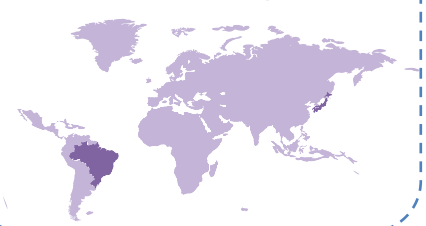
- As we think about expanding our acquisition channels, we are focusing on accommodating new consumer on-ramps to our clear aligner therapy through the professional channel, corporate partnerships, and retail
- On corporate partnerships, we recently partnered with Allianz to enable German customers to instantly obtain insurance coverage for SDC aligner therapy. This program also finances SmilePay for those consumers.
  - We have also continued to partner with US insurers such as UnitedHealthcare, Aetna, and Anthem Blue Cross Blue Shield.
  - See next page for an overview of our professional channel strategy.

Teens



- Teens are 75% of case starts annually, but 10% of SDC members.
- We recently launched SmileDirectClub Teen. Designed just for teens, this new product offers a more affordable and accessible alternative to metal braces or other aligner options, giving teens and parents the convenience of our telehealth platform, with 24/7 access to dental professionals, while still priced 60% less than traditional orthodontic products.

International



- Massive global opportunity of ~500mm people.
- Within the quarter, we announced our expansion into Singapore and Austria. Entrance into these markets will further extend our international footprint following our successful launches in the UK, Ireland, Australia, New Zealand, and Hong Kong in 2019 and Canada in 2018. Elsewhere in Europe, we have reopened shops in Germany, and plan to launch into new locations across the globe.

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Professional Channel Go to Market Strategy.

This is complementary to our existing offering and removes friction for consumers who want an in-person dentist experience prior to treatment.

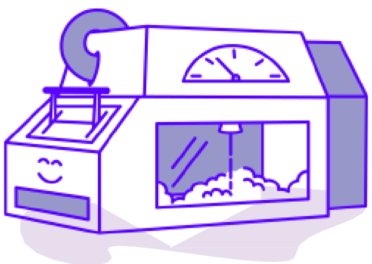
	SDC Member / Dental Patient	Service Model	Value Delivered to Dentist
Partner SmileShop	SDC Member	• SDC SmileShop inside of dental practice • Member books through SDC and goes to dental practice for appointment • SDC Team provides initial assessment	• New potential dental patient • Monthly rent paid by SDC • No practice chair time
	Dental Office Patient	• Existing dental practice patient • SDC SmileShop inside of dental practice • Dental practice patient converts to purchase SDC aligners • SDC Team provides initial assessment	• Incremental revenue to practice through fees for services paid by SDC • Monthly rent paid by SDC • No practice chair time
Office Direct	Dental Office Patient	• Existing dental practice patient • Dental practice patient converts to purchase SDC aligners • Dental practice does initial 3d scan, SDC doctor network takes over treatment from there • Dental practice provides all initial assessment information	• Incremental revenue to practice through fees for services paid by SDC • Higher conversion vs. traditional clear aligners • Minimal chair time for practice
Referral Network	SDC Member	• Similar to Office Direct model above, but SDC sends leads who did not convert, or who want to book in a dental practice, or who could not be member without in office treatment first	• New potential dental patient • Incremental revenue to practice through revenue paid by patient • Minimal chair time for practice
Pop-up	SDC Member	• Similar to SDC SmileBus • Use dental practice where SDC does not have a SmileShop on a temporary basis • SDC Team provides initial assessment	• New potential dental patient

Cost Levers.

Leveraging automation, our existing SmileShop footprint and cost discipline to drive towards profitability.

Long Term% of Revenue

COGS



- Continued advancement in automation and streamlining of our manufacturing process.
  - Our second-generation automation machines are on track to go live in Q4 of this year
- Manufacturing automation will boost gross margins, improve our customer experience and allow us to keep pace with demand.

Gross Margin: 85%

Leverage Sales & Marketing Spend

- Continued discipline around deployment of Sales and Marketing spend:
  - Focus on driving more demand through our existing network of SmileShops.
  - Leveraging referrals and aided awareness to drive organic traffic.

Sales & Marketing: 40-45%

Leveraging G&A Spend

- Continued rigorous cost discipline across the business.
- Rightsizing our spend to conform to our business priorities and long-term growth targets.

G&A: 15%

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Q2 Financial Results.

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Gross to net revenue bridge.

($ in millions; except for Aligners Shipped and ASP)

	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Total Unique Aligner Orders Shipped[1]	**42,827**	**66,692**	**72,387**	**76,372**	**109,894**	**122,047**	**106,070**	**115,042**	**122,751**	**57,136**
Average Aligner Gross Sales Price ("ASP")	$1,731	$1,739	$1,773	$1,797	$1,767	$1,761	$1,788	$1,771	$1,770	$1,817
Aligner Gross Revenue	**$ 74.2**	**$ 116.0**	**$ 128.3**	**$ 137.3**	**$ 194.1**	**$ 214.9**	**$ 189.6**	**$ 203.7**	**$ 217.3**	**$ 103.8**
Implicit Price Concession[2]	(7.5)	(11.9)	(13.3)	(13.8)	(17.3)	(18.9)	(15.5)	(16.3)	(21.3)	(9.3)
Reserves and other adjustments[3]	(2.6)	(4.5)	(5.3)	(6.5)	(11.6)	(14.6)	(12.0)	(12.9)	(25.1)	(16.6)
Aligner Revenue[4]	**$ 64.1**	**$ 99.6**	**$ 109.7**	**$ 117.0**	**$ 165.2**	**$ 181.5**	**$ 162.2**	**$ 174.5**	**$ 170.9**	**$ 77.9**
Financing Revenue[5]	3.6	5.9	7.2	8.4	9.1	10.6	11.5	12.7	12.7	12.7
Other Revenue and adjustments[6]	0.7	1.1	2.8	3.1	3.4	3.8	6.5	9.5	13.0	16.5
Total Net Revenue	**$ 68.4**	**$ 106.6**	**$ 119.7**	**$ 128.5**	**$ 177.7**	**$ 195.8**	**$ 180.2**	**$ 196.7**	**$ 196.7**	**$ 107.1**

Note: All information in this file is publicly available from our SEC filings.

(1) Each unique aligner order shipped represents a single contracted member.

(2) Estimated based on historical write-off percentages and expected net collections. Excludes implicit price concessions associated with financing revenue starting in 2019 of $1.035mm for Q119, $1.851mm for Q219, $1.817mm for Q319, $2.005mm for Q419, $2.035mm for Q120, and $1.997 for Q220. See footnote 5

(3) Includes impression kit revenue, refunds and sales tax.

(4) As defined in quarterly and annual filings (Aligner Gross Revenue less IPC and Reserves and other adjustments).

(5) Represents interest income earned on our SmilePay financing program, net of IPC starting in 2019, as noted in footnote 2 above.

(6) Includes net revenue related to retainers, whitening, and other ancillary products.

Q2 2020 results.

- Revenue for the quarter was $107 million, which represents a decrease of 45% over the second quarter of 2019.
  - This decrease was driven primarily by a 53% YoY decrease in aligner shipments which came in at 57,136.
  - In Q2 we saw our cancellations increase from 5.3% to 6.5% of gross aligner revenue.
  - We do not believe this increase will be permanent; however, we want to be conservative given the uncertainty of our COVID operating environment.
- Gross margin for the quarter was 54%.
  - Decline is described in more detail on the following page.
- Q2 Adjusted EBITDA(1) was negative $20mm for the quarter. This is a sequential improvement of 70%.

	Q2 2020	YoY
Net Revenue	$ 107.1mm	*-45%*
Gross Profit	$ 58.3mm	*-64%*
Gross Margin %	*54%*	*-2,785bps*
Adjusted EBITDA(1)	$ (20.3)mm	*NM*
EPS, Diluted(2)	$ (0.25)	*NA*

(1) Adjusted EBITDA is a non-GAAP financial measure. See appendix for definition of Adjusted EBITDA.

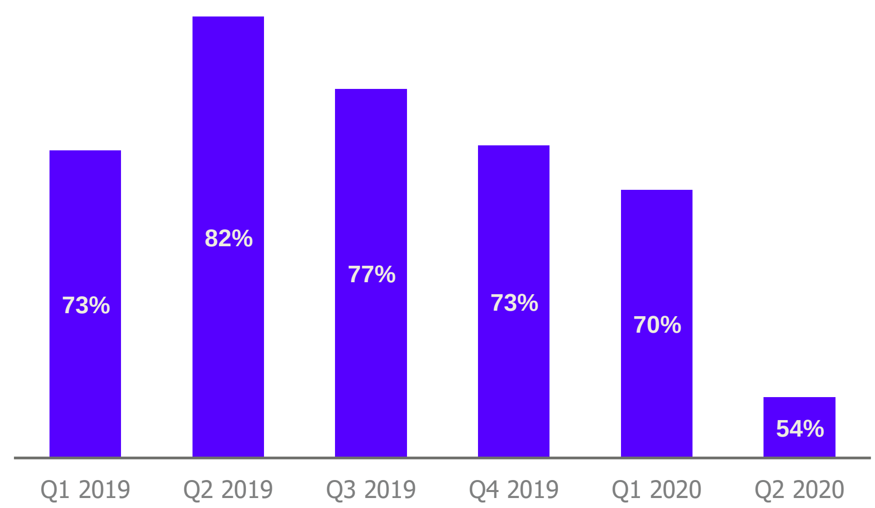
(2) Includes one-time charges of approximately $(43) million related to lease abandonment, impairment of long-lived assets, other related charges, and loss on extinguishment of debt. Excluding such charges, second quarter net loss was $(52) million and second quarter diluted EPS was $(0.13).

Gross margin.

- Gross margin for the quarter was 54%, a 15% decline sequentially. This is largely attributable to the following areas:
  - A decrease in unique aligner orders shipped quarter over quarter, while mid-course correction (MCC) and refinement shipments were equal to the average of the prior four quarters.
    - MCC/Refinement shipments are based off demand from 4-6 months ago, when volumes were higher, and have no revenue associated with them.
    - This had an 800-basis point impact on gross margin in Q2.
  - Impression kits represented a higher percentage of the business compared to previous quarters, which had a 700-basis point impact on gross margin.
  - Lastly, retail represented a higher percentage of the gross margin, given the lower initial aligner shipments, which had a 200-basis point impact on gross margin.

- We continue to focus on streamlining our manufacturing, and we remain on track for the rollout of second-generation automation by Q4.

Gross margin %



Initial Aligners vs. Total Aligners Shipped

- Initial aligners were 61% of aligners shipped in Q2, compared to an average of 77% in the prior three quarters.
- This is because there is a 4-6 month lag from initial shipment to MCC/refinement shipments, and we had higher volume in January and February.
- Our long-term gross margin target of 85% of revenue remains intact.

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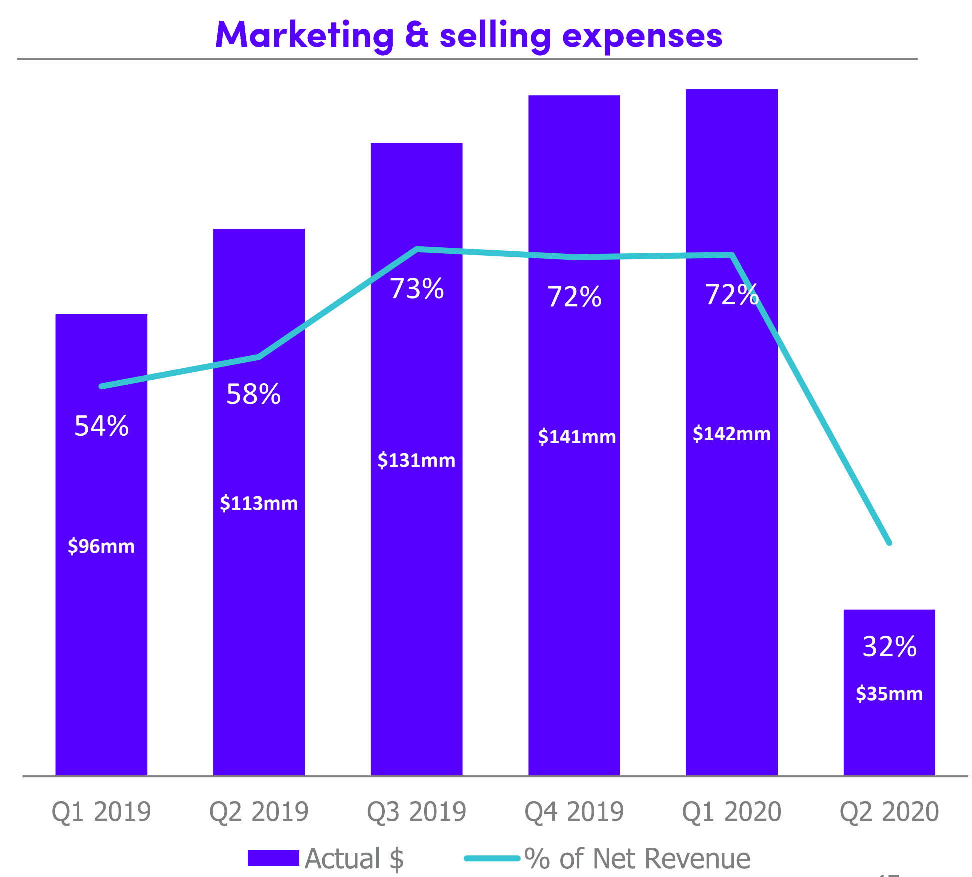
Marketing & selling.

- Marketing and selling expenses came in at $35 million or 32% of net revenue in the quarter, compared to 72% of net revenue in Q1 of 2020.
  - Sequentially, marketing and selling as a percentage of revenue declined by 55%.
- Demonstrates the leverage in sales and marketing spend that we have discussed historically.
  - Even with this reduced spend approximately 60% of club members who purchased in Q2 were new leads
  - This is close to where we have been historically, but driven by reduced sales and marketing spend
- Reflects the sustainability of lower sales and marketing spend to support our revenue growth going forward
- We expect to continue to perform well against the long-term targets that we have previously provided in the quarters to come
- Our long-term target of 40-45% of revenue remains intact.

Quarter	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Referrals as a % of Aligner Orders	20%	20%	20%	20%	20%	21%
SmileShop Count	223	310	366	391	418	42



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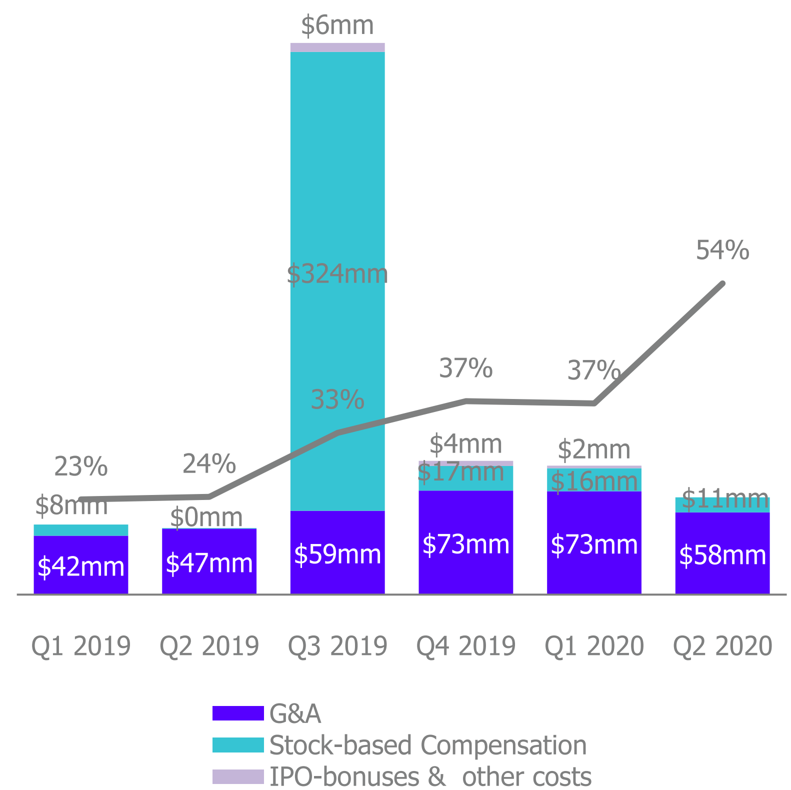
General & administrative.

- General and administrative expenses were $69 million in Q2, compared to $91 million in Q1 2020. G&A expenses were down $22.3 million sequentially.

- G&A expenses in April were down 12% from March, down 7% in May, and down another 10% in June.
  - Year to date, our monthly G&A expense has declined at an average of 7% per month since December.

- This decline throughout the quarter was a direct result of the cost control initiatives we discussed on last quarter's earnings call.
  - We plan to stay vigilant with cost control throughout the remainder of the year and beyond, as we focus on continuing to leverage this line item.

General & administrative expenses(1)



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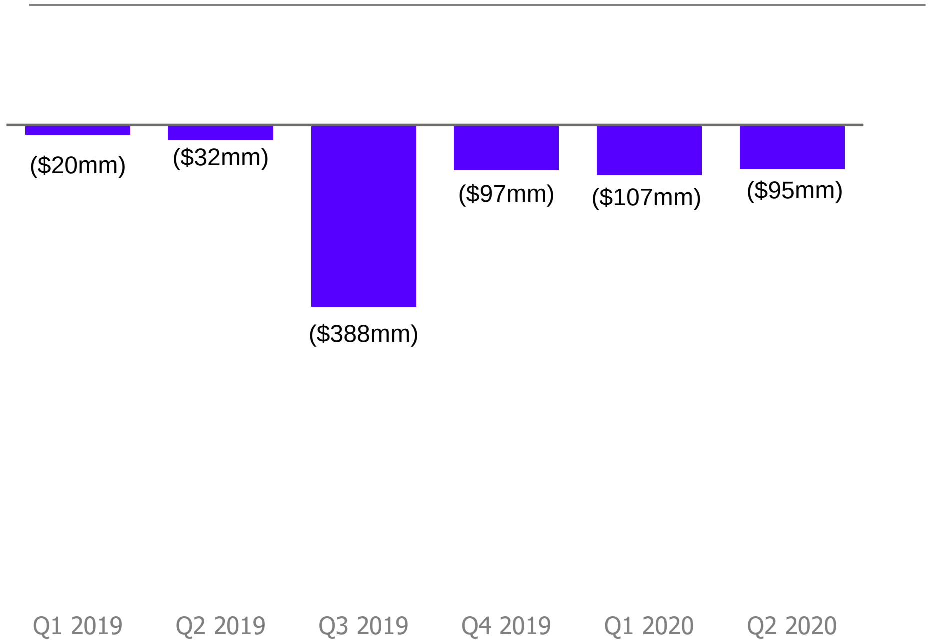
(1) Percentages represent G&A as a percent of revenue, excluding stock-based compensation and IPO and other costs..

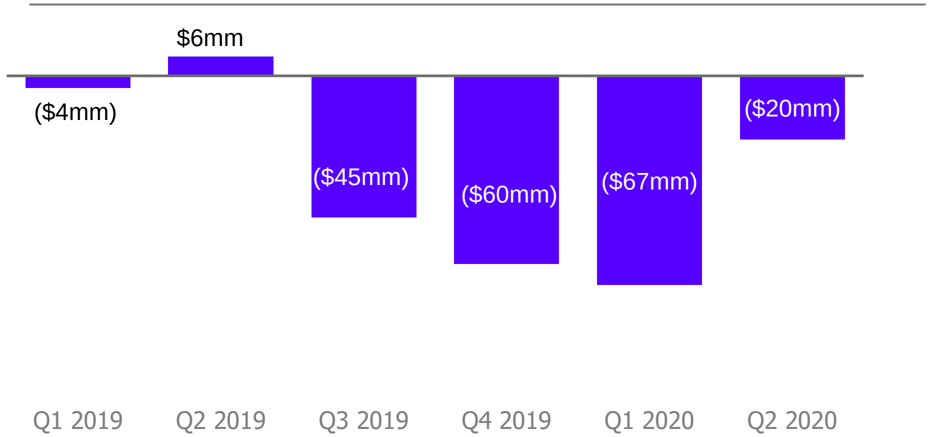
Adjusted EBITDA & net income.

- Interest Expense:
  - Interest expense was $10.1 million in the second quarter, associated with borrowings on indebtedness from our credit facility.
- Lease Abandonment and Impairment:
  - We had a one-time non-cash charge of $25mm.This non-cash charge was mostly associated with the closure of our manufacturing facility in Kyle TX, the consolidation of several floors at our headquarters in Nashville, TN, and the impairment of right of use assets and leasehold improvements at shops that we closed in the quarter.
  - We had $4mm in other store closure expenses mostly associated with short-term lease termination fees and other store closure expenses.
- Loss on extinguishment of debt:
  - $13.8mm associated with the refinancing of our JPM facility.
- Other:
  - Gains of $1.8mm, which is mostly associated with currency gains and losses.

Net income



Adj. EBITDA(1)



(1) Adjusted EBITDA is a non-GAAP financial measure. See appendix for definition of Adjusted EBITDA.

Balance sheet highlights.

- We ended the first quarter with $389 million in cash and cash equivalents.
- Cash from operations for the second quarter was negative $15 million, driven by negative $20 million of Adjusted EBITDA[1]
  - The remainder is driven by positive changes in working capital.
- Cash spent on investing for the second quarter was $19.7 million, mainly associated with leasehold improvements, capitalized software and building our manufacturing automation.
- We have seen significant improvement in free cash flow quarter over quarter
  - Negative $35 million in Q2, down from negative $99 million in Q1, and negative $181 million in Q4 2019.

($ in millions)	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Cash	$149.1	$547.6[2]	$318.5	$224.4	$389.0
Debt	$205.0	$219.4	$208.5	$221.4	$420.3
Accounts Receivable, Net	$275.1	$311.7	$345.7	$345.3	$311.8
Cash Flow from Operations	$(65.9)	$(94.1)	$(141.2)	$(70.4)	$(15.4)
Cash Flow from Investing	$(10.7)	$(28.2)	$(40.0)	$(28.1)	$(19.7)
Free Cash Flow	$(76.7)	$(122.3)	$(181.2)	$(98.5)	$(35.2)

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(1) Adjusted EBITDA is a non-GAAP financial measure. See appendix for definition of Adjusted EBITDA.
(2) Includes approximately $100 million set aside for IPO expenses and future payments or distributions as referenced in our S-1.

Q2 SmilePay Performance.

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SmilePay Performance.

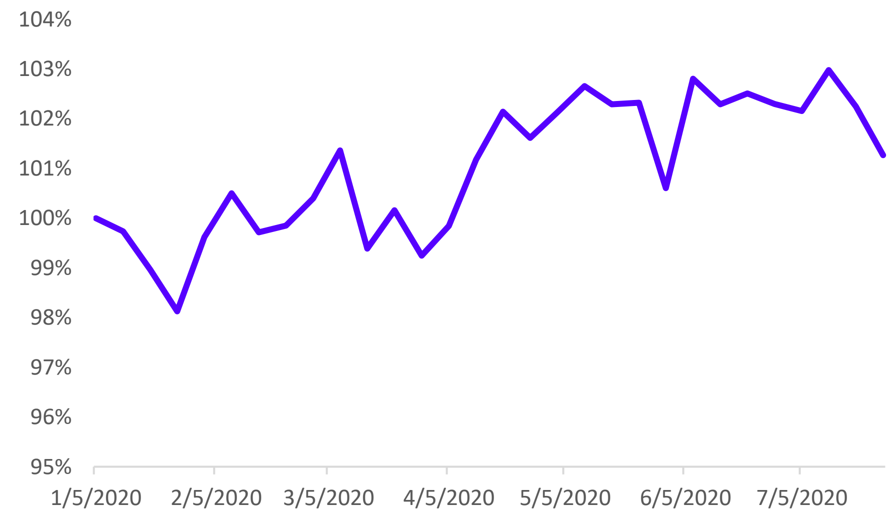
- In Q2 2020, 67% of our members elected to purchase using SmilePay, which is flat to Q2 2019.
    - This percentage has also held since Q2.

- SmilePay has continued to perform well and our delinquency rates in Q2. and since Q2, were flat to prior quarters

- Because we keep a credit card on file, and it is a low monthly payment, we expect SmilePay to continue to perform well.

- We've seen only 2.0% of customers requesting a payment deferral, far below the 4-5% deferral requests you see other lenders facing today.

Indexed Daily Credit Card Authorization Performance



- The index graph above shows performance relative to the start of January on a daily basis.

- As outlined, our success rates on credit card attempts, which is a proxy for monthly payments, has seen no degradation since COVID started.

- 7 days aged authorizations continue to show improvement and we remain focused on improving operations and collections strategies.

Appendix.

Net Income to adjusted EBITDA.

	Three Months Ended June 30,	
(In thousands)	2020	2019
Net loss	$(94,666)	$(32,435)
Depreciation and amortization	13,916	5,068
Total interest expense	10,050	3,420
Income tax expense	(1,419)	97
Lease abandonment and impairment of long-lived assets	24,633	--
Other store closure and restructuring costs	4,476	--
Loss on extinguishment of debt	13,781	29,640
Equity-based compensation	10,821	435
Other non-operating general and administrative costs	(1,880)	(37)
Adjusted EBITDA	**$(20,288)**	**$6,188**

Note: Adjusted EBITDA is a non-GAAP financial measure.

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