

ASX Announcement

18 July 2017

Trading Update

MELBOURNE, Australia – SDI Limited (ASX: SDI) today announced that non-audited sales growth in constant currency for the twelve months ending 30 June 2017 will be up 2% (flat in Australian Dollars) when compared to the previous corresponding period.

Net profit after tax for financial year 2017 is now expected to be approximately \$5.6m (\$7.6m FY16) with the sales growth offset by the significant decline in Amalgam sales and the impact of currency.

Local currency sales increased in all markets except for North America which saw a 6% decline compared to the previous corresponding period. The decline in North American sales was partly due to the restructuring of the sales force over the last twelve months, but also the structural changes in the dental market as it becomes more corporatised. These changes provide an opportunity for SDI, with the sales team restructuring now complete and expected to generate sales growth in financial year 2018.

Company	Growth in Local Currency	Growth in AUD	Total AUD Sales
Aust. Sales (incl. Direct Exports)	11%	9%	35%
North America	(6%)	(10%)	25%
Europe	5%	(5%)	31%
Brazil	7%	19%	9%
TOTAL	2%	0%	100%

Sales growth was driven by increased sales of Aesthetics (up 12% in local currency) and Whitening products (up 7% in local currency) offset by a continuing decline in Amalgam sales, as reported in 1h17 (down 7% in local currency).

Product Category Sales	Growth in Local Currency	Growth in AUD	Total AUD Sales
Aesthetics	12%	9%	35%
Equipment	(4%)	(3%)	9%
Whitening	7%	4%	26%
Amalgam	(7%)	(9%)	30%

Ms Samantha Cheetham, SDI Limited CEO, said “We are encouraged by the performance of the business over the last 12 months, despite being impacted by a number of external factors. We are currently in the process of transitioning our business and our reputation among dentists and distributors. This transition will see the company move from being known as an ‘Amalgam Company’ to one that is a highly regarded innovator in the fast-growing Aesthetics and Whitening market segments. We are seeing encouraging results, with Aesthetics and Whitening sales result reflective of this transition. Our commitment to excellence and investment in research and development sets in place the foundations for a very strong future.”



Your Smile. Our Vision.

It is expected that the full year results (Appendix 4E) will be released on August 25, 2017.

Investor Contact:

Adrian Mulcahy

Adrian.mulcahy@marketeye.com.au

P: +61 438 630 422