



YOUR
SMILE.
OUR
VISION.

PRESENTED BY SDI

CONSUMER & FINANCIALS INVESTMENT CONFERENCE 2018

Samantha Cheetham CEO

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○ LONG SUCCESSFUL OPERATING HISTORY

– founded in 1972 and listed on ASX in 1985 and we are Australia's largest dental manufacturer

○ SDI CONDUCTS RESEARCH AND DEVELOPMENT OF SPECIALIST DENTIST MATERIALS.

We undertake the development, manufacturing and marketing of dental materials and tooth whitening.

○ SDI SELLS TO 100+ COUNTRIES on all continents and has sales teams and distribution in Australia, Brazil, Europe and North America



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POSITIONED IN KEY DENTAL MARKETS



AUSTRALIA > MELBOURNE

Manufacturing, R&D,
Corporate Sales and Marketing
Local distribution and Direct
Exports

FTEE: 183



GERMANY > COLOGNE

Sales, warehouse and
distribution to Germany, UK and
other European countries

FTEE: 35



BRAZIL > SÃO PAULO

Packaging plant
Sales, warehouse and
distribution to Brazil and South
America

FTEE: 25



USA > CHICAGO

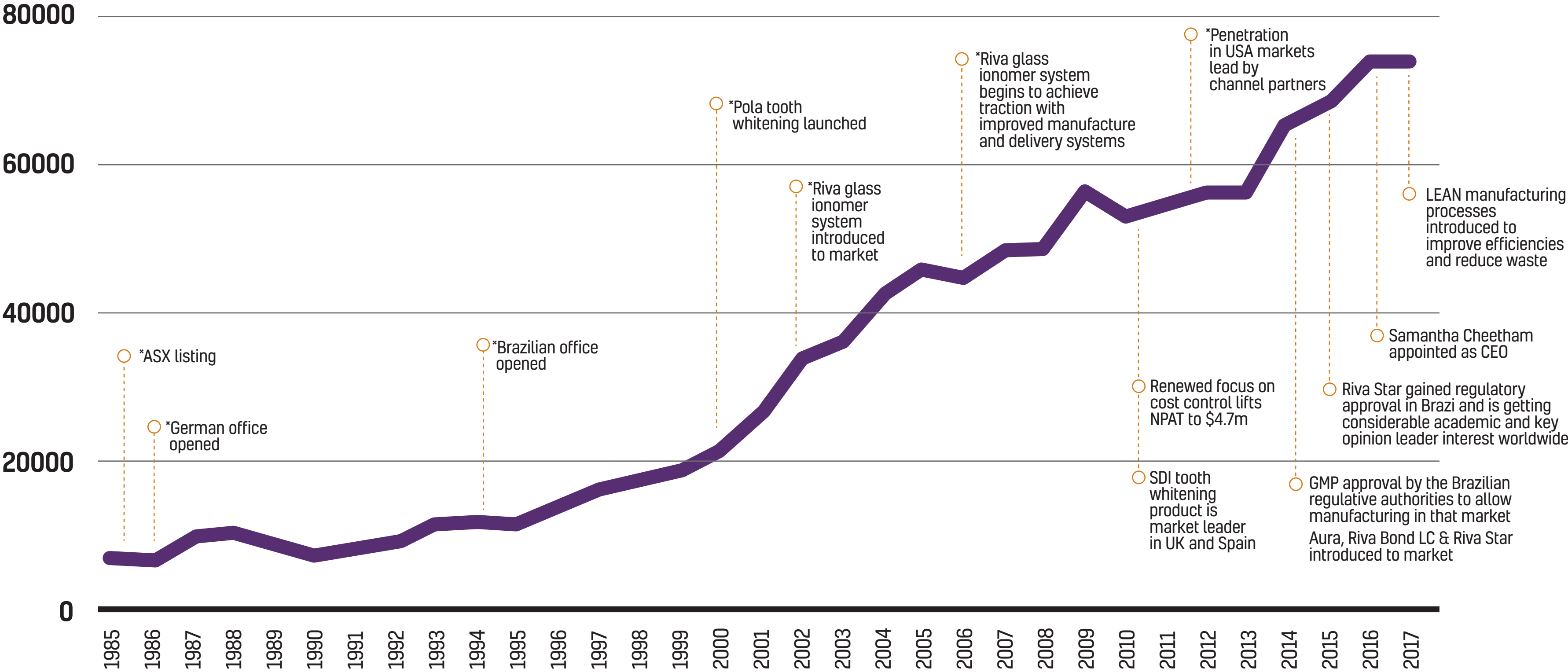
Sales, warehouse and
distribution to US and Canada

FTEE: 29

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SOLID SALES GROWTH

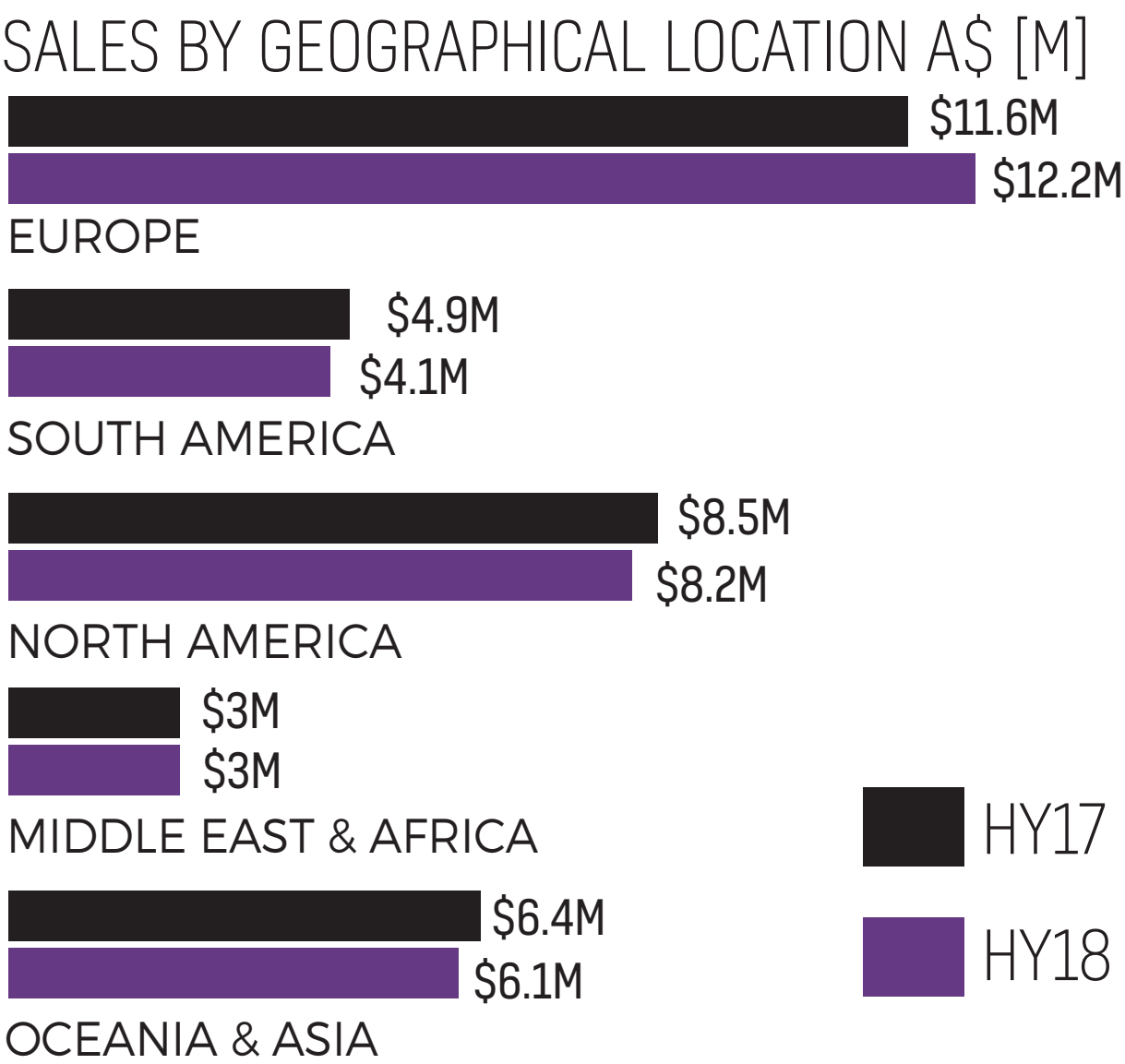
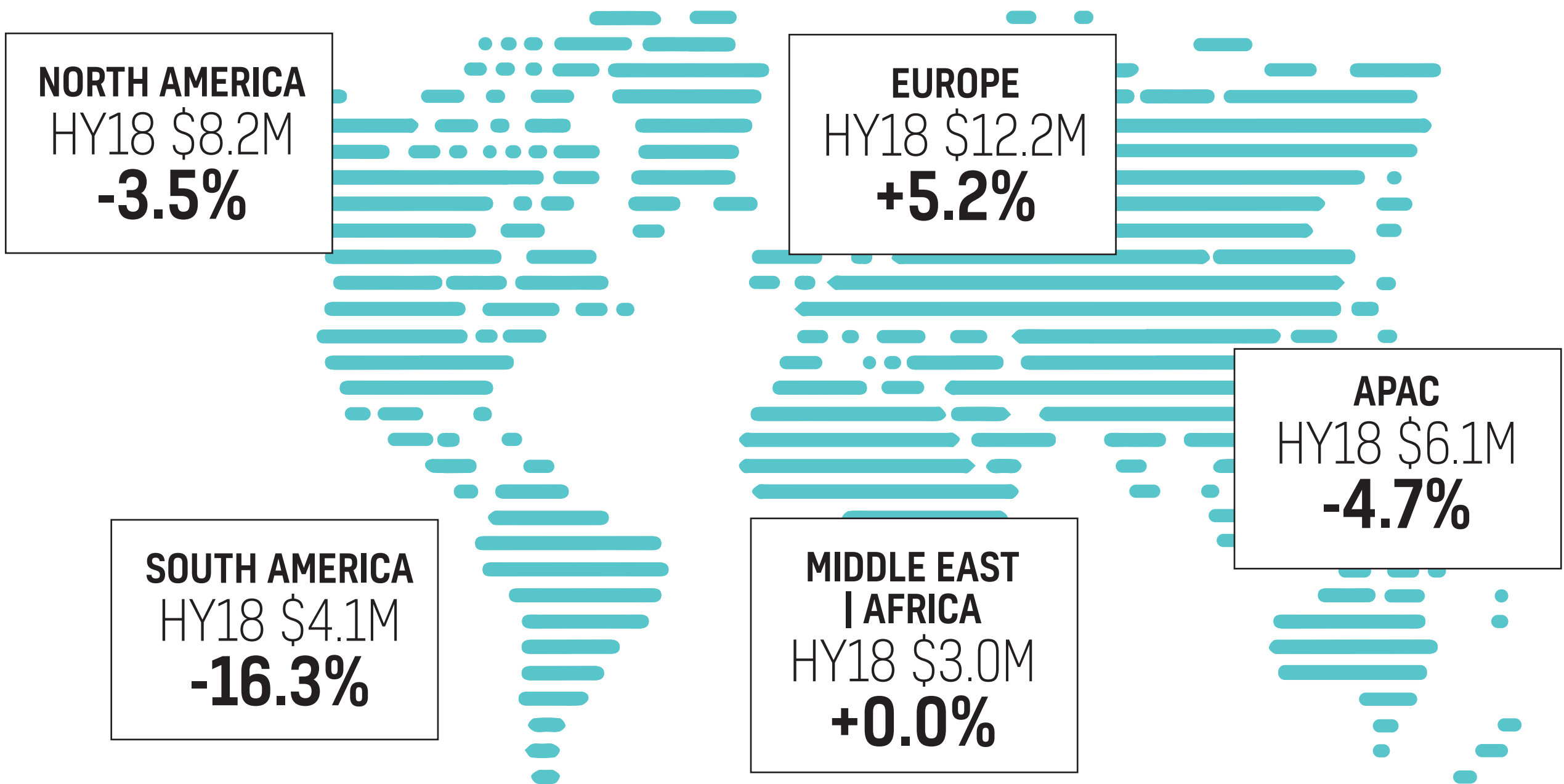


*SOURCE: SDI



GEOGRAPHICAL SALES

SALES IN AUD



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HY18 HIGHLIGHTS

NPAT OF **\$1.2M** WITHIN GUIDANCE RANGE

ONGOING STRENGTH IN AESTHETICS UP **8.2%**

FULLY FRANKED INTERIM DIVIDEND UP **10.0%** ON HY17 TO 1.1 CPS

LEAN MANUFACTURING IMPLEMENTATION TO DELIVER **\$1.1M** ANNUALISED SAVINGS WHICH WILL BE FULLY REALISED OVER THIS CALENDER YEAR

\$1.1M ANNUALISED SAVINGS

Sales down **2.1%**, impacted by lower Amalgam and whitening sales from South American and UK markets

FY18 OUTLOOK: STRONGER SECOND HALF RESULTS

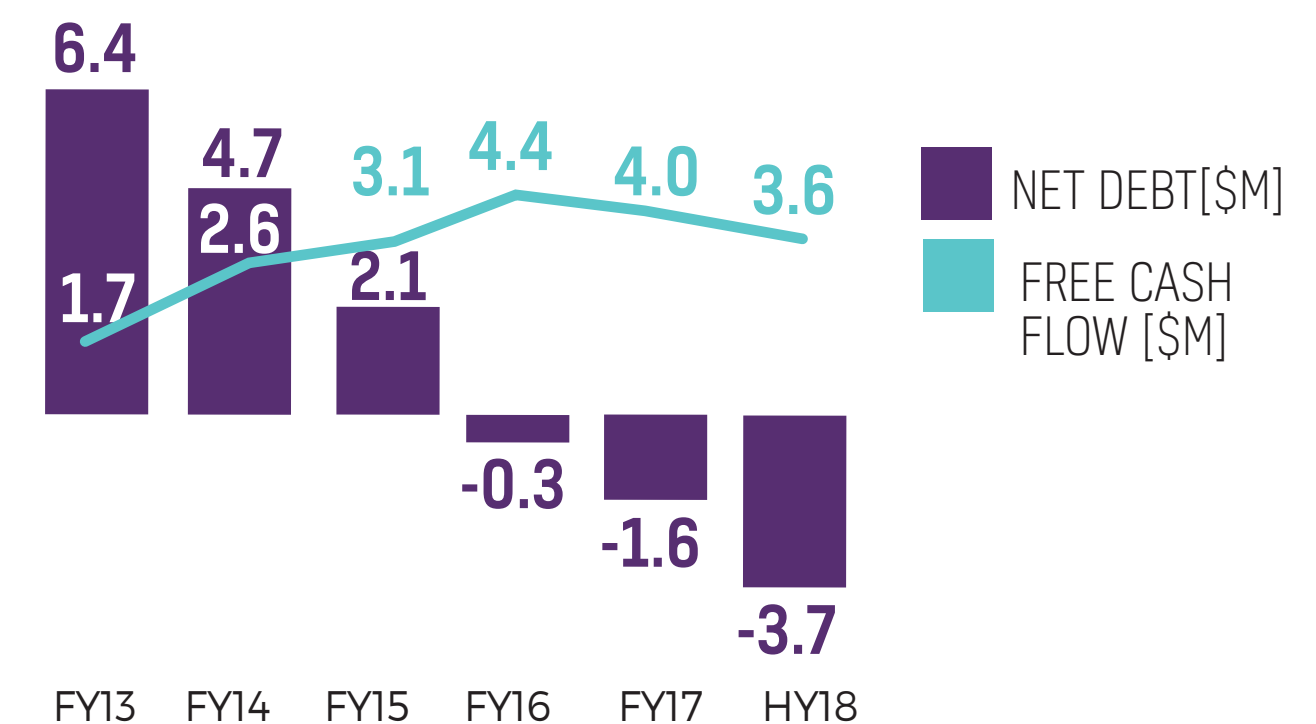
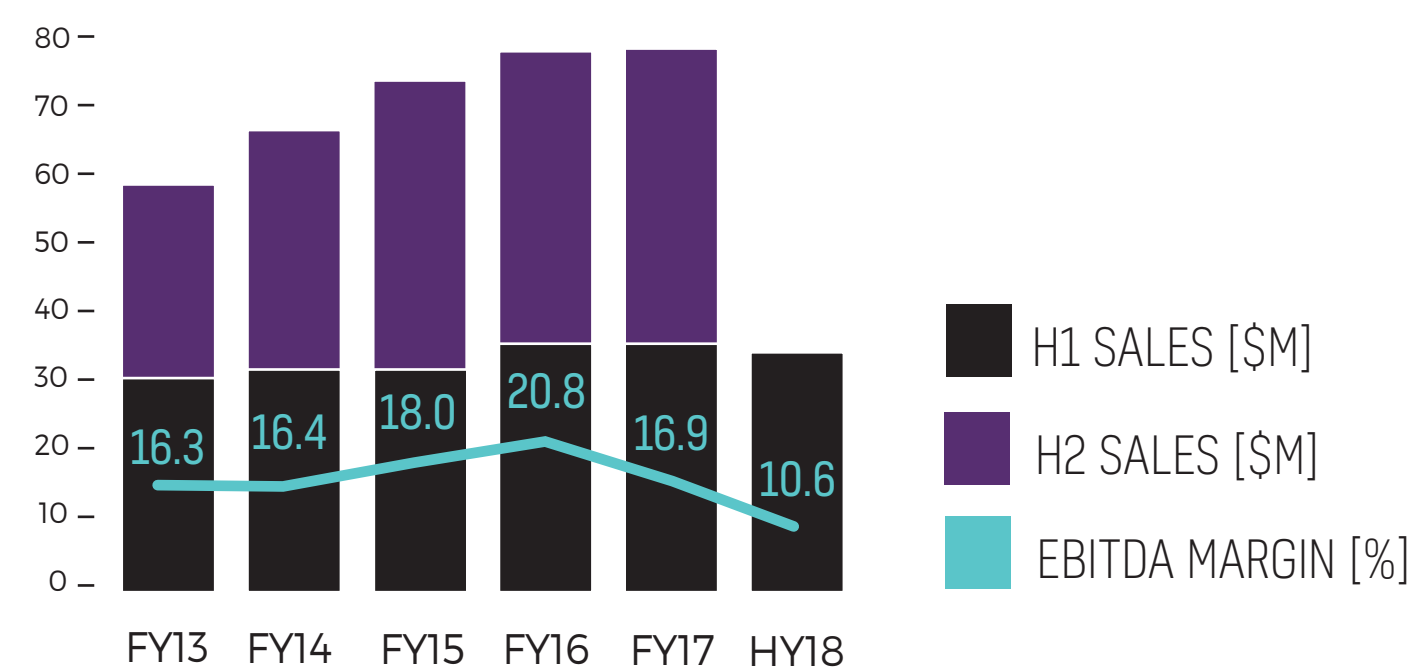
	HY18	HY17	CHANGE %
SALES	\$33.6m	\$34.4m	(2.1)
EBITDA	\$3.6m	\$4.9m	(27.7)
NPAT	\$1.2m	\$2.0m	(42.6)
EPS	0.97c	1.70c	(42.6)
DPS	1.1c	1.0c	10.0



STRONG FREE CASH FLOW

NET CASH POSITION WITH
STRONG FREE CASHFLOW

EBITDA MARGIN DOWN DUE
TO LOWER SALES

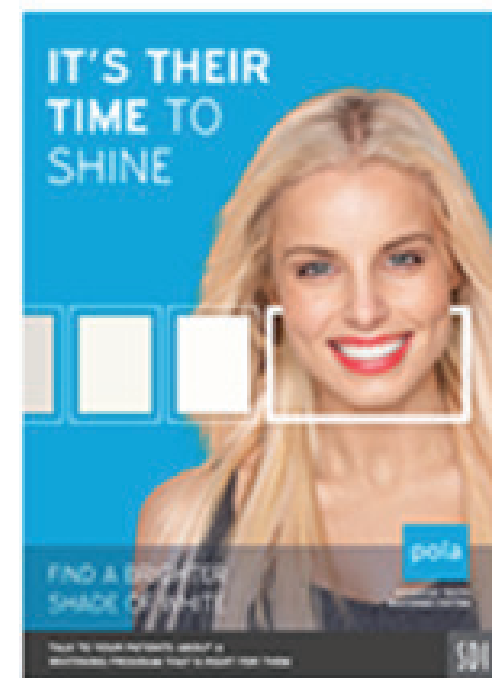


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PRODUCT PORTFOLIO

WHITENING



AESTHETICS



EQUIPMENT



AMALGAM



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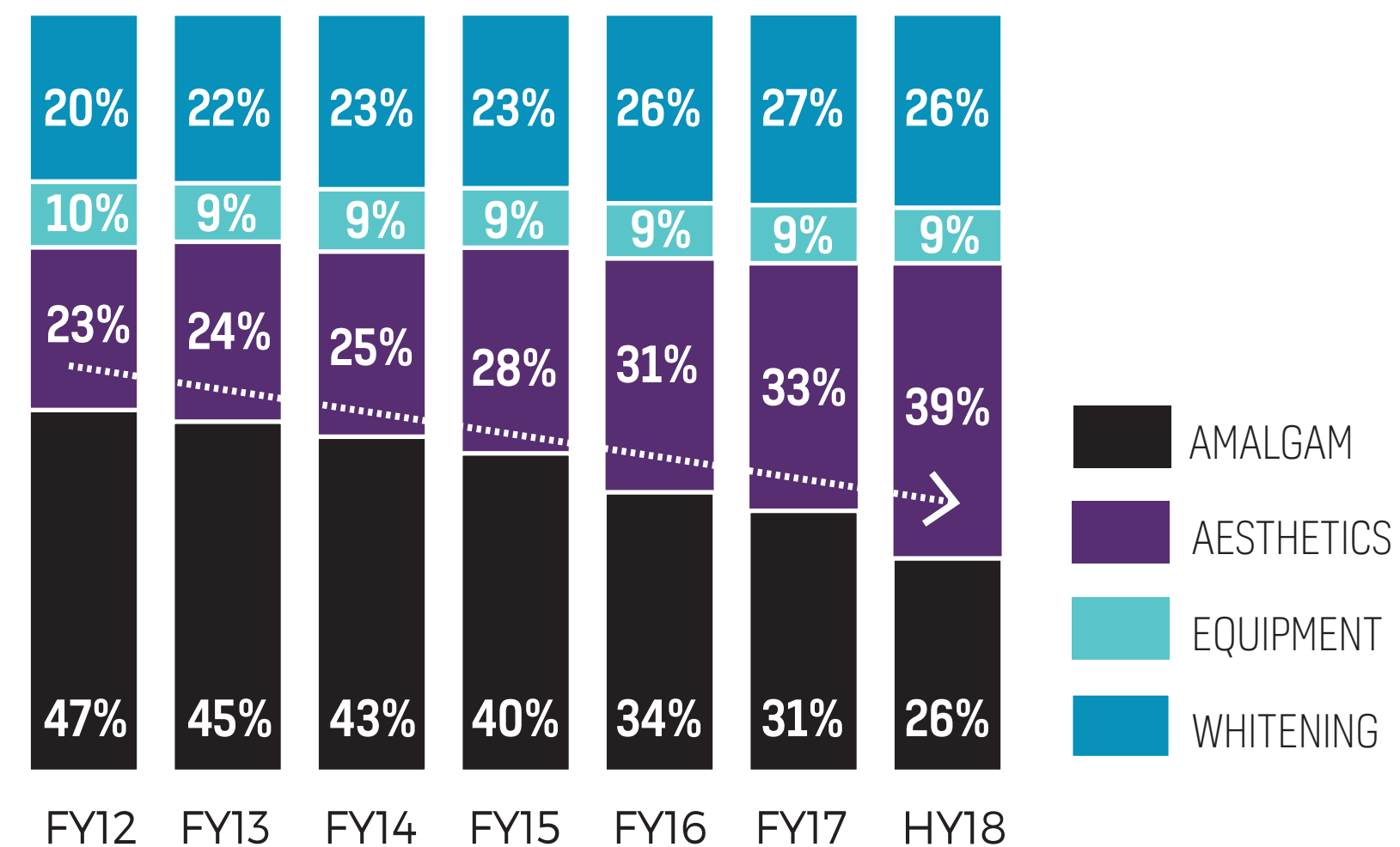


PRODUCT MIX SHIFT ACCELERATING

ALL SALES AND DEVELOPMENT
FOCUS ON AESTHETICS AND
WHITENING CATEGORIES
WHICH ACCOUNTED FOR **65.3%**

EQUIPMENT SALES OF **8.7%**
SUPPORTED BY RADII XPERT
LAUNCH

AMALGAM DECLINED TO **26.0%**
OF SALES



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COMPETITIVE LANDSCAPE

WHITENING	AESTHETICS	EQUIPMENT	AMALGAM
	<div><div>SDI</div><div>Dentsply Sirona</div></div>		
	<div><div>ivoclar vivadent</div><div>Kerr</div></div>		
	<div><div>COLTENE</div><div>VOCO THE DENTALISTS</div><div>3M Science. Applied to Life.™</div><div></div></div>		
	<div>ULTRADENT PRODUCTS, INC.</div>		
			

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RESEARCH INNOVATION, RESULTS

RECENT PRODUCT RELEASES

AURA EASY - COMPOSITE

POLA LUMINATE - TOOTH
WHITENING

RIVA CEM - A PASTE/PASTE
CEMENT

RADII XPERT – SMALL EQUIPMENT

PRODUCT LAUNCHES
CONTINUE TO ROLLOUT
AROUND THE WORLD

1 – 2 NEW PRODUCTS PER YEAR TO DRIVE GROWTH

CONCENTRATING ON CATEGORIES
THAT DELIVER HIGH SALES
MARGINS

BUILDING ON SDI'S
WORLD-LEADING TECHNICAL
EXPERTISE, PARTICULARLY IN
GLASS IONOMERS AND TOOTH
WHITENING.

VERY FOCUSED R+D TEAMS
COLLABORATING CLOSELY WITH
RESEARCHERS AND INNOVATION
CENTRES GLOBALLY

RIVA STAR – FOCUS ON PUBLIC HEALTH PROGRAMS TO MINIMISE ADVERSE RESTORATIVE PROCEDURES

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RIVA STAR

- TOOTH DECAY IS THE MOST COMMON HEALTH PROBLEM IN AUSTRALIA, USA AND MANY OTHER COUNTRIES
- SILVER DIAMINE FLUORIDE AND POTASSIUM IODIDE BASED PRODUCT
- SDI HAS A WORLDWIDE PATENT
- DENTAL HEALTH SERVICES VICTORIA – STUDY ON 500 CHILDREN WHO WOULD NORMALLY BE SENT TO ROYAL CHILDREN'S HOSPITAL FOR A GENERAL ANAESTHETIC AND SEVERE EXTRACTIONS

“If the trial is successful, it will change the way we manage tooth decay in young children and reduce oral health inequity for those that are in most need.”

DR YAWARY SAID (BITE MAGAZINE, OCTOBER 2017)



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CORPORATE STRATEGY

- **INCREASE MANUFACTURING EFFICIENCIES** BY INCREASING INVESTMENT IN AUTOMATION AND CONTINUED EMPHASIS ON PROCESS IMPROVEMENTS
- **INNOVATION FOCUSED AROUND BUILDING A STRONG PIPELINE IN THE AESTHETIC, WHITENING AND EQUIPMENT PRODUCTS** AS DEMAND FOR QUALITY DENTISTRY INCREASES
- **INCREASING MARKET SHARE** IN A DECLINING AMALGAM MARKET
- **FOCUS ON HIGH QUALITY MARKETS** AS WELL AS POTENTIAL EMERGING MARKETS
- **MAINTAINING A HEALTHY BALANCE SHEET**
- **INCREASE BRAND REPUTATION**, AWARENESS AND BUILD EQUITY THROUGH RE-BRANDING AND RE-POSITIONING OF IMAGE AND PRODUCT PRESENCE

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OUTLOOK

FY18 OUTLOOK: STRONGER SECOND HALF RESULT

IN FY18 WE EXPECT CONTINUED SALES GROWTH IN NON-AMALGAM PRODUCTS (74% OF SALES), IMPACTED BY ONGOING WEAKNESS IN THE MARKET FOR AMALGAM.

LEAN MANUFACTURING IMPLEMENTATION TO DELIVER \$1.1M ANNUALISED SAVINGS – QUALITY CONTROL, R&D SUPPORT TO MANUFACTURING, WAREHOUSING, PROCESS RATIONALISATION – WHICH WILL BE FULLY REALISED OVER THIS CALENDER YEAR

INCREASING SALES TO SPECIAL MARKETS:

- Large group practices
- Corporates
- Public institutions

GROWTH OPPORTUNITY IN DEVELOPING MARKETS AS DEMAND FOR QUALITY DENTISTRY INCREASES

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QUESTIONS

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