



# AGM 2015



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# Chairman's address





# 2014 / 15 Financial Highlights

- Sales revenue up 5.1% to \$68.7m
- Profit before tax up 16.5% to \$8.7m
- EBITDA up 15.2%
- 100% increase in dividend payments
- Borrowings down by \$1.5 m
- Cash up by 1.0m
- Glass Ionomer sales increased by 35%

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# Currency

- Average rates:

	2013 /14	2014 / 15	Movement
USD / AUD	0.91	0.83	10%
EUR / AUD	0.67	0.69	-3%
GBP / EUR	0.83	0.75	11%
CAD / USD	0.93	0.85	9%
BRL / AUD	2.09	2.22	-6%

- 2014 / 15 Closing rates:

USD / AUD	0.77
EUR / AUD	0.69
GBP / EUR	0.71
CAD / USD	0.80
BRL / AUD	2.40



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A decorative graphic at the top of the slide featuring a blue water splash that extends across a solid green horizontal bar. The word "Currency" is written in white, bold, sans-serif font across the center of the green bar.

# Currency

## Currency effect on Results:

- Sales: + 3.3%
- Operating Expenses: +0.9%
- Realized Currency Gain (pre tax): 115k

The logo for SDI, consisting of the letters "SDI" in white, bold, sans-serif font inside a black square.

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# Financial

- **Capex: \$2.8m**
  - Investment in new Manufacturing equipment \$1.9m
  - Upgrade of SDI US & European facilities \$0.4m
  - New Composite manufacturing facility \$0.5m
- **R & D:**
  - Development: \$1.6m
  - Technical Support / Improvements: \$1.0m
- **Other Intangibles: \$0.4m**
- **Debt reduction: \$1.5m**



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# Financial

- NPAT Mix: 1<sup>st</sup> half 35% to 40% of full year
- Sales Growth Excluding Currency: 1.8%
- Operating Expenses Increase Excluding Currency: 0.9%
- NPAT down 4%
  - Once off tax expense adjustment – R & D for prior year
- Dividend: 27% of NPAT
  - Target for future years: Minimum 30% of NPAT



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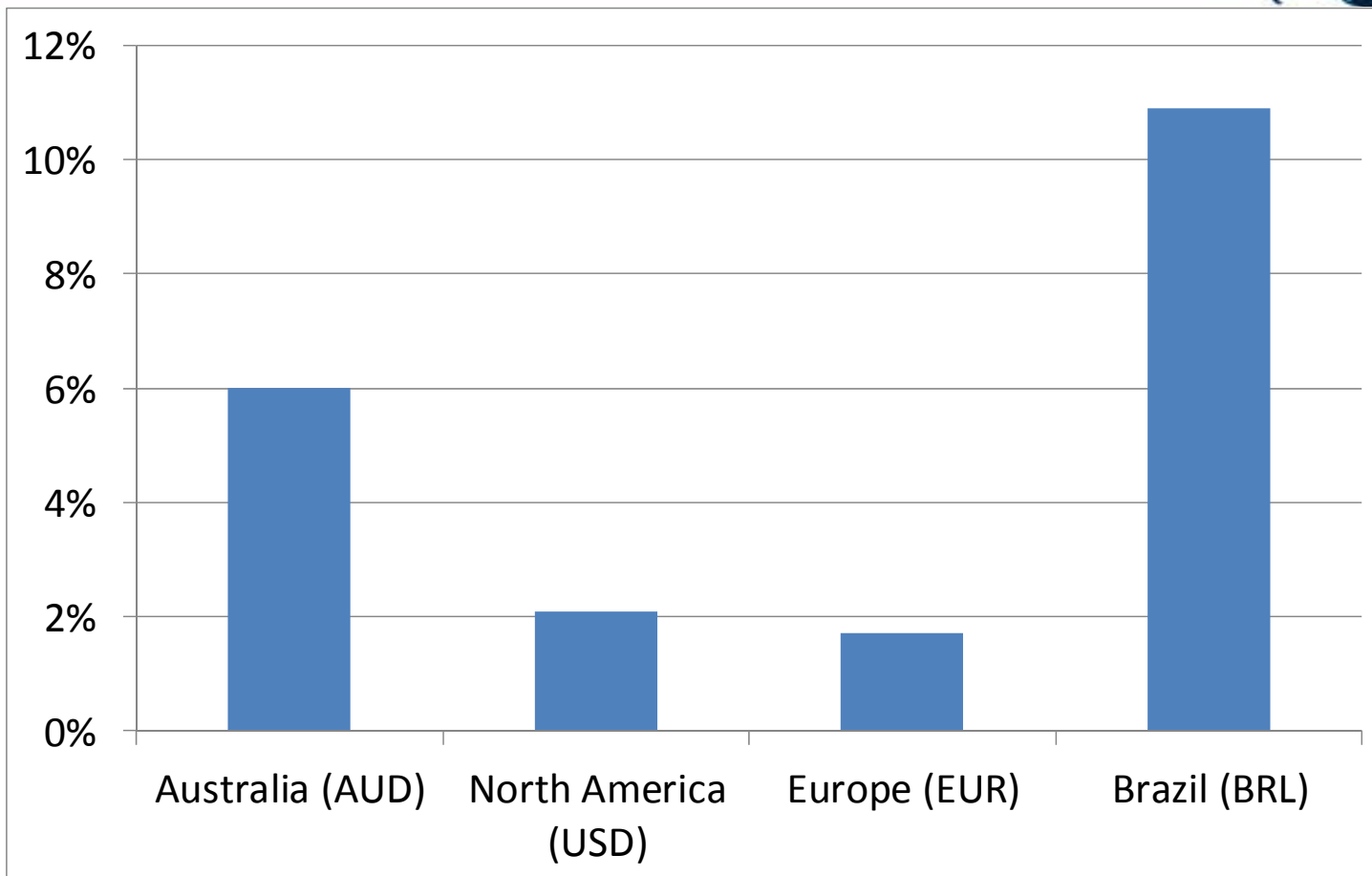
# Questions



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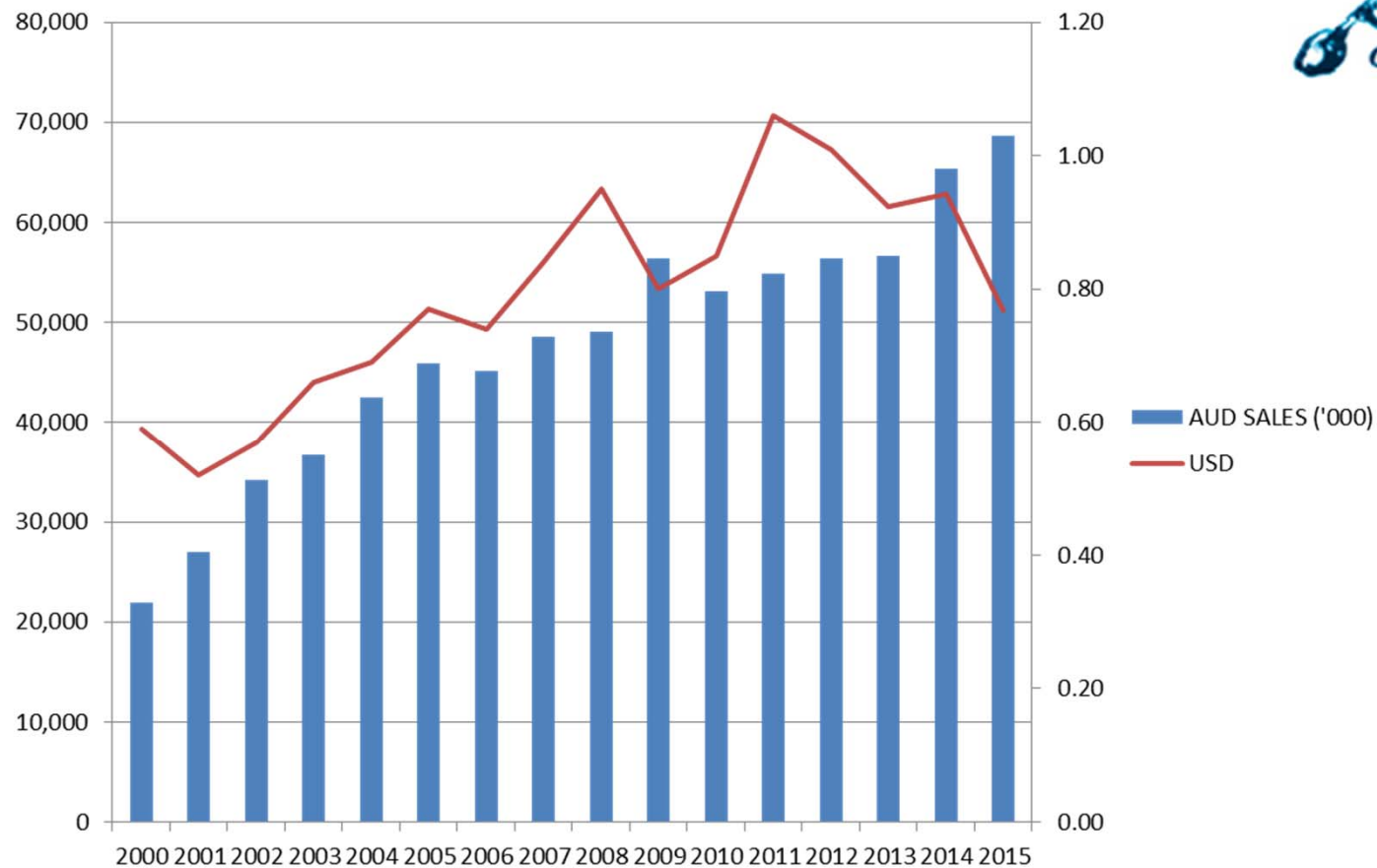


# Sales growth by region



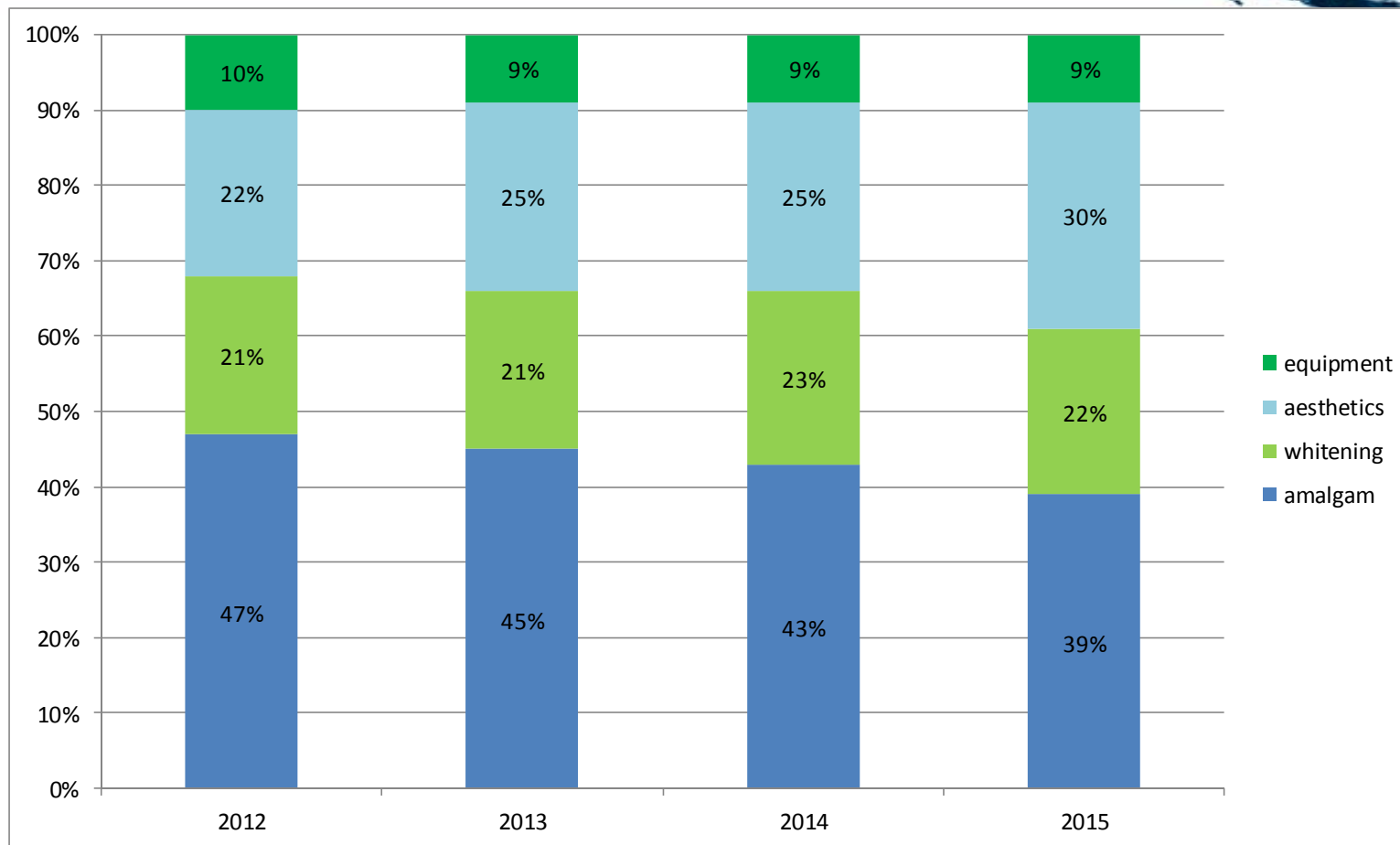
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# Sales increase even with USD



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# Sales mix is changing



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# Ready for our future growth

## Global sales team

- Global sales distribution in 110+ countries
- Distribution warehouses in Germany, USA, Brazil and Australia
- Sales team of 100+ people in key markets

## R+D teams focused on innovation

- Highly skilled R+D teams focused on both chemistry innovation and delivery system leadership

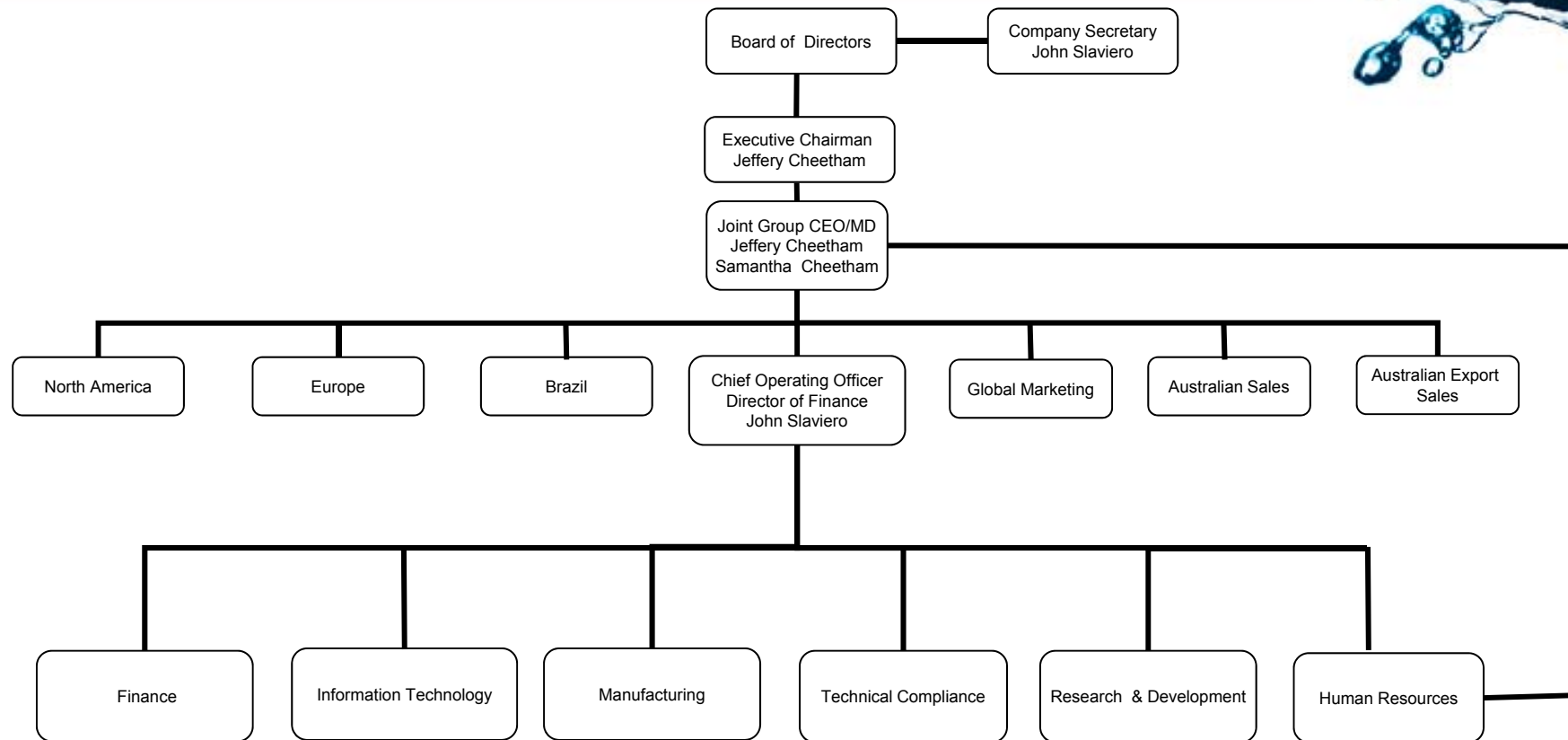
➤ Strategically realigned for future growth



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# Organisational structure



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# Our global markets

- **Developed markets: 20% of global population**
  - Aging population
  - Natural teeth are maintained longer
  - Growth of group practices/large corporates in Australia, USA, UK and many other countries
- **Emerging markets – 80% of global population**
  - Increasing access to dental care
  - Middle class population growing
  - Increasing demand for cosmetic treatments



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# Global distribution



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# Distribution from Brazil



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A decorative graphic at the top of the slide featuring a blue water splash that flows across an orange horizontal bar. The splash is dynamic, with droplets and ripples visible.

# Global opportunities

- SDI is not widely known in most markets
- Low market shares in all markets
  - ~2% world wide market share
- Glass ionomers are taking over from traditional restoratives
- Growing investment in Key Opinion Leaders
- Growing investment in published research
- Regulatory barriers to entry in many markets
  - SDI is well established in all key markets



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# IDS - 2015



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A dynamic splash of water in shades of blue and teal, with droplets and ripples, set against a white background. A horizontal purple bar is overlaid on the splash, and the text 'R+D' is centered on it.

# R+D

- Stronger R+D teams collaborating with outside experts
- Consistent rollout of new products
- Focus on innovation
- Improved delivery systems
- 1-2 new products per year
  - New LED light
  - New glass ionomer cement

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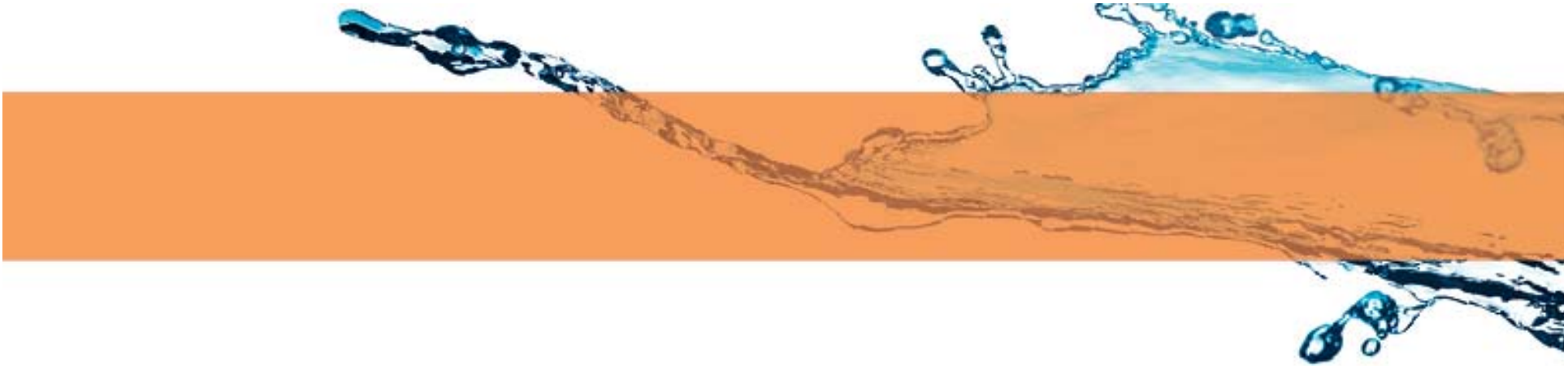
A decorative graphic at the top of the slide featuring a blue horizontal bar with a white water splash effect that extends above and below the bar. The splash consists of several droplets and a central stream of water, creating a dynamic and fresh appearance.

# Strategic focus

- Organisational structural changes implemented
- Global teams realigned to corporate strategy
- Corporate image will be rebranded
- Constant rollout of innovative products
- Shorter delivery times to export customers from Germany and Brazil
- Manufacturing efficiencies for reduced costs
- Manufacturing in Australia and Brazil
  - Brazil: lower landed cost to compete with local manufacturers

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# Questions



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