



YOUR  
SMILE.  
OUR  
VISION.

SDI LIMITED ACN 008 075 581 | ABN 27 008 075 581  
HEAD OFFICE 3-15 BRUNSDON STREET, BAYSWATER. PO BOX 314, VICTORIA, 3153 AUSTRALIA.  
TOLL FREE 1800 337 003 | TELEPHONE +61 3 8727 7111  
FAX +61 3 8727 7222 | [info@sdi.com.au](mailto:info@sdi.com.au) | [www.sdi.com.au](http://www.sdi.com.au)

## ASX and Media Release

27 August 2024

# SDI Limited delivers a record FY24 sales & profit result

**MELBOURNE, Australia – SDI Limited** (ASX: SDI). Net profit after tax increased by 47.7% to \$10.4 million for the twelve months ending 30 June 2024, compared to \$7.1 million for the previous corresponding period last year.

Summary financials (AUD)	FY 2024	FY 2023	Change
Sales (\$m)	111.2	107.9	+3.1%
Gross product margin (%)	62.1	56.8	+530 bps
EBITDA (\$m)	21.9	16.2	+35.5%
NPAT (\$m)	10.4	7.1	+47.7%
Underlying NPAT (\$m)	11.4	7.5	+51.8%
Earnings per share (cents)	8.77	5.94	+47.6%
Final ordinary dividend (cents)	1.90	1.75	+8.6%

## HY23 Highlights

- Record total sales of \$111.2 million, up 3.1% on the previous corresponding period (“pcp”), with good growth in Aesthetics products, partially offset by a decline in Amalgam product categories.
- Product margin improvement to 62.1%, up 530 bps on pcp, reflecting operational efficiencies, lower logistic costs, price increases, and geographical and product mix.
- Operating expenses of \$51.0 million, in line with pcp, excluding impairment expenses of \$1.0 million (FY23 \$0.4 million).
- EBITDA increased by 35.5% to \$21.9 million (FY23 \$16.2 million).
- Underlying after tax profit, excluding impairments, increased by 51.8% to \$11.4 million (FY23 \$7.5 million)
- Earnings per share (‘EPS’) up 2.83 cents to 8.77 cents compared to 5.94 cents for the same period last year.
- Final fully franked ordinary dividend up 8.6% to 1.90 cents per share.

Commenting on the result, Chief Executive Officer Samantha Cheetham said: “*Continued sales growth along with improved product margins and well managed operating expenses have resulted in a record profit for the year. Product margins have been driven by operational efficiencies plus favourable product mix with the growth in our higher margin Aesthetic products. Amalgam sales declined as expected, and we expect Whitening sales to improve with our planned rebranding in the first half of 2025.*”

## Key product category sales

Category	\$m AUD	Change in local currency %	Change in AUD. %	Total AUD sales %
Aesthetics	55.3	4.5	8.1	49.7
Equipment	6.5	-2.1	1.0	5.9
Whitening	31.0	-4.2	-1.0	27.9
Amalgam	18.4	-6.5	-3.3	16.5



YOUR  
SMILE.  
OUR  
VISION.

SDI LIMITED ACN 008 075 581 | ABN 27 008 075 581  
HEAD OFFICE 3-15 BRUNSDON STREET, BAYSWATER. PO BOX 314, VICTORIA, 3153 AUSTRALIA.  
TOLL FREE 1800 337 003 | TELEPHONE +61 3 8727 7111  
FAX +61 3 8727 7222 | [info@sdi.com.au](mailto:info@sdi.com.au) | [www.sdi.com.au](http://www.sdi.com.au)

In local currencies, Aesthetics sales continued to show good growth, up 4.5% on pcp. Sales increased across all regions apart from North America with Aesthetic sales down 5.2%. SDI saw market share gains in Aesthetics, with the release of new products in prior periods gaining momentum in the market in FY 2024. Whitening sales decreased by 4.2%, with a decline in most regions apart from Europe which saw a modest increase of 0.7%. Decline in Whitening reflects strong global competition, but also some declines in discretionary spend. Equipment sales, SDI's smallest product category and largely a complimentary product, fell by 2.1% reflecting a decrease in all markets apart from Brazil which increased by 20.5%. Amalgam decreased by 6.5%, declining in most markets after an abnormally strong period in the prior year.

### Sales by business unit

Business unit	\$m AUD	Growth/(decline) in local currency %	Growth/(decline) in AUD %	Total AUD sales %
Australian sales (including direct exports)	36.4	-1.3	0.3	32.7
North America	24.7	-5.7	-3.7	22.2
Europe	41.3	6.2	11.9	37.2
Brazil	8.8	-7.2	-2.6	7.9
<b>Total</b>	<b>111.2</b>	<b>-0.3</b>	<b>3.1</b>	<b>100.0</b>

The business unit performance reflects favourable currency movements and good growth from the European business.

European sales were up 6.2% in local currencies, driven by demand for Aesthetic products in most European markets.

Australian sales, which include Australian domestic and direct export markets, were down by 1.3%, with Australian direct exports decreasing by 2.4% when adjusted for currency movements. Direct export sales were also impacted by the strategic decision to reduce contract manufacturing, redirecting this capacity to SDI products.

Brazilian sales decreased by 7.2% on pcp in local currencies partly due to a major distributor reducing its inventory in the first half of FY24 (down 20.2%).

North American sales decreased by 5.7% on pcp, primarily due to a 5.9% decline in Amalgam sales, which represents 30.0% of this region's total sales. Additionally, sales were affected by lower private label Composite sales due to over stocking by a customer in the previous financial year.

### Sales by region

Region	FY 2024 (\$m AUD)	FY 2023 (\$m AUD)	Growth/(decline) in AUD %
APAC	19.7	18.4	7.3
Middle East / Africa	11.3	12.4	-8.9
South America	12.6	11.7	7.8
North America	24.7	25.6	-3.7
Europe	42.9	39.8	7.9



YOUR  
SMILE.  
OUR  
VISION.

SDI LIMITED ACN 008 075 581 | ABN 27 008 075 581  
HEAD OFFICE 3-15 BRUNSDON STREET, BAYSWATER. PO BOX 314, VICTORIA, 3153 AUSTRALIA.  
TOLL FREE 1800 337 003 | TELEPHONE +61 3 8727 7111  
FAX +61 3 8727 7222 | info@sdi.com.au | www.sdi.com.au

Sales by regions reflects good growth in APAC, European and South American markets which were aided by increased demand for Aesthetic products and favourable currency movements. Middle Eastern / African sales were predominately affected by deliberate delays in shipment due to short term issues around customer payments.

### Gross profit margins

Product margins in Australian dollars increased by 530 bps to 62.1%, driven by operational efficiencies, strong growth in the Aesthetic products, price increases, and improved logistics costs. Product and geographical sales are a significant influence on the gross margin, with sales growth in Aesthetics in the European market attracting higher product margins. In September 2023 the warehousing operations were moved to the new site resulting in operational efficiencies and cost savings relating to 3PL warehousing.

### Expenses

Operating expenses in Australian dollars up 1.0% on pcp. After adjusting for currency movements operating expenses decreased by 0.9% compared to pcp. Further adjusting for a \$1.0 million asset impairment (FY23 \$0.4 million) relating to land and buildings and the Brazilian operation, operating expenses in local currencies, decreased by 1.9%.

### Tax Expense

Tax expense of 31.6% reflected the non-deductibility of asset impairments of \$1.0 million. After adjusting for this, the underlying tax expense was 29.7%.

### Balance sheet

Cash increased by \$0.3 million after investing \$5.4 million in property, plant and equipment, and \$4.3 million in product development expenditure, and reducing debt by \$1.0 million for the twelve months ending 30 June 2024. The Company has unused bank facilities of \$8.5 million and \$6.3 million cash in bank.

### Strategy and outlook

The Company remains focused on its strategic priorities:

- **Aesthetics and Whitening products** continue to be the focus for new product development. The Company's Aesthetic product 'Stela', originally designed as an Amalgam replacement product, will compete in the wider Aesthetic categories due to its natural tooth colour and strength. It has been released in several key markets in FY24 and released in Europe in July 2024.
- **Achieving manufacturing and logistic efficiencies.** In FY23 the Company purchased a six-acre property for \$19 million which has an existing 4,000 sqm warehouse and has relocated its current warehousing. Planning is currently in progress to redevelop the site to relocate its current manufacturing operations by December 2027, with a construction and refurbishing cost of \$26 million and additional equipment of \$15 million. It is expected that this will generate a pre-tax return on capital of 20%.
- **Investment in production automation** and processes to achieve operating efficiencies and manage new and existing future product growth. The Company has recently purchased several high-speed production machines which will start showing returns in the next six months. Other machines are on order for delivery over the next 12 months which will result in further efficiencies and increase future production capacity.
- **On-going investment in research and development** of new products. The product launch plan is back on to ensure one new product by December 2024. The team will continue to focus on ensuring European regulatory requirement deadlines are met. SDI embraces the stringent regulatory requirements as these provide high barriers to entry and a competitive advantage.



YOUR  
SMILE.  
OUR  
VISION.

SDI LIMITED ACN 008 075 581 | ABN 27 008 075 581  
HEAD OFFICE 3-15 BRUNSDON STREET, BAYSWATER. PO BOX 314, VICTORIA, 3153 AUSTRALIA.  
TOLL FREE 1800 337 003 | TELEPHONE +61 3 8727 7111  
FAX +61 3 8727 7222 | [info@sdi.com.au](mailto:info@sdi.com.au) | [www.sdi.com.au](http://www.sdi.com.au)

- **ESG** – The Company has made a commitment, including the creation of an internal working group, to make significant progress in establishing a risk framework for sustainability and has appointed a consultant to assist in this process.
- The United Nations have planned that dental Amalgam products will be phased out in 2030.

## Dividends

Showing the Board's confidence in the future of the business, the Directors have increased the final dividend payment by 8.6%, declaring a final fully franked ordinary dividend of 1.90 cents per share (FY23 1.75 cents).

The Board has decided that the Company's Dividend Reinvestment Plan ('DRP') will not be offered to Shareholders for these dividend payments.

*This announcement has been authorised by the Board of Directors of SDI Limited.*

## **Investor Webinar**

An investor webinar will be held on 26 August 2024 at 11:00am AEST. To register for this webinar please use the following link below:

[Investor Webcast link](#)

Please contact Adrian Mulcahy if you have any queries.

## **Investor Contact:**

Adrian Mulcahy

[Adrian.mulcahy@automicgroup.com.au](mailto:Adrian.mulcahy@automicgroup.com.au)

P: +61 438 630 422

## **About SDI Limited**

Founded in 1972 and publicly listed on the Australian Securities Exchange in 1985, SDI Limited is a leading dental technology company that conducts research and development, manufacturing, and marketing of specialist dental materials. SDI's products combine innovation and excellence to provide the ideal restorative materials for the dental profession.

All of SDI's products are manufactured in Victoria, Australia. SDI's products are distributed through distributors and retailers in over 100 countries throughout the world. SDI has offices and warehouses in Australia, USA, Germany, and Brazil.