



FY24 RESULTS PRESENTATION

27 August 2024

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AGENDA

Performance Highlights

FY24 Financial Results

Business Update

Strategy and Outlook



YOUR SMILE. OUR VISION.



FY24 PERFORMANCE HIGHLIGHTS

Improved Margins and operational efficiencies deliver record 12-month profit

Record revenue of \$111.2m
(+ 3.1% pcp)

**New site capacity to drive
future sales**

62.1% Gross Profit Margin
(+530 bps)

**European Registration
Secured**

EBITDA \$21.9m
(+35.5% pcp)

**Continued Investment in
Research, Development and
Capital Expenditure**

Dividend 1.90 cps (+8.6%)

Stela Progressing Strongly

Underlying NPAT \$11.4m
(+51.8% pcp)

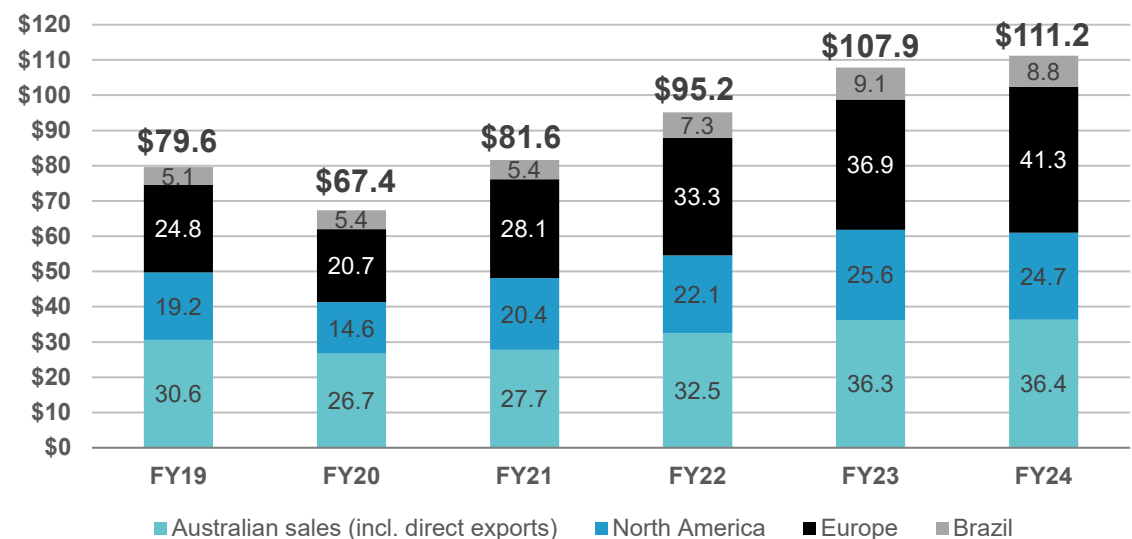
Operating leverage emerging



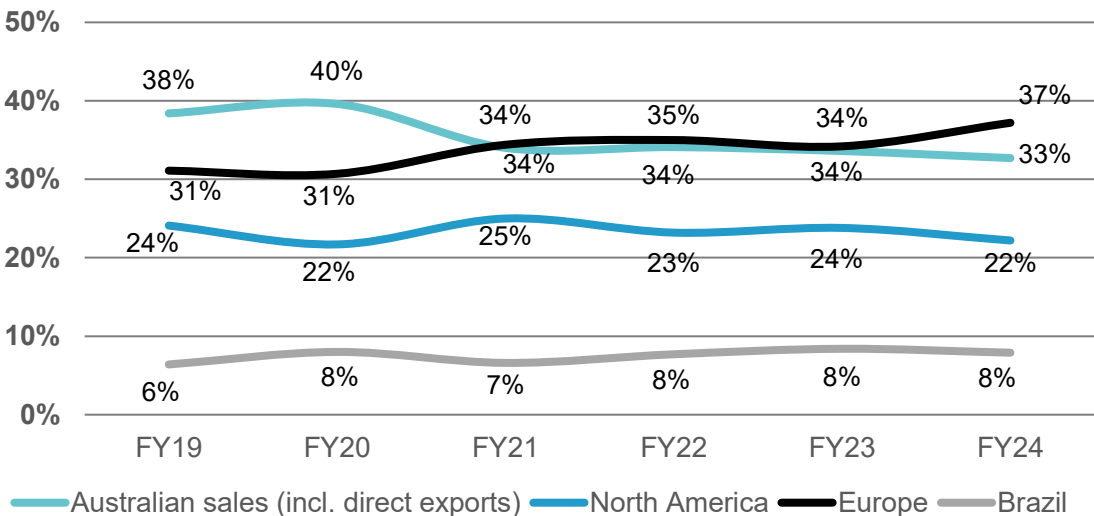
SALES BY BUSINESS UNIT

Business unit performance reflects good European growth and favorable currency movements

SALES BY BUSINESS UNIT (AUD MILLIONS)



BUSINESS UNIT % SALES



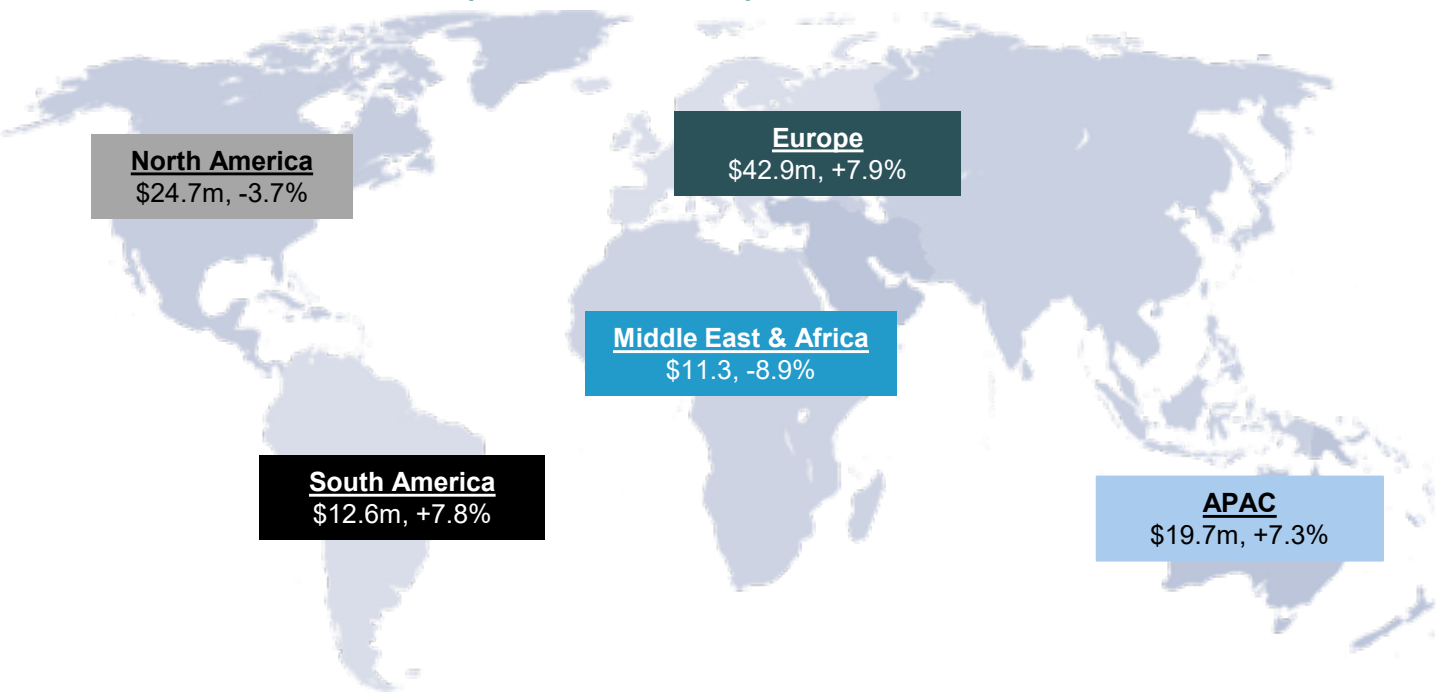
FY24 SALES GROWTH BY BUSINESS UNIT (% on PCP)

Business Unit	\$m (AUD)	Growth (AUD) %	Growth (Local) %	Total (AUD) %	Comment
Australia (incl. direct exports)	36.4	0.3	-1.3	32.7	Australian Sales down 1.3%, with Australian direct exports decreasing 2.4% when adjusted for currency movements. Decrease in contract manufacturing
North America	24.7	-3.7	-5.7	22.2	Decline due to a 5.9% decline in Amalgam sales, representing 30% of region's total sales. Lower private label composite sales due to over stocking by a customer in FY23
Europe	41.3	11.9	6.2	37.2	Strong demand for Aesthetic products in most European markets
Brazil	8.8	-2.6	-7.2	7.9	Decline due to a major distributor reducing its inventory in first half of FY24 (1H down 20%)
TOTAL	111.2	3.1	-0.3	100.0	

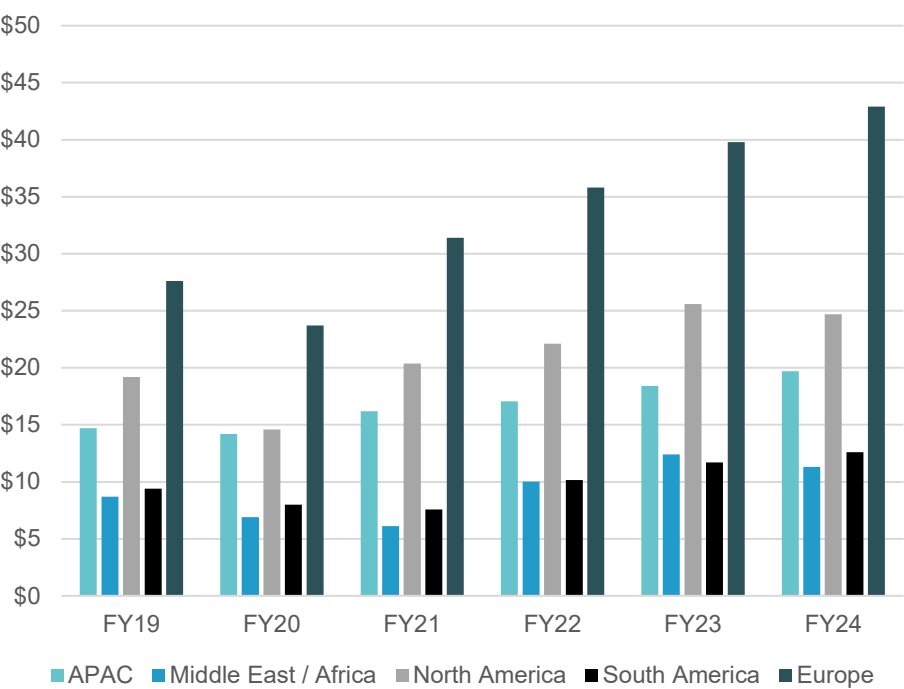
SALES BY REGION

Strong demand for Aesthetic products in APAC and European Markets and favourable currency movements

SALES BY REGION (AUD MILLIONS), % GROWTH PCP



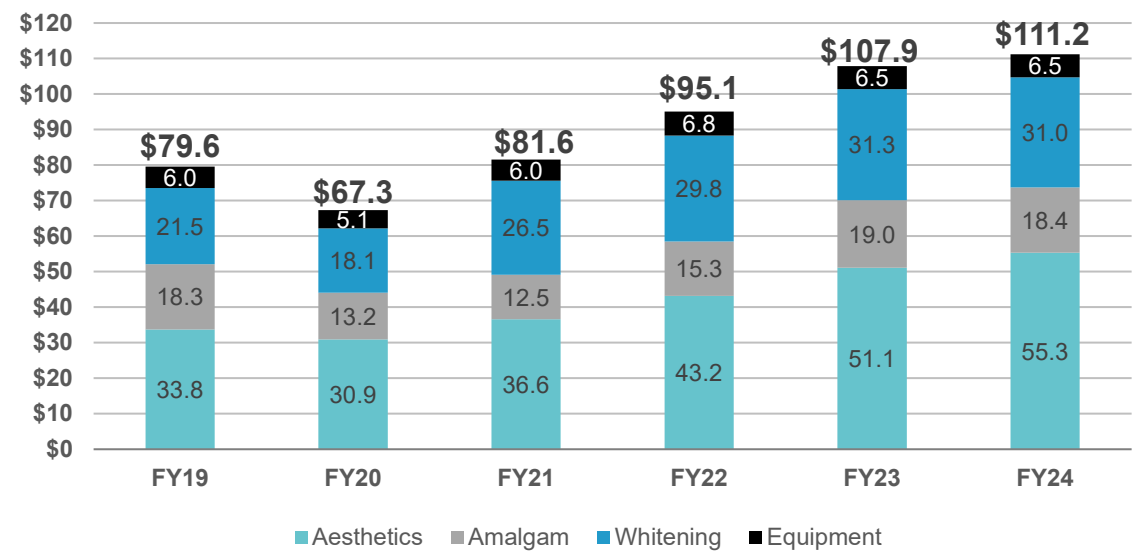
SALES BY REGION (AUD MILLIONS)



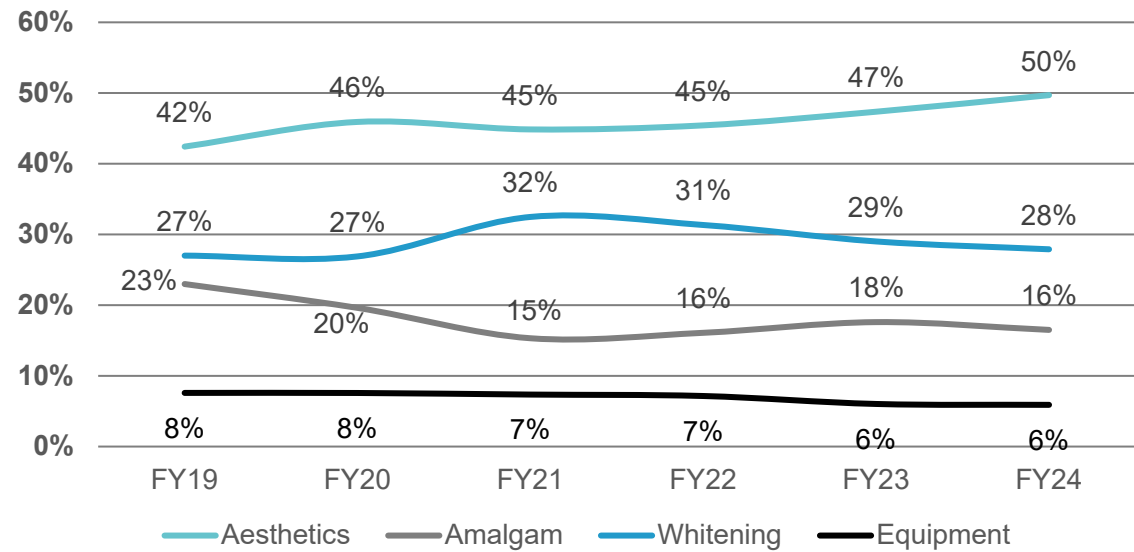
SALES BY PRODUCT CATEGORY

Strong Aesthetics performance continues to gain market share

SALES BY CATEGORY (AUD millions)



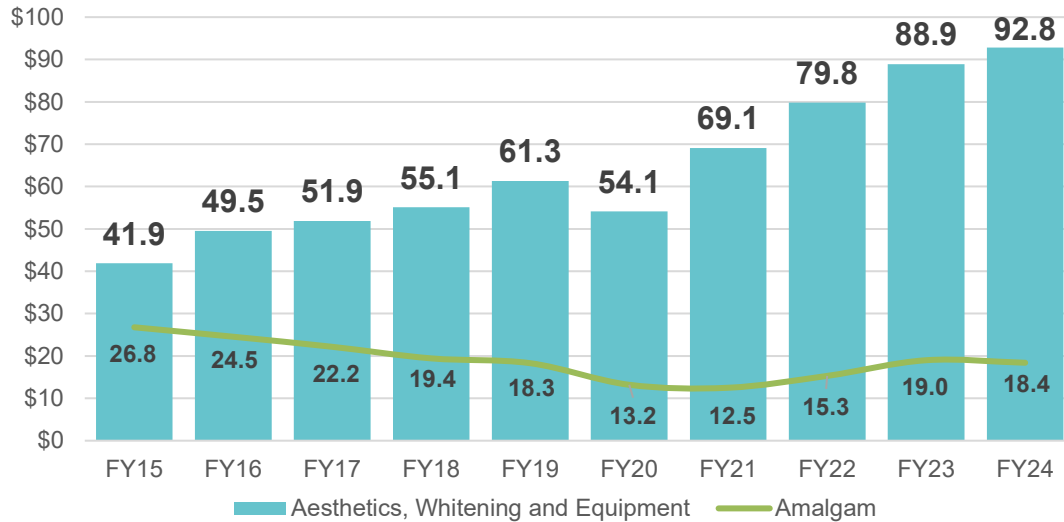
CATEGORY AS % SALES



Product category	\$m (AUD)	Growth (AUD) %	Growth (Local) %	Comments
Aesthetics	55.3	8.1	4.5	Growth from market share gains, following the release of new products in prior periods now gaining momentum
Whitening	31.0	-1.0	-4.2	This decline is the result of weakness in discretionary spending
Equipment	6.5	1.0	-2.1	Decrease in all markets apart from Brazil which increased 20.5%
Amalgam	18.4	-3.3	-6.5	Continuing trend of decline for this products in most markets, after an abnormally strong period in the prior year

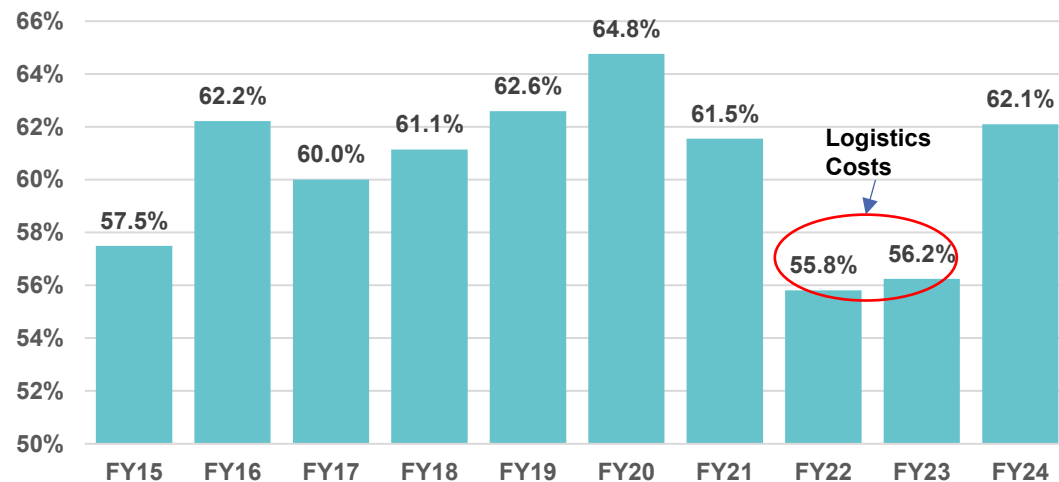
PRODUCT SHIFT DRIVING HIGHER MARGINS

Aesthetics/Whitening/Equipment vs Amalgam (\$m)



- Shift in Product mix towards higher margin products as well as improved logistic costs.
- SDI has transitioned away from Amalgam, with Aesthetics/Whitening/Equipment 10-year Revenue CAGR of 9.6% vs Amalgam at -4.2%
- The United Nations have stated that dental Amalgam products will be phased out by 2030
- After receiving strong early feedback from industry leaders, SDI is confident Stela will more than replace Amalgam revenues

Gross Margin (%)



FINANCIAL PERFORMANCE

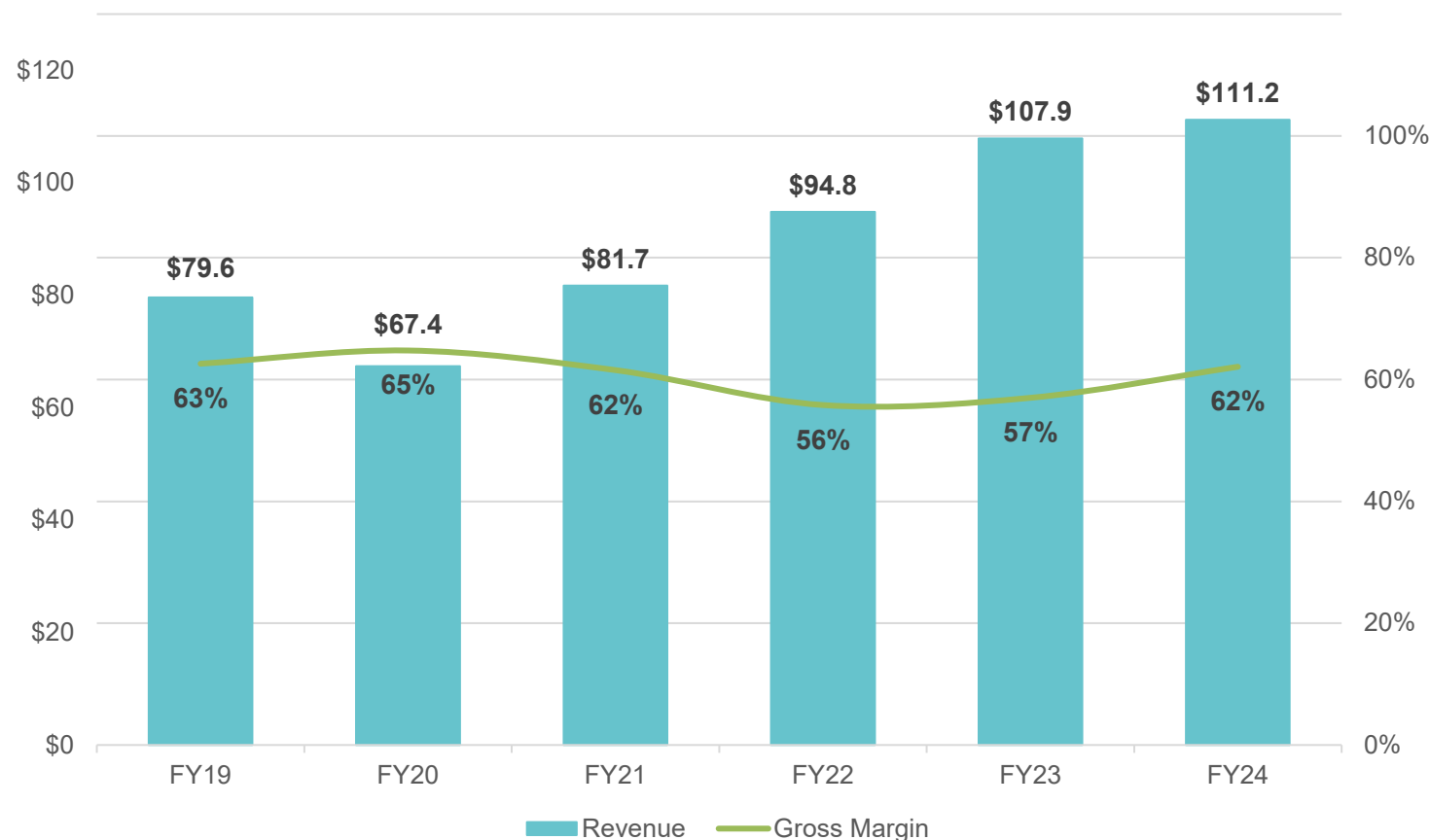


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REVENUE & GROSS MARGIN

Record revenue and gross profit margin with easing of logistic costs and product mix

FY24 REVENUE (\$m) AND GROSS PROFIT MARGIN

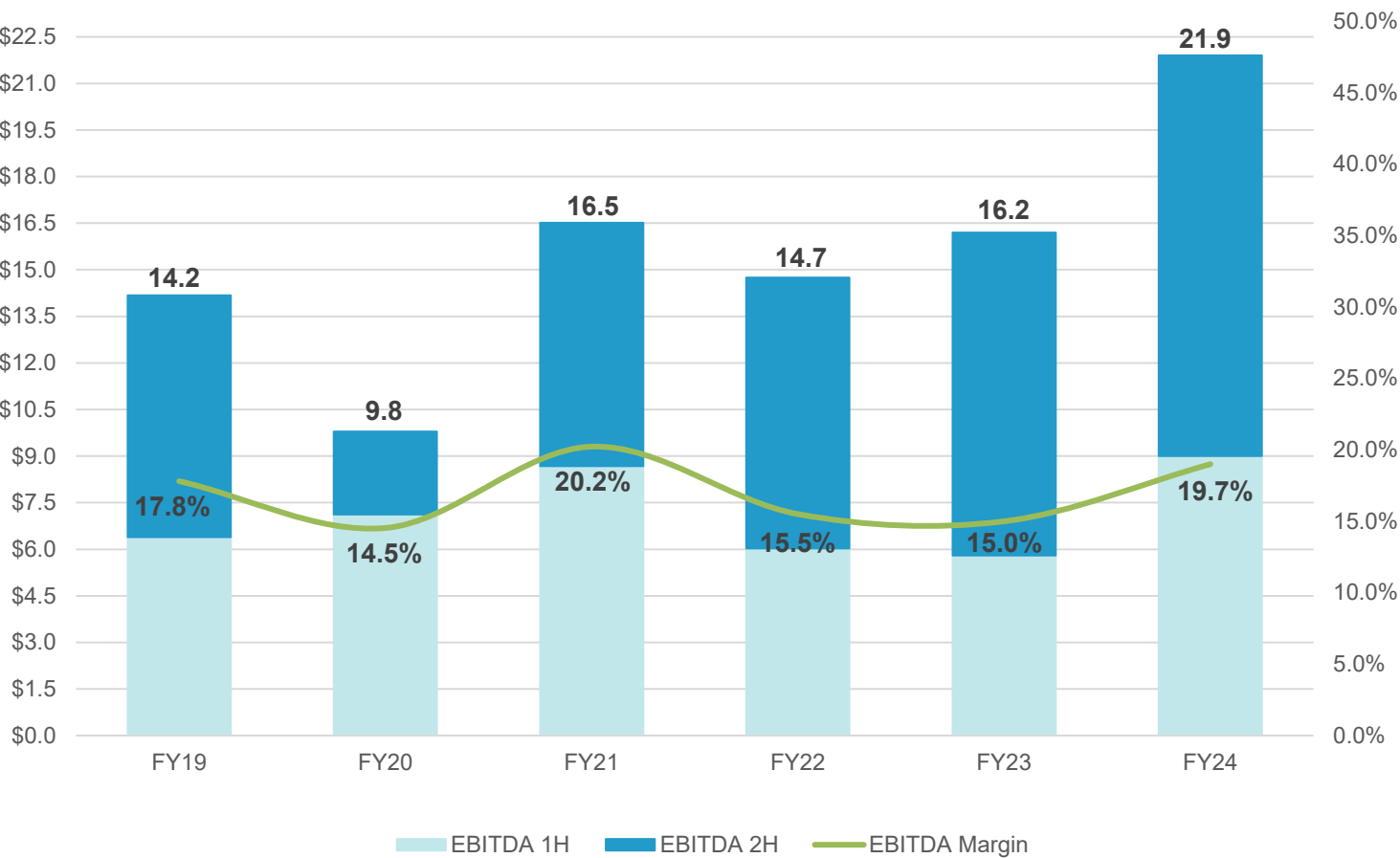


- Record full year sales of \$111.2, up 3.1% pcp
- Gross Product Margin increased by 530 basis points to 62.1% due to:
 - Improved operational efficiencies
 - Price increases
 - Moderation in logistic costs
 - Product mix shift
 - Strong growth in higher margin Aesthetics products
 - Reduction in lower margin contract manufacturing sales

EBITDA & EBITDA MARGIN

EBITDA increased 35.7% to \$21.9 million, underpinned by gross margin improvement and cost control

FY24 EBITDA (\$m) AND EBITDA MARGIN (%)



- EBITDA growth of 35.7% from improved gross product margin and well managed expenses.
- Operating expenses of \$50.0 million, down 1.9%, excluding impairments of \$1.0 million and currency movements.

CASH FLOW

Year to date cash flow (\$m AUD)	FY24	FY23
Net Operating Cash flow	\$14.3m	\$13.1m
Net Investing	(\$8.8m)	(\$33.4m)
Net financing costs	(\$5.3m)	\$19.2m
Cash at Bank	\$6.3m	\$6.0m

- Strong operating cash flow driven by improved product margins, well managed debtor & expense control
- Net investing cashflow reflects the FY23 purchase of the new site at Montrose. FY24 reflects Capex and R&D investment
- Net financing cashflow reflects the property sites finance via bank debt that subsequently has been reduced to a net debt position of \$16.8 million
- Maintained strong financial flexibility with cash of \$6.3 million, low leverage and circa \$8.5 million headroom under current bank facilities

BUSINESS UPDATE



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OPERATIONAL UPDATE

Milestone achievements underpin long term strategic plan

- Upgrade to Montrose warehouse (investment of circa \$3.0m) and warehousing relocation complete
- Stela & Riva Cem Auto Mix progressing well, receiving great feedback from industry opinion leaders
 - Stela has now reached over \$1 million in sales
- Continued investment in equipment to achieve operational efficiencies and manage new and existing product growth

Project Name	Operational Date	Project Cost	Net Savings	Payback Number of Years
Composite Syringe Machine (Commissioned / validation)	Oct-24	\$654,000	\$625,000	1.1
Automation of Nozzle & Tip Packing Machine (Commissioned / validation)	Oct-24	\$726,000	\$344,000	2.1
Gel Syringe Machine (factory acceptance testing)	Dec-24	\$400,000	\$193,000	2.7
Syringe Monoblock (build in progress)	Jun-25	\$880,000	\$366,000	2.4



Composite Syringe Machine



Automation of Nozzle and Tip Packing Machine

SECURING OF EUROPEAN REGISTRATION

EU MDR Certification

- SDI have successfully secured its certification under the European Union's Medical Device Regulation 2017/745 (MDR) as a manufacturer
- SDI will be able to continue selling existing products into all European markets as planned
- New Aesthetic product Stela is among the registered products now available for us in Europe and is now registered in most of SDI's markets
- The opportunities to attack the European market and grow Stela into SDI's largest Composite product are significant



SDI – ESG ROADMAP

FY24

“Establishing”

- Formalise the **SDI ESG working group** and its mandate.
- **Define our material topics** using employee survey data as a basis and **quantify baselines.** ✓
- Perform **GHG Assessment (Scope 1 & Scope 2).** ✓
- Develop our **ESG Strategy** outlining areas of focus, goals and **align to SDG’s.** ✓
- Develop and publish the **SDI ESG Policy.**



FY25

“Complying”

- Review top suppliers on ESG risks and incorporate into an updated **Modern Slavery Statement.**
- Conduct an internal **climatic risk** assessment.
- **Commence** reporting in-line with mandatory **Climate-related financial disclosure** standards (IFRS S2).
- Perform a **waste audit/review** to discover packaging recyclability and reduction opportunities.
- Publish inaugural **ESG report.**



FY26-FY27

“Enhancing”

- Review initiatives for **emission reduction** actions/strategies, including how this reflects on a **new efficient facility.**
- Assess progress on relevant **SDGs**, review those selected.
- Review **ESG governance** and resources, reset goals, objectives and targets (**new ESG Roadmap**).
- Review **diversity** of workforce and board composition.
- Publish iterative **ESG Report**, including IFRS S1 and S2.

STRATEGY & OUTLOOK



PROJECT MONTROSE

- **Apr 2024** – Tree Removal Permit Obtained
- **Aug / Sep 2024** – Planning Permit Stage
- **Feb / Mar 2025** – Planning Permit Approval
- **Apr / May 2025** – Execute Design and Tender Works
- **Jun / Jul 2025** – Site Commencement: Warehouse
- **Apr 2026** – Building Completion - Warehouse
- **Jun 2026** – Completed Warehouse Move
- **Jun 2026** – Site Commencement: Manufacturing
- **Dec 2026** – Building Completion: Manufacturing
- **Jan 2027** – Commence Moving Manufacturing

- New build expected to commence in the middle of 2025
- Montrose manufacturing upgrade: Project cost \$60m with expected ROI (PBT/Rev) +20% underpinned by margin improvement
 - Land and buildings \$45m
 - New production machinery \$15m
 - Current site: Land 16,200 sqm, buildings 6,300 sqm
 - New site: Land 24,500 sqm, buildings 11,200 sqm.
 - Currently reviewing building plans, cost estimates and permits.
 - Over \$200m of sales capacity driven by new warehouse, production space and machinery



STRATEGY & OUTLOOK

- Aesthetics and Whitening products continue to be the focus for new product development
- Achieve manufacturing and logistic efficiencies through new site to help achieve sales of +\$200m
- Investment in production automation
- On-going investment in research and development
 - Release to the market of 3 to 4 new products in the next 12 months





SDI | Q&A



APPENDICES



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AWARDS



Winner of the 2023 Victorian Governor Export awards, International Health (2 years in a row).

National Export award winner of 2023, International Health.

STRATEGY

PRIORITY 1

High quality market leading products

SDI will focus its sales, marketing and innovation efforts on its Riva, composites, cements and Pola brands. This targeted innovation will deliver incremental sales growth and act as a gateway to introduce clinicians to SDI's full portfolio.

PRIORITY 2

Business Excellence

Overall continuous improvement will increase the efficiency and effectiveness of SDI processes and supply chains. Increasing output and lowering costs will ensure SDI remains competitive and compliant with local and international regulations.

PRIORITY 3

Premium positioning and awareness

Increasing the awareness and quality perception of SDI is pivotal to achieving short-term and long-term growth.

SALES ANALYSIS

Product Category (\$m)	FY20	FY21	FY22	FY23	FY24
Aesthetics	30.9	36.6	43.2	51.1	55.3
Whitening	18.1	26.5	29.8	31.3	31.0
Amalgam	13.2	12.5	15.3	19.0	18.4
Equipment	5.1	6.0	6.8	6.5	6.5

Region (\$m)	FY20	FY21	FY22	FY23	FY24
North America	14.6	20.4	22.1	25.6	24.7
South America	8.0	7.6	10.2	11.7	12.6
Europe	23.7	31.4	35.8	39.8	42.9
APAC	14.2	16.2	17.1	18.4	19.7
Middle East and Africa	6.9	6.1	10.0	12.4	11.3

PROFIT AND LOSS

Profit & Loss (\$'000)	FY24	FY23	% Change
Revenue			
Sales Revenue	111,206	107,855	3.1%
Cost of goods sold	-42,168	-46,588	-9.5%
Gross Profit	69,038	61,267	12.7%
<i>Gross margin</i>	<i>62.1%</i>	<i>56.8%</i>	<i>+530bps</i>
Other income (expense)	-147	1,564	
Expenses			
Selling & Administration	-47,468	-47,583	-
Research & Development	-1,151	-1,354	-15.0%
Impairment/(reversal) of rec'bles	-27	-49	
Impairment of other assets	-968	-	
Other Expenses	-2,504	-2,396	4.5%
Finance costs	-1,535	-759	102.2%
Profit before tax	15,238	10,690	42.5%
Tax expense	-4,817	-3,634	32.6%
Net profit after tax	10,421	7,056	47.7%
Tax expense	4,817	3,634	32.6%
Amortisation & depreciation	4,187	4,278	-2.1%
Impairment of assets	968	445	117.5%
Net interest expense	1,516	751	101.9%
EBITDA	21,909	16,164	35.5%

CASH FLOW

Profit & Loss (\$'000)	FY24	FY23
Receipts from customers	111,938	109,049
Payments to suppliers & employees	-93,810	-91,375
Other revenue	19	188
Interest & other finance costs paid	-1,535	-1,064
Income tax paid	-2,285	-3,735
Net cash from operating activities	14,327	13,063
Payments for property, plant & equip	-5,337	-30,669
Payments for intangibles	-4,960	-3,817
Proceeds for disposal of PP&E	1,521	1,080
Net cash used for investing activities	-8,776	-33,406
Net proceeds from borrowings	-1,002	23,451
Repayments of lease liabilities	-469	-391
Dividends paid	-3,863	-3,863
Net cash used in financing activities	-5,334	19,197
Cash & Cash equivalents at end of period	6,275	6,022

BALANCE SHEET

Balance Sheet (\$'000)	FY24	FY23
Assets		
Cash & cash equivalents	6,275	6,022
Trade & other receivables	21,045	21,124
Inventories	28,748	25,553
Property, plant & equipment	43,643	45,829
Right of use assets	1,631	1,432
Intangibles	30,564	27,318
Other Assets	8,755	6,031
Total Assets	140,661	133,309
Liabilities		
Trade & other payables	11,616	11,986
Lease liabilities	1,661	1,476
Borrowings	23,118	24,120
Employee benefits	4,228	4,166
Deferred tax liability	4,401	3,274
Other Liabilities	1,663	371
Total Liabilities	46,687	45,393
Net Assets	93,974	87,916

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