



**MARKET EYE
2019 CONSUMER & FINANCIALS
INVESTOR PRESENTATION**

Samantha Cheetham CEO
7 May 2019

YOUR SMILE. OUR VISION.



Long successful operating history – founded in 1972 and listed on ASX in 1985 and Australia’s largest dental manufacturer



SDI conducts research and development of specialist dentist materials undertaking the development, manufacturing and marketing of dental restorative materials



SDI sells to 100+ countries on all continents, with sales teams and warehouses in Australia, Brazil, Europe and North America

CREATED BY SDI

SDI

INVESTMENT SUMMARY

- Long established business with experienced management and operational teams
- Focused on an attractive niche industry serving the dental profession delivering superior gross product margins
- Above market growth: 5 year CAGR of 13% in key Aesthetics and Whitening categories
- Diverse geographical exposure
- Current capex investments driving competitiveness and operational efficiencies
- R&D pipeline to deliver 1 – 2 new products per year to drive growth
- Strong balance sheet with no debt and fully franked dividends

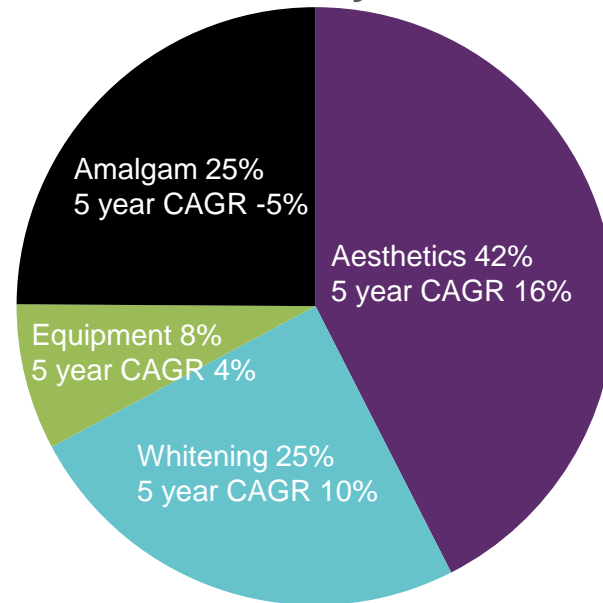
BUSINESS SUMMARY

Core Markets

- Europe
 - 35% of HY19 sales
- North America
 - 24% of sales
- Oceania & Asia
 - 19% of sales
- Middle East & Africa
 - 12% of sales
- South America
 - 10% of sales

▪ HY19 figures

Revenue by Product



- HY19 figures for % of sales total
- FY18 figures for CAGR

Sales channels

- Worldwide distribution via 800+ distributors and agents
- Direct to dentist (in Australia only)
- Offices and warehouses in Melbourne, São Paulo, Chicago, Cologne

Profit drivers

- Sales growth
- Continued focus on cost control in manufacturing, sales & corporate
- Sales mix improvements
- New product launches

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IT'S THE LITTLE
THINGS THAT
MAKES US SMILE



PRODUCT CATEGORIES

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AESTHETICS



WHITENING



EQUIPMENT

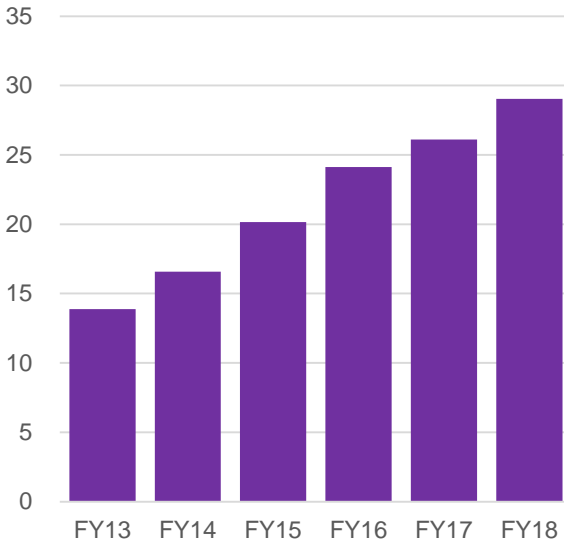


AMALGAM

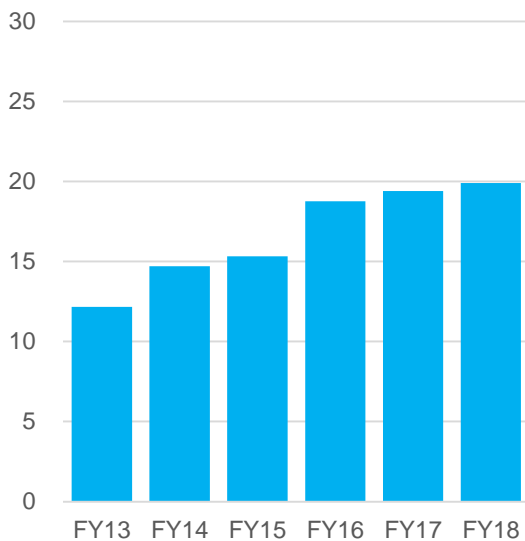


REVENUE BY CATEGORY

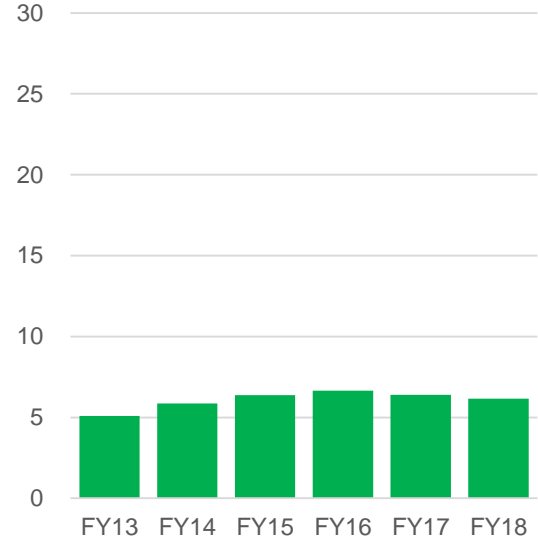
Aesthetics



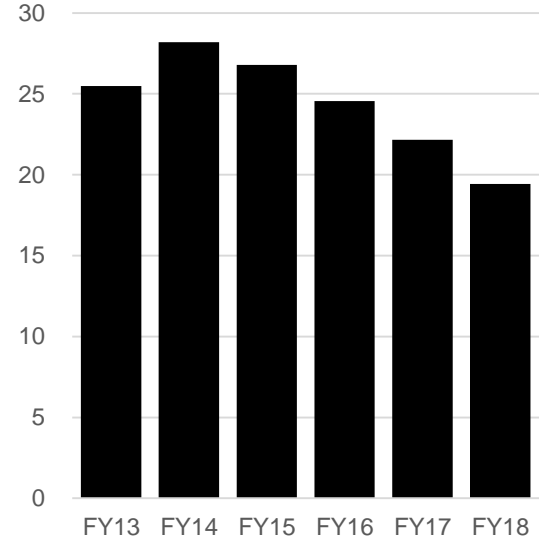
Whitening



Equipment



Amalgam

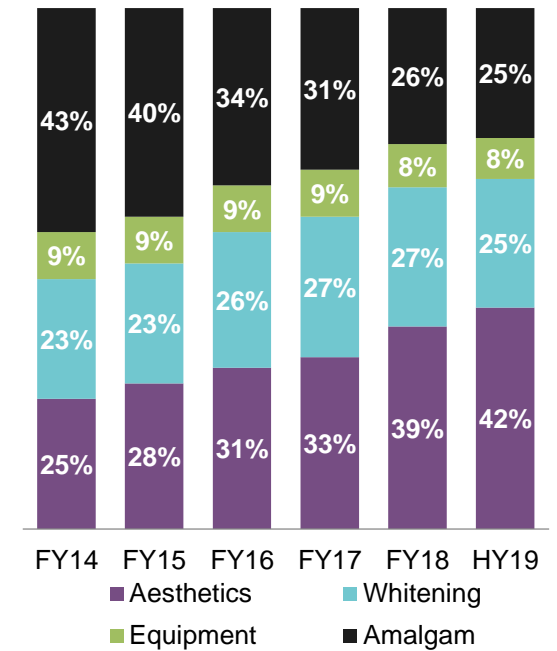
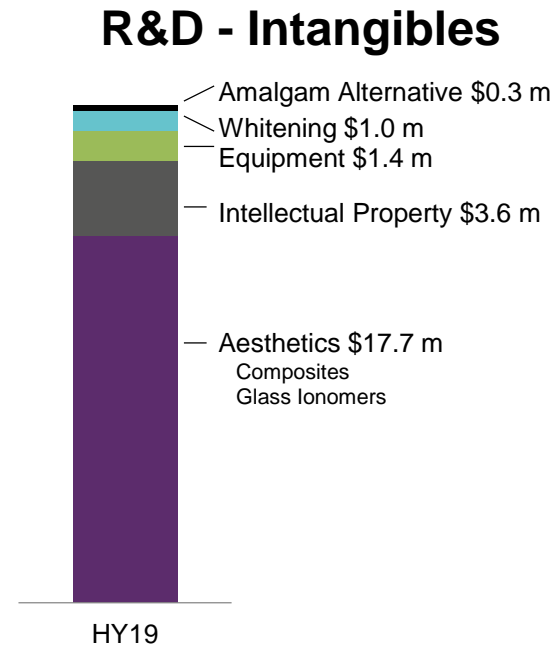


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INVESTING FOR THE FUTURE

- Shifting industry trends identified more than 20 years ago
- Invested heavily in Research and Development
- R&D portfolio mostly relates to Aesthetics
- Aesthetics and Whitening account for 67% of all sales
- Amalgam decline slowed





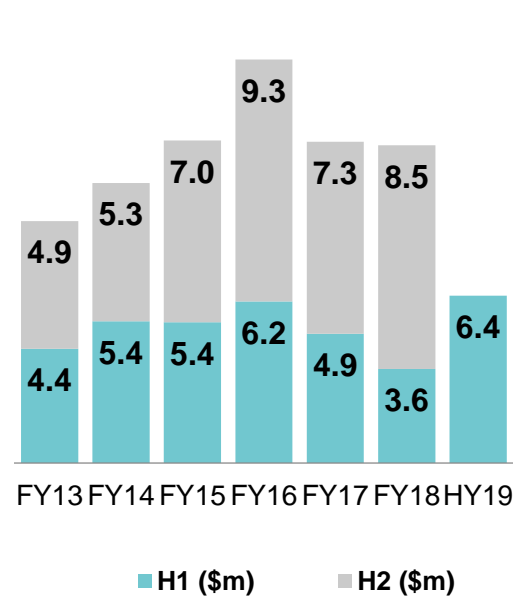
FINANCIAL HIGHLIGHTS

SDI

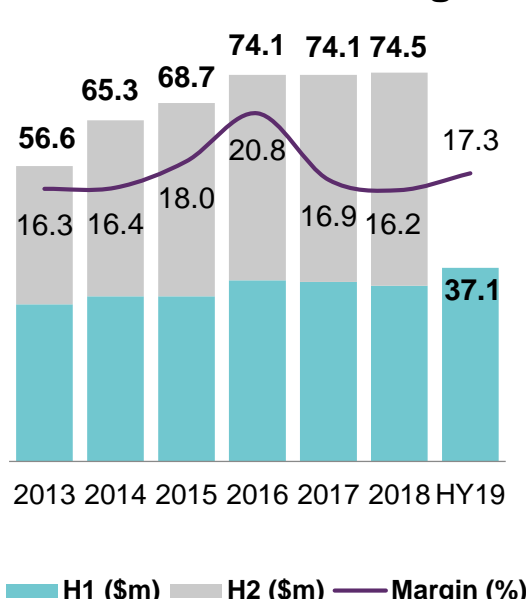
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POSITIVE TRENDS

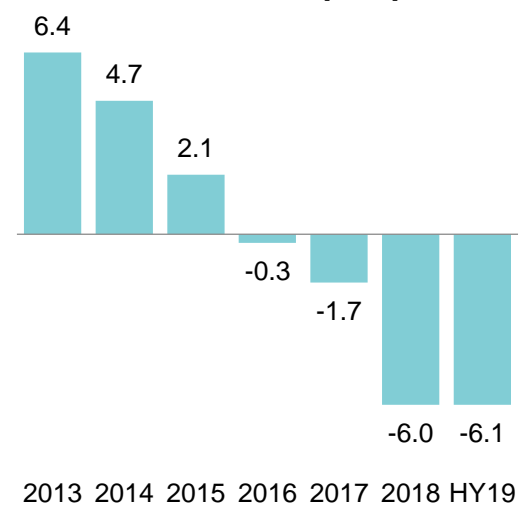
EBITDA



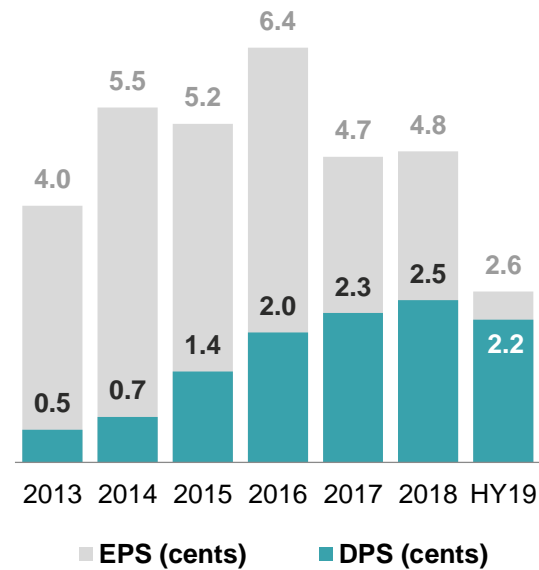
Sales v EBITDA margin



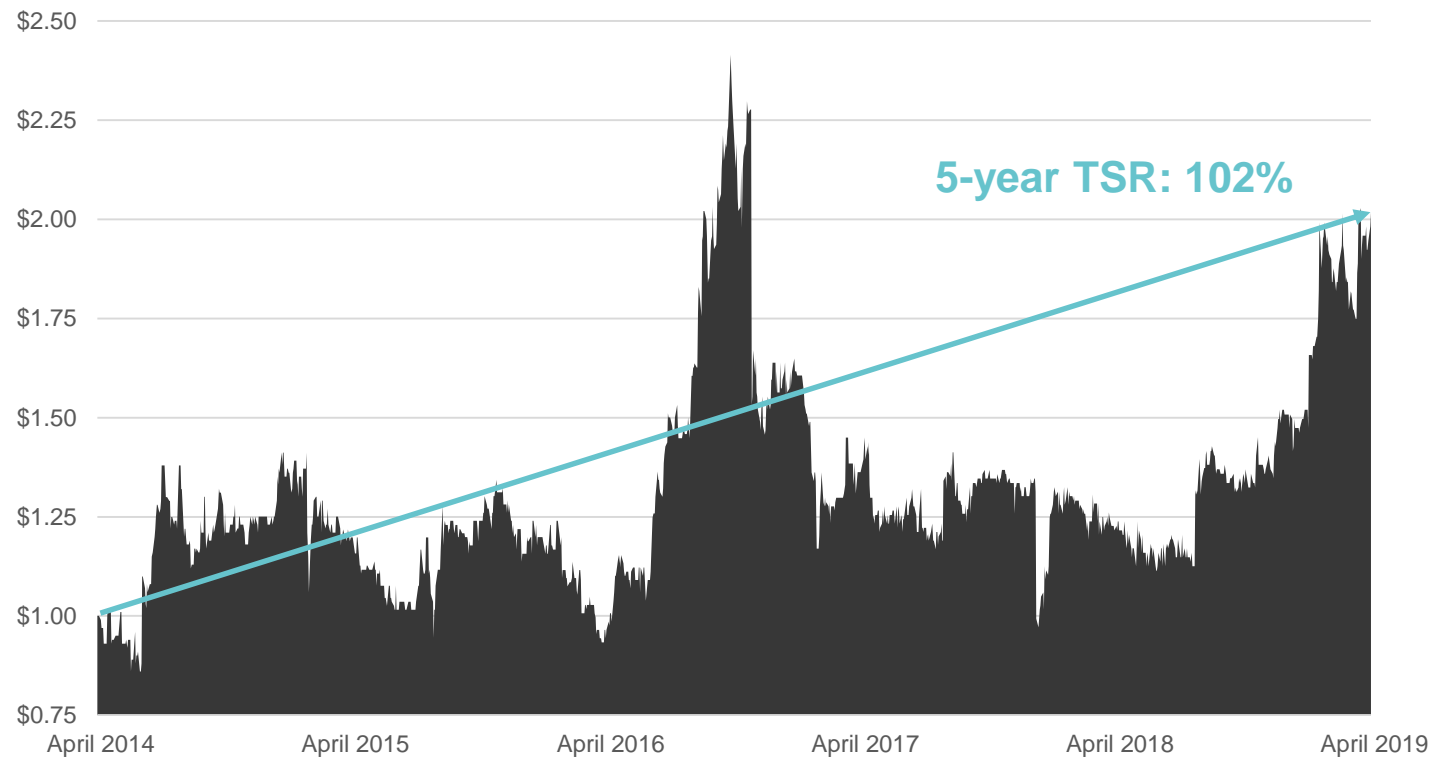
Net Debt (\$m)



EPS & DPS



SHAREHOLDER RETURNS



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STRATEGY & OUTLOOK

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RESEARCH, INNOVATION, RESULTS

- Two key new products to be launched in H2 2019
 - Aura Easy Flowable
 - Zipbond adhesive
- 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, composites 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
- Key study will soon be published showing significant decline in referral rates for general anaesthetic



STRATEGY & OUTLOOK

4 Strategic priorities:

1. Rationalise product portfolio
 2. Focus on key product categories – whitening, glass ionomers and composites
 3. Drive amalgam replacement
 4. Increase innovation and speed to market
- Brazil manufacturing trials underway with start planned for FY20
 - In FY19, we expect continued sales growth in Aesthetics and Whitening products (75% of sales)



A black and white close-up photograph of a young woman with long, light-colored hair. She is smiling broadly, showing her teeth, and has her hands raised behind her head, resting her arms on her hair. The background is a plain, light color.

QUESTIONS

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