



24 July 2024

## Quarterly Report and Company Update

**SomnoMed Limited (ASX "SOM", or the Company)**, the leading company in the provision of oral appliance treatment solutions for sleep-related breathing disorders and obstructive sleep apnea ('OSA'), is pleased to provide its quarterly activities report for the period ended 30 June 2024 (Q4 FY24).

### Financial Summary

- FY24 unaudited revenue of \$91.7 million, +9.6% (+5.5% in constant currency) versus pcp and exceeded the top end of the revised guidance of 6-9%.
- Q4 FY24 unaudited revenue of \$24.1 million, +2.5% (+3.0% in constant currency) versus the previous corresponding period (pcp).
- FY24 EBITDA<sup>1</sup> guidance (excluding an estimated \$3 million of restructuring costs) revised upwards to between \$0.3 million to \$0.8 million (from previous guidance of -\$1 million to \$0 million).
- The originally planned cost reductions announced at the AGM in November 2023, as well as the additional cost reductions announced in April 2024 are now complete. Restructuring costs totalling \$3.0m were incurred in Q4 and the ongoing benefit of the realised annualised savings of \$5 million will be reflected effective Q1 FY25.
- Cash balance was \$16.2 million as at 30 June 2024.

### Operational Comments for the Quarter

- While Q4 FY24 revenue remains constrained by manufacturing limits, improvements are now being seen in turnaround times and growth in unit output.
- The company engaged the services of an external management consultancy to conduct a capacity assessment to identify, quantify and prioritise improvement opportunities to meet current and future demand.
- Mr Jonathan Vowels has been appointed as Vice President of Manufacturing and Operations and Ms Mary Kennell has been appointed Global Director, Regulatory Affairs, with effect from 1 July 2024.
- The Company's debt facility with Epsilon direct Lending has been repaid in full. This will result in an annual saving of interest costs of \$1.7 million in FY25.
- Total patients treated by SomnoMed worldwide now exceeds 915,000.

<sup>1</sup> EBITDA does not include AASB16 lease payments, share/option expenses, unrealised forex gain/(loss), discontinued operations and once off restructuring costs.

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## CFO Transition

SomnoMed's Chief Financial Officer, Mr Darren Collins, has resigned effective 31 July 2024. A search for a new CFO will commence immediately. Mr Collins will be available to support the finance team and the transition to a new CFO in the short term.

Ms Blickstead said: "We thank Mr Collins for his service, during what has been a challenging period for SomnoMed. We are grateful for his assistance with the transition to a new leader of the finance function and wish him all the best for his future endeavours."

## Financial Review

Quarterly revenue of \$24.1 million for Q4 FY24, +2.5% (+3% in constant currency) versus pcp.

| Revenue (A\$000's)         | Q4 FY24       | Q4 FY23       | % Change    | % Change          |
|----------------------------|---------------|---------------|-------------|-------------------|
|                            | (A\$000's)    | (A\$000's)    | Actual      | Constant Currency |
| Europe                     | 13,532        | 13,856        | -2.3        | -1.7              |
| North America              | 8,848         | 8,074         | +9.6        | +9.7              |
| APAC                       | 1,681         | 1,547         | +8.7        | +9.8              |
| <b>Total Group Revenue</b> | <b>24,061</b> | <b>23,477</b> | <b>+2.5</b> | <b>+3.0</b>       |

Full year FY24 revenue of \$91.7 million, +9.6% (+5.5% in constant currency) versus pcp, exceeded the top end of the revised guidance of 6-9%.

| Revenue (A\$000's)         | 12 months to 30 June 2024 | 12 months to 30 June 2023 | % Change    | % Change          |
|----------------------------|---------------------------|---------------------------|-------------|-------------------|
|                            | (A\$000's)                | (A\$000's)                | Actual      | Constant Currency |
| Europe                     | 52,454                    | 47,332                    | +10.8       | +5.1              |
| North America              | 32,864                    | 30,165                    | +8.9        | +6.6              |
| APAC                       | 6,334                     | 6,119                     | +3.5        | +4.0              |
| <b>Total Group Revenue</b> | <b>91,652</b>             | <b>83,616</b>             | <b>+9.6</b> | <b>+5.5</b>       |

Cash used in operations in Q4 was \$0.9 million, including cash restructuring costs paid of \$0.7 million. The ongoing investment in R&D and CAPEX for the quarter amounted to \$1.3 million comprised of \$0.7 million of intangibles primarily related to the design and development of SomnoMed's Rest Assure® technology and \$0.6 million of property, plant and equipment, \$0.5 million of which is investment into enhancing the capacity of the Company's manufacturing facility in Manila. FY24 CAPEX investment totalled \$5.3 million, \$0.3 million in excess of guidance as a result of the initial Q4 investment into the manufacturing facility.

SomnoMed has a cash balance of \$16.2 million, and low interest government-backed COVID 19 related unsecured loan facilities in France and Germany of \$1.0 million, as at 30 June 2024.

## **Operational Review**

Revenue across all regions was adversely impacted by manufacturing capacity limitations.

### Europe

European revenues fell 2.3% (-1.7% in constant currency) in Q4 FY24 versus pcp where the increase in turnround times impacted sales in Netherlands and Germany.

### North America

Q4 FY24 North American revenue rose 9.6% (+9.7% in constant currency) versus pcp.

The Company has been doing preparatory workings for a further submission to US Pricing, Data Analysis and Coding (PDAC) for expanded reimbursement coverage, including Medicare, to enable greater patient access to SomnoDent® products.

### Asia Pacific

Asia Pacific quarterly revenues grew 8.7% (+9.8% in constant currency) in Q4 FY24 versus pcp. Q4 performance in Australia has been particularly pleasing, with the highest rate of growth versus pcp since Q3 FY21.

## **Rest Assure® Update**

The Company is continuing to work through the areas on which the US FDA has requested further information or clarification and expects to provide its response to the FDA by 5 September 2024.

## **Quarterly payments to related parties and their entities**

Cash outgoings for the quarter included payments of \$302,000 in relation to the Co-CEOs pursuant to their employment contracts and the payment of non-executive directors' fees.

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This release has been approved by the Board of SomnoMed Limited.

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## About SomnoMed

SomnoMed is a public company providing treatment solutions for sleep-related breathing disorders including obstructive sleep apnea, snoring and bruxism. SomnoMed was commercialised on the basis of extensive clinical research. Supporting independent clinical research, continuous innovation and instituting medical manufacturing standards has resulted in SomnoDent® becoming the state-of-the-art and clinically proven medical oral appliance therapy for more than 915,000 patients in 28 countries. For additional information, visit SomnoMed at <http://www.somnomed.com.au>

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