



# Investor Presentation

Full Year 2024 Results  
August 2024

**Treatment focused.  
Technology driven.**



# Disclaimer



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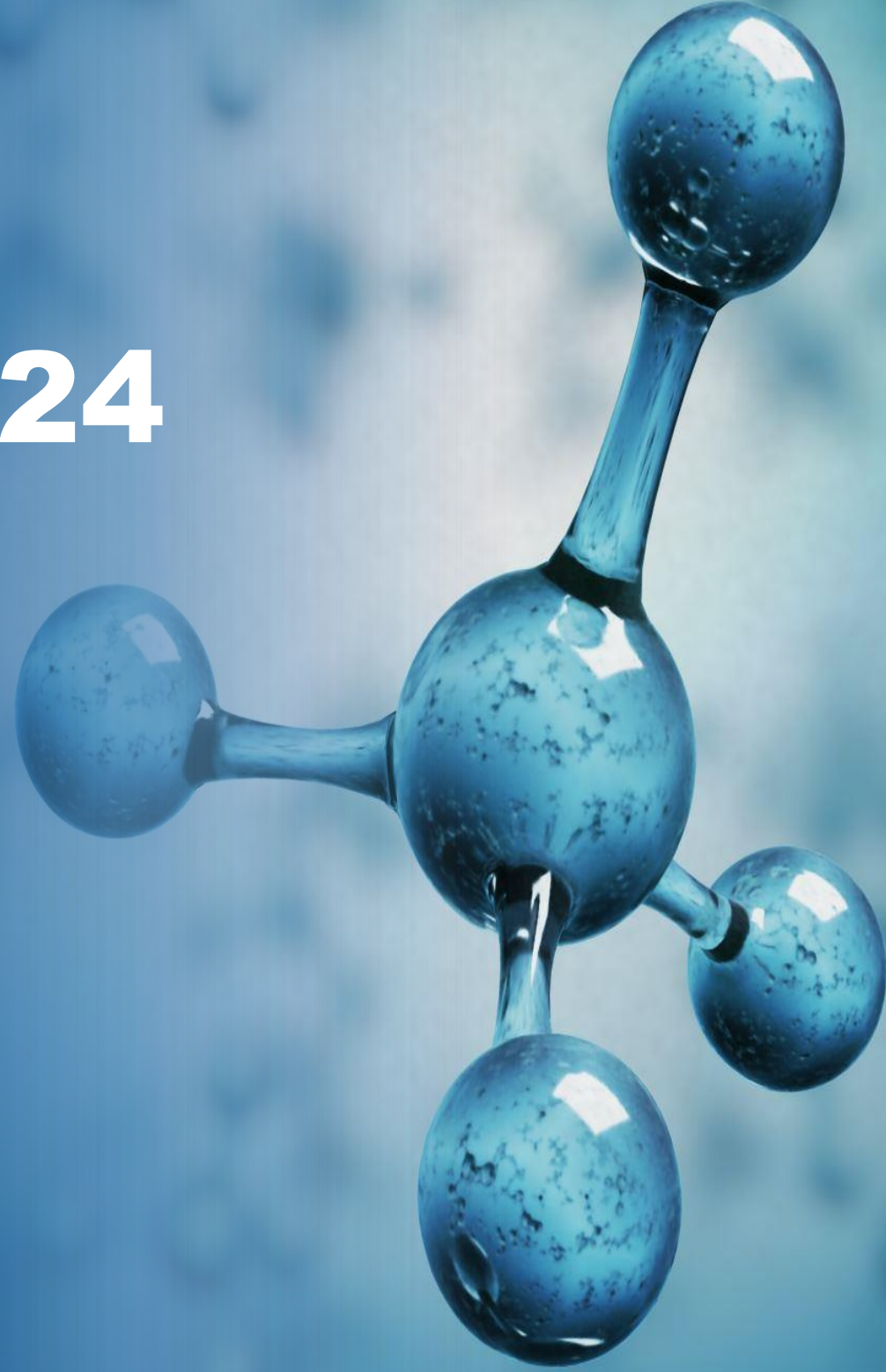
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# Overview – FY24



# FY24 result snapshot

## Revenue

**A\$91.7m**

**+9.6% vs FY23**

*vs. guidance of +6-9% growth*

## EBITDA<sup>1</sup>

**A\$0.6m**

*vs. guidance of A\$0.3m –  
A\$0.8m*

## Net Cash

**A\$16.2m**

*Strengthened balance sheet  
with debt repaid in full*

<sup>1</sup> EBITDA does not include AASB16 leases, share/option expenses, unrealised forex gain/(loss) and one-off expenses



# Building the foundations for profitable growth

Jan 2024 – Jun 2024

## Reset

- New Co-CEOs
- \$22.6m capital raise
- \$15m debt repaid in full
- \$5m+ cost out initiative complete
- Investment in manufacturing capacity

FY25

## Execution and delivery

- Earnings growth
- Operating Cash Flow positive
- Manufacturing capacity growth and derisking

3-year priorities

## Sustainable growth and innovation

- Return to double digit revenue growth
- 10%+ EBITDA<sup>1</sup> margins
- Rest Assure<sup>®</sup> launch

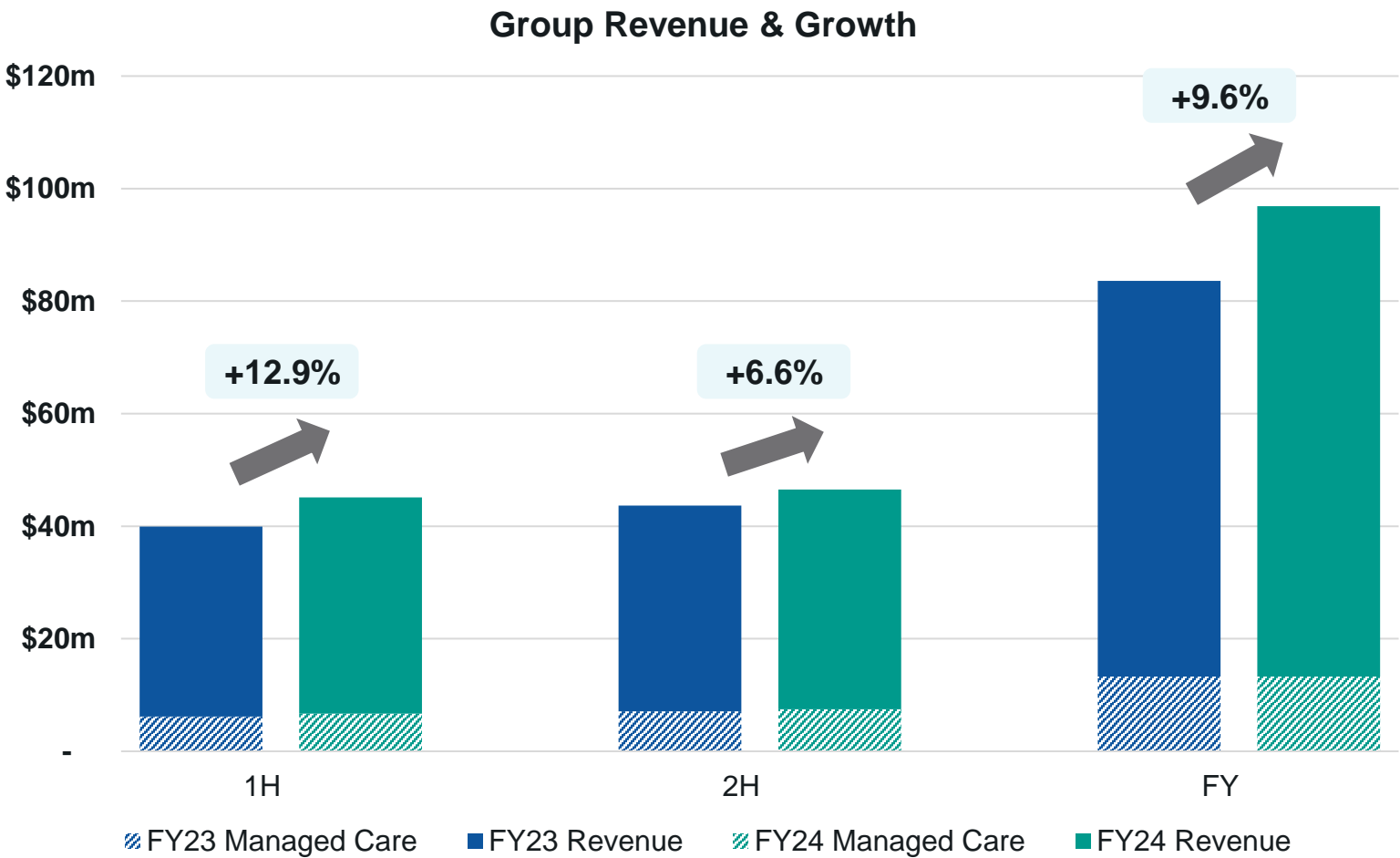
<sup>1</sup> EBITDA does not include AASB16 leases, share/option expenses, unrealised forex gain/(loss) and one-off expenses and consistent with aspirations stated in Investor Presentation 9/4/24

# Overview – FY24

1. Financial information
2. Operations update
3. FY25 outlook



# Group revenue has grown 9.6% year on year



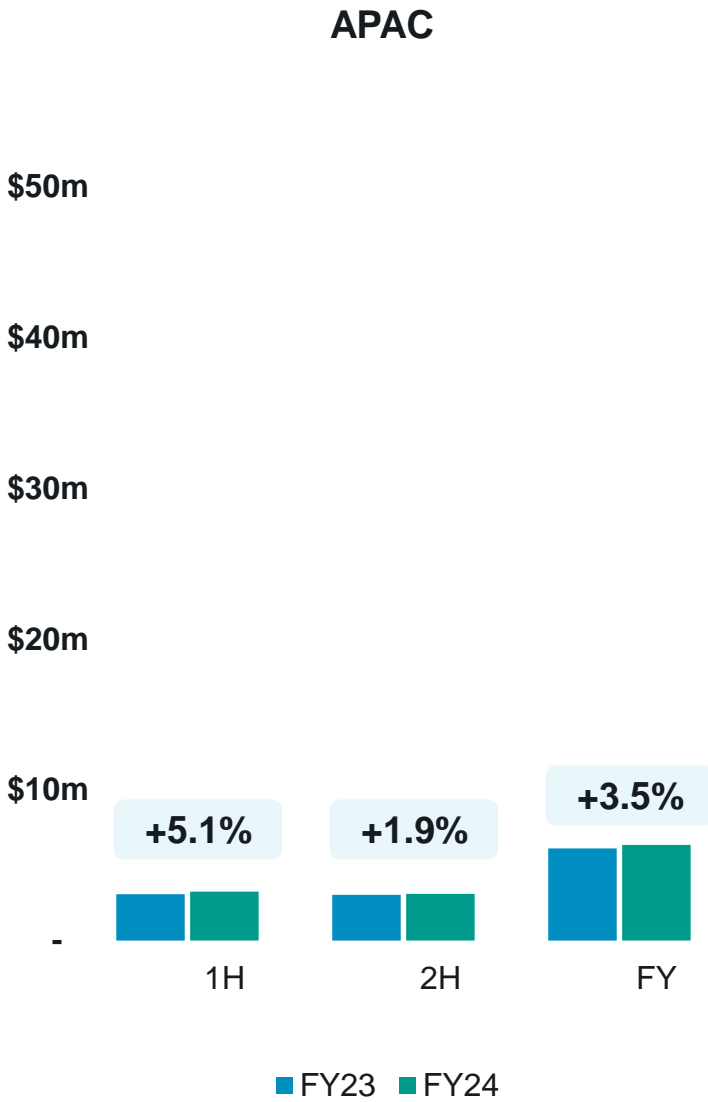
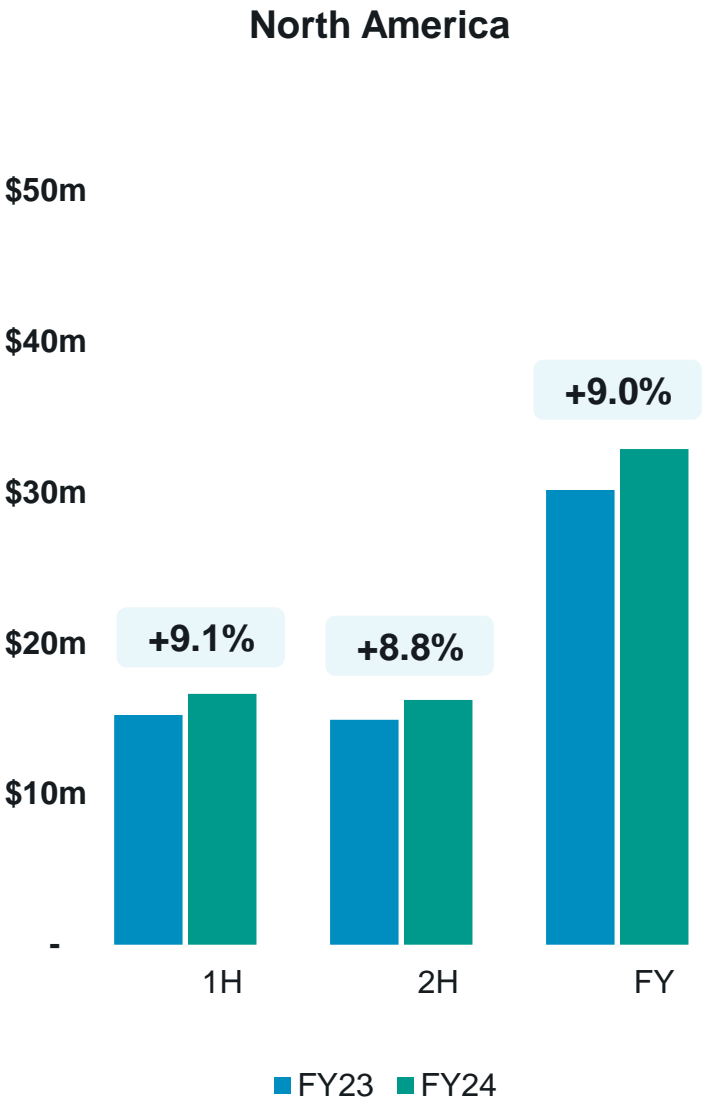
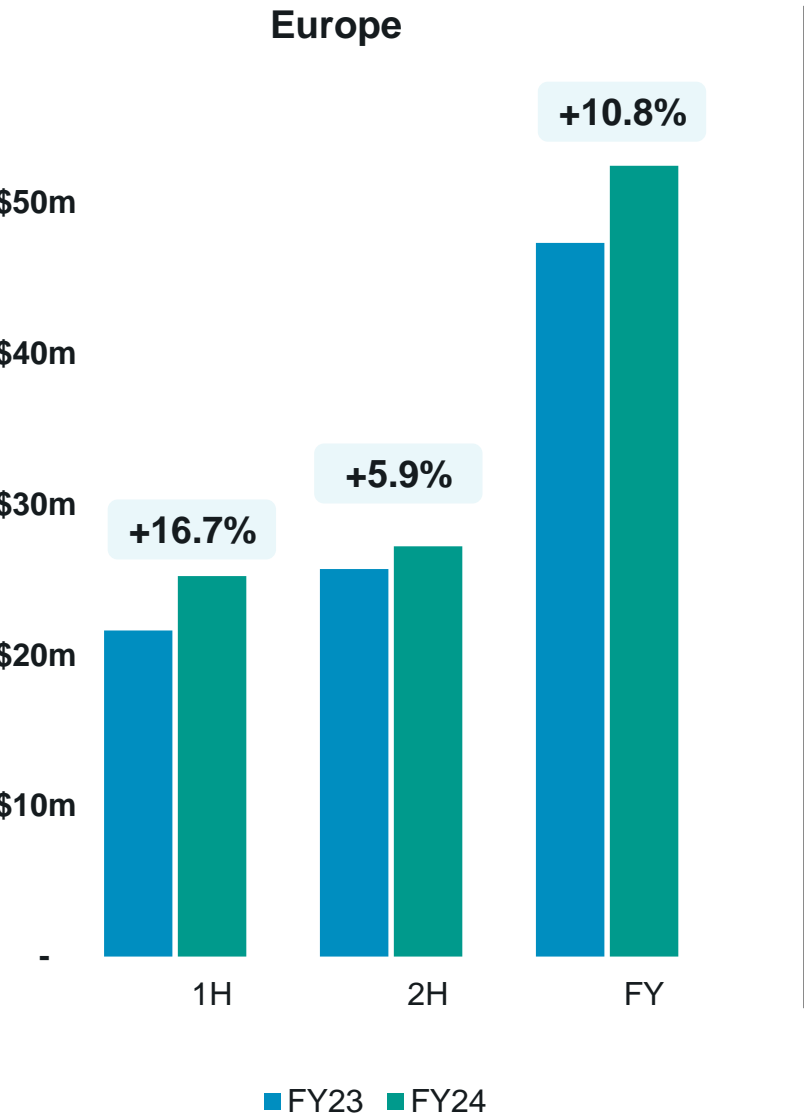
Total units sold exceeded **100,000** for the first time in SomnoMed's history.

Delivered at the top end of guidance with a strong Q4 recovery.

Mix of products shifting year on year to the newer generation SomnoDent Avant<sup>®</sup> and SomnoDent Herbst Advance Elite<sup>®</sup> product lines.



# Total regional revenues





# Profit and loss summary

A\$m	FY24	FY23	%
Revenue	91.7	83.6	+10%
Gross margin	55.1	51.9	+6%
Regional sales & marketing expenses	(24.5)	(24.5)	+0%
Regional administrative expenses	(16.5)	(13.1)	+26%
<b>Operating profit</b> (before corporate, research and business development)	<b>14.1</b>	<b>14.3</b>	<b>(2%)</b>
Corporate & head office expenses	(13.5)	(12.2)	+10%
<b>EBITDA<sup>1</sup></b>	<b>0.6</b>	<b>2.1</b>	<b>(72%)</b>
D&A	(5.8)	(5.1)	+13%
Interest	(2.1)	(2.6)	(20%)
Other	(0.9)	(1.4)	(33%)
<b>PBT<sup>3</sup></b>	<b>(8.2)</b>	<b>(7.0)</b>	<b>+17%</b>

## Regional administrative expenses:

- Full year impact of FY23 incremental headcount, rebalanced in Q4 FY24.

Key metrics	FY24	FY23
MAS gross margin %	69.1%	71.5%
Group gross margin	60.2%	62.1%
AASB16 lease expense	(2.3)	(2.2)
Underlying EBITDA <sup>2</sup>	(1.7)	(0.1)

## Underlying EBITDA<sup>2</sup> (including AASB16 lease expense)

- Adjusting reported EBITDA<sup>1</sup> for AASB16 lease expenses to provide a better proxy for cash earnings

<sup>1</sup> EBITDA excludes AASB16 leases, share/option expenses, unrealised forex gain/(loss) and one-off expenses

<sup>2</sup> Underlying EBITDA includes AASB16 leases, but excludes share/option expenses, unrealised forex gain/(loss) and one-off expenses

<sup>3</sup> PBT excludes one-off expenses

# Balance sheet summary

## Statement of financial position

A\$m	Statutory 30 Jun 2024	Statutory 30 Jun 2023
Cash and cash equivalents	16.2	12.0
Inventories	6.3	4.1
Trade and other receivables	12.4	11.2
Plant and equipment	5.8	6.2
Goodwill & intangibles	20.3	19.0
Right of use asset (AASB16)	5.4	6.5
Deferred tax assets	3.1	3.3
Other assets	0.3	0.3
<b>Total Assets</b>	<b>69.8</b>	<b>62.5</b>
Payables	13.3	12.2
Borrowings – commercial	-	15.1
Borrowings – governments	1.0	1.6
Provisions	4.5	3.9
Income tax payable	0.2	0.5
Lease liability (AASB16)	5.7	6.8
Other liabilities	-	-
<b>Total Liabilities</b>	<b>24.8</b>	<b>40.1</b>
<b>Net Assets</b>	<b>45.0</b>	<b>22.4</b>

# Cash flow summary

## Statement of cash flows

A\$m	Statutory 30 Jun 2024	Statutory 30 Jun 2023
<b>EBITDA<sup>(1)</sup></b>	<b>0.6</b>	2.1
Movement in working capital & other non-cash	(0.9)	(2.4)
Tax paid	(1.1)	(1.8)
Net finance costs paid	(1.9)	(1.8)
<b>Net cash flow from operating activities</b>	<b>(3.3)</b>	<b>(3.9)</b>
One-off expenses	(3.0)	-
Payments for intangible assets	(4.0)	(3.3)
Payments for property, plant and equipment	(1.4)	(3.1)
<b>Operating cash flow</b>	<b>(11.7)</b>	<b>(10.3)</b>
Net proceeds from issue of shares	36.0	-
Borrowings / (repayment of borrowings)	(16.8)	9.1
AASB16 leased asset payment	(2.5)	(2.5)
Exchange rate adjustments	(0.8)	(0.0)
<b>Net cash flow</b>	<b>4.2</b>	<b>(3.7)</b>

### Operating Activities:

- \$1.6m interest on \$16m fully drawn loan from Epsilon Direct Lending – repaid in Q4.
- One-off expenses relating to the cost initiatives ran in Q4.
- Continued investment in R&D and CPF manufacturing infrastructure

### Capital raise and borrowings:

- Full repayment of Epsilon Direct Lending debt from Q4 FY24
- Additional net \$36m of capital raised through FY24.

<sup>1</sup> EBITDA does not include AASB16 leases, share/option expenses, unrealised forex gain/(loss) and one-off expenses



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# Capital allocation - our prioritisation framework

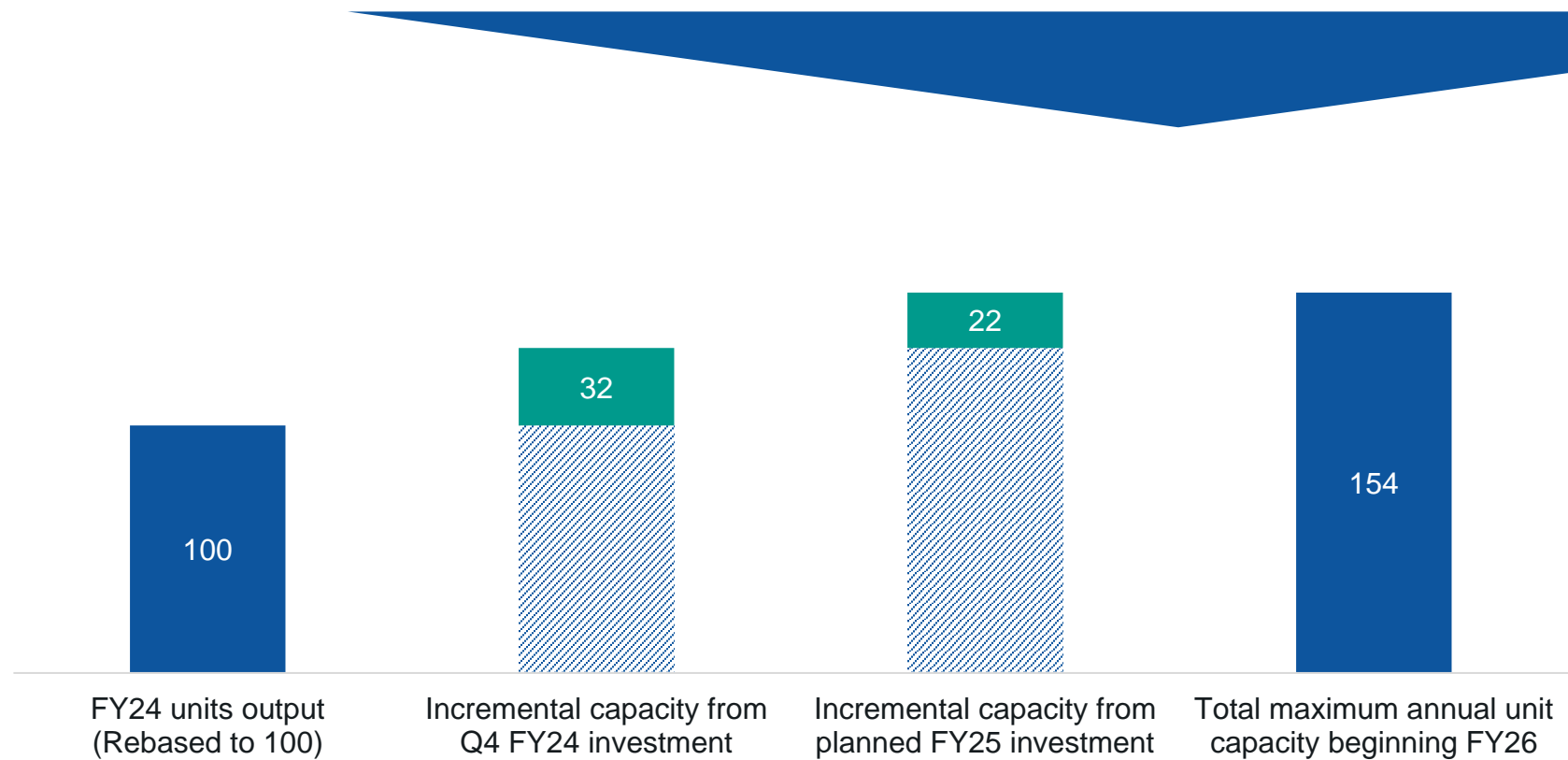
Discipline to maximise long-term shareholder value



**DEBT REPAYMENT**



**INVESTMENT FOR GROWTH**



Near-term investment focused on increasing capacity to deliver continued leadership at scale with sustainable EBITDA margins

FY24 and FY25 investments expected to deliver ~54% uplift in long-term capacity



# **Rest Assure<sup>®</sup> : FY24 and update on timeline**

**Submission finalised and initial response received from FDA**

**Response to FDA questions underway and will be delivered within the required timeline of early September 2024**

**Following FDA response, next steps will be confirmed, with intention to conduct a global beta market assessment as the next stage of launch in 2025**



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# FY25 priorities

## **People & culture**

Build a high performing team and culture of improvement

## **Operational**

Manufacturing facility capacity

## **Customer**

Improved turnaround times and product innovation

## **Financial**

Generate positive earnings and positive operating cashflow



# FY25 guidance

## Revenue

**c. A\$100m**

*vs. \$91.7m FY24*

## EBITDA<sup>1</sup>

**>A\$5m**

*vs. \$0.6m FY24*

## Capex

**A\$3-4m**

<sup>1</sup> EBITDA excludes AASB16 leases, share/option expenses, unrealised forex gain/(loss) and one-off expenses



# Appendix: Underlying EBITDA reconciliation

## Underlying EBITDA reconciliation

A\$m	FY25 Guidance	FY24	FY23	FY22	FY21
EBITDA (as reported) <sup>1</sup>	>5.0	0.6	2.1	1.3	3.9
AASB16 leases	(2.3)	(2.3)	(2.2)	(1.8)	(1.6)
Underlying EBITDA <sup>2</sup>	>3.0	(1.7)	(0.1)	(0.5)	2.3

<sup>1</sup> EBITDA excludes AASB16 leases, share/option expenses, unrealised forex gain/(loss) and one-off expenses  
<sup>2</sup> Underlying EBITDA includes AASB16 leases, but excludes share/option expenses, unrealised forex gain/(loss) and one-off expenses



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