



# SomnoMed Investor Presentation

*Financial Year 2015-16*

*Half Year Review*



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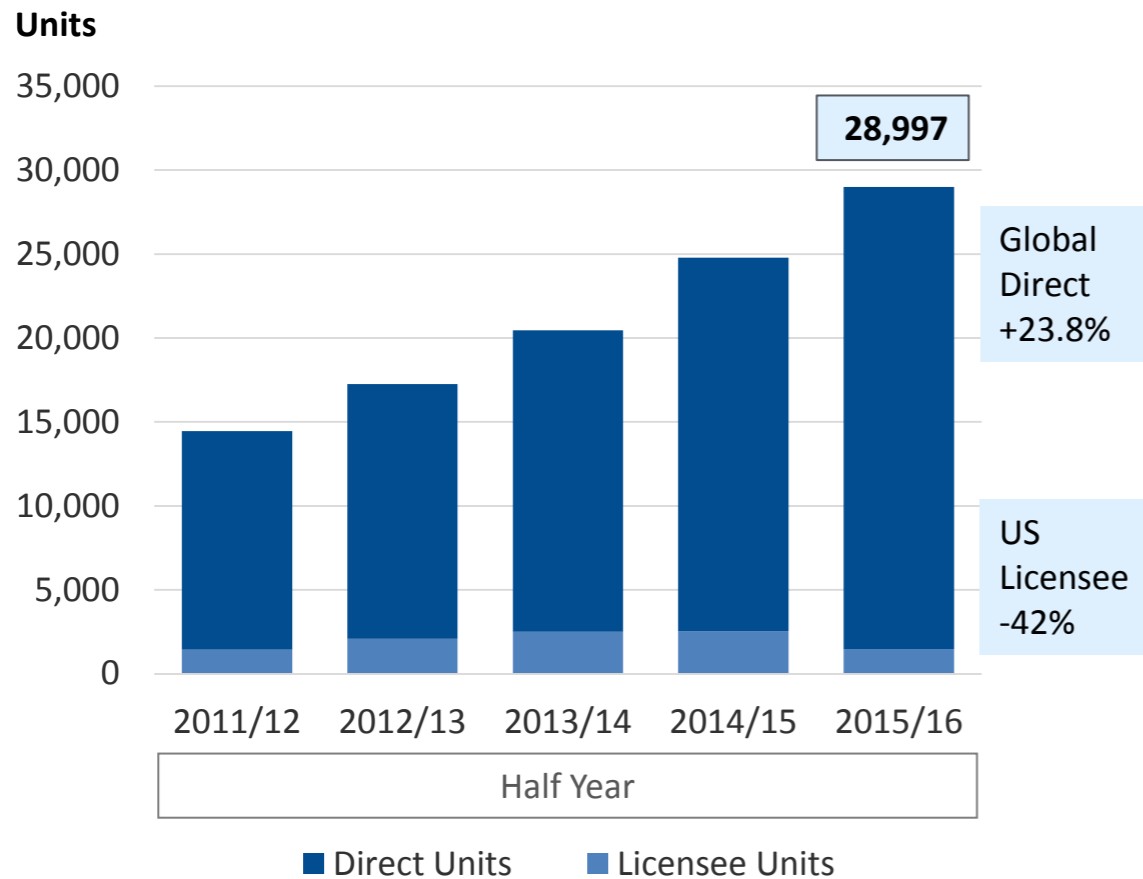
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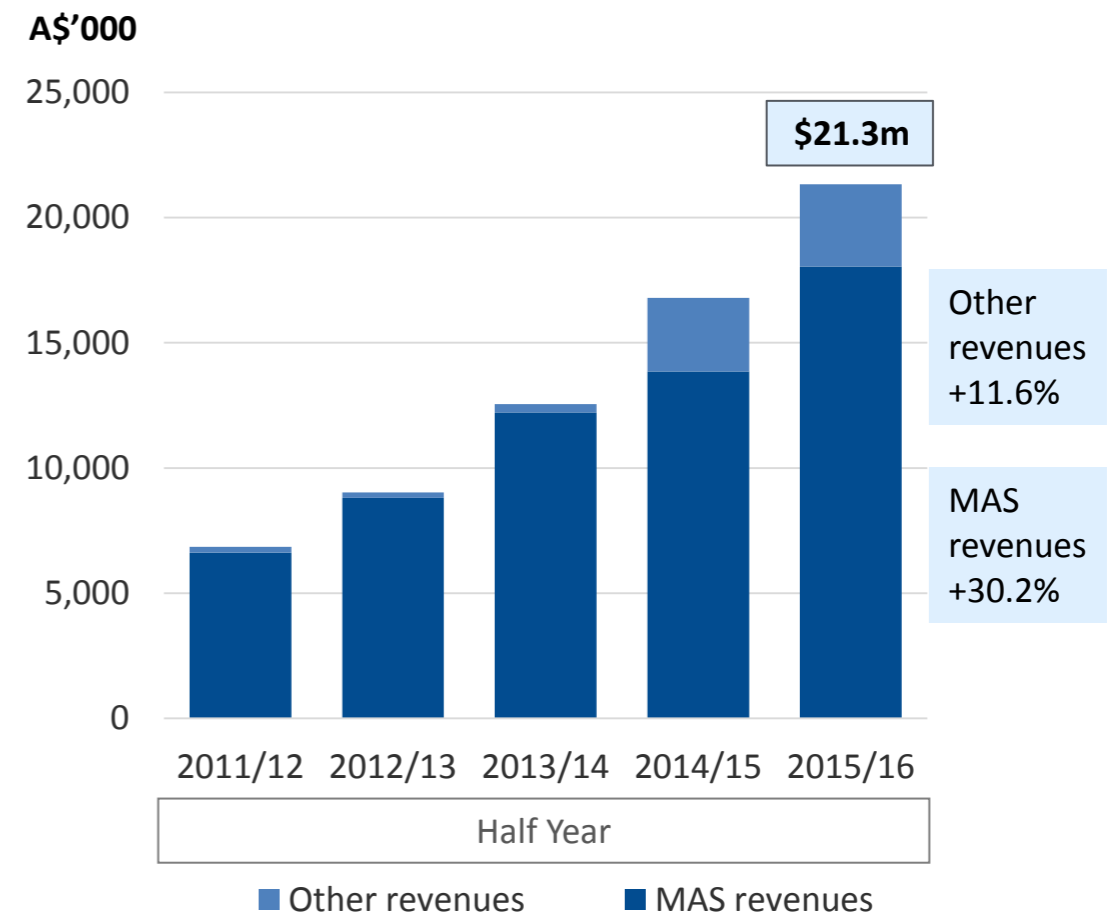


# Strong growth in direct sales volumes and revenues whilst US licensee sales become less important

## Global unit sales growth



## Global revenues growth



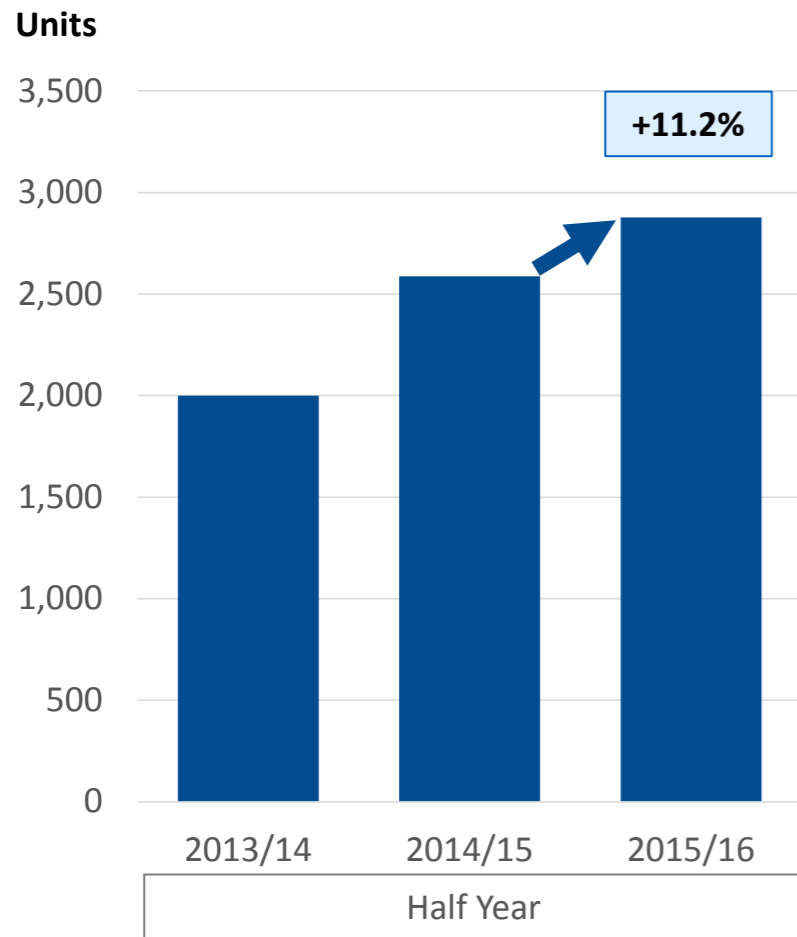
## Global highlights first half 2015/16

- Direct sales volumes +23.8% and group revenues +30.2%
- MAS gross margin maintained at 68.5% and Group gross margin up to 57.5%
- Licensee sales now less than 10% of North American sales
- EBITDA up 124% to \$908,000
- Acquisition of remaining 50% of SMH Biomaterials AG
- Acquisition of Strong Dental Canada
- Transition to digital scanning underway
- New clinical research published confirming medical efficacy and high compliance of COAT™

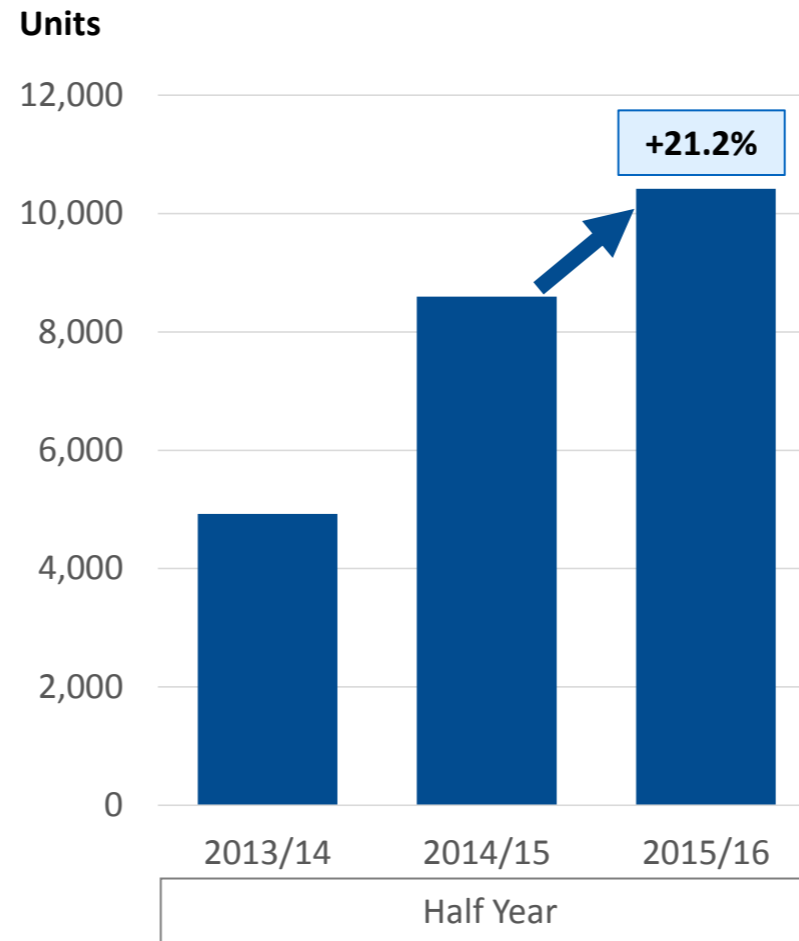


# Excellent sales growth especially in the US and Europe

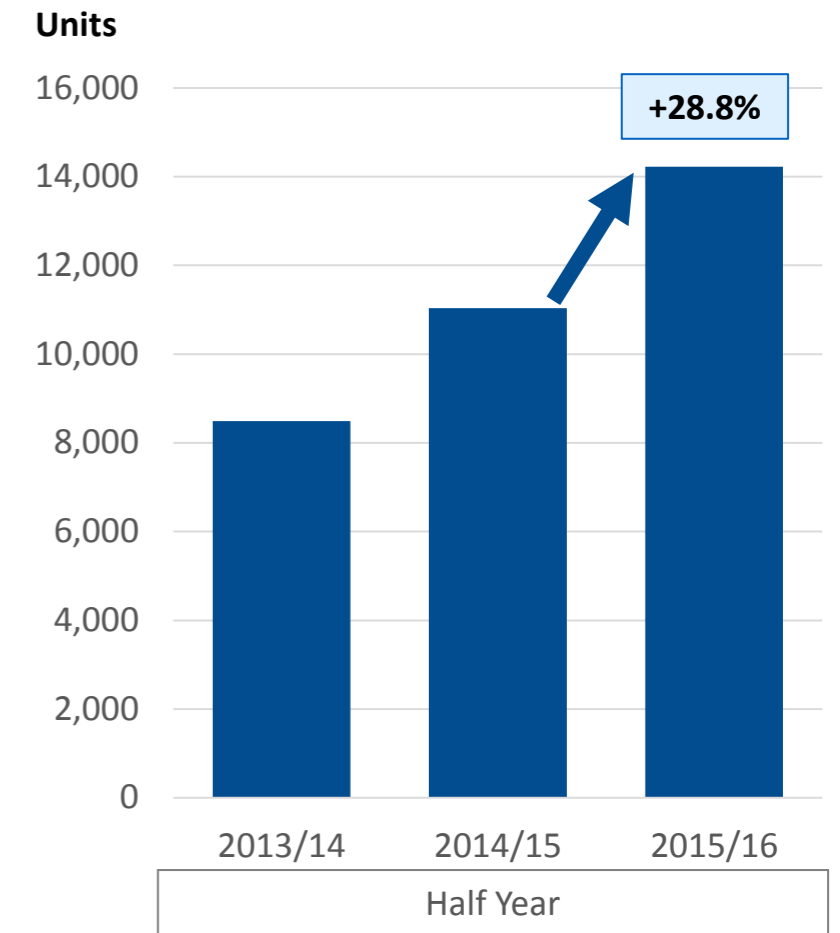
## APAC & Japan



## Europe

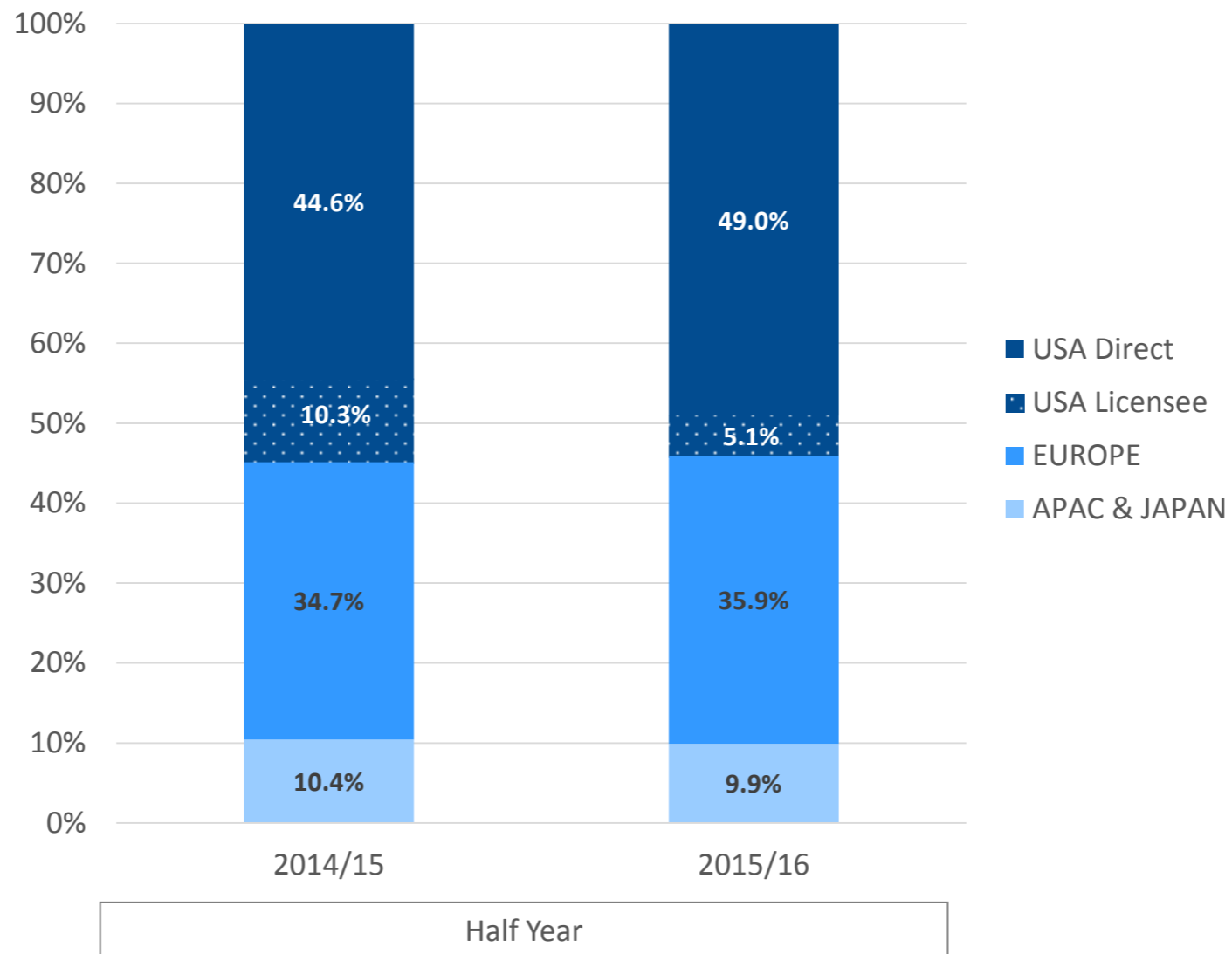


## North America Direct



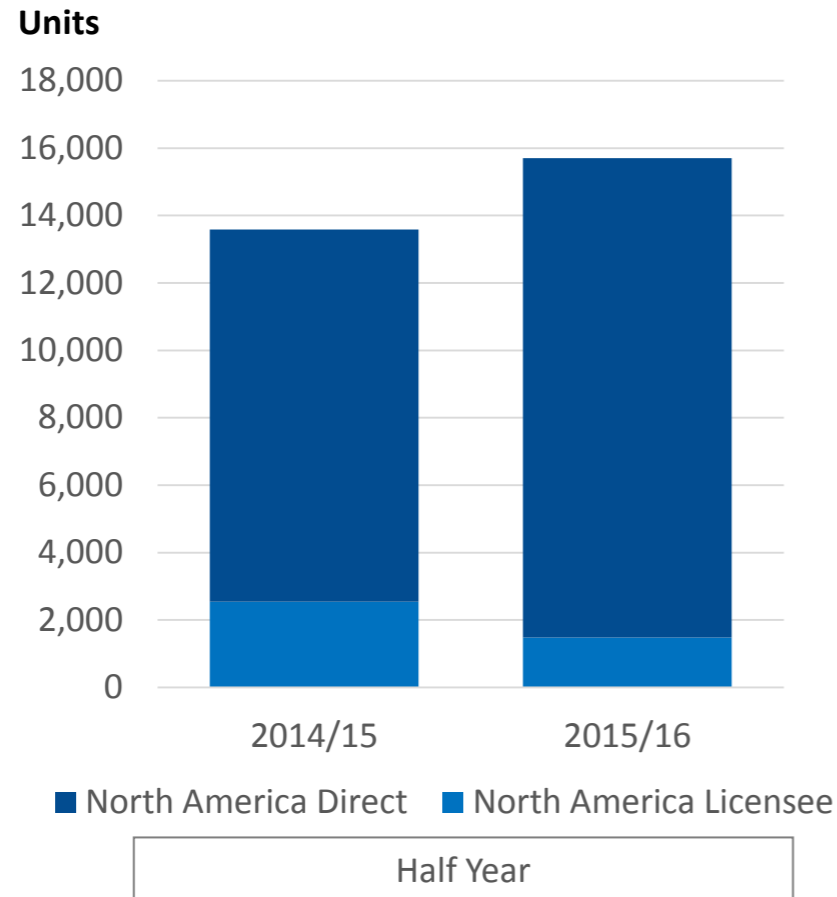
# Europe and North America dominate share of unit sales

## Regional unit sales split

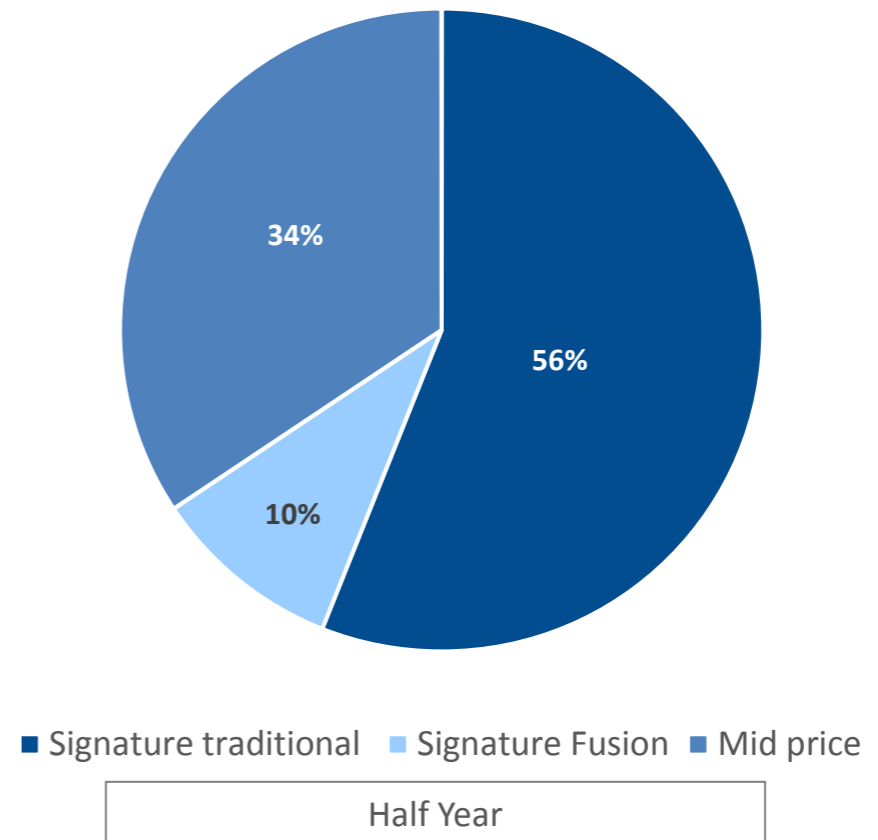


## Main trends – North America

Direct unit sales growth 28.8%

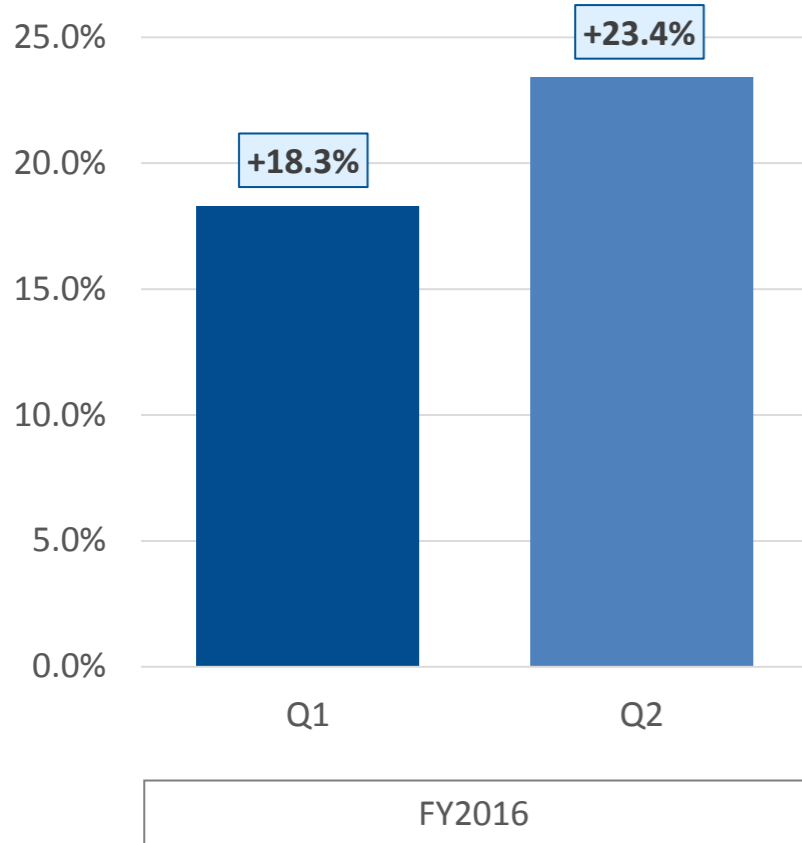


New product sales are successfully gaining share

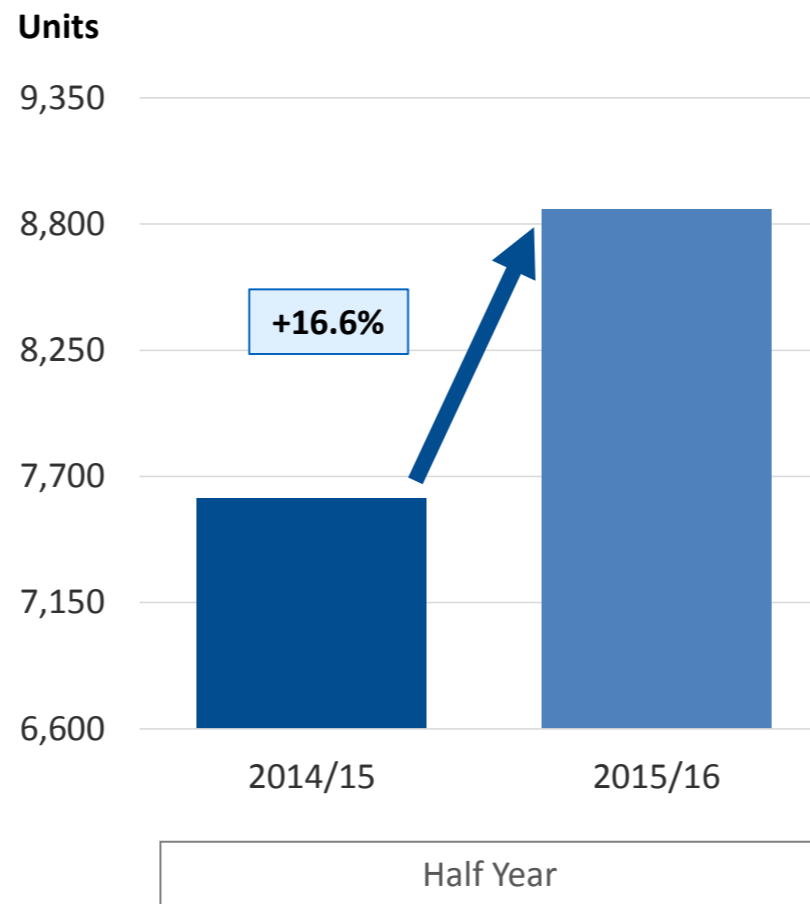


# Growth acceleration in Europe due to strong performance of new and emerging markets

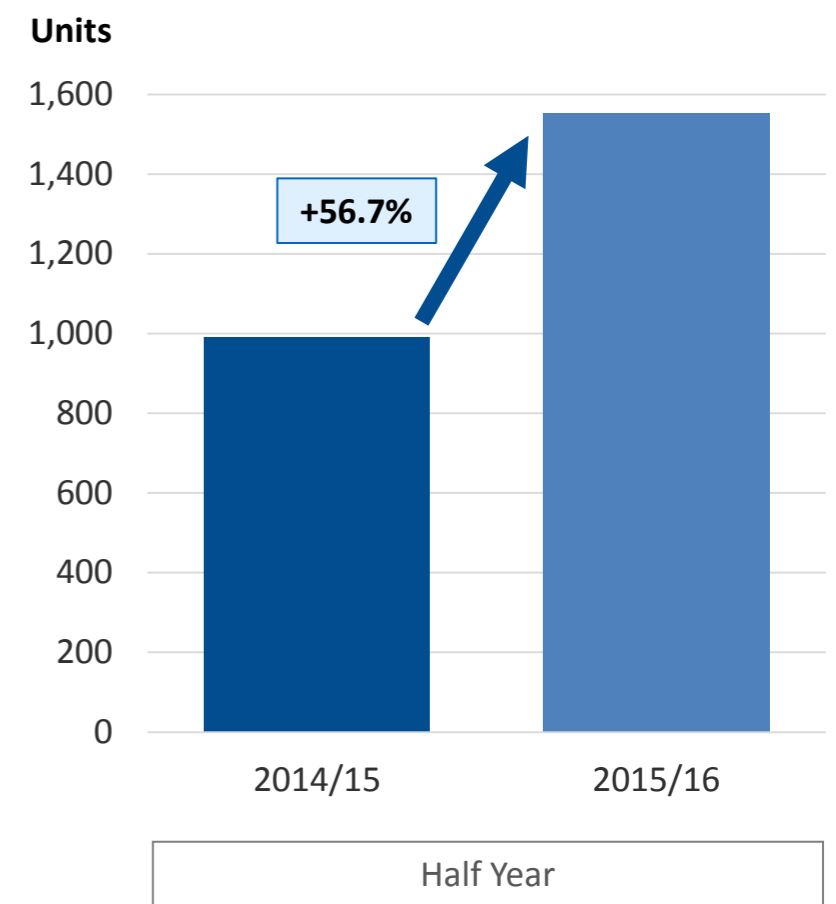
Europe unit sales growth rate



Europe core market growth



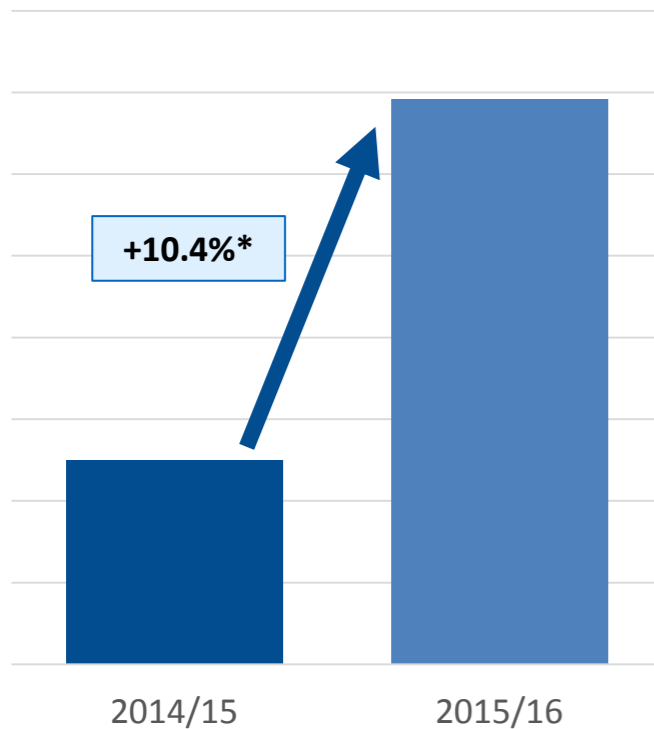
Europe emerging market growth



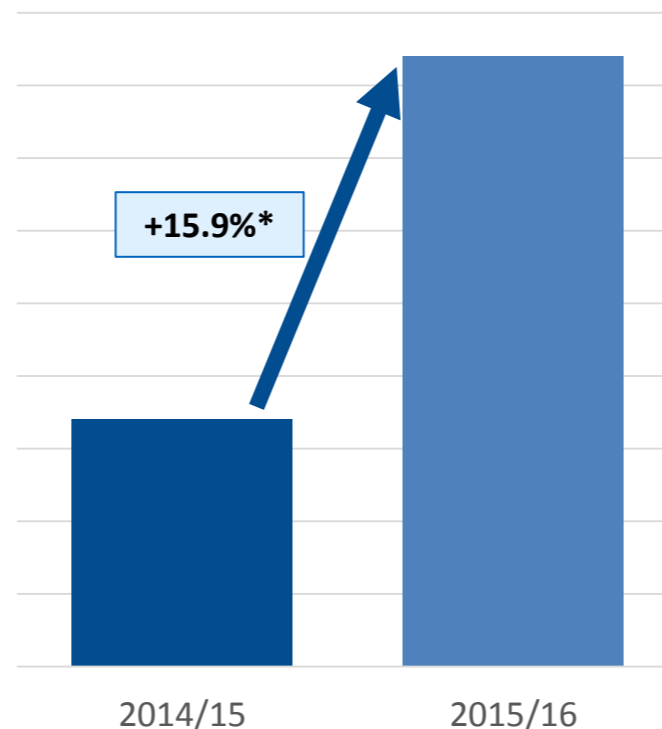


# APAC – Australian market mature but Korea and Japan promising

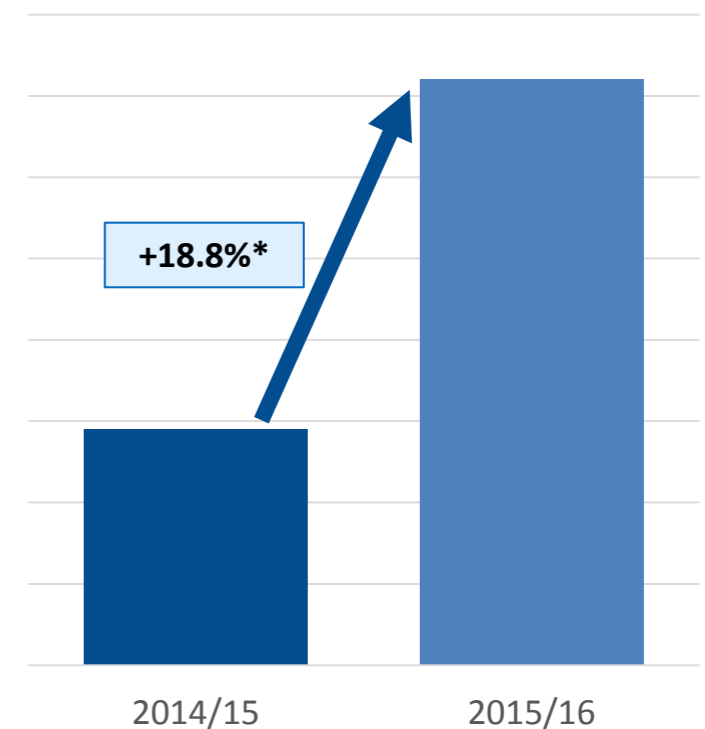
ANZ



South Korea



Japan



\* Half year comparative volume growth



# Summary Profit & Loss for first half 2015/16

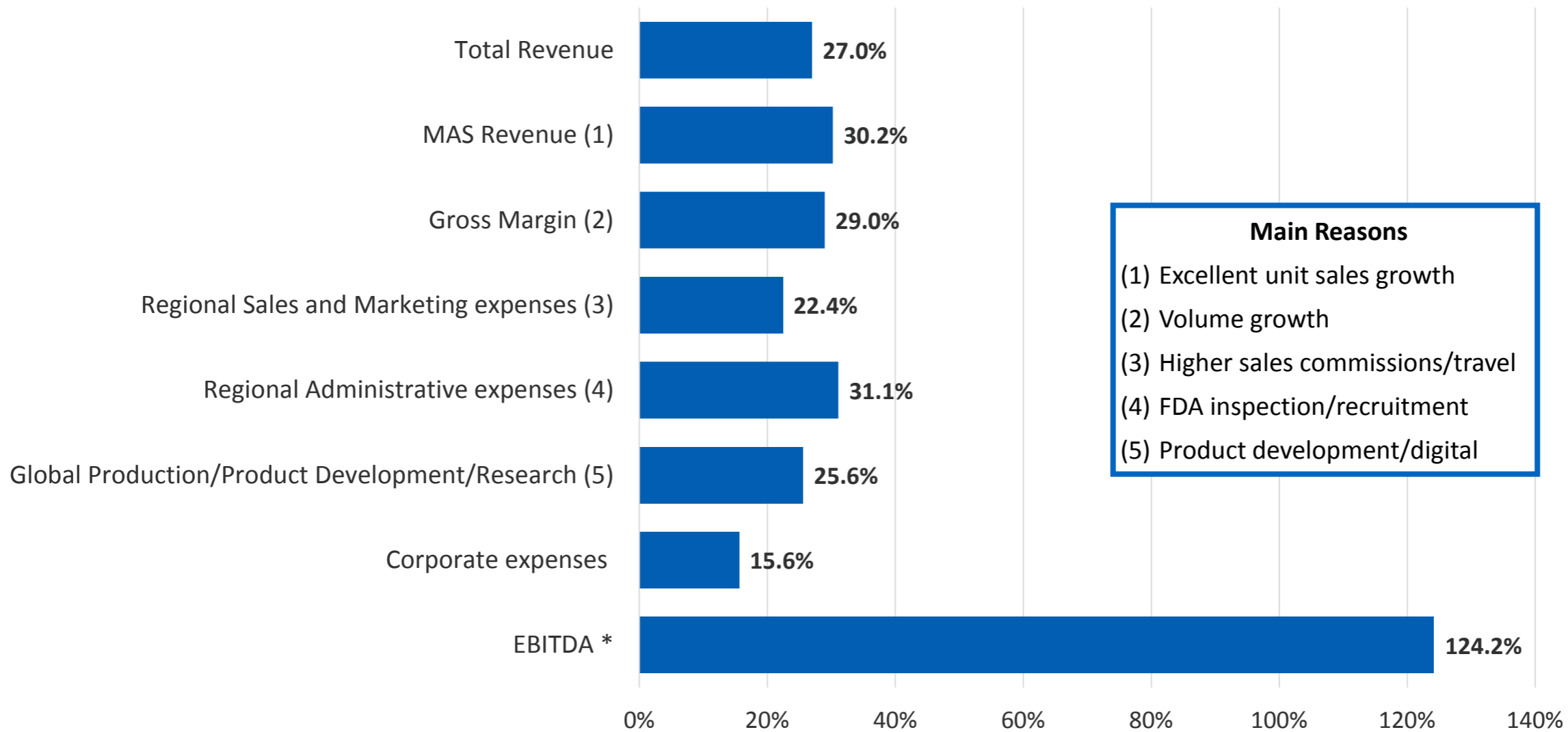
Financial Summary – AUD \$000's	15/16 1st H	14/15 1st H
Group Revenue	21,333	16,800**
Group gross margin	12,272	9,516
Regional sales and marketing expenses	(5,696)	(4,653)
Regional administrative expenses	(4,076)	(3,109)
Operating profit before corporate, research and business development expenses	2,500	1,754
Corporate expenses	(1,592)	(1,349)
<b>EBITDA*</b>	<b>908</b>	<b>405</b>
Key Metrics		
MAS gross margin %	68.5%	68.5%
Group gross margin %	57.5%	56.6%

\* EBITDA as adjusted does not include share and option expense

\*\* Restated and now including managed care revenue



# Under-proportionate growth in expenses increases bottom line

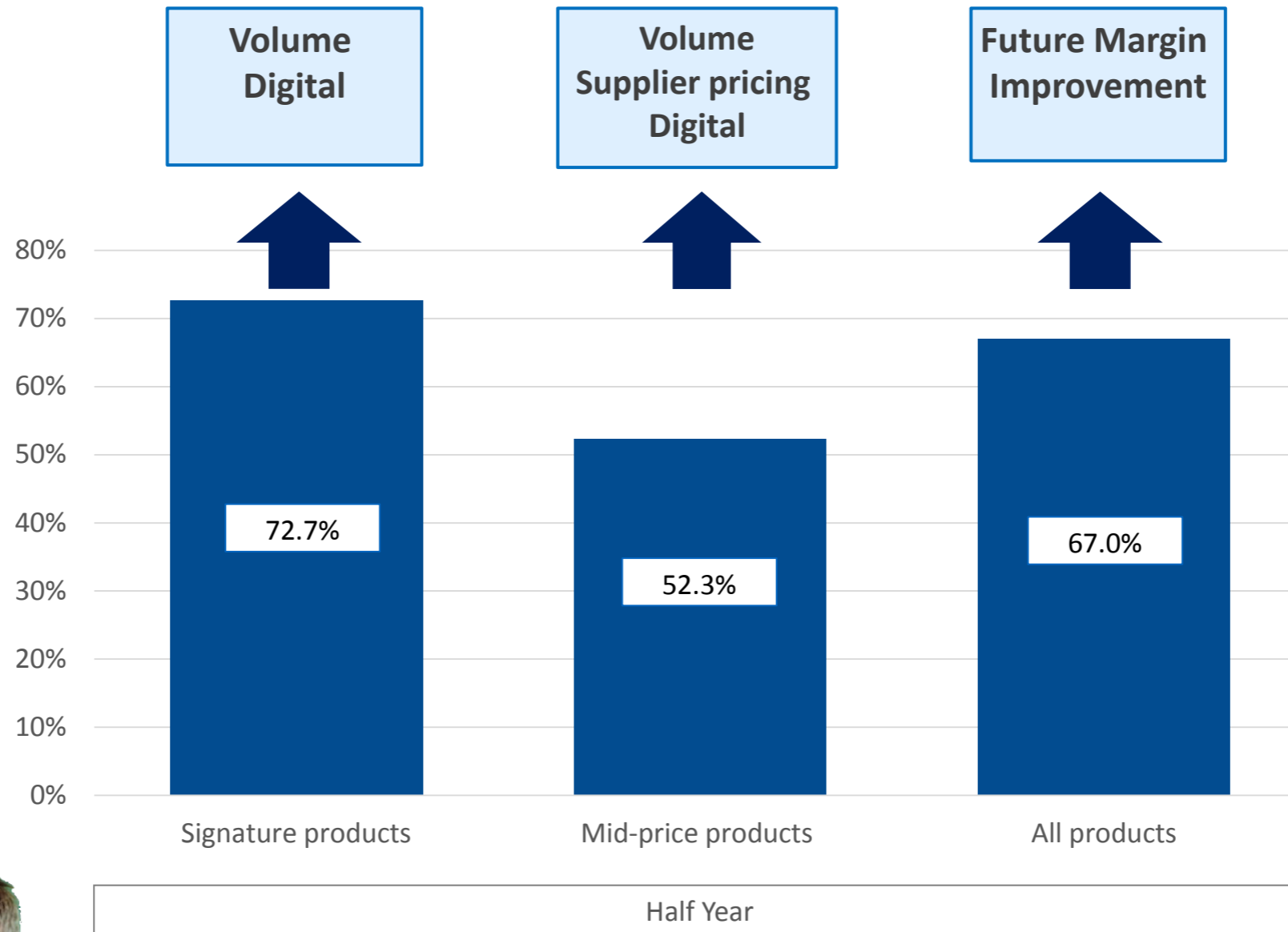


\*EBITDA as adjusted does not include share and option expense



# Future development of US Gross Margin

USA Gross Margin by product group



## Outlook second half 2015/16

- Continuing 20%+ growth in North America and European direct sales
- Gross margin improvement due to economies of scale, digital scanning and improving supplier pricing
- Continuing decline in licensee volumes
- Introduction of new product at the US Sleep Conference in June 2016
- Integration of Strong Dental Canada
- Expansion of Managed Care Business in both US and Europe
- Expansion of Compliance Control usage in all markets
- Review of reimbursement structures in several countries in Europe



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