



Investor Presentation

Full Year 2024 Results
August 2024

**Treatment focused.
Technology driven.**

Disclaimer



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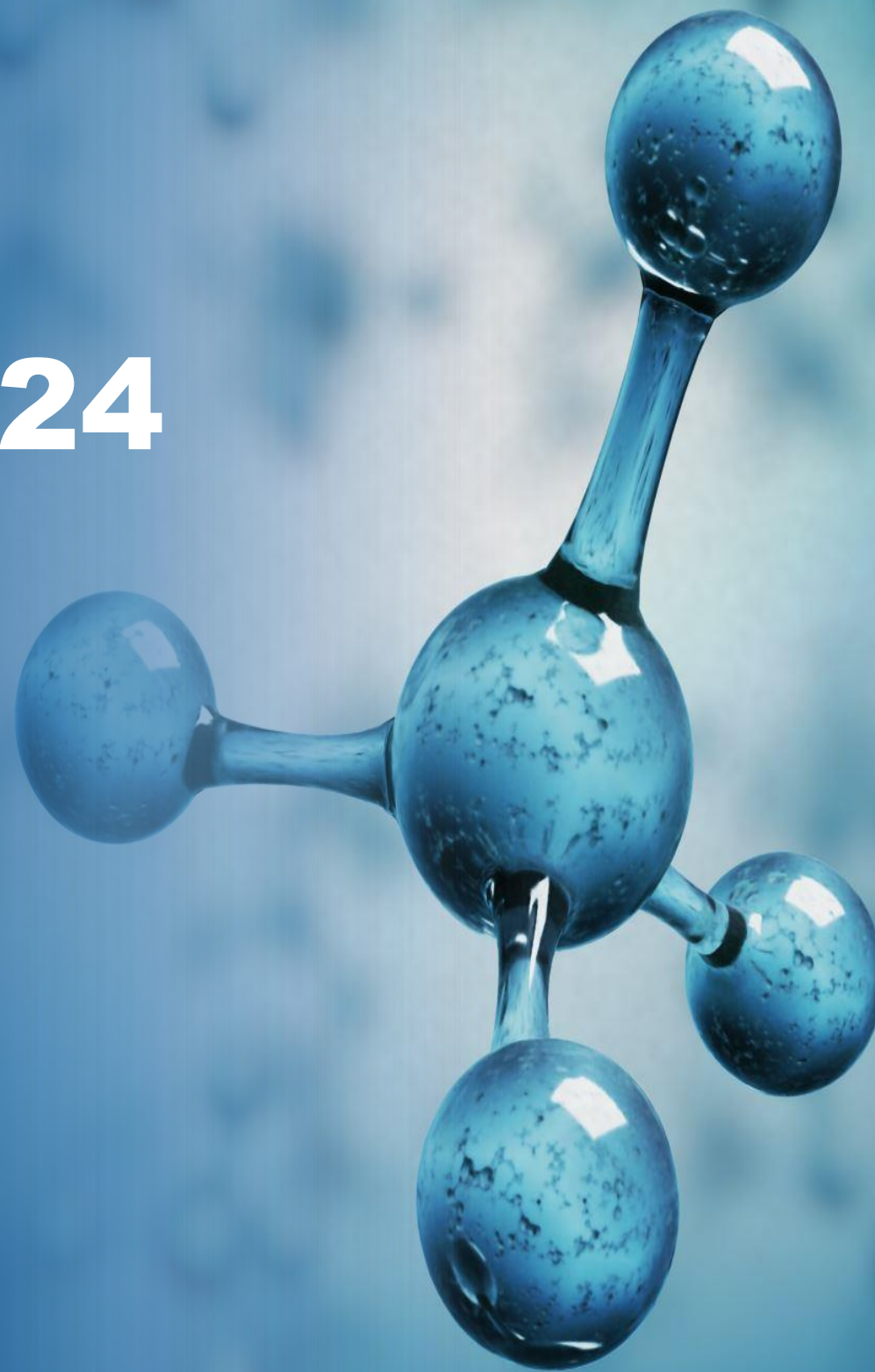
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Overview – FY24



FY24 result snapshot

Revenue

A\$91.7m

+9.6% vs FY23

vs. guidance of +6-9% growth

EBITDA¹

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*

¹ 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%+ EBITDA¹ margins
- Rest Assure[®] launch

¹ 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

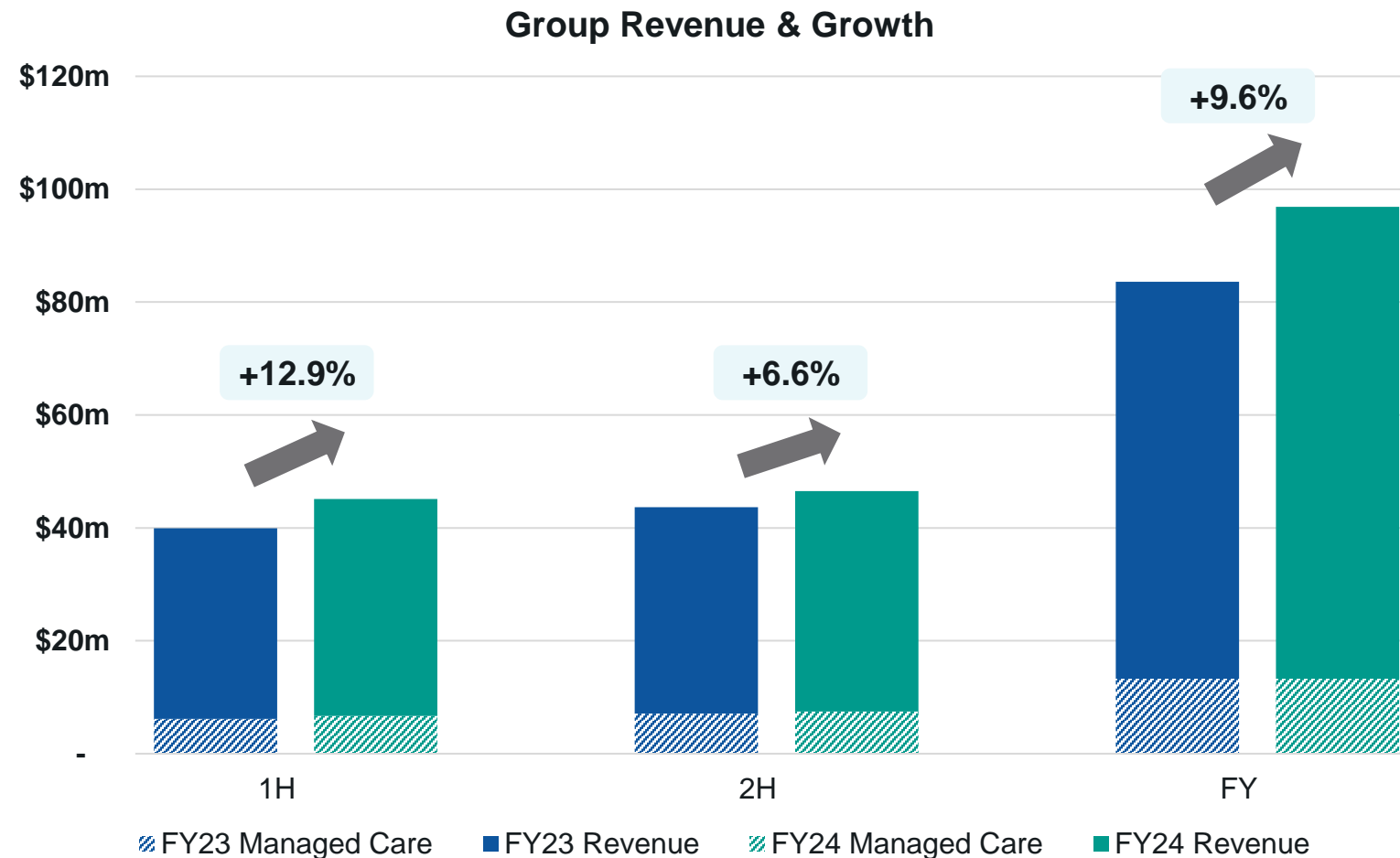
1. Financial information

2. Operations update

3. FY25 outlook



Group revenue has grown 9.6% year on year

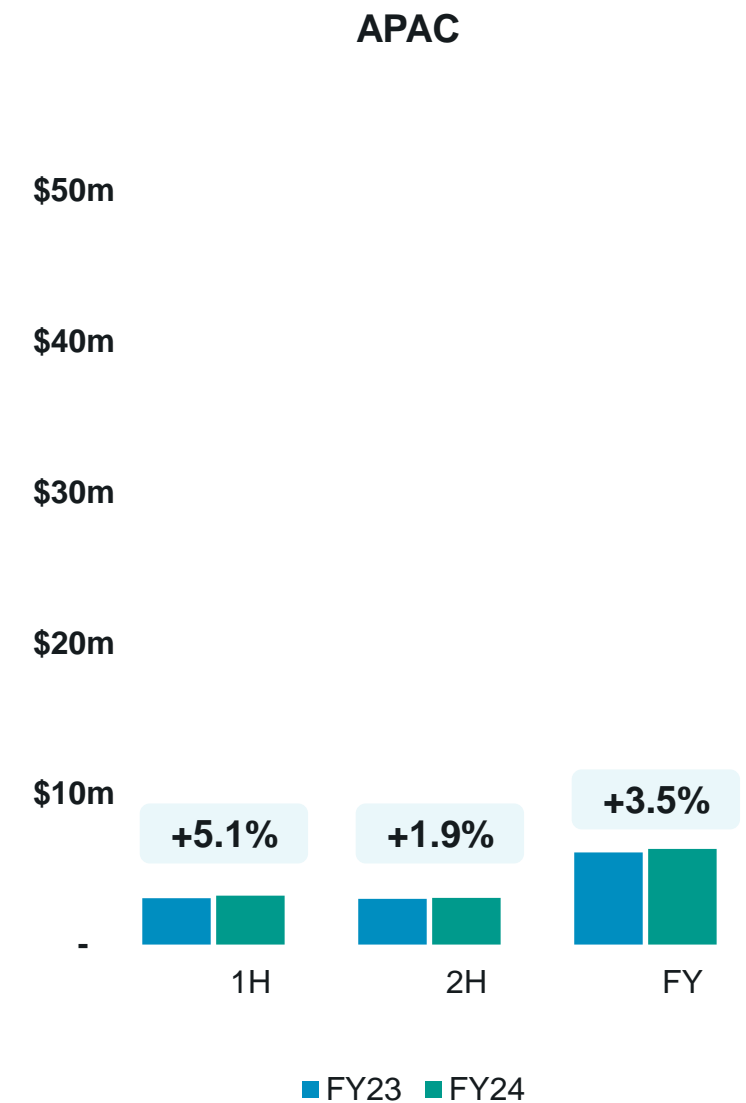
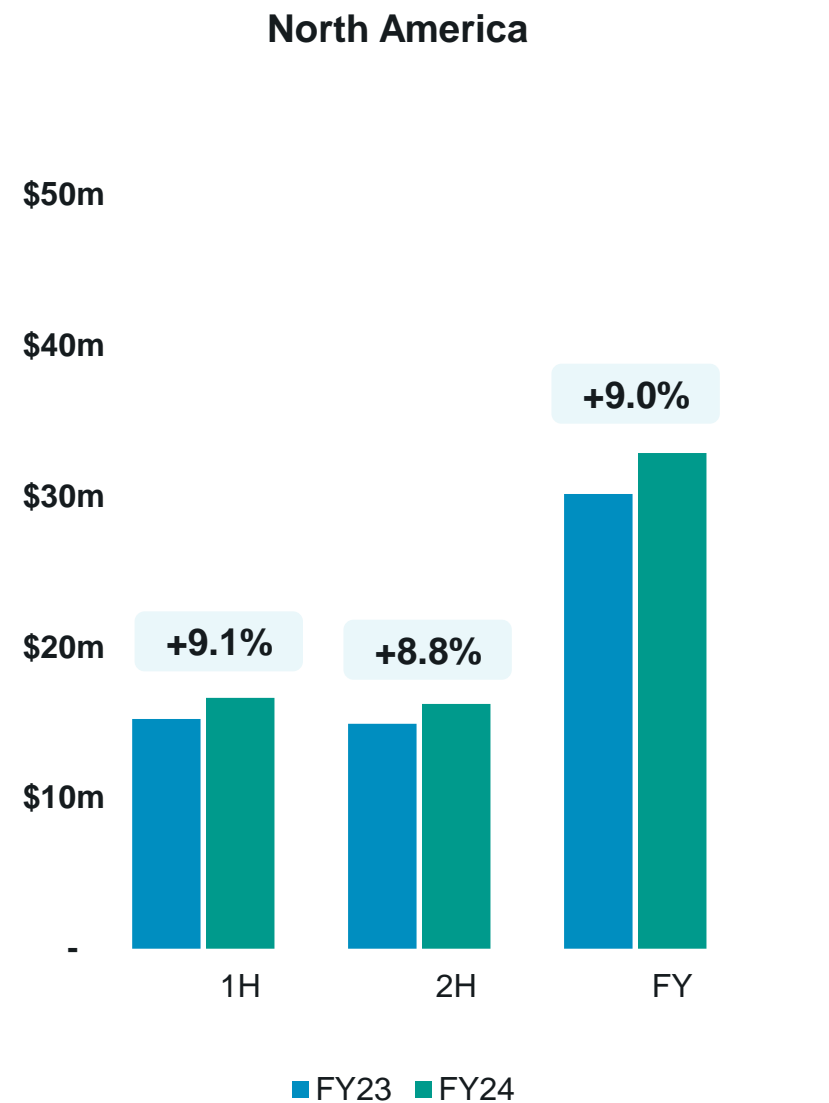
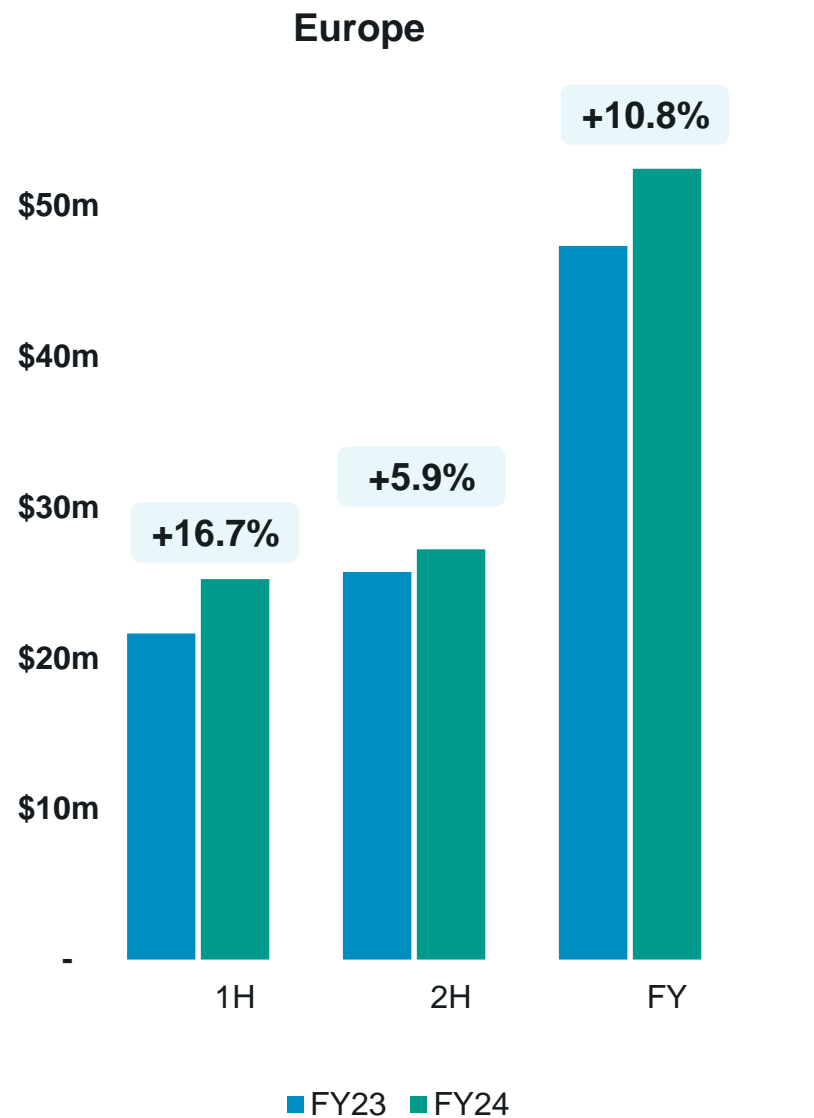


Total units sold exceeded **100,000** for the first time in SomnoMed's history.

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[®] and SomnoDent Herbst Advance Elite[®] 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%
Operating profit (before corporate, research and business development)	14.1	14.3	(2%)
Corporate & head office expenses	(13.5)	(12.2)	+10%
EBITDA¹	0.6	2.1	(72%)
D&A	(5.8)	(5.1)	+13%
Interest	(2.1)	(2.6)	(20%)
Other	(0.9)	(1.4)	(33%)
PBT³	(8.2)	(7.0)	+17%

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 ²	(1.7)	(0.1)

Underlying EBITDA² (including AASB16 lease expense)

- Adjusting reported EBITDA¹ for AASB16 lease expenses to provide a better proxy for cash earnings

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

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

³ 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
Total Assets	69.8	62.5
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	-	-
Total Liabilities	24.8	40.1
Net Assets	45.0	22.4

Cash flow summary

Statement of cash flows

A\$m	Statutory 30 Jun 2024	Statutory 30 Jun 2023
EBITDA⁽¹⁾	0.6	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)
Net cash flow from operating activities	(3.3)	(3.9)
One-off expenses	(3.0)	-
Payments for intangible assets	(4.0)	(3.3)
Payments for property, plant and equipment	(1.4)	(3.1)
Operating cash flow	(11.7)	(10.3)
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)
Net cash flow	4.2	(3.7)

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.

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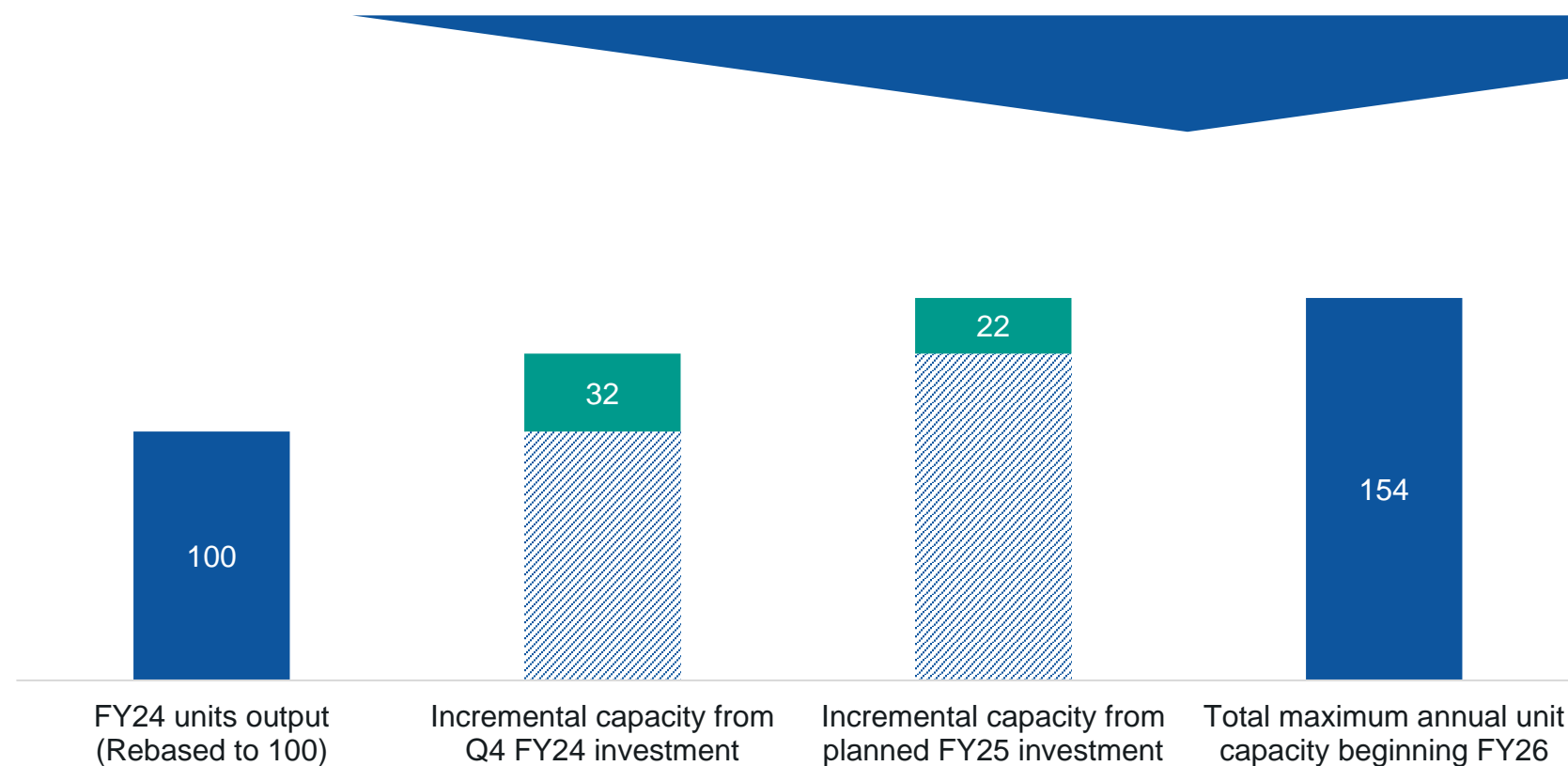


Capital allocation - our prioritisation framework

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[®] : 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

EBITDA¹

>A\$5m

vs. \$0.6m FY24

Capex

A\$3-4m

¹ 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)¹	>5.0	0.6	2.1	1.3	3.9
AASB16 leases	(2.3)	(2.3)	(2.2)	(1.8)	(1.6)
Underlying EBITDA²	>3.0	(1.7)	(0.1)	(0.5)	2.3

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

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



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