

## Media Release

Altstätten, March 5, 2021

### 2020 Financial Year: Solid Performance Despite Decline in Sales

- Due to global COVID-19 pandemic, net sales declined to CHF 248.4 million (2019: CHF 273.8 million), a 4.1% drop in local currency terms
- EBIT before one-time charge from Vigodent disposal was CHF 32.1 million (2019: CHF 32.0 million); EBIT margin was 12.9% (2019: 11.7%)
- Reported EBIT was CHF 23.3 million, EBIT margin 9.4%
- Distribution of CHF 3.00 per share (2019: CHF 1.50) from capital contribution reserves

For full-year 2020, the COLTENE Group reports net sales of CHF 248.4 million (previous year: CHF 273.8 million). In local currency terms, sales were down 4.1% and in Swiss franc terms, by 9.3%. The significant 35.5% increase in Infection Control sales was unable to fully compensate for the revenue lost in Dental Preservation and Efficient Treatment. While COLTENE Group sales accelerated in Switzerland and North America, the temporary closing of dental practices slowed down demand in many other markets. Operating profit (EBIT) before a one-time non-cash charge from the disposal of the Brazilian subsidiary was CHF 32.1 million (2019: CHF 32.0 million). Net profit before the one-time charge was CHF 19.9 million (2019: CHF 20.0 million). EBIT reported for 2020 was CHF 23.3 million, with net profit at CHF 8.2 million. At 48.1%, the equity ratio remained on a par with the previous year (48.0%) while net debt fell by 40.6% from CHF 36.8 million to CHF 21.9 million. Free cash flow more than doubled from CHF 10.7 million a year earlier to CHF 24.3 million (+127%).

At the Annual General Meeting on March 31, 2021, the Board of Directors will propose a distribution of CHF 3.00 (2019: CHF 1.50) per share from capital contribution reserves for shareholder approval. For natural persons residing in Switzerland, this distribution is tax exempt.

The COLTENE Group has enjoyed a healthy start to 2021 even as business performance remains exposed to significant risks due to the COVID-19 pandemic. The Group serves the dental market and is benefiting from brisk demand for Infection Control products in particular, which have become far more important as a result of the pandemic. These products make dental practices safer and allow for dependable disinfection and compliance with the required hygiene standards. COLTENE plans to sustain the above-average innovation-led growth achieved in this strategic product group. With the anticipated gradual return of business activity to pre-pandemic levels, COLTENE expects demand to pick up also in Dental Preservation and Efficient Treatment.

The new EU Medical Device Regulation (MDR) comes into force in May 2021. COLTENE attained first MDR certification already in 2020, demonstrating the high quality standards of its products and processes.

### **Integrated and Focused**

After reviewing its product portfolio in 2020, the COLTENE Group discontinued non-strategic products that are low-volume and have low EBIT margins. The integration of SciCan and Micro-Mega continued making strides, notably boosted by the Group-wide rollout of uniform software systems and processes. These include SAP for enterprise resource planning (ERP) and systems for centralized product information (PIM) and customer relationship management (CRM).

The COLTENE Group's Marketing and Sales teams maintained close customer contact despite the restrictions imposed by the pandemic. In support of these efforts, COLTENE expanded its electronic communication capabilities.

In 2020, all of Kenda's production was relocated and integrated in the existing facility and organization in Altstätten. On December 17, 2020, the sale of Brazilian subsidiary Vigodent was announced, and the transaction was completed by year-end 2020.

### **Impact of the Global COVID-19 Pandemic**

After a strong first quarter with high growth rates and an above-average EBIT margin, sales plummeted in the second quarter as governments mandated the closing of most dental practices in COLTENE's core markets. COLTENE responded to the COVID-19 pandemic with a comprehensive set of measures to protect jobs and the health and safety of its employees and to ensure the liquidity and profitability of its business. In Europe, short-term work was introduced, largely averting the need to terminate jobs. In the US, roughly half of the 400-strong workforce was temporarily furloughed, with social insurance contributions continuing. Through these measures, the COLTENE Group was able to retain the know-how of its employees for the economic recovery in H2.

### **Change in Group Management**

Effective December 31, 2021, Gerhard Mahrle, seasoned Group CFO, will step down as a member of COLTENE Group Management in anticipation of his impending retirement. His successor will be announced at a later date. The Board of Directors of COLTENE Holding AG wishes to thank Gerhard Mahrle for his many years of service and dedication and his contribution to the company's success. Gerhard Mahrle joined the company in 2014 as Chief Financial Officer and member of Group Management. Martin Schaufelberger, COLTENE Group CEO, says: "On behalf of the Board and Group Management, I would like to thank Gerhard Mahrle for his extremely valuable service to the COLTENE Group. He made a major contribution to the company's development, including in the context of the SciCan and Micro-Mega acquisitions."

### **Outlook**

The COLTENE strategy proved its value during the pandemic. The Group has demonstrated its resilience and ability to adapt, and through its focus on Infection Control as a strategic product group, it has shown its potential for growth. The core elements underpinning the strategy will remain unchanged: Focusing on innovative and profitable products, deepening certification and registration expertise, and pursuing sustainable growth in key markets across all three product groups – Infection Control primarily, plus Dental Preservation, and Efficient Treatment.

Thanks to the cost reduction measures taken in 2020, the cost base is significantly lower than at the start of 2020. The Group affirms its medium-term targets of a 15% EBIT margin and sales growth modestly above the market. For 2021, Group Management expects demand to recover to 2019 levels in Dental Preservation and Efficient Treatment.

Martin Schaufelberger, COLTENE Group CEO, says: "The COLTENE Group is well positioned to meet challenges such as the fierce competitive market, accelerating digital business transformation, and new regulatory changes."

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### Media and Analyst Conference

Today **Friday, March 5, 2021, at 10:00 a.m. CET**, online via MS Teams. To request the link to join the meeting, email Daniela Kuster at [daniela.kuster@coltene.com](mailto:daniela.kuster@coltene.com).

To download the presentation documents, visit [www.coltene.com](http://www.coltene.com).

### Annual General Meeting

The Annual General Meeting of COLTENE Holding AG will be held online, without shareholders attending in-person, on Wednesday, March 31, 2021, at 4:00 p.m. CET at the company headquarters. The invitation to the Annual General Meeting can be downloaded at [www.coltene.com](http://www.coltene.com).

### Annual Report 2020

COLTENE Holding AG's Annual Report 2020 was published today and can be downloaded at [www.coltene.com](http://www.coltene.com).

Key figures in CHF 1000	2020	2019	% change
Net sales	248 352	273 828	-9.3%
Operating expenses	131 205	149 700	-12.4%
Operating profit (EBIT)	23 259	32 008	-27.3%
as % of net sales	9.4%	11.7%	
Net profit	8 232	20 031	-58.9%
Operating cash flow	34 806	23 785	46.3%
Investments (net)	10 516	13 074	-19.6%
Free cash flow	24 290	10 711	126.8%

  

Key figures (in CHF 1 000)	31.12.2020	31.12.2019	% change
Net debt	-21 866	-36 832	-40.6%
Total assets	187 631	189 829	-1.2%
Shareholders' equity	90 234	91 210	-1.1%
as % of total assets	48.1%	48.0%	
Distribution per share in CHF	3.00 <sup>1)</sup>	1.50	100.0%
Number of employees (FTE)	1 189	1 414	-15.9%

<sup>1)</sup> Board of Directors' proposal to the Annual General Meeting on March 31, 2021: distribution of CHF 3.00 per share from capital contribution reserves and excluding treasury shares.

Sign up for email updates from COLTENE Holding AG at [www.coltene.com](http://www.coltene.com).

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### **Financial Calendar**

Release of Annual Report 2020 and Media and analyst conference on 2020 financial year	March 5, 2021
Annual General Meeting 2021	March 31, 2021
Release of Half-year Report 2021 and Conference call on 2021 half-year results	August 6, 2021
Release of Annual Report 2021 and Media and analyst conference on 2021 financial year	March 4, 2022
Annual General Meeting 2022	April 21, 2022
Release of Annual Report 2022 and Conference call on 2022 half-year results	August 5, 2022

### **About COLTENE**

COLTENE is an internationally active developer, manufacturer, and seller of dental consumables and small equipment in the areas of Infection Control, Dental Preservation, and Efficient Treatment. COLTENE has state-of-the-art production facilities in the USA, Canada, Germany, France, and Switzerland as well as own distribution organizations in all major markets including Europe, North and Latin America, Japan, China, and India. Dentists and dental labs all around the globe trust COLTENE's high-quality products. The registered shares of COLTENE Holding AG (CLTN) are listed on SIX Swiss Exchange. Learn more about COLTENE and our products at [www.coltene.com](http://www.coltene.com).

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