

Media Release

Financial year 2017: COLTENE grows faster than the market – EBIT margin rises above the 15% mark

- Sales of CHF 168.0 million, plus 4.6%; positive currency effect of CHF 1.7 million or 1.1%
- Strong sales in emerging markets, up 9.2%
- Operating profit (EBIT) of CHF 25.5 million, EBIT margin rises to 15.2%
- Net profit of CHF 19.1 million, up 10.4%
- Two acquisitions: Diatech acquired in 2017 and KENDA at the start of 2018
- New building under construction at Altstaetten headquarters will be ready by the end of 2018

Altstaetten, March 6, 2018 – COLTENE Holding AG (SIX Swiss Exchange: CLTN), an internationally leading developer and producer of dental equipment and materials, widened its share of the market in fiscal 2017 and outgrew the underlying market. Amid a challenging market environment, COLTENE Group increased its sales by 4.6% in Swiss francs to CHF 168.0 million (2016: CHF 160.7 million). Organic growth in local currencies amounted to 2.4%. Currency translation had a positive effect of CHF 1.7 million or 1.1% on reported sales. Diatech was fully consolidated as of April 2017 and contributed CHF 1.8 million in sales. Operating profit (EBIT) rose to CHF 25.5 million, 9.3% more than the prior-year figure (2016: CHF 23.3 million), thanks to the top-line growth and further efficiency gains. With this renewed growth, COLTENE surpassed its EBIT margin target of at least 15% and reported an EBIT margin of 15.2% (2016: 14.5%). Net profit grew by 10.4% to CHF 19.1 million (2016: CHF 17.3 million). The Board of Directors will propose a dividend of CHF 3.00 per share at the Annual General Meeting on March 28, 2018 (previous year: CHF 2.70).

COLTENE extended its leading technical edge and its market leadership during the 2017 fiscal year. It launched a large number of new products, offered more training courses to deepen customer relationships and expanded its international sales teams. COLTENE acquired Diatech AG, a Swiss manufacturer of high-quality diamond burs for dental professionals, in 2001, but not its US business. Its acquisition in March 2017 of Diatech, based in Mount Pleasant, South Carolina, thus brought more cohesion to DIATECH's brand profile. COLTENE expanded its range of rotary instruments with the acquisition of the Liechtenstein company KENDA based in Vaduz, effective January 2018. Kenda is focused on the development, production and global marketing of high-quality silicone polishing instruments.

Business performance by region: Growth on every continent

Sales of COLTENE Group rose in all four major regions of the world during the 2017 fiscal year, both in Swiss francs and in local currency, despite the ongoing challenging market environment. In Europe, the Middle East and Africa (EMEA), COLTENE's sales rose by 1.0% in local currency, in Asia by 7.6%, in North America by 3.4% and in Latin America by 9.4% thanks to the strength of the Brazilian business. Looking at the regional breakdown of consolidated sales for the year, COLTENE generated 41.8% of its total sales in the EMEA region (2016: 42.4%), 34.6% in North America (2016: 35.1%), 13.2% in Asia (2016: 12.9%), and 10.4% in Latin America (2016: 9.6%). Sales in emerging markets increased by 9.2% in Swiss francs and by 7.4% in local currency. Emerging markets accounted for 28.4% of consolidated sales (2016: 29.9%).

Business performance by product group: Treatment Auxiliaries strong

COLTENE generated positive sales growth in every product group except for Infection Control, where sales were flat year-on-year. Rotary Instruments delivered the fastest growth at 14.0%, which is largely attributed to the acquisition of Diatech. Treatment Auxiliaries ranked second with a sales increase of 10.4% to CHF 22.8 million (2016: CHF 20.7 million). Both product groups benefited from the launch of new products that bolstered the established product ranges. Sales of the Restoration product group increased by 2.5% to CHF 41.4 million (2016: CHF 40.3 million). Sales of the Prosthetics product group grew 2.3% to CHF 34.4 million (2016: CHF 33.7 million). Sales of Other products rose by 1.2%.

Strong commitment to Switzerland as a production base

COLTENE is enlarging its head office in Altstaetten, Switzerland to capture further efficiency gains and enhance its attraction as an employer. With the modernization and enlargement of its headquarters in Altstaetten, COLTENE is standing by its strong commitment to Switzerland as its home base of innovation and production and to maintaining a well-trained and highly qualified workforce. The new facilities should be ready for occupancy at the end of 2018.

Accounting standards changed to Swiss GAAP FER

COLTENE is switching its accounting standards from IFRS to Swiss GAAP FER as of the 2018 fiscal year. Its financial statements for the first half of 2018, the entire fiscal year 2018 and the periods thereafter will be prepared in accordance with the new standards. Reporting under Swiss GAAP FER will continue give a "true and fair view" of the Company's financial performance and position. As a result of the transition to Swiss GAAP FER, COLTENE Holding AG will submit a request to SIX Swiss Exchange for a segment switch from the International Reporting Standard to the Swiss Reporting Standard, effective as of July 2, 2018 (first trading day for COLTENE shares in the Swiss Reporting Standard segment). The shares of COLTENE Holding AG will remain in the indices of the SPI family as well as in the two SXI indices of the SIX Swiss Exchange, the SXI Life Sciences and SXI Bio+Medtech index.

Outlook

In its guidance for fiscal 2018, management aims to strengthen the Group's leading position and thereby reap the rewards of the dental market's anticipated growth and to consolidate the EBIT margin at the current level of 15% or more. Management intends to achieve further sales and EBIT margin growth over the medium term. COLTENE expects its tax expense to decline by approximately CHF 1 million as of fiscal 2018 due to the reduction in corporate tax rates in the US.

Media and analyst conference

Today **Tuesday, March 6, 2018, 10:00 a.m. CET**, Widder Hotel, Rennweg 7, CH-8001 Zurich.

The presentation documents can be downloaded at www.coltene.com.

Annual General Meeting

The Annual General Meeting of COLTENE Holding AG will take place on Wednesday, March 28, 2018 at 4 p.m., at the Hotel-Restaurant Sonne, Sonnensaal, Kugelgasse 2 in 9450 Altstaetten. The invitation to the Annual General Meeting can be downloaded at www.coltene.com.

2017 Annual Report

COLTENE Holding AG's Annual Report 2017 was published today and can be downloaded at www.coltene.com.

Key Figures (in CHF 1 000)	2017	2016	Delta %
Net sales	167,990	160,665	4.6%
Operating expenses	90,509	87,524	3.4%
Operating profit (EBIT)	25,485	23,309	9.3%
in % of net sales	15.2%	14.5%	
Net profit for the period	19,060	17,267	10.4%
Cash flow from operating activities	21,895	22,676	-3.4%
Investments (net)	5,870	5,608	4.7%
Free cash flow	16,025	17,068	-6.1%
Key Figures (in CHF 1 000)	31.12.2017	31.12.2016	Delta %
Net cash position / (net debt)	13,759	8,649	59.1%
Total assets	167,311	160,392	4.3%
Shareholders' equity	121,705	112,251	8.4%
in % of total assets	72.7%	70.0%	
Dividend per share	3.00 ¹⁾	2.70	11.1%
Employees (FTE)	885	864	2.8%

¹⁾ Proposal of the Board of Directors at the AGM 2018

Sign up for email updates from COLTENE Holding AG at www.coltene.com.

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Financial Calendar

Last day for entry in the share register before the general meeting of shareholders 2018	March 21, 2018
Annual General Meeting 2018	March 28, 2018
Half-year results 2018	August 3, 2018
Media and analyst conference on fiscal 2018 Annual Report 2018	March 7, 2019
Annual General Meeting 2019	April 3, 2019

About COLTENE

COLTENE is an internationally active developer, manufacturer and seller of dental consumables and small equipment in the areas of restoration, endodontics, prosthetics and treatment auxiliaries. COLTENE has state-of-the-art production facilities in the USA, Germany, Brazil and Switzerland as well as own distribution organizations in all major markets including 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 its products at www.coltene.com.

This press release and oral statements or other written statements made, or to be made, by us contain forward-looking statements that do not relate solely to historical or current facts. These forward-looking statements are based on the current plans and expectations of our management and are subject to a number of uncertainties and risks that could significantly affect our current plans and expectations, as well as future results of operations and financial condition. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.