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## Media Release

### **COLTENE Reports Strong Growth for Fiscal Year 2018 Switch of Accounting and Reporting Standard from IFRS to Swiss GAAP FER**

**Altstaetten, February 15, 2019 – COLTENE Holding AG (SIX Swiss Exchange: CLTN), an internationally leading developer and producer of dental materials and small equipment for dental practices, increased its net sales by 21.4% to CHF 204.0 million in the 2018 fiscal year (2017: CHF 168.0 million).**

Sales from acquisitions (Kenda, SciCan and Micro-Mega) amounted to CHF 30.4 million and accounted for 18.1% of the reported growth. Currency translation had a slightly positive effect and added 0.6% to reported sales growth. Organic sales in local currencies of COLTENE Group's pre-acquisition business grew 2.7%, at the upper end of the estimated 2-3% growth of the underlying market.

The Group reported substantial sales growth in three of its four regional markets. Sales in the North America and EMEA regions clearly benefited from the consolidation of the Kenda, SciCan and Micro-Mega activities, rising by 31.3% and 18.1% respectively in local currency. In Asia, sales were up 16.7%. In Latin America, sales in local currency were held at the year-ago level despite the significant depreciation of the Brazilian real (-12.9% annual average). Economic and political uncertainty in key markets within the region held back sales.

After the merger with and integration of SciCan and Micro-Mega, COLTENE Group established a new reporting structure for product sales: Infection Control, Dental Preservation (Restoration, Endodontics) and Efficient Treatment (Prosthetics, Rotary Instruments and Treatment Auxiliaries). Growth in Efficient Treatment, currently the largest product group after the consolidation of SciCan and Micro-Mega's sales for approximately 3 months, amounted to 29.2% in local currency. Sales in Dental Preservation, the second-largest product group, declined by 0.8% in 2018, while sales in Infection Control, the smallest product group, doubled, up 103.9% from the previous year.

COLTENE will publish its definitive, audited results for fiscal year 2018 on April 4, 2019.

#### **Switch of Accounting and Reporting Standard**

The Board of Directors of COLTENE Holding AG has on February 14, 2019 decided to adopt Swiss GAAP FER as the Company's accounting and reporting standard as of fiscal year 2019. COLTENE Holding AG will publish its interim closing report on June 30, 2019 for the first time according to Swiss GAAP FER. COLTENE Holding AG will prepare and publish its year-end closing report for the fiscal year 2018 according to IFRS. With the switch to Swiss GAAP FER, COLTENE is adopting a pragmatic accounting and reporting standard whose informative value is comparable with that of IFRS and which is more congruent with

the needs of an internationally active, mid-sized company and less complex, thus lowering compliance costs.

Reporting under Swiss GAAP FER will continue give a “true and fair view” of the Company's financial performance and position. With the switch from IFRS to Swiss GAAP FER, COLTENE will offset the entire goodwill carried in its balance sheet against equity. This will lead to a reduction of total balance sheet assets and a lower equity ratio. Moreover, the balance sheet will be unburdened of the pension benefit reporting requirements stipulated by IAS 19 and there will no longer be a need for the actuarial valuation of these pension benefit plans either. This change will have a slightly positive impact on reported net profit under normal conditions. A transitional financial report will be given with the reporting of results for the first half of 2019.

The reasons for the Company's decision to switch to Swiss GAAP FER are the increasing complexity of IFRS and the related, constantly growing requirements. They entail high administrative costs for small and mid-sized companies listed on the stock market. “After careful analysis, we concluded that Swiss GAAP FER clearly offered more advantages for all our stakeholders,” remarks Gerhard Mahrle, CFO of COLTENE Holding AG. COLTENE Group will continue to prepare its consolidated financial statements in accordance with “true and fair” principles, with the same quality and transparency, thus ensuring an accurate view of its financial performance and position. Under Swiss GAAP FER, previously used valuation criteria will continue to be applied to the extent that they are congruent with the new accounting standard. This will ensure the comparability of financial results from past and future reporting periods.

Because 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 1, 2019 (first trading day of the COLTENE shares in the Swiss Reporting Standard). The shares of COLTENE Holding AG will remain in the indices of the SPI family as well as in the two SXI-indices, SXI Life Sciences and SXI Bio+Medtech of the SIX Swiss Exchange.

If COLTENE had prepared its annual report for 2017 and its interim report for 2018 in accordance with Swiss GAAP FER, reported EBIT, net profit, balance sheet total and equity ratio would have changed as follows:

- Reported EBIT and net profit for the 2017 fiscal year would be approximately CHF 0.1 million higher. Due to the elimination of the entire goodwill carried on the balance sheet, and the absence of the related deferred taxes as well as of the de-recognition of pension benefit liabilities, equity would be about CHF 27 million lower, resulting in a smaller balance sheet of about CHF 39 million. The adjusted equity ratio would be 0.7 percentage points higher at 73.4% compared to the originally reported figure of 72.7%.
- As for the first half of 2018, the adjusted EBIT would be about CHF 1.4 million lower and net profit would be about CHF 1.2 million lower due to the reversal of effects resulting from a reduction of the conversion rate for pensions under IFRS. The equity ratio would be lower (69.3% instead of reported 70.9%) due to a lower equity of about CHF 31 million and a lower balance sheet total for around CHF 41 million.

#### Financial Calendar

Media and analyst conference on fiscal 2018 Annual Report 2018	April 4, 2019
Annual General Meeting 2019	April 30, 2019
Half year results 2019	August 2019

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

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### **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, Brazil and Switzerland as well as own distribution organizations in all major markets including Europe, North and Latin America, 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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