

## Media Release

### Financial Year 2019: COLTENE Group has continued to grow in stature, optimistic outlook

- Net sales of CHF 273.8 million (2018: CHF 204.0 million)
- Rise in sales of 34.2% is mostly attributable to acquisitions, organic growth of 1.9% in challenging overall market
- Operating profit (EBIT) of CHF 32.0 million (2018: CHF 25.4 million), burdened by one-off integration costs
- Distribution from capital contribution reserves of CHF 3.00 (previous year: CHF 3.00) per share

Altstätten, March 5, 2020 – COLTENE Holding AG (SIX Swiss Exchange: CLTN), an internationally leading developer and producer of dental materials and small equipment for dental practices, publishes the key figures for the financial year 2019. The sales of SciCan and Micro-Mega, which were acquired in October 2018, were reported for a full financial year for the first time. This means consolidated net sales in Swiss franc terms rose 34.2% to reach CHF 273.8 million (2018: CHF 204.0 million). Adjusted to take currencies and acquisitions into account, COLTENE saw sales rise by CHF 3.4 million or 1.9%. The strength of the Swiss franc had a negative effect of CHF 2.7 million or -1.0% on net sales. In the view of the company, market growth lay below the long-term trend at around 1.5%. One-off costs for the integration of Micro-Mega and SciCan as well as new regulatory requirements had a negative impact on the results. Operating profit (EBIT) amounted to CHF 32.0 million (previous year: CHF 25.4 million) or 11.7% of net sales respectively (previous year: 12.4%). Excluding one-off costs totalling CHF 4.6 million, the EBIT margin would have amounted to 13.4%. The reported net profit amounted to CHF 20.0 million (2018: CHF 17.0 million). At 48.0%, the equity capital ratio remained in line with the previous year (48.1%) and net debt amounted to CHF 36.8 million (previous year: CHF 29.2 million). At the Shareholders' Meeting of 2 April 2020, the Board of Directors will be proposing a distribution of CHF 3.00 (previous year: CHF 3.00) per share from capital contribution reserves, which will be paid out tax-free to natural persons resident in Switzerland. In 2019, COLTENE applied the new accounting standard Swiss GAAP FER for the first time. Figures for the previous year were adjusted accordingly.

In the 2019 financial year, COLTENE created the conditions necessary to exploit synergies from the merger with SciCan and Micro-Mega that were acquired in 2018. It has further harmonised and optimised the workflows, systems and data infrastructure throughout the Group. Sales and marketing have been reorganised to ensure a uniform market profile. More than ever before, COLTENE is positioning itself as a solution provider that offers not only a wide range of dental consumables and equipment, but also products that are tailored to the treatment process and allow the dentist to work safely and efficiently. At the same time, the integration of SciCan and Micro-Mega resulted in one-off charges for quality management, IT, consulting and special personnel costs. These integration costs proved to be higher than had been expected, and burdened the result. The integration of Micro-Mega's sales into the COLTENE

Group did not proceed as smoothly as expected, which was reflected in a decline in sales in the endodontics field. In the USA, it did not prove possible to deliver equipment orders on time. Expenses incurred in conjunction with the introduction of the new European Medical Device Regulation (MDR), which is set to come into force in May 2020, also had a negative impact on results, but will pay off in the long term.

### **North America is the most important market for COLTENE**

On account of the strong market position of the SciCan Group, the North American market is the most important market for the COLTENE Group with sales of CHF 124.8 million, accounting for 45.6% share of sales. In the EMEA region, which in 2018 represented the highest share of sales, the Group generated CHF 98.3 million, corresponding to a share of 35.9%. This was followed by Asia/Oceania, which accounted for a sales share of 11.9%, or CHF 32.6 million and Latin America with sales of CHF 18.1 million, or 6.6%.

### **First MDR certification awarded**

At the start of 2020, the production of the important product field of impression materials in Altstätten was successfully certified in accordance with the new regulatory requirements. COLTENE is one of the first dental companies to be awarded the MDR certificate. The experience gained from the first certification will greatly simplify this process at other Group locations. By this means, COLTENE is ensuring that it will continue to be able to sell all of its products in future.

### **Continuous process improvements**

Irrespective of the new regulatory requirements, COLTENE is continuously investing to optimise its production facilities and manufacturing methods. The Group is determined to improve product quality and patient safety and to reduce the environmental impact of its activities. During the year under report, the COLTENE Group made a number of investments at all sites in order to meet this ambition.

### **Outlook**

The result reported by the COLTENE Group for the 2019 financial year falls short of its own expectations on account of the above-described fall in sales and the cost of integration and adjustments to bring the business into line with the new regulatory requirements. At the same time, the Board of Directors and the management are looking to the future with confidence. The companies operating under the COLTENE umbrella formed a new, powerful dental group in 2019. COLTENE is well-positioned to meet challenges such as the intensive competitive environment or growing digitalisation. Increasing regulation will allow established companies to partially offset the higher costs by adjusting their prices. In addition, the COLTENE Group will continue to strengthen its extensive portfolio. Further innovative products will come onto the market in 2020 and will support growth and help make it possible to realise the planned synergies. In the medium term, the Group is sticking to an EBIT margin of 15% and is looking to sales growth that is slightly higher than the market. The impact of the novel coronavirus on the future course of business is very difficult to estimate. On the one hand, this could have an adverse effect on sales and results, because patients don't visit the dentist or it could make the procurement of raw materials more difficult. On the other hand, COLTENE offers a wide range of products for infection control, for which, there is expected to be an increasing demand.

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### Media and Analyst Conference

Today **Thursday, March 5, 2020, 10:00 a.m. CET**. Widder Hotel, Rennweg 7, CH-8001 Zurich.  
The presentation documents can be downloaded at [www.coltene.com](http://www.coltene.com).

### Annual General Meeting

The Annual General Meeting of COLTENE Holding AG will take place on Tuesday, April 2, 2020 at 4 p.m. at the Hotel-Restaurant Sonne, Sonnensaal, Kugelgasse 2 in 9450 Altstätten. The invitation to the Annual General Meeting can be downloaded at [www.coltene.com](http://www.coltene.com).

### 2019 Annual Report

COLTENE Holding AG's Annual Report 2018 was published today and can be downloaded at [www.coltene.com](http://www.coltene.com).

Key Figures in CHF 1 000 <sup>1)</sup>	2019	2018	Delta in %
Net sales	273,828	203,952	34.2%
Operating expenses	149,700	111,435	34.3%
Operating profit	32,008	25,375	26.1%
in % of net sales	11.7%	12.4%	
Net profit for the period	20,031	17,001	17.8%
Cash flow from operating activities	23,785	24,630	-3.4%
Investments (net)	13,074	115,436	-88.7%
Free Cash Flow	10,711	-90,806	
<b>Key Figures (in CHF 1 000)</b>	<b>31.12.19</b>	<b>31.12.18</b>	<b>Delta %</b>
Net debt / Net cash position	-36,832	-29,159	26.3%
Total assets	189,829	183,491	3.5%
Shareholders' equity	91,210	88,201	3.4%
in % of total assets	48.0%	48.1%	
Distribution per share (in CHF)	3.00 <sup>2)</sup>	3.00	0.0%
Employees (FTE)	1.414	1.366	3.5%

<sup>1)</sup> In the year 2019 COLTENE published its consolidated financial report pursuant to Swiss GAAP FER for the first time (in previous years pursuant to IFRS), and for this reason the previous year's figures have been correspondingly adjusted.

<sup>2)</sup> Board of Directors' proposal to the Annual General Meeting on 2 April 2020: distribution of CHF 3.00 per share from capital contribution reserves 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

Last day for entry in the share register before the general meeting of shareholders 2020	March 26, 2020
Annual General Meeting 2020	April 2, 2020
Half-year results 2020	August 7, 2020
Media and analyst conference on fiscal 2020 Annual Report 2020	March 5, 2021
Annual General Meeting 2021	March 31, 2021

**About COLTENE**

COLTENE is an international developer, manufacturer and seller of dental consumables and equipment active in the three areas of Infection Control, Dental Preservation and Efficient Treatment. COLTENE has state-of-the-art production facilities in the USA, Canada, Brazil, Germany, France and Switzerland. COLTENE also employs its own sales force across Europe, America, North and Latin America, China and India and other key markets. 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](http://www.coltene.com).

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