

Media release

Ad hoc announcement pursuant to Art. 53 LR

Altstätten, 6 August 2021

H1 2021: Ongoing Recovery

The positive business development already communicated in June continues. In the first half (H1 2021) of the current year, sales reflected a recovery effect in Dental Preservation and Efficient Treatment, while Infection Control also saw sustained growth. Another reason for the good result were the cost-reduction measures that COLTENE was swift to put in place last year. These led to a lower cost base which combined with the stronger H1 sales deliver robust results.

COLTENE with strong Half-Year Results

The recovery in global dental markets from the second half (H2) of 2020 extended into 2021, delivering strong performance for the COLTENE Group in H1. Group sales were CHF 143.5 million, significantly above both H1 2020 (CHF 103.9 million) and H1 2019 (CHF 135.4 million). This corresponds to a 43.0% organic increase in sales year-on-year in local currency terms, or a 38.1% increase in reporting currency terms. Operating profit (EBIT) for H1 2021 was CHF 26.0 million (H1 2020: CHF 2.6 million; H1 2019: CHF 12.8 million). EBIT margin was at 18.1% (H1 2020: 2.5%; H1 2019: 9.4%). Net profit was a record CHF 18.2 million (H1 2020: CHF 0.3 million; H1 2019: CHF 7.9 million).

North America Remains Strongest Market

Year-on-year and in local currency terms, sales in 2021 expanded 57.5% in Dental Preservation, 35.2% in Efficient Treatment and 34.9% in Infection Control. Top market then as now is North America, contributing 50.3% of total sales (H1 2020: 47.9%). This region, which is also the home market of the SciCan Group reported the strongest increase in sales at 49.6% in local currency terms. For EMEA, the share of sales was 35.0% (H1 2020: 33.5%). At constant exchange rates, sales were up 45.9% in this region. With the divestment of the Brazilian subsidiary Vigodent, Latin America's share of sales narrowed further, to 4.3% (H1 2020: 5.1%). The divestment allowed the COLTENE Group to eliminate the risks associated with the ongoing decline of the Brazilian currency. Sales in Asia including its main market China experienced an expansion of 4.7% at constant exchange rates. Asia's share of sales dropped to 10.4% (H1 2020: 13.5%).

Standardized Pricing and New Customer Platform

COLTENE is preparing for the markets to continue their recovery to pre-pandemic levels. To remain competitive and gain further market share, the Group has introduced a variety of innovations, such as a new standardized pricelist and new dental vendor agreements. In addition, COLTENE is creating more touch points with its end customers, including through a new customer service software tool. This is important particularly for introducing the new products in the internet of things (IoT) and digital services portfolio, where the tool will allow COLTENE to forge closer relationships with end customers. The Dental Service Organisation Support Team manages the ongoing program to set up the organizational structures in the growing group practice segment. The integration of SciCan and Micro-Mega is completed; the next step will be to align the product portfolios more closely.

Changes in Group Management

Effective 30 June 2021, John Westermeier stepped down as Vice President Marketing and Sales for North America. His successor will be announced at a future date. Markus Abderhalden has been appointed as the new COLTENE Group CFO to replace Gerhard Mahrle, who is retiring at the end of the year. A Swiss national, Markus Abderhalden (age 42) brings many years of industry experience in a CFO role and is joining COLTENE from DGS Group. He began his career as a public accountant with Ernst&Young, then was head of corporate accounting and financial reporting for various firms and, more recently, CFO for North America at the Bühler Group.

The Board of Directors as well as CEO Martin Schaufelberger thank Gerhard Mahrle and John Westermeier very much for their extremely valuable contribution to the success of the COLTENE Group in a major growth phase.

Outlook

The outlook for full-year 2021 is positive but uncertainties remain on account of the ongoing COVID-19 pandemic. New virus variants may lead to further waves of infections and partial lockdowns. Given the hygiene protocols currently in place, COLTENE expects that dental practices will be less impacted in the event of further restrictions. For H2 2021, COLTENE therefore expects somewhat slower business momentum compared to H1, in part because the catch-up effects of the recovery from the coronavirus pandemic will subside over time. Expenditure in Research & Development and Sales & Marketing will trend up again in H2 2021. For the full-year 2021, COLTENE expects sales in the range of CHF 270 million to CHF 280 million (2020: CHF 248.4 million; 2019: CHF 273.8 million). Under this scenario, the EBIT margin for full-year 2021 will likely exceed 15%.

Half-Year Report 2021

The Half-Year Report 2021 of COLTENE Holding AG was released today and is available for download at www.coltene.com/investor-relations/financial-publications/half-year-reports/.

Key figures (in CHF 1 000)	H1 2021	H1 2020	% change
Net sales	143 467	103 888	38.1%
Operating expenses	67 966	63 329	7.3%
Operating profit (EBIT) as % of net sales	25 959 18.1%	2 555 2.5%	916.0%
Net profit	18 189	290	6 172.1%
Operating cash flow	13 615	8 318	63.7%
Investments (net)	4 761	5 237	-9.1%
Free cash flow	8 854	3 081	187.4%

Key figures (in CHF 1 000)	30.06.21	31.12.20	Delta %
Net debt	-30 358	-21 866	38.8%
Total assets	193 321	187 631	3.0%
Equity as % of total assets	95 745 49.5%	90 234 48.1%	6.1%
Number of employees (FTE)	1 242	1 189	4.5%

Financial Calendar

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

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

For further information: Gerhard Mahrle, CFO,
phone +41 71 757 54 37, mobile +41 79 346 23 02, e-mail gerhard.mahrle@coltene.com

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.

Contact

COLTENE Holding AG
Feldwiesenstrasse 20
9450 Altsttten, Switzerland
T + 41 71 757 53 00
investor@coltene.com
www.coltene.com

This written statement and oral statements or other 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.