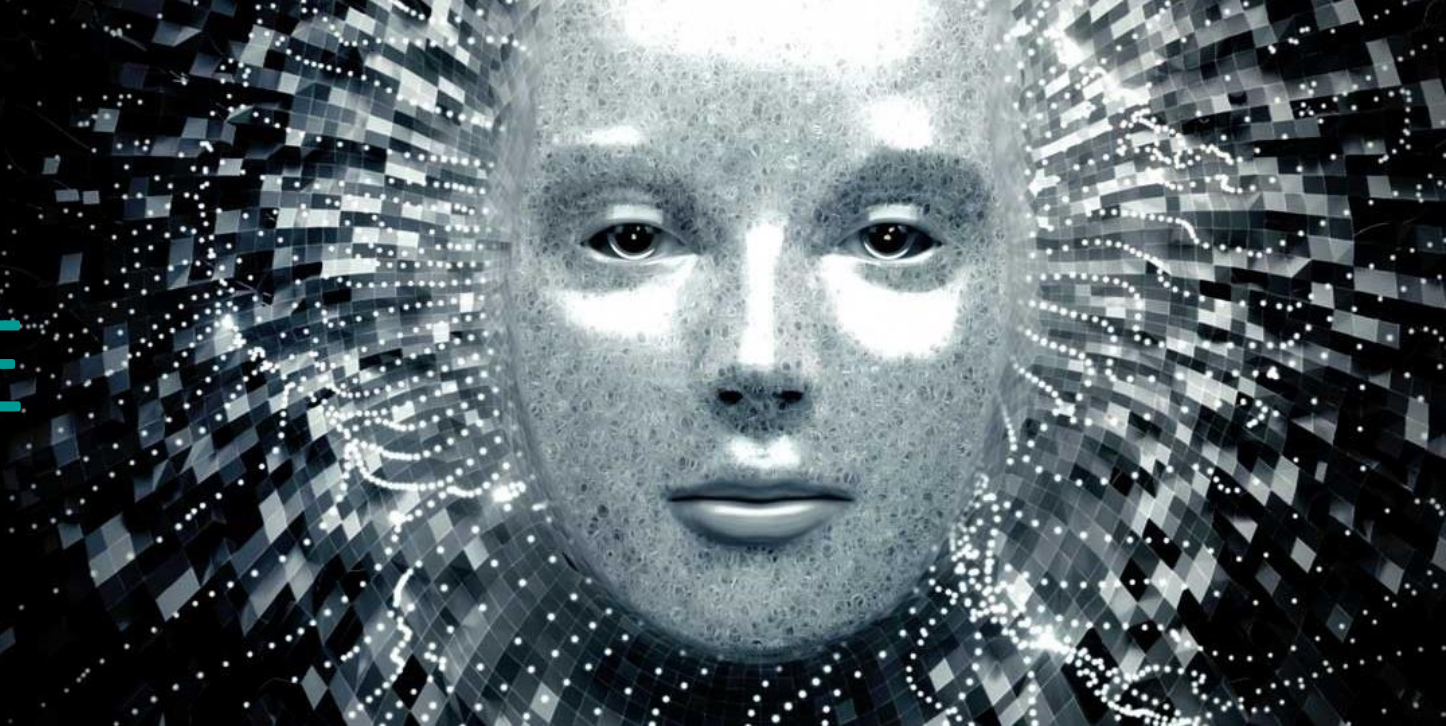


The New COLTENE



COLTENE Group Company Presentation

Geneva, 30 October 2019

Gerhard Mahrle Group CFO



Mainfirst Swiss SMID CAP Conference

Safe Harbour Statement

The information made available in this presentation may include forward-looking statements that reflect intentions, beliefs or current expectations and projections of the COLTENE Group about future results of operations, financial conditions, liquidity, performance and similar circumstances. Such statements are made on the basis of assumptions and expectations which may prove to be erroneous, although the COLTENE Group believes them to be reasonable at this time.



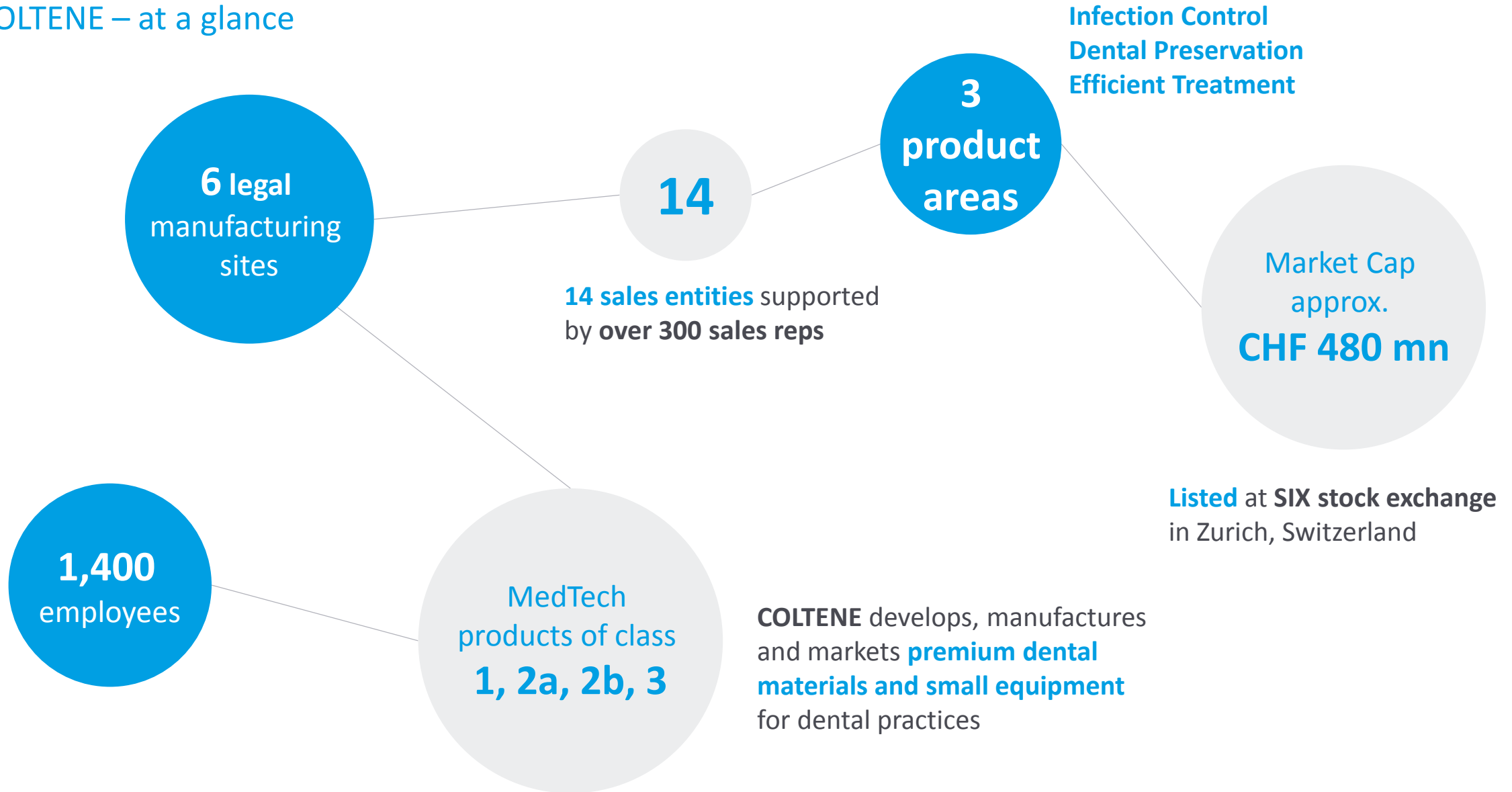
The New Coltene Group

Important player in the dental market

Photo: Max Cui
Production Service Technician / SciCan Ltd.
Toronto, Canada

The New COLTENE

COLTENE – at a glance



The New COLTENE – Production and R&D Locations

State-of-the-art production facilities in the US, Canada, Brazil, Germany, France and Switzerland



Canada, Toronto



Switzerland, Altstaetten



Germany, Langenau



USA, Cuyahoga Falls (OH)



Brazil, Rio de Janeiro



France, Besançon

Enlarged Product Assortment

What COLTENE stands for

Infection Control

„The infection control specialist“

Instrument reprocessing
by cleaning and sterilizing

Surface cleaning and disinfection

SciCan, BioSonic



Dental Preservation

„Sustainable preservation from root to crown“

Materials for restoration

Solutions for endodontic treatments

ParaCore, OneCoat, BRILLIANT Coltolux, ParaPost, MicroMega, HyFlex, CanalPro, ROEKO, TMS



Efficient Treatment

„Smart & efficient utilities dentists rely on“

Impression materials

Rotary instruments

Treatment utilities

Speedex, AFFINIS, PRESIDENT, DIATECH, Alpen, Kenda, ROEKO, HYGENIC, Perfect TCS, HANEL



FY 2018 Highlights

Entering into a new era for the Company

Financials

Net Sales CHF 204.0 mn
+21.4% compared to 2017

**EBIT margin excluding
extraordinary items**
15.0% (2017: 15.2%)

EBIT margin 11.6%,
impacted by effects from
M&A and IFRS

M&A

Quantum leap thanks to the
acquisitions of Kenda, SciCan
and Micro-Mega

Net Sales of the new COLTENE
Group 2018 pro forma
CHF 280.0 mn

Operations

Strengthening global setup and
distribution network

Commissioning of new office
and manufacturing building at
the headquarters in Altstaetten

Expansion of regulatory affairs
teams

New Building at the Headquarter in Altstaetten

Modern office and manufacturing site

- Commissioned beginning of 2019
- Start manufacturing in the new location beginning of March 2019
- Further optimised and more environmentally friendly operational processes thanks to new production facilities
- Contemporary, open workplace environment
- Building envelope according to Minergie standard



Comprehensive Product Portfolio

Update dentistry – Better Quality, Better Reliability, Better Practice

Infection Control

Instrument reprocessing and
surface disinfection



BioSonic UC150



SciCan HYDRIM



SciCan STATIM



SciCan BRAVO



SciCan OPTIM



BioSonic WipeOUT

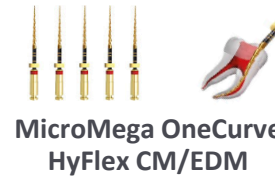
Sales ~ CHF 85 mn 30%

Dental Preservation

Restoration



Endodontics



Sales ~ CHF 85 mn 30%

Efficient Treatment

Impression
materials



Speedex



AFFINIS



PRESIDENT

Rotary
instruments



DIATECH

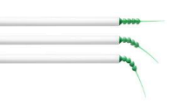


ALPEN



KENDA

Treatment
utilities



Roeko Surgitip



Hygenic DentalDam



Roeko Gelatamp

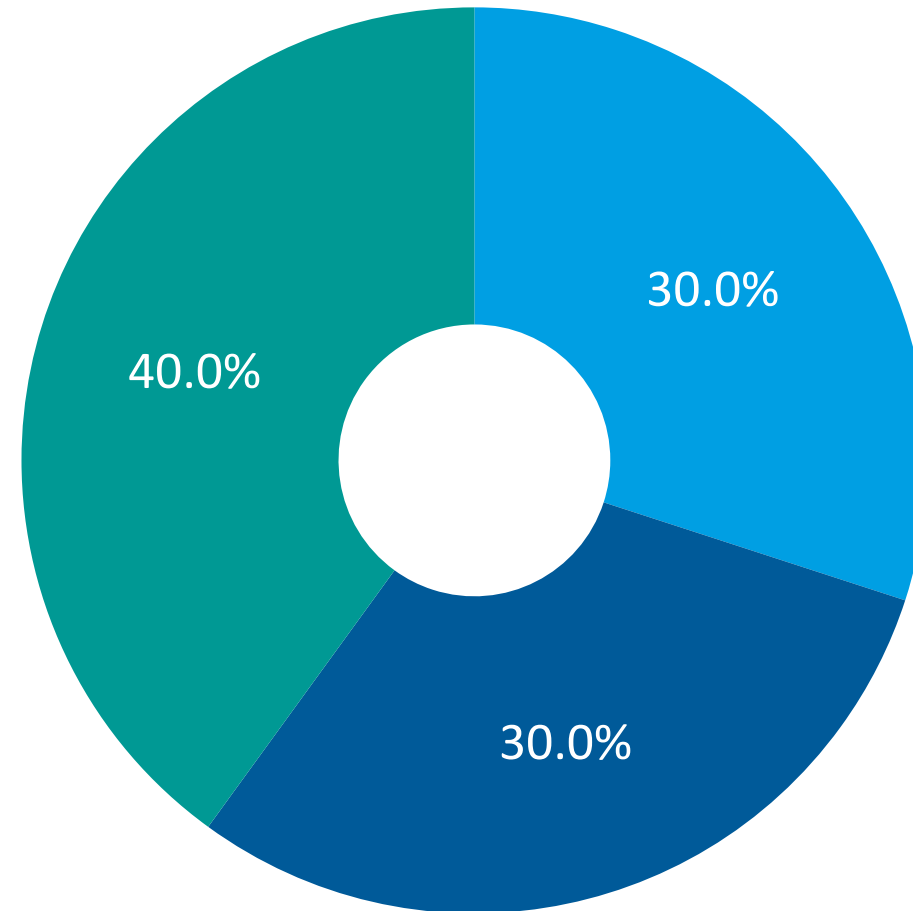
Sales ~ CHF 110 mn 40%

Net Sales by Product Groups

Share by product group for the new COLTENE

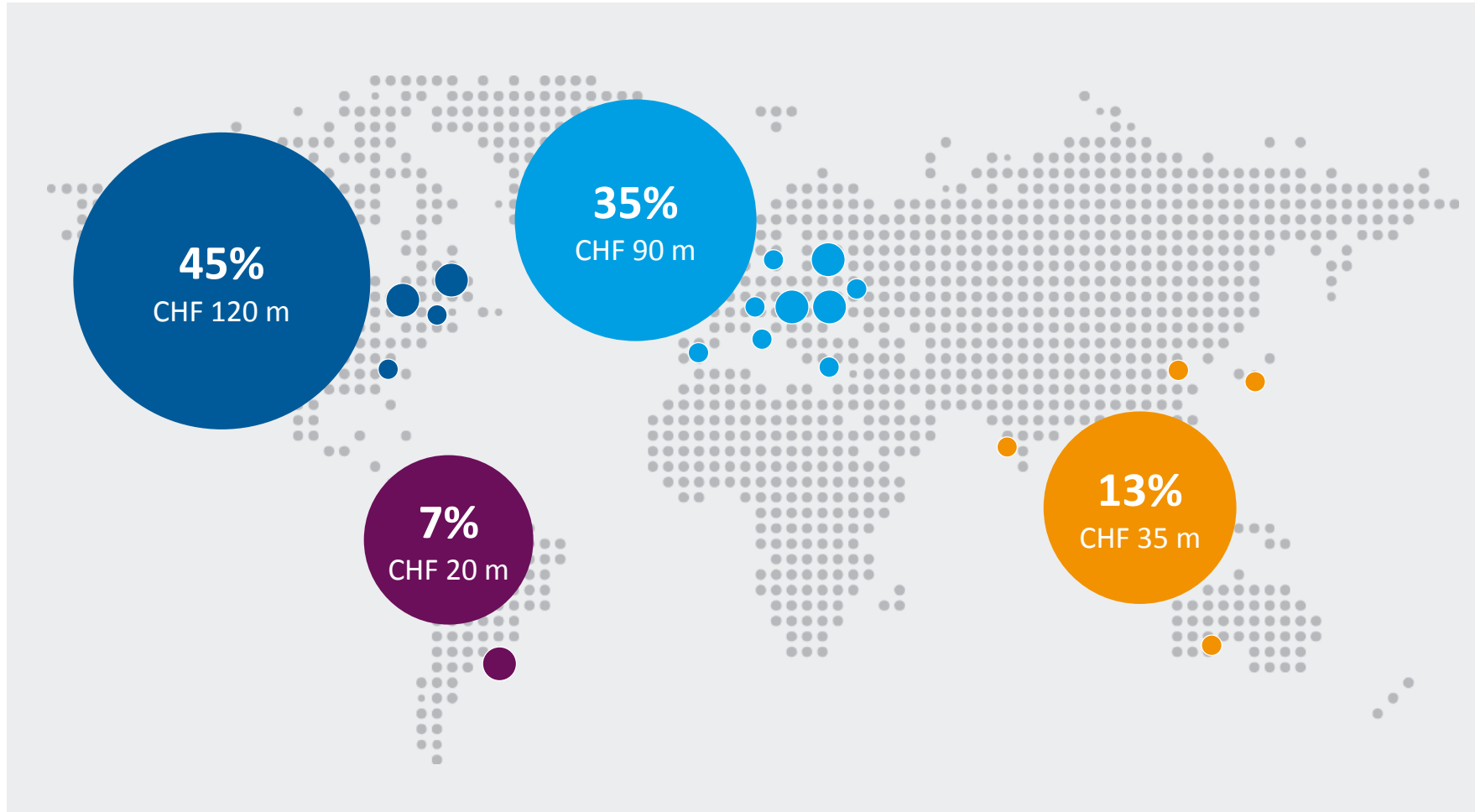
based on adding sales of
COLTENE+Micro-Mega+SciCan for 2018

- Infection Control
- Dental Preservation
- Efficient Treatment



Truly Global Setup

Own sales force across North and Latin America, Europe, Asia including India and China



North America

Group companies	4
Production sites	2
Workforce (FTE)	620

Latin America

Group companies	1
Production sites	1
Workforce (FTE)	120

Europe EMEA

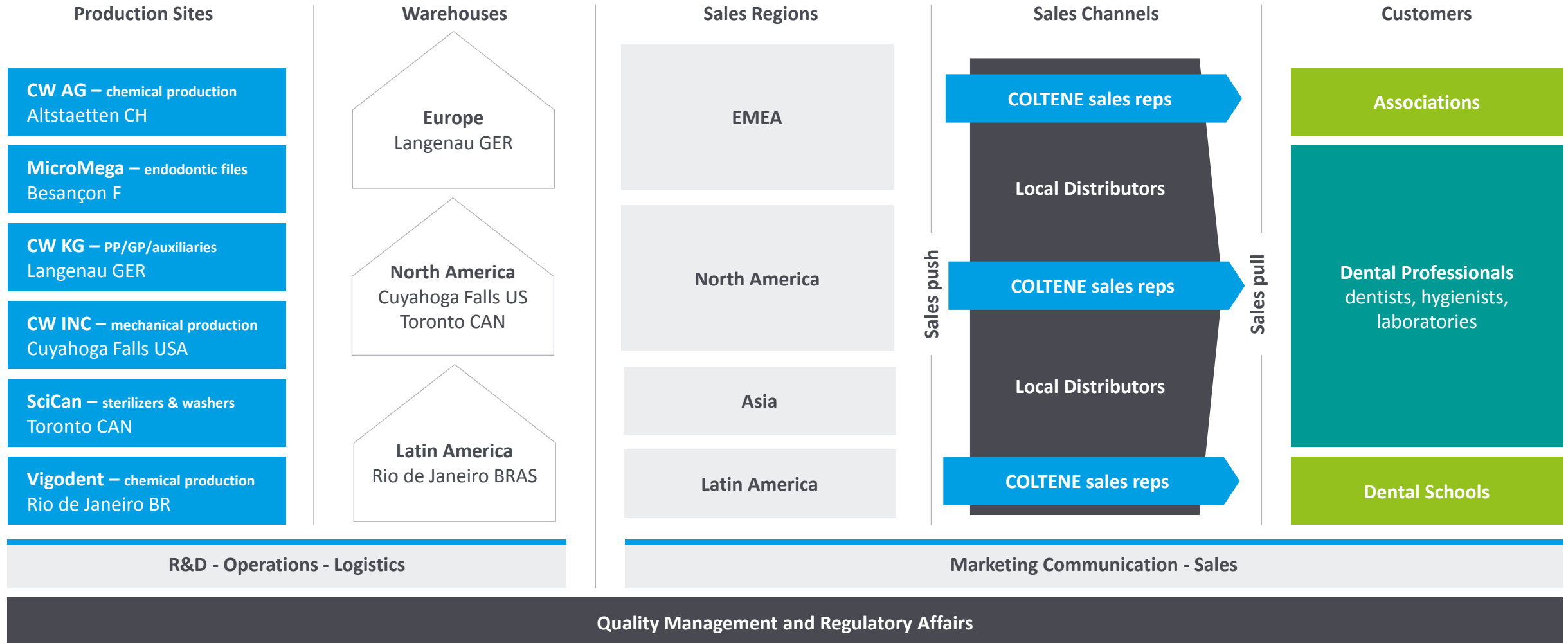
Group companies	20
Production sites	3
Workforce (FTE)	570

Asia Pacific

Group companies	4
Production sites	0
Workforce (FTE)	90

Business Model

Product sale through own warehouses via distributors to dental practices



Dental Industry

Mega trends



Strategic Approach

Leverage synergies and cross sales potential

Understand the customers' needs

Focus on innovation

Visible sales and service organization

Agile organization

Materialize the expected synergies from the merger with SciCan and Micro-Mega

Push short-term merger projects

Review strategy combined with mid-/long-term merger needs

Execute synergy mandates

Establish the base for operational excellence

Review group processes

Select and implement corresponding IT tools

Adapt sales and marketing to the mega trends

Combined Forces

Strategic priorities for 2019-2021

Endodontics	Infection Control	Marketing	Sales	Synergies
<ul style="list-style-type: none">• Establish sales teams with endodontics specialists for selected markets• Adapt the product portfolio to meet the needs of different target customers• Position the Hyflex and Micro-Mega instruments for different applications• Add COLTENE products to Micro-Mega's product range	<ul style="list-style-type: none">• Tailor the positioning of ultrasonic cleaners, instrument washing systems and comprehensive solutions to specific customer needs• Future-ready alignment of the product roadmap• Update instrument reprocessing guide line• Advance the strategic development of the BioSonic and OPTIM range of surface cleaning, sterilization and disinfection products	<ul style="list-style-type: none">• Implement the Group-wide COLTENE umbrella brand strategy while boosting brand consonance worldwide• Optimize the allocation of resources and capital for trade shows and marketing activities• Establish a university partnership program• and organize a global COLTENE Key Opinion Leader Seminar	<ul style="list-style-type: none">• Establish a global sales organization with a country and customer segmentation• Share existing sales channels: for example, sell the UC 150 ultrasound cleaner through SciCan channels; sell OPTIM and Micro-Mega products through COLTENE channels• Create new market access points for SciCan through COLTENE• Create new training tools and modules for the sales teams	<ul style="list-style-type: none">• Steadily build up powerful, global marketing and sales structures• Strengthen market positions, especially in endodontics and infection control• Spread the costs of digitalization projects in marketing across the entire organization• Achieve Group-wide compliance with increasingly strict regulations for medical equipment and devices

Group-wide harmonization and optimization of workflows and the introduction of standardized systems and data infrastructure

Outlook

Photo: BRILLIANT EverGlow – universal submicron hybrid composite



Milestones 2019 and Summary

Consumables in dental industry have limited, but robust growth expectations

We expect a **global organic growth** of our market segment in the area of 1.0-2.0 % in 2019

COLTENE **expects to grow** slightly more than the market thanks to **cross selling opportunities** from the merger.

After additional costs due to the transaction & integration projects, we expect to achieve an **EBIT margin of 15% mid-term again**



Outlook

Continued growth and profitability gains

The recent merger rises sales

from CHF ~ 170 to ~ 280 mn and allowing to benefit from economy of scale effects in

- Increasing regulatory efforts
- Maintaining a truly global setup

Confirming guidance

- Above market growth
- Due to stricter regulations and on-going integration costs operating profit and net profit for the full FY 2019 are no longer expected to match the anticipated sales growth
- Mid-term to regain 15% EBIT margin

Ongoing integration of new Group companies

- Economies of scale effects
- Synergies and efficiency gains

Management focus

- Be closer to customers regarding sales and service
- Drive innovation to match customer needs
- R&D focus on digital dental treatment methods

COLTENE
is Upgrade Dentistry

Better Quality.
Better Reliability.
Better Practice.



Numbers

The COLTENE Group in numbers

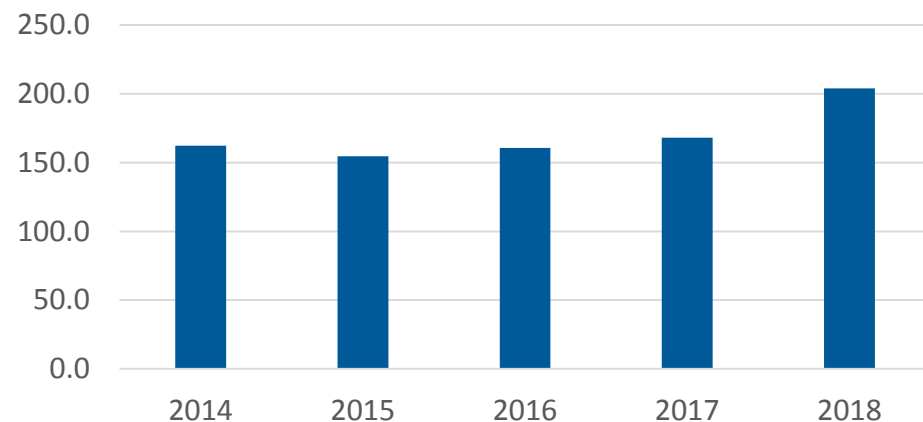
Photo: Jasmin Gaby

QM / Regulatory Affairs Office / Coltène/Whaledent AG
Altstaetten, Switzerland

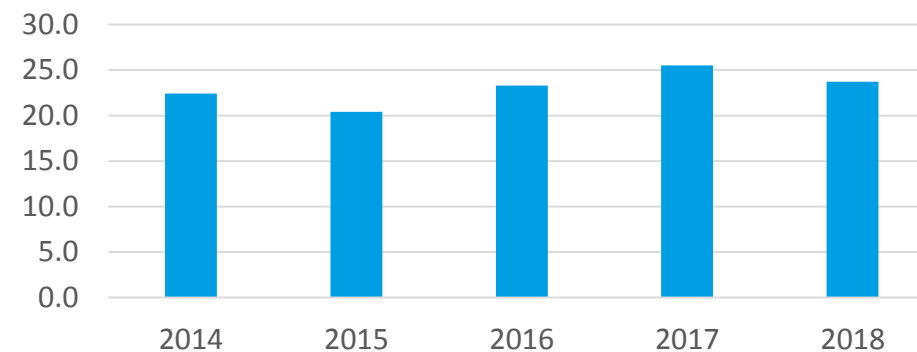
The COLTENE Group in Numbers

5 year overview (until 2017 IFRS; since 2018 Swiss GAAP FER)

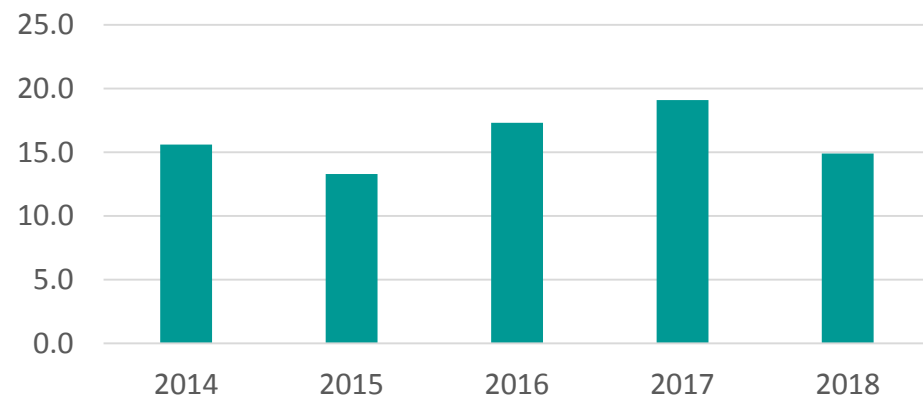
Net Sales (million CHF)



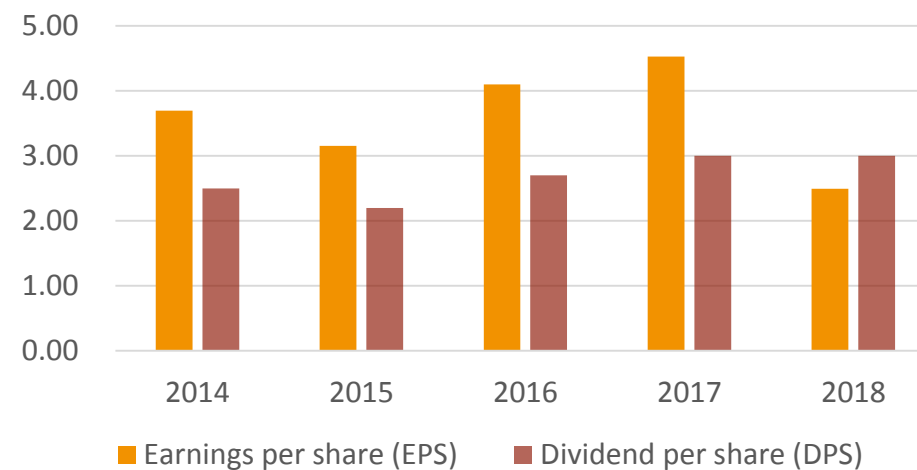
EBIT (million CHF)



Net Income (million CHF)



Earnings per share / dividend per share (CHF)



Financial Summary 2018

Strong top-line, impacted bottom line by one-time extraordinary effects

Sales

New record sales of CHF 204.0 mn,
up 21.4%

Organic growth of 2.7%, clearly
above stagnating overall market

Contributions from Kenda, SciCan and
Micro-Mega totaled to 30.4 mn or 18.1%

EBIT

EBIT of CHF 23.7 mn (2017: CHF 25.5 mn)

EBIT margin at 11.6%

Extraordinaries totaled to CHF 7.0 mn

EBIT margin at 15.0% excluding extra-
ordinary items (2017: 15.2%)

Net Profit

Net profit amounted to CHF 14.9 mn
(2017: CHF 19.1 mn)

Net profit excluding extraordinary items
amounted to CHF 21.3 mn

Financial Summary 2018

Strong top-line, impacted bottom line by one-time extraordinary effects

Tax Rate

Tax rate of 30.4% (2017: 22.2%)

Tax rate was 25.1% without one-time effects

Cash Flow

Cash flow from operations of CHF 24.6 mn (2017: CHF 21.9 mn)

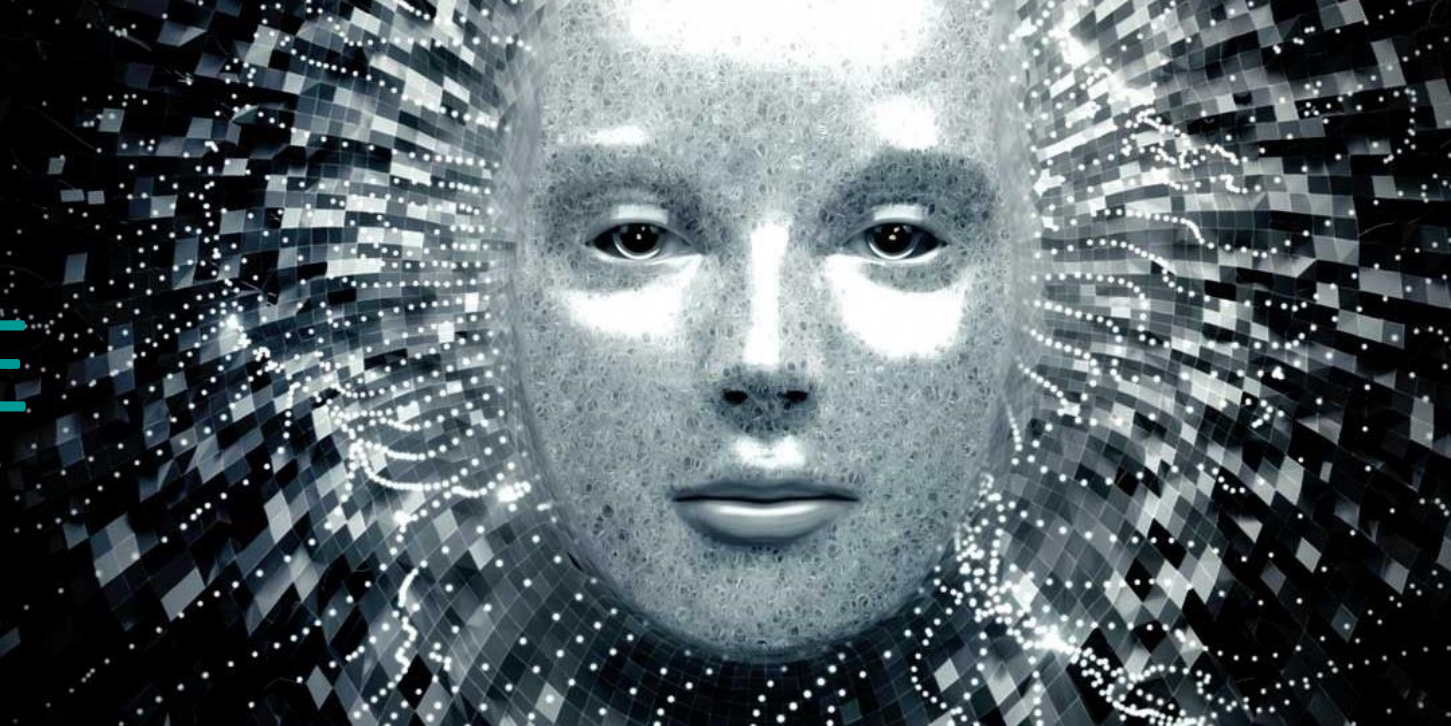
Negative free cash flow of CHF 90.8 mn (2017: CHF +16.0 mn)

Balance Sheet

Net debt position of CHF 29.2 mn (2017: net cash position of 13.8 mn)

Equity ratio 70.5% (2017: 72.7%)

The New COLTENE



Thank You for Your Interest

COLTENE Holding AG

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9450 Altstaetten

+41 71 757 53 80

info@coltene.com

 **COLTENE**

A woman with long dark hair tied back, wearing a black turtleneck, is looking upwards and to the left. In the background, there is a glowing blue digital network or data visualization against a dark blue background.

Appendix

Photo: The COLTENE Group strengthened its position with two well-known industry leaders SciCan and Micro-Mega.



Organization

Photo: Gaelle Batista
Technical Support Logistics / Micro-Mega SA
Besançon, France

Organization

Management

Board of Directors

Matthew Robin

Allison Zwingenberger

Jürgen Rauch

Nick Huber, Chairman

Astrid Waser

Roland Weiger

Erwin Locher



Group Management

Werner Barth, VP Marketing

Martin Schaufelberger, CEO

Gerhard Mahrle, CFO

Stefan Helsing, COO

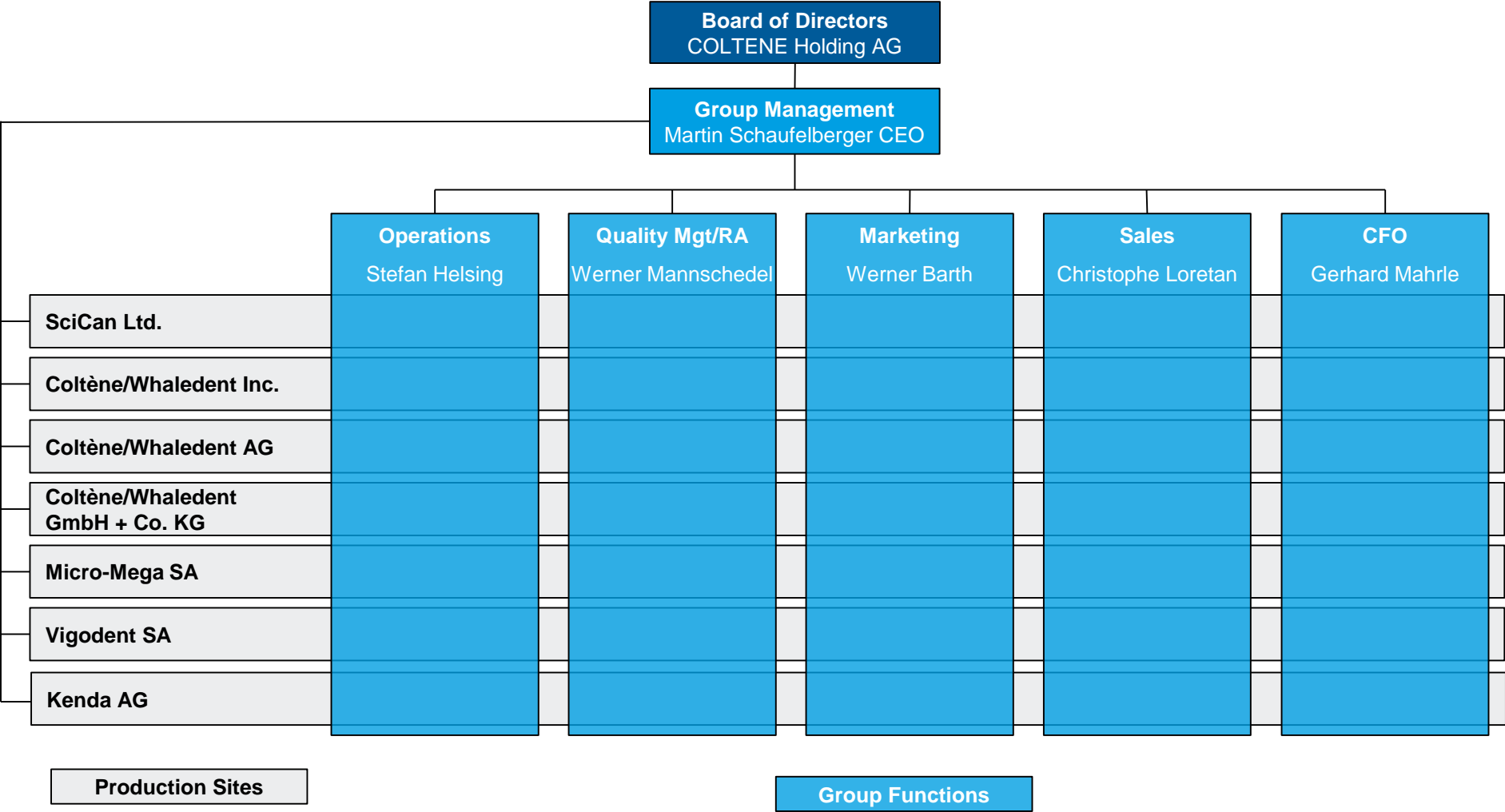
Werner Mannschedel, VP Q&RA

Christophe Loretan, VP Sales



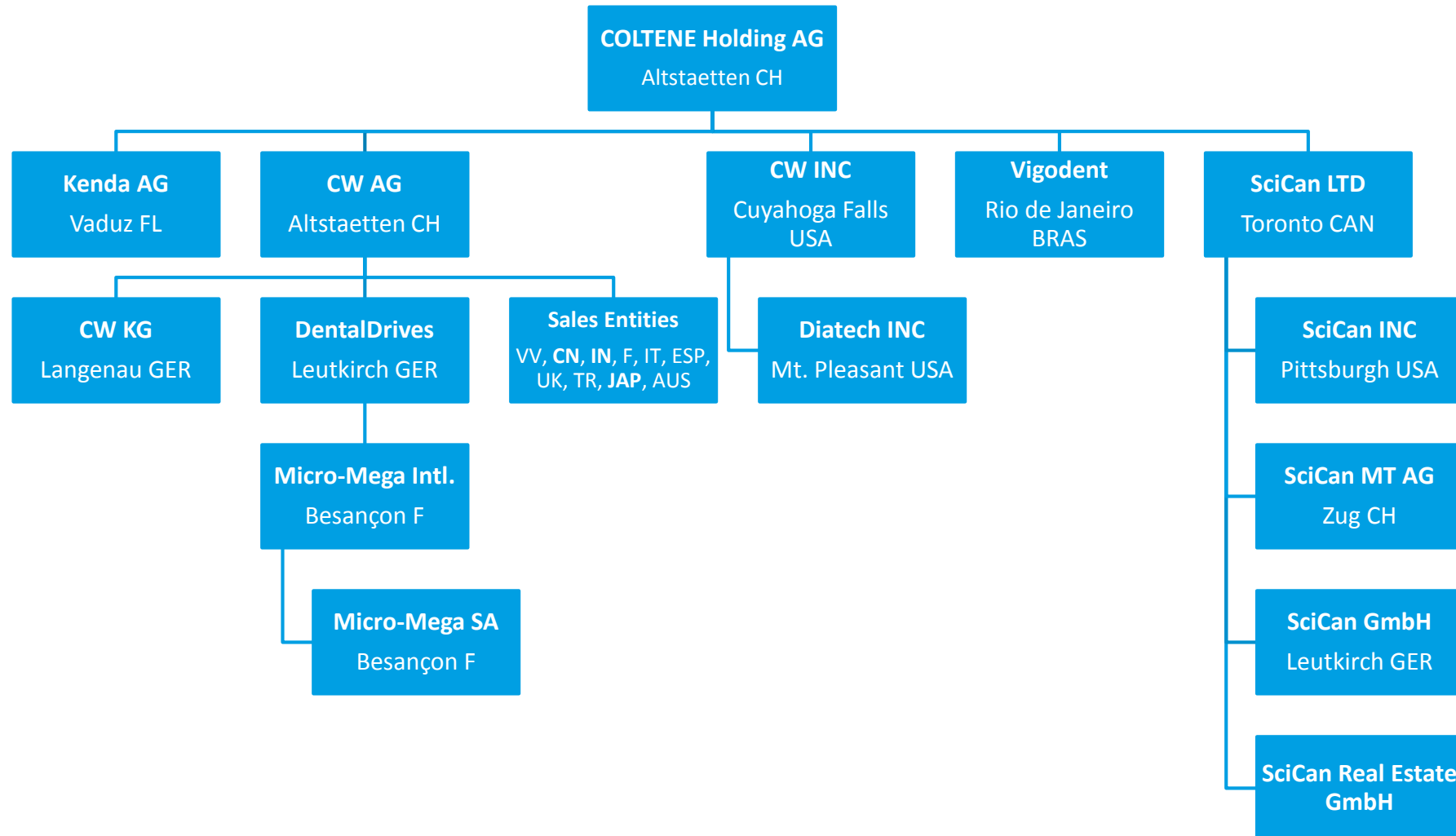
COLTENE Group: Management Organization

Operational Management of the COLTENE Group



COLTENE Group: Legal Structure

Group companies of the COLTENE Group



Summary

Consumables in dental industry have limited, but robust growth expectations

The recent merger rises sales

from CHF ~ 170 to ~ 280 mn and allowing to benefit from economy of scale effects in

- increasing regulatory efforts
- maintaining a truly global setup

Confirming guidance

- above market growth
- mid-term to regain 15% EBIT margin
- pay dividend of about 70% of consolidated net profit after tax

Sound financial situation

post merger with net debt of CHF ~ 30 mn

Management focus

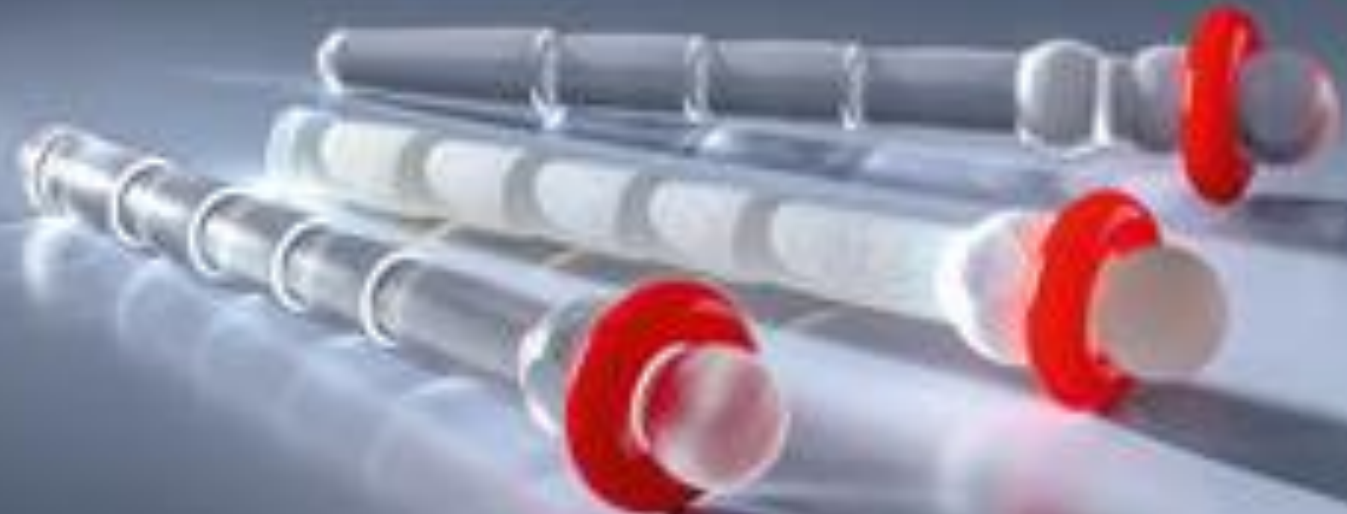
- be closer to customers regarding sales and service
- drive innovation to match customer needs

COLTENE
is Upgrade Dentistry

Better Quality.
Better Reliability.
Better Practice.

Financials H1 2019

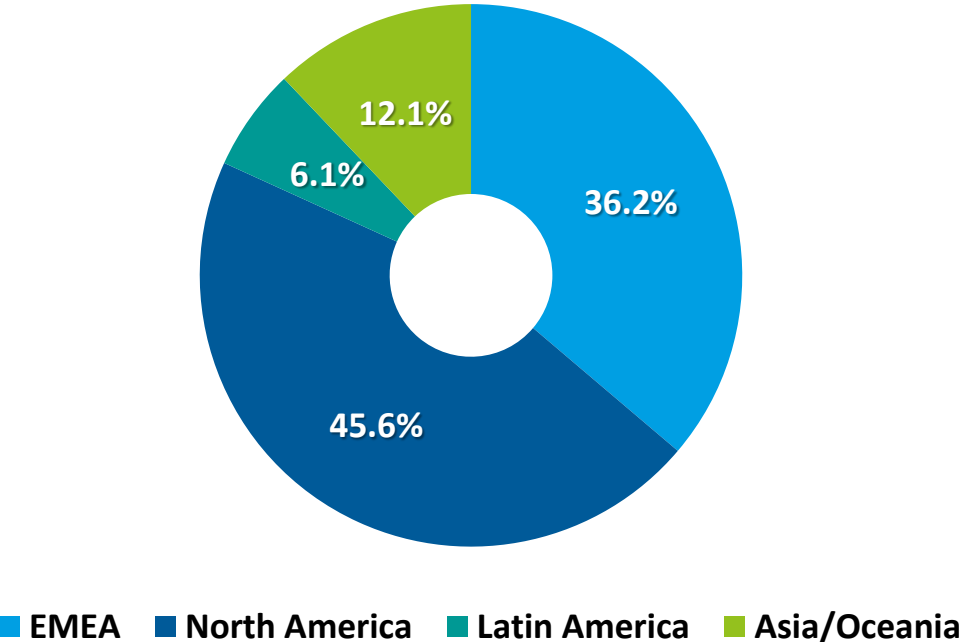
Photo: ParaPost – Well thought-out root post system for virtually every clinical situation



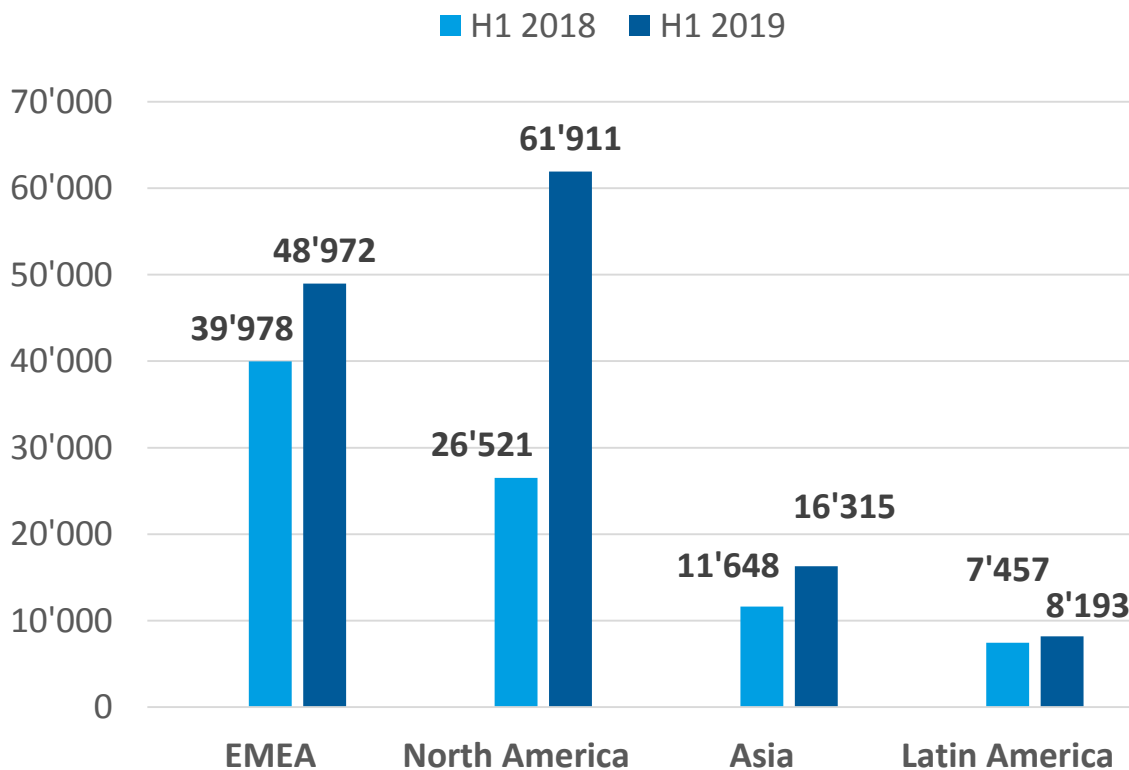
Net Sales by Region

Acquisitions made North America the Group's largest product group

Net sales H1 2019 by regions (shares)



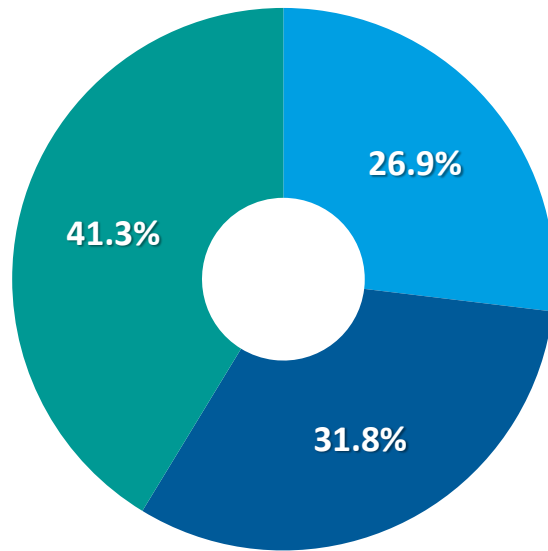
Net sales H1 2019 by regions (in CHF 1,000)



Net Sales by Product Groups

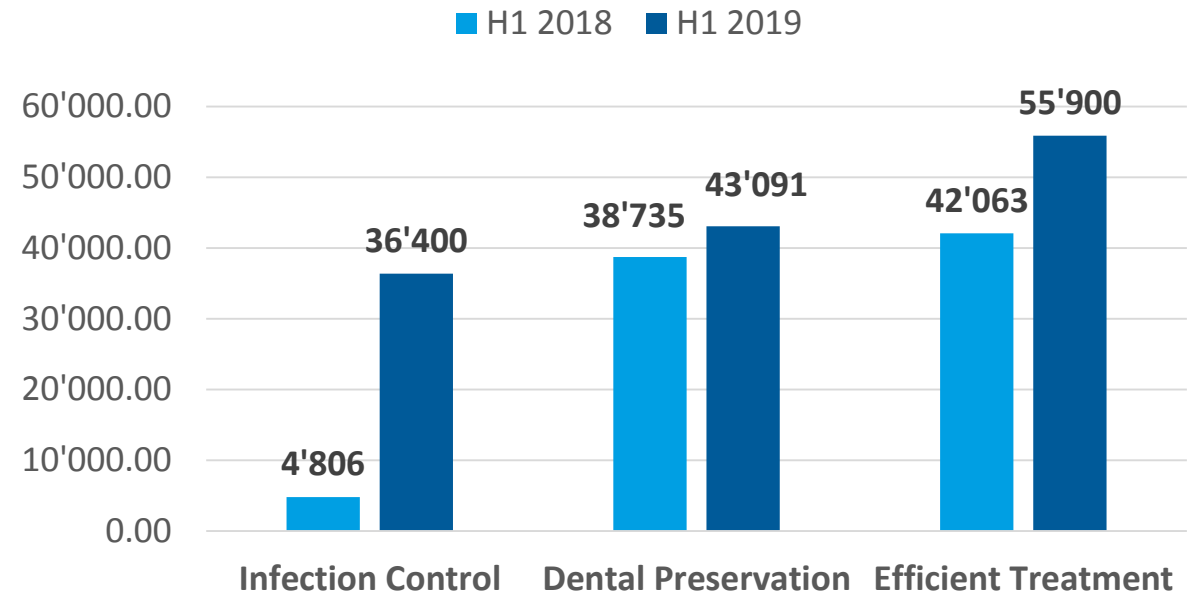
Growth in all product groups, Efficient Treatment leads sales

Net sales H1 2019 by product groups
(shares)



■ Infection Control ■ Dental Preservation ■ Efficient Treatment

Net sales H1 2019 by product groups (in CHF 1,000)



Income Statement

Non-recurring effects from first-time consolidation of acquisitions decreased operating results

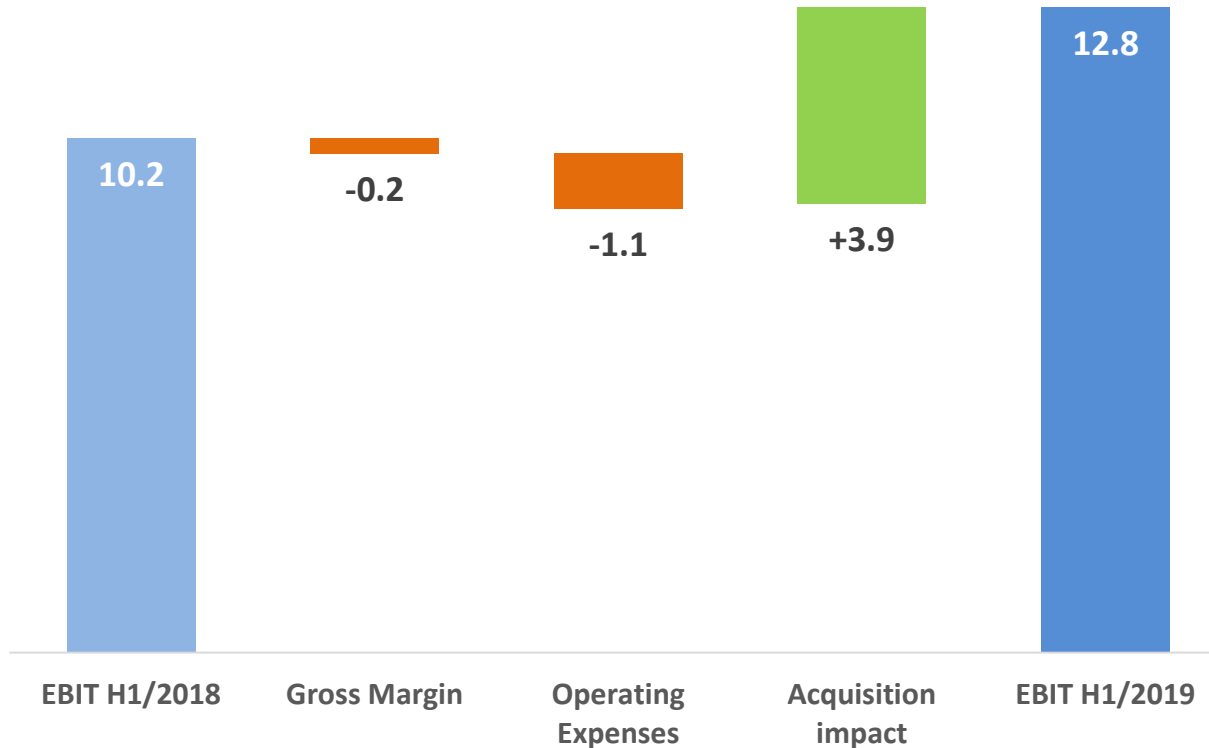
in CHF mn	H1 2019	%	H1 2018	%	% YoY
Net Sales	135.4	100.0	85.6	100.0	+58.2
Material expenses	-43.2	-31.9	-22.6	-26.4	+90.9
Gross Profit	92.2	68.1	63.0	73.6	+46.4
Operating expenses	-76.2	-56.3	-50.1	58.4	+52.4
Depreciation and amortization	-3.2	-2.4	-2.7	-3.2	+17.8
EBIT	12.8	9.4	10.2	12.0	+24.9
Financial result	-1.9	-1.4	-1.8	-2.1	+9.8
Tax expenses	-3.0	-26.8	-2.2	-27.3	+25.9
Net Income	7.9	5.9	6.2	7.2	+28.8

- Increase of net sales and operating expenses are mainly due to the acquisition of SciCan and Micro-Mega.
- Revenue contribution of SciCan and Micro-Mega H1/2019: CHF 48.6 million.
- Sales growth from acquisitions: 56.8%
- Organic sales growth in local curr: 2.0%

Since the start of 2019, the consolidated financial statement has been reported in accordance with Swiss GAAP FER. The previous year's figures have been adjusted accordingly.

EBIT Development

In CHF million



Factors influencing the operating result

- Competitive market environment
- Launch of new products
- Integration project of SciCan and Micro-Mega
- Compliance with the new regulatory requirements contained in the European Union's Medical Device Regulation (MDR) increases personnel expenses
- First time consolidation (inventory step-up)
- Acquisition impact

EBIT margin in % of net sales declined

H1/2018: 12.0%

H1/2019: 9.4%

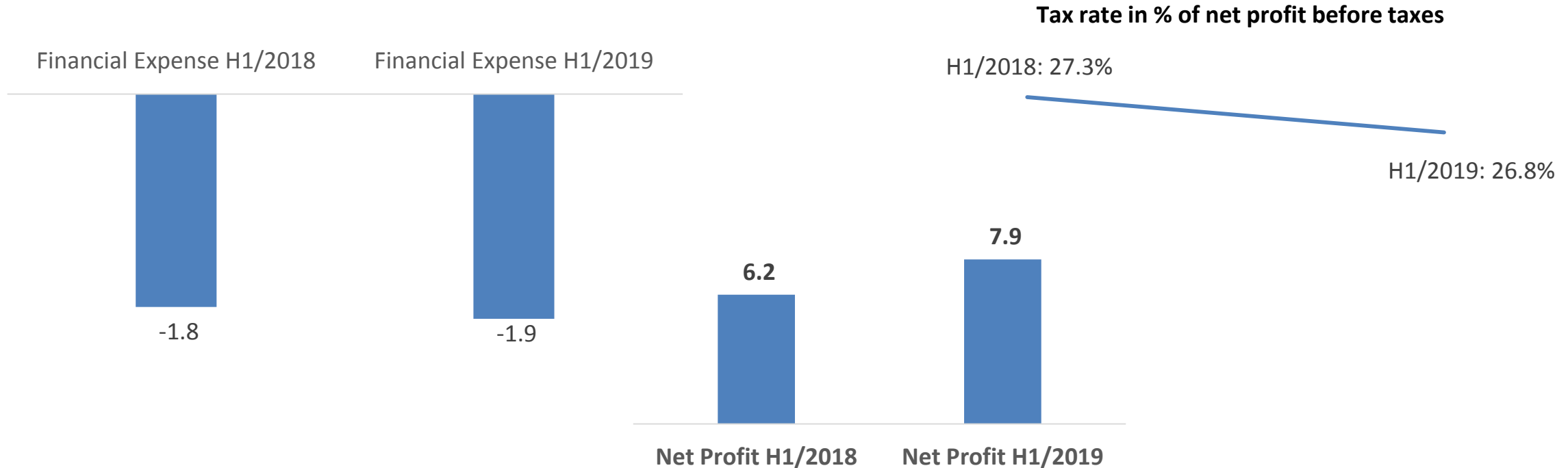
Since the start of 2019, the consolidated financial statement has been reported in accordance with Swiss GAAP FER. The previous year's figures have been adjusted accordingly.

Net Profit

In CHF million

- Financial expenses slightly higher than previous year
- Bank loan for financing the acquisitions

- Tax rate declined from 27.3% to 26.8%
- Lower profits in high tax countries
- Expected medium-term tax rate approximately 25%



Since the start of 2019, the consolidated financial statement has been reported in accordance with Swiss GAAP FER. The previous year's figures have been adjusted accordingly.

Balance Sheet

Solid financial basis despite capital distribution to shareholders from capital contribution reserves

in CHF million	30.06.19	31.12.18	% YoY
Cash & cash equivalents	20.5	20.9	-1.9
Receivables	56.4	60.7	-7.1
Inventory	56.6	55.5	+2.0
Property, plant & equipment	45.5	42.4	+7.3
Financial, intangible & tax assets	6.0	6.0	0
Total assets	185.0	185.5	-0.3
Payables & short term liabilities	33.7	41.3	-18.4
Bank loans (short and long term)	66.3	50.1	+32.3
Other long term liabilities	6.3	6.2	+1.6
Equity	78.7	87.9	-10.5
Total liabilities & equity	185.0	185.5	-0.3
Net debt	45.8	29.2	+56.8

The acquisition of SciCan and Micro-Mega took place at the beginning of October 2018 and was financed by capital increases (85%) and bank loans (15%).

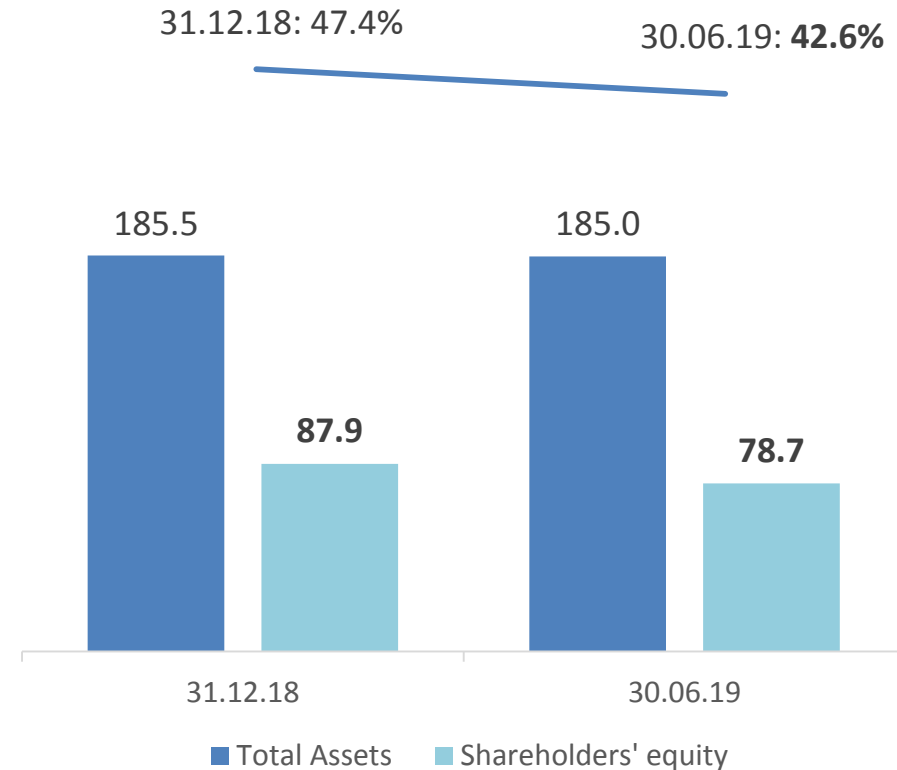
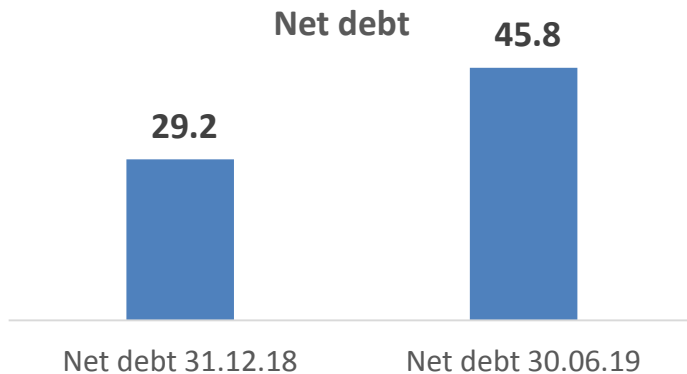
Since the start of 2019, the consolidated financial statement has been reported in accordance with Swiss GAAP FER. The previous year's figures have been adjusted accordingly.

Equity

Solid equity ratio after switch from IFRS to Swiss GAAP FER

In CHF million

- Equity ratio: 42.6%
- Decline in equity ratio due to dividend payment (payment out of reserves from capital contribution reserves)
- Net debt: CHF 45.8 million
(Net debt 31.12.18: CHF 29.2 million)



Since the start of 2019, the consolidated financial statement has been reported in accordance with Swiss GAAP FER. The previous year's figures have been adjusted accordingly.

Cash Flow Statement

High investments in current and future growth

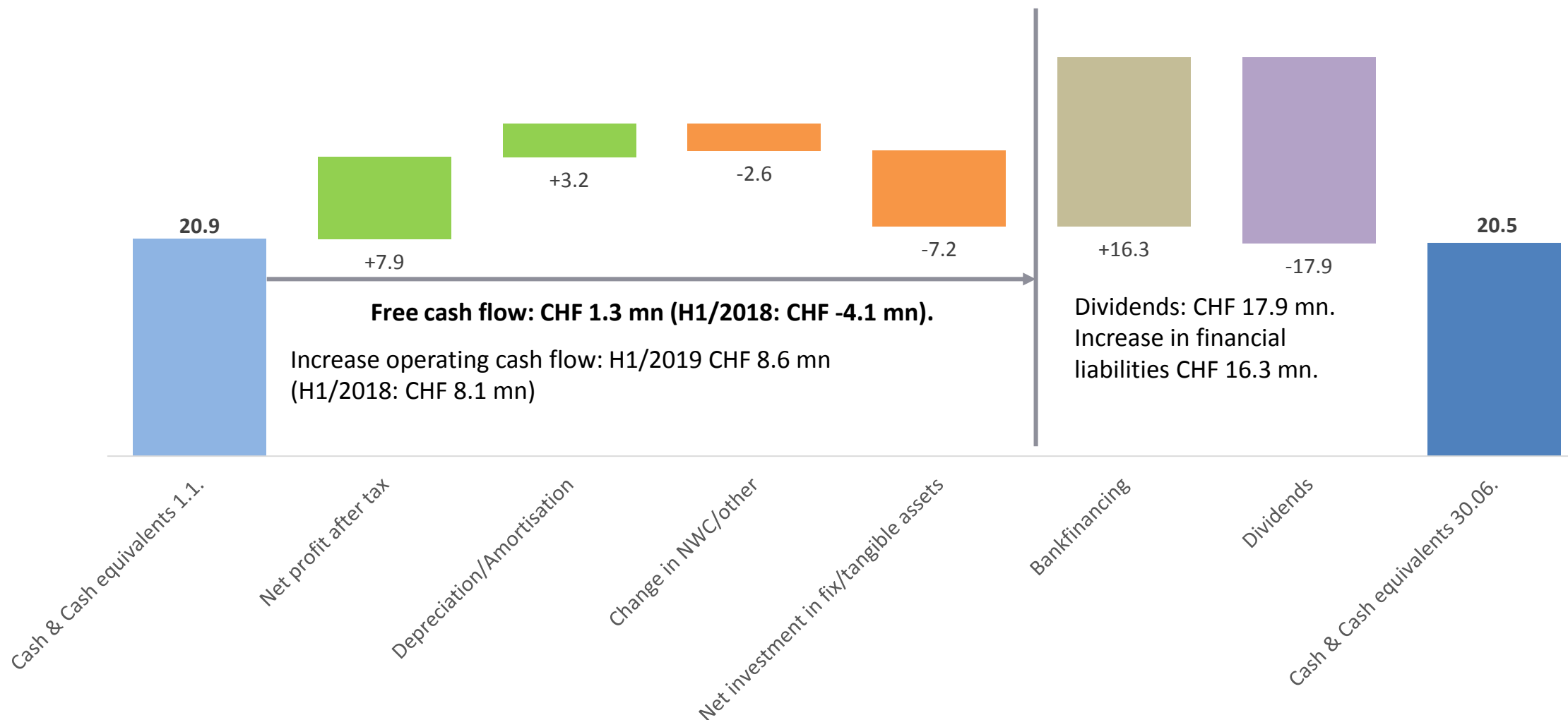
in CHF million	H1 2019	H1 2018	% YoY
Net profit	7.9	6.2	-21.5
Depreciation and amortization	3.2	2.7	-15.6
Other non cash items	4.2	2.7	-35.7
Changes in NWC	-1.3	0.5	-138.5
Interest and tax paid/received	-5.4	-4.0	-25.9
Cash flow from operating activities	8.6	8.1	-5.8
Purchase of PPE (net)	-7.2	-4.2	-41.7
Purchase of int. & finan. assets (net)	-0.1	-0.2	
Acquisition of subsidiaries (net of cash)	0.0	-7.8	
Cash flow from investing activities	-7.3	-12.2	67.1
Cash flow from financing activities	-1.7	-8.2	
Change in cash and cash equivalents	-0.4	-12.3	
Free cash flow	1.3	-4.1	

Negative free cash flow in H1/2018 due to a significant investment in a new production and office building at COLTENE's headquarter in Altstaetten.

Since the start of 2019, the consolidated financial statement has been reported in accordance with Swiss GAAP FER. The previous year's figures have been adjusted accordingly.

Free Cash Flow Development

In CHF million



Since the start of 2019, the consolidated financial statement has been reported in accordance with Swiss GAAP FER. The previous year's figures have been adjusted accordingly.

Change in Accounting Standard

Change over from IFRS to Swiss GAAP FER took place on January 1, 2019

Changes	IFRS	Swiss GAAP FER	Effects in B/S 31.12.2018
Valuation of goodwill	Contained in intangible assets	Offset against shareholder's equity	Offset CHF 172.8 million
Purchase price allocation (technology, IP, customers)	Contained in intangible assets		Offset CHF 58.1 million
Liability from defined benefit pension plans (IAS 19)	Calculated and recognized in the balance sheet and P&L according to the projected unit credit method	Recognized in the balance sheet and P&L on the basis of real liabilities or benefits (e.g. according to financial statements)	Adjustment CHF 5.7 million
Deferred tax assets from tax-loss carryforwards	Capitalized in case of highly probable future profits	Elected not to capitalize	n.a.
Currency translation adjustments		«Fresh start» election	n.a.
Deferred taxes	n.a.	n.a.	Offset DTL: CHF 11.9 million Offset DTA: CHF 1.1 million