

# Upgrade Dentistry

BETTER QUALITY. BETTER RELIABILITY. BETTER PRACTICE.



## COLTENE Investors Day 2021

Martin Schaufelberger, CEO

Gerhard Mahrle, CFO



Altstätten – June 23, 2021

# Safe Harbor Statement

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.

# Agenda

## COLTENE – Investors Day

09:30 to 10:30      **Company Presentation and Q&A**

Martin Schaufelberger  
Gerhard Mahrle

10:30 to 12:00      Three groups (in rotation):

Martin Schaufelberger  
Gerhard Mahrle  
Michael Aebi

- **Tour in the new production building**
- **Demonstration of dental applications in practice**
- **Presentation of development projects and product pipeline**

Olga Gopp

Martin Schlüter

12:00 to 13:00      **Lunch: BBQ**



# SciCan OPTIM<sup>®</sup>

Surface Cleaner-Disinfectants



## Highlights

- Overview
- Business Update – media release of today
- Strategy and USPs
- Outlook





# COLTENE overview

## Top quality dental supplier

- **COLTENE** develops, manufactures and markets **premium dental materials and small equipment** for dental practices
- **5 specialized manufacturing sites**
- **MedTech** products of **class 1, 2a, 2b and 3**
- **13 sales entities** supported by more than **300 sales reps** selling via distributors
- **3 product areas**
  - Infection Control
  - Dental Preservation
  - Efficient Treatment
- **1 200 employees**



Toronto (Canada)

Infection Control



Cuyahoga Falls (OH/USA)

Infection Control  
Efficient Treatment



Altstätten (Switzerland)

Dental Preservation  
Efficient Treatment



Langenau (Germany)

Dental Preservation  
Efficient Treatment



Besançon (France)

Dental Preservation

# Comprehensive product portfolio for dental treatments

Dentists around the world rely on COLTENE products

## Infection Control

*„The infection control specialist“*

Instrument reprocessing  
by cleaning and sterilizing

Surface cleaning and disinfection

(~ 200 SKU's)

OPTIM, STATIM, HYDRIM, BRAVO



## Dental Preservation

*„Sustainable preservation from root to crown“*

Materials for restoration

Solutions for endodontic treatments

(~ 1'300 SKU's)

HyFlex, Micro-Mega, BRILLIANT



## Efficient Treatment

*„Smart & efficient utilities dentists rely on“*

Impression materials (~ 500 SKU's)

Rotary instruments (~ 3'000 SKU's)

Treatment utilities (~ 1'000 SKU's)

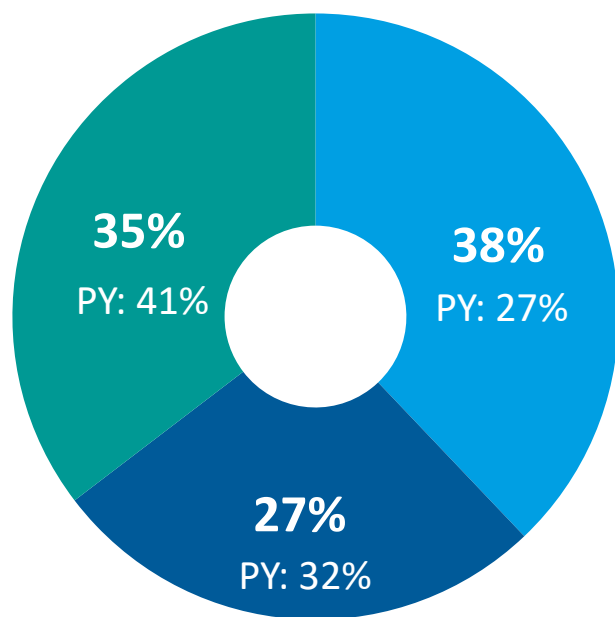
Speedex, AFFINIS, Diatech, Kenda, Roeko, Hygenic



# Net Sales by Product Groups in 2020

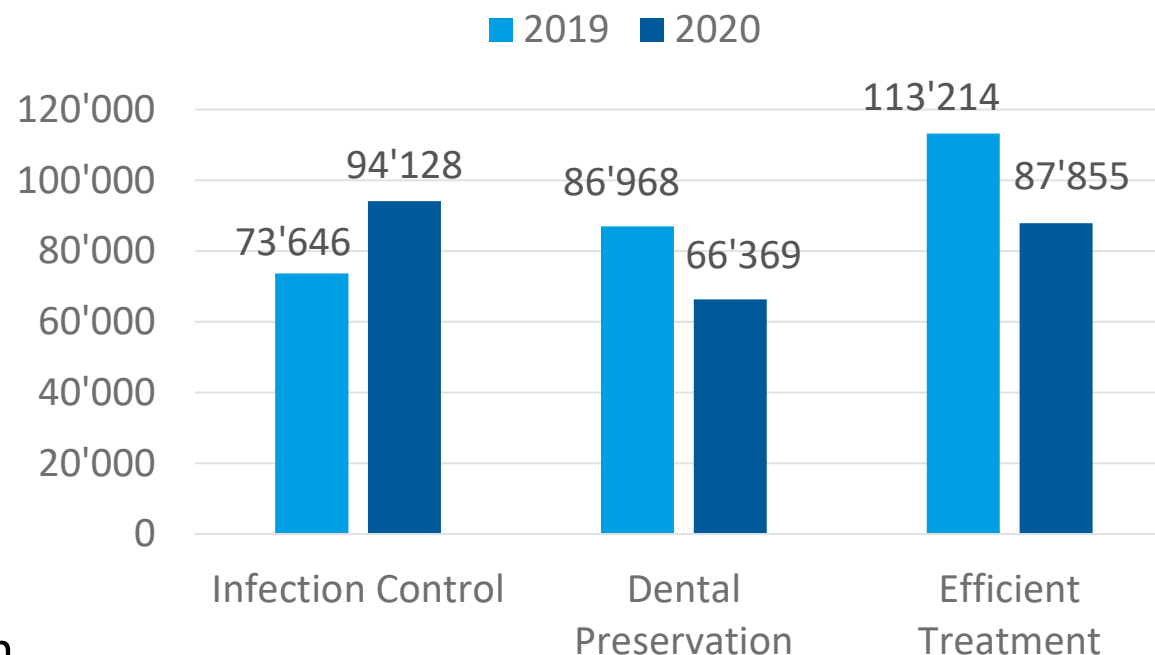
Outstanding development in Q1 was heavily impacted by the COVID-19 pandemic – Recovery in H2

## Net Sales by product groups (shares in %)



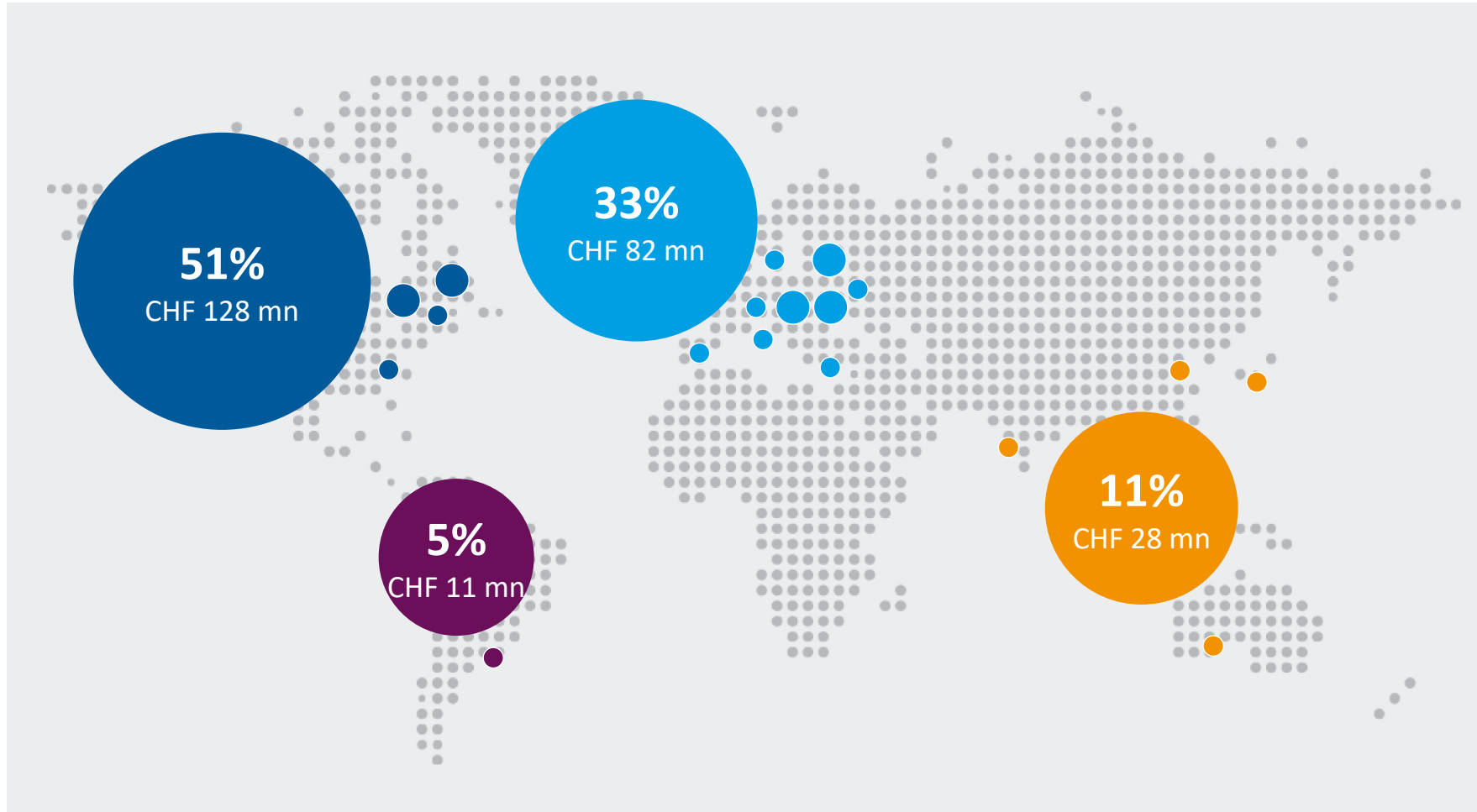
- Infection Control
- Dental Preservation
- Efficient Treatment

## Net Sales by product groups (in CHF 1'000)



# Net Sales by Region; global set up

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



## North America

Group companies	3
Production sites	2
Workforce (FTE)	520

## Latin America

Group companies	1
Production sites	0
Workforce (FTE)	20

## Europe EMEA

Group companies	19
Production sites	3
Workforce (FTE)	560

## Asia Pacific

Group companies	4
Production sites	0
Workforce (FTE)	100



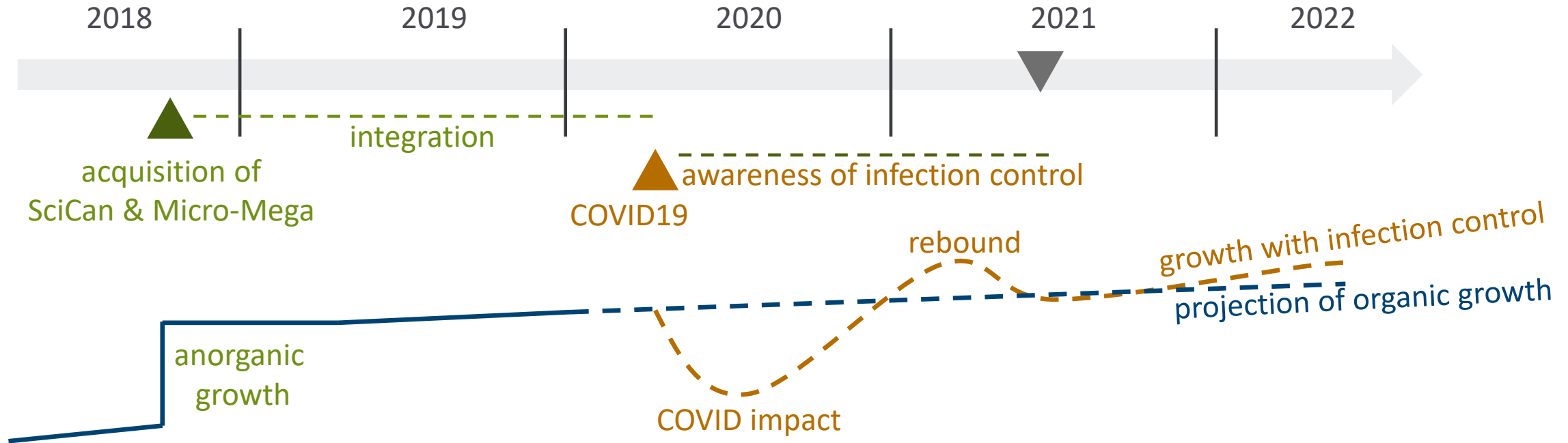
# COLTENE Key Figures 2020

Better than expected 2020 result - thanks to agile reaction to COVID-19 and strict cost control

- **Net Sales CHF 248.4 mn** (PY 273.8 mn), -9.3% in CHF, only **-4.1%** in volume (at constant FX)
- **CHF 32.1 mn EBIT (12.9 % EBIT margin)** before the one-time charge from the disposal of Brazilian subsidiary Vigodent (adjusted EBIT )
- **Net profit at CHF 8.2 mn** (PY: CHF 20.0 million)
- **Dividend of CHF 3.00 per share**
- **Net Debt of CHF 21.9 million** (PY: CHF 36.8 million)
- **CHF 24.3 mn free Cash-Flow** (PY CHF 10.7 mn)

# COLTENE business update June 23, 2021

Strategic acquisition – focus infection control – COVID impact – fast intervention – rebound – ready for organic growth



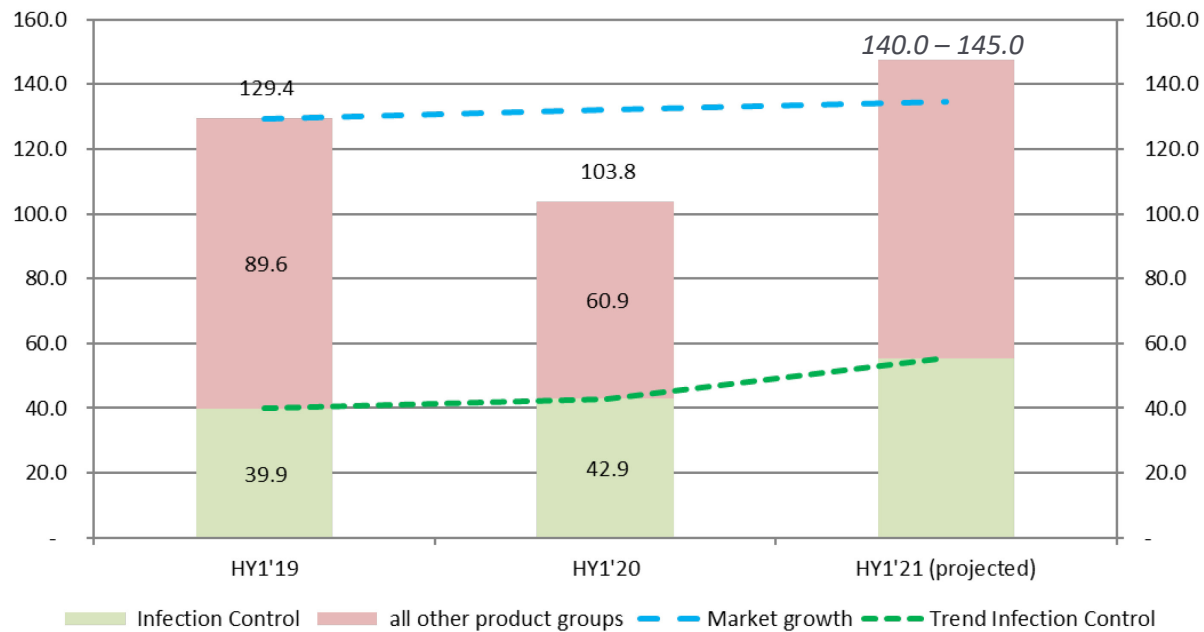
- October 2018: Acquisition of SciCan and Micro-Mega → focus on infection control
- March 2020: COVID-19: increase of the infection control business, decrease of the rest of the business
- Q2/2020: Impact and down swing of total sales → Q3 and Q4 trend change
- H1/2021: Rebound, approaching projection line, even out base line growth, potential of infection control

# COLTENE business update June 23, 2021

Strategic acquisition – focus infection control – Covid impact – fast intervention – rebound – ready for organic growth

## Sales Development HY1'19 - HY1'21

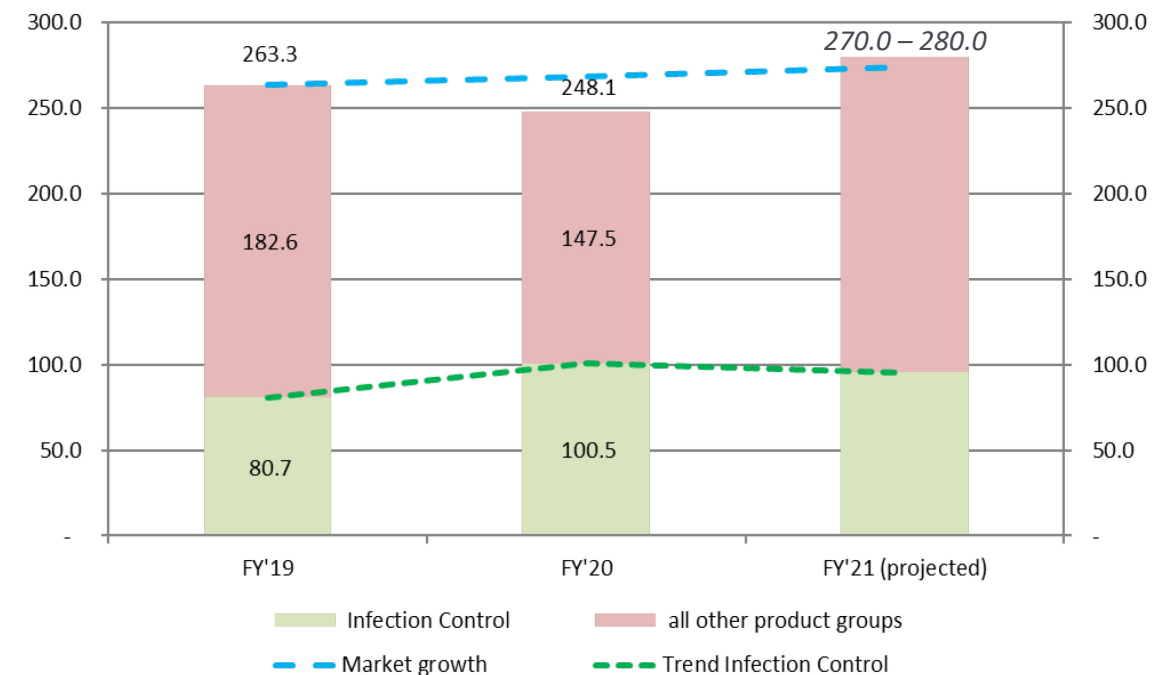
NPB in CHFm (@constant FX)



- Flexible production to adjust to volume changes
- Lower T&E and marketing cost
- Efficient cost management
- H1/21 clearly higher results compared to previous HY results

## Sales Development FY'19 - FY'21 (projected)

NPB in CHFm (@constant FX)



- 1<sup>st</sup> HY can not be projected into 2<sup>nd</sup> HY sales in 2021
- Raw material supply is important to assure production volume
- Cost increase in T&E, marketing and personnel as pandemic ends
- For FY 2021 an EBIT margin of more than 15% is expected

# USPs

## Continuous improvement

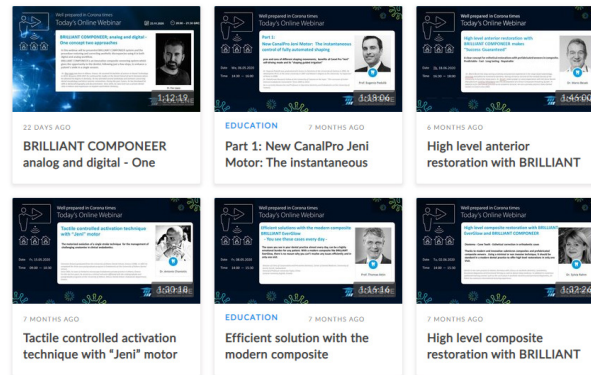
### Products

- Full range of dental products, continuously developing with and ahead of the market
- Significant spend in R&D (4% of net sales), with specific and demanding targets for each project



### Services

- At the forefront of digitalization in dentistry
- Strong customer loyalty
- Expansion of services and towards direct contact with the end consumer via digital channels and webinars



### Management and Governance

- Lean and agile management
- Steady transformation of the organization for global competitiveness
- Diverse board of directors in terms of background, gender, age and origin; average age 55.5 years, 29% women, 71% men



Matthew Robin Allison Zwingenberger Jürgen Rauch Nick Huber Astrid Waser Roland Weiger Erwin Locher

# Current Group Projects

Beside managing the pandemic situation, group management achieved strategic milestones

## Digital Price List and new Dealer Contracts

A digital price list with corresponding dealer contracts was established and introduced this spring. The system allows to manage prices of more than 6'000 SKU's based on lead products in the key markets.

## Customer Service

Based on our CRM system a customer service SW tool is about to be implemented. The target is to provide better product information and support as well as to fulfill the increased requirements regarding vigilance (regulatory requirement). This will bring COLTENE even closer to the dental professionals.

## DSO support team

The increasing share of dental service organizations (DSO) or chain practices require a more tailored sales solution. The coordination of the DSO head quarter agreement with the daily needs in their dental offices is key.

## MDR

Three manufacturing sites are already MDR audited. Quality systems and processes are harmonized and lead to a lean and cost-effective implementation of the new regulatory requirements.

## IOT and Digital Services

SciCan equipment has a record for early adoption of IOT (internet of things) technology. All instrument reprocessing equipment has a built in IOT option. A next generation of IOT equipment was launched with the new STATIM B early this year. A next step is to build a range of services to optimize maintenance, validation and the safe & efficient use.



# Strategy

Upgrade dentistry

## Brand Strategy

- Less brands - brands linked to an application field
- Utilize company brands: SciCan, Micro-Mega, Roeko, and Kenda

## Product/Market Strategy

- Push Resto and Endo in NAM
- Push Instrument Reprocessing and Endo in Europe
- Prepare IOT, software and services as a future revenue generator

## Geographical Strategy

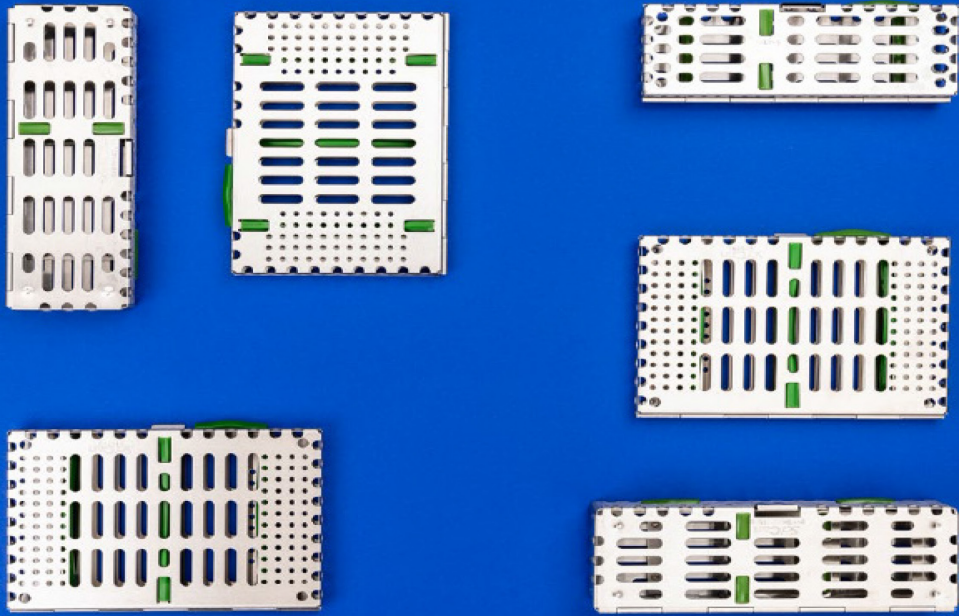
- Push sales in China and Japan with adequate local structures
- Build and defend US and European markets
- Increase direct contacts to dentists



# Sustainability Reporting

Coltene is a responsible Corporate Citizen

- Since February 1, 2021, COLTENE Holding AG shares are included in both of the ESG indices of the SIX Swiss Exchange: **SPI ESG and SPI ESG Weighted**
- Coltene interacts regularly with its **stakeholder groups**
- Coltene adheres to the UN Standards on the Prevention of Child Labour and Exploitation and is **committed to expanding its global supplier audits to include ethical criteria**
- Coltene **minimizes the environmental impact** along its supply and production chain and seeks sustainable energy solutions
- Coltene creates **safe workplaces** with protection against accidents, illness, discrimination and harassment
- **Women hold nearly 30% of leadership positions** at team lead level or higher (total female workforce is 50%)
- For more detailed information, see the Chapter Production, Environment, and Sustainability in the Annual Report 2020



# SciCan STATIM G4

## Cassette Autoclave

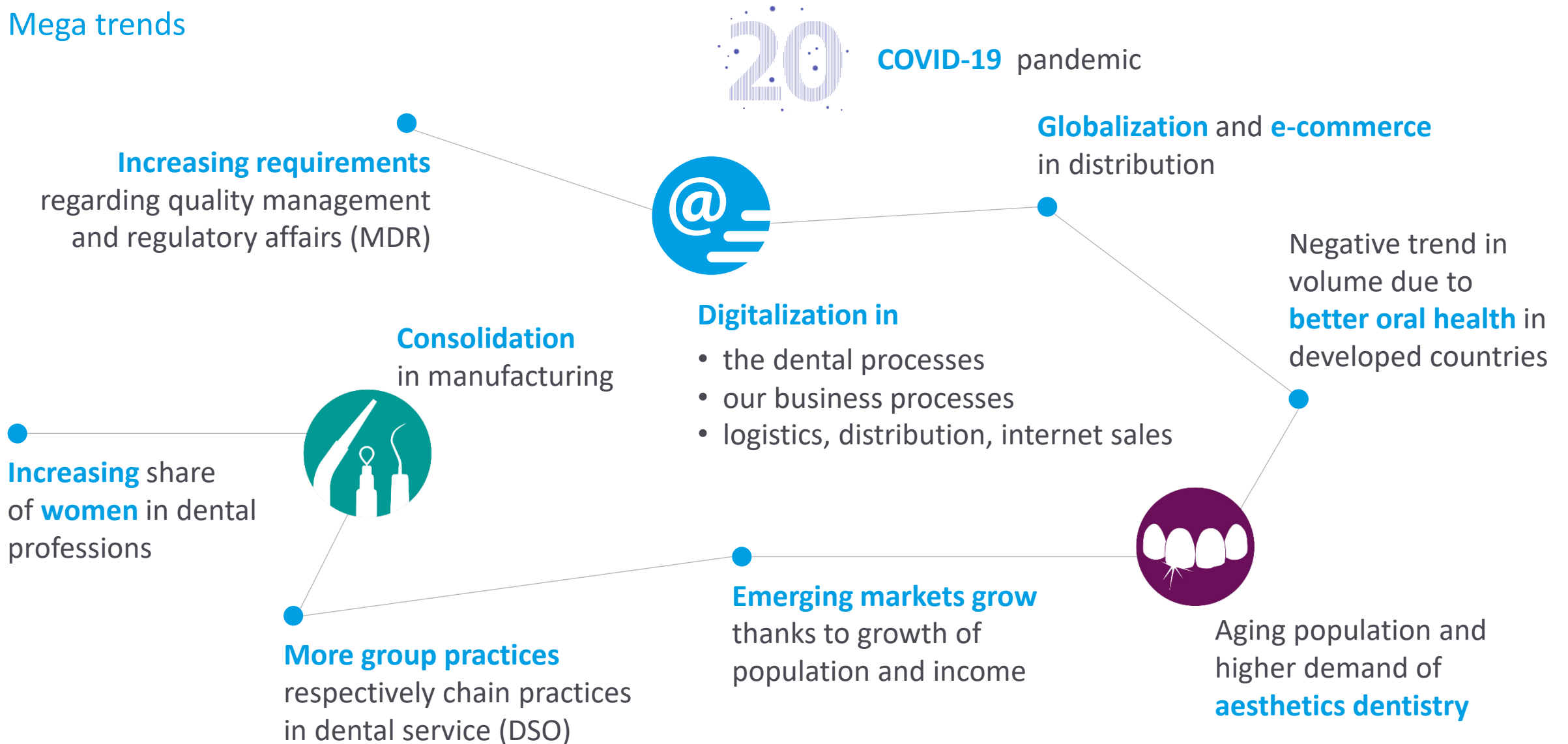


## Outlook 2021

- Strategy – Projects, Innovation and Infection Control
- Impact Pandemic situation
- Guidance

# Dental Industry

## Mega trends

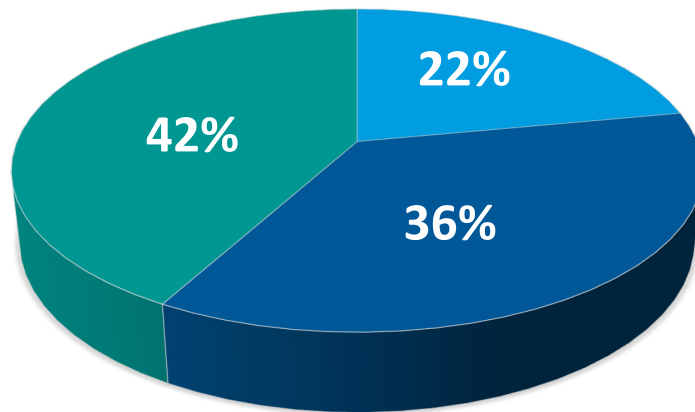


# Adressable market – high market potential

## Dental consumables and equipment

**Relevant market size in 2020: ~ CHF 5.8 billion**

Relevant market size by segment in %



- Infection Control (38%)
- Dental Preservation (27%)
- Efficient Treatment (35%)

(percentage of net sales of COLTENE)

### Competitors (examples)

Midmark, Miele, Melag, W&H

Dentsply, 3M, Envista, Ivoclar, Voco, GC, Sybron

Komet, Brasseler, Heraeus Kulzer

- Clear strategy to focus on above product segments within the dental industry
- COLTENE is an important player in these attractive markets
- Sufficient potential for additional growth (underlying annual market growth: 2%-3%)
- Innovation in products, treatment methods and product packaging allow growth
- Focused marketing activities in key markets allow efficient sales push



# What can we expect in 2021?

## Impact by and recovery from COVID-19

● <b>Recovery from COVID-19</b>	<p>We do not expect shutdowns for dental practices even in potential further pandemic waves</p> <p>We assume that business life will go back to more or less normal in the second semester 2021</p> <p>We plan on less traveling and fewer trade shows</p>
● <b>Strategy implementation</b>	<p>Brand: less brands, link brands to field of application, keep/utilize SciCan, Micro-Mega, Roeko and Kenda</p> <p>Product/Market: push Resto and Endo in NAM, Push Infection control and Endo in Europe, prepare IOT</p> <p>Geographical: Push China and Japan (Asia), defend/build NAM and Europe, increase direct dentist contacts</p>
● <b>Main Focus</b>	<p>Implement Strategy</p> <p>Flexibility and agility to follow rebound and approaching new growth line</p> <p>Transform customer needs into new products/services; in IOT, direct customer dialogue and training and marketing</p>
● <b>Conclusion</b>	<p>Tailwind from infection control focus/acquisition in navigating through the pandemic cycle</p> <p>Recovery and rebound of dental consumable business are the base for good H1/2021 results</p> <p>H1/21 can not be projected into FY21, however FY21 will allow to achieve the mid term goal of EBIT 15%</p> <p>Strategy and infection control allow an above the market growth</p> <p>Healthy balance sheet, improving equity ratio (after 2018 acquisition)</p> <p>Attractive dividend policy</p>



Q&A

[www.coltene.com](http://www.coltene.com)

 **COLTENE**

**COLTENE Holding AG**

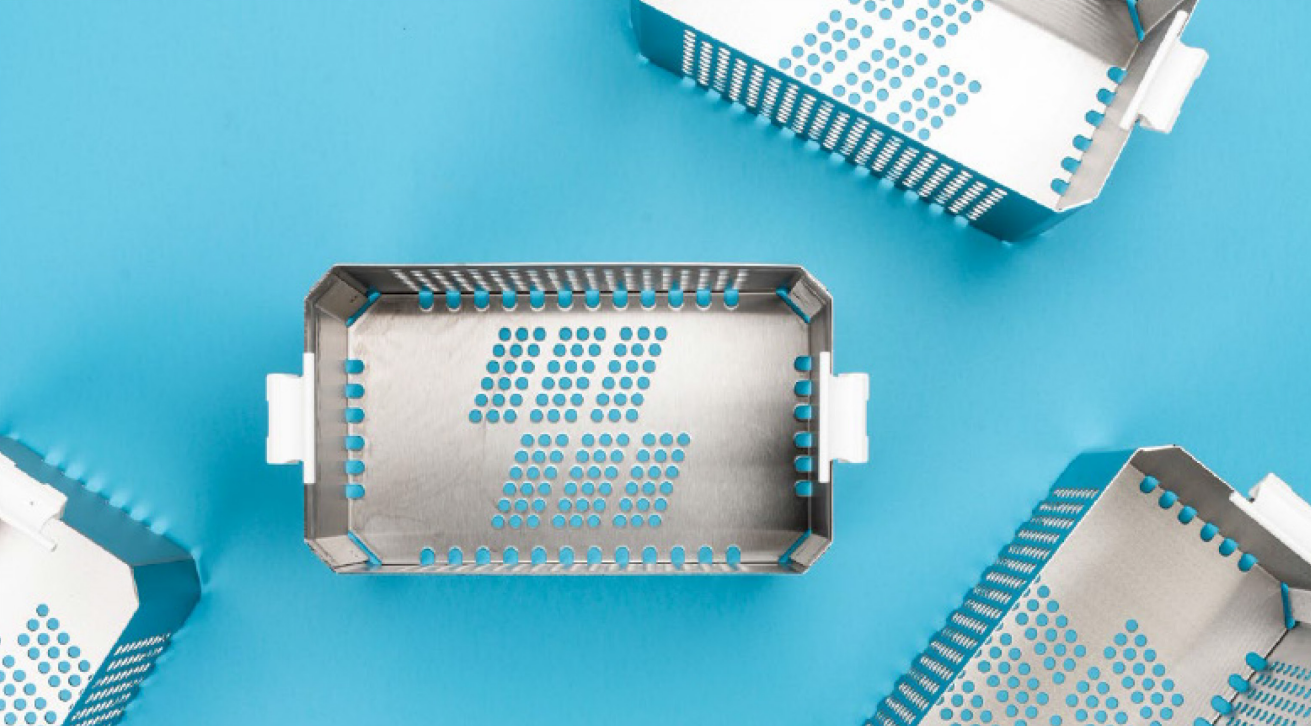
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# Annexe

## BioSonic UC150

Ultrasonic Cleaner for Instrument Reprocessing



# Organization

## Management

### Board of Directors

Matthew Robin

Allison Zwingenberger

Jürgen Rauch

**Nick Huber**, Chairman

Astrid Waser

Roland Weiger

Erwin Locher



### Group Management

Christophe Loretan,  
VP Sales / MarCom EMEA / ROW

Stefan Helsing, COO

Gerhard Mahrle, CFO

**Martin Schaufelberger**, CEO

Martin Schlüter, VP R&D / Innovation

Werner Barth, VP Product  
Management / Group Marketing

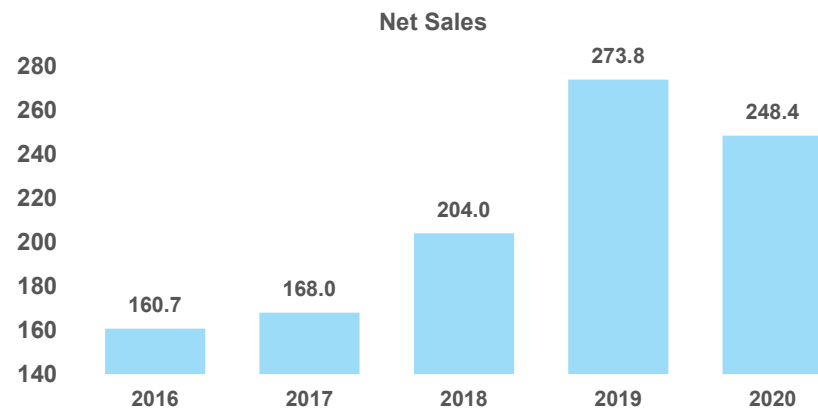




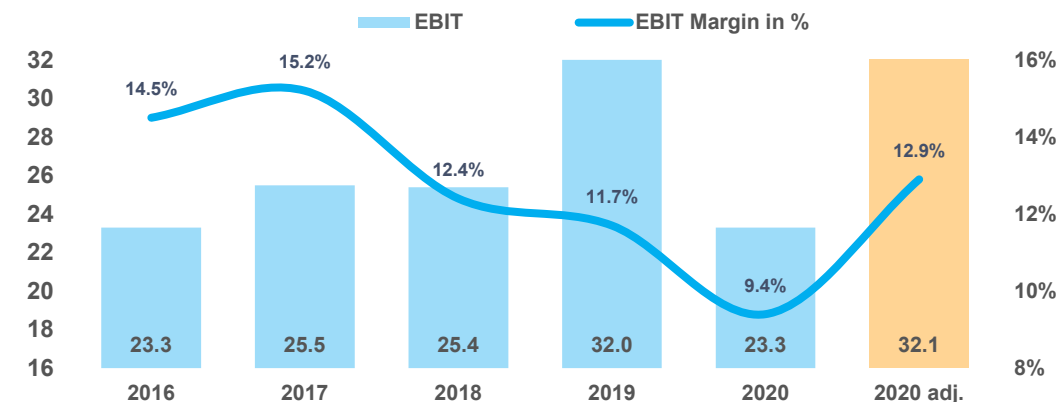
# Key Figures COLTENE Group

## Five-year overview

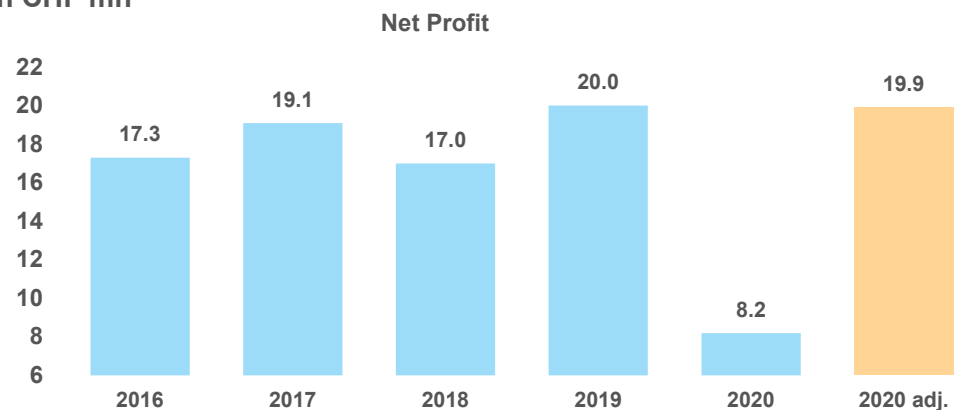
in CHF mn



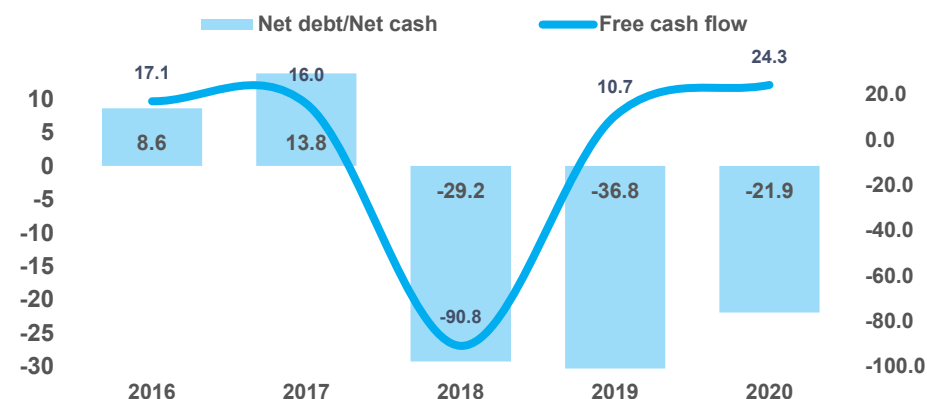
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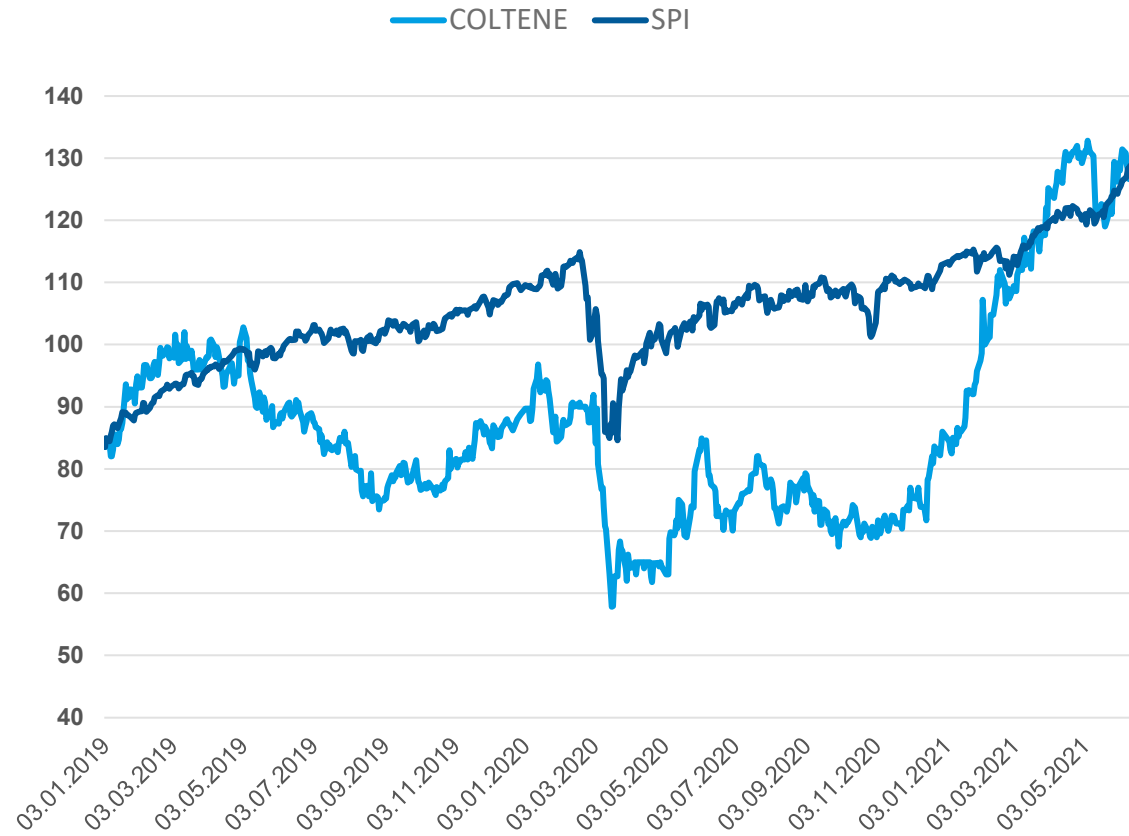




# Share Performance

Volatile financial market environment

Share price



Earnings per share/dividend

