

## Media Release

### Financial Year 2016: Sales, EBIT and Net Profit Increased

- Sales of CHF 160.7 million, plus 4.0%; positive currency effect of CHF 2.7 million or 1.8%
- Strong growth in emerging markets, +15.5% in local currencies
- Operating profit (EBIT) of CHF 23.3 million; EBIT margin widens to 14.5%
- Net profit amounts to CHF 17.3 million, +29.5%
- Gaining new growth opportunities and a competitive lead by promoting digitalization

Altstaetten, March 9, 2017 – COLTENE Holding AG (SIX Swiss Exchange: CLTN), an internationally leading developer and producer of dental consumables, increased its net sales to CHF 160.7 million amid a challenging market environment in the financial year 2016 (2015: CHF 154.5 million). This corresponds to an increase of 4.0% in the reporting currency of Swiss francs. Sales growth in local currencies was 2.2%. While sales in EMEA and Asia in rose a pleasing 7.3% and 7.1%, respectively, North America sales declined by 1.2% due to the ongoing reduction in inventory at major distributors. A slight recovery in Latin America pushed regional sales up by 5.9%. COLTENE Group's operating profit (EBIT) improved, bringing the EBIT margin closer to the medium-term target of 15%. Consolidated EBIT for the 2016 financial year rose by 14.3% from the previous year to CHF 23.3 million (2015: CHF 20.4 million). This widened the EBIT margin to 14.5% from 13.2% in the previous year. Net profit was buoyed by the generally more favorable exchange rates and advanced 29.5% to CHF 17.3 million (2015: CHF 13.3 million). The Board of Directors will propose a dividend of CHF 2.70 per share at the Annual General Meeting on March 29, 2017 (previous year: CHF 2.20).

COLTENE focused on the ongoing internationalization of the organization, innovation management and digitalization during the financial year 2016. Centralized leadership of the Group's worldwide sales organization as of October 1, 2015, and the expansion of its marketing and sales activities produced a positive impact on operating results. Particular mention is made of the expansion of sales teams in key markets around the world and the opening of a subsidiary in Japan and Turkey. In addition, management prioritized innovation in the Restoration, Endodontics and Treatment Auxiliaries product groups as a catalyst of future growth. COLTENE entered the world of digital dentistry in the first quarter of 2016 when it launched BRILLIANT Crios, reinforced composite blocs for making and placing permanent inlays, onlays, entire anatomic crowns and veneers at the chairside in a single session.

#### **Business performance by region: Pleasing growth in EMEA and Asia**

In the financial year 2016, COLTENE Group defended its positions in key core markets despite enduring market headwinds. In Europe, the Middle East and Africa (EMEA), sales rose by 7.3% in Swiss francs. Key factors for this growth were an upturn in economic activity in various markets across Southern and

Eastern Europe and pent-up demand in the CIS region and in the Middle East. In Asia COLTENE increased its sales in Swiss francs by 7.1% year-on-year and in China and India, two key markets of the future, the Group recorded growth rates of 9.0% and 17.0%. Sales in North America were down 1.2% due to communicated reduction in inventory at major distributors. North American dealers are optimizing their logistics and cutting costs by reducing inventory days. Sales of COLTENE products through distributors covering the North American market (sell-out) increased by 1.3% in local currency, while sales of COLTENE products to dealers decreased by 4.1% (sell-in). Despite a weak economy in several Latin American markets, COLTENE sales in the Latin America region rose by 5.8% in Swiss francs. Vigodent, the Group's Brazilian subsidiary contributed pleasing sales growth of 19.1% in local currency and 13.8% in Swiss francs. This indicates that Vigodent has successfully contended with the ongoing consolidation among distributors and the resulting concentration of inventory.

**Business performance by product group: Higher sales at all product groups**

COLTENE recorded higher sales at its three major product groups Restoration, Prosthetics and Endodontics in the 2016 financial year. Prosthetics enjoyed the fastest growth. Sales in this product group rose by 8.5% to CHF 33.7 million (2015: CHF 31.0 million). Endodontics followed in second place with a 4.9% increase to CHF 33.2 million (2015: CHF 31.7 million). Both product groups profited from their strong line of established products and a number of newly launched products. Sales of the Restoration product group increased by 2.8% to CHF 40.3 million (2015: CHF 39.2 million). The Infection Control and Treatment Auxiliaries product groups reported growth of 5.2% and 3.0%, while sales of Rotary Instruments edged 0.5% higher. The deliberate phase-out of private label products in favor of COLTENE brand products has affected the latter product group as well as the sales of laboratory products.

**Outlook**

Looking ahead, COLTENE Group is determined to become even more innovative and agile. Management's strategic goals for 2016 – 2018 with respect to marketing & sales, innovation and partnerships have put the Group in a good position to capture growth opportunities in the marketplace. Increasing digitalization of basic business processes and the networking of internal and external data will help to simplify processes throughout the value chain, to expand and modernize the range of products and services offered continuously, and to deepen customer relationships. Management aims to grow in step with the underlying market and gradually increase the EBIT margin to 15% during the coming years.

### Media and analyst conference

Today **Thursday, March 9, 2017, 10:00 a.m. CET**, Widder Hotel, Rennweg 7, CH-8001 Zurich.

The presentation slides 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 Wednesday, March 29, 2017 at 4 p.m., at the Hotel-Restaurant Sonne, Sonnensaal, Kugelgasse 2 in 9450 Altstetten. The invitation to the Annual General Meeting can be downloaded at [www.coltene.com](http://www.coltene.com).

### 2016 Annual Report

COLTENE Holding AG's Annual Report 2016 was published today and can be downloaded at [www.coltene.com](http://www.coltene.com).

Key Figures in CHF 1 000	2016	2015	Δ%
Net sales	160 665	154 496	4.0%
Operating profit	23 309	20 385	14.3%
in % of net sales	14.5%	13.2%	
Net profit for the period	17 267	13 335	29.5%
Cash flow from operating activities	22 676	18 164	24.8%
Investments (net)	5 608	4 451	26.0%
Free cash flow	17 068	13 713	24.5%
Total assets	160 392	149 187	7.5%
Net cash position / (Net debt)	8 649	864	
Shareholders' equity	112 251	101 578	10.5%
in % of total assets	70.0%	68.1%	
Dividend per share	2.70	2.20	22.7%
Employees (FTE)	864	888	-2.7%

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 inscription into the share register before the general meeting of shareholders 2017	March 22, 2017
Annual General Meeting 2017	March 29, 2017
Semi-annual results 2017	August 4, 2017
Media and analysts' conference 2017, Annual Report 2017	March 6, 2018
Annual General Meeting 2018	March 28, 2018

**About COLTENE**

COLTENE is an internationally active developer, manufacturer and seller of dental consumables and small equipment in the areas of restoration, endodontics, prosthetics and treatment auxiliaries. COLTENE has state-of-the-art production facilities in the USA, Germany, Brazil and Switzerland as well as own distribution organizations in all major markets including 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).

*This press release and oral statements or other written 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.*