

Media Release

Financial Year 2018: Strong Sales Growth Thanks to Acquisitions

- Sales reach CHF 204.0 million, up 21.4%
- Organic growth of 2.7% in the face of general market stagnation
- EBIT totals CHF 23.7 million
- EBIT adjusted for acquisition-related effects amounts to CHF 30.7 million (adjusted EBIT margin of 15.0%)
- Distribution from capital contribution reserves of CHF 3.00 per share

Altstaetten, April 4, 2019 – COLTENE Holding AG (SIX Swiss Exchange: CLTN), an internationally leading developer and producer of dental equipment and materials, strengthened its market leadership in fiscal 2018 through the pivotal acquisitions of Kenda, SciCan and Micro-Mega. Amid a challenging market environment, COLTENE Group increased its sales by 21.4% in its reporting currency of Swiss francs to CHF 204.0 million (2017: CHF 168.0 million). Acquisitions added a total of CHF 30.4 million or 18.1% to sales growth. COLTENE achieved organic sales growth of 2.7% whereas the overall market stagnated. Operating profit (EBIT) was impacted by non-operational, one-time extraordinary effects associated with the first-time consolidation of the acquired companies and amounted to CHF 23.7 million (2017: CHF 25.5 million) and the corresponding EBIT margin was 11.6%. Factoring out the extraordinary effects of CHF 7.0 million, EBIT reached CHF 30.7 million and the EBIT margin was 15.0%. Net profit amounted to CHF 14.9 million (2017: CHF 19.1 million). Excluding extraordinary items after taxes of CHF 6.4 million, net profit reached CHF 21.3 million. The equity ratio remained solid at 70.5% and net debt amounted to CHF 29.2 million. The Board of Directors will propose a dividend of CHF 3.00 per share from capital contribution reserves at the Annual General Meeting of shareholders on April 30, 2019 (previous year: dividend of CHF 3.00). The capital increases in September 2018 resulted in new capital contribution reserves of CHF 169.8 million, which can be distributed tax-free to shareholders (natural persons) resident in Switzerland.

After the integration of Kenda, SciCan and Micro-Mega, COLTENE Group introduced a new structure for reporting sales by product: Infection Control, Dental Preservation (Restoration, Endodontics) and Efficient Treatment (Prosthetics, Rotary Instruments and Treatment Auxiliaries). As the acquisitions of SciCan and Micro-Mega were only consolidated for the last three months of the 2018 financial year, the sales mix for 2018 differs significantly from the future sales mix. Efficient Treatment was the largest product group in 2018 with sales of CHF 101.7 million. Dental Preservation, the second-largest product group, achieved a turnover of 73.3 million. Infection Control generated revenues of 29.0 million. Management expects the Infection Control and Dental Preservation product groups to account for about 30% each of total sales in future reporting periods and the Efficient Treatment product group to contribute the remaining 40%.

North America is now the largest market for COLTENE

The acquisition of the SciCan Group will make the North American market for COLTENE the largest sales region in the future. In 2018, the Group achieved sales of CHF 75.9 million in this market. In the EMEA region, which still accounted for the largest share of sales in 2018, sales amounted to CHF 85.3 million. In the Asia and Latin America regions, sales were CHF 26.1 million and CHF 16.7 million respectively. For 2019, management expects the following sales distribution: North America 45%, EMEA 35%, Asia 13% and Latin America 7%.

Relocation to new building at the Altstaetten site

In 2018, COLTENE invested in the modernization and expansion of its headquarters in Altstaetten, Switzerland. At the beginning of 2019, COLTENE moved into its new offices. Production in the new production halls started in March. The new building houses, among other things, the Quality Management and Registration department, which has been expanded in terms of personnel. The Group Management has thus ensured that the regulatory requirements of the new European MDR (Medical Device Regulation), which will come into force in May 2020, will be met.

Joint presentation at the IDS 2019 in Cologne

In March 2019, the newly formed group of companies presented itself for the first time at a single booth under the umbrella brand COLTENE at the biennial international dental trade fair IDS in Cologne, Germany. IDS is the world's most important dental trade fair with 160,000 visitors from 166 countries. COLTENE's presence at the fair gave it the opportunity to present its new product areas of Infection Control, Dental Preservation and Efficient Treatment to a wide range of customers. The presentation showed that the acquired products ideally complement COLTENE's traditional range. The expanded product portfolio of COLTENE, Kenda, SciCan and Micro-Mega attracted great interest from customers, confirming the future synergy potential in sales and marketing.

Outlook

Management expects continued solid growth in fiscal 2019 thanks to the recently acquired activities and the pleasing course of business in its pre-merger activities. This forecast is based on the new growth opportunities arising from the integration of SciCan and Micro-Mega, synergy potential and economies of scale, and on the continued selective expansion and strengthening of the sales teams, especially in key markets across Europe and Asia and in China. Despite further costs for the integration of the acquired companies, the COLTENE Group expects a higher EBIT margin in the current financial year.

Media and Analyst Conference

Today **Thursday, April 4, 2019, 10:00 a.m. CET**, Widder Hotel, Rennweg 7, CH-8001 Zurich.

The presentation documents can be downloaded at www.coltene.com.

Annual General Meeting

The Annual General Meeting of COLTENE Holding AG will take place on Tuesday, April 30, 2019 at 4 p.m. at the Hotel-Restaurant Sonne, Sonnensaal, Kugelgasse 2 in 9450 Altstaetten. The invitation to the Annual General Meeting can be downloaded at www.coltene.com.

2018 Annual Report

COLTENE Holding AG's Annual Report 2018 was published today and can be downloaded at www.coltene.com.

Key Figures in CHF 1 000	2018	2017	Delta in %
Net sales	203,952	167,990	21.4%
Operating expenses	111,505	90,509	23.2%
Operating profit	23,680	25,485	-7.1%
in % of net sales	11.6%	15.2%	
Net profit for the period	14,911	19,060	-21.8%
Cash flow from operating activities	24,630	21,895	12.5%
Investments (net)	115,436	5,870	
Free Cash Flow	-90,806	16,025	
Key Figures in CHF 1 000	31.12.18	31.12.17	Delta %
Net debt / Net cash position	-29,159	13,759	
Total assets	420,222	167,311	151.2%
Shareholders' equity	296,170	121,705	143.4%
in % of total assets	70.5%	72.7%	
Distribution per share (in CHF)	3.00 ¹	3.00	
Employees (FTE)	1,366	885	54.4%

¹ Board of Directors' proposal to the Annual General Meeting on April 30, 2019: distribution of CHF 3.00 per share from capital contribution reserves excluding treasury shares.

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Financial Calendar

Last day for entry in the share register before the general meeting of shareholders 2019	April 23, 2019
Annual General Meeting 2019	April 30, 2019
Half-year results 2019	August 22, 2019
Media and analyst conference on fiscal 2019 Annual Report 2019	March 5, 2020
Annual General Meeting 2020	April 2, 2020

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.

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.