

Patient Safety

Investora 2023

Markus Abderhalden, CFO

23

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

Investora 2023

⦿ **Company Portrait**

⦿ **Review H1 2023**

⦿ **Strategy**

⦿ **Outlook**

⦿ **Q&A**

Company Portrait



Danielle Teague, Leiterin klinische Ausbildung
Coltène/Whaledent INC, USA

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)



Cuyahoga Falls (OH/USA)



Altstätten (Switzerland)



Langenau (Germany)



Besançon (France)



Product Group Structure

Strong combined portfolio

Infection Control

„The infection control specialist“

Instrument reprocessing
by cleaning and sterilizing

Surface cleaning and disinfection

OPTIM , BioSonic, STATIM, HYDRIM



Dental Preservation

„Sustainable preservation from root to crown“

Materials for restoration

Solutions for endodontic treatments

HyFlex, Micro-Mega, BRILLIANT



Efficient Treatment

„Smart & efficient utilities dentists rely on“

Impression materials

Rotary instruments

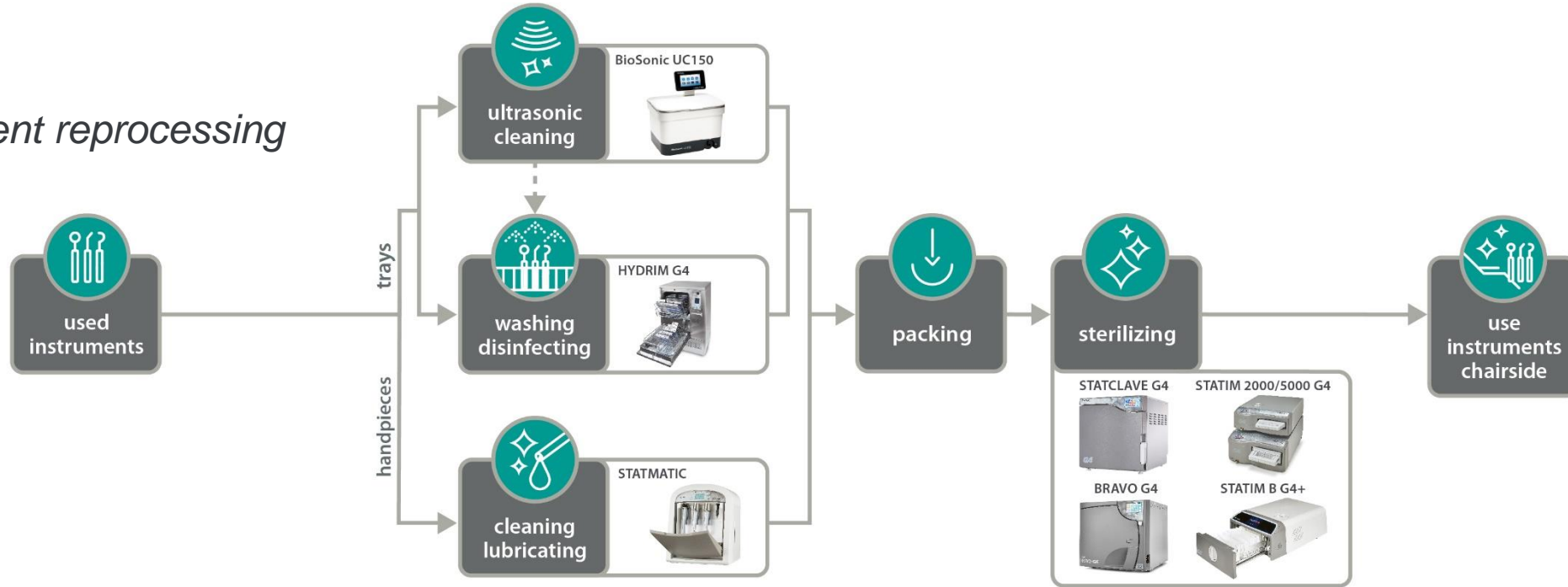
Treatment utilities

Speedex, AFFINIS, Diatech, Kenda, Roeko, Hygenic

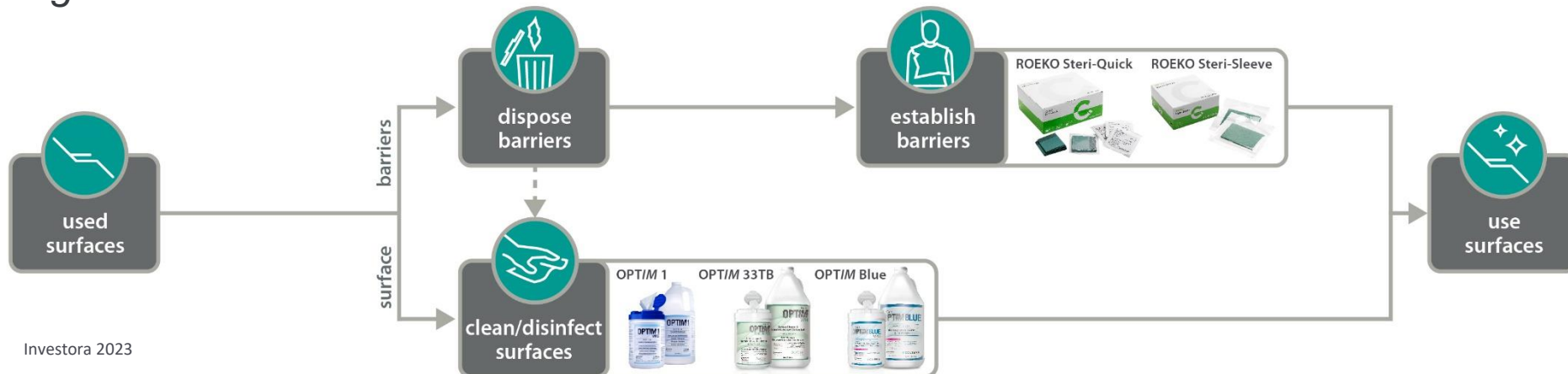


Infection Control Workflow

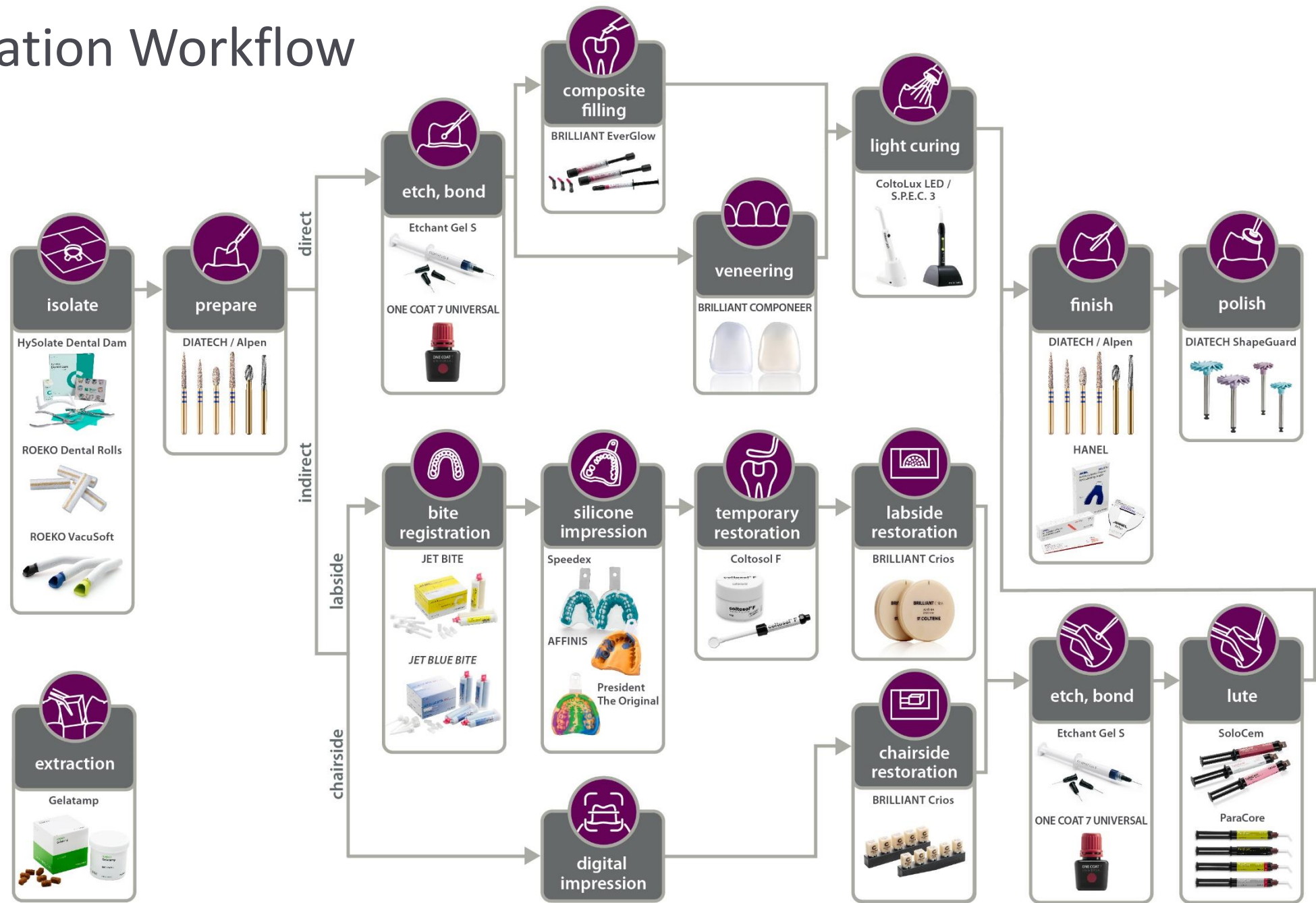
Instrument reprocessing



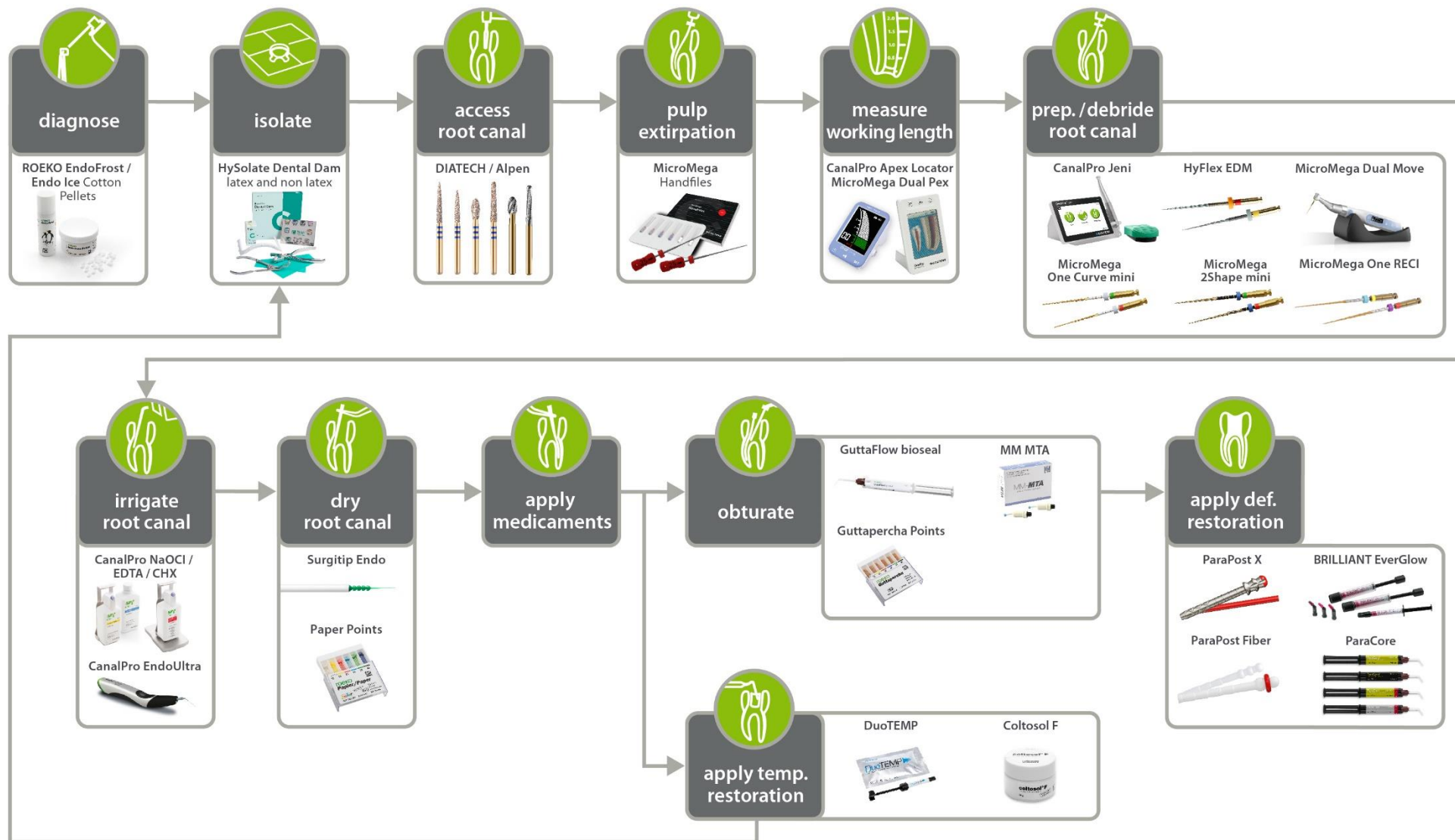
Surface cleaning and disinfection



Restoration Workflow

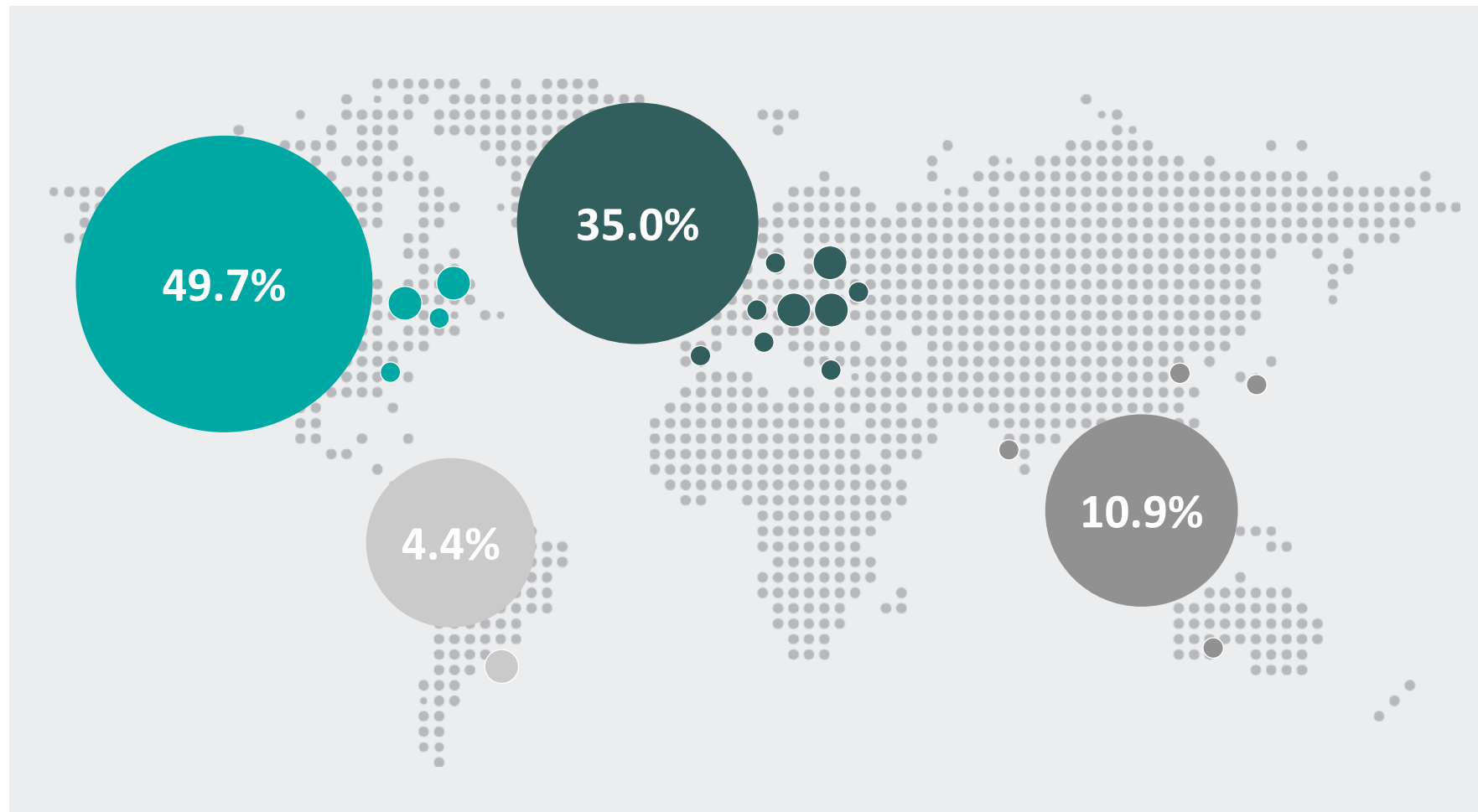


Endodontic Workflow



COLTENE has a true global setup

Own sales force all around the world (based on net sales in 2021 of CHF 279mn)



North America

Group companies	3
Production sites	2
Workforce (FTE)	620

Latin America

Group companies	1
Production sites	0
Workforce (FTE)	20

Europe EMEA

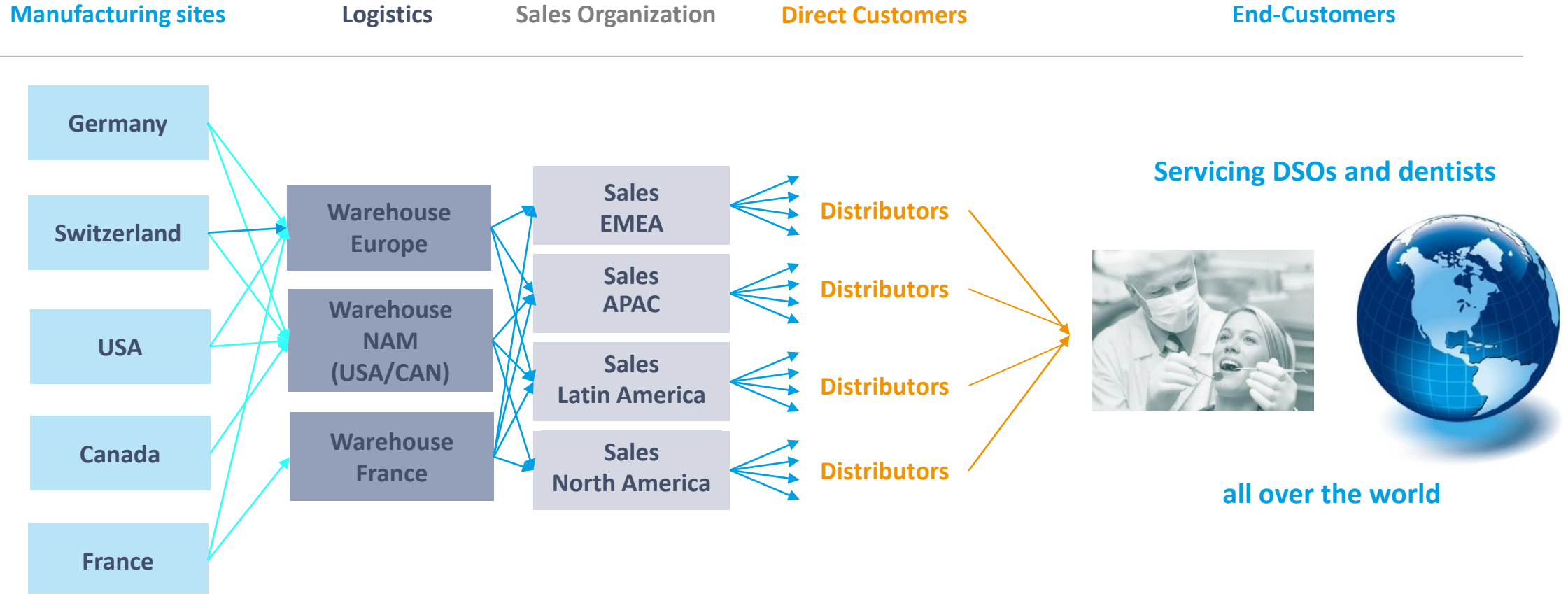
Group companies	19
Production sites	3
Workforce (FTE)	570

Asia Pacific

Group companies	4
Production sites	0
Workforce (FTE)	90

COLTENE products are available around the world

COLTENE Business model



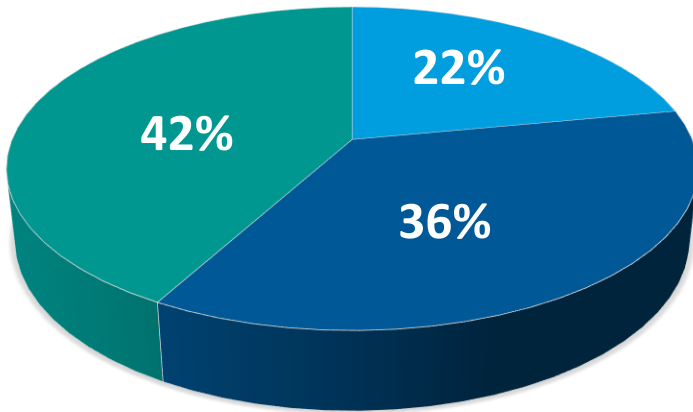
- All COLTENE products are available for shipment from each warehouse
- In India, China and Japan the COLTENE Group has own sales entities in order to service these markets adequately

Adressable market – high market potential

Dental consumables and equipment

Relevant market size in 2020: ~ CHF 5.8 billion

Relevant market size by segment in %



COLTENE (percentage of net sales)

■ Infection Control (36%)

■ Dental Preservation (29%)

■ Efficient Treatment (35%)

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% to 3%)
- Innovation in products, treatment methods and product packaging allow growth
- Focused marketing activities in key markets allow efficient sales push

Review H1 2023



Review H1 2023

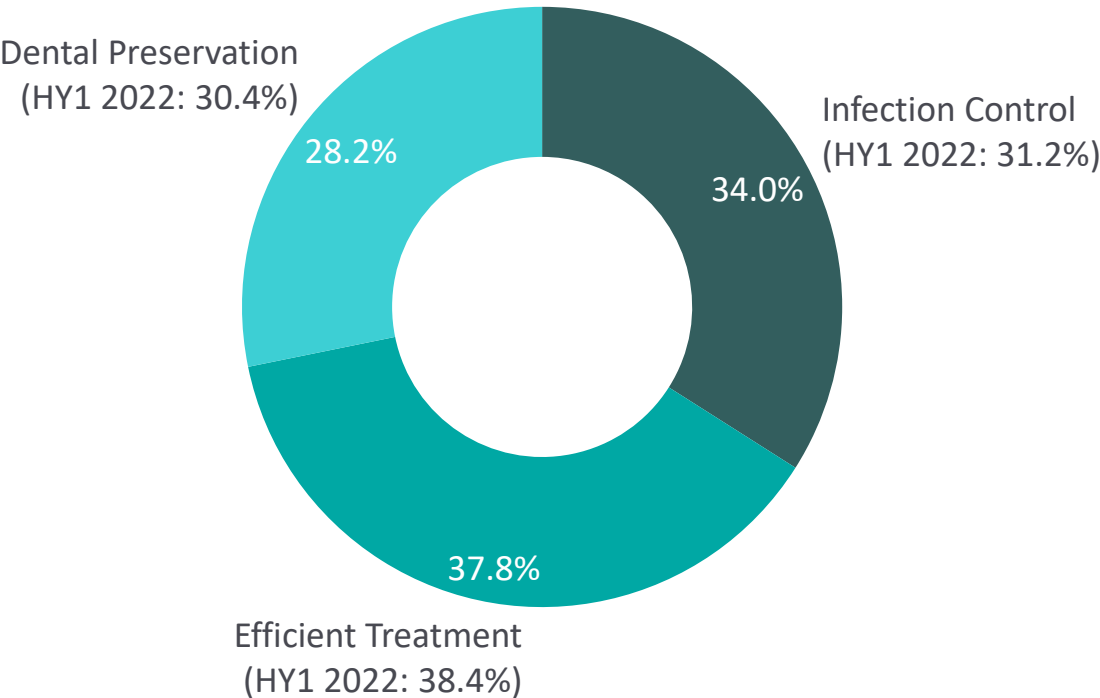
Record free cash flow and strong balance sheet basis for further growth

-
- ⊙ **Key figures**
 - **Net sales CHF 131.4 m** (PY CHF 134.9 m); +1.7% adjusted by FX and -2.6% in CHF
 - **EBIT margin at 11.0%** (PY 12.4%)
 - **Net profit amounted to CHF 10.0 m** (PY CHF 12.1 m)
 - **Free Cash Flow at CHF 16.7 m** (PY CHF 7.8 m)
 - ⊙ **Operational**
 - Backlog situation of devices in Infection Control mostly solved
 - Delays by the notified body caused negative impact on Endo business
 - Due to strict cost management, operating costs were reduced by 4.7%
 - COLTENE is well prepared for the new European Medical Device Regulation (MDR) and meets already the high product and process quality requirement for most of its business
 - Increasing patient safety thanks to the new traceability system of the reprocessing of instruments based on the digital platform my.coltene
 - Implementation of non-financial reporting requirements and projects for reduction of CO2 emission
 - ⊙ **Organizational**
 - Gregor Picard started as new COO as per 1st April replacing Stefan Helsing due to retirement
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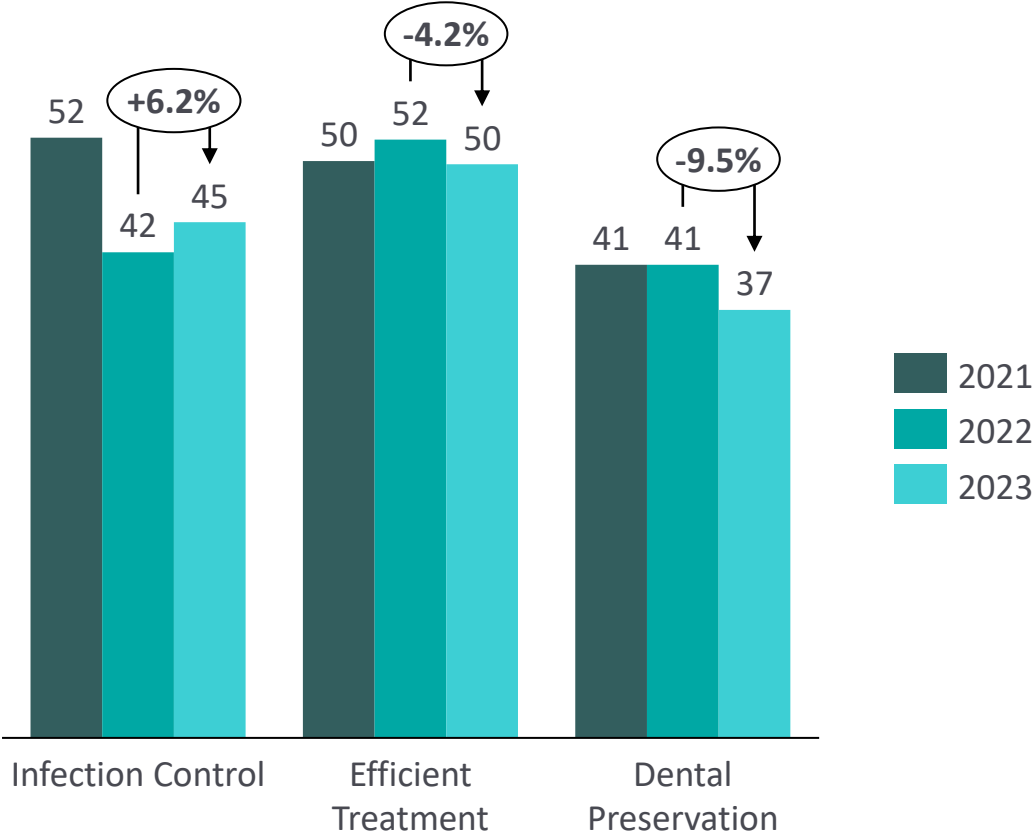
Net Sales by Product Groups

Strong development of Infection Control due to the clearing of backlogs

Net Sales H1 2023 by product groups (shares)

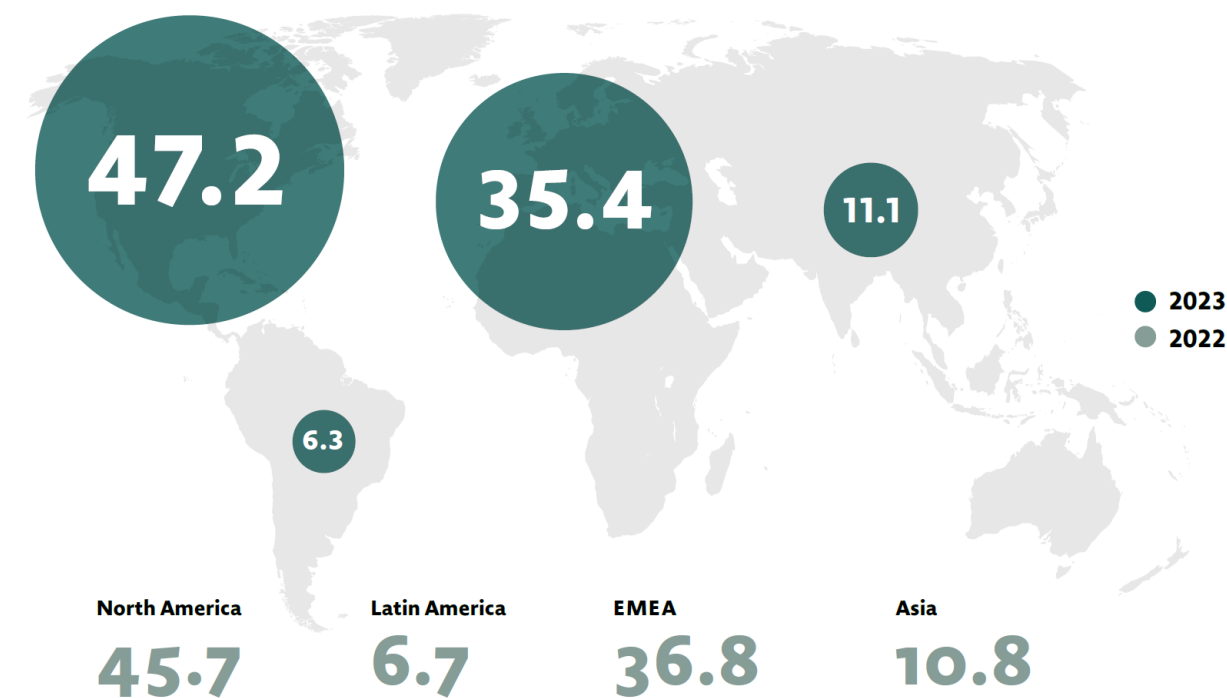


Net Sales by product groups (in CHF m)

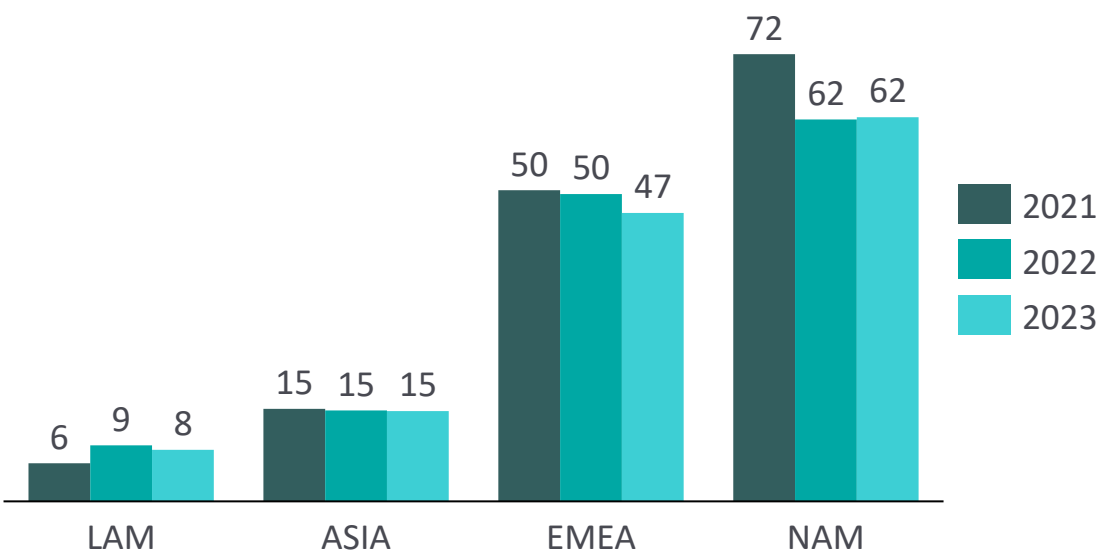


Net Sales by Region

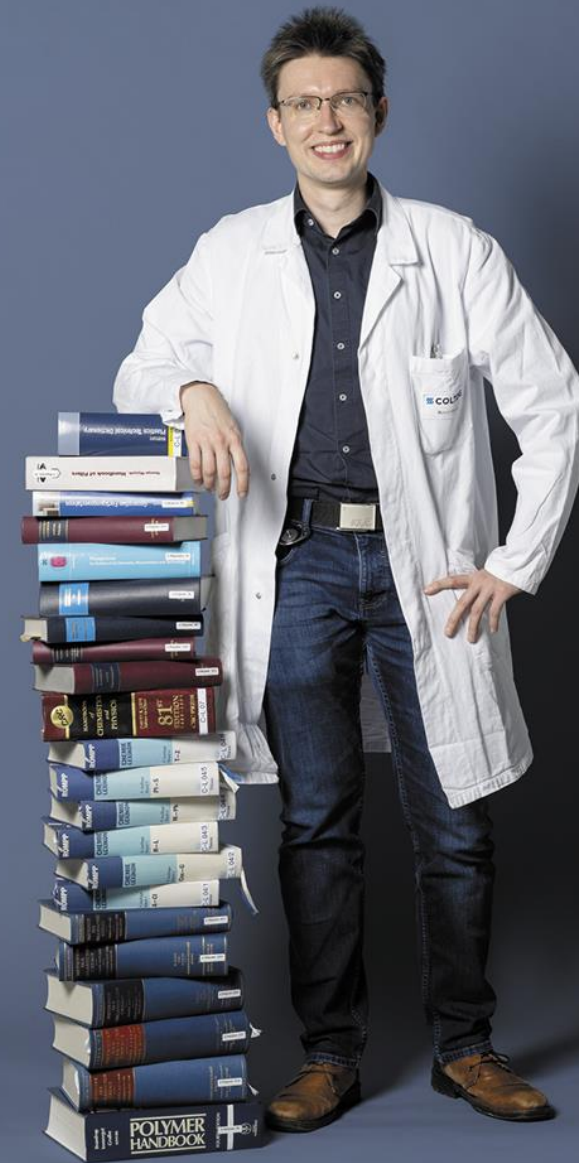
North America with a higher share of sales due to the strong Infection Control



Net sales H1 by regions (in CHF m)



Strategy



Marcel Werner, Leiter F&E Komposit
Coltène/Whaledent AG, Switzerland

Fundamentals of the COLTENE strategy

Strategic environment

Basic conditions and assumptions

- Underlying annual growth rate assumed 0 - 3%
- Annual price increase assumed to be 0 - 2%
- Regulatory becoming more challenging globally (MDR, MDSAP, Chinese FSA, India etc.)

Drivers of the dental market

- Increasing life expectancy and disposable income
- Need for better oral health and aesthetic due to increasing education and prevention
- More females in dental professions
- Growing DSO/Practice Chains
- Digitalization in processes and business model

Risks

- Market consolidation
- Distributors becoming competitors
- Chinese manufacturers going global
- Increasing regulations

Opportunities

- Intensify contact to dentists by customer service
- Direct DSO agreements involving distributors
- Agility in innovation, time to market, co-operation
- Digital services such as instrument tracking

Strategy of the COLTENE Group in a nutshell

Overall strategic targets

- Grow faster than the overall dental market
- Improve customer journey
- Enlarge DSO business in US and Europe
- Focus on the workflows: Infection Control, Endodontics, and Restoration
- Drive digitalization: customer service, IOT in equipment, My.Coltene.com, IC Track
- Expand presence in China

Infection Control

- Focus on developing digital services
- Build on strong market position in NAM
- Increase market share in EU by launching specific focus products

Endodontic

- Cover whole Endo workflow with focus on root canal instruments
- Dedicated sales teams in key markets EU and US
- Expand customer training and regional center of competence

Restoration

- Focus on composite line and direct linked products and push sales in EU, NAM, China
- Emphasize on aesthetics of our resto line
- Continue high and stable impression materials A and C silicones

Outlook



What can we expect in 2023?

Focus on patient safety

🕒 Challenges

- Strong Swiss franc
- Uncertain outlook of the world economy

🕒 Main Focus

- Launch of first digital product / services in my.coltene in second semester 2023
- Sales focus Endo in US and Europe based on received product registrations
- Sales focus Infection Control NAM / EU with new instrument tracking devices and digital services
- Innovation push in Resto, Endo and Infection Control

🕒 Expected Results

- Solid demand in HY2 and an increasing Endo business due to the received MDR certificate
 - Slightly above market growth
 - Mid term target of 15% EBIT margin
 - Dividend pay-out ratio target about 70% (tax free for private individuals domiciled in Switzerland)
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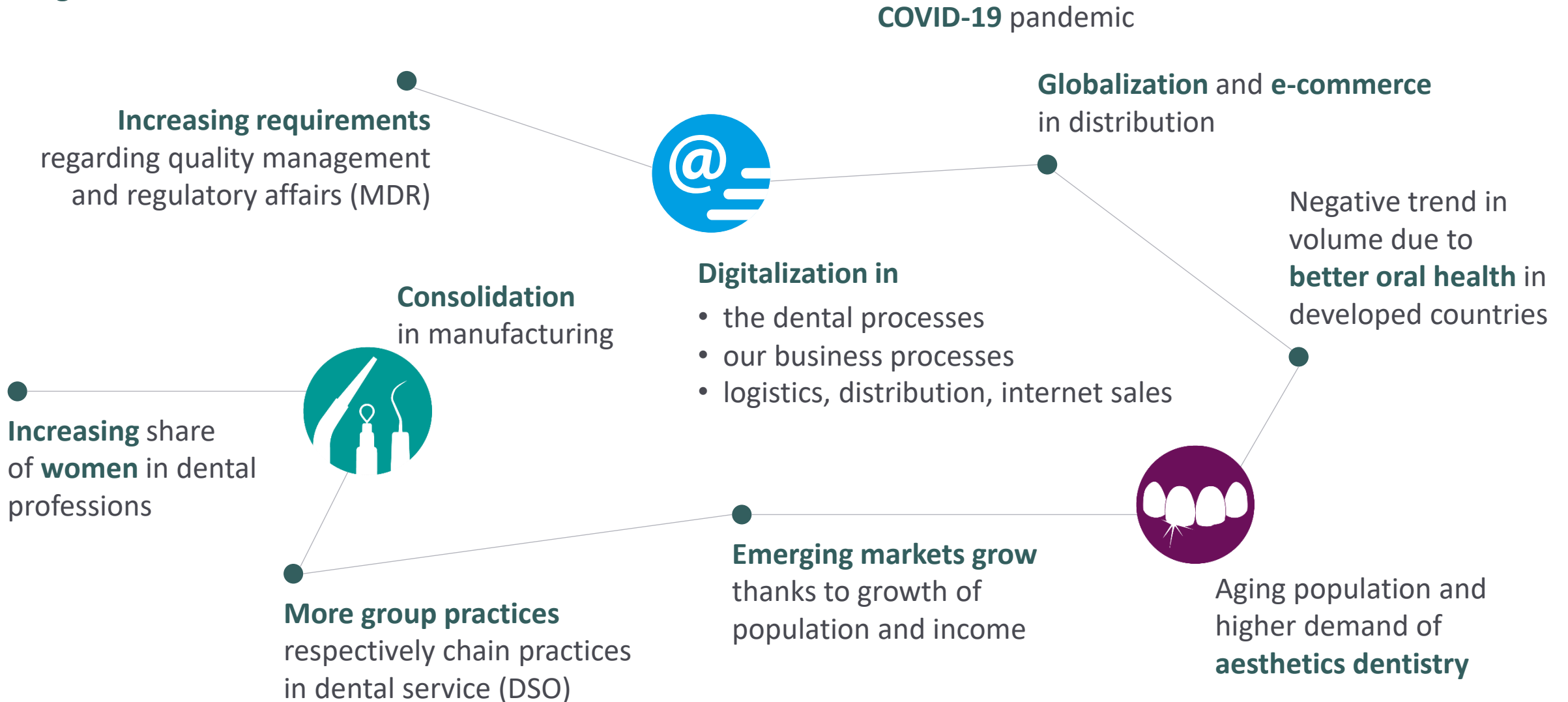
Patient Safety

Q&A

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Dental Industry

Mega trends



Organization

Management

Board of Directors

Nick Huber
Chairman

Matthias Altendorf

Jürgen Rauch

Astrid Waser

Daniel Bühler

Roland Weiger

Allison Zwingenberger

Group Management

Martin Schaufelberger
CEO

Markus Abderhalden
CFO

Paul Frey
VP Sales & MarCom NAM

Gregor Picard
COO

Martin Schlüter
VP R&D / Innovation

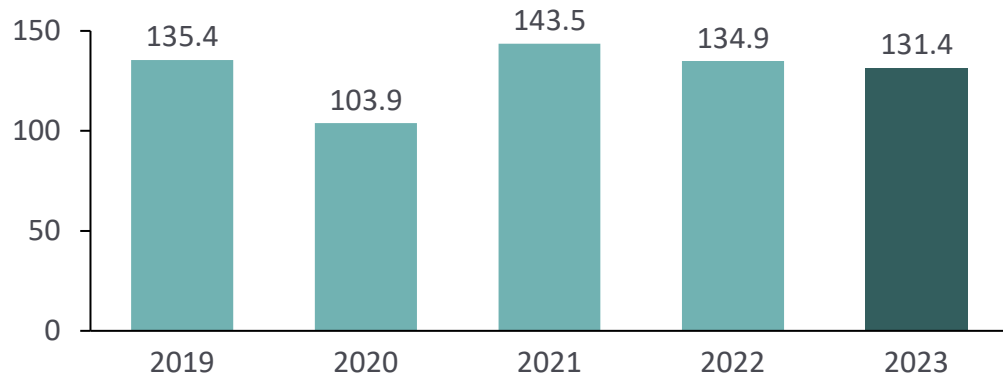
Werner Barth
VP Product Mgmt / Group Marketing

Christophe Loretan
VP Sales / MarCom EMEA / ROW

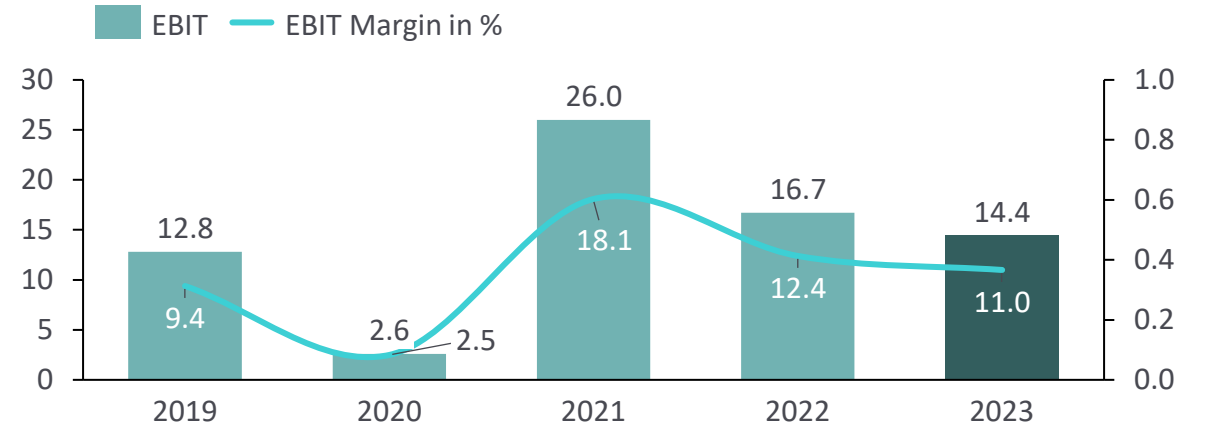
Key Figures

Five year overview H1 2019 - 2023

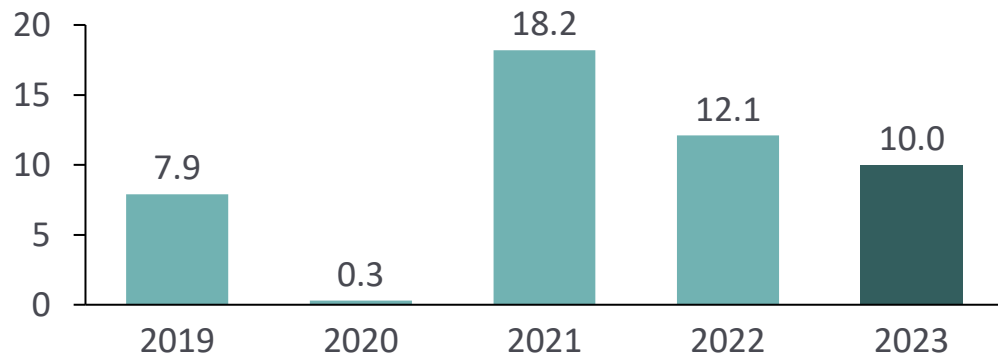
Net Sales in CHF million



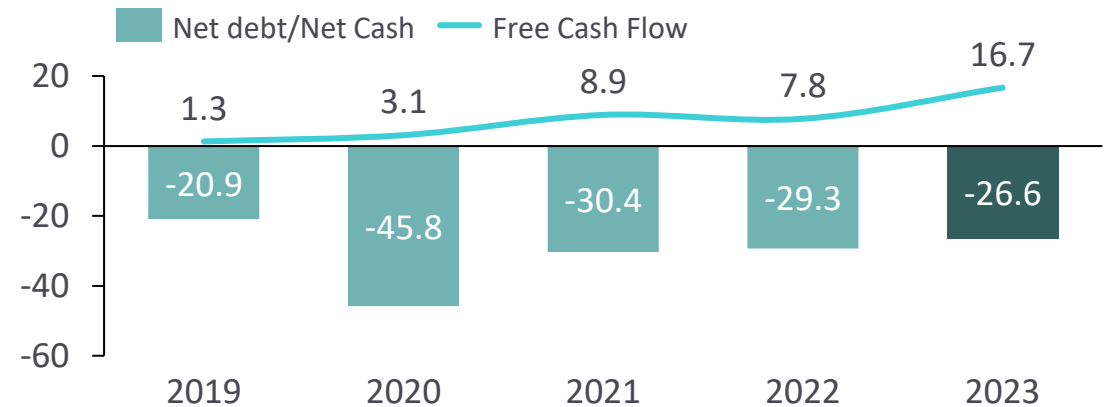
EBIT in CHF million



Net profit in CHF million



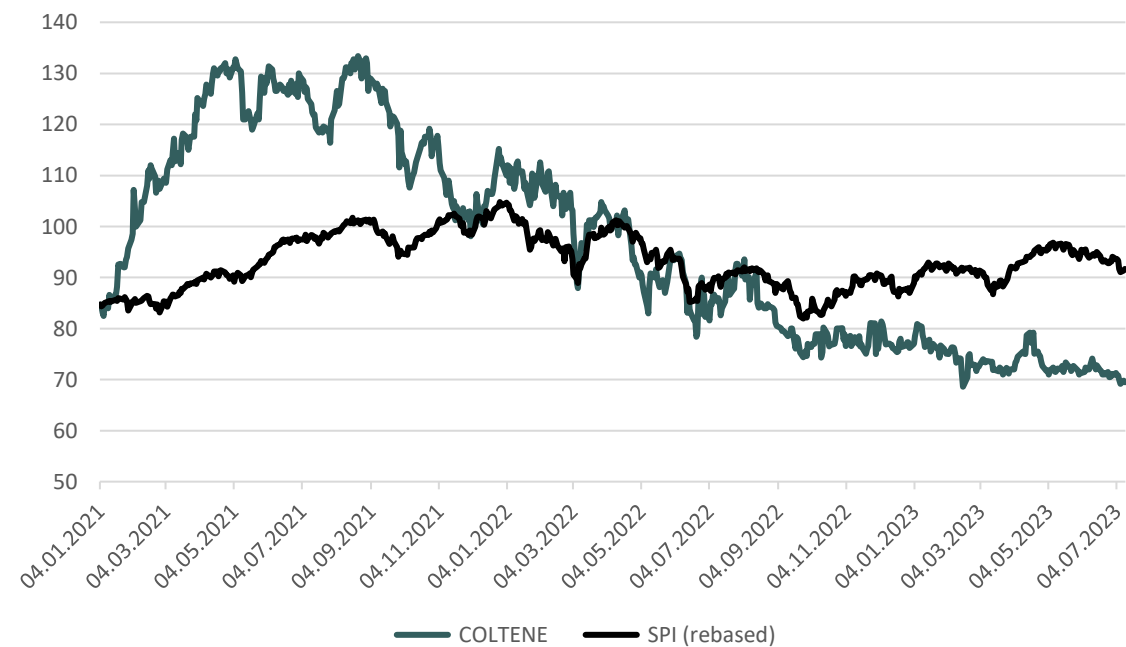
Net debt in CHF million



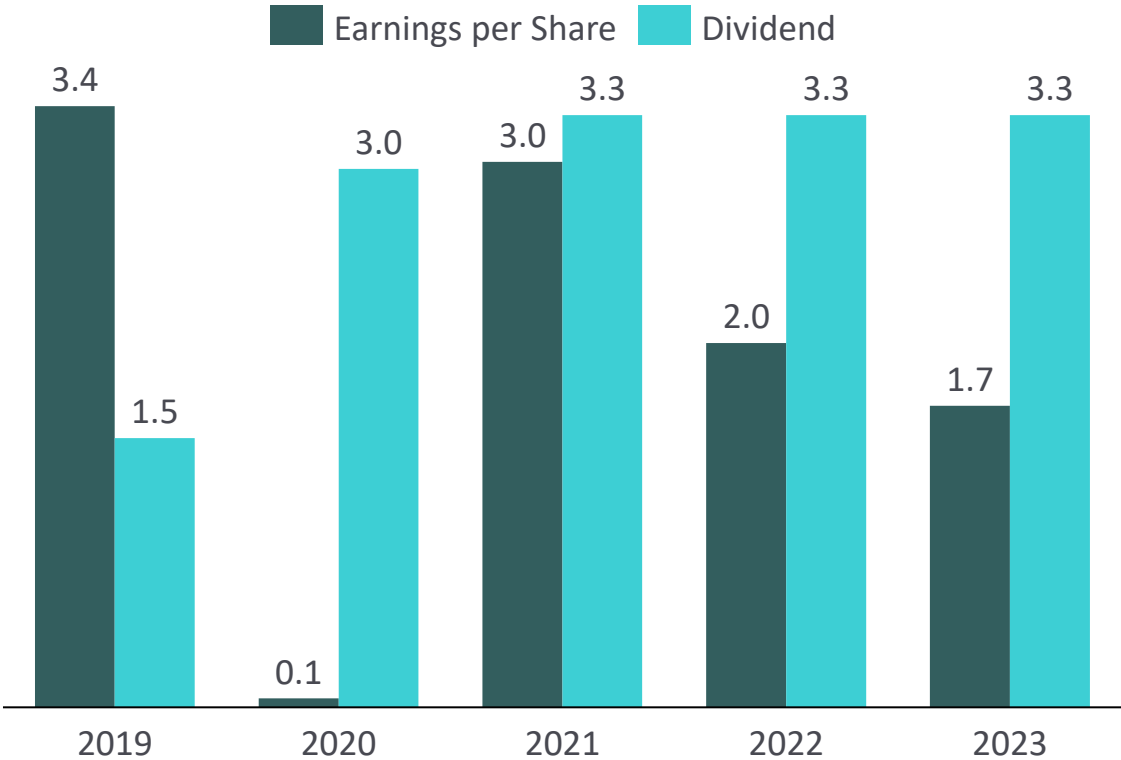
Share Performance

Continued volatility in the financial market environment

Share price



Earnings per share/dividend



* Board of Directors' proposal to the AGM on 19 April 2024: distribution of CHF 3.30 per share from capital contribution reserves excluding treasury shares