

Media release

Another strong quarter (+13% organic) keeps Straumann on track to achieve full-year targets

- Q3 revenue rises 13% (organic¹) driven by double-digit increases across all businesses
- 9-month revenue climbs 15% in Swiss francs (13% organic) to CHF 675m
- Bone Level Tapered (BLT) implants and Variobase[®] abutments make key contributions to 9M growth
- Reorganization in Europe to free up resources for emerging markets; Intradent opens European hub to accelerate market penetration
- Collaboration agreements and investments in technology platform to spur future growth
- Group confirms full-year outlook (barring unforeseen circumstances)

REVENUE BY REGION

| <i>(in CHF million)</i> | Q3 2016 | Q3 2015 | 9M 2016 | 9M 2015 |
|--|----------------|----------------|----------------|----------------|
| Europe, Middle East & Africa (EMEA) | 89.1 | 82.8 | 305.2 | 275.8 |
| <i>Change in CHF in %</i> | 7.6 | (1.0) | 10.7 | (4.7) |
| <i>Change organic in %</i> | 7.7 | 8.5 | 9.5 | 5.4 |
| <i>In % of Group revenue</i> | | | 45.2 | 47.1 |
| North America | 61.7 | 52.0 | 188.3 | 159.0 |
| <i>Change in CHF in %</i> | 18.7 | 9.0 | 18.4 | 13.6 |
| <i>Change organic in %</i> | 17.3 | 6.1 | 15.5 | 9.0 |
| <i>In % of Group revenue</i> | | | 27.9 | 27.2 |
| Asia / Pacific | 36.3 | 29.0 | 111.5 | 89.3 |
| <i>Change in CHF in %</i> | 25.3 | 6.7 | 24.8 | 14.4 |
| <i>Change organic in %</i> | 17.0 | 13.2 | 19.4 | 19.1 |
| <i>In % of Group revenue</i> | | | 16.5 | 15.3 |
| Latin America | 26.7 | 23.1 | 70.1 | 61.2 |
| <i>Change in CHF in %</i> | 15.8 | 303.3 | 14.7 | 285.9 |
| <i>Change in local currencies in %</i> | 12.7 | 452.5 | 26.2 | 376.3 |
| <i>Change in organic growth %</i> | 12.7 | 1.3 | 14.5 | 9.1 |
| <i>In % of Group revenue</i> | | | 10.4 | 10.4 |
| GROUP | 213.8 | 186.9 | 675.1 | 585.3 |
| <i>Change in CHF in %</i> | 14.4 | 13.8 | 15.3 | 11.8 |
| <i>Change in local currencies in %</i> | 12.5 | 20.5 | 14.3 | 18.1 |
| <i>Change organic in %</i> | 12.5 | 7.6 | 13.2 | 8.6 |

¹ In this release 'organic' means excluding effects of currency fluctuations and acquired/divested business activities.

Basel, 27 October 2016: Driven by a strong all-round performance, the Straumann Group posted organic growth of 13% in the first nine-months of 2016, as Group revenue reached CHF 675 million, reflecting an increase of 15% in Swiss francs.

The Group posted a fourth consecutive quarter of double-digit growth as revenue climbed 13% (organic) in Q3, led by a strong performance in North America. Asia/Pacific (APAC) and Latin America (LATAM) again delivered impressive increases, while Straumann's largest region, Europe, Middle East and Africa (EMEA), posted robust growth of 8%. Based on these results, Straumann confirmed its expectation for full-year revenue to grow organically in the low-double-digit range with further EBIT margin improvements, barring unforeseen circumstances.

Marco Gadola, Chief Executive Officer, commented: "Throughout this year we have outperformed the market by more than a factor of two and gained share in all regions, which reflects the mindset and culture change that is spreading through our organization. We continued to achieve double-digit organic growth in Q3, thanks to remarkable results in the Americas, despite concerns in the US market and the difficult economic situation in Brazil. To support future growth, we have entered new markets, strengthened our grip on the non-premium segment and established a number of collaborations."

BUSINESS AND REGIONAL PERFORMANCES

Almost two thirds of the growth over nine-months was generated by the **implant business**, where the key drivers were the high-performance implant material Roxolid® and bone level tapered (BLT) implants, of which Straumann has sold more than half a million since the initial launch at the end of 2014.

Sustained double-digit growth in the **restorative business**, which includes CAD/CAM prosthetics and digital equipment, reflects Straumann's intense efforts over the past two years to become a total solution provider for dental labs. Standard prosthetic sales developed very positively in the wake of strong implant growth and thanks to the increasing popularity of Variobase abutments.

Biomaterials has been the fastest-growing business this year, thanks to successful collaborations with botiss and other partners, which have enabled the Group to roll out comprehensive guided-bone regeneration solutions internationally.

Robust performance in EMEA

In Straumann's largest region (45% of the Group total), nine-month revenue reached CHF 305 million, representing an increase of almost 10% in organic terms. All subsidiaries contributed to the growth, as did the distributor business in Eastern Europe and Middle East.

The performance in Q3 was robust, as organic growth reached 8%. By country, the results were generally positive with Iberia, Italy, France and Turkey ranking among the main contributors in spite of their highly competitive local environments. As communicated previously, Straumann became the exclusive distributor of botiss products in Germany and took over their local sales team.

Acceleration in North America

In North America, nine-month revenue grew nearly 16% (organic), driven by double-digit growth in implants. Further impetus came from abutments and biomaterials. Thanks to a strengthening of the US dollar, growth in Swiss francs reached 18%, bringing net revenue to CHF 188 million or 28% of the Group total.

Revenue expansion was particularly impressive in Q3 (+17%), driven by healthy growth across all businesses. The performance was fuelled by the continuing success of BLT and Variobase abutments. While BLT helped to win new general dentists and specialists, the Variobase family has enabled Straumann to win back lab customers by offering a cost-effective, versatile solution with an original implant interface.

Apart from this, Intradent (the Group's non-premium business platform) made notable gains in the region's value segment.

Dynamic Chinese market

Driven by strong growth in China and Japan, nine-month revenues in APAC climbed 19% (organic), with double-digit increases in each quarter. An appreciation of the Yen against the Swiss franc lifted growth to 25% in CHF. APAC thus continued to be the fastest-growing region and will be a key source of future growth.

Double-digit growth in all subsidiaries lifted regional sales by 17% in Q3. Straumann extended its pace in the fast-growing Chinese market, benefitting from investments in sales, training, and education, as well as the recently transferred Anthogyr business, which contributed its first full quarter of sales in the attractive value segment.

Double-digit growth amid challenges in Latin-America

Despite the challenging business climate, the Group delivered an excellent nine-month performance and further strengthened its competitive position in Latin America, Straumann's smallest region (10% of Group). Organic revenue growth reached 15%, driven mainly by volume expansions. Both the premium and value businesses posted strong results.

In Q3 the Group delivered a robust performance, increasing organic sales by 13% from a comparatively low baseline in the prior year, when Neodent incorporated one of its local distributors. Mexico posted dynamic growth, while the tooth replacement market remained sluggish in the largest market, Brazil. Although BLT was launched later in LATAM than elsewhere, demand has been strong and penetration has already surpassed the other regions except North America. As a result, BLT accounted for more than a third of Straumann implants sold by the region in Q3.

STRATEGIC HIGHLIGHTS

Reorganization in Europe to free up resources for emerging geographies

Straumann continues its strategy to penetrate new markets – both alone and through distribution partnerships. The Group currently operates in 54 distributor markets, two thirds of which are in Eastern Europe, the Middle East or Africa.

To free up resources for emerging markets and to develop the current distributor business, Straumann will transfer responsibility for its subsidiaries in Central and Eastern Europe from Wolfgang Becker (EVP Sales Central Europe & Distributors EMEA) to Jens Dexheimer (EVP Sales Western Europe) in January 2017. Going forward, this will enable Mr Becker and his team to focus fully on expanding the Group's presence in Russia and existing distributor markets in Eastern Europe and the Middle East, in addition to developing new attractive markets (e.g. in Africa and Central Asia).

New Intradent hub to accelerate penetration of value segment in Europe

Having successfully established Intradent subsidiaries to address the value segment in Germany, Iberia, Italy and the UK, the Group has created a European hub to increase the availability of brands in the Intradent portfolio and to accelerate penetration in other markets.

Located in Freiburg, Germany, Intradent Europe became operational early in October. It will provide warehouse & distribution facilities, customer services and commercial management functions to customers/distributors/agents in the Benelux countries, France, Hungary, Scandinavia and elsewhere. This will enable the Group to strengthen its non-premium business and competitive position significantly in the region.

Subsidiary in Argentina operational

Although Argentina is the second largest market for tooth-replacement in Latin America, neither Straumann nor Neodent had direct sales organizations there. The Group established a subsidiary in Buenos Aires earlier in the year, which went into operation in Q3. It incorporates the former local distributor and will address both the premium and non-premium market segments.

A power base for innovation and comprehensive solutions

To compete against conglomerates in a consolidating and fast-changing industry, Straumann's strategy is to become a total solution provider for tooth replacement. In order to fill portfolio gaps and to bring in new technologies, the Group continues to build partnerships and to invest in highly innovative companies².

² NB: the equity method of accounting is applied for companies in which Straumann holds a non-controlling stake.

Straumann invests in V2R, a specialist in computer-guided surgery planning solutions

The Group announced today that it has acquired a 30% stake in V2R Biomedical, a small, privately-owned company in Montreal that specializes in prosthetically-driven guided-surgery solutions.

Since its foundation in 2008, V2R has built up a planning service for guided surgery. Using CT and intra-oral images of the patient, the company's experts plan the exact position, angulation and depth of the implants by computer, taking the prosthetic requirements into account.

Once the treatment plan has been approved by the surgeon, a precise drill-guide is fabricated and can be delivered together with the implants, drills, abutments, prosthetics and other components as a 'smile-in-a-box' solution, making it possible to perform single/multiple tooth replacements or even full-arch restorations in a single surgical appointment. This approach saves time for the patient and adds convenience for the dentist. At the same time, guided surgery and expert planning add to the predictability of the surgery.

Straumann entered the field of computer-guided implant surgery in 2009 and offers its CoDiagnostiX™ system with connectivity to the CARES® software platform, which covers the entire tooth-replacement workflow. The concept of a surgical planning service is a logical complement to the Scan & Shape service that Straumann already provides for CARES CAD/CAM prosthetics.

The partnership with V2R and its network adds to the Group's expertise in this area. At the same time, Straumann offers V2R the opportunity to scale up and broaden its reach internationally. As part of the agreement, Straumann has an option to increase its stake to full ownership by 2020. Financial details of the agreement were not disclosed.

Novaloc® launch highly successful

Last year, Straumann acquired a 44% stake in Valoc, a Swiss firm that develops innovative products for securing overdentures to implants. Straumann recently began selling the first of these – the Novaloc® hybrid denture attachment system – in Europe and Australia, with other markets to follow pending regulatory clearances. Novaloc offers considerable advantages, including excellent resistance to wear (thanks to an innovative coating), low maintenance, precise fit, and the Straumann original-on-original connection.

Collaboration with Zirkonzahn

To gain access to a large number of previously inaccessible dental labs, Straumann has signed a distribution agreement with Zirkonzahn SARL, an international supplier of lab solutions, including prosthetics for a wide range of implant systems. Starting in Germany as a pilot market, Zirkonzahn will offer Straumann Variobase abutments with original connections to its customers through its digital workflow.

Agreement with Planmeca to commercialize nice™

In addition to using its own sales and distribution channels to commercialize the novel glass ceramic material **nice**, Straumann has sought a recognized partner to add marketing power and to help build the brand worldwide. The Group has signed an agreement granting global distribution rights to Planmeca Oy, a global leader in many fields of healthcare technology, including dental equipment, software and CAD/CAM solutions. Planmeca is well established in high-tech dental markets and its products are distributed in more than 120 countries.

OUTLOOK 2016 (barring unforeseen circumstances)

Straumann expects the global implant market to grow solidly in 2016 and is confident that it can continue to outperform and can achieve full-year organic growth in the low-double-digit range. Despite further investments in strategic growth initiatives, the expected revenue growth and operational leverage should lead to further improvements in the underlying full-year EBIT margin³.

About Straumann

Headquartered in Basel, Switzerland, Straumann (SIX: STMN) is a global leader in implant, restorative and regenerative dentistry. In collaboration with leading clinics, research institutes and universities, Straumann researches, develops and manufactures dental implants, instruments, prosthetics and biomaterials for use in tooth replacement and restoration solutions or to prevent tooth loss. Straumann currently employs approximately 3600 people worldwide and its products and services are available in more than 100 countries through its broad network of distribution subsidiaries and partners.

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³ Comparison base is the 23% EBIT margin before acquisition-related exceptionals.

and does not undertake any obligation to update any statements contained in it as a result of new information, future events or otherwise.

Analysts' and media webcast telephone conference

Straumann will present its 2016 9M and Q3 revenue results to representatives of the financial community and media in a webcast telephone conference call today at 09:30 a.m. Swiss time.

The audio webcast of the conference call (www.straumann.com/webcast) will be available for the next month.

Presentation slides

The slides for the conference call are available www.straumann.com/Straumann-2016-Q3-Presentation.pdf and on the Investors pages at www.straumann.com.

The telephone conference can be accessed at:

Europe & RoW: +41 (0)58 310 50 09

UK: +44 (0)203 059 58 62

USA: +1 (1)631 570 56 13

UPCOMING CORPORATE / INVESTOR EVENTS

| Date | Event | Location |
|-------------|-------------------------------------|-----------------------|
| 2016 | | |
| 02 November | Vontobel Healthcare Tour | Basel |
| 15 November | Corporate Governance meetings | Zurich |
| 17 November | Credit Suisse Mid Cap Conference | Zurich |
| 2017 | | |
| 12 January | „Bellevue meets Management“ Seminar | Zurich |
| 16 February | 2016 full-year results conference | Basel (Straumann HQ) |
| 07 April | Annual General Meeting 2017 | Congress Center Basel |

Details on upcoming investor relations activities are published on www.straumann.com (Investors > Events).

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