

## First-quarter 2016 report

### Straumann reports strong start to the year with organic revenue growth of 12% in Q1

- Group revenue climbs 15% in Swiss francs to CHF 223m, including Neodent acquisition effect of 3% points
- Strong growth reported across all regions and business segments
- Double-digit increases in North America, Asia/Pacific and Latin America
- New solutions launched at key trade events around the world
- Anthogyr transaction completed; Straumann set to enter value segment in China
- Group raises full-year revenue growth guidance to high single digits (organic<sup>1</sup>)

#### REVENUE BY REGION

(in CHF million)	Q1 2016	Q1 2015
<b>Europe, Middle East &amp; Africa (EMEA)<sup>2</sup></b>	<b>108.0</b>	<b>98.6</b>
<i>Change in CHF in %</i>	9.5	(8.4)
<i>Change organic in %</i>	9.4	0.3
<i>In % of Group revenue</i>	48.4	51.1
<b>North America</b>	<b>62.0</b>	<b>53.7</b>
<i>Change in CHF in %</i>	15.4	18.1
<i>Change organic in %</i>	12.5	11.6
<i>In % of Group revenue</i>	27.8	27.8
<b>Asia / Pacific</b>	<b>35.5</b>	<b>28.9</b>
<i>Change in CHF in %</i>	22.9	30.4
<i>Change organic in %</i>	21.0	34.5
<i>In % of Group revenue</i>	15.9	14.9
<b>Latin America<sup>2</sup></b>	<b>17.5</b>	<b>12.0</b>
<i>Change in CHF in %</i>	46.0	163.1
<i>Change organic in %</i>	13.3	11.7
<i>In % of Group revenue</i>	7.9	6.2
<b>GROUP</b>	<b>223.0</b>	<b>193.2</b>
<i>Change in CHF in %</i>	15.4	7.4
<i>Change in local currencies in %</i>	15.5	12.3
<i>Change organic in %</i>	12.2	8.2

**Basel, 3 May 2016:** The Straumann Group enjoyed a strong start to 2016 posting double-digit growth and delivering record quarterly revenue of CHF 223 million. The increase amounted to 15% both in Swiss francs and local currencies. Excluding Neodent, which has been fully consolidated since 1 March 2015, organic growth amounted to 12%.

<sup>1</sup> The term 'organic' in this release means 'excluding the effects of currency fluctuations and acquired business activities':

<sup>2</sup> Owing to the Neodent acquisition, Straumann re-allocated markets from the 'Rest of the World' region to EMEA and Latin America, with effect of 1 January 2015. Straumann has consolidated Neodent fully as of 1 March 2015.

With the tooth replacement market gathering momentum, the Group achieved strong organic growth in all its businesses and regions. Europe, the Middle East & Africa (EMEA) was the main contributor, posting a rise of 9%, while all other regions achieved double-digit increases.

**Marco Gadola, Chief Executive Officer**, commented: “2016 has brought further encouraging signs of a general market improvement but the strength of our own performance has been remarkable. It has been driven by new products – most notably our BLT implant and new prosthetic options, as well as our comprehensive range of biomaterials. At the same time, we have increased our share of the global value segment with key brands like Neodent and Medentika. The strong performance and improved market give us the confidence to lift our full-year revenue guidance to high single-digit organic growth – barring unforeseen circumstances”

## **BUSINESS PERFORMANCE**

Implant solutions continued to achieve double-digit growth across all regions, driven in particular by Straumann’s Bone Level Tapered (BLT) implant and the high-performance material Roxolid<sup>®</sup>, which now features in more than two out of three Straumann implants sold.

In the restorative business, demand for implant-borne prosthetics, particularly the cost-effective range of Variobase<sup>®</sup> abutments was high and more than compensated for slower sales in tooth-borne prosthetics and CAD/CAM equipment.

Biomaterials posted double-digit growth as Straumann continued to roll out the botiss range in Europe as well as its in-licensed bone-graft and membrane products in North America. The periodontal-tissue-regeneration product Emdogain further added to the growth.

## **REGIONS**

### **Good performance in Europe complemented by strong distributor orders**

With Europe building further on the recovery achieved in the past two years, EMEA posted organic growth of 9%, partly reflecting the slow first quarter in 2015. In 2016, first-quarter revenue climbed 10% in Swiss francs to CHF 108 million, as the region contributed almost half the Group’s revenue and nearly 40% of its growth.

Demand was broadly spread, with notable performances in France, Iberia and Italy, all of which face tough competition from value and discount players. Business generated at the biennial Spanish Expodental trade fair contributed to the good results in Iberia. The Group made further progress in building its business with dental chains and service organizations.

Sales in Germany matched the prior-year level in spite of the fact that there were fewer working days for dental surgeries this year due to the early Easter. Distributor markets in the

Middle East posted strong growth, driven by demand for premium implants and public healthcare tenders.

### **Pick-up in North America**

North America enjoyed a promising rebound from the slightly soft second half of 2015. The region grew 13% organically despite the strong prior-year baseline. Revenue climbed 15% in Swiss francs, reflecting an improvement in the USD exchange rate.

All business franchises contributed to the regional increase, especially Roxolid and BLT, which is important as more than 70% of the regular implants sold in North America have a tapered design. More than 100 000 BLT implants have been sold in the region and, with further potential to be exploited, BLT will be a key growth driver there.

Straumann's PURE ceramic implant was launched in February and has been well received by implant specialists. Although metal-free implant solutions are currently a niche market, the availability of ceramic implants with similar performance and flexibility to their metal counterparts will change the market.

Neodent's range of attractively-priced implant solutions also contributed to the region's strong growth.

### **Asia/Pacific: fruit from investments in China**

Asia/Pacific, which generates 16% of Group revenue, posted the highest regional growth as revenue climbed 21% (organic). The main contribution came from China, where the Group continues to benefit from a dynamic market. Japan also achieved double-digit growth, fuelled by BLT, Roxolid, SLActive and the new CAD/CAM service. South Korea and Australia also reported good performances.

### **Good performance in Latin America**

Latin America, which accounts for approximately 8% of Group revenue, posted organic revenue growth of 13%, lifted by a good performance in Brazil, where Neodent grew robustly despite the slow market and challenging economic conditions.

The Brazilian Real depreciated 24% year on year and the currency impact squeezed regional revenue to just CHF 18 million.

## **OPERATIONAL AND STRATEGIC PROGRESS**

### **New launches and initiatives**

The Group used international trade events in San-Diego, Madrid, São Paulo and elsewhere to launch and promote new implant and CAD/CAM equipment solutions. The new CARES intra-oral scanner, developed by Straumann's partner Dental Wings, was launched in North America at the Chicago Midwinter meeting and the CARES in-lab milling solution was presented in Madrid. Neodent promoted the full Amann Girrbach range of milling solutions, which it now distributes in Brazil.

Most recently Straumann used the International Osteology Symposium in Monaco to announce its Roxolid Lifetime Guarantee Plus, which sets an industry benchmark by offering a monetary contribution to the replacement treatment costs.

### **Penetrating the global value segment**

The Group made further progress with its strategy to penetrate the global value segment. Its new Intradent subsidiary in the UK became operational and, having acquired 30% of the French implant manufacturer Anthogyr, Straumann is set to enter the value segment in China with this brand around mid-year.

To support growing demand for CAD/CAM prosthetics – especially from large customers like the ClearChoice network in the US, the Group significantly expanded its North American milling center in Arlington, Texas, which opened in April.

### **AGM approves all proposals including maintained dividend level**

At the AGM on 8 April 2016, the shareholders of Straumann Holding AG approved all the proposals put forward by the Board of Directors with a large majority, including the 2015 cash dividend of CHF 4.00 per share, which was paid on 14 April 2016.

### **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 by achieving organic growth in the high-single-digit range. Despite further investments in strategic growth initiatives, the expected revenue growth and operational leverage should lead to further improvements in the underlying operating profit margin<sup>3</sup>.

### **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 3500 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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**Straumann Holding AG**, Peter Merian-Weg 12, 4002 Basel, Switzerland.

Phone: +41 (0)61 965 11 11 / Fax: +41 (0)61 965 11 01

Homepage: [www.straumann.com](http://www.straumann.com)

### **Contacts:**

#### **Corporate Communication**

Mark Hill: +41 (0)61 965 13 21

Thomas Konrad: +41 (0)61 965 15 46

E-mail: [corporate.communication@straumann.com](mailto:corporate.communication@straumann.com)

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<sup>3</sup> Comparison base is the 23% EBIT margin before acquisition-related exceptionals.

**Investor Relations**

Fabian Hildbrand: +41 (0)61 965 13 27

E-mail: [investor.relations@straumann.com](mailto:investor.relations@straumann.com)

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**Analysts' and media conference call**

Straumann will present its 2016 first-quarter net revenue results to representatives of the financial community and media in a webcast telephone conference call today at 08:30 a.m. Swiss time.

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

**Presentation slides**

The slides for the conference call are available at [www.straumann.com/Straumann-2016-Q1-Presentation.pdf](http://www.straumann.com/Straumann-2016-Q1-Presentation.pdf) and on the Investors pages at [www.straumann.com](http://www.straumann.com).

The telephone conference can be accessed at:

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