

**Media release**

**Solid nine-month growth with acceleration in Q3**

- 9-month revenue climbs 5% in local currencies (l.c.) and 3% in Swiss francs to CHF 523 million as currency headwind eases slightly
- Pace quickens in Q3 with growth reaching 7% (l.c.), driven by particularly strong performances in the US, China and Japan, as well as solid growth in Europe
- New solutions introduced to enhance patient care and value creation
- Changes in executive management team as Straumann enters new phase
- Improved performance prompts Group to lift its full-year guidance for revenues to mid-single-digit growth in l.c. with the operating profit margin above 20%

**REVENUE BY REGION**

(in CHF million)	<b>Q3 2014</b>	<b>Q3 2013</b>	<b>9M 2014</b>	<b>9M 2013</b>
<b>Europe</b>	<b>80.8</b>	<b>79.7</b>	<b>278.3</b>	<b>275.6</b>
Change in CHF in %	1.4	(3.1)	1.0	(3.1)
Change in local currencies in %	2.7	(4.1)	1.7	(4.3)
<b>North America</b>	<b>47.7</b>	<b>43.1</b>	<b>139.9</b>	<b>135.7</b>
Change in CHF in %	10.7	2.6	3.1	4.0
Change in local currencies in %	11.4	7.2	7.3	5.0
<b>Asia / Pacific</b>	<b>27.1</b>	<b>23.9</b>	<b>78.1</b>	<b>73.4</b>
Change in CHF in %	13.7	(6.6)	6.4	(7.7)
Change in local currencies in %	17.0	7.9	13.8	1.2
<b>Rest of the World (ROW)</b>	<b>8.6</b>	<b>8.5</b>	<b>27.1</b>	<b>25.3</b>
Change in CHF in %	0.6	23.6	7.0	4.9
Change in local currencies in %	3.0	35.1	13.1	10.1
<b>GROUP</b>	<b>164.3</b>	<b>155.2</b>	<b>523.4</b>	<b>510.0</b>
Change in CHF in %	5.8	(1.0)	2.6	(1.6)
Change in local currencies in %	7.3	2.3	5.4	(0.5)

**Basel, 23 October 2014:** Building on a solid first-half performance, Straumann achieved revenue growth of 7% in the third quarter, contributing to a 5% increase (both in l.c.) over the first 9 months. With the currency headwind easing slightly, growth in Swiss francs climbed 3% to CHF 523 million. The performance was driven by gains across all regions particularly in the US, China and Japan. On the basis of these results, the Group has raised its full-year guidance to mid-single-digit growth in l.c., with the operating profit margin exceeding 20% already in 2014, barring any unforeseen circumstances.

Marco Gadola, Chief Executive Officer, commented: “Since the beginning of the year, new and existing customers have been converting in increasing numbers to our Roxolid® SLActive® implants. This has driven volume and revenue growth and has been the main contributor to our solid year-to-date performance and the acceleration in Q3”.

## **BUSINESS AND REGIONAL PERFORMANCES**

Nine-month growth was driven by strong volume expansions in the core implant business and increasing demand for the high-strength implant material Roxolid as well as the SLActive surface.

Demand for CAD/CAM prosthetics and cost-effective Variobase™ abutments was healthy but not strong enough to fully compensate for the decrease in standard prosthetics. As a result, the restorative business was not able to grow in line with implants.

Regeneratives achieved good growth, driven by the periodontal regeneration product Emdogain® and supported by bone augmentation products.

### **Europe returns to growth in Q3**

In Europe, Straumann’s largest region, nine-month revenue rose nearly 2% in l.c. despite the stiff competition and subdued economic environment. Factoring out the Easter effect, the general trend in Europe was positive throughout. The currency effect was negligible and revenue rose 1% in Swiss francs to CHF 278 million (53% of the Group total).

Individual country performances varied in Q3. While Germany achieved solid growth, revenue in Switzerland declined. Scandinavia and the UK continued to post good results. After a stream of negative quarters, Straumann returned to growth in the large Italian market.

### **Double-digit growth returns in North America**

In North America, nine-month revenue grew 7% (l.c.), driven by strong implant sales with further impetus from bone substitutes and implant abutments. Due to a depreciation of the US dollar, growth in Swiss francs was just 3%, bringing net revenue to CHF 140 million or 27% of the Group total.

In Q3 revenue jumped 11%, driven by Roxolid and SLActive as Straumann won new accounts and increased its share-of-wallet with existing customers. A small initial contribution came from the controlled market release of the new Bone Level Tapered (BLT) implant line.

**Strong growth in Asian continues**

Driven by strong double-digit growth in Japan and China, nine-month revenues in Asia/Pacific climbed 14% (l.c.), with increases in all quarters. The weakening of the Yen and other currencies reduced growth to just 6% in Swiss francs, bringing 9-month revenue in the region to CHF 78 million, or 15% of the Group.

In Q3, Straumann continued to benefit from the dynamic market in China, where it is transitioning to a new hybrid distribution model. The Group also profited from the continuing general recovery in Japan, where the roll-out of SLActive implants has led to further market-share gains.

**Good growth in Rest of the World (RoW)**

In the Rest of the World, where distributor ordering patterns are often erratic, net revenue rose 13% to CHF 27 million, or 5% of the Group total. The favorable trend reflects a positive underlying demand for Straumann solutions, particularly in Brazil, Mexico and parts of the Middle-East. Currency exchange rates cut growth in Swiss francs to 7%. Straumann's partner Neodent, which is the clear market leader in Brazil, posted low double-digit growth over the first nine-months.

In Q3, all main countries posted growth, driving regional revenue up 3%. This was on top of an exceptionally strong third quarter in 2013, which was boosted by large distributor orders in the Middle East.

**OPERATIONAL AND STRATEGIC PROGRESS****New launches**

At the recent Botiss Bone & Tissue Days event in Berlin and at the EAO meeting in Rome, Straumann announced the availability of a number of new products and solutions.

**Regenerative range significantly expanded**

Through its partnership with botiss, the Group is able to offer an unparalleled range of regenerative solutions to support implant and periodontal procedures – covering all indications and preferences, and enabling customers to order implants, prosthetics and biomaterials from a single supplier. Since the end of May, when the partnership was announced, Straumann has established the necessary logistics chain for the 45 new products and has provided the related training to 300 staff members. At the beginning of October, the Group started to distribute the botiss range in Europe. The two companies have also combined their resources to expedite regulatory clearances in North America, Asia and Latin America.

To complement its regenerative portfolio in North America, the Group launched Straumann® XenoGraft, a bovine-sourced bone-augmentation material, and



Straumann® Membrane Plus™, a slow resorbing collagen membrane. Both have excellent handling and clinical profiles and both are sold under licence.

### **Small-diameter Straumann® PURE ceramic implant launched**

Straumann also introduced a small-diameter (3.3mm) fully-ceramic monotype implant to complement the 4.1mm version launched in May. Both implants are designed for patients who require highly esthetic, metal-free solutions.

### **Straumann® Bone Level Tapered implant enters controlled market release**

Based on very positive feedback from clinicians and initial clinical results, Straumann has begun the controlled market release of its new BLT implant. Made of high strength Roxolid and featuring the SLActive surface this is a new-generation BLT, which will help Straumann compete in a segment that makes up roughly 60% of the global implant market<sup>1</sup>.

The BLT is designed to add convenience, increase primary stability, and shorten time to teeth. The implant is suitable for single and multiple tooth replacements and can be used to address the challenging needs of edentulous patients who want fast, reliable, esthetic, full-arch dentures that are fixed, rather than removable. To support this and other Straumann tooth replacement solutions, the company has launched a range of new sleek angulated abutments and Createch specialized CAD/CAM prosthetics.

The BLT line is expected to become generally available in the first half of 2015, except in certain Asian and Latin American markets, where regulatory approvals are pending.

### **Instradent ‘value’ platform advances**

In addition to pursuing its leadership strategy in the premium segment, Straumann is addressing the fast-growing value segment through its Instradent business platform, the aim of which is to drive and manage the distribution and internationalization of the various brands in its portfolio. In the third quarter, Instradent announced plans to launch the Neodent and Medentika brands in Italy early in 2015 through a new local subsidiary, which is Instradent’s third alongside Iberia and the US.

### **Changes in executive management team as Straumann enters new phase**

Having restructured and adapted strategically to new market realities, Straumann is entering a new phase in its development and is undergoing a cultural change.

After seven years in Switzerland and three years as Straumann’s Chief Financial Officer, **Thomas Dressendörfer** has decided to leave the company in order to be closer to his family in Germany. He has contributed significantly to Straumann’s recent turnaround through his active role in resizing the company and increasing its profitability. He also led the successful placement of a CHF 200 million bond and had a major part in the acquisition of stakes in the various companies that constitute

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<sup>1</sup> iData Research 2013/14



Straumann's international multi-brand platform. He will continue at Straumann until June 2015 to support the transition to the new CFO.

Thomas Dressendörfer will be succeeded by **Dr Peter Hackel**, who will join Straumann on 1 December 2014. Peter Hackel is current CFO of Oerlikon Drive Systems, a global segment of the Oerlikon Industrial Group which generated a turnover of CHF 734 million in 2013. Peter Hackel joined Oerlikon in 2011 as Head of Group Controlling. He is well known at Straumann, having spent six years with the company (2004-10) in Project Management, Business Development and finally as Head of Group Controlling and Member of the Executive Management Group. Previously, he spent three years at Geistlich Biomaterials, as Director of Marketing & Sales Orthopaedics, and two years at McKinsey & Company as a Consultant.

At 45, Peter Hackel offers a valuable combination of financial and business expertise together with an analytical scientific background. He obtained both his Master's degree and PhD in Biochemistry and Molecular Biology from the Swiss Federal Institute of Technology (ETH) in Zurich and complemented his education with studies in Business Administration at the University of Hagen in Germany.

Dr **Sandro Matter**, Executive Vice President Intradent Management & Strategic Alliances, is also leaving Straumann, having served as a Member of the Executive Management since 2002. Dr Matter has made a major contribution to the company's current business and product portfolio, having led the Biologics & Research Division, the Products Division, the Prosthetics Business Unit and the Business Development & Licensing team in the course of his career. He has also contributed significantly to improving the standard of care in implant, restorative and regenerative dentistry both through Straumann and the ITI. His successor will be announced in due course.

Straumann is sincerely grateful to Sandro Matter and Thomas Dressendörfer for their many valuable contributions to the company and wishes both them and Peter Hackel all the best for the future.

#### **OUTLOOK 2014 (barring unforeseen circumstances)**

Straumann expects the global implant market to develop positively in 2014. The Group will continue to invest in growth markets and its non-premium offering. Based on its year-to-date performance, it expects full-year revenue to grow in the mid-single-digit range (l.c.). Despite investments, and thanks to its ongoing cost controls, Straumann expects to deliver its operating-profit-margin target of more than 20% already in 2014.

#### **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 tissue regeneration products for use in tooth replacement and restoration solutions or to prevent tooth loss. Straumann



currently employs approximately 2320 people worldwide and its products and services are available in more than 70 countries through its broad network of distribution subsidiaries and partners.

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**Analysts' and media conference call**

Straumann will present its 2013 third-quarter net revenue results to representatives of the financial community and media in a webcast telephone conference call today at 10.30 a.m. Swiss time.

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

**Presentation slides**

The slides for the conference call are available at [www.straumann.com/Straumann-2014-Q3-Presentation.pdf](http://www.straumann.com/Straumann-2014-Q3-Presentation.pdf) and on the Investors pages at [www.straumann.com](http://www.straumann.com).

The telephone conference can be accessed at:

+41 (0)58 310 50 09 (Europe and RoW)

+44 (0)203 059 58 62 (UK)

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**UPCOMING CORPORATE / INVESTOR EVENTS**

<b>Date</b>	<b>Event</b>	<b>Location</b>
<b>2014</b>		
23 October	Third-quarter 2014 results	Webcast
04 November	Vontobel Swiss Healthcare Tour	Basel HQ
20 November	Credit Suisse Swiss Midcap conference	Zurich
03 December	Berenberg European conference	Bagshot/London
04 December	Investor meetings	London
<b>2015</b>		
27 February	Full-year 2014 results conference	Basel HQ
10 April	AGM 2014	Congress-Center Basel
30 April	First-quarter 2015 results	Webcast

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