Performance highlights

<table>
<thead>
<tr>
<th>Group key figures</th>
<th>2018</th>
<th>2017 (restated)</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>1,364</td>
<td>1,112</td>
<td>23%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>1,019</td>
<td>841</td>
<td>21%</td>
</tr>
<tr>
<td>excl. exceptionals</td>
<td>1,028</td>
<td>842</td>
<td>22%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>395</td>
<td>324</td>
<td>22%</td>
</tr>
<tr>
<td>excl. exceptionals</td>
<td>404</td>
<td>326</td>
<td>24%</td>
</tr>
<tr>
<td>Operating profit (EBIT)</td>
<td>343</td>
<td>283</td>
<td>21%</td>
</tr>
<tr>
<td>excl. exceptionals</td>
<td>351</td>
<td>285</td>
<td>23%</td>
</tr>
<tr>
<td>Net profit</td>
<td>278</td>
<td>282</td>
<td>2%</td>
</tr>
<tr>
<td>excl. exceptionals</td>
<td>274</td>
<td>230</td>
<td>19%</td>
</tr>
<tr>
<td>Cash generated from operating activities</td>
<td>277</td>
<td>217</td>
<td>28%</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>110</td>
<td>74</td>
<td>47%</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>169</td>
<td>145</td>
<td>17%</td>
</tr>
<tr>
<td>Basic EPS (in CHF)</td>
<td>17.24</td>
<td>18.04</td>
<td>(4)%</td>
</tr>
<tr>
<td>excl. exceptionals</td>
<td>16.99</td>
<td>14.65</td>
<td>16%</td>
</tr>
<tr>
<td>Employees (at year end)</td>
<td>5,954</td>
<td>4,881</td>
<td>22%</td>
</tr>
</tbody>
</table>

Overview of exceptional effects
The following effects are treated as ‘exceptionals’ to facilitate a like-for-like comparison. The term ‘underlying’ in this report refers to accounting figures excluding these effects.

Non-cash-relevant effects from acquisitions and business combinations in 2018:
- The acquisition of Batigroup led to an exceptional inventory-revaluation expense of CHF 8.8m, which is reported under ‘Costs of goods sold’, as well as a tax benefit of CHF 1.9 million.
- The Group increased its ownership in Createch Medical from 30% to full ownership. This led to a consolidation gain of CHF 3.8m below the EBIT line.
- The Group increased its stake in T-Plus from 49% to 58% and consolidated the business. This led to a consolidation gain of CHF 6.9 million below the EBIT line.

In 2017, the Group restated its consolidated financial statements retrospectively to reflect changes in the fair values of identifiable assets and liabilities due to the final purchase-price allocation of ClearCorrect in September 2017. The adjustment reduced EBIT by CHF 0.3 million but increased net profit by CHF 6.6 million.
13% 5-Y ORGANIC REVENUE GROWTH
12% FREE CASH FLOW MARGIN
>1bn CHF GROSS PROFIT

**Revenue** (in CHF million)
More on pp. 36 ff.

**Operating and net profit** (in CHF million)
More on pp. 37 ff.

**Profitability** (in %)
More on pp. 49 ff.

**Cash flow and investments** (in CHF million)
More on pp. 39 ff.

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1 Excluding exceptionals.
2 Restated.
Organic growth by region

The Group made excellent progress in fast-growing emerging markets like China, Russia, Brazil and Turkey. The largest regional contribution to growth came from EMEA, which grew 15% organically and is our biggest region. The other three regions all grew at or more than 20%.
Share information

Relative share price development (in CHF)

Total shareholder return (in %)

Share information (in CHF)

- **Earnings per share (EPS)**
  - 2018: 16.99
  - 2017: 14.65

- **Ordinary dividend per share**
  - 2018: 5.25
  - 2017: 4.75

- **Payout ratio**
  - 2018: 31%
  - 2017: 32%

- **Share price at year end**
  - 2018: 618.00
  - 2017: 688.50

1. 2017 restated; excluding exceptionals and one-time effects.
2. Payable in April 2019 subject to shareholder approval.