



2020 Annual Report
Highlights

#TogetherStrong

straumanngroup

2020 Performance highlights

#TogetherStrong is a tag-name that covers countless initiatives we took to support the dental community during the COVID-19 crisis. It aptly describes how we progressed through and emerged from 2020.

Revenue in CHF

1.4bn

Cash from operating activities in CHF

377m

Core EBIT margin

23%

Gross profit in CHF

>1bn

Group key figures

in CHF million

	2020	2019	Change (%)
Revenue	1 426	1 596	-11
Gross profit	1 030	1 200	-14
Core ¹	1 038	1 207	-14
EBITDA	406	481	-16
Core ¹	421	505	-17
Operating profit (EBIT)	157	387	-59
Core ¹	333	432	-23
Net profit	92	308	-70
Core ¹	261	338	-23
Cash generated from operating activities	377	378	0
Capital expenditure	82	150	-45
Free cash flow	295	230	28
Basic EPS (in CHF)	5.75	19.33	-70
Core ¹	16.20	21.21	-24
Employees (at year end)	7 340	7 590	-3

Notes to core figures

- 1 To facilitate a like-for-like comparison of the underlying business performance the Group presents 'core' results in addition to the results reported under IFRS. For details and reconciliation table please see the Annual Report.



Straumann's Annual Reports for online users
<http://annualreport.straumann.com>



Dear Shareholder,

As a company we have learned, innovated, adapted, relinquished, matured and persevered in 2020. Above all, we have understood the value of bringing and keeping people, ideas and things together when traditional approaches are no longer possible. This is why #TogetherStrong aptly describes how we progressed through and emerged from this extraordinary year.

In 2020, building on five years of double-digit growth, we made a promising start until March, when dental practices closed temporarily or were limited to essential treatment. During the crisis months our focus was on safety, business continuity, mitigating financial impacts and helping dentists get back to treating patients. When lock-downs eased, revenue picked up, lifted by pent-up demand. Considering the disruptions and taking the record-level results from 2019 as a comparison, we achieved solid results in 2020. Organic revenue was down 6%, while strong currency headwind widened the gap in Swiss francs to 11% as revenue reached CHF 1.4 billion.

The pandemic put our original objectives for improved profitability in 2020 beyond reach. However, thanks to rapid mitigation of near-to-mid-term financial impact, including

operating cost reductions, subsidized working-hour reductions, global restructuring and postponed investments, we alleviated the heavy pressure on profitability. Our core EBITDA, EBIT and net profit margins reached 29.5%, 23.4% and 18.3% respectively, which is very presentable in the circumstances. We commend our Finance team for their work and for securing liquidity to ensure continuity, including CHF 480 million raised through two straight bonds to refinance a maturing bond and for general corporate purposes.

Thanks to the remarkable efforts of our colleagues in Operations, we maintained services and product availability throughout the year. Our core gross profit reached CHF 1.0 billion with a margin of almost 73%. Combined with cost reductions and reduced activities (e.g. travel and promotional events) we were able to continue investing in innovation to provide faster, better treatments with additional predictability, comfort and convenience. We also continued to invest in developing our people and production.

REBOUNDED ACROSS REGIONS AND BUSINESSES

By year-end, organic growth had returned to all regions. APAC rebounded to high-teen growth



in Q4 to complete the year almost in line with 2019. EMEA and North America reported mid-single digit declines, while Latin America, facing the biggest challenge, achieved 85% of its 2019 revenue.

The value implant, digital and orthodontics businesses all achieved full-year organic growth, the latter reporting the highest increase. Premium implants, our largest revenue driver, were constrained by the pandemic's impact on predominantly premium affluent markets. Notwithstanding, strong sales of innovative products like Straumann's BLX implant led to share gains in the immediacy and other segments. Sales of intraoral scanners also rose, reflecting the increasing trend in digital dentistry.

Our passion to create value through strategic partnerships and acquisitions was undiminished. To complement our orthodontics business, we acquired a 75% stake in DrSmile, one of Europe's fastest-growing specialists in direct-to-consumer marketing of clear aligner solutions fully backed by experienced clinicians. We also invested in Promaton, a software company developing artificial intelligence applications to support diagnosis and treatment planning. To expand in the emerging Romanian market, we acquired the established distributor Artis Bio Tech. Collectively, these investments amounted to approximately CHF 46 million with further

payments expected in the coming years. We continued to expand manufacturing capacity (CHF >50 million) which, together with investments in information technology and other fixed assets, resulted in capital expenditures of CHF 82 million (CHF 150 million in 2019). Cash from operating activities amounted to CHF 377 million (CHF 378 million in 2019) and free cash flow reached CHF 295 million (CHF 230 million in 2019).

MARKETS, ENVIRONMENT – TRENDS

We estimate that the global market for implant dentistry is worth approximately CHF 4 billion¹, after contracting by 10–15% due mainly to the pandemic lockdown. Thanks to our agile response, we outperformed the market. The drivers of mid- and long-term market growth remain valid and include innovation, the growing and aging population, awareness of esthetics, increasing availability and affordability.

Our second largest market, clear aligners, is worth approximately CHF 3.5 billion² and was growing at 20% prior to COVID-19. In 2020, it was almost flat due to the lockdown interruptions. Nevertheless, it represents one of the most attractive areas in dentistry due to the significant advantages of clear aligners over conventional wires and brackets, including appearance, patient compliance and convenience. Growing awareness and wider availability will drive penetration rates.

ESTHETIC DENTISTRY – BRINGING EVERYTHING TOGETHER

Esthetic dentistry thus offers significant opportunity for sustainable business growth in the future and continues to be our strategic focus. To incorporate emerging trends and new realities, we fine-tuned our three strategic priorities in 2020.

PRIORITY ONE: DRIVING OUR HIGH PERFORMANCE STRAUMANN GROUP CULTURE AND ORGANIZATION

Culture is at the heart of execution, driving results and creating value, which is why it remains our key priority. Our culture continues to foster agility, embrace change, encourage entrepreneurship, focus on execution and deliver high performance. These attributes enabled us to navigate the crisis as an opportunity rather than a threat.

Entering 2020, we were geared for strong growth, having doubled our workforce over the three prior years. With revenues tumbling 70% at the pandemic's peak, we quickly had to align our costs – most of which are personnel. In addition to subsidised working-hour reductions and reduced compensation (including voluntary cuts by the Board and senior management), we regrettably had to lay off approximately 9% of our global workforce. Our key objective was to conduct this in a responsible, fair and timely manner, without compromising

Revenue and organic growth by region

By year-end, organic growth had returned to all regions. Being the least heavily affected, APAC rebounded to high-teen growth in Q4 to complete the year almost in line with 2019. EMEA and North America reported mid-single digit declines, while Latin America had to overcome the biggest challenge and achieved 85% of its prior year organic revenue.

Revenue in CHF

615m
43% of Group revenue

Europe, Middle East, Africa

Change in CHF

-8%

Organic growth

-7%

North America

Change in CHF

-10%

Organic growth

-5%

Revenue in CHF

432m

30% of Group revenue

Asia/Pacific

Change in CHF

-5%

Organic growth

-1%

Revenue in CHF

289m

20% of Group revenue

Latin America

Change in CHF

-35%

Organic growth

-15%

Revenue in CHF

90m

6% of Group revenue

the company's ability to rebound rapidly. We are deeply thankful for the professionalism and understanding of all our colleagues, especially those whose positions were discontinued. We are also grateful for the suggestions, solidarity and selflessness of our colleagues who helped to minimize the impact on jobs. At year end, our global team totaled 7340, including 360 who were added through strategic acquisitions and newly created positions.

Diversity, inclusion and belonging bring new perspectives, foster innovation, provide market insights and add value. The diversity, skills and experience of our leadership team have broadened, and our global staff includes more than sixty nationalities in more than a hundred countries. In spite of the challenging times, our annual staff survey showed a high level of engagement, pride in working for the Straumann Group, excitement in the future and confidence in the meaning and purpose of our work.

The engagement of many dedicated, talented people who brought progress and solid results in tough conditions deserves recognition and reward. Due to the extraordinary circumstances in 2020, their exceptional efforts are not necessarily reflected in our ordinary financial performance indicators. For such cases, the Board of Directors decided to award a discretionary short-term incentive at 80% of target to all eligible employees.³

With regard to the 2017 long-term incentive which vested in April 2020, we met the 3-year objectives for total shareholder return (+14% CAGR) and EBIT growth (CHF +50 million), resulting in a capped maximum award for senior management.

PRIORITY TWO: ACCELERATING GROWTH IN CORE IMPLANT MARKETS AND STRATEGIC SEGMENTS

The market for tooth replacement offers significant opportunity. In premium implants, we have a strong innovation pipeline and global rollout program. In value implants, we have a broad range covering all price tiers and the capability to expand these brands internationally.

Pursuing our goal of leading the immediacy segment, which accounts for roughly a quarter of the 27 million dental implants placed annually, we continued the global rollout of Straumann BLX. Straumann's new Zygoma implant system, which we launched virtually, will support BLX's growth trajectory. Our innovative TLX implant, which entered its clinical program, and our Smile in a Box solution also contribute to this objective.

To increase affordability, especially in emerging markets, we continued the global rollout of our challenger brands Neodent, Anthogyr and Medentika. For the lower value segment, we launched our new NUVO brand in initial

markets and our Korean partner brand, Warantec, in China.

Event cancellations and restrictions on travel and meeting did not diminish our efforts to win customers. Through strong innovation, launches and intense online efforts (including education, virtual symposia, and summits), we attracted customers and strengthened our market positions. We continued to serve customers directly through our subsidiaries and also to address the corporate segment by partnering with Dental Service Organizations (DSOs). Despite lockdowns, we expanded our existing DSO business and built new partnerships. One highlight was our online global DSO summit with 50 CEOs from leading DSOs representing 31 000 clinicians in 28 countries.

PRIORITY THREE: CREATING A LEADING ECOSYSTEM FOR ESTHETIC DENTISTRY

Our third strategic priority combines the desire for dental esthetics with seamless digital experiences. Our goal is to connect all our digital solutions, services and equipment with partners and third parties, providing frictionless customer-centric solutions. To drive this strategy, we established dedicated Digital and Orthodontics business units and recruited high-caliber executives to lead them. Both businesses grew in 2020.

TOGETHER STRONG IN IMMEDIACY #TogetherStrong

‘Immediacy’ covers a range of procedures in implant dentistry.¹ It refers to placing an implant immediately in a tooth extraction socket and/or placing a prosthesis immediately, irrespective of whether the implant was placed in a fresh or a healed extraction site.

Immediacy addresses patient expectations by shortening time to teeth, saving costs, reducing surgery and clinic visits – which is an advantage during a pandemic.

Tapered implants are central to immediacy because of their high primary stability. Our wide range includes Straumann BLX, which is now available in 30 countries.

In 2020, we introduced a new zygomatic implant solution at a virtual launch event including an online symposium, interactive plenary sessions and a virtual congress booth.

Zygomatic implants differ from conventional implants in that they are anchored in the zygomatic (cheek) bone rather than the upper jaw. They are used in patients with severe bone loss, and thanks to the firm stability achievable in dense zygomatic bone, a prosthesis can usually be placed immediately. Our new zygomatic implant system complements BLX and our immediacy portfolio; it addresses the needs of specialists who use large volumes of implants in conjunction with zygomatics – usually from the same manufacturer. Straumann zygomatic implants are compatible with our bone level prosthetic portfolio. Thus they offer the advantages of our BLX and BLT prosthetic range for fixed overdentures and can be used with our coDiagnostix software to plan the implant position by computer.

The latest addition to our immediacy portfolio is TLX, which combines the neck design of our iconic Tissue Level (TL) implant – one of the longest and best-selling implants – with the innovative endosteal design of BLX, perfected for immediate protocols. The combination of high primary stability and the advantages of TL, designed for peri-implant health preservation and to simplify handling and reduce treatment complexity should bring us closer to the goal of leadership in immediacy when it comes to market in 2021. A large preclinical and clinical program began in 2019.

The ImmediaXy online campaign, launched in 2020, promotes Straumann’s broad range of solutions, including our Smile in a Box service, which supplies implants, guides, drills and prosthetics for immediacy protocols together in one pack.

- 1 Definition of terms as described in: Implant placement and loading protocols: A systematic review: German Gallucci, Adam Hamilton, Wenjie Zhou, Daniel Buser and Stephen Chen. 2018, Amsterdam Consensus meeting.



In orthodontics, ClearCorrect launched new software and an innovative high-performance material to enhance convenience, increase comfort and shorten treatment. We also entered the exciting arena of online consumer marketing with DrSmile. Intraoral scanners are a key to our digital ecosystem and the gateway to digital dentistry. In October, we completed the integration of 3Shape TRIOS intraoral scanners with the Straumann Group's software solutions and services. Now these highly popular scanners can connect seamlessly with Straumann's orthodontic, restorative, implant, chairside, and digital dentistry solutions. We also gained global distribution rights for the attractively priced Medit intraoral scanners, which complement our range and strengthen our position as a global partner of choice for integrated intraoral scanning solutions.

CONTINUED COMMITMENT TO LONG-TERM VALUE CREATION

We remain committed to sustainable development and value creation. This means running our operations efficiently using natural resources effectively and minimizing our environmental impact. Our commitment also encompassed 20 charitable projects in 2020, offering dental care and humanitarian relief in 13 countries.

Our strong business fundamentals and growth opportunities are reflected in our share price,

which continued to outperform the Swiss equity market and rose 8.5% to CHF 1031 at year-end, while the SMI and SMIM indices closed up 3.3% and 0.8%, respectively. Ours is the second-best performing share in the SMIM universe over the past five years. With our market capitalization exceeding CHF 15 billion, we joined the Swiss Leader Index, which comprises the largest 30 securities in the Swiss equity market.

Based on the 2020 results, the Board of Directors proposes a stable dividend of CHF 5.75 per share, payable on 15 April 2021, and intends to continue increasing the dividend in the future, subject to further good performance.

OUTLOOK (BARRING UNFORESEEN CIRCUMSTANCES)

By year-end, dental practices around the world had resumed normal work, albeit with efficiency reduced by additional protective measures. Patient confidence had also strengthened. The sharp rise in infections around New Year led to new lockdown measures in key markets. However, visits to dentists for all treatments remain possible in most places, and with mass vaccination underway we do not expect a deterioration in the dental markets, although economic recession may reduce disposable income and deter patients from seeking elective non-reimbursed treatments. The breadth of our portfolio, our global reach,

the quality and engagement of our people, and our progress in 2020 make us confident that we will emerge as an even stronger brand and partner of choice when the general economy and consumer confidence return to normal. We aim to achieve organic revenue growth in the high-single-digit percentage range. Profitability (core EBIT) is expected to improve versus 2020.

On behalf of the Board and our colleagues, we would like to thank you, our shareholders, for your ongoing support and confidence in our company.

Yours sincerely,



Gilbert Achermann
Chairman of the Board
of Directors



Guillaume Daniellot
Chief Executive Officer

12 February 2021

Notes and references

- 1 iData, Decision Resources Group and Straumann bottom-up estimates in 70 countries.
- 2 Industry reports, Straumann bottom-up estimates in >40 countries.
- 3 EMB compensation subject to approval at the AGM in April 2021.

ADAPTING TO NEW REALITIES

#TogetherStrong

When the pandemic started, the Group acted swiftly and ensured safety as well as business continuity. It also mitigated the financial impact by adapting costs and capacity as well as ensuring liquidity.

The pandemic shut-down provided opportunities to train, learn, do things differently, and create new solutions as we were compelled to work remotely and do everything online. Working from home we stayed close to existing customers and attracted new ones, offering extensive online services, information and free education – for example on implant immediacy protocols and intraoral scanning.

DIGITAL EXPERTISE TO CREATE ENGAGING CUSTOMER EXPERIENCES

Due to travel restrictions and health precautions, dental congresses and educational events either went virtual or were cancelled. Using its digital strengths, the Group orchestrated multiple virtual forums and symposia around

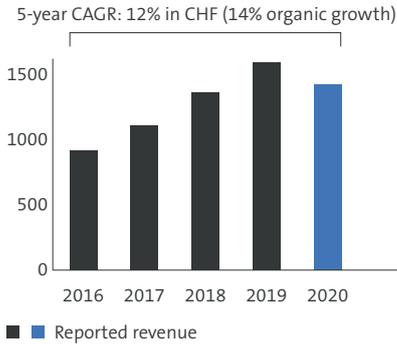
the world to share knowledge, showcase new solutions and present clinical evidence – for example on BLX, immediacy and zygomatic implants.

At the same time, key innovation and R&D pipeline projects continued to advance and will drive future growth.



Revenue

in CHF million



Operating and net profit

in CHF million



5y organic revenue growth (CAGR)

14%

Free cash flow margin

21%

Invested over 5y in the future in CHF

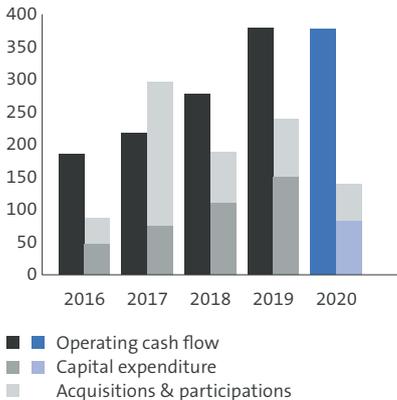
>1bn

Investment in staff learning in CHF

>3m

Cash flow and investments

in CHF million



Return

in %



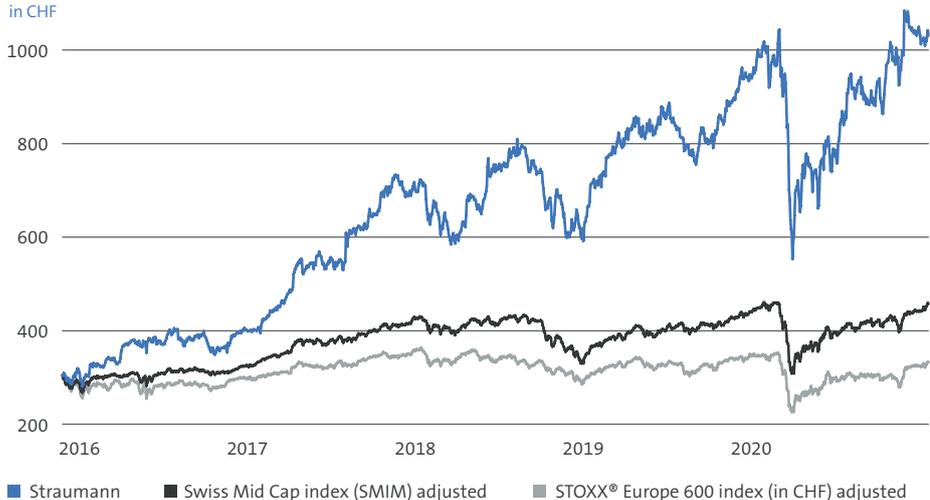
Greenhouse-gas emissions

-2%

Share information

Relative share price development

in CHF



Share information

in CHF	2020	2019	2018	2017	2016
Earnings per share (EPS) ¹	16.20 ¹	21.20 ¹	18.16 ¹	15.13 ²	11.94 ²
Ordinary dividend per share	5.75 ³	5.75	5.25	4.75	4.25
Payout ratio ¹	36% ¹	27% ¹	29% ¹	31% ²	36% ²
Share price at year end	1031.50	950.40	618.00	688.50	397.50

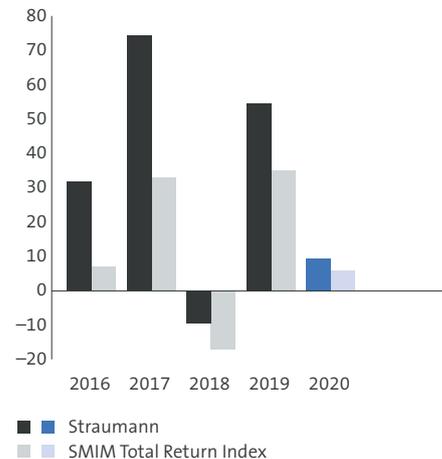
¹ Based on core results.

² Based on results excluding exceptionals.

³ Payable in April 2021 subject to shareholder approval.

Total shareholder return

in %



Total shareholder return

9.4%

CREATING A LEADING ECOSYSTEM IN ESTHETIC DENTISTRY [#TogetherStrong](#)



An ecosystem comprises a number of parts that are connected in some way to each other – directly or indirectly – and that benefit from, depend on, or influence, each other – directly or indirectly, all to varying extents.

In terms of people, the dental practice represents an ecosystem including practitioners, specialists, hygienists, support team, and patients. Practices may be independent or part of a chain. They rely on laboratories – internal or external – with their own ecosystems of technicians, suppliers, etc. Practices, labs and chains rely on manufacturers, some of which may be the same. The manufacturers also have their own ecosystems.

The various components and services used by each of these players are parts of systems and

Our goal is to create a leading ecosystem that brings everything together for stronger solutions and great customer experiences.

workflows that may or may not be connected. For example, an intraoral scanner in a dental practice is used to take a digital impression of a patient requiring tooth replacement. The data may be used together with other scan data to plan the surgery – including the position and type of implants used. The data is also used to design the prosthetics (crowns, bridge, denture). The planning and design data

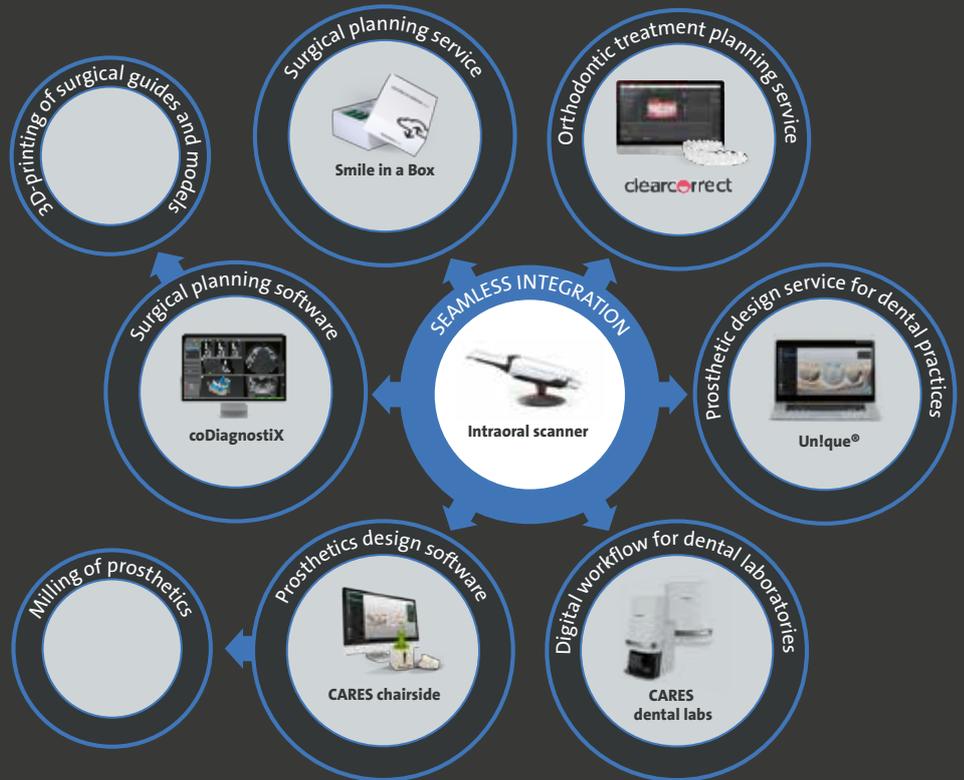
are used to produce surgical guides and prosthetics – e.g. by 3D-printing and milling. Each of these steps could involve third parties at various locations. Straumann’s Smile in a Box solution brings all these workflows together to order, produce and supply all the components including implants, templates, instruments, abutments and prosthetics, which are delivered together in one box for a same-day treatment.

The same intraoral scanner might be used by another dentist in the practice to take an impression of another patient requiring orthodontic treatment, in which case the image data would be transmitted to an external planning service after which the design data are sent on to the production center to manufacture the models and aligners. The intraoral scan data would also be used by AI algorithms for monitoring the treatment progress remotely, reducing patient visits to the dentist. Managing these very different cases requires connectivity as well as powerful, convenient and reliable software.

Straumann’s range of digital solutions includes the equipment, products, services, software and support to cover these and other dental workflows. Our goal is to create a leading ecosystem that brings everything together for stronger solutions, integrating workflows and systems, connecting people – patients, dentists, labs, clinics, and other providers, increasing

efficiency, enhancing treatment outcomes, and creating great customer experiences.

STRAUMANN GROUP DIGITAL SOLUTIONS: A UNIQUE POWERFUL SEAMLESS ECOSYSTEM



Consolidated income statement

in CHF 1 000	Notes ¹	2020	2019
Revenue	3.1	1 425 851	1 596 225
Cost of goods sold		(396 073)	(395 749)
Gross profit		1 029 778	1 200 477
Other income	3.3	18 764	12 807
Distribution expense		(311 767)	(330 974)
Administrative expense		(580 234)	(495 170)
Operating result		156 541	387 140
Finance income	7.4	75 033	64 873
Finance expense	7.4	(116 078)	(89 475)
Gain on consolidation of former associates	7.4	0	5 967
Share of results of associates	2.2	(1 588)	(3 036)
Profit before income tax		113 907	365 469
Income tax expense	7.7	(21 640)	(57 440)
NET RESULT		92 268	308 029
Attributable to:			
Shareholders of the parent company		91 282	306 473
Non-controlling interests		986	1 556
Basic earnings per share attributable to ordinary shareholders of the parent company (in CHF)	3.2	5.75	19.33
Diluted earnings per share attributable to ordinary shareholders of the parent company (in CHF)	3.2	5.73	19.26

¹ For further information please see the 2020 Financial Report.

Consolidated statement of financial position

Assets

in CHF 1000	Notes ¹	31 Dec 2020	31 Dec 2019
Property, plant and equipment	4.1	313 547	325 164
Right-of-use assets	4.2	235 584	250 584
Intangible assets	4.3	650 285	742 841
Investments in associates	2.2	92 662	90 976
Financial assets	7.1	27 004	31 779
Other receivables		8 290	6 977
Deferred income tax assets	7.7	68 990	59 993
Total non-current assets		1 396 362	1 508 313
Inventories	5.1	216 570	234 553
Trade and other receivables	5.2	294 550	378 325
Financial assets	7.1	305	1 593
Income tax receivables		8 626	6 982
Cash and cash equivalents	5.3	632 201	260 211
Total current assets		1 152 252	881 665
TOTAL ASSETS		2 548 613	2 389 978

Equity and liabilities

in CHF 1000	Notes ¹	31 Dec 2020	31 Dec 2019
Share capital	7.5	1 591	1 588
Retained earnings and reserves		1 203 144	1 361 825
Total equity attributable to the shareholders of the parent company		1 204 735	1 363 413
Non-controlling interests		5 209	3 809
Total equity		1 209 943	1 367 222
Other liabilities	6.2	86 986	47 645
Income tax liabilities		9 654	9 594
Financial liabilities	7.2	730 622	270 764
Provisions	6.1	15 436	10 964
Retirement benefit obligations	8.2	73 325	67 918
Deferred income tax liabilities	7.7	43 228	36 887
Total non-current liabilities		959 250	443 773
Trade and other payables	5.4	317 591	308 762
Financial liabilities	7.2	27 635	224 725
Income tax liabilities		34 159	45 490
Provisions	6.1	35	7
Total current liabilities		379 420	578 983
Total liabilities		1 338 670	1 022 756
TOTAL EQUITY AND LIABILITIES		2 548 613	2 389 978

1 For further information please see the 2020 Financial Report.

Consolidated cash flow statement

in CHF 1000	Notes ¹	2020	2019
Net result		92 268	308 029
Adjustments for:			
Income tax paid	7.7	21 640	57 440
Interest and other financial result		19 404	14 328
Foreign exchange result		11 561	11 190
Fair value adjustments		(519)	(935)
Financial impairment result	7.4	10 599	0
Gain on consolidation of former associates		0	(5 967)
Share of results of associates	2.2	1 588	3 036
Depreciation and amortization of:			
Property, plant and equipment	4.1, 4.4	44 511	42 445
Right-of-use assets	4.2, 4.4	27 240	24 012
Intangible assets	4.3, 4.4	27 716	27 041
Impairment of:			
Intangible assets	4.4	144 426	0
Property, plant and equipment	4.4	5 549	0
Change in provisions, retirement benefit obligations and other liabilities		(4 770)	(18 009)
Change in long-term assets		(3 359)	189
Share-based payments expense	8.1, 8.3	9 285	13 130
Result on disposal of property, plant and equipment		330	(141)
Working capital adjustments:			
Change in inventories		(13 568)	(42 093)
Change in trade and other receivables		53 067	(79 874)
Change in trade and other payables		(890)	72 623
Interest paid on lease liabilities	7.2	(6 626)	(6 612)
Interest paid		(7 658)	(7 151)
Interest received		2 267	580
Income tax paid		(57 466)	(34 783)
Cash flows from operating activities		376 594	378 478

in CHF 1000	Notes ¹	2020	2019
Purchase of financial assets		(6 392)	0
Proceeds from sale of financial assets		363	160
Purchase of property, plant and equipment		(70 842)	(134 599)
Purchase of intangible assets		(11 227)	(15 261)
Purchase of investments in associates		(3 161)	(12 327)
Acquisition of a business, net of cash acquired	2.1	(42 584)	(68 725)
Contingent consideration paid	7.3	(12 554)	(8 415)
Proceeds from loans		821	1 792
Disbursement of loans		(774)	(2 594)
Dividends received from associates		812	1 789
Net proceeds from sale of non-current assets		712	1 032
Cash flows from investing activities		(144 825)	(237 147)
Purchase of non-controlling interests	7.2, 7.3	0	(47 365)
Repayment of non-current financial debts	7.2	(3 934)	(2 755)
Increase in non-current financial debt	7.2	479 031	0
Repayment of current financial debts	7.2	(200 057)	0
Dividends paid to the equity holders of the parent	7.6	(91 231)	(83 126)
Dividends paid to non-controlling interests		(1 245)	(580)
Payment of lease liabilities	7.2	(24 920)	(22 905)
Sale of treasury shares		0	5 061
Purchase of treasury shares		(4 312)	(4 816)
Cash flows from financing activities		153 331	(156 486)
Exchange rate differences on cash held		(13 110)	(3 307)
Net change in cash and cash equivalents		371 990	(18 463)
Cash and cash equivalents at 1 January	5.3	260 211	278 674
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	5.3	632 201	260 211

1 For further information please see the 2020 Financial Report.

Five-year overview

Operating performance

in CHF million	2016	2017	2018	2019	2020
Net revenue	917.5	1 112.1	1 363.6	1 596.2	1 425.9
Growth in %	14.9	21.2	22.6	17.1	(10.7)
Gross profit	718.5	840.5	1 019.2	1 200.5	1 029.8
Margin in %	78.3	75.6	74.7	75.2	72.2
Operating result before depreciation and amortization (EBITDA)	259.2	323.5	395.0	480.6	406.0
Margin in %	28.3	29.1	29.0	30.1	28.5
Growth in %	24.9	24.8	22.1	21.7	(15.5)
Operating profit (EBIT)	227.2	283.3	342.6	387.1	156.5
Margin in %	24.8	25.5	25.1	24.3	11.0
Growth in %	31.6	24.7	21.0	13.0	(59.6)
Net profit	229.6	282.2	277.8	308.0	92.3
Margin in %	25.0	25.4	20.4	19.3	6.5
Growth in %	221.1	22.9	(1.6)	10.9	(70.0)
Basic earnings per share (in CHF)	14.68	18.04	17.24	19.33	5.75
Value added / economic profit ¹	182.2	214.5	189.6	208.6	(30.6)
Change in value added	155.1	32.3	(24.8)	18.9	(239.1)
Change in value added in %	572.5	17.7	(11.6)	10.0	(114.7)
as a % of net revenue	19.9	19.3	13.9	13.1	(2.1)
Number of employees (year-end)	3 797	4 881	5 954	7 590	7 340
Number of employees (average)	3 615	4 305	5 580	6 837	7 409
Sales per employee (average) in CHF 1 000	254	258	244	233	192

1 Figures as reported in the financial reports.

Financial performance

in CHF million	2016	2017	2018	2019	2020
Cash and cash equivalents	164.0	281.8	278.7	260.2	632.2
Net Cash (Net Debt)	(36.9)	23.2	16.8	20.2	116.2
Net working capital (net of cash)	123.9	187.7	233.0	265.6	168.0
as a % of revenue	13.5	16.9	17.3	16.6	11.8
Inventories	102.0	152.1	182.1	234.6	216.6
Days of supplies	171	174	165	175	160
Trade receivables	148.9	191.9	231.3	281.2	236.0
Days of sales outstanding	55	56	56	57	47
Balance sheet total	1 089.9	1 697.0	1 864.6	2 390.0	2 548.6
Return on assets in % (ROA)	21.5	20.3	15.6	13.6	3.9
Equity	633.7	1 077.0	1 204.3	1 367.2	1 209.9
Equity ratio in %	58.1	63.5	64.6	57.2	47.5
Return on equity in % (ROE)	37.1	33.0	24.4	24.0	7.7
Capital employed	476.2	908.0	1 011.6	1 455.0	1 190.3
Return on capital employed in % (ROCE)	55.5	40.9	35.7	28.4	11.9
Cash generated from operating activities	184.7	217.3	277.1	378.5	376.6
as a % of revenue	20.1	19.5	20.3	23.7	26.4
Investments	(87.9)	(296.5)	(188.2)	(239.3)	(140.4)
as a % of revenue	9.6	26.7	13.8	15.0	9.8
thereof capital expenditures	(46.7)	(74.4)	(109.7)	(149.9)	(82.1)
thereof business combinations related	(25.5)	(178.8)	(22.2)	(77.1)	(55.1)
thereof investments in associates	(15.7)	(43.3)	(56.3)	(12.3)	(3.2)
Free cash flow	138.7	144.7	169.4	229.6	295.2
as a % of revenue	15.1	13.0	12.4	14.4	20.7
Dividend	65.1	75.1	83.1	91.2	91.3 ²
Dividend per share (in CHF)	4.25	4.75	5.25	5.75	5.75 ²
Pay-out ratio in % (core results)	35.6	32.4	28.9	27.1	35.5

2 To be proposed to the shareholder's AGM in 2021.

ABOUT THE STRAUMANN GROUP

The Straumann Group (SIX: STMN) is a global leader in tooth replacement and orthodontic solutions that restore smiles and confidence. It unites global and international brands that stand for excellence, innovation and quality in replacement, corrective and digital dentistry, including Anthogyr, ClearCorrect, Dental Wings, Medentika, Neodent, NUVO, Straumann and other fully/partly owned companies and partners. In collaboration with leading clinics, institutes and universities, the Group researches, develops, manufactures and supplies dental implants, instruments, CAD/CAM prosthetics, clear-aligner solutions and materials, digital solutions and biomaterials for tooth correction, replacement and restoration or to prevent tooth loss. Headquartered in Basel, Switzerland, the Group currently employs more than 7300 people worldwide; its solutions and services are available in more than 100 countries through a broad network of distribution subsidiaries and partners.

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30 YEARS ANNIVERSARY

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