

First-quarter 2021 report – Media Release

Straumann Group reports very strong first-quarter sales results accelerated by product launches and consumer focus on oral health

- Record quarterly revenue of CHF 470 million, 34% organic growth compared to previous year which was already impacted by the pandemic
- Acquisition effect of 2% due to DrSmile
- Recent investments and product launches driving growth, performance lifted by strong consumer focus on oral health
- Strong organic double-digit growth in all regions; contributions led by the largest regions EMEA and North America
- Investment of CHF 170 million by 2029 in China Campus to support future growth
- Full-year 2021 outlook raised to organic revenue growth in the mid-to-high twenties percentage range expecting an improvement in profitability (core EBIT margin) compared to 2020

REVENUE BY REGION		
	Q1 2021	Q1 2020
(in CHF million)		
Europe, Middle East & Africa (EMEA)	214.3	162.2
Change in CHF in %	+32.1	0.9
Change in local currencies in %	+33.1	7.5
Change organic ¹ in %	+27.0	0.1
% of Group total	45.6	45.4
North America (NAM)	138.0	115.7
Change in CHF in %	+19.4	4.9
Change in local currencies in %	+27.0	7.9
Change organic ¹ in %	+27.0	7.7
% of Group total	29.4	32.4
Asia Pacific	92.3	53.5
Change in CHF in %	+72.4	-25.5
Change in local currencies in %	+74.4	-21.7
Change organic ¹ in %	+74.4	-22.1
% of Group total	19.6	15.0
Latin America	25.2	26.0
Change in CHF in %	-3.1	-12.0
Change in local currencies in %	+23.8	7.3
Change organic ¹ in %	+23.8	7.2
% of Group total	5.4	7.3
GROUP	469.8	357.3
Change in CHF in %	+31.5	-4.0
Change in local currencies in %	+37.0	1.9
Change organic ¹ in %	+34.0	-1.4

¹ Excluding the effects of currencies and acquisitions

Basel, April 29, 2021: The Straumann Group made an exceptional start to 2021 and the solid growth trend experienced in the second half of 2020 accelerated. Most dental practices around the world are open, and the combination of high consumer confidence together with fewer spending options created a tailwind for specialty dental treatments. This is in contrast to the first quarter of 2020, when sales were constrained in Asia Pacific from the beginning of the year, and dropped sharply from mid-March onwards in other regions due to pandemic-related lockdowns. Despite a negative currency effect, which was mainly related to the depreciation of the US dollar and Brazilian real, the first-quarter revenue reached CHF 470 million. The acquisition effect of 2% is due to DrSmile. For comparison, the Group achieved first-quarter revenue of CHF 357 million in Q1 2020 and CHF 372 million in Q1 2019.

Asia Pacific (74%), where the pandemic heavily impacted the first quarter of 2020, has returned to high pre-pandemic growth levels. The two largest regions, EMEA and North America, contributed CHF 214 million and CHF 138 million to Group revenue, with organic increases of 27% each. Latin America saw a strong bounce back to organic growth of 24%, despite partial lockdowns in some countries including Brazil in March.

Guillaume Daniellot, Chief Executive Officer, commented: “During the first quarter, we saw an acceleration of growth that led to record revenue supported by recent launches. This is the result of past investments and the successful implementation of our strategy. I would like to sincerely thank the team for their dedication, agility and customer focus, which made this great achievement possible. Practices are open and their schedules are filling up. This is due to significant disposable income and increased consumer focus on specialty dental treatments. In line with this, we have raised our guidance to full-year revenue growth in the mid-to-high twenties percentage range and are expecting an improvement in profitability.”

REGIONAL PERFORMANCES

Strong demand in Europe, Middle East and Africa

The Group’s largest region, Europe, the Middle East and Africa, which was impacted by the pandemic from mid-March onwards last year, posted an increase in organic revenue of 27% to reach revenue of CHF 214 million. There was strong growth in countries including France, Germany and Italy. Furthermore, the Group established a new subsidiary in Jordan. Alongside the implant franchise, the orthodontics business also grew strongly. This was supported by the dynamic growth of DrSmile and the launch of the ClearQuartz material for ClearCorrect aligners.

North America growing strongly

In the first quarter of 2020, revenue in North America was already impacted by the pandemic due to the lockdown in Canada and the US, which started in mid-March. In the first quarter of 2021, North America contributed 27% organic growth while revenue increased to CHF 138 million despite a negative currency effect. Canada and the US both delivered double-digit growth, driven by strong demand for premium and challenger implants as well as digital solutions. The main product categories were Straumann BLX, Neodent GM, the TRIOS intraoral scanner and other digital solutions. The clear aligner business grew as the Group was able to attract more dentists to become ClearCorrect providers.

Asia Pacific returns to double-digit growth

Asia Pacific returned to strong growth following the heavy impact that the pandemic had in the first quarter of 2020. The region posted organic growth of 74% to reach CHF 92 million in revenue compared to CHF 54 million in the first quarter of 2020. All key markets, including Australia, China and Japan, continued their strong bounce-back and showed very dynamic growth. BLX is gaining solid momentum in Australia, while the launch is in full swing in Japan and additional South-Asian countries. From the digital solutions portfolio, the intraoral scanners showed fast growth, driven by the 3Shape scanner mainly in Japan and Carestream in China. The orthodontics business is gaining momentum in Australia and Japan, and is being further supported by pilot projects that are running in Hong Kong, Singapore, Taiwan and Thailand.

Latin America growing strongly despite the ongoing pandemic

Neodent drove revenue in Latin America, while the premium segment returned to growth. In addition, the orthodontics business grew very strongly. Organic revenue growth was strong at 24%. This was due to dental practices still being open and undertaking treatments, although the region is still heavily impacted by the pandemic. The depreciation of the Brazilian real and the Argentinian peso cut growth, bringing regional revenue to CHF 25 million. Argentina and Chile showed the strongest growth, while the Group achieved double-digit growth in the region's largest market, Brazil.

STRATEGIC PROGRESS / NEWS HIGHLIGHTS

Full pipeline further supports growth

The Group's largest franchise, implants, showed strong growth in the premium and value segments. The apically-tapered Bone Level implant BLT and the fully-tapered implant system BLX remained the key contributors, and BLX was also launched in Japan and Mexico. The pre-launch of the TLX implant is ahead of expectations and the product is on track for a full launch in September. Zygoma was fully launched and is performing well, further supporting immediacy and edentulous. Extensive virtual education initiatives continued to drive customer acquisition and adoption of new solutions. The Group's challenger implant brands Neodent, Anthogyr and Medentika grew strongly and helped to gain share in countries including Brazil, China, France, and the US.

Orthodontics launches new software features and DrSmile expands footprint

Following the excellent feedback from customers about the recently introduced ClearPilot 1.0 software, the Group launched Collaborator, a new feature within the ClearCorrect digital customer portal. It enhances collaboration on clear aligner patient cases by enabling clinicians to share individual cases with staff, other clinicians, and treatment planning services. This makes it possible to exchange expertise and get advice with the aim of improving treatment outcomes and practice efficiency.

DrSmile, a leading provider of doctor-led direct-to-consumer clear aligner treatment solutions in Europe, further built its network of partner practices in Austria and Germany and expanded to France, Italy and Switzerland. Initial steps to expand to Poland and Sweden were taken in the first quarter of 2021.

Digital solutions maintaining momentum and agreement with Deltamed expanded

The strong growth performance of the digital solutions portfolio was driven by the CAD/CAM segment, the biggest part of this business. The intraoral scanner portfolio was the second largest contributor.

After successfully growing its 3D printing resin business in 2020, Straumann Group further expanded its global resin portfolio. In addition to the market introduction of its challenger brand COSMOS resins, the Group is continuing its best-in-class approach for high-end medical applications in 3D printing by signing a three-year agreement with Deltamed. The agreement mainly covers the development and supply of resins for Straumann's 3D printing workflows in its digital business unit. The development of new materials for further dental applications is another important focus of the partnership.

Building the first China Campus to strengthen the Group's presence

The Group signed an investment agreement with the Shanghai Xin Zhuang Industrial Park (SHXIP) to establish its first Campus in China. It will include a manufacturing, education and innovation center at one site. With an investment of up to CHF 170 million (1.2 billion Chinese yuan) by 2029, the China Campus will provide various educational programs, as well as products from the Group's implant and orthodontics portfolio for China. This will cater to rapidly growing demand for dental solutions among Chinese dentists and patients.

AGM approves all proposals including stable dividend

At the recent AGM, the shareholders of Straumann Holding AG approved all of the Board's proposals. This includes the 2020 cash dividend of CHF 5.75 per share (2019: CHF 5.75), which was paid on April 15, 2021.

OUTLOOK 2021 RAISED (BARRING UNFORESEEN CIRCUMSTANCES)

Dental practices were operating during the first quarter of 2021 and all treatments remained possible in most places. The Group observes consumer demand focusing on specialty dental treatments. The market is experiencing a temporary tailwind from the pandemic because consumers are prioritizing spending on oral health. With mass vaccination underway, the Group expects this tailwind to become softer in the second half of the year. The Group believes the business fundamentals remain in place.

The Group raised its guidance to project organic revenue growth in the mid-to-high twenties percentage range and expects an improvement in profitability (core EBIT margin) compared to 2020. The reasons for this change in guidance include consumers focusing their spending on oral health, as shown by the continued strong growth in the first quarter of 2021. The outlook also reflects the Group's continuous investment in future growth opportunities, its strong innovation pipeline and the talented Straumann Group team that demonstrates its passion, resilience and ability to outperform the market every day.

About Straumann

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, biomaterials and digital solutions for use in tooth replacement and restoration or to prevent tooth loss.

Headquartered in Basel, Switzerland, the Group currently employs more than 7700 people worldwide and its products, solutions and services are available in more than 100 countries through a broad network of distribution subsidiaries and partners.

Straumann Holding AG, Peter Merian-Weg 12, 4002 Basel, Switzerland

Phone: +41 (0)61 965 11 11

Homepage: www.straumann-group.com

Contacts:

Corporate Communication

Silvia Dobry: +41 (0)61 965 15 62

Jana Erdmann: +41 (0)61 965 12 39

E-mail: corporate.communication@straumann.com

Investor Relations

Marcel Kellerhals: +41 (0)61 965 17 51

E-mail: investor.relations@straumann.com

ANALYSTS' AND MEDIA CONFERENCE CALL

Straumann will present its 2021 first-quarter results to representatives of the financial community and media in a webcast telephone conference call today at 10.30 a.m. Swiss time.

The webcast can be accessed via www.straumann-group.com/webcast. A replay of the webcast will be available after the conference.

If you intend to ask a question during the Q&A, we kindly ask you to pre-register for the conference call through this link "[Conference call](#)". We also recommend that you download the presentation file in advance using the direct link in this media release before joining the conference call.

Presentation

The conference presentation slides are attached to this release and available on the Media and Investors pages at www.straumann-group.com.

UPCOMING CORPORATE / INVESTOR EVENTS

Date	Event	Location
2021		
May 11	Roadshow Exane BNPP, Benelux	Benelux (virtual)
May 27	Roadshow Kepler Cheuvreux, Nordics	Nordics (virtual)
June 02	Stifel Virtual Jaws & Paws Conference	USA (virtual)
June 03	Stifel Virtual Swiss Equity Conference	Switzerland (virtual)
June 10	Exane BNPP European CEO Conference	France (virtual)
June 17	dbAccess Berlin Conference 2021	Germany (virtual)
June 29	UBS Bus Tour 2021	Switzerland (tbc)
August 12	First-half 2021 results conference	Basel (tbd.)
October 28	Third-quarter results	Webcast

Disclaimer

This release contains certain forward-looking statements that reflect the current views of management. Such statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Straumann Group to differ materially from those expressed or implied in this release. The Group is providing the information in this release as of this date and does not undertake any obligation to update any statements contained in it as a result of new information, future events or otherwise.

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