

Ad hoc announcement pursuant to Art. 53 LR
2022 third-quarter report – Media Release

Straumann Group reports 12% organic revenue growth in the third quarter of 2022

- Third-quarter revenue amounts to CHF 551 million, an increase of 12%, bringing revenue in the first nine months of 2022 to CHF 1.7 billion
- All regions performing well with LATAM leading organic growth with 21%
- Roxolid SLActive study highlights preclinical premium implant outcome
- ClearCorrect received regulatory approval in China
- Investment in SmileCloud, a smile design and collaboration platform
- Full-year 2022 outlook raised to organic revenue growth expected in the mid-teens percentage range and profitability at around 26% including significant growth investments

REVENUE BY REGION

(in CHF million)	Q3 2022	Q3 2021	9M 2022	9M 2021
Europe, Middle East & Africa (EMEA)	218.5	204.2	744.8	647.8
Change in CHF in %	7.0	37.8	15.0	55.7
Change in local currencies in %	18.5	38.3	24.3	55.8
Change organic ¹ in %	15.1	32.1	23.1	48.1
% of Group total	39.7	41.1	43.1	43.7
North America	170.2	149.1	512.4	439.4
Change in CHF in %	14.2	26.2	16.6	45.8
Change in local currencies in %	9.1	27.2	12.3	51.2
Change organic ¹ in %	9.1	27.2	12.3	51.2
% of Group total	30.9	30.0	29.6	29.7
Asia Pacific	113.8	105.0	337.7	300.1
Change in CHF in %	8.4	31.4	12.5	52.7
Change in local currencies in %	12.9	28.5	14.6	51.7
Change organic ¹ in %	8.6	28.5	10.7	51.7
% of Group total	20.7	21.2	19.5	20.3
Latin America	47.9	38.0	134.0	94.5
Change in CHF in %	25.9	57.5	41.8	53.5
Change in local currencies in %	20.9	62.5	34.8	69.9
Change organic ¹ in %	20.9	62.5	34.8	69.9
% of Group total	8.7	7.7	7.7	6.4
Group	550.5	496.3	1728.8	1481.8
Change in CHF in %	10.9	34.0	16.7	51.9
Change in local currencies in %	14.5	34.1	19.2	54.4
Change organic ¹ in %	12.2	31.6	18.0	51.0

¹ Excluding the effects of currencies and acquisitions.

Basel, November 2, 2022: Straumann Group achieved revenue of CHF 551 million in the third quarter of 2022 which is traditionally softer than the first two quarters due to the summer vacations in many northern hemisphere countries. This leads to a revenue of CHF 1.7 billion or 18% organic revenue growth in the first nine months of the year. Revenue growth by quarter in 2022 continued to be strong, leveling off at strong and solid growth rates compared to same quarters in 2021, which were supported by the COVID-19 recovery momentum. The demand from patients remains good, enabling the Group to continue its growth from the first half through the third quarter, with the largest contributions to growth coming from the Europe, Middle East and Africa region (+15%), North America (+9%) and Asia Pacific (+9%). Latin-America remained the fastest growing region with organic growth of 21%. The negative currency effect in the first half continued in the third quarter due to unfavorable exchange rates.

Guillaume Daniellot, Chief Executive Officer, commented: “Together with our customers, partners and our team, we were able to deliver a very good quarter despite the ongoing macro-economic uncertainties. We launched our new solutions, were able to demonstrate strong preclinical evidence to highlight the quality of our premium offering and kept working on enhancing our ClearCorrect solution which was also approved by the regulatory authority in China. Furthermore, we are constantly investing in the digital transformation of our customer solutions to improve the user experience for clinicians. Based on the continued patient demand for our solutions, we raise our expectations for full-year organic revenue growth to the mid-teens percentage range and profitability at around 26% including significant growth investments.”

STRATEGIC PROGRESS IN THE THIRD QUARTER

Roxolid SLActive study highlights preclinical premium implant outcome

Crestal bone formation is a crucial aspect for the esthetic and biological success of dental implants. In this controlled preclinical study, the effects of implant surface and implant geometry on crestal bone formation and osseointegration were investigated by Professor Shakeel Shahdad, et al. The study showed that osseointegration was significantly improved with SLActive at 8 weeks compared to another leading implant competitor. This is particularly important as the crestal bone formation is one of the key aspects to reduce the risk of peri-implantitis which is one of the major risks associated with implant treatment.

Group invests in SmileCloud, a smile design and collaboration platform

In September, Straumann Group entered into a partnership with SmileCloud, a digital smile design and collaboration platform developed by dentists for dental professionals. As part of the partnership, the Group will take a minority stake in SmileCloud enabling the company to further invest in its innovative technologies to improve the clinician and patient treatment journeys.

SmileCloud allows clinicians to design virtual mock-up smiles for patients with the help of a 3D biometric library using AI technology to support the best possible treatment outcome for patients. SmileCloud will enable collaborations amongst dental professionals and will give them the opportunity to improve interaction with patients by discussing their future smile design.

The application will be made available to Straumann customers through the Group's "Straumann AXS" digital platform in the coming quarters for implantology as well for orthodontics in the future.

ClearCorrect: new software release and geographical expansion

In October, ClearPilot 5.0 software was released with additional functionalities to support the orthodontist specialists achieve the best possible treatment outcome for the patient. For more detailed treatment planning, ClearPilot's Insightful Analysis tool now includes the Bolton Analysis - a scientifically-based medical procedure for determining discrepancies between the upper and lower jaws which helps with treatment planning to ensure the best possible occlusal outcome. The tool also includes Collision management which helps to determine if there is enough space between the teeth to allow for the movement as well as an improved predictability functionality of tooth movements.

ClearCorrect established a manufacturing site in Beijing and received the regulatory approval for China in August – an important next step in the geographical expansion of the orthodontics business.

Dr Smile becomes the Group's direct-to-consumer marketing aligner brand in Europe

Following the successful completion of the PlusDental acquisition and the review of the future brand strategy, the Group concluded it will run its direct-to-consumer clear aligner business in Europe exclusively under the Dr Smile brand. As a result, the Group combined its capabilities in several areas, particularly medical expertise in the orthodontics space, to ensure high quality care can be offered to health consumers. A clinical advisory board has been established to add outside expertise as the brand continues to grow.

REGIONAL PERFORMANCE IN THE THIRD QUARTER

Europe, Middle East and Africa region – strongest revenue contributor

The EMEA region reported revenue growth of CHF 219 million or 15% in the third quarter compared to the same quarter in 2021. The largest revenue contributor was Germany, followed by strong organic growth in Turkey and Eastern Europe which includes Hungary, Czech Republic and Romania. Premium and challenger implant sales remained high, and the digital business was successful, mainly driven by intraoral scanners. This was supported by the fast-growing Dental Service Organization business in the region. The Dr Smile brand grew strongly, while the ClearCorrect orthodontics business contributed to regional growth.

North America showed solid growth, launching the new practice management software

In the third quarter, the North America region reported revenue of CHF 170 million demonstrating a solid 9% growth. The implant business continues to be the main growth driver, led by the Straumann and Neodent brands, as well as the digital solutions business which grew strongly with intraoral scanners. In the third quarter, Straumann Group successfully launched CareStack, a cloud-based practice management software which offers clinicians a seamless, end-to-end treatment management experience.

Macro-economic developments in the region continued to influence patient demand for aligners, although the effects had a lower impact than in the second quarter.

Asia Pacific region continues to grow and Chinese authorities approved ClearCorrect

The Asia Pacific region achieved revenue in the third quarter of CHF 114 million or 9% organic revenue growth compared to the same period in 2021. Australia, Taiwan and Japan strongly contributed to regional growth and largely offset the slower growth in China due to a tender system the government plans to implement as part of the effort to make healthcare more affordable and the ongoing pandemic lockdowns. Digital Solutions and implantology, premium as well as challenger, are successfully contributing to regional growth. ClearCorrect received regulatory approval in China and a new subsidiary opened in Vietnam which marked the main highlights of the third quarter.

Latin America is leading organic growth across all regions

In the third quarter of 2022, the business in Latin America grew to CHF 48 million, up by 21% on the base quarter in 2021. Brazil remains the biggest revenue contributor in Latin America, with robust demand, notably for its leading implantology brand Neodent. In addition to Brazil, Mexico, Colombia and Peru showed good growth. As a highlight, the new Neodent ZI implant was launched in Brazil and the Virtuo Vivo intraoral scanner remains the largest growth contributor to Digital Solutions. In addition, the orthodontics business is contributing well to the regional performance, expanding to Mexico, Colombia and Chile.

OUTLOOK 2022 RAISED (BARRING UNFORESEEN CIRCUMSTANCES)

Straumann Group will seek to anticipate and mitigate any potential disruptions as well as geopolitical developments. Based on the continued patient demand for the Group's solutions and the confidence in its high-performing team, the Group raises the full-year guidance for organic revenue growth to be in the mid-teens percentage range and profitability at around 26% including significant growth investments.

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

Headquartered in Basel, Switzerland, the Group currently employs more than 10'000 people worldwide. Its products, solutions and services are available in more than 100 countries through a broad network of distribution subsidiaries and partners.

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ANALYSTS' AND MEDIA CONFERENCE CALL

Straumann will present its 2022 third-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

2022	Event	Location
4 November	Zürcher Kantonalbank Swiss Equity Conference	Zurich
8 – 10 November	J.P. Morgan Roadshow	Chicago, Toronto, Montreal
16 November	Credit Suisse Equity Forum Switzerland	Zurich
8 December	Mirabaud Roadshow	Geneva
2023	Event	Location
21 February	Full-year results	Webcast

Disclaimer

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