

Ad hoc announcement pursuant to Art. 53 LR
2022 Full-year Report – Media Release

Straumann Group grew 15.7% organically in 2022

- Full-year revenue climbs organically by 15.7% and reaches CHF 2.3 billion
- Fourth quarter revenue reached CHF 592 million with organic growth of 9.6%
- Core EBIT margin of 26% while core net profit rose to CHF 482 million
- Engagement score of 81 and target to achieve net zero carbon emissions by 2040
- Board proposes further dividend increase to CHF 0.80
- Outlook 2023: Organic revenue growth is expected in the high single-digit percentage range and profitability at around 25% including growth investments

in CHF million / margin changes rounded	FY 2022		FY 2021	
	IFRS	CORE ¹	IFRS	CORE ¹
Revenue	2 321	2 321	2 022	2 022
Change CHF		14.8%		41.8%
Change w/out FX		17.3%		43.8%
Change organic		15.7%		41.7%
Gross profit	1 754	1 756	1 540	1 540
Margin	75.6%	75.7%	76.2%	76.2%
Margin change CHF		(50bps)		330bps
Margin change w/out FX		10bps		360bps
EBITDA	702	712	652	652
Margin	30.2%	30.7%	32.3%	32.3%
Margin change CHF		(160bps)		280bps
Margin change w/out FX		(90bps)		310bps
EBIT	535	603	543	553
Margin	23.1%	26.0%	26.8%	27.4%
Margin change CHF		(140bps)		400bps
Margin change w/out FX		(60bps)		440bps
Net result	435	482	399	456
Margin	18.7%	20.8%	19.7%	22.6%
Margin change CHF		(180bps)		420bps
Basic EPS (in CHF)²	2.73	3.03	2.49	2.85
Dividend (in CHF)²	0.80		0.68	
Free cash flow	221		441	
Margin	9.5%		21.8%	
Headcount (end of December)	10 478		9054	

¹ To facilitate a like-for-like comparison of underlying business performance, the Group presents 'core' results in addition to the results reported under IFRS. A detailed explanation and reconciliation is provided on p. 179 ff. of the Annual Report.

² Prior year figures have been adjusted due to the share split in 2022

Basel, February 21, 2023 – Straumann Group posted organic full-year revenue growth of 15.7% or CHF 2.3 billion. The Group advanced significantly in all strategic areas led by innovation in the core businesses, implantology and orthodontics, as well as by geographic expansion. Further investments in new areas were made to become a leading digitally-powered oral care company by entering a new partnership with SmileCloud, initiating the new Straumann AXS customer platform and expanding the Group's value proposition through CareStack. In 2022, the strategic priority to "Build a consumer presence" was further developed by strengthening the DrSmile brand and acquiring PlusDental and Nihon Implant. This led to a market share gain for the Group.

In the fourth quarter of 2022, revenue increased by 9.6% to CHF 592 million, making it the Group's strongest quarter in absolute figures.

Guillaume Daniellot, Chief Executive Officer, said: "2022 was a year of many uncertainties but with our strong teams and innovative solutions, the Group was able to deliver a strong performance. We made great progress on all strategic dimensions, were able to generate double-digit organic growth and impacted 4.4 million smiles globally, improving access to treatment. Continuously working on our culture, we achieved an employee engagement score of 81 in 2022 and set a target to achieve net zero emissions by 2040. While some macroeconomic challenges may persist in 2023, we remain positive and will continue to invest in our growth and transformation. Therefore, in 2023 we expect organic revenue growth to be in the high single-digit percentage range and profitability at around 25% including growth investments."

STRATEGIC HIGHLIGHTS

Implantology and digital solutions with a strong year and important milestones

In 2022, the Group continued to invest in immediacy and edentulous solutions. This included expanding Straumann BLX and TLX in the premium segment into new countries, further positioning Smile in a Box and launching Anthogyr Axiom X3 and Neodent Zi in the challenger segment. The Neodent Zi ceramic implant strengthens our position in the growing esthetics segment and presents a viable alternative to titanium.

Throughout 2022, the Group gained market share through new customer acquisitions with both premium and challenger brands by expanding geographically. The Group estimates that its market share in implantology increased from approximately 29% in 2021 to around 30% in 2022.

Built a strong foundation to become a leading digitally-powered oral care company

The Group is constantly advancing its digital transformation with the aim to improve the user experience and become a leading digitally-powered oral care company. This includes hardware, software and connectivity solutions. One of the highlights was the launch of Straumann AXS in North America – a new online customer platform bringing all Group solutions under one roof. Additionally, the Group entered a partnership with SmileCloud, a digital smile design and collaboration platform developed by dentists for dental professionals. Another important milestone was the Virtuo Vivo software update which significantly increased the performance

and contributed to a successful relaunch of Straumann's intraoral scanner in 2022. The success of the relaunch also highlights the need for digital dentistry in all regions.

Strengthening our offering to become a leader in orthodontics has been a major focus

In 2022 ClearCorrect continued to expand geographically, received approval in China, built a manufacturing site and treatment planning team in Beijing, and enhanced its treatment planning capabilities globally. A series of new software have been launched to improve clinical features, helping clinicians treat more complex cases and have more control over their treatment plans.

ClearCorrect launched three major versions of the ClearPilot treatment software and introduced Collaborator 3.0 and Clinical Preferences in the Doctor Portal, making it easier for doctors to collaborate on cases. Additionally, ClearCorrect introduced new clinical features, such as anterior bite ramps and cutouts for elastics, providing clinicians with greater control over their cases. To further build medical expertise in orthodontics, the Group established a global clinical advisory board in 2022 and started to release a series of new scientific studies demonstrating the benefits of our aligner material and design.

In addition, ClearCorrect partnered with major intraoral scanner players to develop new direct integrations with scanners such as 3Shape TRIOS, Medit, and Virtuo Vivo. These releases were important steps toward addressing dentists' and orthodontists' needs for efficiency in their daily work.

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

In 2022, DrSmile gained further market share in Europe and acquired PlusDental. The Group decided to build its consumer presence for the clear aligner business in Europe exclusively under the DrSmile 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. The new clinical advisory board will add outside expertise as the brand continues to grow.

Strong culture and major progress in advancing the Group's sustainability framework

The Group continued to work on its culture, achieving an employee engagement score of 81. In the survey, 76% of employees said they have good opportunities to learn and grow. In 2022, 39% of leadership positions were held by females. The Group helped to create 4.4 million smiles and maintained 35% of its educational activities in low- and middle-income countries. The Group increased the usage of renewable electricity to 80% and set the goal to achieve net zero emissions by 2040.

Significantly higher investments in growth with CHF 195 million

To support future growth, the Group invests in building capacities for the core business and its transformation. This year the site in Villeret, Switzerland expanded by doubling the floor space, increasing capacity and making room for future growth. In Curitiba, additional CNC machine lines were added for implant production, clear aligner production was expanded, and a new resin production line was established. Ongoing expansion projects such as the China

Campus and the Group Technology and Innovation Center in Arlesheim, Switzerland are progressing well.

Additionally, the Group invested in further training its employees and hiring new people who also bring skills that are important for supporting growth and contributing to its digital transformation. The Group's global workforce increased to more than 10 400 employees.

REGIONAL PERFORMANCES IN THE FOURTH QUARTER

EMEA region passes one billion Swiss Franc mark

Europe, Middle East and Africa delivered revenue of CHF 271.7 million, with organic growth of 13.7%. Germany, France and Spain were the leading markets, while emerging markets strongly contributed to growth. The orthodontics business showed good growth throughout 2022. With the relaunch of Virtuo Vivo, the Straumann intraoral scanner business grew rapidly. In addition, the Group's DSO business in this region picked up momentum in 2022.

North America region shows solid growth

North America grew 9.4% organically in revenue in the fourth quarter, with CHF 172.1 million. The performance was driven by premium implantology, the Neodent challenger brand which grew very strongly and supported by the clear aligner business. Digital solutions delivered the highest revenue growth in the fourth quarter.

Asia Pacific continued geographical expansion while facing headwinds in China

Asia Pacific posted CHF 102.8 million in revenue, which represents a decline of 2.9% in organic growth in the fourth quarter. For the first time, the Asia Pacific region registers a negative trend due to China. This was two-fold as on the one hand, Covid-19 had a strong impact in China, especially in the fourth quarter and on the other hand the volume based procurement (VPB) process in China delayed treatments. In the first two weeks of 2023, the VBP has been finalized and the Group's submission was accepted. All other countries in Asia Pacific grew significantly, in particular, Australia and New Zealand were the region's biggest growth drivers.

Latin America records double-digit growth in a difficult environment

Latin America (LATAM) was the fastest-growing region, with organic growth of 18.9%, accounting for CHF 45.3 million in revenues. Brazil remains the biggest market in LATAM and had strong growth, though other territories in the region grew faster. Neodent continues with its strong presence in LATAM together with the clear aligner brand ClearCorrect, where increased levels of brand recognition are driving customer acquisition. The Virtuo Vivo intraoral scanner shows strong growth in Brazil and other LATAM countries.

REVENUE BY REGION	Q4 2022	Q4 2021	FY 2022	FY 2021
in CHF million				
Europe, Middle East & Africa (EMEA)	271.7	244.1	1 016.5	891.9
Change CHF	11.3%	22.7%	14.0%	45.1%
Change w/out FX	17.1%	25.8%	22.3%	46.2%
Change organic	13.7%	25.8%	20.5%	41.3%
% of Group total	45.9	45.2	43.8	44.1
North America	172.1	151.3	684.5	590.8
Change CHF	13.7%	15.9%	15.9%	36.7%
Change w/out FX	9.4%	15.1%	11.6%	40.0%
Change organic	9.4%	15.1%	11.6%	40.0%
% of Group total	29.1	28.0	29.5	29.2
Asia Pacific	102.8	108.8	440.5	408.8
Change CHF	(5.5%)	18.1%	7.7%	41.7%
Change w/out FX	1.1%	17.0%	11.1%	40.6%
Change organic	(2.9%)	17.0%	7.2%	40.6%
% of Group total	17.4	20.1	19.0	20.2
Latin America	45.3	35.9	179.3	130.4
Change CHF	26.2%	24.8%	37.5%	44.4%
Change w/out FX	18.9%	30.3%	30.4%	56.8%
Change organic	18.9%	30.3%	30.4%	56.8%
% of Group total	7.7	6.7	7.7	6.5
GROUP	592.0	540.1	2 320.8	2 021.9
Change CHF	9.6%	19.9%	14.8%	41.8%
Change w/out FX	11.9%	21.1%	17.3%	43.8%
Change organic	9.6%	21.1%	15.7%	41.7%

OPERATIONS AND FINANCES

To facilitate a like-for-like comparison, the Group presents 'core' results in addition to the results reported under IFRS. In 2022, the following effects (after tax) were defined as non-core items:

- Amortization of acquisition-related intangible assets amounting to CHF 38 million (mainly related to the accelerated amortization of the PlusDental brand)
- The accelerated amortization of the PlusDental brand as well as the restructuring costs amount to CHF 9 million and were triggered by the Group's brand conclusion to run its direct-to-consumer clear aligner marketing business in Europe exclusively under the DrSmile brand

A reconciliation table and detailed information are provided on page 179ff. of the Group's Annual Report.

Core gross profit stable at 76% despite raw material cost surge

Continued strong volume growth in all businesses allowed core gross profit to increase by CHF 216 million to CHF 1.76 billion. High utilization rates in our production facility combined with continued efficiency improvements to minimize cost increases resulted in a stable core gross profit margin of 76% with only a slight decrease of 50 basis points versus the prior year.

Core EBIT margin at 26%

Core EBIT increased by CHF 49 million to CHF 603 million driven by the topline growth and despite investments in expansion and the return of normal levels of promotion and travel activities after the second quarter. Core EBIT margin reached 26.0% which is 140 basis points lower than in 2021 which was lifted by a low activity level during the pandemic.

The Group's investments in growth and its geographic expansion led to an increase of core distribution expenses (salesforce salaries, commissions and logistics costs) by CHF 57 million to CHF 433 million. Despite these considerable investments, distribution costs remained almost unchanged with a slight increase of 5 basis points relative to sales.

Core administrative expenses, which include research and development as well as marketing, sales and general overhead costs, increased by CHF 109 million to CHF 725 million. This was mainly due to new product launches, the geographical expansion of brands and the integration of acquisitions. As a percentage of revenue, administrative expenses increased by 76 basis points.

Core net profit margin at 21%

Net financial expenses amounted to CHF 30 million, reflecting interest on lease liabilities and payments as well as currency-related losses. After income taxes of CHF 84 million, net profit increased by 6% to CHF 482 million, resulting in a margin of 21%. Basic core earnings per share increased by 6% to CHF 3.03.

Free cash flow at CHF 221 million

Cash flow from operations amounted to CHF 415 million which is 145 million lower than in 2021, mainly driven by a negative change in net working capital of CHF 191 million. Days of sales outstanding increased to 63 while days of supplies increased to 191.

The Group's production expansion, acquisition initiatives and strategic digital transformation activities, total cash outflow for investing activities amounted to CHF 435 million, almost one and a half times higher than in 2021, mainly driven by the acquisition of PlusDental and operational expansions. Despite the significant investment levels, the cash position on 31 December 2022 remained strong at CHF 696 million, which exceeds the Group's interest-bearing liabilities by CHF 208 million (2021: CHF 376 million). The Group's balance sheet amounted to CHF 3.4 billion versus CHF 3.0 billion at the end of 2021.

Proposal to the Annual General Meeting to increase dividend and elect new board member

Based on the 2022 results, the Board of Directors proposes a dividend of CHF 0.80 per share which is subject to shareholder approval and payable on April 13, 2023. In 2022, the Group undertook a share split, followed by a 40% shareholder increase, providing a wider population the opportunity to become shareholders of Straumann Group.

As announced in August, Dr. Beat Luethi has decided not to stand for re-election and the Board of Directors has proposed the election of Olivier Filliol as a new Board member at the Annual General Meeting of the shareholders on 5 April 2023.

OUTLOOK 2023 (BARRING UNFORESEEN CIRCUMSTANCES)

With an estimated globally addressable market of CHF 19 billion, the Group remains confident that it will continue to gain market share and progress in all strategic priorities. While some macroeconomic challenges may persist in 2023, and apart from the impact of the Chinese volume-based-procurement process which will require a year of transition and readjustment to the new industry dynamics, the Group will continue to invest in its growth and transformation. Therefore we expect organic revenue growth to be in the high single-digit percentage range and profitability at around 25% including 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 or 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 10'400 people worldwide. 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
Mario Previsic: +41 (0)61 965 17 47
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 2023 full-year 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

2023	Event	Location
22 - 24 February	Credit Suisse Europe Roadshow	Paris, London, Frankfurt
8 - 9 March	Stifel North America Roadshow	Boston, New York
15 March	IDS Investor Breakfast	Cologne
23 March	Kepler Cheuvreux Swiss Seminar	Zurich
5 April	Annual General Meeting	Basel
3 May	First-quarter Results Conference Call	

Disclaimer

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