Ad hoc announcement pursuant to Art. 53 LR
2023 half-year report – media release

Straumann Group reports strong second-quarter result

- Half-year revenue reached CHF 1.2 billion, growing 7.5% organically, achieving CHF 621 million or 11.7% in the second quarter
- Core EBIT margin at 26% in the first half year
- Acquisition of GalvoSurge, a manufacturer of medical devices for optimal cleaning of dental implants
- Yang Xu to join as Group CFO end of August
- Outlook 2023 confirmed: 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	H1 2023		H1 2022	
	IFRS	**CORE[1]**	**IFRS**	**CORE[1]**
Revenue	**1216.9**	**1216.9**	**1178.3**	**1178.3**
Change CHF		3.3%		19.6%
Change w/out FX		9.1%		21.6%
Change organic		7.5%		20.8%
Gross profit	**915.2**	**915.3**	**895.7**	**895.7**
Margin	75.2%	75.2%	76.0%	76.0%
Margin change CHF		(80bps)		(30bps)
Margin change w/out FX		20bps		20bps
EBITDA	**365.8**	**375.7**	**381.7**	**381.7**
Margin	30.1%	30.9%	32.4%	32.4%
Margin change CHF		(150bps)		(140bps)
Margin change w/out FX		20bps		(80bps)
EBIT	**296.6**	**316.7**	**323.9**	**329.1**
Margin	24.4%	26.0%	27.5%	27.9%
Margin change CHF		(190bps)		(90bps)
Margin change w/out FX		(10bps)		(30bps)
Net result	**206.0**	**228.7**	**265.3**	**269.0**
Margin	16.9%	18.8%	22.5%	22.8%
Margin change CHF		(400bps)		(20bps)
Basic EPS (in CHF)	**1.29**	**1.43**	**1.67**	**1.69**
Free cash flow	**112.1**		**78.1**	
Margin	9.2%		6.6%	
Headcount (end of June)	**10543**		**9883**	

[1] The 'core' figures in this document exclude purchase-price allocation (PPA) amortization, impairments, restructuring expenses, legal cases, consolidation result of former associates, and other non-recurring incidents. Details and a reconciliation of the reported and core income statement are provided on pages 11ff.

Basel, August 15, 2023: Straumann Group revenue reached CHF 1.2 billion in the first six months of 2023 with an organic growth rate of 7.5%. Overall patient flow remained favorable in the second quarter resulting in a strong organic growth rate of 11.7%.
All regions delivered very strong results, while the Asia Pacific region positively stood out due to the dynamic developments in China. The significant increase in volume compared to the previous second quarter was also due to the local COVID-19 lockdowns last year.

The implantology business kept its strong growth pace and digital solutions showed continued momentum, both contributed strongly to customer conversion.

Guillaume Daniellot, Chief Executive Officer, commented: “This excellent second quarter result reflects the exceptional efforts and dedication of our teams around the world to deliver on the high demand for our solutions. In addition, we made great progress in our strategic projects, particularly in the digital transformation programs and the innovation strategy through the acquisition of GalvoSurge. Despite isolated consumer weakness, we remain confident in reaching our full-year guidance.”

Revenue in Swiss francs was impacted by a negative currency development mainly related to the Euro, US Dollar, Chinese Renminbi, Turkish Lira, and Japanese Yen. Core EBIT margin reached 26%.

STRATEGIC PROGRESS SECOND QUARTER

Acquisition of GalvoSurge for optimal cleaning of dental implants

In June, the Group announced the acquisition of GalvoSurge, a Swiss manufacturer in the dental field. The company offers a medical device that helps to treat peri-implantitis and thus aims to protect patients from implant loss. The GalvoSurge dental implant cleaning system effectively treats patients with a wide range of implant systems. By removing the biofilm, the device is designed to support clinicians to treat peri-implantitis, without harming healthy soft and hard tissue.

ClearCorrect further enhances its ClearPilot software

In the second quarter, ClearCorrect further enhanced its ClearPilot software with new features to improve the user experience and streamline dental treatments.

ClearPilot enhanced the visualization and customization of bite ramps, allowing for precise adjustments. This improves esthetics, optimal patient comfort and the effectiveness of the ramps for successful treatment outcomes. The bite ramps feature is currently in the limited market release phase and a full market release is planned for the third quarter of 2023.

People announcements

Yang Xu will join the Group as Chief Financial Officer and Member of the Executive Management Board towards the end of August.

Rahma Samow, Head of Dental Service Organizations (DSO), has decided to leave the Group and join one of Straumann Group's main business partners. The hiring process for a new DSO Head is ongoing.

The Science Based Targets initiative (SBTi) approved the Group's net-zero targets

Within its sustainability framework, the Group has committed to care for the planet and society and set itself ambitious emissions reduction targets in line with climate science and a 1.5°C trajectory. The company's targets to reduce 42% of their scope 1 and 2 emissions and 25% of their scope 3 emissions by 2030 as well as reach net-zero emissions by 2040 have been independently assessed and approved by the SBTi.

REGIONAL PERFORMANCES IN THE SECOND QUARTER

The Europe, Middle East, and Africa (EMEA) region remains primary revenue driver

The EMEA region generated CHF 273 million revenue in the second quarter, achieving organic growth of 8.8% compared to the same quarter in 2022. With this, the region continues to be the primary revenue driver for the Group. Growth was primarily fueled by the strong performance of key markets such as Germany, Turkey, the United Kingdom, Italy and Eastern Europe. Both, the premium and challenger implantology solutions continued to lead revenue growth supported by the remarkable success of intraoral scanners. Furthermore, the orthodontics business grew considerably, strengthening its position in the EMEA region.

North America revenue growth driven by digital innovation

The North America region reported revenue of CHF 173 million showing a solid 7% organic growth in the second quarter to which both, the US and Canada contributed. The implantology business performed well, with Neodent delivering strong results in the second quarter. Additionally, the intraoral scanners showed a good performance and orthodontics improved its value proposition by enhancing its service level.

Asia Pacific region showing exceptionally high growth rate

In the second quarter of 2023, the Asia Pacific region achieved revenue of CHF 122 million or 23% organic revenue growth compared to the same period in 2022 which was impacted by COVID-19 lockdowns. In addition, patient flow and thus volumes in China were driven by the pent-up demand caused by the effect of COVID-19 in the first quarter and the volume-based procurement process dynamics which accelerated in the second quarter. Japan, Australia and India performed strongly. Digital solutions and implantology, premium as well as challenger, grew significantly compared to last year's second quarter.

Latin America delivers double-digit revenue growth for the ninth quarter in a row

The Latin American business achieved remarkable 20% organic revenue growth in the second quarter of this year, leading to CHF 53 million in revenue. Brazil remained the primary revenue contributor, showing strong demand for Neodent solutions. The region's market share expanded as it successfully attracted new customers through nationwide educational events. Chile and Argentina also demonstrated strong growth, contributing to the region's overall success. Digital solutions, particularly the Virtuo Vivo intraoral scanner, gained significant momentum in the market, further strengthening the company's position. Additionally, the orthodontics business had a positive impact on the region's performance.

REVENUE BY REGION in CHF million	Q2 2023	Q2 2022	H1 2023	H1 2022
Europe, Middle East & Africa (EMEA)	**272.6**	**259.0**	**559.1**	**526.2**
Change CHF	5.2%	12.9%	6.3%	18.6%
Change w/out FX	12.5%	21%	12.4%	26.8%
Change organic	8.8%	21%	9.0%	26.8%
% of Group total	43.9%	43.9%	45.9%	44.7%
North America	**173.2**	**172.1**	**355.2**	**342.2**
Change CHF	0.7%	13.0%	3.8%	17.9%
Change w/out FX	7.0%	8.0%	7.1%	14.0%
Change organic	7.0%	8.0%	7.1%	14.0%
% of Group total	27.9%	29.2%	29.2%	29.0%
Asia Pacific	**122.3**	**111.5**	**202.2**	**223.8**
Change CHF	9.6%	8.5%	(9.7%)	14.8%
Change w/out FX	23.1%	9.9%	(0.3%)	15.4%
Change organic	23.1%	5.9%	(0.8%)	11.8%
% of Group total	19.7%	18.9%	16.6%	19.0%
Latin America	**53.2**	**46.8**	**100.4**	**86.1**
Change CHF	13.7%	49.5%	16.6%	52.4%
Change w/out FX	20.1%	40.3%	20.1%	44.0%
Change organic	20.1%	40.3%	20.1%	44.0%
% of Group total	8.6%	7.9%	8.2%	7.3%
GROUP	**621.3**	**589.4**	**1216.9**	**1178.3**
Change CHF	5.4%	14.3%	3.3%	19.6%
Change w/out FX	13.4%	16.0%	9.1%	21.6%
Change organic	11.7%	15.1%	7.5%	20.8%

OPERATIONS AND FINANCES

To facilitate a like-for-like comparison, the Group presents core results in addition to the results reported under IFRS. In the first six months of 2023, the following effects (after tax) were defined as non-core items:

- The amortization of acquisition-related intangible assets amounting to CHF 3 million.
- Restructuring costs in the APAC and LATAM regions of CHF 19 million.

A reconciliation table and detailed information are provided on pages 11 ff. of this media release.

Gross profit margin remains at high level

In the first six months of 2023, the Group's strong topline growth led to a core gross profit of CHF 915 million which is a CHF 20 million increase in absolute terms. The corresponding margin of 75.2% remains high despite the changing portfolio mix and a decrease of 100 basis points due to a negative currency effect compared to 2022. Adjusted for currency effects, the Group was able to increase the margin by 20 basis points.

Core EBIT margin at 26%

Reflecting on the EBIT margin, the first half of the year is typically higher than the second. Compared to last year's result, EBIT decreased by CHF 12 million amounting to CHF 317 million. The core EBIT margin reached 26% which is 190 basis points below the same period in the prior year and in line with our expectations. Currency fluctuations, driven by the weakening of the Euro, the US Dollar, the Chinese Renminbi and Turkish Lira, had a negative impact of 180 basis points on the core EBIT margin.

Core distribution expenses rose by CHF 5 million to CHF 215 million in 2023. This includes direct sales-force expenses and logistics costs. Core administrative expenses increased by CHF 29 million to CHF 388 million. This includes research, development, general overhead and marketing costs, especially from the direct-to-consumer business.

Core net profit reaches CHF 229 million

Core net financial expenses increased by CHF 30 million to CHF 36 million. This primarily reflects unrealized negative currency valuation impacts, mainly in emerging markets. Higher interest rates led to extended currency hedging costs and adjustments in earn-outs while the interest income on cash balances slightly increased. Income taxes amounted to CHF 47 million, resulting in an income tax rate of 17%. Core net profit reached CHF 229 million, resulting in a margin of 19%. Core basic earnings per share decreased from CHF 1.69 to CHF 1.43.

Free cash flow increased by CHF 34 million

Free cash flow generation at CHF 112 million, CHF 34 million higher compared to the same period of 2022, mainly driven by slower ramp-up of net working capital.
Capital expenditure in the first six months remained at a high level with CHF 86 million spent, demonstrating the Group's commitment in production expansion initiatives.

The cash position on 30 June 2023 remained strong, at CHF 603 million.

OUTLOOK 2023 (BARRING UNFORESEEN CIRCUMSTANCES)

Despite isolated consumer weakness, the patient flow seen in the first half of the year is expected to remain at a dynamic level in most geographies.
Thanks to the differentiated value proposition within our strategic segments, combined with a strong quality of execution from all our team members worldwide, the Group remains confident that it will continue to gain market share within its estimated globally addressable market of CHF 19 billion. In the meantime, we will continue to invest in growth and transformation to keep our competitive edge in the coming future.

As a result, the Group confirms its full-year outlook and expects 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/partly owned companies and partners. In collaboration with leading clinics, institutes and universities, the Group researches, develops, manufactures and supplies dental implants, instruments, CADCAM 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 10'500 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 2023 second-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

2023	Event	Location
30-31 August	Deutsche Bank North America Roadshow	Virtual
8 September	UBS Best of Switzerland Conference	Wolfsberg, Switzerland
12-13 September	Kepler Cheuvreux European Roadshow	Zurich, Barcelona
19-20 September	Mirabaud Canada Roadshow	Toronto, Montreal
31 October	**Third-quarter results**	
1-2 November	ZKB Equity Conference	Zurich
9 November	J.P. Morgan European Healthcare CEO Call Series	Virtual
15 November	CS Equity Forum Switzerland	Zurich
4 December	Berenberg European Conference	London

Interim selected financial information

OPERATING PERFORMANCE

(in CHF million)	H1, 2023	H1, 2022
Revenue	1 216.9	1 178.3
Change in %	3.3	19.6
Gross profit	915.2	895.7
Margin in %	75.2	76.0
Operating result before depreciation and amortization (EBITDA)	365.8	381.7
Margin in %	30.1	32.4
Change in %	(4.2)	14.8
Operating result (EBIT)	296.6	323.9
Margin in %	24.4	27.5
Change in %	(8.4)	16.3
Net profit	206.0	265.3
Margin in %	16.9	22.5
Change in %	(22.3)	51.9
Basic earnings per share (in CHF)	1.29	1.67

FINANCIAL PERFORMANCE

(in CHF million)	H1, 2023	H1, 2022
Cash and cash equivalents	603.1	734.8
Net working capital (net of cash)	333.1	292.1
Net cash (net debt)	105.8	244.7
Inventories	359.8	296.4
Days of supplies	210	179
Trade receivables	483.0	379.1
Days of sales outstanding	70	58
Balance sheet total	3 425.2	3 186.7
Return on assets in % (ROA)	11.2	16.3
Equity	1 896.2	1 750.2
Equity ratio in %	55.4	54.9
Return on equity in % (ROE)	20.1	31.4
Capital employed	1 733.6	1 512.4
Return on capital employed in % (ROCE)	30.4	44.7
Cash from operating activities	196.6	165.4
in % of revenue	16.2	14.0
Investments	146.6	172.7
in % of revenue	11.9	14.7
thereof capital expenditures	86.4	88.0
thereof business combination related	31.8	25.2
thereof contingent consideration related	21.7	3.1
thereof associates related	6.6	56.3
Free cash flow	112.1	78.1
in % of revenue	9.2	6.6
Dividend	127.4	107.4

Alternative Performance Measures

The financial information in this first-half report includes certain Alternative Performance Measures (APMs), which are not accounting measures defined by IFRS.

CORE FINANCIAL MEASURES are non-IFRS financial measures because they cannot be derived directly from Group consolidated financial statements. Management believes that these non-IFRS financial measures, when provided in combination with reported results, provide readers with helpful supplementary information to better understand the financial performance and position of the Group on a comparable basis from period to period. These non-IFRS financial measures are not a substitute for, or superior to, financial measures prepared in accordance with IFRS. Core financial measures are adjusted to exclude the following significant items:

- PPA amortization: Special items and amortization of intangible assets that result from the purchase price allocation (PPA) following acquisitions.
- Impairments: Impairment write-offs of financial or non-financial assets as a result of unusual or one-time events in legal or economic conditions, change in consumer demand, or damage that impacts the asset.
- Restructuring: One-off costs resulting from major restructuring exercises. The amount disclosed in H1 2023 represents restructuring costs incurred in LATAM and APAC sales regions.
- Legal cases: Non-recurring and significant litigation charges. Expenses related to legal disputes in the course of the Group's ordinary business activities are not adjusted.
- Pension plan: One time settlements, plan amendment gains or losses stemming from pension accounting.
- Consolidation result of former associates: Revaluation gains and losses as a result of obtaining control over former associates.
- Other: Non-recurring, unusual and infrequent incidents that cannot be allocated to any of the preceding categories.

A reconciliation of IFRS to Core measures is disclosed in the table at the end of this section.

Further, the Group discloses VARIOUS KEY PERFORMANCE INDICATORS (KPI). Unless otherwise stated, the following KPIs are based on IFRS figures, as disclosed in the consolidated financial statements:

ORGANIC REVENUE GROWTH
Revenue growth excluding the revenue contribution from business combinations (calculated by adding pre-acquisition revenues of the prior period to the existing revenue growth base) and currency effects.

REVENUE GROWTH IN LOCAL CURRENCIES
Revenue growth excluding currency effects. Those effects are calculated using a simulation by reconsolidating the prior period revenues with the current year foreign exchange translation rates.

NET CASH (NET DEBT)
Net debt is an indicator of the Group's ability to meet financial commitments, to pay dividends and to undertake acquisitions. The KPI is calculated by subtracting financial liabilities (excluding lease liabilities) and retirement benefit obligations from cash and cash equivalents.

NET WORKING CAPITAL (NET OF CASH)
Working capital is capital invested in the Group's operating activities. It is a driver for cash flow and an indicator of operational efficiency. Net working capital combines the subtotals of current assets and current liabilities, excluding the lines cash and cash equivalents, current financial assets and current financial liabilities.

DAYS OF SUPPLIES (DOS)
The days of supplies indicate the average time in days that the Group takes to turn its inventory. The numerator is the balance sheet position 'inventories' at the balance sheet date, and the denominator is the 'cost of goods sold' of the past three months, multiplied by 90 days.

DAYS OF SALES OUTSTANDING (DSO)
The days of sales outstanding indicate the average number of days the Group takes to collect its receivables. The numerator is the balance sheet position 'trade receivables' at the balance sheet date and the denominator is the 'net revenues' of the past three months, multiplied by 90 days.

RETURN ON ASSETS (ROA)
Return on assets expresses the earning power of the Group's assets. The numerator is the profit for the period of the past twelve months, and the denominator is the average balance sheet total for the same period.

EQUITY RATIO
The equity ratio is calculated by dividing total equity by total assets.

RETURN ON EQUITY (ROE)
Return on equity compares profitability of the Group in relation to the equity invested. The numerator is the profit for the period of the past twelve months, and the denominator is the average equity for the same period.

CAPITAL EMPLOYED
Capital employed equals current assets, property, plant and equipment, right-of-use assets, intangible assets minus cash and cash equivalents and non-interest-bearing liabilities.

RETURN ON CAPITAL EMPLOYED (ROCE)
Return on capital employed expresses the earning power of the Group's invested capital. The numerator is the operating profit (EBIT) of the past twelve months, and the denominator is the average capital employed for the same period.

FREE CASH FLOW
Free cash flow represents the of the Group to conduct and maintain its operations, to finance dividend payments, to repay debt, and to undertake acquisitions. Free cash flow equals net cash from operating activities less purchase of property, plant and equipment, less purchase of intangible assets, plus net proceeds from sale of non-current assets.

CORE RESULTS RECONCILIATION H1, 2023

H1, 2023 (in CHF 1 000)	IFRS	PPA amortization	Restructuring	CORE
Revenue	1 216 888			1 216 888
Cost of goods sold	(301 699)	65	63	(301 572)
Gross profit	915 189	65	63	915 316
Other income	3 873			3 873
Distribution expense	(217 504)	2 642		(214 862)
Administrative expense	(404 974)	1 566	15 825	(387 583)
Operating profit	296 584	4 273	15 888	316 745
Finance income	40 388			40 388
Finance expense	(76 850)			(76 850)
Share of result of associates	(4 629)			(4 629)
Profit before income tax	255 493	4 273	15 888	275 654
Income tax expense	(49 474)	(1 123)	3 596	(47 002)
NET PROFIT	206 019	3 150	19 484	228 653
Attributable to:				
Shareholders of the parent company	205 776	3 102	19 484	228 361
Non-controlling interests	243	48		292
Basic earnings per share (in CHF)	1.29			1.43
Diluted earnings per share (in CHF)	1.29			1.43
Operating profit	296 584	4 273	15 888	316 745
Depreciation & amortization	69 265	(4 273)	(6 003)	58 989
EBITDA	365 849		9 885	375 734

CORE RESULTS RECONCILIATION H1, 2022

H1, 2022 (in CHF 1 000)	IFRS	PPA amortization	Restructuring	CORE
Revenue	1 178 339			1 178 339
Cost of goods sold	(282 677)	67		(282 609)
Gross profit	895 663	67		895 730
Other income	1 702			1 702
Distribution expense	(213 576)	3 469		(210 108)
Administrative expense	(359 893)	1 674		(358 219)
Operating profit	323 896	5 210		329 105
Finance income	61 039			61 039
Finance expense	(67 668)			(67 668)
Share of result of associates	(1 578)			(1 578)
Profit before income tax	315 689	5 210		320 898
Income tax	(50 423)	(1 444)		(51 867)
NET PROFIT	265 266	3 766		269 032
Attributable to:				
Shareholders of the parent company	265 403	3 713		269 116
Non-controlling interests	(137)	53		(84)
Basic earnings per share (in CHF)	1.67			1.69
Diluted earnings per share (in CHF)	1.66			1.69
Operating profit	323 896	5 210		329 105
Depreciation & amortization	57 826	(5 210)		52 616
EBITDA	381 721			381 721

Interim condensed consolidated statement of financial position

ASSETS

(in CHF 1 000)	30 Jun 2023	31 Dec 2022
Property, plant and equipment	482 212	448 463
Right-of-use assets	201 902	215 030
Intangible assets	815 940	777 950
Investments in associates	173 584	172 172
Financial assets	25 202	40 303
Other receivables	25 295	21 402
Deferred income tax assets	112 606	104 900
Total non-current assets	1 836 741	1 780 220
Inventories	359 819	321 172
Trade and other receivables	594 010	544 842
Financial assets	3 032	2 858
Income tax receivables	28 473	28 240
Cash and cash equivalents	603 125	696 103
Total current assets	1 588 459	1 593 215
TOTAL ASSETS	3 425 199	3 373 435

EQUITY AND LIABILITIES

(in CHF 1 000)	30 Jun 2023	31 Dec 2022
Share capital	1 595	1 595
Retained earnings and reserves	1 892 424	1 850 003
Total equity attributable to the shareholders of the parent company	1 894 018	1 851 598
Non-controlling interests	2 158	2 247
Total equity	1 896 176	1 853 845
Other liabilities	64 450	43 093
Income tax liabilities	13 587	13 756
Financial liabilities	399 851	403 117
Provisions	26 104	22 438
Retirement benefit obligations	20 705	12 386
Deferred income tax liabilities	48 284	52 696
Total non-current liabilities	572 981	547 486
Trade and other payables	568 276	574 107
Financial liabilities	306 839	307 198
Income tax liabilities	77 048	79 826
Provisions	3 879	10 973
Total current liabilities	956 043	972 104
Total liabilities	1 529 023	1 519 590
TOTAL EQUITY AND LIABILITIES	3 425 199	3 373 435

Interim condensed consolidated income statement

(in CHF 1 000)	H1, 2023	H1, 2022
Revenue	1 216 888	1178 339
Cost of goods sold	(301 699)	(282 677)
Gross profit	915 189	895 663
Other income	3 874	1 702
Distribution expense	(217 504)	(213 576)
Administrative expense	(404 974)	(359 893)
Operating profit	296 584	323 896
Finance income	40 388	61 039
Finance expense	(76 850)	(67 668)
Share of result of associates	(4 629)	(1 578)
Profit before income tax	255 493	315 689
Income tax	(49 474)	(50 423)
NET PROFIT	206 019	265 266
Attributable to:		
Shareholders of the parent company	205 776	265 403
Non-controlling interests	243	(137)
Basic earnings per share attributable to ordinary shareholders of the parent company (in CHF)	1.29	1.67
Diluted earnings per share attributable to ordinary shareholders of the parent company (in CHF)	1.29	1.66

Interim condensed consolidated statement of comprehensive income

(in CHF 1 000)	H1, 2023	H1, 2022
Net profit	206 019	265 266
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Net foreign exchange result on net investment loans	(841)	(7 970)
Share of other comprehensive income/(loss) of associates accounted for using the equity method	(16)	(4)
Exchange differences on translation of foreign operations	(14 229)	24 692
Income tax effect	121	39
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	(14 965)	16 758
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:		
Change in fair value of financial instruments designated through other comprehensive income	2 865	10 211
Remeasurements of retirement benefit obligations	(9 535)	58 570
Income tax effect	676	(6 450)
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	(5 994)	62 331
Other comprehensive income/(loss), net of tax	(20 959)	79 089
TOTAL COMPREHENSIVE INCOME/(LOSS), NET OF TAX	185 060	344 355
Attributable to:		
Shareholders of the parent company	184 854	345 089
Non-controlling interests	207	(734)

Interim condensed consolidated cash flow statement

(in CHF 1 000)	H1, 2023	H1, 2022
Net profit	206 019	265 266
Adjustments for:		
Income tax	49 474	50 423
Net interest result	6 434	7 801
Financial impairment result	8	0
Share of result of associates	4 629	1 578
Share-based payments expense	8 391	7 460
Other non-cash items	14 919	(4 425)
Depreciation and amortization	62 936	57 805
Impairment	6 329	54
Change in provisions, retirement benefit obligations and other liabilities	(3 212)	(1 221)
Change in long-term assets	(3 521)	(40)
Working capital adjustments:		
Change in inventories	(56 675)	(38 987)
Change in trade and other receivables	(61 433)	(107 292)
Change in trade and other payables	25 840	7 746
Interest paid on lease liabilities	(3 813)	(3 544)
Interest paid	(2 205)	(1 637)
Interest received	3 075	2 140
Income tax paid	(60 643)	(77 764)
Cash flows from operating activities	196 552	165 365

Interim condensed consolidated cash flow statement

(in CHF 1 000)	H1, 2023	H1, 2022
Purchase of financial assets	(61)	(1 476)
Proceeds from sale of financial assets	18 667	1 763
Purchase of property, plant and equipment	(69 896)	(69 909)
Purchase of intangible assets	(16 526)	(18 114)
Purchase of investments in associates	(6 647)	(56 338)
Disposal of investments associates	1 736	0
Acquisition of a business, net of cash acquired	(31 822)	(25 244)
Contingent consideration paid	(21 750)	(2 666)
Proceeds from loans	(124)	4 448
Disbursement of loans	3	(887)
Dividends received from associates	0	1 232
Net proceeds from sale of non-current assets	1 990	780
Cash flows from investing activities	(124 429)	(166 409)
Purchase of non-controlling interests	0	(13 955)
Repayment of non-current financial debts	(1 108)	(5 410)
Increase in non-current financial debts	8 728	0
Repayment of current financial debts	(8)	(106)
Dividends paid to the equity holders of the parent	(127 445)	(107 432)
Dividends paid to non-controlling interests	(198)	(292)
Payment of lease liabilities	(13 795)	(16 872)
Sale of treasury shares	0	8 956
Purchase of treasury shares	(25 655)	(3 065)
Cash flows from financing activities	(159 482)	(138 175)
Exchange rate differences on cash held	(5 619)	(6 402)
Net change in cash and cash equivalents	(92 979)	(145 622)
Cash and cash equivalents at 1 January	696 103	880 423
CASH AND CASH EQUIVALENTS AT 30 JUNE	603 125	734 801

Interim condensed consolidated statement of changes in equity

H1, 2023	Attributable to the shareholders of the parent company							
(in CHF 1 000)	Share capital	Share premium	Treasury shares	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2023	1 595	102 012	(11 080)	(464 107)	2 223 178	1 851 598	2 247	1 853 845
Net profit					205 776	205 776	243	206 019
Other comprehensive income/(loss)				(15 033)	(5 889)	(20 922)	(37)	(20 959)
Total comprehensive income/(loss)	0	0	0	(15 033)	199 887	184 854	207	185 060
Dividends to equity holders of the parent					(127 445)	(127 445)		(127 445)
Dividends to non-controlling interests						0	(198)	(198)
Share-based payment transactions					10 672	10 672		10 672
Purchase of treasury shares			(25 655)			(25 655)		(25 655)
Usage of treasury shares			22 807		(22 807)	0		0
Put options to non-controlling interests					(5)	(5)	(97)	(103)
AT 30 JUNE 2023	1 595	102 012	(13 929)	(479 140)	2 283 481	1 894 018	2 158	1 896 176

H1, 2022	Attributable to the shareholders of the parent company							
(in CHF 1 000)	Share capital	Share premium	Treasury shares	Translation reserves	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2022	1 592	70 567	(5 462)	(415 118)	1 843 821	1 495 400	5 048	1 500 448
Net profit					265 403	265 403	(137)	265 266
Other comprehensive income/(loss)				17 320	62 366	79 686	(597)	79 089
Total comprehensive income/(loss)	0	0	0	17 320	327 769	345 089	(734)	344 355
Issue of share capital	2	31 445			(31 447)	0		0
Dividends to equity holders of the parent					(107 432)	(107 432)		(107 432)
Dividends to non-controlling interests						0	(292)	(292)
Share-based payment transactions					7 535	7 535		7 535
Purchase of treasury shares			(3 065)			(3 065)		(3 065)
Usage of treasury shares			597		8 358	8 956		8 956
Put options to non-controlling interests					1 404	1 404	(1 672)	(268)
AT 30 JUNE 2022	1 594	102 012	(7 930)	(397 798)	2 050 008	1 747 887	2 350	1 750 237

Notes to the interim condensed consolidated financial statements

1 CORPORATE INFORMATION

Straumann Holding AG is a public company incorporated and domiciled in Switzerland, whose shares are publicly traded on the SIX Swiss Exchange. The unaudited interim condensed consolidated financial statements of the Straumann Group for the six months ending 30 June 2023 were authorized for issue in accordance with a resolution of the Board of Directors on 9 August 2023.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

BASIS OF PREPARATION
The interim condensed consolidated financial statements for the six months ending 30 June 2023 have been prepared in accordance with IAS 34 'Interim Financial Reporting'. They provide an update of previously reported information and should be read in conjunction with the Group's annual financial statements as at 31 December 2022. All values disclosed are rounded to the nearest thousand except where otherwise indicated.

The preparation of consolidated financial statements under IFRS requires Management to make estimates and assumptions that affect the reported amounts. Because of the inherent uncertainties, actual outcomes and results may differ from these estimates and assumptions.

CHANGES TO THE GROUP'S ACCOUNTING POLICIES
The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Following the Amendments to IAS 12 'Income Taxes', the Group has applied the exception to recognize and disclose information about deferred tax assets and liabilities related to "Pillar Two" income taxes.

3 DISAGGREGATED REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group derives revenue from contracts with customers in the geographical regions, disclosed in Note 4.

4 SEGMENT INFORMATION

Operating segments for reporting purposes are determined based on the Group's management approach. The external segment reporting aligns with the internal organizational and management structure used within the Group and the financial reporting to the Chief Operating Decision Maker (CODM), identified as the Executive Management Board (EMB). The EMB is responsible for the Group's operational management, following the guidance of the Board of Directors. Additionally, it oversees global strategy and stakeholder management.

The reporting segments are presented consistently with the internal reporting to the CODM. The centralized headquarter support functions (e.g., finance, information technology, human resources) and business units such as 'Customer Solutions & Education' and 'Research & Development' are not considered operating segments, as they do not generate separate revenues. Instead, these functions are grouped under the column 'Not allocated items.'

Starting from 1 January 2023, the Group implemented an organizational change to optimize its operations. As part of this strategic decision, the previous operating segments, namely 'Sales Central Eastern Europe, Middle East and Africa' (Sales CEEMEA) and 'Sales Western Europe' (Sales WE), were merged into a new unified operating segment called 'Sales Europe, Middle East and Africa' (Sales EMEA).

The change was reflected in the comparative information to ensure consistency and accuracy in reporting, aligning it with the structure in place at the balance sheet date.

SALES EUROPE, MIDDLE EAST AND AFRICA (SALES EMEA)
'Sales EMEA' encompasses the Group's distribution operations across Europe, Russia, Turkey, Jordan, and South Africa. It also includes the business relationships with distributors in Europe, Africa, and the Middle East. Notably, the segment includes Medentika's manufacturing facility in Germany, which specializes in the production of implants and prosthetic components. Additionally, the segment incorporates DrSmile, a leading German-based provider of clinician-led clear-aligner treatment solutions. Furthermore, the segment incorporates the implant-borne prosthetics business of Createch, a Spanish company, as well as Anthogyr manufacturing plants, a French company recognized for its expertise in developing dental-implant systems and CADCAM solutions. The segment also comprises management functions related to this segment, both within and outside of Switzerland.

SALES NORTH AMERCIA (SALES NAM)
'Sales NAM' encompasses the Group's existing distribution businesses in the United States and Canada. Within this segment, it includes the distribution operations in both countries. Specifically, it incorporates ClearCorrect's activities in the development and production of clear-aligner solutions, which are carried out in the United States. Additionally, Bay Materials, a reputable US-based company specializing in designing, developing, and supplying high-performance thermoplastics for orthodontic applications, is also part of this segment. Furthermore, Dental Wing's development and production activities in Canada are included in the 'Sales NAM' segment. Alongside these operations, the segment also encompasses management functions that are directly associated with this particular operating segment, both within and outside of Switzerland.

SALES ASIA PACIFIC (SALES APAC)
'Sales APAC' encompasses the Group's distribution businesses in the Asia Pacific region, including the operations with distributors based in Asia. Additionally, it incorporates the business activities of T-Plus, a Taiwanese company known for its development and manufacturing of dental-implant systems. T-Plus operates distribution channels in Taiwan and China, which are part of the 'Sales APAC' segment. Furthermore, the segment includes the company Nihon, a Japanese provider of implant referral services. Alongside these operations, the 'Sales APAC' segment encompasses management functions directly related to this operating segment, both within and outside of Switzerland.

SALES LATIN AMERICA (SALES LATAM)
'Sales LATAM' encompasses the Group's distribution businesses in the Middle and South America regions, including operations with distributors based in Latin America. Within this segment, it includes the manufacturing plants of Neodent located in Brazil. These plants produce a range of products, including implants, biomaterials, CADCAM products, and clear aligners. Additionally, the segment incorporates Yller Biomateriais, a Brazilian company specialized in developing and manufacturing high-tech materials for 3D printing. The 'Sales LATAM' segment also includes management functions directly related to this operating segment, both within and outside of Switzerland.

OPERATIONS
‘Operations’ acts as the principal for all distribution businesses of the Group. It encompasses the main production sites for implant components and instruments located in Switzerland, China, and the United States. Additionally, the segment includes CADCAM milling centers situated in Germany, Japan, and the United States. Furthermore, the production site in Sweden, which specializes in biomaterials and sterile packed products, is also part of the 'Operations' segment. Additionally, all corporate logistics functions are incorporated within this segment. It does not include the manufacturing sites of Neodent, Medentika, ClearCorrect, Dental Wings, Createch, T-Plus, Anthogyr, Bay Materials and Yller Biomateriais.

INFORMATION ABOUT PROFIT OR LOSS AND ASSETS

The following tables present revenue and profit information regarding the Group's operating segments for the six months ended 30 June 2023 and 30 June 2022, respectively.

H1, 2023 (in CHF 1 000)	Sales EMEA	Sales NAM	Sales APAC	Sales LATAM	Operations	Not Allocated Items	Eliminations	Group
Revenue third party	559 410	361 964	195 335	100 179	0	0	0	1 216 888
Revenue inter-segment	62 574	35 816	45	27 339	671 567	0	(797 341)	0
Total revenue	621 984	397 780	195 380	127 518	671 567	0	(797 341)	1 216 888
Operating profit	40 976	9 778	(6 009)	11 666	437 539	(112 956)	(84 410)	296 584
Financial result								(36 462)
Share of result of associates								(4 629)
Income tax								(49 474)
NET PROFIT								206 019

H1, 2022 (in CHF 1 000)	Sales EMEA [1]	Sales NAM	Sales APAC	Sales LATAM	Operations	Not Allocated Items	Eliminations	Group
Revenue third party	526 345	348 262	217 827	85 905	0	0	0	1 178 339
Revenue inter-segment	55 324	43 254	156	20 746	635 310	0	(754 790)	0
Total revenue	581 669	391 516	217 983	106 651	635 310	0	(754 790)	1178 339
Operating profit	47 155	11 126	2 962	13 595	419 855	(99 201)	(71 596)	323 896
Financial result								(6 629)
Share of result of associates								(1 578)
Income tax								(50 423)
NET PROFIT								265 266

[1] Restated to conform to the 2023 segment reporting format

The following tables present segment assets of the Group's operating segments at 30 June 2023 and 31 December 2022:

at 30 Jun 2023 (in CHF 1 000)	Sales EMEA	Sales NAM	Sales APAC	Sales LATAM	Operations	Not Allocated Items	Eliminations	Group
Segment assets	982 868	433 934	302 618	519 419	716 793	69 151	(517 133)	2 507 650
Unallocated assets								917 549
Group								3 425 199

at 31 Dec 2022 (in CHF 1 000)	Sales EMEA [1]	Sales NAM	Sales APAC	Sales LATAM	Operations	Not Allocated Items	Eliminations	Group
Segment assets	910 506	412 504	287 211	434 634	632 578	54 061	(374 395)	2 357 099
Unallocated assets								1 016 336
Group								3 373 435

[1] Restated to conform to the 2023 segment reporting format

SEASONALITY OF OPERATIONS

The Group operates in industries where significant seasonal or cyclical variations in the total sales are not experienced during the financial year.

5 BUSINESS COMBINATION

GALVOSURGE DENTAL AG

On 10 May 2023, the Group acquired 100% of the issued shares in GalvoSurge Dental AG (GalvoSurge), privately owned and based in Switzerland. GalvoSurge is a manufacturer of dental devices and equipment and has developed a dental implant cleaning system to remove microorganisms from exposed, electrically conductive dental implants anchored in the jawbone. The acquisition enables the Group to meet the increasing demand for peri-implantitis treatments and protect patients from implant loss.

The net assets recognized as part of this acquisition, excluding cash and cash equivalents, are provisional, as the purchase price allocation had not been completed when these financial statements were approved by the Board of Directors. The provisional fair value of the identifiable assets and liabilities amounted to CHF 1.1 million and provisional goodwill of CHF 47.4 million. The total consideration comprises a cash payment of CHF 32.0 million and a contingent consideration dependent on the performance of the acquired business. The fair value of the contingent consideration of CHF 16.5 million is provisional. In the first six months of the year, the Group's revenues and net profit were not materially impacted by the GalvoSurge business combination.

OXIMATEC GMBH

On 1 January 2023, the Group acquired OxiMaTec GmbH, a German company specialized in ceramics.

The fair value of the net identifiable assets and liabilities amounted to CHF 0.3 million and goodwill of CHF 1.7 million. The total purchase price amounted to CHF 2.0 million of which CHF 0.5 million were paid in cash in 2023. The business combination had no material impact on the Group's revenues or net profit.

6 EARNINGS PER SHARE

BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders of Straumann Holding AG by the weighted average number of ordinary shares outstanding during the year, excluding ordinary shares purchased by the Group and held as treasury shares.

	H1, 2023	H1, 2022
Net profit attributable to shareholders (in CHF 1 000)	205 776	265 403
Weighted average number of ordinary shares outstanding	159 364 389	159 239 149
BASIC EARNINGS PER SHARE (IN CHF)	1. 29	1. 67

DILUTED EARNINGS PER SHARE

Diluted earnings per share are calculated by dividing the net profit for the year attributable to ordinary shareholders of Straumann Holding AG by the weighted average number of ordinary shares outstanding during the year, plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential of outstanding equity instruments into ordinary shares. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the Performance Share Units.

	H1, 2023	H1, 2022
Net profit used to determine diluted earnings per share (in CHF 1 000)	205 776	265 403
Weighted average number of ordinary shares outstanding	159 364 389	159 239 149
Adjustments for instruments issued	262 995	279 485
Weighted average number of ordinary shares for diluted earnings per share	159 627 384	159 518 634
DILUTED EARNINGS PER SHARE (IN CHF)	1. 29	1. 66

7 PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS

During the six months ended 30 June 2023, the Group acquired property, plant and equipment with a cost of CHF 69.9 million (H1 2022: CHF 69.9 million) and invested in intangible assets amounting to CHF 16.5 million (H1 2022: CHF 18.1 million), excluding such assets acquired through business combinations. Investments in intangible assets mainly relate to software.

8 INVESTMENT IN ASSOCIATES

SMILECLOUD S.R.L.

On 3 May 2023, the Group acquired a 30% non-controlling stake in Smilecloud S.R.L. (Smilecloud), a privately held company based in Romania offering a digital smile design and collaboration platform which allows clinicians to design virtual mock-up smiles for patients with the help of a 3D biometric library using AI technology to support treatment outcome for patients. The purchase price amounted to CHF 10.4 million with a cash consideration of CHF 6.6 million. The contingent consideration depends on the profitability of the business.

9 EQUITY

DIVIDENDS PAID
On 13 April 2023, Straumann Holding AG paid a dividend of CHF 0.80 (2022: CHF 0.68) per share to its shareholders. The total amount of the gross dividend paid was CHF 127.4 million (2022: CHF 107.4 million).

SHARE SPLIT 2022
On 20 April 2022, the Group's shares were split one share into ten (1:10) based on the decision of the annual general meeting as at 5 April 2022. Hence, the par value of the shares decreased from CHF 0.10 to CHF 0.01 each. The calculation of basic and diluted earnings per share was performed using the weighted average of ordinary shares (excluding treasury shares) after share split as denominator for the current and comparative reporting period.

CAPITAL INCREASES 2022
On 19 April 2022, conditional share capital was exercised to increase the share capital of Straumann Holding AG by 13 833 shares (before share split), or CHF 1 383.30 nominal value. The shares were used to serve vested performance share units as part of the share-based payment program 2019 – 2022. The fair value at vesting amounted to CHF 1 273.00 per share. On 29 April 2022, conditional share capital was exercised to increase the share capital of Straumann Holding AG by 103 219 shares (after share split), or CHF 1 032.19 nominal value. The shares were used to serve the employee share participation plan 2022. The fair value at vesting amounted to CHF 116.55 per share.

10 FINANCIAL INSTRUMENTS

FAIR VALUES
The carrying amount of cash and cash equivalents, trade and other receivables and trade and other payables with a remaining term of up to twelve months, as well as other current financial assets and liabilities, represent a reasonable approximation of their fair values due to the short-term maturities of these instruments.

The cash and cash equivalents allocated to Level 1 hierarchy relate to an investment in a money market fund which purpose is to meet short-term cash commitments. The fund is listed at the SIX Swiss Exchange and its fair value is derived from quoted market prices.

The fair value of equity instruments quoted in an active market is based on price quotations at the period end date. For domestic bonds listed on the SIX Swiss Exchange, the fair value is derived from quoted market prices.

The fair value of the put options granted to non-controlling interests relate to the business combination of Abutment Direct Inc in 2019.

The fair value of derivatives is determined on the basis of input factors observed directly or indirectly on the market. The fair value of foreign exchange forward contracts and non-deliverable forwards are based on forward exchange rates.

The unquoted equity instruments allocated to Level 3 hierarchy mainly relate to investments in an Irish-based development and manufacturing company in the biomaterials sector, a non-listed US consumer health company in the dental sector, as well as a fund that is dedicated exclusively to investments in dental-related opportunities in China. As the market for these investments is not active or no market is available, fair value is determined based on best information available to the Group, such as the net asset value reports of the instruments.

Other payables allocated to Level 3 hierarchy mainly include the contingent considerations in relation to the business combinations of DrSmile in Germany, Nihon in Japan, Medical Technologies 21 LLC in Russia, Digital Planning Service Private Limited in Pakistan, Bay Materials in the US and GalvoSurge in Switzerland as well as the investment in Smilecloud in Romania. The fair value of the contingent considerations is based on revenue (DrSmile and Medical Technologies 21 LLC) and profitability targets (DrSmile, Bay Materials, Nihon, GalvoSurge and Smilecloud) as well as company and product related milestones (Digital Planning Service, GalvoSurge and Smilecloud).

The fair value of investments in Level 3 is reviewed regularly for a possible diminution in value.

Fair value hierarchy
The Group uses the following hierarchy for disclosure of the fair values of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: Techniques that predominantly use unobservable input data and which are not based on observable market data

At 30 June 2023 and 31 December 2022, the Group held the following financial instruments:

(in CHF 1 000)	30 Jun 2023					
	Carrying amount (by measurement basis)					
Financial assets	Amortized cost	Level 1	Level 2	Level 3	Total carrying amount	Fair value
Derivative financial assets			1 069		1 069	
Equity instruments		940		20 091	21 031	
Loans and other financial assets	6 134				6 134	
Trade receivables	482 969				482 969	
Other receivables	60 795				60 795	
Cash and cash equivalents	422 488	180 637			603 125	
Financial liabilities						
Straight bond	479 944				479 944	473 546
Derivative financial liabilities			476		476	
Put options to non-controlling interests				5 222	5 222	
Lease liabilities	209 342				209 342	
Other financial liabilities	11 706				11 706	
Trade payables	62 954				62 954	
Other payables	240 028			103 166	343 193	

(in CHF 1 000)	31 Dec 2022					
	Carrying amount (by measurement basis)					
Financial assets	Amortized cost	Level 1	Level 2	Level 3	Total carrying amount	Fair value
Derivative financial assets			1 010		1 010	
Equity instruments		15 068		20 952	36 020	
Loans and other financial receivables	6 131				6 131	
Trade receivables	416 366				416 366	
Other receivables	70 591				70 591	
Cash and cash equivalents	696 103				696 103	
Financial liabilities						
Straight bonds	479 910				479 910	489 564
Derivative financial liabilities			160		160	
Put options to non-controlling interests				5 117	5 117	
Lease liabilities	221 686				221 686	
Other financial liabilities	3 442				3 442	
Trade payables	83 229				83 229	
Other payables	218 029			111 838	329 867	

The changes in carrying values associated with Level 3 financial instruments were as follows:

(in CHF 1000)	Financial assets	Financial liabilities
As at 1 January 2023	20 952	116 954
Additions	0	20 216
Settlements	0	(33 665)
Remeasurement recognized in profit or loss	0	4 630
Remeasurement recognized in OCI	(861)	147
Remeasurement recognized in equity	0	105
As at 30 June 2023	20 091	108 387

Additions to Level 3 financial liabilities relate to the contingent consideration payable in conjunction with the GalvoSurge business combination and the investment in Smilecloud. Settlement of Level 3 financial liabilities mainly relate to the contingent consideration payment in conjunction with the DrSmile business combination (CHF 30.2 million).

There were no transfers between Level 1 and Level 2 fair-value measurements and no transfers into or out of Level 3 fair-value measurements during the six-month period ending 30 June 2023.

The significant unobservable inputs for material financial instruments within Level 3 of the fair value hierarchy and their quantitative sensitivity analysis at 30 June 2023 are as follows:

Instrument	Valuation technique	Significant unobservable input	Sensitivity of the input to fair value
Contingent Consideration DrSmile	Present value of the estimated redemption value	EBITDA	1000 base-point increase (decrease) in EBITDA would result in an increase (decrease) in fair value of CHF 0.0 million, resp. CHF –0.9 million (31.12.2022: CHF 0.0 million, resp. CHF –0.9 million)
		Interest rate	100 base-point increase (decrease) in the interest rate would result in a decrease (increase) in fair value of CHF –0.2 million, resp. CHF 0.2 million (31.12.2022: CHF –0.5 million, resp. CHF 0.6 million)
Contingent Consideration GalvoSurge	Present value of the estimated redemption value	Gross profit	1000 base-point increase (decrease) in Gross profit would result in an increase (decrease) in fair value of CHF 1.2 million, resp. CHF –1.2 million
		Interest rate	100 base-point increase (decrease) in the interest rate would result in a decrease (increase) in fair value of CHF –0.4 million, resp. CHF 0.4 million.

The fair value of the contingent consideration for DrSmile depends on the revenue and EBITDA achievement, and the interest rate prevailing at the balance sheet date. While the measurement period for revenue achievement has elapsed and the corresponding amount is recognized at payout level at the balance sheet date, the EBITDA achievement is dependent on future profitability development. As of 30 June 2023, the Group assesses that it is highly probable that DrSmile will achieve the targets due to expansion and the realization of synergies in the future. The EBITDA component is therefore recognized at its cap amount. The total contingent consideration determined on 30 June 2023 amounts to CHF 60.3 million (31 December 2022: CHF 84.8 million).

The fair value of the contingent consideration of GalvoSurge is provisional, as the purchase price allocation had not been completed when these financial statements were approved by the Board of Directors. The contingent consideration depends on the expected Gross Profit achievement and the interest rate prevailing at the balance sheet date. The provisional fair value of the contingent consideration determined on 30 June 2023 amounts to CHF 16.5 million.

The Group did not disclose further sensitivity analysis at 30 June 2023 for the remaining Level 3 financial instruments, as their quantitative sensitivity is not material to the Group.

11 EVENTS AFTER THE BALANCE SHEET DATE

There have been no material events after the balance sheet date.

- END OF DOCUMENT -