

Analyst and media conference call at 9.00 a.m. CEST today – details below

Media Release

Straumann Group acts rapidly to align costs with lower revenues

- Market for elective dental procedures locked down by pandemic; ensuing economy makes a rapid global recovery impossible
- Group has been geared for continuing strong growth and its workforce has doubled in the past three years to 7680
- Group plans a 9% reduction in its global workforce this year across countries and functions
- Business fundamentals remain valid; resizing will not compromise company's ability to innovate, manufacture, supply and sell winning solutions

Basel, 14 May 2020: Following the announcement of declining sales on 30 April 2020, and in light of the impact of the COVID-19 pandemic on its markets and the economy, the Straumann Group today announced plans to align costs with current and projected lower revenues.

As previously announced, the company reacted quickly to the emerging crisis by cutting short-term costs, implementing reduced working hours and pay, introducing voluntary pay cuts by leadership, putting capital investment plans on hold, and securing sufficient liquidity to ensure operational continuity.

Nonetheless, additional measures in the form of structural resizing are now necessary as the magnitude of global economic recession in the aftermath of COVID-19 becomes increasingly apparent. In almost all of Straumann's key markets, consumer confidence and disposable income have declined significantly. Reactions from markets that are now open indicate that a large proportion of non-urgent dental treatments are being postponed. Furthermore, there is a possibility that consumers will seek lower-cost treatments. The Group thus faces lower revenue streams over a lengthy time period.

The situation is exacerbated by the fact that the Group has been gearing up for a continuation of the very strong growth in recent years, which is reflected in the doubling of its global workforce over the past three-years to 7680.

As personnel accounts for almost 60% of its operating costs, the Group is announcing plans to reduce its global workforce by approximately 660 jobs this year. The planned reduction is across all countries and functions. In Basel, where the company currently employs 595 people at its headquarters, approximately 60 jobs could be affected. A consultation period will allow employees to make suggestions, which could reduce the number of redundancies or allow their effects to be mitigated. Straumann commits to managing the process in a responsible, timely and fair manner.

The Group expects to achieve high double-digit million savings in 2020 – including the personnel reductions and restructuring costs of approximately CHF 15 million. In 2021, the expected savings from personnel reductions will be approximately CHF 30 million.

Guillaume Daniellot, Chief Executive Officer, explained: “We responded quickly to the COVID-19 crisis early on to ensure safety and continuity and to mitigate the short-term financial impact. As the crisis turns into recession, we have to take further action quickly. Our present cost level is too high relative to sales and we must adapt our organization to this new reality. Resizing is painful but necessary to protect our future as a market leader and to ensure that we remain in control of our destiny. We are committed to managing the process in a responsible, timely and fair manner. Our efforts to adapt quickly – in combination with our culture of agility, embracing change and creating opportunities, will help us to navigate through these challenging times successfully.”

“We are also confident that the fundamentals of our business remain valid and promising in the mid and long term. Despite the present constraints and disruptions, we are well positioned, with a wide product range, broad geographical coverage, sufficient cash and a strong balance sheet. Key initiatives such as our innovation projects will be maintained, enabling us to stay focused on tomorrow’s customer needs”, he added.

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, 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 approx. 7680 people worldwide and 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 further details about this announcement to representatives of the financial community and media in a webcast telephone conference call today at 9.00 a.m. Swiss time.

The audio webcast will be available here: www.straumann-group.com/webcast

The telephone conference can be accessed at:

Switzerland and Europe +41 (0) 58 310 50 09

UK: +44 (0) 207 107 06 13

USA: +1 (1) 631 570 56 13

Other international dial-in numbers are available [here](#).

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