Ad hoc announcement pursuant to Art. 53 LR
2023 Full-Year Report – Media Release

Straumann Group grew 9.8 percent organically in 2023 while investing in future growth

- Full-year revenue increased to CHF 2.4 billion and showed 9.8% organic revenue growth
- Fourth-quarter revenue amounted to CHF 624 million, an increase of 13.2% organic growth
- Core EBIT margin of 25.1% while core net profit at CHF 441 million
- Employee engagement score of 81, with 91% survey response rate
- Announcement of internal succession planning for Executive Management positions
- Board proposes further dividend increase to CHF 0.85
- Outlook 2024: the Group aims to achieve organic revenue growth in the high single-digit percentage range and profitability at around 26% at constant 2023 currency rates or between 24% and 25% including expected FX headwind

in CHF million / margin changes rounded	FY 2023		FY 2022	
	IFRS	CORE[1]	IFRS	CORE[1]
Revenue	**2 412**	**2 412**	**2 321**	**2 321**
Change CHF		3.9%		14.8%
Change (CER[2])		10.8%		17.3%
Change organic		9.8%		15.7%
Gross profit	**1 787**	**1 793**	**1 754**	**1 756**
Margin	74.1%	74.3%	75.6%	75.7%
Margin change CHF		(140bps)		(50bps)
Margin change (CER[2])		(30bps)		10bps
EBITDA	**701**	**727**	**702**	**712**
Margin	29.0%	30.2%	30.2%	30.7%
Margin change CHF		(50bps)		(160bps)
Margin change (CER[2])		140bps		(90bps)
EBIT	**411**	**606**	**535**	**603**
Margin	17.0%	25.1%	23.1%	26.0%
Margin change CHF		(90bps)		(140bps)
Margin change (CER[2])		110bps		(60bps)
Net result	**247**	**441**	**435**	**482**
Margin	10.2%	18.3%	18.7%	20.8%
Margin change CHF		(250bps)		(180bps)
Basic EPS (in CHF)	**1.54**	**2.76**	**2.73**	**3.03**
Dividend (in CHF)	**0.85**		**0.80**	
Free cash flow	**315.5**		**221**	
Margin	13.1%		9.5%	
Headcount (end of December)	**11 109**		**10 478**	

[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 Accounting Standards. A detailed explanation and reconciliation are provided on p.181 of the annual report.

[2] Constant exchange rate (CER) equals prior-year figures at 2023 currency exchange rates.

Basel, February 27, 2024 – Straumann Group reports full-year revenue of CHF 2.4 billion and an organic revenue growth of 9.8%, with strong currency headwinds leading to a growth of 3.9% in Swiss francs. The patient flow was dynamic, with regional variations. While North America experienced some consumer weakness, especially on the large implant-based reconstructions, Europe showed good patient flow and the Asia Pacific region, notably China, boosted the overall performance, following the implementation of the volume-based procurement process in 2023. In the year under review, Straumann Group made significant progress in all dimensions of its strategic roadmap. It was marked by a strong performance of the implantology business, delivering double-digit volume growth in both the premium and challenger segments. The orthodontics ClearCorrect business saw the introduction of new features on the clinical aligner side as well as the software side and trained several thousands of clinicians resulting in a wider adoption of the brand.

2023 was a strong year in terms of execution and geographical development expansion, which led to many new customer acquisitions. The overall addressable market across all business areas grew to above CHF 19 billion in 2023. The Group estimates that it was able to grow its market share in implantology from approximately 30% in 2022 to around 32% in 2023.

In the fourth quarter, revenue increased by 13.2% organically or 5.5% in Swiss francs to CHF 624 million, making it the Group's strongest quarter in 2023.

Guillaume Daniellot, Chief Executive Officer, commented: "We are delivering strong results in a year that presented macroeconomic and geopolitical challenges. Thanks to the dedication of our very committed teams, the Group continued to grow while helping 5.6 million smiles globally, compared to 4.4 million smiles in 2022. We delivered a differentiated value proposition with many new product innovations, enabling doctors to achieve better clinical results with improved efficiency, and treating peri-implantitis, thanks to the acquisition of GalvoSurge. On the other hand, we continued to invest in our digital transformation with the development of our Straumann AXS platform, integrating the SmileCloud software application for smile design and the newly acquired AlliedStar intraoral scanner. Our investments in innovation, digital transformation, and the capabilities of our team members worldwide are laying a solid foundation for the future."

STRATEGIC PROGRESS

Premium and challenger implantology businesses both performed very strongly with double-digit volume growth

In 2023, implantology maintained its robust performance, with double-digit volume growth in the premium and challenger segments. Both segments gained market share, while the challenger brands continued to expand their global footprint. Premium implantology was primarily driven by BLT and Straumann's immediacy portfolio. Neodent stood out as the leading challenger brand, sustaining strong growth momentum across all regions.

China significantly contributed to overall implantology growth
2023 was marked by a high increase in implant volumes in both the premium and challenger segments, notably for both Straumann and Anthogyr brands. After the Chinese authorities introduced a volume-based procurement (VBP) process in early 2023, the team quickly adjusted sales strategies to the new market landscape. The significant volume growth not only offset the considerable price reduction, but also showcased the team's ability to navigate and excel in dynamic market conditions.

GalvoSurge, a unique solution for peri-implantitis
In June 2023, the Group announced the acquisition of GalvoSurge, a Swiss manufacturer in the dental field, which will allow the Group to acquire new customers and promote its brands. GalvoSurge offers a dental implant cleaning system that treats peri-implantitis and thus aims to protect patients from implant loss. The pre-launch of GalvoSurge started in the fourth quarter with the first devices sold in Europe, Middle East and Africa region (EMEA), and further international rollout to be expected in 2024.

Digital platform Straumann AXS further built and expanded
Straumann AXS is a digital platform, which aims at creating a unique customer experience through integrated cloud-based clinical workflows for implantology and orthodontics, driving efficiency in dental practices. The platform will integrate Straumann Group software applications, services and solutions, encompassing the spectrum from initial patient engagement to pre-treatment diagnosis, followed by comprehensive planning, treatment, and monitoring throughout the post-treatment phase. Following the successful introduction in the North America (NAM) region, the Group plans to launch Straumann AXS in Asia Pacific in 2024.

Implant registry available in EMEA and NAM
In October 2023, the Group publicly launched a secure implant registry with a web-based user interface, empowering clinicians to collect and analyze their clinical data more efficiently, tracking the treatment outcomes of their patients. The implant registry is available in the regions EMEA and NAM and will help improve clinical decision-making processes with standardized treatment statistics.

AlliedStar acquisition closed; intraoral scanner launched in China
In 2023, the Straumann Group closed the acquisition of AlliedStar, a Chinese intraoral scanner manufacturer, acquiring a controlling stake with an agreed path to full ownership over the next eight years. AlliedStar will enable the Group to offer customers in China a competitive intraoral scanner solution connected to the Straumann AXS platform and to address additional price-sensitive markets and customer segments in the future. In January 2024, the AlliedStar intraoral scanner (IOS) was launched in China as the Group’s first IOS in the country.

CoDiagnostix installed base increased and first AI solution launched
CoDiagnostix's installed user base grew double-digit in 2023. CoDiagnostix is a software clinicians and dental technicians use to design surgical guides that help to perform implant surgeries precisely. The new CoDiagnostix AI assistant, launched in the fourth quarter of 2023, helps with the digital planning of implant positions, providing various measuring and planning functions, such as automatic nerve canal detection and various distance measuring and monitoring features. This leads to more predictable results in both simple and more complex implant surgical cases.

The AI assistant has been developed together with implantologists and dental laboratories and addresses important pain points of surgical planning, which are anatomy visualization and available time to plan.

Strategic investment in Costa Rica

In the fourth quarter, Straumann Group strengthened its footprint in region Latin America by establishing operations in Costa Rica, the largest implant market in Central America. This new unit will primarily focus on providing solutions for Central America, with additional offerings such as treatment planning for ClearCorrect, a customer service center for North America, and shared services for the business unit Connected Customer Solutions. Straumann Group will market the brands Neodent, Straumann and ClearCorrect and also ensure product distribution for Central America and the Caribbean.

The orthodontics segment significantly enhanced its aligner value proposition

In orthodontics, 2023 was marked by the introduction of many new features and software offerings. In addition, ClearCorrect significantly invested in the education and training of thousands of clinicians which combined resulted in orthodontics reporting a double-digit growth in its ClearCorrect clinician brand. In this B2B business, the Straumann Group remains dedicated to strengthening its presence in existing markets and introducing new solutions.

Furthermore, the doctor-led direct-to-consumer DrSmile activity was impacted by the challenging macroeconomic environment and the reduced willingness of health consumers to seek esthetic treatments. Second, DrSmile switched its marketing strategy from paid to organic demand generation to prioritize profitability over revenue growth.

Positive company culture confirmed with an employee engagement score of 81

The global annual employee survey which was performed for the fourth time in a row, showed a strong participation rate of 91%. The Group’s continued efforts to build a unique culture resulted again in a group-wide employee engagement score of 81 in 2023. With its engagement score, Straumann Group ranks three points above the global Glint benchmark, which places the Group in the top 25% of companies worldwide.

Further progress in advancing the Group’s sustainability framework

The Group helped to create 5.6 million smiles and intensified educational activities by 15% globally. The education activities in the low- and middle-income countries decreased to 28%, due to the Chinese VBP process, which temporarily impacted education activities in China. In the annual survey, employees said they have good opportunities to learn and grow, with a score of 77 – one point up from last year. In 2023, 40% of leadership positions were held by women, which is one percent up compared to 2022. The Group continued its shift towards renewable electricity from 80% in 2022 to 93% in 2023. In addition, the Science Based Targets initiative (SBTi) validated the Group’s commitment to achieve net zero emissions by 2040.

Continued high investments in growth and people

In 2023, Straumann Group continued to invest heavily in future growth. The Group’s investments amounted to CHF 189 million, mainly focusing on the expansion of production capacities – land, buildings and machinery – in Switzerland, Brazil, the US and China. In addition, the Group acquired its distributor in the Baltics region as well as innovative companies such as GalvoSurge and the intraoral scanner brand AlliedStar.

Furthermore, the Group invested in the capabilities of its team members worldwide and hired new people, who drive core activities or contribute to the Group's digital transformation. As a result, the Group's global workforce grew to more than 11 000 employees.

Announcement of internal succession planning for Executive Management positions
Wolfgang Becker, the Head of EMEA, will retire on June 30, 2024, after 40 years of service with the Group. It is hard to overstate all that Wolfgang has done for the company and his colleagues over those many years. He played a key role in the company's success in all the positions he held, and is a truly outstanding and highly respected leader, role modeling the Straumann Group culture like no one else. He was instrumental in building a loyal, expanding and trusting customer base and delivered outstanding performances together with his teams. The Group thanks him for his dedication and leadership. The Group wishes him a well-deserved fulfilling retirement.

Wolfgang will be succeeded by Holger Haderer, the current Head of the Implantology Business Unit. Holger joined the Group in 2006. He is an experienced leader with a vision and an excellent track record in sales, innovation and excellence in the various roles he has held in the Group, whether it was as Managing Director of the German subsidiary or as Regional Head of Marketing in Western Europe. Most recently he has led and transformed the core business unit of the company – implantology – over the past four years. In this time he strengthened and newly established strong strategic partnerships with key opinion leaders in dental implantology across the regions.

With this, the Group is very pleased to announce that Andreas Utz, an internal talent who is currently Managing Director of Straumann Group Germany, the third largest subsidiary in terms of revenue contribution, will join the Executive Management Board to lead the implantology business. Andreas joined the Group in 2004 and has an outstanding track record in leading global innovation programs, marketing initiatives, commercialization, and sales organizations to success. The Group is convinced that he is an excellent successor with great experience and passion for the implantology business as well as a role model for the Group's culture. With this, the Group wishes Holger and Andreas all the best and a lot of success and joy in their new roles.

REGIONAL PERFORMANCES IN THE FOURTH QUARTER

Europe, Middle East and Africa – Strong momentum
The region Europe, Middle East and Africa (EMEA) reported revenue of CHF 272.8 million in the fourth quarter, or 5.8% organic growth, with Germany, France and Iberia as main revenue contributors. The premium implant business showed strong growth with positive dynamics and pre-launches such as the new iExcel implant system. While Neodent and Medentika drove penetration of the value segment in the region, the digital business remained at a good level in the fourth quarter. ClearCorrect showed strong growth thanks to intensified customer acquisition and education efforts. While the Group was able to strengthen its position in the region, softened consumer demand impacted the DrSmile performance and the regional result. New partnerships with Dental Service Organizations (DSO), i.e. in Italy, are expected to have a positive effect from 2024 onwards. In January 2024, the Group took over its long-standing Polish distributor to expand its presence in the region.

North America with solid growth, despite macroeconomic challenges

In the fourth quarter, the North America (NAM) region reported revenue of CHF 168.6 million, a good 7.2% organic revenue growth. While inflation continued to slow demand for full-arch implant and orthodontic treatments, the implant business remained the primary growth driver, encompassing both the Straumann premium and challenger brands. The digital platform Straumann AXS significantly drove the double-digit growth of Smile in a Box, while the digital business, driven by the robust growth of intraoral scanners, also played a substantial role in the region’s performance. In the fourth quarter, the region hosted several conferences for all its brands, as well as the first laboratory-only training and educational event in Texas. The strong presence of the different brands helped acquire new customers and outperform the market.

Asia Pacific showed exceptional organic revenue growth

The Asia Pacific (APAC) region achieved revenue of CHF 130.2 million in the fourth quarter, a remarkable organic growth of 40.5% compared to the prior-year period, which was marked by the consequences of COVID and the anticipation of volume-based procurement (VBP) in China. While Australia, Japan, China, and India showed strong growth, China stood out in contributing to volume increase. The implantology business was the primary growth driver, with both premium and challenger brands playing a significant role. GalvoSurge was launched in Australia and Hong Kong in the fourth quarter. The orthodontics business contributed to the excellent regional performance. Following the successful pilot of the practice management system CareStack in Singapore, an additional rollout of the pilot in Australia, took place in the fourth quarter.

The ITI congress held in China and the Neodent world tour, including the opening of its first regional training center in Kuala Lumpur, Malaysia, supported the Group’s positioning and helped to gain new customers.

Latin America again delivered above 20% organic growth

In the fourth quarter, Latin America (LATAM) reached revenue of CHF 52.6 million, growing 20.1% organically, compared to the prior-year period. While Brazil continued to be the region's biggest revenue generator, driven by strong demand for its Neodent implantology brand, Peru was the fastest-growing country in the region. The Virtuo Vivo intraoral scanner stood out as a major growth driver for the digital solutions business. The orthodontics business contributed significantly to growth, with high double-digit growth rates in Brazil and a fast uptake in Mexico and Chile. Nationwide educational events helped attract new customers and expand market share in the region. Highlights were the 30-year Neodent world tour and the ITI congress held in Chile.

REVENUE BY REGION in CHF million	Q4 2023	Q4 2022	FY 2023	FY 2022
Europe, Middle East & Africa (EMEA)	**272.8**	**271.7**	**1 053.7**	**1 016.5**
Change CHF	0.4%	11.3%	3.7%	14.0%
Change (CER[3])	7.2%	17.1%	9.8%	22.3%
Change organic	5.8%	13.7%	7.6%	20.5%
% of Group total	43.7	45.9	43.7	43.8
North America	**168.6**	**172.1**	**689.0**	**684.5**
Change CHF	(2.0%)	13.7%	0.7%	15.9%
Change (CER[3])	7.3%	9.4%	6.8%	11.6%
Change organic	7.2%	9.4%	6.7%	11.6%
% of Group total	27.0	29.1	28.6	29.5
Asia Pacific	**130.2**	**102.8**	**460.6**	**440.5**
Change CHF	26.7%	(5.5%)	4.6%	7.7%
Change (CER[3])	40.5%	1.1%	16.2%	11.1%
Change organic	40.5%	(2.9%)	15.8%	7.2%
% of Group total	20.9	17.4	19.1	19.0
Latin America	**52.6**	**45.3**	**208.5**	**179.3**
Change CHF	16.1%	26.2%	16.3%	37.5%
Change (CER[3])	20.1%	18.9%	19.8%	30.4%
Change organic	20.1%	18.9%	19.8%	30.4%
% of Group total	8.4	7.7	8.6	7.7
GROUP	**624.3**	**592.0**	**2 411.8**	**2 320.8**
Change CHF	5.5%	9.6%	3.9%	14.8%
Change (CER[3])	13.9%	11.9%	10.8%	17.3%
Change organic	13.2%	9.6%	9.8%	15.7%

OPERATIONS AND FINANCES

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

- Special items and amortization of acquisition-related intangible assets amounting to CHF 11 million
- One-off costs of CHF 31 million resulting from various restructuring measures across the regions
- One-time, non-cash impairment charges amounting to CHF 153 million, mainly related to goodwill impairment recognized for the DrSmile business

A reconciliation table and detailed information are provided on page 181 of the Group's annual report.

[3] Constant exchange rate (CER) equals prior-year figures at 2023 currency exchange rates.

Core gross profit margin at 74.3%; remains at a high level despite strong currency headwinds and VBP in China

Thanks to continued strong volume growth in all businesses, core gross profit increased by CHF 37 million to CHF 1.79 billion. High utilization rates in the Group's production facilities, combined with continued efficiency improvements to minimize cost increases, resulted in a core gross profit margin of 74.3%.

Core EBIT margin at 25.1%

Core EBIT increased by CHF 3.9 million to CHF 606 million, driven by the topline growth and efficiency gains. Core EBIT margin reached 25.1%, which is 90 basis points lower than in 2022. Considering the substantial currency headwind of 200 basis points, our 2023 Core EBIT performance represented a significant improvement in terms of operational profitability. The Group's investments in growth and its geographic expansion led to an increase in core distribution expenses (salesforce salaries, commissions and logistics costs) of CHF 13 million to CHF 447 million. Core distribution costs remained almost unchanged with a slight decrease of 15 basis points relative to revenue.

Core administrative expenses, including research and development, marketing, sales and general overhead costs, increased by CHF 22 million to CHF 747 million. This was mainly due to product launches, the geographical expansion of brands and the integration of acquisitions. Core administrative expenses, presented as a percentage of revenue, decreased by 27 basis points.

Core net profit margin at 18.3%

Net financial expenses amounted to CHF 54 million, reflecting increased currency hedging costs as well as currency losses in the Group's main exposures in US Dollar, Euro and Chinese Renminbi, as well as in emerging currencies. After income taxes of CHF 102 million, core net profit decreased by 8.5% to CHF 441 million, resulting in a margin of 18.3%. Basic core earnings per share decreased by 9% to CHF 2.76.

Free cash flow at CHF 316 million

Cash flow from operations amounted to CHF 504 million, 89 million higher than in 2022. Days of sales outstanding were 67, and days of supplies were 193.

The Group's production expansion, acquisition and strategic digital transformation activities, total in a cash outflow for investing activities of CHF 370 million. Despite the significant investment levels, and the repayment of the bond of CHF 280 million, the cash position on 31 December 2023 remained strong at CHF 410 million, which exceeds the Group's interest-bearing liabilities by CHF 172 million (2022: CHF 208 million). The Group's balance sheet amounted to CHF 3.3 billion, versus CHF 3.4 billion at the end of 2022.

Proposal to the Annual General Meeting to increase dividend

Based on the 2023 results, the Board of Directors proposes a dividend of CHF 0.85 per share, of which CHF 0.45 is to be paid from the available total profit and CHF 0.40 from the capital contribution reserve. The dividend will be paid out as of 18 April 2024.

OUTLOOK 2024 (BARRING UNFORESEEN CIRCUMSTANCES)

While geopolitical and macroeconomic uncertainties are going to continue to impact consumer confidence in different geographies, the overall patient flow is expected to keep a positive dynamic. Thanks to the differentiated value proposition in its strategic segments, combined with strong execution from all its team members worldwide, the Group remains confident that it will continue to gain market share within its estimated global addressable market of above CHF 19 billion. Furthermore, the Group highlights its geographical diversification, catering to all price points, and its extensive training efforts, resulting in more clinicians being able to perform implant and orthodontic procedures. In the meantime, the Group continues to invest in growth and transformation to maintain its competitive edge in the future. As a result, the Group aims to achieve organic revenue growth in the high single-digit percentage range and profitability at around 26% at constant 2023 currency rates or between 24% and 25% including expected FX headwind.

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, 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 11'000 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 Group will present its 2023 full-year results to representatives of the financial community and media in a webcast telephone conference call today at 09.30 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

2024	Event	Location
28 – 29 February	Switzerland Roadshow (Zürcher Kantonalbank)	Zurich, Geneva
5 – 7 March	European Roadshow (Bernstein)	London, Paris
20 March	Kepler Cheuvreux Swiss Seminar	Zurich
26 – 27 March	North America Roadshow (Citi)	Boston, New York
30 April	First Quarter Results 2024	virtual

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