2021 Capital Markets report – Media Release

Straumann Group presents evolved strategy to achieve its long-term revenue ambition of CHF 5 billion

- Ambition to achieve CHF 5 billion revenue by 2030 considering an average organic growth rate of at least 10%, core EBIT margin expected to range between 25-30% in the next years depending on investment, and on continuous increase of gross dividend
- Culture remains a key pillar with an employee engagement score of 80 in 2021 – in the top 25% of companies
- Core implantology business strongly positioned to grow from 29% market share across premium and value segments through innovation and geographic expansion respectively
- Orthodontics business set to grow via sharpening its value proposition development, expanding geographical presence and driving complementary business models
- Digital transformation to shape new pathways for treatment and customer service, to become a digitally-powered oral care company
- Dental Service Organizations growing in importance in a consolidating market
- New sustainability framework integrated in business strategy, including target of 100% renewable electricity by 2024 and net-zero carbon emissions target to be set in 2022

Basel, December 16, 2021: Today at its Capital Markets Day, Straumann Group will present its evolved strategy to achieve long-term growth. The Group has enjoyed strong growth over the past years, outperforming both competitors and the market. The new strategy lays the foundation to enable the Group to continue this path. Since 2013, when Straumann Group was still an implantology-only business, it has significantly expanded its business scope. Today, the Group operates in a potential CHF 18 billion market covering implantology, CADCAM prosthetics, orthodontics and digital equipment.

Straumann's product mix and sales distribution have diversified greatly since 2013, when EMEA contributed most revenue. Today more than half of the revenue comes from areas outside EMEA, with about a quarter of revenue coming from the LATAM and APAC regions. This share is expected to further develop due to the ongoing strategic geographic expansion in all business areas.

Straumann Group CEO Guillaume Daniellot said: "The evolved strategy will ensure we achieve our growth and revenue ambition of CHF 5 billion and impact 10 million smiles by 2030. It captures three major shifts. We will evolve from being product-centric to customer-centric in everything we do, shift from being a total solution provider for esthetic dentistry to a digitally-powered oral care company, and lastly move from a single to multiple business model company to address different stakeholders including health consumers. We will focus on culture, digital transformation and sustainability to enable the four strategic priorities of maintaining implant leadership, becoming a leader in orthodontics, winning strategic target groups and building consumer presence."

High-performance culture to accelerate Straumann's growth and help realize ambitious targets
The Group's strong focus on customers and patients means continued investment in innovation and services. The Group is continuously building its cultural journey to support future growth. This sharp emphasis on culture resulted in a Group-wide employee engagement score of 80 in 2021 – a score which places the Group in the top 25% of companies worldwide.

Drive digital transformation
Digital disruption is everywhere, and it's been accelerated by COVID-19. In the dental industry, digital technologies are transforming patient communication, practice management, diagnostics, and of course the treatments themselves. Widening digital innovation means quicker, more efficient treatments as well as better outcomes – benefitting dentists, technicians and patients. When it comes to tooth replacement and teeth straightening, Straumann Group is making strong inroads in digitizing treatment workflows. The Group's active markets include CADCAM equipment as well as consumables and services, with the strategy to make use of open systems and connectivity instead of closed platforms.
A key pillar of the Group's digital transformation strategy, to strengthen customer loyalty and deliver frictionless customer experiences, will be to provide a convenient single digital platform for all solutions of the Group and its partners.

Expand implant market leadership
Dental implants remain at the core of the Group's business with an overall market share of 29% in a global market of CHF 5.2 billion. This means that more than one in every four dental implants that are placed in the world are Straumann Group implants. The multiple-brand strategy enables a presence at all different price points offering solutions in the premium and value segments. Innovation remains a strong driver for premium, in particular in the immediacy apically and fully tapered segments. Geographical expansion will be the most important growth driver in the value segment. In both segments, education is a key driver for expanding access to professionals and ultimately healthcare consumers.

Become a leading orthodontic franchise
The Group started to establish its orthodontic business in 2017 with the acquisition of the US company ClearCorrect. Since then there have been significant investments in further strengthening the offering from product and digital portfolio standpoints as well as from a fast service perspective and international expansion. With a potential global market of CHF 5.3 billion and the Group having a low single-digit market share, the upside potential is high. By widening the offering to additional customer segments and health consumers, exploring new business models as well as expanding the geographic footprint, the ClearCorrect business is very well positioned for future growth. Straumann's orthodontic presence has grown from 13 markets in 2017 to 46 markets in 2021.

Win strategic target groups
Consolidation is a key trend in oral healthcare which will lead to fewer single, independent practices. Dental Service Organizations (DSO) are on the rise, particularly in North America, Europe and China. In 2015, ~7% of implants placed were placed by practitioners who were part of a DSO, increasing to ~15% in the 6 years to 2021. By 2025, it is estimated* that around ~30% of implants in major markets will be placed by practitioners who are part of DSOs. Implants, clear

aligners and esthetics are key growth drivers for this important customer group. Straumann Group's palette of services can be tailored to support each DSO. This includes orthodontics and implantology, but also digital solutions, customer success management, strategic account development, as well as training and education.

Build direct to consumer presence
Health consumers are educating themselves, demanding more and taking ownership of healthcare decisions. Digital touchpoints and the patient experience throughout the treatment journey are becoming increasingly important. In the clear aligner market, advancements in digital smile simulations, treatment planning and teledentistry solutions make awareness and access to treatment easier, more convenient and have given rise to direct-to-consumer activities. To address this trend, the Group started to build direct-to-consumer presence through the acquisitions of DrSmile in 2020 and Smilink in 2021. To develop this strategic priority, the Group is in the process of recruiting a Chief Consumer Officer.

New Sustainability Framework
The Group brings lasting improvements to people's lives, and its success is built upon acting sustainably to improve the quality of life today and for future generations.

Straumann Group CFO Peter Hackel said: "Rooted in the company's heritage of creating long-term value for all stakeholders in a responsible manner, the new Sustainability Framework is a strategic business priority. The Group aspires to become a role model in its industry."

The Sustainability Framework is based on input from interviews with more than 80 internal and external stakeholders. It is built upon the commitment to advancing oral care, empowering people, caring for the planet and society, and acting with responsibility to deliver on our purpose 'to unlock the potential of people's lives'. The major targets include: impacting 10 million smiles by 2030, maintaining 35% of educational activities in low- and middle-income countries, having gender parity in leadership positions by 2026, 100% renewable electricity by 2024 and a net zero carbon emissions target will be set in 2022.

Growth ambition (Barring unforeseen circumstance)
Considering the Group's significant expansion of its business and geographical footprint, it is operating in a potential CHF 18 billion market. In order to achieve the Group's ambition of CHF 5 billion revenue by 2030, an average organic growth rate of at least 10% annually is needed. The strategy will require continuing investments in growth leading to a core EBIT margin in the range of 25-30% - at constant FX rates - in the next years depending on the size of the investments. In general, the Group will continue to provide guidance on a yearly basis and aims to continuously increase its gross dividend.

*Straumann Group estimate

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 8000 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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