

MANAGEMENT COMMENTARY

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Straumann Group in brief

Our business and vision

WHO WE ARE, WHAT WE DO AND WHERE WE DO IT

Headquartered in Basel, Switzerland, the Straumann Group is a global leader in tooth replacement and orthodontic solutions. It unites global and international brands that stand for excellence, innovation and quality in replacement, corrective and digital dentistry, including Straumann, Neodent, Medentika, ClearCorrect, Dental Wings and other fully- or partly-owned companies and partners.

The Group develops, manufactures and supplies dental implants, instruments, biomaterials, CAD-CAM prosthetics, digital equipment, software, and clear aligners for applications in replacement, restorative, orthodontic and preventive dentistry. Its principal production sites are in Switzerland, the US, Brazil and Germany.

As a total solution provider for esthetic dentistry, the company takes a holistic approach, offering training, support and a wide range of services to dental practitioners, clinics and laboratories all over the world. It is recognized as a leading innovator and works together with universities, clinics, research institutes, networks and communities to enhance the standard of patient care. Through a unique collaboration with academic networks like the International Team for Implantology (ITI) and the Latin American Institute of Dental Research and Education (Instituto Latino Americano de Pesquisa e Ensino Odontológico ILAPEO), Straumann supports research and offers training and education to dental professionals.

The Group employs around 6000 people worldwide. Its products, solutions and services are available in more than 100 countries through a broad network of distribution subsidiaries and partners. More than 90% of the business is conducted directly through fully-owned subsidiaries.

OUR VISION

Confidence relates to all our activities; it is built on trust, integrity, respect, communication, transparency, collaboration and delivering what we promise. For our customers, it means peace of mind, because our solutions are predictable and durable. For our employees, confidence means secure, rewarding jobs. For our shareholders, it means sustainable returns from a highly ethical business. For



Straumann Group is a global leader in tooth replacement and orthodontic solutions. Beyond creating smiles, our aim is to restore confidence in patients around the world.

Our vision: More than creating smiles, restoring confidence – we want to be the partner of choice in esthetic dentistry.

the communities in which we operate, confidence means that we care for the world around us as a responsible corporate citizen. For all our stakeholders it means that Straumann is a reliable partner.

We want to be the first place that people come to do business, to find genuine solutions, to turn ideas into reality, to learn, master, succeed and improve lives. This is what being the partner of choice means for us.

We are committed to being the total solution provider in esthetic dentistry, offering education, innovation, quality, support, expertise, clinically proven long-term success, and peace of mind.

At the same time, we are a global leader in the non-premium segment, making high quality implant and prosthetic solutions more affordable to a broader population through our Anthogyr, Equinox, Medentika, Neodent and Zinedent brands.

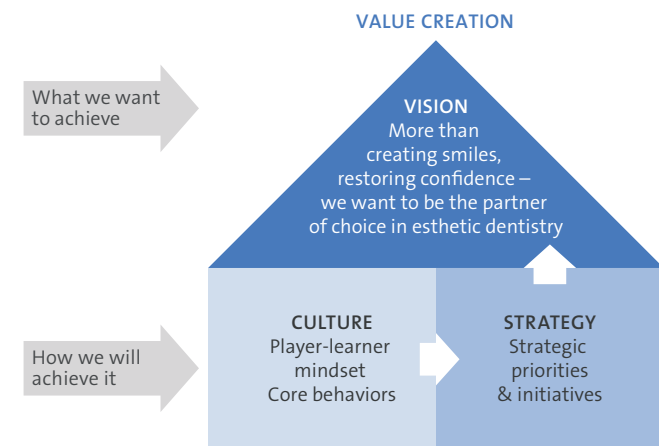
We are also committed to being the partner of choice in biomaterials, digital dentistry and clear aligners.

A PLAYER-LEARNER MINDSET

The right mindset is a prerequisite for the high-performance culture we are striving to build. Our main thrust over the past four years has been to inspire and foster a player-learner mindset throughout our workforce. Player-learners inspire trust; they are energized and embrace change; they listen, find out, share, collaborate, take risks, find solutions, learn by doing, encourage and celebrate.

To help our employees achieve their best, we strive for a culture that builds trust and collaboration, fosters diversity, promotes learning and engagement, and encourages people to take both responsibility and ownership. This is why we have defined a set of core behaviours that apply for everyone in the Straumann Group. These behaviours are listed in our [Code of Conduct](#), which was updated in 2018 and applies for the entire Group including recently acquired businesses. The Code of Conduct is designed to ensure that the companies and individual employees of the Straumann Group conduct business in a legal, ethical and responsible manner, in compliance with international and local laws, regulations and requirements.

Our company home



Making vision a reality

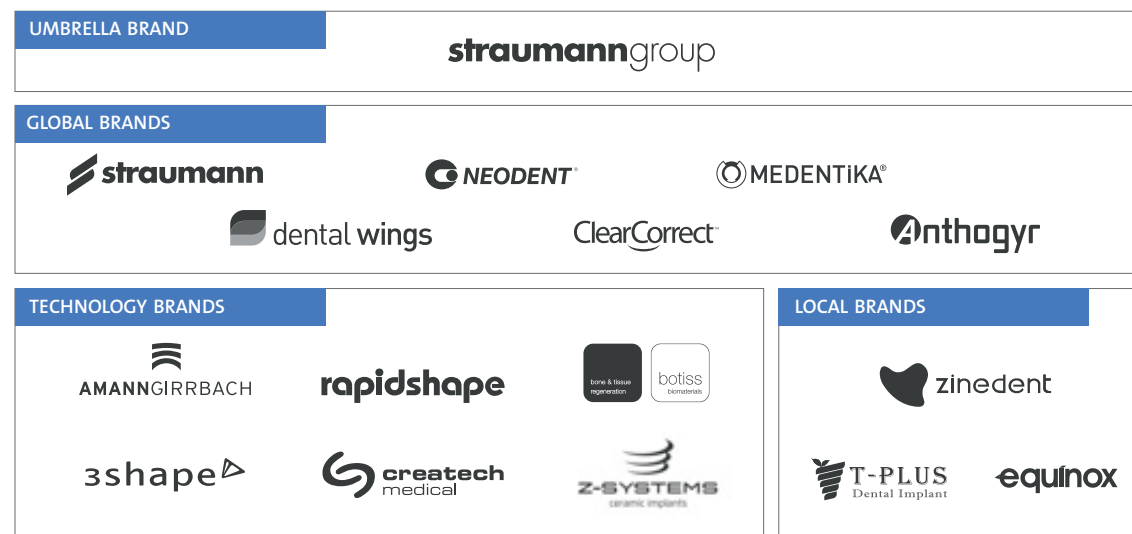
The way to a sustainable future is mapped out in our three 'strategic priorities' (see p. 19 ff.), which form the backbone of our strategy. Making it happen is a matter of culture and behavior. Thus, vision, strategy and behavior form the figurative building of our company home.

OUR BRAND

STRAUMANN GROUP – UNITING GLOBAL EXCELLENCE IN DENTISTRY

Our journey into new segments, geographies and technologies has turned Straumann into a global group of national and international brands, companies and partners. The Straumann Group umbrella brand unites them and provides a common identity, which generates value for the individual brands, companies and partners. It allows them to benefit from Straumann's global reputation – without compromising the Straumann premium brand, which has retained its distinctive identity and positioning.

The Straumann Group umbrella brand enabled us to bring our premium and non-premium businesses closer together. To simplify processes, we created a single e-shop for all brands, and we are able to provide our digital solutions and biomaterials to all customers irrespective of which implant system they purchase from us.



- ◀ The Straumann Group unites various global and local or regional product brands with a number of fully or partially owned companies and independent partners, which provide technology and manufacturing expertise.



Anthogyr's state-of-the-art production facility manufactures attractively-priced implant systems, which the Group sells in emerging markets like China and Russia.

PUSHING BOUNDARIES: **Segment expansion**

While the premium implant segment continues to offer significant growth potential, it accounts for just about one half of all dental implants sold today. To open further growth opportunities, we began investing in non-premium brands in 2012 and have built an international portfolio that includes the Neodent, Medentika, equinox, and Zinedent brands.

In 2018, we extended our portfolio by broadening our collaboration with Anthogyr in France and gaining control of T-Plus in Taiwan. The former strengthens our position in the upper value price range in

Europe and in emerging markets like Russia and China. The latter gives us access to the fast-growing lower value segment in China and Taiwan.

Both companies are well positioned for international growth, supported by the Group's global network and expertise. They complement our implant portfolio, which covers a broader price range in more countries than any other implant company.

Strategy in action

Esthetic dentistry: beyond tooth replacement

Having broadened our scope from tooth replacement to esthetic dentistry in 2017, our three strategic priorities remained unchanged in 2018.

Our strategy is built on three key priorities, which translate into a number of clearly defined initiatives and deliverables. These are continuously tracked and adjusted as necessary. They are not disclosed but are reflected in the investments, launches, pipeline, partnerships, achievements and other activities featured in this report. The Group's continuing strong growth and significant outperformance confirm that our strategy is appropriate and that we are focusing on execution. Notwithstanding, we do not take our success for granted. In order to drive a high performance culture, we continue to embrace change, raise bars and push boundaries.

STRATEGIC PRIORITIES UNCHANGED

DRIVE OUR HIGH PERFORMANCE STRAUMANN GROUP CULTURE AND ORGANIZATION

This remains our key priority because culture is at the heart of execution; it drives results and creates value.

Examples of this strategic priority in action in 2018

Culture	<ul style="list-style-type: none">• High investment in Cultural Journey• Cultural Journey 2.0 initiated• Code of Conduct revised and core behaviours integrated• Staff survey: 77% response rate; high engagement: >90% proud to work for Straumann Group and love what they do.
People	<ul style="list-style-type: none">• Increased investment in personal development, career/succession planning• Online and other tools developed to accelerate global training program as organization grows rapidly• Culture emphasized in employer branding, recruiting, onboarding and rewards activities.

**Our strategy is appropriate
and well executed.**

TARGET UNEXPLOITED GROWTH MARKETS AND SEGMENTS

Our efforts to target unexploited growth markets and segments were intense and fruitful. In addition to opening new subsidiaries and branches, we made further inroads into the non-premium implant segment.

Examples of this strategic priority in action in 2018

Geographic reach	• New subsidiaries in Peru, South Africa and Thailand
Non-premium	• Neodent now available in 50+ markets • Third-party distributors acquired (e.g. Batigroup in Turkey) • Controlling stake in T-Plus to enter the lower value segment in China
Biomaterials	• Entry into large Brazilian market • 30% stake in botiss biomaterials
Corporate dentistry	• Expanded team; business with large DSOs won; strong growth, segment share gains

EXPAND SCOPE TO BECOME A TOTAL SOLUTION PROVIDER FOR ESTHETIC DENTISTRY

To compete against conglomerates that cover the entire dental spectrum, our strategy is to provide complete conventional, semi- and fully-digital solutions in esthetic dentistry, while supporting our customers in establishing efficient workflows that benefit their patients. Our strength in innovation and ability to create partnerships enabled us to complement our offering in 2018 and to explore opportunities for scope expansion.

Examples of this strategic priority in action in 2018

Differentiating solutions	• Immediacy & edentulous: global rollout of Neodent Grand Morse; development and limited release of Straumann BLX; launch of Straumann and Medentika mini implants • Ceramic: Straumann PURE two-piece implant launched; investment in Z-Systems & exclusive rights for next-generation 100% ceramic system • Digital: rollout of Trios3 intraoral scanners; Zirconszahn milling solutions; expanded connectivity to Straumann workflow • CAD/CAM: milling centre opened in China; full acquisition of Createch – high-end frameworks/prosthetics for multiple systems
Orthodontics	• ClearCorrect international roll-out prepared • Preparations to enter Chinese clear-aligner market with ZhengLi Technology • Partnership with Dental Monitoring (remote monitoring, artificial intelligence)
Prevention	• Pilot portfolio of in-licensed products focused on general dentists' needs, including novel approaches to preventing tooth and implant loss

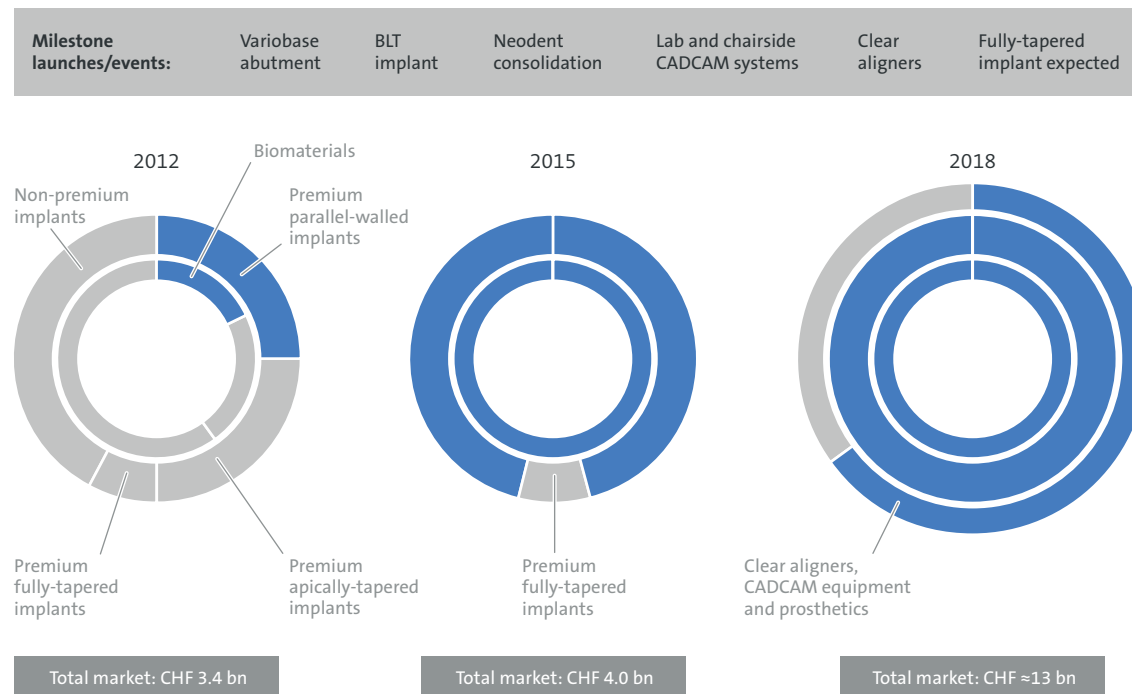
Our efforts to target unexploited growth markets and segments were intense and fruitful.

Innovation and partnerships complemented our offering in esthetic dentistry.

STRATEGY DELIVERS SUSTAINABLE GROWTH

Through internal development, acquisitions, investments and partnerships, we have significantly expanded our addressable market, which has more than trebled over the past three years (see chart below) and still offers considerable growth potential (see p. 34).

Straumann Group's expanding addressable market



In 2012, we focused on a market worth CHF 3.4 billion, of which we were able to address segments worth a total of just CHF 1 billion because our portfolio was limited to premium parallel-walled implants, standard CAD/CAM prosthetics and a limited range of biomaterials. With Neodent, we stepped into the non-premium segment and our partnership with botiss and other partners gave us a complete portfolio of biomaterials. Straumann BLT and Neodent implants provided access to the large tapered-implant segment. By 2015, we had expanded our addressable market to CHF 4.0 billion. The addition of lab- and chairside-milling solutions and our entry into clear aligners in 2017 further increased our addressable market to CHF 13 billion.

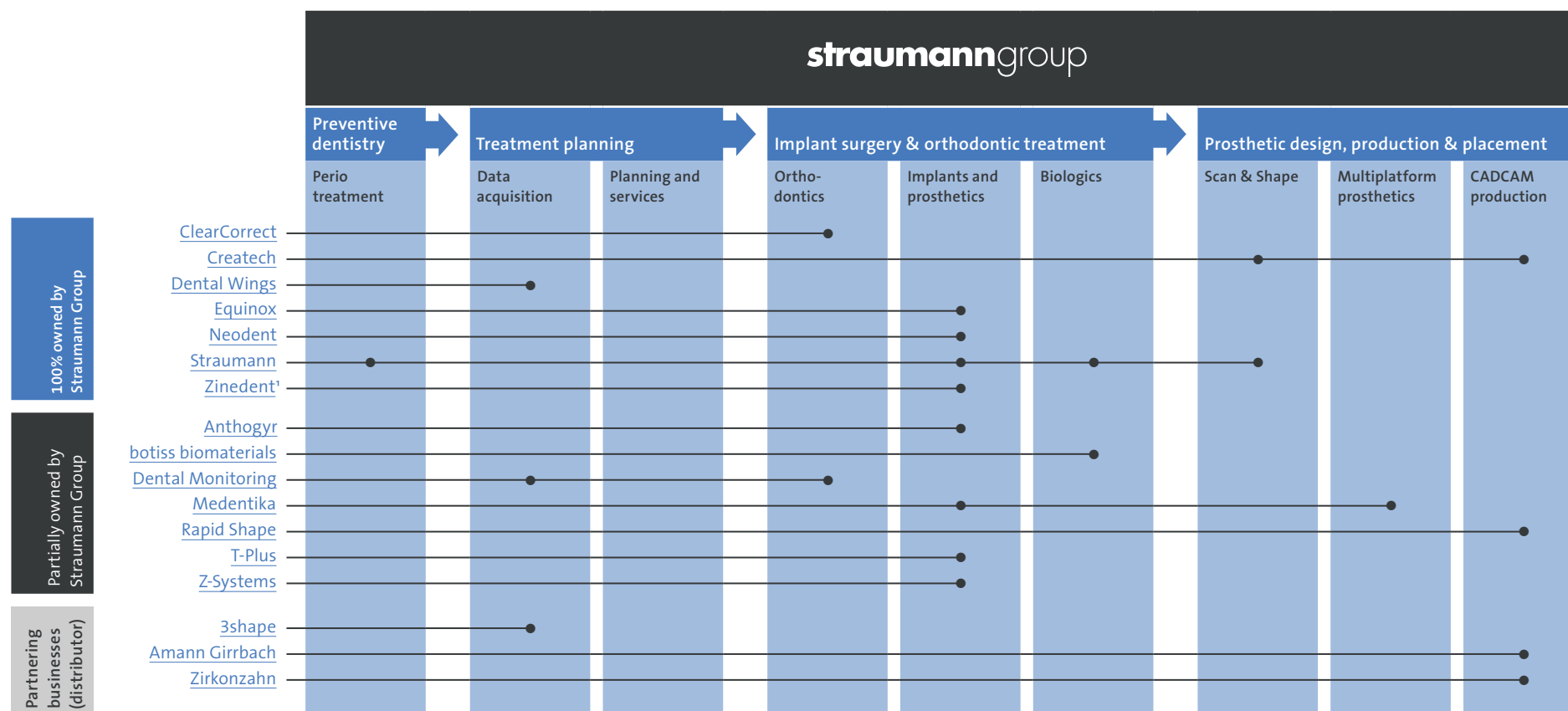
We have set the stage for sustainable future growth and will continue to create opportunities that are aligned with our strategic priorities, always vigilant and agile to adapt to a fast-changing environment.

We have set the stage for sustainable growth and continue to create opportunities that are aligned with our strategic priorities.

Products, solutions and services

 [Click here for complete product information](#)

For more than six decades, Straumann has been innovating, developing, testing and refining products that address patient needs and contribute to their quality of life. Our product range includes dental implant systems, prosthetics, digital equipment and solutions, biomaterials and caries treatments. As a Group, we strive to provide total solutions across segments, enhancing convenience and efficiency, and adding value, comfort and security for customers and patients.



This chart shows the Group's main brands, the degree of ownership and how they each support the dental treatment cycle from prevention to replacement and restoration.

1 Since 1 January 2019.

MEETING CUSTOMER NEEDS

In line with the Group's strategic priorities, we launched numerous key products in 2018 to penetrate unexploited markets and segments, including the following:

2018 Main product launches	Benefit and added value
Surgical	
Straumann BLX implant (Limited market release)	<ul style="list-style-type: none"> • New fully tapered implant for all bone types and indications, especially for immediacy • Excellent osseointegration and bone maintenance properties • Designed to shorten treatment duration
Straumann Mini Implant System	<ul style="list-style-type: none"> • Very small diameter one-piece, apically-tapered tissue level Roxolid SLA mini implants • Designed for narrow edentulous ridges and immediate procedures • Stabilizes removable partial or full dentures • Coated prosthetic connection for excellent wear resistance
Straumann PURE CI	<ul style="list-style-type: none"> • Two-piece ceramic implant for increased prosthetic flexibility • Fully digital workflow, suitable for guided implant placement
Neodent GM (International roll out)	<ul style="list-style-type: none"> • Complete new implant system with a fully tapered design for all clinical needs • Comprehensive and easy-to-use prosthetics
Medentika Quattrocone (5mm diameter)	<ul style="list-style-type: none"> • More options and optimized solutions for several indications • Increased diameter of the implant due to customer requests
Medentika Minicone	<ul style="list-style-type: none"> • Very small diameter one-piece, apically-tapered design to stabilize dentures • Minimally invasive protocol, often used without a flap and grafting procedure • Superior attachment system with coated surface
Restorative	
Medentika ASC Flex Ti-Base	<ul style="list-style-type: none"> • Ti-base for angled screw channels in demanding situations • Cuttable even in digital workflows
Digital	
3Shape TRIOS 3 intraoral scanning solutions in North America	<ul style="list-style-type: none"> • Hi-end intraoral scanner, complementing Straumann's range of scanners and software solutions
TRIOS Design Studio	<ul style="list-style-type: none"> • Software offering seamless chairside workflow to trios users
Straumann CAD/CAM facility in China	<ul style="list-style-type: none"> • Tooth-borne prosthetics for the Chinese market
Dental Monitoring distribution	<ul style="list-style-type: none"> • Remote monitoring using smart phones and artificial intelligence algorithms for timely intervention and adjustments, making treatments more efficient
Prevention	
GP portfolio (pilot)	Various products to prevent tooth and implant loss and to support esthetic treatments

To complement the Group's products and solutions, we offer a broad range of services.

To complement the Group's products and solutions, we offer a broad spectrum of services under the Straumann brand, such as:

- Comprehensive service packages tailored to the specific needs of future dentists or those who have recently started their careers, with professional practice-oriented and individual support
- Information concepts to address trends in patient information behavior, in order to support dentists in reaching patients who wish to learn more about treatment
- Exclusive access to a great variety of practice-oriented training materials related to the treatment of straightforward implant cases
- Blended learning opportunities, including online modules and hands-on tuition

To provide services of this kind our staff requires a comprehensive understanding of the dental business and our products. Extensive staff training is therefore an important aspect of our service offering.



The provision of clinical documentation and educational material is one of many added services.

PUSHING BOUNDARIES: **Minimal invasiveness**

Very small diameter monotype implants offer a cost-effective, immediate and minimally invasive solution for edentulous patients who have reduced horizontal bone. More than a million such implants were placed in 2017 and they are rapidly gaining popularity – not least because they can avoid bone grafting procedures which would be necessary with wider implants.

In October, we launched a premium mini implant system that pushes several boundaries. Unlike other implants in this category, it is made of our high-strength Roxolid and is just 2.4 millimeters in a diameter. It has an SLA surface to enhance osseointegration and is designed for immediate placement protocols with reduced drilling.

It also features a built-in Optiloc prosthetic retention system, which is made of special wear-resistant materials for exceptional long-term performance and low maintenance. With all of these features, it sets a new standard for mini implants.



Restoring smiles and confidence – especially in older edentulous patients.

Innovation

Turning ideas into innovations

Straumann has been a leading innovator in the field since the pioneering days of implant dentistry. As in previous years, we continued to invest significantly in research and development in 2018 to fuel our pipeline and to bring significant benefits to patients and customers. As change-makers, we promote innovation in all our activities – for example the use of ceramic injection molding in manufacturing and virtual reality in marketing and education. Our entrepreneurial, open-minded culture has also enabled us to ‘import’ innovation, for example with Dental Monitoring, Z-Systems and Cretech, which has become our center of excellence for CAD/CAM innovation.

DRIVING INNOVATION ACROSS THE GROUP

Innovative products, processes and solutions are key drivers of our global success. Their seed ideas come from various sources. Our goals are to leverage synergies, pool resources and share new technologies (e.g. in manufacturing) without diluting the focus of our individual brands nor compromising the premium brand. We therefore take a systematic approach, balancing ‘core’, ‘adjacent’ and ‘breakthrough’ projects with the probability of commercial success, time to market, and other considerations. This ensures that we focus on ideas that are most likely to succeed and enables us to allocate them to the most appropriate center of competence and brand.

BRINGING INNOVATIONS TO CUSTOMERS AND PATIENTS

Straumann’s BLX (see p. 47), Mini Implant (see p. 25) and the two-piece [Straumann PURE Ceramic Implant](#) are some of the innovations that we introduced in 2018. In addition, we are offering novel technologies and products, that our partners have developed: for instance the first screwed two-piece ceramic implant system that is free of metal and plastic, as well as innovative caries treatments that avoid drilling and filling, and systems that use artificial intelligence to monitor treatment progress (see p. 13). The table below highlights the development pipeline projects that we worked on in 2018 with a view to launch in 2019.



Straumann SNOW, the first two-piece screw-retained dental implant to be free of metal and plastic, developed by our partner Z-Systems.

Our entrepreneurial, open-minded culture has enabled us to ‘import’ innovation.

Examples on development projects scheduled for introduction/rollout starting in 2019

Project	Key benefit target
Surgical	
New implant designs	Less invasive procedures, focus on immediacy (shorter time to teeth), additional indications
Line extensions implants	Fill portfolio gap with posterior solution and line extension
Ceramic portfolio extension	Highly esthetic and complete metal-free ceramic; advanced implant design
New drill system	Shortens chair time, minimizes heat generation, suitable for all surgical protocols
Modular cassette	Convenient, compact and customizable, facilitates interaction between surgeons and assistants
Prosthetics	
Angulated solutions	Enhanced screw-retained prosthetic solutions for tilted implants, focus on CAD/CAM
Ti-base portfolio	Universal abutment with cuttable chimney, angled abutment for demanding cases, CAD/CAM option
Edentulous	
Edentulous solution offerings	Patient-centric approach; broad choice of options, fixed and removable, including mini implants; focus on immediate procedures
MPS portfolio	Portfolio extension covering additional competitive brands, attractively priced alternative to in-market competitive product
Digital dentistry	
Straumann Virtual Clinic	Smartphone app for patients to enhance patient information and treatment acceptance
Integrated planning and design service	Time saving and efficiency gains for various customers along the workflow
CAD/CAM materials	More options, enhanced esthetics, 'one stop shop'
3D printer and scanners	Ease of use, affordability, optimized scanners and software
Smile in a Box	Fewer treatment visits, faster and more efficient implant placement
Improved Clear aligner material	Patient comfort, esthetics
Biomaterials	
Periodontal pocket treatment	Minimally invasive, easy to perform
Preventive dentistry	
Next generation dentistry	Innovative treatments for caries, periodontal disease and peri-implantitis

Markets

Further market share gains – new segments tapped

THE GLOBAL DENTAL SUPPLY AND EQUIPMENT MARKET

The dental supply and equipment market is an attractive subsector of the medical device sector and ranges from instruments, adhesives and filling materials to imaging hardware and practice equipment. It also includes specialty segments like implant dentistry, endodontics, biomaterials, CAD/CAM equipment, prosthetics, and orthodontics. The total dentistry market was valued at CHF 26–28 billion in 2018 (see chart on the right) and is growing rapidly, driven by the aging and growing population, increasing prosperity, awareness of oral health, and innovation.

IMPLANT DENTISTRY

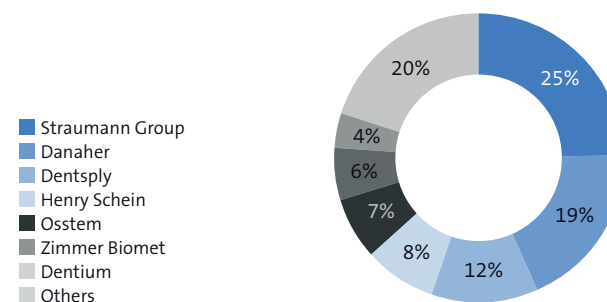
The Straumann Group's main market is implant dentistry¹, which is estimated to be worth approximately CHF 4 billion globally² (or CHF 4.5 billion including healing screws, temporary abutments and copings). It grew in the mid-single digit percentage range in 2018, driven almost entirely by volume growth. Having outperformed for several years, we lead the implant market with a share of 25%. Three quarters of the market are controlled by the leading six companies, while the rest is divided among several hundred manufacturers, most of whom operate on a regional basis and compete in the non-premium segment. The latter has been growing faster than premium, due to the increase in manufacturers, the lack of reimbursement schemes, and stronger growth in emerging markets where procedure prices and disposable income are lower. The non-premium brands collectively account for approximately half of the worldwide implant market.

Having focused exclusively on premium implants, Straumann entered the non-premium segment in 2012 and, by acquiring various brands, now offers a broad range of solutions in both the upper and lower value price segments. Since then, the Group has gained a leading position in the non-premium segment, although its market share is still only in the mid-single percentage range and therefore offers an attractive growth potential in the coming years.

**Having outperformed, we
lead the implant market with
a share of 25%.**

Dental market overview

	Total dentistry	Implant dentistry ¹
Market	CHF ≈26–28 bn	CHF 4.5 bn
Straumann share	5%	25%
Straumann position	#7	#1



¹ Implant dentistry market segment includes implant fixtures, abutments, temporary abutments, healing screws, copings and related instruments; information based on Decision Resources Group and Straumann data.

THE TAPERED IMPLANT SEGMENT

Dental implants can be distinguished by their shape. Tapered implants offer high primary stability and are the preferred choice of many clinicians in extraction-socket indications and immediacy protocols or when patients have a soft bone morphology. More than 70% of dental implants sold in 2017 had a tapered design. Parallel-walled implants, on the other hand, are valued for their periodontal performance (soft tissue attachment properties) and have been documented for more than 30 years. The Straumann brand dominates the latter category, while our Neodent brand focuses on tapered implants.

In 2014, Straumann entered the premium tapered segment with its apically-tapered BLT implant, which has spurred growth and enabled us to outpace the market. In 2019 the full market release of Straumann BLX, our innovative fully-tapered implant, is expected to add to this success. Together with Neodent's new GM line, it will enable the Group to penetrate the fastest growing implant segment and is expected to win further market share.

CONSIDERABLE POTENTIAL

Independent researchers expect implant dentistry to continue outpacing the overall dental market. In the world's largest dental market, the US, more than 120 million people are missing at least one tooth, yet just one and a half million are treated each year (corresponding to 2.7 million implants). This is low in absolute terms and in comparison with other countries. Our analysis shows that only one in four medically eligible US residents who seek treatment for tooth loss actually receive implants. In Germany, the penetration level is approximately 30%, while in Switzerland, it is close to 40%³. The tooth replacement market therefore offers considerable potential and its principal growth drivers are:

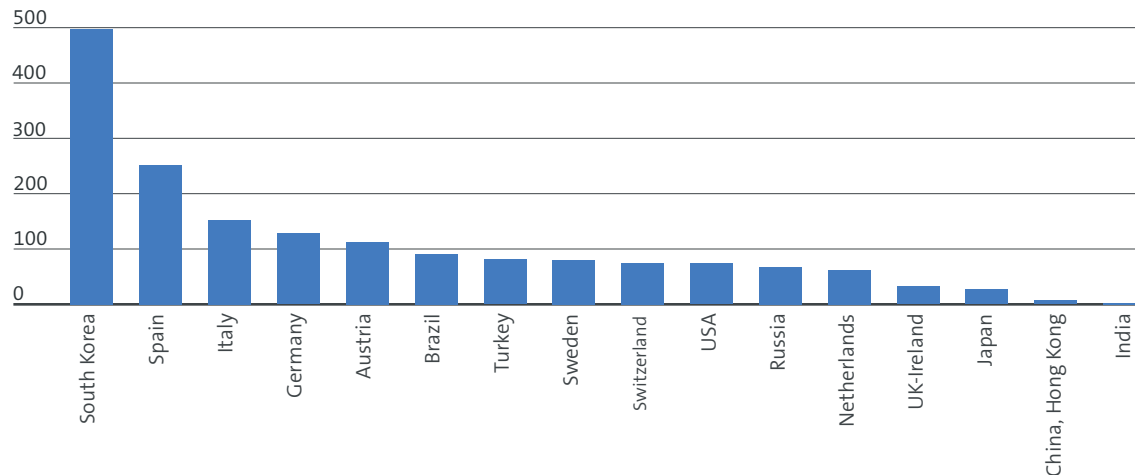
- Demographics – in an ageing population, more elderly people need tooth replacement
- Affordability – the middle class is growing in developing countries
- Treatment provision – rising number of trained dentists who are confident placing implants
- Awareness – patients are better informed about the negative effects of poor oral health
- Esthetics – the trend in people choosing cosmetic treatments and dental implants is growing and consumer expectations are rising.



From left to right: Straumann's parallel-walled Bone Level implant (introduced in 2007), the apically-tapered BLT implant (2014), and the fully-tapered BLX implant (2018).

**Straumann BLX and Neodent GM
will enable the Group to
penetrate the fastest-growing
implant segment.**

Implant penetration: Patients treated annually (per 10 000 adult population)



- ◀ With very few exceptions, tooth replacement is an out-of-pocket expense. In South Korea, reimbursement was gradually introduced for senior citizens in 2014. This, together with the fact that more than 70% of the dentists in the country place implants, explains the high penetration rate. By contrast, large economies like China and India remain heavily underpenetrated due to a lack of qualified dental professionals.

As the chart above shows, the number of patients treated per 10 000 adult population in the US is only half that of Italy and only a third that of Spain, the largest European market. This illustrates the considerable growth potential there. Penetration in other highly populated countries like the UK, India, China and Japan is also clearly below average, offering strong upside potential in the coming years.

The population in the US aged 65 and older is projected to more than double from 46 million today to over 95 million by 2060 corresponding to 15% and 24% of the population respectively⁴. According to the American College of Prosthodontists (ACP)⁵, about 23 million people in the US are completely edentulous and another 12 million are edentulous in one arch. Ninety percent of edentulous people in the US use simple, gingiva supported dentures. Most are unable to afford implant solutions. To serve this market, we launched a cost-effective mini-implant line in 2018. This type of implant is easy to place and has been gaining popularity. It is estimated that more than a million were placed in 2017⁶.

BIOMATERIALS

The Straumann Group is also active in the global market for oral biomaterials, which include bone-augmentation materials, membranes, fleeces, sponges and soft-tissue regenerative products. As biomaterials are used in a large proportion of dental implant procedures, market growth is linked to that of implant and bone ridge preservation treatments (although biomaterials are used less with mini and short implants and in immediacy protocols).

In 2018, the worldwide market for oral biomaterials was estimated to be worth more than CHF 600 million⁷. Over the past five years, the Group has significantly expanded its biomaterials franchise through partnerships (botiss, Genoss, and Nibec) and today is a top-5 global player in this market.

CADCAM EQUIPMENT

The development of digital hardware makes it possible to design and mill abutments, crowns, bars, and bridges (commonly referred to as prosthetics) using computers, saving time and increasing accuracy. Digital implant workflows are becoming increasingly important for clinicians, dental technicians and patients. We estimate that the global market for CAD/CAM dental equipment, which comprises optical scanners as well as milling and 3D printing equipment, is worth CHF 1.2 billion, including new installations as well as upgrades and replacements.

Dental CAD/CAM systems fall into three categories:

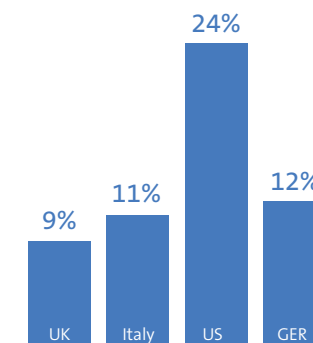
- Chairside systems, where scanning, design and milling are all performed in the dental practice
- In-lab systems for scanning, design, and manufacture on medium-sized milling machines
- Central milling, in which lab scanners connect to an external milling center that uses sophisticated, heavy milling machines.

Straumann has been an established player in the centralized milling segment for more than a decade and entered the lab and chairside milling segments in 2016. Penetration of the latter is still modest in spite of the speed, convenience and patient acceptance of intraoral scanning. Even in advanced markets like the US and Germany, fewer than one in four dental practices use intra-oral scanners and few have invested in chairside milling systems (see chart on the right), which indicates the large potential for growth in this segment. By contrast, many dental labs have gone digital and have invested in digital production equipment and systems⁸.

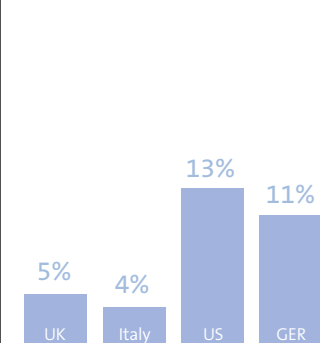
Today, the Group is a top-5 global player in the biomaterials market.

Large potential for growth in digital equipment

General practitioners using intra-oral scanners (IOS)



Dentists using IOS and chairside milling equipment



Source: Straumann proprietary GP survey in US, DE, IT, and UK; samples size >200 dentists.

We are convinced that the future of dentistry lies in digital workflows. Technology and software are evolving rapidly and there are clear signs that digital transformation is already underway. Intra-oral scanners are becoming increasingly intuitive and versatile and will become the gateway to the digital dental universe. Multiple studies have shown that digital impressions are more accurate⁹, faster¹⁰ and more comfortable than taking physical impressions. In the US, 50% of dental labs use CAD/CAM and nearly all larger labs accept digital scans from their referring dentists. More than 80% of larger labs have a complete CAD/CAM system including scanner, milling system, and sintering furnace because they have the financial resources and a high throughput¹¹. This is why we are constantly developing our current range and offer an integrated, open architecture portfolio, with leading chairside and in-lab scanning and milling technology, 3D in-lab printing and central milling. All are supported by cutting-edge software and validated workflows that cover the tooth-replacement and orthodontic spectrum.

PROSTHETICS

The CAD/CAM prosthetics market is estimated at more than CHF 3.8 billion¹² and comprises crowns, inlays, onlays, bars, and bridges designed on a computer and manufactured with a milling machine or an additive process. Tooth-borne restorations, such as single crowns, inlays and small bridges, account for the largest part. While CAD/CAM production is growing strongly, most crowns and bridges are still porcelain-fused-to-metal or press ceramics made in a time-consuming manual process. Market research¹³ indicates that general dentists usually obtain CAD/CAM crowns and bridges from local labs, and most use models or impressions to order the restorations.

This segment is expanding due to the increase in local laboratories offering CAD/CAM services and the growing popularity of individualized prosthetics, which have esthetic and clinical advantages over traditional pre-fabricated abutments and custom castings. Another driver is the popularity of cost-effective titanium-base implant abutments, like Straumann's Variobase, which allow customers to produce their own prosthetics through an open software platform while still ensuring an original interface between the implant and the abutment brand.

Internal and independent surveys show that patients are increasingly willing to invest in treatments that not only restore function, but also improve appearance. CAD/CAM makes it possible to use strong, highly esthetic translucent glass-ceramics or hybrid materials and Straumann competes in the materials market with its innovative proprietary glass ceramic, nIce.

We are convinced that the future of dentistry lies in digital workflows.

The CAD/CAM prosthetics market is estimated at more than CHF 3.8 billion.

DYNAMIC CLEAR ALIGNER MARKET

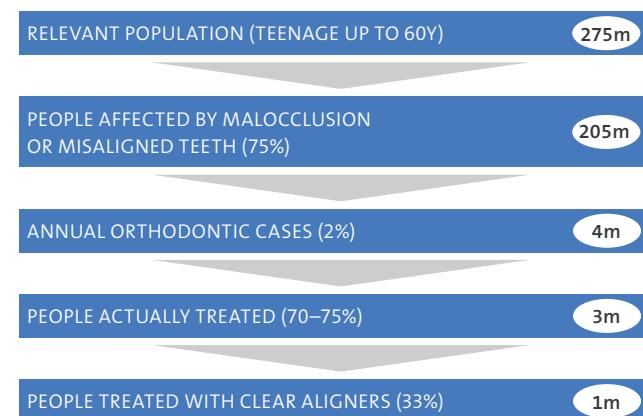
Approximately two in five children in North America have crooked teeth and 10% have severe malocclusion. Tooth displacement is far more common among teenagers than in younger children because of the greater number of erupted teeth. More than 60% have severe tooth displacement and approx. 17% have either lingual or buccal crossbite.¹⁴ Of the three million orthodontic cases actually treated in North America in 2018, the majority received conventional wires and brackets, while approximately one third received modern clear-aligner solutions (see chart on the right). Conservative estimates state that 50–60% of all patients with misaligned teeth could theoretically be treated with clear-aligner solutions. Outside North America, penetration rates are considerably lower. Internationally, fewer than 5% of dentists offer clear aligners.¹⁵ The global market for clear aligners is estimated to be worth approximately CHF 2 billion and is growing in excess of 20%, representing one of the most attractive areas in dentistry. Clear aligners' market dynamics are spurred by their significant advantages over conventional wires and brackets mainly related to esthetics, patient compliance, cleaning, teeth stains and convenience. The growing awareness of these advantages among dentists and patients and the broader availability (through general dentists and direct-to-consumer offerings) of the solutions will lead to higher penetration rates in the future.

We entered this attractive field in 2017 by acquiring ClearCorrect and investing in Geniova. In 2018, we invested in, and partnered with Dental Monitoring, a pioneer of remote monitoring systems using mobile phone technology to support clear aligner treatment and add convenience for dentists and patients. The system relies on artificial intelligence technology, which we believe will significantly change dentistry in the future. Beyond accelerating orthodontic treatment outcomes, automated algorithms could enhance diagnoses and prevention, both in general and implant dentistry.

PREVENTIVE DENTISTRY

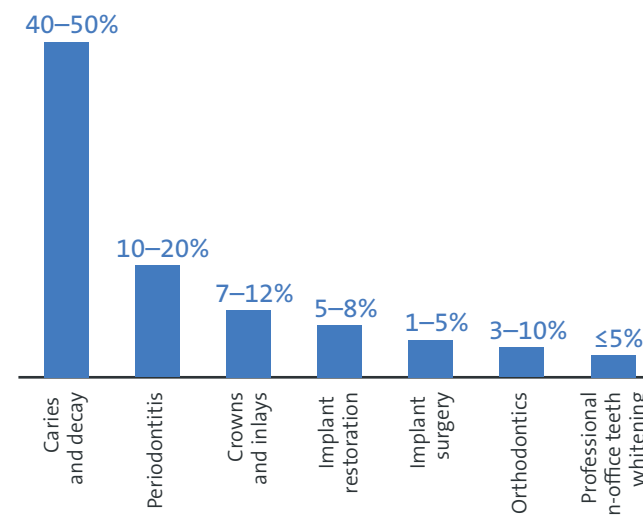
Dental caries is a significant global health problem that affects 60–90% of schoolchildren and the vast majority of adults¹⁶. The increasing world population and life expectancy will drive the need for treatment. Although oral care, the use of fluoride and regular check-ups have helped to reduce the prevalence and severity in developed countries¹⁷, periodontal disease is the sixth-most prevalent disease worldwide¹⁸ and a majority of adults are affected by mild to moderate periodontitis¹⁹. In Germany, one in two adults aged 35 to 44 suffers from periodontal disease, 43% of whom have moderate disease, while 10% are severe cases²⁰. In the US, the total prevalence of periodontitis in adults aged 30 years and older was 47% in 2012, and the prevalence of moderate and severe disease was 39%²¹.

Underpenetrated clear-aligner market (US & Canada)



Source: World Statistics, Global Industry Analytics Inc, 2016, company reports.

Percentage of patients treated by general dentists by indication

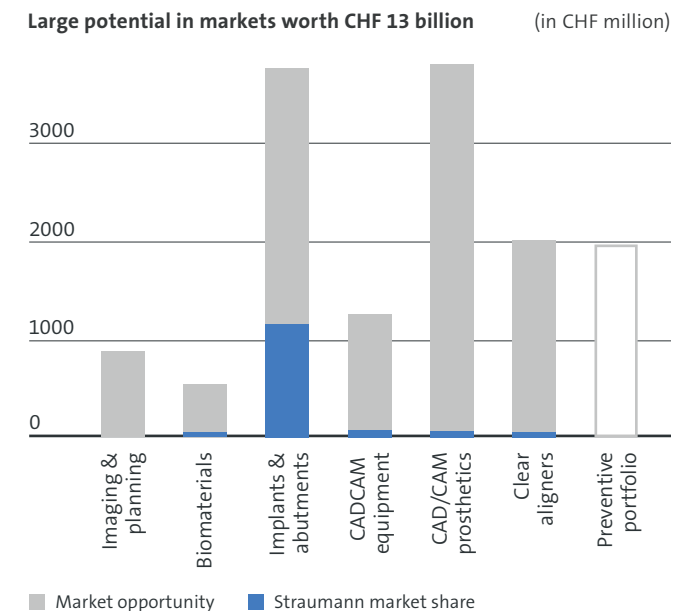


Source: Straumann proprietary GP survey in US, DE, IT, and UK; samples size >200 dentists.

The significant medical need and opportunity in fields related to our existing businesses provided the rationale for exploring the preventive dentistry market. The need for improved treatment concepts is further underpinned by our field research²² that outlines the most frequent treatment forms in a general dentist practice (see chart on the previous page). General dentists on average treat 4–5 times more patients for decay than with implants. Periodontal treatments are twice as frequent. At the end of 2018, we obtained distribution rights for a number of innovative products for treating diseases that lead to decay, tooth loss or implant failure. The portfolio addresses the needs of general practitioners and we began to pilot approaches for selling it through our existing channels.

ADDRESSING MARKETS COLLECTIVELY WORTH CHF 13 BILLION

Having concentrated on premium parallel-walled implants for many years, we have significantly broadened our scope through internal development, acquisitions, investments and partnerships, with the goal of offering complete solutions in both replacement and esthetic dentistry. As a result, our addressable market has expanded significantly, more than tripling in the past three years to approximately CHF 13 billion (see chart on the right). If the aforementioned pilot project leads us to enter preventive dentistry globally, it would expand our addressable market by an additional CHF 2 billion.



Notes and references

- 1 Including implant fixtures, abutments and instruments.
- 2 Decision Resources Group 2017–18, iData 2017 and Straumann bottom-up estimates in 70 countries.
- 3 Straumann proprietary survey.
- 4 Population Reference Bureau (www.prb.org).
- 5 American College of Prosthodontists, 2018 (www.gtoapro.org/facts-figures).
- 6 iData 2017.
- 7 Decision Resources Group 2017–18, iData 2017 and Straumann bottom-up estimates in 70 countries.
- 8 Research by KeyGroup 2018, Frost & Sullivan 2017.
- 9 Fawaz Alqahtani 2017, Boeddinghaus 2015, Zarauz 2014.
- 10 Yuzbasioglu et al., BMC oral health, 2014.
- 11 The Key Group Inc. 2017.
- 12 Decision Resources Group 2017–18, iData 2017 and Straumann estimates.
- 13 The Key Group Inc. 2017.
- 14 National Center for Health Statistics. An assessment of the occlusion of the teeth of children 6–11 years. Vital and health statistics, 1973.
- 15 Global Industry Analyst Inc. 2016, company reports and Straumann estimates.
- 16 Petersen, 2008; WHO, 2016.
- 17 Poul Erik Petersen and Hiroshi Ogawa, Community Dental Health, 2016.
- 18 Kassebaum et al., Global burden of severe periodontitis in 1990–2010: A systematic review and metaregression; article in Journal of Dental Research; 2014.
- 19 Dye, 2012; Petersen and Ogawa, 2012.
- 20 The fifth German oral health study, 2016.
- 21 Eke et al., Prevalence of periodontitis in adults in the United States, 2012.
- 22 Exevia, 2018, based on market research data in Germany, Italy, Spain and the US.



PUSHING BOUNDARIES:

Our scope

With a view to expanding into the field of prevention, we have obtained rights to distribute a number of innovative treatments for diseases that lead to dental decay, tooth loss or implant failure. They include digital diagnostics for early caries detection and two non-invasive products that reduce the need for drilling and filling in order to treat caries and to remove the decay it causes. The portfolio also features biomaterials to diagnose, treat or prevent periodontitis and peri-implantitis.

All these products focus on the needs of general practitioners (GPs). We have begun to pilot approaches in the UK, Germany, and Italy for selling them through the same channel as our clear aligners, tooth-borne CAD/CAM prosthetics, digital equipment and other GP products.

Business performance Group

STRONGEST GROWTH IN 13 YEARS

In 2018, the Group posted its strongest annual growth since 2005, as revenue grew 23% in Swiss francs to CHF 1.364 billion. Organic growth accounted for 19%-points and acquisitions¹ contributed 4%-points (CHF 39 million).

Along with this impressive growth, we achieved further improvements in profitability, despite significant investments in people, innovative technologies, regulatory support, and infrastructure. Underlying² EBITDA rose 24%, with the respective margin reaching 30%. Reported net profit adjusted for revaluation gains due to business combinations amounted to CHF 274 million, 44 million higher than in the prior year. On an underlying basis, net profit increased 19%, bringing the corresponding margin to 20% and basic earnings per share to CHF 16.99 (2017: CHF 14.65).

BUSINESS PERFORMANCE

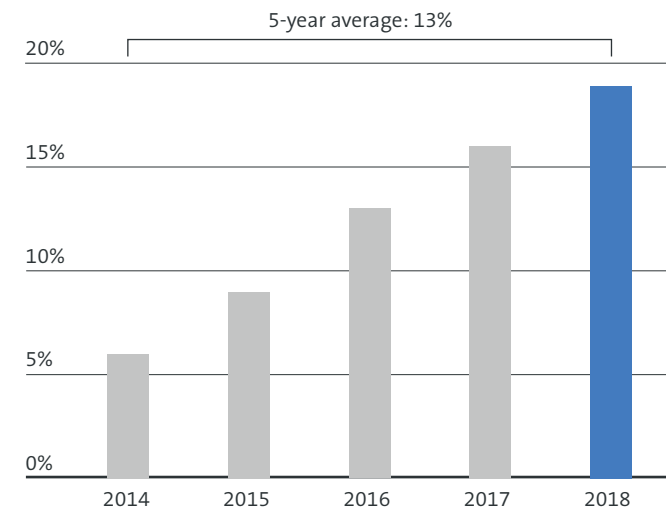
The full-year performance was driven by **implants**, which posted double-digit growth throughout and generated half of the Group's growth. All implant lines including the ceramic range contributed to this, with the strongest growth coming from Straumann's BLT line. The Group's non-premium implant business also developed well, especially in North America and emerging markets, while the uptake was slower than expected in some parts of Europe.

Our **restorative** business delivered good results, with standard and Variobase abutments outpacing implant growth. Further impetus came from the **digital** business, driven by buoyant demand for intraoral scanners and 3D printers. The clear-aligner business grew dynamically in its established markets (Australia, the UK and the US) with the number of new cases growing at more than 50%.

Sales of biomaterials also advanced at a double-digit rate and accelerated in August, when supplies of our tissue-regeneration product, Emdogain, resumed in the key US market. Demand for Straumann's bone-graft and membrane products was good throughout the year.

Along with impressive growth, we achieved further improvements in profitability.

Organic revenue growth



OPERATIONS AND FINANCES

We have adjusted the Group's 2017 consolidated financial statements retrospectively to reflect changes in the fair values of the identifiable assets and liabilities due to the final purchase price allocation for the ClearCorrect acquisition in September 2017. These changes reduced the 2017 EBIT by CHF 0.3 million and increased net profit by CHF 6.6 million.

In 2018, the following non-cash-relevant effects arose from acquisitions and business combinations:

- The acquisition of Batigroup on 1 January 2018 led to an exceptional inventory revaluation expense of CHF 9 million (reported under 'Costs of goods sold') as well as a tax benefit of CHF 2 million.
- In July 2018, we increased our ownership in Createch Medical, a leading provider of high-precision CAD/CAM dental prosthetics, from 30% to full ownership. Prior to this, the business was included in 'share of results of associates'. The business combination led to a consolidation gain of CHF 4 million below the EBIT line (see Financial Report Note 4 for details).
- In November 2018, we increased our stake in T-Plus from 49% to 58% and consolidated the business. This led to a consolidation gain of CHF 7 million.

All of these effects are treated as 'exceptionals' to facilitate a like-for-like comparison. The term 'underlying' refers to accounting figures excluding these effects.

DOUBLE-DIGIT VOLUME EXPANSION LIFTS GROSS PROFIT

Strong implant volume growth lifted gross profit above the CHF 1 billion threshold for the first time. It increased 22% to CHF 1028 million, with the underlying margin at 75% – in line with the first half despite the negative flip in the currency impact in the second half. Year-on-year, the gross margin was 40 base points lower than in 2017, primarily due to the less favorable business mix. In pursuit of our strategy to provide complete integrated solutions, we generated strong demand for our digital equipment and clear-aligner solutions, which have a lower gross margin than implants.

EBITDA MARGIN JUST LESS THAN 30%

'Distribution expenses', which comprise sales-force salaries, commissions, and logistics costs, rose CHF 41 million to CHF 291 million as the company incorporated the aforementioned acquisitions and invested further in its distribution network. Despite these important investments, distribution costs decreased by 120 base points relative to sales. This was the key improvement driver of operating profit margin.

**Strong implant volume growth
lifted gross profit above the
CHF 1 billion threshold.**

R&D, marketing and general overhead costs, which are grouped under 'Administrative expenses' in the income statement, increased by CHF 78 million to CHF 389 million, mainly due to the incorporation of ClearCorrect and Batigroup, as well as additional expenses to comply with the upcoming changes to the medical device regulations. As a percentage of sales, administrative expenses increased 60 base points. R&D investments increased in absolute terms but remained stable at 5% of sales.

Taking all the aforementioned items into account, earnings before interest, tax, depreciation, amortization (EBITDA) and exceptionals increased 24% to CHF 404 million, lifting the underlying margin 35 base points to just under 30%.

In recent years, we have built new manufacturing facilities and continue to increase the capacity of our existing sites significantly. As a consequence, depreciation expenses increased by CHF 5 million. Amortization expenses rose CHF 7 million, mainly for customer and technology-related intangible assets connected to recently acquired businesses. After depreciation and amortization charges of CHF 52 million, underlying operating profit (EBIT) amounted to CHF 351 million (reported: CHF 343 million) compared with CHF 285 million in the same period of 2017. The underlying EBIT margin increased 20 base points to almost 26%.

NET PROFIT RISES 19%

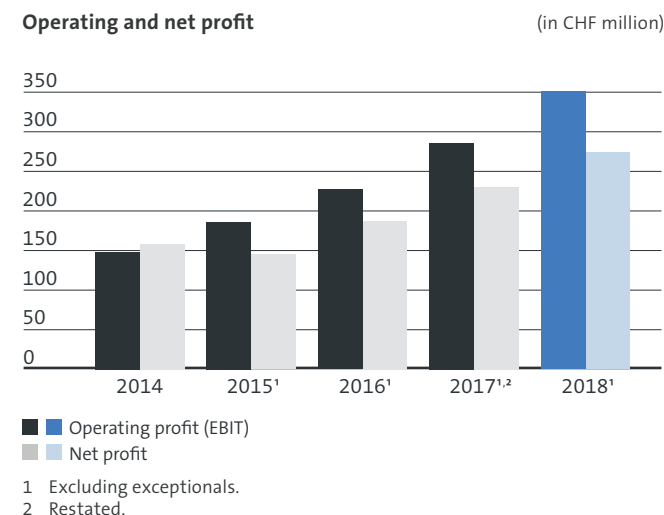
Underlying net financial expenses increased from CHF 3 million (reported: CHF 19 million) in the prior year to CHF 17 million, reflecting higher hedging costs in 2018 due to increased volatility, foreign-exchange losses in some emerging markets, and a lower interest result. The strong performance of Batigroup following its acquisition led to a revaluation of the present value of future earn-out payments.

The exceptional gains related to the consolidation of T-Plus and Createch amounted to CHF 11 million. The Group's share of results from associates³ was a negative CHF 10 million, similar to the prior year. This reflects an impairment charge of CHF 8 million for RODO Medical, which was due to a delay in the development and commercialization of the company's prosthetic-retention system.

Underlying income-tax expenses rose by CHF 8 million due to the increase in profits. Tax expenditure amounted to CHF 49 million, or CHF 51 million excluding the aforementioned exceptional tax-benefit of CHF 2 million. The underlying income-tax rate was stable at 15%, which is consistent with our long-term guidance.

To cater for strong volume growth we invested significantly in production capabilities and capacity expansion.

Net profit excluding exceptionals rises 19% to CHF 274 million.



As a result of all the above items, underlying net profit increased 19% to CHF 274 million, with the corresponding margin reaching 20%. Basic earnings per share rose more than CHF 2 to CHF 16.99.

FREE CASH FLOW CLIMBS TO CHF 169 MILLION

Cash flow from operations increased 28% to CHF 277 million, due to the rise in operating income. This corresponds to a solid cash conversion rate⁴ of 102%. Cash generation would have been even higher, had it not been for the increase in net working capital as a result of the strong topline growth. Trade receivables and inventories increased in absolute terms, while 'Days of supply' decreased by 9 days and 'Days of sales outstanding' remained unchanged.

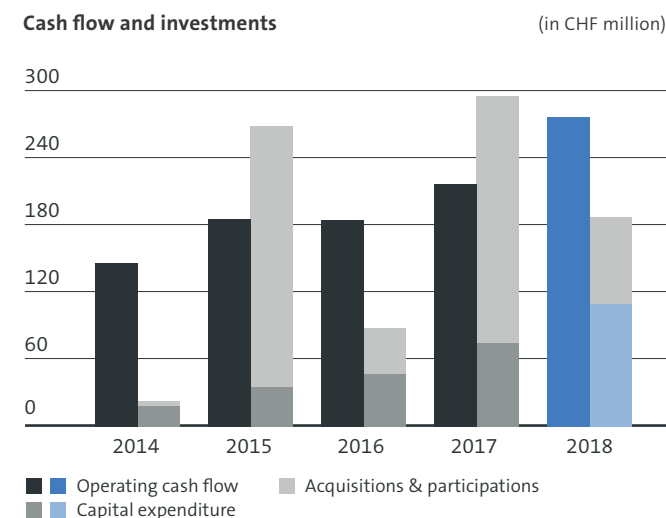
We invested CHF 93 million in production and infrastructure, which is 40% more than the prior year and covers new machinery, new properties and building expansion. In spite of this, free cash flow amounted to CHF 169 million and the respective margin reached 12%. CHF 73 million was used for acquisitions. Taking CAPEX, financial investments and other items into account, cash used for investing activities in 2018 amounted to CHF 199 million.

The cash position at year-end remains solid at CHF 279 million, which exceeds our interest-bearing liabilities by CHF 17 million.

DIVIDEND INCREASE PROPOSED

Based on the excellent results in 2018, the Board proposes a further dividend increase to CHF 5.25 per share (2017: CHF 4.75), payable on 11 April 2019.

Free cash flow margin reached 12% despite investments.



SUMMARY OF MAIN INVESTMENTS

INVESTMENTS IN DISTRIBUTORS

We acquired our local distributors in South Africa and Turkey and integrated them into newly created Group subsidiaries enabling us to serve customers directly and to invest in building the market. We also acquired two third-party distribution companies – Same Day Solution (SDS) in Portugal and M.I.S. Canada, gaining new customers for Straumann Group products. Both companies are being integrated into our local sales organizations. Collectively, these investments amounted to approximately CHF 35 million.

INVESTMENTS IN THE LOWER VALUE IMPLANT SEGMENT

Towards year-end, we obtained control over the Taiwanese implant manufacturer T-Plus by increasing our stake from 49% to 58%, allowing us to gain a foothold in the lower value implant segment in Taiwan and China. Details of the transaction are disclosed on pp. 144 ff.

INVESTMENTS IN TECHNOLOGY PARTNERS

In April, we acquired a 9% stake in Dental Monitoring, gaining global distribution rights for their remote monitoring system and securing a partner with expertise in artificial intelligence in dentistry. In July 2018, we increased our ownership in Createch Medical, a leading provider of high-precision CAD/CAM dental prosthetics, from 30% to full ownership. At the same time, we acquired a 30% stake in botiss, our biomaterials partner. Later in the year, we purchased a 34% stake in Z-Systems, a leader in ceramic dental implant systems. We obtained exclusive distribution rights in most major markets for their next generation fully ceramic implant system. These investments collectively amounted to CHF 80 million, part of which was granted as long-term loans.

INVESTMENTS IN INFRASTRUCTURE

To meet the strong increase in demand for our products, we invested approximately CHF 72 million in land, buildings and machinery, mainly for our production plants in Switzerland, Brazil and the US. Together with IT hard/software and other investments in fixed assets, capital expenditures reached an all-time high of CHF 110 million.

OTHER INVESTMENTS

Information on investments in distribution, including selling activities, research and development as well as tangible and intangible assets, are presented in the financial report. Investments in people are covered in the sections on Employees and Compensation.

Key performance figures

	2018		2017
	Reported	Excluding exceptionals ²	Restated and excl. exceptionals ⁵
Revenue (CHF m)	1 364		1 112
Gross profit margin (%)	74.7	75.4	75.8
EBITDA margin (%)	29.0	29.6	29.3
EBIT margin (%)	25.1	25.8	25.6
Net profit margin (%)	20.4	20.1	20.7
Free cash flow margin (%)	12.4		13.0

Notes

- 1 The following acquired or consolidated businesses contributed to the Group's results in 2018: Createch, ClearCorrect, Dental Wings, Batigroup and T-Plus.
- 2 Exceptionals in 2018 relate to the acquisition of Batigroup, including an inventory revaluation expense of CHF 9m (COGS) and the related tax benefit of CHF 2m. The Createch and T-Plus takeovers resulted in a consolidation gain of CHF 11m. The term 'underlying' refers to accounting figures excluding these effects.
- 3 Associate companies in 2018 comprise: Abutment Direct, Anthogyr, botiss, Dental Monitoring, Genova, maxon dental, Rapid Shape, Rodo Medical, V2R, Valoc, Z-Systems, and Zinedent. The equity method of accounting is applied for these companies, in which Straumann holds non-controlling stakes. The associate result is shown net of tax and after amortization of intangibles.
- 4 Relationship between operating cash flow and net profit.
- 5 The final purchase price allocation of the ClearCorrect acquisition in September 2017 led to changes in the fair values of the identifiable assets and liabilities acquired. The Group has adjusted the 2017 consolidated financial statements retrospectively to reflect these changes.

Business performance Regions

Throughout 2018, we outperformed the market significantly and gained share in all regions. The performance was led by Asia/Pacific and the Americas, which all grew organically at more than 20%.

While the pace in EMEA was a little slower, the performance was no less remarkable because the region includes the most mature markets. In the previous year, EMEA achieved double-digit growth for the first time in a decade. The remarkable performance continued in 2018 as organic growth rose to 15%, which – together with its size – made it the largest contributor to our overall growth.

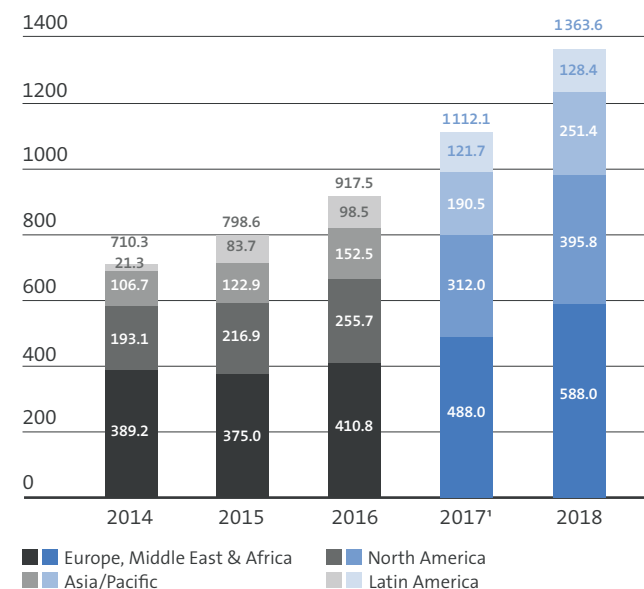
Regional sales performance by quarter

	Q1	Q2	Q3	Q4	Total 2018	Total 2017
(in CHF million)						
Europe, Middle East & Africa	147.0	156.9	122.1	162.0	588.0	488.0
Change in CHF %	21.3	27.5	14.0	18.6	20.5	18.8
Change (organic ¹) in %	9.8	17.0	11.9	19.3	14.6	11.3
North America	90.3	99.8	93.2	112.4	395.8	312.0
Change in CHF %	22.4	32.3	29.4	23.9	26.9	22.0
Change (organic ¹) in %	17.2	19.0	19.5	23.6	20.0	18.7
Asia/Pacific	58.8	66.1	61.3	65.2	251.4	190.5
Change in CHF %	27.9	40.6	34.2	25.8	32.0	24.9
Change (organic ¹) in %	25.0	32.5	33.1	21.2	27.8	23.6
Latin America	28.0	34.5	30.9	35.0	128.4	121.7
Change in CHF %	10.5	9.2	(6.4)	10.3	5.5	23.6
Change (organic ¹) in %	21.5	20.0	13.0	26.5	20.2	14.6
TOTAL	324.1	357.3	307.5	374.6	1 363.6	1 112.1
Change in CHF %	21.7	29.0	19.3	20.5	22.6	21.2
Change (local currencies) in %	20.2	25.9	22.6	23.6	23.1	19.8
Change (organic) in %	15.3	20.4	18.1	21.6	18.9	15.7

1 Excluding the effects of currencies and acquisitions (mainly ClearCorrect, Dental Wings, BatiGroup).

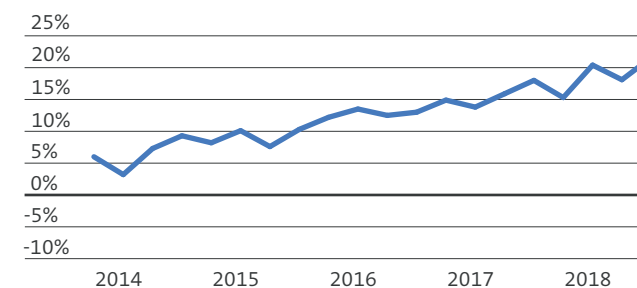
Regional sales performance by year

(in CHF million)



1 Restated.

Five-year quarterly revenue growth (organic)



Europe, Middle East & Africa Lifted by expansion in emerging markets

Our largest region extended its excellent prior-year performance, thanks to increased demand for premium and non-premium implants, strong digital sales, the acquisition of distributors in Portugal, South Africa and Turkey, the consolidation of Dental Wings and the stronger Euro.

Russia, Turkey, the Baltics, Nordics and Middle East all achieved particularly good results and our three largest markets reported good growth, although Italy had to contend with economic uncertainty. Sales were buoyant in the large majority of our distributor markets.

We took advantage of large congresses to present clinical findings and to launch new products including Straumann's new implant lines, Neodent's Grand Morse and Medentika's implant range. In pursuit of our strategy to penetrate unexploited markets and segments, we:

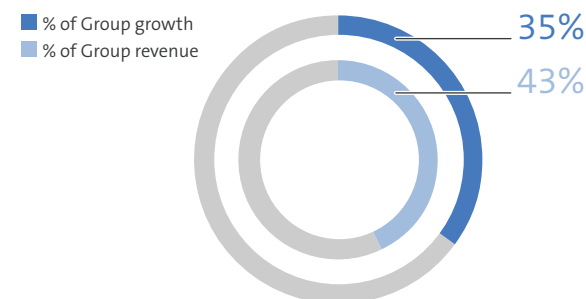
- expanded our sales team, product range and presence in Russia
- launched Neodent in 10 countries
- converted the customers of acquired distributors to Straumann Group products
- entered new distributor markets in Eurasia and Africa
- piloted ClearCorrect in several markets and
- entered an agreement to supply clear aligners to one of the largest dental chains in the region.

In addition to investing in our sales organizations, we added resources in Regulatory Affairs to ensure readiness for the new European Medical Device Regulation that will come into force in 2020.

EMEA REGION



EMEA CONTRIBUTION TO GROUP



ORGANIC GROWTH

+15%

CHANGE IN CHF

+21%

REVENUE

CHF 588m

LARGEST REGIONAL MARKETS

1. Germany
2. Spain
3. Italy

North America

Further customer gains

In North America, we achieved another strong year as organic revenue growth reached 20% for the first time in 14 years. The acquisition effect (mainly related to ClearCorrect) contributed a further 8%-points to growth. Both the US and Canada contributed to this performance, which was driven by further customer gains and strong demand for premium and non-premium implant systems.

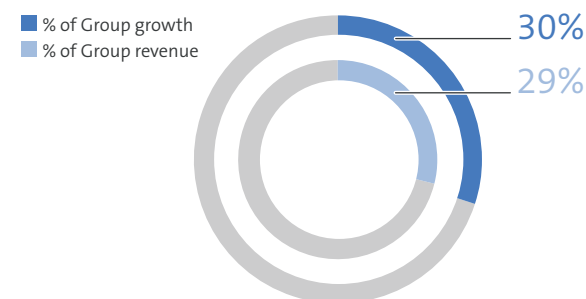
Straumann's BLT implant was a key growth driver. We have sold more than 800 000 in the region since its launch in 2014. The non-premium business also contributed to growth, fuelled by the launch of Neodent's Grand Morse implant range and the roll-out of Medentika's cost-effective prosthetic solutions.

Sales of biomaterials were robust, despite an interruption of Emdogain supplies related to manufacturing changes. Digital solutions also performed well, driven by CAD/CAM prosthetics and lifted by the launch of intra-oral scanners and milling equipment. Our dynamic clear-aligner business added further impetus as we leveraged our sales teams and increased territory coverage both in the US and Canada. To meet current and future demand, we expanded ClearCorrect's manufacturing facility in Round Rock and increased implant production capacity in Andover.

NAM REGION



NAM CONTRIBUTION TO GROUP



ORGANIC GROWTH

+20%

CHANGE IN CHF

+27%

REVENUE

CHF 396m

LARGEST REGIONAL MARKETS

1. USA
2. Canada

Asia/Pacific

China continues to power dynamic region

With another dynamic performance driven by all our subsidiaries, Asia/Pacific was our fastest growing region for a fourth consecutive year. We expanded geographically by opening a subsidiary in Thailand and gained further share in the premium implant segment of many markets, especially in India.

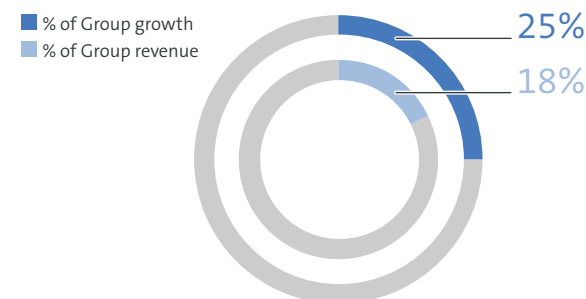
The main powerhouse, however, continued to be China, where Straumann benefitted from sales-force expansion and intensified training/education activities. This is significant because a only very small proportion of the dentist population in China has received training in implant dentistry. Another important strategic initiative was to strengthen our foothold in the fast-growing non-premium segment. We did this by rolling out Anthogyr's fully-tapered implant, and by taking control of T-Plus in Taiwan to address the third-tier segment. In addition, we opened a CAD/CAM milling center in China, which is now our second in Asia. Elsewhere, the implant business grew well in Japan and Korea and we entered the non-premium segment in Australia and Southeast Asia by launching Neodent.

Asia Pacific offers huge opportunities for our clear-aligner business, and we conducted a successful pilot trial with ClearCorrect in Japan. To gain immediate access to the Chinese market, which is the second largest in the world, we obtained distribution rights for a registered, state-of-the-art clear-aligner system that we plan to launch in the first half of 2019.

APAC REGION



APAC CONTRIBUTION TO GROUP



ORGANIC GROWTH

+28%

CHANGE IN CHF

+32%

REVENUE

CHF 251m

LARGEST REGIONAL MARKETS

1. China
2. Japan
3. Australia

Latin America

Confidence boost lifts economy

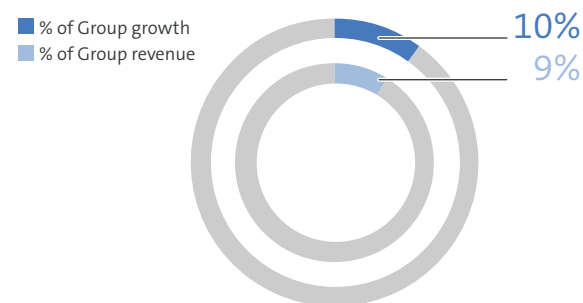
The Group's performance in Latin America shone out against a background of economic difficulty and sluggish markets. Driven by strong demand for both Neodent and Straumann products, organic growth climbed to more than 20%, but currency weaknesses – most notably the Brazilian Real – reduced this to 6% in Swiss francs. The very successful launch of botiss biomaterials in Brazil and Mexico added to growth and exceeded our expectations. A further contribution came from Peru, where the Group opened its sixth subsidiary in the region.

In the largest market, Brazil, confidence improved after the elections in the latter part of the year. As a result, business picked up significantly and sales of higher-priced products, like Neodent GM, improved. This helped Brazil to post double-digit revenue growth for the full year, while the other countries all reported very dynamic increases. With the Neodent brand now available in 56 countries, we continued to invest significantly in capacity, infrastructure and people in the region to drive and sustain growth going forward. We also established a production unit for clear aligners and started activities to launch ClearCorrect.

LATAM REGION



LATAM CONTRIBUTION TO GROUP



ORGANIC GROWTH

+20%

CHANGE IN CHF

+6%

REVENUE

CHF 128m

LARGEST REGIONAL MARKETS

1. Brazil
2. Mexico
3. Colombia



The promotional campaign for BLX features a young girl who has the confidence to calm a mighty lion, symbolizing the powerful confidence that users experience with Straumann's new implant.

PUSHING BOUNDARIES: Creating confidence

Four years ago, we launched our successful Straumann BLT implant in response to patient requirements for shorter implant treatment times. BLT has been a key growth driver and still has significant potential but, being apically-tapered, it does not address the entire range of indications in the immediacy segment, which accounts for one in every four implants placed. In 2015, we therefore began working with the world's top experts to develop an entirely new fully-tapered implant that would deliver a new level of confidence not just in immediacy but also in a broad range of other indications.

The result is the Straumann BLX, which is designed for optimum primary stability in all bone classes and predictable outcomes, even in complex cases. To make life simpler, its entire prosthetic range uses the same connection, while its unique advanced design, combined with our Roxolid and SLActive technology, creates a new generation implant system which is integrated in a complete range of digital and prosthetic solutions for all indications.

Business performance

Financials

Five-year overview – operating performance

(in CHF million)	2014	2015	2016	2017 (restated)	2018
Net revenue	710.3	798.6	917.5	1 112.1	1 363.6
Growth in %	4.5	12.4	14.9	21.2	22.6
Gross profit	558.7	614.9	718.5	840.5	1 019.2
Margin in %	78.7	77.0	78.3	75.6	74.7
Operating result before depreciation and amortization (EBITDA)	176.2	207.6	259.2	323.5	395.0
Margin in %	24.8	26.0	28.3	29.1	29.0
Growth in %	18.7	17.8	24.9	24.8	22.1
Operating result before amortization (EBITA)	153.1	182.0	236.3	298.6	365.0
Margin in %	21.5	22.8	25.8	26.9	26.8
Growth in %	24.9	18.9	29.8	26.3	22.3
Operating profit (EBIT)	148.3	172.6	227.2	283.3	342.6
Margin in %	20.9	21.6	24.8	25.5	25.1
Growth in %	28.1	16.4	31.6	24.7	21.0
Net profit	157.8	71.5	229.6	282.2	277.8
Margin in %	22.2	9.0	25.0	25.4	20.4
Growth in %	56.0	(54.7)	221.1	22.9	(1.6)
Basic earnings per share (in CHF)	10.15	4.52	14.68	18.04	17.24
Value added / economic profit ¹	113.7	27.1	182.2	214.5	189.6
Change in value added	59.3	(86.6)	155.1	32.3	(24.8)
Change in value added in %	109.2	(76.2)	572.5	17.7	(11.6)
as a % of net revenue	16.0	3.4	19.9	19.3	13.9
Number of employees (year-end)	2 387	3 471	3 797	4 881	5 954
Number of employees (average)	2 302	3 232	3 615	4 305	5 580
Sales per employee (average) in CHF 1 000	309	247	254	258	244

1 Figures as reported in the financial reports.

Five-year overview – financial performance

(in CHF million)	2014	2015	2016	2017 (restated)	2018
Cash and cash equivalents	459.4	318.3	164.0	281.8	278.7
Net cash (net debt)	255.1	117.2	(36.9)	23.2	16.8
Net working capital (net of cash)	64.9	63.3	123.9	187.7	235.4
as a % of revenue	9.1	7.9	13.5	16.9	17.3
Inventories	69.2	76.1	102.0	152.1	182.1
Days of supplies	149	155	171	174	165
Trade receivables	106.8	125.2	148.9	191.9	231.3
Days of sales outstanding	51	53	55	56	56
Balance sheet total	1 160.8	1 046.3	1 089.9	1 697.0	1 864.6
Return on assets in % (ROA)	14.5	6.8	21.5	20.3	15.6
Equity	736.8	605.0	633.7	1 077.0	1 204.3
Equity ratio in %	63.5	57.8	58.1	63.5	64.6
Return on equity in % (ROE)	23.1	11.8	37.1	33.0	24.4
Capital employed	142.9	341.8	476.2	908.0	1 011.6
Return on capital employed in % (ROCE)	97.2	50.5	55.5	40.9	35.7
Cash generated from operating activities	146.2	185.6	184.7	217.3	277.1
as a % of revenue	20.6	23.2	20.1	19.5	20.3
Investments	(22.8)	(44.5)	(87.9)	(296.5)	(188.2)
as a % of revenue	3.2	5.6	9.6	26.7	13.8
thereof capital expenditures	(18.8)	(35.2)	(46.7)	(74.4)	(109.7)
thereof business combinations related	(4.0)	4.9	(25.5)	(178.8)	(22.2)
thereof investments in associates	0	(14.2)	(15.7)	(43.3)	(56.3)
Free cash flow	128.4	151.1	138.7	144.7	169.4
as a % of revenue	18.1	18.9	15.1	13.0	12.4
Dividend	58.6	63.2	65.1	75.1	83.1 ¹
Dividend per share (in CHF)	3.75	4.00	4.25	4.75	5.25 ¹
Pay-out ratio in % (excluding exceptionals)	37.1	43.4	35.6	32.4	30.9

1 To be proposed to the shareholder's AGM in 2019.

Share performance

Beating the benchmark again

On the back of an exceptional stock market year in 2017, many stocks rose further in the first eight months of 2018 to reach historic peaks. Companies generally benefitted from expansionary monetary policies in many countries and tax cuts in the US. However, the longest bull-market in history was stifled by rising interest rates, trade tariff disputes between China and the US, economic slow-down in Italy, Turkey and China, political uncertainty in Germany, and floundering BREXIT negotiations.

Throughout the year, the Straumann Group delivered excellent results, raising its forward-looking guidance twice (in Q2 and Q3), as sales and profits exceeded its expectations. Despite the strong fundamentals, convincing growth story and raised earnings estimates, the company's valuation became a victim of the negative stock-market trend and the price-earnings ratio contracted considerably in the second half of the year. This was also fuelled by investor concerns that the company's growth trajectory could suffer in a potential economic recession, because there is generally no public healthcare reimbursement for dental implants or clear aligners.

As a result, the share price declined 10% in 2018, while the SMIM index (comprising the 30 largest midcap stocks in Switzerland) fell 17%. The relative outperformance put Straumann in the upper third of the index. Over the past five years, Straumann has been the second best performing stock in the SMIM and has outperformed by an average of 23%. In 2018, total pre-tax shareholder return amounted to a loss of 9.5% or 66 francs per share. The average daily closing price in 2018 ranged from CHF 585 to CHF 810, with the year-end closing price at CHF 618. In line with the overall market, daily stock volatility increased 4 percentage points to 26%. Average stock exchange trading volumes in 2018 decreased 3% to 45 590 shares, related mainly to the gradual increase of multilateral trading facilities, which do not trade via the Swiss stock exchange.

Stock exchange information

Listing	SIX Swiss Exchange (STMN)
Bloomberg	STMN SW
Reuters	STMN.S
Investdata	STMN
Ex date	9 April 2019
Payment date	11 April 2019
Security ID	001 228 007
ISIN	CH 0012 280 076

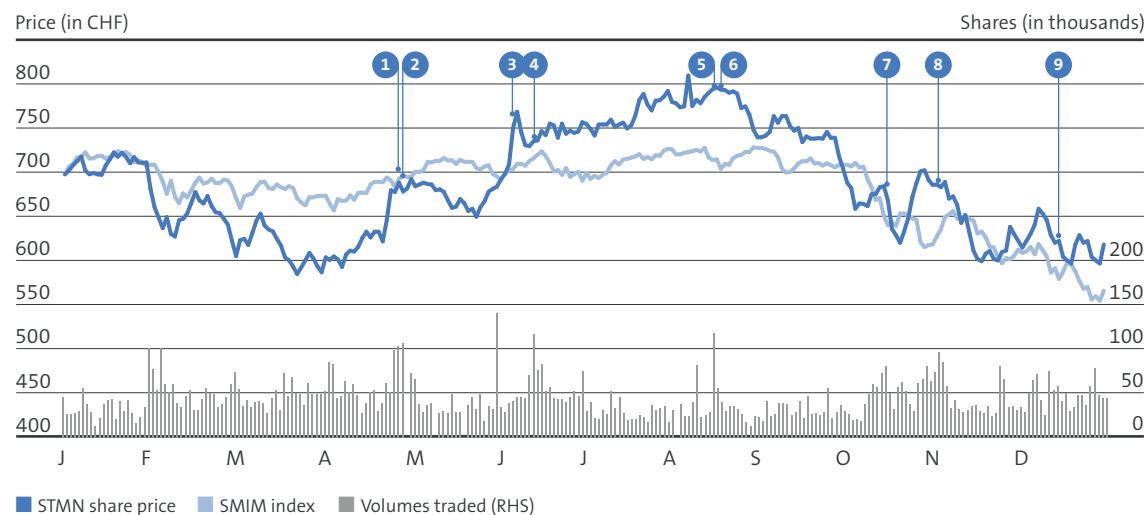
Share price data

	(in CHF)			
	2018		2017	
	Value	Date	Value	Date
First trading day	697.50	3 Jan	394.50	3 Jan
Lowest ¹	584.50	26 Mar	394.50	3 Jan
Highest ¹	809.50	15 Aug	733.00	24 Nov
Last trading day (tax value)	618.00	31 Dec	688.50	29 Dec
Average	687.58		553.50	
Total shareholder return, gross of tax	(9.5%)		74.3%	
Share price performance	(10.2%)		73.2%	
Market capitalization at year end (CHF million) ²	9 785		10 887	

¹ Value reflects daily closing price.

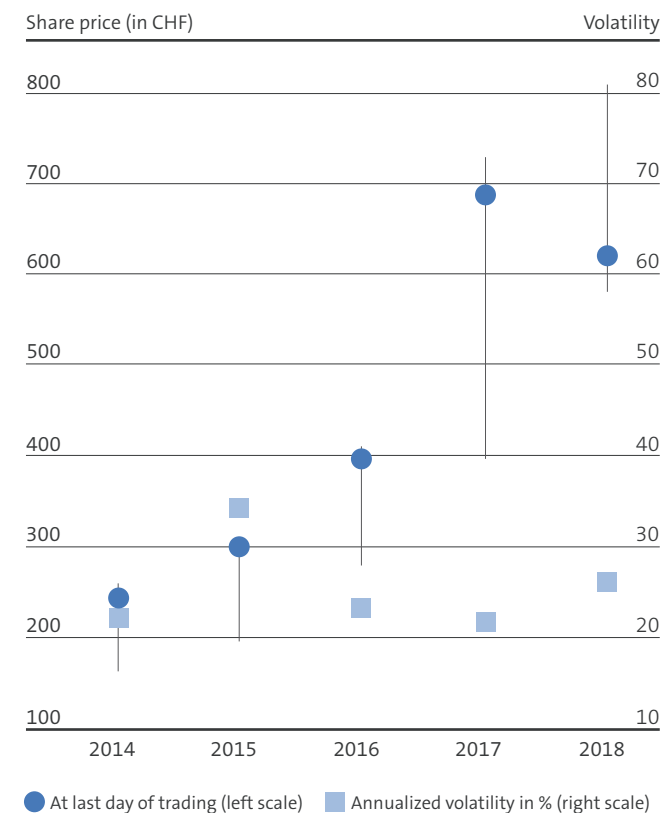
² Treasury shares are excluded from calculation.

Share price development



- | | | | | | |
|----------|---|----------|--|----------|--|
| 1 27 Apr | Kepler Cheuvreux upgrades to Buy | 4 13 Jun | UBS upgrades to Buy | 7 11 Oct | Straumann launches another string of new products at the EAO congress |
| 2 30 Apr | Strong Q1 results - Straumann raised its full-year guidance | 5 14 Aug | Further acceleration as H1 organic revenue climbs 18%; EBITDA margin reaches 30% | 8 30 Oct | Straumann sustains strong performance in Q3 and lifts sales guidance again |
| 3 6 Jun | Goldman Sachs upgrades to Neutral | 6 16 Aug | Company resumes supply of Emdogain in the USA | 9 10 Dec | Morgan Stanley upgrades to Overweight |

Trading information



Risk management

A framework for creating sustainable opportunities

We are committed to implementing appropriate controls, processes and strategies to identify, assess and manage risks associated with our activities in order to prevent or minimize the impact of unexpected events on our business and our ability to create value.

RESPONSIBILITIES AND ORGANIZATION

The Straumann Group applies a globally standardized process for identifying and managing possible developments within and outside the Group that could jeopardize its sustained growth, profitability and objectives. Risk monitoring and control are management objectives. The Group's Chief Financial Officer (CFO) is also the Chief Risk Officer (CRO) and is responsible for risk management.

Our risk assessment and management is embedded in a comprehensive internal control framework, which we address through a holistic, disciplined and deliberate approach. It matches that of the COSO (Committee of Sponsoring Organizations of the Treadway Commission), whose integrated internal control framework is one of the most widely used. For identified risks that arise from accounting and financial reporting, relevant control measures are defined throughout our Internal Control System (ICS) framework. Various tools and aids are used to assess and manage risks. For instance, foreign exchange risks are managed with an SAP Treasury tool, while external consultants are used on a regular basis to assess insurance coverage risks.

RISK REPORTING

We produce a comprehensive corporate risk assessment report annually (or ad hoc if necessary), which serves as a working document for the coming year and includes key risks that are critical for the Group's business. A specific scenario is developed for each risk topic, including existing and new measures and controls. The risks are ranked and prioritized. Action plans are defined and the implementation of measures to reduce risk is monitored. The significance of a risk scenario is estimated in terms of EBIT cumulated over three years. Certain risks are assessed according to qualitative criteria, e.g. risks to the Group's reputation.

Risk management approach

Straumann's risk assessment takes into account:

- Operational risks
- Strategic risks
- Compliance-related risks
- Financial market risks
- Other internal risk factors
- Other external risk factors

Corporate risk assessment report

The report covers the following topics:

- Risk description
- Assessment of possible damage
- Occurrence probability
- Risk monitoring and counteracting measures

Risk assessment report process

Step	Execution
Preparation	Chief Risk Officer
Discussion	Executive Management Board
Risk assessment and discussion based on report	Audit Committee with Chief Risk Officer and Senior Management
Key findings presented to Board	Chief Risk Officer

The reporting of key risks is based on fixed value limits. Pressing risks that emerge very rapidly are discussed by the Board on short notice.

INTERNAL AUDIT

The tasks of Internal Audit are:

- to provide independent assurance to the Board of Directors that key risks of the organization are under control
- to support Management in ensuring compliance, operational efficiency and control effectiveness across the Group.

In a consulting role, its main tasks are:

- to assess internal processes and controls
- to propose recommendations and improvements

The objective is to safeguard the Group's tangible and intangible assets and to evaluate the effectiveness of its risk management and governance processes.

Since 2017, KPMG has been mandated with the Straumann Group's Internal Audit function (see p. 97), with the CFO/CRO as the administrative contact person. In 2018, Internal Audit performed seven audits at global and local levels, according to the program approved by the Audit Committee of the Board of Directors.

RISK ASSESSMENT

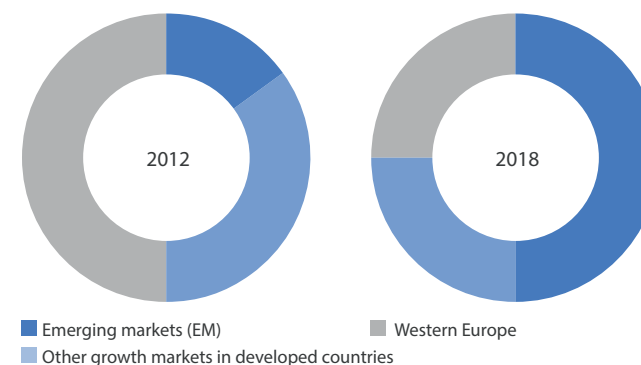
STRATEGIC RISK

MARKET ENVIRONMENT

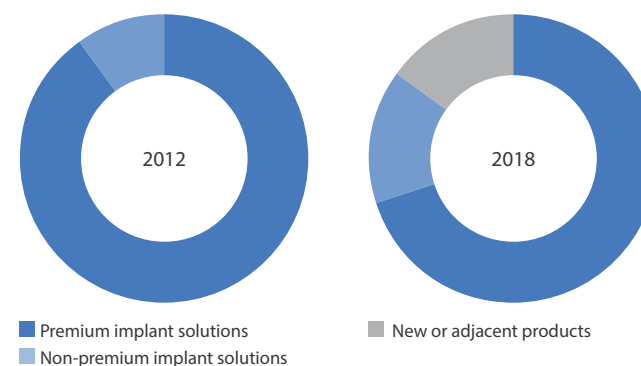
The Straumann Group is active in specialty segments of the dental industry. Based on the aging population, the rising number of professionals trained and increasing awareness, there are no discernible reasons why these segments should not continue to offer attractive growth prospects in the long term (see pp. 28 ff.). However, the economic uncertainties seen in recent years might continue for some time and affect the prospects of market growth.

Our future revenues depend on market reach and expansion as well as on our ability to defend and increase our business with existing customers, to enlarge our customer base, to develop innovative solutions that meet customers' needs and bring them to market in a timely manner.

Share of implant volumes



Product portfolio break-down (in value)



New market entrants and price pressure from discounters pose a potential threat to established premium brands (see charts on the previous page). We conduct analyses of competitors based on our own and external market intelligence to counteract such risks and to evaluate our opportunities. Examples of managing and addressing this risk in 2018 are: innovations like our BLX and Mini Implant system, the continued penetration of the non-premium segment with our existing brands, the acquisition of T-Plus (see p. 18), as well as our scope expansion into orthodontics and preventive dentistry.

OPERATIONAL RISK

LEGAL RISKS

We operate in a competitive market, in which legal compliance, agreements and intellectual property rights are of significant importance.

ClearCorrect is involved in a litigation against Align Technologies over several patent disputes in Texas, and the Group is involved in an IP dispute against Dentsply Sirona and a dispute against Cap-Net Securities regarding the recognition of converting warrants into shares from ClearCorrect.

Apart from this, in 2018, the Group settled its patent dispute with Nobel Biocare in the USA, which involved an early version of the Neodent Drive CM implant. Nobel Biocare agreed to take no further action and to dismiss its pending court action. Straumann was not required to pay any compensation and Neodent's new GM implant range is unchallenged.

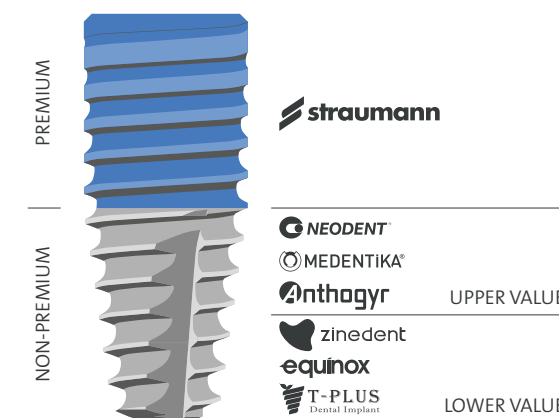
CYBER SECURITY RISK

Reliable, correct and safe handling of information is essential to our business. Risk and security management are therefore an integral part of the Group's IT strategy. The main objectives are:

- To achieve business goals while reducing IT risks through security controls and by the creation of security awareness among employees and management
- To safeguard data and to protect and guarantee the integrity of the Group's digital assets and infrastructure around the world
- To ensure the availability of IT services (applications and systems) as required by business processes and stakeholders.

The Group's IT risk and security management framework is derived from widely used industry standards, such as GMP, COBIT and the ISO/IEC 27000 series, to manage cyber and IT security risks, threats and controls, taking ethical, legal, economic and social principles into consideration.

Illustration of the Straumann Group implant brand map



**Reliable, correct and safe
handling of information is
essential to our business.**

The Group's IT Risk and Security Management Committee approves and adopts the information security strategy as well as essential business-critical implementations. The Committee meets regularly and includes the CFO/CRO, the Head of Corporate Process Excellence and Applications (CPEA), the Head of Corporate Information and Communication Technologies (ICT), as well as the IT Risk & Security Manager, who is responsible for:

- Assessing IT security threats and their business value
- Mitigating IT risks (including data loss and corruption)
- Evaluating IT service continuity plans
- Verifying the effectiveness and efficiency of IT security controls and hardening IT assets security
- Improving IT security awareness for all employees
- Maintaining security policies, procedures and supporting standards in alignment with (core) business processes
- Establishing IT security key performance indicators and reporting structures.

MANUFACTURING AND SUPPLIER RISK

The Group has spread its manufacturing risk by establishing production centers for key products on different continents. The significant expansion of Straumann's and Neodent's production facilities as well as the establishment of additional CAD/CAM milling and printing centers help to mitigate this risk. In addition, the recent acquisitions of several implant companies provide the Group with implant manufacturing facilities in Asia and the EU.

With regard to suppliers, we pursue a second source strategy which offers a high degree of independence from single suppliers. Straumann and Neodent production facilities keep about a year's stock of titanium, the key material for our implant systems, to avoid any bottleneck in the chain of supply and demand.

ETHICAL SUPPLY CHAIN

Our Code of Conduct for Suppliers, which was revised in 2016, refers to working conditions, human rights protection, business ethics, legal compliance, and environmental protection in the supply chain. A signed copy of the Code is requested in instances where a potential conflict has been identified, e.g. for raw material suppliers in countries where child labor might be an issue. Almost all of our principal raw material suppliers have signed the Code.

Recent acquisitions provide the Group with implant manufacturing facilities in Asia and the EU.

We pursue a second source strategy which offers a high degree of independence.

PRODUCT RISK AND TREATMENT OUTCOME

We seek to minimize product risks by using state-of-the-art techniques for product risk management, and we conduct long-term product surveillance. These processes are frequently reviewed by regulatory agencies to confirm that internationally recognized standards are met. Furthermore, we conduct pre-clinical and clinical trials, followed by controlled, selective introductions where appropriate. We also offer a comprehensive range of educational courses, at all levels, in all countries where our products are sold.

FINANCIAL RISK (see also Financial Report)

EXCHANGE RATE RISK

As the majority of our business is international and since we prepare our financial statements in Swiss francs, fluctuations in exchange rates affect both the Group's operating results and the reported values of the assets and liabilities. The Group is primarily exposed to the euro, the US dollar, the Brazilian real, the Chinese renminbi and the Japanese yen.

The Board of Directors reviews and approves the policy for managing these risks. Group Treasury is responsible for the execution and reporting to the Executive Management Board.

The key objective is to permanently hedge the foreign currency transactional exposure. The aim is to have only local currency transactions in the countries and subsequently manage foreign currency exposures at Group headquarters. The limitation and management of the translation exposure is a secondary priority. It is the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The Group's gross transactional booked exposure at year-end is presented in the table on the right.

CREDIT RISK

Credit risk refers to the ability of our customers to settle their obligations as agreed. There are no significant concentrations of credit risk within the Group.

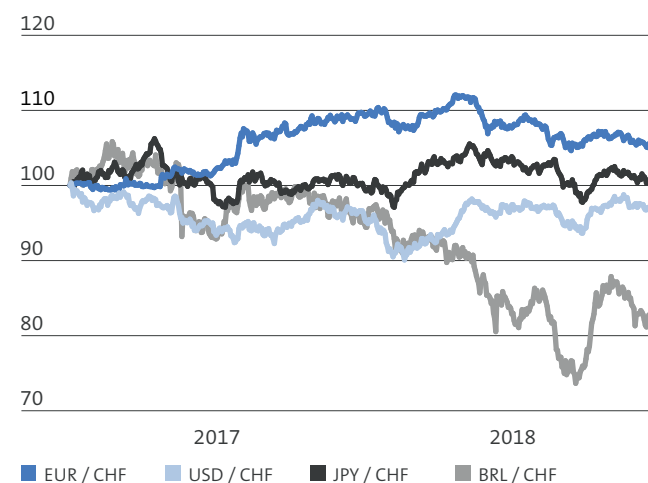
COUNTERPARTY RISK

Counterparty risk encompasses issuer risk on marketable securities, settlement risk on derivative and money-market contracts, and credit risk on cash and time deposits. Exposure to these is closely monitored and kept within predetermined parameters.

Group currency breakdown & gross transactional booked exposure (TBE at year end)

	Sales	Cost	TBE
CHF	6%	29%	n/a
EUR	29%	22%	25%
USD/CAD/AUD	31%	26%	43%
BRL	8%	9%	2%
JPY	5%	3%	13%
Others	21%	11%	17%

Currency chart (Dollar, Euro, Yen, Real)



Further information on financial risk management is provided in Notes 30 and 31 (see pp. 167 ff.) of the consolidated financial statements.

INSURANCE POLICIES

The Group covers its inherent key business risks in the same way that it covers product or employer liability risks and property loss through corresponding insurance policies held with reputable companies.

PENSION LIABILITY RISKS

The Group offers its staff competitive pensions. The pension funds are managed locally and invested by independent financial institutions. The investment strategy of the Swiss pension fund, which represents the largest pension plan of the Group, is determined by the Group's Pension Fund Commission and is executed by the financial institution. Neither the Group nor its trustees are allowed to influence the specific investment decisions. The pension funds publish regular reports for all members.

COMPLIANCE RISK

It is essential for the Group to ensure that the company in general, as well as its employees, conduct business in a legal, ethical and responsible manner. To this end, we updated and expanded our [Code of Conduct](#) for employees in 2018. The Code is mandatory for all Group employees, who are also required to report any breaches. Infractions of the Code are tracked, and appropriate measures are taken against cases of non-compliance.

LEGAL COMPLIANCE

We manage and ensure compliance with laws and regulations by implementing internal policies, processes and training, and by monitoring legal and regulatory developments throughout the Group worldwide. Our compliance management in particular covers areas such as anti-corruption, data protection and privacy, anti-trust and insider trading as well as finance legislation. Our management system is set-up to be fully compliant with the Sunshine legislation in the United States and France, not least through implementing a data collection system and corresponding policies and guidelines.

REGULATORY AND QUALITY COMPLIANCE

Medical device companies are facing growing scrutiny from regulators around the world as well as increasing requirements for documented evidence in order to demonstrate compliance. To avoid the risks associated with regulatory compliance for medical devices, we have a qualified team of experts in regulatory and quality assurance.

**We updated and expanded our
Code of Conduct for employees
in 2018.**

Focused quality objectives and key performance indicators together with comprehensive audit programs – both internal and for suppliers – are used to assure compliance and to identify opportunities for improvement. The Group also runs a continuing education program to streamline processes.

In 2018, Group subsidiaries in the US, Canada, Japan, and Germany were inspected by the local authorities. No major observations were identified. We also passed all Notified Body audits at our manufacturing and design/development sites, which are required to maintain the certification status of the quality and environmental management systems. Overall, there were no critical issues with any authorities.

Some of our design and manufacturing sites use the Medical Device Single Audit Program (MDSAP), a global approach to auditing and monitoring the manufacture of medical devices, which could improve compliance internationally. The MDSAP allows a recognized Auditing Organization to conduct a single regulatory audit of a medical device manufacturer that satisfies the relevant requirements of the regulatory authorities participating in the program:

- Therapeutic Goods Administration of Australia
- Brazil's Agência Nacional de Vigilância Sanitária
- Health Canada
- Japan's Ministry of Health, Labour and Welfare, and the Japanese Pharmaceuticals and Medical Devices Agency.

We continue to challenge our quality by mock FDA inspections at the FDA-registered establishments. To ensure the readiness of our people and processes at our certified sites, we have also conducted unannounced internal audits and dedicated audits of our technical files.

Straumann continues to collaborate with Neodent, ClearCorrect, Medentika, Equinox in the area of quality compliance and regulatory affairs.

Several regulatory authorities continue to inspect manufacturers in foreign countries. We are prepared for this and have built experienced teams of regulatory and compliance experts in Basel, the US, China, Japan, Korea and Brazil. As a consequence, the successful registrations of our BLX implant system portfolio (worldwide), our two-piece ceramic implant, mini implants and the new packaging of BoneCeramic were achieved through excellent collaboration between our experts in Basel and our colleagues in the regions.

We passed all Notified Body audits at our manufacturing and design/development sites.

There were no critical issues with any authorities.

The new Medical Device Regulation (MDR) issued in Europe means greater surveillance, more involvement of competent authorities for higher-class products, longer approval times, access to technical documentation, tests on products, and unannounced audits. Notified Bodies have declined in number and their control has increased. Stricter requirements and regulations are also expected in smaller markets, which will increase the need for enhanced compliance and safe and efficient products. The Group has already initiated a project to comply with the new European Regulation for Medical Devices. We are sharing our approach and action plan throughout the Straumann Group. In order to maintain company readiness to introduce new products on the market under MDR, planning for remediation is essential.

REPUTATION RISK

Like other leading manufacturers, the Group is exposed to the risk of damaged public perception of its products and solutions by third parties. This might be the result of poor implant placement, competitors' inferior quality implants and other solutions, or unethical business practices. Many Straumann Group country organizations belong to associations of manufacturers of medical and/or dental products, such as FASMED in Switzerland, Comident in France and ABIMO in Brazil (Neodent). These associations are dedicated to the advancement of medical technology and its safe and effective use.

The Group has already initiated a project to comply with the new European Regulation for Medical Devices.
