



# 2011 full-year results presentation

Analysts' & Media Conference Call  
Basel, 22 February 2012

COMMITTED TO  
**SIMPLY DOING MORE**  
FOR DENTAL PROFESSIONALS

## Disclaimer

This presentation contains certain “forward-looking statements”, which can be identified by use of terminology such as “expect”, “expectation”, “intend”, “continue”, “achieve”, “maintain”, “improve”, “foresee”, “anticipate”, “product introductions”, “outlook”, “forecast”, or similar wording.

Such forward-looking statements reflect the current views of management and are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause actual results, performance or achievements of the Group to differ materially from those expressed or implied herein.

Should such risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this presentation.

Straumann is providing the information in this presentation as of this date and does not undertake any obligation to update any forward-looking statements contained in it as a result of new information, future events or otherwise.

## Agenda

- ≡ Full-year highlights
- ≡ Financial review
- ≡ Business and regional review
- ≡ Further innovation brought to customers
- ≡ Academic presence strengthened
- ≡ Outlook 2012
- ≡ Questions & answers



## Full-year highlights

Beat Spalinger  
President & CEO

COMMITTED TO  
**SIMPLY DOING MORE**  
FOR DENTAL PROFESSIONALS

## What is happening in the market?



- North America and RoW performed well, helping the global tooth restoration and replacement market to low-single-digit growth in 2011.
- Europe declined amid economic uncertainty and the debt crisis. Consumer sentiment softened. The second and third largest markets, Italy and Spain, suffered most.
- In APAC the world's fourth largest dental market, Japan, was disrupted by natural disaster.
- Industry consolidation and new technologies were major topics in 2011.

## 2011: A fundamentally positive year from a strategic and operational aspect

### GROWTH

**+4%**

in local currencies as full-year net revenue reaches CHF 694 million

### CURRENCY IMPACT

**71m<sup>CHF</sup>**

lost from top line in unprecedented currency headwind; net revenue contracts 6% in CHF

### DRIVERS

**+10%**

growth (l.c.) in North America; dynamic emerging markets; more products sold to more customers in more geographies than ever before

### POSITION

**No.1**

Pole position in implant dentistry underpinned; significant steps towards leadership in digital dentistry

### R & D

**INNOVATION CONTINUES**

Multiple refinements, novel solutions and services; 6% of sales invested in R&D; pipeline well stocked

### JOBS

**91**

new positions created worldwide, mostly in Marketing & Sales

### DIVIDEND

**3.75<sup>CHF</sup>**

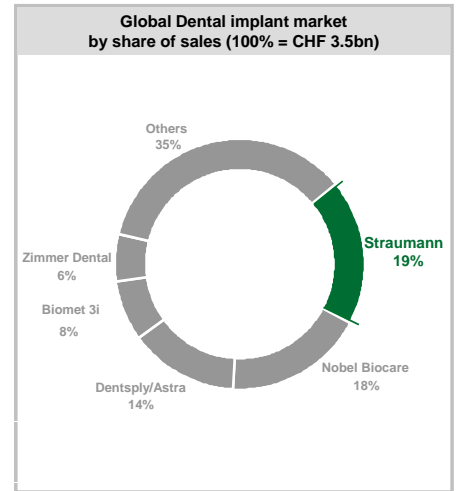
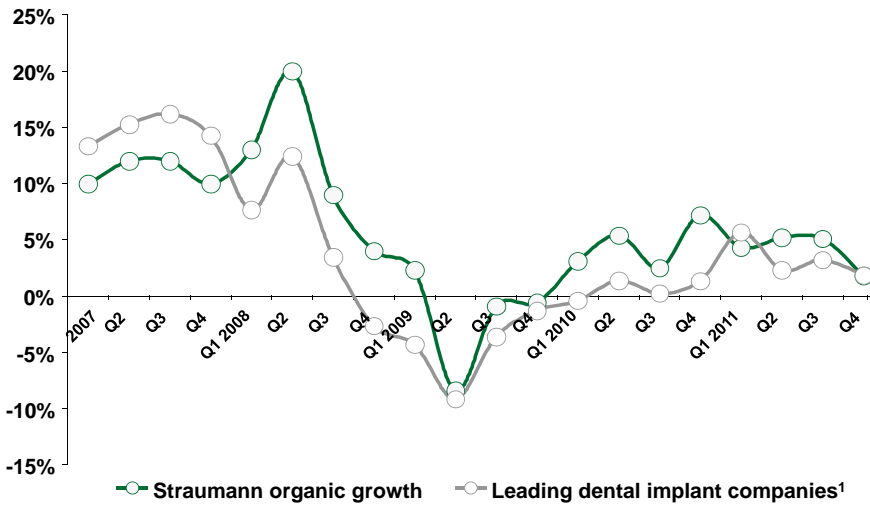
per share maintained; CHF 1.55 thereof paid from capital contributions

### FUTURE

**VISION 2020**

New organizational structure; leadership strengthened; Straumann creates roadmap for sustainable success

## Above-market performance over the past 4 years



© Straumann

<sup>1</sup> Market share weighted growth rates (l.c.) of Biomet/3i, Dentsply, Nobel Biocare, Straumann and Zimmer; collectively representing 2/3 of the dental implant market. Source: Published company data, 10-K and management comments

7



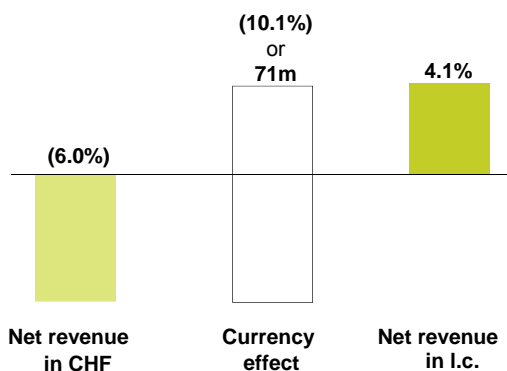
## Financial review

Thomas Dressendörfer  
Chief Financial Officer

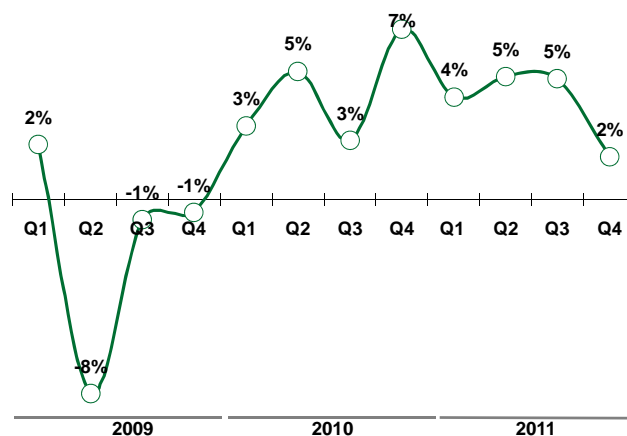
COMMITTED TO  
**SIMPLY DOING MORE**  
FOR DENTAL PROFESSIONALS

## Q4: 2% growth on high baseline in prior year

FY 2011 net revenue growth  
Total Group: CHF 694m



Organic growth by quarter (I.c.)



## Underlying EBIT in line with guidance despite strong currency headwind

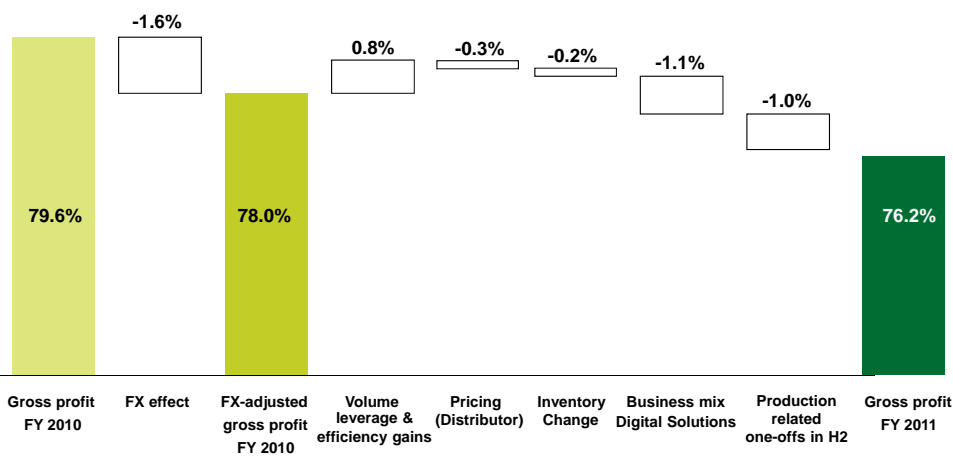
in CHF million	FY 2010		FY 2011			Change FX adjusted
	Reported	FX adjusted	Reported	Excep- tionals	Pre- exceptionals <sup>1</sup>	
<b>Net Revenue</b>	737.6	666.5	693.6		693.6	4.1%
<b>Gross profit</b>	587.0	520.0	528.5		528.5	
<i>Gross profit margin</i>	79.6%	78.0%	76.2%		76.2%	(1.8%)
<b>EBITDA</b>	211.9	171.3	157.4		157.4	
<i>EBITDA margin</i>	28.7%	25.7%	22.7%		22.7%	(3.0%)
<b>Operating profit (EBIT)</b>	164.3	125.8	79.9	-40.2	120.1	
<i>EBIT margin</i>	22.3%	18.9%	11.5%		17.3%	(1.6%)
<b>Net profit</b>	131.0		71.0	-26.8	97.8	
<i>Net profit margin</i>	17.8%		10.2%		14.1%	
<b>Basic earnings per share (EPS)</b>	8.37		4.54	-1.7	6.26	
<b>Free Cash Flow</b>	154.2		121.1			
<i>Free Cash Flow margin</i>	20.9%		17.5%			

## Main factors influencing profitability

- ▼ Unprecedented negative currency impact takes CHF 71 million off top line, with transactional effect of CHF 38 million on operating income
  - ▼ Intangible asset impairment of CHF 40 million
  - ▼ Lower-margin digital solutions business grows faster than implants, mainly due to successful scanner roll-out; production-related one-off costs impact gross margin
  - ▼ Investment in Marketing & Sales to drive future growth
- 
- ▲ Efficiency improvements in implant and CAD/CAM production
  - ▲ Lower effective tax rate related to the impairment

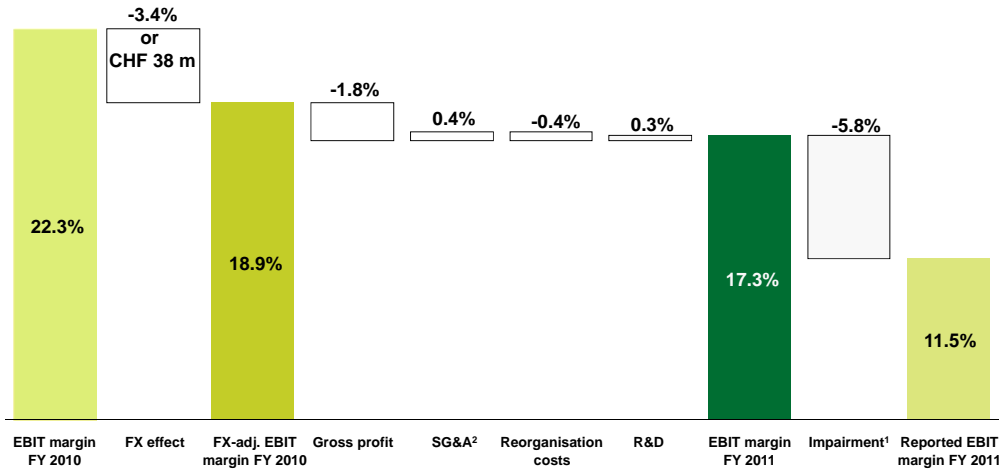
## Volume expansion in core business offset by FX effect and business mix

In % of net revenue



## EBIT margin before FX impacted by business mix and investment in M&S

In % of net revenue



© Straumann

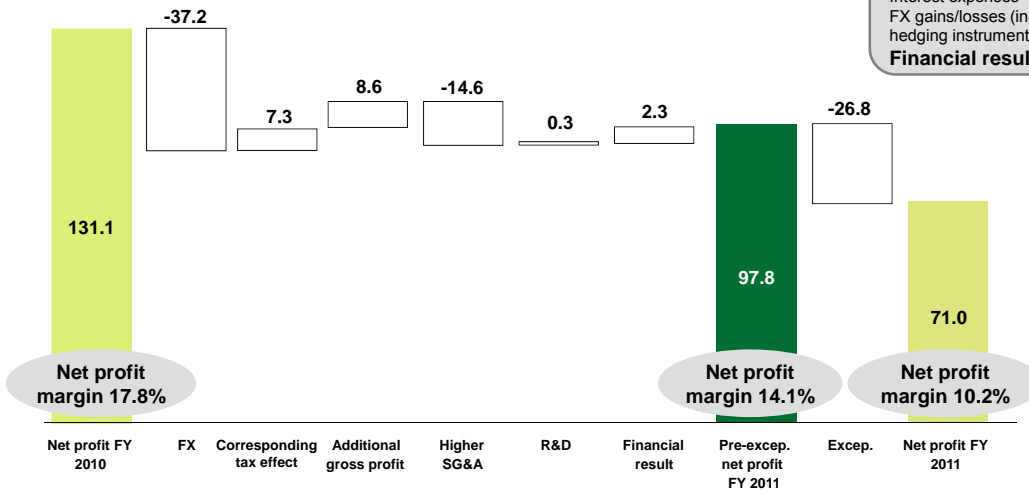
<sup>1</sup> Impairment of intangible assets in the amount of CHF 40 million.

<sup>2</sup> Includes 'other income' and a reversal of provisions in the amount of CHF 5 million.

13

## Net profit impacted by currency headwind and impairment charge

In CHF million



	2010	2011
Interest income	1.1	1.6
Results from associates		0.2
Interest expenses	(1.0)	(0.5)
FX gains/losses (incl. hedging instruments)	(4.7)	(3.6)
<b>Financial result (net)</b>	<b>(4.6)</b>	<b>(2.3)</b>

© Straumann

<sup>1</sup> Includes other income.

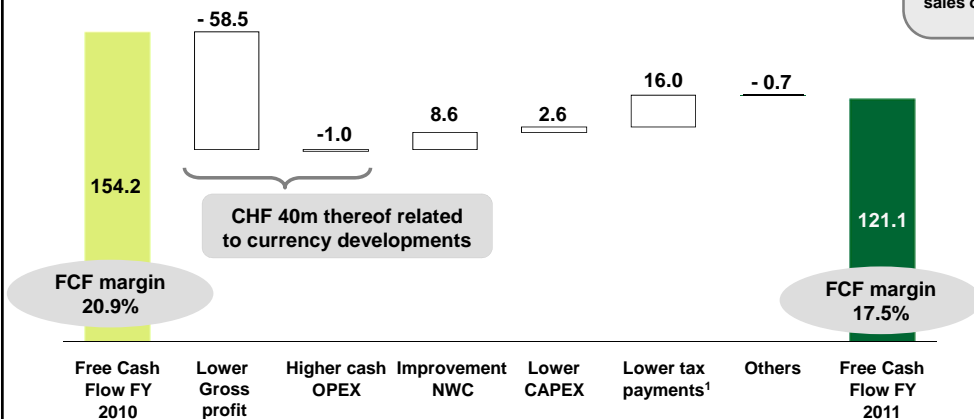
<sup>2</sup> Exceptionals included the aforementioned impairment and related deferred tax effects.

14

## Strong cash flow maintained – in challenging conditions

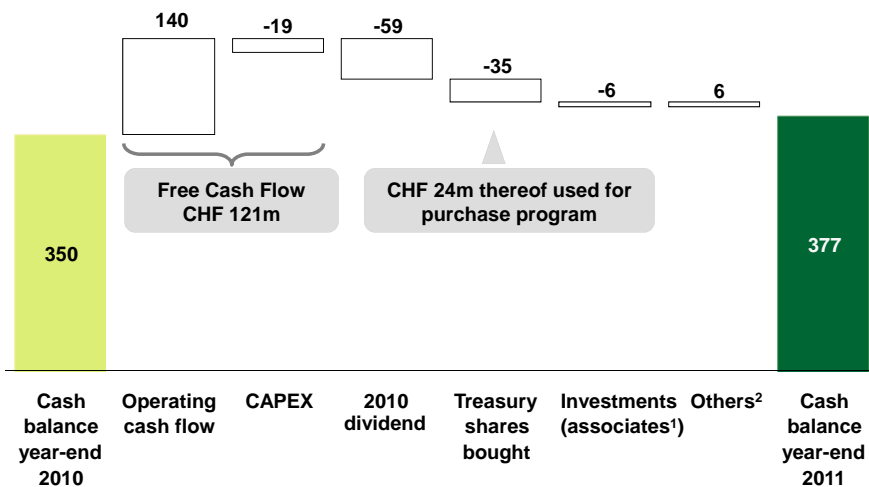
In CHF million

	FY 2010	FY 2011
Inventory: Days of supply	158	123
Receivables: Days of sales outstanding	45	48



## High strategic flexibility thanks to strong liquidity and cash generation

In CHF million

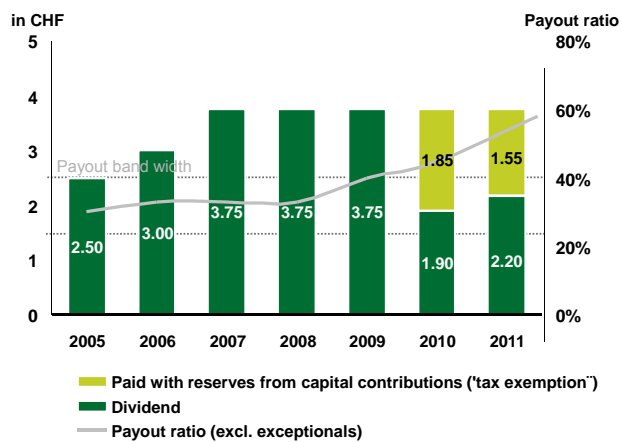




## Dividend payout ratio increased

### BoD proposes to the AGM:

- Dividend maintained at CHF 3.75 per share<sup>1</sup>
- CHF 1.55 thereof paid with 'reserves from capital contributions'



## Businesses and regional review

Beat Spalinger  
President & CEO

COMMITTED TO  
**SIMPLY DOING MORE**  
FOR DENTAL PROFESSIONALS

## Growth across all businesses

### Implants



- Volume expansion driven by Bone Level range and Roxolid; premium price positioning defended

### Restoratives



- Scanner sales to drive future prosthetic element business expansion

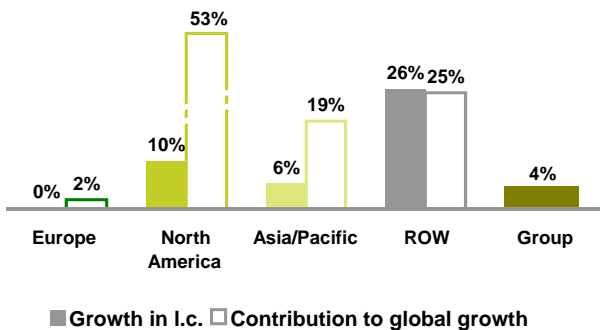
### Regeneratives



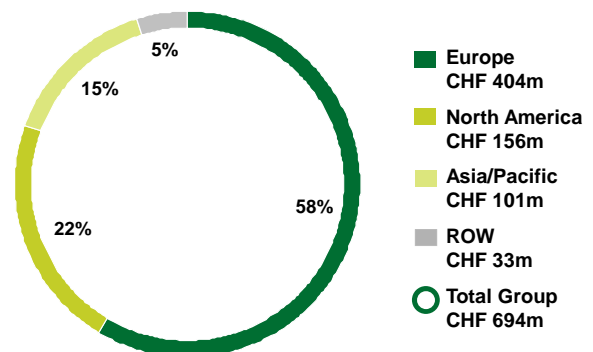
- Supported by Allograft and roll-out of MembraGel

## Growth across all regions, led by North America and RoW

### FY 2011 regional growth



### Net revenue by region (rounded)



## Europe stable amid economic uncertainty



- Challenging environment limits possibility for growth
- Consumer sentiment fragile
- Situation in Italy and Spain deteriorated in the latter part of the year
- Q4 contraction due to decline in Spain and Italy; Germany rises; strong growth in France and Eastern Europe

<i>(in CHF million)</i>	Q4 10	Q4 11	% CHF	FY 10	FY 11	% CHF
<b>Net revenue</b>	110.9	100.7	(9.2%)	444.9	404.4	(9.1%)
Growth in % I.c.	6.4%	(3.4%)		3.2%	0.2%	

## Double-digit growth continues in North America



- Q4 (+12%) is strongest quarter in 2011, despite tough comparison baseline
- Growth in Canada and the US driven by implants and intra-oral scanners; Regeneratives continue to develop well
- Currency headwind of 9% points

<i>(in CHF million)</i>	Q4 10	Q4 11	% CHF	FY 10	FY 11	% CHF
<b>Net revenue</b>	41.3	42.4	2.8%	164.7	155.6	(5.5%)
Growth in % I.c.	11.9%	12.0%		8.7%	10.2%	

## Solid growth maintained in Asia/Pacific; strong expansion in RoW



- ✓ Q4: solid growth in APAC driven by China and Japan
- ✓ Bone Level implant roll-out progresses in Japan
- ✓ Korea declines from exceptionally strong Q4 in 2010
- ✓ Customer gains in Brazil; good performance in Mexico

(in CHF million)	Q4 10	Q4 11	% CHF	FY 10	FY 11	% CHF
<b>APAC net revenue</b>	24.2	25.0	3.0%	100.5	100.7	0.2%
Growth in % l.c.	2.9%	5.7%		2.1%	5.5%	
<b>RoW net revenue</b>	7.2	7.5	4.7%	27.5	32.9	19.6%
Growth in % l.c.	10.7%	11.1%		12.3%	26.0%	



## Further innovation brought to customers

COMMITTED TO  
**SIMPLY DOING MORE**  
 FOR DENTAL PROFESSIONALS

## Multiple refinements and new products in 2011



Straumann® Classic



Straumann® All-in-one Sets



Straumann® Anatomic IPS e.max® Abutment NC



Nano and other high-end ceramics



Straumann® CARES® Variobase coping



coDiagnostiX™ 8 software



Straumann® CARES Visual 6.2

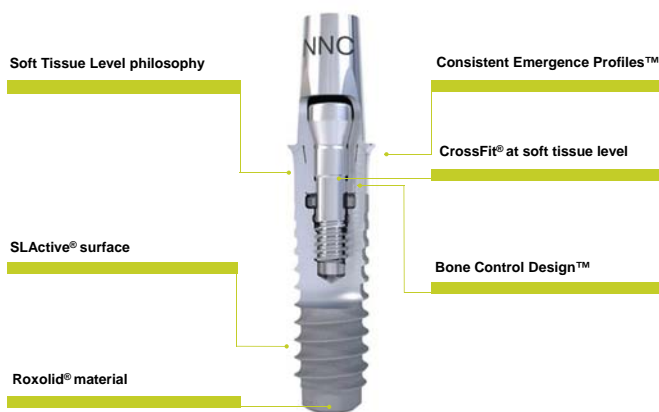


Screw-retained bars and bridges, full contour inlays, onlays and veneers



Straumann® repositionable implant analog

## New-generation small-diameter soft tissue-level implant



### Standard Plus Narrow Neck CrossFit® (NNC)

- Roxolid®, our strongest material
- SLActive®, our fastest healing implant surface
- CrossFit®, our reliable, intuitive connection
- Soft tissue level design: 1 stage surgery
- New transfer piece: handling convenience

### For spaces and narrow bone ridges

- Indications include: front single-tooth gaps or multiple-tooth replacement (bridges and fixed/removable overdentures)

### Controlled market release underway

- Full launch: spring 2012 in Europe and N. America<sup>1</sup>
- Other markets<sup>1</sup> to follow

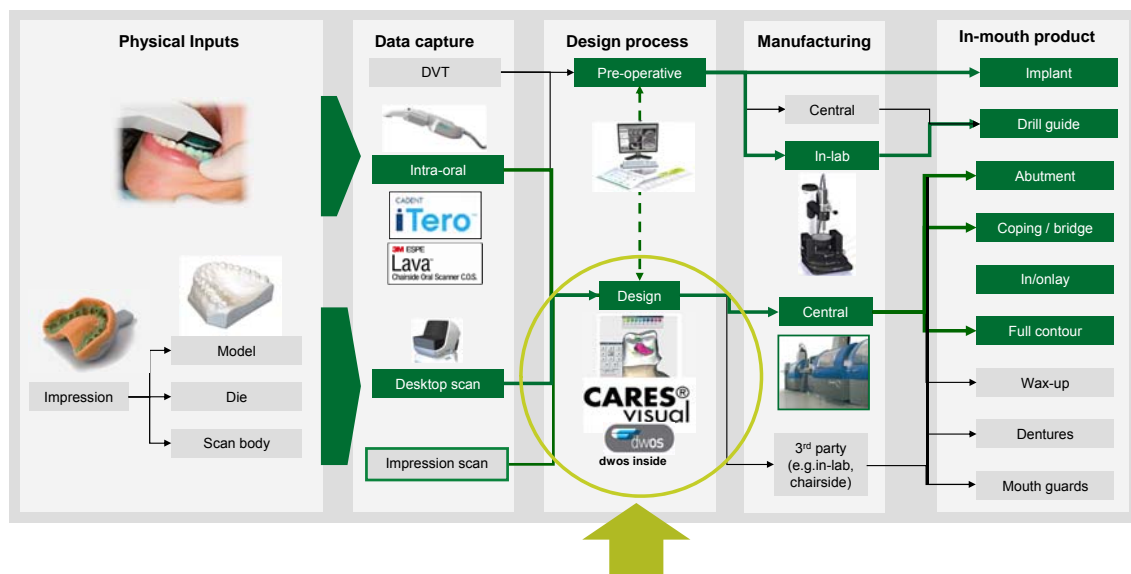
## Straumann CARES System 7.0 launch

STRAUMANN® CARES® SYSTEM 7.0: IT'S TIME TO GO DIGITAL!



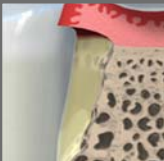


- New CARES Visual software based on DWOS open standard software platform
- Labs now have the flexibility to produce prosthetic elements through third-party milling or Straumann's validated CAM process
- Fear of being 'locked in' to a single manufacturer dispelled; labs now have confidence to invest in CAD/CAM
- Launch at Chicago Midwinter meeting

## CARES 7.0 – at the heart of the prosthetic workflow



## Stocked pipeline despite recent introductions

	Project	Benefits
	<ul style="list-style-type: none"> <li>• Small diameter TL Implants</li> <li>• New implant material</li> <li>• Implant maintenance</li> <li>• Soft tissue control</li> <li>• Advanced planning, guided surgery</li> </ul>	<ul style="list-style-type: none"> <li>• More options; simplified handling</li> <li>• Tooth-colored</li> <li>• Rescue compromised implants</li> <li>• Tissue control around implants</li> <li>• New software</li> </ul>
	<ul style="list-style-type: none"> <li>• Standard software platform</li> <li>• CARES 7.0/8.0</li> <li>• Multi-unit restoration for Bone Level implants</li> <li>• CAD/CAM abutment solutions</li> <li>• Intra-oral scanner connectivity</li> <li>• Restorative services</li> <li>• New restorative materials</li> </ul>	<ul style="list-style-type: none"> <li>• Standardization of digital workflows</li> <li>• CARES external workflow</li> <li>• More options</li> <li>• More options</li> <li>• Improved communication &amp; flexibility</li> <li>• Access to digital workflows</li> <li>• Enhanced efficiency &amp; handling</li> </ul>
	<ul style="list-style-type: none"> <li>• Enhanced bone graft material</li> <li>• PEG technology</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced regeneration</li> <li>• More applications</li> </ul>

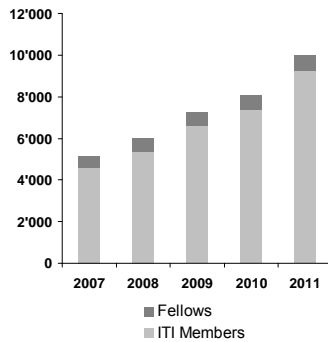


## Academic presence strengthened



## ITI membership now exceeds 11 000

- ✔ World's largest implant dentistry network
- ✔ 25% increase in 2011 to >10 000 Fellows and Members in 95 countries
- ✔ New Study Club concept drives increase
- ✔ Straumann is exclusive implant manufacturing partner



## Novel education concept with Academic Center for Dentistry in Amsterdam

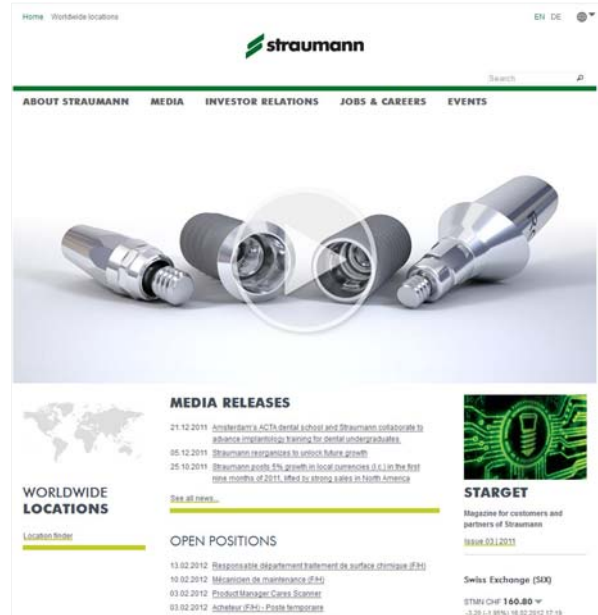
- ✔ ACTA's undergraduate program to include teaching on all basic aspects of oral implantology, often covered only in postgraduate courses
- ✔ 400 hours a year of extra training reserved for implant dentistry
- ✔ Program focused on one implant system; Straumann provides materials, planning software etc.
- ✔ ACTA has 500 enrolled dental students and treats approximately 500 patients per day





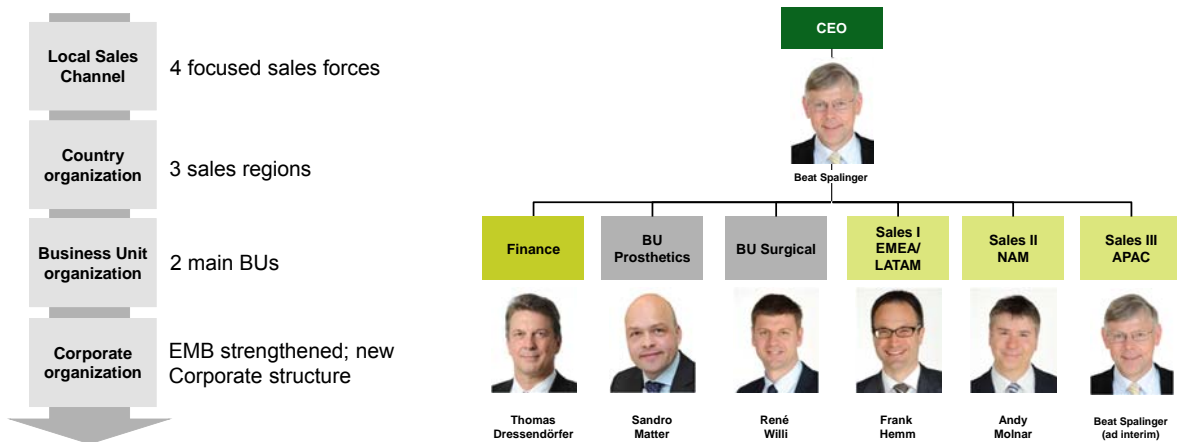
## Refreshing our internet footprint

- ✔ Corporate website redesigned and completely revised
- ✔ Powerful new search function – faster, easier access to information
- ✔ Greater range and depth of content
- ✔ Focus on information needs of patients and dental professionals in Country updates in 2012



## Focusing our organization to increase effectiveness

- ✔ Increased portfolio, reach, customer base and sales complexity prompted complete reorganization – from bottom to top



## Building from a position of strength and shaping our organisation for the future

New organisation will:

- ✔ Bring us closer to customers
- ✔ Bring better solutions to the market more effectively
- ✔ Encourage entrepreneurship, ownership and accountability and engagement (no downsizing)
- ✔ Spur top-line growth by increasing sales efficiency
- ✔ Help us to achieve our strategic goals and Vision 2020

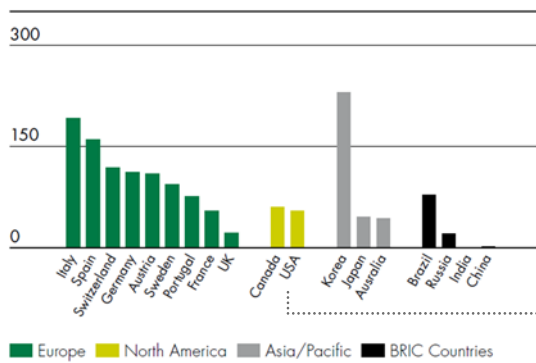


## Outlook 2012 and beyond

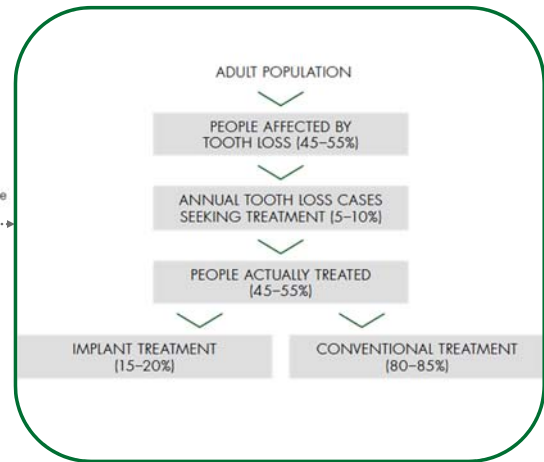
COMMITTED TO  
**SIMPLY DOING MORE**  
FOR DENTAL PROFESSIONALS

## Implant markets in large developed countries are far from mature

Implants placed per 10 000 population per year



Which means that only ~1 million US patients are treated annually



© Straumann 2011 data: Straumann estimates, based on OECD, various statistics offices and Millennium Research Group. The population in the US is aging, resulting in more patients with tooth loss. Patients who have been treated are likely to require maintenance work. Most people lose more than one tooth in life and thus re-enter the treatment path.

37

## Outlook (barring unforeseen circumstances)

### 2012

#### Market

- Optimism for N. America and emerging markets; Europe faces challenges
- Our markets are expected to grow in the low-single-digit range in 2012

#### Straumann

- ✓ We are confident that we can grow ahead of the market in local currencies
- ✓ With current exchange rates, we foresee little currency headwind in 2012
- ✓ Continued investment to create/drive superior solutions/services, and to optimize efficiency
- ✓ We expect gross and EBIT margins at least in line with 2011 levels

### Beyond 2012

#### Market

- Economic volatility for several years: market growth expected in high-single-digit range, which still provides ample opportunity for shareholder value creation

#### Vision 2020

- ✓ Long-term growth drivers in our markets are valid and intact. Straumann has clear roadmap and is well positioned for sustained success. Presentation at Capital Markets Day on 16 May

© Straumann

Please see media release or Annual Report for full version of this summary

38

## Questions & answers

COMMITTED TO  
**SIMPLY DOING MORE**  
FOR DENTAL PROFESSIONALS

### 2011 Annual Report – pre-print version available



- Comprehensive value reporting
- Independent expert opinions, executive interviews, corporate governance, compensation report, environmental report, outlooks, etc.
- GRI checked to level B
- Straumann's reporting quality recognized in 2011 Swiss Annual Report awards

## Calendar of upcoming events

24 February	<b>Roadshow</b>	Chicago
27 February	<b>Citigroup Global Healthcare conference</b>	New York
28 February	<b>Roadshow</b>	Denver
29 February	<b>Roadshow</b>	San Francisco
01 March	<b>Roadshow</b>	Los Angeles
13 March	<b>Roadshow</b>	Frankfurt
14 March	<b>Morgan Stanley Medtech conference</b>	London
15 March	<b>Roadshow</b>	Amsterdam, Edinburgh
04 April	<b>Annual General Meeting</b>	Basel
10 April	<b>Ex-Dividend Date</b>	
16 April	<b>First Quarter results</b>	Conference Call
15/16 May	<b>2012 Capital Markets Day</b>	Amsterdam

Detailed calendar on [www.straumann.com](http://www.straumann.com)



## Appendix

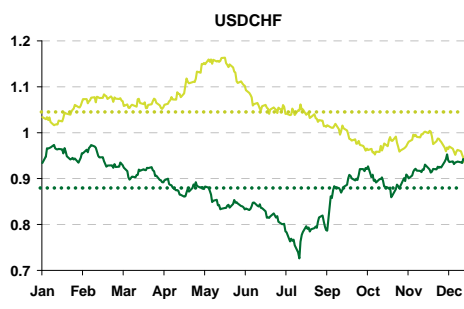
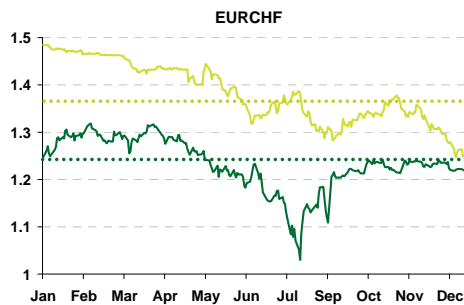
## Net revenue growth by region

CHF million	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011
<b>Europe</b>	<b>125.0</b>	<b>116.6</b>	<b>92.4</b>	<b>110.9</b>	<b>113.9</b>	<b>105.4</b>	<b>84.4</b>	<b>100.7</b>
growth in % CHF	(0.2)	(2.0)	(9.0)	(4.9)	(8.8)	(9.7)	(8.7)	(9.2)
growth in % l.c.	1.4	3.9	1.2	6.4	2.2	0.3	1.7	(3.4)
<b>North America</b>	<b>41.7</b>	<b>43.6</b>	<b>38.2</b>	<b>41.3</b>	<b>40.1</b>	<b>37.9</b>	<b>35.2</b>	<b>42.4</b>
growth in % CHF	3.6	8.9	3.6	8.1	(3.7)	(13.2)	(7.8)	2.8
growth in % l.c.	8.4	7.7	6.9	11.9	8.0	9.6	11.3	12.0
<b>Asia / Pacific</b>	<b>25.5</b>	<b>26.2</b>	<b>24.6</b>	<b>24.2</b>	<b>25.5</b>	<b>26.2</b>	<b>24.0</b>	<b>25.0</b>
growth in % CHF	(0.5)	15.0	2.7	5.9	0.0	0.0	(2.1)	3.0
growth in % l.c.	(1.7)	8.3	(0.6)	2.9	2.2	8.9	5.2	5.7
<b>Rest of the world</b>	<b>7.1</b>	<b>6.8</b>	<b>6.5</b>	<b>7.2</b>	<b>8.9</b>	<b>9.4</b>	<b>7.1</b>	<b>7.5</b>
growth in % CHF	33.6	14.0	11.2	12.7	24.8	39.2	9.8	4.7
growth in % l.c.	26.3	5.9	7.6	10.7	26.9	48.5	18.1	11.1
<b>Group</b>	<b>199.2</b>	<b>193.2</b>	<b>161.6</b>	<b>183.6</b>	<b>188.4</b>	<b>178.9</b>	<b>150.7</b>	<b>175.6</b>
growth in % CHF	1.5	2.9	(3.9)	(0.2)	(5.4)	(7.4)	(6.7)	(4.4)
growth in % l.c.	3.1	5.4	2.5	7.2	4.3	5.2	5.1	1.8

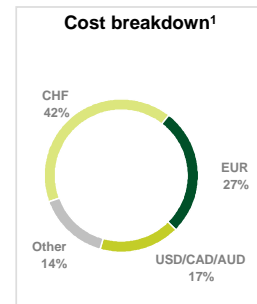
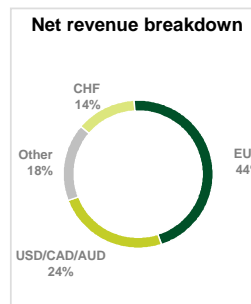
© Straumann

43

## Currency impact cuts top line by CHF 71 million



	Average exchange rates (rounded)		
	FY 2010	FY 2011	YTD 2012 <sup>2</sup>
<b>EURCHF</b>	1.38	1.23	1.21
<b>USDCHF</b>	1.04	0.89	0.93
<b>JPYCHF</b>	1.19	1.11	1.20



© Straumann

<sup>1</sup> These distribution charts represent the total net revenues and the total COGS, SG&A costs as well as R&D expenses in the various currencies. All numbers are rounded and based on 2011 figures.

<sup>2</sup> Average spot rates as per 21 February 2012

44

## Your investor relations & media contacts

### Corporate Investor Relations

#### **Fabian Hildbrand**

Phone +41 (0)61 965 13 27

Mobile +41 (0)79 392 80 32

Email [fabian.hildbrand@straumann.com](mailto:fabian.hildbrand@straumann.com)

### Corporate Communications

#### **Mark Hill**

Phone +41 (0)61 965 13 21

Email [mark.hill@straumann.com](mailto:mark.hill@straumann.com)

#### **Thomas Konrad**

+41 (0)61 965 15 46

[thomas.konrad@straumann.com](mailto:thomas.konrad@straumann.com)



[www.straumann.com](http://www.straumann.com)

COMMITTED TO  
**SIMPLY DOING MORE**  
FOR DENTAL PROFESSIONALS