2012 Full-year results

Analysts' & Media Conference

Basel, 21 February 2013

COMMITTED TO
SIMPLY DOING MORE
FOR DENTAL PROFESSIONALS

Disclaimer

This presentation contains certain "forward-looking statements", which can be identified by the use of terminology such as "will", "guidance", "would", "prevailing", "still be able to", "should", "confidence in achieving", "turnaround", "future", "anticipated", "continue", "mid and long term", "believes", "outlook", or similar wording. Such forward-looking statements reflect the current views of Management and are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Group to differ materially from those expressed or implied. These include risks related to the success of and demand for the Group's products, the potential for the Group's products to become obsolete, the Group's ability to defend its intellectual property, the Group's ability to develop and commercialize new products in a timely manner, the dynamic and competitive environment in which the Group operates, the regulatory environment, changes in currency exchange rates, the Group's ability to generate revenues and profitability, and the Group's ability to realize its expansion projects in a timely manner. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this report. Straumann is providing the information in this release 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.

The availability and indications/claims of the products illustrated and mentioned in this presentation may vary according to country.

© Straumann

Highlights

Gilbert Achermann
Chairman & Acting CEO

COMMITTED TO
SIMPLY DOING MORE
FOR DENTAL PROFESSIONALS

What is happening in the markets?

Weak economy in Europe
- Dampened consumer confidence
- Patients postponing complex treatment or taking cheaper/inferior options

Growth potential in North America intact
- Momentum has eased, slower patient traffic
- Fundamentals intact

Asia: mixed picture
- Strong growth in China
- Sluggish Japan; Korean market highly penetrated

Robust growth in emerging markets
- Straumann and Neodent grow strongly in Brazil

© Straumann

What is happening in the markets?

Increased competition

- From low-cost/inferior alternatives including conventional tooth replacement
- Dental labs under pressure to find optimal levels of production, outsourcing, efficiency and quality

New technologies

- Digital procedures and workflows
- Optimized materials (improved esthetics, durability, pre-shaded)
- No threat from substitution technologies

Adapting from growth – to cost optimization and selective expansion

REVENUE	KEY DRIVER 2012	GROSS MARGIN
CHF 686m	+6% (l.c.)	78%
Promising start to 2012 Market slowed from Q2	Solid growth in North America	Efficiency gains Margin expanded

OPERATING INCOME MARGIN[1]	UNCHANGED DIVIDEND	STRATEGY
15%	CHF 3.75	Vision
EBIT margin disappointing: Cost optimization program Reduction of 150 positions	Return to normal cash dividend	Reorganization; investment in key growth markets (e.g. Brazil, China, US); digital strategy advances to next level

straumann

Business and regional review

Thomas Dressendörfer
CFO

COMMITTED TO
SIMPLY DOING MORE
FOR DENTAL PROFESSIONALS

Main factors influencing profitability

- Softer top line performance (volumes)
- Continued investment in Marketing & Sales in key growth markets, and in new organizational structures
- Investments in R&D to drive innovation pipeline
- Efficiency improvements due to 'lean' principles in manufacturing
- One-time charges of CHF 18 million related to cost optimization initiatives and severances
- Goodwill impairment of CHF 21 million related to up-scaling of regenerative business

© Straumann

Performance on like-for-like basis

in CHF million	FY 2011 Reported	FY 2011 excl. exceptionals[1]	FY 2011 FX adjusted	FY 2012 Reported	FY 2012 excl. exceptionals[1]	Change vs. adjusted
Revenue	693.6	693.6	697.5	686.3	686.3	*(1.6%)*
excl. iTero discontinuation						*(1.0%)*
Gross profit	528.5	528.5	531.9	531.5	534.4	
Gross profit margin	*76.2%*	*76.2%*	*76.2%*	*77.5%*	*77.9%*	*1.6%*
EBITDA	157.4	157.4	158.3	117.4	130.4	
EBITDA margin	*22.7%*	*22.7%*	*22.7%*	*17.1%*	*19.0%*	*(3.7%)*
Operating profit (EBIT)	79.9	120.1[2]	120.3	61.0	99.5	
EBIT margin	*11.5%*	*17.3%*	*17.2%*	*8.9%*	*14.5%*	*(2.7%)*
Net profit	71.0			36.4		
Net profit margin	*10.2%*			*5.3%*		
Basic earnings per share (EPS)	4.54			2.36		
Free Cash Flow	121.1			95.2		
Free Cash Flow margin	*17.5%*			*13.9%*		

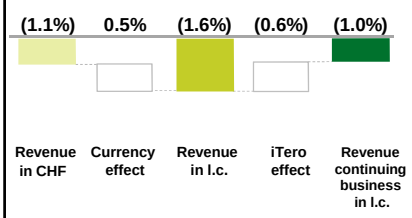
[1] Throughout this presentation the term 'exceptionals' comprises the following: in 2011, the impairment of intangible assets in Japan of CHF 40m (and related tax effect); in 2012, the goodwill impairment of CHF 21m relating to the global regenerative business, and charges of CHF 18m related to the Group's cost optimization program and severances

© Straumann

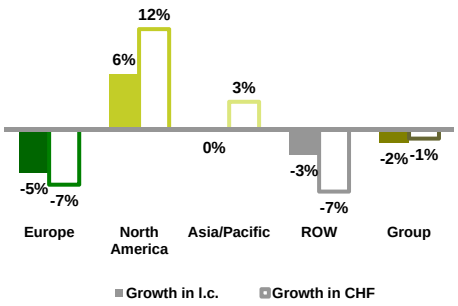
Solid growth in North America: a key driver

FY 2012 revenue development

Total Group: CHF 686m



Net revenue growth by region



© Straumann

Implants stable, restoratives soft, regeneratives strong

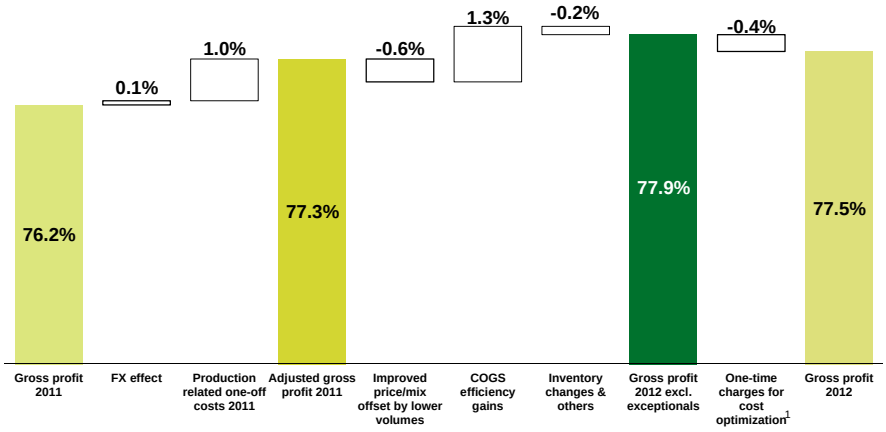
Implants

Restoratives

Regeneratives

© Straumann

Underlying gross margin improved despite lower volumes

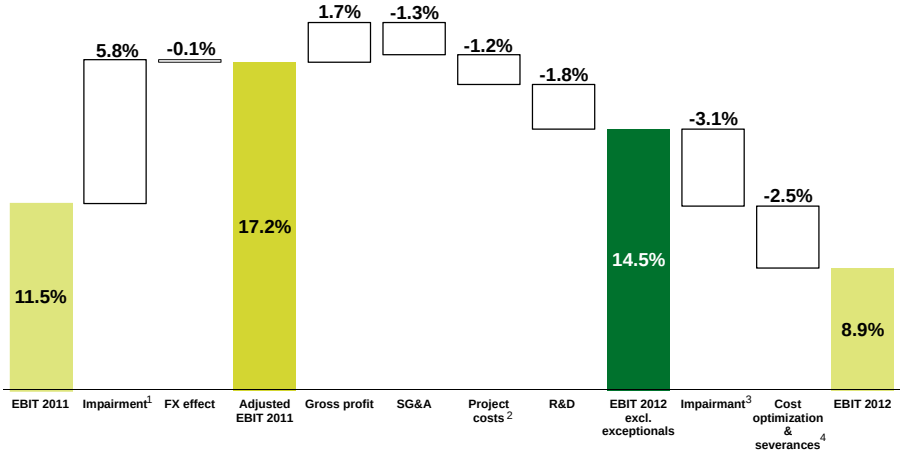


© Straumann

[1] CHF 3 million one-time charges related to the Group's cost optimization program.

Investments in R&D, M&S and projects constrain EBIT

In % of net revenue



[1] CHF 40m impairment of intangible assets
[2] One-time project costs of CHF 6m related to Straumann's reorganization, Neodent transaction and IAS19
[3] CHF 21m goodwill impairment
[4] CHF 13 million one-time charges related cost optimization program and CHF 2 million related to CEO transition

© Straumann

New products and services in 2012

Straumann® Standard Plus NNC

Straumann® TiBrush

Straumann® Loxim™

Straumann® Emdogain 015

coDiagnostiX™ 8.5 software

Straumann® CARES Visual 7.0

Straumann® CARES Scan & Shape

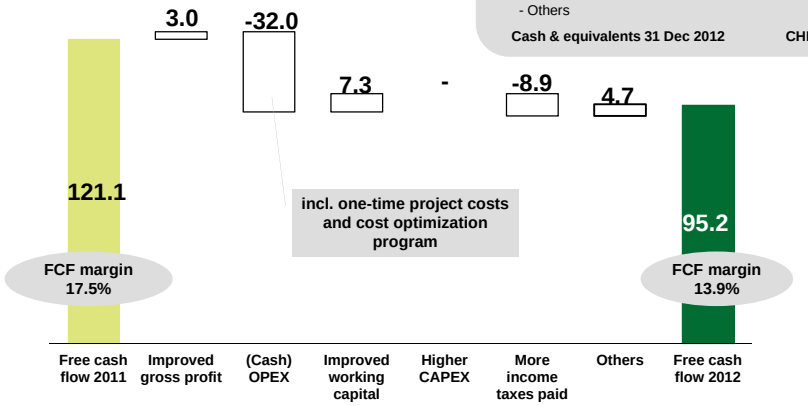
Patient App

© Straumann

Improved NWC partly offsets lower profit and higher tax payments

Cash & equivalents 1 Jan 2012	**CHF 377 million**
- Operating Cashflow	CHF 115 million
- CAPEX	(CHF 19 million)
- Investments in Neodent, Dental Wings	(CHF 266 million)
- Dividend	(CHF 58 million)
- Others	
Cash & equivalents 31 Dec 2012	**CHF 141 million**

In CHF million



Europe struggling to recover

- Weak consumer sentiment slows region
- Italy and Spain hardest hit
- Germany short of prior year
- France and UK continue to perform well

(in CHF million)	Q4 11	Q4 12	*% CHF*	FY 11	FY 12	*% CHF*
Revenue	**100.7**	**93.7**	*(7.0%)*	**404.4**	**378.1**	*(6.5%)*
Growth in % l.c.	*(3.4%)*	*(6.3%)*		*0.2%*	*(5.1%)*	

North America – Growth opportunities intact

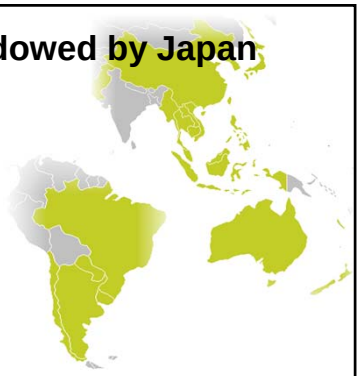
- Full-year revenue grows 6%
- Attractive fundamentals - continued selective investment in Marketing & Sales
- Q4: temporary dip due to: iTero discontinuation, hurricane Sandy, and fiscal/political uncertainty

(in CHF million)	Q4 11	Q4 12	*% CHF*	FY 11	FY 12	*% CHF*
Revenue	**42.4**	**43.3**	*2.1%*	**155.6**	**173.7**	*11.7%*
Growth in % l.c.	*12.0%*	*0.0%*		*10.2%*	*6.4%*	

© Straumann

Strong emerging markets overshadowed by Japan and Middle East

- Strong growth in China; Japan impacted by damaging media reports
- RoW region: double digit growth in Brazil, overshadowed by disruption in Middle East
- Q4: No further deterioration in Japan; Brazil impeded by import authority workers' strike



(in CHF million)	Q4 11	Q4 12	*% CHF*	FY 11	FY 12	*% CHF*
APAC revenue	**25.0**	**24.4**	*(2.1%)*	**100.7**	**103.9**	*3.2%*
Growth in % l.c.	*5.7%*	*(1.0%)*		*5.5%*	*(0.3%)*	
RoW revenue	**7.5**	**6.4**	*(14.9%)*	**32.9**	**30.5**	*(7.3%)*
Growth in % l.c.	*11.1%*	*(10.4%)*		*26.0%*	*(3.0%)*	

© Straumann

straumann

Building for the future

Gilbert Achermann
Chairman & Acting CEO

COMMITTED TO
SIMPLY DOING MORE
FOR DENTAL PROFESSIONALS

Neodent impresses in 2012 and offers exciting opportunity in South America

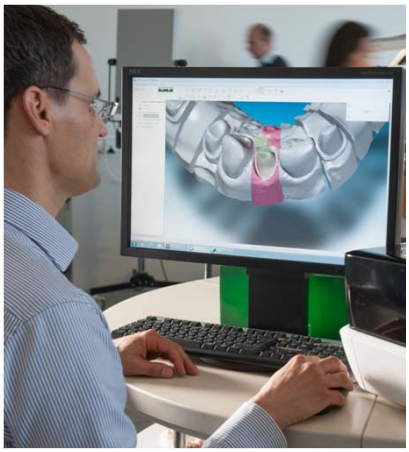
NEODENT®

Net revenue	Growth
BRL 196m (approx. CHF 93m)	+17%
EBITDA	
>40%	
Net profit	**Margin**
BRL 53m	27%

Straumann holds a 49% stake in Neodent with an option to increase to 100%

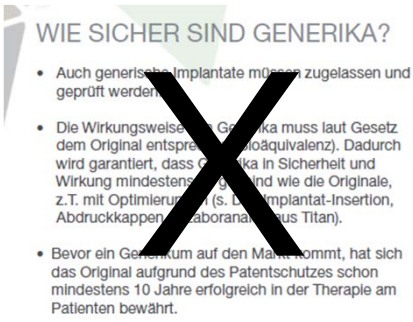
© Straumann

Digitalization – the way forward



- CARES 8.0 Visual to launch at Chicago Midwinter
- Integration of CARES into ‘open’ DWOS platform complete
- CARES ‘Scan & Shape’ service roll out beyond Germany and US
- Stake in Dental Wings increased to 44%

Straumann prevails in Swiss and German courts



Illegal promotion

- There are no ‘generic’, ‘bioequivalent’ dental implants; labelling as such is illegal
- Implant imitators have little, if any, supporting research documentation / biological rationale
- Dental Ratio Systems banned from claiming Oktagon implant components are compatible with Straumann
- Medentis Medical banned from claiming ICX-templant is hydrophilic

New leadership to revitalize growth and lift margins

- Marco Gadola joins as new CEO
- Excellent understanding of Straumann and its business
- Proven track record as engaging and entrepreneurial leader

© Straumann

straumann

Outlook

COMMITTED TO
SIMPLY DOING MORE
FOR DENTAL PROFESSIONALS

Outlook 2013
Barring unforeseen circumstances

- Straumann's performance is expected to face continuing constraints due to the economy and consumer sentiment in Europe, while growth markets like North America, China and Brazil should continue to perform well.
- Straumann will continue to invest selectively in such growth markets.
- Based on the overall business fundamentals, strategic plan and the outcome of its cost optimization program, the Group assumes that it will be able to deliver improved profit levels in 2013, even if the market remains sluggish.
- In the mid term, it aims to return to solid growth and a significantly higher operating margin.

© Straumann

straumann

Questions & answers

COMMITTED TO
SIMPLY DOING MORE
FOR DENTAL PROFESSIONALS

2012 Annual Report – pre-print version available

- Comprehensive value reporting
- Interviews, corporate governance, compensation report, environmental report, outlooks, etc.
- GRI checked to level B
- Reporting quality recognized in Swiss awards

Calendar of upcoming events

26 February	Investor meetings	Zurich
05 April	AGM 2012 ('Congress Center', Basel)	Basel
25 March	Exane BNP Paribas Healthcare conference	Paris
26 March	Investor meetings	London
27 March	Investor meetings	Edinburgh
09 April	Dividend ex-date	
09 April	Dividend payment date	
30 April	First quarter results	Webcast
02 May	Investor meetings	Frankfurt
28 May	Investor meetings	New York
29 May	Investor meetings	Toronto
30 May	Deutsche Bank Healthcare conference	Boston

Detailed calendar on www.straumann.com

Your contacts

Fabian Hildbrand

Corporate Investor Relations

Phone +41 (0)61 965 13 27

Mobile +41 (0)79 392 80 32

Email fabian.hildbrand@straumann.com

Mark Hill

Corporate Communications

Phone +41 (0)61 965 13 21

Email mark.hill@straumann.com

Thomas Konrad

Phone +41 (0)61 965 15 46

Email thomas.konrad@straumann.com

© Straumann