

2013 Half-year results

Analysts' & Media Conference

Basel, 20 August 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 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.

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

Highlights

Marco Gadola
CEO

COMMITTED TO
SIMPLY DOING MORE
FOR DENTAL PROFESSIONALS

What is happening in the markets?

Weak economy in Europe

- Consumer confidence still fragile
- Raising healthcare costs and co-pay levels reduce disposable income for dental treatment
- Market still receding as patients postpone or take cheaper/inferior options
- Many practice owners perceive general business conditions as negative

Growth potential in North America intact

- Momentum picks up in Q2
- After downward trend in 2012, dental practice activity indicators show improvements in tooth replacement procedures

Asia: mixed picture

- China continues to perform well
- Japanese market still receding

What is happening in the markets?

Fundamental shifts

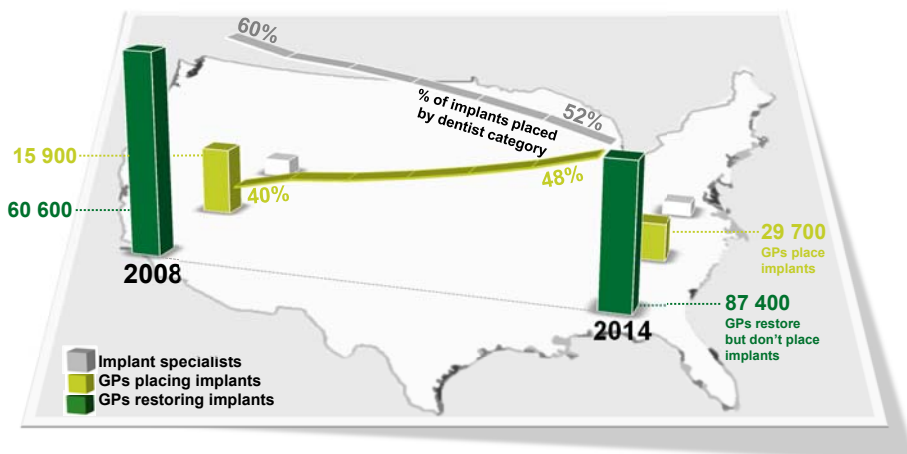
- To lower-cost alternatives
- Dental labs under pressure to find optimal levels of in-house production, outsourcing, efficiency and quality
- Role of General Practitioners (GPs) increasing in implant dentistry

New technologies

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



GPs are increasingly important and have different preferences and needs



Resolute cost reduction measures bearing fruit without impairing selling power

REVENUE	KEY PERFORMANCE H1	GROSS MARGIN
CHF 355m Slightly down on prior year despite acceleration in Q2	+6% (organic l.c.) in N. America (+11% in Q2); Europe and Japan remain difficult	78% Margin expansion through efficiency gains in manufacturing
OPERATING INCOME MARGIN ¹	HEADCOUNT	STRATEGY
18% EBIT lifted by initial results from cost optimization measures	2313 Reduction program almost complete; some employment contracts still running out	Customer-driven solutions Addressing changed market dynamics and unexploited growth markets

© Straumann

¹ Excluding cost optimization program costs

7



Business and regional review

Thomas Dressendörfer
CFO

COMMITTED TO
SIMPLY DOING MORE
FOR DENTAL PROFESSIONALS

Margins improved on all levels

in CHF million	H1 2012 ¹		H1 2013		Change vs. adjusted
		FX adjusted		excl. exceptionals ²	
Net Revenue	361.7	361.0	354.8		(1.7%)
Gross profit	278.4	277.4	276.2		
Gross profit margin	77.0%	76.9%	77.8%		
EBITDA	71.0	70.6	74.5	80.0	
EBITDA margin	19.6%	19.6%	21.0%	22.5%	(2.9%)
Operating profit (EBIT)	54.6	54.1	56.8	62.3	
EBIT margin	15.1%	15.0%	16.0%	17.6%	2.6%
Net profit	44.6		53.7		
Net profit margin	12.3%		15.1%		
Basic earnings per share (EPS)	2.88		3.48		
Free Cash Flow	19.9		34.7		
Free Cash Flow margin	5.5%		9.8%		

¹ In 2013, Straumann adopted the revised International Accounting Standard 19 regarding employee benefits. The 2012 figures have been restated accordingly.

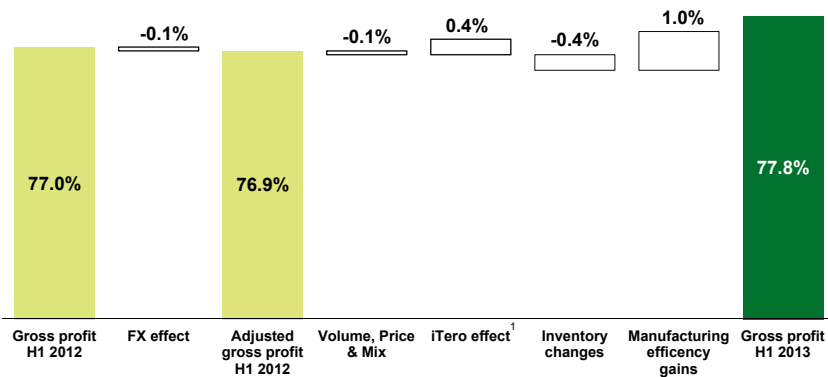
© Straumann

² Throughout this presentation the term 'exceptionals' refers to restructuring charges of CHF 13 million and a decrease in pension obligations of CHF 7 million, both in H1 2013 and both related to cost reduction initiatives

9

Gross margin improved despite lower top line

In % of revenue



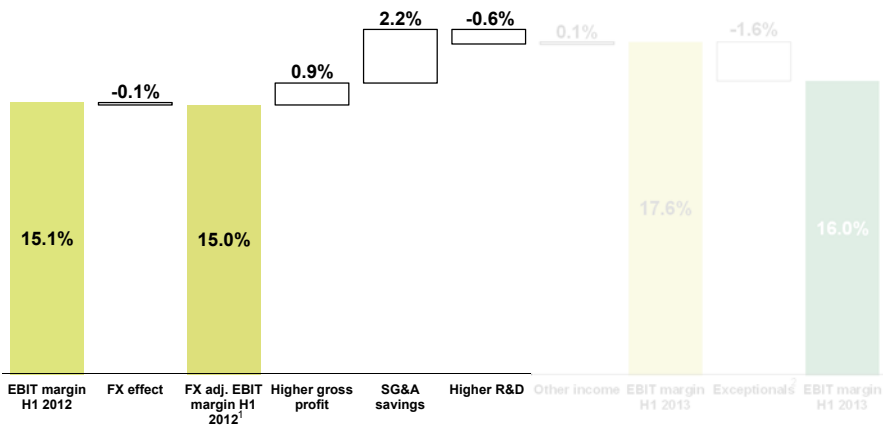
© Straumann

¹ Decreased proportion of gross margin dilutive iTero scanner sales

10

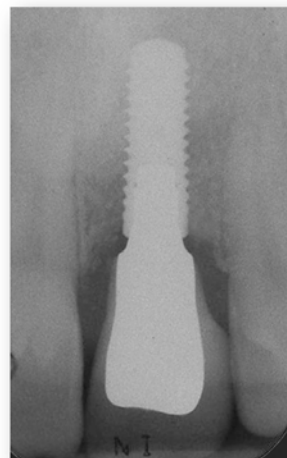
SG&A savings lift EBIT margin

In % of revenue



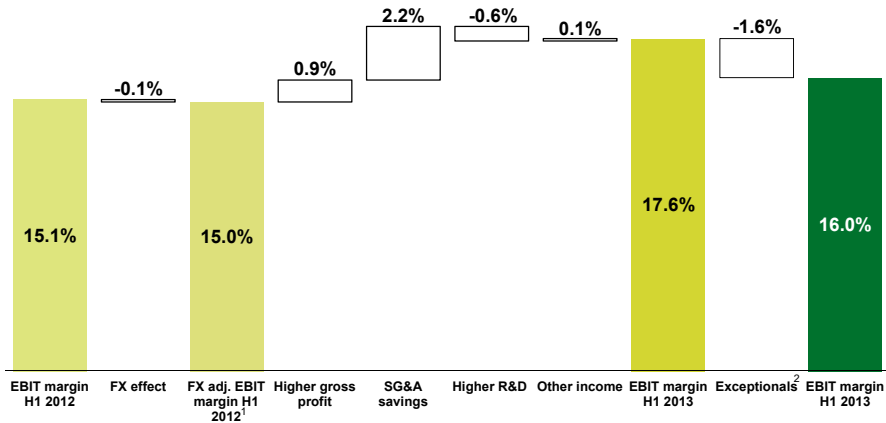
Large international clinical trials set new benchmark

- >1000 Straumann Bone Level implants evaluated in Europe, US and Australia
- Implant survival rates of more than 98% in daily practice with practically no bone loss around implant.
- Results considerably better than values reported in meta-analysis of studies with other implants
- Results add to wealth of strong clinical evidence and provide clear reasons for patients and dentists to insist on Straumann rather than undocumented alternatives



SG&A savings lift EBIT margin

In % of revenue



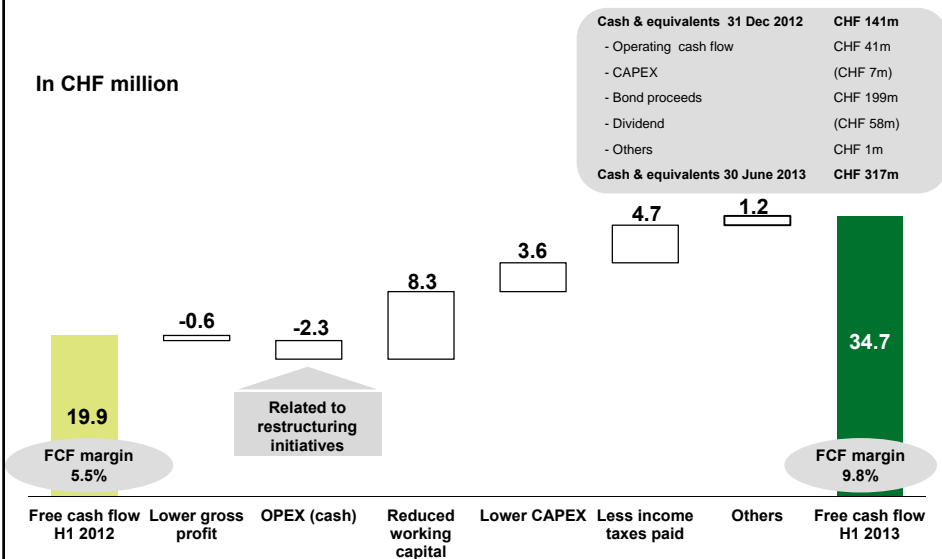
© Straumann

¹ One-time project costs of CHF 6m related to Straumann's reorganization, Neodent transaction and IAS19
² Restructuring charges of CHF 13 million and a decrease in pension obligations of CHF 7 million

13

Improved cash flow despite restructuring charges

In CHF million



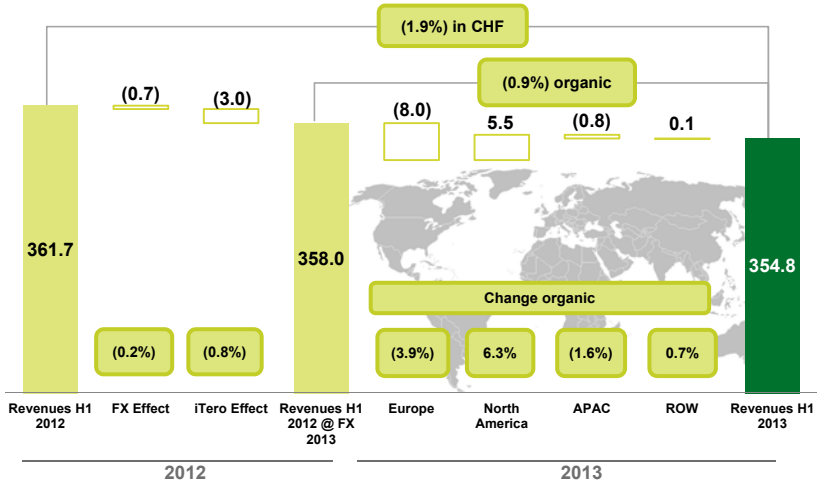
Cash & equivalents 31 Dec 2012	CHF 141m
- Operating cash flow	CHF 41m
- CAPEX	(CHF 7m)
- Bond proceeds	CHF 199m
- Dividend	(CHF 58m)
- Others	CHF 1m
Cash & equivalents 30 June 2013	CHF 317m

© Straumann

14

North America partly offsets weakness in Europe

In CHF million



Performance led by core implant business

Implants



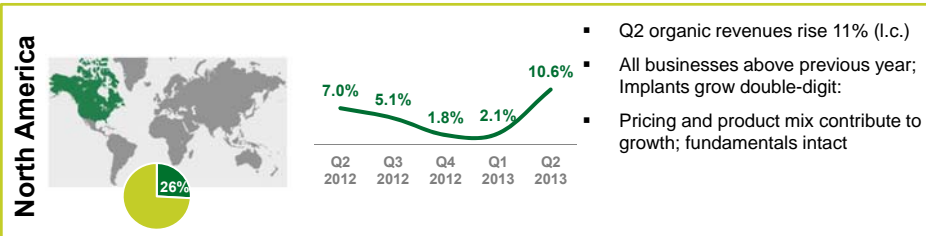
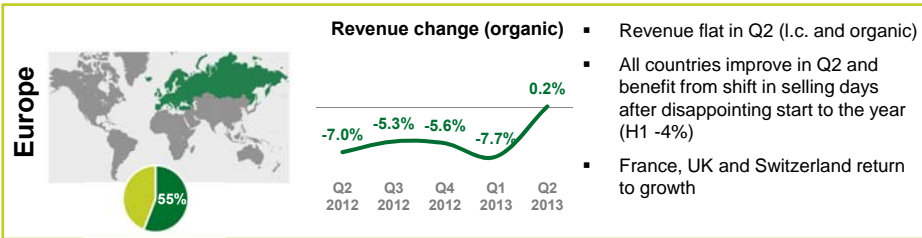
Restoratives /
CAD/CAM



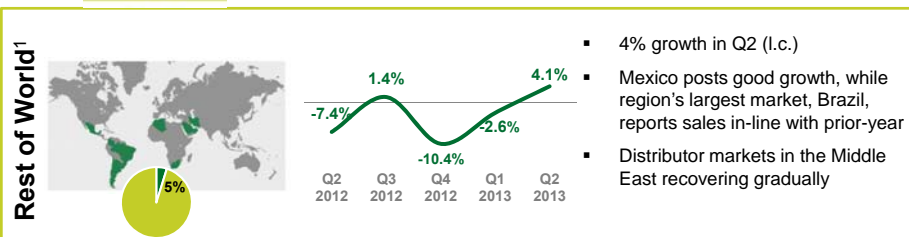
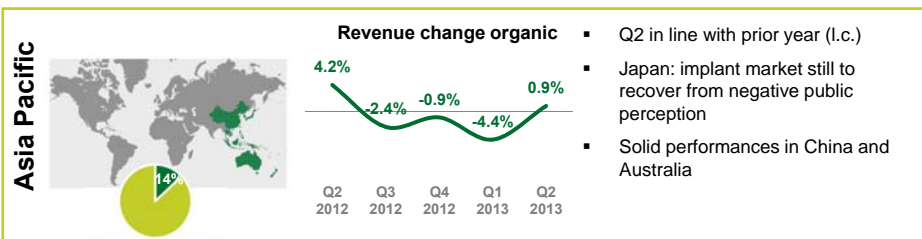
Regeneratives



Strong growth in North America; Europe flat



Sequential improvements in APAC and RoW

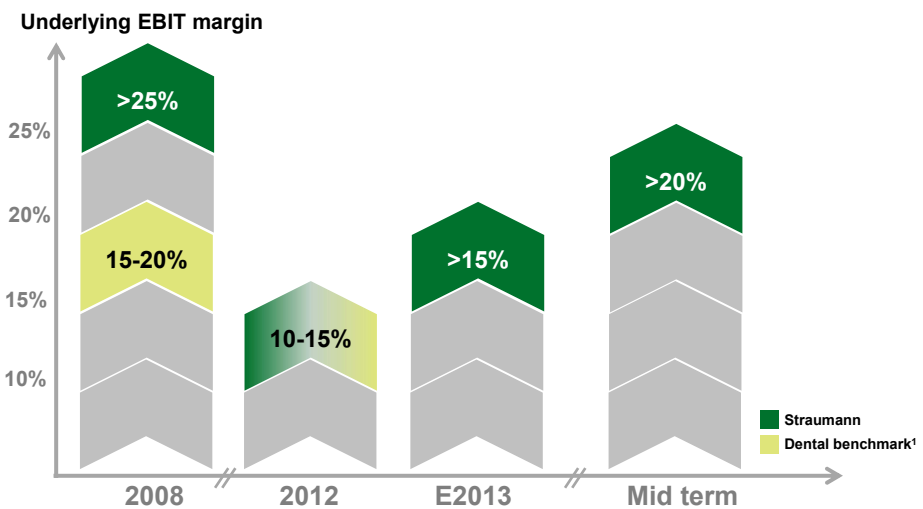


Building for the future

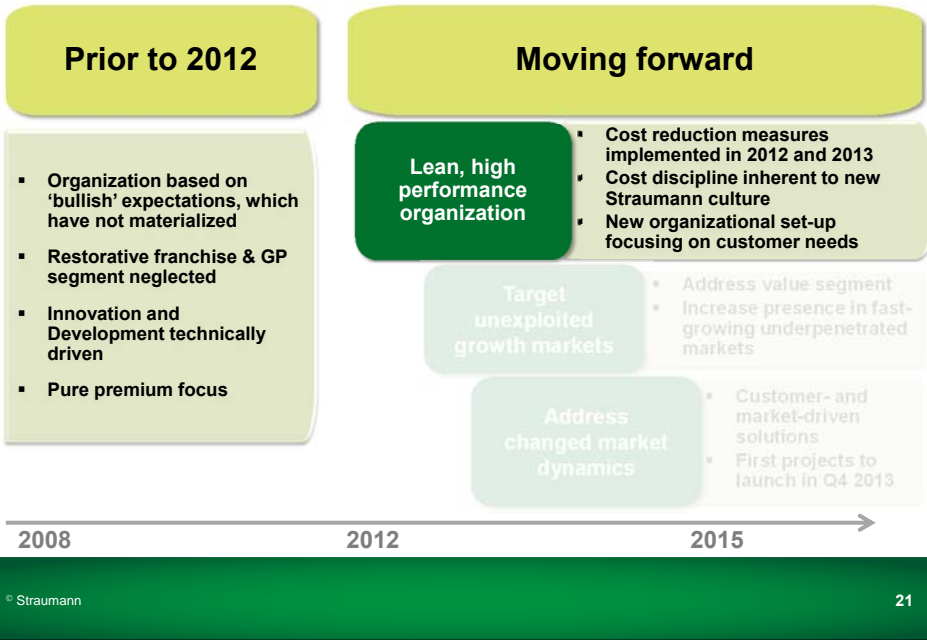
Marco Gadola
CEO

COMMITTED TO
SIMPLY DOING MORE
FOR DENTAL PROFESSIONALS

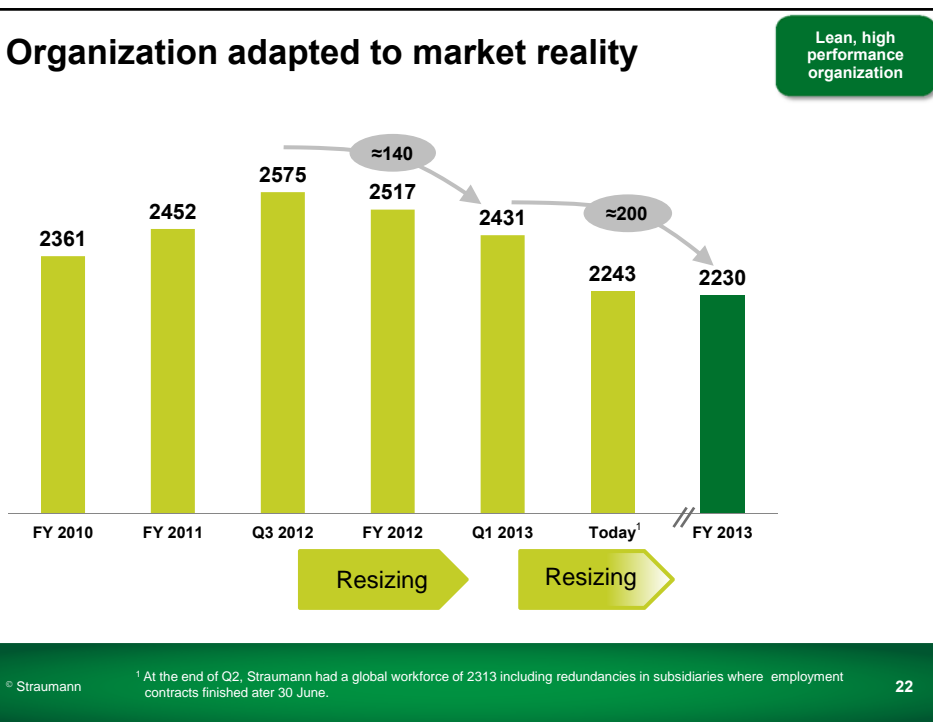
Our goal of better profitability...



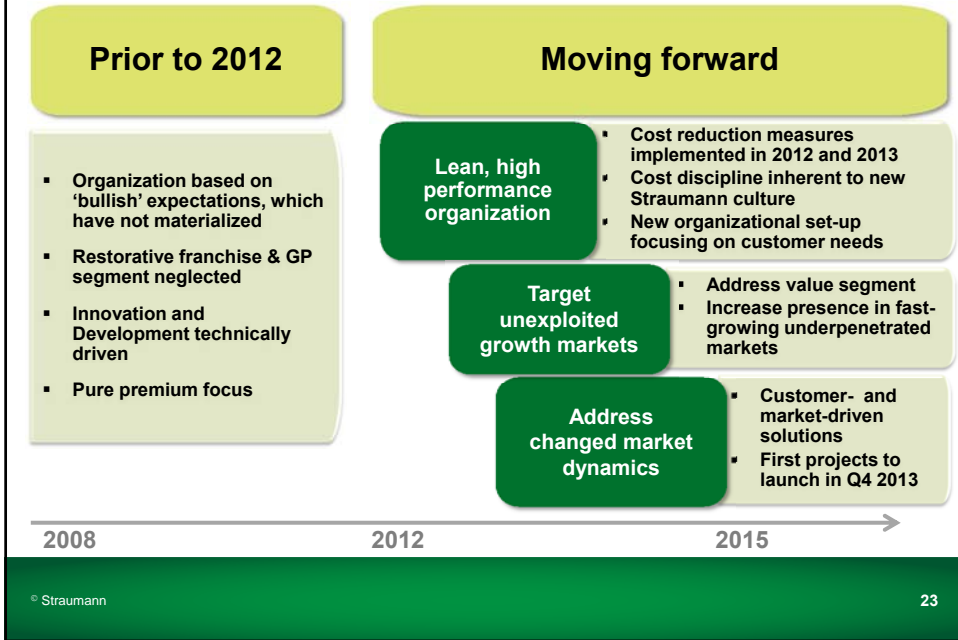
... and how we will achieve it



Organization adapted to market reality

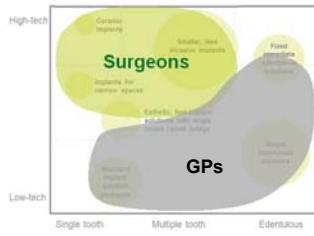


... and how we will achieve it



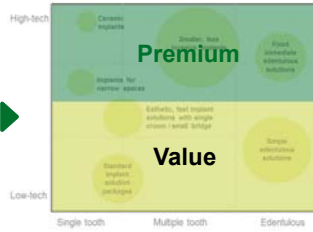
...with solutions to suit:

Target unexploited growth markets



◀ customer segments

affordability ▶



◀ local market conditions



Outlook

COMMITTED TO
SIMPLY DOING MORE
 FOR DENTAL PROFESSIONALS

Outlook 2013 and beyond

Barring unforeseen circumstances

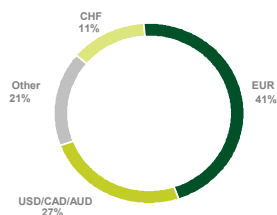
- While positive developments are expected to continue in North America and other underpenetrated markets, Straumann expects the effects of the weak economy and consumer sentiment to continue in Europe, constraining overall revenue development in 2013.
- Despite a shortfall in full-year revenue, the successful outcome of cost reduction initiatives will drive sustainable profitability improvements as anticipated, with the main savings beginning to have an impact in Q3.
- In the mid term, Straumann aims to return to solid growth and a higher operating margin.



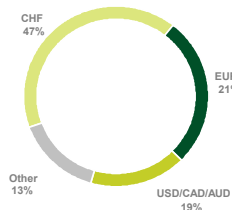
Questions & answers

Slight currency headwind expected for the full year

Revenue breakdown 2012



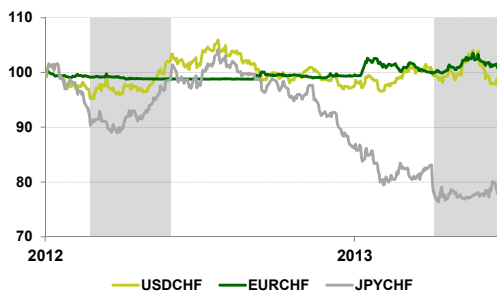
Cost breakdown 2012¹



Average exchange rates (rounded)

	FY 2012	H1 2013
EURCHF	1.21	1.23
USDCHF	0.93	0.93
JPYCHF	1.17	0.99

Straumann's major exchange rates since 2012 (indexed to 100)



Calendar of upcoming events

26 August	Investor meetings	Stockholm/Copenhagen
27 August	Investor meetings	Amsterdam/Brussels
28 August	Investor meetings	Frankfurt
04 September	Goldman Sachs Medtech conference	London
05 September	Investor meetings	London
16 September	Investor meetings	Geneva
17 September	Investor meetings	Vienna
30 September	Investor meetings	New York
01 October	Investor meetings	Boston
02 October	Investor meetings	Toronto
31 October	Third quarter results	Webcast
25 February	Full-year results conference	Basel
11 April	Annual General Meeting	Basel

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