



Pushing boundaries

Full-year 2018 results conference

Basel, 19 February 2019

Disclaimer

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

Agenda

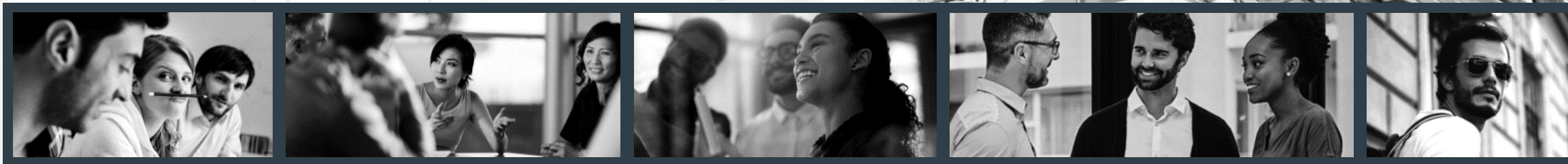
[Full-year highlights](#)

[Business and regional review](#)

[Recent achievements & strategy in action](#)

[Outlook 2019 and beyond](#)

[Q&A and upcoming events](#)



Full-year highlights

Marco Gadola, CEO

Excellent growth and further margin expansions

REVENUE

CHF 1.36bn

Up 23% from 2017

GROWTH

+19% organic¹

4%-points acquisition effect
Neutral FX effect

TOP PERFORMERS

APAC & NAM

generate 55% of Group growth;
APAC growing fastest (+32%)

PROFITABILITY²

EBITDA +24%

Profitability improves further thanks
to strong revenue growth

VALUE CREATION

Shareholder return

Further dividend increase to
CHF 5.25 per share proposed

OUTLOOK³

Outperformance

2019: organic revenue to grow in
low-teen percentage range; further
improvements in EBITDA and EBIT
margins

Strong finish to 2018 – growth >20% in 3 out of 4 regions

Organic revenue growth

NAM

FY 2018	20.0%
Q4 2018	23.6%

EMEA

FY 2018	14.6%
Q4 2018	19.3%

APAC

FY 2018	27.8%
Q4 2018	21.2%

LATAM

FY 2018	20.2%
Q4 2018	26.5%

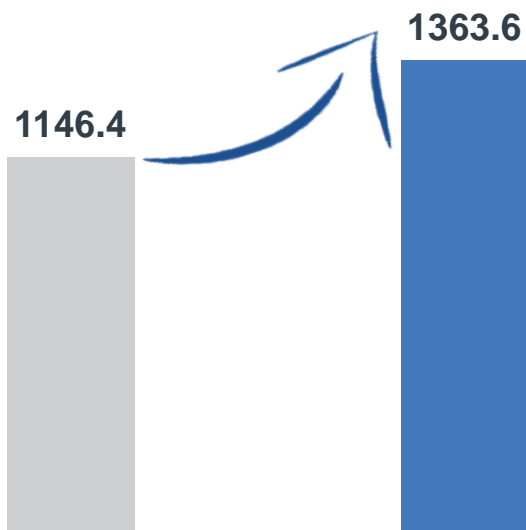
Group

FY 2018	18.9%
Q4 2018	21.6%

Growth adding value for shareholders

Revenue growth
*in% excl. acquisitions
and FX effects*

**+19%
organic**

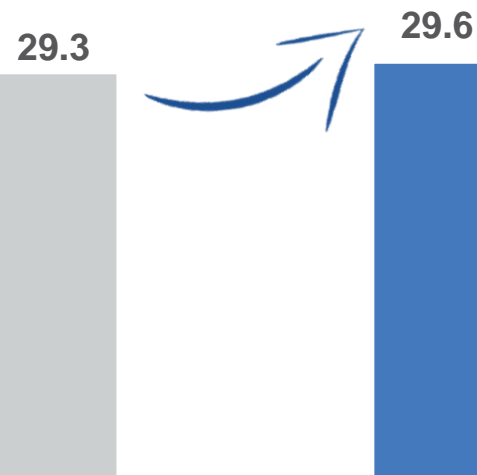


FY 2017

FY 2018

Underlying EBITDA margin
in % excl. exceptionals

**+30bps
EBIT +20bps**

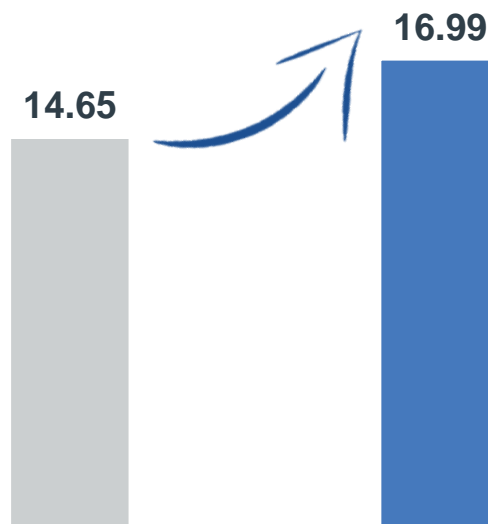


FY 2017

FY 2018

Earnings per share
in CHF excl. exceptionals

+16%

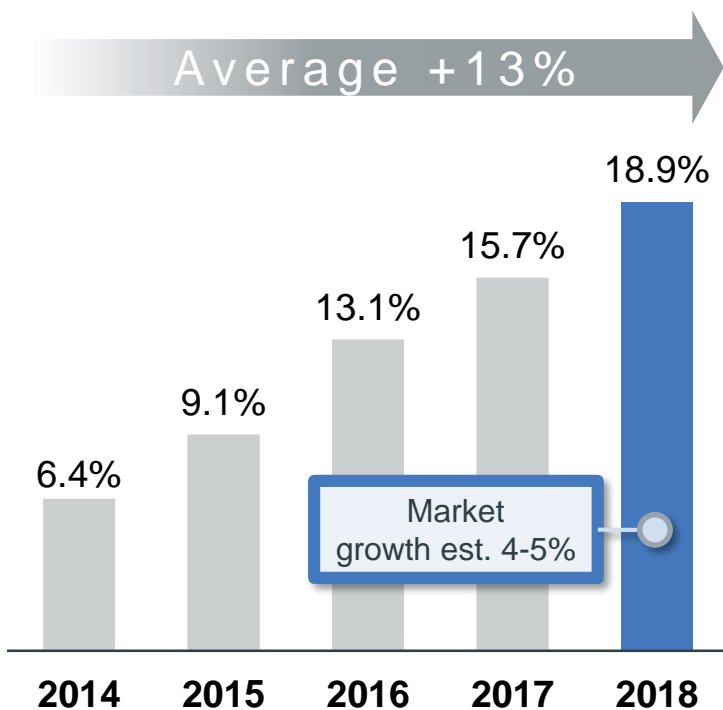


FY 2017

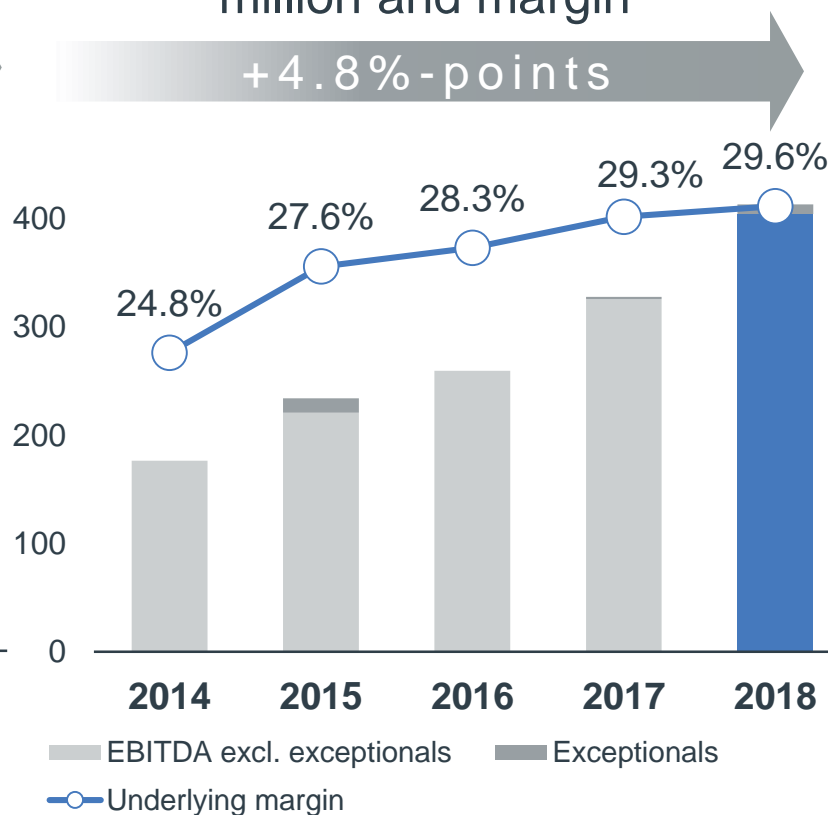
FY 2018

Impressive 5-year performance

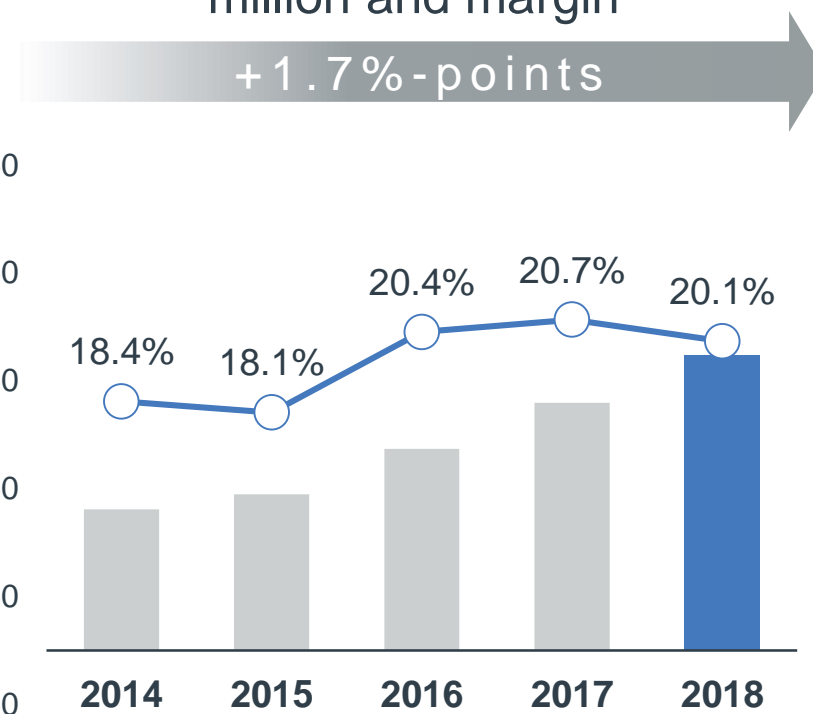
5-year organic revenue growth



5-year EBITDA¹ in CHF million and margin



5-year Net Profit¹ in CHF million and margin



Market share further bolstered

2018

Total dentistry

Market

~26-28 bn

Straumann share

5%

Straumann position

#7

Main players

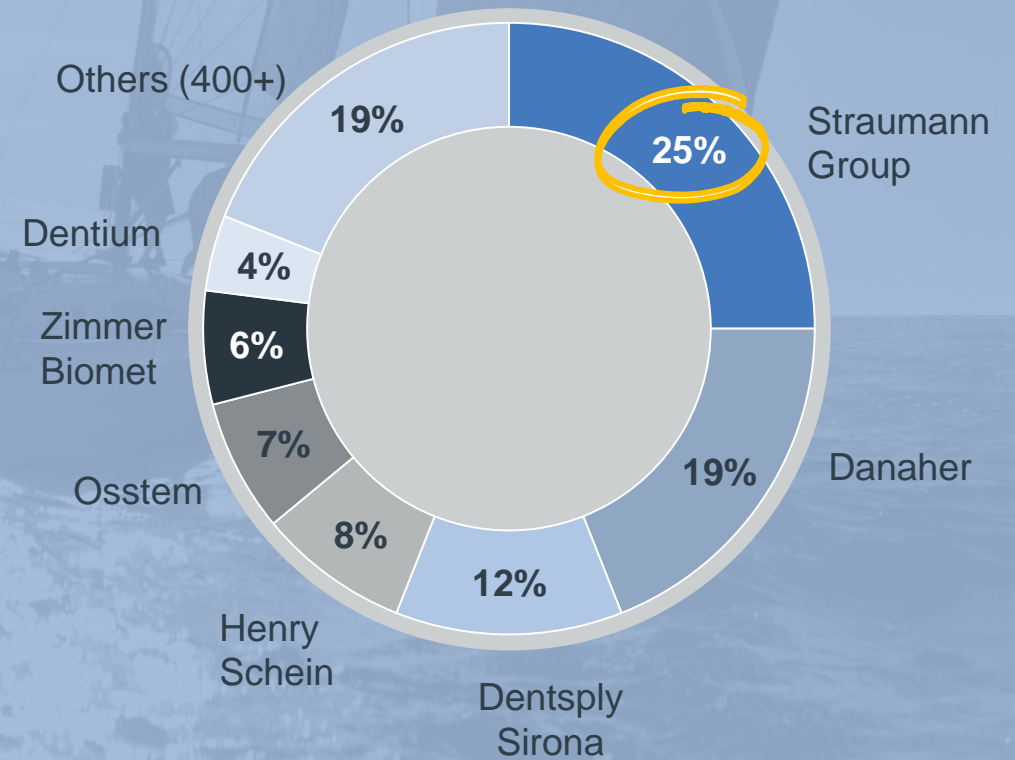
Henry Schein, Patterson, Danaher, Dentsply Sirona, Align Technology, 3M

Implantology¹

4.5 bn

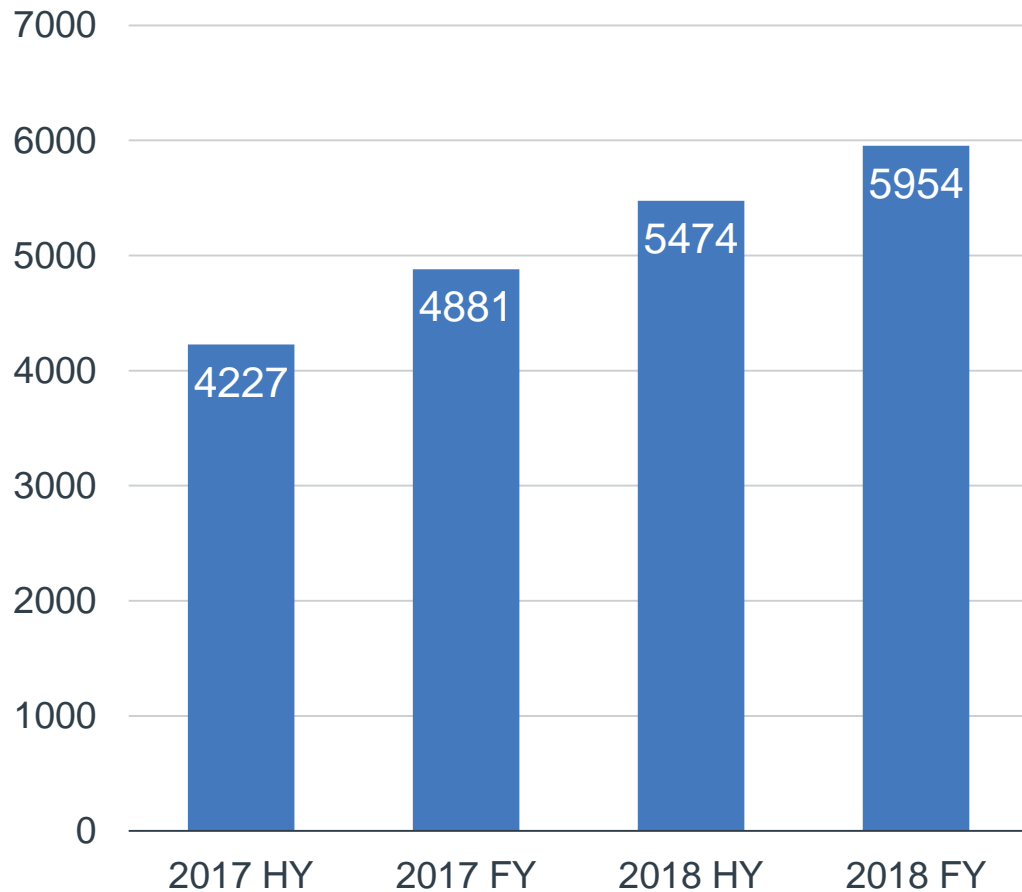
25%

#1

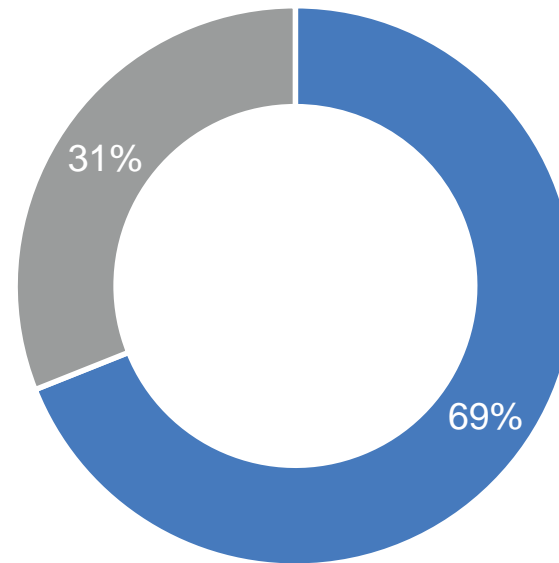


Global team reaches 6000

Headcount development



1073 new colleagues since 1 January



- Organic increase
- Acquired businesses¹

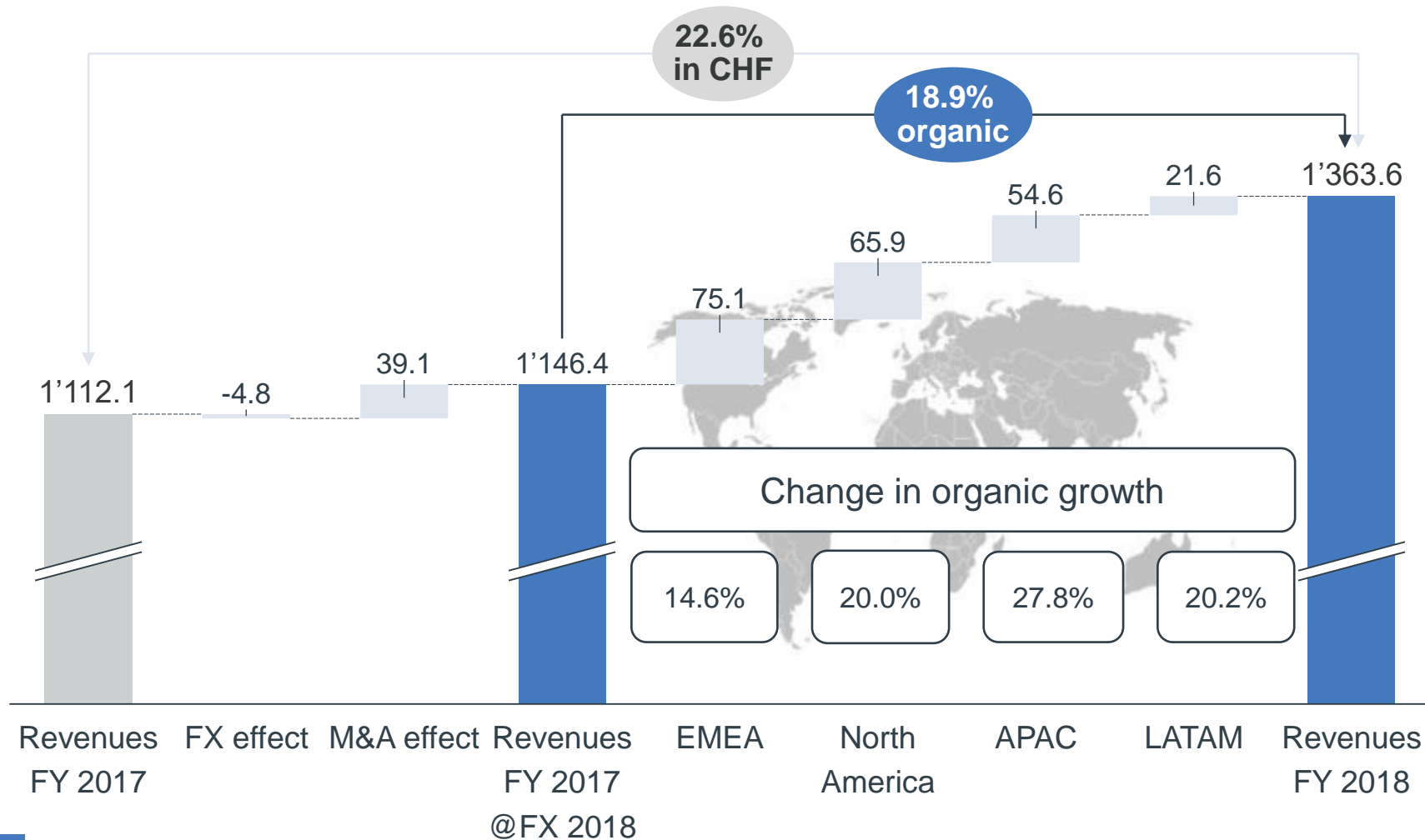


Business and regional review

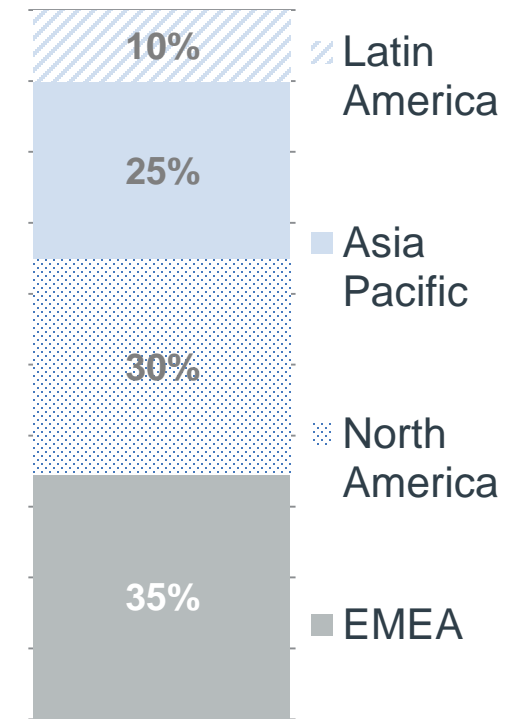
Peter Hackel, CFO

Double-digit growth across all regions

Revenue development (in CHF m, rounded)



Regional share of organic growth

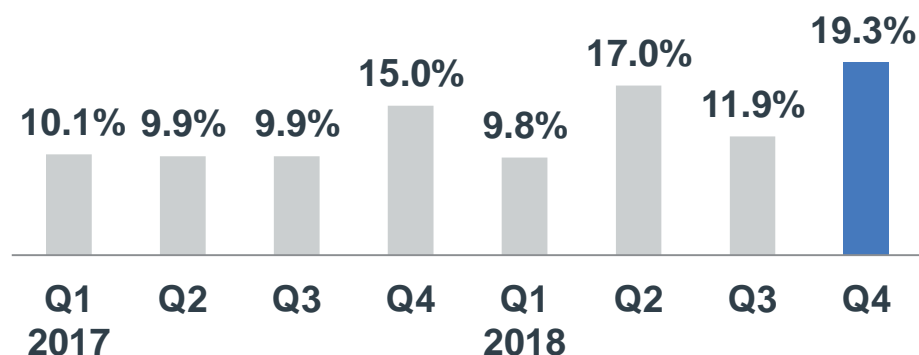


EMEA & North America ahead of the market

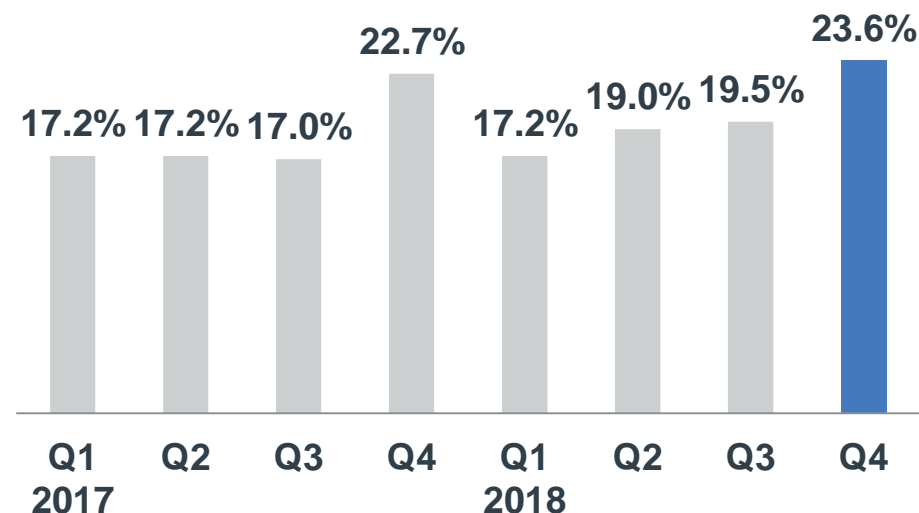
EMEA



Revenue change (organic)



North America



- **EMEA Q4:** acceleration lifted by digital sales and emerging markets
- Strong growth in Belgium, Iberia Russia, Sweden, and the UK
- Good performances in E. Europe & Middle East, reflecting Batigroup integration, investments in emerging markets & successful ITI congresses
- **NAM: Q4:** +24% organic growth, driven by Straumann BLT and lifted by Neodent
- More than 800 000 BLT units sold in the region since launch in 2015
- Implants & abutments above market; strong growth in CAD/CAM & clear aligners

Asia Pacific dynamic; Latin America solid

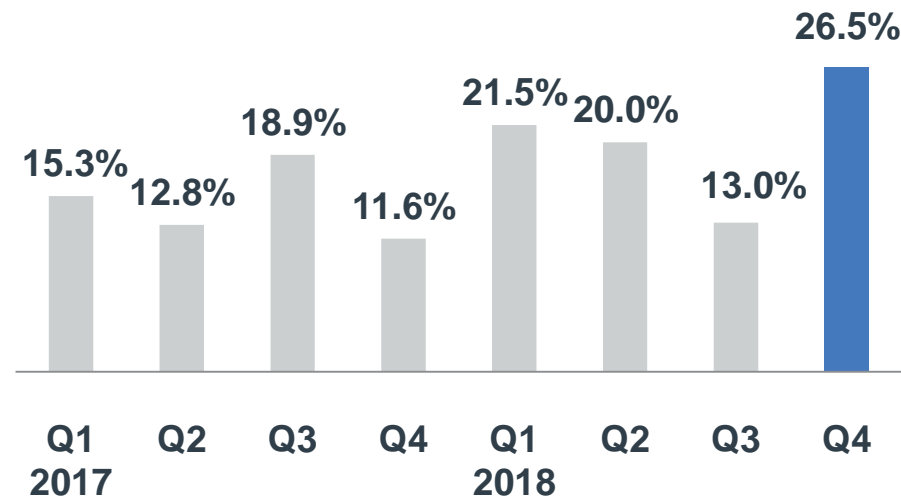
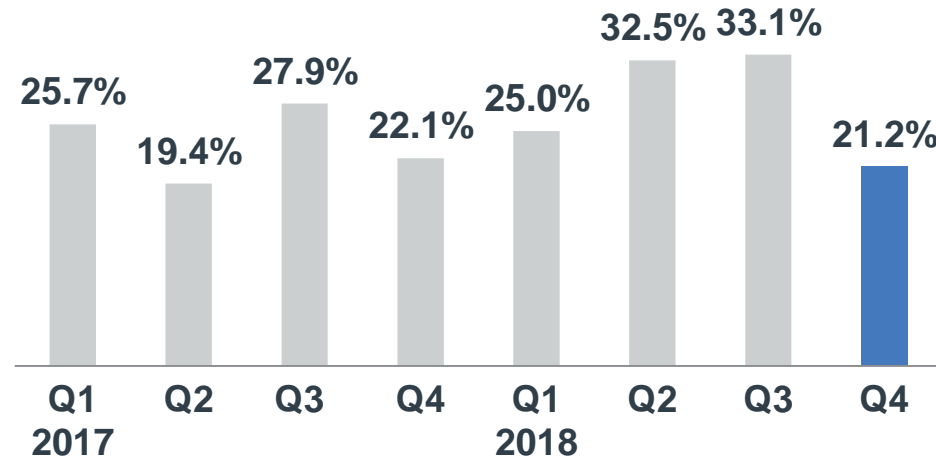
APAC



Latin America



Revenue change (organic)



- **APAC Q4:** Nearly all subsidiaries post double-digit growth
- Dynamic expansion continues in China; strong performance in Korea
- New subsidiary in Thailand; Neodent rolled out in Australia, Indonesia and Thailand; further gains in premium
- **LATAM Q4:** strong growth (+27% organic) as post-election confidence boost sentiment in Brazil; very dynamic elsewhere
- Strong biomaterials sales in Brazil and Mexico
- ClearCorrect launch activities initiated

All segments perform well, especially restorative & digital

Implants



Restorative & Digital



Biomaterials



Overview of exceptional effects

2017

The Group adjusted its consolidated financial statements retrospectively to reflect changes in the fair values of identifiable assets and liabilities due to the final purchase price allocation of ClearCorrect. The adjustment reduced EBIT by CHF 0.3 million and increased net profit by CHF 6.6 million (please see further details in Note 3 of the financial statements).

2018

Non-cash-relevant effects from acquisitions and business combinations:

- The acquisition of **Batigroup** led to an exceptional inventory-revaluation expense of CHF 8.8m, which is reported under 'costs of goods sold', as well as a tax benefit of CHF 1.9 million.
- The Group increased its ownership in **Createch Medical** from 30% to full ownership. This led to a consolidation gain of CHF 3.8m below the EBIT line.
- The Group increased its stake in **T-Plus** from 49% to 58% and consolidated the business. This led to a consolidation gain of CHF 6.9 million.

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

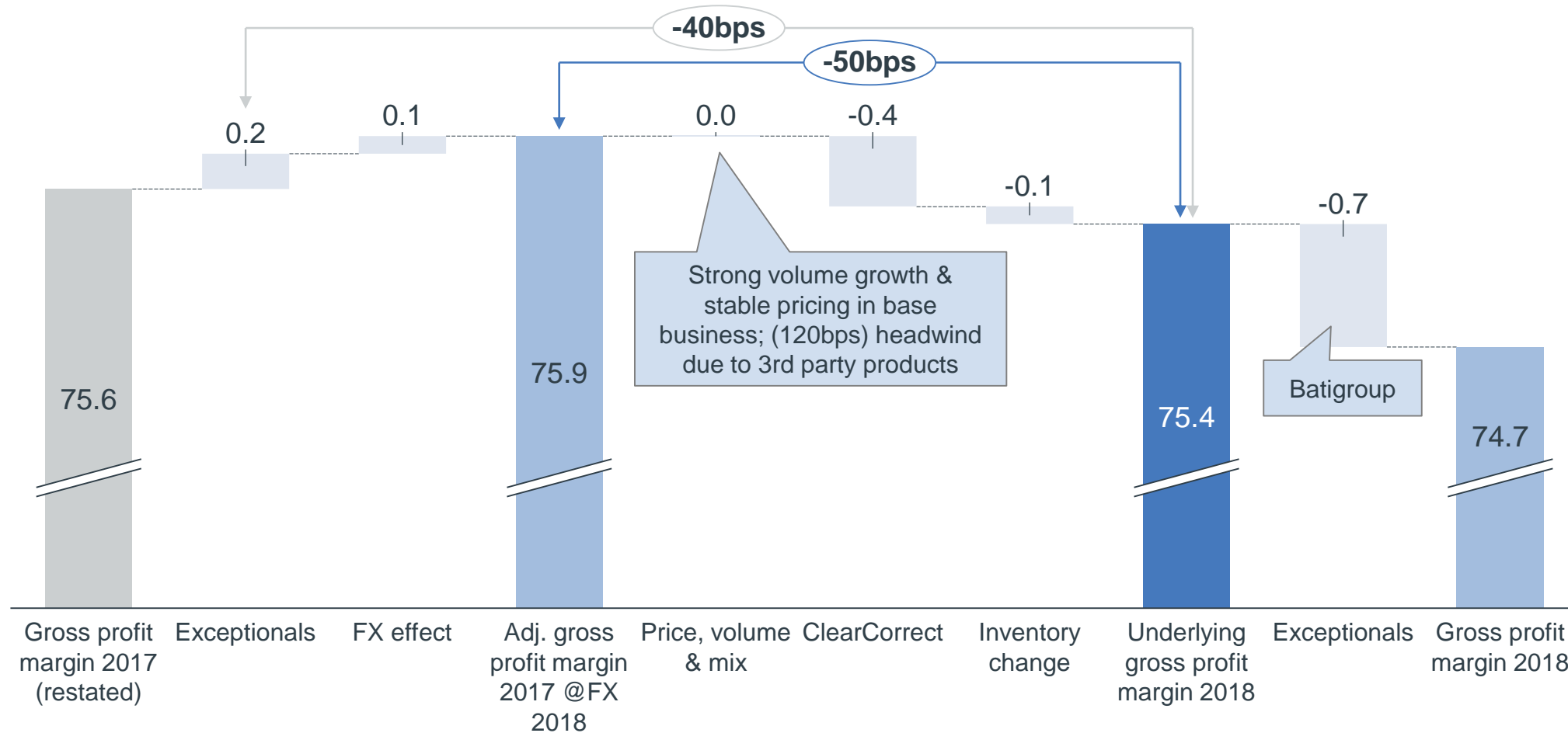
Key financials at a glance

in CHF m (rounded)	FY 2018			FY 2017			Δ % / bps excl. Exceptionals
	Reported	Exceptionals	excl. Exceptionals	Restated	Exceptionals	restated / excl. Exceptionals	
Revenue	1363.6			1112.1			
<i>Organic growth in %</i>	18.9%			15.7%			
Gross profit	1019.2	(8.8)	1028.1	840.5	(2.0)	842.4	22%
<i>margin</i>	74.7%		75.4%	75.6%		75.8%	(40 bps)
EBITDA	395.0		403.8	323.5		325.5	24%
<i>margin</i>	29.0%		29.6%	29.1%		29.3%	30 bps
EBIT	342.6		351.4	283.3		285.2	23%
<i>margin</i>	25.1%		25.8%	25.5%		25.6%	20 bps
Net financial result	(16.9)		(16.9)	(19.3)	(16.3)	(3.0)	
Gain on consolidation	10.7	10.7	0.0	68.9	68.9	0.0	
Share of result of associates	(10.0)		(10.0)	(9.7)		(9.7)	
Taxes	(48.6)	1.9	(50.6)	(40.9)	1.9	(42.8)	
Net profit	277.8		273.9	282.2		229.7	19%
<i>margin</i>	20.4%		20.1%	25.4%		20.7%	(60 bps)
Basic EPS	17.24		16.99	18.04		14.65	
Free cash flow	169.4			144.7			17%
<i>margin</i>	12.4%			13.0%			

Exceptionals in 2018 are presented in Slide 16. Exceptionals in 2017: CHF 23m gain related to the Medentika business combination (CHF 24m after tax), including inventory revaluation expenses of CHF 2m (COGS) and a CHF 25m consolidation gain. The Dental Wings takeover resulted in a consolidation gain of CHF 44m. A loan revaluation led to an impairment expense of CHF 16m in the financial result.

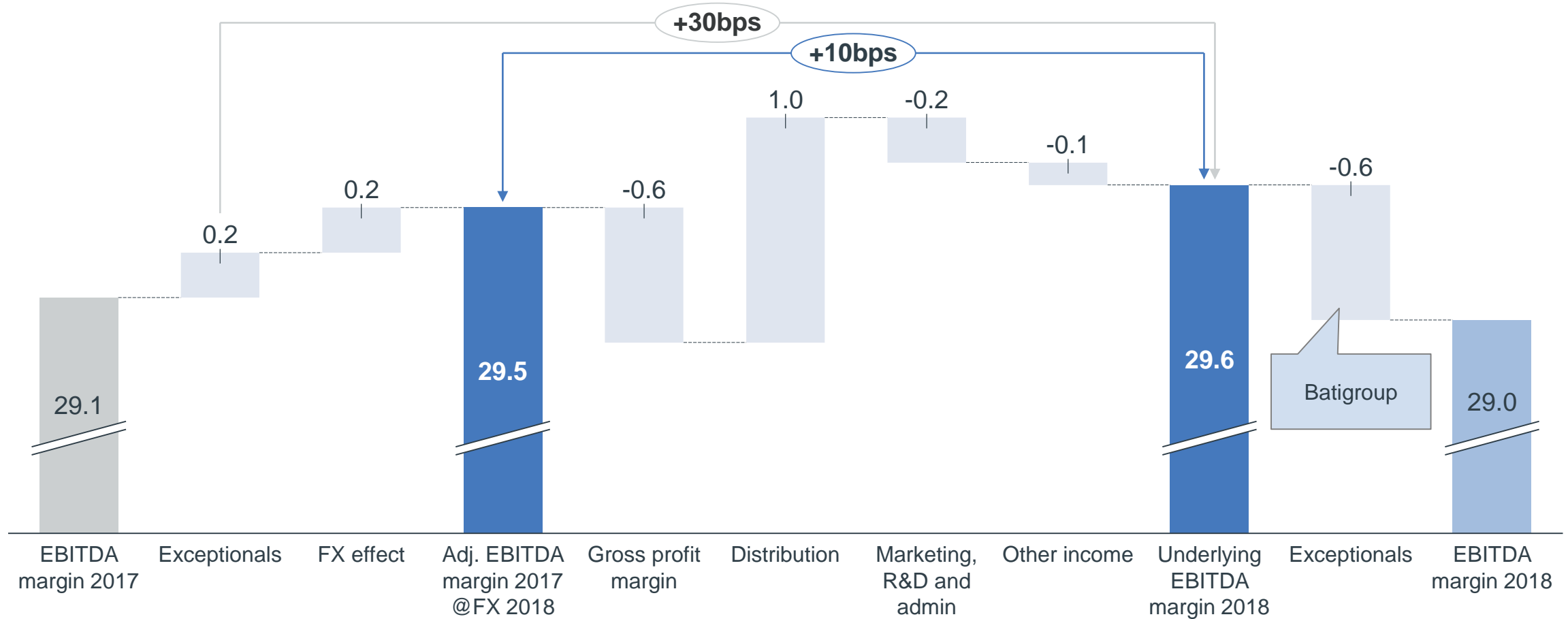
Increased proportion of CAD/CAM and aligner sales in product mix constrains gross margin

In %, rounded



EBITDA margin improves, despite lower gross margin and higher investments in future growth

In %, rounded

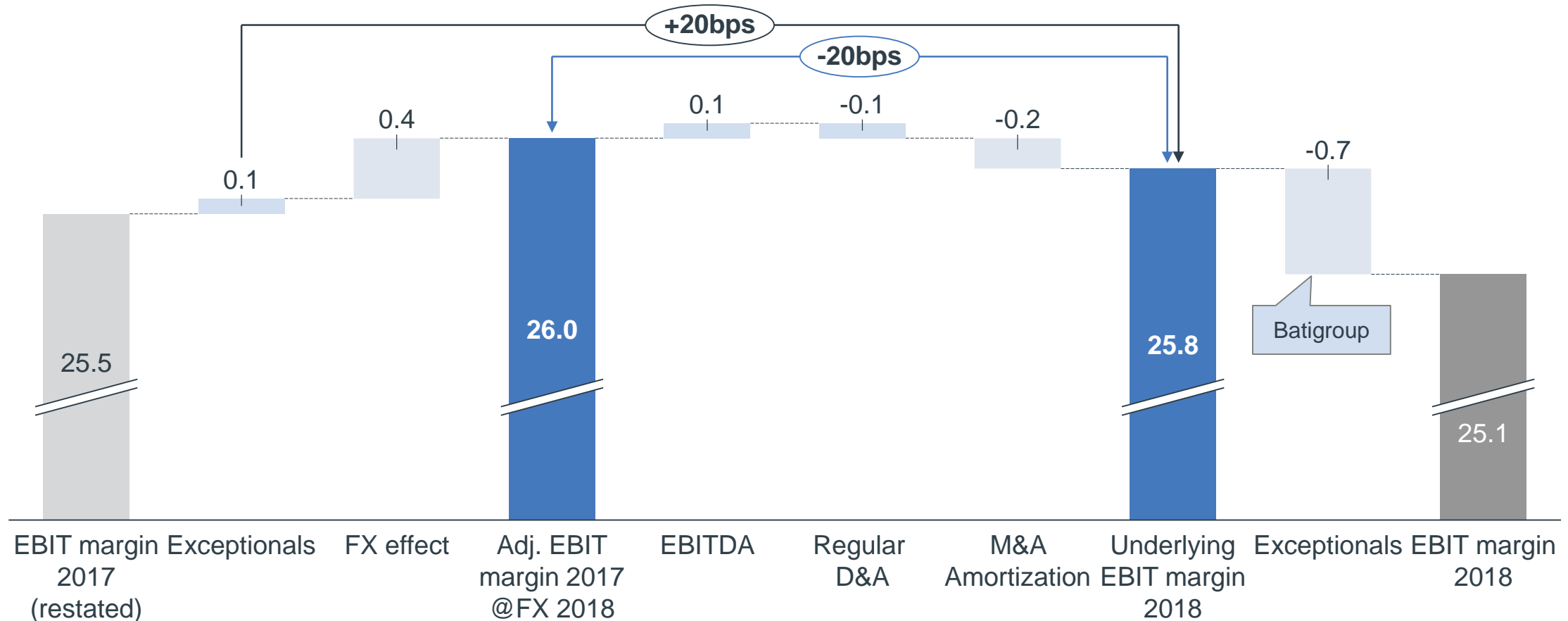


Increased D&A charges due to acquisitions and investments in production capacities

<i>in CHF m (rounded)</i>	2018	2017 <i>restated</i>	Δ % / bps <i>2018 vs. 2017</i>
EBITDA <i>margin</i>	395.0 29.0%	323.5 29.1%	22%
Depreciation	30.0	25.0	20%
Total amortization	22.4	15.3	47%
Regular amortization	6.4	4.8	35%
Amortization (of acquired intangibles)	16.0	10.5	52%
- Neodent	5.7	6.5	
- Medentika	1.8	1.7	
- Dental Wings	4.9	1.2	
- Equinox	0.5	0.5	
- ClearCorrect	2.0	0.5	
- Batigroup and others	1.0	0.0	
EBIT <i>margin</i>	342.6 25.1%	283.3 25.5%	21%
Exceptionals ¹	-8.8	-2.0	
EBIT (excl. exceptionals) <i>margin</i>	351.4 25.8%	285.2 25.6%	23% 20 bps

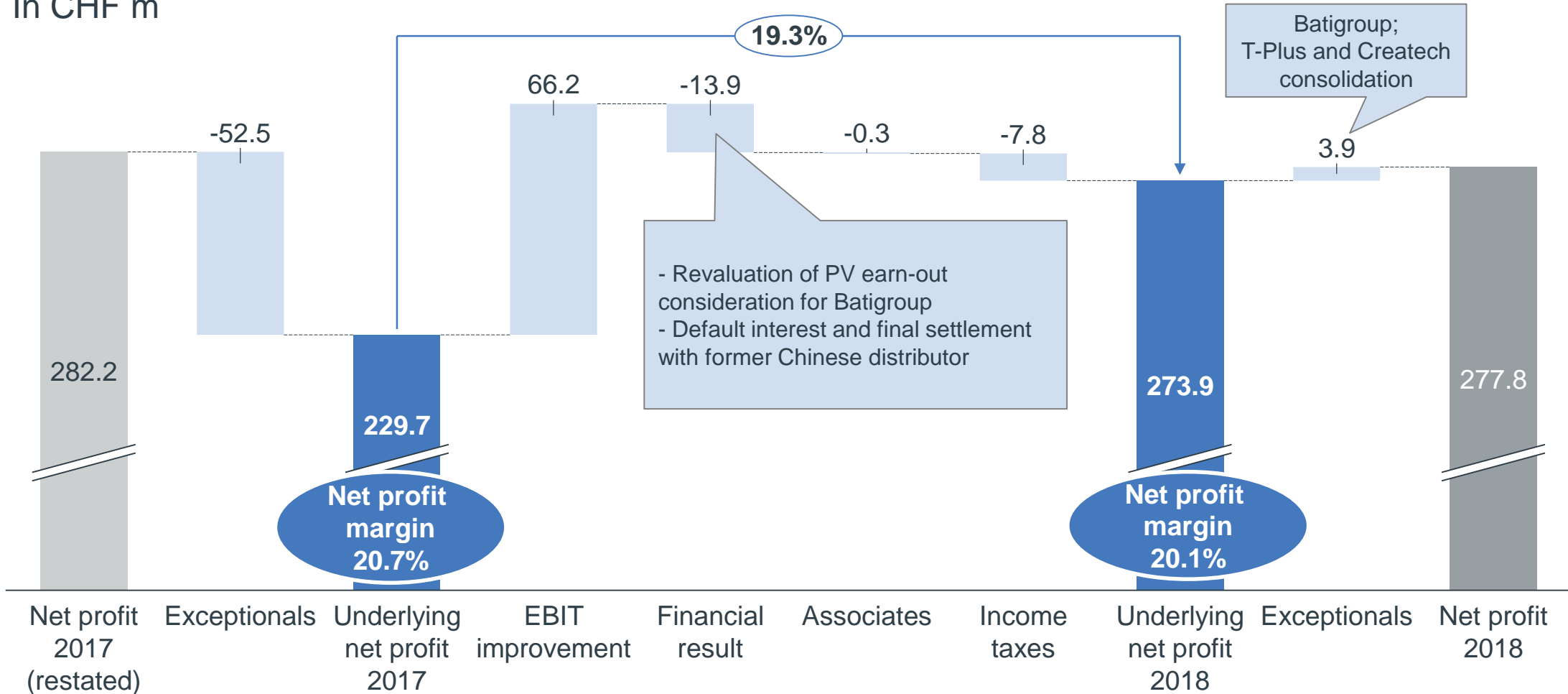
EBIT expands 20bps thanks to operational progress and FX tailwind despite higher amortization charges

In %, rounded



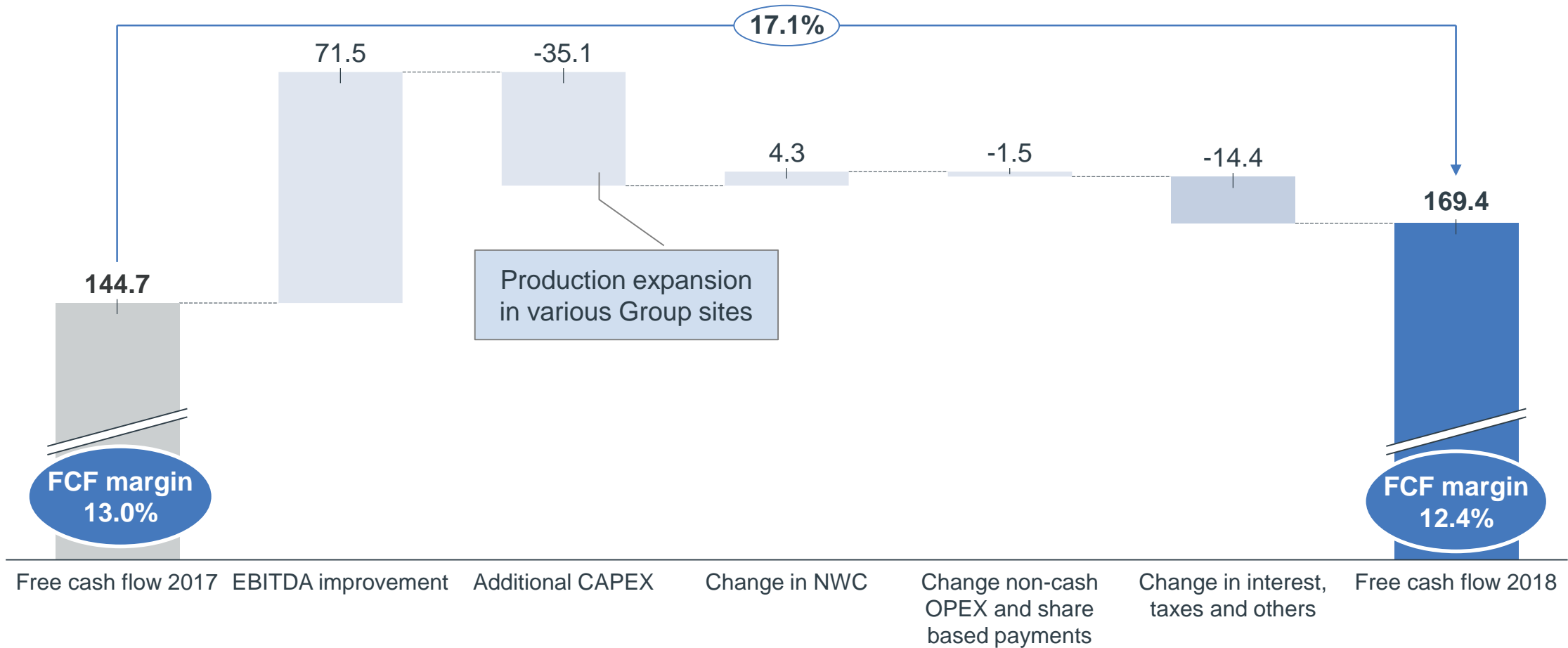
Underlying net profit climbs 19%, thanks to operational improvements

In CHF m



Free-cash-flow increases 17% despite further investments in production & business expansion

In CHF m



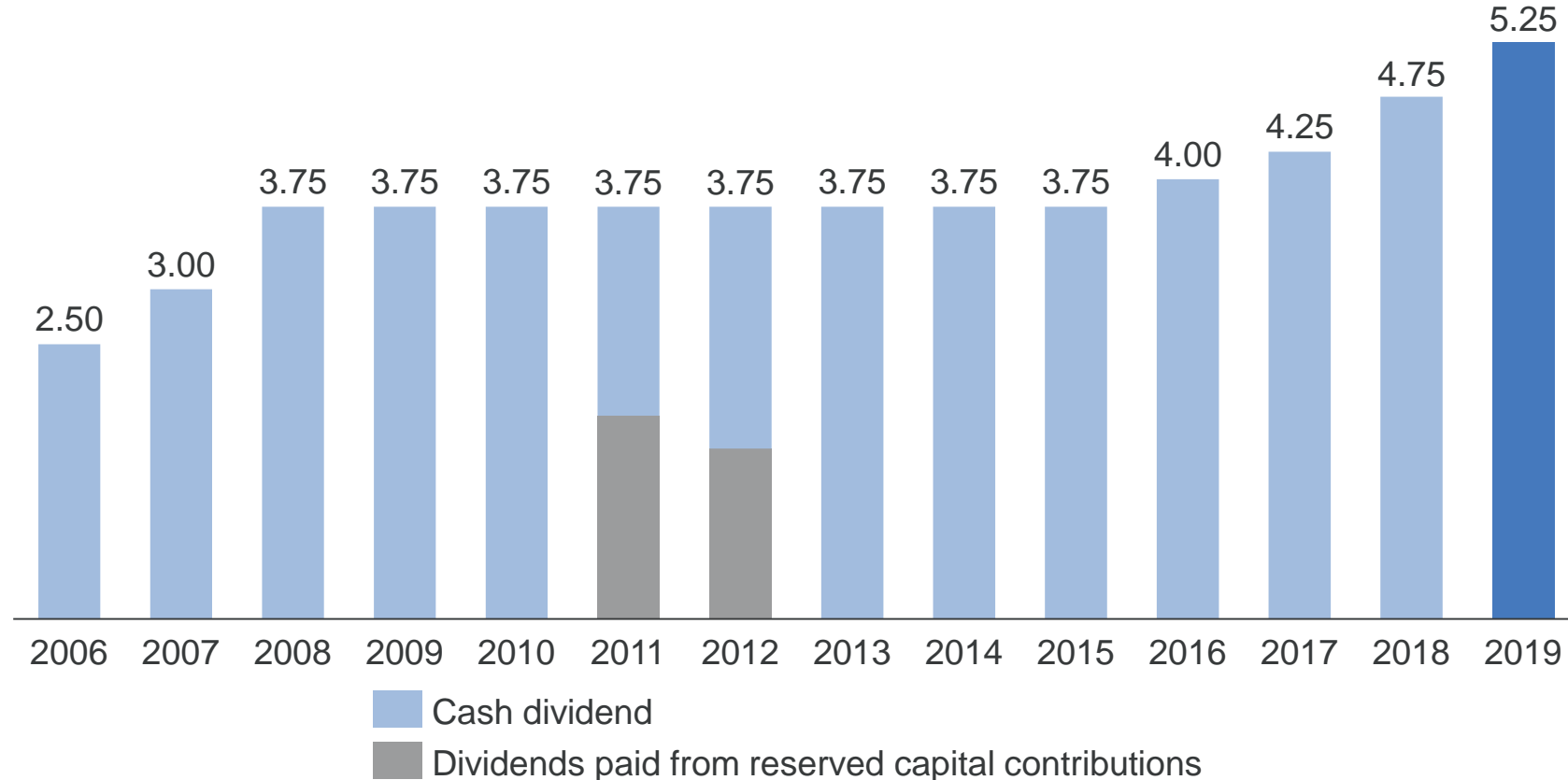
International production expansion to meet growing demand



- CHF 72m invested in land, buildings and machinery for production plants in Switzerland, Brazil and the US
- CHF 40 m overall investment in Villeret expansion project to add 16 000 m² production area (operational early 2021)
- In Q4 we successfully implemented ERP system in Brazil

Dividend raised

- Based on the results and positive developments in 2018, the Board proposes a dividend increase to CHF 5.25 per share (prior year: CHF 4.75)
- Dividend is payable on 11 April 2019 (ex-dividend date: 9 April 2019)



Recent achievements & strategy in action

Marco Gadola, CEO

Strategic progress 2018

1 Drive high performance Straumann Group culture and organization

- ✓ Cultural Journey 2.0 initiated
- ✓ Staff survey: high engagement; need to improve collaboration, communication & coaching
- ✓ Increased investment in personal development, career/succession planning
- ✓ Culture emphasized in employer branding, recruiting, onboarding and rewards activities

Strategic progress 2018

② Target unexploited growth markets & segments

Geographic reach

- ✓ 3 new subsidiaries

Non-premium implant segment

- ✓ Neodent in >50 markets; distributors acquired; entry to lower value segment in China with T-Plus

Biomaterials

- ✓ Brazilian launch; 30% stake in botiss

Corporate dentistry

- ✓ expanded team; business with large DSOs; strong growth, segment share gains

Strategic progress 2018

3 Expand scope to become a total solution provider for esthetic dentistry

Diffentiating solutions

- ✓ **Immediacy & edentulous:** Neodent GM; Straumann BLX; Mini-implants
- ✓ **Ceramic implant segment:** Straumann PURE & SNOW (Z-Systems)
- ✓ **Digital:** Trios3 roll-out; Zirconzahn milling solutions; increased connectivity
- ✓ **CADCAM:** acquisition of Createch; milling center in China

Orthodontics

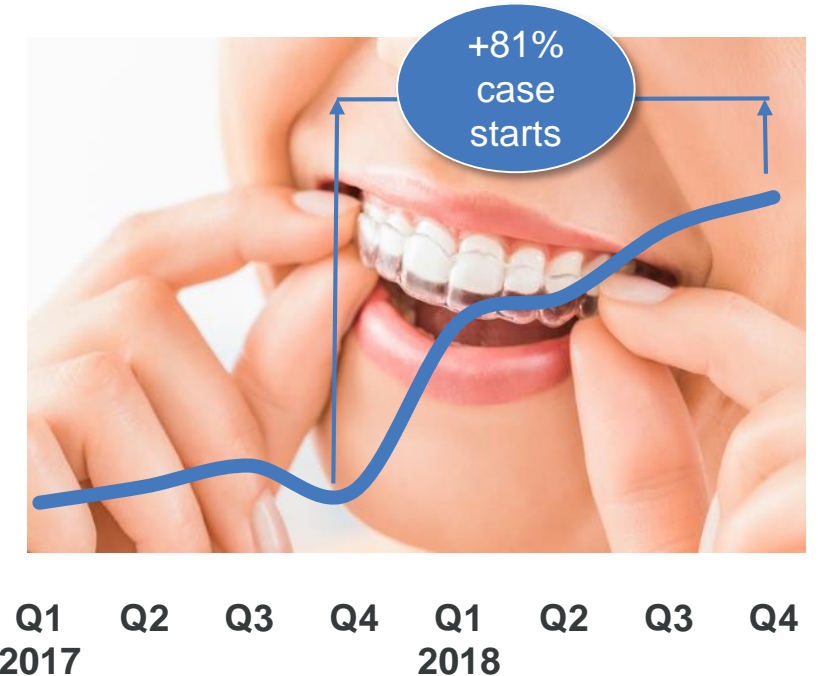
- ✓ ClearCorrect international roll-out; preparations to enter the Chinese market with ZhengLi
- ✓ Partnership with Dental Monitoring (remote monitoring)

Prevention

- ✓ Pilot portfolio of in-licensed 'GP' products including novel treatments to prevent tooth/implant loss

ClearCorrect smiles spread to new markets

- Case growth: Q4 +81%; full year +61%;
- Customer base expands >15% in 2018
- Continued strong growth in North America
- ClearCorrect aligners promoted with Dental Monitoring system in the US
- Preparing for market entries after successful pilots in several countries
- Building to a full launch at CIOSP in Brazil
- Agreement to supply large dental chain in Europe
- Production capacity expanded



Entry into Chinese clear-aligner market

- Exclusive distribution agreement for state-of-the-art clear aligners developed and registered by Tianjin ZhengLi Technology Company
- Immediate access to second-largest, fastest-growing¹ clear-aligner market (market expected to grow >50% in next five years¹)
- Straumann to leverage its organization, infrastructure and distribution network



Creating smiles in the Middle East with Zinedent

- Participation increased from 50% to full ownership for approx. CHF 10m (2.01.19)
- Zinedent supplies implants to Turkey and distributor markets in Middle East, N. Africa, and Eurasia.
- Products use an established design and are priced for the third-tier segment, making them attractive in emerging markets.
- Zinedent was established in 2015 as a joint venture with Group's former Turkish distributor.



TÜM İHTİYAÇLARINIZ İÇİN
TEK ÇÖZÜM

Sizleri A09 nolu
standımızda ağırlamaktan
memnuniyet duyacağız.
Zinedent A.Ş.

www.zinedent.com

The advertisement features a smiling woman with blonde hair, wearing a green jacket, looking towards the right. In the foreground, there are several dental implants of different sizes and designs. The background shows a scenic view of a lake and mountains under a blue sky. The text is in Turkish, and the website URL is provided at the bottom.

Partnership with Z-Systems creates a leading force in ceramic implants



- 34% stake in pioneering leader in ceramic implant systems
- Loans + capital injection to support Z-Systems' pipeline and expansion.
- Exclusive distribution rights for first metal- and plastic-free screw-retained two-piece ceramic implant: to launch as Straumann SNOW
- Combination of expertise, portfolio, brand, marketing strength, and reach creates a leading force in ceramic implants.



Investment in Valoc bears fruit

- After a very successful 4-year partnership, the Group increased stake in Valoc from 44% to a controlling 55% (consolidated as of 29.01.19)
- Swiss-made high-performance retention devices for implant-borne removable dentures
- Novaloc[®] and Optiloc[®] are very durable, reliable, user-friendly and compatible with most leading dental implant systems
- Straumann's Mini Implant uses Optiloc, one of the smallest retention systems
- Valoc, Straumann & Medentika have rolled the range out internationally and have made it one of the most widely-used retainer systems.

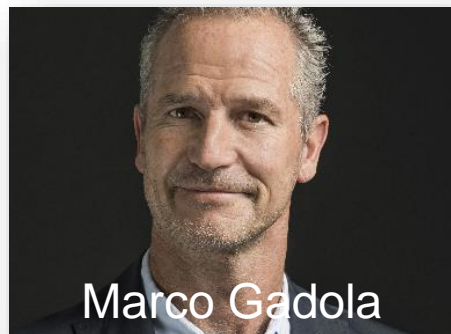


IDS 2019: Innovations with game-changing potential

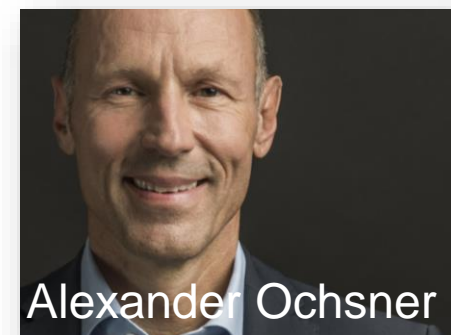
- Major launches, including BLX
- 500m² Arena of Confidence in Hall 4.2
- Straumann investor event (Hotel Dorint) and media conference (Convention) on 13 March



Planning succession in a position of strength



- Guillaume Daniellot (EVP Sales NAM) to succeed Marco Gadola as CEO on 1 Jan. 2020
- Marco Gadola proposed for election to the Board in 2020
- Continuity with experienced, talented, internal candidate, who shares present CEO's drive, entrepreneurism and passion for high performance culture.



- Alastair Robertson to join Group as Head of Global People Management & Development & EMB member in mid-2019
- Succeeds Alexander Ochsner, who takes on a new senior role within the Straumann Group network



Additional Board Member proposed

- Juan-José Gonzalez proposed for election to the Board
- Expert in the medical-technology and consumer-health sectors, with a deep knowledge of global markets, healthcare systems, and technology
- 12 years at J&J in Orthopedics and Consumer Health; currently heads their orthopedic business, DePuy Synthes, US
- Chair of the Orthopedics Sector of AdvaMed in the US since 2016
- Previously at Pfizer, McKinsey and P&G, across various continents
- Peruvian & US citizenship. His background, multinational experience and skills in strategy, execution, talent development and mentoring make him a valuable addition to the Board and increases its diversity.



Outlook 2019 and beyond

Our 2019 guidance

Barring unforeseen circumstances

Market growth

Global implant market to continue to grow between 4-5%

Our revenue growth

Confident to outperform and achieve organic revenue growth in the low-teens percentage range

Profitability

Further improvement in the underlying¹ EBITDA and EBIT margin

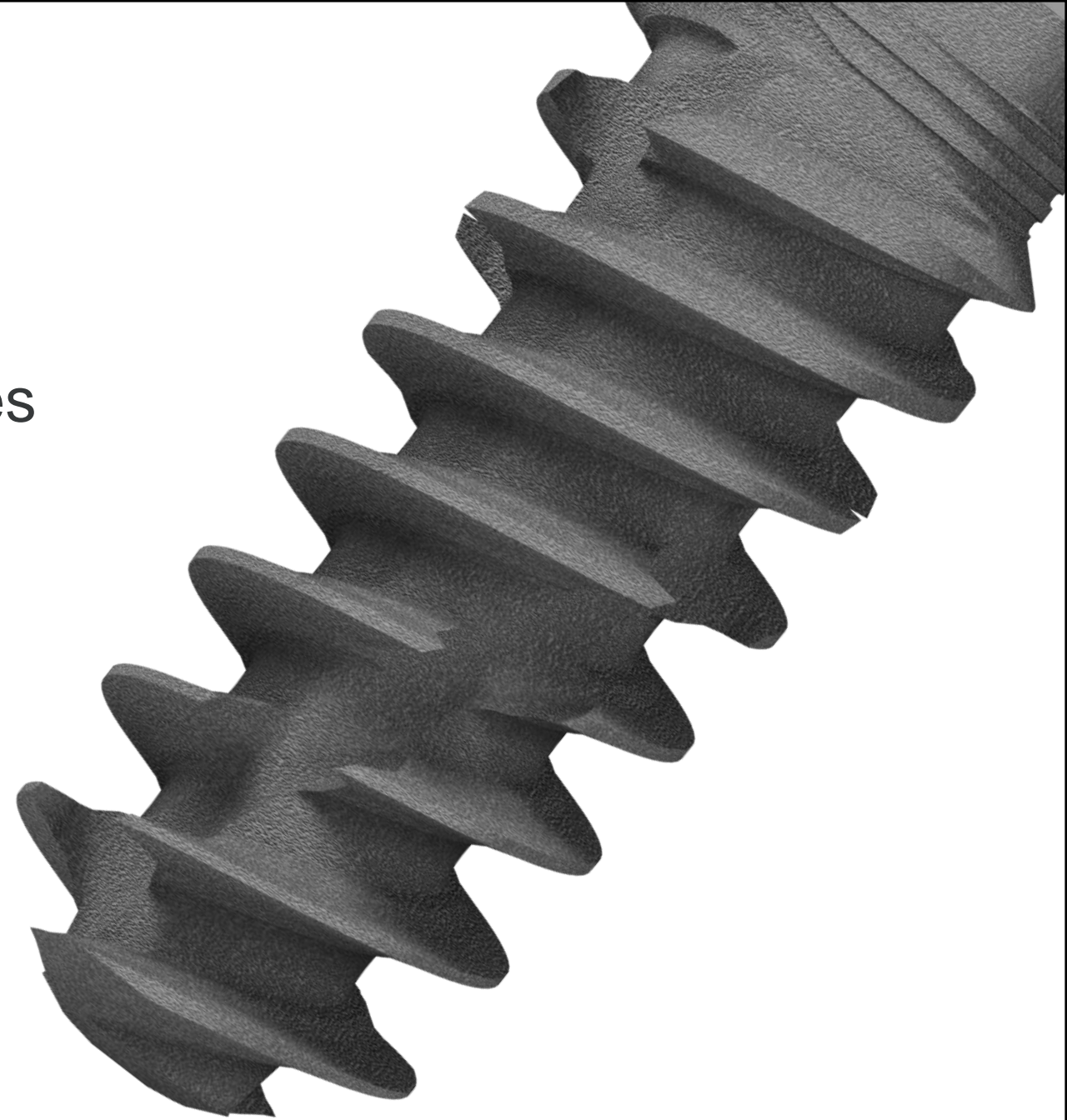


¹ Profitability objectives exclude exceptional effects related to acquisitions, business combinations as well as the impact from the adoption of IFRS 16 (see details [on slide 47](#)).

Focusing on the BLX launch

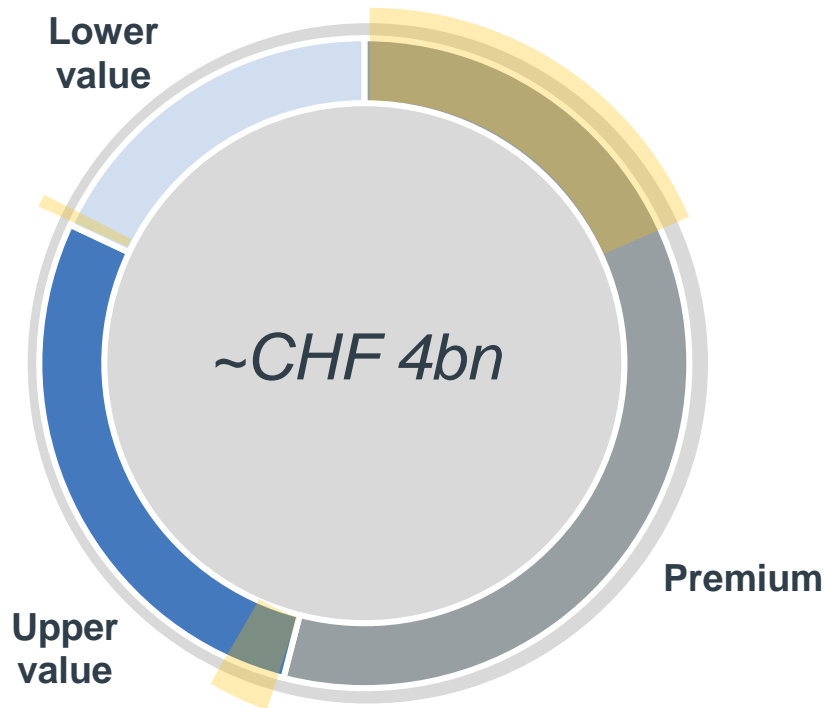
Dynamic Bone Management™

- 'Cut, collect, condense'- properties
- Bi-directional cutting elements
- Stress-free crestal bone
- Enhanced drill design
- More than edentulous and immediacy solutions










Plenty of opportunity to gain share in the non-premium implant segment

Global implant & abutment market 2018



Premium implants
 Non-premium implants
 Current Straumann Group market share

straumanngroup		
Premium	Non-premium	
	Upper value	Lower value
 simply doing more	 NUNO MAIS QUE IMPLANTES DENTÁRIOS	
	 A global solution for dental implantology	
	 MEDENTiKA GmbH DENTALE PRÄZISION	
Straumann Group brands are distinguished by innovation, pre-clinical research, product innovation and breadth, pre- and post-market documentation as well as valued-added services		

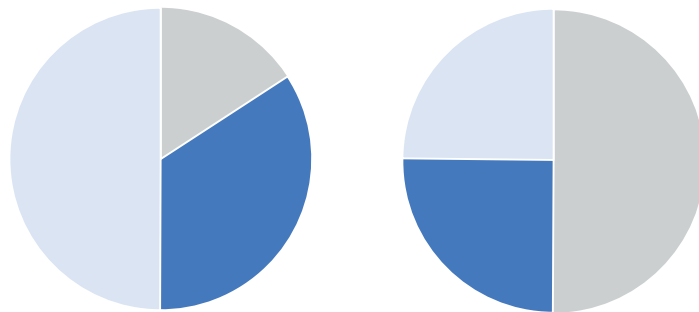
Participating in high growth areas while mitigating the risk of an economic slowdown

More EM sales¹...

more balanced product portfolio...

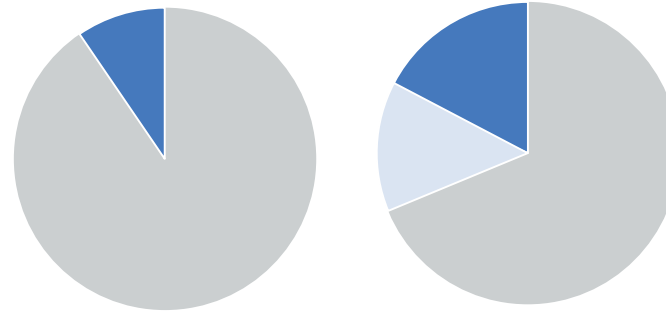
...offered at different price points

Share of implant volumes in 2012 vs. 2018



■ Western Europe
■ Emerging markets (EM)
■ Other growth markets in developed countries

Product portfolio break-down 2012 vs. 2018 (in value)



■ Premium implant solutions
■ Non-premium implant solutions
■ New or adjacent products

Multi-pricing strategy



Premium

Upper value

Lower value

Questions & answers

Q&A

Pushing boundaries 2018 Annual Report published today

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 carrier 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.

straumanngroup

- Preventive dentistry: ClearConnect, Crestach, Dental Wings, Calibra
- Treatment planning: Data acquisition, Planning & services
- Implant surgery & orthodontic treatment: Orthodontics, Implants & prosthetics, Implants
- Prosthetic design, production & placement: Bars & clips, Multiplatform prosthetics, CAUCAM production

Share information

Relative share price development (in CHF)

Total shareholder return (in %)

Share price development 2014-2018 (in CHF)

Share information	2018	2017
Earnings per share (EPS)	16.30	14.65
Ordinary dividend per share	1.00 ¹	0.75
Payout ratio ²	29%	32%
Share price at year end	618.00	688.50

1. 2017 dividend including cash dividends and one time bonus.
2. Payout ratio April 2018 (last available data reported)

INVESTOR & ANALYST BREAKFAST



Program

- 08.00 Opening
- 08.30 Start event
- 10.00 End of event

Agenda

- Update on our strategic initiatives
- Megatopics in implantology feat. top independent expert in immediacy
- New digital solutions
- Trends and achievements in the DSO field
- Q&A session



MARCH 12 | 13 | 14 15 16

DATE: Wednesday 13 March 2019

TIME: 8.30AM – 10.00AM

VENUE: Hotel Dorint an der Messe
(opposite the convention building)

[Click to register](#)

Calendar of upcoming events

2019	Event	Location
20 February	Investor meetings	New York
21 February	Investor meetings	Chicago
13 March	IDS Investor event	Cologne (D)
21 March	Kepler Cheuvreux Swiss Seminar	Zurich
26 March	Investor meetings	Paris
27 March	Investor meetings	London
05 April	AGM 2019	Basel Congress Center
11 April	Dividend ex-date	
30 April	First-quarter results	Webcast
21 May	UBS Healthcare conference	New York
22 May	Berenberg US conference	Tarrytown (US)
04-05 June	Vontobel Switzerland conference	Interlaken (CH)
13 June	Exane BNP Paribas CEO conference	Paris
14 August	First-half 2019 results conference	Basel, HQ
Social media	Type	Source
Analyst Talk	Executive interviewed by analysts	Corporate Website / youtube
StraumannIR	Investor Relations Twitter	@StraumannIR

Estimated impact from IFRS 16 (Leases) adoption in 2019

Approx. IFRS 16 impact (in CHF million) ¹	Total
Revenue	
Gross margin	+0.5
EBITDA	+18.0
EBIT	+3.0
Financial results	-5.0
Profit before tax	-2.0

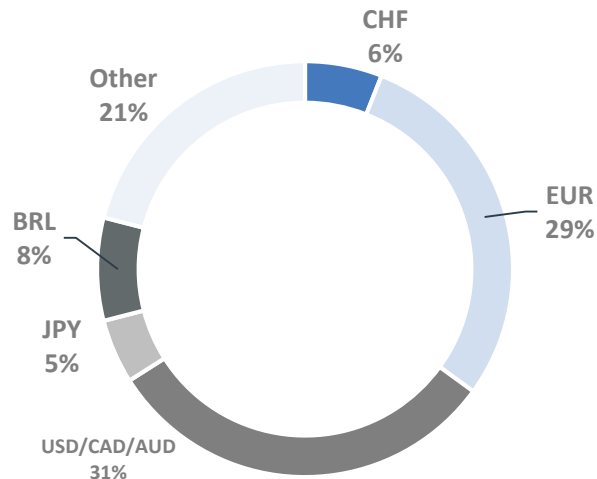
¹ Barring unforeseen circumstances, major currency movements and/or change in business scope

Growth strategy pays off

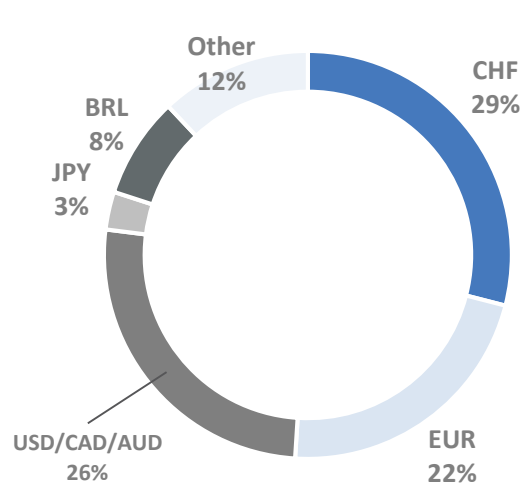
<i>in CHF m</i>	2013	2014	2015	2016	2017 restated	2018	5-year average
Revenue	679.9	710.3	798.6	917.5	1'112.1	1363.6	
Organic revenue growth in %	1.2	6.4	9.1	13.1	15.7	18.9	12.6
<i>Acquisition / Divestiture effect in %</i>	-0.8	0.0	9.5	0.8	4.1	4.2	3.7
Change in l.c.%	0.4	6.4	18.6	13.9	19.8	23.1	16.4
<i>FX effect in %</i>	-1.3	-1.9	-6.1	1.0	1.4	-0.5	-1.2
Growth in CHF %	-0.9	4.5	12.4	14.9	21.2	22.6	15.1
	2013	2014	2015	2016	2017	2018	<i>CAGR 2013-18</i>
Gross profit excl. exceptionals	535.9	558.7	628.0	718.5	842.4	1028.1	13.9
<i>Underlying margin</i>	78.8%	78.7%	78.6%	78.3%	75.8%	75.4%	
EBITDA excl. exceptionals	156.4	176.2	220.7	259.2	325.5	403.8	
<i>Underlying margin</i>	23.0%	24.8%	27.6%	28.3%	29.3%	29.6%	
EBIT excl. exceptionals	123.8	148.3	185.7	227.2	285.2	351.4	23.2
<i>Underlying margin</i>	18.2%	20.9%	23.3%	24.8%	25.6%	25.8%	
Underlying net profit	107.9	130.9	144.7	186.8	229.7	273.9	20.5
<i>Underlying margin</i>	15.9%	18.4%	18.1%	20.4%	20.7%	20.1%	
Earnings per share (adjusted)	6.98	8.42	9.19	11.94	14.65	16.99	19.5
	2013	2014	2015	2016	2017	2018	<i>CAGR 2013-18</i>
Operating cash flow	151.5	146.2	185.6	184.7	217.3	277.1	12.8
Capital expenditure	(12.6)	(18.8)	(35.2)	(46.7)	(74.4)	(109.7)	
<i>as % of revenue</i>	-1.9%	-2.6%	-4.4%	-5.1%	-6.7%	-8.0%	
Free cash flow	139.2	128.4	151.1	138.7	144.7	169.4	4.0
Number of employees (year-end)	2'217	2'387	3'471	3'797	4'881	5'954	21.8

Straumann's currency exposure

Revenue breakdown FY2018¹

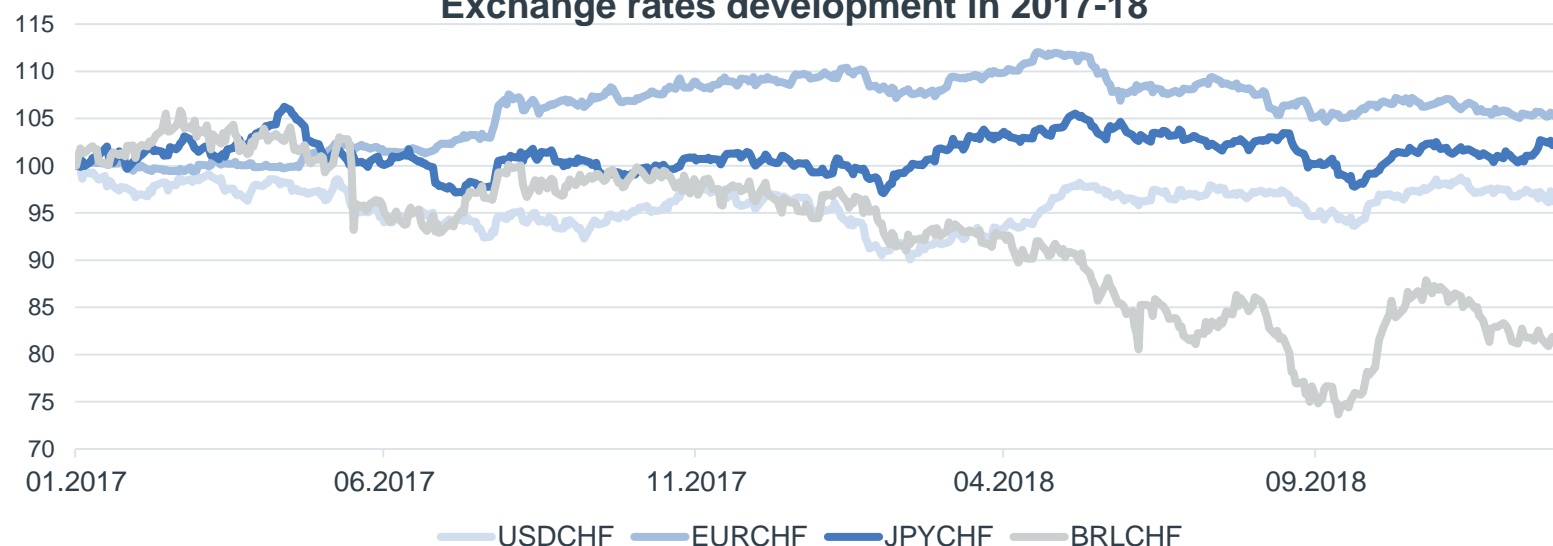


Cost breakdown FY2018¹



Average exchange rates (rounded)					FX sensitivity (+/- 10%) on full-year...	
		2017	2018	Closing 2018	Revenue	EBIT
1	EURCHF	1.11	1.15	1.13	+/- 39m	+/- 23m
1	USDCHF	0.98	0.98	0.99	+/- 37m	+/- 17m
100	BRLCHF	30.69	26.87	25.36	+/- 11m	+/- 2m
100	JPYCHF	0.87	0.88	0.90	+/- 7m	+/- 4m

Exchange rates development in 2017-18



¹ These distribution charts represent the total net revenues and the total COGS, as well as OPEX in the various currencies. All numbers are rounded and based on FY 2018 figures as well as average FX rates in 2017-18. They also include recent acquisitions and new subsidiaries.



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