2016 Full-year results
Conference presentation for investors, analysts & media
Basel, 16 February 2017
Disclaimer

This presentation contains certain forward-looking statements that reflect the current views of management. Such statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements of the Straumann Group to differ materially from those expressed or implied in this presentation. The Group is providing the information in this presentation as of this date and does not undertake any obligation to update any 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.
Full-year highlights

Marco Gadola, CEO
Highlights in 2016

- Strongest performance in 8 years in terms of revenue growth and operating profit
- Acceleration from last year, widening gap to main competitors
- #1 position in premium underpinned; 3rd largest producer of non-premium implants
- Additional markets and segments entered
- New products and solutions launched, pipeline stocked for key dental trade events
- Global headcount increases by 326 (total 3797), the majority of which were new jobs
- 70 new jobs in Switzerland; 40 at HQ, 30 in production in Villeret
### Excellent all-round performance in 2016

<table>
<thead>
<tr>
<th>REVENUE GROWTH</th>
<th>BUSINESS</th>
<th>STRONGEST REGIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>+13% organic$^1$</td>
<td>Double-digit growth</td>
<td>North America &amp; APAC</td>
</tr>
<tr>
<td>+15% in CHF</td>
<td>across all businesses; Instradent achieves triple-digit increase</td>
<td>North America (+16%$^1$) main growth contributor; Asia/Pacific fastest growing (+20%$^1$)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PRODUCT DRIVER</th>
<th>DIVIDEND</th>
<th>2017 GUIDANCE$^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td>BLT</td>
<td>CHF 4.25</td>
<td>Further growth</td>
</tr>
<tr>
<td>BLT (Bone Level Tapered) drives double-digit implant volume growth and has gained a 4% (volume) share of the market in just 2 years.</td>
<td>Dividend raised for second consecutive year (2015: CHF 4.00)</td>
<td>Above market performance High-single-digit organic growth Further EBIT margin improvement</td>
</tr>
</tbody>
</table>

---

1. Organic growth – i.e. excluding the effects of currency fluctuations and acquired/divested business activities
2. Guidance expectations barring unforeseen events/circumstances
Operating margin expands further

Revenue growth excl. acquisition and FX effect

+13.1% organic

2015 811.0
2016 917.5

EBIT margin (%) excl. exceptionals and FX effect

+120bps

2015 23.6
2016 24.8

Earnings per share excl. exceptionals and one-time effects

+30%

2015 9.19
2016 11.94

\[ ^1 \text{2016 EPS benefited from a one-time deferred tax asset gain of CHF 43 million resulting from the merger of Straumann Brazil with Neodent.} \]
Positive trend continues in Q4

North America
28% of Group

16.0 15.6
Q4 12M

EMEA
45% of Group

8.0 9.1
Q4 12M

APAC
16% of Group

20.5 19.7
Q4 12M

LATAM
11% of Group

15.0 14.6
Q4 12M

Straumann Group

13.0 13.1
Q4 12M
Growth strategy pays off

Organic revenue growth 2012-16

Operating profit and margin 2012-16

Premium implant market includes the following brands: Nobel Biocare, Dentsply Implants, Zimmer, Biomet, and Straumann
Bolstered leading position in an attractive market

Global dentistry market worth CHF 24bn in 2016¹

- General dentistry: 33%
- Dental specialties (implants/endo/ortho): 28%
- Equipment: 22%
- Prosthetics: 17%

Global market for implant dentistry worth CHF 3.5bn in 2016²

- Danaher (Nobel Biocare, Alpha-Bio Tec, Implant Direct): 23%
- Henry Schein (Camlog, BioHorizons): 26%
- Dentsply (Dentsply, Astra Tech, MIS): 19%
- Zimmer Biomet: 15%
- Others (400+): 10%

Source: ¹ Market data based on Goldman Sachs, Renub Research, Marketsandmarkets, and Straumann estimates
² Implant dentistry market segment includes implant fixtures, abutments and related instruments; information based on DRG 2015 and Straumann estimates
Business and regional review

Peter Hackel, CFO
Strong expansion across all regions

Revenue development (CHFm, rounded)

- EMEA Revenue FY 2015 @FX 2016: 798.6
- North America Revenue FY 2015: 811.0
- APAC Revenue FY 2015: 34.2
- LATAM Revenue FY 2015: 34.6
- Revenue development (CHFm, rounded)
  - Change in organic growth:
    - EMEA: 9.1%
    - North America: 15.6%
    - APAC: 19.7%
    - LATAM: 14.6%
  - Regional share of organic growth:
    - LATAM: 12%
    - APAC: 24%
    - North America: 32%
    - EMEA: 32%

M&A effect Revenue FY 2016: 811.0
FX effect: 6.7
M&A effect: 5.7
Revenue FY 2016: 917.5
EMEA robust – North America impressive

- Robust Q4 with generally positive results
- Strong results in the UK, Russia, Italy, France and Scandinavia – Germany solid
- Positive uptake of botiss products continues – biomaterials franchise complements our implant business perfectly

- North America kept up a strong pace
- Double-digit growth over four consecutive quarters – clearly above the market
- Healthy growth in all business segments, led by BLT
- Cost-effective and versatile Variobase abutments helped to win back lab customers
Double-digit growth in Asia and Latin America

- Growth increased sequentially; all subsidiaries posted 2-digit growth
- >50% of growth was generated in China; Anthogyr addition well received
- Strong growth in Japan driven by roll-out of new products

- Q4 revenue grew 15% despite high baseline
- Mexico impressive
- Positive uptake of Straumann BLT and Neodent Aqua implants
- Store concept and digital range key differentiators

Revenue change (organic)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>APAC</th>
<th>2016</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3</td>
<td>13.2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>20.0%</td>
<td>21.0%</td>
<td>20.2%</td>
<td>17.0%</td>
<td>20.5%</td>
</tr>
<tr>
<td>Latin America</td>
<td>11% of Group</td>
<td>16% of Group</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Latin America</th>
<th>2016</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3</td>
<td>1.3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>16.8%</td>
<td>13.3%</td>
<td>17.2%</td>
<td>12.7%</td>
<td>15.0%</td>
</tr>
</tbody>
</table>

Revenue change (organic)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Latin America</th>
<th>2016</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3</td>
<td>1.3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Q4</td>
<td>16.8%</td>
<td>13.3%</td>
<td>17.2%</td>
<td>12.7%</td>
<td>15.0%</td>
</tr>
</tbody>
</table>
Double-digit growth in all businesses; Implants contribute two thirds of overall growth
### Key financials at a glance

<table>
<thead>
<tr>
<th>in CHF million (rounded)</th>
<th>FY 2016</th>
<th>FY 2015</th>
<th>Δ % / bps</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reported</td>
<td>Exceptionals</td>
<td>excl. Exceptionals</td>
</tr>
<tr>
<td>Revenue</td>
<td>917.5</td>
<td>798.6</td>
<td>805.3</td>
</tr>
<tr>
<td>Organic growth in %</td>
<td>13.1%</td>
<td>9.1%</td>
<td></td>
</tr>
<tr>
<td>Gross profit</td>
<td>718.5</td>
<td>614.9</td>
<td>634.4</td>
</tr>
<tr>
<td>margin</td>
<td>78.3%</td>
<td>77.0%</td>
<td>78.8%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>259.2</td>
<td>207.6</td>
<td>224.7</td>
</tr>
<tr>
<td>margin</td>
<td>28.3%</td>
<td>26.0%</td>
<td>27.9%</td>
</tr>
<tr>
<td>EBIT</td>
<td>227.2</td>
<td>172.6</td>
<td>189.7</td>
</tr>
<tr>
<td>margin</td>
<td>24.8%</td>
<td>21.6%</td>
<td>23.6%</td>
</tr>
<tr>
<td>Share of result of associates</td>
<td>(1.6)</td>
<td>(12.3)</td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>7.4</td>
<td>42.8</td>
<td>(35.4)</td>
</tr>
<tr>
<td>Net profit to shareholders</td>
<td>229.6</td>
<td>186.8</td>
<td>144.7</td>
</tr>
<tr>
<td>margin</td>
<td>25.0%</td>
<td>20.4%</td>
<td>18.1%</td>
</tr>
<tr>
<td>Basic EPS</td>
<td>14.68</td>
<td>11.94</td>
<td>9.19</td>
</tr>
<tr>
<td>Free cash flow</td>
<td>138.7</td>
<td>151.1</td>
<td></td>
</tr>
</tbody>
</table>

FY 2015

Share of result of associates | 15.1% |
Investments in production and higher share of third-party products constrain gross margin

Change in %

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>77.0</td>
<td></td>
<td></td>
<td>78.8</td>
<td>1.6</td>
<td>0.4</td>
<td>-2.5</td>
<td>78.3</td>
</tr>
</tbody>
</table>

(50 bps)

(30 bps)
EBIT margin expands by another 120 base points

- Distribution costs include amortization expenses of CHF 6 million for customer-related intangible assets of Neodent.

Reported 2016 EBIT margin: 21.6%

Reported 2015 EBIT margin: 23.6%

Adjusted 2015 EBIT margin: +120bps

Change in gross margin: -1.3%

Expansion of distribution: 3.0%

R&D, Marketing & administration: 0.0%

Other income: 160bps

Adjusted 2015 EBIT margin: 24.8%

1 Distribution costs include amortization expenses of CHF 6 million for customer-related intangible assets of Neodent.
## Net profit jumps 29%

In CHF m

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (CHF m)</th>
<th>Net profit margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported 2015 net profit</td>
<td>71.5</td>
<td>18.1%</td>
</tr>
<tr>
<td>Business combination exceptional</td>
<td>73.2</td>
<td></td>
</tr>
<tr>
<td>Adjusted 2015 net profit</td>
<td>144.7</td>
<td></td>
</tr>
<tr>
<td>EBIT improvement</td>
<td>41.5</td>
<td></td>
</tr>
<tr>
<td>Financial result</td>
<td>12.9</td>
<td></td>
</tr>
<tr>
<td>Associate result</td>
<td>10.7</td>
<td></td>
</tr>
<tr>
<td>Income taxes</td>
<td>-23.0</td>
<td></td>
</tr>
<tr>
<td>Underlying 2016 net profit</td>
<td>186.8</td>
<td>20.4%</td>
</tr>
<tr>
<td>One-time tax gain1</td>
<td>42.8</td>
<td></td>
</tr>
<tr>
<td>Reported 2016 net profit</td>
<td>229.6</td>
<td></td>
</tr>
</tbody>
</table>

1 One-time effect of CHF 43m (corresponding to CHF 2.74 earnings per share) related to the capitalization of deferred tax assets in Brazil.
Investments in production, portfolio and geographic expansion constrain free cash flow

In CHF m

<table>
<thead>
<tr>
<th>Free cash flow FY 2015</th>
<th>Underlying EBITDA improvement¹</th>
<th>Change in CAPEX</th>
<th>Change in trade NWC¹</th>
<th>Others</th>
<th>Free cash flow FY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>151.1</td>
<td></td>
<td>-11.6</td>
<td>-14.4</td>
<td>-24.9</td>
<td>138.7</td>
</tr>
</tbody>
</table>

- Free cash flow margin 18.9%
- Free cash flow margin 15.1%

CHF 20m inventory increase due to extension of product breath (incl. digital equipment) and the opening of new subsidiaries and Instradent organizations

CHF 16m thereof related to various pre-payment as well as increase in recoverable VAT

Chart shows cash-relevant changes Jan-Dec 2016 compared with the same period 2015;

¹ Adjusted for inventory revaluation write-down (CHF 13m) related to the Neodent consolidation in 2015
Based on the results and positive developments in 2016, the Board proposes a dividend increase to CHF 4.25 per share (2015: CHF 4.00)

Dividend is payable on 13 April 2017 (ex-dividend date: 11 April 2017)

Going forward, the Board’s intention is to increase the dividend per share subject to further good performance
Update on strategic progress

Marco Gadola, CEO
New branding concept

**straumann group**

- **Spain (30%)**
- **valoc**
  - Switzerland (44%)
- **dental wings**
  - Canada (55%)
- **createch**
  - Spain (30%)
- **VR**
  - Canada (30%)
- **RODO**
  - USA (12%)
- **botiss**
  - Germany
- **NIBEC**
  - South Korea
- **GENOSS**
  - South Korea
- **AMANN GIRRBACH**
  - Austria
- **etkon**
- **INSTRADENT**
  - Brazil (100%)
- **NEODENT**
  - Germany (51%)
- **anthogyr**
  - France (30%)
- **zinedent**
  - Turkey (50%) (joint vent.)
- **equinox**
  - India (100%)
- **T-PLUS**
  - Taiwan (49%)

**Technology & manufacturing platform**

- Germany (100%)
- Germany (51% joint venture)

**Non-Premium**

- Brazil (100%)
- France (30%)
- Turkey (50%) (joint vent.)
- India (100%)
- Taiwan (49%)

**Fully consolidated**

**Associate (equity method)**

**Partnership**
Straumann Group united presence at Latin America’s biggest congress

- Straumann & Neodent double-branded booth at CIOSP (São Paulo) in February attract thousands of visitors
- Both brands exceed sales targets
- Between stands, digital solutions team presents digital workflow, Straumann C-series chairside milling system, and 3rd party intra-oral scanner from 3Shape
Our three strategic priorities

- Drive a high performance culture and organization
- Become THE Total Solution Provider for Tooth Replacement
- Target unexploited growth markets & segments
Strategy in action – evidence of cultural change

- Culture targets set in 2014, program to drive a high performance culture
- A quarter of our staff around the world have participated; goal to include all employees by the end of 2018
- Clear indications of cultural change:
  - Global staff survey: ~90% of respondents actively support our cultural journey and are proud to work for Straumann; 65% observe positive changes in our culture
  - Entrepreneurial open mindedness: e.g. selling premium & non-premium brands in stores, offering immediate tooth replacement protocols, selling 3rd party implants and milling machines, investing in potential game-changing technology start-ups
  - Our operational performance, innovation pipeline, and execution of strategic priorities, as well as our track record in forging partnerships and building talent
Investment in people to support and drive growth

- Global staff increased by 326 to 3797\textsuperscript{1}
  - New jobs in growth markets/projects
  - Production expansion to meet demand
  - R&D to drive strong development pipeline
  - Incorporation of new businesses

- 70 new jobs created in Switzerland (total 842) – mainly in production and R&D

\textsuperscript{1} Does not include Equinox, which was acquired at the end of 2016
\textsuperscript{2} 2015 numbers shown in brackets
Our three strategic priorities

- Drive a high performance culture and organization
- Become THE Total Solution Provider for Tooth Replacement
- Target unexploited growth markets & segments
Further steps initiated to become a ‘Total Solution Provider’

- A CHF 7bn addressable market
- Further steps initiated to become a ‘Total Solution Provider’
- Digital dentistry – from CT/DVT imaging and intra-oral scanning) in the practice to automated output in the laboratory – is still at an early stage

![Tooth replacement market segments chart](chart.png)
...and how our partners support this ambition
Expanding into non-traditional Straumann segments – doubling our addressable market

Combined implant market US & Germany (approx. 3.2m implants)

1 Based on available data in 2016, AFG & Straumann proprietary surveys and estimates. 2 Market share assumptions based on AFG and Decision Resources Group and Straumann internal estimates. Share based on WW market and includes all Straumann Group implant brands (i.e. Straumann and Neodent).
Leading innovation in esthetic, metal-free implant solutions

- Two-piece ceramic solution expected near term – pending clinical and regulatory outcomes
- Straumann invests CHF 8 million in joint venture to develop ceramic components for dental implant systems that are produced by injection moulding
- Partnership with top specialist (maxon motor) in ceramic injection moulding with patented technology and experience in dental implants
- Cost efficient method of production
Rodo’s innovative retention device comes to market

- Rodo Medical receives FDA clearance for its screw-less, cement-free retention device for dental prosthetics
- Innovative abutment system using memory metal clip to attach restorations has received positive customer feedback
- Commercialization of Smileloc® retentive sleeve underway
- Straumann holds a 12% stake in Rodo Medical
# A stocked innovation pipeline

<table>
<thead>
<tr>
<th>Project</th>
<th>Key benefit target</th>
<th>Rollout</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smaller implants</td>
<td>Less invasive procedures if guided bone regeneration (GBR) can be avoided</td>
<td>2017</td>
</tr>
<tr>
<td>Modular Surgical Cassette</td>
<td>Enhanced surgical flexibility and lower entry barrier</td>
<td>2017</td>
</tr>
<tr>
<td>Single-use instruments</td>
<td>Complete portfolio of instruments for single use</td>
<td>2017</td>
</tr>
<tr>
<td>Simplified Guided Surgery</td>
<td>Increasing confidence when placing implants</td>
<td>2017+</td>
</tr>
<tr>
<td>Mini-Implants</td>
<td>Cost effective edentulous procedures</td>
<td>2018</td>
</tr>
<tr>
<td>New Bone Level implant system</td>
<td>Implant system for immediate procedures</td>
<td>2018</td>
</tr>
<tr>
<td>New Tissue Level implants</td>
<td>Straumann heritage revisited</td>
<td>2019</td>
</tr>
<tr>
<td>Variobase prosthetics</td>
<td>Enable cost-effective restorations for the esthetic zone</td>
<td>2017</td>
</tr>
<tr>
<td>New material</td>
<td>Direct veneerable CAD/CAM abutments</td>
<td>2017</td>
</tr>
<tr>
<td>Colored prosthetics</td>
<td>Naturally colored abutments for patients with thin gingiva</td>
<td>2017</td>
</tr>
<tr>
<td>New material</td>
<td>Multilayered ceramic material for improved esthetics</td>
<td>2017</td>
</tr>
<tr>
<td>etkon IDent</td>
<td>High quality prosthetic compatible to major brands</td>
<td>2017</td>
</tr>
<tr>
<td>Angulated solution</td>
<td>Allowing for screw-retained restorations in all indications</td>
<td>2017+</td>
</tr>
<tr>
<td>Integrated workflow</td>
<td>Digital workflow support for immediate tooth replacement</td>
<td>2017</td>
</tr>
<tr>
<td>Intra-oral scanner</td>
<td>Further portfolio development of our integrated digital impression system</td>
<td>2017</td>
</tr>
<tr>
<td>CARES milling system</td>
<td>New integrated in-house milling systems and additive manufacturing options</td>
<td>2017</td>
</tr>
<tr>
<td>CARES printing system</td>
<td>Additive manufacturing systems [3D printing]</td>
<td>2017</td>
</tr>
<tr>
<td>Emdogain</td>
<td>New indications</td>
<td>2017+</td>
</tr>
<tr>
<td>Osteogain</td>
<td>Bone enhancement</td>
<td>2017+</td>
</tr>
</tbody>
</table>

Highlights from Straumann’s development pipeline. Introduction/rollout dates may be subject to positive clinical results and regulatory clearances, and barring unforeseen circumstances.
Our three strategic priorities

- Drive a high performance culture and organization
- Become THE Total Solution Provider for Tooth Replacement
- Target unexploited growth markets & segments
Medentika fully consolidated since January

- Highly successful partnership with fast-growing provider of attractively-priced 3rd party prosthetics and value implants
- Founding shareholders continue to have an active role
- Medentika consolidated as of January 2017 (update on purchase price allocation in H1)
- Will add revenue of approximately CHF 20m to Straumann Group’s topline
- Highly profitable
Equinox transaction closed

- Acquisition completed in December
- Unique opportunity to become a leading provider in a region where the need for tooth-replacement solutions is huge
- Annual sales of CHF 3 million in 2015 – no material impact on FY 2016 figures
Ready to market a complete chairside solution in 2017

- Intra-oral scanning
- Lab scanning
- or 3rd party scanners

Scan of patient case → Prosthetic design → Manufacturing

Centralised milling
In-lab milling / practice lab
Chairside milling
Outlook 2017
Guidance 2017
Barring unforeseen circumstances

- We expect the global implant market to grow at a similar rate (3-4%) in 2017.
- Confident that we can continue to outperform by achieving organic\(^1\) growth in the high-single-digit range.
- Despite further investments in strategic growth initiatives and assuming that currency exchange rates remain fairly stable, the expected revenue growth and operational leverage should lead to further improvements in the (organic\(^1\)) operating profit margin.

\(^1\) Excl. the effects of the Medentika and the Equinox acquisition.
Questions & answers
Annual Report 2016

2016 ANNUAL REPORT

WE CREATE OPPORTUNITIES FOR

Performance highlights 2016
At a glance

WE CREATE OPPORTUNITIES FOR PATIENTS

EVERY TEN YEARS, SOMETHING NEW ENTERS THE WORLD OF A STRAIN MARKS ORAL INFECTION

now available online. Click here
Analyst and Investor breakfast at the IDS – get an update on our latest innovations

Date: Thursday March 23, 2017
Venue: 'Dorint an der Messe' hotel (very close by the fair building)
Time: 08:00 – 09:00 (CET)

SAVE THE DATE

REGISTER NOW
### Calendar of upcoming events

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 February</td>
<td>Full-year results conference</td>
<td>HQ, Basel</td>
</tr>
<tr>
<td>17 February</td>
<td>Investor meetings &amp; Analyst breakfast</td>
<td>London</td>
</tr>
<tr>
<td>21 February</td>
<td>Investor meetings</td>
<td>Singapore</td>
</tr>
<tr>
<td>27 February</td>
<td>Investor meetings</td>
<td>Zurich</td>
</tr>
<tr>
<td>15 March</td>
<td>Investor meetings</td>
<td>Boston / New York</td>
</tr>
<tr>
<td>16 March</td>
<td>Investor meetings</td>
<td>New York</td>
</tr>
<tr>
<td>20 March</td>
<td>Investor meetings</td>
<td>Frankfurt</td>
</tr>
<tr>
<td>23 March</td>
<td>IDS investor breakfast</td>
<td>Cologne</td>
</tr>
<tr>
<td>29 March</td>
<td>Kepler Cheuvreux Swiss Seminar</td>
<td>Zurich</td>
</tr>
<tr>
<td>29 March</td>
<td>Deadline to register for AGM</td>
<td>n/a</td>
</tr>
<tr>
<td>07 April</td>
<td>AGM 2016</td>
<td>Congress Center Basel</td>
</tr>
<tr>
<td>11 April</td>
<td>Ex-dividend date</td>
<td>n/a</td>
</tr>
<tr>
<td>27 April</td>
<td>Q1 revenue publication</td>
<td>Webcast</td>
</tr>
</tbody>
</table>

#### Social media

<table>
<thead>
<tr>
<th>Type</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analyst Talk</td>
<td>straumann.com (Investors) / youtube.com</td>
</tr>
<tr>
<td>StraumannIR</td>
<td>@StraumannIR</td>
</tr>
</tbody>
</table>
Straummann’s currency exposure

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 2016 figures.

### Average exchange rates (rounded) and FX sensitivity (+/- 10%) on full-year...

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>Trend YTD</th>
<th>Revenue</th>
<th>EBIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>EURCHF</td>
<td>1.07</td>
<td>1.09</td>
<td>↓</td>
<td>+/- 29m</td>
<td>+/- 18m</td>
</tr>
<tr>
<td>USDCHF</td>
<td>0.96</td>
<td>0.99</td>
<td>↓</td>
<td>+/- 23m</td>
<td>+/- 11m</td>
</tr>
<tr>
<td>BRLCHF</td>
<td>29.47</td>
<td>28.37</td>
<td>↑</td>
<td>+/- 9m</td>
<td>+/- 3m</td>
</tr>
<tr>
<td>JPYCHF</td>
<td>0.80</td>
<td>0.90</td>
<td>↑</td>
<td>+/- 6m</td>
<td>+/- 4m</td>
</tr>
</tbody>
</table>

1 EURCHF
2 USDCHF
100 BRLCHF
100 JPYCHF

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 2016 figures.
## Key financials H1/H2 2016

<table>
<thead>
<tr>
<th>in CHF million (rounded)</th>
<th>FY 2016</th>
<th>H1 2016</th>
<th>H2 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reported</td>
<td>Excl. Exceptionals</td>
<td>Reported</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>917.5</td>
<td>13.1%</td>
<td>461.2</td>
</tr>
<tr>
<td>Organic growth in %</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>margin</td>
<td>718.5</td>
<td>78.3%</td>
<td>361.2</td>
</tr>
<tr>
<td><strong>Distribution costs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of sales</td>
<td>(211.0)</td>
<td>(23.0%)</td>
<td>(102.4)</td>
</tr>
<tr>
<td><strong>Administrative expenses</strong></td>
<td>(282.7)</td>
<td>(30.8%)</td>
<td>(145.6)</td>
</tr>
<tr>
<td>% of sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>margin</td>
<td>259.2</td>
<td>28.3%</td>
<td>129.2</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>margin</td>
<td>227.2</td>
<td>24.8%</td>
<td>114.4</td>
</tr>
<tr>
<td><strong>Share of result of associates</strong></td>
<td>(1.6)</td>
<td>(35.4)</td>
<td>(0.6)</td>
</tr>
<tr>
<td><strong>Taxes</strong></td>
<td>7.4</td>
<td>42.8</td>
<td>22.0</td>
</tr>
<tr>
<td><strong>Net profit to shareholders</strong></td>
<td>229.6</td>
<td>186.8</td>
<td>134.9</td>
</tr>
<tr>
<td>margin</td>
<td>25.0%</td>
<td>20.4%</td>
<td>29.3%</td>
</tr>
<tr>
<td><strong>Basic EPS</strong></td>
<td>14.68</td>
<td>11.94</td>
<td>8.55</td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>138.7</td>
<td>15.1%</td>
<td>55.0</td>
</tr>
</tbody>
</table>

*Note: Percentages are rounded to one decimal place.*
## 5-year development of Straumann’s key financials

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>5-year average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>686.4</td>
<td>679.9</td>
<td>710.3</td>
<td>798.6</td>
<td>917.5</td>
<td></td>
</tr>
<tr>
<td><strong>Organic revenue growth in %</strong></td>
<td>-1.0</td>
<td>1.2</td>
<td>6.4</td>
<td>9.1</td>
<td>13.1</td>
<td>5.8</td>
</tr>
<tr>
<td><strong>Acquisition / Divesture effect in %</strong></td>
<td>-0.6</td>
<td>-0.8</td>
<td>0.0</td>
<td>9.5</td>
<td>0.8</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>Change in l.c.%</strong></td>
<td>-1.6</td>
<td>0.4</td>
<td>6.4</td>
<td>18.6</td>
<td>13.9</td>
<td>7.5</td>
</tr>
<tr>
<td><strong>FX effect in %</strong></td>
<td>0.5</td>
<td>-1.3</td>
<td>-1.9</td>
<td>-6.1</td>
<td>1.0</td>
<td>-1.6</td>
</tr>
<tr>
<td><strong>Growth in CHF %</strong></td>
<td>-1.1</td>
<td>-0.9</td>
<td>4.5</td>
<td>12.4</td>
<td>14.9</td>
<td>5.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>4-year CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross profit b. exceptionals</strong></td>
<td>534.4</td>
<td>535.9</td>
<td>558.7</td>
<td>628.0</td>
<td>718.5</td>
<td>7.7</td>
</tr>
<tr>
<td><strong>Underlying Gross profit margin</strong></td>
<td>77.9%</td>
<td>78.8%</td>
<td>78.7%</td>
<td>78.6%</td>
<td>78.3%</td>
<td></td>
</tr>
<tr>
<td><strong>EBIT b. exceptionals</strong></td>
<td>102.1</td>
<td>123.8</td>
<td>148.3</td>
<td>185.7</td>
<td>227.2</td>
<td>22.1</td>
</tr>
<tr>
<td><strong>Underlying EBIT margin</strong></td>
<td>14.9%</td>
<td>18.2%</td>
<td>20.9%</td>
<td>23.3%</td>
<td>24.8%</td>
<td></td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td>37.5</td>
<td>101.2</td>
<td>130.9</td>
<td>144.7</td>
<td>186.8</td>
<td>186.8</td>
</tr>
<tr>
<td><strong>Underlying net profit margin</strong></td>
<td>5.5%</td>
<td>14.9%</td>
<td>18.4%</td>
<td>18.1%</td>
<td>20.4%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>4-year CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating cash flow</strong></td>
<td>114.6</td>
<td>151.5</td>
<td>146.2</td>
<td>185.6</td>
<td>184.7</td>
<td>12.7</td>
</tr>
<tr>
<td><strong>Capital expenditure</strong></td>
<td>(19.4)</td>
<td>(12.6)</td>
<td>(18.8)</td>
<td>(35.2)</td>
<td>(46.7)</td>
<td></td>
</tr>
<tr>
<td><strong>Free cash flow</strong></td>
<td>95.2</td>
<td>139.2</td>
<td>128.4</td>
<td>151.1</td>
<td>138.7</td>
<td>9.9</td>
</tr>
<tr>
<td><strong>Number of employees (year-end)</strong></td>
<td>2'517</td>
<td>2'217</td>
<td>2'387</td>
<td>3'471</td>
<td>3'797</td>
<td>10.8</td>
</tr>
</tbody>
</table>

1 Net profit adjusted for exceptions in 2014-16
2 Neodent fully consolidated in March 2015
3rd investor perception survey

Main results from our perception survey in December 2016
We conducted our 3rd annual perception survey (buy- and sellside) in December 2016 with 75 respondents.
Shareholding and valuation methods

Are you a shareholder?

- 41% We were invested in the past, but not now
- 36% Don't want to comment
- 13% We never owned STMN shares
- 10% We are shareholders

Most popular valuation toolbox

- Price to earnings multiple
- DCF
- EV / EBITDA
- CFROI
- PEG
- EVA
- HOLT
- FCF Yield
- DDM

Historical M&A multiples

Questions: Are you currently a shareholder? AND What is your preferred valuation methodology for a stock like Straumann? (multiple answers were possible)
Our strategic priorities

1. Drive a high performance culture and organization
   - Buyside: 71.5%
   - Broker: 100%

2. Become TSP (one stop shop)
   - Buyside: 85.7%
   - Broker: 90.4%

3. Target unexploited growth markets (India, Russia, Iran, Argentina etc.)
   - Buyside: 78.6%
   - Broker: 80.0%

4. Target non-premium offering
   - Buyside: 86.7%
   - Broker: 100%

% of promoters: Respondents picked top 2 option out of 5 choices

Question: Straumann has 3 (+1) strategic priorities, can you please rank them by relevance?
Future market growth

Total market growth by value in 2017-2020 (in % of respondents)

- 1-3%
- 1-3%
- 4-6%
- 7-9%
- Low double-digits

I think that global implant prices (ASP) will...
(in % of respondents)

- 4.40% Decrease 3-4%
- 2.20% Increase 3-4%
- 11.10% Increase 1-2%
- 40.00% Decrease 1-2%
- 42.20% Remain flat

Questions: What do you reckon will be the annual (value) growth of the global tooth replacement market be in 2017-2020 (implants, CADACAM, and biomaterials combined)? AND I think that global implant prices (average selling levels) will...
**Capital deployment**

What would be your preference regarding the company's capital deployment? (in % of respondents)

- I like the current stable payout of CHF 4.00: 43%
- I like share buybacks financed through recurring CFS: 13%
- Increase payout level and re-invest less into growth projects: 10%
- I believe in rule based payout policies: 23%
- The company should steadily increase the absolute dividend: 21%

Why are you not invested? (multiple answers possible; (in % of respondents)

- Numerous small partnerships & acquisitions: 64%
- BLT implant contribution will abate: 21%
- Dividend yield not compelling enough: 7%
- Large US peers will bundle offerings: 7%
- Poor stock liquidity: 7%
- Valuation premium: 7%

Questions: What would be your preference regarding the company's capital deployment? AND You indicated that you are not invested or you do not have a BUY / Overweight rating on the stock, what prevents you from being more positive (multiple answers possible)
Your contacts

Corporate Investor Relations
Fabian Hildbrand
Tel.  +41 (0)61 965 13 27
investor.relations@straumann.com

Corporate Communications
Mark Hill  Thomas Konrad
Tel.  +41 (0)61 965 13 21  Tel.  +41 (0)61 965 15 46
mark.hill@straumann.com  thomas.konrad@straumann.com
Thank you

investor.relations@straumann.com