



2017 Full-year results

Conference presentation for investors, analysts & media

Basel, 15 February 2018

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2017 highlights

Marco Gadola, CEO

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Growth story continues

REVENUE	REVENUE GROWTH	EBIT MARGIN ²
CHF 1112m <small>2016: CHF 918m</small>	+16% organic ¹	25.7%
Driven by double-digit growth across all regions and businesses.	Q4: +18% organic; +28% in CHF	Operational leverage drives EBIT margin improvement. Underlying EBITDA margin rises to 29.3%
KEY DRIVERS	TECHNOLOGY	OUTLOOK ³
Total solutions	Digital power base	Growth story
Premium business driven by Straumann BLT. Dynamic growth in non-premium driven by Neodent and Medentika.	Dental Wings and ClearCorrect acquired; investment in Rapid Shape; strategic partnerships to support implant, restorative & orthodontics businesses.	...continues. Low double-digit organic growth expected in 2018 with further EBITDA margin improvement.

¹ Organic growth – i.e. excluding the effects of currency fluctuations and acquired/divested business activities

² Excluding exceptionals

³ Guidance expectations barring unforeseen events/circumstances

Stream of launches in 2107



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Intense M&A activity to expand scope, distribution and technology platform

Partner	Stake	Rationale
Medentika	51% (consolidated)	Further penetrate the non-premium implant & abutment segment
Dental Wings	100%	Accelerate development of digital platforms and equipment
ClearCorrect	100%	Enter orthodontics
Geniova	38%	
Rapid Shape	35%	Access to 3D printing technology
3Shape	Partnership	Distribute high-end intraoral scanners
Rodo Medical	30%	Innovative fixation devices
Loop Digital Solutions	100%	Online referral platform
Distributors in Turkey, Portugal, South Africa	50-100%	Gain share in high-growth markets

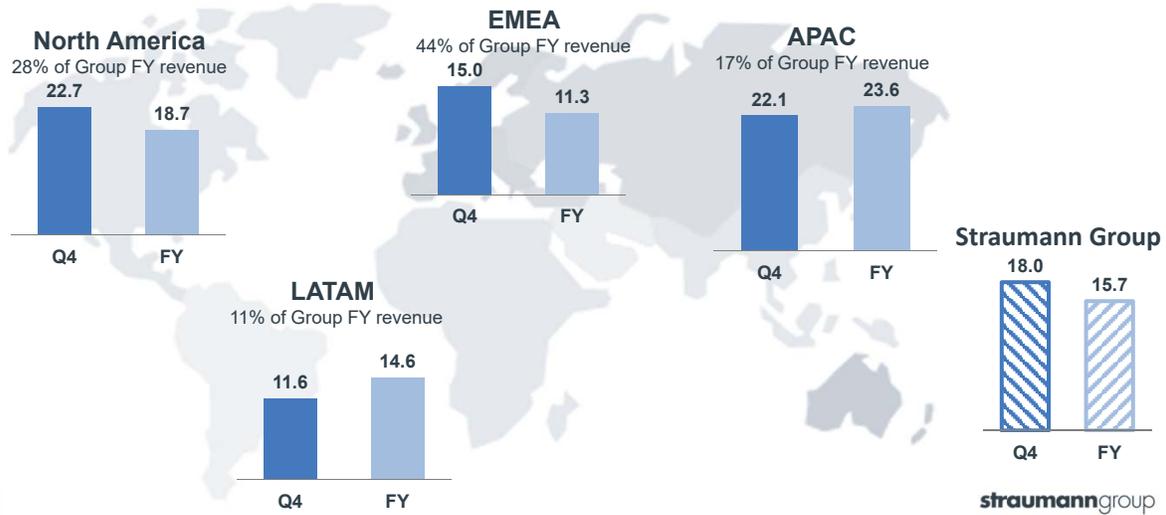


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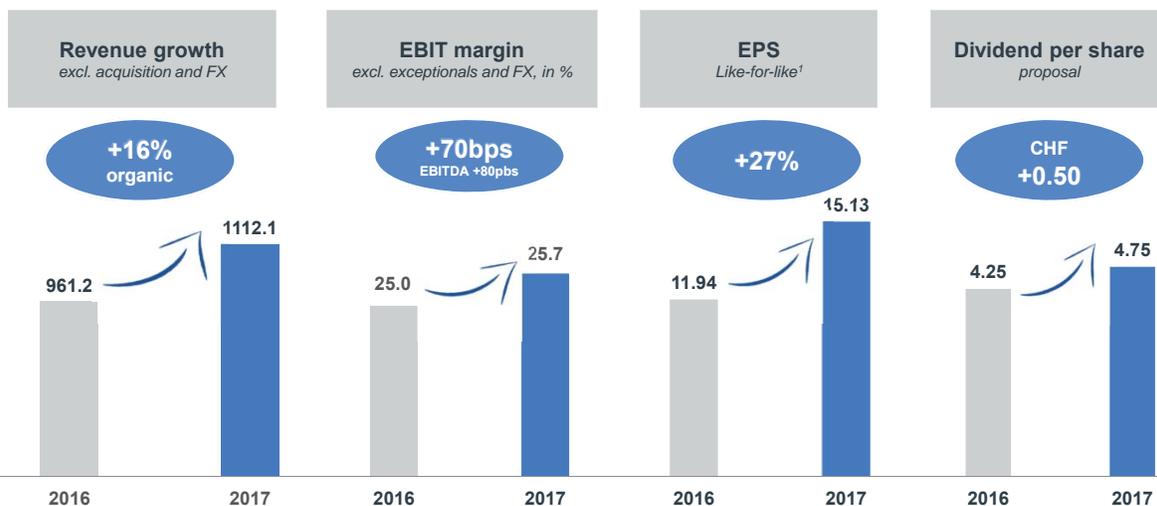
Digital powers acceleration in Q4

Organic growth year-on-year (in %)



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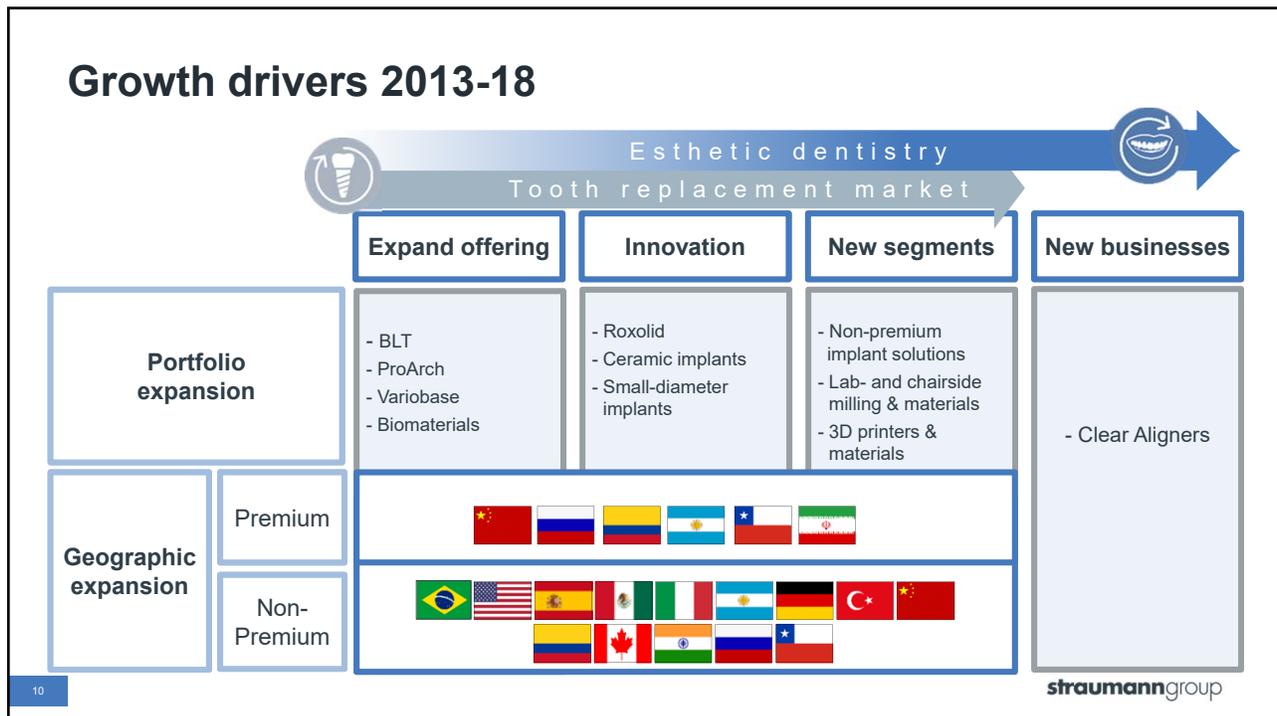
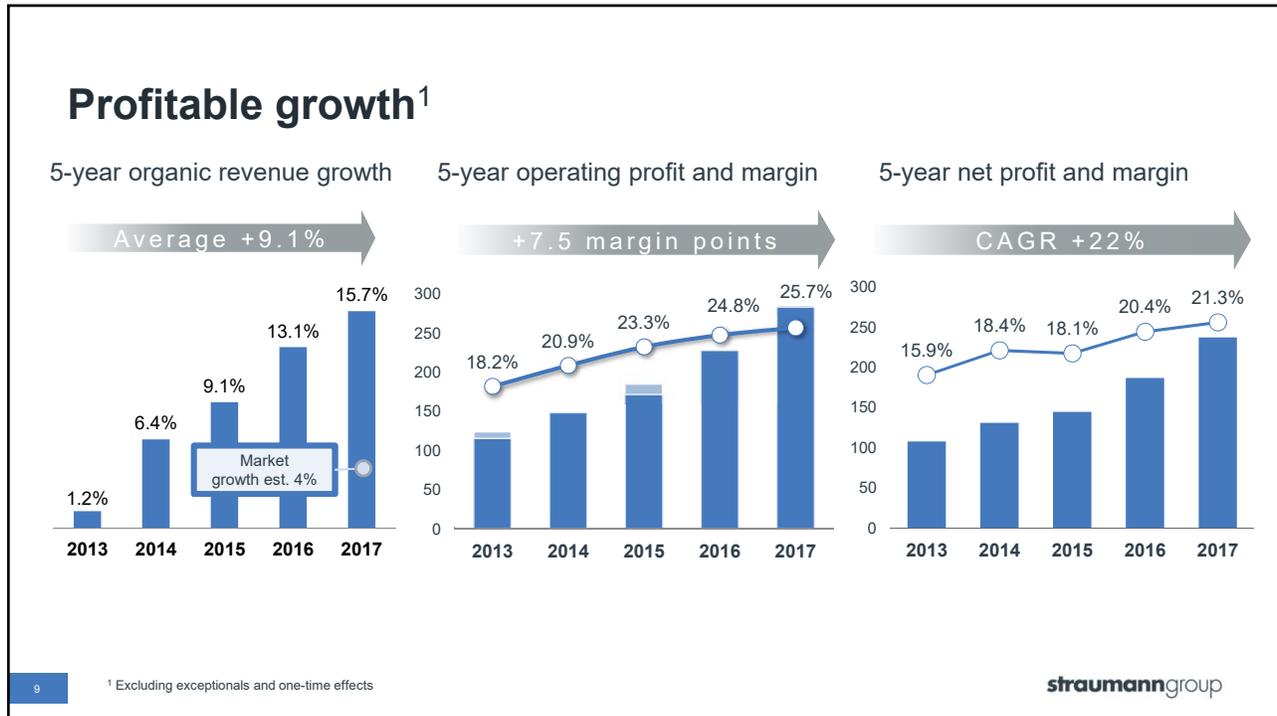
The essence of a successful business year



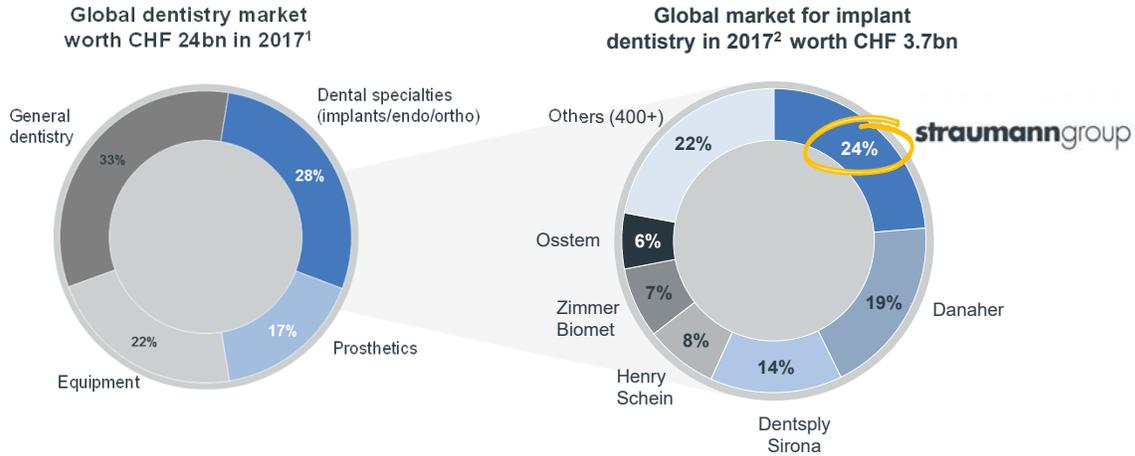
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¹ Adjusted for exceptionals one-time tax effects in 2016 and 2017.

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Growing share in an attractive market



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¹ Market data based on Renub Research, Marketsandmarkets, Goldman Sachs, and Straumann estimates.

² Implant dentistry market segment includes implant fixtures, abutments and related instruments; information based on DRG and Straumann survey

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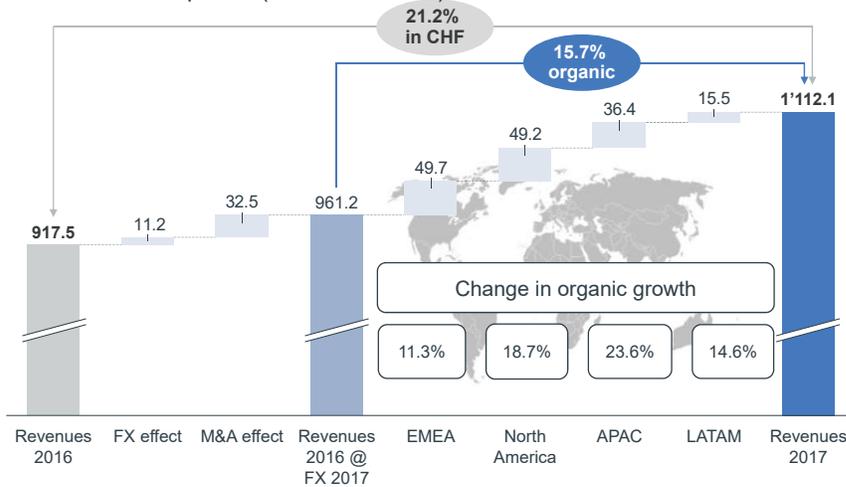
Business and regional review

Peter Hackel, CFO

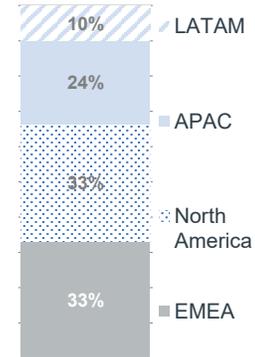
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Double-digit expansion in all regions

Revenue development (CHFm, rounded)



Regional share of organic growth



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EMEA and North America – growth heavyweights

EMEA



Revenue change (organic)



North America



- EMEA gains further momentum in Q4
 - Digital sales and strong demand in the Middle East = main drivers of sequential acceleration
 - Key growth contributors: Germany, Italy, and France
 - New subsidiary in Iran gaining traction
-
- Double-digit growth in premium and non-premium implant businesses
 - BLT and comprehensive prosthetic range help win new customers
 - ClearCorrect and Dental Wings consolidated since 1 October 2017 and add 3% points to growth

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Strong Asia Pacific – solid pace in Latin America



Latin America



- Double-digit increases across all subsidiaries
 - Performance fueled by China and Japan
 - We obtained key approvals and launched the Straumann premium brand in India
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- Solid Q4 in Brazil following Neodent GM launch in Q3
 - Store network in Brazil expanded
 - Dynamic growth continues in Mexico
 - New subsidiaries in Argentina, Colombia, and Chile performed well

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Double-digit growth across all businesses

Implants

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Restorative & Digital

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Biomaterials

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Key financials at a glance

in CHF m (rounded)	FY 2017			FY 2016			Δ % / bps excl. Exceptionals
	Reported	Exceptionals	excl. Exceptionals	Reported	Exceptionals	excl. Exceptionals	
Revenue	1112.1			917.5			
Organic growth in %	15.7%			13.1%			
Gross profit	840.5	(2.0)	842.4	718.5			17%
margin	75.6%		75.8%	78.3%			(250 bps)
EBITDA	323.5		325.5	259.2			26%
margin	29.1%		29.3%	28.3%			100 bps
EBIT	283.6		285.6	227.2			26%
margin	25.5%		25.7%	24.8%			90 bps
Net financial result	(19.3)	(16.3)	(3.1)	(3.3)			
Gain on consolidation	68.9	68.9	0.0	0.0			
Share of result of associates	(9.7)			(1.6)			
Taxes	(47.8)	1.9	(49.7)	7.4	42.8	(35.4)	
Net profit	275.6			229.6			20%
margin	24.8%			25.0%			(20 bps)
Basic EPS	17.61			14.68			
Free cash flow	144.7			138.7			4%
margin	13.0%			15.1%			

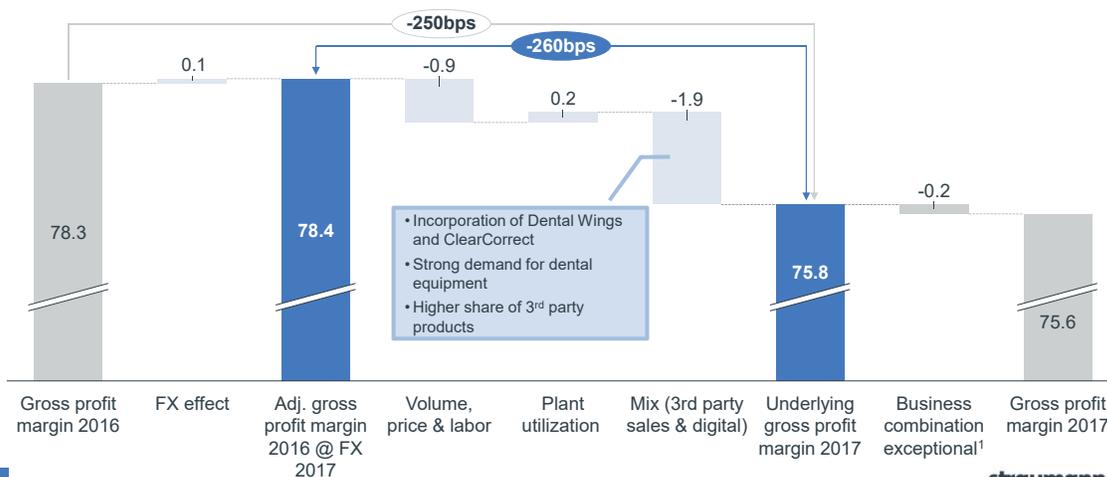
Exceptional effects in 2017: the Medentika business combination resulted in inventory revaluation expenses of CHF 2m (COGS) and a CHF 25m consolidation gain below the EBIT line. The Dental Wings takeover resulted in a consolidation gain of CHF 44m. A loan revaluation led to an impairment expense of CHF 16m in the financial result. In 2016, net profit benefitted from a one-time effect of CHF 43m related to the capitalization of deferred tax assets in Brazil.

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Business mix and capacity expansion squeeze gross margin

Change in %



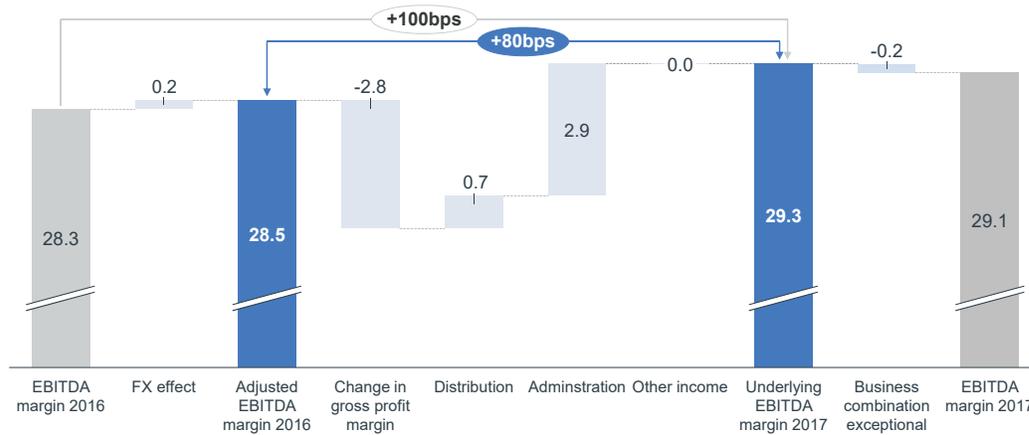
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¹ Inventory revaluation expenses of CHF 2 million related to the Medentika business combination.

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Underlying profitability improves; EBITDA margin expands 80bps

In %



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Valuable assets acquired for future growth

<i>in CHF m (rounded)</i>	FY 2017	H1 2017	H2 2017	FY 2016	Δ % / bps 2017 vs. 2016
EBITDA (reported) margin	323.5 29.1%	156.1 28.7%	167.5 29.4%	259.2 28.3%	
Depreciation	25.0	11.9	13.0	22.9	9%
Total amortization	14.9	6.3	8.6	9.2	63%
Regular amortization	4.9	1.9	3.0	3.2	56%
Amortization (of acquired intangibles)	10.0	4.4	5.6	6.0	67%
- Neodent	6.5	3.3	3.2	6.0	
- Medentika	1.7	0.8	0.9		
- Dental Wings	1.2		1.2		
- Equinox	0.5	0.3	0.3		
- ClearCorrect ¹					
EBIT (reported) margin	283.6 25.5%	137.8 25.4%	145.8 25.6%	227.2 24.8%	25% 70 bps
Exceptionals	-2.0	-2.0			
EBIT (excl. exceptionals) margin	285.6 25.7%	139.8 25.7%	145.8 25.6%	227.2 24.8%	26% 90 bps

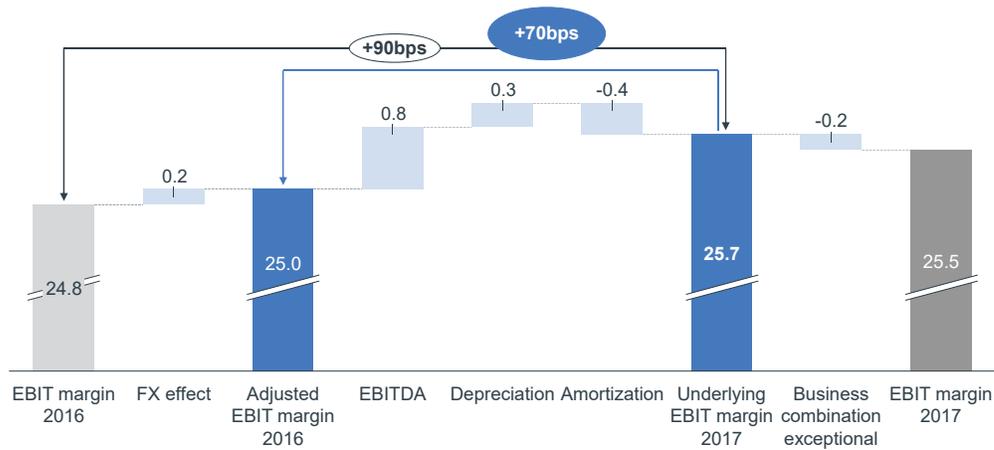
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¹ Purchase price allocation process for ClearCorrect ongoing

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EBIT margin rises 70bps despite higher amortization charges

In %

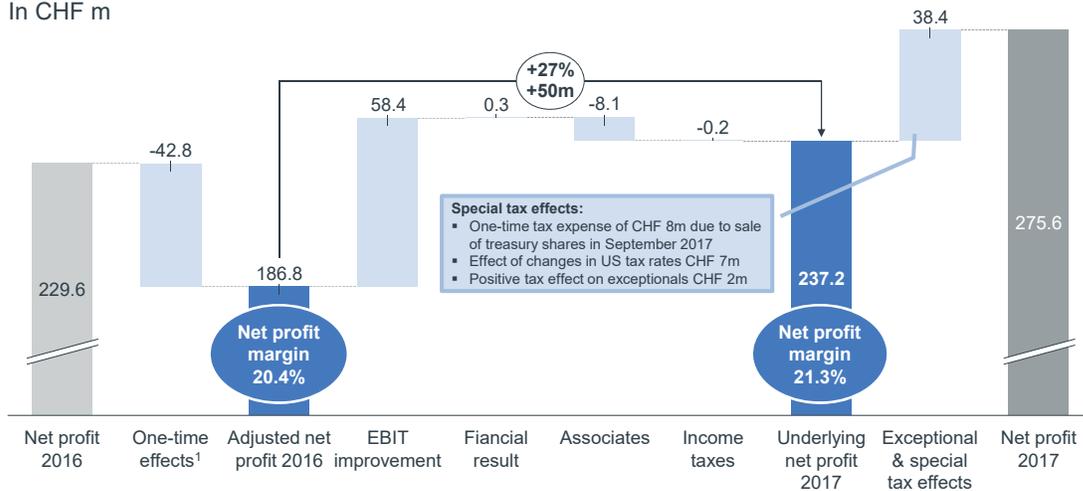


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Underlying net profit surges 27%

In CHF m



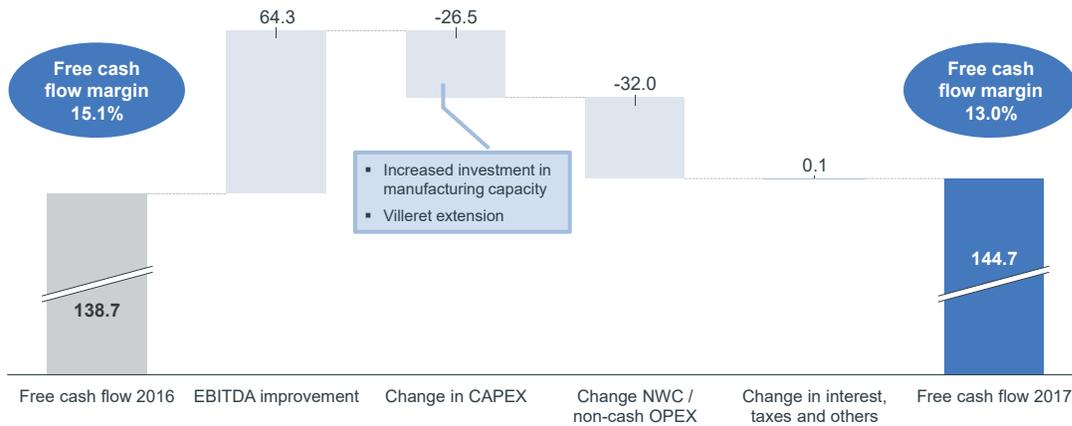
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¹ In 2016, net profit was lifted by a one-time effect of CHF 43m, related to the capitalization of deferred tax assets in Brazil.

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Free-cash-flow reflects investments in production, geographic and portfolio expansion

In CHF m



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Chart shows cash-relevant changes January-December 2017, compared with the same period in 2016.

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Strategy in action moving forward

Marco Gadola, CEO

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Our strategic priorities



Drive our high performance STMN Group culture and organization



Target unexploited growth markets & segments



Expand scope to become a **Total Solution Provider for esthetic dentistry**



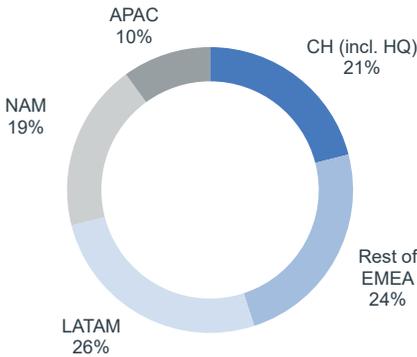


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Increased diversity as global team grows 29% due to geographic and business expansion



Drive our high performance STMN Group culture and organization



APAC 10%

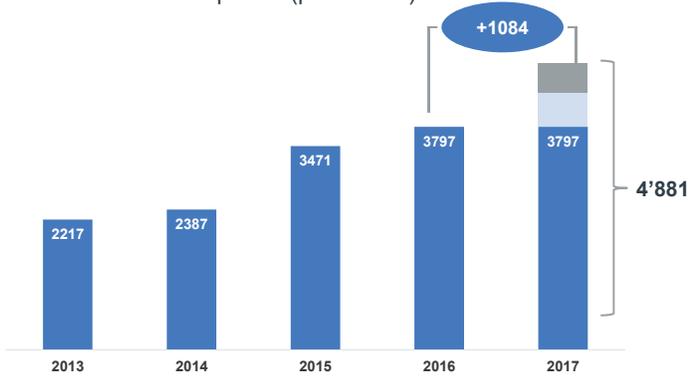
CH (incl. HQ) 21%

Rest of EMEA 24%

LATAM 26%

NAM 19%

Headcount development (pro forma¹)



2013: 2217

2014: 2387

2015: 3471

2016: 3797

2017: 3797

Total increase: +1084

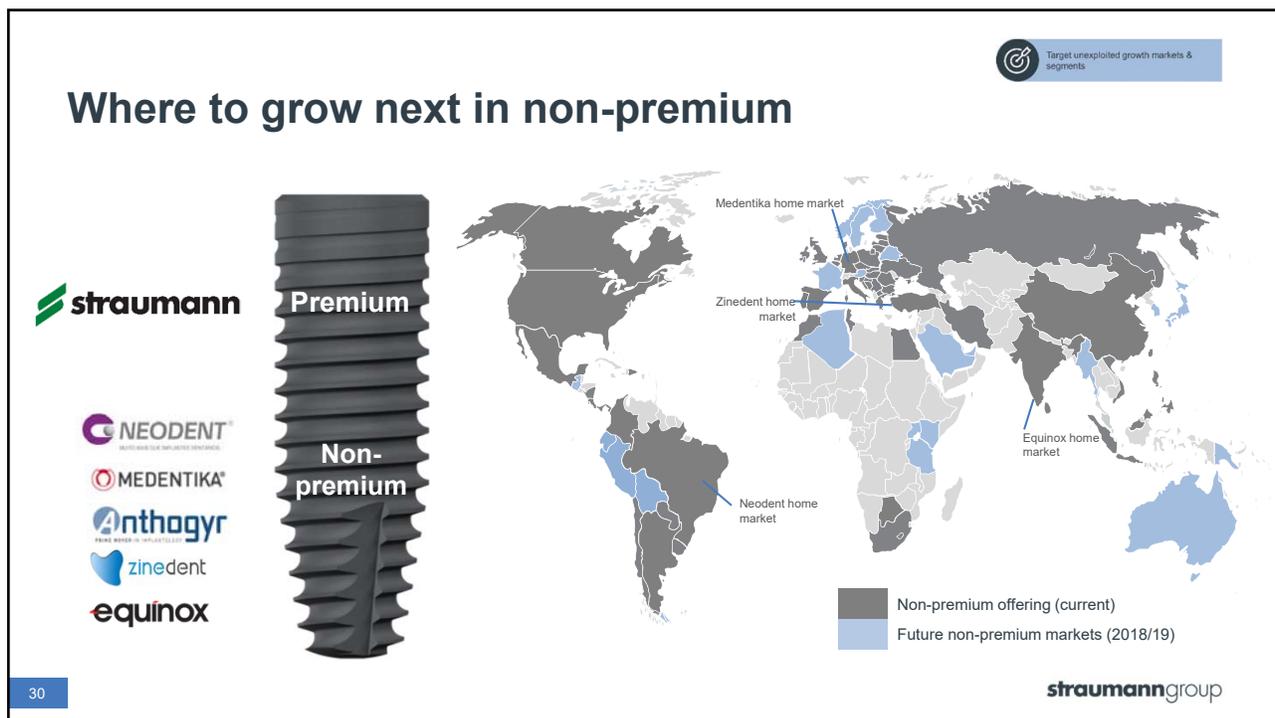
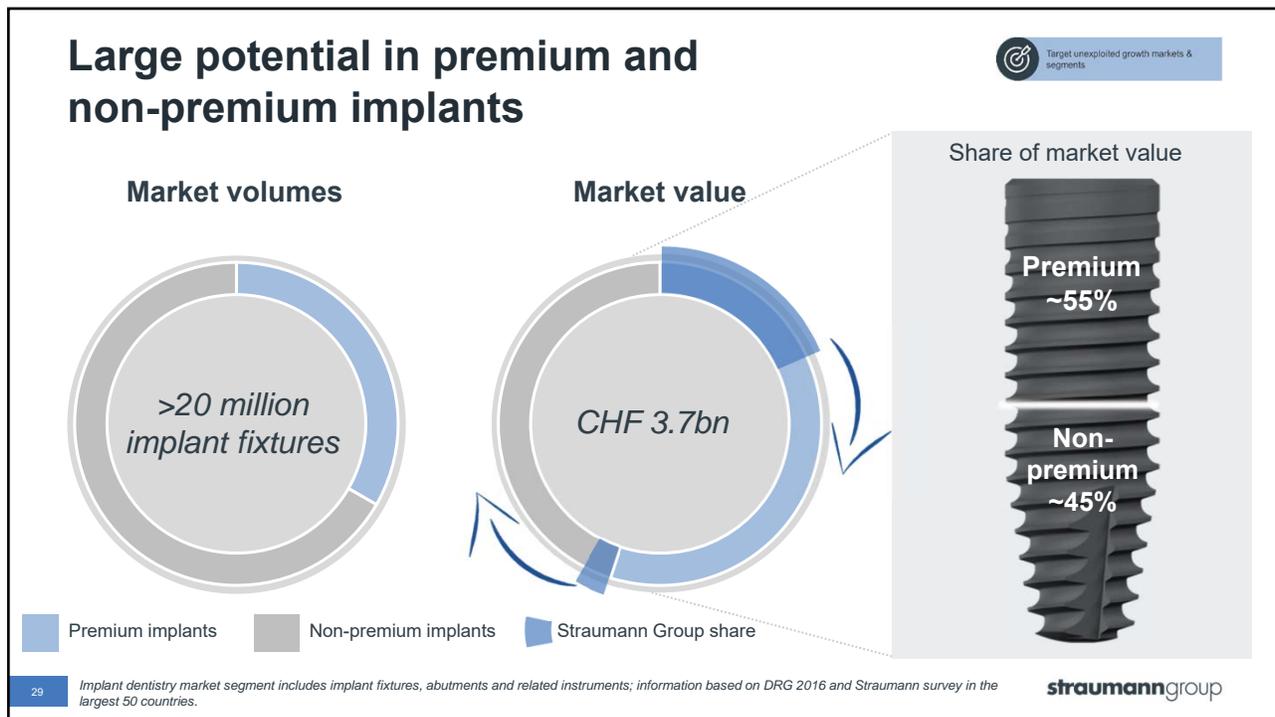
Total headcount 2017: 4'881

- +479 due to acquisitions
- +605 internal growth
- +329 in Production
- +241 in Sales
- +153 in Switzerland



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¹ Including Dental Wings and ClearCorrect, consolidated as of 1 October 2017



Neodent – a driving force



A **top-5** producer of dental implants worldwide

More than **20 years'** experience

Excellent survival rates¹

More than **200** scientific publications

Full solution including Neodent **Digital**

Innovative **Grand Morse implant** system

Excellent alternative to leading competitor systems

Available from the **Straumann Group**

Low cannibalization of Straumann

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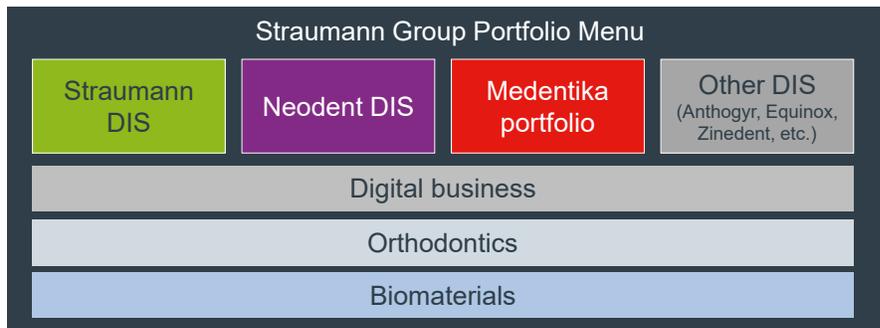
¹ After up to 5 years: Sartori IAM, Latenek RT, Budel LA, Thomé G, Bernardes SR, Tiozzi R. Retrospective analysis of 2244 implants and the importance of follow-up in implantology. Journal of Research in Dentistry. 2014 Nov-Dec;2(6):555-564.

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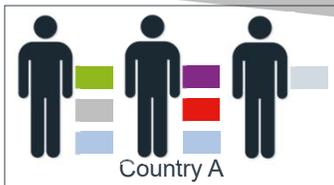
Bringing premium & non premium together to simplify and create selling opportunities



Target unexploited growth markets & segments



- Premium and non-premium sales teams able to offer full range of biomaterials & CAD/CAM solutions
- Simplification of internal processes and legal set-up
- Intradent activities now coordinated at regional level
- Approach tailored to local markets



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 Expand scope to become a Total Solution Provider for esthetic dentistry

Digital Business Unit – a global powerhouse

550+ employees



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 Expand scope to become a Total Solution Provider for esthetic dentistry

Digital on the road



Penetration levels	Dental practices	Dental laboratories
	Intra-oral scanners	Desktop scanners
US	15-20%	>65%
Germany	15-20%	>75%
China	<5%	25-30%
Brazil	<5%	25-30%

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 Expand scope to become a Total Solution Provider for esthetic dentistry

All-in-one digital solutions in North America



- Straumann-branded 3Shape TRIOS 3 intra-oral scanner now available in North America
- Accurate, ultra-fast, powder-free, full color; simplifies communication between dentist, lab, and milling center
- High-end chairside solution in combination with Straumann's compact C series mill
- TRIOS 3 integrated with ClearCorrect orthodontic solutions
- Complemented by the competitively-priced Dental Wings scanner range

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 Expand scope to become a Total Solution Provider for esthetic dentistry

Growth ambitions for our clear-aligner business

- Leverage Straumann sales organization
- Increase geographic reach
- Increase patient adoption
- Broaden indications
- Expand addressable market



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 Expand scope to become a Total Solution Provider for esthetic dentistry

Next steps for ClearCorrect



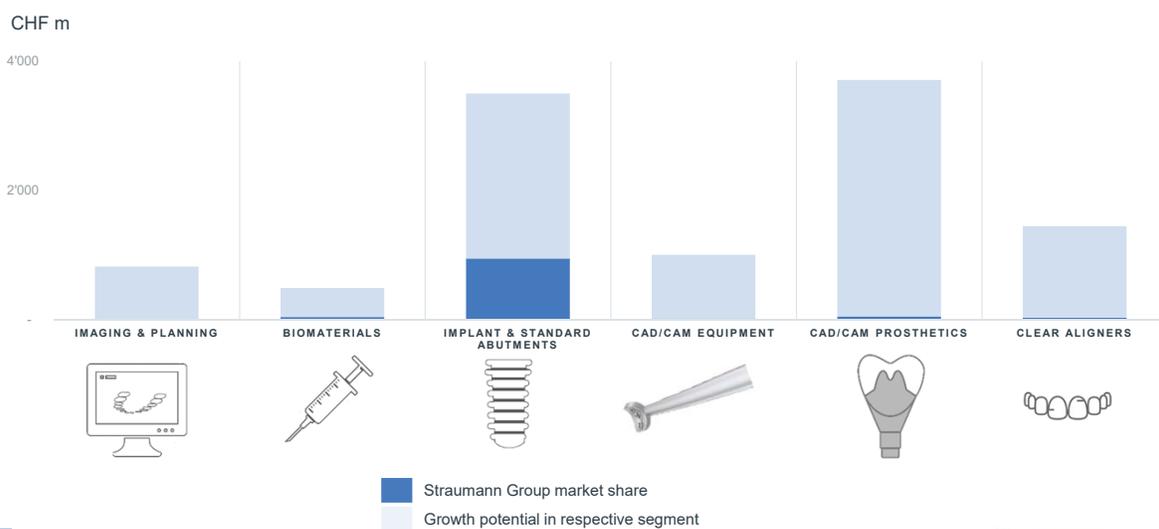
- NAM**
Exploit salesforce synergies between ClearCorrect & STMN
- Europe**
Pilots running in 4 countries to determine optimum sales approach; roll-out pilots to start in H2 2018
- ASIA**
Explore partnerships in China; initial activities in Japan & Singapore in H2
- LATAM**
Market launch in Brazil by Q1 2019

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Outlook 2018

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Plenty of growth potential in market segments collectively worth ~CHF 11 bn



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Our 2018 guidance

Barring unforeseen circumstances

Market growth

Global implant market to grow at approx. 4%

Our revenue growth

Confident to outperform and achieve organic revenue growth in the low double-digit range

Profitability

Further improvement in EBITDA margin;
EBIT margin stable



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Questions & answers

Q&A

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Annual Report 2017 – now online

2017 was a landmark year for the Straumann Group. We achieved our strategic growth vision 2025. If you were over the CHF billion threshold for the first time. In parallel, we achieved further milestones in fulfilling strategic objectives in more growth opportunities and capacity expansion.

We were confident and made clear our strategy, building on global trust and innovation. We entered new markets and regions, launched innovative products and solutions and diversified our sales. We strengthened our ability to make flexible financial options available to a wider population. We increased our global team to attract local employees, whose energy, agility and passion for the high-level dental services, however, our greatest achievement has been helping to create smiles for well over a million patients around the world, making their confidence and improving their quality of life.

Key figures from the report:

- Revenue: +4% (vs. target)
- Operating Profit: +13% (vs. target)
- Operating Profit Margin: +29% (vs. target)

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Calendar of upcoming events

2018	Event	Location
15 February	Full-year 2017 results conference	Straumann Group Headquarters, Basel
26 February	Investor meetings	London
06 March	Investor meetings	Toronto
07 March	Investor meetings	Boston
08 March	Investor meetings	Paris
22 March	Kepler Cheuvreux Conference	Zurich
04 April	AGM 2018	Messe Basel
26 April	Q1 revenue	Webcast
07 May	Investor meetings	Milano / Lugano
Social media	Type	Source
Analyst Talk (Shift + left mouse)	Executive interviewed by analysts	straumann.com (Investors) / youtube.com
StraumannIR (Shift + left mouse)	Investor Relations Twitter	@StraumannIR

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Growth strategy pays off

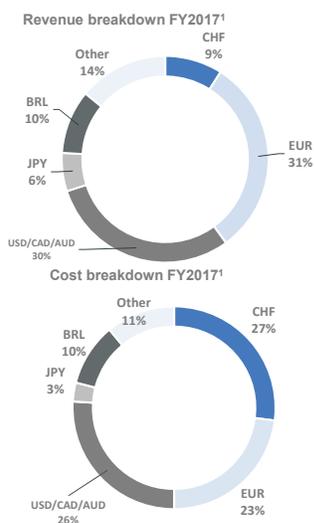
in CHF m	2013	2014	2015	2016	2017	5-year average
Revenue	679.9	710.3	798.6	917.5	1112.1	
Organic revenue growth in %	1.2	6.4	9.1	13.1	15.7	9.1
Acquisition / Divestiture effect in %	-0.8	0.0	9.5	0.8	4.1	2.7
Change in l.c.%	0.4	6.4	18.6	13.9	19.8	11.8
FX effect in %	-1.3	-1.9	-6.1	1.0	1.4	-1.4
Growth in CHF %	-0.9	4.5	12.4	14.9	21.2	10.4
	2013	2014	2015	2016	2017	CAGR 2013-17
Gross profit b. exceptionals	535.9	558.7	628.0	718.5	842.4	12.0
Underlying margin	78.8%	78.7%	78.6%	78.3%	75.8%	
EBIT b. exceptionals	123.8	148.3	185.7	227.2	285.6	23.2
Underlying margin	18.2%	20.9%	23.3%	24.8%	25.7%	
Underlying net profit	107.9	130.9	144.7	186.8	237.2	21.8
Underlying margin	15.9%	18.4%	18.1%	20.4%	21.3%	
Earnings per share (adjusted)	6.98	8.42	9.19	11.94	15.13	21.3
	2013	2014	2015	2016	2017	CAGR 2013-17
Operating cash flow	151.5	146.2	185.6	184.7	217.3	9.4
Capital expenditure	(12.6)	(18.8)	(35.2)	(46.7)	(73.4)	
as % of revenue	-1.9%	-2.6%	-4.4%	-5.1%	-6.6%	
Free cash flow	139.2	128.4	151.1	138.7	144.7	1.0
Number of employees (year-end) ¹	2'217	2'387	3'471	3'797	4'881	21.8

¹ In March 2015, Straumann acquired the remaining 51% stake of Neodent (Brazil), which added 930 employees to the Group. In 2017, the incorporation of Equinox, Medentika, Dental Wings, ClearCorrect added 479 employees, while the remainder came through internal expansion, mainly in Brazil, Switzerland and the US, largely in production.

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Straumann's currency exposure



Average exchange rates (rounded)					FX sensitivity (+/- 10%) on full-year...	
		2016	2017	Latest trend	Revenue	EBIT
1	EURCHF	1.09	1.11	→	+/- 35m	+/- 21m
1	USDCHF	0.99	0.98	↘	+/- 29m	+/- 14m
100	BRLCHF	28.37	30.68	→	+/- 11m	+/- 3m
100	JPYCHF	0.90	0.88	→	+/- 6m	+/- 4m

Development of Straumann's main exchange rates since 2015



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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 2017 figures as well as average FX rates in 2017. They also include Medentika, which was consolidated on 1 January 2017.

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