



Continued investment in sustained growth

First-half 2018 results conference

Basel, 14 August 2018

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Half-year highlights

Marco Gadola, CEO

Continued investment in sustained growth

REVENUE	REVENUE GROWTH	EBITDA MARGIN ²
CHF 682m 2017: CHF 543m	+18% organic ¹	29.8%
Driven by double-digit growth across all regions and businesses	Q2: +20% organic; +29% in CHF Q1: +15% organic; +22% in CHF	Strong volume growth fuels profitability increase despite further investments in Sales, Marketing, R&D
KEY DRIVERS	BUSINESS EXPANSION	OUTLOOK ³
EMEA & APAC	Further investments	Raised
Both regions accelerate in Q2; APAC still the fastest growing region; EMEA benefits from early Easter and contributes 35% of overall growth	Portuguese & Turkish distribution companies consolidated (Jan.); new subsidiary in Thailand; Createch and 30% stake in botiss acquired (July)	FY outlook for organic revenue growth raised from low double digit to mid-teens with further EBITDA margin improvement

Further acceleration in Q2 – growth exceeding 20% for the first time in 10 years

Organic revenue growth

NAM

Q1 2018	17.2%
Q2 2018	19.0%

EMEA

Q1 2018	9.8%
Q2 2018	17.0%

APAC

Q1 2018	25.0%
Q2 2018	32.5%

LATAM

Q1 2018	21.5%
Q2 2018	20.0%

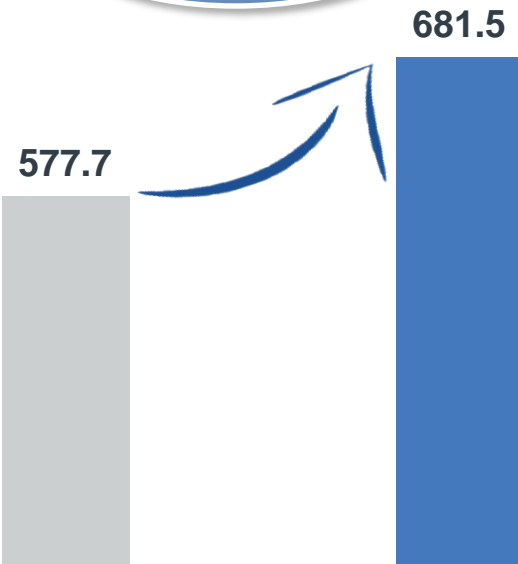
Group

Q1 2018	15.3%
Q2 2018	20.4%

Growth adding value for shareholders

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

**+18%
organic**

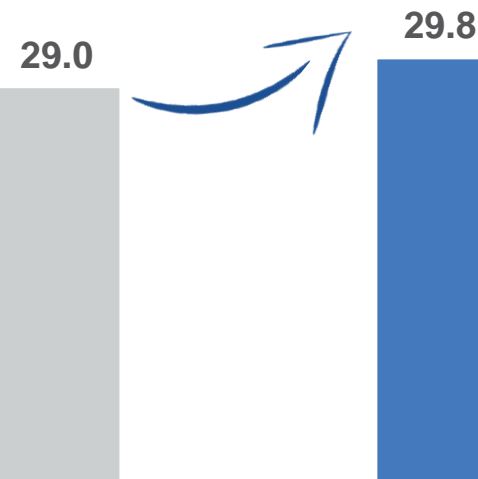


H1 2017

H1 2018

Underlying EBITDA margin
in % excl. exceptionals¹

**+80bps
EBIT +50pbs**

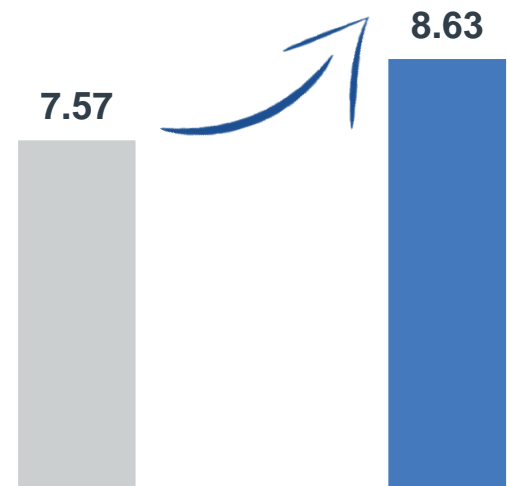


H1 2017

H1 2018

Earnings per share
in CHF excl. exceptionals²

+14%

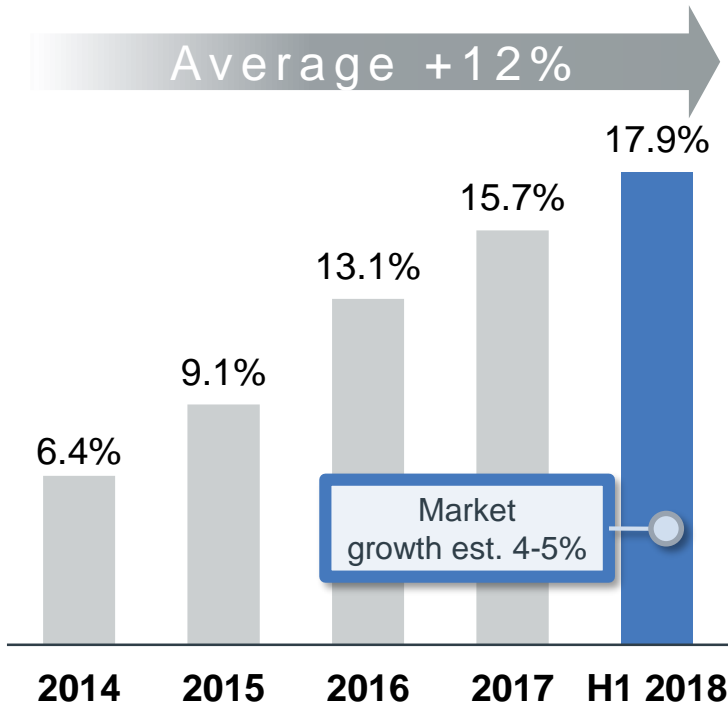


H1 2017

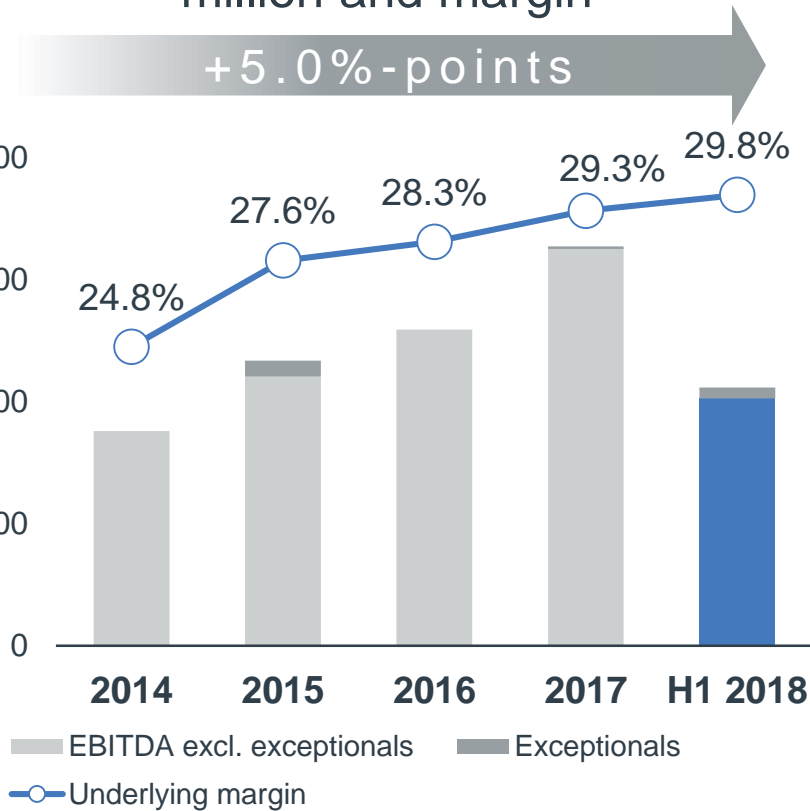
H1 2018

Impressive 5-year performance

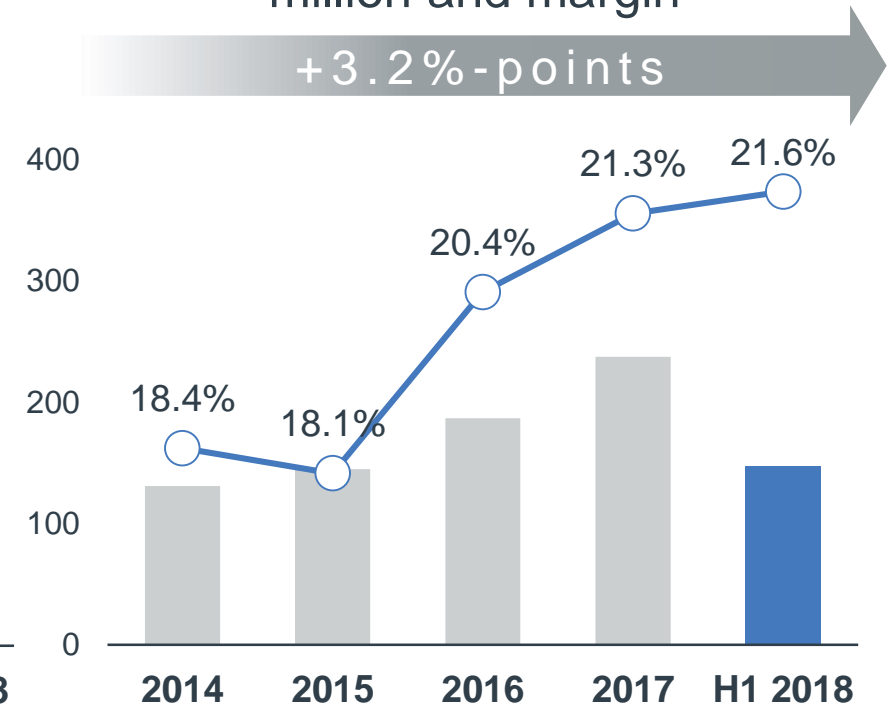
5-year organic revenue growth



5-year EBITDA¹ in CHF million and margin



5-year Net Profit² in CHF million and margin

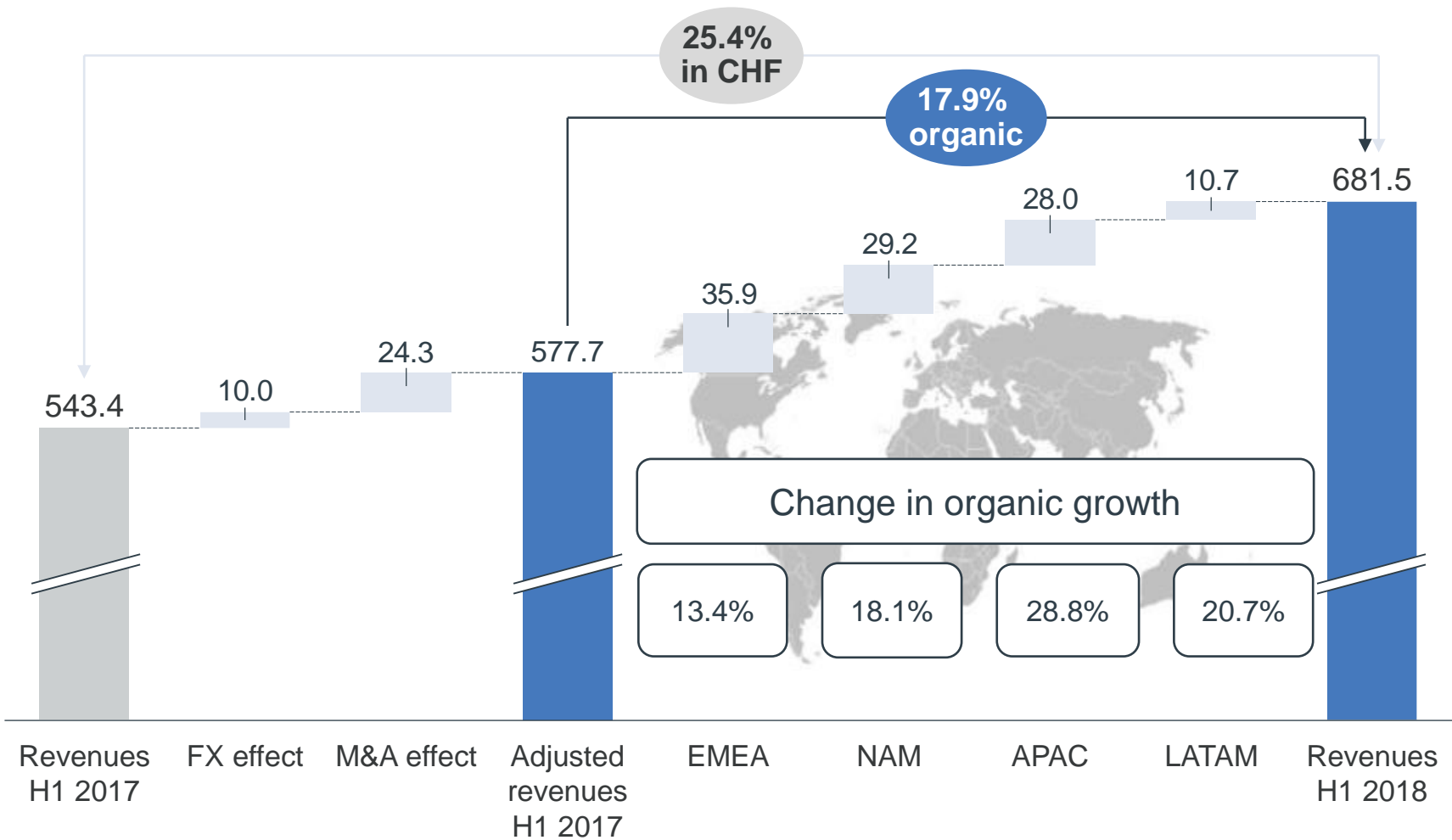


Business and regional review

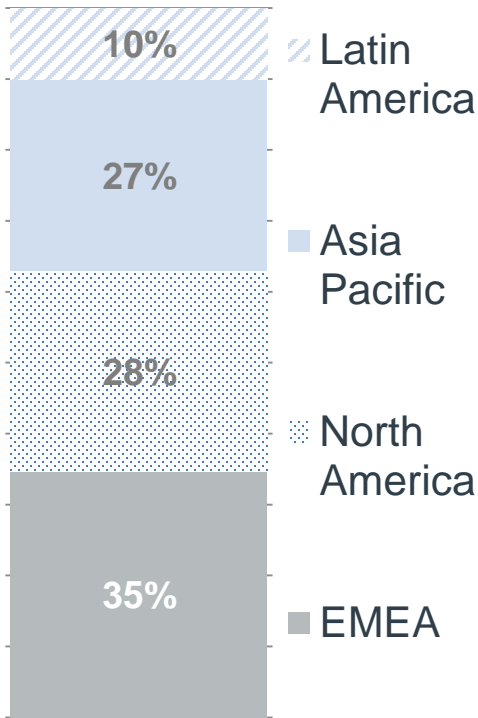
Peter Hackel, CFO

Double-digit growth across all regions

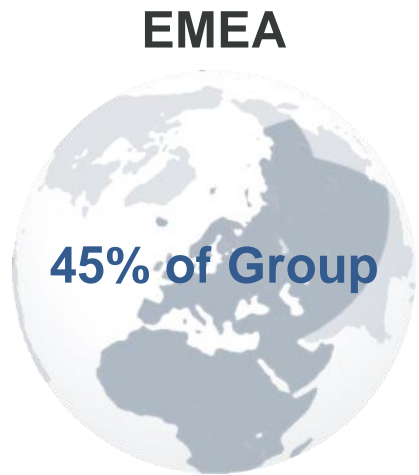
Revenue development (in CHF m, rounded)



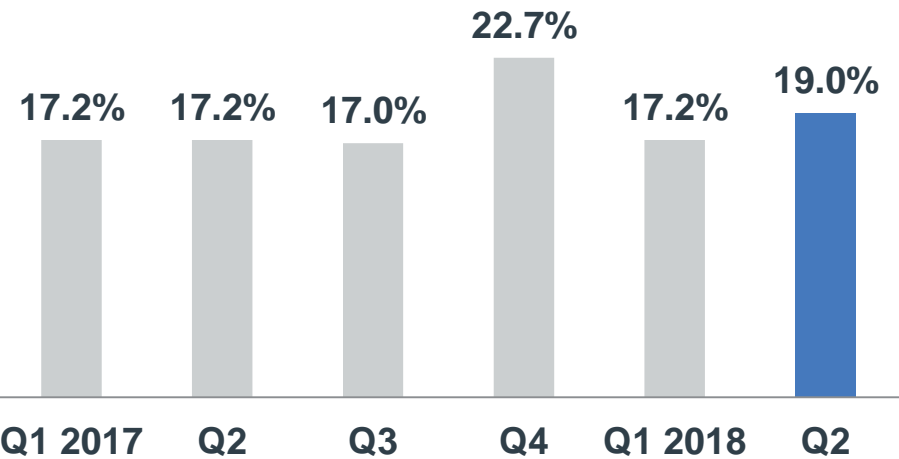
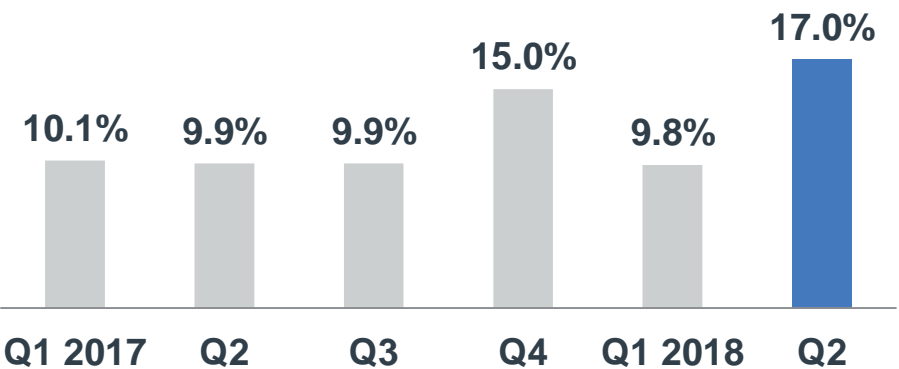
Regional share of organic growth



EMEA boosted by emerging markets; further customer gains in North America



Revenue change (organic)



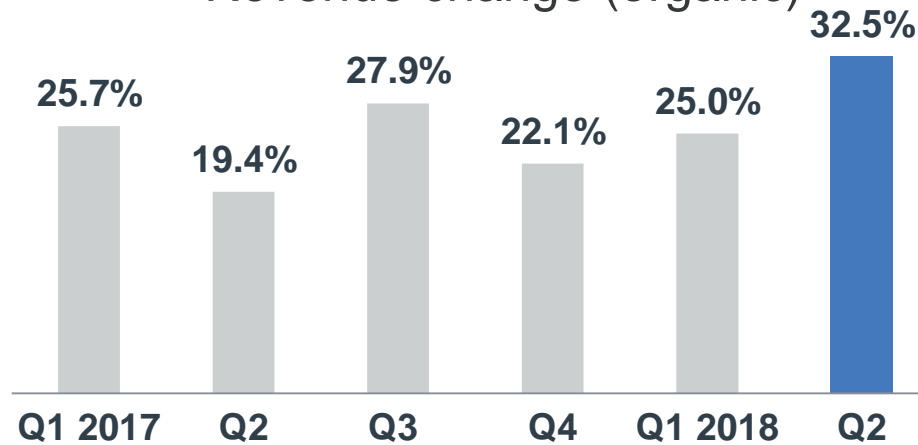
- Q2 driven by premium and digital businesses, helped by timing of Easter break
- Dynamic growth in Turkey & Russia
- Excellent performances in Denmark, Italy, Portugal, Netherlands and the UK
- Further customer gains in Q2
- Strong demand for premium & non-premium implants, scanners, & clear aligners. Orders for Zirkonzahn mills
- Strong growth in biomaterials excl. Emdogain

Continued dynamism in APAC; strong performance in challenging LATAM environment

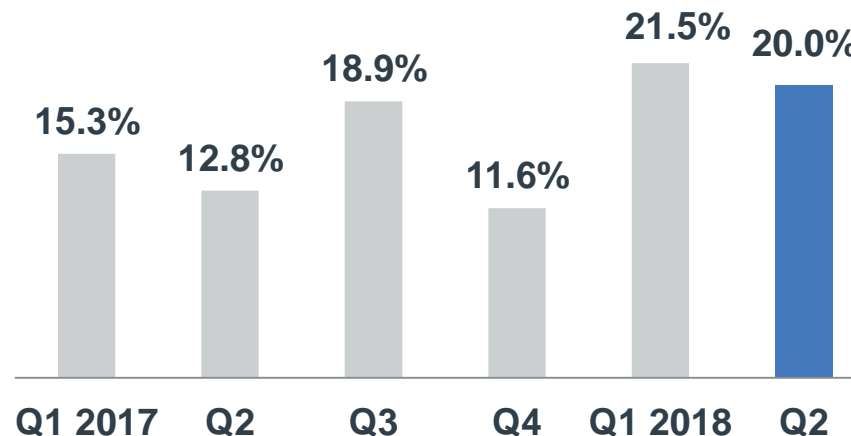
Asia/Pacific



Revenue change (organic)



Latin America



- Q2: Continuing dynamic expansion in China; Japan strong; double-digit growth in several other markets
 - Further share gains in premium implant segment.
 - Foothold strengthened in highly competitive non-premium arena.
-
- Dynamic Q2 expansion in LATAM led by Colombia and Chile
 - Solid growth in Brazil, despite general strikes
 - Production expansion in Curitiba on track

H1 growth driven by implants & digital sales – temporary halt in Emdogain supply to the US affects Biomaterials

Implants



Restorative & Digital



Biomaterials



Key financials at a glance

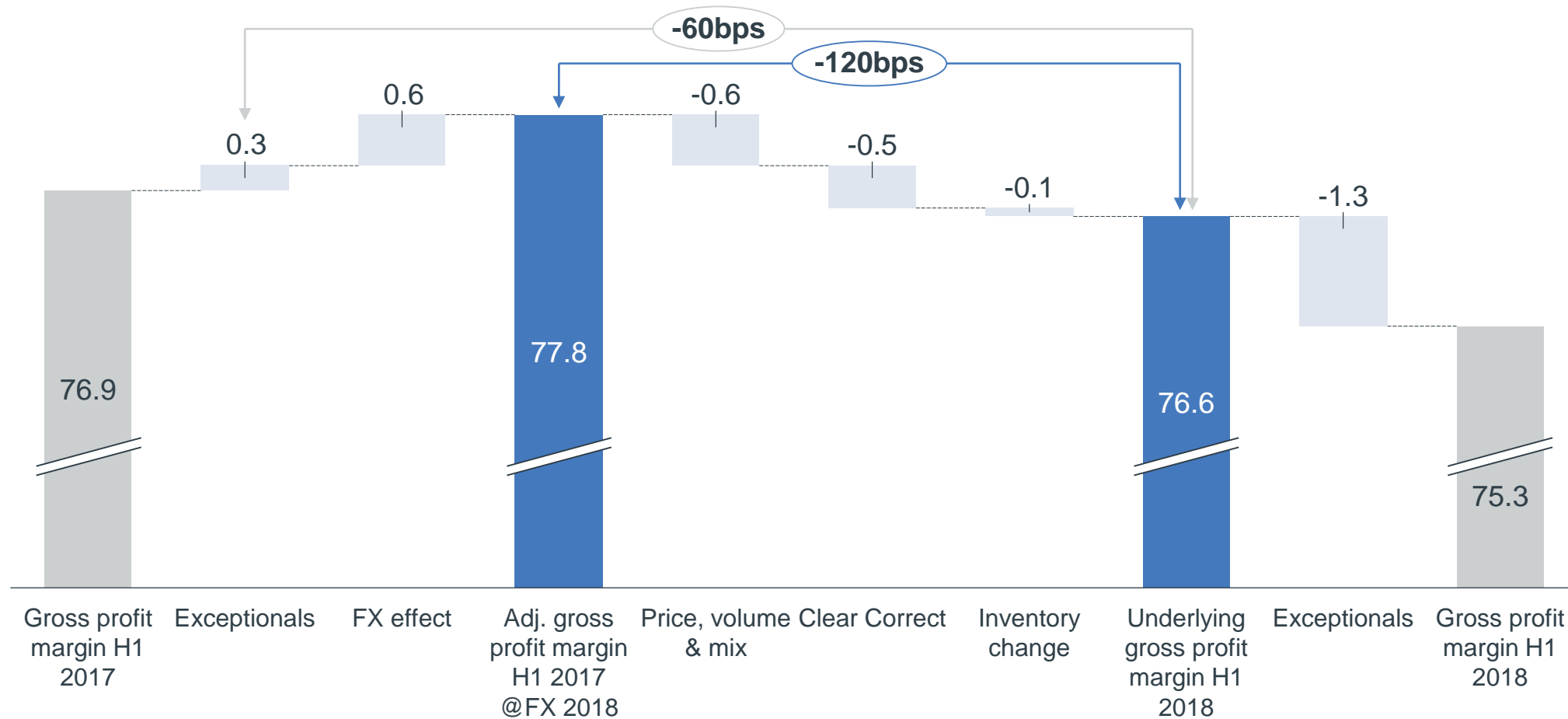
in CHF m (rounded)	H1 2018			H1 2017			Δ % / bps excl. Exceptionals
	Reported	Exceptionals	excl. Exceptionals	Reported	Exceptionals	excl. Exceptionals	
Revenue	681.5			543.4			
Organic growth in %	17.9%			14.3%			
Gross profit	512.9	(8.8)	521.7	418.0	(2.0)	420.0	24%
margin	75.3%		76.6%	76.9%		77.2%	(60 bps)
EBITDA	194.3		203.1	156.1		158.0	29%
margin	28.5%		29.8%	28.7%		29.0%	80 bps
EBIT	169.8		178.6	137.8		139.8	28%
margin	24.9%		26.2%	25.4%		25.7%	50 bps
Net financial result	(5.7)			(2.3)			
Gain on consolidation				25.0		0.0	
Share of result of associates	(9.2)			(2.6)			
Taxes	(22.0)	1.9	(23.9)	(17.1)	0.6	(17.7)	
Net profit	132.9		139.8	140.8		117.2	19%
margin	19.5%		20.5%	25.9%		21.6%	(100 bps)
Basic EPS	8.20		8.63	9.11		7.57	
Free cash flow	62.3			45.2			38%
margin	9.1%			8.3%			

Exceptionals in H1 2018 related to the acquisition of the Turkish distribution company Batigroup, including an inventory revaluation expense of CHF 9 million (COGS) and the related tax benefit of CHF 2 million. The term 'underlying' refers to accounting figures excluding these effects.

Exceptionals in H1 2017 related to the business combination of Medentika, which included an inventory revaluation expenses of CHF 2 million (COGS) and a CHF 25 million fair value gain (financial result).

Strong digital sales and our investments to become a total solution provider constrain gross margin

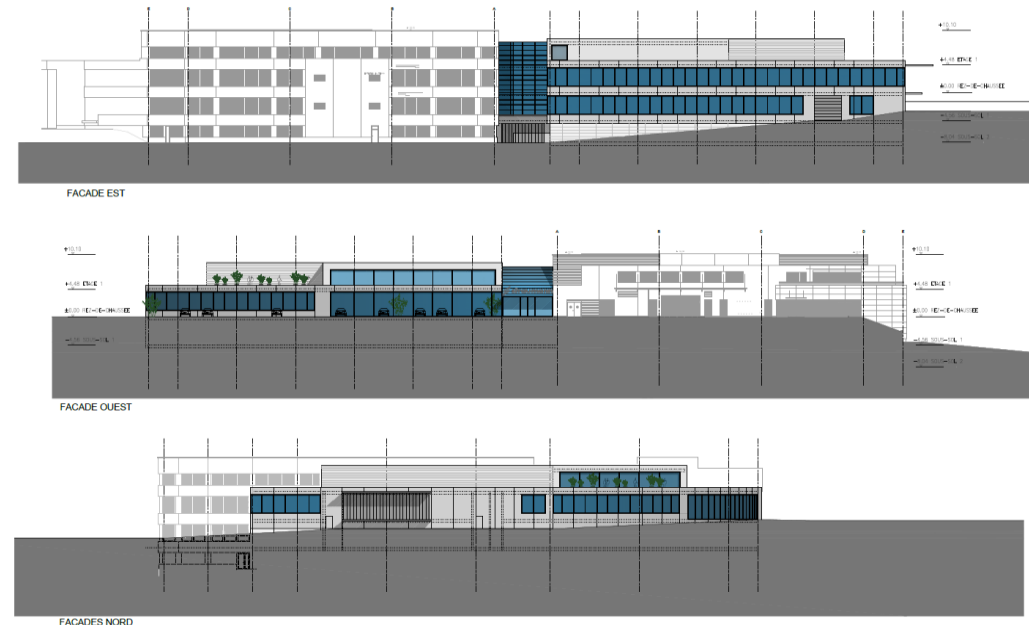
In %, rounded



Villeret expands to meet growing demand

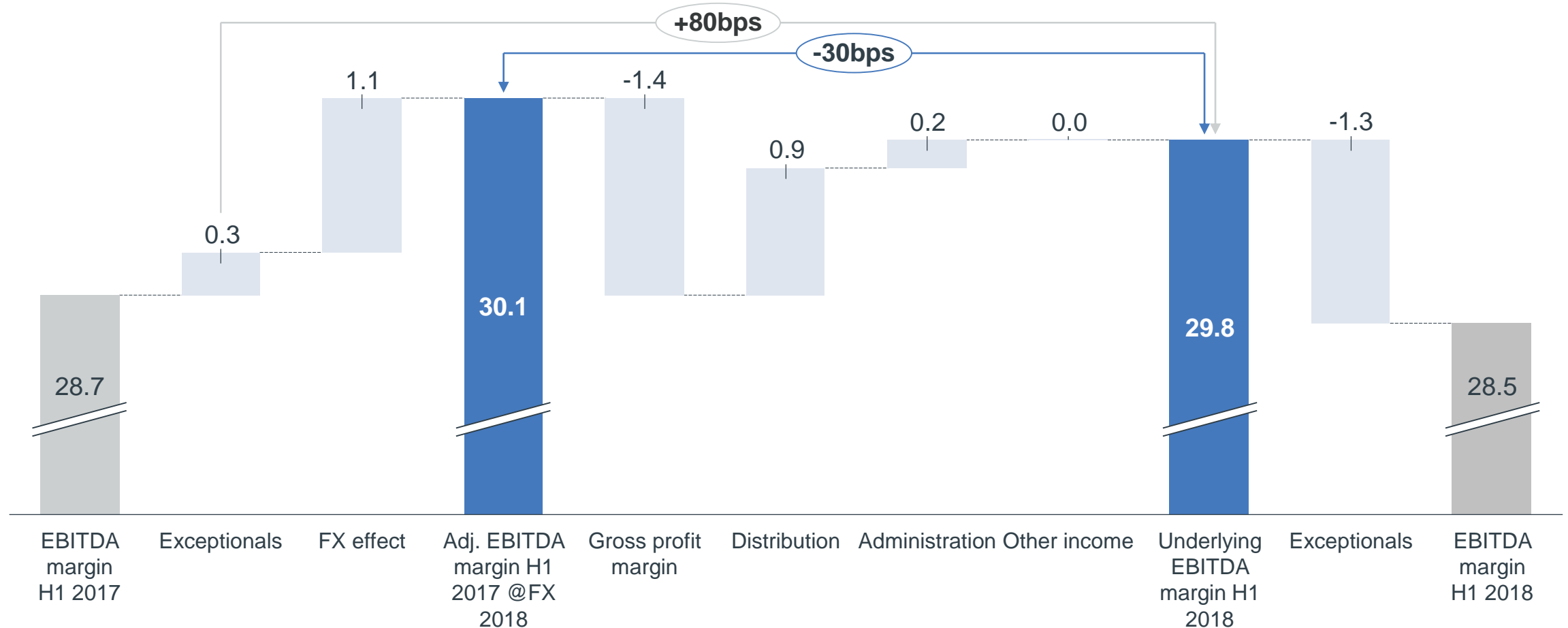


- CHF 40 million investment in new building to meet increasing production needs up to 2030
- 16 100m² additional production area
- Operational early 2021



EBITDA margin improves thanks to better OPEX absorption and FX tailwind

In %, rounded

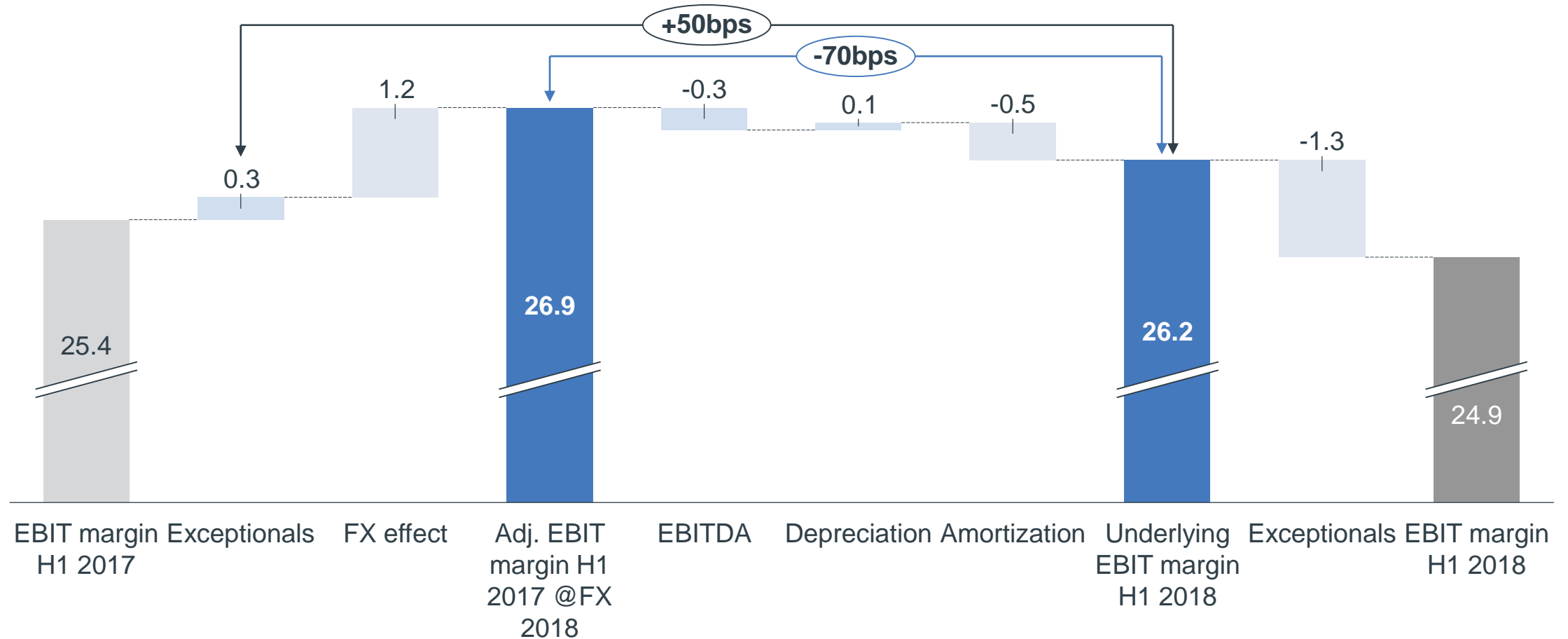


Increased depreciation & amortization charges due to acquisition activities & production investments

<i>in CHF m (rounded)</i>	H1 2018	H1 2017	Δ % / bps 2018 vs. 2017
EBITDA (reported) <i>margin</i>	194.3 28.5%	156.1 28.7%	24%
Depreciation	14.0	11.9	17%
Total amortization	10.5	6.3	67%
Regular amortization	2.6	1.9	34%
Amortization (of acquired intangibles)	8.0	4.4	81%
- Neodent	3.0	3.3	
- Medentika	0.9	0.8	
- Dental Wings	2.5		
- Equinox	0.3	0.3	
- ClearCorrect	1.0		
- Others	0.3		
EBIT (reported) <i>margin</i>	169.8 24.9%	137.8 25.4%	23% (50 bps)
Exceptionals	-8.8	-2.0	
EBIT (excl. exceptionals) <i>margin</i>	178.6 26.2%	139.8 25.7%	28% 50 bps

EBIT margin exceeds 26% despite higher amortization charges

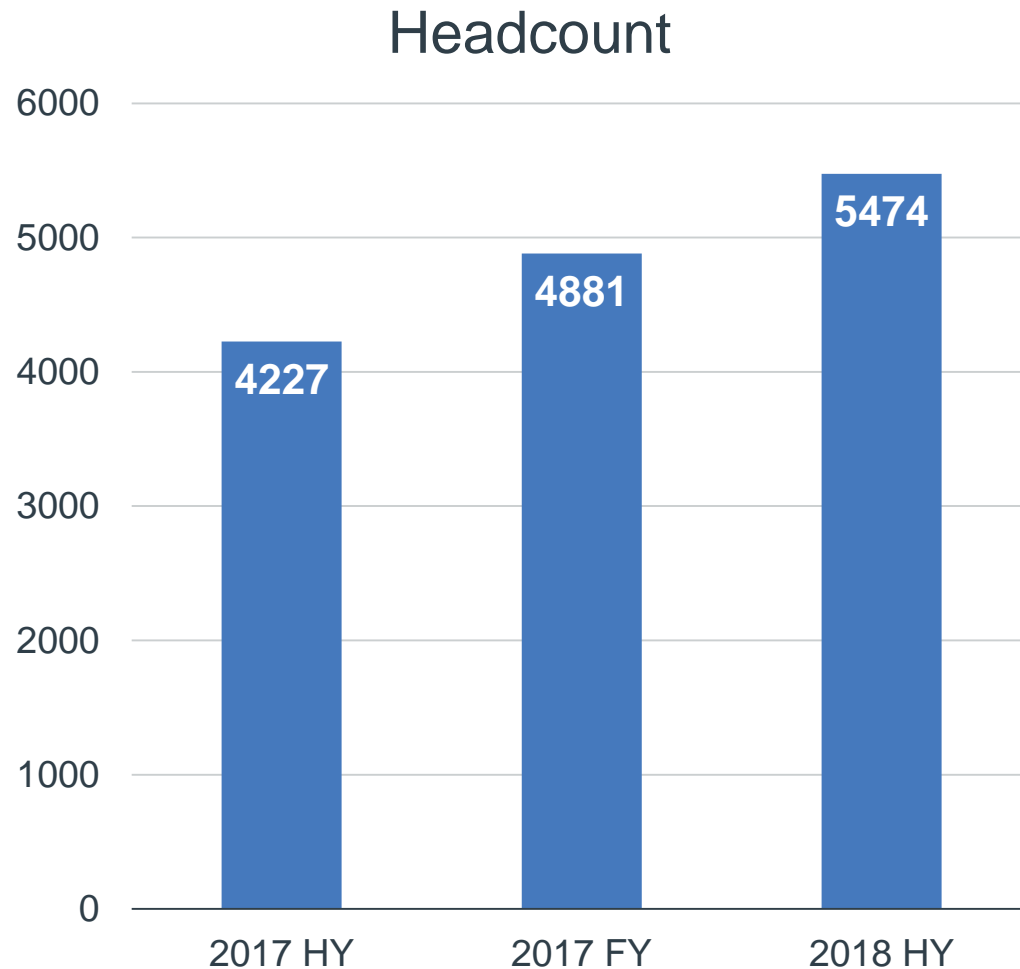
In %, rounded



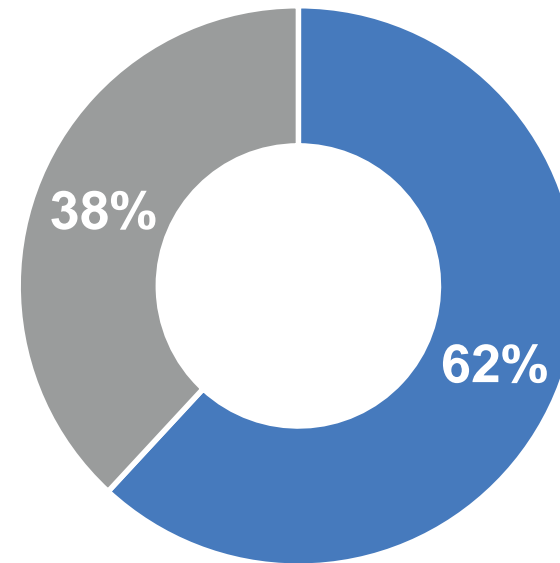
Acquisitions and talent recruitment augment global team



Drive our high performance STMN Group culture and organization



593 new colleagues since 1 January

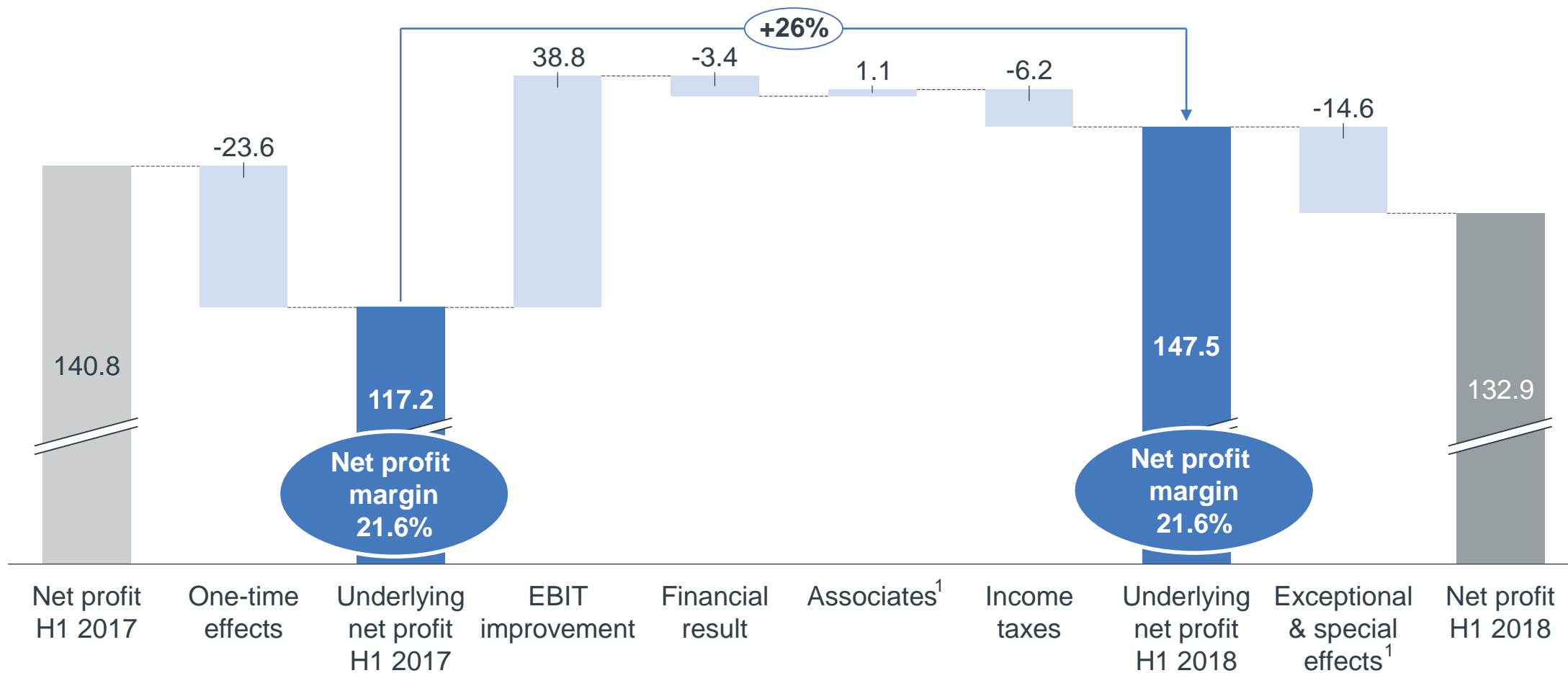


- Organic increase
- Acquired businesses



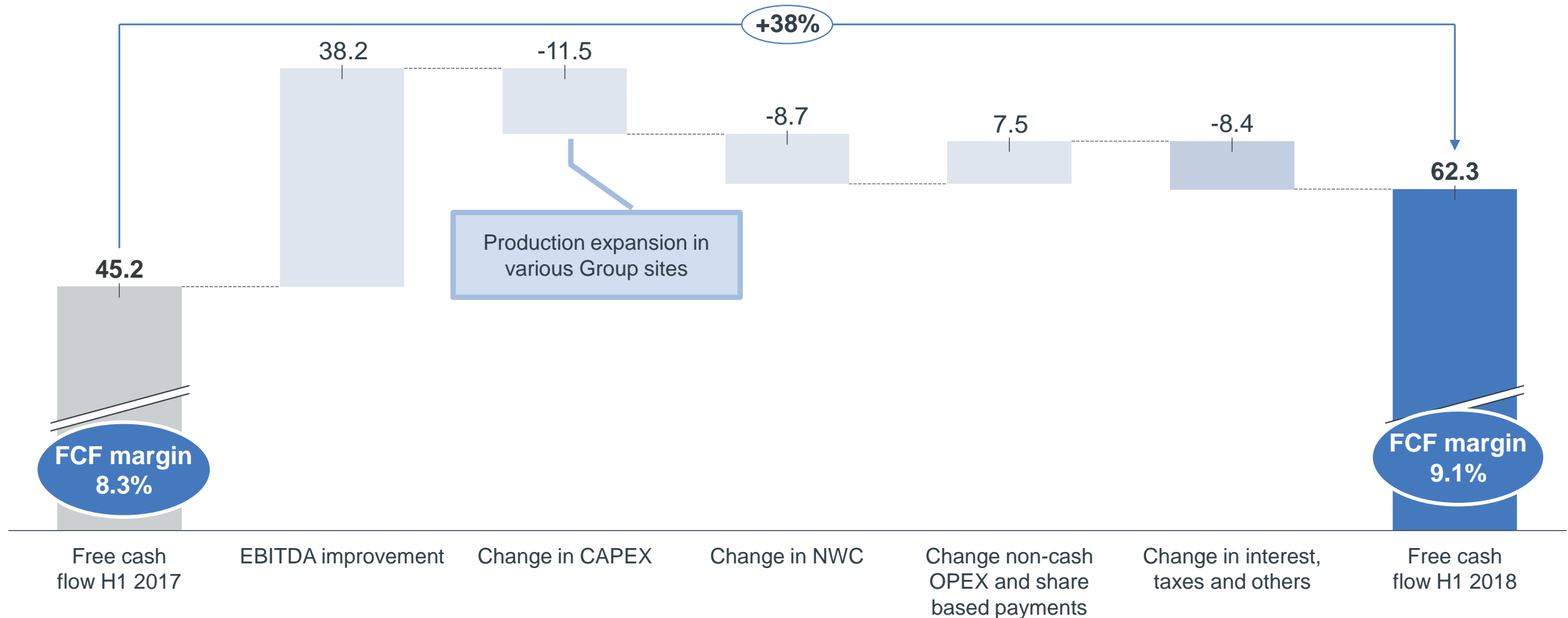
Underlying net profit climbs 26%

In CHF m



Free-cash-flow increases 38% despite further investments in production & business expansion

In CHF m



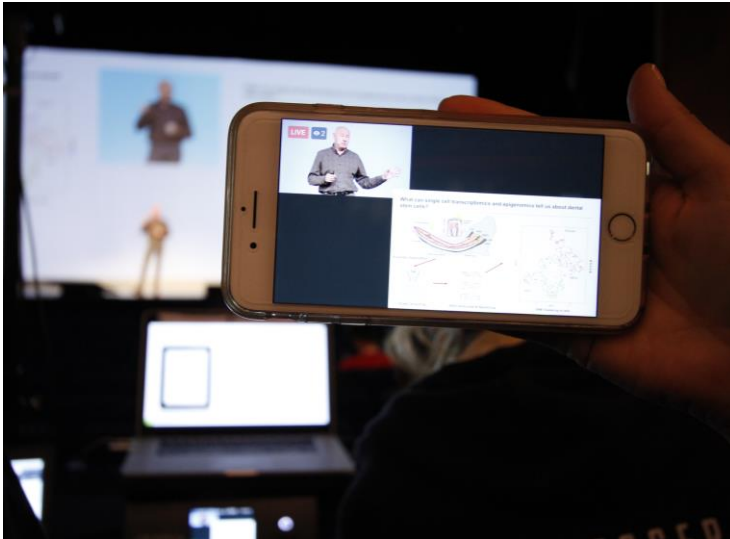
Recent highlights

Strategy in action moving forward

Marco Gadola, CEO

United presence at Europerio

- 10 000 visitors from 111 nations; 50 scientific sessions
- United Group presence with Straumann, Neodent and Medentika on one stand
- Hands-on Straumann workshop fully booked
- 2 corporate forums with livestream attracting 11 000 online views
- Large number of qualified leads



Short video Europerio



Straumann Group subsidiary opens in Thailand

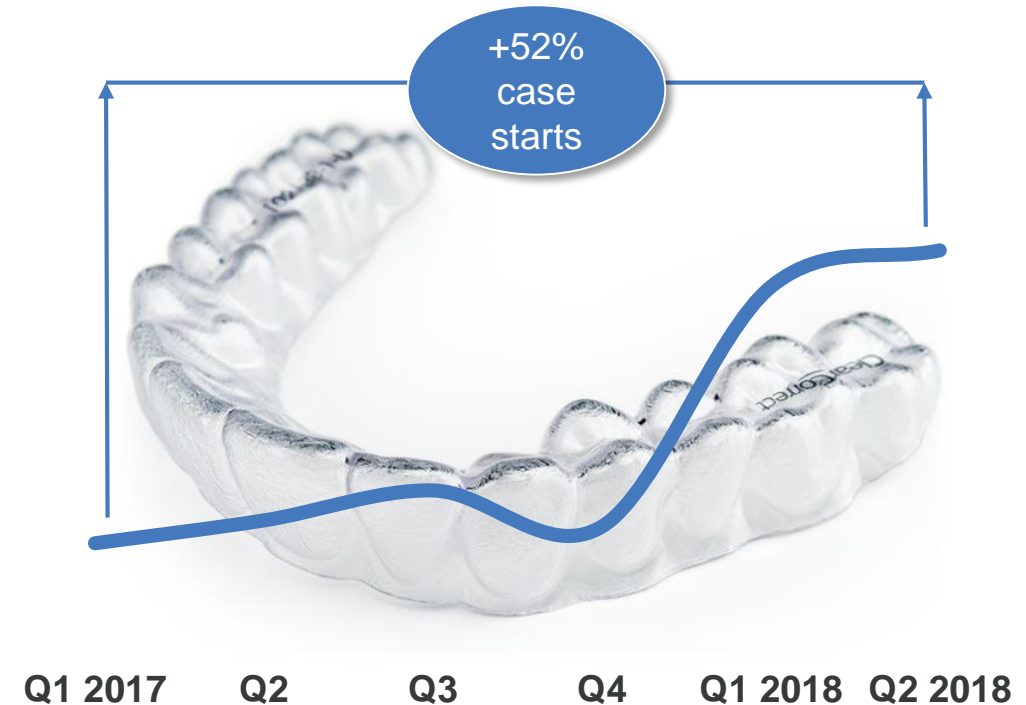
- Closer to customers
- Opportunity to invest in growth & market development
- Premium and non-premium segments addressed
- Straumann present through distributor since 2002; local distribution team integrated
- 70K implants placed annually in Thailand
- 500 key opinion leaders at inauguration



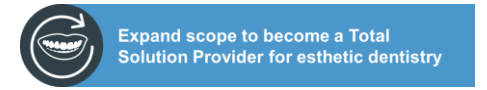


Clear aligner business growing rapidly

- Customer base expansion exceeds 10% in H1; significant case growth (+52%)
- Phase 1: pilot programs completed; all very positive
- Phase 2: started, further countries added; sales team preparation/training; dedicated-specialist recruitment
- Building to full market release in Europe, LATAM & APAC in 2019
- Explore partnerships in APAC
- First projects to integrate Dental Monitoring initiated



Createch – a leading specialist in high-precision CAD/CAM prosthetics



- Fully acquired in July (previously held 30%)
- Team of 50 employees, headquartered in Medaro, Spain
- Expertise in high-tech milling; offers solutions beyond the scope of most CAD/CAM
- Partnership with Straumann since 2013
- Leader in multiplatform solutions and screw-retained bars/bridges (SRBBs), offering >300 implant connections
- Complements Medentika & etkon;
- Fast development stream – will be Group's global development centre for screw-retained bars/bridges





Zirkonzahn collaboration in North America

- Distribution agreement in North America
- Co-development/co-marketing activities to promote seamless digital workflow, patient satisfaction, and treatment availability
- Aims to create further growth opportunities in the CAD/CAM prosthetic segment
- Zirkonzahn offers particularly attractive full-arch solutions in conjunction with tapered implant solutions



Neodent branding on Zirkonzahn milling machine

Outlook 2018

Our 2018 guidance

Barring unforeseen circumstances

Market growth	Global implant market to grow between 4-5%
Our revenue growth	Confident to outperform and achieve organic revenue growth in the mid-teen percentage range
Profitability ¹	Further improvement in EBITDA margin; EBIT margin stable



Questions & answers

Q&A

Calendar of upcoming events

2018	Event	Location
03 September	Investor meetings	Geneva
04 September	Investor meetings	London
10 September	Investor meetings	Toronto
11 September	Investor meetings	New York
12 September	Morgan Stanley Healthcare conference	New York
11 October	Investor meetings	Vienna
30 October	Q3 results webcast	Webcast
05 November	Corporate Governance meetings	Zurich
13 December	Corporate Governance meetings	Paris
19 February	Full-year results conference	Basel HQ
05 April	AGM 2018	Messe Basel
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

11th edition of 'Analyst Talk' feat. Bank Mainfirst



From left to right: Marco Gadola, Straumann Group CEO, Dr. Marcus Wieprecht and Markus Gola, Bank Mainfirst AG

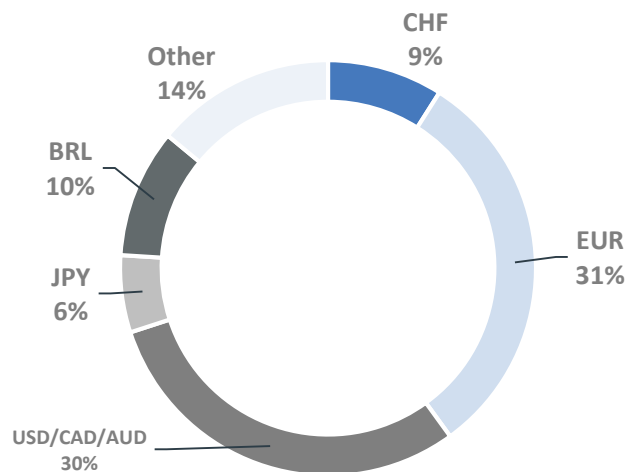


Growth strategy pays off

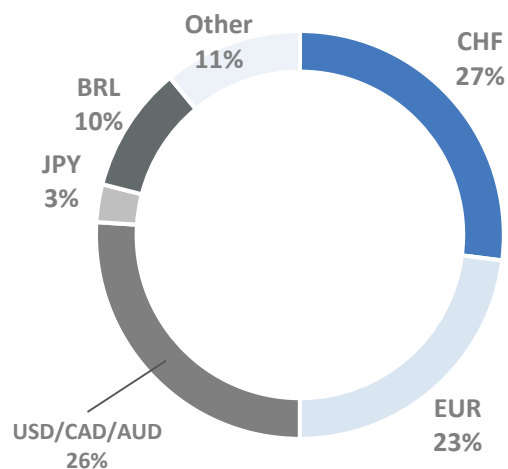
<i>in CHF m</i>	2013	2014	2015	2016	2017	H1 2018	5-year average
Revenue	679.9	710.3	798.6	917.5	1'112.1	681.5	
Organic revenue growth in %	1.2	6.4	9.1	13.1	15.7	17.9	12.4
<i>Acquisiton / Divesture effect in %</i>	<i>-0.8</i>	<i>0.0</i>	<i>9.5</i>	<i>0.8</i>	<i>4.1</i>	<i>5.2</i>	<i>3.9</i>
<i>Change in l.c.%</i>	<i>0.4</i>	<i>6.4</i>	<i>18.6</i>	<i>13.9</i>	<i>19.8</i>	<i>23.1</i>	<i>16.4</i>
<i>FX effect in %</i>	<i>-1.3</i>	<i>-1.9</i>	<i>-6.1</i>	<i>1.0</i>	<i>1.4</i>	<i>2.3</i>	<i>-0.7</i>
Growth in CHF %	-0.9	4.5	12.4	14.9	21.2	25.4	15.7
	2013	2014	2015	2016	2017	H1 2018	CAGR 2013-17
Gross profit excl. exceptionals	535.9	558.7	628.0	718.5	842.4	521.7	12.0
<i>Underlying margin</i>	<i>78.8%</i>	<i>78.7%</i>	<i>78.6%</i>	<i>78.3%</i>	<i>75.8%</i>	<i>76.6%</i>	
EBITDA excl. exceptionals	156.4	176.2	220.7	259.2	325.5	203.1	
<i>Underlying margin</i>	<i>23.0%</i>	<i>24.8%</i>	<i>27.6%</i>	<i>28.3%</i>	<i>29.3%</i>	<i>29.8%</i>	
EBIT excl. exceptionals	123.8	148.3	185.7	227.2	285.6	178.6	23.2
<i>Underlying margin</i>	<i>18.2%</i>	<i>20.9%</i>	<i>23.3%</i>	<i>24.8%</i>	<i>25.7%</i>	<i>26.2%</i>	
Underlying net profit	107.9	130.9	144.7	186.8	237.2	139.8	21.8
<i>Underlying margin</i>	<i>15.9%</i>	<i>18.4%</i>	<i>18.1%</i>	<i>20.4%</i>	<i>21.3%</i>	<i>20.5%</i>	
Earnings per share (adjusted)	6.98	8.42	9.19	11.94	15.13	8.63	21.3
	2013	2014	2015	2016	2017	H1 2018	CAGR 2013-17
Operating cash flow	151.5	146.2	185.6	184.7	217.3	106.7	9.4
Capital expenditure	(12.6)	(18.8)	(35.2)	(46.7)	(73.4)	(44.4)	
<i>as % of revenue</i>	<i>-1.9%</i>	<i>-2.6%</i>	<i>-4.4%</i>	<i>-5.1%</i>	<i>-6.6%</i>	<i>-6.5%</i>	
Free cash flow	139.2	128.4	151.1	138.7	144.7	62.3	1.0
Number of employees (year-end)¹	2'217	2'387	3'471	3'797	4'881	5'474	21.8

Straumann's currency exposure

Revenue breakdown FY2017¹



Cost breakdown FY2017¹



Average exchange rates (rounded)					FX sensitivity (+/- 10%) on full-year...	
		2017	2018	H1 2018	Revenue	EBIT
1	EURCHF	1.09	1.11	1.17	+/- 35m	+/- 21m
1	USDCHF	0.99	0.98	0.97	+/- 29m	+/- 14m
100	BRLCHF	28.37	30.68	28.15	+/- 11m	+/- 3m
100	JPYCHF	0.90	0.88	0.89	+/- 6m	+/- 4m

Exchange rate development in recent years



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.



Thank you