

Sirona – The Dental Company

Fourth Quarter 2012 Earnings Presentation
November 16, 2012



Fourth Quarter 2012 Earnings Presentation Safe Harbor Statement / Additional Information



This conference call contains forward-looking information about Sirona Dental Systems, Inc.'s financial results, guidance and estimates, business prospects, and products and services that involve substantial risks and uncertainties or other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. You can identify these statements by the use of words such as "may," "could," "estimate," "will," "believe," "anticipate," "think," "intend," "expect," "project," "plan," "target," "forecast", and similar words and expressions which identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are not guarantees of future performance and involve known and unknown risks and uncertainties, and other factors. Readers are cautioned not to place undue reliance on such statements, which speak only as of the date hereof. For a discussion of such risks, uncertainties and other matters that could cause actual results to differ materially, including risks relating to, among other factors, the market for dental product and services, pricing, future sales volume of the Company's products, the possibility of changing economic, market and competitive conditions, dependence on products, dependence on key personnel, technological developments, intense competition, market uncertainties, dependence on distributors, ability to manage growth, dependence on key suppliers, dependence on key members of management, government regulation, acquisitions and affiliations, readers are urged to carefully review and consider various disclosures made by the Company in its Annual Report on Form 10-K and in its reports on Forms 10-Q and 8-K filed with the U.S. Securities and Exchange Commission, which can be accessed through the SEC's website, www.sec.gov. This presentation contains non GAAP financial measures, which should not be viewed in isolation and do not purport to be an alternative to net income (loss) as an indicator of operating performance or an alternative to cash flows from operating activities as a measure of liquidity. The Company assumes no obligation to and expressly disclaims any obligation to update or revise any forward-looking statements contained in this document to reflect new information or future events or developments after the date any such statement is made.



- FY12 constant currency revenue growth of 12.6%, with:
 - Treatment Centers up 15.1%, cc
 - CAD/CAM up 13.9%, cc
 - Imaging up 11.5%, cc
 - Instruments up 7.5%, cc
- Robust revenue growth despite a tough IDS year comparable. Last year Sirona grew 16.4% constant currency and growth was very strong in Germany (up 24%, cc).
 - U.S. revenues grew 11.4%
 - International revenues grew 13.2% cc, with particular strength in the Asia-Pacific region
- Planned investments in sales and service infrastructure successfully continued.



- Key product launches: CEREC Omnicam and Schick 33
- Operating Cash Flow of \$201.4 million
- Free Cash Flow of \$154.2 million
- Continuation of share repurchase program with \$68 million spent to date, of the \$100 million authorization.
- At September 30, 2012, balance sheet fully delevered with net cash of \$75.6 million

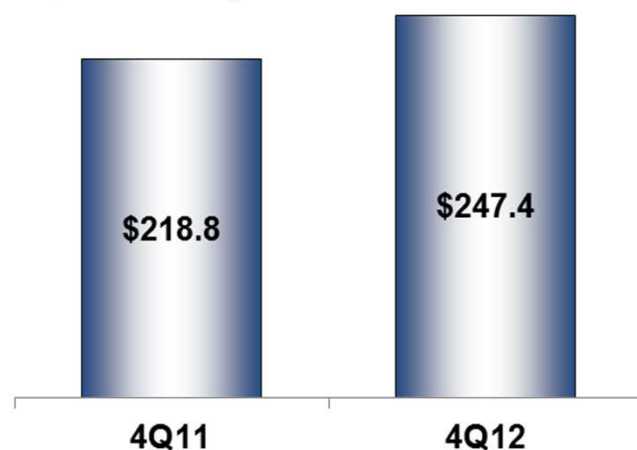
Fourth Quarter 2012 Earnings Presentation Overview



The Dental Company

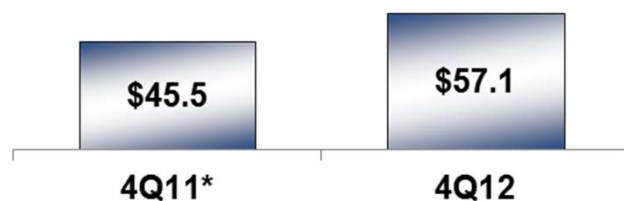
Revenue

(US\$ in millions)



Operating Income plus Amortization

(US\$ in millions)



- Sales in the U.S. increased 34.1%, and benefited from a successful trade-up program and the first full quarter of the expanded Patterson exclusivity agreement.
- International revenues increased 5.7%, up 19.2% cc, driven by strong double digit growth in the non-European markets, led by Asia-Pacific.
- Operating Income plus Amortization increased 25.5%* to \$57.1 million. We continued our planned investments in expanding our global sales and service infrastructure.

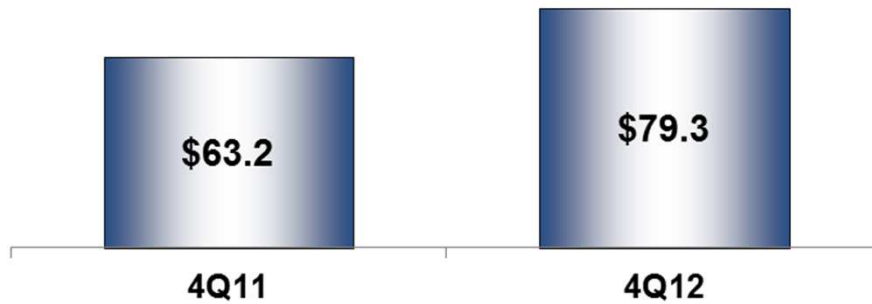
*2011 Operating Income + Amortization also excludes a \$6.625 million non-cash compensation charge

Fourth Quarter 2012 Earnings Presentation CAD/CAM Segment



CAD/CAM Revenue

(US\$ in millions)

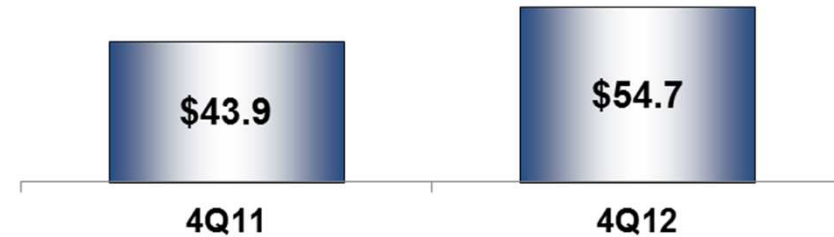


Revenue Growth

Reported	+25.6%
<u>Currency</u>	<u>+10.9%</u>
Constant Currency	+36.5%

Segment Gross Profit

(US\$ in millions)



Segment Gross Profit Margin

4Q11	69.5%
<u>4Q12</u>	<u>68.9%</u>
Change	-60 bps

Fourth Quarter 2012 Earnings Presentation CAD/CAM Segment



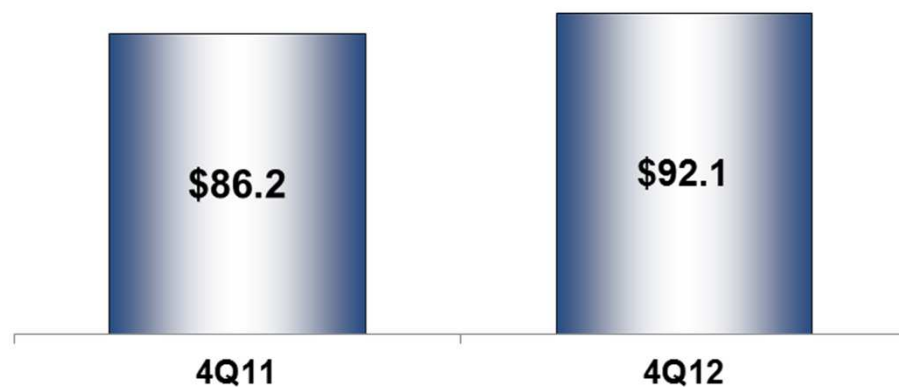
- Segment revenues of \$79.3 million, up 25.6%, or up 36.5% cc.
- Strong revenue growth across all geographies.
- Omnicam launch generating excitement, but had minimal impact on Q4 or FY2012 results.
- CAD/CAM segment gross profit margin decreased 60 bps to 68.9%. The decrease in the quarter was mainly driven by a strong trade-up promotion in the U.S.

Fourth Quarter 2012 Earnings Presentation Imaging Segment



Imaging Revenue

(US\$ in millions)

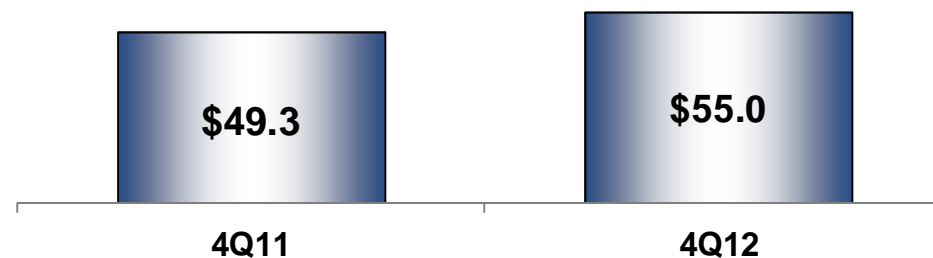


Revenue Growth

Reported	+6.9%
Currency	+7.1%
Constant Currency	+14.0%

Segment Gross Profit

(US\$ in millions)



Segment Gross Profit Margin

4Q11	57.5%
4Q12	59.7%
Change	+250 bps

Fourth Quarter 2012 Earnings Presentation Imaging Segment

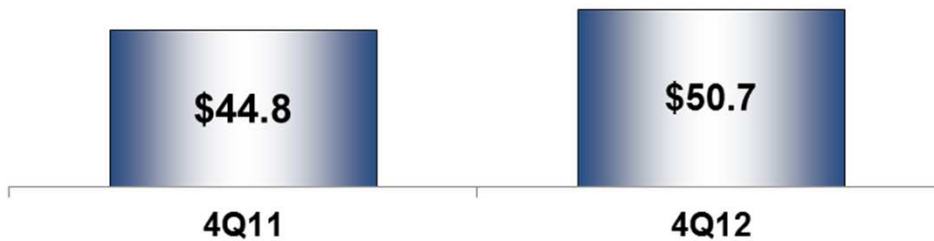


- Revenues of \$92.1 million, up 6.9%, but up 14.0% cc despite a very challenging comparable. Last year's Q4 Imaging grew ~37% cc and benefited from the IDS and the XG-3D launch.
- Growth was strong in all geographies but Germany. Germany faced an extremely difficult comparable due to a strong XG-3D launch last year.
- Gross profit margin improved from a benefit in mix.

Fourth Quarter 2012 Earnings Presentation Treatment Centers



Treatment Center Revenue (US\$ in millions)



Revenue Growth

Reported	+13.2%
<u>Currency</u>	<u>+14.8%</u>
Constant currency	+28.0%

Segment Gross Profit (US\$ in millions)



Segment Gross Profit Margin

4Q11	35.6%
<u>4Q12</u>	<u>40.1%</u>
Change	+450 bps

Fourth Quarter 2012 Earnings Presentation Treatment Centers



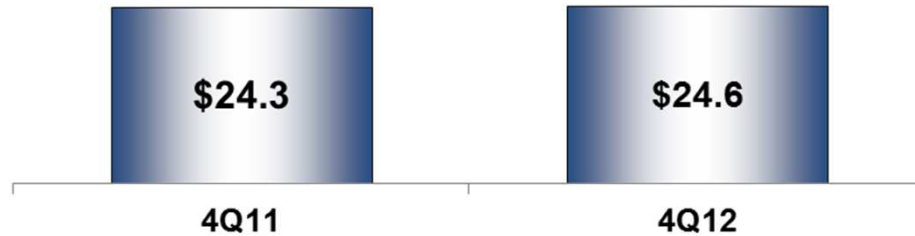
- Revenues of \$50.7 million, up 13.2%, or up 28.0% cc. Growth was strong across most geographies.
- Robust performance of the comfort and standard product lines.
- SINIUS – strong sales growth.
- Margin expansion due to product mix.

Fourth Quarter 2012 Earnings Presentation Instruments



Instruments Revenue

(US\$ in millions)



Revenue Growth

Reported	1.0%
<u>Currency</u>	<u>+13.0%</u>
Constant Currency	+14.0%

Segment Gross Profit

(US\$ in millions)



Segment Gross Profit Margin

4Q11	47.8%
<u>4Q12</u>	<u>45.4%</u>
Change	-240 bps

Fourth Quarter 2012 Earnings Presentation Instruments



- Revenues of \$24.6 million, up 1.0%, or up 14.0% cc.
- Growth was driven by Asia-Pacific.
- Margin contraction mainly due to product mix.

Fourth Quarter 2012 Earnings Presentation

Operating Performance



	<u>4Q12</u>	<u>4Q11</u>	<i>% chg.</i>
Revenue	\$ 247,364	\$ 218,797	13.1%
Cost of sales	115,285	108,080	6.7%
Gross profit	132,079	110,717	19.3%
Selling, general and administrative expense	76,912	74,637	3.0%
Research and development	12,606	13,485	(6.5)%
Other operating income items (net)	(2,838)	(2,438)	
Operating income	45,399	25,033	81.4%
(Gain)/loss on foreign currency transactions, net	(382)	2,864	
(Gain)/loss on derivative instruments	(2,147)	2,140	
Interest expense, net	984	1,020	(3.5)%
Other expenses	(529)	39	
Income before taxes	47,473	18,970	150.3%
Income tax provision	12,622	4,821	
Net income	34,851	14,149	146.3%
Less: Net income attrib. to noncontrolling interests	115	391	
Net income attributable to Sirona Dental Systems, Inc.	\$ 34,736	\$ 13,758	152.5%



Guidance

CEREC 27 & a half!



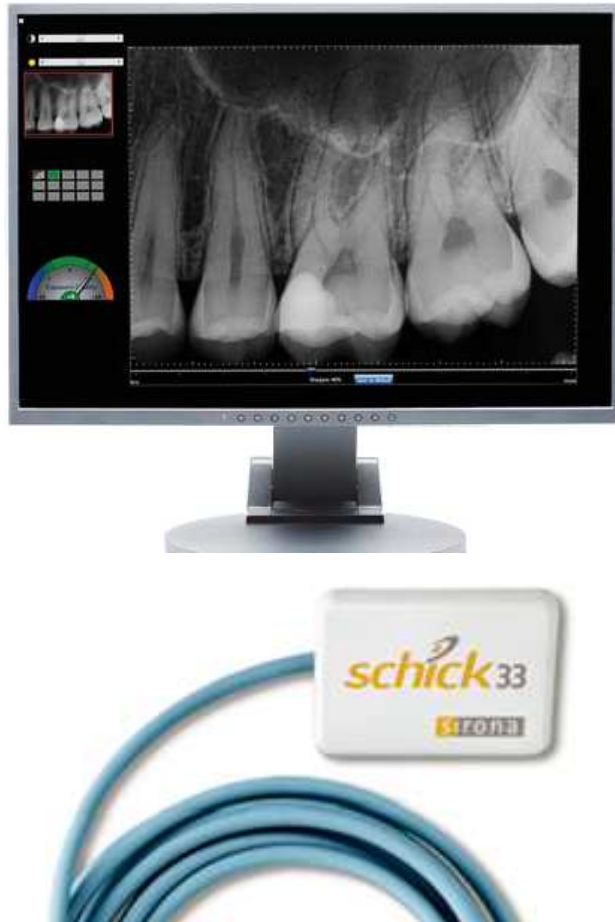
More than 4,000 dental professionals gathered for the largest digital dentistry event of the year.

THE MOST
AMAZING
EVENT
IN DENTAL IN THE LAST
27 & A HALF
YEARS





- Designed for access
 - Slim, rounded camera tube allows easy rotation of the camera in the intraoral space
- Color streaming for confidence
 - Color aids in more accurate evaluation of the clinical situation and helps with tissue management
- Powder-free scanning for convenience
 - Advantageous for a larger scanning area



- High resolution imaging
 - Industry leading theoretical resolution limit of 33 line pairs
- Unsurpassed image management flexibility
 - Dynamic image enhancer
 - Image preference presets
 - User-definable tasks
- Compatible with existing Schick systems



- Solid business momentum continues.
 - Commitment to innovation
 - Comprehensive, market leading product portfolio
 - Global sales and service infrastructure
 - Geographic diversification
 - Best-in-class distribution network
 - Outstanding team effort
 - Strong financial position
- Sirona well positioned to successfully compete in 2013 and beyond.

Fourth Quarter 2012 Earnings Presentation Questions and Answers



Q&A