



Press Release – Ad-hoc announcement pursuant to Art. 53 LR

## **Medacta Group SA reports strong revenue growth at 21.4% at constant currency<sup>1</sup> and adjusted EBITDA<sup>1</sup> margin at 28.2% in the first semester 2023**

- **1H 2023 revenue** increased to **Euro 255.1 million**, or **21.4% c.c.<sup>1</sup>** (20.8% reported) from 1H 2022;
- **Adjusted EBITDA** grew to **Euro 71.9 million**, corresponding to **28.2% margin**, including a headwind from negative FX translation effect of 1.6%;
- **Continued focus on Medical Education and Salesforce expansion** in all business lines and geographies;
- **Robust supply chain** able to support an accelerated growth;
- **Outlook FY 2023:** revenue growth in c.c. expected in the range of **15% to 18%** and adjusted EBITDA in c.c. is predicted to remain **largely in line with 2022**, in the absence of unforeseen events.

CASTEL SAN PIETRO, 22 September 2023 – Medacta Group SA (“Medacta”, SIX:MOVE) today reported financial results for the Half-Year ending 30 June, 2023.

Francesco Siccardi, CEO of Medacta, commented: *“We are proud to report a strong organic growth thanks to a good product differentiation, an effective marketing strategy and a constant expansion of our market opportunities. Margins increased notwithstanding the investments in structures needed to sustain our fast expansion. This remarkable performance proves the effectiveness of our strategy and provides confidence in our ability to execute the long-term value creation.”*

### **Our Achievements**

We remain dedicated to improve patient outcomes through innovative minimal invasive techniques and personalized solutions, maintaining at the same time a strong focus on healthcare sustainability.

Our Medical Education programs are central to our value creation strategy. In March 2023, we completed the 500<sup>th</sup> M.O.R.E. AMIS Learning Center, providing surgeons with a tailored and comprehensive program to allow for AMIS (Anterior Minimally Invasive Surgery) technique proficiency.

MySolutions Personalized Ecosystem remains key to deliver our growth strategy across all our Product Lines.

On the Knee side we are experiencing a tremendous acceleration thanks to our GMK Sphere coupled with the MyKA personalised alignment technique. This combination is significantly improving patient reported outcomes and is gaining traction in the market thanks to a growing scientific evidence.

On the Shoulder side new studies have confirmed the high level of accuracy of our NextAR Shoulder while on the Spine we can count on almost 40% of our pedicle screws associated with either NextAR Spine or MySpine.

We continued to ensure a strong supply chain through strategic investments. In March 2023 we celebrated the opening of a new distribution facility in Memphis, TN, USA, where we now occupy over 108'000 square feet in a newly constructed facility.

During the semester, 94 new jobs were added to support operations and a continued salesforce expansion across all geographies and business lines.

## Reported Performance Measures

(Million Euro)	30.06.2023	30.06.2022
Revenues	255.1	211.3
Gross Profit	175.9	148.4
Profit for the period	29.1	25.6

### Alternative Performance Measures

EBITDA	71.1	56.8
Adjusted EBITDA*	71.9	58.1
Adjusted EBITDA margin*	28.2%	27.5%
Free Cash Flow	(5.3)	(5.1)
Adjusted Free Cash Flow**	0.2	3.8

(Million Euro)	30.06.2023	30.06.2022
Total Assets	644.6	584.5
Total Equity	297.6	274.7
Equity Ratio	46.2%	47.0%
Number of employees	1'631	1'537

\* Adjusted in 2023 for extraordinary legal expenses (Euro 0.3 million) and extraordinary MDR transition costs (Euro 0.5 million). The reconciliation is provided in the "Alternative Performance Measures" section of 2023 Half-Year Report.

\*\* Adjusted in 2023 for extraordinary legal expenses (Euro 0.3 million), for the settlement of legal claims (Euro 1.9 million), MDR transition costs (Euro 0.5 million), non-recurring investments in Castel San Pietro land (Euro 2.8 million). Please see the "Alternative Performance Measures" section of 2023 Half-Year Report for the reconciliation of the "Adjusted Free Cash Flow".

## Revenue growth

In the first semester 2023, revenue increased 21.4% at constant currency and 20.8% on reported currency over the prior period, at EUR 255.1 million, with positive contributions from all business lines and geographies. This is a result of an effective commercial development strategy, in a market that is progressively recovering the accumulated backlog in some key areas (mainly in Australia and US).

## Gross Profit margin

The Gross Profit was EUR 175.9 million compared to EUR 148.4 million in the previous period and the margin was equal to 68.9%, compared to 70.2% in the first semester 2022. The change is primarily explained by a material negative currency development, a less favourable geographic mix on revenue growth and price erosion in certain countries. Limited impact from inflation on industrial costs.

**Adjusted EBITDA margin**

The Adjusted EBITDA amounted to EUR 71.9 million (EUR 58.1 million in H1 2022), corresponding to a margin of 28.2% compared to 27.5% in H1 2022. This result reflects primarily the leverage on fixed costs and lower increase of variable expenses on sales, partially offset by Gross Profit reduction. Currency development had a negative impact of approximately 1.6% on our operational costs, primarily due to Swiss Franc and US Dollar, which strengthened versus Euro respectively by 4.7% and 1.1% from prior period.

**Adjusted EBIT margin**

The Adjusted EBIT increased by 30.0% to EUR 43.8 million, or 17.2% on revenue, compared to EUR 33.7 million, or 16.0% on revenue, in the first semester 2022.

**Profit for the period**

The Profit for the period was Euro 29.1 million, after income taxes of Euro 7.1 million, compared to Euro 25.6 million in the first semester 2022.

**Solid Balance Sheet**

Medacta's balance sheet further strengthened, with total assets increasing to EUR 644.6 million and an equity ratio of 46.2% at the end of the reporting period. The Adjusted Free Cash Flow in the first semester 2023 amounted to positive EUR 0.2 million (positive EUR 3.8 million in H1 2022), after having invested EUR 25.4 million in additional inventory and EUR 34.4 million in new instruments to enable the expected future growth of the business.

**2023 Outlook**

Based on the positive business performance recorded in the first semester, we updated our guidance of full-year revenue growth at constant currency in the range of 15% to 18% (previously "10% - 13%"). Adjusted EBITDA margin at constant currency is expected to remain largely in line with 2022, subject to any unforeseen events.

**Webcast Today at 3:00 pm (CEST)**

Medacta Group SA will present its 2023 Half-Year Results during a webcast today at 3:00 pm (CEST). The call will be headed by Francesco Siccardi (CEO) and Corrado Farsetta (CFO) and will be held in English.

Live-Link:

<https://event.choruscall.com/mediaframe/webcast.html?webcastid=ksVTOhBz>

Dial-in numbers for conference call function only:

CH: +41 225954727

DE: +49 6917415713

UK: +44 1 212818003

USA: +1 718 7058794

ITA: +39 02 362130 11

**Contact**

Medacta International SA  
Giorgio Botta, Head of Investor Relations  
Phone: +41 91 696 14 95  
[investor.relations@medacta.ch](mailto:investor.relations@medacta.ch)

**About Medacta**

Medacta is an international company specializing in the design, production, and distribution of innovative orthopedic products, as well as in the development of accompanying surgical techniques. Established in 1999 in Switzerland, Medacta is active in joint replacement, spine surgery, and sports medicine. Medacta is committed to improving the care and well-being of patients and maintains a strong focus on healthcare sustainability. Medacta's innovation, forged by close collaboration with surgeon leaders globally, began with minimally invasive surgical techniques and has evolved into personalized solutions for every patient. Through the M.O.R.E. Institute, Medacta supports surgeons with a comprehensive and tailored program dedicated to the advancement of medical education. Medacta is headquartered in Castel San Pietro, Switzerland, and operates in over 50 countries.

**Disclaimer**

This press release has been prepared by Medacta Group SA ('Medacta' and together with its subsidiaries, 'we', 'us' or the 'Group'). The information contained in the press release does not purport to be comprehensive and is not to be taken as containing any securities advice, recommendation, offer or invitation to subscribe for, purchase or redeem any securities regarding Medacta.

**Forward-looking information**

This press release has been prepared by Medacta and includes forward-looking information and statements concerning the outlook for our business. These statements are based on current expectations, estimates and projections about the factors that may affect our future performance. These expectations, estimates and projections are generally identifiable by statements containing words such as "expects", "believes", "estimates", "targets", "plans", "outlook" or similar expressions. There are numerous risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking information and statements made in this press release. Important factors that could cause such differences include: changes in the global economic conditions and the economic conditions of the regions and markets in which the Group operates; changes in healthcare regulations (in particular with regard to medical devices); the development of our customer base; the competitive environment in which the Group operates; manufacturing or logistics disruptions; the impact of fluctuations in foreign exchange rates; and such other factors as may be discussed from time to time. Although we believe that our expectations reflected in any such forward-looking statement are based upon reasonable assumptions, we can give no assurance that those expectations will be achieved.

**<sup>1</sup> Alternative Performance Measures**

This press release contains certain financial measures of historical performance that are not defined or specified by IFRS, such as "constant currency", "EBITDA", "Adjusted EBITDA" or "CORE EBITDA", "Free Cash Flow", "Adjusted Free Cash Flow", "Net Debt" and "Leverage". Reconciliation of these measures as well as "CORE" financial measures is provided in the "Alternative Performance Measures" of our 2023 Half-Year Report. These Alternative Performance Measures (APM) should be regarded as complementary information to, and not as a substitute for, the IFRS beginning performance measures. For definitions of APM, together with reconciliations to the most directly reconcilable IFRS line items, please refer section headed "Alternative Performance Measures" of the 2023 Half-Year Report. The 2023 Half-Year Report is available at <https://www.medacta.com/EN/financial-reports>.

***Related Trademarks***

*Medacta Group Related Trademarks are registered at least in Switzerland. The products and services listed below may not be all-inclusive, and other Medacta products and services not listed below may be covered by one or more trademarks. The below products and services may be covered by additional trademarks not listed below. Note that Swiss trademarks may have foreign counterparts.*

*MyShoulder<sup>®</sup>, NextAR<sup>™</sup>, GMK<sup>®</sup> Sphere, MyKA<sup>™</sup>*