

1H 2020 Sales
Unaudited top-line figures

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Unaudited Financial Results

The financial information contained in this Presentation is unaudited.

Forward-looking information

This Presentation has been prepared by Medacta and may include 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.

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Alternative Performance Measures

This press release contains certain information that it refers to as "constant currency", which is a non-IFRS financial measure and represents the total change between periods excluding the effect of changes in foreign currency exchange rates. The Group believes that the reconciliations of changes in constant currency provide useful supplementary information to investors in light of fluctuations in foreign currency exchange rates. Furthermore, the Group believes that constant currency measures provide additional useful information on the Group's operational performance and is consistent with how the business performance is measured internally.

THIS PRESENTATION IS NOT AN INVITATION TO PURCHASE SECURITIES OF MEDACTA OR THE GROUP.

Today's presenters



Francesco Siccardi

Chief Executive Officer

Joined Medacta in 2002; Member of the Board since 2003

2002 to 2010 in charge of marketing, product and business development, with a particular focus on the US market

Served as Executive VP of Medacta since 2010

Biomedical Engineer from the Politecnico of Milan



Corrado Farsetta

Chief Financial Officer

Joined Medacta in 2008

Previous experience in Finance at multinational manufacturing companies (Air Liquide) and management consulting

Masters of Science in Business Administration from Bocconi University

Agenda

1H 2020 Unaudited Revenue

Medacta Revenue and COVID19 impact (unaudited figures)

1H 2020 was heavily affected by COVID-19 impact, with:

- Revenue at €134.8 million,
- Growth -11.1% vs prior year (-12.2% in CC¹)

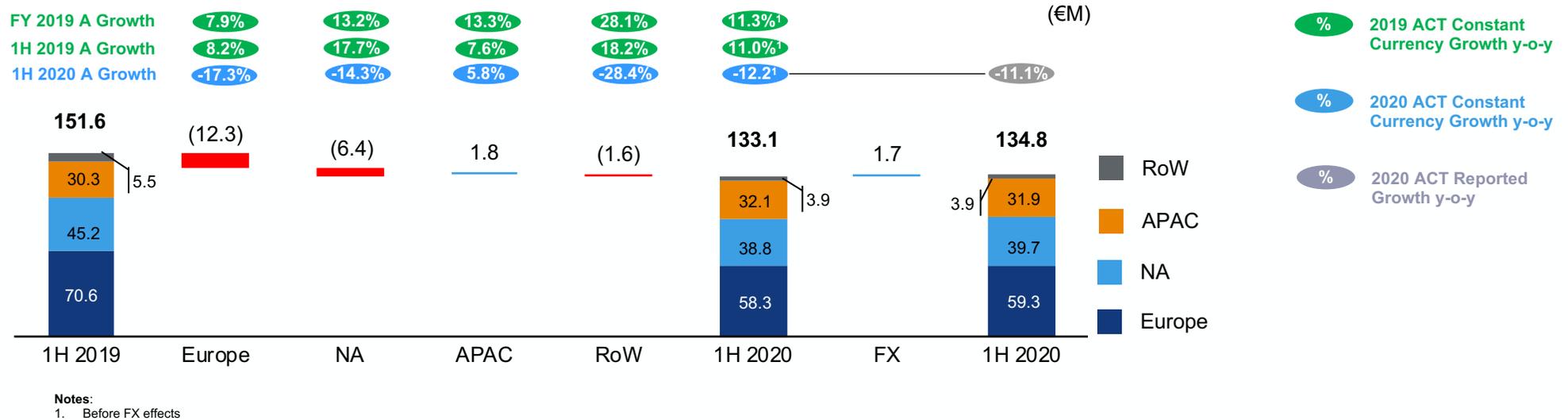
Orthopedic surgeries have been deferred. Patients requiring Orthopedic Procedures are generating Waiting Lists, which will be recovered over time.

Q1 registered single digit positive growth: strong January and February, March negative.
Q2 negative growth, with negative peak in April (-70%). Good backlog recovery already in June (2 more business days vs prior year) with a double-digit growth rate.

New surgeons acquisition continued in 1H, adapting Marketing activities to cope with COVID restrictions.

1H 2020: Revenue bridge by Region (unaudited figures)

Revenue Bridge by Region

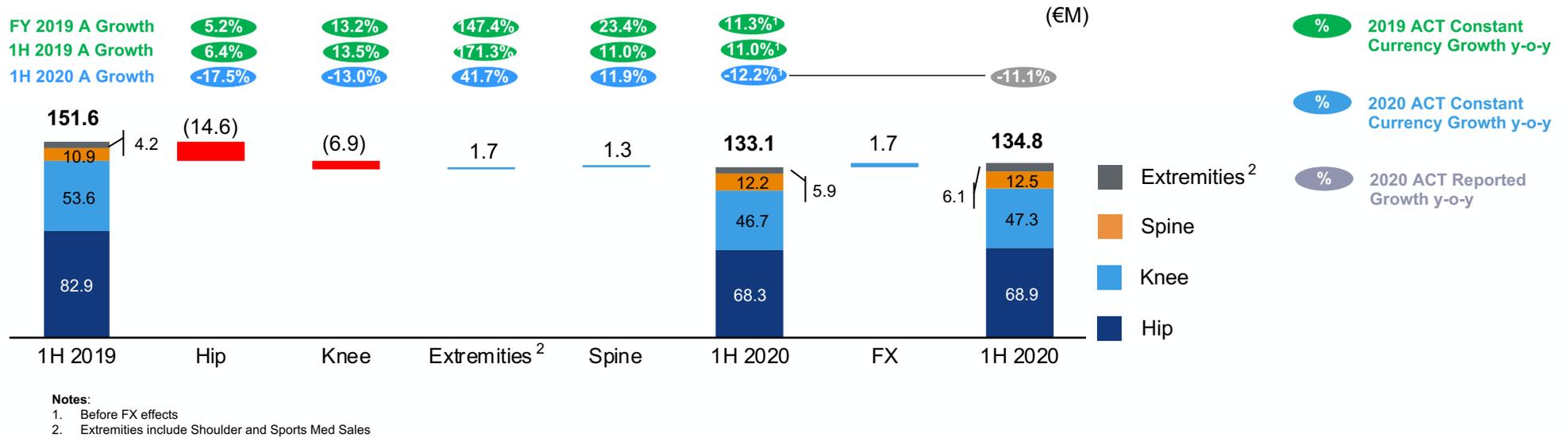


Overall, -12% (CC) decrease due to COVID-19, with significant difference by geographies:

- Europe (-17%) registered the largest decline in sales within the key markets. “DACH” area countries recorded the smallest impact.
- NA (-14%) was heavily affected, with the deepest negative peak (in April) and the strongest acceleration (in June) among all Medacta’s countries. Activity level and focus on ASCs is increasing, in line with our strategy in this market.
- APAC (+6%) registered the best performance thanks to limited COVID impact in Japan and very short lock-downs period in Australia.
- RoW (-28%) affected by the situation in Latin America, South-Africa and Israel.
- New distributors in the pipeline in the Middle East and Eastern Europe areas.

1H 2020: Revenue bridge by Product (unaudited figures)

Revenue Bridge by Product



Negative growth in the “Joints” segment (Hip -17%, Knee -13%) reflecting the COVID restrictions and lock-downs in almost all countries.

New business lines Spine and Shoulder registered a growth both in Q1 and Q2

- Shoulder (+42%) was able to keep its strong momentum in sales growth, despite COVID19 restrictions, thanks to the very high ratio new/old customers at the beginning of COVID19 pandemic outbreak.
- Spine (+12%) was heavily affected compared to the first months of the year, but it was able to register a positive performance thanks to the strong growth registered between the last months of 2019 and beginning 2020. Strong increase of demand for MySpine products.

Redesigned Marketing and Education Implementation

Thanks to several new marketing initiatives and education programs we were able to keep existing surgeons involved and engage new customers, leveraging national experts.

#1'800+ surgeons attended our on-line education programs, with significant savings in travelling and consulting costs for Medacta:

- Medacta TV, a streaming platform to give access Medacta Medical Education programs
- «More in touch» program, a series of webcast and educational events
- Mobile trucks as Learning Centers
- E-learning classes
- Web Based Expert Meetings
- MEDACTA USA has converted a National MORE Event (originally planned for June in California, with around 250 surgeons) on Personalized Knee Replacement and Kinematic Alignment into a worldwide webinar

The «MORE Surgeon to Surgeon» meetings have restarted in several Countries together with classic Learning Centers.

Other initiatives are in the pipeline for Q3 and Q4.

Product Innovation

25+ New Products cleared (CE or FDA) in 1H in line with MDR/MDD switch original plan including:

Hip:

- Renewed Primary Implants offering (Quadra-P Family)
- Expansion of Revision Implants offering (M-Vizion Femoral Revision Range Extension)
- Introduction of Personalised 3D Hip Planning and Execution (MyHip Planner and MyHip Verifier)

Knee:

Metal sensitivity GMK Revision Solution

Shoulder:

Long Diaphysis and Stemless Metaphysis implants for Shoulder joint replacement

Spine:

Mecta-C Stand Alone Anterior Cervical Interbody Fusion Device

SportsMed:

Multiple products, among which MectaScrew for ligament repairs and MectaTap for rotator cuff repair

And, in July, the next star of the market...

Product Innovation



Medacta developed the first FDA-Cleared Augmented Reality-Based Surgical Platform for Total Knee Replacement

- Low upfront capital investment
- Reduced cost per case vs other technologies
- Advanced personalised planning tools
- Unique soft tissue assessment
- Accurate Surgical execution

NextAR TS Revolutionary proprietary tracking system and Augmented Reality to potentially improve surgery accuracy and efficiency,

The NextAR™ TKA is the first application of a new platform technology, which will be extended to hip, shoulder and spine procedures

Optimal solution particularly for U.S. ambulatory surgery centers (ASCs)



Outlook 2020

Sales in 1H were heavily affected by the Covid-19, generating for the first time in the company's history a negative growth.

Lockdowns at the end of Q2 were lifted in almost all the countries but the negative evolution of COVID-19 in several countries could seriously affect the speed of recovery in 2H as well.

- US back on track, but some concerns about the speed of recovery in 2H due to the current pandemic situation and possible future restrictions
- Europe: D,A,CH countries have shown fast recovery and are almost back on track. France recovered later, Italy still far away from normal level of activity. Pandemic evolution looks more under control and the activity in these countries could benefit in 2H from this situation
- APAC: Japan and Australia had the lowest impact. Main concerns about 2H due to possible new restrictions in Australia
- RoW: the situation in Latin America is getting worse very fast, with a potentially bigger impact on 2H level of activity in that area

Outlook 2020

The sales performances in the final part of first semester returned to be positive, confirming that backlog recovery can occur quickly if the environmental conditions allow.

Even if the June sales performance are encouraging, speed and size of recovery in 2H depend on the evolution of the COVID crisis in key markets, which remain unpredictable.

Given these uncertainties and the inability to forecast future developments, we are not able to provide a short-term outlook.

Overall, we believe that mid and long-term fundamentals haven't changed.

THANK YOU