

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

Medacta reports strong profitability with 31.9% adjusted EBITDA margin¹ in the first semester 2021.

- **1H 2021 revenue increased to Euro 177.5 million, or 35.4% at constant currency (31.7% reported) vs 1H 2020 with positive contributions from all business lines and geographies.**
- **Gross Profit margin improved to 72.5% (69.7% in 1H 2020) and adjusted EBITDA margin increased to 31.9% (23.8% in 1H 2020).**
- **2021 guidance confirmed** for revenue within a range of Euro 355 million to Euro 375 million at constant currency and adjusted EBITDA margin largely in line with the previous year, subject to any unforeseen events, specifically from the Covid-19 pandemic.

CASTEL SAN PIETRO, 10 September 2021 – Medacta Group SA (“Medacta”, SIX:MOVE) today reported financial results for the Half-Year ending 30 June 2021. In the first semester 2021 the revenue growth of 35.4% at constant currency compared to the first semester 2020 was driven by significant carry-over and customer acquisition, in addition to normalization of surgery activities, benefiting from vaccinations. Profitability improved remarkably from last year’s first semester with adjusted EBITDA margin of 31.9%.

Francesco Siccardi, CEO of Medacta, commented *“In the first semester, we delivered strong results, mainly driven by the revenue growth, sustained by the launch of new products, the hiring of salesforce and our continuous medical education programs. Furthermore, results benefitted from cost savings due to continued restrictions for the Covid-19 pandemic. In the remainder of the year, we will stay focused on our expansion programs, pursuing accessible market opportunities for our future growth.”*

Our Achievements in 1H 2021

In the first semester 2021 we continued executing our long-term value creation strategy based on innovation, medical education, and healthcare sustainability.

Over 50 new products across all our business lines were registered, including entry in new geographies. In June 2021, the first surgeries based on our NextAR Augmented Reality (AR) Surgical Platform were performed in Europe, following the CE-marking of the Knee, Shoulder and

¹ **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” (APM) section of the 2021 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 2021 Half-Year Report. The 2021 Half-Year Report is available at <https://www.medacta.com/EN/financial-reports>.

Spine Applications. Also, in May 2021, the NextAR Shoulder Application received FDA clearance, further expanding the U.S. NextAR offering, which already included the Knee Application, FDA-cleared in 2020.

Our Marketing and Medical Education Programs continued, and since June, international travel and congresses have restarted.

During the semester, we continued to invest strategically in the hiring of personnel to support the operation and the salesforce expansion. Instrument sets increased significantly to serve new customers.

KEY FINANCIAL FIGURES (UNAUDITED)

(Million Euro)	30.06.2021	30.06.2020
Revenues	177.5	134.8
Gross Profit	128.6	93.9
Profit for the period	29.7	9.7

Alternative Performance Measures:

EBITDA	50.1	31.9
Adjusted EBITDA*	56.6	32.1
Adjusted EBITDA margin*	31.9%	23.8%
Free Cash Flow	(8.5)	(7.9)
Adjusted Free Cash Flow**	13.4	(4.7)

(Million Euro)	30.06.2021	31.12.2020
Total Assets	457.7	441.9
Total Equity	192.0	164.7
Equity Ratio	41.9%	37.3%
Number of employees	1,246	1,183

* Adjusted for provisions on litigations (Euro 4.5M) and extraordinary legal expenses (Euro 2.0M). The reconciliation is provided in the "Alternative Performance Measures" section of the 2021 Half-Year Report.

** Adjusted for extraordinary legal expenses (Euro 2.0M), extraordinary tax payment (Euro 18.0M) and non-recurring investments (Euro 1.9M). Please see the "Alternative Performance Measures" section of the 2021 Half-Year Report for the reconciliation of the "Adjusted Free Cash Flow".

Revenue growth

Revenue increased 35.4% at constant currency, from Euro 134.8 million in the first semester 2020 to Euro 177.5 million in the first semester 2021 (31.7% on a reported currency basis), with positive contribution from all business lines and geographies.

Gross Profit margin improvement

Medacta reached Euro 128.6 million of Gross Profit, 36.9% higher than the first semester of 2020 (EUR 93.9 million). The Gross Profit as a percentage of sales in the first six months of 2021 increased to 72.5%, from 69.7% in the first semester 2020, primarily as a result of the surge in revenue and the improved utilisation of instruments that increased at a slower pace than revenue.

31.9% adjusted EBITDA margin

The Adjusted EBITDA amounted to Euro 56.6 million (Euro 32.1 million in the first semester 2020), corresponding to a margin of 31.9% compared to 23.8% in the first semester 2020. The increase in Adjusted EBITDA margin reflects primarily the leverage on fixed costs from higher sales volumes, along with savings in travels and congress participation costs due to continued travel restrictions for Covid-19.

Strong improvement in Profit for the period

The Profit for the period increased to Euro 29.7 million, 16.8% on revenues, compared to Euro 9.7 million in the first semester 2020.

Solid Balance Sheet

Thanks to the first semester 2021 performance, Medacta's balance sheet further strengthened, with total assets increasing to Euro 457.7 million and an equity ratio of 41.9% at the end of the reporting period (37.3% in year-end 2020). The Adjusted Free Cash Flow generated in the first semester 2021 amounted to Euro 13.4 million after Euro 24.1 million investments, including new instruments and R&D projects. Net Debt as of June 30, 2021 amounted to Euro 97.1 million.

Outlook 2021

The second semester 2021 revenue growth is expected to normalize as the 2020 comparative period already benefited from previous pent-up demand in certain geographic areas.

We confirm our 2021 guidance of revenue, revised upward last July, within a range of Euro 355 million to Euro 375 million at constant currency, and an adjusted EBITDA margin largely in line with the previous year, subject to any unforeseen events, specifically from the Covid-19 pandemic.

Detailed reporting

Medacta's 2021 Half-Year Report can be downloaded via this link:

<https://www.medacta.com/EN/financial-reports>

Webcast Today at 3:00 pm (CEST)

Medacta Group SA will present its 2021 Half-Year Results during a webcast today at 3:00 pm (CEST). The results call will be headed by Francesco Siccardi (CEO) and Corrado Farsetta (CFO). The conference will be held in English.

Live-Link: <https://www.webcast-egs.com/medacta20210910>

For participants to the conference call (slides only):

<https://www.webcast-egs.com/medacta20210910/no-audio>

Dial-in numbers for conference call function only:

CH: +41 445806522

DE: +49 69201744220

UK: +44 2030092470

USA: +1 8774230830

PIN: 62975521#

Investor Calendar

13, 14, 15 September 2021	Virtual International Investor Road Show
14 September 2021	Morgan Stanley Global Healthcare Conference
17 September 2021	UBS Best of Switzerland Conference
4 November 2021	ZKB Swiss Equity Conference
10 November 2021	UBS European Virtual Conference
16 November 2021	Credit Suisse Equity Forum Switzerland

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About Medacta

Medacta is an international company specializing in the design, production, and distribution of innovative orthopaedic 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 40 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. Please refer to the Medacta 2021 Half-Year Report available on our website at <https://www.medacta.com/EN/financial-reports>.

Forward-looking information

This press release has been prepared by Medacta and includes forward-looking information and statements concerning the outlook for its business. These statements are based on current expectations, estimates and projections about the factors that may affect its 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. Although Medacta believes that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.

Alternative Performance Measures

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