



Press Release

Medacta Half-year 2020 revenue equal to Euro 135M, down 11.1% over the prior year due to COVID-19 related deferrals of orthopedic elective surgeries. Good backlog recovery in June with a double-digit growth rate.

CASTEL SAN PIETRO, 22 July 2020 – The response to the COVID-19 pandemic from the local governments and health care authorities worldwide, including the deferral of elective procedures, had a significant negative impact on our operations and sales volume. After closing the first quarter 2020 with a single digit growth, we registered a decrease in the second quarter 2020. Good backlog recovery was achieved in June with a double-digit growth rate.

“Sales in 1H 2020 were heavily affected by the COVID-19 impact, generating for the first time in the company’s history a negative growth rate. The deferral of orthopedic surgeries, particularly in the months of March, April and May is generating waiting lists, and the encouraging double-digit growth reached in June confirms that the backlog recovery can occur quicker than we were expecting. Nevertheless, the uncertainty about the future and the new partial lockdown in certain geographies makes the near-term outlook very difficult to predict” said Francesco Siccardi, CEO. *“During the first semester, Medacta was able to redesign most of its Marketing and Medical Education Programs, implementing several online based initiatives, reaching over 1800 Surgeons. Also, innovation continued and over 25 new products among our business lines were cleared, culminating with the FDA approval on our proprietary NextAR™ Augmented Reality platform technology in July. I am very proud of what we have been able to achieve during these difficult months”* concluded Francesco Siccardi.

First semester 2020 recorded significant differences among product lines and geographies due to different level of COVID-19 restrictions and different pre-COVID momentums in sales growth.

The decrease in the core business (Hip -17.5%, Knee -13.0%) reflects COVID-19 restrictions and lock-downs impact in almost all countries.

Spine (+11.9%) and Extremities (+41.7%) performances were heavily affected in the second part of the semester, however they were able to recognize positive performances in all geographies thanks to the strong momentum carried over into the beginning of 2020.

Below we show the 1H 2020 sales break-down by product line:

| (Thousand Euro) | 30.06.2020 | 30.06.2019 | Reported Growth | Constant Currency Growth |
|-----------------|----------------|----------------|-----------------|--------------------------|
| Hip | 68'873 | 82'919 | -16.9% | -17.5% |
| Knee | 47'343 | 53'664 | -11.8% | -13.0% |
| Extremities* | 6'060 | 4'181 | 44.9% | 41.7% |
| Spine | 12'532 | 10'874 | 15.3% | 11.9% |
| TOTAL | 134'808 | 151'638 | -11.1% | -12.2% |

* Extremities include Shoulder and Sports Med sales

Revenue in Europe had the largest decline (-17.3%) within the key markets, with “DACH” area countries (Germany, Austria, Switzerland) recording the smallest impact.

North America was heavily affected as well (-14.3%), with the deepest negative peak in April and the strongest acceleration in June among all Medacta’s markets.

APAC (+5.8%) had the best performance thanks to strong pre-COVID19 momentum, a limited COVID-19 impact in Japan and a short lock-down period in Australia.

RoW (-28.4%) was primarily affected by the situation in Latin America, South-Africa and Israel. New distributors in the Middle East and Eastern Europe areas are in the pipeline to further expand the Distributors network.

Below we show the 1H 2020 sales break-down by geographic area:

| (Thousand Euro) | 30.06.2020 | 30.06.2019 | Reported Growth | Constant Currency Growth |
|-----------------|----------------|----------------|-----------------|--------------------------|
| Europe | 59'289 | 70'587 | -16.0% | -17.3% |
| North America | 39'665 | 45'202 | -12.2% | -14.3% |
| Asia Pacific | 31'857 | 30'328 | 5.0% | 5.8% |
| RoW* | 3'997 | 5'521 | -27.6% | -28.4% |
| TOTAL | 134'808 | 151'638 | -11.1% | -12.2% |

* Other includes all other geographic locations, including Middle East.

These preliminary sales figures are unaudited for the periods ended June 30, 2020 and are therefore subject to change. The company expects to announce its second quarter and reviewed 2020 half-year financial and operating results on September 7.

2020 Annual Guidance

The positive sales performances in June confirms that backlog recovery can occur quickly if the environmental conditions allow. Even if this is encouraging, speed and size of recovery in the second semester of 2020 depend on the evolution of the COVID-19 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.

Conference Call Information

Medacta's 1H 2020 Preliminary unaudited top-line figures conference call will take place at 3:00 pm CET today. The event will be webcast live via this [link](#). The audio webcast of the conference call will be available on our website.

The telephone conference can be accessed at:

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About Medacta

Medacta is an international company specialized in the design and production of innovative orthopaedic products and the development of accompanying surgical techniques for joint replacement, spine surgery, and sports medicine. Established in 1999 in Switzerland, Medacta's products and surgical techniques are characterized by innovation. Medacta is a pioneer in developing new offerings on the basis of minimally invasive surgical techniques, in particular its Anterior Minimally Invasive Surgery (AMIS) technique for hip replacements. Medacta has leveraged its orthopaedic expertise and comprehensive understanding of the human body to develop the sophisticated MySolutions technology, which offers surgeons highly personalized pre-operative planning and implant placement methodologies by creating advanced personalized kinematic models and 3D planning tools for use in hip, knee, shoulder and spine procedures.

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 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

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.