

2023 | Half-year Results

Basel, 15 August 2023

Christoph Brönnimann CEO | Dirk Kirsten CFO



Disclaimer

This communication does not constitute an offer or invitation to subscribe for or purchase any securities of Medartis Holding AG. This publication may contain certain forward-looking statements and assessments or intentions concerning the company and its business. Such statements involve certain risks, uncertainties and other factors which could cause the actual results, financial condition, performance or achievements of the company to be materially different from those expressed or implied by such statements. Readers should therefore not place reliance on these statements, particularly not in connection with any contract or investment decision. The company disclaims any obligation to update these forward-looking statements, assessments or intentions. Further, neither the company nor any of its directors, officers, employees, agents, counsel or advisers nor any other person makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein or of the views given or implied, and accordingly no reliance should be placed on it.

This presentation contains specific forward-looking statements, beliefs or opinions, including statements with respect to the product pipelines, potential benefits of product candidates and objectives, estimated market sizes and opportunities as well as the milestone potential under existing collaboration agreements, which are based on current beliefs, expectations and projections about future events, e.g. statements including terms like “potential”, “believe”, “assume”, “expect”, “fore-cast”, “project”, “may”, “could”, “might”, “will” or similar expressions. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may result in a substantial divergence between the actual results, financial situation, development or performance of Medartis Holding AG and investments and those explicitly or implicitly presumed in these statements. There are several factors that could cause actual results and developments to differ materially from those expressed or implied by these statements and forecasts. Past performance of Medartis Holding AG cannot be relied on as a guide to future performance. Forward-looking statements speak only as of the date of this presentation and Medartis Holding AG, its directors, officers, employees, agents, counsel and advisers expressly disclaim any obligations or undertaking to release any update of, or revisions to, any forward-looking statements in this presentation. No statement in this document or any related materials or given at this presentation is intended as a profit forecast or a profit estimate and no statement in this document or any related materials or given at this presentation should be interpreted to mean that earnings per share for the current or future financial periods would necessarily match or exceed historical published earnings per share. As a result, you are cautioned not to place any undue reliance on such forward-looking statements.

Unless stated otherwise the information provided in this presentation are based on company in-formation. This presentation is intended to provide a general overview of Medartis Holding AG’s business and does not purport to deal with all aspects and details regarding Medartis Holding AG. Accordingly, neither Medartis Holding AG nor any of its directors, officers, employees, agents, counsel or advisers nor any other person makes any representation or warranty, express or implied, as to, and accordingly no reliance should be placed on, the accuracy or completeness of the information contained in the presentation or of the views given or implied. Neither Medartis Holding AG nor any of its directors, officers, employees, agents, counsel or advisers nor any other person shall have any liability whatsoever for any errors or omissions or any loss howsoever arising, directly or indirectly, from any use of this information or its contents or otherwise arising in connection therewith.

The material contained in this presentation reflects current legislation and the business and financial affairs of Medartis Holding AG which are subject to change and audit.

Agenda

[Half-year highlights](#)

Christoph Brönnimann, CEO

[Operational and financial review](#)

Dirk Kirsten, CFO

[Business update](#)

Christoph Brönnimann, CEO

[Outlook 2023](#)

Christoph Brönnimann, CEO

[Upcoming corporate events](#)

Half-year highlights

Christoph Brönnimann, CEO




H1 2023 | Key figures

TOTAL NET SALES IN CHF

 CHF **103.3** million

- Total sales increased by 20.8% (CER)
- EMEA key contributor
- US fastest growing region

REVENUE GROWTH

 **+16.1%** Internal¹

- Internal sales growth, which excl. NSI 3rd party custom manufacturing, reached 16.1%

EBITDA MARGIN IN %

 **12.6%**

- Underlying EBITDA margin amounted to 14.3% (excl. one-offs²)
- Gross margin decreased to 77.2 (77.7% excl. one-offs)

GUIDANCE

 **On track**

- Underlying H1 results were in-line with our FY guidance
- IT attack at the end of May temporarily slowed us down, but we are confident of regaining our momentum in the back half of the year

¹ "Internal growth" denotes the increase in sales at constant exchange rates (CER), excluding the impact of mergers, acquisitions, and divestments. NSI's contract manufacturing business for third parties is of no strategic significance and is therefore excluded from this calculation.

² The one-off costs in 2023 are related to the costs of remediating the IT attack. In 2022, the one-off costs for the NSI acquisition and the discontinued China business are excluded to facilitate the underlying operational performance.

H1 2023 | Business highlights



- We are particularly pleased with our performance in EMEA and the US
- The execution of our strategic initiatives leads to market share gains in our key segments Hand & Wrist and drives growth in lower extremities and our key markets
- Our partnerships with KeriMedical (which doubled sales in H1) and Field Orthopaedics are amplify our growth trajectory
- While sales volumes in Australia surged 15%, the anticipated price adjustments mandated by the Australian authorities dampened growth in the APAC region



- The IT attack at the end of May was well managed by the organisation and had only a temporary impact on our top line and profitability
- Completion of the IBRA laboratory in Basel; inauguration end of August
- Effective OpEx management mitigates the impact of a lower gross margin in H1, which can be attributed to a combination of various factors

Operational and financial review

Dirk Kirsten, CFO



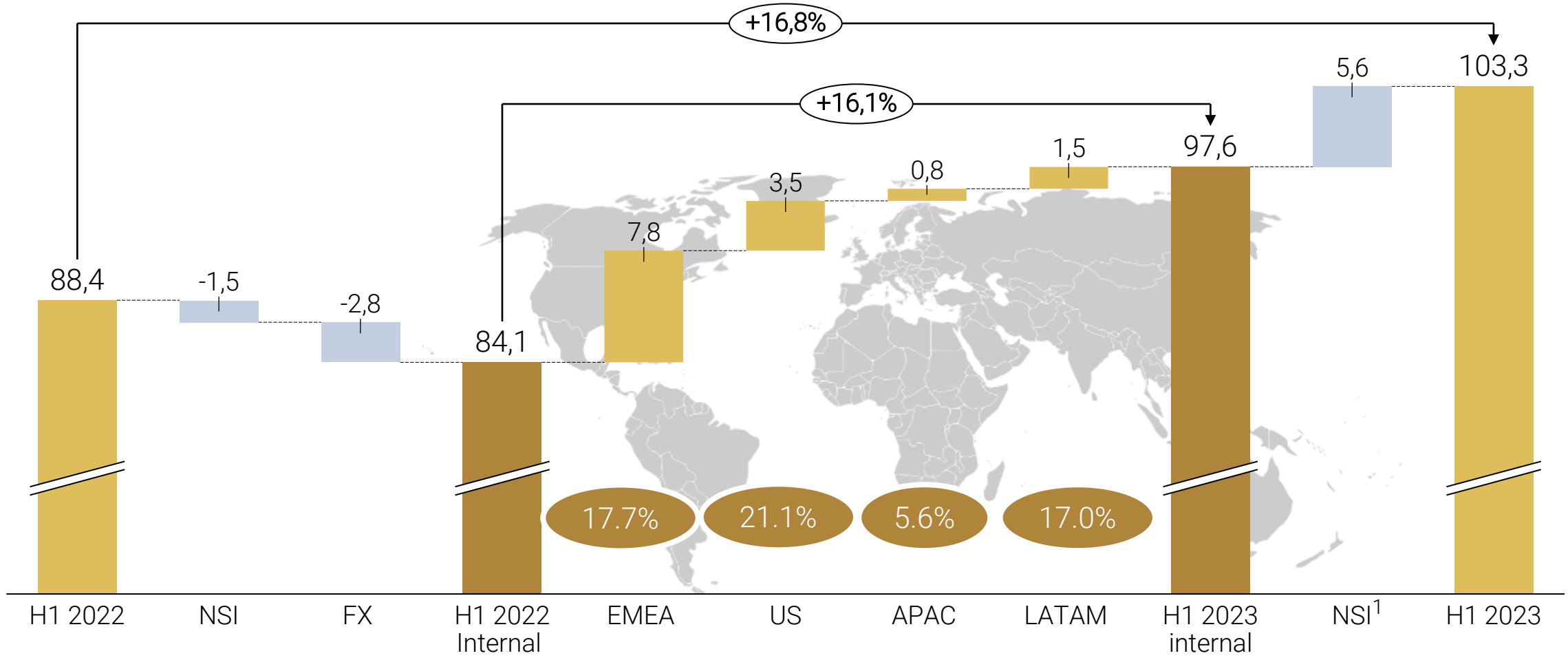
We successfully fended off IT attack at the end of May

- Following the IT attack at the end of May, we immediately took countermeasures:
 - IT security
 - Forensic
 - data protection authorities
- ...and resumed operational systems in June
- During the one-week production interruption, we transitioned to manual processes and customers were mostly served from existing stock
- The operations were completely restored mid of June and supply orders were back-filled end of June
- IT remedy costs amounted to CHF 1.8 million and incident impacted our H1 sales growth by approx. 3 growth PP



EMEA and US were the main growth drivers in H1

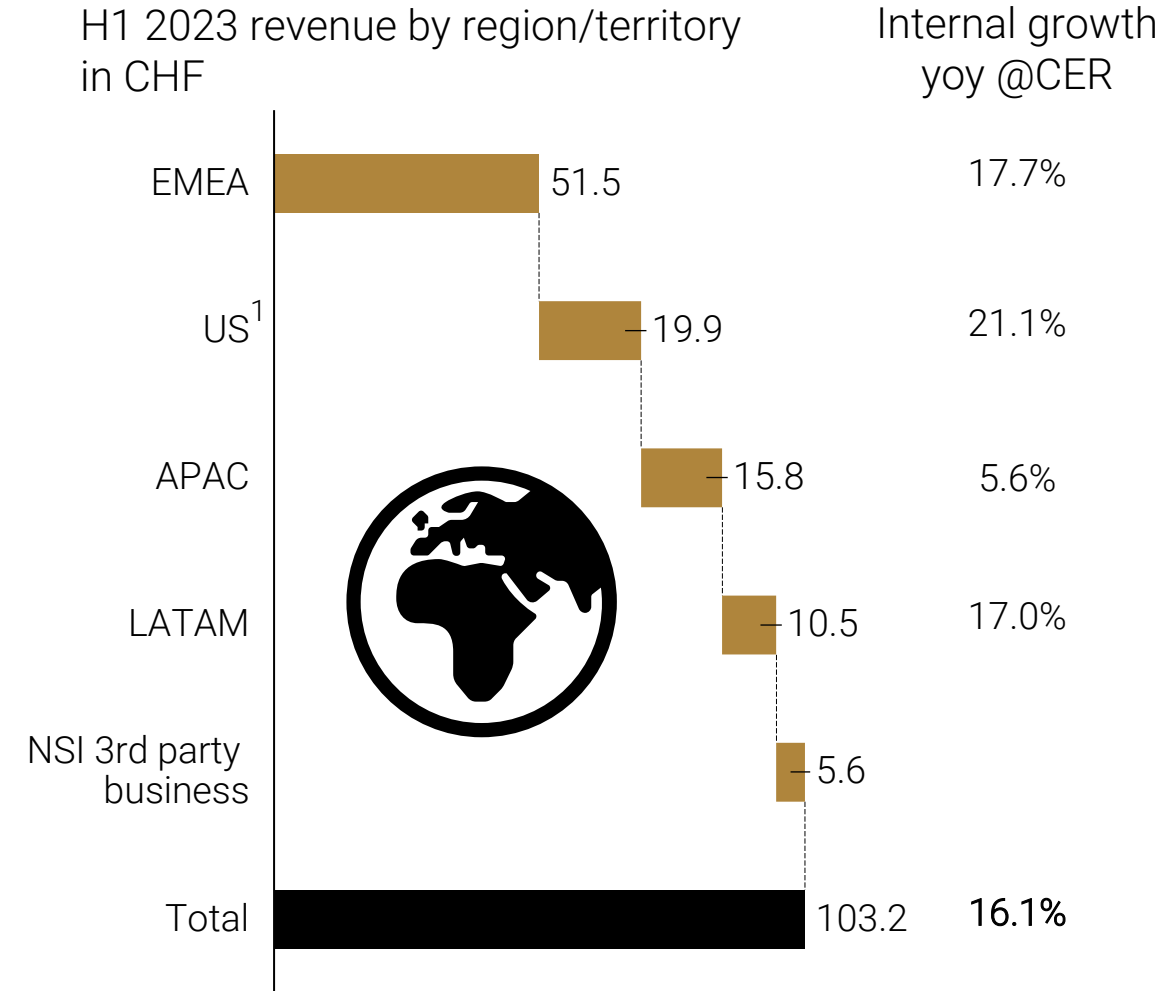
Net sales in million CHF and internal growth yoy (CER)



¹ Sales from NSI's third party custom manufacturing business, which is not considered strategic for the company.

Double-digit growth in 3 out of 4 regions...

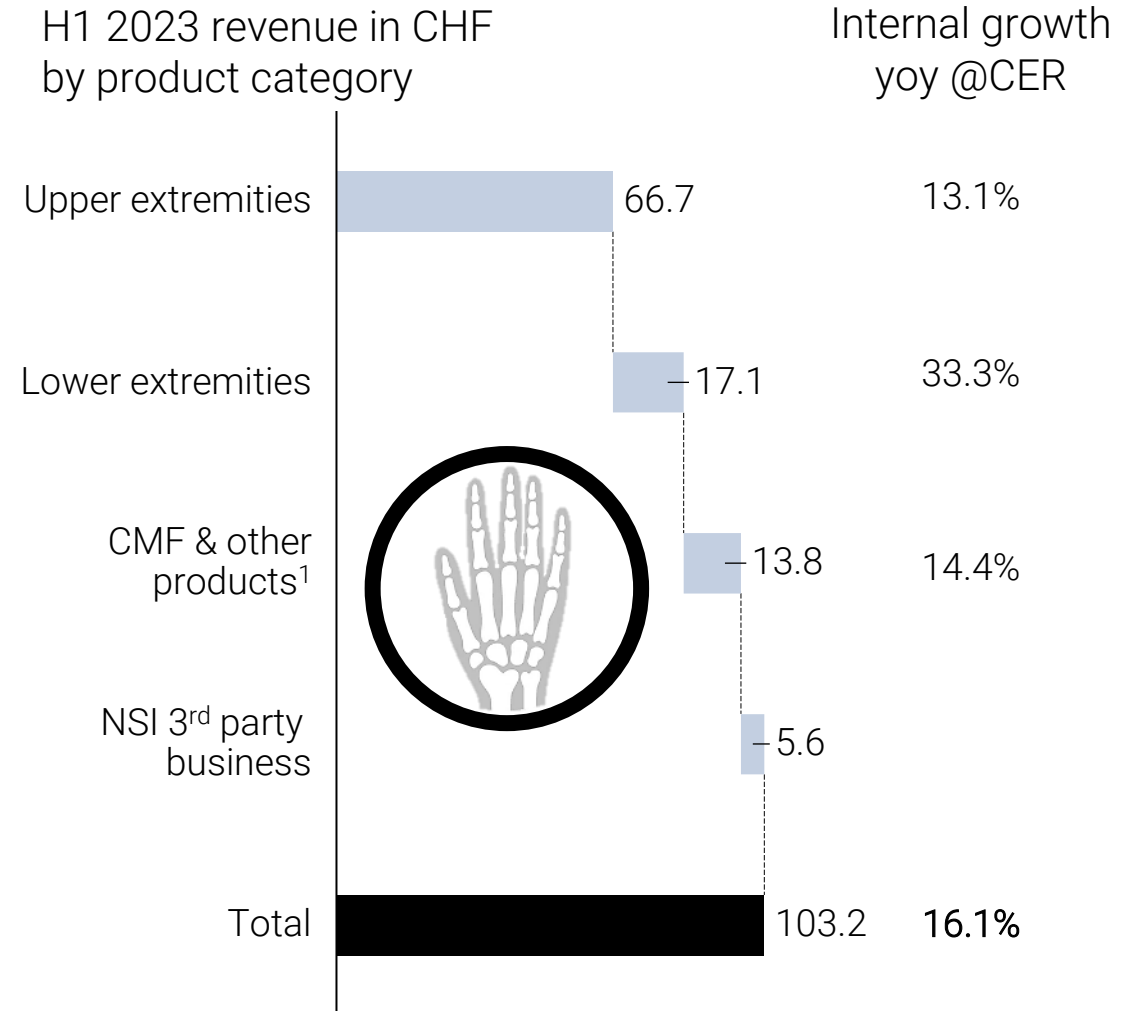
- US trajectory increased sequentially to 21.1%
- Germany contributed 1/3 of the regional growth, driven by strong demand for screw and plate products launched in recent years as well as KeriMedical's hand solutions
- Impressive growth in the UK, Poland and Spain, where sales levels again almost doubled
- Positive volume trend in APAC, but revenue impacted by public price adjustments in Australia
- Switzerland and France grew less due to soft winter
- Dynamic growth in Mexico; temporary gap in the registration of new products in Brazil



¹ NSI's contract manufacturing business for third parties is of no strategic significance and is therefore excluded from this calculation.

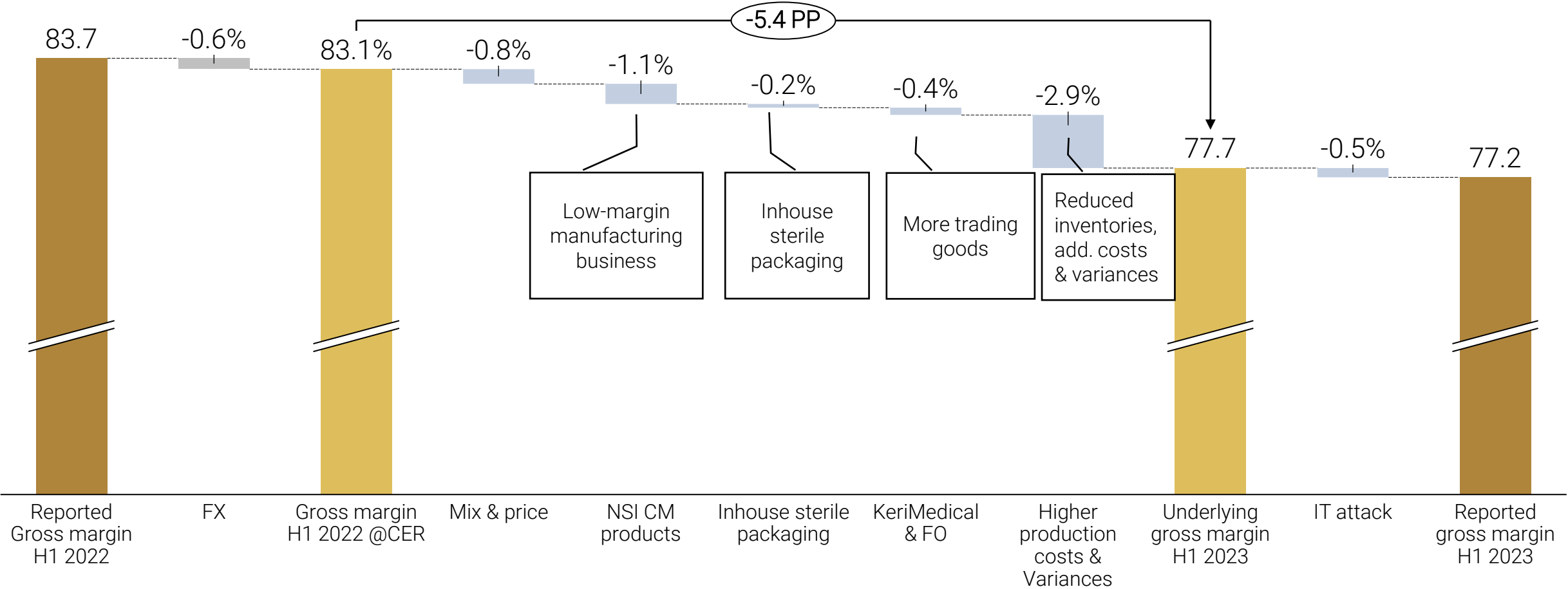
... and across all product categories

- Strong sales of the ankle trauma set, expansion in the forefoot as well as cannulated CCS screws were the main growth drivers in lower extremities.
- Double-digit growth in shoulder, hand and wrist
- We made inroads with the distal ulna, the wrist spanning, and the forearm shaft plates
- KeriMedical's sales nearly doubled year-on-year
- Demand for the CMX digital planning service also developed positively
- CMF sales in the APAC region below PY due primarily to the strong comparative sales (initial Modus 2 sales in H1 2022)



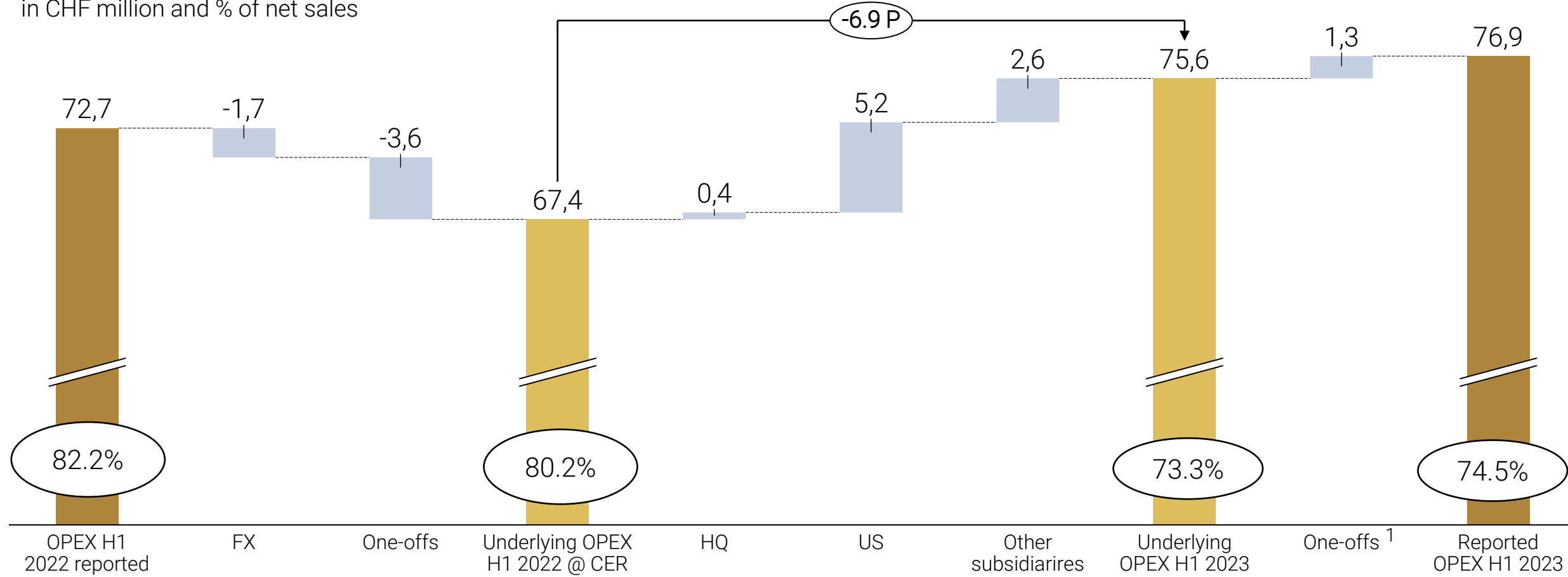
Gross margin impacted by mix effects, higher energy costs and inventory optimisation

in % of net sales



Cost-control: OpEx ratio decreased by 6.9 PP

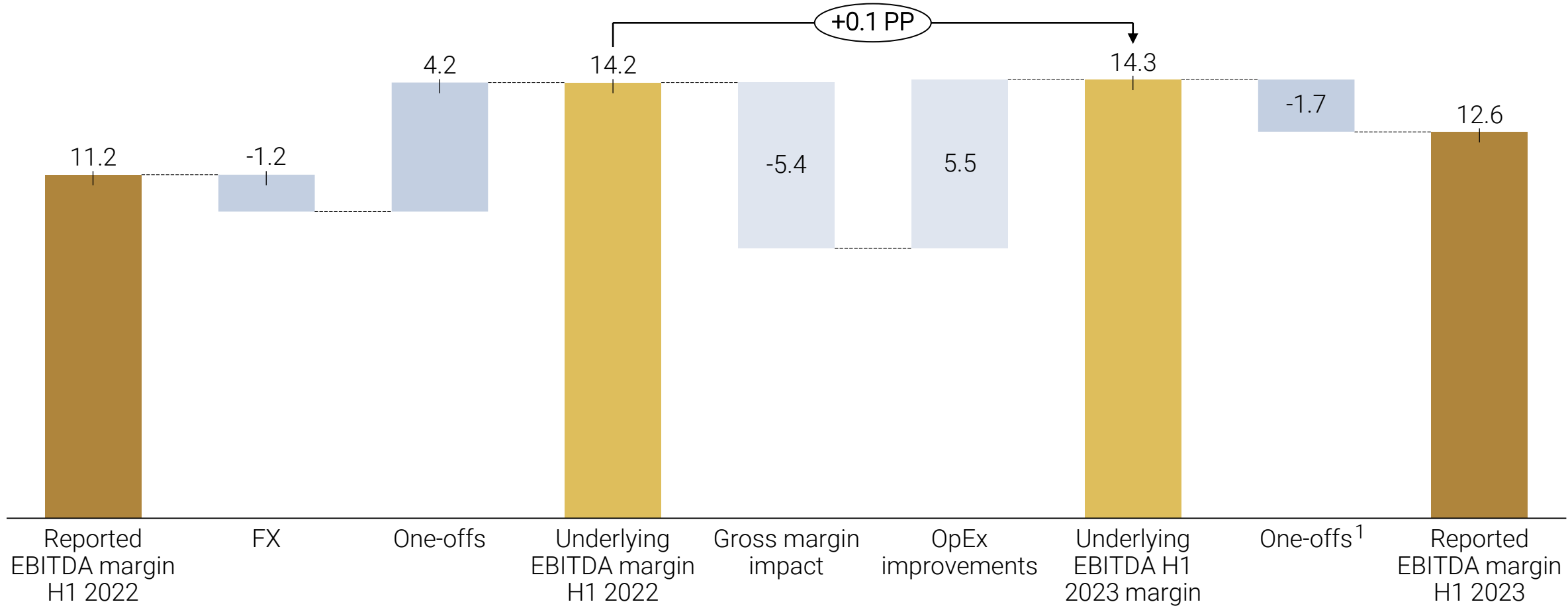
in CHF million and % of net sales



¹ The one-off costs in 2023 are related to the costs of remediating the IT attack. In 2022, the one-off costs for the NSI acquisition and the discontinued China business are excluded to facilitate the underlying operational performance.

EBITDA | OpEx control offset the decline in gross margin

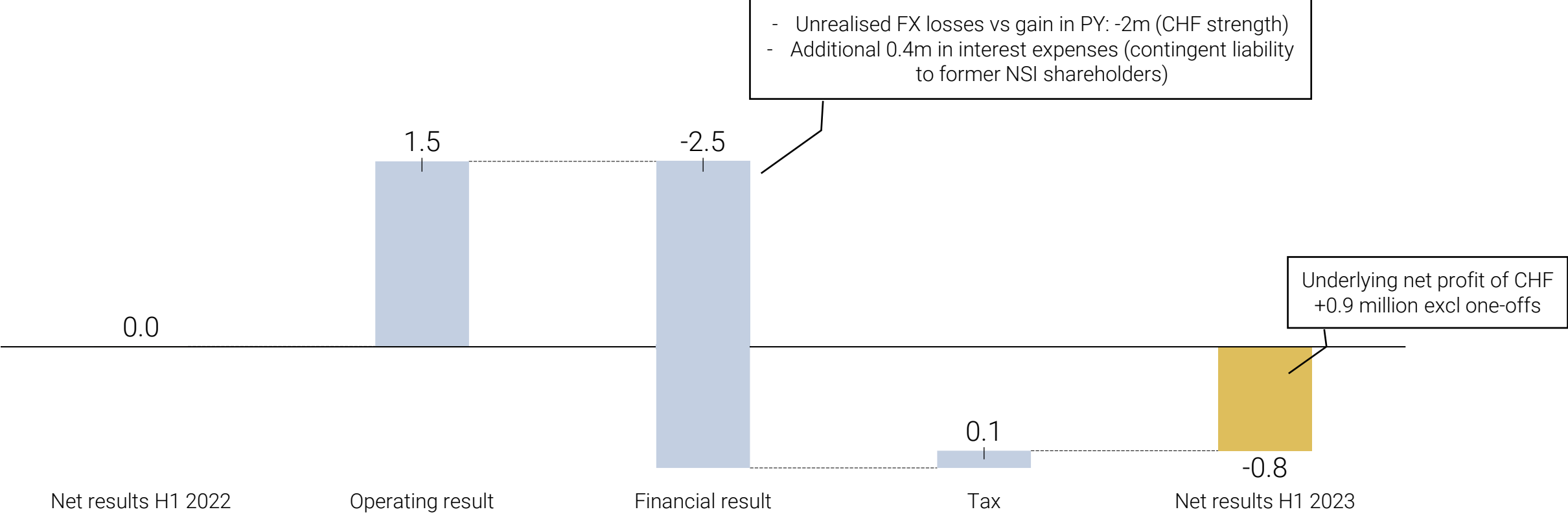
in % of net sales



¹ The one-off costs in 2023 are related to the costs of remediating the IT attack. In 2022, the one-off costs for the NSI acquisition and the discontinued China business are excluded to facilitate the underlying operational performance.

Net result impacted higher finance expenses and one-offs

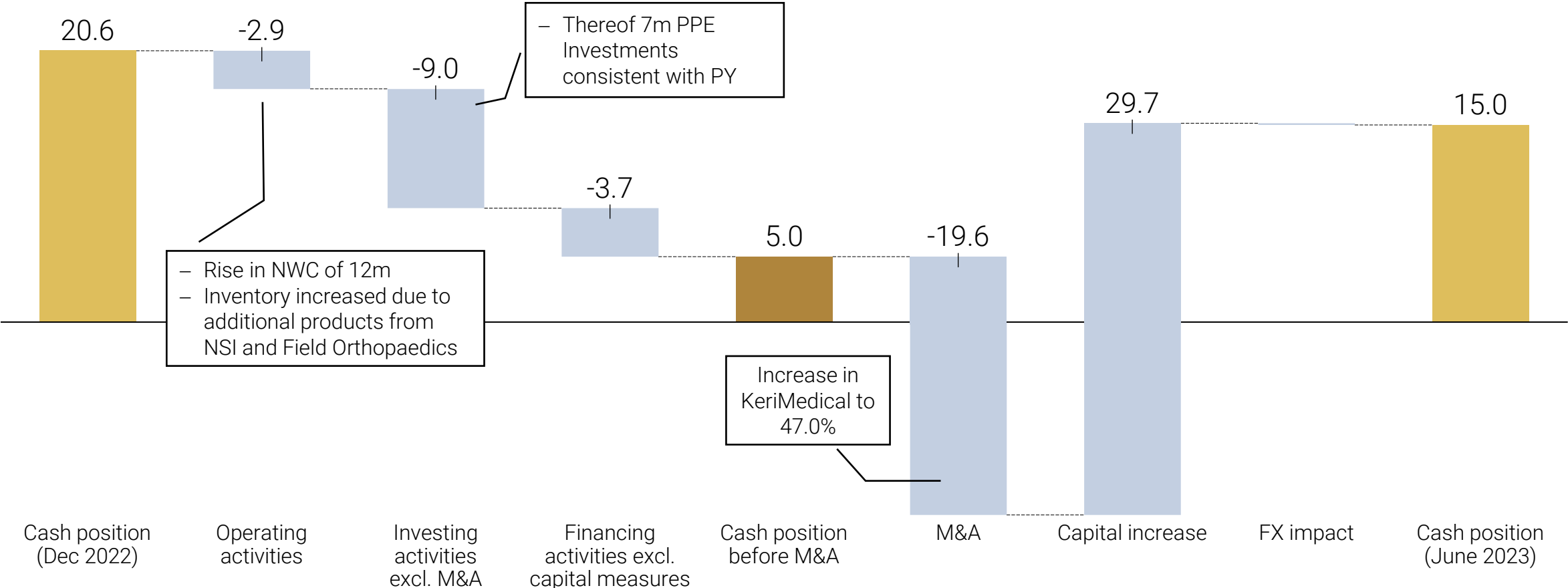
in CHF million



¹ contingent consideration liabilities for potential future milestone payments
² one-off costs related to the recent NSI acquisition and the discontinued China business

Growth investments - both organic and through M&A

in CHF million



Business update

Christoph Brönnimann, CEO



Execution of our strategy drives robust growth

Short- to medium-term priorities

1	DELIVER INNOVATION <ul style="list-style-type: none">- Launch NSI legacy products in the US- Global launches in all segments- Expand digital offering
2	PROFITABLE GROWTH <ul style="list-style-type: none">- Capture full market potential in major indications (distal radius, foot & ankle)- Further increase the market penetration of "KeriMedical" products- Develop and enhance US distribution channel
3	PROTECT OUR MARGIN <ul style="list-style-type: none">- Prepare production transfer to Warsaw- Continuous optimisation of production cost

Main activities

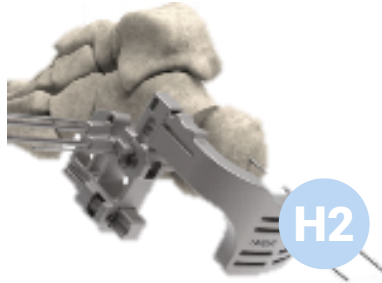
- LapiPrep launch started end of Q1, very positive surgeon feedback, first cases done with StealthFix
- Focus on surgeon conversion, sales force training and expanding of lower extremity sales channel in the US
- Global launches on track, added CMX ankle to digital offering

- Key priority is to increase share in hand & wrist across all markets. Field Orthopaedic and KeriMedical are gaining traction
- Focus is on training surgeons in rhizarthrosis treatment and driving market penetration with of the TOUCH[®] prosthesis and KeriFlex[®]
- Expanding global lower extremities sales force with an attractive new product pipeline in the coming years

- Gross margin expected to improve in H2 2023

Current and upcoming product introductions in 2023

CalcShift™
(Calcaneal
Osteotomy)
Full Launch US



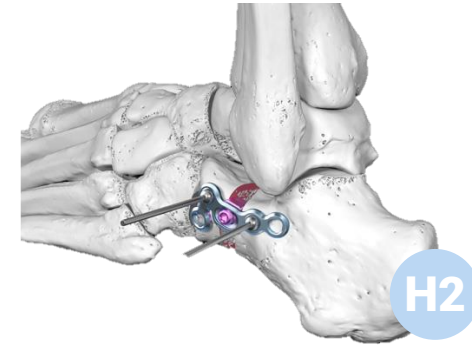
H2

CCS Extension &
Metacarpal
Full Launch Global



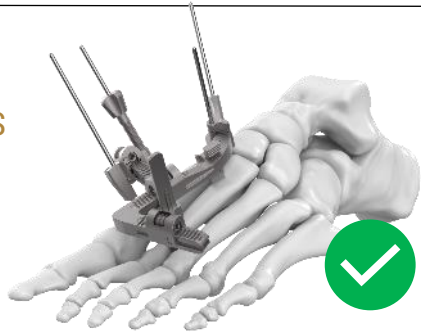
H2

Foot Ortho
Full Launch Global



H2

LapiPrep
Full Launch US



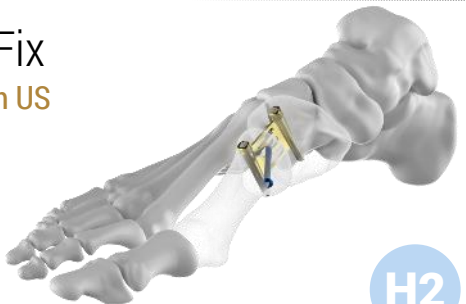
KeriFlex®
US launch



CMX Ankle
EMEA Launch

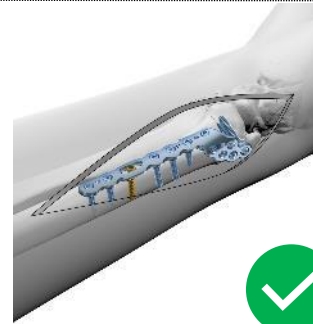


StealthFix
Full Launch US

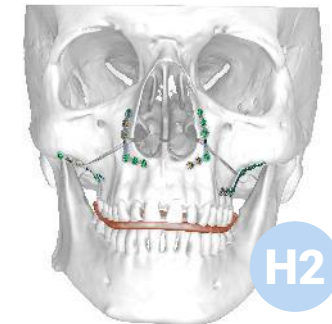


H2

Distal Ulna Plate
Full Launch Global



CMX Orthognathic
EMEA Launch



H2

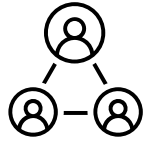


Launched Year-to-date 2023

H2

To be launched in the remainder of the year

US performance: continue to build momentum



- Internal sales growth in H1 reached 21% and even 27% before the IT attack
- Strong improvements in all territories with 3 out of 5 areas outperforming
- On track in expanding our sales channels with focus on top 20 states – shift towards larger fully dedicated extremities distributors



- Good momentum in lower extremities; very positive surgeon reactions to our bunionectomy solution 'LapiPrep'; initial sales following the launch in Q2



- KeriFlex (KeriMedical) and NX Nails from Field Orthopaedics (introduced in Q4) have gained traction and contribute to strong growth in hand segment

- Our National Accounts Team has signed a multi-year agreement with one of the Top 5 Healthcare systems (GPOs¹) expanding access to > 3000 hospitals and ASCs² as of July 1st

- Continue to expand IBRA course offering in collaboration with fellowship centres

- Improved cost basis following closure of former US head office in Exton, PA



¹ Group purchasing organisation ² Ambulatory surgery centers

Made in Switzerland | One million distal radius plates sold



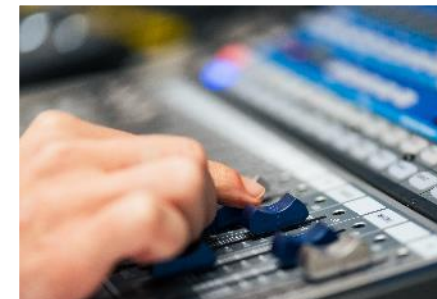
From right: Dr Markus Rau, Head Physician of the Clinic for Surgery and Head of Hand Surgery at Kantonsspital Schaffhausen placed the one million plate in May. He is joined by Daniel Kainz, Senior Global Product Manager

- Since its introduction in 2005, we have sold the one millionth APTUS Distal Radius 2.5 plate in May
- One plate is sold every 5 minutes worldwide
- Currently all plates are manufactured in Basel, Switzerland, where also more than 7 million screws have been produced for the treatment of distal radius fractures
- One of the most researched and best documented implant system in the industry
- Success in our traditional markets in Europe and Australia with market shares of >35%, which we would like to repeat worldwide and in other upper limb indications (e.g. elbow, shoulder, hand)

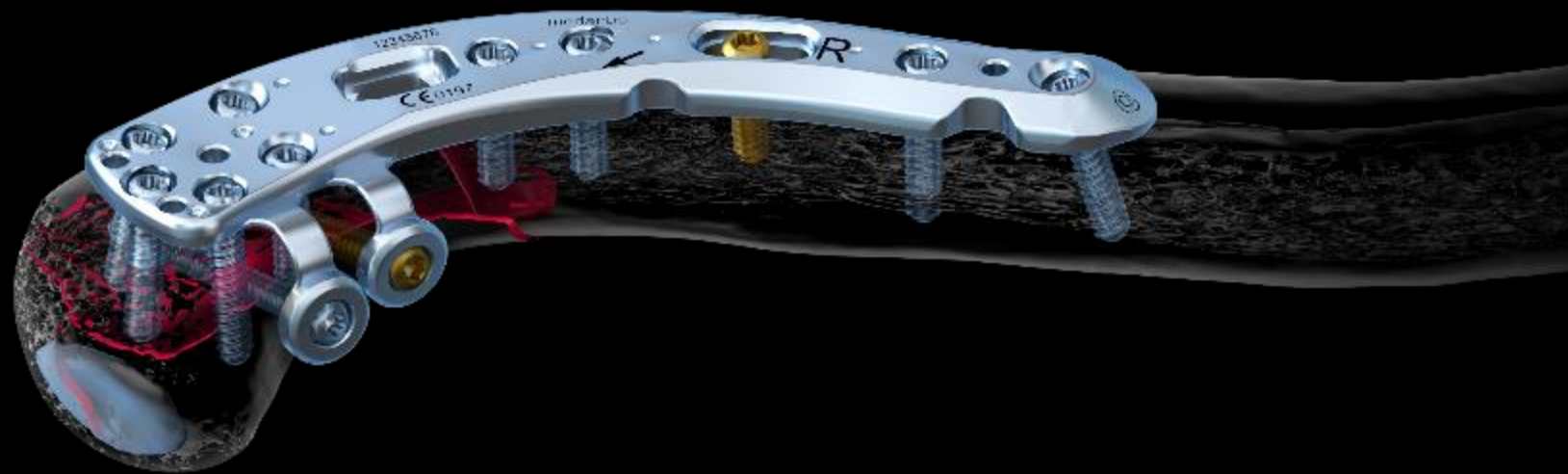


New IBRA training center to open at the end of the month

- New international training and education center in Basel to open on 24 August in close collaboration with the IBRA institute
- Centre will help surgeon and OR staff learn and improve their theoretical and practical skills
- The center has a wet and dry laboratory with 12 surgical stations with various setting options to accommodate up to 80 participants at a time
- Diagnostic radiology equipment will give surgeons real-time feedback on the surgeries they have performed in the lab and pre-fractured specimen can simulate natural conditions as life-like clinical cases
- Bringing together R&D alongside surgeon training under a single roof will catalyse product development, propel conversion efforts, and facilitate IBRA's expansion into the global arena

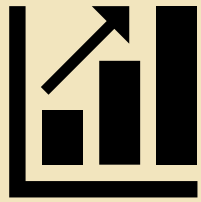


Outlook 2023



Outlook 2023 confirmed

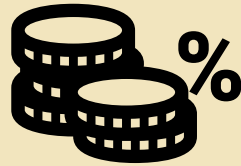
(barring any unforeseen circumstances)



Internal sales growth

15%-18%

Favorable market environment;
focus on the high-growth
extremity segment with market
growth of c4-6%



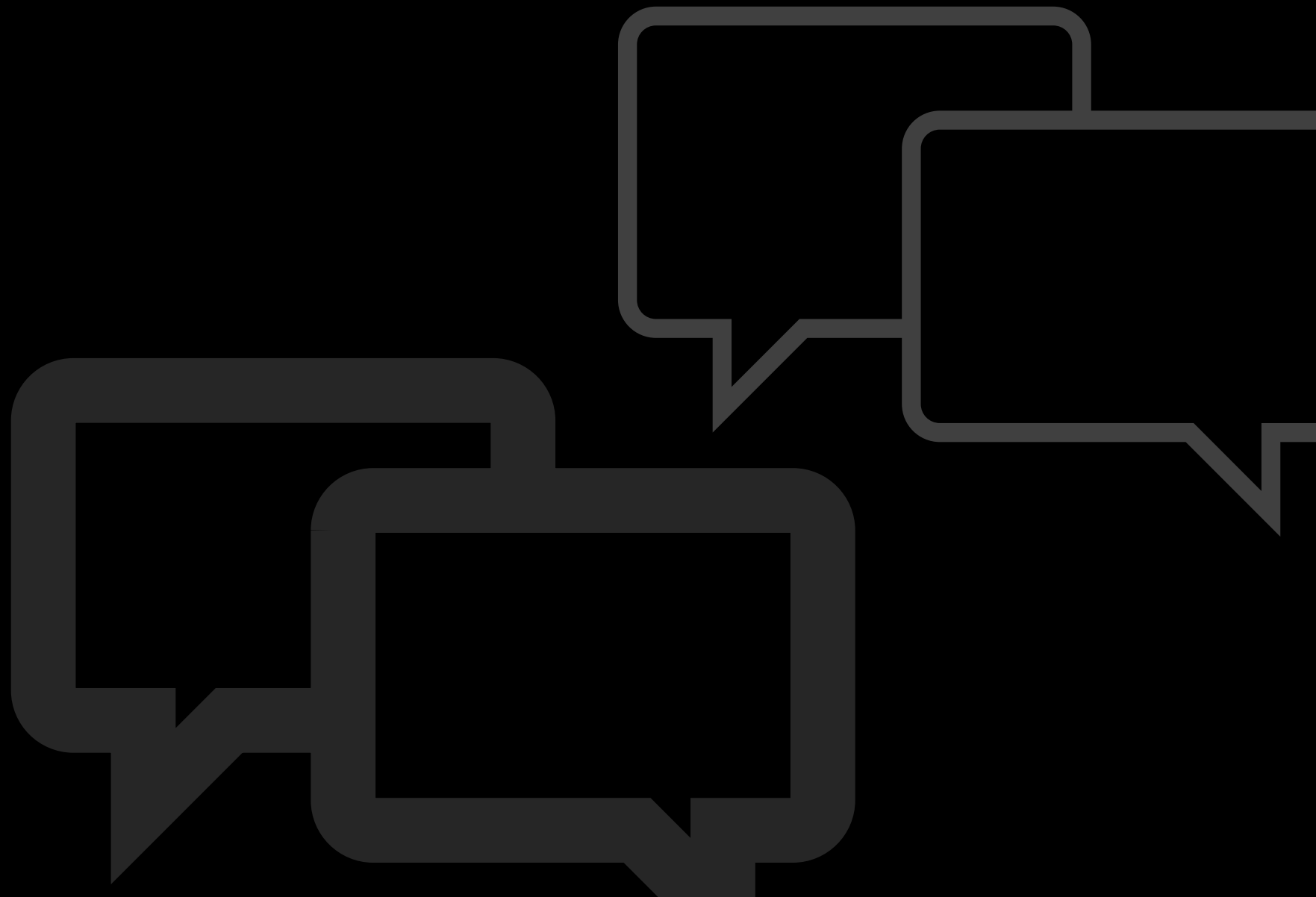
Underlying EBITDA margin

13%- 15%

benefiting from operating
leverage and cost discipline



Q&A



Upcoming corporate events

Date	Event	Broker	Destination
2023			
15 August	2023 half-year results publication		Webcast
29 August	Investor meetings (virtual)	Octavian	US / UK
30 August	Investor meetings	Octavian	Frankfurt
31 August	Investor meetings	ZKB	Zurich
05 September	Investor meetings		Paris
19 September	Investor meetings (virtual)		US
02 November	Swiss Equity Conference	ZKB	Zurich
15 November	Healthcare Conference	Jefferies	London
2024			
12 March	2023 full-year results publication		Basel
17 April	Annual General Meeting 2024		Basel, Medartis HQ



Investors: investor.relations@medartis.com
Journalists: corporate.communication@medartis.com



“Restoring quality of life”

medartis

