

Medartis Holding AG
Hochbergerstrasse 60E
CH-4057 Basel

PRESS RELEASE

Medartis announces strong growth in the first half of 2018 – successful start as a listed company

Basel, Switzerland, 22 August 2018 – Medartis Holding AG (SIX: MED), a leading manufacturer and provider of medical devices for surgical fixation of bone fractures, achieved strong year-on-year sales growth of 23% in the first six months of 2018, alongside the completion of its IPO in March. Adjusted EBITDA (excluding IPO costs) was CHF 9.0 million, up 5%, reflecting the continued expansion of the business. For the full-year 2018, Medartis expects sales growth in local currencies in the high teens and an adjusted EBITDA margin (excluding IPO costs) of 15% to 16%.

Medartis will hold an H1 2018 results conference (in German) for investors, analysts and media at its headquarters today at 10.30 CEST, and a telephone conference (in English) will be held today at 14.00 CEST.

CHFm	H1 2017	H1 2018	H1 2018 (excl. IPO) ⁽¹⁾	change (excl. IPO) ⁽¹⁾
Sales	49.6	61.0	61.0	23%
Gross profit	40.9	50.1	50.3	23%
Opex	35.7	48.3	45.2	27%
Operating profit (EBIT)	5.1	1.8	5.0	-2%
EBIT margin	10%	3%	8%	-2pp
EBITDA	8.6	5.8	9.0	5%
EBITDA margin	17%	10%	15%	-2pp
Headcount	389	510	510	31%

1) Excl. capital market related costs (IPO) of CHF 3.2 million in H1 2018

In the first half of 2018, Medartis increased its sales by 23% to CHF 61.0 million compared to the first six months of 2017. All of Medartis' regions and business segments contributed to this strong result. Exchange rate movements had an overall positive impact on sales; in local currencies, sales increased by 21% in the first half of 2018 compared to the prior-year period.

In line with Medartis' growth strategy, profitability reflected higher operating expenses in the first half of 2018, to further expand market presence and strengthen the business in key countries. Adjusted EBITDA (excluding IPO costs) was CHF 9.0 million, up 5%, with an adjusted EBITDA margin of

15% compared to 17% in the first half of 2017. Including IPO costs, EBITDA was CHF 5.8 million, and the EBITDA margin was 10% in the first six months of 2018. Adjusted EBIT (excluding IPO costs) was 2% lower at CHF 5.0 million, and EBIT including IPO costs was CHF 1.8 million.

Medartis recorded a net profit of CHF 1.2 million in the first half of 2018 (H1 2017: CHF 2.5 million). Cash flow from operating activities was CHF 2.6 million compared to CHF 2.7 million in the prior-year period.

Willi Miesch, CEO of Medartis: “We are pleased with the results for the first half of 2018, as we continued to achieve broad-based growth across geographies and businesses, alongside the completion of our IPO. While being vigilant regarding costs, we will continue to invest in our business to further leverage our good momentum.”

Growth in all regions

EMEA continued to develop strongly in the first half of 2018, with sales of CHF 34.0 million or 15% growth in local currencies. Both Medartis’ subsidiaries as well as its distributor markets contributed to this strong result.

In North America, sales increased to CHF 9.3 million, with 15% growth in local currency. Efforts to strengthen management capacity, sales force and customer education programs were intensified.

With sales of CHF 11.2 million and local growth of 18% in APAC, Medartis continued to benefit from its strong momentum in established markets and the expansion of its market presence in new countries.

In LATAM, Medartis achieved CHF 6.5 million in sales with growth in local currencies of 97%. In Brazil, where Medartis acquired and integrated its main distributor Extera in the second half of 2017, sales were strong despite the challenging macroeconomic situation. Medartis also performed well in distributor markets in South America.

Strong development of business segments

Upper Extremities, Medartis’ largest business segment, recorded sales of CHF 43.5 million in the first half of 2018, up 19% compared to the same period last year. The hand, wrist and elbow product lines all contributed to the strong result.

Lower Extremities, Medartis’ youngest business segment, expanded dynamically as sales rose 43% to CHF 8.3 million in the first half of 2018.

The CMF and Others business segment, which comprises solutions for the craniomaxillofacial region as well as instruments and containers, grew sales by 29% to CHF 9.2 million in the first six months of 2018. The CMF product line achieved above-market growth during the period.

2018 outlook

For the full-year 2018, management is confident that Medartis will deliver growth above the market and expects sales growth in local currencies in the high teens. The adjusted EBITDA margin (excluding IPO costs) is expected to be in the range of 15% to 16% for the full-year 2018.

Medartis will continue to invest in its business and its international presence. In the US, the focus is on driving forward commercialization efforts and strengthening the sales force. In Brazil, Medartis intends to further expand its presence with own sales forces. In Japan, operations of Medartis' subsidiary are planned to begin by the end of 2018.

Documents 2018 half-year results

The press release, the presentation as well as the 2018 Half-Year Report are available at <http://www.medartis.com/investors-media/financial-statements/>.

Investor, analyst and media conference in Basel (in German)

Date: Wednesday, 22 August 2018

Time: 10:30 CEST

Speakers: Willi Miesch, CEO; Dominique Leutwyler, CFO

Location: Medartis headquarters, Hochbergerstrasse 60E, CH-4057 Basel

Telephone conference (in English)

Date: Wednesday, 22 August 2018

Time: 14:00 CEST

Speakers: Willi Miesch, CEO; Dominique Leutwyler, CFO

Join with PC, Mac, Linux, iOS or Android: <https://medartis.zoom.us/j/253241833>

Dial-in numbers by telephone:

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Meeting ID: 253 241 833

iPhone one-tap:

Switzerland +41315280988, 253241833#

UK +442036950088, 253241833#

US +16699006833, 253241833#

Financial calendar

8 April 2019

Publication of 2018 full-year results and 2018 Annual Report

10 May 2019

Annual General Meeting

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About Medartis

Founded in 1997 and headquartered in Basel, Switzerland, Medartis is one of the world's leading manufacturers and providers of medical devices for surgical fixation of bone fractures for upper and lower extremities as well as for the craniomaxillofacial region. Medartis employs over 500 individuals across its 12 locations, with products offered in 52 countries globally. Medartis is committed to providing surgeons and operating theater personnel with the most innovative titanium implants and instruments as well as best in class services that represent advances in osteosynthesis. For more information, please visit www.medartis.com.

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Medartis Group Interim Consolidated Financial Statements

Interim Consolidated Balance Sheet

CHF	Unaudited 30 Jun 2018	Audited 31 Dec 2017
Assets		
Current assets:		
Cash & cash equivalents	122 815 884	1 973 308
Accounts receivable trade	21 003 548	19 368 250
Accounts receivable other	495 404	1 323 939
Income tax receivables	2 286 036	3 217 140
Inventories	36 166 882	35 029 849
Prepaid expenses and accrued income	1 222 095	1 153 080
Total current assets	183 989 850	62 065 566
Non-current assets:		
Property, plant and equipment	34 631 843	32 743 881
Intangible assets	8 188 848	8 368 814
Financial assets	1 064 098	1 005 637
Deferred tax assets	27 732 122	26 308 429
Total non-current assets	71 616 911	68 426 760
TOTAL ASSETS	255 606 761	130 492 326
Liabilities and equity		
Current liabilities:		
Accounts payable trade	5 919 796	6 661 031
Accounts payable other	9 817 761	10 342 162
Accrued expenses	1 221 831	1 259 973
Current financial debt and other financial liabilities	2 222 714	12 417 442
Provisions	627 702	628 405
Total current liabilities	19 809 804	31 309 014
Non-current liabilities:		
Financial debt and other non-current liabilities	2 230 133	62 161 179
Provisions	2 238 101	2 214 311
Employee benefit obligation	13 268 455	14 057 558
Deferred tax liabilities	3 732 005	3 711 994
Total non-current liabilities	21 468 694	82 145 042
Total liabilities	41 278 498	113 454 056
Shareholders' equity:		
Issued share capital	2 348 201	1 457 897
Capital reserves	252 451 944	58 717 103
Currency translation adjustment	2 282 796	3 065 622
Retained earnings	-42 754 678	-46 202 350
Total shareholder's equity	214 328 263	17 038 271
TOTAL LIABILITIES AND EQUITY	255 606 761	130 492 326

Interim Consolidated Income Statement

CHF	unaudited	unaudited
	H1 2018	H1 2017
Sales	61 035 215	49 606 056
Cost of goods sold	-10 941 371	-8 731 129
Gross profit	50 093 844	40 874 928
Selling and distribution	-29 827 347	-21 163 590
Administration	-11 590 846	-9 107 465
Research and development	-6 862 733	-5 474 511
Operating profit	1 812 918	5 129 363
Finance income	89 632	15 121
Finance expense	-1 031 814	-3 133 576
Income before taxes	870 737	2 010 907
Income tax	311 094	490 649
Net profit attributable to Medartis Holding AG shareholders	1 181 831	2 501 557

Basic earnings per share in CHF:

0.12

1.72

There is no dilution effect