



Restoring quality of life.



Dirk Kirsten, CFO
14 May 2023, Stifel Suisse Equity Conference, Interlaken



03-2023

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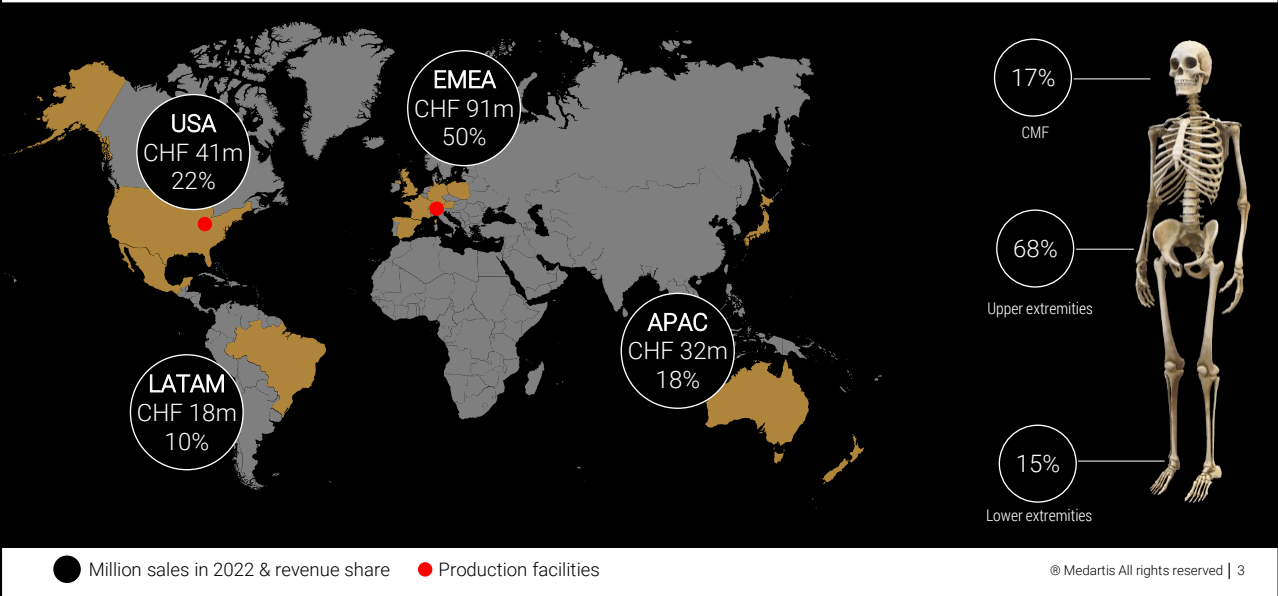
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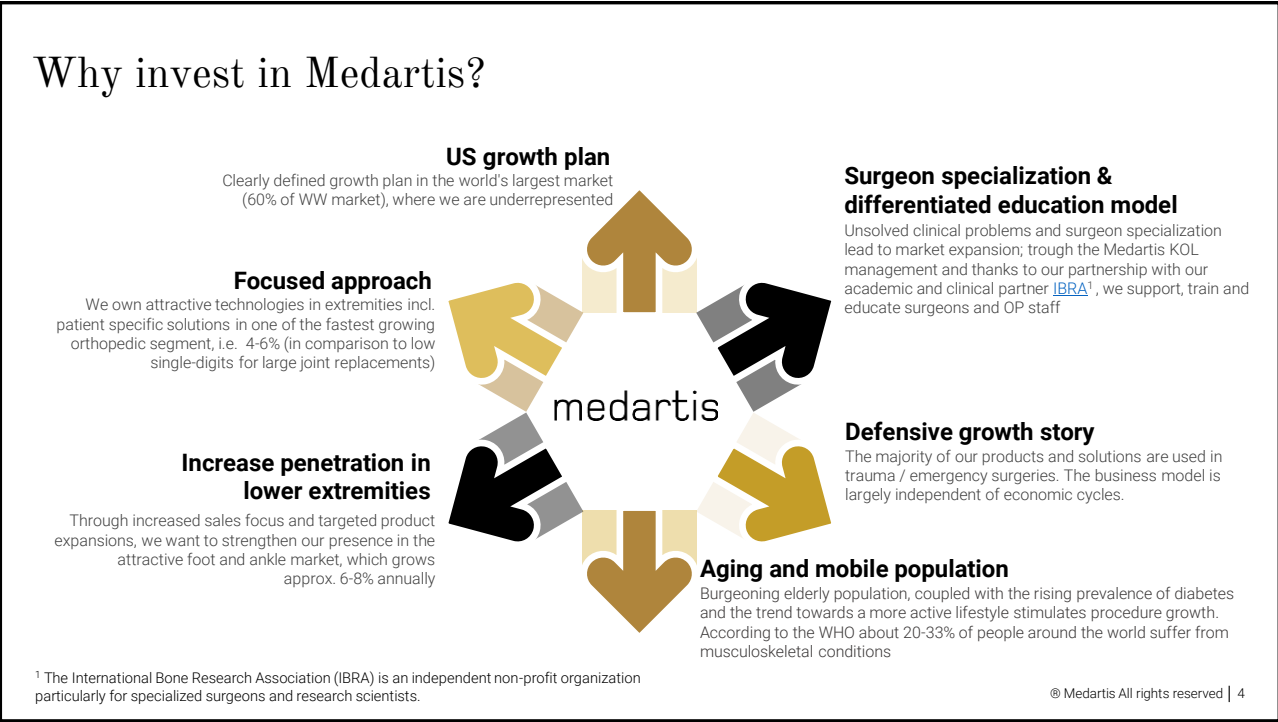
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Medartis is direct in 13 locations and offers products in over 50 countries worldwide

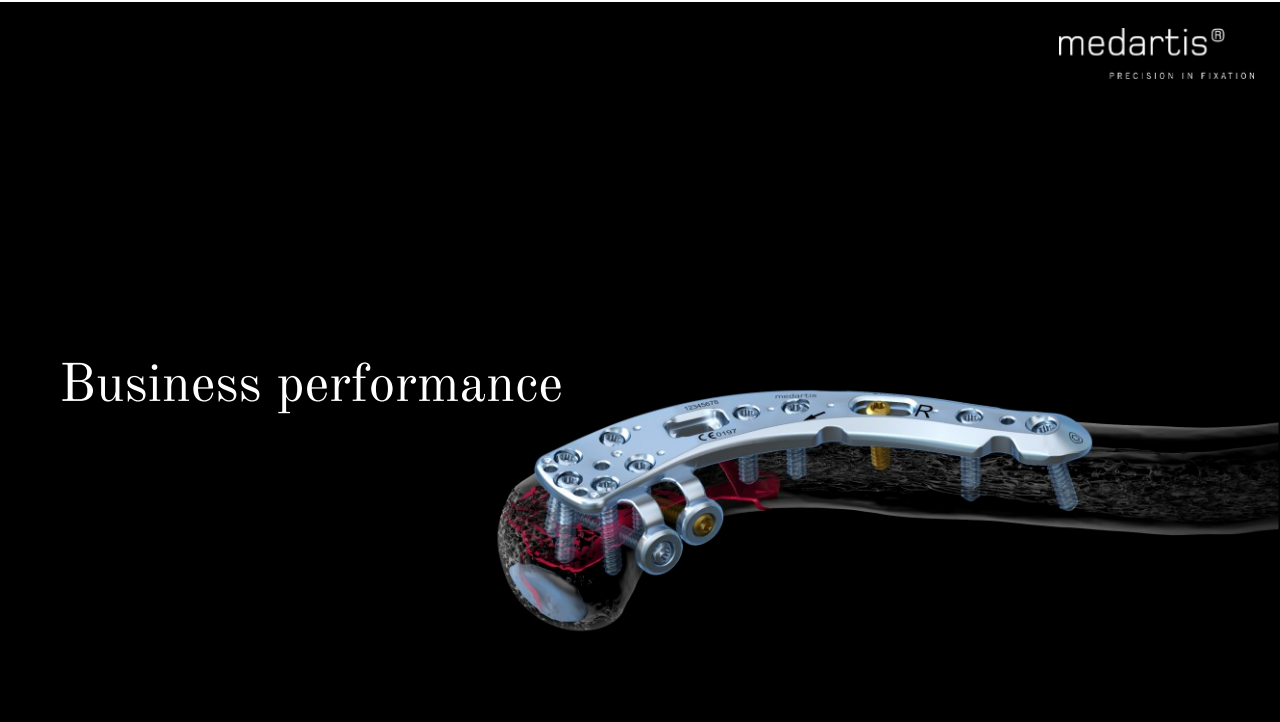


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Why invest in Medartis?



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Medartis in numbers



182.8
million sales in FY 2022




1997
year of foundation




17.8%
sales growth
(organic: 14.6%)



866
employees
worldwide




81.8%
gross profit margin



13
subsidiaries and products
offered in >50 countries



12.8%
Underlying¹ EBITDA
margin in 2022



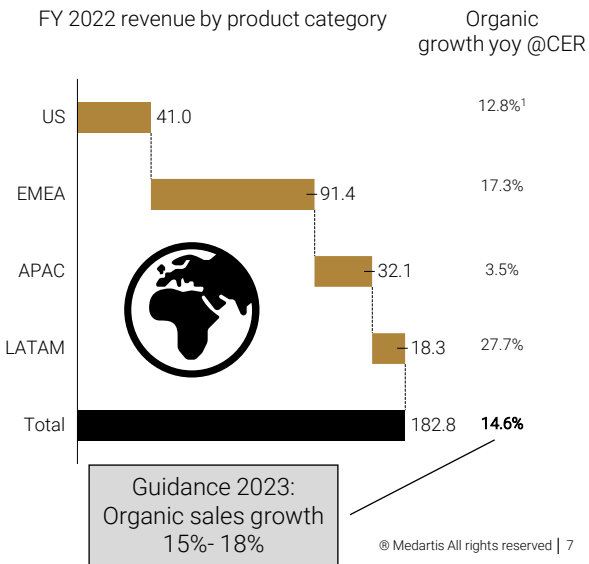
>350,000
Our products and services play an
important part in restoring the quality
of life of thousands of patients p.a.

¹ The term "underlying" excludes one-off effects from mergers and acquisitions

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2022 | Business highlights

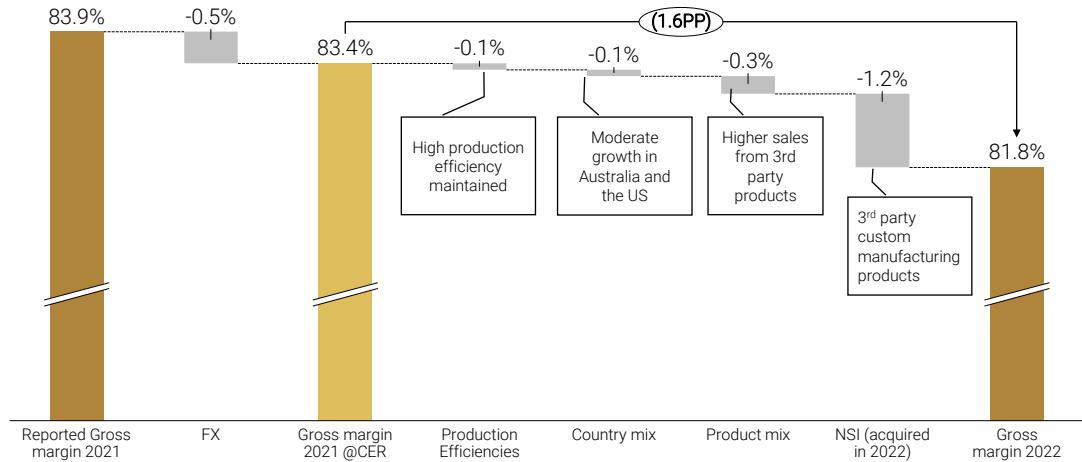
- Market share gains across all product categories with low double-digit increases
- We are particularly pleased with our performance in EMEA and LATAM
- APAC still struggled with low activity levels in elective procedures for most of the year
- Despite double-digit organic growth, it was a year of change for us in the US. Growth accelerated sequentially (H1: 9.8% and H2: 15.5%)
- US team concluded the NSI integration in Q4 and we have established global responsibilities for production, quality and R&D
- Concentrating our US operations in Warsaw in one single destination in March 2023



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Gross margin adversely affected by NSI acquisition

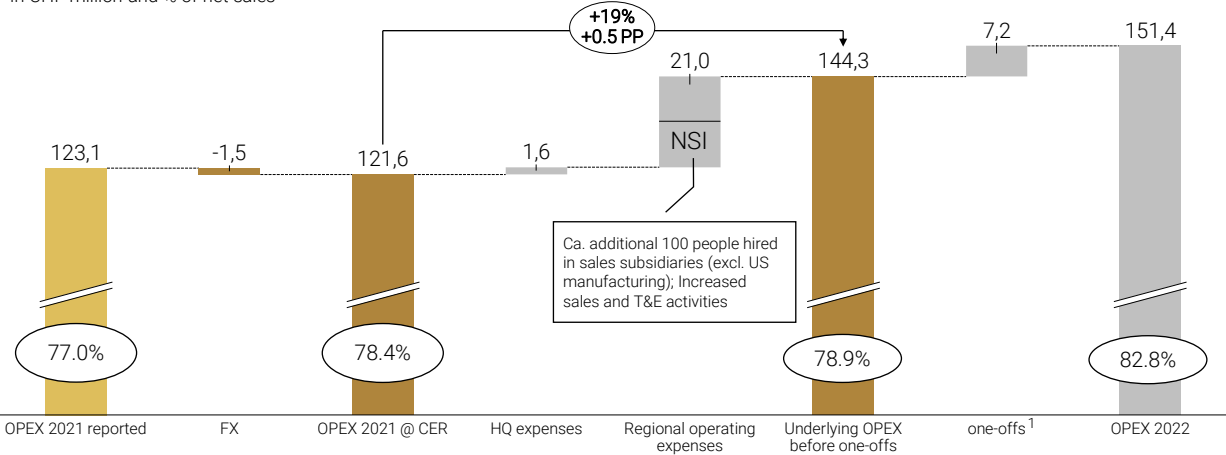
in % of net sales



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Increased customer activities and investments in the subsidiaries

in CHF million and % of net sales



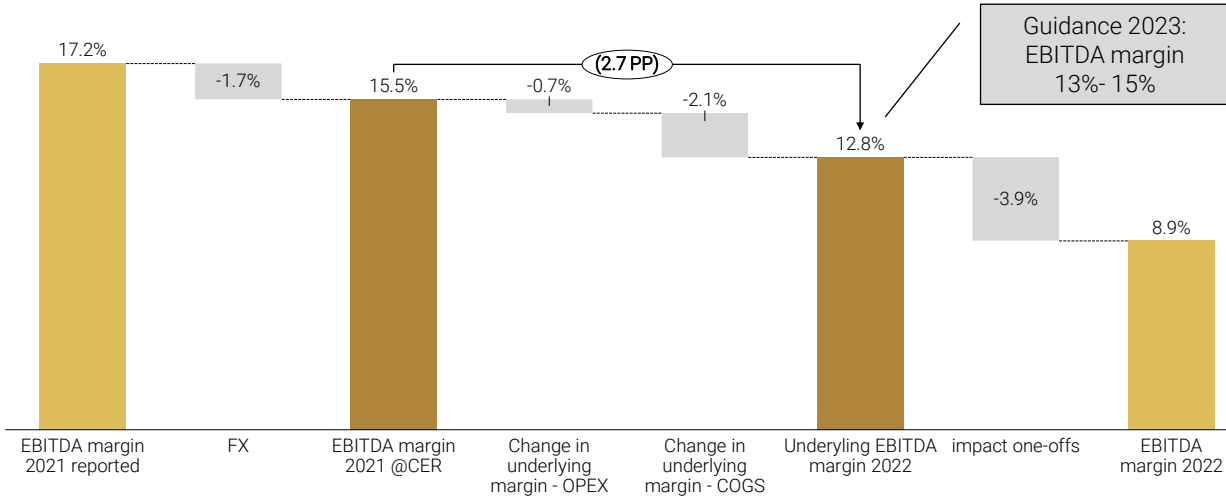
¹ One-off costs related to the recent NSI acquisition and the discontinued China business

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EBITDA margin affected by acquisition

in % of net sales



¹ One-off costs related to the recent NSI acquisition and the discontinued China business

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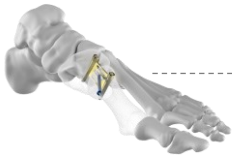
2022 | Innovation highlights



----- Launch of the 3.5 straight plating system complementing our ankle trauma portfolio

First clinical cases and market acceptance phase for LapiPrep concluded. Bunion correction system that can be used with Medartis plates indicated for TMT fusion

Full US launch in March 2023



----- First clinical cases with StealthFix, a zero-profile intraosseous fixation system

Full launch May 2023



Strong growth achieved with KeriMedical Touch prosthesis in our direct markets Germany, Austria and the UK



----- FDA approval for KERIFLEX® received in Q4 2022

Full US launch Q1 2023

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2022 | Promising partnership

- We have signed an exclusive global distribution agreement with the Australian based Field Orthopedics
- The NX Nail system addresses the growing need of surgeons for an efficient, less invasive treatment that enables rapid recovery of patients after finger fractures
- NX Nail is the most comprehensive hand nailing system on the market, and it perfectly complements our APTUS hand plating system
- NX Nail offers growth opportunities in the US extremities market and potentially in other markets once regulatory approval is granted
- First product sold in the US in Q4 2022



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Strategy and business update




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Addressing an attractive sub-segment of the global orthopaedic market


Global CMD and extremities market¹ worth est. USD 11 bn



\$1.5 billion




\$6.2 billion



\$3.7 billion

Medartis addressable market (TAM)

Approx. \$7bn



Main competitors

Variante A

DePuy Synthes, Zimmer Biomet

DePuy Synthes, Stryker, Zimmer Biomet, Smith & Nephew, Acumed, Arthrex, Skeletal Dynamics

Stryker, DePuy Synthes, Zimmer Biomet, Acumed, In2Bones, Smith & Nephew, Paragon28, Arthrex, Treace Medical

¹ CMF = Cranio-maxillofacial surgery involves the correction of congenital and acquired conditions of the head and face. ² DRG Report Orthopedic Extremity Devices 2018, Technavio data and Global Orthopedic Devices market, out of the USD 11bn, Medartis currently addresses a USD 7bn market as we don't offer bone and tissue regeneration, endoprosthesis and sport medicine. ³ Medartis acquired a 25% stake in KeriMedical in November 2020 and distributes their products in selected markets. Please note that not all products or product categories are available in every Medartis direct or distribution market..

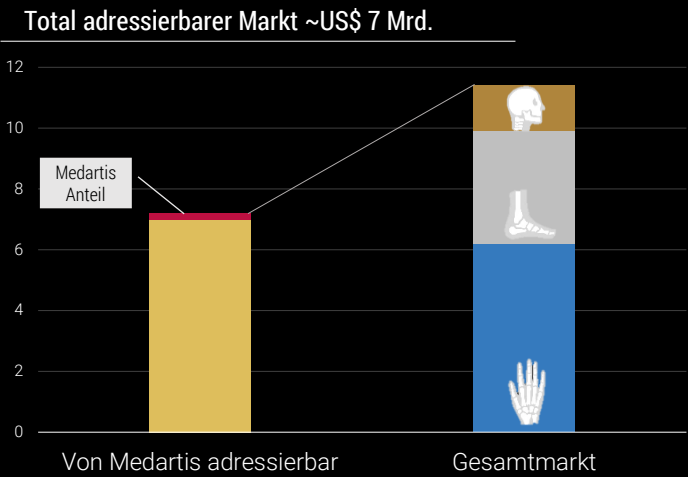
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Grosses Potenzial

Variante B
(Design wird
angepasst)



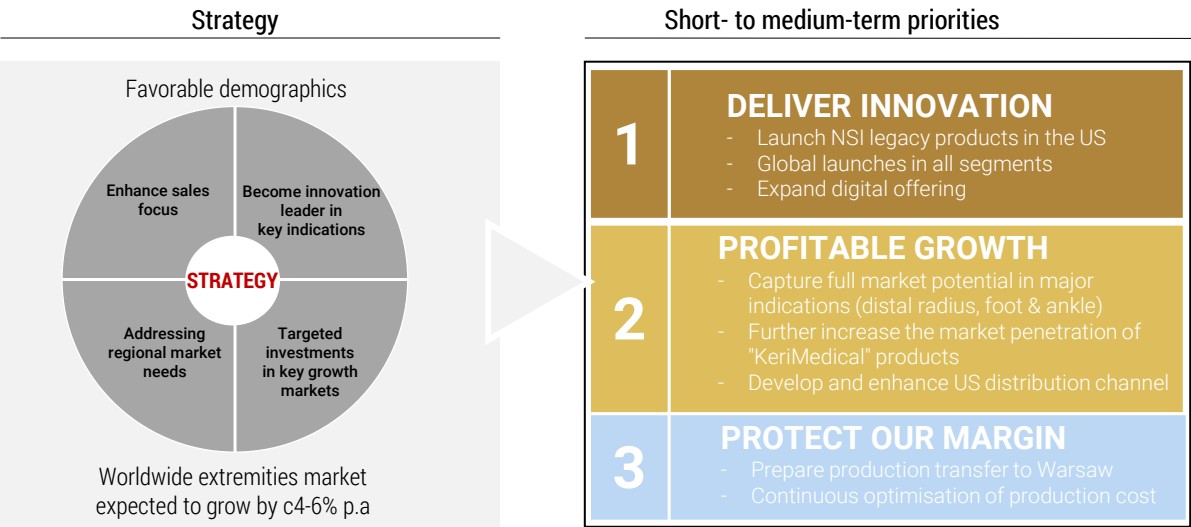
Mitbewerber

DePuy Synthes, KLS Martin, Zimmer Biomet, Stryker, Medtronic
Stryker, DePuy Synthes, Integra, Zimmer Biomet, Acumed, In2Bones, Smith & Nephew, Paragon28, Arthrex, Treace Medical
DePuy Synthes, Stryker, Zimmer Biomet, Smith & Nephew, Acumed, Arthrex, Integra

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Our strategy and priorities



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Current and upcoming product introductions in 2023

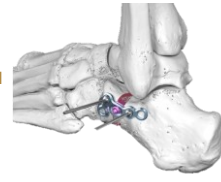
CalcShift™
(Calcaneal
Osteotomy)
Full Launch US



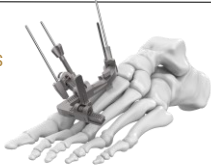
CCS Extension &
Metacarpal
Full Launch Global



Foot Ortho
Full Launch Global



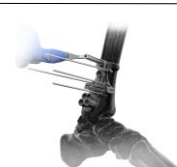
LapiPrep
Full Launch US



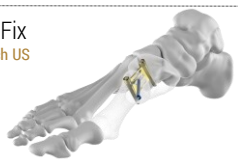
KeriFlex®
US launch



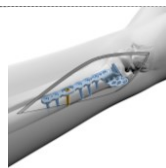
CMX Ankle
EMEA Launch



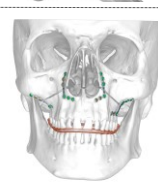
StealthFix
Full Launch US



Distal Ulna Plate
Full Launch Global



CMX Orthognathic
EMEA Launch



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Intensified cooperation with KeriMedical

- We increased our stake in KeriMedical from 25% originally to just under 30% in 2022
- In March we signed an agreement to purchase an additional stake of 18%, bringing our total holding to 47%
- Follows Medartis' strategy to become a one-stop shop for hand and wrist solutions and to increase its presence in joint replacement for extremities
- Allows both companies to leverage their KOL relationships and to benefit from each other's expertise in R&D, regulatory affairs and marketing



Modern 3 500m² KeriMedical production and training centre in Archamps (close to Geneva)

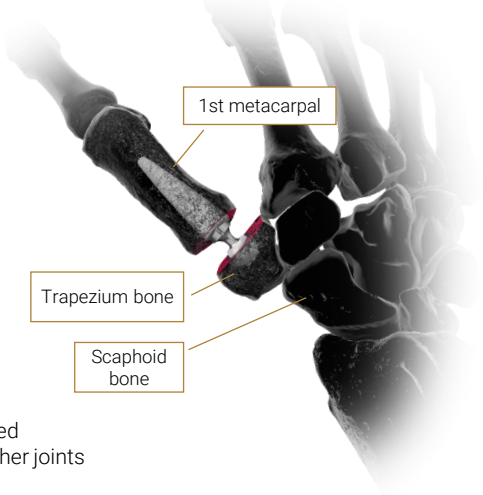
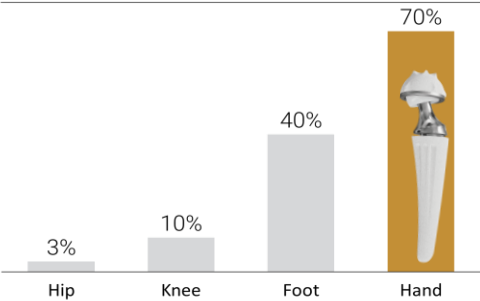
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High growth potential in underserved osteoarthritis market

Prevalence of Osteoarthritis by Joint

% of population suffering from arthritis in the 55-74 years old age group



- Osteoarthritis of the Hand is a very frequent problem; women more affected
- Manifestation of osteoarthritis in the hand is significantly higher than in other joints
- Prevalence in EU approx. ~39m and in the US ~20m people
- Total US market is approx. USD 300m if 100% of the cases would be converted and undergo treatment

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Exploiting growth potential in our main segments



- All markets: our key priority is to continue to gain share in distal radius and hand. We have the most comprehensive portfolio, clinical data and a well-trained sales force

ALL MARKETS



- All markets: The F&A Ortho system complements the F&A Trauma system and provides comprehensive solutions for the treatment of fractures and deformities in the foot. Both systems are compatible with NSI technologies

ALL MARKETS



- Continue to train surgeons in the treatment of rhizarthrosis and drive market penetration with the TOUCH® prosthesis and KeriFlex®

DE/AT/UK/US¹

¹ Depending on the timing of FDA approval of TOUCH in the USA

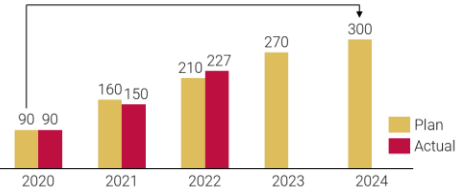
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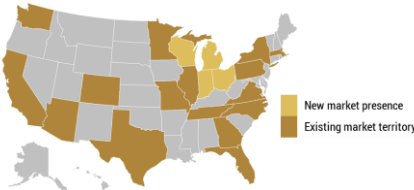
Expansion of US sales channel underway

- Further expanding and strengthening the US distribution channel with the aim of increasing exclusivity, Medartis' share-of-voice and surgeon conversion
- Hiring more agents with a focus on extremities to cover more indications in Top20 territories
- Growing sales channel will support our exiting new product launches in hand, foot and ankle (i.e. NSI legacy products, KeriMedical and Field Orthopaedics)
- Intensifying our relationships with regional healthcare institutions and leading GPOs gaining market access through national contracts
- Expanding IBRA course & fellowship offering

Direct and indirect sales representatives in the US



Expand and focus



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We are confident of accelerating the momentum and achieving US sales of approx. USD 80 million by 2025

Operations in the USA simplified after the merger

- Setup streamlined in March 2023 (operations moved into single location)
- Organisational structure simplified and cost-efficiency improved
- Commercial capabilities strengthened
- Project launched to produce semi-finished Medartis plates and screws in Warsaw (US) in early 2024
- Design and manufacturing know-how transfer started
- We are currently examining whether we will also manufacture surgical instruments in Warsaw (insourcing)
- Improvements in the cost-to-sales ratio in non-production areas are important to increase profitability



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Common treatment techniques of hallux valgus deformities

Popular treatment techniques:

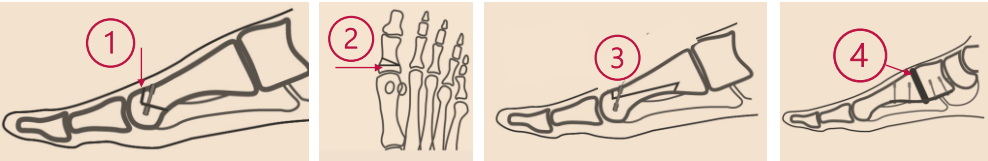
- 1. Chevron osteotomy
- 2. Akin osteotomy or
- 3. Scarf osteotomy
- 4. TMT Lapidus arthrodesis



Healthy foot

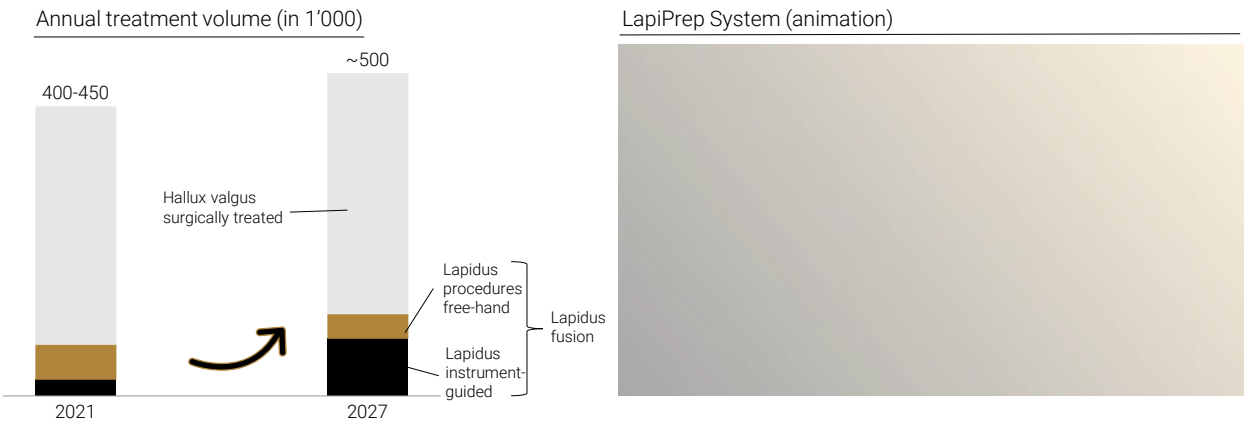
Mild hallux valgus deformity

Severe deformity



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Lapidus procedures market represents 15%-20% (approx. 80k procedures annually) of the US hallux valgus market



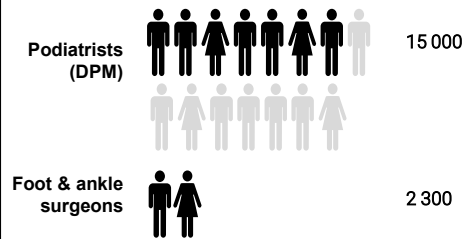
Lapidus bunionectomy procedure ¹ market is worth approx. USD 400 million is driven by favorable US reimbursement and enabling technologies such as cutting guides to make treatments reproducible and lower the psychological barriers to entry for physicians. **Smart instrumentation and guided surgery** is a key trend and has been adapted quickly by podiatrists (approx. half of the 15K DPMs in the US are surgically active) and outpatient surgical centers (approx. 5.8K ASCs in the US perform orthopaedic surgeries).

Lapidus procedure¹ is a surgical procedure used to treat a bunion deformity, also known as hallux valgus. It involves fusing the joint between the first metatarsal bone and one of the small bones in your midfoot

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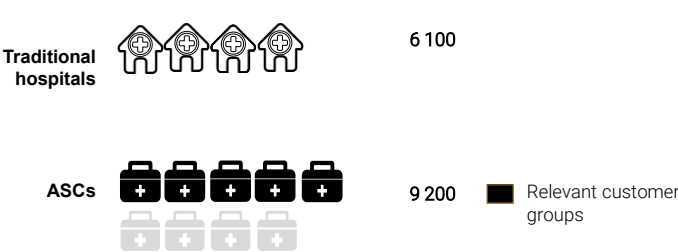
Peculiarities of the market structure in the US

Breakdown by education



Approx. 15 000 podiatrists (DPM) practicing in the US¹. Half of them are surgically active mainly treating injuries and deformities of the foot & ankle. This compares to 2 300 orthopedically trained foot & ankle medical doctors/surgeons.

Breakdown by customer group



An estimated 5 800 ambulatory centers are Medicare certified and perform orthopedic surgeries either as a single or multi-specialty centers. Ambulatory surgery centers (ASCs) performed more than half of all outpatient surgeries last year (up from 32% in 2005).



Smart instrumentation and guided surgery is a key trend and has been adapted quickly by podiatric practices (DPM) and outpatient surgical centers. It makes procedures more predictable and improve the surgical outcome, especially in complex cases.

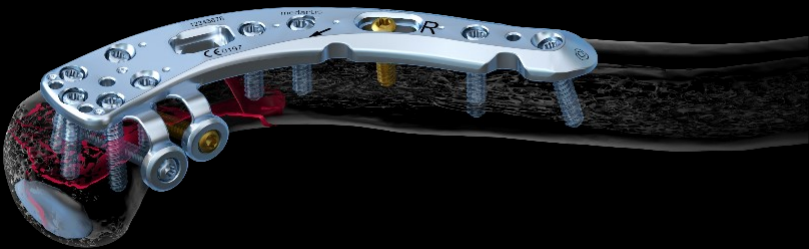
Sources: <https://www.pmbc.ca.gov/>¹ VMG Healthcare, Ambulatory Surgery Center Associations, statista.com and Medartis estimates.

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Outlook 2023



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Outlook 2023

(barring any unforeseen circumstances)



Organic sales growth
15%-18%

continued recovery in
elective procedures and
hospital capacities



Underlying EBITDA margin
13%- 15%

benefiting from its
operating leverage

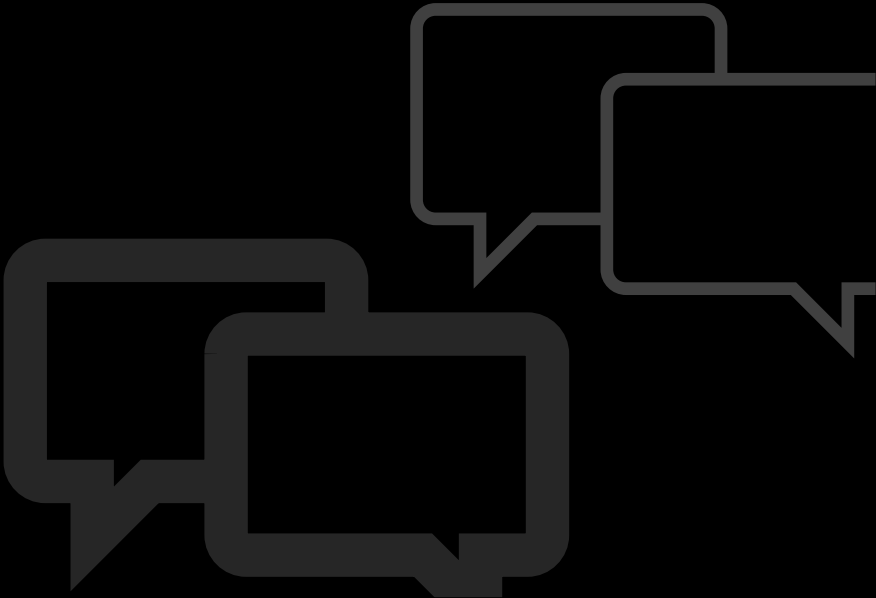


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Q&A

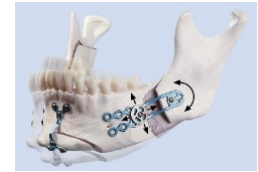


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Osteosynthesis DNA inherited from Institut Straumann

medartis

- Founded in 1997, acquisition of a small independent CranioMaxilloFacial (CMF) unit in Freiburg, Germany
- Initial focus on CMF
- Originally planned as a second division of the Straumann dental group
- Split into two independent businesses when Straumann went public in 1998
- Entry into upper extremity in 2004 and lower extremity in 2010
- Medartis to be listed on the Swiss Stock Exchange in 2018



1954 Founding of Institut Straumann AG
Prof. Dr. Reinhard Straumann



R&D in metallurgy and physics
Innovation: world's best watch spring



1960 Synthesis of metallurgy and medicine
Dr. h.c. Fritz Straumann



Global R&D, manufacturer and distributor AO/Synthes
Innovation: world's first medical grade stainless steel



1990 Spin off dental division of Straumann AG
Dr. h.c. Thomas Straumann



Worldwide No.1 in dental implant market
Founded 1990, currently employs >9'000 people worldwide

1997 Medartis is founded
Dr. h.c. Thomas Straumann



Medartis foundation with a focus on CMF; in the first year, distribution was still handled by Straumann sales force

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Two production sites



Basel, Switzerland

Medartis' DNA is Swiss and the company stands for competitive Swiss quality. Medartis' headquarters, R&D and manufacturing facilities are all located under one roof in Basel, where lean manufacturing and the use of robotics enable highly automated 24/7 manufacturing processes.



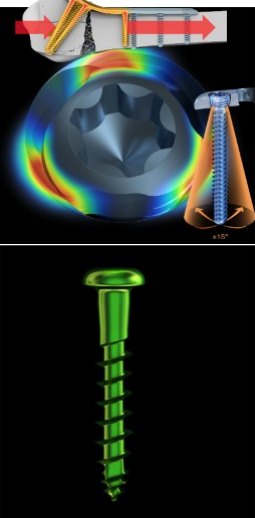
Warsaw, IN, USA

The acquisition of Nextremity Solutions Inc. (NSI) in Warsaw, IN, in 2022 provides Medartis with additional production and development capacity in its focus market, the US. It allows Medartis to accelerate its US business, particularly in the lower extremities, to broaden its portfolio and strengthen its innovation, and to build strong relationships with US design surgeons and industry thought leaders.

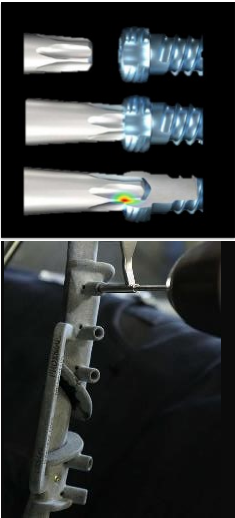
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Our key technologies and field of activity



TriLock®
Multidirectional &
angular stable



HexaDrive®
Self-Holding screw head

CMX®
Doctor portal for
custom-made solutions

Focused player in head
and extremity solutions

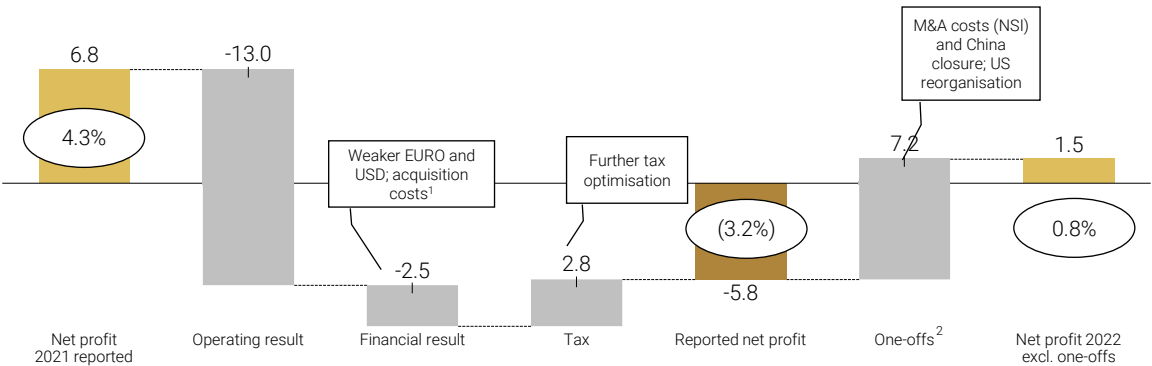


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Net margin impacted by one-offs

in CHF million

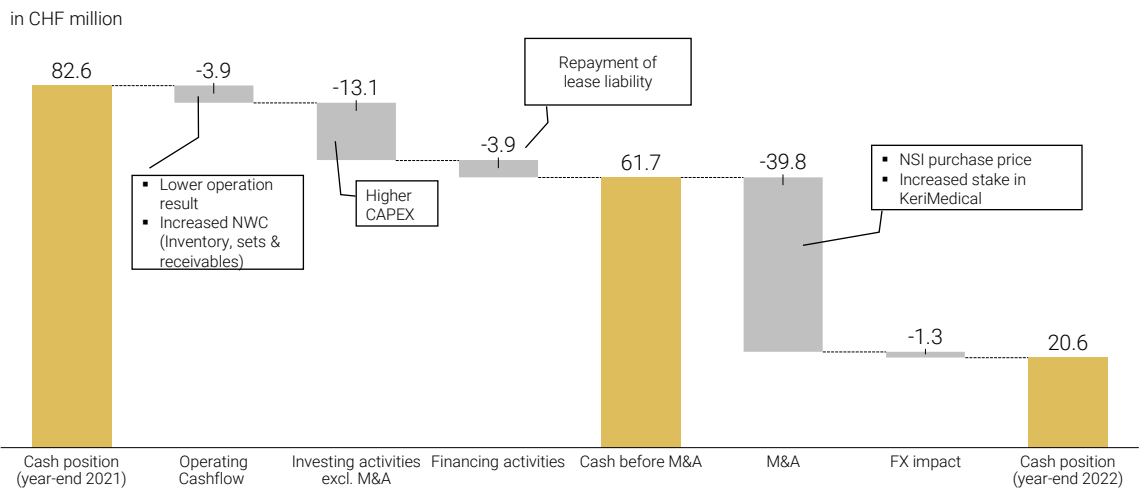


¹ contingent consideration liabilities for potential future milestone payments
² one-off costs related to the recent NSI acquisition and the discontinued China business

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Cash holdings mainly reduced due to M&A payments



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Sustainability at Medartis

- Sustainability has been and will continue to be an integral part of how Medartis sources, designs, manufactures and distributes its solutions, with the objective of improving the carbon footprint and circularity of its operations.
- HQ and production in Basel are CO2-neutral.
- Medartis acts in accordance with its stated mission: "Restoring quality of life". Although patients and its direct customers - surgeons and healthcare professionals - are at the center of its thinking, it also considers other stakeholders and social aspects that are relevant to creating holistic value for its shareholders and society as a whole.
- In order to meet the increasing requirements in a timely manner, Medartis established a Sustainability Supervisory Board and an ESG Committee in January 2023, reflecting the importance of making environmental, social and governance (ESG) principles an integral part of the way Medartis does business and embedding them in its corporate culture.


Supervisory Board (Board of Directors)	Nadia Tarolli Schmidt	
ESG Committee (EMB)	Mario Della Casa (Lead) Anthony Durieux-Menage Mareike Loch	
Project Core Team	Axel Maltzen (Operational leader)	
	Medartis subsidiaries	Commercial
	Production Basel, CH	Production Warsaw, US
	R&D	Human Resources
	Purchasing	Legal & Compliance
	Project Coordination	Communication / Reporting

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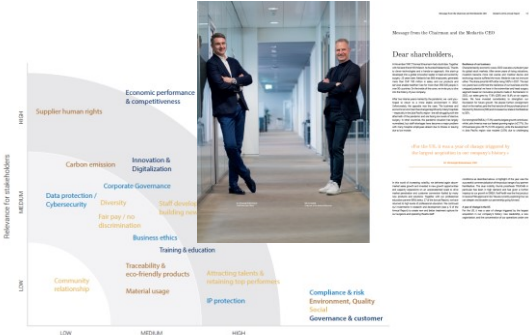
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Annual Report 2022 incl. sustainability and remuneration section available for download



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Relevance of potential impact on Medartis business

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Upcoming corporate events

2023	Event	Broker	Destination
14 June	Swiss Equity Conference	Stifel	Interlaken (CH)
15 August	2023 Half-year results publication		Video webcast
02 November	ZKB Swiss Equities Conference	ZKB	Zurich



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