

An International High-Growth Platform With a New Approach to Orthopaedics Company's Presentation

San Francisco, January 2020



PATIENT WELL-BEING



MEDICAL EDUCATION



INNOVATION

Disclaimer

This presentation (the "Presentation") has been prepared by Medacta Group SA ("Medacta" and together with its subsidiaries, "we", "us" or the "Group"). The information contained in the Presentation does not purport to be comprehensive. Please refer to the Medacta Half Year 2019 Report available on our website at <https://www.medacta.com/EN/investors>.

Unaudited Financial Results

The financial information contained in this Presentation is unaudited.

Forward-looking information

This Presentation has been prepared by Medacta and includes forward-looking information and statements concerning the outlook for our business. These statements are based on current expectations, estimates and projections about the factors that may affect our 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.

There are numerous risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from the forward- looking information and statements made in this Presentation. The important factors that could cause such differences include: changes in the global economic conditions and the economic conditions of the regions and markets in which the Group operates; changes in healthcare regulations (in particular with regard to medical devices); the development of our customer base; the competitive environment in which the Group operates; manufacturing or logistics disruptions; the impact of fluctuations in foreign exchange rates; and such other factors as may be discussed from time to time. Although we believe that our expectations reflected in any such forward-looking statement are based upon reasonable assumptions, we can give no assurance that those expectations will be achieved.

Alternative Performance Measures

This Presentation may contain information regarding alternative performance measures. Definitions of these measures and reconciliations between such measures and their IFRS counterparts if not defined in the Presentation may be found on pages 9 to 12 of the Medacta Half Year 2019 Report available on our website at <https://www.medacta.com/EN/investors>.

THIS PRESENTATION IS NOT AN INVITATION TO PURCHASE SECURITIES OF MEDACTA OR THE GROUP.

Introduction



Dr. Alberto Siccardi

Founder & President

- Founded Medacta in 1999
- President of Medacta's Board of Directors
- Former CEO for nearly twenty years
- 50 years of experience in the Medical Device industry
- MBA from Bocconi University of Milan and SDA, Bocconi School of Management
- Pharmacy degree from Turin University



Francesco Siccardi

Chief Executive Officer

- Joined Medacta in 2002; Member of the Board since 2003
- 2002 to 2010 in charge of marketing, product and business development, with a particular focus on the US market
- Served as Executive VP of Medacta since 2010
- Biomedical Engineer from the Politecnico of Milan



Corrado Farsetta

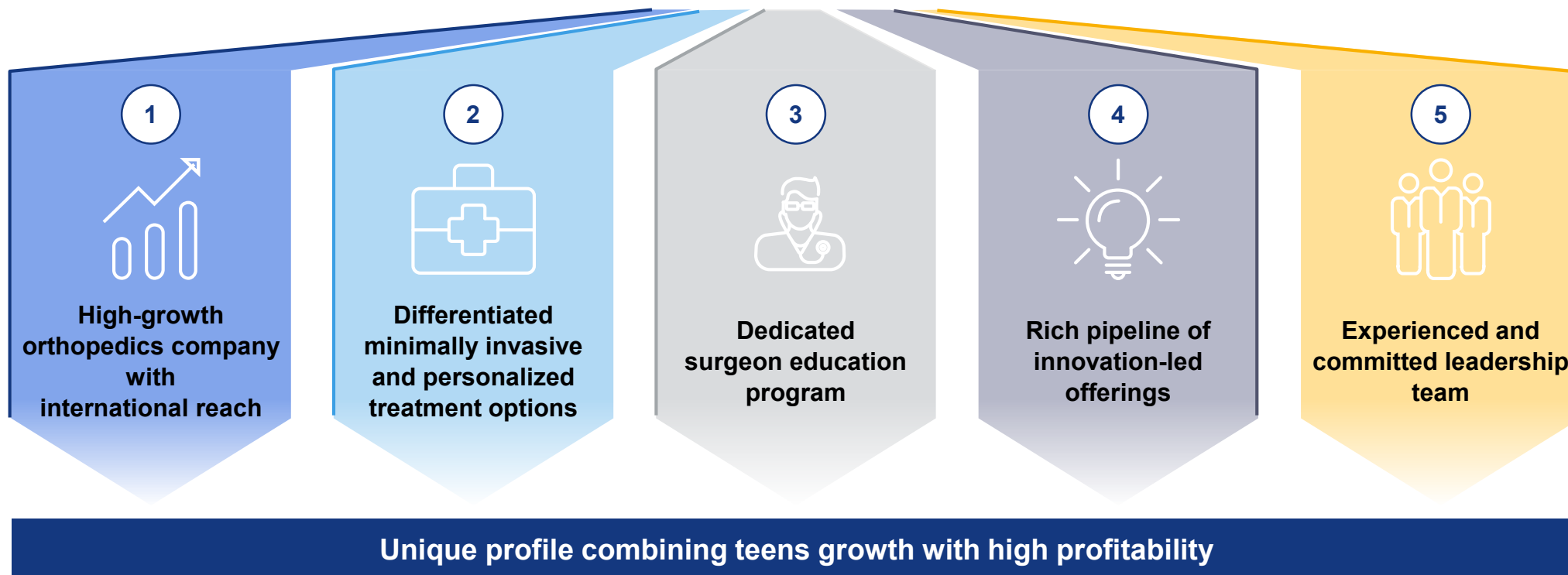
Chief Financial Officer

- Joined Medacta in 2008
- Previous experience in Finance at multinational manufacturing companies (Air Liquide) and management consulting
- Masters of Science in Business Administration from Bocconi University

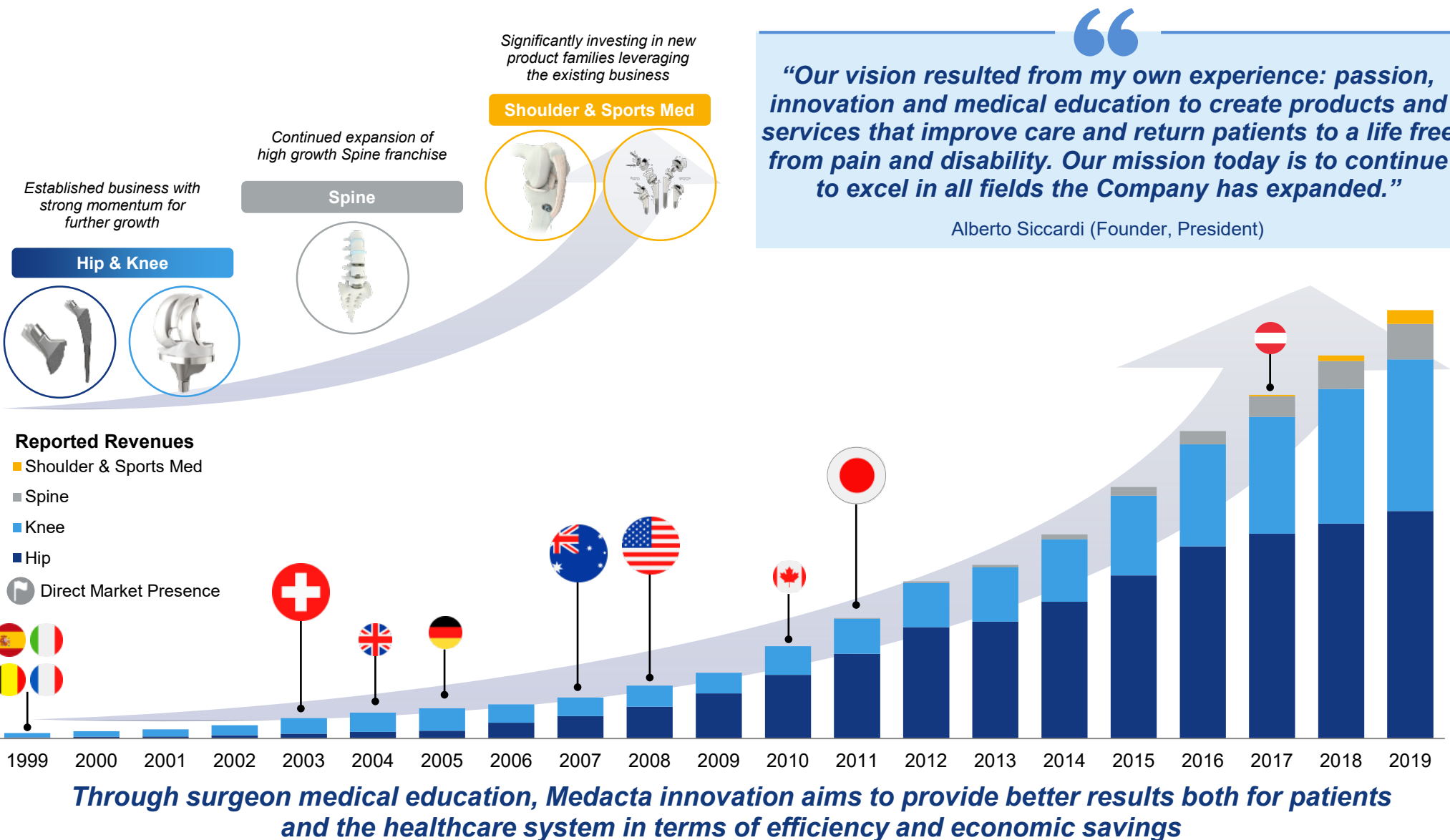
An international high-growth platform with a new approach to orthopedics



International 



Proven Track Record of Growth Built on the Foundations of Long-Term Family Values



Proven Track Record of Differentiated Growth, Outperforming Key Competitors

Global Ortho Market is Growing at ~4%...

Market Statistics¹

\$49bn

Global Market Size 2017

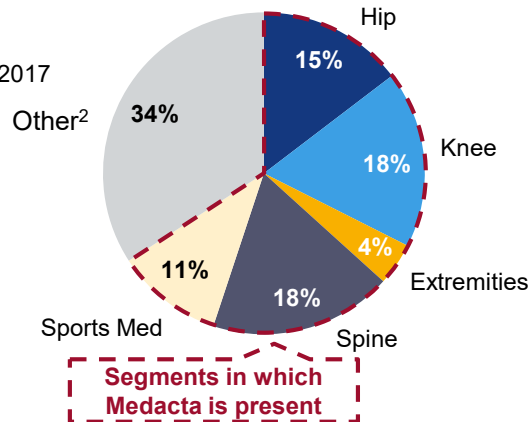
+3.9%

Market Growth
18E-22E

>50%

Market Share of
Big-4 Ortho Players

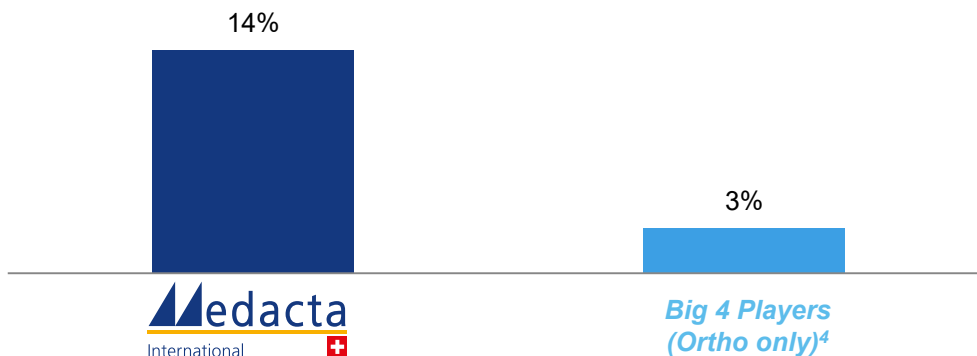
Segment breakdown¹



...While Medacta is Outgrowing the Market and Key Competitors

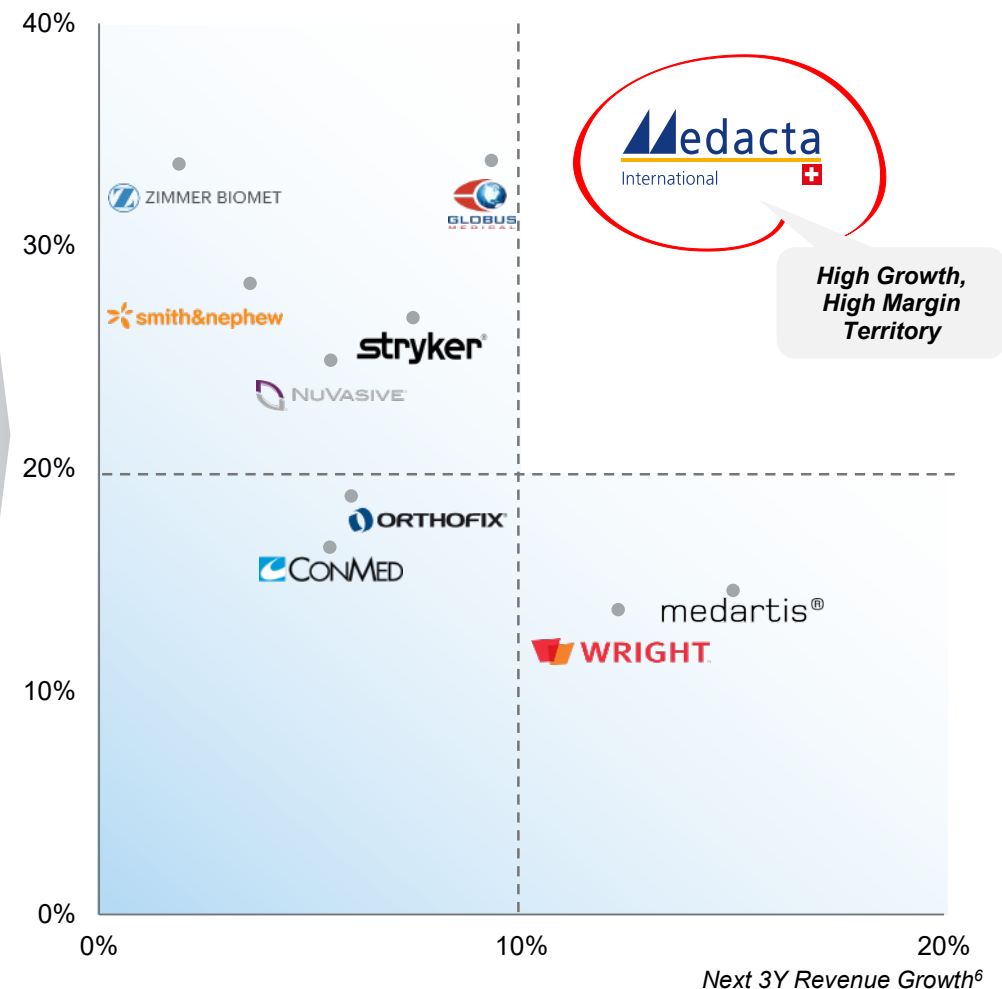
L2Y Constant Currency Revenue CAGR³

(Ortho Only - 2016-18 for Medacta, 2015-17 for Peers)



Medacta Stands Out in Broader Ortho Peer Universe

EBITDA Margin (2018)⁵





















Notes:

- Source: "Orthoworld: The Orthopaedic Industry Annual Report", published in May 2018. Content republished with permission from ORTHOWORLD, www.orthoworld.com
- Includes Trauma, Orthobiologics, craniomaxillofacial, bone growth stimulation and miscellaneous items
- Constant Currency based on FY2018 average exchange rates for Medacta
- Includes S&N (includes Knee and Hip Implants, Trauma and Extremities, Sports Medicine), Stryker (includes Orthopaedics and Spine), J&J (Orthopaedics), Zimmer pro forma for the acquisition of Biomet
- FY2018 EBITDA margin for peers based on information from publicly available sources (Capital IQ, as of 31-Jan-2019)
- Low to mid teens Medacta medium term revenue growth guidance, FY2018E-2021E revenue growth calculated for other companies based on information from publicly available sources (Capital IQ, as of 31-Jan-2019)

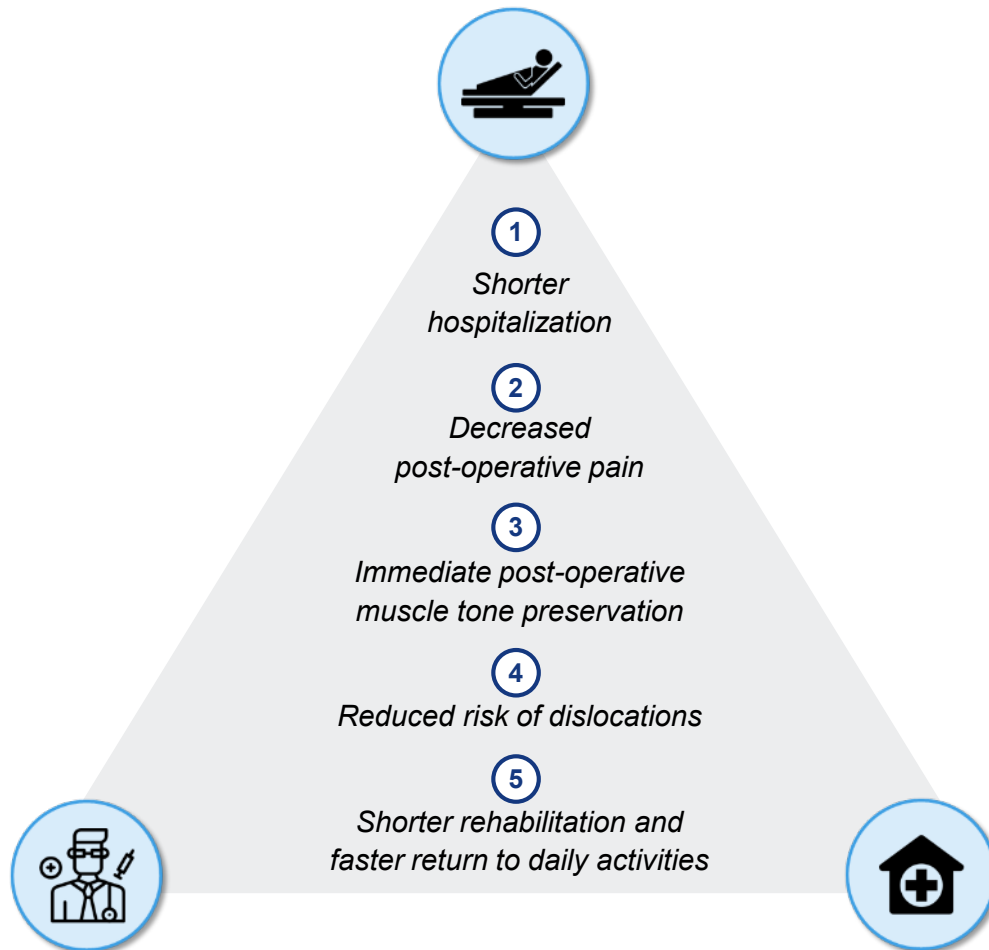
Medacta's Extensive Product and Service Portfolio

Medacta Product Range at a Glance

	Medacta International  JOINT			Medacta International  SPINE	Medacta International  SPORTS MED
	Hip	Knee	Shoulder	Spine	Sports Med
	 '99	 '99	 '16	 '10	 '17
2018A Sales (€m)	153	96	4	20	-
Patient Matched Technology	 PATIENT MATCHED TECHNOLOGY IN HIP REPLACEMENT	 PATIENT MATCHED TECHNOLOGY IN KNEE REPLACEMENT	 PATIENT MATCHED TECHNOLOGY IN SHOULDER REPLACEMENT	 PATIENT MATCHED TECHNOLOGY IN SPINE SURGERY	
Education Program	 M.O.R.E. INSTITUTE				
Portfolio Scope Status	 Established <div>Revision Hip portfolio to be finalised</div>	 Established	 Ramp-up	 Ramp-up	 Limited Market Release <div>xx First Product Launched</div>

Pioneer in Minimally Invasive Solutions for Hip Replacement

Typical Benefits for the Patient, Surgeon and Healthcare System



Anterior Minimally Invasive Surgery (AMIS) for Hip Replacement

AMIS Experience
ANTERIOR MINIMALLY INVASIVE SURGERY
IN HIP REPLACEMENT

SURGICAL TECHNIQUE

AMIS is an evolution of the anterior approach: simpler, more reproducible and less invasive

DEDICATED IMPLANTS

Specifically designed to facilitate implantation through the anterior approach. Success evidenced by clinical outcomes and customer satisfaction

ADVANCED INSTRUMENTATION

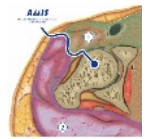
Developed specifically to make the AMIS technique easier and more reproducible

MEDICAL EDUCATION

M.O.R.E. AMIS Education Programme is a highly effective teaching programmes for the anterior approach

SERVICES & TOOLS

Assist surgeons in the promotion of their practice and patient education



Surgical Technique



AMIS Friendly Implant

Provided at **no additional cost** as part of the **package**



AMIS Mobile Leg Positioner

AMIS



15+
Years of
Experience



330,000+¹
Procedures performed
worldwide



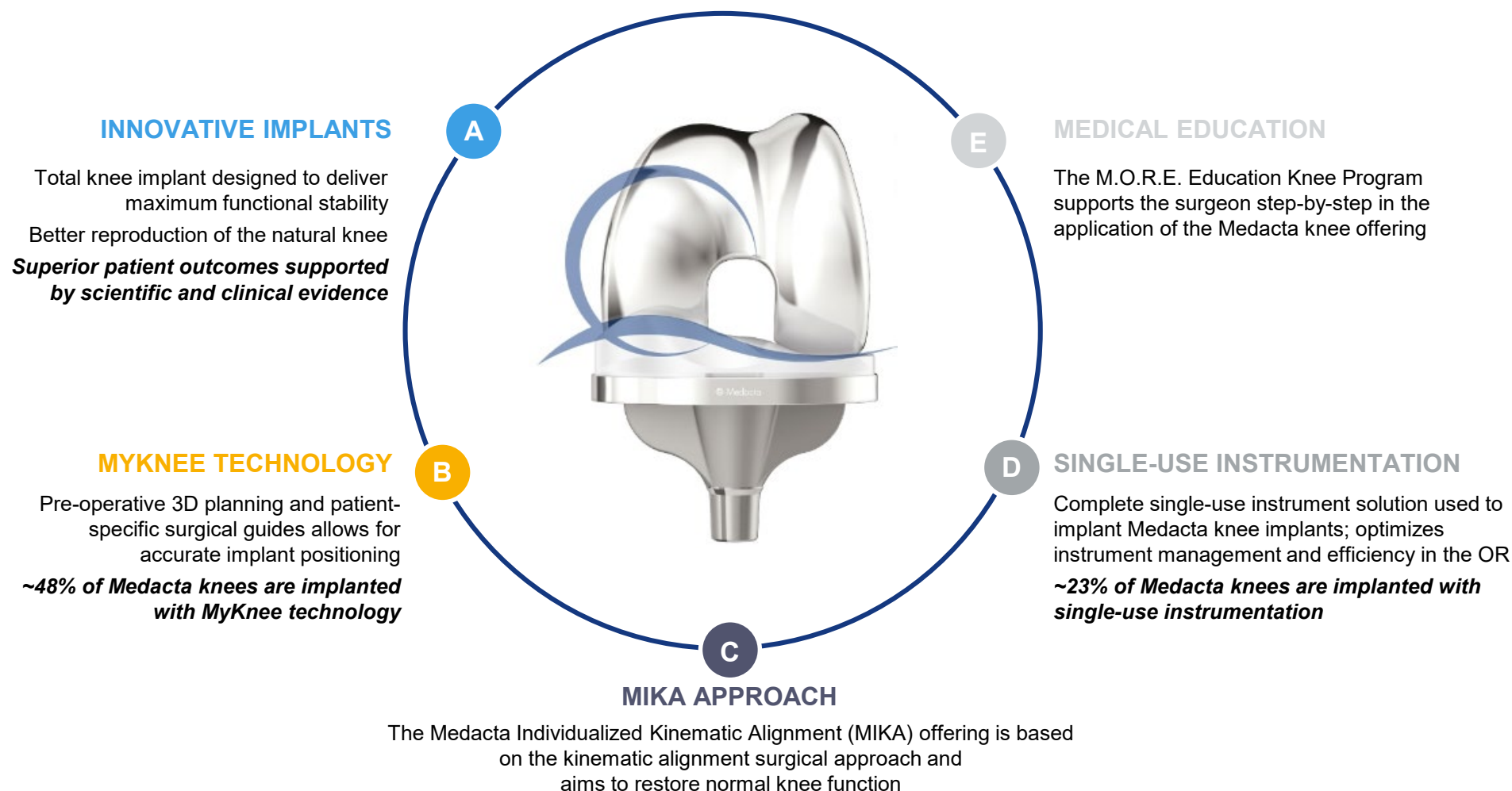
70%²
Conversion
Rate

Notes:

1. As of 31-Dec-2018
2. Illustrative conversion rate calculated on the basis of 195 new learning centre participants between 1-Jan-2016 and 30-Jun-2016 who became active customers within 24 months after attending a course. Refers to all Medacta customers

The Medacta Approach to Knee Replacement

Medacta Ecosystem to Address Issues of Total Knee Arthroplasty



MySpine MIS Midline Cortical (MC) Platform awarded Best Healthcare Navigation / Robotics Solution

Next generation healthcare navigation and robotics solution

- MedTech Breakthrough Awards recognize game-changing technologies throughout the medical industry
- MySpine MIS¹ MC is a minimally invasive, patient-matched, 3D printed solution in the midline cortical approach, tailored to the patient's anatomy to allow for greater accuracy in pedicle screw positioning through pre-operative planning and intra-operative guidance tools
- MySpine MIS MC combines Medacta's expertise in 3D planning tools with its industry-leading patient-matched guides to create a seamless, start-to-finish platform perfect for orthopedic surgeons looking to enter the personalized spine surgery space in the outpatient or inpatient setting
- The key advantages of MIS include reduced risk of damage to soft tissue, faster recovery time and reduced post-operative pain



Notes:

1. MIS: Minimally Invasive Solution

Sustained growth of the shoulder business underlined by the launch of new products

Medacta Shoulder System: An innovative modular shoulder replacement system

- Successfully rolled out the Medacta Shoulder System in the US, Australia and Japan
- Continued introduction of key technologies across global markets, with MyShoulder Placement Guides for shoulder arthroplasty launched in Japan and expected to be launched in the US in 1Q 2020
- Shoulder product range already fully sustained by the Education platform as part of the global rollout

MEDACTA SHOULDER SYSTEM

Tailored Platform for Individual Patient Needs

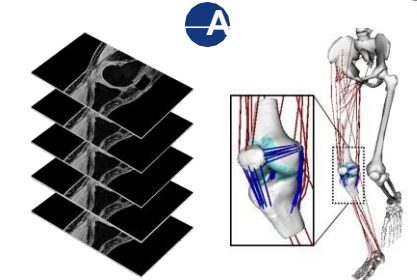


Medacta Approach to Personalized Medicine Sustained by Feedback System

Enabled by MySolution Platform

Proprietary web-based integrated solution linking all of the actors

Personalized 3D Planning



Imaging & Biomechanical Model

Implants Selection



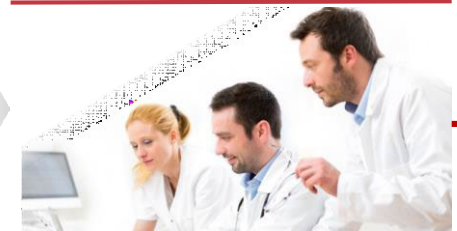
Hip, Knee, Shoulder, Spine

Surgery Execution Tools



Patient Specific Guides

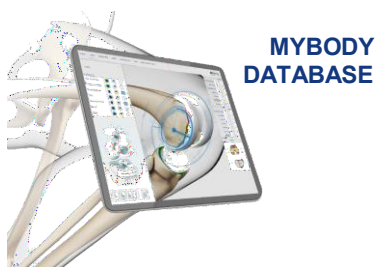
Clinical Follow-Up



Post Market Surveillance, Clinical Research and Surgeon Feedback

A

Big Data



50,000 CT, MRI and biomechanical models
Optimises implant design

B

New Optimized Implants

NEW, OPTIMIZED IMPLANTS



Improved Biomechanics
Fitting and Sizing

C

New Surgery Execution Tools

AUGMENTED REALITY NAVIGATION PLATFORM

single use
low capital equipment
efficient process
easy to use

Hip, Knee, Shoulder, Spine

ROBOTIC LEG POSITIONER



MYHIP VERIFIER

Intraoperative verification software

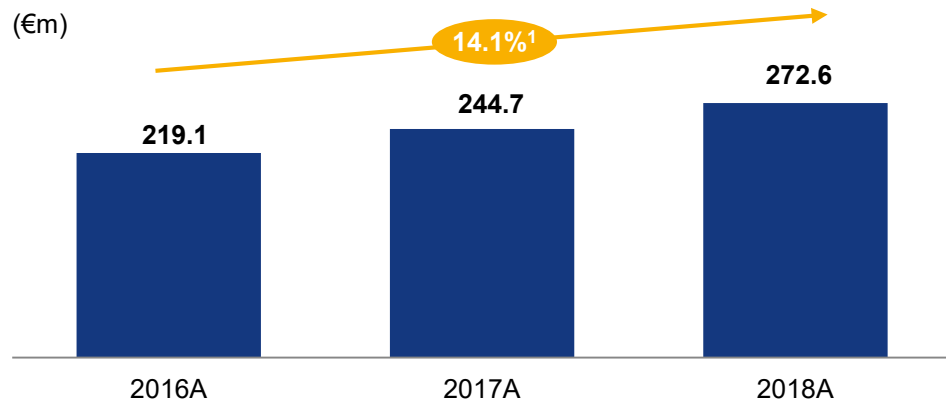


Financial performance

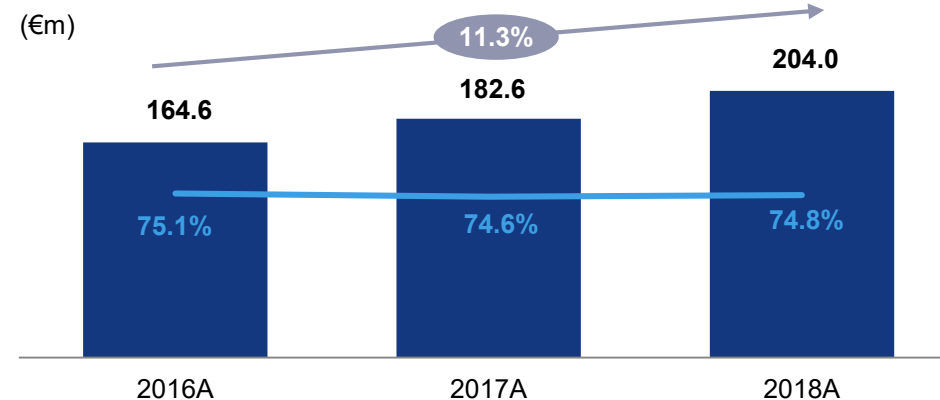


Impressive Track Record of Revenue Growth and Profit Margin Development in 2017 and 2018

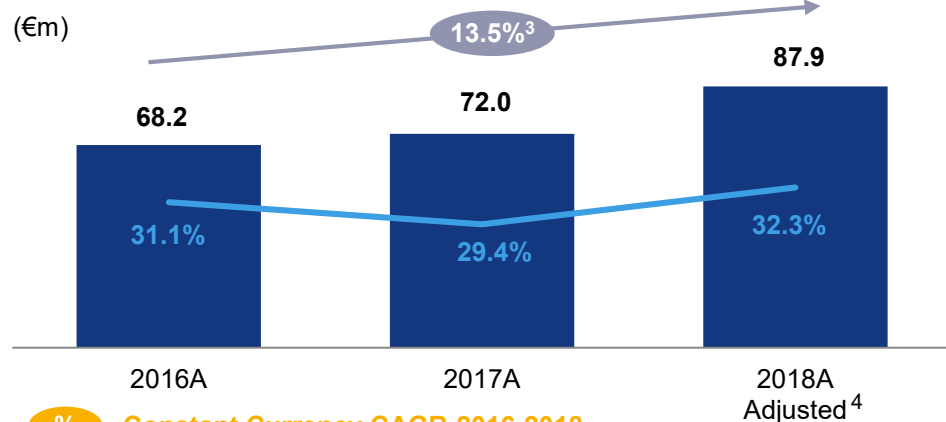
Revenue



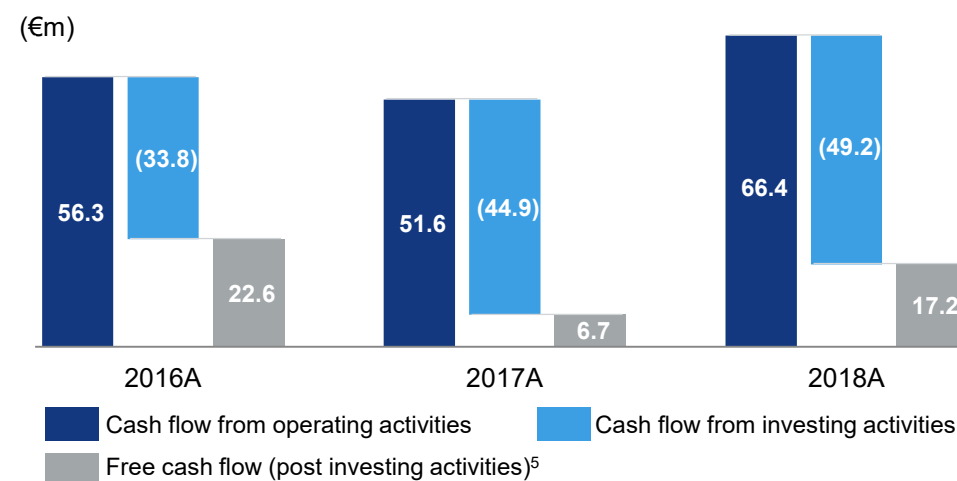
Gross Profit and Gross Profit Margin ²



EBITDA and EBITDA Margin



Free Cash Flow (Post Investing Activities)⁵



% Constant Currency CAGR 2016-2018

% Reported CAGR 2016-2018

Unique Profile Combining Teens Growth With Consistently High Profitability

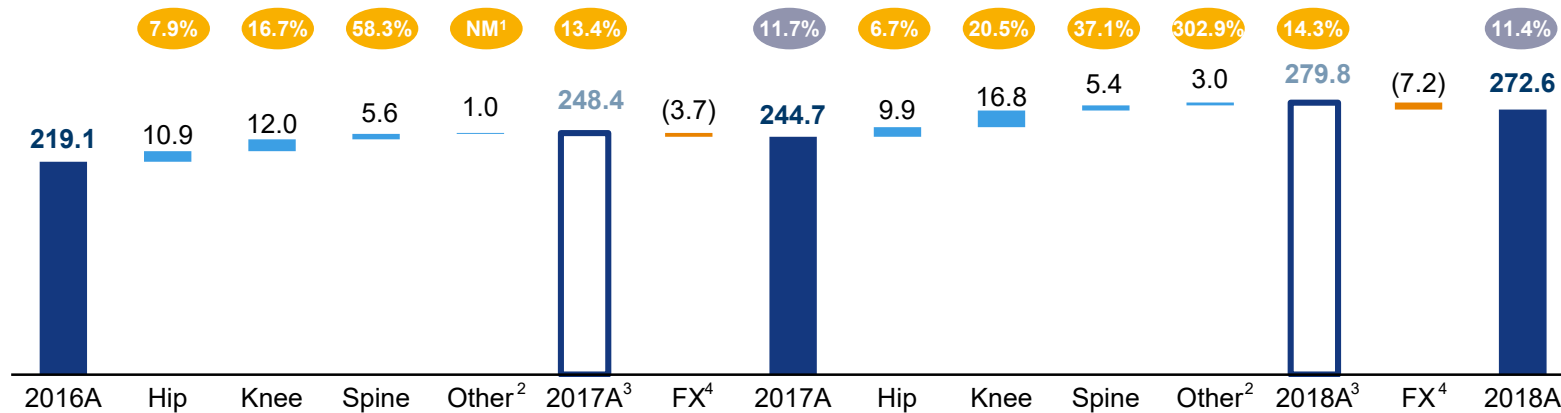
Notes:

1. Constant currency growth rate based on average exchange rates for FY2017 (AUD/EUR 0.677, CAD/EUR 0.679, CHF/EUR 0.897, GBP/EUR 1.143, JPY/EUR 0.008, NOK/EUR 0.106, USD/EUR 0.881) and for FY2018 (AUD/EUR 0.631, CAD/EUR 0.652, CHF/EUR 0.869, GBP/EUR 1.128, JPY/EUR 0.008, NOK/EUR 0.104, USD/EUR 0.848) respectively. Reported revenue CAGR: 11.6%
2. Includes D&A, Direct manpower, Net purchases, Royalties and Other costs (fixed and variable production costs)
3. Based on Adjusted EBITDA for 2018. EBITDA in 2016 and 2017 not adjusted. Reported EBITDA CAGR of 12.5%;
4. Excludes €0.6m of IPO costs and €0.9m of IFRS conversion costs (reported EBITDA of €86.3m in 2018)
5. Cash flow from operating activities – Cash flow from investing activities

Significant Top-Line Growth Across All Products and Regions in 2017 and 2018

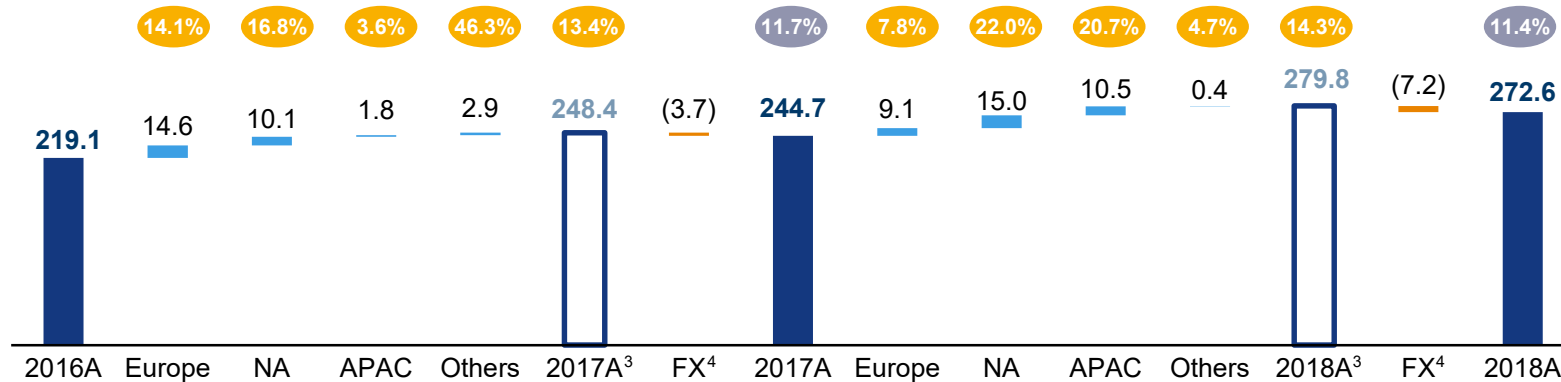
Revenue Bridge by Product

(€m)



Revenue Bridge by Region

(€m)



% Constant Currency Growth y-o-y % Reported Growth y-o-y

- Significant top-line growth, traditionally driven by Hip and Knee, recently complemented with substantial growth in Spine
- Further upside from winning market shares in established products
- Runway for new growth from new segments and technologies such as roll-out of Shoulder, Spine and Sports Med
- Balanced growth across regions

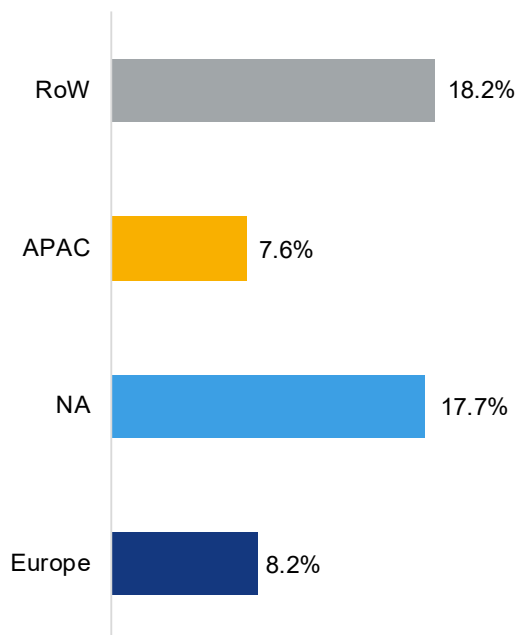
Notes:

- Not meaningful as above 1000%
- Includes Shoulder and Sports Med
- Before FX effects

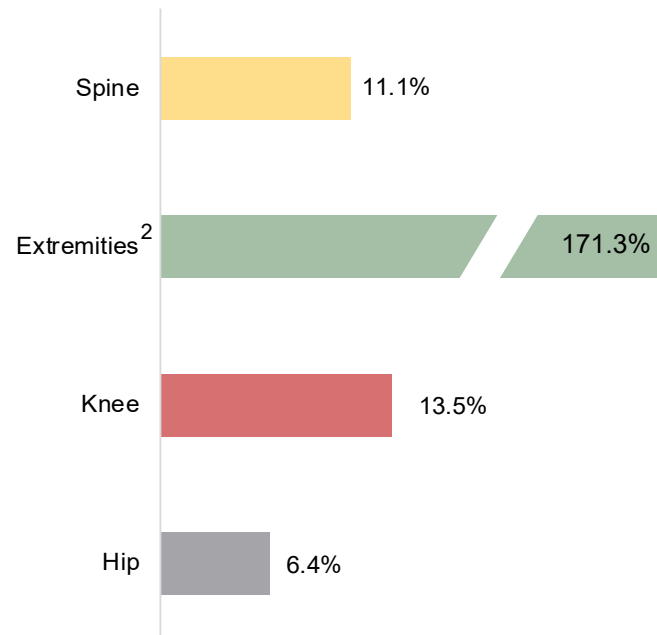
4. FX effect is calculated as differential between constant currency exchange rates based on FY2016 average exchange rates (AUD/EUR 0.673, CAD/EUR 0.685, CHF/EUR 0.918, GBP/EUR 1.217, JPY/EUR 0.008, NOK/EUR 0.108, USD/EUR 0.906) and FY2017 average exchange rates (AUD/EUR 0.677, CAD/EUR 0.679, CHF/EUR 0.897, GBP/EUR 1.143, JPY/EUR 0.008, NOK/EUR 0.106, USD/EUR 0.881) respectively and the actual exchange rates reported in the financials

Sales growth in all regions and business lines: Revenues up by 13.8% to €151.6 million (+11.0% in CC)

Growth by regions (%)¹



Growth by products (%)¹



Commentary

- Recorded strong organic growth in the first half of 2019 and Medacta sales increased by 13.8% compared to the same period last year
- In a market showing an average growth rate of about 3-4% ⁽³⁾, Medacta has outgrown the market in all regions
- The growth was driven by increased sales in all regions and business lines

Notes:

- On a constant currency basis
- Extremities include Shoulder and Sports Med sales
- Source: "Orthoworld: The Orthopedic Industry Annual Report", published in May 2018. Content republished with permission from ORTHOWORLD, www.orthoworld.com

Outlook: Financial Targets

Metric	2019 Target
Revenue growth	10-12% on a constant currency basis
Adjusted EBITDA margin ¹	30% +/- 100bps
Capex	~12-15% of total revenue
Change in Net Working Capital	~5-7% of total revenue
Tax rate ²	~21%
Dividend pay-out	20-30% of net income

Notes:

1. For the financial year ended 31 December 2019, EBITDA will be adjusted for certain IPO related costs, including, among others, SIX listing fees, share registrar fees, advisor fees, auditor fees and a one time duty in the range of approximately 0.25% to 0.4% of the total market capitalization in accordance with applicable tax rulings
2. Potential upside subject to Swiss tax reform

THANK YOU!

