

FOR RELEASE IN SWITZERLAND – NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA, CANADA, JAPAN OR AUSTRALIA OR ANY OTHER JURISDICTION WHERE SUCH PUBLICATION, DISTRIBUTION OR RELEASE WOULD BE UNLAWFUL OR REQUIRE REGISTRATION OR ANY OTHER MEASURES. THIS IS A RESTRICTED COMMUNICATION AND YOU MUST NOT FORWARD IT OR ITS CONTENTS TO ANY PERSON TO WHOM FORWARDING THIS COMMUNICATION IS PROHIBITED BY THE LEGENDS CONTAINED HEREIN.

## Medacta Group SA plans IPO and Listing on SIX Swiss Exchange

Castel San Pietro, 11 March 2019 - Medacta Group SA (“Medacta” or the “Company”), a high-growth, pure play orthopaedics company, today announces its intention to launch an Initial Public Offering (the “IPO”) and list its shares on SIX Swiss Exchange. The IPO is expected to be completed in the second quarter of 2019, subject to market conditions. Medacta was founded in 1999 by Alberto Siccardi and is fully owned by the Siccardi family.

- **Medacta is a Swiss company with an innovative approach to orthopaedics, developing, manufacturing and distributing medical devices worldwide that redefine the experience for people needing joint replacement and improve the sustainability of the healthcare system**
- **Differentiated product offering in Hip and Knee business lines with portfolio expansion to include Shoulder, Spine and Sports Medicine ("Sportsmed") solutions**
- **Medacta has a direct presence in 12 countries, including the USA, Australia, Japan and various European countries, with distributors in 20 additional countries**
- **With a track record of high and profitable growth, Medacta generated total revenues of €273 million in 2018 with an adjusted EBITDA<sup>1</sup> margin of 32%**
- **Dedicated strong surgeon-centric education program supporting better patient outcomes and surgeon loyalty**
- **At the forefront of innovation with strong in-house R&D capabilities, supported by 400+ patents**
- **IPO expected to consist of secondary shares only, with the Siccardi family remaining fully committed and retaining a majority shareholding post IPO**
- **Majority independent Board of Directors, chaired by founder Alberto Siccardi**

Alberto Siccardi, Founder and Chairman of Medacta said: *“Our vision resulted from my own experience. We use passion, innovation and medical education to create products and services that improve care and return patients to everyday life free from pain and disability. Our mission today is to continue to excel in all fields the Company has expanded into.”*

Francesco Siccardi, CEO said: *“We believe now is the right time to offer shares to the public, seek a listing and broaden our shareholder base. We believe the planned IPO will allow us to further increase awareness and visibility of Medacta and facilitate access to international talent. Our family and myself will remain strong majority shareholders in the long term and remain fully committed to Medacta and its patient-centred and innovative culture.”*

### Unique approach often seen as substitution of standard procedures

Founded in 1999, Medacta is an international orthopaedics company specialized in the design and production of innovative orthopaedic products and the development of accompanying surgical techniques, supported by a strong education platform.

Medacta develops, manufactures and sells total hip replacement (stems, cups, heads, and bone cement), total and partial knee replacement (patient matched cutting blocks, knees and navigation systems), spine products (pedical screws, cervical intervertebral body fusion devices, patient matched guiding system and others) and various instruments that simplify surgical intervention. Surgeons are supported and continuously educated in order to familiarize themselves with Medacta's innovative

---

<sup>1</sup> Adjusted EBITDA is EBITDA adjusted for non-recurring items comprising (i) €0.6 million costs related to the IPO and (ii) €0.9 million costs related to conversion to IFRS

*Not for release, publication or distribution, in whole or in part, directly or indirectly, in the United States of America, Canada, Japan or Australia or any other jurisdiction in which the distribution or release would be unlawful.*

approach, which the Company believes leads to better patient well-being and adds economical value and sustainability to healthcare systems in terms of efficiency and cost savings.

### **Innovation driven company with strong in-house R&D capabilities**

Medacta is a pioneer in developing new and innovative products and surgical techniques. With over 400 patents in its portfolio (268 granted / 141 pending) Medacta has a long-standing expertise in bringing new technologies to the market.

In particular, having recognized that minimally invasive surgery offers a range of benefits for patients, surgeons and healthcare systems, Medacta has developed new offerings on the basis of minimally invasive techniques. Additionally, Medacta's innovation also extends to sophisticated technologies, which offer surgeons highly personalized pre-operative planning and implant placement methodologies.

### **Impactful minimally invasive and personalized treatment options**

To counteract the disadvantages of traditional hip joint surgery, Medacta developed and introduced the AMIS (Minimally Invasive Anterior Approach) technique in 2004. The AMIS technique, together with a range of targeted education initiatives, dedicated implants, instruments and complementary services and tools, offers a holistic approach to hip procedures and improved patient outcomes.

With AMIS, the hospital stay is shortened, post-operative pain is reduced, muscles are spared and rehabilitation time is shortened while efficiency for the surgeons increases. With over 330,000 procedures performed worldwide since its introduction in 2004, AMIS represents an easily reproducible technique that delivers significant benefits to patient well-being while optimizing costs and efficiency for the surgeon. In addition to the AMIS technique, Medacta offers a range of minimally invasive products for the knee and spine business lines as well.

Medacta's innovation also extends to "MySolutions" technology, which offers surgeons highly personalized pre-operative planning and implant placement methodologies by creating advanced patient-personalized kinematic models and 3D planning tools. Originally designed as "MyKnee" to address an unmet need for better implant positioning in the total knee replacement market, MySolutions can now also be used in hip, shoulder and spine procedures. MySolutions technology has resulted in significant advantages to the patient and has been widely adopted by Medacta's customer surgeons. On the knee side, in addition, Medacta developed a single use instrumentation tool box with the benefits of simplifying the processes of knee replacement operations, lower infection risks and a general increase in efficiency.

### **Focus on surgeons with a premium education platform**

The surgical technique used is of great importance in realizing the added value of Medacta's solutions.

Training is an indispensable tool for transforming innovation into concrete benefits for patients, surgeons and healthcare systems. Therefore, Medacta's systematic approach to customer development through strong education is a key factor of its success. It allows strong and lasting partnerships to be built between Medacta and its customer surgeons. As such, Medacta's education initiatives contribute significantly to customer retention and surgeons' acceptance as well as the widespread adoption of Medacta's products and surgical techniques.

Tailored training programs and mentoring are provided through the M.O.R.E. (Medacta Orthopaedic Research and Education) Institute as the surgeons master the use of Medacta's technologies and procedures, and create an interactive and supportive community in which they can learn and share experiences with other surgeons.

Customized medical education programs from instructional to master level are provided, including round table discussions, reference centre visits, cadaver wet labs, product club meetings, live surgeries, and difficult case evaluation.

*Not for release, publication or distribution, in whole or in part, directly or indirectly, in the United States of America, Canada, Japan or Australia or any other jurisdiction in which the distribution or release would be unlawful.*

In 2018, Medacta operated 387 Reference Centers worldwide, around 1,150 surgeons participated in educational activities and over 850 surgeon to surgeon visits took place.

### **High-growth orthopaedics company with international reach**

Medacta has grown consistently and considerably in the 20 years since its foundation, largely driven by its innovative product offering and its unique education platform. Today, Medacta has a direct presence in 12 countries, including the USA, Australia, Japan and various European countries and distributors in 20 additional countries.

The foundation of Medacta's business has been its activities in the Hip and Knee business lines, where the Company has an established presence. More recently, Medacta started to leverage its experience gained from its successful Hip and Knee business models to develop new products and surgical techniques in its new Spine, Shoulder and Sportsmed business lines. Medacta believes that the market offers room to grow organically in all market segments through increased market penetration, the addition of new markets as well as new products and surgical techniques.

### **Strong financial performance**

Medacta's attractive product mix and strong geographic diversification enabled the company to be one of the fastest growing orthopaedic companies in 2018, as demonstrated by Medacta's constant currency revenue CAGR of 14% between 2016 and 2018. In 2018, Medacta achieved revenues of €273 million and an adjusted EBITDA of €88 million, corresponding to an adjusted EBITDA<sup>2</sup> margin of 32%. The Company's revenues are mostly derived from the high-volume Hip and Knee business lines (generating 56% and 35% of revenues in 2018, respectively), complemented by sales of Shoulder and Spine products.

### **Experienced, committed leadership team with an established track record**

The highly experienced and seasoned management team is led by Chief Executive Officer Francesco Siccardi and Chief Financial Officer Corrado Farsetta. Together with the global workforce of approximately 970 employees, the management team has proven a very good track record of strong profitable growth.

### **Industry focused Board of Directors with a majority of independent members**

Medacta's Board of Directors is expected to comprise five members with three independent members and two representatives of the Siccardi family. Medacta has proposed to elect Victor Balli (Swiss, Member of the Board of Givaudan SA, CEVA Logistics AG and KWS Saat SE; nominated to the Board of Sika) as lead independent director, Marco Gadola (Swiss, Chief Executive Officer of Straumann Group, nominated for election to the Board of Directors of DKSH (Chairman), Straumann Group and Mettler Toledo) and Philippe Weber (Swiss, Managing Partner of Niederer Kraft Frey AG) as new members of the Board. Marco Gadola, in line with the Articles of Association of the Straumann Group, will join Medacta's Board on 1 January 2020, after having handed over his responsibilities as Chief Executive Officer of Straumann Group. Maria Luisa Siccardi Tonolli, member of the Board of Medacta since 2003, will serve as non-independent Board member.

The Board of Directors is chaired by Alberto Siccardi, who founded Medacta and led the company as CEO through the many years of significant growth since its creation in 1999.

---

<sup>2</sup> Adjusted EBITDA is EBITDA adjusted for non-recurring items comprising (i) €0.6 million costs related to the IPO and (ii) €0.9 million costs related to conversion to IFRS

Not for release, publication or distribution, in whole or in part, directly or indirectly, in the United States of America, Canada, Japan or Australia or any other jurisdiction in which the distribution or release would be unlawful.

## Offer Summary

The planned IPO is expected to consist of a secondary offering only, with the Siccardi family remaining fully committed to the Company and retaining a majority shareholding post IPO. In addition, an over-allotment option is expected to be granted on existing shares.

Credit Suisse and Morgan Stanley have been appointed as Joint Global Coordinators for the envisaged IPO. JP Morgan and UBS Investment Bank are acting as Joint Bookrunners. Rothschild & Co is acting as independent financial adviser to Medacta on the IPO.

## Key Figures: Double-digit growth combined with consistently high profitability

In €m	2018	2017	2016	CAGR 2016-18
<b>Revenues</b>	<b>273</b>	<b>245</b>	<b>219</b>	<b>14%<sup>(1)</sup></b>
<i>% growth</i>	11.4%	11.7%	NA	
<i>thereof Hip</i>	56%	60%	63%	
<i>thereof Knee</i>	35%	34%	33%	
<i>thereof Spine</i>	7%	6%	4%	
<i>thereof Shoulder and Sportsmed</i>	1%	0%	0%	
<b>Gross profit</b>	<b>204</b>	<b>183</b>	<b>165</b>	<b>11%</b>
<i>% margin</i>	74.8%	74.6%	75.1%	
<b>Adjusted EBITDA</b>	<b>88<sup>(2)</sup></b>			<b>14%</b>
<i>% margin</i>	32%			
<b>EBITDA</b>	<b>86</b>	<b>72</b>	<b>68</b>	<b>13%</b>
<i>% margin</i>	32%	29%	31%	

(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) Adjusted to exclude €0.6m of IPO costs and €0.9m of IFRS conversion costs.

## Inquiries

Corrado Farsetta  
 Medacta Group SA  
 CFO  
 Phone: +41 91 696 60 60  
[investor.relations@medacta.ch](mailto:investor.relations@medacta.ch)

Philippe Blangey  
 Dynamics Group AG  
 Partner  
 Phone: +41 43 268 32 35  
[prb@dynamicsgroup.ch](mailto:prb@dynamicsgroup.ch)

## About Medacta

Medacta is an international orthopaedics company specializing in the design and production of innovative orthopaedic products and the development of accompanying surgical techniques. 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 the minimally invasive surgical techniques, in particular its Anterior Minimally Invasive Surgery ("AMIS") technique for hip replacements. Medacta has leveraged its orthopedic 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. Medacta is headquartered in Castel San Pietro, Switzerland, and Rancate, Switzerland, and employs approximately 970 people. To learn more about Medacta, please visit [www.medacta.com](http://www.medacta.com)

*Not for release, publication or distribution, in whole or in part, directly or indirectly, in the United States of America, Canada, Japan or Australia or any other jurisdiction in which the distribution or release would be unlawful.*

## **Disclaimer**

This document is not an offer to sell or a solicitation of offers to purchase or subscribe for shares. This document is not a prospectus within the meaning of Article 652a of the Swiss Code of Obligations, nor is it a listing prospectus as defined in articles 27 et seqq. of the listing rules of SIX Swiss Exchange AG or of any other stock exchange or regulated trading venue in Switzerland or a prospectus under any other applicable laws. Copies of this document may not be sent to jurisdictions, or distributed in or sent from jurisdictions, in which this is barred or prohibited by law. The information contained herein shall not constitute an offer to sell or the solicitation of an offer to buy, in any jurisdiction in which such offer or solicitation would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any jurisdiction. A decision to invest in securities of Medacta Group SA should be based exclusively on the issue and listing prospectus published by Medacta Group SA (the "**Company**") for such purpose.

This document is not for publication or distribution in the United States of America (including its territories and possessions, any State of the United States and the District of Columbia), Canada, Japan or Australia or any other jurisdiction into which the same would be unlawful. This document does not constitute an offer or invitation to subscribe for or purchase any securities in such countries or in any other jurisdiction into which the same would be unlawful. In particular, the document and the information contained herein should not be distributed or otherwise transmitted into the United States of America or to publications with a general circulation in the United States of America. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the laws of any state of the United States, and may not be offered or sold in the United States of America absent registration under or an exemption from registration under the Securities Act. There will be no public offering of the securities in the United States of America.

This document does not constitute an "offer of securities to the public" within the meaning of Directive 2003/71/EC of the European Union, as amended (the "Prospectus Directive") of the securities referred to herein in any member state of the European Economic Area (the "EEA"). Any offers of the securities referred to in this document to persons in the EEA will be made pursuant to an exemption under the Prospectus Directive, as implemented in member states of the EEA, from the requirement to produce a prospectus for offers of the securities. In any member state of the European Economic Area (each an "EEA Member State") that has implemented Directive 2003/71/EC (as amended, including by Directive 2010/73/EU, and together with any applicable implementing measures in any EEA Member State, the "Prospectus Directive"), this document is only addressed to qualified investors in that EEA Member State within the meaning of the Prospectus Directive.

The information contained herein does not constitute an offer of securities to the public in the United Kingdom. No prospectus offering securities to the public will be published in the United Kingdom. This document is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to investment professionals falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FSMA Order") or (iii) persons falling within Articles 49(2)(a) to (d), "high net worth companies, unincorporated associations, etc." of the FSMA Order, and (iv) persons to whom an invitation or inducement to engage in investment activity within the meaning of Section 21 of the Financial Services and Markets Act 2000 may otherwise be lawfully communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

**Information to Distributors:** Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise,

*Not for release, publication or distribution, in whole or in part, directly or indirectly, in the United States of America, Canada, Japan or Australia or any other jurisdiction in which the distribution or release would be unlawful.*

which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Shares have been subject to a product approval process by each Underwriter (as defined below) established in the EEA, which has determined that the Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “Target Market Assessment”). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Shares offer no guaranteed income and no capital protection; and an investment in the Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers established in the EEA will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Shares and determining appropriate distribution channels.

This publication may contain specific forward-looking statements, e.g. statements including terms like “believe”, “assume”, “expect”, “forecast”, “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 Medacta Group SA and those explicitly or implicitly presumed in these statements. Against the background of these uncertainties, readers should not rely on forward-looking statements. Medacta Group SA assumes no responsibility to update forward-looking statements or to adapt them to future events or developments. Except as required by applicable law, Medacta Group SA has no intention or obligation to up-date, keep updated or revise this publication or any parts thereof following the date hereof.

None of Credit Suisse AG, J.P. Morgan Securities plc, Morgan Stanley & Co. International plc or UBS AG (the “Underwriters”) or any of their respective subsidiary undertakings, affiliates or any of their respective directors, officers, employees, advisers, agents, alliance partners or any other entity or person accepts any responsibility or liability whatsoever for, or makes any representation, warranty or undertaking, express or implied, as to the truth, accuracy, completeness or fairness of the information or opinions in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Group, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith. Accordingly, each of the Underwriters and the other foregoing persons disclaim, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort or contract or that they might otherwise be found to have in respect of this announcement and/or any such statement.

Each of the Underwriters is acting exclusively for Medacta and no one else in connection with any transaction referred to in this document. Each of the Underwriters will not regard any other person as a client and will not be responsible to anyone other than Medacta for providing the protections afforded to their respective clients nor for the giving of advice in relation to any transaction, matter or arrangement referred to in this document.