

FOR RELEASE IN SWITZERLAND – NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA, CANADA, JAPAN OR AUSTRALIA OR ANY OTHER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 launches IPO on SIX Swiss Exchange and sets price range from CHF 88 to 104**

Castel San Pietro, 22 March 2019 – Medacta Group SA (“Medacta” or the “Company”), a high-growth, pure play orthopaedics company, today announces the launch of its Initial Public Offering (the “IPO”) on SIX Swiss Exchange, the publication of the offering memorandum and the start of the bookbuilding process.

- **The IPO consists of up to 6,555,000 existing shares. In the base offering, up to 5,700,000 existing shares are offered by members of the Siccardi family. In addition, the Joint Global Coordinators have been granted an over-allotment option of up to 855,000 existing shares, equivalent to up to 15% of the base offer size**
- **The price range for the offered shares has been set at CHF 88 to CHF 104 per share, implying an offer size of up to CHF 593 million for the base offering and a total market capitalization of up to CHF 2.1 billion**
- **The free float of Medacta is expected to amount to 28.5% before exercise of the over-allotment option and 32.8% if the over-allotment option is exercised in full**
- **The Siccardi family remains fully committed to the Company, retaining a majority shareholding post IPO**
- **In 2018, Medacta achieved revenues of €273 million and an adjusted EBITDA of €88 million, corresponding to an adjusted EBITDA<sup>1</sup> margin of 32%**
- **In 2019, Medacta targets revenue growth in the mid-teens (on a constant currency basis) and an adjusted EBITDA margin of 31-33%. In the mid-term, Medacta targets annual revenue growth in the low- to mid-teens (on a constant currency basis) and an adjusted EBITDA margin in the low- to mid-thirties range**
- **Medacta aims to pay a dividend for the financial year ending 31 December 2019, representing a pay-out ratio of between 20%-30% of reported net income**
- **The listing and first day of trading on SIX Swiss Exchange is expected to be on or around 4 April 2019**

### **Offering summary**

The base offering of the IPO consists of up to 5,700,000 existing shares offered by certain members of the Siccardi family (the “Selling Shareholders”). Furthermore, the Selling Shareholders have granted the Joint Global Coordinators an over-allotment option on up to 855,000 existing shares, exercisable in whole or in part within 30 calendar days after the first day of trading on SIX Swiss Exchange.

In total, up to 6,555,000 existing shares are being offered in the IPO (including the over-allotment option).

The free float is expected to be 28.5% before exercise of the over-allotment option and 32.8% if the over-allotment option is exercised in full. After the listing and assuming the over-allotment option is exercised in full, the Siccardi family will hold 67.2% of the share capital of Medacta.

The price range for the offered shares has been set at CHF 88 to CHF 104 per share, implying an offer size of CHF 502 million to CHF 593 million in the base offering (CHF 577 million to CHF 682 million assuming a full exercise of the over-allotment option) and a total market capitalization of approximately CHF 1.8 billion to CHF 2.1 billion.

---

<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.*

### **Additional offering details**

The offering memorandum will be published today, 22 March 2019. Additionally, the bookbuilding process begins today and is expected to end on or around 3 April 2019. The final offer price is expected to be published on or around 4 April 2019 before the start of trading on SIX Swiss Exchange. The listing of the shares will be in accordance with the International Reporting Standard of SIX Swiss Exchange and commencement of trading in the shares on SIX Swiss Exchange is expected to take place on or around 4 April 2019.

The Company has committed to a lock-up period of 180 days from the first day of trading. The Siccardi Family has committed to a lock-up ending on 31 December 2020. All lock-ups are subject to customary exceptions.

The offering consists of (i) a public offering in Switzerland, (ii) private placements in certain jurisdictions outside the United States and Switzerland in accordance with applicable securities laws, including Directive 2003/72/EC of the European Union, as amended, (iii) private placements within the United States to “qualified institutional buyers” as defined in and in reliance on Rule 144A of the U.S. Securities Act of 1933 (the “Securities Act”) and (iv) private placements in Canada to accredited investors and permitted clients in the provinces of Alberta, British Columbia, Ontario and Quebec. All offers and sales outside the United States will be made in compliance with Regulation S under the Securities Act.

Credit Suisse and Morgan Stanley have been appointed as Joint Global Coordinators for the 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.

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

Medacta’s products and surgical techniques are characterised by innovation. With over 400 patents in its portfolio, Medacta has long-standing expertise in bringing new orthopaedic technologies to the market.

In particular, having recognized that minimally invasive surgery offers many benefits for patients, surgeons and healthcare systems, Medacta has been a pioneer in developing new offerings on the basis of minimally invasive techniques. Additionally, Medacta’s innovation also extends to sophisticated technologies, which offer surgeons highly personalized solutions for both 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.

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

To counteract the disadvantages of traditional hip joint surgery, Medacta developed and introduced the AMIS (Anterior Minimally Invasive Surgery) technique, which involves an anterior approach to the hip and has been carried out in over 330,000 cases worldwide since 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.

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

Tailored training programs and mentoring are provided through the M.O.R.E. (Medacta Orthopaedic Research and Education) Institute to help 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. As of 31 December 2018, Medacta operated 387 Reference Centers worldwide, where approximately 1,150 surgeons participated in educational activities and over 850 surgeon to surgeon visits took place.

*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.*

### **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 offerings and its differentiated education platform. Today, Medacta has a direct presence in 12 countries, including the USA, Australia, Japan and various European countries as well as distributors in 20 additional countries.

### **Strong financial performance and positive outlook for 2019**

Medacta's attractive product mix and strong geographic diversification enabled the Company to become 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<sup>2</sup> of €88 million, corresponding to an adjusted EBITDA 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.

For 2019, Medacta targets revenue growth in the mid-teens (on a constant currency basis) driven by organic penetration in the Company's existing geographic markets and further development and roll-out of its spine and shoulder business lines, with low- to mid-teen revenue growth targeted in the medium term. Additionally, Medacta targets an adjusted EBITDA margin<sup>3</sup> in the range of approximately 31% to 33% in 2019 and an EBITDA margin in the low to mid-thirties range in the medium term.

Medacta aims to provide a stable dividend to its shareholders, representing a pay-out ratio of between 20% to 30% of reported net income.

### **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 a proven track record of strong profitable growth.

### **Key IPO data and indicative IPO timetable**

<b>Key Data</b>	
<b>Listing</b>	SIX Swiss Exchange (International Reporting Standard)
<b>Ticker</b>	MOVE
<b>Swiss security number</b>	46 852 522
<b>ISIN</b>	CH0468525222
<b>Nominal value</b>	CHF 0.10 per share
<b>Price range</b>	CHF 88 – 104 per share
<b>Base offer size</b>	Up to 5,700,000 existing shares
<b>Over-allotment option (greenshoe)</b>	Up to 855,000 existing shares (15% of base offering)
<b>Total number of shares issued (pre and post IPO)</b>	20,000,000 registered shares

<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

<sup>3</sup> In 2019, EBITDA will be adjusted for customary IPO related expenses.

*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.*

<b>Indicative IPO Schedule</b>	
Publication of offering memorandum	22 March 2019
Commencement of bookbuilding	22 March 2019
End of bookbuilding	On or around 3 April 2019 at 12.00 noon (CEST), for retail and private banking orders, and at 15.00 (CEST), for institutional orders
Publication of final offer price and final number of offered shares	On or around 4 April 2019
Listing and first day of trading	On or around 4 April 2019
Payment and settlement	On or around 8 April 2019
Last day for the exercise of the over-allotment option	On or around 3 May 2019

### **Media conference today Friday, 22 March, at 08.30am CET in Zurich**

Medacta is holding a media conference today Friday, 22 March, starting at 08.30am CET, at Zunfthaus zur Waag, Münsterhof 8 in Zurich. Francesco Siccardi, CEO and Corrado Farsetta, CFO will present the Company and provide further information on the Company's strategy and financials. A registration is not required.

### **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 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**"). Copies of the issue and listing prospectus (and any supplements thereto) can be obtained free of charge from Medacta Group SA, Strada Regina 34, 6874 Castel San Pietro, Switzerland (phone: +41 91 696 6060; email: investor.relations@medacta.ch), and from Credit Suisse AG, Zurich, Switzerland (email: equity.prospectus@credit-suisse.com).

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, 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

*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.*

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 pro-cure 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. In addition, this publication includes certain financial targets. These forward-looking statements are not guarantees of future financial performance and the actual results of Medacta Group SA could differ materially from those expressed or implied by these forward-looking statements as a result of many factors. 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. Investors are strongly urged not to place undue reliance on any forward looking statements.

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.