

## Amplitude Surgical – 2022-23 annual results: Sales of €100.2 million and EBITDA of €26.1 million

- Consolidated sales of €100.2 million, +14.0% at constant exchange rates
- Increase in EBITDA to €26.1 million (+18.7%), EBITDA margin of 26.1%
- Recurring operating profit of €10.3 million
- Cash position of €37.2 million at end-June 2023

**Valence (France), October 18, 2023, 6 pm CEST** - Amplitude Surgical (ISIN: FR0012789667, Ticker: AMPLI, eligible for PEA-PME plans), a leading French player on the surgical technology market for lower-limb orthopedics, announces its 2022-23 annual results.

**Olivier Jallabert, Amplitude Surgical's CEO**, commented: "Group sales for the 2022-23 financial year were up by 14.0% on the previous year at constant exchange rates. Activity notably improved thanks to revenue growth of 15.8% in France, which benefited from a favorable sales dynamic. This growth in activity and good control over operating costs led to an 18.7% increase in EBITDA to €26.1 million. The recurring operating profit rose to €10.3 million. The disposal of Novastep's activities enabled the Group to reduce its debt and strengthen its financial structure, which will allow it to continue its sales development momentum and its investments in technological projects".

### Financial summary – actual exchange rates:

In June 2022, the Board of Directors issued a recommendation that a strategic review of the Group's foot and ankle activities be launched. On June 29, 2023, the Group announced the completion of the sale of Novastep SAS and Novastep Inc. Therefore, for both financial years, the Group has applied IFRS 5 "Non-current assets held for sale and discontinued activities". The contribution of Novastep's activities to the Group's net profit for 2023 and the proceeds of the divestment are thus presented on a single line as Profit/loss from discontinued activities.

€ millions – IFRS	2022-23	2021-2022	Δ
<b>Sales</b>	<b>100.2</b>	<b>87.6</b>	<b>14.4%</b>
<b>Gross margin</b>	<b>70.9</b>	<b>62.7</b>	<b>13.0%</b>
<i>as a % of sales</i>	<i>70.7%</i>	<i>71.6%</i>	<i>-89 bps</i>
Sales & Marketing costs	29,7	27,3	8.5%
General & Administrative costs	13.3	11.5	15.4%
Research & Development costs	1.8	1.8	-3.3%
<b>EBITDA</b>	<b>26.1</b>	<b>22.0</b>	<b>18.7%</b>
<i>as a % of sales</i>	<i>26.1%</i>	<i>25.1%</i>	<i>+95 bps</i>
<b>Recurring operating profit/loss</b>	<b>10.3</b>	<b>6.8</b>	
Non-recurring operating income and expenses	-2.3	-1.8	
<b>Operating profit/loss</b>	<b>8.0</b>	<b>4.9</b>	



Financial profit/loss	-14.0	-6.6	
Current and deferred tax	-0.8	-1.2	
Profit/loss from discontinued activities, after tax	45.3	-2.0	
Net profit/loss - Group share	39.2	-4.4	
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Net financial debt	69.3	118.0	
Net cash position at end of period	37.2	21.0	

### EBITDA up by 18.7% with an EBITDA margin of 26.1%

During its 2022-23 financial year, Amplitude Surgical recorded sales of €100.2 million, up 14.4% in actual terms and 14.0% at constant exchange rates. The Group benefited from a favorable sales dynamic in France throughout the year and from the growth of its international activities.

Amplitude Surgical generated a gross margin of 70.7%, down 89 bps, primarily impacted by an increase in the cost prices of its products.

The Group's operating expenses totaled €44.7 million, an increase of 9.9% on the previous year, given the growth in sales.

Sales & Marketing spending was up 8.5%, due to the growth in activity leading to a higher level of commissions, notably in France.

General & Administrative spending rose by 15.4% to €13.3 million, with an increase in personnel costs and in expenses notably for quality control and regulatory activities.

R&D costs booked as expenses represented 1.8% of sales, compared with 2.1% the previous year. However, including capitalized R&D spending, the Group's global investment in R&D increased, rising from €4.0 million in 2021-2022 to €4.9 million in the year to June 30, 2023.

Amplitude Surgical had a workforce of 426 staff at end-June 2023 compared with 389 at end-June 2022, an increase of 9.5%. Personnel costs were up by 12.2% on the previous year.

EBITDA was thus €26.1 million, up 18.7%, giving an EBITDA margin of 26.1% in 2022-23, an improvement of 95 bp compared with 2021-22.

The Recurring Operating Profit was €10.3 million, versus €6.8 million the previous year, driven by the positive sales trend and the limited increase in operating costs.

The Operating Profit was €8.0 million in 2022-23 versus €4.9 million in 2021-22.

The financial result was -€14.0 million and consisted primarily in an interest expense of €11.1 million and the booking of a net currency loss of €3.6 million.

The profit from discontinued activities was €45.3 million at June 30, 2023, and corresponds to the net impact of the divestment of Novastep's activities.

The Net Result (Group share) was a profit of €39.2 million, versus a loss of €4.4 million the previous year.

### Financial structure: cash position of €37.2 million at end-June 2023

Net cash flow generated by operating activity totaled €8.1 million, versus €8.0 million in 2021-22.

Investments (excluding the impacts of the Novastep divestment) totaled €19.4 million in 2022-23 compared with €12.1 million a year earlier.

The proceeds of the sale of Novastep's activities generated approximately €68 million for the Group.

At the end of June 2023, the Group thus had cash and cash equivalents of €37.2 million. Net Financial Debt was €69.3 million, giving gearing (Net Financial Debt over Shareholders' Equity) of 0.72, compared with 2.24 at the end of June last year.

### Key 2022-23 events

- **Divestment of Novastep**

- On June 29, 2023, the Amplitude Group announced the completion of the divestment of its Novastep subsidiaries to Enovis Corporation. The proceeds of this sale received by the Group totaled €68 million including €39.2 million of capital gains on the sale received by Amplitude SAS.

- **Partial redemption of the bond issue**

- Amplitude Surgical undertook the partial redemption of its bond issue for a nominal amount of €110 million, to the tune of €40 million, including €37.5 million corresponding to the principal and €2.5 million to capitalized interest. The remaining bond debt at June 30, 2023, before deduction of the costs of the issue and the fair value of the hedging instruments, was €72.5m.

- **URSSAF audits on tax on the promotion of medical devices**

- In a decision dated July 11, 2023, the Court of Valence dismissed Amplitude SAS's claim for cancellation of the reassessment in the fourth dispute concerning the medical device promotion tax for the period from July 1, 2017 to June 30, 2020. The court confirmed the reassessment and ordered the company to pay URSSAF Rhône Alpes €5.9 million, including €5.5 million in principal and €0.4 million in late payment surcharges. Amplitude SAS has appealed this decision.

- **Dispute with Zimmer Biomet**

- In May 2023, the Court of Cassation rejected the appeal lodged by Zimmer Biomet against Amplitude SAS, thus ending the dispute over alleged unfair competition.

### Outlook

For the 2023-24 financial year, the Group anticipates sales growth of around 10%, with a stable EBITDA margin of around 26%.

### Next press release:

**Q1 2023-24 sales, on Thursday November 23, 2023, after market.**



**About Amplitude Surgical**

Founded in 1997 in Valence, France, Amplitude Surgical is a leading French player on the global surgical technology market for lower-limb orthopedics. Amplitude Surgical develops and markets high-end products for orthopedic surgery covering the main disorders affecting the hip and knee. Amplitude Surgical develops, in close collaboration with surgeons, numerous high value-added innovations in order to best meet the needs of patients, surgeons and healthcare facilities. A leading player in France, Amplitude Surgical is developing abroad through its subsidiaries and a network of exclusive distributors and agents distributing its products in more than 30 countries. As of June 30, 2023, Amplitude Surgical employed 426 people and generated sales of nearly 100.2 million euros.

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