Dear Shareholder,

While adapting to changes, coping with disruptions and capturing new opportunities have always been part of business, the events of the first half year 2022 give these standard expectations a whole new definition. The brightening mood at the beginning of the year, with the global economy still recovering from the pandemic, ended abruptly late February when Russia invaded Ukraine. Months later it remains unclear how the related economic effects – supply chain constraints, rising freight, commodity and energy prices and their impact on inflation – will unfold in the long run. However, these challenges have allowed us to demonstrate the resilience of our business model yet again.

At medmix, 'agility' is more than just a management buzzword, it is a core ingredient for success. We have continued to deliver on our promise to capture growth opportunities in our markets, as you will see from our first half results. In certain market segments, such as Beauty, we outperformed already high expectations. However, we also had to respond swiftly to a political action outside our direct sphere of influence: as a result of sanctions levied by the Polish government against medmix' minority shareholder Viktor Vekselberg, we were forced to suspend the operations of our manufacturing site in Wroclaw in early May. We firmly believe that the limitations placed on medmix Poland by the Polish government are erroneous. Through their support, both the Swiss and the US government administrations have shown that they agree with us. While we contest these Polish measures, we are minimizing the impact of these sanctions by ramping up production at other sites. This is made possible by our shared operations backbone while serving the diverse markets with dedicated resources. The investments we have made in building capacity and capability across our production network allows us to build each of our products in at least two of our sites across Europe (Switzerland, Germany, Czech Republic), the USA, Brazil, China and India.

We were able to compensate for the revenue shortfall in the Industry market segment due to the situation in Poland with accelerated growth across other market segments. Revenue for the first six months was CHF 250.6 million, negatively impacted by foreign exchange fluctuations, up 10.2% year on year. All growth was organic. Adjusted EBITDA was CHF 60.1 million, resulting in an EBITDA margin of 24% compared to 25.4% in the first six months of 2021 largely due to time lag of price increases mitigating cost inflation across all market segments.

We previously guided on capex levels at approximately 9% of revenue as we significantly ramp-up in our Healthcare market segments and also build additional capacity for Industry growth. This figure still holds true, albeit we anticipate a short-term reprioritization towards additional mold tools and equipment to expand the site capacity around the world to compensate for suspended manufacturing in Poland. We expect a total investment for molds and machines of circa CHF 20 million, most of which will impact H2 2022. We estimate the imposition of sanctions and subsequent suspension of operations in Poland had an impact on free cash flow of CHF 7 million for the first half year.

"medmix demonstrated its immense potential through the growth in both our business areas, Healthcare and Consumer & Industrial, despite significant headwinds. We are committed to fostering this continuing journey of growth."

Greg Poux-Guillaume
Chairman of the Board of Directors

Continuing rebound

Poland aside, momentum was excellent across the medmix portfolio. Growth was driven both by the Healthcare business area, where revenue increased by 16.0% compared to the same period in 2021 and Consumer & Industrial business area, which increased by 6.7%. Healthcare achieved an impressive double-digit growth across all segments. Growth in the Dental market segment was strong in all regions and especially in the US. The Drug Delivery market segment launched PiccoJect ™ - its innovative, highly compact and customizable two-step autoinjector at Pharmapack in Paris. The Surgery market segment further recovered from the pandemic related slowdown, with the tissue banks performing extraordinarily well.

Demand was also strong in Consumer & Industrial, particularly in the Beauty market segment, which saw a revival thanks to new product launches and the phasing out of pandemic related restrictions. Output returned to pre-pandemic levels by the end of H1. The Beauty segment also has excellent traction on it's Beyond Mascara strategic initiative with 16 new projects for the innovative Micro Bristle Applicator. We were proud to record a historic moment in the Industry market segment - medmix' MK™ range celebrated 100 years of producing high-performance, professional dispensing solutions.

We have made significant progress in building up capabilities across functions, working within the transitional service agreement currently in place with Sulzer, and have moved into our new headquarter offices in Baar.

Sustainable solutions

Sustainability remains core to our business strategy. In February 2022, CDP awarded medmix Beauty (under the GEKA brand) with a “B” Supplier Engagement Rating for reducing the climate impact of its supply chain and the Haag site received a Gold assessment from Ecovadis, highlighting sustainable manufacturing practices. These assessments reflect our commitment to being a sustainability leader in the industry. In March, medmix launched the MIXPAC™ greenLine™ B-System – the first cartridge made of 100% recycled materials. The F-System was upgraded with the 100% recycled greenLine™ bayonet ring, highlighting our ability to help our customers reduce their carbon footprint.

"Our determination to remaining market leader in sustainable products and solutions was evidenced by important milestones in this first half of 2022."

Girts Cimermans Chief Executive Officer

Outlook 2022

We anticipate continued strong demand across all market segments. Operational milestones for the remainder of the year are:

- Building the new Healthcare manufacturing site in Atlanta, USA, preparing for the expected momentum in the Drug Delivery markets and to better serve local customers in all Healthcare segments.
- Leveraging the investments in the Bechhofen, Germany site, where all manufacturing capabilities of the Beauty market segment are consolidated under one roof, resulting in higher efficiency and an expanded offering.
- Pursuing acquisitions, with the dual focus on the Healthcare market segments globally as well as in China for Consumer and Industry.
- Minimizing the one-off impact of the sanctions in Poland by continuing the ramp-up at other production sites across factory network.

Total revenue is expected to be in the range of CHF 460–470 million, in effect confirming the guidance issued earlier in the year for an 8 to 10% growth in revenue, adjusted for the one-off impact of CHF –30 to –40 million resulting from the Polish sanctions. Guidance on adjusted EBITDA margin is lowered by 200 basis points from 26% to 24%, half related to the suspension of operations in Poland and half reflecting the time lag of price increases compensating for the continuing cost inflation across all market segments. The medium-term aspiration, a compound annual growth rate (CAGR) of 8% in revenue and an adjusted EBITDA margin of 30%, is confirmed. To achieve such growth and profitability, we will continue investing in R&D at average of 5% to 6% of revenue.

Thank you

On behalf of the Board of Directors and Group Executive Management, we would like to thank you for your trust in medmix. We are also very grateful to our employees who have shown incredible dedication and loyalty in challenging circumstances, remaining focused on our mission to provide innovative solutions to help millions of people live healthier and more confident lives.

Greg Poux-Guillaume
Chairman of the Board of Directors

Girts Cimermans
Chief Executive Officer