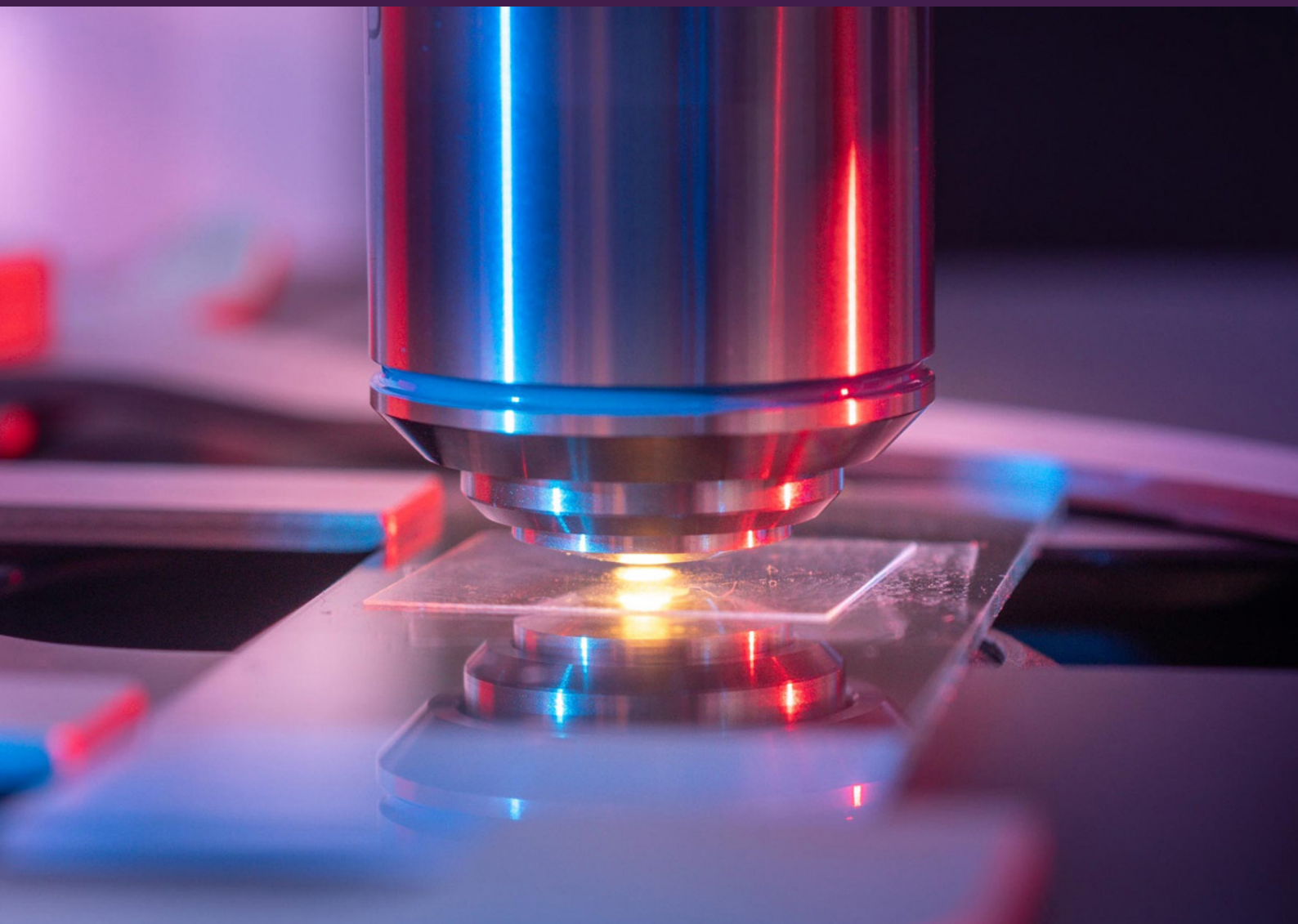
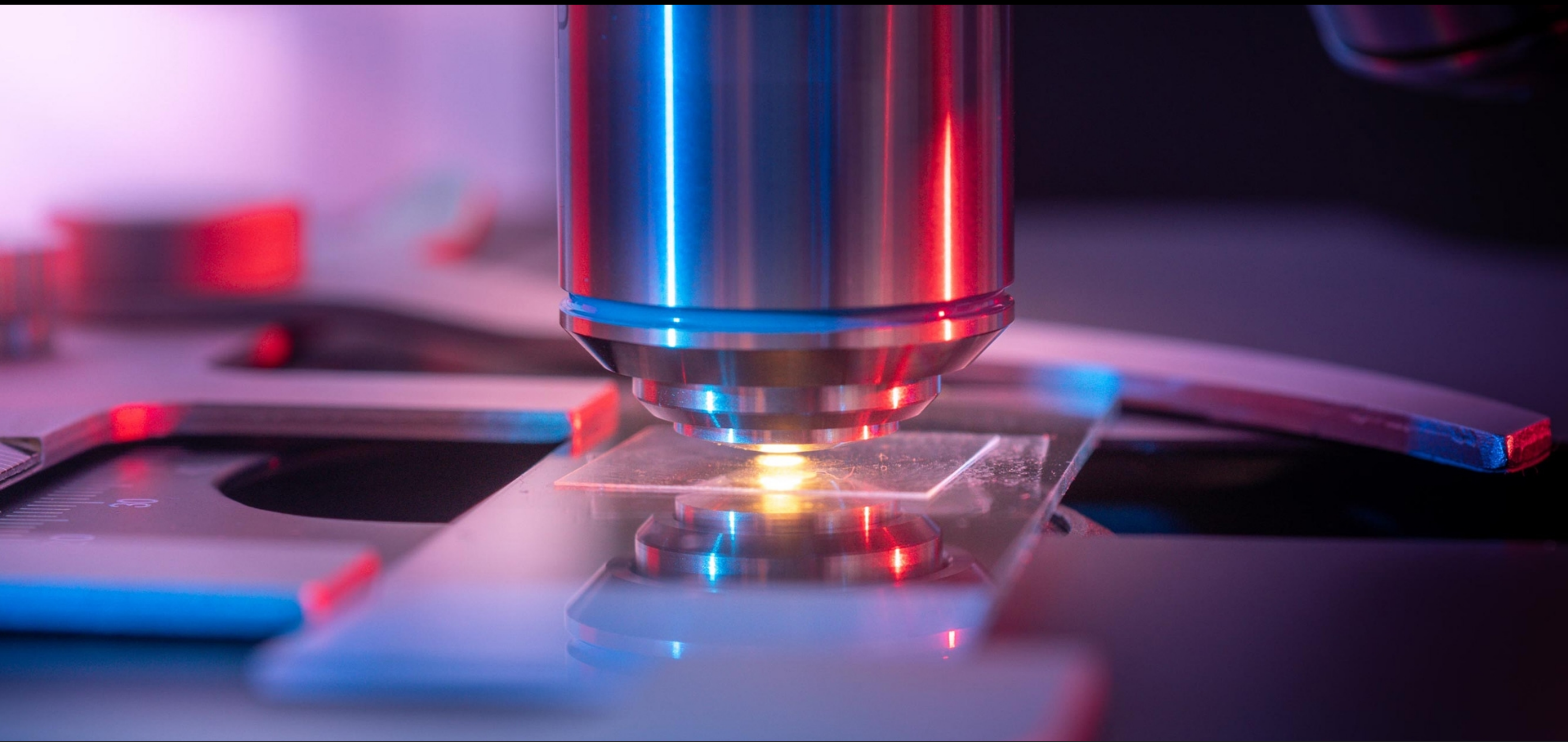


AO

The AO: where collaboration  
accelerates innovation  
**Annual Report 2022**





# The AO: where collaboration accelerates innovation

## Annual Report 2022



### From the President and the CEO

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[Finance and governance](#)

[Corporate social responsibility \(CSR\)](#)

[Links](#)



## From the President and the CEO The AO: where collaboration accelerates innovation

At the AO, 2022 was a year in which our collaborative efforts were rewarded with innovations on all fronts. As an organization, the pandemic years challenged us to become more agile in our collaborations. Instead of our strategic partnerships shrinking, we experienced growth in this area, with our most extensive portfolio of active core-aligned projects with DePuy Synthes in years, the AO's full-stake investment in RIMASYS, and the signing of a memorandum of understanding for collaboration between the AO and Balgrist University Hospital in Zurich. Collaboration was also fortified between our AO colleagues, with the opening of our new office in Zizers, Switzerland—an ideal setting for the AO's international staff to gather and work in a fully equipped, state-of-the-art workplace.

By continually seeking new strategic approaches that strengthen both our relationships and mission, we emerged this past year with more tools and resources that enhanced our approach to education, research, and innovation.

### Education

The imposed distance of the pandemic years inspired us to generate new, lasting ways to connect and made us realize the value—and privilege—of coming back together. We have carried forward our learnings, and in 2022 alone, we delivered more than 870 events and trained more than 82,000 participants. The new initiative AO Sports developed and finalized three new curricula and hosted its first-ever AO Sports Principles Courses in North America and Switzerland. The crescendo of the AO's in-person comeback culminated with the on-site return of the full AO Davos Courses offerings in December 2022 after two years of pandemic stops and starts, where 1,058 participants and more than 350 faculty traveled from over 70 countries to teach, learn, and experience the AO's flagship event.

### Research

This year also marks the regulatory approval and first clinical use of the biphasic plate, developed by the AO Research Institute Davos (ARI) with the support of the AO's Development Incubator—a testament to the power of collaboration yielding innovations with life-altering benefits to patients. ARI's scientific staff garnered multiple international career achievement awards, and the team delivered a record number of publications, with multiple staff listed in the top 2 percent of scientists worldwide.

### Innovation

The AO Innovation Technology Center (AO ITC) delivered 23 new approved solutions through the AO Technical Commission. AO ITC's Network Clinical Research validated multiple groundbreaking tools and studies, and AO ITC Clinical Evidence inaugurated the AO Clinical Research Advisory Board. Innovation was running full tilt at the AO ITC in 2022, with 12 actively funded Development Incubator projects and seven Strategy Fund projects.

### Collaboration accelerating innovation

Collaboration is the bedrock of the AO's past, present, and future. The AO's partnerships between surgeons, researchers, innovators, and our industrial partner, DePuy Synthes, have yielded revolutionary surgical methods and premier international educational offerings. As we saw in 2022 at the AO, the pace of innovation accelerates with the power of our collaborations—both of which continue to grow and strengthen as we continue exploring the frontier of surgery.

Florian Gebhard  
AO President

Christoph Lindenmeyer  
CEO



## Finance and governance

Despite a boost in activities as COVID-19 infections dropped worldwide, a much slower recovery from the pandemic was evident in Asia Pacific, namely China. Nevertheless, travel ramped up after restrictions were lifted internationally; hence many on-site events and offerings could take place.

Compared to 2021, the AO's number of educational events increased significantly, with more than 870 training sessions offered—almost at pre-pandemic levels.

The outlook of several downside risks, such as geopolitical tensions, rising costs, inflation, and interest rates, had not only a negative impact on the net result but shocked and rocked global financial markets into perhaps the most turbulent year investors have ever seen, producing the worst financial performances in AO history. The asset management result realized in the current year was a loss of CHF -219.6 million.

Compared to the previous year, third-party income increased by +44% to CHF 29.3 million but remains -30% below the budget due to a slower recovery of global economies breaking out of the pandemic, mainly impacting the educational events activities (-27% versus budget). Total operating expenses increased by +25% in the current year with the biggest driver being educational expenses, which increased by +58% compared to the prior year. The operating result for the year was CHF -46.2 million.



Operating income

**107 million**

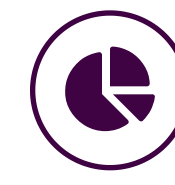
CHF



Financial result

**-226 million**

CHF



Foundation equity

**1,347 million**

CHF

### Financial overview and income statement

The financial result of CHF -226.2 million was the result of one of the roughest years in global financial markets' history. As a result, the AO Foundation's equity decreased to CHF 1,347 million by the end of 2022.

Find the financial overview and the income statement 2022 in comparison to budget and previous year

[Download PDF](#)

### Asset management

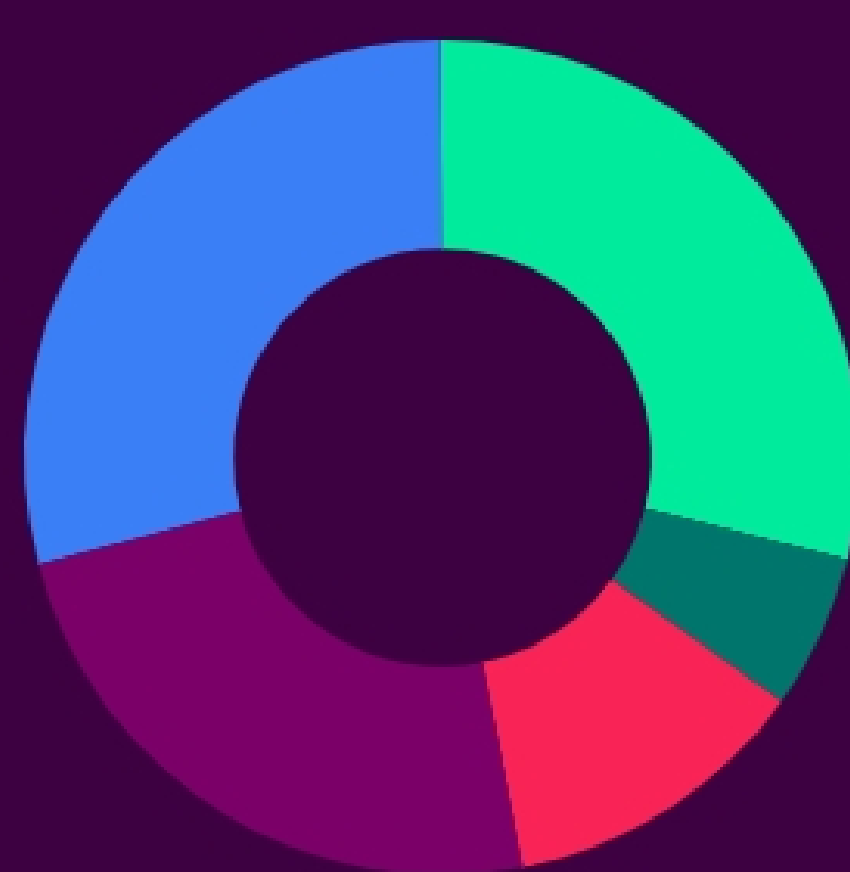
The asset management result of CHF -219.6 million reflects an actual return of -14% on the underlying financial assets amounting to CHF 1,304 million by the end of 2022.

## Employees

The number of full-time equivalents (FTEs) by December 31, 2022 is 402.8. The percentages of their distribution across the AO is represented below.

### FTE overview by area

402.8 FTEs



- **AO Research Institute (AR)**  
115.2 FTEs/29%
- **AO Education Institute (AO EI)**  
26.5 FTEs/6%
- **AO Innovation Translation Center (AO ITC)**  
47.4 FTEs/12%
- **Global Networks (GN)**  
96 FTEs/24%
- **Support Units**  
115.8 FTEs/29%
- **Others**  
2 FTEs/0%

## Transparency

According to its Transparency Policy, the AO Foundation annually publishes the total remuneration of the AO Foundation Board (AO FB), international boards of the clinical divisions, and the AO Executive Management, in addition to disclosing all scientific grants to third parties.

### Remunerations per board

The total remunerations summarized for all governance activities of the International Funding Boards in 2022 were CHF 1,421,000 (2021: CHF 1,363,450) which is 0.9% (2021: 1.1%) of the total Operating Expenses of the AO Foundation and its institutions. The table below shows the total remuneration of each individual International Board in absolute amounts CHF and as a percent of the total amount of individual Operational Expenses, as well as the absolute amount of the highest individual remuneration amount within each board in 2022:

[Download PDF](#)

### Remuneration of the AO Executive Committee and the relative ratio between the highest and the lowest paid individual compensation of all permanent employees.

The total annual compensation of the six members of the AO Executive Committee 2022 was CHF 1,894,525 (2021: CHF 1,871,850). The highest individual compensation was CHF 334'087 resulting in a 17,49 relative ratio between the highest and the lowest paid individual compensation (permanent employees).

### Assignment of scientific and other grants to third party organizations

In 2022, the AO Foundation funded research projects with scientific and other grants in a total of CHF 2,849,906 in 72 different third-party organizations (2021: CHF 2,524,152).

# Finance and governance

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Find the financial overview and the income statement 2022 in comparison to budget and previous year here:

AO Financial Overview	2021	2022	Variance A22/A21	
in CHF million	abs	abs	abs	%
Total Operating Income	93.8	106.7	12.9	14%
Total Operating Expenses	-122.5	-152.9	-30.4	25%
<b>Operating Result</b>	<b>-28.7</b>	<b>-46.2</b>	<b>-17.6</b>	<b>61%</b>
Financial Result	180.6	-226.2	-406.8	-225%
<b>Net Result</b>	<b>152.0</b>	<b>-272.5</b>	<b>-424.4</b>	<b>-279%</b>
Equity per 31.12.	1,617.6	1,347.0	-270.6	-17%

## Income statement

The 2022 income statement is as follows in comparison to the previous year and budget:

Income Statement Consolidated	2021 Actual		2022 Actual		2022 Budget		Variance A22/B22		Variance A22/A21	
	abs	%	abs	%	abs	%	abs	%	abs	%
in CHF million										
Cooperation Agreements	73.5	78%	77.4	73%	78.4	65%	-1.0	-1%	3.9	5%
Total 3rd Party Income	20.3	22%	29.3	27%	41.8	35%	-12.5	-30%	8.9	44%
<b>Total Operating Income</b>	<b>93.8</b>	<b>100%</b>	<b>106.7</b>	<b>100%</b>	<b>120.2</b>	<b>100%</b>	<b>-13.5</b>	<b>-11%</b>	<b>12.9</b>	<b>14%</b>
Research	-18.9	15%	-20.0	13%	-23.6	14%	3.6	-15%	-1.1	6%
Development	-5.5	5%	-7.6	5%	-11.1	6%	3.4	-31%	-2.1	38%
Education	-39.6	32%	-62.8	41%	-71.4	41%	8.6	-12%	-23.1	58%
Network Management	-11.0	9%	-17.2	11%	-16.1	9%	-1.0	6%	-6.2	56%
Boards	-2.4	2%	-3.9	3%	-4.5	3%	0.6	-14%	-1.5	64%
General & Administrative	-37.0	30%	-31.5	21%	-38.4	22%	6.9	-18%	5.4	-15%
Others	-8.0	7%	-9.9	6%	-9.2	5%	-0.7	8%	-1.9	24%
<b>Total Operating Expenses</b>	<b>-122.5</b>	<b>100%</b>	<b>-152.9</b>	<b>100%</b>	<b>-174.3</b>	<b>100%</b>	<b>21.4</b>	<b>-12%</b>	<b>-30.4</b>	<b>25%</b>
<b>Operating Result</b>	<b>-28.7</b>		<b>-46.2</b>		<b>-54.1</b>		<b>7.8</b>	<b>-14%</b>	<b>-17.6</b>	<b>61%</b>
<b>Financial Result</b>	<b>180.6</b>		<b>-226.2</b>		<b>35.0</b>		<b>-261.2</b>	<b>-746%</b>	<b>-406.8</b>	<b>-225%</b>
<b>Net Result</b>	<b>152.0</b>		<b>-272.5</b>		<b>-19.1</b>		<b>-253.4</b>	<b>1330%</b>	<b>-424.4</b>	<b>-279%</b>

# Finance and governance

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	2021	2022
AO Foundation Board	10 members	11 members
Total AO Foundation Board	360,000	380,000
% of total Operating Expenses AO Foundation	0.3%	0.2%
Highest remuneration AO Foundation Board	93,750	150,000
<b>AO Trauma International Board</b>	<b>9 members</b>	<b>10 members</b>
Total AO TIB	343,750	362,500
% of total Operating Expenses AO T	1.9%	1.3%
Highest remuneration AO TIB	75,000	75,000
<b>AO Spine International Board</b>	<b>10 members</b>	<b>10 members</b>
Total AO SIB	312,500	312,500
% of total Operating Expenses AO S	2.7%	2.8%
Highest remuneration AO SIB	37,500*)	75,000
<b>AO CMF International Board</b>	<b>9 members</b>	<b>9 members</b>
Total AO CMFIB	275,000	275,000
% of total Operating Expenses AO CMF	7.0%	4.9%
Highest remuneration AO CMFIB	75,000	75,000
<b>AO VET International Board</b>	<b>9 members</b>	<b>9 members</b>
Total AO VETIB	72,200	54,000
% of total Operating Expenses AO VET	2.7%	1.8%
Highest remuneration AO VETIB	16,200*)	30,000
<b>AO Recon Steering Board</b>	<b>n.a.</b>	<b>5 members</b>
Total AO Recon Steering Board		37,000
% of total Operating Expenses AO Recon		1.2%
Highest remuneration AO Recon Steering Board		25,000
<b>Grand Total</b>	<b>1,363,450</b>	<b>1,421,000</b>

\*) only 6 months, as Chair changed mid-year

## Corporate social responsibility (CSR)

The AO is proud to be a good corporate citizen in all geographies where it has a presence. In 2022, we found new ways to strengthen fracture care in low- and middle-income countries, engage with our local community in Davos, Switzerland, and reduce our carbon footprint.

### AO Alliance

The AO's greatest CSR contribution is its continuing support of AO Alliance, a nonprofit development organization dedicated to strengthening care of the injured in 34 low- and middle-income countries (LMICs) in Sub-Saharan Africa and in Asia.

The mission of AO Alliance is to reduce human suffering, disability, and poverty by implementing programs that enhance local fracture-care capacity for sustainable impact. AO Alliance boasts an impressive network of 888 faculty from Africa and Asia, who deliver education and training locally to their fellow healthcare workers. In 2022, more than 6,000 healthcare workers were trained; since 2015, over 31,000 healthcare workers have been trained in timely and appropriate fracture care through 900+ education events.



### The AO—giving back to the community

Davos has been the AO's headquarters for more than sixty years, and we are proud to give back to this active mountain community and to initiatives throughout Switzerland promoting community, health, and education.

#### ARGO

ARGO is a Davos-based foundation that the AO works with and supports. ARGO runs commercial workshops and residential homes for adults with different abilities in Davos.

#### Greenhope: Supporting families of children with cancer in Switzerland

The AO believes in the power of building community around health, so it is fitting that the AO has chosen to support Greenhope, a group that organizes recreational events for children with cancer and their families in Switzerland with the goal of building happy and carefree moments with one another.

#### Healthy kids, healthy bones

The AO's "Gesunde Kinder = Gesunde Knochen" (Healthy Kids = Healthy Bones) initiative supports local children through its support of 16 youth clubs in and around Davos that promote exercise and a healthy lifestyle from a young age, laying the groundwork for improved well-being and healthier habits as kids grow.

#### Hockey Club Davos juniors

The AO supports Hockey Club Davos (HCD) with comprehensive sports medicine care for HCD juniors.



#### Swiss Young Researchers

The AO also supports the Swiss Young Researchers (Schweizer Jugend Forsch, or SJF). SJF is committed to the sustainable promotion of talented young people with scientific curiosity, creativity, and problem-solving skills. Our target group is talented high school and vocational school students between 16 and 21 years old whose work at Switzerland's National Competition received top marks from the SJF expert jury. The competition's special prize includes a five-day stay in Davos that covers travel and accommodation, with visits to the AO Foundation and the eCM conference.

### Sustainable energy production and consumption

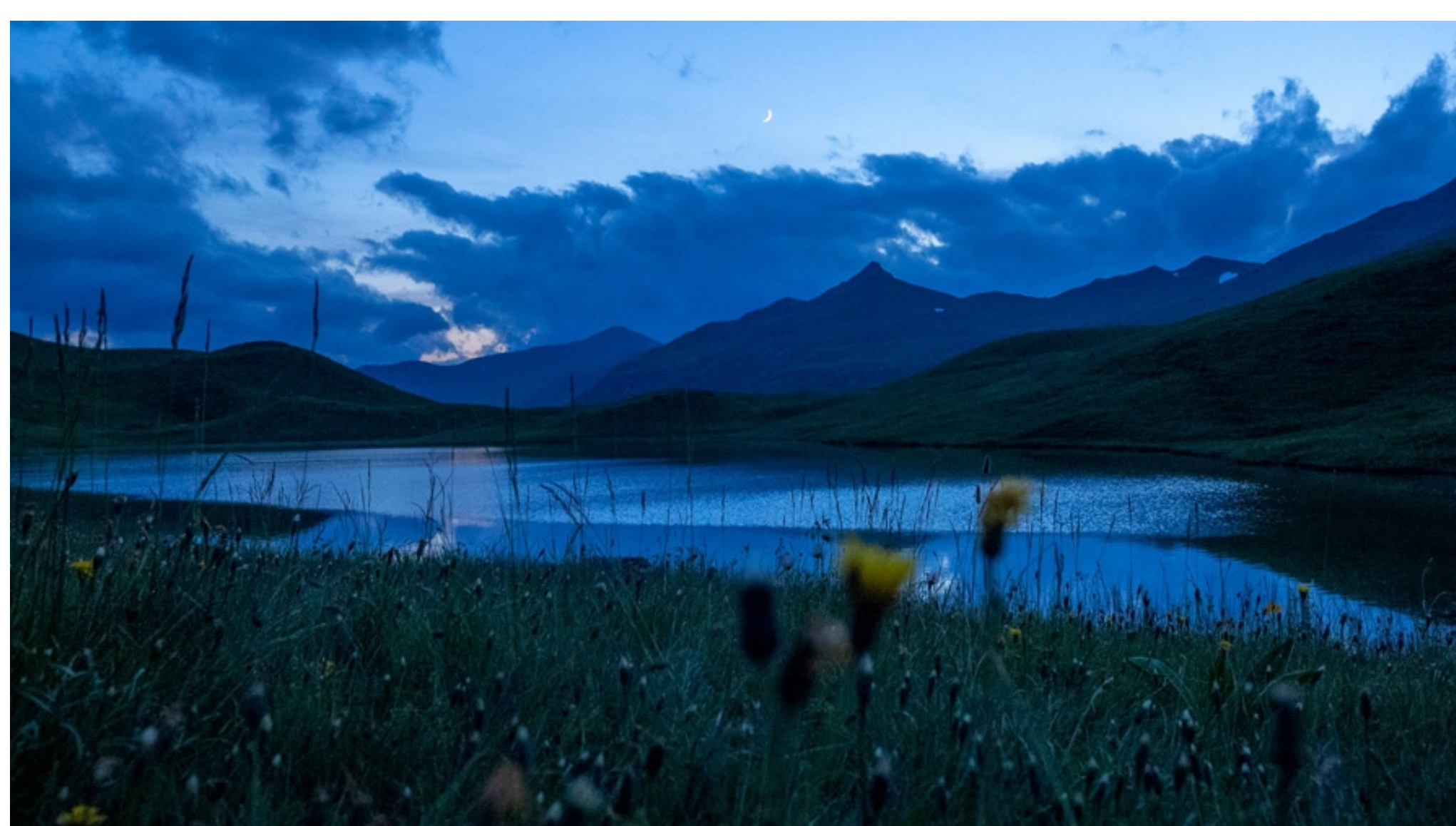
The AO's pioneering specific-pathogen-free (SPF) sheep facility in Davos is also home to a biogas project that reduces the volume of methane released into the atmosphere while producing renewable green energy and heat for AO buildings. This investment in improving our sustainability replaces previous years' carbon offsetting projects.

In 2022, we continued to optimize energy use and actively reduce our CO2 emissions. The AO recycled 63 kg of polyethylene terephthalate (PET), saving around 189 kg of greenhouse gas and about 60 liters of crude oil.



### Faculty donations

Our international faculty and board members contribute to the AO's CSR activities by donating a percentage of their per diems. The AO received a total of CHF 168,449 in renounced per diems in 2022.



# Links

Top 2022 stories from across the AO

**Patient is on the mend following first-in-human application of the Biphasic Plate**

[Read more >](#)

**AO Trauma publishes expanded edition of ‘Minimally Invasive Plate Osteosynthesis’**

[Read more >](#)

**The AO Regional Courses premiere in Latin America**

[Read more >](#)

**Developing new curriculum and courses for AO Sports**

[Read more >](#)

**AO Access celebrates diversity at the AO in its “Voices for change” interview series**

[Read more >](#)