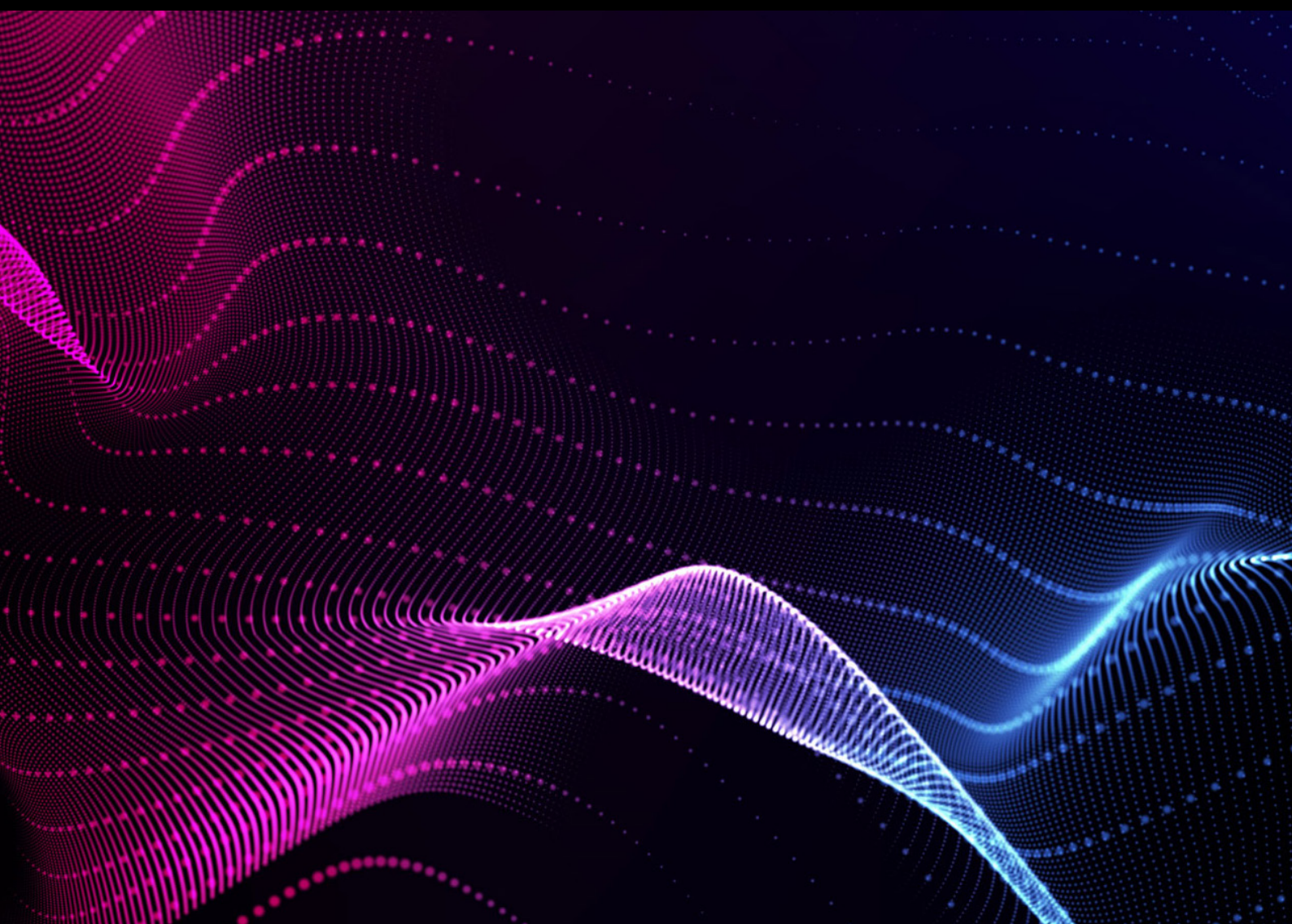
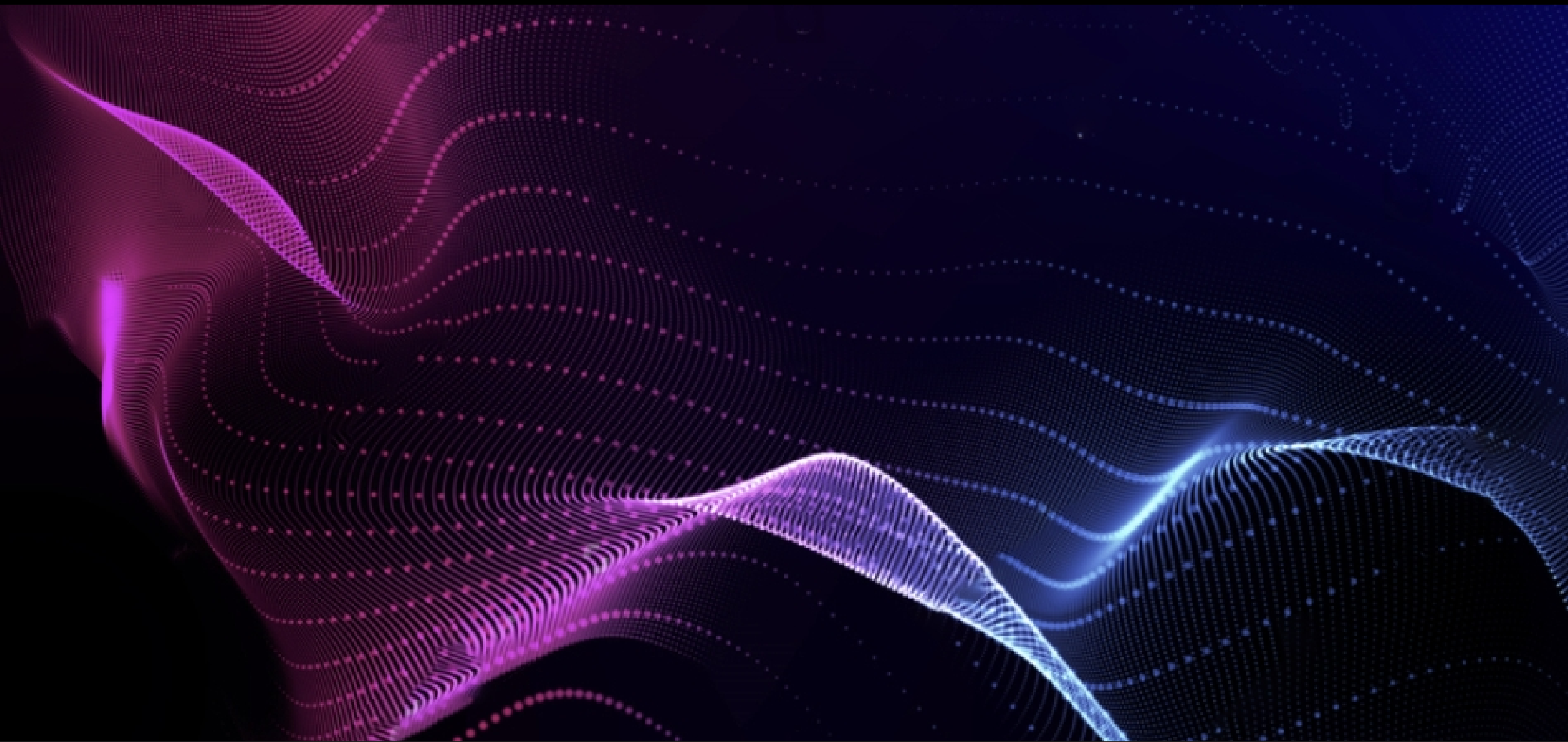




The power of transformation

Annual Report 2023





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From the President and the CEO

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From the President and the CEO: The power of transformation

The AO's journey through 2023 was emblematic of the power of transformation. This theme resonated across our research, innovation, and education work as we marked the biannual handover of the AO Presidency and 65 years of the AO driving forward the boundaries of surgical excellence and patient care.

Research

Research initiatives saw the AO Research Institute Davos (ARI) deliver novel approaches to clinical care, including the first-in-human application of the AO Fracture Monitor developed by ARI with the AO's innovation funding—work that underscores how the AO's research translates into real-world medical advancements.

Innovation

Innovation was marked by the AO Innovation Technology Center's (AO ITC) delivery of four products gaining regulatory approval, six products in clinical use, and five products applied in AO educational activities. The AO ITC's support of 21 ongoing innovation projects—including the AO Fracture Monitor—reflects the AO's dedication to harnessing technology and developing tools that carry the potential to revolutionize patient monitoring and treatment.

Education

Our education efforts were amplified through restructuring the AO Education Institute (AO EI), enabling the AO to stay at the leading edge of medical education program and product development. We integrated new technologies, such as augmented and virtual reality, into our educational portfolios through the AO EI's inspired approach.

In 2023, we optimized the AO's education delivery model by forming the Education Events team to deliver our education events through a financially sustainable approach. The AO's expansive international reach in surgical education held steady throughout this change, delivering over 850 events and more than 70,000 participants worldwide in 2023—events that exemplified the AO's commitment to fostering a culture of continuous learning and skill enhancement in the surgeon community. Nowhere is that culture of learning more present than at the AO Davos Courses, and the 2023 edition brought together 947 participants from 60 countries, exhibiting the AO's annual flagship educational event's global reach and demand for the AO's expert faculty, with twenty sold-out and nearly sold-out courses across all clinical specialties: AO Trauma, AO Spine, AO CMF, AO VET, AO Recon, and AO Sports.

Together, these achievements encapsulate the AO's holistic approach to transformation, driving innovation, research, and education to new heights in 2023, setting a foundation for future advancements that will continue to shape the landscape of advancing the treatment of musculoskeletal disorders and care.

Tim Pohlemann
AO President

Christoph Lindenmeyer
CEO & Vice Chairman



Finance and governance

In the backdrop of a dynamic global landscape marked by shifting geopolitical tensions and economic uncertainties, our operations have demonstrated resilience, achieving a satisfactory operational and financial performance. Despite lingering challenges, our organization experienced a modest uptick in activities.

Although the number of AO educational events offered was lower, the income from these events demonstrated a slight but steady growth compared to the previous year. Concurrently, diligent cost management led to considerable reductions in educational expenses, signaling a promising advancement in our optimization and engagement initiatives.

As we look forward, opportunities and risks coexist in the global landscape. Geopolitical tensions impact market dynamics amid cautious optimism tempered by inflation and potential interest rate hikes. Moving ahead, we remain committed to adapting to evolving market conditions and sustaining our operational optimization trajectory in the face of uncertainty.

Compared to the previous year, third-party income increased by +19 % to CHF 34.7 million and is +4.0 % (CHF 1.4 million) above the budget, mainly reflecting strong management and successful educational events activities across the globe. At the same time, and thanks to various optimization projects and solid cost control, the total operating expenses remained stable at CHF 153 million in the current year, with the biggest driver being educational expenses, which decreased slightly by -1.0 % compared to the prior year. The operating result for the year was CHF -42.0 million.



Operating income

111 million

CHF



Financial result

88 million

CHF



Foundation equity

1,394 million

CHF

Financial overview and income statement

The financial result of CHF 88.0 million reflects the resilience of our asset management segment, contributing to a satisfactory outcome despite the challenging global financial market conditions. As a result, the AO Foundation's equity increased to CHF 1,394 million by the end of 2023.

Find the financial overview and the income statement 2023 in comparison to budget and previous year here:

[Download PDF](#)

Asset management

The asset management result shows a return on investment of 7.2 %. Assets under management at the end of 2023 amounted to CHF 1,342 million.

Employees

The number of full-time equivalents (FTEs) by December 31, 2023 is 505.0. The percentages of their distribution across the AO is represented below.

FTE overview by area

505.0 FTEs



Transparency

According to its Transparency Policy, the AO Foundation publishes annually the total remuneration of the AO Foundation Board (AO FB), international boards of the clinical divisions and units, 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 2023 were CHF 1,399,250 (2022: CHF 1,421,000) which is 0.91% (2022: 0.93%) 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 2023:

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Remuneration of the AO Executive Committee (AO EC) 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 EC 2023 was CHF 1,966,496.63 (2022: CHF 1,894,525). The highest individual compensation was CHF 345,600 resulting in a 1/7.91 relative ratio between the highest and the lowest paid individual compensation (permanent employees).

Assignment of scientific and other grants to third-party organizations

In 2023, the AO Foundation funded research projects with scientific and other grants totaling CHF 2,990,748 benefiting 73 different third-party organizations (2022: CHF 2,849,906).

Finance and governance

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AO Financial Overview	2022	2023	Variance A23/A22	
in CHF million	abs	abs	abs	%
Total Operating Income	106.7	111.1	4.4	4%
Total Operating Expenses	-152.9	-153.0	-0.1	0%
Operating Result	-46.2	-42.0	4.3	-9%
Financial Result	-226.2	88.0	314.2	-139%
Net Result	-272.5	46.0	318.5	-117%
Equity per 31.12.	1,347.0	1,394.2	47.2	4%

Income statement

Income statement 2023 in comparison to budget and previous year:

Income Statement Consolidated	2022 Actual		2023 Actual		2023 Budget		Variance A23/B23		Variance A23/A22	
in CHF million	abs	%	abs	%	abs	%	abs	%	abs	%
Cooperation Agreements	77.4	73%	76.4	69%	76.1	70%	0.3	0%	-1.0	-1%
Total 3rd Party Income	29.3	27%	34.7	31%	33.3	30%	1.4	4%	5.4	19%
Total Operating Income	106.7	100%	111.1	100%	109.4	100%	1.7	2%	4.4	4%
Research	-20.0	13%	-20.5	13%	-22.4	13%	2.0	-9%	-0.5	2%
Development	-7.6	5%	-8.0	5%	-9.0	5%	0.9	-11%	-0.4	5%
Education	-62.8	41%	-62.2	41%	-69.6	41%	7.4	-11%	0.6	-1%
Network Management	-17.2	11%	-14.3	9%	-15.5	9%	1.2	-8%	2.9	-17%
Boards	-3.9	3%	-4.5	3%	-4.7	3%	0.2	-3%	-0.6	16%
General & Administrative	-31.5	21%	-26.3	17%	-26.6	16%	0.3	-1%	5.2	-17%
Others	-9.9	6%	-17.2	11%	-20.2	12%	3.0	-15%	-7.3	74%
Total Operating Expenses	-152.9	100%	-153.0	100%	-168.1	100%	15.0	-9%	-0.1	0%
Operating Result	-46.2		-42.0		-58.7		16.7	-28%	4.3	-9%
Financial Result	-226.2		88.0		43.0		45.0	105%	314.2	-139%
Net Result	-272.5		46.0		-15.7		61.7	-394%	318.5	-117%

Finance and governance

In the backdrop of a dynamic global landscape marked by shifting geopolitical tensions and economic uncertainties, our operations have demonstrated resilience, achieving a satisfactory operational and financial performance. Despite lingering challenges, our organization experienced a modest uptick in activities.

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	2022	2023
AO Foundation Board	10 members	10 members
Total AO Foundation Board	380,000	380,000
% of total Operating Expenses AO Foundation	0.2%	0.2%
Highest remuneration AO Foundation Board	150,000	150,000
AO Trauma International Board	10 members	10 members
Total AO TIB	362,500	343,750
% of total Operating Expenses AO T	1.0%	1.0%
Highest remuneration AO TIB	75,000	75,000
AO Spine International Board	10 members	10 members
Total AO SIB	312,500	312,500
% of total Operating Expenses AO S	2.0%	2.3%
Highest remuneration AO SIB	75,000	75,000
AO CMF International Board	9 members	9 members
Total AO CMFIB	275,000	275,000
% of total Operating Expenses AO CMF	3.5%	3.7%
Highest remuneration AO CMFIB	75,000	75,000
AO VET International Board	9 members	9 members
Total AO VETIB	54,000	51,000
% of total Operating Expenses AO VET	1.7%	1.5%
Highest remuneration AO VETIB	30,000	30,000
AO Recon Steering Board	5 members	5 members
Total AO Recon Steering Board	37,000	37,000
% of total Operating Expenses AO Recon	1.1%	1.1%
Highest remuneration AO Recon Steering Board	25,000	25,000
Grand Total	1,421,000	1,399,250

Corporate social responsibility (CSR)

The AO is proud to be a good corporate citizen in all geographies where it has a presence. In 2023, 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 continues to support [AO Alliance](#), a nonprofit development organization dedicated to strengthening care of the injured in 35 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 more than 800 faculty from Africa and Asia, who deliver education and training locally to their fellow healthcare workers. In 2023, close to 8,000 healthcare workers were trained; since 2015, over 41,000 healthcare workers have been trained in timely and appropriate fracture care through 1,200 education events.



The AO—in the community

Davos has been the AO's headquarters since the organization was founded, and we are proud to give back to this active mountain community and to initiatives throughout Switzerland promoting community, health, and education.

ARGO

The ARGO Foundation is dedicated to the integration of people with disabilities in Kanton Graubünden, including Davos. ARGO runs commercial workshops and residential homes for adults with different abilities.

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. In addition to its financial contribution, the AO organizes an annual event with staff volunteers in Davos for Greenhope's families.



Healthy kids, healthy bones

The AO's "Gesunde Kinder = Gesunde Knochen" (Healthy Kids = Healthy Bones) initiative supports local children through its support of 17 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 and Ladies teams

The AO supports the Hockey Club Davos (HCD) with comprehensive sports medicine care for both the HCD Juniors and the HCD Ladies teams.



Swiss Young Researchers

The AO also supports the [Swiss Young Researchers](#) (Schweizer Jugend Forscht, or SJF). SJF is committed to the sustainable promotion of talented young people with scientific curiosity, creativity, and problem-solving skills. The 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 included 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 Center in Davos is 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 2023, we continued to optimize energy use and actively reduce our CO2 emissions.

Faculty donations

Our international faculty and board members contribute to the AO's CSR activities by donating a percentage of their per diems.



Links

Top 2023 stories from across the AO

Patient convalescing following first-in-human AO Fracture Monitor application

[Read more >](#)

New AO Education Institute setup

[Read more >](#)

Advancing traumatology together

[Read more >](#)

Safe, effective, and easy to use: Development Incubator project offers solution to reduce PJK and improve clinical outcomes

[Read more >](#)

AO and Brainlab collaborate on the future of immersive medical education and training

[Read more >](#)

AO fellow Vasyl Makhovskyi: Saving lives and limbs

[Read more >](#)