

# Nordea Tech & Medtech/Life Seminar

Lars Marcher, CEO (Ambu)

Stockholm, November 2018

# Agenda

1

Introduction to Ambu

2

Our visualisation vision

3

Innovation in Ambu

4

Q&A



# This is Ambu

Supplies single-use medical devices for hospitals



Founded in 1937



~ 2,700 employees worldwide



Own production in China, Malaysia and the USA



2017/18 Revenue: DKK 2.6bn and EBIT margin of 21.6%



Global sales Directly and via distributors



# Key financial results in 2017/18

A strong year in Ambu



## Financial results

	Full year 2017/18	Full year guidance	Q4, 2017/18
<b>Organic revenue growth</b> <i>local currencies</i>	15%	15%	15%
<b>EBIT margin</b>	21.6%	21-22%	22.6%
<b>Free cash flow</b>	DKK 321m	~ DKK 300m	DKK 160m
<b>Endoscopes sold (units)</b>	560.000	~550.000	165.000

## Highlights 2017/18

- Invendo Medical acquired and integrated
- Strong Core growth and continued strong growth in Visualisation
- Strong product pipeline with four new products for launch in 2018/19
- Financial targets for 2020 was lifted at the capital markets day in October 2018

- Continued solid revenue growth (15%) and earnings (563m DKK)
- EBIT margin improved by 2.5%-points to 21.6%
- 560,000 endoscopes sold - 54% increase
- Continued strong cash flow (321m DKK)

*“We end the year with 15% organic growth and an EBIT margin of 21.6%. Following a 2.5%-pts increase of the EBIT margin, we are on track to achieve our financial targets in 2020”*

## North America

REVENUE **1,208m DKK**

GROWTH **17%**

### Business growth

- Visualisation 46%
- Anaesthesia 7%
- PMD 6%

Part of total revenue **46%**

## Europe

REVENUE **1,095m DKK**

GROWTH **14%**

### Business growth

- Visualisation 49%
- Anaesthesia 5%
- PMD 1%

Part of total revenue **42%**

## Rest of World

REVENUE **303m DKK**

GROWTH **11%**

### Business growth

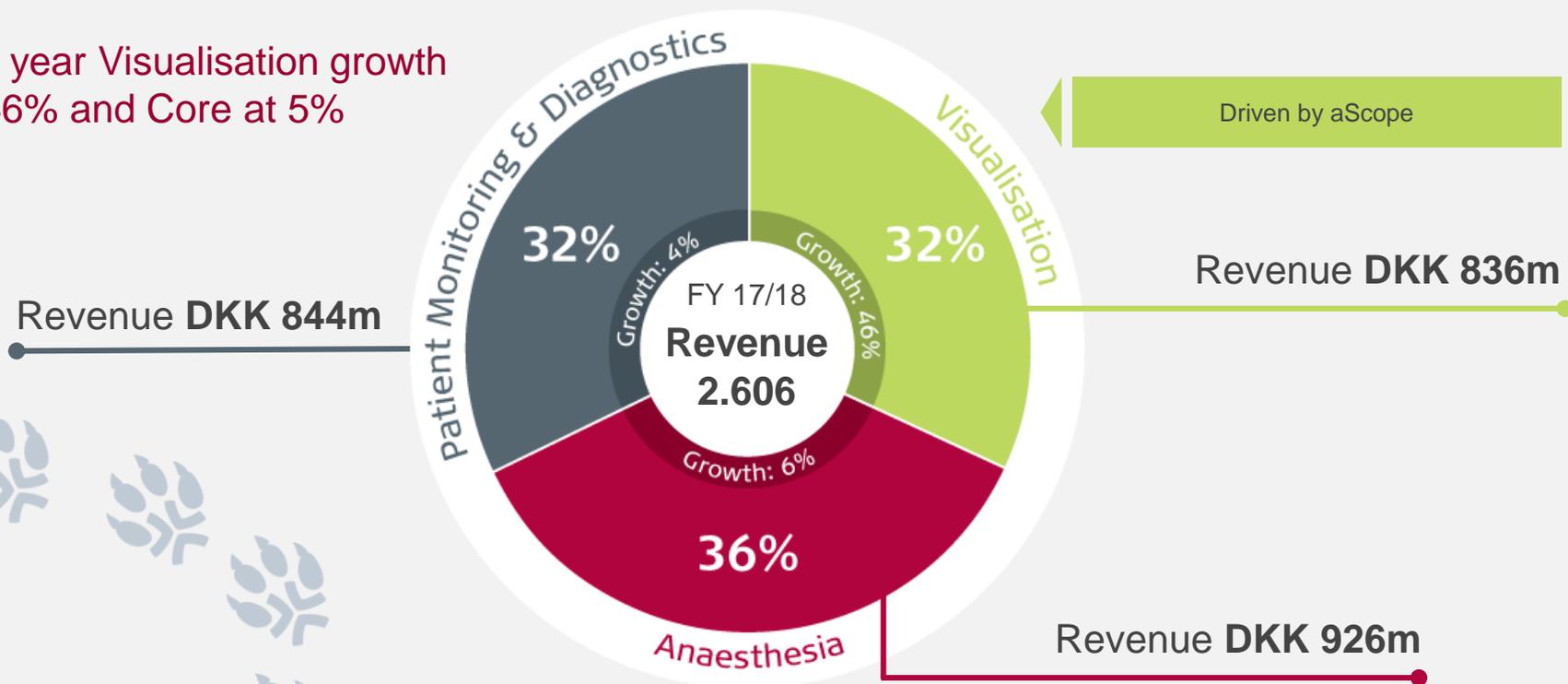
- Visualisation 28%
- Anaesthesia 4%
- PMD 11%

Part of total revenue **12%**

Growth in Asia-Pacific: **18%**

# Visualisation stand for 32% of revenue - a business that did not exist 5 years ago

Full year Visualisation growth at 46% and Core at 5%



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# Our single-use value proposition speaks to every stakeholder's needs



## Payers



- Cost-effective solution
- Reduced infection risk

## Patients



- Increased feeling of safety
- Reduced infection risk

## Regulatory bodies



- No cross-contamination
- Alternative to current

## Hospital management



- Lower capital cost
- Workflow simplicity

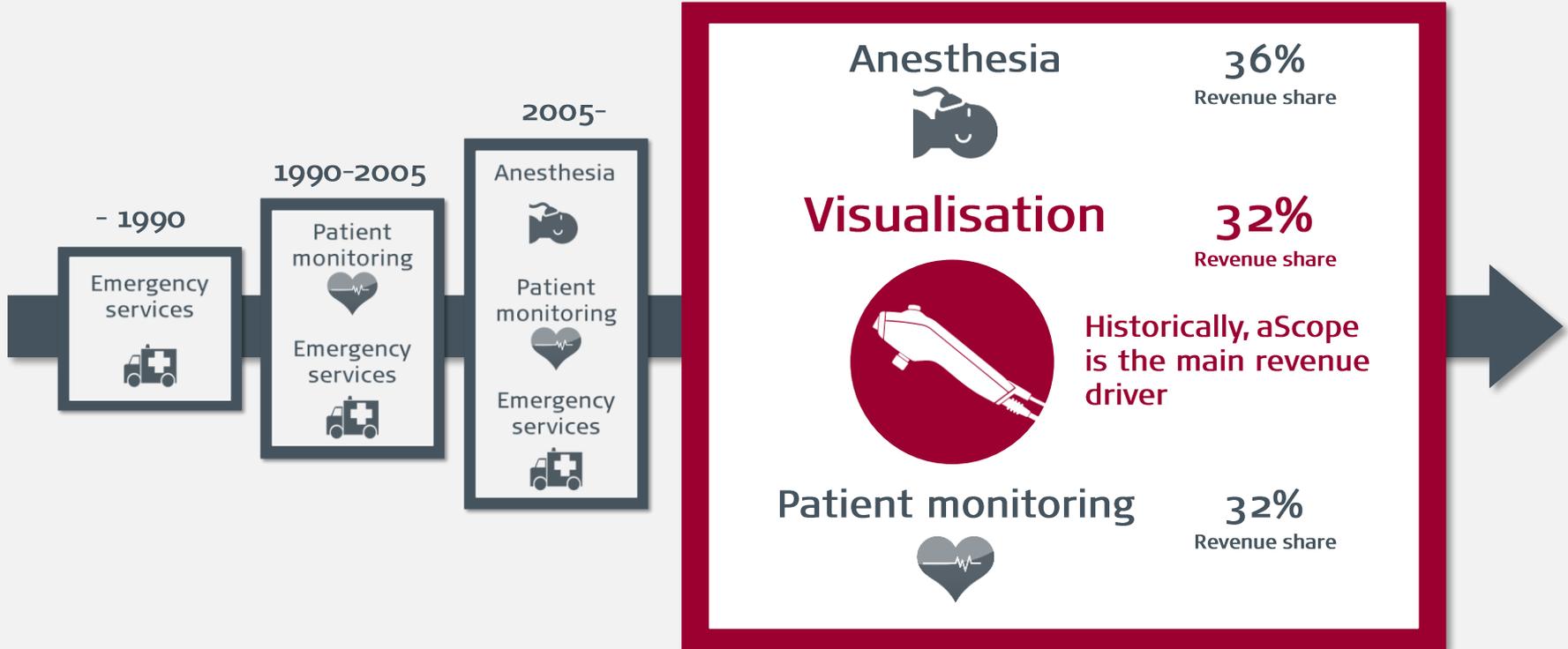
## Doctors



- Scope availability
- Always access to new tech

# Strong commercial innovation in Ambu

In 17/18, Ambu's Visualisation business stand for 32% of the total revenue

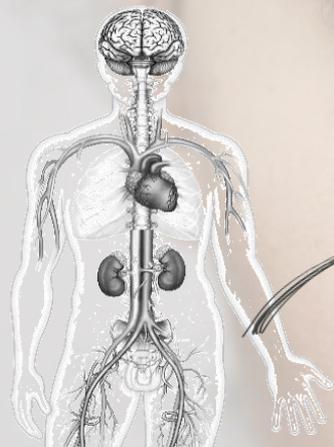


# Ready to follow a dream

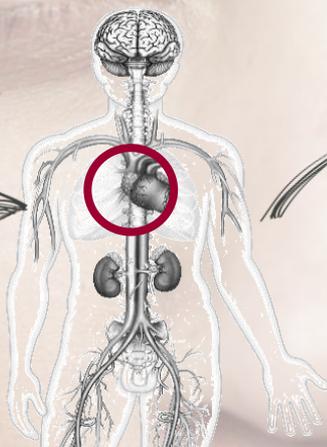
Pioneer in pulmonary

Become full solution provider

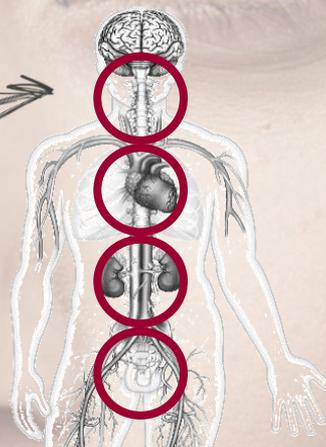
Ambu's vision



Before Ambu  
Zero single-use options



Ambu -2017  
5 mio. procedures



Ambu 2017-20  
100 mio. procedures



80%  
of flexible  
endoscopy  
procedures will  
become single-use

# We are establishing a unique endoscopy portfolio that will target ~ 100 million procedures in four areas

Four areas within our visualisation business

5 m

## Pulmonary Endoscopy

aScope  
Broncho ✓

VivaSight  
DL & SL ✓

Broncho  
Sampler ✓

11 m

## ENT Endoscopy

aScope  
RL Slim  
Before  
summer 2019 ✓

aScope  
RL Intervention ✓

7 m

## Urological Endoscopy

Isiris α ✓

aScope  
Cystoscope  
Before 30th  
September 2020

72 m

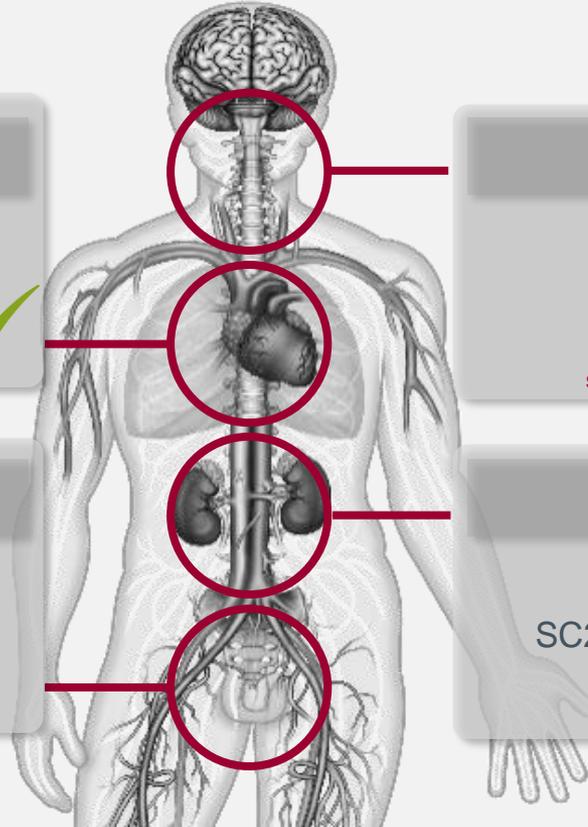
## GI Endoscopy

SC210 ✓

aScope  
Duodeno  
Before 30th  
September 2020

aScope  
Gastro  
Before 30th  
September 2020

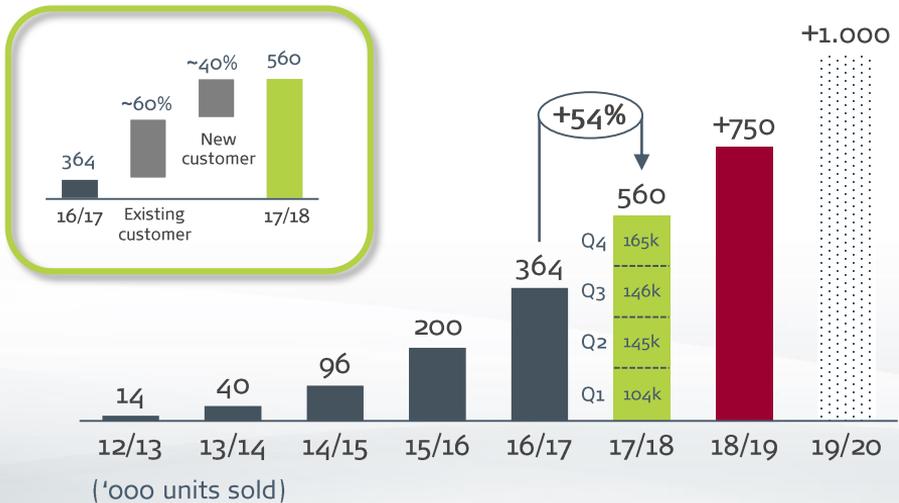
✓ = available now



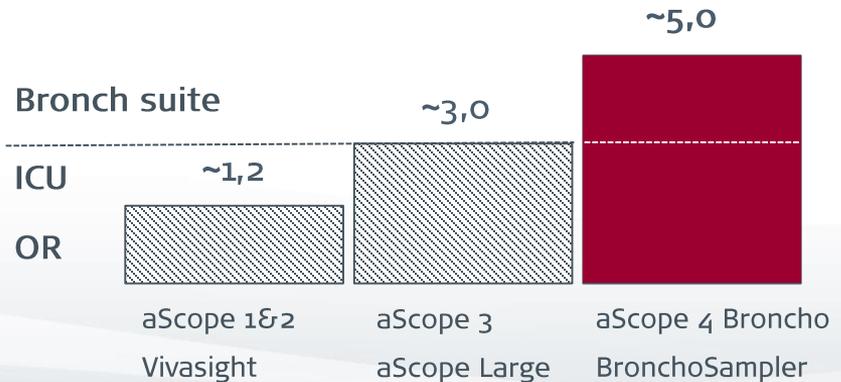
# Strong aScope momentum which is the key driver for our visualisation business

We have grown no. of endoscope units sold

- while increasing the target market



With aScope 4 we cover the entire pulmonary segment



(Adresseable pulmonary endoscopy market, mio. procedures)

Increasing market share to ~ 11%

No price pressure

Expected endoscope unit sales in 2018/19 of +750k

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# Strong innovative culture in Ambu is the main driver behind our growth

Innovation

Closely knit technology **supplier relationships** with active influence on their pipeline focus

**Tech partnerships** that enable fast response to an unseen speed of change

Production

Single-use **scalable production** setup up to 4 million scopes

The **capability** to fast track single-use innovations into scalable production

Sales

Unique sales force optimized for **single-use conversion** and health economic setup

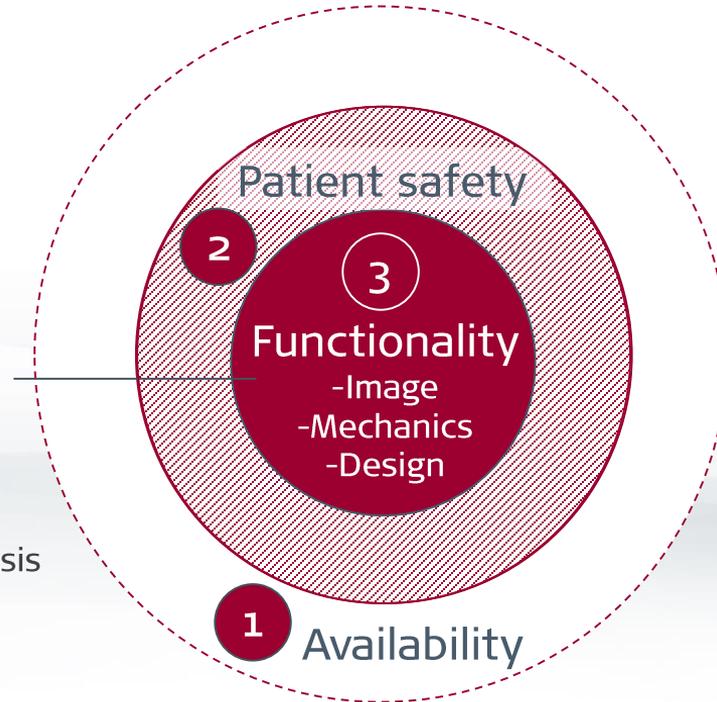
**Access** to all decision-makers in single-use endoscopy



# Single-use delivers on the three main criteria for endoscopy choice at hospitals

Availability, patient safety and functionality

Single-use functionality is sufficient for a significant share of procedures  
e.g. safe secretion removal and cell sampling for diagnosis



Single-use is tech-enabled

- Base technologies on par and/or developing exponentially
- Design free not to consider reprocessing / wear & tear
- Over time, we will enhance functionality to achieve our vision



# Ambu's innovation within GI is not just to transform the market to single-use

The SC210 is with the robotic / hydraulic joystick



The robotic / hydraulic joystick is a different economic way to do colonoscopy than the traditional wheel that you have had on a Olympus scopes for the last many years

Advantage with the hydraulic joystick on the SC210 colonoscope:

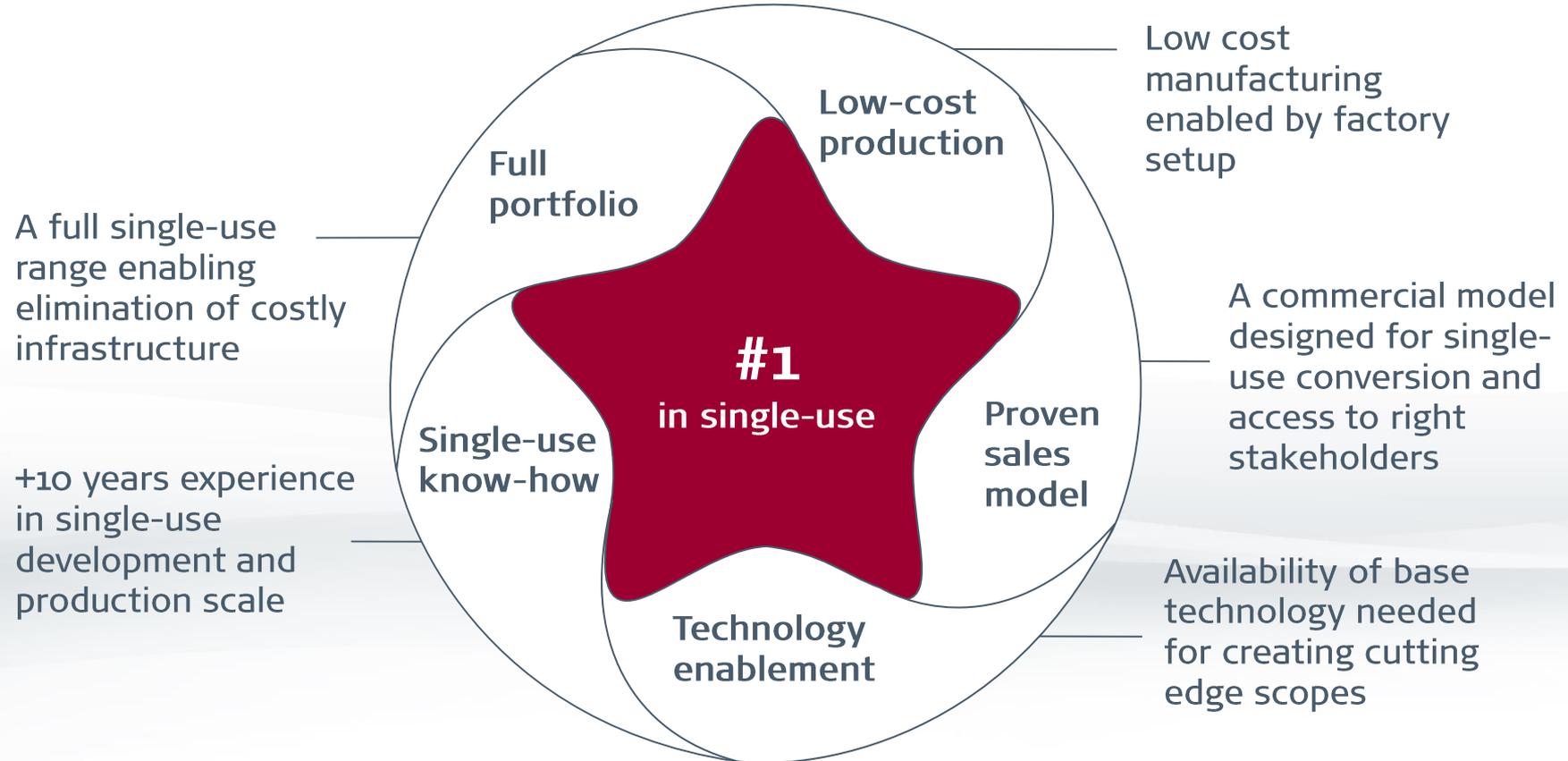
- The traditional wheel that you have on the Olympus scope is wearing doctors out in terms of their getting pain and eventually have to retire simply because their arm and their hand is constrained.

We believe it is a better way to do colonoscopy

Ambu's position in single-use and  
four new innovative products for  
our single-use portfolio



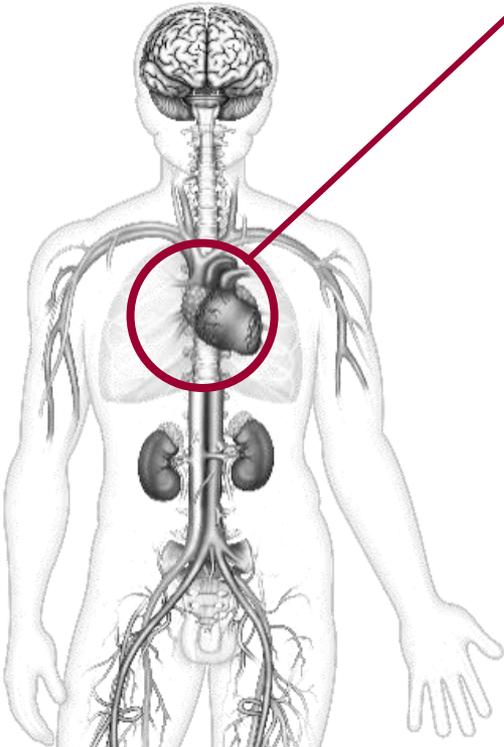
# We have built up unique competencies needed for single-use endoscopy



1

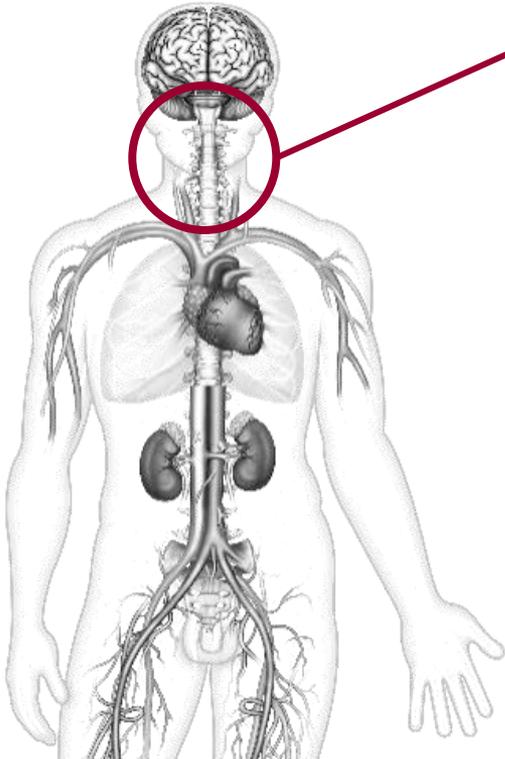
## The aScope BronchoSampler™

An accessory for aScope 4 Broncho. A sampling solution for bronchoscopic sampling during procedures like Broncho Alveolar Lavage (BAL) and Bronchial Wash (BW) procedures where fluid is obtained from the lung for analysis



2 + 3 aScope™ 4 RhinoLaryngo

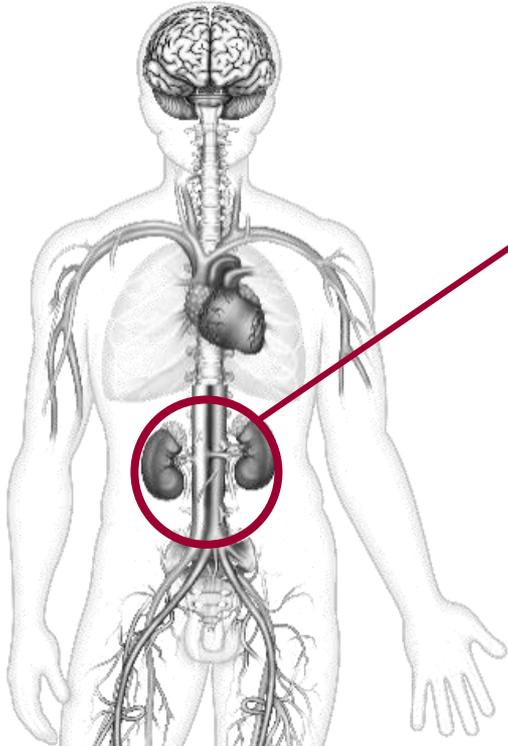
Two new single-use flexible ENT scopes for routine ('Slim') and specialized ('Intervention') procedures



4

## The single-use colonoscope - SC210

A sterile, single-use colonoscope, which can be used to inspect the colon e.g. to detect cancer or polyps



# Financial



# Financial year 18/19 and 2020 outlook



## Outlook for 2018/19 and 2020

Financial outlook	Financial year 18/19	2020 outlook
Organic revenue growth	15-16%	16-18%
EBIT margin	22-24%	26-28%
Free cash-flow <small>excluding M&amp;A</small>	~ DKK 400-475m	~ 18% of revenue
Endoscopes sold (unit)	+ 750.000	> 1 million



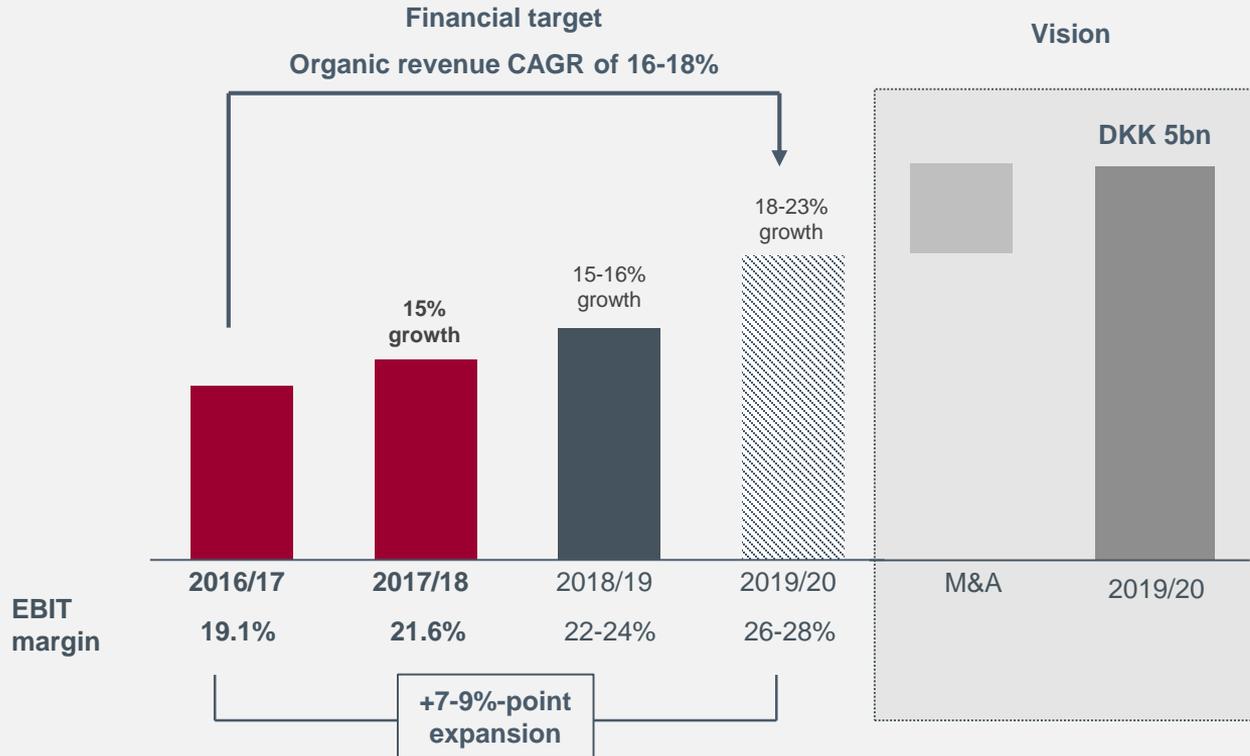
## Key focus

- Continued high growth contribution from our existing endoscopy portfolio
- Strong focus on new product launches towards 2020

As communicated at the capital markets day 2018 (October 4, 2018)

# Our 2020 financial target

## Revenue and EBIT margin development



## Organic value creation

- Ambu has a unique position to create significant organic value towards 2020 and beyond
- This is our first priority and we will not engage in transactions that disturbs this position

## 2020 vision of DKK 5bn

The DKK 5bn is a vision that requires further acquisitions. We will execute on M&As that:

1. Support our single-use vision
2. Will not derail our agenda beyond 2020

Thank you  
for listening

Q&A

