

Investor Presentation

Lars Marcher, CEO (Ambu)

J.P. Morgan Healthcare Conference 2019

Agenda

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Introduction to Ambu

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Our visualisation vision

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Innovation in Ambu

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Finance



This is Ambu



Key financial results in 2017/18

A strong year in Ambu



Financial results

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

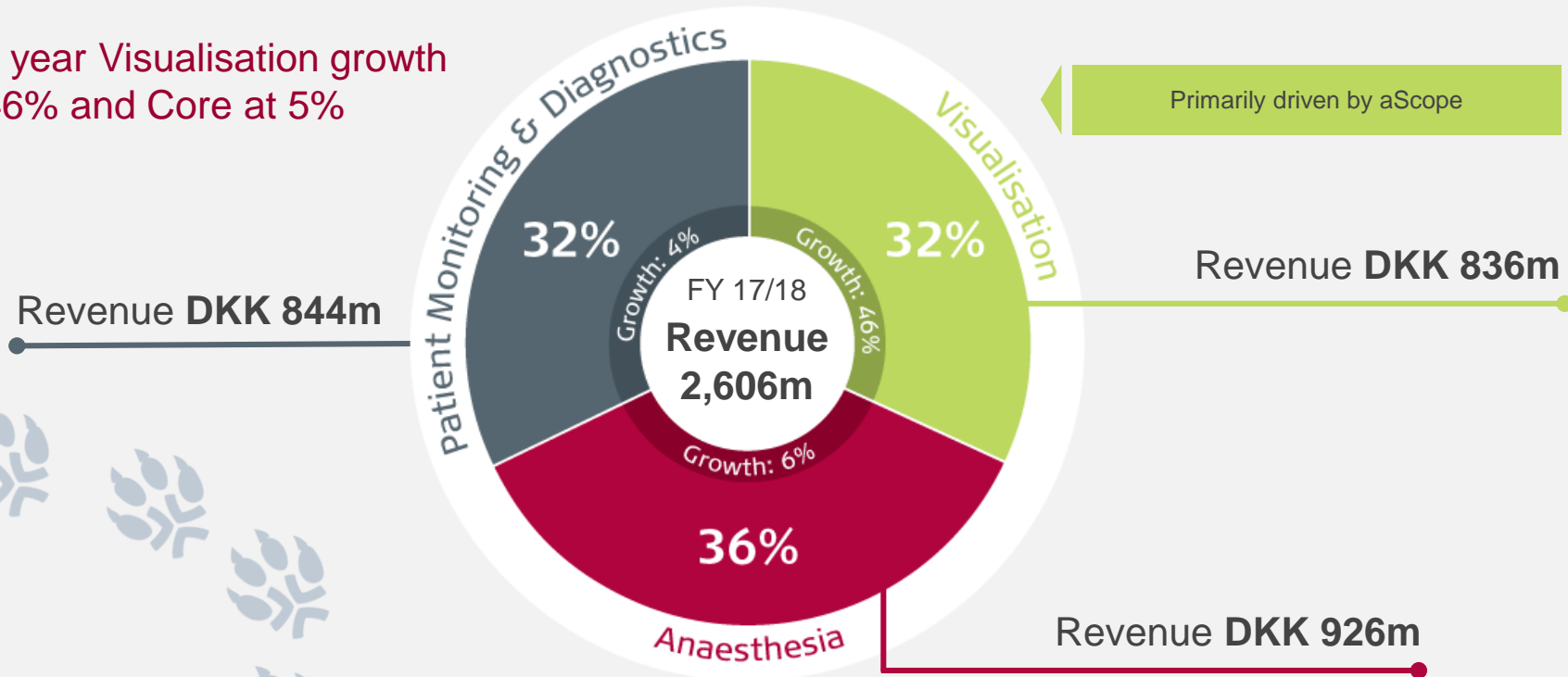
- Visualisation 28%
- Anaesthesia 4%
- PMD 11%

Part of total revenue **12%**

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

Visualisation represents 32% of revenue – a business that did not exist five 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



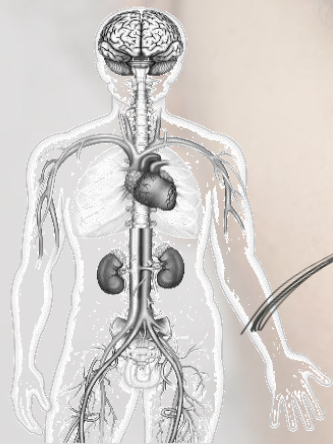
- Scope availability
- Always access to new tech

Ready to follow a dream

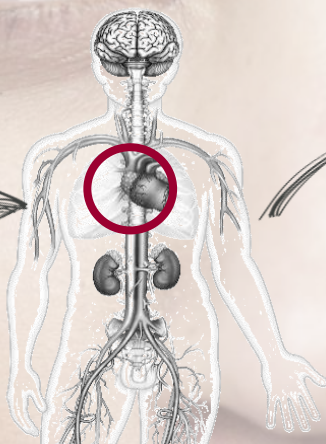
Pioneer in
pulmonary

Become full
solution provider

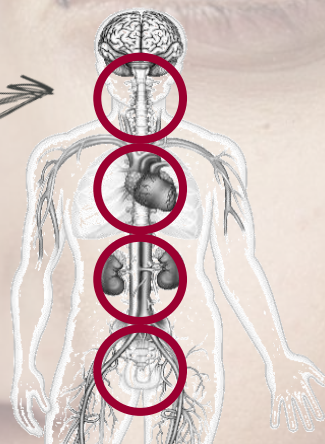
Ambu's vision



Before Ambu
Zero single-use options



Ambu -2017
5 mio. procedures



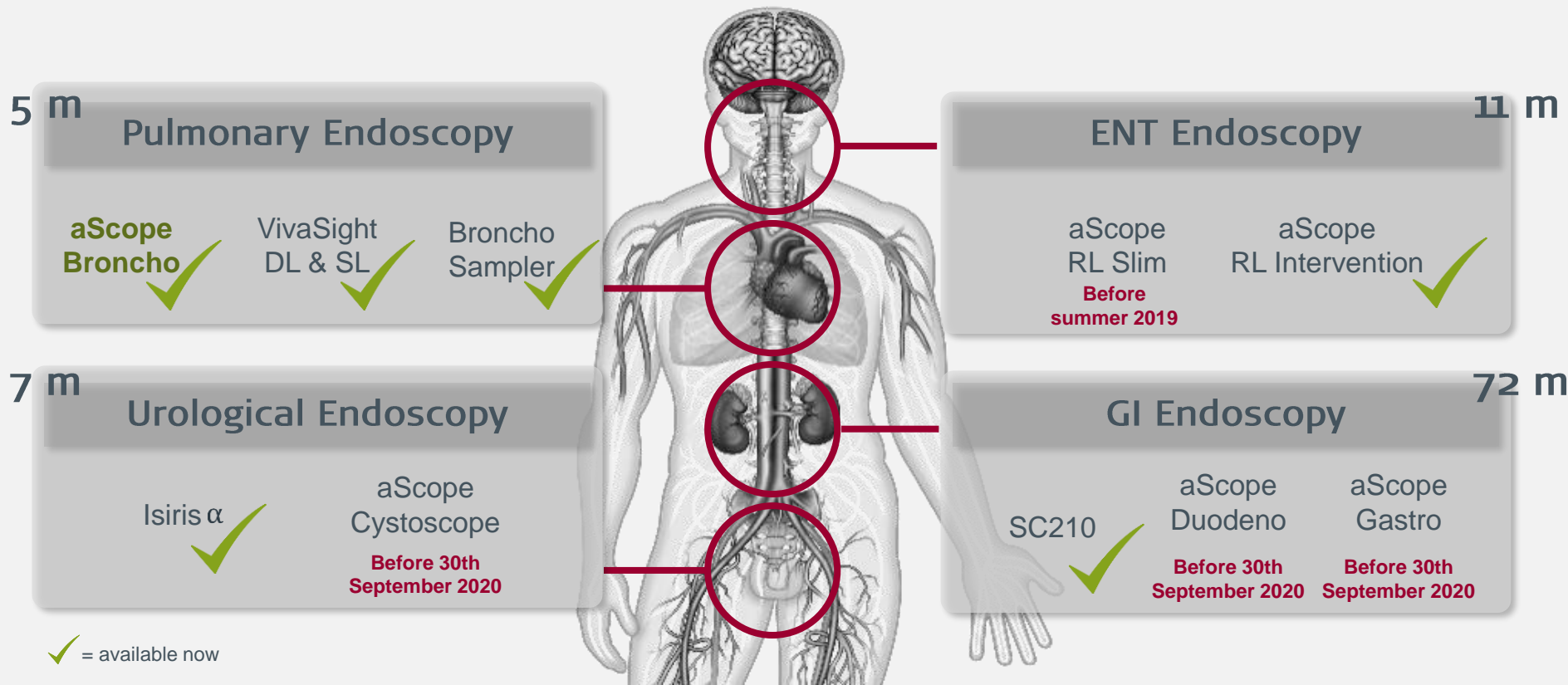
Ambu 2017-20
~100 mio. procedures

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

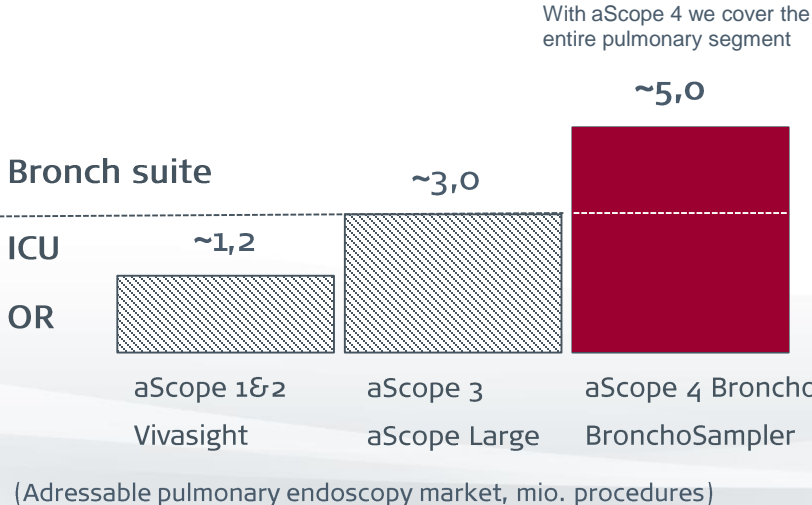
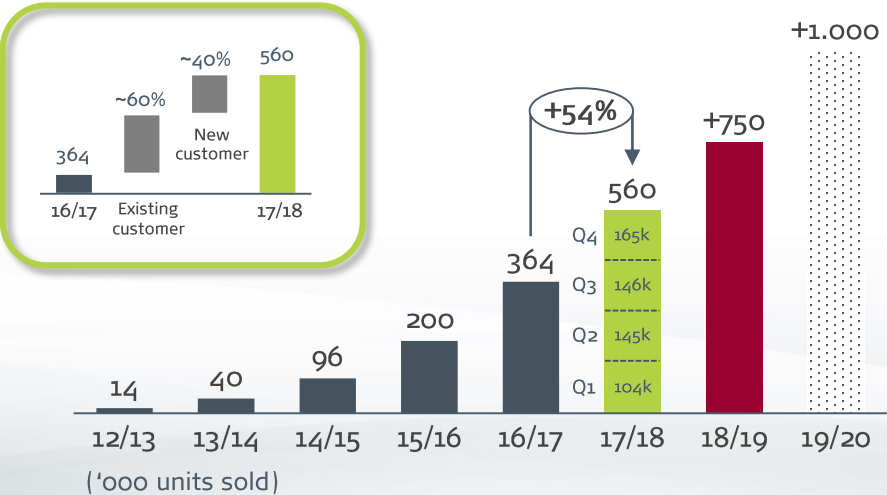
Four areas within our visualisation business



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



Increasing market share to ~ 11%

No price pressure

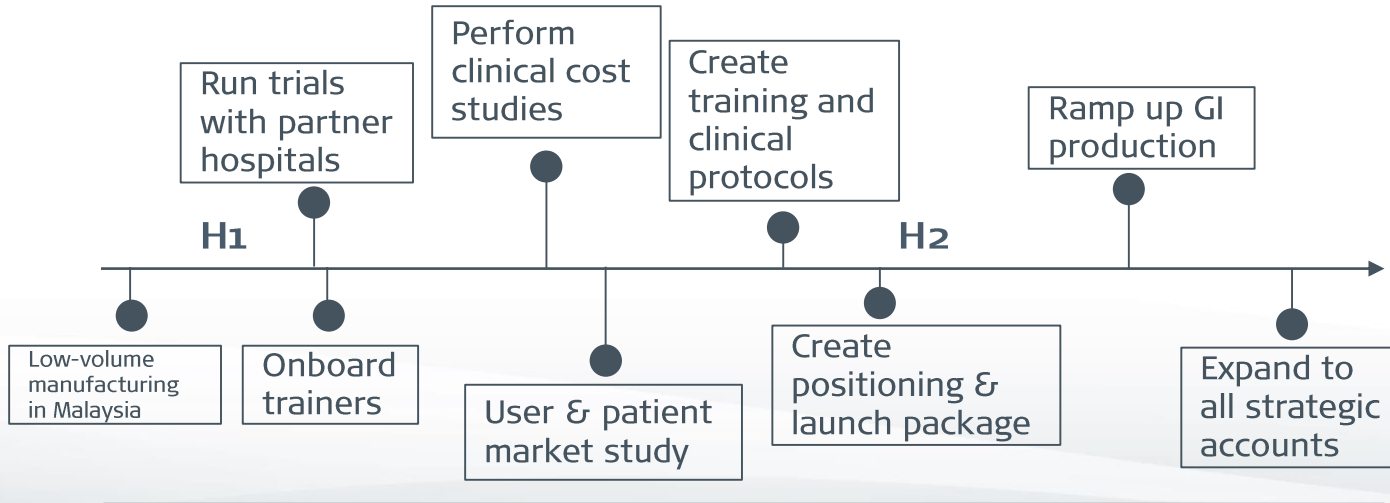
Expected endoscope unit sales in 2018/19 of +750k

For SC210, 2018/19 will be a year of strategic partnering

Pre-launch

Strategic partnering

2018/19 ambition



The GI sales model is refined and ready to be rolled out

The GI market has got familiar with the Ambu brand

The GI single-use concept has been introduced

2018/19 customer targets (first movers)

- 1 Existing aScope accounts with current Ambu relationship
- 2 Hospitals that are committed to a single-use future
- 3 Areas of high risk patients/procedures

Manufacturing of our SC210 in Malaysia

Endoscope production in Malaysia

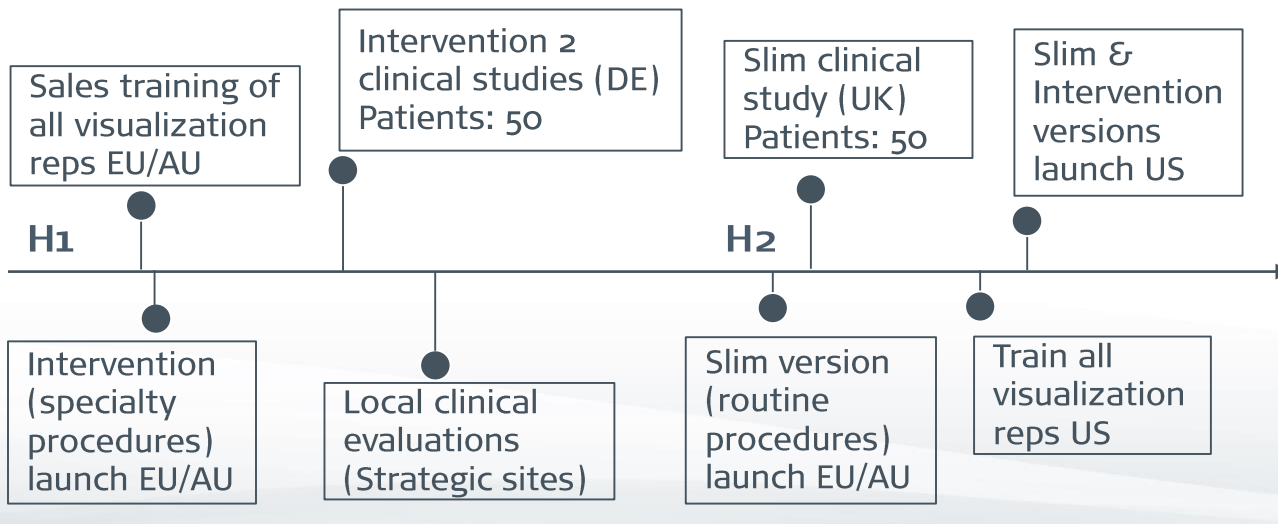
- Our manufacturing in Malaysia is ready to supply SC210 products for US as per plan
- Relocation of production of the SC210 colonoscope from Germany to our factory in Malaysia
- The new factory in Malaysia is expected to have enough capacity until and including 2020

Production of SC210 colonoscope in Malaysia



We have a clear plan for entering the ENT market with aScope 4 RhinoLaryngo Intervention & Slim

Launch & learn



Full scale launch

2018/19 ambition

Build solid ENT knowledge in sales teams

Create reference sites in each sales territory

Expand awareness & benefits of single-use in ENT (digital campaigns, key events)

2018/19 customer targets (first movers)

- 1** Hospitals with single-use agenda
- 2** Hospitals with cleaning and/or workflow challenges
- 3** Hospitals with limited videoscopes

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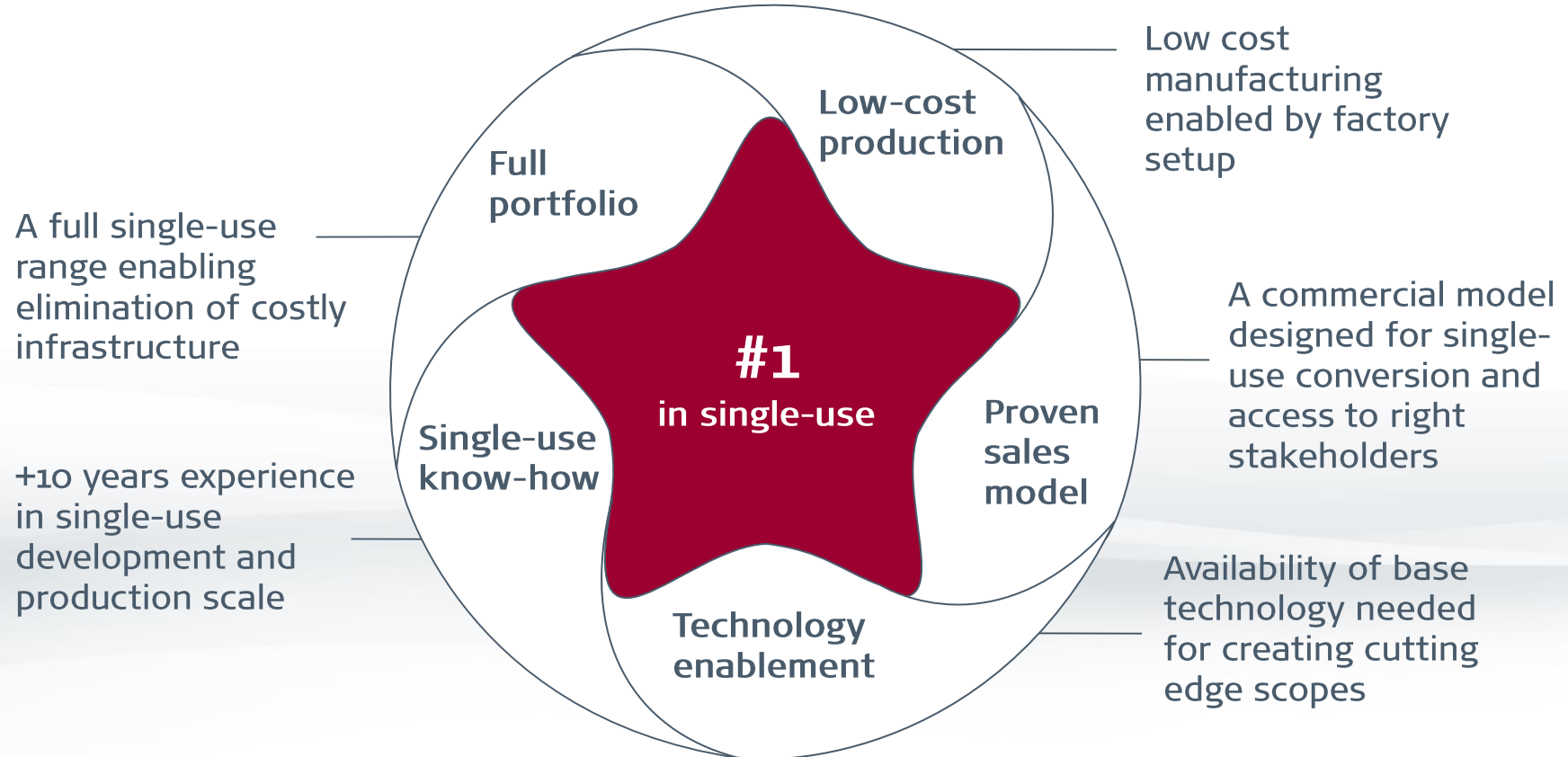
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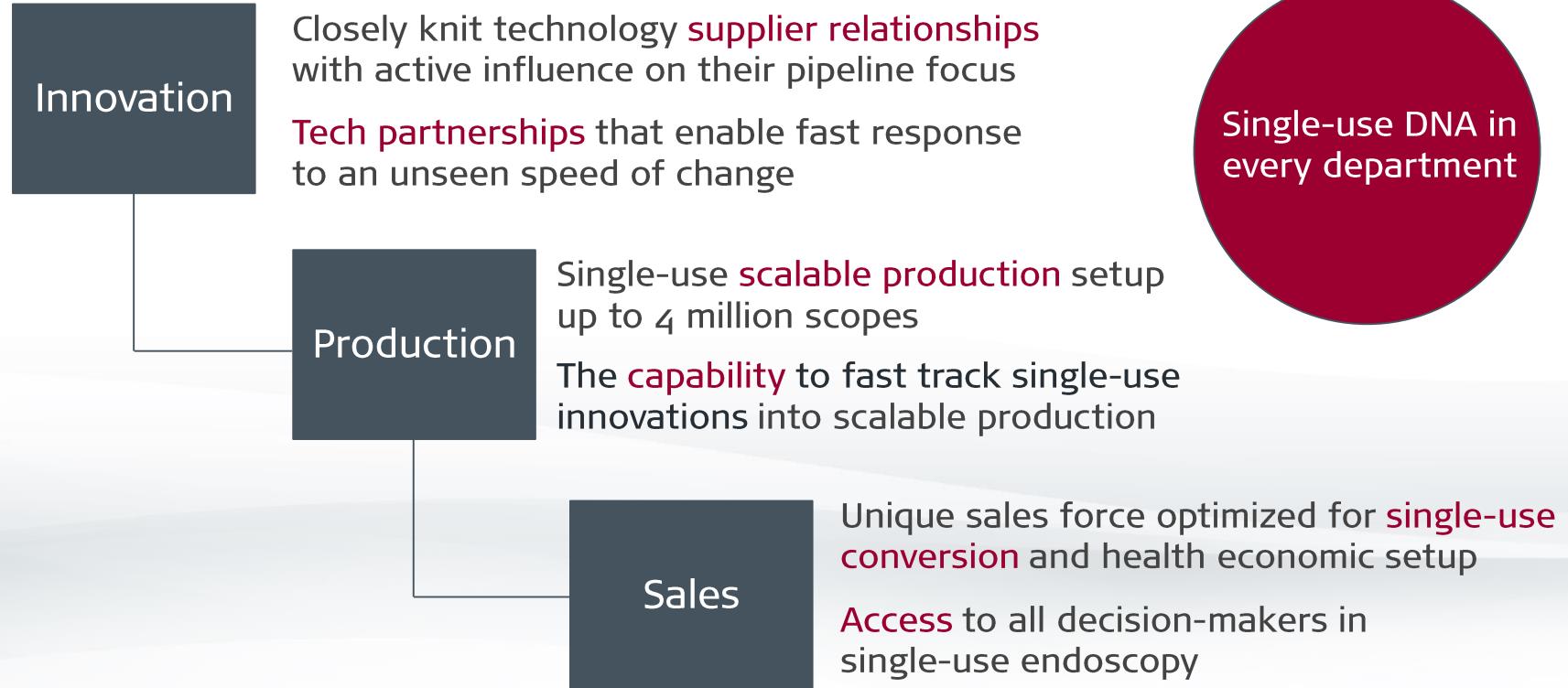
Finance



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



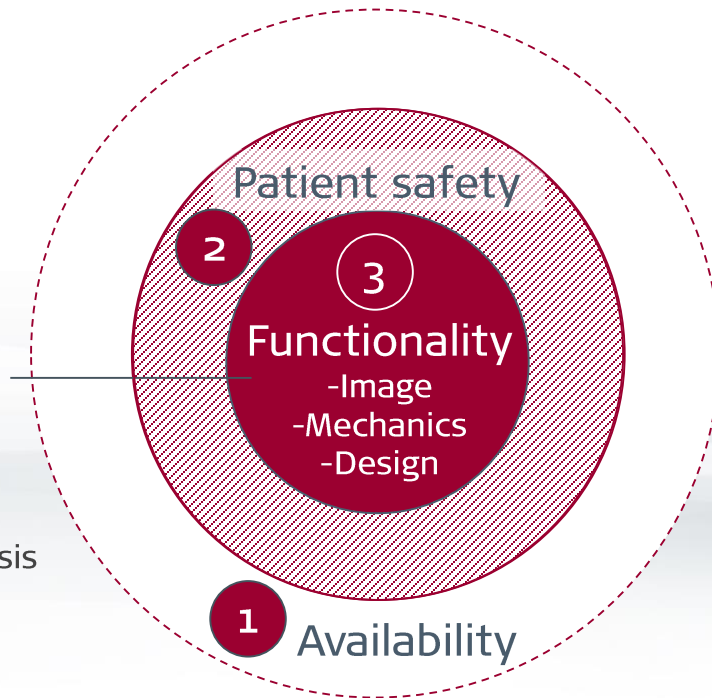
Strong innovative culture in Ambu is the main driver behind our growth



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

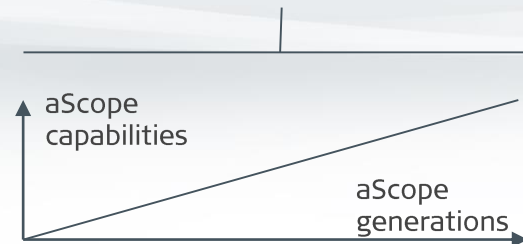
Availability, patient safety and functionality

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 ergonomic way to design colonoscopes than the traditional wheel that you have had on Olympus scopes for the past many years.

Advantage with the hydraulic joystick on the SC210 colonoscope:

- The traditional wheel wears doctors out in terms of pains in muscles and joints leading to retirement simply because their arm and hand are strained.

We believe it is a better way to do colonoscopy

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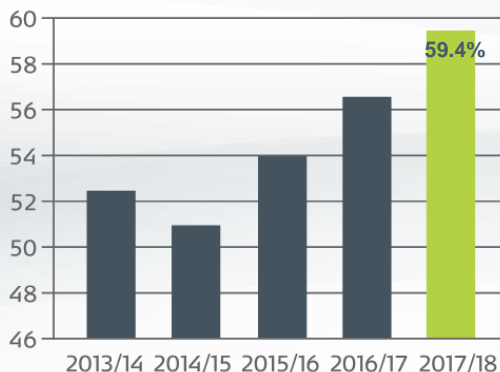


Full-year highlights

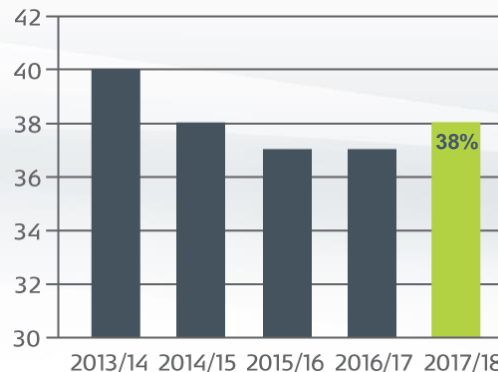
Strong trend on key financial KPIs

- Gross margin at 59.4% – up 2.9%-pts. since LY
- Rate of costs at 38% - up 1%-pt. over LY
- EBIT at DKK 563m – up 25% over LY
- EBIT margin at 21.6% – up by 2.5%-pts. to LY

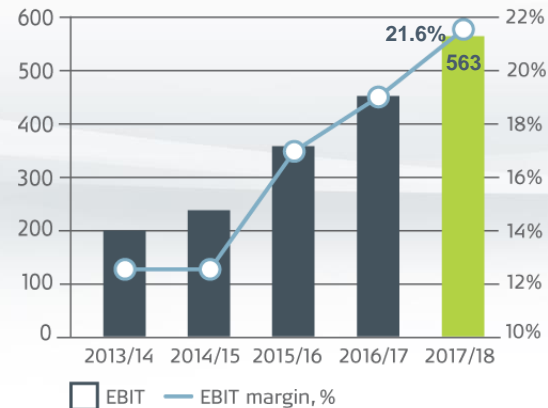
Gross margin



Rate of cost



EBIT and EBIT margin



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% CAGR (17-20)
EBIT margin	22-24%	26-28%
Free cash-flow excluding M&A	~ DKK 400-475m	~ 18% of revenue
Endoscopes sold (unit)	+ 750.000	> 1 million

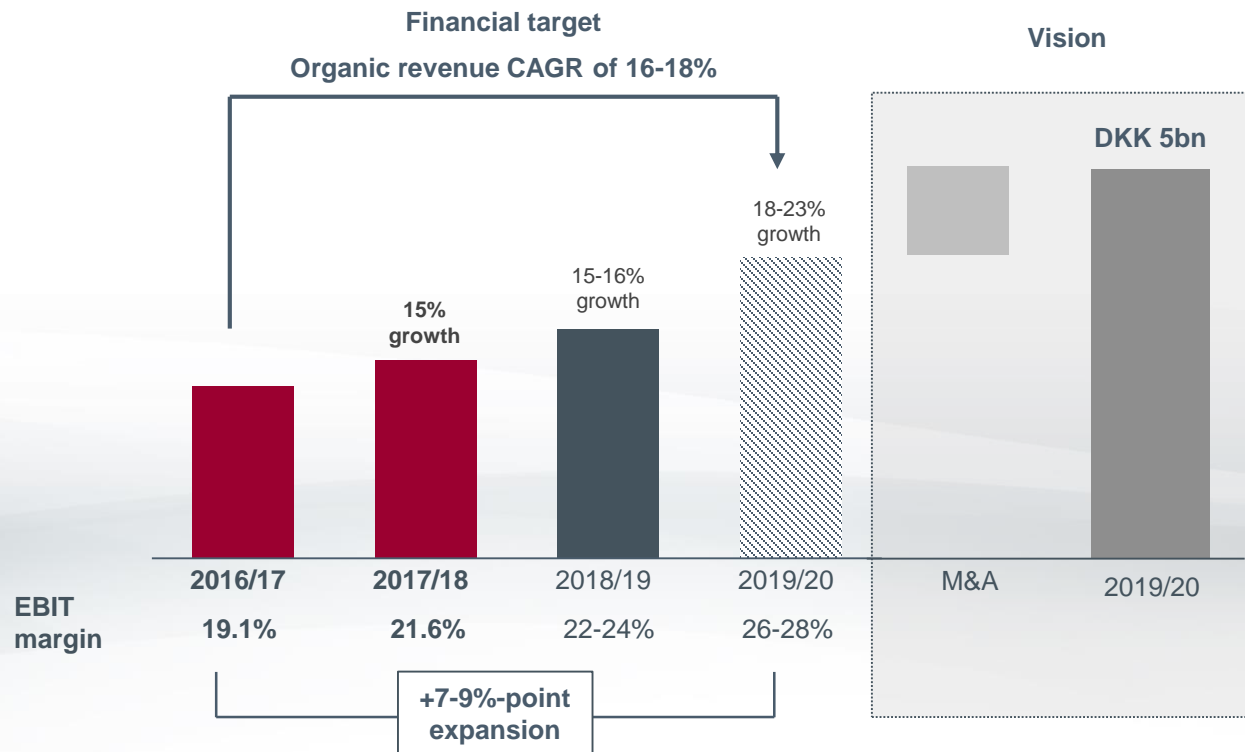


Key focus

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

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 disturb 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

Lars Marcher, CEO (Ambu)

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