



# Nordea Roadshow 12 March 2019

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# Key financial results in Q1 2018/19

## Q1 numbers and highlights



### Financial results

	Q1 2018/19	Full-year guidance (2018/19)
Organic revenue growth	15%	15-16%
EBIT margin	17.1%	22-24%
Free cash flow	DKK 45m	DKK 400-475m
Endoscopes sold (units)	149,000	+ 750,000

### Highlights Q1 2018/19

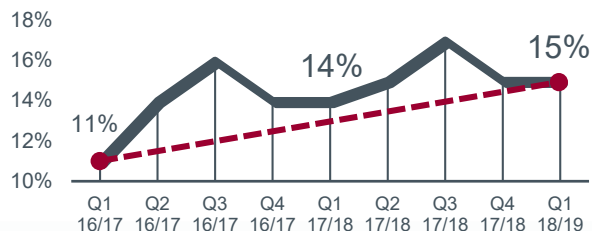
- Launch of **aScope™ 4 RhinoLaryngo Intervention** in EU and Australia
- Prepared launch of **aScope BronchoSampler™**
- On track to launch our full endoscope product pipeline towards 2020
- Full-year financial targets on track

- 15% organic growth
- EBIT margin at 17.1%
- Core business up 5%
- Endoscope unit sales up 43% q/q corresponding to 149,000 in Q1
- GI projects on schedule
- Full-year outlook maintained

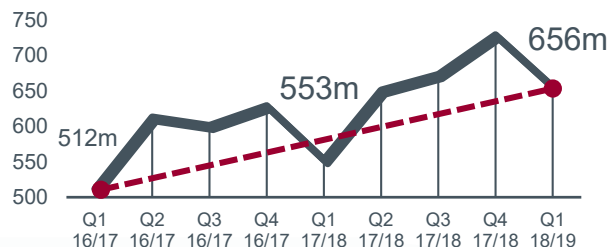
*"We end Q1 2018/19 with 15% organic growth and an EBIT margin of 17.1%"*

# Steady increase in key figures

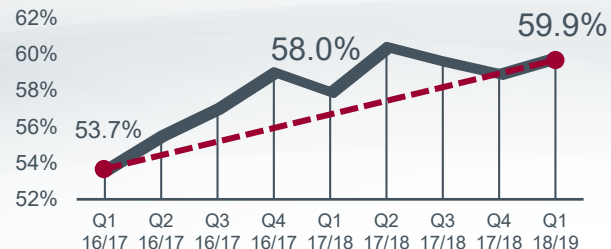
## Organic growth: 15%



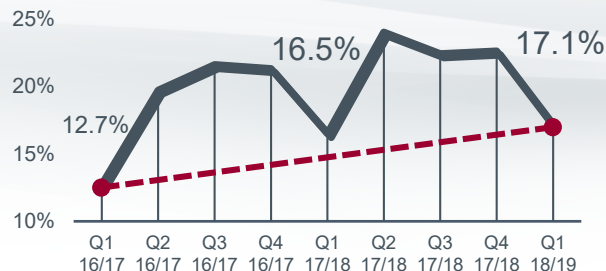
## Revenue: DKK 656m



## Gross margin: 59.9%



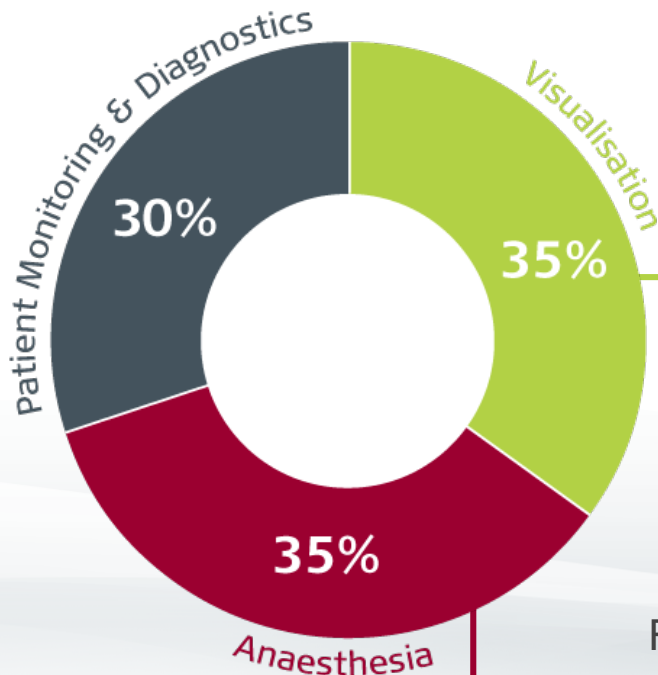
## EBIT margin: 17.1%



# Business areas

Q1 Visualisation growth at 42% and Core at 5%

**PMD**  
Revenue **194m DKK**  
**1% growth**



**Visualisation**  
Revenue **231m DKK**  
**42% growth**

**Anaesthesia**  
Revenue **231m DKK**  
**8% growth**

## North America

REVENUE **315m** DKK  
ORGANIC GROWTH  
**20%**

### Business growth

- Visualisation 51%
- Anaesthesia 10%
- PMD 0%

Share of revenue **48%**

## Europe

REVENUE **271m** DKK  
ORGANIC GROWTH  
**11%**

### Business growth

- Visualisation 32%
- Anaesthesia 5%
- PMD 2%

Share of revenue **41%**

## Rest of World

REVENUE **70m** DKK  
ORGANIC GROWTH **10%**  
APAC organic growth 19%

### Business growth

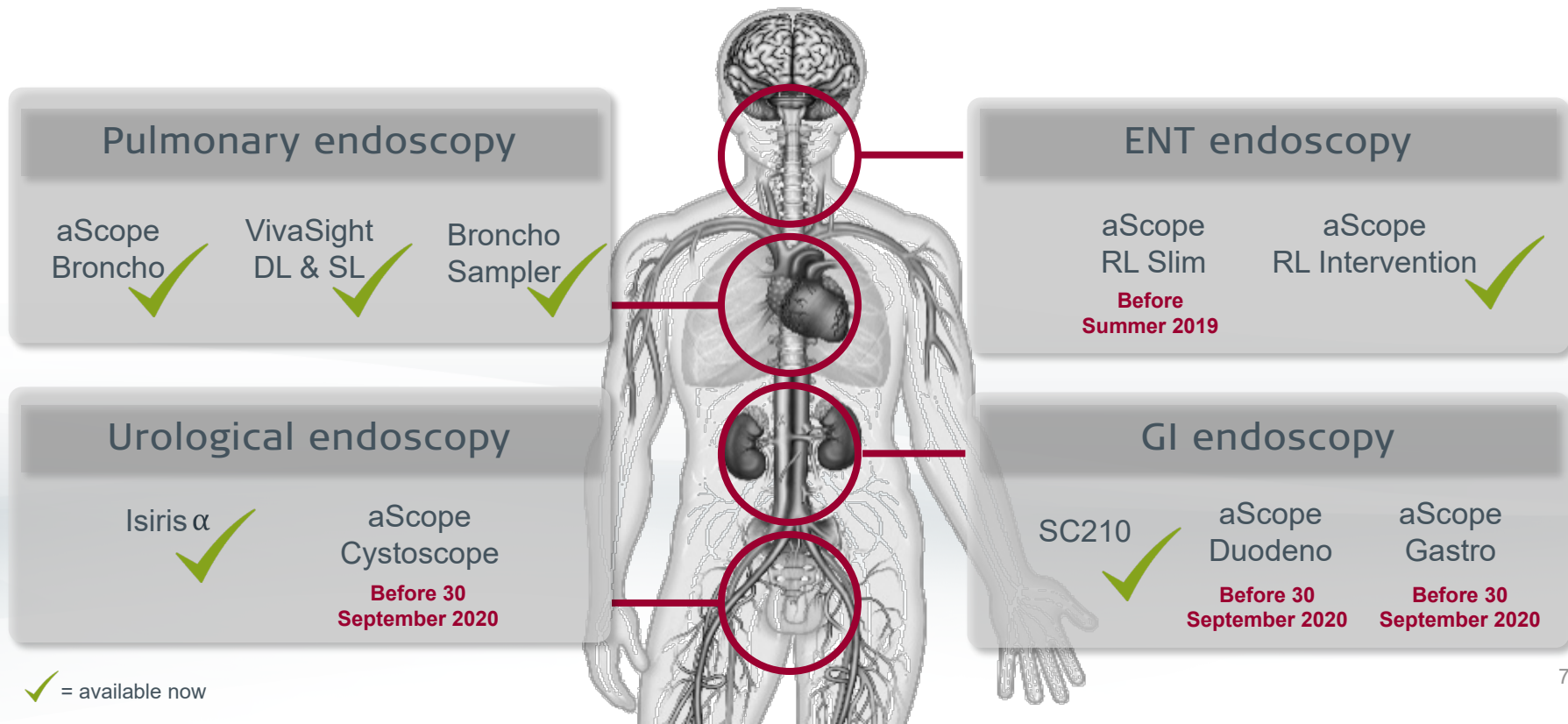
- Visualisation 43%
- Anaesthesia 0%
- PMD 3%

Share of revenue **11%**

# Business update

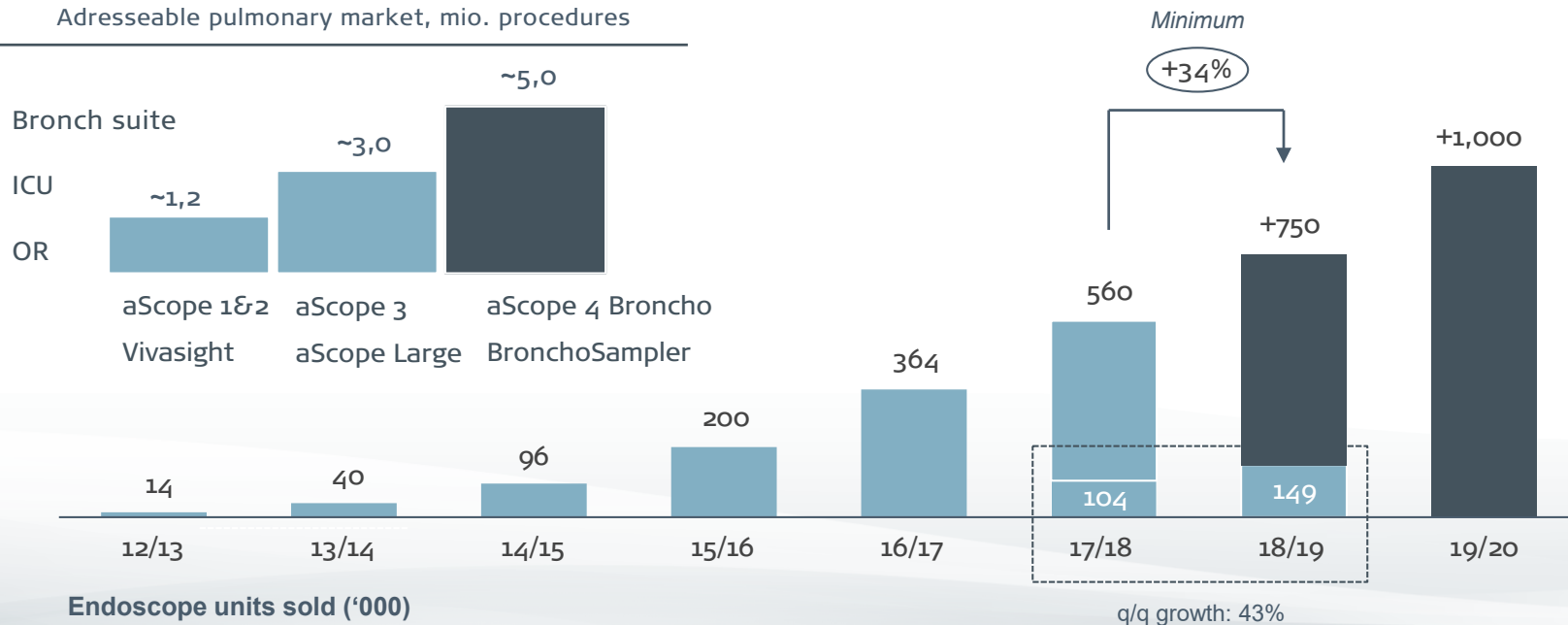


# We are on track to deliver a full range single-use flexible endoscopy portfolio



# Strong growth of endoscope units sold

Adresseeable pulmonary market, mio. procedures



149K endoscopes sold in Q1 vs. 104K last year (+43%)

Full conversion of aScope 3 to aScope 4

20% market share in OR & ICU and great potential in the Bronch suite



# We have launched the BronchoSampler in the US and in some markets in EU

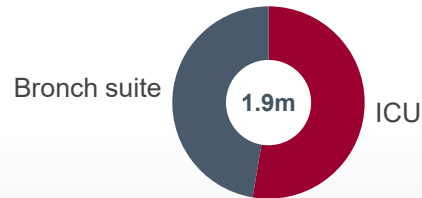
## aScope BronchoSampler opens up a market of ~1.9 million procedures

We have launched a tailor-made solution for aScope 4 Broncho

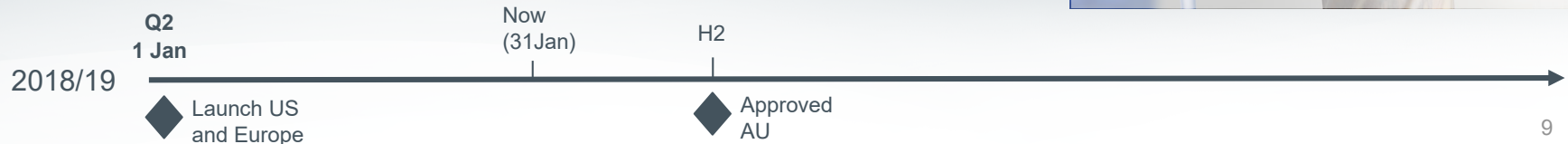
- ✓ Approved in EU and US
- ✓ Production is ready
- ✓ Launched in US & sequential launch in Europe has started

Call point is ICU & Bronch suite like aScope 4 Broncho

Share of procedures per segment



We have a solid footprint in the ICU



# We have launched aScope™ 4 RhinoLaryngo Intervention and are preparing for the Slim launch

aScope™ 4 RhinoLaryngo targets a market of ~11 million ENT procedures

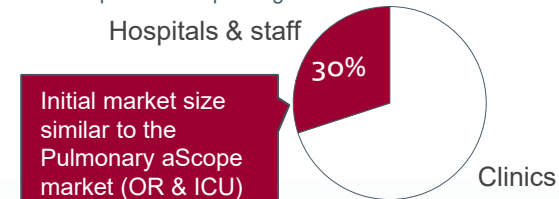
We have begun our journey into the ENT segment

✓ Intervention scope launched (addressing ~5% of procedures)

✓ Slim scope launch preparation (addressing ~95% of procedures)

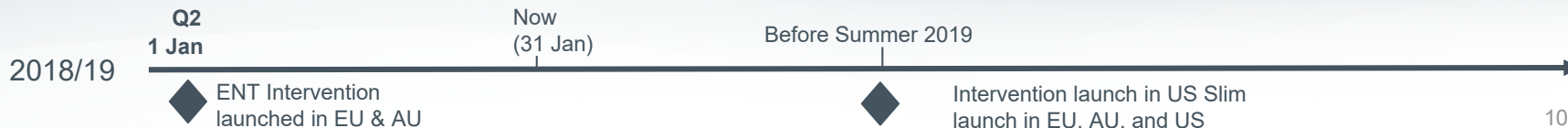
We initially target the hospital segment

Share of procedures per segment

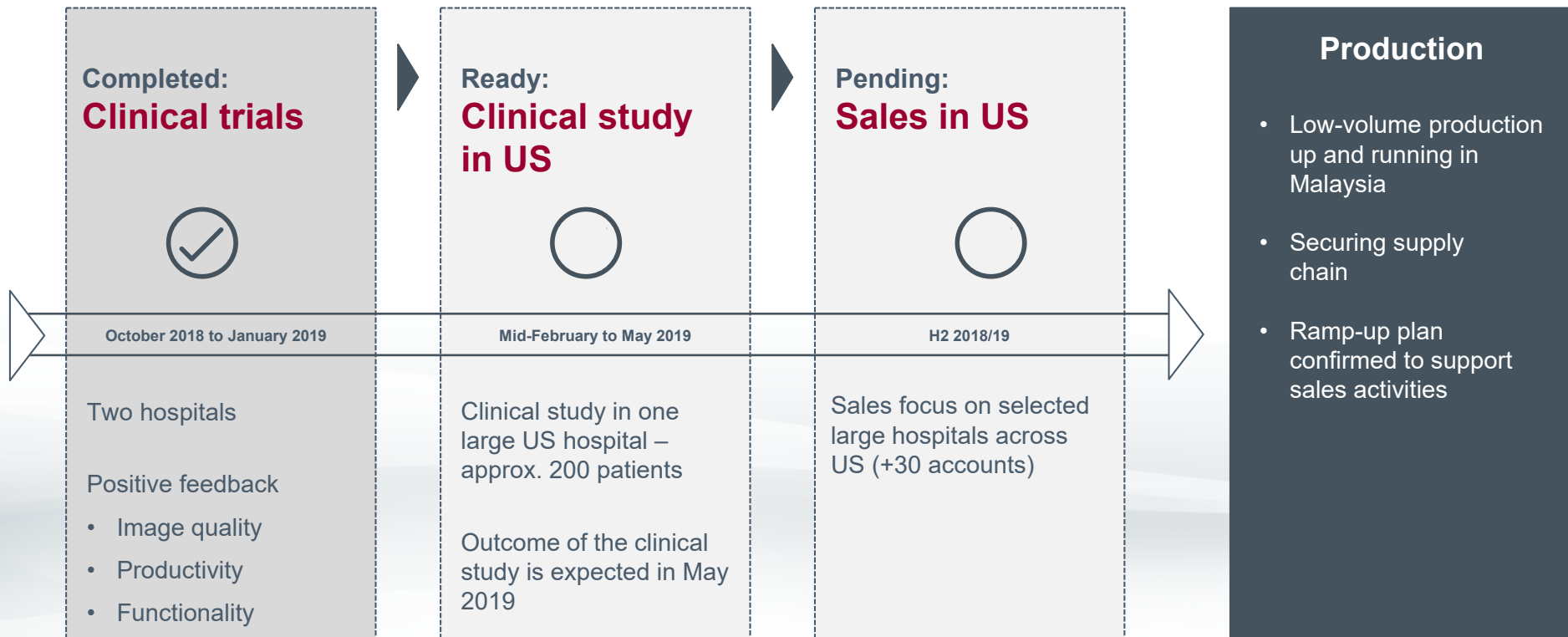


Our price strategy is clear

- 🏷️ USD 269 Slim
- 🏷️ USD 299 Intervention

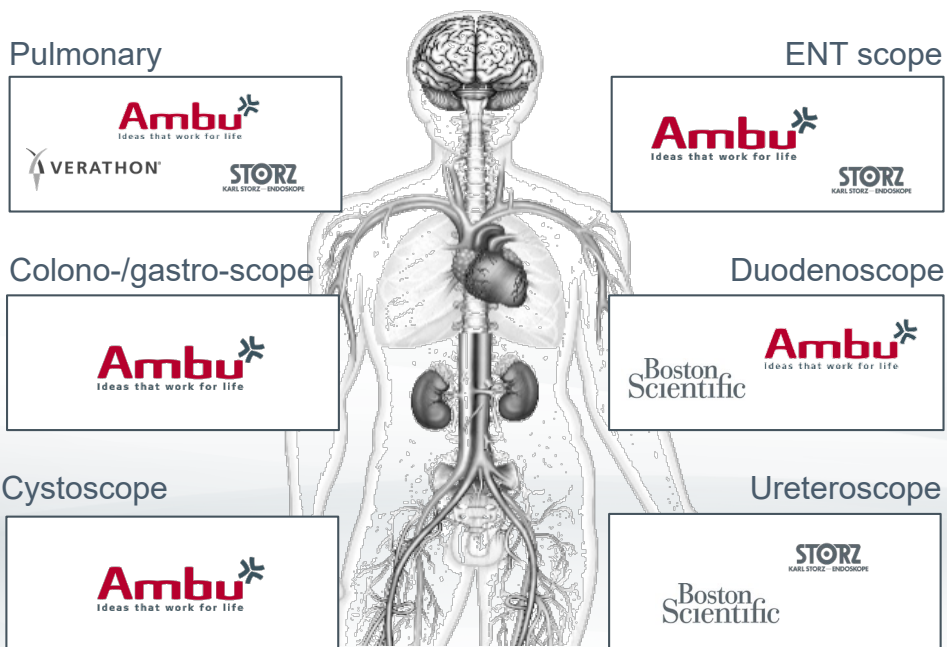


# On track with SC210 commercialization plan



# Single-use awareness increasing

## Main single-use endoscope providers



## Competitor news

1

Storz single-use ENT scope 'launched' Nov. 2017 – still not on the market

2

Storz single-use bronchoscope – still not on the market

3

Boston Scientific is the only single-use competitor in the GI market (only duodenoscope) – still not on the market

4

Verathon launched a bronchoscope for the OR segment – still not on the market

# Financial results and outlook



# Growth and profits

## Ambu P&L - Q1 2018/19

DKKm	Q1 18/19	Q1 17/18
Revenue	656	553
<b>Gross margin</b>	<b>59.9%</b>	<b>58.0%</b>
OPEX	-281	-230
Cost percentage	43%	42%
EBIT	112	91
<b>EBIT margin</b>	<b>17.1%</b>	<b>16.5%</b>
Financials, net	-30	-29
<b>Net result</b>	<b>63</b>	<b>28</b>

## Comments

- 15% organic growth and 19% in DKK from appreciating USD/DKK and GPO fees
- Gross margin up 1.9%-points due to continued scale and product mix
- OPEX includes impact from GPO fees (DKK 7m in Q1), Invendo overheads and sales expansion in US
- EBIT increased by 23% and EBIT-margin up 0.6%-point.

# Cash flow, assets and debt

## Ambu cash flow and balance - Q1 2018/19

DKKm	Q1 18/19		Q1 17/18	
<b>Cash flow and ratios:</b>				
Operating activities	93	14%	87	16%
Investing activities	-48	-7%	-51	-9%
<b>FCF before acquisitions</b>	<b>45</b>	<b>7%</b>	<b>36</b>	<b>7%</b>
<b>Balance sheet:</b>				
Total assets	4,262		3,894	
NIBD (Net interest-bearing debt)	1,274		981	
<b>Key Figures:</b>				
Net working capital	21%		19%	
Equity ratio	44%		49%	
NIBD/EBITDA	1.8x		1.7x	

## Comments

- Cash flow from operating activities at 14% (16%) and impacted by higher inventories
- Investments of 7% (9%) due to time variations from investments in buildings LY
- Full year investment target of DKK 250m out of which R&D is estimated to be 80%
- Expect full-year P&L impact from R&D activities unchanged vs. last year
- Working capital at 21% (19%) of revenue. Up due to inventories to support growth and risk mitigation
- Equity rate at 44% (49%) due to share buyback last year
- Expected gearing end-of-year at 1.0x

# Financial year 2018/19 guidance and 2020 strategy target

## Financial outlook maintained

Financial outlook	Financial year 18/19	Financial year 19/20 Strategy target
Organic revenue growth	15-16%	18-23%
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

**BIG**  
**FIVE** 2020





Read more at [www.ambu.com](http://www.ambu.com)

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