



Spring/Summer 2018/19

CEO Lars Marcher

Agenda

- Q2 highlights
- Business update
- Financials and outlook
- Q&A

Disclaimer

Forward-looking statements, especially such relating to future sales and operating profit, are subject to risks and uncertainties. Various factors, many of which are outside Ambu's control, may cause the actual development of the company to differ materially from the expectations contained in this presentation. Factors that might affect such expectations include, among others, changes in healthcare, in the world economy and in exchange rates.



Key financial results in Q2 2018/19

Q2 numbers and highlights



Financial results

	Q2 2018/19	Full-year guidance (2018/19)
Organic revenue growth	14%	15-16%
EBIT margin	24.8%	22-24%
Free cash flow	DKK 11m	DKK 400-475m
Endoscopes sold (units)	182,000	+750,000

Highlights Q2 2018/19

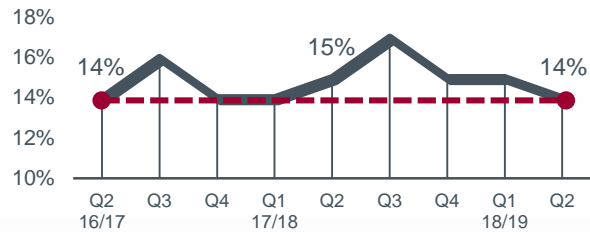
- Launch of **aScope BronchoSampler™**
- Launch of **aScope™ 4 RhinoLaryngo Slim** in EU and Australia. U.S. launch expected in Q3
- **SC210 colonoscope** clinical study in progress in USA
- Full-year financial targets on track

- 14% organic growth
- EBIT margin at 24.8%
- Core business up 8%
- Endoscope unit sales up 26% corresponding to 182,000
- GI projects on track
- Full-year outlook maintained

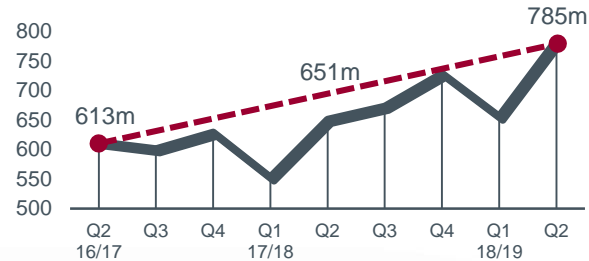
"We end H1 2018/19 with 15% organic growth and an EBIT margin of 21.3%"

Strong historic performance

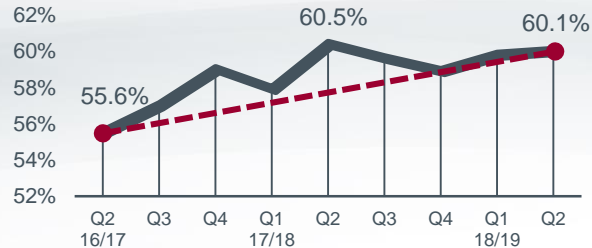
Organic growth: 14%



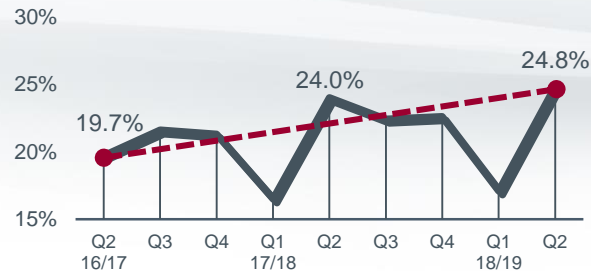
Revenue: DKK 785m



Gross margin: 60.1%



EBIT margin: 24.8%



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Business areas

Q2 Visualization growth at 27% and Core at 8%

PMD

Revenue **242m DKK**

10% growth

6% growth in H1

Patient Monitoring & Diagnostics

31%

Visualization

36%

Visualization

Revenue **283m DKK**

27% growth

33% growth in H1

33%

Anaesthesia

Anaesthesia

Revenue **260m DKK**

5% growth

6% growth in H1

Markets

Q2 revenue and growth across regions

North America

REVENUE **376m** DKK
ORGANIC GROWTH

16%

Business growth

- Visualization 34%
- Anaesthesia -1%
- PMD 30%

Share of revenue **48%**

Europe

REVENUE **312m** DKK
ORGANIC GROWTH

9%

Business growth

- Visualization 20%
- Anaesthesia 5%
- PMD 2%

Share of revenue **40%**

Rest of world

REVENUE **97m** DKK
ORGANIC GROWTH

24%

Business growth

- Visualization 20%
- Anaesthesia 37%
- PMD 14%

Share of revenue **12%**

Business update



Strengthening Core business

Launch of Ambu® aFlow breathing circuits in Europe

Market

Market size
in Europe

DKK
+700m

A full portfolio is key in tender-driven markets, and circuits strengthen our position in the ICU

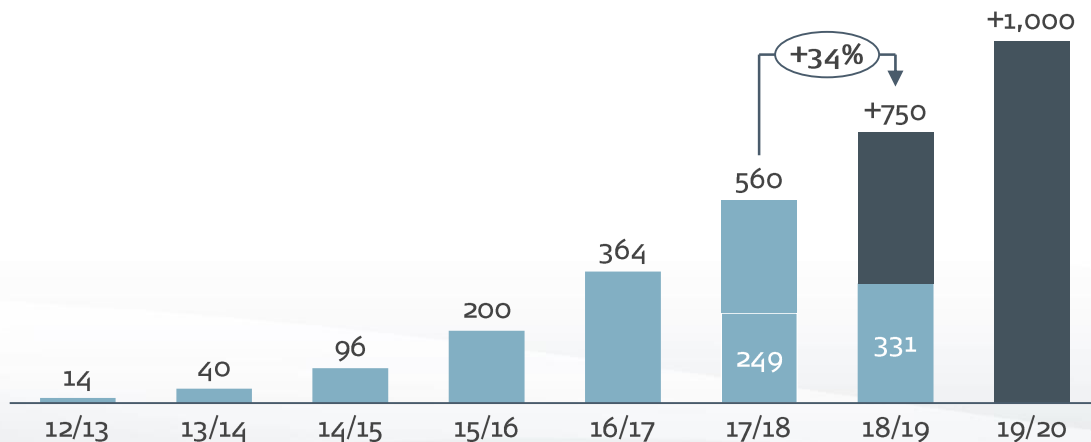
Value proposition

Combined with our existing facemasks, resuscitators and laryngeal masks, circuits represent an ongoing effort at Ambu to provide hospitals with a complete airway management portfolio from one trusted supplier

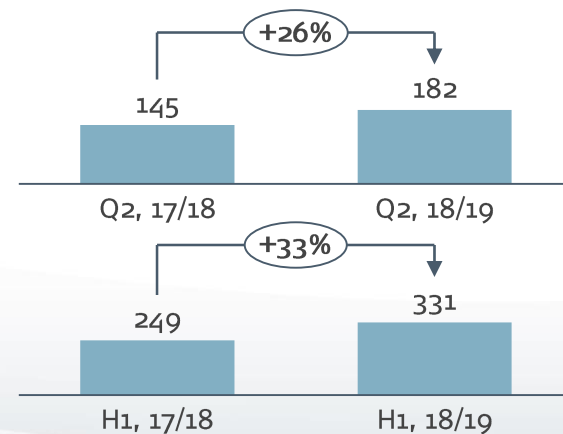


Strong quarter with 182k endoscopes sold

Endoscopes (‘000 units)



Endoscope units vs. last year



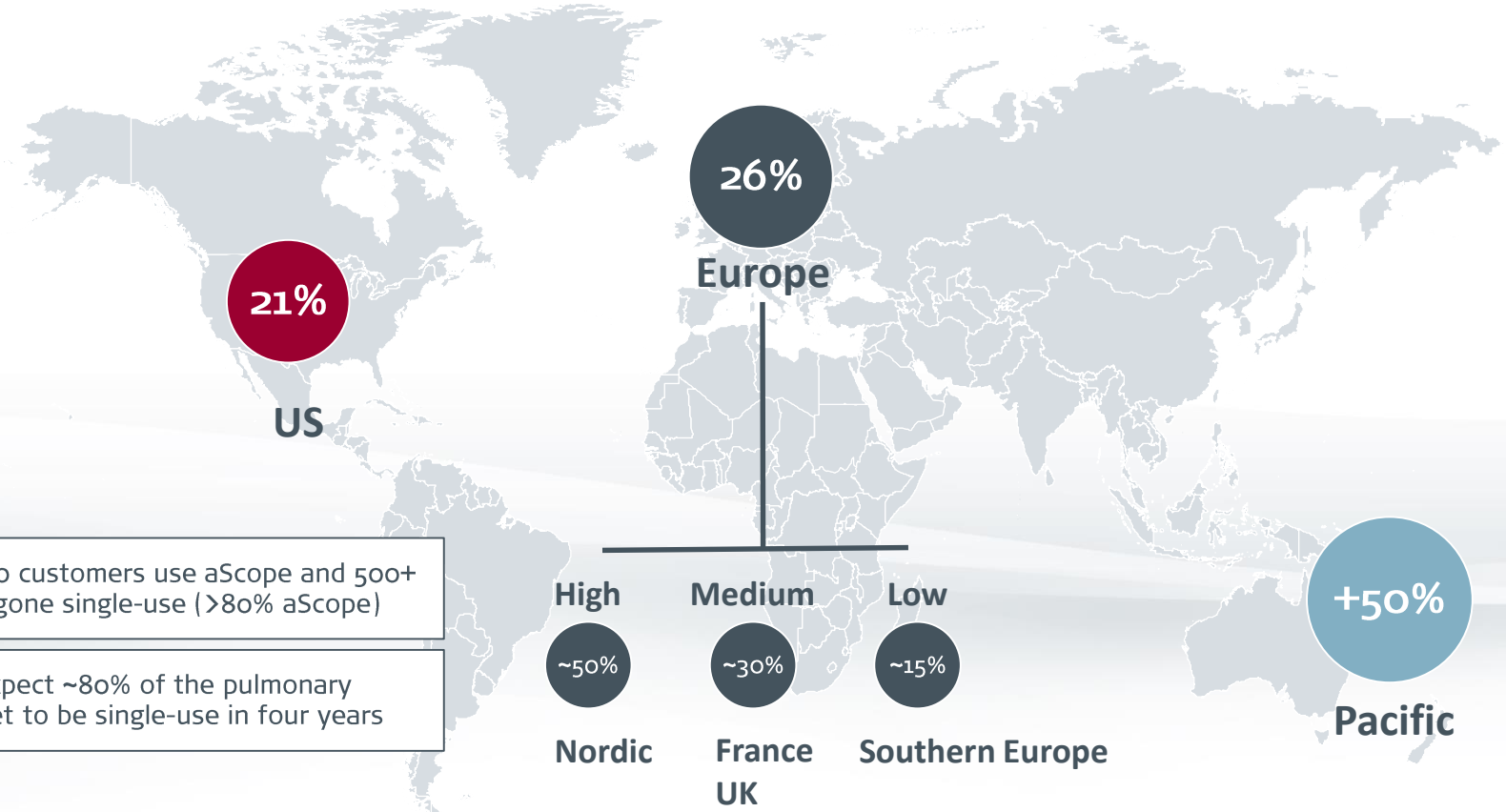
With 182k endoscopes sold in Q2, we sold 37k more scopes than last year

We do not see any price reduction or price pressure

On track to convert the Pulmonary market to single-use and to hit target of +750k units FY

Large aScope potential within OR and ICU

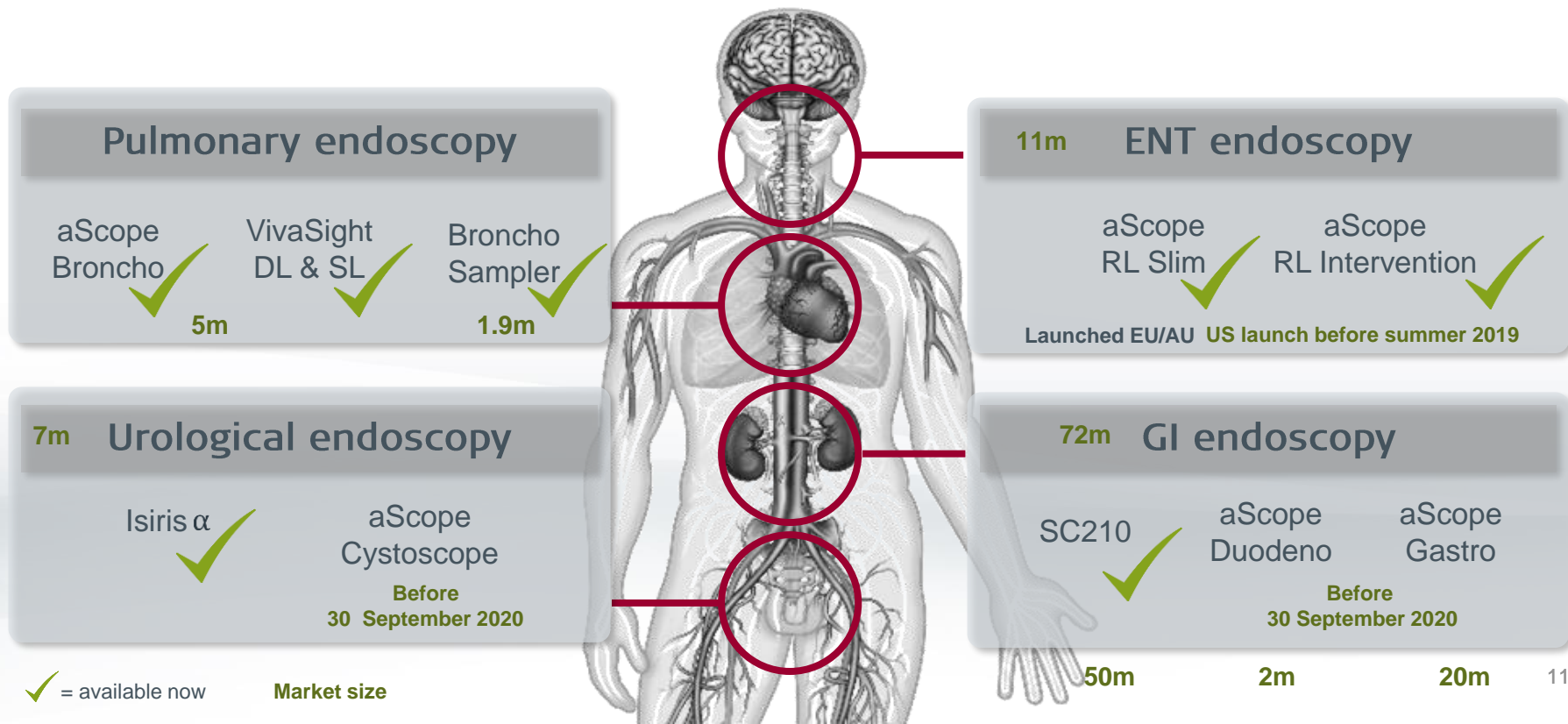
Overall 20% pulmonary market share in OR and ICU (3 million procedure market)



~3,500 customers use aScope and 500+ have gone single-use (>80% aScope)



We expect ~80% of the pulmonary market to be single-use in four years

On track to full range of single-use flexible endoscopes



We have launched both aScope™ 4 RhinoLaryngo Intervention and Slim (US pending)

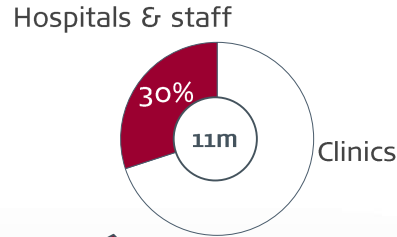
Average selling price (ASP)

	Slim:	USD 135
	Intervention:	USD 250

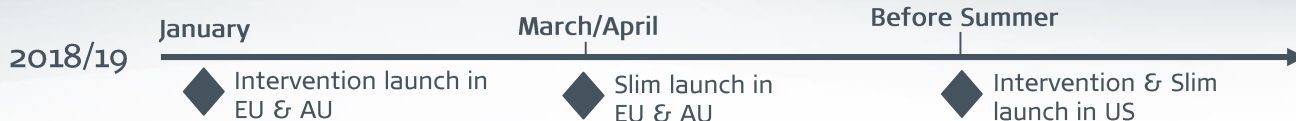
We have adjusted the price to fast-track penetration and provide a strong cost-benefit value proposition for hospitals

We initially target hospitals

Share of procedures per segment



Initial market size similar to the Pulmonary aScope market (OR & ICU)



We have launched the BronchoSampler™ in the US, Australia, and now in all markets in Europe

Initial customer reactions

7/10

respondents said staff would use it every time if available

66
99

This is an amazing grab'n'go solution

UK physician

66
99

I'm excited!

US physician

66
99

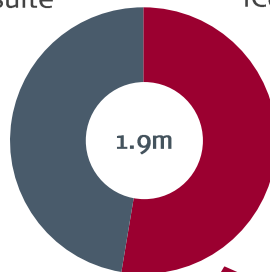
This makes it a lot easier

US physician

Market (annual no. of procedures)

Bronch suite

ICU



We target the ICU, where we have a solid footprint

Average selling price (ASP)

BronchoSampler: USD +30



Progressing with the SC210 commercialisation plan

Market need for single-use colonoscopes

(500-patient survey results)

3/4

were not aware that the scope in their procedure was reused

9/10

would use single-use if available

2/3

would ask about single-use when talking to their doctor

Ongoing: **Clinical US study**



Clinical study in one large US hospital – approx. 200 patients

Outcome will be delayed from the May deadline



H2 2018/19: **Launch in US**



Sales focus on selected large hospitals across US (+30 accounts)

Outcome of clinical study is delayed due to minor technical issues

Depending on clinical study progress, outcomes may be presented at DDW

Full speed on the single-use duodenoscope

- FDA continues to apply pressure on reusable duodenoscope providers due to continuous contamination issues
- The development of Ambu's single-use duodenoscope* for ERCP procedures is on track for a launch before 30 September 2020
- Ambu will demonstrate aScope Duo at DDW, May 2019 in San Diego

Pioneering sterile single-use endoscopy
Innovative solutions that improve workflow & patient care

Financial results and outlook



Growth and profits

Ambu P&L – Q2 2018/19

DKKm	Q2 2018/19	Q2 2017/18
Revenue	785	651
Gross margin	60.1%	60.5%
OPEX	-277	-238
Cost percentage	35%	37%
EBIT	195	156
EBIT margin	24.8%	24.0%
Financials, net	-25	-38
Net result	130	91

Comments

- 14% organic growth and 21% in DKK from appreciating USD/DKK and GPO fees
- Gross margin down 0.4%-points due to a.o. renewed GPO contracts
- OPEX includes impact from GPO fees and investments in sales
- Agreement in principle to settle with US authorities. Restitution of USD 3.3m fully accrued
- EBIT increased by 25% and EBIT-margin up 0.8%-point.

Cash flow, assets and debt

Ambu cash flow and balance – Q2 2018/19

DKKm	Q2 2018/19		Q2 2017/18	
Cash flow and ratios:				
Operating activities	63	8%	70	11%
Investing activities	-52	-7%	-48	-8%
FCF before acquisitions	11	1%	22	3%
Balance sheet:				
Total assets	4,418		4,046	
Net interest-bearing debt (NIBD)	1,266		1,241	
Key Figures:				
Net working capital	25%		22%	
Equity ratio	47%		43%	
NIBD/EBITDA	1.7x		2.0x	

Comments

- Cash flow from operating activities at 8% (11%) and is impacted by higher AR balances
- Investments of 7% (8%) mainly R&D activities
- 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 25% (22%) of revenue
- Equity ratio at 47% (43%) due to share buyback last year
- Expected gearing end-of-year at 1.0x

Summary

Q2 2018/19

14%
organic growth

24.8%
EBIT margin

182,000
endoscopes sold

Highlights

- On track for full-year targets
- Strong Q2 growth and solid earnings
- Several products launched recently and more are in development
- Single-use is becoming more and more recognised as a solution to the problems of reusable endoscopes

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Financial year 2018/19 guidance and 2020 strategy target

Financial outlook maintained

Financial outlook	Financial year 2018/19	Financial year 2019/20
Organic 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)	+750k	+1 million

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Q&A



Financial calendar

2019	Event
22 August	Q3 Report 2018/19
13 November	Annual Report 2018/19
17 December	Annual General Meeting 2018/19

For full list of Investor Relations events, please visit: www.ambu.com/about/corporate-info/investors/calendar

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Read more at www.ambu.com

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