



Ambu
Ideas that work for life

Winter/Spring 2018/19

CEO Lars Marcher

Agenda

- Q1 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 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

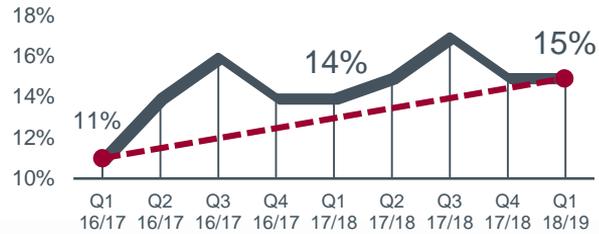
- Launch of **aScope™ 4 RhinoLaryngo Intervention** in EU and Australia
- Prepared launch of **aScope BronchoSampler™**
- On track to launch our full endoscope product pipeline towards 2020
- Full-year financial targets on track

- 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

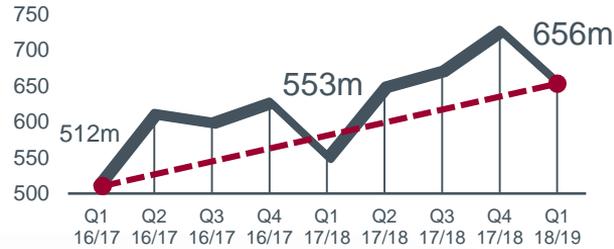
"We end Q1 2018/19 with 15% organic growth and an EBIT margin of 17.1%"

Steady increase in key figures

Organic growth: 15%



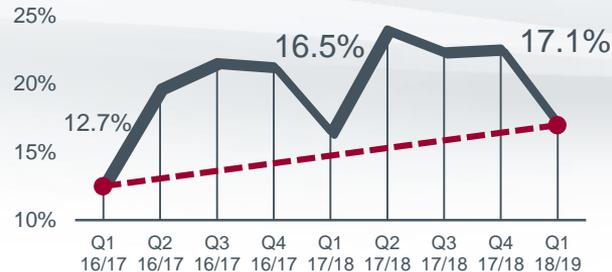
Revenue: DKK 656m



Gross margin: 59.9%



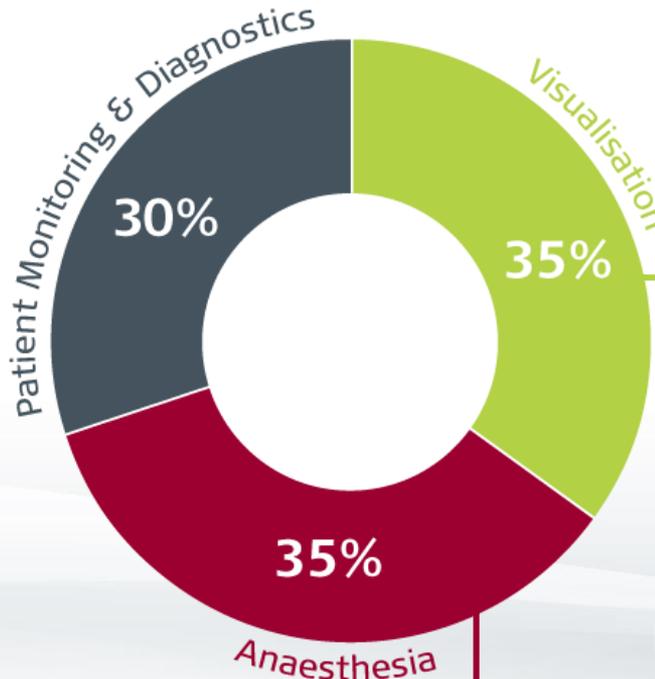
EBIT margin: 17.1%



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%

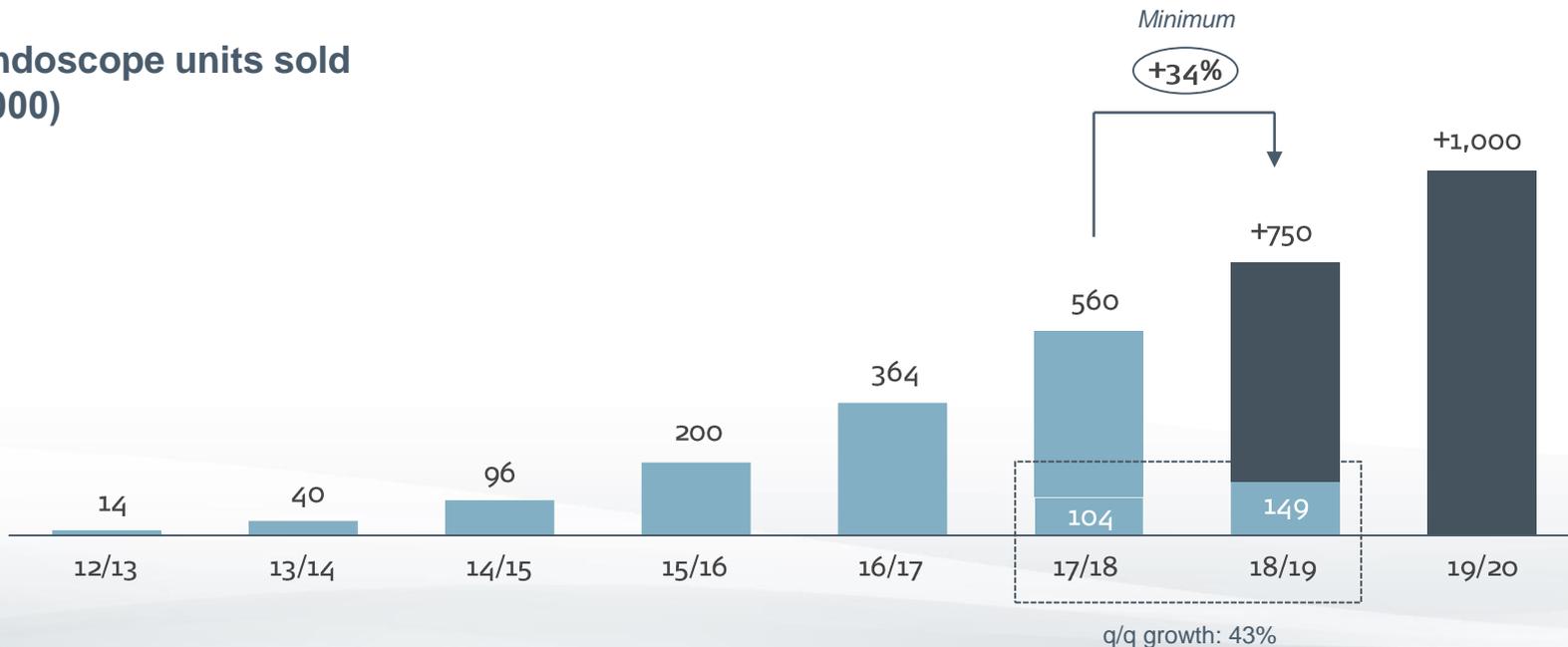
Business growth

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

Share of revenue **11%**

Strong growth of endoscope units sold

Endoscope units sold
(‘000)



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

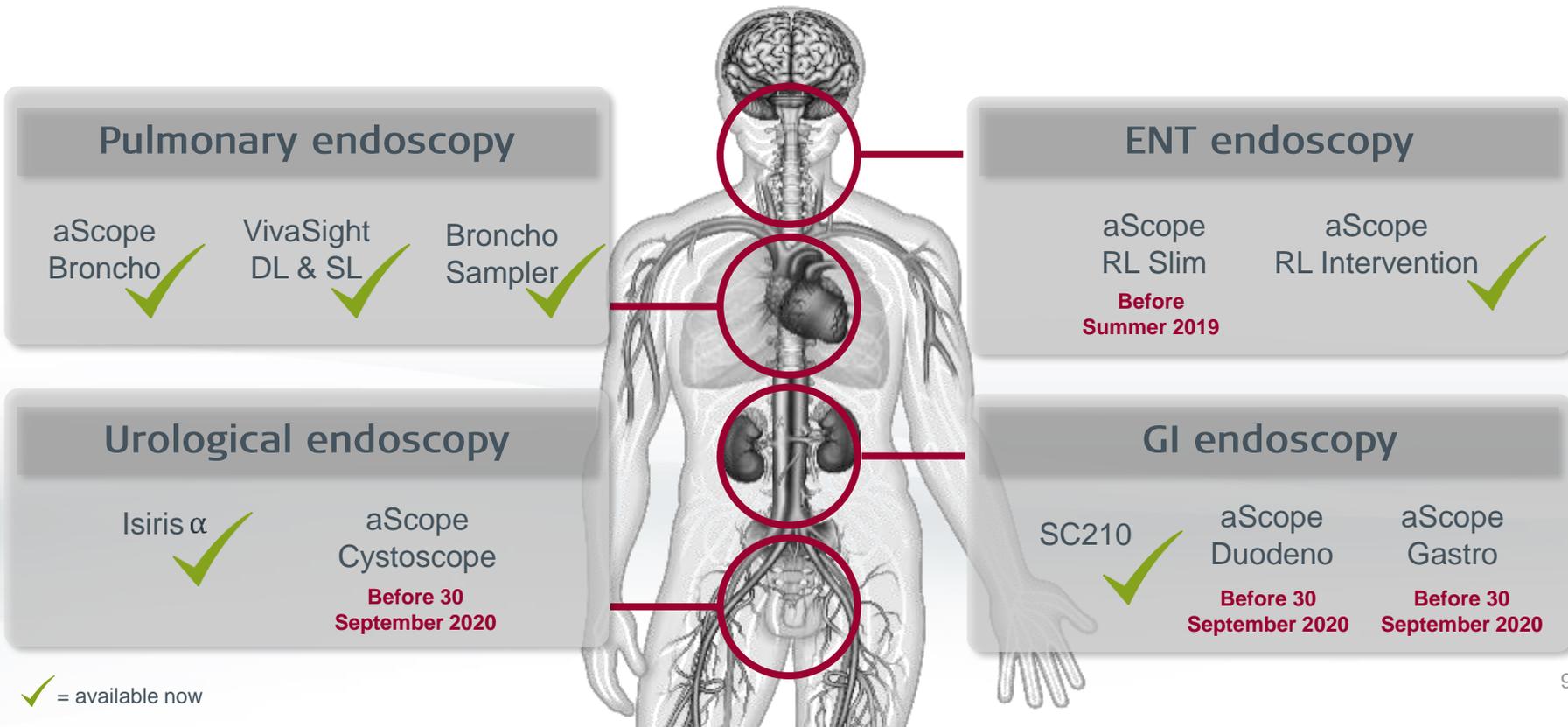
Full conversion of aScope 3 to aScope 4

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

Business update



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



On track with SC210 commercialization plan



Positive feedback from doctors

Completed:
Clinical trials



October 2018 to January 2019

Two hospitals

Positive feedback

- Image quality
- Productivity
- Functionality

General feedback on changes in colonoscopies

1. Experiencing large increase in patients who are concerned about cross-contamination with colonoscopies, even asking about how the scopes are cleaned. The physicians believe this is caused by the extensive media coverage of super bugs in duodenoscopies
2. Patients would choose a single-use scope 100% of the times, if they had the choice
3. Moving towards high-level disinfectants in most facilities which require more investments in not just equipment but also the setup e.g. new plumbing. The required investments in new reprocessing units, air drying cabinet leads to longer reprocessing time
4. It is a general concern what future guidelines will be and what the impact will be
5. Challenges with staffing up and maintaining in the lowest wage area of the hospital (cleaning)
6. Wear and tear starts to affect performance of scopes after around ~ 2 years

Feedback on SC210

1. The image quality is satisfactory as expected
2. Positive learning curve is confirmed
3. Functionality is as expected

Single-use awareness increasing

Main single-use endoscope providers

Pulmonary



ENT scope



Colono-/gastro-scope



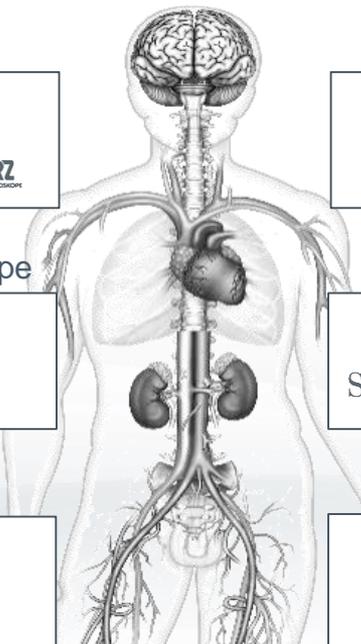
Duodenoscope



Cystoscope



Ureteroscope



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

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

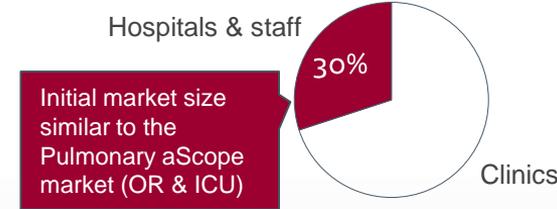
aScope™ 4 RhinoLaryngo targets a market of ~11 million ENT procedures

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

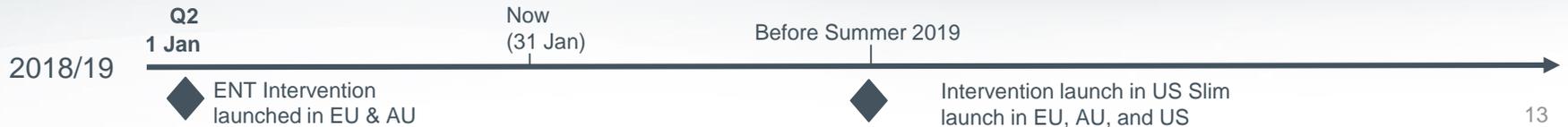
Share of procedures per segment



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

Our price strategy is clear

- 🏷️ USD 269 Slim
- 🏷️ USD 299 Intervention



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

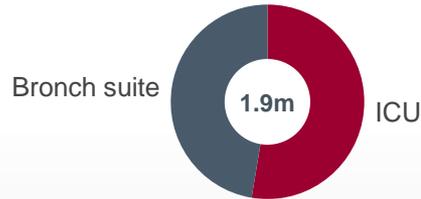
aScope BronchoSampler opens up a market of ~1.9 million procedures

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

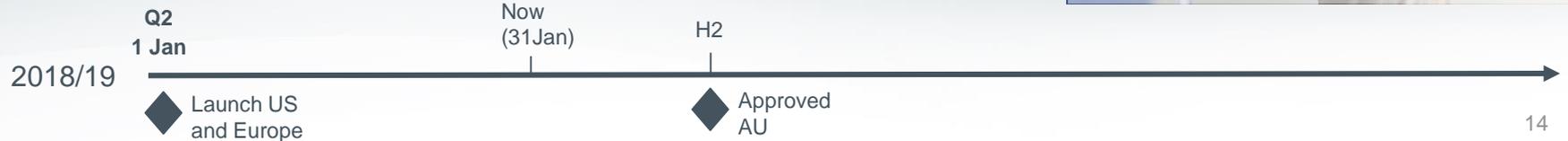
- ✓ Approved in EU and US
- ✓ Production is ready
- ✓ Launched in US & sequential launch in Europe has started

Call point is ICU & Bronch suite like aScope 4 Broncho

Share of procedures per segment



We have a solid footprint in the ICU



Financial results and outlook



Growth and profits

Ambu P&L - Q1 2018/19

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

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	
Cash flow and ratios:				
Operating activities	93	14%	87	16%
Investing activities	-48	-7%	-51	-9%
FCF before acquisitions	45	7%	36	7%
Balance sheet:				
Total assets	4,262		3,894	
NIBD (Net interest-bearing debt)	1,274		981	
Key Figures:				
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

Summary

Q1 2018/19

15%

organic growth in
local currency

17.1%

EBIT margin

149,000

endoscopes sold

Highlights

- On track for full-year targets
- Strong Q1 growth
- Solid earnings
- Product road map and launches on track
- Positive development in single-use endoscopy community

BIG
FIVE 2020

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





Ambu
Ideas that work for life

Q&A



Financial calendar

2019	Event
1 May	Q2 Report 2018/19
22 August	Q3 Report 2018/19
13 November	Annual Report 2018/19
17 December	Annual General Meeting 2018/19



Read more at www.ambu.com

Contacts

CEO Lars Marcher, lm@ambu.com or +45 5136 2490

CFO Michael Højgaard, miho@ambu.com or +45 4030 4349

IR Manager Nicolai Thomsen, nith@ambu.com or +45 2620 8047