

Ambu 2014/15
Investor update



GLOBAL GROWTH

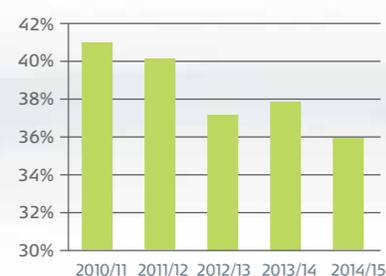
Financial highlights

| DKKm | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
|--|---------|---------|---------|---------|---------|
| Key figures | | | | | |
| Revenue | 983 | 1,045 | 1,383 | 1,584 | 1,889 |
| EBITDA before special items | 201 | 204 | 235 | 286 | 332 |
| EBIT before special items | 144 | 151 | 161 | 198 | 236 |
| EBIT | 111 | 145 | 100 | 198 | 236 |
| Net financials | -13 | -1 | -30 | 10 | -21 |
| Profit before tax | 98 | 144 | 70 | 208 | 215 |
| Net profit for the year | 69 | 110 | 48 | 151 | 152 |
| Assets | | | | | |
| Assets | 889 | 949 | 1,852 | 2,047 | 2,254 |
| Equity | 580 | 665 | 651 | 854 | 1,036 |
| Net interest-bearing debt | 105 | 57 | 721 | 739 | 731 |
| Free cash flows before company acquisitions | | | | | |
| Free cash flows before company acquisitions | 64 | 111 | 68 | 103 | 107 |
| Acquisitions of companies and technology | | | | | |
| Acquisitions of companies and technology | 0 | 31 | 704 | 112 | 17 |
| Average no. of employees | | | | | |
| Average no. of employees | 1,637 | 1,683 | 1,984 | 2,333 | 2,270 |
| Ratios | | | | | |
| Gross margin, % | 55.5 | 54.5 | 49.1 | 50.4 | 48.5 |
| Rate of cost, % | 41 | 40 | 37 | 38 | 36 |
| EBITDA margin before special items, % | 20.4 | 19.5 | 17.0 | 18.1 | 17.6 |
| EBIT margin before special items, % | 14.6 | 14.4 | 11.6 | 12.5 | 12.5 |
| Return on equity, % | 12 | 18 | 7 | 20 | 16 |
| NIBD/EBITDA before special items | 0.5 | 0.3 | 3.1 | 2.6 | 2.2 |
| Equity ratio, % | 65 | 70 | 35 | 42 | 46 |
| Working capital, % of revenue | 32 | 34 | 28 | 29 | 29 |
| Return on invested capital (ROIC) | 14 | 14 | 11 | 12 | 12 |
| Share data | | | | | |
| Market price per share, DKK | 35 | 37 | 56 | 106 | 181 |
| Earnings per share | 1.48 | 2.37 | 1.01 | 3.19 | 3.16 |
| Pay-out ratio, % | 34 | 33 | 31 | 30 | 30 |

Revenue by quarter



Rate of cost – 5-year summary



EBIT and EBIT margin – before special items



We are well on our way

Significant changes have swept the healthcare industry since the financial crisis. Hospitals worldwide are under tremendous pressure to deliver improved health economics, improved safety for patients and new and innovative solutions. For Ambu, 2014/15 was another year of growth thanks to our ability to address the challenges faced by the hospitals. Today, single-use products account for almost all our business, and demand is increasing steadily.

Intensified innovation

Throughout Ambu's 78-year-old history, our driving force and raison d'être has been our ability to develop and deliver innovative solutions which help doctors save human lives, while at the same time increasing efficiency. In recent years, our innovation efforts have been intensified. We have developed and launched more new products for our customers than ever before. Products that improve current treatment methods, but also products that revolutionise them.

Developed by Ambu, the world's first and only single-use videoscope, aScope, is manufactured and sold to hospitals by Ambu. aScope was launched in 2009, and in 2015, we have really seen the effect. With the delivery of close to 100,000 scopes to customers this year, the concept and the product have now been recognised by doctors worldwide. Replacing multiple-use scopes with single-use scopes offers a unique opportunity for hospitals to reduce their cost of use, improve hygiene and enhance patient safety.

Ambu's most recent single-use scope has been developed in partnership with Coloplast, a globally leading supplier of urology products. Together we have developed yet another unique product that enables faster and more efficient removal of urinary stents. We have high hopes for our new partnership.

The strategic heights

In 2013, we launched our current strategy: Climbing New Heights 2017. The strategy sets the direction for Ambu's journey towards realising new historical revenue and earnings targets. And we are well on our way.

Reporting the highest growth rates in the industry, we are fast approaching our revenue target of DKK 2bn. Our three efficient sales regions are servicing thousands of hospitals. And we have a unique portfolio of high-quality single-use products, which are manufactured at our own facilities in China, Malaysia and the USA.

We are growing, and this means that we will be able to make even better use of our infrastructure, which will help us achieve our earnings target for 2017: an EBIT margin of 17-18%.

With a strong strategic platform, a truly global Ambu and a sales force dedicated to delivering the most complete solutions to hospitals, Ambu is well on its way. After yet another historical financial year of record revenue and earnings, we and our 2,300 employees are confident that our ambitious goals are within reach.

Lars Marcher
President & CEO

Highlights & outlook

Developments in 2014/15

- 2014/15 is the first financial year where Ambu® aScope™ 3 has been available in all markets, and sales in the past year totalled close to 100,000 scopes against just under 40,000 in the previous financial year.
- In 2014/15, Ambu announced a product development partnership with Coloplast, introduced a complete series of sizes of the third-generation laryngeal mask Ambu® AuraGain™, concluded sales agreements with Tri-anim Health Services in North America and signed several new agreements with US group purchasing organisations.
- Revenue for the financial year was up 19% (15%) in Danish kroner at DKK 1,889m based on organic growth in local currencies of 9% (7%), which is in excess of the general market growth.
- EBIT increased to DKK 236m (DKK 198m), with an EBIT margin of 12.5% (12.5%).
- Net financial expenses of DKK 21m (income of DKK 10m) were posted, positively impacted by the adjustment of earn-out provisions.
- Working capital at the end of the year was DKK 551m (DKK 452m), corresponding to 29% (29%) of revenue for the year.
- Free cash flows totalled DKK 107m (DKK 103m), with a gearing of 2.2 (2.6).
- A net profit of DKK 152m (DKK 151m) was reported, and the Board of Directors proposes that dividend of DKK 0.95 (DKK 0.94) be paid per share, corresponding to a pay-out ratio of 30%

71%
return

In 2014/15, the price of the Ambu share went up from 106 to 181. Return of 71% excluding dividend. By comparison, the MidCap index increased by 25%, while the Health Care index rose 27%.

Outlook for 2015/16

- Organic growth of approx. 7-9% when measured in local currencies, and in Danish kroner of approx. 9-11%
- An EBIT margin of approx. 14-15%
- Free cash flows of approx. DKK 150-175m
- Gearing of approx. 2.0 inclusive of the announced treasury share buyback programme of DKK 175m

Good geographical development

Ambu has evolved from being a Europe-centric business to having a strong global focus. Of our total revenue, 47% now comes from North American hospitals, 41% from Europe and 12% from the rest of the world, including Asia. We are therefore strongly positioned in the global market to meet the hospitals' need for solutions to their everyday challenges.

Europe

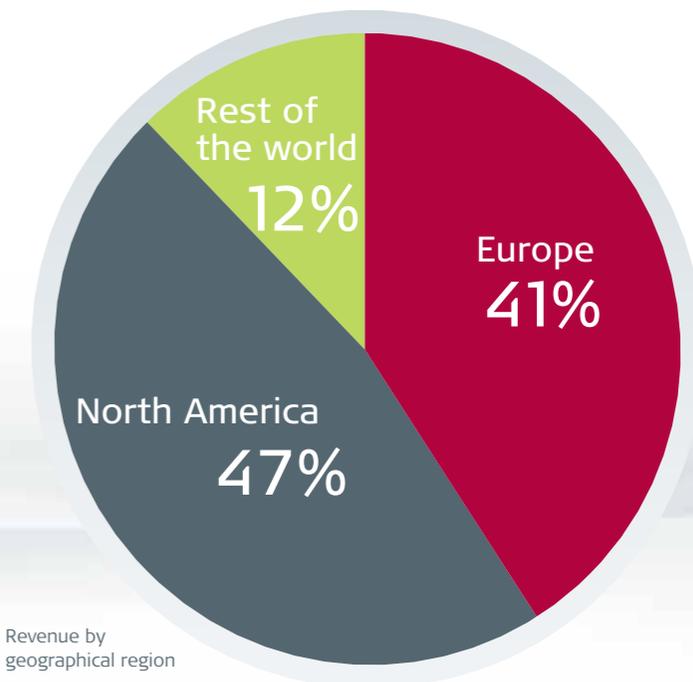
In Europe, Ambu achieved growth of 11% in FY 2014/15. This represents marked growth significantly in excess of market growth. The growth is broadly based on the underlying countries, and although budgetary constraints remain severe, Ambu is seeing solid growth potential, both for the latest innovative products and for Ambu's core products.

North America

In North America, growth of 8% was reported, which is well above market growth. The growth was achieved in a year which saw significant structural changes and efficiency increases in our supply chain. It should be mentioned that two years after the merger of Ambu and King Systems, the North American sales organisation has been optimised and is clearly creating the expected sales synergies in the form of cross-selling and strengthened relations with the US group purchasing organisations. Additionally, at the end of the year, we entered into an agreement with the North American distributor Tri-anim Health Services which will enable us to attract even more potential customers in the USA.

Rest of the world

'The rest of the world' covers Asia and Oceania as well as Latin America. In all, Ambu is posting growth of 7% for the year, down from 19% last year. The decline is attributable to lower sales in both the Middle East and Latin America. The positive developments continue in the markets in Asia and Oceania. Here, Ambu is reporting growth of 24% with sales topping DKK 100m for the financial year. This represents a significant milestone since Ambu established its own sales management in Malaysia in 2011.



Revenue by geographical region





Important products for healthcare professionals

Anaesthesia

Ambu's largest business area is Anaesthesia and is aimed specifically at doctors and nurses who use our products in connection with surgical procedures at hospitals, in operating theatres and in intensive care units.

Anaesthesia has grown further in the course of the year and now accounts for almost 60% of our revenue. Recording growth of 16%, it is clear that we have been more successful than our competitors and are expanding our position as the leading supplier of single-use products for hospitals.

In the past year, we have seen the breakthrough for single-use videoscopes which Ambu has been working towards since 2009 when we launched the Ambu aScope, the world's first flexible single-use video scope. Sales of the aScope more than doubled compared to last year in terms of both revenue and sales volumes. We see an interesting future for single-use visualisation devices because they can contribute to alleviating some of the most pressing healthcare challenges of our times and help doctors provide effective treatments and reduce the risk of cross-contamination.

The double-digit growth which Ambu is realising in the Anaesthesia segment is also based on our broad portfolio of masks, ventilation bags, videoscopes, pain pumps and circuits (which connect patients to anaesthesia machines during surgical procedures).

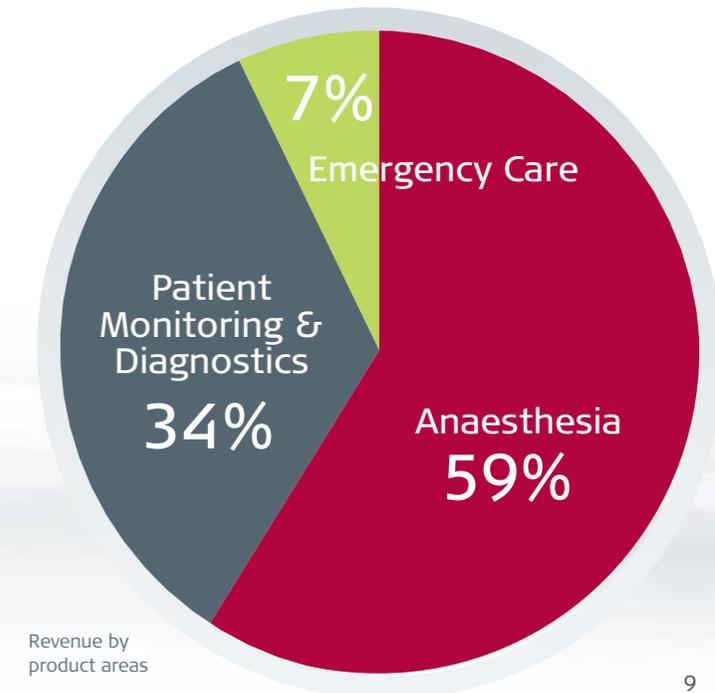
Patient Monitoring & Diagnostics

Ambu's electrode business accounts for just over one third of revenue. The segment is characterised by extremely loyal customers who – particularly in Europe – have been with Ambu for many years. At the same time, it is a market which is affected by both consolidation and pressure on prices. Our

sales have grown by 4% this year, which is above market growth. In 2014/15, we focused on retaining our loyal customers, developing our customer base in North America and increasing our neurology business, which is an extremely high-growth niche. Moreover, we made a minor strategic divestment in 2014/15 through the outsourcing of the UK production of electrodes for monitoring. Strategically, this is in line with our consistent and strong focus on reducing costs.

Emergency Care

Emergency Care is Ambu's smallest business area, and sales are characterised by considerable fluctuations due to the size of single orders. In Emergency Care, market growth is deemed to be declining – in several areas negative – which is also reflected in our growth of -9% for the past financial year.



Revenue by product areas

Safe anaesthesia – in all sizes

In 2014/15, we launched paediatric sizes of our third-generation laryngeal mask, Ambu AuraGain, which is strategically important to winning contracts and ensuring strong sales for the anaesthesia portfolio.

AuraGain is now available in eight sizes; from small paediatric sizes (5 kg+) to large adult sizes (100 kg+).

The AuraGain mask takes patient safety and airway management efficiency to a new level for anaesthetists.

With AuraGain, Ambu can offer customers a high-quality mask with enhanced functionality.

A crucial market

Ambu posted double-digit growth in sales of laryngeal masks in 2014/15, and given the significantly lower growth of the market in general, Ambu has clearly won market share in this high-profit market.

There is considerable potential for Ambu to win further market share in the US market, as Ambu's position within laryngeal masks has historically been limited in the USA.

What is a laryngeal mask?

A laryngeal mask is used to create an airway through which oxygen can be administered to a patient who has been anaesthetised in connection with a surgical procedure.

Unlike a face mask, which covers the nose and mouth, the anaesthetist inserts the laryngeal mask in the patient's throat, so that it covers the larynx.

STRATEGIC PARTNERSHIPS

Fundamentally, we believe that our goals can be achieved in three ways. The first way is through our own efforts, i.e. through the work done by our 2,300 employees every day to move Ambu forward when for example developing, producing, marketing and selling our products.

The other way to optimise our business is through acquisitions. In recent years, Ambu's product or company acquisitions have been based on the criterion that they must match our strategy and offer potential synergies – and that the price and terms must be acceptable to both us and the seller. Ambu's most recent and largest acquisition was the acquisition of the US company King Systems in 2013. We did not make any new acquisitions in 2014/15, but we are still working to find suitable candidates that match our business and which can strengthen our position as a global supplier of innovative solutions for hospitals.

The third way to achieve our goals is by entering into partnerships.

In the past year, we have announced our partnership with Tri-anim Health Services, a North American supplier of medical equipment. From 2015/16, Tri-anim will distribute four of Ambu's product groups in the Anaesthesia segment, including aScope 3. This will strengthen Ambu's

position in the North American market and enable us to reach out to more customers.

In addition, we have announced a partnership with Coloplast, which began in 2011. Together we have developed a single-use scope for urinary tract intervention. Based on the technological platform behind Ambu's aScope, the product was presented at the World Congress of Endourology in London at the beginning of October 2015. The product is produced at Ambu's factory in Malaysia, and Coloplast markets and sells it to its urology customers.

Increased sales power and a new market

Partnerships are an important strategic focus area in the Climbing New Heights strategy. So this year, we have entered into new partnerships to increase our sales power in North America and make our aScope technology available in the urology market, which Ambu has not traditionally focused on.

The two examples show that partnerships can contribute to achieving our goals and to improving our ability to help doctors and patients worldwide.

Ambu is no giant, but if we choose our partners wisely, we can make an impact that far exceeds what we could have achieved on our own.



Ambitious targets within reach

Ambu has now reached the halfway point of its four-year business strategy 'Climbing New Heights 2017', and we are well positioned to achieving these targets.

The strategy was launched in October 2013 and sets out three financial targets: In 2017, revenue of approx. DKK 2bn must be realised through organic growth in excess of market growth. An EBIT margin of 17-18% must be achieved together with a strong positive cash flow.

Revenue of DKK 2bn

Our target of revenue of DKK 2bn in 2017 equates to average growth over four years of 7-8% a year, and for the first two years, we have reported growth of around 8% a year and are well-positioned for 2015/16. At the same time, organic growth of 9% was achieved in 2014/15, which is significantly higher than the general market growth and the growth rates reported by our competitors.

Earnings of 17-19% and strong cash flow

As regards the EBIT margin, our focus is now on reaping the benefits of the investments made in recent years in production, supply chain and innovation. The products which will drive growth and earnings have been launched, and our integrated sales organisation is in place. With expected growth of 7-9% a year driven by high-margin products and partnerships, we expect to see EBIT growth which will take us across the finishing line in 2017.

As regards improvements of the free cash flows, we will now be able to focus on this following the outsourcing of warehousing and supply chain activities in North America.

People behind the success

Ambu's history goes back 78 years, and our success has been created by talented and committed employees. We believe that our healthy and productive culture will remain key to our future performance, a culture based on openness, high-quality work and loyal employees.

In the past year, we have finished implementing our global Performance Management System – SuccessFactors – which will now be used throughout our global organisation. The system is an important element when it comes to translating the company's overall strategy into operational milestones for each individual employee.

Goals within reach

In the past year, we have seen the breakthrough for single-use videoscopes which Ambu has been working towards since 2009. And with the development of our technological platform within urology, we are consolidating our position as the world's leading developer of single-use videoscopes.

After yet another historical financial year of record revenue and earnings, we and our 2,300 employees are confident that our ambitious goals are within reach.



CLIMBING
2017 
NEW HEIGHTS



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