



## Ambu invests into a 100% direct sales organisation for pulmonology in the US

Ambu has decided to invest further and strengthen its largest market by transitioning sales of aScope™ products from the US distributor. As a result, Ambu will move to a 100% direct sales organisation for pulmonary endoscopy in the US. Financial guidance is revised.

Since 2015, Ambu and Tri-anim Health Services, a leading US specialty distributor, have been in partnership to make Ambu's single-use bronchoscopes the market leader. Today, Tri-anim covers 40% of Ambu's revenue from sales of aScope™ products within pulmonary endoscopy in the US market. As part of the ongoing initiative to expand our direct sales force, Ambu and Tri-anim have mutually agreed to fully transition the sales of aScope™ products to Ambu.

*"We are confident that with our pipeline of new endoscope products in markets including ENT and urology, we will be able to maximise revenue growth and cross-sales effects by going direct. This is an attractive investment for Ambu as transition effects will be outweighed by higher long-term growth,"* says CEO of Ambu Juan Jose Gonzalez.

### **Effect on guidance for current financial year (2018/19)**

The agreement to transition the partnership was entered on 22 August 2019 and takes effect from 1 October 2019. The impact to the financial outlook relative to the company announcement no. 12 2018/19 on 17 June 2019 can be summarised as follows:

- Revenue growth will be reduced by approx. 8%-pts.
- Number of endoscopes sold will be reduced by 150,000 units to approx. 600,000 units.
- EBIT margin before special items will be reduced by approx. 4%-pts.
- Free cash flow will be reduced by approx. DKK 175m.

It has been agreed that Ambu will pay a compensation to the distributor of USD 20m. The compensation is a one-off cost in Q4, accounted in the form of special items and is payable with 50% in Q4 2018/19 and Q1 2019/20, respectively.

The agreement is important for Ambu as we believe the effectiveness of our direct sales organisation combined with the ongoing expansion of our product pipeline creates a significant opportunity to create further value. Value will materialise as higher revenue growth, at better prices, combined with value from cross-selling starting with the ENT endoscopes and later the scopes for urology.

The impact to the financial guidance for the Big Five 2020 strategy (2019/20) will be provided together with the interim financial report for Q3 2018/19 on 22 August 2019.

The strategic rationale of investing in direct sales will be elaborated on in Ambu's Q3 conference call on 22 August 2019 at 10.00 (CEST): [www.ambu.com/webcastQ32019](http://www.ambu.com/webcastQ32019).

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### About Ambu

Since 1937, breakthrough ideas have fuelled our work on bringing efficient healthcare solutions to life. This is what we create within our fields of excellence – Visualization, Anaesthesia, and Patient Monitoring & Diagnostics. Millions of patients and healthcare professionals worldwide depend on the functionality and performance of our products. We are dedicated to improving patient safety and determined to advance single-use devices. The manifestations of our efforts range from early inventions like the Ambu Bag™ resuscitator and the legendary BlueSensor™ electrodes to our newest landmark solutions like the Ambu® aScope™ – the world's first single-use flexible endoscope. Our commitment to bringing new ideas and superior service to our customers has made Ambu one of the most recognized medtech companies in the world. Headquartered near Copenhagen in Denmark, Ambu employs approximately 2,700 people in Europe, North America and the Asia Pacific. For more information, please visit [www.ambu.com](http://www.ambu.com).