



Annual report 2019/20 (Earnings release)

In the year when the world faced the COVID-19 pandemic, Ambu continued to grow rapidly, posting organic growth of 26%, and exceeded sales of 1 million single-use endoscopes.

“We achieved important milestones to fulfil our aspiration of becoming the world’s most innovative single-use endoscopy player. Last year, we executed a major expansion of our commercial infrastructure globally and entered important endoscopy markets: GI and urology. Furthermore, we continued to rapidly scale up our R&D modular engine and further expand our pipeline. Over the next three years, we expect to introduce twenty new single-use endoscopes and monitors – which is eight more than we have previously announced. Our strategy is to provide healthcare systems and patients around the world with the most comprehensive portfolio of technologically advanced products that are convenient, affordable and without risk of contamination,” says CEO Juan Jose Gonzalez.

Highlights

Comparative figures for 2018/19 are stated in brackets.

Q4 2019/20

- **Organic growth** of 48% (-19%) was realized in Q4, based on revenue of DKK 871m (DKK 606m). North America realized organic growth of 130% (-51%), while Europe achieved 15% (8%) organic growth, and Rest of World posted -1% (23%). The high revenue growth for Q4 was driven by the rapid growth of our Visualization business and the low comparables in North America as we transitioned from a distributor to a 100% direct sales model last year.
- **EBIT** before special items was DKK 29m (DKK 18m) with an **EBIT margin** before special items of 3.3% (3.0%).

FY 2019/20

- **Revenue** for the financial year was DKK 3,567m (DKK 2,820m) based on **organic growth** of 26% (4%). Sales in North America grew organically by 25%, while we saw organic growth in Europe of 32% and Rest of World of 13% for the full year.
- **Visualization** achieved organic growth of 81% (9%), **Anaesthesia** sales grew by 7% (1%), while **Patient Monitoring & Diagnostics** (PMD) declined by -10% (3%).
- **Sales of single-use endoscopes** reached 1,085,000 (618,000) units for the year. Sales volumes were thus up 76% relative to last year.
- **EBIT** before special items was DKK 428m (DKK 480m), with an **EBIT margin** before special items of 12.0% (17.0%).
- Total **tax** on profit for the year was recognized at 25% (23%).

- **Net profit** for the year was down -24% at DKK 241m (DKK 317m).
- The Board of Directors propose that **dividend** of DKK 0.29 (DKK 0.38) be paid per share at an unchanged pay-out ratio of 30%.
- **Net working capital** at the end of the year was DKK 581m (DKK 387m), corresponding to 16% (14%) of revenue for the year.
- **Free cash flow** before acquisitions of enterprises and technologies totalled DKK -133m (DKK 274m) with a gearing of 2.2 (1.8).
- During 2019/20, Ambu **launched three products** across the Visualization portfolio: aScope™ 4 Cysto, aView™ 2 Advance and aScope™ Duodeno.
- **aScope™ Duodeno** is Ambu's first device in the field of gastroenterology and addresses the need for a 100% sterile duodenoscope designed to eliminate the risk of patient cross-contamination and enhance patient safety. The aScope™ Duodeno solution, which consists of a single-use endoscope and a reusable processor unit, received FDA clearance on 17 July 2020.
- Our 500-patient **clinical trial on aScope™ Duodeno** has been submitted to ClinicalTrials.gov and is expected to start in January 2021.
- To support the rapid growth of our Visualization business and move to a dual-source manufacturing model, we are establishing a **new plant in Mexico**. We expect the plant to be fully operational in the financial year 2022/23. Until the Mexican plant is operational, the capacity available in Malaysia will be more than adequate to support the anticipated demand for Ambu's portfolio of single-use endoscopes.

Outlook 2020/21

The outlook for 2020/21 is as follows:

- Organic growth in the range of 17-20%.
- EBIT margin before special items in the range of 11-12%
- Sales of single-use endoscopes of 1.3-1.4 million units

A **conference call** is held today, Wednesday 11 November 2020, at 10.00 (CET). The conference is broadcast live via www.ambu.com/webcastQ42020. The presentation can be downloaded immediately before the conference call via the same link. To ask questions in the Q&A session, please call one of the following numbers five minutes before the start of the conference: +45 3544 5577 (DK), +44 333 300 0804 (UK), +1 631 913 1422 (USA), and enter the following access code: 35073451#.

Ambu's **annual general meeting** will be held on Wednesday 9 December 2020 at 15.00 (CET) at Ambu's HQ, Baltorpbakken 13, DK-2750 Ballerup. Due to the COVID-19 situation, we ***strongly encourage*** all shareholders to vote by proxy or by post and follow the annual general meeting online at www.ambu.com/AGM rather than to attend in person.

Contacts

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About Ambu

Ambu has been bringing the solutions of the future to life since 1937. Today, millions of patients and healthcare professionals worldwide depend on the efficiency, safety and performance of our single-use endoscopy, anaesthesia, and patient monitoring & diagnostics solutions. The manifestations of our efforts have ranged from early innovations like the Ambu® Bag™ resuscitator and the Ambu® BlueSensor™ electrodes to our newest landmark solutions like the Ambu® aScope™ – the world's first single-use flexible endoscope. Moreover, we continuously look to the future with a commitment to deliver innovative quality products that have a positive impact on the work of doctors, nurses and paramedics. Headquartered near Copenhagen in Denmark, Ambu employs approximately 4,000 people in Europe, North America and the Asia Pacific. For more information, please visit ambu.com.

