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# Results Q4 2013/14 Guidance FY 2014/15

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CFO Michael Højgaard

# Agenda

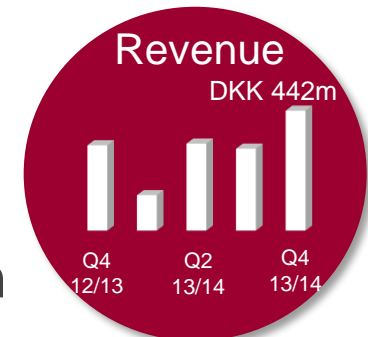
- Q4 and FY Highlights
- Business trends
- Growth drivers
- Financials
- Outlook
- Q&A

## 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.

# Q4 Highlights

- Organic growth of 11%
- 14% increase in aScope 3 sales vs. previous quarter. Approaching the overall capacity limit in production prior to new facility in Malaysia
- 15% increase in laryngeal mask sales. Only minor impact from AuraGain as launched in Q4
- Gross margin improving as per plan
- EBIT increased by 36% to an EBIT-margin of 18.1%
- Continued control of expenditures secures lower cost percentage



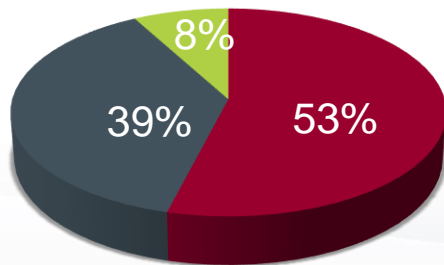
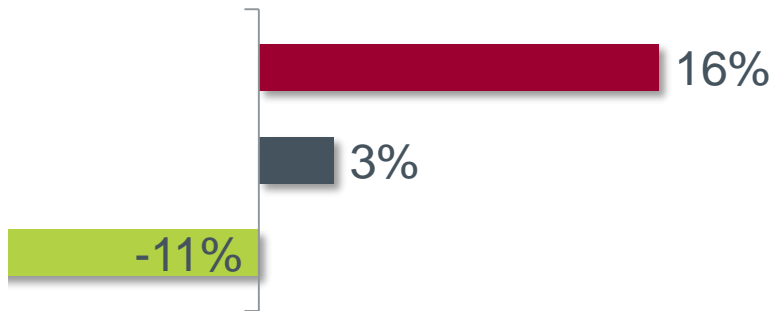
# FY 2013/14 Highlights

- Historic revenue of DKK 1.584m
- Organic growth of 7%
- Gross margin improved to 50.4% (49.1%)
- EBIT increased by 23% to an EBIT-margin of 12.5%
- Free cash flow of DKK 114m b.s.i.
- Gearing of 2.6x
- Global launch of new products
- Full integration of King Systems and 6% growth
- Strong global sales and manufacturing setup



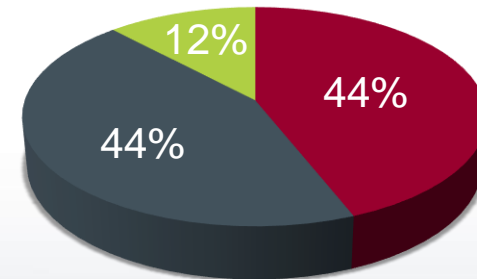
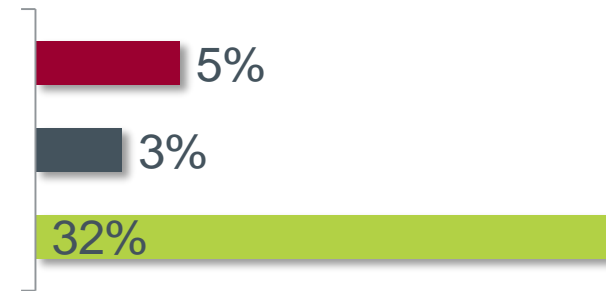
# Organic growth and revenue split

FY 2013/14 by business area



- Anaesthesia
- PMD
- Emergency Care

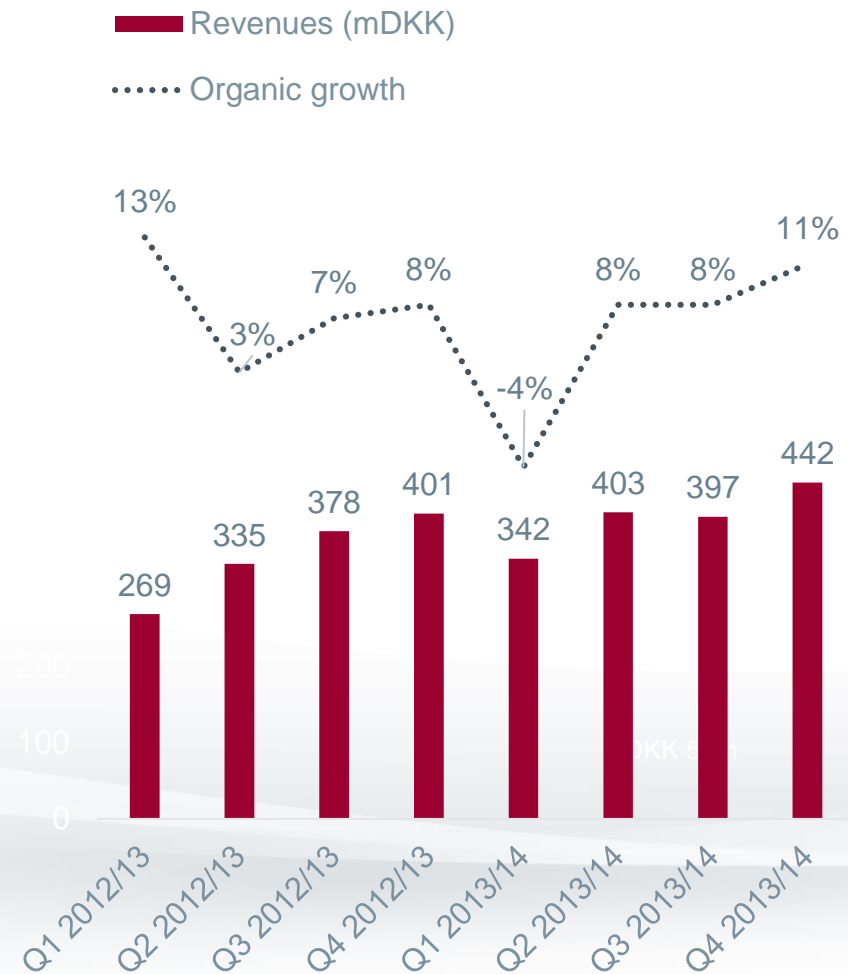
FY 2013/14 by geography



- North America
- Europe
- Rest of world

# Acceleration of topline growth

- status on growth drivers



# Financial results

DKKm	Q4 13/14	Q4 12/13	FY 13/14	FY 12/13
Revenue	442	401	1,584	1,383
Gross profit	224	194	798	679
Gross Margin (%)	50.7	48.4	50.4	49.1
Capacity costs	(144)	(135)	(600)	(518)
EBIT before special items	80	59	198	161
EBIT-margin b.s.i. (%)	18.1	14.7	12.5	11.6
Special items	0	(14)	0	(61)
Financials, net	38	(8)	10	(30)
Net result	85	28	151	48

- Organic growth of 11% in Q4 and 7% in FY
- Solid improvement in gross margin
- EBIT up 36% in Q4 and 23% in FY
- Value adjustment of earn out contributes positively to financials
- Dividend proposal of DKK 3.75 (1.25) per share. 30% pay-out ratio

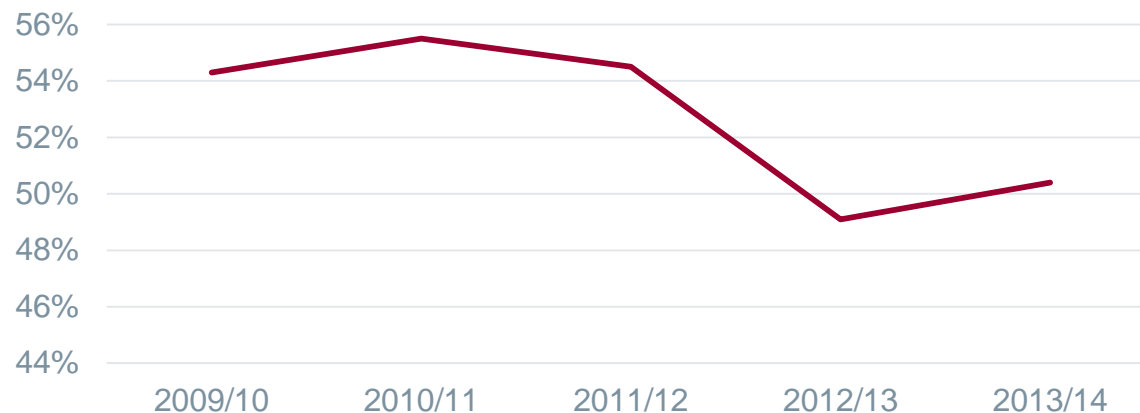
DKKm	Q4 13/14	Q4 12/13	FY 13/14	FY 12/13
Cash flow from operations	73	57	183	122
Cash flow from investments	(27)	(13)	(80)	(54)
Free cash flow	46	44	103	68

- Solid improvement in cash flows
- Investments include factory in Malaysia
- Free cash flow includes special items at DKK 11m

# Profitability improving

- Approaching level before acquisition of King Systems

Gross margin



EBIT margin



- High-margin products are driving growth
- Continuous optimization of manufacturing
- Synergies materializing
- Strong focus on costs

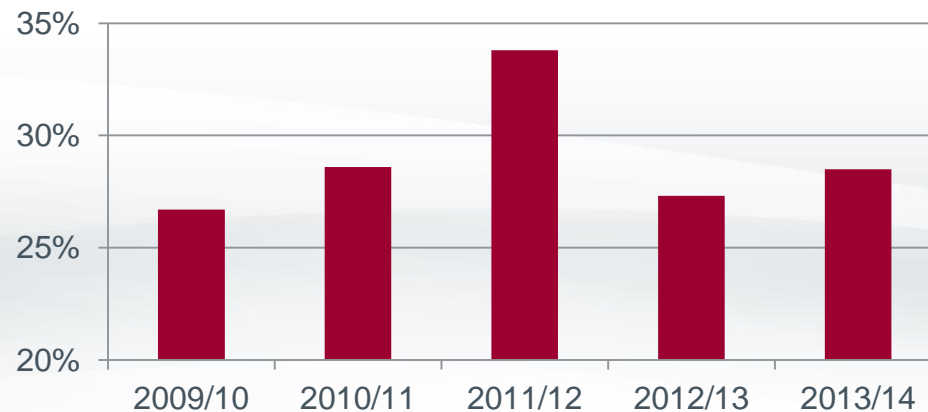


# Balance sheet

DKKm	FY 13/14	FY 12/13
Total assets	2,047	1,852
Working capital	452	417
Net Interest Bearing Debt (NIBD)	739	721
Gearing (NIBD/EBITDA b.s.i.)	2.6	3.1

- Attractive corporate bond financing with spread to mid-swap of ~1.1%
- Proposal for share split 1:4
- Gearing according to plan

## NWC to revenue\*



- Working capital slightly increased due to higher inventories for product launches
- Accounts receivables and DSO are well under control

\* Pro forma adjusted for King Systems

# Full-year 2014/15 outlook

- continued growth and margin expansion

	Actual 13/14	Guidance 14/15 (local)	Guidance 14/15 (DKK)	Target 16/17
Sales	7%	7-8%	~10% (DKK 1.740m)	~ 2bn
EBIT-margin*	12.5%	13.5-14%	12.5-13%	17-18%
Free Cash Flow*	114m		130-140m	
Gearing*	2.6		~2.2	

- Strong USD boosting revenue in DKK. Due to correlation with CNY and MYR this leads to higher manufacturing costs and thus a negative margin impact measured in DKK
- Guidance 14/15 (DKK) assumes USD/DKK at 575

# In summary

- First year of strategy period satisfactory
- Very busy year with completion of King Systems integration and global launch of three unique products
- With the current product portfolio, we are well-positioned to accelerate growth
- Strong focus on cost control and NWC
- Synergies from acquisitions are materializing



# Q&A



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