

Investor presentation

Full-year 2019/20 results



The world's most innovative single-use endoscopy player

Business update

Financial results 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

Unique market opportunity – rapid growth to USD 2.5bn

Drivers creating the single-use endoscopy market

- I Increased focus on contamination and infection control from medical authorities
- II Convenience and compelling economic offering making the transition from reusable to single-use cost-effective
- III Rapid technology advancements strengthening single-use clinical performance
- IV Government and regulators support market conversion, especially in U.S.



One of the most attractive medical device markets

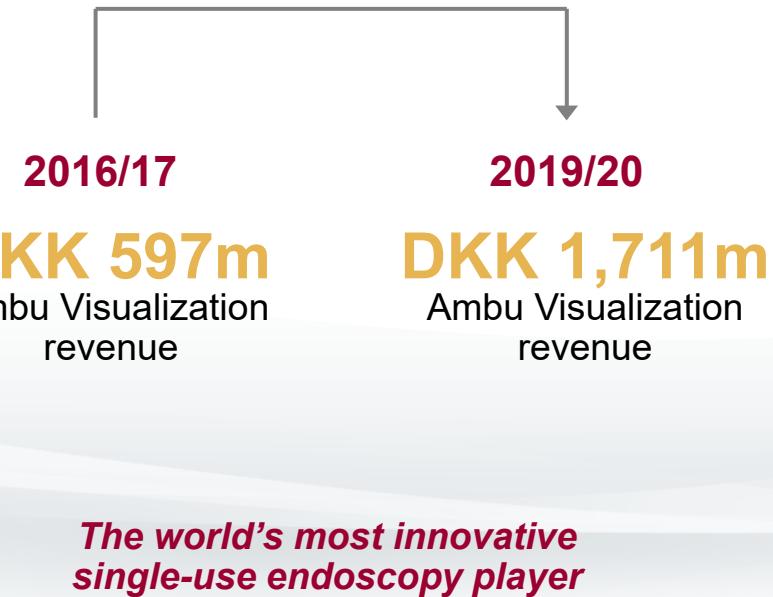
Uniquely positioned for market creation

Competitive advantages

- I **Global leader in single-use** Visualization with 10 years of experience

- II **Modular innovation engine** and high-scale low-cost manufacturing driving **richest pipeline in the market**

- III **Commercial organization with focus** on market creation and penetration of single-use Visualization products



A photograph of a man in a black t-shirt operating a large industrial machine in a warehouse. He is standing at a control console with a laptop and a mouse. The machine has a transparent safety screen. In the background, there are shelves filled with white boxes labeled 'Ambu'.

Business update

Key messages

1 The single-use endoscopy market will continue to develop with a rapid pace

- The COVID-19 pandemic has accelerated the development of the single-use endoscopy market with healthcare systems increasing their focus on infection control and see single-use endoscopy as a solution
- Increased literature from the medical community creating a positive environment for single-use endoscopy market

2 1,085,000 endoscopes sold consolidates Ambru as the largest single-use endoscopy manufacturer

- Organic growth of 26% driven by high double-digit Visualization growth (+81%) across all geographies
- In the U.S. we saw 23% underlying volume growth for bronchoscopes in 2019/20 and strengthened our position on the back of GPO contract wins
- Ambu finishes the year with a stronger commercial infrastructure and launch of two new growth engines: aScope™ Duodeno and aScope™ Cysto

3 Ambu remains focused on competing through innovation and high-scale low-cost manufacturing

- Significant expansion of pipeline by adding 8 new Visualization products. This will expand number of product launches from accumulated 5 in the previous three years to 20 planned over the coming three years
- Investment in second single-use endoscopy manufacturing plant in Mexico to support U.S. market
- 2020/21 guidance is: Organic revenue growth 17-20%, EBIT margin¹ 11-12% and 1.3-1.4 million endoscope units sold

1 The case for single-use endoscopy continues to strengthen



INCREASED FOCUS ON INFECTION CONTROL

Patient safety organization, ERCI¹ has listed "**Device Cleaning, Disinfection, and Sterilization**" as one of the most important safety concerns for 2020

2020 marks the year with
highest number of peer-reviewed studies
regarding contamination and infection within GI



UPDATED GUIDELINES FROM FDA AND NATIONAL ASSOCIATIONS

2nd FDA safety communication recommending transition to duodenoscopes with innovative designs, highlighting **aScope™ Duodeno** as part of the solution

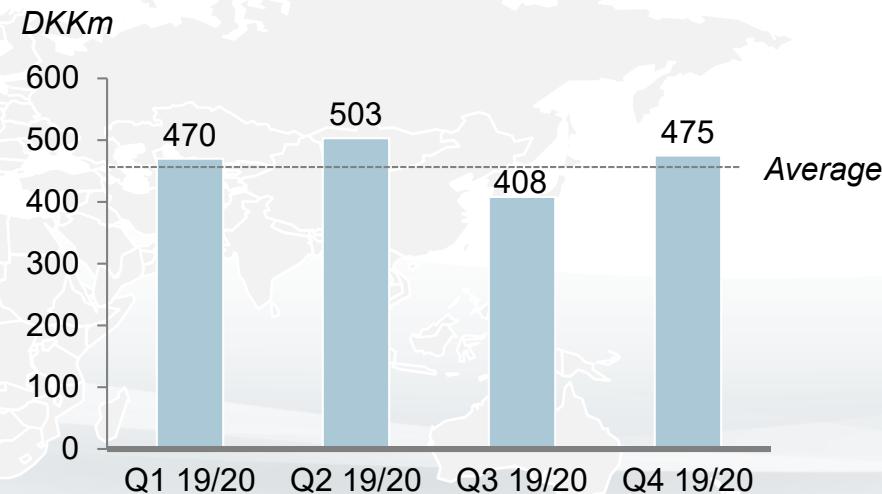
National bronchoscopy associations recommending **single-use bronchoscopes** in **COVID-19** environment

2 Improving market conditions in Anaesthesia and PMD

Organic Core growth of -1% in 2019/20

- At the end of 2019/20, Core revenue is back at pre-COVID levels
- A high demand for resuscitators to treat COVID-19 patients has impacted Anaesthesia positively
- Organic revenue growth for Anaesthesia and PMD in 2020/21 is expected to be above the normal level for these businesses. Uncertainty remains with respect to how the COVID-19 pandemic unfolds

Core (Anaesthesia and PMD), quarterly revenue



2 High double-digit Visualization growth across all geographies

Organic Visualization growth of 81% in 2019/20

- With 1,085,000 endoscope sold in 2019/20 we consolidate our position as the largest manufacturer of single-use endoscopes
- Since September 2019, our Visualization sales force has tripled in USA and doubled in Europe and APAC
- It has been decided to build a new manufacturing plant for single-use endoscopes in Mexico. The plant will be operational in 2022/23, and we have sufficient capacity in Malaysia to support demand until then

North America

71%
Organic
Viz. growth
2019/20

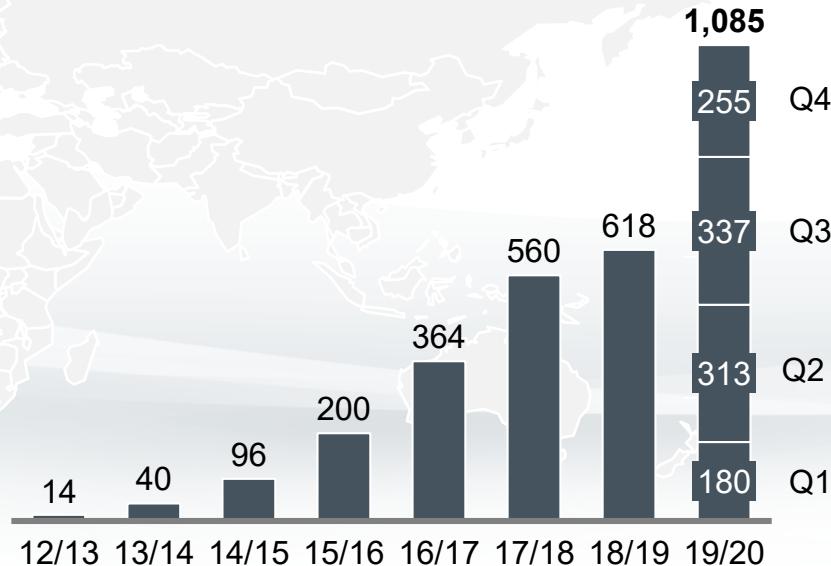
Europe

96%
Organic
Viz. growth
2019/20

Rest of World

55%
Organic
Viz. growth
2019/20

Endoscope units sold ('000)



2 Expanding our presence in pulmonology and ENT

Pulmonology highlights for 2019/20

- **Market share of ~30%** of the global OR and ICU pulmonary endoscopy market
- **5%-pts market share increase** in the U.S. bronchoscopy market and **15%-pts market share increase** in the European bronchoscopy market
- **The underlying demand** for bronchoscopes in U.S. has **grown by 23% in 2019/20**

~700

new customers or departments won in U.S. since beginning of COVID-19 in March 2020

ENT highlights for 2019/20

- **Run-rate on ENT revenue in the U.S. has increased by +60%** from pre-COVID levels in February to September 2020
- Continuous improvements following COVID-19 with **+100 new customers won in U.S.** in Q4 2019/20
- **Strong uptake** in units sold in Europe and U.S., and ENT is expected to be one of our growth drivers for 2020/21

~550

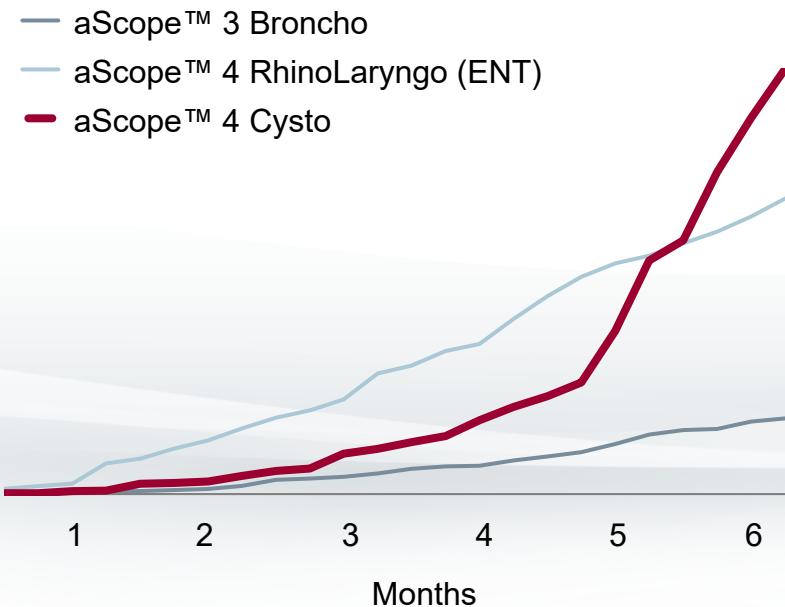
new customers won in U.S. in the full year of 2019/20

2 Cystoscope holds strong promises of widespread adoption

Highlights for aScope™ 4 Cysto 2019/20

- **Promising results** from U.S. controlled market study.
aScope™ 4 Cysto can be used for **all major cystoscopy procedures**
- Significant traction in commercial launch
 - **~650 product demonstrations** and ~220 ongoing trials with major U.S. urology accounts
 - **+100 U.S. closed accounts and +30 of top 100 U.S. hospitals** have either converted or are in trial phase
- **CE-mark** for aScope™ 4 Cysto obtained Nov. 5, 2020

Unit volume first 6 months, US market



2 U.S. product evaluations for aScope™ 4 Cysto show promising results

*The primary endpoint of procedural success was defined by **the ability to complete all procedural aspects without using a secondary scope***

65
cystoscopy procedures
performed

32 high-profile physicians across 12 sites utilized the aScope™ 4 Cysto for both diagnostic and therapeutic procedures

100%
procedural success
rate

The ability to complete all aspects of the procedure without the use of a secondary scope

93%
of all ratings were
“very good” or “good”

Ratings were made across image quality, bending, navigation and overall scope and monitor performance



2 Entering into GI with the launch of aScope™ Duodeno

aScope™ Duodeno will be a major growth engine in 20/21

- Controlled market release confirms adequate performance across ERCP procedures
- Expect rapid penetration of single-use duodenoscopy. U.S. GI commercial organization is 100% in place driving over 550 product demonstrations
- Full commercial launch starting in December 2020 with 300 ERCP hospitals lined up to evaluate our aScope™ Duodeno
- U.S. clinical trial has been submitted to ClinicalTrials.gov and is expected to start in January 2021



3 Building a unique and modular R&D engine

aView™ 2 Advance
aBox™ Console

	Product	Launch
Monitors	aView™ 2 Advance	✓
	aBox™ Console	H2, 2020/21
Pulmonology	aScope™ 4 Broncho	✓
	aScope BronchoSampler™	✓
	VivaSight™	✓
	aScope™ 5 HD	Q4, 2020/21
	aScope™ 5 for smaller patients	2021/22
	aScope™ 5 for selected procedures	2021/22
	Video laryngoscope 2.0	2021/22
ENT	aScope™ 4 RL Intervention	✓
	aScope™ 4 RL Slim	✓
	ENT High-Resolution	2021/22
Urology	aScope™ 4 Cysto	✓
	Ureteroscope	2021/22
	Cystoscope HD	2021/22
Duodenoscopy (GI)	aScope™ Duodeno	✓
	aScope™ Duodeno 2	2021/22
	Cholangioscope	2021/22
Colonoscopy (GI)	aScope™ Colon	H2, 2020/21
Gastroscopy (GI)	aScope™ Gastro	H2, 2020/21

✓ Commercially available
Launches in 2019/20

80%

increase in Ambru
R&D organization
(FTE) in 2019/20

3

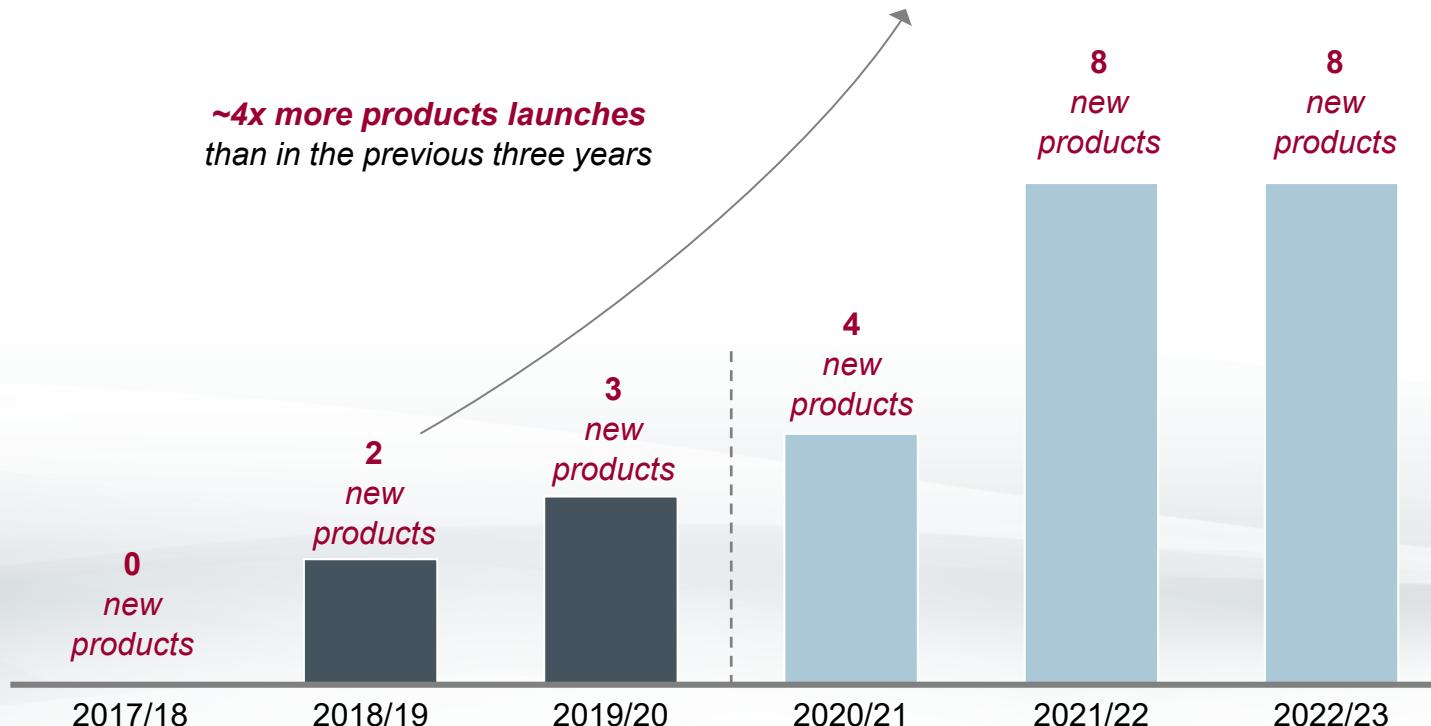
new products added
to our Visualization
portfolio in 2019/20

4

launches in 2020/21 of
which 3 will be in GI.
The broadest
single-use GI offering

3 20 product launches planned for the next three years

Combination of next generation products and specialty scopes across existing segments





Financial results and outlook

Key financial results for full year 2019/20

Realized

Full year 2019/20

26%
organic revenue
growth

12%
EBIT margin
before special items

1,085
Endoscopes sold
(‘000 units)

Guidance

Full year 2019/20

~26%
organic revenue
growth

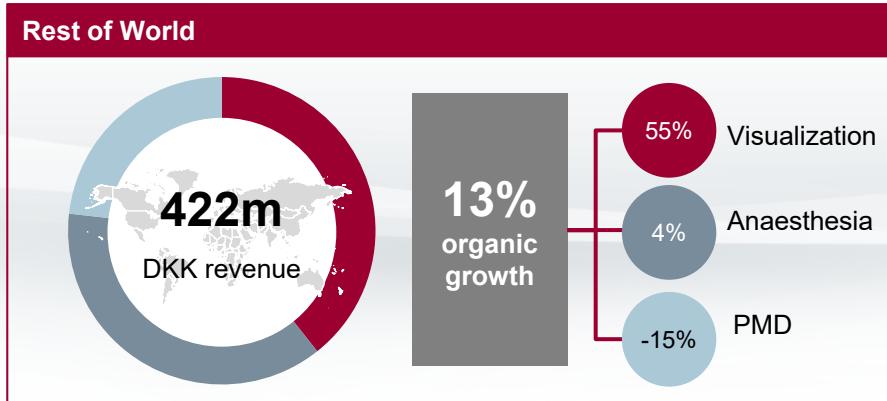
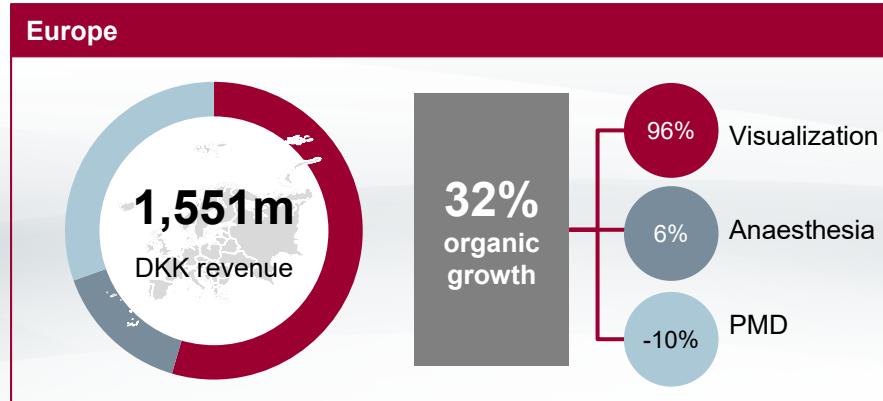
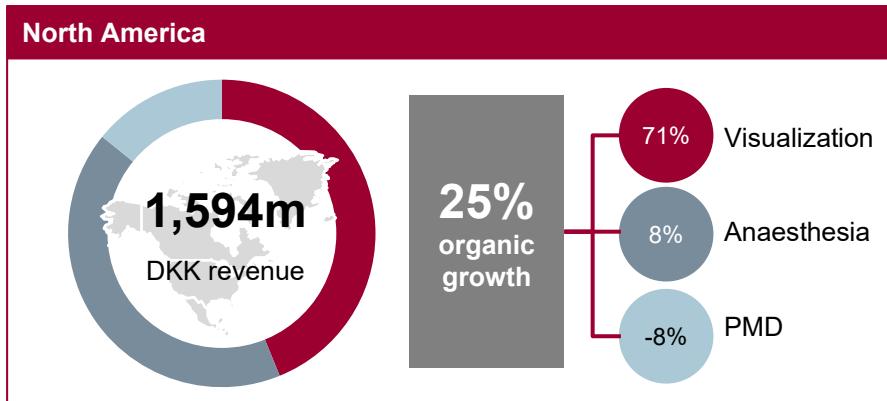
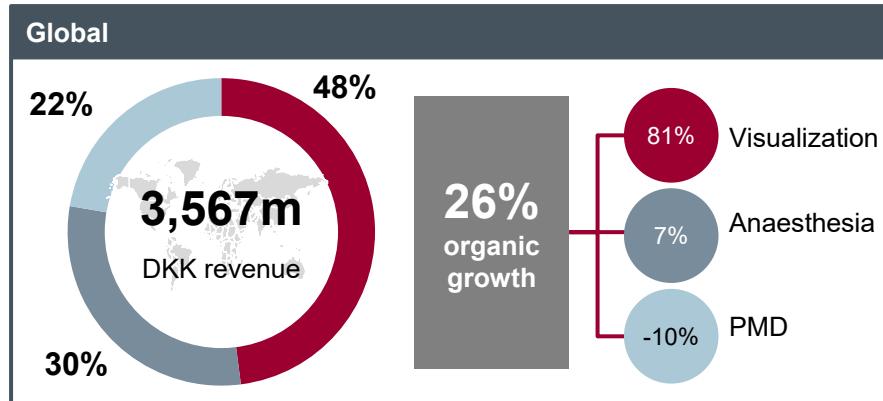
~12%
EBIT margin
before special items

+1,000
Endoscopes sold
(‘000 units)

- Increased demand for single-use scopes in Europe and APAC
- Majority of the Core portfolio was negatively affected by postponed elective procedures
- 1,085,000 endoscope sold in 2019/20 consolidates our position as the biggest single-use endoscopy manufacturer

Organic sales growth by geography

FY 2019/20 revenue and growth across regions



Financial results Q4 and FY 2019/20

Ambu P&L – Q4 and FY 2019/20

DKKm	Q4 19/20	Q4 18/19	Change in value	Change %	FY 19/20	FY 18/19	Change in value	Change %
Revenue	871	606	265	44%	3,567	2,820	747	26%
Production costs	-336	-270	-66	24%	-1,355	-1,183	-172	14%
Gross profit	535	336	199	60%	2,212	1,637	575	35%
Gross margin, %	61.4	55.4	-	-	62.0	58.0	-	-
Selling and distribution costs	-337	-209	-128	61%	-1,228	-762	-466	61%
Development costs	-50	-27	-23	85%	-157	-103	-54	52%
Management and administration	-119	-82	-37	45%	-399	-292	-107	37%
Total capacity costs	-507	-318	-189	59%	-1,784	-1,157	-627	54%
EBIT before special items	29	18	11	61%	428	480	-52	-11%
EBIT margin before special items, %	3.3	3.0	-	-	12.0	17.0	-	-

26% organic growth

Impacted positively from COVID-19 and the transition to a direct sales model in U.S.

62% gross margin

Positively impacted by volume growth in Visualization and scale in manufacturing

DKK 1,784m capacity costs

+61% in Selling & Distribution costs due to the expansion of commercial infrastructure

12% EBIT margin before special items

as a result of 54% increase in capacity costs

Cash flow, assets and debt FY 2019/20

Ambu cash flow and balance sheet – FY 2019/20

DKKm	FY 2019/20	FY 2018/19	Change in value
Cash flow and ratios			
Cash flow from operating activities	295	533	-238
Cash flow from investing activities before acquisitions	-427	-259	-169
Free cash flow before acquisitions	-133	274	-407
Balance sheet			
Total assets	4,926	4,558	368
Interest-bearing debt (NIBD)	1,346	1,035	311
Key figures			
Net working capital	581	387	194
Equity ratio, %	48	48	
NIBD/EBITDA before special items	2.2x	1.8x	0.4x

DKK -133m free cash flow

*Equal to -4% (10%) of
12 months' revenue*

2.2x NIBD/EBITDA

*Total net interest-bearing debt
DKK 1,346*

DKK 581m net working capital

*Equal to 16% (14%) of 12
months' revenue*

2020/21 Guidance

17-20%

organic
growth

11-12%

EBIT
margin
(before special items)

1.3-1.4

million endoscope
units sold

- **Visualization will be the main growth driver** with continuing high double-digit growth rates
- **Anaesthesia and PMD** growth is expected to exceed normal growth rates for these business areas
- EBIT margin is impacted by the **investments in our commercial infrastructure**

Conference call

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For questions, please press 01

Please limit your questions to **only 3 at a time** and get back into the queue if you have additional questions

Investor contact information

Share Information



Ambu A/S is listed on the stock exchange in Copenhagen under the symbol AMBU B

For further company information, please visit:
www.ambu.com

Investor Relations contacts



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Financial calendar



2020

09 December Annual General Meeting 2019/20

For full list of Investor Relations events, please visit:
www.ambu.com/calendar

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.



Ambu – The single-use company