

ANNUAL RESULTS 2021/22 (EARNINGS RELEASE)

Ambu delivered 4% organic revenue growth for the year 2021/22. Global Endoscopy Solutions (previously named Visualization) revenues grew organically by 1%, mainly driven by strong growth in the ENT (Ear-Nose-Throat) and urology segments, offset by declining sales in the pulmonology segment, mostly due to high Covid-19 comparables. The Anaesthesia and Patient Monitoring businesses posted positive organic growth of 5% and 13%, respectively, driven by pent-up demand and recovery from the Covid-19 pandemic.

Britt Meelby Jensen, Chief Executive Officer, says:

"2021/22 has been an eventful year, with solid progress on a number of fronts. We reported 4% organic revenue growth and an EBIT margin of 2.7% before special items, in line with the latest financial guidance. Within urology and ENT, we continued to deliver strong growth, driving increased adoption of our single-use, high-performance endoscopes that support workflow and efficiency improvements in hospitals. In the second half of the year, we launched two new endoscopy solutions, Ambu® aScope™ Gastro, and our fifth-generation bronchoscope, Ambu® aScope™ 5 Broncho, together with our endoscopy system, Ambu® aBox™ 2. We are in the early launch phase in key markets, but I am very encouraged by the positive customer feedback highlighting the strong performance of our solutions as we expand into new customer segments. Finally, our Anaesthesia and Patient Monitoring businesses delivered a combined solid 8% organic growth. With our strong portfolio and exciting products in development, I am confident in Ambu's future. We have reached a turning point, and 2022/23 will be a transition year towards sustainable, strong and profitable growth. Lastly, I would like to thank all colleagues in Ambu for their hard work and commitment throughout a challenging year - it is their passion and talents that make Ambu truly special."

FINANCIAL HIGHLIGHTS

Last year's comparative figures are presented in brackets.

Q4 2021/22

- Revenue for Q4 was DKK 1,163m (DKK 1,026m), representing a 13% (18%) reported growth. Organic revenue growth was 4% (18%) after adjustment for currency effects..
- Endoscopy Solutions grew organically by 3% (37%), while Anaesthesia and Patient Monitoring (PM) posted organic growth rates of 0% (-6%) and 10% (13%), respectively.
- EBIT before special items was DKK -7m (DKK 4m), representing an EBIT margin before special items of -0.6% (0.4%).

FULL YEAR 2021/22

- Revenue for the financial year was DKK 4,444m (DKK 4,013m), representing an 11% (13%) reported growth. Organic growth was 4% (16%), after adjustment for currency effects, mainly from North America.
- Sales in North America grew organically by 11% (17%), while we saw organic growth in Europe of 1% (15%) and Rest of World of -8% (18%).
- Endoscopy Solutions achieved organic growth of 1% (31%), Anaesthesia and PM sales grew by 5% (-2%) and 13% (9%), respectively.
- The sales of single-use endoscopes reached 1,705,000 units (1,528,000), which is an increase in volume of 12% relative to last year.
- EBIT before special items was DKK 122m (DKK 340m), with an EBIT margin before special items of 2.7% (8.5%).
- Tax on profit for the year totalled an expense of DKK 16m (DKK 61m), corresponding to an average effective tax rate on the profit of 15% (20%).
- Net profit for the year was DKK 93m (DKK 247m).
- Free cash flow before acquisitions of technologies and enterprises totalled DKK -458m (DKK -245m), and we end the financial year 2021/22 with a NIBD/EBITDA before special items ratio of 3.9 (1.4).

FULL YEAR 2021/22 HIGHLIGHTS

- Ambu's Endoscopy Solutions business obtained a number of regulatory clearances:
 - In Q1, Ambu launched a new product update of its single-use duodenoscope, the Ambu® aScope™ Duodeno 1.5.
 - In Q2 and Q3, respectively, Ambu obtained FDA approval and CE mark of Ambu® aScope™ Gastro and Ambu® aBox™ 2.
 - In Q3, Ambu expanded the addressable market by supporting FEES procedures (Fibreoptic Endoscopic Evaluation of Swallowing) within ENT, for Ambu® aScope™ 4 RhinoLaryngo Slim.
 - In Q3 and Q4, respectively, for Ambu® aScope™ 5 Broncho and Ambu® aBox™ 2, Ambu obtained CE mark in Europe and FDA regulatory clearance in the U.S.
- 719,000 patients were diagnosed or treated with an Ambu cystoscope or ENT scope, and more than 100 million patients were treated with electrodes from the company's combined neurology and cardiology electrode portfolio.
- In Q3, Ambu's Board of Directors appointed a new Executive Management. On 19 May 2022, Britt Meelby Jensen took on the role of CEO at Ambu, and Thomas Frederik Schmidt joined as CFO on 1 June 2022.
- In Q4, for the second year in a row, Ambu achieved an AA rating from the independent organisation, MSCI. The rating marks Ambu an industry leader in ESG due to the company's commitment to safety, quality and corporate governance, as well as its efforts to reduce carbon emissions.
- In Q4, the first products from Ambu's new manufacturing plant in Mexico were shipped to customers in North America.
- The 30,000 m² manufacturing plant is Ambu's largest plant and will further strengthen the company's flexibility, proximity and supply of products to the customers in the U.S.

In addition to the Annual Report, Ambu today also publishes its Sustainability Report, Remuneration Report and a Corporate Governance Report for 2021/22. All reports can be accessed at [Ambu.com](https://www.ambu.com).

OUTLOOK FOR 2022/23

2022/23 will be a transition year for Ambu, and combined with the high external volatility, the outlook for 2022/23 is associated with uncertainty. For 2022/23, Ambu has set the financial targets below.

ORGANIC REVENUE GROWTH

5-8%

The organic revenue growth for 2022/23 is projected at 5-8%, with highest growth coming from Endoscopy Solutions. The ENT and cystoscopy businesses will continue to deliver double-digit growth. The pulmonology business is expected to deliver year-over-year growth from the second half of 2022/23, with the newly launched Ambu® aScope™ 5 Broncho contributing positively to the growth. In the GI portfolio, Ambu's duodenoscope and gastroscope are expected to contribute to the growth, however, the uptake for both products will be gradual compared to the other segments the company is present in.

Organic revenue growth in the businesses for Anaesthesia and Patient Monitoring is expected to grow low single-digits combined.

The total company growth is expected to accelerate quarter-over-quarter through 2022/23, while Q1 2022/23 is expected to be approximately flat vs. Q1 2021/22.

EBIT MARGIN

3-5%

Due to higher input costs, Mexico ramp-up and product mix, the gross margin is expected to decrease by ~2 percentage points in 2022/23. The EBIT margin before special items is expected to be in the range of 3-5% for 2022/23 and will be back-end loaded due to more scale in OPEX throughout the year, as revenue will grow.

The free cash flow before acquisitions will improve in the range of DKK 350-450m vs. 2021/22, approaching full-year neutral level, mainly driven by a normalisation of the inventory level and savings from the cost reduction program. The savings are expected to come from lower investment levels into future technologies and new product developments within Anaesthesia and Patient Monitoring. CAPEX relative to revenue is expected to be approximately 9% based on 2022/23 revenue.

NEW AMBU STRATEGY

”Today, we launch Ambu’s new strategy, ‘ZOOM IN’. Our new strategy is anchored in our aspiration to be the most customer-centric company in our field, to expand our leading position in single-use endoscopy solutions. We will take a more focused approach, fully dedicated to innovation of fewer high-value projects with direct commercial presence in key markets. A critical zoom area in our strategy is execution. We will improve how we prioritise and operate, reduce complexity and balance resources to reflect customer dynamics across the four major endoscopy segments. We are excited about our future potential and highly committed to delivering strong profitable growth, creating value for our customers and shareholders.”

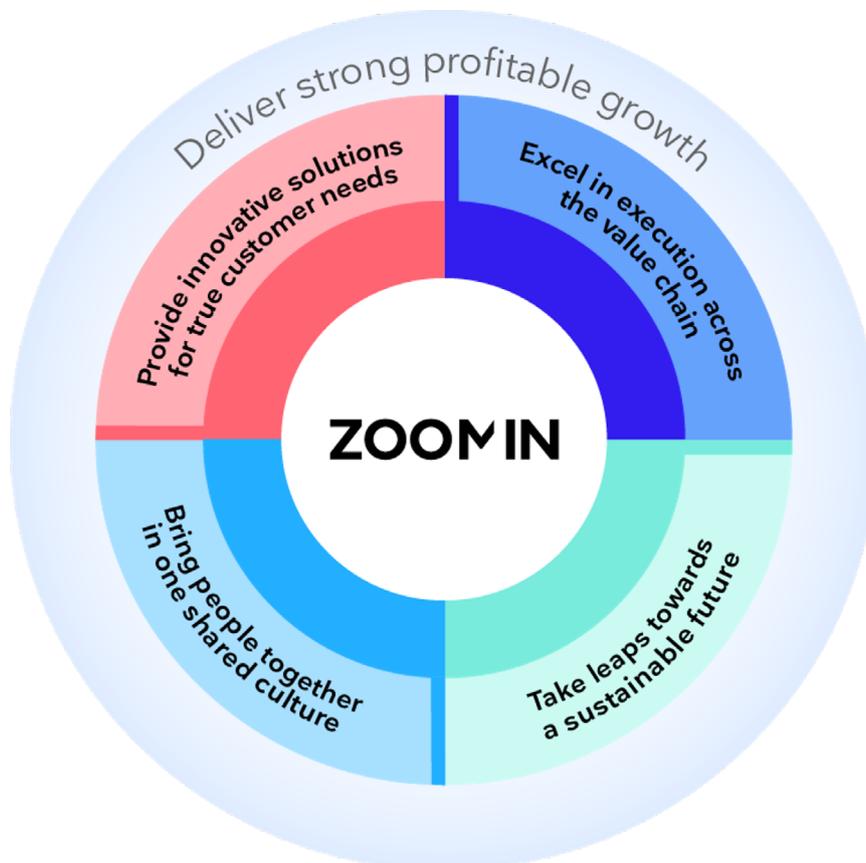
- Britt Meelby Jensen, Chief Executive Officer

Ambu is a company of great potential. In the last six years, we have doubled the business, and we are leading the single-use endoscopy market - a high-growth market supported by an increased focus on patient safety, workflow and efficiency benefits and rapid technology advancements.

Over the past years, we have invested in innovation to expand our high-quality portfolio and bring a complete offering of solutions within all four large endoscopy areas - pulmonology, urology, ear-nose-throat and gastroenterology. We have deepened our customer relations and expanded our direct commercial organisation. And we have strengthened our supply chain by expanding our capacity and proximity to customers with our new manufacturing plant in Mexico.

To fully deliver on our promises and create strong value for our customers, employees and shareholders alike, we are committing ourselves to the aspiration of being the most customer-centric in our field.

To meet our aspiration, we are launching our new strategy: **ZOOM IN**. It is time for Ambu to zoom in, as it is all about focus and execution to deliver strong profitable growth.



STRATEGIC ZOOM AREAS

Our strategy centres on four strategic zoom areas: Zoom in on meeting true customer needs, zoom in on execution, zoom in on sustainability and zoom in on our people and culture - all together, we will ZOOM IN, to deliver strong and profitable growth.

PROVIDE INNOVATIVE SOLUTIONS FOR TRUE CUSTOMER NEEDS

Innovation is in our DNA, and providing solutions for true customer needs has been our competitive advantage for 85 years. We have a diverse portfolio of unique solutions to health systems.

- We will launch market-leading solutions across pulmonology, ENT, urology and GI.
- We will drive efficiency and speed of innovation through modular approach.
- We will improve profitability and enhance portfolio in Anaesthesia and Patient Monitoring.

EXCEL IN EXECUTION ACROSS THE VALUE CHAIN

Over the past years, we have proven the case for single-use endoscopy in the market and strengthened our leading position. This has come at increased costs, and to return to strong profitable growth, we will drive excellence in execution with a clear focus on efficiencies throughout our value chain.

- We will focus our commercial organisation on highest-value customer segments and geographies.
- We will drive commercial best practices.
- We will improve gross margin through COGS improvements and streamlined portfolio.
- We will strengthen our operating model, balancing efficiency and autonomy.

TAKE LEAPS TOWARDS A SUSTAINABLE FUTURE

Sustainability is high on the agenda and a growing focus area. In recent years, we have improved our position in several ESG and sustainability ratings, but we will not stop here. We are ambitious on this agenda and commit to taking leaps.

- We are committed to sustainable endoscopy through circular products and packaging.
- We are committed to operating responsibly to approach net-zero emissions in collaboration with suppliers and other partners.

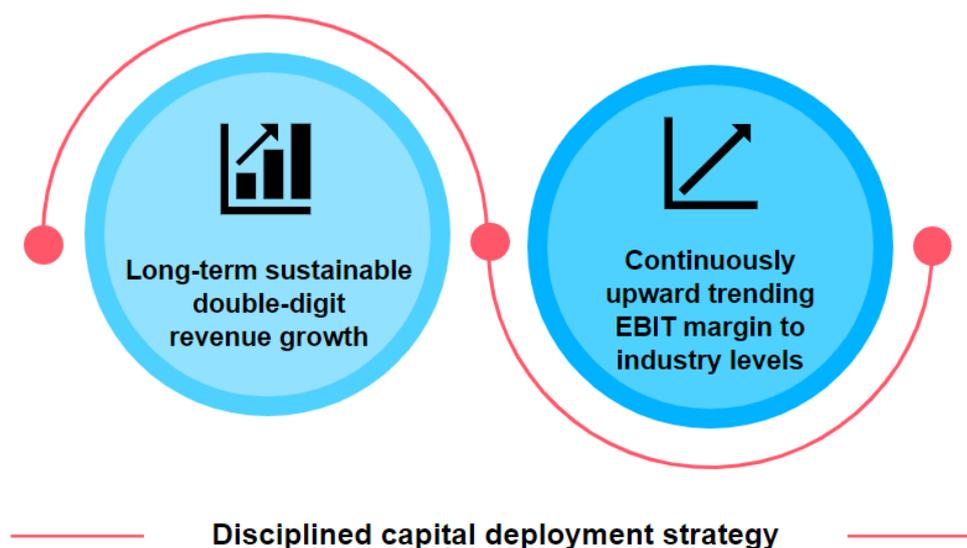
BRING PEOPLE TOGETHER IN ONE SHARED CULTURE

Ambu has a strong heritage that goes back to 1937, when Holger Hesse founded the company with the dream of inventing products that save lives. Today, this DNA remains a great enabler of innovation, collaboration and progress. As we are embarking on a journey to transform Ambu, it is critical that we unlock the full power of our people and culture.

- We will foster a highly engaged, diverse and inclusive culture.
- We will build a high-performing and customer-centric organisation set up for success.
- We will attract and develop people who want to be challenged and make a difference.

LONG-TERM FINANCIAL ASPIRATION

With this strategy, we will return to strong profitable growth. With focus and execution excellence, we aspire to deliver long-term sustainable double-digit revenue growth with continuously upward trending EBIT margins to industry levels. This is achievable in a large and growing market, where we lead and expand our portfolio to increase single-use penetration. We will be able to drive scale-advantages, and we have a strong plan with a clear transformation focus. We will be more disciplined in our capital allocation, where we will aim to have a high return of the invested capital and hereby also maximise the value for our shareholders.



ZOOM IN - STRATEGY HIGHLIGHTS

- Ambu confirms the path to expand our world-leading position in single-use endoscopy solutions.
- The new strategy ratifies our presence in the four major endoscopy segments, with a more focused approach based on deep customer insights.
- Innovation remains a key topic, but we will prioritise fewer high-value projects.
- We will improve execution, adjusting how we prioritise and operate, to deliver value to our customers.
- We maintain direct commercial presence in key markets, and for GI a more targeted approach into niche segments with the highest customer need.
- We sustain our position in Anaesthesia and Patient Monitoring, continuously optimising our value proposition and go-to-market approach.
- We prioritise sustainability across all areas of the business and strengthen our culture and way of working.
- We will drive long-term revenue growth and steadily increase profitability through our transformation program.

CONFERENCE CALL

A conference call is held today, Tuesday 15 November 2022, at 8.00am (CET). The conference is broadcast live via [Ambu.com/webcastQ42022](https://www.ambu.com/webcastQ42022).

To ask questions in the Q&A session, please call one of the following numbers five minutes before the start of the conference and enter the following access code: 76914.

- Denmark (toll): +45 78774197
- U.K.: +44 0-808-101-1183
- US (toll): +1 785-424-1634

The presentation can be downloaded at [Ambu.com/presentations](https://www.ambu.com/presentations).

ANNUAL GENERAL MEETING

Ambu's Annual General Meeting will be held on Wednesday 14 December 2022 at 13.00 (CET) at the headquarters of Ambu A/S, Baltorpbakken 13, DK-2750 Ballerup.



Ambu A/S, Baltorpbakken 13
2750 Ballerup
Denmark
Tel. +45 7225 2000
CVR no.: 63 64 49 19
www.Ambu.com

Contact information:

Media
Tine Bjørn Schmidt
Head of Corporate Communications
tisc@ambu.com
+45 2264 0697

Investors
Nicolai Thomsen
Director, Investor Relations & Strategic Finance
nith@ambu.com
+45 2620 8047

ABOUT AMBU

Ambu has brought 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 solutions. We continuously look ahead with a commitment to deliver innovative quality products that have a positive impact on patient care and the work of healthcare professionals. Headquartered near Copenhagen in Denmark, Ambu employs approximately 4,500 people in Europe, North America and Asia-Pacific. For more information, please visit [Ambu.com](https://www.ambu.com) or [AmbuUSA.com](https://www.ambu.com/USA) or follow us on our [Corporate LinkedIn](#) and [USA LinkedIn pages](#).