

Q2 2022/23 RESULTS

AMBU A/S
INVESTOR PRESENTATION

Ambu



TABLE OF CONTENTS

Investor presentation

1 Q2 2022/23 RESULTS

- Business update
- Financial update

2 Q&A SESSION

Today's speakers



BRITT MEELBY JENSEN
CEO

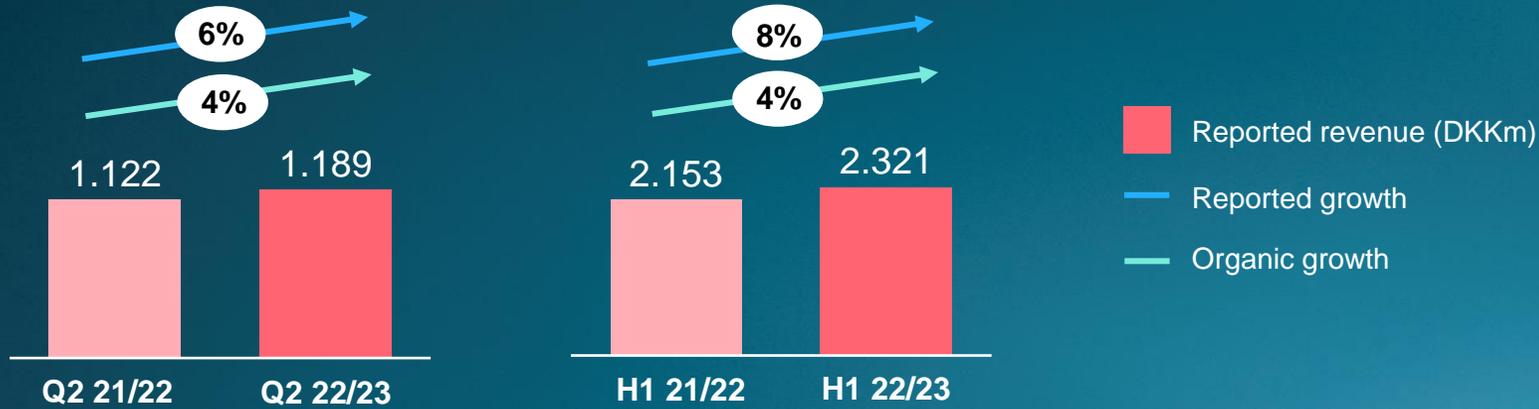


THOMAS FREDERIK SCHMIDT
CFO

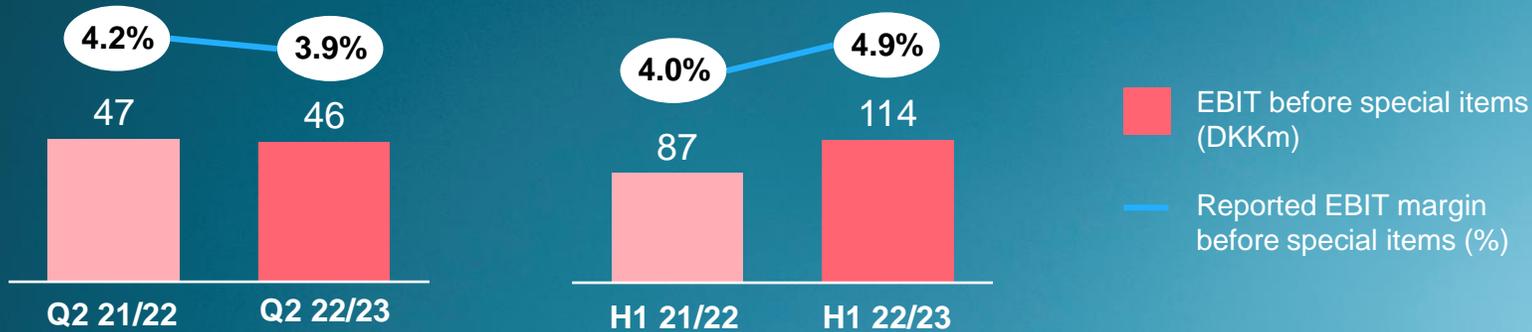


SOLID Q2 WITH 4% ORGANIC GROWTH AND EBIT MARGIN OF 3.9%, DRIVEN BY DOUBLE-DIGIT GROWTH IN ENDOSCOPY SOLUTIONS

REVENUE GROWTH



EBIT BEFORE SPECIAL ITEMS



Q2 2022/23 HIGHLIGHTS

- Organic growth of 4%, mainly driven by Endoscopy Solutions growing double-digit, offset by decline in combined Anaesthesia and Patient Monitoring business
- EBIT margin for the quarter was 3.9% vs. 4.2% last year, mainly driven by lower gross margin, offset by lower OPEX to Revenue ratio
- Underlying market improvement with elective procedure volumes catching up to pre-Covid levels, but hospital staffing issues continues to be challenging

Q2 PROGRESS ON PRIORITIES IN ZOOM-IN STRATEGY IN LINE WITH PLANS

Pulmonology portfolio strengthened:

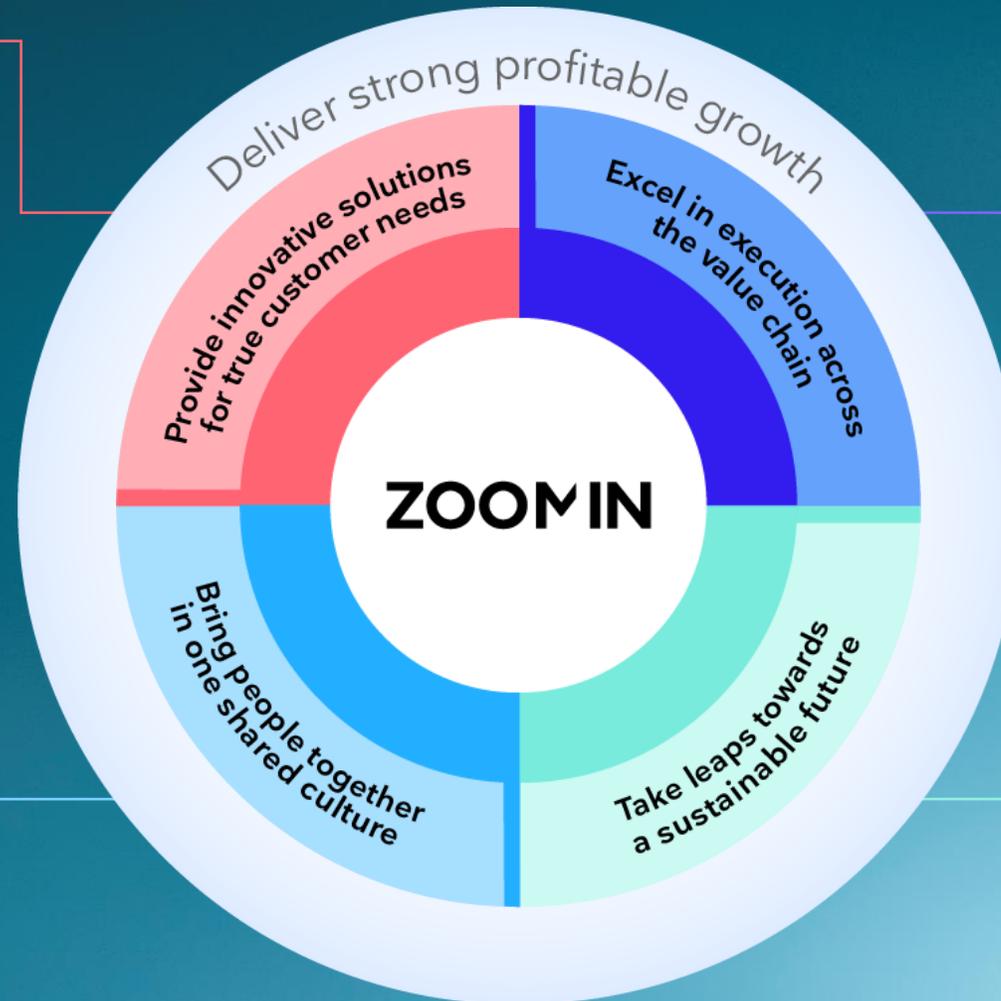
- Re-launch of Ambu VivaSight 2 DLT
- CE mark of smaller sizes of Ambu's aScope™ 5 Broncho

GI pipeline expanded:

- Larger-version aScope™ Gastro in development (therapeutic)

Executive leadership capabilities aligned to strategic priorities:

- Restructuring of Leadership team
- New COO, Henrik Birk, joined 1 May

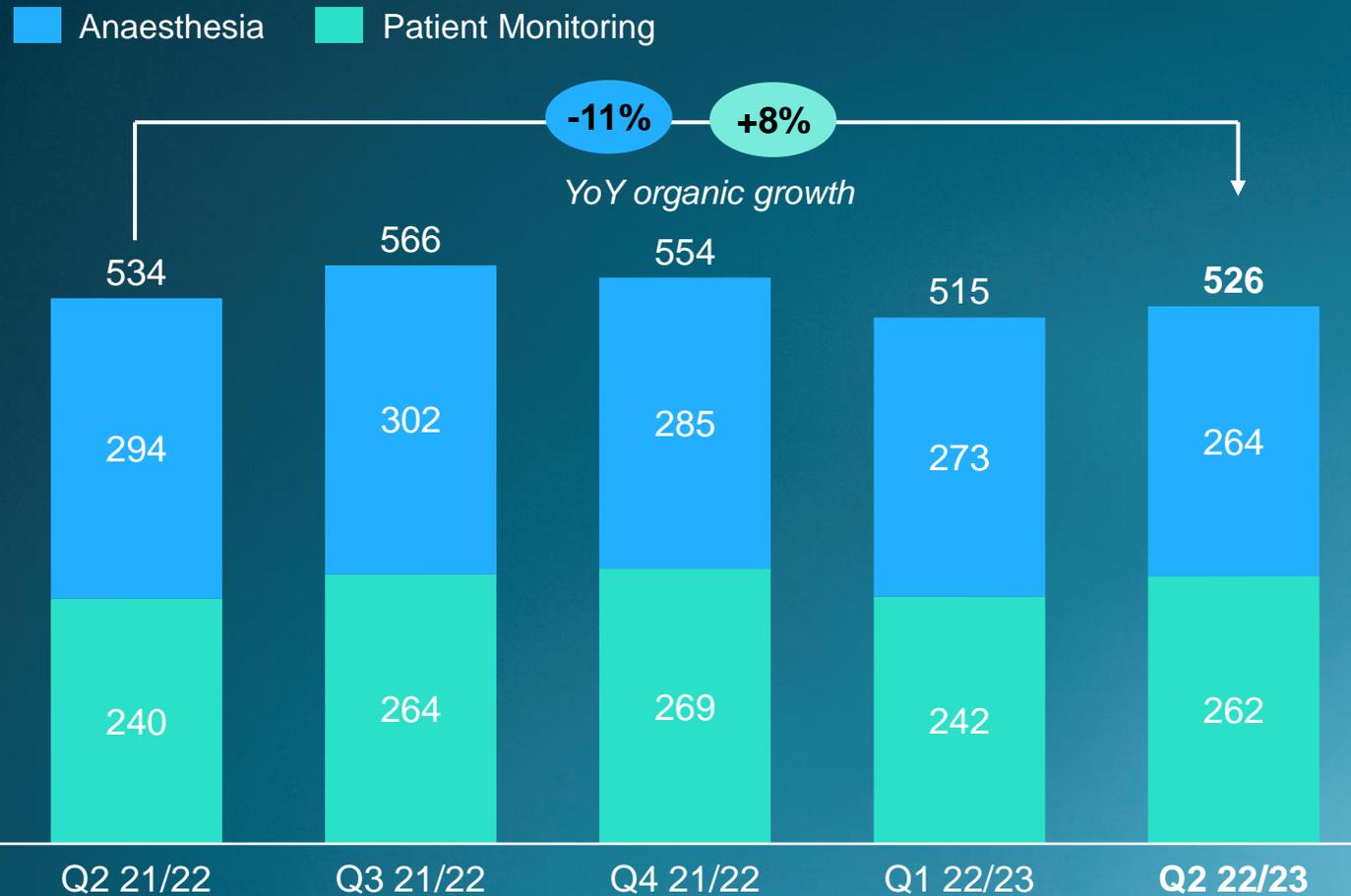


- **Cash flow improved** with positive cash flow of DKK 21m in Q2, driven by inventory reduction of DKK 136m vs. FY 21/22
- **Pricing initiatives ongoing**
- **Streamlining initiated:** Focusing geographical presence and addressing low-margin products

- **2025 targets established** for circular products and packaging
- **Plan for approaching net-zero emissions initiated**, incl. defining long-term road-map

ANAESTHESIA & PATIENT MONITORING DECLINED 3% ORGANICALLY IN Q2 (H1: 1%), DUE TO HIGH 2021/22 COMPARABLES IN ANAESTHESIA

REPORTED REVENUE (DKKm)



Q2 2022/23 HIGHLIGHTS

- Anaesthesia and Patient Monitoring, combined, showed 3% organic decline in Q2, mainly driven by reduction of backlog last year, offset by a market normalization post-Covid-19
- Anaesthesia declined 11% organically, due to high 2021/22 comparables from backlog reduction and stockpiling
- Patient Monitoring grew 8% organically, with cardiology positively impacted by market normalization and favorable competitor dynamics, as customers look for ways to de-risk supply challenges

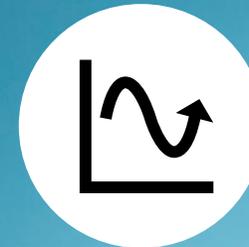
ENDOSCOPY SOLUTIONS GREW 11% IN Q2 (H1: +7%), DRIVEN BY UROLOGY AND ENT, OFFSET BY DECLINE IN PULMONOLOGY

REPORTED REVENUE (DKKm)

Endoscopy Solutions



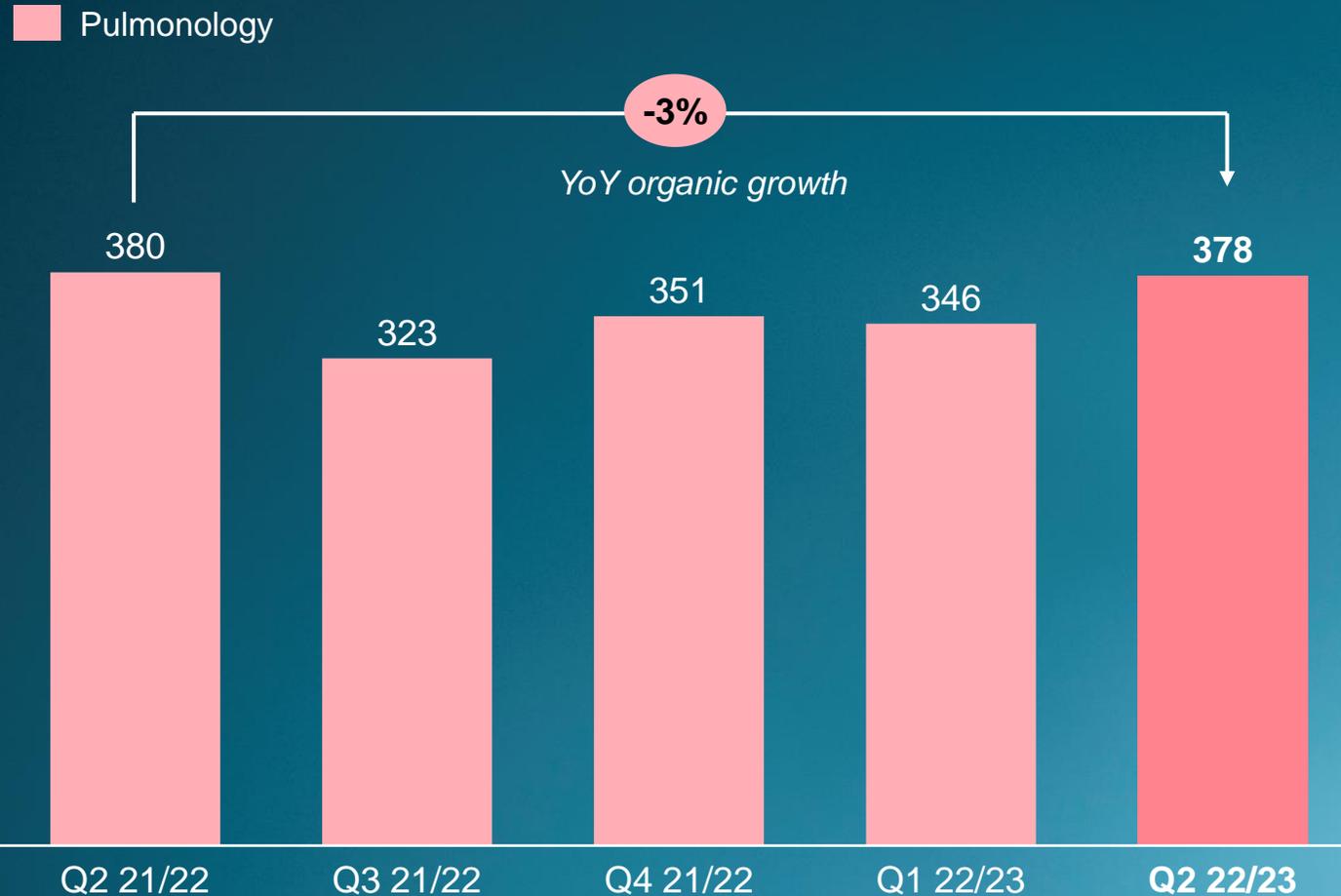
High growth within urology & ENT, where especially the US have seen a strong account generation and order trends



Bronchoscopy business has returned to growth YoY, being a positive driver for pulmonology

PULMONOLOGY DECLINED BY 3% IN Q2 (H1: -10%), DRIVEN BY VIVASIGHT RECALL, BUT OFFSET BY BRONCHOSCOPY BUSINESS RETURNING TO GROWTH

REPORTED REVENUE (DKKm)



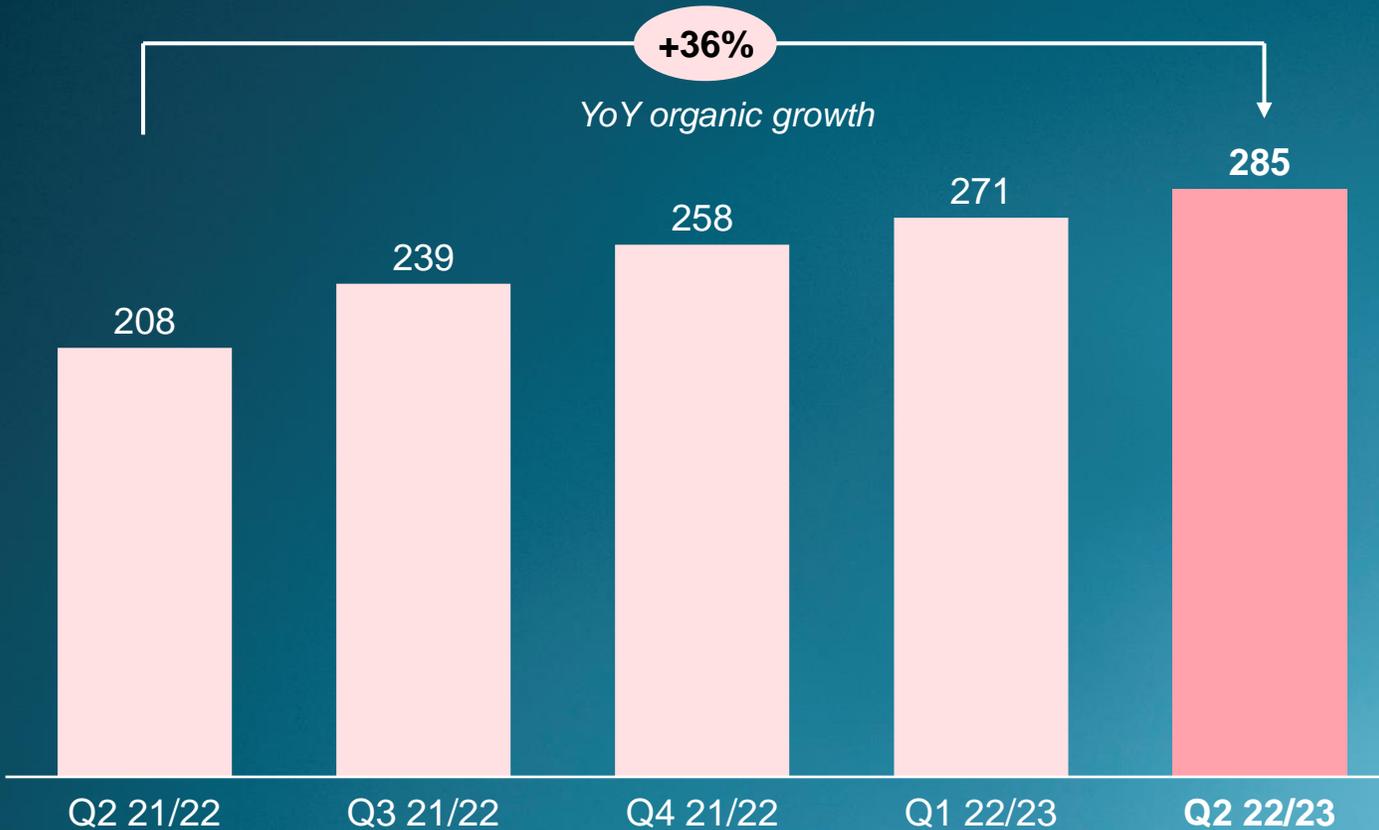
Q2 2022/23 HIGHLIGHTS

- 12% organic growth QoQ, driven by higher bronchoscopy revenue positively affected by post Covid market normalization. However, we continue to see increased competition, especially in the U.S.
- Re-launch of VivaSight end-March 2023. The product has been out of the market since May 2022, which has represented a headwind since the re-call
- Continued progress with aScope 5 Broncho launch, with growing customer base
- European CE mark of smaller sizes of aScope 5 Broncho to expand use – upcoming clearance in the U.S. expected
- Development of Video Laryngoscope ongoing

ENDOSCOPY SOLUTIONS EX. PULM. HAD A STRONG GROWTH OF 36% IN Q2 (H1: +41%) DRIVEN BY UROLOGY AND ENT, WITH GI PROGRESSING AS PLANNED

REPORTED REVENUE (DKKm)

■ Endoscopy solutions excluding pulmonology



Q2 2022/23 HIGHLIGHTS

- **Urology:** High double-digit growth, mainly driven by expansion in the U.S. Development of the ureteroscope is on track to expand our offering in urology
- **ENT:** High double-digit growth in ENT, driven by the U.S, and positively impacted by the FEES clinical application
- **GI:** The aScope Gastro launch continues, with presence in all major target markets. We are receiving strong performance feedback and increasing customer base

REVENUE GROWTH WILL BE CAPTURED IN AN ATTRACTIVE SINGLE-USE ENDOSCOPY MARKET WITH A EXPECTED VALUE OF 15-20BN DKK IN 5 YEARS

AMBU TARGET MARKET¹ WITH NEAR-TERM PIPELINE

m. procedures

MARKET POTENTIAL AT 100% PENETRATION WITH NEAR-TERM PIPELINE

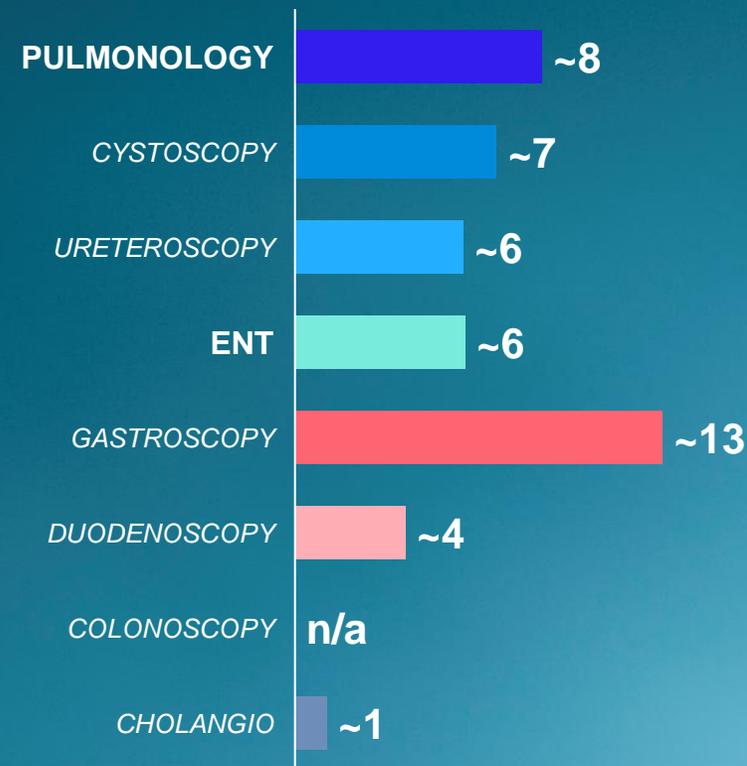
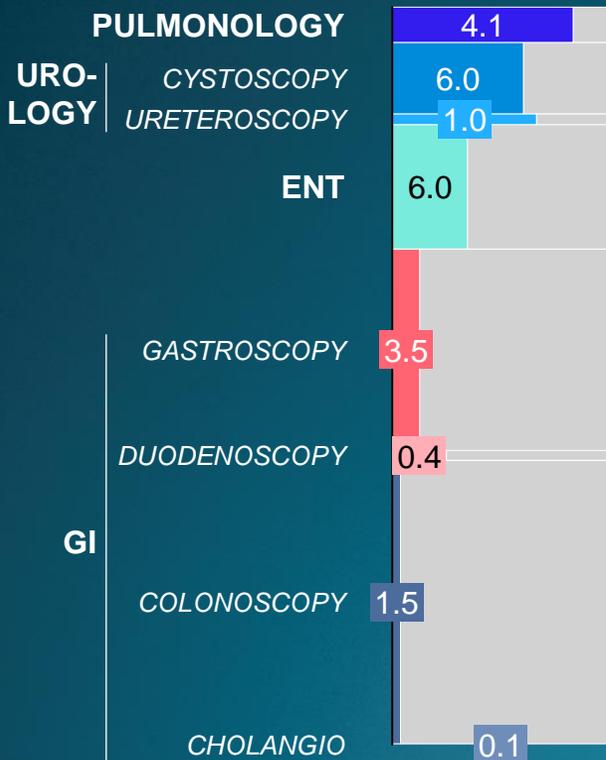
DKK bn using blended ASPs

ASSUMED 5-YEAR SINGLE-USE PENETRATION

Expected single-use market in 5 years

15-20bn DKK

Based on assumed 5-year single-use penetration rate and markets defined as target segments for Ambu's marketed products and near-term pipeline



● No penetration
● Full penetration

...WHERE AMBU HAS SIGNIFICANT COMPETITIVE ADVANTAGES NEEDED TO WIN AND DELIVER SUSTAINABLE PROFITABLE GROWTH



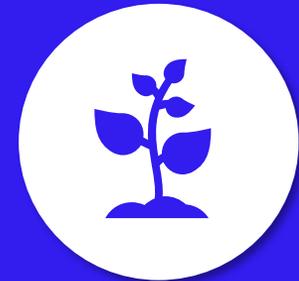
Scalable business model with strong potential to drive improvements through dedicated transformation program



Leading product portfolio with **unique innovative solutions** across all major endoscopy segments



Large and fast-growing market potential with **substantial unmet customer needs**



Delivering sustainable profitable growth



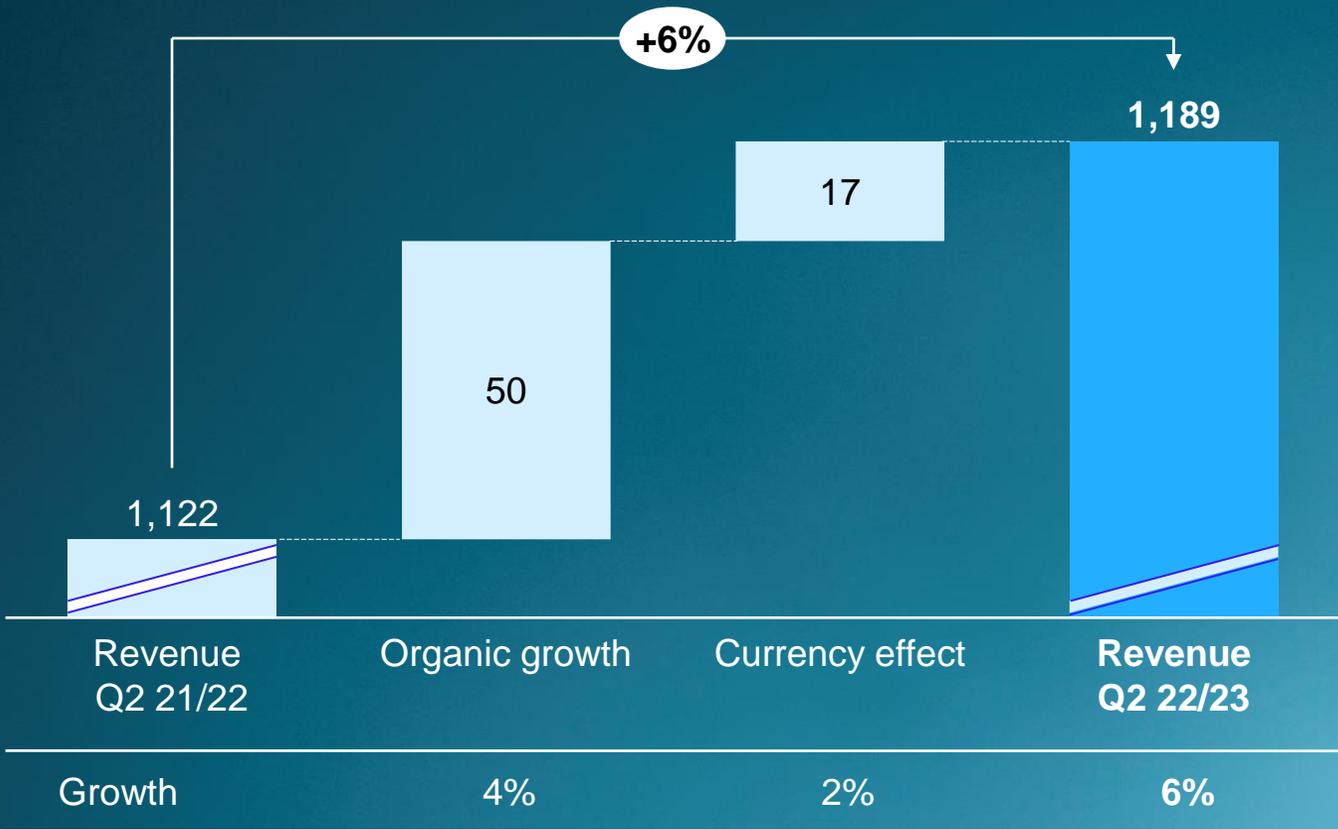
**THOMAS
FREDERIK
SCHMIDT**

CFO



REPORTED REVENUE GROWTH OF 6%, DRIVEN BY ORGANIC GROWTH OF 4%-PTS AND A POSITIVE CURRENCY EFFECT OF ADDITIONAL 2%-PTS

REPORTED GROUP REVENUE (DKKm)



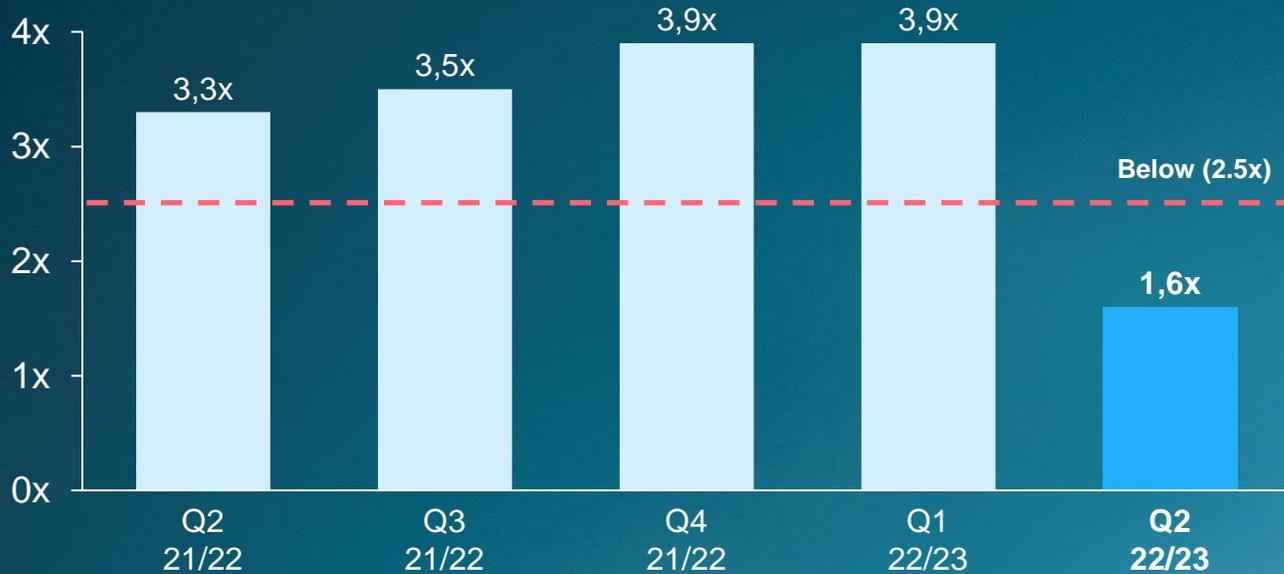
Reported revenue increased by in Q2 22/23 by DKK 67m, or 6%, compared to Q2 last year



Foreign exchange rates had a positive impact of DKK 17m, or 2%-points, in Q2 22/23

BALANCE SHEET STRENGTHENED FROM CAPITAL RAISE IN Q2, ENABLING FINANCIAL & OPERATIONAL FLEXIBILITY BY REDUCING LEVERAGE

Financial Leverage (NIBD/EBITDA bsi¹)



Strengthened capital base through an equity raise of around 5% of the total share capital



Enabling financial and operational flexibility to capture attractive growth opportunities

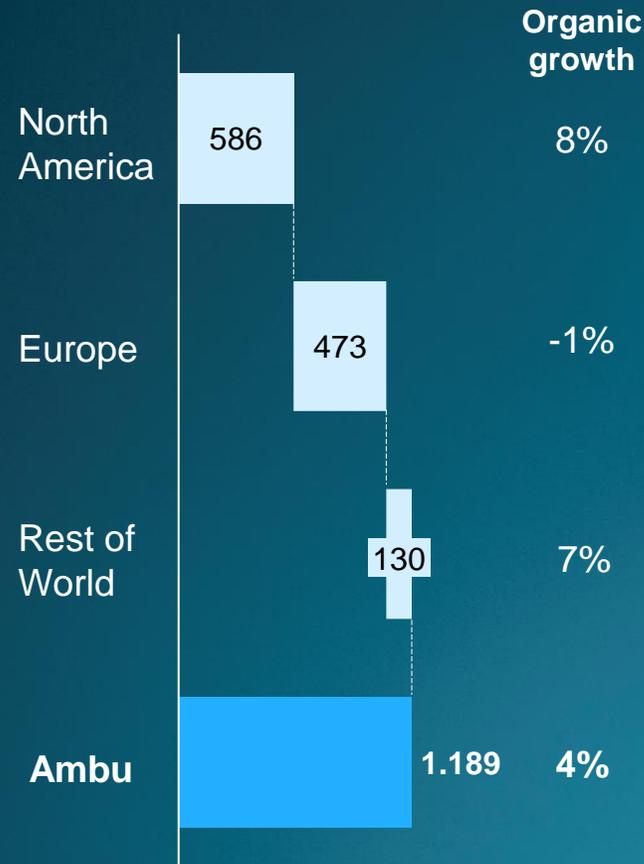


Reducing financial leverage to 1.6x, reaching a more sustainable level in a time of macroeconomic uncertainty

Q2 GROWTH OF 4% WAS DRIVEN BY SOLID GROWTH IN NORTH AMERICA AND REST OF WORLD WITHIN ENDOSCOPY SOLUTIONS

REVENUE BY GEOGRAPHY

Q2 2022/23 reported revenue (DKKm)



North America



Organic growth of 8%, driven by Endoscopy Solutions growing 18% due to record demand for Urology and ENT. Patient Monitoring grew 18%, driven by cardiology, while Anaesthesia declined by 11%

Europe



Organic decline of 1%, driven by a decline in Anaesthesia of 5% and in Patient Monitoring of 1%, while the Endoscopy Solutions business was flat for the quarter (0%)

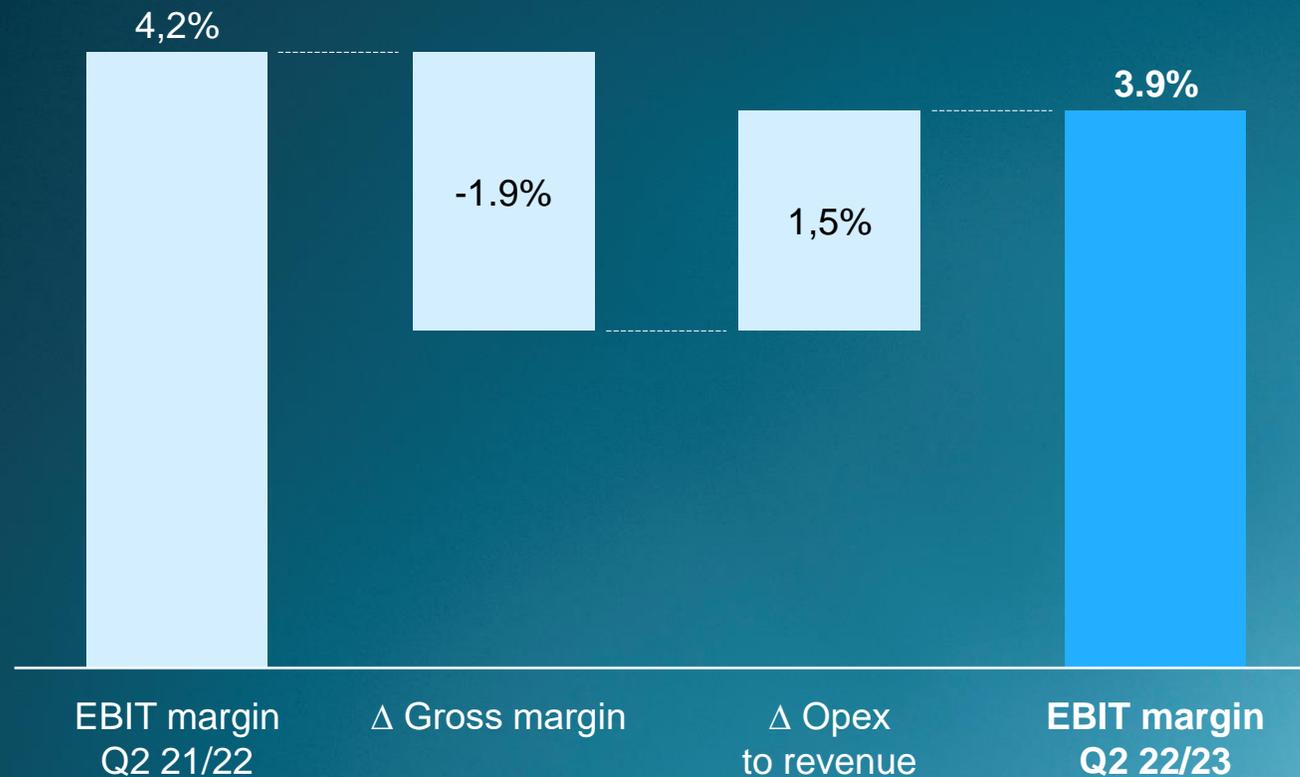
Rest of World



Organic growth of 7%, driven by the Endoscopy Solutions growing 23% due to high demand for Urology and ENT. Patient Monitoring grew 29%, while the Anaesthesia business declined by 24%

REPORTED EBIT MARGIN OF 3.9% IN Q2 IS DRIVEN BY LOWER GROSS MARGIN BUT POSITIVELY OFFSET BY OPEX RATIO IMPROVEMENTS

EBIT MARGIN BEFORE SPECIAL ITEMS (%)

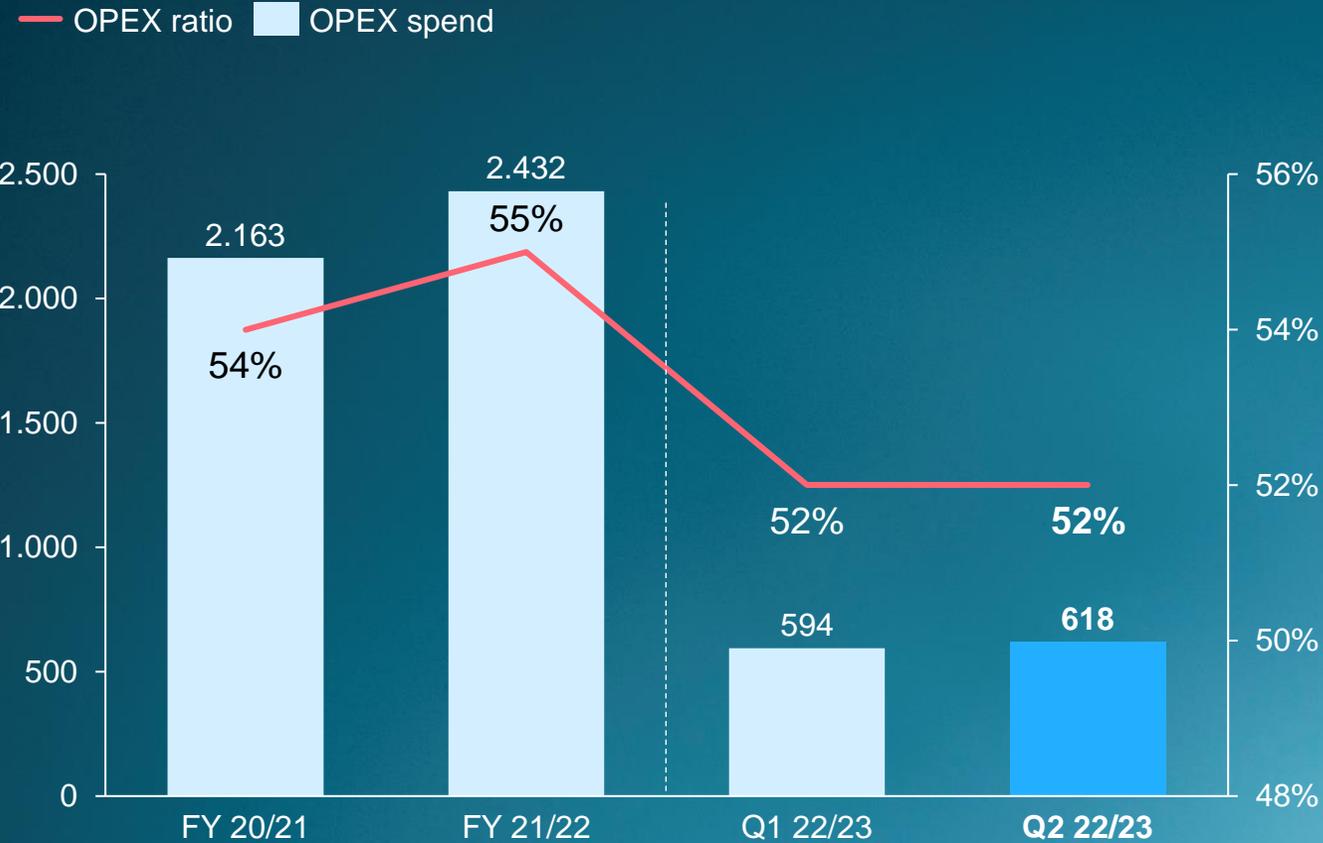


Q2 2022/23 HIGHLIGHTS

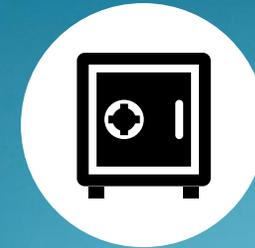
- Gross margin declined by 1.9%-pts to 55.8% versus Q2 LY (57.7%). This was offset by improvements in our OPEX to Revenue ratio by +1.5%-pts.
- The decline in the Gross profit margin of 1.9% in Q2 was negatively affected by Inflationary effect on input prices, paired with the overheads from scaling-up the factory in Mexico, however offset by product mix
- The gross margin decline of 2.7% from Q1 22/23 (58.5%) is driven by increased indirect production cost, as we have reduced our inventory

THE COST REDUCTION PROGRAM AND INCREASED FOCUS ON COST MANAGEMENT WILL DRIVE IMPROVED OPEX RATIO IN FULL-YEAR 2022/23

OPEX Spend (DKKm & % of revenue)



Maintained OPEX ratio
from cost reduction
in Q1 22/23 (52%)



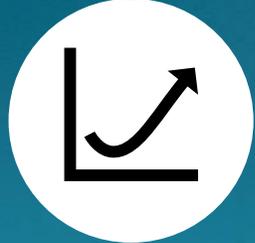
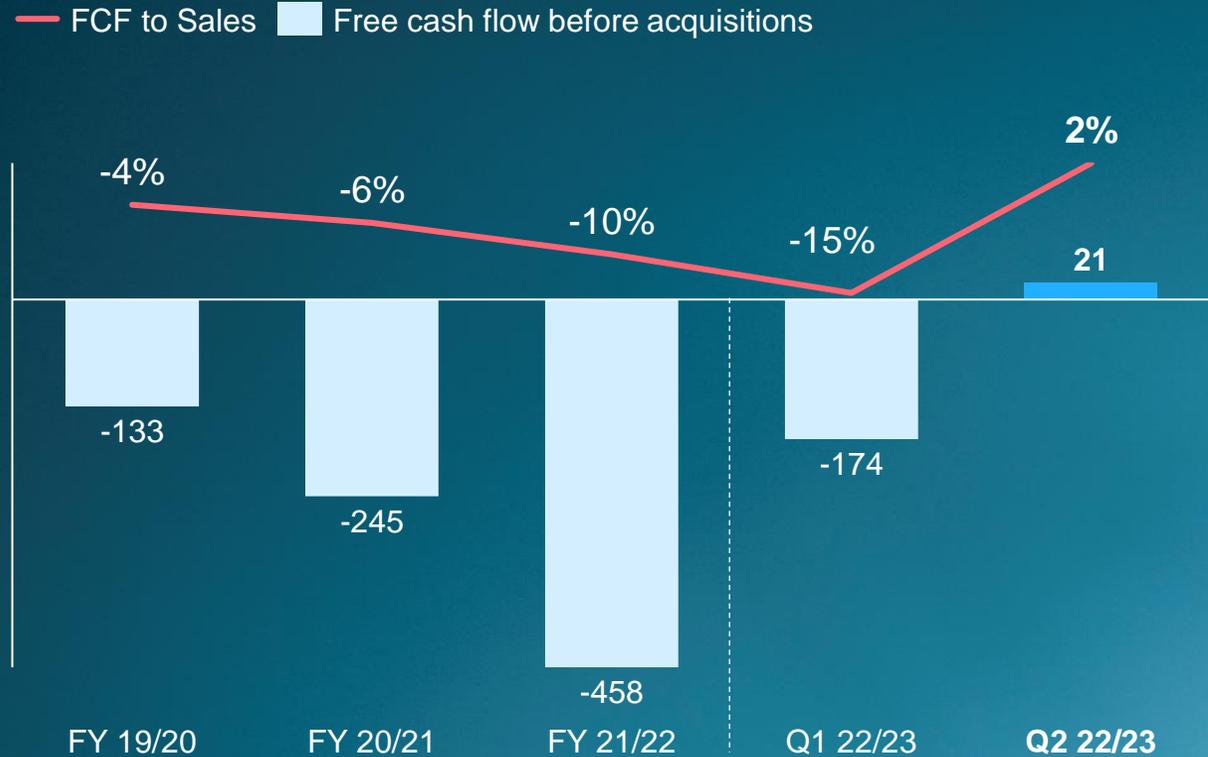
Cost consciousness
ensuring better control
of finances



Scale in OPEX
is a key drivers in
improving profitability

POSITIVE CASH FLOW IN Q2 MAINLY DRIVEN BY ONGOING EFFORTS TO REDUCE OUR NET WORKING CAPITAL

FREE CASH FLOW (DKKm & % of revenue)



Positive free cash flow, totaling DKK 21m in Q2 22/23 versus DKK -174m last quarter



Reduction of inventory by DKK 136m compared to FY 21/22



Trade receivables reduced by 76m compared to FY 21/22

ACHIEVING OPTIMAL NWC & INVENTORY PERFORMANCE IS A PROCESS AND WILL TAKE TIME, HOWEVER RESULTS ARE STARTING TO SHOW



Continued execution of our plan to reduce and normalize our inventories, which have started to materialize in Q2 22/23, with inventories down DKK 136m from FY 21/22

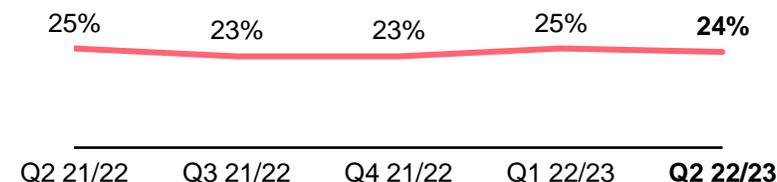


Strengthened cash management through strong focus on cash collection and normalized trade payables due to settled liabilities

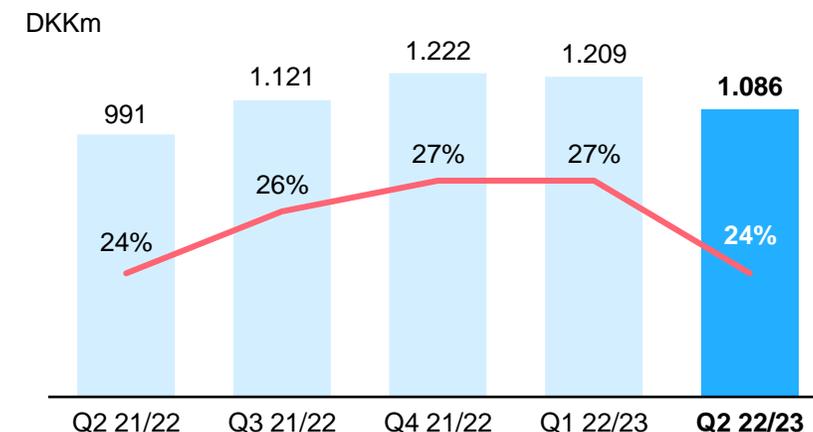


Disciplined cash flow management with ongoing initiatives to improve free cash flow by DKK 350-450m for FY 22/23 vs. FY 21/22 progressing according to plan

NWC, % of revenue of 12 months' revenue



Inventory, % of revenue of 12 months' revenue



FY 2022/23 FINANCIAL GUIDANCE REMAINS UNCHANGED

5-8%

Organic revenue
growth

3-5%

EBIT margin
before special items

Assumptions

- **Growth within Endoscopy solutions** will be driven by continued high double-digit growth in ENT & Cystoscopy and with YoY growth in pulmonology from H2 2022/23
- **Anaesthesia & Patient Monitoring** is to grow low single digits (combined) with Patient Monitoring growing at the highest rate
- **Quarter-by-quarter organic growth acceleration** throughout FY 2022/23
- **Gross margin to decline** ~2%-points compared to LY due to higher input costs, Mexico ramp-up and product mix
- **EBIT Margin** is expected to be impacted by declining gross margin and postponed investments in H2 2022/23*
- **FCF before acq. will improve** in the range of DKK 350-450m vs. 2021/22, approaching full-year neutral level
- **CapEx** to be ~9% of total revenue (FY 2022/23)



THANK YOU FOR YOUR ATTENTION

2023

31 AUGUST: Q3 2022/23 EARNINGS

8 NOVEMBER: Q4 AND FY 2022/23 EARNINGS

Conferences:

7 JUNE: Handelsbanken Nordic mid-small cap seminar

22 JUNE: J.P. Morgan European Healthcare Conference

6 SEPTEMBER: Goldman Sachs EU Healthcare Conference

14 NOVEMBER: Jefferies London Healthcare Conference

4 DECEMBER: Berenberg's European Conference

INVESTOR RELATIONS CONTACT

Nicolai Thomsen

Director, Investor Relations & Strategic Finance

nith@ambu.com | +45 2620 8047

AMBU SINGLE-USE ENDOSCOPY PIPELINE



Ambu® aBox 2 & Ambu® aView 2 Advance

 Solutions in development



Ear, nose and throat (ENT)

-  Ambu® aScope™ 4 RhinoLaryngo
-  ENT High Resolution



Pulmonology

-  Ambu® VivaSight™ 2
-  Ambu® aScope™ 4 Broncho
-  Ambu® aScope™ 5 Broncho HD
-  Ambu® aScope™ 5 Broncho HD (smaller sizes)
-  Video Laryngoscope 2.0



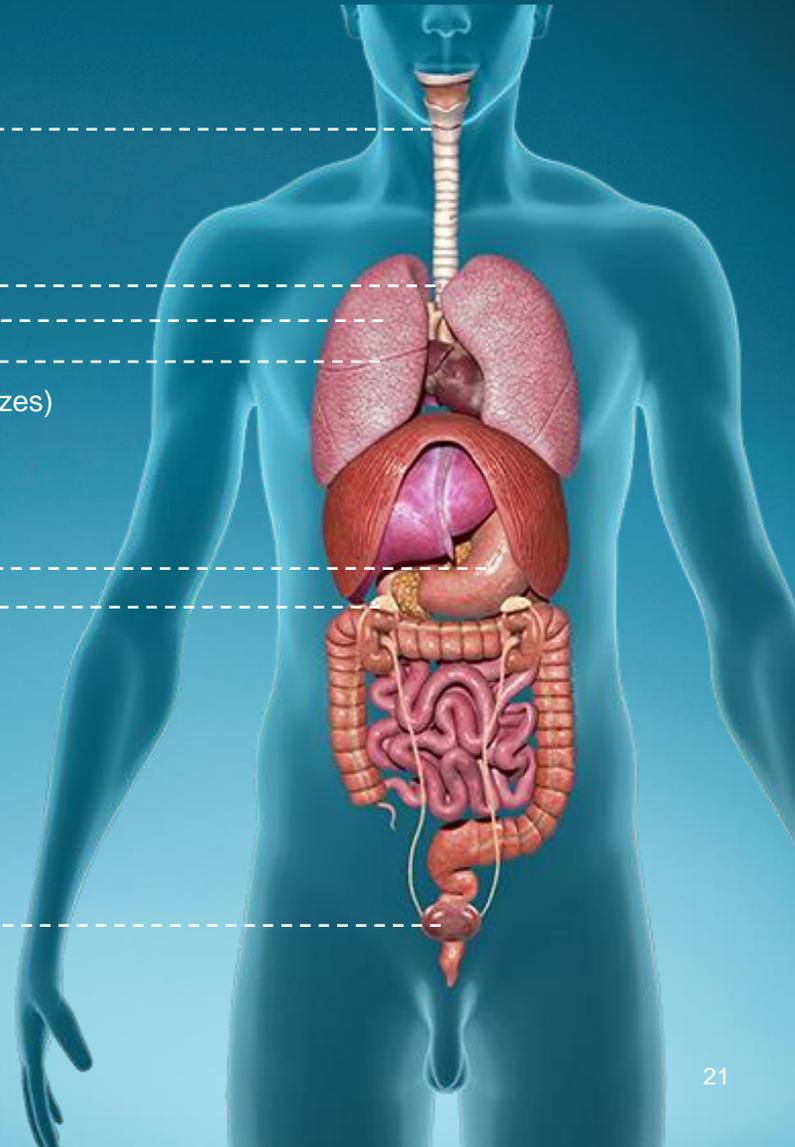
Gastroenterology (GI)

-  Ambu® aScope™ Gastro
-  Ambu® aScope™ Duodeno 1.5
-  Ambu® aScope™ Duodeno 2
-  Colonoscope
-  Gastro Large
-  Cholangioscope



Urology

-  Ambu® aScope™ 4 Cysto
-  Cystoscope HD
-  Ureteroscope



5-YEAR FINANCIAL TARGETS

Aiming for > 10% organic growth and ~20% EBIT margin

	FY 21/22 actuals	5-year target ¹
Organic revenue Growth	4%	> 10% CAGR
Endoscopy Solutions	1%	15-20% CAGR
Anaesthesia & Patient Monitoring	8%	2-4% CAGR ²
EBIT Margin	2.7%	~ 20% ³



Growth will mainly be driven by high growth within Endoscopy Solutions with high expected revenue contribution from all four major endoscopy areas

	FY 21/22 actuals	Other long-term targets
NWC (% of revenue)	23%	~20%
CAPEX (% of revenue)	12%	~9%
Gearing (NIBD/EBITDA ⁴)	3.9x	Below 2.5x
Free cash flow before acquisitions	-458 DKKm	Positive in FY23/24



EBIT improvements will be driven by gross margin improvements and scalability in OPEX relative to sales

P&L DETAILS

DKKm <i>reported figures</i>	FY 18/19	FY 19/20	FY 20/21	Q1 21/22	Q2 21/22	Q3 21/22	Q4 21/22	FY 21/22	Q1 22/23	Q2 22/23
Revenue	2,820	3,567	4,013	1,031	1,122	1,128	1,163	4,444	1,132	1,189
Gross profit	1,637	2,212	2,503	634	647	629	644	2,554	662	664
<i>Gross margin</i>	<i>58.0%</i>	<i>62.0%</i>	<i>62.4%</i>	<i>61.5%</i>	<i>57.7%</i>	<i>55.8%</i>	<i>55.4%</i>	<i>57.5%</i>	<i>58.5%</i>	<i>55.8%</i>
Selling and distribution	762	1,228	1,468	406	407	389	432	1634	386	394
Development	103	157	225	64	65	72	80	281	69	69
Mgmt. and administrative	292	399	470	124	128	126	139	517	139	155
OPEX total	1,157	1,784	2,163	594	600	587	651	2,432	594	618
EBIT before special items	480	428	340	40	47	42	-7	122	68	46
<i>EBIT margin before special items</i>	<i>17.0%</i>	<i>12.0%</i>	<i>8.5%</i>	<i>3.9%</i>	<i>4.2%</i>	<i>3.7%</i>	<i>-0.6%</i>	<i>2.7%</i>	<i>6.0%</i>	<i>3.9%</i>
Special items	174	0	0	0	0	13	135	-148	0	0
EBIT	306	428	340	40	47	29	-142	-26	68	46
<i>EBIT margin</i>	<i>10.9%</i>	<i>12.0%</i>	<i>8.5%</i>	<i>3.9%</i>	<i>4.2%</i>	<i>2.6%</i>	<i>-12.2%</i>	<i>-0.6%</i>	<i>6.0%</i>	<i>3.9%</i>
Total OPEX % of revenue	41%	50%	54%	58%	53%	52%	56%	55%	52%	52%
Sales and distribution	27%	34%	37%	39%	36%	34%	37%	37%	34%	33%
Development	4%	4%	6%	6%	6%	6%	7%	6%	6%	6%
Mgmt. and Administrative	10%	11%	12%	12%	11%	11%	12%	12%	12%	13%

DISCLAIMER

- This presentation contains certain forward-looking statements, including but not limited to, the statements and expectations contained in the "Financial Update" section of this presentation. Statements herein, other than statements of historical fact, regarding our future results of operations, financial condition, cashflows, business strategy, plans and future objectives are forward-looking statements. Words such as "targets", "ambition", "believe", "expect", "aim", "intend", "plan", "seek", "will", "may", "should", "anticipate", "continue", "predict" or similar expressions, as well as other statements regarding matters that are not historical facts or regarding future operating or financial performance, constitute forward-looking statements.
- These forward-looking statements reflect management's current views, plans and best assumptions with respect to certain future events and potential financial performance. By their very nature, forward-looking statements involve inherent risks and uncertainties. Ambu cautions that a number of important factors, including those described in this presentation, could cause actual results to differ materially from those set out in any forward-looking statements. Although Ambu believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.
- Unless required by law, Ambu is under no duty and undertakes no obligation to update or revise any forward-looking statements after the distribution of this presentation, whether as a result of new information, future events or otherwise.



Ambu FOREVER
FORWARD