



Q1 interim report 2016/17

October 1 – December 31 2016

CEO Lars Marcher
CFO Michael Højgaard

Conference call: February 1 2017

Agenda

- Q1 highlights
- aScope update
- Financials 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.



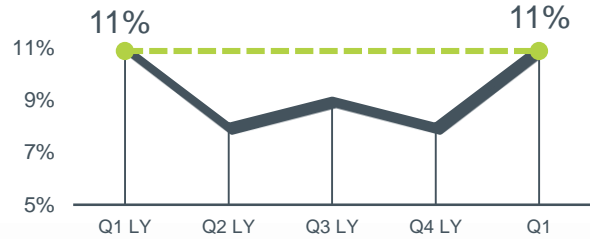
Q1 highlights

- High Q1 growth continues
- EBIT increased by 41%
- Strong cash flow development
- Above market growth in core business 4%
- Continued momentum on aScope sales
– up 85% in units
- Full-year outlook adjusted upwards

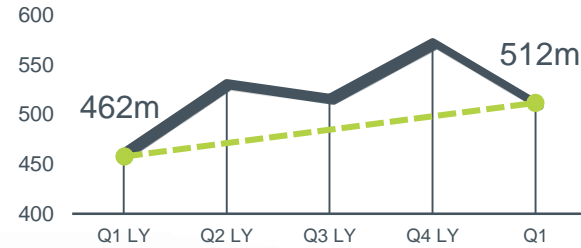


Strong Q1 performance

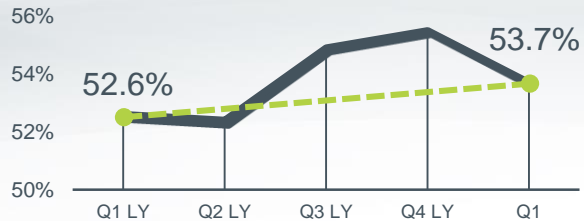
Organic growth: **11%**



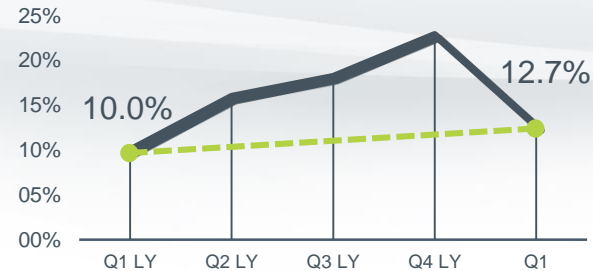
Revenue: **DKK 512m**



Gross margin: **53.7%**



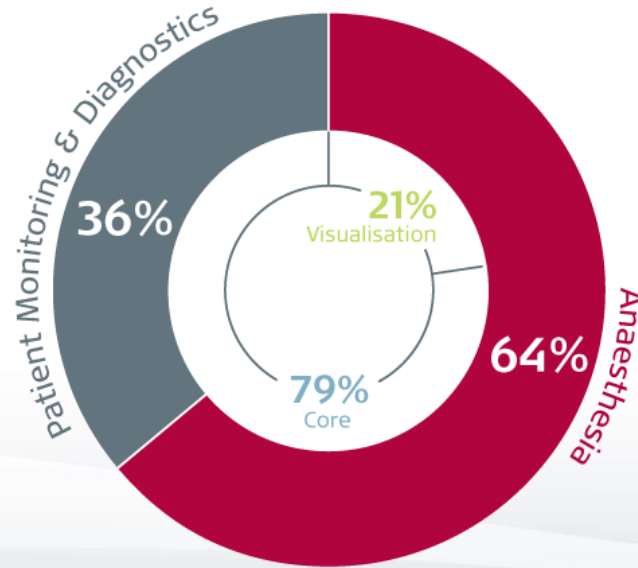
EBIT margin: **12.7%**



Q1 – organic growth

Business areas

Patient Monitoring & Diagnostics
Revenue 186m DKK
0% growth



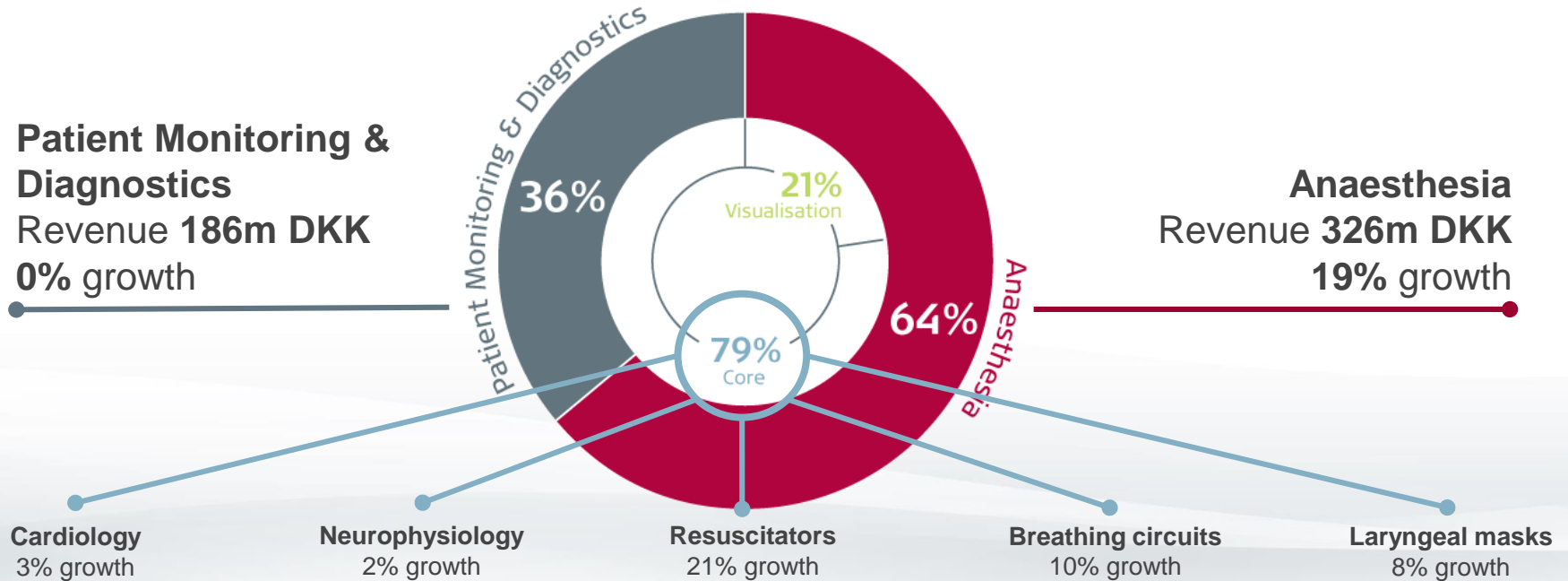
Anaesthesia
Revenue 326m DKK
19% growth

Q1 – organic growth

Business areas

Patient Monitoring & Diagnostics
Revenue 186m DKK
0% growth

Anaesthesia
Revenue 326m DKK
19% growth



Cardiology
3% growth

Neurophysiology
2% growth

Resuscitators
21% growth

Breathing circuits
10% growth

Laryngeal masks
8% growth



Markets

North America

REVENUE **234m DKK**

GROWTH **12%**

Key drivers

- Strong aScope momentum
- Positive development in GPOs
- Strong sales organisation

Part of total revenue **46%**

Europe

REVENUE **218m DKK**

GROWTH **5%**

Key drivers

- Strong aScope momentum
- High growth in key markets
- Negative impact from structural changes

Part of total revenue **42%**

Rest of World

REVENUE **60m DKK**

GROWTH **36%**

Key drivers

- Asia continues strong growth
- Latin America back on track
- Regulatory challenges resolved

Part of total revenue **12%**

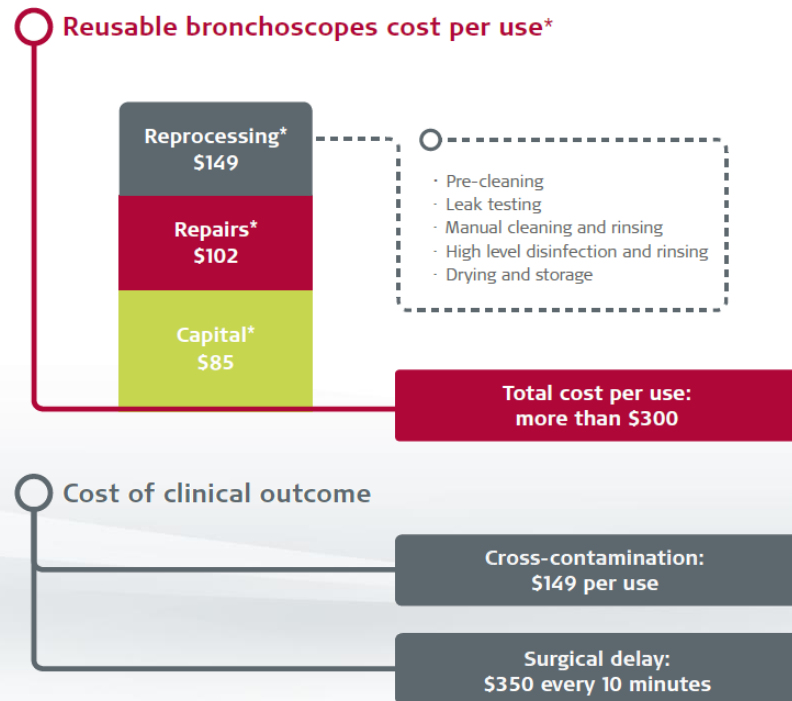
aScope update

– Market status and
expected full-year sales



Ambu aScope key selling points are intact

- 'Total cost per use' gaining acceptance
- 'Cost of clinical outcome' becoming concrete
- Broader Ambu product offering
- Competitive landscape is unchanged







All cost is shown as average cost and based on independent studies, thus variation in outcome from individual studies may appear.

See references at www.ambu.com/sources.

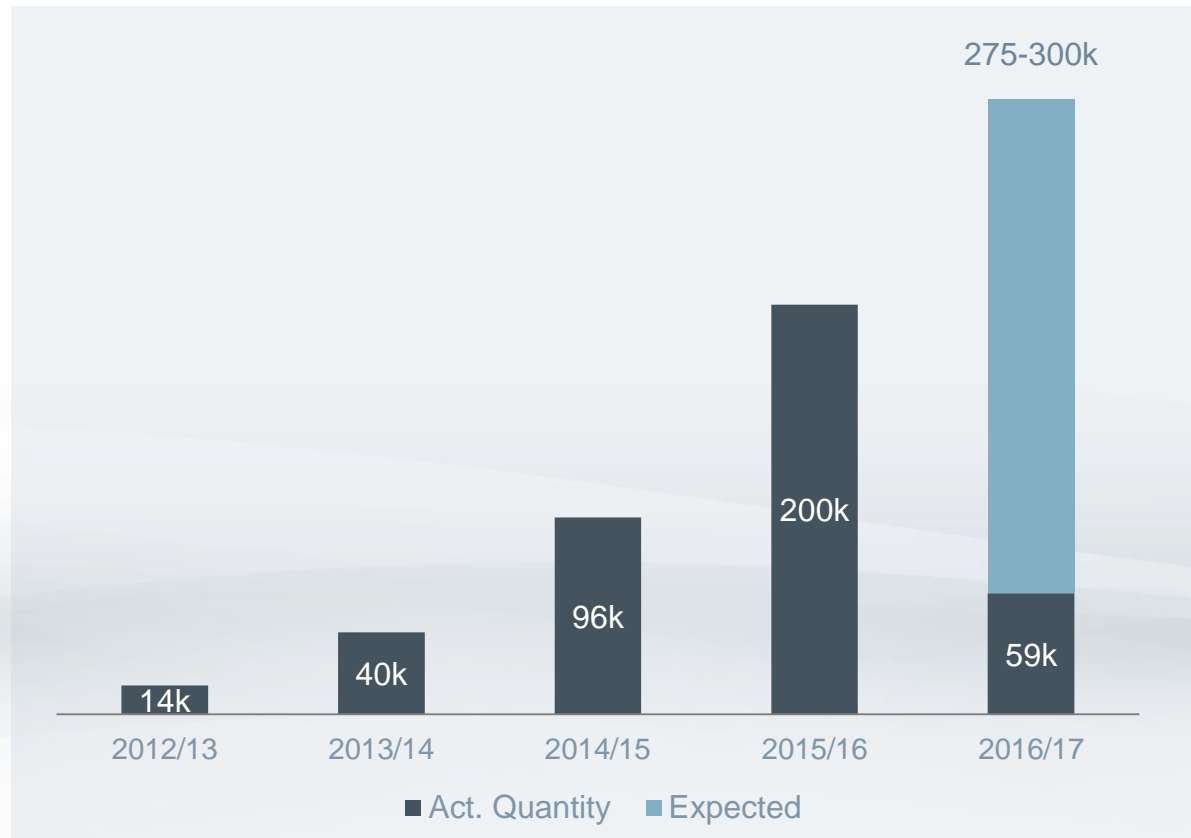
* Average prices. Reprocessing based on 11 studies, repair based on 10 studies, and capital based on 9 studies.

aScope market status

- Ambu aScope is gaining market share
- Steady conversion from initial purchase to frequent use
- Customer base is evenly spread across hospital sizes

Share of Ambu aScope sales	35%	20%	20%	25%
Hospital size (procedures annually)	 1-99	 100-199	 200-399	 400+

Videoscope sales in units



Financial results and outlook



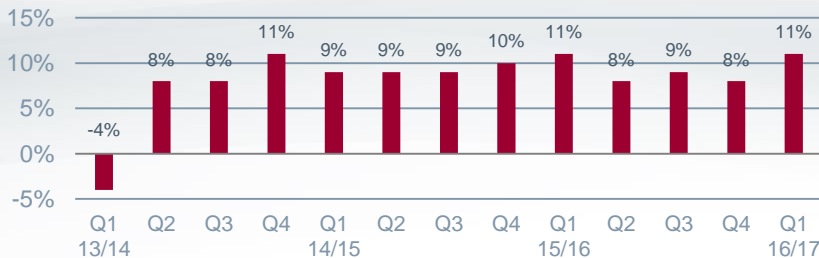
Profitability

– Continued improvements in profit margins

DKKm	Q1 16/17	Q1 15/16
Revenue	512	462
Gross margin	53.7%	52.6%
OPEX	-210	-197
Cost percentage	41%	43%
EBIT	65	46
EBIT margin	12.7%	10.0%
Financials, net	-3	-2
Net result	48	31

- Gross margin improves 1.1%-pts. due to mix and efficiency
- Cost percentage reduced by 2%-pts.
- EBIT-margin up 2.7%-pts
- Net impact to EBIT from Fx is neutral
- Tax percentage reduced to 23% from optimized structures

Quarterly growth in local currency since launch of strategy:



Cash flow and balance sheet

– Significant reduction of working capital

DKKm	Q1 16/17	Q1 15/16
Cash flow:		
Operating activities	73	22
Investing activities	-30	-19
FCF before acquisitions	43	3
Balance sheet:		
Total assets	2,531	2,271
NIBD (Net interest-bearing debt)	1,061	883
Key Figures:		
Net working capital	23%	28%
ROIC after tax incl. goodwill	20%	13%
Equity ratio	40%	41%
NIBD/EBITDA	2.2	2.4

- Working capital significantly improved to 23% of revenue
- Gearing at 2.2 vs. 2.4 LY
- Unused credit facilities at DKK 153m including cash

Full-year outlook upgraded


– Higher growth, improved FC and reduced gearing expected

	Local currencies		Danish Kroner	
	1 February 2017	8 November 2016	1 February 2017	8 November 2016
Organic growth	9-11%	8-10%	-	-
EBIT margin*	-	-	~18%	~18%
Free cash flows* **	-	-	~DKK 200m	~DKK 175m
Gearing	-	-	~1.6	~1.75

* Before special items

** FCF includes investments of DKK 100m in capacity expansions

In summary

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- High growth and increased profitability continue
 - Improved EBIT margin as result of scalable business model
 - Continued strong cash flow development
 - Above market growth in core business 4%
 - Videoscope business continues to grow – up 85%
 - Full-year outlook adjusted upwards



Q&A



Ambu
Ideas that work for life

Read more at www.ambu.com

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