



Q1 interim report 2015/16

October 1 – December 31

CEO Lars Marcher
CFO Michael Højgaard

Webcast: January 29 2016

Agenda



- Q1 Highlights
- Status on market for single-use scopes
- Financials and outlook
- Q&A

Disclaimer

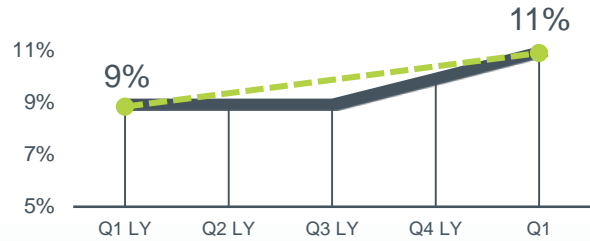
Forward-looking statements, especially such relating to future sales and operating profit, are subject to risks and uncertainties. Various factors, many of which are outside Ambu's control, may cause the actual development of the company to differ materially from the expectations contained in this presentation. Factors that might affect such expectations include, among others, changes in healthcare, in the world economy and in exchange rates.

Q1 highlights

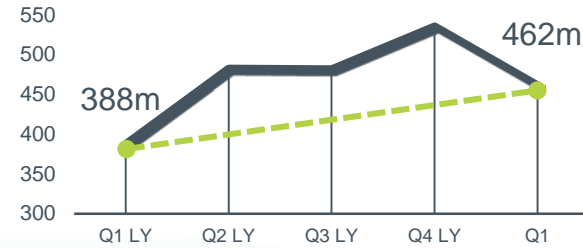
- Double-digit growth
- Renewal of 3-year single-source contract with US GPO HealthTrust. Value approx. DKK 400m
- Ambu aScope 3 approved for sale in China
- Direct sales expanded to Japan and Norway
- Partnership with Coloplast in urology

Strong Q1 performance

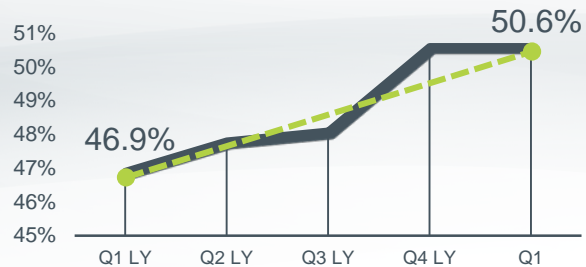
Organic growth: **11%**



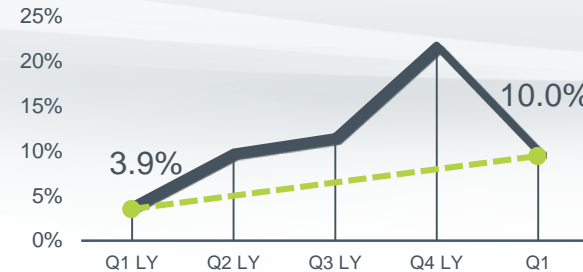
Revenue: **DKK 462m**



Gross margin: **50.6%**

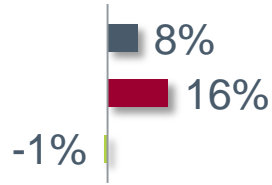


EBIT margin: **10%**

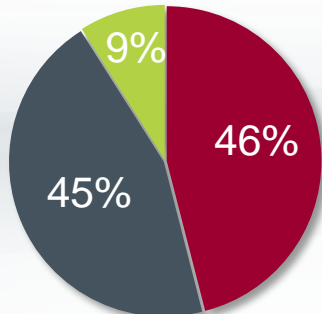


Strong global performance

Q1 organic growth



Q1 revenue split



North America

- Growth of 8%
- Growth comes from both aScope and core business
- Continued improvement of market position



Europe

- Growth of 16%
- Good momentum across markets
- Strong performance in both Anaesthesia and PMD



Rest of World

- Growth of -1%
- Growth in Asia is 32%
- Asia grows by 50% on Anaesthesia due to aScope and laryngeal masks



Anaesthesia and PMD in growth

Anaesthesia

- Growth of 13%
- aScope 3 sales doubled compared to Q1 LY
- Core anaesthesia grows above market



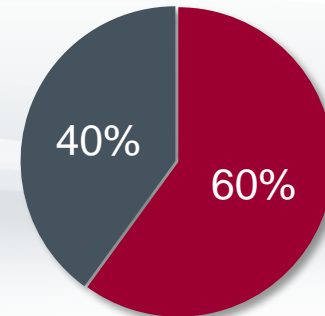
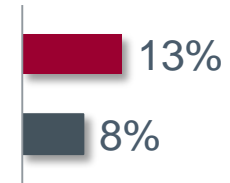
Patient Monitoring & Diagnostics


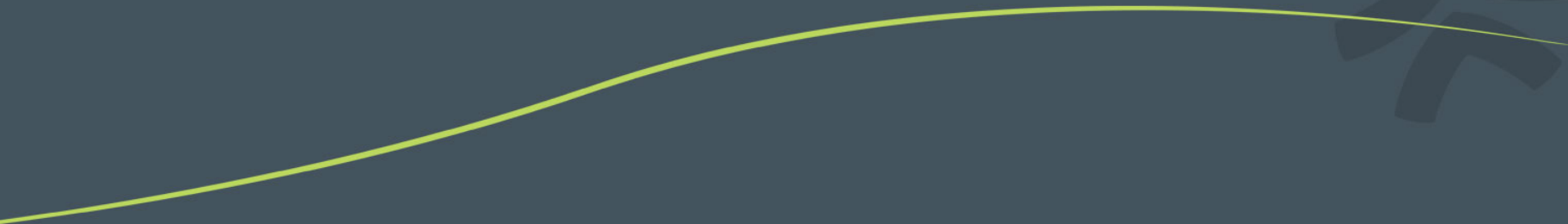
- Growth of 8%
- High growth from neurophysiology products
- High volume from cardiology products



Growth rates stated in local currency

Q1 organic growth



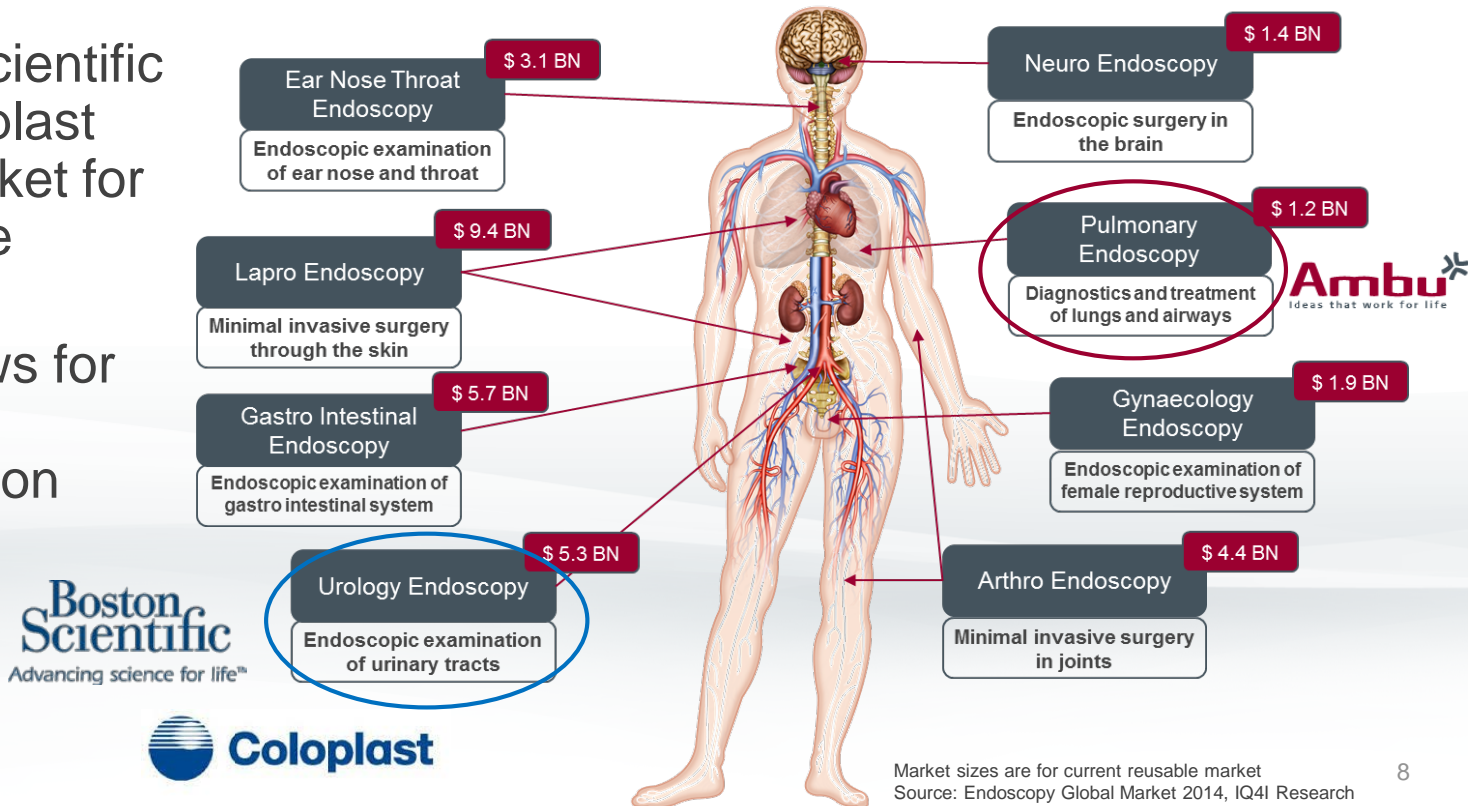


Status on market for single-use scopes

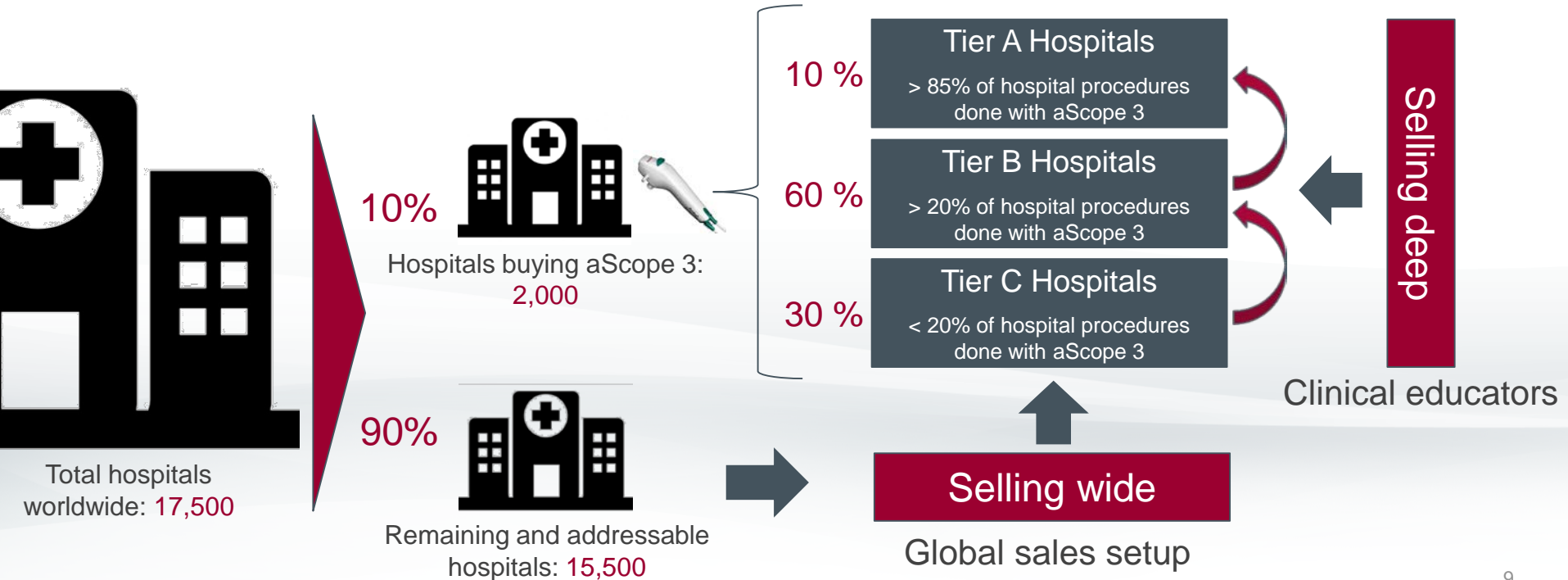
The global endoscopy market

- Single-use is expanding

- Boston Scientific and Coloplast enter market for single-use urology
- Good news for Ambu visualisation strategy



10% of aScope accounts fully converted to single-use scopes in pulmonary endoscopy



Continuous, strong aScope growth



aScope 3 customer base
increased >25%



aScope 3 Tier A customers
increased >300%



Monthly rebuy rate
continues to increase



Significant revenue from
Top 50 aScope 3 customers

Faster conversion from reusable to single-use scopes

aScope launch situation

Barriers to convert

Time to convert ↑

Hospital purchasing process

Investment cycle

Clarity of single-use value proposition

Cost of use considerations

Cross-contamination awareness

Reduction of conversion time



Reusable scopes end of life require new investment - aScope opportunity



Health economic evidence provided by studies and cost calculators



Increased focus on contamination from Health Authorities



New players entering the single-use endoscope market

Situation going forward

Barriers to convert

Time to convert ↑

Hospital purchasing process

Investment cycle

Value proposition

Cost of use

Cross-contamination



Financial results and outlook

Financial results

DKKm	Q1 15/16	Q1 14/15
Revenue	462	388
Gross profit	234	182
Gross Margin (%)	50.6	46.9
Capacity costs	-188	-167
EBIT	46	15
EBIT-margin (%)	10.0	3.9
Financials, net	-2	-4
Net result	31	8

DKKm	Q1 15/16	Q1 14/15
Cash flow from operations	22	-16
Cash flow from investments	-19	-34
Free cash flow	3	-50

- Strong revenue growth yields scale
- Gross Margin improved by product mix and more efficient manufacturing
- Increase in capacity costs of some 7% plus 6% impact from Fx
- EBIT earnings at DKK 46m vs. DKK 15m LY
- Fx impact is positive vs. LY due to the depreciated MYR and the appreciated USD.
- Net Fx impact on EBIT of some DKK +7m vs. LY
- Free Cash Flow in Q1 of DKK 3m due to strong focus on collections

Balance sheet

DKKm	Q1 15/16	Q1 14/15
Total assets	2,271	2,107
Equity	940	826
Working capital	550	482
Net interest-bearing debt	883	843
Gearing (NIBD/EBITDA)	2.4	2.9
Working capital (% of revenue)	28	30
Investments (% of revenue)	4	9
ROIC (% after tax incl. goodwill)	13	13

- Improved working capital now at 28% of revenue vs. 30% LY
- Overall collection days on Accounts Receivables improved from 83 to 74 days
- Investments relative to revenue significantly lower due to construction of factory last year
- Gearing at 2.4 vs. 2.9 LY

Outlook maintained

Continued growth and increased profitability

	Expected 2015/16 in local currencies	Expected 2015/16 in DKK	Targets 2016/17 in DKK
Revenue	7-9%	9-11%	DKK ~2bn
EBIT margin	13-14%	14-15%	17-18%
Cash flows	-	DKK 150-175m	-
Gearing	-	~2.0	-

In summary

- Solid start to 2015/16
- Strong growth continues
- Significant growth in aScope
- Benefits from scale and cost-efficiency
- Full-year outlook maintained



Q&A



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Ideas that work for life

Read more at www.ambu.com

Contact

CEO Lars Marcher, lm@ambu.com or +45 5136 2490

CFO Michael Højgaard, miho@ambu.com or +45 4030 4349