



Q3 interim report 2014/15

April 1 – June 30

CEO Lars Marcher
CFO Michael Højgaard

Webcast: August 19 2015

Agenda



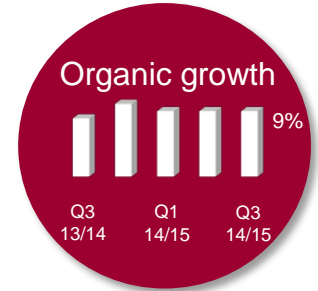
- Q3 Highlights
- Status on business
- Expanding aScope platform
- Financials and outlook
- Q&A

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.

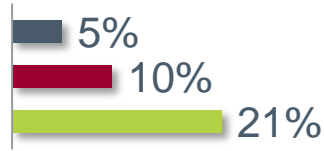
Q3 Highlights

- Growth of 9% in local currencies and 21% in Danish kroner
- Revenue of DKK 482m
- Gross margin of 48.1% (51.6%)
– impacted by strong US dollar and product mix
- EBIT margin at 11.6% (13.9%)
- Above market growth in all regions
- Year-to-date sales of aScope exceed 100m DKK
- Partnership on aScope platform in final stages of development
- Full-year outlook adjusted



Strong global performance

Q3 organic growth



North America

- Growth of 5%
- Strong aScope sales
- Emergency Care reduces US growth

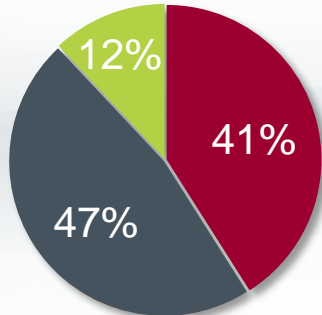
Europe

- Growth of 10%
- Good momentum across markets
- Strong growth in all products

Rest of world

- Growth of 21%
- Growth in Asia is 27%
- Latin America now in double digit growth

Q3 revenue split



Growth rates stated in local currency

Anaesthesia and PMD in growth

Anaesthesia

- Growth of 16%
- Strong growth from all product platforms
- aScope 3 sales more than doubled vs. Q3 13/14



Patient Monitoring & Diagnostics

- Growth of 5%
- Back on track after periodic variations

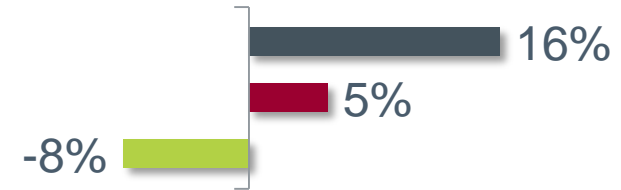


Emergency Care

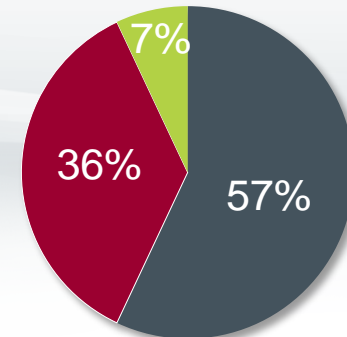
- Negative growth of 8%
- Emergency Care business low as expected



Q3 organic growth



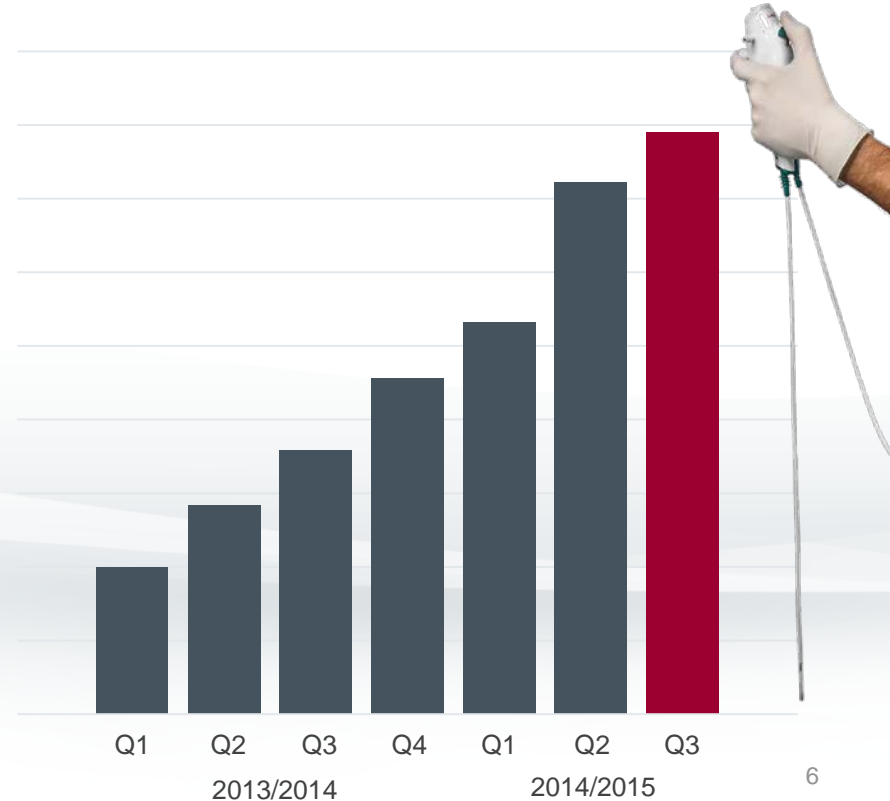
Q3 revenue split



Growth rates stated in local currency

aScope continues to grow

- Year-to-date sales exceed DKK 100m
- Revenue as well as units sold have more than doubled in Q3 and YTD compared to last year
- Overall ASPs are maintained
- Increase in number of hospitals using aScope
- Manufacturing continues to support aScope demands



Anaesthesia update

Laryngeal masks

- Successful AuraGain product supported by launch of pediatric sizes
- Now full range in AuraGain
- Ambu continues to take market share with our laryngeal masks



PMD update

Cardiology

- Ambu BlueSensor and WhiteSensor electrodes
- Continued strong market presence in cardiology

Neurology

- Neurophysiology is a global growth platform
- Unique product offering
- High yield products



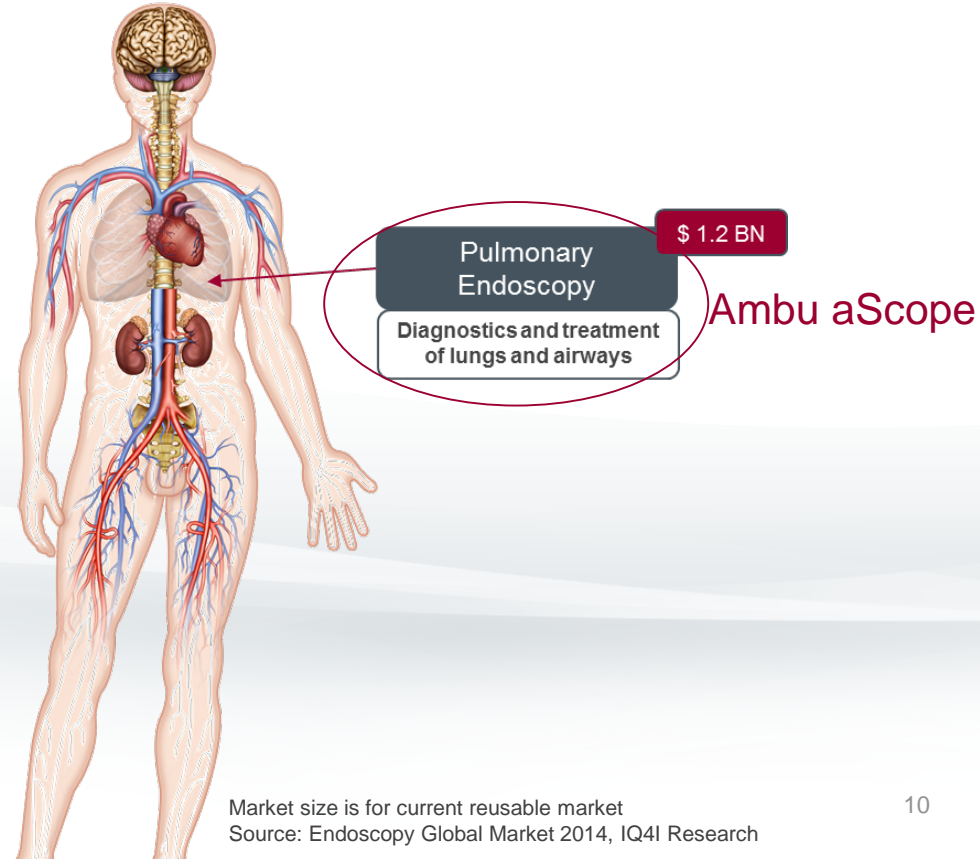
Expanding aScope platform

- Partnerships are part of our strategy
 - Climbing New Heights 2017
- We are currently expanding the aScope technology platform in a partnership with a global medtech company
- The new product is in the final stages of product development, and expected launch is by end of 2015

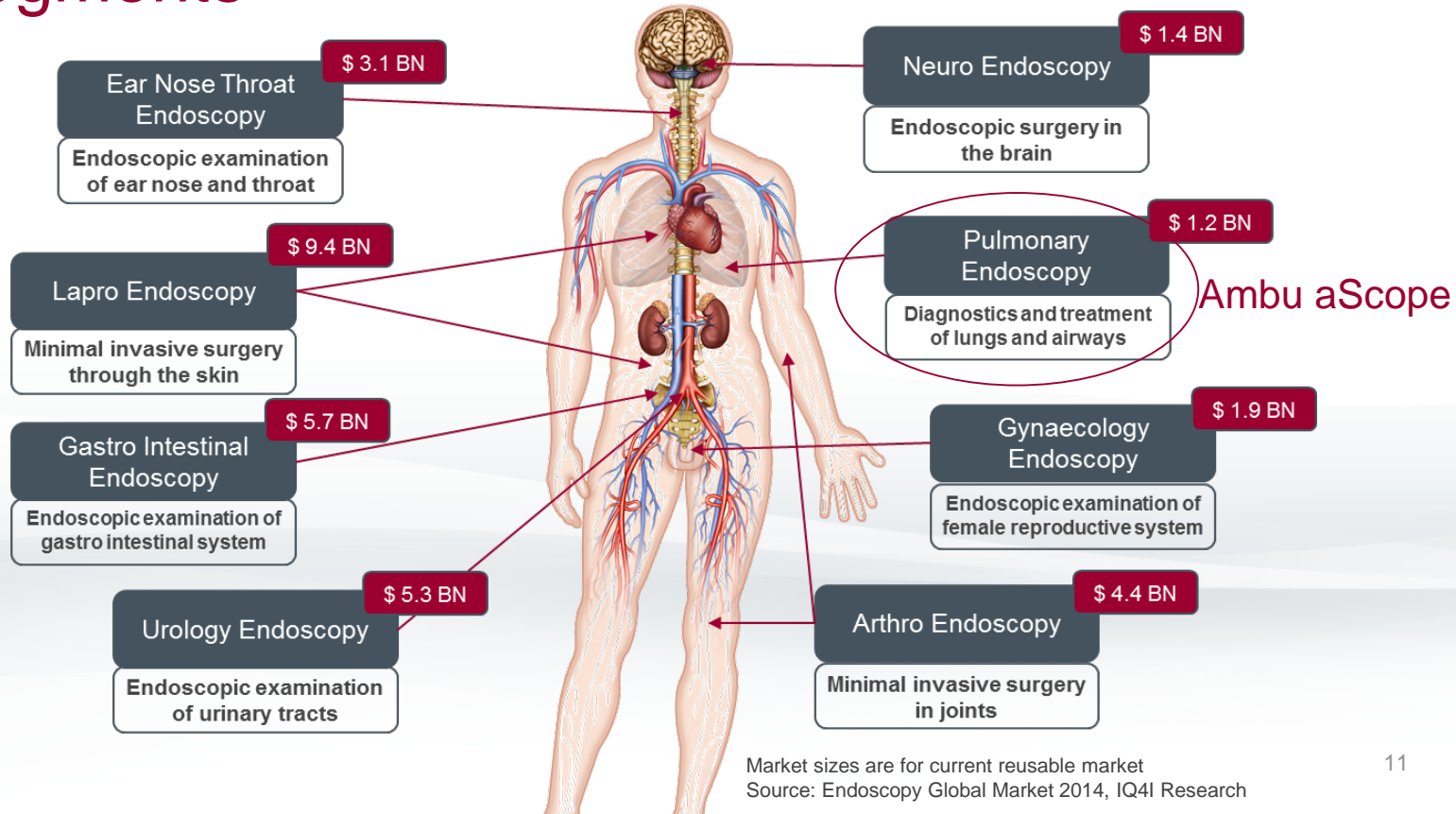
The global endoscopy market

– one segment

- Market size for reusable (not single-use) pulmonary endoscopy is USD 1.2bn
- aScope 3 is currently estimated to address approx. 75% of all procedures in pulmonary endoscopy
- The potential for aScope 3 is estimated at 3 million procedures



The global endoscopy market – all segments





Financial results and outlook

Financial results

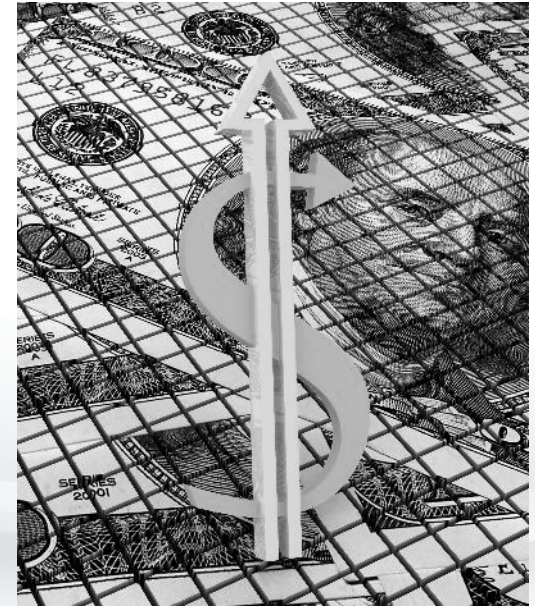
DKKm	Q3 14/15	Q3 13/14
Revenue	482	397
Gross profit	232	205
Gross Margin (%)	48.1	51.6
Capacity costs	-176	-150
EBIT	56	55
EBIT-margin (%)	11.6	13.9
Financials, net	-29	-10
Net result	20	33

DKKm	Q3 14/15	Q3 13/14
Cash flow from operations	57	53
Cash flow from investments	-23	-25
Free cash flow	34	28

- The appreciating USD continues to have a significant impact to our P&L
- Gross Margin impacted by scale from Fx as well as price and mix
- Underlying growth rate in capacity costs of 6-7%
- EBIT earnings at DKK 56m vs. DKK 55m LY
- Financials impacted by Fx
- Free Cash Flow in Q3 of DKK 34m

Fx impact Q3 YTD

- Fx impact on revenue growth
 - Revenue nominated in USD is approx. 50% of revenue
 - Q3 YTD USD/DKK has appreciated approx. 18% vs. same period last year
 - Leading to a positive total Fx impact on revenue of approx. 9%
- Impact on EBIT and cash flow from Fx is balanced out
- Going forward the depreciation of CNY will be beneficial for Ambu



Balance sheet

DKKm	Q3 14/15	Q3 13/14
Total assets	2,288	1,974
Equity	978	701
Working capital	565	410
Net interest-bearing debt	804	784
Gearing (NIBD/EBITDA b.s.i.)	2.7	3.0
Working capital (% of revenue)	31	27
Investments (% of revenue)	5	6
ROIC (% after tax incl. goodwill)	11	11

- Total assets at DKK 2.3bn. - Up 16% over LY
- Increased working capital to support growth. Ratio increase by 4% of which Fx contributes 2%-pts.
- Slightly lower pace on collections but no change in risk profiles
- Investment ratio at 5% as expected
- Net interest-bearing debt is flattening out
- Gearing reduced to 2.7 vs. 3.0 LY

Full-year 2014/15 outlook

Outlook for 2014/15	Local currency		Danish kroner	
	19 August, 2015	6 May, 2015	19 August, 2015	6 May, 2015
Revenue	~9%	8-8.5%	~19%	~19%
EBIT-margin	12.5-13% (fixed rate)	12.5-13% (fixed rate)	~12.0%	~12.0%
Free cash flows	-	-	~100m	110-120m
Gearing	-	-	~2.2	~2.2

In summary

- Strong growth continues
- Global position strengthened
- Significant impact from strong USD
- Expansion of aScope platform
- Full-year outlook adjusted



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Q&A



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Read more at www.ambu.com

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