



Ambu
Ideas that work for life

Interim report Q3 2011/12

By CEO Lars Marcher and CFO Anders Arvai

Agenda

- Developments in Q3 2011/12
- Status of GPS Four
- Outlook 2011/12

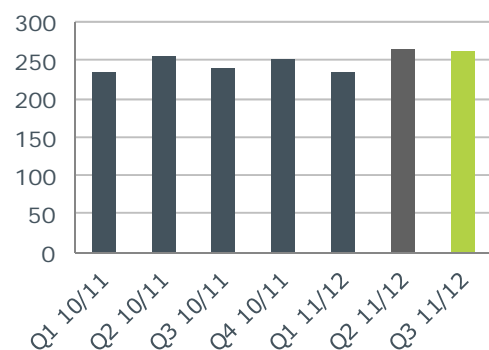
Highlights in Q3 2011/12

- Revenue growth of 9%
- Continued improvements in earnings
- Solid growth in the USA
- Satisfactory growth in most of Europe – except for falling revenue in Spain
- Positive development in Asia – continued strengthening of growth platform
- Strong free cash flow
- Focused growth initiatives
- Outlook for full year maintained



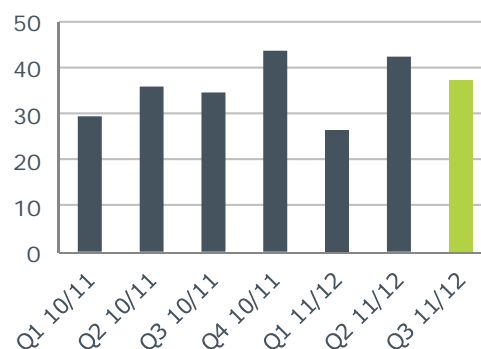
Growth in revenue and profit

Revenue



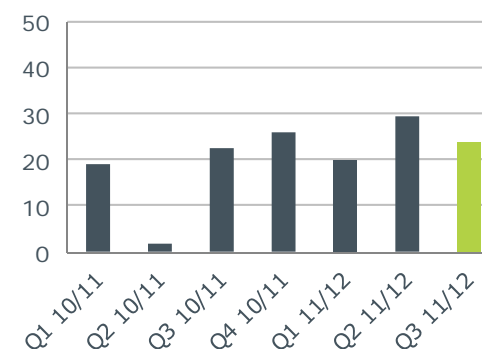
- Revenue in Q3 2011/12 of DKK 263m, up 9%, or 5% when measured in local currencies. Revenue in Q1-3 of DKK 762m.
- Acquisition adds 0.5 percentage points to growth.
- Effect of exchange rates in Q1-3: DKK 15m

EBIT, DKKm



- Gross margin ratio of 53.9% in Q3.
- Exclusive of costs incidental to the transfer of production and integration of acquired electrode business, the gross margin ratio for Q3 is 55.0% against 55.2% last year. Gross margin ratio of 55.5% year to date.
- The UK production is being restructured.

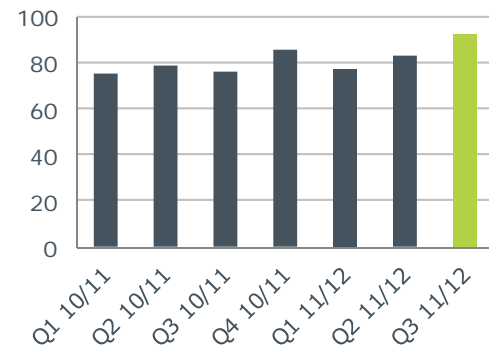
Net profit for the period,



- Net financials constitute expenses of DKK 3.1m against DKK 3.5m last year – the reason being translation adjustment of balance sheet items and effect of lower interest rate levels.
- Net profit for Q3 2011/12: DKK 24m against DKK 23m last year. Q1-3: DKK 74m against DKK 43m the year before. The improvement is primarily due to lower special items.

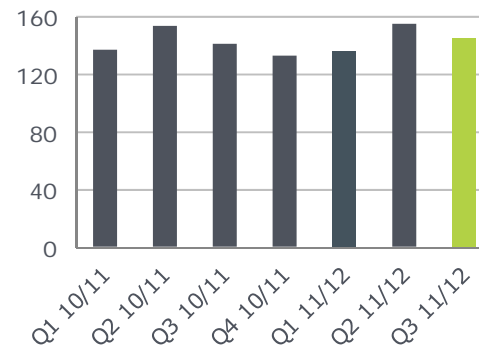
Development – markets

USA, DKKm



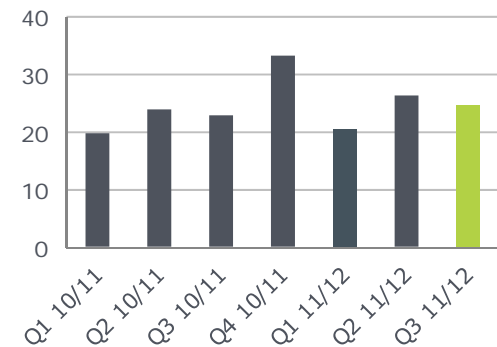
- Revenue growth of 9% in local currencies and 21% in Danish kroner (DKK). Growth in Q1-3 of 4%.
- High growth within single-use pumps, cardiological products and within Sleep/Neurology
- Optimisation of sales relative to primary call points.

Europe, DKKm



- Growth in revenue of 2% and year to date 1%
- Variation in growth rates – growth in sales region UK of 9%, and 3% in sales regions Central and West.
- Fall in revenue of 4% in South – growth in Italy and fall in revenue in Spain.
- A number of growth initiatives launched.

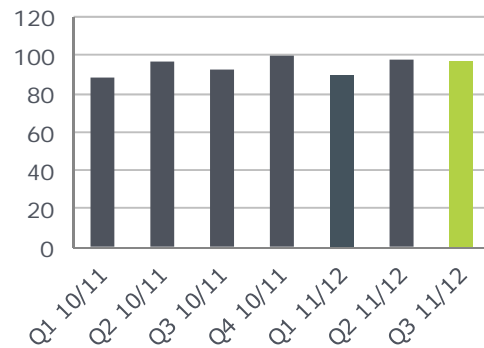
Rest of the world, DKKm



- Growth in revenue in the rest of the world of 6% in Q3 and year to date
- Growth in sales region Asia of 35% year to date.
- Ongoing strengthening of the platform in Asia – including China, India, Malaysia and Australia – good starting point for further growth.

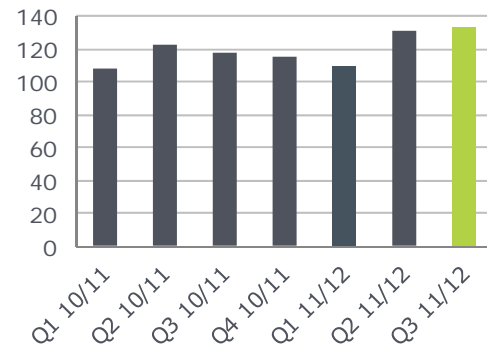
Development – business areas

Anesthesia, DKKm



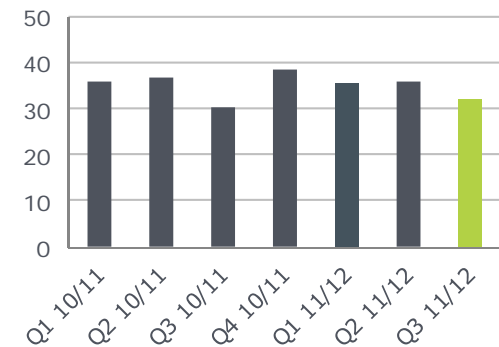
- Fall in revenue of 1% in local currencies. Revenue year to date unchanged.
- Satisfactory growth in single-use pumps for pain relief.
- Sales of aScope continue to grow.
- Increase in sales of single-use ventilation bags, but fall in sales of multiple-use ventilation bags.
- Teleflex acquired LMA in August 2012.

Patient Mon. & Diagnostics, DKKm



- Revenue growth of 10% in local currencies in Q3 and 6% year to date
- Acquisition of electrode business adds 1.2 percentage points to growth.
- Growth above market growth within Cardiology and double-digit growth rates within Neurology/Sleep.

Emergency Care, DKKm



- Revenue growth of 1% in local currencies and 5% in DKK. Fall of 2% in Q1-3.
- Double-digit growth rate for immobilisation products.
- Fall in sales of pumps and a minor fall in sales of manikins for first-aid training.

Cash flow

DKKm	Q1-3 2010/11	Q1-3 2011/12
Cash flow from operating activities	54.3	86.6
Cash flow from investing activities, including acquisitions	(22.0)	(63.9)
Free cash flow before acquisitions	32.3	52.7
Free cash flow after acquisitions	32.3	22.7
Cash flow from financing activities	(26.4)	13.6

- Cash flow from operating activities are positively impacted by the net profit for the period and negatively affected by a higher level of working capital, including larger inventories.
- Higher free cash flow before acquisitions.
- Lower free cash flow after acquisitions – combined effect of acquisitions DKK 30m.
- Outlook for free cash flow of around DKK 100m is maintained.

GPS Four

Status of Ambu's business strategy



GPS Four – overview



Update on GPS Four strategy

- **Product development:** Work is going into developing two important new visualisation products – which are progressing according to plan – as well as updates of existing products.
- **Internal sales team in the USA**, currently comprising 12 people, has increased sales via telesales and web. E-trading now generates monthly revenue in excess of DKK 1m.
- Further **investment in the sales organisation in Asia** – high growth and attractive potential.
- **Partnerships agreement with supplier of veterinary equipment on sale of vScope**, which is based on the same technologies as aScope2.
- Establishment of **European distribution centre** in Germany and relocation of stocks of end-products successfully completed.
- **Continued optimisation of operations** via Lean programmes and local sourcing.
- **Integration and optimisation of Unomedical's electrode business.** Also, more targeted efforts are going into identifying potential acquisitions.

Outlook 2011/12



Outlook 2011/12

	2011/12	Comments
Revenue	In the range of DKK 1,040-1,050m (including acquired electrode business)	Increased revenue in emerging markets and successful introduction of new products
Growth	Approx. 4% Approx. 7% Approx. 3%	Measured in local currencies Measured in DKK Organic growth as the acquired electrode business boosts growth rates by approx. 1 percentage point
EBIT margin, % (Before special costs of acquisitions)	In the region of 15-15.5%	Increased revenue Reduced cost prices Streamlining Price pressure
Profit before tax in % of revenue	In the region of 14.5%	Before special costs of acquisitions
Investments in % of revenue (before acquisitions)	Approx. 5%	Investments in product development, process equipment, expansion of production capacity and IT
Free cash flow (before acquisitions)	In the region of DKK 100m	Continued focus on reducing working capital

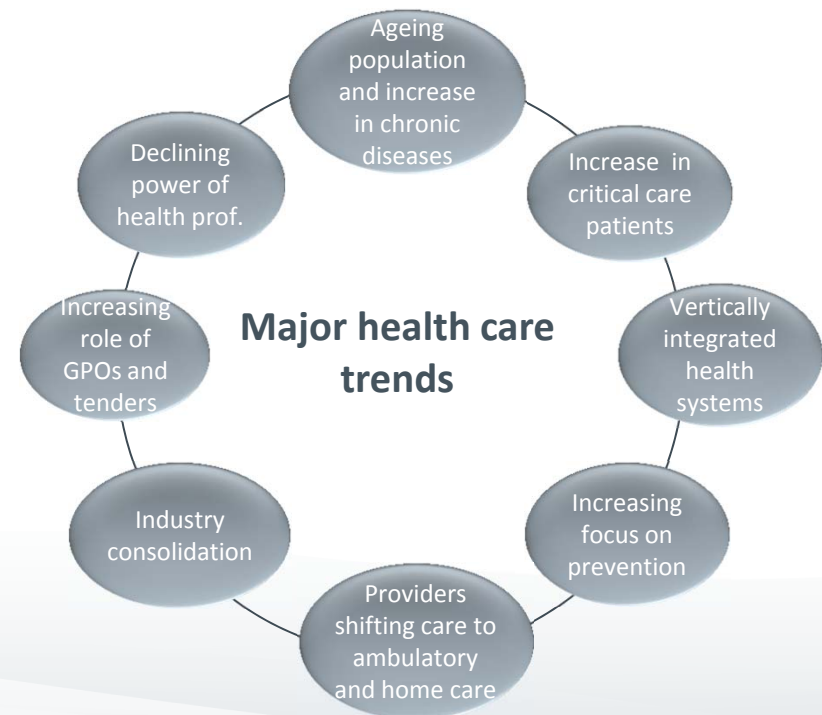
General market conditions

Favourable prospects for mediatechnical industry

- **Favourable demographic developments** – ageing population, longer lifespans and increase in obesity and chronic illnesses
- Total global healthcare costs of **more than USD 4 trillion**
- World market for mediatechnical equipment of USD 275bn expected to increase by 2-5% per year from 2011-16.
- Increasing demand in emerging markets – **expected 5-year CAGR in BRIC countries of 20%**.

... but also a number of challenges

- Public budget cuts in Europe and the USA
- High regulatory requirements
- Stricter demands for documented effect of products
- Centralised purchasing



Effective exploitation of possibilities

- Products targeted at treatments at clinics and in home care, intensive care and obese patients
- Focus on single-use electronics, visualisation and wireless sensors
- Continuous focus on emerging markets and optimisation in Europe and the USA
- Larger volume via acquisitions
- Ongoing building of competencies
- High efficiency and solid scalable business platform





Questions



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