

Q1 2023/24 AIDE-MÉMOIRE

INTRODUCTION

This aide-mémoire sets forth public information previously provided by Ambu. The information provided below may prove helpful in estimating the financial performance for Q1 2023/24 (Oct 2023 - Dec 2023).

Please note that the items listed below are not exhaustive.

FINANCIAL GUIDANCE (2023/24)

On November 8, 2023, in connection with our annual results for the financial year 2022/23, we issued the financial guidance for the financial year 2023/24.

	Organic revenue growth	EBIT margin (before special items)	Free cash flow (before acquisitions)
2023/24 Outlook	7-10%	8-10%	DKK +270m
<i>2022/23 Results</i>	<i>7.6%</i>	<i>6.3%</i>	<i>DKK 192m</i>

GUIDANCE COMMUNICATION (2023/24)

ORGANIC REVENUE GROWTH

“We feel very confident to put out an organic revenue guidance for the year that we have started now of 7% to 10% organic revenue growth. This growth, we expect to be driven by our key focus area, Endoscopy Solutions, which we expect to grow by 15%”

(Q4 Earnings Call, Nov 8, 2023)

“When we look at our growth, and this is important to note, strategic initiatives that we have taken related to our Anesthesia and Patient Monitoring business (...) actually is baked into the outlook, but would have had -- or does impact the revenue by 1% to 1.5%, but again, included in our guidance.”

(Q4 Earnings Call, Nov 8, 2023)

“Ambu plans to improve profitability in the Anaesthesia and Patient Monitoring businesses by implementing sizable price increases in selected low-margin areas. (...) Ambu has started to exit ~40 countries, corresponding to an estimated annual revenue of approximately DKK 20m. These strategic initiatives are expected to have a positive impact on profitability and cash flow mid-term, but will potentially result in a revenue decline in 2023/24 within Anaesthesia and Patient Monitoring, combined.”

(Q3 2022/23 Earnings Release, Aug 31, 2023)

“If we look at Anesthesia and Patient Monitoring, our focus, as we have said, is that we have a focus on driving more profitable growth in this segment. So that means that we still have contracts that are coming up where we see a need to take significant price increases to remain on a profit level. And there's some uncertainty related to these because we don't know how they will end up. And also, it will be a little unsure pending the final conclusion on these when that will have an effect in the market”

(Q4 Earnings Call, 8 Nov, 2023)

“Key areas of growth, urology and ENT, last year, we expect those to continue to grow and then the GI area will be more a gradual ramp-up based on the niches that we are targeting.”

(Q4 Earnings Call, 8 Nov, 2023)

“Should also add that the aScope 5, as I alluded to, we do see strong momentum on this. And as we see the demand both in the suite and outside the suite that will also be a contributor to the growth in the fiscal year that we are entering.”

(Q4 Earnings Call, 8 Nov, 2023)

“(…) it's correct that a key part of the 15% growth is from existing products”

(Q4 Earnings Call, 8 Nov, 2023)

“We are not giving any soft guidance for Q1, unfortunately, but I can say we are off to a good start through the year and again, with full normalization post-COVID, so we don't have those effects weighing in anymore”

(Q4 Earnings Call, 8 Nov, 2023)

MARGINS

“The EBIT margin improvements (...) will be a mix of gross margin improvements and also improvements in the OpEx ratio. (...) what is driving the gross margin is, of course, it's an area that we continue to focus on our transformation journey. And then it's also product mix related, which is also where, of course, given the other uncertainties I talked about on the Anesthesia and Patient Monitoring side, those are, of course, also impacting this area. But what we are, of course, looking at is higher endoscopy sales, which has a favorable impact on the gross margin”

(Q4 Earnings Call, 8 Nov, 2023)

“When it comes to our EBIT and the 8% to 10%, we still, have some quarterly swings on our cost side. But more importantly, we continue to see inflation. It has gone a bit down compared to a year ago. But you have to remember that the inflation is still one that affects our cost, but where we are not, to the same extent, able to put that on our customers at the same speed, lot of that because we a lot of the business is tied up on contracts.”

(Q4 Earnings Call, 8 Nov, 2023)

“We have had ramp-up costs in -- I mean, in the '22, '23 for Mexico. We are not at full capacity where we want to be, but we're doing it gradually. So you can still expect to see some of that, but -- yes, and then we are not giving specific guidance on the amount, but there will still be some ramp up during the year”

(Q4 Earnings Call, 8 Nov, 2023)

FINANCIALS

“Free cash flow of DKK 270 million for the year, driven by both a higher EBIT margin and also continued savings from our cost reduction program”

(Q4 Earnings Call, 8 Nov, 2023)

“On net financial costs, maybe a couple of comments. First and foremost, we've, of course, done a capital increase, as you know, back in March. And that capital increase, we have basically used also to lower our debt. Secondly, with the very significant improvement in our cash flow and a positive cash flow, as you also will see in the details of the annual report, we basically don't have any outstanding debt towards the banks anymore. So that also means that the net financial cost we really have been driving down, and we don't really expect anything major within the net financial cost looking forward”

(Q4 Earnings Call, 8 Nov, 2023)

LONG TERM FINANCIAL TARGETS

	5-year CAGR (22/23-27/28)	Comments
Organic revenue growth	>10%	
Endoscopy Solutions	15-20%	Current portfolio in growing market, combined with strong pipeline
Anaesthesia and Patient Monitoring	2-4%	In line with market growth. Margin expansion initiatives may drive lower growth short-term
EBIT margin (before special items)	~20%	Improvements in gross margin and scale in OPEX. Potential trade-offs with growth investments

(Capital Market Day Presentation, March 21, 2023)

“The company expects an EBIT margin (before special items) >10% within the next two years, with a 5-year target of ~20% (2027/28). Given the market potential, Ambu strives for a balance between revenue growth and profitability that corresponds with Ambu’s long-term financial targets, with potential short-term trade-offs on EBIT margin, if growth investments are available to secure long-term sustainable profitable growth”

(Capital Markets Day Press Release, March 21, 2023)

EXCHANGE RATE ASSUMPTIONS FOR 2023/24

Currency	Average in 2021/22	Expected for 2022/23
USD/DKK	6.98	6.95
MYR/DKK	1.54	1.47
CNY/DKK	0.99	0.98
GBP/DKK	8.55	8.61

(Annual Report, Nov 8, 2023)

“Approximately 50% of Ambu’s total revenue is invoiced in USD. Furthermore, approximately 31% of revenue is invoiced in EUR or DKK, and approximately 8% in GBP, while the remaining 11% is invoiced in other currencies. Production and capacity costs are predominantly settled in USD, DKK, EUR, MYR and CNY.”

(Annual Report, Nov 8, 2023)

INVESTOR RELATIONS CONTACT

Anders Hjort

Head of Investor Relations

Telephone: +45 2892 8881

E-mail: Anhj@ambu.com

Frederik Futtrup

Associate, Investor Relations

Telephone: +45 6070 9526

E-mail: Ffu@ambu.com

FORWARD-LOOKING STATEMENTS

Forward-looking statements, especially such as relate to future revenue and operating profit, are subject to risks and uncertainties. Various factors, many of which are outside Ambu's control, may cause the actual development to differ materially from the expectations contained in this memo. Factors that might affect such expectations include, among others, changes in health care, in the world economy, in interest rate levels and in exchange rates.