

# 2022/23 RESULTS

AMBU A/S  
INVESTOR PRESENTATION

**Ambu**



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### Today's speakers



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CEO



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CFO





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# FY 2022/23 FINANCIAL HIGHLIGHTS: STRONG PROGRESS ON KEY PARAMETERS – ON TRACK TO DELIVER ON LONG-TERM TARGETS

Organic revenue  
growth

**7.6%**

Q4 2022/23: 14.1%

EBIT margin  
before special items

**6.3%**

Q4 2022/23: 7.7%

Free cash flow  
(DKK)

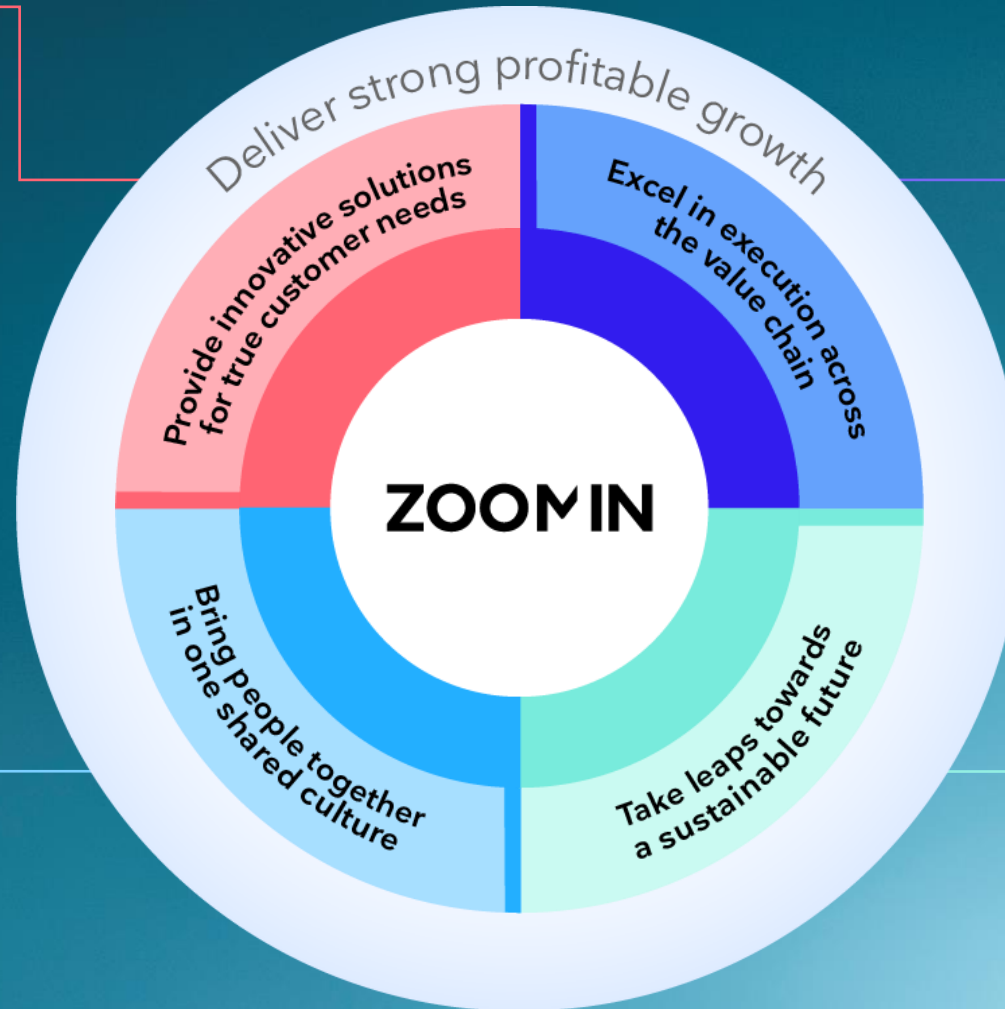
**192m**

Q4 2022/23: 188m

# SOLID PROGRESS IN FY 2022/23 ON STRATEGIC AND OPERATIONAL PRIORITIES

- Global launch of the complete aScope™ 5 Broncho portfolio
- Next-generation endoscopy system – aView™ 2 Advance
- Expanded urology offering with aScope™ 5 Cysto HD solution
- New solutions within gastroenterology with aScope™ Gastro Large and aScope™ Colon

- Improved organisational setup, to improve efficiency and reduce complexity
- New purpose and values rolled out
- Executive Leadership Team strengthened

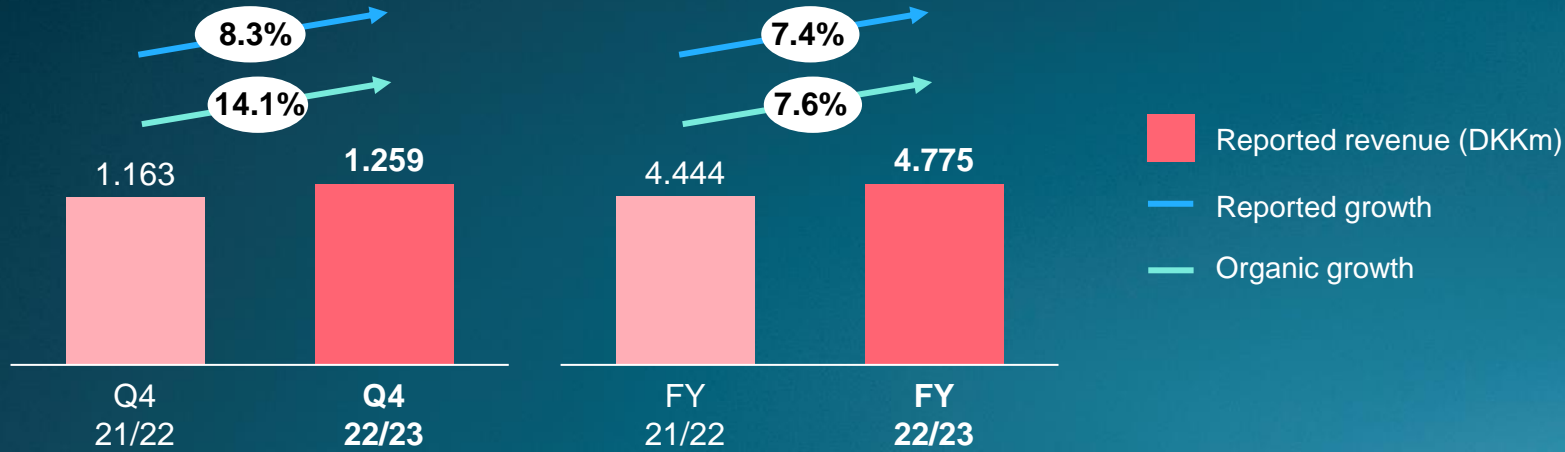


- Driving cost focus and efficiency improvement across the business
- Focused geographical presence with exit from ~40 small markets globally
- Profitability measures in Anaesthesia & Patient Monitoring, implementing specific price increases in selected low-margin product areas

- 2030 science-based target submitted
- World's first endoscope with bioplastics – to be implemented in all single-use endoscopes by 2024/25

# FY 2022/23 REVENUE GROWTH OF 7.6% (14.1% IN Q4), DRIVEN BY ENDOSCOPY SOLUTIONS

## REVENUE GROWTH

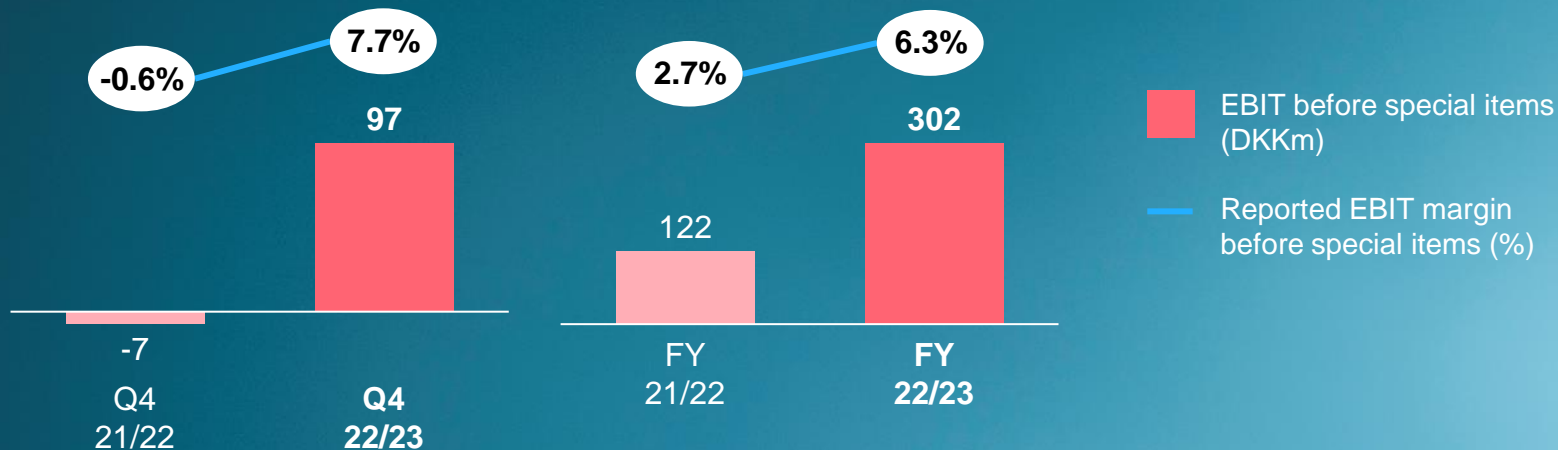


**7.6%**

(2021/22: 4%)

organic growth is driven by continued momentum in Endoscopy Solutions

## EBIT BEFORE SPECIAL ITEMS



**6.3%**

(2021/22: 2.7%)

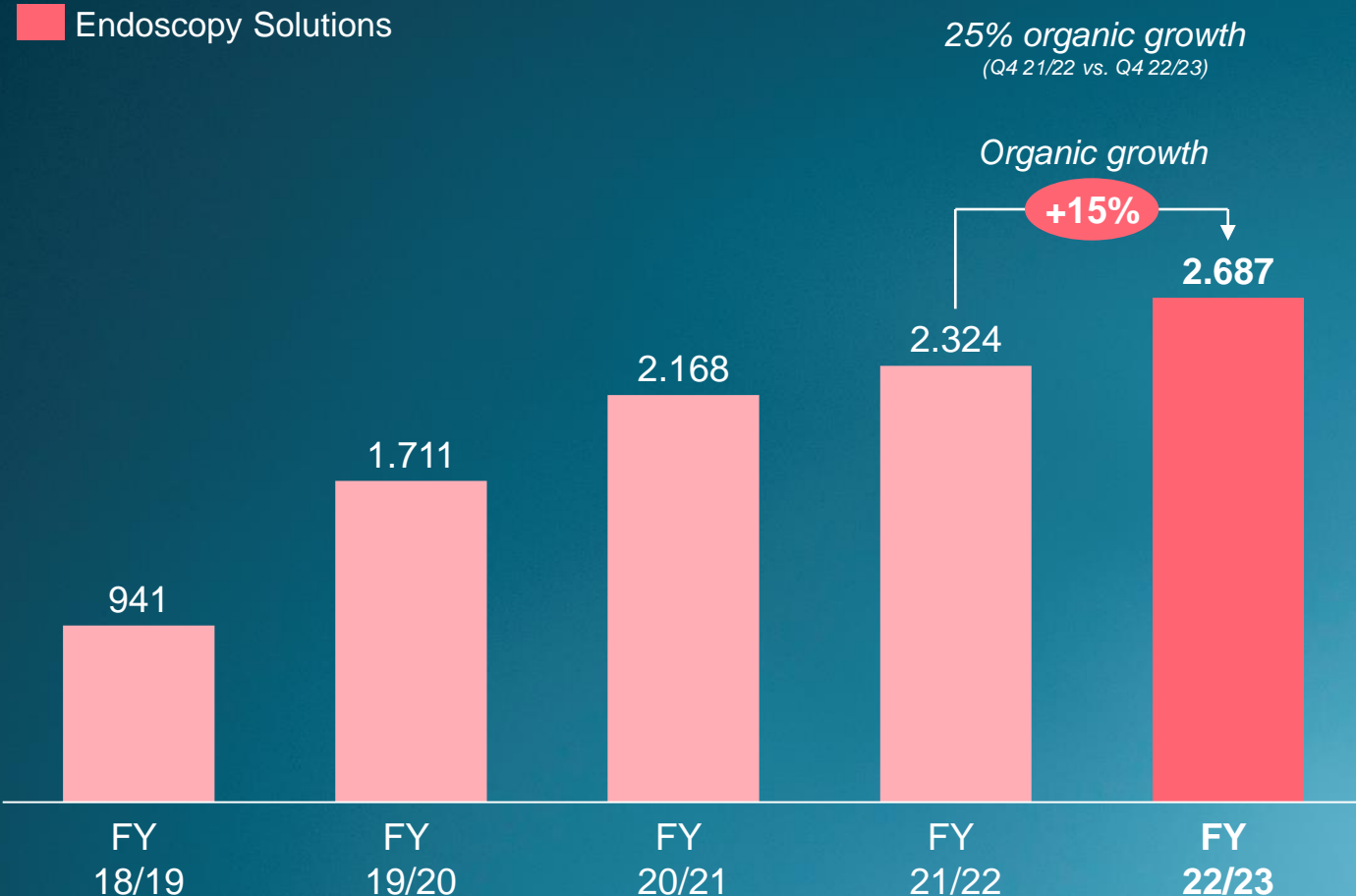
EBIT margin is mainly driven by strengthened product mix and increased scale in OPEX



# FY 2022/23 ENDOSCOPY SOLUTIONS GREW 15% AND 25% IN Q4

DRIVEN BY UROLOGY AND ENT, WITH PULMONOLOGY RETURNING TO GROWTH. PARTICULARLY STRONG GROWTH IN H2 2022/23

## REPORTED REVENUE (DKKm)



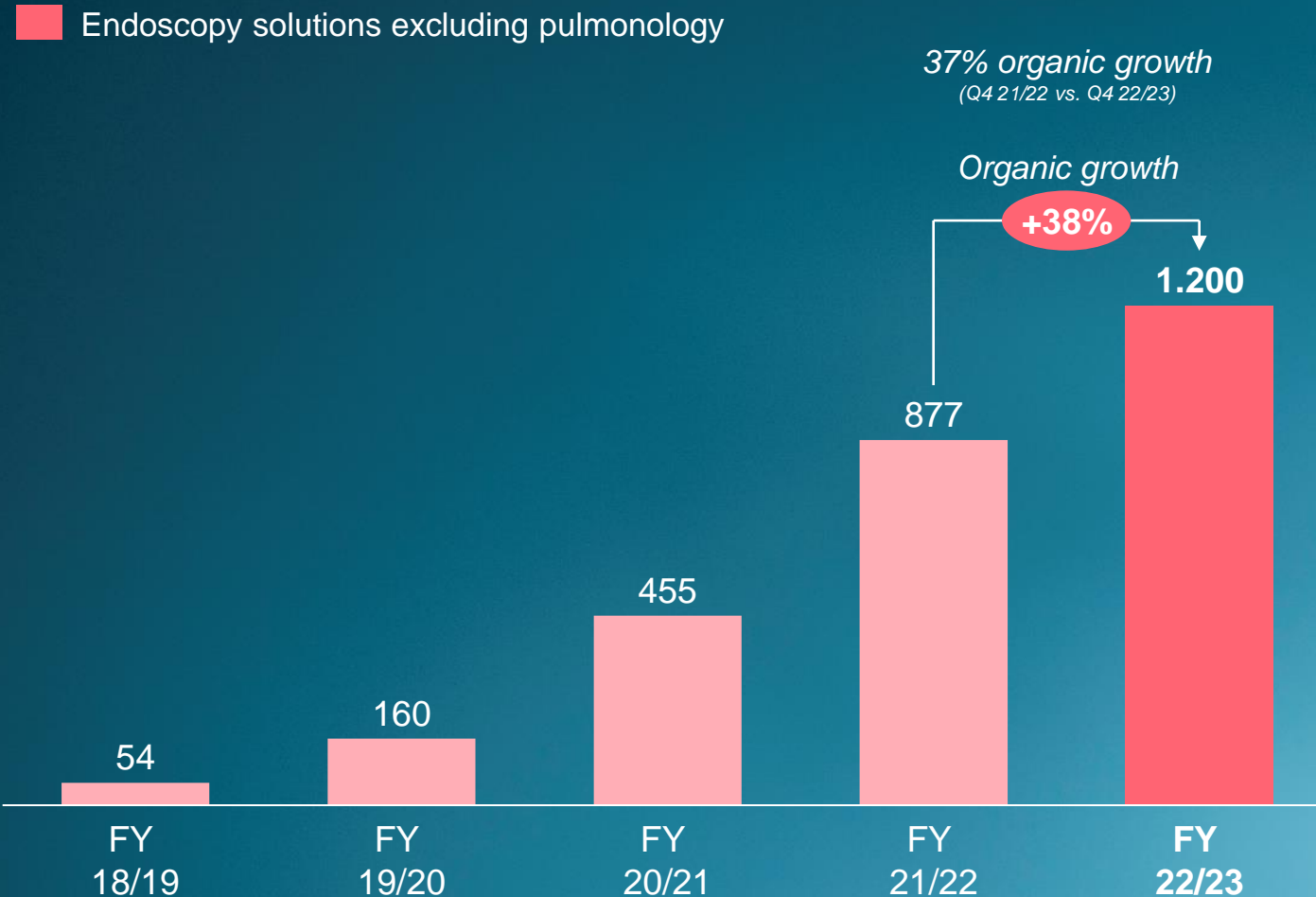
**Urology & ENT maintained high growth**, driven by an increased penetration of existing and new customers



**Pulmonology returned to growth**, driven by increased procedure volumes and the healthcare market recovering from Covid-19

# FY 2022/23 ENDOSCOPY SOLUTIONS EXCL. PULM GREW 38% AND 37% IN Q4 DRIVEN BY CONTINUED STRONG MOMENTUM WITHIN UROLOGY AND ENT

## REPORTED REVENUE (DKKm)



## 2022/23 HIGHLIGHTS

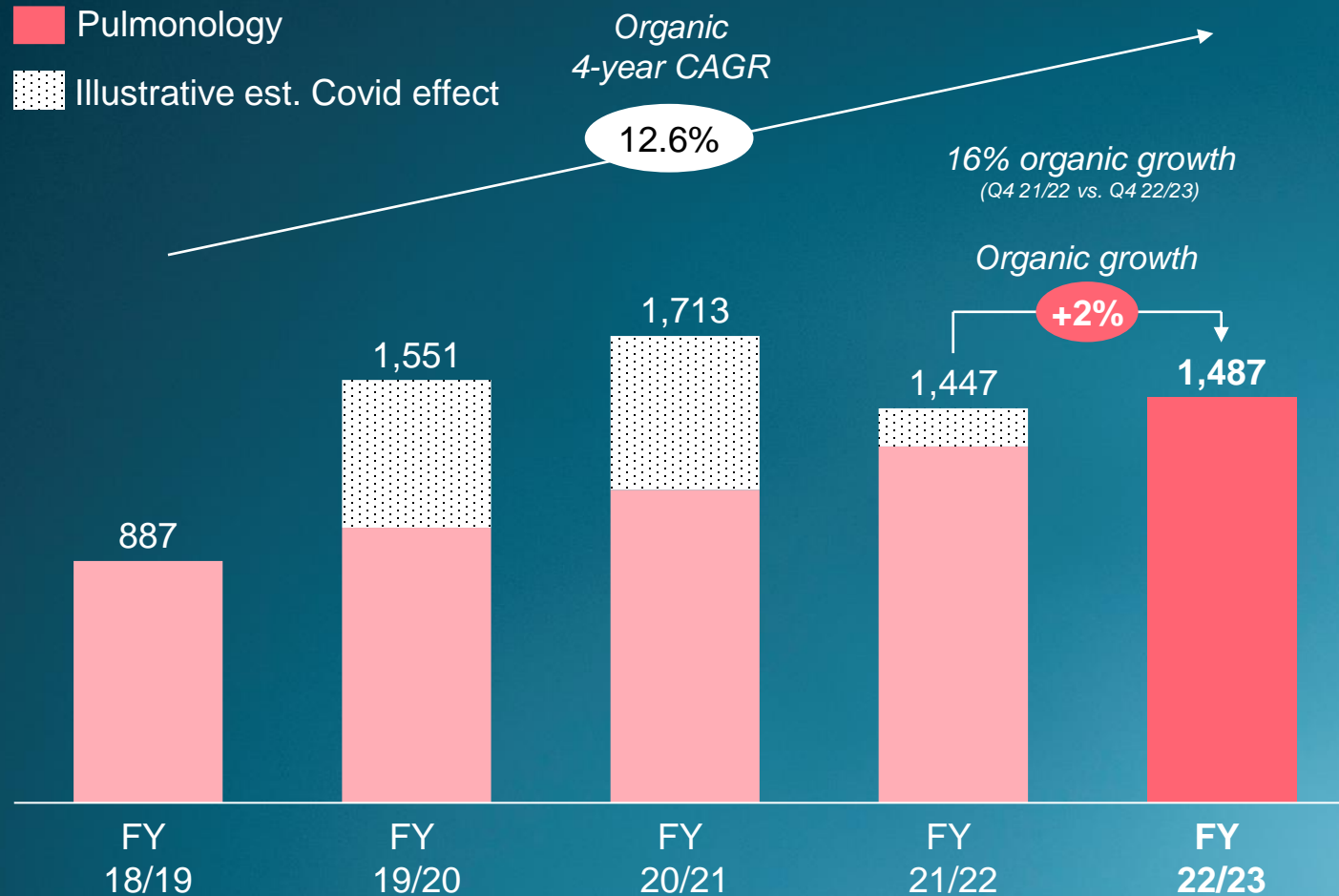
- **Urology:** Driven by both new customer acquisition and increased penetration of existing customers, especially in the US. Overall, urologists are responding positively to the workflow efficiencies gained by using the Ambu® aScope™ 4 Cysto
- **ENT:** Maintained high growth, continued to be driven by FEES procedures, workflow efficiencies and technology advancements of the Ambu® aView™ 2 Advance endoscopy system
- **GI:** Launch execution of Ambu® aScope™ Gastro in selected niches continues, with increase in both new and re-buying customers, and continued strong customer feedback on product performance



# FY 2022/23 PULMONOLOGY GREW 2% AND 16% IN Q4

## DRIVEN BY HIGHER PROCEDURE VOLUME AND STRENGTHENED PULMONOLOGY PORTFOLIO

### REPORTED REVENUE (DKKm)



### 2022/23 HIGHLIGHTS

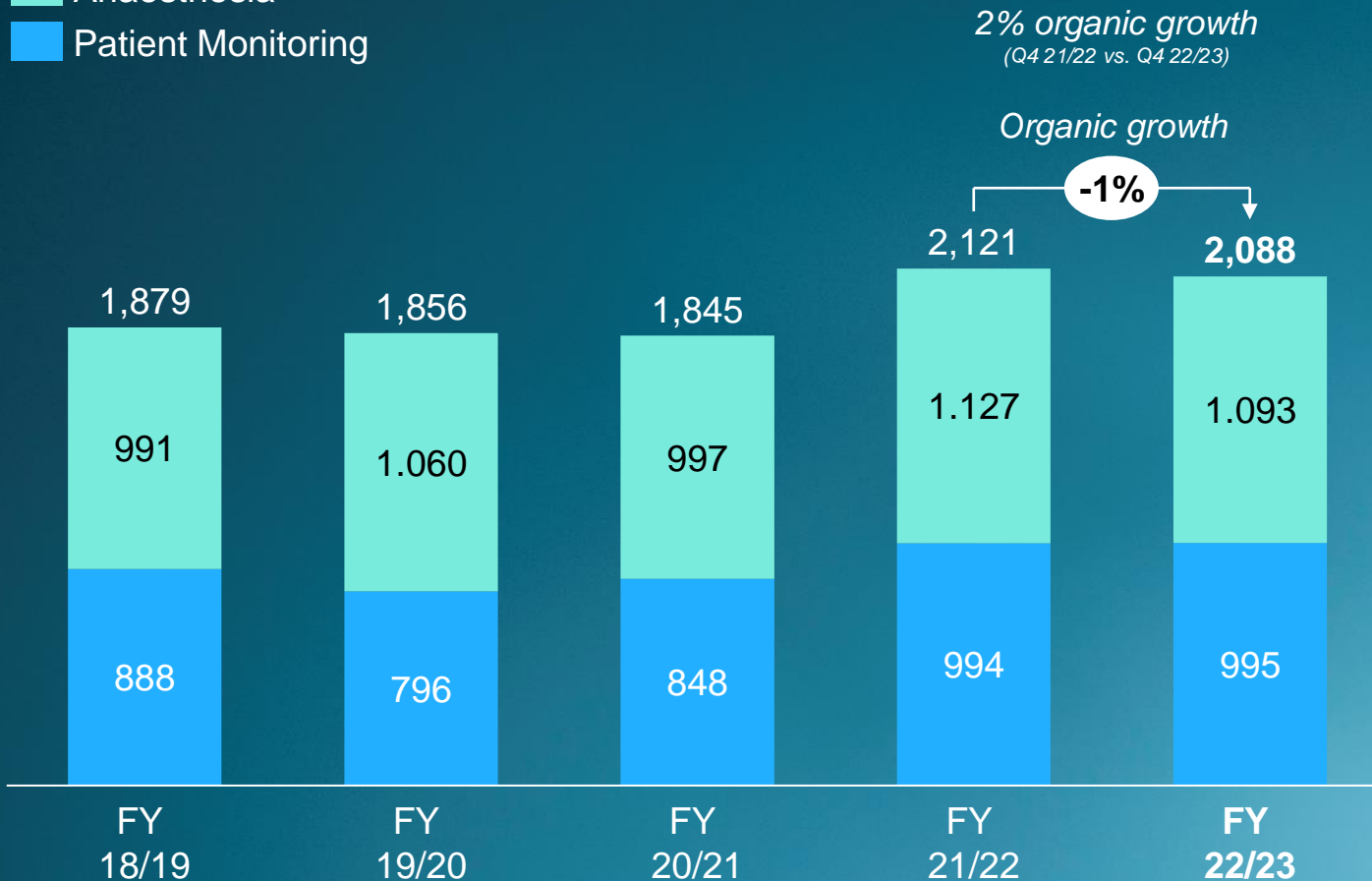
- FY organic growth of 2% was impacted by post Covid market normalization
- In Q4 2022/23, pulmonology grew organically 16% y-o-y, compared to Q4 last year, and 5% q-o-q, compared to Q3 2022/23, driven by increased procedure volumes, as well as strengthened single-use pulmonology portfolio with aScope™ 5 Broncho
- aScope™ 5 Broncho demonstrated strong performance in 2022/23. The solution delivers high performance and flexibility needed for a complex and demanding workflow in the bronchoscopy suite

# FY 2022/23 ANAESTHESIA & PATIENT MONITORING DECLINED 1% AND GREW 2% IN Q4

MAINLY RELATED TO LAST YEAR'S HIGH COMPARABLES

REPORTED REVENUE (DKKm)

■ Anaesthesia  
■ Patient Monitoring



## 2022/23 HIGHLIGHTS

- Anaesthesia and Patient Monitoring posted organic decline of 1% in 2022/23, combined, but grew 2% in Q4
- The businesses are starting to benefit from a general recovery in the hospital market in both North America and Europe, however, offset by high comparables, due to backlog reduction, combined with stockpiling last year
- Generally, tenders are again being issued at a bigger scale post Covid-19, due to improved access to hospitals and reduction in waiting lists

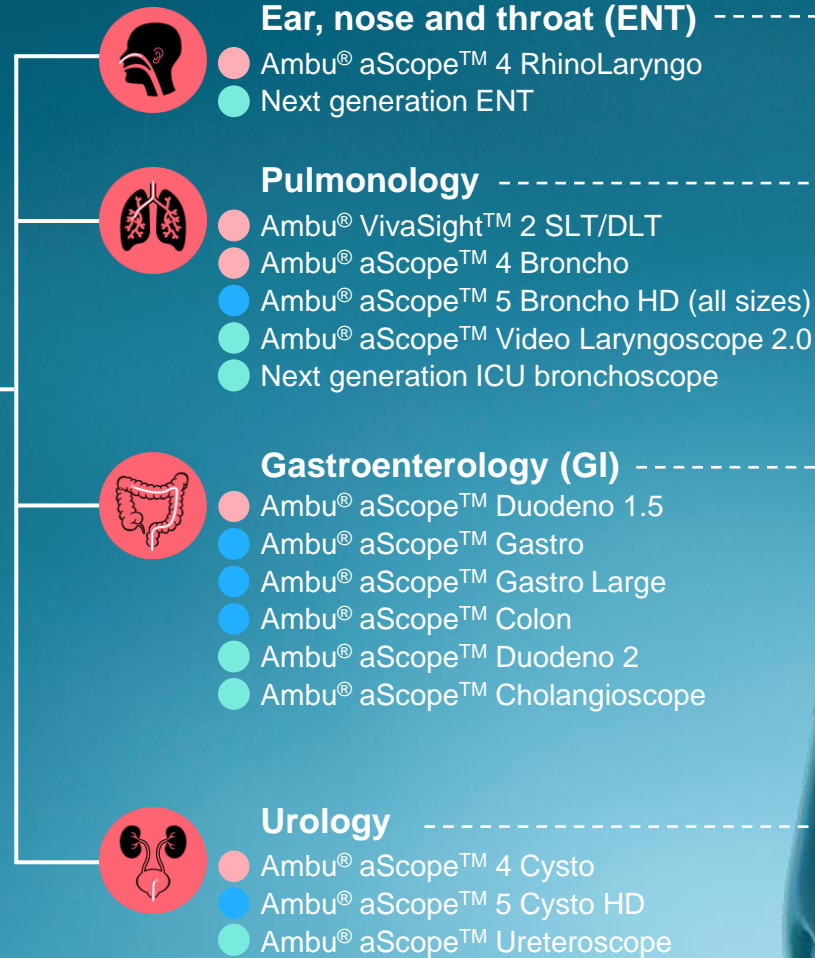
# PORTFOLIO BOOSTED WITH NEW PRODUCTS, AND A STRONG PIPELINE TO SUPPORT FUTURE GROWTH



## Ambu® aBox™ 2 & Ambu® aView™ 2 Advance

- Technology advancements
- Bronchoscopy Positioning System (AI)

- Solutions in-market
- New solutions approved
- Solutions in development

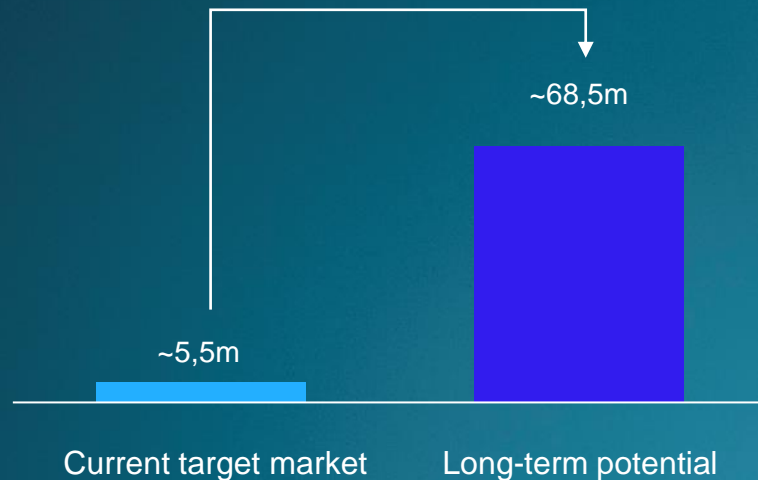




# GASTROENTEROLOGY (GI): SIGNIFICANT ADVANCEMENT WITH APPROVAL OF TWO NEW SOLUTIONS, BUILDING LONG-TERM FOUNDATION FOR GROWTH

We are advancing single-use endoscopy in GI, building the long-term foundation for growth

## Annual GI procedures



With FDA approval of aScope™ Colon and CE mark for aScope™ Gastro Large in EU, we continue our focus on high-need, niche segments, applying a stepwise expansion

Approved				
 <p><b>aBox™ 2</b></p>	 <p>aScope™ Duodeno 1.5</p>	 <p>aScope™ Gastro</p>	 <p>aScope™ Gastro Large</p>	 <p>aScope™ Colon*</p>
	<hr/>			
In development				
	 <p>aScope™ Duodeno 2</p>	 <p>Cholangio- scope</p>		

# INTEGRATING BIOPLASTICS ACROSS FULL PORTFOLIO OF ENDOSCOPES



## WORLD'S FIRST BIO-ATTRIBUTED PLASTIC HANDLE

aScope™ Gastro Large sets new standards for single-use sustainability

## BIOPLASTIC IN ALL ENDOSCOPES

by 2024/25, marking an important step in transforming the industry towards sustainable endoscopy

## REDUCE CARBON FOOTPRINT IN THE HANDLE

by 70%, on raw material level, by moving from traditional ABS plastic to bio-ABS plastic

## GAINING COMPETITIVE ADVANTAGE

with sustainable products becoming a key factor for our customers

## WHAT IS BIOPLASTIC?

The bioplastic material is derived from bio-based second-generation feedstock (such as food waste). Second-generation feedstock aligns with the principles of a circular economy, where materials are continuously reused and waste is minimised

# TAKING LEAPS TOWARDS A SUSTAINABLE FUTURE – SOLID PROGRESS ON SUSTAINABILITY AGENDA IN FY 2022/23

## FY 2022/23 ACCOMPLISHMENTS TOWARDS RESPONSIBLE OPERATIONS



### Science-based targets initiative (SBTi)

- ✓ Submitted near-term targets to SBTi for scope 1+2 and 3



### Utilising sustainable energy sources

- ✓ The renewable energy share for Ambu was increased by 1.3%-pts



### Optimising production

- ✓ Water consumption reduced by 7.7%
- ✓ Total waste reduced by 7.4%

## CIRCULAR PRODUCTS AND PACKAGING



### Bioplastic in all endoscopes by start of 2025

- ✓ The release of the Ambu® aScope™ Gastro Large – the world's first endoscope manufactured with bioplastic materials



### Packaging for high-volume products

- ✓ Activities ongoing to implement bioplastics in protective parts



### Recycling offering in key markets

- ✓ Recycling program, take-back and energy recovery offerings in select key markets





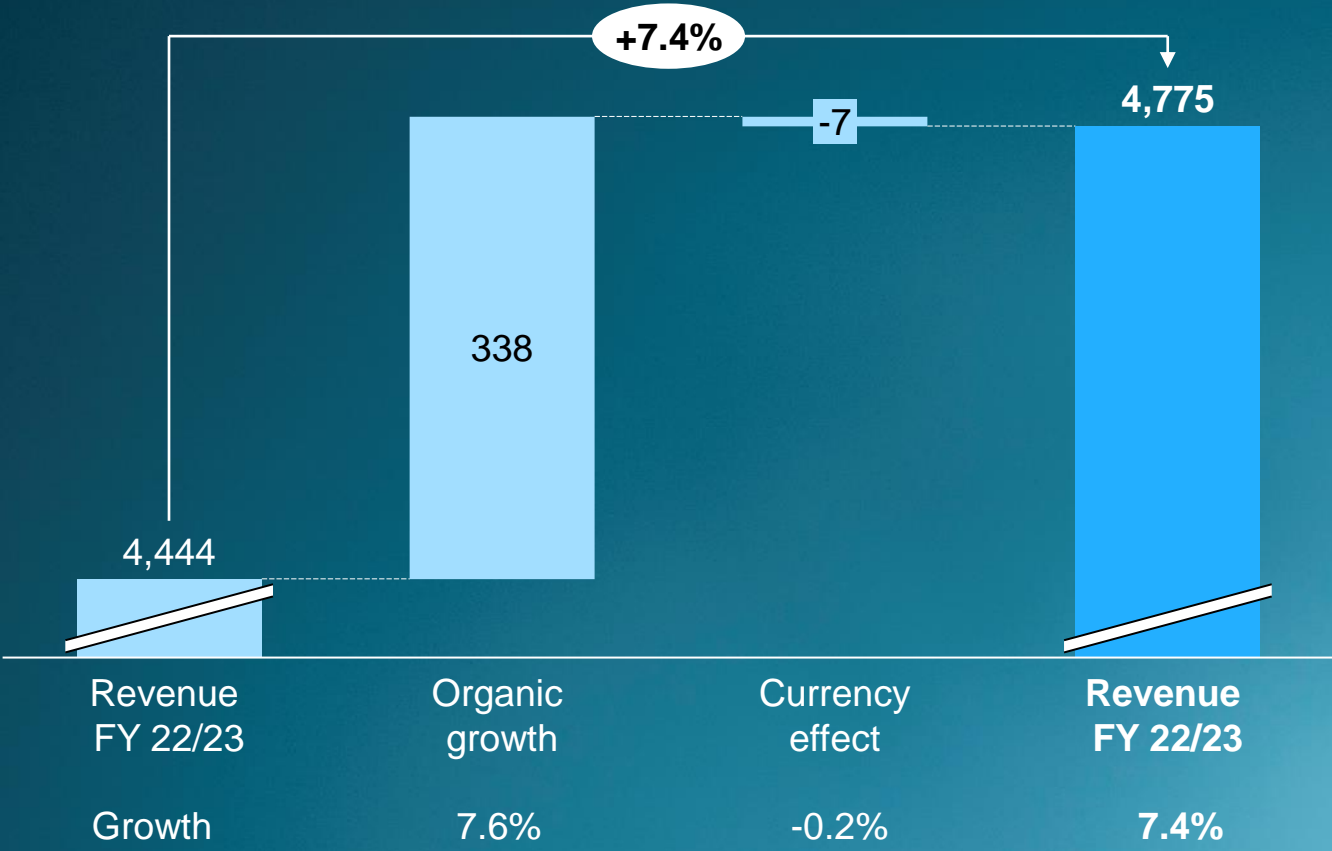
**THOMAS  
FREDERIK  
SCHMIDT**

CFO



# FY 2022/23 REPORTED REVENUE GROWTH OF 7.4%, DRIVEN BY ORGANIC GROWTH OF 7.6%, OFFSET BY CURRENCY EFFECT OF -0.2%-POINTS

REPORTED GROUP REVENUE (DKK m)



Reported revenue increased by DKK 331m in 22/23, or 7.4%, compared to last year

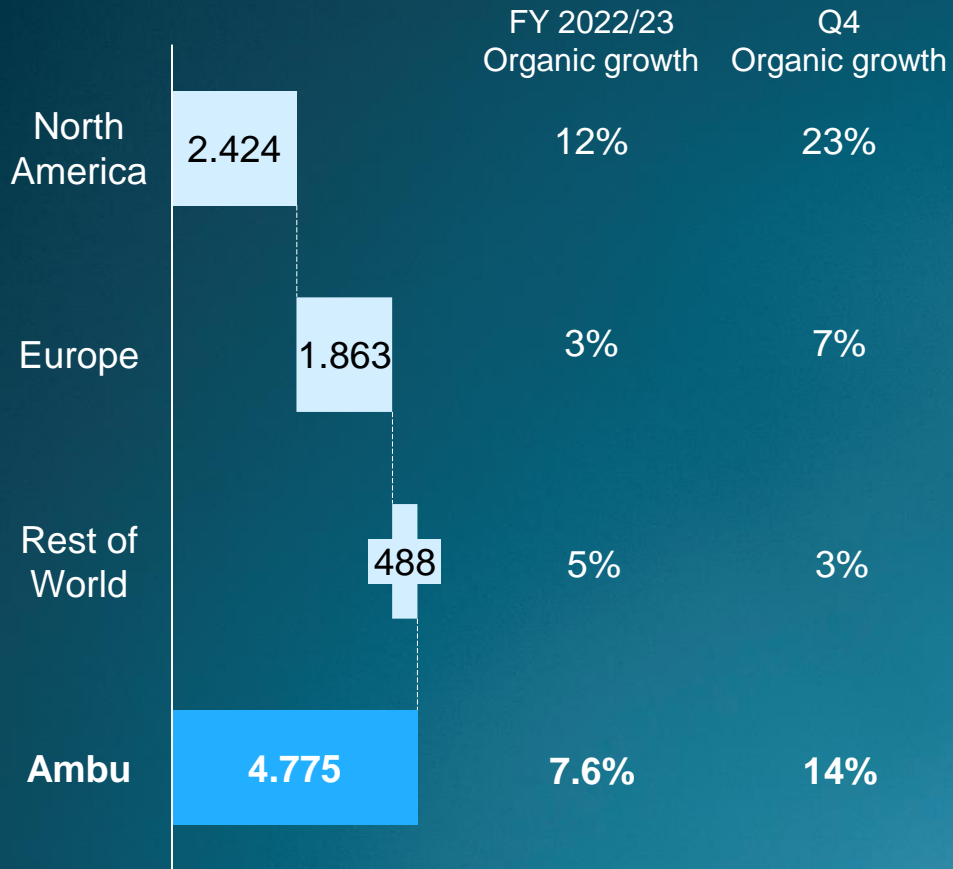


Foreign exchange rates had a negative impact of DKK -7m, or -0.2%-pts

# FY 2022/23 GROWTH DRIVEN BY NORTH AMERICA WITH CONTINUED MOMENTUM IN ENDOSCOPY SOLUTIONS

## REVENUE BY GEOGRAPHY

FY 2022/23 reported revenue (DKKm)



### North America



**FY 2022/23 organic growth of 12%**, driven by Endoscopy Solutions growing 23% due to strong growth Urology and ENT. Anaesthesia and Patient Monitoring revenue was flat for the year with organic growth of -1% and 1%, respectively, due to high comparables in FY 2021/22

### Europe



**FY 2022/23 organic growth of 3%**. FY 2022/23 Endoscopy Solutions growing 5%. Patient Monitoring declined by 1%, while Anaesthesia grew 2% due to general recovery of the hospital market

### Rest of World



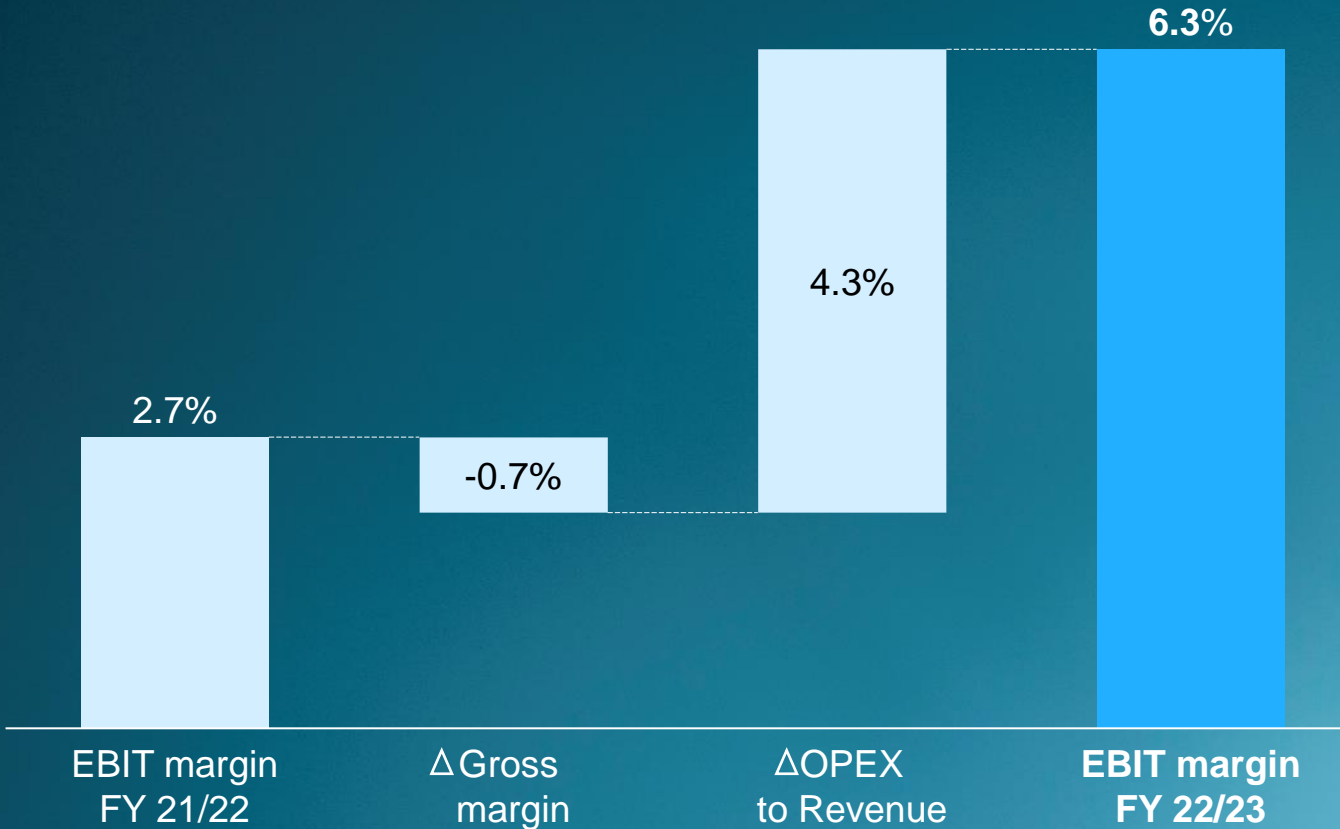
**FY 2022/23 organic growth of 5%**, positively impacted by Endoscopy Solutions and Patient Monitoring growing 18% and 10%, respectively, while Anaesthesia declined by 13%.



# FY 2022/23 REPORTED EBIT MARGIN B.S.I. OF 6.3% (2021/22: 2.7%)

DRIVEN BY OPEX IMPROVEMENTS

## EBIT MARGIN BEFORE SPECIAL ITEMS (%)



### FY 2022/23 HIGHLIGHTS

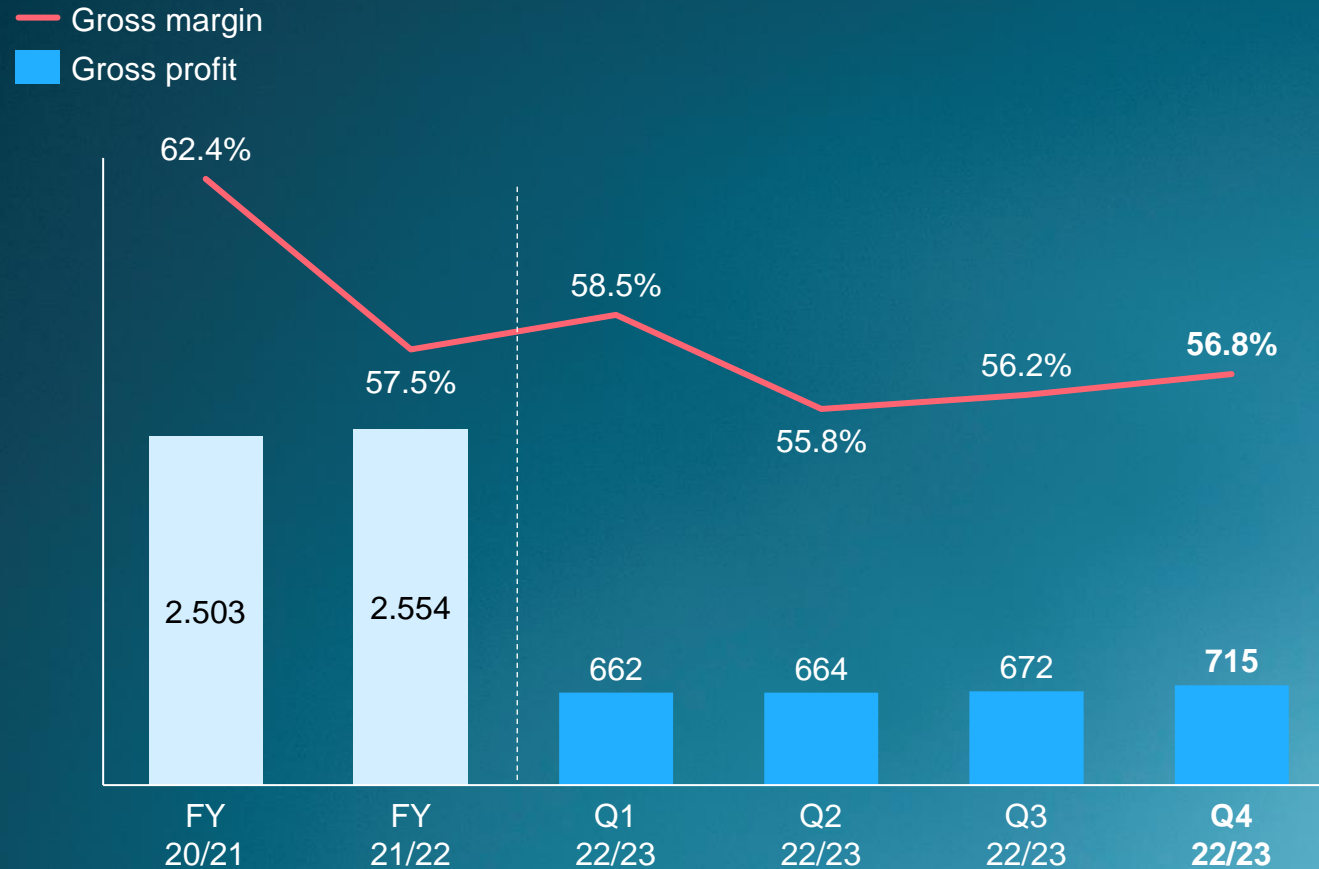
- Operating profit (EBIT) before special items was DKK 302m (DKK 122m), corresponding to an EBIT margin before special items of 6.3% (2.7%)
- The improved EBIT margin before special items of 3.6% percentage points was mainly driven by revenue growth and reduced operational costs in distribution and staff
- Gross margin was positively affected by strengthened product mix from higher-margin Endoscopy Solutions, however, more than offset by inflationary effects on Ambu's input prices and overheads from scaling-up the factory in Mexico

*Note: Special items accounted for DKK 8m for the full year 2022/23*

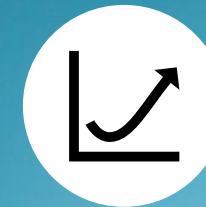
# FY 2022/23 GROSS MARGIN WAS 56.8% (2021/22: 57.5%) AND 56.8% IN Q4

POSITIVE IMPACTED BY STRENGTHENED PRODUCT MIX, HOWEVER, MORE THAN OFFSET BY HIGHER INPUT PRICES

## GROSS PROFIT (DKKm and % of revenue)



**Gross profit in FY 2022/23 totalled DKK 2,713**, representing an increase of 6% compared to last year

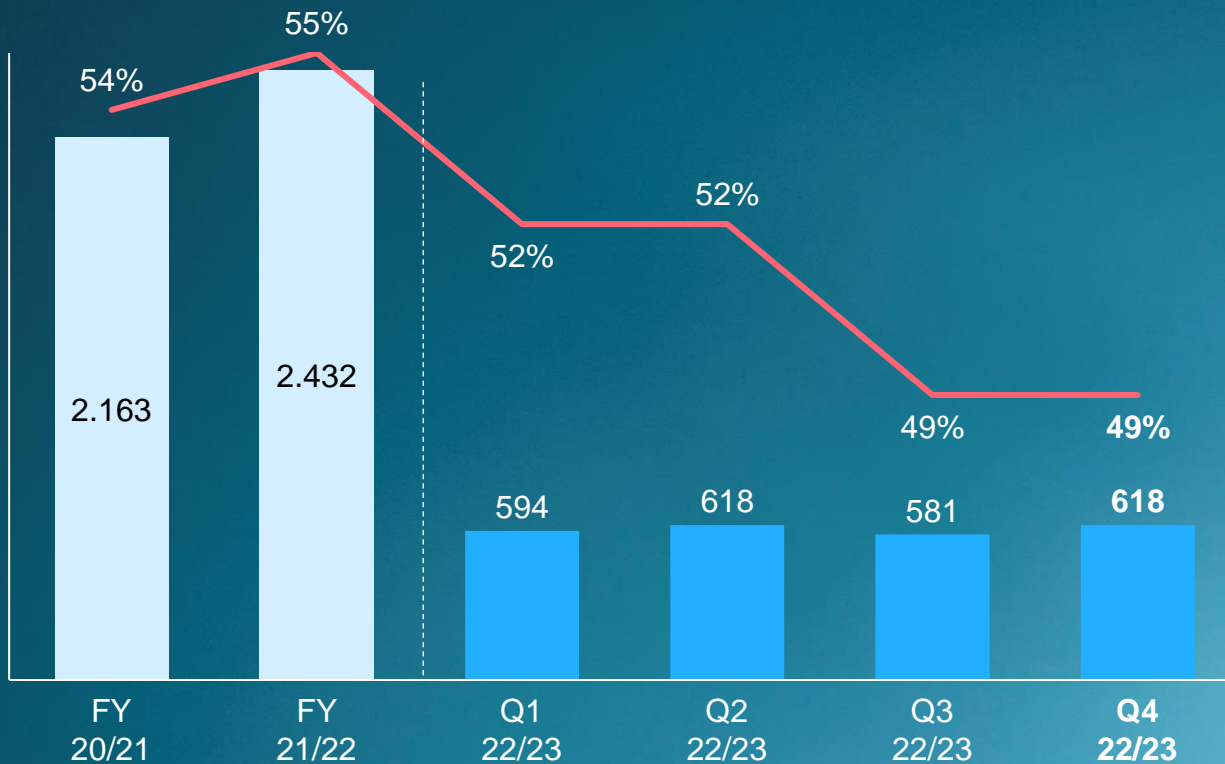


**Gross margin declined to 56.8%** for the full-year 2022/23 due to higher input prices and overheads from scaling up the factory in Mexico, however, positive impacted by strengthened product mix

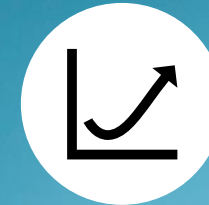
# FY 2022/23 OPEX RATIO IMPROVED TO 50% (2021/22: 55%) AND 49% IN Q4 DUE TO LOWER SELLING COSTS, IN ALIGNMENT WITH THE ZOOM IN STRATEGY'S OBJECTIVE OF MORE PROFITABLE GROWTH

## OPEX (DKKm and % of revenue)

— OPEX to revenue ■ OPEX



**OPEX in 2022/23 totalled DKK 2,411m, representing a decrease of 1% compared to last year**

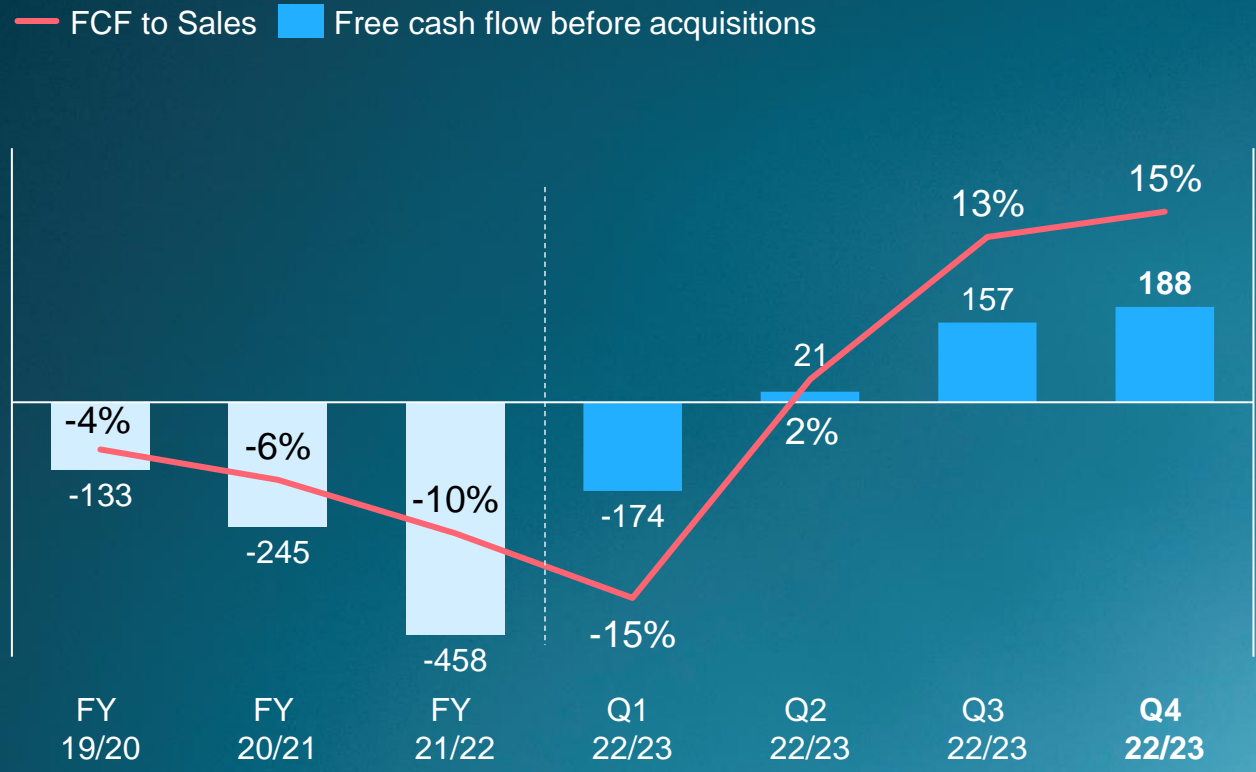


**Improved OPEX to revenue ratio to 50% for the full-year 2022/23 due to the cost reduction program, lower freight rates, efficiencies and general cost containment**



# FY 2022/23 CASH FLOW IMPROVEMENT HAS ACCELERATED, DUE TO SUCCESSFUL IMPLEMENTATION OF FINANCIAL INITIATIVES ...

## FREE CASH FLOW (DKKm and % of revenue)



**Free cash flow before acq.** totalled DKK 192m in 2022/23, with FCF to sales of 4%



**Free cash flow before acq.** was improved with DKK 650m compared to full-year 2021/22

# ... WITH NET WORKING CAPITAL LOWERED TO 20% OF REVENUE AND INVENTORY LEVEL BELOW DKK 1BN



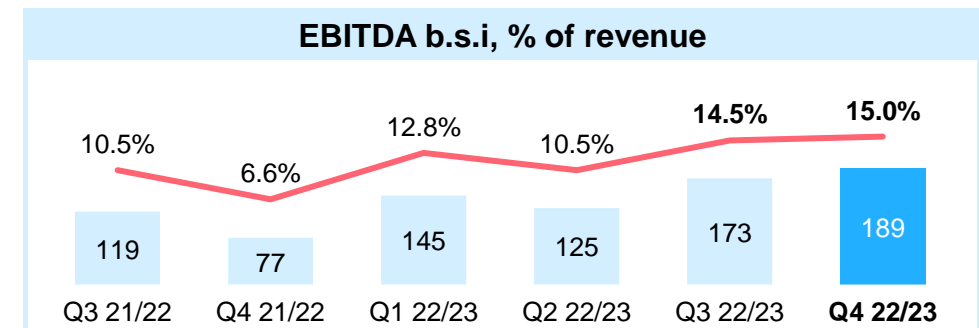
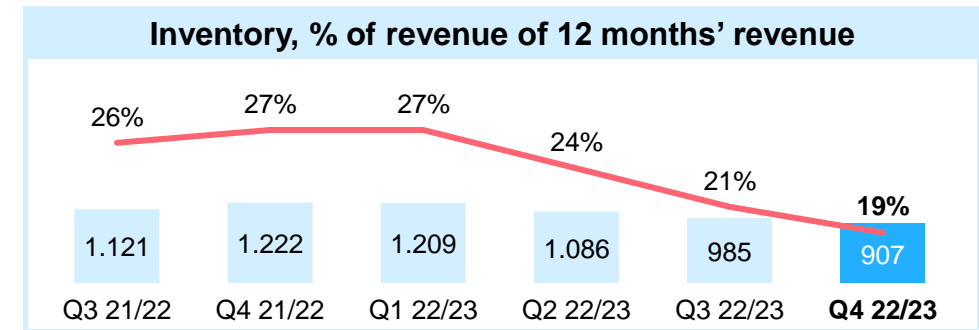
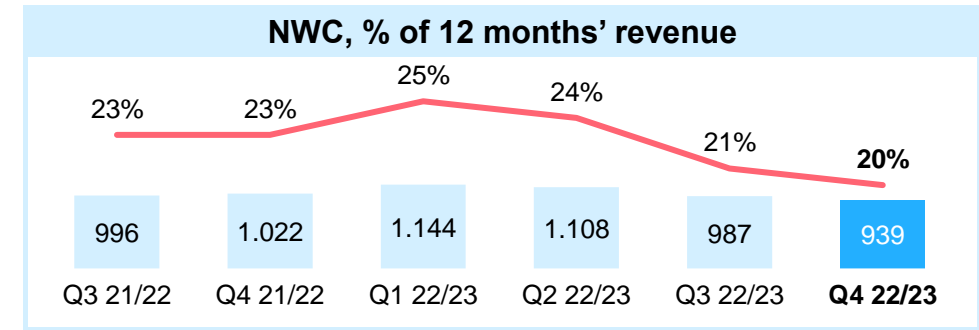
**2022/23 cash flow before acq. of DKK 192m** was driven by lower CAPEX investments, improved EBITDA and decreasing NWC to 20% of revenue



**Improving inventory performance** with ongoing initiatives to achieve a more optimal level relative to revenue. Inventory level decreased to DKK 907m corresponding to 19% of revenue



**Continued execution of our ZOOM IN strategy** with increased EBITDA due to the commitment to delivering long-term sustainable and profitable revenue growth








**BRITT  
MEELBY  
JENSEN**

CEO



# FY 2023/24 FINANCIAL GUIDANCE

	2023/24 outlook	2022/23 actuals	Comments on 2023/24 outlook
 <b>ORGANIC REVENUE GROWTH</b>	<b>7-10%</b>	<b>7.6%</b>	<p>Growth will be driven by Endoscopy solutions expected to grow ~15%</p> <p>Outlook includes 1.0-1.5% negative revenue impact due to strategic initiatives*</p>
 <b>EBIT MARGIN</b> b.s.i	<b>8-10%</b>	<b>6.3%</b>	<p>Profitability will be driven by improved gross margin, as well as scale in OPEX</p>
 <b>FREE CASH FLOW</b> Before acquisitions	<b>DKK +270m</b>	DKK 192m	<p>Cash flow will be driven by higher EBIT margin and continued annual savings from cost reduction program</p>



# EQUITY STORY



## Attractive single-use endoscopy market

- Fast growing market
- Unmet customer needs
- Focus on patient safety



## Leading product portfolio

- Impactful single-use benefits
- Well-positioned to win
- Sustainability dedication



## Scalable business model

- High innovation know-how
- Scalable production facilities
- Global commercial infrastructure



## Transforming for growth

- Long-term profitable growth targets
  - Organic revenue growth: 5-year CAGR (2022/23 – 2027/28) of +10%, driven by Endoscopy Solutions organic growth of 15-20%
  - EBIT margin around 20% in 2027/28, potential trade-offs with growth investments



# THANK YOU FOR YOUR ATTENTION

## 8 NOVEMBER: FY 2022/23 earnings

- 9 NOVEMBER: Copenhagen roadshow
- 14 NOVEMBER : Jefferies Healthcare conference in London
- 16 NOVEMBER: Paris roadshow
- 21 NOVEMBER : SEB Healthcare seminar in Stockholm
- 30 NOVEMBER : Danske Bank Winter seminar in Copenhagen
- 5 DECEMBER: New York roadshow
- 6 DECEMBER: Toronto roadshow
- 7 DECEMBER: Chicago roadshow
- 13 DECEMBER: Annual General Meeting
- 9-10 JANUARY: J.P. Morgan Healthcare Conference in San Francisco

## INVESTOR RELATIONS CONTACT

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**Ambu** FOREVER  
FORWARD

# Appendix



# AMBU AT A GLANCE



**DKK 4,775m**  
reported revenue 2022/23



**11%**  
5-year organic revenue CAGR



**~60**  
countries served with  
our products

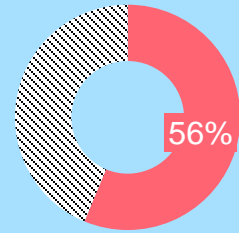


**~4,400**  
employees

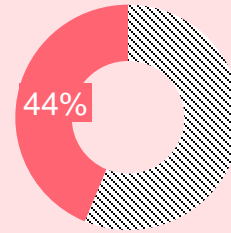
## Endoscopy Solutions

## Anaesthesia & Patient Monitoring

Revenue  
FY22/23  
%



**DKK 2,687m**



**DKK 2,088m**

Offering

Single-use endoscopy solutions for  
procedures across all major  
endoscopy segments

Full portfolio for airway management  
as well as diagnostics and monitoring  
within cardiology and neurology

Product  
examples



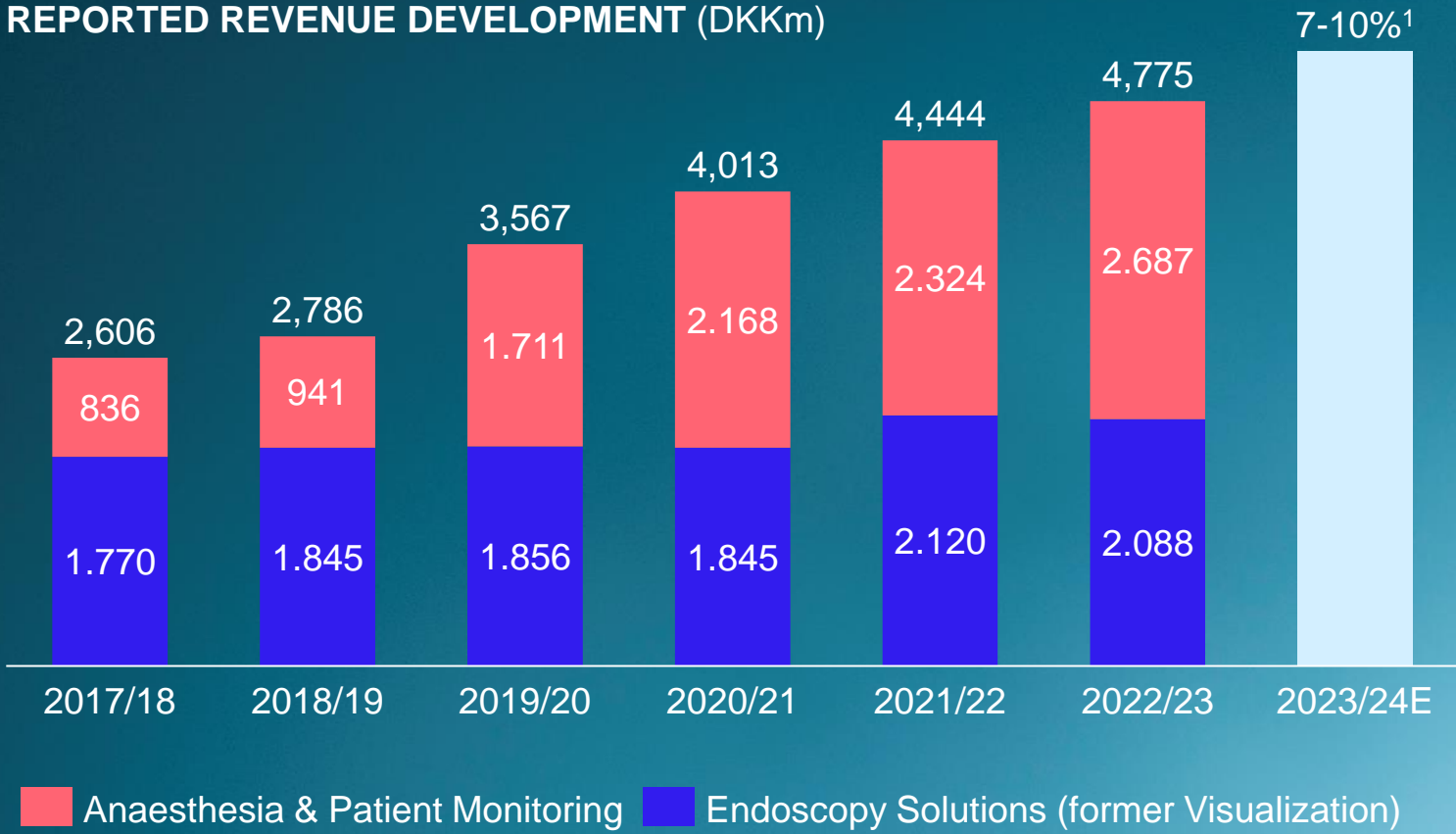
*aScope™ Gastro and aBox™ 2*



*BlueSensor™  
electrode*

*SPUR™ II  
resuscitator*

# STRONG HISTORIC GROWTH WITH ENDOSCOPY SOLUTIONS TRIPLING SINCE 2017/18, ACCELERATED BY COVID-19



**DEVELOPMENT**  
in last 5 years

**11%**

Organic CAGR

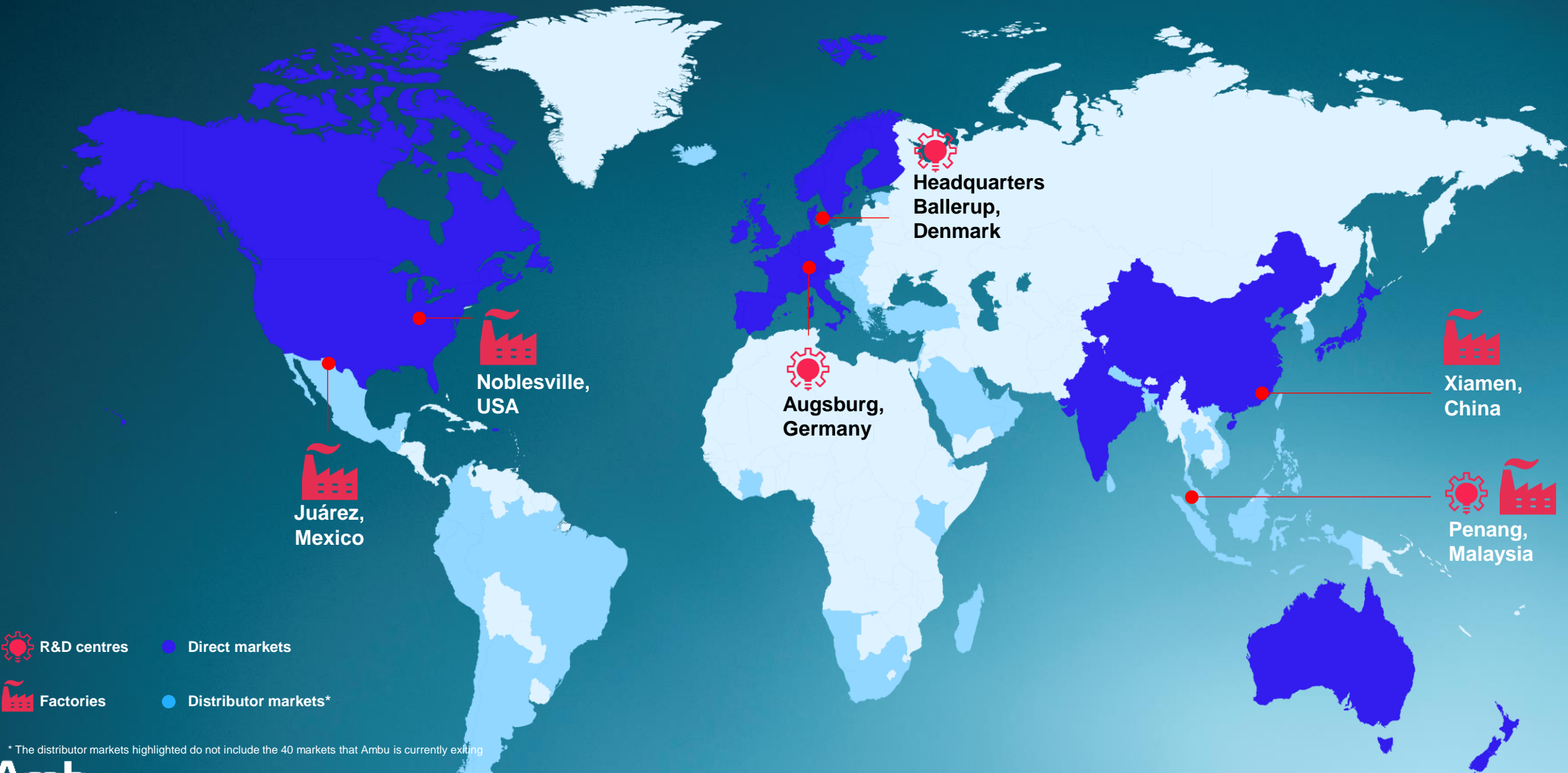
**13%**





Reported CAGR

**26%**

Reported CAGR in  
Endoscopy Solutions

# OUR GLOBAL PRESENCE



-  R&D centres
-  Factories
-  Direct markets
-  Distributor markets\*

\* The distributor markets highlighted do not include the 40 markets that Ambu is currently exiting

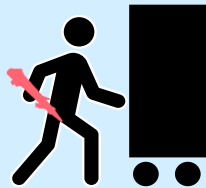
# HOSPITAL JOURNEY – REUSABLE ENDOSCOPY



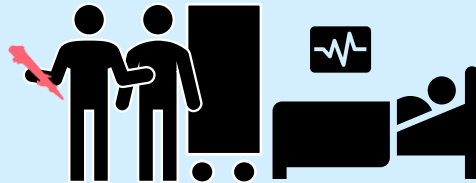
**COLLECT FROM STORAGE**



**TRANSPORT WITH ENDOSCOPY TOWER**



**USE ENDOSCOPE DURING PROCEDURE**



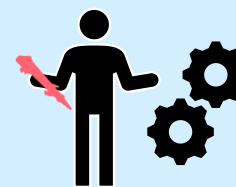
**PACK ONTO ENDOSCOPE TRAY**



**REPROCESS WITH WASHING AND DRYING**



**CHECK SCOPE FUNCTIONALITY**



**BACK TO HOSPITAL FOR REUSE**



**EXTERNAL REPAIR DONE**



**TRANSPORT TO EXTERNAL REPAIR**





# HOSPITAL JOURNEY – SINGLE-USE ENDOSCOPY



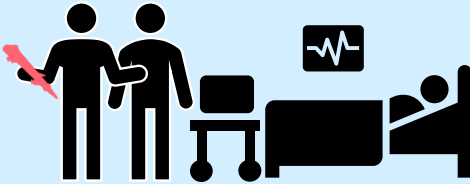
**COLLECT FROM STORAGE**



**TRANSPORT WITH MONITOR**



**USE ENDOSCOPE DURING PROCEDURE**



**DISCARD OR RECYCLE AFTER USE**

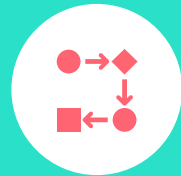


# ATTRACTIVE MARKET DYNAMICS SUPPORTS LONG-TERM EXPANSION OF THE SINGLE-USE ENDOSCOPY MARKET

## Amount of endoscopy procedures expected to keep growing...

- ▶ **Patient volume growth** as population above 60 years will double towards 2050 (WHO)
- ▶ ~50% more has **access to healthcare** globally compared to 2000 (UN)
- ▶ **General shift towards endoscopy** from more invasive procedures (Frost & Sullivan)

## ... with single-use endoscopy offering significant benefits over current reusable model



**Efficient workflow**  
reducing workload of average 1 hour and 16 minutes spent reprocessing one reusable endoscope<sup>1</sup>



**Better availability** with 59% fewer cancelled appointments for single-use endoscopes versus reusables<sup>2</sup>

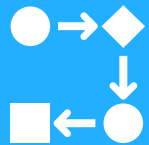


**Strong health economic benefits** saving 600\$ per procedure for bronchoscopy<sup>3</sup>



**Increased focus on patient safety**, e.g., through reduction in hospital readmission rates by 53%<sup>4,5</sup>

# TRUE CUSTOMER NEEDS: WORKFLOW AND AVAILABILITY ARE MAIN DRIVERS BEHIND SINGLE-USE ADOPTION



## WORKFLOW

Reduce workload and increase patient throughput

**1h  
16m** Average time spent on reprocessing one reusable endoscope<sup>1</sup>

**80%** Reduction in staff time using single-use cystoscope<sup>2</sup>

**Example:** ENT department facing staff shortages



## AVAILABILITY

Provide access to endoscopy and eliminate waiting times

**59%** Fewer cancelled appointments for single-use vs reusables<sup>3</sup>

**9/10** Patients prefer single-use due to reduced waiting times<sup>4</sup>

**Example:** Bariatric surgeon performing gastroscopy in OR



## ECONOMICS

Avoid costly repairs and servicing fees

**\$450** Repair cost per procedure for reusable ureteroscopes<sup>5</sup>

**\$186** Cost-per-procedure for reusable cystoscopes<sup>4</sup>

**Example:** Urologist treating kidney stones endoscopically



## PATIENT SAFETY

Prevent cross-contamination

**53%** Reduction in patient re-admissions<sup>6</sup>

**60%** Decrease in infection risk for ERCP with single-use<sup>7</sup>

**Example:** GI endoscopist doing an ERCP in a cancer patient

# AMBU IS WELL-POSITIONED TO CAPITALIZE ON GROWTH OPPORTUNITIES WITHIN SINGLE-USE ENDOSCOPY



Deep **customer relationships** and understanding



Direct **commercial infrastructure** in major geographies



Comprehensive **portfolio** built over the past years



Trusted provider of **high-quality** solutions



Innovation and manufacturing **knowhow**



Clear **sustainability agenda** addressing customer needs

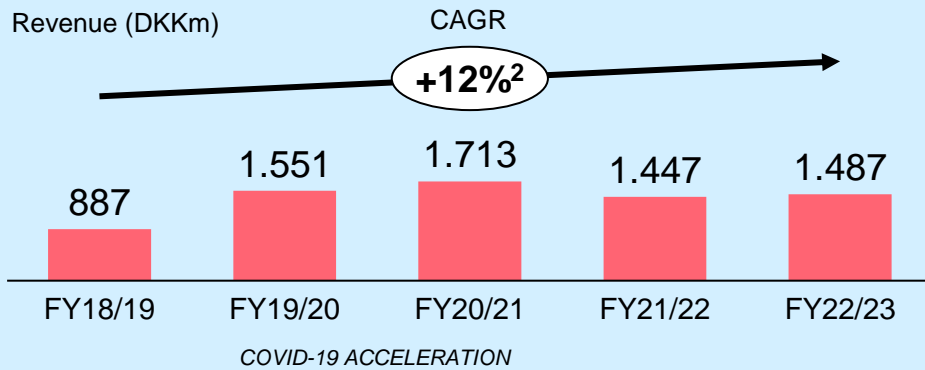




# GLOBAL LEADERSHIP POSITION IN SINGLE-USE ENDOSCOPY WITH CONTINUOUS EXPANSION INTO NEW SEGMENTS

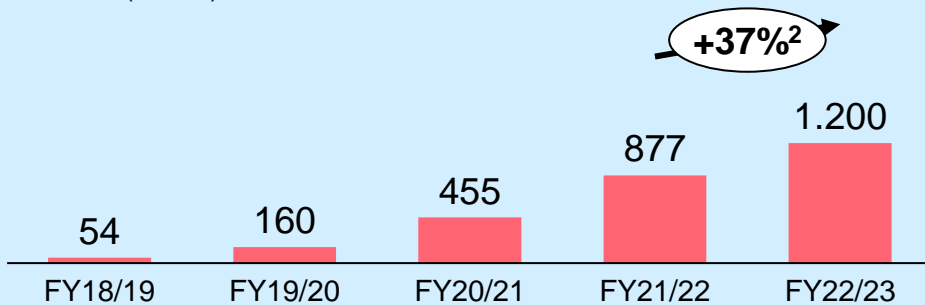
## PULMONOLOGY

Revenue (DKKkm)



## ENDOSCOPY SOLUTIONS EXCL. PULMONOLOGY<sup>1</sup>

Revenue (DKKkm)



## PULMONOLOGY



- Mass-adoption of single-use bronchoscopy with aScope™ 4 Broncho (accelerated by Covid-19)
- aScope™ 5 Broncho in the bronchoscopy suite expands target market procedures by +60%

## ENT AND UROLOGY



- Expanded aScope™ 4 platform into rhino-laryngoscopy and cystoscopy
- Rapid uptake confirming workflow and economic benefits of single-use endoscopy

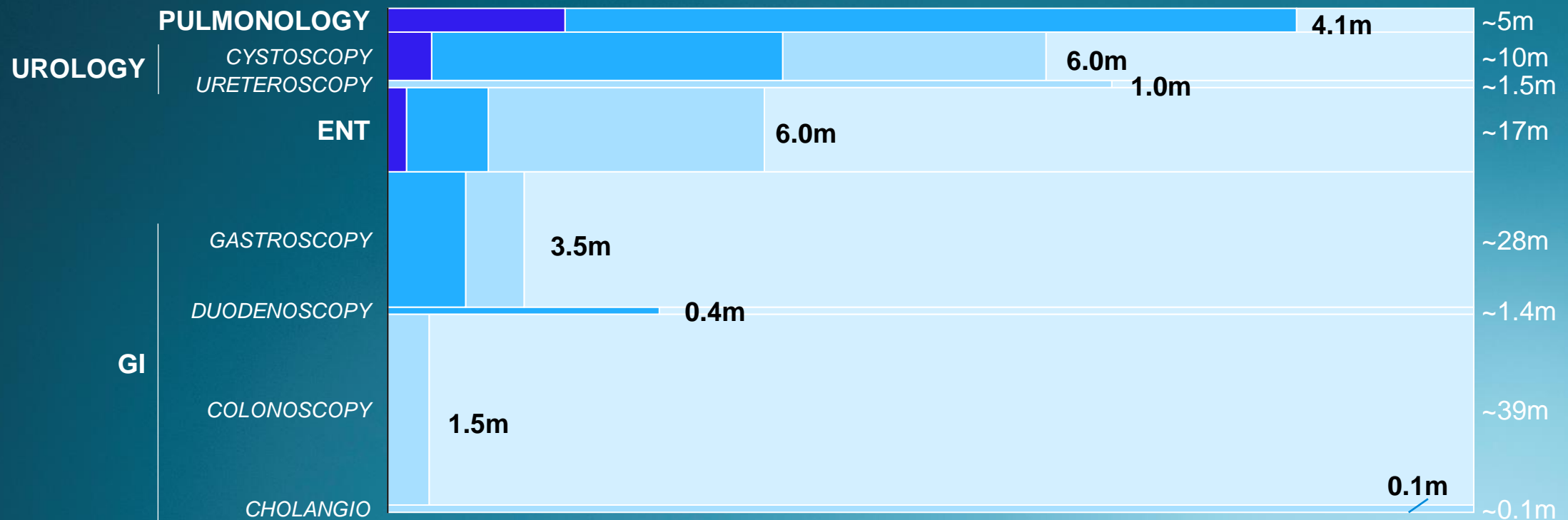
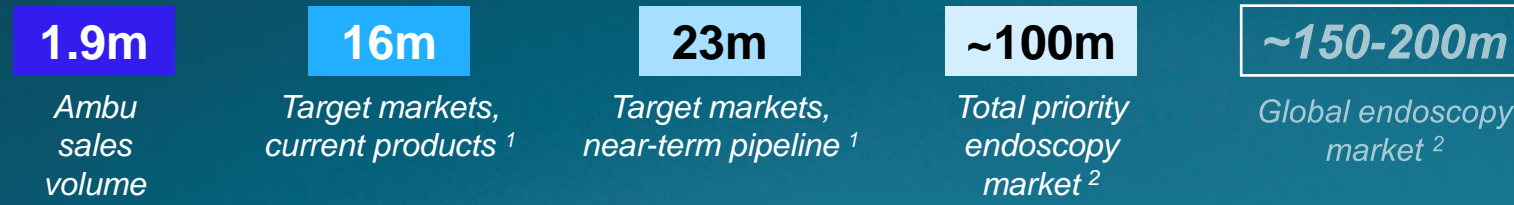
## GASTROENTEROLOGY



- Extended portfolio into gastrointestinal (GI) with duodenoscopy and gastroscopy
- Largest endoscopy market, will drive short and long term growth through portfolio enhancement and gradual commercial scale up

# MORE OF THE 100M PROCEDURES WILL OPEN UP FOR SINGLE-USE, AS IMPROVED ENDOSCOPY SOLUTIONS EXPAND THE TARGET MARKET

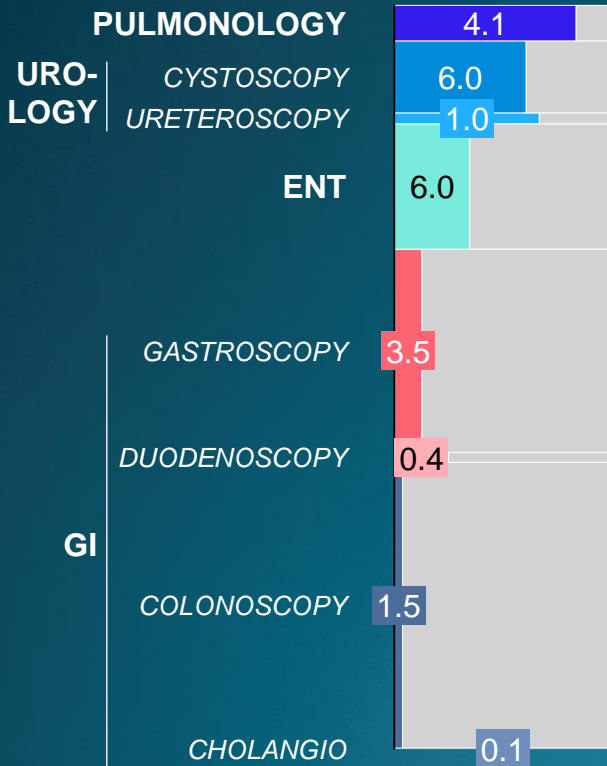
~100 MIO ENDOSCOPY PROCEDURES IN AMBU PRIORITY MARKETS<sup>1</sup>



# SINGLE-USE ENDOSCOPY MARKET VALUE EXPECTED TO REACH 15-20 BN DKK IN 5 YEARS

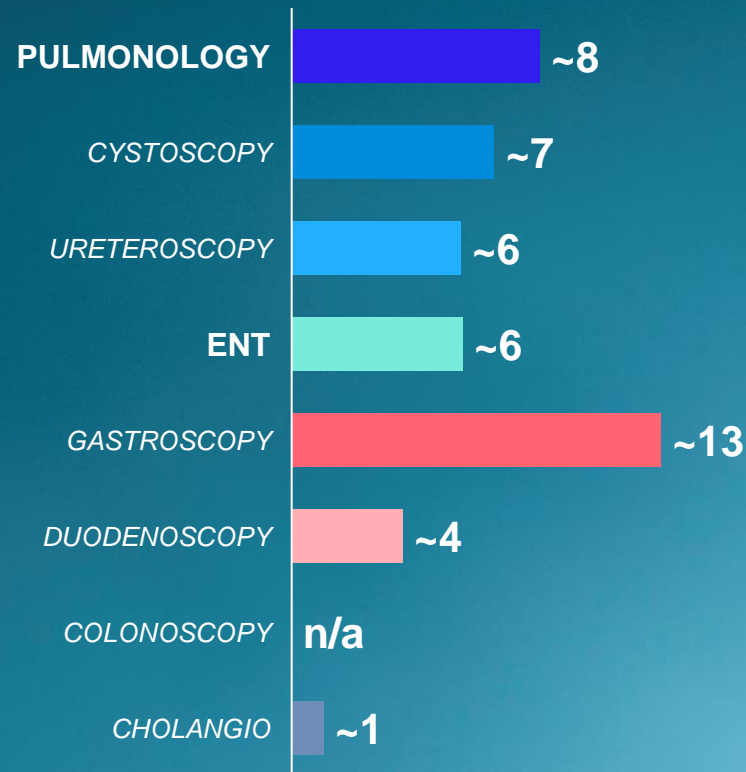
## AMBU TARGET MARKET WITH NEAR-TERM PIPELINE

*m. procedures*



## MARKET POTENTIAL AT 100% PENETRATION WITH NEAR-TERM PIPELINE

*DKK bn using blended ASPs*



## ASSUMED 5-YEAR SINGLE-USE PENETRATION



● No penetration  
● Full penetration

## Expected single-use market in 5 years

**15-20bn DKK**

*Based on assumed 5-year single-use penetration rate and markets defined as target segments for Ambu's marketed products and near-term pipeline*

# SINGLE-USE ENDOSCOPY MARKET VALUE EXPECTED TO GROW RAPIDLY, FROM ~5 BN DKK TODAY TO REACH 15-20 BN DKK IN 5 YEARS

**~5 bn  
DKK**

**SINGLE-USE ENDOSCOPY  
MARKET TODAY**

**15-20 bn  
DKK**

**EXPECTED SINGLE-USE  
ENDOSCOPY MARKET IN  
5 YEARS**

**45 bn  
DKK**

**MARKET POTENTIAL  
ASSUMING 100% SINGLE-  
USE PENETRATION OF 23M  
PROCEDURES TARGETED  
WITH NEAR-TERM PIPELINE**

**170 bn  
DKK**

**MARKET POTENTIAL  
ASSUMING 100%  
SINGLE-USE  
PENETRATION  
ACROSS ALL 100M  
PROCEDURES IN  
AMBU KEY MARKETS**



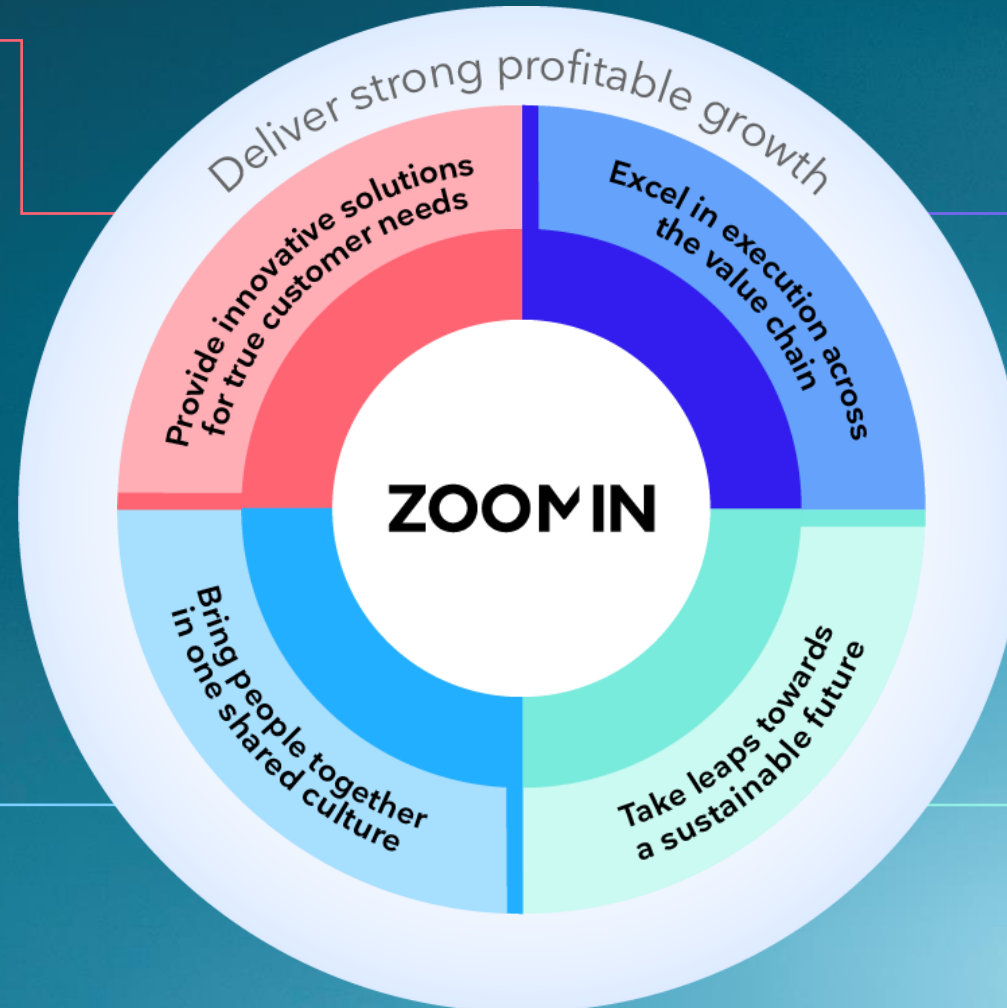
# WITH THE **ZOOM IN** STRATEGY, OUR ASPIRATION IS TO BE THE MOST CUSTOMER CENTRIC IN OUR FIELD

## Provide innovative solutions for true customer needs

- Launch market-leading solutions across the four largest endoscopy areas

## Bring people together in one shared culture

- Build a high-performing and customer-centric organization set up for success



## Excel in execution across the value chain

- Drive commercial best practices and focus on the highest-value-creation areas
- Improve gross margin, e.g., through COGS improvements & optimized portfolio

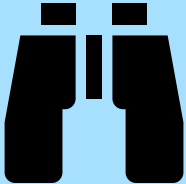
## Take leaps towards a sustainable future

- Commit to sustainable endoscopy through circular products and packaging

# TRANSFORMATION PROGRAM WILL BE A JOURNEY TO BUILD THE FOUNDATION FOR THE FUTURE

## PHASE 1 H1 2023

### PROGRAM SCOPING *+ Select priority projects*



- Define and scope projects to understand impact
- Execute select projects

## PHASE 2 H2 2023

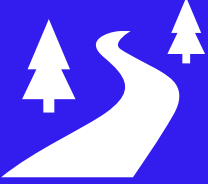
### EXECUTE QUICK WINS



- Execute quick wins to fund the journey
- Create momentum

## PHASE 3 2024-2026

### BUILD FOUNDATION FOR THE FUTURE



- Embark on longer-term projects with more substantial impact on current model
- Build the foundation for long-term scalability

# TOWARDS A CIRCULAR BUSINESS MODEL

## DEVELOPMENT & DESIGN

Integration of sustainability in R&D processes, as well as design and materials choices. In-house- and customer testing are important steps for developing new solutions.

## TOWARDS CIRCULARITY

Pilot projects and partnerships for take-back and recycling provide opportunity for value creation of single-use endoscopes further down the value chain, in the form of generating energy or new materials.

## RAW MATERIALS

Sourcing of raw materials with a low carbon footprint, such as plastics derived from a combination of fossilbased and bio-based plastics.



**JOIN  
THE  
CIRCLE**

**RETHINKING MEDICAL SOLUTIONS  
RESPECTING THE ENVIRONMENT**

## NO REPROCESSING

No reprocessing or repairs are required for single-use endoscopes, reducing energy and water consumption, as well as use of chemicals

## SUPPLIER ENGAGEMENT

Collaboration with our suppliers on carbon emission reductions and responsible business practices.

## DISTRIBUTION & PACKAGING

Rethinking packaging and the way our products are distributed to customers, to reduce our environmental footprint.

## PRODUCTION & ASSEMBLY

Continuous reduction of carbon emissions through energy savings (e.g., solar panels), as well as waste reduction.

# A FLEXIBLE APPROACH ALLOCATING RESOURCES TO THE HIGHEST POTENTIAL OPPORTUNITIES

## SPEED OF UPTAKE WILL VARY ACROSS SEGMENTS



Customer willingness to adopt single-use differs



Product performance requirements vary



Segment specific regulatory and clinical recommendations

## A FLEXIBLE BUSINESS MODEL WITH ALLOCATION OF RESOURCES TO THE HIGHEST POTENTIAL OPPORTUNITIES



Customer driven product & technology development



Modular setup leveraging innovation across platforms



Flexible commercial resource allocation with presence in all segments



# 5-YEAR (2022/23 – 2027/28) FINANCIAL TARGETS

Aiming for > 10% CAGR organic growth and ~20% EBIT margin

	FY 22/23 actuals	5-year CAGR targets <sup>1</sup>
<b>Organic revenue Growth</b>	<b>7.6%</b>	<b>&gt; 10% CAGR</b>
Endoscopy Solutions	15%	15-20% CAGR
Anaesthesia & Patient Monitoring	-1%	2-4% CAGR <sup>2</sup>
<b>EBIT Margin<sup>3</sup></b>	<b>6.3%</b>	<b>~ 20%</b>



Growth will mainly be driven by high growth within Endoscopy Solutions with high expected revenue contribution from all four major endoscopy areas



EBIT improvements will be driven by gross margin improvements and scalability in OPEX relative to sales

- 1) 5-year CAGR from 2022/23 to 2027/28
- 2) Margin expansion initiatives may drive lower growth short-term
- 3) Before Special Items and Potential trade-offs with growth investments

# P&L DETAILS

<b>DKKm</b> <i>reported figures</i>	<b>FY</b> <b>18/19</b>	<b>FY</b> <b>19/20</b>	<b>FY</b> <b>20/21</b>	<b>Q1</b> <b>21/22</b>	<b>Q2</b> <b>21/22</b>	<b>Q3</b> <b>21/22</b>	<b>Q4</b> <b>21/22</b>	<b>FY</b> <b>21/22</b>	<b>Q1</b> <b>22/23</b>	<b>Q2</b> <b>22/23</b>	<b>Q3</b> <b>22/23</b>	<b>Q4</b> <b>22/23</b>	<b>FY</b> <b>22/23</b>
<b>Revenue</b>	<b>2,820</b>	<b>3,567</b>	<b>4,013</b>	<b>1,031</b>	<b>1,122</b>	<b>1,128</b>	<b>1,163</b>	<b>4,444</b>	<b>1,132</b>	<b>1,189</b>	<b>1,195</b>	<b>1,259</b>	<b>4,775</b>
<b>Gross profit</b>	<b>1,637</b>	<b>2,212</b>	<b>2,503</b>	<b>634</b>	<b>647</b>	<b>629</b>	<b>644</b>	<b>2,554</b>	<b>662</b>	<b>664</b>	<b>672</b>	<b>715</b>	<b>2,713</b>
<i>Gross margin</i>	<i>58.0%</i>	<i>62.0%</i>	<i>62.4%</i>	<i>61.5%</i>	<i>57.7%</i>	<i>55.8%</i>	<i>55.4%</i>	<i>57.5%</i>	<i>58.5%</i>	<i>55.8%</i>	<i>56.2%</i>	<i>56.8%</i>	<i>56.8%</i>
Selling and distribution	762	1,228	1,468	406	407	389	432	1,634	386	394	359	383	1,522
Development	103	157	225	64	65	72	80	281	69	69	75	82	295
Mgmt. and administrative	292	399	470	124	128	126	139	517	139	155	147	153	594
<b>OPEX total</b>	<b>1,157</b>	<b>1,784</b>	<b>2,163</b>	<b>594</b>	<b>600</b>	<b>587</b>	<b>651</b>	<b>2,432</b>	<b>594</b>	<b>618</b>	<b>581</b>	<b>618</b>	<b>2,411</b>
<b>EBIT before special items</b>	<b>480</b>	<b>428</b>	<b>340</b>	<b>40</b>	<b>47</b>	<b>42</b>	<b>-7</b>	<b>122</b>	<b>68</b>	<b>46</b>	<b>91</b>	<b>97</b>	<b>302</b>
<i>EBIT margin before special items</i>	<i>17.0%</i>	<i>12.0%</i>	<i>8.5%</i>	<i>3.9%</i>	<i>4.2%</i>	<i>3.7%</i>	<i>-0.6%</i>	<i>2.7%</i>	<i>6.0%</i>	<i>3.9%</i>	<i>7.6%</i>	<i>7.7%</i>	<i>6.3%</i>
Special items	174	0	0	0	0	13	135	-148	0	0	-2	-6	-8
<b>EBIT after special items</b>	<b>306</b>	<b>428</b>	<b>340</b>	<b>40</b>	<b>47</b>	<b>29</b>	<b>-142</b>	<b>-26</b>	<b>68</b>	<b>46</b>	<b>89</b>	<b>91</b>	<b>294</b>
<i>EBIT margin after special items</i>	<i>10.9%</i>	<i>12.0%</i>	<i>8.5%</i>	<i>3.9%</i>	<i>4.2%</i>	<i>2.6%</i>	<i>-12.2%</i>	<i>-0.6%</i>	<i>6.0%</i>	<i>3.9%</i>	<i>7.4%</i>	<i>7.2%</i>	<i>6.2%</i>
<b>Total OPEX % of revenue</b>	<b>41%</b>	<b>50%</b>	<b>54%</b>	<b>58%</b>	<b>53%</b>	<b>52%</b>	<b>56%</b>	<b>55%</b>	<b>52%</b>	<b>52%</b>	<b>49%</b>	<b>49%</b>	<b>50%</b>
Selling and distribution	27%	34%	37%	39%	36%	34%	37%	37%	34%	33%	30%	30%	32%
Development	4%	4%	6%	6%	6%	6%	7%	6%	6%	6%	6%	7%	6%
Mgmt. and administrative	10%	11%	12%	12%	11%	11%	12%	12%	12%	13%	12%	12%	12%