

UPDATE OF FINANCIAL GUIDANCE FOR 2020/21

Update of financial guidance for 2020/21 and preliminary results for Q3 2020/21

Since announcing our financial results for Q2 2020/21 on May 12, 2021, we have seen an increased impact of the COVID-19 pandemic on our 2020/21 financial forecast. This includes a slower recovery of elective procedures than expected and shipment delays impacting our Core portfolio caused by the congestions of the global container freight market.

We consider the challenges to be short term in nature and will not impact the growth outlook of the company, especially in our Visualisation business where we continue to experience very rapid growth. Having said that, we have experienced some disruption in Q3 2020/21 and expect to see further disruption in Q4 2020/21.

As a result, we are lowering our financial guidance for organic revenue growth and EBIT earnings for 2020/21, while the number of endoscopes to be sold is expected to exceed the upper end of the previous range. Our revised financial guidance for 2020/21 is as follows:

- Organic revenue growth of approx. 17% compared to previously 17-20%.
- EBIT-margin of approx. 10% compared to previously 11-12%.
- Total number of endoscopes sold to exceed 1.4m units compared to previously 1.3 to 1.4m units.

For the full year, we expect the organic revenue growth of our Visualisation business to be above 30%.

Q3 2020/21 preliminary sales results

DKKm	Q3 20/21	Q3 19/20	Organic growth	Fx	Reported growth	YTD 20/21	YTD 19/20	Organic growth	Fx	Reported growth
Core	449	408	15%	-5%	10%	1,358	1,381	3%	-5%	-2%
Visualization	522	539	0%	-3%	-3%	1,627	1,315	29%	-5%	24%
Revenue	971	947	7%	-4%	3%	2,985	2,696	15%	-4%	11%

In Q3, we expect 7% organic revenue growth driven by our Core business growing 15%, while our Visualisation business is expected to remain flat compared to Q3 last year where we reported 81% growth. For Q3 year to date, we expect 15% organic revenue growth with our Core business growing 3% and Visualisation growing 29%.

In Q3, we expect to have sold 380.000 units of endoscopes and for Q3 year to date 1.129.000 units.

We will announce our full interim report for Q3 on August 17, 2021.

Background

It has been over a year since the start of the COVID-19 pandemic. It has been the most important global healthcare challenge of our generation putting significant strain on all healthcare personnel, systems, and manufacturers. Since the start of the pandemic Ambu's has been focusing on making its products available right where they are needed the most. Furthermore, Ambu has been able to accelerate the development of its single-use endoscopy business by introducing new products in large elective endoscopy markets as viable solutions to avoid cross contamination.

Our plan for the financial year 2020/21 as of Q2, 2020/21 assumed a steady recovery of elective procedures. It also assumed, that in the second half of the year, we would have a more stable supply chain environment. However, over the last months, we have observed the following:

- A slower return of elective procedures across our key markets globally. This has been accentuated by the emergence of new COVID-19 variants. Therefore, we expect that the elective procedures market will continue its recovery at a slower rate than previously forecasted. This will impact our Core business and the elective part of our Visualisation business.
- Further supply chain disruption accentuated by the recent Chinese port congestions. In addition to the higher transportation costs, that we have already experienced, we expect to have increased raw material costs and longer lead times. As a result, Core products expected to arrive in September 2021 will now arrive in Q1 2021/22.

Mitigation plans to supply chain disruption

Our focus centre on ensuring our products continue to be made available where they are needed the most. Our mitigation plan encompasses the following.

- Work with Core customers to secure supply through distributors and wholesalers. We expect the impact in terms of product availability at the hospital level to be minimal and short term in nature.
- Increase our reliance of airfreight for our Visualisation products for the foreseeable future.
- Accelerate the construction of our Visualisation plant in Mexico. Our new target date for the plant to become operational will move from 2022/23 to 2021/22.

A conference call is held tomorrow Friday, 2 July at 08.00 am (CEST). Dial in details will be posted at <https://www.ambu.com/corporate-info/investors/investors> before the call.

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About Ambu

Ambu has been bringing the solutions of the future to life since 1937. Today, millions of patients and healthcare professionals worldwide depend on the efficiency, safety and performance of our single-use endoscopy, anaesthesia, and patient monitoring & diagnostics solutions. The manifestations of our efforts have ranged from early innovations like the Ambu® Bag™ resuscitator and the Ambu® BlueSensor™ electrodes to our newest landmark solutions like the Ambu® aScope™ – the world's first single-use flexible endoscope. Moreover, we continuously look to the future with a commitment to deliver innovative quality products that have a positive impact on the work of doctors, nurses and paramedics. Headquartered near Copenhagen in Denmark, Ambu employs approximately 4,500 people in Europe, North America and the Asia Pacific. For more information, please visit ambu.com.