



INTERIM REPORT FOR Q2 2022/23 AND THE HALF-YEAR

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Ambu

INTERIM REPORT FOR Q2 2022/23 AND THE HALF-YEAR

Ambu posts 4% organic revenue growth for the second quarter of 2022/23, in line with expectations. The quarter was driven by continued strong growth in urology and ENT, offset by pulmonology and Anaesthesia.

Financial guidance is maintained for the fiscal year 2022/23, with organic revenue growth at 5-8% and EBIT margin before special items at 3-5%.

“In the second quarter, Ambu delivers 4% organic revenue growth and 3.9% EBIT margin, in line with our expectations. We delivered a slightly positive cash flow and strengthened our capital base through an equity raise of around 5% of the total share capital. This has enabled us to reduce leverage faster than planned, strengthening our position in an uncertain global environment, as well as allowing us to consider relevant growth opportunities. Furthermore, execution of our transformation program remains on track, and we have strengthened our offering in pulmonology with the approval of additional sizes of Ambu® aScope™ 5 Broncho and the re-launch of Ambu® VivaSight™ 2 DLT. With the progress this quarter, we remain well-positioned to address customer needs, for the better of health systems and patients worldwide.”



BRITT MEELBY JENSEN

Chief Executive Officer

FINANCIAL HIGHLIGHTS FOR THE QUARTER

Last year’s comparative figures are presented in brackets.

- **Revenue** for Q2 increased organically by 4% (8%) to DKK 1,189m (DKK 1,122m), with reported growth of 6% (12%). Organic growth for the half-year was 4% (3%), with reported growth of 8% (7%).
- Revenue in **North America** increased organically by 8% (11%), while revenue growth in **Europe** was -1% (7%). **Rest of World** posted organic growth of 7% (-1%). Organic growth rates for the half-year were: North America 7% (14%), Europe -4% (-6%) and Rest of World 7% (-1%).
- **Endoscopy Solutions** revenue increased organically by 11% (3%) and by 7% (0%) for the half-year. In line with expectations, **pulmonology** posted -3% organic growth, mainly due to increased revenue from Omicron last year, however, bronchoscopy sales saw slightly positive growth, offset by lower revenue pertaining to the recall of Ambu® VivaSight™ 2 DLT. **Endoscopy Solutions excluding pulmonology** increased by 36%, driven by high double-digit growth in urology and ENT, combined.
- **Anaesthesia** sales declined by 11% (12%), due to reduction of backlog, combined with stock piling driven by geopolitical uncertainty, in Q2 last year. Contrarily, **Patient Monitoring** posted organic growth of 8% (14%). For the half-year, the combined organic growth of Anaesthesia and Patient Monitoring was 1% (6%).
- **Gross margin** for the quarter was 55.8% (57.7%), while the gross margin for the half-year was 57.1% (59.5%). The declining gross margin is driven by production costs, offset by product mix.
- **EBIT** before special items for the quarter was DKK 46m (DKK 47m), with an **EBIT margin** before special items of 3.9% (4.2%). EBIT for the half-year ended at DKK 114m (DKK 87m), with an EBIT margin of 4.9% (4.0%). The improved EBIT margin of 0.9% percentage points was driven by a reduced OPEX ratio of 3% percentage points and scale on EBIT margin from reported growth, partly offset by the gross margin decrease of 2.4% percentage points.
- **Free cash flow** before acquisitions totaled DKK 21m (DKK -136m) for the quarter and DKK -153m for the half-year, up DKK 145m compared to the same period last year. The improvement was driven by working capital and lower investments.
- The **FY 2022/23 financial guidance** stated on 15 November 2022 is maintained:
 - Organic revenue growth: 5-8%
 - EBIT margin before special items: 3-5%

Q2 2022/23 CONFERENCE CALL

A **conference call** is scheduled for 3 May 2023, at 09:00-10:00 (CEST). The conference is broadcast live via [Ambu.com/webcastQ22023](https://www.ambu.com/webcastQ22023).

To **ask questions during the Q&A session**, please register prior to the call via [Ambu.com/conferencecallQ22023register](https://www.ambu.com/conferencecallQ22023register).

Upon registration, you will receive **dedicated dial-in details via e-mail** to access the call, including a passcode, a unique PIN, dial-in numbers and a calendar invitation.

After the conference, the presentation can be downloaded from [Ambu.com/presentations](https://www.ambu.com/presentations).

PRODUCT AND PIPELINE UPDATES

- On 23 March 2023, Ambu re-launched its unique one-lung ventilation solution, the **Ambu® VivaSight™ 2 DLT** (double lumen tube). The solution re-enters the market with improved performance.
- On 28 March 2023, Ambu obtained **European regulatory clearance (CE mark) of two new smaller-sized fifth-generation bronchoscopes**. The company hereby has a complete fifth-generation bronchoscope portfolio for a wide array of patient needs in the bronchoscopy suite.

OTHER HIGHLIGHTS FROM Q2

- Ambu presented **updated market potential assumptions**:
 - Number of procedures Ambu covers today: ~1.7m procedures
 - Number of procedures with marketed solutions and near-term pipeline: ~23m procedures
 - Current value of the total single-use endoscopy market: DKK ~5bn
 - Expected value of the total single-use endoscopy market in five years: DKK 15-20bn
- From 23 March to 24 March 2023, Ambu strengthened its share capital base by selling **11,577,957 new B-shares and 250,000 existing treasury B-shares**, corresponding to 5.3% of its B-share capital and approximately DKK 1.1bn.
- In April 2023, Ambu donated 110,000+ products (including resuscitators and face masks) to Turkey to support in the rebuilding of hospitals after the devastating earthquakes in February 2023.
- On 1 May 2023, **Henrik Birk took on the role of Chief Operations Officer at Ambu**. As an integral part of Ambu's Executive Leadership Team, Henrik will drive execution and strategic direction across areas such as Manufacturing, Supply Chain, QA/RA and Procurement.

LONG-TERM FINANCIAL TARGETS

- Ambu **specified its long-term financial targets** at its Capital Markets Day on 21 March:
 - 5-year organic revenue CAGR (2022/23-2027/28): >10%**
 - Endoscopy Solutions revenue growth: 15-20%
 - Anaesthesia and Patient Monitoring revenue growth (combined): 2-4%
 - EBIT margin** before special items:
 - 2-year target: >10%
 - 5-year target: ~20% (2027/28)
 - Financial leverage**: Less than 2.5x

FINANCIAL HIGHLIGHTS

DKKm	Q2 2022/23	Q2 2021/22	YTD 2022/23	YTD 2021/22	FY 2021/22
Income statement					
Revenue	1,189	1,122	2,321	2,153	4,444
Gross profit	664	647	1,326	1,281	2,554
EBITDA before special items	125	125	270	227	423
Depreciation, amortisation and impairment	-79	-78	-156	-140	-301
EBIT before special items	46	47	114	87	122
Special items	0	0	0	0	-148
EBIT	46	47	114	87	-26
Net financials	-27	135	-67	120	135
Profit before tax	19	182	47	207	109
Net profit for the period	15	175	37	195	93
Key figures and ratios					
Organic growth, %	4	8	4	3	4
Gross margin, %	55.8	57.7	57.1	59.5	57.5
OPEX ratio, %	52	53	52	55	55
EBITDA margin before special items, %	10.5	11.1	11.6	10.5	9.5
EBIT margin before special items, %	3.9	4.2	4.9	4.0	2.7
EBITDA margin, %	10.5	11.1	11.6	10.5	7.3
EBIT margin, %	3.9	4.2	4.9	4.0	-0.6
Tax rate, %	21	4	21	6	15
Return on equity, %	-1	6	-1	6	2
NIBD/EBITDA before special items	1.6	3.3	1.6	3.3	3.9
Equity ratio, %	75	63	75	63	59
Net working capital, % of revenue	24	25	24	25	23
Return on invested capital (ROIC), %	2	3	2	3	2
Average number of employees	4,290	5,098	4,350	4,912	4,849

DKKm	Q2 2022/23	Q2 2021/22	YTD 2022/23	YTD 2021/22	FY 2021/22
Cash flow					
Cash flow from operating activities (CFFO)	99	5	1	-23	95
Cash flow from investing activities before acquisitions* (CFFI)	-78	-141	-154	-275	-553
Free cash flow before acquisitions* (FCF)	21	-136	-153	-298	-458
Acquisitions*	0	0	0	0	-5
CFFO, % of revenue	8	0	0	-1	2
CFFI, % of revenue	-6	-12	-7	-13	-12
FCF, % of revenue	2	-12	-7	-14	-10
Balance sheet					
Assets	6,937	6,557	6,937	6,557	7,215
Net working capital	1,108	1,038	1,108	1,038	1,022
Equity	5,212	4,162	5,212	4,162	4,261
Net interest-bearing debt	733	1,417	733	1,417	1,658
Invested capital	5,945	5,579	5,945	5,579	5,919
Share-related ratios (in DKK)					
Market price per share	103	100	103	100	66
Earnings per share (EPS)	0.06	0.69	0.15	0.77	0.37
Diluted earnings per share (EPS-D)	0.06	0.69	0.15	0.77	0.37

*Acquisitions' refers to 'Acquisitions of enterprises and technology' as defined in the Annual Report 2021/22.

Key figures and ratio definitions are consistent with the ones applied in the Annual Report 2021/22.

MANAGEMENT'S REVIEW – Q2 2022/23

In the first half of the financial year 2022/23, Ambu continued to progress with its new ZOOM IN strategy, setting the company up for future success. Above all, Ambu is committed to delivering sustainable, profitable growth through innovative solutions, improved efficiencies, a dedicated sustainability agenda and an inclusive and engaged company culture.

Across the company, scoping the transformation and enabling focused execution has been in full focus during the second quarter. With Ambu's leading single-use product portfolio and strong pipeline in all the major endoscopy segments, the company is well-established to address substantial unmet customer needs in the future.

CAPITAL MARKETS DAY

On 21 March 2023, Ambu hosted a successful Capital Markets Day at its headquarters in Ballerup, Denmark. It was an exciting day of diving into the company's strategic zoom areas, transformation program and focused approach for driving efficient execution. Led by CEO Britt Meelby Jensen, CFO Thomas Frederik Schmidt and interim CMO Bassel Rifai, Ambu shared updated dynamics for the single-use endoscopy market, as well as specified long-term financial targets. These targets include a 5-year CAGR (2022/23-2027/28) total organic revenue growth of >10%, driven by Endoscopy Solutions growing 15-20% and an EBIT margin ambition in 5 years (2027/28) of ~20%.

CAPITAL INCREASE

Ambu initiated a capital raise on 23 March 2023. The Company completed an accelerated bookbuild offering of 11,577,957 new B-shares and 250,000 existing treasury B-shares, corresponding to 5.3% of its issued B-shares, raising gross proceeds of approximately DKK 1.1bn. The strengthened capital base will increase Ambu's operational flexibility during ongoing global geopolitical and economic uncertainty. This includes the company's ability to invest in the most attractive growth opportunities and reduce financial leverage. As such, the company is

well-positioned to drive a successful transformation toward sustainable profitable growth.

Q2 FINANCIAL PERFORMANCE

In Q2 2022/23, Ambu posted organic revenue growth of 4% (8%), driven by the company's Endoscopy Solutions and Patient Monitoring businesses.

Anaesthesia posted a decrease of -11% (12%), driven by backlog reduction, combined with stock piling due to geopolitical uncertainty, in Q2 last year. Patient Monitoring posted quarterly growth of 8% (14%). For Patient Monitoring and Anaesthesia, combined, Ambu expects the absolute revenue in Q3 2022/23 to be approximately at the same level as in Q2. Endoscopy Solutions saw 11% (3%) growth, the main growth drivers being urology and ENT (ear, nose and throat), which posted high double-digits, combined. Both endoscopy segments continued to experience an increased uptake of orders and entry of new customers, especially in the U.S. It is a strong indicator of Ambu's single-use benefits of availability, workflow and efficiency resonating with customers.

Additionally, Ambu's bronchoscopy portfolio returned to positive growth this quarter. In the past quarters, the company has faced high bronchoscopy comparables due to Covid-19, and it is thus a strong affirmation of dedicated efforts that Ambu captures growth once again within this segment. From the second half of 2022/23, Ambu expects to deliver year-on-year growth in pulmonology, driven by an increased revenue contribution from Ambu® aScope™ 5 Broncho HD and the newly re-launched Ambu® VivaSight™ 2 DLT.

PRODUCT AND LAUNCH UPDATES

In Q2, Ambu strengthened its pulmonology offering with the approval of additional sizes of Ambu® aScope™ 5 Broncho and the re-launch of Ambu® VivaSight™ 2 DLT. With the clearance of the two new smaller-sized scopes, Ambu now supports pulmonologists with a complete portfolio of high-performance, single-use bronchoscopes for a wide array of needs in the bronchoscopy suite.

For the newly launched gastroscope solution and fifth-generation bronchoscope solution, Ambu continues to execute on its launch plans. In both cases, the company is building relationships and momentum to drive single-use transition within customer groups not previously addressed. Although Ambu has a strong track record in bronchoscopy, with its range of fourth-generation bronchoscopes, as well as its success in urology and ENT within recent years, the GI segment and the bronchoscopy suite mark new customer groups that are accustomed to reusable endoscopy. Introducing single-use solutions within such a landscape requires time and effort, driven by continuous focus and tangible customer benefits. Ambu is committed to driving the conversion towards single-use within both segments and remains excited about the potential.

ADVANCING HEALTHCARE

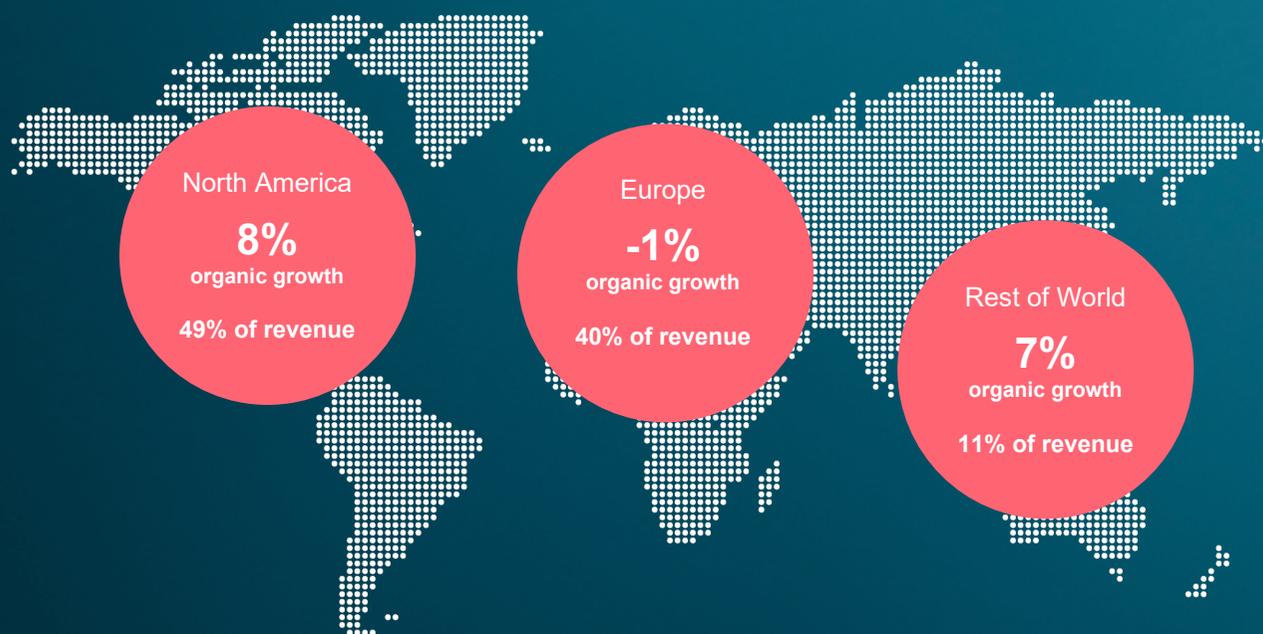
Around the world, hospitals are faced with staff shortages, leaving the high standards of patient care at risk. While, in some cases, staff shortages result in lowered activity levels, Ambu is also seeing clear indications that health systems are choosing single-use endoscopes to avoid the arduous, yet inevitable, process of reprocessing connected to reusable endoscopy. During Q2 2022/23, this was particularly the case in Europe, where customers chose the Ambu® aScope™ 4 Broncho over reusable alternatives due to staff shortages. With Ambu's broad portfolio across the four major endoscopy segments, the company sees a strong potential to advance its support of pressured health systems in the future.

Moreover, in dedication to the advancement of healthcare, Ambu donated 110,000 products to Turkey in April 2023. The donation will go to the rebuilding of hospitals in areas badly impacted by the earthquake that struck central and southern Turkey in February 2023. Concretely, Ambu is contributing with resuscitators and face masks, and Ambu is proud to be supporting this important mission of saving lives and improving patient care.

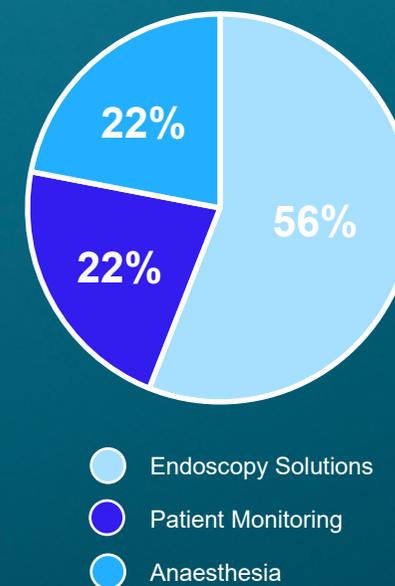
Q2 2022/23 PERFORMANCE HIGHLIGHTS

DKKm	Q2 2022/23	Q2 2021/22	Organic growth	Fx	Reported growth	YTD 2022/23	YTD 2021/22	Organic growth	Fx	Reported growth
Endoscopy Solutions	663	588	11%	2%	13%	1,280	1,153	7%	4%	11%
Anaesthesia	264	294	-11%	1%	-10%	537	539	-4%	4%	0%
Patient Monitoring	262	240	8%	1%	9%	504	461	7%	2%	9%
Total	1,189	1,122	4%	2%	6%	2,321	2,153	4%	4%	8%

Q2 2022/23 – ORGANIC GROWTH AND SHARE OF REVENUE BY REGIONS



Q2 2022/23 – SHARE OF REVENUE BY BUSINESS AREAS



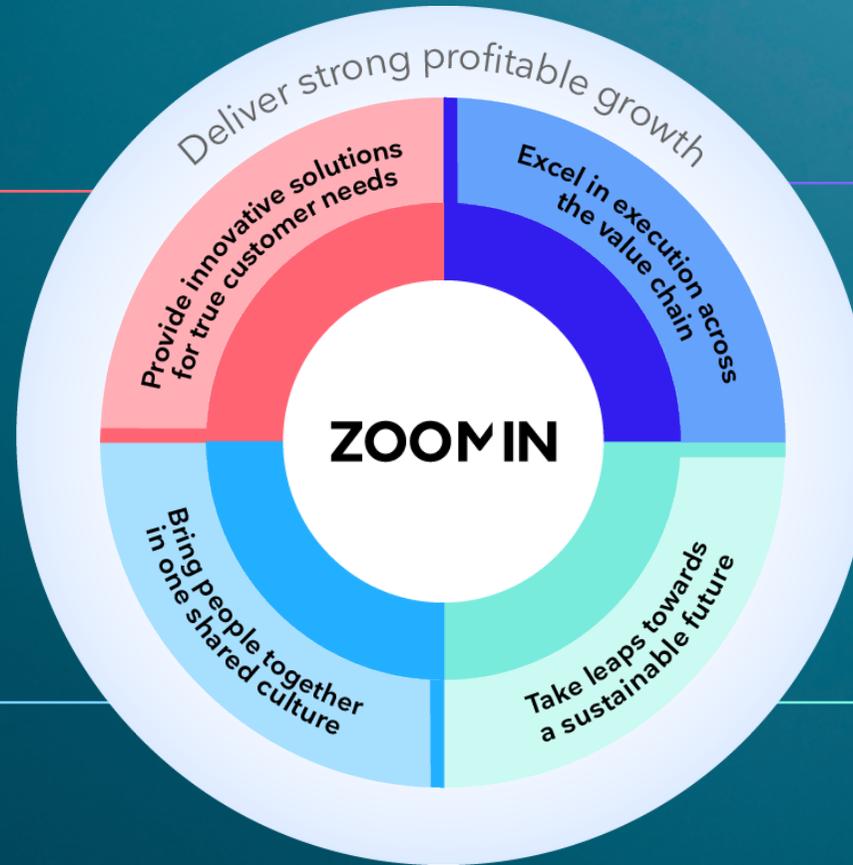
STRATEGY UPDATE

Provide innovative solutions for true customer needs

- **Pulmonology portfolio strengthened:**
 - Re-launch of Ambu® VivaSight™ 2 DLT.
 - CE mark of two smaller sizes of Ambu® aScope™ 5 Broncho HD, completing the company's fifth-generation bronchoscope portfolio.
- **GI pipeline expanded:**
 - Larger-version aScope® Gastro™.

Bring people together in one shared culture

- **Leadership capabilities aligned to strategic priorities:**
 - Re-structuring of Ambu's Executive Leadership Team.
 - New Chief Operations Officer, Henrik Birk, effective 1 May 2023.



Excel in execution across the value chain

- Cash flow improvement, with positive cash flow of DKK 21m in Q2, driven by inventory reduction of DKK 136m versus the full-year 2021/22.
- Pricing initiatives ongoing.
- Streamlining initiated: Focusing geographical presence and addressing low-margin products.

Take leaps towards a sustainable future

- 2025-targets for circular products and packaging.
- Plan for approaching net-zero emissions, including defining long-term roadmap.

SUSTAINABILITY HIGHLIGHTS

Ambu has made significant progress within sustainability in the last few years and has, as a result, been recognised as a market leader. The company believes that sustainability is a true source of competitive advantage and is committed to advancing the agenda by taking leaps towards a sustainable future.

In line with the company’s new ZOOM IN strategy, Ambu’s sustainability agenda is centred on two main areas: 1) Circular products and packaging and 2) Approaching net-zero emissions.

CIRCULAR PRODUCTS AND PACKAGING

Ambu is dedicated to sustainable endoscopy by designing products and packaging that facilitate recycling through the use of sustainable materials.

This includes three clear and ambitious targets by 2025:

- **Bioplastics in all endoscopes**
- **Bioplastics in primary packaging of high-volume products***
- **Recycling offering in all major markets**

By introducing bioplastics in its entire fleet of endoscopes, Ambu will be the first company to take this big step. Together with using bioplastics in its primary packaging of high-volume products and engaging in take-back programs in all major markets, Ambu shows great commitment to paving the way toward sustainable endoscopy. Furthermore, the company has more initiatives in pipeline as it continues the journey towards a more sustainable future.

NET-ZERO EMISSIONS

Ambu is committed to operating responsibly and approaching net-zero emissions in collaboration with suppliers and other partners.

The company is defining a long-term roadmap for achieving this goal and will present it by the end of the financial year 2022/23. This plan will include factors pertaining to extending the use of renewable materials and recycling products and packaging, as well as approaching 100% renewable energy in collaboration with partners.

ENVIRONMENTAL SUSTAINABILITY HIGHLIGHTS

Journey towards net-zero emissions	H1 2022/23	H1 2021/22	Change (%)
Recycled waste	44%	41%	8%
Waste per tonne finished goods	0.27	0.28	-3%
CO ₂ e** per tonnes finished goods	1.95	1.64	19%
Renewable energy share	13.09	17.74	-26%

** Including scope 1 and 2

Focus on waste management

Waste management remains a focus area across Ambu’s manufacturing sites and offices. In the first half of 2022/23, compared to the same period the year before, the company continued to reduce waste, resulting in an 8% increase of recycled waste and a decrease of 3% in waste per tonne finished goods. Waste management initiatives cover, among others, recycling and converting food waste into biogas and fertilizers, as well as recycling materials (runners) from injection moulding processes at manufacturing sites. Lastly, Ambu continued to increase competency levels within the area of waste management, most recently via a LEAN Six Sigma forum focused on eliminating waste, held at Ambu’s manufacturing site in Xiamen, China.

Renewable energy share

In Q2 2022/23, Ambu’s renewable energy share was mainly driven by two factors. Firstly, the increase of non-renewable energy use in Ambu’s new factory in Mexico resulted in a renewable energy share decrease of 26%, which is expected at this early stage of production ramp-up.

Secondly, the renewable energy share was driven by a reduction of electricity consumption in Xiamen, which, in turn, lowered the number of renewable energy certificates purchased. Today, Ambu buys renewable energy certificates corresponding to actual energy use, and the reduced electricity consumption thus affected the overall renewable energy share, and as a result, also Ambu’s use of carbon emission per tonne of finished goods, which increased by 19%.

BUSINESS PERFORMANCE – ENDOSCOPY SOLUTIONS

Last year's comparative figures are stated in brackets.

DKKm	Q2 2022/23	Q2 2021/22	Organic growth	Fx	Reported growth	YTD 2022/23	YTD 2021/22	Organic growth	Fx	Reported growth
North America	335	272	18%	5%	23%	664	527	16%	10%	26%
Europe	265	267	0%	-1%	-1%	502	537	-6%	-1%	-7%
Rest of World	63	49	23%	6%	29%	114	89	22%	6%	28%
Revenue	663	588	11%	2%	13%	1,280	1,153	7%	4%	11%

Endoscopy Solutions sales for the quarter were up, with organic growth of 11% (3%), while reported growth was 13% (7%), with revenue of DKK 663m. For the half-year, the organic growth in Endoscopy Solutions came to 7% (0%), with reported growth of 11% (4%).

Endoscopy Solutions accounted for 56% (53%) of Ambu's total revenue in Q2. Q2 organic Endoscopy Solutions growth was 18% (15%) in North America, 0% (-6%) in Europe and 23% (0%) in Rest of World.

DRIVERS OF THE QUARTER

Endoscopy Solutions excluding pulmonology posted strong results for the first quarter of 2022/23, with 36% growth. The biggest growth drivers were **urology** and **ENT**, due to an increased pace in uptake of orders and new customers, especially in the U.S.

In line with expectations, the **pulmonology** business partly offset the strong organic growth in urology and ENT. Concretely, pulmonology posted -3%, due to increased revenue in Q2 last year related to Omicron, increased competition in the U.S., the recall of Ambu® VivaSight™ 2 DLT and an early flu season. However, for bronchoscopy, Ambu saw slightly positive revenue growth and expects to deliver year-on-year growth in pulmonology from the second half of 2022/23, driven by

its fifth-generation bronchoscopy solution and Ambu® VivaSight™ 2 DLT.

ZOOMING IN ON PULMONOLOGY

In Q2 2022/23, Ambu strengthened its offering in pulmonology with the approval of additional sizes of Ambu® aScope™ 5 Broncho and the re-launch of Ambu® VivaSight™ 2 DLT.

Specifically, on 23 March 2023, Ambu **re-launched Ambu® VivaSight™ 2 DLT** after a thorough root cause analysis of the product's bronchial or tracheal cuff. The solution was voluntarily recalled in Q3 2021/22 and has now re-entered the market with the issue fully resolved and at Ambu's signatory high quality. Another positive contributor to Ambu's pulmonology portfolio was the announcement, on 28 March 2023, of **European regulatory clearance (CE mark) of two smaller sizes of the company's fifth-generation bronchoscope solution, Ambu® aScope™ 5 Broncho HD**. The clearance of the two smaller-sized scopes means that Ambu now supports pulmonologists with a complete portfolio of high-performing, single-use bronchoscopes for a wide array of patient needs in the bronchoscopy suite.

With these recent updates, as well as important projects in pipeline, Ambu's is looking into a future of bringing a

uniquely strong pulmonology portfolio to customers. Today, Ambu's fifth-generation bronchoscopy solution has demonstrated 'on par' and even superior performance to reusable bronchoscopes. Moreover, with a complete fifth-generation bronchoscope portfolio – combined with the company's world-leading Ambu® aScope™ 4 Broncho, Ambu® VivaSight™ 2 DLT and Ambu's upcoming video laryngoscope 2.0 – Ambu is strongly positioned to expand its leadership position in pulmonology.

Lastly, within bronchoscopy, the second quarter featured another **new study that points to the value of single-use bronchoscopes**. According to the study¹ published in "Journal of Infection Prevention" in February 2023, reusable bronchoscopes can spread infections at a rate of 8.69%. In the study, several strategies for reducing the risk of cross-contamination are recommended, including adopting single-use bronchoscopes and treating all therapeutic bronchoscopes as critical devices. As such, single-use bronchoscopes – due to their inherent sterility – continue to prove their role as a key driver in eliminating cross-contamination and increasing patient safety.

DRIVING POTENTIALS IN GI

In Q2 2022/23, Ambu announced an expansion of its GI (gastroenterology) pipeline. The new development is a

larger version of Ambu’s gastroscope, including a larger working channel and improved suction performance, which will give customers the ability to address patient needs in the intensive care unit, as well as the endoscopy unit, hereby expanding the addressable market.

Ambu will apply a focused approach, based on high customer needs, e.g., well-defined, specific procedures. Gastroenterology is a large endoscopy segment with great single-use potential, and based on Ambu’s customer relationships, its near-term product pipeline, as well as its proven track record in other segments, Ambu is well-positioned to lead and drive single-use market adoption in GI.

For the Ambu® aScope™ Duodeno solution, Ambu remains committed to the potential of the single-use duodenoscope market. The company has limited focus on the Duodeno 1.5 product to centre its efforts on the **development of Ambu® aScope™ Duodeno 2**. The ERCP segment is a high-complexity segment, and Ambu is dedicated to developing a version 2 that meets the high-performance procedural demands for customers.

STATUS OF NEW LAUNCHES

During Q2, Ambu continued the global launches of its fifth-generation bronchoscope solution, **Ambu® aScope™ 5 Broncho** and **Ambu® aBox™ 2**, and its gastroscop solution, **Ambu® aScope™ Gastro** and **Ambu® aBox™ 2**. Both solutions are introduced to customers across the U.S., Europe and Australia – and in March 2023, the gastroscop solution was successfully launched in Japan as well.

For both solutions, customer feedback continues to be positive, and the company saw a steady ramp-up of re-buying customers during Q2. However, as the segments of gastroscopy and the bronchoscopy suite represent new customer groups for Ambu, the necessary time and effort is being put into building relationships to drive the uptake. Never-the-less, Ambu expects both solutions to contribute with a more meaningful revenue from the second half of the financial year 2022/23 and onwards.



BUSINESS PERFORMANCE – ANAESTHESIA

Last year's comparative figures are stated in brackets.

DKKm	Q2 2022/23	Q2 2021/22	Organic growth	Fx	Reported growth	YTD 2022/23	YTD 2021/22	Organic growth	Fx	Reported growth
North America	168	185	-11%	2%	-9%	350	345	-4%	5%	1%
Europe	63	67	-5%	-1%	-6%	124	123	1%	0%	1%
Rest of World	33	42	-24%	3%	-21%	63	71	-14%	3%	-11%
Revenue	264	294	-11%	1%	-10%	537	539	-4%	4%	0%

Anaesthesia revenue declined organically by -11% (12%) in Q2, with reported growth of -10% (19%). With revenue of DKK 264m, Anaesthesia accounted for 22% (26%) of Ambu's total revenue in the quarter.

For the half-year, organic growth was -4% (3%), and reported growth was 0% (8%).

For Anaesthesia in Q2, sales declined -11% (6%) in North America, by -5% (38%) in Europe and by 24% (5%) in Rest of World.

DRIVERS OF THE QUARTER

Across the North American and European regions, Ambu saw a decline in revenue in Anaesthesia. This was primarily due to backlog reduction, combined with stock piling driven by geopolitical uncertainty, in Q2 last year. Additionally, Europe faced hospital staff shortages, impacting the quarter. For the Rest of World region, Ambu was impacted by phasing in the company's distributor markets.



BUSINESS PERFORMANCE – PATIENT MONITORING

Last year's comparative figures are stated in brackets.

DKKm	Q2 2022/23	Q2 2021/22	Organic growth	Fx	Reported growth	YTD 2022/23	YTD 2021/22	Organic growth	Fx	Reported growth
North America	83	66	18%	8%	26%	157	132	10%	9%	19%
Europe	145	148	-1%	-1%	-2%	287	283	2%	-1%	1%
Rest of World	34	26	29%	2%	31%	60	46	26%	4%	30%
Revenue	262	240	8%	1%	9%	504	461	7%	2%	9%

Organic growth in Patient Monitoring was 8% (14%) in Q2, with reported growth of 9% (17%). With revenue of DKK 262m, Patient Monitoring accounted for 22% (21%) of Ambu's total revenue in the quarter.

For the half-year, organic growth was 7% (10%), and reported growth was 9% (13%).

Patient Monitoring sales in Q2 increased by 18% (6%) in North America, declined -1% (24%) in Europe and increased by 29% (-13%) in Rest of World.

DRIVERS OF THE QUARTER

Revenue growth in Patient Monitoring was mainly driven by strong cardiology sales. For the regions, different drivers impacted performance. Europe faced increased revenue due to last year's reduction of backorders and Omicron recovery, and sales were furthermore impacted by staff shortages, especially in Germany, resulting in fewer-than-normal elective procedures. Contrarily, Rest of World and North America were driven by post-Covid-19 recovery, as well as a reduction of backlog orders, resulting in positive results.



FINANCIAL RESULTS

INCOME STATEMENT

DKKm	Q2 22/23	Q2 21/22	Change in value	Change %	YTD 2022/23	YTD 2021/22	Change in value	Change %
Revenue	1,189	1,122	67	6%	2,321	2,153	168	8%
Production costs	-525	-475	-50	11%	-995	-872	-123	14%
Gross profit	664	647	17	3%	1,326	1,281	45	4%
<i>Gross margin, %</i>	<i>55.8</i>	<i>57.7</i>	-	-	<i>57.1</i>	<i>59.5</i>	-	-
Selling and distribution costs	-394	-407	13	-3%	-780	-813	33	-4%
Development costs	-69	-65	-4	6%	-138	-129	-9	7%
Mgmt. and administrative costs	-155	-128	-27	21%	-294	-252	-42	17%
Total OPEX	-618	-600	-18	3%	-1,212	-1,194	-18	2%
EBIT	46	47	-1	-2%	114	87	27	31%
<i>EBIT margin, %</i>	<i>3.9</i>	<i>4.2</i>	-	-	<i>4.9</i>	<i>4.0</i>	-	-

REVENUE

Revenue for Q2 was DKK 1,189m (DKK 1,122m), reflecting a reported growth of 6% (12%) and a 4% (8%) underlying organic growth.

Revenue year-to-date was DKK 2,321m (DKK 2,153m), equivalent to reported growth of 8% (7%) and organic growth of 4% (3%).

GROSS PROFIT

Gross profit in Q2 was up 3% to DKK 664m (DKK 647m), while the gross margin declined by 1.9 percentage points to 55.8% (57.7%). The decline in gross margin is driven by production costs.

Production costs in Q2 increased by DKK 50m, or 11%, compared to last year. The inflationary effect on Ambu's input prices, paired with the overheads from scaling-up the factory in Mexico, had a negative effect of more than 3 percentage points in the quarter, however offset by product mix.

The average exchange rates in Q2 changed relative to last year as follows: USD/DKK by 5%, MYR/DKK by 0%, CNY/DKK by -3% and GBP/DKK by -5%. The combined exchange rate impact on the reported revenue growth for Q2 was 2 percentage points.

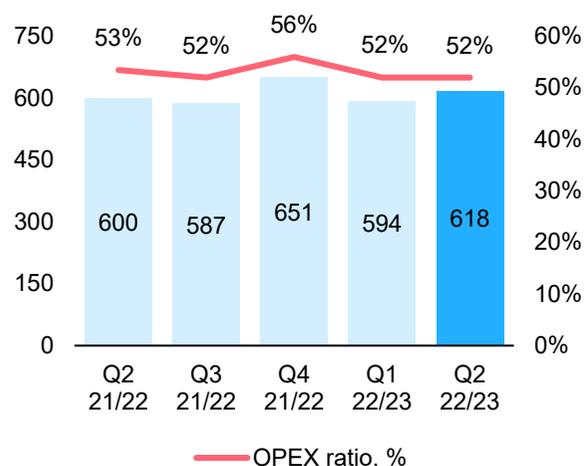
For the year-to-date, gross profit was DKK 1,326m (DKK 1,281m), while the gross margin declined by 2.4 percentage points to 57.1% (59.5%).

OPERATING EXPENDITURES (OPEX)

OPEX in Q2 totalled DKK 618m (DKK 600m), representing an increase of 3%, due to appreciating currencies against DKK. The OPEX ratio was 52% (53%).

Year-to-date, OPEX totalled DKK 1,212m (DKK 1,194m), corresponding to 52% (55%) of revenue.

TOTAL OPEX IN DKKM AND RELATIVE TO REVENUE (%)



SELLING AND DISTRIBUTION COSTS

Selling and distribution costs in Q2 were DKK 394m (DKK 407m), down by DKK -13m from the prior-year period, or -3% in reported currencies. Selling and distribution costs corresponded to 33% (36%) of revenue in Q2.

Year-to-date costs were DKK 780m (DKK 813m), corresponding to 34% (38%) of revenue.

The decrease in Q2 and year-to-date is due to lower sales and marketing costs, slightly offset by a modest increase in distribution costs.

Freight costs are recognised in the income statement at the point in time when the transported products are sold to the customer.

DEVELOPMENT COSTS

Development costs in Q2 totalled DKK 69m (DKK 65m).

Year-to-date, development costs totalled DKK 138m (DKK 129m). Adjusted for depreciation, amortisation and impairment losses, development costs were reduced by DKK 8m, which, together with investments, reflect the lower level of innovation activities. Development costs corresponded to 6% (6%) of revenue.

DKKm	YTD 2022/23	YTD 2021/22	Change in value
Development costs	138	129	9
÷ Depreciation and amortisation	-83	-65	-18
÷ Impairment	0	-1	1
= Development costs affecting EBITDA	55	63	-8
+ Investments	112	213	-101
= Cash flow – Innovation	167	276	-109

MANAGEMENT AND ADMINISTRATIVE COSTS

Management and administrative costs for Q2 were DKK 155m (DKK 128m), corresponding to 13% (11%) of revenue. The increase was driven by one-time severance costs in Q2 2022/23 and an overall modest increase of IT costs and general expenses.

Year-to-date, costs totalled DKK 294m (DKK 252m), corresponding to 13% (12%) of revenue.

SPECIAL ITEMS

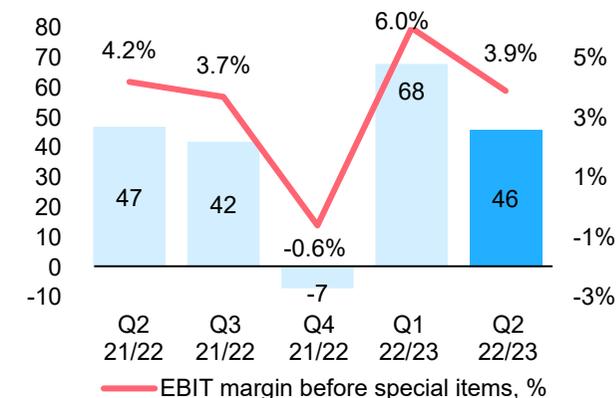
Year-to-date, special items was DKK 0m (DKK 0m).

EBIT

Operating profit (EBIT) was DKK 46m (DKK 47m) in Q2, with an EBIT margin of 3.9% (4.2%). EBIT was DKK 114m (DKK 87m) for the year-to-date, with an EBIT margin of 4.9% (4.0%).

The improved EBIT margin of 0.9% percentage points was driven by a reduced OPEX ratio of 3% percentage points and scale on EBIT margin from reported growth but offset by the gross margin decrease of 2.4% percentage points. The impact of foreign exchange rates on the EBIT margin was slightly negative for the quarter and negligible for the year-to-date.

EBIT BEFORE SPECIAL ITEMS (DKKM) AND RELATIVE TO REVENUE (MARGIN, %)



DEPRECIATION, AMORTISATION AND IMPAIRMENT

Depreciation, amortisation and impairment (DA) for Q2 represented an expense of DKK 79m (DKK 78m), corresponding to 7% (7%) of revenue.

Year to date, DA represented an expense of DKK 156m (DKK 140m), corresponding to 7% (7%) of revenue.

The increase in value is driven by amortisations from completed development projects.

EBITDA

EBITDA was DKK 125m (DKK 125m), with an EBITDA margin of 10.5% (11.1%).

NET FINANCIALS

Net financials amounted to an expense of DKK 67m (income of DKK 120m) for the year-to-date. Adjusted for last year's fair value adjustment of contingent consideration totalling DKK 137m, the increase from last year was DKK 50m.

The increase is driven by DKK 27m increased foreign exchange losses, mainly from intercompany receivables denominated in USD, and an increase in interest expenses from banks of DKK 23m, compared to last year.

TAX ON PROFIT

Tax on profit for Q2 was a net expense of DKK 4m (DKK 7m) and DKK 10m (DKK 12m) for the year-to-date, corresponding to an average effective tax rate on profit of 21% (6%) year-to-date.

NET PROFIT

Net profit for Q2 was DKK 15m (DKK 175m) and DKK 37m (DKK 195m) for the year-to-date, equivalent to 2% (9%) of revenue.

DILUTED EARNINGS PER SHARE

Diluted earnings per share (EPS-D) for Q2 were DKK 0.06 (DKK 0.69) and DKK 0.15 (DKK 0.77) for the year-to-date.

CASH FLOW STATEMENT

DKKm	Q2 2022/23	Q2 2021/22	Change in value	YTD 2022/23	YTD 2021/22	Change in value
Cash flow from operating activities (CFFO)	99	5	94	1	-23	24
Cash flow from investing activities before acquisitions (CFFI)	-78	-141	63	-154	-275	121
Free cash flow before acquisitions (FCF)	21	-136	157	-153	-298	145
Acquisitions of enterprises and technology	0	0	0	0	0	0
Cash flow from financing activities (CFFF)	36	107	-71	148	346	-198
Changes in cash	57	-29	86	-5	48	-53
Cash flow in % of revenue:						
Cash flow from operating activities (CFFO)	8	0	-	0	-1	-
Investments (CFFI)	-6	-12	-	-7	-13	-
Free cash flow before acquisitions (FCF)	2	-12	-	-7	-14	-

CFFO AND CFFI

Cash flow from operating activities (CFFO) for Q2 was up DKK 94m to DKK 99m (DKK 5m) from last year. The improvement compared to last year was driven by working capital as Q2 was up DKK 109m at DKK 14m (DKK -95m), slightly offset by increased interest paid.

CFFO for the year-to-date was DKK 1m (DKK -23m).

Cash flow from investing activities (CFFI) for Q2 was DKK -78m (DKK -141m).

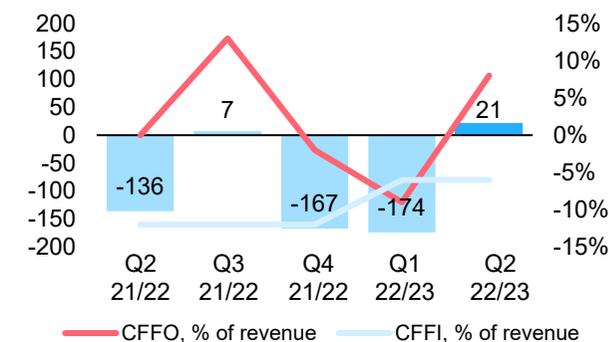
CFFI for the year-to-date was DKK -154m (DKK -275m), primarily driven by innovation activities of DKK -112m (DKK -213m) and investments into production capacities.

FREE CASH FLOW

Free cash flow (FCF) for Q2 before acquisitions totalled DKK 21m (DKK -136m), and FCF for the year-to-date was DKK -153m, up DKK 145m compared to the same period last year. The improvement was driven by lower investments into innovation and working capital.

Cash flow from financing activities (CFFF) amounted to DKK 36m (DKK 107m) for the quarter and DKK 148m (DKK 346m) for the year-to-date. The capital base was strengthened in March 2023 by DKK 1,077m, and DKK 1,140m was subsequently used in reducing borrowings.

FREE CASH FLOW BEFORE ACQUISITIONS (DKKM) AND CFFO AND CFFI RELATIVE TO REVENUE (%)



BALANCE SHEET

BALANCE SHEET CONDENSED BY MAIN ITEMS

DKKm	Q2 2022/23	FY 2021/22	Change in value	Change %
Non-current assets	4,817	4,911	-94	-2%
Inventories	1,086	1,222	-136	-11%
Trade receivables	671	747	-76	-10%
Other current assets	181	148	33	22%
Cash and cash equivalents	182	187	-5	-3%
Total assets	6,937	7,215	-278	-4%
Equity	5,212	4,261	951	22%
Interest-bearing debt	915	1,845	-930	-50%
Trade and other payables	773	1,061	-288	-27%
Other liabilities	37	48	-11	-23%
Total equity and liabilities	6,937	7,215	-278	-4%

At the end of Q2, **total assets** were DKK 6,937m, down DKK 278m from FY 2021/22, and **invested capital** was DKK 5,945m.

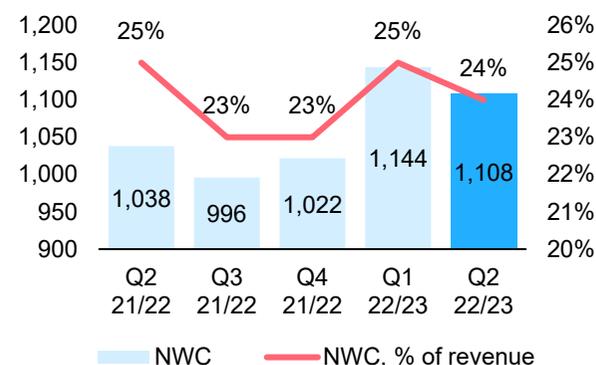
NON-CURRENT ASSETS

At the end of Q2, non-current assets were DKK 4,817m, constituting a DKK -94m change from FY 2021/22, driven by DKK -117m in currency translations and DKK -156m (DKK -140m) in amortisation and depreciation, partly offset by total investments of DKK 154m (DKK 275m).

NET WORKING CAPITAL

Net working capital (NWC) at the end of Q2 was DKK 1,108m, up DKK 86m since FY 2021/22. NWC corresponded to 24% of 12 months' revenue.

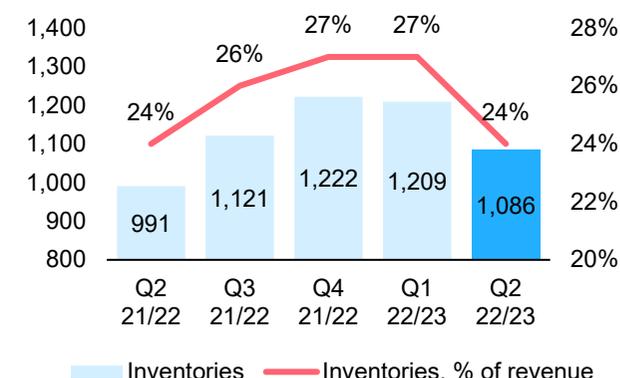
NET WORKING CAPITAL (DKKM) AND NET WORKING CAPITAL RELATIVE TO REVENUE (%)



INVENTORIES

Inventories were DKK 1,086m, down DKK 136m from FY 2021/22, equivalent to 24% of revenue over 12 months.

INVENTORIES IN DKKM AND RELATIVE TO REVENUE ON A 12-MONTH BASIS (%)



TRADE RECEIVABLES

Trade receivables totalled DKK 671m at the end of Q2, against DKK 747m at the end of FY 2021/22. Calculated at fixed exchange rates on a 12-month basis, the average number of days of outstanding sales was 53 (60), due to a strong cash collection towards the end of Q2. The financial risk on trade receivables is unchanged from Q4.

TRADE PAYABLES AND OTHER PAYABLES

Trade payables and other payables totalled DKK 773m, down DKK 288m from FY 2021/22. The reduction was driven by settled liabilities pertaining to the cost reduction program, paid-out bonuses and an overall reduced level of spending across inventories, capital expenditures and OPEX.

STRENGTHEN CAPITAL BASE

On 21 March, in connection with its Capital Market Day, Ambu announced it was looking to strengthen its capital base to counter macro-economic uncertainties.

An accelerated book-building offering was completed on 24 March.

Gross proceeds of DKK 1.1bn was raised in total by issuing 11,577,957 new B-shares and the sale of 250,000 treasury B-shares at a price of DKK 93. Net proceeds, less transaction costs of DKK 23m, amounted to DKK 1,077m.

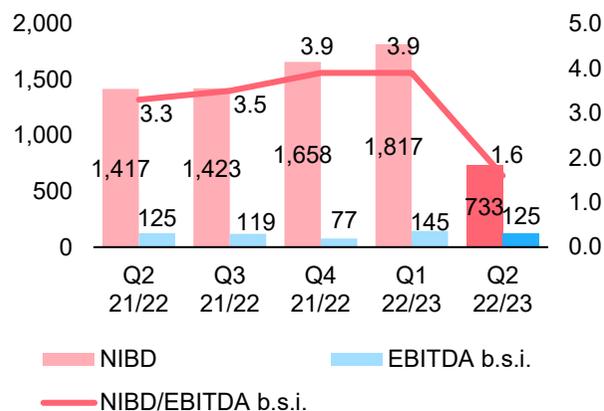
Total credit lines in Q2 were DKK 1,800m, unchanged since FY 2021/22, of which credit lines for DKK 340m were utilised.

At the end of Q2, Ambu had unutilised capital resources of approximately DKK 1.7bn.

NIBD AND LEVERAGE

Net interest-bearing debt (NIBD) was DKK 733m by the end of Q2, down by DKK 925m from FY 2021/22. The decrease was driven by the capital raise with net proceeds of DKK 1,077m, slightly offset by the negative free cash flow for the year of DKK -153m.

NIBD (DKKM), EBITDA BEFORE SPECIAL ITEMS (DKKM) AND NIBD/EBITDA BEFORE SPECIAL ITEMS



EQUITY

At the end of March 2023, equity totalled DKK 5,212m, up DKK 951m, or 22%, from FY 2021/22, corresponding to an equity ratio of 75% of total assets. The share capital was DKK 135m, distributed on 269.3m shares.

Equity increased in Q2 by DKK 1,077m from net proceeds of capital raising through a directed issue of new B-shares and selling existing treasury shares.

At the end of Q2 2022/23, Ambu employees had exercised a total of 315,000 stock options in Ambu A/S at a total of DKK 14m.

In accordance with the remuneration policy, the first performance stock unit program granted in FY 2017/18 was vested, and 47,000 shares were transferred to the employees.

Consequently, Ambu's holding of Class B treasury shares has since FY 2021/22 been reduced by 612,000 shares to 3,030,000 by end of Q2, corresponding to 1.1% (1.4%) of the total share capital.

At the Annual General Meeting held on 14 December 2022, a proposal not to distribute dividend was adopted, and ordinary dividend to the shareholders will consequently be DKK 0m (DKK 75m).

OTHER COMPREHENSIVE INCOME

Other comprehensive income included a translation adjustment arising from the translation of subsidiaries in foreign currency for the year-to-date of DKK -188m (DKK 84m). The reduction was driven by the depreciating USD/DKK since FY 2021/22.



FINANCIAL OUTLOOK

The outlook for the 2022/23 financial year as announced in the Annual Report on 15 November 2022 is maintained as of 3 May 2023. The outlook for organic revenue growth is 5-8%, and the outlook for EBIT margin before special items is 3-5%.

LOCAL CURRENCIES

	3 May 2023	7 Feb 2023	15 Nov 2022
Organic growth	5-8%	5-8%	5-8%

DANISH KRONER

	3 May 2023	7 Feb 2023	15 Nov 2022
EBIT margin	3-5%	3-5%	3-5%

EXCHANGE RATE ASSUMPTIONS FOR 2022/23

	3 May 2023	7 Feb 2023	15 Nov 2022
USD/DKK	697	696	722
MYR/DKK	156	160	156
CNY/DKK	100	101	103
GBP/DKK	847	845	850

FORWARD-LOOKING STATEMENTS

Forward-looking statements, in particular relating to future sales, operating income and other key financials, are subject to risks and uncertainties. Various factors, many of which lie outside of Ambu's control, may cause the realised results to differ materially from the expectations presented in this earnings release. Such factors include, but are not confined to, changes in market conditions and the competitive situation, changes in demand and purchasing patterns, fluctuations in foreign exchange and interest rates, as well as general economic, political and commercial conditions.

LONG-TERM FINANCIAL TARGETS

Organic revenue growth	5-year CAGR (2022/23-2027/28)
Total organic revenue growth	>10%
▶ Endoscopy Solutions	15-20%
▶ Anaesthesia and Patient Monitoring*	2-4%

EBIT margin	5-year target (2027/28)
EBIT margin before special items	~20%
	▶ >10% within next 2 years
	▶ Potential trade-offs with growth investments

* Margin expansion initiatives may drive lower growth short-term

FINANCIAL CALENDAR

2022/23

31 August	Earnings release Q3 2022/23
30 September	End of financial year 2022/23
31 October	Deadline for the inclusion of specific items on the agenda for the Annual General Meeting 2023

2023/24

8 November	Annual Report 2022/23
13 December	Annual General Meeting 2023

QUARTERLY RESULTS

DKKm	Q2 2022/23	Q1 2022/23	Q4 2021/22	Q3 2021/22	Q2 2021/22	Q1 2021/22
Revenue by products:						
Pulmonology	378	346	351	323	380	393
Endoscopy Solutions excl. pulmonology	285	271	258	239	208	172
Endoscopy Solutions	663	617	609	562	588	565
Anaesthesia	264	273	285	302	294	245
Patient Monitoring	262	242	269	264	240	221
Revenue	1,189	1,132	1,163	1,128	1,122	1,031
Production costs	-525	-470	-519	-499	-475	-397
Gross profit	664	662	644	629	647	634
Selling and distribution costs	-394	-386	-432	-389	-407	-406
Development costs	-69	-69	-80	-72	-65	-64
Management and administrative costs	-155	-139	-139	-126	-128	-124
Operating profit (EBIT) before special items	46	68	-7	42	47	40
Special items	0	0	-135	-13	0	0
Operating profit (EBIT)	46	68	-142	29	47	40
Financial income	-1	1	20	12	137	0
Financial expenses	-26	-41	-10	-7	-2	-15
Profit before tax (PBT)	19	28	-132	34	182	25
Tax on profit for the period	-4	-6	2	-6	-7	-5
Net profit for the period	15	22	-130	28	175	20
Key figures and ratios:						
Gross margin, %	55.8	58.5	55.4	55.8	57.7	61.5
Operating Expenditures (OPEX)	618	594	651	587	600	594
OPEX ratio, %	52	52	56	52	53	58
EBITDA before special items	125	145	77	119	125	102
EBITDA margin before special items, %	10.5	12.8	6.6	10.5	11.1	9.9
EBIT margin before special items, %	3.9	6.0	-0.6	3.7	4.2	3.9
NIBD/EBITDA before special items	1.6	3.9	3.9	3.5	3.3	2.7
Net working capital, % of revenue	24	25	23	23	25	23

DKKm	Q2 2022/23	Q1 2022/23	Q4 2021/22	Q3 2021/22	Q2 2021/22	Q1 2021/22
Organic growth, products, %:						
Pulmonology	-3	-17	-15	-25	-17	-23
Endoscopy Solutions excl. pulmonology	36	47	44	83	89	143
Endoscopy Solutions	11	3	3	0	3	-2
Anaesthesia	-11	4	0	14	12	-6
Patient Monitoring	8	6	10	20	14	7
Organic growth	4	4	4	8	8	-1
Exchange rate effects	2	6	9	8	4	3
Reported revenue growth	6	10	13	16	12	2
Organic growth, markets, %:						
North America	8	9	2	16	11	18
Europe	-1	-4	16	4	7	-16
Rest of World	7	14	-20	-4	-1	0
Organic growth	4	4	4	8	8	-1
Cash flow, DKKm:						
Cash flow from operating activities	99	-98	-28	146	5	-28
Cash flow from investing activities	-78	-76	-139	-139	-141	-134
Free cash flow before acquisitions*	21	-174	-167	7	-136	-162
Cash flow, % of revenue:						
Cash flow from operating activities	8	-9	-2	13	0	-3
Cash flow from investing activities	-6	-6	-12	-12	-12	-13
Free cash flow before acquisitions*	2	-15	-14	1	-12	-16
Balance sheet:						
Assets	6,937	7,006	7,215	6,921	6,557	6,327
Net working capital	1,108	1,144	1,022	996	1,038	911
Equity	5,212	4,122	4,261	4,282	4,162	3,946
Net interest-bearing debt	733	1,817	1,658	1,423	1,417	1,259
Invested capital	5,945	5,939	5,919	5,705	5,579	5,205
Share-related ratios (in DKK):						
Market price per share	103	89	66	69	100	173
Earnings per share (EPS)	0.06	0.09	-0.51	0.11	0.69	0.08
Diluted earnings per share (EPS-D)	0.06	0.09	-0.51	0.11	0.69	0.08

*Acquisitions' refers to 'Acquisitions of enterprises and technology' as defined in the Annual Report 2021/22.

MANAGEMENT'S STATEMENT

The Board of Directors and the Executive Management have today considered and approved the interim report of Ambu A/S for the period from 1 October 2022 to 31 March 2023. The interim report has not been audited or reviewed by the company's independent auditors.

The interim report is presented in accordance with IAS 34 – Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for the interim reporting of listed companies.

We consider the accounting policies applied to be expedient, the Group's internal controls relevant to preparing and presenting the interim report to be adequate and the interim report to give a true and fair view of the Group's assets, liabilities, results and financial position at 31 March 2023 and of the results of the Group's operations and cash flows for the period from 1 October 2022 to 31 March 2023.

We furthermore consider that the management's review gives a true and fair view of the development in the Group's activities and financial affairs, the profit for the period and the Group's financial position as a whole, as well as a description of the most significant risks and uncertainties to which the Group is subject.

Copenhagen, 3 May 2023

EXECUTIVE MANAGEMENT

Britt Meelby Jensen
Chief Executive Officer

Thomas Frederik Schmidt
Chief Financial Officer

BOARD OF DIRECTORS

Jørgen Jensen
Chairman

Christian Sagild
Vice Chairman

Henrik Ehlers Wulff

Susanne Larsson

Michael del Prado

Shacey Petrovic

Simon Hesse Hoffmann

Charlotte Elgaard Bjørnhof
Employee-elected member

Thomas Bachgaard Jensen
Employee-elected member

Jesper Bartroff Frederiksen
Employee-elected member

CONSOLIDATED FINANCIAL STATEMENTS

INTERIM REPORT Q2 2022/23

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INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

INTERIM REPORT Q2 2022/23

DKKm

Income statement	Note	Q2 2022/23	Q2 2021/22	YTD 2022/23	YTD 2021/22	FY 2021/22
Revenue	4	1,189	1,122	2,321	2,153	4,444
Production costs		-525	-475	-995	-872	-1,890
Gross profit		664	647	1,326	1,281	2,554
Selling and distribution costs		-394	-407	-780	-813	-1,634
Development costs		-69	-65	-138	-129	-281
Management and administrative costs		-155	-128	-294	-252	-517
Operating profit (EBIT) b. s. i.		46	47	114	87	122
Special items		0	0	0	0	-148
Operating profit (EBIT)		46	47	114	87	-26
Financial income		-1	137	0	137	169
Financial expenses		-26	-2	-67	-17	-34
Profit before tax		19	182	47	207	109
Tax on profit for the period		-4	-7	-10	-12	-16
Net profit for the period		15	175	37	195	93
Earnings per share in DKK						
Earnings per share (EPS)		0.06	0.69	0.15	0.77	0.37
Diluted earnings per share (EPS-D)		0.06	0.69	0.15	0.77	0.37

DKKm

Statement of comprehensive income	Q2 2022/23	Q2 2021/22	YTD 2022/23	YTD 2021/22	FY 2021/22
Net profit for the period	15	175	37	195	93
Other comprehensive income:					
<i>Items which are moved to the income statement under certain conditions:</i>					
Translation adj. in foreign subsidiaries	-22	36	-188	84	273
Other comprehensive income after tax	-22	36	-188	84	273
Comprehensive income for the period	-7	211	-151	279	366

CASH FLOW STATEMENT

INTERIM REPORT Q2 2022/23

DKKm

	YTD 2022/23	YTD 2021/22	FY 2021/22
Net profit	37	195	93
Adjustment for non-cash items:			
Income taxes in the Income statement	10	12	16
Depreciation, amortisation and impairment losses	154	140	351
Financial items and share-based payment	76	-112	-123
Change in working capital	-199	-215	-134
Interest paid	-40	-13	-29
Income tax paid	-37	-30	-79
Cash flow from operating activities	1	-23	95
Investments in intangible assets	-109	-204	-395
Investments in tangible assets	-45	-71	-158
Cash flow from investing activities before acquisitions	-154	-275	-553
Free cash flow before acquisitions	-153	-298	-458
Acquisition of technology	0	0	-5
Cash flow from acquisitions	0	0	-5
Cash flow from investing activities	-154	-275	-558
Free cash flow after acquisitions	-153	-298	-463
Proceeds from borrowings	230	435	825
Repayment of borrowings	-1,140	0	-125
Repayment in respect of lease liability	-33	-27	-52
Exercise of options	14	11	11
Sale of treasury shares	23	0	0
Dividend paid	0	-75	-75
Dividend, treasury shares	0	1	1
Capital increase	1,054	1	1
Cash flow from financing activities	148	346	586
Changes in cash and cash equivalents	-5	48	123
Cash and cash equivalents, beginning of period	187	64	64
Cash and cash equivalents, end of period	182	112	187

BALANCE SHEET

INTERIM REPORT Q2 2022/23

DKKm

Assets	Note	31.03.23	31.03.22	30.09.22
Goodwill		1,545	1,531	1,623
Acquired technologies, trademarks and customer relations		454	500	481
Acquired technologies in progress		212	212	212
Completed development projects		769	681	764
Development projects in progress		506	457	458
Rights		29	37	27
Intangible assets		3,515	3,418	3,565
Property, plant and equipment	1	650	606	686
Right-of-use assets	1	567	544	590
Deferred tax asset		85	74	70
Total non-current assets		4,817	4,642	4,911
Inventories		1,086	991	1,222
Trade receivables		671	700	747
Other receivables		50	30	36
Income tax receivable		45	9	23
Prepayments		74	73	78
Derivative financial instruments		12	0	11
Cash and cash equivalents		182	112	187
Total current assets		2,120	1,915	2,304
Total assets		6,937	6,557	7,215

DKKm

Equity and liabilities	Note	31.03.23	31.03.22	30.09.22
Share capital		135	129	129
Other reserves		5,077	4,033	4,132
Equity	6	5,212	4,162	4,261
Deferred tax		8	39	8
Provisions		18	31	19
Lease liabilities		493	476	516
Borrowings		340	985	1,250
Non-current liabilities		859	1,531	1,793
Provisions		4	14	4
Lease liabilities		82	68	79
Trade payables		358	371	600
Income tax		7	26	17
Other payables		415	385	461
Current liabilities		866	864	1,161
Total liabilities		1,725	2,395	2,954
Total equity and liabilities		6,937	6,557	7,215

STATEMENT OF CHANGE IN EQUITY

INTERIM REPORT Q2 2022/23

DKKm

	Share capital	Reserve foreign currency translation adj.	Retained earnings	Proposed dividend	Total
Equity 1 October 2022	129	379	3,753	0	4,261
Net profit for the period			37		37
Other comprehensive income for the period		-188			-188
Total comprehensive income	0	-188	37	0	-151
<i>Transactions with the owners:</i>					
Share-based payment			6		6
Tax deduction relating to share-based pay			5		5
Exercise of options			14		14
Sale of treasury shares			23		23
Share capital increase	6		1,048		1,054
Equity 31 March 2023	135	191	4,886	0	5,212

Equity 1 October 2021	129	106	3,642	75	3,952
Net profit for the period			195		195
Other comprehensive income for the period		84			84
Total comprehensive income	0	84	195	0	279
<i>Transactions with the owners:</i>					
Share-based payment			8		8
Tax deduction relating to share-based pay			-15		-15
Exercise of options			11		11
Distributed dividend				-74	-74
Dividend, treasury shares			1	-1	0
Share capital increase			1		1
Equity 31 March 2022	129	190	3,843	0	4,162

Other reserves are made up of reserve for foreign currency translation adjustment, retained earnings and proposed dividend and total DKK 5,077m (31.03.2022: DKK 4,033m).

NOTES TO THE INTERIM REPORT

INTERIM REPORT Q2 2022/23

Note 1 – Basis of preparation of the interim report

The interim report for the period 1 October 2022 to 31 March 2023 is presented in accordance with IAS 34 – Interim Financial Reporting as adopted by the EU and additional Danish disclosure requirements for the interim reporting of listed companies. The accounting principles applied are consistent with the principles applied in the annual report for 2021/22 with the exception of separating 'Right-of-use assets' from 'Property, plant and equipment' as described in note 2.

Note 2 – Changes in balance sheet classification

In connection with the preparation of the interim report, the management has decided to present 'Right-of-use assets' separately from 'Property, plant and equipment'. This effect of change in presentation of the Company's non-current assets does not affect any key ratios.

	DKKkm		
	30.09.22		30.09.22
	Reported		Restated
Land and buildings	732	-539	193
Plant and machinery	178		178
Other fittings and equipment	185	-51	134
Property, plant and equipment in progress	181		181
Property, plant and equipment	1,276	-590	686
Right-of-use assets		590	590
	31.03.22		31.03.22
	Reported		Restated
Land and buildings	673	-488	185
Plant and machinery	161		161
Other fittings and equipment	176	-56	120
Property, plant and equipment in progress	140		140
Property, plant and equipment	1,150	-544	606
Right-of-use assets		544	544

Note 3 – Segment information

Ambu is a supplier of medtech products for the global market. Except for the sales of the various products, no structural or organisational aspects allow for a division of earnings from individual products, as sales channels, customer types and sales organisations are identical for all important markets. Furthermore, production processes and internal controls and reporting are identical, which means that, with the exception of revenue, everything else is unsegmented. Ambu has thus identified one segment.

Note 4 – Revenue

	DKKkm				
	Q2	Q2	YTD	YTD	FY
	2022/23	2021/22	2022/23	2021/22	2021/22
Endoscopy solutions	663	588	1,280	1,153	2,324
Anaesthesia	264	294	537	539	1,126
Patient Monitoring	262	240	504	461	994
Total revenue by activities	1,189	1,122	2,321	2,153	4,444
North America	586	523	1,171	1,004	2,140
Europe	473	482	913	943	1,825
Rest of World	130	117	237	206	479
Total revenue by markets	1,189	1,122	2,321	2,153	4,444

Note 5 – Risks

For a description of Ambu's risks, see the 'Risk management' section in the annual report for 2021/22, pages 60-64.

NOTES TO THE INTERIM REPORT

INTERIM REPORT Q2 2022/23

Note 6 – Share capital

Development in the number of shares:

	Class A shares		Class B shares		Nom. value ('000)	
	Q2 2022/23	Q2 2021/22	Q2 2022/23	Q2 2021/22	Q2 2022/23	Q2 2021/22
<i>No. of shares in thousands</i>						
1 October	34,320	34,320	223,396	223,384	128,858	128,852
Addition	0	0	11,578	12	5,789	6
31 March	34,320	34,320	234,974	223,396	134,647	128,858

Capital increases

On 24 March 2023, Ambu concluded its accelerated bookbuild offering to increase the share capital by a nominal amount of DKK 5,788,979 through direct issue of 11,577,957 Class B shares. The sale price was DKK 93 per share and DKK 91.10 per share net total transaction costs of DKK 22.5m. Total net proceeds raised was DKK 1,054m.

Development in treasury shares:

	No. ('000)		Nominal value, DKKm		In % of share capital	
	Q2 2022/23	Q2 2021/22	Q2 2022/23	Q2 2021/22	Q2 2022/23	Q2 2021/22
1 October	3,642	3,977	2.0	2.0	1.4%	1.5%
Disposals, sale of treasury shares	-297	-66	-0.2	0.0	-0.1%	0.0%
Disposals, share options	-315	-269	-0.2	0.0	-0.1%	-0.1%
31 March	3,030	3,642	1.6	2.0	1.2%	1.4%

On 24 March 2023, Ambu concluded its accelerated bookbuild offering by sale of 250,000 treasury Class B shares. The sale price was DKK 93 per share and DKK 91.10 per share net total transaction costs of DKK 0.5m. Total net proceeds raised was DKK 23m.

In Q2 2022/23, disposals related to conclusion of employee share programmes (matching shares) of 47,336 (64,993) Class B shares and exercise of 314,760 (269,165) share options.

Note 7 – Contingent liabilities

Ambu's ongoing operations and the use of Ambu's products in hospitals and clinics etc. involve the general risk of claims for damages and sanctions against Ambu. The risk is deemed to be customary.

Ambu is involved from time to time in disputes with customers and patients about Ambu's products. Appropriate provisions are made on an ongoing basis, and product liability insurance has been taken out. The management believes that the likely outcomes of these disputes can be covered by the provisions made and recognised in the balance sheet as at 31 March 2023.

Note 8 – Subsequent events

In addition to the matters described in this interim report, the management is not aware of any events subsequent to 31 March 2023 which could be expected to have a significant impact on the group's financial position.

ABOUT AMBU

Since 1937, Ambu has been rethinking solutions, together with healthcare professionals, to save lives and improve patient care. Today, millions of patients and healthcare professionals worldwide depend on the efficiency, safety and performance of our single-use endoscopy, anaesthesia and patient monitoring solutions.

Headquartered near Copenhagen in Denmark, Ambu employs around 4,500 people in Europe, North America, Latin America and Asia Pacific.

For more information, please visit [Ambu.com](https://www.ambu.com).

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