

INTERIM REPORT FOR Q1 2023/24

Ambu

Ambu A/S, Baltorpbakken 13, DK-2750 Ballerup
Registration no. 63644919



INTERIM REPORT FOR Q1 2023/24

In Q1 2023/24, Ambu delivered 14% organic revenue growth and a 10.0% EBIT margin before special items. This was driven by Endoscopy Solutions growing 25%, due to continued high double-digit growth within urology and ENT, combined with pulmonology growing 18%.

"I am pleased with the performance within the first quarter of the year, showcasing our continued commitment to delivering strong profitable growth. With 25% growth in Endoscopy Solutions, an increased profitability level and a positive free cash flow of DKK 135m, we are off to a solid start to meet our financial guidance for this fiscal year.

Whereas the first year of our transformative ZOOM IN strategy revolved around re-building our financial foundation, this second year is dedicated to accelerated growth at higher margins. I am excited to continue our trajectory along with my dedicated colleagues at Ambu, to support our customers and their patients, all over the world."



BRITT MEELBY JENSEN

Chief Executive Officer

Q1 2022/23 conference call

A conference call is broadcast live today, Tuesday 30 January 2024, at 11:00 (CET), via [Ambu.com/webcastQ12024](https://www.ambu.com/webcastQ12024). To ask questions during the Q&A session, please register prior to the call via [Ambu.com/conferencecallQ12024register](https://www.ambu.com/conferencecallQ12024register). Upon registration, you will receive an e-mail with the needed information to access the call.

The presentation can be downloaded at [Ambu.com/presentations](https://www.ambu.com/presentations).

HIGHLIGHTS FOR THE QUARTER

Last year's comparative figures are presented in brackets.

Financial highlights

- **Revenue** for Q1 increased organically by 14% (4%) to DKK 1,254m (DKK 1,132m). Reported growth for the quarter was 11% (10%).
- **Endoscopy Solutions** increased organically by 25% (3%). **Pulmonology** posted 18% (-17%) organic growth, and **Endoscopy Solutions excl. pulmonology** posted 34% (47%) organic growth, driven by strong growth in urology and ENT.
- **Anaesthesia & Patient Monitoring increased organically by 1% (5%), combined.** Both were affected by price increases in selected low-margin areas, which is implemented on a rolling basis throughout the financial year.
- **EBIT** before special items for the quarter was DKK 126m (DKK 68m), with an **EBIT margin** before special items of 10.0% (6.0%). The improved EBIT margin of 4.0 %-pts was mainly driven by revenue expansion driving scale in OPEX of 3.6 %-pts, while operational expenses plateaued. The impact of foreign exchange rates on the EBIT margin was approximately +1%-pts.
- **Free cash flow** before acquisitions totalled DKK 135m (DKK -174m) for the quarter, driven by improved EBITDA, net working capital and lower CAPEX.
- The **FY 2023/24 financial guidance** stated on 8 November 2023 is maintained:
 - Organic revenue growth: 7-10%
 - EBIT margin before special items: 8-10%

Business highlights

- **Strengthened urology offering** with European regulatory clearance (CE mark) of aScope™ 5 Uretero and aScope™ Cysto 5 HD.
- **Ambu's near-term climate targets validated by SBTi**, reflecting the reduction of absolute scope 1 and 2 greenhouse gas emissions by 75% by the 2029/30 financial year. Also, ambition set to reach **net-zero emissions across the value chain by 2045**.
- **Completion of Executive Leadership Team**, with Henrik Bender (CFO) on-boarded and Rummana Hasan appointed as Chief Marketing Officer (CMO) as of 1 February 2024.

FINANCIAL HIGHLIGHTS

DKKm	Q1 2023/24	Q1 2022/23	FY 2022/23
Income statement			
Revenue	1,254	1,132	4,775
Gross profit	739	662	2,713
EBITDA before special items	213	145	632
Depreciation, amortisation and impairment	-87	-77	-330
EBIT before special items	126	68	302
Special items	0	0	-8
EBIT	126	68	294
EBITDA	213	145	642
Net financials	-6	-40	-84
Profit before tax	120	28	210
Net profit for the period	92	22	168
Cash flow			
Cash flow from operating activities (CFFO)	189	-98	518
Cash flow from investing activities (CFFI)	-54	-76	-326
Free cash flow (FCF)	135	-174	192
CFFO, % of revenue	15	-9	11
CFFI, % of revenue	-4	-6	-7
FCF, % of revenue	11	-15	4
Balance sheet			
Assets	6,838	7,006	6,859
Net working capital	932	1,144	939
Equity	5,421	4,122	5,393
Net interest-bearing debt	351	1,817	427
Invested capital	5,772	5,939	5,820

DKKm	Q1 2023/24	Q1 2022/23	FY 2022/23
Key figures and ratios			
Organic growth, %	14	4	8
Gross margin, %	58.9	58.5	56.8
OPEX ratio, %	49	52	50
EBIT margin before special items, %	10.0	6.0	6.3
EBITDA margin before special items, %	17.0	12.8	13.2
EBIT margin, %	10.0	6.0	6.2
EBITDA margin, %	17.0	12.8	13.4
Tax rate, %	23	21	20
Return on equity, %	9	2	3
NIBD/EBITDA before special items	0.5	3.9	0.7
Equity ratio, %	79	59	79
Net working capital, % of revenue	19	25	20
Return on invested capital (ROIC), %	5	2	4
Average number of employees	4,700	4,410	4,385
Share-related ratios (in DKK)			
Market price per share	105	89	74
Earnings per share (EPS)	0.35	0.09	0.64
Diluted earnings per share (EPS-D)	0.35	0.09	0.64

Key figures and ratio definitions are consistent with the ones applied in the Annual Report 2022/23.

BUSINESS PERFORMANCE - IN BRIEF

Business areas

DKKkm	Composition of growth					
	Q1 2023/24	Split	Q1 2022/23	Organic	Currency	Reported
Endoscopy solutions	748	60%	617	25%	-4%	21%
Pulmonology	398	32%	346	18%	-3%	15%
Excluding pulmonology	350	28%	271	34%	-5%	29%
Anaesthesia & Patient Monitoring	506	40%	515	1%	-3%	-2%
Anaesthesia	268	21%	273	2%	-4%	-2%
Patient Monitoring	238	19%	242	0%	-2%	-2%
Total	1,254	100%	1,132	14%	-3%	11%

Geographies

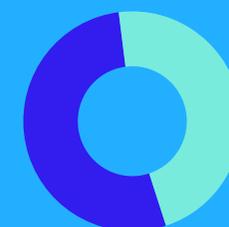
DKKkm	Composition of growth					
	Q1 2023/24	Split	Q1 2022/23	Organic	Currency	Reported
North America	631	50%	585	13%	-5%	8%
Europe	505	40%	440	15%	0%	15%
Rest of World	118	10%	107	18%	-8%	10%
Total	1,254	100%	1,132	14%	-3%	11%

ORGANIC GROWTH IN ENDOSCOPY SOLUTIONS



25%

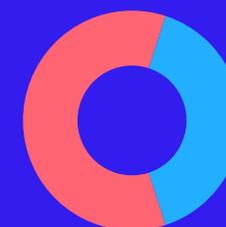
Q1 SPLIT IN ENDOSCOPY SOLUTIONS



Pulmonology
53%

Endoscopy Solutions excl. pulmonology
47%

Q1 SHARE OF REVENUE BY BUSINESS AREA



Endoscopy Solutions
60%

Anaesthesia & Patient Monitoring
40%

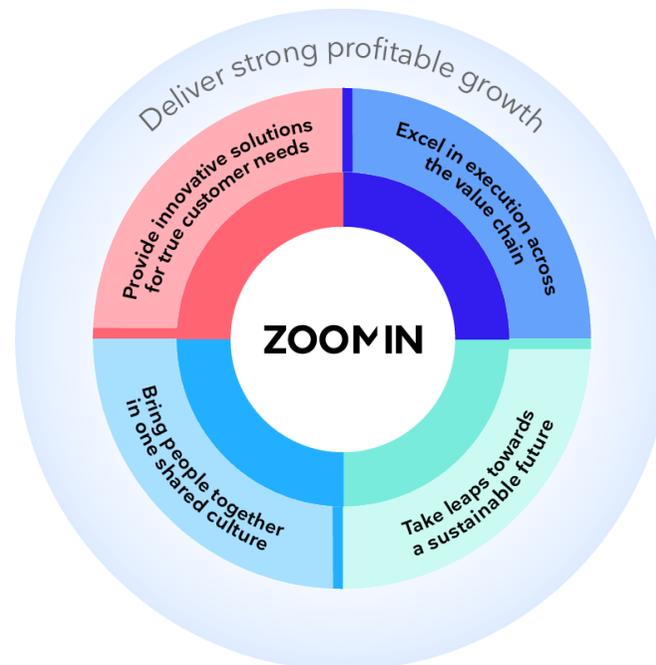
STRATEGY UPDATE

Provide innovative solutions for true customer needs

- European regulatory clearance of the new ureteroscopy solution - the flexible **single-use ureteroscope aScope™ 5 Uretero**. The offering represents a market expansion into a new type of urology procedures. The controlled market release has been initiated
- Ambu's **single-use HD cystoscope aScope™ 5 Cysto**, aimed at meeting advanced demands for high image quality cystoscopy procedures, received European regulatory clearance.

Bring people together in one shared culture

- **Henrik Skak Bender** appointed as Ambu's new Chief Financial Officer and member of the Executive Management - as of 1 January 2024.
- Effective 1 February 2024, **Rummana Hasan** will join Ambu as Chief Marketing Officer. Rummana steps into Ambu's Executive Leadership Team, which is now complete.



Excel in execution across the value chain

- **Profitable growth strengthened**, reflected by 25%, growth in Endoscopy Solutions, driven by solid performance across all endoscopy segments.
- Advanced free cash flow of DKK 135m, attributable to **strong operational performance**.
- Continuous **focus on cost and efficiency** across the business.

Take leaps towards a sustainable future

- Ambu's **near-term climate targets validated** by SBTi - and ambition set to **reach net-zero emissions** across the value chain by 2045.
- Continued progress to **implement bioplastics** in Ambu's full fleet of single-use endoscopes by early 2024/25.

ENDOSCOPY SOLUTIONS PERFORMANCE

Last year's comparative figures are stated in brackets.

Endoscopy Solutions sales for the quarter were up, reflecting organic growth of 25% (3%) and reported growth of 21% (9%), with revenue of DKK 748m (DKK 617m). Endoscopy Solutions accounted for 60% (55%) of Ambu's total revenue in Q1 2023/24.

The satisfactory growth in Endoscopy Solutions was mainly driven by Ambu's pre-existing solutions in the growing single-use market, combined with low pulmonology comparables in Q1 last year.

DRIVERS OF THE QUARTER

Pulmonology posted 18% organic for Q1, accounting for 53% of Ambu's total endoscopy revenue. Ambu's bronchoscopy portfolio was the biggest growth contributor, while also VivaSight™ 2 DLT contributed positively, due to the global market re-launch in March 2023.

Moreover, the strong growth in pulmonology was driven by post-Covid-19 market normalisation, as well as low comparables from last year's quarter. However, due to a less impactful flu season, compared to Q1 last year, pulmonology was simultaneously negatively impacted, although the flu season this quarter overall reached a level above a five-year average.

The aScope™ 5 Broncho HD solution continues to progress gradually, in line with previous new-segment launches. The bronchoscopy suite represents a new customer group for Ambu, and feedback continues to be positive, resounding the aScope™ 5 Broncho's excellent performance, compared to reusable bronchoscopes. Furthermore, in Q1, the Center for Medicare & Medicaid Services (CMS) granted the aScope 5 Broncho HD a transitional pass-through (TPT) payment. TPT status enables incremental reimbursement payments for outpatient procedures performed with Ambu's high-performance single-use

bronchoscope. TPT was granted due to the solution's substantial clinical improvement, compared to existing single-use and reusable bronchoscopy technology. It takes effect as of 1 January 2024 and is expected to remain active for 24-36 months.

With Ambu's expanded and advanced pulmonology offering and the strong pipeline, the company remains confident about its ability to defend the position as market leader, supporting future pulmonology growth.

Endoscopy Solutions excluding pulmonology

posted 34% organic growth, accounting for 47% of Ambu's total endoscopy revenue. The biggest growth drivers were urology and ENT, which posted continued high double-digit growth.

Ear-nose-throat (ENT) and urology continued their double-digit organic growth trajectory, due to an increased pace of order uptakes and penetration of new customers, especially in North America and Europe. Otolaryngologists and urologists value the workflow efficiencies brought forth by Ambu's single-use solutions, which supports the continued conversion towards single-use in the two segments.

During the quarter, Ambu strengthened its urology offering by obtaining CE mark of two new solutions, the aScope™ 5 Cysto HD and the aScope™ 5 Uretero, with the full-HD endoscopy system. The new HD cystoscope is designed for cystoscopy procedures that require superior imaging, e.g., in bladder cancer centres, and will thus complement the aScope™ 4 Cysto solution, which targets a wide range of standard cystoscopy procedures across outpatient clinics and hospitals. The new HD cystoscopy solution thereby expands Ambu's cystoscopy target market to 6m (from 3.6m) annual procedures.

With the new aScope™ 5 Uretero solution, Ambu addresses a new type of urology procedure, including new clinical and procedural needs, to serve all flexible endoscopy needs in urology. The new ureteroscopy solution is developed to meet urologists' needs for high-quality imaging and endoscope robustness and manoeuvrability. In ureteroscopy, single-use endoscopy has already been partially adopted, and the solution is expected to address a target market of 1m annual procedures.

Gastroenterology (GI) sales continued growing and were mainly driven by Ambu's two gastroscope solutions, aScope™ Gastro and aScope™ Gastro Large, however GI still only accounts for a smaller part of the Endoscopy Solutions segment. As GI is the largest segment in the endoscopy field, Ambu is committed to activating the great potential, however, within a long-term growth perspective. Focus remains on applying a stepwise expansion within high-need, niche segments. In these efforts, attention is centred on advancing the innovation setup by zooming in on bringing new functionalities to customers by leveraging new technology. This will enable Ambu to deliver innovative solutions and fuel long-term growth.

Endoscopy Solutions
organic revenue growth

25%

in Q1 2023/24

ANAESTHESIA & PATIENT MONITORING PERFORMANCE

Last year's comparative figures are stated in brackets.

Organic growth in Anaesthesia & Patient Monitoring was 1% (5%) in Q1, and reported growth was -2% (11%). With revenue of DKK 506m, Anaesthesia & Patient Monitoring accounted for 40% (45%) of Ambu's total revenue for the quarter.

DRIVERS OF THE QUARTER

Similar to Endoscopy Solutions, Anaesthesia & Patient Monitoring witnessed normalised post-Covid-19 level, with stable market growth.

Last year, Ambu announced that the company would launch strategic initiatives to increase profitability by implementing price increases in selected low-margin areas within Anaesthesia & Patient Monitoring. As contracts typically run for 1-3 years and thus are renewed and re-negotiated over time, the price increases are expected to be implemented on a rolling basis throughout the coming years. In general, the price increases are being implemented gradually, leaving the volume growth prospects within Anaesthesia & Patient Monitoring with a some degree of uncertainty.

In addition, the performance was negatively impacted by Ambu's exit from ~40 markets, where the majority part relates to the Anaesthesia & Patient Monitoring segment. The exit of these markets is already completed.



FINANCIAL RESULTS

INCOME STATEMENT

(DKKm)	Q1 2023/24	Q1 2022/23	Change in value	Change in %
Revenue	1,254	1,132	122	11%
Production costs	-515	-470	-45	10%
Gross profit	739	662	77	12%
Gross margin, %	58.9	58.5		
Selling and distribution costs	-378	-386	8	-2%
Development costs	-74	-69	-5	7%
Management and administrative costs	-161	-139	-22	16%
Total OPEX	-613	-594	-19	3%
EBIT	126	68	58	85%
EBIT margin, %	10.0	6.0		

REVENUE

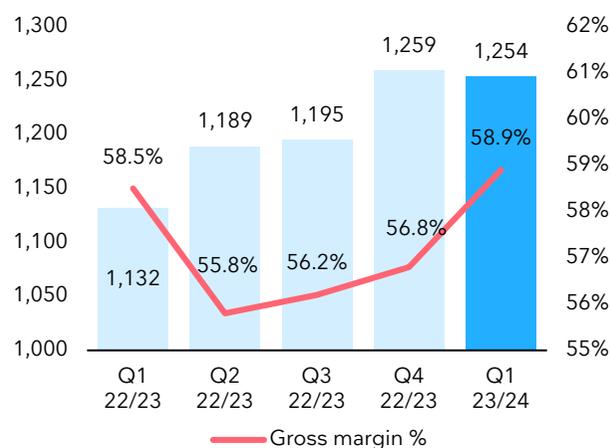
Revenue for Q1 was DKK 1,254m, up DKK 122m from the prior-year period and corresponding to a reported growth of 11% (10%). Adjusted for currency effects, the underlying organic growth was 14% (4%).

GROSS PROFIT

Gross profit in Q1 was up 12% to DKK 739m (DKK 662m), and the gross margin increased by 0.4 percentage points to 58.9% (58.5%). The increase in gross margin was mainly driven by product mix and some tailwinds from currencies, partly offset by the net effect of inflationary effects from product input prices and realised sales price increases.

The average exchange rates in Q1, changed against DKK relative to last year, are as follows: USD by -5%, MYR -8%, CNY -6% and GBP 1%.

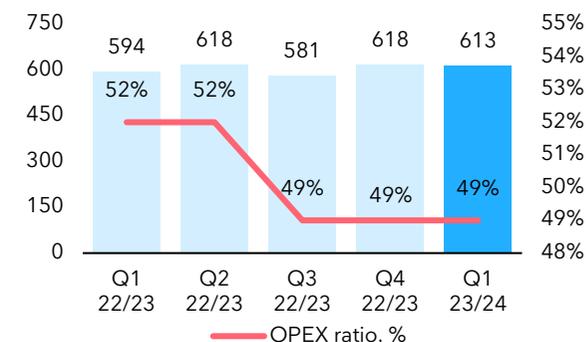
Revenue (DKKm) and gross margin (%)



OPERATING EXPENDITURES (OPEX)

OPEX in Q1 was DKK 613m (DKK 594m), up 3% from last year. OPEX grew 6% in local currencies, however, OPEX has plateaued in alignment with the ZOOM IN strategy, positioning Ambu for further investments in commercial and corporate infrastructure and driving profitable growth. The OPEX ratio was 49% (52%).

Total OPEX in DKKm and relative to revenue (%)



SELLING AND DISTRIBUTION COSTS

Selling and distribution costs were DKK 378m (DKK 386m), down 2% from the prior-year period.

Overall, the 2% decrease was driven by depreciating currencies over last year, reflecting an overall unchanged cost base in local currencies.

Distribution costs decreased in local currencies, driven by freight rates, but offset by increased selling costs from selected investments in connection with the ZOOM IN strategy and other marketing- and sales-related activities.

DEVELOPMENT COSTS

Development costs totalled DKK 74m (DKK 69m), of which depreciation, amortisation and impairment losses accounted for DKK 50m (DKK 41m).

Cash flow allocated to R&D activities amounted to DKK 63m (DKK 79m).

Cash flow impact of development costs

(DKKm)	Q1 2023/24	Q1 2022/23
Development costs	74	69
- Depreciation, amortisation and impairment losses	-50	-41
+ Investments	39	51
= Cash flow, R&D	63	79

MANAGEMENT AND ADMINISTRATIVE COSTS

Management and administrative costs for Q1 were DKK 161m (DKK 139m), up DKK 22m from the prior-year period. The increase was impacted by higher administrative cost, while currency effects were neglectable.

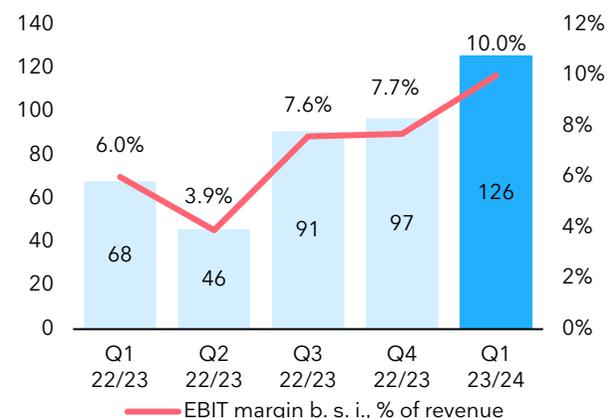
SPECIAL ITEMS

Special items in Q1 was DKK 0m (DKK 0m).

EBIT

Operating profit (EBIT) was DKK 126m (DKK 68m) in Q1, with an EBIT margin of 10.0% (6.0%). The margin increase was driven by revenue growth and scale effects from a modest increase in OPEX while soft tailwinds from currencies accounted for approx. 1 percentage point.

EBIT before special items (DKKm) and relative to revenue (margin, %)



DEPRECIATION, AMORTISATION AND IMPAIRMENT

Depreciation, amortisation and impairment for Q1 represented an expense of DKK 87m (DKK 77m).

The increase was mainly driven by amortisations from completed development projects and acquired technologies.

EBITDA

EBITDA was DKK 213m (DKK 145m), with an EBITDA margin of 17.0% (12.8%).

NET FINANCIALS

Net financials amounted to an expense of DKK 6m (DKK 40m), corresponding to a decrease of DKK 34m from the prior-year period.

The decrease was driven by DKK 20m in lower foreign exchange losses, mainly from intercompany receivables denominated in USD and decreased bank interest expenses, as borrowings currently is zero.

In Q1, the primary expenditure stemmed from interest on lease liabilities, amounting to DKK 5m (DKK 4m).

TAX ON PROFIT

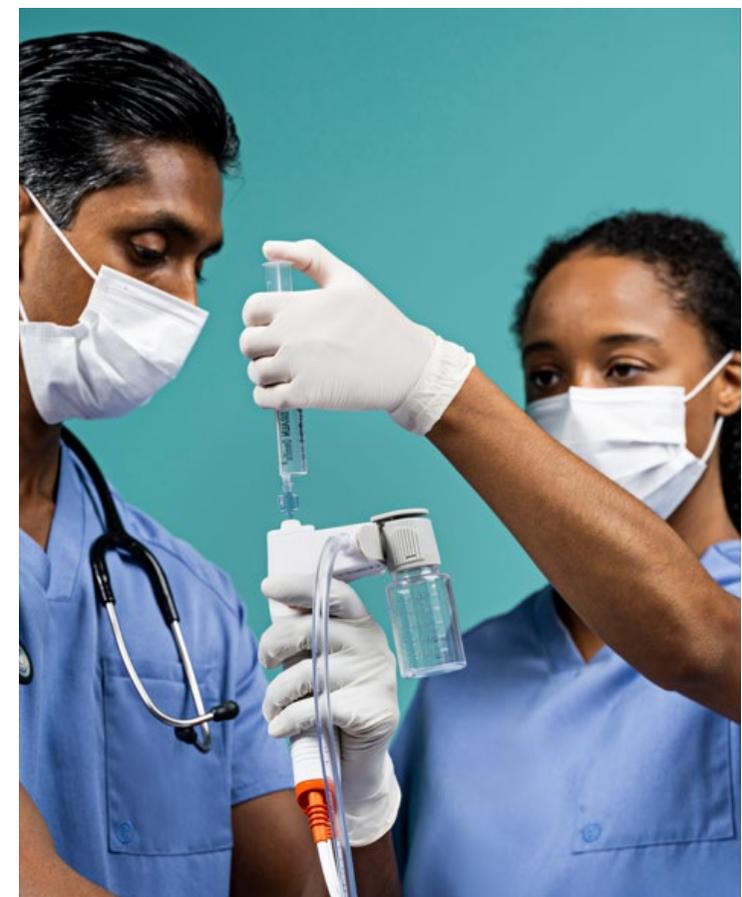
Tax on profit for the period totalled an expense of DKK 28m (DKK 6m), corresponding to an average effective tax rate on profit of 23% (21%).

NET PROFIT

Net profit for Q1 was DKK 92m (DKK 22m), equivalent to 7% (2%) of revenue.

DILUTED EARNINGS PER SHARE

Diluted earnings per share (EPS-D) for Q1 were DKK 0.35 (DKK 0.09).



CASH FLOW STATEMENT

Cash flow condensed by main items

(DKKm)	Q1 2023/24	Q1 2022/23	Change in value
Net profit	92	22	70
Tax, financials and DA	121	123	-2
EBITDA	213	145	68
Change in working capital	-15	-213	198
Other items	-9	-30	21
Cash flow from operating activities (CFFO)	189	-98	287
Cash flow from investing activities (CFFI)	-54	-76	22
Free cash flow (FCF)	135	-174	309
Cash flow from financing activities (CFFF)	-15	112	-127
Changes in cash	120	-62	182
Cash flow in % of revenue:			
Cash flow from operating activities (CFFO)	15	-9	
Cash flow from investing activities (CFFI)	-4	-6	
Free cash flow (FCF)	11	-15	

CFFO AND CFFI

Cash flow from operating activities (CFFO) for Q1 was DKK 189m (DKK -98m), corresponding to a change of DKK 287m. Overall, the increase was driven by working capital of DKK 198m, reflecting normalised net working capital levels, compared to last year, and an improved profitability. Specifically, a strong cash collection was realised towards the end of Q1 2023/24.

CFFO for Q1 corresponded to 15% (-9%) of revenue.

Cash flow from investing activities (CFFI) for Q1 was DKK -54m (DKK -76m), primarily driven by innovation activities. CFFI for Q1 corresponded to -4% (-6%) of revenue.

FREE CASH FLOW

Free cash flow (FCF) for Q1 totalled DKK 135m (DKK -174m), corresponding to 11% (-15%) of revenue.

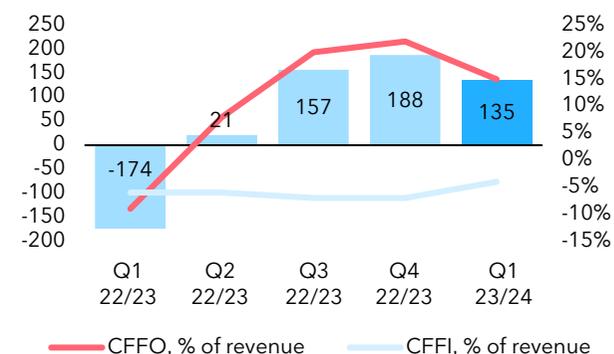
Cash flow from acquisitions of technologies and companies was DKK 0m (DKK 0m).

Cash flow from financing activities (CFFF) amounted to DKK -15m (DKK 112m) for the quarter, stemming from repayment in respect of lease liability. CFFF in the prior-year period included proceeds from borrowings of DKK 130m.

Changes in cash and cash equivalents came to DKK 120m (DKK -62m) for the quarter.



Free cash flow before acquisitions (DKKm) and CFFO and CFFI relative to revenue (%)



BALANCE SHEET

Balance sheet condensed by main items

(DKKm)	Q1 2023/24	FY 2022/23	Change in value	Change in %
Non-current assets	4,834	4,851	-17	0%
Inventories	903	907	-4	0%
Trade receivables	640	766	-126	-16%
Other current assets	184	178	6	3%
Cash and cash equivalents	277	157	120	76%
Total assets	6,838	6,859	-21	0%
Equity	5,421	5,393	28	1%
Interest-bearing debt	628	584	44	8%
Trade and other payables	739	851	-112	-13%
Other liabilities	50	31	19	61%
Total equity and liabilities	6,838	6,859	-21	0%

At the end of Q1, **total assets** were DKK 6,838m, down DKK 21m from FY 2022/23, and **invested capital** was DKK 5,772m.

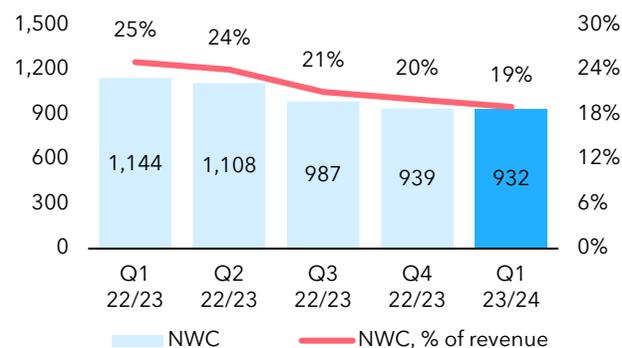
NON-CURRENT ASSETS

Non-current assets at the end of Q1 were DKK 4,834m, constituting a DKK -17m decrease from FY 2022/23, driven by DKK -48m in currency translations, and DKK -87m (DKK -77m) in amortisation and depreciation, partly offset by total investments of DKK 54m (DKK 76m) and leases commencing of DKK 59m.

NET WORKING CAPITAL

Net working capital (NWC) at the end of Q1 was DKK 932m, down DKK 7m since FY 2022/23. NWC corresponded to 19% (25%) of revenue on a 12-month basis.

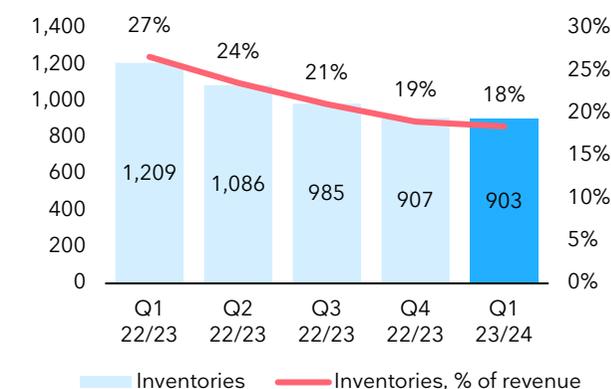
Net working capital (DKKm) and net working capital relative to revenue (%)



INVENTORIES

Inventories were DKK 903m, down DKK 4m from FY 2022/23, equivalent to 18% (27%) of revenue on a 12-month basis.

Inventories in DKKm and relative to revenue on a 12-month basis (%)



TRADE RECEIVABLES

Trade receivables amounted to DKK 640m at the end of Q1, against DKK 766m at the end of FY 2022/23. The financial risk on trade receivables remained low, unchanged from last year. Trade receivables constituted 13% (17%) of revenue on a 12-month basis, with the decline reflecting a different distribution of revenue during Q1, compared to last year, and strong cash collections towards the year of the reporting period.

TRADE PAYABLES AND OTHER PAYABLES

Trade payables and other payables decreased since FY 2022/23 by DKK 112m to DKK 739m, primarily due to the payments of last year's performance bonuses.

NIBD AND LEVERAGE

Cash and cash equivalents amounted to DKK 277m, up DKK 120m since FY 2022/23, mainly due to the strong free cash flow in Q1.

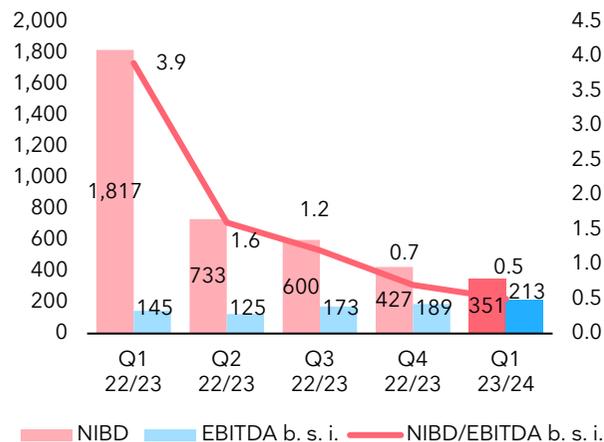
Net interest-bearing debt (NIBD) was DKK 351m by the end of Q1, down by DKK 76m since FY 2022/23, driven by the change in cash and cash equivalent in Q1, but offset by commenced leases.

CAPITAL RESOURCES IN PLACE

Total credit lines in Q1 were DKK 1,800m, unchanged since FY 2022/23, of which DKK 0m was utilised.

At the end of Q1, Ambu had unutilised capital resources from cash and cash equivalents, overdraft facilities and credit lines of approximately DKK 2.2bn.

NIBD (DKKm), EBITDA before special items (DKKm) and NIBD/EBITDA before special items on a 12-month basis



EQUITY

At the end of December 2023, equity totalled DKK 5,421m, corresponding to an equity ratio of 79% of total assets. The share capital was DKK 135m, distributed on 269.3m shares.

At the Annual General Meeting held on 13 December 2023, a proposal not to distribute dividend was adopted, and ordinary dividend to the shareholders consequently amounted to DKK 0m (DKK 0m).

By end of Q1, Ambu's holding of Class B treasury shares was 2,993,000, unchanged from FY 2022/23, corresponding to 1.1% of the total share capital.

OTHER COMPREHENSIVE INCOME

Other comprehensive income included a translation adjustment arising from the translation of subsidiaries in foreign currency for the quarter of DKK -70m (DKK -166m). The reduction was mainly driven by the depreciating USD/DKK since FY 2022/23.



SUSTAINABILITY UPDATE

Ambu 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 ZOOM IN strategy, Ambu's sustainability agenda is centered 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.

In October 2023, Ambu announced its accelerated plans for integrating bioplastics across the full portfolio of endoscopes, marking an important step in transforming the industry towards sustainable endoscopy.

- From early in the fiscal year 2024/25 - a full year earlier than originally planned - all Ambu endoscopes shipped to customers will include bioplastics. Specifically, all handles of Ambu's single-use endoscopes will be made from bioplastic materials.

NET-ZERO EMISSIONS

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

In December 2023, Ambu's near-term carbon reduction targets for scope 1, 2 and 3 greenhouse gas emissions* were validated by the Science Based Targets initiative (SBTi), paving the way for the company's ambition to reach net-zero emissions across the value chain by 2045.

- As part of its near-term targets, Ambu commits to reducing absolute scope 1 and 2 greenhouse gas emissions by 75% by the 2029/30 financial year, from a 2020/21 base year, and to reaching a target of 82% of its suppliers setting science-based targets by the 2026/27 financial year (scope 3).
- Ambu has committed itself to reaching net-zero emissions across the value chain by 2045.

* **Scope 1** includes greenhouse gas emissions occurring from activities under Ambu's direct control in sources that are owned or controlled by Ambu. **Scope 2** refers to indirect greenhouse gas emissions caused by the energy Ambu purchases, such as electricity and district heating. **Scope 3** encapsulates indirect greenhouse gas emissions - not included in scope 2 - that occur in our value chain, including both upstream and downstream emissions.

ENVIRONMENTAL SUSTAINABILITY HIGHLIGHTS

Journey towards net-zero emissions

	Q1 23/24	Q1 22/23	Change (%)	
Recycled waste, % of total waste	50%	44%	15%	●
Waste per tonne finished goods	0.29	0.27	6%	●
CO ₂ e** per tonne finished goods	1.83	1.89	-3%	●
Energy per product (GJ per tonne finished goods)	19	20	-5%	●

** Including scope 1 and 2

Waste management

Waste management remains a focus area across Ambu's manufacturing sites and offices. Compared to Q1 last year, Ambu has had a 15% increase in the share of recycled waste. However, due to the increase in employees, as well as production output at our manufacturing sites, the waste per tonne of finished goods increased by 6%. Ambu continues to focus on waste management initiatives, which 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.

CO₂ reduction

Compared to Q1 last year, the CO₂e per tonne finished goods decreased by 3%, due to, among other things, increased production, accompanied by energy efficiency measures at Ambu's manufacturing sites. The 5% decrease in energy consumed per ton of finished goods is a positive development that shows energy consumption and product output is decoupled. Ambu continues its targeted efforts with energy-improvement measures, as well as strengthened data collection.

FINANCIAL OUTLOOK 2023/24

The financial outlook for the 2023/24 fiscal year, as announced in the Annual Report on 8 November 2023, is maintained as of 30 January 2024. The outlook for **organic revenue growth is 7-10%**, and the outlook for **EBIT margin before special items is 8-10%**.

Local currencies

	30 January 2024	08 November 2023
Organic revenue growth	7-10%	7-10%

Danish Kroner

	30 January 2024	08 November 2023
EBIT margin before special items	8-10%	8-10%

Exchange rate assumptions for 2023/24

	30 January 2024	08 November 2023
USD/DKK	6.88	6.95
MYR/DKK	1.46	1.47
CNY/DKK	0.96	0.98
GBP/DKK	8.69	8.61

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.

Financial calendar

2023/24

14 May	Earnings release Q2 2023/24
30 Aug	Earnings release Q3 2023/24
30 Sep	End of 2023/24 financial year

2024/25

31 Oct	Deadline for the inclusion of specific items on the agenda for the Annual General Meeting 2024
05 Nov	Annual Report 2023/24
04 Dec	Annual General Meeting 2024

QUARTERLY RESULTS

DKKkm	Q1 2023/24	Q4 2022/23	Q3 2022/23	Q2 2022/23	Q1 2022/23
Revenue by products:					
Pulmonology	398	390	373	378	346
Endoscopy Solutions excl. pulmonology	350	333	311	285	271
Endoscopy Solutions	748	723	684	663	617
Anaesthesia	268	285	271	264	273
Patient Monitoring	238	251	240	262	242
A&PM	506	536	511	526	515
Revenue	1,254	1,259	1,195	1,189	1,132
Production costs	-515	-544	-523	-525	-470
Gross profit	739	715	672	664	662
Selling and distribution costs	-378	-383	-359	-394	-386
Development costs	-74	-82	-75	-69	-69
Management and administrative costs	-161	-153	-147	-155	-139
Operating profit (EBIT) b. s. i.	126	97	91	46	68
Special items	0	-6	-2	0	0
Operating profit (EBIT)	126	91	89	46	68
Financial income	3	2	0	-1	1
Financial expenses	-9	7	-26	-26	-41
Profit before tax (PBT)	120	100	63	19	28
Tax on profit for the period	-28	-20	-12	-4	-6
Net profit for the period	92	80	51	15	22
Key figures and ratios:					
Gross margin, %	58.9	56.8	56.2	55.8	58.5
Operating Expenditures (OPEX)	613	618	581	618	594
OPEX ratio, %	49	49	49	52	52
EBIT margin before special items, %	10.0	7.7	7.6	3.9	6.0
EBITDA before special items	213	189	173	125	145
EBITDA margin before special items, %	17.0	15.0	14.5	10.5	12.8
NIBD/EBITDA before special items	0.5	0.7	1.2	1.6	3.9
Net working capital, % of revenue	19	20	21	24	25

DKKkm	Q1 2023/24	Q4 2022/23	Q3 2022/23	Q2 2022/23	Q1 2022/23
Organic growth, products, %:					
Pulmonology	18	16	16	-3	-17
Endoscopy Solutions excl. pulmonology	34	37	33	36	47
Endoscopy Solutions	25	25	23	11	3
Anaesthesia	2	7	-7	-11	4
Patient Monitoring	0	-3	-7	8	6
A&PM	1	2	-7	-3	5
Organic growth	14	14	8	4	4
Exchange rate effects	-3	-6	-2	2	6
Reported revenue growth	11	8	6	6	10
Organic growth, markets, %:					
North America	13	23	9	8	9
Europe	15	7	10	-1	-4
Rest of World	18	3	-2	7	14
Organic growth	14	14	8	4	4
Cash flow, DKKkm:					
Cash flow from operating activities	189	273	244	99	-98
Cash flow from investing activities	-54	-85	-87	-78	-76
Free cash flow	135	188	157	21	-174
Cash flow, % of revenue:					
Cash flow from operating activities	15	22	20	8	-9
Cash flow from investing activities	-4	-7	-7	-6	-6
Free cash flow	11	15	13	2	-15
Balance sheet:					
Assets	6,838	6,859	6,824	6,937	7,006
Net working capital	932	939	987	1,108	1,144
Equity	5,421	5,393	5,240	5,212	4,122
Net interest-bearing debt	351	427	600	733	1,817
Invested capital	5,772	5,820	5,840	5,945	5,939
Share-related ratios (in DKK):					
Market price per share	105	74	112	103	89
Earnings per share (EPS)	0.35	0.30	0.19	0.06	0.09
Diluted earnings per share (EPS-D)	0.35	0.30	0.19	0.06	0.09

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 2023 to 31 December 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.

In our opinion, the financial report for the first three months of 2023/24 gives a true and fair view of the Group's assets, liabilities and financial position at 31 December 2023 and of the results of the Group's operations and cash flows for the period 1 October 2023 to 31 December 2023. Furthermore, in our opinion, Management's review includes a fair account of the development in the activities and financial position of the Group, as well as a description of the most significant risks and elements of uncertainty to which the Group is subject.

Besides what has been disclosed in the quarterly financial report, no changes in the Group's most significant risks and uncertainties have occurred relative to what was disclosed in the consolidated Annual Report 2022/23.

Copenhagen, 30 January 2024

EXECUTIVE MANAGEMENT

Britt Meelby Jensen
Chief Executive Officer

Henrik Skak Bender
Chief Financial Officer

BOARD OF DIRECTORS

Jørgen Jensen
Chair

Shacey Petrovic
Vice Chair

Christian Sagild
Member

Susanne Larsson
Member

Michael del Prado
Member

Simon Hesse Hoffmann
Member

Charlotte Elgaard Bjørnhof
Employee-elected member

Jesper Bartroff Frederiksen
Employee-elected member

Thomas Bachgaard Jensen
Employee-elected member

CONSOLIDATED FINANCIAL STATEMENTS

INTERIM REPORT Q1 2023/24

CONTENTS

Page 18	Income statement and statement of comprehensive income
Page 19	Cash flow statement
Page 20	Balance sheet
Page 21	Statement of changes in equity
Page 22	Notes to the interim report



INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

INTERIM REPORT Q1 2023/24

DKKm

Income statement	Note	Q1 2023/24	Q1 2022/23	FY 2022/23
Revenue	3	1,254	1,132	4,775
Production costs		-515	-470	-2,062
Gross profit		739	662	2,713
Selling and distribution costs		-378	-386	-1,522
Development costs		-74	-69	-295
Management and administrative costs		-161	-139	-594
Operating profit (EBIT) b. s. i.		126	68	302
Special items		0	0	-8
Operating profit (EBIT)		126	68	294
Financial income		3	1	2
Financial expenses		-9	-41	-86
Profit before tax		120	28	210
Tax on profit for the period		-28	-6	-42
Net profit for the period		92	22	168
Earnings per share in DKK				
Earnings per share (EPS)		0.35	0.09	0.64
Diluted earnings per share (EPS-D)		0.35	0.09	0.64

DKKm

Statement of comprehensive income	Q1 2023/24	Q1 2022/23	FY 2022/23
Net profit for the period	92	22	168
Other comprehensive income: <i>Items which are moved to the income statement under certain conditions:</i>			
Translation adj. in foreign subsidiaries	-70	-166	-168
Other comprehensive income after tax	-70	-166	-168
Comprehensive income for the period	22	-144	0

CASH FLOW STATEMENT

INTERIM REPORT Q1 2023/24

DKKm

	Q1 2023/24	Q1 2022/23	FY 2022/23
Net profit	92	22	168
Adjustment for non-cash items:			
Income taxes in the Income statement	28	6	42
Depreciation, amortisation and impairment losses	87	77	348
Financial items and share-based payment	6	40	84
Share-based payment	6	4	17
Change in working capital	-15	-213	-21
Interest paid	-6	-13	-63
Income tax paid	-9	-21	-57
Cash flow from operating activities	189	-98	518
Investments in intangible assets	-39	-50	-255
Investments in tangible assets	-15	-26	-71
Cash flow from investing activities	-54	-76	-326
Free cash flow	135	-174	192
Proceeds from borrowings	0	130	325
Repayment of borrowings	0	0	-1,575
Repayment in respect of lease liability	-15	-18	-63
Exercise of options	0	0	14
Sale of treasury shares	0	0	23
Capital increase	0	0	1,054
Cash flow from financing activities	-15	112	-222
Changes in cash and cash equivalents	120	-62	-30
Cash and cash equivalents, beginning of period	157	187	187
Cash and cash equivalents, end of period	277	125	157

BALANCE SHEET

INTERIM REPORT Q1 2023/24

DKKm

Assets	31.12.23	31.12.22	30.09.23
Goodwill	1,535	1,558	1,565
Acquired technologies, trademarks and customer relations	628	467	643
Acquired technologies in progress	0	212	0
Completed development projects	893	790	888
Other incl. IT software	75	53	71
Development projects and other assets in progress	439	486	444
Intangible assets	3,570	3,566	3,611
Property, plant and equipment	563	600	584
Right-of-use assets	614	555	571
Deferred tax asset	87	70	85
Total non-current assets	4,834	4,791	4,851
Inventories	903	1,209	907
Trade receivables	640	709	766
Other receivables	44	47	44
Income tax receivable	48	31	50
Prepayments	84	82	73
Derivative financial instruments	8	12	11
Cash and cash equivalents	277	125	157
Total current assets	2,004	2,215	2,008
Total assets	6,838	7,006	6,859

DKKm

Equity and liabilities	Note	31.12.23	31.12.22	30.09.23
Share capital		135	129	135
Other reserves		5,286	3,993	5,258
Equity		5,421	4,122	5,393
Deferred tax		6	10	3
Provisions		10	18	9
Lease liabilities		554	480	512
Borrowings		0	1,380	0
Non-current liabilities		570	1,888	524
Provisions		6	4	9
Lease liabilities		74	82	72
Trade payables		345	509	359
Income tax		28	7	10
Other payables		394	394	492
Current liabilities		847	996	942
Total liabilities		1,417	2,884	1,466
Total equity and liabilities		6,838	7,006	6,859

STATEMENT OF CHANGE IN EQUITY

INTERIM REPORT Q1 2023/24

DKKm

	Share capital	Reserve foreign currency trans- lation adj.	Retained earnings	Proposed dividend	Total
Equity 1 October 2023	135	211	5,047	0	5,393
Net profit for the period			92		92
Other comprehensive income for the period		-70			-70
Total comprehensive income	0	-70	92	0	22
<i>Transactions with the owners:</i>					
Share-based payment			6		6
Equity 31 December 2023	135	141	5,145	0	5,421
Equity 1 October 2022					
Equity 1 October 2022	129	379	3,753	0	4,261
Net profit for the period			22		22
Other comprehensive income for the period		-166			-166
Total comprehensive income	0	-166	22	0	-144
<i>Transactions with the owners:</i>					
Share-based payment			4		4
Tax deduction relating to share-based pay			1		1
Equity 31 December 2022	129	213	3,780	0	4,122

Other reserves are made up of reserve for foreign currency translation adjustment, retained earnings and proposed dividend and total DKK 5,286m (31.12.2022: DKK 3,993m).

NOTES TO THE INTERIM REPORT

INTERIM REPORT Q1 2023/24

Note 1 - Basis of preparation of the interim report

The interim report for the period 1 October 2023 to 31 December 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 2022/23.

Note 2 - 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 3 - Revenue

DKKm

	Q1 2023/24	Q1 2022/23	FY 2022/23
Endoscopy solutions	748	617	2,687
Anaesthesia	268	273	1,093
Patient Monitoring	238	242	995
Total revenue by activities	1,254	1,132	4,775
North America	631	585	2,424
Europe	505	440	1,863
Rest of World	118	107	488
Total revenue by markets	1,254	1,132	4,775

Note 4 - 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 December 2023.

Note 5 - Subsequent events

In addition to the matters described in this interim report, the management is not aware of any events subsequent to 31 December 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 4,600 people in Europe, North America, Latin America and Asia Pacific.

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

CONTACT

Investors

Anders Hjort
Head of Investor Relations
anhj@ambu.com | +45 2892 8881

Media

Tine Bjørn Schmidt
Head of Corporate Communications
tisc@ambu.com | +45 2264 0697

Ambu A/S
Baltorpbakken 13
DK-2750 Ballerup, Denmark
Tel.: +45 7225 2000
CVR no.: 63 64 49 19
[Ambu.com](https://www.ambu.com)

Ambu