

INTERIM REPORT FOR Q3 2022/23



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In Q3 2022/23, Ambu delivered 8% organic revenue growth and a 7.6% EBIT margin. This was driven by Endoscopy Solutions growing 23%, due to high double-digit growth within urology and ENT, and pulmonology returning to positive growth year-over-year.

Today, Ambu narrows its full-year 2022/23 organic revenue growth guidance to 6-8%, previously 5-8%, based on the company's performance in Q3 and the first two months of Q4. On 10 July 2023, Ambu adjusted its financial guidance by upgrading its full-year EBIT margin before special items to 5-6%, previously 3-5%, driven by a better-than-expected gross margin, due to a strengthened product mix. In Q3, free cash flow ended at DKK 157m before acquisitions and is expected to reach an improvement of more than DKK 500m (previously DKK 350-450m) for the full-year 2022/23, compared to 2021/22.

"I am pleased with our performance this quarter, reflected by 23% growth in Endoscopy Solutions and 16% in pulmonology. We strengthened our pulmonology offering by completing our fifth-generation bronchoscope portfolio in North America, hereby gearing up to support more customers in our biggest market. This, combined with our strengthened free cash flow, reflects our continuous efforts to execute on our strategy to build a strong financial platform."



BRITT MEELBY JENSEN

Chief Executive Officer

FINANCIAL HIGHLIGHTS FOR THE QUARTER

Last year's comparative figures are presented in brackets.

- **Revenue** for Q3 increased organically by 8% (8%) to DKK 1,195m (DKK 1,128m), with reported growth of 6% (16%). Year-to-date, organic growth was 5% (5%), with reported growth of 7% (10%).
- **Endoscopy Solutions** revenue increased organically by 23% (0%) and by 12% (0%) year-to-date. **Endoscopy Solutions excluding pulmonology** increased by 33%, mainly driven by urology and ENT. **Pulmonology** posted 16% organic growth, driven by increased procedure volumes as a result of the healthcare market recovering from Covid-19, as well as strengthened single-use penetration of Ambu's growing pulmonology portfolio.
- **Anaesthesia** organic revenue declined by 7% (14%), and **Patient Monitoring** declined by 7% (20%), on account of high comparables in North America for the circuits and cardiology product categories. Year-to-date, Anaesthesia and Patient Monitoring, combined, declined by 2% (10%).
- Revenue in **North America** increased organically by 9% (16%), **Europe** increased by 10% (4%), and **Rest of World** declined by 2% (-4%). Year-to-date, organic growth rates were 9% (15%) in North America, 1% (-3%) in Europe and 6% (-2%) in Rest of World.
- **Gross margin in Q3** was 56.2% (55.8%) and 56.8% (58.2%) year-to-date. The better-than-expected gross margin was mainly driven by a strengthened product mix.
- **EBIT before special items** was DKK 91m (DKK 42m), with an **EBIT margin before special items** of 7.6% (3.7%). Year-to-date, EBIT before special items ended at DKK 205m (DKK 129m), with an EBIT margin before special items of 5.8% (3.9%). The improved EBIT margin of 3.9 percentage points was due to the achieved scale in OPEX and the effect from the increase in gross margin.
- **Free cash flow** before acquisitions totalled DKK 157m (DKK 7m), and free cash flow was DKK 4m year-to-date, up DKK 295m, compared to the same period last year. This was driven by improved EBITDA, NWC and lower CAPEX.
- **The FY 2022/23 guidance:**
 - Organic revenue growth: 6-8% (narrowed from 5-8%)
 - EBIT margin before special items: 5-6% (maintained as per 10 July 2023)

Q3 2022/23 CONFERENCE CALL

A **conference call** is scheduled for 31 Aug 2023, at 09:00-10:00 (CEST). The conference is broadcast live via [Ambu.com/webcastQ32023](https://www.ambu.com/webcastQ32023).

To **ask questions during the Q&A session**, please register prior to the call via [Ambu.com/conferencecallQ32023register](https://www.ambu.com/conferencecallQ32023register).

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.

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

PRODUCT AND PIPELINE UPDATES

- **North American 510(k) FDA clearance of Ambu's next-generation Ambu® aView™ 2 Advance** endoscopy system. The system offers endoscopists compatibility with Ambu's current and future endoscopes within pulmonology, urology and ENT. With the CE mark obtained in November 2022, Ambu completes the full global launch across all major markets.
- North American 510(k) FDA regulatory clearance of two smaller-sized bronchoscopes, completing Ambu's fifth-generation bronchoscope portfolio. With the clearance, Ambu begins its commercialisation of the **full Ambu® aScope™ 5 Broncho offering in North America**, while continuing its commercialisation in Europe, Australia and Japan.
- **European regulatory clearance (CE mark) of Ambu® VivaSight™ 2 SLT** (single-lumen tube), completing Ambu's one lung ventilation (OLV) portfolio.

OTHER HIGHLIGHTS

- Ambu has kickstarted **new initiatives to strengthen profitability**. In Anaesthesia and Patient Monitoring, Ambu will implement sizable price increases in selected low-margin areas, and globally, Ambu has started to exit ~40 countries to minimise complexity and zoom in on growth. This will potentially result in a revenue decline within Anaesthesia and Patient Monitoring in 2023/24.
- A new independent cystoscopy study showed that 7.1% of patients treated with a reusable cystoscope returned for an unplanned post-procedure encounter, while the same was the case for only **2.2% of patients treated with a single-use cystoscope**.
- A recently published study within GI concluded that the shift from reusable to **single-use gastroscopes potentially increases reimbursement revenues in excess of \$800K annually**.
- Ambu **renewed its partnership agreement with Plastic Bank®**, thus continuing its commitment to counterbalancing the plastic present in all of its single-use endoscopes across EMEA and Latin America.
- On 1 August 2023, **Finn Möhring joined Ambu** as part of the Executive Leadership Team and Chief Technology Officer, heading up Ambu's R&D organisation.

FINANCIAL HIGHLIGHTS

DKKm	Q3 2022/23	Q3 2021/22	YTD 2022/23	YTD 2021/22	FY 2021/22
Income statement					
Revenue	1,195	1,128	3,516	3,281	4,444
Gross profit	672	629	1,998	1,910	2,554
EBITDA before special items	173	119	443	346	423
Depreciation, amortisation and impairment	-82	-77	-238	-217	-301
EBIT before special items	91	42	205	129	122
Special items	-2	-13	-2	-13	-148
EBIT	89	29	203	116	-26
Net financials	-26	5	-93	125	135
Profit before tax	63	34	110	241	109
Net profit for the period	51	28	88	223	93
Key figures and ratios					
Organic growth, %	8	8	5	5	4
Gross margin, %	56.2	55.8	56.8	58.2	57.5
OPEX ratio, %	49	52	51	54	55
EBITDA margin before special items, %	14.5	10.5	12.6	10.5	9.5
EBIT margin before special items, %	7.6	3.7	5.8	3.9	2.7
EBITDA margin, %	14.5	9.4	12.6	10.1	7.3
EBIT margin, %	7.4	2.6	5.8	3.5	-0.6
Tax rate, %	19	18	20	7	15
Return on equity, %	-1	5	-1	5	2
NIBD/EBITDA before special items	1.2	3.5	1.2	3.5	3.9
Equity ratio, %	77	62	77	62	59
Net working capital, % of revenue	21	23	21	23	23
Return on invested capital (ROIC), %	3	2	3	2	2
Average number of employees	4,313	4,917	4,337	4,914	4,849

DKKm	Q3 2022/23	Q3 2021/22	YTD 2022/23	YTD 2021/22	FY 2021/22
Cash flow					
Cash flow from operating activities (CFFO)	244	146	245	123	95
Cash flow from investing activities before acquisitions* (CFFI)	-87	-139	-241	-414	-553
Free cash flow before acquisitions* (FCF)	157	7	4	-291	-458
Acquisitions*	0	0	0	0	-5
CFFO, % of revenue	20	13	7	4	2
CFFI, % of revenue	-7	-12	-7	-13	-12
FCF, % of revenue	13	1	0	-9	-10
Balance sheet					
Assets	6,824	6,921	6,824	6,921	7,215
Net working capital	987	996	987	996	1,022
Equity	5,240	4,282	5,240	4,282	4,261
Net interest-bearing debt	600	1,423	600	1,423	1,658
Invested capital	5,840	5,705	5,840	5,705	5,919
Share-related ratios (in DKK)					
Market price per share	112	69	112	69	66
Earnings per share (EPS)	0.19	0.11	0.34	0.88	0.37
Diluted earnings per share (EPS-D)	0.19	0.11	0.34	0.88	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 – Q3 2022/23

In Q3, Ambu continued to execute on its ZOOM IN strategy, focused on improving profitability to secure strong, profitable growth. On the back of the company's positive momentum of the strategy launch, the strategy is strongly anchored within the organisation. Similarly, the company's transformation journey is progressing well.

Furthermore, on 1 August, Finn Möhring joined Ambu and the Executive Leadership Team. Finn will lead Ambu's global R&D organisation as Chief Technology Officer (CTO), applying his customer focus and extensive track-record within R&D and the medical device industry.

As a result of Ambu's strategy execution and performance, the company adjusted its financial guidance on 10 July 2023. Ambu upgraded its full-year EBIT margin before special items to 5-6% (previously 3-5%), mainly driven by a better-than-expected gross margin, due to a strengthened product mix.

Q3 FINANCIAL PERFORMANCE

In Q3 2022/23, Ambu posted organic revenue growth of 8% (8%), driven by growth in the Endoscopy Solutions business, offset by the Anaesthesia and Patient Monitoring businesses.

Endoscopy Solutions increased 23%, the main growth drivers being urology and ENT (ear, nose and throat) that posted high double-digit growth, indicating that Ambu's single-use benefits of availability and workflow efficiency continue to resonate strongly with customers. Also, pulmonology returned to positive growth, due to increased procedure volumes, as a result of the healthcare market recovering from Covid-19, as well as strengthened single-use penetration of Ambu's growing pulmonology portfolio.

Anaesthesia and Patient Monitoring posted an organic growth of -7% (14%) and -7% (20%), respectively. The decrease was driven by high comparables in Q3 21/22,

due to backorders and quarterly order movements last year. However, Ambu's additional product areas within Anaesthesia and Patient Monitoring experienced positive growth tendencies, as the hospital market shows continuous signs of post-Covid-19 recovery, with improved access to hospitals and limited waiting lists.

In Q3, Ambu progressed to achieve optimal net working capital and inventory performance. While the process requires time, results are starting to show, with a better-than-expected free cash flow before acquisitions, totalling DKK 157m in Q3, and free cash flow for the year-to-date reaching the positive level of DKK 4m. During the quarter, Ambu continued to decrease its inventory levels to DKK 985m from DKK 1,222m in Q4 2021/22, and the company's net working capital has further decreased to 21% of total revenue. Based on this, Ambu now expects a free cash flow before acquisitions to be improved by DKK +500m for the financial year, compared to the full-year 2021/22.

ONGOING TRANSFORMATION PROGRAM

Ambu's transformation program aims to support the ZOOM IN strategy and the delivery of strong profitable growth. While Ambu in H1 2022/23 focused on prioritising and defining the scope of transformation projects, the focus in H2 2022/23 lies on identifying and executing on initiatives to create momentum and increase profitability. This will build a foundation for Ambu to embark on longer-term projects and scalability in the coming years.

Ambu plans to improve profitability in the Anaesthesia and Patient Monitoring businesses by implementing sizable price increases in selected low-margin areas. This will enable the company to allocate resources and focus its attention on higher-growth areas, ultimately improving profitability and cash flow in the Anaesthesia and Patient Monitoring businesses.

Furthermore, Ambu is focused on optimising its geographical footprint to zoom in on growth, minimise complexities and foster a more agile organisational structure. With current operations across ~100 countries, Ambu has started to exit ~40 countries, corresponding to an estimated annual revenue of approximately DKK 20m.

These strategic initiatives are expected to have a positive impact on profitability and cash flow mid-term, but will potentially result in a revenue decline in 2023/24 within Anaesthesia and Patient Monitoring, combined.

BOOSTING PATIENT SAFETY & EFFICIENCIES

Across hospitals and out-patient clinics, Ambu continues to see clear indications of concrete patient safety and efficiency benefits of single-use endoscope solutions, across endoscopy segments.

Specifically, a new independent 1,000-patient cystoscopy study¹, comparing single-use cystoscopes with reusables, showed that 7.1% of the 494 patients treated with reusable cystoscopes returned for an unplanned post-procedure encounter, while only 2.2% out of 506 patients treated with single-use cystoscopes returned. As such, the results of this particular study point to patients experiencing a heightened level of safety upon treatment with single-use cystoscopes over reusables.

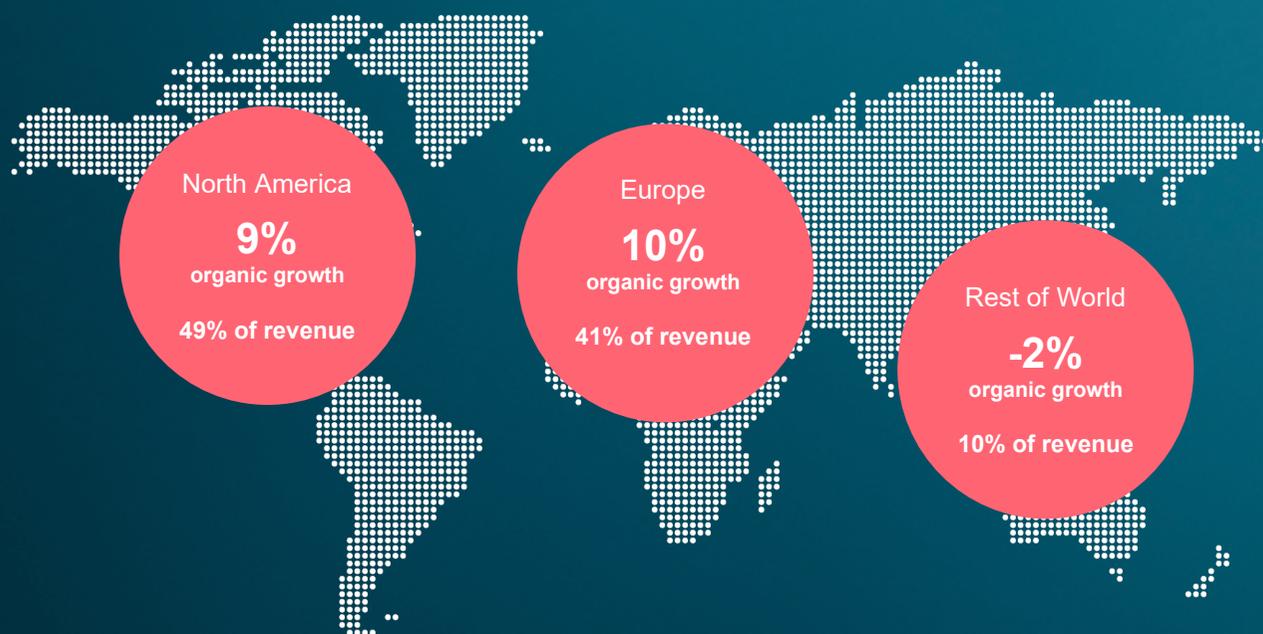
Another recently published case study², in this instance focused on single-use gastroscopes, highlighted that the change from reusable to single-use gastroscopes allowed GI endoscopists to perform an additional bariatric procedure each week, potentially increasing the reimbursement revenue in excess of \$800K annually.

With studies like the two above, comparing single-use endoscopy to reusable, the value of single-use endoscopy to healthcare systems and patients is proving increasingly substantial, hereby continuously furthering the transition towards single-use.

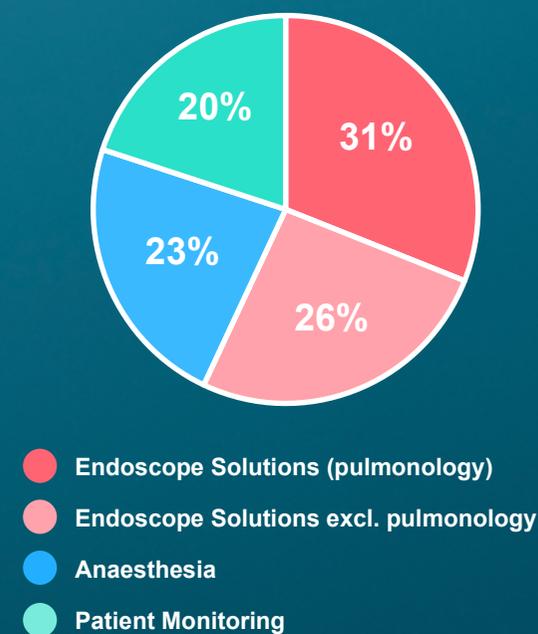
2022/23 PERFORMANCE HIGHLIGHTS

DKKm	Q3 2022/23	Q3 2021/22	Organic growth	Fx	Reported growth	YTD 2022/23	YTD 2021/22	Organic growth	Fx	Reported growth
Endoscopy Solutions	684	562	23%	-1%	22%	1,964	1,715	12%	3%	15%
Anaesthesia	271	302	-7%	-3%	-10%	808	841	-5%	1%	-4%
Patient Monitoring	240	264	-7%	-2%	-9%	744	725	2%	1%	3%
Total	1,195	1,128	8%	-2%	6%	3,516	3,281	5%	2%	7%

Q3 2022/23 – ORGANIC GROWTH AND SHARE OF REVENUE BY REGIONS



Q3 2022/23 – SHARE OF REVENUE BY BUSINESS AREAS



STRATEGY UPDATE

Provide innovative solutions for true customer needs

- **Pulmonology portfolio strengthened:**
 - European regulatory clearance (CE mark) of **Ambu® VivaSight™ 2 SLT**
 - North American clearance (FDA) of two smaller sizes of **Ambu® aScope™ 5 Broncho**, **completing Ambu's fifth-generation bronchoscope portfolio**. With CE mark obtained in March 2023, the global commercialisation begins
 - North American clearance (FDA) of next-generation **Ambu® aView™ 2 Advance**, supporting current and future endoscopes. With CE mark obtained in November 2022, the global commercialisation begins

Bring people together in one shared culture

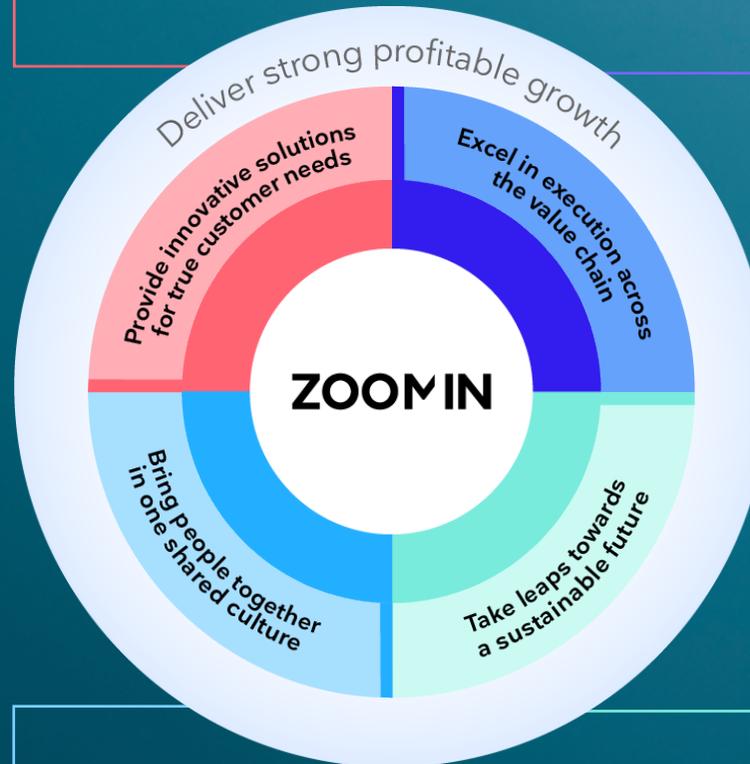
- **Leadership capabilities added to Executive Leadership Team and R&D organisation:**
 - On 1 Aug 2023, **new Chief Technology Officer**, Finn Möhring, joined Ambu as part of the Executive Leadership Team

Excel in execution across the value chain

- Strong results in Q3, with **23% Endoscope Solutions** growth, due to high double-digit growth within urology and ENT, while pulmonology returned to positive growth year-over-year
- **Free cash flow improved**, with positive free cash flow of DKK 157m in Q3, driven by continued execution of plan
- **Ambu has identified strategic initiatives** to address low-margin products and strengthen its geographical commercial presence, impacting Anaesthesia and Patient Monitoring next financial year, 2023/24

Take leaps towards a sustainable future

- **+9% year-to-date reduction of total waste per tonne finished goods**, compared to last year
- **Submission to Science-Based Targets initiative** for scope 1, 2 and 3 carbon emission reductions by 2030
- **Partnership with Plastic Bank renewed**, extending Ambu's commitment to gathering plastic waste equal to plastic used in all of our single-use endoscopes in EMEA and Latin America throughout one year



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 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. The dedication has resulted in Ambu reaching an important milestone in Q3 2022/23.

- Ambu has renewed the partnership agreement with Plastic Bank®. Plastic Bank® encourages collectors in coastal communities in the Philippines and Indonesia to gather plastic waste that otherwise would have ended up in the ocean. The quantity of plastic collected corresponds to the amount of plastic used in all of the Ambu single-use aScope™ products in EMEA and Latin America throughout the year. From March 2022 to February 2023, this amount corresponded to 120,000 kg.

NET-ZERO EMISSIONS

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

- As part of Ambu's commitment to Science-Based Target initiative, Ambu has taken the next step and submitted the company’s carbon emissions reduction targets for 2030, including a plan for achieving the targets and documentation for the plan’s achievability. The target is expected to be validated in the first half of the fiscal year 2023/24.

ENVIRONMENTAL SUSTAINABILITY HIGHLIGHTS

Journey towards net-zero emissions	YTD 2022/23	YTD 2021/22	Change (%)	
Recycled waste	44%	41%	9%	●
Waste per tonne finished goods	0.25	0.27	-9%	●
CO ₂ e** per tonne finished goods	1.70	1.74	-2%	●
Energy consumption (GJ)	148,200	165,804	-11%	●

** Including scope 1 and 2

Focus on waste management

Waste management remains a focus area across Ambu’s manufacturing sites and offices. Year-to-date, compared to the same period the year before, Ambu continued to reduce waste, resulting in a 9% increase in the share of recycled waste and a decrease of 9% in waste per tonne finished goods, linked to a reduction in waste and increased production for Q3 2022/23. 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.

Focus on CO₂ reduction

Year-to-date, compared to the same period the year before, the CO₂e per tonne finished goods decreased by 2%, due to (among other things) increased production in the last quarter, as well as a reduction in energy consumption of 11%. The reduction in energy consumption takes place at all Ambu manufacturing sites and offices and is linked to a targeted effort with energy-improvement measures, as well as strengthened data collection.

BUSINESS PERFORMANCE – ENDOSCOPY SOLUTIONS

Last year's comparative figures are stated in brackets.

DKKm	Q3 2022/23	Q3 2021/22	Organic growth	Fx	Reported growth	YTD 2022/23	YTD 2021/22	Organic growth	Fx	Reported growth
Region										
North America	359	280	30%	-2%	28%	1,023	807	20%	7%	27%
Europe	278	234	20%	-1%	19%	780	771	2%	-1%	1%
Rest of World	47	48	2%	-4%	-2%	161	137	15%	3%	18%
Endoscopy segments										
Pulmonology	373	323	16%	-1%	15%	1,097	1,096	-3%	3%	0%
Excl. pulmonology	311	239	33%	-3%	30%	867	619	38%	2%	40%
Endoscope Solutions	684	562	23%	-1%	22%	1,964	1,715	12%	3%	15%

Endoscopy Solutions sales for the quarter were up, with organic growth of 23% (0%), while reported growth was 22% (7%), with revenue of DKK 684m. Year-to-date, the organic growth in Endoscopy Solutions ended at 12% (0%), with reported growth of 15% (5%).

Endoscopy Solutions accounted for 57% (50%) of Ambu's total revenue. Q3 organic Endoscopy Solutions growth was 30% (16%) in North America, 20% (-5%) in Europe and 2% (-31%) in Rest of World.

DRIVERS OF THE QUARTER

Endoscopy Solutions excluding pulmonology posted 33% organic growth for Q3 2022/23. The biggest growth drivers were urology and ENT, with continued high double-digit growth, due to an increased pace in uptake of orders and new customers across all regions.

ENT continued to deliver high growth across all regions. Europe and North America were positively driven by FEES procedures, supported by the technology advancement of the Ambu® aView™ 2 Advance endoscopy system. Additionally, ENT was positively impacted by a wider adoption within head and neck oncology at out-patient clinics, due to the workflow benefits of single-use.

Urology, similarly, maintained high growth across all regions, driven by an increased penetration of existing and new customers. Overall, urologists are responding positively to the workflow efficiencies brought forth by the Ambu® aScope™ 4 Cysto, and the conversion towards single-use is further supported by patient safety benefits, such as the ones observed in a new independent cystoscopy study. This study showed that 7.1% of 494 patients treated with reusable cystoscopes returned for an unplanned post-procedure encounter, while only 2.2%

out of 506 patients treated with single-use cystoscopes returned. Furthermore, the study showed that 3.4% of patients examined with reusable cystoscopes had positive urine cultures with bacteria growth, while the same was the case for only 0.2% of patients examined with single-use scopes.

Within **GI**, Ambu remains in the launch phase with the Ambu® aScope™ Gastro and is steadily gaining new and re-buying customers, while continuing to receive positive product performance feedback from customers. The launch is supported by a new case study that examines the link between single-use gastroscopes and increased procedure volume. The study demonstrates that the change from reusable to single-use gastroscopes increases workflow efficiencies for GI endoscopists, enabling them to perform an additional bariatric procedure each week, potentially increasing reimbursement revenues in excess of \$800K annually.

Pulmonology grew organically by 16% in Q3, hereby returning to positive revenue growth for the first time in seven quarters. The growth was driven by increased procedure volumes, as a result of the healthcare market recovering from Covid-19, as well as strengthened single-use penetration of Ambu’s growing pulmonology portfolio.

Ambu® aScope™ 5 Broncho continues to demonstrate excellent performance to reusable bronchoscopes, with an increasing number of new and re-buying customers. The uptake continues to progress gradually, as the bronchoscopy suite represents a new customer group for Ambu, in line with previous new-segment launches.

Lastly, Ambu has commenced its full global commercial launch of the next-generation Ambu® aView™ 2 Advance endoscopy system, following FDA regulatory clearance in June 2023. The company obtained CE mark in November 2022, meaning that the commercial launch is now in effect in all major markets, allowing customers across the world to have a lightweight and portable monitoring solution that is compatible with Ambu’s current and future endoscopes within pulmonology, urology and ENT.

Similarly, in August 2023, Ambu achieved FDA clearance of its new two smaller-sized fifth-generation bronchoscopes, following the CE mark in March 2023. Thus, Ambu is now commercialising its complete fifth-generation bronchoscope portfolio on a global scale, across North America, Europe, Australia and Japan.

Within pulmonology as a whole, Ambu now provides customers with a wide-ranged offering, consisting of complete portfolios of Ambu® aScope™ 4 Broncho and Ambu® aScope™ 5 Broncho, Ambu® VivaSight™ 2 DLT and Ambu® VivaSight™ 2 SLT – supported by the two endoscopy systems, Ambu® aView 2 Advance and Ambu® aBox 2.



BUSINESS PERFORMANCE – ANAESTHESIA

Last year's comparative figures are stated in brackets.

DKKm	Q3 2022/23	Q3 2021/22	Organic growth	Fx	Reported growth	YTD 2022/23	YTD 2021/22	Organic growth	Fx	Reported growth
North America	163	190	-12%	-2%	-14%	513	535	-6%	2%	-4%
Europe	62	59	7%	-2%	5%	186	182	3%	-1%	2%
Rest of World	46	53	-6%	-7%	-13%	109	124	-11%	-1%	-12%
Anaesthesia	271	302	-7%	-3%	-10%	808	841	-5%	1%	-4%

Anaesthesia revenue declined organically by 7% (14%) with reported growth of -10% (26%). Total revenue in Anaesthesia was DKK 271m and accounts for 23% (27%) of Ambu's total revenue in the quarter.

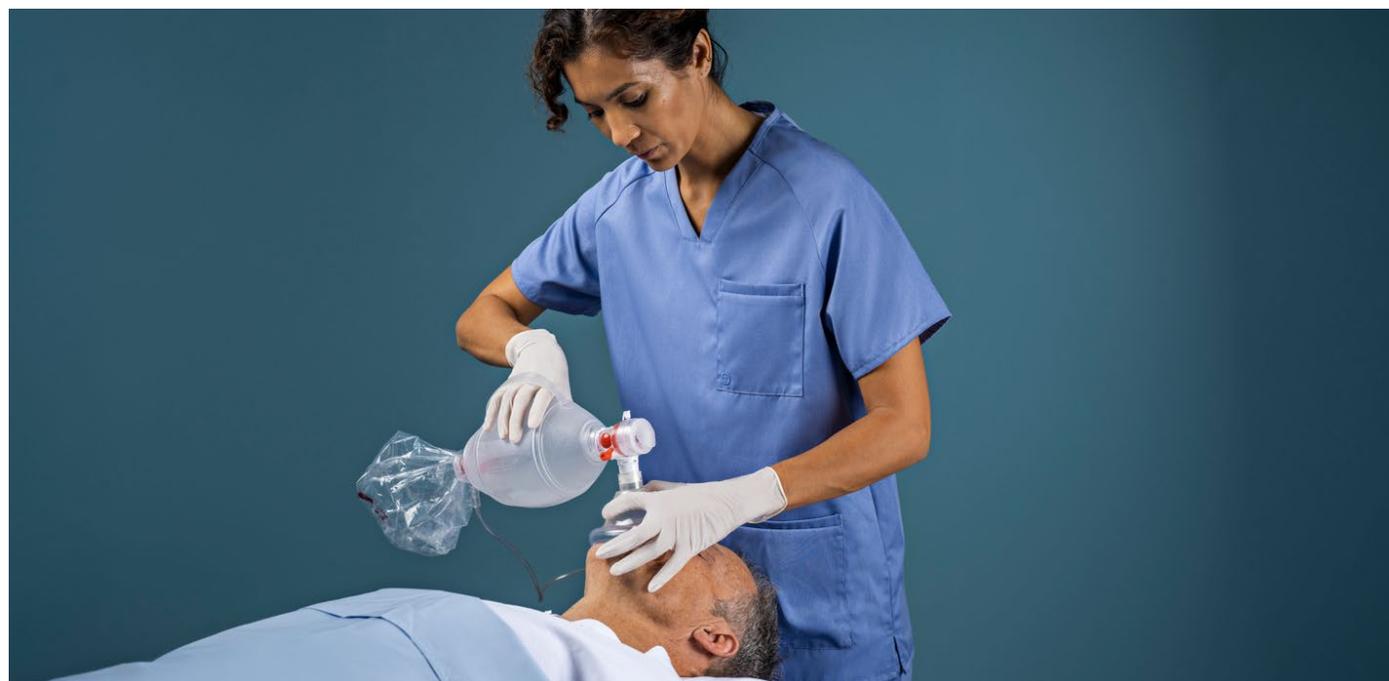
Year-to-date, organic growth declined by 5% (7%), and reported growth was -4% (13%).

For Anaesthesia in Q3, organic growth in North America was -12% (10%), 7% (16%) in Europe and -6% (30%) in Rest of World.

DRIVERS OF THE QUARTER

In North America, Anaesthesia revenue declined by 12%, due to Q3 21/22 high comparables. In contrast, Europe grew 7% organically, mainly driven by a general recovery of the hospital market across all product groups.

As a whole, the Anaesthesia business is starting to benefit from a general recovery within the hospital market in both North America and Europe, however, offset this quarter by circuits performance in North America. Generally, tenders are issued again at bigger scale post-Covid-19, due to improved access to hospitals and limited waiting lists.



BUSINESS PERFORMANCE – PATIENT MONITORING

Last year's comparative figures are stated in brackets.

DKKm	Q3 2022/23	Q3 2021/22	Organic growth	Fx	Reported growth	YTD 2022/23	YTD 2021/22	Organic growth	Fx	Reported Growth
North America	65	80	-16%	-3%	-19%	222	212	1%	4%	5%
Europe	146	154	-4%	-1%	-5%	433	437	0%	-1%	-1%
Rest of World	29	30	1%	-4%	-3%	89	76	16%	1%	17%
Patient Monitoring	240	264	-7%	-2%	-9%	744	725	2%	1%	3%

Organic growth in Patient Monitoring was -7% (20%) in Q3, with reported growth of -9% (26%). With revenue of DKK 240m, Patient Monitoring accounted for 20% (23%) of Ambu's total revenue in the quarter.

Year-to-date, organic growth was 2% (14%), and reported growth was 3% (17%).

For Patient Monitoring in Q3, organic growth in North America was -16% (33%), -4% (15%) in Europe and 1% (17%) in Rest of World.

DRIVERS OF THE QUARTER

The revenue decline in Patient Monitoring was mainly due to quarterly movements of orders and high comparables from Q3 21/22, primarily impacting the growth in North America.

As a whole, the Patient Monitoring segment was driven by a general recovery of the hospital market in both North America and Europe, positively impacting the growth within neurology.



FINANCIAL RESULTS

INCOME STATEMENT

DKKm	Q3 2022/23	Q3 2021/22	Change in value	Change %	YTD 2022/23	YTD 2021/22	Change in value	Change %
Revenue	1,195	1,128	67	6%	3,516	3,281	235	7%
Production costs	-523	-499	-24	5%	-1,518	-1,371	-147	11%
Gross profit	672	629	43	7%	1,998	1,910	88	5%
<i>Gross margin, %</i>	<i>56.2</i>	<i>55.8</i>	-	-	<i>56.8</i>	<i>58.2</i>	-	-
Selling and distribution costs	-359	-389	30	-8%	-1,139	-1,202	63	-5%
Development costs	-75	-72	-3	4%	-213	-201	-12	6%
Mgmt. and admin. costs	-147	-126	-21	17%	-441	-378	-63	17%
Total OPEX	-581	-587	6	-1%	-1,793	-1,781	-12	1%
EBIT before special items	91	42	49	117%	205	129	76	59%
<i>EBIT margin before s.i., %</i>	<i>7.6</i>	<i>3.7</i>	-	-	<i>5.8</i>	<i>3.9</i>	-	-
Special items	-2	-13	11	-85%	-2	-13	11	-85%
EBIT	89	29	60	207%	203	116	87	75%
<i>EBIT margin, %</i>	<i>7.4</i>	<i>2.6</i>	-	-	<i>5.8</i>	<i>3.5</i>	-	-

REVENUE

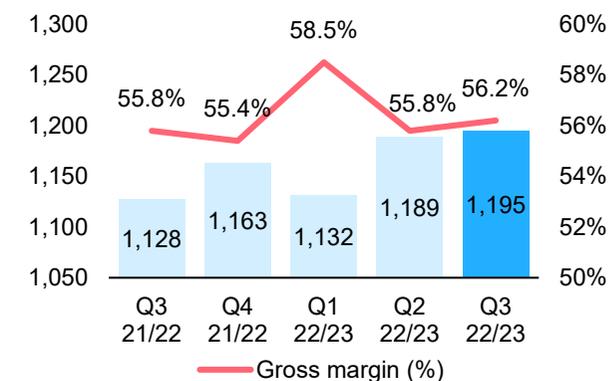
Revenue for Q3 was DKK 1,195m (DKK 1,128m), reflecting a reported growth of 6% (16%) and an 8% (8%) underlying organic growth. Revenue year-to-date was DKK 3,516m (DKK 3,281m), equivalent to reported growth of 7% (10%) and organic growth of 5% (5%).

GROSS PROFIT

Gross profit in Q3 was up 7%, to DKK 672m (DKK 629m), and the gross margin increased by 0.4 percentage points, to 56.2% (55.8%). Driven by sales mix, the gross margin proved better-than-expected, while inflationary effects on Ambu's input prices, paired with overheads from scaling-up the factory in Mexico, had a negative effect.

The combined exchange rate impact on the reported revenue growth for Q3 was -2 percentage points, relative to last year. For the year-to-date, gross profit was DKK 1,998m (DKK 1,910m), while the gross margin declined by 1.4 percentage points, to 56.8% (58.2%).

REVENUE IN DKKM AND GROSS MARGIN (%)

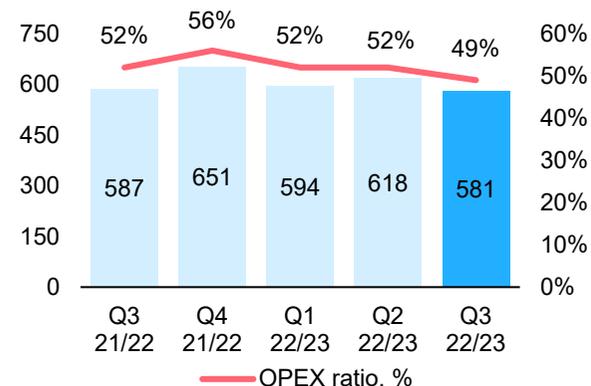


OPERATING EXPENDITURES (OPEX)

OPEX in Q3 totalled DKK 581m (DKK 587m), representing a decrease of 1%, due to the cost reduction program, lower freight rates, efficiencies and general cost containment. The OPEX ratio was 49% (52%).

Year-to-date, OPEX totalled DKK 1,793m (DKK 1,781m), corresponding to 51% (54%) of revenue.

TOTAL OPEX IN DKKM AND RELATIVE TO REVENUE (%)



SELLING AND DISTRIBUTION COSTS

Selling and distribution costs in Q3 were DKK 359m (DKK 389m), down by DKK -30m from the prior-year period, or -8% in reported currencies. Selling and distribution costs corresponded to 30% (34%) of revenue.

Year-to-date, costs were DKK 1,139m (DKK 1,202m), corresponding to 32% (37%) of revenue.

The decrease in Q3 was due to lower selling costs, in alignment with the ZOOM IN strategy's objective of more profitable growth with reduced distribution costs, driven by lower freight rates and less airfreighted goods. The decrease year-to-date was due to lower selling costs, with a neutral effect from distribution costs. The cost increase, driven by volume growth and inflationary effects, was offset by lower freight rates being expensed.

DEVELOPMENT COSTS

Development costs in Q3 totalled DKK 75m (DKK 72m).

Year-to-date, development costs totalled DKK 213m (DKK 201m). Adjusted for depreciation, amortisation and impairment losses, development costs were reduced by DKK 11m. Development costs corresponded to 6% (6%) of revenue.

DKKm	YTD 2022/23	YTD 2021/22	Change in value
Development costs	213	201	12
- Depreciation and amortisation	-128	-105	-23
- Impairment	-1	-1	0
= Development costs affecting EBITDA	84	95	-11
+ Investments	171	310	-139
= Cash flow, R&D	255	405	-150

MANAGEMENT AND ADMINISTRATIVE COSTS

Management and administrative costs for Q3 were DKK 147m (DKK 126m), corresponding to 12% (11%) of revenue. The increase was mainly driven by an increased variable compensation to employees, due to better performance within the annual incentive scheme, relative to last year, as well as by a modest impact from an increase of IT costs and general expenses.

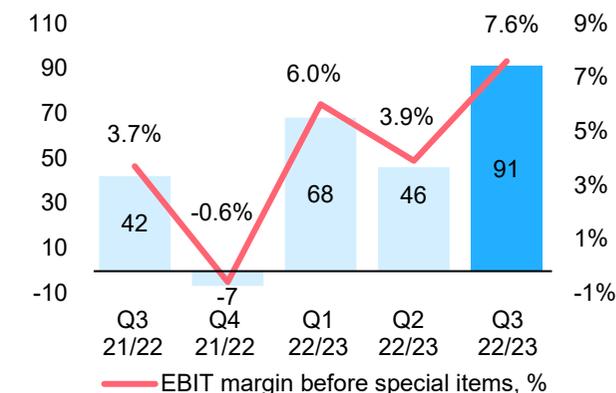
Year-to-date, costs totalled DKK 441m (DKK 378m), corresponding to 13% (12%) of revenue.

EBIT BEFORE SPECIAL ITEMS

Operating profit (EBIT) before special items was DKK 91m (DKK 42m) in Q3, with an EBIT margin before special items of 7.6% (3.7%). EBIT before special items was DKK 205m (DKK 129m) for the year-to-date, with an EBIT margin before special items of 5.8% (3.9%).

The improved EBIT margin before special items in Q3 of 3.9 percentage points was due to the achieved scale from reported OPEX, reflected by a reduced OPEX ratio of 3 percentage points and the effect from the increase in gross margin of 0.4 percentage points. The impact of foreign exchange rates on the EBIT margin before special items in Q3 and for the year-to-date was negligible.

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



SPECIAL ITEMS

For the quarter and for the year-to-date, special items were DKK -2m (DKK -13m), reflecting severance payment in connection with adjusting the R&D operating model (DKK -8m) and impairment of intangible assets related to discontinued development projects (DKK -2m), however offset by income from remeasuring deferred purchase price of a historical technology-acquisition in Anaesthesia (DKK 8m).

EBIT

EBIT for Q3 was DKK 89m (DKK 29m), and the year-to-date was DKK 203m (DKK 116m).

DEPRECIATION, AMORTISATION AND IMPAIRMENT

Depreciation, amortisation and impairment (DA) for Q3 represented an expense of DKK 84m (DKK 77m), corresponding to 7% (7%) of revenue.

Impairment of DKK 2m is reported as 'Special items.'

Year to date, DA represented an expense of DKK 240m (DKK 217m), corresponding to 7% (7%) of revenue.

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

EBITDA BEFORE SPECIAL ITEMS

EBITDA before special items for Q3 was DKK 173m (DKK 119m), with an EBITDA margin before special items of 14.5% (10.5%).

Year-to-date, EBITDA before special items was DKK 443m (DKK 346m), with a margin of 12.6% (10.5%).

EBITDA

EBITDA for the year-to-date was DKK 443m (DKK 333m).

NET FINANCIALS

Net financials amounted to an expense of DKK 93m (income of DKK 125m) 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 81m.

The increase was driven by DKK 51m increased foreign exchange losses, mainly from intercompany receivables denominated in USD, as well as an increase in interest expenses from banks of DKK 30m.

The increased level of interest expenses was driven by the higher borrowing base, compared to last year, which was reduced following the capital raise performed end of March 2023, and a general increase in interest rates.

TAX ON PROFIT

Tax on profit for Q3 was a net expense of DKK 12m (DKK 6m) and DKK 22m (DKK 18m) for the year-to-date, corresponding to an average effective tax rate on profit of 20% (7%) year-to-date.

NET PROFIT

Net profit for Q3 was DKK 51m (DKK 28m). For the year-to-date, net profit was DKK 88m, down DKK 135m from last year, equivalent to 3% (7%) of revenue.

The decline of DKK 135m was due to last year's fair value adjustment income in net financials of DKK 137m and the combined effect of DKK 81m from increased foreign exchange rate losses and interest expense from banks, offset by improved EBIT before special items of DKK 76m.

DILUTED EARNINGS PER SHARE (EPS-D)

EPS-D for Q3 were DKK 0.19 (DKK 0.11) and DKK 0.34 (DKK 0.88) for the year-to-date.



CASH FLOW STATEMENT

DKKm	Q3 2022/23	Q3 2021/22	Change in value	YTD 2022/23	YTD 2021/22	Change in value
Cash flow from operating activities (CFFO)	244	146	98	245	123	122
Cash flow from investing activities before acquisitions (CFFI)	-87	-139	52	-241	-414	173
Free cash flow before acquisitions (FCF)	157	7	150	4	-291	295
Acquisitions of enterprises and technology	0	0	0	0	0	0
Cash flow from financing activities (CFFF)	-195	7	202	-47	353	-400
Changes in cash	-38	14	52	-43	62	-105
Cash flow in % of revenue:						
Cash flow from operating activities (CFFO)	20	13	-	7	4	-
Investments (CFFI)	-7	-12	-	-7	-13	-
Free cash flow before acquisitions (FCF)	13	1	-	0	-9	-

CFFO AND CFFI

Cash flow from operating activities (CFFO) for Q3 was up DKK 98m to DKK 244m (DKK 146m) from last year. The increase, compared to last year, was mainly driven by a higher EBITDA of DKK 65m and a reduction in working capital, amounting to DKK 22m, compared to last year, when adjusting for currency effects on the balance sheet.

CFFO for the year-to-date was DKK 245m (DKK 123m).

Cash flow from investing activities (CFFI) for Q3 was DKK -87m (DKK -139m).

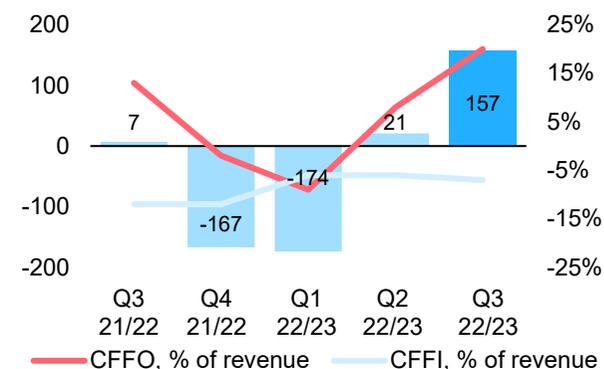
CFFI for the year-to-date was DKK -241m (DKK -414m), primarily driven by R&D activities of DKK -171m (DKK -310m) and investments into production capacities.

FREE CASH FLOW

Free cash flow (FCF) for Q3 before acquisitions totalled DKK 157m (DKK 7m), and FCF for the year-to-date was DKK 4m, up DKK 295m, compared to the same period last year. The improvement was driven by lower CAPEX investments, improved EBITDA and lower net working capital.

Cash flow from financing activities (CFFF) amounted to DKK -195m (DKK 7m) for the quarter, primarily due to repayment of borrowings of DKK 180m, and DKK -47m (DKK 353m) 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	Q3 2022/23	FY 2021/22	Change in value	Change %
Non-current assets	4,830	4,911	-81	-2%
Inventories	985	1,222	-237	-19%
Trade receivables	693	747	-54	-7%
Other current assets	172	148	24	16%
Cash and cash equivalents	144	187	-43	-23%
Total assets	6,824	7,215	-391	-5%
Equity	5,240	4,261	979	23%
Interest-bearing debt	744	1,845	-1,101	-60%
Trade and other payables	805	1,061	-256	-24%
Other liabilities	35	48	-13	-27%
Total equity and liabilities	6,824	7,215	-391	-5%

At the end of Q3, **total assets** were DKK 6,824m, down DKK 391m from FY 2021/22, and **invested capital** was DKK 5,840m.

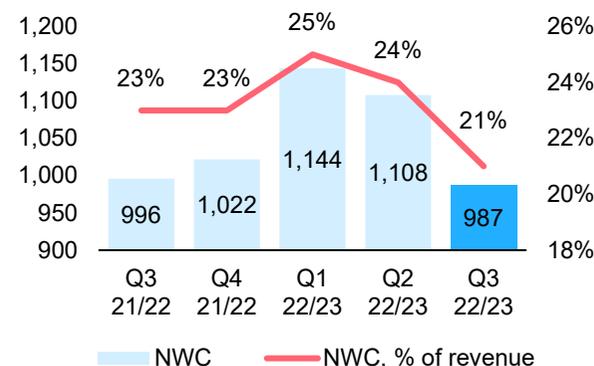
NON-CURRENT ASSETS

At the end of Q3, non-current assets were DKK 4,830m, constituting a DKK -81m change from FY 2021/22, driven by DKK -240m (DKK -217m) in depreciation, amortisation and impairment, coupled with DKK -121m in currency translations, partly offset by total investments of DKK 241m (DKK 414m).

NET WORKING CAPITAL

At the end of Q3, net working capital (NWC) was DKK 987m, down DKK 35m since FY 2021/22. NWC corresponded to 21% of revenue on a 12-month basis.

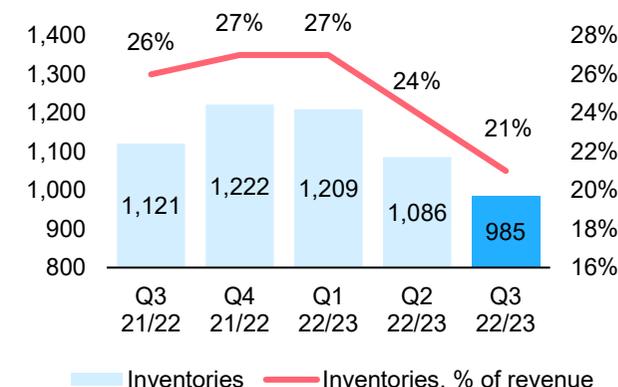
NET WORKING CAPITAL (DKKM) AND NET WORKING CAPITAL RELATIVE TO REVENUE (%)



INVENTORIES

Inventories were DKK 985m, down DKK 237m from FY 2021/22, equivalent to 21% of revenue on a 12-month basis.

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



TRADE RECEIVABLES

Trade receivables totalled DKK 693m at the end of Q3, 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 55 (59). The financial risk on trade receivables was unchanged from Q4.

TRADE PAYABLES AND OTHER PAYABLES

Trade payables and other payables totalled DKK 805m, down DKK 256m from FY 2021/22. The reduction was driven by an overall reduced level of spending across inventories, capital expenditures and OPEX, as well as settled liabilities pertaining to the cost reduction program.

STRENGTHEN CAPITAL BASE

On 21 March, in connection with Ambu’s Capital Markets 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.

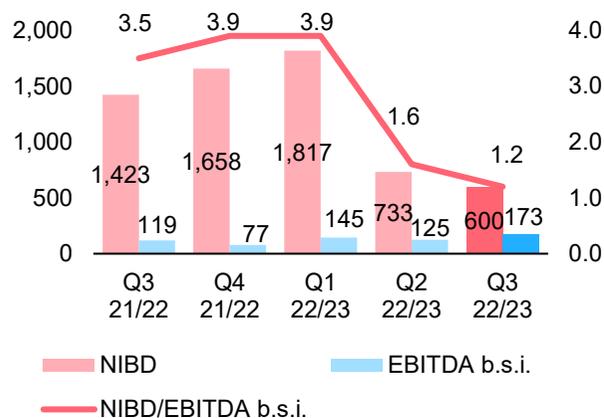
Total credit lines in Q3 were DKK 1,800m, unchanged since FY 2021/22, of which credit lines for DKK 160m were utilised.

At the end of Q3, Ambu had unutilised capital resources of approximately DKK 1.8bn.

NIBD AND LEVERAGE

Net interest-bearing debt (NIBD) was DKK 600m by the end of Q3, down by DKK 1,058m from FY 2021/22. The decrease was driven by the capital raise with net proceeds of DKK 1,077m.

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



EQUITY

At the end of June 2023, equity totalled DKK 5,240m, up DKK 979m, or 23%, from FY 2021/22, corresponding to an equity ratio of 77% of total assets. The share capital was DKK 135m, distributed on 269.3m shares.

Back in Q2, equity increased by DKK 1,077m, based on net proceeds of Ambu raising capital through a directed issue of new B-shares and selling existing treasury shares.

At the end of Q3 2022/23, Ambu employees had exercised a total of 315,000 stock options in Ambu A/S, at a total of DKK 14m.

The general employee share program, granted in 2021, was vested in Q3, and Ambu’s obligations in this respect was thus fulfilled. Consequently, the holding of treasury shares was reduced by 38,000 Class B shares in Ambu A/S.

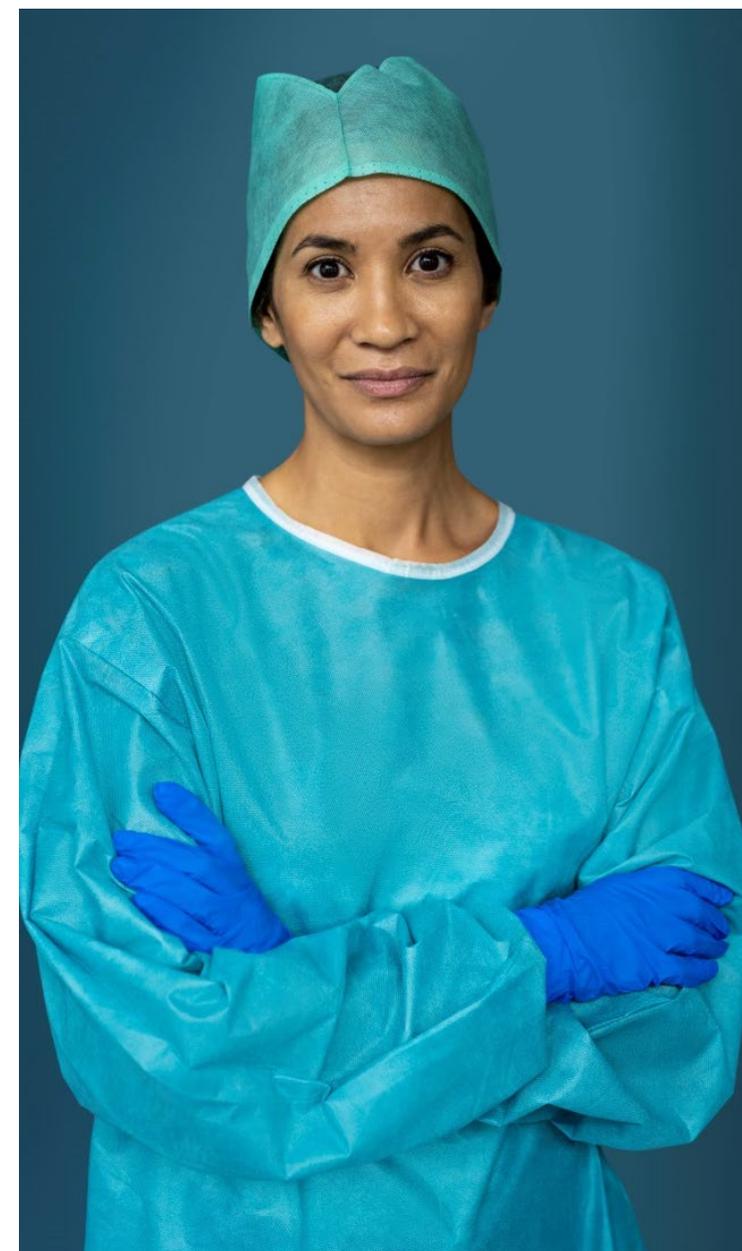
In accordance with the remuneration policy, the first performance stock unit program, granted in FY 2017/18, was vested, and 47,000 shares were transferred to the employees.

Consequently, Ambu’s holding of Class B treasury shares has since FY 2021/22 been reduced by 650,000 shares to 2,993,000 by end of Q3, corresponding to 1.1% (1.4%) of the total share capital.

At the Annual General Meeting, held on 14 December 2022, a proposal to not distribute dividend was adopted, and ordinary dividend to the shareholders was consequently 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 -217m (DKK 178m). The reduction was driven by the depreciating USD/DKK since FY 2021/22.



FINANCIAL OUTLOOK

The outlook for organic revenue growth is narrowed to 6-8% (previously 5-8%), and the outlook for EBIT margin before special items is maintained at 5-6% (as per 10 July 2023).

LOCAL CURRENCIES

	31 Aug '23	10 Jul '23	3 May '23	7 Feb '23	15 Nov '22
Organic growth	6-8%	5-8%	5-8%	5-8%	5-8%

DANISH KRONER

	31 Aug '23	10 Jul '23	3 May '23	7 Feb '23	15 Nov '22
EBIT margin	5-6%	5-6%	3-5%	3-5%	3-5%

EXCHANGE RATE ASSUMPTIONS FOR 2022/23

	31 Aug 2023	3 May 2023	7 Feb 2023	15 Nov 2022
USD/DKK	697	697	696	722
MYR/DKK	154	156	160	156
CNY/DKK	99	100	101	103
GBP/DKK	855	847	845	850

OTHER ASSUMPTIONS

	Expectations 31 August 2023	Previous expectations
ANA & PM org. revenue growth	~0%	Low single-digit growth
FCF before acquisitions	Improvement of DKK +500m vs. FY 2021/22	Improvement of DKK 350-450m vs. FY 2021/22
CapEx	~7% of total revenue (FY 2022/23)	~9% of total revenue (FY 2022/23)
Gross margin	56.0% - 57.0%	~55.5%

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

FY 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
FY 2023/24	8 November	Annual Report 2022/23
	13 December	Annual General Meeting 2023

QUARTERLY RESULTS

DKKm	Q3 2022/23	Q2 2022/23	Q1 2022/23	Q4 2021/22	Q3 2021/22	Q2 2021/22	Q1 2021/22
Revenue by products:							
Pulmonology	373	378	346	351	323	380	393
Endoscopy Solutions excl. pulmonology	311	285	271	258	239	208	172
Endoscopy Solutions	684	663	617	609	562	588	565
Anaesthesia	271	264	273	285	302	294	245
Patient Monitoring	240	262	242	269	264	240	221
Revenue	1,195	1,189	1,132	1,163	1,128	1,122	1,031
Production costs	-523	-525	-470	-519	-499	-475	-397
Gross profit	672	664	662	644	629	647	634
Selling and distribution costs	-359	-394	-386	-432	-389	-407	-406
Development costs	-75	-69	-69	-80	-72	-65	-64
Management and administrative costs	-147	-155	-139	-139	-126	-128	-124
Operating profit (EBIT) before special items	91	46	68	-7	42	47	40
Special items	-2	0	0	-135	-13	0	0
Operating profit (EBIT)	89	46	68	-142	29	47	40
Financial income	0	-1	1	20	12	137	0
Financial expenses	-26	-26	-41	-10	-7	-2	-15
Profit before tax (PBT)	63	19	28	-132	34	182	25
Tax on profit for the period	-12	-4	-6	2	-6	-7	-5
Net profit for the period	51	15	22	-130	28	175	20
Key figures and ratios:							
Gross margin, %	56.2	55.8	58.5	55.4	55.8	57.7	61.5
Operating Expenditures (OPEX)	581	618	594	651	587	600	594
OPEX ratio, %	49	52	52	56	52	53	58
EBITDA before special items	173	125	145	77	119	125	102
EBITDA margin before special items, %	14.5	10.5	12.8	6.6	10.5	11.1	9.9
EBIT margin before special items, %	7.6	3.9	6.0	-0.6	3.7	4.2	3.9
NIBD/EBITDA before special items	1.2	1.6	3.9	3.9	3.5	3.3	2.7
Net working capital, % of revenue	21	24	25	23	23	25	23

DKKm	Q3 2022/23	Q2 2022/23	Q1 2022/23	Q4 2021/22	Q3 2021/22	Q2 2021/22	Q1 2021/22
Organic growth, products, %:							
Pulmonology	16	-3	-17	-15	-25	-17	-23
Endoscopy Solutions excl. pulmonology	33	36	47	44	83	89	143
Endoscopy Solutions	23	11	3	3	0	3	-2
Anaesthesia	-7	-11	4	0	14	12	-6
Patient Monitoring	-7	8	6	10	20	14	7
Organic growth	8	4	4	4	8	8	-1
Exchange rate effects	-2	2	6	9	8	4	3
Reported revenue growth	6	6	10	13	16	12	2
Organic growth, markets, %:							
North America	9	8	9	2	16	11	18
Europe	10	-1	-4	16	4	7	-16
Rest of World	-2	7	14	-20	-4	-1	0
Organic growth	8	4	4	4	8	8	-1
Cash flow, DKKm:							
Cash flow from operating activities	244	99	-98	-28	146	5	-28
Cash flow from investing activities	-87	-78	-76	-139	-139	-141	-134
Free cash flow before acquisitions*	157	21	-174	-167	7	-136	-162
Cash flow, % of revenue:							
Cash flow from operating activities	20	8	-9	-2	13	0	-3
Cash flow from investing activities	-7	-6	-6	-12	-12	-12	-13
Free cash flow before acquisitions*	13	2	-15	-14	1	-12	-16
Balance sheet:							
Assets	6,824	6,937	7,006	7,215	6,921	6,557	6,327
Net working capital	987	1,108	1,144	1,022	996	1,038	911
Equity	5,240	5,212	4,122	4,261	4,282	4,162	3,946
Net interest-bearing debt	600	733	1,817	1,658	1,423	1,417	1,259
Invested capital	5,840	5,945	5,939	5,919	5,705	5,579	5,205
Share-related ratios (in DKK):							
Market price per share	112	103	89	66	69	100	173
Earnings per share (EPS)	0.19	0.06	0.09	-0.51	0.11	0.69	0.08
Diluted earnings per share (EPS-D)	0.19	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 30 June 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 30 June 2023 and of the results of the Group's operations and cash flows for the period from 1 October 2022 to 30 June 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, 31 August 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 Q3 2022/23

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Page 26	Statement of changes in equity
Page 27	Notes to the interim report



INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

INTERIM REPORT Q3 2022/23

DKKm

Income statement	Note	Q3 2022/23	Q3 2021/22	YTD 2022/23	YTD 2021/22	FY 2021/22
Revenue	4	1,195	1,128	3,516	3,281	4,444
Production costs		-523	-499	-1,518	-1,371	-1,890
Gross profit		672	629	1,998	1,910	2,554
Selling and distribution costs		-359	-389	-1,139	-1,202	-1,634
Development costs		-75	-72	-213	-201	-281
Management and administrative costs		-147	-126	-441	-378	-517
Operating profit (EBIT) b. s. i.		91	42	205	129	122
Special items		-2	-13	-2	-13	-148
Operating profit (EBIT)		89	29	203	116	-26
Financial income		0	12	0	149	169
Financial expenses		-26	-7	-93	-24	-34
Profit before tax		63	34	110	241	109
Tax on profit for the period		-12	-6	-22	-18	-16
Net profit for the period		51	28	88	223	93
Earnings per share in DKK						
Earnings per share (EPS)		0.19	0.11	0.34	0.88	0.37
Diluted earnings per share (EPS-D)		0.19	0.11	0.34	0.88	0.37

DKKm

Statement of comprehensive income	Q3 2022/23	Q3 2021/22	YTD 2022/23	YTD 2021/22	FY 2021/22
Net profit for the period	51	28	88	223	93
Other comprehensive income:					
<i>Items which are moved to the income statement under certain conditions:</i>					
Translation adj. in foreign subsidiaries	-29	94	-217	178	273
Other comprehensive income after tax	-29	94	-217	178	273
Comprehensive income for the period	22	122	-129	401	366

CASH FLOW STATEMENT

INTERIM REPORT Q3 2022/23

DKKm

	YTD 2022/23	YTD 2021/22	FY 2021/22
Net profit	88	223	93
Adjustment for non-cash items:			
Income taxes in the Income statement	22	18	16
Depreciation, amortisation and impairment losses	240	217	351
Financial items and share-based payment	105	-116	-123
Change in working capital	-109	-147	-134
Interest paid	-54	-20	-29
Income tax paid	-47	-52	-79
Cash flow from operating activities	245	123	95
Investments in intangible assets	-161	-299	-395
Investments in tangible assets	-80	-115	-158
Cash flow from investing activities before acquisitions	-241	-414	-553
Free cash flow before acquisitions	4	-291	-458
Acquisition of technology	0	0	-5
Cash flow from acquisitions	0	0	-5
Cash flow from investing activities	-241	-414	-558
Free cash flow after acquisitions	4	-291	-463
Proceeds from borrowings	230	450	825
Repayment of borrowings	-1,320	0	-125
Repayment in respect of lease liability	-48	-35	-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	-47	353	586
Changes in cash and cash equivalents	-43	62	123
Cash and cash equivalents, beginning of period	187	64	64
Cash and cash equivalents, end of period	144	126	187

BALANCE SHEET

INTERIM REPORT Q3 2022/23

DKKm

Assets	Note	30.06.23	30.06.22	30.09.22
Goodwill		1,546	1,577	1,623
Acquired technologies, trademarks and customer relations		443	490	481
Acquired technologies in progress		212	212	212
Completed development projects		864	763	764
Development projects in progress		430	443	458
Rights		28	38	27
Intangible assets		3,523	3,523	3,565
Property, plant and equipment	1	648	651	686
Right-of-use assets	1	573	547	590
Deferred tax asset		86	58	70
Total non-current assets		4,830	4,779	4,911
Inventories		985	1,121	1,222
Trade receivables		693	723	747
Other receivables		45	33	36
Income tax receivable		46	22	23
Prepayments		69	114	78
Derivative financial instruments		12	3	11
Cash and cash equivalents		144	126	187
Total current assets		1,994	2,142	2,304
Total assets		6,824	6,921	7,215

DKKm

Equity and liabilities	Note	30.06.23	30.06.22	30.09.22
Share capital		135	129	129
Other reserves		5,105	4,153	4,132
Equity	6	5,240	4,282	4,261
Deferred tax		8	22	8
Provisions		0	35	19
Lease liabilities		505	478	516
Borrowings		160	1,000	1,250
Non-current liabilities		673	1,535	1,793
Provisions		18	13	4
Lease liabilities		79	71	79
Trade payables		369	587	600
Income tax		9	25	17
Other payables		436	408	461
Current liabilities		911	1,104	1,161
Total liabilities		1,584	2,639	2,954
Total equity and liabilities		6,824	6,921	7,215

STATEMENT OF CHANGE IN EQUITY

INTERIM REPORT Q3 2022/23

DKK m

	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			88		88
Other comprehensive income for the period		-217			-217
Total comprehensive income	0	-217	88	0	-129
<i>Transactions with the owners:</i>					
Share-based payment			12		12
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 30 June 2023	135	162	4,943	0	5,240

Equity 1 October 2021	129	106	3,642	75	3,952
Net profit for the period			223		223
Other comprehensive income for the period		178			178
Total comprehensive income	0	178	223	0	401
<i>Transactions with the owners:</i>					
Share-based payment			8		8
Tax deduction relating to share-based pay			-17		-17
Exercise of options			11		11
Distributed dividend				-74	-74
Dividend, treasury shares			1	-1	0
Share capital increase			1		1
Equity 30 June 2022	129	284	3,869	0	4,282

Other reserves are made up of reserve for foreign currency translation adjustment, retained earnings and proposed dividend and total DKK 5,105m (30.06.2022: DKK 4,153m).

NOTES TO THE INTERIM REPORT

INTERIM REPORT Q3 2022/23

Note 1 – Basis of preparation of the interim report

The interim report for the period 1 October 2022 to 30 June 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.

	DKKm		
	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

	DKKm		
	30.06.22		30.06.22
	Reported		Restated
Land and buildings	682	-494	188
Plant and machinery	159		159
Other fittings and equipment	171	-53	118
Property, plant and equipment in progress	186		186
Property, plant and equipment	1,198	-547	651
Right-of-use assets		547	547

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

	DKKm				
	Q3	Q3	YTD	YTD	FY
	2022/23	2021/22	2022/23	2021/22	2021/22
Endoscopy solutions	684	562	1,964	1,715	2,324
Anaesthesia	271	302	808	841	1,126
Patient Monitoring	240	264	744	725	994
Total revenue by activities	1,195	1,128	3,516	3,281	4,444
North America	587	550	1,758	1,554	2,140
Europe	486	447	1,399	1,390	1,825
Rest of World	122	131	359	337	479
Total revenue by markets	1,195	1,128	3,516	3,281	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 Q3 2022/23

Note 6 – Share capital

Development in the number of shares:

No. of shares in thousands	Class A shares		Class B shares		Nom. value ('000)	
	Q3	Q3	Q3	Q3	Q3	Q3
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
1 October	34,320	34,320	223,396	223,384	128,858	128,852
Addition	0	0	11,578	12	5,789	6
30 June	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	
	Q3	Q3	Q3	Q3	Q3	Q3
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
1 October	3,642	3,977	2.0	2.0	1.4%	1.5%
Disposals, sale of treasury shares	-335	-66	-0.2	0.0	-0.1%	0.0%
Disposals, share options	-315	-269	-0.2	0.0	-0.1%	-0.1%
30 June	2,992	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 Q3 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 30 June 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 30 June 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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