

# **AMBU PRESENTS UPDATED MARKET POTENTIAL ASSUMPTIONS AT ITS CAPITAL MARKETS DAY 2023, AND SPECIFIES LONG-TERM FINANCIAL TARGETS**

Today, Ambu is hosting a Capital Markets Day. In this context, Ambu will outline its assessment of market potential and dynamics as it expands on its ZOOM IN strategy. This includes innovative solutions and execution, delivering sustainable profitable growth.

Ambu maintains FY 2022/2023 financial guidance and specifies its long-term financial targets, which include 5-year organic revenue CAGR, EBIT margin as well as its planned reduction of financial leverage to its target NIBD/EBITDA ratio of less than 2.5x.

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With the new ZOOM IN strategy, launched in November 2022, Ambu kickstarted a transformation towards sustainable profitable growth. This transformation builds on innovative solutions, focused execution and applying a flexible approach with allocation of resources to the highest potential opportunities.

Ambu operates in a large, fast-growing and high-potential market. Driven by its leading product portfolio of innovative solutions across all major endoscopy segments, the company is well-positioned to address substantial unmet customer needs.



I am excited to confirm an attractive market potential ahead, with unique opportunities for Ambu. We remain a growth company and strongly believe we will expand our position by delivering on our ZOOM IN strategy. While strengthening the balance between growth and profitability, focused execution of our transformation will ensure an effective and scalable business model. At today's Capital Markets Day, I look forward to elaborating on our opportunities and approach for improving the endoscopy field for healthcare systems and patients worldwide.

**Britt Meelby Jensen**  
Chief Executive Officer

## **UPDATED SINGLE-USE ENDOSCOPY MARKET DYNAMICS**

Ambu has zoomed in on its Endoscopy Solutions business to address the key market needs with the strongest potential within the four major endoscopy segments where the company is present: Pulmonology, ENT (ear-nose-throat), urology and GI (gastroenterology). Ambu's marketed solutions and near-term product pipeline address procedures across these four segments, where ~100 million procedures are performed annually in Ambu's key markets.

As market leader in single-use endoscopy, Ambu covers today ~1.7 million procedures and expects that its marketed products and near-term pipeline can address ~23 million procedures. In total, Ambu expects that the single-use endoscopy market size in five years will amount to 15-20 billion DKK. Today, we estimate the single-use endoscopy market to be ~5 billion DKK.

## **FOCUSED APPROACH AND EXPANDED ENDOSCOPY PIPELINE**

Ambu has within the last 3-4 years expanded its Endoscopy Solutions business from pulmonology to ENT, urology and, most recently, GI. The company has a world-leading single-use bronchoscopy solution with room for further growth, driven by increased penetration in intensive care units (ICUs) and operating rooms (ORs), as well as further conversion to single-use endoscopy in the bronchoscopy suite.

Within ENT, Ambu continues the successful commercialisation of the marketed portfolio to further penetrate the in-patient segment and expand into the outpatient setting with a future high-resolution solution. In urology, Ambu is a market leader in single-use cystoscopy and will continue the successful penetration of the cystoscopy market, while preparing for entry into ureteroscopy.

The marketed GI portfolio was expanded with the launch of a single-use gastroscope in 2022, and at its Capital Markets Day, Ambu announces the development of its larger version gastroscope. This product has a larger working channel and improved suction performance, which will expand the addressable market.

Gastroenterology is the largest endoscopy segment. Based on customer relationships and the near-term product pipeline, as well as proven track record in other segments, Ambu is well-positioned to lead and drive single-use market adoption in GI. Ambu will initially target attractive niches with high customer needs, e.g., well-defined specific procedures for the large version of the gastroscope in development.

Overall, expansion of leadership in single-use endoscopy will be driven by strong commercial execution of the launched portfolio, advancement of the product pipeline and delivering on efficiencies through the transformation program.

## **FY 2022/23 FINANCIAL GUIDANCE MAINTAINED**

Ambu maintains its FY 2022/23 financial guidance, as stated on 15 November 2022:

- Organic revenue growth: 5-8%
- EBIT margin (before special items): 3-5%

## **SPECIFIED LONG-TERM FINANCIAL TARGETS**

In November 2022, Ambu launched its new ZOOM IN strategy with an aspiration to deliver long-term sustainable double-digit revenue growth with continuously upward trending EBIT margins to industry levels. Ambu specifies long-term financial targets and its disciplined capital deployment to focus on investing in sustainable profitable growth.

Specifically, Ambu expects a 5-year organic revenue CAGR (2022/23-2027/28) of >10%, with revenue growth in Endoscopy Solutions of 15-20% and Anaesthesia and Patient Monitoring combined of 2-4%, respectively.

The company expects an EBIT margin (before special items) >10% within the next two years, with a 5-year target of ~20% (2027/28). Given the market potential, Ambu strives for a balance between revenue growth and profitability that corresponds with Ambu's long-term financial targets, with potential short-term trade-offs on EBIT margin, if growth investments are available to secure long-term sustainable profitable growth.

Ambu's ambition is to create a strong balance sheet, and the company is focused on reducing financial leverage to its long-term target NIBD/EBITDA ratio of less than 2.5x and has a clear plan to reach this target within the short-term. Ambu aims to become a positive cash flow (FCF) generating company in 2023/24 and is committed to a disciplined capital allocation, which provides operational flexibility to deliver on its long-term sustainable profitable growth.

While Ambu remains committed to reducing financial leverage through execution of its ZOOM IN strategy and transformation program, as well as enhanced free cash flow management, the company may consider to raise capital equal to around 5% of its B-shares outstanding, subject to market conditions and investor support. This will provide significant operational flexibility and reduce financial leverage in an environment with increased geopolitical and economic uncertainty.

## FOLLOW AMBU'S CAPITAL MARKETS DAY ONLINE

All sessions of Ambu's Capital Markets Day 21 March 2023 will be [webcasted live via this link](#). The presentation recording and the presentation material will be made available on the company's website after the event.

The live-streamed event will begin at 10:00 CET, and it ends at 15:00 CET.

Ambu is looking forward to welcoming institutional investors, stock analysts and financial media to its Capital Markets Day 2023, both online and at its company headquarters in Ballerup, Denmark.

## FORWARD-LOOKING STATEMENTS

This company announcement contains certain forward-looking statements. Statements herein, other than statements of historical fact, regarding our future results of operations, financial condition, cashflows, business strategy, plans and future objectives are forward-looking statements. Words such as "targets", "ambition", "believe", "expect", "aim", "intend", "plan", "seek", "will", "may", "should", "anticipate", "continue", "predict" or similar expressions, as well as other statements regarding matters that are not historical facts or regarding future operating or financial performance, constitute forward-looking statements.

These forward-looking statements reflect management's current views, plans and best assumptions with respect to certain future events and potential financial performance. By their very nature, forward-looking statements involve inherent risks and uncertainties. Ambu cautions that a number of important factors, including those described in this company announcement, could cause actual results to differ materially from those set out in any forward-looking statements. Although Ambu believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.



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## 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](http://Ambu.com).