



# Welcome to Annual General Meeting 2013/14

17 December 2014  
IDA Mødecenter

# Agenda

- 1. Management's review**
- 2. Annual report and consolidated financial statements**
- 3. Appropriation of the net profit for the year**
4. Duties and remuneration of the Board of Directors 2014/15
5. Election of members to the Board of Directors
6. Appointment of auditors
7. Proposals from the Board of Directors
  1. Change of the denomination of the company's shares with 1:4
  2. Update of the overall guidelines for incentive programmes for the Board of Directors and Executive Board
  3. Authorisation to acquire treasury shares

Management's review  
by Chairman of the Board Jens Bager



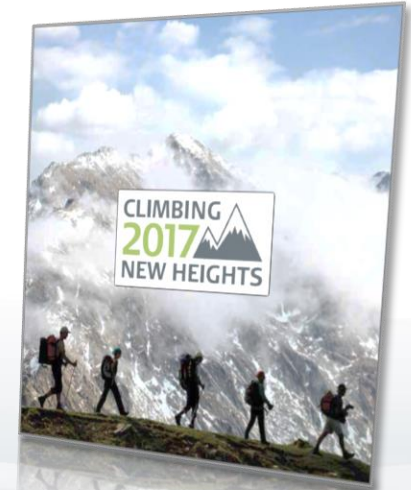
# 2013/14 Highlights

- Integration of King Systems is completed
- Returns from newly developed products
- New manufacturing facility in Malaysia
- Strong growth in Rest of World



# Climbing New Heights is on track

- Taking market share
- Successful product launches
- Earnings and cash flow strengthened
- Results of scalability showing



Management's review  
by CEO Lars Marcher



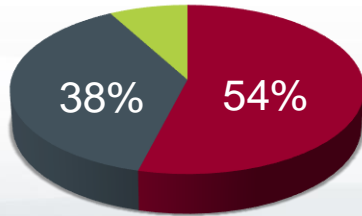
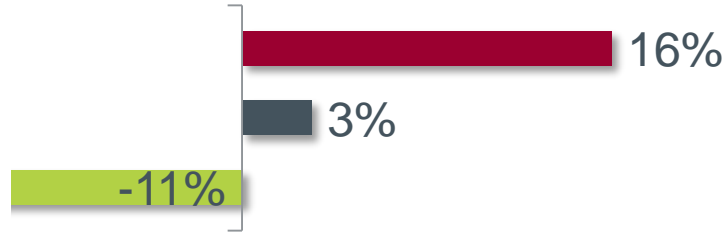
# 2013/14 financial highlights

- Revenue of DKK 1,584m
- Organic growth of 7%
- Gross margin improved to 50.4% (49.1%)
- EBIT increased by 23% to an EBIT-margin of 12.5%
- Free cash flow of DKK 114m b.s.i.
- Gearing of 2.6
- Full integration of King Systems and 6% growth
- Strong global sales and manufacturing setup



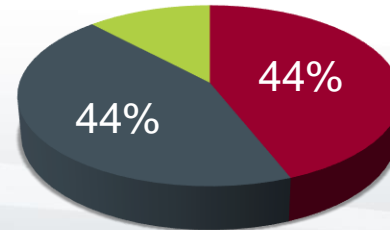
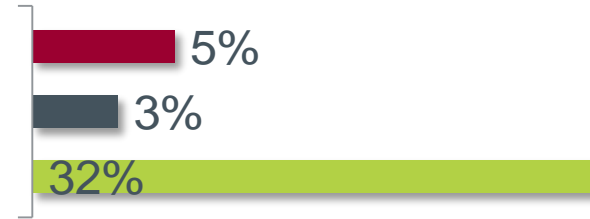
# Organic growth and revenue split

FY 2013/14 by business area



- Anaesthesia
- PMD
- Emergency Care

FY 2013/14 by geography

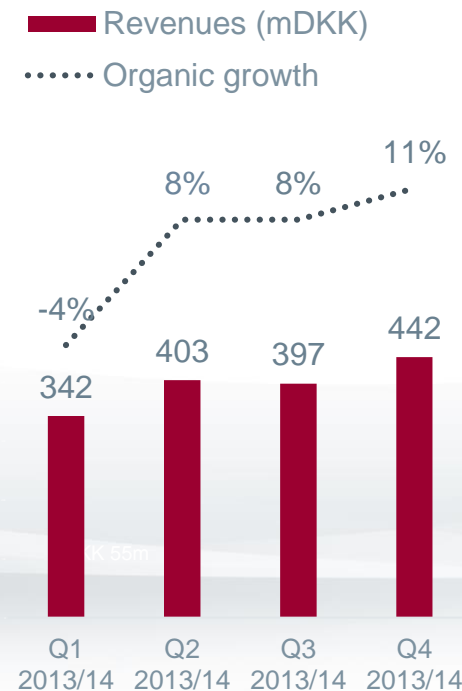


- North America
- Europe
- Rest of world



# Acceleration of topline growth

– status on growth drivers



# Some challenges along the way

- Faster than expected validation requirement of King Systems production facility lead to backorder situation on circuits



- Later than expected launch of King Vision aBlade



# Financial results

DKKm	FY 13/14	FY 12/13
Revenue	1,584	1,383
Gross profit	798	679
Gross Margin (%)	50.4	49.1
Capacity costs	(600)	(518)
EBIT before special items	198	161
EBIT margin b.s.i. (%)	12.5	11.6
Special items	0	(61)
Financials, net	10	(30)
Net result	151	48

DKKm	FY 13/14	FY 12/13
Cash flow from operations	183	122
Cash flow from investments	(80)	(54)
Free cash flow	103	68

- Organic growth of 11% in Q4 and 7% in FY
- Improved gross margin
- EBIT up 36% in Q4 and 23% in FY
- Value adjustment of earn out contributes positively to financials

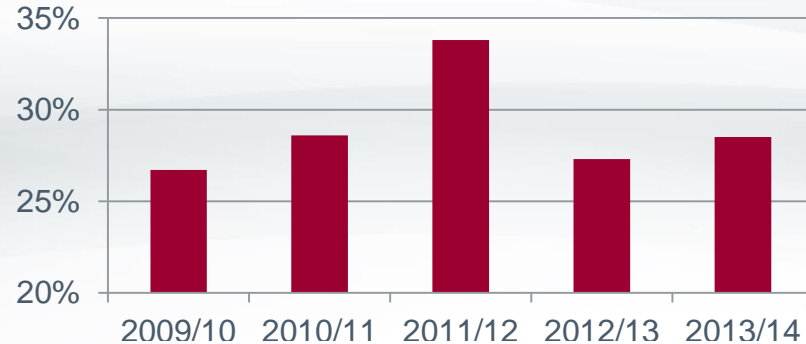
- Improvement in cash flows
- Investments include factory in Malaysia
- Free cash flow includes special items at DKK 11m

# Balance sheet

DKKm	30/9-2014	30/9-2013
Total assets	2,047	1,852
Working capital	452	417
Net interest-bearing debt	739	721
Equity ratio, %	42	35
Gearing	2.6	3.1

- Financing via corporate bonds until 2018
- Declining risk premium on the issued corporate bonds
- Increasing equity ratio
- Gearing of 2.6

## Working capital in relation to revenue\*



- Improvement on average receivables
- Positive development in working capital

\* Pro forma adjusted for King Systems



**YOU ASKED FOR**

a second generation SGA  
for every patient.



CLIMBING

2017



NEW HEIGHTS

# Ambu stronger in 2017

## To save lives and improve patient care

### In 2017, Ambu will be...

- an acknowledged global market leader within innovative single-use solutions for hospitals
- financially stronger and creating more value
- more efficient in daily operations
- a focused player within Anaesthesia and PMD

... and perhaps still small, but flexible,  
customer-focused and quick!



# Working towards 2017

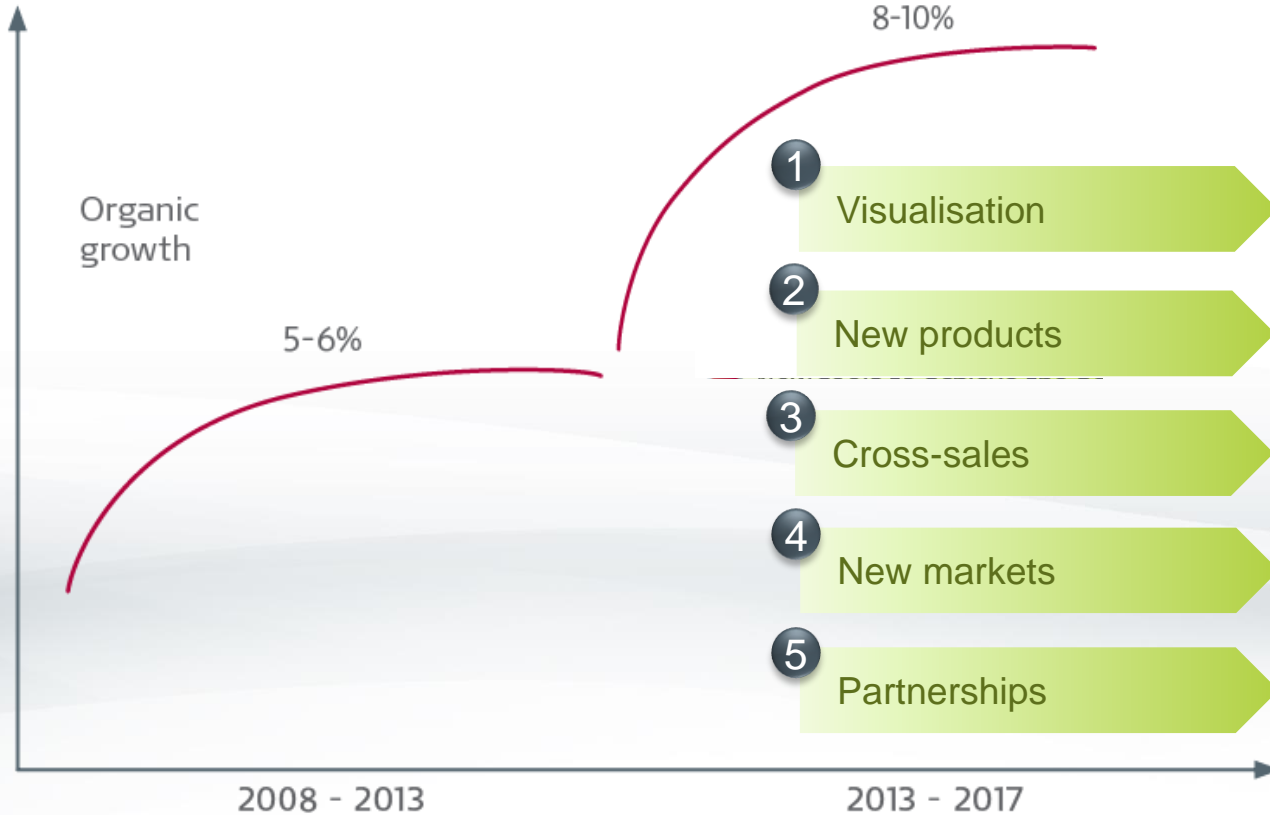
- Revenue ~ 2bn
- EBIT 17-18%

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**2017**  
NEW HEIGHTS





# Status on strategy



CLIMBING  
**2017**  
NEW HEIGHTS

# Status on strategy

## – Visualisation

**King Vision  
+18%  
growth**



1

Visualisation



**Sold  
39,000  
aScopes**

# Status on strategy

– New products



2

New products

Laryngeal masks  
+7%  
growth



# Status on strategy

## – New markets



Rest of  
World  
**+32%**  
organic  
growth

4

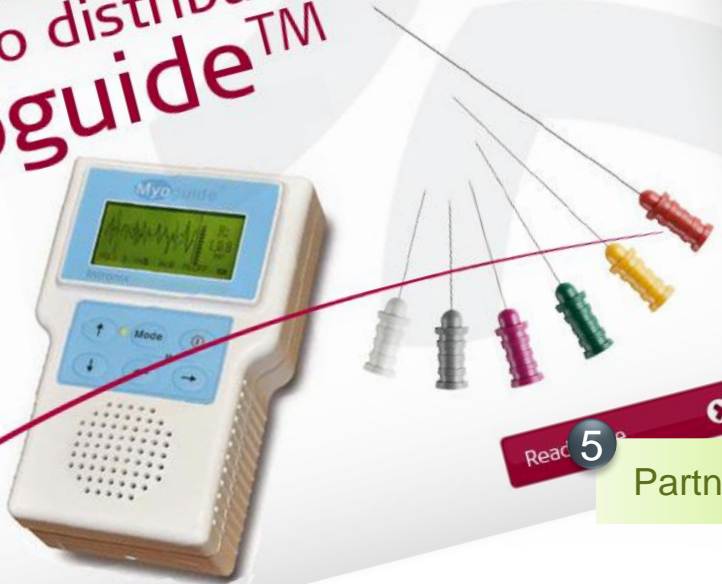
New markets

# Status on strategy

## – Partnerships

Distribution agreement with Intrinix Technologies

### Ambu to distribute Myoguide™




Read more

5

### Fuji Systems One Lung Ventilation products

Ambu signs exclusive distribution agreement for the United States and Canada

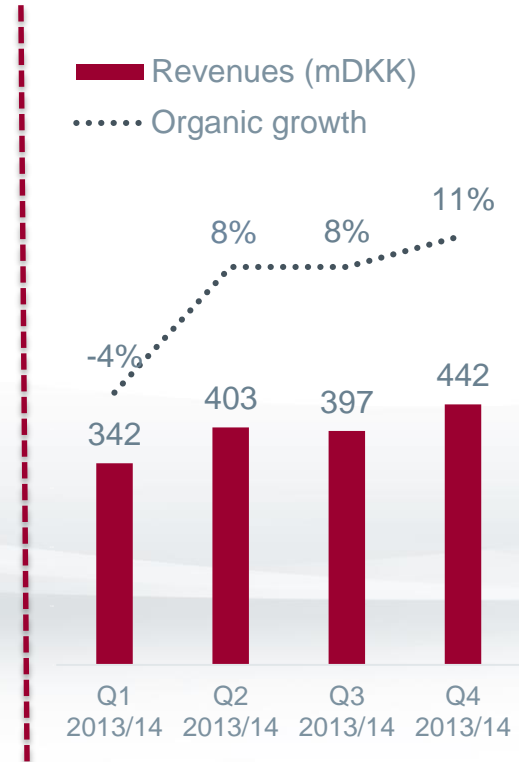
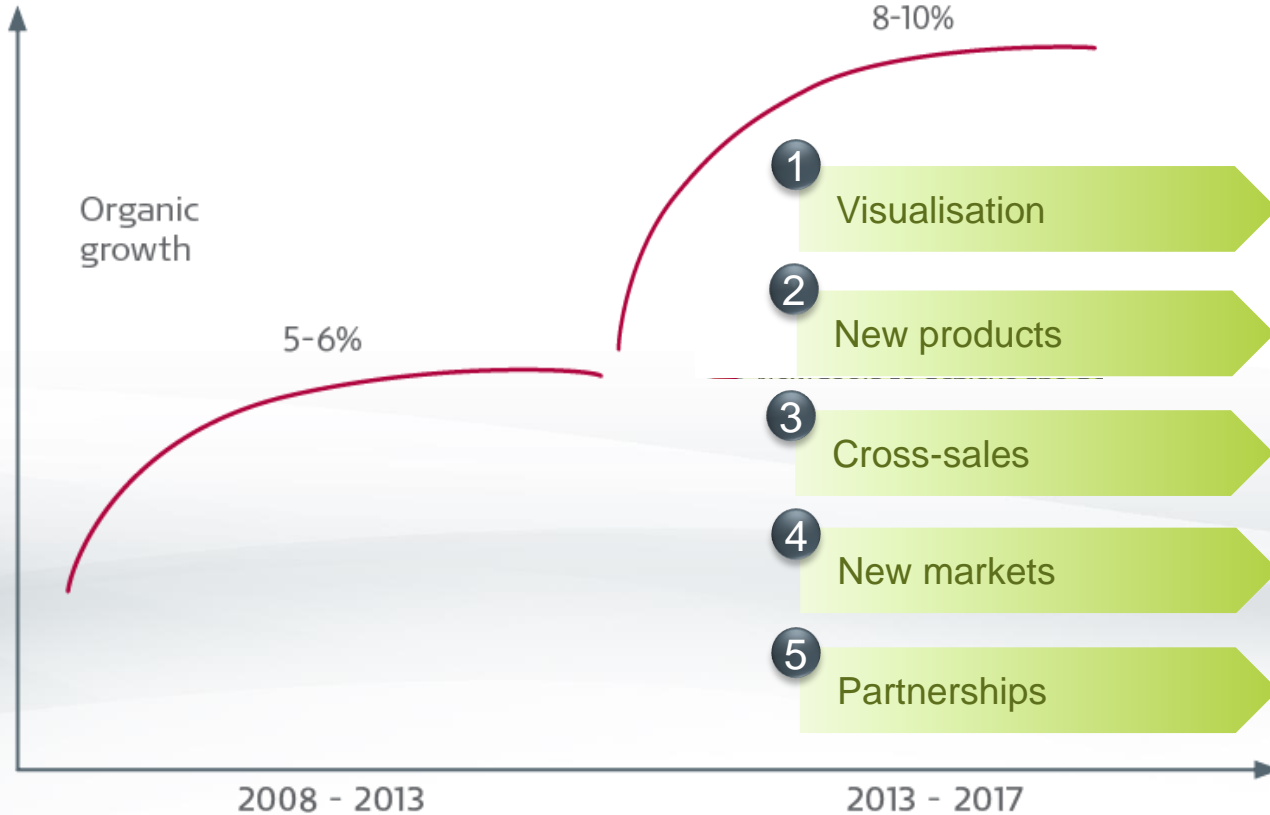


Read more

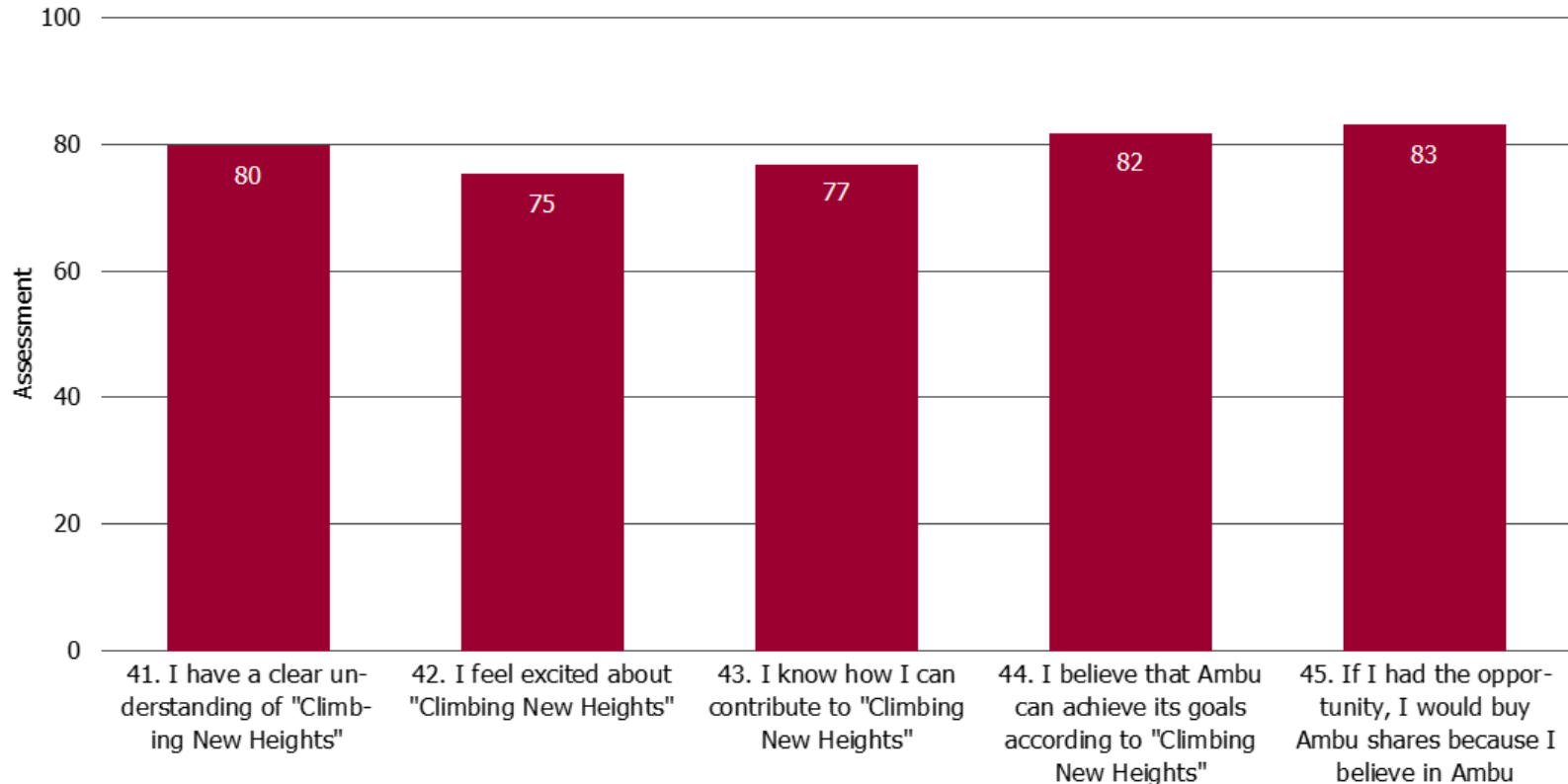
Partnerships

# Status on strategy

– Well positioned for year 2

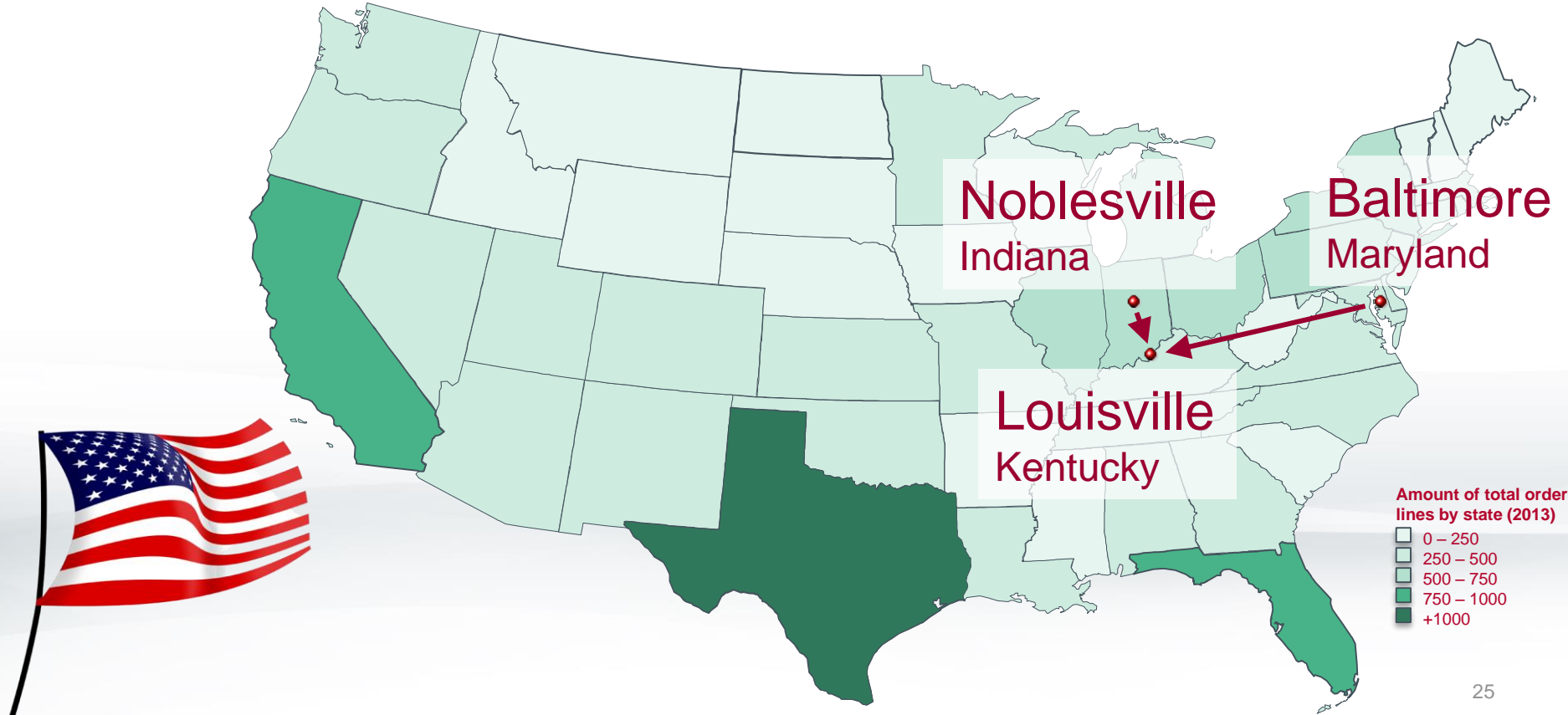


# Global Engagement Survey





# Outsourcing of US warehouses



# New aScope plant in Malaysia



60,000 → 120,000 aScopes pr. year

# Good start on Climbing New Heights



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**2017**  
NEW HEIGHTS

# Goals for year 2 of the strategy



Achieve solid **organic growth** in our core business



Utilise **large-scale operation advantages**



Secure strong impact from **growth drivers**: aScope, King Vision, AuraGain and SmartInfuser



Improve **working capital**



Launch **new products**



Gain further lean **efficiency** from **manufacturing**

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**2017**  
NEW HEIGHTS

Thank you – 2014/15 will be  
another exciting year for Ambu

# YOU ASKED FOR

a single-use, flexible videoscope  
that is immediately available.

Appropriation of the net profit for the year  
by Chairman of the Board Jens Bager

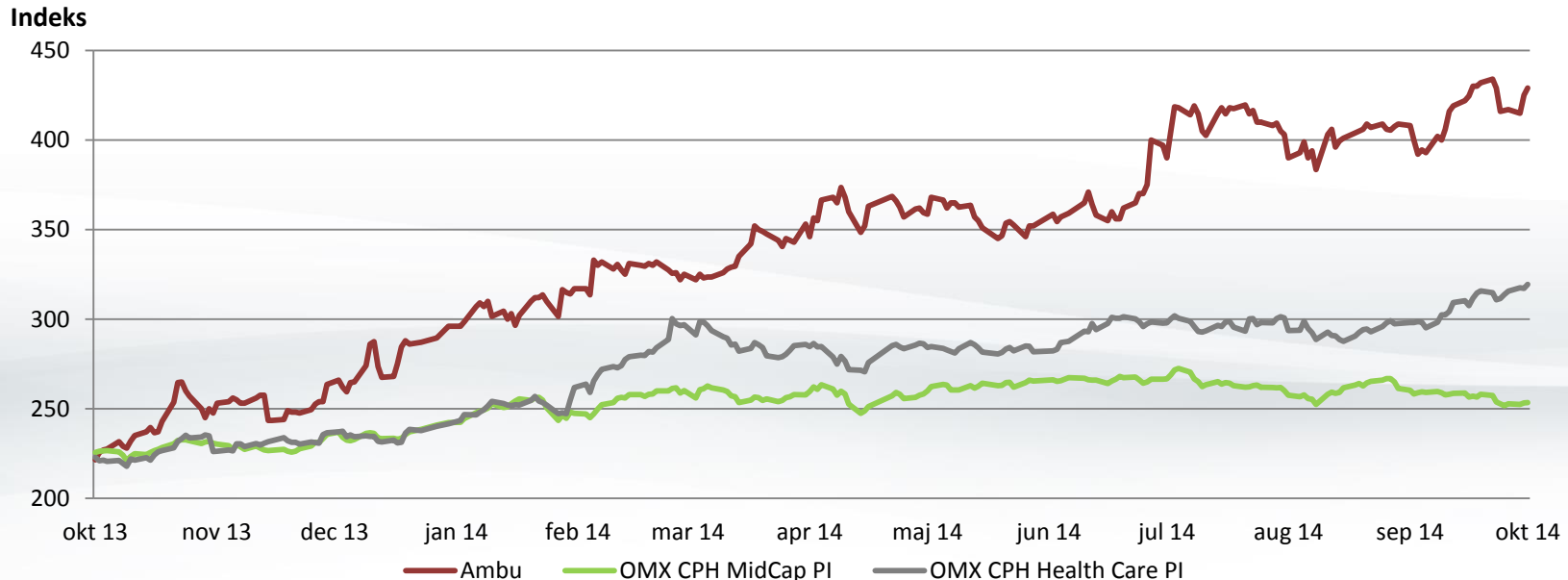


# Appropriation of the net profit

- Net profit for the Ambu Group is for 2013/14 DKK 151m
- Dividend proposal:
  - DKK 3.75 per share or DKK 45m in total
- Remaining profits to be transferred to reserves
- Dividend policy is to distribute “in the level of 30% of the net result”
  - Dividend for 2013/14 will equal 30% of net result
- Dividends will be available on shareholders bank accounts within 2-3 bank days

# Share price development

- Share price increase of 90% including dividend leading to a market cap above DKK 5bn
- Share of international institutional investors increased
- Liquidity increased – more than 3 million shares traded in 2013/14





# Full-year 2014/15 outlook

– continued growth and margin expansion

	Actual 13/14	Guidance 14/15 (local)	Guidance 14/15 (DKK)	Target 16/17
<b>Sales</b>	7%	7-8%	~ 10% (DKK 1.74bn)	~ 2bn
<b>EBIT margin</b>	12.5%	13.5-14%	12.5-13%	17-18%
<b>Free Cash Flow*</b>	114m		130-140m	
<b>Gearing</b>	2.6		~ 2.2	

\* Before special items

- Strong USD boosting revenue in DKK. Due to correlation with CNY and MYR this leads to higher manufacturing costs and thus a negative margin impact measured in DKK
- Guidance 14/15 (DKK) assumes USD/DKK at 575

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# Duties and remuneration of the Board of Directors

- High level of activity
  - 10 meetings of the Board of Directors
  - 4 Audit Committee meetings
  - 4 Nomination and Remuneration Committee meetings
- Total remuneration to the Board of Directors for 2014/15 is proposed to remain unchanged compared to 2013/14



*Details on remuneration of the Board of Directors is available on page 20 of the annual report for 2013/14*

# Compliance with Corporate Governance recommendations

- Ambu has considered the recommendations on Corporate Governance
- Ambu has chosen not to follow a certain recommendation:
  - Regarding the remuneration of each member of the Executive Board. Ambu discloses only the total remuneration of the Executive Board.
- In addition, one recommendation is followed partially:
  - Regarding the frequency of evaluations of the collaboration between Board of Directors and Executive Board. Ambu evaluates every second year whereas the recommendation is to evaluate each year.

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# Election of members to the Board of Directors

- The Board of Directors proposes that all board members elected by the Annual General Meeting to be re-elected:
- Jens Bager
- Jesper Funding Andersen
- Christian Sagild
- Mikael Worning
- Allan Søgaard Larsen
- John Stær



*CVs of the candidates and their managerial positions can be seen on page 19 of the annual report.*

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# Appointment of auditors

- The Board of Directors proposes that PriceWaterhouseCoopers Statsautoriseret Revisionspartnerskab be re-appointed



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# Share split 1:4

- The Board of Directors proposes that the nominal value of the shares is changed so that one DKK 10 share is split into four shares of DKK 2.5 each. The purpose of the split is to increase liquidity in the share and provide a basis for a more precise valuation
- The share split is planned to be in effect by December 23, 2014

10 DKK

2.50 DKK

2.50 DKK

2.50 DKK

2.50 DKK

# Update of Incentive Guidelines

- In the existing "Overall guidelines for an incentive programme for the Board of Directors and Executive Board of Ambu A/S", the maximum incentives to the Executive Board is limited to:
  - Share options: Up to 3 month's annual base salary based on Black & Scholes
  - Ordinary cash bonus: Up to 70% of annual base salary
- To allow the Board of Directors flexibility when agreeing incentives for the Executive Board, it is proposed to increase these caps as follows:
  - Share options: From 3 to 4 month's annual base salary based on Black & Scholes
  - Ordinary cash bonus: From 70% of the annual base salary to 9 months base salary
- Besides the above two minor adjustments no additional changes to the Incentive Guidelines except update of language

# Acquisition of treasury shares

# Any other business





**Ambu**  
Ideas that work for life

Thank you