



ANNUAL REPORT 2009/10

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AGENDA

- Developments in 2009/10
- Status of GPS Four
- Outlook 2010/11

GROWTH
INCREASED
EFFICIENCY
IMPROVED
EARNINGS

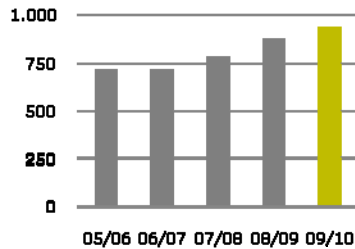
HIGHLIGHTS IN 2009/10

- 2009/10 was a good year. The ambitious targets set out in GPS Four have generally been achieved
- Increase in both revenue and net profit, including significant growth in the USA
- Important structural changes, within product development as well as sales and production
 - Launch of several new products
 - Strengthening of sales organisation
 - Transfer of electrode production to Malaysia
 - Strengthening of global systems
- Laying down of 2010/11 plan – High Five – for year two of the strategy period



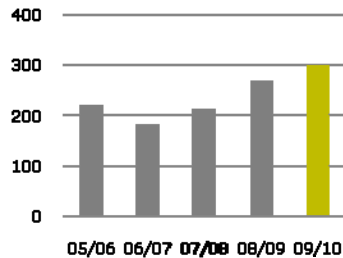
SATISFACTORY INCREASE IN REVENUE

Development in revenue, DKKm



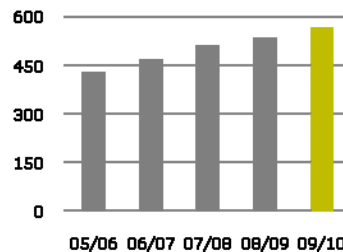
- Revenue of DKK 940m, up 7% when reported both in DKK and local currencies
- Growth higher than market growth – Ambu has won market share
- Effect of changes in exchange rates: + DKK 2m
- Streamlining of sales

USA, DKKm



- Increase in revenue of 11%, also when measured in local currencies
- Growth significantly higher than market growth
- Growth within all business areas
- Extended collaboration with GPOs

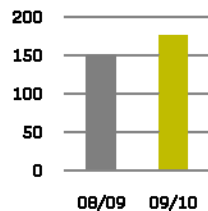
Europe, DKKm



- Increase in revenue of 6% – also 6% when measured in local currencies
- Satisfactory growth in core markets
- Growth exceeds market growth
- Growth in Central of 6%, in West of 2%, in the UK of 7%, in South of 8% and in NEM of 3%

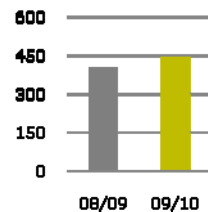
DEVELOPMENTS WITHIN BUSINESS AREAS

Airway Management, DKKm



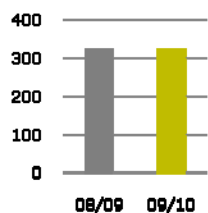
- Increase in revenue of 16%, also when measured in local currencies
- General market growth of 3-5%
- Strongest growth within laryngeal masks and visualization products
- Strong focus on launch of Ambu aScope – revenue in line with expectations

Patient Monitoring & Diagnostics, DKKm



- Growth in revenue of 10% and 9% when measured in local currencies – increasing growth
- Double-digit growth rates within Neurology/Sleep
- General market growth of approx. 3%
- The transfer of electrode production from Denmark to Malaysia strengthens competitiveness and is progressing according to plan

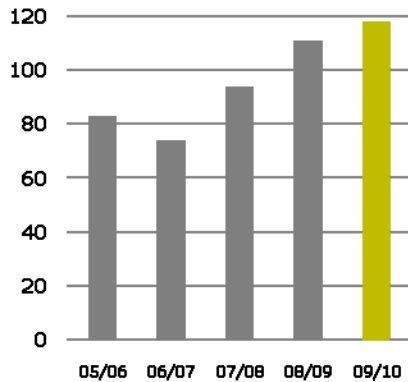
Emergency Care, DKKm



- Revenue unchanged relative to last year, however, growth within single-use ventilation bags in the USA and immobilisation products in general
- Sales of first-aid training manikins and multiple-use ventilation bags are still impacted by the economic situation

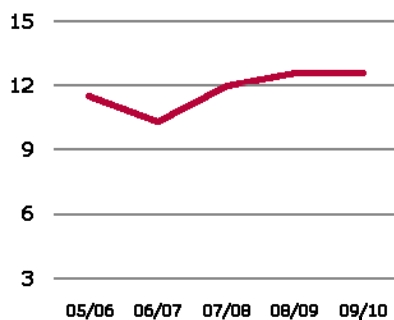
OPERATING PROFIT

EBIT before special items, DKKm



- EBIT before special items of DKK 118m against DKK 110m in 2008/09
- EBIT after special items of DKK 116m against DKK 76m in 2008/09 – up 53%
- Special items of DKK 2.5m (patent cases)
- Changes in exchange rates: approx. DKK -5m
- EBIT impacted by transfer of production approx. DKK -4.5m

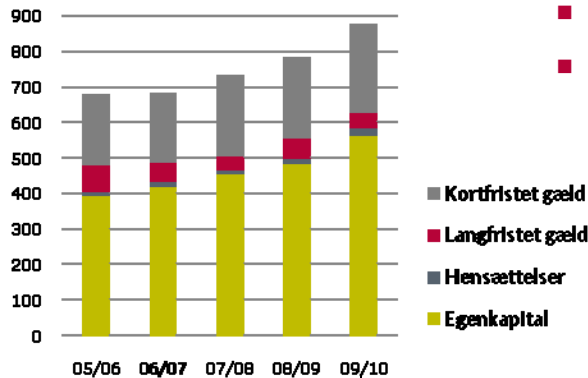
EBIT margin before special items, %



- EBIT margin before special items of 12.6% – unchanged relative to 2008/09
- EBIT margin after special items of 12.3% against 8.7% in 2008/09

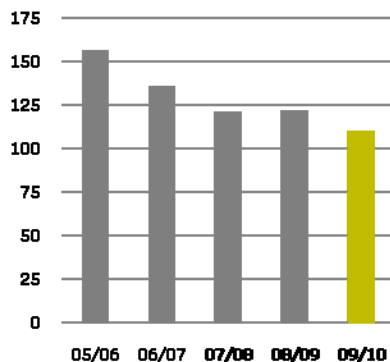
SATISFACTORY CAPITAL STRUCTURE

Capital structure, DKKm



- Equity increased to DKK 562m from DKK 480m
- Equity ratio of 64%
- Long-term debt reduced by DKK 11m net

Net interest-bearing debt, DKKm



- Net interest-bearing debt relative to EBITDA before special items of 0.6 against 0.7 in 2008/09
- Unutilised bank credit drawing facilities amounting to DKK 119.6m
- Change in interest rates of 1 percentage point has only limited impact on results of approx. DKK 1m

CASH FLOW IMPACTED BY TRANSFER OF PRODUCTION

DKKm	2008/09	2009/10
Cash flow from operating activities	113	99
Cash flow from investing activities, including acquisitions	(96)	(68)
Cash flow from financing activities	(16)	(25)
Free cash flow after acquisitions	18	31

- Cash flow from operating activities is lower than last year due to the building-up of inventories in connection with the transfer of production and changed VAT payment terms
- Working capital amounted to 30% of revenue against 25% in 2008/09
- Net investment in intangible assets and property, plant and equipment of DKK 68m against DKK 96m in 2008/09 (including acquisition of DKK 41m)

GPS FOUR

STATUS OF AMBU'S BUSINESS STRATEGY



HEADING FOR A STRONGER AMBU

FOUR GPS COORDINATES

Targets 2013

GPS1 INNOVATION



Global market-leader within innovative single-use products for hospitals and rescue services

GPS2 MARKETS AND SALES



Significantly higher revenue

GPS3 EFFICIENCY



Increasing EBIT margin of up to 15%

GPS4 ACQUISITIONS



Efficient operations and reduction in working capital

GPS1

INNOVATION - RESULTS IN 2009/10

- Streamlining of processes and procedures with a view to ensuring a faster and more efficient development process; PLM system being implemented
- Improved management of the identification and selection of new products and platform projects
- Efficient risk management, for example ensuring the right balance between risk and return, minimising the risks attaching to individual projects and swiftly stopping unattractive projects.
- Establishment of new innovation structure

The milestones defined for 2009/10 have been met

Focusing and streamlining of development activities

Launch of several new products and building-up of strong pipeline



GPS1

NEW PRODUCTS IN 2009/10

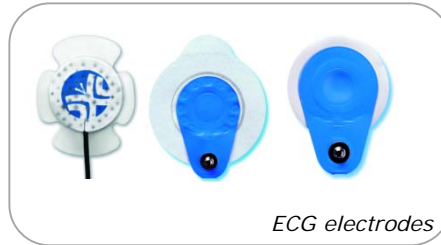
Airway Management



Patient Monitoring & Diagnostics



Emergency Care



GPS2

MARKETS AND SALES – RESULTS IN 2009/10

- Consolidation of Ambu's European sales companies with a view to achieving critical mass – new sales regions now fully operational
- Strengthening of both the European and the US sales organisation
- Investments in the USA producing the desired results
- Improved utilisation of sales resources and realisation of cost synergies
- Higher sales of new products combined with continued focus on selling existing products

Targets for 2009/10 have been met
Increased efficiency within sales
Growth exceeding market growth



GPS3

EFFICIENCY – RESULTS IN 2009/10

- Electrode production being moved to Malaysia
– all production to be moved to China and Malaysia during 2011
- Strengthening of supply chain – e.g. new forecasting system
- Optimised purchasing
- Implementation of global systems within Lean, quality management and product documentation
- Implementation of group ERP system in Ambu US

Greater efficiency and output

Cost price reductions

Improved competitiveness



GPS4

ACQUISITIONS – RESULTS IN 2009/10

- Identification of attractive candidates and contacting them
- Identification of potential acquisitions of product areas
- Acquisition strategy unchanged – work continues

It takes time to "mature"
acquisitions – ownership structure
and price expectations
often an obstacle



HIGH FIVE - PLAN FOR YEAR TWO IN STRATEGY PERIOD

- 1 Through steady and focused sales efforts, Ambu will continue to win market share, generating revenue of approx. DKK 1bn in 2010/11
- 2 Ambu will see the results of increased focus on innovation, and the target is for more than 10% of revenue for 2010/11 to be generated by new products and platforms launched since 1 October 2009
- 3 Through streamlining the organisation in general and achieving more critical mass, Ambu will further improve its EBIT margin to just over 13.5% (before special items)
- 4 With most of production taking place in Asia, Ambu will be able to cut costs, thereby providing a basis for improved earnings
- 5 Ambu will exploit the potential inherent in being a global organisation. We will develop our employees, implement targeted management programmes and take the first step towards implementing a global HR system.

Focus

Common direction

Execution

OUTLOOK

2010/11

	2010/11	Assumptions
Revenue, DKKm <i>Growth, %</i> <i>Growth in local currencies, %</i>	In the region of 1,000 <i>6</i> <i>6</i>	Launch of new products Growth exceeding market growth Continued intensified sales efforts USD exchange rate: 540 GBP exchange rate: 875
EBIT margin before special items, %	Just over 13.5%	Increase in revenue Reduced cost prices Streamlining Pressure on prices
Profit before tax, DKKm	In the region of 130 (13% of revenue)	Before special items, including legal fees
Investments, % of revenue	Approx. 7	Investments in development, process equipment, expanding production capacity and global IT systems
Free cash flow (exclusive of acquisitions), DKKm	60-70	Reducing working capital in % of revenue by reducing inventories of finished products and trade receivables

READY FOR THE NEXT PHASE OF THE STRATEGY

“ With the GPS Four strategy, Ambu has achieved greater focus, direction and momentum, and we will be dedicated in our efforts to fulfil our ambitions for year two of the strategy period, where the High Five plan will ensure the right energy, focus and execution.



GROWTH
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Ambu 

Ideas that work for life



READ MORE AT WWW.AMBU.COM

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