

# Annual General Meeting 2019/20

9 December 2020  
3.00pm (CET)

Ambu<sup>\*</sup>



1. The management's report
2. Annual report and financial statements
3. Remuneration report
4. Appropriation of profits
5. Remuneration of the Board of Directors for FY 2020/21
6. Election of Chairman of the Board
7. Election of Vice-chairman of the Board
8. Election of other members of the Board
9. Election of auditor
10. Proposals from the Board of Directors
11. Authorization to the chairman of the meeting

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The management's report  
by Chairman of the Board  
Lars Rasmussen



# 26% organic growth for the year and launch of three new products

## Highlights of the year

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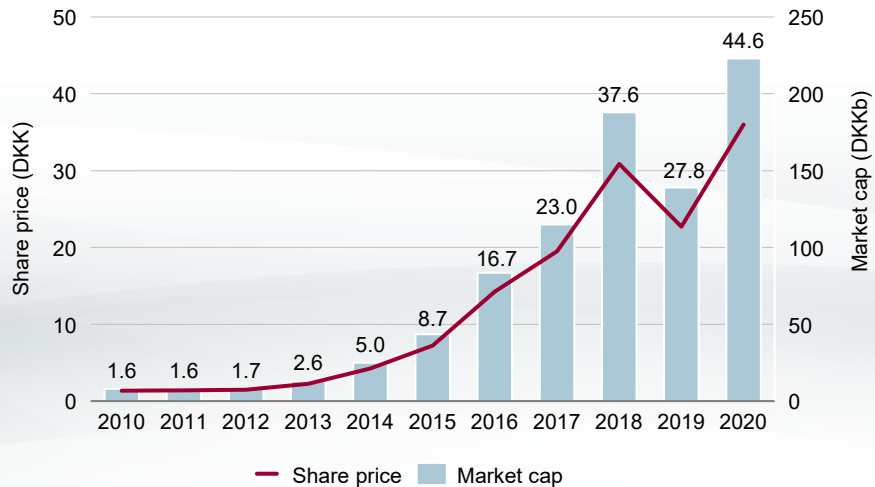
- I Investments in commercial infrastructure on our main markets – primarily USA, Europe and Japan – to support product launches
- II Launch of two new endoscopes – aScope™ 4 Cysto and aScope™ Duodeno – as well as a new monitor, aView™ 2 Advance
- III Investments in innovation and expansion of our pipeline of new products to 20 planned launches in the coming 3 years



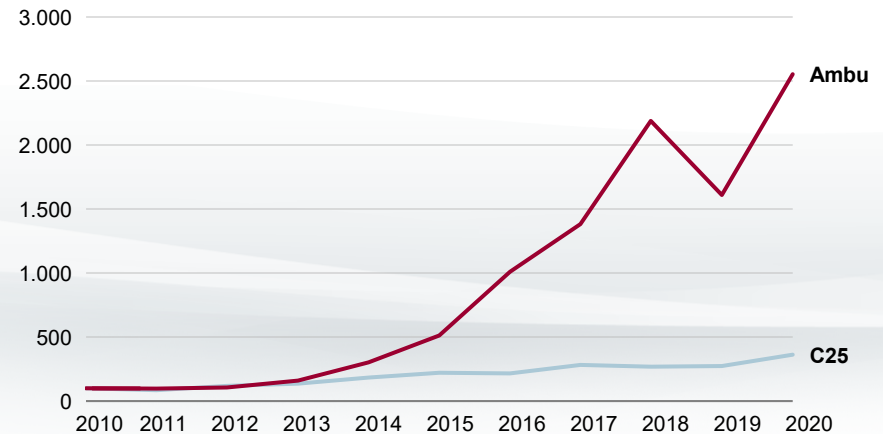
# Development of the Ambu share price

- During 2019/20, the share price has increased by 58% – from DKK 114 to 180
- By end of 2019/20, Ambu’s market cap was DKK 44.6b
- Since 2010, the share price has increased from DKK 7 to 180.  
An average annual increase of 38%

**Ambu share price and market cap (at 30 September)**



**Indexed share price of Ambu and C25 index (at 30 September)**



# Remuneration report

- The changes to the remuneration policy that were decided at the AGM in 2018/19 are implemented
- Main points in the new policy are:
  - Share based pay is based on shares rather than options
  - Value of share-based pay is a maximum of 4x base pay
  - No parallel share programs
- For the year 2019/20, payout will be 99% of the maximum bonus and the maximum number of share instruments will be allocated
- The separate share program for the three-year period of 2017-2020 ('Big Five') has been concluded with 21% allocation, as the financial targets for the period were only partially achieved





# Work of the Board of Directors

- On top of 11 Board meetings, meetings were held in the audit committee, the remuneration committee and the nomination committee
- As in prior years, an external consultant has headed the annual evaluation of the work of the Board of Directors

	2019/20	2018/19	2017/18
Gender diversity on the Board	17%	0%	0%
Attendance	95%	100%	97%

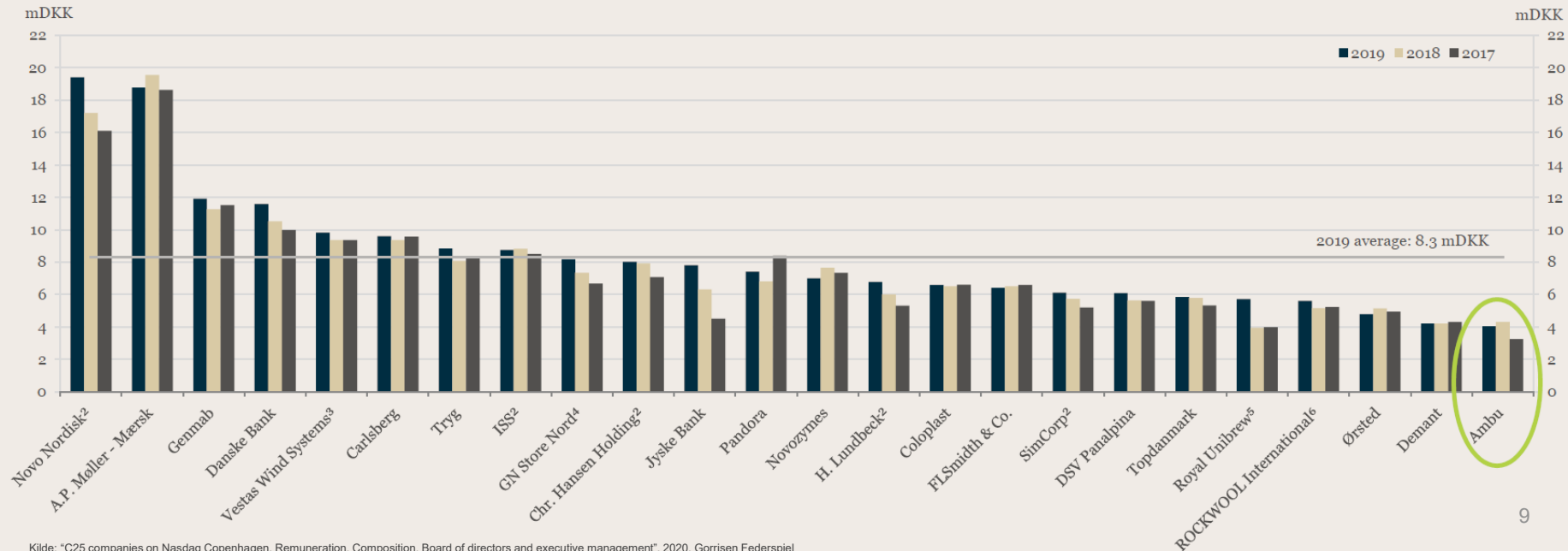




# Remuneration of the Board

- The remuneration of the Board is among the lowest of the C25 companies
- Proposal to increase the remuneration – see item 5 on the agenda

## Total remuneration of Boards in C25



# Recommendations on Corporate Governance

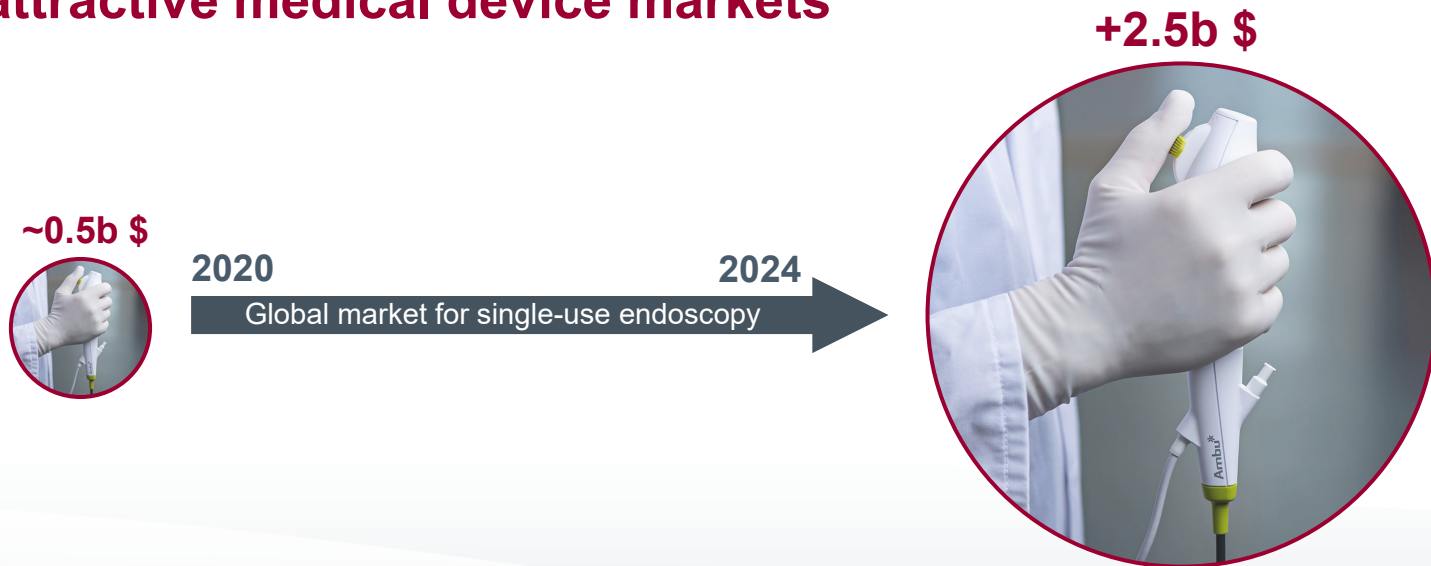
- Ambu considers the recommendations on corporate governance on a continuous basis
- Ambu follows all recommendations
- The new recommendations on Corporate Governance will come into force for Ambu as of the financial year 2021/22 and are expected to bring few changes for Ambu



Management's report  
by CEO  
Juan Jose Gonzalez



# Single-use endoscopy is one of the most attractive medical device markets



## Key drivers

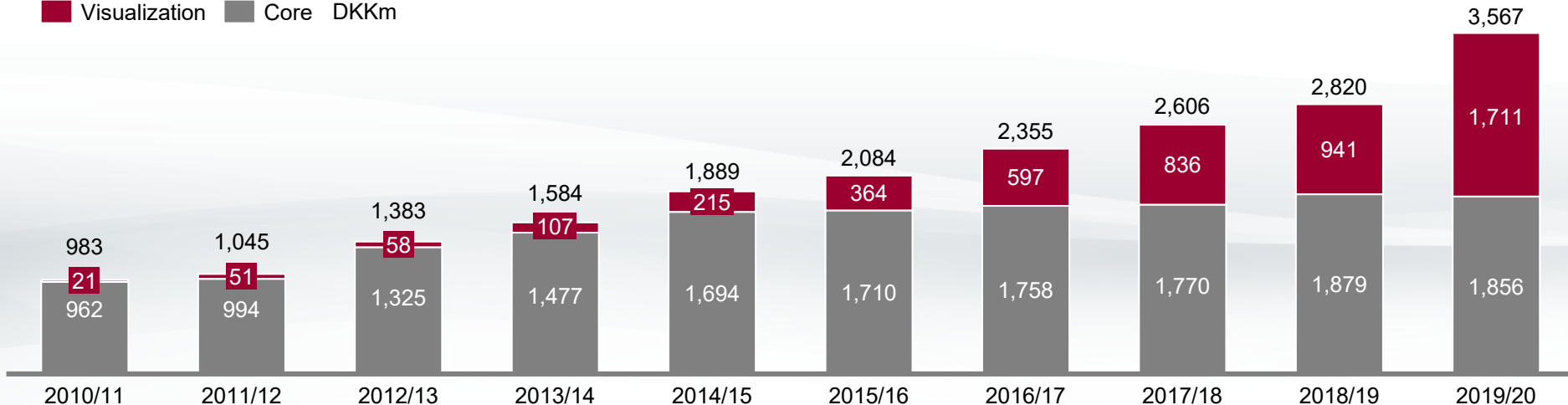
1. Increased focus on contamination and infection control
2. Convenience and compelling economic offering
3. Rapid technology advancements
4. Governments and regulators support market conversion

# Ambu is uniquely positioned to lead the single-use endoscopy market

## Competitive advantages

1. Global leader in single-use Visualization
2. Modular innovation engine and high-scale low-cost manufacturing
3. Dedicated commercial organization with focus on single-use Visualization products

■ Visualization ■ Core DKKm



# Ambu plays an important role in the fight against COVID-19

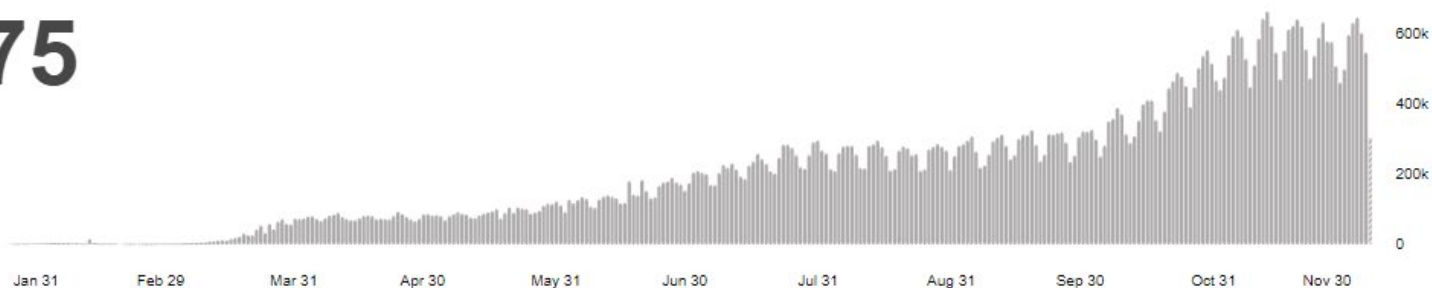


## WHO Coronavirus Disease (COVID-19) Dashboard

Data last updated: 2020/12/8, 10:10am CET

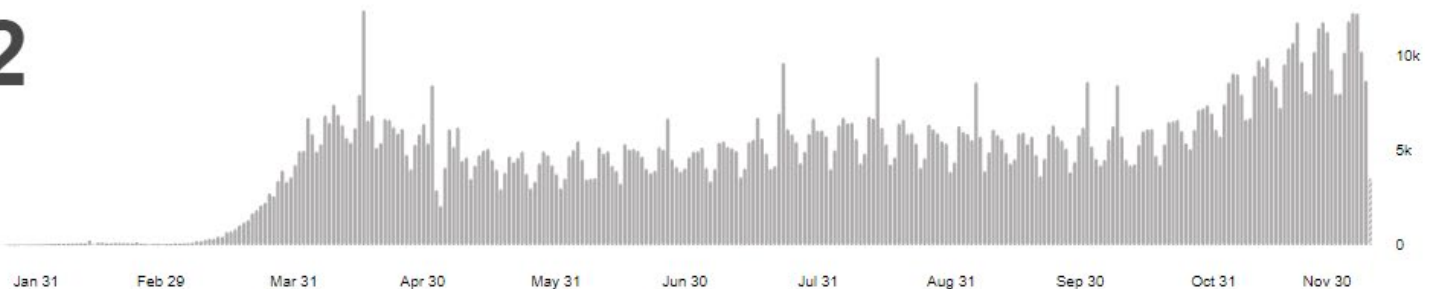
# 66,729,375

confirmed cases



# 1,535,982

deaths



Source: World Health Organization

▨ Data may be incomplete for the current day or week.

# Our strategy is to maximize our first-mover advantage

Focus on  
highest-potential



segments and  
geographies

Scale



innovation and  
manufacturing  
engines

Invest to build  
best-in-class



commercial  
organization

Grow sustainably,  
for our people



and our  
planet





# Building a unique and modular R&D engine with high-scale and low-cost manufacturing

## Modularization as the automotive industry

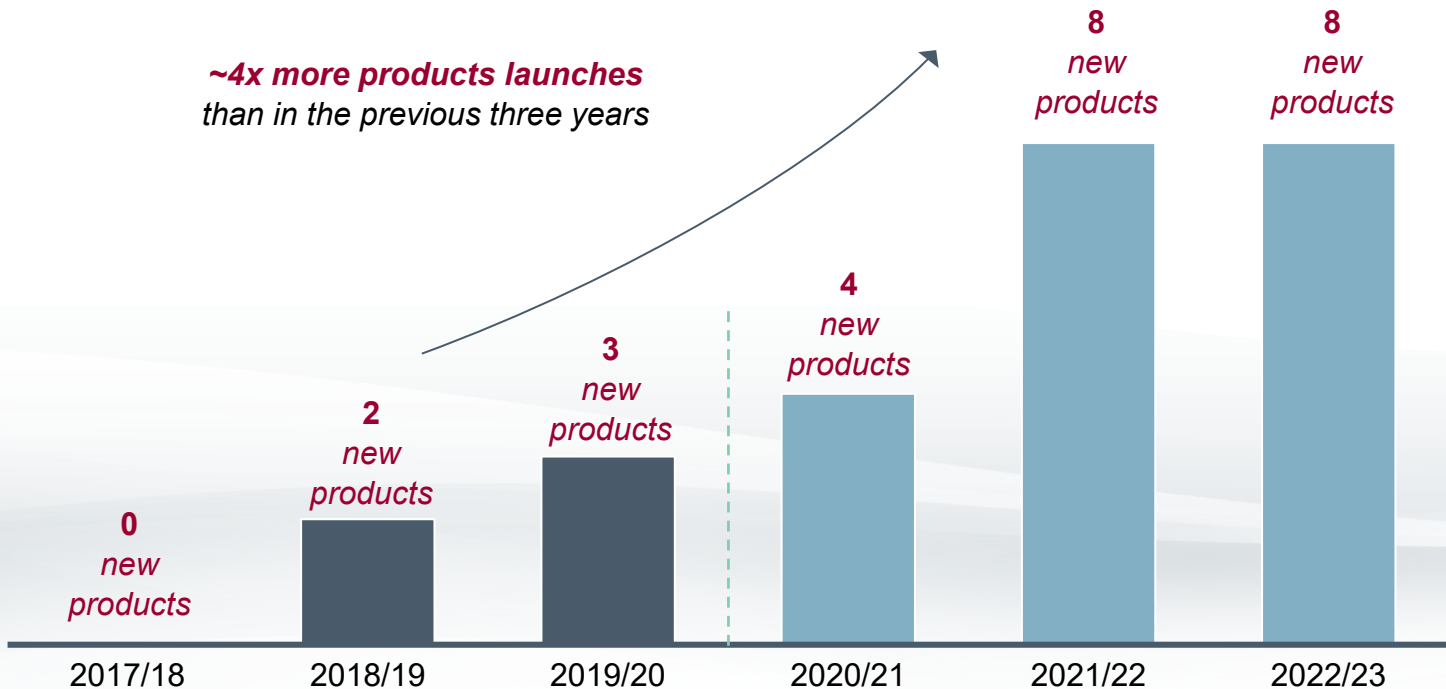


## Innovation cadence of consumer electronics



# 20 product launches planned for the next three years

Combination of next generation products and specialty scopes across existing segments



\*Product launches: new scopes and monitors

# ESG is an integrated part of our strategy



## Our sustainability targets are



100% **phthalate-free** products by 2020



95% of new products released after 2025 to be **PVC-free**



100% **recyclable, reusable or compostable** packaging applied by 2025\*

\*If suitable solution and/or technology exists



Work towards reducing our **carbon emissions** by 50% by 2025 compared to 2019 baseline



40% **female managers** in 2023 (managers meaning employees with HR responsibilities)

# Key financial results for full year 2019/20

## Realized

Full year 2019/20

**26%**

organic revenue  
growth

**12%**

EBIT margin  
*before special items*

**1,085**

*Endoscopes sold*  
*('000 units)*

## Guidance

Full year 2019/20

**~26%**

organic revenue  
growth

**~12%**

EBIT margin  
*before special items*

**+1,000**

*Endoscopes sold*  
*('000 units)*



# Financial results for the full year 2019/20

## Ambu P&L – FY 2019/20

DKKm	FY 19/20	FY 18/19	Change in value	Change %
Revenue	3,567	2,820	747	26%
Production costs	-1,355	-1,183	-172	14%
<b>Gross profit</b>	<b>2,212</b>	<b>1,637</b>	<b>575</b>	<b>35%</b>
<i>Gross margin, %</i>	<i>62.0</i>	<i>58.0</i>	<i>-</i>	<i>-</i>
Selling and distribution costs	-1,228	-762	-466	61%
Development costs	-157	-103	-54	52%
Management and administration	-399	-292	-107	37%
Total capacity costs	-1,784	-1,157	-627	54%
<b>EBIT before special items</b>	<b>428</b>	<b>480</b>	<b>-52</b>	<b>-11%</b>
<i>EBIT margin before special items, %</i>	<i>12.0</i>	<i>17.0</i>	<i>-</i>	<i>-</i>

**26% organic growth**

*Impacted positively from COVID-19 and the transition to a direct sales model in U.S.*

**62% gross margin**

*Positively impacted by volume growth in Visualization and scale in manufacturing*

**DKK 1,784m capacity costs**

*+61% in Selling & Distribution costs due to the expansion of commercial infrastructure*

**12% EBIT margin**

*before special items  
as a result of 54% increase  
in capacity costs*

# Cash flow, assets and debt full year 2019/20

## Ambu cash flow and balance sheet – FY 2019/20

DKKm	FY 2019/20	FY 2018/19	Change in value
<b>Cash flow and ratios</b>			
Cash flow from operating activities	295	533	-238
Cash flow from investing activities before acquisitions	-427	-259	-169
<b>Free cash flow before acquisitions</b>	<b>-133</b>	<b>274</b>	<b>-407</b>
<b>Balance sheet</b>			
Total assets	4,926	4,558	368
Interest-bearing debt (NIBD)	1,346	1,035	311
<b>Key figures</b>			
Net working capital	581	387	194
Equity ratio, %	48	48	
NIBD/EBITDA before special items	2.2x	1.8x	0.4x

**DKK -133m free cash flow**  
*Equal to -4% (10%) of  
 12 months' revenue*

**2.2x NIBD/EBITDA**  
*Total net interest-bearing debt  
 DKK 1,346*

**DKK 581m net working capital**  
*Equal to 16% (14%) of 12  
 months' revenue*

# Guidance 2020/21

**17-20%**

*Organic revenue  
growth*

**11-12%**

*EBIT margin  
before special items*

**1.3-1.4m**

*Endoscope  
units sold*



# Uniquely positioned for value creation

## Our 2025 aspiration

- ✓ Broadest and most innovative portfolio in single-use endoscopy
- ✓ True global presence with aggressive commercial infrastructure across all major markets
- ✓ Industry leading growth profile with top-tier shareholder returns and environmental credentials



## Appropriation of profits

- The group is posting consolidated profits of DKK 241m (DKK 317m)
- Proposed distribution of dividend:
  - DKK 0.29 per aktie (DKK 0.38) or DKK 73m (DKK 96m) in total corresponding to 30% of the net profit for the year
- It is proposed that the remainder be transferred to the reserves
- The dividend will be paid out to shareholders within the next two to three business days



## Management's report



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# Remuneration of the Board in 2020/21

- It is proposed that the total remuneration for the Board be changed relative to 2019/20 as follows:
- 
- Basic remuneration:  
DKK 300.000 → 350.000
  - The Chairman receives triple basic remuneration amount
  - The Vice-chairman receives double basic remuneration amount
  - Supplementary remuneration committee chairmen:  
DKK 150.000 → 175.000
  - Supplementary remuneration committee members:  
DKK 100.000 → 117.000
  - Members of nomination committee are not paid separately





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# Lars Rasmussen is not up for re-election

- After one year as chairman, Lars Rasmussen has chosen to step down from Ambu's Board of Directors





# Election of new chairman of the Board

- The Board of Directors proposes election of Jørgen Jensen

Jørgen Jensen is former CEO of Widex / WS Audiology and present chairman of the board at Velux A/S, 3Shape A/S and Healthcare DENMARK.

Additional information about Jørgen Jensen and his executive positions can be found in the company announcement no. 3 "Candidate for new chairman of Ambu A/S" of 13 November 2020.



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## Election of Vice-chairman of the Board

- The Board of Directors proposes the election of the present Board member Christian Sagild

Information about Christian Sagild and his executive positions can be found on page 37 of the annual report



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## Election of other members of the Board

- The Board of Directors proposes the re-election of
  - Britt Meelby Jensen
  - Mikael Worning
  - Henrik Ehlers Wulff

Information about candidates who are up for re-election and their executive positions can be found on page 37 of the annual report



# The Board of Directors



Jørgen Jensen



Christian Sagild



Britt Meelby Jensen



Mikael Worning



Henrik Ehlers  
Wulff



Thomas Lykke  
Henriksen



Jakob Koch



Jakob Bønnelykke  
Kristensen

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# Election of auditor

- The Board of Directors proposes re-election of EY (EY Godkendt Revisionspartnerselskab) as the company auditors based on the recommendation of the Audit Committee

## EY core team



Søren Skov Larsen  
Partner



Henrik Pedersen  
Engagement Partner



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## 10.1) Update of article 5 of the Articles of Association

### Keeper of the register of shareholders

The Board of Directors proposes to amend Article 5 of the Articles of Association regarding the keeper of the company's register of shareholders as a result of a merger between the company's keeper of the register of shareholders VP Investor Services A/S and VP Securities A/S. The proposal implies that the Articles of Association, article 5 will read as follows:

*"The Company has appointed VP Securities A/S, CVR no. 21599336, as keeper of the Company's register of shareholders for all shares issued by the Company."*

## 10.2) New article 10a in the Articles of Association

# Authorization to hold completely electronic general meetings

The Board of Directors proposes that the Board of Directors is authorized to resolve that the company's general meetings solely shall be held electronically without any physical attendance, i.e. as a completely electronic general meeting in accordance with section 77(2) of the Danish Companies Act.

The proposal is made for creating the greatest possible flexibility for the company as part of the preparation and holding of the company's general meetings, taking into account, among other factors, the COVID-19 situation and the increasing digitalization of the society.

Adoption of the proposal implies that a new Article 10a is included in the Articles of Association which will read as follows:

*"The Company's general meetings may by decision of the Board of Directors be held as completely electronic general meetings without any physical attendance. Participation in completely electronic general meetings shall take place via electronic media enabling the shareholders of the Company to attend, speak and vote at the general meeting and ensuring that the general meeting can be conducted in a proper manner and in accordance with the Danish Companies Act."*

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## Authorization to the chairman of the meeting

The Board of Directors proposes that the chairman of the meeting, with full right of substitution, be authorized to apply for registration of the resolutions passed and to make any such amendments thereto as the Danish Business Authority or other authorities may require or request as a condition for registration or approval, as well as to continuously make and apply for registration of linguistic and other non-substantive adjustments to the company's Articles of Association.

Any other business

Ambu\*

