

Q2 2024/25 pre-close brief

This pre-close sets forth public information previously provided by Ambu. The information provided below may prove helpful in estimating the financial performance for Q2 2024/25 (January 2025 - March 2025). Please note that the items listed below are not exhaustive.

Revenue is expected to be front-end loaded in this financial year 2024/25 due to strong Q1 results impacted by order-phasing in both Pulmonology and Anaesthesia & Patient Monitoring

- **Endoscopy Solutions** is growing sequentially over the quarters, however, as this is a high growing business area there will be quarterly fluctuations in growth rates. The 12month (LTM) rolling revenue growth is therefore a more suitable metric.
- **Endoscopy Solutions - Pulmonology** revenue in Q1 were particularly strong due to order-phasing from Q4 2023/24 into Q1 2024/25, while flu-season did have positive but limited impact (difficult to quantify) in Q1 2024/25. Flu-season generally impacts pulmonology revenue in first half of financial year, which typically results in a bit higher revenue in H1 than H2.
 - New launches: At the beginning of Q2 2024/25 financial year, Ambu initiated a controlled market release of aScope SureSight Connect (Videolaryngoscope) and began commercialising the product during Q2 2024/25; and has been well-received in the market, creating a lot of confidence for pulmonology growth, similar to previous product launches it takes time before having meaningful revenue contribution. Furthermore note, SureSight Mobile solution has not been launched yet.
- **Endoscopy Solutions - 'Urology, ENT, and GI'** are expected to post sequential growth throughout the year.
 - New launches: At the beginning of 2024/25 financial year, Ambu began commercialising process with two significant products in urology portfolio; aScope 5 Uretero and aScope 5 Cysto HD, marking important steps to build comprehensive urology portfolio. Both products will generate revenue throughout the quarters, but it is not expected to have any material revenue contribution through 2024/25.
- **Anaesthesia & Patient Monitoring** revenue is expected to be front-end loaded due to certain order-phasing from Q4 2023/24 into Q1 2024/25, solid momentum in market development, and short-term tailwind from market share gain. Note that year-over-year effect in Q1 were significantly impacted by price increases last year, with vast majority of contract negotiations ended through Q2 2023/24.

EBIT margin is expected to be front-end loaded in this financial year 2024/25 due to continued commercial investments

- **Gross margin** is underlying improving due to 1) better price governance; 2) favourable product mix with endoscopy having higher contribution margin than anaesthesia & patient monitoring; 3) production efficiencies and continued scale across the manufacturing plants. However, gross margin may be subject to quarterly fluctuations impacted by group product mix (Endoscopy sales vs A&PM sales) and subgroup product mix within each business areas. Also, FX, and USD/DKK in particular, typically have a (small) impact, favourably impacting business as dollar appreciates. See exchange rate assumptions on page 3. **Short-term dynamics:** The launch of aScope Suresight requires hospitals to install a monitoring system, which represents a modest upfront investment. In exchange for customers committing to purchase a minimum volume of endoscopes and blades, Ambu agrees to a lower contribution margin on the monitors. This approach is designed to drive long-term profitability and foster sustained growth in pulmonology. Therefore, during roll-out of aScope Suresight, it may have short term negative impact to product mix. This is partially offset by USD/DKK that has appreciated during Ambu's fiscal Q2 period (January-March). Gross margin is expected to be better than last year (59.4%) for full-year 2024/25.

- **OPEX to revenue** is improving over time, although this financial year 2024/25, Ambu is investing significant in its commercial infrastructure recognized in 'selling and distribution' cost, while also management and administrative cost is impacted by implementing back-office IT systems and pre-sale systems to build foundation for future growth. Commercial infrastructure investments are expected to increase gradually throughout financial year, while IT investments is on-going.
- **EBIT margin** is impacted by front-end loaded revenue and gradual uptake in cost, mainly related to expanding commercial infrastructure. When EBIT margin guidance was upgraded in January, it was with a slightly prudent approach due to uncertain environment, among others related to tariff situation; and EBIT margin guidance can therefore absorb certain impact from tariffs.

External environment: Tariff impact is highly uncertain due to unspecific implementations rules by public authorities

- North America consists of +50% of our group revenue, growing double-digit through strong sales effort by our well-established and sizeable US organization. We continue to invest in commercial infrastructure in US, and have a production facility in Noblesville, supporting the US market. Still, the majority of products sold to US is produced in Malaysia, around a fourth from Mexico, and minor amount from China. With our global set-up we are implementing several mitigating actions to reduce impact from tariffs.
- Accounting practice: Ambu has inventory in US with finished-produced products, and initially, tariffs will be recognized in inventory, and once delivered to customer, tariff is recognized in income statement under 'selling and distribution' cost. Therefore, tariff will have a lagged impact on EBIT margin, with less impact on this year's EBIT margin.

FINANCIAL GUIDANCE (2024/25)

	As of 9 th Jan, 2025	As of 5 th Nov, 2025
Organic revenue growth	11-14%	10-13%
Endoscopy Solutions	+15%	+15%
Anaesthesia and Patient Monitoring	Mid-to-high single digits	Mid-single digits
EBIT margin (before special items)	13-15%	12-14%
Free cash flow (before acquisitions)	DKK +500m	DKK +500m

EXCHANGE RATE ASSUMPTIONS FOR 2024/25

Currency	Average in 2023/24	Expected for 2024/25	Impact of 10% FX weakening vs DKK on EBIT margin
USD/DKK	6.88	6.85	-0.9%-pts
MYR/DKK	1.48	1.60	0.9%-pts
CNY/DKK	0.95	0.95	0.4%-pts
GBP/DKK	8.72	8.85	-0.5%-pts

(Annual Report, Nov 5, 2024)

FINANCIAL TARGETS (2027/28)

	5-year CAGR (22/23-27/28)	Comments
Organic revenue growth	+10%	
Endoscopy Solutions	15-20%	Current portfolio in growing market, combined with strong pipeline
Anaesthesia and Patient Monitoring	2-4%	In line with market growth. Margin expansion initiatives may drive lower growth short-term
EBIT margin (before special items)	~20%	Improvements in gross margin and scale in OPEX. Potential trade-offs with growth investments

(Capital Market Day Presentation, March 21, 2023)

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FORWARD-LOOKING STATEMENTS

Forward-looking statements, especially such as relate to future revenue and operating profit, are subject to risks and uncertainties. Various factors, many of which are outside Ambu's control, may cause the actual development to differ materially from the expectations contained in this memo. Factors that might affect such expectations include, among others, changes in health care, in the world economy, in interest rate levels and in exchange rates.