

Össur hf: Össur enters exclusive negotiation in relation to the divestment of Gibaud SAS in France

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Össur has entered exclusive negotiations to divest Gibaud SAS (Gibaud) in France to Innothera, a French global provider and manufacturer of pharmaceuticals, medical textiles, and smart health textiles. Signature of the final agreements is subject to consultation with the employee representative bodies of Gibaud and Innothera and are expected to close in the second half of 2020.

Össur's bracing & supports (B&S) business in France has mainly been operating under the brand name of Gibaud, a local leader in the design, production, and distribution of bracing, soft goods, and compression therapy products with primary focus on the pharmacy channel in France. Gibaud's sales amounted to USD 51 million in 2019. Gibaud employs around 360 FTEs and operates two production facilities in France. After the potential divestment, Össur would remain committed to servicing its Orthotic & Prosthetics (O&P) customers in France from Össur's offices in Lyon.

"Gibaud is an important part of our global B&S business and has supported our efforts to build a platform within the O&P channel in France, where our market share is strong in prosthetics. With the potential divestment of Gibaud, Össur's sales in France would primarily go through the O&P channel which is our primary sales channel in Europe. The potential divestment would therefore allow us to focus our efforts in France and strengthen our position within the O&P market. We believe Innothera will be in a strong position to support Gibaud in its future growth" says Jon Sigurdsson, President and CEO of Össur.

Össur's sales in 2019 excluding Gibaud (2019 reported figures in brackets) would have amounted to USD 636 million (USD 686 million) and organic growth would have been 6% (5%). Gross profit margin would have been 65.2% (63.9%) and the EBITDA margin before special items would have been 23.4% (21.8%). B&S sales would have amounted to 40.5% (44.9%) of total sales.

The Enterprise Value is EUR 21 million (USD 24 million) of which a part is related to an earn-out. One-time transaction costs in relation to the potential divestment and transition service period are expected to amount to approx. USD 3-4 million. Goodwill and other intangible asset impairments are expected to amount to USD 17 million. The costs will be expensed in Q2 2020.

Össur's Interim Report for Q2 2020 will be published as scheduled on 23 July 2020.

Further information

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About Össur

Össur (Nasdaq Copenhagen: OSSR) is a global leader in non-invasive orthopaedics that help people live a life without limitations. A recognized "Technology Pioneer," Össur focuses on improving people's mobility through the delivery of innovative technologies in Prosthetics and Bracing & Supports, by investing significantly in research and product development to create award-winning designs with consistently strong market positions. Successful patient and clinical outcomes are further empowered via Össur's educational programs and business solutions. As part of Össur's long-standing commitment to social responsibility, the company has been a signatory to the United Nations Global Compact since 2011, and also participates in the Nasdaq Nordic and Baltic exchanges' voluntary guidelines for Environment, Social and Corporate Governance (ESG). Össur is headquartered in Iceland, with major operations in the Americas, Europe and Asia, and additional distributors worldwide. www.ossur.com

About Innothera

INNOTHERA is a centennial, French family-owned and independent pharmaceutical group founded in 1913. Since 1986, the group has been led by Arnaud Gobet, the founder's grandson, and has undergone strategic diversification through organic, international, external and sustained growth. Since its inception, the INNOTHERA group has been dedicated to its mission of treating daily pathologies. The INNOTHERA Group develops, produces and distributes innovative drugs and medical devices organized into 5 therapeutic areas: venous diseases, gynecology, nutritional deficiencies, infectious diseases and hospital hygiene. The group is present in more than 100 countries whose markets are supplied by its two French factories, one dedicated to the manufacture of medicines and the second one to the manufacture of Compression Therapy products. Its headquarter is located in Arcueil (Paris). www.innothera.fr