

Össur hf: Financial guidance for 2020 reinstated

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Financial guidance for 2020 reinstated

Össur withdrew its financial guidance on 17 March 2020 due to the uncertainty caused by the COVID-19 pandemic. Although the visibility on sales development in the remainder of the year remains limited, Össur has reinstated the financial guidance for 2020 assuming there are no significant changes in restrictive measures related to COVID-19 in Össur's main markets before year-end.

Whilst the Orthotics & Prosthetics (O&P) industry was materially impacted by the COVID-19 pandemic, especially in the period March through May, we have observed a gradual recovery in sales. Average sales compared to the same period last year were as follows: January and February 2020 were around 100% of last year's sales, March 80-90%, April 60-70%, May 70-80%, June 80-90% and through July, August and mid-September sales have been between 90-100%. Through the period, prosthetics sales have shown to be more resilient than bracing & supports sales. This is partly due to hospital restrictions, fewer elective surgeries, and a lower rate of injuries that have a greater impact on bracing & supports sales. Sales in some of the key European and Asian markets are growing again and realizing some pent-up demand. Sales in other key markets, particularly the US and UK, remain volatile.

Given the current situation in Össur's key markets and assuming no significant change in measures to control the pandemic, the sales outlook for the second half of 2020 is estimated to be between 0% and 8% organic decline. The upper end of the range assumes continued recovery in Össur's key markets and some pent-up demand towards the end of the year. The lower end of the range assumes slower recovery and that sales will continue to be within 90-100% of last year's sales in Q4. Profitability is expected to return to prior levels as sales volumes normalize. It is emphasized that the outlook for 2020 is more uncertain than usual as changes in measures to control the COVID-19 pandemic in Össur's main markets can have significant implications for financial performance in the remainder of the year. Even so, the long-term prospects and underlying fundamental drivers of the prosthetics and bracing & supports markets are not expected to change.

Further information

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Össur (Nasdaq Copenhagen: OSSR) is a global leader in non-invasive orthopedics 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 products. 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