



# ÖSSUR HF. Q2 2013

## INVESTOR MEETING



Life Without Limitations®





Life Without Limitations

## FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements, which reflect the Management's current views with respect to certain future events and financial performance. Although the statements are based upon estimates the Management believes to be reasonable, there is no assurance that these statements will be achieved.

Statements containing the financial outlook for 2013 and the following years naturally involve risks and uncertainties, and consequently actual results will differ, and may differ materially, from those projected or implied in the forward-looking statements.

The risks and uncertainties may include unexpected developments in the international currency exchange and securities markets, financing, market driven price decreases for Össur's products, delay or failure of development products, production problems and unexpected cost increases, development of new technologies by competitors, the introduction of competing products within Össur's core areas, exposure to product liability and other lawsuits, changes in reimbursement rules and governmental laws.

## SALES

USD 106 M



- 3% growth LCY
- B&S 0% growth LCY
- Prosthetics 6% growth LCY

## OPERATIONS

EBITDA USD 15 M



- Gross profit margin adj. 62% / GPM 61%
- EBITDA adj. 19% / EBITDA 14%

## HIGHLIGHTS



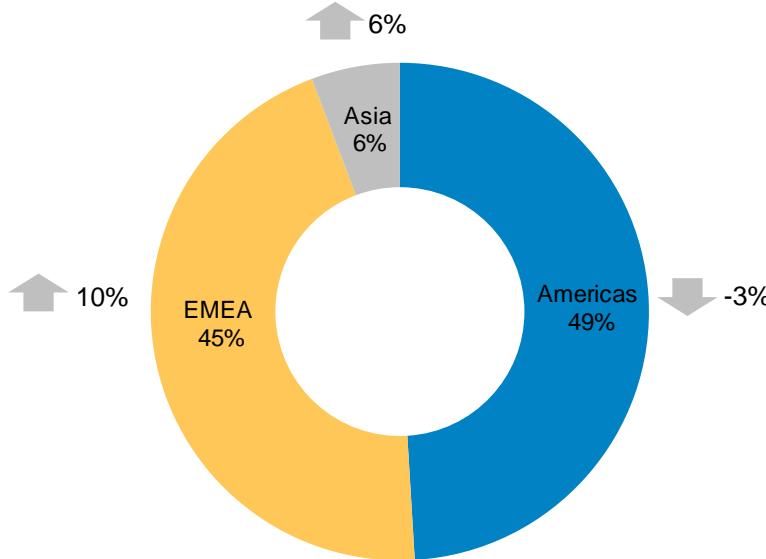
- Cost reduction actions
- Acquisition in Sweden

# GROWTH BY SEGMENTS AND GEOGRAPHY Q2 2013

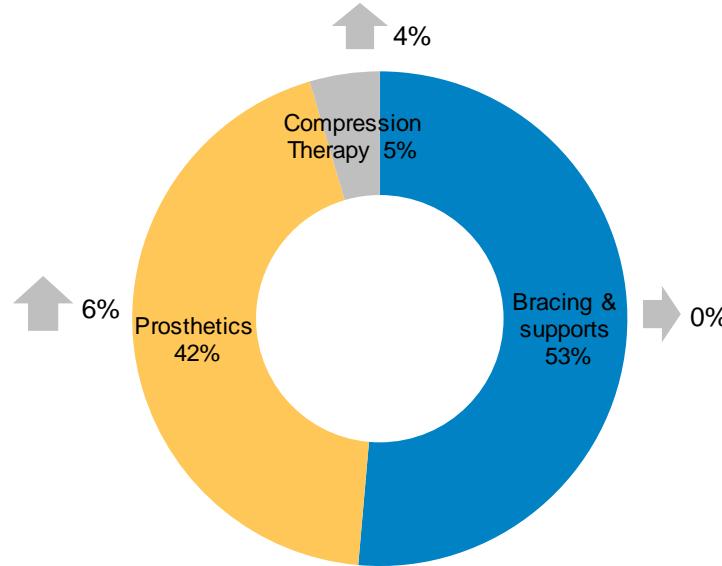


Life Without Limitations

*Sales by geography*



*Sales by segments*



Note: All growth numbers are in local currency

# SEGMENT HIGHLIGHTS



Life Without Limitations

## AMERICAS

## EMEA

## ASIA

### Bracing and supports

- Good growth in direct business
- Negative contribution from own distribution companies

- Overall good growth
- Key markets performing well

- Good performance
- New markets

### Prosthetics

- Impact from reimbursement changes expected to continue throughout 2013
- Declining sales to Össur's largest customer

- Growth across all major product lines and markets
- Continued growth in bionics

- Continued good growth

## ACQUISITION OF TEAMOLMED

- Leading patient care provider in the consolidated Swedish market
- Long history of providing quality care
- Acquired for SEK 310m (USD 47m)
- Sales 2012 SEK 348m (USD 52m)
- EBITDA adj. 2012 SEK 43m (USD 6m)
- Transaction expected to close in Q3

## STRATEGIC RATIONALE



Drive innovation in the whole value chain



Efficiency improvements in the workshop manufacturing process



Bigger share of the value chain



## FINANCIALS Q2 2013



Life Without Limitations®



# FINANCIALS



Life Without Limitations

| Financials USD '000          | Q2 2013       | Q2 2013*<br>Adjusted | Q2 2012       |
|------------------------------|---------------|----------------------|---------------|
| Net Sales                    | 105,963       | 105,963              | 102,708       |
| Gross profit                 | 64,615<br>61% | 65,623<br>62%        | 63,904<br>62% |
| Profit from operations       | 11,918<br>11% | 16,882<br>16%        | 16,330<br>16% |
| Net profit for the period    | 8,365<br>8%   | 11,939<br>11%        | 10,003<br>10% |
| EBITDA                       | 15,301<br>14% | 20,249<br>19%        | 19,493<br>19% |
| Net debt/EBITDA              | 1.4           | 1.3                  | 1.4           |
| Cash generated by operations | 11,162<br>11% | 13,841<br>13%        | 19,181<br>19% |

- Sales 3% LCY growth
- One-time expenses USD 5 million
- Stable gross profit margin
- EBITDA adjusted 19%

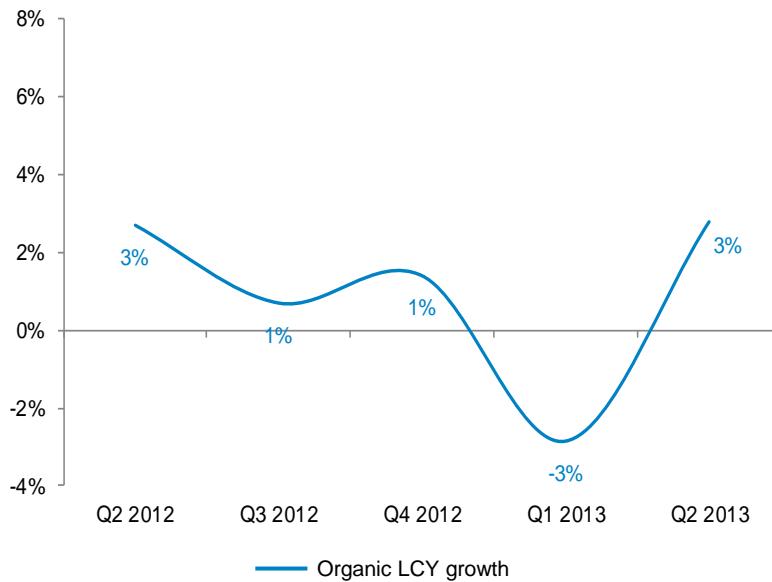
\* Adjusted for one-time expenses

# SALES 3% GROWTH

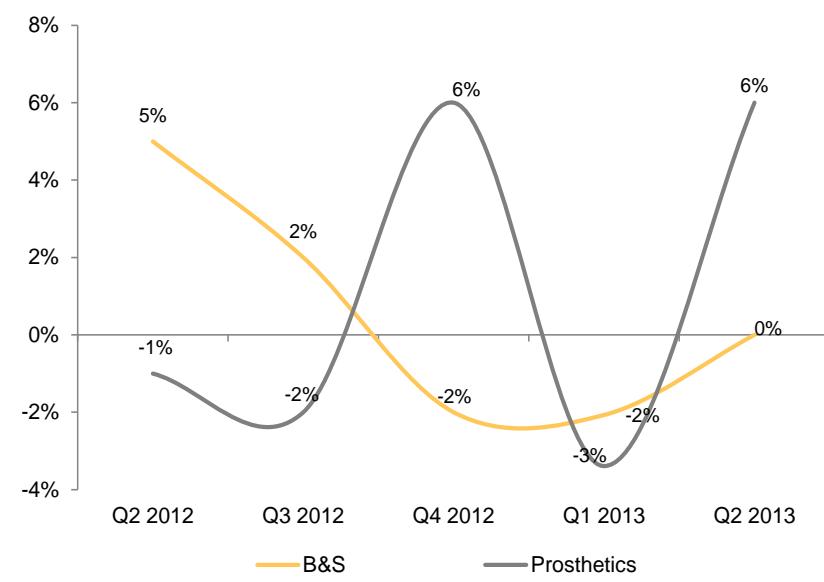


Life Without Limitations

SALES



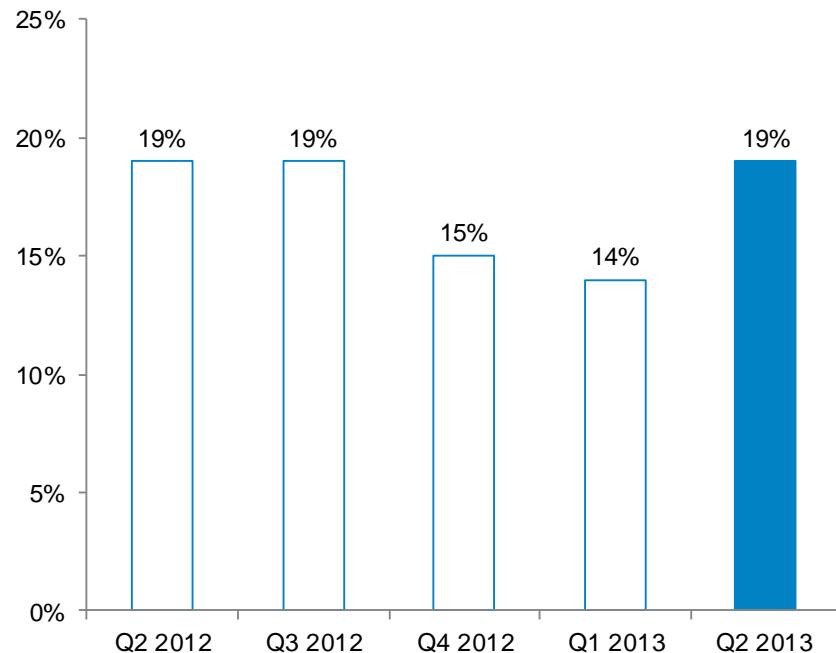
SALES BY SEGMENTS



# ADJUSTED EBITDA MARGIN 19%



Life Without Limitations

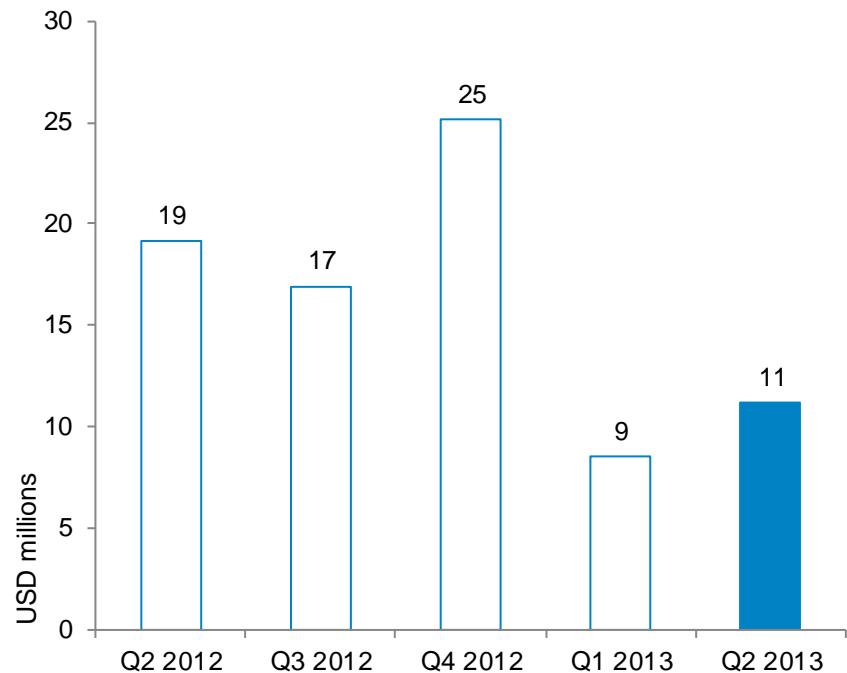


- Adjusted for one-time expenses of USD 5 million
- Stable gross profit margin
- OPEX ratio declining (46% adjusted)

# CASH FLOW FROM OPERATIONS



Life Without Limitations

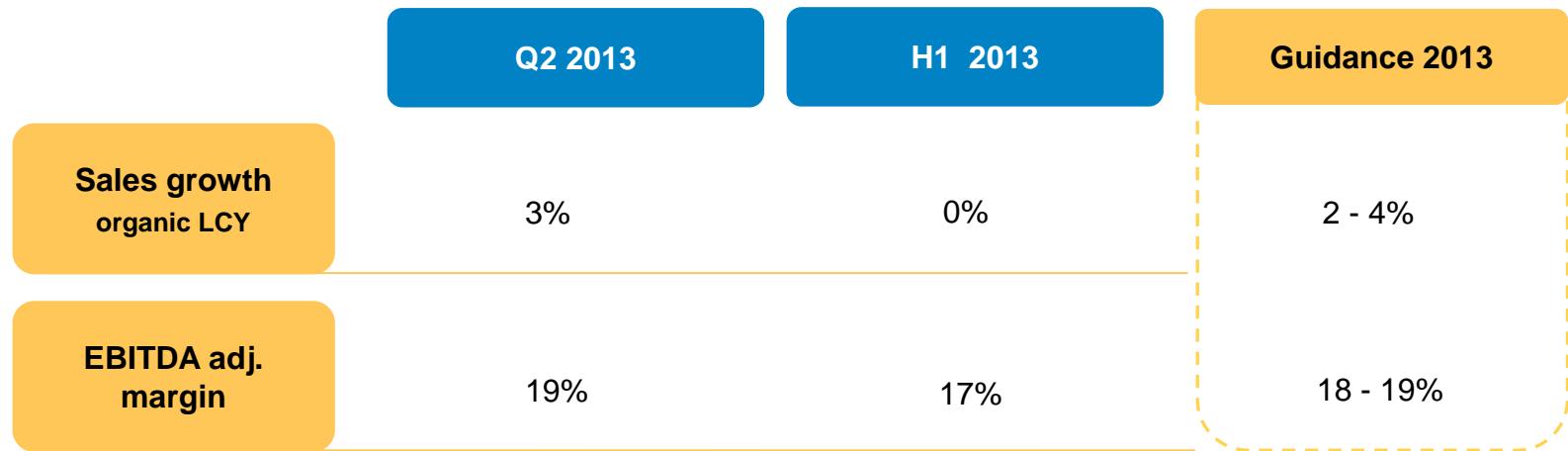


- Cash flow unusually weak due to:
  - Working capital increase USD 4 million
  - One-time expenses paid USD 3 million

# GUIDANCE



Life Without Limitations



# Q&A



# WE IMPROVE PEOPLE'S MOBILITY

