

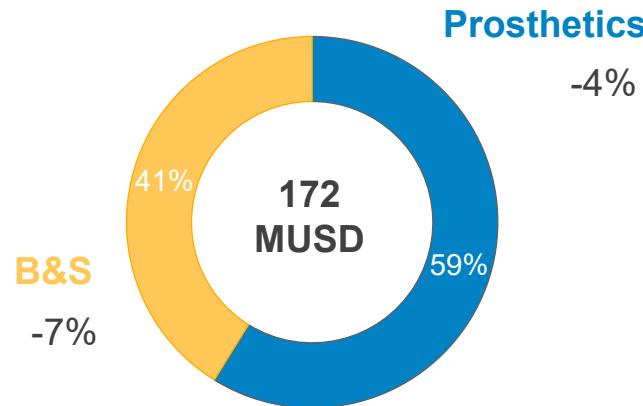
Q3 2020 Investor presentation

Jon Sigurdsson, President & CEO
Sveinn Solvason, CFO

27 October 2020

Highlights in Q3 2020

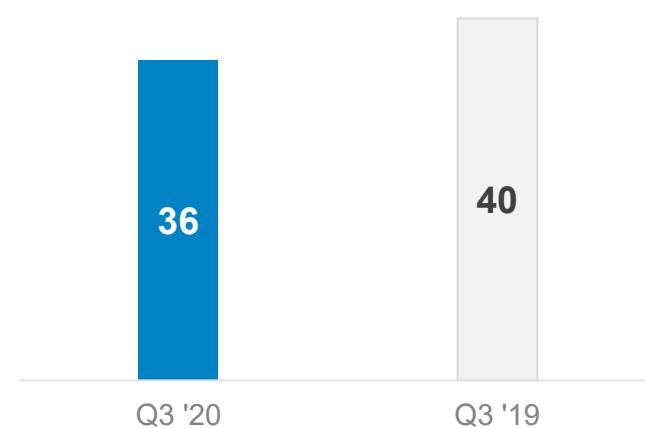
Sales split and organic growth



Sales growth	9M 2020	Q3 2020
Reported	-9%	2%
Local currency	-8%	1%
Organic	-13%	-5%

* EBITDA before special items in Q3 2019

EBITDA (adj.)* (MUSD)



EBITDA margin	9M 2020	Q3 2020
Reported	15%	21%

Financial performance impacted by COVID-19

Sales

- Sales recovery continues
- Impact of COVID-19 varies by geography with prosthetics more resilient than B&S
- Pent-up demand in some markets in APAC and EMEA

Profitability

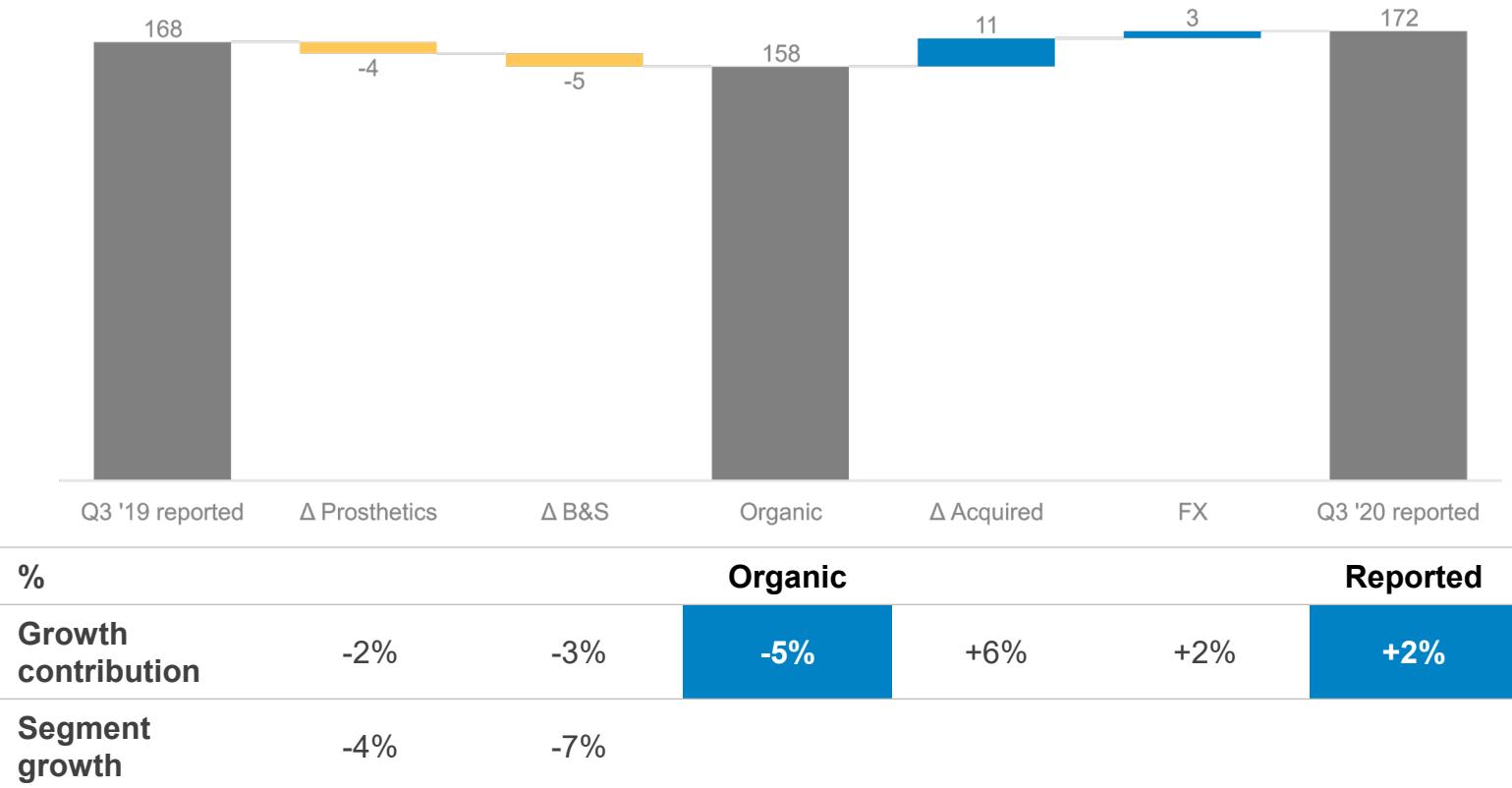
- EBITDA mainly down due to sales decline
- Underlying OPEX declining in line with expectations
- Profitability will return to normalized levels as sales recover

Other matters

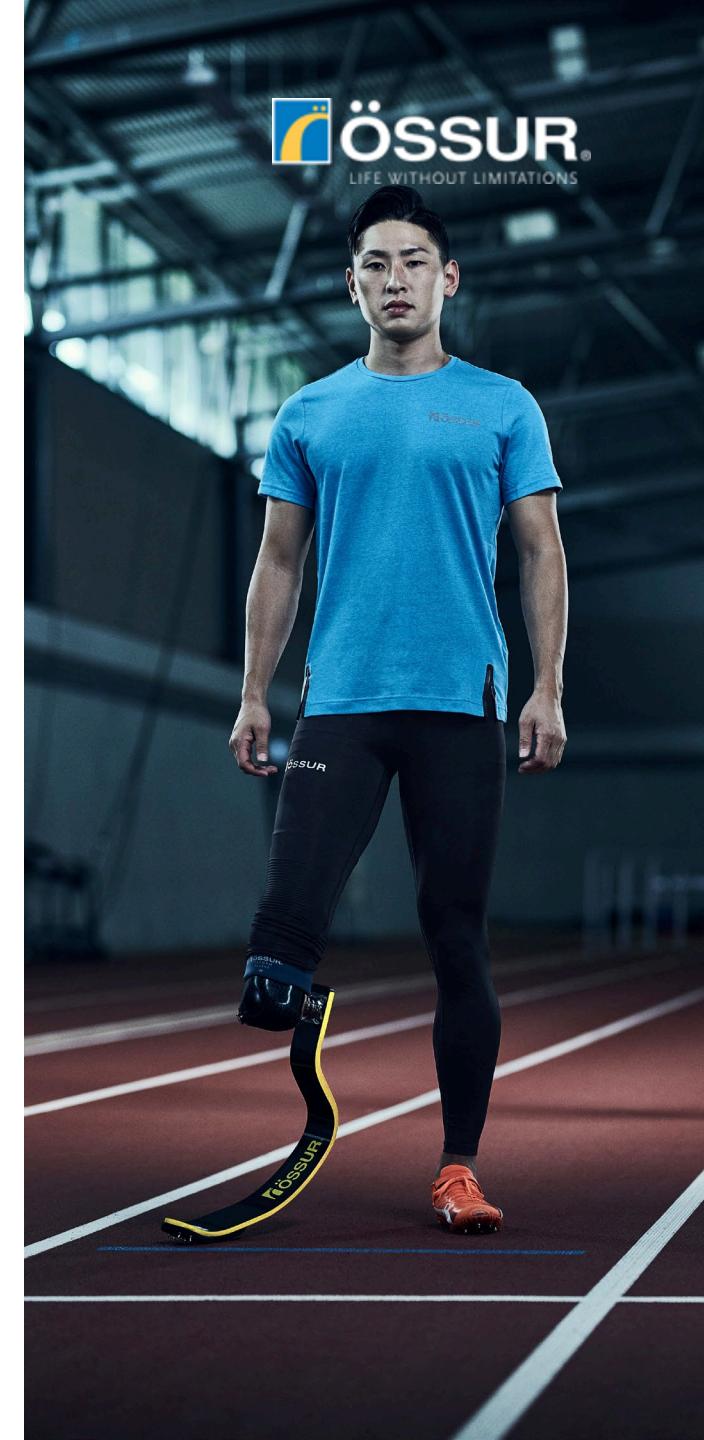
- Guidance is 0 to -8% for 2H 2020, as of today, around the mid-point is most likely scenario
- Buybacks remain suspended
- Gibaud divestment completed end of September

Sales by business segments

Sales contribution in USD million

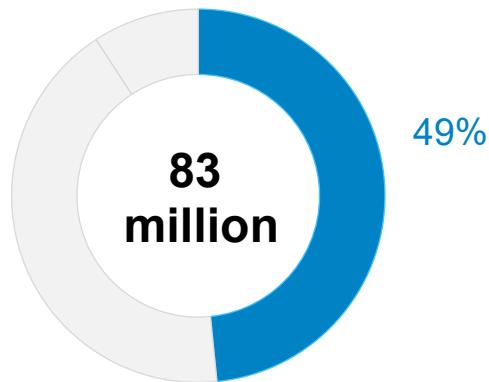


Note: Bridge is an approximation for growth contribution



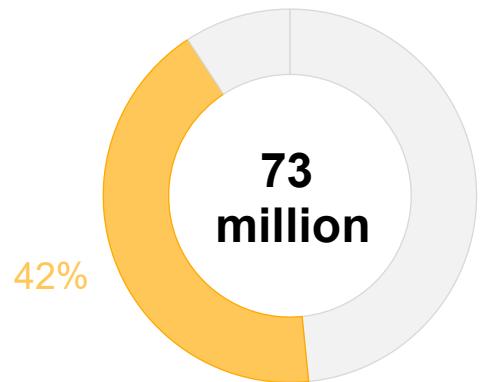
Sales growth in Q3 by geography

Americas



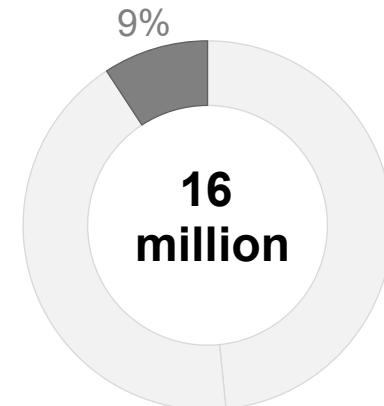
Reported	0%
Local currency	1%
Organic	-11%

EMEA



Reported	3%
Local currency	-1%
Organic	-1%

APAC



Reported	13%
Local currency	12%
Organic	12%

Note: Percentages next to charts refer to % of total sales

Income statement

Financial results (MUSD)	9M 2020	9M 2019	Q3'20	Q3'19
Net sales	460	507	172	168
<i>Reported growth</i>	-9%	14%	2%	15%
<i>Organic growth</i>	-13%	0%	-5%	5%
Gross profit	282	326	108	108
<i>Gross profit margin</i>	61%	64%	63%	64%
EBITDA	69	104	36	32
<i>EBITDA margin</i>	15%	21%	21%	19%
EBITDA (adj.)*	69	112	36	40
<i>EBITDA margin (adj.)*</i>	15%	22%	21%	24%
EBIT	18	72	25	21
<i>EBIT margin</i>	4%	14%	14%	13%
Income tax	5	16	5	4
<i>Effective tax rate</i>	55%	23%	27%	23%
Net profit	4	51	15	15
<i>Net profit margin</i>	1%	10%	9%	9%

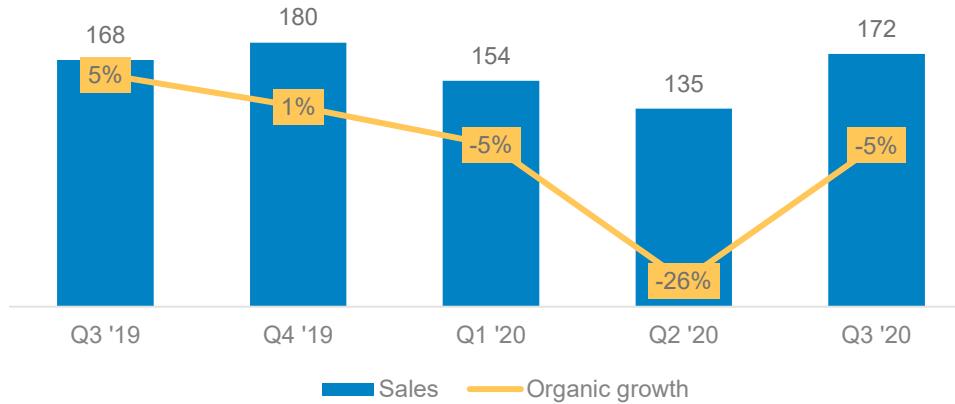
* Before special items

Financial performance

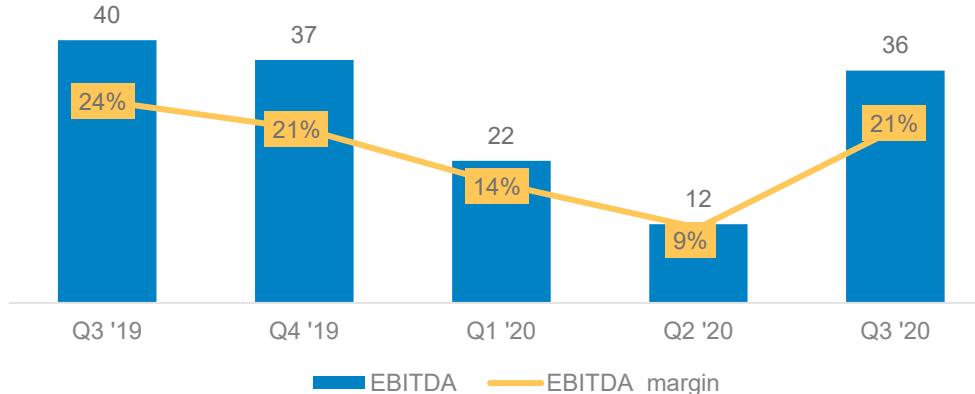
- Sales growth recovering and sales growing with acquisitions
- Gross profit margin slightly impacted by temporary lower utilization
- OPEX declining in line with lower variable cost (excl. one-time costs of 3 MUSD and acquisitions)
- Strong EBITDA margin in Q3 despite the impact on topline due to COVID-19, profitability will return to normalized levels as sales recover
- Excluding one-time items, EBITDA margin would have been 22% in Q3 2020
- EBIT 9M significantly impacted by write-downs and cost related to Gibaud divestment (~20 MUSD)
- Effective tax rate of 25% in 9M 2020 excl. Gibaud impairment
- Net profit of 15 MUSD in Q3

Sales and EBITDA

Sales and organic growth (MUSD)



EBITDA and EBITDA margin (MUSD)*



Sales

- Sales recovering
- Prosthetics more resilient than B&S
- Realizing pent-up demand in a few key markets
- Sales in mid-October around 100% of previous year's sales

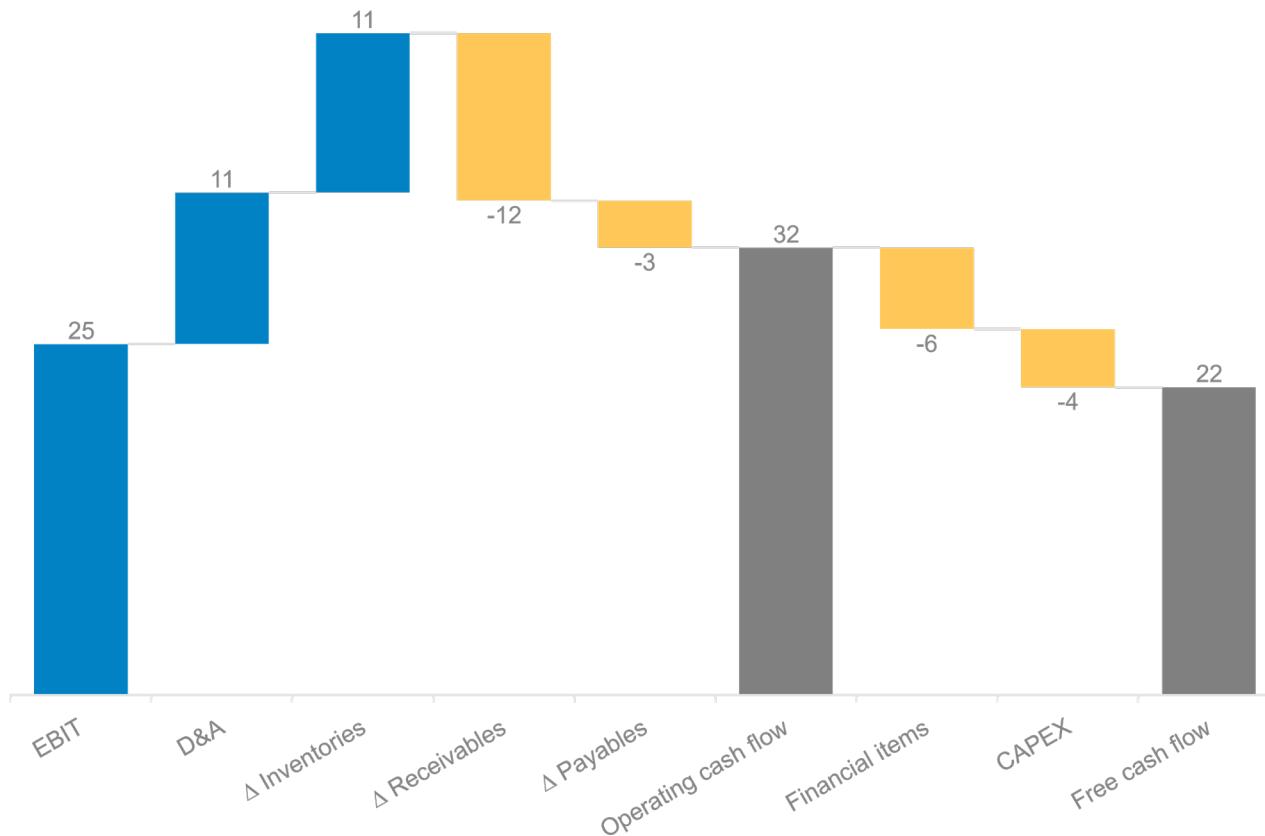
EBITDA in Q3 2020

- Profitability recovering
- EBITDA still impacted by lower sales but mitigated with underlying OPEX declining
- Net FX impact neutral in the quarter
- Operating profit expected to recover in line with further recovery in sales

* Before special items

Free cash flow in Q3

Free cash flow (MUSD)*



* Before special items, acquisitions, and changes in financial assets
Note: Changes in payables includes provisions

Cash flow in Q3 2020

- Operating profit improving in line with sales recovery
- Slightly negative effect from working capital
- Lower CAPEX than in the comparable quarter
- Strong liquidity position at the end of Q3, cash and undrawn credit facilities amount to 313 MUSD
- NIBD/EBITDA of 3.0x, temporarily above target range due to COVID-19

Financial impact in relation to Gibaud divestment



Actual USD'000

	9M 2020	9M 2020 Adj.
Sales	459,932	428,855
COGS	-178,038	-159,656
Gross Profit	281,894	269,199
Other Income	-16,155	-16,137
S&M	-169,621	-157,034
R&D	-22,583	-21,218
G&A	-55,330	-52,290
EBIT	18,205	22,485
D&A	51,138	49,977
EBITDA	69,343	72,462

Ratios

	9M 2020	9M 2020 Adj.
USD sales growth	-9.2%	-8.6%
LCY sales growth	-8.4%	-7.8%
Organic sales growth	-12.6%	-12.3%
B&S % of total sales	41.9%	37.7%
Gross Profit margin	61.3%	62.8%
EBIT margin	4.0%	5.2%
EBITDA margin	15.1%	16.9%

Key transaction items

- Divestment of Gibaud completed on 30 September 2020
- Divestment accretive to growth and profitability
- Organic growth in 2019 of 6% adjusted for Gibaud (5% FY2019)
- EBITDA margin before special items in 2019 of 23.4% adjusted for Gibaud (21.8% FY2019)

Key impact in 2020

- One-time transactional costs of 3.2 MUSD booked in Q2
- Goodwill (5 MUSD) and other intangible asset (11 MUSD) impairments amount to 16 MUSD booked in Q2

Sales

- Sales recovery continues
- Impact of COVID-19 varies by geography with prosthetics more resilient than B&S
- Pent-up demand in some markets in APAC and EMEA

Profitability

- EBITDA mainly down due to sales decline
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Other matters

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Financial calendar and upcoming investor conferences

Meet with us

Exane BNPP's MedTech CEO Conference (virtual)	9-10 November 2020
Jefferies European Healthcare Conference (virtual)	17-19 November 2020
Nordea Innovation Seminar (virtual)	24-26 November 2020
Danske Bank Winter Seminar (virtual)	1 December 2020
ABGSC Investor Day (virtual)	2 December 2020
DNB Nordic American Life Science Conference (virtual)	3 December 2020
SEB Nordic Seminar (DK / virtual)	6-8 January 2021

Financial calendar

Interim report Q4 2020 and Annual Report for 2020	2 February 2021
Annual General Meeting	8 March 2021



Further information



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Statements containing the financial outlook for 2020 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.