

Q4&FY 2020 Investor presentation

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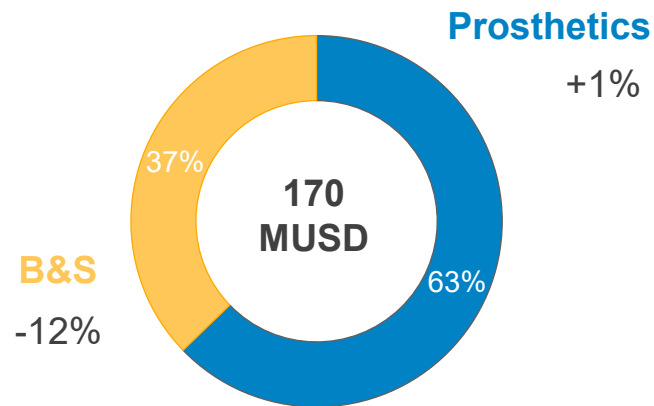
2 February 2021



1. Q4 2020 review
2. FY 2020 highlights
3. Guidance for 2021
4. Summary

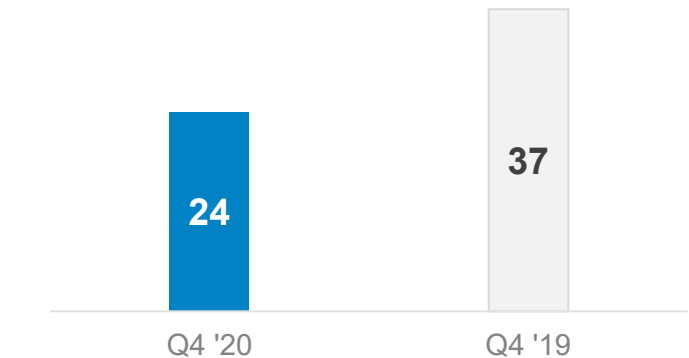
Highlights in Q4 2020

Sales split and organic growth



Sales growth	Q4 2020	Q4 2019
Reported	-6%	7%
Local currency	-8%	10%
Organic	-4%	1%

EBITDA (MUSD)



EBITDA margin	Q4 2020	Q4 2019
Reported	14%	21%

Financial performance impacted by COVID-19

Sales

- Sales performance in Q4 in line with mid-range of guidance as announced in October
- Slowdown in December impacting the Q4 sales growth negatively
- Prosthetics growing despite market turbulence
- Impact of COVID-19 varies by geography with prosthetics more resilient than B&S

Profitability

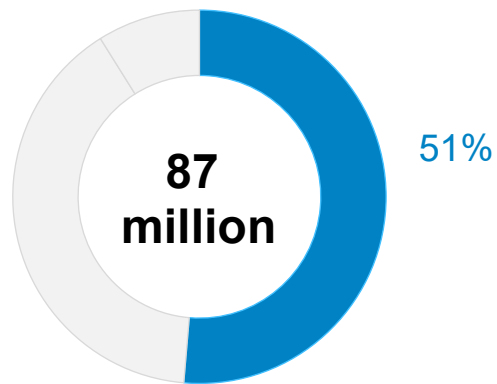
- EBITDA from operations mainly down due to sales decline
- EBITDA significantly impacted by costs related to divestment
- Profitability will return to normalized levels as sales recover

Other matters

- US B&S sales entities divested at the end of December

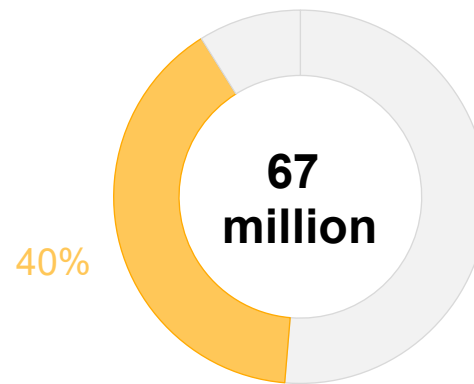
Sales growth in Q4 by geography

Americas



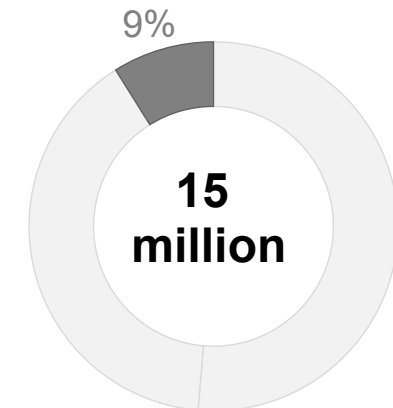
Reported	1%
Local currency	2%
Organic	-5%

EMEA



Reported	-14%
Local currency	-19%
Organic	-3%

APAC



Reported	5%
Local currency	1%
Organic	1%

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

Income statement

Financial results (MUSD)	Q4 2020	Q4 2019
Net sales	170	180
<i>Reported growth</i>	-6%	7%
<i>Organic growth</i>	-4%	1%
Gross profit	109	113
<i>Gross profit margin</i>	64%	63%
EBITDA	24	37
<i>EBITDA margin</i>	14%	21%
EBITDA (adj.)*	24	37
<i>EBITDA margin (adj.)*</i>	14%	21%
EBIT	10	25
<i>EBIT margin</i>	6%	14%
Income tax	0	6
<i>Effective tax rate</i>	-5%	25%
Net profit	4	18
<i>Net profit margin</i>	2%	10%

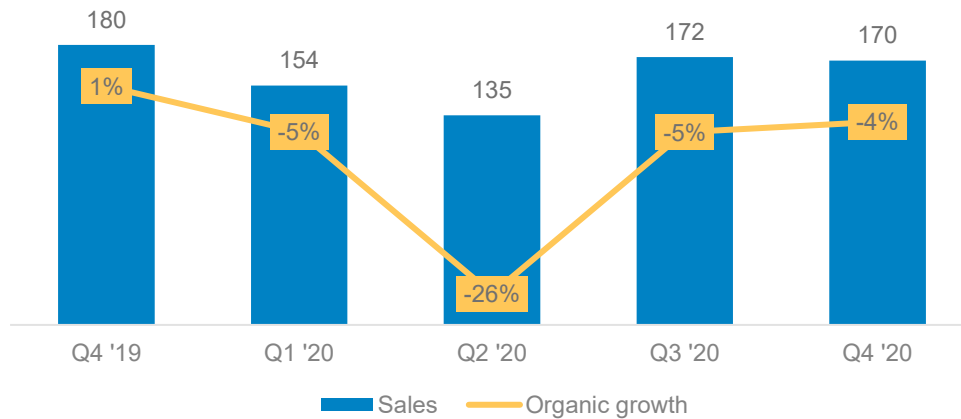
* Before special items

Financial performance

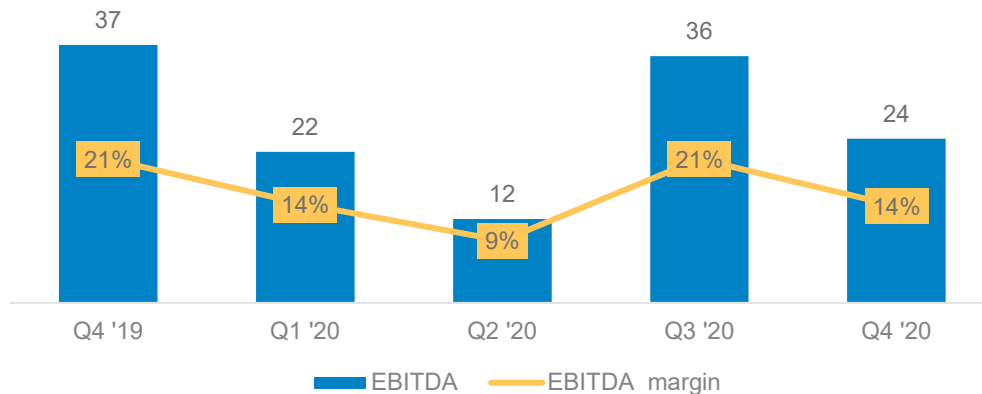
- Sales growth recovering, further impacted by divestments and acquisitions
- Gross profit margin back to normal level in the quarter as operation were mostly at normal capacity
- OPEX impacted by write-downs and other cost related to divestment (11.4 MUSD of which 9.4 MUSD is non-cash)
- Underlying OPEX is flat in Q4 when excluding extraordinary costs
- Effective tax rate of -5% in Q4 2020, impacted by extraordinary cost from divestment, normalized effective tax rate of 25%
- Net profit of 4 MUSD in Q4

Sales and EBITDA

Sales and organic growth (MUSD)



EBITDA and EBITDA margin (MUSD)*



* Before special items

Sales

- Sales recovering
- Prosthetics more resilient than B&S

EBITDA in Q4 2020

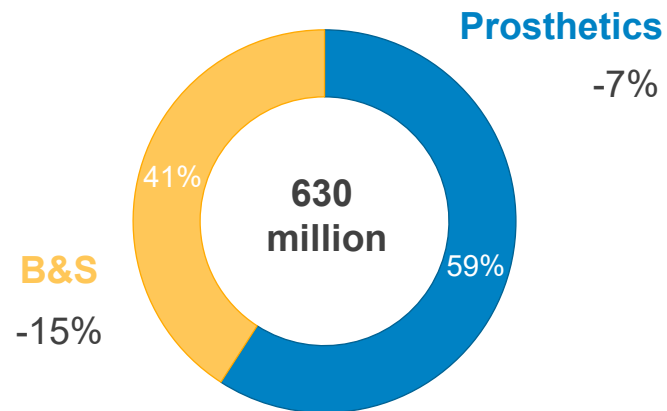
- Profitability recovering
- EBITDA impacted by lower sales and extraordinary items related to divestments and acquisitions
- Net FX impact positive of ~100 basis points in the quarter
- Operating profit expected to recover in line with further recovery in sales



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Highlights in FY 2020

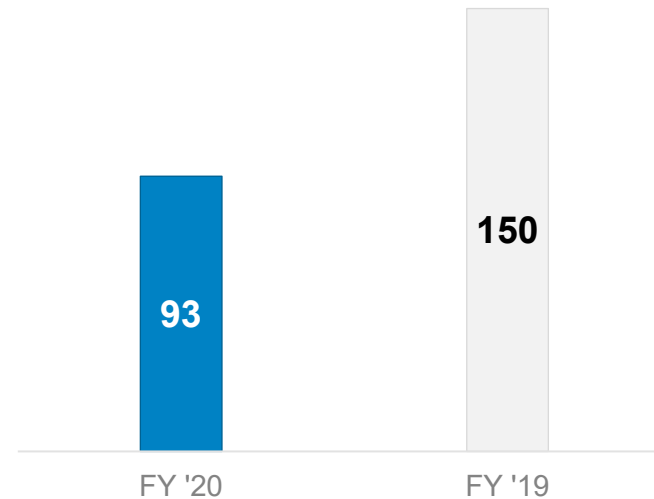
Sales split and organic growth



Sales growth	FY 2020	FY 2019
Reported	-8%	12%
Local currency	-8%	16%
Organic	-10%	5%

* EBITDA before special items in FY 2019

EBITDA (adj.)* (MUSD)



EBITDA margin	FY 2020	FY 2019
Reported	15%	22%

Sales

- FY 2020 sales heavily impacted by COVID-19 but gradually recovering from April-May
- Impact of COVID-19 varies by geography with prosthetics more resilient than B&S

Profitability

- EBITDA mainly down due to sales decline
- Excluding extraordinary items, OPEX declining in line with expectations

Other matters

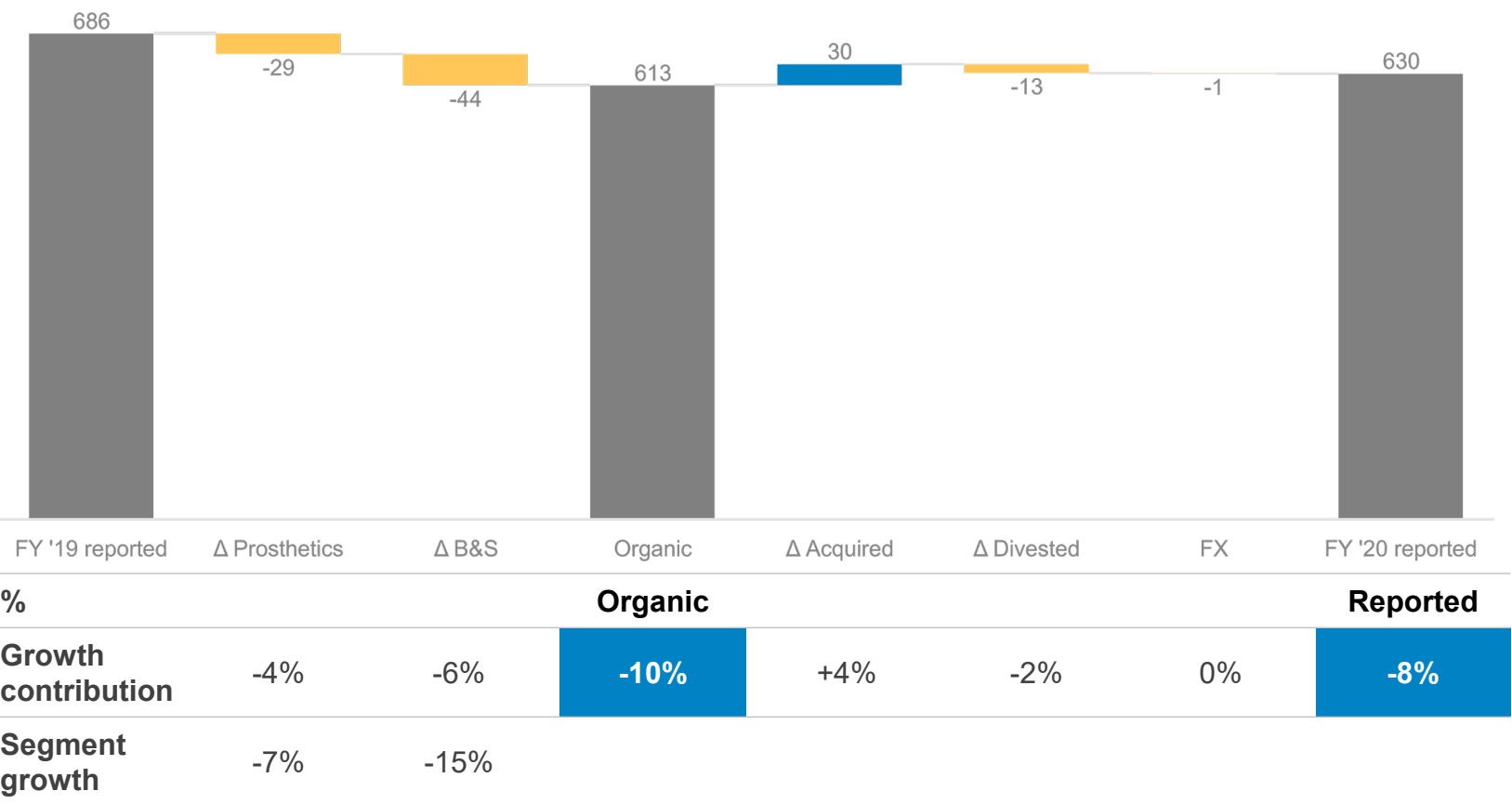
- Changes in the business mix with various acquisitions and divestments during the year
- Strong financing and liquidity position throughout the year

Guidance for 2021

- Organic growth 10-15%, EBITDA margin before special items 21-23%, CAPEX 3-4% of sales and effective tax rate of 23-24%

Sales by business segments

Sales contribution in USD million



Note: Bridge is an approximation for growth contribution



Income statement

Financial results (MUSD)	FY 2020	FY 2019
Net sales	630	686
<i>Reported growth</i>	-8%	12%
<i>Organic growth</i>	-10%	5%
Gross profit	391	439
<i>Gross profit margin</i>	62%	64%
EBITDA	93	141
<i>EBTDA margin</i>	15%	21%
EBITDA (adj.)*	93	150
<i>EBITDA margin (adj.)*</i>	15%	22%
EBIT	28	98
<i>EBIT margin</i>	4%	14%
Income tax	5	21
<i>Effective tax rate</i>	38%	24%
Net profit	8	69
<i>Net profit margin</i>	1%	10%

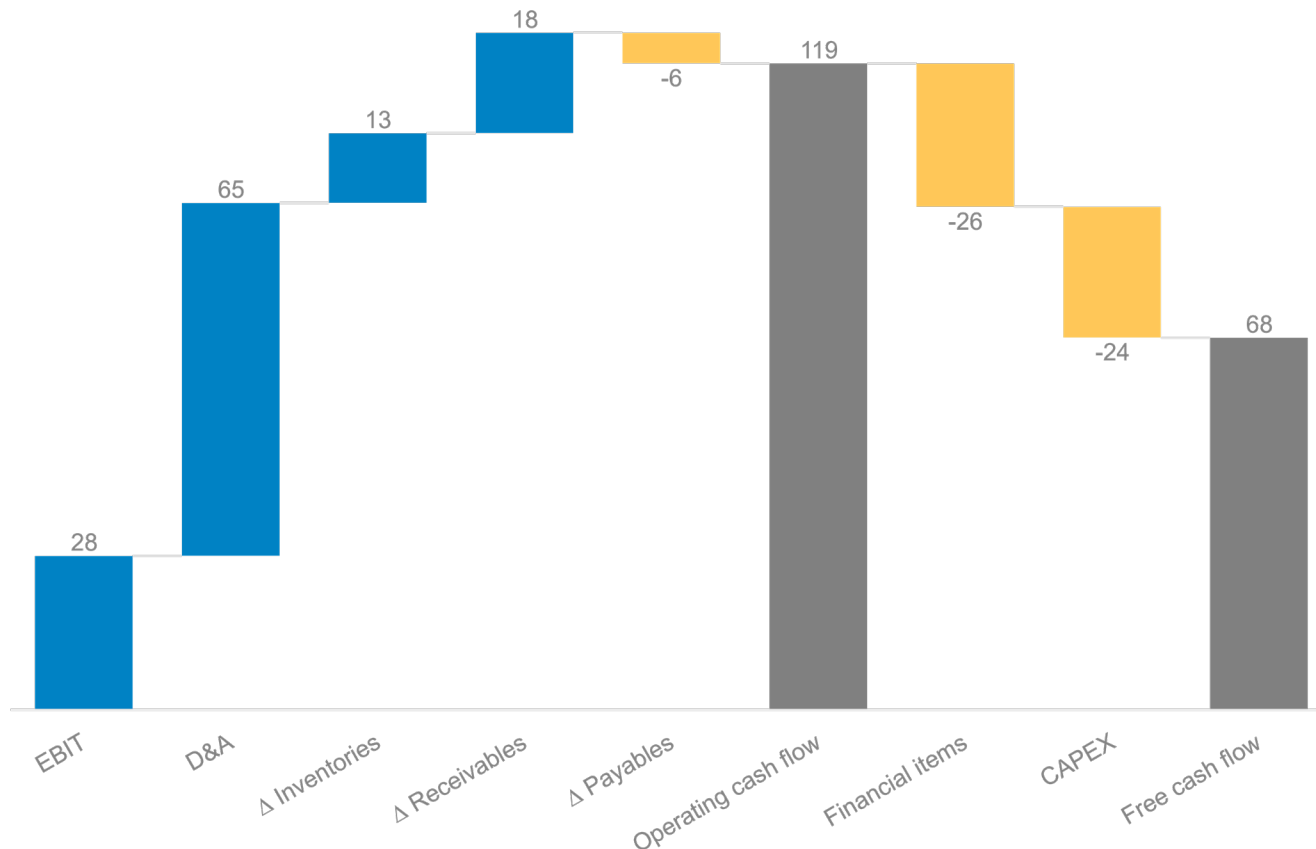
* Before special items

Financial performance

- Sales impacted by COVID-19, further impacted by acquisitions and divestments
- Gross profit margin impacted by temporary lower productivity in manufacturing
- Underlying OPEX declining by 2% (excluding extraordinary items) in line with lower variable cost and cost reduction initiatives end of Q3
- EBIT significantly impacted by write-downs and cost related to divestments (~29 MUSD)
- Normalized effective tax rate of 25%

Cash flow

Free cash flow (MUSD)*



* Before special items, acquisitions, and changes in financial assets

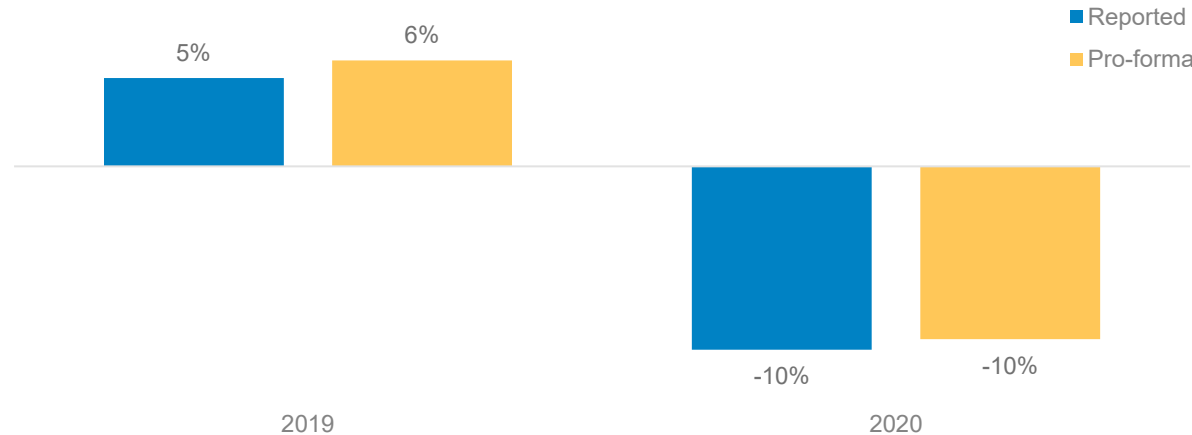
Note: Changes in payables includes provisions, financial items include paid interest and taxes

Cash flow in FY 2020

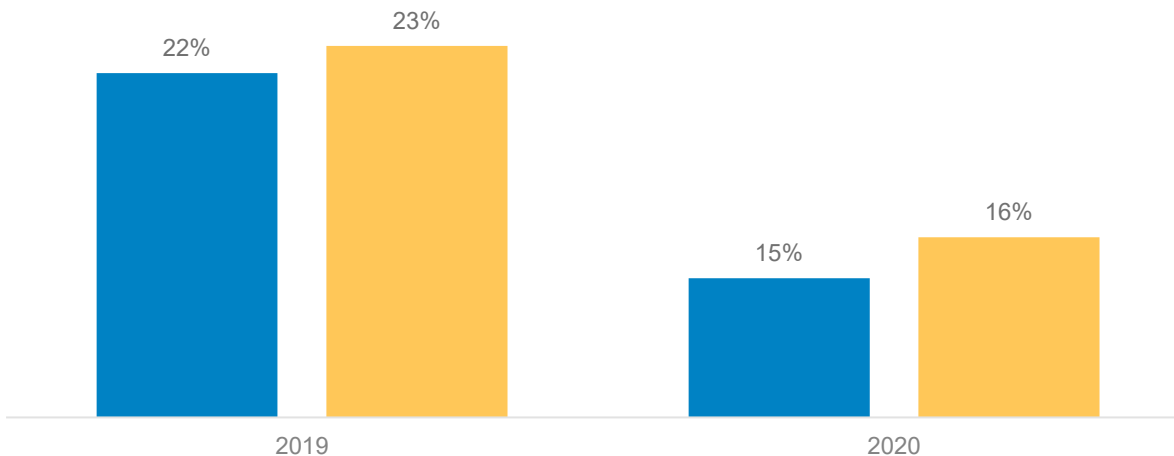
- Strong cash flow
- Positive effect from working capital
- Lower CAPEX than in FY 2019
- Strong liquidity position at the end of 2020, cash and undrawn credit facilities amount to 275 MUSD
- NIBD/EBITDA of 4.1x, temporarily above target range due to COVID-19

Impact from M&A activity

Organic sales growth/decline



EBITDA margin before special items



Note: Pro-forma figures exclude all divestments and includes all acquisitions in 2019 and 2020.

Financial impact

- Sales increasing by ~10 MUSD using 2019 as a reference year not impacted by COVID-19
- Positive impact on organic growth with ~1 p.p. increase on 2019 figures and positive impact of ~0.6 p.p. in 2020
- GPM stable between reported and pro-forma figures
- EBITDA margin increasing by ~100 basis points
- B&S sales would have been 38% of total sales (reported 45%) in 2019 and 36% (reported 41%) in 2020



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Guidance considerations for 2021

	Actual 2020	Guidance
Sales growth Organic	-10%	10-15%
EBITDA margin Before special items	15%	21-23%
CAPEX % of sales	4%	3-4%
Tax Effective tax rate	38%	23-24%





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Profitability

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Other matters

- Changes in the business mix with various acquisitions and divestments during the year
- Strong financing and liquidity position throughout the year

Guidance

- Organic growth 10-15%, EBITDA margin before special items 21-23%, CAPEX 3-4% of sales and effective tax rate of 23-24%



Financial calendar and upcoming investor conferences

Meet with us

Barclays Global Healthcare Conference (virtual)	9-11 March 2021
Carnegie Nordic Healthcare Seminar (virtual)	9-11 March 2021
ABGSC Small & Mid Cap Seminar (virtual)	7 April 2021
ABGSC Small & Mid Cap Seminar	22 September 2021

Financial calendar

Annual General Meeting	8 March 2021
Interim report Q1 2021	27 April 2021
Interim report Q2 2021	22 July 2021
Interim report Q3 2021	26 October 2021
Interim report Q4 2021 and Annual Report 2021	1 February 2022
Annual General Meeting	8 March 2022

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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.

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