



Össur hf. Q2 2017

Investor Presentation

Jon Sigurdsson, President & CEO

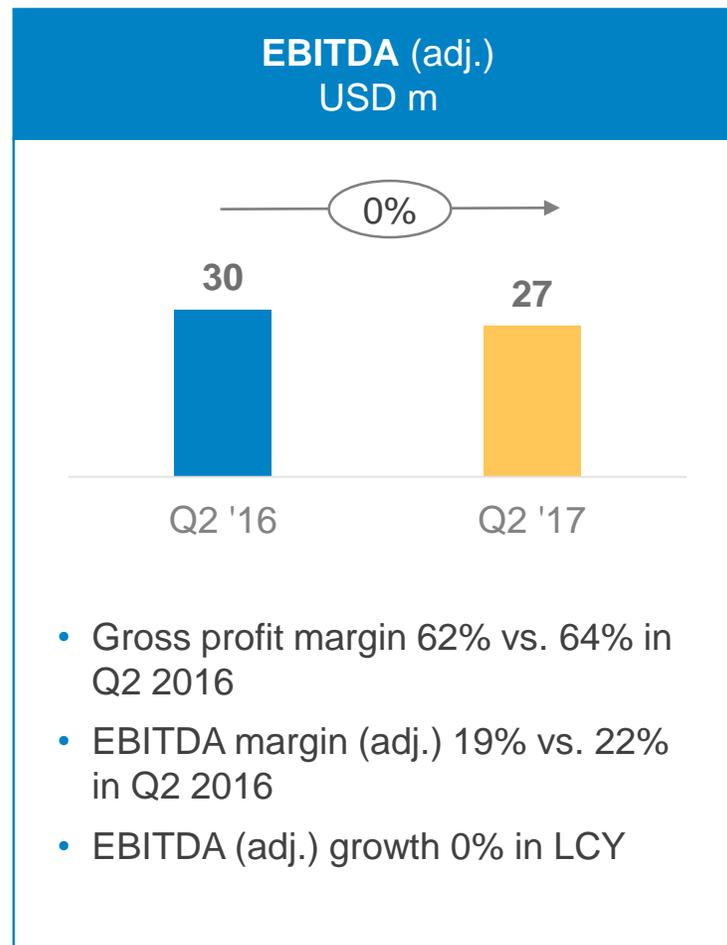
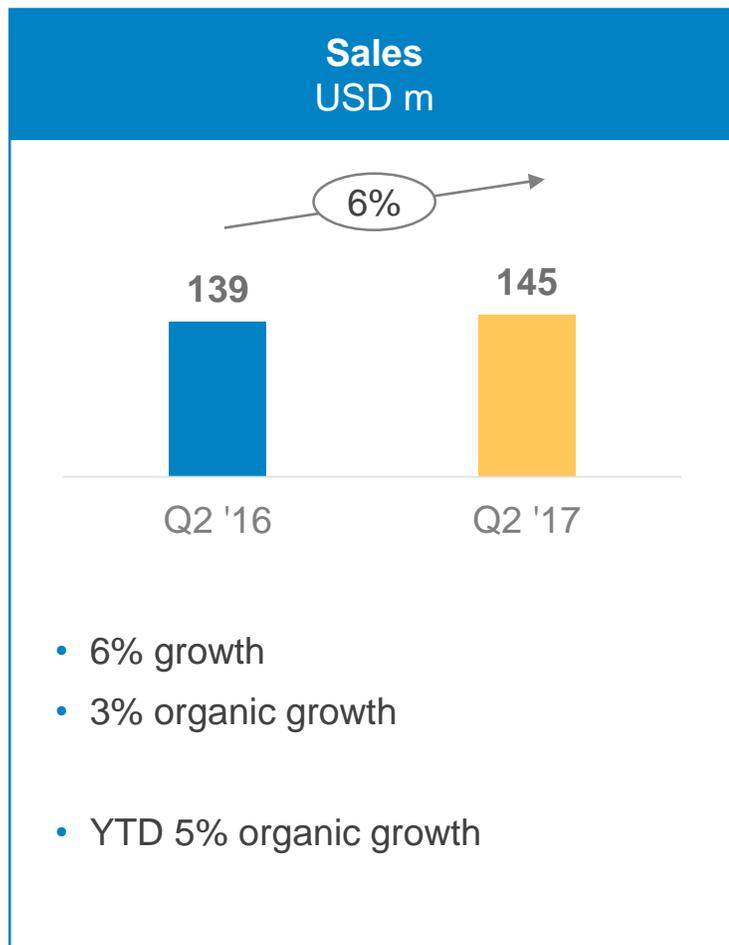
Sveinn Solvason, CFO

26 July 2017

# 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 2017 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.

# Q2 Highlights



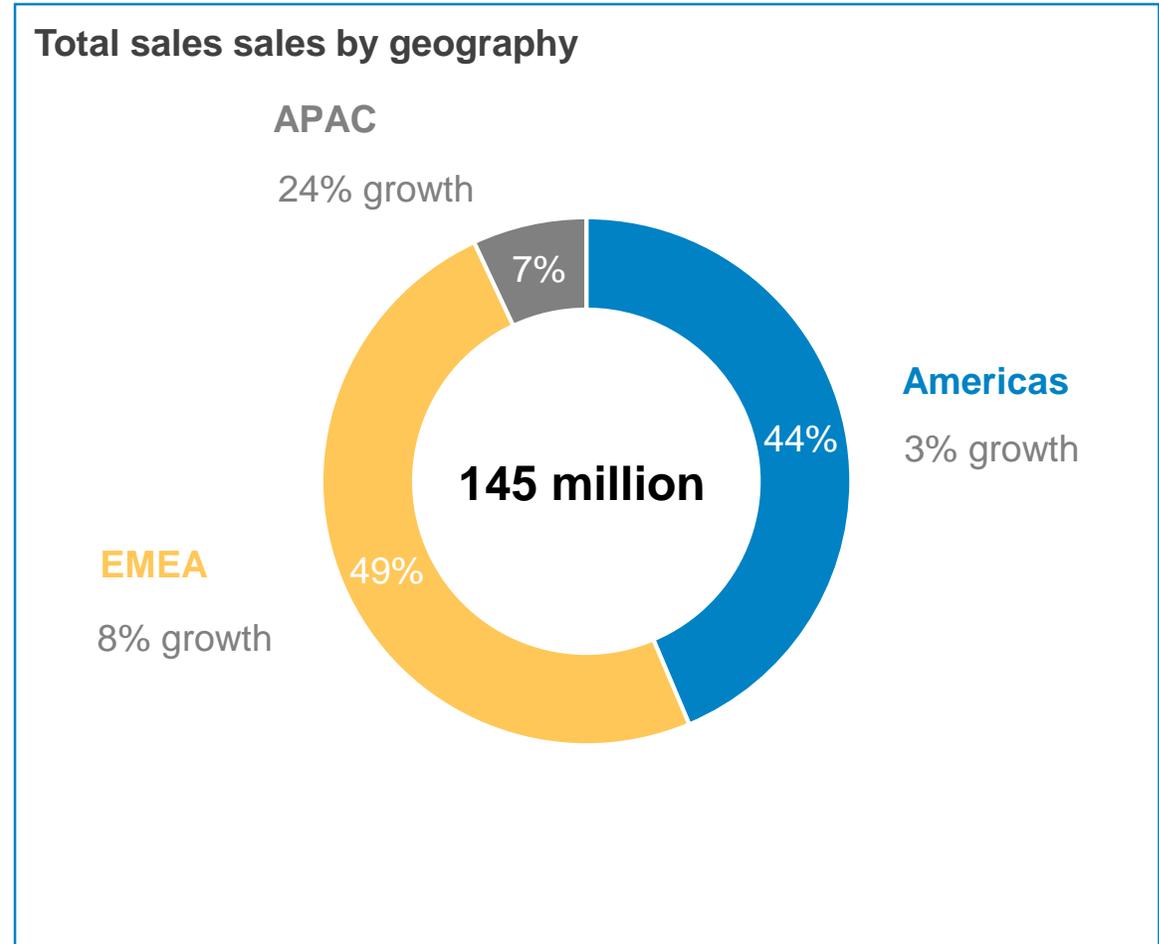
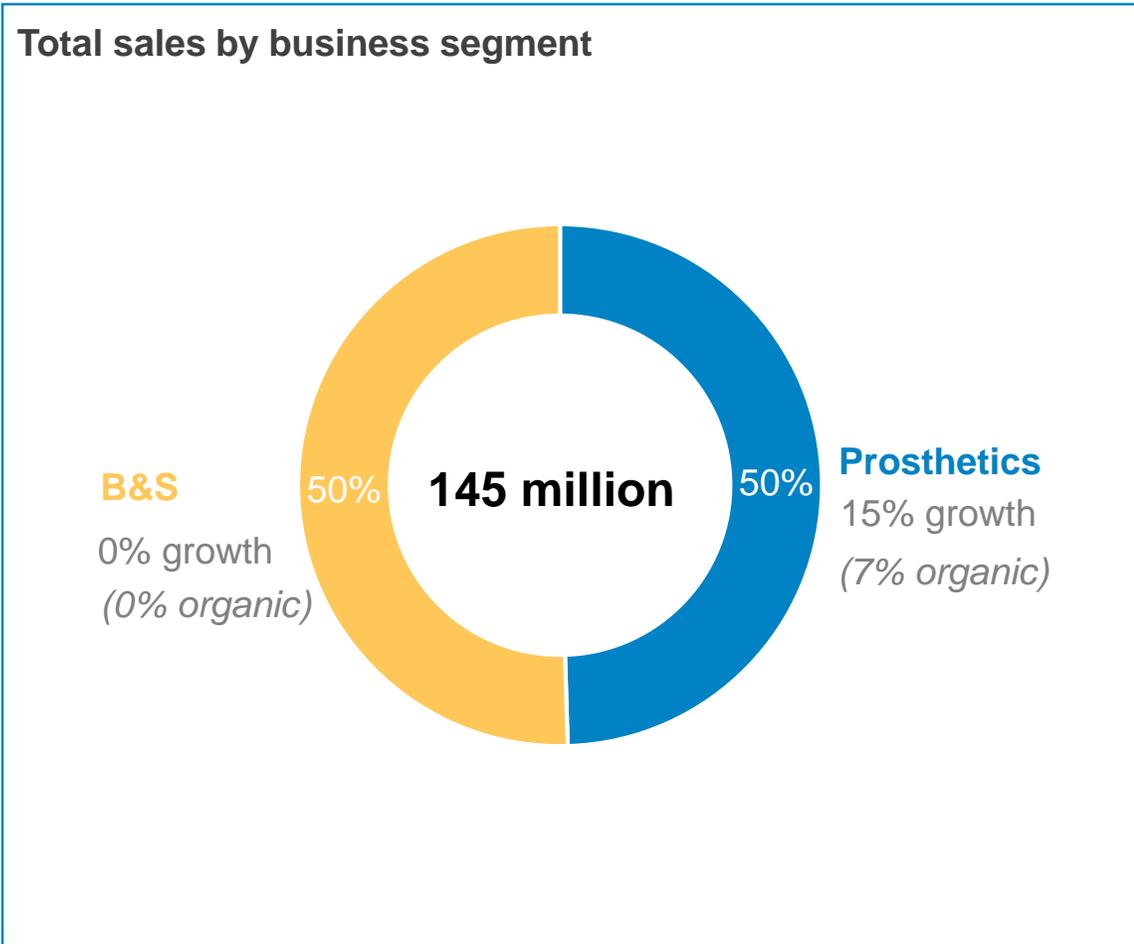
### Highlights Q2



- Sales impacted by fewer sales days, cost increases in certain manufacturing sites, slow quarter for B&S in the US and FX negatively impacting profit
- Integration going as planned

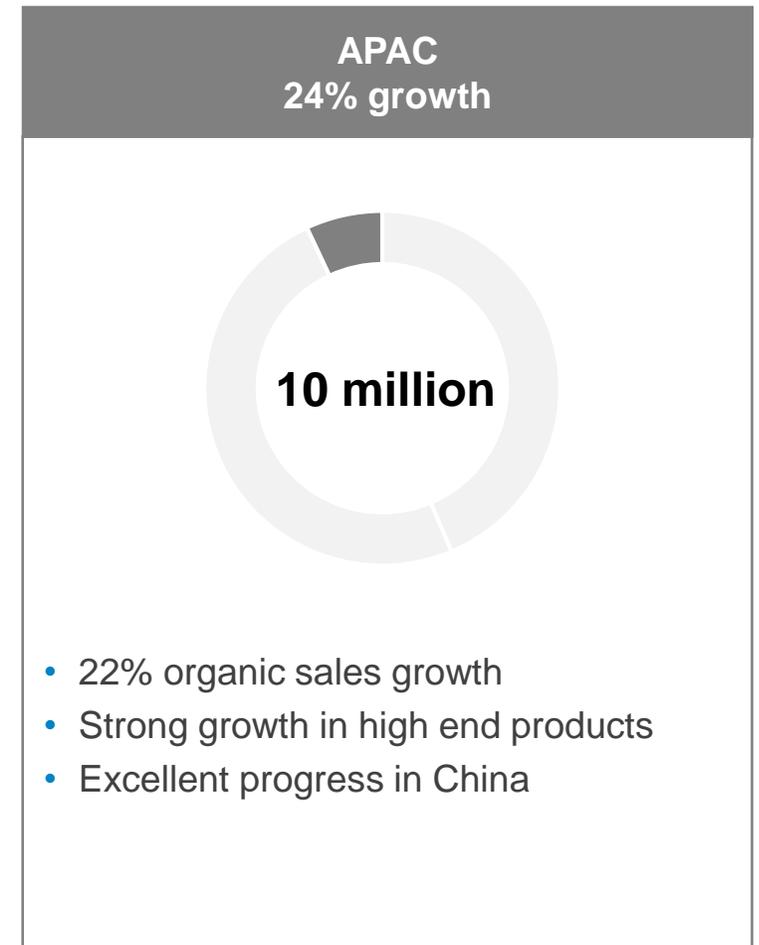
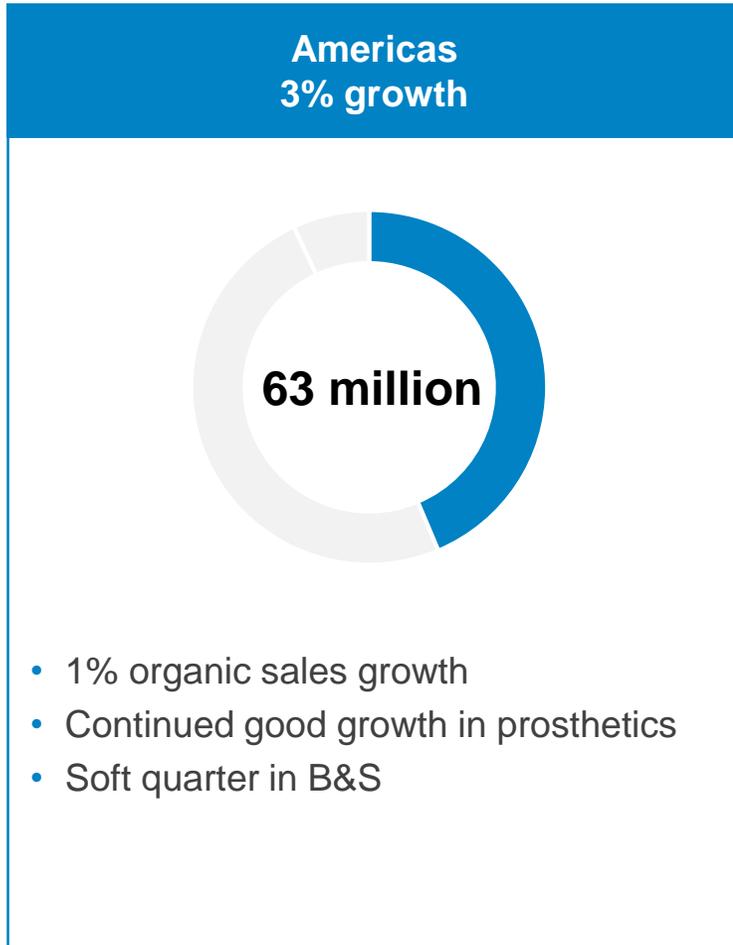
Note:  
Amounts are in USD and all growth numbers refer to quarter-on-quarter growth and measured in LCY unless otherwise stated

# Q2 Sales by business segment and geography



Note:  
Amounts are in USD and all growth numbers refer to quarter-on-quarter growth and measured in LCY unless otherwise stated  
(%) Business segment refers to % of total sales

# Q2 Highlights in sales by geography



Note:  
Amounts are in USD and all growth numbers refer to quarter-on-quarter growth and measured in LCY unless otherwise stated

## Highlights

### Sales growth

- 6% growth
- 3% organic

### Profitability

- Gross profit 62% of sales compared to 64% of sales in Q2 2016 (62% YTD 2017 vs. 63% YTD 2016)
  - Positive impact from product mix
  - Negative impact from certain manufacturing sites
  - Negative impact from currency (~60 bps)
- Adjusted for USD 2.6 million in one-time costs in relation to the medi acquisition, EBITDA margin amounted to 19%
- Net profit 9% of sales compared to 10% of sales in Q2 2016

## Quarterly financial results

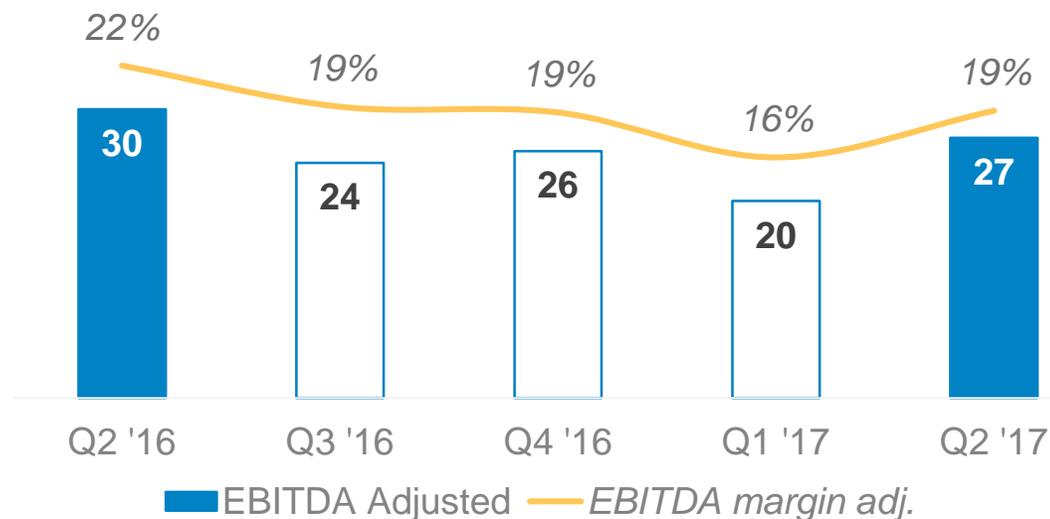
USD million	Q2 '17	Q2 '16
Net Sales	145	139
Gross Profit	89	89
<i>% of sales</i>	62%	64%
EBITDA	24	25
<i>% of sales</i>	17%	18%
EBITDA (before special items)	27	30
<i>% of sales</i>	19%	22%
EBIT	19	20
<i>% of sales</i>	13%	14%
Net Profit	13	15
<i>% of sales</i>	9%	10%

Note:

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## EBITDA (before special items)

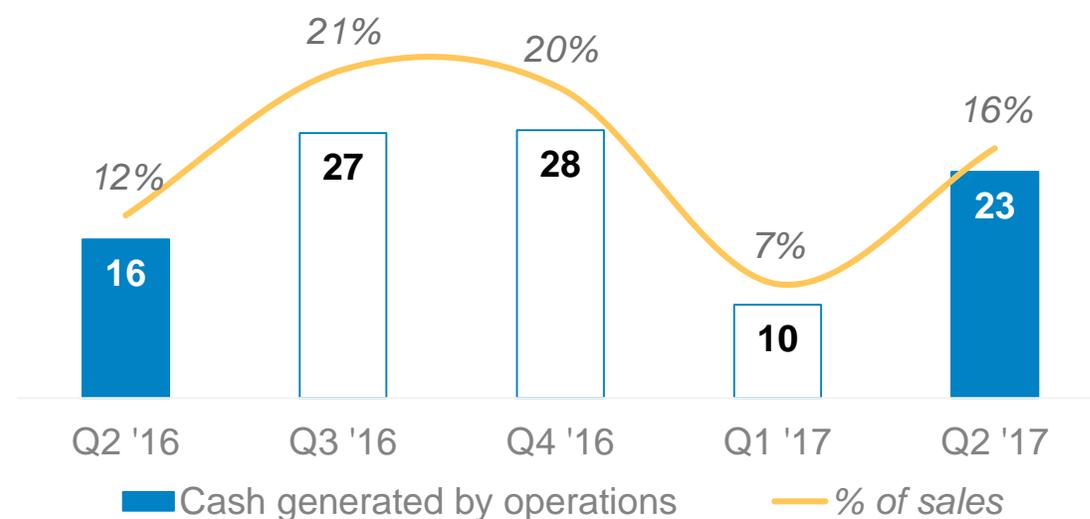
USD million



- EBITDA (adj.) growth 0% in LCY
- EBITDA margin (adj.) 19%:
  - Negative currency impact ~100 bps net of hedge (mainly ISK)
  - Certain manufacturing sites impacting gross profit margin
  - OPEX growth is 4% LCY in the quarter excl. one-off costs

## Cash flow from operations

USD million



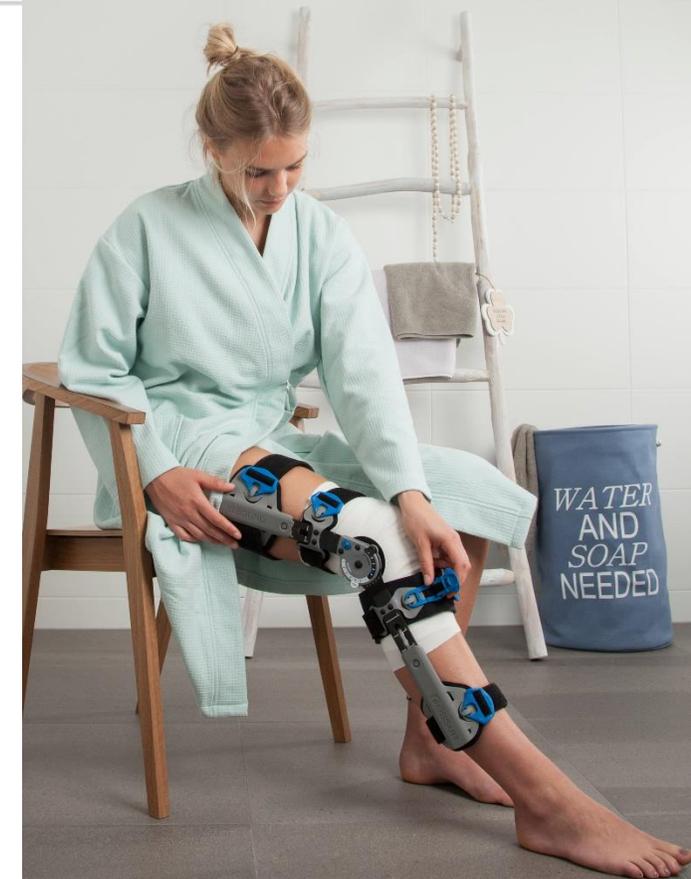
- Cash from operations is USD 23 million or 16% of sales
  - Favorable changes in inventories
- NIBD is USD 146 million or 1.5x LTM EBITDA (adj.)

Note:

All growth numbers refer to quarter-on-quarter growth and measured in LCY unless otherwise stated. EBITDA was adjusted in Q2 2016 for USD 4.6 million due to one-time expenses primarily related to Touch Bionics acquisition and Shared Service Center in Poland and in Q2 2017 for USD 2.6 million due to one-time expenses primarily related to medi acquisition

## Guidance for 2017

	Actual 2016	Guidance 2017 (current)	Guidance 2017 (Q1)
<b>Sales growth</b> LCY	9%	7-8%	7-8%
<b>Sales growth</b> Organic	4%	4-5%	4-5%
<b>EBITDA margin</b> Before special items	19%	18-19%	19-20%
<b>CAPEX</b> % of sales	5%	~4%	~4%





## Appendix

# Financial calendar and upcoming events & conferences



## Financial calendar

Q3 2017 Results	24 October 2017
Q4 2017 Results	5 February 2018
2018 Annual General Meeting (IS)	8 March 2018

## Upcoming events & conferences

Goldman Sachs 14th Annual European Medtech and Healthcare Services Conference	6-7 September 2017
InvestorDay in Copenhagen	19 September 2017
Össur Capital Markets Day	27 September 2017
Danske Bank Copenhagen Winter Seminar	13 December 2017
SEB Nordic Seminar (DK)	8-10 January 2018

### Further information:

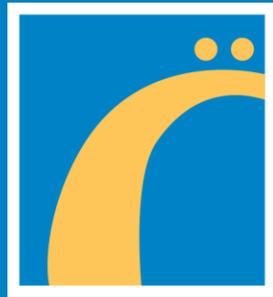
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