



Össur hf. Q3 2016

Investor Meeting

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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 2016 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.

HIGHLIGHTS Q3 2016

SALES
USD 129m



- 11% growth, 5% organic
- B&S 1% growth, 1% organic
- Prosthetics 25% growth, 11% organic

OPERATIONS
EBITDA USD 24m



- Gross profit margin 63%
- EBITDA margin 19%

HIGHLIGHTS



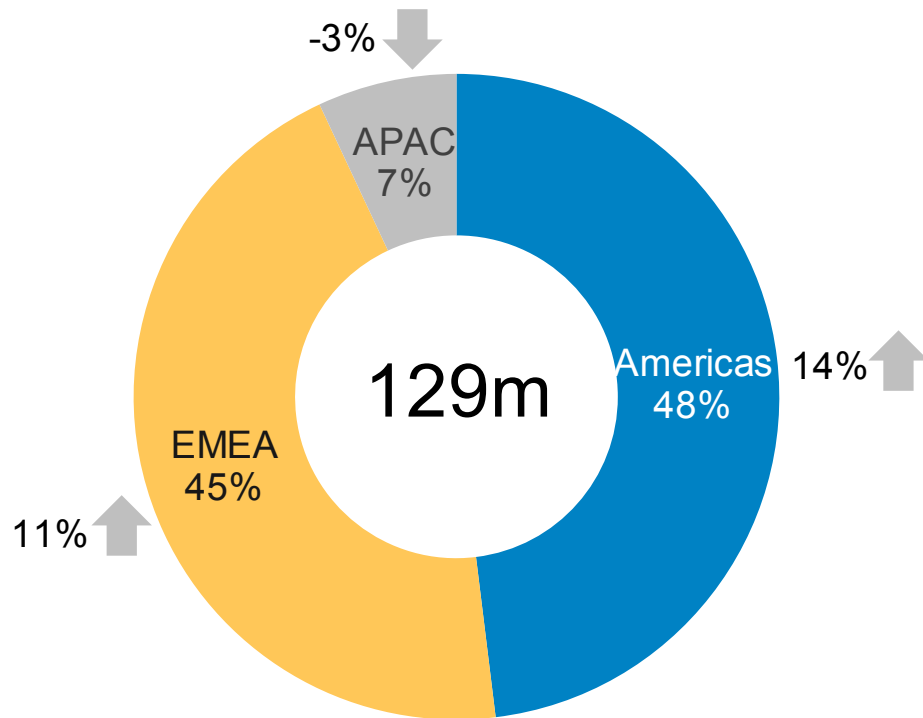
- Medi Prosthetics acquisition completed
- Good performance in EMEA and Americas

Note:

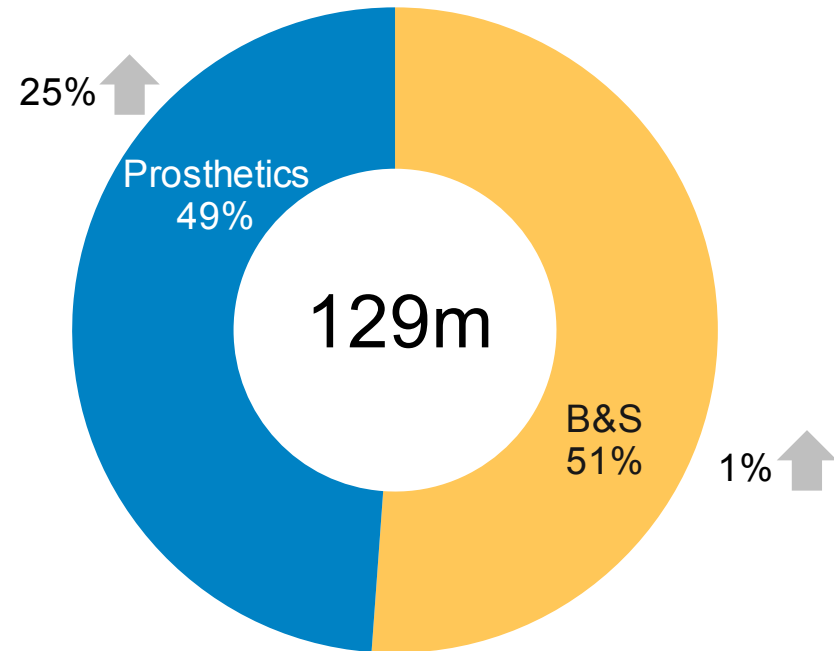
All growth numbers refer to quarter-on-quarter growth measured in local currency

GROWTH BY SEGMENTS AND GEOGRAPHY

Sales by geography



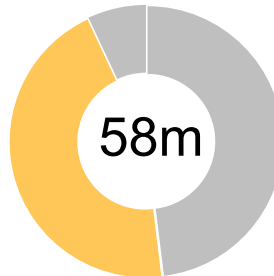
Sales by segments



Note:
All growth numbers are in local currency
(%) Geography or business segment refer to % of total sales

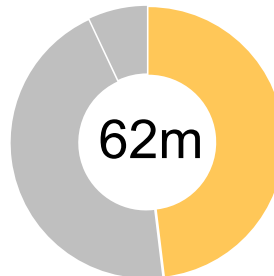
HIGHLIGHTS IN SALES BY GEOGRAPHY

EMEA 11%
GROWTH



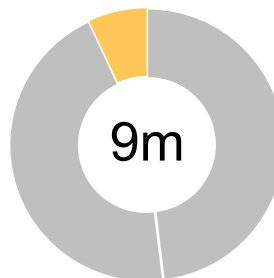
- 5% organic sales growth
- Good quarter in prosthetics
- Continued positive outlook

AMERICAS 14%
GROWTH



- 8% organic sales growth
- Continued improvements in B&S
- Strong performance in prosthetics

APAC -3%
GROWTH



- -3% organic sales growth
- Negative impact from change in sales model in China

Note:
All growth numbers are in local currency

FINANCIALS Q3

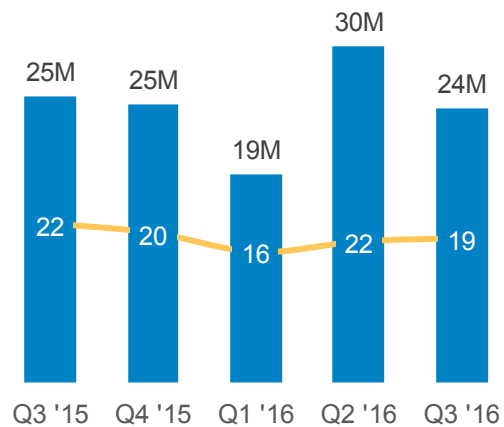


| Financials USD m | Q3 2016 | Q3 2015 |
|------------------|-----------|-----------|
| Net sales | 129 | 117 |
| Gross profit | 81 63% | 74 63% |
| EBITDA | 24 19% | 25 22% |
| EBIT | 19 15% | 20 17% |
| Net profit | 13 10% | 14 12% |

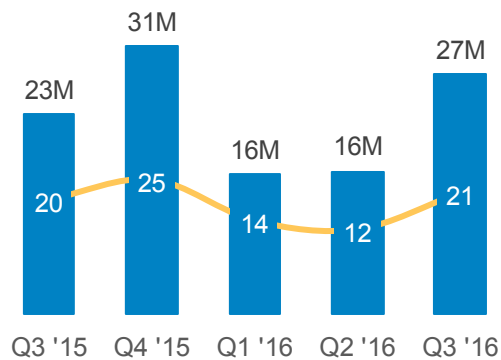
- 11% growth LCY
- 5% growth organic
- Medi Prosthetics included from beginning of September
- Stable GPM
- Currency movements and acquisitions impacting profitability

OPERATIONS - HIGHLIGHTS

EBITDA and EBITDA margin



Cash Flow from Operations



Note:
EBITDA adjusted for one-time expenses in Q2 2015 and Q2 2016

- Lower EBITDA margin due to:
 - Negative impact from currency (mainly ISK)
 - Impact from acquisitions
 - OPEX growth
- 2% EBITDA growth, LCY

- Decrease in working capital
- Continued high CAPEX or 5% of sales
- Net debt USD 139 million

2016 GUIDANCE



| | Actual 2015 | Guidance 2016 | Revised guidance 2016 |
|--------------------------|-------------|---------------|-----------------------|
| Sales growth LCY | 5% | 7-9% | 8-10% |
| Sales growth organic LCY | 5% | 3-5% | 3-5% |
| EBITDA adj. margin | 20% | 20-21% | ~19% |
| CAPEX | 5% | 5% | 5% |



WE IMPROVE PEOPLE'S MOBILITY

