



Q2 2024

Investor Road Show Presentation

23 July 2024



Q2 2024 Business update and financial performance



Key highlights for the quarter

Q2 Business Performance and Guidance

Organic sales growth

+6%

Prosthetics and Neuro Orthotics

+6%

EBITDA margin improved 3pp YoY

22%

Bracing & Supports

+2%

FY '24 Guidance narrowed

Organic sales growth 6-8%
(previously 5-8%)

EBITDA margin ~20%
(previously 19-20%)

Patient Care

+9%

Good progress on our strategic initiatives

Fior & Gentz integration

- ✓ Continued strong performance
- ✓ Leveraging on Össur sales infrastructure to introduce F&G products to new markets

US Medicare coverage

- ✓ Effective as of 1 Sept 2024
- ✓ Large patient group of lower-limb active K2 amputees getting access to bionic knees

Launching new innovation

- ✓ NAVii® bionic knee
- ✓ Icon® bionic knee
- ✓ Iceross Seal-In® X Locking TF

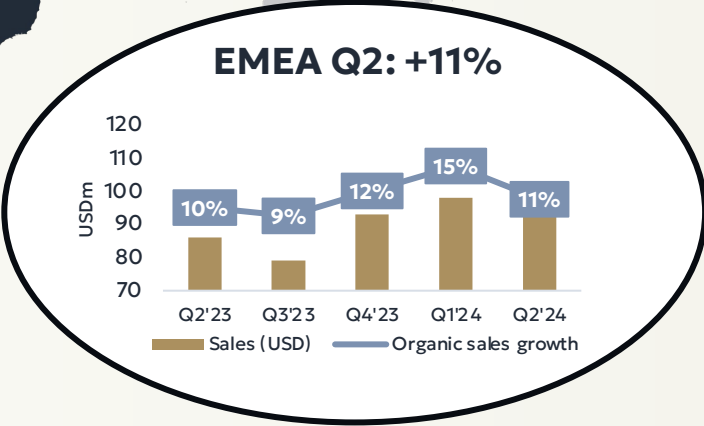
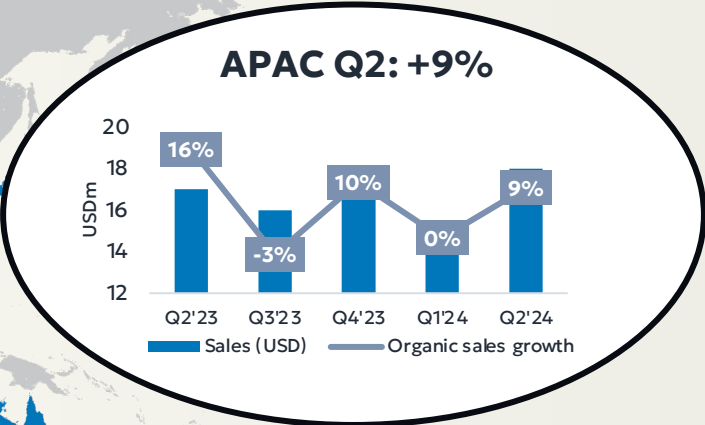
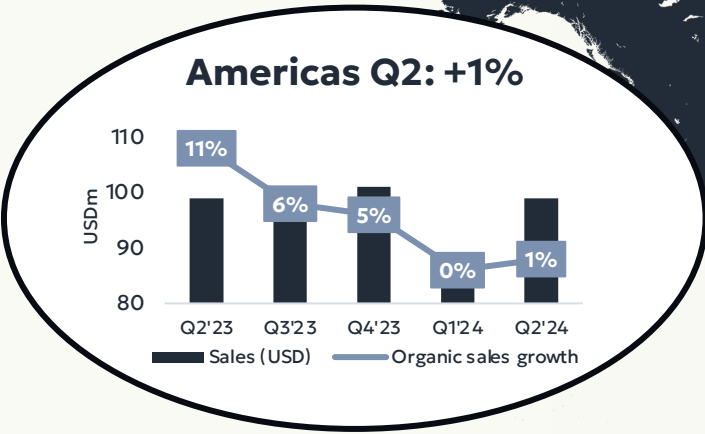
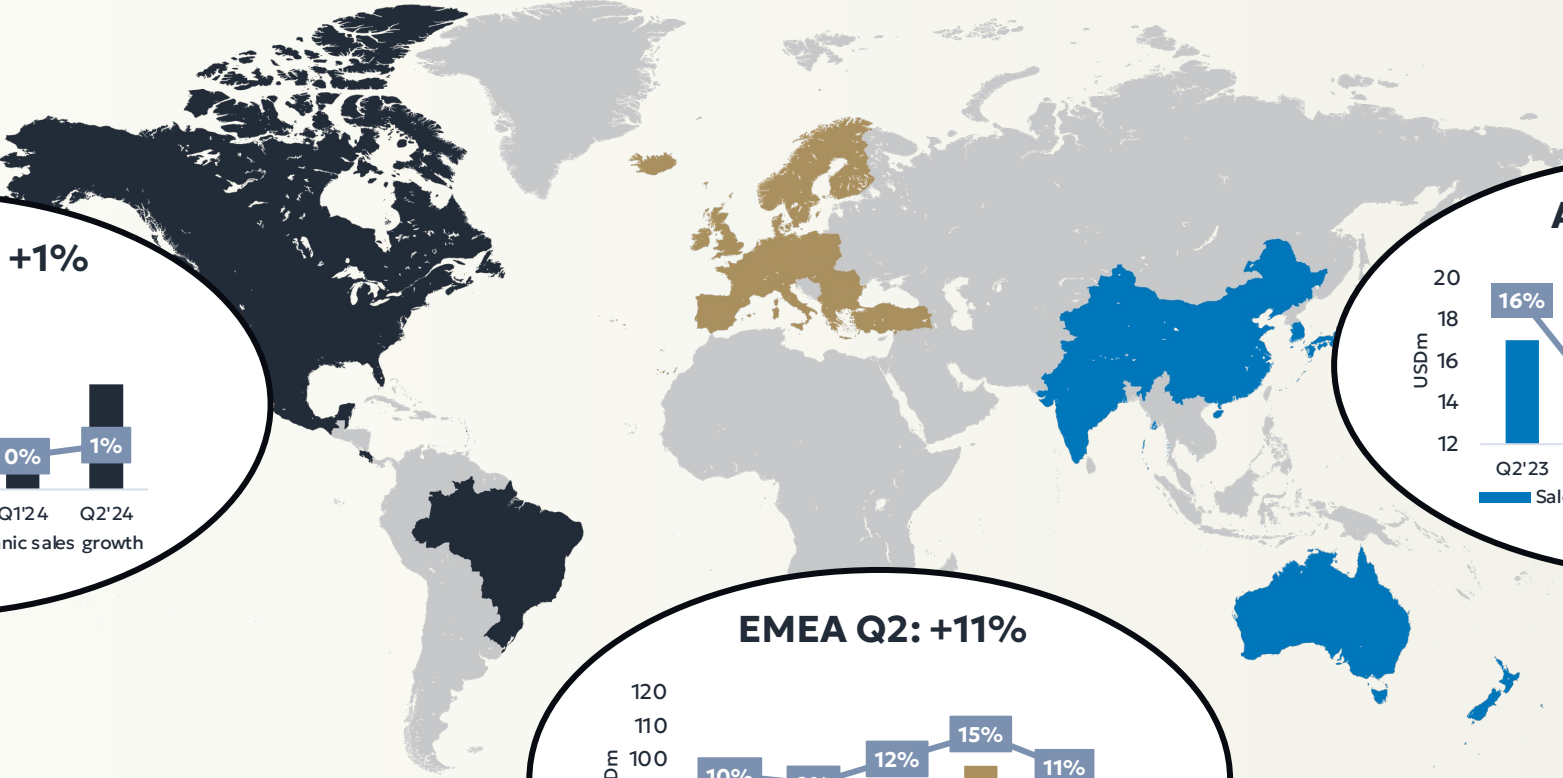
Growth'27 well on track

- ✓ Delivering on organic growth
- ✓ EBITDA margin increasing

Unifying Patient Care under new brand

ForMotion™
CLINIC

Continued strong momentum in EMEA driven by Prosthetics & Neuro Orthotics and Patient Care; APAC delivered strongly across segments while sales in Americas were soft



Note: Colors indicate where Embla Medical has direct operations, Embla Medical has sales in further countries

Launching exciting new innovation in Q2

**Icon® bionic knee
by College Park**



Icon features responsive sensors, streamlined setup, and the intuitive Stride Studio app. Icon is the versatile solution for low to high activity users

**NAVii® bionic knee
by Össur**



NAVii is a fully waterproof bionic knee featuring a powerful actuator provided to support consistency for stair and ramp descent

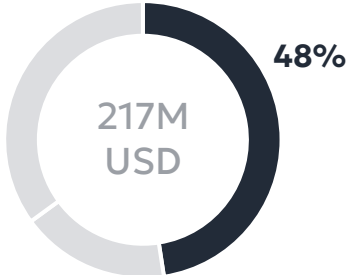
**Iceross Seal-In® X Locking
TF & Icelock® 850 Hybrid**



Built for comfort and stability, the Icelock system and Locking TF liner bring the benefits of advanced vacuum suspension to users with lower limb amputations of all activity levels

Prosthetics & Neuro Orthotics sales grew +6% organic in Q2 driven by increased sales and fitting of high-end solutions

% of total sales



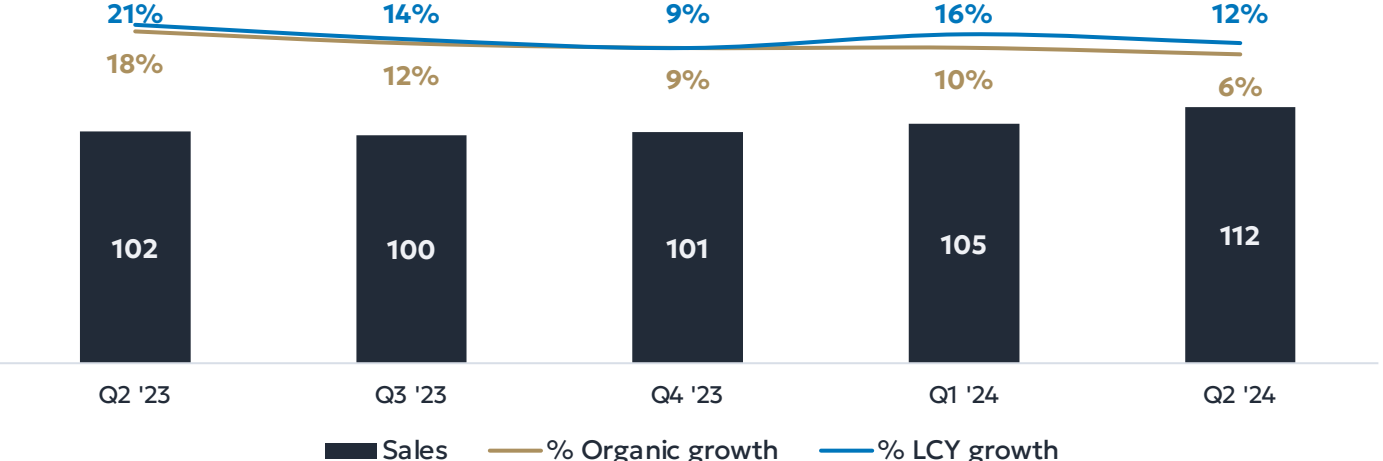
Year-to-date sales

217
USD million

Year-to-date growth

8%
organic growth

Sales
USD million

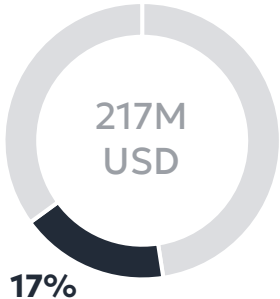


Highlights

- **EMEA:** Continued strong momentum in EMEA driven by volume growth across key European countries, most notably in Bionics
- **Americas:** Modest growth in Americas; Good performance in high-end solutions partly offset by softness in other categories
- **APAC:** Good growth in Australia although sales remain negatively impacted by reimbursement delays while growth in Asia was stable
- **Neuro Orthotics:** Strong performance from FIOR & GENTZ with sales and integration well on track
- **High-end solutions:** Bionics continued to contribute strongly for the quarter
- Strong comparable quarter in Q2 2023

Bracing & Supports grew moderately at +2% organic in Q2; Strong performance in APAC was offset by softer sales in major markets

% of total sales



Year-to-date sales

74
USD million

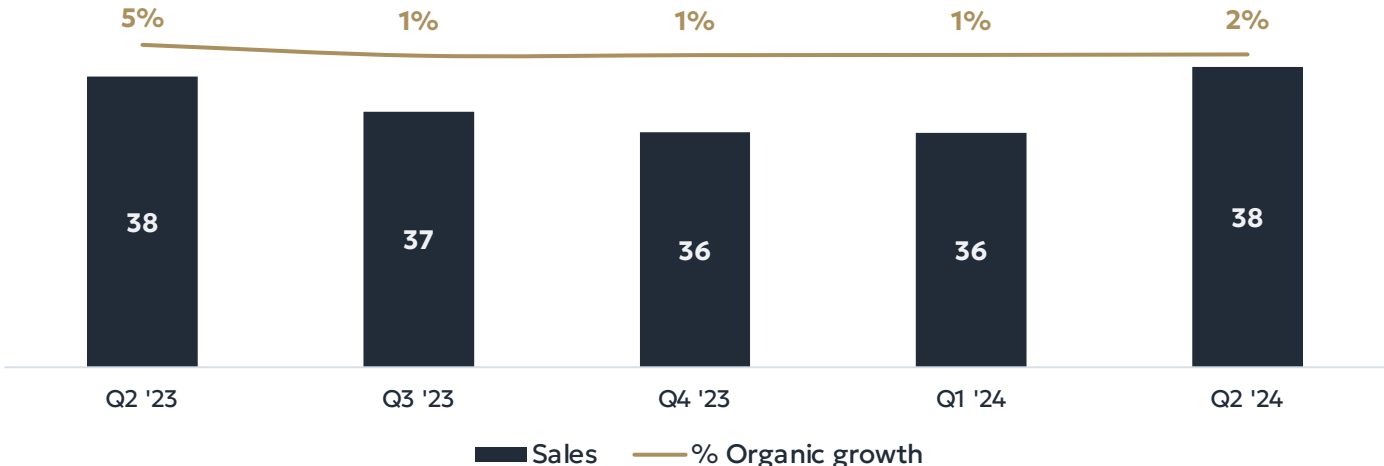
Year-to-date growth

2%
organic growth

Highlights

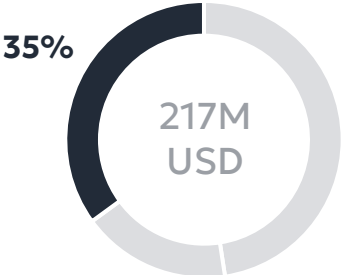
- **EMEA:** Growth in EMEA was modest driven by good performance in high-end solutions such as Unloader
- **Americas:** Sales were flat in Americas driven by growth in Canada but offset by soft performance in US, partly due to continued impact related to the Change Healthcare cyberattack
- **APAC:** Strong performance in APAC across markets and product categories

Sales
USD million



Patient Care business delivered +9% organic in Q2 driven by strong contribution from EMEA and good performance in APAC

% of total sales



Year-to-date sales

143
USD million

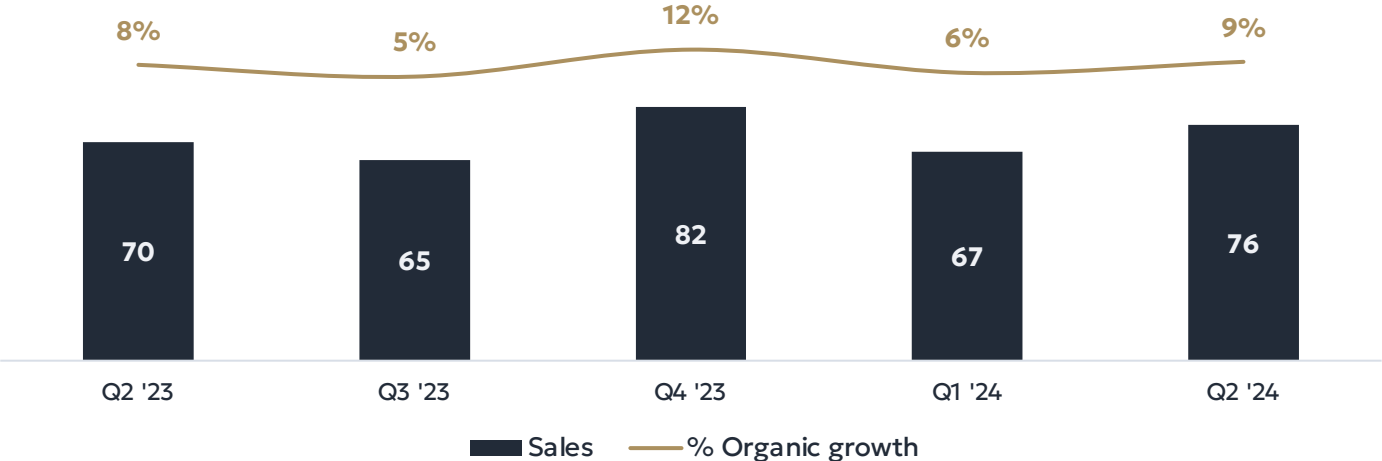
Year-to-date growth

7%
organic growth

Highlights

- **EMEA:** Strong performance in EMEA driven by strong contribution across markets
- **Americas:** Modest performance in Americas with strong growth in certain locations but soft sales in other locations
- **APAC:** Sales in Australia were good although still impacted by delays in reimbursement approvals impacting the Australian market

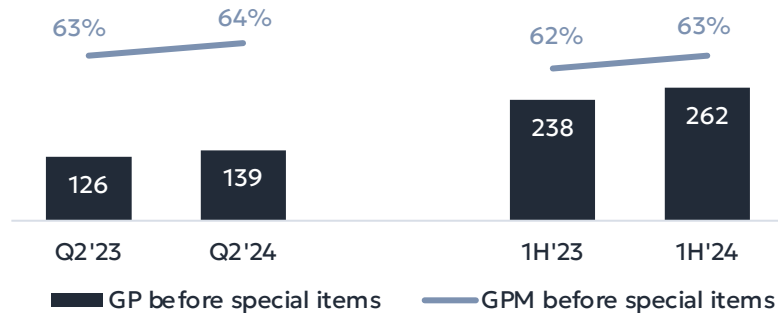
Sales
USD million



EBITDA margin expanding by 3%-points to 22% for the quarter vs. Q2'23; Expansion driven by increasing Gross Profit and modest OPEX growth

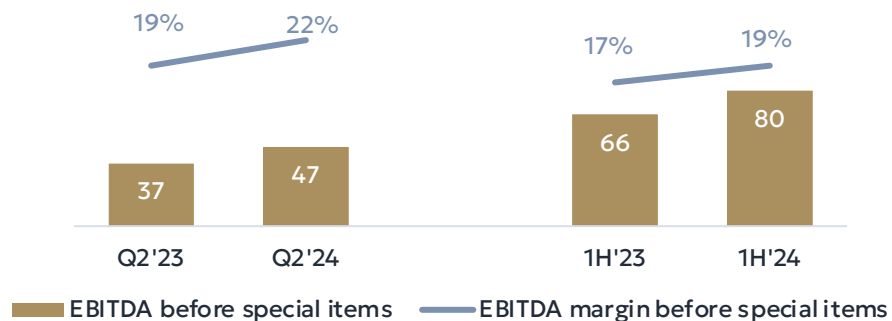
Gross Profit and Gross Profit Margin

USD million



EBITDA and EBITDA margin

USD million



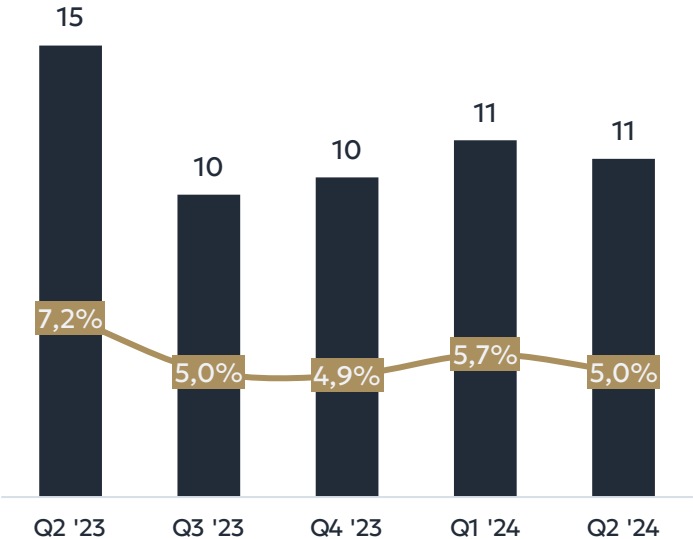
Highlights

- Gross Profit:** Gross profit margin was 64% in the quarter compared to 63% in Q2 2023, partly resulting from cost reduction initiatives executed during Q1 2024 as well as positive product mix and scalability had a positive impact
 - OPEX:** Growing +3% (organic) vs organic sales growth of +6%. The lower OPEX growth is attributed to cost control and less variable compensation in Americas
 - EBITDA:** EBITDA margin before special items expanded to 22% compared to 19% in Q2 2023 with small FX headwinds of 10bps
- Net Profit:** Net profit ended at USD 20m for the quarter or 9% of sales vs. 8% of sales in Q2'23
- Effective Tax:** Remains at ~24%

Cash flow and leverage

Capital expenditures and % of sales

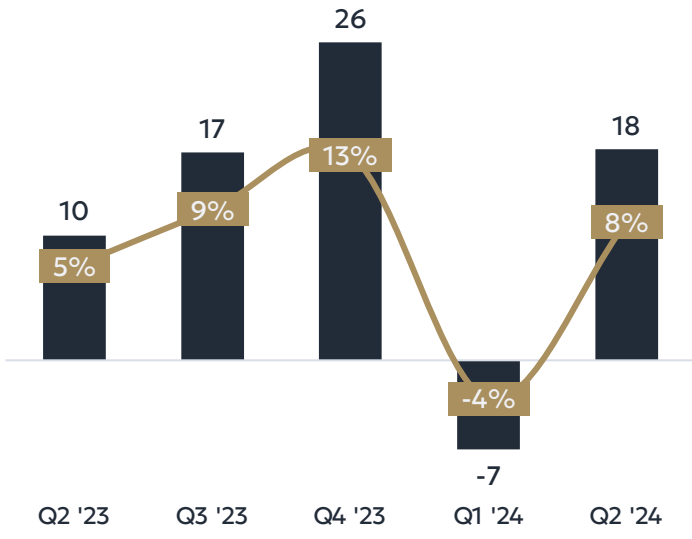
USD million on actual rate



- CAPEX to sales continue to be above our normalized level in Q2 2024 due to facility upgrades in key locations to support Embla Medical’s growth
- It is expected that CAPEX will be lower in the second half of the year

Free cash flow and % of sales

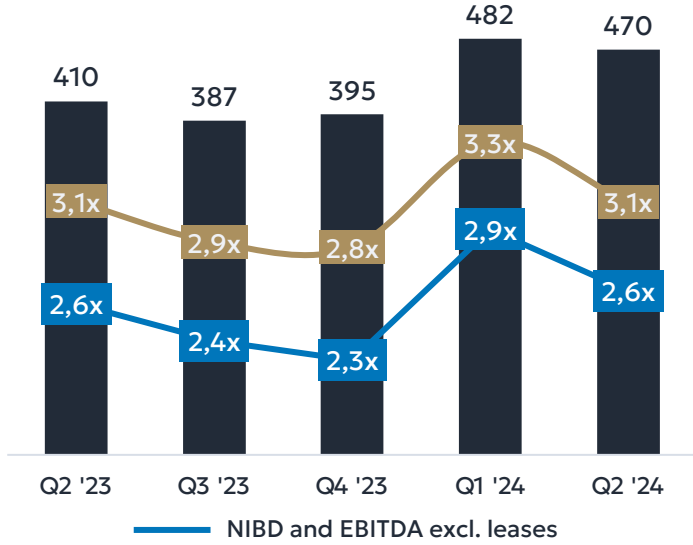
USD million on actual rate



- Free cash flow was strong in the quarter benefitting from increased cash from operations and lower CAPEX compared to Q2 2023
- Inventory remains elevated due to build-up of new Bionics solutions in preparation for launch, while B&S inventory continues to decline in line with expectations
- Cash flow is expected to improve in H2 2024 with increasing operating profit and lower CAPEX

Net Interest-Bearing Debt and Leverage

USD million on actual rate



- Leverage was 3.1x end of Q2 2024 (2.6x excl. leases), as expected due to the acquisition of FIOR & GENTZ in January
- As expected, the leverage has begun to decrease in line with lower debt and stronger operating profit
- Share buybacks continue to be paused

Outlook for 2024

	Guidance as of July 2024	1H 2024	Guidance as of April 2024
Sales growth Organic	6-8%	+6%	5-8%
EBITDA margin Before special items	~20%	19%	19-20%
For modeling purposes:			
Special items In USD million	4	4	4
CAPEX % of sales	~4%	5%	3-4%
Tax Effective tax rate	~24%	24%	23-24%



A woman with a prosthetic left leg is walking a dog in a field at sunset. Another person is kneeling in the field, interacting with the dog. The scene is bathed in the warm, golden light of the setting sun, with mountains in the background.

About Embla Medical

A leading global provider of innovative mobility solutions



Embla Medical at a glance

Global medical device company



- A global leader in innovative mobility solutions
- Operations worldwide in 36 countries
- Over 4,000 employees across the globe
- Listed on Nasdaq Copenhagen (Ticker: EMBLA)

Innovation driven



- ~5% of sales invested in R&D
- Over 2,100 patents
- New product launches every year
- World-renowned brands

Profitable growth



- Organic and acquisitive sales growth
- 17% sales growth CAGR since listing in 1999
- 18% EBITDA margin in 2023
- ~85% of EBIT converted into free cash flow past decade

Sustainability

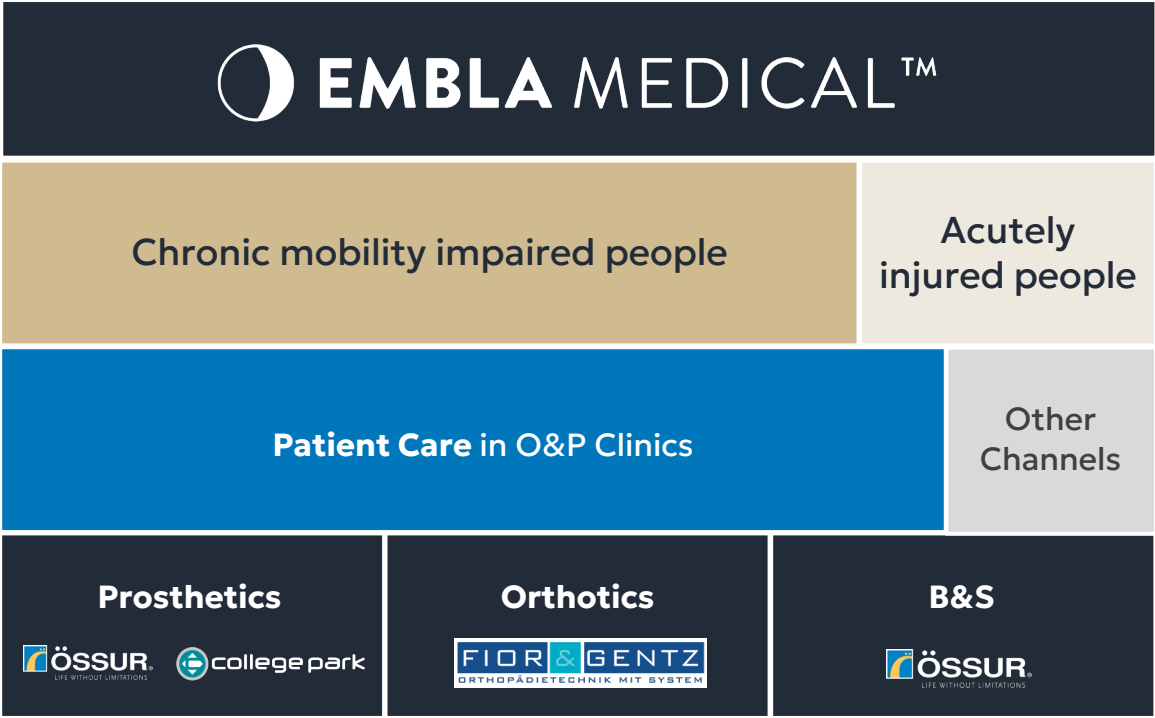


- Sustainability commitment Responsible For Tomorrow
- Contribute to six UN Sustainable Development Goals
- ≥95% electricity purchased from renewable energy sources
- 50% male vs. 50% female gender ratio in 2023

Unlocking a larger playing field as an increasingly patient driven organization

Increasingly Patient Focused

Product Company



OUR VISION

**To enable Life
Without Limitations**

OUR MISSION

We Improve People's Mobility

Our business segments are highly synergistic

Prosthetics & Neuro Orthotics



Full portfolio of Prosthetic product solutions

46%
of total sales
in 2023



Lower limb product offering in Neuro Orthotics

FIOR & GENTZ
acquired in 2024

Bracing & Supports



Broad product offering in Bracing & Supports

18%
of total sales
in 2023

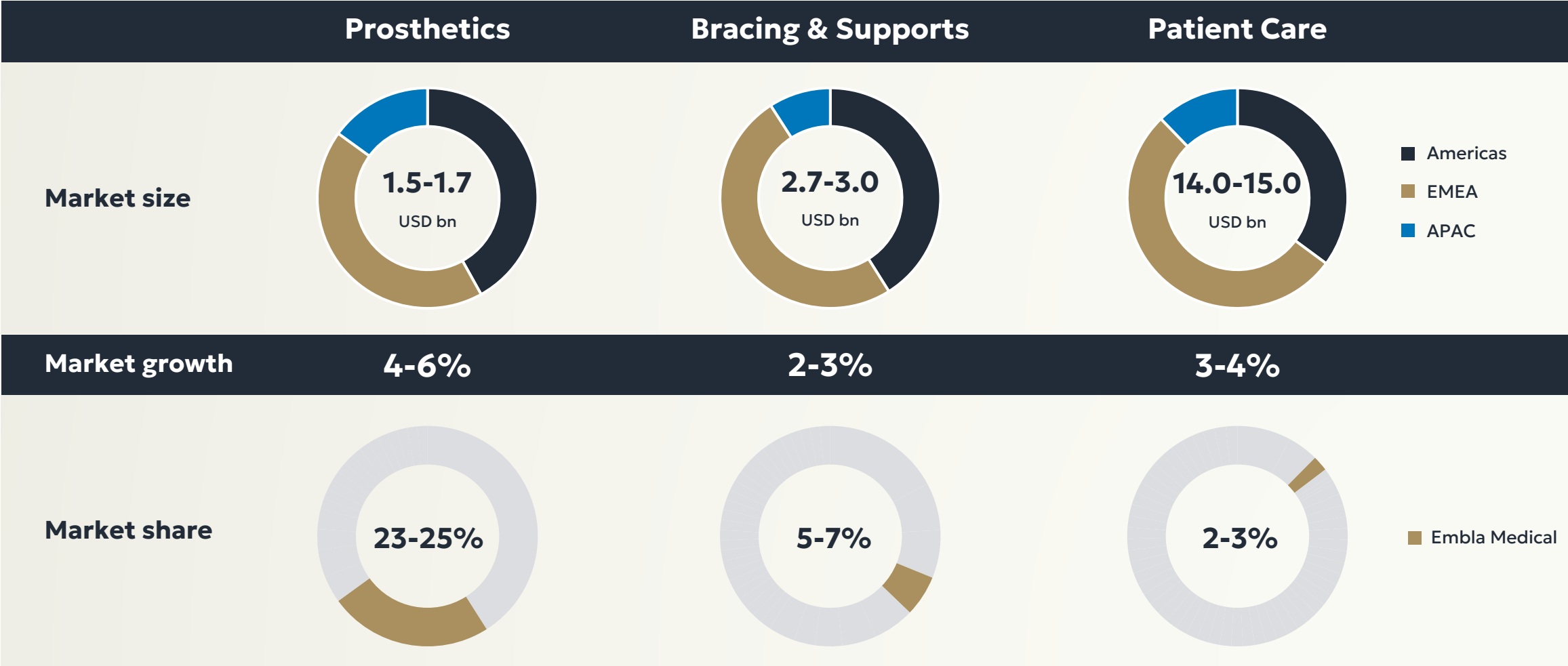
Patient Care



Orthotic & Prosthetic services

36%
of total sales
in 2023

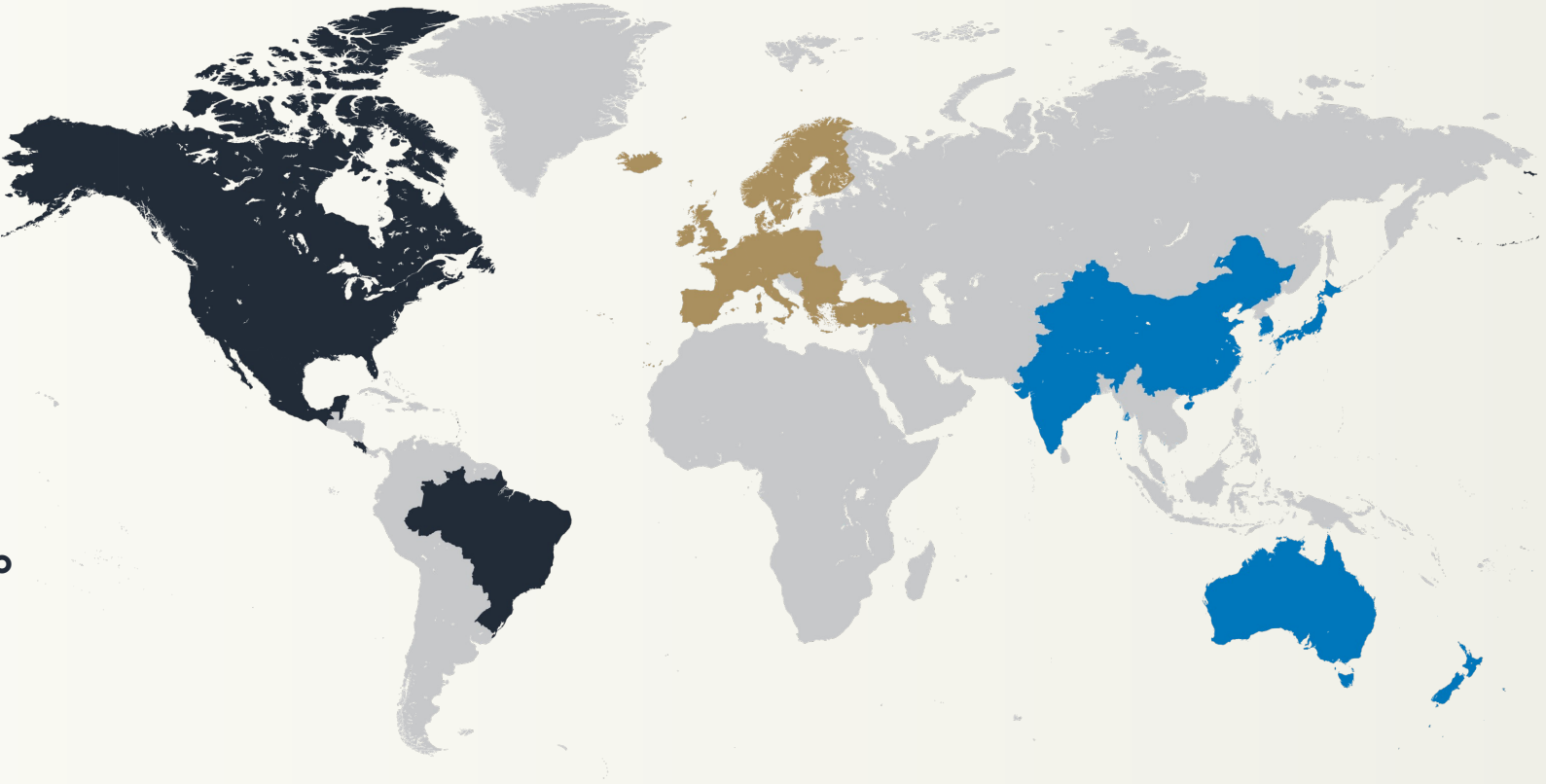
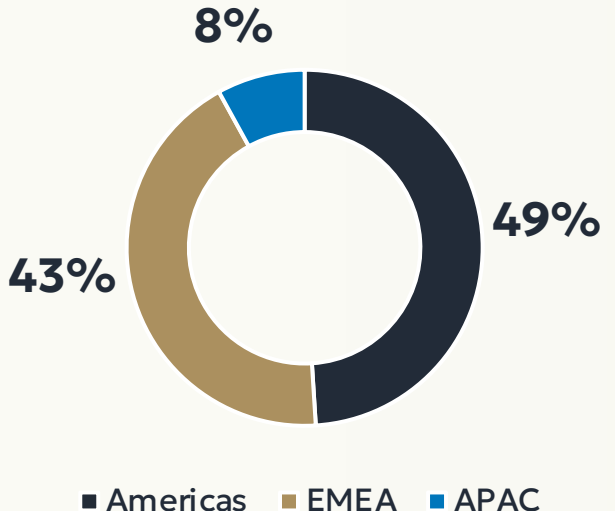
Embla Medical has opportunities for further growth in key markets



Embla Medical regional sales split 2023

Operations in 36 countries

Sales 2023
USD 786
million



Embla Medical manufacturing locations

- Manufacturing of advanced prosthetic solutions, including Bionics, takes place in **Iceland** and **Scotland**
- Manufacturing of most other prosthetics solutions, components and premium bracing solutions takes place in the U.S. and **Mexico**
- Manufacturing of soft goods is outsourced to **China**
- In addition, we have a few smaller specialized manufacturing facilities in selected countries

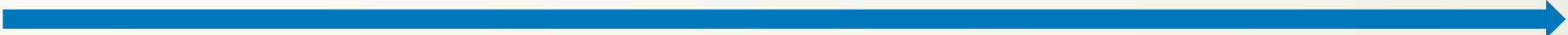


Since 2009, the global manufacturing platform has consolidated its operations, presently functioning in 13 fewer locations compared to in 2009

We will continue to build on a solid foundation



2013+ Vertically integrated provider of mobility solutions


1995+ Building market access and a broad portfolio


1971-1995 Developing a product


Our leading prosthetic brands serve an amputee population that needs maintenance, renewals, and upgrades of their prosthesis



Above 70-80% of prosthetic component sales are recurring sales to existing patients

Only 30-40% of all new leg amputees are fitted with prosthetic solutions

>850,000
New major lower limb amputees per year

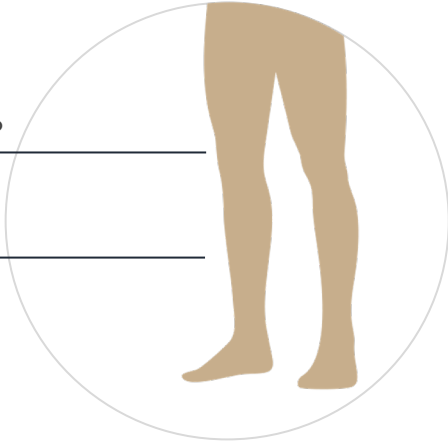
Western World	~200,000
Emerging Markets	~650,000

30-40%
of new leg amputees are fitted with prosthetic solutions

Western World	40-60%
Emerging Markets	10-30%

Level of amputation

Above knee ~50%
Below knee ~50%



65-70
is the average age of the amputee population

Western World	Above 70
Emerging Markets	Below 70

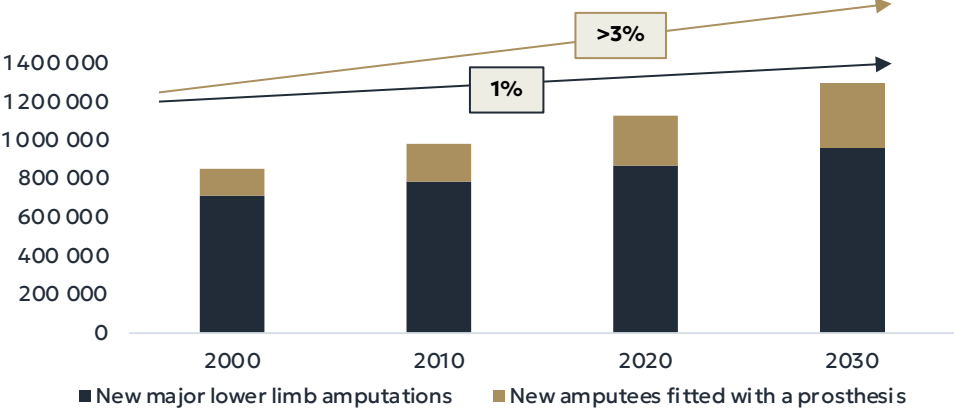
New lower limb amputations*



■ Vascular related diseases ■ Trauma ■ Other

Western World	Vascular 70-90%
Emerging Markets	Trauma up to 40%

Growing number of amputees receiving prosthetics



Source: Embla Medical management estimates
* The average life expectancy of people with lower limb loss due to trauma and other causes is generally higher than of those with limb absence due to vascular related diseases, and therefore the population of amputees is likely more tilted towards trauma patients.

Example of megatrends that provide opportunity for positive development in volume, pricing and product mix for Embla Medical

An aging and more active population



- The global population of 65 and older is increasing and so is the amputee population
- A growing number of people afflicted by vascular diseases, the leading cause of amputation
- An increased number of fractures, joint instability and joint afflictions

Access to healthcare improving in emerging markets



- Global economic growth will be powered by emerging markets
- Disposable income increasing in emerging markets and willingness to pay out-of-pocket
- Increasing healthcare coverage in emerging markets

Healthcare consolidation and budget management



- Healthcare systems efforts to manage cost, increasing need for innovation and health economic benefits
- Consolidation in the Patient Care service market
- Demand for cost effective solutions without compromising quality

Improved treatment options and penetration of high-end solutions



- New innovative technologies being accepted for reimbursement
- Increasing healthcare coverage and better access to patients with increasing fitting rates
- Increased acknowledgment of total health economic benefits of high-end solutions

Healthcare consumerism empowering patients



- Individuals are taking greater control of their healthcare decisions, pushing for solutions that fit their needs
- Patients leave their healthcare provider if not satisfied and search for a new one online
- Increased push for transparency that helps people make informed decisions about their care

Digitalization increasing ease of doing business




- How people communicate is transformed through digitalization, patients to health care providers and businesses to businesses
- Increased automation through digital processes in order flow and manufacturing
- Data can enable improved and timely service delivery to patients

Strategic priorities



Our Growth'27 strategy

O&P Growth Drivers



1

Patient Reach



2


Innovative Solutions



3

O&P Value Creation

Continuity



4

Bracing Simplified



5

Enabled by People, Sustainability & Scalability

OUR M&A STRATEGY SUPPORTS GROWTH'27



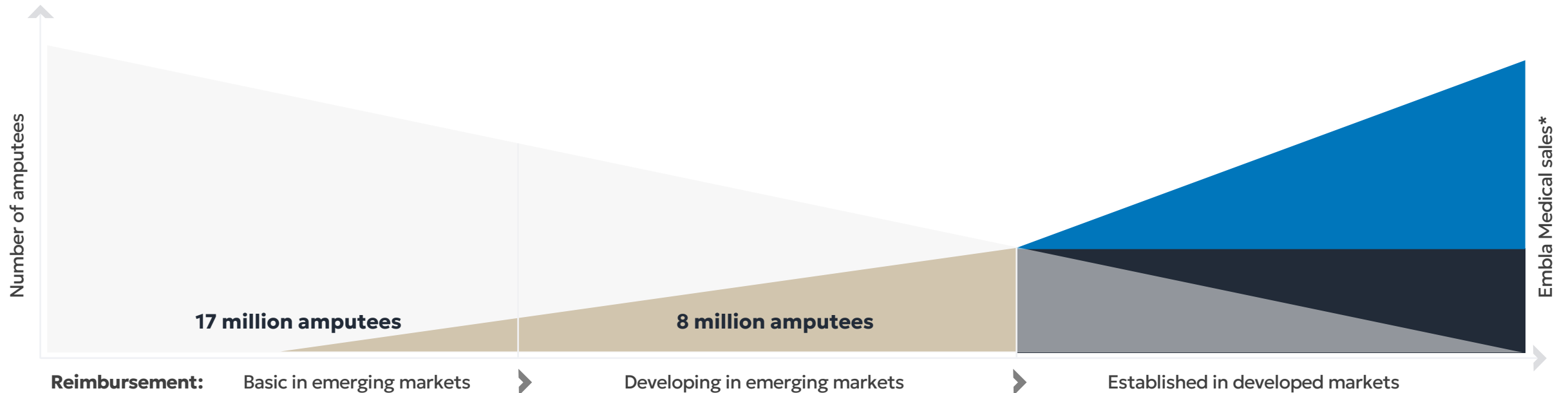
1 | Significant opportunity to grow sales in emerging markets

~10%

of Embla Medical sales generated in emerging markets with basic and developing reimbursement systems

~90%

of Embla Medical sales generated in developed markets with established reimbursement systems



1 | Reaching more patients through better understanding of the patient journey



Referrals*



Payment considerations



Patient care



Patient reach

Developed Markets



Lower limb:
40 - 60%
Upper limb:
10 - 15%



Reimbursement
>90%
Private pay
<10%



Established patient care in O&P clinics



Functional trade-up
(low active solutions)
Access to prescriber & payer
Strengthen O&P presence



Support both markets with maintenance & renewals of mobility solutions (70-80% of O&P is recurring sales)



Emerging Markets



Lower limb:
10 - 30%
Upper limb:
5 - 10%



Reimbursement
<30%
Private pay
>70%

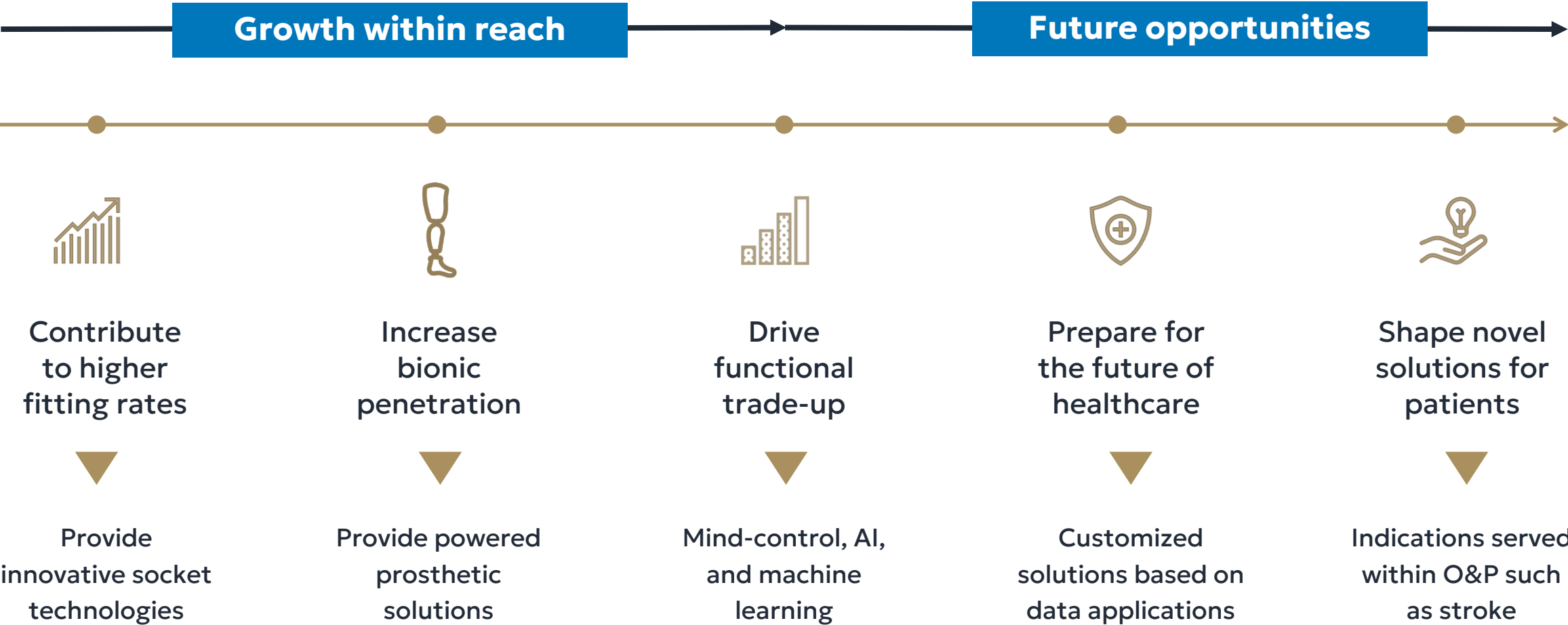


Limited access to established patient care



Functional trade-up
(affordable solutions)
Access to private pay
New O&P Patient Care

2 | Innovation to drive near-term and future growth

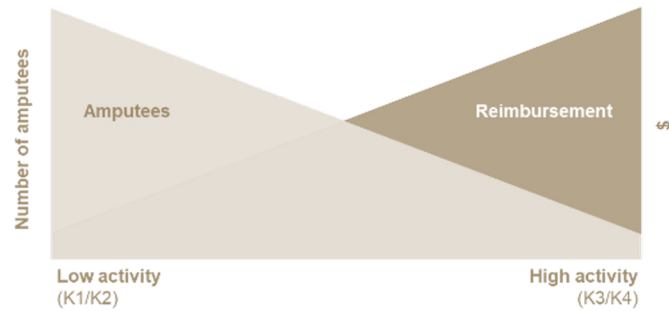


2 | From simple to powered, intelligent and energy efficient Bionic solutions



2 | Solutions that match the needs of low active amputees

Elderly don't get solutions they need



The benefits of high-end solutions

- Reduce risk of falls
- Reduce dependency on others
- Reduce cost in elderly care
- Increase mobility
- Increase daily prosthetic use



From socket molding to **user-friendly technology**



From a mechanical knee to a **powered knee**



From passive feet to **energy efficient feet**



3 | The Patient Care journey



11
Countries

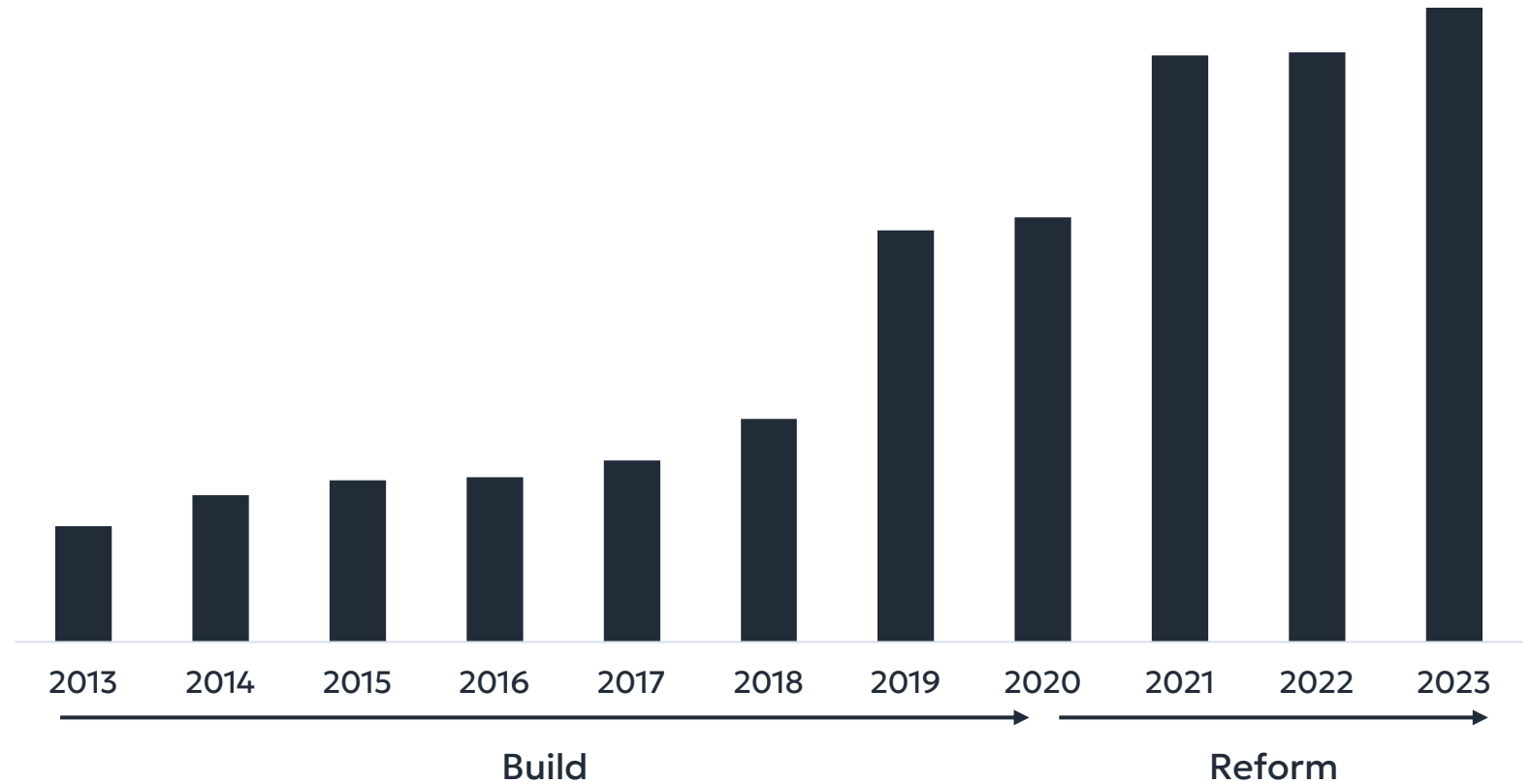


~200
Locations



1,500+
Employees

Patient Care represents a growing part of sales



3 | Creating value for O&P Clinics

Key trends in O&P Clinics calling for new ways of working		O&P Clinic P&L in the US**	Potential impact	Relative time to impact
<p>Key trends in O&P Clinics calling for new ways of working</p> <p>▼</p> <p>CPO shortage*</p>	<p>Increased Sales Reach more patients through clinically proven innovative solutions</p>	<p>100%</p>	<p>■ ■ ■</p>	<p></p>
<p>New generation of CPOs</p>	<p>Lower Cost of Goods and Technical Labor Centralize sourcing, use of own products, complete solutions, and central manufacturing</p>	<p>36%</p>	<p>■ ■</p>	<p></p>
<p>Regulatory burden</p>	<p>Clinical Efficiency and Clinical Labor Standardization and full treatment pathway</p>	<p>15%</p>	<p>■</p>	<p></p>
<p>Reimbursement dynamics</p>	<p>General and Administrative Efficiency Centralize back-office, process and system support, and scalability</p>	<p>41%</p>	<p>■ ■</p>	<p></p>
<p>Digitalization</p>	<p>Operating Profit Opportunities for increased sales and cost efficiencies</p>	<p>8%</p>		

3 | O&P services is an offering that strengthens Embla Medical as a business partner

Service offering

Key benefit



Outsourced fabrication

- Central fabrication
- Össur Leg

Reduced need for manpower and floor space

Service offering

Key benefit



Patient outcomes

- PRO App
- Outcomes mgmt.

Reimbursement justification and optimal product selection



Practice management

- Business IT solution
- Claims mgmt.

Management software to increase efficiency



Business support

- Compliance audit
- Reimbursement
- Regulatory
- Partner network

Support to accelerate sales growth

4 | Bracing Simplified strategy



Identity

Be the trusted partner for our customers

-
- Sales enablement training
 - Marketing campaign



Customer Convenience

Reduce complexity for our partners

-
- Curated digital education
 - Digital inventory management solution



Product Confidence

Provide our partners with a simplified and strong portfolio

-
- Value engineering
 - Portfolio streamlining



Responsibility

Reduce our footprint and that of our partners

-
- Responsible packaging

5 | Our M&A strategy supports Growth'27

Tactical and strategic opportunities to accelerate long-term growth



Market Access



Reaching more patients



Portfolio Expansion



Serving more chronic patients



Technology



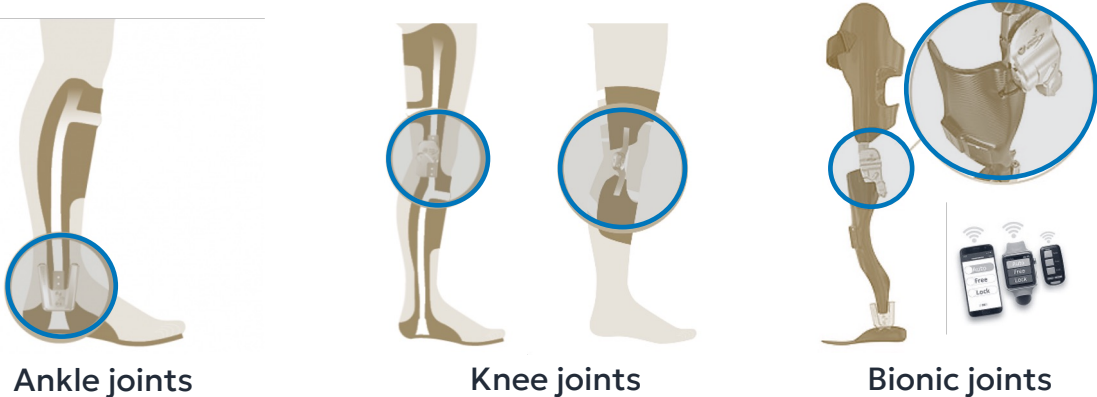
Innovative O&P solutions

5 | Introduction to Neuro Orthotics; Fior & Gentz acquisition in Jan 2024 provides a strong fit to address chronic mobility challenges more broadly

Addressing patients with chronic neurological conditions

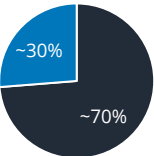
The F&G portfolio of innovative and customized orthotic joints for knees (KAFOs) and ankles (AFOs) offer a unique opportunity to address a significant number of patients suffering from chronic neurological conditions such as MS, CP, CMT, stroke and partial foot amputation

Broad and innovative portfolio of joints for knee and ankle



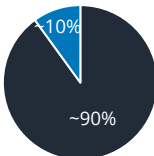
Untapped market offering repeated business

Regional split



Germany
International

Customer split¹



Repeat customer
New customer

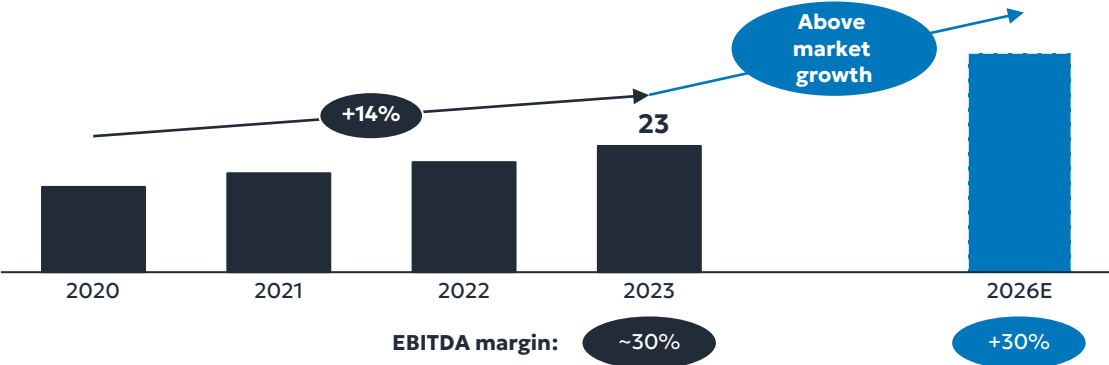
Customer split



O&P clinics²
Other

Attractive profitable growth

In EUR million, for illustrative purposes



Embla Medical and Sustainability



Our Sustainability Commitment

- We provide products and services that contribute to good health, using responsible production methods and supporting climate action, while being a sponsor for inclusivity and transparency.
- We believe that sustainable growth is the only way to build a successful and responsible business for the benefit of future generations.

RESPONSIBLE FOR TOMORROW®



Our Environment

Responsible for our environmental impact

Our Operations

Our Products

Our Supply Chain

We have set science-based targets and are actively working towards net-zero operations by 2050.

We are reducing the environmental impact of our products and services.

We are reducing the environmental impact in our supply chain.



scope 1 and 2, and selected scope 3 emissions

>95%

electricity purchased from renewable energy sources

60%

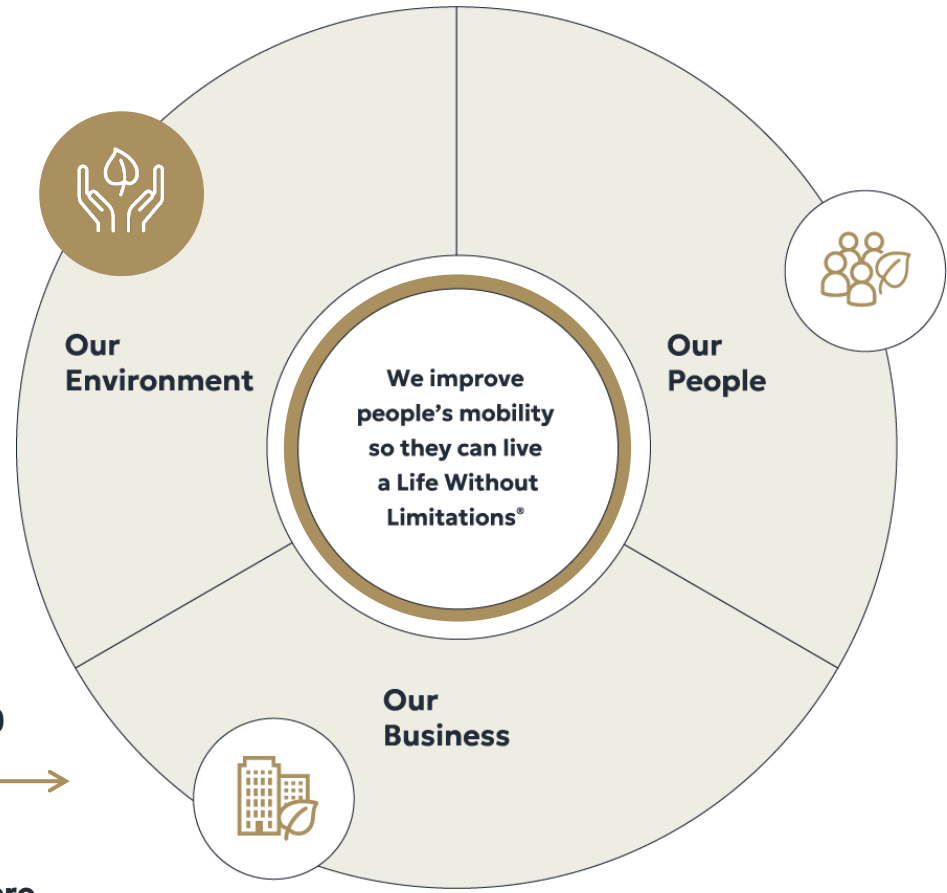
average reduction in cardboard weight for OA and ligament knee braces

Science Based Targets (SBT)

Committed in 2022, submitted in 2023, validated in 2024

Near-term SBT's reached

Net-Zero operations



Our People

Responsible for enhancing the social well-being of our people & communities

Our Customers

We develop quality products and services that improve people’s mobility.

Our Suppliers

We partner with suppliers that are committed to quality, and ethical and sustainable practices.

Our Employees

We nurture the well-being and development of our employees within an inclusive and safe work environment.

Our Communities

We create a lasting positive impact on our communities, helping more people to live a Life Without Limitations.



design and market functional products for the elderly, **3 out of 4** already launched of target set for 2024



Gender Ratio
50 / 50 %

40% female in management positions



4 of 5

global employee satisfaction as measured by Gallup



606

implemented employee suggestions on improved workplace safety in 2023



Our Business

Responsible business leading with integrity and transparency

Our Governance Practices

We practice sound governance in all our activities.

Our Business Integrity

We set high ethical standards and act with honesty and integrity.

Our Reporting Transparency

We ensure transparent reporting of our business practices.



74%
of employees trained
in our Code of
Conduct





 **EMBLA MEDICAL™**

CLIMATE TARGETS VALIDATED

by the Science Based
Targets initiative

BUSINESS
AMBITION FOR **1.5°C**  



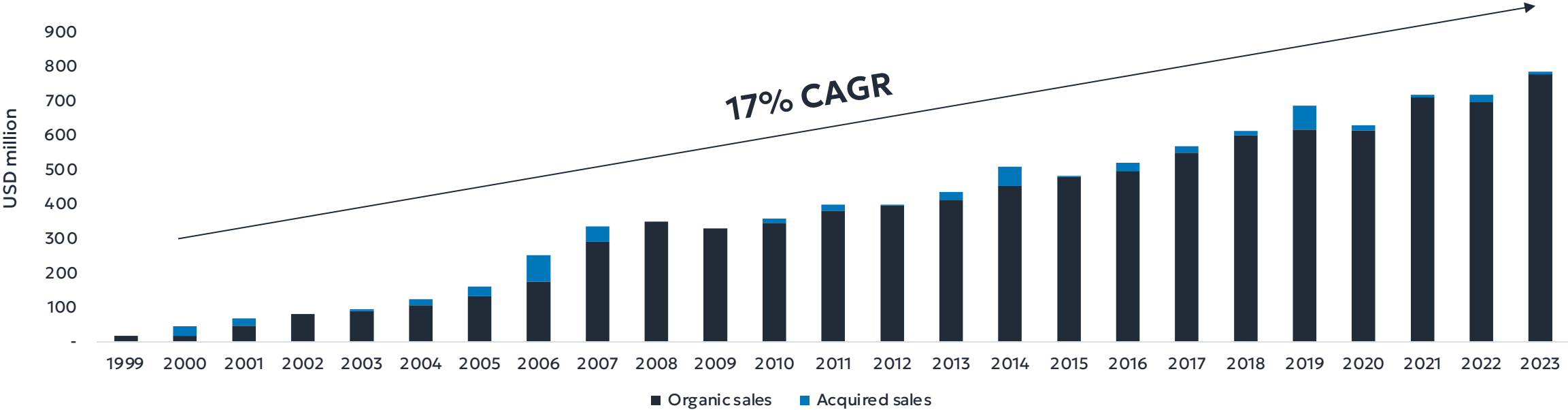
SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Financials



Embla Medical has grown through a healthy combination of organic growth and acquisitions

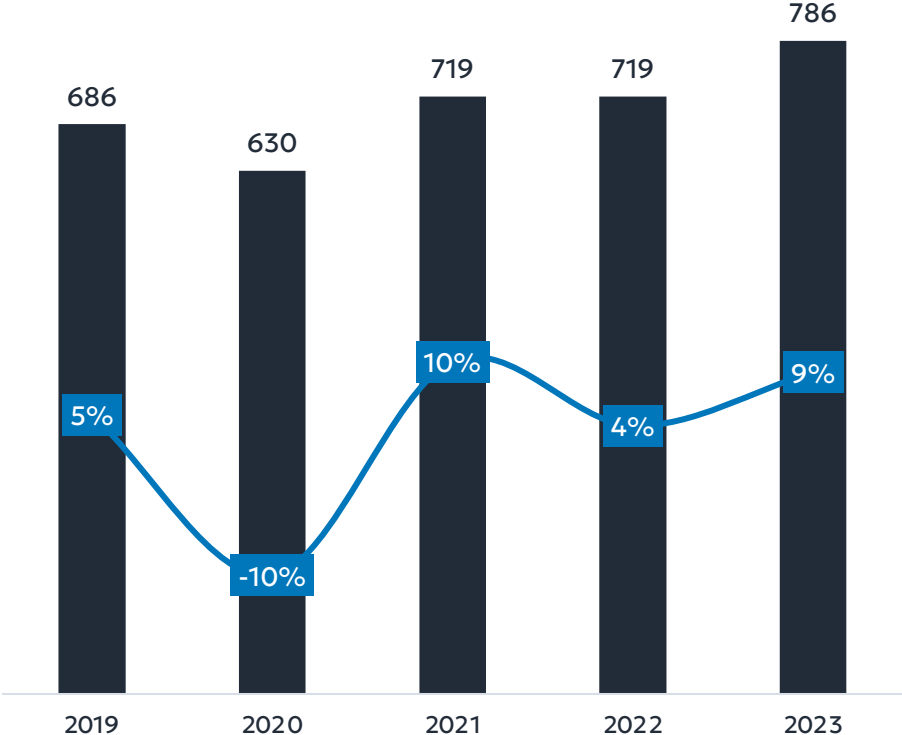


- 1999** Listed on the stock exchange
- 2000** Acquisition of Flex-Foot (Pros)
- 2004** 1st gen of RHEO KNEE, is launched
- 2005** Acquisition of Royce Medical (B&S)
- 2006** Acquisition of Gibaud (B&S)
- 2013** Acquisition of TeamOlmed and OCH, its first O&P clinics (Clinics)
- 2016** Acquisition of Touch Bionics and Medi Prosthetics (Pros)
- 2019** Acquisition of College Park (Pros) and Orthoway (Clinics) and divests Gibaud (B&S)
- 2021** 3rd gen of bionic POWER KNEE is launched
- 2022** Acquisition of Naked Prosthetics (Pros)
- 2024** Acquisition of FIOR & GENTZ
- 2024** Embla Medical parent organization established

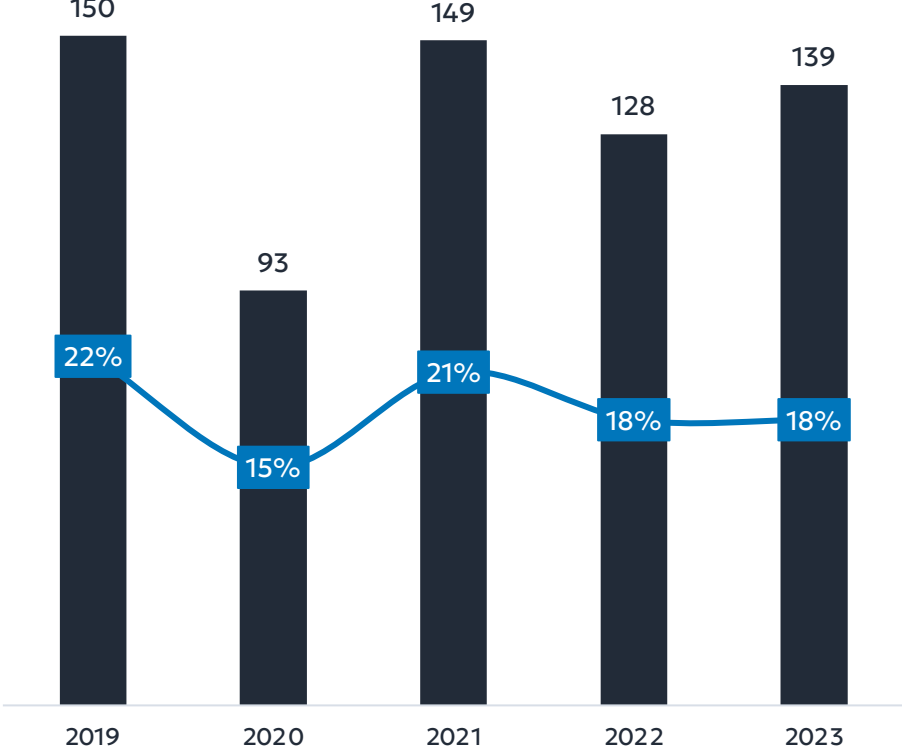
Note: The chart is an approximation for split between organic and acquired growth

Embla Medical has a solid and focused business

Sales and organic growth
USD million



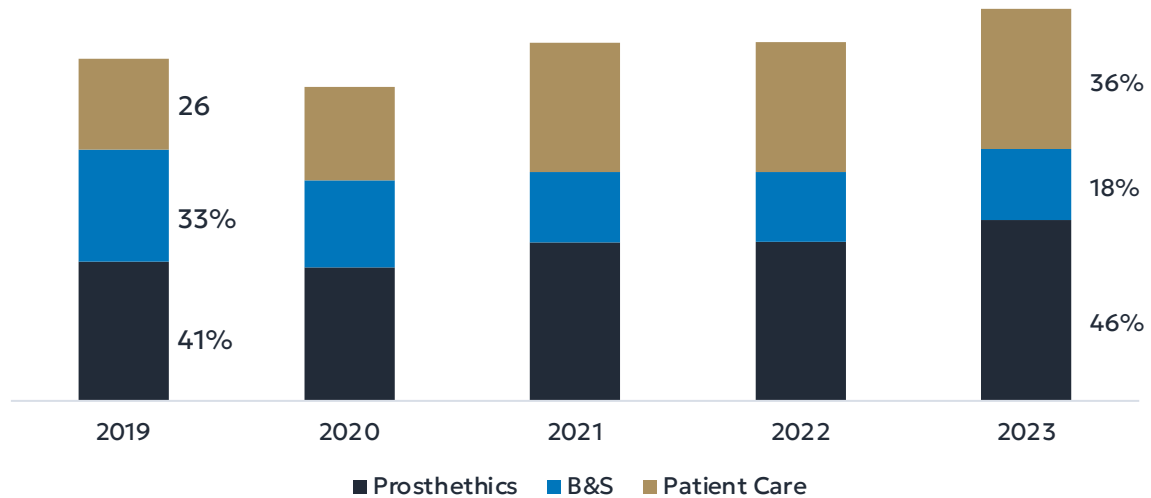
EBITDA and EBITDA margin before special items
USD million



Our business mix has changed significantly

Increased focus on chronic mobility challenges

- Strong organic growth and acquisitions in both Prosthetics and Patient Care
- Divestments of Gibaud and B&S sales entities



We have an increasingly scalable infrastructure

Category	Scalability	Key drivers impacting profitability
COGS	High	<ul style="list-style-type: none">▪ Scalable manufacturing platform▪ Centralized procurement (strategic sourcing)▪ 13 fewer locations since 2009
S&M	Medium	<ul style="list-style-type: none">▪ Implementation of a new CRM platform▪ Growing high-end solutions sales (e.g. Bionics)▪ Investments in market access in emerging markets
G&A	High	<ul style="list-style-type: none">▪ Shared service center in Poland▪ Global IT supporting majority of Embla Medical entities▪ Centralized back-offices in Patient Care
R&D	Low	<ul style="list-style-type: none">▪ Investments in high-end product development▪ New innovation



Financial ambitions for Growth'27

- Sales growth

$$\begin{array}{ccc} \mathbf{7-10\%} & = & \mathbf{5-7\%} & + & \mathbf{2-3\%} \\ \text{LCY* growth} & & \text{organic growth} & & \text{acquisitive growth} \\ \text{p.a. on average} & & \text{p.a. on average} & & \text{p.a. on average} \end{array}$$

- EBITDA margin before special items

- The ambition is to gradually increase the EBITDA margin before special items
- EBITDA margin before special items expansion is subject to acquisitions and currency movements, in addition to changes in the business mix

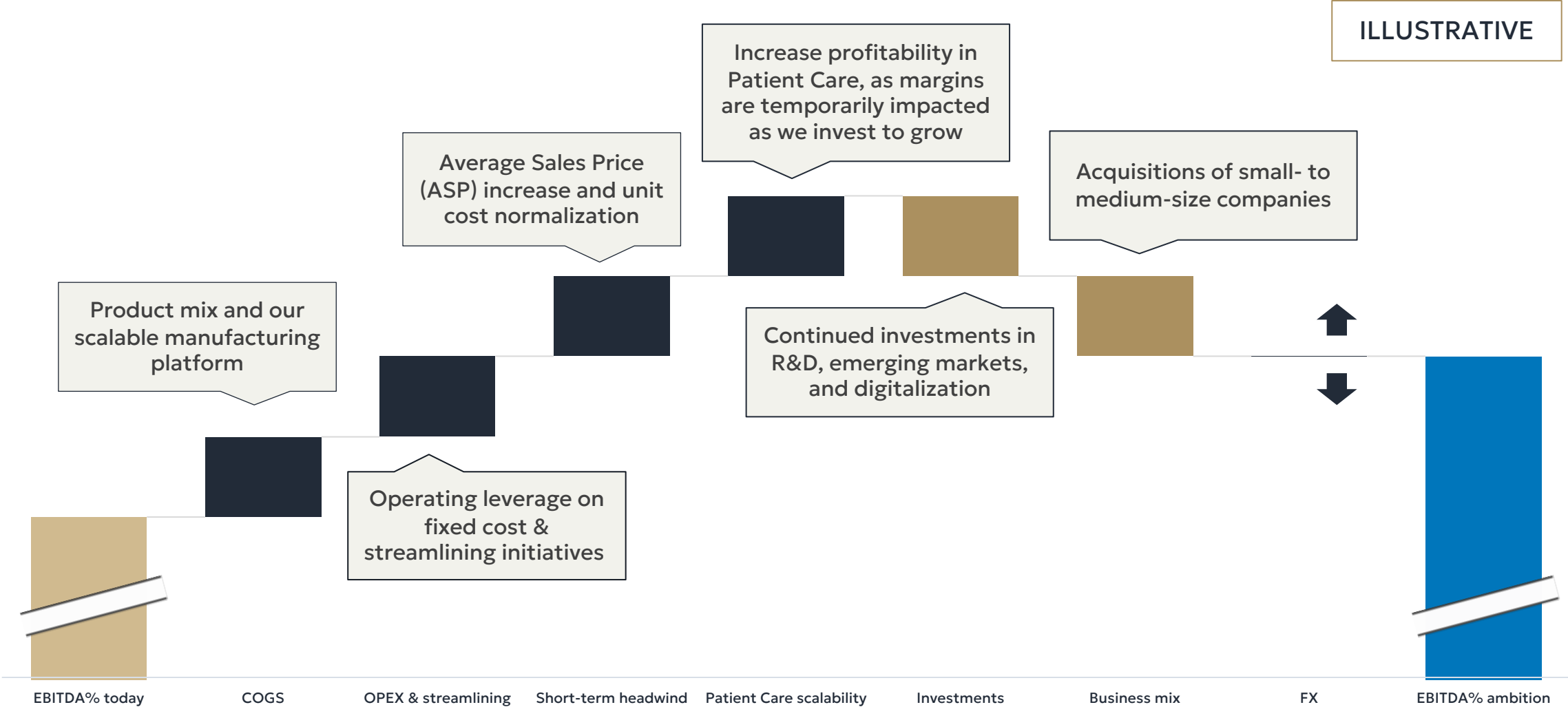
- Capital allocation

- We will prioritize growth opportunities, value-adding investments and acquisitions, while maintaining a healthy balance sheet with a target range of 2.0-3.0x NIBD/EBITDA before special items
- Excess capital will be returned to shareholders via purchase of own shares

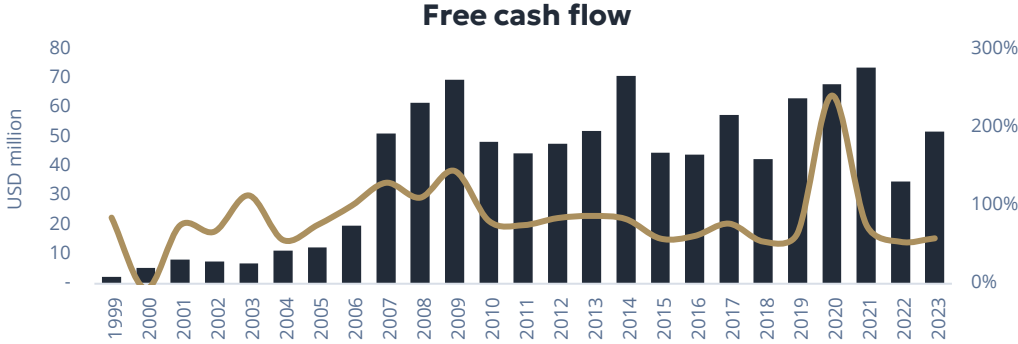


We have numerous opportunities to increase the EBITDA margin

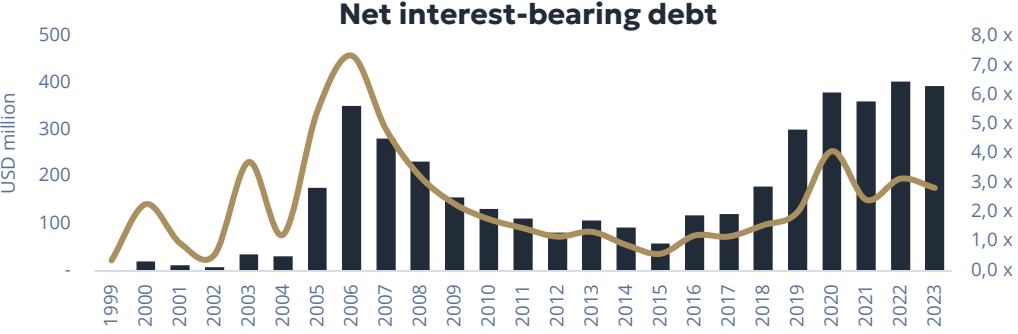
ILLUSTRATIVE



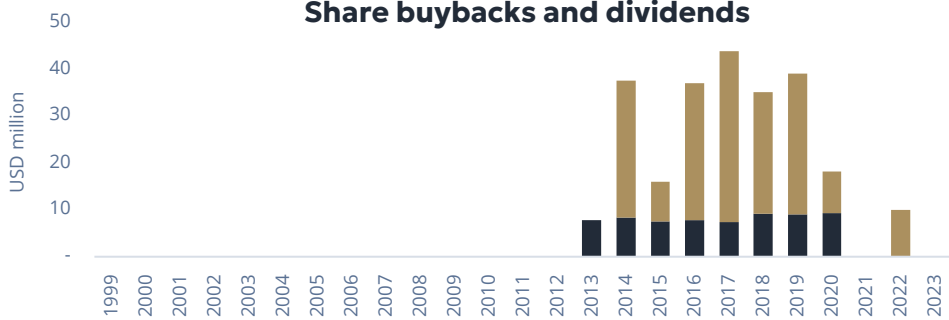
Embla Medical has a history of strong cash flow generation



**FCF
~85% of EBIT
on average**



**Target
2.0-3.0x
NIBD/EBITDA**



**Total of USD
245 million
since 2013**



49 Note: Free cash flow to firm is calculated as cash generated by operations less capital expenditures and taxes and excluding special items
The share buyback program was put on hold on 17 March 2020 due to the impact of the COVID-19 pandemic, as the net interest-bearing debt to EBITDA (NIBD/ EBITDA) ratio was temporarily above the target level. The share buyback program commenced again in 2022 but as the NIBD/EBITDA ratio was at the upper end of the target range at the end of Q3 2022, share buybacks have temporarily been paused.

Contact our Investor Relations



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Embla Medical press releases by e-mail

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Financial calendar and events

23 July 2024	Interim report Q2 2024
	Q2 2024 US virtual road show (Danske Bank)
	Q2 2024 Presentation/Q&A (HC Andersen Capital)
26 August 2024	Økonomisk Ugebrev Life Science Conference, Copenhagen
2 September 2024	Q2 2024 Road Show, Copenhagen (Danske Bank)
5 September 2024	Goldman Sachs Medtech and Healthcare Services Conference, London
17 September 2024	HC Andersen Capital Seminar, Copenhagen
22 October 2024	Interim report Q3 2024
26 November 2024	DNB Nordic Healthcare Conference, Oslo
27 November 2024	Danske Bank Winter Seminar, Copenhagen
4 December 2024	ABG Investor Days, Stockholm
5 February 2025	Interim report Q4 2024 and Annual Report 2024
12 March 2025	Annual General Meeting 2025



Forward-looking statement

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 2024 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 Embla Medical'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 Embla Medical's core areas, exposure to product liability and other lawsuits, changes in reimbursement rules and governmental laws.