



# A leading global provider of innovative mobility solutions

Össur Company Presentation

January 2024

# Össur in brief



## 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: OSSR)



## Innovation Driven

- › ~5% of sales invested in R&D
- › Over 2,100 patents
- › New product launches every year
- › Top tier brand recognition



## 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





# The Big Picture



# Össur is divided into three synergistic business segments

 <h2>Prosthetics</h2>	<p><b>Mechanical solutions</b></p>  <p><b>Bionic solutions</b></p> 	<p><b>46%</b> of total sales in 2023</p>
 <h2>Bracing &amp; Supports</h2>	<p><b>Injury solutions</b></p>  <p><b>OA solutions</b></p> 	<p><b>18%</b> of total sales in 2023</p>
 <h2>Patient Care</h2>	<p><b>Prosthetics</b></p>  <p><b>Orthotics</b></p> 	<p><b>36%</b> of total sales in 2023</p>

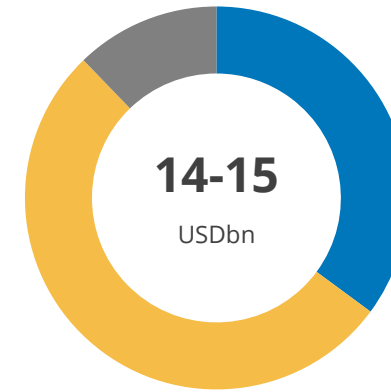
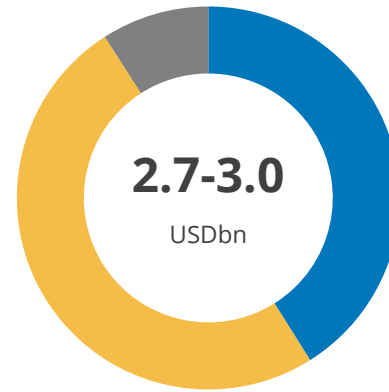
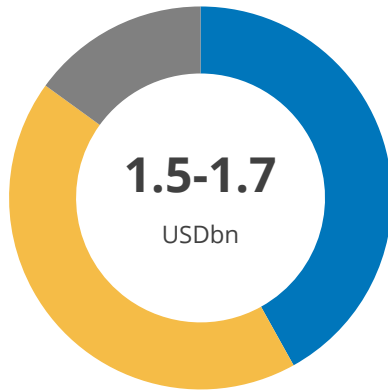
# Össur has opportunities for further growth in key markets

## Prosthetics

## Bracing & Supports

## Patient Care

Market size



- Americas
- EMEA
- APAC

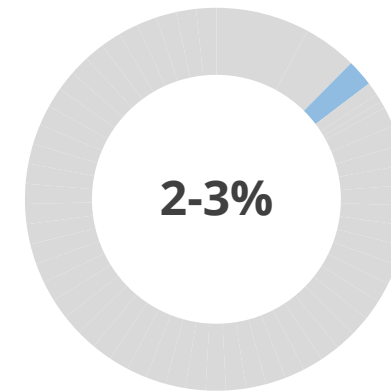
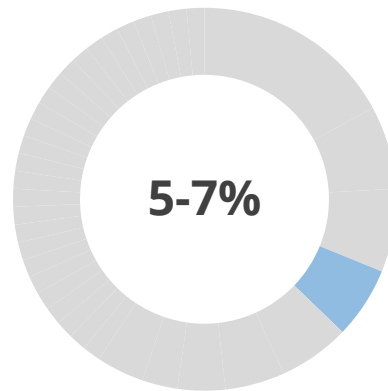
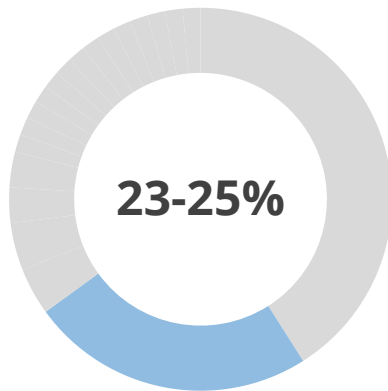
Market growth

4-6%

2-3%

3-4%

Market share



- Össur

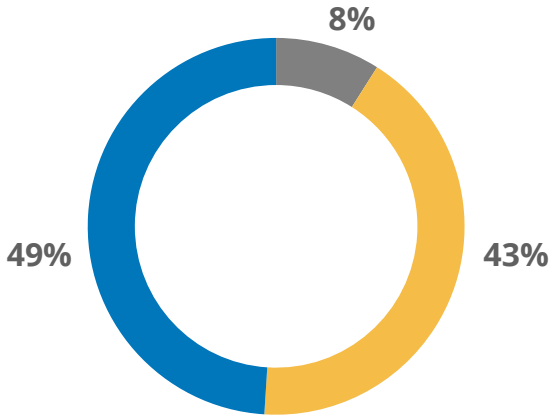
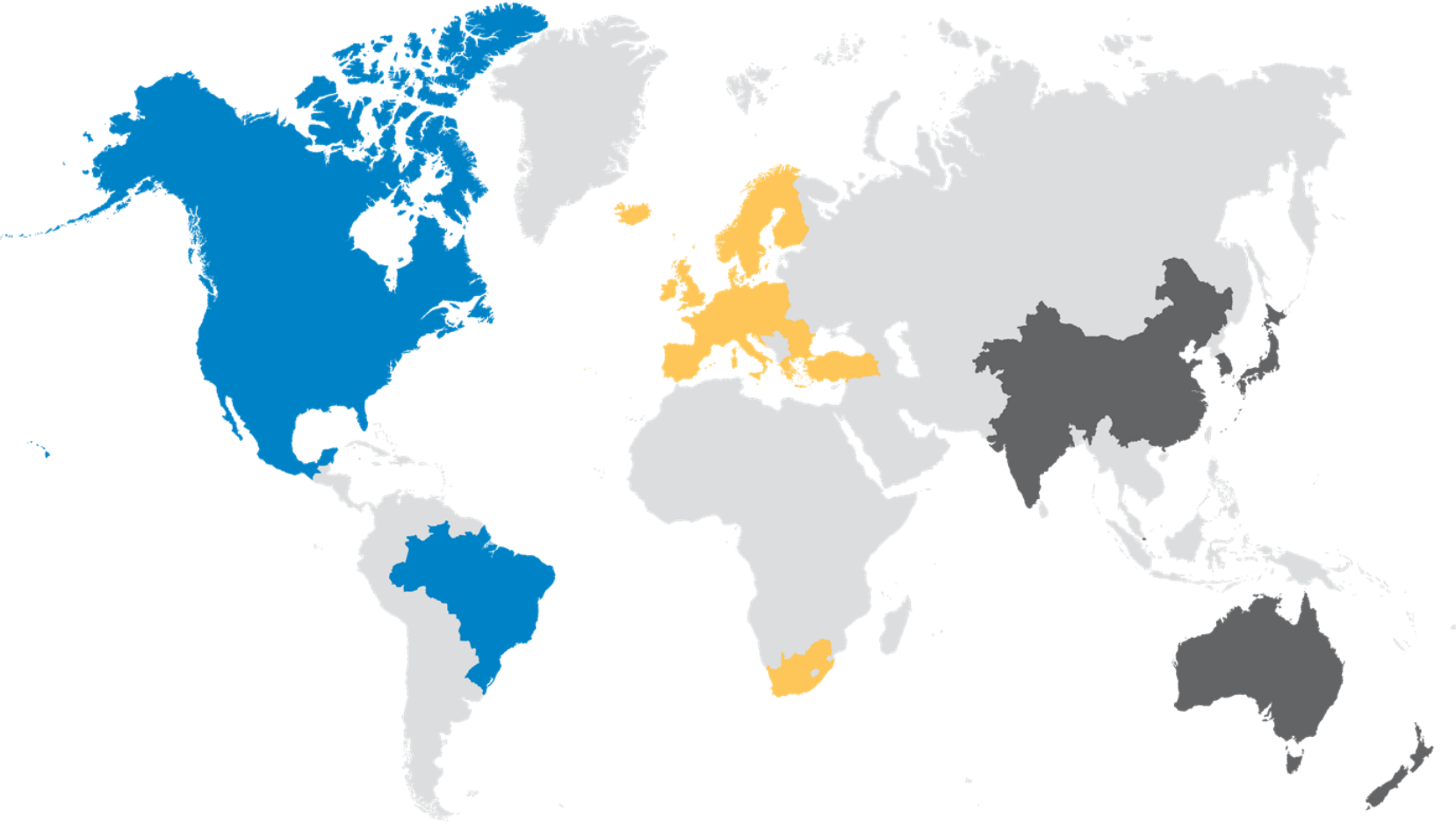
Source: Össur management estimates

# Össur regional sales split 2023

Sales 2023

# USD 786

million



● Americas   ● EMEA   ● APAC

Note: Color's indicate where Össur has direct operations, Össur has sales in further countries

# 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

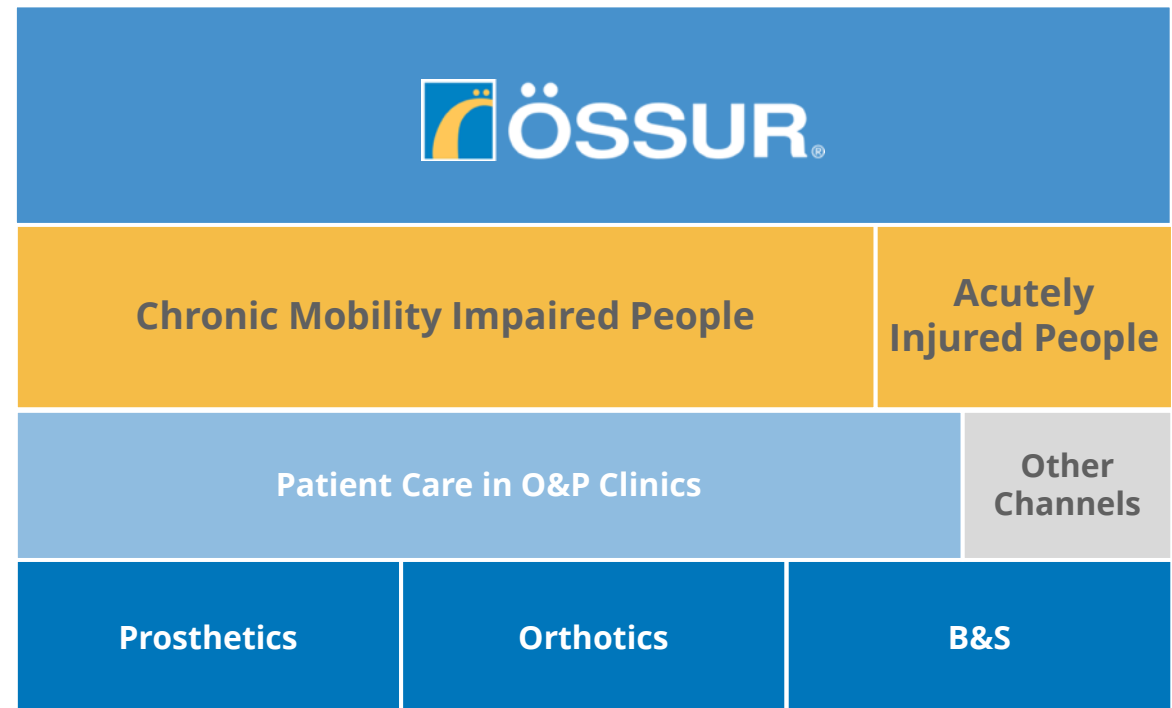


# Unlocking a larger playing field as an increasingly patient driven company

From being a product company..



..to being increasingly Patient Driven





We are servicing an amputee population that needs maintenance, renewals, and upgrades of their prosthesis



Above 70-80% of prosthetic component sales reoccurring 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

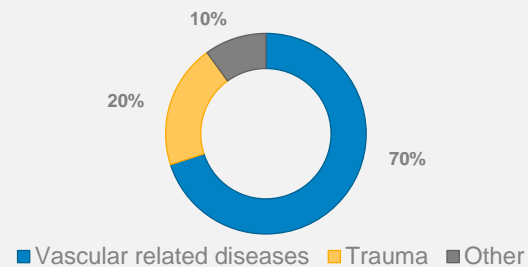
Western World	40-60%
Emerging Markets	10-30%

**65-70**

is the average age of the amputee population

Western World	Above 70
Emerging Markets	Below 70

New lower limb amputations\*

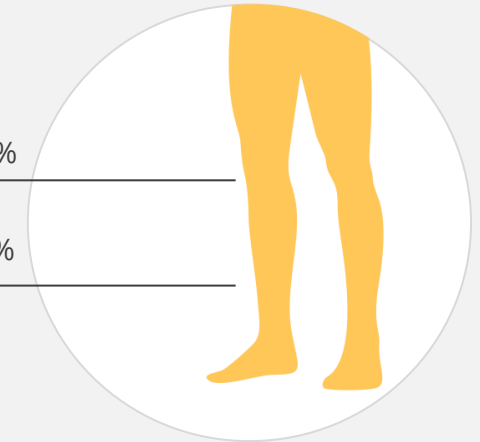


Western World	Vascular 70-90%
Emerging Markets	Trauma up to 40%

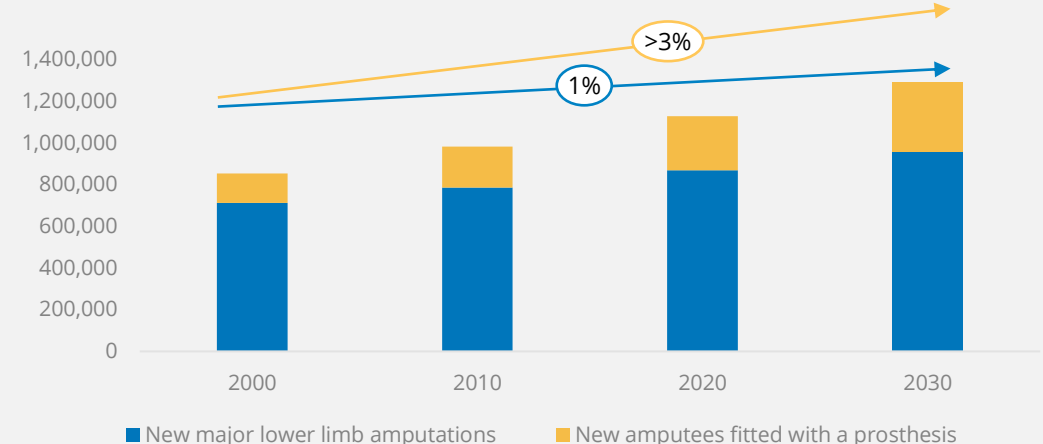
Level of amputation

Above knee ~50%

Below knee ~50%



Growing number of amputees receiving prosthetics



Source: Össur 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 Össur



## 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 acknowledgement of total health economic benefits of high-end solutions



## Healthcare consumerism empowering patients

- › Individuals are taking greater control in 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



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Patient Reach



—


Innovative Solutions



—

O&P Value Creation

## Continuity



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Bracing Simplified

Our M&A strategy supports Growth'27



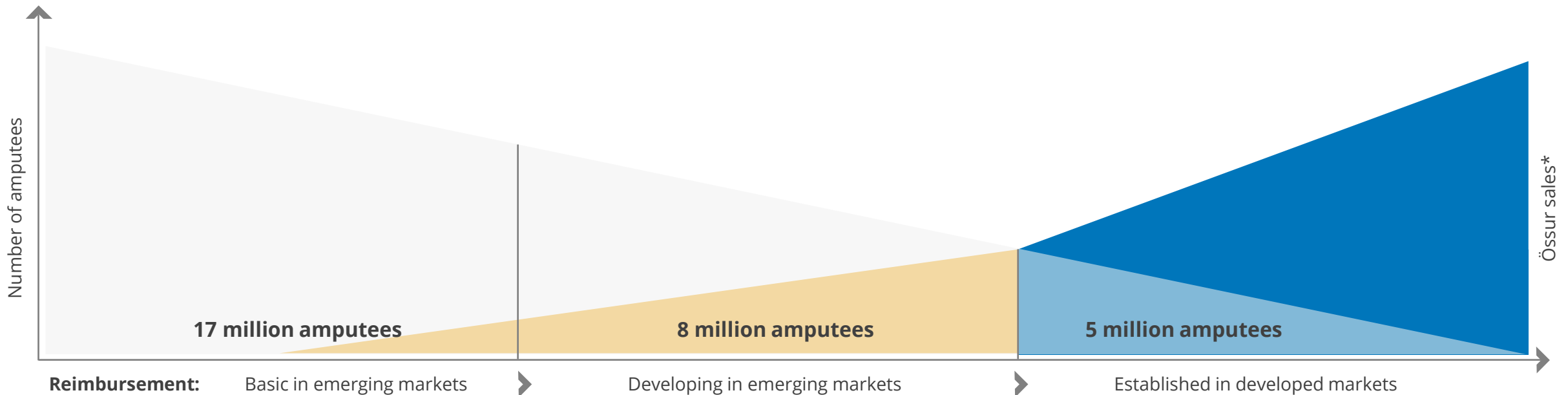
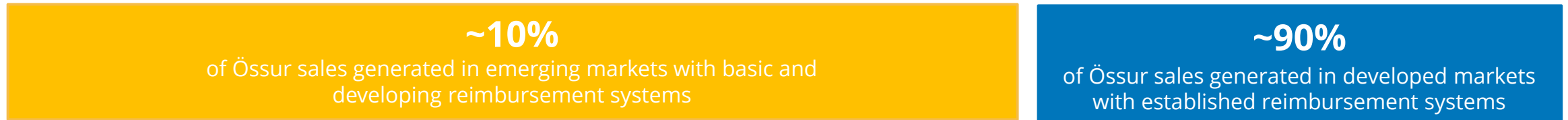
Enabled by People, Sustainability & Scalability



Note: O&P refers to Orthotics & Prosthetics which is the industry Össur operates in



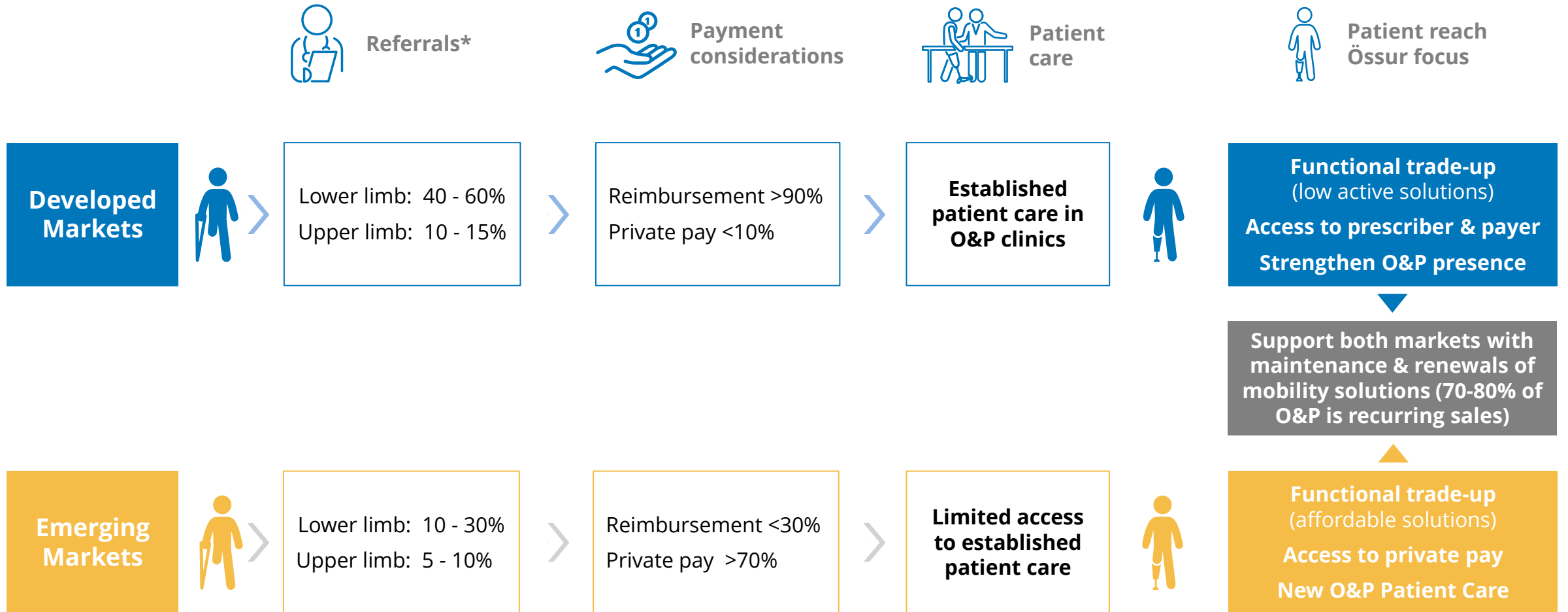
# 1 | Significant opportunity to grow sales in emerging markets



Source: Össur management estimates

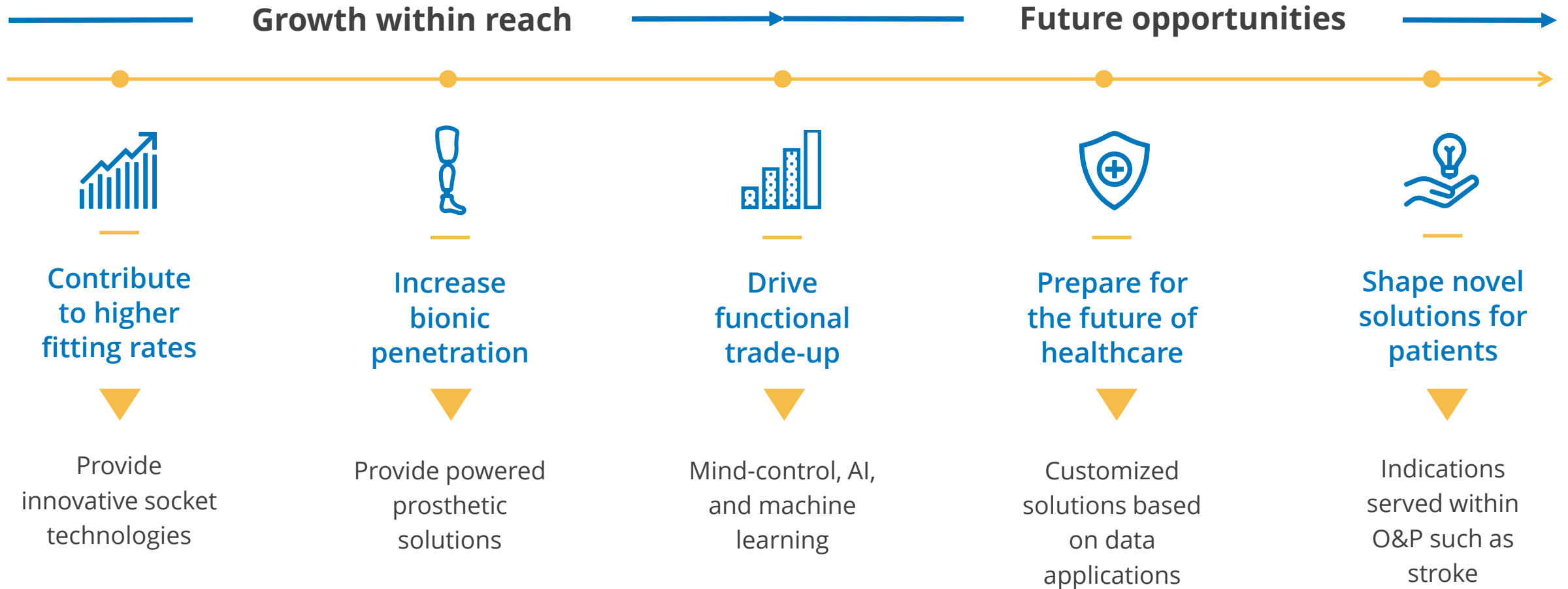
\*Indicative sales split between markets with different reimbursement systems, ~90% of Össur sales are generated in developed markets with established reimbursement systems

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



\* Fitting rate for new amputees

## 2 | Innovations to drive near-term and future growth



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



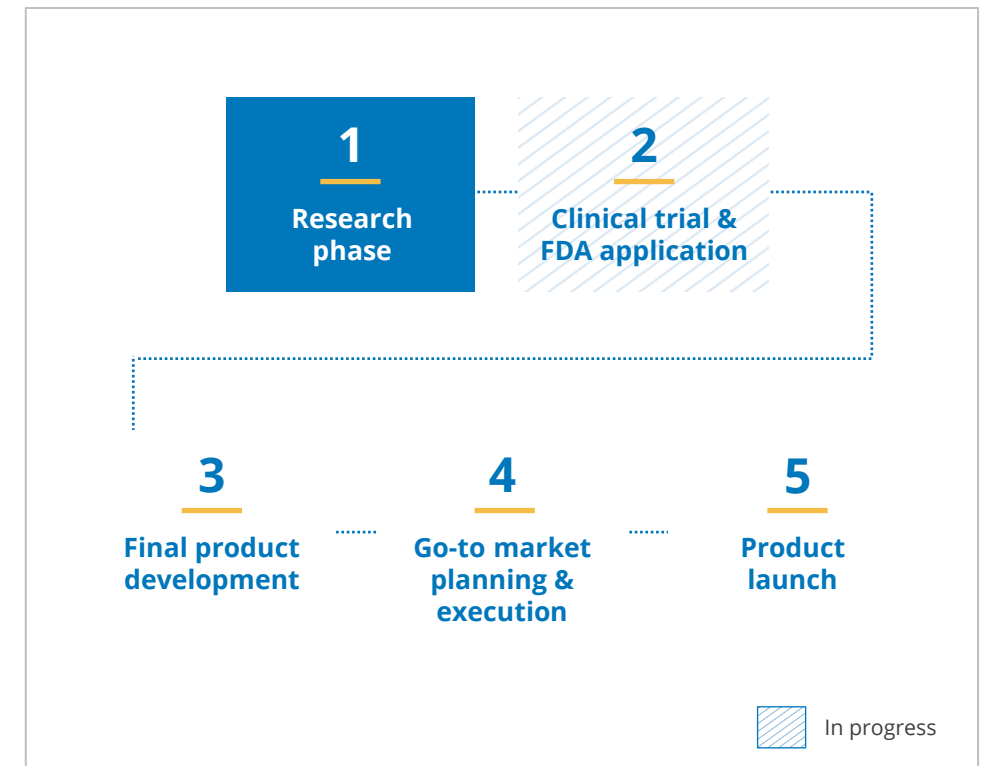
Note: Manufacturer sales price indicators in USD

## 2 | Össur bionic prosthetics are mind-controlled compatible with the IMES® sensors

Össur and the Alfred Mann Foundation are collaborating on implanted myoelectric sensors

The IMES® sensors are implanted in muscles that directly control the desired movement of a bionic prosthetic limb

Two lower-limb amputees have had IMES® units surgically implanted into their residual muscle tissue and demonstrated their ability to control their Össur leg prostheses with their intentions





## 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



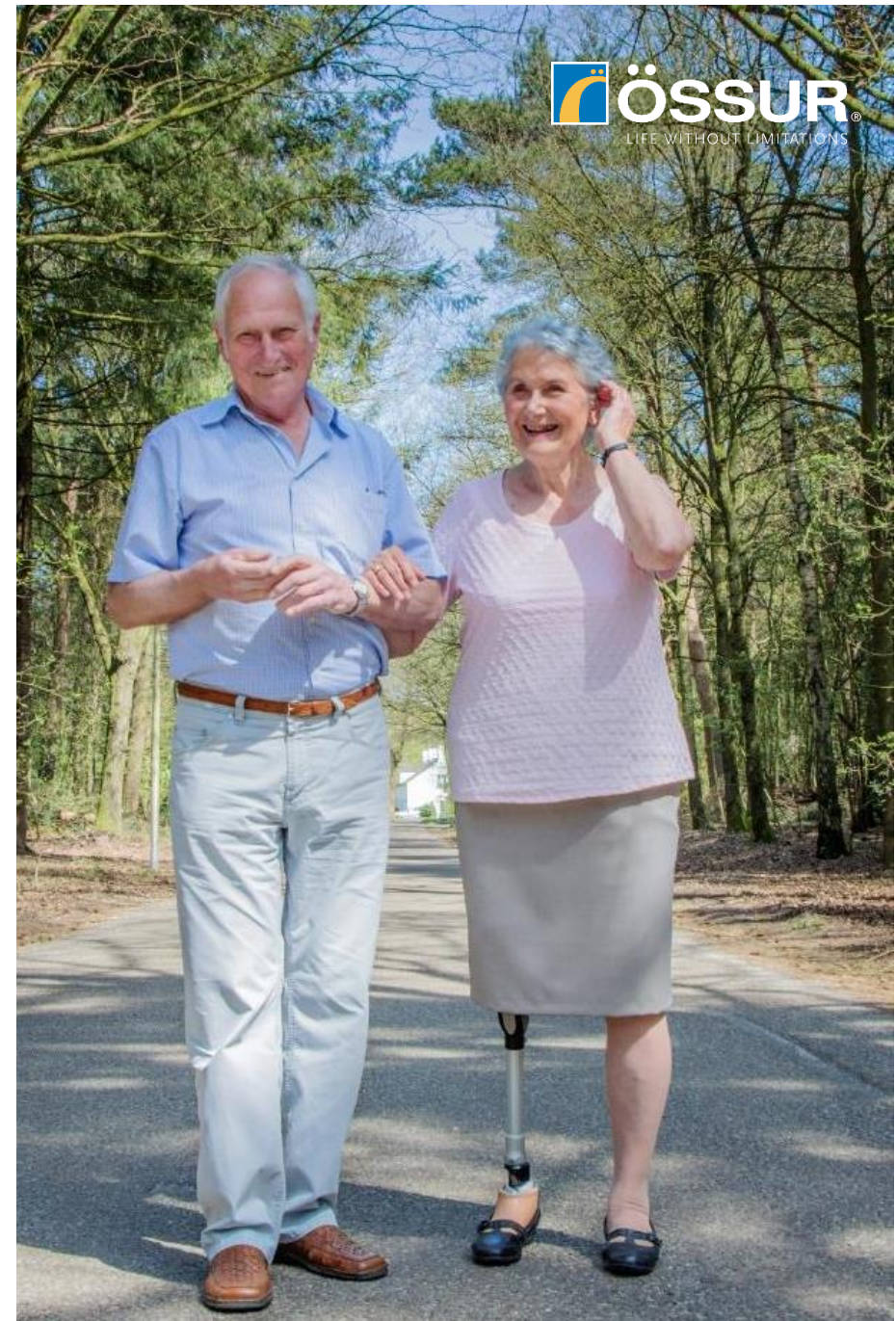
From socket molding to **user-friendly technology**



From a mechanical to a **powered**



From passive to **energy efficient**



### 3 | The Össur Patient Care journey



**11**  
Countries

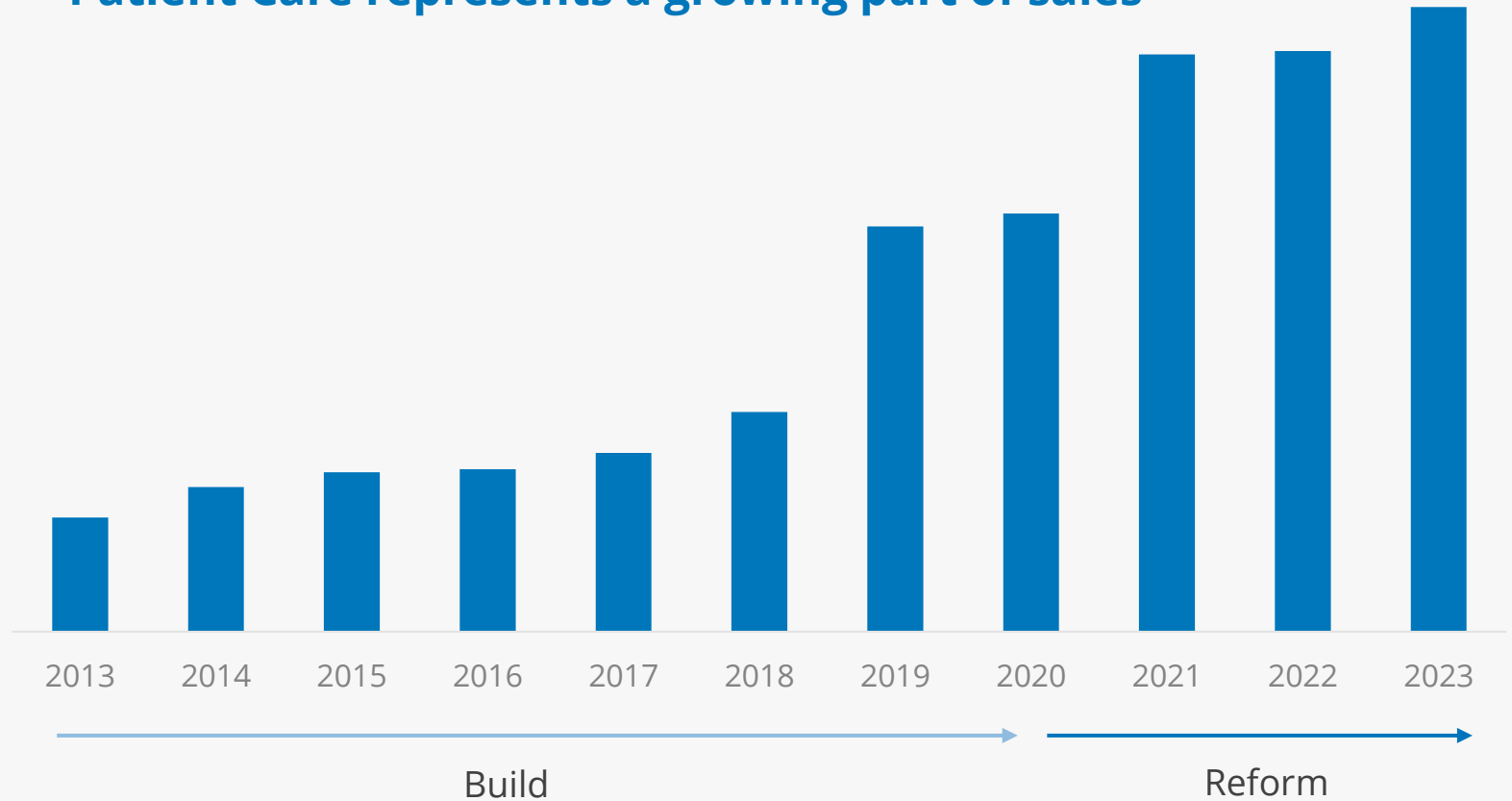


**~200**  
Locations



**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



CPO shortage\*

New generation of CPOs

Regulatory burden

Reimbursement dynamics





Digitalization

	O&P Clinic P&L in the US**	Potential impact	Relative time to impact
<b>Increased Sales</b> Reach more patients through clinically proven innovative solutions	100%		
<b>Lower Cost of Goods and Technical Labor</b> Centralize sourcing, use of own products, complete solutions, and central manufacturing	36%		
<b>Clinical Efficiency and Clinical Labor</b> Standardization and full treatment pathway	15%		
<b>General and Administrative Efficiency</b> Centralize back-office, process and system support, and scalability	41%		
<b>Operating Profit</b> Opportunities for increased sales and cost efficiencies	8%		

\*CPO: Certified Prosthetist & Orthotist

\*\*O&P Clinic P&L based on 2022 AOPA Operating Performance Report (reporting on 2021 results) indicating cost categories as % of sales

### 3 | Össur's O&P services is an offering that strengthens Össur as a business partner

Service offering	Key benefit	Service offering	Key benefit
 <p><b>Outsourced fabrication</b></p> <ul style="list-style-type: none"><li>• Central fabrication</li><li>• Össur Leg</li></ul>	<p><b>Reduced need for manpower and floor space</b></p>	 <p><b>Patient outcomes</b></p> <ul style="list-style-type: none"><li>• PRO App</li><li>• Outcomes mgmt.</li></ul>	<p><b>Reimbursement justification and optimal product selection</b></p>
 <p><b>Practice management</b></p> <ul style="list-style-type: none"><li>• Business IT solution</li><li>• Claims mgmt.</li></ul>	<p><b>Management software to increase efficiency</b></p>	 <p><b>Business support</b></p> <ul style="list-style-type: none"><li>• Compliance audit</li><li>• Reimbursement</li><li>• Regulatory</li><li>• Partner network</li></ul>	<p><b>Support to accelerate sales growth</b></p>

## 4 | Bracing simplified strategy



### Identity

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**Be the trusted partner  
for our customers**

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- › Sales enablement training
- › Marketing campaign



### Customer Convenience

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**Reduce complexity  
for our partners**

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- › Curated digital education
- › Digital inventory management solution



### Product Confidence

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**Provide our partners  
with a simplified and  
strong portfolio**

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- › Value engineering
- › Portfolio streamlining



### Responsibility

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**Reduce our footprint  
and that of our partners**

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- › 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







# Össur for Sustainability





## Our Sustainability Commitment

# RESPONSIBLE FOR TOMORROW™

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.



# Our Environment

## Responsible for our environmental impact

### Our Operations

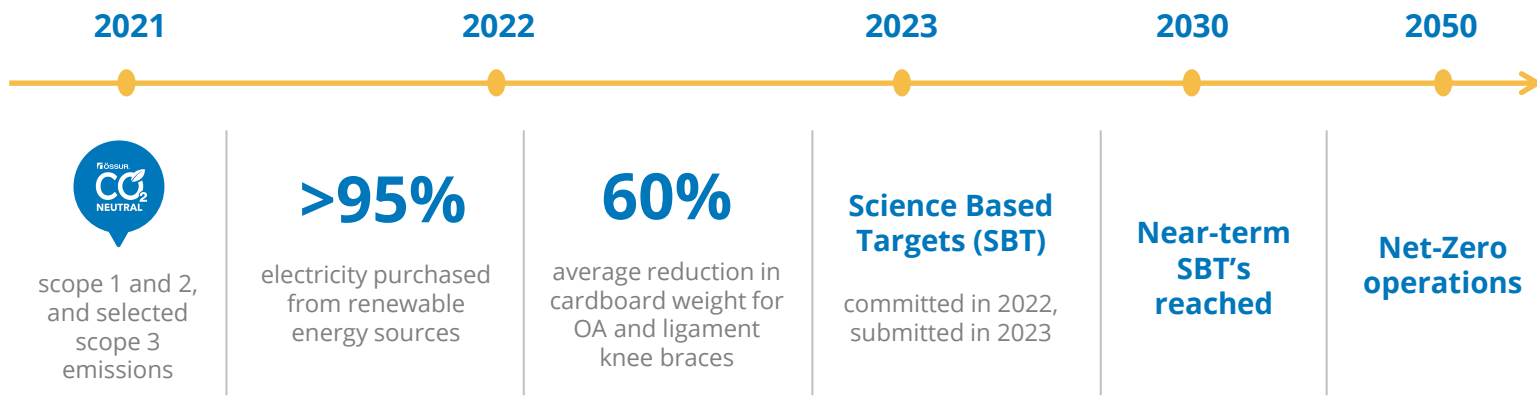
We are Carbon Neutral for scope 1 and 2, and selected scope 3 emissions, and are actively working towards Net Zero operations

### Our Products

We are reducing the environmental impact of our products and services

### Our Supply Chain

We collaborate with our key suppliers in reducing their environmental impact



# 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 Employees

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



### Our Suppliers

We partner with suppliers who respect human rights and participate in social development

### 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



**40%**

female in management positions



**4 of 5**

global employee satisfaction as measured by Gallup



**606**

implemented employee suggestions on improved workplace safety in 2022





# 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

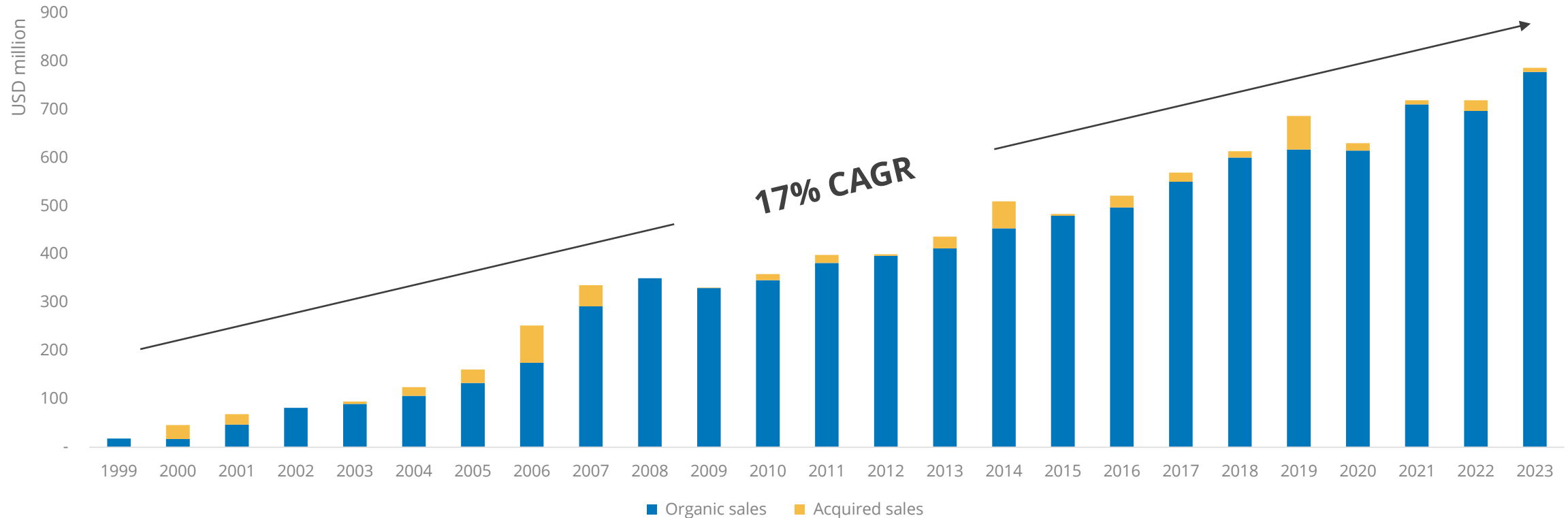




# Financials



# Össur has grown through a healthy combination of organic growth and acquisitions



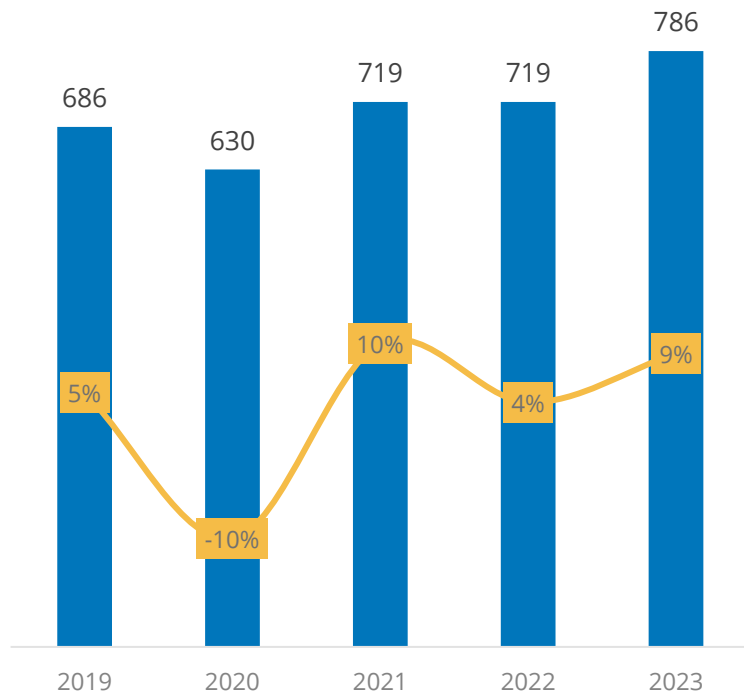
- 1999** Össur listed on the stock exchange
- 2000** Össur acquires Flex-Foot (Pros)
- 2004** 1st gen of RHEO KNEE, is launched
- 2005** Össur acquires Royce Medical (B&S)
- 2006** 1st gen of PROPRIO FOOT bionic ankle and the Unloader One brace are launched
- 2006** Össur acquires Gibaud (B&S)
- 2013** Össur acquires TeamOlmed and OCH, its first O&P clinics (Clinics)
- 2016** Össur acquires Touch Bionics and Medi Prosthetics (Pros)
- 2016** Pro-Flex, next gen carbon fiber foot, is launched
- 2019** Össur acquires College Park (Pros) and Orthoway (Clinics) and divests Gibaud (B&S)
- 2021** 3rd gen of bionic POWER KNEE is launched
- 2022** Össur acquires Naked Prosthetics (Pros)

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

# Össur has a solid and focused business

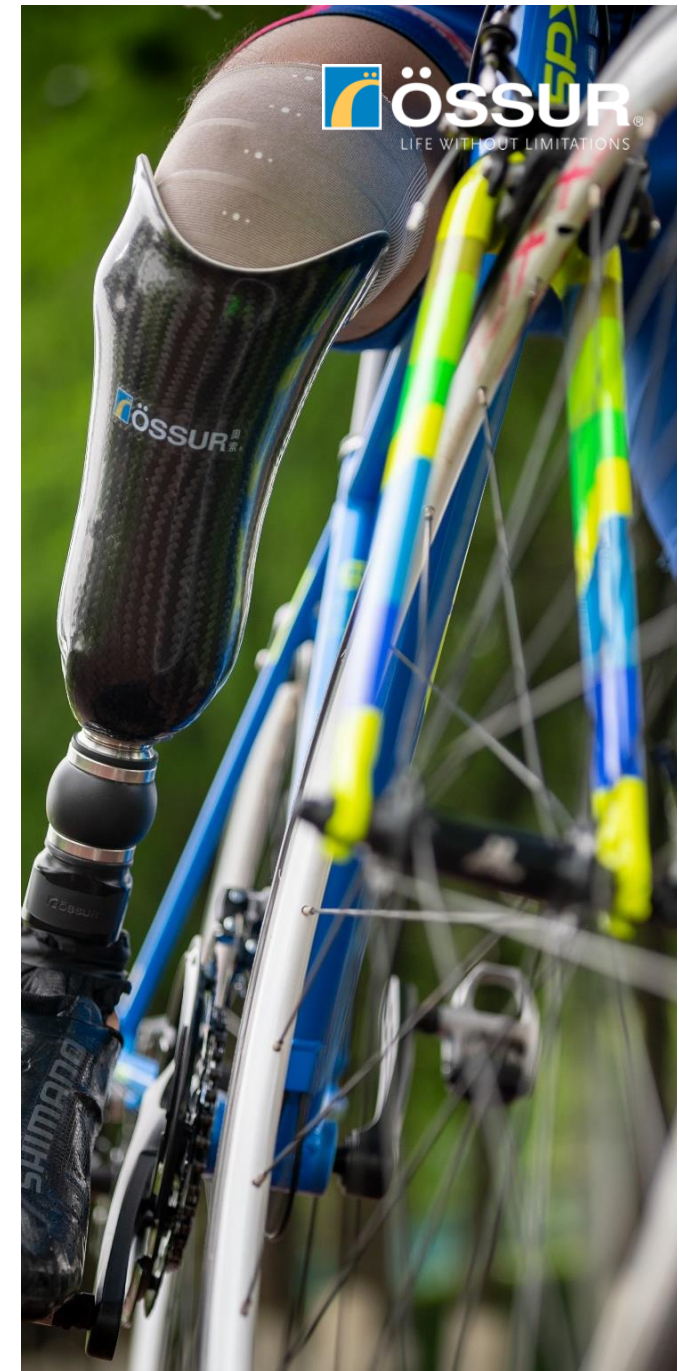
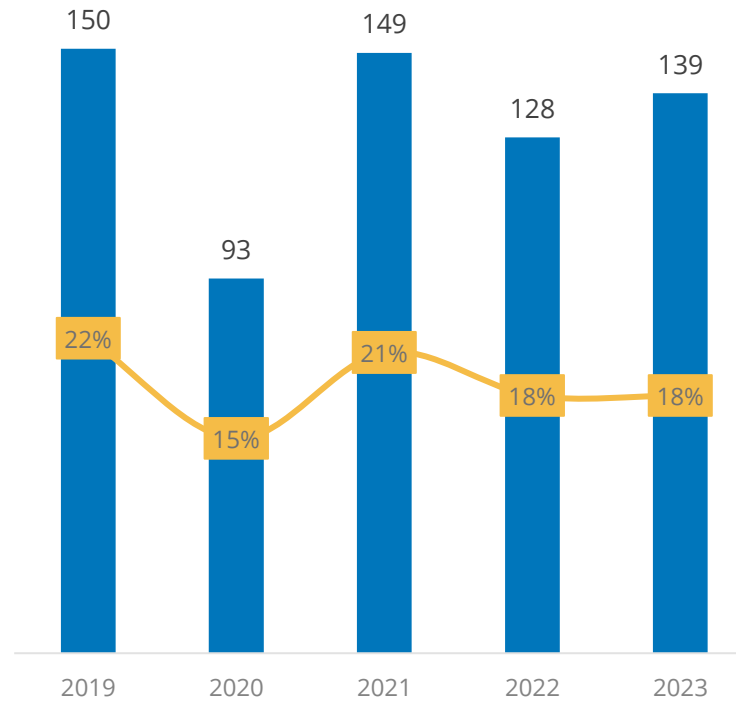
## Sales and organic growth

USD million



## EBITDA and EBITDA margin before special items

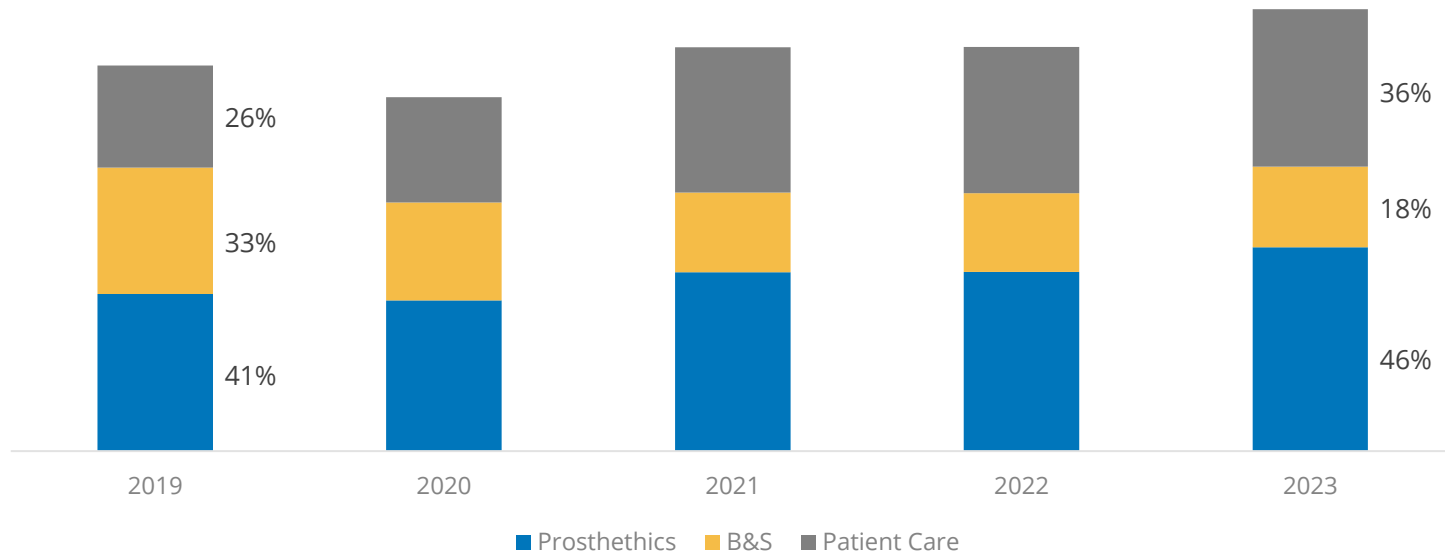
USD million



# 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



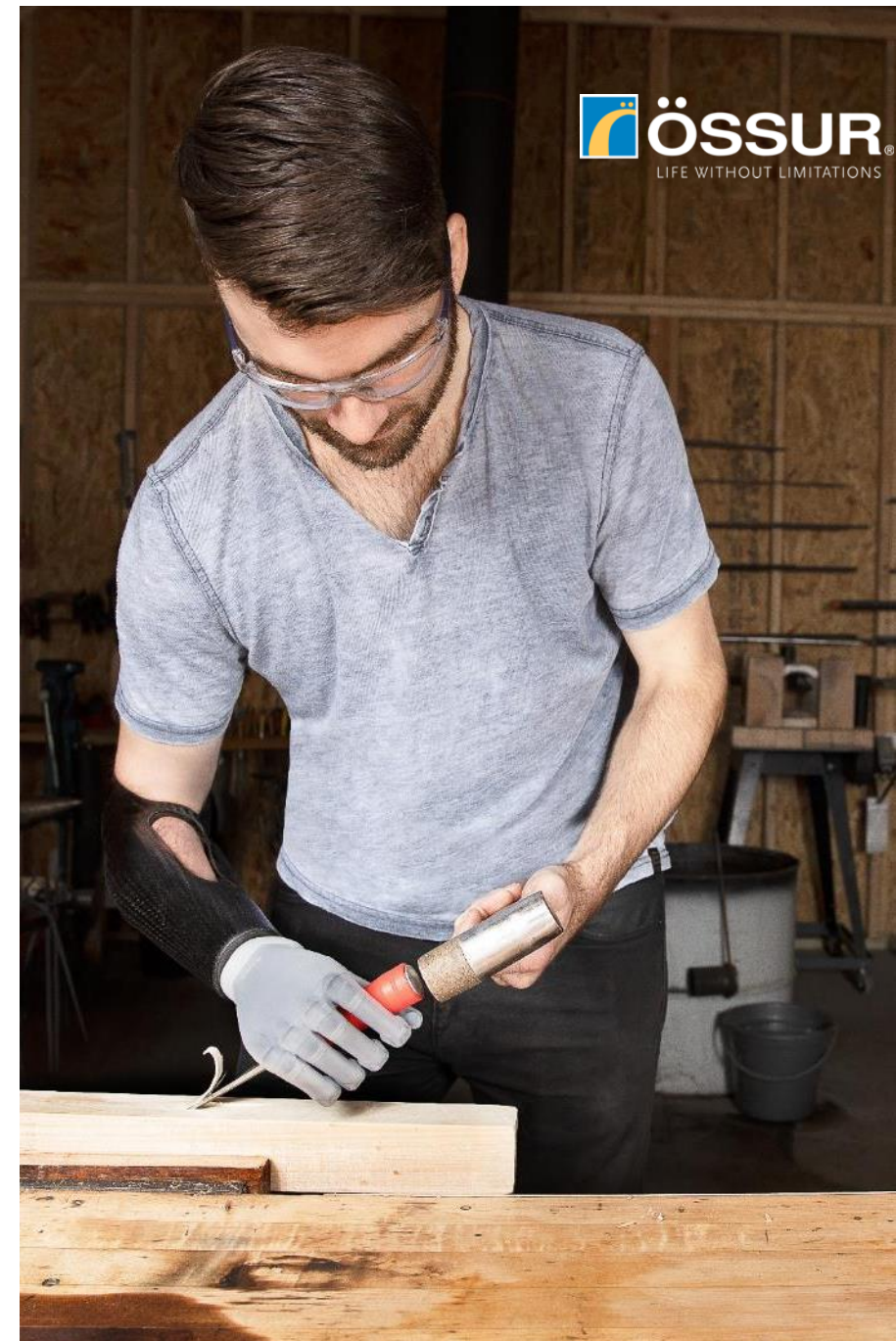
Note: Bars show sales for each segment  
Percentages refer to segment sales as % of total sales





## We have an increasingly scalable infrastructure

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





## Financial ambitions for Growth'27

### › Sales growth

**7-10%**

LCY\* growth p.a.  
on average

=

**5-7%**

organic growth  
p.a. on average

+

**2-3%**

acquisitive growth  
p.a. on average

### › EBITDA margin

- 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

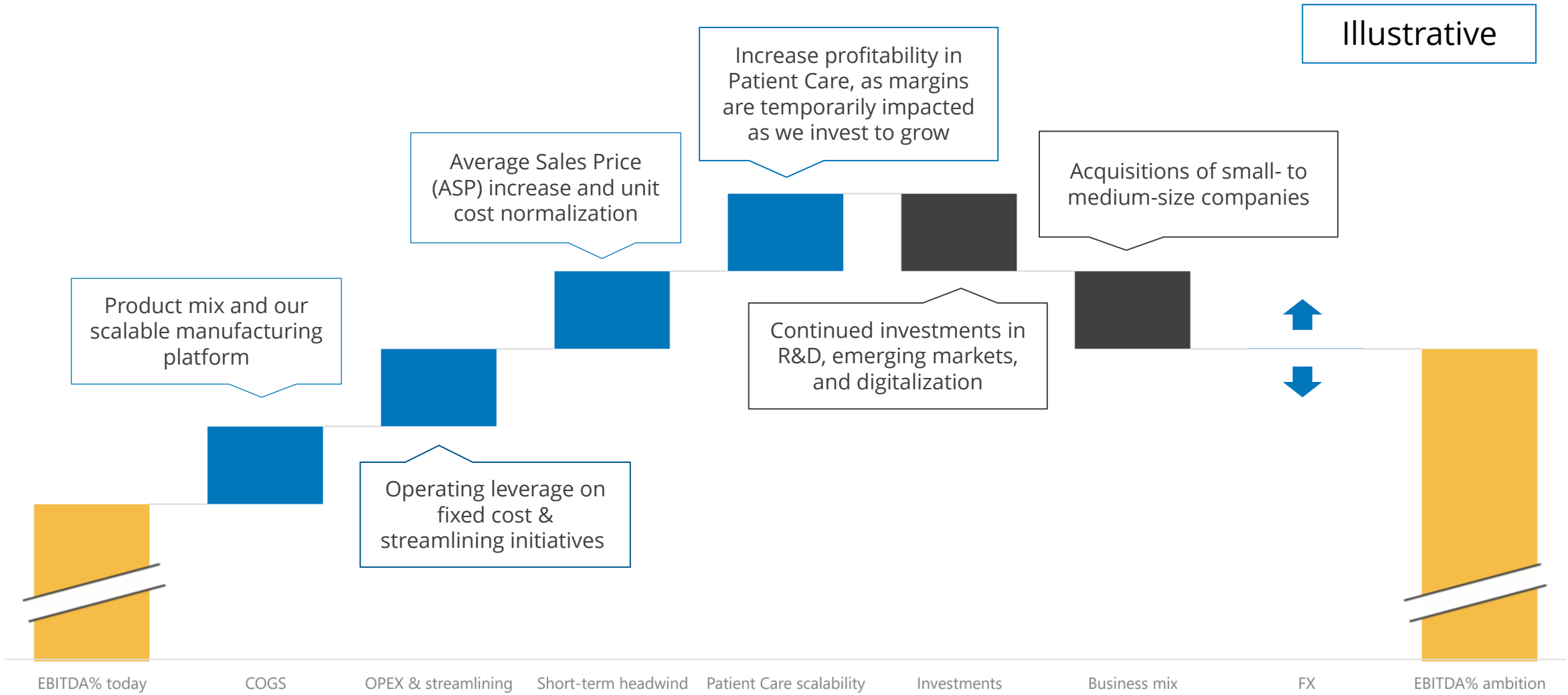
- We will prioritize growth opportunities, value-adding investments and acquisitions, while maintaining a healthy balance sheet with a target range of 2.0-3.0x NIBD/EBITDA before special items
- Excess capital will be returned to shareholders via purchase of own shares

\*LCY refers to local currency growth which is comprised of organic growth and acquisitive growth



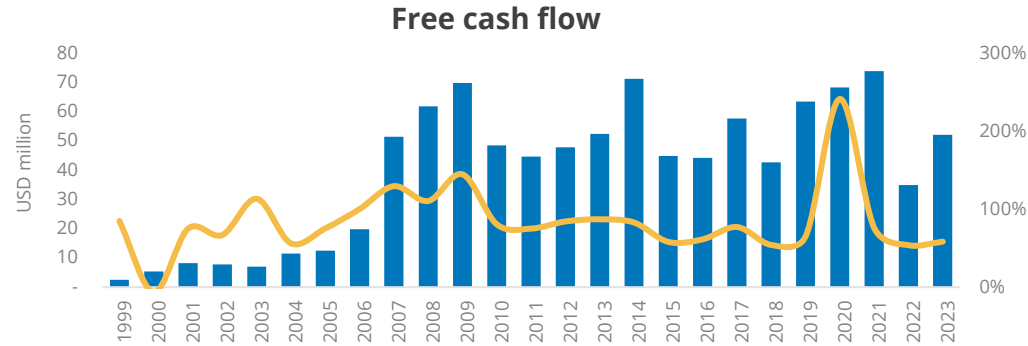
# We have numerous opportunities to increase the EBITDA margin

Illustrative

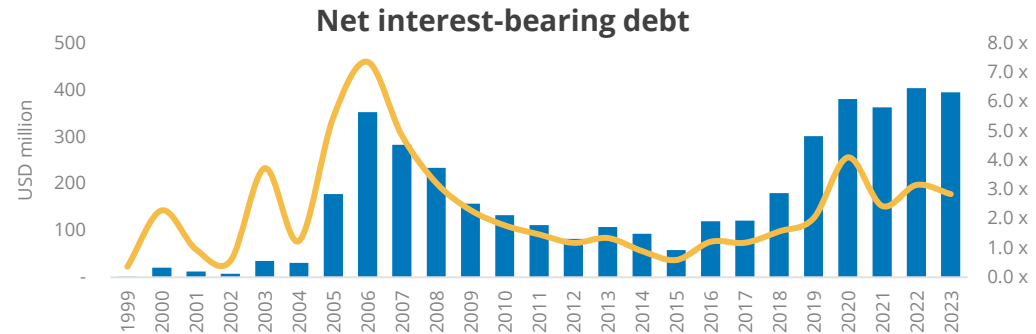




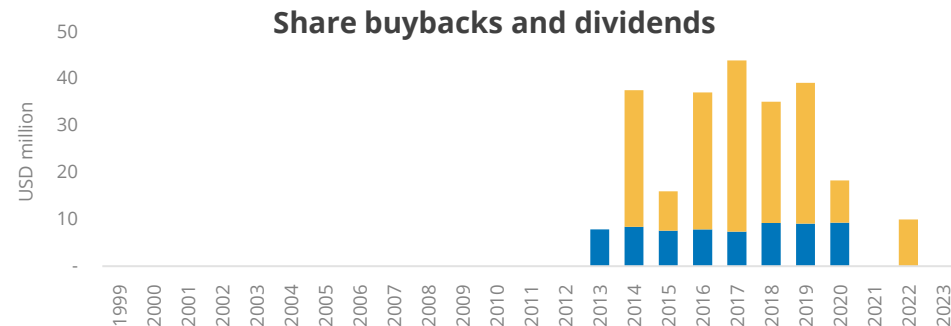
# Össur has a history of strong cash flow generation



FCF  
~85% of EBIT  
on average



Target  
2.0-3.0x  
NIBD/EBITDA



Total of USD  
245 million  
since 2013

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.



### **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 2023 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.