



Q1 2022 Investor Presentation

Sveinn Sölvason
President and CEO

26 April 2022



- 1. Q1 2022 Review**
2. Guidance for 2022
3. Summary

Business Update Q1 2022



Sales

- Sales amounted to USD 170 million (+6% organic, +10% local currency)
- Continued positive development and normalization of activity levels are driving demand for Prosthetics and B&S products in our key markets
- Strong performance in EMEA
- COVID-19 impact in first months of the year in all regions
 - Significant impact in China due to lockdowns – expected to continue in Q2
- Product sales to Russia stopped on 24 February – FY 2021 around 1% of sales



Supply chain cost and price increases

- Supply chain cost increase estimate of USD 13 million from pre-pandemic levels, up by USD 4 million from previous estimate, mainly due to higher freight cost
 - Driven by higher unit costs and increased use of express freight
- Price increases implemented as planned, approx. 2.5% price increase effective in most markets mid Q1



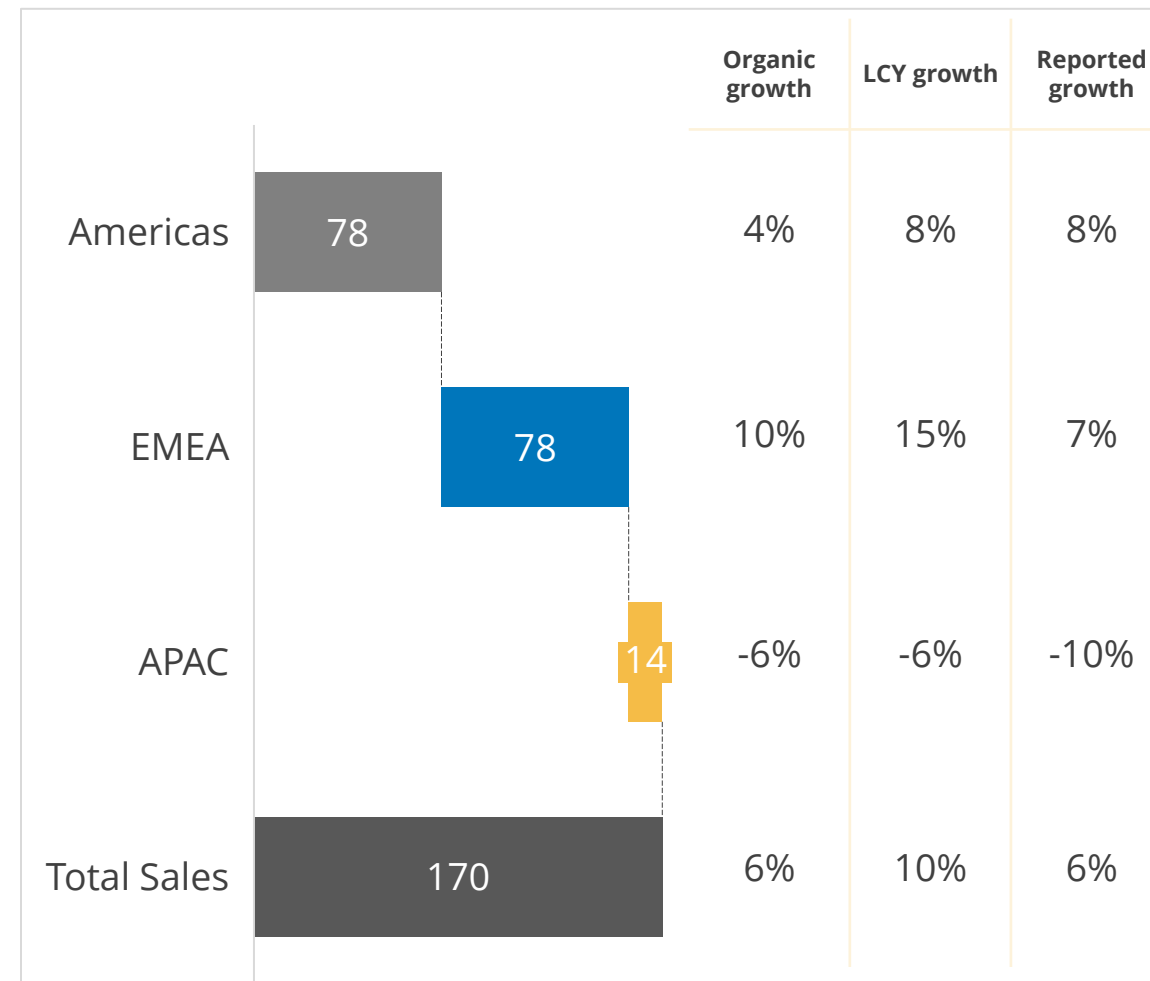
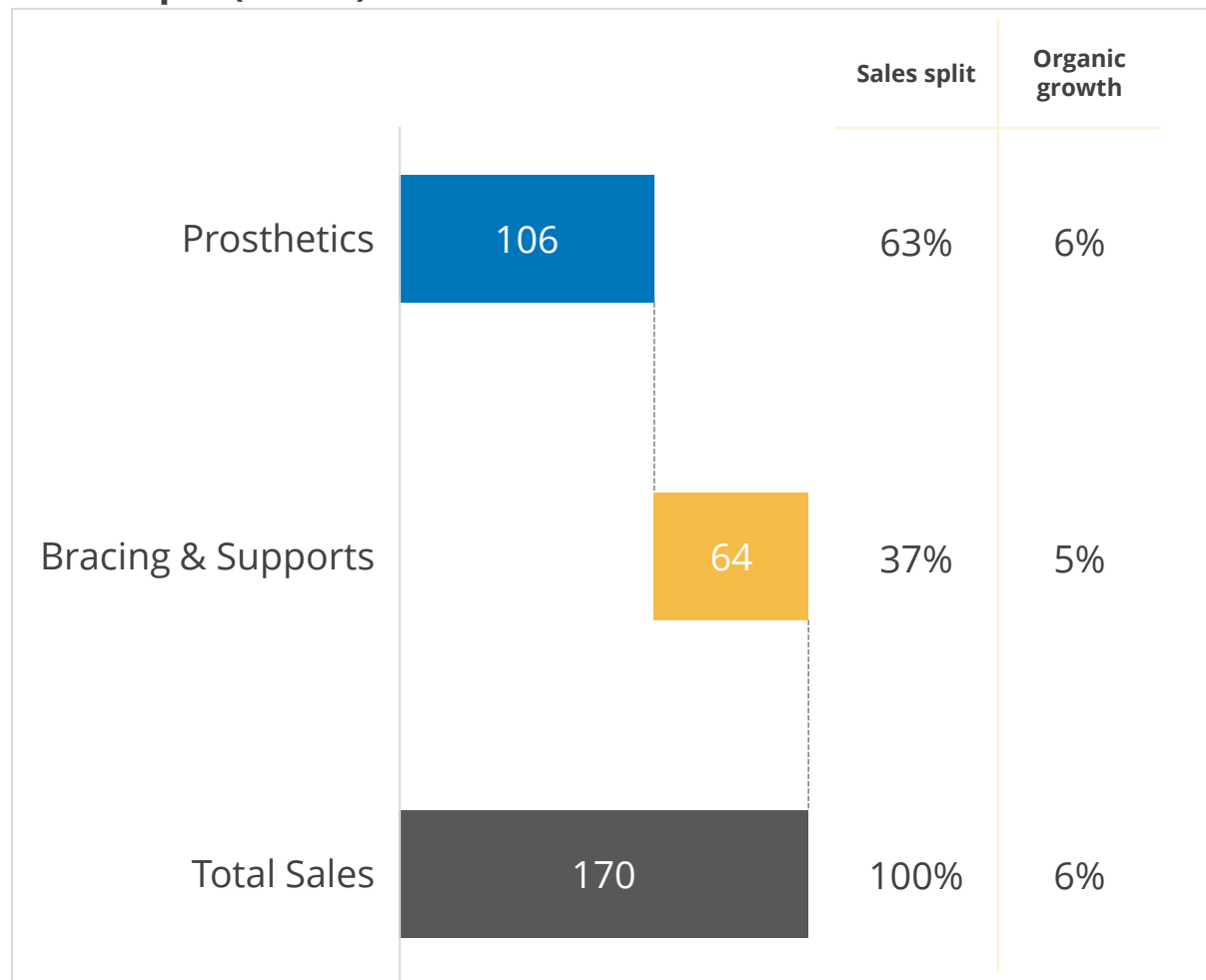
Profitability

- EBITDA amounted to USD 27 million, EBITDA margin of 16%
- Key focus on growth, supply chain cost increases and price increases



Sales growth Q1 2022

Sales Split (MUSD) and Sales Growth



Income Statement Q1 2022

Financial Results (MUSD)	Q1 2022	Q1 2021
Net sales	170	161
<i>Reported growth</i>	6%	5%
<i>Organic growth</i>	6%	2%
Gross profit	105	103
<i>Gross profit margin</i>	62%	64%
EBITDA	27	29
<i>EBITDA margin</i>	16%	18%
EBITDA (adj.)*	27	29
<i>EBITDA margin (adj.)*</i>	16%	18%
EBIT	14	17
<i>EBIT margin</i>	8%	10%
Income tax	3	4
<i>Effective tax rate</i>	24%	24%
Net profit	9	11
<i>Net profit margin</i>	5%	7%

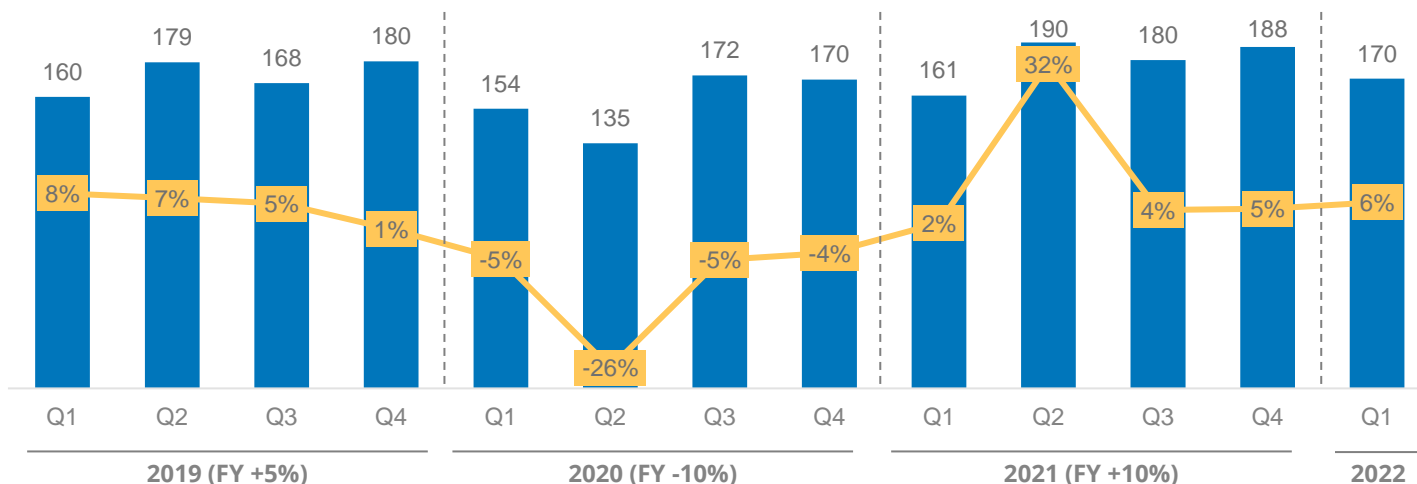
* Before special items

Financial Performance

- Sales growth of 6% despite COVID-19 impact in all regions
- Gross profit margin at 62% in Q1
 - COGS adversely affected by higher freight and raw material cost
 - Price increases of ~2.5% on average, effective mid Q1 2022
- OPEX increase of 5%
- Operating profit mainly impacted by supply chain challenges
- Effective tax rate of 24% in Q1
- Net profit of USD 9 million in Q1

Financial Performance

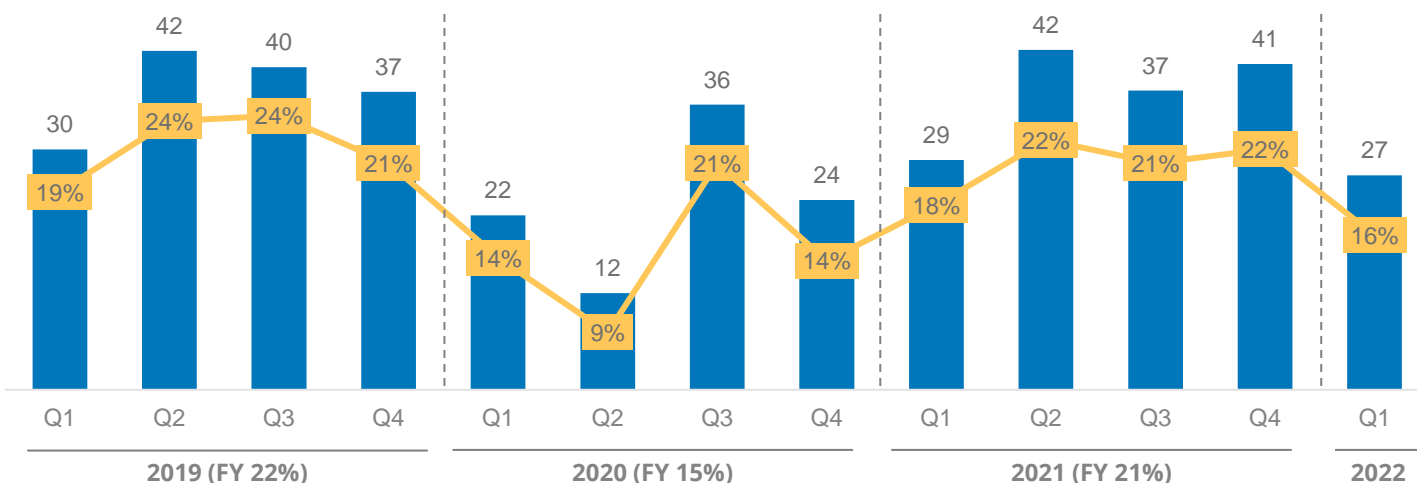
Sales and Organic Growth (MUSD)



Sales

- Organic sales growth of 6%
- Sales impacted by COVID-19 in first months of the year
 - COVID-19 impact expected to diminish in Q2 in all key markets apart from China

EBITDA and EBITDA Margin (MUSD)*

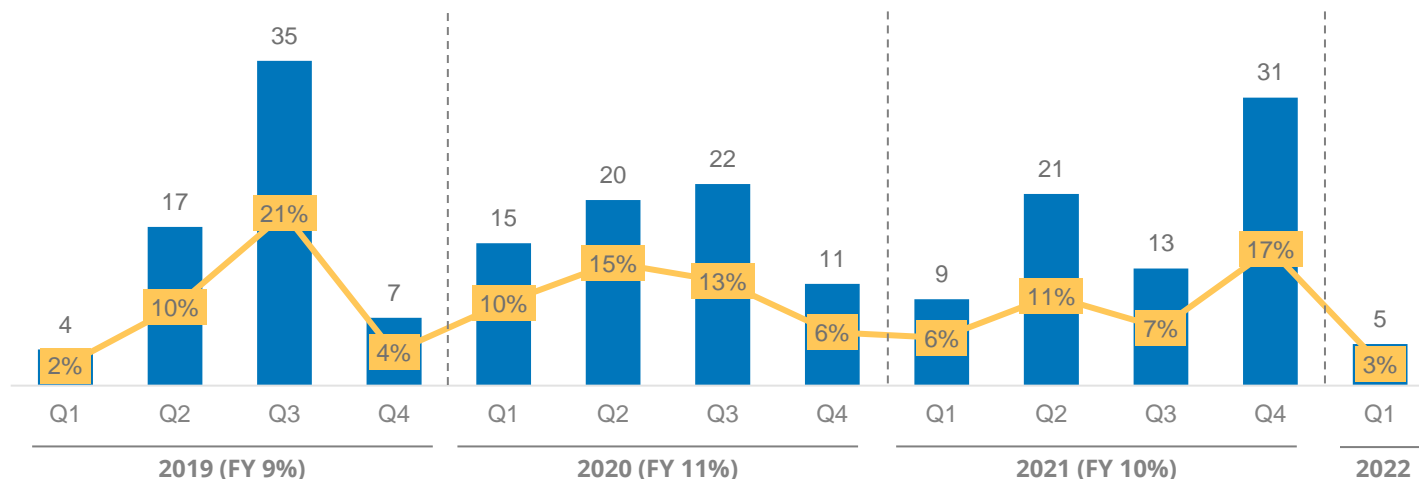


Profitability

- EBITDA margin seasonally low in Q1
- Primarily, impact from higher freight and raw material cost

Financial Performance

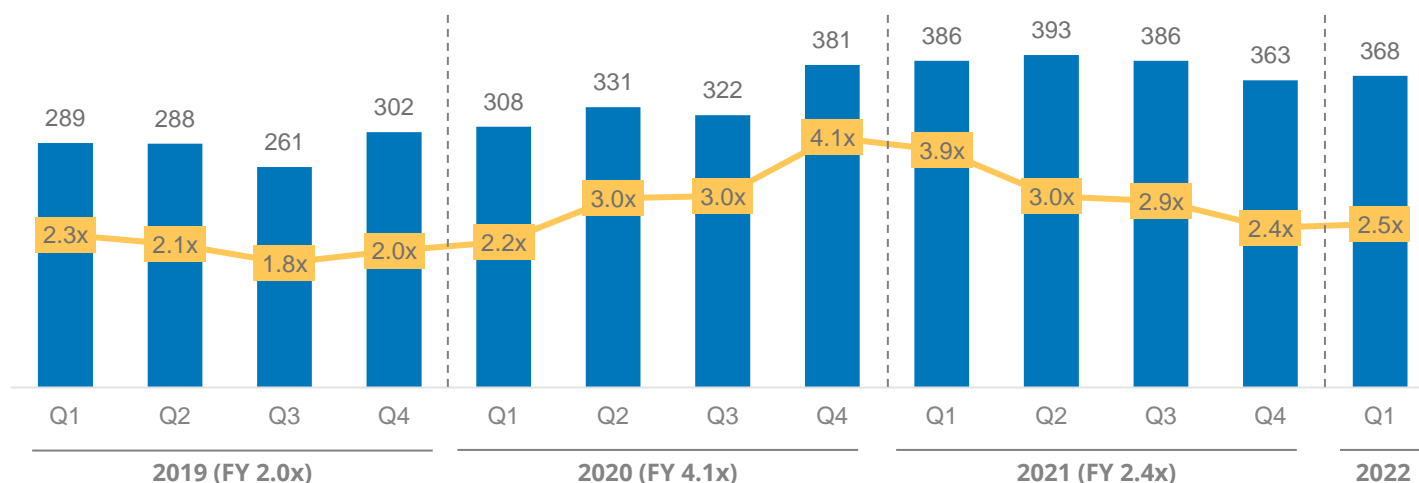
Free Cash Flow (MUSD)* and % of Sales



Free Cash Flow

- Seasonally low in Q1
- Cash flow adversely affected by payables, partly offset by less investment in inventories compared to Q1 2021

Net Interest-Bearing Debt (MUSD) and Leverage



Net Interest-Bearing Debt

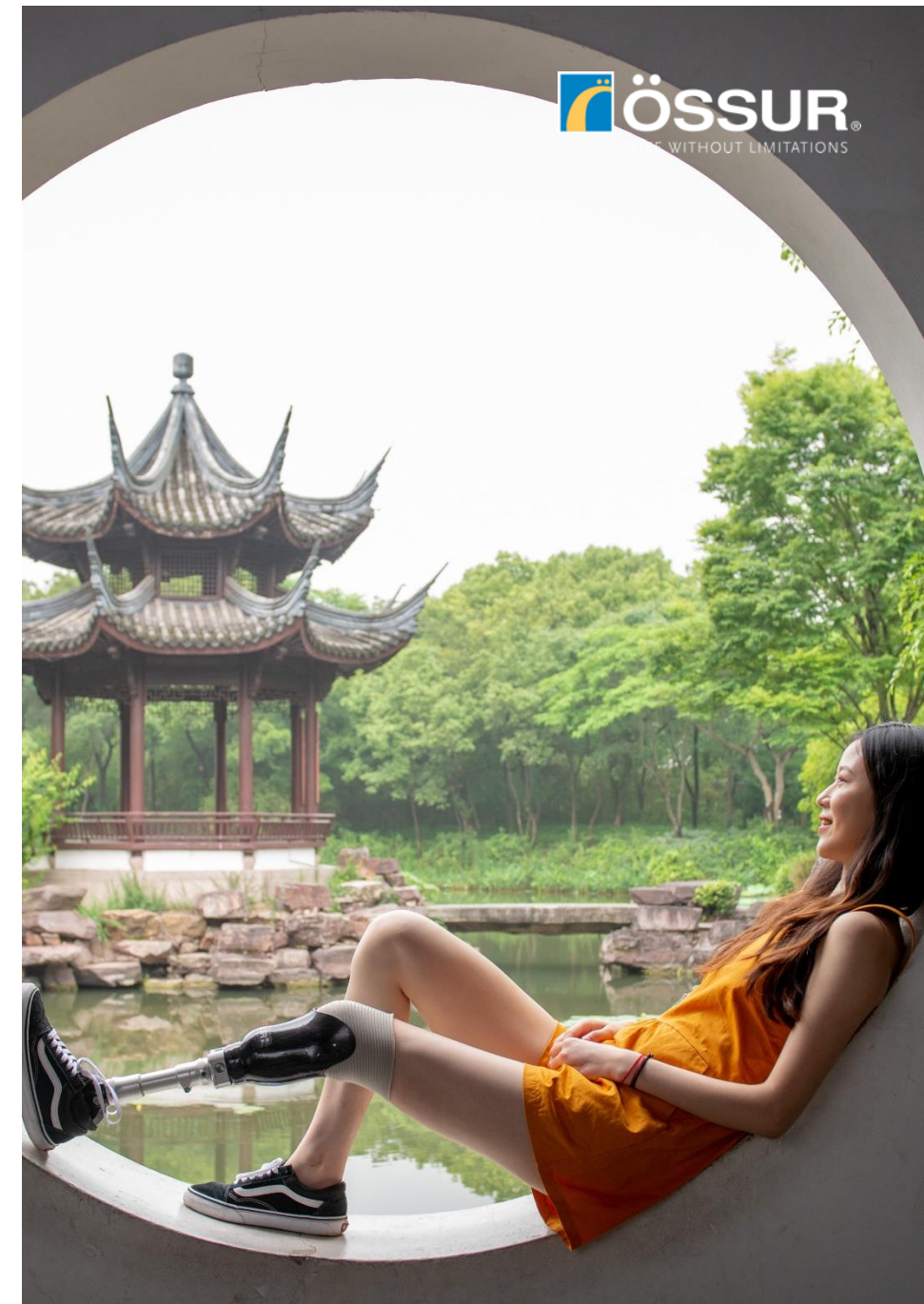
- Leverage of 2.5x, within the target range of 2.0-3.0x
- Commenced a share buyback program on 14 February 2022

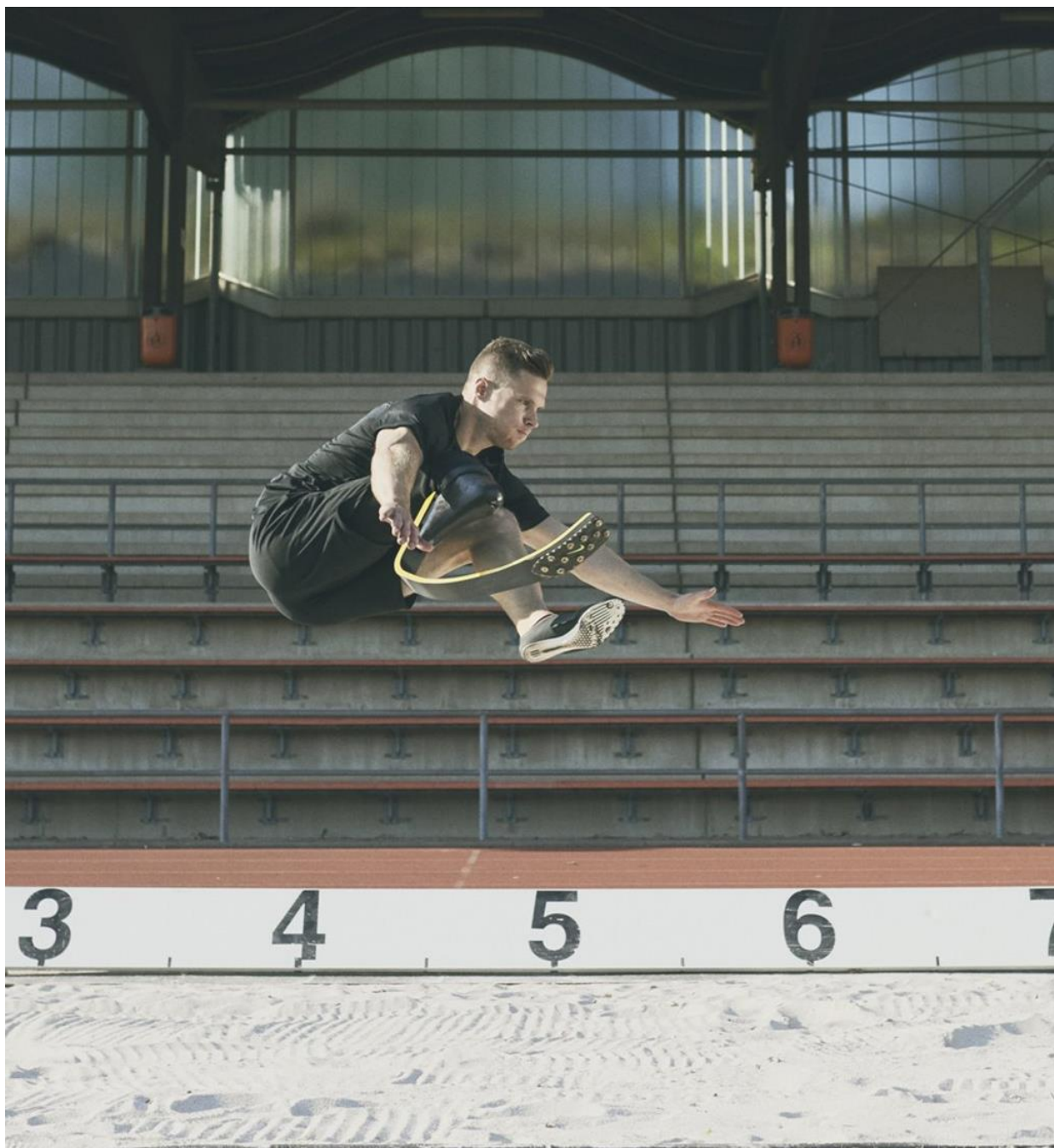


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Guidance Considerations for 2022

	Actual Q1 2022	Guidance FY 2022
Sales growth Organic	6%	6-9%
EBITDA margin Before special items	16%	20-21%
CAPEX % of sales	3%	3-4%
Tax Effective tax rate	24%	23-24%





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Q&A



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Financial Calendar & Upcoming Investor Conferences

Financial Calendar

Interim Report Q2 2022	21 July 2022
Interim Report Q3 2022	25 October 2022
Interim Report Q4 and Annual Report 2022	31 January 2023
Annual General Meeting	10 March 2023

Conferences

ABGSC Small & Mid Cap Seminar (DK)	31 May 2022
Pareto Securities' Healthcare Conference (SE)	7 September 2022
Goldman Sachs European Medtech Conference (UK)	7 – 8 September 2022
ABGSC Small & Mid Cap Seminar (DK)	21 September 2022

Further Information

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Statements containing the financial outlook for 2022 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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