



Q3 2022 Investor Presentation

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25 October 2022



- 1. Q3 2022 Review**
2. Guidance for 2022
3. Q&A

Business Update Q3 2022



Sales

- Sales amounted to USD 177 million (+4% organic, +6% local currency)
- Strong growth in APAC as both China and Australia performing well
- Sales in Americas strengthening with solid Prosthetic sales while after many strong quarters, sales in EMEA were softer
- Shortage of certain raw materials and components still adversely affecting sales
- Reported sales negatively affected by FX changes (mainly strong USD)
- Össur acquired Naked Prosthetics, a market leader in mechanical finger prostheses



Supply chain cost and price increases

- Shortages of raw materials and components continues to affect productivity and product supply, inflation in raw material prices but freight cost gradually declining
- ASP increases in 2022 and further increases estimated for 2023



Profitability

- EBITDA before special items amounted to USD 35 million, EBITDA margin of 20%



Cost saving initiatives

- Organizational changes and cost saving initiatives to support further growth and profitability, and operations simplified to better leverage key strategic locations
- Yearly cost savings of USD 15 million, estimated to materialize from the beginning of 2023, and around one third to be reinvested into growth



Sales Growth Q3 2022

Sales Split (MUSD) and Sales Growth

		Organic growth	LCY growth	Reported growth			Sales split	Organic growth
Americas	91	2%	3%	2%	Prosthetics	114	64%	4%
EMEA	69	1%	6%	-10%	Bracing & Supports	63	36%	2%
APAC	17	25%	25%	14%				
Total Sales	177	4%	6%	-2%	Total Sales	177	100%	4%

Income Statement Q3 2022

Financial Results (MUSD)	Q3 2022	Q3 2021
Net sales	177	180
<i>Reported growth</i>	-2%	5%
<i>Organic growth</i>	4%	4%
Gross profit	108	112
<i>Gross profit margin</i>	61%	62%
EBITDA	21	37
<i>EBITDA margin</i>	12%	21%
EBITDA (adj.)*	35	37
<i>EBITDA margin (adj.)*</i>	20%	21%
EBIT	9	25
<i>EBIT margin</i>	5%	14%
Income tax	2	6
<i>Effective tax rate</i>	22%	24%
Net profit	7	17
<i>Net profit margin</i>	4%	10%

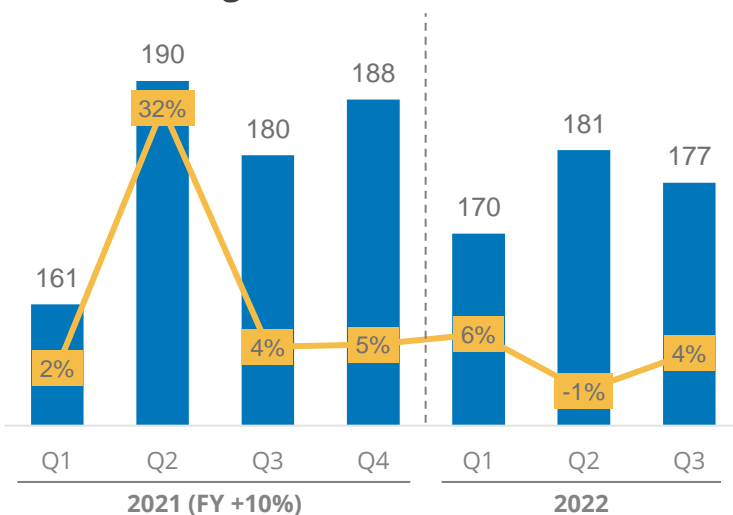
* Before special items

Financial Performance

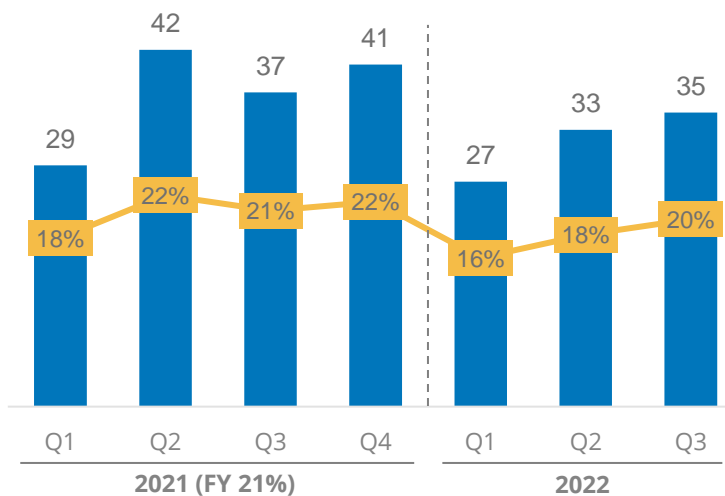
- Organic sales growth of 4% in Q3 2022
- Negative FX impact of USD 14 million on sales
- Gross profit margin at 61% in Q3 2022 but at 63% excluding special items in connection with organizational changes and cost saving initiatives
 - COGS continues to be adversely affected by supply chain challenges causing higher costs, negative impact on productivity and product availability
- Operating profit mainly impacted by special items and supply chain challenges
 - Net special items amounted to USD 14 million
- Effective tax rate of 22% in Q3 2022
- Net profit of USD 7 million in Q3 2022

Financial Performance

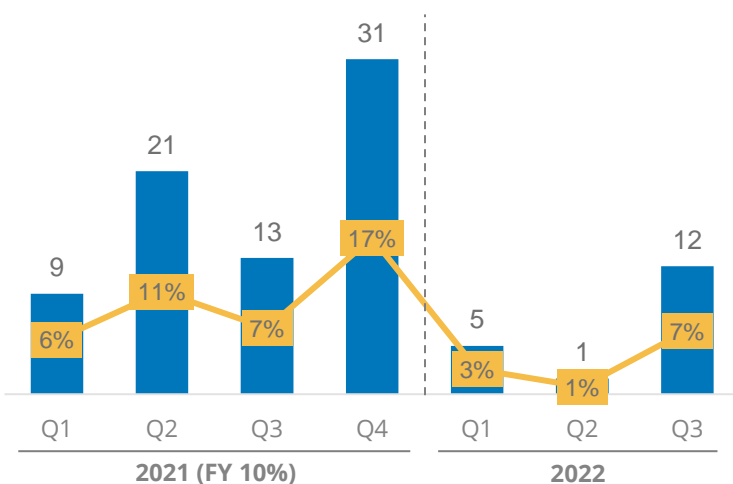
Sales and Organic Growth (MUSD)



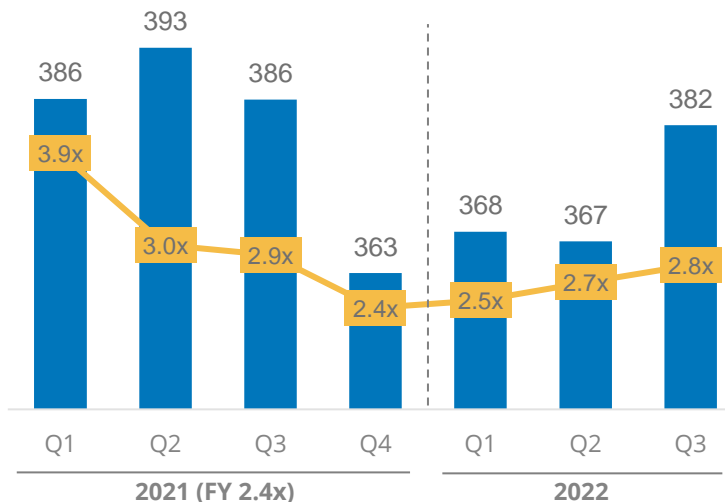
EBITDA and EBITDA Margin (MUSD)*



Free Cash Flow (MUSD)** and % of Sales



Net Interest-Bearing Debt (MUSD) and Leverage

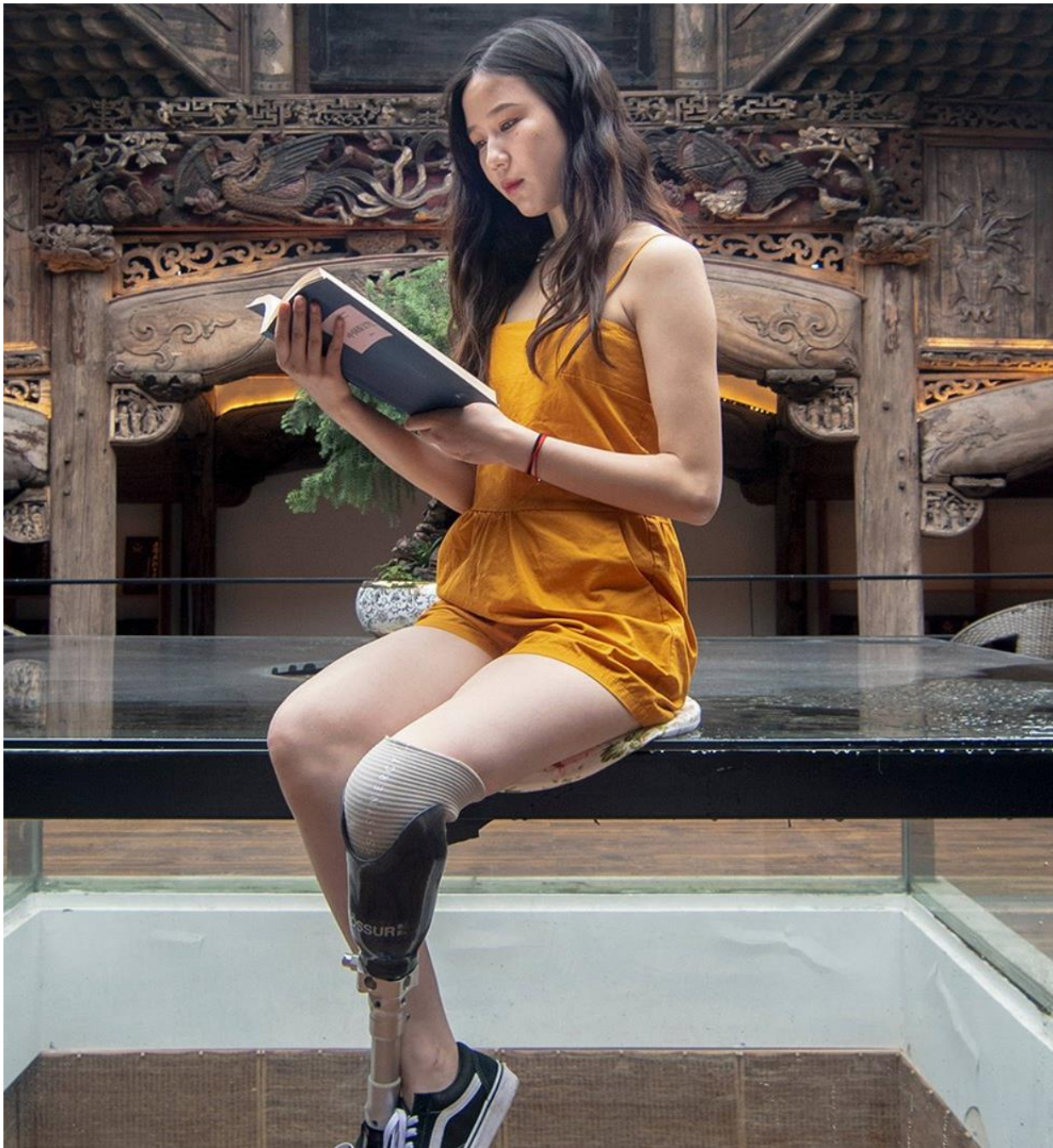


* Before special items

** Before special items, acquisitions, and changes in financial assets

Financial Highlights

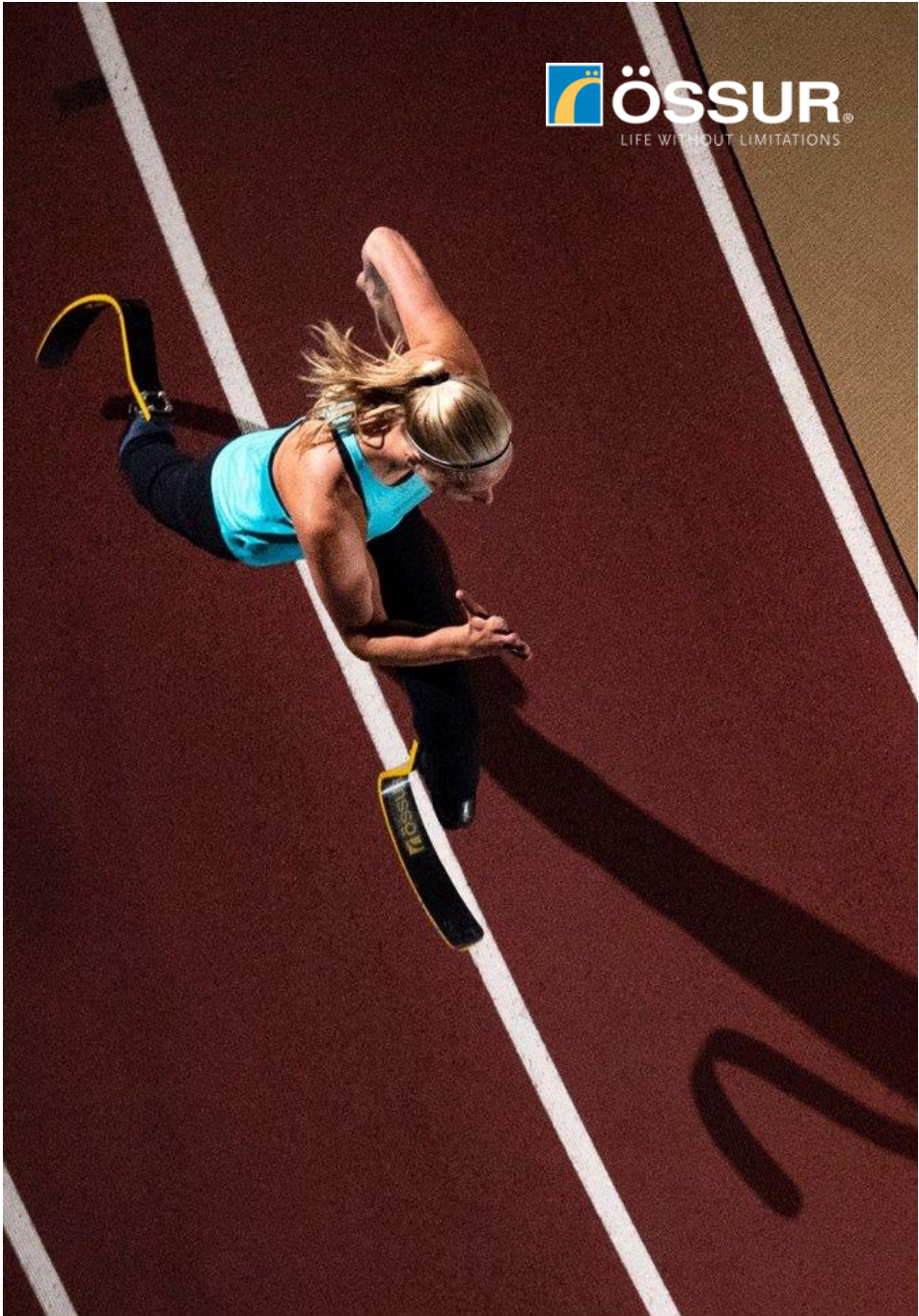
- EBITDA margin before special items of 20% in Q3 2022
 - Primarily, impact from net special items as well as higher freight and raw material cost
- Cash flow mainly adversely affected by inventory buildup
- Leverage of 2.8x, within the target range of 2.0-3.0x



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Guidance Considerations for 2022

	Actual Q3 2022	Guidance FY 2022
Sales growth Organic	4%	4-6%
EBITDA margin Before special items	20%	18-20%
CAPEX % of sales	3%	3-4%
Tax Effective tax rate	22%	23-24%





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Q&A

Financial Calendar & Upcoming Investor Conferences

Financial Calendar

Interim Report Q4 and Annual Report 2022	31 January 2023
Annual General Meeting	10 March 2023

Conferences

SEB Nordic Seminar (virtual)	21-23 November 2022
Danske Bank Winter Seminar (Copenhagen)	29-30 November 2022
SEB Nordic Seminar (Copenhagen)	9-11 January 2023
Carnegie Nordic Healthcare Seminar (Copenhagen)	14-16 March 2023



Further Information

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Forward-looking statement

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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.

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.