



Q4 & FY 2022 Investor Presentation

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31 January 2023



1. **Business Update and Key Topics**

2. Q4 2022 Review

3. FY 2022 Review

4. Guidance for 2023

5. Q&A

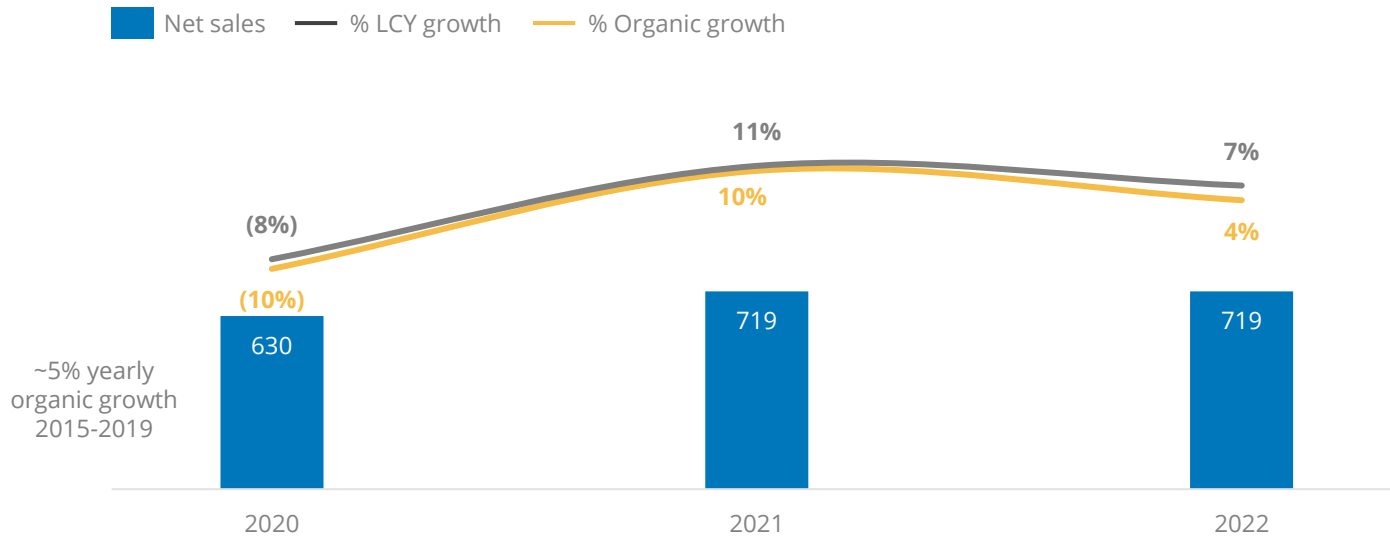
2022 in Brief

Growth	<ul style="list-style-type: none">• Despite a challenging external environment, we have grown the business in all regions and business segments
Product Launches	<ul style="list-style-type: none">• Continued investment in R&D - The Power Knee, the first motor powered prosthetic knee, was successfully launched in all regions in the beginning of FY 2022 and continues to receive excellent feedback
Acquisitions	<ul style="list-style-type: none">• We have completed acquisitions of entities with combined annual sales of USD 19 million, including Naked Prosthetics, a leading provider of finger prostheses for finger and partial hand amputees which strengthens our position in upper limb prosthetics
Supply chain	<ul style="list-style-type: none">• Global supply chain disruption affected sourcing of raw materials, such as key electric components, productivity and cost of goods sold
Cost Saving Initiatives	<ul style="list-style-type: none">• We made organizational changes and cost saving initiatives to support further growth and profitability, and simplified operations to better leverage key strategic locations - Yearly cost savings of USD 15 million, one third to be reinvested into growth
FX	<ul style="list-style-type: none">• The USD strengthened against the EUR and other key currencies and adversely affected reported sales in 2022 by USD 47 million
COVID-19	<ul style="list-style-type: none">• Effect from COVID-19 and associated restrictions impacted all regions in the first months of the year, but mainly impacted China in Q1, Q2 and Q4 2022

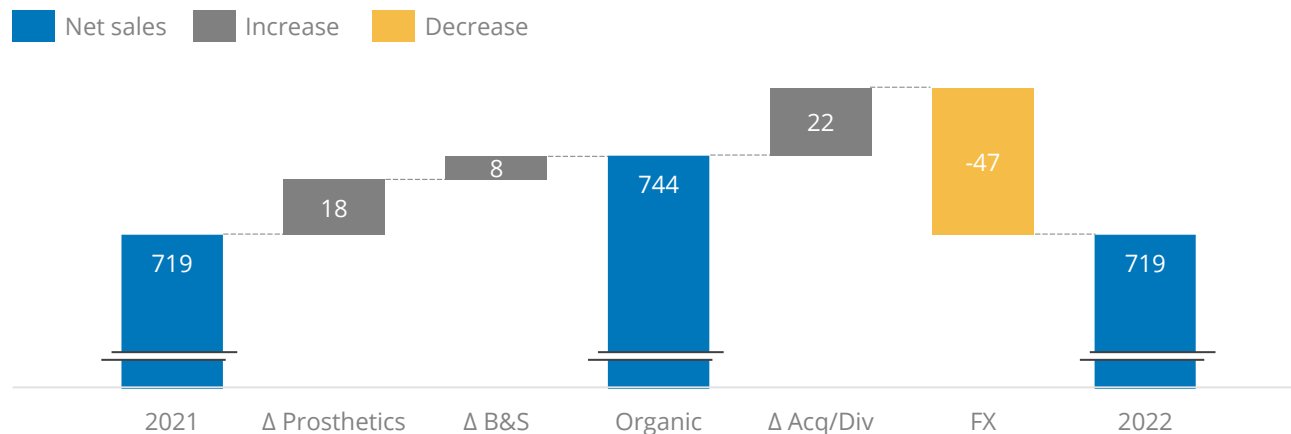


Solid Organic Growth in 2022 Despite External Challenges

Yearly Sales in USD million and Organic Growth



Sales Contribution in USD million



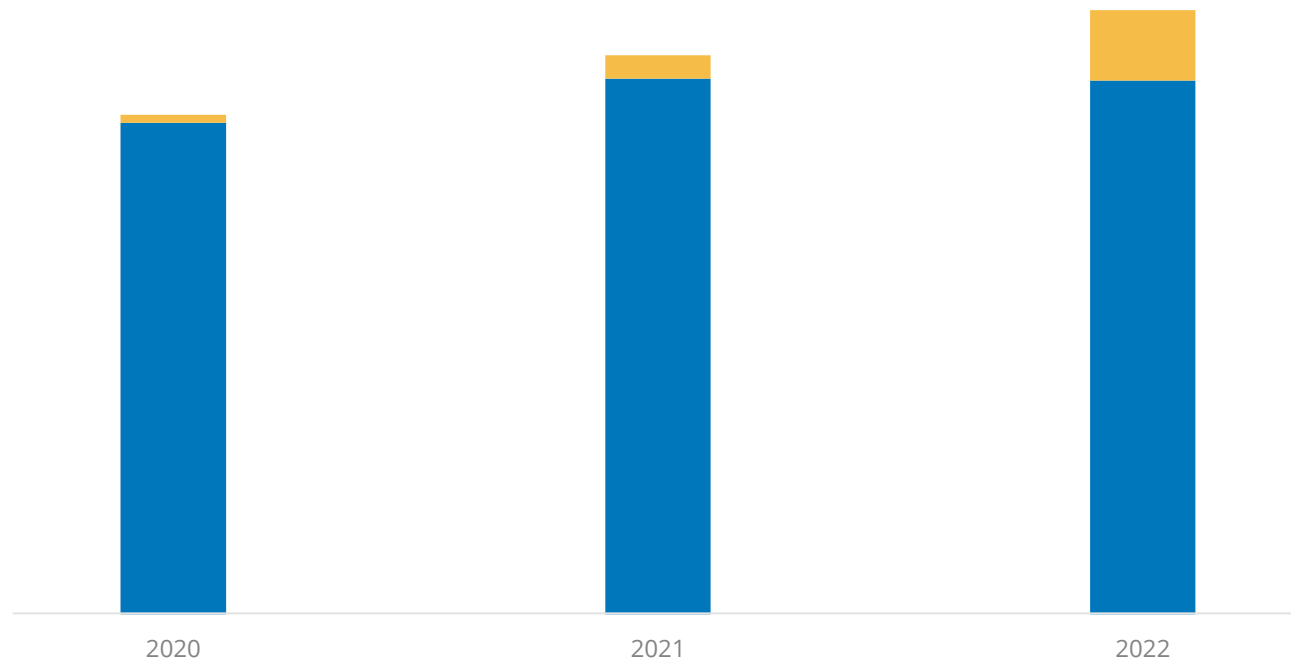
Highlights

- Stable yearly organic growth of approx. 5% in 2015-2019
- COVID-19 disruption adversely affected sales in 2020
- Post COVID-19 normalization in 2021 and growth across all regions and product segments in 2022
- Strong growth in Prosthetics while Bracing & Supports and Clinics impacted by continuous effect from COVID-19 on CPO staffing and patient levels
- The discontinuation of the outsourcing contract with the Department of Defense in the US (announced beginning of 2022) and the suspension of sales to Russia, combined adversely affected organic growth in FY 2022 by around 2 percentage points
- Adverse FX impact of USD 47 million on reported sales in 2022

Increase in Power Knee Sales

Power Knee and Bionic Sales

■ Net Bionic sales excluding Power Knee ■ Power Knee sales

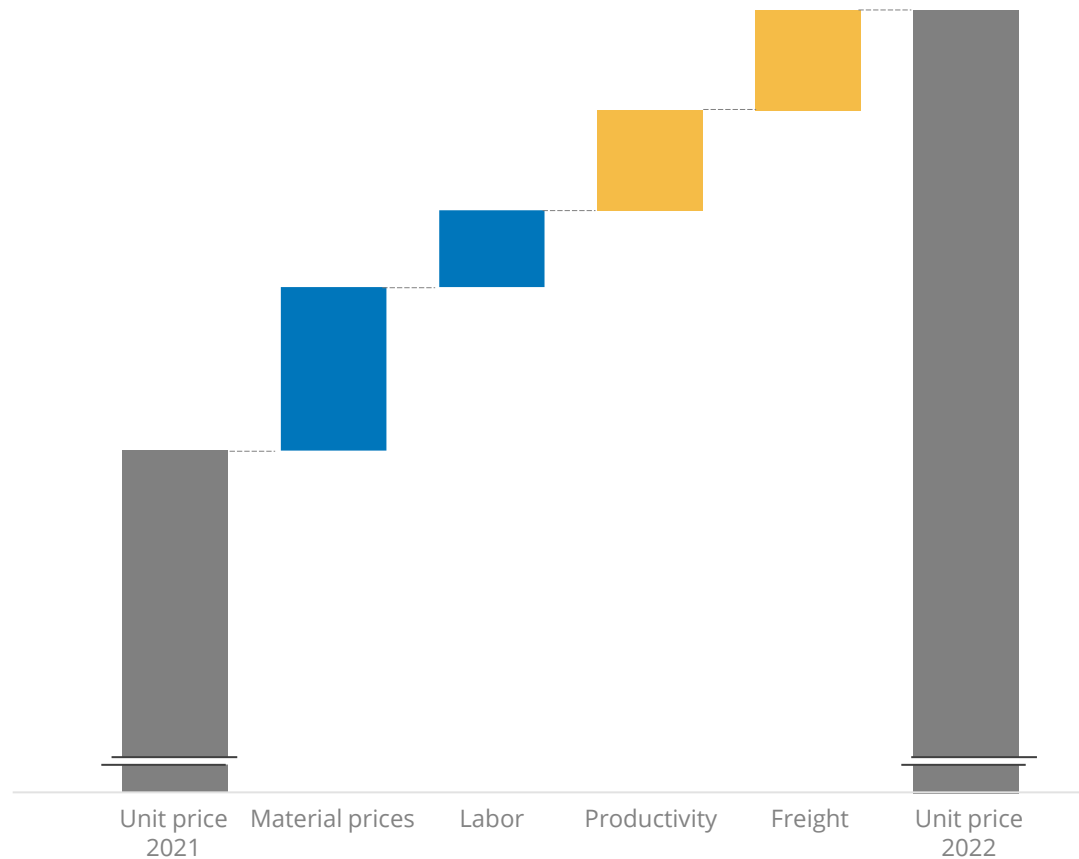


Highlights

- Bionics an important growth driver
- Record quarter in Bionics, accounting for 25% of prosthetics component sales in Q4 2022
- The Power Knee an important sales and growth contributor in 2022, contributing a full percentage point on organic growth
- The Power Knee still mainly been sold in Americas
- Important bionic product launches expected in 2H 2023
- Supply chain stability in focus for delivering growth in 2023

Increase in Unit Cost Largely Expected to Normalize

Illustrative Unit Cost Increase



Highlights

- Global supply chain challenges have increased cost of goods sold in recent years, mainly impacting raw material prices, labor cost, productivity and freight cost
- Inflation in raw material prices in 2022
- Continuous improvement has historically yielded 2-3% cost saving in manufacturing but supply chain challenges, sporadic delivery of raw material and electrical components has temporarily decreased productivity
- Freight cost estimated to decline in 2023 as freight rates have declined, but still using more expensive means of freight for some raw materials
- Unit cost growth outpaced price increases in 2022

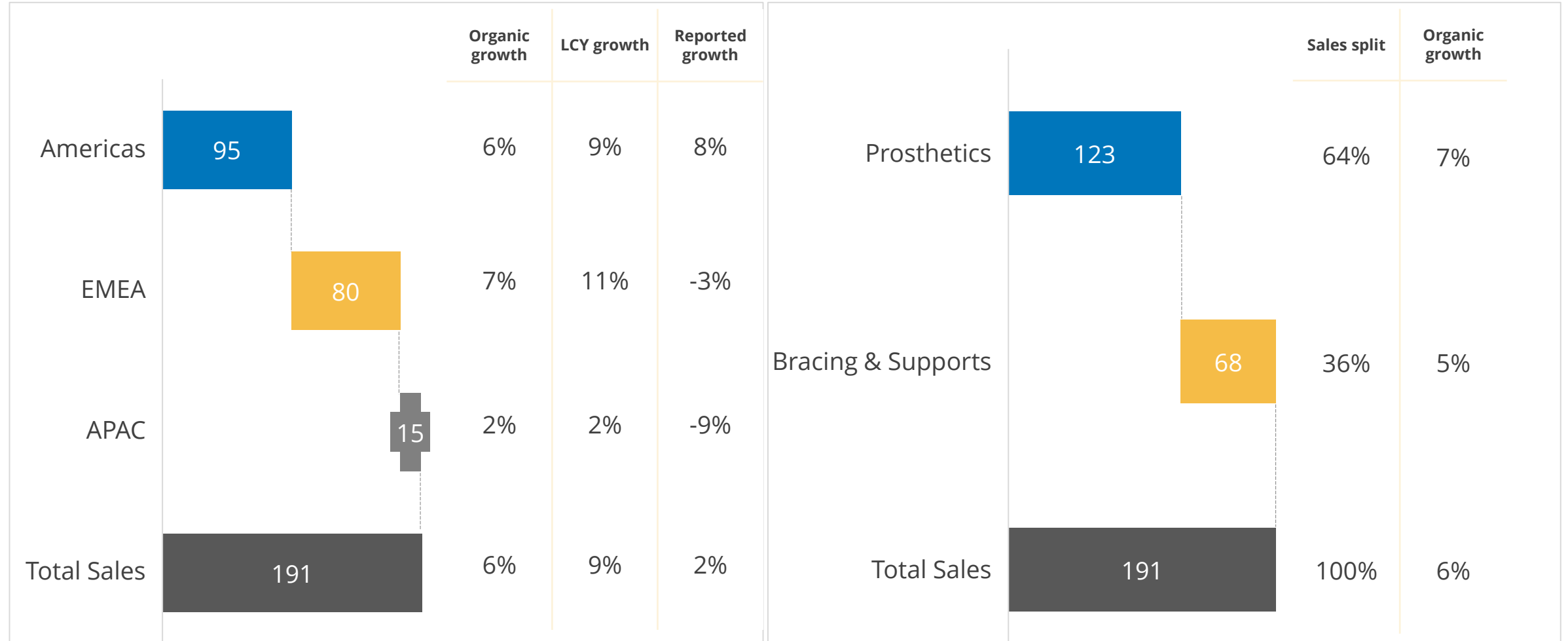


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Sales Growth Q4 2022



Sales Split (USD million) and Sales Growth



Income Statement Q4 2022

Financial Results (USD million)	Q4 2022	Q4 2021
Net sales	191	188
<i>Reported growth</i>	2%	11%
<i>Organic growth</i>	6%	5%
Gross profit	116	121
<i>Gross profit margin</i>	61%	64%
EBITDA	34	41
<i>EBITDA margin</i>	18%	22%
EBITDA (adj.)*	34	41
<i>EBITDA margin (adj.)*</i>	18%	22%
EBIT	21	26
<i>EBIT margin</i>	11%	14%
Income tax	3	6
<i>Effective tax rate</i>	21%	25%
Net profit	13	18
<i>Net profit margin</i>	7%	9%

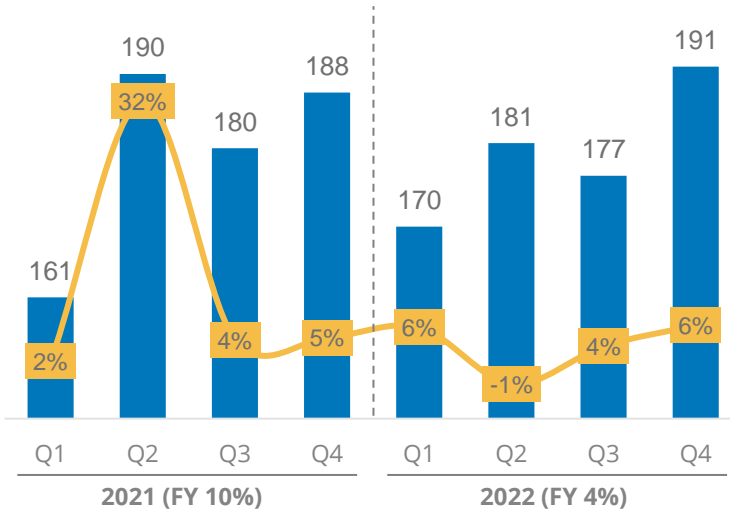
Financial Performance

- Organic sales growth of 6% in Q4 2022
- Negative FX impact of USD 14 million on sales
- Gross profit margin at 61% in Q4 2022
- Operating profit adversely affected by supply chain challenges causing higher costs, negative impact on productivity and product availability
- Effective tax rate of 21% in Q4 2022
- Net profit of USD 13 million in Q4 2022

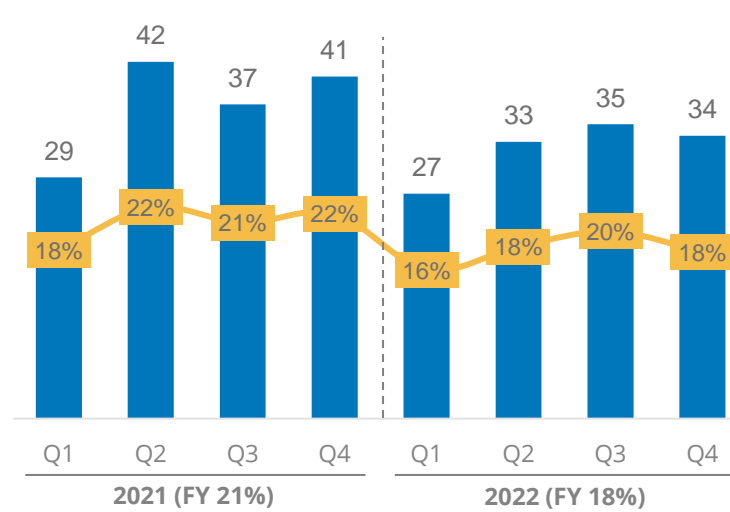
* Before special items

Financial Performance

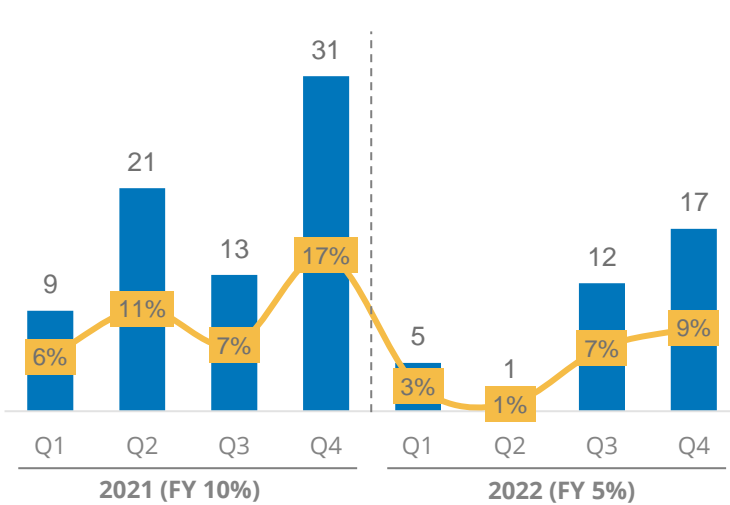
Sales and Organic Growth (USD million)



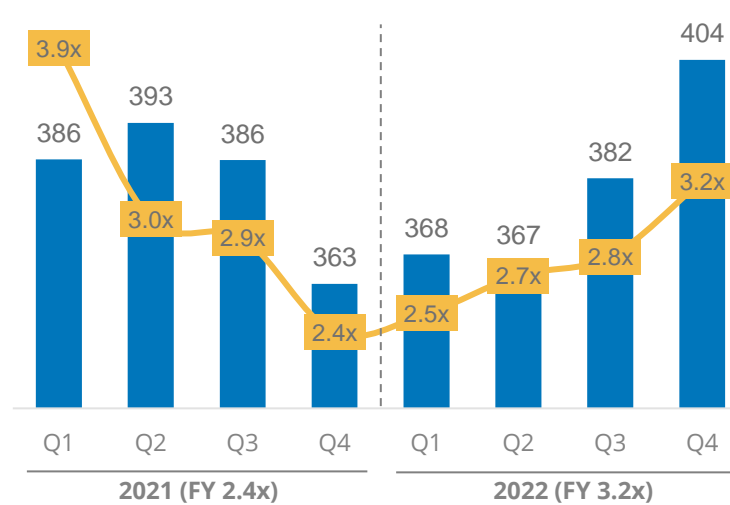
EBITDA and EBITDA Margin (USD million)*



Free Cash Flow (USD million)** and % of Sales



Net Interest-Bearing Debt (USD million) and Leverage



Financial Highlights

- EBITDA margin before special items 18% in Q4 2022
- Cash flow affected by inventory buildup and receivables
- NIBD increased by USD 22 million from Q3 to Q4 2022, mainly due to renewals of lease contracts leading to an increase in lease liabilities and contributing to a higher leverage ratio
- The leverage was 3.2x at year-end 2022, above the 2.0-3.0x target range, share buybacks continue to be paused

* Before special items

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

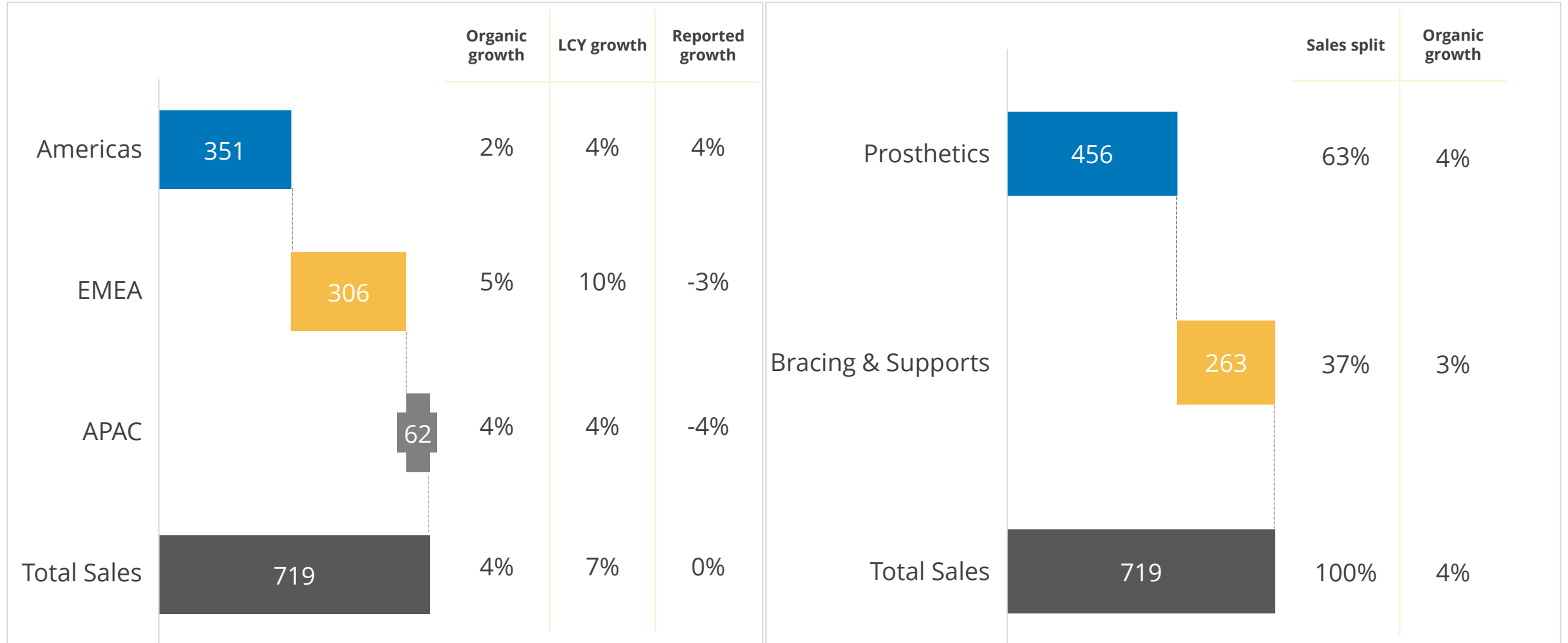


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Sales Growth FY 2022



Sales Split (USD million) and Sales Growth



Income Statement FY 2022

Financial Results (USD million)	2022	2021
Net sales	719	719
<i>Reported growth</i>	<i>0%</i>	<i>14%</i>
<i>Organic growth</i>	<i>4%</i>	<i>10%</i>
Gross profit	440	455
<i>Gross profit margin</i>	<i>61%</i>	<i>63%</i>
EBITDA	114	149
<i>EBITDA margin</i>	<i>16%</i>	<i>21%</i>
EBITDA (adj.)*	128	149
<i>EBITDA margin (adj.)*</i>	<i>18%</i>	<i>21%</i>
EBIT	65	97
<i>EBIT margin</i>	<i>9%</i>	<i>14%</i>
Income tax	13	21
<i>Effective tax rate</i>	<i>23%</i>	<i>24%</i>
Net profit	43	66
<i>Net profit margin</i>	<i>6%</i>	<i>9%</i>

* Before special items

Financial Performance

- Organic sales growth of 4% in FY 2022 and flat reported sales growth
- Negative FX impact of USD 47 million on sales
- Gross profit margin at 61% in FY 2022 but at 62% excluding special items in connection to restructuring in Q3 2022
 - High freight and raw material cost, impact of USD 13 million vs. pre-pandemic levels in 2019, thereof freight USD 10 million
- Operating profit mainly impacted by special items and supply chain challenges
 - Net special items amounted to USD 14 million
- Effective tax rate of 23% in FY 2022
- Net profit of USD 43 million in FY 2022



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Guidance Considerations for 2023



	Guidance for FY 2023	Key Assumptions
Sales growth Organic	4-8%	<ul style="list-style-type: none"> • Reimbursement systems have announced price increases for 2023 from zero percent to inflation related price increases for 2023, price increases implemented by Össur vary by region • Stability in product supply, including for the Power Knee • New product launches can contribute to higher organic growth • Successful execution of growing in Emerging Markets • Limited impact from COVID-19 • Stability in hospital staffing levels and CPO levels
EBITDA margin Before special items	17-20%	<ul style="list-style-type: none"> • An underlying gradual increase in profitability as sales continue to normalize • Improved sourcing of raw materials and components for bionic manufacturing • Freight cost expected to decline from 2022 levels and productivity expected to improve • Inflation impacting OPEX and labor cost, cost savings related to restructuring activities made in Q3 2022 expected to partly offset adverse effect of higher OPEX in 2023 • At current foreign exchange rates, the EBITDA margin before special items is expected to be positively impacted by about 30 basis points in 2023 when compared to 2022
CAPEX % of sales	3-4%	<ul style="list-style-type: none"> • In line with historical CAPEX levels • Mainly leasehold improvements, IT and manufacturing equipment
Tax Effective tax rate	23-24%	<ul style="list-style-type: none"> • In line with historical tax levels and based on the current mix of taxable income



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Q&A





Capital Markets Day

30 March
in Copenhagen

Financial Calendar & Upcoming Investor Conferences

Financial Calendar

Annual General Meeting 2023	10 March 2023
Interim report Q1 2023	25 April 2023
Interim report Q2 2023	25 July 2023
Interim report Q3 2023	24 October 2023
Interim report Q4 2023 and Annual Report 2023	30 January 2024
Annual General Meeting 2024	13 March 2024

Conferences

ABGSC Investor Days (Stockholm)	7-8 March 2023
Carnegie Nordic Healthcare Seminar 2023 (Copenhagen)	14-16 March 2023
Goldman Sachs European Medtech Conference (London)	6-7 September 2023



Further Information

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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.