ÖSSUR®
LIFE WITHOUT LIMITATIONS

Össur hf. Q1 2017

Investor Presentation

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28 April 2017

Forward looking statements

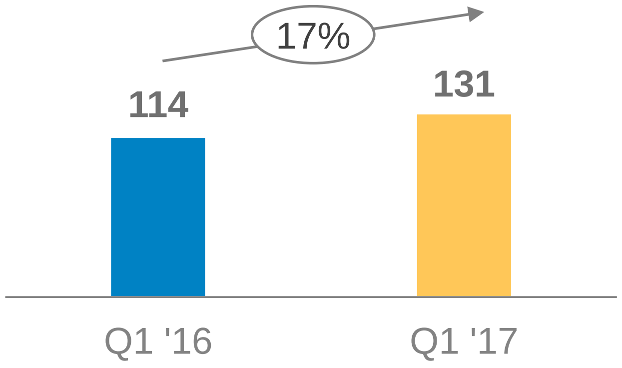
This presentation contains forward-looking statements, which reflect the Management’s current views with respect to certain future events and financial performance. Although the statements are based upon estimates the Management believes to be reasonable, there is no assurance that these statements will be achieved.

Statements containing the financial outlook for 2017 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.

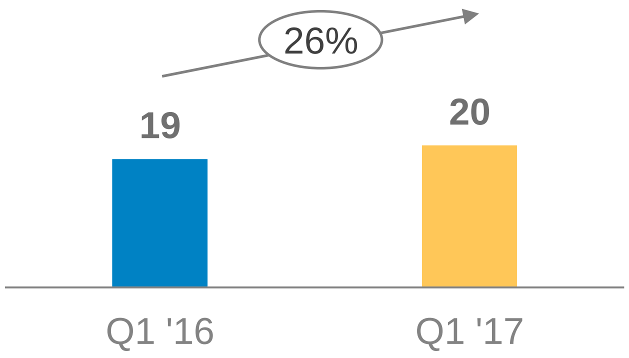
Q1 Highlights

Sales
USD m



- 17% growth
- 7% organic growth

EBITDA
USD m



- Gross profit margin 62% vs. 63% in Q1 2016
- EBITDA margin 16% vs. 16% in Q1 2016
- EBITDA growth 26% in LCY

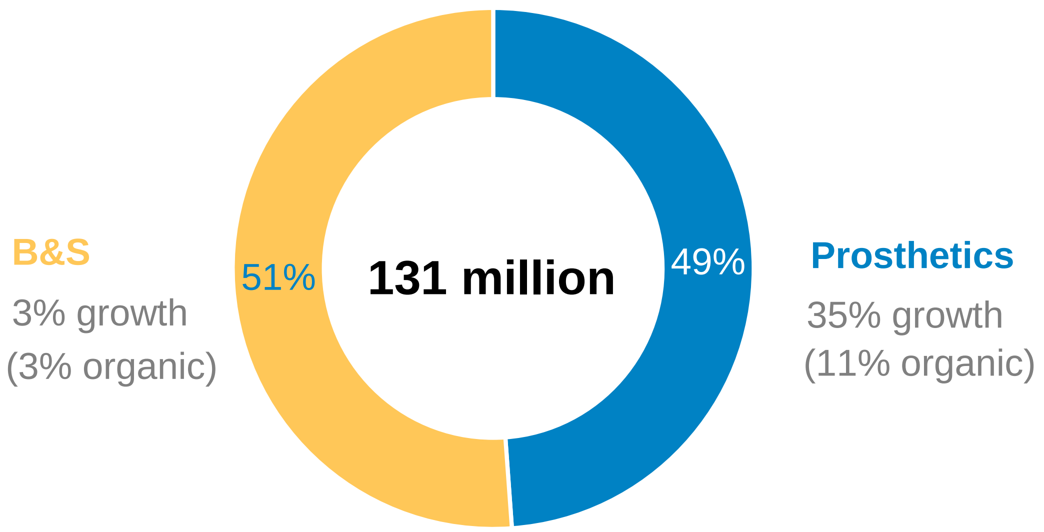
Highlights
Q1

- High-end innovative products are driving growth in all segments
- EMEA & APAC performing well but Americas had a soft quarter
- Negative FX impact
- Integration going as planned

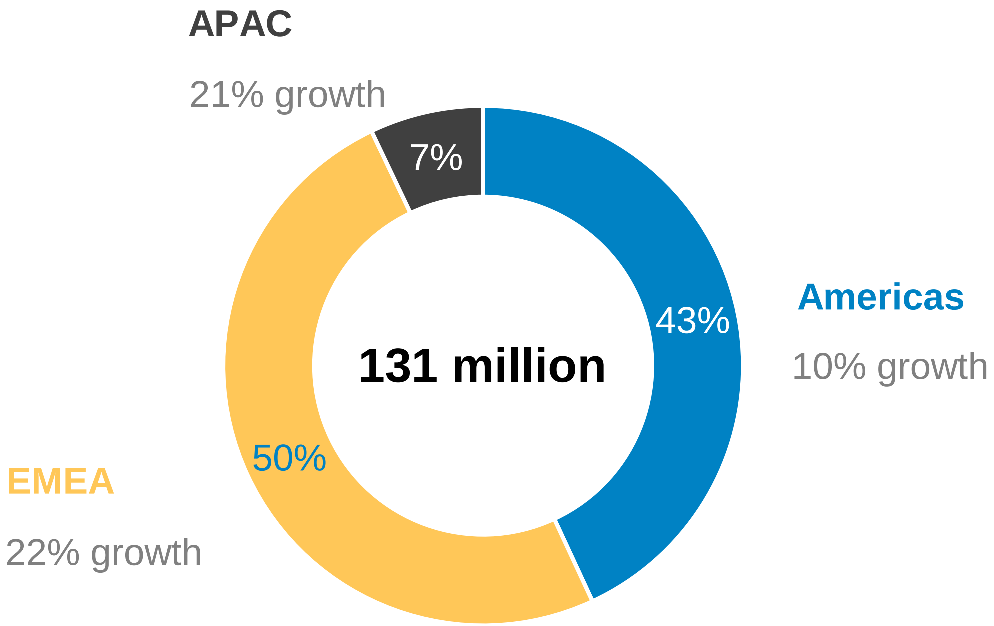
Note:
Amounts are in USD and all growth numbers refer to quarter-on-quarter growth and measured in LCY unless otherwise stated

Q1 Sales by business segment and geography

Total sales by business segment



Total sales sales by geography



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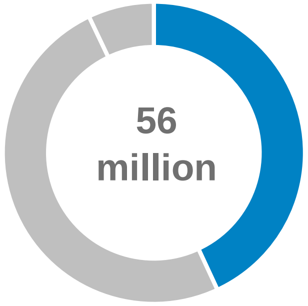
(%) Business segment refers to % of total sales

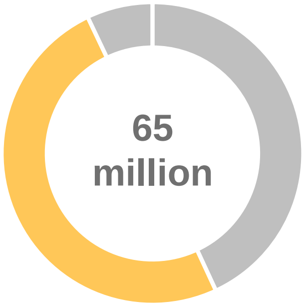
Q1 Highlights in sales by geography

Americas
10% growth



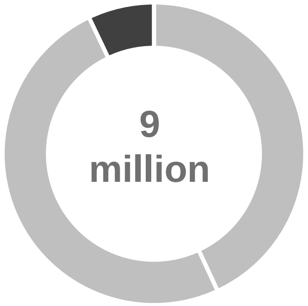
- 1% organic sales growth
- Continued strong growth in prosthetics
- Soft quarter in B&S

EMEA
22% growth



- 11% organic sales growth
- Strong growth in both product segments
- All major regions performing well

APAC
21% growth



- 14% organic sales growth
- Strong growth in high end products
- China sales back on track

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Financial overview

Highlights

Sales growth

- 17% growth
- 7% organic

Profitability

- Underlying operational improvements neutralized by temporary negative impact from acquisitions and currency movements
- Stable gross profit margin
- EBITDA growth 26% in LCY
- Net profit growth of 13% in USD

Quarterly financial results

USD million	Q1 '17	Q1 '16
Net Sales	131	114
Gross Profit	82	71
% of sales	*62%*	*63%*
EBITDA	20	19
% of sales	*16%*	*16%*
EBIT	15	14
% of sales	*11%*	*12%*
Net Profit	10	9
% of sales	*8%*	*8%*

Note:
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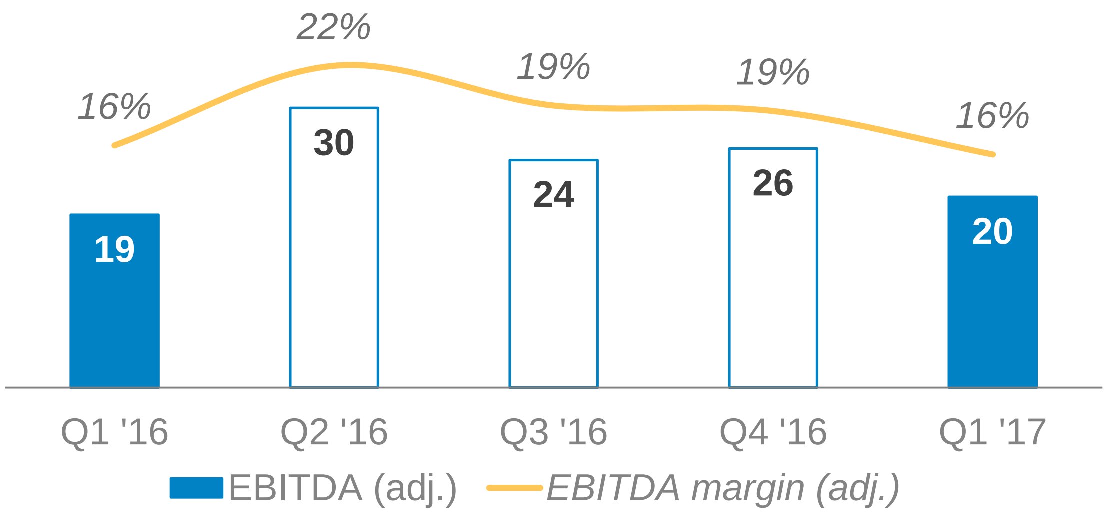
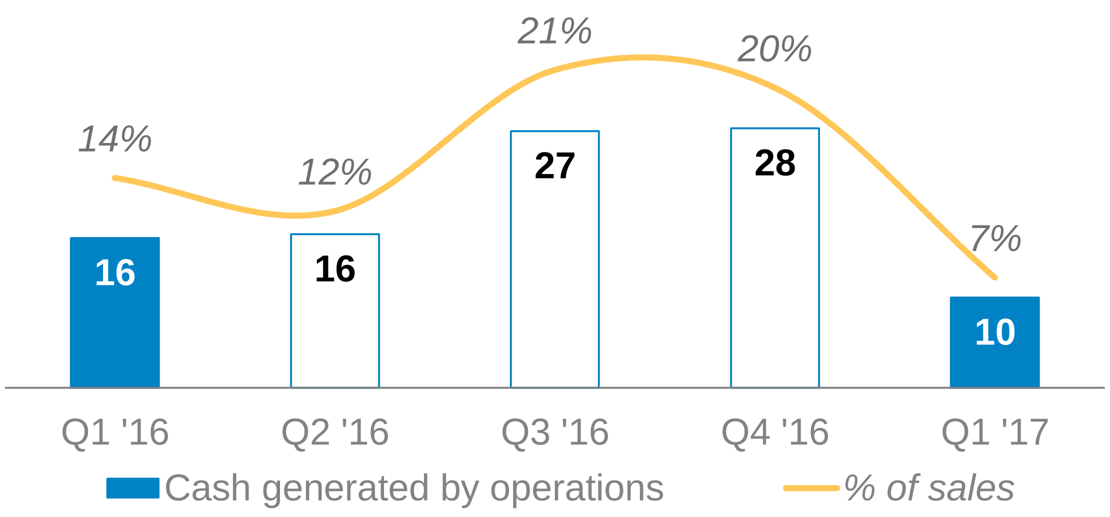
Operational highlights

EBITDA (adjusted)
USD million



- EBITDA growth 26%
- EBITDA margin 16%:
  - Q1 seasonally our weakest quarter
  - Acquisitions negatively impacting margin by 70 bps
  - Negative impact from currency by 120 bps (mainly ISK)

Cash flow from operations
USD million



- Cash flow is USD 10 million or 7% of sales
  - Seasonal increase in working capital
- NIBD is USD 149 million or 1.5x LTM EBITDA (adj.)

Note:
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EBITDA was adjusted in Q2 2016 for USD 4.6 million due to one-time expenses primarily related to Touch Bionics acquisition and Shared Service Center in Poland

Guidance for 2017

	Actual 2016	Guidance 2017
Sales growth LCY	9%	7-8%
Sales growth Organic	4%	4-5%
EBITDA margin Adjusted	19%	19-20%
CAPEX % of sales	5%	~4%

Appendix

Financial calendar and upcoming events & conferences

Financial calendar	
Q2 2017 Results	25 July 2017
Q3 2017 Results	24 October 2017
Q4 2017 Results	5 February 2018
2018 Annual General Meeting (IS)	8 March 2018

Upcoming events & conferences	
Goldman Sachs 14th Annual European Medtech and Healthcare Services Conference	6-7 September 2017
InvestorDay in Copenhagen	19 September 2017
Össur Capital Markets Day	27 September 2017
Danske Bank Copenhagen Winter Seminar	13 December 2017

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