



Q2 2018 Investor Presentation

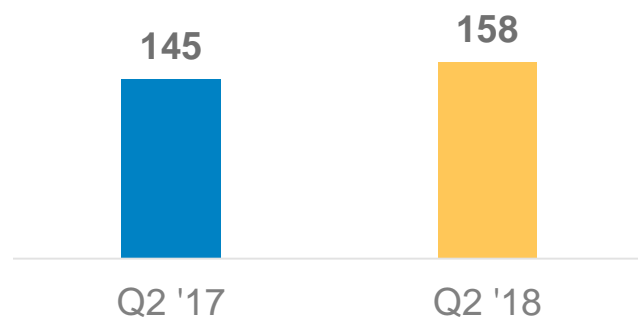
Jon Sigurdsson, President & CEO
Sveinn Solvason, CFO

26 July 2018

Highlights in the quarter

Sales

USD million



Q2

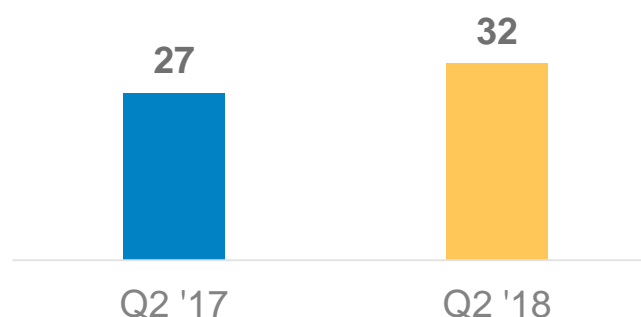
- 9% growth in USD
- 6% organic growth

1H

- 9% growth in USD
- 4% organic growth

EBITDA (before special items)

USD million



- 18% EBITDA growth in USD
- 15% EBITDA organic growth
- EBITDA% 20% vs. 19% Q2 2017
- GPM 63% vs. 62% in Q2 2017

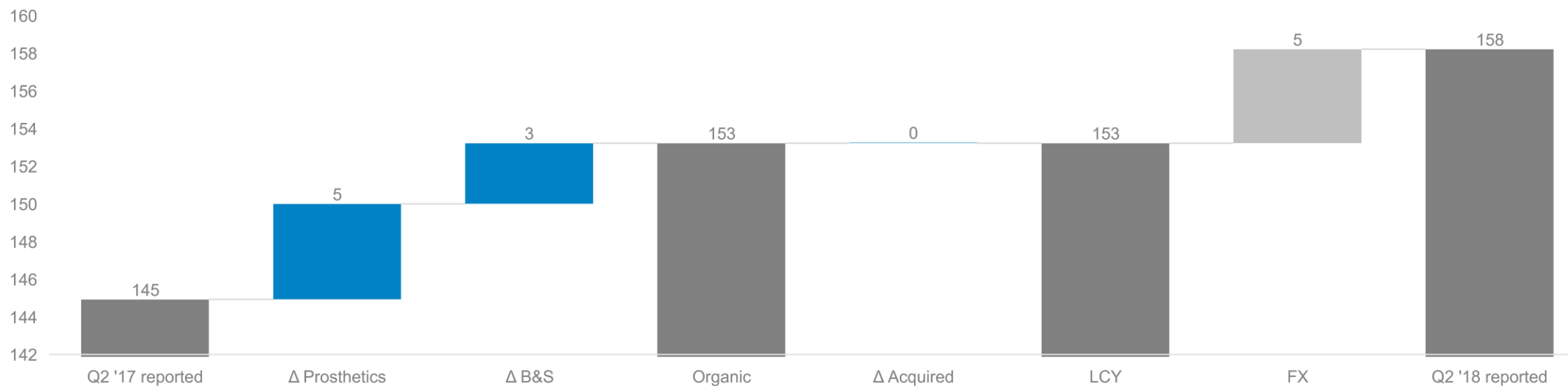
Highlights

- High-end products drive growth in Prosthetics
- B&S growing but slow sales in the US and France
- Increased profitability driven by scalability, strong sales growth and positive changes in product mix
- FX positively impacting EBITDA margin by about 40 basis points
- Guidance for the full year of 2018 unchanged

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

Q2 Sales highlights by business segments

Sales contribution in USD million



Organic

LCY

USD

Growth contribution

+4%

+2%

+6%

-

+6%

+3%

+9%

Reported segment growth

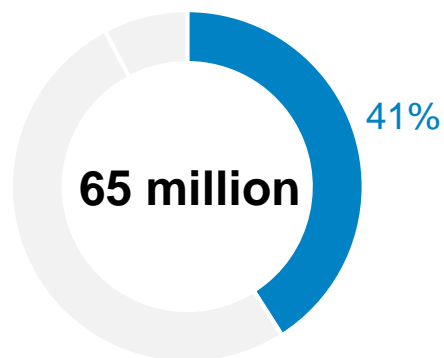
+7%

+4%

Note: Bridge is an approximation for growth contribution and figures in bridge are rounded to million

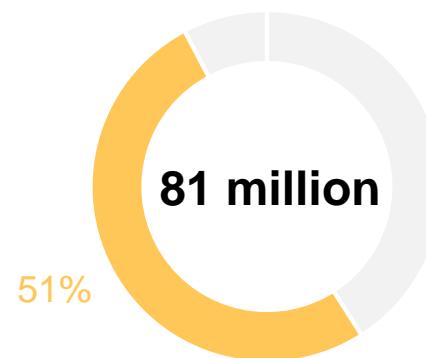
Q2 Sales highlights by geography

Americas 2% growth



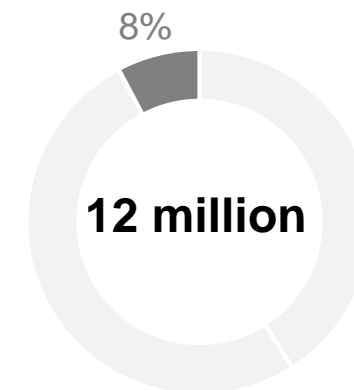
- High-end products contributing to growth in both segments
- Good performance in Canada but soft quarter for B&S in the US
- Own distribution companies growing

EMEA 7% growth



- High-end products such as bionics and Unloader performing well
- Slow sales in Compression Therapy in France
- Product rationalization in the UK and Nordic regions

APAC 19% growth



- Strong growth in both prosthetics and B&S
- Excellent performance in China and Australia

Note: Amounts are in USD and all growth numbers refer to quarter-on-quarter growth and measured in LCY unless otherwise stated
Percentages next to charts refer to % of total sales

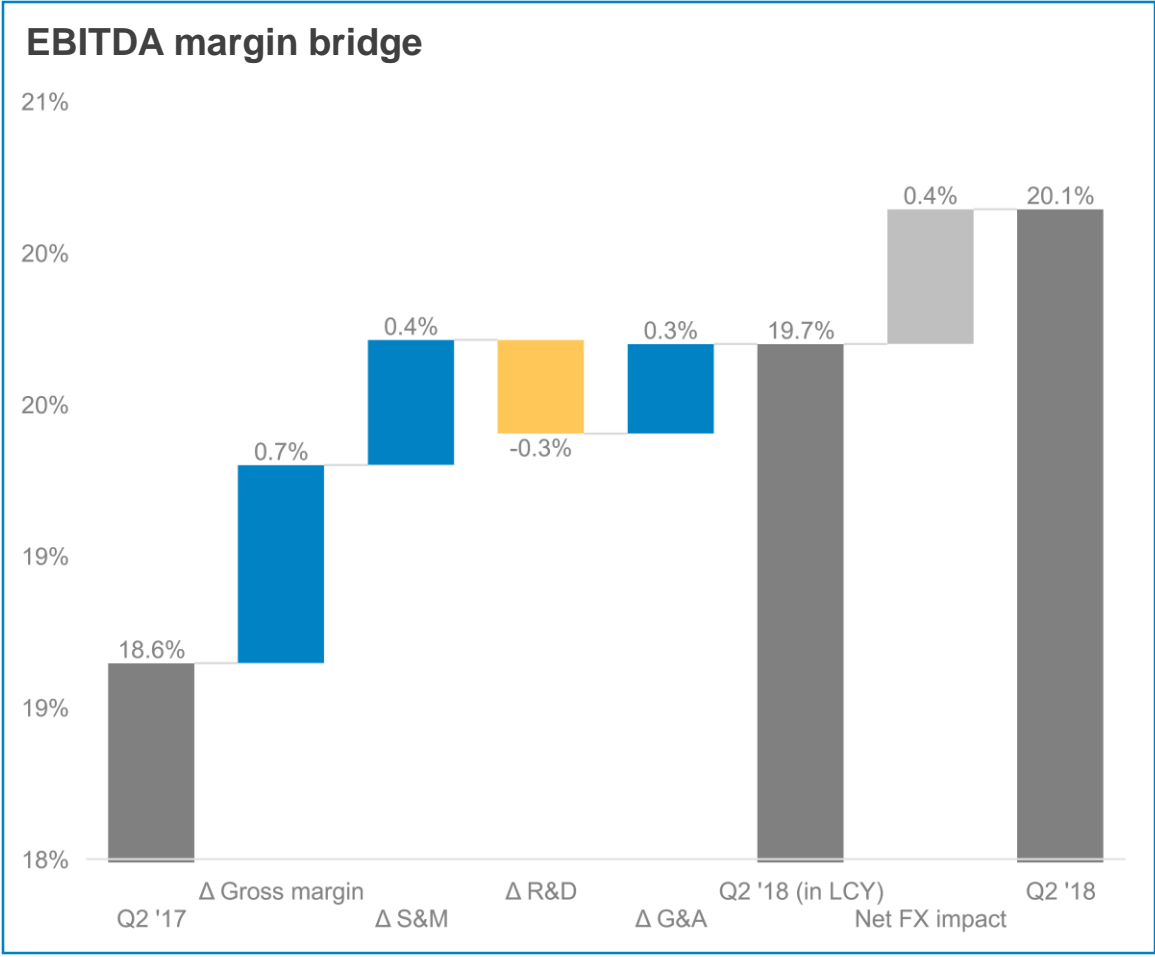
Profit & Loss

Financial results

USD million	1H '18	1H '17	Q2 '18	Q2 '17
Net Sales	300	276	158	145
<i>LCY growth</i>	4%	11%	6%	6%
<i>Organic growth</i>	4%	5%	6%	3%
Gross Profit	188	171	99	89
<i>% of sales</i>	63%	62%	63%	62%
EBITDA	52	45	32	24
<i>% of sales</i>	17%	16%	20%	17%
EBITDA (excl. special items)	52	47	32	27
<i>% of sales</i>	17%	17%	20%	19%
EBIT	40	34	26	19
<i>% of sales</i>	13%	12%	17%	13%
Share in net profit / (loss) of associated companies	2.1	0.1	1.1	0.1
Income tax	9	8	6	4
<i>Effective tax rate</i>	23%	26%	23%	25%
Net Profit	30	23	20	13
<i>% of sales</i>	10%	8%	12%	9%



EBITDA bridge



Note: Operational expenses delta profitability impact refers to quarter-on-quarter changes and measured in LCY

Item	USD m	Description
EBITDA Q2 '17	27.0	<ul style="list-style-type: none"> Before special items
Δ GP	+5.8	<ul style="list-style-type: none"> 6% organic sales growth 3% COGS growth (product mix)
Δ S&M	-1.9	<ul style="list-style-type: none"> 4% growth New business development and investments in emerging markets
Δ R&D	-0.9	<ul style="list-style-type: none"> 9% growth Investments in R&D projects for high-end products
Δ G&A	-0.3	<ul style="list-style-type: none"> 3% growth
FX	+2.2	<ul style="list-style-type: none"> Net of hedge
EBITDA Q2 '18	31.9	

Status on efficiency initiatives

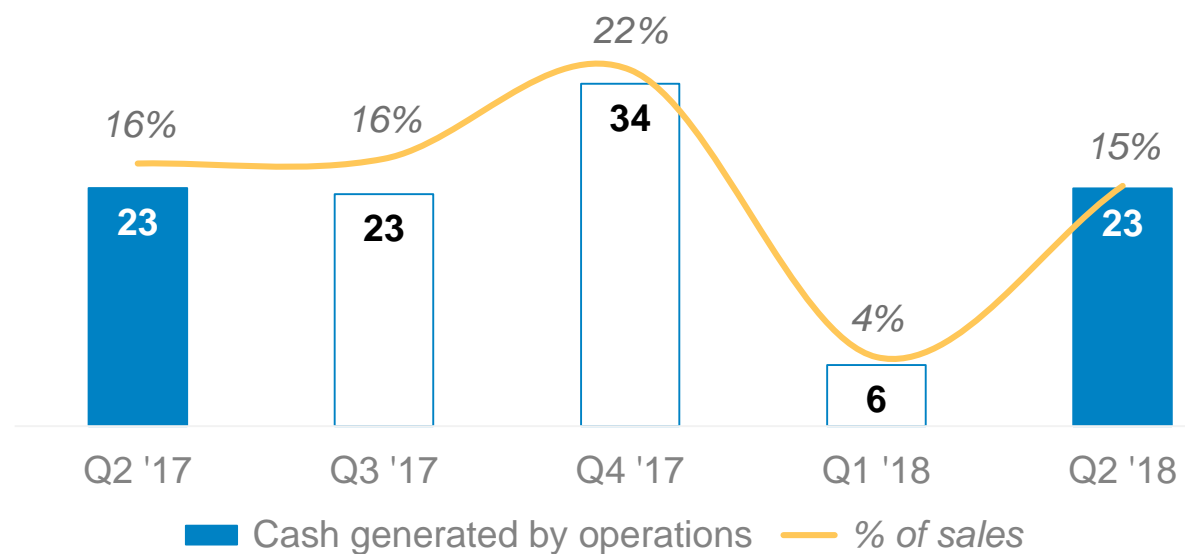
Initiative	Description	Completion	Status	Update on progress
Manufacturing and distribution	<ul style="list-style-type: none"> Simplify manufacturing and distribution organization Further growth of the Mexico operation 	2020	On track	<ul style="list-style-type: none"> Investments in equipment in Mexico West coast distribution facility closed and moved to our Mexico manufacturing facility, with savings already beginning to materialize
Strategic sourcing	<ul style="list-style-type: none"> Volume concentration Best-practice evaluation Global sourcing Process improvement Vendor relationships 	2020	On track	<ul style="list-style-type: none"> Good progress made Currently working on several categories
<p>Costs in Q3 2018 and 2019 of USD ~12 million in total (special items) Savings per year by end of year 2020 of USD ~10 million</p>				

Note: Össur announced efficiency initiatives in September 2017. For further information see company announcement no. 68/2017.

Cash flow and other items

Cash generated by operations

USD million



- Temporary increase in inventory related to efficiency initiatives
- CAPEX USD 8 million or 5% of sales
- NIBD is USD 134 million or 1.3x EBITDA (last 12 months)



Guidance for 2018

	Actual 2017	Guidance 2018
Sales growth LCY	8%	4-5%
Sales growth Organic	5%	4-5%
EBITDA margin Before special items	18%	~19%
CAPEX % of sales	3%	~4%
Tax Effective tax rate	25-26%*	23-24%

*The tax rate has been normalized for all the one-time benefits impacting the tax rate in Q1 2017. Reported effective tax rate amounted to 16% in the FY 2017.



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Financial calendar and upcoming events & conferences

Meet with us

Goldman Sachs 15th Annual European Medtech and Healthcare Conference (UK)	5 September 2018
Dansk Aktionærforening's InvestorDagen (DK)	18 September 2018
HSBC Healthcare Day 2018 (GE)	12 November 2018
Jefferies London Healthcare Conference (UK)	15 November 2018
Nordea Tech & Medtech/Life Science Seminar (SE)	26-27 November 2018
DNB Nordic-American Life Science Conference (US:NY)	29 November 2018
Danske Bank Winter Seminar (DK)	4 December 2018
SEB Nordic Seminar (DK)	7-9 January 2019

Financial calendar

Interim Report Q3 2018	25 October 2018
Interim Report Q4 2018 and Consolidated Financial Statements for FY 2018	5 February 2019
Annual General Meeting	7 March 2019



Further information

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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 2018 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.