



Coloplast Earnings Conference Call Q3 2016/17

16 August 2017

Coloplast A/S - Ostomy Care / Continence Care / Wound & Skin Care / Urology Care

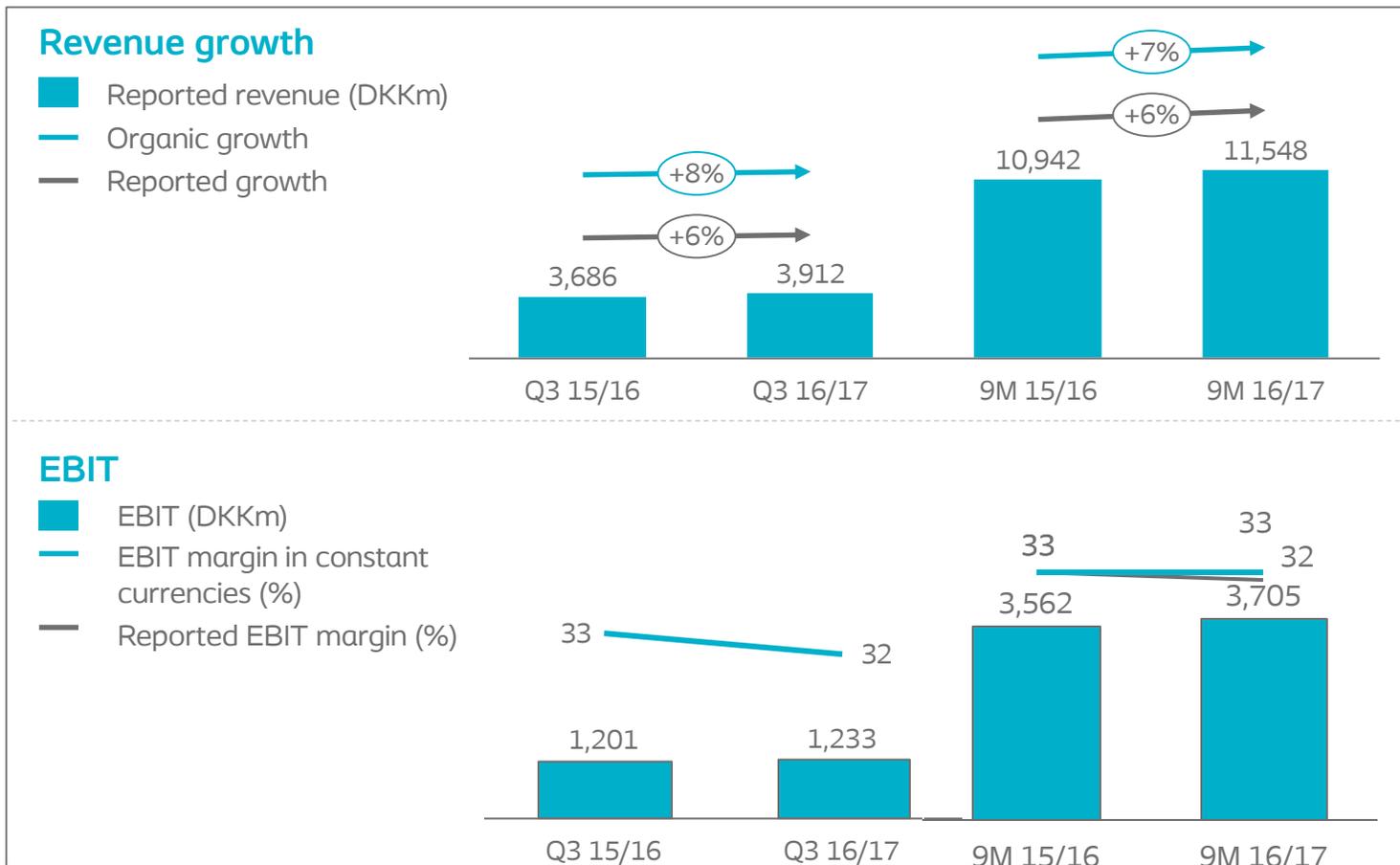


Forward-looking statements

The forward-looking statements contained in this presentation, including forecasts of sales and earnings performance, are not guarantees of future results and are subject to risks, uncertainties and assumptions that are difficult to predict. The forward-looking statements are based on Coloplast's current expectations, estimates and assumptions and based on the information available to Coloplast at this time.

Heavy fluctuations in the exchange rates of important currencies, significant changes in the healthcare sector or major changes in the world economy may impact Coloplast's possibilities of achieving the long-term objectives set as well as for fulfilling expectations and may affect the company's financial outcomes.

Coloplast delivered Q3 organic growth of 8% and an EBIT margin of 33% before one-off adjustment for Veterans Affairs



Q3 Highlights

- Q3 organic growth of 8% (6% reported growth)
 - Reported revenue in Q3 negatively affected by DKK 90m estimated one-off adjustment related to incorrect management of contract with the U.S. Department of Veterans Affairs*
- US Chronic Care business reported double-digit organic sales growth in Q3
- Growth in WC negatively impacted by price reforms in Greece and France, offset by improved momentum in China
- Q3 EBIT margin of 33% in constant exchange rates, before one-off adjustment for Veterans Affairs, on par with last year
- Updated financial guidance for 2016/17:
 - Organic revenue growth of 7-8% and ~6% reported growth from previously 7-8%
 - EBIT margin of 33-34% in constant currencies and ~32% in reported EBIT from previously ~33%

* Coloplast has identified the incorrect management of the 2009 agreement and is in dialogue with the U.S. Veterans Affairs to settle the matter. The matter relates to Continence Care products and is treated as a one-off adjustment recognized directly in the Q3 revenue. The matter has not affected the organic growth rate for the reporting period.

9M organic growth of 7% with good performance across most business areas and geographies

9M 16/17 revenue by business area

Business area	Reported revenue DKKm	Organic growth	Share of organic growth
Ostomy Care	4,694	7%	43%
Continance Care	4,119	8%	40%
Urology Care	1,251	11%	16%
Wound & Skin Care	1,574	0%	1%
Other*	(90)		
Coloplast Group	11,548	7%	100%

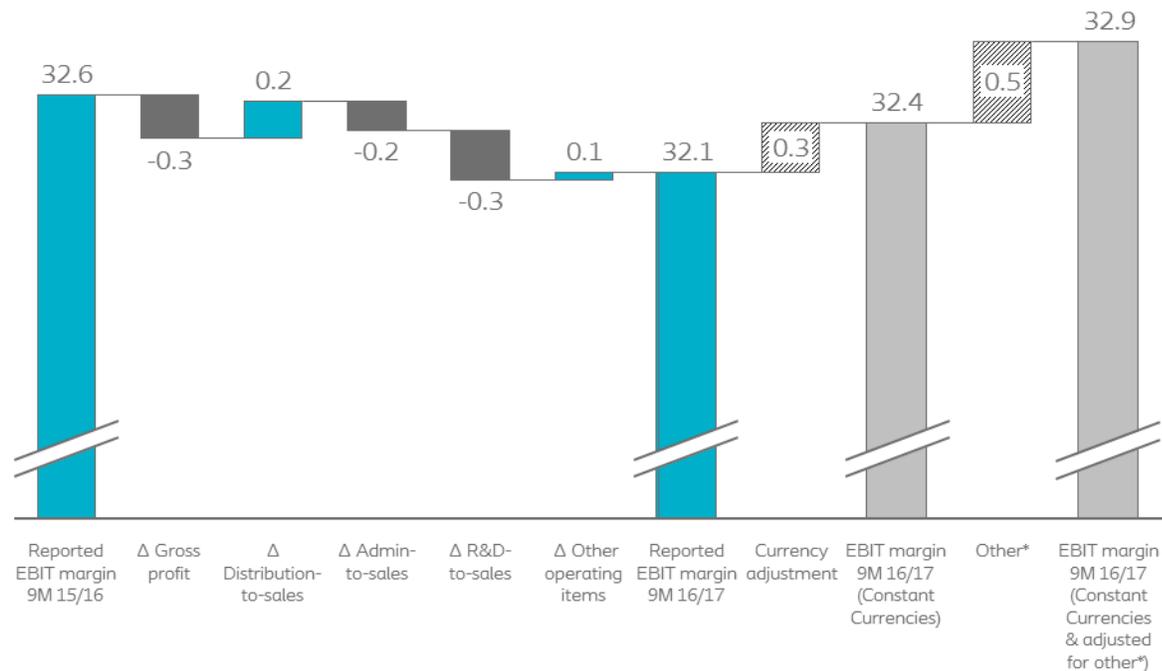
9M 16/17 revenue by geography

Geographic area	Reported revenue DKKm	Organic growth	Share of organic growth
European markets	7,049	5%	55%
Other developed markets	2,694	9%	17%
Emerging markets	1,895	10%	28%
Other*	(90)		
Coloplast Group	11,548	7%	100%

* Estimated one-off revenue adjustment related to incorrect management of a contract with U.S. Veterans Affairs

9M EBIT in constant currencies & before one-off adjustment for VA grew 9% corresponding to an EBIT margin of 33%

EBIT margin development



* Estimated DKK 90m one-off revenue adjustment related to incorrect management of a contract with U.S. Veterans Affairs

Comments

- EBIT grew 4% to DKK 3,705m with a reported margin of 32% (33% in constant currencies, before one-off revenue adjustment) compared to 33% last year
- Gross margin of 68% in line with last year
 - Continued efficiency gains and positive impact from relocation manufacturing of SenSura® Mio and Compeed to Hungary
 - Negatively impacted by wage inflation in Hungary, product mix, depreciation and restructuring costs of DKK 16m
 - Reduction of production employees in Denmark from 700 to 400 in 2017/18 on track
- Distribution-to-sales of 28% (28% in 9M 2015/16)
 - Investments in sales and marketing initiatives, primarily in the US and Wound Care
- Admin-to-sales of 4% on par with last year
- R&D costs increased 15% compared to last year due to increased activity. R&D-to-sales at 4% compared to 3% last year

Updated financial guidance for 2016/17

	Guidance 16/17	Guidance 16/17 (DKK)	Long term ambition
Sales growth	7-8% (organic)	~6% from 7-8%	7-9% p.a.
EBIT margin	33-34% (constant exchange rates)	~32% from ~33%	+50-100 bps p.a.
CAPEX (DKKm)		~700	4-5% of sales
Tax rate		~23	

Our mission

Making life easier for people
with intimate healthcare needs

Our values

Closeness... to better understand
Passion... to make a difference
Respect and responsibility... to guide us

Our vision

Setting the global standard
for listening and responding