



# Coloplast Earnings Conference Call H1 2016/17

3 May 2017

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

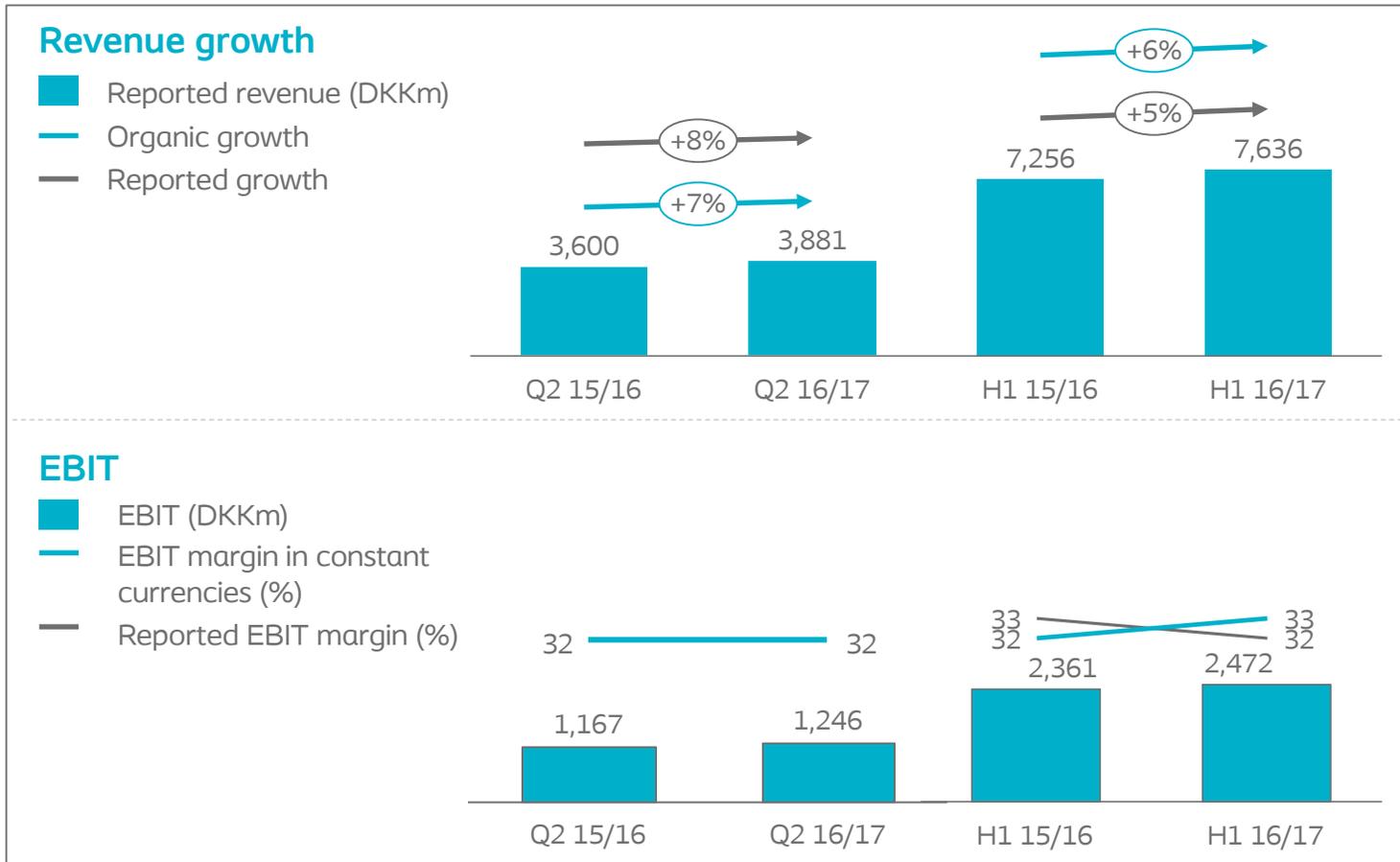


# Forward-looking statements

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 Q2 organic growth of 7% and 32% EBIT margin in constant currencies



## Q2 Highlights

- Q2 organic growth of 7% (8% in DKK)
  - The acquisition of Comfort Medical contributed ~2% growth to revenue
- Continued strong momentum in Europe and double digit organic growth in US Chronic Care
- Growth in WSC negatively impacted by strong comparisons in US Skin Care in Q2 2015/16, partially offset by regained momentum in China WC in Q2
- Relaunch of SenSura® Mio Convex and launch of new SenSura® Mio Hospital Assortment
- Q2 EBIT margin of 32% in constant exchange rates and 32% in reported terms (DKK)
- Interim dividend of DKK 4.5 per share
- Unchanged financial guidance for 2016/17:
  - Organic revenue growth of 7-8% and 7-8% in DKK
  - EBIT margin of 33-34% in constant exchange rates and ~33% in DKK

# LEAD20 – an update on our direction towards 2020

## Superior products and innovation



**SenSura® Mio  
Hospital Assortment**  
Launched in 2017



**SenSura® Mio Convex**  
Launched in 2015  
Relaunched in 2017



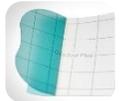
**SpeediCath® Flex**  
Launched in 2016



**Brava® Protective Seal**  
Launched in 2016



**Biatain® Silicone  
Sizes & shapes**  
Launched in 2016



**Comfeel® Plus**  
Relaunched in 2016

4% R&D to sales YTD 16/17

## Unique user-focused market approach



+ 500,000 enrolments



Live in +20 markets

+ 1 million users in our Coloplast database



## Unparalleled efficiency

### Innovation Excellence

Production ramp-up directly from Hungary/China:



SenSura® Mio  
Hospital  
assortment



SenSura® Mio  
Convex



SpeediCath®  
Flex

Reduction of production  
employees in Denmark

- 100 FTEs in DK 2015/16
- 100 FTEs as of H1 2016/17
- In total, 300 FTEs by 2017/18
- On track to deliver DKK 80-100m saving by 2017/18



# H1 organic growth of 6% heavily impacted by inventory reductions at large distributors in the US in Q1

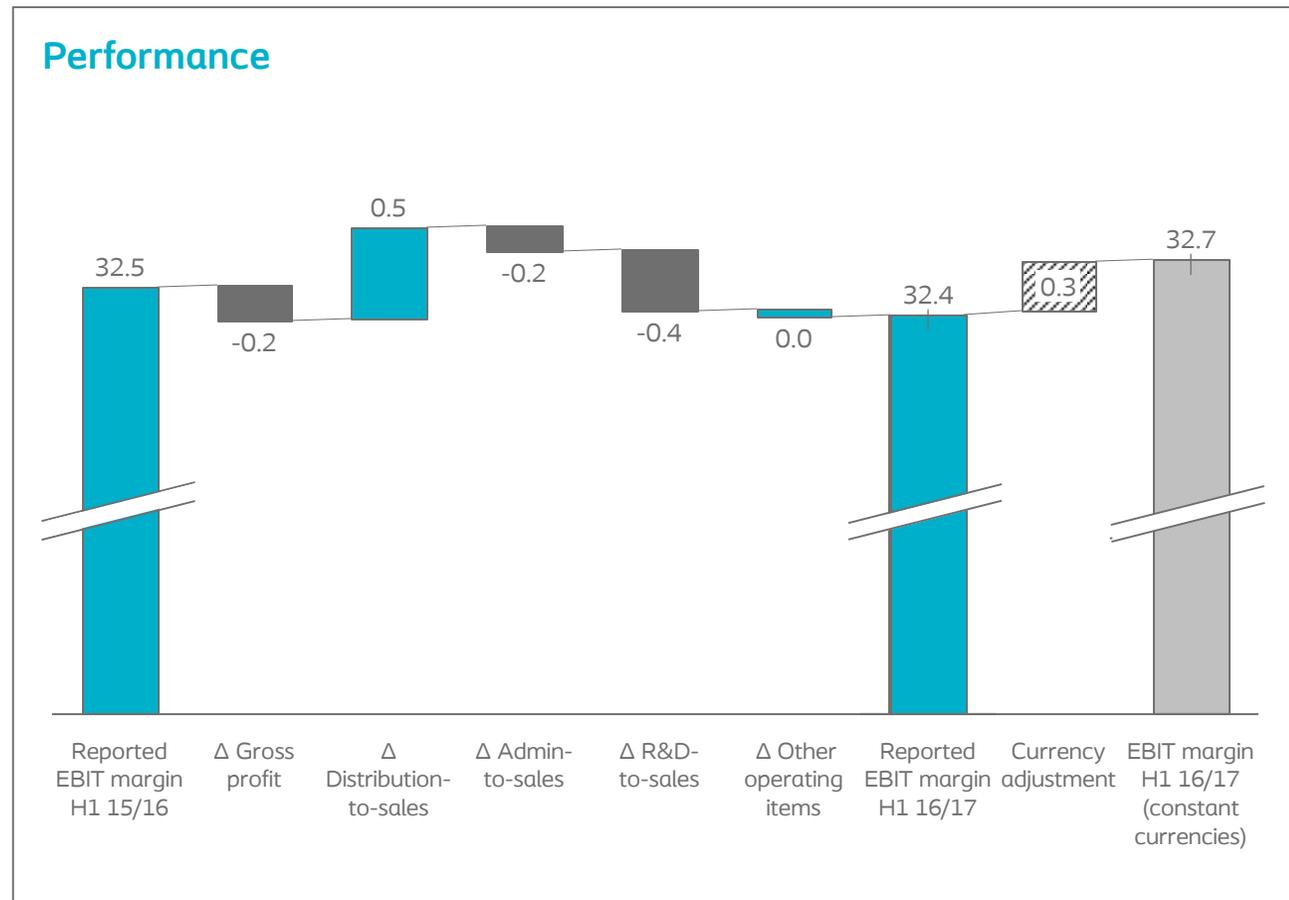
## H1 16/17 revenue by business area

Business area	Reported revenue DKKm	Organic growth	Share of organic growth
Ostomy Care	3,056	7%	48%
Continenence Care	2,688	6%	34%
Urology Care	828	11%	17%
Wound & Skin Care	1,064	0%	0%
<b>Coloplast Group</b>	<b>7,636</b>	<b>6%</b>	<b>100%</b>

## H1 16/17 revenue by geography

Geographic area	Reported revenue DKKm	Organic growth	Share of organic growth
European markets	4,655	6%	54%
Other developed markets	1,745	6%	24%
Emerging markets	1,236	8%	22%
<b>Coloplast Group</b>	<b>7,636</b>	<b>6%</b>	<b>100%</b>

# H1 operating margin of 33% in constant currencies and 32% in DKK



## Comments

- EBIT before special items grew 5% in DKK (8% in constant currencies) to DKK 2,472m with a reported margin of 32% (33% in constant currencies) compared to 33% last year
- Gross margin of 68% in line with last year
  - Negatively impacted by restructuring costs of DKK 13m in Q2 related to the reduction of production employees in Denmark
  - Continued efficiency gains and positive impact from relocation of manufacturing to Hungary partly offset by increase in wages in Hungary, product mix and depreciation
- Distribution-to-sales of 28% (29% in H1 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 17% compared to last year due to increased activity. R&D-to-sales at 4% compared to 3% last year

# Unchanged financial guidance for 2016/17

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