



# Leading intimate healthcare

Roadshow presentation

H1 2016/17

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.

# 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



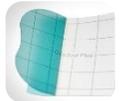
**SpeediCath® Flex**  
Launched in 2016



**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



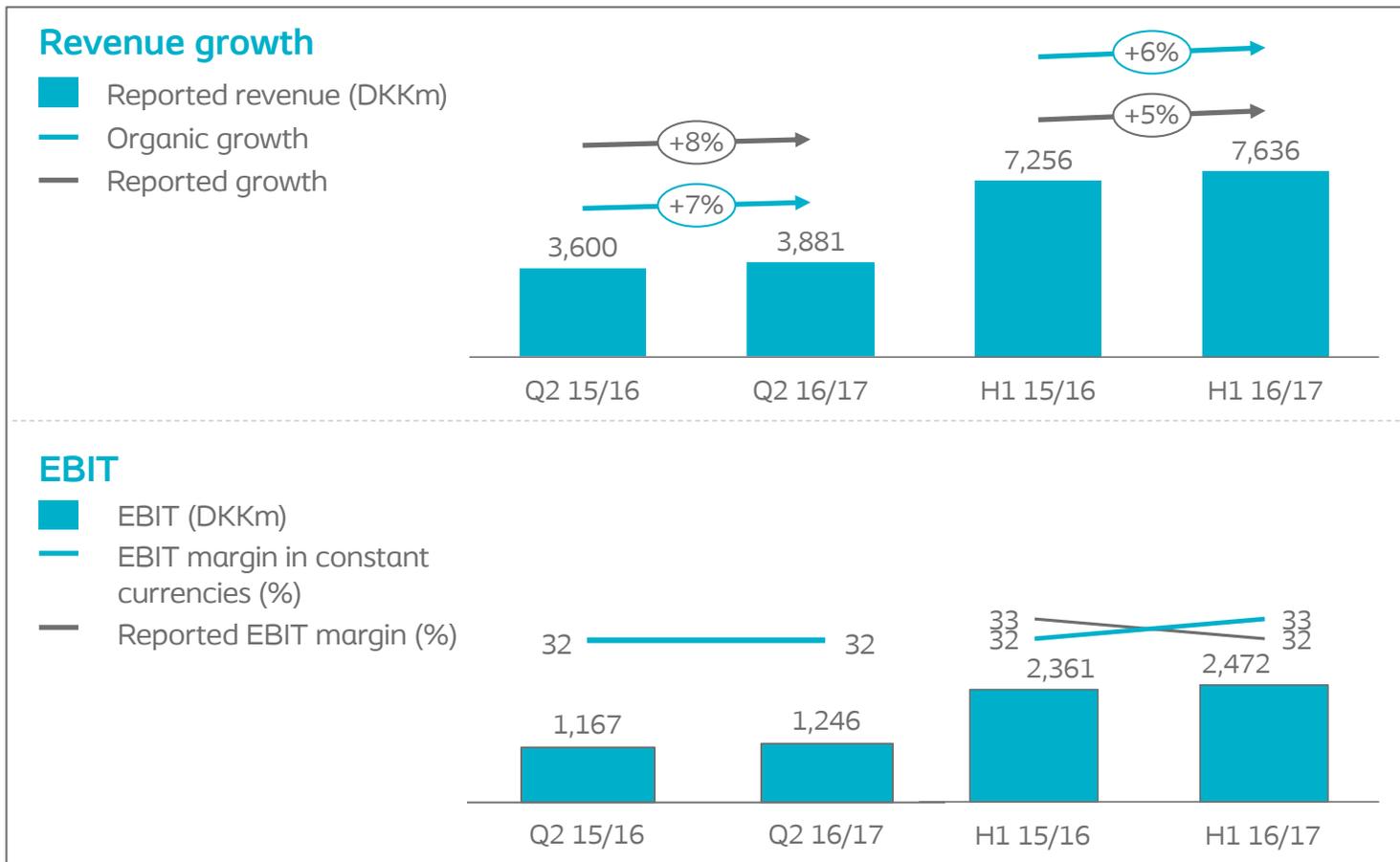
SpeediCath®  
Flex

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



# 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

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

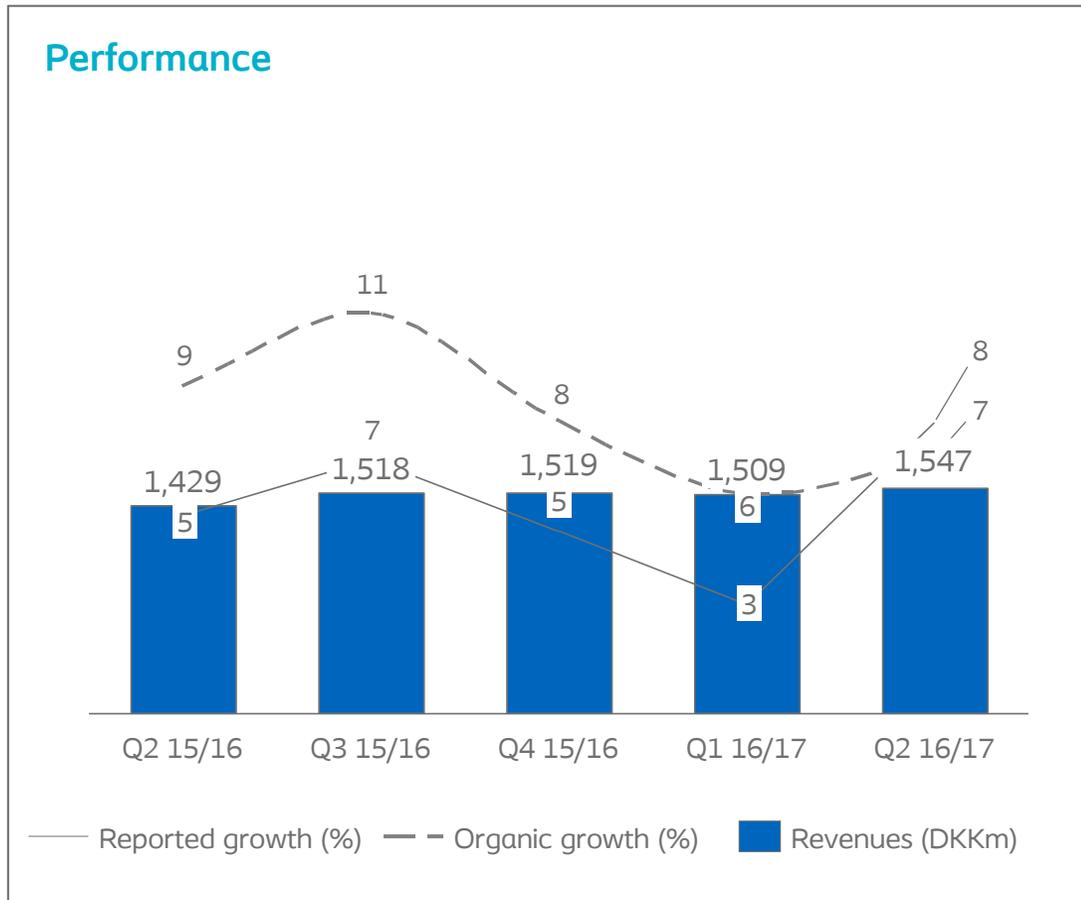
## H1 16/17 revenue by business area

Business area	Reported revenue DKKm	Organic growth	Share of organic growth
Ostomy Care	3,056	7%	48%
Continance 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>

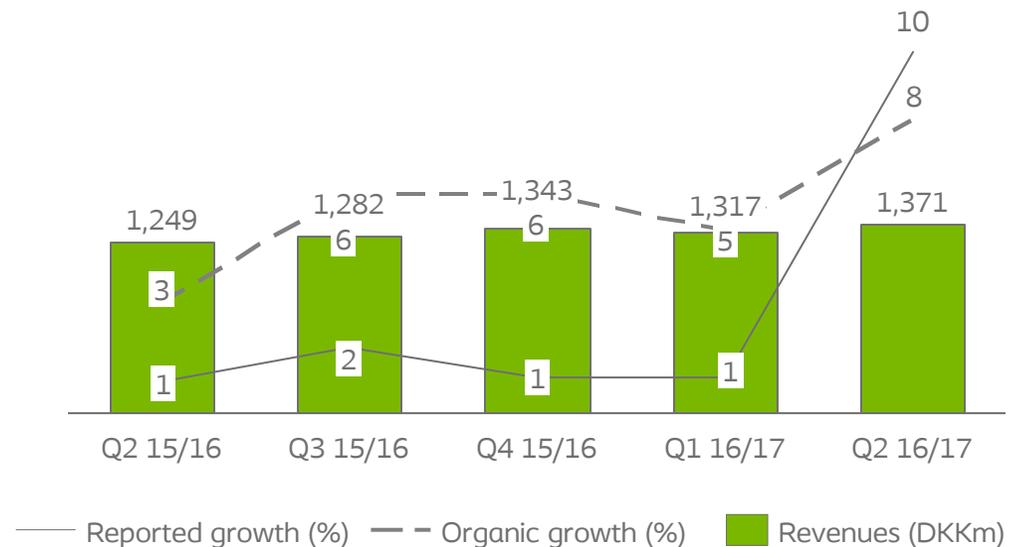
# Ostomy Care grew 7% organically in Q2 and continues to be driven by SenSura® range and Brava® accessories



- ### Comments
- H1 organic growth of 7% (5% in DKK). Q2 organic growth of 7%
    - The acquisition of Comfort Medical contributed ~1% growth to revenue in Ostomy Care in H1 and ~2% growth in Q2
  - Satisfactory growth in Q2 driven by UK, US and China, but negatively impacted by weaker growth in Brazil and Holland
  - Satisfactory growth in **SenSura®** portfolio in Q2, driven by **SenSura® Mio** and in particular **SenSura® Mio Convex** which was relaunched at the end of Q2 – new production capacity now available in Hungary
  - Satisfactory growth in **Assura/Alternia®** portfolio in Q2 driven by China, Russia and Argentina
  - Growth in **Brava®** accessories range especially in UK, France and China.
  - **Brava® Protective Seal** launched in 13 markets and feedback is very positive
  - **SenSura® Mio** Hospital assortment to be launched in all core markets over the next 12 months

# Continence Care grew 8% in Q2 driven by SpeediCath® Compact catheters in particular in UK, US and France

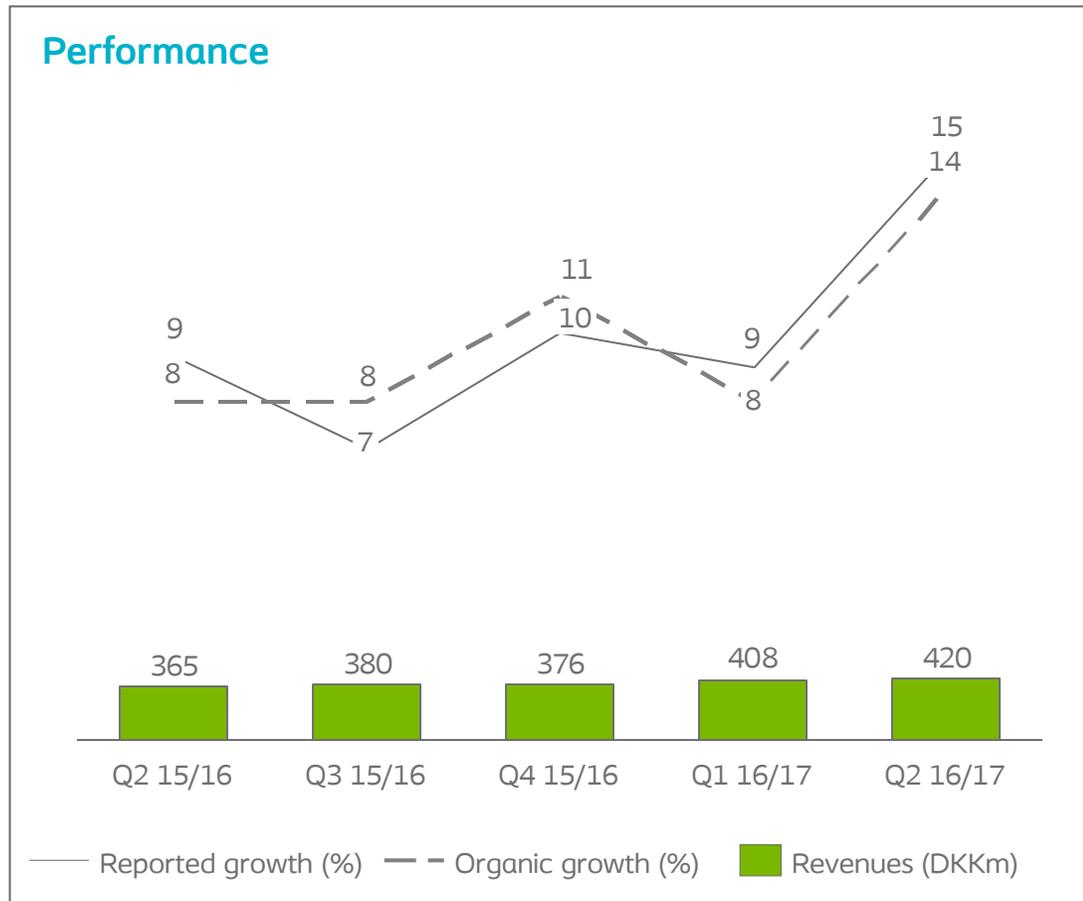
## Performance



## Comments

- H1 organic sales growth of 6% (5% in DKK). Q2 organic growth of 8%
  - The acquisition of Comfort Medical contributed ~2% growth to revenue in Continence Care in H1 and ~3% growth in Q2
- Satisfactory growth in Q2 driven by France, US and UK
- Q2 growth driven by **SpeediCath® Compact** catheters in particular in UK, US and France
- Growth in standard catheters was slightly positive in Q2, driven by Spain, Argentina and South Korea
- Growth in urine bags and urisheaths was positive in Q2 due to improved momentum in China
- **Peristeen®** growth remains satisfactory especially in UK, US and France
- **SpeediCath® Flex** launched in 13 markets and feedback continues to be very positive

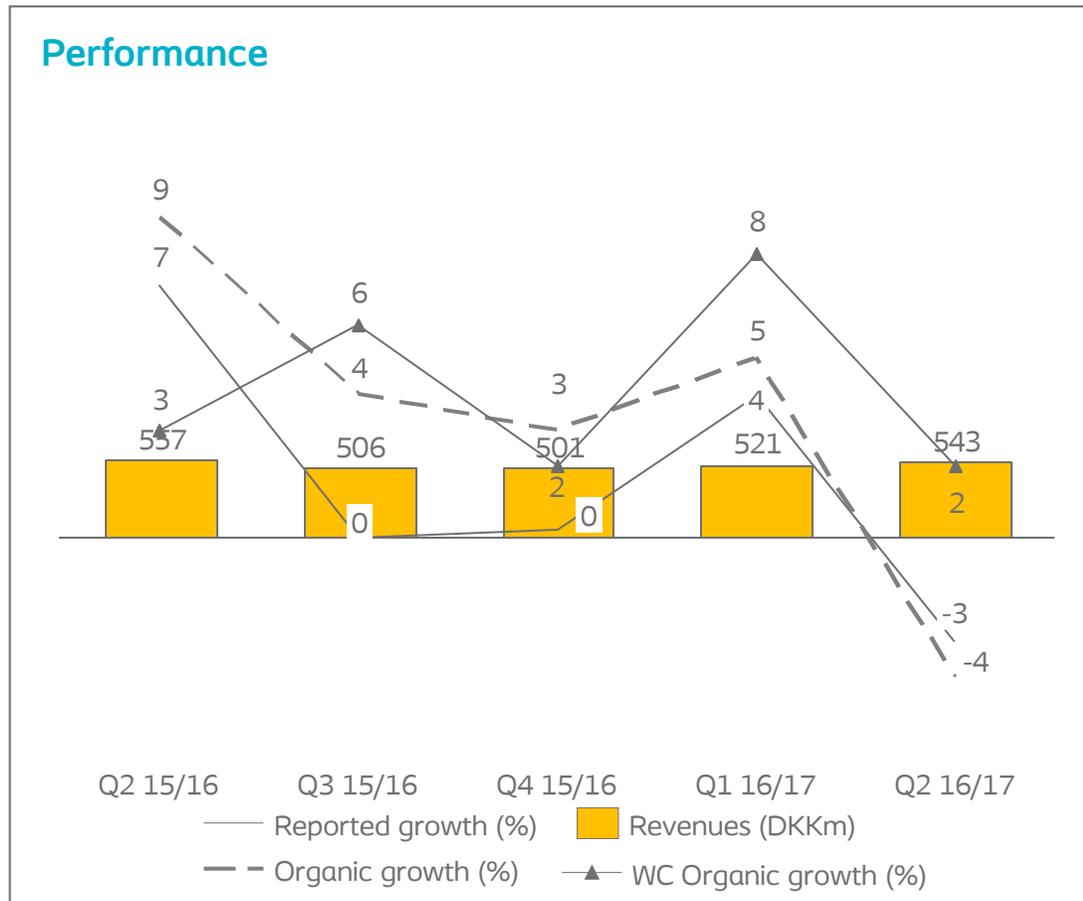
# Urology Care grew 14% in Q2 driven by market share gains in Women's Health



### Comments

- H1 organic growth of 11% (12% in DKK). Q2 organic growth of 14%
- Growth in Q2 driven by the US, but also Europe and France in particular
- Strong growth and market share gains for US Women's Health in Q2, driven by **Altis**<sup>®</sup> slings and **Restorelle**<sup>®</sup> products for treatment of stress urinary incontinence and pelvic organ prolapse
- Growth in sales of **Titan**<sup>®</sup> penile implants in US remains satisfactory
- Sales of **Endourology** positively impacted by sales in France and increased tender activity in Saudi Arabia in Q2

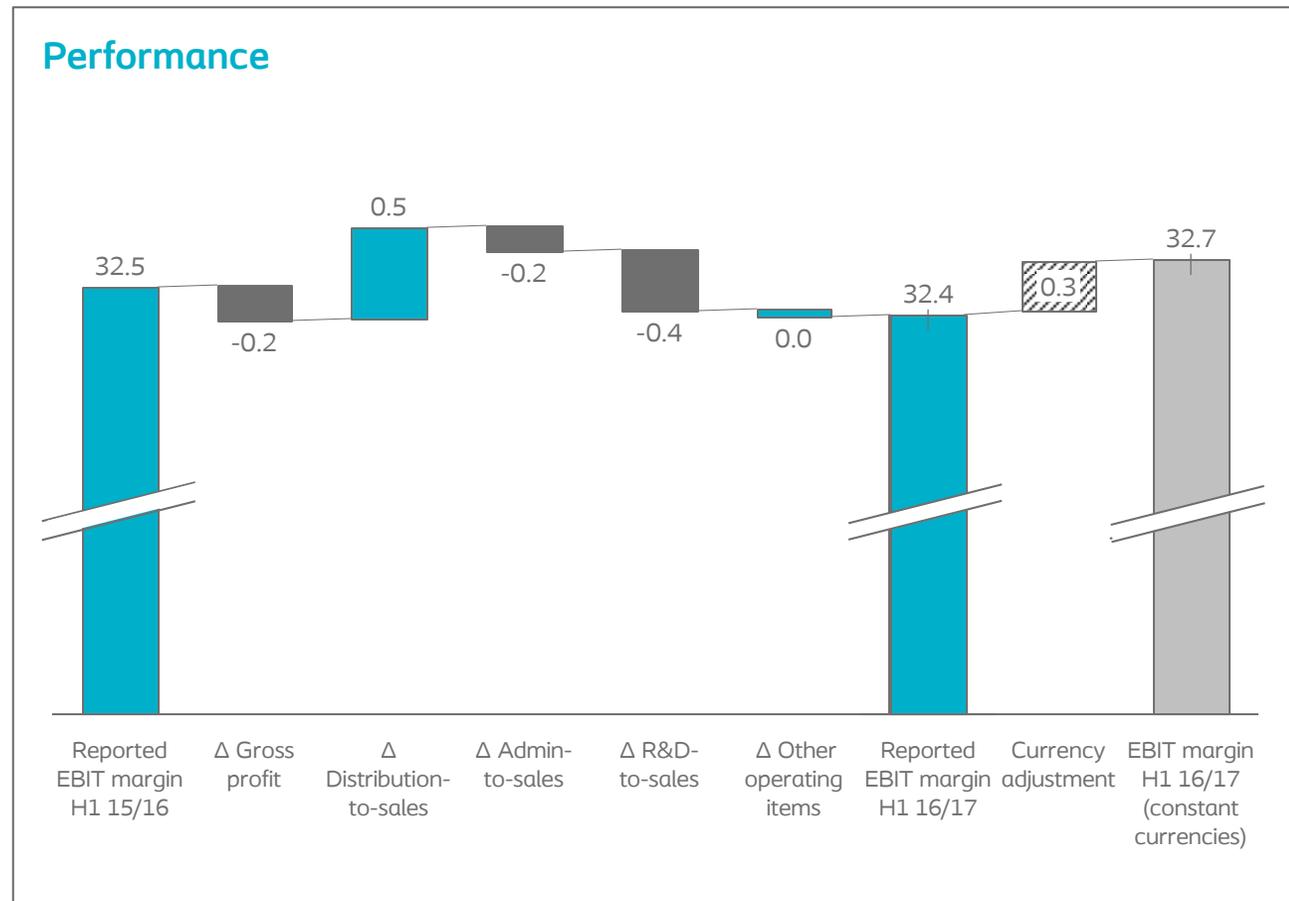
# WSC negatively impacted by lower momentum in Emerging markets as well as a strong skin care quarter last year



### Comments

- H1 organic sales growth of 0% for WSC (0% in DKK), Q2 organic growth for WSC of negative 4%
- H1 organic growth of 5% for Wound Care in isolation, and positive 2% in Q2. Wound care negatively impacted in Q2 by:
  - General EM weakness and in particular Brazil
  - Reimbursement reform in France
  - De-stocking in Greece following price reform
  - UK community market contraction
- Improved growth momentum in China WC in Q2
- Negative growth in Skin Care in Q2 due to high sales on InterDry product in Q2 last year
- **Biatain® Silicone Sizes & Shapes** launched in 15 markets and feedback continues to be positive
- **Comfeel® Plus** relaunched in 14 markets

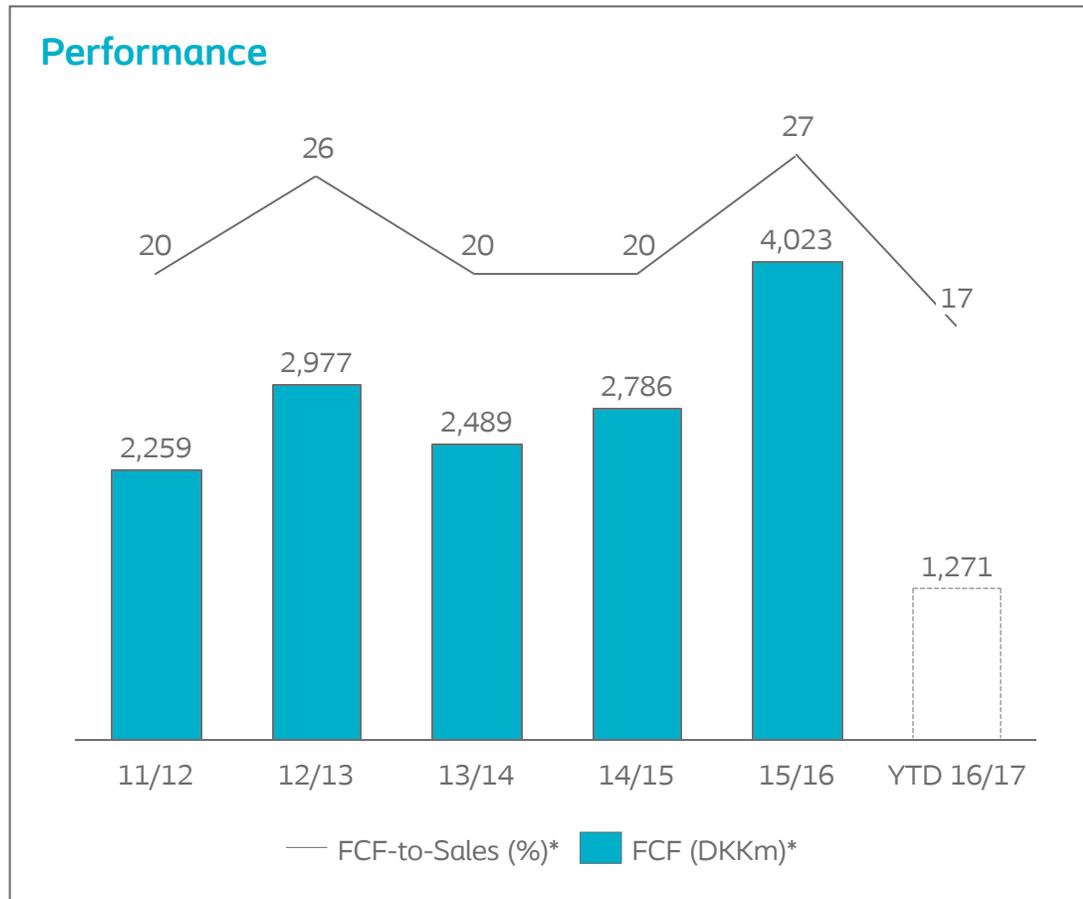
# H1 operating margin of 33% in constant currencies and 32% in DKK



## 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

# FCF adjusted for Mesh settlements, acquisition of Comfort Medical and tax payments was in line with last year



## Comments

- Free cash flow was negative DKK 648m compared to positive DKK 1,186m in H1 2015/16
  - EBITDA DKK 147m higher
  - NWC-to-sales of 26%, 2%-points higher than FY 2015/16 primarily due to higher inventory in connection with closure of backorders and product launches
  - Negative impact from deposits into escrow account and other costs in relation to US Mesh litigation (total YTD payments of DKK 1.5bn)
  - Negative impact from timing of tax payments last year
  - Acquisition of Comfort Medical for DKK 1.1bn
  - CAPEX-to-sales of 3% in line with last year
  - Net sale of bonds decreased by DKK 164m
- FCF ex. Mesh impact and Comfort Medical of DKK 1,271m compared to DKK 1,753m last year. Difference explained by timing of tax payments and hence underlying FCF is in line with last year

\*FCF adjusted for Mesh payments in 2013/14, 2014/15, 2015/16. Adjustment for Mesh payments includes DKK 500m insurance coverage in 2013/14 and 2014/15 combined.  
H1 2016/17 FCF adjusted for Mesh payments and acquisition of Comfort Medical.

# 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	



# Coloplast Meet the Management Event 2017

18 August 2017 in London – SAVE THE DATE!

The purpose of the event is to provide institutional investors and financial analysts with the opportunity to meet the Executive Management as well as selected key representatives from Coloplast. The event will be a combination of an update on our Q3 results followed by a series of Q&A break-out sessions. A formal invitation will be sent out shortly.



# Leading intimate healthcare

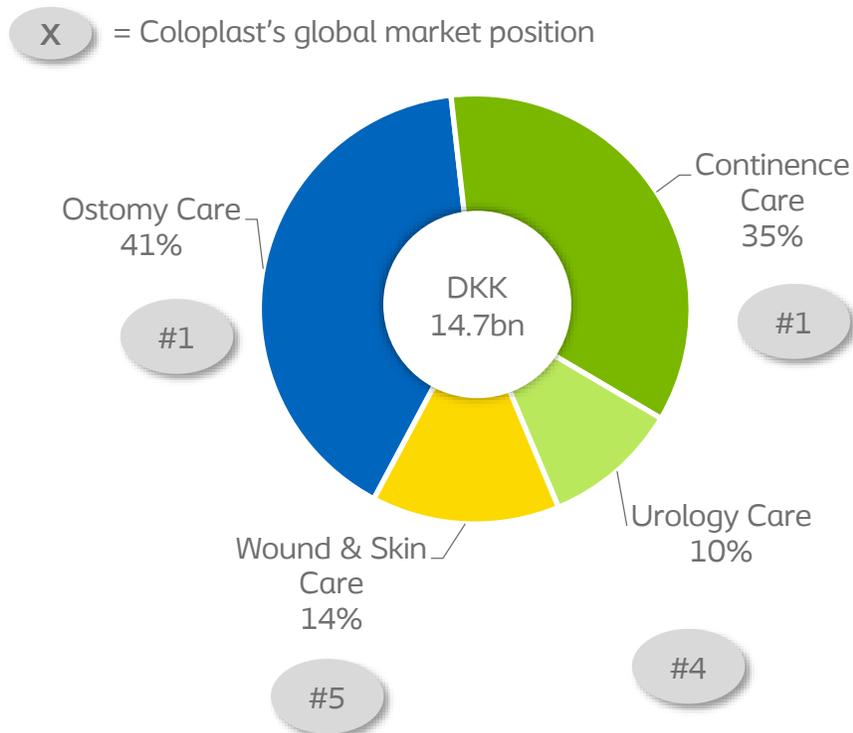
Introduction to Coloplast

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

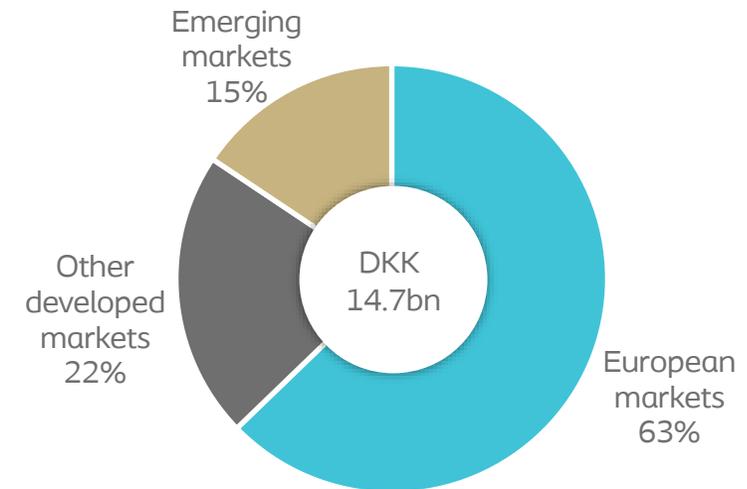


# Coloplast has four business areas all with global sales presence

## Group revenue 2015/16 by segment



## Group revenue 2015/16 by geography



# Coloplast specializes in intimate healthcare needs

## Who are our typical users

## How do we help them?

### Ostomy Care

People who have had their intestine redirected to an opening in the abdominal wall

**SenSura<sup>®</sup> Mio**  
Ostomy bag



### Continance Care

People in need of bladder or bowel management

**SpeediCath<sup>®</sup>**  
Flexible male  
urinary catheter



### Urology Care

People with dysfunctional urinary and reproductive systems

**Titan<sup>®</sup> OTR**  
Penile implant



### Wound Care

People with difficult-to-heal wounds

**Biatain<sup>®</sup> Silicone**  
Foam wound dressing



# Intimate healthcare is characterized by stable industry trends

## Drivers

- 1 Demographics**  
Growing **elderly population** increases customer base for Coloplast products
- 2 Emerging markets**  
Expanding healthcare coverage for populations in emerging markets **increases addressable market**

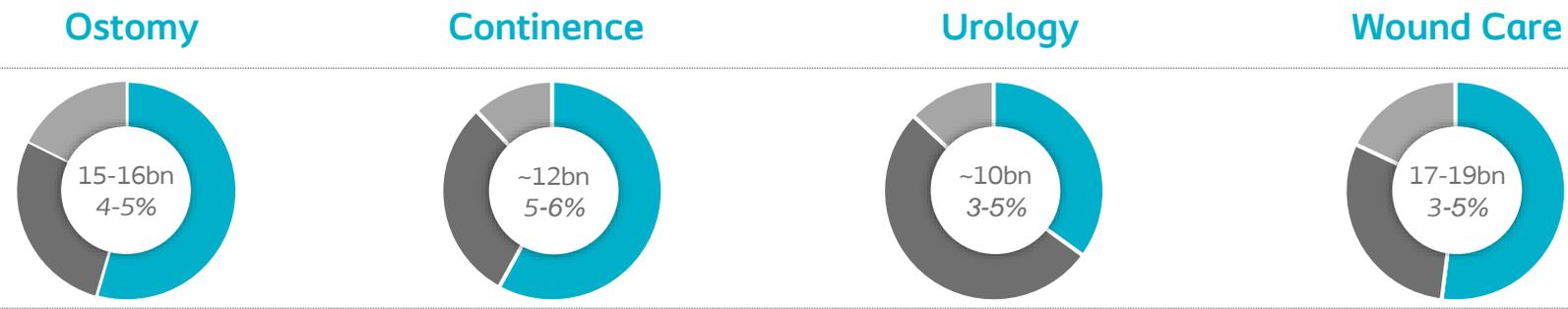
## Limiters

- 1 Surgical and medical trends**  
**Earlier detection and cure**, eventually reduces addressable market for Coloplast treatment products
- 2 Healthcare reforms**  
**Economic restraints** drive reimbursement reforms, **introduction of tenders**, and lower treatment cost

# Coloplast has strong market positions in Europe and great commercial potential outside Europe

■ Europe  
■ Developed  
■ Emerging

**Addressable market**  
 Size in DKK  
 Growth in %



**Coloplast regional market shares**



**Coloplast total market share**



**Key competitors**



**Key drivers and limiters**

- | Ostomy   | Continenence  | Urology   | Wound Care  |
|--|---|---|---|
| <ul style="list-style-type: none"> <li>• Ageing population</li> <li>• Increasing access to healthcare</li> <li>• Health care reforms</li> <li>• Re-use of products outside Europe</li> </ul> | <ul style="list-style-type: none"> <li>• Ageing population</li> <li>• IC penetration potential</li> <li>• Up-selling</li> <li>• Health care reforms</li> <li>• Commoditization</li> </ul> | <ul style="list-style-type: none"> <li>• Ageing, obesity</li> <li>• Underpenetration</li> <li>• Cost consciousness</li> <li>• Clinical requirements</li> <li>• Less invasive/office procedures</li> </ul> | <ul style="list-style-type: none"> <li>• Ageing, obesity, diabetes</li> <li>• New technologies</li> <li>• Healthcare reforms</li> <li>• Competition</li> <li>• Community treatment</li> </ul> |

\* Bard was recently announced to be acquired by U.S. medical equipment supplier Becton Dickinson and Co.



# Coloplast's new strategy will drive revenue and earnings growth across 4 major themes

1

Superior products & innovation

2

Unique user focused market approach

3

Unparalleled efficiency

4

Strong leadership development



# We have launched innovative products across business areas and invested heavily in Consumer activities

Continance Care



Ostomy Care



Consumer Care



Consumer focus

Wound Care

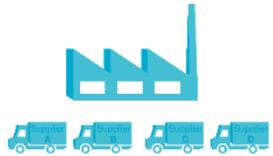


Urology Care



# We will continue to push for efficiency gains across Global Operations and Business Support

## Global operations



1. Reduce risk of supply disruption



3. Develop footprint



5. Optimise supply chain and distribution



2. Improve quality of daily material supply



4. Innovation Excellence



6. Retain cost focus

## Business support

- Efficiency improvement in the subsidiaries, HQ and business support centre
- Subsidiaries to focus on commercial priorities
- Add new tasks performed by our Business Centre on an ongoing basis



# Expansion relies on our organisation and strong leadership development is key to support growth

Our organisation will grow ...

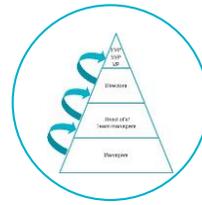
 ~3,000

new positions  
by 19/20

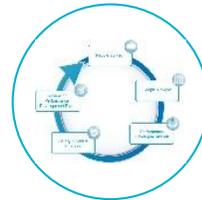
 ~250

new leaders  
by 19/20

... and it will be even more important to hire for a career and not a job

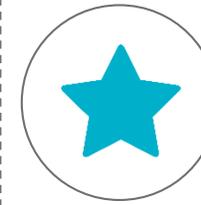


**Build our internal leadership pipeline**



**Secure performance and people development**

*Internal*



**Hire externally for key leadership competencies**



**Continue to recruit young talent straight out of school**

*External*

# The strategy will commit up to DKK 2bn in new investments towards 2020

## Key strategic initiatives



Innovation



Wound care

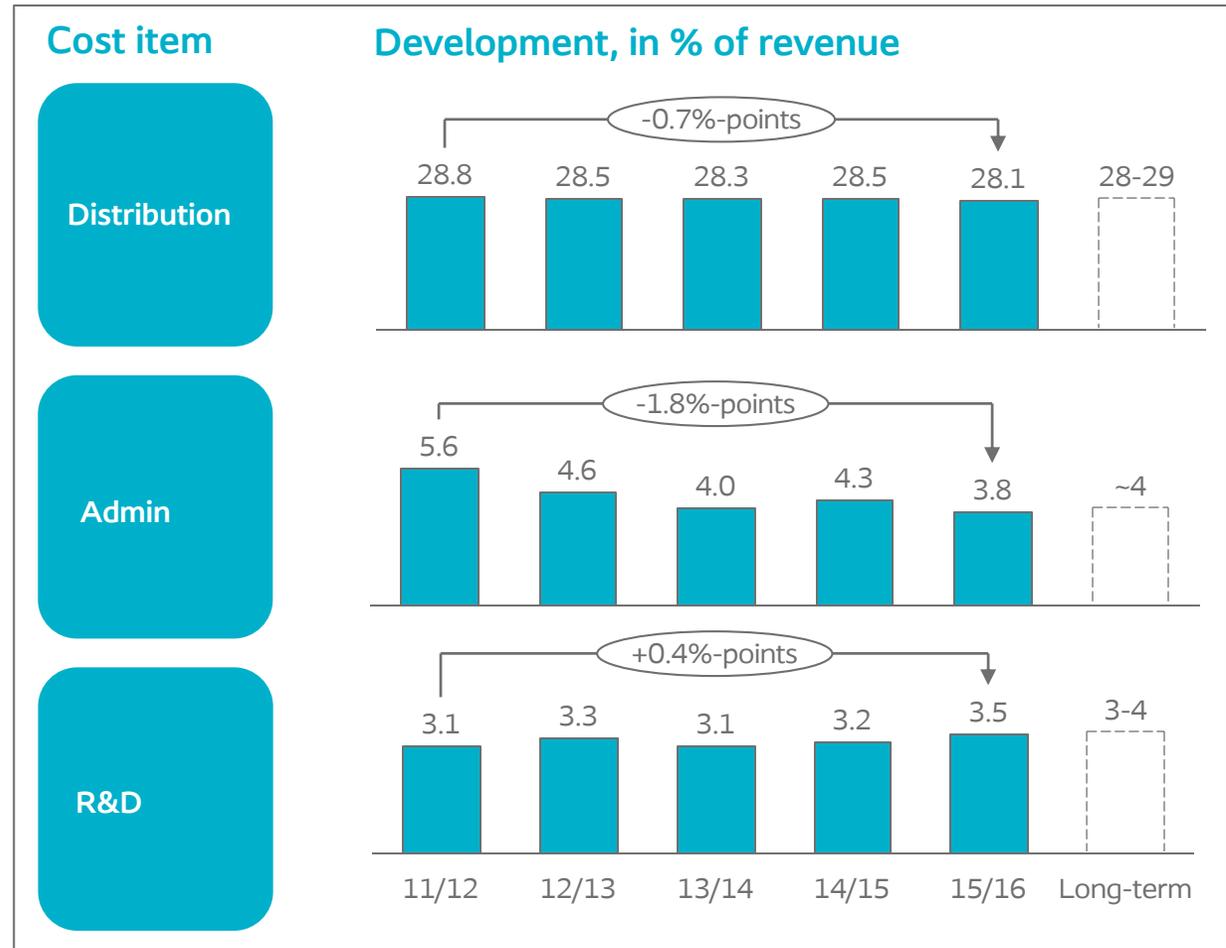
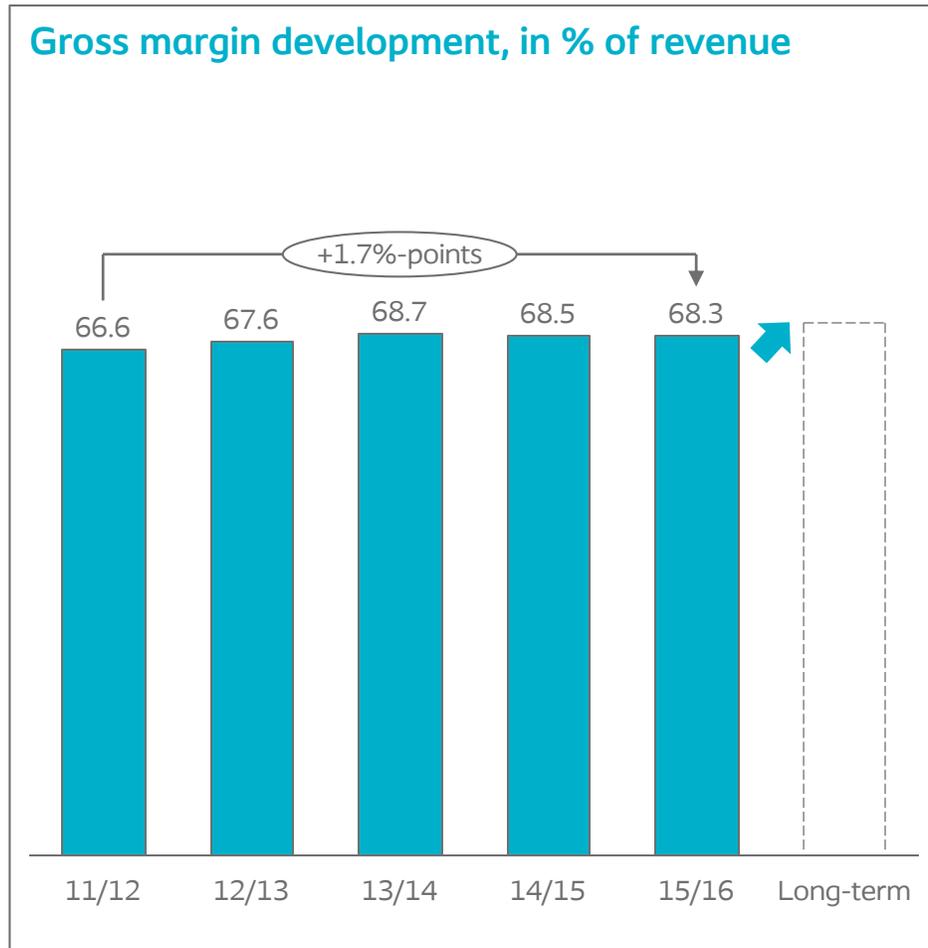


Consumer

## Geographical focus areas

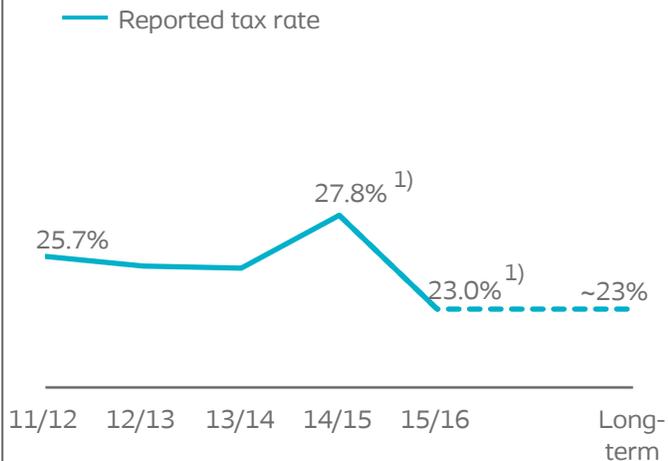


# Profitability uplift to be driven by scalability and efficiency improvements



# We will continue to deliver strong and attractive free cash flows ...

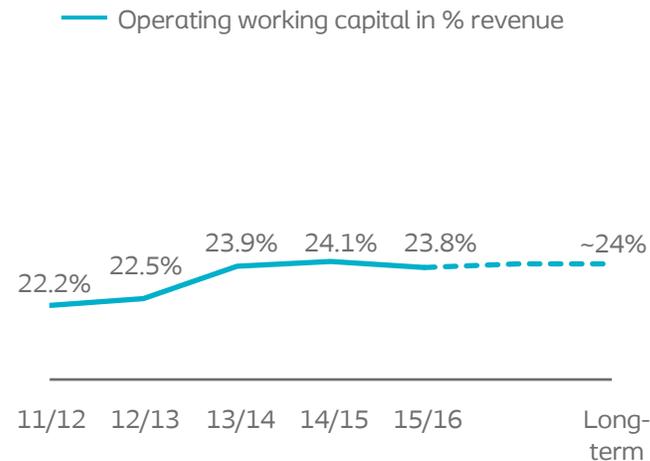
## Taxation



- DK statutory corporate tax rate lowered to 22% in 2016
- Coloplast tax rate expected to be ~23% going forward

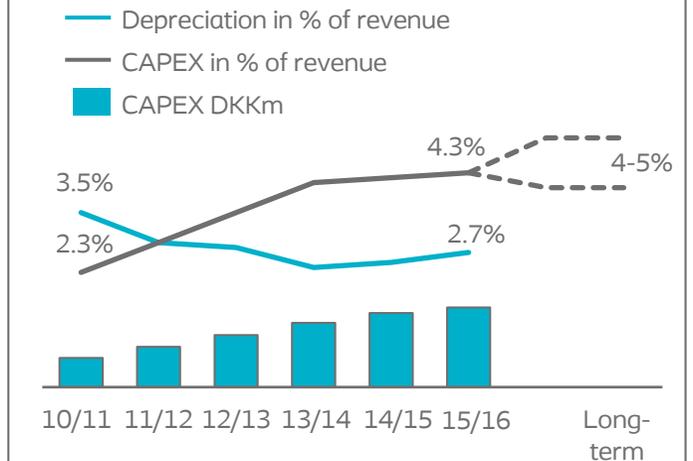
1) Impacted by provision for Mesh litigation  
2) Gross investments in PPE

## Net working capital



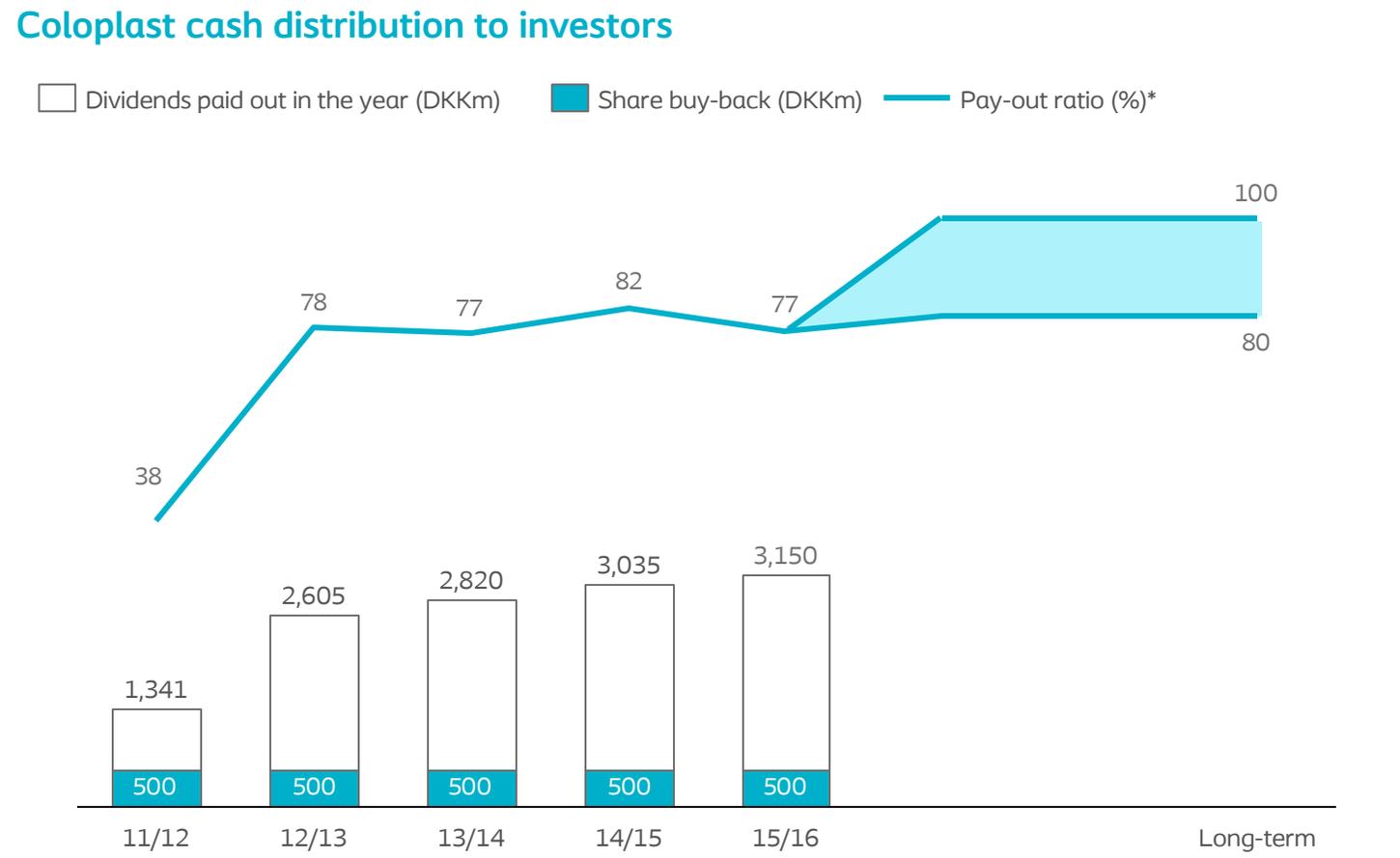
- Working capital expected to be stable at ~24%
- Improve debtor policy in Emerging markets
- Stable inventory levels going forward

## CAPEX<sup>2</sup>



- Continued investment in machines and capacity expansion
- Widen factory footprint – factory extensions and/or greenfield investments

# ... and attractive cash returns despite large investments in commercial and expansion activities



\* Pay-out ratio for 2013/14, 2014/15 and 2015/16 is before special items related to Mesh litigation

## Comments

- Coloplast returns excess liquidity to shareholders in the form of dividends and share buy-backs
- Dividend is paid twice a year – after the half-year and full-year financial reporting
  - H1 2016/17 interim dividend of DKK 4.50 per share for a total interim dividend of DKK 955m
- DKK 1bn share buy-back to be completed before 2016/17 fiscal year end
  - First part of DKK 500m completed in 2015/16
  - Second part of DKK 500m initiated in Q2 2016/17

# Our long-term guidance will continue to deliver strong value creation

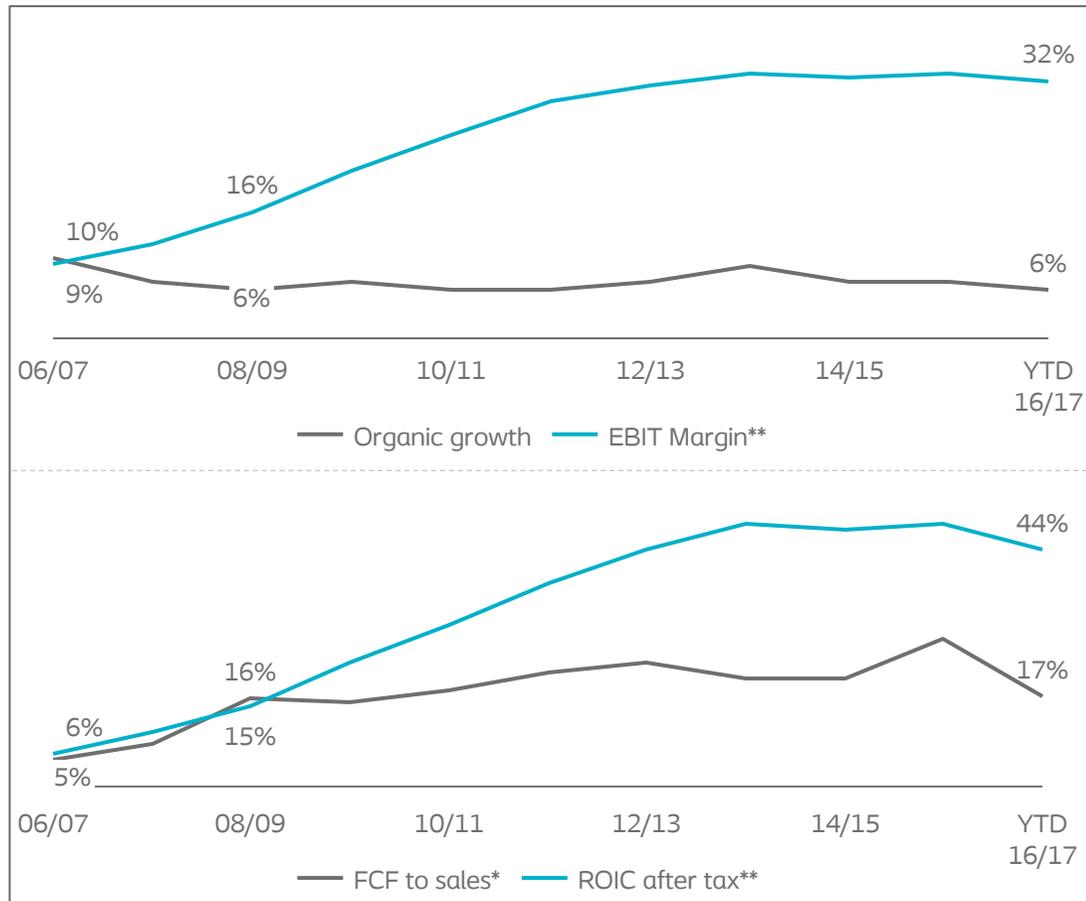
**Revenue growth**  
annual organic

**7–9%**

**EBIT margin**  
annual improvement

**50–100 bps**

# In sum, we believe Coloplast can continue to deliver stable shareholder returns through ...



## Comments

- Stable market trends in our Chronic Care business
- Strong retention program and innovative DtC activities
- Increased focus on growing the business outside Europe
- Additional improvements in manufacturing by leveraging on global operations footprint
- European leverage will provide funds for further investments in sales initiatives
- Resulting in strong free cash flow generation and high return on invested capital

\*FCF adjusted for Mesh payments in 2013/14, 2014/15, 2015/16. Adjustment for Mesh payments includes DKK 500m insurance coverage in 2013/14 and 2014/15 combined.

YTD 2016/17 FCF adjusted for Mesh payments and acquisition of Comfort Medical.

\*\* Before special items. Special items Q2 2013/14 includes DKK 1bn net provision. Special items Q4 2014/15 includes DKK 3bn provision. Special items Q4 2015/16 includes DKK 0.75bn provision.

**NEW**  
SenSura® Mio  
Hospital  
Assortment

# Leading intimate healthcare

## Appendices

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



# The Coloplast share (COLO'B-KO)

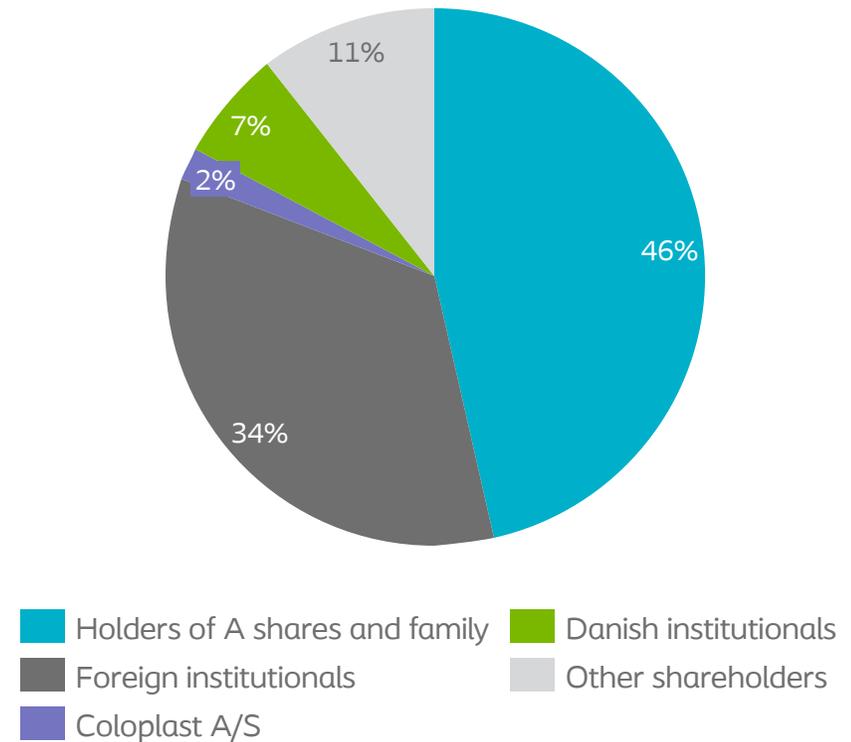
Coloplast share listed on [Nasdaq Copenhagen](#) since 1983

~**126 billion DKK** (~19 billion USD) **market cap** @ ~585 DKK per share (incl. A shares)

Two share classes:

- 18m **A shares** carry 10 votes (family)
- 198m **B shares** carry 1 vote (freely traded)
- **Free float approx. 55%** (B shares)

## Share Capital Ownership



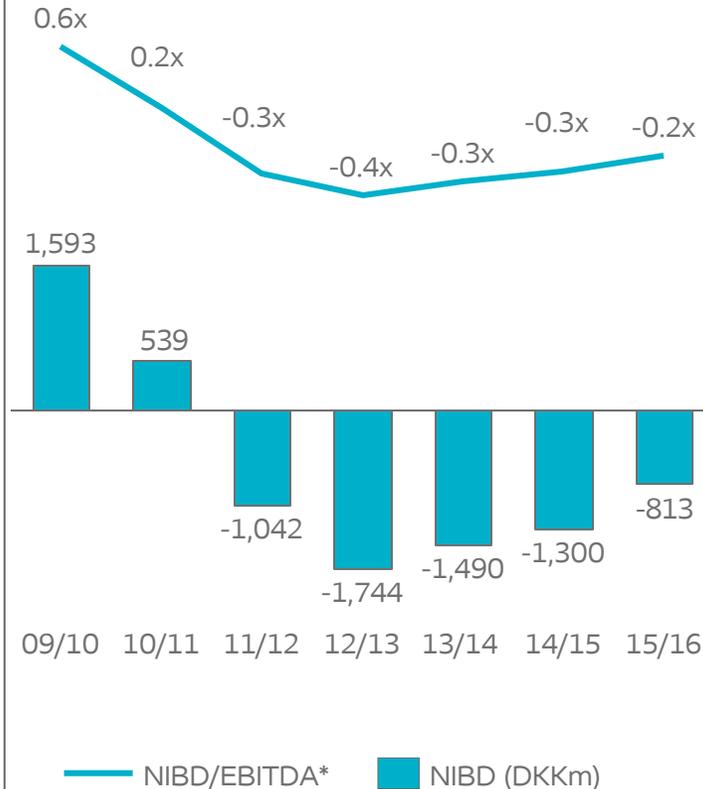
Note: Share capital ownership as per December 2016

# Capital structure

## Comments

- Overall policy is that excess liquidity is returned to shareholders through a combination of dividends and share buy-backs
- Interest bearing debt will be raised in connection with a major acquisition or to support dividends
- Share buy-backs of DKK 500m per year expected
- Bi-annual dividends
- Coloplast has entered into loan facilities to fund Mesh litigation settlements and the acquisition of Comfort Medical
- Interest-bearing net debt of DKK 1,886m at 31 March 2017

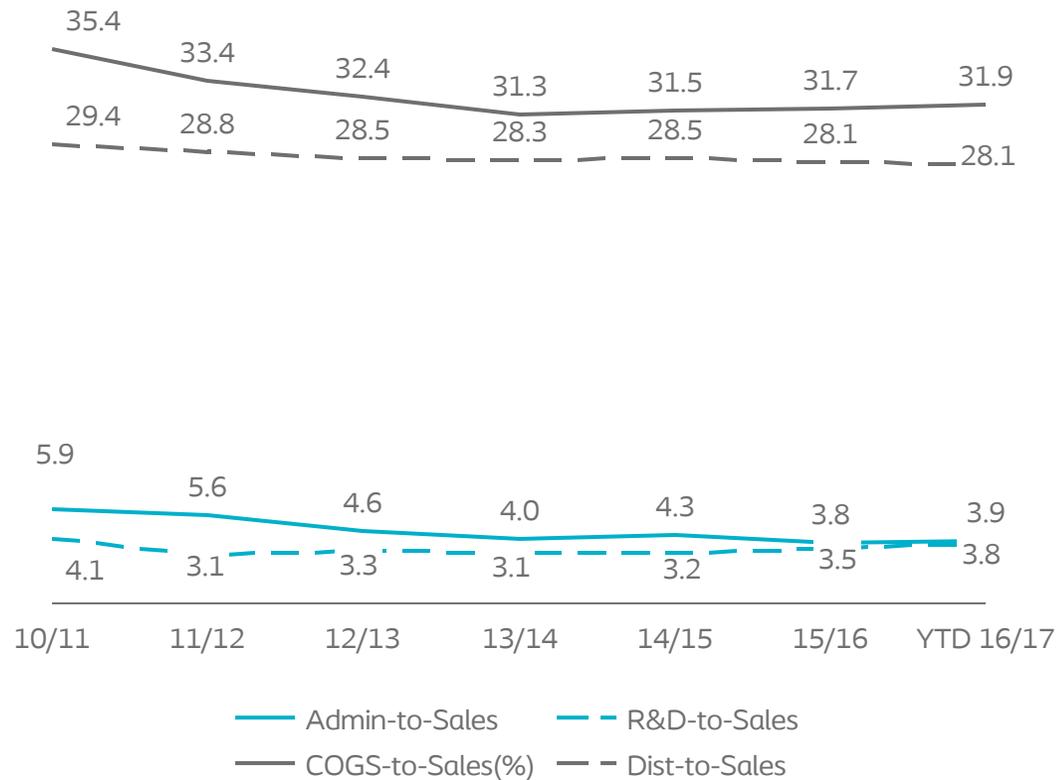
## Performance



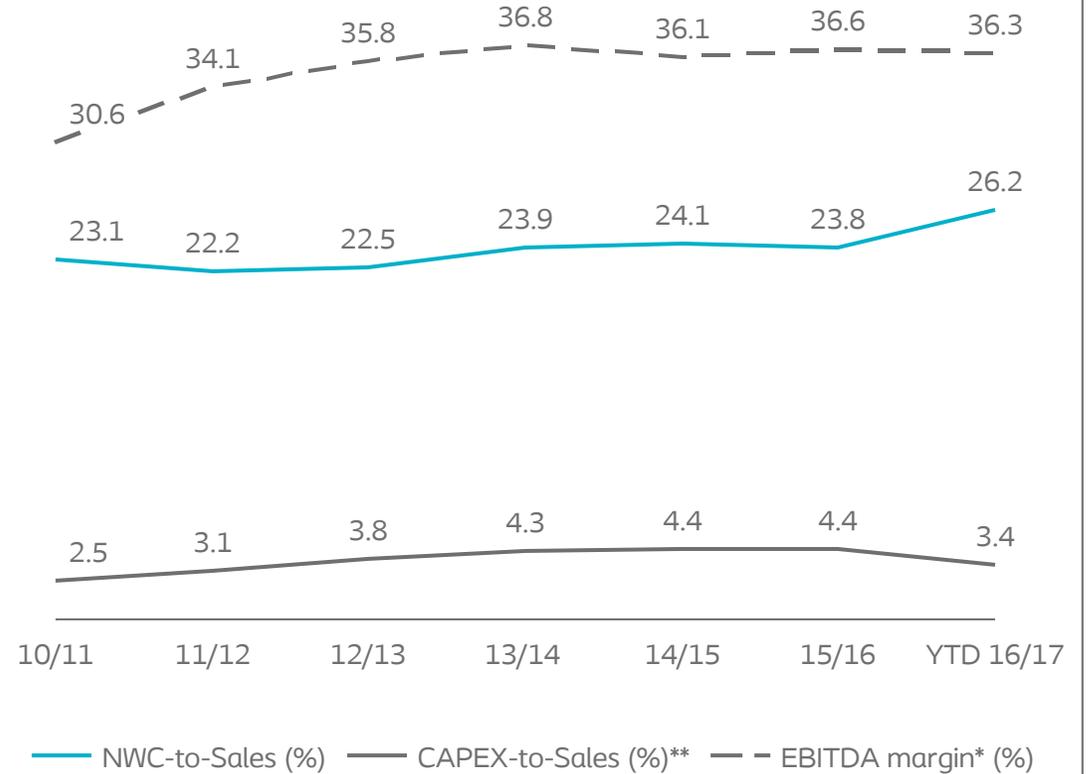
\* Before special items. Special items Q2 2013/14 includes DKK 1bn net provision. Special items Q4 2014/15 includes DKK 3bn provision. Special items Q4 2015/16 includes 0.75bn provision.

# Key Value Ratios

## Profitability drivers



## Free Cash Flow drivers

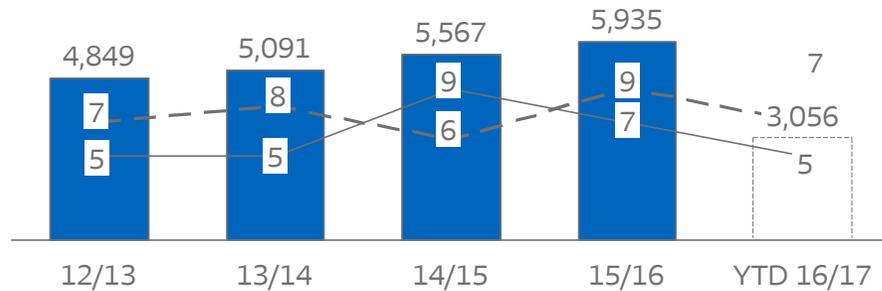


\* Before special items. Special items Q2 2013/14 includes DKK 1bn net provision. Special items Q4 2014/15 includes DKK 3bn provision. Special items Q4 2015/16 includes 0.75bn provision

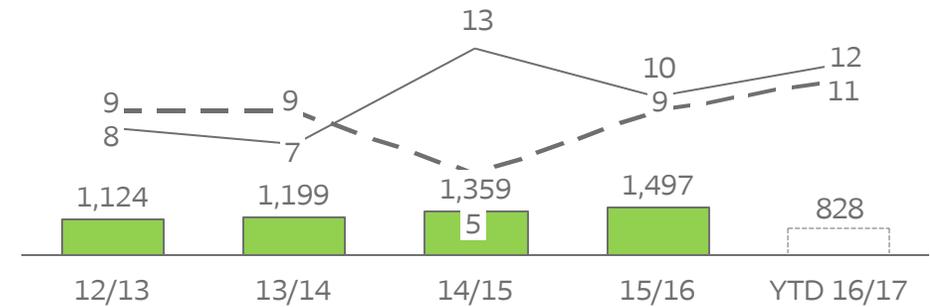
\*\* Gross CAPEX including investment in intangible assets

# Coloplast revenue development by business area

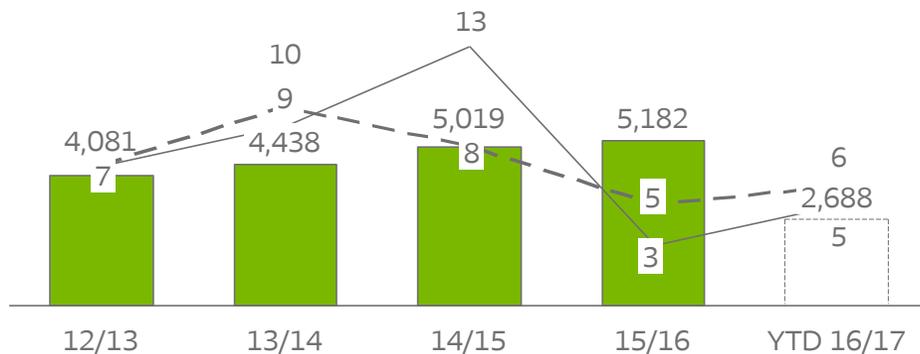
## Ostomy Care



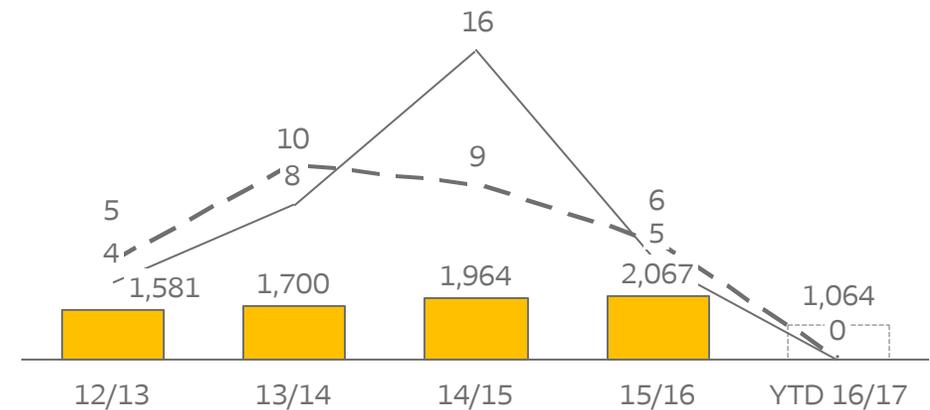
## Urology Care



## Continance Care

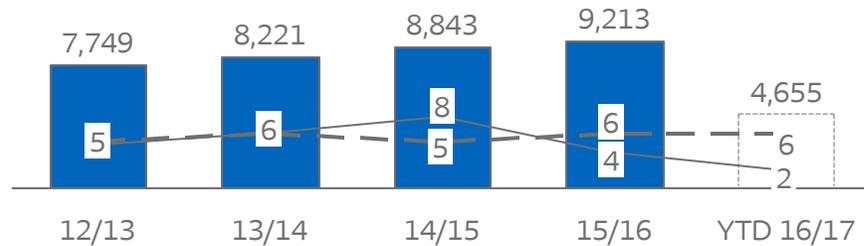


## Wound & Skin Care

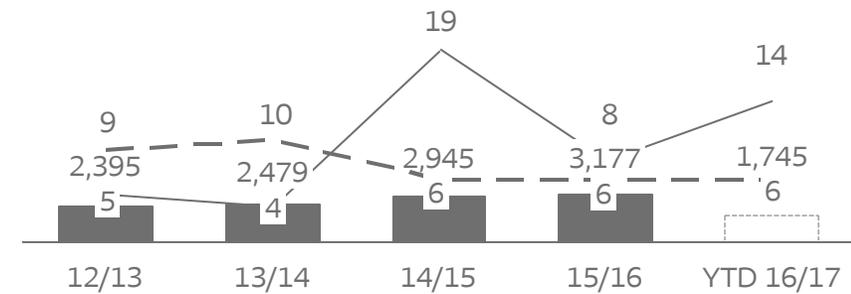


# Coloplast revenue development by geography and total

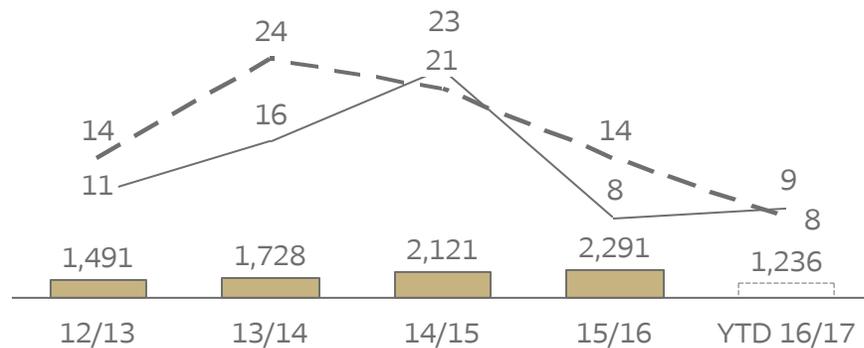
## Europe



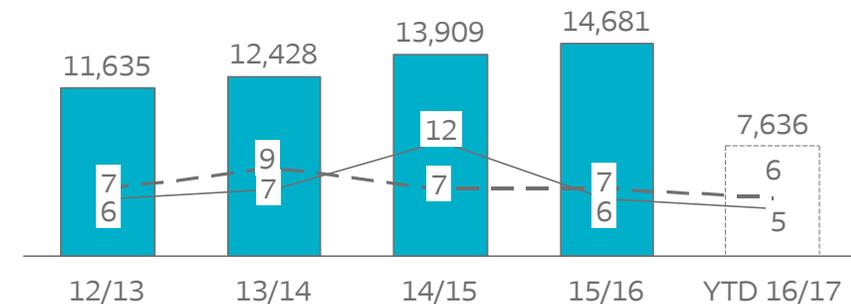
## Other Developed Markets



## Emerging Markets



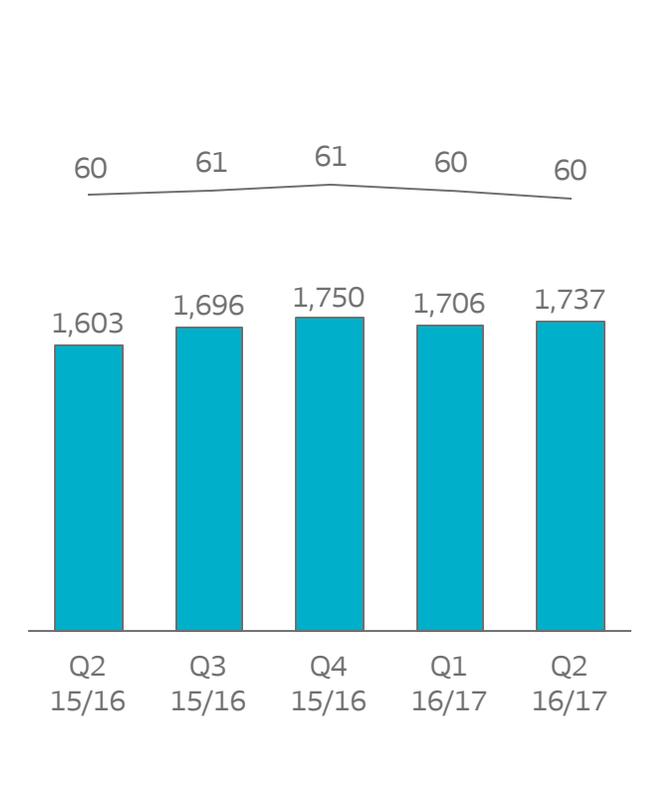
## Coloplast group



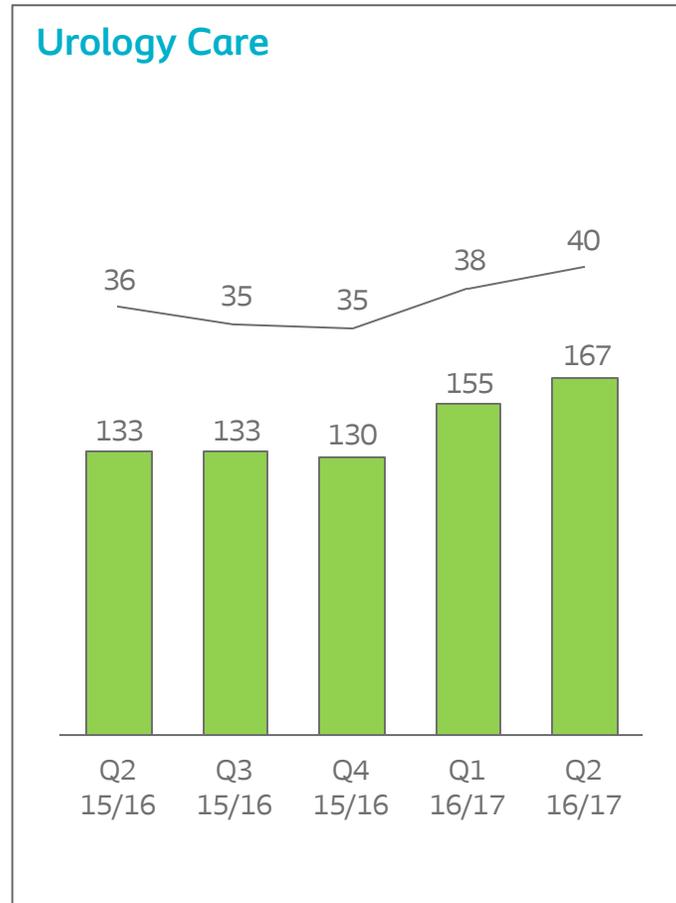
# Segment operating profit

## Chronic Care

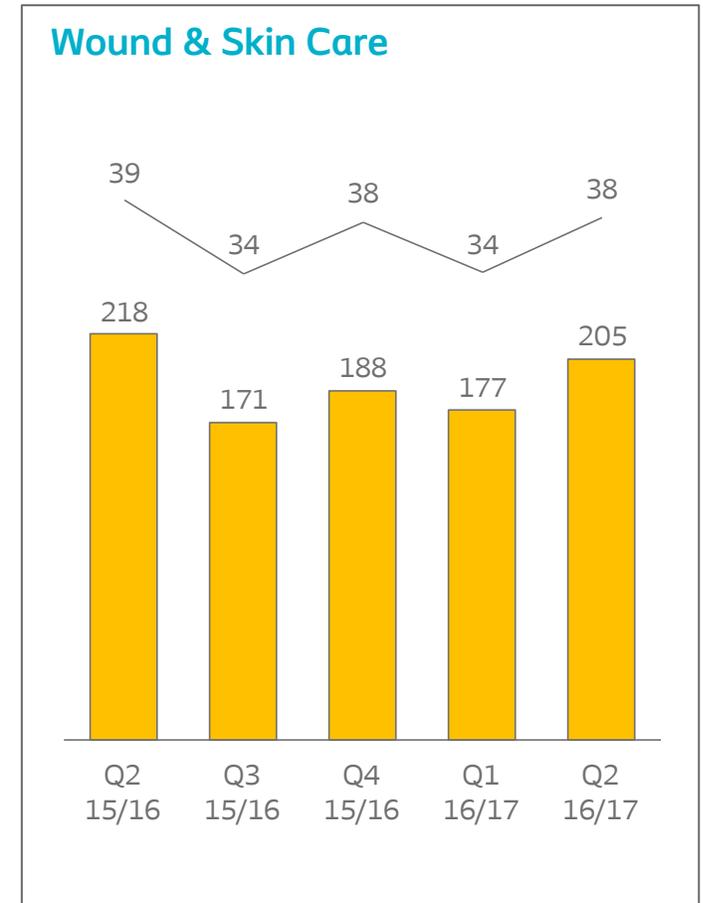
Ostomy and Continence Care



## Urology Care



## Wound & Skin Care



\* Excludes shared/non-allocated costs

# We invest to pursue growth opportunities and monitor previous investments, recalibrating if needed

We are executing on our mature markets investments We are recalibrating some investments to new realities



- Ostomy Care expansion
- Consumer investments
- Key Account Management



- Sales force expansion
- Consumer investments
- National accounts



- Organisation adapted to changed macro-environment



- Organisation restructured as a result of economic crisis



- Organisation adapted to smaller government tenders



- Paused investments due to healthcare market slow-down

# US Mesh litigation – Overview of current financial impact

## P&L

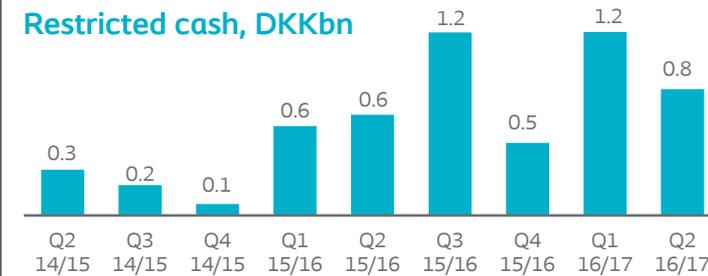
	2013/14	2014/15	2015/16
EBIT (before special items)	4,147	4,535	4,846
Special items	-1,000	-3,000	- 750
EBIT	3,147	1,535	4,096
EBIT % (before special items)	33	33	33
EBIT %	25	11	28

- A total of DKK 5,250m (DKK 4,750 net of insurance coverage) has been provisioned and is considered sufficient
- Currently more than 95% of known cases against Coloplast have been settled

## Balance

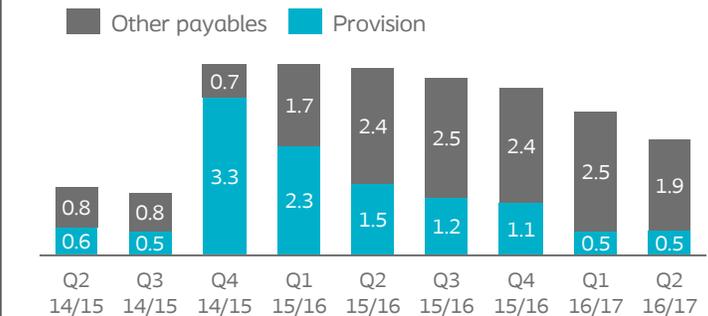
### Assets

#### Restricted cash, DKKbn



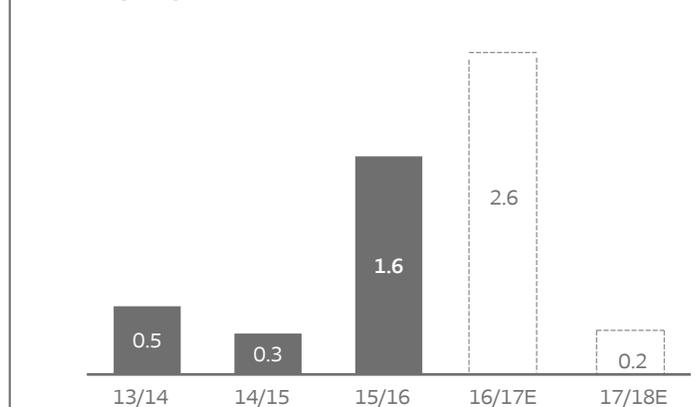
### Liabilities

#### Total liability, DKKbn



## Cash flow

### Actual/Expected cash flow, DKKbn



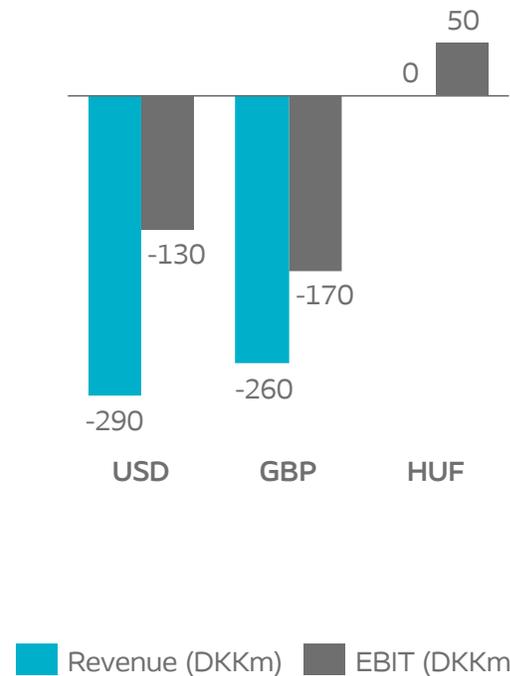
- Settlements expected to be finalised within the next year based on the length of an average Multidistrict Litigation (5-6 years)
- Cash flow impact to continue for several years
- DKK 500m insurance coverage received in 2013/14 and 2014/15
- DKK 1.5bn loan facility (2yrs) utilised to fund settlements

# Exchange rate exposure and hedging policy

## Financial guidance for 2016/17

DKK	GBP	USD	HUF	EUR
<b>Average exchange rate 2015/16<sup>1)</sup></b>	<b>956</b>	<b>671</b>	<b>2.39</b>	<b>745</b>
Spot rate, 19 Jan 2017	858	699	2.41	744
Spot rate, 1 May 2017	877	682	2.38	744
<b>Estimated average exchange rate 2016/17<sup>2)</sup></b>	<b>869</b>	<b>688</b>	<b>2.40</b>	<b>744</b>
Change in spot rate compared with the average exchange rate 2015/16	-9%	3%	0%	0%

## 12 months exposure from 10% initial exchange rate drop



## Hedging Policy

To achieve the objective of a stabile Profit before Tax we hedge:

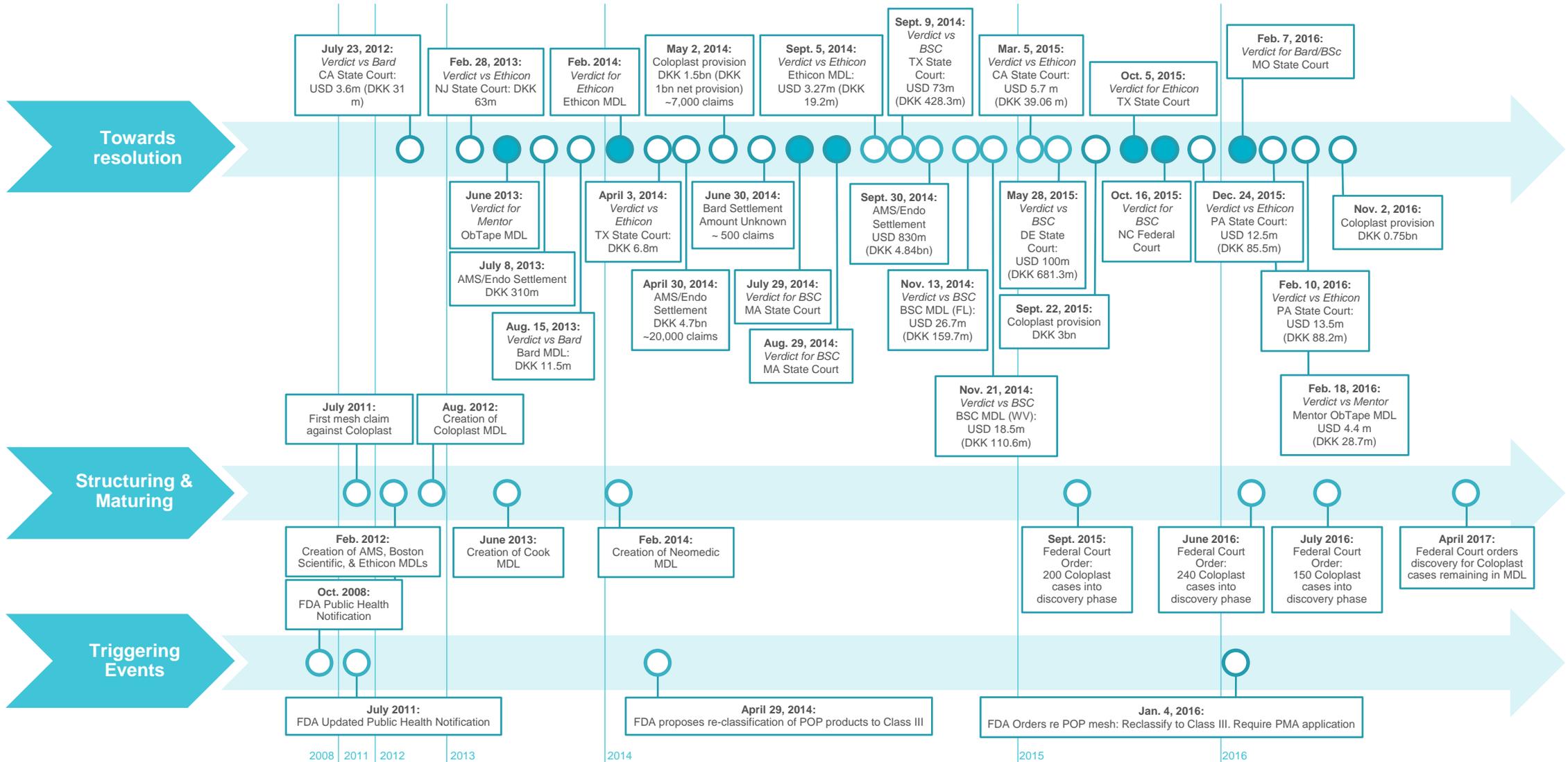
- Balance sheet items in foreign currency
- Cash flow in foreign currency - up to 12 months expected CF (on average 10-12 months)

Key currencies hedged - USD, GBP, HUF

Cash flow is hedged using options and forward contracts.

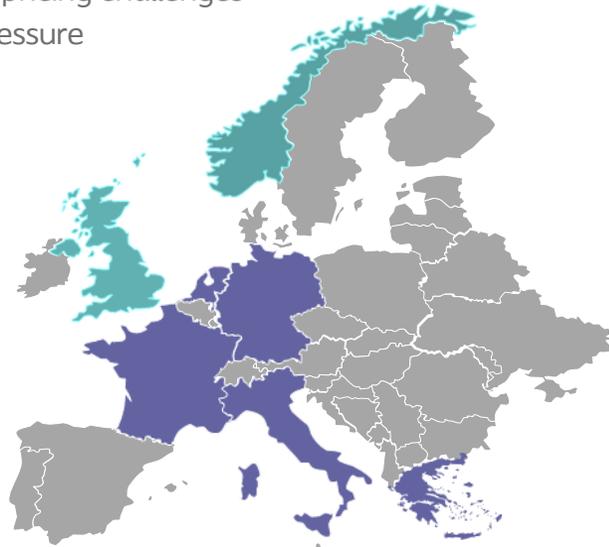
1) Average exchange rate from 1 October 2015 to 30 September 2016  
 2) Estimated average exchange rate is calculated as the average exchange rate year to date combined with the spot rates at 1 May 2017

# Mesh litigation timeline

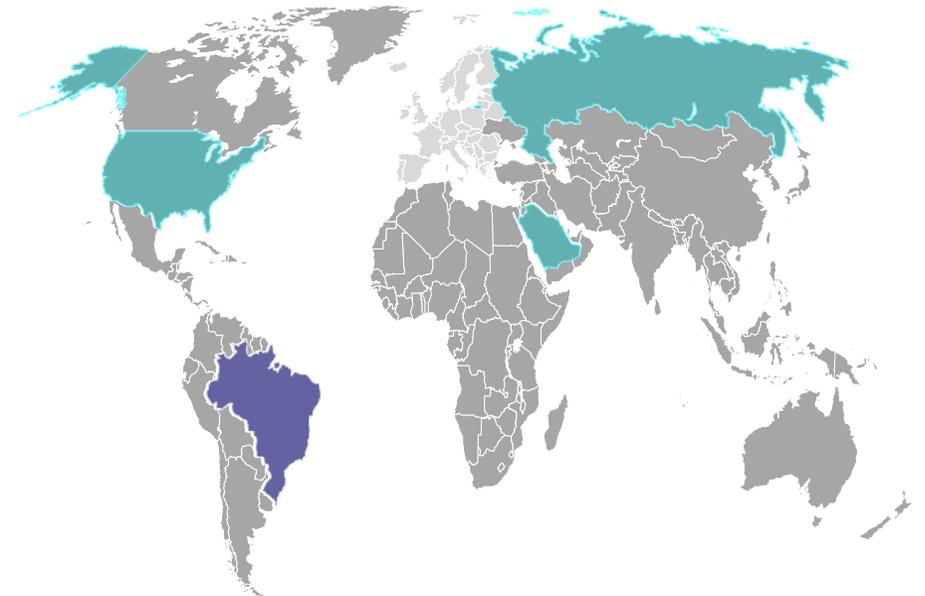


# Health reform landscape

- **France:** Reimbursement pressure on WC, OC and CC. Reimbursement review of OC and CC in 2016/17
- **UK:** Efficiency savings under NHS reform
- **Germany:** Reimbursement pressure on OC and CC
- **Holland:** Reimbursement pressure on OC and CC
- **Norway:** Budget-driven pressures
- **Italy:** Regional tenders and pricing challenges
- **Greece:** Reimbursement pressure

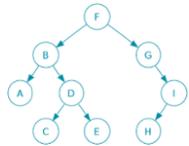


- **U.S.:** Healthcare reform implementation ongoing
- **Brazil:** Macroeconomic and political challenges
- **Russia:** Macroeconomic and political challenges
- **Saudi Arabia:** Macroeconomic and political challenges



# CARE helps us increase retention and improve product compliance for in excess of 500,000 enrolled consumers

## We co-develop CARE content with local clinicians



Clinically validated content and call protocol



Self-assessments to identify struggling users



Data shared with clinicians

## CARE is a personal and “high-touch” program



Advisors available on phone



Website with reliable advice and useful self assessment tools 24/7



News, tips and inspiration directly in email or mailbox



Free product and accessories samples

## Global program with shared infrastructure

1

- ERP

- CRM

- CMS



# With our DtC marketing program we reach into the community

We operate in numerous channels to expose our service and product offering...

YouTube



Coloplast



...and with the reach we get several benefits

Expose  
innovative products



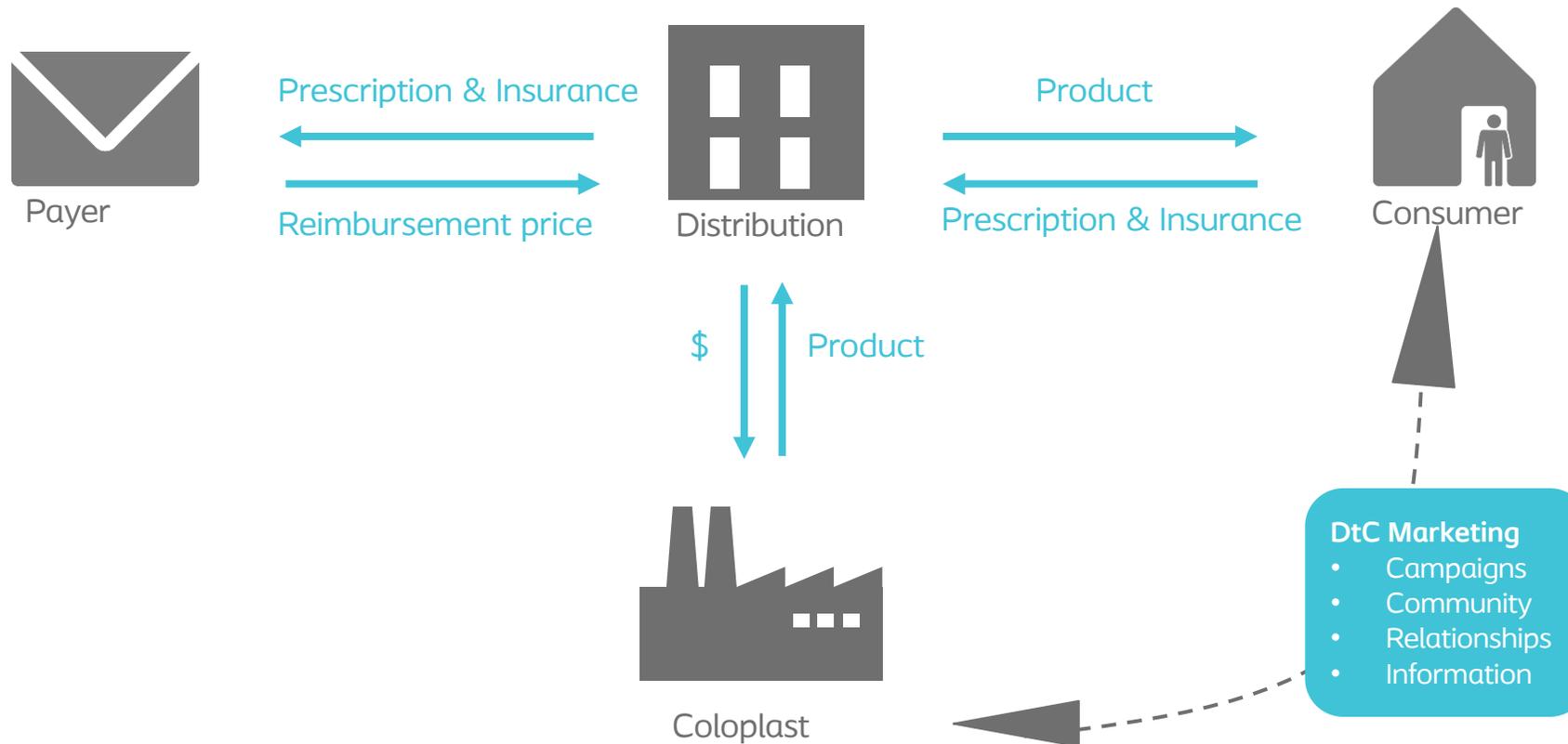
Ensure  
product accessibility



Ensure  
successful experience



# The generic model for distribution and reimbursement of our products



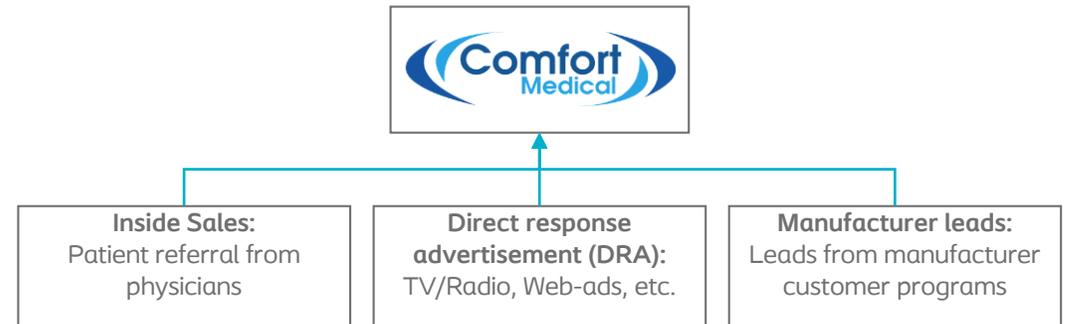
# Comfort Medical – a direct-to-consumer business model



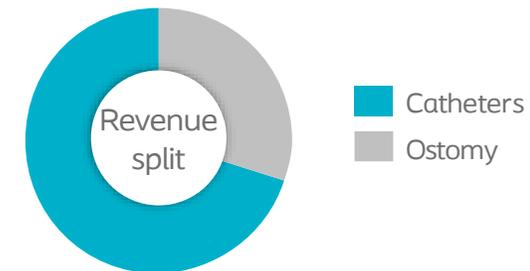
- On December 20, 2016, Coloplast acquired Comfort Medical for a cash consideration of USD 160m equal to approx. **DKK 1.1bn on a cash and debt-free basis**
- Comfort Medical is a US nation wide catheter and ostomy Direct to Consumer Durable Medical Equipment (DME) dealer
- The Company was established in 2010 in Florida
- A DME dealer provides patients with medical products and obtains reimbursement on behalf of the patient through payer contracts. Products are distributed through a third party distributor
- In the full year 2016, Comfort Medical recorded sales of approx. USD 38m or approx. DKK 270m

## Business model

Comfort Medical has an inflow of patients from 3 different sources:



## Revenue split



# Introducing Ostomy Care

## Disease areas

- Colorectal cancer (est. 45%)
- Bladder cancer (est. 10%)
- Diverticulitis (est. 15%)
- Inflammatory bowel disease (est. 10%)
- Other (est. 20%)

## Customer groups

- Nurses, mainly stoma care nurses
- People with a stoma
- Wholesalers/distribution
- Hospital purchasers and GPOs
- Surgeons

## Call points

- Hospital & community nurses
- Hospital buyers
- Distributors
- Dealers
- Wholesalers
- Homecare companies

## Key products



**SenSura® Mio Hosp. assortment**  
Launched in 2017



**SenSura® Mio Convex**  
Launched in 2015



**SenSura® Mio**  
Launched in 2014



**SenSura®**  
Launched in 2006-2008



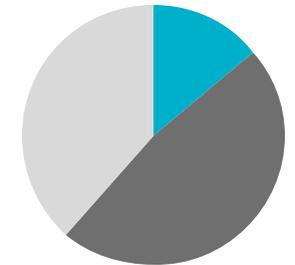
**Assura® new generation**  
Launched in 1998



**Alterna® original**  
Launched in 1991

## Distribution of revenues\*

-  Urostomy
-  Ileostomy
-  Colostomy



\*Excluding baseplates and accessories

# Introducing Ostomy Care Accessories

## Market fundamentals

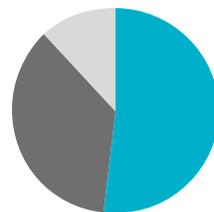
- Market size of DKK ~2bn
- Market growth of 6-8%
- Market share 25-30%
- Main competitors include: Hollister Adapt, ConvaTec, 3M Cavilon, Eakin

## Customer groups & call points

- Nurses, mainly stoma care nurses
- People with a stoma
- Wholesalers/distributors
- Hospital purchasers and GPOs
- Surgeons

## Market value by geography

- European markets
- Other developed markets
- Emerging markets



## Key products



### Brava® Protective Seal

- Designed for leakage and skin protection



### Brava® Elastic Tape

- Elastic so it follows the body and movements



### Brava® Lubricating Deodorant

- Neutralizing odour

*Brava® is a range of ostomy accessories designed to reduce leakage or care for skin, to make our end-users feel secure. Brava® was launched in April 2012 and the range includes 12 different products.*



### Brava® Skin Barrier

- Reducing skin problems without affecting adhesion



### Brava® Adhesive Remover

- Sting free and skin friendly

# Introducing Continence Care

## Disease areas

- Spinal Cord Injured, SCI
- Spina Bifida, SB
- Multiple Sclerosis, MS
- Benign prostatic hyperplasia, BPH & prostatectomy patients
- Elderly

## Customer groups

- Continenace or home care nurses
- Wholesalers/distributors
- Hospital purchasers and GPOs

## Main call points

- Rehabilitation centers
- Urology wards
- Distributors, dealers & wholesalers

## Key products



**SpeediCath® Flex**  
Intermittent catheter  
Launched in 2016



**SpeediCath® Compact Eve**  
Intermittent catheter  
Launched in 2014



**SpeediCath® Compact**  
Male intermittent catheter  
Launched in 2011



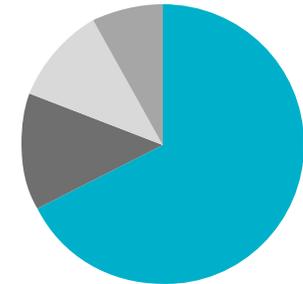
**Conveen® Optima**  
External catheter  
Launched in 05/06



**Conveen® Security+**  
Launched in 2013

## Distribution of revenues

- Intermittent catheters
- Urine bags
- Male ext. catheters
- Bowel management



# Introducing Bowel Management

## Disease areas

Faecal incontinence  
(management products only)

## Customer groups

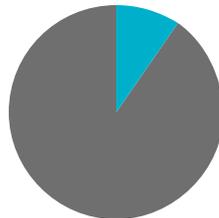
- Spinal Cord Injured, SCI
- Spina Bifida, SB
- Multiple Sclerosis, MS

## Call points

- Rehab centers
- Pediatric clinics
- Urology wards

## Distribution of revenues

- Peristeen® Anal Irrigation
- Anal plug



## Market dynamics

- + Growing awareness
- + Huge underpenetrated and unserved population
- + New devices addressing the many unmet needs
- ÷ Still taboo area and non-focus for professionals (doctors)
- ÷ Very little patient awareness
- ÷ Training required (nurses, patients)
- ÷ Lack of reimbursement



**Peristeen® Anal Irrigation**  
Launched in 2003  
Updated in 2011



**Anal plug**  
Launched in 1995

# Introducing Urology Care

## Treatment (surgical) of urological disorders

### Disease areas

- Urinary incontinence
- Pelvic organ prolapse
- Erectile dysfunction
- Enlarged prostate
- Kidney and urinary stones

### Customer groups

- Surgeons
- Purchasing departments and organizations
- End customers

### Call points

- Urologists
- Uro-gynaecologists
- Gynaecologists
- Purchasing departments and organizations

### Key products



**Titan® OTR penile implant**  
Launched in 2008  
Men's health – Surgical Urology



**Altis® single incision sling**  
Launched in 2012  
Women's health – Surgical Urology



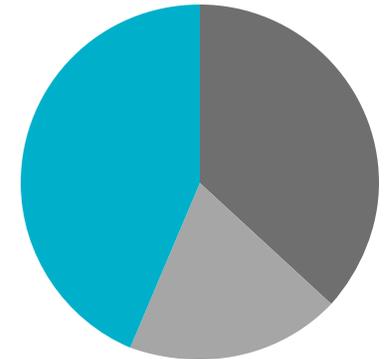
**Isiris® cystoscope**  
Launched in 2015  
Single use devices



**JJ stents**  
Launched in 1998  
Single use devices

### Distribution of revenues

- Men's health
- Women's health
- Single use devices



# Introducing Wound Care

## Disease areas

### Chronic wounds

- Leg ulcers
- Diabetic foot ulcers
- Pressure ulcers

## Customer groups & call points

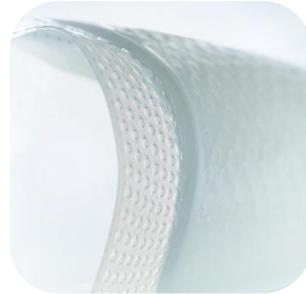
### Hospitals

- Wound care committees
- Specialist nurses/doctors
- (Purchasers)

### Community

- Specialist nurses/doctors
- General practitioners
- District/general nurses
- Large nursing homes

## Key products



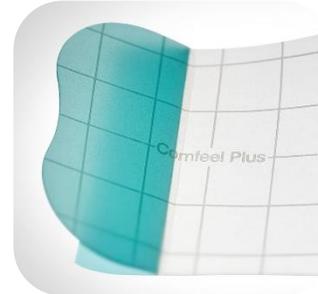
**Biatain® Silicone**  
Foam dressing with silicone adhesive  
Launched in 2013



**Biatain® Ag**  
Antimicrobial foam dressing  
Launched in 2002



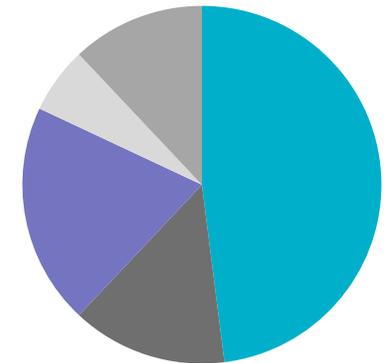
**Biatain®**  
High exudate mgt. foam dressing  
Launched in 1998



**Comfeel® Plus**  
Hydrocolloid dressing  
Relaunched in 2016

## Distribution of revenues (WSC)

- Biatain® range
- Comfeel® range
- Skin Care
- Wound Care other
- Contract manufacturing



# Introducing Skin Care

## Disease areas

- Moisture associated skin damage
- Incontinence
- Skin folds & obesity
- Prevention of skin impairments

## Customer groups & call points

### Hospitals

- Clinical Specialists
- Supply Chain
- Value Analysis Committee

### Community

- Wound Clinics
- Long Term Care
- Home Health Agencies
- Distribution

## Key products



### Sween®

Broad line of skin care products  
Designed to increase consistency  
of care



**Critic-Aid® Clear / AF**  
Skin Protectant  
Suitable for neonate to  
geriatric patients



### EasiCleanse Bath®

Disposable Bathing Wipes  
Improves Patient Experience

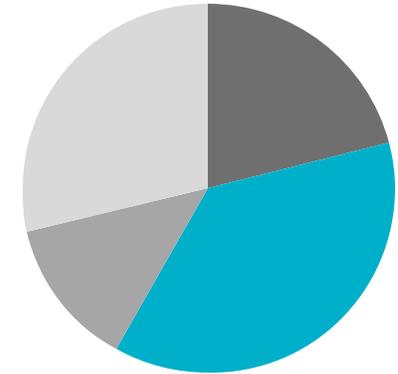


### InterDry® Ag

Textile with antimicrobial silver  
complex  
Unique solution for skin on skin  
issues

## Product mix

- Protectants & Antifungals
- Cleansing/Bathing
- Moisturizers
- Textile



# Product market for US Skin Care



## Market drivers/limiters

- + Aging and obese population
- + CMS Value Based Purchasing
- + Increased focus on prevention
- + Increased importance of utilization management
- ÷ Consolidation of Providers
- ÷ Increased competition from both Channel and Manufacturers

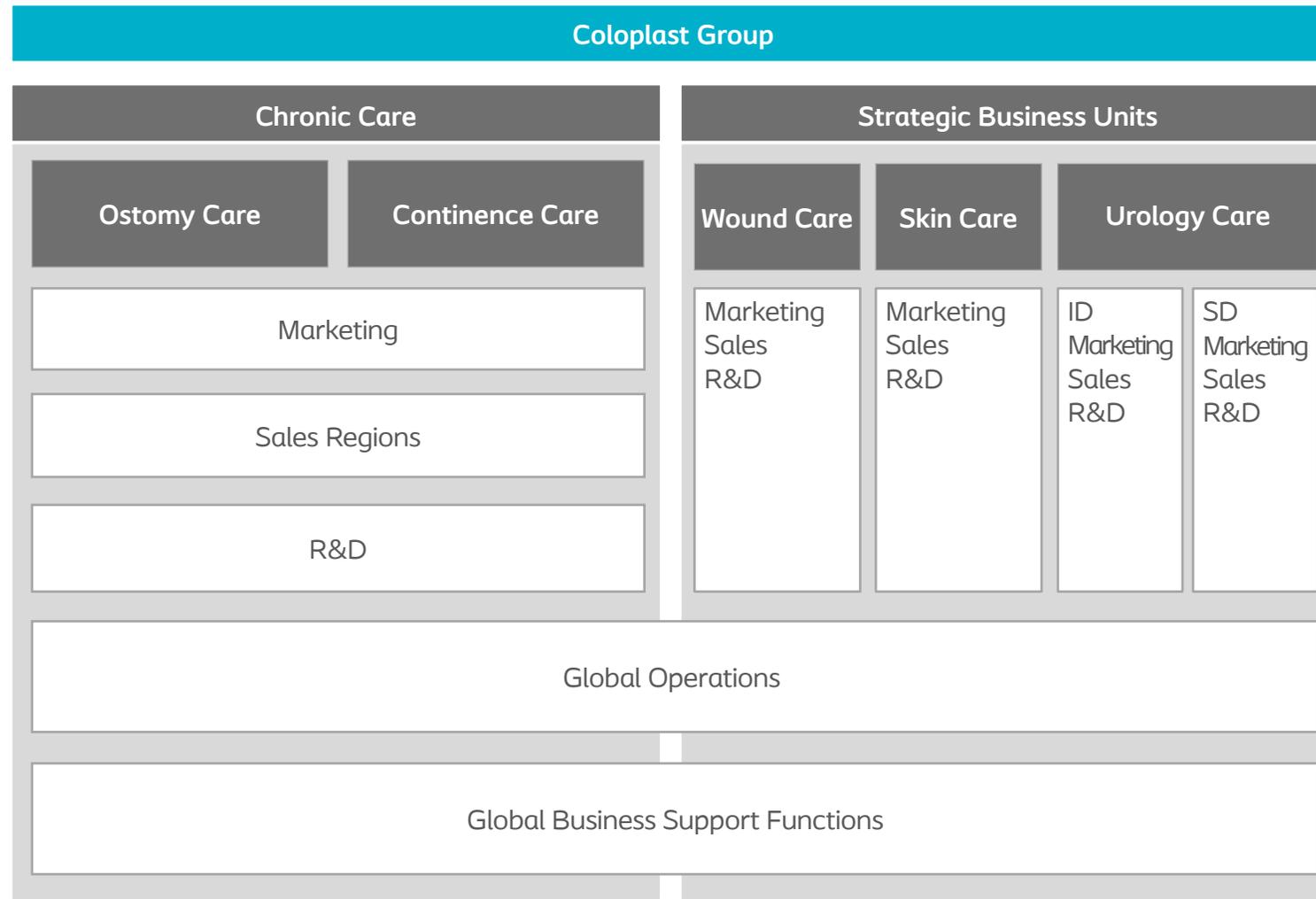
## Market trends

- Increasing size and vertical integration of health systems
- Increasing importance of prevention
- Increasing importance of utilization management
- Increasing scale and vertical integration of market leaders

## US Skin Care at a glance

- US market size estimated at DKK 5-6bn with 4-5% growth
- Market share: 7-9%
- Main competitors include:
  - Medline Industries
  - Sage Products
  - ConvaTec

# The Coloplast organisation



# Coloplast Executive Management



**Lars Rasmussen**

President, CEO

- Born 1959
- With Coloplast since 1988



**Anders Lonning-Skovgaard**

EVP, CFO

- Born 1972
- With Coloplast since 2006



**Allan Rasmussen**

EVP, Global Operations

- Born 1967
- With Coloplast since 1992



**Kristian Villumsen**

EVP Chronic Care

- Born 1970
- With Coloplast since 2008

# Corporate responsibility – Member of UN Global Compact since 2002 and recognized externally



MEMBER OF

**Dow Jones  
Sustainability Indices**

In Collaboration with RobecoSAM 



**FTSE4Good**



THE INCLUSION OF COLOPLAST A/S IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF COLOPLAST A/S BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

# Income statement

DKKm	H1 2015/16	H1 2016/17	Change
<b>Revenue</b>	7,256	7,636	5%
<b>Gross profit</b>	4,959	5,202	5%
SG&A costs	-2,352	-2,445	4%
R&D costs	-248	-290	17%
Other operating income/expenses	2	5	nm
<b>Operating profit (EBIT)</b>	2,361	2,472	5%
Net financial items	-100	-35	-65%
Tax	-520	-560	8%
<b>Net profit</b>	1,741	1,877	8%
<b>Key ratios</b>			
Gross margin	68%	68%	
EBIT margin	33%	32%	
Earnings per share (EPS), diluted	8.18	8.84	8%

# Balance sheet

DKKm	31 Mar 2015	31 Mar 2016	Change
Balance, total	10,602	12,511	18%
<b>Assets</b>			
Non-current assets	4,593	5,903	29%
Current assets	6,009	6,608	10%
<i>of which:</i>			
Inventories	1,455	1,742	20%
Trade receivables	2,663	2,819	6%
Restricted cash	634	796	26%
Marketable securities, cash, and cash equivalents	602	776	29%
<b>Equity and liabilities</b>			
Total equity	4,923	5,064	3%
Non-current liabilities	898	465	-48%
Current liabilities	4,781	6,982	46%
<i>of which:</i>			
Trade payables	441	566	28%
<b>Key ratios</b>			
Equity ratio	46%	40%	
Invested capital	5,642	8,246	46%
Return on average invested capital before tax (ROIC) <sup>1)</sup>	59%	58%	
Return on average invested capital after tax (ROIC) <sup>1)</sup>	46%	44%	
Net asset value per share, DKK	23	24	4%

1) This item is before Special items. After Special items, ROIC before tax is 72% (91% in 2015/16), and ROIC after tax is 55% (70% in 2015/16)

# Cash flow

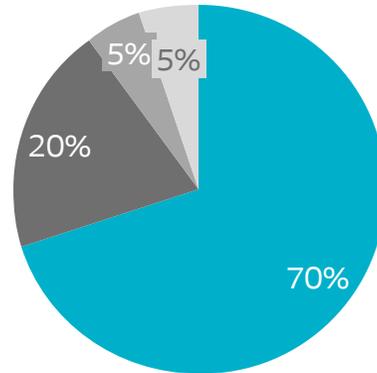
DKKm	H1 2015/16	H1 2016/17	Change
EBITDA	2,622	2,769	6%
Change in working capital	597	-1,268	nm
Net interest payments	-7	-88	nm
Paid tax	-253	-255	1%
Other	-1,865	-600	-68%
<b>Cash flow from operations</b>	<b>1,094</b>	<b>558</b>	<b>-49%</b>
CAPEX <sup>1)</sup>	-227	-262	15%
PPE divested	0	45	nm
Acquisition	0	-1,144	nm
Securities	319	155	-51%
<b>Cash flow from investments</b>	<b>92</b>	<b>-1,206</b>	<b>nm</b>
<b>Free cash flow</b>	<b>1,186</b>	<b>-648</b>	<b>nm</b>
Dividends	-1,696	-1,909	13%
Net investment in treasury shares and exercise of share options	125	4	-97%
<b>Net cash flow for the year</b>	<b>-385</b>	<b>-2,553</b>	<b>nm</b>

1) Gross CAPEX including investment in intangible assets

# Manufacturing setup

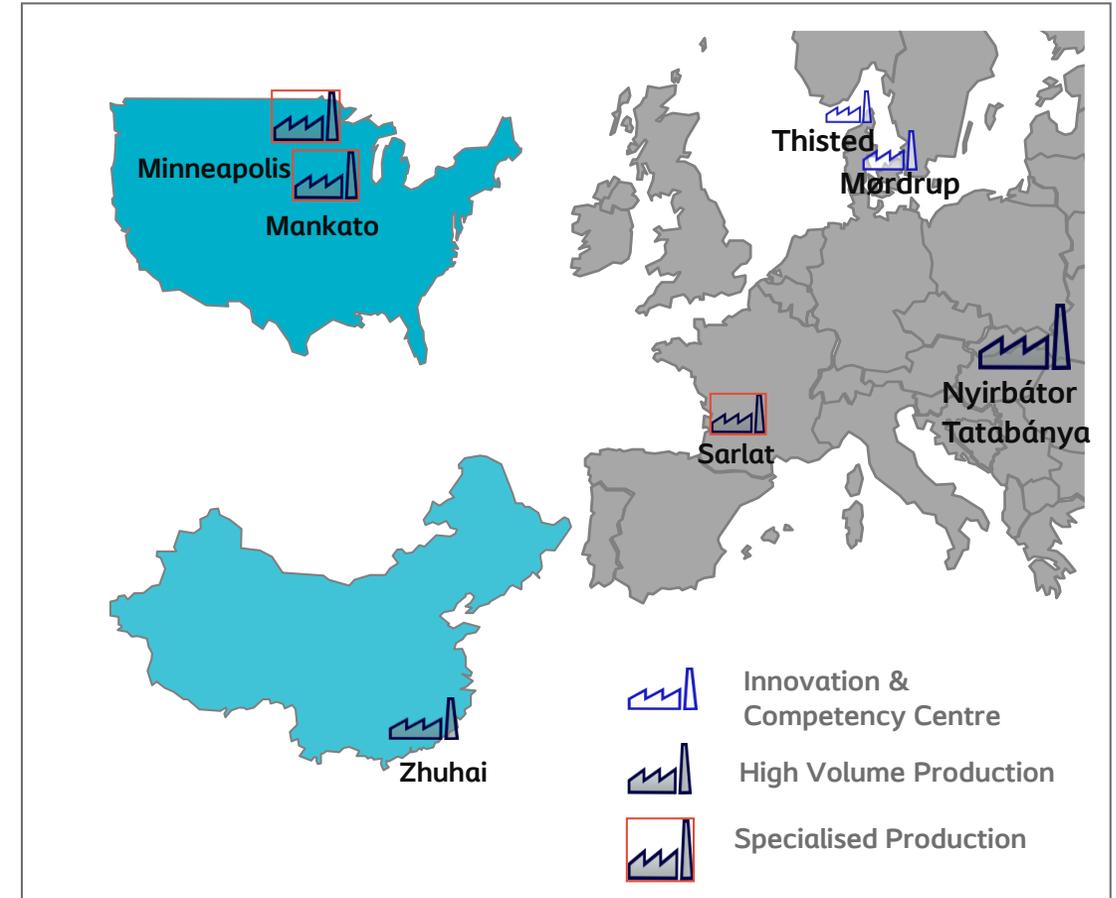
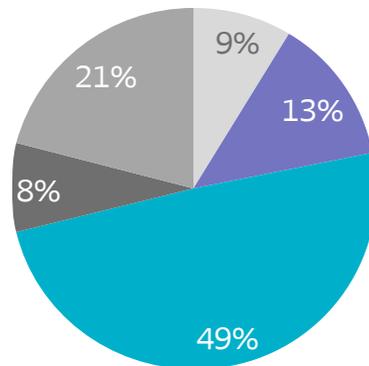
## Production by country\*

- Hungary
- China
- Denmark
- US/France



## COGS by cost type\*\*

- Salary - Direct
- Salary - Indirect
- Materials (RM &SFG)
- Depreciations & amortisations
- Other



\* Produced quantity of finished goods

\*\* FY 2015/16 Cost of goods sold, DKK 4,649m

# Production sites

## Denmark

### Mørdrup



- Adhesives production
- Wound care products
- Ostomy care products
- Continence care products
- Pilot development work Adhesives, Continence care and Wound care
- Number of employees in production: ~350

### Thisted



- Machine development & commissioning
- Ostomy care products
- Pilot development work Ostomy care
- Number of employees in production: ~150

## France

### Sarlat



- Disposable surgical urology products
- Number of employees in production: ~150

## US

### Minneapolis



- Urology care products
- Number of employees in production: ~100

### Mankato



- Skin care products
- Ostomy care accessories
- Number of employees in production: ~100

# Production sites

## Hungary

### Tatabánya



- Ostomy care products
- Adhesives
- Continence care products
- Urology care products
- Number of employees in production: ~1,600

### Tata



- Postponement & packaging
- Cross docking
- Warehousing
- Distribution & shipping
- Number of employees: ~350

### Nyírbátor



- Catheter care products
- Continence care products
- Wound care products (incl. Compeed)
- Number of employees in production: ~2,000

## China

### Zhuhai



- Continence care products
- Ostomy care products
- Machine building
- Number of employees in production: ~1,000

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[dkasso@coloplast.com](mailto:dkasso@coloplast.com)

## 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