Q3 2016/17 Earnings presentation

Meet the Management, London 2017

Lars Rasmussen, President & CEO

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

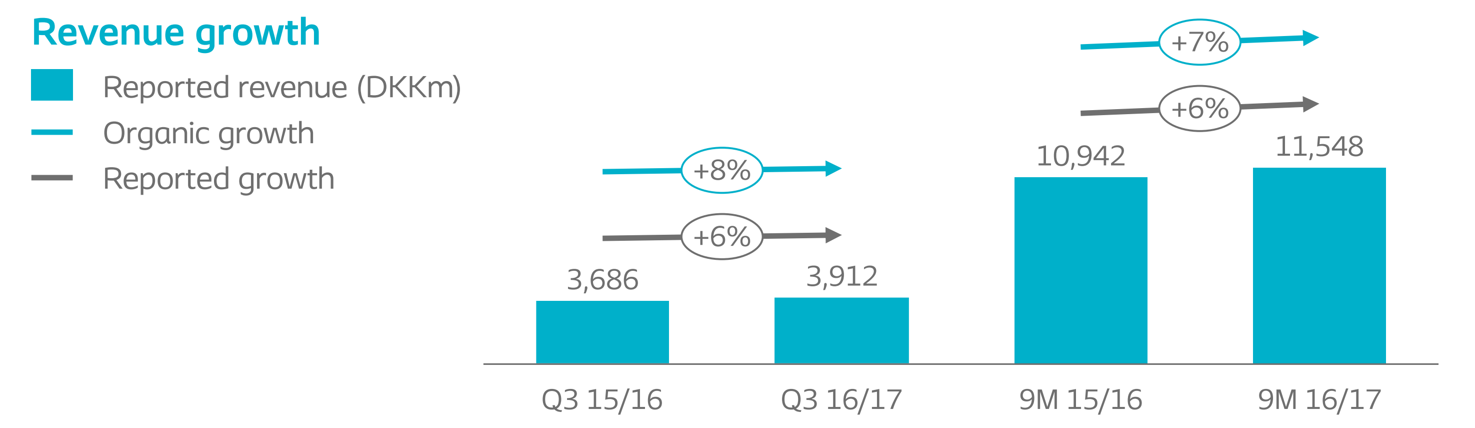
Coloplast

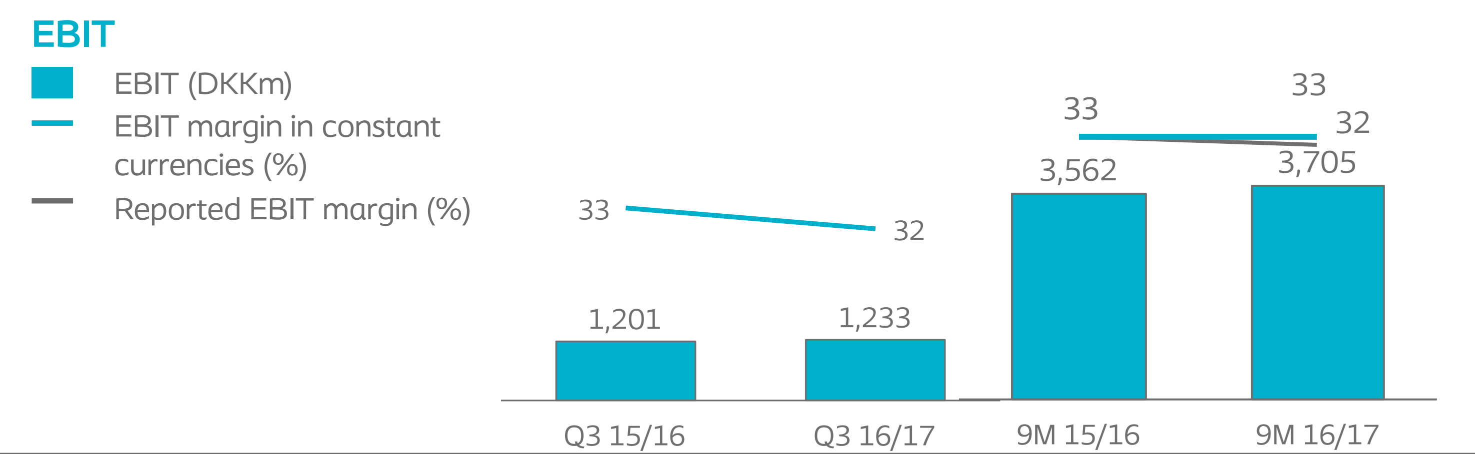
Forward-looking statements

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 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.

Timeline of SpeediCath® patent litigations

23 Nov. 2005
Coloplast's "SpeediCath®" patent EP1145729 issued

2009
Coloplast files an injunction against Hollister Inc. and the VaPro product

Hollister introduces the product VaPro

2015
MBH International A/S introduces Qufora® Onestep

Feb. 2017
European Patent Office (EPO) validates Coloplast's "SpeediCath®" patent EP1145729

30 Jun. 2017
Injunction issued against MBH International A/S in the Maritime and Commercial High Court in Copenhagen

Product: Qufora® Onestep

Main case pending

18 Jul. 2017
Injunction issued against Hollister Inc. and Teleflex Medical GmbH in the Regional Court Düsseldorf "Landgericht Düsseldorf"

Product: VaPro, VaPro Plus, VaPro Pocket, VaPro Plus Pock-et, Infyna, Infyna Plus and Teleflex Liquick X-treme

Appealed

18 Sept. 2017
Coloplast's "SpeediCath®" patent EP1145729 expires

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%
Continence 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%**

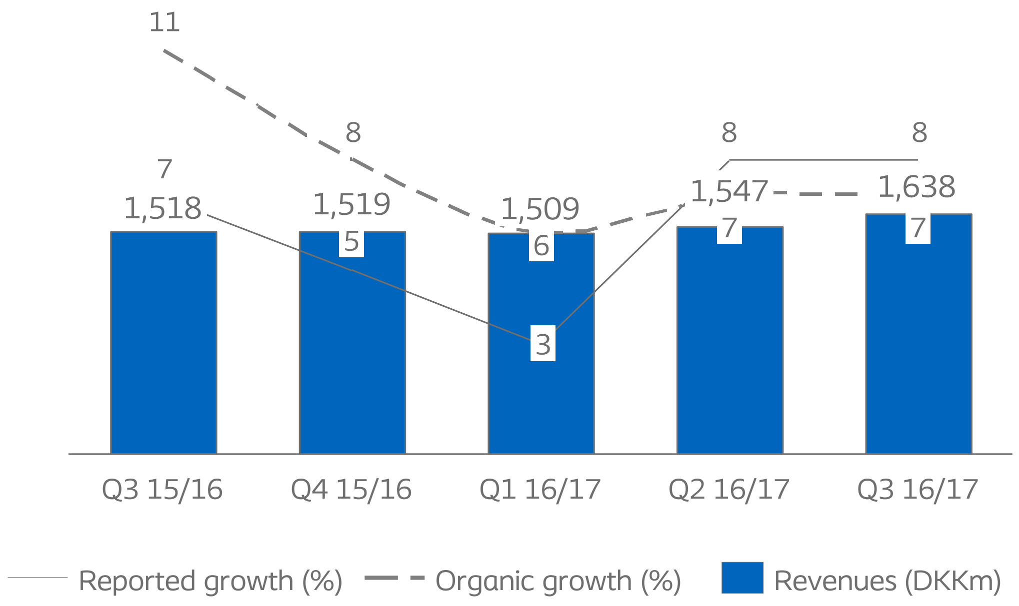
9M 16/17 revenue by geography

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

Ostomy Care grew 7% organically in Q3 and continues to be driven by SenSura® range and Brava® accessories

Performance



Comments

- 9M organic growth of 7% (6% reported growth). Q3 organic growth of 7% (8% reported growth)
  - The acquisition of Comfort Medical contributed 1% growth to revenue in Ostomy Care in 9M and Q3
- Satisfactory growth in Q3 driven by UK, China and Russia, but negatively impacted by weaker momentum in the Netherlands
- Satisfactory growth in **SenSura®** portfolio in Q3 especially in UK and Germany, mainly driven by **SenSura®Mio** Convex
  - **SenSura®Mio** Convex relaunch proceeding successfully
- Growth in **Brava® accessories** in Q3 driven by especially China, UK and France
  - **Brava® Protective Seal** continues to take market share in the ring segment, the largest accessories market segment

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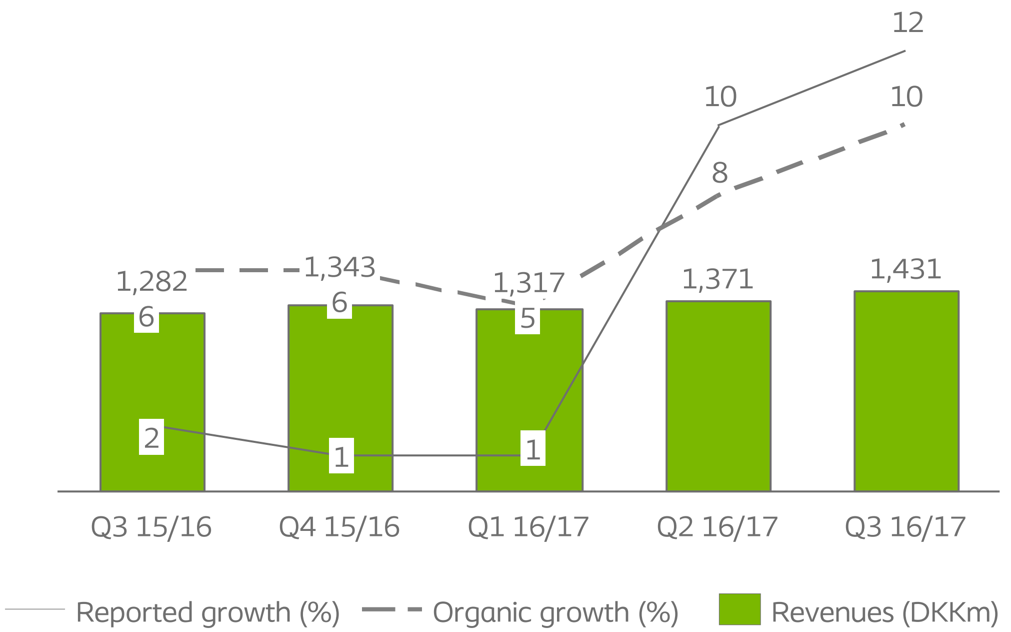
Continence Care grew 10% in Q3 driven by SpeediCath® intermittent catheters and strong performance in the US

Performance

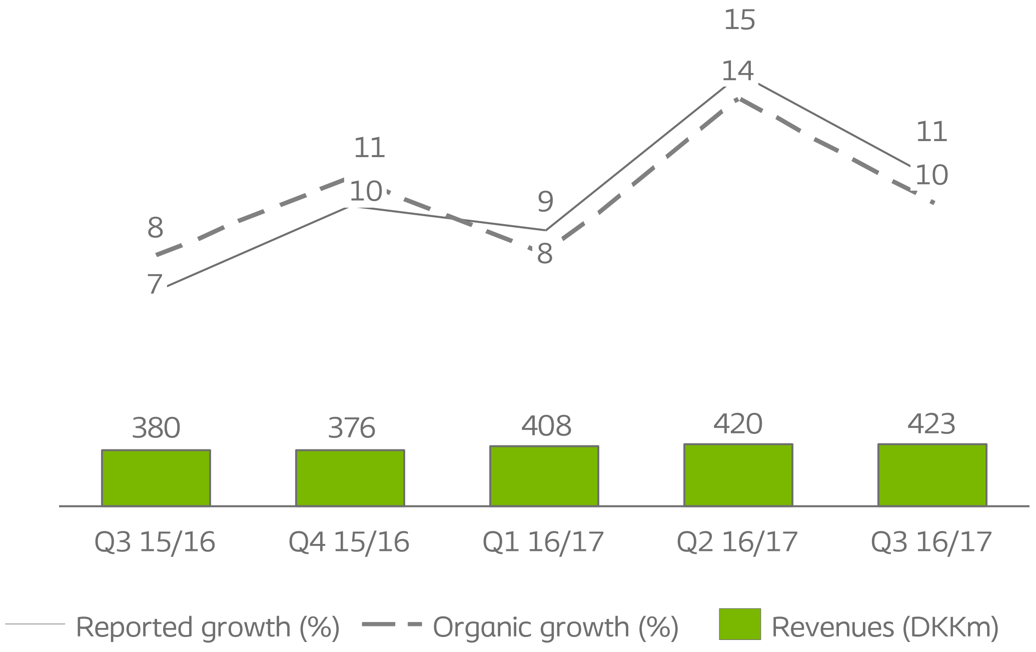


Comments

- 9M organic sales growth of 8% (7% reported growth). Q3 organic growth of 10% (12% reported growth)
    - The acquisition of Comfort Medical contributed 2% growth to revenue in Continence Care in 9M and 3% growth in Q3
- Q3 growth driven by **SpeediCath® Compact** catheters in particular in UK, US and France
- Growth in **SpeediCath® Flex** in Q3 driven by Europe and US
- Growth in standard catheters in Q3 was driven by US, Saudi Arabia and Argentina
- Sales in urine bags and urisheaths in Q3 was driven by France, but counterbalanced by challenges in UK and the Netherlands
- **Peristeen®** sales remains satisfactory in most markets, especially in Southern Europe and US

Urology Care grew 10% in Q3 driven by US sales of Altis® slings and Titan® penile implants

Performance

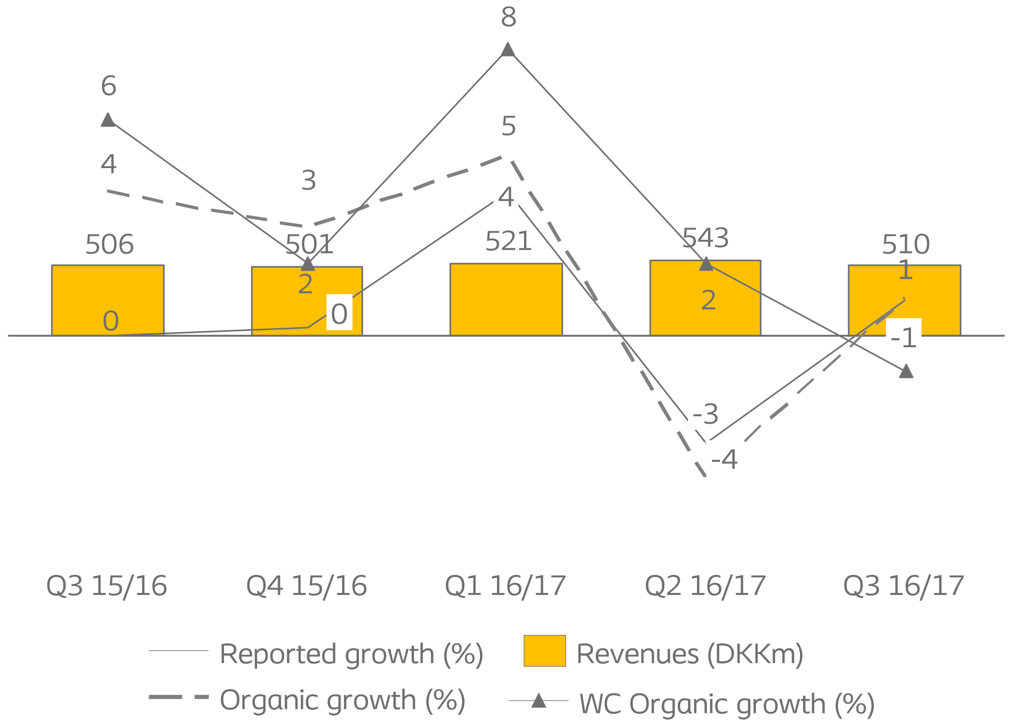


Comments

- 9M organic growth of 11% (12% reported growth). Q3 organic growth of 10%
- Growth in Q3 driven by the US and Europe
- Strong growth in sales of **Altis® slings** and **Titan® penile** implants in the US market
- Sales of disposable surgical products was positively impacted by sales in Saudi Arabia and Europe

WC negatively impacted by price reforms in Greece and France and weak momentum in Emerging Markets

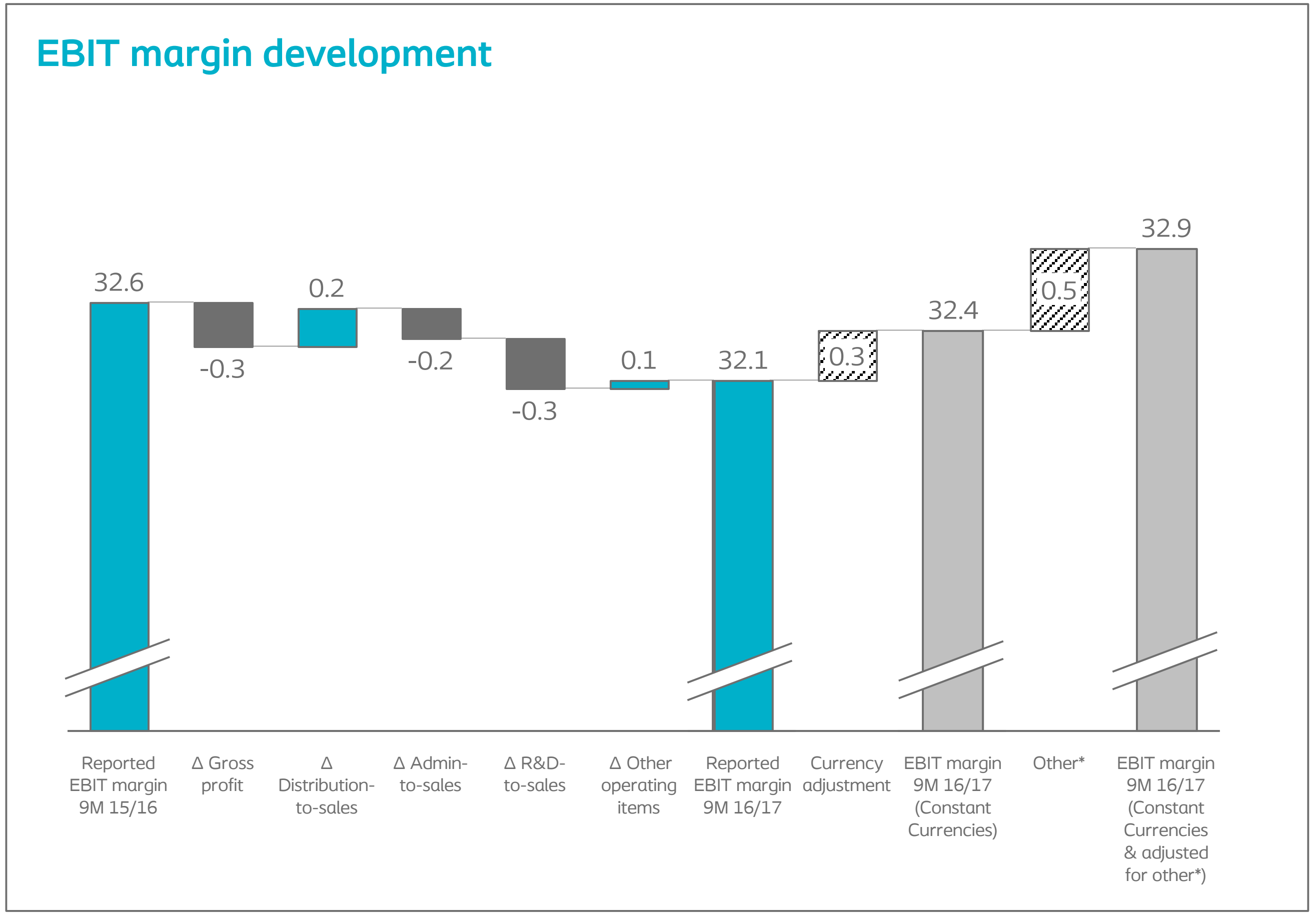
Performance



Comments

- 9M organic sales growth of 0% for WSC (1% reported growth). Q3 organic growth for WSC of 1%
- 9M organic growth of 3% for Wound Care in isolation, and negative 1% in Q3. Wound Care negatively impacted in Q3 by:
    - Price reform in France
    - De-stocking in Greece following price reform
- Sales of **Biatain®** foam dressings positively impacted by improved momentum in China WC in Q3
- Positive growth in Skin Care in Q3 due to low sales in Q3 last year
- Growth in Q3 driven by Skin Care in US and Wound Care in China, both posting double-digit growth rates

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



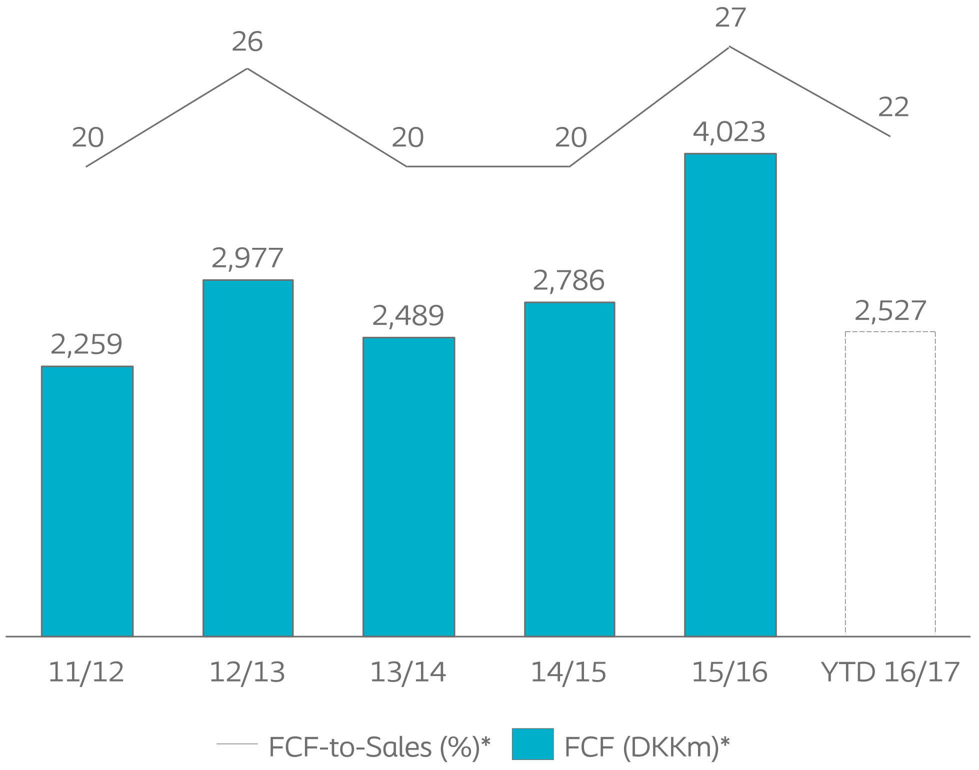
* Estimated DKK 90m one-off revenue adjustment related to incorrect management of a contract with U.S. Veterans Affairs

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

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

Performance



Comments

- Free cash flow was positive DKK 322m compared to positive DKK 1,643m in 9M 2015/16
    - EBITDA DKK 201m higher than same period last year
    - 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 1.7bn)
    - Negative impact from timing of tax payments last year
    - Acquisition of Comfort Medical for DKK 1.1bn
    - CAPEX-to-sales of 4% in line with last year
    - Net sale of bonds decreased by DKK 142m
- FCF ex. Mesh impact and Comfort Medical of DKK 2,527m compared to DKK 2,905m last year. Difference explained by timing of tax payments and hence underlying FCF was 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.
9M 2016/17 FCF adjusted for Mesh payments and acquisition of Comfort Medical.

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