

60
years of care

Forward
together

Coloplast Earnings Conference Call FY 2016/17

2 November 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.

Today, Coloplast is presenting a new long-term guidance for the LEAD20 strategy period

Revenue growth
annual organic

7–9%

EBIT margin
constant currencies

>30%

Growth acceleration to be driven through two key pillars and GOP4 will continue to drive unparalleled efficiency



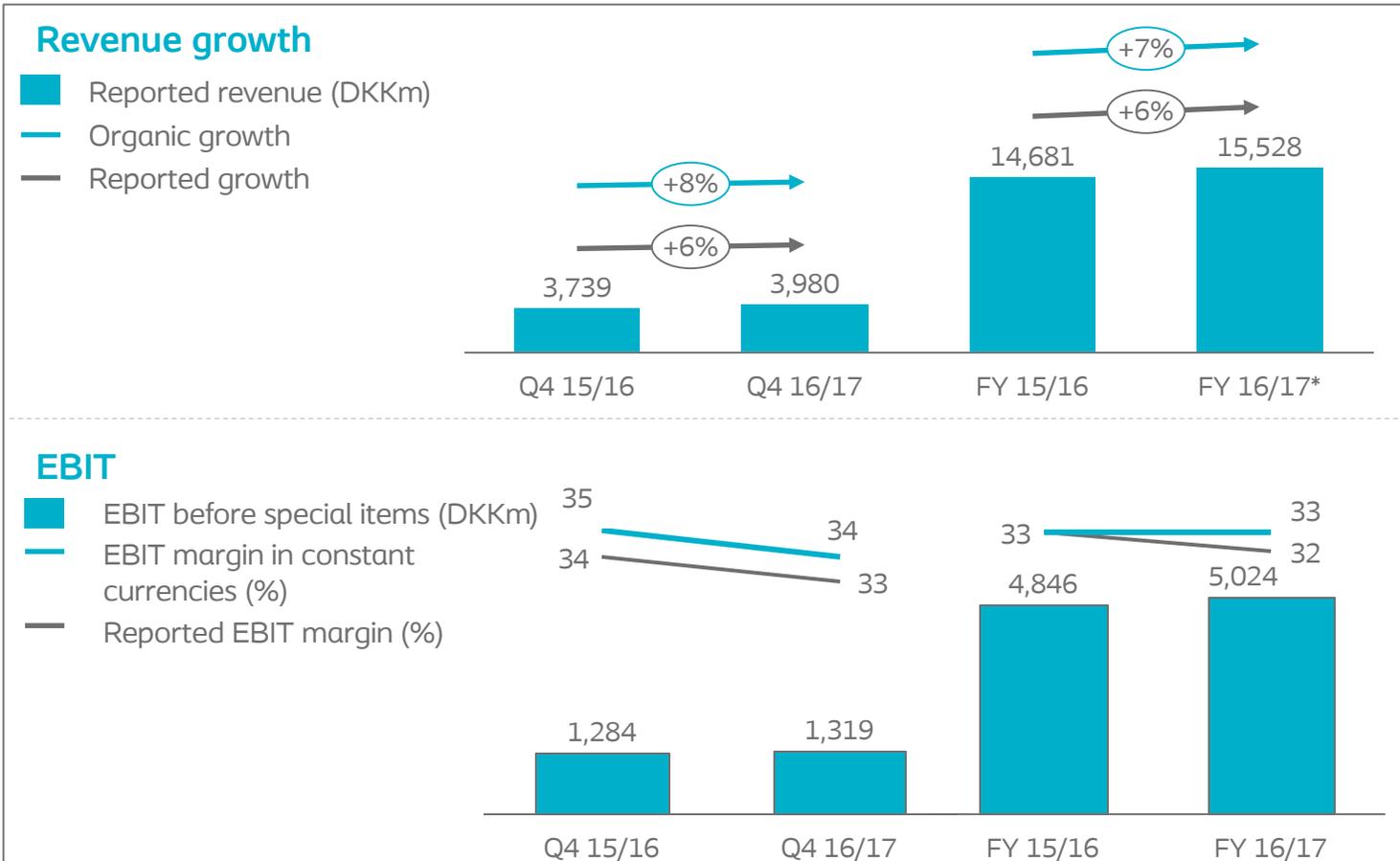
Two pillars to drive growth

- I. Accelerated organic investments
 - I. Invest up to 2% of topline p.a. in new investment cases
 - II. Emerging markets, US, selected countries in Europe
- II. Active pursuit of inorganic opportunities to strengthen our service offering towards consumers

Unparalleled efficiency

- I. Global Operations Plan 4 to improve EBIT margin by 150bp with full effect from 2020/21

Coloplast delivered full year organic growth of 7% and an EBIT margin of 33% in constant exchange rates



Full year highlights

- FY organic growth of 7% (6% reported growth). Q4 organic growth of 8% (6% reported growth)
- FY Gross margin of 68% in constant exchange rates and 68% in DKK
- FY EBIT margin of 33% in constant exchange rates and 32% in DKK
- Total dividend of DKK 15.0 per share for 2016/17 (DKK 10.5 per share to be proposed at 2017 AGM)
- ROIC after tax before special items of 47%
- Financial guidance for 2017/18:
 - Organic revenue growth of ~7% and 5-6% in reported growth
 - Assumes DKK 100m negative impact from patent expiry and pricing pressure of more than 1% due to DKK 100m negative impact from healthcare reforms in Greece
 - EBIT margin of 31-32% in constant currencies and ~31% in reported EBIT

* Coloplast has identified the incorrect management of a 2009 agreement with the U.S. Veterans Affairs. The matter relates to Continence Care products and is treated as a one-off adjustment of DKK 90m recognized directly in the Q3 revenue. The matter has not affected the organic growth rate for the reporting period.

Good performance across all geographies in 2016/17 with 7% organic growth vs. a market growth of 4-5%

FY 16/17 revenue by business area

Business area	Reported revenue DKKm	Organic growth	Share of organic growth
Ostomy Care	6,291	7%	41%
Continenence Care	5,543	7%	36%
Urology Care	1,641	10%	15%
Wound & Skin Care	2,143	4%	8%
Other*	(90)		
Coloplast Group	15,528	7%	100%

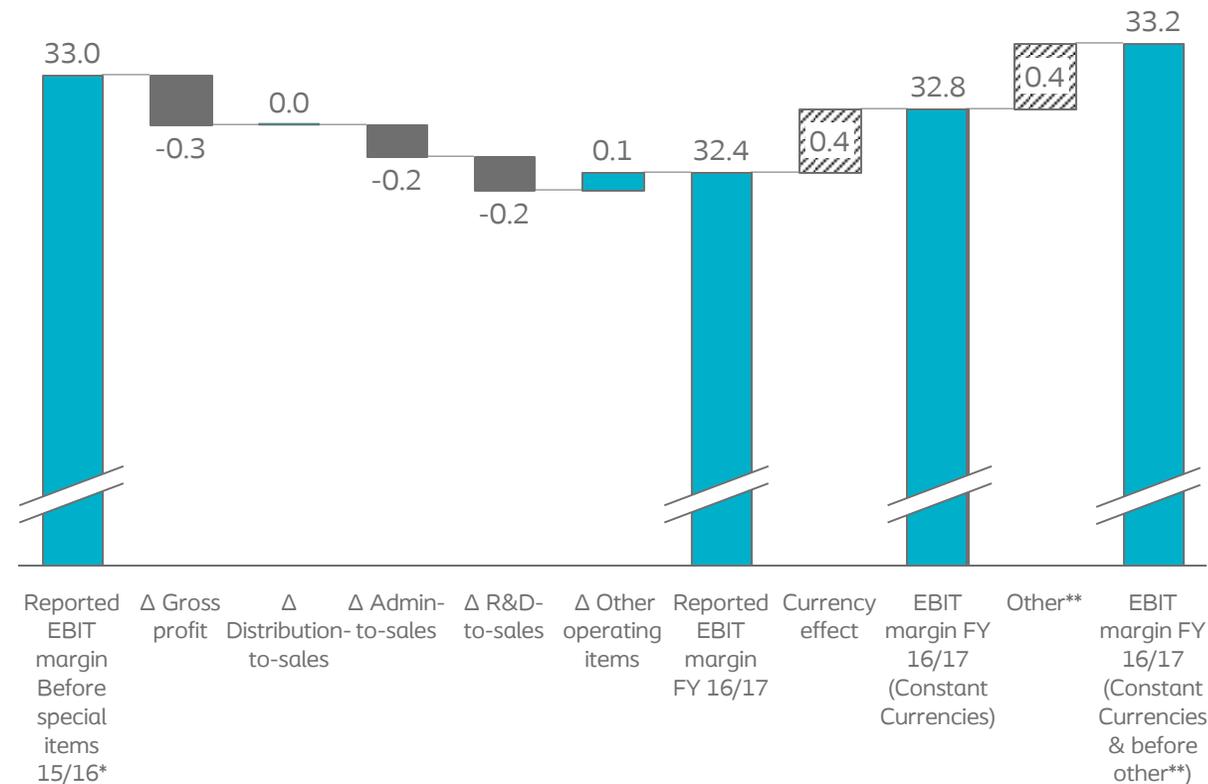
FY 16/17 revenue by geography

Geographic area	Reported revenue DKKm	Organic growth	Share of organic growth
European markets	9,394	5%	46%
Other developed markets	3,642	8%	25%
Emerging markets	2,582	13%	29%
Other*	(90)		
Coloplast Group	15,528	7%	100%

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

EBIT in constant currencies & before one-off adjustment for VA grew 9% in 2016/17

Full-year EBIT margin development (%)



Comments

- EBIT before special items grew 4% to DKK 5,024m 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 of manufacturing
 - Negatively impacted by wage inflation in Hungary, product mix, depreciation and restructuring costs of DKK ~20m
 - Reduction of production employees in Denmark from 700 to 400 in 2017/18 on track
- Distribution-to-sales of 28% (28% in FY 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 13% compared to last year due to increased activity

* Special items of DKK 750m related to Mesh litigation in 2015/16

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

Global Operation Plan 4 aims to support LEAD20 through continued unparalleled efficiency



GOP4 Highlights

- Deliver 150 basis points in EBIT margin improvements with full effect from 2020/21
 - Driven primarily by continued cost efficiency and procurement savings
- Next new volume factories will be located in Central America
- GOP4 will require expansion of the organisations in Hungary building an organisation in Central America
- Further strengthen ramp-up capabilities in low-cost countries and consolidate pilot production in Mørdrup, Denmark
 - Aim to close factory in Thisted, Denmark by the end of 2019/20
 - The closure of Thisted will require restructuring costs of DKK 50m split over 2018/19 and 2019/20

New long-term financial guidance and guidance for 17/18

	Guidance 17/18	Guidance 17/18 (DKK)	Long term ambition
Sales growth	~7% (organic)	5-6%	7-9% p.a.
EBIT margin	31-32% (constant exchange rates)	~31%	>30% (constant exchange rates)
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