Coloplast Earnings Conference Call 9M 2017/18

8 August 2018

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

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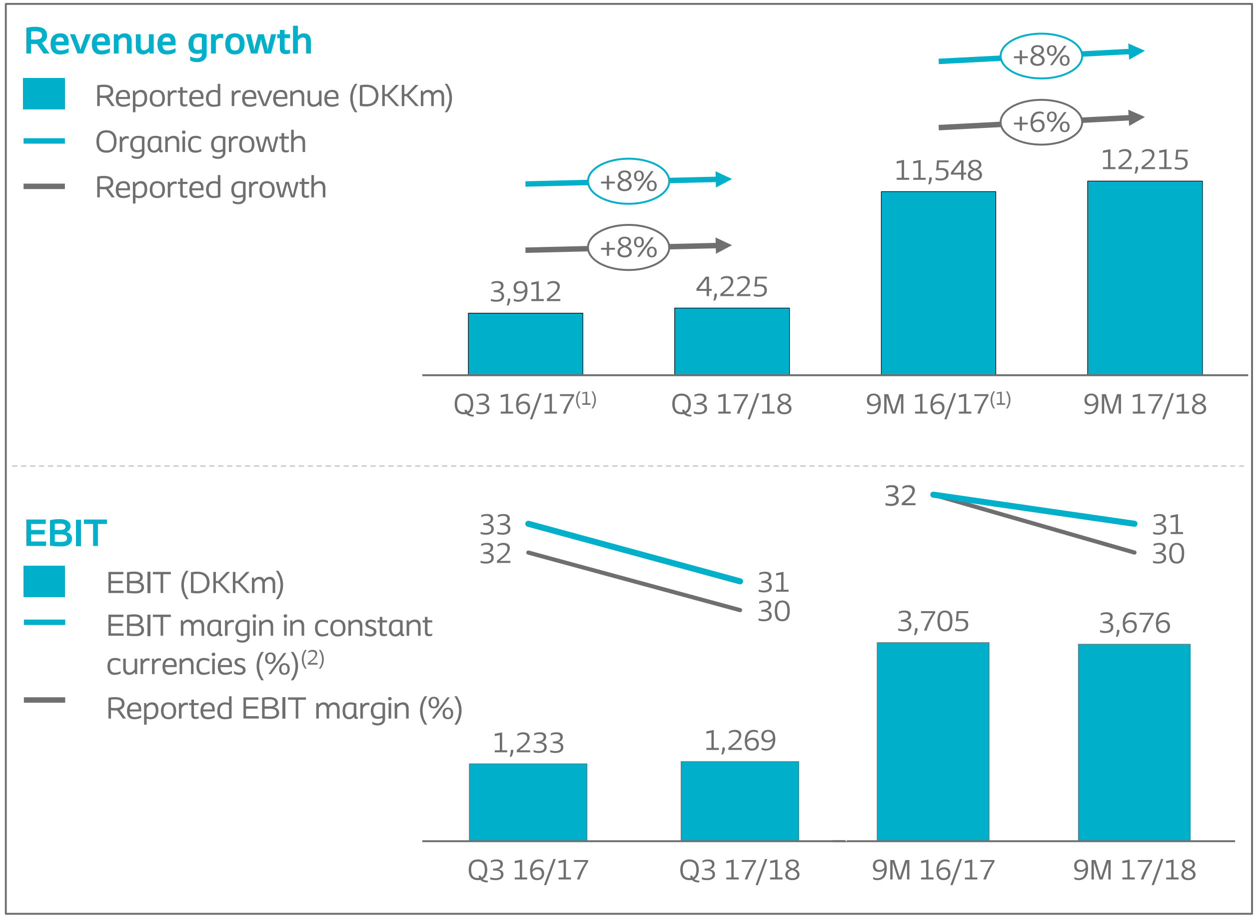
Forward-looking statements

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.

In Q3 Coloplast delivered 8% organic growth for the fifth consecutive quarter



Q3 Highlights

- Q3 organic growth of 8% (8% reported growth in DKK[1])
  - Negative FX impact from USD/DKK and ARS/DKK. Acquisitions contributed 1% to growth
- Strong momentum in Chronic Care driven by new products and double digit growth in the US
- Wound Care organic growth improved to 12% in Q3 driven by Europe and China
- Restructuring costs of DKK 21m in Q3 (DKK 29m YTD) related to reduction of production employees in DK
  - Completion of plan (GOP3) to reduce from 700 to 400 people
  - Initiation of plan (GOP4) to reduce by 200 people in 17/18-18/19
- Q3 EBIT margin of 31% in constant FX rates and 30% in DKK
- Updated financial guidance for 2017/18:
  - Organic revenue growth of ~8% vs. previously 7-8% and ~6% reported growth in DKK, assuming:
    - Limited impact from patent expiry vs. previously DKK -50m
    - Negative up to DKK 100m from Greek price reform
  - Unchanged EBIT margin of 31-32% in constant exchange rates and ~31% in DKK

(1) In Q3 2016/17 Coloplast identified the incorrect management of a 2009 agreement with the U.S. Veterans Affairs. The matter relates to Continence Care products and was treated as a one-off adjustment of DKK -90m recognized directly in the Q3 revenue. The matter did not affect the organic growth rate for the reporting period.
(2) EBIT margin in constant currencies in Q3 2016/17 and 9M 2016/17 is adjusted for the one-off of DKK -90m from Veterans Affairs to make margins comparable.

8% organic growth in 9M driven by strong performance across business areas

9M 17/18 revenue by business area

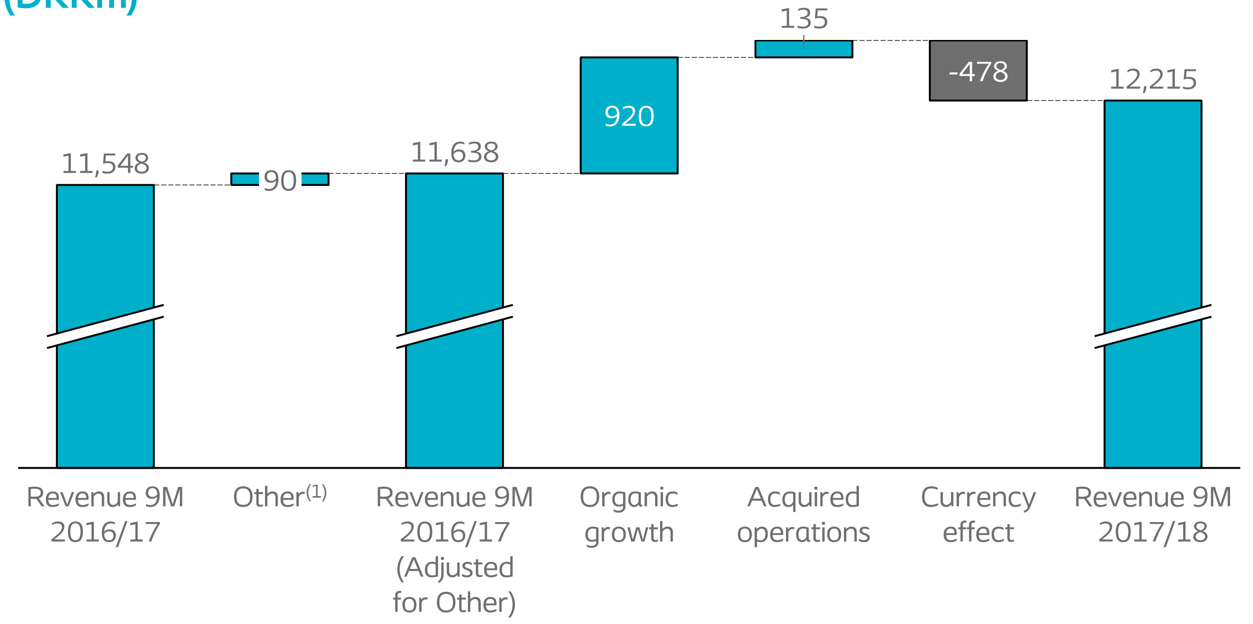
Business area	Reported revenue DKKm	Organic growth	Share of organic growth
Ostomy Care	4,943	9%	46%
Continence Care	4,406	9%	38%
Urology Care	1,308	10%	11%
Wound & Skin Care	1,558	3%	5%
Coloplast Group	**12,215**	**8%**	**100%**

9M 17/18 revenue by geography

Geographic area	Reported revenue DKKm	Organic growth	Share of organic growth
European markets	7,411	5%	38%
Other developed markets	2,772	12%	33%
Emerging markets	2,032	14%	29%
Coloplast Group	**12,215**	**8%**	**100%**

9M 17/18 reported revenue driven by strong organic growth but significantly impacted by FX

Revenue development (DKKm)



	Other		Organic growth	Acquired operations	Currency effect	Revenue 9M 2017/18
Growth	0.8%		8.0%	1.2%	-4.2%	5.8%

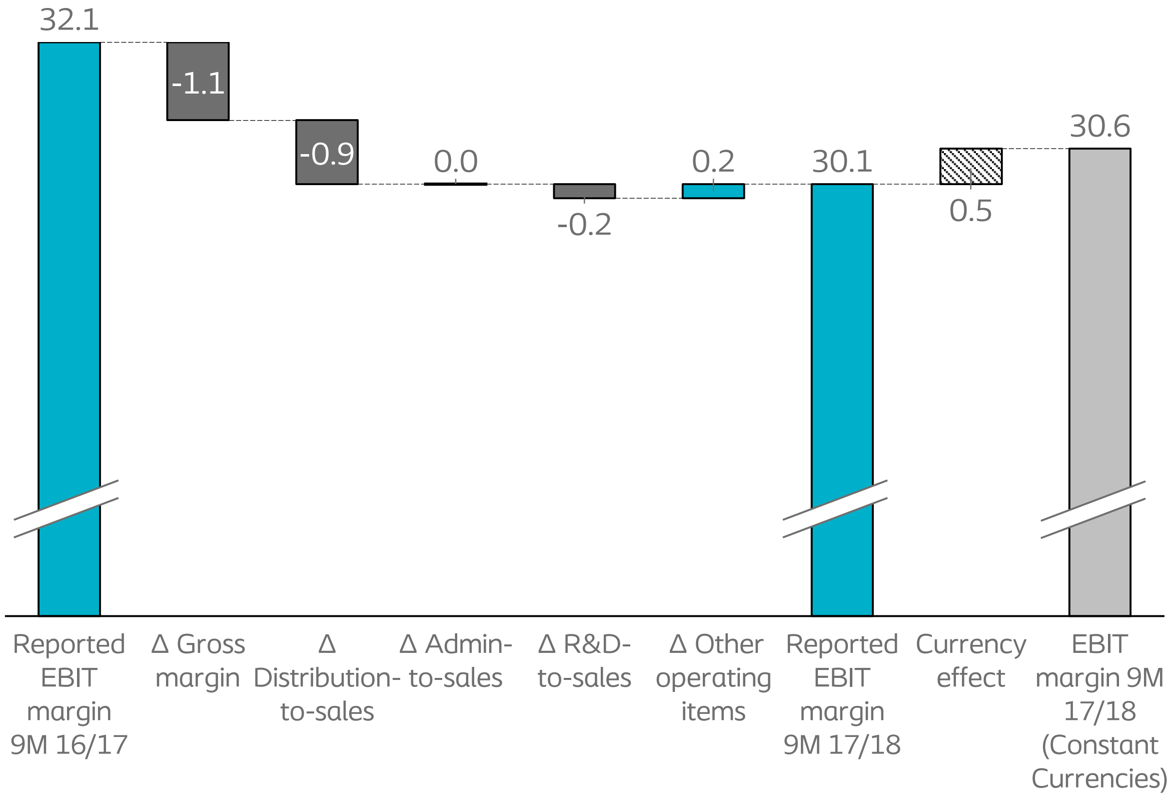
1) Estimated DKK 90m one-off revenue adjustment related to incorrect management of a contract with U.S. Veterans Affairs in Q3 2016/17.

Comments

- 9M 2017/18 reported revenue increased by DKK 667m or 6% compared to 9M 2016/17
- The majority of growth was driven by organic growth contributing DKK 920m or 8% to reported revenue
  - Organic growth in 9M positively impacted by the comparison period with DKK ~70m from inventory reductions by distributors in US Chronic Care in Q1 2016/17
- Revenue from acquisitions contributed DKK 135m or 1%, resulting from the acquisitions of distribution companies Comfort Medical in Q1 2016, Lilial and IncoCare in Q2 2018
- Foreign exchange rates had a significant negative impact of DKK 478m or -4% on reported revenue primarily due to the depreciation of the USD, ARS, GBP, BRL, JPY and CNY against the Danish kroner

9M EBIT margin dilution due to increased commercial investments across business areas and regions

EBIT margin development (%)



Comments

- EBIT fell 1% to DKK 3,676m with a reported margin of 30% (31% in constant currencies) compared to 32% last year
- Gross margin of 67% compared to 68% same period last year
  - Continued efficiency gains and positive impact from relocation of manufacturing
  - Negatively impacted by product mix, depreciation and DKK 29m in restructuring costs related to reduction of production employees in DK
    - Completion of plan (GOP3) to reduce from 700 to 400 people
    - Initiation of plan (GOP4) to reduce by 200 people in 17/18-18/19
  - Negative impact of 60 basis points from FX rates on the gross margin
- Distribution-to-sales of 29% (28% in 9M 2016/17)
  - Increase driven by investments in sales and marketing initiatives across business areas and regions
- Admin-to-sales of 4% on par with last year
- R&D costs increased 10% compared to 9M last year due to increased activity
- Other operating income/expenses of DKK 35m vs. DKK 15m last year due to a non-recurring income in Q1 from a settlement related to Urology Care patent rights

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Upgraded organic growth guidance for FY 2017/18

	Guidance 2017/18	Guidance 2017/18 (DKK)*	Key assumptions
Sales growth	~8% from 7-8% (organic)	Unchanged at ~6%	• Limited impact from patent expiry • Up to 1% negative price pressure of which up to DKK 100m from price reform in Greece • DKK guidance includes growth from Comfort Medical in Q1 and Lilial and IncoCare in Q2-Q4
EBIT margin	Unchanged at 31-32% (constant exchange rates)	Unchanged at ~31%	• Impact from Greece • Incremental investments of up to 2% of revenue • DKK 45m from reduction in DK production employees and GOP4 • Includes Comfort Medical, Lilial and IncoCare
CAPEX (DKKm)		~700	• Factory expansion in Nyírbátor • New machines for new and existing products • Land acquired for new factory in Costa Rica
Tax rate		~23%	

*DKK guidance is based on spot rates as of August 2 2018

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