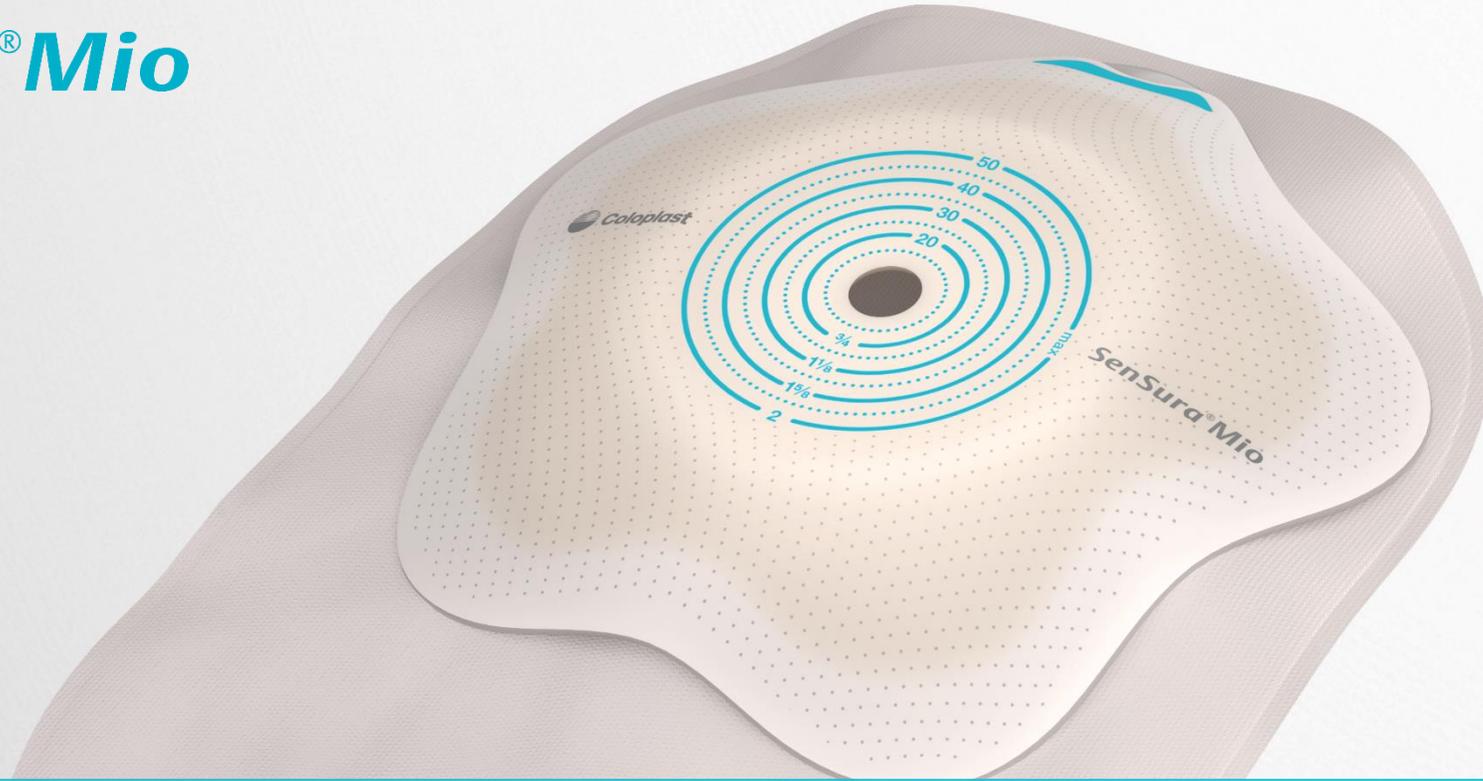


**SenSura<sup>®</sup> Mio**  
Concave



# Coloplast Earnings Conference Call Q1 2017/18

1 February 2018

Coloplast Group – Ostomy Care / Continence Care / Wound & Skin Care / Urology Care

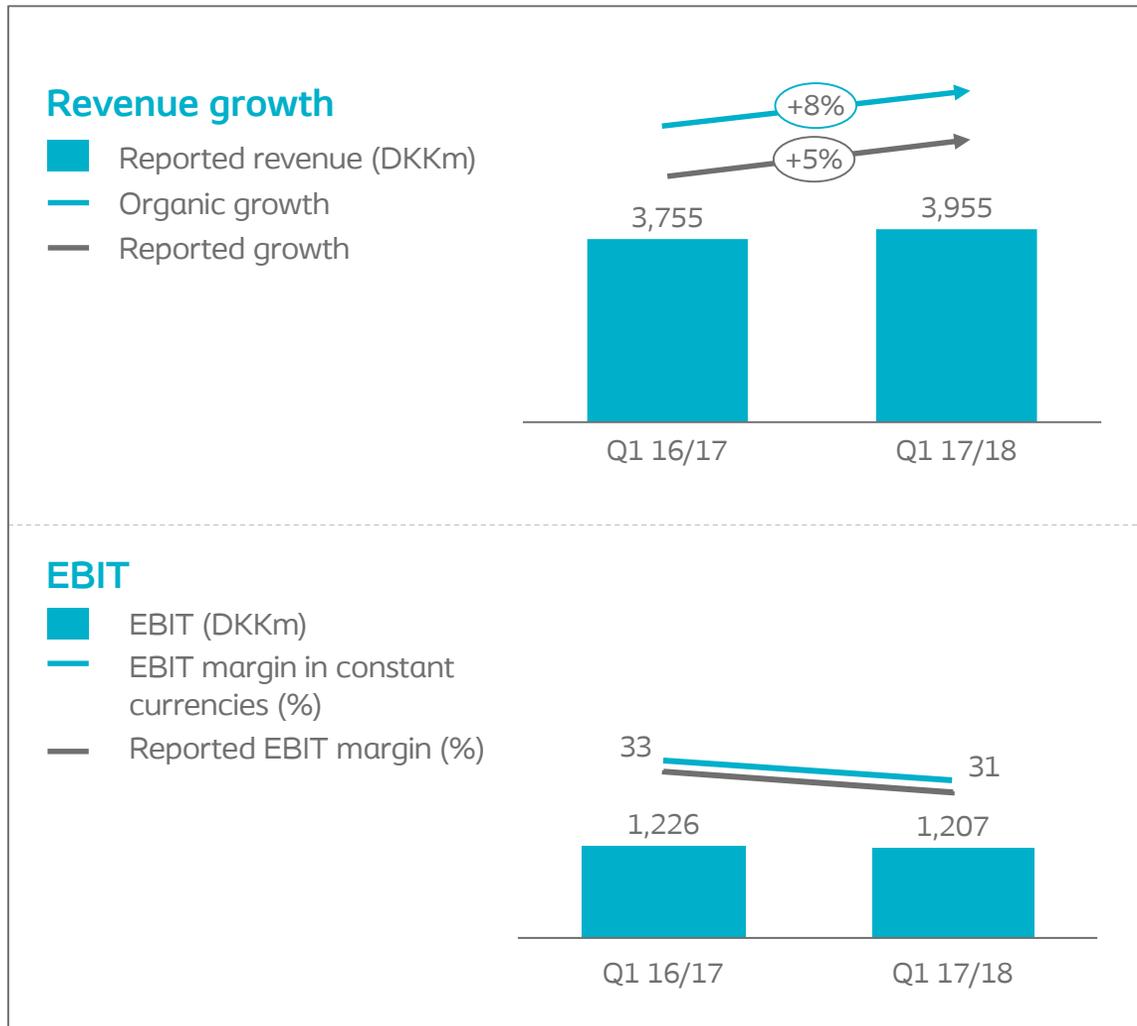


# Forward-looking statements

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 Q1 organic growth of 8% and an EBIT margin of 31%



## Q1 Highlights

- Organic revenue growth of 8% (5% in DKK)
  - Negative impact from USD and USD related currencies
- Strong underlying growth in US Chronic Care even when adjusting for the DKK 70m inventory reductions by distributors in Q1 16/17
- Inventory reductions in the distribution channel in Greece due to price reforms in Ostomy, Continence and Wound Care
- Lilial acquisition completed beginning of January 2018
- Coloplast will expand the SenSura<sup>®</sup> Mio portfolio with the launch of SenSura<sup>®</sup> Mio Concave in key markets during 2018 and 2019
- Increase in investments in R&D and sales enhancing initiatives across multiple markets and business areas
- EBIT margin of 31% in constant exchange rates and DKK
- ROIC after tax before special items of 42%
- Financial guidance for 2017/18:
  - Organic revenue growth of ~7% unchanged and now 5-6% in reported growth due to currency developments
    - Assumes DKK 100m negative impact from patent expiry
    - Assumes 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

# Strong growth in all business areas except Wound Care due to price reforms in Greece

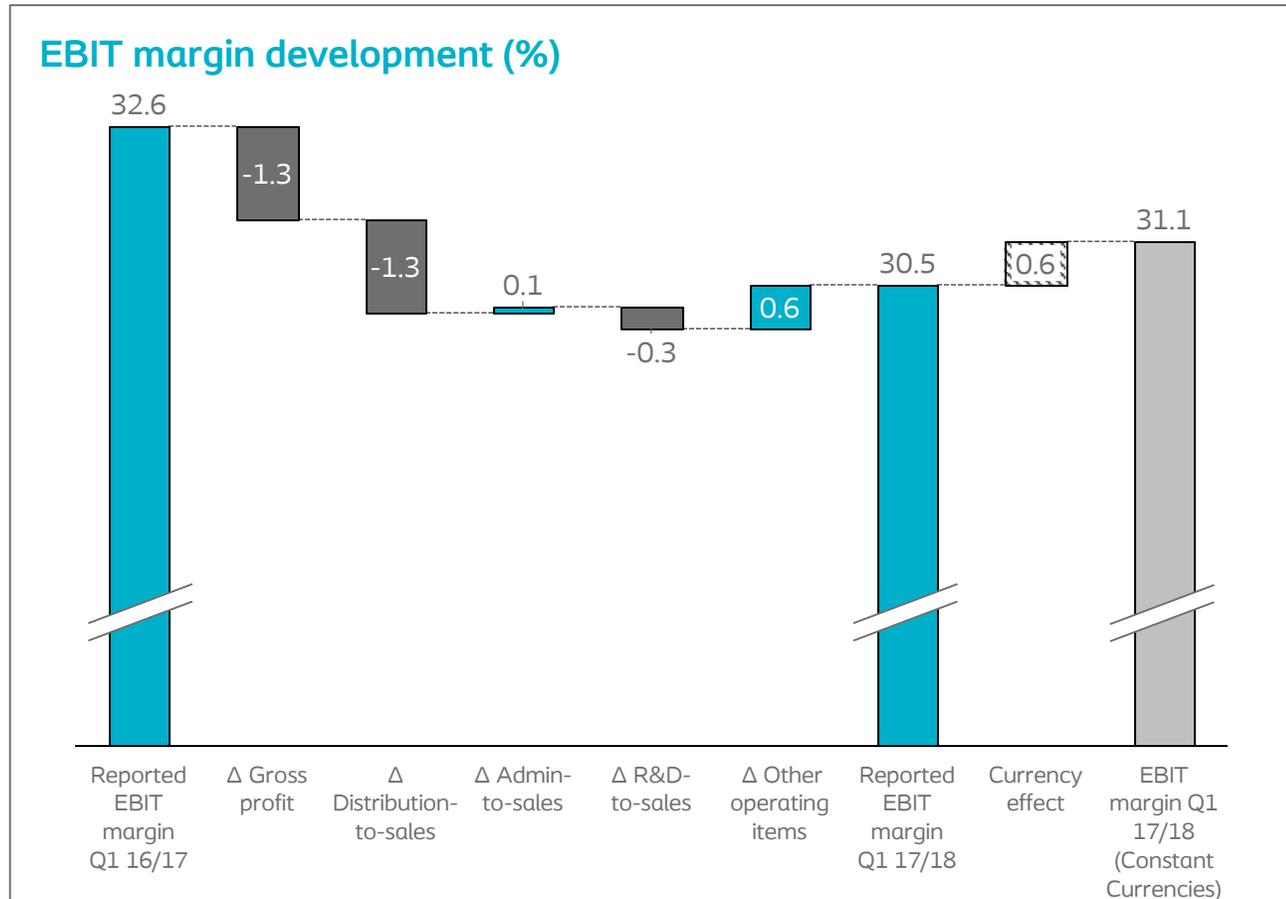
## Q1 17/18 revenue by business area

| Business area          | Reported revenue DKKm | Organic growth | Share of organic growth |
|------------------------|-----------------------|----------------|-------------------------|
| Ostomy Care            | 1,613                 | 9%             | 47%                     |
| Continenence Care      | 1,435                 | 10%            | 46%                     |
| Urology Care           | 434                   | 11%            | 16%                     |
| Wound & Skin Care      | 473                   | -5%            | -9%                     |
| <b>Coloplast Group</b> | <b>3,955</b>          | <b>8%</b>      | <b>100%</b>             |

## Q1 17/18 revenue by geography

| Geographic area         | Reported revenue DKKm | Organic growth | Share of organic growth |
|-------------------------|-----------------------|----------------|-------------------------|
| European markets        | 2,392                 | 4%             | 28%                     |
| Other developed markets | 928                   | 18%            | 50%                     |
| Emerging markets        | 635                   | 10%            | 22%                     |
| <b>Coloplast Group</b>  | <b>3955</b>           | <b>8%</b>      | <b>100%</b>             |

# EBIT in constant currencies grew 4% in Q1 2017/18



## Comments

- EBIT fell 2% to DKK 1,207m with a reported margin of 31% (31% in constant currencies) compared to 33% last year
- Gross margin of 67% compared to 69% same period last year
  - Negatively impacted by product mix, depreciation and foreign exchange rates
  - Continued efficiency gains and positive impact from relocation of manufacturing
- Distribution-to-sales of 30% (28% in Q1 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 14% compared to last Q1 year due to increased activity

# Updated reported growth guidance for 17/18

|                     | Guidance 17/18                   | Guidance 17/18 (DKK) | Key assumptions  |
|---------------------|----------------------------------|----------------------|--|
| <b>Sales growth</b> | ~7% (organic)                    | 5-6%                 | <ul style="list-style-type: none"> <li>• DKK 100m patent expiry</li> <li>• More than 1% negative price pressure of which DKK 100m from price reform in Greece</li> <li>• DKK guidance includes Comfort Medical in Q1 and Lilial in Q2-Q4</li> </ul>            |
| <b>EBIT margin</b>  | 31-32% (constant exchange rates) | ~31%                 | <ul style="list-style-type: none"> <li>• Impact from patent expiry and Greece</li> <li>• Incremental investments of up to 2% of revenue</li> <li>• DKK 20m from reduction in DK production employees</li> <li>• Includes Comfort Medical and Lilial</li> </ul> |
| <b>CAPEX (DKKm)</b> |                                  | ~700                 | <ul style="list-style-type: none"> <li>• Factory expansion in Nyírbátor</li> <li>• New machines for new and existing products</li> </ul>   |
| <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