# Making it easier to be one of the girls

My stoma doesn't define me. My friends know about it and they support me. I feel comfortable when we are hanging out.

## Leading intimate healthcare

Roadshow presentation

FY 2018/19

Making life easier

Coloplast

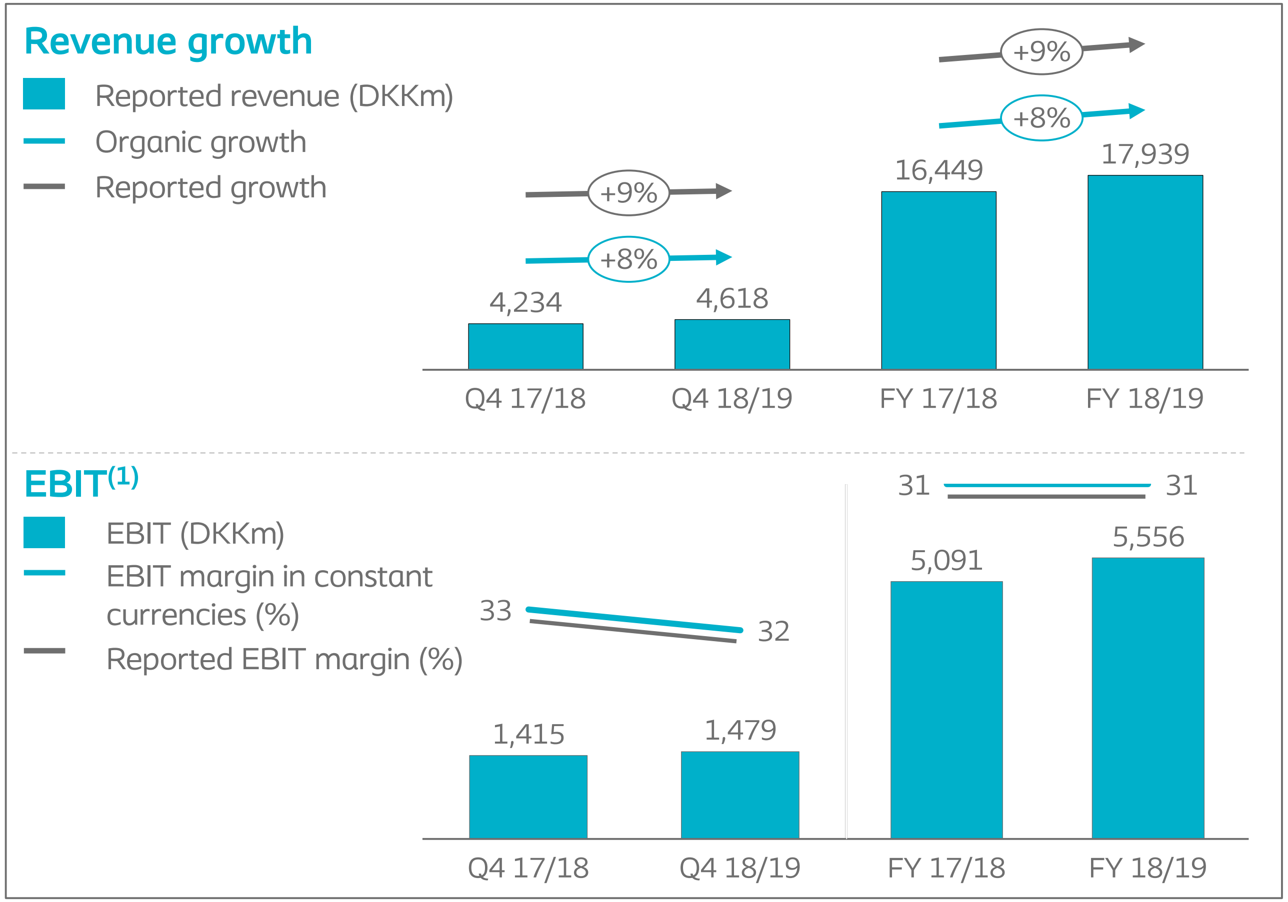
Ostomy Care, Continence Care, Wound & Skin Care and Interventional Urology

# 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 8% organic growth for the tenth consecutive quarter and 8% organic growth for 2018/19




(1) Before special items. Special items Q4 2018/19 includes DKK 0.4bn provision related to transvaginal surgical mesh products.
(2) Special items: Balance sheet items related to the provision in connection with settlements in lawsuits in the USA alleging injury resulting from the use of trans-vaginal surgical mesh products.

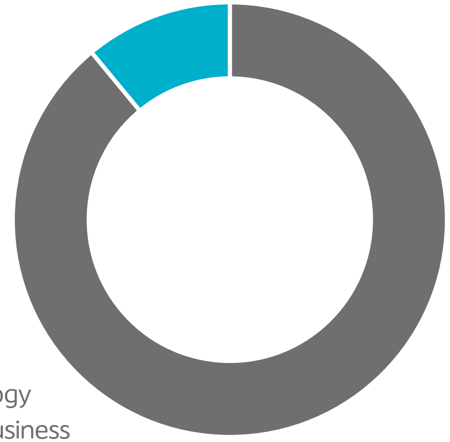
## 2018/19 Highlights

- Full year organic growth of 8% (9% reported growth in DKK) driven by strong momentum across all business areas
  - Strong momentum in Europe, despite the French price reform cut of ~9% in Chronic Care implemented 1 July 2019. Coloplast has mitigated around half of the impact
- Strategic review of Interventional Urology concludes that the business remains core to Coloplast mission and future value creation
- EBIT before special items grew 9% in 2018/19 with a reported EBIT margin before special items of 31% on par with last year
  - Restructuring costs of DKK 43m against DKK 50m last year
  - DKK 400m increase in provision for Mesh litigation included in special items to support ongoing cases
- ROIC after tax before special items(2) of 48% against 44% last year
- Total dividend of DKK 17 per share for 2018/19 (DKK 12 per share to be proposed at 2019 AGM)
- Financial guidance for 2019/20:
  - Organic revenue growth of 7-8% and 7-8% reported growth in DKK, assuming negative price pressure of up to -1%
  - EBIT margin of ~31% in constant exchange rates and ~31% in DKK
  - Capex of DKK 850m; Tax rate of 23%

# Interventional Urology remains core to the Coloplast mission and value creation agenda

## Interventional Urology at a Glance

*FY 18/19*

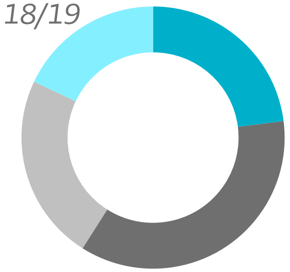



**11%**
of Coloplast sales

**~2**
billion DKK annual sales

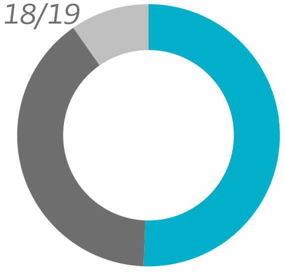
## Revenue by Business Area

*DKKm, FY 18/19*



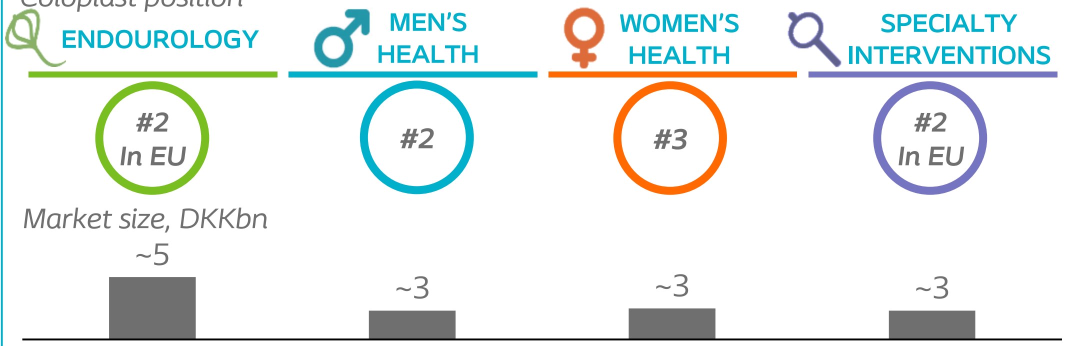

## Revenue by region

*DKKm, FY 18/19*



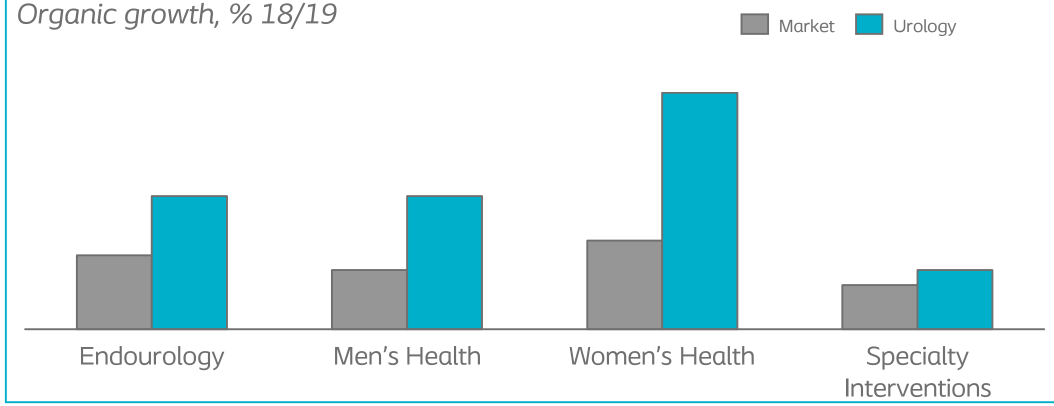

## ~15% market share in global market of DKK 13-14bn market growing 3-5% annually

*Coloplast position*




## Organic revenue growth vs. market growth by business area

*Organic growth, % 18/19*




Definition of Business Areas:
Endourology: Single-use Products used in the removal of kidney stones (Stents, Stone Removal Baskets, Guidewires, Access Sheaths)
Men's Health: Implantable Products used to treat Erectile Dysfunction and Male Incontinence (IPPs and Mesh Slings)
Women's Health: Implantable Products used to treat Pelvic Organ Prolapse and Stress Urinary Incontinence (Mesh and Slings)
Specialty Interventions: Single Use devices used to support a wide range of urological procedures and hospital continence procedures (examples include: Foley Catheters, Drainage Bags, Elefant irrigation suction device).

# Strong performance throughout 2018/19 across all business areas vs. market growth of 4-5%

## FY 18/19 revenue by business area

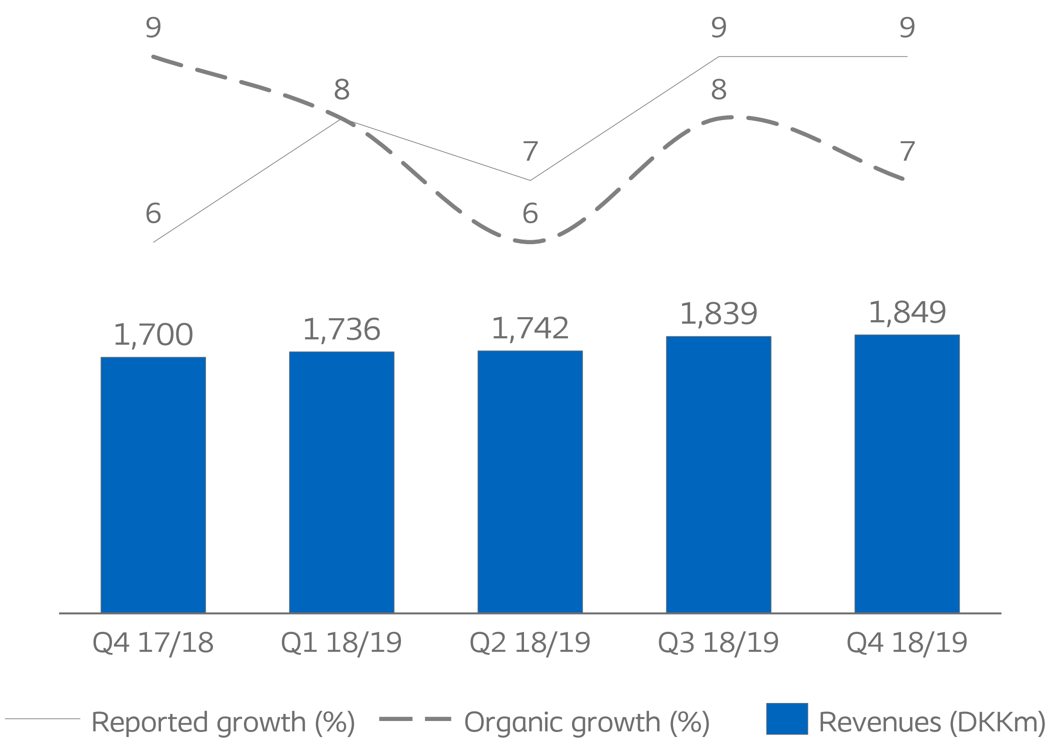
| Business area | Reported revenue DKKm | Organic growth | Share of organic growth |
|---|---|---|---|
| Ostomy Care | 7,166 | 7% | 38% |
| Continence Care | 6,459 | 8% | 35% |
| Interventional Urology | 1,970 | 10% | 13% |
| Wound & Skin Care | 2,344 | 8% | 14% |
| **Coloplast Group** | **17,939** | **8%** | **100%** |

## FY 18/19 revenue by geography

| Geographic area | Reported revenue DKKm | Organic growth | Share of organic growth |
|---|---|---|---|
| European markets | 10,573 | 6% | 43% |
| Other developed markets | 4,380 | 11% | 31% |
| Emerging markets | 2,986 | 12% | 26% |
| **Coloplast Group** | **17,939** | **8%** | **100%** |

# Ostomy Care grew 7% organically in FY 2018/19, positively impacted by China and Europe

## Ostomy Care performance

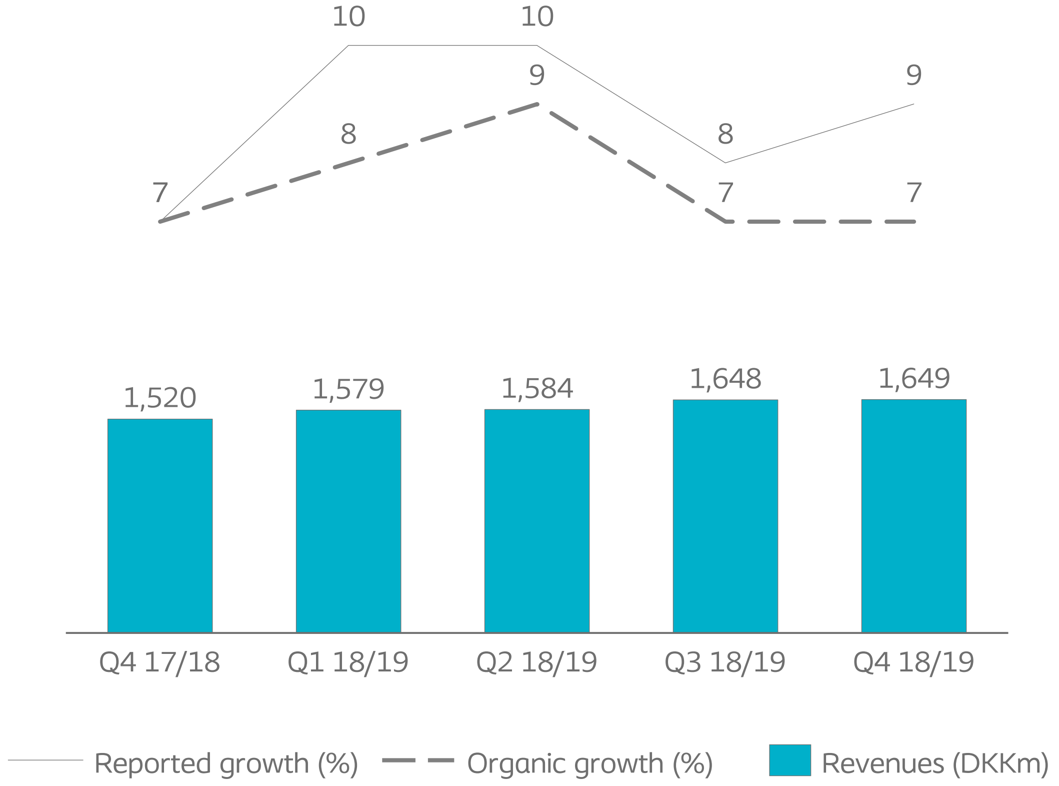



## Comments

- FY organic growth of 7% (reported growth 8%). Q4 organic growth of 7% (reported growth 9%)
- Growth in FY 2018/19 driven by China, UK, France and US
- Growth continues to be driven by the **SenSura® Mio** portfolio mainly in Europe, especially driven by **SenSura® Mio Convex**
    - In Q4, the **SenSura®** portfolio delivered strong growth in China
    - The French price reform and weak demand in North Africa negatively impacted growth in Q4
- **SenSura® Mio Concave** is now launched in 16 countries and is increasingly contributing to growth and **SenSura® Mio Baby & Kids**, setting a new standard for paediatric ostomy care products, has now been launched in 13 countries
- Solid growth in **Brava® Supporting products** in FY 2018/19, driven especially by China and US
- Coloplast is the global market leader in Ostomy Care with 35-40% share of a DKK 18-19bn market, growing 4-5% annually

# Continence Care grew 8% organically in FY 2018/19, driven by SpeediCath® intermittent catheters in the US and France

## Continence Care performance

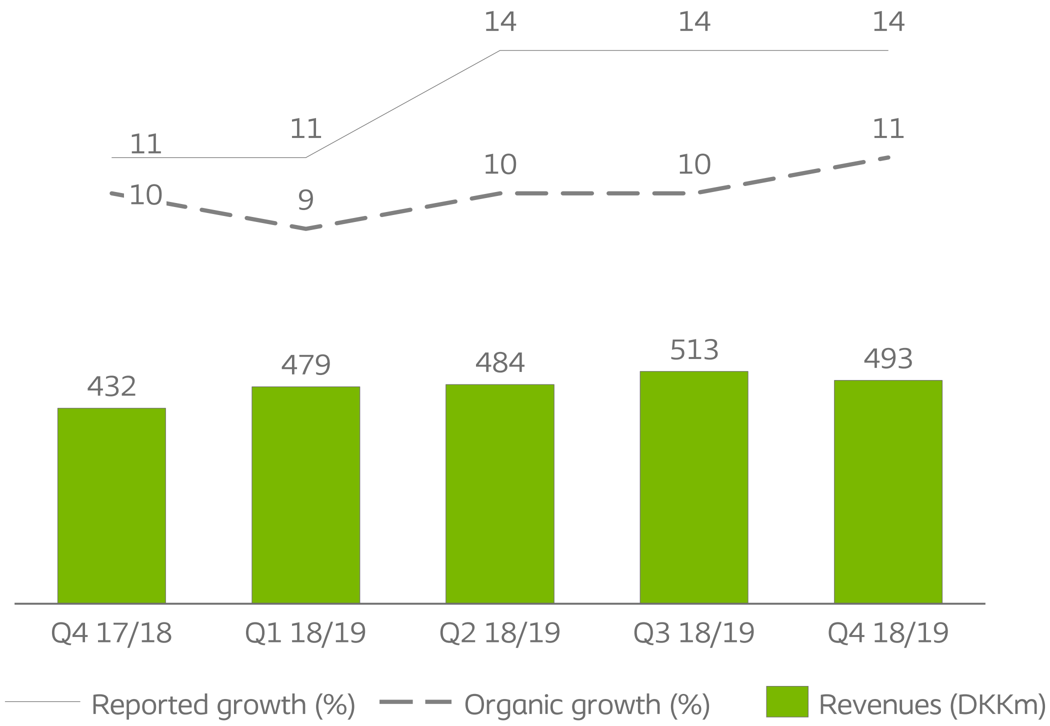



## Comments

- FY organic growth of 8% (9% reported growth). Q4 organic growth of 7% (9% reported growth). Acquired growth was 1% in FY 2018/19
- FY 2018/19 growth was driven by **SpeediCath®** intermittent catheters and **Peristeen®**, mainly in the US and France
  - Q4 was negatively impacted by the French price reform and weaker demand in North Africa
- FY 2018/19 growth in **SpeediCath® Compact** catheters driven by the UK, the US and France
- FY 2018/19 growth in **SpeediCath® Flex** catheters driven by the US and Europe
- FY 2018/19 growth in **SpeediCath® Standard** catheters driven by the US and Japan
- **SpeediCath® Navi** has been launched in Spain, Japan, South Africa and South Korea
- Coloplast is the global market leader with ~40% share of a DKK 13-14bn market, growing 5-6% annually

# Interventional Urology grew 10% organically in FY 2018/19 driven by both Men's and Women's health

## Interventional Urology performance

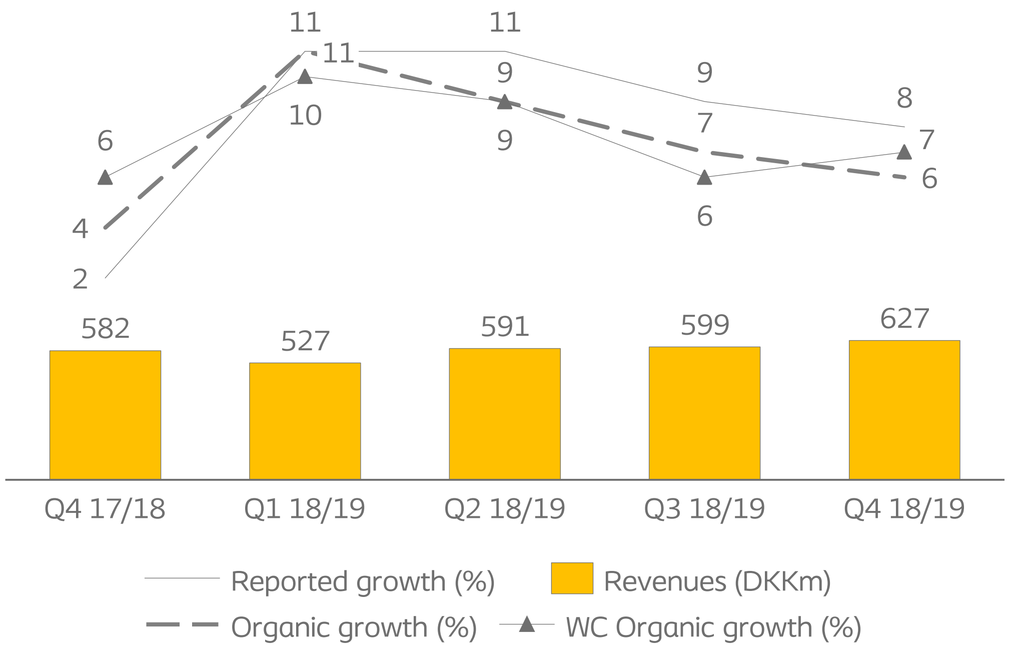



## Comments

- FY 2018/19 organic growth of 10% (13% reported growth). Q4 organic growth of 11% (14% reported growth)
- FY 2018/19 growth continues to be driven by the US
  - Continued solid growth in sales of **Titan®** penile implants in the US
  - Continued satisfactory growth in sales of **Altis®** slings in the US as well as the **Axis™** biologics portfolio following the FDA order to stop selling and distributing Restorelle® DirectFix Anterior products in Q2
  - Sales of disposable surgical products, including endourology, were driven by Europe
- Q4 organic growth was 11%, driven by the US through the sales of **Titan®** penile implants and the **Axis™** biologics portfolio
- Global #4 position with ~15% share of a DKK 12-13bn market, growing 3-5% annually

# Wound Care grew 8% in FY 2018/19 driven by the Biatain® Silicone portfolio in Europe

## Wound & Skin Care performance

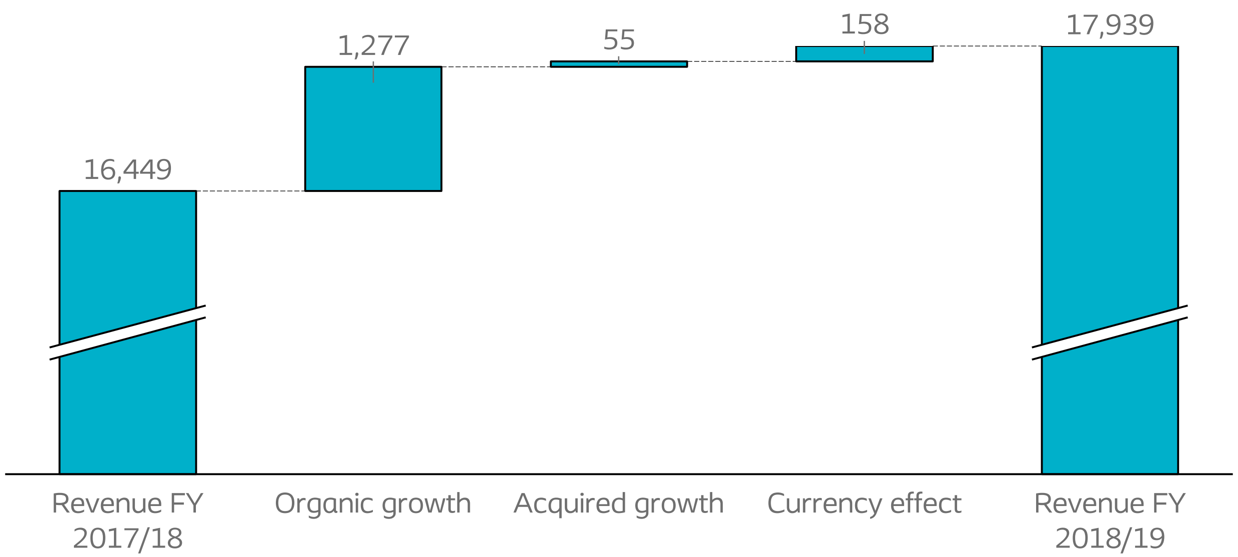



## Comments

- FY 2018/19 organic growth of 8% in Wound & Skin Care (10% reported growth). Q4 organic growth of 6% in Wound & Skin Care (8% reported growth)
- Organic growth of 8% for Wound Care in isolation in FY 2018/19. Organic growth of 7% for Wound Care in isolation in Q4
- FY 2018/19 growth continues to driven by the **Biatain® Silicone portfolio,** driven by France and the UK
  - Q4 growth driven by the US, Spain and the UK
  - US market is beginning to contribute to growth as a result of commercial investments and the launch of the **Biatain® Silicone portfolio** last year
- Skin Care as well as contract manufacturing contributed to growth
- Global #5 position with a market share of 5-10% in an DKK 22-24bn advanced wound care market with an annual market growth of 2-4%
- The skin care market is an estimated DKK 4-5bn market with an annual market growth of 2-4%. Coloplast holds a market share of 10-15%

# FY 2018/19 reported revenue grew 9% driven by solid organic growth of 8%

## Revenue development (DKKm)




| | | | | |
|---|---|---|---|---|
| Growth | 7.8% | 0.3% | 0.9% | 9.1% |

## Comments

- FY 2018/19 reported revenue increased by DKK 1,490m or 9% compared to FY 2017/18
- The majority of growth was driven by organic growth contributing DKK 1,277m or 8% to reported revenue
- Revenue from acquisitions contributed DKK 55m or less than 1%, resulting from the acquisition of distribution companies Lilial and IncoCare in Q2 2017/18
- Foreign exchange rates had a positive impact of DKK 158m or 1% on reported revenue primarily due to the appreciation of the USD against the Danish kroner. The positive development was partly offset by the depreciation of the ARS[1] against DKK

1) As a result of the Argentinian peso now being defined as hyperinflationary, revenues from our subsidiary in Argentina are adjusted for inflation and translated to DKK using the spot rate as of the balance sheet date.

# EBIT before special items grew 9% in FY 2018/19

## EBIT margin before special items development (%)

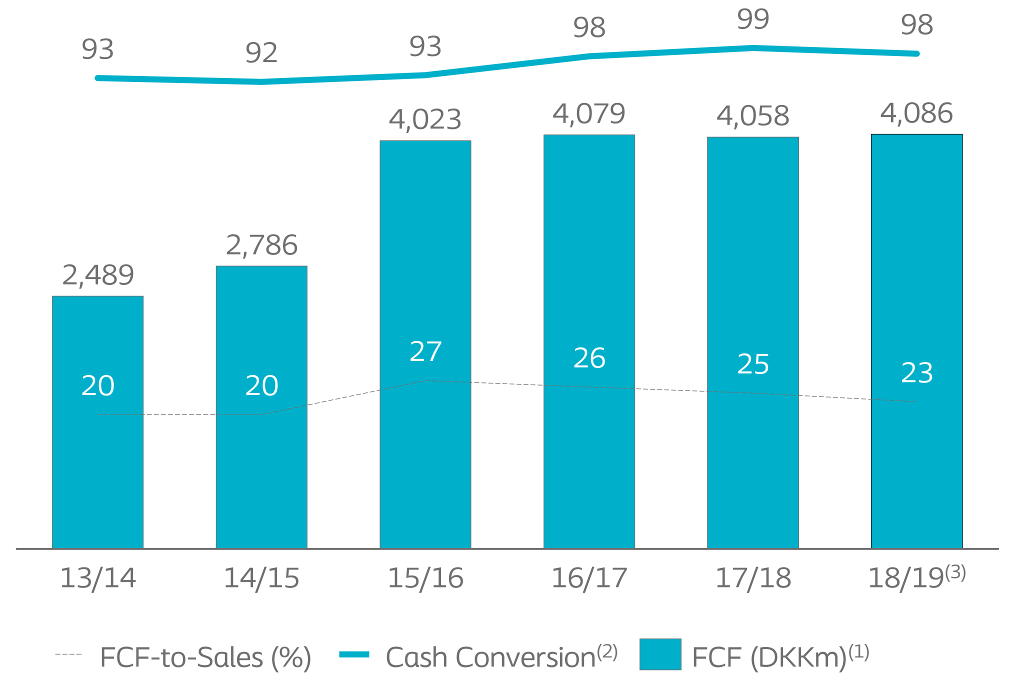

(1) Before special items. Special items Q4 2018/19 includes DKK 0.4bn provision in connection with lawsuits in the USA alleging injury resulting from the use of transvaginal surgical mesh products.

## Comments

- EBIT before special items increased 9% to DKK 5,556m with a reported margin before special items of 31% on par with last year
- Gross margin of 68% in DKK compared to 67% last year
  - Positive impact from operating leverage driven by revenue growth, ongoing efficiency improvements, GOP4 and the closure of the Thisted factory in June
  - DKK 43m in restructuring costs vs. DKK 50m in FY 17/18 related to reduction of production employees in DK
  - Negative impact from product mix and salary inflation in Hungary
  - Negative impact of 10 bps from FX
- Distribution-to-sales of 29% on par with last year
  - Incremental investments of up to 2% of revenue into innovation as well as sales and marketing initiatives across multiple markets and business areas
- Administrative expenses grew DKK 104m (16%), mainly relating to an increase in costs within IT and legal as well as DKK 15m in Q4 related to the strategic review of Interventional Urology
- R&D costs increased 8% vs. FY 2017/18 due to increased activity
- Other operating income/expenses of DKK 58m vs. DKK 39m last year (Increase due to a non-recurring income in Q2 (DKK 16m) from the sale of a former production facility in Denmark)

# FCF driven by solid underlying development in earnings and acquisitions in comparison period

## FCF development




## Comments

- Free cash flow in FY 2018/19 was DKK 3,766m, up 10% compared to DKK 3,414m in FY 2017/18
    - Free cash flow excluding Mesh payments in FY 2018/19 was DKK 4,086m, up 1% compared to DKK 4,058m in FY 2017/18
- The increase in free cash flow is mainly explained by a decrease in investment activities (M&A), mainly due to the acquisitions of Lilial and IncoCare in the comparison period
- Operating cash flow of DKK 4,357m compared to DKK 4,361m last year. The flat development is partly explained by increased tax payments due to high tax deductions last year in connection with the mesh law suits in the US
    - Reported EBITDA 91m DKK higher than in FY 2017/18
    - NWC-to-sales of 24% compared to 23% in the beginning of the fiscal year. The increase in NWC is driven by higher inventory levels on strategic products
- CAPEX-to-sales of 4% on par with FY 2017/18

1) FCF in 2018/19 adjusted for Mesh payments. FCF in 2016/17 and 2017/18 adjusted for Mesh payments and acquisitions. 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.
2) Cash Conversion calculated as FCF ex. Mesh payments, interest payments, tax payments, M&A and marketable securities relative to EBIT before special items.
3) Cash Conversion is trailing twelve months

# Financial guidance for FY 2019/20

| | Guidance 2019/20 | Guidance 2019/20 (DKK)* | Key assumptions |
|---|---|---|---|
| **Sales growth** | 7-8% (organic) | 7-8% | • Stable growth trends across regions and business areas<br>• Up to 1% negative price pressure from reforms in France, Holland and Switzerland<br>• Approx. half of 9% price cut in Chronic Care in France has been mitigated |
| **EBIT margin** | ~31% (constant exchange rates) | ~31% | • Leverage effect on fixed costs e.g. distribution, admin and R&D costs<br>• Global Operations Plan 4 – savings of 100bps partly offset by negative impact from wage inflation and labour shortages in Hungary<br>• Incremental investments of up to 2% of revenue<br>• No restructuring costs |
| **CAPEX (DKKm)** | | ~850 | • New machines for new and existing products<br>• Establishment of volume site in Costa Rica<br>• Investments into automisation at volumes sites<br>• IT investments |
| **Tax rate** | | ~23% | |

*DKK guidance is based on spot rates as of November 4th 2019

# Key highlights from 2018/19 Corporate Responsibility initiatives

## Empowering People

Our Access to Healthcare programme has supported 62 projects since 2007.
This year, we entered a 3-year plan to raise the standard of care for spinal cord injured patients in China. Today, around two million Chinese citizens are spinal cord injured

>800 healthcare professionals attended Continence Days in Denmark – focused on the neurogenic bladder and bowel

83% of users expressed feeling an improved quality of life through their participation in Coloplast Care

## Acting respectfully

New target to increase share of diverse teams (gender, generation, nationality)

30% reduction in occupational injuries in 18/19 to our 2020 target of a 3.0 LTI frequency

Established Remuneration and Nomination Committee

Updated Code of Conduct, 99% of white collars trained

100% of raw material suppliers screened for human rights

## Minimising footprint

Achieved 100% electricity from renewable sources

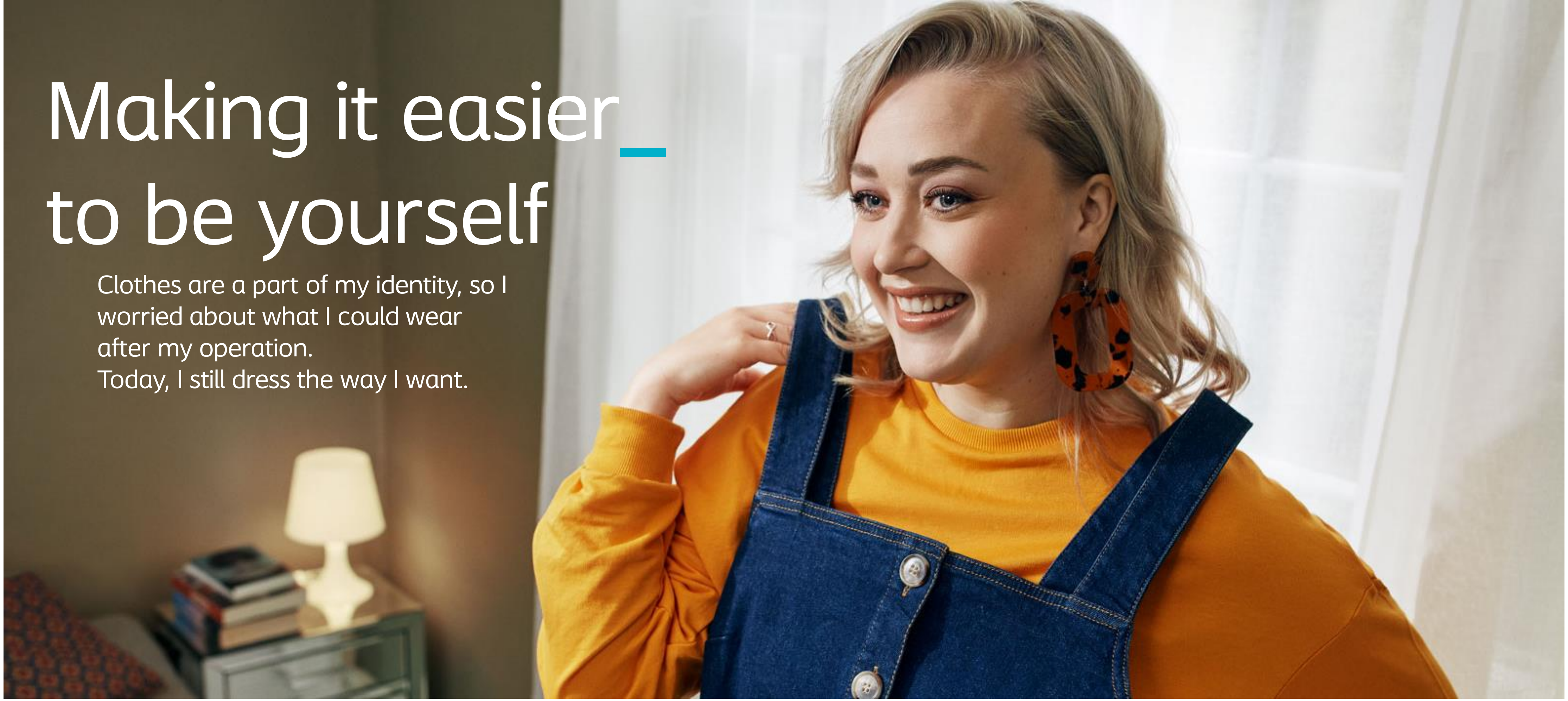
32% recycling coverage of production waste in 18/19
Target of 35% by the end of 2020

Airfreight as a % of total transport has decreased to 5.1% from 10.7% last year
Long-term ambition is to reduce to less than 3%

The Global Compact — WE SUPPORT

MSCI (AAA)

NOTE: Full statements to be found in Coloplast's Corporate Responsibility Report 2018/19




# Coloplast Capital Market Day 2020

## 24 June 2020 in Copenhagen – SAVE THE DATE!

The event is intended to give institutional investors and equity analysts an introduction to the new long term strategy for the company as well as the opportunity to meet with the broader Management team. Please contact dkraso@coloplast.com to register.

# SpeediCath® Flex Coudé Pro

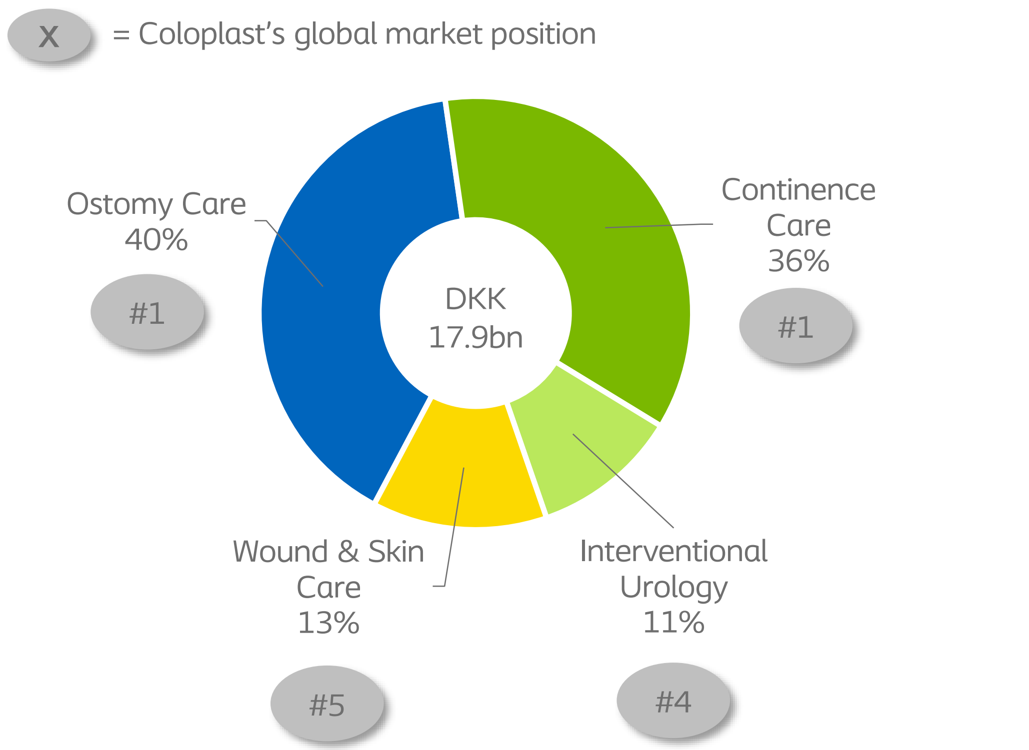
## Leading intimate healthcare

Introduction to Coloplast

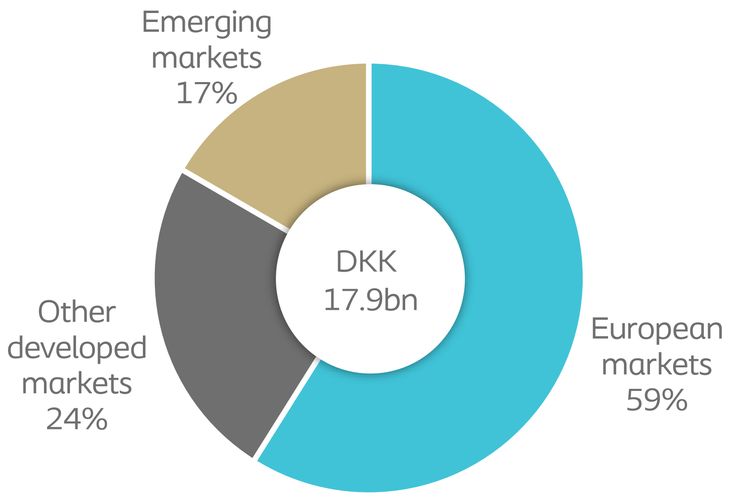
Coloplast Group - Ostomy Care / Continence Care / Wound & Skin Care / Interventional Urology

# Coloplast has four business areas all with global sales presence

## Group revenue 2018/19 by segment




## Group revenue 2018/19 by geography

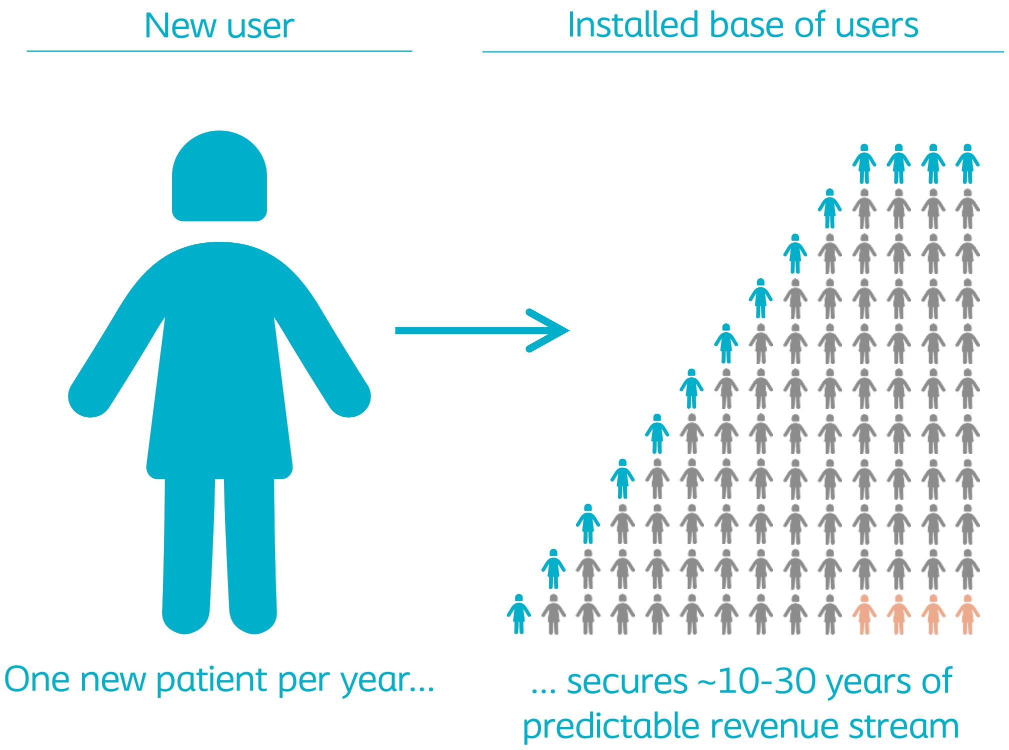


# Coloplast specializes in intimate healthcare needs

| | 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**® Mio<br>Ostomy bag |  |
| **Continence Care** | People in need of bladder or bowel management | **SpeediCath**®<br>Flexible male urinary catheter |  |
| **Interventional Urology** | People with dysfunctional urinary and reproductive systems | **Titan**® OTR<br>Penile implant |  |
| **Wound Care** | People with difficult-to-heal wounds | **Biatain**® Silicone<br>Foam wound dressing |  |

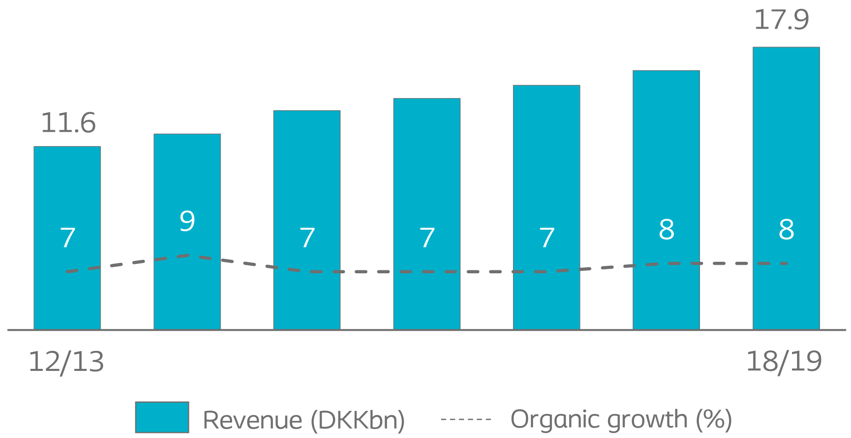
# The Chronic Care model secures a predictable revenue stream and stable revenue growth

## The chronic care user flow




- Chronic Care condition
- Stable flow of loyal users
- Solid reimbursement

## Coloplast group revenues



# 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

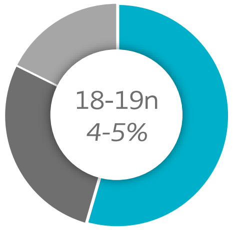
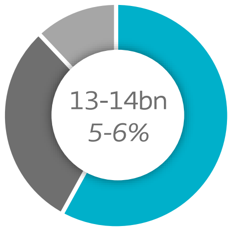
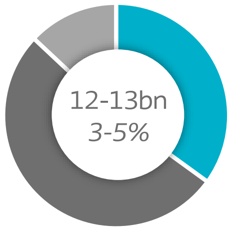
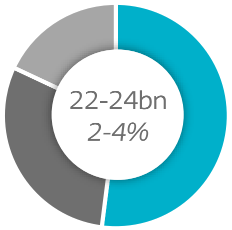
**2** Healthcare reforms

**Economic restraints** drive reimbursement reforms, **introduction of tenders**, and lower treatment cost

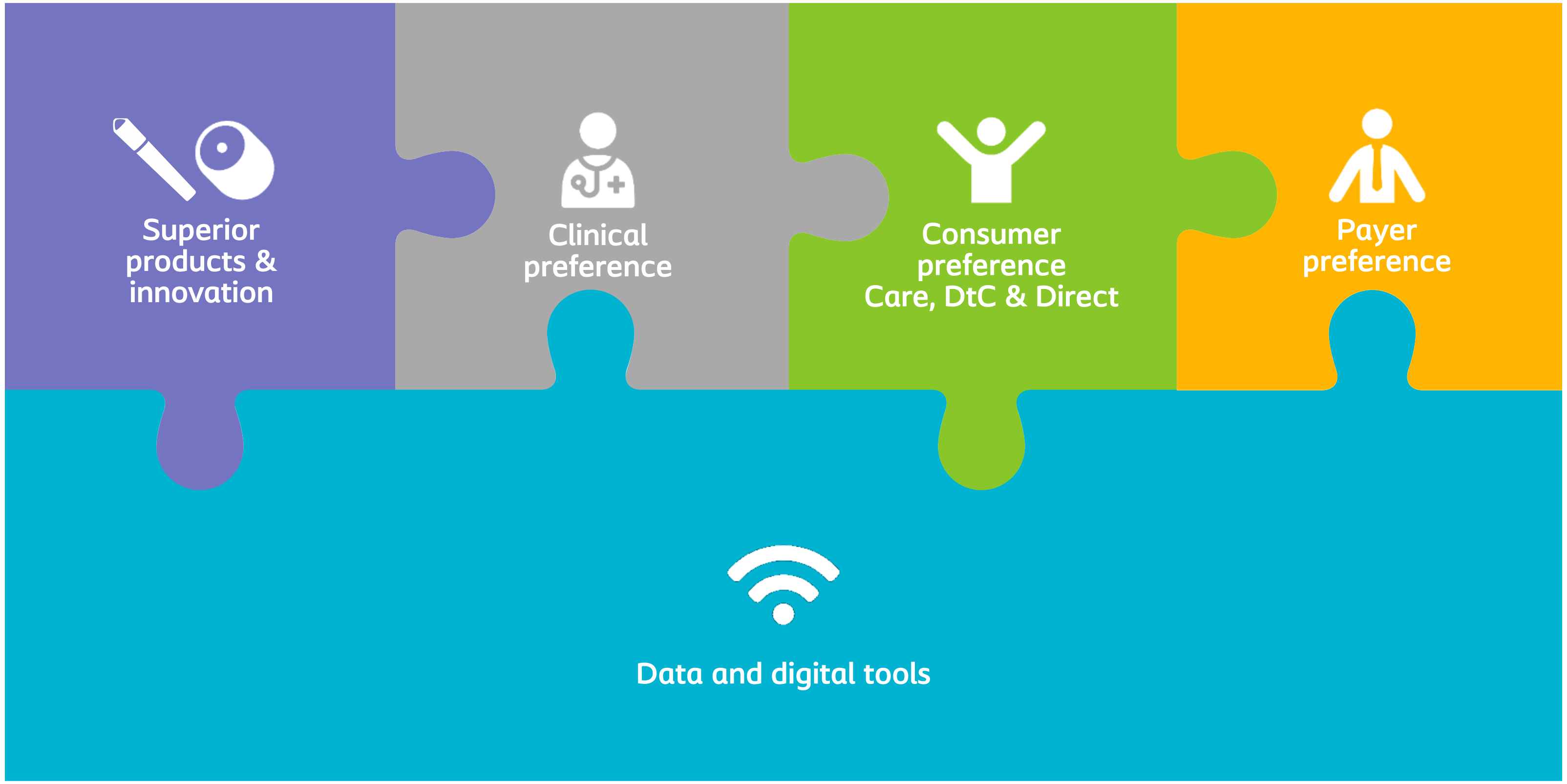
Coloplast addressable market growth is 4-5%

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

Europe
Developed
Emerging

| | Ostomy | Continence | Urology | Wound Care |
|---|---|---|---|---|
| **Addressable market**<br>Size in DKK<br>*Growth in %* |   |   |   |   |
| **Coloplast regional market shares** | 40 - 50%<br>15 - 25%<br>40 - 50% | 45 - 55%<br>20 - 30%<br>30 - 40% | 20 - 25%<br>15 - 20%<br>5 - 10% | 5 - 10%<br>0 - 5%<br>5 - 10% |
| **Coloplast total market share** | 35-40% | ~40% | ~15% | 5-10% |
| **Key competitors** | Hollister<br>ConvaTec | Wellspect Healthcare<br>BARD<br>Hollister | Boston Scientific<br>Ethicon<br>BARD | Mölnlycke Health Care<br>smith&nephew<br>3M<br>ConvaTec |
| **Key drivers and limiters** | • Ageing population<br>• Increasing access to healthcare<br>• Health care reforms<br>• Re-use of products outside Europe | • Ageing population<br>• IC penetration potential<br>• Up-selling<br>• Health care reforms<br>• Commoditization | • Ageing, obesity<br>• Underpenetration<br>• Cost consciousness<br>• Clinical requirements<br>• Less invasive/office procedures | • Ageing, obesity, diabetes<br>• New technologies<br>• Healthcare reforms<br>• Competition<br>• Community treatment |

# We are building what we believe is the consumer healthcare company of the future



# Coloplast's LEAD20 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

# Long-term guidance for the LEAD20 strategy period aimed at accelerating growth and long-term value creation

**Revenue growth**
annual organic

7–9%

**EBIT margin**
constant currencies

>30%

# To fuel growth & sustain long-term competitive advantage, our investment strategy has a balanced approach

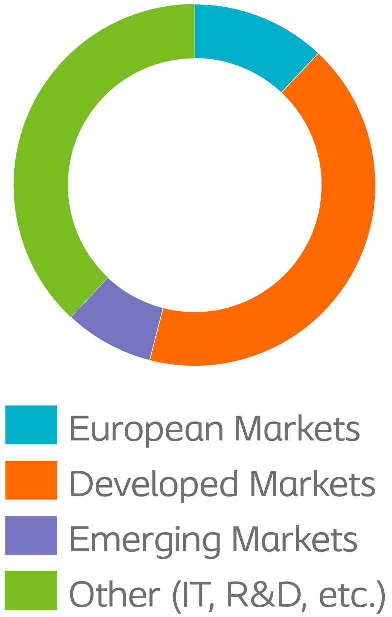
Up to 2% of sales invested annually across...

## ...functions

*15/16-18/19*


## ...geographies

*15/16-18/19*




## ...and time horizons

**Short term: Sales force, marketing and infrastructure**

- Optimize and expand our commercial footprint and business support

**Medium term: Market Access**

- Open up markets & reimbursement categories

**Medium to Long term: R&D**

- Develop new, enabled products and service offerings



Coloplast

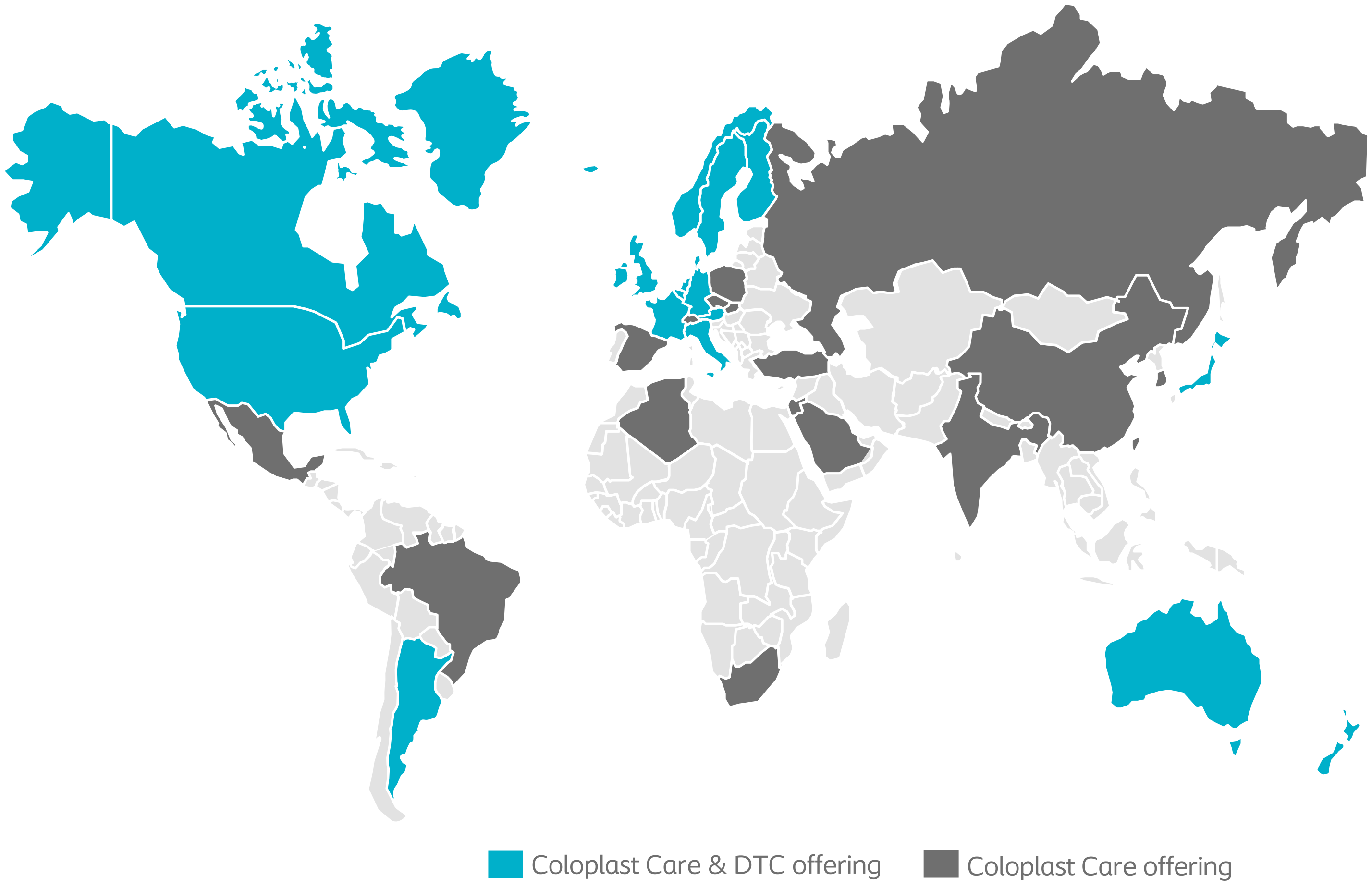
# Our global Coloplast Care and DtC presence enables us to support users across countries and business areas

**Over 1M consumers**
in our database

**Over 1M conversations**
with users across the globe

**Over 30 countries**
with a consumer setup

**New Bowel Care program**
implemented in 2018



# We have initiated a very ambitious Clinical Performance Program to tackle the biggest issues users face

## *What really matters to people using catheters?*

**45 %***

of users describe UTIs are their greatest challenge in life[1]

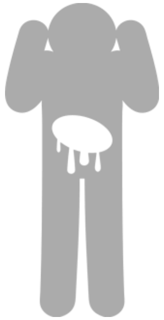
* People answering 'not being able to walk: 22%', 'not be able to travel: 9% '

**2.7**

UTIs per user on average every year[1]

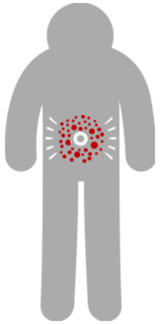
1) Source: Coloplast IC user survey, January 2016 (n=2,942), (Data-on-file) VV-0122794

## *What really matters to people living with a stoma?*



**93 %**

worry about leakage[2]



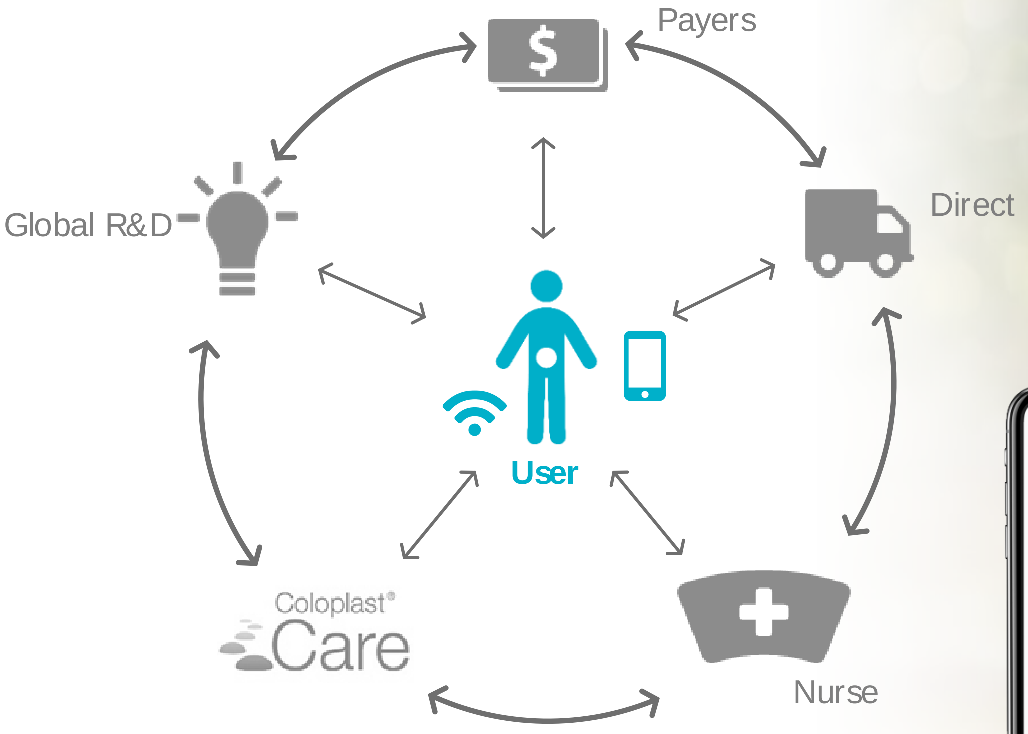
**30 %**

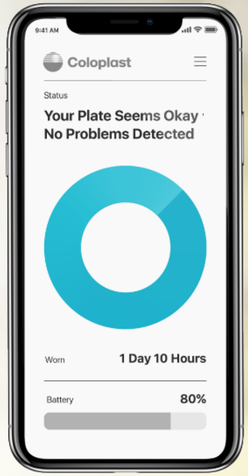
of users experience skin irritation at least weekly[3]

2) Source: Ostomy Life Study 2016, ECET Coloplast Pre-Event (n=4,235), (Data-on-file) VV-0191619
3) Source: OC Usage Pattern Study 2015, (Data-on-file) VV-0147638

# Through digitalization of new products, we will take the next step towards our mission of making life easier for our users

## Digitalization in product development as first important milestone




### Digitalization

- We have a mission of making life easier for people with intimate healthcare needs
- Digitalizing our products is an important next step and new foundation to further improve users' lives
- Our R&D department is well on its way with the first digitalized products

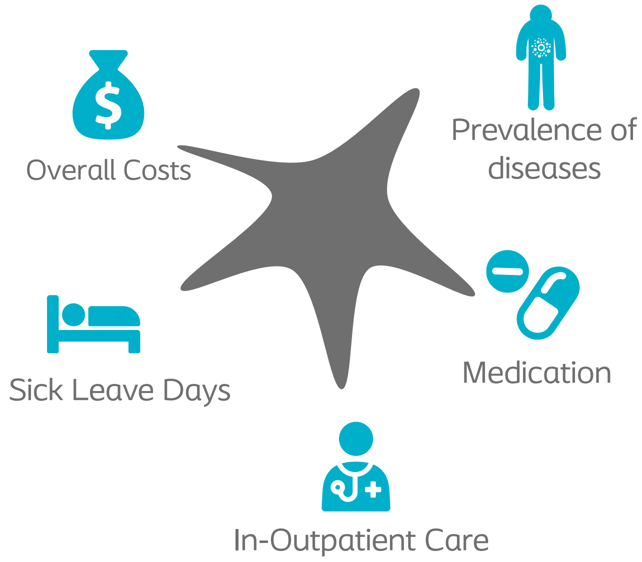
# Example: Results from a burden of illness study in Germany show significant payer costs linked to ostomates

## Data

German claims database
2.5m beneficiaries
2007-2015[1]

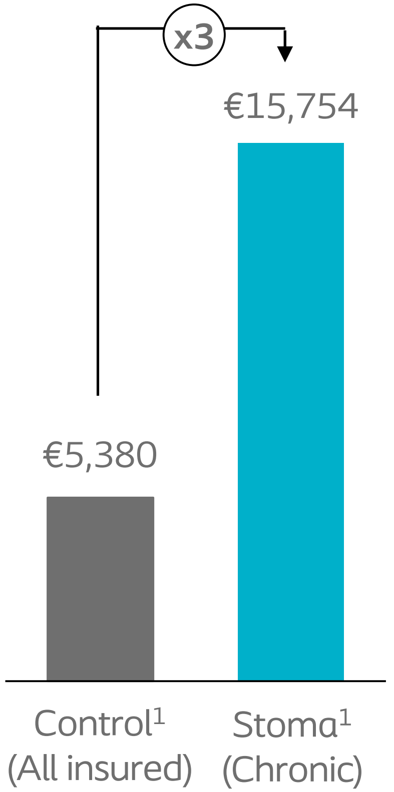
Colostomy, ileostomy and urostomy

### Study variables (examples)

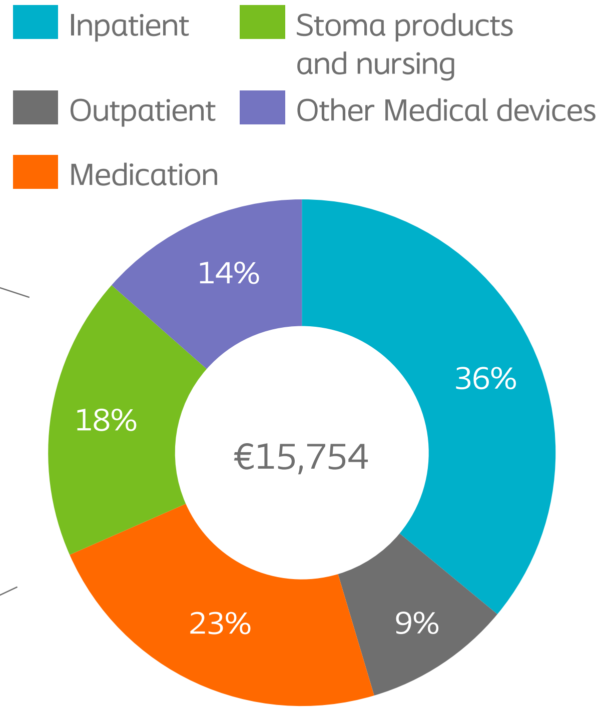



## Total cost per year

EUR



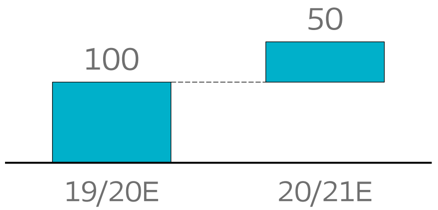

## Total cost split ostomates[1]




1) Poster Presentation – Rethmeier et al. - ISPOR 2018, Baltimore

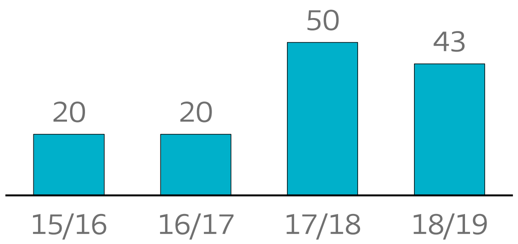
# Global Operation Plan 4 aims to support LEAD20 through continued unparalleled efficiency and financial discipline

## Global Operations Plan 4
*EBIT margin contribution, bps*



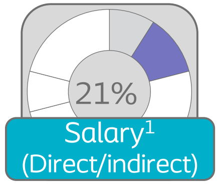

**3 drivers** to drive 150bps EBIT margin contribution

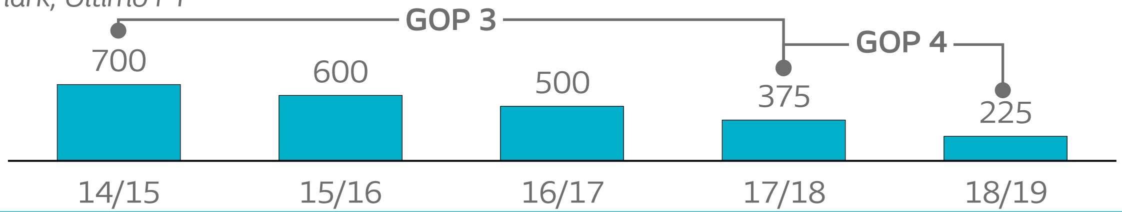
## Restructuring costs (GOP 3 & 4)
*DKKm*




Source: Coloplast

## 1. Reduction of manufacturing in Denmark
*Manufacturing FTE's in Denmark, Ultimo FY*



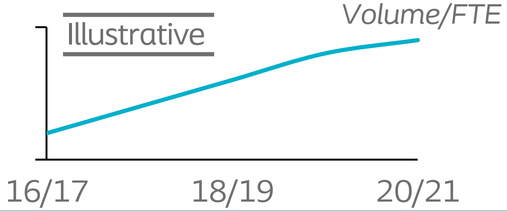




## 2. Procurement savings
*Materials (Raw materials & Semi-finished goods)*


Expand supplier base
- Reduce risk of supply
- Increase competitive pressure

Improve processes
- Implement new materials
- Run sourcing tenders

## 3. Efficiency gains at volume sites through cost focus and automation
*Volume per. FTE*

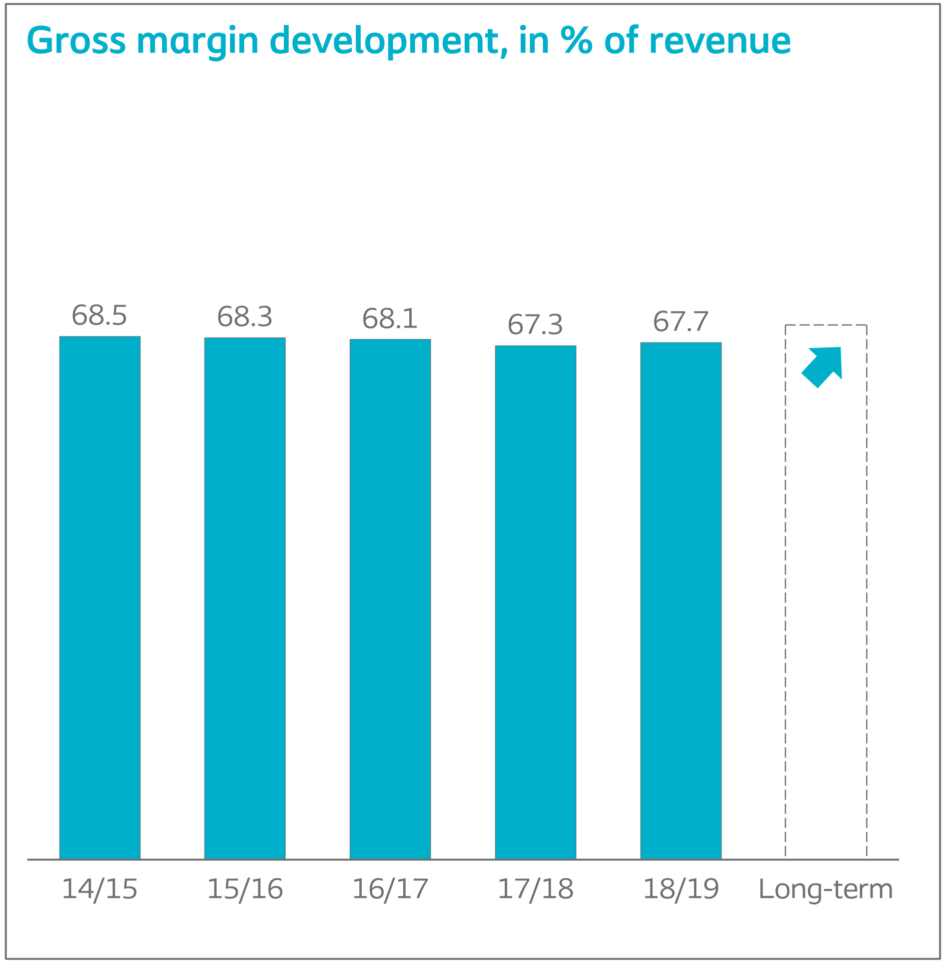



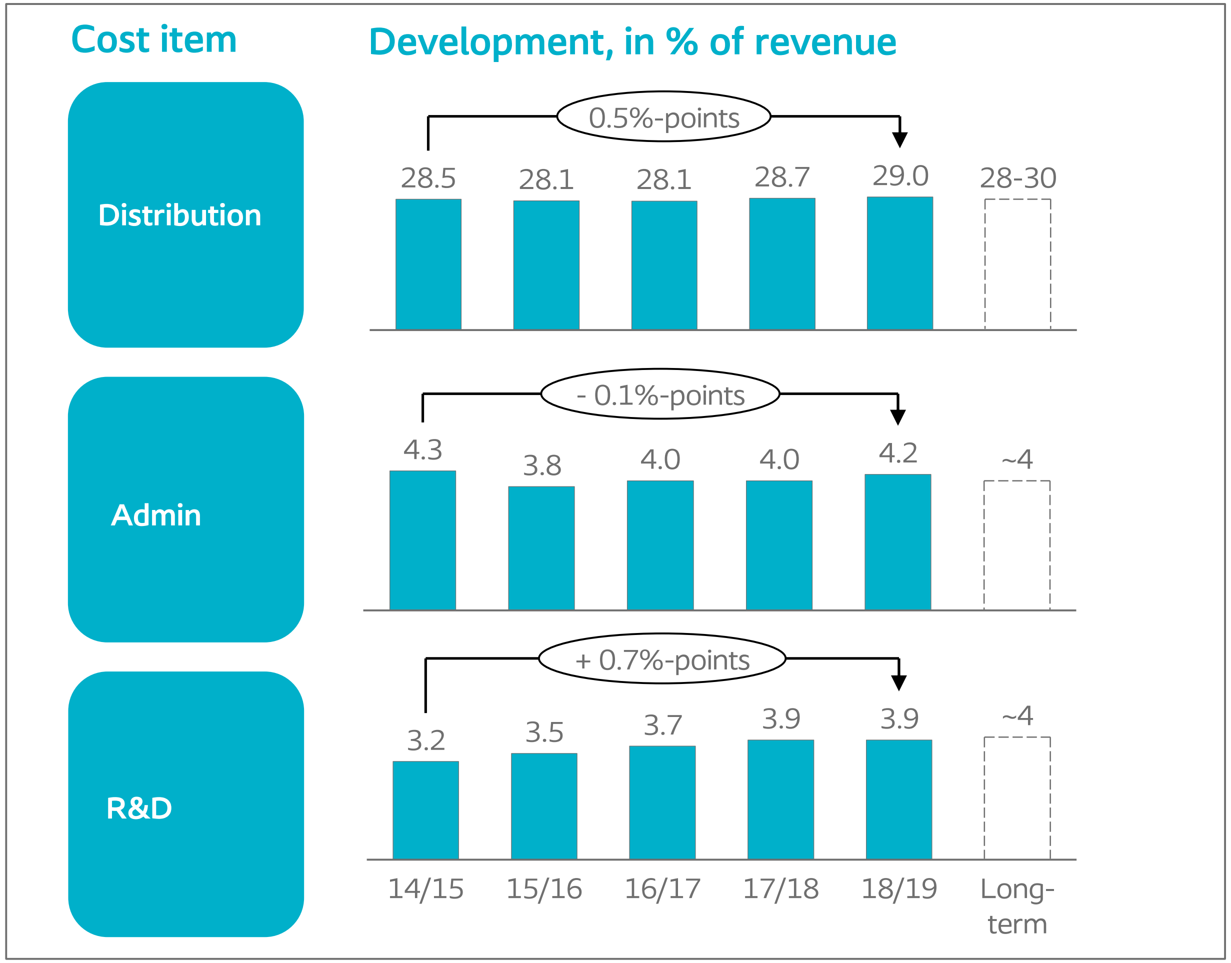

Cost focus e.g.:
- Improve processes
- Reduce waste

Automation e.g.:
- Packaging
- Visual control

1) FY 2018/19 Production costs, DKK 5,786m

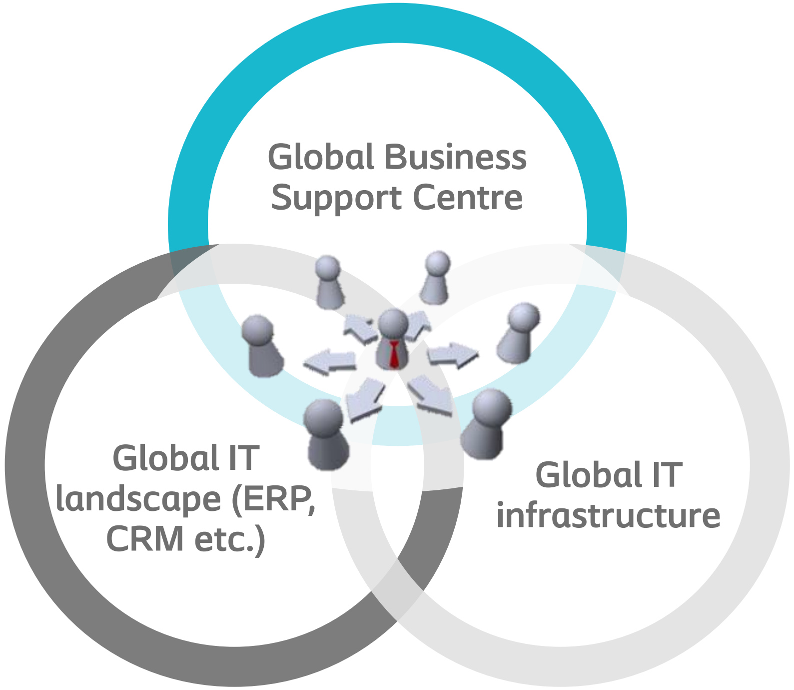
# Profitability supported by scalability and efficiency gains enabling additional investments within distribution and R&D



# A global Business Support and IT landscape enables Coloplast to scale faster and more efficiently

## Global Business Services




## Global business services handle the majority of all global support

*% of group processes*

- 100% IT infrastructure & support
- ~90% Finance/ accounting
- 100% Master Data
- ~70% Sales order taking/management
- 100% Lead handling (DTC/Coloplast Care)
- 100% HR support

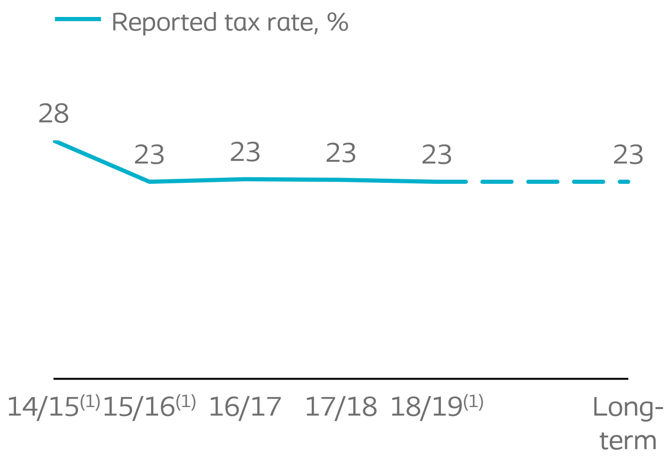
## Examples of current implementation cases

- Sales subsidiary (Portugal)
- New manufacturing (Costa Rica)
- M&A/Direct

Source: Coloplast

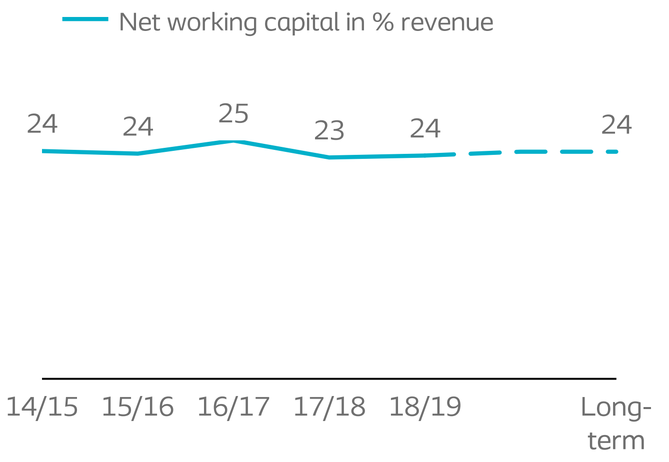
# We will continue to deliver strong and attractive free cash flows …

## Taxation



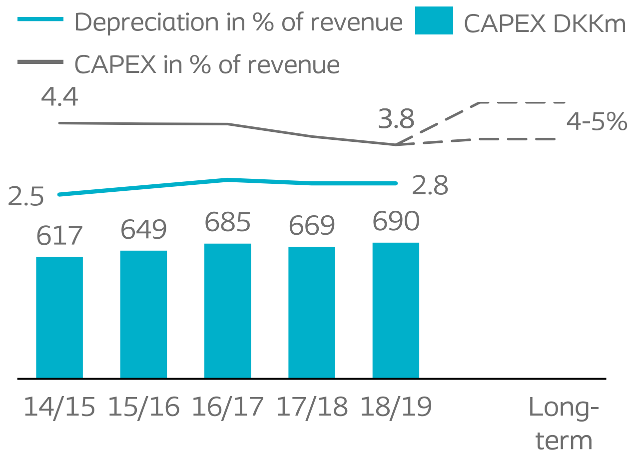

- DK statutory corporate tax rate lowered to 22% in 2016
- Coloplast tax rate expected to be ~23% going forward

## Net working capital




- Net working capital expected to be stable at ~24% of revenue
- Improve debtor policy in Emerging markets
- Maintaining stable inventory levels going forward

## CAPEX(2)

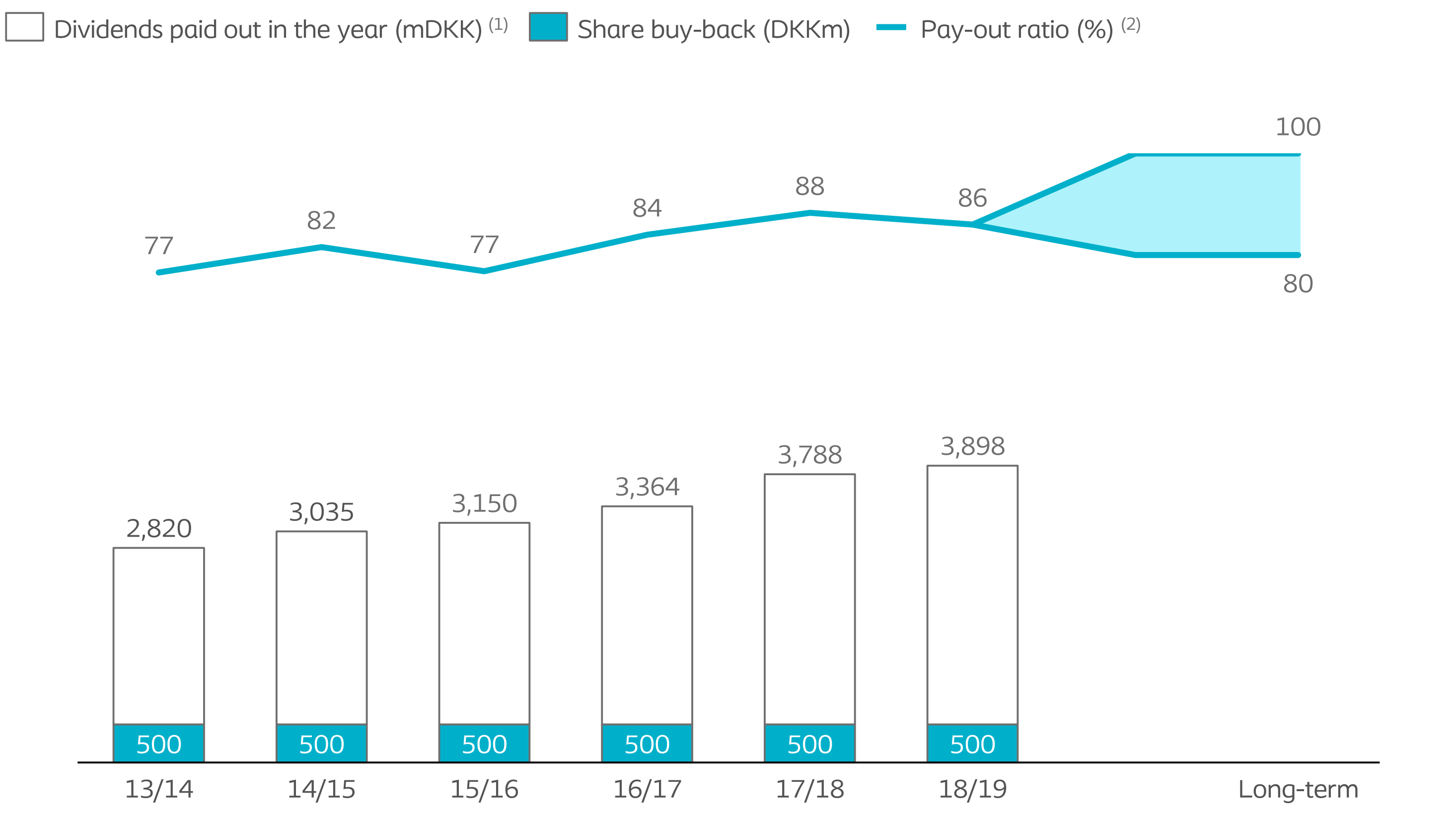



- Continued investment in machines, automisation and capacity expansion
- Widen factory footprint – factory extensions and greenfield investments
  - Factory extension opened in Hungary in 2017/18
  - Next volume factory to be built in Costa Rica by end of 2020
    - Est. CAPEX of DKK ~300m

1) Impacted by provision for Mesh litigation
2) Gross investments in PPE, intangibles and finance leases

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

## Coloplast cash distribution to investors

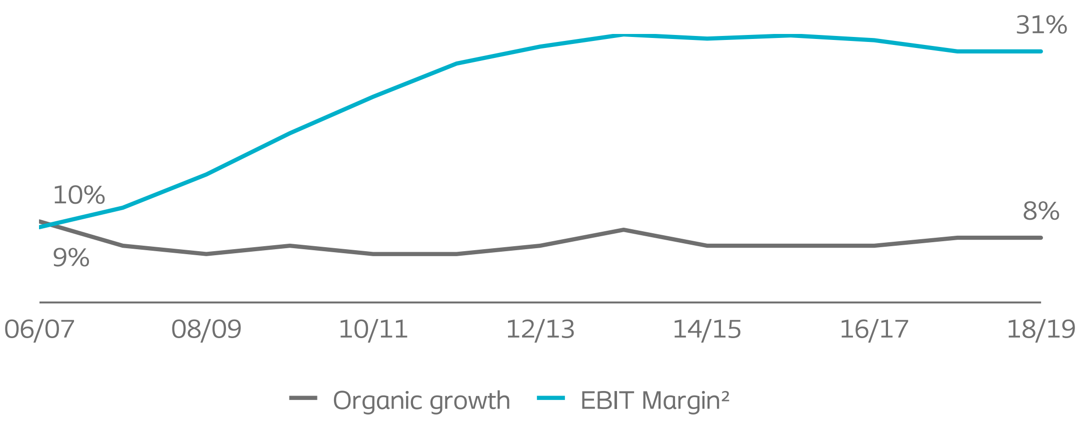


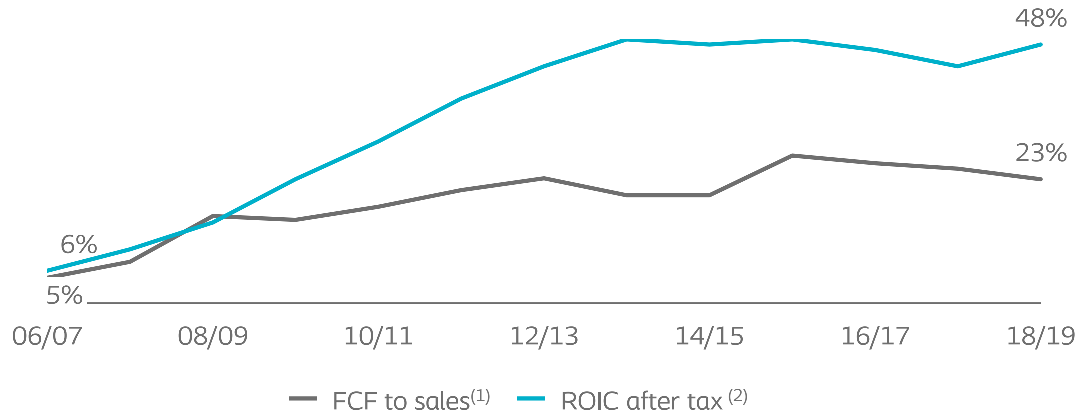

## Comments

- 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
- Total dividend of DKK 17 per share for 2018/19
  - DKK 5 per share dividend paid in connection with half-year results
  - DKK 12 per share dividend to be proposed at 2019 AGM
- The two year DKK 1bn share buy-back program was completed in Q4 2018/19

1) Dividends paid out in the year are the actual cash payments of which the majority relates to dividend proposed in the previous financial year.
2) Pay-out ratio calculated as dividend proposed in the financial year/Net profit for the financial year. Pay-out ratio for 2018/19, 2015/16, 2014/15 and 2013/14 is before special items related to Mesh litigation.

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

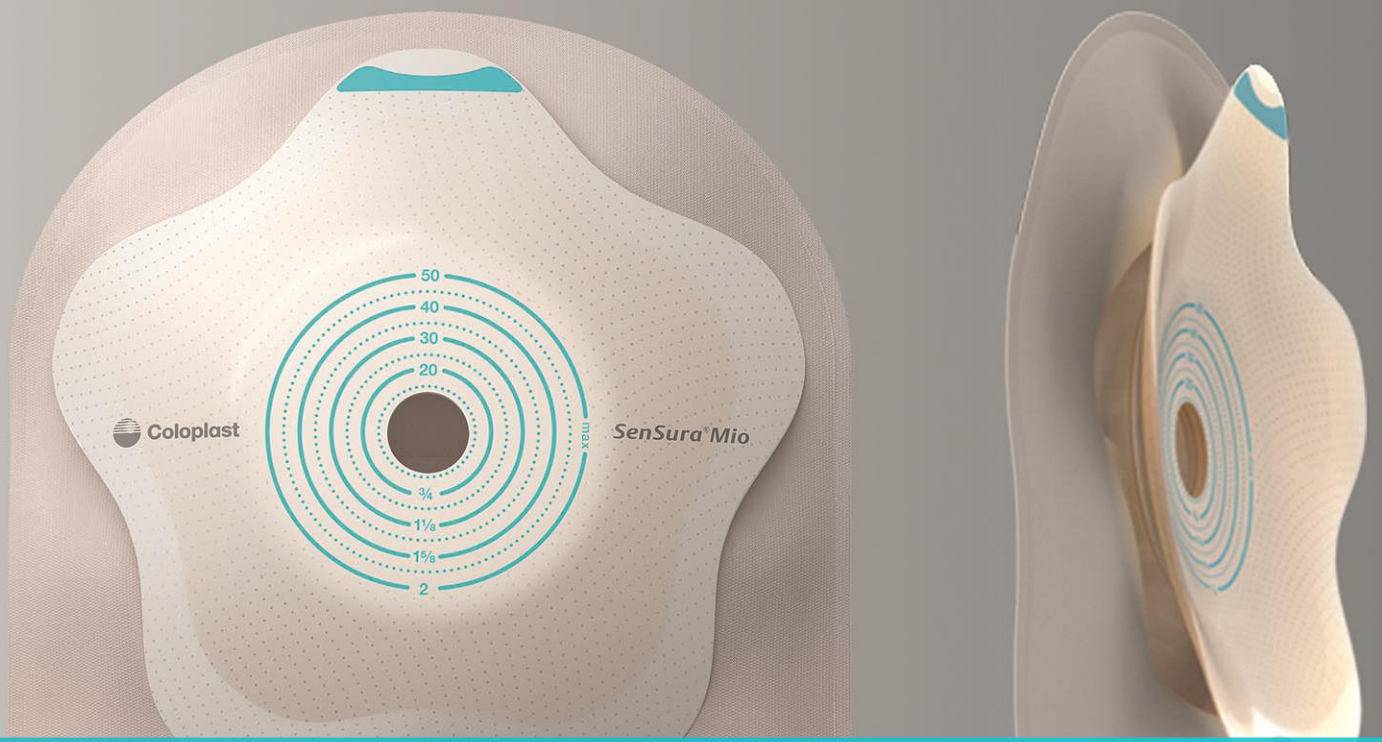



## Comments

- Stable market trends in our Chronic Care business
- Strong Coloplast Care 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

1) FCF adjusted for Mesh payments in 2013/14, 2014/15, 2015/16, 2016/17, 2017/18, 2018/19 and acquisitions in 2016/17 and 2017/18. Adjustment for Mesh payments includes DKK 500m insurance coverage in 2013/14 and 2014/15 combined.
2) Before special items. Special items 2013/14 include DKK 1bn net provision. Special items 2014/15 include DKK 3bn provision. Special items 2015/16 include DKK 0.75bn provision. Special items 2018/19 include DKK 0.4bn provision




# Leading intimate healthcare

## Appendices

Coloplast Group - Ostomy Care / Continence Care / Wound & Skin Care / Interventional Urology

Coloplast

# The Coloplast share (COLO'B-KO)

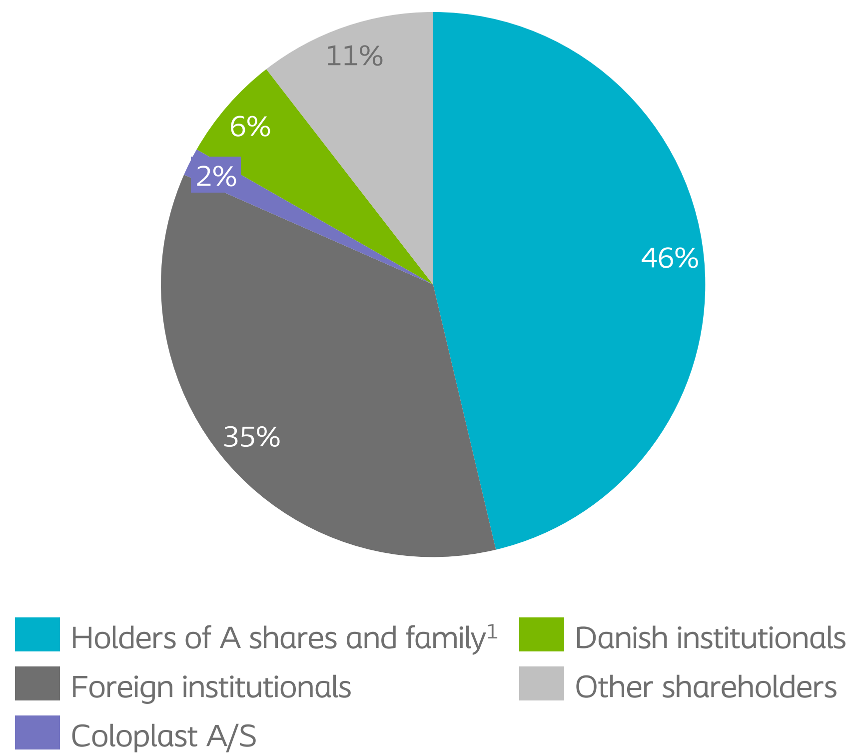
Coloplast share listed on **Nasdaq Copenhagen** since 1983

~**177 billion DKK** (~26 billion USD) **market cap** @ ~820 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.** 54% (B shares)

## Share Capital Ownership



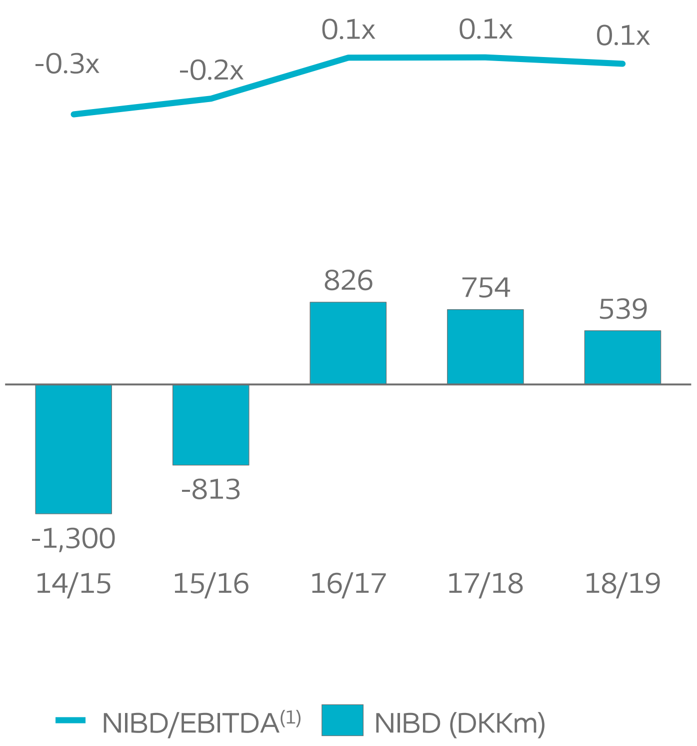

Note: Share capital ownership as per October 2019
1) Holders of A shares and family hold 69% of the votes in Coloplast

# Capital structure

## Comments

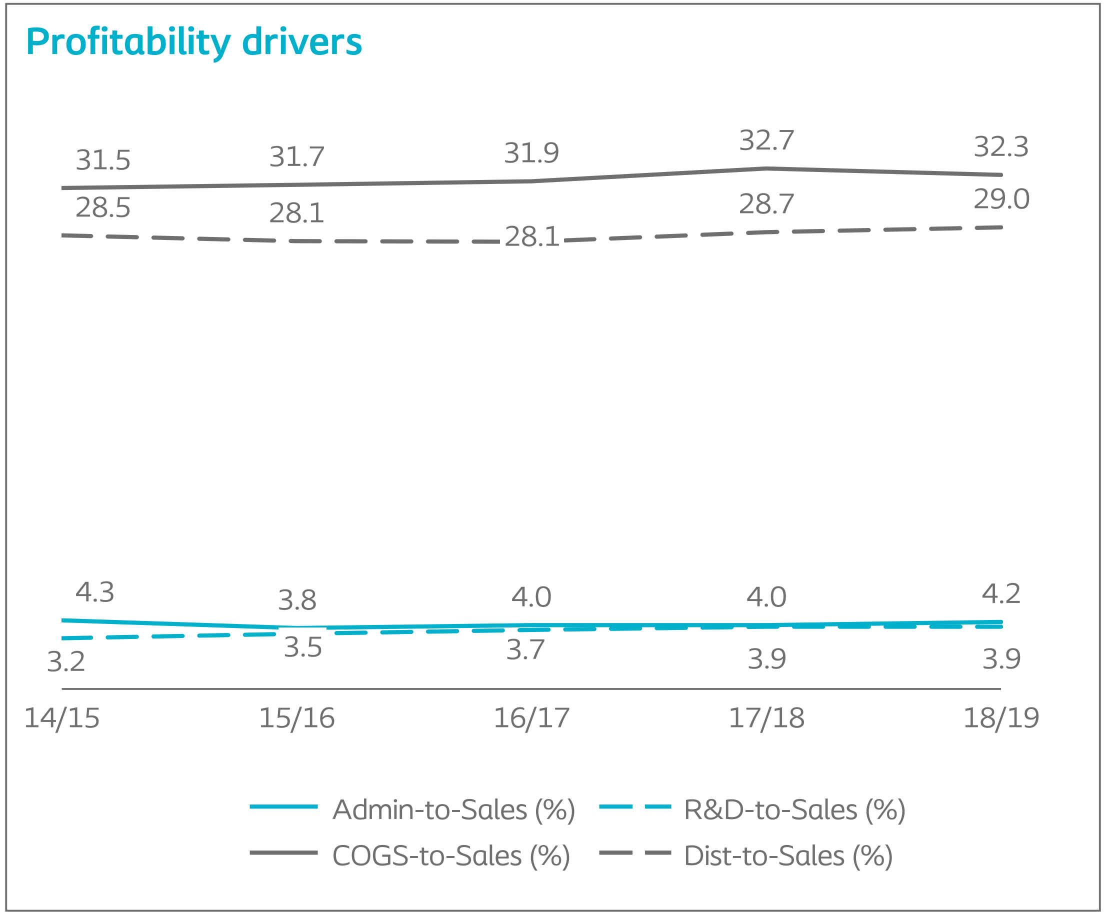
- Overall policy is that excess liquidity is returned to shareholders through a combination of dividends and share buy-backs
- Interest bearing debt will be raised in connection with a major acquisition or other special purposes
- Share buy-backs of DKK 500m per year expected
- Bi-annual dividends
- Coloplast has entered into loan facilities to fund Mesh litigation settlements and the acquisition of distribution companies
- Interest-bearing net debt of DKK 539m at 30 September 2019

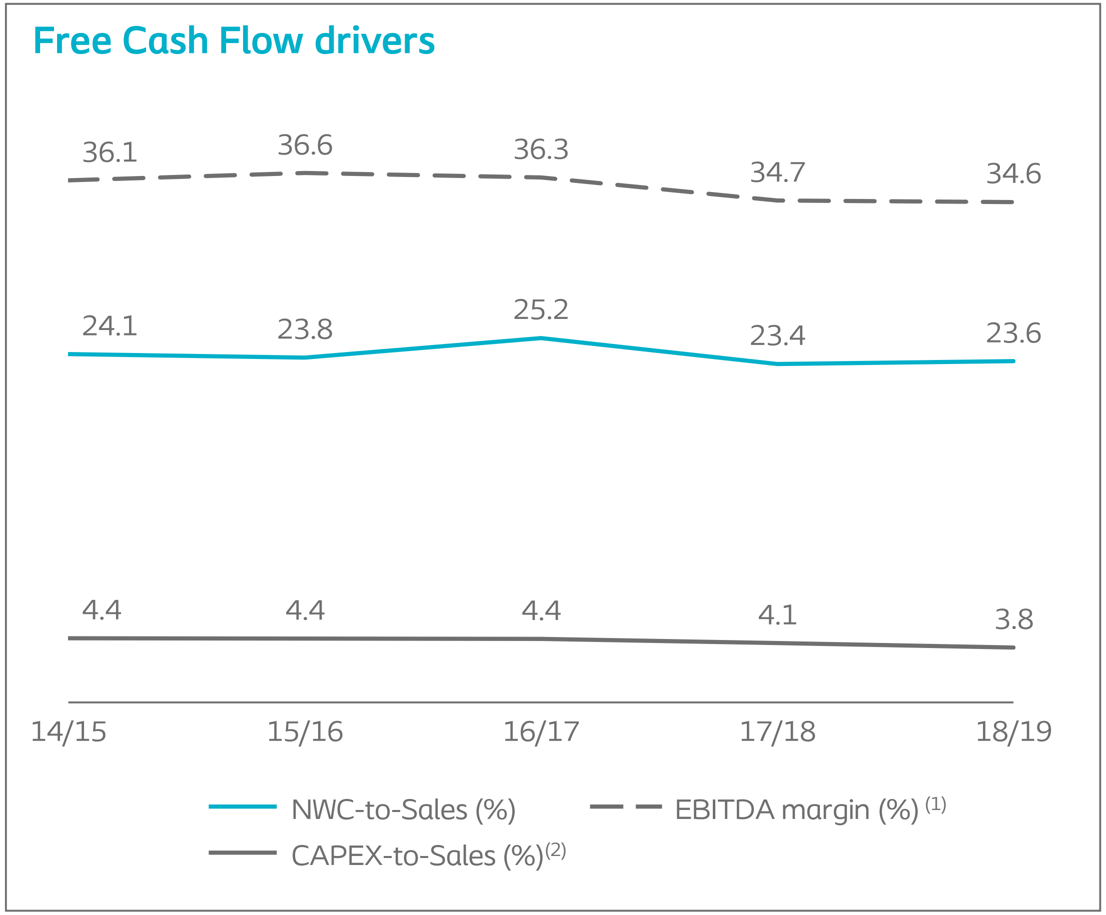
## Net interest bearing debt




1) 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. Special items Q4 2018/19 includes 0.4bn provision.

# Key Value Ratios

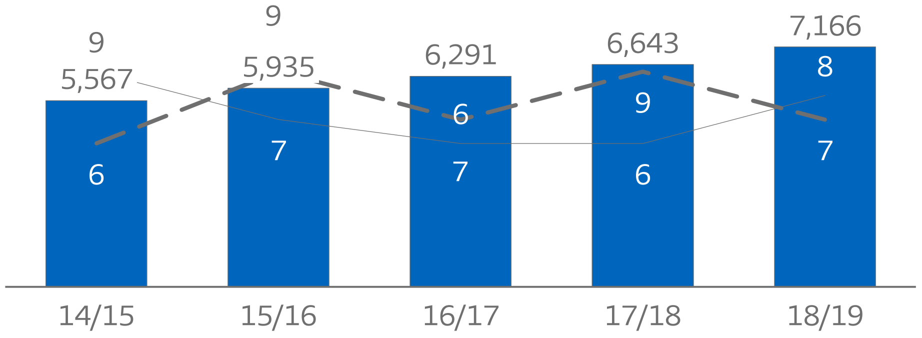


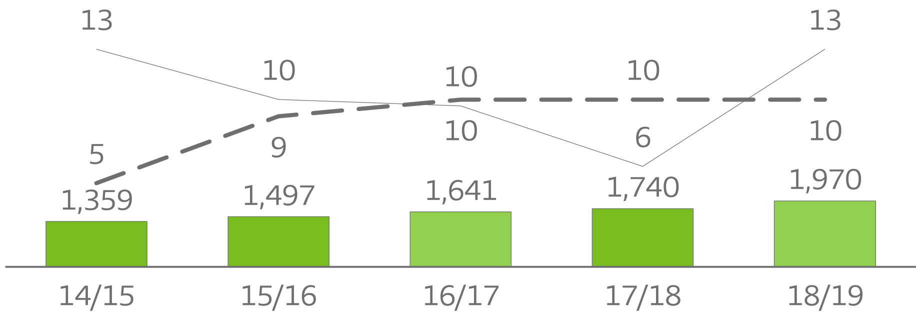

1) Before special items. Special items Q4 2014/15 includes DKK 3bn provision. Special items Q4 2015/16 includes 0.75bn provision. Special items Q4 2018/19 includes 0.4bn provision
2) Gross CAPEX including investment in intangible assets

# Coloplast revenue development by business area

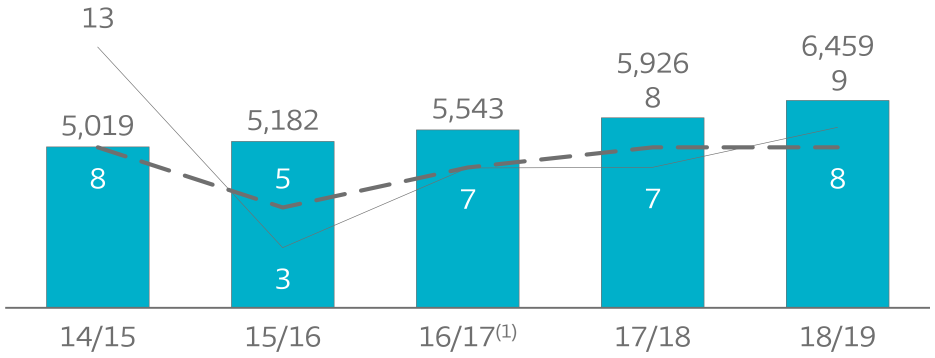
## Ostomy Care



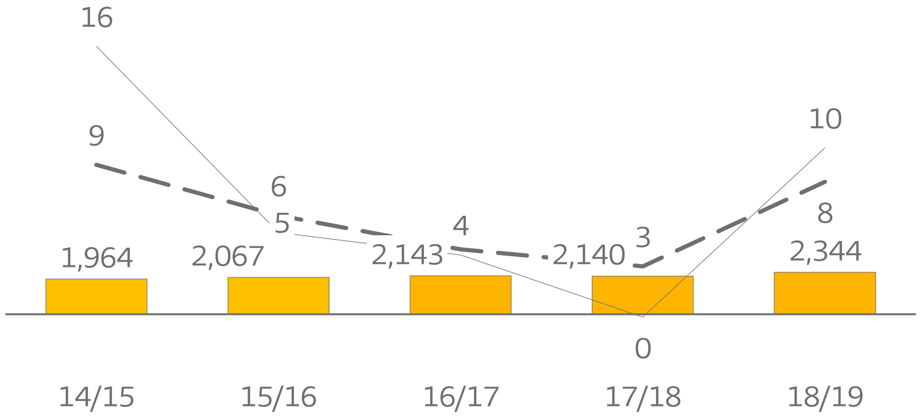

## Interventional Urology




## Continence Care




## Wound & Skin Care




Revenue (DKKm) —— Reported growth (%) ------ Organic growth (%)

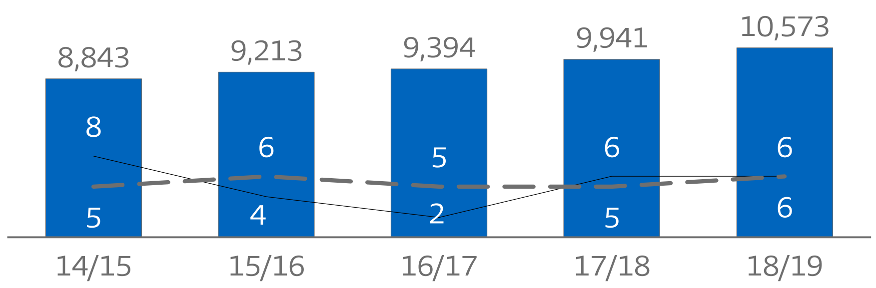
1) Excluding one-off revenue adjustment related to incorrect management of a contract with U.S Veterans Affairs



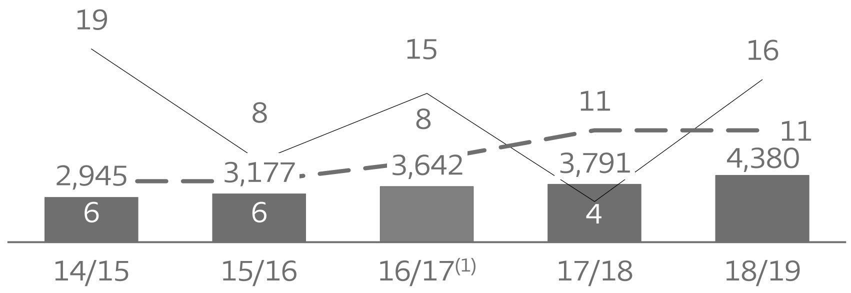
Coloplast

# Coloplast revenue development by geography and total

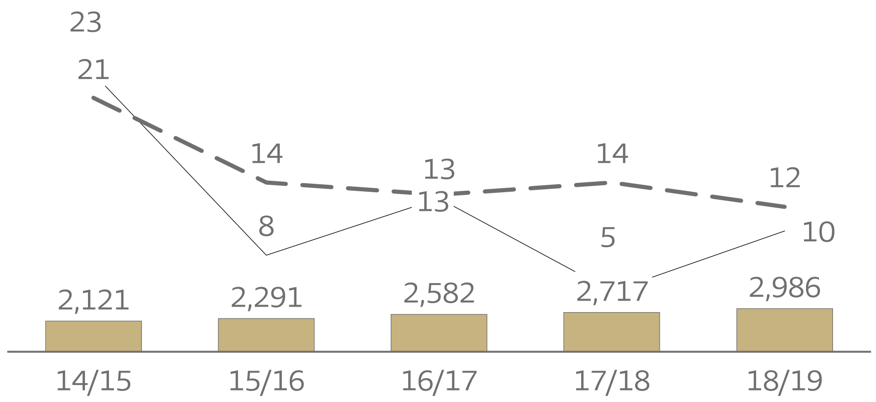
## Europe



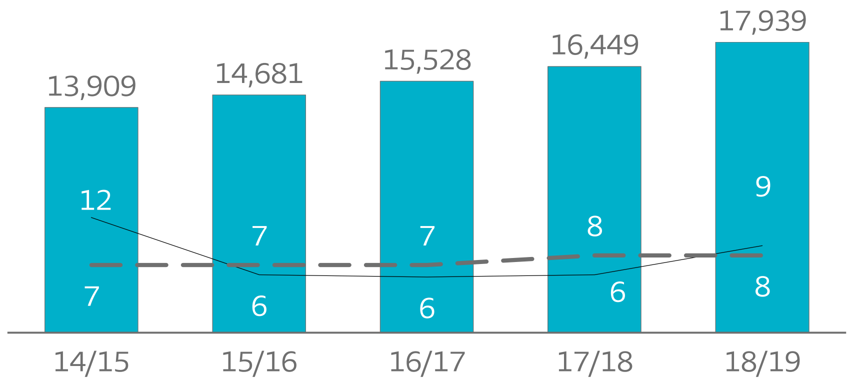

## Other Developed Markets




## Emerging Markets




## Coloplast group




Revenue (DKKm) Reported growth (%) Organic growth (%)

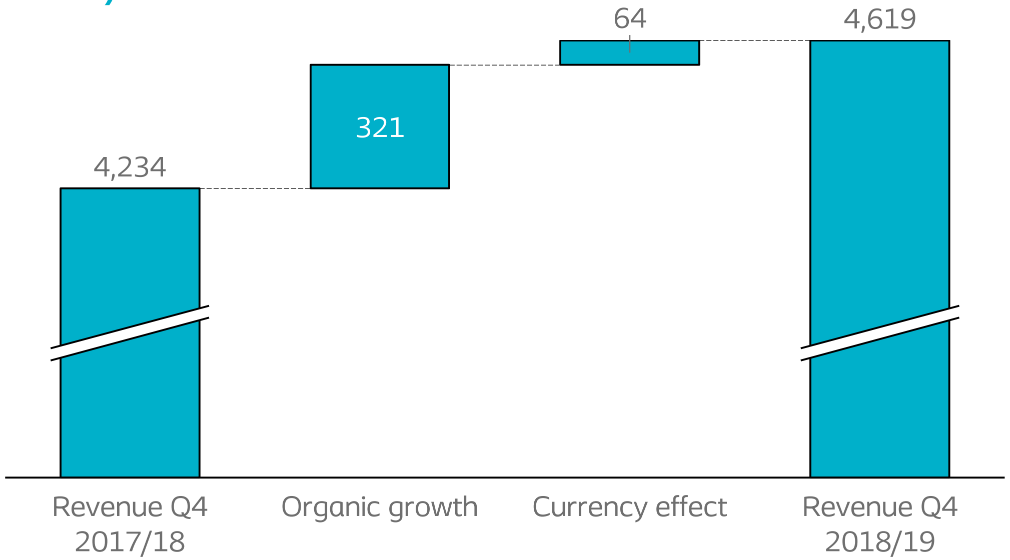
1) Excluding one-off revenue adjustment related to incorrect management of a contract with U.S Veterans Affairs



Coloplast

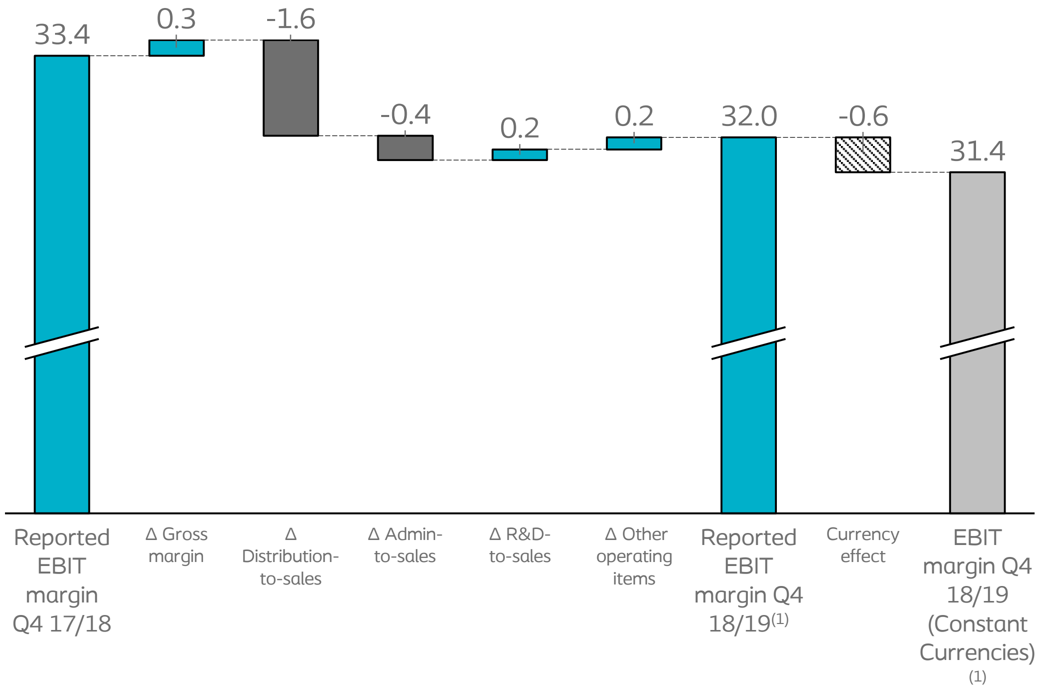
# Coloplast Q4 2018/19 revenue and EBIT development

## Revenue development (DKKm)




| Growth | 7.6% | 1.5% | 9.1% |
|---|---|---|---|

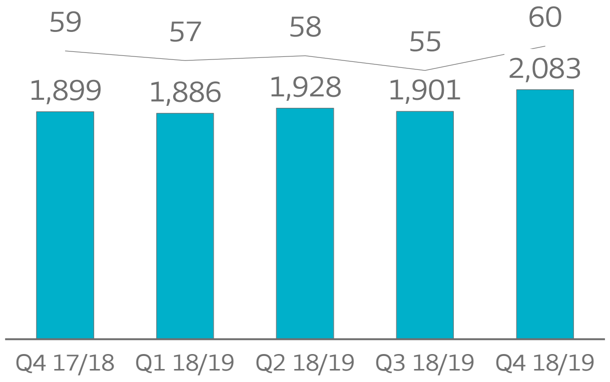
## EBIT margin development (%)

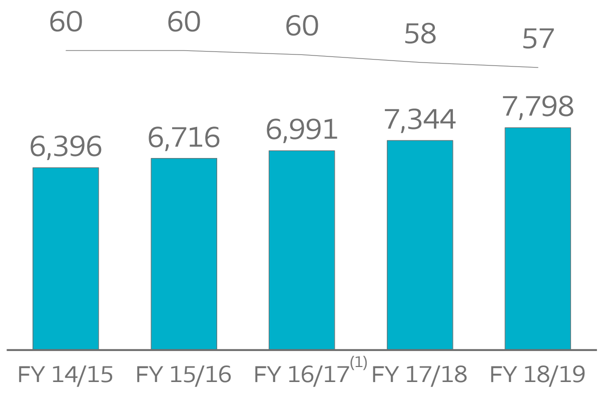



(1) Before special items. Special items Q4 2018/19 includes DKK 0.4bn provision in connection with lawsuits in the USA alleging injury resulting from the use of trans-vaginal surgical mesh products.

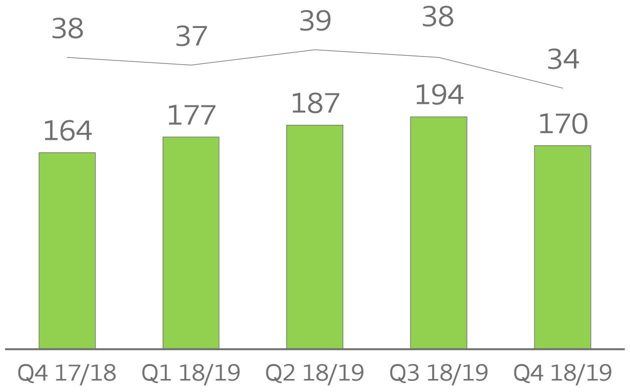
# Segment operating profit
## (Excludes shared/non-allocated costs)

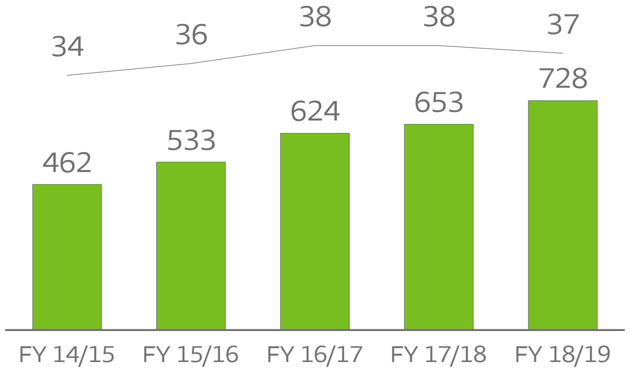
### Chronic Care
Ostomy and Continence Care



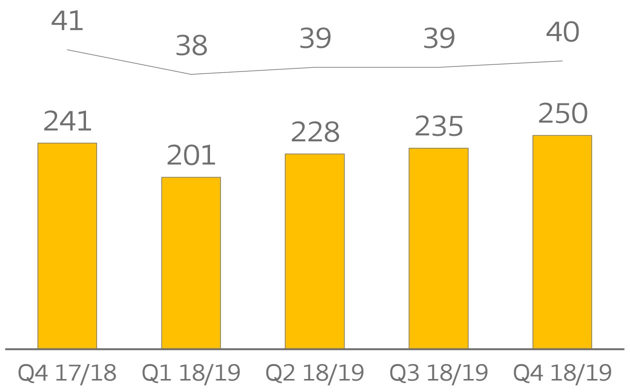



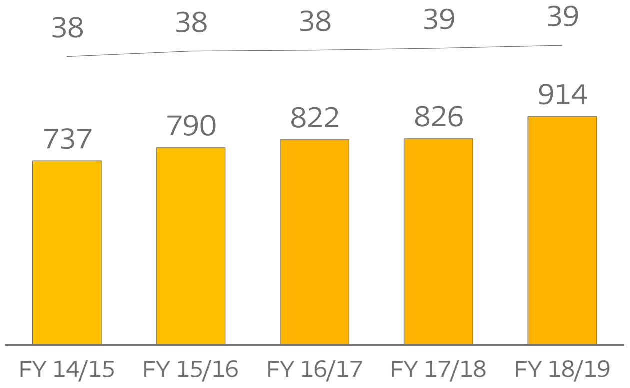

### Interventional Urology




### Wound & Skin Care[2]



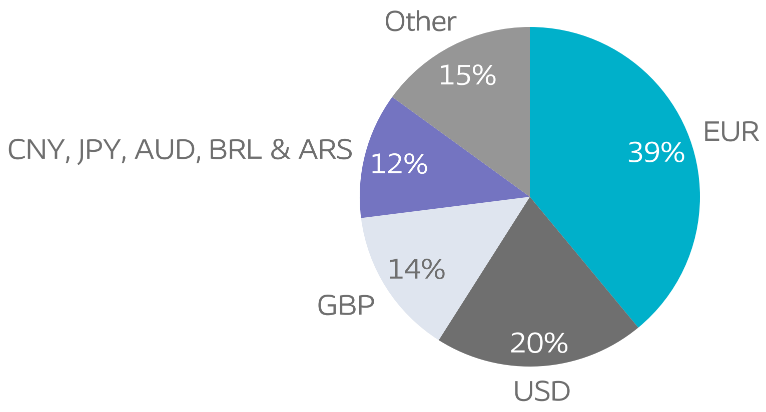




1) Includes DKK 90m one-off revenue adjustment related to incorrect management of a contract with U.S. Veterans Affairs
2) As of Q1 2018/19, the segment operating profit in Wound & Skin Care has been adjusted to reflect organisational changes where certain segment functions are changed to group functions. All historical numbers have been adjusted

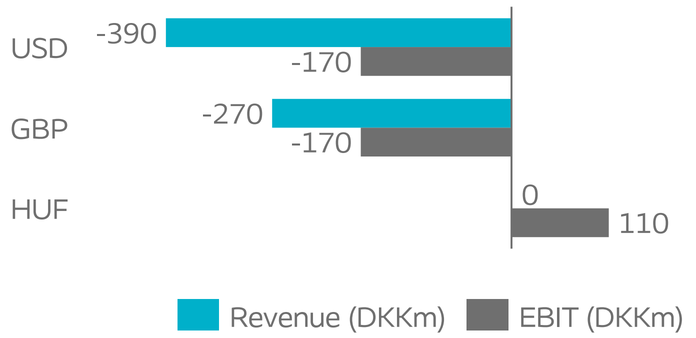
Segment Operating Profit DKKm
Segment Operating Profit Margin (%)

# Exchange rate exposure FY 2019/20 and hedging policy

## Revenue FX exposure 2019/20(1)




## 12 months exposure from 10% initial exchange rate drop(1)




## Foreign exchange rate guidance for 2019/20

| Currency | Average exchange rate 2018/19(1) | Spot rate, 4 November 2019 | Change in estimated average exchange rate compared with last year | Average exchange rate for 2017/18 | Average exchange rate for 2018/19 | Change in average exchange rates for compared with same period last year |
|---|---|---|---|---|---|---|
| Key currencies: | | | | | | |
| USD | 662 | 669 | 1% | 627 | 662 | 5% |
| GBP | 844 | 865 | 2% | 842 | 844 | 0% |
| HUF | 2.31 | 2.28 | -1% | 2.36 | 2.31 | -2% |
| Other selected currencies: | | | | | | |
| CNY | 96 | 95 | -1% | 96 | 96 | 1% |
| JPY | 6.01 | 6.17 | 3% | 5.67 | 6.01 | 6% |
| AUD | 466 | 463 | -1% | 476 | 466 | -2% |
| BRL | 171 | 168 | -2% | 180 | 171 | -5% |
| ARS(2) | 12 | 11 | -6% | 16 | 12 | -26% |

## Hedging Policy

To achieve the objective of a stabile income statement we hedge:

- Key currencies e.g., USD, GBP, HUF using forward contacts and options. Not EUR.
- On average 10-12 months
- Selected balance sheet items in foreign currency and part of the expected rolling 12-month cash flows
- Taking risk. vs. cost of hedging into consideration

1) Average exchange rate from 1 October 2018 to 30 September 2019.
2) The exchange rates for ARS are the exchange rates are closing rates for the period. The hyperinflationary economy in Argentina entails that revenue denominated in Argentinian Peso must be adjusted for inflation and be translated at the exchange rate of the balance sheet day (closing rate).

# Mesh litigation timeline

## Towards resolution

**July 23, 2012:** *Verdict vs Bard* CA State Court: USD 3.6M (DKK 31M)

**Feb. 28, 2013:** *Verdict vs Ethicon* NJ State Court: US 10M (DKK 63M)

**June 2013:** *Verdict for Mentor* ObTape MDL

**July 8, 2013:** AMS/Endo Settlement DKK 310M

**Aug. 15, 2013:** *Verdict vs Bard* Bard MDL: US 1.82M (DKK 11.5M)

**Feb. 2014:** *Verdict for Ethicon* Ethicon MDL

**May 2, 2014:** Coloplast provision DKK 1.5bn (DKK 1bn net provision) ~7,000 claims

**April 3, 2014:** *Verdict vs Ethicon* TX State Court: US 1.1M (DKK 6.8M)

**April 30, 2014:** AMS/Endo Settlement DKK 4.7bn ~20,000 claims

**June 30, 2014:** Bard Settlement Amount Unknown ~ 500 claims

**July 29, 2014:** *Verdict for BSC* MA State Court

**Aug. 29, 2014:** *Verdict for BSC* MA State Court

**Sept. 5, 2014:** *Verdict vs Ethicon* Ethicon MDL: USD 3.27M (DKK 19.2M)

**Sept. 9, 2014:** *Verdict vs BSC* TX State Court: USD 73M (DKK 428.3M)

**Sept. 30, 2014:** AMS/Endo Settlement USD 830m (DKK 4.84bn)

**Nov. 13, 2014:** *Verdict vs BSC* BSC MDL (FL): USD 26.7M (DKK 159.7M)

**Nov. 21, 2014:** *Verdict vs BSC* BSC MDL (WV): USD 18.5M (DKK 110.6M)

**Mar. 5, 2015:** *Verdict vs Ethicon* CA State Court: USD 5.7M (DKK 39.06M)

**May 28, 2015:** *Verdict vs BSC* DE State Court: USD 100M (DKK 681.3M)

**Sept. 22, 2015:** Coloplast provision DKK 3bn

**Oct. 5, 2015:** *Verdict for Ethicon* TX State Court

**Oct. 16, 2015:** *Verdict for BSC* NC Federal Court

**Dec. 24, 2015:** *Verdict vs Ethicon* PA State Court: USD 12.5M (DKK 85.5M)

**Feb. 7, 2016:** *Verdict for Bard/BSc* MO State Court

**Feb. 10, 2016:** *Verdict vs Ethicon* PA State Court: USD 13.5M (DKK 88.2M)

**Feb. 18, 2016:** *Verdict vs Mentor* Mentor ObTape MDL: USD 4.4M (DKK 28.7M)

**Nov. 2, 2016:** Coloplast provision DKK 0.75bn

**April 28, 2017:** *Verdict vs Ethicon* PA State Court: USD 20M (DKK 125.3M)

**May 31, 2017:** *Verdict vs Ethicon* PA State Court: USD 2.16M (DKK 13.6M)

**June 9, 2017:** *Verdict for Ethicon* PA State Court

**July 19, 2017:** *June 9 Verdict for Ethicon reversed* Judge rules jury's findings against weight of evidence; sets hearing on damages PA State Court

**Sep. 7, 2017:** *Verdict vs Ethicon* PA State Court: USD 57.1M (DKK 358.6M)

**Dec. 14, 2017:** *Verdict vs Ethicon* NJ State Court: USD 15M (DKK 91.3M)

**Mar. 2018:** *Verdict vs Ethicon* IN Federal Court: USD 35M (DKK 272.3M)

**April 12, 2018:** *Verdict vs Bard* NJ State Court: USD 68M (DKK 410.3M)

**June 5, 2018:** *Verdict for BSc* MA State Court:

**Jan. 31, 2019:** *Verdict vs Ethicon* PA State Court: USD 41M (DKK 354.3M)

**April 18, 2019:** *Verdict for Ethicon* PA State Court

**April 25, 2019:** *Verdict vs Ethicon* PA State Court: USD 120M (DKK 1,037.1M)

**May 17, 2019:** *Verdict vs Ethicon* PA State Court: USD 80M (DKK 714.25M)

**June 28, 2019:** *Verdict vs Ethicon* PA State Court: USD 500K (DKK 446.4K)

**Jan. 21, 2020:** *Coloplast Trial* PA Federal Court

**May 2020:** *Coloplast Trial* IL Federal Court

**May 4, 2020:** *Coloplast Trial* NC Federal Court

**June 15, 2020:** *Coloplast Trial* CA Federal Court

**July 6, 2020:** *Coloplast Trial* TX Federal Court

**July 27, 2020:** *Coloplast Trial* TN Federal Court

**July 28, 2020:** *Coloplast Trial* CA State Court

**Aug. 3, 2020:** *Coloplast Trial* NC Federal Court

**Sep. 14, 2020:** *Coloplast Trial* TX Federal Court

**Aug. 24, 2021:** *Coloplast Trial* CA Federal Court

## Structuring & Maturing

**July 2011:** First mesh claim against Coloplast

**Feb. 2012:** Creation of AMS, Boston Scientific, & Ethicon MDLs

**Aug. 2012:** Creation of Coloplast MDL

**June 2013:** Creation of Cook MDL

**Feb. 2014:** Creation of Neomedic MDL

**Sept. 2015:** Federal Court Order: 200 Coloplast cases into discovery phase

**June 2016:** Federal Court Order: 240 Coloplast cases into discovery phase

**July 2016:** Federal Court Order: 150 Coloplast cases into discovery phase

**April 2017:** Federal Court orders discovery for cases remaining in MDL

**June 2017:** Federal Court orders that direct filings and transfers into the Coloplast MDL must cease

**September 2018:** Federal Court orders Mandatory Settlement Conference for 69 cases in Coloplast MDL

**Oct. 2018:** Federal Court orders end of the MDL inactive docket

## Triggering Events

**Oct. 2008:** FDA Public Health Notification

**July 2011:** FDA Updated Public Health Notification

**April 29, 2014:** FDA proposes re-classification of POP products to Class III

**Jan. 5, 2016:** FDA Orders re POP mesh: Reclassify to Class III. Require PMA application

**July 5, 2018:** PMA Submissions due to FDA

**Dec. 10, 2018:** FDA issues notice of PMA Panel meeting for Feb. 12, 2019

**Feb. 12, 2019:** PMA Panel meeting

**April 16, 2019:** FDA Decision: all anterior transvaginal synthetic mesh devices can no longer be commercialized in the U.S.

2008 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021

# US Mesh litigation – Overview of current financial impact

## P&L

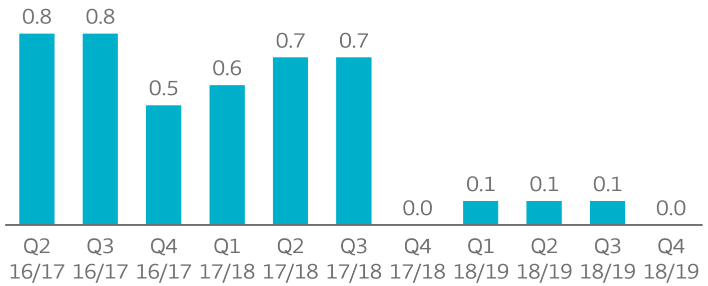
| | 13/14 | 14/15 | 15/16 | 16/17 | 17/18 | 18/19 |
|---|---|---|---|---|---|---|
| EBIT (before special items) | 4,147 | 4,535 | 4,846 | 5,024 | 5,091 | 5,556 |
| Special items | -1,000 | - 3,000 | - 750 | 0 | 0 | -400 |
| EBIT | 3,147 | 1,535 | 4,096 | 5,024 | 5,091 | 5,156 |
| EBIT % (before special items) | 33 | 33 | 33 | 32 | 31 | 31 |
| EBIT % | 25 | 11 | 28 | 32 | 31 | 29 |

- A total of DKK 5,650m (DKK 5,150 net of insurance coverage) has been provisioned and is considered sufficient
- Currently more than 95% of known cases against Coloplast have been settled

## Balance

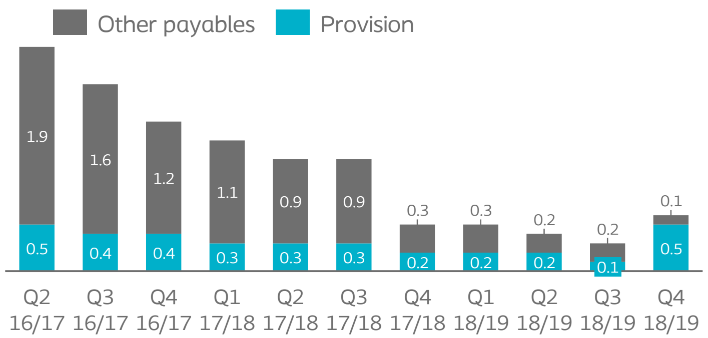
Assets

### Restricted cash, DKKbn



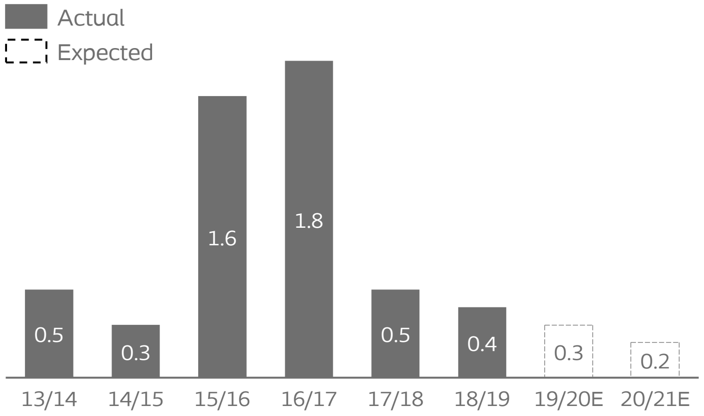

Liabilities

### Total liability, DKKbn




## Cash flow

### Actual/Expected cash flow, DKKbn




- Insurance coverage of DKK 500m received in 2013/14 and 2014/15

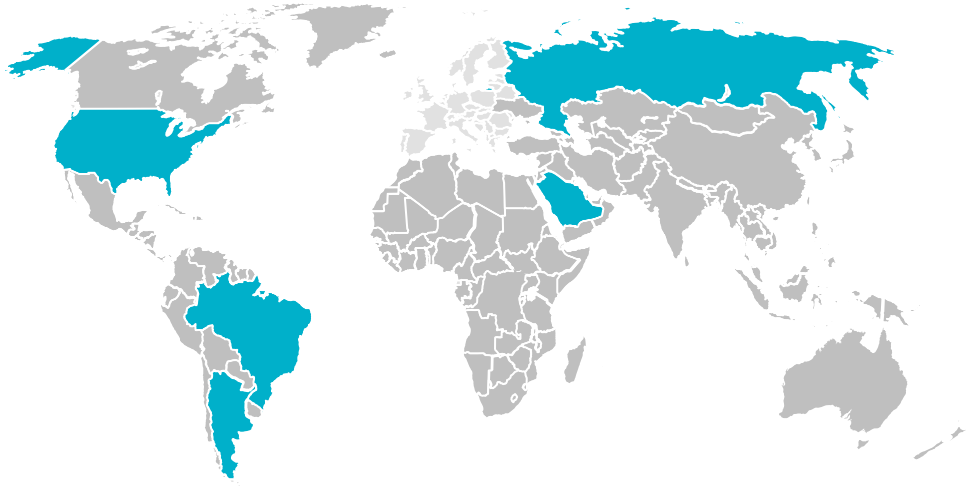
# Health reform landscape

## Europe

- **France:** Reimbursement pressure on OC, CC and WC
- **Greece**: Reimbursement pressure on all BAs
- **Germany**: Reimbursement pressure on OC and CC
- **Netherlands**: Reimbursement pressure on OC and CC
- **Switzerland:** Reimbursement pressure on OC, CC and WC
- **UK**: Efficiency savings under NHS reform

## Rest of World

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



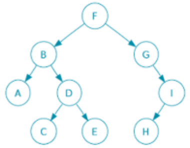
Intensifying reform pressure
Stable reform environment



Coloplast

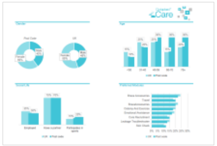
# CARE helps us increase retention and improve product compliance for in excess of 500,000 enrolled consumers

## 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 supporting products 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...

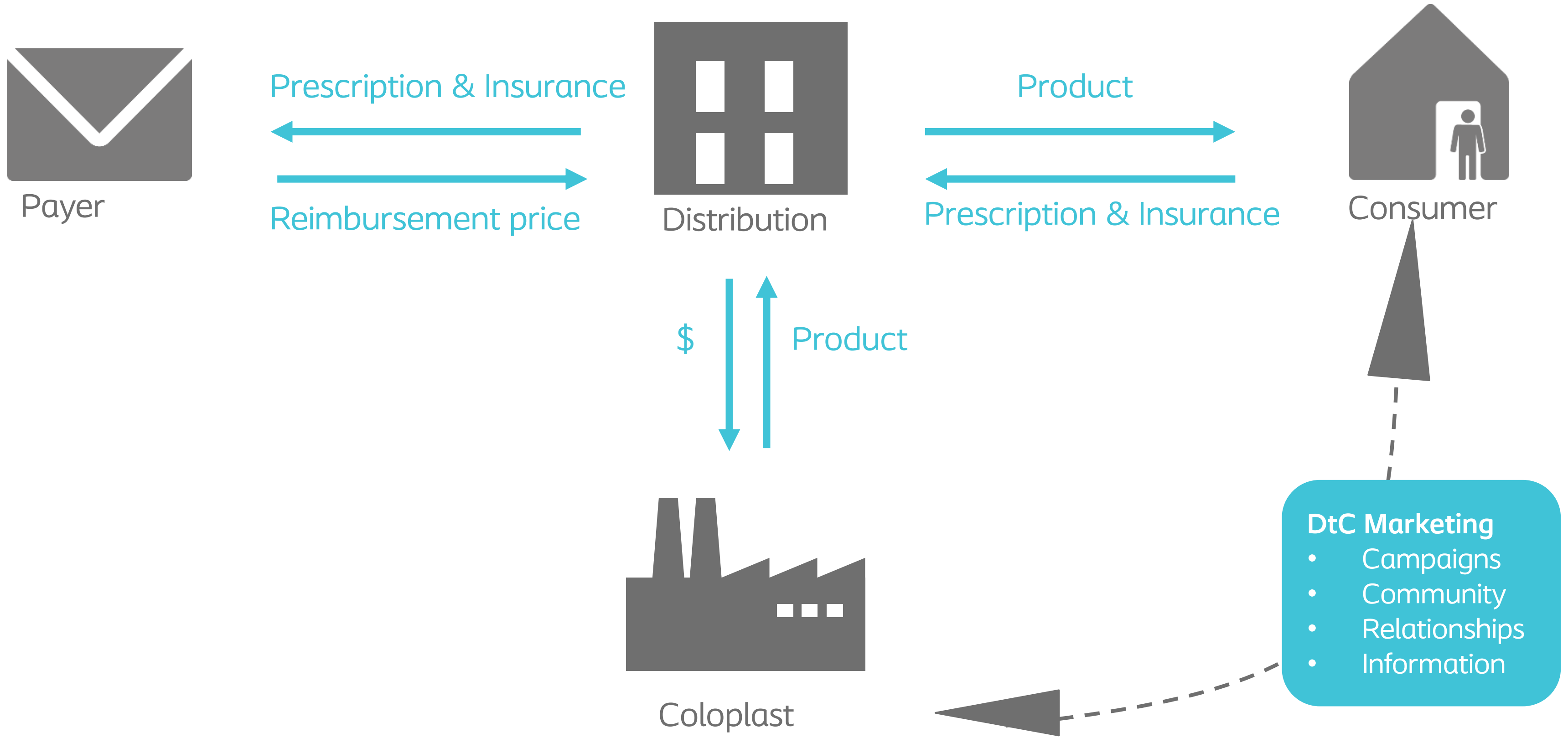
## ...and with the reach we get several benefits

Expose
innovative products

Ensure
product accessibility

Ensure
successful experience

# The generic model for distribution and reimbursement of our products



# Interventional Urology is a DKK 12-13bn market growing 3-5% annually

| | Business Area Market Dynamics | Market Size (DKKbn) | Market growth |
|---|---|---|---|
| Endourology | • Portfolio breadth increasingly valued<br>• Single-use visualization significant opportunity | ~5 | ~5% |
| Men's Health | • Penile implant market responding to patient awareness<br>• Opportunities in portfolio expansion and innovation | ~3 | ~4% |
| Women's Health | • Need for prolapse and incontinence options remains<br>• Regulatory and legal environment normalizing | ~3 | ~6% |
| Specialty Interventions | • Lower cost competitors entering<br>• MDR* challenges mid-size companies | ~3 | ~3% |

Source: Coloplast estimates
*EU Medical Device Regulation

# Coloplast Interventional Urology is split into four business areas

## MEN'S HEALTH

- Erectile Dysfunction
- Male Incontinence
- Testicular Replacement
- Peyronie's Repair

## WOMEN'S HEALTH

- Stress Urinary Incontinence (SUI)
- Pelvic Organ Prolapse (POP)

## ENDOUROLOGY

- Stone Management
- Transurethral
- Percutaneous

## SPECIALTY INTERVENTIONS

- Bladder Drainage
- Benign prostatic hyperplasia (BPH) management
- Laparoscopic Procedures

**Select products**


*Inflatable Penile Prosthesis*


*Testicular Prosthesis*


*Pericardium allograft tissue*

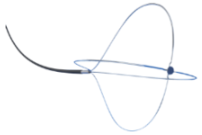

*Male Slings*


*Slings*


*Meshes*


*Biologic grafts*


*Single Use Cystoscope*


*No-Tip for stone retrieval device*


*Double Loop Ureteral Stent*


*Prostate and bladder chips evacuator*


*Foley catheter – Folysil*

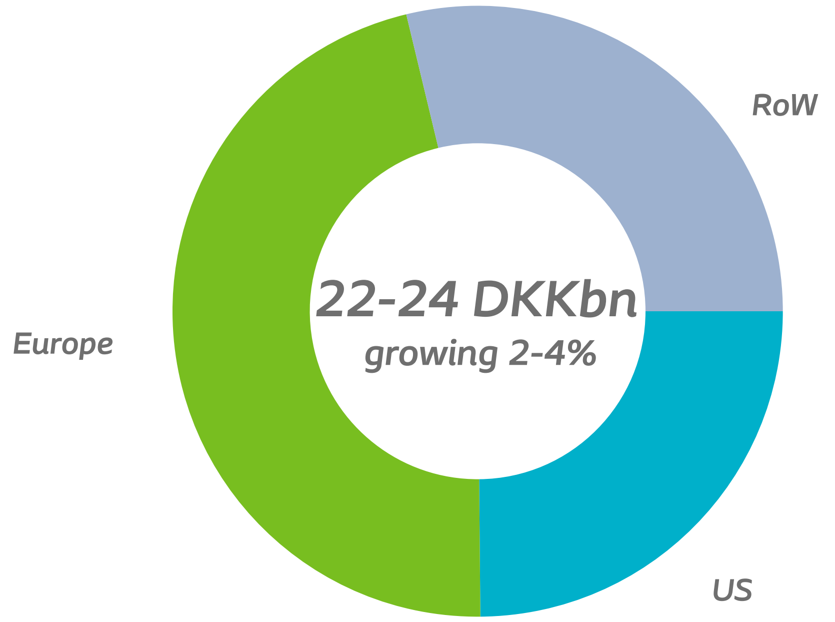

*Disposable suction / irrigation device*


*Surpapubic drainage – Cystodrain, Supraflow, Uristil*

Source: Company information

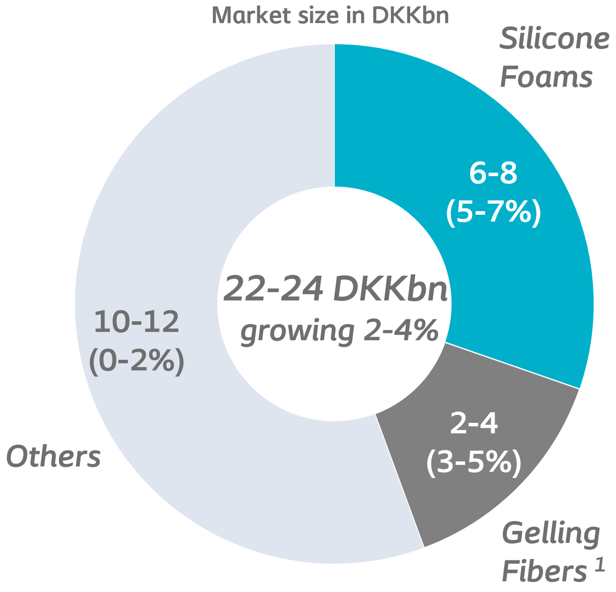
# The global AWC market remains large and growing

## The Advanced Wound Care market remains a significant value pool and continues to grow across all regions




Source: Coloplast estimates

## Silicone Foams and Gelling Fibers are the two biggest categories and main growth contributors




Silicone Foams and Gelling Fibers hold

~45%
of the market

~2/3
of growth

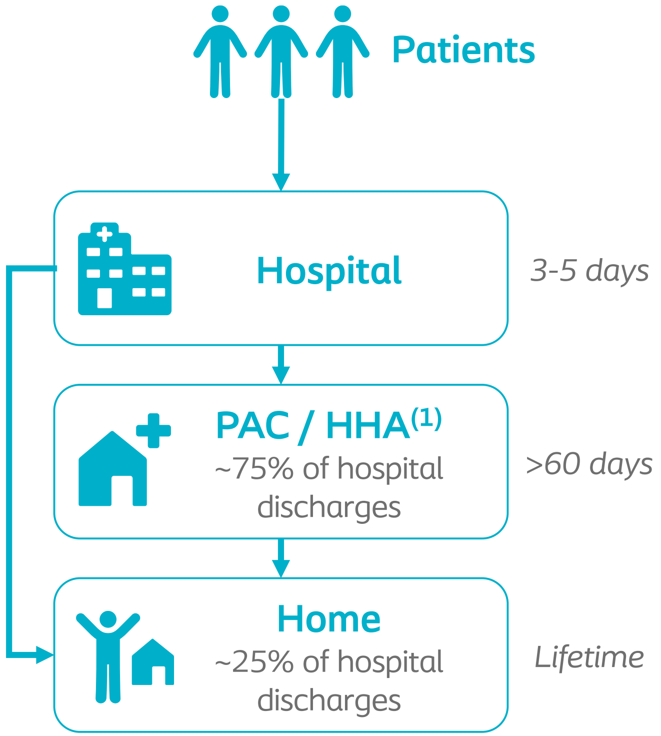
1) Includes Alginates & Gelling Fibers

# In Wound Care we are progressing with our current strategy

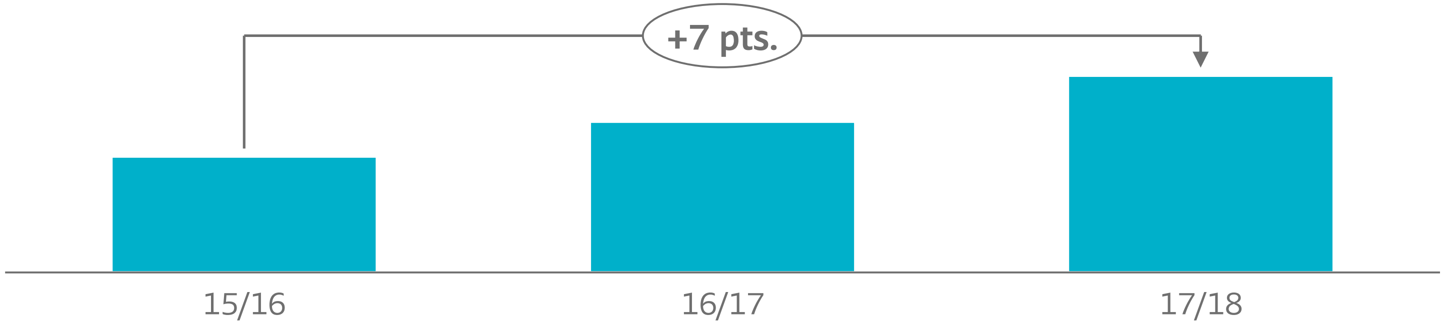
| | |
|---|---|
| 1 Shape the standard | Endorsements; Publications |
| 2 Build a strong product portfolio | reddot award 2017 winner; PIP |
| 3 Accelerate in EU | Ramp-up |
| 4 Strengthen position in the US | New structure; New management; New investment plan |
| 5 Secure leading position in China | Revised targeting; Leverage position in top 100 cities; New setup |
| 6 Selectively invest in EM | Ramping up in selected markets |

# In US Ostomy Care, we continue to gain share in acute and have increased our focus on the home health channel

## US Ostomy patient pathway




## Continuing to gain share in the acute channel




*Recent acute contract wins*

Baptist Health, Bon Secours Mercy Health, Cleveland Clinic, UChicago Medicine

## Driving contract win momentum with major HHA entities

Encompass Health, Kindred Healthcare

Sources: GHX, Coloplast
1) Post-Acute Care / Home Health Agency

# 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

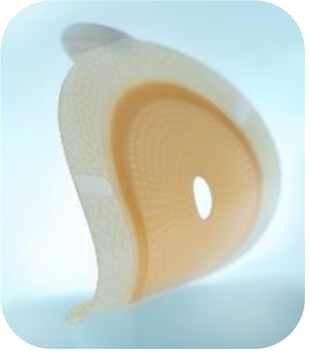
- Hospital & community nurses
- Hospital buyers
- Distributors
- Dealers
- Wholesalers
- Homecare companies

## Key products

**SenSura® Mio Concave**
To be launched in 2018-2019

**SenSura® Mio Convex**
Launched in 2015

**SenSura® Mio**
Launched in 2014



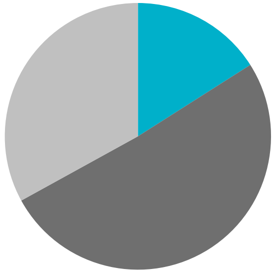
**SenSura®**
Launched in 2006-2008

**Assura® new generation**
Launched in 1998

**Alterna® original**
Launched in 1991

## Distribution of revenues*

- Urostomy
- Ileostomy
- Colostomy



*Excluding baseplates and supporting products

# Introducing Ostomy Care Supporting Products

## Market fundamentals

- Market size of DKK 2-3bn
- Market growth of 6-8%
- Market share 30-35%
- 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® is a range of ostomy supporting products designed to reduce leakage or care for skin, to make our end-users feel secure. The Brava® portfolio was launched in 2012.*

Brava® Protective Seal
- Designed for leakage and skin protection

Brava® Elastic Tape
- Elastic so it follows the body and movements

Brava® Skin Barrier
- Reducing skin problems without affecting adhesion

Brava® Lubricating Deodorant
- Neutralizing odour

Brava® Adhesive Remover
- Sting free and skin friendly



Coloplast

# Introducing Continence Care

## Disease areas

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

## Customer groups

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

## Main call points

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

## Key products

**SpeediCath® Navi**
Intermittent catheter
To be launched in 2019 - 2020

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

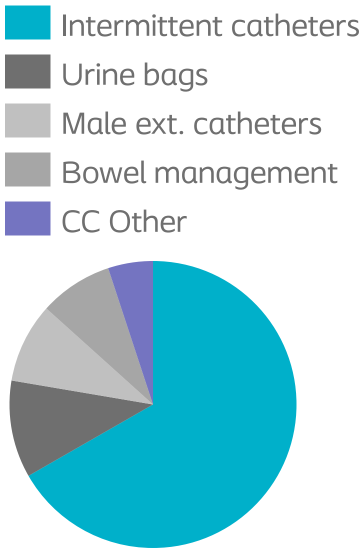
**SpeediCath® Compact Eve**
Intermittent catheter
Launched in 2014

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

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

**Conveen® Security+**
Launched in 2013

## Distribution of revenues



# Introducing Bowel Management

## Disease areas

Faecal incontinence
(management products only)

## Customer groups

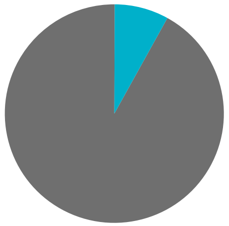
- Spinal Cord Injured, SCI
- Spina Bifida, SB
- Multiple Sclerosis, MS

## 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 Interventional Urology
Treatment (surgical) of urological disorders

## Disease areas

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

## Customer groups

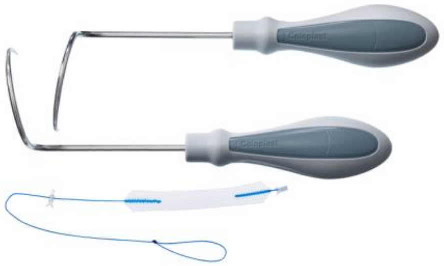
- Surgeons
- Purchasing departments and organizations
- End customers

## Call points

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

## Key products

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

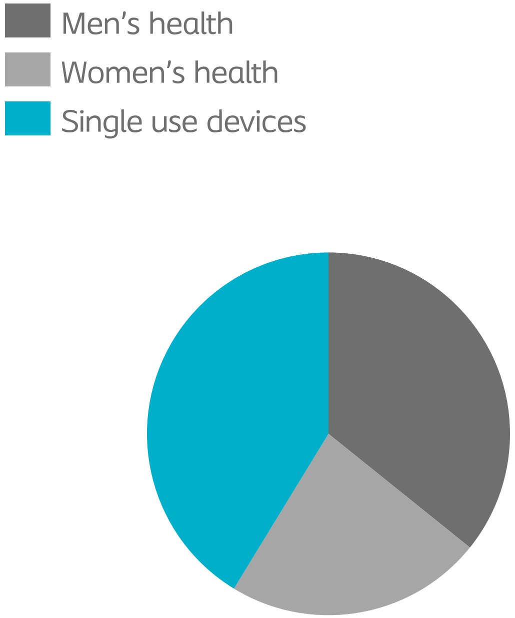


**Altis® single incision sling**
Launched in 2012
Women's health – Surgical Urology

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

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

## Distribution of revenues



# Introducing Wound Care

## Disease areas

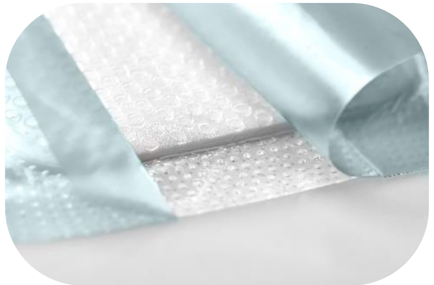
**Chronic wounds**
- Leg ulcers
- Diabetic foot ulcers
- Pressure ulcers

## Customer groups & call points

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

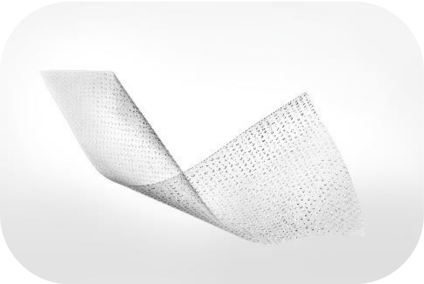
**Community**
- Specialist nurses/doctors
- General practitioners
- District/general nurses
- Large nursing homes

## Key products



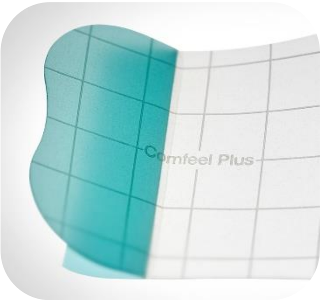
**Biatain® Silicone, incl. Sizes & Shapes**
Foam dressing with gentle silicone adhesive
Launched in 2016

**Biatain® Silicone Ag, incl. Sizes & Shapes**
Antimicrobial foam dressing with gentle silicone adhesive
Launched in 2018



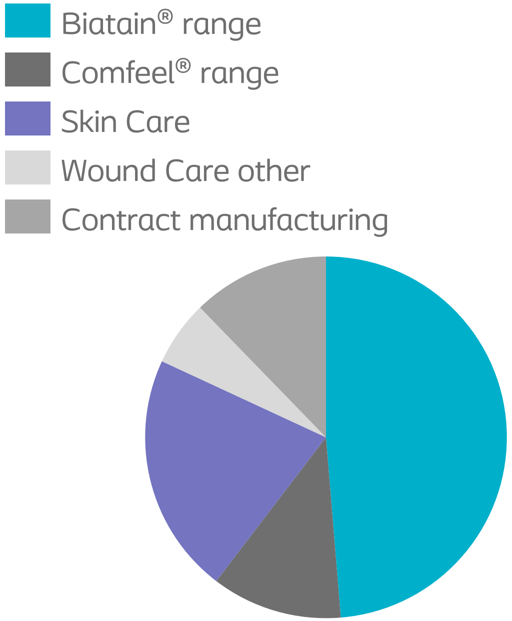
**Biatain® Contact**
Silicone contact layer
Launched in 2019

**Biatain® Fiber**
Reinforced gelling fiber
Launched in 2019



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

## Distribution of revenues (WSC)






Coloplast

# 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

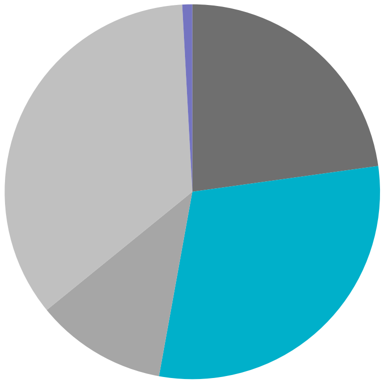

**EasiCleanse Bath®**
Disposable Bathing Wipes
Improves Patient Experience


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

**InterDry® Ag**
Textile with antimicrobial silver complex
Unique solution for skin on skin issues

## Product mix

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



# 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

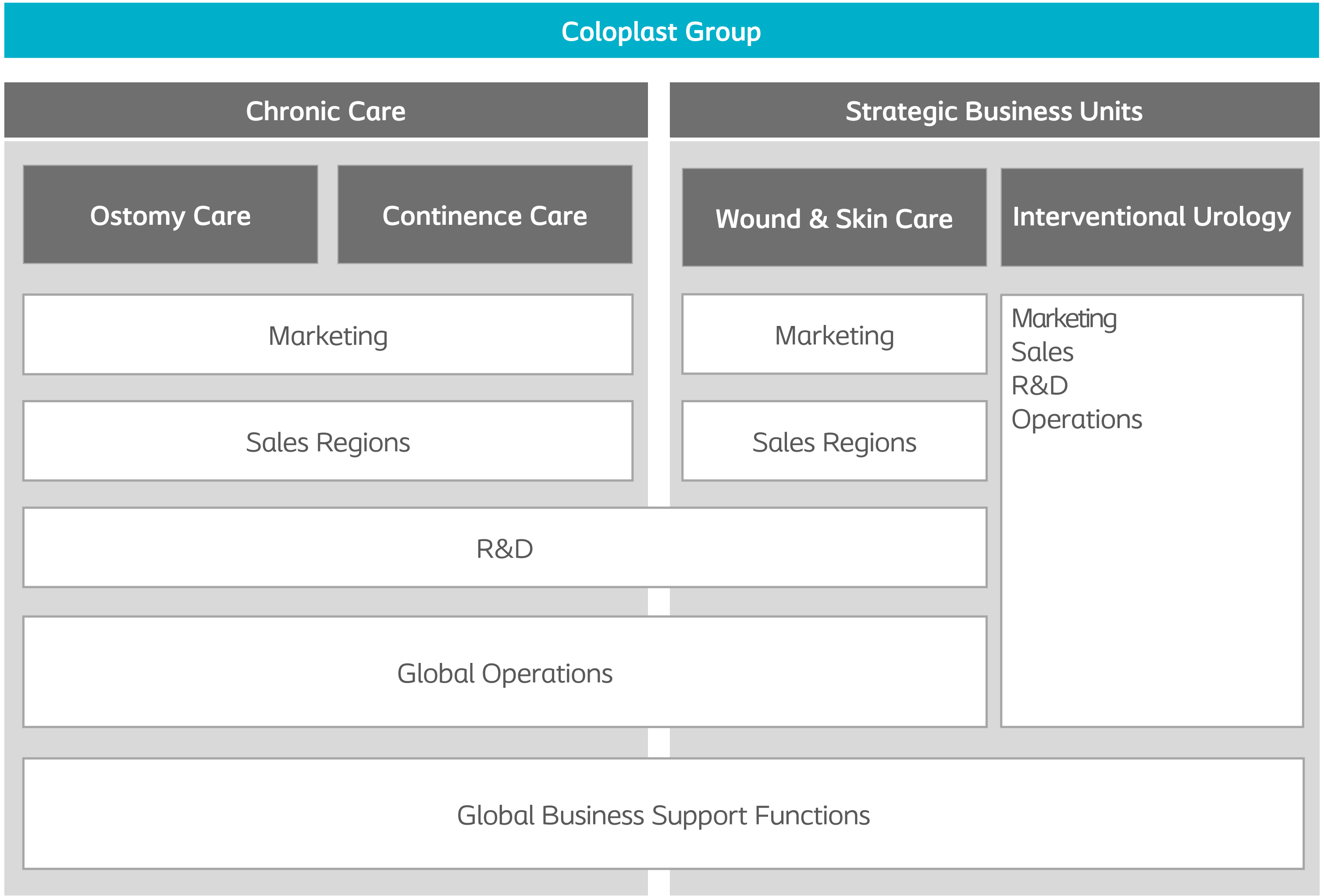
## Market trends

- 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 4-5bn with 2-4% growth
- Market share: 10-15%
- Main competitors include:
  - Medline Industries
  - Sage Products
  - ConvaTec

# The Coloplast organisation



# Coloplast Executive Management

**Kristian Villumsen**
President, CEO
- Born 1970
- With Coloplast since 2008

**Anders Lonning-Skovgaard**
EVP, CFO
- Born 1972
- With Coloplast since 2006

**Allan Rasmussen**
EVP, Global Operations
- Born 1967
- With Coloplast since 1992

**Paul Marcun**
EVP, Chronic Care
- Born 1966
- With Coloplast since 2015

# Income statement

| DKKm | FY 2017/18 | FY 2018/19 | Change |
|---|---|---|---|
| **Revenue** | **16,449** | **17,939** | **9%** |
| **Gross profit** | **11,066** | **12,153** | **10%** |
| SG&A costs | -5,374 | -5,963 | 11% |
| R&D costs | -640 | -692 | 8% |
| Other operating income/expenses | 39 | 58 | 49% |
| **Operating profit (EBIT) before special items** | **5,091** | **5,556** | **9%** |
| Special items | 0 | -400 | nm |
| **Operating profit (EBIT)** | **5,091** | **5,156** | **1%** |
| Net financial items | -82 | -128 | 56% |
| Tax | -1,164 | -1,155 | -1% |
| **Net profit** | **3,845** | **3,873** | **1%** |
| **Key ratios** | | | |
| Gross margin | 67% | 68% | |
| EBIT margin before special items | 31% | 31% | |
| EBIT margin | 31% | 29% | |
| Earnings per Share (EPS) before special items, diluted | 18.10 | 19.64 | 9% |
| Earnings per Share (EPS), diluted | 18.10 | 18.18 | 0% |

# Balance sheet

| DKKm | 30 Sep 2018 | 30 Sep 2019 | Change |
|---|---|---|---|
| **Balance, total** | **11,769** | **12,732** | **8%** |
| **Assets** | | | |
| **Non-current assets** | **6,179** | **6,373** | **3%** |
| **Current assets** | **5,590** | **6,359** | **14%** |
| *of which:* | | | |
| Inventories | 1,725 | 1,933 | 12% |
| Trade receivables | 2,877 | 3,153 | 10% |
| Restricted cash | 12 | 13 | 8% |
| Marketable securities, cash, and cash equivalents | 607 | 669 | 10% |
| **Equity and liabilities** | | | |
| **Total equity** | **6,418** | **6,913** | **8%** |
| **Non-current liabilities** | **643** | **877** | **36%** |
| **Current liabilities** | **4,708** | **4,942** | **5%** |
| *of which:* | | | |
| Trade payables | 751 | 859 | 14% |
| **Key ratios** | | | |
| Equity ratio | 55% | 54% | |
| Invested capital | 8,468 | 8,748 | 3% |
| Return on average invested capital before tax (ROIC)1) | 57% | 62% | |
| Return on average invested capital after tax (ROIC)1) | 44% | 48% | |
| Net asset value per share, DKK | 30 | 33 | 10% |

1) This item is before Special items. After Special items, ROIC before tax is 60% (2017/18: 62%), and ROIC after tax is 46% (2017/18: 47%)

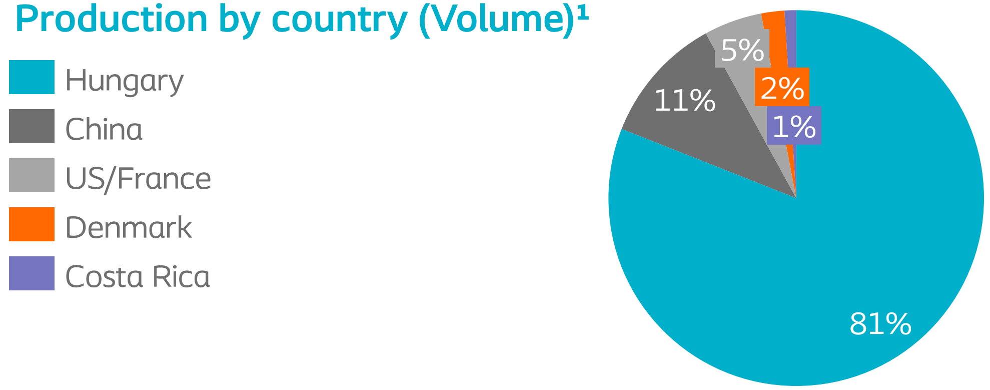
# Cash flow

| DKKm | FY 2017/18 | FY 2018/19 | Change |
|---|---|---|---|
| EBIT | 5,091 | 5,156 | 1% |
| Depreciation and amortisation | 625 | 651 | 4% |
| Change in working capital | -422 | -291 | -31% |
| Net interest payments | 23 | -187 | nm |
| Paid tax | -874 | -1,185 | 36% |
| Other | -82 | 213 | nm |
| **Cash flow from operations** | **4,361** | **4,357** | **0%** |
| Investments in intangibles | -53 | -73 | 38% |
| CAPEX[1)] | -605 | -516 | -15% |
| Acquisitions | -293 | - | nm |
| Securities | 4 | -2 | nm |
| **Cash flow from investments** | **-947** | **-591** | **-38%** |
| **Free cash flow** | **3,414** | **3,766** | **-39%** |
| Dividends | -3,288 | -3,398 | 3% |
| Net aquisition of treasury shares and exercise of share options | -46 | -120 | 161% |
| Drawdown on credit facilities | -96 | -196 | 104% |
| **Net cash flow for the year** | **-16** | **52** | **nm** |

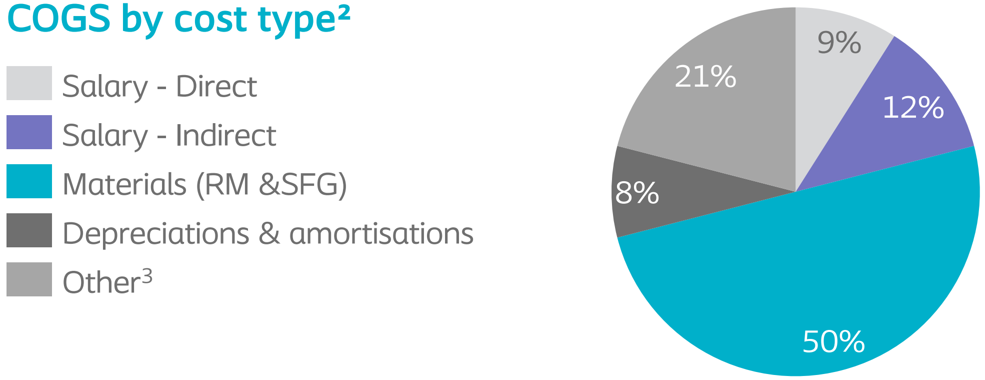
1) Net CAPEX including divestment of PPE and excluding finance leases

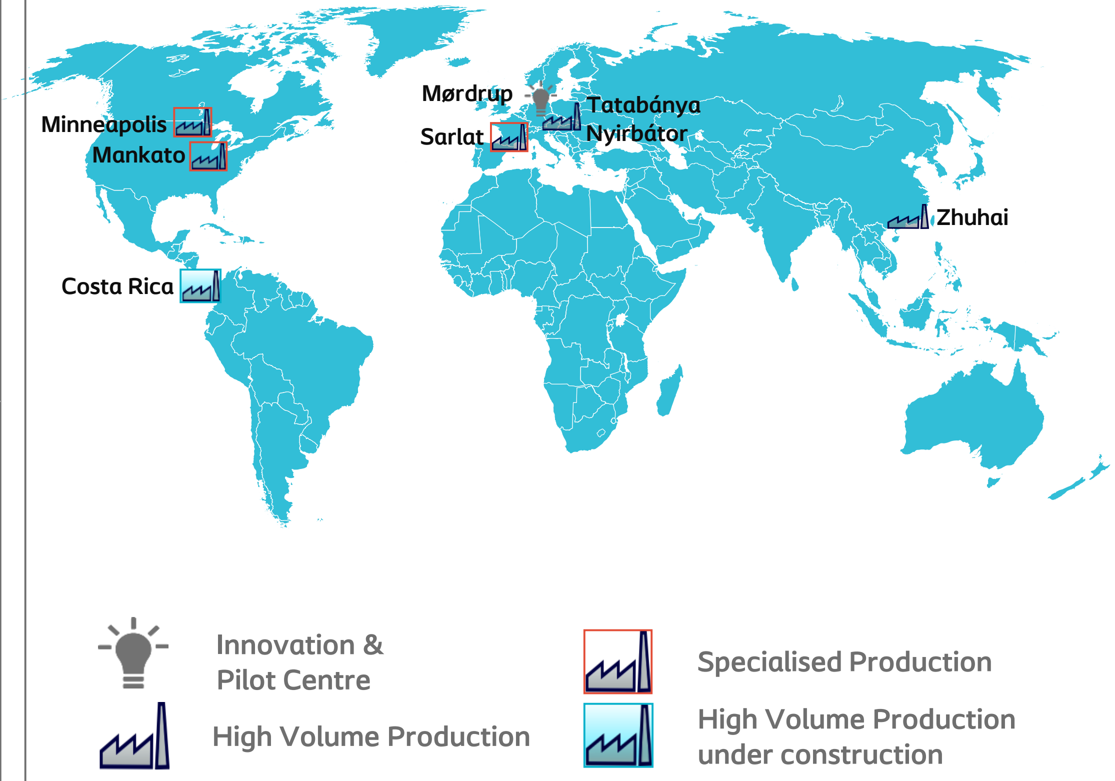
# Manufacturing setup

## Production by country (Volume)¹




## COGS by cost type²




1) Produced quantity of finished goods
2) FY 2018/19 Cost of goods sold, DKK 5,786m
3) Transport, utility, IT, repair & maintenance costs, etc.

# Production sites

## Hungary

### Tatabánya


- Ostomy care products
- Adhesives
- Continence care products
- Interventional Urology products
- Number of employees in production: ~1,800

### Tatabánya PDC

- Postponement & packaging
- Cross docking
- Warehousing
- Distribution & shipping
- Number of employees: ~475

### Nyírbátor

- Continence care products
- Wound care products
- Consumer products
- Number of employees in production: ~2,400

## China

### Zhuhai

- Continence care products
- Ostomy care products
- Machine building
- Number of employees in production: ~1,050

## Costa Rica

### Cartago


- Land purchased in 2018
- Production initiated in rented facilities in 2019
- Initial scope is for Ostomy Care products
- Global high volume facility to be operational in 2020

# Production sites

## Denmark

### Mørdrup

- Pilot development work Ostomy care, Continence care and Wound care
- Adhesives production
- Number of employees in production:  ~225

## France

### Sarlat

- Disposable surgical urology products
- Number of employees in production: ~175

## US

### Minneapolis

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

### Mankato

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

# Contact Investor Relations

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# 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