



Coloplast Earnings Conference Call H1 2018/19

2 May 2019

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

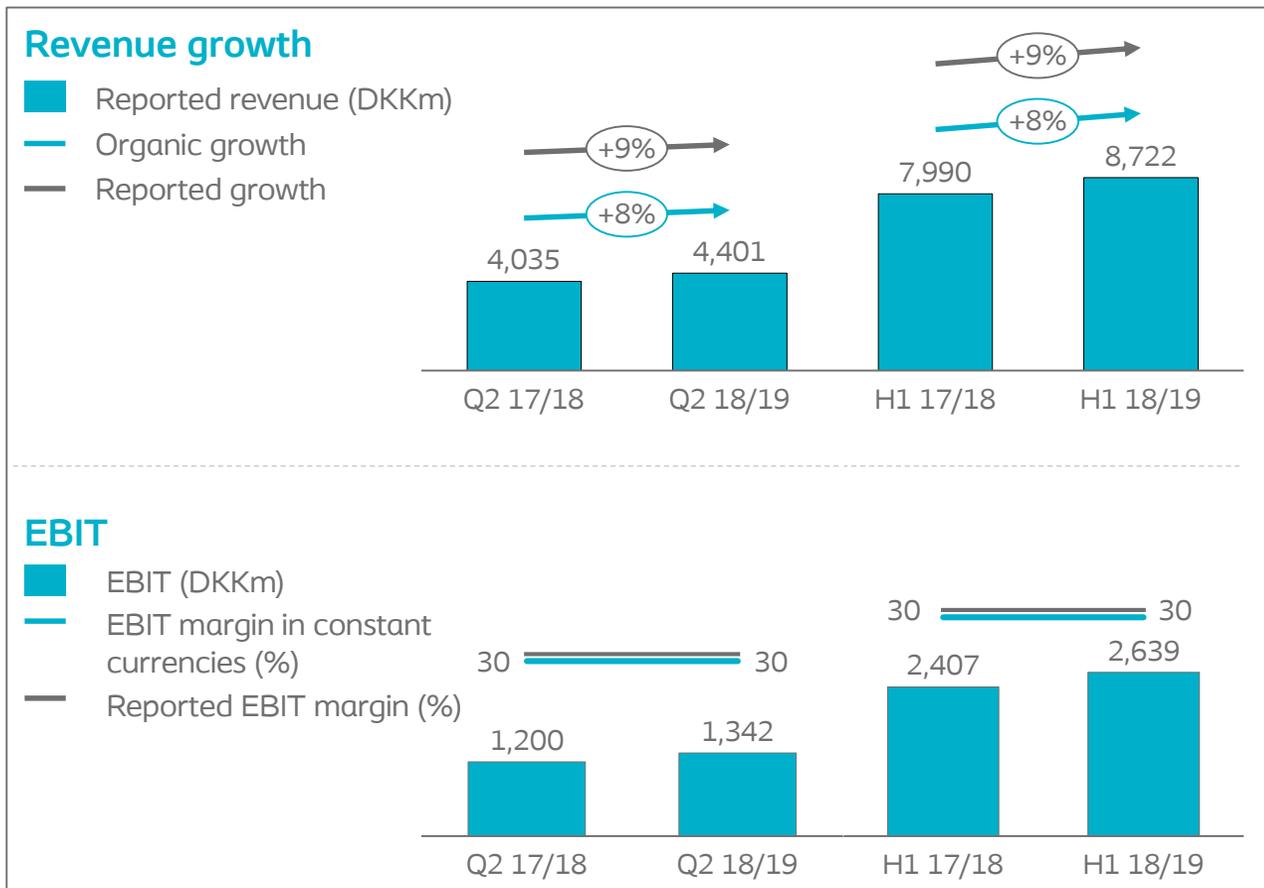


Forward-looking statements

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.

Solid underlying performance in Q2 and reported growth guidance for 2018/19 increased to ~9% due to currencies



Q2 Highlights

- Organic growth of 8% and 9% in DKK
- Strong growth in Continence Care, Wound Care and Interventional Urology
- New ostomy contract with the largest home health agency in the US, Kindred at Home with an estimated market share of ~5%
- French reimbursement review within OC, CC and WC in final phase. Final outcome now expected during Q3
- EBIT grew 12% to DKK 1,342m and a reported EBIT margin of 30%
- ROIC after tax before special items⁽¹⁾ of 44%
- Half year interim dividend of DKK 5.0 per share
- Updated financial guidance for 2018/19:
 - Organic revenue growth of ~8% and now ~9% reported growth in DKK vs. 8-9% reported growth in DKK previously, assuming negative price pressure of up to -1%
 - EBIT margin of 30-31% in constant exchange rates and ~31% in DKK
 - Capex of DKK 700m vs. 750m previously

(1) 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.

Solid growth across all business areas in Europe, US and China

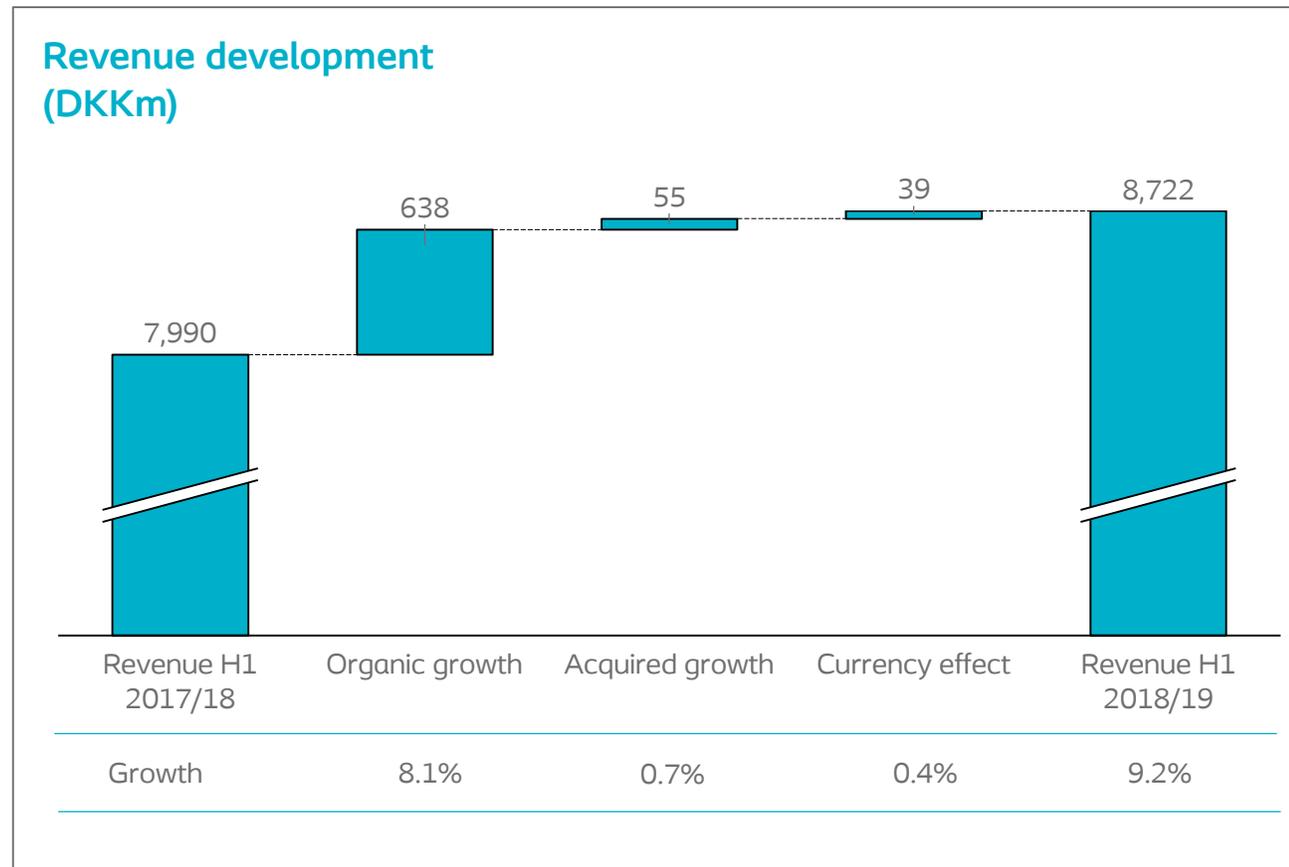
H1 18/19 revenue by business area

Business area	Reported revenue DKKm	Organic growth	Share of organic growth
Ostomy Care	3,478	7%	36%
Continenence Care	3,163	8%	36%
Interventional Urology	963	9%	12%
Wound & Skin Care	1,118	10%	16%
Coloplast Group	8,722	8%	100%

H1 18/19 revenue by geography

Geographic area	Reported revenue DKKm	Organic growth	Share of organic growth
European markets	5,217	6%	47%
Other developed markets	2,069	10%	28%
Emerging markets	1,436	12%	25%
Coloplast Group	8,722	8%	100%

H1 18/19 reported revenue grew 9% driven by solid organic growth of 8%

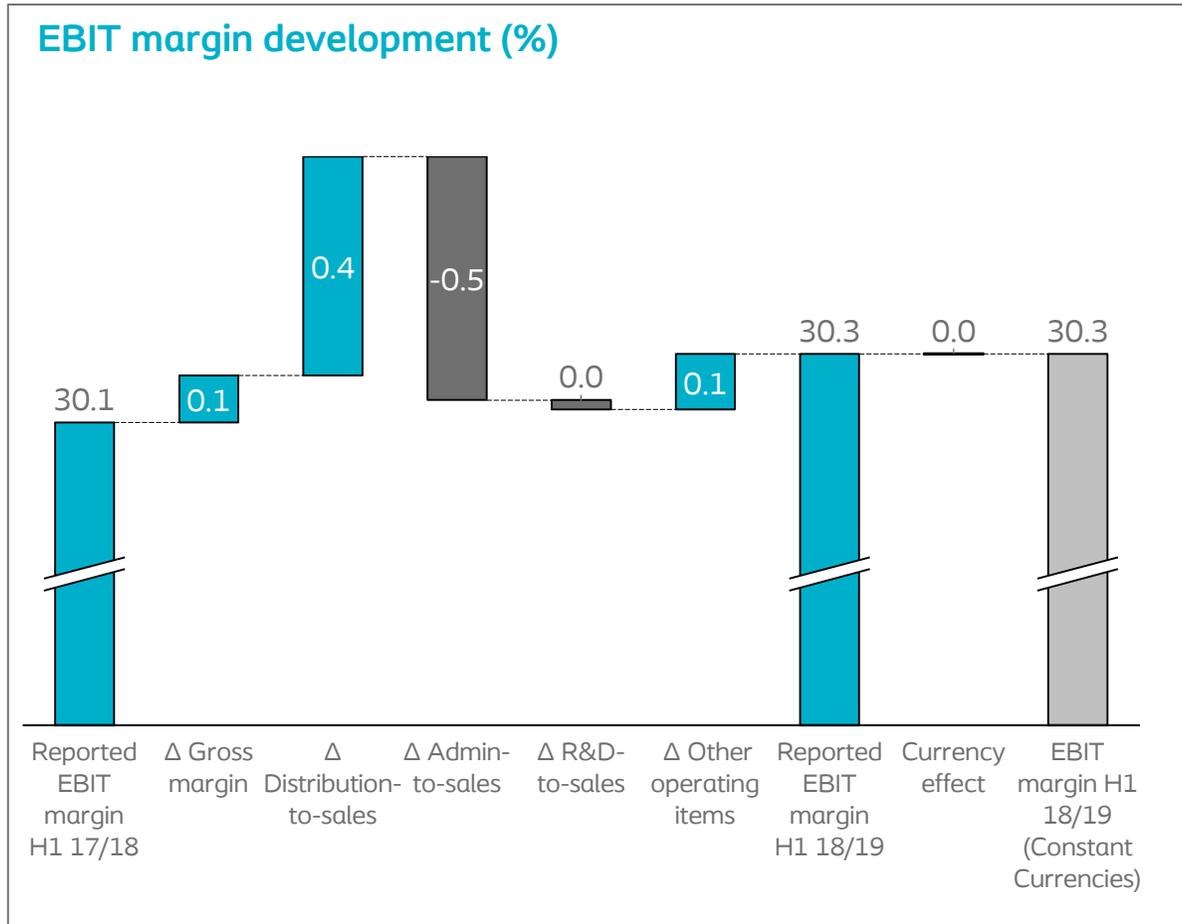


Comments

- H1 2018/19 reported revenue increased by DKK 732m or 9% compared to H1 2017/18
- The majority of growth was driven by organic growth contributing DKK 638m or 8% to reported revenue
- Revenue from acquisitions contributed DKK 55m or 1%, resulting from the acquisition of distribution companies Lilial and IncoCare in Q2 2017/18
- Foreign exchange rates had a positive impact of DKK 39m or 0.4% on reported revenue primarily due to the appreciation of the USD against the Danish kroner. The positive development was partly offset by a depreciation of the ARS¹ against DKK

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

Solid growth in EBIT of 12% in Q2 and 10% in H1



Comments

- EBIT increased 10% to DKK 2,639m with a reported margin of 30% compared to 30% last year
- Gross margin of 67% in DKK compared to 67% same period last year
 - Positive impact from operational leverage, continued efficiency gains and relocation of manufacturing
 - Negatively impacted by product mix, salary inflation in Hungary, acquisitions and DKK 27m in restructuring costs (vs. DKK 8m in H1 17/18) related to reduction of production employees in DK
 - Neutral impact from FX
- Distribution-to-sales of 29% on par with last year
 - Incremental investments of up to 2% of revenue were made in Q1 into innovation as well as sales and marketing initiatives across multiple markets and business areas
- Administrative expenses grew DKK 69m (22%), mainly relating to timing of expenses as well as an increase in costs within IT and legal
- R&D costs increased 10% vs. H1 2017/18 due to increased activity
- Other operating income/expenses of DKK 41m vs. DKK 29m last year
 - Increase due to a non-recurring income in Q2 (DKK 16m) from the sale of a former production facility in Denmark

Updated guidance for FY 2018/19

	Guidance 2018/19	Guidance 2018/19 (DKK)*	Key assumptions
Sales growth	~8% (organic)	~9% (previously 8-9%)	<ul style="list-style-type: none"> Up to 1% negative price pressure DKK guidance includes growth from Lilial and IncoCare
EBIT margin	30-31% (constant exchange rates)	~31%	<ul style="list-style-type: none"> Incremental investments of up to 2% of revenue Restructuring costs of DKK 35m from reduction of production employees in Denmark Includes impact from acquisitions of Lilial and IncoCare Includes additional investments in MDR
CAPEX (DKKm)		~700 (previously ~750)	<ul style="list-style-type: none"> Factory expansion in Costa Rica New machines for new and existing products New distribution centre in UK IT investments
Tax rate		~23%	

*DKK guidance is based on spot rates as of May 1st 2019

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