Coloplast earnings conference call

9M 2021/22

Making life easier_

STRIVE25: SUSTAINABLE GROWTH LEADERSHIP

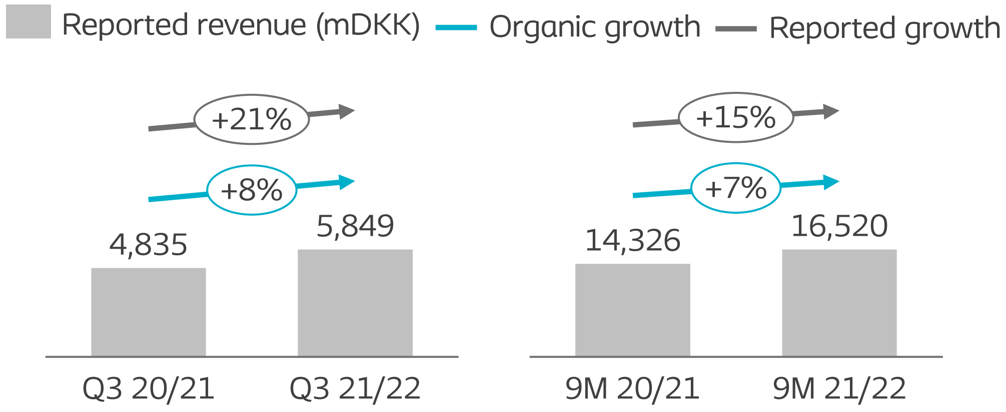
Forward-looking statements

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.

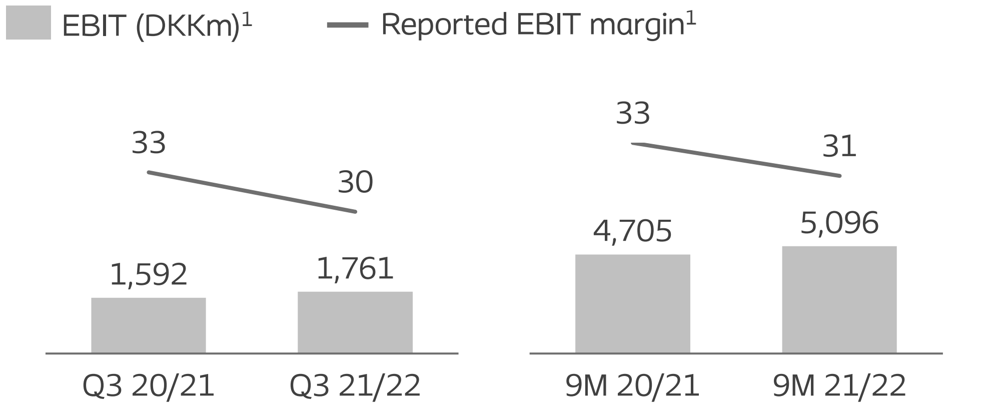
Heavy fluctuations in the exchange rates of important currencies, significant changes in the healthcare sector or major changes in the world economy may impact Coloplast's possibilities of achieving the long-term objectives set as well as for fulfilling expectations and may affect the company's financial outcomes.

Solid Q3 with 8% organic growth and an EBIT margin[1] of 30%. FY 2021/22 financial guidance is unchanged

REVENUE GROWTH



EBIT



[1] Before special items of DKK 300m and 200m related to Mesh in 9M 21/22 and 9M 20/21, respectively. Special items related to the Atos Medical acquisition of DKK 135m in 9M 21/22.
[2] Science Based Target initiative

Q3 2021/22 highlights

- Organic growth of 8% and reported growth in DKK of 21%. Atos Medical contributed 9%-points to reported growth, with a double-digit underlying growth
- Organic growth by business area: Ostomy Care 10%, Continence Care 5%, Interventional Urology 11%, Wound & Skin Care 5% (Wound Care 4%)
- Q3 growth was driven by Chronic Care, and especially Ostomy Care, with solid contribution from all regions, excluding China, which remains impacted by COVID-19. In Continence Care, growth was negatively impacted by backorders in Collecting Devices
- Interventional Urology had a solid quarter with broad-based growth
- Wound & Skin Care growth was driven by Contract manufacturing and continued solid momentum in the European Wound Care business
- EBIT before special items increased by 11%, to DKK 1,761 million, corresponding to a reported EBIT margin before special items of 30%, against 33% last year
- ROIC after tax before special items of 26%, against 43% last year, impacted by Atos Medical
- Scope 1 & 2 emissions reduced by 15% in 9M 2021/22. Emission targets approved by SBTi[2]
- FY 2021/22 financial guidance
- Organic revenue growth continues to be expected at 6-7% at constant currencies. Reported growth in DKK before Atos Medical still expected around 9%. The contribution of Atos Medical to reported growth is still expected to be around 6%-points (8 months). In total, reported growth in DKK continues to be expected around 15%
- Reported EBIT margin before special items is still expected to be around 31% and reported EBIT margin after special items is still expected at 28-29%, impacted by special items of around DKK 450m (300m Mesh provisions and 150m related to Atos)
- CAPEX now expected at around DKK 1.2bn. Effective tax rate still expected around 23%

Q3 organic growth of 8% was driven mostly by Chronic Care, with solid contribution from all regions, excluding China

Q3 2021/22 revenue by business area

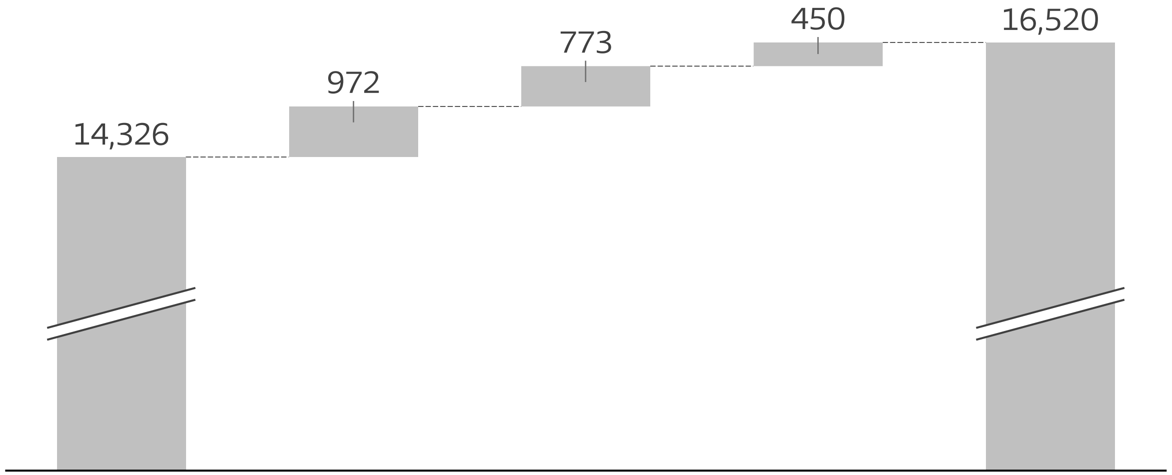
Business area	Reported revenue Q3 DKKm	Organic growth Q3	Share of organic growth
Ostomy Care	2,160	10%	50%
Continence Care	1,892	5%	25%
Interventional Urology	643	11%	16%
Wound & Skin Care	695	5%	9%
Voice & Respiratory Care	459	-	-
Coloplast Group	**5,849**	**8%**	**100%**

Q3 2021/22 revenue by geography

Geographic area	Reported revenue Q3 DKKm	Organic growth Q3	Share of organic growth
European markets	3,397	6%	49%
Other developed markets	1,502	7%	24%
Emerging markets	950	13%	27%
Coloplast Group	**5,849**	**8%**	**100%**

9M reported growth was up 15%, with ~5%-points positive impact from the Atos acquisition and ~3%-points impact from currencies

9M Revenue development (DKKm)



	Reported revenue 9M 20/21	Organic growth (constant currencies)	Acquired growth*	Currency effect	Reported revenue 9M 21/22
Growth		6.8%	5.4%	3.1%	15.3%

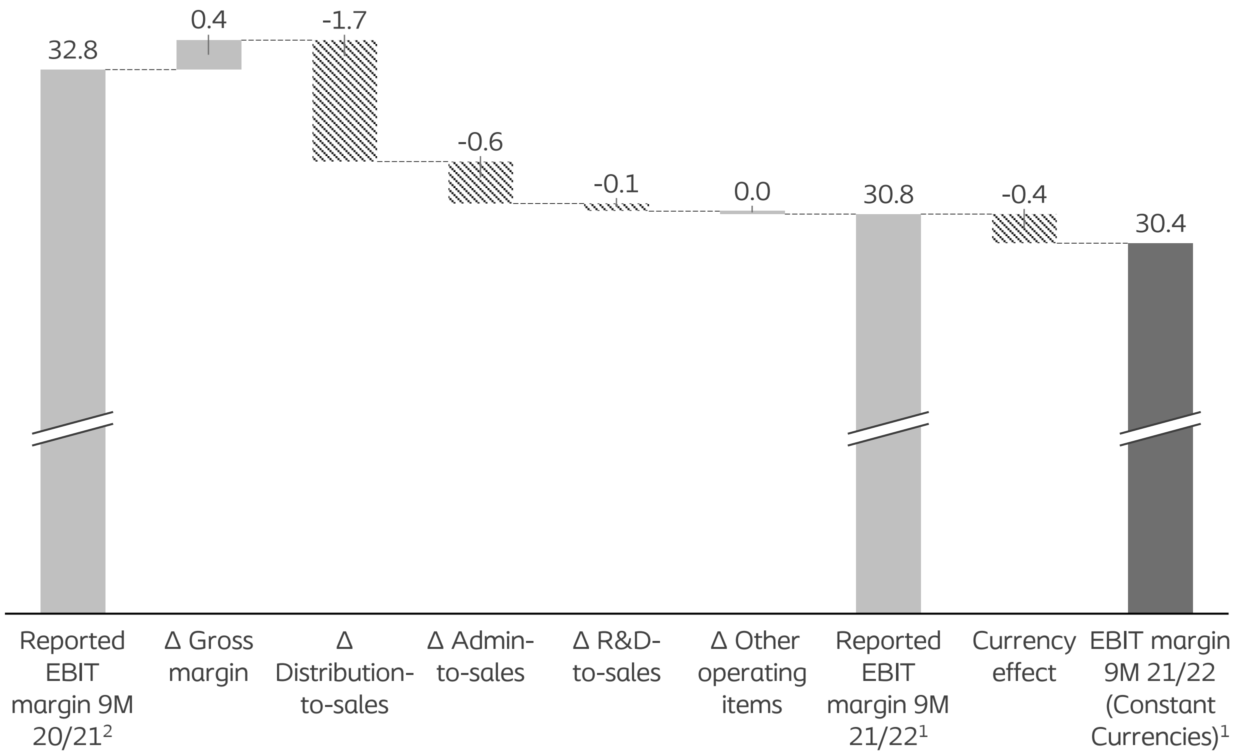
*Of which DKK 757m is from the Atos Medical acquisition

Highlights

- Reported revenue increased by DKK 2,194 million, or 15% vs. last year
- 9M organic growth was 7% or DKK 972 million, driven by:
    - Solid growth in the Chronic Care business in Europe
    - Satisfactory growth in the US Chronic Care with solid growth in Ostomy Care and improved growth in Continence Care, following normalisation of growth in new patients towards the end of Q2
    - Broad-based growth in Interventional Urology, driven by the US Men's and Women's Health and Endourology in Europe
    - Solid growth in Wound & Skin Care, driven by Wound Care in Europe and Contract Manufacturing. Wound Care in isolation grew 7% in 9M 2021/22
    - Growth in China Chronic Care and Wound Care remains impacted by COVID-19 related restrictions
- Acquired revenue, mostly from the Atos Medical acquisition, contributed DKK 773 million to reported revenue, and 5%-points to reported growth. The underlying growth of Atos Medical was high-single digit, in line with expectations
- Foreign exchange rates had a positive impact of DKK 450 million or 3%-points on reported revenue due to the appreciation of mainly USD, GBP and CNY against the DKK

Reported EBIT margin[1] of 31% in 9M reflecting increased level of commercial activity and the Atos Medical acquisition

9M EBIT margin development before special items (%)



[1] Before special items of DKK 435 million in 9M 21/22, of which DKK 300 million related to Mesh litigation provisions and the remaining DKK 135 million related to the Atos Medical acquisition (one-off transaction costs, legal and advisory fees)
[2] Before special items of DKK 200 million related to Mesh litigation provisions in 9M 20/21

Highlights

- 9M gross margin was 69%, against 68% in 9M last year
  - Positive impact from operating leverage and the Atos Medical acquisition. Negative impact from double-digit wage inflation in Hungary, increasing raw materials, energy and transportation prices, and ramp-up costs in Costa Rica
  - Positive impact of 30 bps from FX on gross margin
- 9M operating expenses were DKK 6,263 million incl. Atos Medical, up 23% from last year. Excl. Atos Medical operating expenses were DKK 5,798 million, a 14% increase from last year. Atos Medical operating expenses were DKK 465 million, impacting distribution, admin and R&D costs, with amortisation costs of DKK 96 million under distribution costs
- Distribution-to-sales at 30%, compared to 28% in 9M last year
  - Distribution costs were up 22% or DKK 894 million against last year, reflecting the inclusion of Atos Medical, increased sales & marketing and travel expenses, higher logistics costs, and continued commercial investments (US, Interventional Urology, consumer and digital)
- Admin-to-sales costs and R&D-to-sales costs were 4%, on par with last year
- EBIT before special items was DKK 5,096 million, an 8% increase, with a reported margin before special items of 31% vs. 33% in 9M last year (positive impact of 40 bps from FX)

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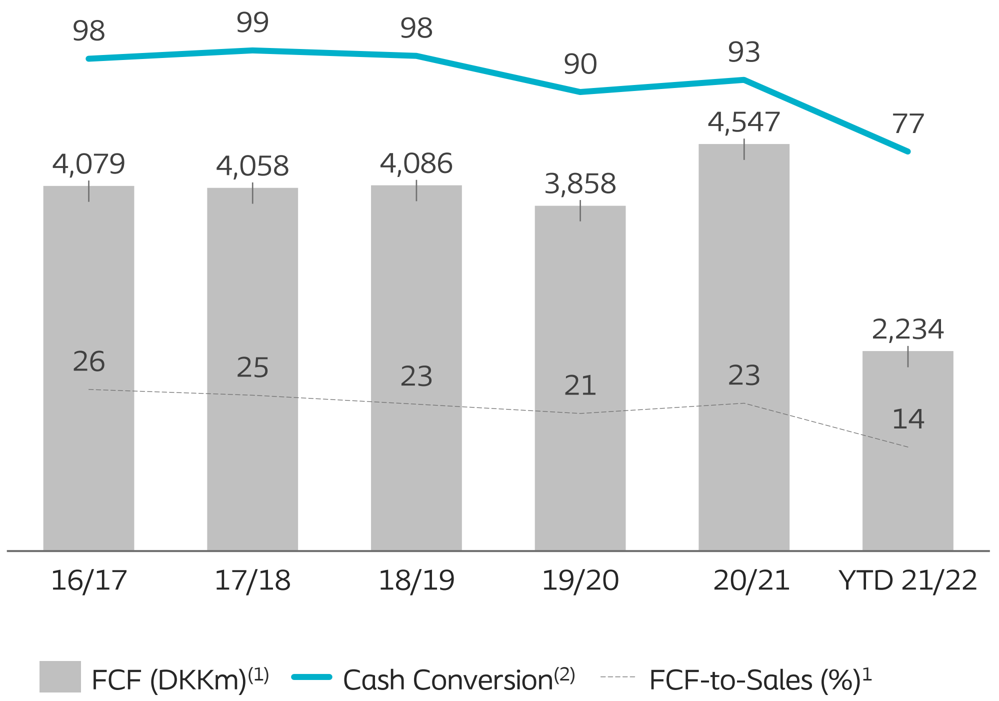
FCF driven by solid underlying development in earnings, impacted by the Atos Medical acquisition

FCF development



Highlights

- Free cash flow was an outflow of DKK 8,399 million compared to an inflow of DKK 1,626 million in 9M 2020/21
  - The decrease was mainly driven by an increase in inventories and prepaid costs, including costs related to the acquisition of Atos Medical. Adjusted for acquisitions, the free cash flow was DKK 2,234 million; an increase of DKK 511 vs. last year
  - Operating cash flow for 9M 2021/22 was DKK 2,959 million, compared to DKK 3,336 million last year. The development was mainly due to an increase in inventories and other receivables
  - Reported EBIT before special items was DKK 391 million higher than 9M 2020/21
  - NWC-to-sales of 26%, compared to 24% at year-end 2020/21, driven by an increase in inventories and phasing of trade receivables
- CAPEX-to-sales of 4%, compared to 5% in 9M last year
  - CAPEX continues to be driven by investments related to the new factory in Costa Rica and the automation program which is part of the Global Operations Plan 5

1) FCF in YTD 2021/22 adjusted for acquisitions, mostly the impact of the Atos Medical acquisition (net assets acquired and goodwill of DKK 10,622 million.) FCF in 2020/21 adjusted for acquisitions (mostly Nine Continents Medical) and Mesh litigation provisions. FCF in 2018/19 adjusted for Mesh litigation provisions. FCF in 2016/17 and 2017/18 adjusted for Mesh litigation provisions and acquisitions.
2) Cash Conversion calculated as FCF ex. Mesh payments, interest payments, tax payments, M&A and marketable securities relative to EBIT before special items. Cash Conversion is trailing twelve months

FY 2021/22 guidance: Organic growth of 6-7% and reported EBIT margin before special items around 31%

	GUIDANCE 2021/22	GUIDANCE (DKK)*	KEY ASSUMPTIONS
SALES GROWTH	6-7%	Around 15%	• Continued resumption of hospital activity across business areas • Chronic Care: continued improvement in growth in Europe, as a result of normalised growth in new patients in line with pre-COVID levels; US – continued improvement in growth driven by the normalisation of growth in new patients to pre-COVID levels in Continence Care; Emerging markets – broad-based double-digit growth excluding China. China is expected to remain impacted by COVID-19 related restrictions, which have resulted in a decline in procedural volumes and sales in the hospital channel in OC Wound & Skin Care still expected to grow above the market, in line with Strive25. China is expected to remain impacted by COVID-19 related restrictions, resulting in a decline in hospital procedures and sales • Interventional Urology expected to deliver in line with Strive25 ambitions • No current knowledge of significant health care reforms • Stable supply and distribution of products across the company, outside of the Collecting Devices business • Reported growth excl. impact from the Atos Medical acquisition is still expected around 9% • Impact from the Atos Medical acquisition on reported growth is still expected around 6%-points (8 months impact); expected underlying growth of 8-10% for Atos Medical
EBIT MARGIN		Around 31% before special items 28-29% after special items	• Cost inflation on raw materials, freight and energy, and double-digit wage increase in Hungary • Increase in operating costs due to a resumption of business activity as COVID-19 recedes • Incremental investments of up to 2% of revenue for innovation and sales and marketing purposes • Related to the Atos Medical acquisition, around DKK 150 million of amortisation charges (8 months) and special items of around DKK 150 million (one-off transaction and integration costs) • In total, special items of around DKK 450 million (Mesh provisions DKK 300m and Atos Medical DKK 150m)
CAPEX (DKKm)		Around 1.2bn	• Investments in automation initiatives at volume sites in Hungary and China as part of GOP5, establishment of the second volume site in Costa Rica, investments in new machines for existing and new products, IT investments and sustainability investments • Around DKK 100 million impact from Atos Medical capex and acquisition integration capex
TAX RATE		Around 23%	• Positive impact of around 0.5%-points due to the temporary increase in the tax-deductible value of R&D expenses in Denmark, partly offset by one-off tax payment related to the Atos Medical acquisition

*DKK guidance is based on spot rates as of 16 August 2022

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