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COLO B.CO - Coloplast A/S Revised Full Year Organic Growth and EBIT Margin Guidance for 2019/2020 Call

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PRESENTATION

Operator

Ladies and gentlemen, thank you all for standing by, and welcome to today's Coloplast announcement. (Operator Instructions) I must advise you all that this conference is being recorded today, Thursday, the 19th of March 2020.

And without any further delay, I would like to hand the conference to your speaker today, the CEO, Kristian Villumsen. Please go ahead, sir.

Kristian Villumsen - Coloplast A/S - President & CEO

Thank you very much, operator, and good morning to everybody, and welcome to this morning's conference call. I'm Kristian Villumsen, CEO of Coloplast, and I'm joined by our CFO, Anders Lønning-Skovgaard, and our Investor Relations team. I'll start with a few opening remarks, and then Anders and I will open up for questions.

Last night, we issued a stock exchange announcement and revised our guidance for our financial year 2019/'20. These are no ordinary times. We're seeing the coronavirus spread across the world and the situation is developing rapidly.

Our priorities are clear. First and foremost, our employees must be safe. We're following the guidelines of local health care authorities across the world, and we're doing our utmost to comply with and support these guidelines. We monitor this on an ongoing basis, both locally and at HQ, and we have many initiatives running to prevent and contain the spread of the virus.

Second, we must continue to serve our customers through this difficult time. Our customers rely on our help and support so they can continue to manage their condition. This means that it is very important to ensure business continuity, and we are. I see many examples of this. Our Chinese team has worked throughout the corona outbreak and are gradually starting to see customers again. Our direct channels in China have delivered strong growth and are performing to expectations. Our online partners in China have returned strongly and logistics in the country is working normally for about 95%. And also hospitals are gradually returning to normal.



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In Italy, which is currently the hardest hit European country, we also continue to serve customers, and we're even able to supply customers in the red zones. We remain in direct contacts with many of our users, and our team is fully up and running from home, and with just a few key people in the office.

In other markets, people are working from home or rotating shifts of a few key people in the office. We continue to serve customers in our direct businesses, and our consumer teams are able to work from home. We're manufacturing and distributing normally, and we put in place extensive safety and precautionary measures at all volume sites and distribution centers to ensure that we can maintain supply.

Yesterday evening, we communicated a revised financial guidance for this year because the coronavirus outbreak is now expected to have a significant negative impact on the Interventional Urology business and elective procedures in primarily the U.S. but also, to some extent, in Europe and emerging markets. Elective procedures and interventional urology include penile implants, slings and mesh implants and stone management procedures.

When we look at the performance year-to-date, we've had a strong start to the year. So why are we changing guidance now? A number of leading indicators now suggest a decline in the Interventional Urology business, specifically in the U.S., where elective implantable products -- or product surgeries are now starting to be suspended.

Over the last couple of days, the American College of Surgeons, the U.S. Surgeon General, and yesterday also, the U.S. Vice President Mike Pence asked hospitals to delay elective procedures and hospitals have begun complying with these requests. This has led us to revise our projections now.

The negative revenue impact that we see in the Interventional Urology business is expected to be temporary, and we expect the revenue loss to be recaptured once the situation normalizes.

We've revised our full year organic growth guidance for '19/'20 from 7% to 8% to 4% to 6% and EBIT margin guidance from around 31% in Danish kroner to 30% to 31% in Danish kroner. Our CapEx and tax guidance remain unchanged. Our share buyback program is maintained, and there are no changes to our dividend policy.

The situation is developing rapidly and still remains uncertain. The revised full year guidance assumes that the situation in Interventional Urology gradually normalizes during the second half of the financial year. The guidance also assumes stable supply and distribution of products across the company.

In the 4% to 6% organic growth guidance range, we've assumed a monthly negative impact of DKK 100 million in Interventional Urology starting April due to the cancellation of elective procedures. Where we ultimately end up in the range depends on how quickly the situation normalizes.

On a positive note, we've had a strong start to the year across our businesses and the global outlook for Ostomy Care, Continence Care and Wound & Skin Care remains largely intact.

In the Ostomy and Continence Care businesses, the vast majority of our revenues come from serving existing patients. Together with governments across our markets, we're committed to ensuring that our users have access to supplies to manage their condition.

In Ostomy Care, we expect to see a lower rate of new patients for a period, as only the most critical surgeries are expected to go ahead.

For Wound & Skin care, we also believe our outlook is largely intact. China is gradually returning to normal. Our European business is mostly in-community. And in the U.S. business, our business is predominantly skin care, which, to a large extent, is sold as a portfolio to help reduce infections in the acute setting. If anything, this is relevant now.

At Coloplast, we are focused on adapting to the changing situation and continuing to service users as best we can. But this also includes a prudent focus on cost as the company navigates this difficult situation.



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Coloplast global manufacturing sites are operating as normal. And in terms of production and supply chain, the company is able to fully meet demand. Border closures have complicated deliveries in certain places, but we are implementing mitigating actions to deal with the new reality. For example, shifting from road to rail to accommodate authorities. We're also taking all necessary precautionary measures at the factories and distribution centers to keep employees safe while ensuring supply, including things like temperature checks of employees and severely limiting external guests and much, much more.

Globally, Coloplast is acting to protect all employees and will continue to comply with and support local, national and global guidelines from health care authorities.

As Coloplast closely monitors the impact of the coronavirus outbreak, the top priority remains the health and safety of the company's employees, its users, customers and communities.

With that, I would like to open up for questions for Anders and myself.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question comes from the line of Patrick Wood.

Patrick Andrew Robert Wood - *BofA Merrill Lynch, Research Division - Director in Equity Research and Head of the EMEA MedTech & Services Team*

I've got 2 quick questions, please. The first would be, I'm surprised there wasn't a slightly larger hit to margins given the lost volumes. I think the implied conversion margin is like 50%, 55%. Are you guys thinking some little extra cost savings on the side to sort of help mitigate some of the impact? So that's question one.

And then question two. I know it's difficult, but do you have any sense of what utilization rates are like for urology departments within hospitals? I'm trying to understand how easy it is to squeeze the lost patients back into -- not necessarily this fiscal year, but over the next time period. That'd helpful.

Anders Lonning-Skovgaard - *Coloplast A/S - Executive VP & CFO*

All right. Let me take the first one, Patrick, in terms of our margin. So already after our Q1 announcement, we initiated a number of actions to protect our margin. And currently, we have initiated travel ban globally. We have also canceled a number of our national sales meetings, congresses and other sales and marketing activities into Q3. We continue to be very prudent on FC replacements. And within the IU business, due to the situation that Kristian just mentioned, we are also reducing all our sales and marketing activities to a minimum until we have a more normalized situation. So that's why we believe we can deliver the 30% to 31% EBIT margin that Kristian just spoke to.

Kristian Villumsen - *Coloplast A/S - President & CEO*

And to your question on IU, Patrick. Our view is that recovering lost procedures is very doable, but it does require that we stay close to our customers to understand their thinking, collaborate with them and plan for their needs so we can return to business as usual once they're ready.

This includes that we need to have the right level of inventory on hand and we need to be flexible for how we deploy resources across the country as, of course, U.S. is a large geography and we expect recovery to not be, if you will, national and at the same time, but it will be different depending on region. But recovery is doable.

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Operator

And the next question comes from the line of Michael.

Michael Klaus Jungling - Morgan Stanley, Research Division - MD, Head of MedTech & Services and Analyst

Yes. Can you hear me?

Kristian Villumsen - Coloplast A/S - President & CEO

We hear you just fine, Michael.

Michael Klaus Jungling - Morgan Stanley, Research Division - MD, Head of MedTech & Services and Analyst

Great, great. I have 3 questions. Firstly, when it comes to your margin item, does it include the weak pound? I mean, it's fallen off quite rapidly the last couple of days to a sort of 34-, 35-year low. Does your guidance include this low pound?

Secondly, when it comes to the earnings downgrade, can you just clarify that the downgrade really is only related to urology, but there's nothing included with respect to Ostomy, Incontinence and Wound?

And the third question is on urology. What do you mean by a gradual normalization in the second half? Does that mean that in the final months or so of your fiscal year, you expect that business to be back at the sales level that you had initially expected, sort of on a monthly run rate?

Anders Lonning-Skovgaard - Coloplast A/S - Executive VP & CFO

All right. I will take the first one, in terms of our margin. Yes, the margin we have communicated of 30% to 31% is also reflecting yesterday's spot rates, so it also reflects that the pound has decreased quite a bit over the last couple of weeks. But please also remember that the [hoof] is also in our favor. So net-net, we are expecting to deliver 30% to 31% EBIT margin.

Kristian Villumsen - Coloplast A/S - President & CEO

And Michael, to your question around recovery. Yes, the vast majority of what we are including here is IU. And so if you look at the structure of the Chronic Care business, the vast majority of the revenue in that business is serving existing patients. We've -- we're seeing a good recovery now happening in China. And we are well prepared to manage the situation in Europe, where we are forward integrated in our largest markets and in contact with many of our users and people have access to products. We're also seeing authorities making very strong efforts to ensure continued supply. And as I mentioned in my opening remarks, even in Italy that's been the hardest hits and in the red zones controlled by the military, people still have access to products and still receive products, and we remain in contact with them.

On the Wound Care side, in China, we're also starting to see a gradual recovery. And Wound Care in Europe is largely a community business. So something that looks like 80% of that business is in-community, where our expectation is that the people who use products in-community will continue to do so. There may be some headwind in the acute channel, but that's only about 20%. And it's not to the same extent as for IU, since people who are in hospital -- hospitals will still continue to use Wound Care products for bed sores and the like.

And then finally, for our Wound Skin Care business in the U.S., just to give some color for that region, that's largely a skin care business, where the portfolio is now being sold to prevent infections. And our view is that, that's highly relevant at that stage -- at this stage. What was the third question, sorry?



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Michael Klaus Jungling - Morgan Stanley, Research Division - MD, Head of MedTech & Services and Analyst

The third question was urology. What do you mean by gradual normalization in the second half? Do you expect the final month or so of the year to be back at sort of a normal sales level? Is that what your guidance implies, this sort of normalization?

Kristian Villumsen - Coloplast A/S - President & CEO

So Michael, the range implies, at the high end of impact, that it's going to take a handful of months to get back to a normal level of business. And the low range of impact, that getting back to that type of run rate, will take 2, 3 months. So we're basically with the range, signaling the uncertainty that we have. So 5 for the high end of -- sorry, for the low end of growth and 2 for the high end of growth. Does that make sense?

Michael Klaus Jungling - Morgan Stanley, Research Division - MD, Head of MedTech & Services and Analyst

That makes sense. Great.

Operator

Our next question comes from the line of Veronika.

Veronika Dubajova - Goldman Sachs Group Inc., Research Division - Equity Analyst

Yes, and I hope everyone is staying safe out there. Two questions for me, please. Kristian, can you comment a little bit on the type of operating environment that you see in European hospitals? I mean, I appreciate the IU business is mostly U.S.-focused, but to the extent that you can give us a sense for whether you're seeing similar declines in utilization and elective procedure volumes in Europe, that would be helpful. And I'll have a follow-up after that.

Kristian Villumsen - Coloplast A/S - President & CEO

So Veronika, of course, this is a fluid picture. We are seeing the same type of messaging in the large European markets, and we are expecting to see a significant decline also in elective procedure in Europe. But remember that the majority of the Implants business is U.S.-based, but we are also expecting to see impact of this in Europe. Governments are signaling the same thing.

Veronika Dubajova - Goldman Sachs Group Inc., Research Division - Equity Analyst

Okay. That's great. And then my second question is just sort of maybe looking a little bit beyond the next 2 to 3 months. I'm just curious what your thoughts are on -- obviously, these procedures are one, highly elective and very often, of a non always medically necessary rate nature. What do you think is a reasonable recapture rate? If you lose 100 units of procedures, do you get 80 of them back? Do you get all 100 of them back? How are you thinking about that at this stage?

Kristian Villumsen - Coloplast A/S - President & CEO

We are -- like I said earlier, we are expecting to recover the business. And we think recovery is doable. So the people, who at this stage have decided to go through surgery, still want to go through surgery in 2 months, if that is how long it takes. The customers that we work with today, we will work with tomorrow. We're staying in very close contact with them to understand exactly what their situation is and when they're ready to come



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back. We are planning and managing for having the appropriate inventory to be able to resume, if you will, and meet pent-up demand. So we definitely believe that, that's doable.

Operator

Niels Leth.

Niels Granholm-Leth - *Carnegie Investment Bank AB, Research Division - Co-head of Research of Denmark & Financial Analyst*

Yes. What are your thoughts around the presentation of your new strategy plan, which was supposed to take place on your Capital Markets Day in June?

Kristian Villumsen - *Coloplast A/S - President & CEO*

Thank you, Niels. I'm going to have to give a somewhat guided -- guarded answer to that right now. We are continuing to prepare, but this situation is somewhat fluid and we may have to change the format, right? We may have to change the format.

Operator

Next question comes from the line of Scott Bardo.

Scott Bardo - *Joh. Berenberg, Gossler & Co. KG, Research Division - Analyst*

Yes, thanks also for your proactive stance in having a stab at this corona uncertainty.

Question number one, please. A lot of your procedures with Interventional Urology, I think, could be classically defined as not just elective but, in some instances, consumer discretionary. I think -- I'm thinking particularly here at the penile implant business, where I think there is some significant co-pays or even somewhat -- I mean, the private sector. So I guess the nature of the question is, do you expect this deepening crisis, where there's already some evidence of unemployment and changing consumer behavior, to have any longer-lasting impacts on demand for these sorts of products? So that's the first question, please.

Second question. Obviously, pleasing to see your Chronic Care business continues to hold up. I wonder if you could make any remarks to, has there again been any change in consumer behavior such that we're seeing a new -- a near-term period of stocking, which we've seen in previous crises, for ostomy and catheter appliances, which is providing, if you like, an abnormal, disproportionate buffer for that business?

Kristian Villumsen - *Coloplast A/S - President & CEO*

Thank you, Scott. Two really good questions.

To your first question on the IU business, our expectation, Scott, is that the people who have decided to do this procedure still want to go ahead. Now I don't have a good price elasticity analysis of what that looks like. Maybe some people change their mind given the situation? Yes, that's possible. But right now, that's too early to say. We have seen a very, very strong growth in that business for a while. We have a strong team that's close to customers. And our base assumption here is that will continue once we're past this.

On the Chronic Care side, we have seen some signs in our direct businesses that consumers are anxious and have gone to the GP to get a prescription for more products. We are trying to manage that and the direct businesses offer a pretty good opportunity to manage that. And we tell all our



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customers that we have supply, that they need not worry. The service levels -- our service levels in our direct businesses are where they're supposed to be. We have solid stock levels in our core markets to serve them. And we will continue to monitor this. But there is a bit of that happening, and we expect that over the, I think, the next weeks and months, that people will be anxious to ensure that they have product, but we can supply.

Scott Bardo - Joh. Berenberg, Gossler & Co. KG, Research Division - Analyst

And perhaps just one follow-up. Obviously, we're in the unfortunate situation where some procedures are being delayed. And of course, you mentioned that's impacting, understandably, some of your new patient additions for Ostomy Care.

Kristian Villumsen - Coloplast A/S - President & CEO

Yes.

Scott Bardo - Joh. Berenberg, Gossler & Co. KG, Research Division - Analyst

Am I fair to say that this is having less of a near-term impact in the business, but could somewhat impact your future growth for this business on a couple of quarter basis, as some of your existing patient numbers dwindle rather than grow, so to say.

Kristian Villumsen - Coloplast A/S - President & CEO

Very, very good question. Let me give you how we think about this. 90% of the Ostomy business is our installed base of customers. So if I look at what's happened in China over the past few months, which is the lead country in all of this, we had a completely normal January. And then in February and March, we saw the NPD numbers sitting around index 30. And we are -- we're projecting now in April that we're going to be 50% to 75%. And that May is going to be -- May is going to be normal.

So if you apply that logic and that type of return to normal, then on a full year basis, so that's important to remember that on a 12-month basis, this will be something that looks like a 10% reduction in patients, right? So 10% on the 12 months horizon. I view that very much as manageable at this stage.

Operator

Your next question comes from the line of Martin Parkhøi.

Martin Parkhøi - Danske Bank Markets Equity Research - Senior Equity Analyst

Yes. Martin Parkhøi, Danske Bank. Two questions. Firstly, just going back to Niels' question about the Capital Markets Day and you said maybe you have to look for another format, but do we actually have the visibility to come up with new long-term targets at that point in time?

And then the second question on China. You say you are starting to see conditions normalizing. Does -- would you have been -- are they normalizing in because at Q1, you said that you expected in your guidance that this will be a normalization at the end of March. Are you on track with that?

And then secondly, do you think we will come back to the normal levels that we saw before the coronavirus? Or will there be some changed behavior or picture in China?



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Kristian Villumsen - Coloplast A/S - President & CEO

Thank you, Martin. Really good questions. I am going to ask all of you to give us a few more weeks to determine how we best handle our updated strategy process. We may change format. If it's too uncertain, of course, we will act accordingly. We haven't decided yet, but once we have decided, we will let you know.

On China, I want to -- I'd like to give a bit more color on that situation. So the mainland China, if you look at the coronavirus cases yesterday, March 18, they had 34 new cases. All of them came from abroad, right? So 0 local new cases. 21 out of 31 provinces had no new cases for a minimum of 14 consecutive days. 6 provinces have announced that they are opening schools here in March and businesses are reopening all their stores. So if you -- this is what Apple is doing, this is what Starbucks is doing. Our direct channels in China, Tmall and our call center operation have delivered very strong growth here in February. They're tracking here in March. If I look at how our e-commerce partners are doing, they've returned strongly since last week of February, and they continue to perform to expectations here in March. More than 95% of our distributors are operating normally and without any logistics restrictions.

Now if I look at the outpatient clinics for OC or Ostomy Care, almost all of them are now open. Almost all of them are now open. But patient volume is still below normal. So when we said earlier this year that we would -- we were expecting full recovery by end of March, this is -- we think this is now stretching into April. And we expect the number of patient visits and surgery numbers to normalize over April and May. And there's going to be an uptick in hospital sales from fulfillment of delayed prescription and orders because there is some pent-up demand out there.

Remember, when you get these procedures done -- this is often for cancer, right? So many people want to have that surgery done. Our organization in China has been working on normal schedules throughout this process, mostly from home, and maintain contact with customers throughout the WeChat and the phone, and our staff is ready and energized to get back and serving customers. So I have good confidence, Martin, that China is coming back. I hope that was helpful.

Martin Parkhøj - Danske Bank Markets Equity Research - Senior Equity Analyst

And just to follow up on that. So I'd come back to Michael's question earlier. So if you do not have the issue with the elective surgeries now, then you would have maintained your 7% to 8% guidance, even though that this China thing is now rolling into April, May?

Kristian Villumsen - Coloplast A/S - President & CEO

If we had not had this elective procedure impact, we would have maintained what we've said.

Operator

(Operator Instructions) Our next question comes from the line of Ed Ridley-Day.

Edward Nicholas Ridley-Day - Redburn (Europe) Limited, Research Division - Research Analyst

Thank you for being so proactive with this release. Firstly, to follow up on the U.S. So I think from what the Surgeon General and the politicians are saying, there's obviously a certain level of debate over there. Are you seeing, therefore, in some areas different approaches to elective surgery? Or do you view it more -- the more universal shutdown on procedures?

Kristian Villumsen - Coloplast A/S - President & CEO

There may be differences. It's a big country. And if you look at the incidents by state, you'll also see big differences. But I think the statements from authorities are very clear. And you can say, in our assumptions, this is impacting nationally.

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Edward Nicholas Ridley-Day - *Redburn (Europe) Limited, Research Division - Research Analyst*

Okay, that's helpful. And just to be clear, in terms of the monthly impact that you helpfully provided, is that global or just for the U.S.?

Kristian Villumsen - *Coloplast A/S - President & CEO*

That's global.

Operator

Our next question comes from the line of Kate Kalashnikova.

I'll just proceed to your next question, sir. And that comes from the line of Annette.

Annette Lykke - *Handelsbanken Capital Markets AB, Research Division - Medtech Analyst*

Yes. My question is just if you could put a little bit more color on the ostomy surgery impact and you said a bit about it when you mentioned that the majority of the surgery was supposedly related to cancer. Are these truly elective? I mean, do we do an ostomy surgery on elective basis?

And then a question for both you. Your strategy of reducing up to 2% of your incremental additional sales, is that still solid? Or is it harder for you to perform these projects? Are any of these projects you may consider to continue or to delay in the later part? I'm thinking about, of course, investments in your front lines and also in the R&D area.

Kristian Villumsen - *Coloplast A/S - President & CEO*

Thank you, Annette. Good questions. OC surgeries, we regard them as nonelective, definitely. So cancer is a serious condition and therefore, you're also going to see some of these procedures continue to happen throughout this process because they simply have to.

Then on commercial investments, we're not cutting back on commercial investments. We are, though, reviewing product launches. So for example, our Biatain Fiber product that we've talked to you about in Wound Care, that launch will be delayed. We are also postponing our launch of SenSura Mio in China. But we're not cutting back on investments.

Operator

So let's try again the line of Kate Kalashnikova.

Kate Kalashnikova - *Citigroup Inc, Research Division - VP*

So this is Kate Kalashnikova from Citigroup. Excellent. Kristian, Anders, as 60% of ileostomies can be reversed, are you seeing any benefit from stoma reversals potentially being postponed, particularly as elderly and vulnerable patients with existing health conditions want to avoid going to the hospital?

And second question. As about 80% of manufacturing is in Hungary, so very concentrated footprint, what is Coloplast doing to reduce a risk of supply chain disruption? In particular, could you comment on your inventory levels in place?



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Kristian Villumsen - *Coloplast A/S - President & CEO*

Thank you, Kate. Good questions. So the dynamics of the ostomy market, it's true that temporarily, some of the reversals that might have happened, these are things that might be postponed. That will work in one direction on the -- which will help us. On the other hand, some of the procedures that would have been performed, maybe postponed a bit.

So net-net, when we add this up, we think it's going to have about a 10% reduction, like we said before, in surgeries.

The second question?

Kate Kalashnikova - *Citigroup Inc, Research Division - VP*

Yes, so second question -- sorry, the second question was manufacturing footprint.

Kristian Villumsen - *Coloplast A/S - President & CEO*

Yes, the second question to Hungary?

Kate Kalashnikova - *Citigroup Inc, Research Division - VP*

Yes.

Kristian Villumsen - *Coloplast A/S - President & CEO*

On Hungary, we have a very large number of actions in place to secure supply, from screening all employees to dividing up both the distribution centers and manufacturing sites into different zones.

We're doing a number of things around food and canteen. We are doing a number of things around transportation of employees. I feel good about the initiatives that we have down there. There's, of course, always a risk in this type of situation, but we deployed all initiatives that we can think of.

And then on the -- and then on the inventory situation. Right now, we have normal inventory levels. We also have normal output levels. So we are, at this stage, with what we're seeing and also managing the increased demand that we talked to before when consumers are anxious to get their hands on supply, we are meeting that demand. So at this stage, that does not provide additional uncertainty.

Operator

Jannick, you're next the question.

Jannick Lindegaard Denholt - *ABG Sundal Collier Holding ASA, Research Division - Research Analyst*

Jannick from ABG. Just a quick follow-up. I'm not -- not to ask you to get political by any means, but we have seen quite different ways of approaching this virus. So some of the things, you can say, the reductions of procedures and so forth, to handling across all the divisions, U.S. has been a little late potentially on going in, so one thing being urology business. Have you factored in any additional risks in the U.S., for instance, on the Chronic Care side in your numbers? Or is that -- it should be seen still? Because obviously, they've handled this virus quite differently than, for instance, they have in China. At least say something.



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Kristian Villumsen - Coloplast A/S - President & CEO

Yes, Jannick, but you still need to keep in mind that the structure of demand, also in the U.S. when it comes to the Chronic Care business, is still overwhelmingly with community patients, right? So most of the sales that we have are with existing patients.

We will see a -- we believe, a reduction in ostomy surgeries and the reduction is around 10% on a 12-month horizon, as I commented on earlier. And for the Continence Care business, we are not factoring in a material decline.

Jannick Lindegaard Denholt - ABG Sundal Collier Holding ASA, Research Division - Research Analyst

I appreciate that. It's just more, you can say, there is a lot of different approaches to this. So I appreciate the 10% reduction in OC. And with that in mind, from your angle, as you know it by now, that would also take in all the various approaches worldwide to how to handle the situation?

Kristian Villumsen - Coloplast A/S - President & CEO

Yes. I would say -- I'd say yes, and I'd say in this very difficult situation, we have actually benefited from our experience in China. China, as you all know, was massively hit and responded. And we learned a lot at the, if you will, at the tactical level on how to manage the situation, how to run the office, how to run the consumer teams and continuing to, if you will, keep the lights on throughout the process, and we're deploying all these lessons, both in Europe and the U.S.

Operator

Seeing no further question at this time, please continue.

Kristian Villumsen - Coloplast A/S - President & CEO

So thank you to all of you for your questions. Stay safe out there.

Operator

Thank you. And that does conclude our conference for today. Thank you all for participating. You may all disconnect. Stay safe, everyone. Thank you.

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