Coloplast Capital Markets Day 2020
Agenda

14:05 Sustainable growth leadership
14:40 Value creation through profitable growth
15:00 Talent, Leadership & Culture
15:10 Q&A Session
15:30 Value creation through innovation
15:40 Raising the standard of care through innovation
16:10 Q&A Session
16:30 Sustaining category leadership
16:45 Q&A Session
16:50 GOP5: Making Coloplast fit for sustainable growth
17:00 Q&A Session
17:05 Wrap-up

Kristian Villumsen
President & CEO

Anders Lonning-Skovgaard
EVP & CFO

Camilla G. Møhl
SVP People & Culture

Nicolai Buhl Andersen
EVP Innovation

Oliver Johansen
SVP Global R&D

Paul Marcun
EVP Growth

Allan Rasmussen
EVP Global Operations

Kristian Villumsen
President & CEO

Deep Dive Calls

October 7th:
Chronic Care
(China & US)
Wound & Skin Care
Interventional Urology

October 9th:
Sustainability
What we would like to share with you today

- **LEAD20** strategy successfully accelerated growth and value creation
- We are building the consumer healthcare company of the future
- Our new strategy will drive value creation through Sustainable Growth Leadership with an emphasis on innovation (Clinical Performance Programme), US and China
- We are fully committed to investing in and scaling our Interventional Urology and Wound & Skin Care businesses
- Our new strategy will be supported by key growth enablers including Efficiency, People and Sustainability
- We will actively pursue M&A opportunities to build growth options
Our Mission

Making life easier for people with intimate healthcare needs
We are building the consumer healthcare company of the future

**Macro Trends**
- Ageing population
- Healthcare consumerism
- Digital transformation
- Price pressure
- Channel consolidation

**Impact**
- Superior, clinically differentiated products
- Data and digital tools
- Consumer preference
- Clinical preference
- Payer preference

**Commercial model**
Attractive underlying market growth of 4-5% driven by demographics and Emerging markets

<table>
<thead>
<tr>
<th>Addressable market size (FY 18/19, DKK)</th>
<th>Ostomy</th>
<th>Continence</th>
<th>Interventional Urology</th>
<th>Wound Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-19bn</td>
<td>4-5%</td>
<td>5-6%</td>
<td>3-5%</td>
<td>2-4%</td>
</tr>
</tbody>
</table>

Growth in %

<table>
<thead>
<tr>
<th>Coloplast market share position</th>
<th>Ostomy</th>
<th>Continence</th>
<th>Interventional Urology</th>
<th>Wound Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>#1</td>
<td>#4</td>
<td>#5</td>
<td></td>
</tr>
</tbody>
</table>

4-5% value growth

1) Market growth rates do not include the impact of COVID-19
Our LEAD20 strategy has successfully delivered strong revenue growth, margins and cash returns.

### Revenue growth
- **Reported revenue (DKKbn)**
- **Organic growth, (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>15/16</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>14.7</td>
<td>15.5</td>
<td>16.4</td>
<td>17.9</td>
<td>~4%</td>
</tr>
<tr>
<td>4-5% market growth</td>
<td>7%</td>
<td>7%</td>
<td>8%</td>
<td>8%</td>
<td></td>
</tr>
</tbody>
</table>

### EBIT margin
- **Reported EBIT margin (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>15/16</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Margin</td>
<td>33%</td>
<td>32%</td>
<td>31%</td>
<td>31%</td>
<td>~31%</td>
</tr>
</tbody>
</table>

### Cash return
- **Dividends (DKKbn)**
- **Share buy-back**
- **Pay-out ratio (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>15/16</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends</td>
<td>3.2</td>
<td>3.4</td>
<td>3.8</td>
<td>3.9</td>
<td>4.1</td>
</tr>
<tr>
<td>Share buy-back</td>
<td>2.7</td>
<td>2.9</td>
<td>3.3</td>
<td>3.4</td>
<td>3.6</td>
</tr>
<tr>
<td>Pay-out ratio</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
</tr>
</tbody>
</table>

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*14/15, 15/16 and 18/19 is before special items
** Dividends paid out in the year are the actual cash payments of which the majority relates to dividend proposed in the previous financial year.
19/20 based on guidance.
With user needs at the centre we have launched innovative products

Ostomy Care

SenSura® Mio

Continence Care

SpeediCath®

Wound & Skin Care

Biatain® Silicone

Interventional Urology

Titan®

Altis®
But users still face challenges which is why we initiated our Clinical Performance Program

Users are challenged by skin irritation and urinary tract infections

91% of people with a stoma worry about leakage and more than 76% have experienced leakage over the last 6 months.¹

Intermittent catheter users have 2.7 urinary tract infections on average per year.²

We have made progress on key technologies and run clinical studies

(1) Claessens et al., 2015. The Ostomy Life Study: The everyday challenges faced by people living with a stoma in a snapshot, Gastrointestinal Nursing, 13, 18-25.
(2) Coloplast Intermittent Catheter User Study 2016, (data on file).
We have built a model that reaches users at scale

Coloplast Care & DtC presence

Over 30 countries with a consumer setup

3 million calls with customers a year

1.8 million consumers in our database

Direct in 5 largest markets

~30% MS

~15% MS

~10% MS

~70%

~5% MS
LEAD20 was backed by accelerated investments to fuel growth & sustain long-term competitive advantage

Up to 2% of sales invested annually across …

... functions
(15/16-18/19, DKKm)

- R&D
- Other (IT etc.)
- Sales and marketing

... geographies
(15/16-18/19, DKKm)

- Europe
- Other developed markets
- Emerging markets
- Other (R&D and IT etc.)

... and time horizons

- Short term
- Medium term
- Long term
In summary, we have delivered on our LEAD20 strategy with significant achievements...but there is still more to do

- We have launched a number of successful products but we need to deliver the clinical performance program and build more options into the pipeline.

- EU is a stronghold and we continue to see pockets of growth opportunities.

- US has seen good growth on the back of investments – but we remain the challenger.

- China has been a core growth driver – and we will build on our market leading position.

- Wound & Skin Care performance has improved but we need to drive profitability.

- Interventional Urology has delivered solid growth but needs a revitalized pipeline.

- GOP4 has been delivered – GOP5 will focus on automation.
We will now introduce the new Coloplast Corporate Strategy

Strive 25
Our new strategy will drive continued long-term value creation through revenue and earnings growth

1) Constant currencies, based on FX rate as of September 29, 2020
To deliver on Strive25 we have set ourselves up differently

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Innovation: We will enable growth and deliver superior products

Deliver on the Clinical Performance Program in Chronic Care

Continue to deliver new products within existing technologies

Build more options into the pipeline
All our business areas will contribute to growth

Main strategic themes

**Chronic Care**
- Innovation
- China – Build on Market Leading Position
- US - Challenger to Leader
- Market development

**Wound & Skin Care**
- 3DFit Technology
- Scale our Chinese and US businesses
- Drive profitability

**Interventional Urology**
- Innovation
- Geographical expansion
- Enter adjacent categories through M&A

All our business areas will contribute to growth
Supported by growth enablers

Main strategic themes

**Efficiency**
- Global Operations Plan 5
- Business support

**Talent, Leadership & Culture**
- Growth leadership
- Inclusion and Diversity
- Simplicity

**Sustainability**
- Products and packaging
- Reduce emissions
- Responsible operations
Supporting sustainable development with a strong emphasis on improving our environmental performance

Our mission
Making life easier for people with intimate healthcare needs

Our 2025 priority
Reducing emissions
0 emissions from scope 1&2
100% renewable energy

Our 2025 priority
Improving products and packaging
80% packaging made from renewable materials
50% production waste recycled

Our on-going commitment
Responsible operations
Strive25 will commit up to 2% of sales annually in incremental innovation and commercial initiatives

Key strategic initiatives

- Innovation
- Chronic Care
- Interventional Urology
- Consumer & Digital
- Sustainability

Geographical focus areas

- US
- China

Emerging markets
We will actively pursue M&A opportunities as a lever for long-term growth

Opportunity based → Systematic screening

Large plays → Channel expansion → Portfolio expansion & adjacencies → Early stage technologies
In summary, Coloplast has delivered a strong growth track record and is well positioned for future value creation.
Short term we have been negatively impacted by Covid19 but we will leverage learnings going forward

**Short term implications**

- Lower group growth due to cancellation of elective procedures
- Largest uncertainty related to rebound in Interventional Urology and UK situation
- Sales reps unable to connect with customers in person
- Challenges in conducting clinical trials

*Prudent cost management throughout crisis to protect earnings*

**Long term opportunities**

1. Clinically differentiated products that reduce total cost for payers
2. Leveraging digital solutions to connect with consumers and healthcare professionals
3. Home delivery and consumer channel increasingly attractive
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