



# Leading intimate healthcare

Conference Call presentation – 9M 2010/11

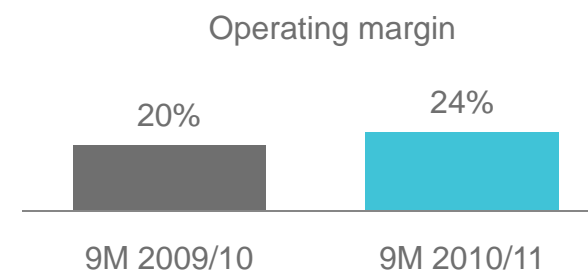
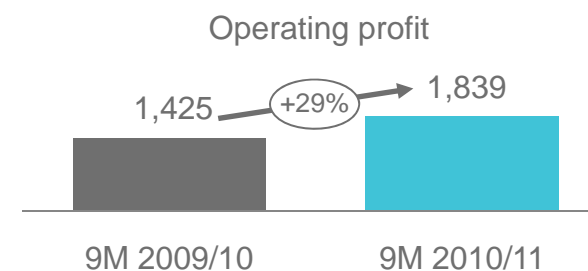
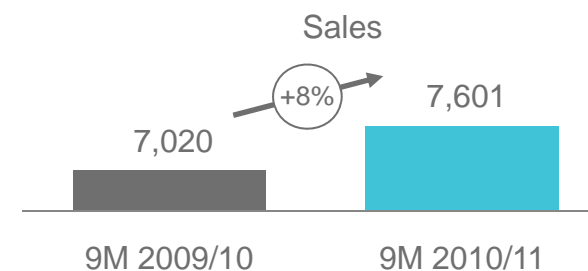
## Forward-looking statements

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.

## Key messages

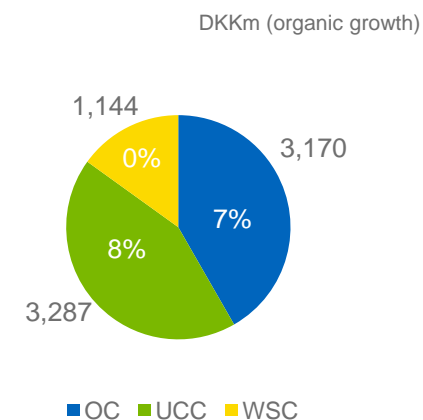
- 6% organic sales growth in line with guidance. Reported growth was 8%
- Continued gross margin improvement from 61% to 64% from higher efficiency in production
- Very satisfactory EBIT margin of 24%
- Full year guidance for 2010/11:
  - Organic growth rate around 6% (~7% in DKK)
  - EBIT margin in fixed currencies and DKK of 24% - 25%



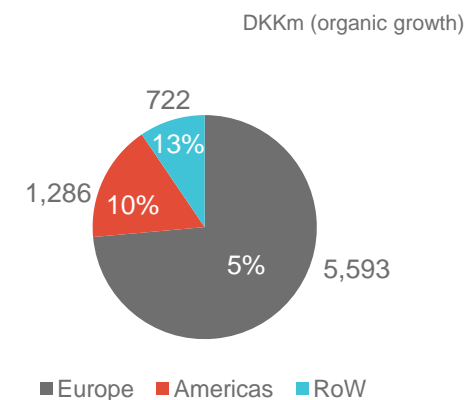
## 6% organic sales growth

- In DKK, revenues were up by 8% to DKK 7.6bn, and organic growth was 6%
- Satisfying Ostomy Care organic growth of 7% continues to be driven by Emerging Markets and UK. SenSura® remained the strongest growth driver
- Urology and Continence Care organic growth of 8%. Intermittent catheters growth trend recovered in Q3, while the declining growth trend increased in surgical urology
- Wound and Skin Care sales were at the same level as last year – excluding contract manufacturing and Skin Care the growth was negative 2%. Continued challenging European markets

### Sales by business area



### Sales by region



## 9M result confirms strong financial performance record

- Improved production economy continues to drive gross margin improvements
- SGA to sales remains stable despite increased investments in sales activities
- EBIT margin up 4% points to 24%
- Working capital negatively impacted mainly by increase in trade receivables in southern Europe
- Capex-to-sales remains low due to continued discipline on investments
- ROIC after tax at 28%, up 6% points from last year
- Free cash flow amounted to DKK 869m, compared to DKK 957m last year

|                | 9M 2010/11 | 9M 2009/10 |
|----------------|------------|------------|
| Gross profit   | 4,860      | 4,263      |
| Gross margin   | 64%        | 61%        |
| SGA to sales   | 36%        | 35%        |
| EBIT margin    | 24%        | 20%        |
| NIBD/EBITDA    | 0.5        | 0.9        |
| NWC-to-sales   | 25%        | 23%        |
| CAPEX          | 194        | 223        |
| CAPEX-to-sales | 3%         | 3%         |
| ROIC after tax | 28%        | 22%        |
| Free cash flow | 869        | 957        |

## Guidance for 2010/11 confirms current trends, long-term ambition confirms completion of turn-around

|              | Guidance 10/11 | Guidance 10/11 (DKK) | Long-term ambition   |
|--------------|----------------|----------------------|--|
| Sales growth | ~6 % (organic) | ~7%                  | Market+  |
| EBIT margin  | 24-25%(fixed)  | 24-25%               | Deliver margins in line with the best performing medical device companies *) |
| CAPEX (DKKm) |                | ~300                 | 4-5% of sales  |
| Tax rate     |                | ~26%                 | -  |

\*) The peer group includes the following listed companies: Medtronic Inc., Baxter International Inc., Covidien PLC, Stryker Corp., St. Jude Medical Inc., Boston Scientific Corp., Sonova Holding AG, Smith & Nephew PLC, CR Bard Inc., Getinge AB, WDH A/S, American Medical Systems Inc.



Ostomy Care  
Urology & Continence Care  
Wound & Skin Care

