



# Value creation through profitable growth

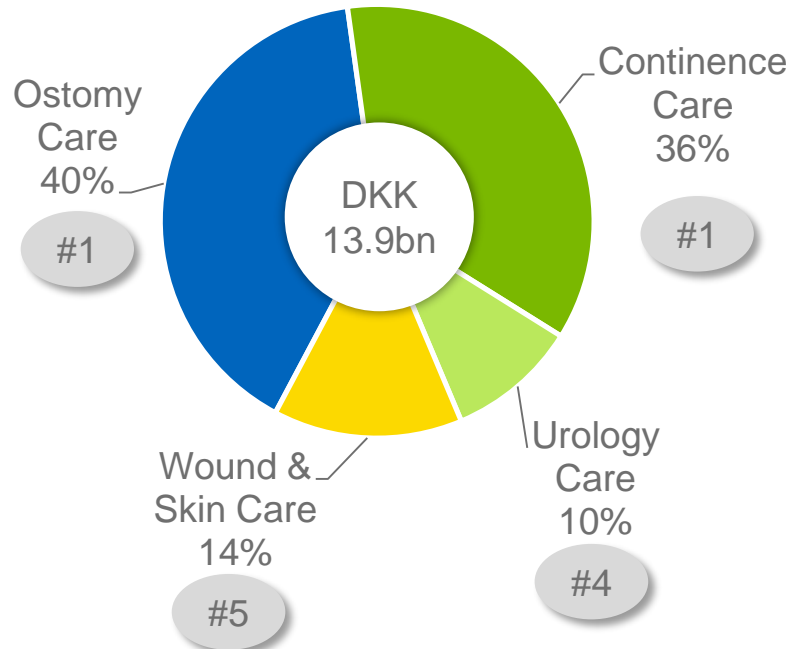
Barclays Global Healthcare Conference, Miami 2016

Anders Lonning-Skovgaard, CFO

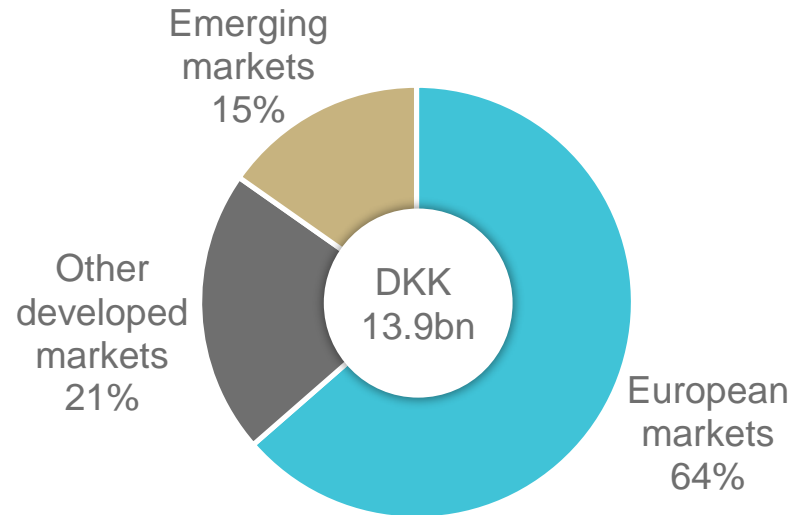
# Coloplast has four business areas all with global sales presence

Group revenue FY 2014/15 by segment

x = Coloplast's global market position



Group revenue FY 2014/15 by geography



# Coloplast specializes in intimate healthcare needs

## Who are our typical users

### Ostomy Care

People who have had their intestine redirected to an opening in the abdominal wall

### Continence Care

People in need of bladder or bowel management

### Urology Care

People with dysfunctional urinary and reproductive systems

### Wound Care

People with difficult-to-heal wounds

## How do we help them?

**SenSura®** Mio  
Ostomy bag



**SpeediCath®**  
Compact male  
urinary catheter



**Titan®** OTR  
Penile implant



**Biatain®** Silicone  
Foam wound  
dressing



# Intimate health care is characterized by **stable trends**

## Demographics

Growing elderly population increases customer base for Coloplast products

## Emerging markets

Expanding healthcare coverage for populations in emerging markets increases addressable market

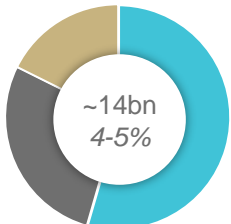
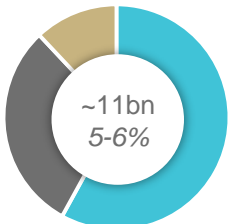
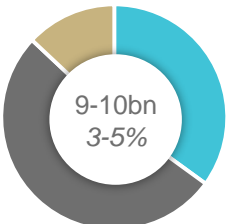
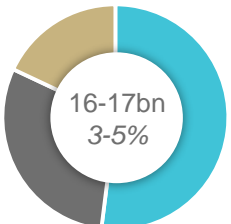




## Surgical and medical trends

Earlier detection and cure, eventually reduces addressable market for Coloplast treatment products

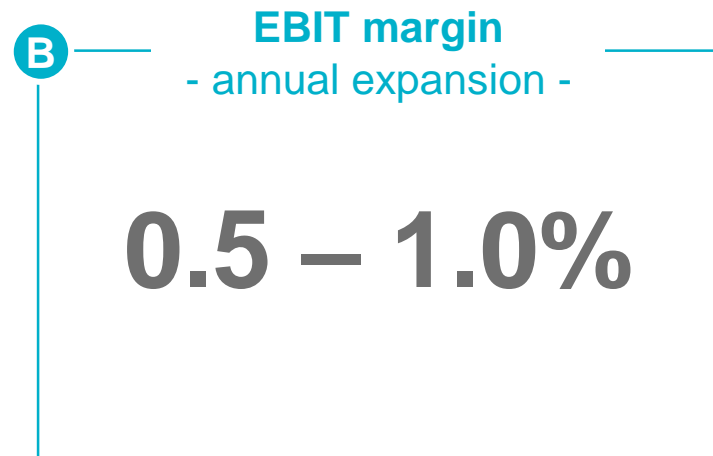
## Healthcare reforms

Economic restraints drive reimbursement reforms, introduction of tenders, and lower treatment cost

# Coloplast has strong market positions in Europe and great commercial potential outside Europe

	Ostomy	Continenence	Urology	Wound Care
<p>■ Europe ■ Developed ■ Emerging</p> <p>Addressable market</p> <p>Size in DKK Growth in %</p>	 <p>~14bn 4-5%</p>	 <p>~11bn 5-6%</p>	 <p>9-10bn 3-5%</p>	 <p>16-17bn 3-5%</p>
Coloplast regional market shares	<p>40 - 50% 15 - 25% 35 - 45%</p>	<p>45 - 55% 20 - 30% 20 - 30%</p>	<p>10 - 20% 5 - 15% 5 - 15%</p>	<p>5 - 15% 0 - 10% 10 - 20%</p>
Coloplast total market share	35-40%	~40%	10-15%	5-10%
Key competitors				
Key drivers and limiters	<ul style="list-style-type: none"> <li>• Ageing population</li> <li>• Increasing access to healthcare</li> <li>• Health care reforms</li> <li>• Re-use of products outside Europe</li> </ul>	<ul style="list-style-type: none"> <li>• Ageing population</li> <li>• IC penetration potential</li> <li>• Up-selling</li> <li>• Health care reforms</li> <li>• Commoditization</li> </ul>	<ul style="list-style-type: none"> <li>• Ageing, obesity</li> <li>• Underpenetration</li> <li>• Cost consciousness</li> <li>• Clinical requirements</li> <li>• Less invasive/office procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Ageing, obesity, diabetes</li> <li>• New technologies</li> <li>• Healthcare reforms</li> <li>• Competition</li> <li>• Community treatment</li> </ul>

# We have an ambitious long term guidance



# Our strategy remains centred on value creation through **profitable organic growth**

## How we compete...

- 1 Develop and market the world's **best products**
- 2 Interact and build **consumers relations**
- 3 Invest in **sales pressure**
- 4 Secure an **efficient setup**

## ...Where we compete

- 5 Untapped potential in **Europe**
- 6 Increased momentum in **Other Developed Markets** – incl. breakthrough in US
- 7 Expansion in **Emerging Markets** – incl. leadership in selected countries
- 8 **Wound Care** leadership in key Emerging Markets and pockets of growth in mature markets
- 9 Global potential in **Urology Care**

# Key Value Driver #1: Many global growth opportunities with **significant longer term potential**

Increase market share in

- USA
- Canada
- Japan
- Australia

Develop growth platform e.g. in

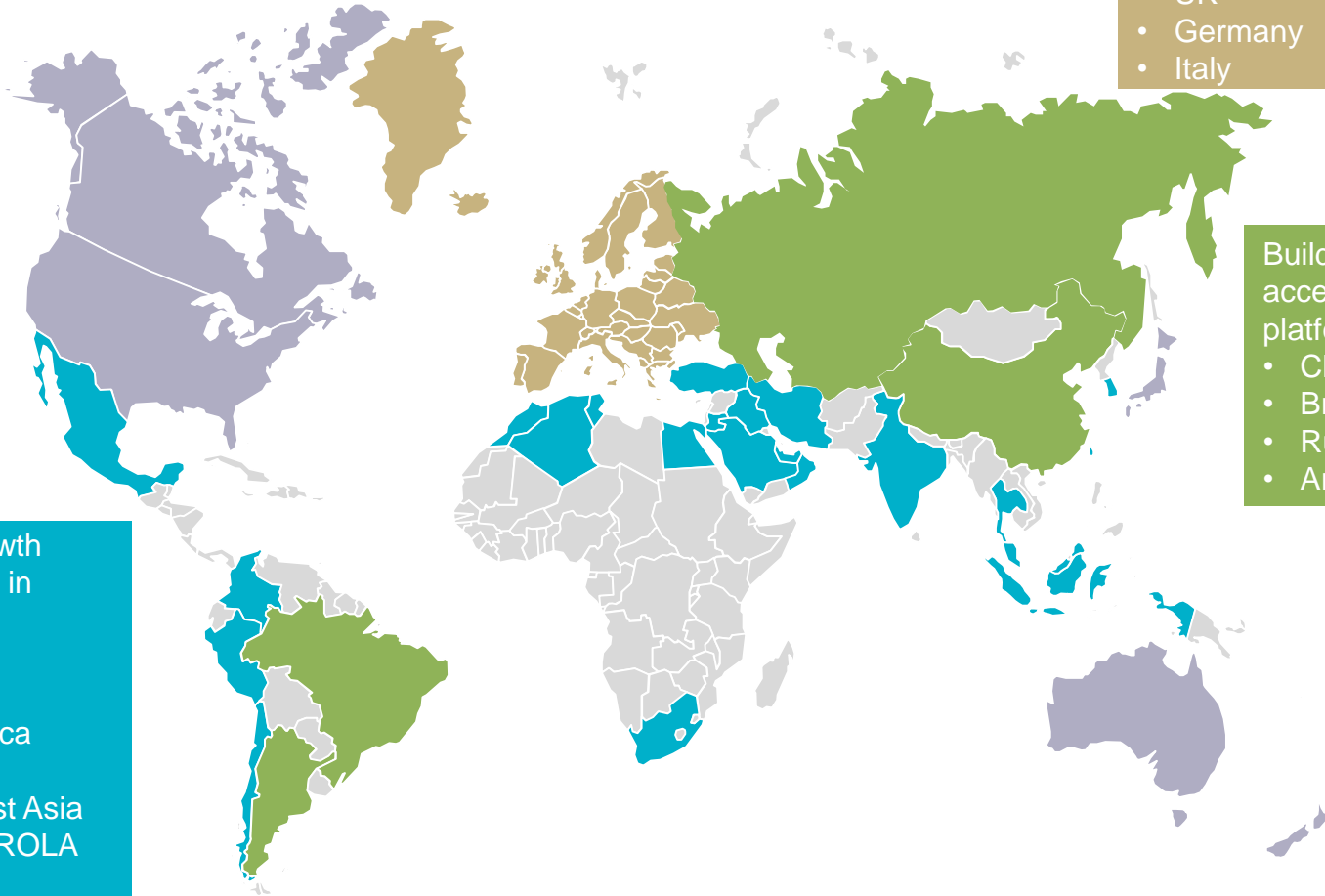
- MENA
- Mexico
- India
- South Africa
- Turkey
- South East Asia
- Selected ROLA markets

Untapped pockets of growth in Europe e.g. in

- UK
- Germany
- Italy

Build on and accelerate growth platform e.g. in

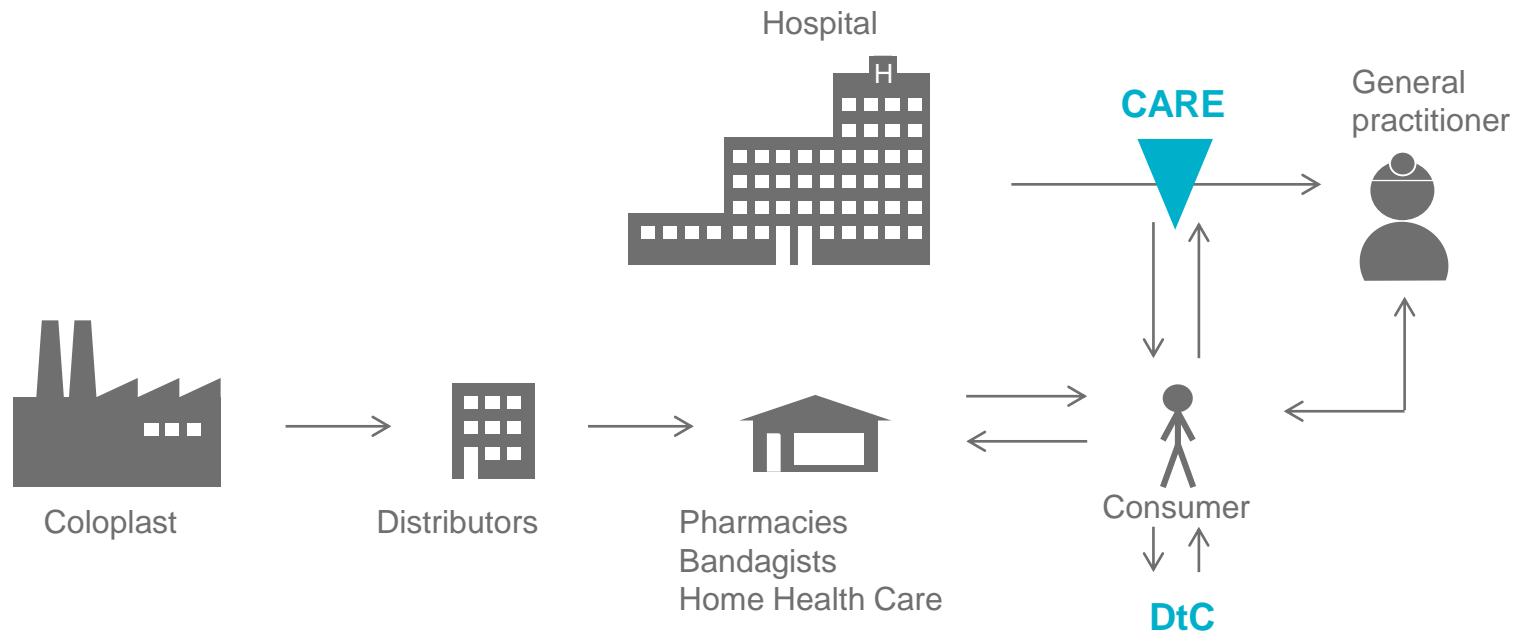
- China
- Brazil
- Russia
- Argentina



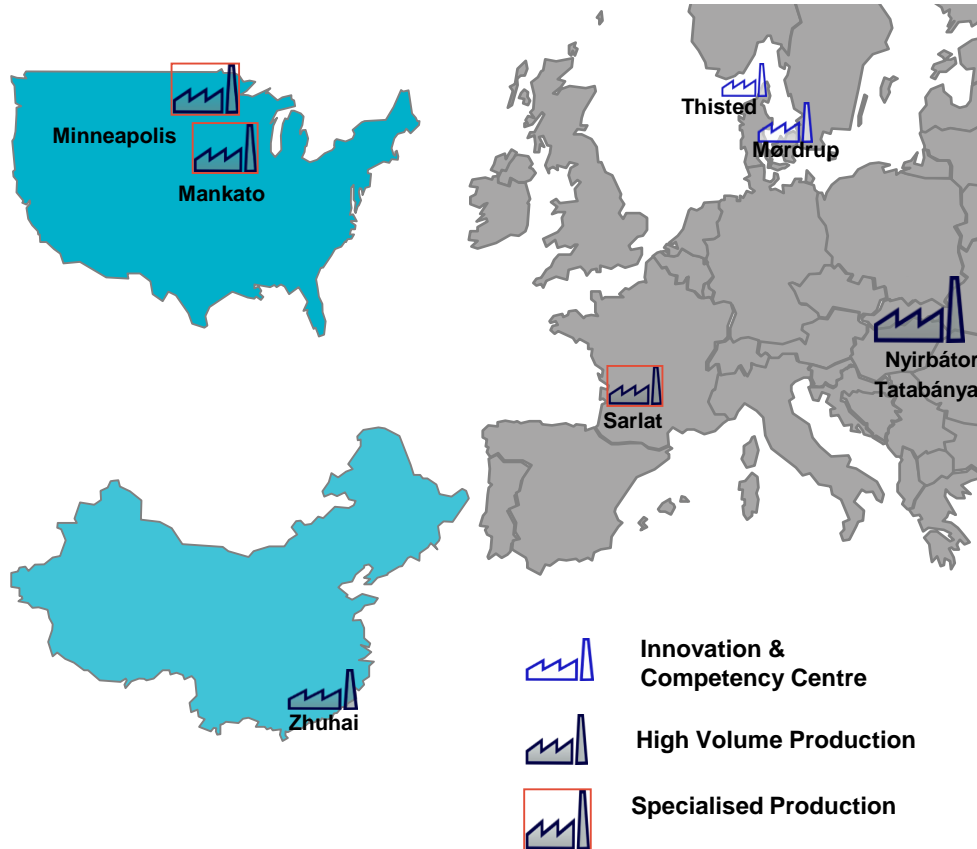


## Key Value Driver #2:

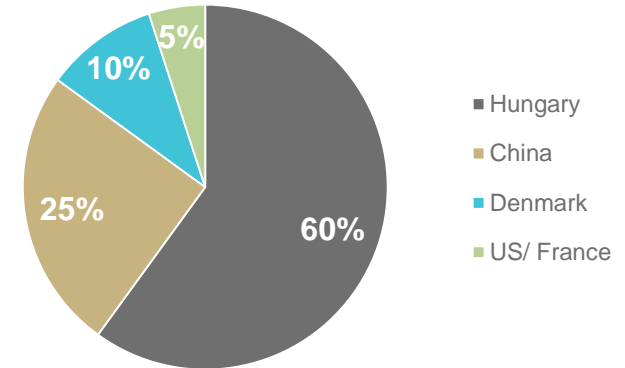
We continue to invest in **Consumer Care** activities to increase our interactions with the users of our products



# Key Value Driver #3: We see **more potential** for efficiency improvements in our production

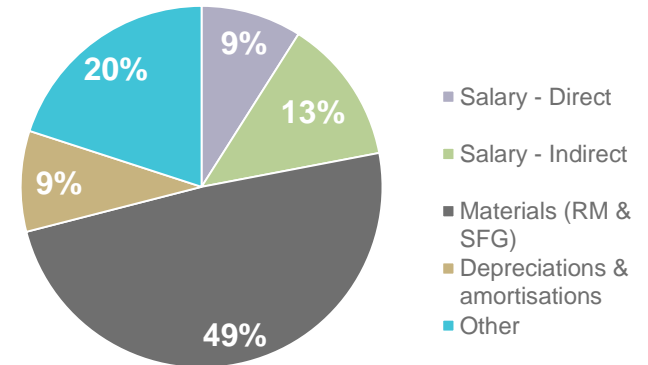


Production by country\*



\*Average usage of raw material (RM) and semi finished goods (SFG)

COGS by cost type\*



\*FY 2014/15 Cost of goods sold, DKK 4,376 million

# Key Value Driver #4:

And we believe we can continue to drive **economies of scale** in our cost functions

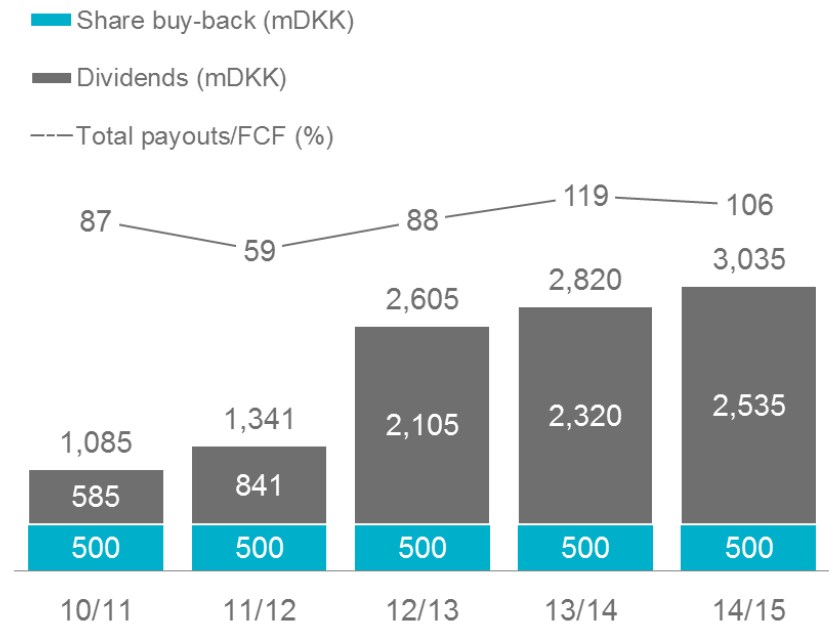
Cost item As reported	Development Percentage of revenue	Outlook <b>Scalability</b> potential	Outlook <b>Investments</b> requirements
<b>COGS</b>	<p>38.7 09/10</p> <p>31.5 14/15</p>	<b>High</b>	<b>Medium</b>
<b>Distribution</b>	<p>29.5 09/10</p> <p>28.5 14/15</p>	<b>Medium</b>	<b>High</b>
<b>Admin</b>	<p>5.8 09/10</p> <p>4.3 14/15</p>	<b>High</b>	<b>Low</b>
<b>R&amp;D</b>	<p>4.3 09/10</p> <p>3.2 14/15</p>	<b>Medium</b>	<b>Medium</b>

# Focus on organic value creation provides for high cash returns and continued share buy-backs

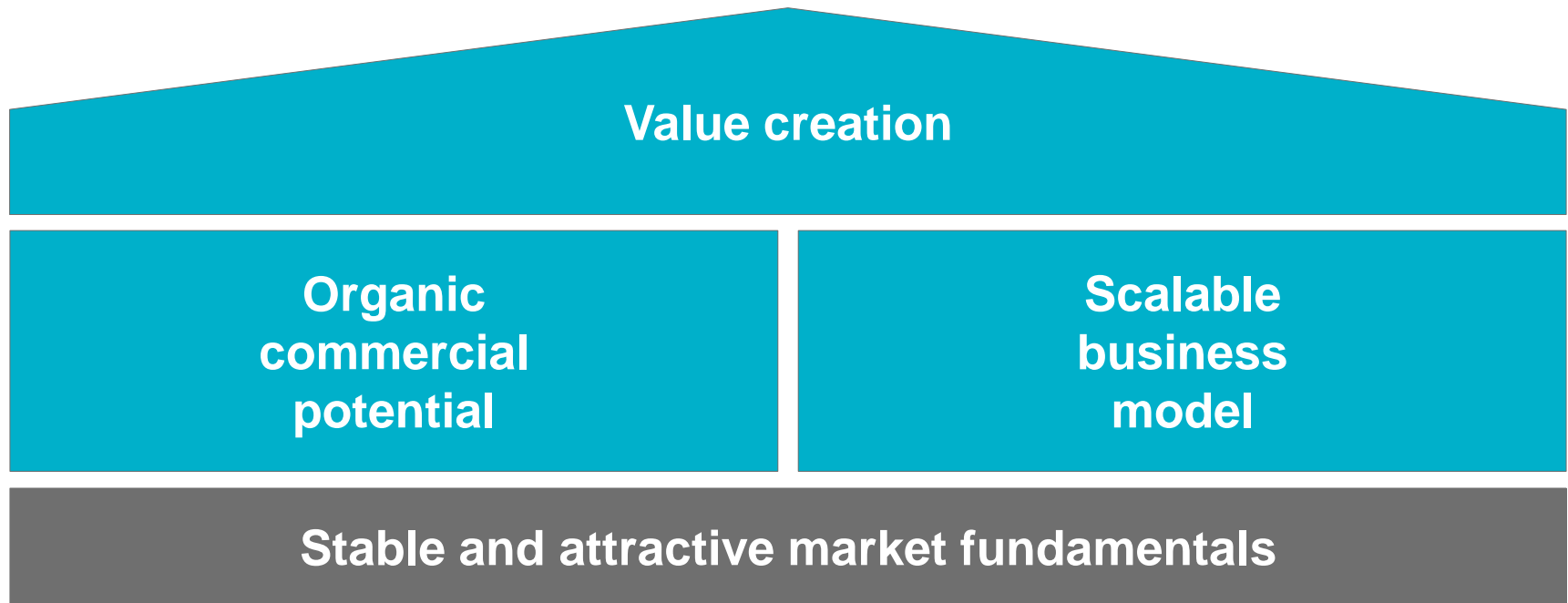
## Comments

- Coloplast returns excess liquidity to shareholders in the form of dividends and share buy-backs
- Dividend is paid twice a year – after the half-year and full-year financial reporting
- Payout ratio before special items in 2014/15 of 82% (77% in 2013/14)

## Performance



To summarize, Coloplast offers an attractive investment case with continued value creation through profitable growth



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