

# *Sustainable growth leadership*

Post-CMD virtual roadshow for Asia-Pacific-based  
investors hosted by BofA Securities

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Coloplast Group - Ostomy Care / Continence Care / Wound & Skin Care / Interventional Urology

Making life easier



Stina

# Key takeaways from our CMD



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



# We are building the consumer healthcare company of the future

## Macro Trends



Ageing population



Healthcare consumerism



Digital transformation



Price pressure



Channel consolidation

## Impact



## Commercial model



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



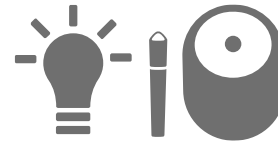
1) Constant currencies, based on FX rate as of September 29, 2020



# 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

# 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

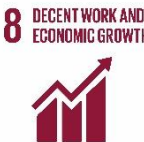
**Improving products and packaging**



80% packaging made from renewable materials  
50% production waste recycled

Our on-going commitment

**Responsible operations**

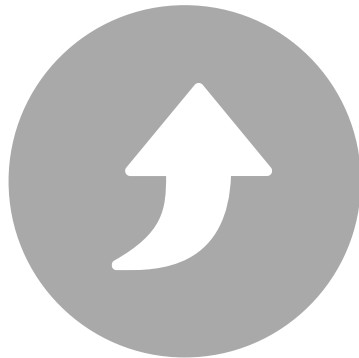


# We will actively pursue M&A opportunities as a lever for long-term growth

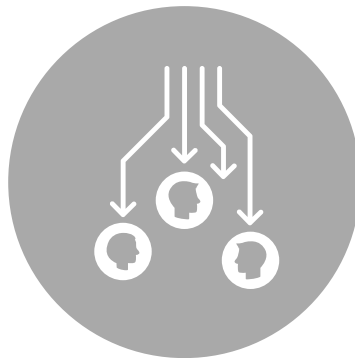
*Opportunity based*



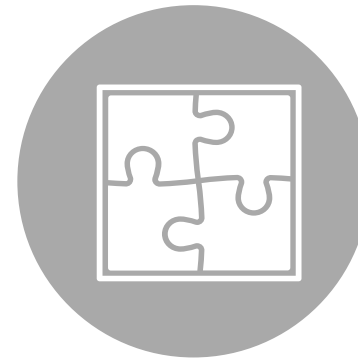
*Systematic screening*



*Large plays*



*Channel  
expansion*



*Portfolio expansion  
& adjacencies*



*Early stage  
technologies*

# Short term we have been negatively impacted by COVID-19 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

*Three key priorities: keeping our people safe, continuing to serve our customers and maintaining business operations*

*Prudent cost management*

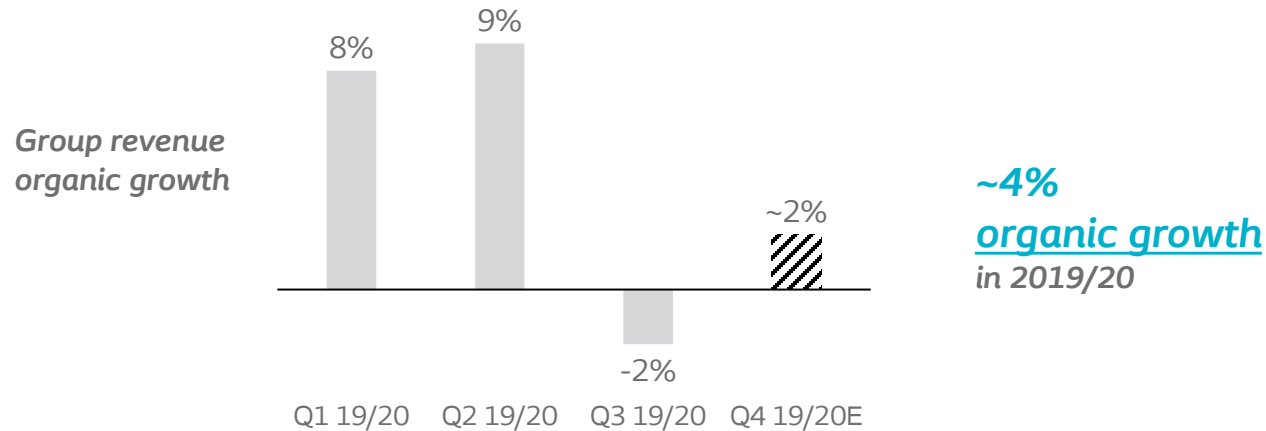


## Long term opportunities

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

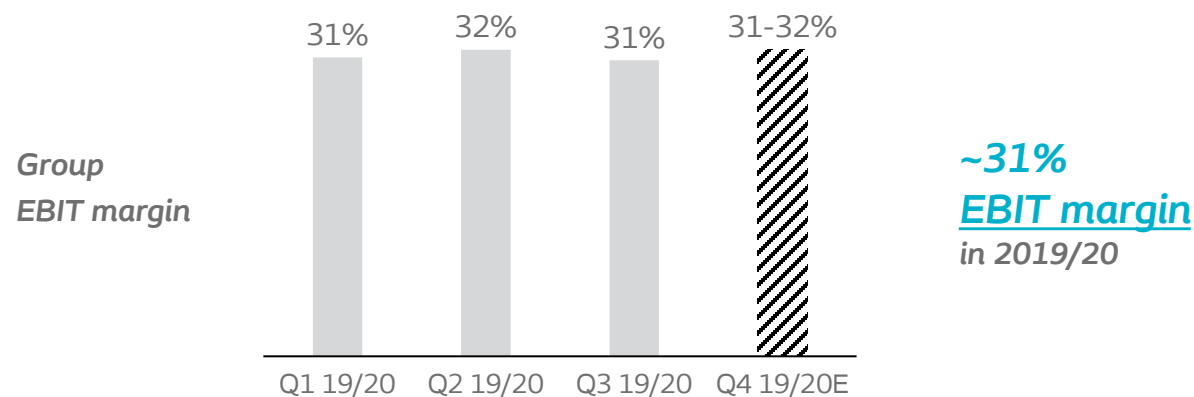
# 2019/20 impacted by COVID-19 – Momentum is improving, but growth in 2020/21 will be back-end loaded

2019/20 was impacted due to COVID-19



... with many moving parts impacting 2020/21

- Interventional Urology positively impacted by comparison period in 2019/20
- Uncertainty around growth in new patients across Chronic Care in UK and other markets in particular in Europe
- Uncertainty around resumption of hospital activity impacting Wound and Skin Care
- No current knowledge of significant healthcare reform vs. French reform in 2019/20

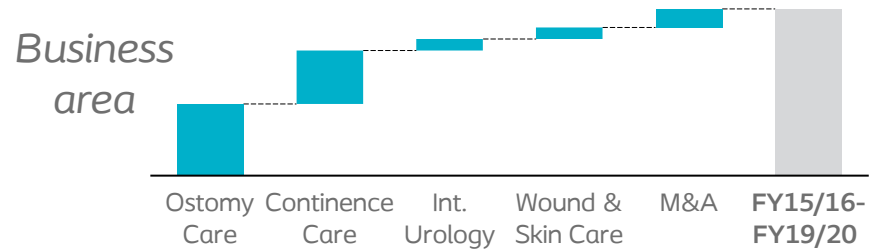


- H1 margin will be impacted by lower sales
- Investments initiated again across all BA's and we will invest up to 2% of revenues in R&D and commercial investments
- Continued savings due to less travel and lower sales & marketing costs due to Covid-19

# Investments have fueled broad-based growth in the LEAD20 period which is also the ambition for the Strive25 period

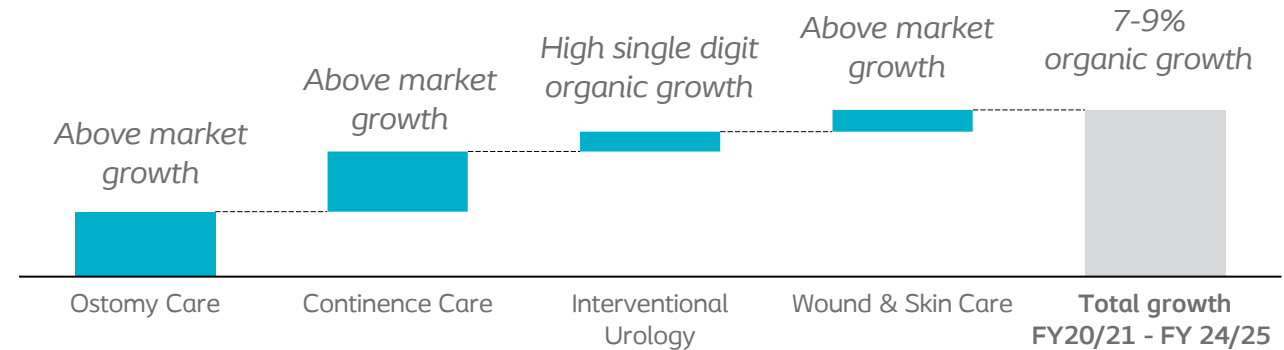
## Growth contribution LEAD20 period

Revenue growth contribution FY 15/16 to 19/20 (DKKkm)



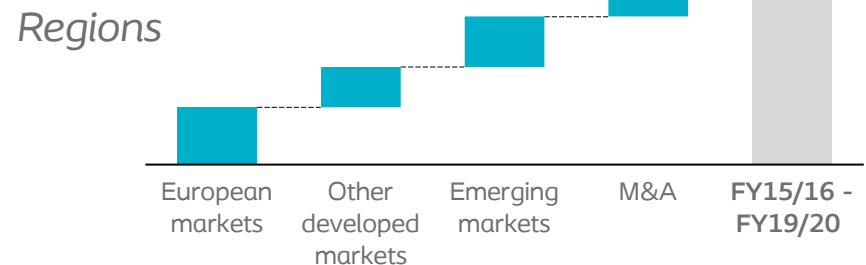
## Illustrative growth contribution Strive25 period

Revenue growth contribution FY 20/21 to 24/25 (DKKkm)



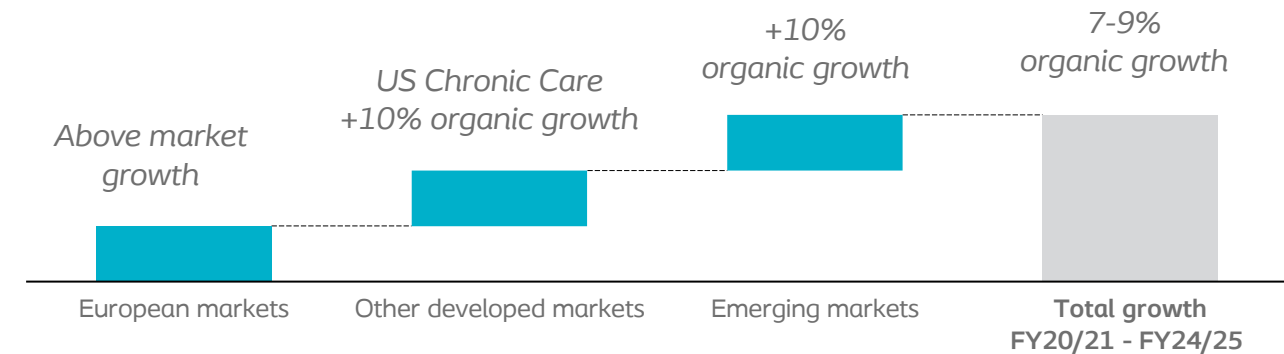
## Growth contribution LEAD20 period

Organic growth contribution FY 15/16 to 24/25 (DKKkm)



## Illustrative growth contribution Strive25 period

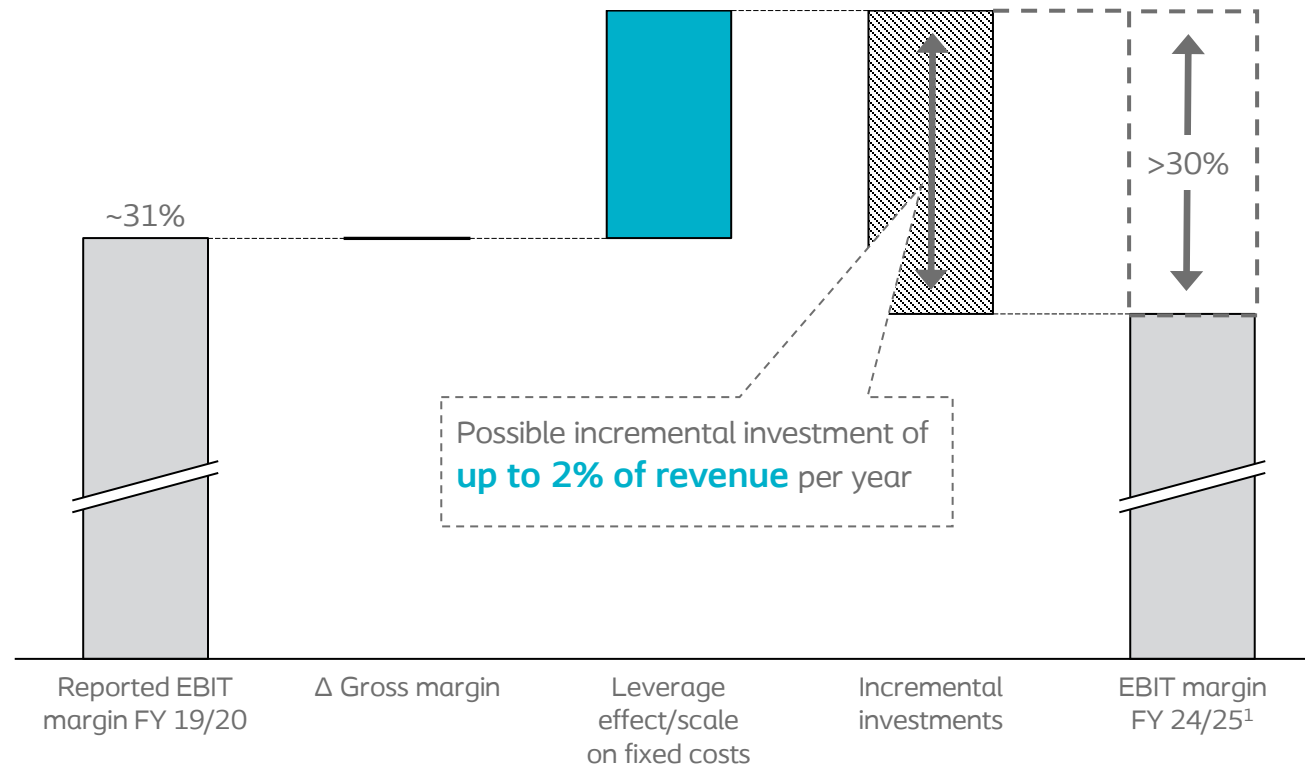
Revenue growth contribution FY 20/21 to 24/25 (DKKkm)



# EBIT margin development continues to be a function of growth, scalability, cost discipline and investment activity

EBIT margin (%)

ILLUSTRATIVE



Future drivers of EBIT margin

EBIT will be positively impacted by:

- + Leverage effect on fixed costs e.g. distribution, admin and R&D costs especially driven by Europe

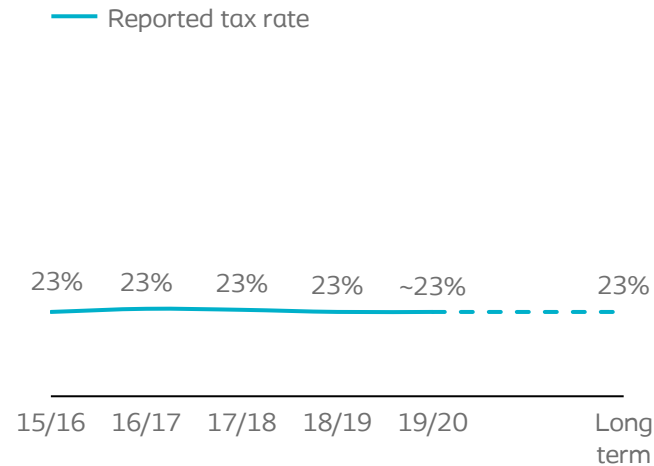
EBIT will be negatively impacted by:

- ÷ Investments in P/L (Commercial & R&D)

1) Constant exchange rates

# Continued strong development in free cash flow during the *Strive25* strategy period

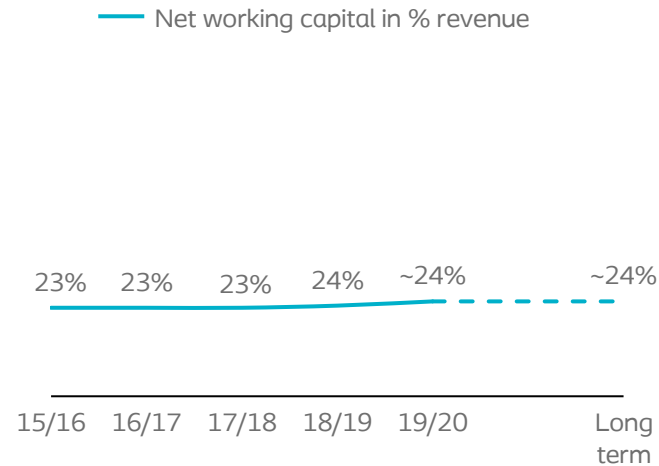
## Taxation



- DK statutory corporate tax rate lowered to 22% in 2016
- Coloplast tax rate expected to be ~23% going forward

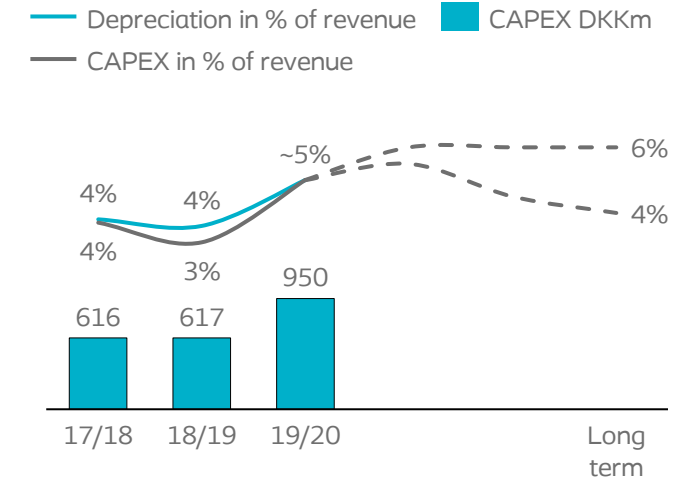
1) Impacted by provision for Mesh litigation  
2) Gross investments in PPE

## Net working capital



- Net working capital expected to be stable, impacted by:
  - Growth in mature markets
  - Growth in Emerging markets which have long credit times
  - Increasing inventory levels on strategic products and raw materials

## CAPEX<sup>(2)</sup>



- Continued investment in machines and capacity expansion
- Widen factory footprint – 2 factories planned in Costa Rica
- GOP5 investments – focus on Automation
- IT investments
- Sustainability investments

# Our long-term guidance for the *Strive25* strategy period is aimed at continued long-term value creation



1) Constant currencies, based on FX rate as of September 29, 2020

## 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