Welcome to

# Coloplast's

Virtual Capital Markets Day September 29<sup>th</sup> 2020



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

Making life easier

**Group Strategy** 

Sustainable growth leadership

Coloplast Capital Markets Day 2020 September 29<sup>th</sup> 2020 Kristian Villumsen, President & CEO

Coloplast A/S - Ostomy Care / Continence Care / Wound & Skin Care / Urology Care



### Coloplast Capital Markets Day 2020 Agenda

14:05	Sustainable growth leadership	<b>Kristian Villumsen</b> President & CEO	
14:40	Value creation through profitable growth	Anders Lonning-Skovgaard EVP & CFO	
15:00	Talent, Leadership & Culture	<b>Camilla G. Møhl</b> SVP People & Culture	
15:10	Q&A Session		
15:30	Value creation through innovation	<b>Nicolai Buhl Andersen</b> EVP Innovation	
15:40	Raising the standard of care through innovation	<b>Oliver Johansen</b> SVP Global R&D	
16:10	Q&A Session		
16:30	Sustaining category leadership	Paul Marcun EVP Growth	
16:45	Q&A Session		
16:50	GOP5: Making Coloplast fit for sustainable growth	<b>Allan Rasmussen</b> EVP Global Operations	
17:00	Q&A Session		
17:05	Wrap-up	<b>Kristian Villumsen</b> President & CEO	

Deep Dive Calls

October 7th:

Chronic Care (China & US)

Wound & Skin Care

Interventional Urology

October 9<sup>th</sup>:

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



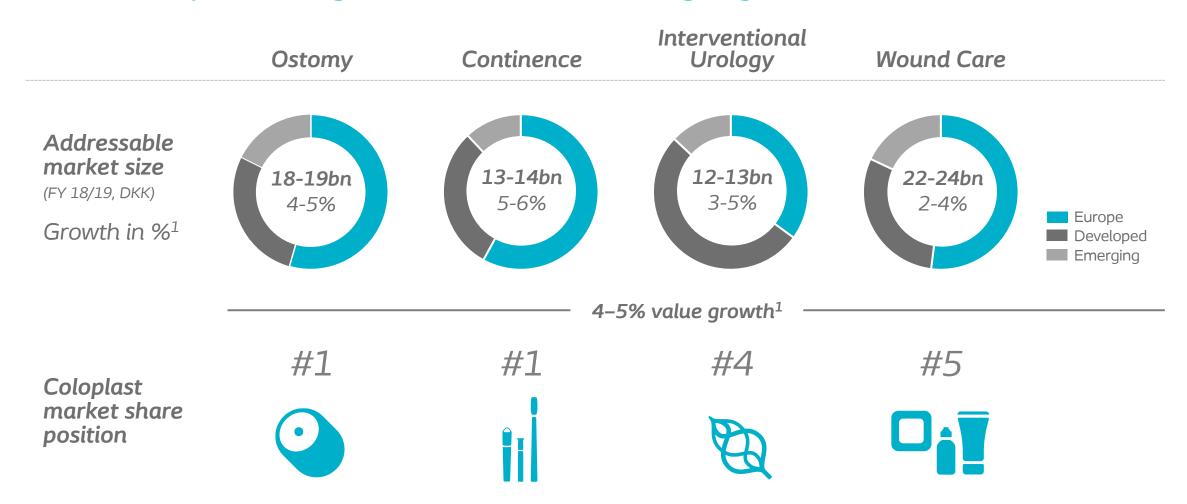


### We are building the consumer healthcare company of the future

**Macro Trends Impact** Commercial model Ageing population Superior, clinically differentiated products Healthcare consumerism Digital transformation Consumer Data and Clinical preference digital tools preference Price pressure Payer preference Channel consolidation



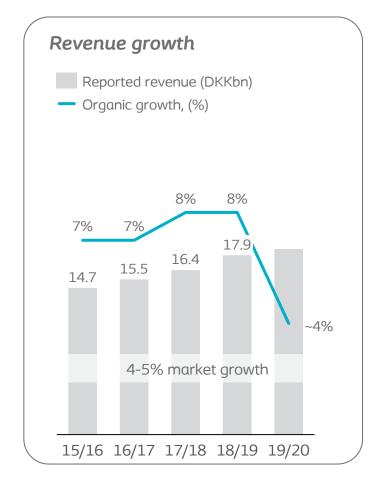
### Attractive underlying market growth of 4-5% driven by demographics and Emerging markets

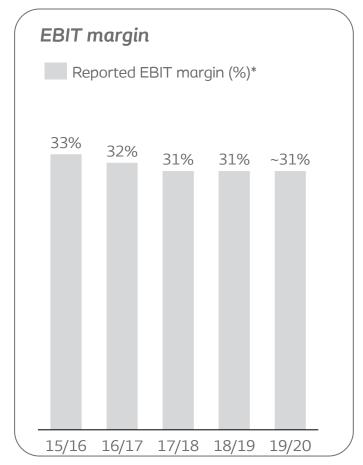


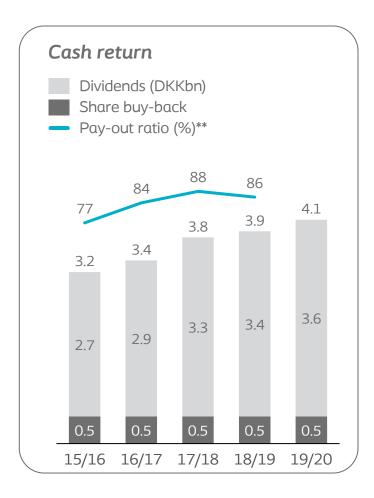
<sup>1)</sup> Market growth rates do not include the impact of COVID-19



### Our LEAD20 strategy has successfully delivered strong revenue growth, margins and cash returns







19/20 based on guidance



<sup>\*14/15, 15/16</sup> and 18/19 is before special items

 $<sup>** \ \, \</sup>text{Dividends paid out in the year are the actual cash payments of which the majority relates to dividend proposed in the previous financial year.}$ 

### With user needs at the centre we have launched innovative products

Ostomy Care

SenSura<sup>®</sup>Mio





Continence Care

**SpeediCath®** 



Wound & Skin Care

**Biatain**<sup>®</sup> Silicone





Interventional Urology

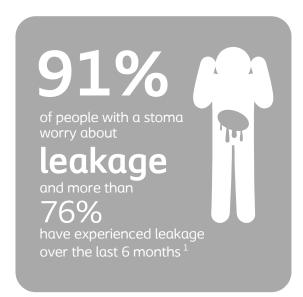
**Titan**®

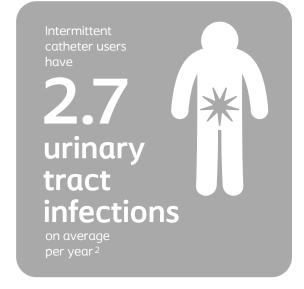
**Altis**®



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

Users are challenged by skin irritation and urinary tract infections





We have made progress on key technologies and run clinical studies

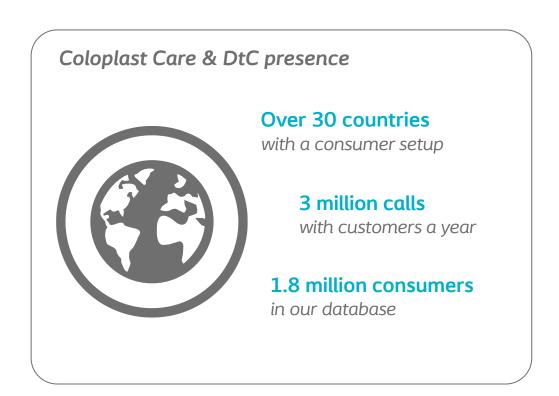


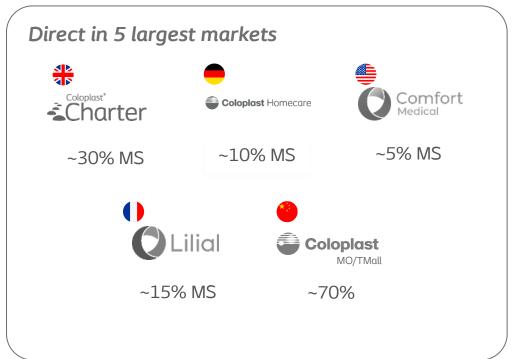


<sup>(1)</sup> Claessens et al., 2015. The Ostomy Life Study: The everyday challenges faced by people living with a stoma in a snapshot, Gastrointestinal Nursing, 13, 18-25.

<sup>(2)</sup> Coloplast Intermittent Catheter User Study 2016, (data on file).

#### We have built a model that reaches users at scale

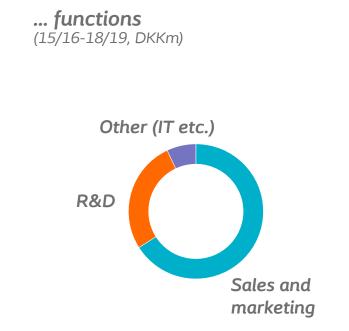


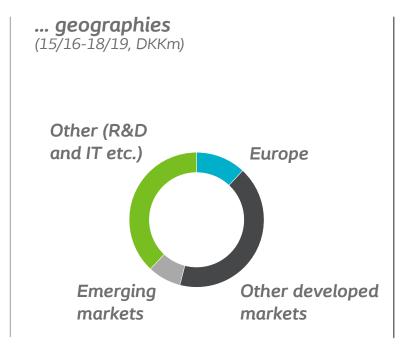


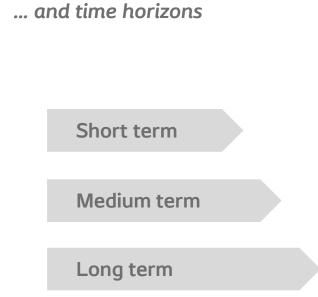


# LEAD20 was backed by accelerated investments to fuel growth & sustain long-term competitive advantage

Up to 2% of sales invested annually across ...









### 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

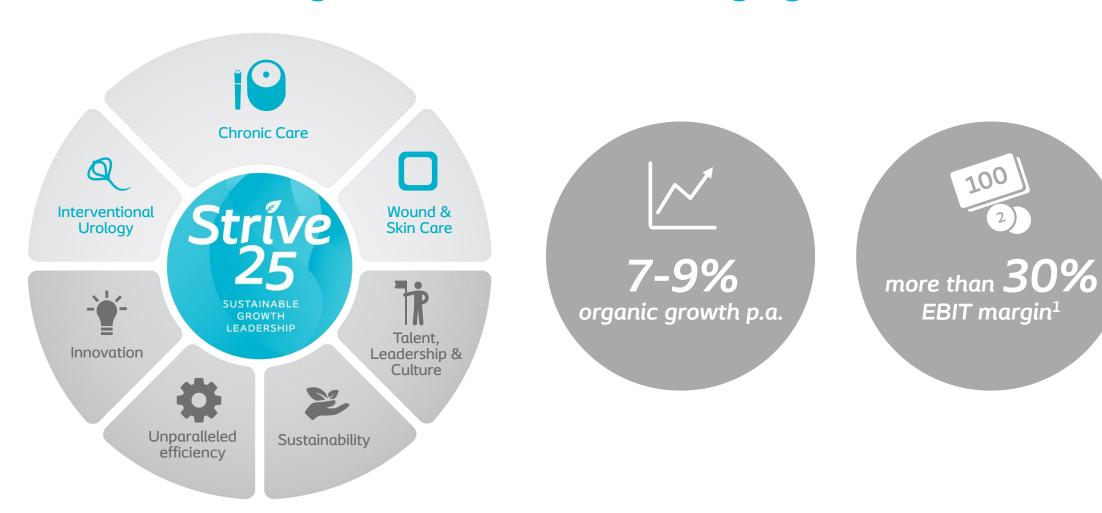


GOP4 has been delivered – GOP5 will focus on automation





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



<sup>1)</sup> Constant currencies, based on FX rate as of September 29, 2020



#### To deliver on Strive25 we have set ourselves up differently



Kristian Villumsen
President & CEO



Nicolai Buhl Andersen
EVP Innovation



Anders Lonning-Skovgaard EVP & CFO



Paul Marcun EVP Growth



**Allan Rasmussen**EVP Global Operations



Camilla G. Møhl SVP People & Culture





### 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



Chronic Care



Wound & Skin Care



#### Main strategic themes

- Innovation
- China Build on Market Leading Position
- US Challenger to Leader
- Market development
- 3DFit Technology
- Scale our Chinese and US businesses
- Drive profitability
- Innovation
- Geographical expansion
- Enter adjacent categories through M&A





#### Supported by growth enablers



Efficiency



- Global Operations Plan 5
- Business support



Talent, Leadership & Culture

- Growth leadership
- Simplicity
- Inclusion and Diversity



- 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

















### Strive 25 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

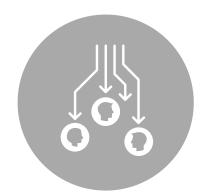




### We will actively pursue M&A opportunities as a lever for long-term growth

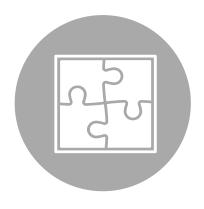
Opportunity based

Large plays









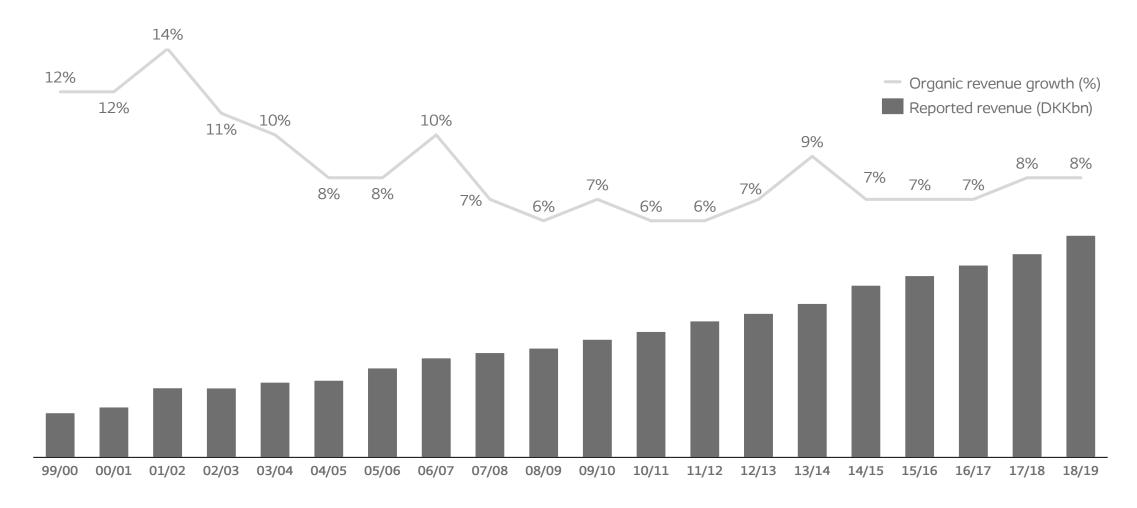
Portfolio expansion & adjacencies



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

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



Financial outlook Value creation through profitable growth

Coloplast Capital Markets Day 2020 September 29<sup>th</sup> 2020 Anders Lonning-Skovgaard, EVP & CFO

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

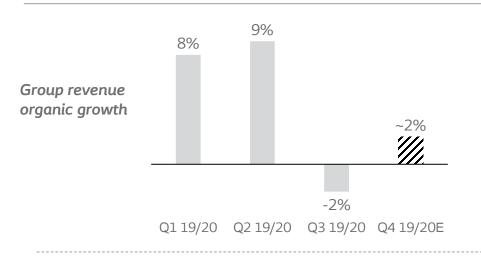
Making life easier



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

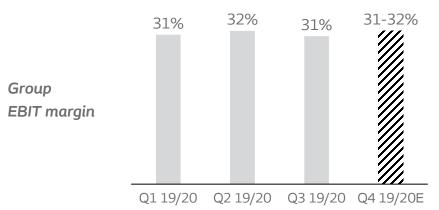
2019/20 was impacted due to COVID-19





~4%
organic growth
in 2019/20

- 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



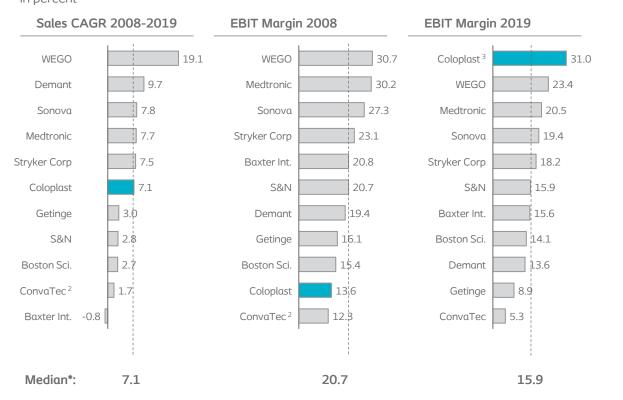
~31%
EBIT margin
in 2019/20

- 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

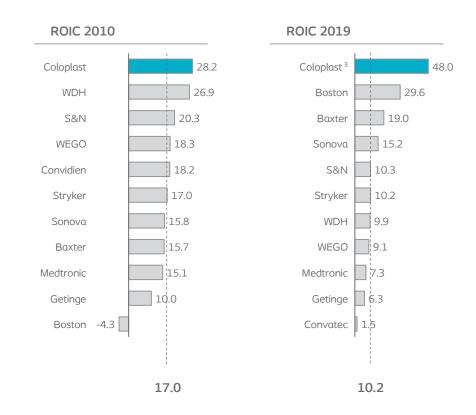


## The outset for the *Strive25* strategy period is strong as we continue to lead our peer group

We have maintained solid growth but significantly improved profitability In percent



#### Continue to be leader in value creation



1. Financials from fiscal year 2008 - 2016

2. Financials from fiscal year 2011 - 2019

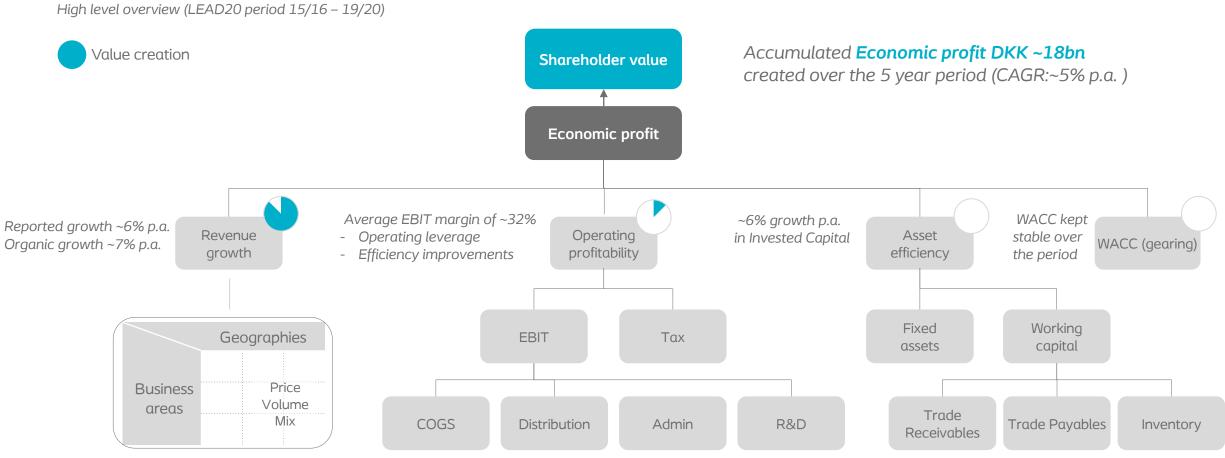
3. Before special items

Note: \* Median includes Coloplast Note: Sales growth include acquisitions Source: Bloomberg (latest full year reports)



# Economic profit as a guiding metric for value creation at Coloplast – revenue growth remains primary driver

### Coloplast value driver framework High level overview (LEAD20 period 15/16 - 19/20)





### Attractive stable underlying market drivers in favor of future growth and value creation

#### Market drivers Coloplast dynamics Demographics Access to healthcare (Emerging markets) Market share gains Improved compliance and retention Volume Surgical/medical trends Up to -1% Healthcare reforms price pressure Competition Price Innovation Ongoing value upgrade Access to healthcare Mix

Net effect

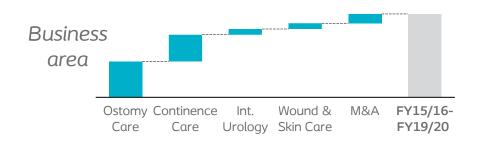
4 - 5% value growth 7- 9% value growth



# 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 (DKKm)



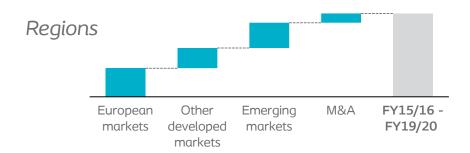
#### Illustrative growth contribution Strive25 period

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



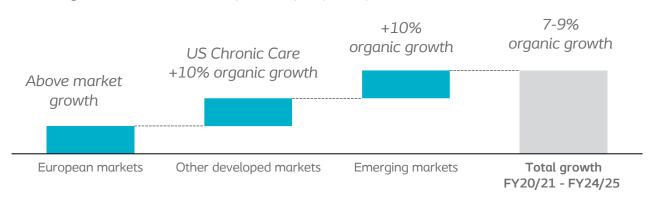
#### Growth contribution LEAD20 period

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



#### Illustrative growth contribution Strive25 period

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



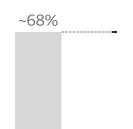


## Gross margin development for Strive25 period to be flat, positively impacted by Global Operations Plans

#### Gross margin (%)

FY 19/20 to 24/25

#### **ILLUSTRATIVE**



#### Gross profit will be positively impacted by:

- + Leverage effect on fixed costs e.g. global functions
- + Country/product mix
- + Savings from Global Operations Plan 4 & 5

#### Gross profit will be negatively impacted by:



- Increasing depreciations due to increased CAPEX
- Transfer costs to Costa Rica
- Wage increases in Hungary
- Sustainability investments



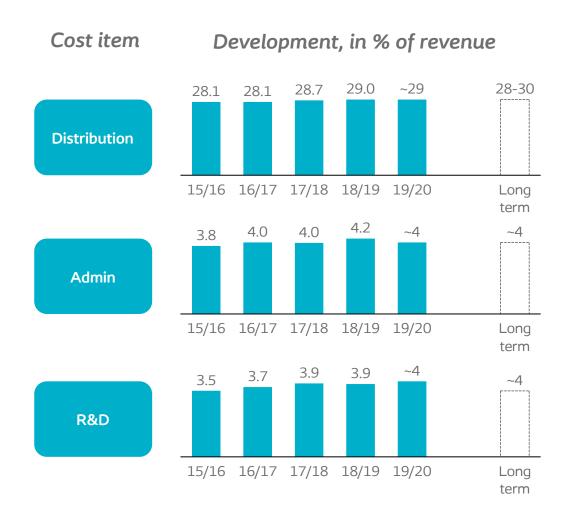
Gross margin 24/25<sup>1</sup>

~68%



<sup>1)</sup> Constant exchange rates

### Continued leverage effect within SG&A will fund further commercial investments



#### Future drivers of cost ratios

- + Leverage effect in distribution costs in Europe driven by growth in existing products as well as new product launches
- + Leverage effect in Business Support due to further global utilization of Coloplast Business Centre
- ÷ Continued investments in sales reps and marketing initiatives
- Leverage effect in admin costs driven by group revenue growth
- Increasing admin costs driven by IT investments, to follow commercial development

- Leverage effect in R&D driven by group revenue growth
- Continued investments in innovation including increased investments in Interventional Urology

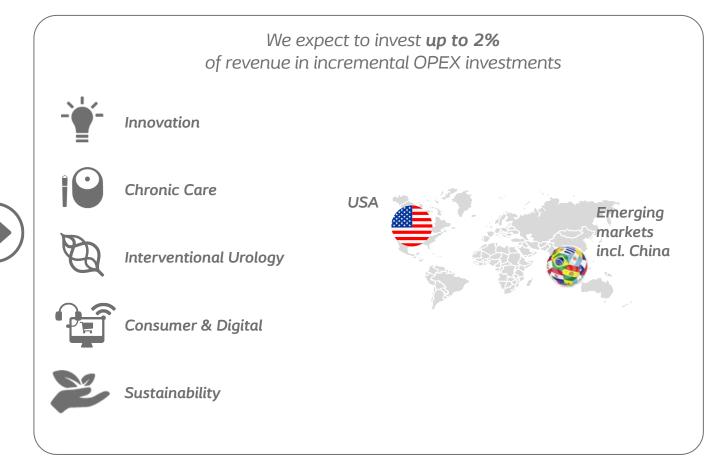


## We will continue to support organic growth by yearly incremental investments of up to 2% of revenue

**Key Investment Decision Drivers** 



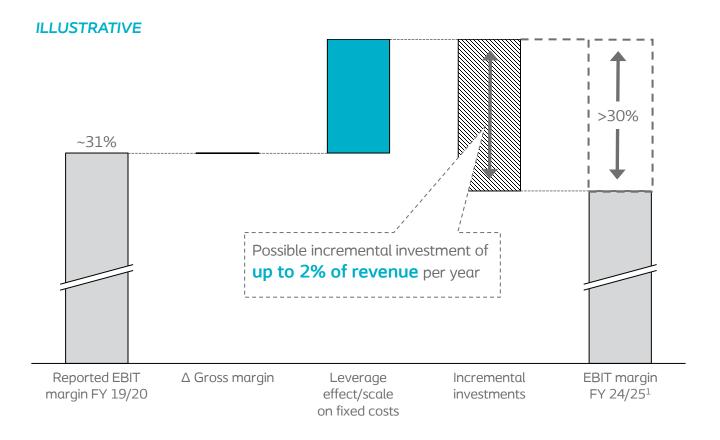
**Key Investment Areas** 





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

EBIT margin (%)



#### 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)



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

#### **Taxation**

- Reported tax rate

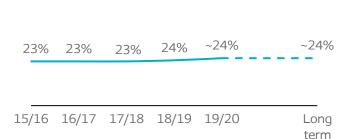


15/16 16/17 17/18 18/19 19/20 Long term

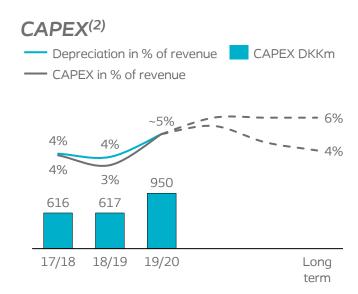
- DK statutory corporate tax rate lowered to 22% in 2016
- Coloplast tax rate expected to be ~23% going forward

#### Net working capital

— Net working capital in % revenue



- 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



- 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

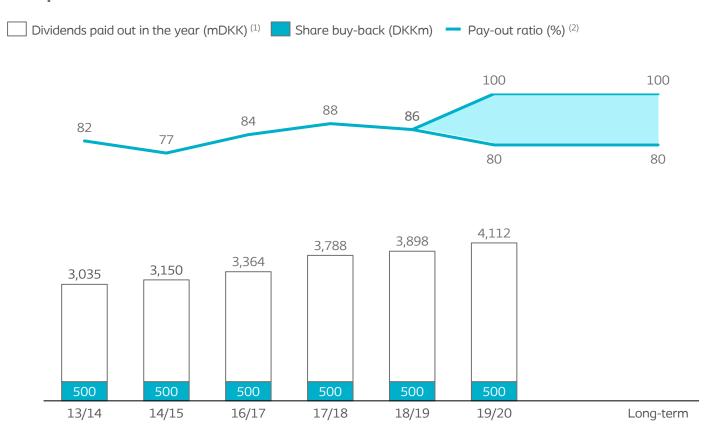


<sup>1)</sup> Impacted by provision for Mesh litigation

<sup>2)</sup> Gross investments in PPE

### We will continue to provide attractive cash returns despite large investments in commercial activities

#### Coloplast cash distribution to investors



We will continue to return excess cash to shareholders through dividends

Target pay-out ratio of 80-100%<sup>2</sup>



<sup>1)</sup> Dividends paid out in the year are the actual cash payments of which the majority relates to dividend proposed in the previous financial year.

<sup>2)</sup> Pay-out ratio before M&A. Pay-out ratio calculated as dividend proposed in the financial year/Net profit for the financial year. Pay-out ratio for 2018/19, 2015/16, 2014/15 and 2013/14 is before special items related to Mesh litigation.

# 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





# Coloplast is a global employer with a strong purpose driven culture

Mission: to make life easier for people with intimate healthcare needs

**~12,500** employees

Represented in 44+ countries

**9** production facilities

Gender split

64% Female & 36% Male

Representing 70+ nationalities

We have a strong outset on employee engagement and talent promotion that we strive to maintain



8.7% Voluntary employee turnover\*\*

**67%** of critical managerial positions **filled by internal** candidates

Source: 12-months data as of August 2020 for employee turnover and critical managerial positions



<sup>\*</sup> Engagement survey date March 2020

<sup>\*\*</sup> Total employee turnover 13.6%

# At the heart of delivering on *Strive25* is our people and culture

## Evolving how we lead

Enabling stronger strategy execution

- Global leadership programs fronted by ELT and senior leadership
- +1.200 leaders trained
- Strong focus on leveraging culture
- Key metrics:
  - Diversity metrics
  - Engagement scores
  - Leadership scores

#### Talent for future

- Secure strong succession for critical managerial positions
- Targeted development programs across all levels



## Simplifying People Processes

Simple performance evaluation process and engagement platform to support how we lead



#### Key metrics:

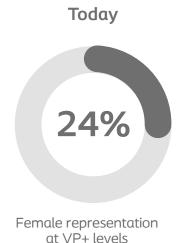
- Half-yearly engagement survey
- Employee engagement score above benchmark



# A key area where we want to continue our efforts is Inclusion and diversity



Gender diversity



2025 ambition



Female representation at VP+ levels

YEAR ON YEAR IMPROVEMENT



Team diversity

A team consisting of a max. 75% of one gender + either max. 75% of one generation or one nationality



Of teams (Director and above) meet diverse team criteria



Of teams (Director and above) meet diverse team targets criteria





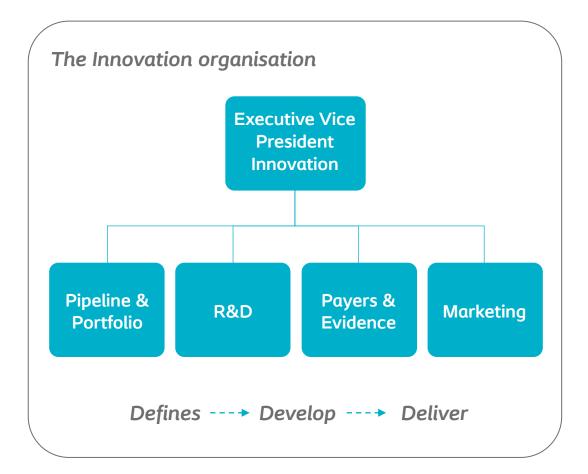


# To deliver on Strive 25 and our value creation agenda, a new Innovation organisation has been created

Our purpose



To define, develop and deliver Coloplast's commercial offerings





# This is what our new Innovation unit needs to deliver



Deliver on our **new product platforms** within the **Clinical Performance Program** and **current pipeline within existing technologies**Key focus area



Define new significant innovation that can drive further growth



Elevate our clinical evidence to change practice and set new standards



**Tap into** the **significant value pool** within market development



Maximize the commercial value of current portfolio

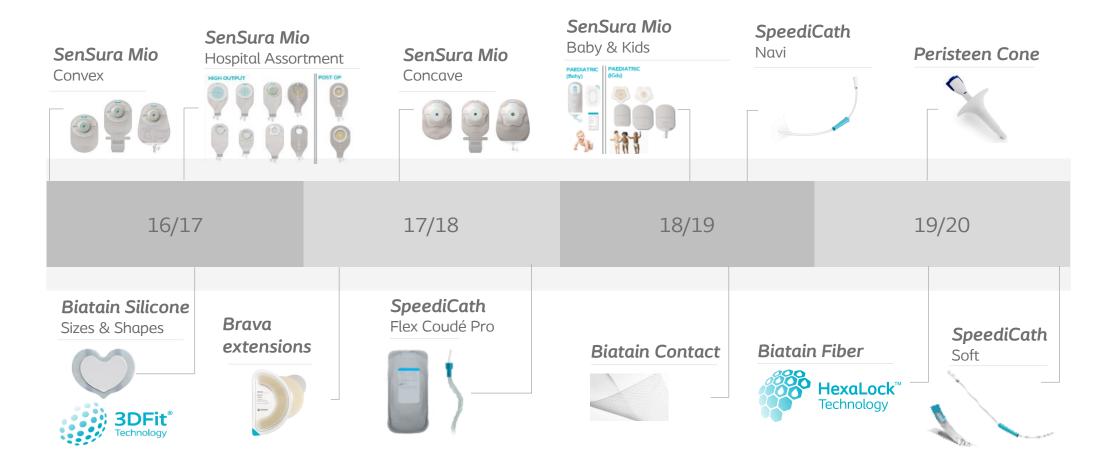


Continue to **set the standard** within marketing towards consumers and clinicians





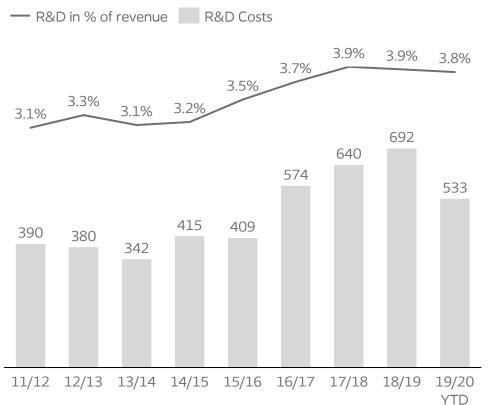
# During LEAD20 we have launched products across all business areas

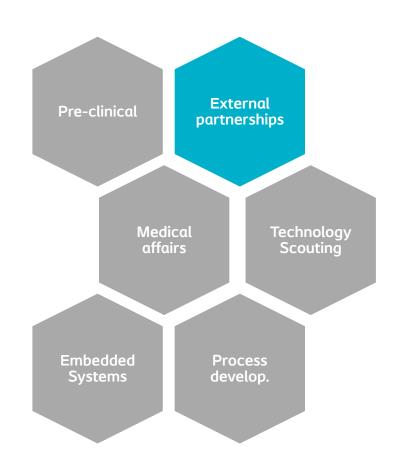




# We have increased our R&D spend and strengthened key R&D capabilities

## Higher absolute and relative R&D spend over the period



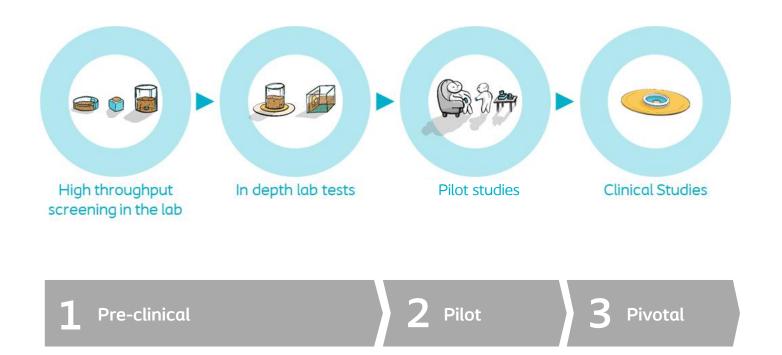


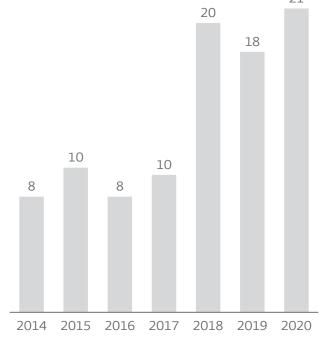


# Our pre-clinical and clinical efforts have more than doubled

Phase of clinical studies: Test new technologies and accelerating development

Number of clinical studies pr. year





Source: clinicaltrials.gov



# We want to raise the standard of care through clinically superior products and innovation

Innovation

## Focus in this CMD meeting

#### Deliver on the Clinical Performance Program

 Execute on the clinical performance programs to strengthen Coloplast's position as leading provider and to avoid commoditisation

## Clinical performance program Innovative **Pipeline** organisation Simplify

## Continue launch cadence and build more options into the pipeline

- Continue launch cadence in existing categories
- Identify new growth drivers and disruptive technologies to secure future growth

## Continue to develop an innovative organisation and culture

 Strengthen our innovation culture and mindset through a well defined set of initiatives

## Simplify to grow

- Simplify our innovation process to free up resources and shorten time to market
- Increase focus on Design for Manufacturing to enable profitable volume production going forward

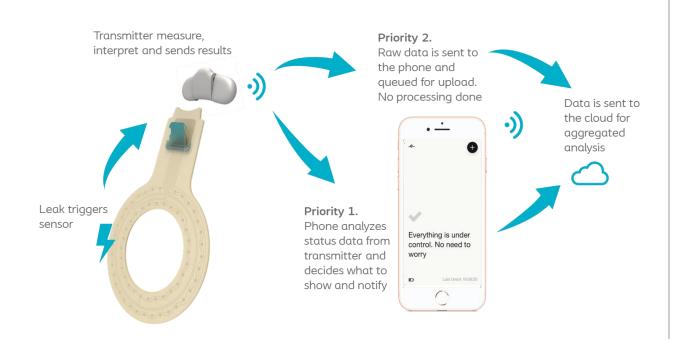




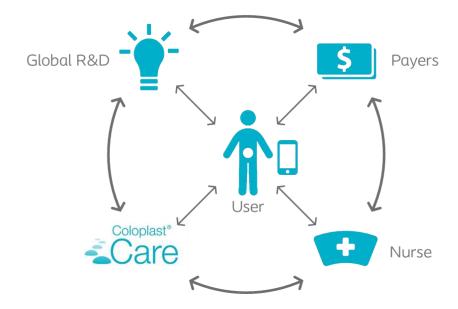


## We want to provide users with an intelligent solution that helps avoid leakage accidents and gives peace of mind

Giving users control and peace of mind



Our digital aspiration





# We have conducted a pilot study to test Our new digital ostomy solution end-to-end for the first time

## End-to-end pilot study

We tested the end-to-end solution in a **9 weeks** pilot study to determine technical feasibility of the entire solution

18 patients completed the pilot study

## Key outcome areas

- 1. Leakage notification (as evaluated by users)
- 2. Leakage detection accuracy (live data vs. pictures)
- 3. Skin redness & Leakage area (picture analysis)
- **4. User Experience** (possible to use, System Usability Scale score)
- **5. Mental health** (Quality of life, feeling of security, worry of leakage)

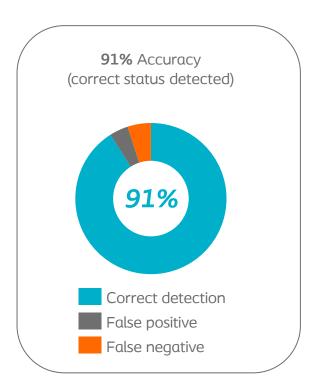
CP308 study execution and comparative outcome plan

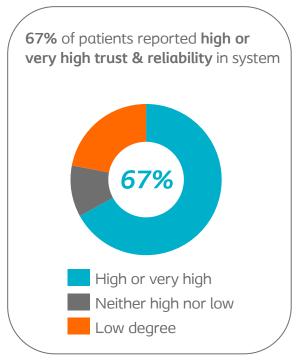


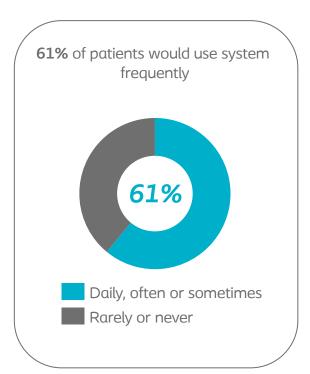


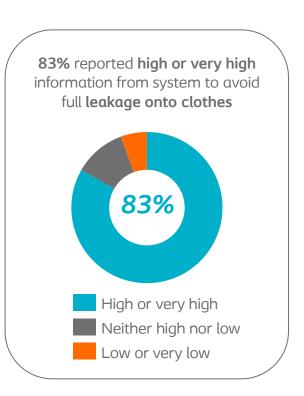
# Pilot study<sup>1</sup> shows high accuracy in detecting leakage, preference and peace of mind with

Preliminary results (n=18) **eakage** 









1. Clinicaltrials.gov: Identifier: NCT04374890



# Our solution empowers users to take control of their life with a stoma. Here, we are taking a true pilot approach

## The Solution

Offers a powerful, innovative and effective way to proactively improve the overall health and wellbeing of ostomy patients







Digitally enabled device



Data-driven support service



## Value Creation Model

Through our Burden of Illness studies and the Ostomy Life Study we have identified value drivers that provides user and payer value



Reduced leakage



Optimal healthcare resource utilisation (readmissions, A&E, GP and HCP visits)



Improved quality of life (QoL)



Improved mental wellbeing



Improved self management (incl. establishing routine), physical mobility, sociability and activity levels



Appropriate product consumption



Reduction in peristomal skin complications (PSCs)

## Payer Pilot Process

The pilots will be set up according to the commercial needs for each market, in collaboration with local payer organisations

UK & DE selected

Value model developed

Pilots to be conducted



Payer partners identified

UK – NHS bodies

DE – Health Insurance companies

Publication plan defined and clinica endpoints and plan agreed



National launches to be planned







## Peristomal skin complications are common and a burden for many users and costly to payers and society

Peristomal skin complications are a burden for many users ...



73%

Of all users have experienced skin issues within the past 6 months\*



**52%**Reports skin

issues as one of the main reasons to see a nurse\*

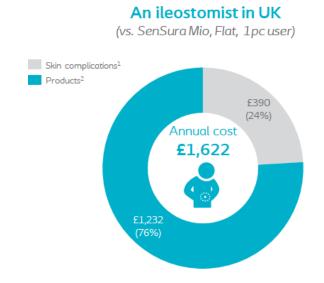








#### ... and is a real cost driver



With a prevalence of **Peristomal Skin Complications of 49%**<sup>1</sup>

We see direct

potential savings of 1/3

of product costs for the

payers by reducing the

need for:



Stoma Care Nurse Interventions



Specialist visits



GP visits



Medication



<sup>\*</sup> The Ostomy Life Study: the everyday challenges faced by people living with a stoma in a snapshot. Claessens, et al., Gastrointestinal Nursing, Vol. 13, No. 5. doi.org/10.12968/gasn.2015.13.5.18

L) Martins et al. 2012 (adjusted for inflation) - British Journal of Nursing

<sup>2)</sup> One product per day, Drug Tariff 2019

We have tested our new skin protecting technology against the standard of care in an international RCT

## Countries:









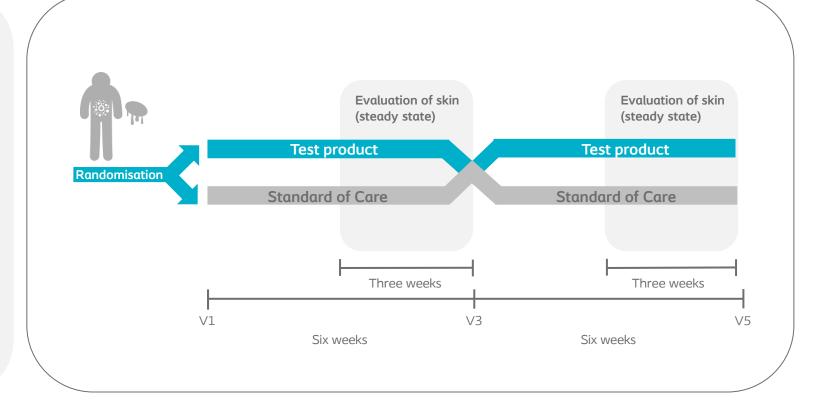


First patient in: Feb. 2020 Last patient out: July 2020 Data presentation: Sept 2020

79 patients recruited 64 patients completed

## **Endpoints:**

- Skin (itching)
- Skin affected area
- DET score<sup>1</sup>
- Quality of Life (QoL)
- Other relevant endpoints



<sup>1.</sup> DET Score: Ostomy Skin Tool is a standardized measuring instrument for assessing the extent and severity of peristomal skin change in terms of discolouration (D), erosion (E), and tissue overgrowth (T).



## Pivotal study results are unsatisfactory however we remain confident in the technology

Positive pilot study results presented in 2019

Pilot study shows significant peristomal skin improveme



Latest pivotal study shows unsatisfactory results





No statistically significant difference in skin condition measured by Pain, Itching and Burning sensations

Slight tendency for lower fraction of Moderate/Severe skin complications, but not statistically different.

Statistically significant improvement of QoL (Quality of Life) compared with SoC (Standard of Care)

Root Cause Analysis (RCA) process completed, indicating need to optimize product device design 12 months delay





# Our new IC platform addresses some of the key UTI risk factors in the recently published Risk Factor Model

**RISK FACTORS** 

#### Intermittent catheterisation

- √ Bacteria inserted by product
- ✓ Urethral and bladder trauma from product
- ✓ Post void residual urine due to product design

No urethral rinsing

## General conditions

High Intravesical pressure Impaired bladder compliance Host deficiencies Bowel dysfunction Diabetes Age and Gender

## User compliance/adherence

- √ Non-hygienic procedure
- ✓ Insufficient education
- ✓ Post void residual urine due to incorrect handling
   Voiding frequency
   Fluid intake (with hydration indicator)

Residence country & social support system

## Local urinary tract conditions

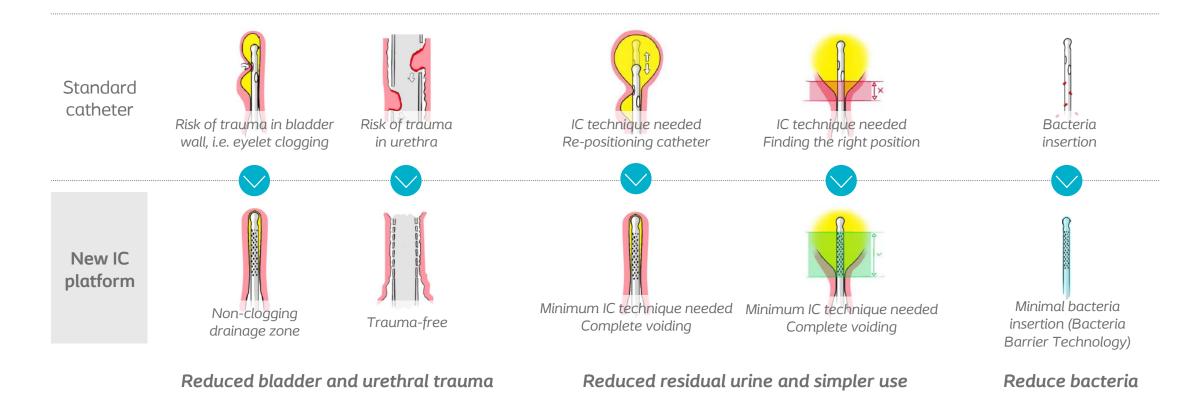
Bacterial virulence
Previous UTI
Botulinum Toxin A injections
Urodynamic investigations
Bladder and kidney stones
Post void residual urine caused by bladder shape



## The new IC platform addresses key UTI risk factors

Reducing mechanical trauma, residual urine and insertion of bacteria

## Benefits of the new IC platform v. standard catheters



Tests in live pig bladders demonstrate elimination of blockage of catheter eyelets occurring with conventional catheters

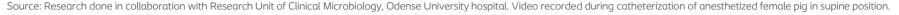
**Standard catheter**Eyelets block completely and the flow stops













# We have completed the first phase of the exploratory pilot study evaluating the micro-eyelets



## Timeline:

- First patient in: June 2020
- Final data presentation: H1 2021

## **Study population**

### Phase 1

- 15 healthy males ✓
- 14 healthy females ✓

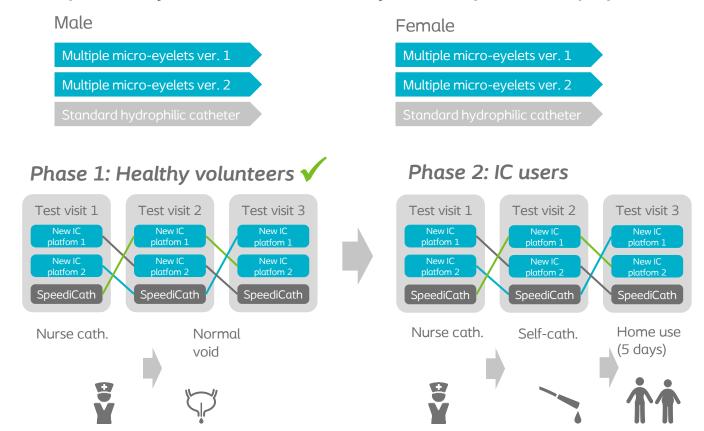
#### Phase 2

- 15 male IC users
- 15 female IC users

## **Key endpoints:**

- Catheter blockage/flow stops
- Volume at 1<sup>st</sup> flow stop
- Discomfort.
- Haematuria
- Handling evaluation

The pilot study evaluates the micro-eyelets in SpeediCath (SC) catheters



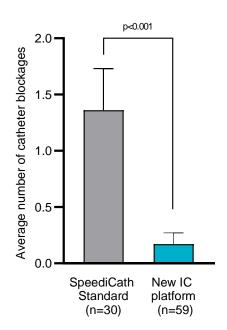


# Results indicate improved performance with micro-eyelet catheters in healthy volunteers

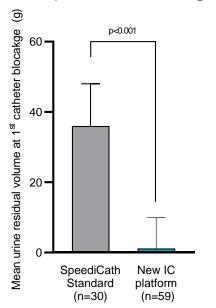
- a reduced number of catheter blockage events leading to reduced residual volume at first blockage and reduced blood in urine after catheterisation

## Preliminary results<sup>1</sup>

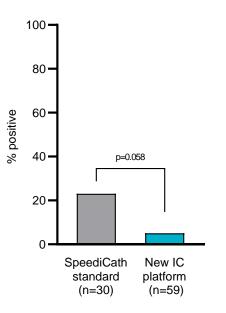
New IC platform reduces catheter blockage



New IC platform reduces residual volume at first catheter blockage



New IC platform reduces blood in urine following catheterisation



<sup>1)</sup> Final conclusions to be reached after completion of CP323-24 in IC users

# We have made significant progress across the Clinical Performance Program

Progress as of today

Strive25 strategy period ends in 2025

Digital ostomy solution

Pilot studies conducted with successful results



New ostomy platform

Initial pilot studies indicated positive outcomes



Pivotal study showed nonsignificant results



New catheter platform

Pilot studies conducted with successful results



Additional pilot study to further test the technology in broader setup

Payer pilots to be conducted for reimbursement processes in key markets

Product device design to be optimised

New pilot study to be completed

Pivotal study to be completed

Further pilot studies in progress

Pivotal study to be completed

Product launch expected in first half of strategy period

Product launch expected in first half of strategy period

Product launch expected in second half of strategy period

Simultaneously, continue our launch cadence into existing categories within ostomy care and continence care



**Chronic Care** 

# Sustaining growth leadership

Coloplast Capital Markets Day 2020 September 29<sup>th</sup> 2020 Paul Marcun, EVP Growth

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



## We have a strong outset from the LEAD20 period



Broad based growth of **7-8% above the market** driven by **innovation & a strong commercial model** 



Double-digit growth in the US and **notable wins** in the Ostomy Care **acute segment** incl. a position on the **Premier GPO**. In Continence Care, we continue to drive the **upgrade to hydrophilic catheters** 



**Growth significantly above the market** in Ostomy Care and driven by a **large sales team, strong digital presence** and the **broadest ostomy offering** 



We opened up new intermittent catheter opportunities in Japan, South Korea and Australia



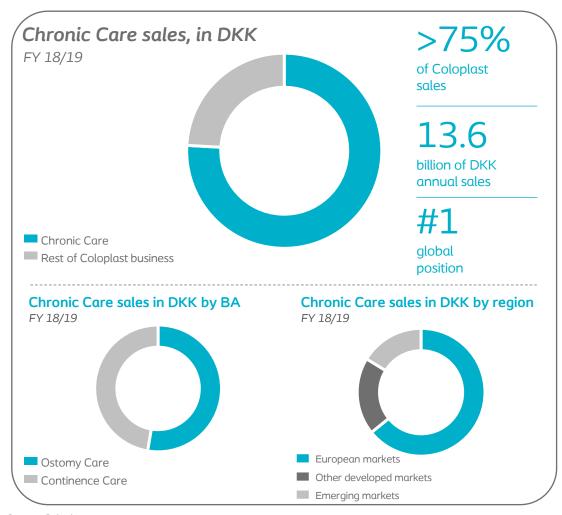
We continued to solidify our offering within Consumer, Coloplast Care and Direct – the model proved robust through COVID-19

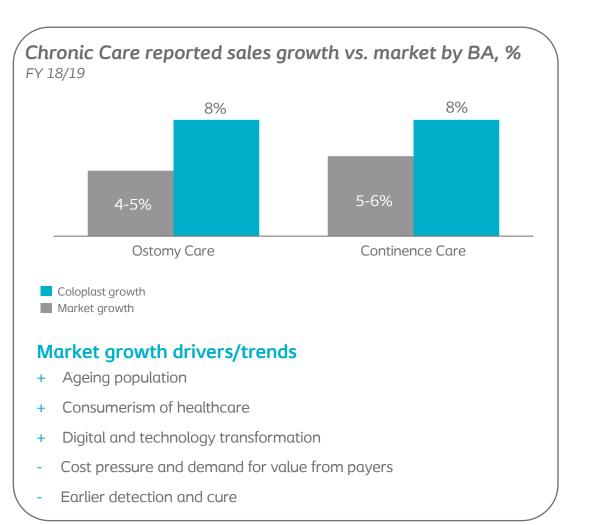


In response to COVID-19, we are adapting our go-to-market model



# Chronic Care represents more than 75% of Coloplast sales and we continue to outgrow the market





Source: Coloplast

# Our Strive25 strategy will enable us to deliver solid growth above the market towards 2025

## Raising the Standard of Care

- Win with superior products including SenSura Mio and SpeediCath Flex
- Launch new products within existing technologies
- Deliver on the Clinical Performance Programme

### **Build on market leading position**

- Maintain momentum in core OC business
- Develop IC business
- Expand and evolve consumer business

## **Profitable Growth Engine**

- Focus on large core markets
- Build e-commerce business
- Secure IC reimbursement in new markets
- Optimise business model in small markets



### **Challenger to Leader**

- Win share across OC patient pathway
- Upgrade IC market
- Grow and build our direct business

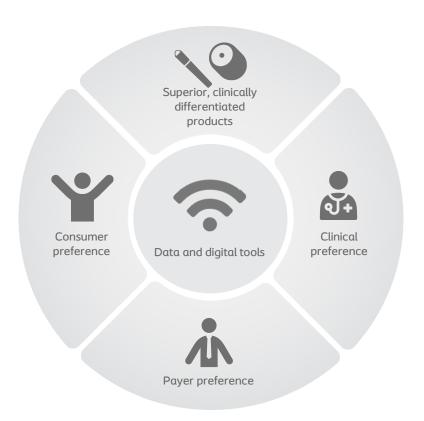
## **Maintain Market Leadership**

- Leverage OC innovations and services
- Increase IC penetration and compliance
- Drive growth in direct businesses



# We have built key enablers to support the commercial model

Commercial model







**Direct Businesses** 



**Coloplast Consumer Care** 



**Direct to Consumer** 



Data & Digital tools



# Direct business serving consumers drives improved outcomes and is a vital component of our growth engine

Direct presence in top 5 markets and strategic rationale





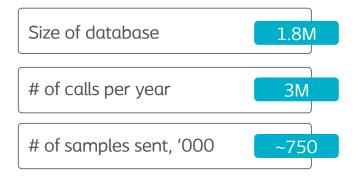
- Control and continuity of product supply
- 2 Target the full value pool

- Coloplast
  MO/TMall
  ~15% MS
  ~70%
  - High single digit growth rates

- 3 Direct access to consumers
- 4 Direct relationship with payers
- 5 Improve patient outcomes
- 6 Protect patient pathway

## Coloplast Care presence







# Data & digital tools are a key enabler for our consumer activities

#### Data & digital tools



## Digital priorities



Engaging mobile offering for HCPs, consumers and prescribers



On-line ordering with simple user experience across platforms



One high performing infrastructure to drive efficiency and enable high-impact service deployment



# Challenges of the pandemic mean we continuously rebalance our go-to market model

#### Field sales force

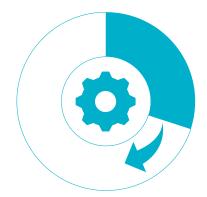




- + Focus on training and upskilling
- + Strong relationships maintained
- Lower sales productivity
- Limited in-person access to customers

## Inside sales (to HCPs)





- + Digital tools to support an interactive dialogue
- + Higher productivity vs. field sales force
- Difficult to establish new relationships

#### Direct to consumer



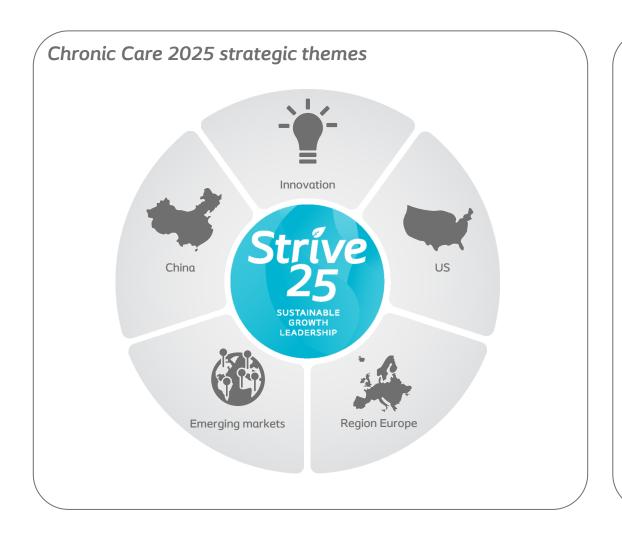




- + Greater reach into community
- + Easy to scale
- + Compatible with working from home



# With Strive25 our ambition is to continue to outgrow the market





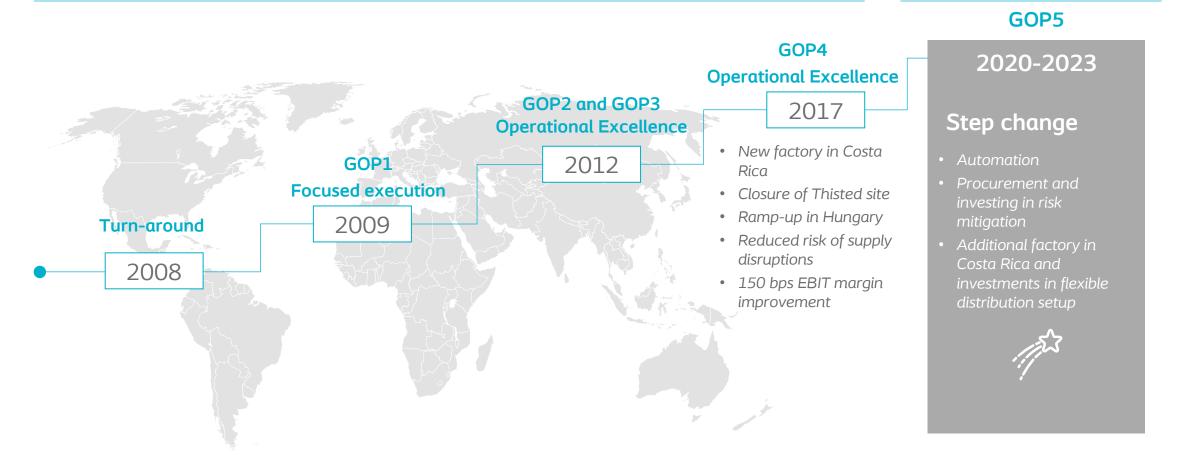




# Global Operations has exhausted the possibilities for offshoring – focus of GOP5 will shift towards automation

Moving focus of GOPs from offshoring ...

... to **Automation** 





# The outlook is challenging and needs to accommodate complexity and growth in volume

Main challenges ...



No more benefits from offshoring



**Labour shortage and wage inflation** in Hungary



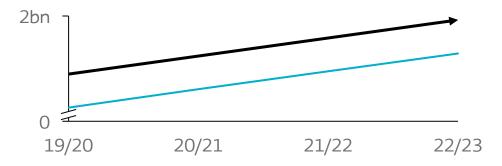
Strengthened legal requirements (MDR)





Product innovation adding cost and complexity

... together with volume and complexity increase
Volume increase





# of SKUs in 000s

28
27
26
25
20
19/20
20/21
21/22
22/23



Five themes will set the direction for Global Operations in the coming three years

#### Global Operations plan 5

## Optimise the collaboration between production and markets

 More efficient agile output through increasing focus on volume and service requests from countries

#### Investing in risk mitigation

 Amplified external demands on us and on suppliers result in higher risks and require investments in more robust supply

## Continuing a flexible global productionand distribution set-up

 To serve the volume growth in new and existing markets i.e. new Costa Rica site



#### Efficiency and simplicity in all we do

 As a guiding star to mitigate increasing complexity in manufacturing, prudent management of procurement costs and securing scalability in the global functions

Rethinking manual labour by leveraging

· Mitigate increasing salary levels and

labour shortages in Hungary

automation

#### Sustainability

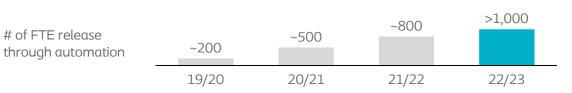
 Sustainability activities embedded in all themes



# Automation, procurement and scale are key to bringing Global Operations to the next level

#### 1. Automation to mitigate growth in blue-collar FTE







#### 2. Continuously work with procurement costs and supply risk mitigation

# of FTE release





Materials1 (RM & SFG)

- Expand supplier base
- Reduce risk of supply disruptions
- Increase competitive pressure
- Implement new materials
- Run sourcing tenders



Costs levels to remain at current levels

#### 3. Efficiency and scale on global functions





• Keeping FTEs stable, while increasing production output







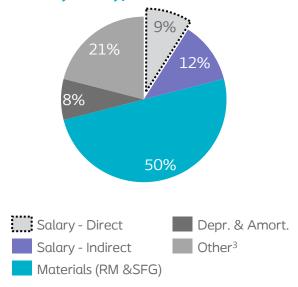
# Investing in automation secures a neutral FTE development by the end of the GOP5 period in 2022/23

Automation is a massive theme in GOP5 launching more than **30 programmes** and involving **more than 300 machines** at the sites

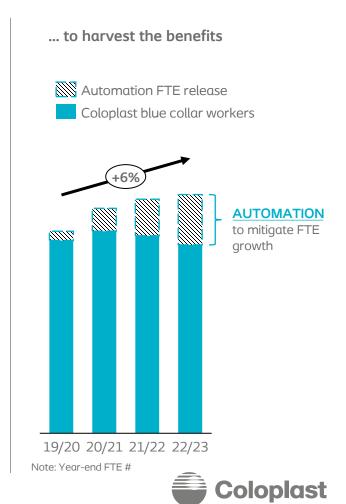
#### Increasing costs...

"Our main challenge is continued labour shortage and wage inflation among our blue-collar work force"

#### COGS by cost type<sup>1</sup>



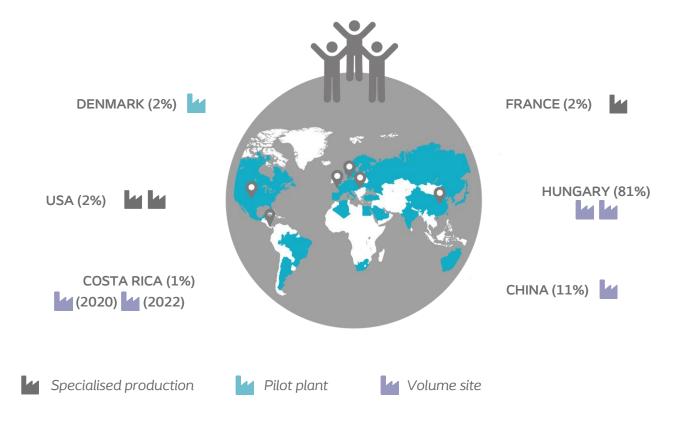
... to be mitigated through simple automation processes... **EXAMPLE** Labour intensive operations to be automated e.g.: Loading of raw materials Quality control Packing finished goods 3 FTE x 3 shifts



1) FY 2018/19 Cost of goods sold, DKK 5,786m

# Two factories finalised in Costa Rica during GOP5 to ensure an efficient and flexible manufacturing footprint

#### Current production volume by country<sup>1</sup>



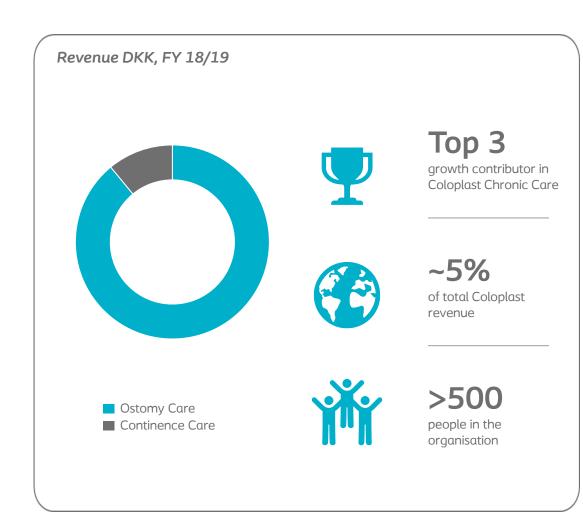
#### Costa Rica highlights

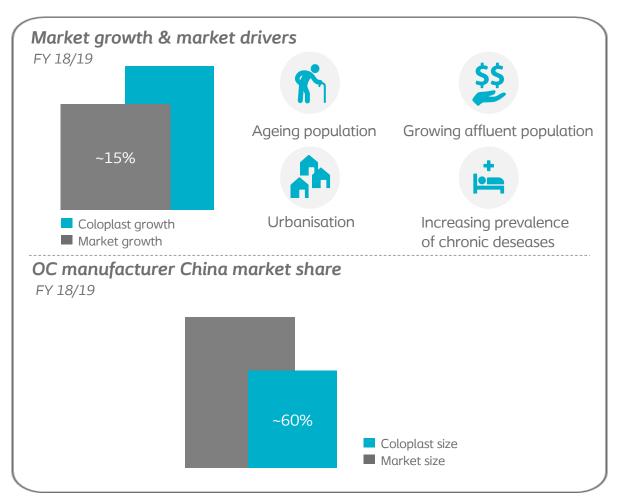
- 2 factories in Costa Rica will support increased geographical spread of risk and a more robust set-up
- Blue collar wage index ~70 compared to the Hungarian sites
- Contribution from lower salary levels will be offset by transportation costs
- Initial scope is for Ostomy products and Continence Care products
- 100,000 m2 acquired in 2018/9, room for 3 factory extensions of ~25,000m2 each
- 700-800 blue-collar workers to be hired in Costa Rica by end of GOP5

<sup>1)</sup> Produced quantity of finished goods (FY 2018/19)



## We have a solid leadership position in China Ostomy Care





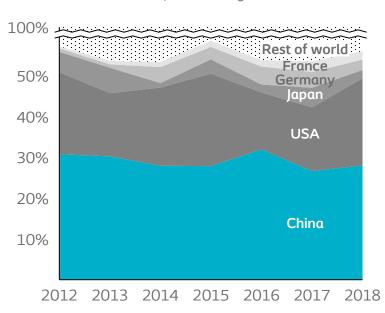




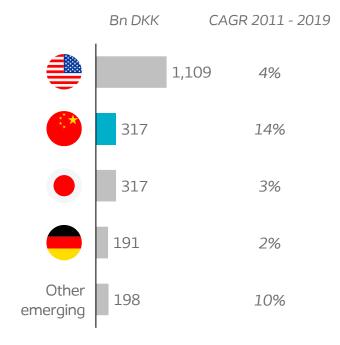
## We need to win in China to win globally

# China is the largest contributor to world economy growth

% of total GDP growth

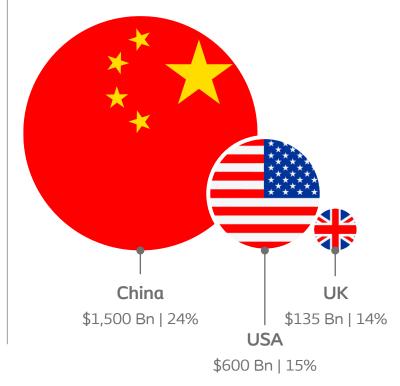


# China is the world 2nd largest and fastest growing med-tech market



# China's online retail market is large and growing fast

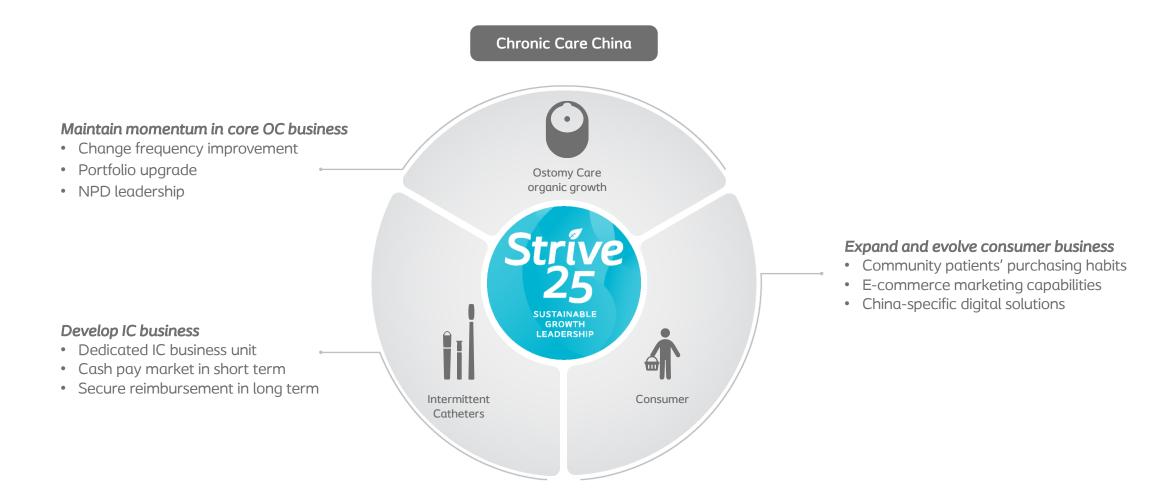
Online retail value, USD | 2017 – 2019 CAGR %



Note: Other emerging includes Brazil, Russia, India, Turkey and SEA Source: IMS World review, EIU, World Bank



# Strive 25 focuses on the core while building new opportunities



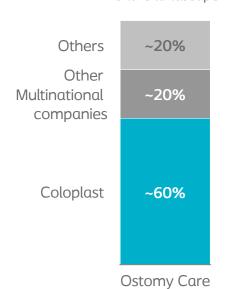


# With strong coverage and a broad product offering, Ostomy Care will remain the core of our strategy and growth

Coloplast is the market leader with strong coverage...

... and there are large opportunities for continued growth

OC competitive market share landscape



Strong *preference* in hospital setting



High quality clinical education to HCPs improving **standard of care** 



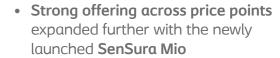
Present in +130 cities with population of more than 1 million



Market leading position in digital channel

















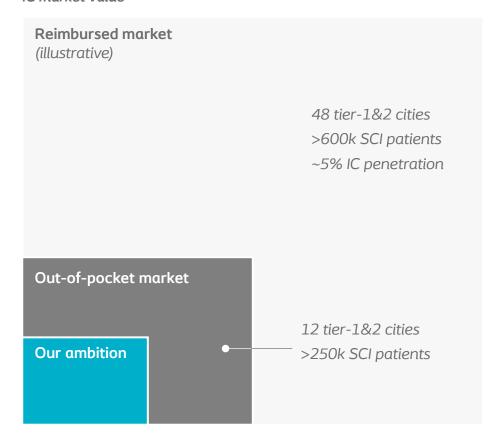




# We will develop the IC category in a selected number of high potential cities

IC is a large potential value pool but it is underdeveloped

IC market value



We will develop the market and drive profitable growth



Selective account coverage in high-potential cities



High quality clinical education to HCPs and consumers



Differentiated product offering between hospital and community



Extensive patient support including Coloplast Care and subscription services

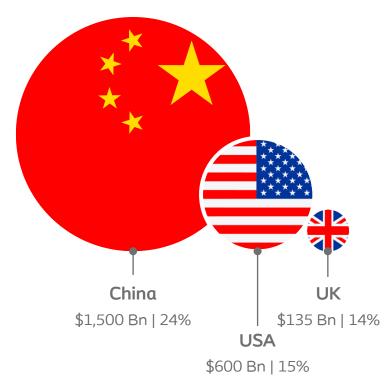




## We can leverage our online position to seize new opportunities

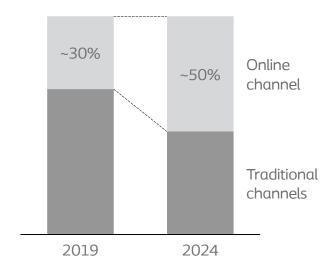
# China's online retail market is large and growing fast

Online retail value, USD | 2017 – 2019 CAGR %



# Medical consumables are also moving online

China OC market, channel value



# We are leaders in all major online platforms

China OC online market, share of total







# China has the ambition to deliver strong profitable growth

China Chronic Care 2025 strategic themes



Our ambition for China Chronic Care



**Ambition** 

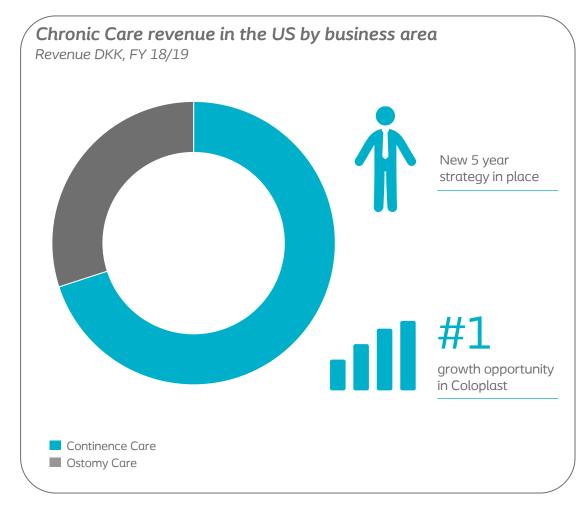
Continue to outgrow the market

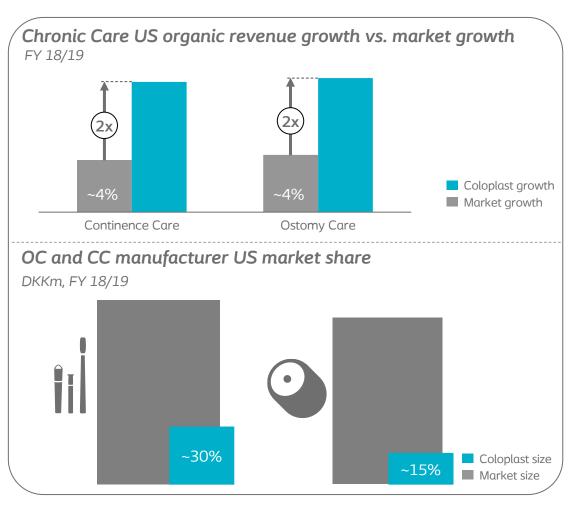
Market growth ~15%





# US Chronic Care has outperformed the market by a factor 2-3x and continues to take share









# Chronic Care US - Challenger to leader

Continue to **expand product offering** and **win across patient pathway** in Ostomy Care

**Chronic Care US** Ostomy Care Continence Direct GROWTH Care Business **LEADERSHIP** Commercial execution

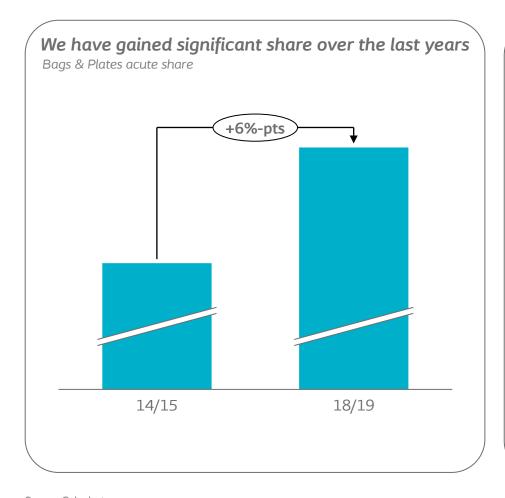
Grow our Direct business and establish Comfort Medical as the **go to dealer for US patients** 

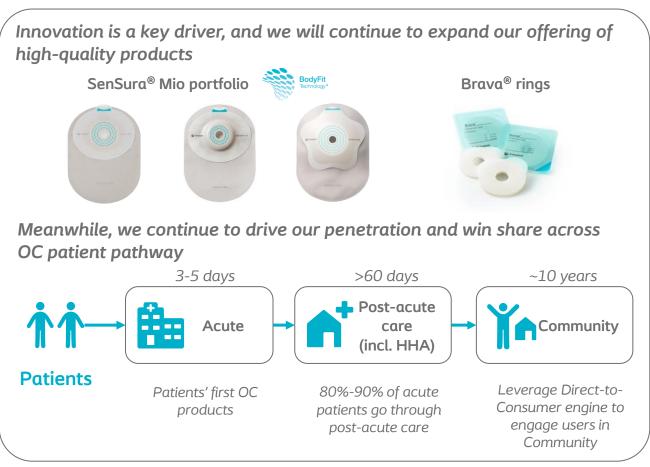
Lead the innovation and upgrade
market to hydrophilics in
Continence Care

Set the clinical standard of care for HCPs, expand digital offering and solutions, and build strong organisation and culture



# In Ostomy Care, innovation is the biggest growth driver and we continue to win across patient pathway







# Coloplast continues to succeed in acute channel with Premier contract and large acute account wins

We have had major wins in the acute and post-acute care channel...









...And we are now the second largest player in the acute channel

Acute new patient discharged share

Hollister<sup>TM\*</sup>, Incorporated



#1



Starting April, Coloplast was awarded access to Premier, one of the largest GPOs in the US

	Acute members <sup>1</sup>	Estimated Acute share <sup>2</sup>	Next award year	
Premier TM*	3,600	~25%	2023	
vizient.™	<sup>1*</sup> 7,500	~50%	2021	
Health Trust <sup>™</sup>	1,400	~15%	2023	

Source: Coloplast, GHX



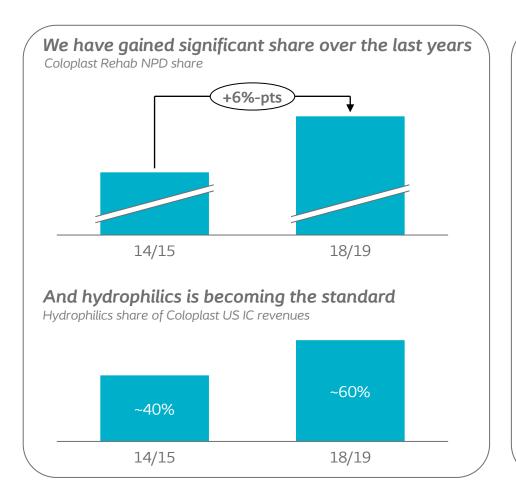
<sup>1.</sup> Acute members can be part of more than one GPO

<sup>2.</sup> Coloplast estimates based on primary GPO affiliation

<sup>\*</sup> Third party trademarks are the property of their respective owner(s)

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

# In Continence Care, we continue to upgrade the market through product innovations and expanded sales force



We have launched significant innovation and SpeediCath Soft is our latest launch

SpeediCath® Flex Coude Pro



SpeediCath® Soft

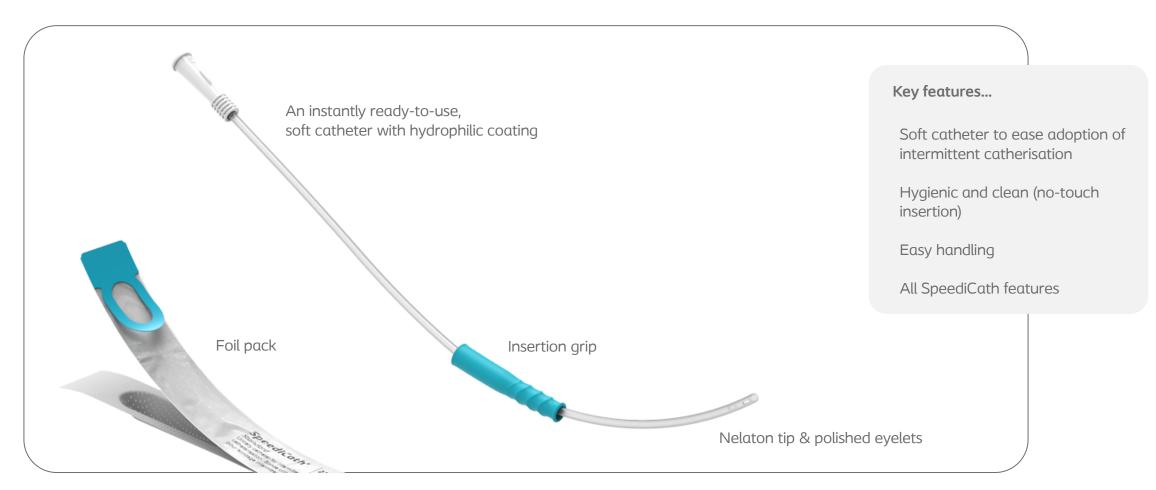


Meanwhile, with the largest manufacturer sales force which we expanded in 18/19, we will continue to focus on key channels



# Introducing SpeediCath® Soft

# - a soft hydrophilic coated catheter with insertion grip





# We will take Comfort Medical to the next level with our Strive25 strategy

We have been executing our growth plan for Comfort Medical during the past couple years and have achieved double digit growth



Drive new patients demand



Improve **retention** of existing patients

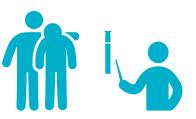


Expand insurance coverage

Although still a relatively small player, our Strive 25 strategy aims to establish Comfort Medial as the go to dealer for US patients



Strengthen digital offering for a superior customer experience



Focus on patient support and education



# We are dedicated to making an impact by driving excellence in commercial execution

Strong commercial execution mindset runs across all functions in Coloplast







Set the clinical **standard of care for HCPs** through market development
and education

Expand digital solution and offerings to empower end-users and navigate post-COVID world

Build strong organisation and culture through talent development and emphasis on Inclusion & Diversity



<sup>\*</sup> Investment includes campaigns and related FTE costs

# Our US strategy positions us to outpace the market for years to come



Our ambition for US Chronic Care



Double digit profitable growth

+10%



Wound & Skin Care

# Drive growth with 3DFit technology

Coloplast Capital Markets Day 2020 Virtual break-out session October 7<sup>th</sup> 2020 Nicolai Buhl Andersen, EVP Innovation Rasmus Hannemann, SVP Wound & Skin Care

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

Making life easier

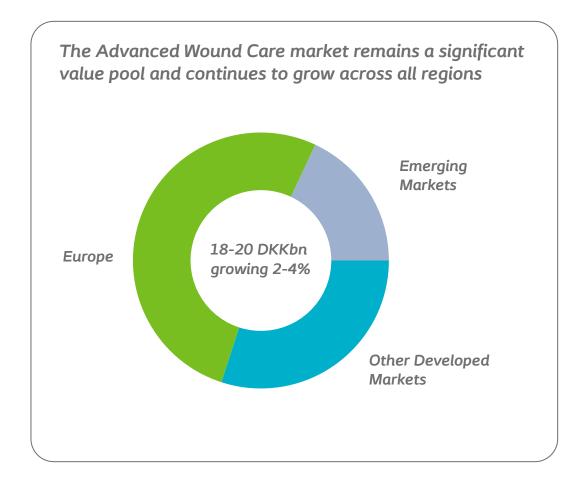


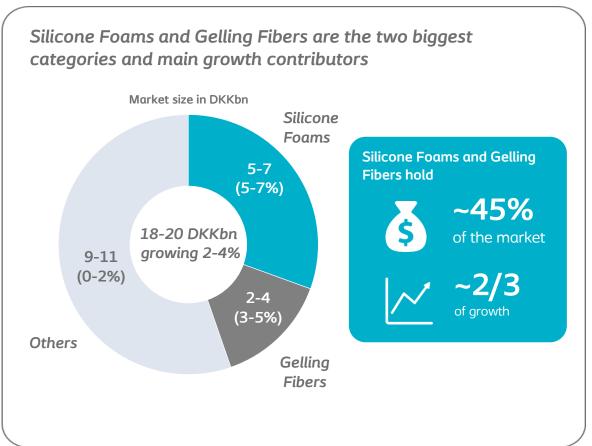
# Key takeaways

- Wound & Skin Care 2025 strategy is centered around focused category leadership and our ambition is to grow above market, scale the business and improve overall profitability
- 3DFit Technology is our point of differentiation and we will maximise this opportunity through new marketing and portfolio initiatives
- We have a **strong track record** across **EU markets** with **growth above market** and we want to build on this **positive momentum** going forward and scale in **China** and **US**
- 4 We will continue to **explore inorganic opportunities**



# The global AWC market remains large and growing







# We saw an improving momentum in Wound & Skin Care until the COVID-19 outbreak

#### Positive sales momentum in Wound & Skin Care

# Global Wound & Skin Care MAT net revenue growth % 01 Q1 Q3 04 Q1 Ω4

18/19

## Key performance drivers









Note: Global Wound & Skin Care excluding the Compeed contract manufacturing business Source: Coloplast



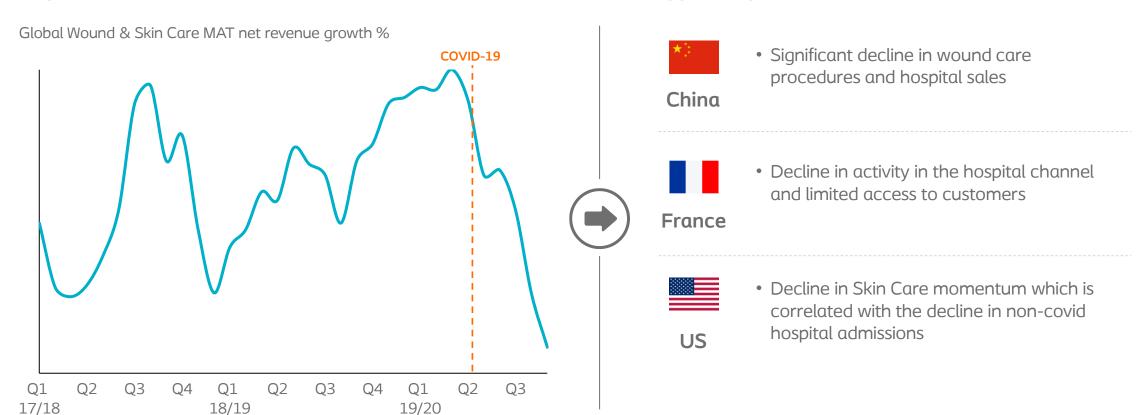
17/18

19/20

# We have seen a negative impact from COVID-19 in China, France and US but the situation is slowly improving

Negative impact from COVID-19 outbreak since Q2 19/20

Biggest negative impact in China, France and US

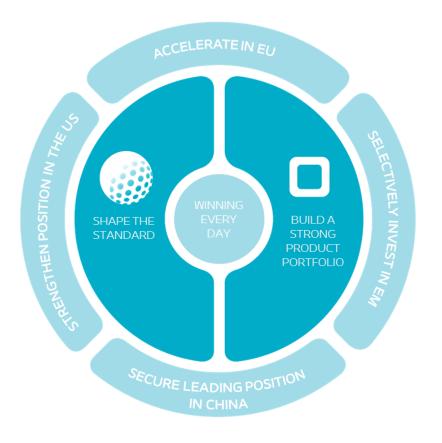


Note: Global Wound & Skin Care excluding the Compeed contract manufacturing business Source: Coloplast



# Key achievements during the LEAD20 strategy period

## LEAD20 strategy





## Key achievements

- ✓ **Strong track record** across **EU markets** with growth above market
- ✓ New setup and structure in US and China
- ✓ Successful launch of 3DFit Technology and leadership positions gains across key markets with Biatain Silicone
- ✓ Successful launch of Biatain Silicone Sizes & Shapes,
   Biatain Fiber and Biatain Contact with positive feedback



## The Wound & Skin Care 2025 strategic plan

#### Scale our China business

by strengthening our commercial foundation and accelerate in silicone with 3DFit Technology

#### Scale our US business

in Acute channel with 3DFit Technology and maximise potential Wound & Skin Care portfolio

Geographies

Strategic enablers

#### Lead with 3DFit Technology

through new marketing and portfolio initiatives

#### Launch new pipeline

Including Biatain Fiber to close portfolio gaps and ensure strong lifecycle management



#### Build on positive momentum in EU

in silicone and 3DFit Technology and increase share of voice in selected markets

#### Accelerate growth in key EM markets

by investing in specific local opportunities

Further growth

#### **Seek for acceleration**

by exploring inorganic opportunities

#### Margin uplift

Optimise sales mix and product profitability



# 3DFit Technology is our point of differentiation

1

Consensus created on the need for 3DFit Technology



96% of KOLs state that exudate management is key

98% of KOLs state that managing the gap is important for effective wound healing

57% of KOLs state that a dressing needs to conform to the wound bed for optimal healing

2

3DFit Technology is clinically and scientifically proven



Leading conformability, absorption and retention capabilities

Retrospective case studies performed with 104 wounds

Prospective clinical trial on infected DFUs conducted

Study initiated on 50 patients to prove Biatain Silicone being less complicated and a more cost-effective treatment 3

We take leadership positions



Nr. 1 in the prescription channel in Germany in the silicone foam Ag category



UK is joint 1st for growth in the overall silicone market on an MAT basis

Market leading positions in the silicone market in regions South West and South East in the UK

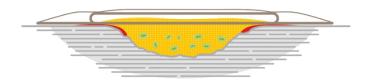


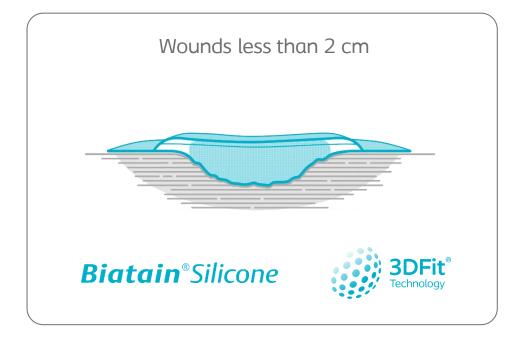
Nr. 1 in the Spanish prescription market within the silicone sizes & shapes category

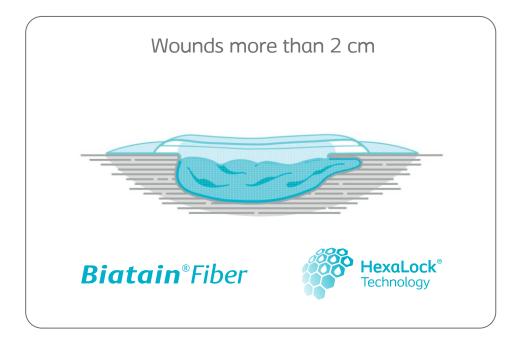


## We are expanding our offerings to address deep wounds with Biatain® Fiber with HexaLock® Technology

Reducing exudate pooling requires a dressing that conforms to the wound bed









### Biatain® Fiber with the unique HexaLock® Technology



### **Biatain**® Fiber





Locks in exudate



Minimal shrinkage



Cohesive gel



## Biatain Fiber launch is off to a good start - HCP feedback confirms product performance and attractive value proposition

#### Key benefits vs. competition

#### Biatain Fiber



Less risk of maceration due to hexagonal shape



Minimal shrinkage minimising gap creation



Easy one-piece removal with minimal risk of residues in wound

#### Key competitor







### Positive feedback on product performance

- Clinical feedback confirms Biatain Fiber's strong exudate management properties
- A number of independent case studies and publications document performance and build credibility







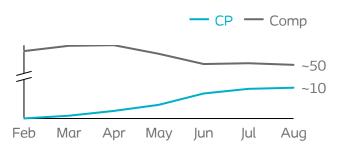




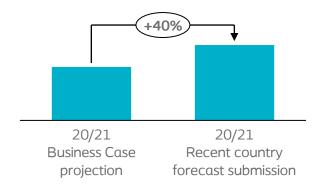


#### Performance is off to a good start

Germany community MS% development<sup>1</sup>



#### Increased forecasts from key markets





 $<sup>^{\</sup>rm 1}$  German community MS% gelling fibers. Source: ODV data, Insight Health

## With Strive25 we aim to scale the Wound & Skin Care business, grow above market and improve overall profitability



Our ambition for Wound & Skin Care



Deliver growth above market



Scale business in US and China

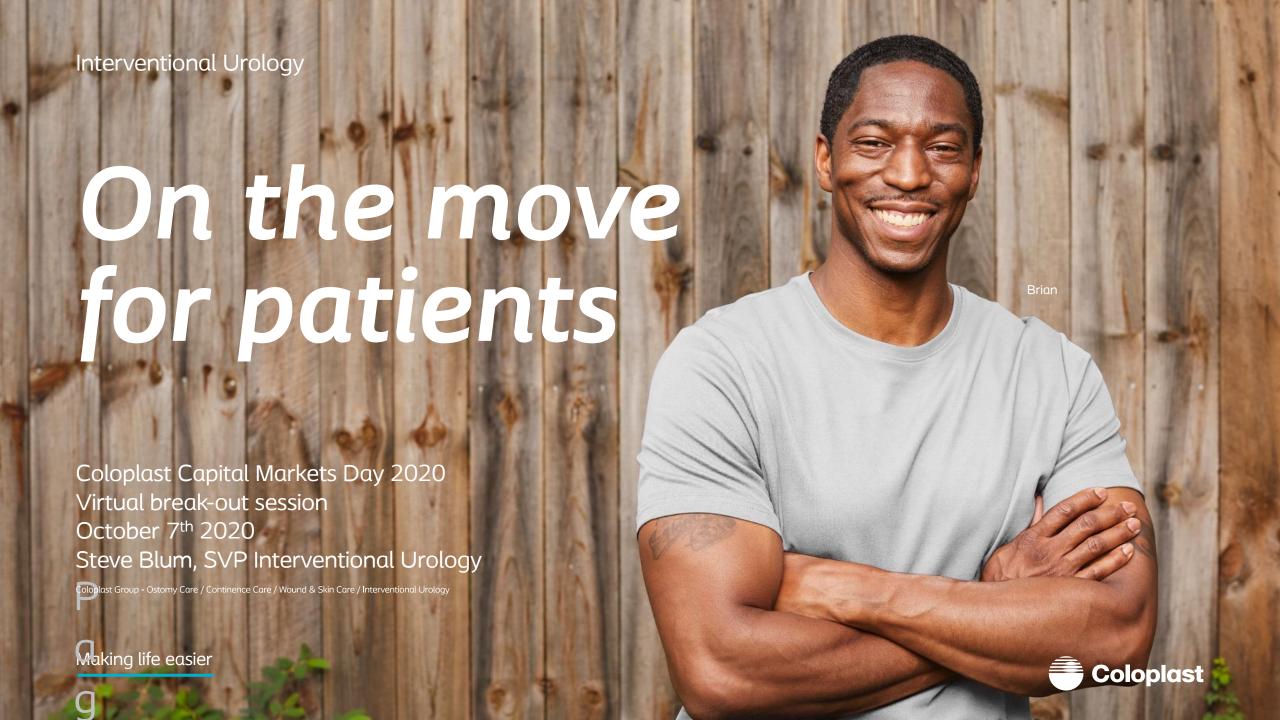


Improve overall profitability



Explore inorganic opportunities





### Key takeaways

- Interventional Urology expects to deliver **organic revenue growth in the high single digits** driven by continued investments in patient awareness and commercial activities
- The Endourology global market share will increase with the **U.S. launch of the Endourology portfolio** and **targeted growth strategy** in select countries within **Emerging Markets**
- Emerging Markets will drive growth through a more focused investment strategy in select countries
- R&D investments will increase substantially to launch new products within existing business areas
- M&A and distribution agreements will be actively pursued in high-growth adjacent segments
- High levels of profitability will be sustained through efficient operations and leveraging our commercial
  infrastructure



## IU transforms life for patients suffering from urological conditions by advancing interventional treatment solutions

Inflatable penile prothesis to permanently resolve erectile dysfunction

















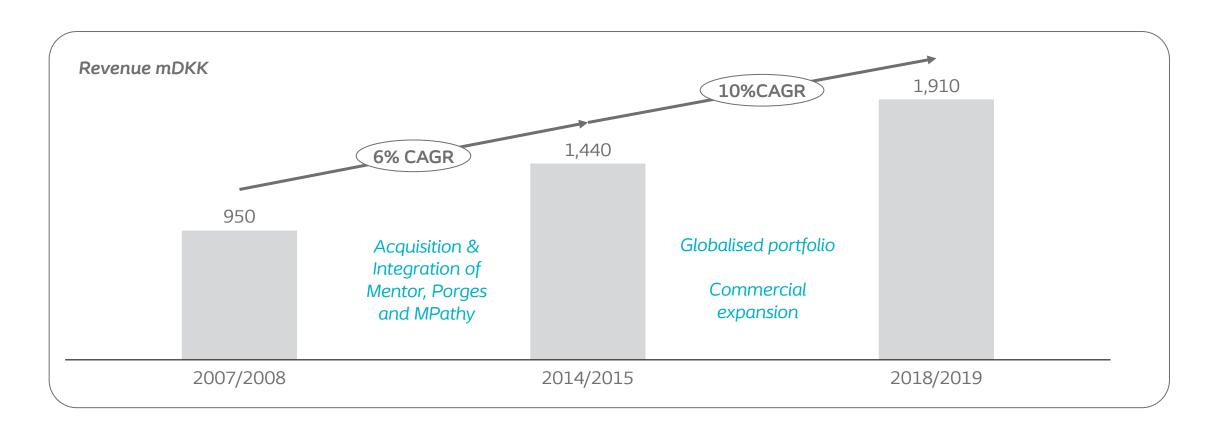
## Coloplast Interventional Urology consists of four business areas

#### Bladder Health and Endourology Men's Health Women's Health Surgery 25% of men 40-70 experience 9% of the population 35% of women worldwide moderate to severe worldwide affected by affected by urinary **Erectile Dysfunction<sup>2</sup>** kidney stone disease<sup>1</sup> Incontinence<sup>3</sup> Men's Health products help men who Endourology products are medical Female Pelvic Health products help women Broad portfolio that includes disposable and experience erectile dysfunction (E.D.) and disposable devices for the hospital surgical devices for handling prostate regain continence and recover from pelvic stress urinary incontinence (SUI) - often a management of urologic and gynecologic disorders (both diagnosis and treatment), organ prolapse result of various prostate treatments disorders such as urinary stone disease and catheters and bladder evacuators urinary incontinence

- 1) www.kidney.org/atoz/content/kidneystones
- www.bumc.bu.edu/sexualmedicine/physicianinformation/epidemiology-of-ed/
- www.sciencedirect.com/science/article/abs/pii/S0090429510000191

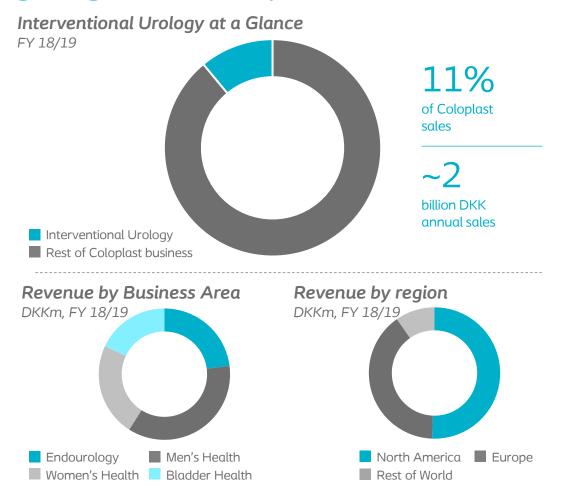


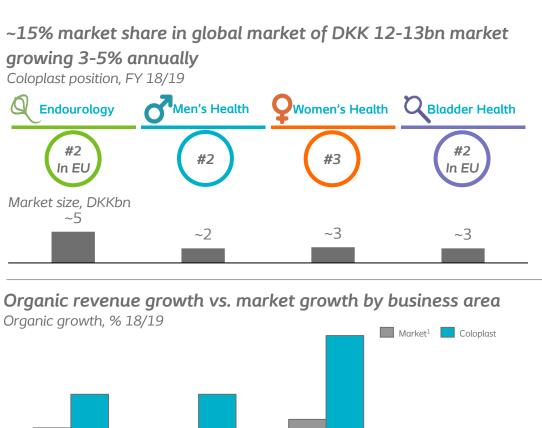
# Since 2008, Interventional Urology has doubled revenue and strengthened profitability by globalising its portfolio and through commercial expansion





## Today, Interventional Urology's revenue is balanced geographically and across the four business areas





Women's Health

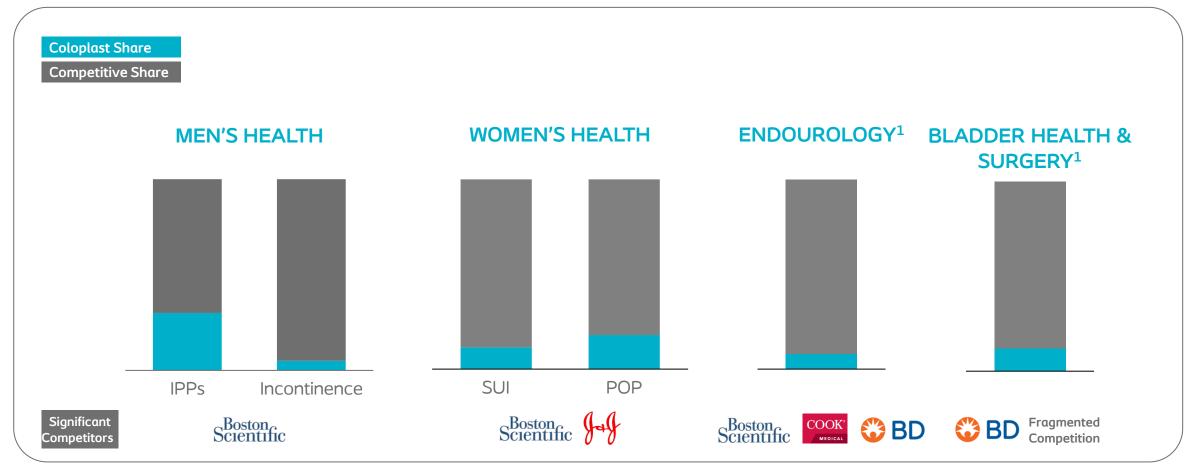


Bladder

Endourology

Men's Health

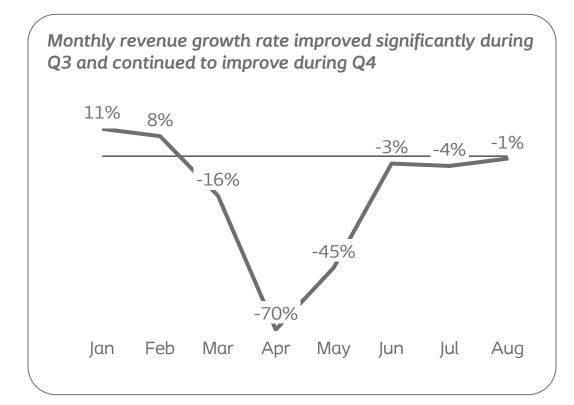
## We have a strong presence in our categories but there is room to capture market share



Source: Company information; Note: 1 Select segments.



## Monthly revenue growth rate continued to improve throughout Q4



Growth rate expected to be flat into 2020/21 and H2 will benefit from an easy comparison period

IU has been highly impacted by Covid19 due to the elective nature of the implantable business, but business is improving

Endourology in Europe is showing strong recovery, and more recently Men's Health in the United States has strengthened

Risks to sustained recovery include increase in COVID infection rates, employment levels and operating room capacity



## Interventional Urology will deliver annual organic revenue growth in the upper single digits through 4 key focuses

#### Interventional Urology

#### **Innovative solutions**

via new product development, partnerships, and acquisitions



#### Top-line growth

via market development and commercial execution

#### Operational excellence

via infrastructure and process efficiencies

#### Invested employees

via inclusion, empowerment and development



## Our strategy reflects unique market dynamics across the four business areas



#### **Endourology**

- Full portfolio needed for GPO procurement
- Improved hospital cost savings becoming an enabler to play



#### Men's Health

- Minimally invasive procedures on the rise
- Cost of treatment (infection free, invasiveness and time efficiency) is becoming increasingly important



#### Women's Health

- Shift towards outpatient procedures
- More pre-market requirements
- Need for prolapse and incontinence options remains



### Bladder Health & Surgery

- Product commoditisation has adverse impact on prices
- Rise in robotic surgery creating unmet needs

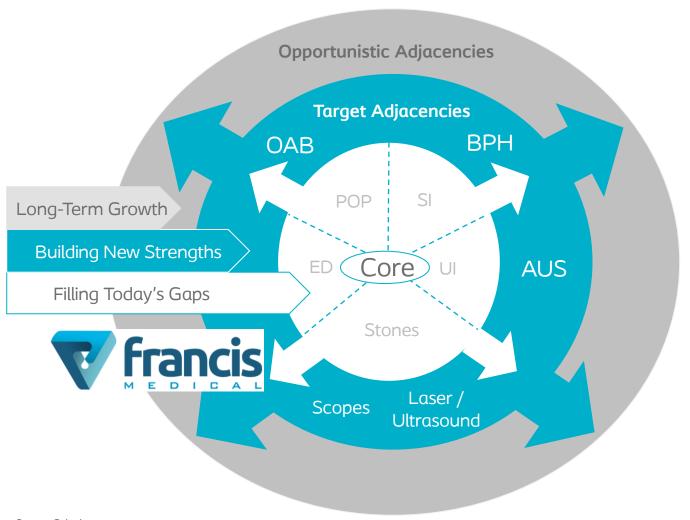


### Our organic pipeline delivers innovation in all IU segments

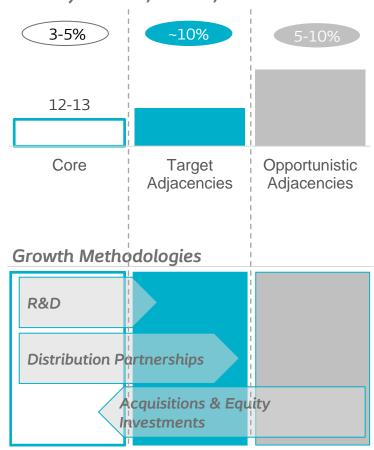
ENDO o MH **Q** WH Strategy Description Enhance market Fill gaps and ensure Strengthen Cadence of stone Series of IPP leading SUI & POP procedure tools enhancements competitiveness core products Office based, Portfolio Broaden offering with new Advanced Expanded procedure minimally invasive visualisation and solutions technologies expansion stone elimination therapies Platform Develop differentiated transformational solutions innovation



### We are actively seeking opportunities in adjacent segments



Market size and growth for core business and adjacencies, DKKbn, Illustrative



Source: Coloplast



We will grow our revenue globally with regionspecific approaches

#### North America

- MH & WH will drive growth via patient education and commercial expansion
- Endourology portfolio launched and significant commercial investments are being made



#### Europe



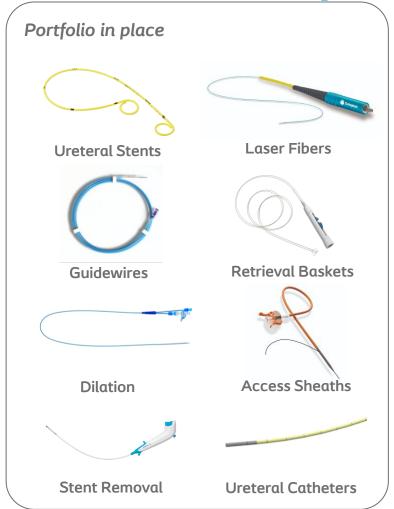
- Endo will grow via portfolio expansion
- Portfolio will grow from increased focus on Commercial Excellence

#### **Emerging Markets and Asia Pacific**

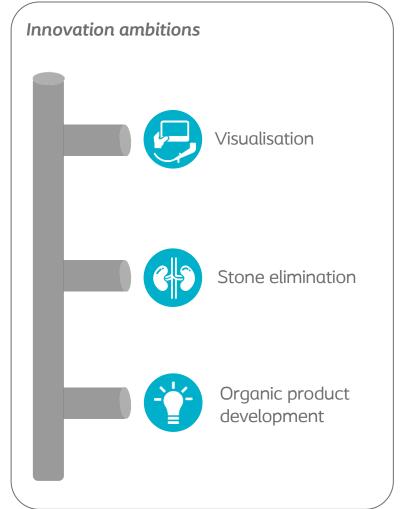
- Currently <10% market share with significant potential</li>
- Endo and MH growth driven by increased investment in select group of high potential countries



Endourology in the US is finally poised to deliver in 20/21 and beyond









## IU is evolving our organization and enhancing operations and processes



### Inclusion & Diversity

Train all employees on inclusion & unconscious bias

Ensure diverse candidate pools & selection committees



### Recruitment & retention

Elevate employee on-boarding to speed productivity & enhance engagement



### **Enhancing Operations**

Improve productivity via lean manufacturing and enhanced sales and operations planning



#### Process Efficiencies

Leverage the
Coloplast Business
Center to reduce
costs and improve
quality and
efficiency



## IU will deliver annual organic growth in the high single digits with potential upside from partnerships and M&A



Driving
revenue
High single digit annual
organic growth

Sustaining high level of profitability and ROIC





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







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

Our on-going commitment

Responsible operations

















### Our starting point is solid with room to improve

We have been through a rigorous process to access our Sustainability performance ...

- Bottom-up assessment based on 23 parameters
- Involvement of stakeholders: Employees, customers/end-users, society and investors
- Working closely with external consultancy throughout the process
- Engaging and empowering our employees through an idea campaign

... Supported by our materiality assessment, we have based our priorities on our impacts







### Coloplast's position on plastic

Plastic is used every day for many things.

What happens after plastic is thrown away is causing a problem for our planet.

As a manufacturer of medical products made of plastic, Coloplast has a responsibility.

We embrace that responsibility and have clear priorities:

- 1. Product safety and clinical performance cannot be compromised
- 2. Single use products are the easiest and safest option for our users
- 3. Sustainability should be easy for our users
- 4. We need to identify new materials and support the development of new technologies
- 5. Partnerships across the industry are essential

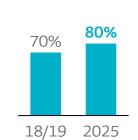
## We are investing up to 250m DKK over the next 5 years to support sustainable environmental development<sup>1</sup>

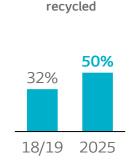
#### **Key Sustainability Targets 2025** Scope 1+2 emissions<sup>2</sup> Renewable energy Company cars are Reduce business travel electrical **Reducing emissions** 100% while being a *growth* company 67% 50% 7% 0% 2% -10% 18/19 2025 18/19 2025 18/19 2025 18/19 2025 Packaging consisting of Production waste Makina renewable materials 3

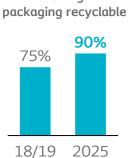


## Improving products and packaging

by addressing material use









<sup>1)</sup> Approximate split: DKK 150m in OPEX and DKK 100m in CAPEX

<sup>%</sup> of Coloplast's total greenhouse gas emissions

Renewable materials are defined as either recycled or bio-based

## We continue our strong commitment to responsible operations

#### **Key Sustainability Targets 2025**

## Responsible operations

is our core values



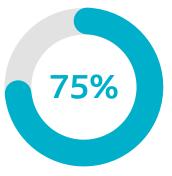
White-collars trained in Code of Conduct



Female representation at VP+ levels



Loss-time injury rate\*



of teams (Director and above) meet diverse team targets criteria\*\*



<sup>\*</sup> Number of injuries resulting in absence from work of more than eight hours per one million working hours

<sup>\*\*</sup> A diverse team consists of a max. 75% of one gender + either max. 75% of one generation or one nationality

### We have strengthened our governance of Sustainability



#### **Board of Directors**

Consists of six shareholder-elected and three employee-elected members.



#### **Executive Leadership Team**

Consists of CEO, CFO, Operations, Innovation, Growth, and People & Culture



Consists of three members appointed among the Board of Directors.

#### **Audit Committee**

Consists of four members appointed among the Board of Directors.



#### 霙 Sustainability unit

~10 FTEs dedicated to Sustainability with the responsibility of embedding sustainability in the organization and identifying new improvement areas. Anchored in Global Quality and Regulatory Affairs.



# **ESG**Appendix



#### Environment: Improving products and packaging

### Integrating sustainability throughout our raw material flow

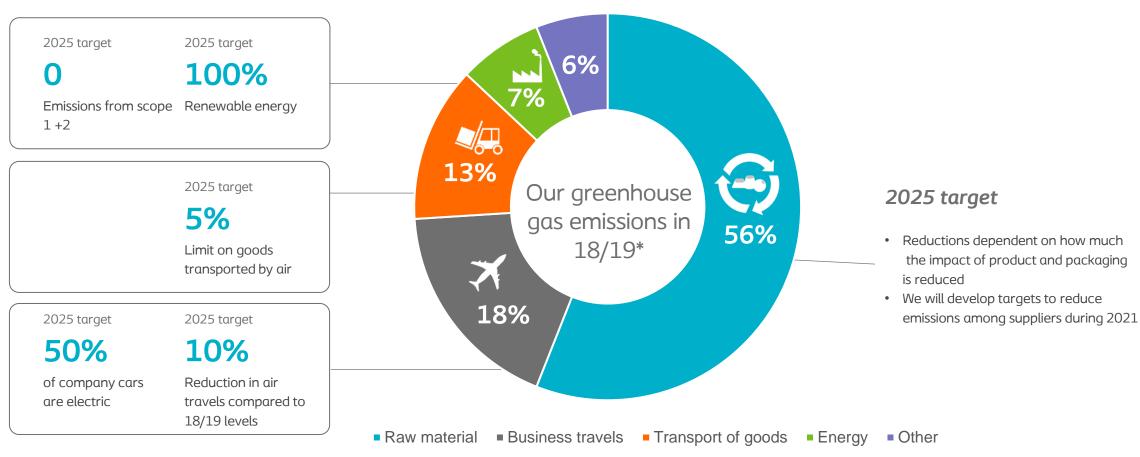
Landfill, incineration or Raw materials Production Disposal nature 2020 Total: 40,000t (25,000t plastic) • of which 25% is renewable materials\* 75% of packaging is recyclable Waste recycled: 36% +1,200,000,000 units **Status** • 70% of packaging consists of renewable materials\* 80% 50% 90% of production of packaging consists of of packaging is recyclable waste is recycled We do not have direct impact 2025 renewable materials on waste systems, but we can **Targets** influence what and how much ends up in these systems We will look into bio-based and recycled alternatives to fossilbased plastics



<sup>\*</sup> Renewable materials are defined as either recycled or bio-based

#### **Environment: Reducing emissions**

## We are committed to reducing emissions while growing 7-9% organically



<sup>\* 18/19</sup> Scope 1 + 2 emissions: 11,300 tonnes, Scope 3 emissions: 155,000 tonnes



## Our mission inherently strives for better outcomes as well as better access to healthcare

#### Raising standards of care

Our partnership programme, Access to Healthcare, seeks to improve conditions within ostomy, continence and wound care. Established in 2007, the programme has so far supported +60 projects.

#### Education



Coloplast has partnered with the University of Rochester to develop a synthetic male pelvis model as well as a parallel online curriculum to enable global education opportunities.

#### **Awareness**



Build patient and practitioner awareness of coated intermittent catheters in Brazil and create a documented 'gold standard' patient pathway.

#### Access/Funding







Coloplast has partnered with Key Opinion Leaders and Patient organisations to advocate for better access and treatment opportunities. Over the past 5 years, Coloplast has successfully seen increased access and funding for IC in Japan, South Korea and Australia. Most recently Japan has also introduced increased funding for bowel management products.

#### **Enabling better outcomes**



#### Product and service outcomes

Products and services reduce ostomy re-admissions in the US by 55%<sup>1</sup>



#### **Coloplast Care**

- ~1.8m consumers in our database in 30+ countries
- 83% expressed feeling an improved quality of life through their participation<sup>2</sup>

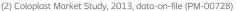


#### Educating and training for clinicians

- +850 ostomy and continence care nurses from +20 countries are involved in our advisory boards
- +700 participants at Continence Days and Ostomy Days



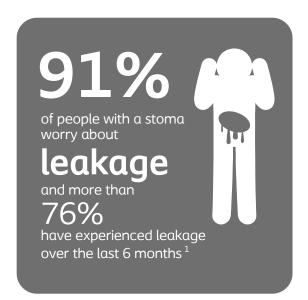
+60 projects globally





## We have initiated a very ambitious Clinical Performance Program to tackle the biggest issues users face

Users are challenged by skin irritation and urinary tract infections





We have made progress on key technologies and run clinical trials



- (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 a strong outset on organisational health that we strive to maintain

#### **Status**

#### 7.9 out of 10

employee engagement score

8.7%

voluntary employee turnover\*\*

voluntary employee turnover

67%

of critical managers positions filled by internal candidates

#### **Ambition**

Continued Employee
Engagement above industry
benchmark\*

Maintain healthy level with specific geographical focus

67% of our critical managerial positions filled internally

#### Ensuring safety at work



#### Reducing injuries

- 33% reduction in injury rates since 15/16
- New target to reduce LTI to 2.0 by 2025



#### Covid-19

- Keeping our people safe,
- 2. Continuing to serve our customers
- 3. Maintaining business operations

Source: 12-months data as of August 2020 for employee turnover and critical managerial positions



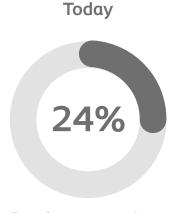
<sup>\*</sup> Engagement survey data March 2020. Healthcare benchmark through Peakon

<sup>\*\*</sup> Total turnover 13.6%

### Building a culture of inclusion and diversity



Gender diversity



Female representation at VP+ levels





2025 ambition

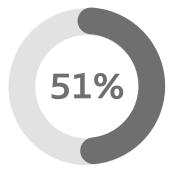
Female representation at VP+ levels

YEAR ON YEAR IMPROVEMENT

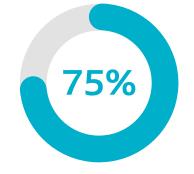


Team diversity

A team consisting of a max. 75% of one gender + either max. 75% of one generation or one nationality



Of teams (Director and above) meet diverse team criteria



Of teams (Director and above) meet diverse team targets criteria





### Business with uncompromising integrity is sustainable business

#### Our way

Coloplast business is founded on integrity, and we focus on building and maintaining a culture of integrity to ensure sustainable and profitable business and to reduce risk.

Being a corporate citizen of an increasingly sustainability focused world and operating globally in a heavily regulated industry, we have implemented strong structures to support our culture of integrity and mitigate risk.

We say what we do, and we do what we say - we sanction misconduct.

#### Building a culture of integrity

2019/20 (YTD)



of white collars:

- trained in our Code of Conduct
- recertified in 2020
- trained on data protection

easy to raise a concern and we inform about reflected in the

### We have made it enforcement - this is numbers.

#### Internal structures supporting integrity

**Business Ethics Management** and Audit Framework



- Regular top level communication about business ethics
- Quarterly global training and awareness campaigns
- We measure our business ethics and data privacy initiatives to continuously identify and respond to risk

Extra attention on third parties Distributor and Supplier codes of conducts and dedicated resources to conduct third party risk assessments and due diligence.





Cases submitted to the ethics hotline

...of which within scope

2018/19

#### Governance

## Executive compensation is directly correlated with shareholder value creation

#### Short-Term Incentive: Annual Incentive Program

- Annual cash bonus of up to 25% of fixed pay
- Tied to financial guidance
- For current fiscal year, the below KPIs determine the actual payout:

#### **Delivering on Business Strategy**



#### Long-Term Incentive: 3-year Rolling Plan

- Eligibility once a year to receive stock options with a value at the time of grant of up to 12 months' base salary
- Size of the grant calculated based on the base salary as at the end of the previous fiscal year
- Value of the stock options granted calculated based on the Black-Scholes formula
- Strike price is between 0% and 10% higher than the market price at the date of grant
- The duration of the program is presented below:





### **Board of Directors**

Name	YoB	Nationality	Independent?	BoD since	Audit Committee	Rem. and Nom. Committee*	Board competencies	Other Board positions (selected)
Lars Rasmussen Chairman	'59	DK	No	'18	Х	Х	Extensive executive management and board experience from international listed companies in the medtech and pharma industry. In-depth knowledge within commercialization of innovation, B2B and B2C sales models and efficiency improvements.	H. Lundbeck, Ambu, Demant, Igonomix S.L.
Niels Peter Louis- Hansen Deputy Chairman	'47	DK	No	'68		Х	In-depth knowledge of the industries in which Coloplast operates, its dynamics and key players as well as deep insight into strategy development from decades of board work. Key contributor to preserving the Coloplast culture.	Aage og Johanne Louis-Hansen Fond, N.P. Louis-Hansen ApS, NPLH Anpartsinvest ApS
Carsten Hellmann Member	'64	DK	Yes	'17	X		Considerable executive management experience and extensive experience in product development and international commercialization within highly regulated industries as well as M&A activities, including post integration.	The Danish Chamber of Commerce
Birgitte Nielsen Member	'63	DK	Yes	'15	X		Extensive management experience and considerable board experience from both listed companies and large privately held companies within the medtech industry and the financial sector. Financial and accounting experience as well as in-depth knowledge of the financial markets.	Matas. De Forenede Ejendomsselskaber, Kirk Kapital
Jette Nygaard- Andersen Member	'68	DK	Yes	'15		X	Considerable executive management and board experience within global medtech, media & entertainment, and digital growth businesses. Experience within business and marketing strategies, digital transformation, optimization of customer experience and engagement, digital growth start-ups and M&A activities, including post integration.	GVC Holdings Plc
Jørgen Tang-Jensen Member	'56	DK	No	'07	X		Considerable global executive management experience and extensive board experience from international listed companies within the medtech industry and the building materials industry. Experience within corporate governance, accounting and finance as well as strategy development and execution.	Rockwool International, VKR Holding, VILLUM FONDEN, Maj Invest Holding, Strøjer Tegl

<sup>\*</sup>Remuneration and Nomination Committee



### 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

