

# Making it easier to be yourself

Clothes are a part of my identity,  
so I worried about what I could  
wear after my operation. Today,  
I still dress the way I want.

Stina



## Leading intimate healthcare

SEB Nordic Large Cap Seminar, Stockholm 2020

Anders Lonning-Skovgaard

## Making life easier

Ostomy Care, Continence Care, Wound & Skin Care and Interventional Urology



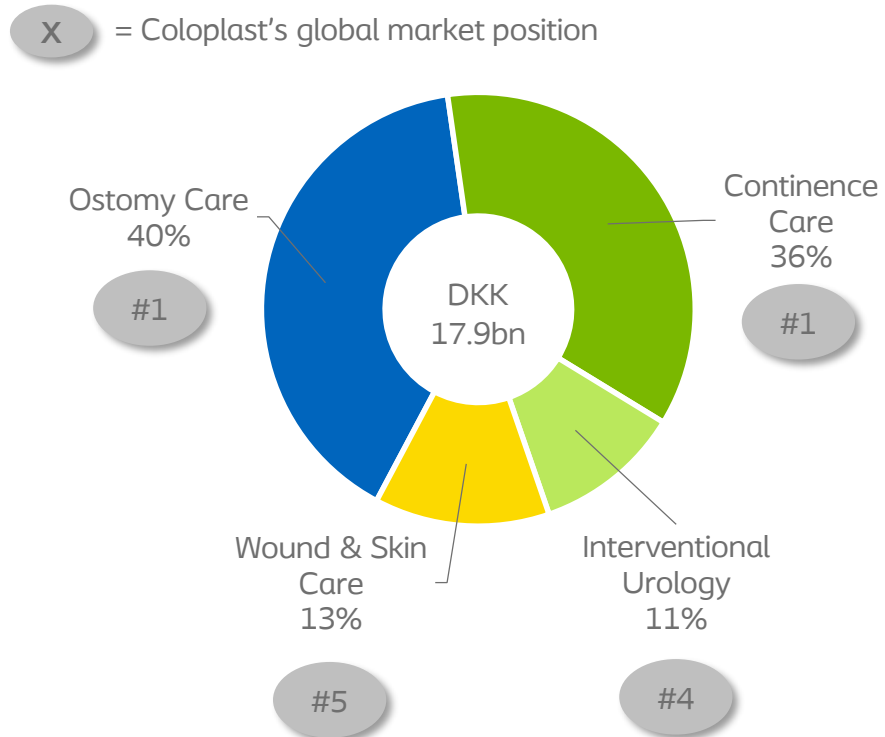
# Forward-looking statements

The forward-looking statements contained in this presentation, including forecasts of sales and earnings performance, are not guarantees of future results and are subject to risks, uncertainties and assumptions that are difficult to predict. The forward-looking statements are based on Coloplast's current expectations, estimates and assumptions and based on the information available to Coloplast at this time.

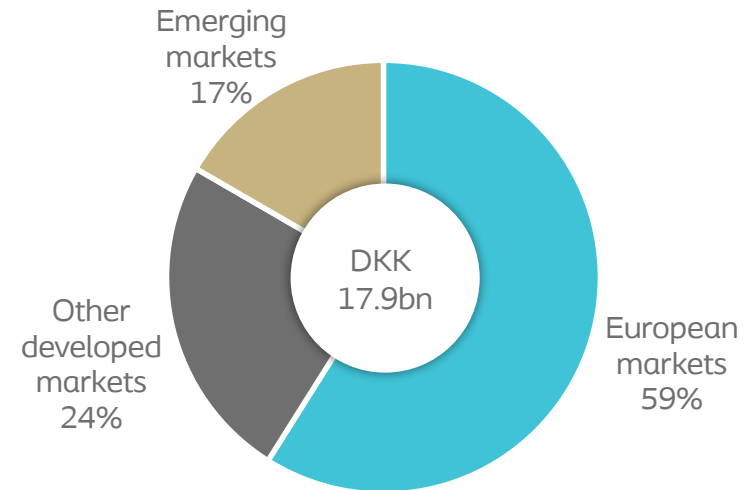
Heavy fluctuations in the exchange rates of important currencies, significant changes in the healthcare sector or major changes in the world economy may impact Coloplast's possibilities of achieving the long-term objectives set as well as for fulfilling expectations and may affect the company's financial outcomes.

# Coloplast has four business areas all with global sales presence

Group revenue 2018/19 by segment



Group revenue 2018/19 by geography



# Coloplast specializes in intimate healthcare needs

## Who are our typical users

## How do we help them?

### Ostomy Care

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

**SenSura® Mio**  
Ostomy bag



### Continence Care

People in need of bladder or bowel management

**SpeediCath®**  
Flexible male  
urinary catheter



### Interventional Urology

People with dysfunctional urinary and reproductive systems

**Titan® OTR**  
Penile implant



### Wound Care

People with difficult-to-heal wounds

**Biatain® Silicone**  
Foam wound dressing



# Intimate healthcare is characterized by stable industry trends

## Drivers

1

### Demographics

Growing **elderly population** increases customer base for Coloplast products

2

### Emerging markets

Expanding healthcare coverage for populations in emerging markets **increases addressable market**

## Limiters

1

### Surgical and medical trends

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

2

### Healthcare reforms

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

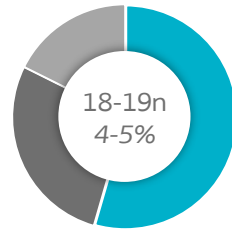
Coloplast addressable market growth is 4-5%<sup>1</sup>

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

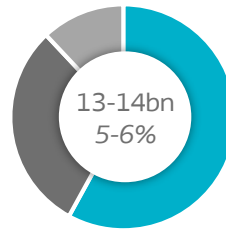
■ Europe  
■ Developed  
■ Emerging

**Addressable market**  
 Size in DKK  
 Growth in %<sup>1</sup>

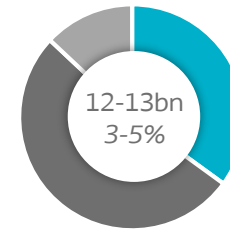
## Ostomy



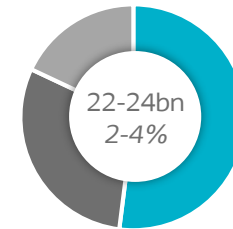
## Continenence



## Urology



## Wound Care



**Coloplast regional market shares**

40 - 50%  
 15 - 25%  
 40 - 50%

45 - 55%  
 20 - 30%  
 30 - 40%

20 - 25%  
 15 - 20%  
 5 - 10%

5 - 10%  
 0 - 5%  
 5 - 10%

**Coloplast total market share**

35-40%

~40%

~15%

5-10%

**Key competitors**



**Key drivers and limiters**

- Ageing population
- Increasing access to healthcare
- Health care reforms
- Re-use of products outside Europe

- Ageing population
- IC penetration potential
- Up-selling
- Health care reforms
- Commoditization

- Ageing, obesity
- Underpenetration
- Cost consciousness
- Clinical requirements
- Less invasive/office procedures

- Ageing, obesity, diabetes
- New technologies
- Healthcare reforms
- Competition
- Community treatment



# Coloplast strengthens Executive Management

- Coloplast Executive Leadership Team is expanded from four to six people in order to deliver on upcoming 2025 strategy centred around Innovation and Growth, which will be presented at the Capital Markets Day on September 29<sup>th</sup>



**Kristian Villumsen**  
remains President and CEO



New role EVP Innovation with responsibility for commercial offering overseeing global functions incl. R&D and Marketing led by **Nicolai Buhl Andersen**, who is promoted into the Executive Leadership team



**Anders Lonning-Skovgaard**  
remains EVP & CFO



New role EVP Growth with responsibility for Chronic Care and Wound & Skin Care sales organisation led by EVP **Paul Marcun**



**Allan Rasmussen**  
remains EVP Operations



HR renamed People & Culture and elevated to Executive Leadership led by SVP **Camilla G. Møhl**, who is promoted into the Executive Leadership team

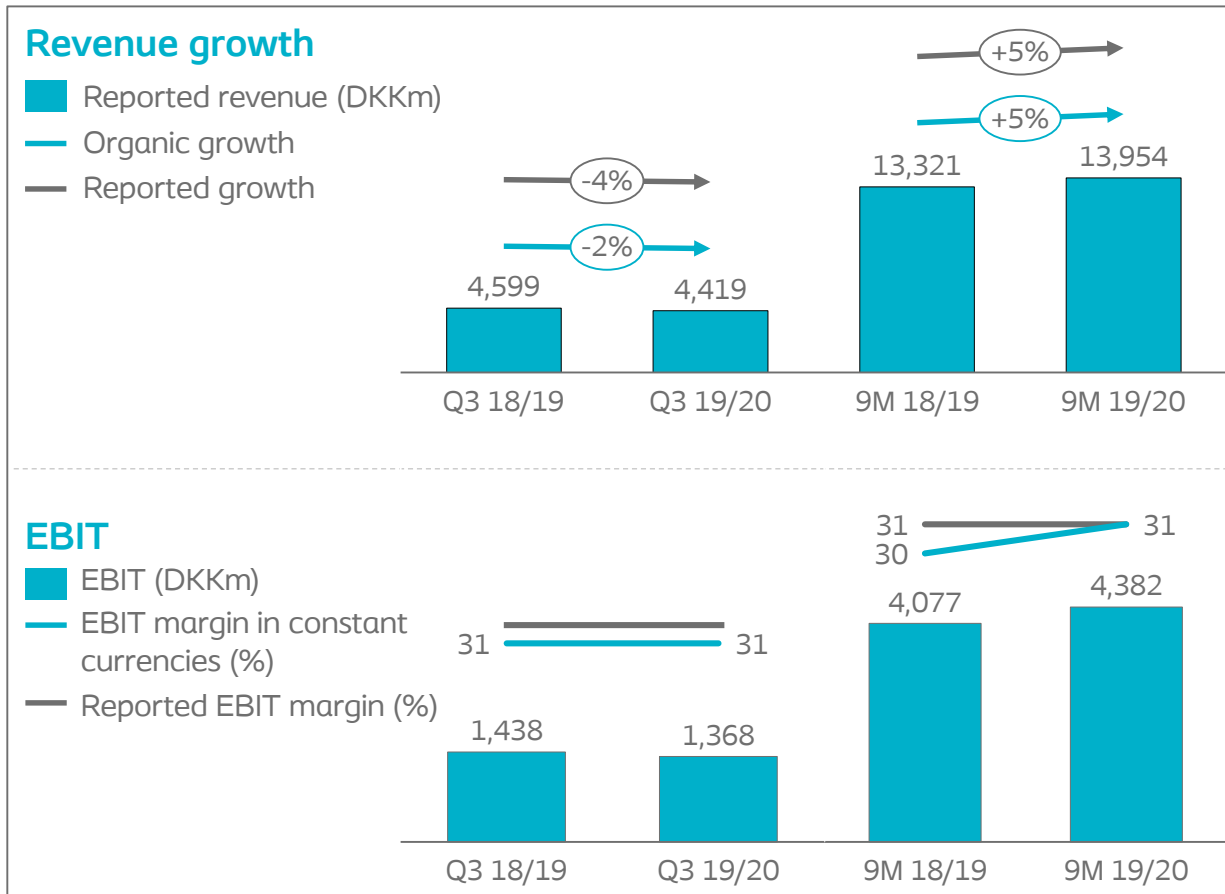
# An update on how Coloplast is navigating the COVID-19 pandemic

- **Three key priorities: keeping our people safe, continuing to serve our customers and maintaining business operations**
  - Global guidelines, safety measures and contingency plans implemented
  - Support consumers with dependable delivery of products and close dialogue through direct businesses and consumer teams in +30 markets
  - Virtual engagement with health care professionals and training programmes to upskill sales force
  - Prudent approach to costs yet firm commitment to investments in innovation and commercial initiatives
- **Positive and negative drivers in Q3 due to COVID-19:**
  - After a significant negative impact in Q3, the situation in Interventional Urology is expected to gradually normalise in Q4. The situation improved throughout Q3 at a pace that implies that the worst case scenario is now out of scope.
  - The majority of the positive stock building impact of DKK ~150m in mainly Europe in Q2 reversed in Q3 and is now expected to fully reverse in Q4.
  - Lower growth in the UK chronic care business in H2 19/20 driven by a decline in new patients due to COVID-19. Due to COVID-19 and the extended lockdown in the UK, there has been a significant decline in screening, referrals, diagnostics and operations. This has resulted in a decline in NPDs in both Ostomy and Continence Care.
  - A larger negative impact on the Wound & Skin Care business (incl. Contract manufacturing) in Europe and the US in H2 19/20 than previously anticipated. The situation in China in Wound Care is still expected to normalize in Q4.

## Financial guidance for 2019/20 narrowed



# Q3 negatively impacted by decline in elective procedures in Interventional Urology and reversal of stock building in EU



## Q3 Highlights

- Negative organic growth of -2% and -4% reported decline in DKK
- Chronic Care delivered a stable underlying growth in Q3, adversely impacted by the reversal of the majority of the positive DKK ~150m impact from the previous stock building
- Interventional Urology reported -40% in Q3 due to decline in elective procedures in primarily the US. Performance improved during Q3 with April, May and June down 70%, 45%, 3% respectively
- In Q3, Wound and Skin Care delivered -6% organic primarily due to a decline in hospital procedures resulting in lower sales in China, Europe and US Skin Care
- EBIT declined 5% to DKK 1,368m negatively impacted by the drop in revenue and despite cost saving initiatives but also reflecting sustained investments in growth opportunities and innovation as well as IT
- ROIC after tax before special items<sup>(1)</sup> of 40%

(1) Special items: Balance sheet items related to the provision in connection with settlements in lawsuits in the USA alleging injury resulting from the use of trans-vaginal surgical mesh products.

# Financial guidance for FY 2019/20 – guidance range narrowed

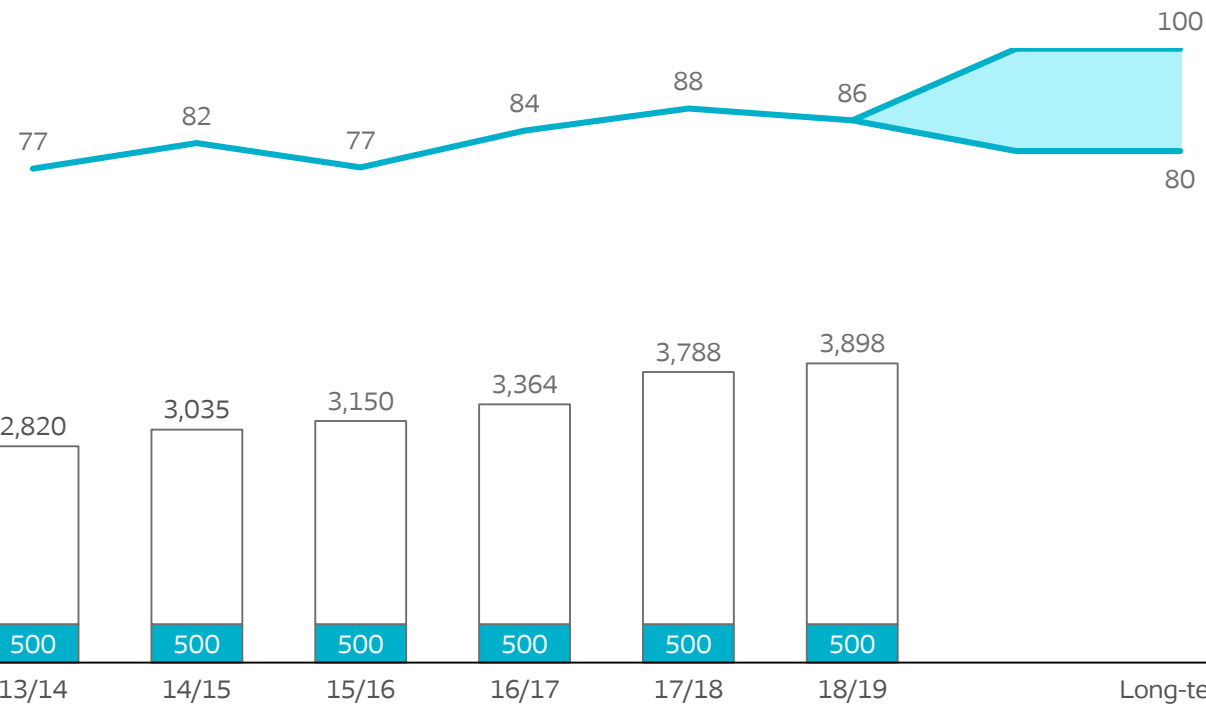
	Guidance 2019/20	Guidance 2019/20 (DKK)*	Key assumptions
<b>Sales growth</b>	~4% from previously 4-6% (organic)	3-4% from previously 4-6%	<ul style="list-style-type: none"> <li>The situation in Interventional Urology gradually normalises in Q4</li> <li>Majority of 150m stock building from Q2 reversed in Q3 – expected to fully reverse in Q4</li> <li>Lower growth in the UK chronic care business driven by a decline in new patients due to COVID-19</li> <li>Larger negative impact on Wound &amp; Skin Care business in H2 19/20 than previously anticipated. China WC expected to normalise in Q4</li> <li>Stable supply and distribution of products across the company</li> </ul>
<b>EBIT margin</b>	~31% from previously 30-31% (constant exchange rates)	~31% from previously 30-31%	<ul style="list-style-type: none"> <li>Global Operations Plan 4 – savings of 100bps partly offset by negative impact from wage inflation and labour shortages in Hungary</li> <li>Incremental investments of up to 2% of revenue in China, other EM countries, US and UK</li> <li>No restructuring costs</li> <li>Prudent approach to costs due to COVID-19 situation</li> <li>Extraordinary costs related to COVID-19</li> </ul>
<b>CAPEX (DKKm)</b>		~950m	<ul style="list-style-type: none"> <li>New machines for new and existing products, establishment of volume site in Costa Rica, investments into automation at volumes sites and IT investments</li> </ul>
<b>Tax rate</b>		~23%	

\*DKK guidance is based on spot rates as of August 14<sup>th</sup> 2020

# Continue to provide attractive cash returns despite large investments in commercial and expansion activities

## Coloplast cash distribution to investors

□ Dividends paid out in the year (mDKK) <sup>(1)</sup> ■ Share buy-back (DKKm) — Pay-out ratio (%) <sup>(2)</sup>



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

2) 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.

## Comments

- Coloplast returns excess liquidity to shareholders in the form of dividends and share buy-backs
- Dividend is paid twice a year – after the half-year and full-year financial reporting
- Total dividend of DKK 17 per share for 2018/19
- H1 2019/20 interim dividend of DKK 5.0 per share for a total interim dividend of DKK 1,064m
- Share buy-back program of DKK 500m launched in Q2 19/20 and expected to be completed by financial year-end 19/20

# Key highlights from 2018/19 Corporate Responsibility initiatives

## Empowering People



Our Access to Healthcare programme has supported 62 projects since 2007. This year, we entered a 3-year plan to raise the standard of care for spinal cord injured patients in China. Today, around two million Chinese citizens are spinal cord injured

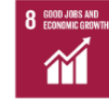


>800 healthcare professionals attended Continenence Days in Denmark – focused on the neurogenic bladder and bowel



83% of users expressed feeling an improved quality of life through their participation in Coloplast Care

## Acting respectfully



New target to increase share of diverse teams (gender, generation, nationality)



30% reduction in occupational injuries in 18/19 to our 2020 target of a 3.0 LTI frequency



Established Remuneration and Nomination Committee



Updated Code of Conduct, 99% of white collars trained



100% of raw material suppliers screened for human rights

## Minimising footprint



Achieved 100% electricity from renewable sources



32% recycling coverage of production waste in 18/19  
Target of 35% by the end of 2020



Airfreight as a % of total transport has decreased to 5.1% from 10.7% last year  
Long-term ambition is to reduce to less than 3%



NOTE: Full statements to be found in Coloplast's Corporate Responsibility Report 2018/19

# Capital Markets Day 2020

## Sign up for Coloplast's Capital Markets Day

Tuesday 29 September 2020

14.00 pm - 17.00 pm CEST

13.00 pm - 16.00 pm BST

08.00 am - 11.00 am EDT

Join us **virtually** or at our venue in Humlebaek, north of Copenhagen.

This event is intended to give institutional investors and equity analysts an introduction to the new long-term strategy.

More information can be found on our [website](#), including the programme for the day and registration.



## 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