

Sustainable growth leadership

Post-CMD virtual roadshow for Europe-based
investors by BERENBERG

October 1st 2020

Kristian Villumsen, President & CEO

Anders Lonning-Skovgaard, EVP & CFO

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

Making life easier



Stina

We are building the consumer healthcare company of the future

Macro Trends



Ageing population



Healthcare consumerism



Digital transformation



Price pressure



Channel consolidation

Impact



Commercial model



Key takeaways from our CMD



LEAD20 strategy successfully accelerated growth and value creation



We are building the consumer healthcare company of the future



Our new strategy will drive value creation through Sustainable Growth Leadership with an emphasis on innovation (Clinical Performance Programme), US and China



We are fully committed to investing in and scaling our Interventional Urology and Wound & Skin Care businesses



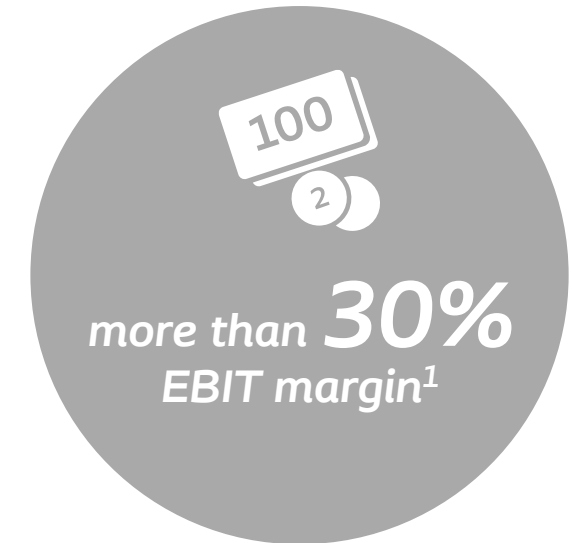
Our new strategy will be supported by key growth enablers including Efficiency, People and Sustainability



We will actively pursue M&A opportunities to build growth options



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



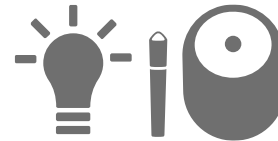
1) Constant currencies, based on FX rate as of September 29, 2020



Innovation: We will enable growth and deliver superior products



Deliver on the Clinical Performance Program in Chronic Care



Continue to deliver new products within existing technologies



Build more options into the pipeline



All our business areas will contribute to growth

Main strategic themes



Chronic Care

- Innovation
- China – Build on Market Leading Position
- US - Challenger to Leader
- Market development



Wound & Skin Care

- 3DFit Technology
- Scale our Chinese and US businesses
- Drive profitability



Interventional Urology

- Innovation
- Geographical expansion
- Enter adjacent categories through M&A

Supporting sustainable development with a strong emphasis on improving our environmental performance

Our mission

Making life easier for people with intimate healthcare needs



Our 2025 priority

Reducing emissions



0 emissions from scope 1&2
100% renewable energy

Our 2025 priority

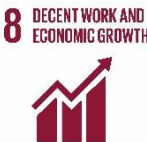
Improving products and packaging



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

Our on-going commitment

Responsible operations

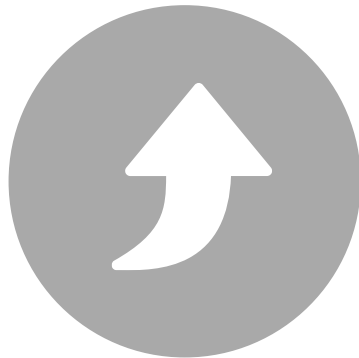


We will actively pursue M&A opportunities as a lever for long-term growth

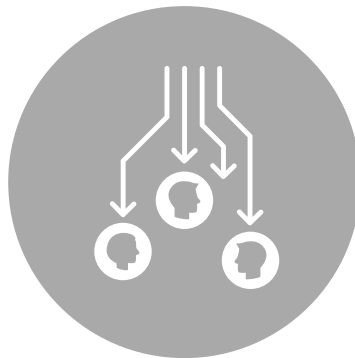
Opportunity based



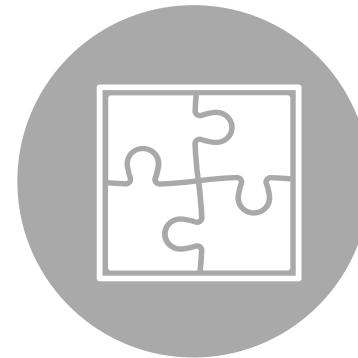
Systematic screening



Large plays



*Channel
expansion*



*Portfolio expansion
& adjacencies*



*Early stage
technologies*

Short term we have been negatively impacted by COVID-19 but we will leverage learnings going forward



Short term implications

- Lower group growth due to cancellation of elective procedures
- Largest uncertainty related to rebound in Interventional Urology and UK situation
- Sales reps unable to connect with customers in person
- Challenges in conducting clinical trials

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

Prudent cost management

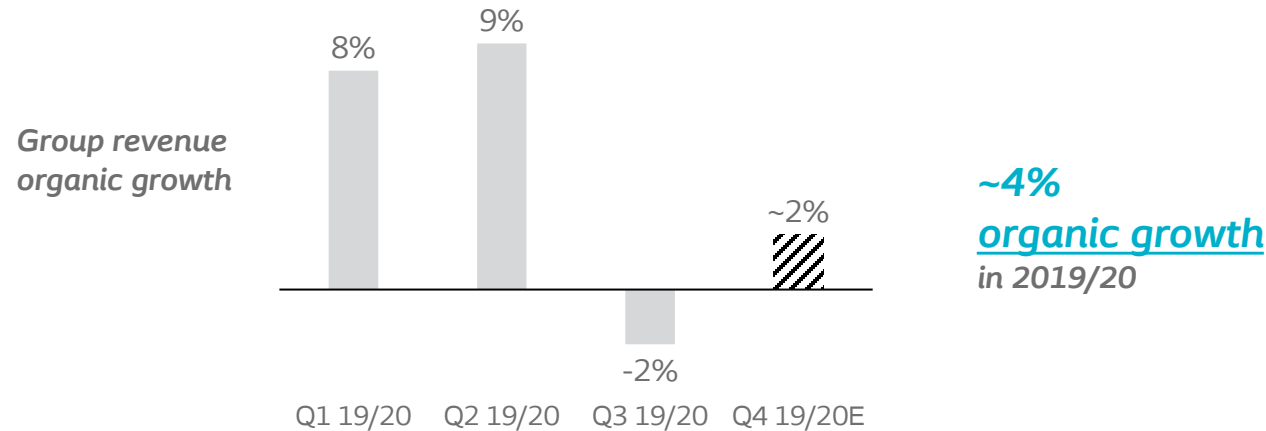


Long term opportunities

1. Clinically differentiated products that reduce total cost for payers
2. Leveraging digital solutions to connect with consumers and healthcare professionals
3. Home delivery and consumer channel increasingly attractive

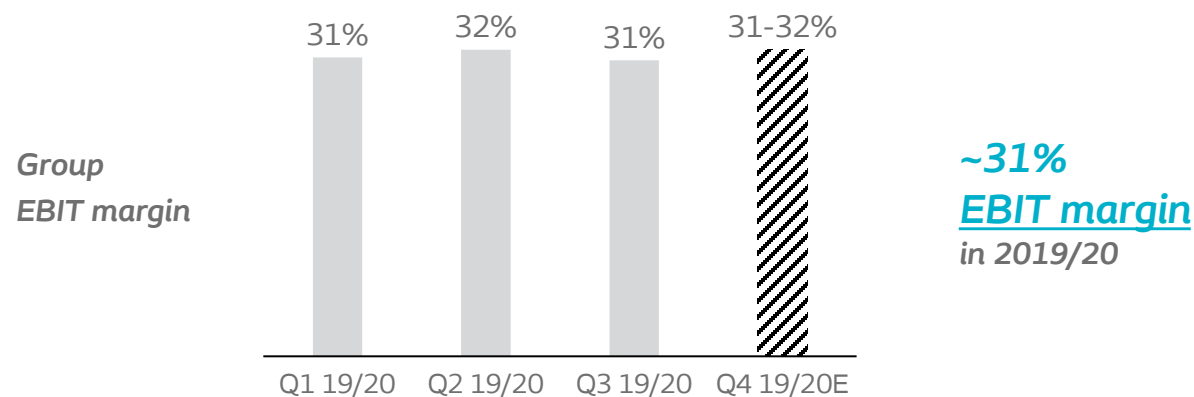
2019/20 impacted by COVID-19 – Momentum is improving, but growth in 2020/21 will be back-end loaded

2019/20 was impacted due to COVID-19



... with many moving parts impacting 2020/21

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



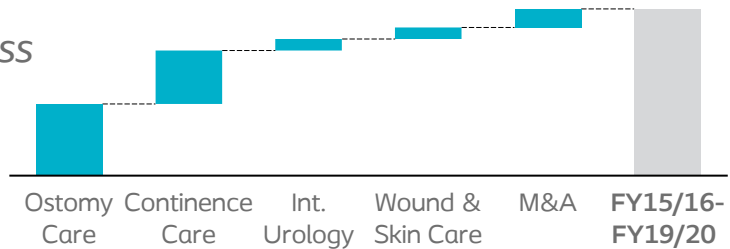
- H1 margin will be impacted by lower sales
- Investments initiated again across all BA's and we will invest up to 2% of revenues in R&D and commercial investments
- Continued savings due to less travel and lower sales & marketing costs due to Covid-19

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

Growth contribution LEAD20 period

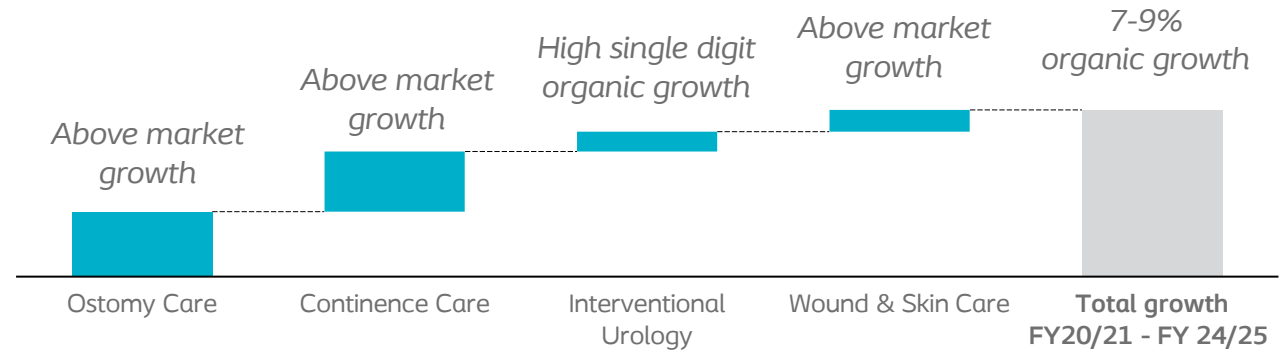
Revenue growth contribution FY 15/16 to 19/20 (DKKkm)

Business area



Illustrative growth contribution Strive25 period

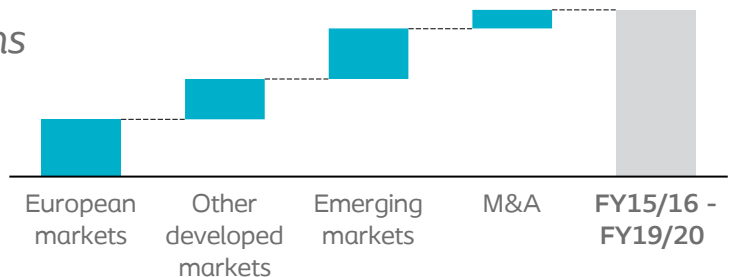
Revenue growth contribution FY 20/21 to 24/25 (DKKkm)



Growth contribution LEAD20 period

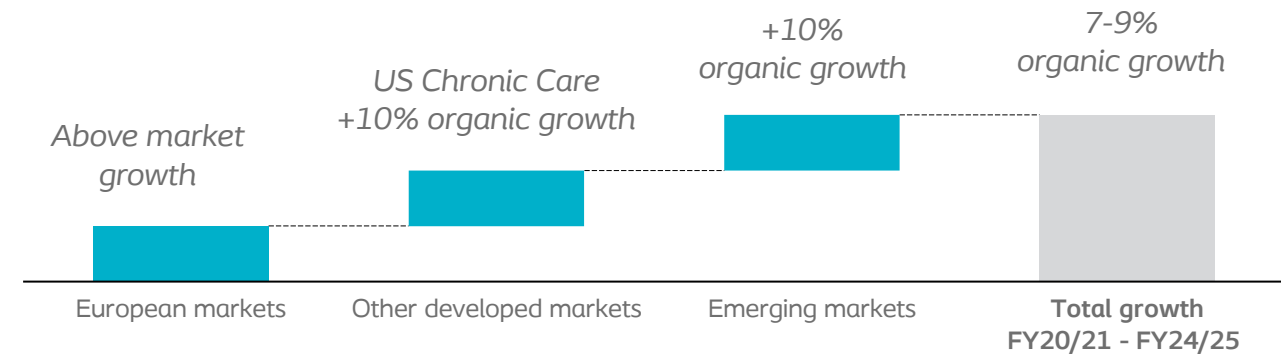
Organic growth contribution FY 15/16 to 24/25 (DKKkm)

Regions



Illustrative growth contribution Strive25 period

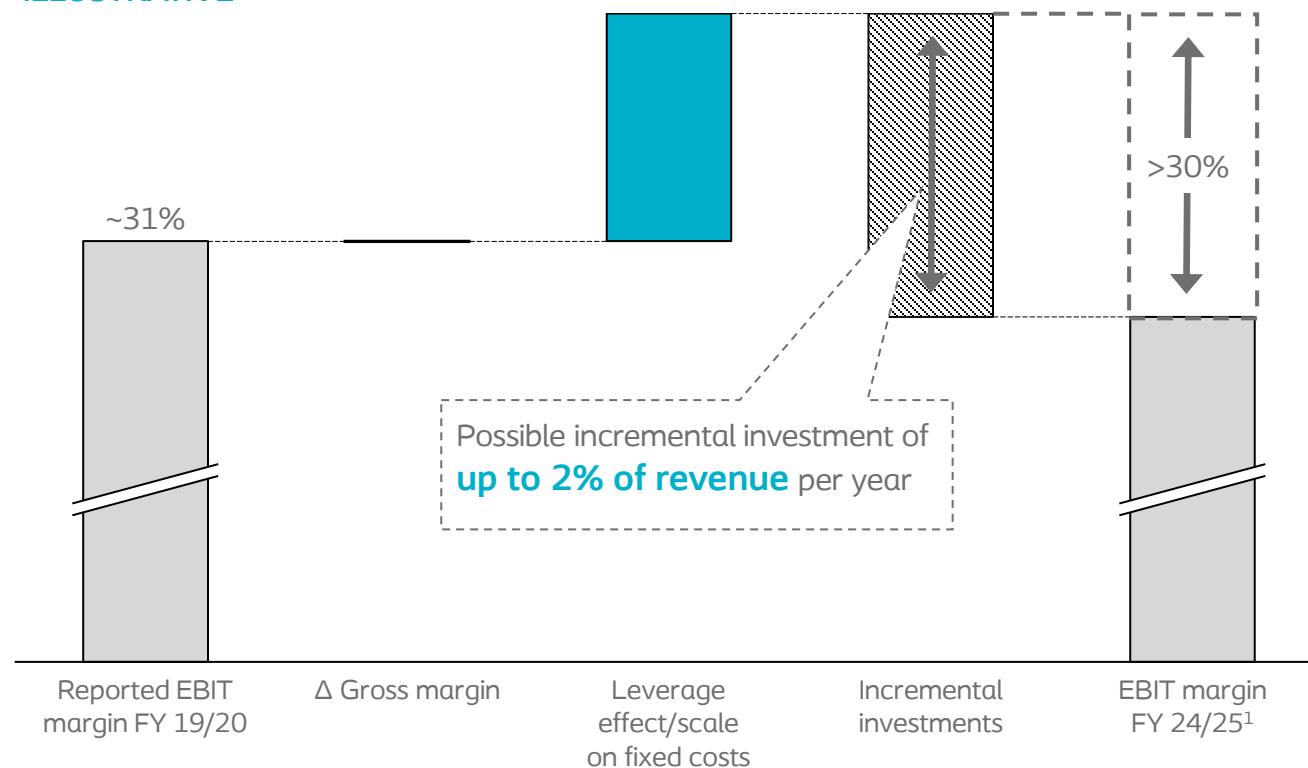
Revenue growth contribution FY 20/21 to 24/25 (DKKkm)



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

EBIT margin (%)

ILLUSTRATIVE



Future drivers of EBIT margin

EBIT will be positively impacted by:

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

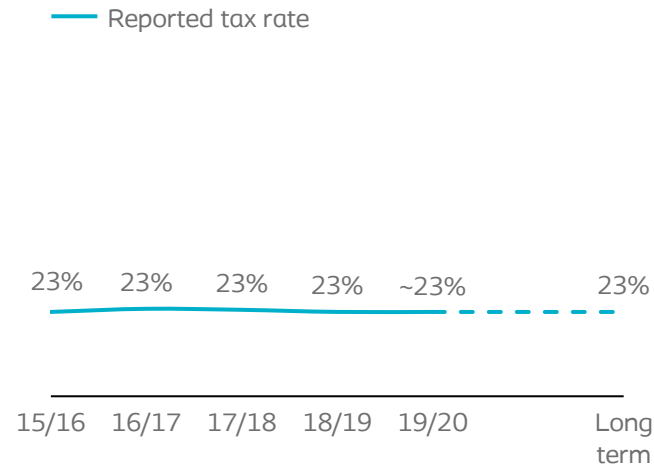
EBIT will be negatively impacted by:

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

1) Constant exchange rates

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

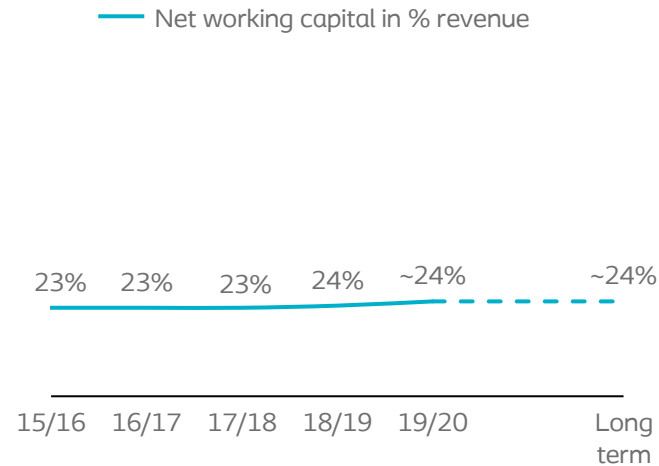
Taxation



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

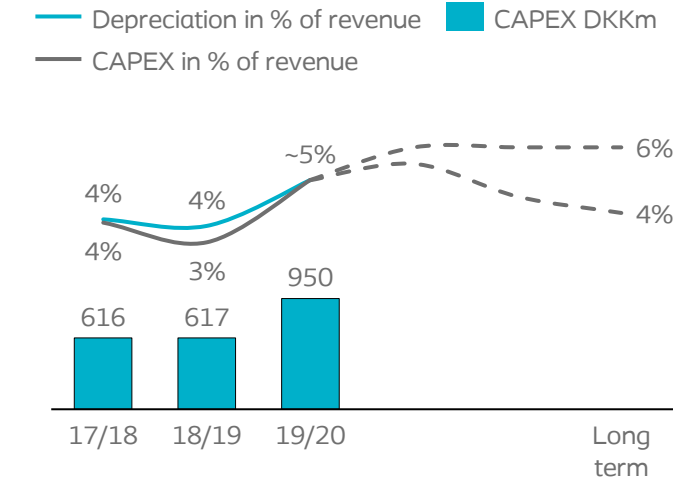
1) Impacted by provision for Mesh litigation
2) Gross investments in PPE

Net working capital



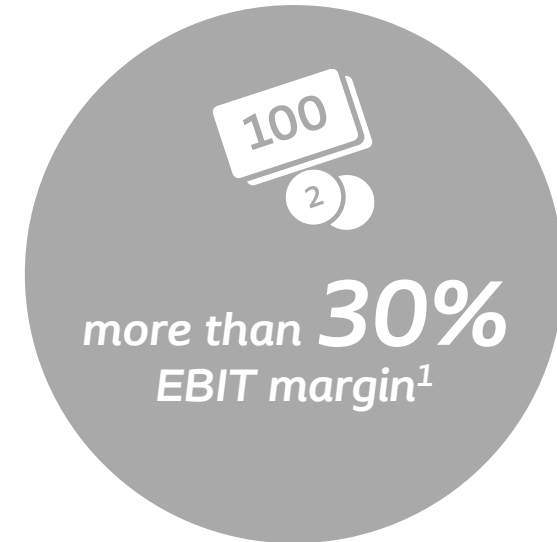
- Net working capital expected to be stable, impacted by:
 - Growth in mature markets
 - Growth in Emerging markets which have long credit times
 - Increasing inventory levels on strategic products and raw materials

CAPEX⁽²⁾



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

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



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

Our mission

Making life easier for people
with intimate healthcare needs

Our values

Closeness... to better understand
Passion... to make a difference
Respect and responsibility... to guide us

Our vision

Setting the global standard
for listening and responding