



Emerging markets update

Coloplast Capital Markets Day 2018

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Coloplast Group – Ostomy Care / Continence Care / Wound & Skin Care / Urology Care



Introducing Region Emerging Markets

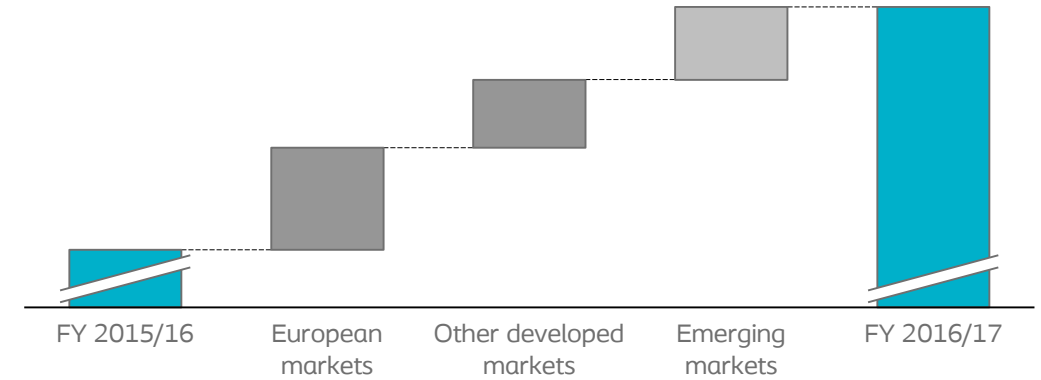
Region Emerging Markets at a glance



-  **Over 80% of world population across four continents**
-  **Sales in +70 countries 2016/17**
-  **Present with own sales force in 24 markets**

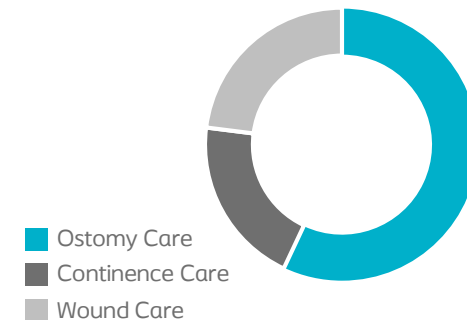
Emerging Markets is an important contributor to growth

Coloplast organic revenue growth by region¹



Ostomy Care is our primary business area

Emerging Markets sales by BA, FY 16/17



Source: Coloplast

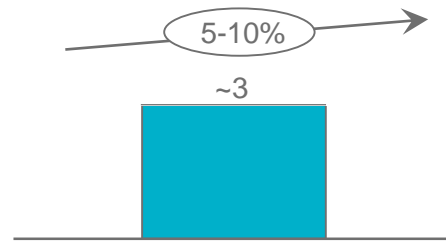
1) Revenue incl. Ostomy Care, Continece Care and Wound & Skin Care

The market is growing as access to healthcare improves and prevalence of diseases grow

Ostomy Care

Market size and growth

DKKbn



Access to healthcare and **increase of healthcare standards**

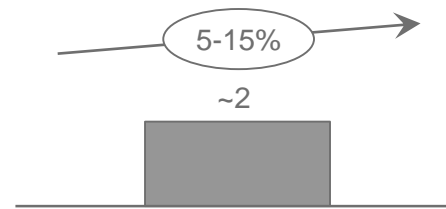
Ageing population in most markets

Introduction of **innovation**

Continence Care

Market size and growth

DKKbn



Availability of reimbursement in emerging economies

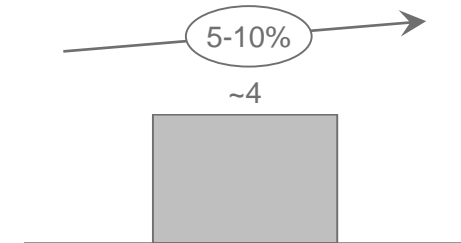
Increasing **standards of urology treatment guidelines** and practice of bladder management

IC reimbursement in new markets e.g. South Korea

Wound Care

Market size and growth

DKKbn



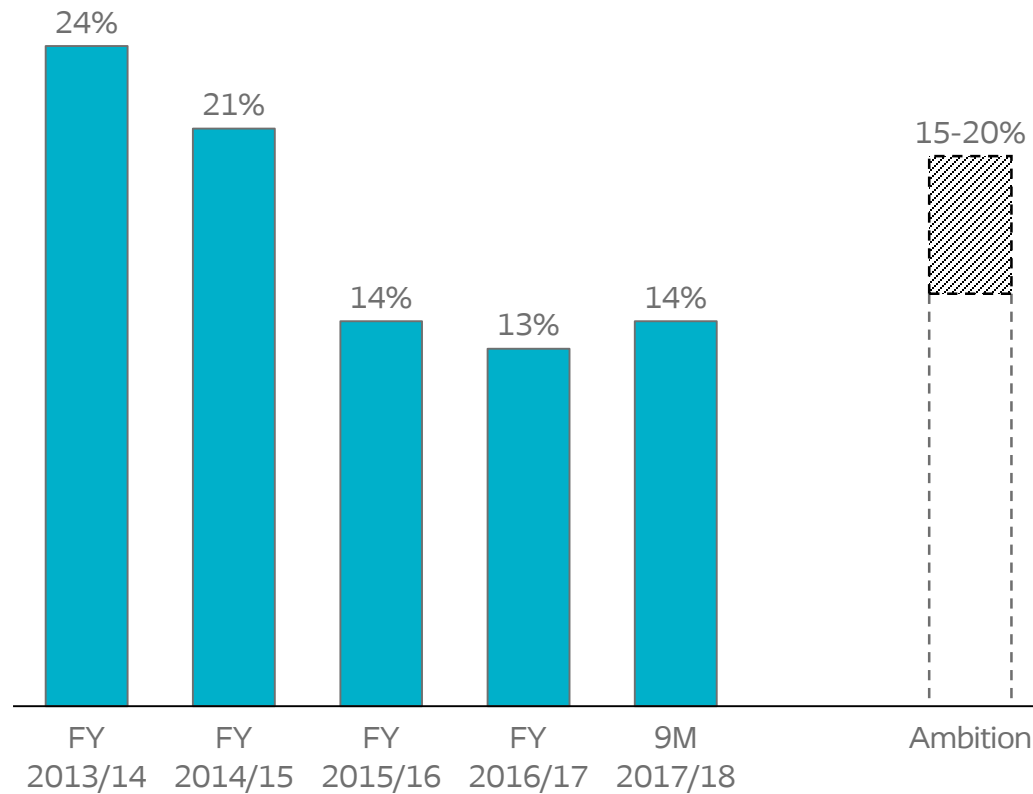
Increasing **penetration of Advanced Wound Care** in developing economies

Increase in **prevalence of life-style related diseases**

Source: Coloplast estimates

Growth momentum has stabilized at ~15% driven by a broad base of markets

Emerging markets organic revenue growth





Source: Coloplast

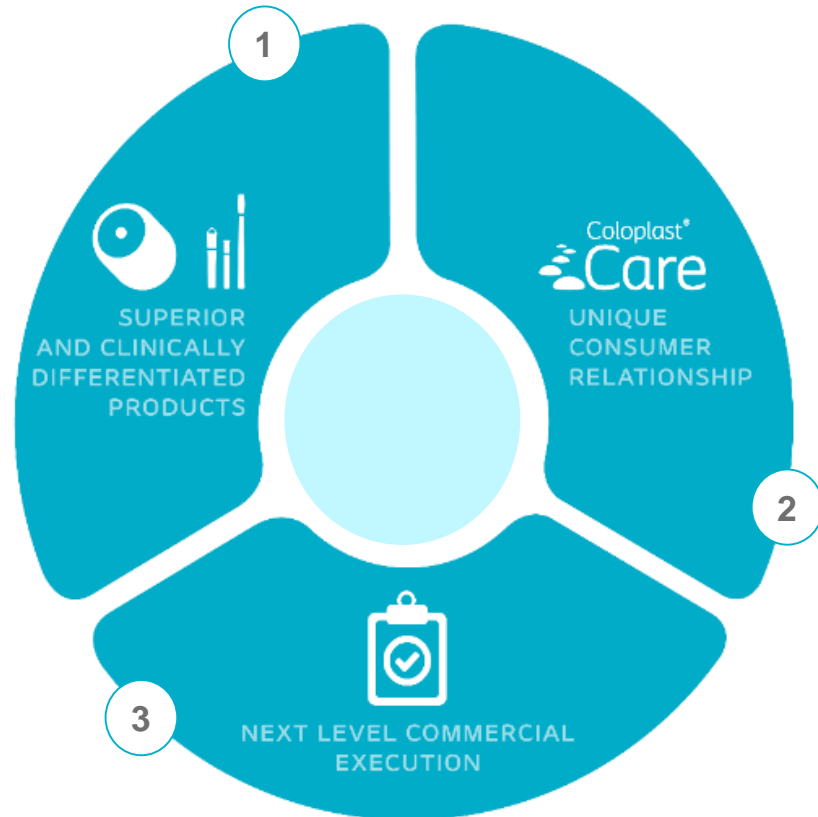
Growth Drivers

-  **China:** Product upgrade and E-commerce
-  **Russia:** Winning key tenders
-  **Argentina:** Consumption and portfolio upgrade
-  **South Korea:** Reimbursement introduced in the IC market
-  **Saudi Arabia:** Higher consumption driven by oil price rebound
-  Performance in **smaller markets:** India, Turkey, Poland, Algeria, South Africa & GCC

Growth Challenges

-  **Greece:** Reimbursement reform
-  **Emerging Markets:** Currency volatility and macroeconomics

It is our ambition to grow 15-20% annually through a focused long-term strategy



Superior and clinically differentiated products

Upgrade existing markets to **new technology**

Launch **products developed for Emerging Markets** at appropriate pricing

Complement growth through **Accessories**

Unique consumer relationships

Form close partnerships with **healthcare professionals**

Increase compliance through **Coloplast Care**

Support development of better healthcare standards through **Access to Health**

Next level commercial execution

Continue to invest to take market share and build new markets across all business areas

Retain and grow talent as our business expands

Compliance with global and local rules and regulations

We have the right product portfolio to build emerging markets and attain market leadership

Ostomy Care



Sustain market leadership position in our largest markets

Complement growth through **product upgrades and accessories**

Improve compliance in immature markets

Continence Care



Build business in newly funded markets

Launch **market appropriate products**

Create new growth opportunities through **reimbursement initiatives**

Wound Care

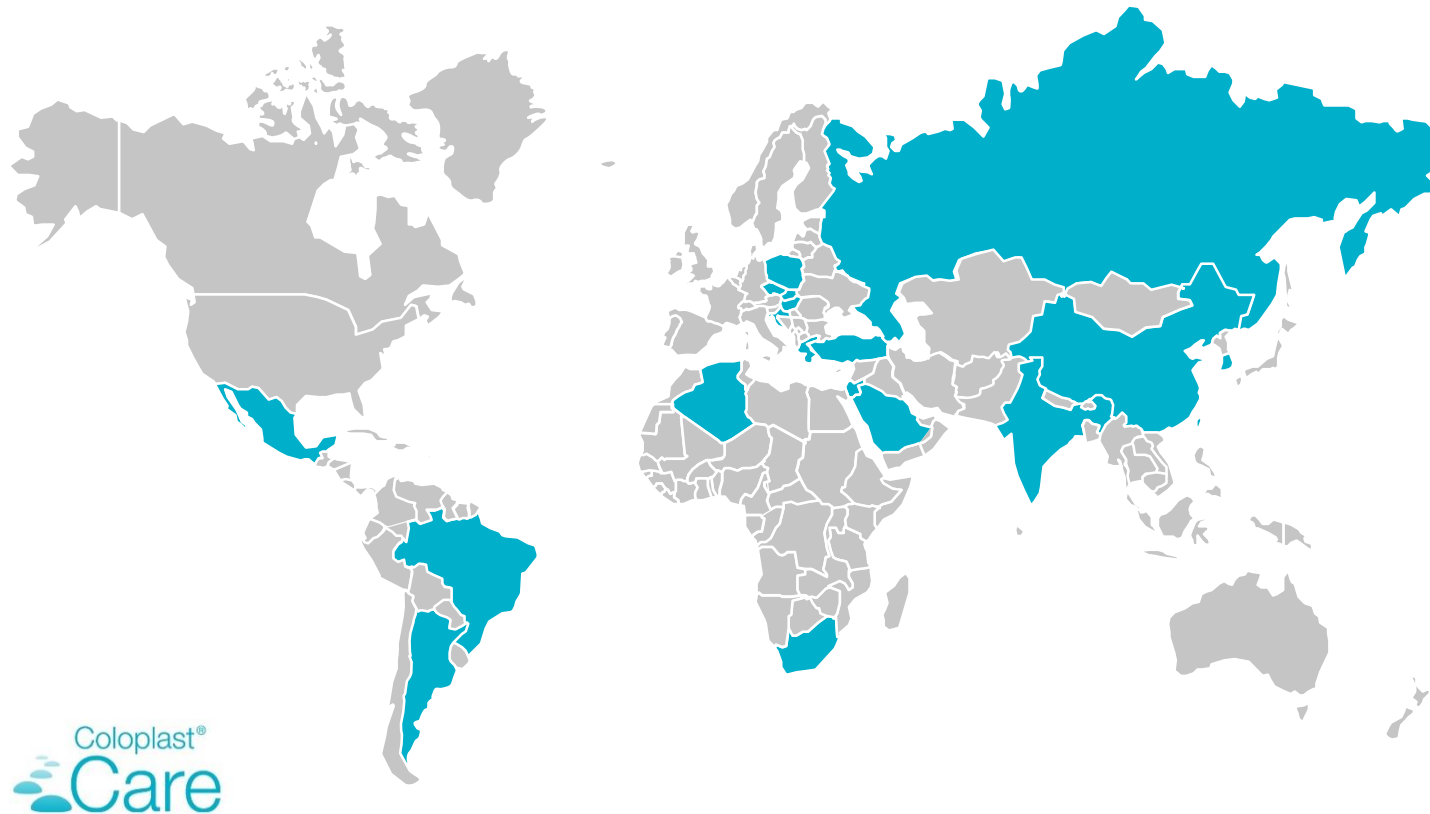


Take market share in large existing markets

Develop AWC category in immature markets

In Emerging Markets we deploy a market specific range of additional services to our Coloplast Care offering

Coloplast Care in Emerging Markets



Coloplast Care services in Emerging Markets

- 1 Close partnerships with healthcare professionals incl. nursing and patient support services in hospitals post-operation
- 2 Support consumers in using ostomy products correctly at home through personal visits, phone and web
- 3 Support patients with patient rights and reimbursement paperwork
- 4 Direct sales to patient

We continue to invest across all regions and maintain a healthy pipeline

Markets where we are investing

China



India



Russia



South Korea



Emerging market investments
2015/16 – 2017/18

Argentina



Poland



Israel



South Africa



Criteria for investment

- 1 Macroeconomics & Government
- 2 Market intrinsics
- 3 Local Leadership
- 4 Business case financials

We are further strengthening the Ostomy Care business in China through selected investments

Solidify position in China



Ambition is to grow above market growth of
~15%

Growth drivers and how we will invest



SenSura® product upgrade
Accessories



Effective enrollment of new patients into Coloplast Care via WeChat® platform
Winning acute OC patients through Coloplast Care



Strong sales growth on e-commerce platform – Tmall flagship store and partner pharmacies



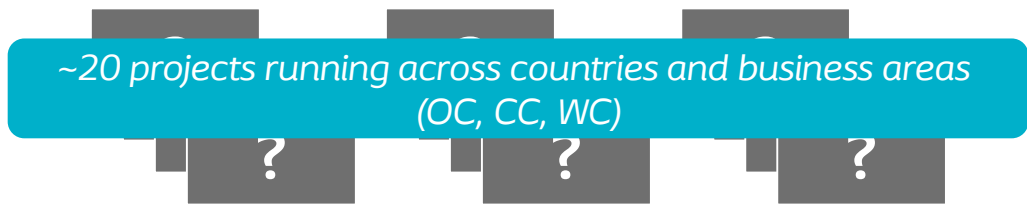
Selective investments in sales force and online/DtC activities

We have built a reimbursement expansion pipeline with the aim of opening new value pools

IC reimbursement has been introduced in Japan, South Korea and Australia...



...and we continue to build a sizeable country project pipeline

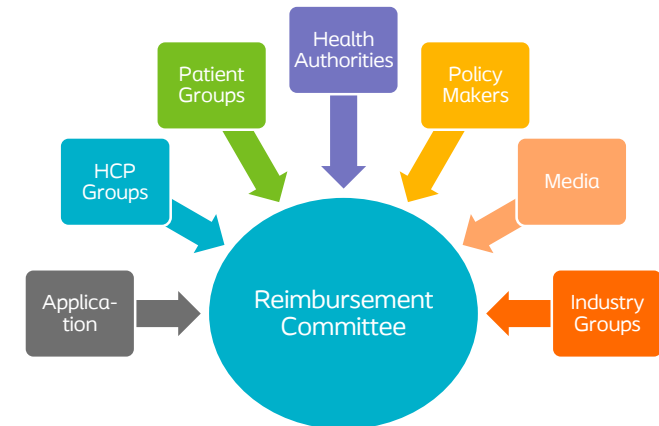


1) Japan and Australia are regionally part of Other Developed markets but organizationally part of the Emerging Markets organization

Global funding and dedicated support from Global Market Access & Public Affairs

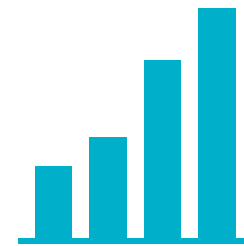


We have a holistic approach to Market Access



Emerging markets is well positioned to deliver on the growth ambition

- 1 Emerging Markets is delivering a significant contribution to group growth
- 2 There are attractive short and longer term opportunities in all business areas as disease prevalence increases and access to healthcare improves
- 3 We have made significant investments in Emerging Markets and continue to build and maintain an attractive investment pipeline



Ambition

Double digit profitable growth

15-20%

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