

A photograph of a woman with short dark hair, wearing a pink turtleneck sweater, holding a colorful kite (yellow, orange, blue, and white) and looking up with a joyful expression. A young boy with glasses is looking up at the kite next to her. The background shows a wooden fence and a blurred outdoor setting.

# Leading intimate healthcare

Roadshow presentation

H1 2018/19

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

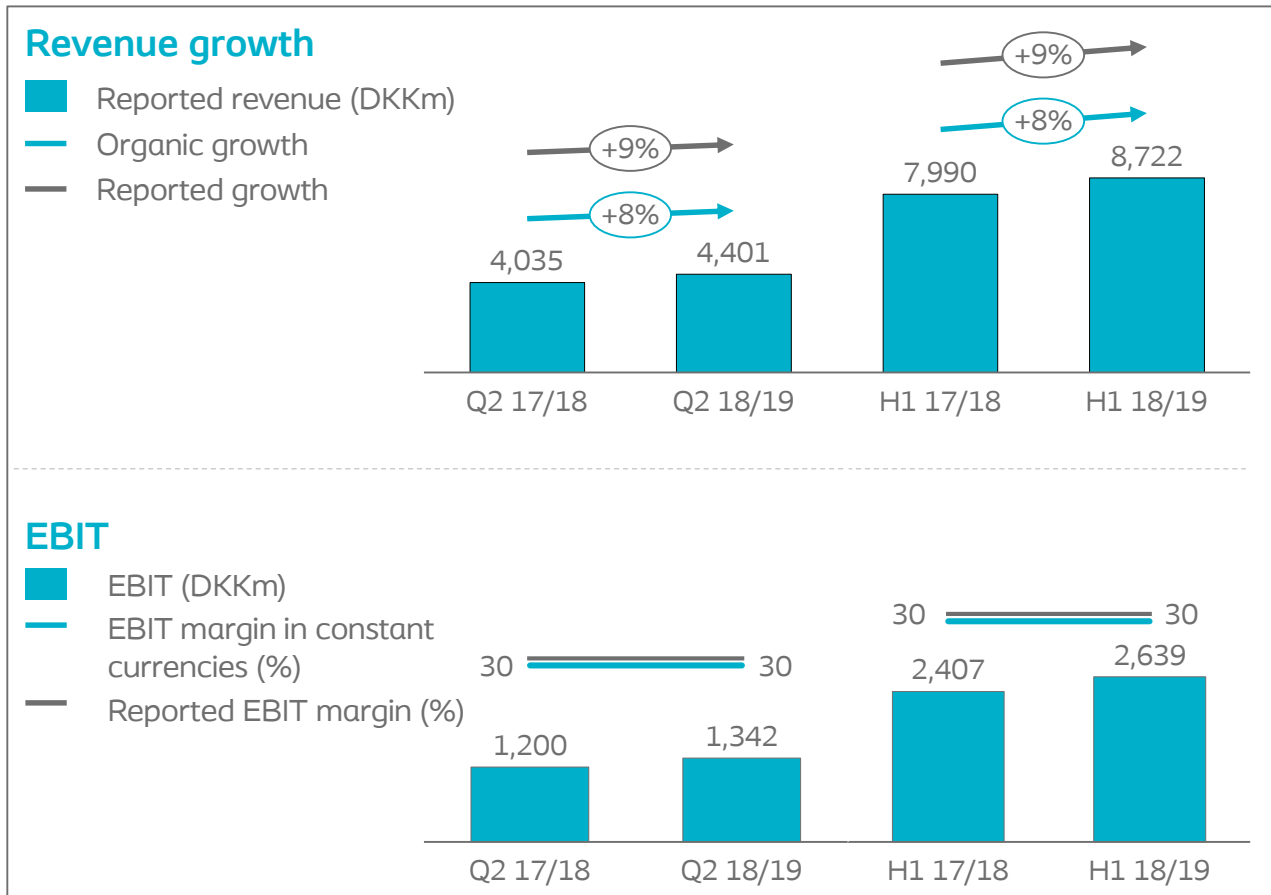


# Forward-looking statements

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.

# Solid underlying performance in Q2 and reported growth guidance for 2018/19 increased to ~9% due to currencies



## Q2 Highlights

- Organic growth of 8% and 9% in DKK
- Strong growth in Continence Care, Wound Care and Interventional Urology
- New ostomy contract with the largest home health agency in the US, Kindred at Home with an estimated market share of ~5%
- French reimbursement review within OC, CC and WC in final phase. Final outcome now expected during Q3
- EBIT grew 12% to DKK 1,342m and a reported EBIT margin of 30%
- ROIC after tax before special items<sup>(1)</sup> of 44%
- Half year interim dividend of DKK 5.0 per share
- Updated financial guidance for 2018/19:
  - Organic revenue growth of ~8% and now ~9% reported growth in DKK vs. 8-9% reported growth in DKK previously, assuming negative price pressure of up to -1%
  - EBIT margin of 30-31% in constant exchange rates and ~31% in DKK
  - Capex of DKK 700m vs. 750m previously

(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.

# Solid growth across all business areas in Europe, US and China

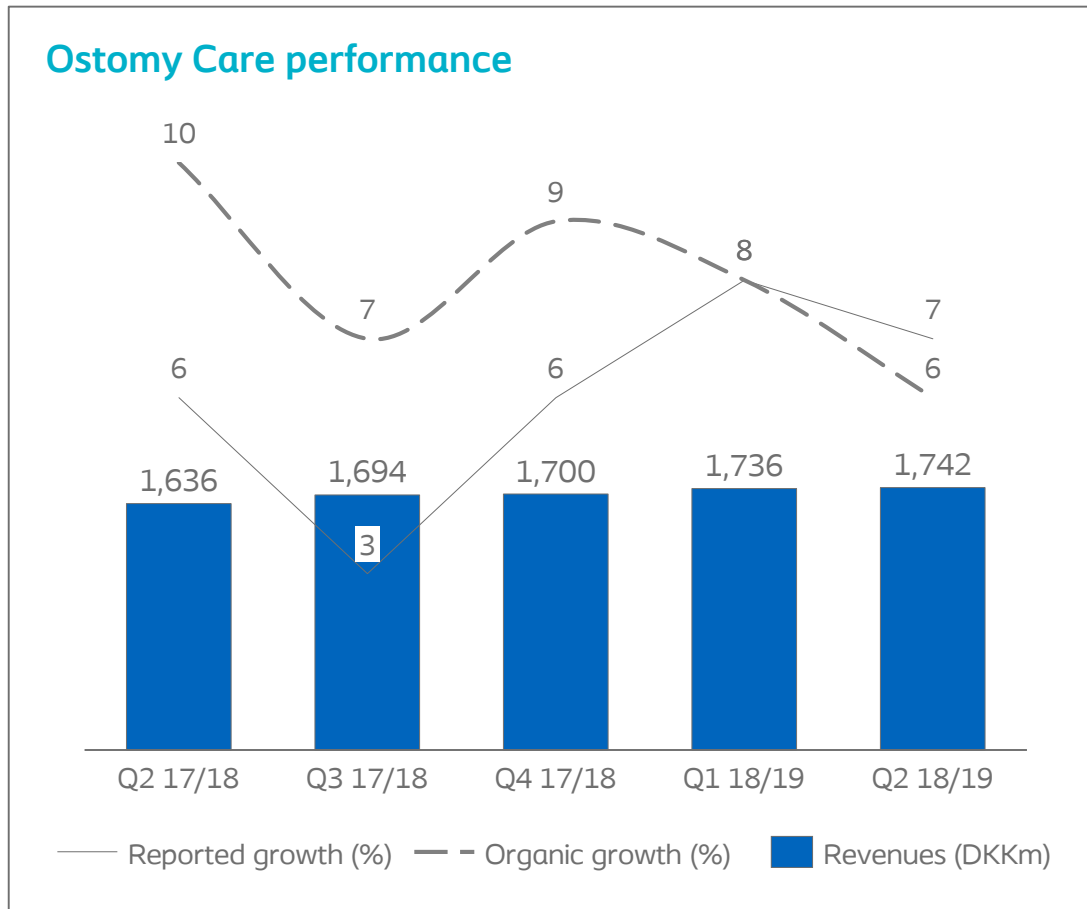
## H1 18/19 revenue by business area

Business area	Reported revenue DKKm	Organic growth	Share of organic growth
Ostomy Care	3,478	7%	36%
Continenence Care	3,163	8%	36%
Interventional Urology	963	9%	12%
Wound & Skin Care	1,118	10%	16%
<b>Coloplast Group</b>	<b>8,722</b>	<b>8%</b>	<b>100%</b>

## H1 18/19 revenue by geography

Geographic area	Reported revenue DKKm	Organic growth	Share of organic growth
European markets	5,217	6%	47%
Other developed markets	2,069	10%	28%
Emerging markets	1,436	12%	25%
<b>Coloplast Group</b>	<b>8,722</b>	<b>8%</b>	<b>100%</b>

# Ostomy Care grew 6% organically in Q2, negatively impacted by lower tender activity in Emerging markets

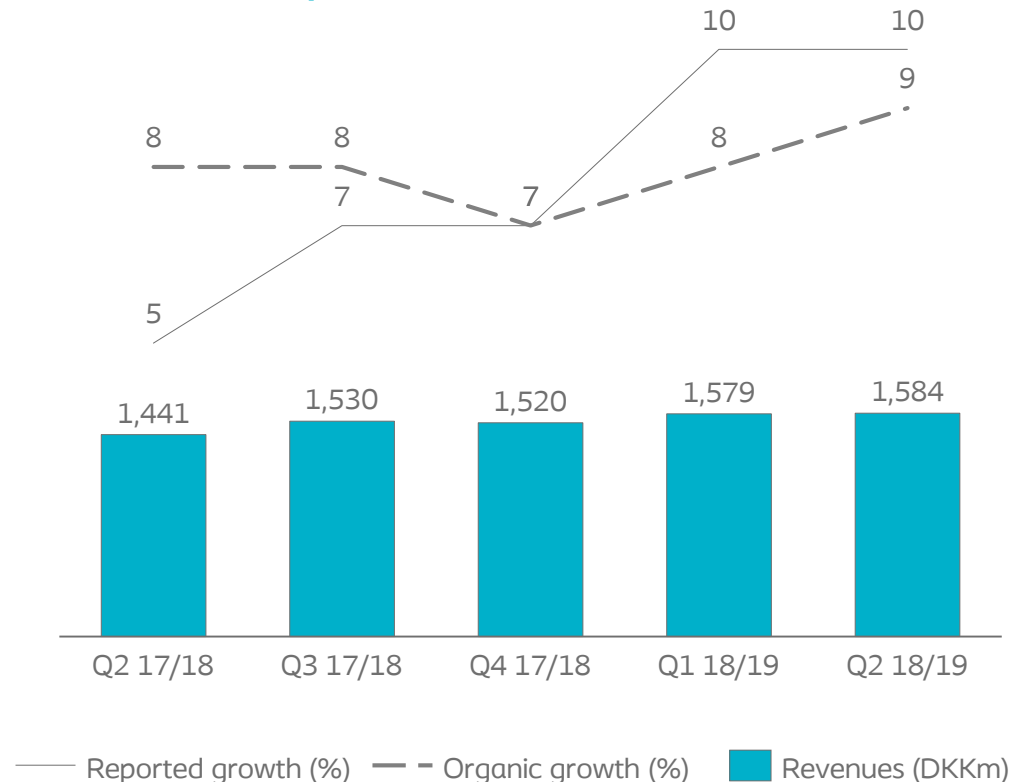


## Comments

- H1 organic growth of 7% (reported growth 7%). Q2 organic growth of 6% (reported growth 7%). Acquired growth was less than 1% in H1
- Satisfactory growth in Q2 driven by the UK, China and the US
- Low tender activity and a strong comparison period in Emerging markets impacted growth negatively in Q2
- New ostomy contract with the largest home health agency in the US, Kindred at Home with an estimated market share of ~5%
- Solid growth in **SenSura® Mio** portfolio in Q2 driven by the UK, Germany and the US, especially driven by **SenSura® Mio Convex**
  - **SenSura® Mio Concave** is now launched in 15 countries and is increasingly contributing to growth
  - **SenSura® Mio Baby & Kids**, setting a new standard for paediatric ostomy care products, has now been launched in 6 countries
- Solid growth in **Brava® Supporting products**, driven especially by China and the US

# Continence Care grew 9% organically in Q2 driven by SpeediCath® intermittent catheters and Peristeen®

## Continence Care performance

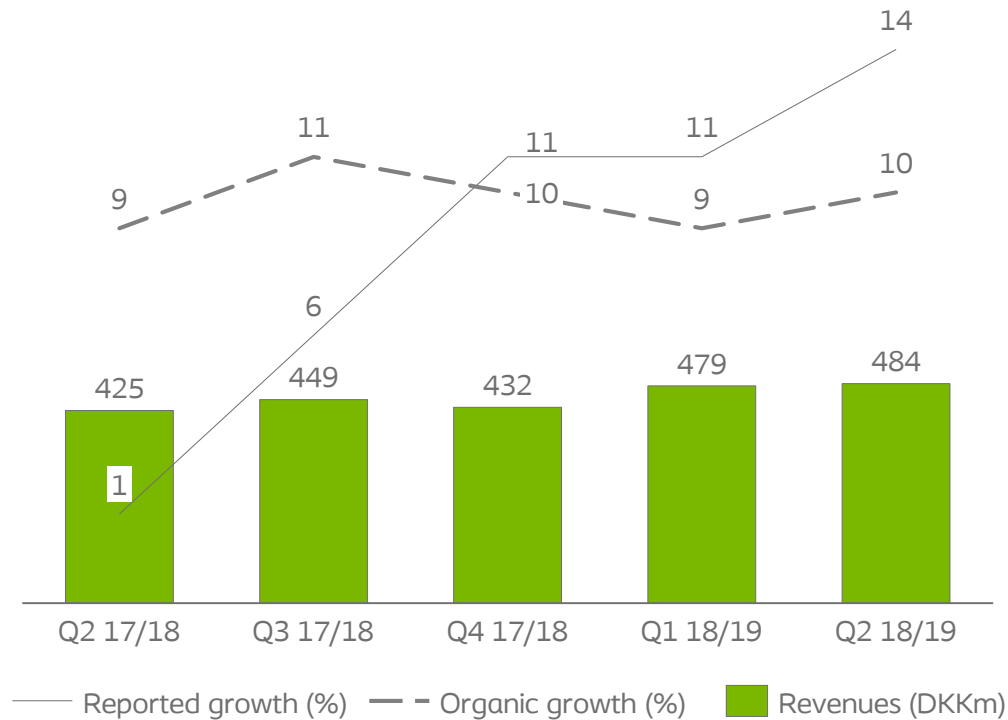


## Comments

- H1 organic growth of 8% (10% reported growth). Q2 organic growth of 9% (10% reported growth). Acquired growth was 2% in H1 resulting from acquisitions in the distribution channel
- Q2 growth was driven by **SpeediCath®** intermittent catheters and **Peristeen®**, in particular in the UK, the US and France
  - Growth in **SpeediCath® Compact** catheters driven by the UK, France and Germany
  - Growth in **SpeediCath® Flex** catheters driven by Europe and the US
  - Growth in **SpeediCath® Standard** catheters driven by the US and Emerging markets
- Growth in the **Peristeen® portfolio** driven by France, the UK and Germany
- Sales of urisheaths and urine bags also developed positively as a result of higher sales in France and the US
- **SpeediCath® Navi** has been launched in Spain, Japan and South Africa and feedback is positive

# Interventional Urology grew 10% organically in Q2 driven by Titan<sup>®</sup> penile implants and Altis<sup>®</sup> single incision slings

## Interventional Urology performance

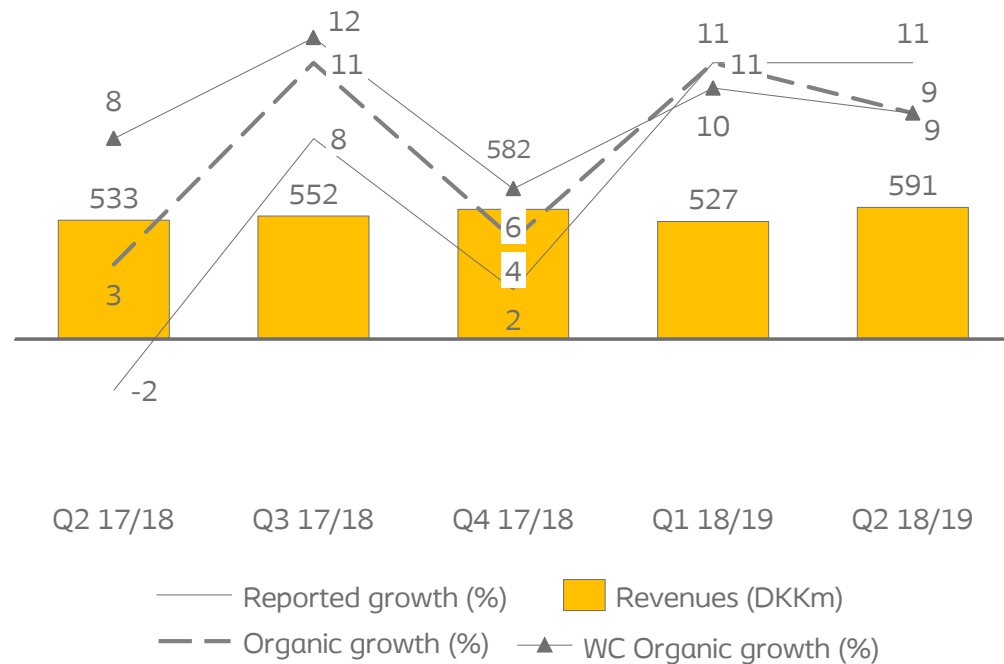


## Comments

- H1 organic growth of 9% (12% reported growth). Q2 organic growth of 10% (14% reported growth)
- Q2 growth mainly driven by the US
  - US growth driven by the increased sales and marketing investments in 2017/18 and 2018/19
- Continued solid growth in sales of **Titan<sup>®</sup>** penile implants in the US
- Continued satisfactory growth in sales of **Altis<sup>®</sup>** slings in the US
- Sales of disposable surgical products, including endourology, were driven by Europe
- FDA has ordered Coloplast to stop selling and distributing Restorelle<sup>®</sup> DirectFix Anterior products to treat pelvic organ prolapse. The product accounts for approximately 0.2% of group revenues
- Coloplast does not expect the FDA decision to impact the US product liability case regarding transvaginal surgical mesh products

# Wound Care grew 9% in Q2 driven by the Biatain® Silicone portfolio in Europe and the Biatain® portfolio in China

## Wound & Skin Care performance

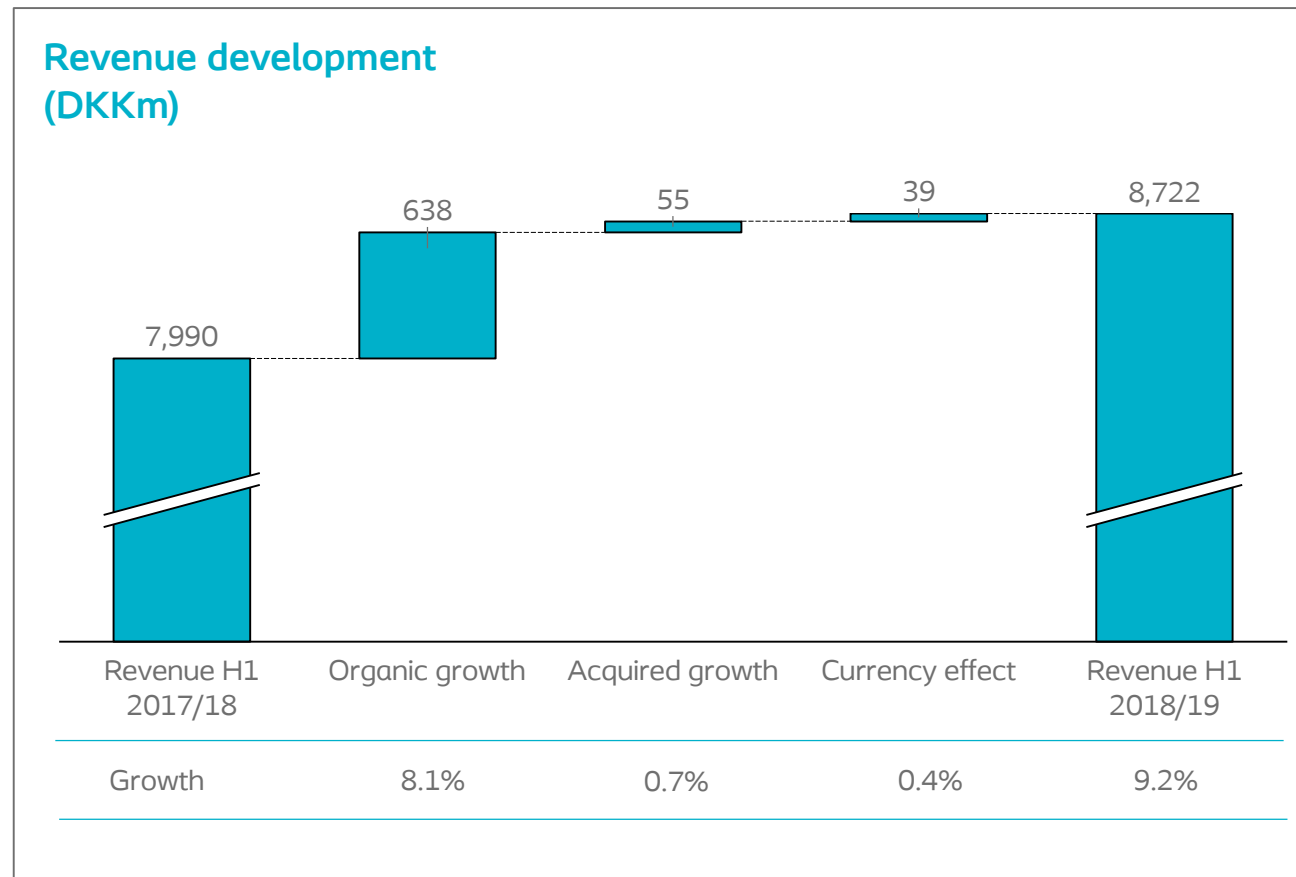


## Comments

- H1 organic growth of 10% in Wound & Skin Care (11% reported growth). Q2 organic growth of 9% in Wound & Skin Care (11% reported growth)
- Organic growth of 9% for Wound Care in isolation in H1. Organic growth of 9% for Wound Care in isolation in Q2
  - Q2 growth driven by Europe and China
  - Satisfactory sales growth in Q2 in **Biatain® Silicone** and the **Biatain® Silicone Sizes & Shapes** portfolio driven by Europe
- Growth in Skin Care was positive in Q2 driven by new customer contracts
- Growth in contract manufacturing was positive due to a low comparator in Q2 last year in connection with the inventory reductions following Johnson & Johnson's sale of the Compeed trademark to HRA Pharma



# H1 18/19 reported revenue grew 9% driven by solid organic growth of 8%

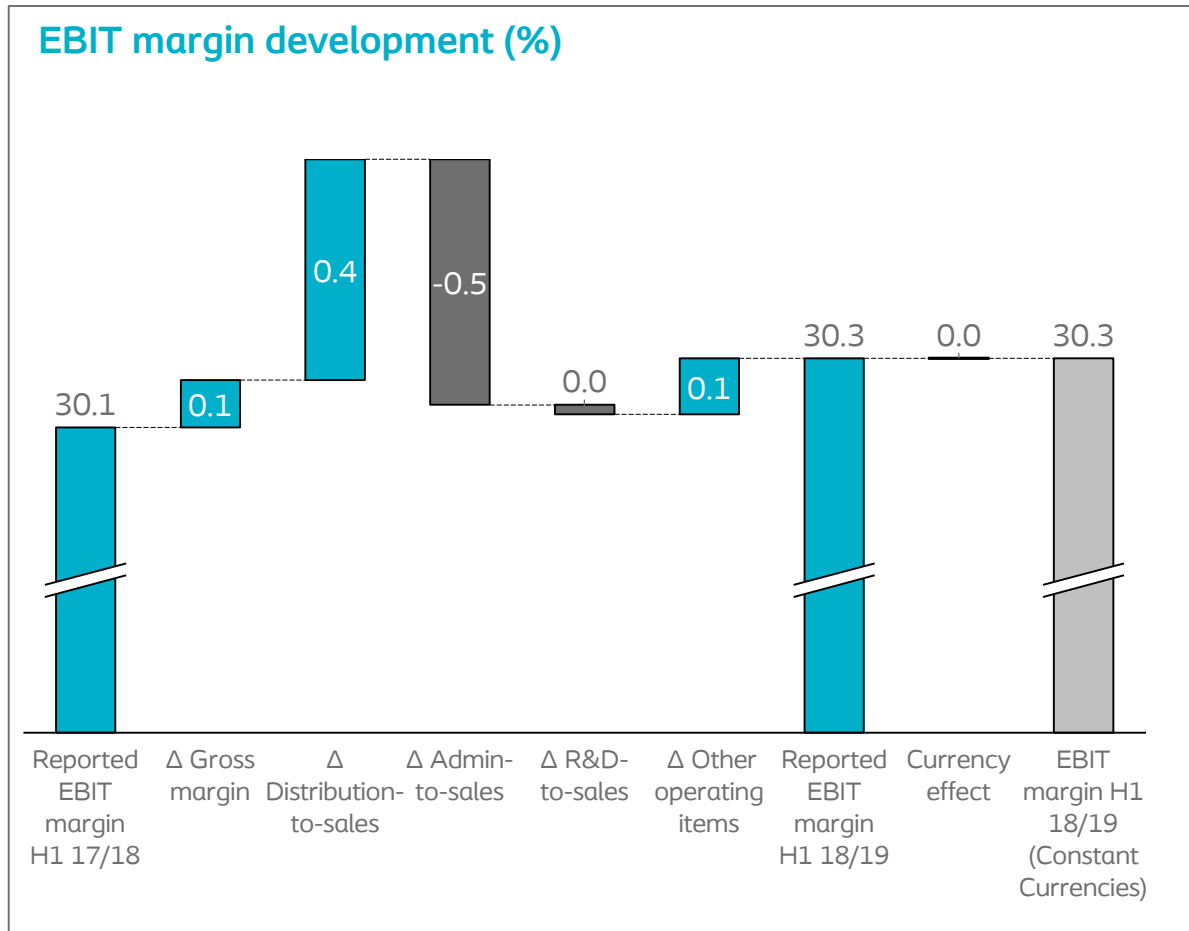


## Comments

- H1 2018/19 reported revenue increased by DKK 732m or 9% compared to H1 2017/18
- The majority of growth was driven by organic growth contributing DKK 638m or 8% to reported revenue
- Revenue from acquisitions contributed DKK 55m or 1%, resulting from the acquisition of distribution companies Lilial and IncoCare in Q2 2017/18
- Foreign exchange rates had a positive impact of DKK 39m or 0.4% on reported revenue primarily due to the appreciation of the USD against the Danish kroner. The positive development was partly offset by a depreciation of the ARS<sup>1</sup> against DKK

1) As a result of the Argentinian peso now being defined as hyperinflationary, revenues from Argentina are adjusted for inflation and translated to DKK using the spot rate as of the balance sheet date.

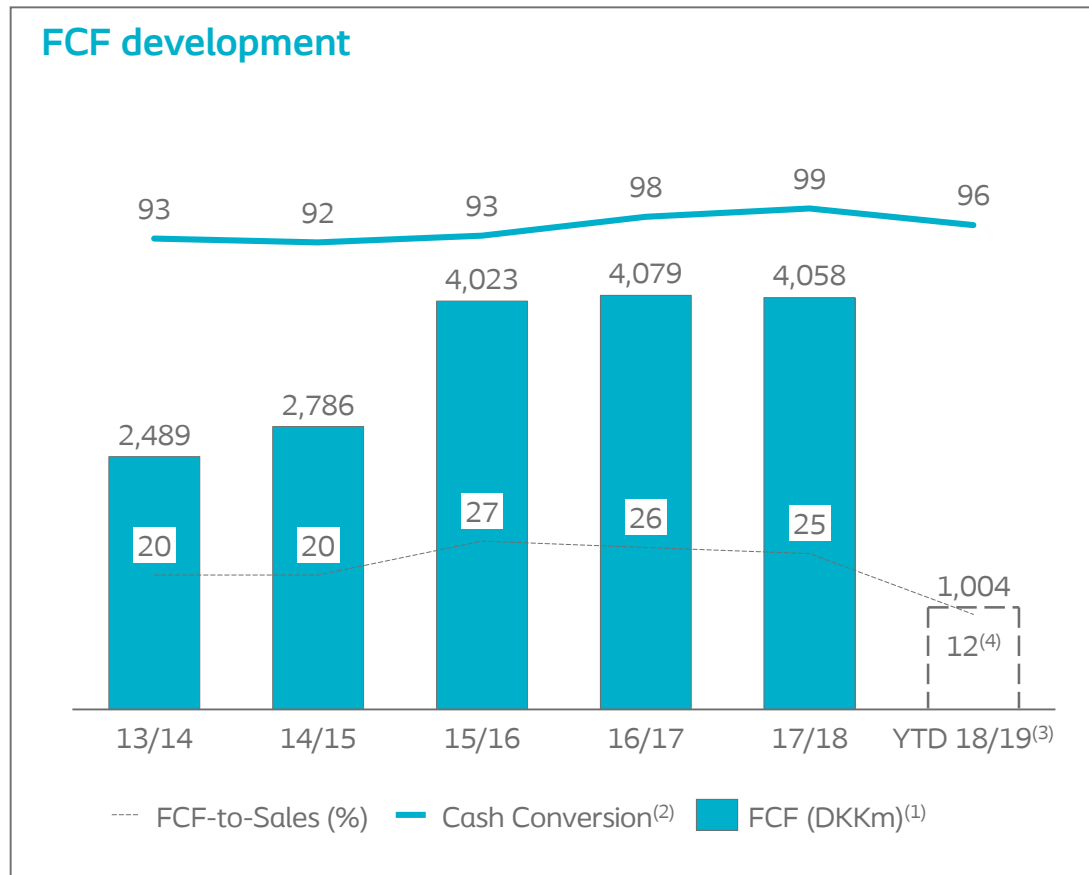
# Solid growth in EBIT of 12% in Q2 and 10% in H1



## Comments

- EBIT increased 10% to DKK 2,639m with a reported margin of 30% compared to 30% last year
- Gross margin of 67% in DKK compared to 67% same period last year
  - Positive impact from operational leverage, continued efficiency gains and relocation of manufacturing
- Negatively impacted by product mix, salary inflation in Hungary, acquisitions and DKK 27m in restructuring costs (vs. DKK 8m in H1 17/18) related to reduction of production employees in DK
  - Neutral impact from FX
- Distribution-to-sales of 29% on par with last year
  - Incremental investments of up to 2% of revenue were made in Q1 into innovation as well as sales and marketing initiatives across multiple markets and business areas
- Administrative expenses grew DKK 69m (22%), mainly relating to timing of expenses as well as an increase in costs within IT and legal
- R&D costs increased 10% vs. H1 2017/18 due to increased activity
- Other operating income/expenses of DKK 41m vs. DKK 29m last year
  - Increase due to a non-recurring income in Q2 (DKK 16m) from the sale of a former production facility in Denmark

# FCF driven by solid underlying development in earnings and acquisitions in comparison period



## Comments

- Free cash flow in H1 2018/19 was DKK 1,004m compared to DKK 811m in H1 2017/18
- The increase is mainly explained by a decrease in investment activities, mainly due to the acquisitions of French distributor Lilial and German distributor IncoCare in the comparison period (Q2 2017/18)
  - Reported EBITDA 236m DKK higher than in H1 2017/18
  - Operating cash flow of DKK 1,234m compared to DKK 1,418 last year. The decrease explained by increased tax payments due to high tax deductions last year in connection with the mesh law suits in the US
  - NWC-to-sales of 25% compared to 23% in the beginning of the fiscal year. The increase in NWC is driven by increased inventories in connection with Brexit as well as timing of orders and payables between quarters
  - CAPEX-to-sales of 3% compared to 4% in H1 2017/18. The decline was mainly linked to timing of investments during the course of the fiscal year

1) FCF adjusted for Mesh payments in 2013/14, 2014/15, 2015/16. Adjustment for Mesh payments includes DKK 500m insurance coverage in 2013/14 and 2014/15 combined. FCF in 2016/17 and 2017/18 adjusted for Mesh payments and acquisitions.

2) Cash Conversion calculated as FCF ex. Mesh payments, interest payments, tax payments, M&A and marketable securities relative to EBIT before special items.

3) YTD 2018/19 Cash Conversion is trailing twelve months

4) FCF-to-Sales YTD 2017/18: 10% (Adjusted for Mesh payments and acquisitions: 18%)

# Updated guidance for FY 2018/19

	Guidance 2018/19	Guidance 2018/19 (DKK)*	Key assumptions
<b>Sales growth</b>	~8% (organic)	~9% (previously 8-9%)	<ul style="list-style-type: none"> <li>Up to 1% negative price pressure</li> <li>DKK guidance includes growth from Lilial and IncoCare</li> </ul>
<b>EBIT margin</b>	30-31% (constant exchange rates)	~31%	<ul style="list-style-type: none"> <li>Incremental investments of up to 2% of revenue</li> <li>Restructuring costs of DKK 35m from reduction of production employees in Denmark</li> <li>Includes impact from acquisitions of Lilial and IncoCare</li> <li>Includes additional investments in MDR</li> </ul>
<b>CAPEX (DKKm)</b>		~700 (previously ~750)	<ul style="list-style-type: none"> <li>Factory expansion in Costa Rica</li> <li>New machines for new and existing products</li> <li>New distribution centre in UK</li> <li>IT investments</li> </ul>
<b>Tax rate</b>		~23%	

\*DKK guidance is based on spot rates as of May 1<sup>st</sup> 2019

# *SpeediCath<sup>®</sup> Flex Coudé Pro*



## Leading intimate healthcare

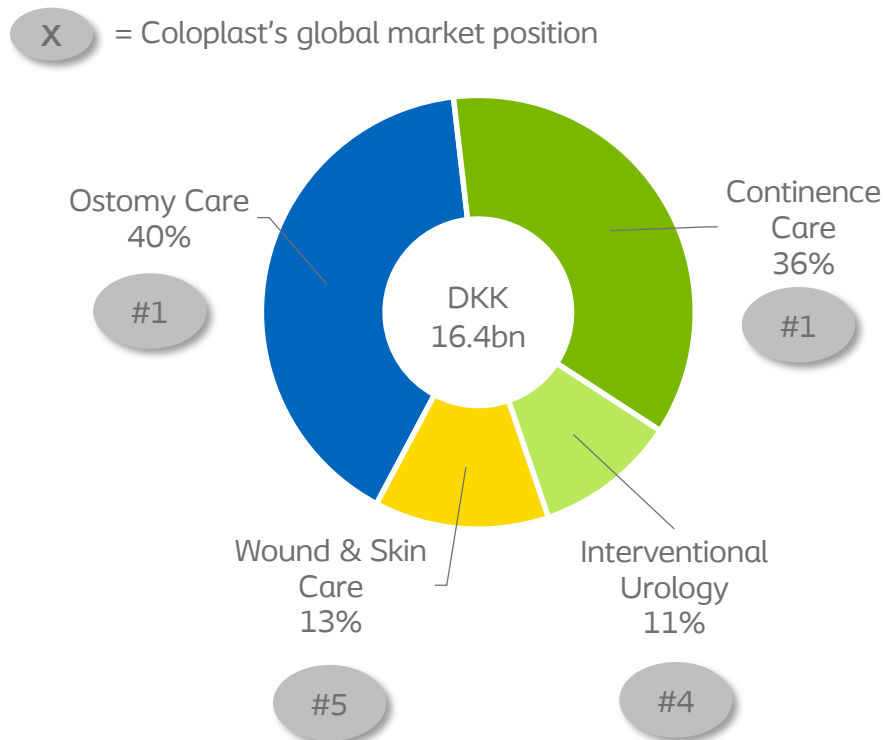
Introduction to Coloplast

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

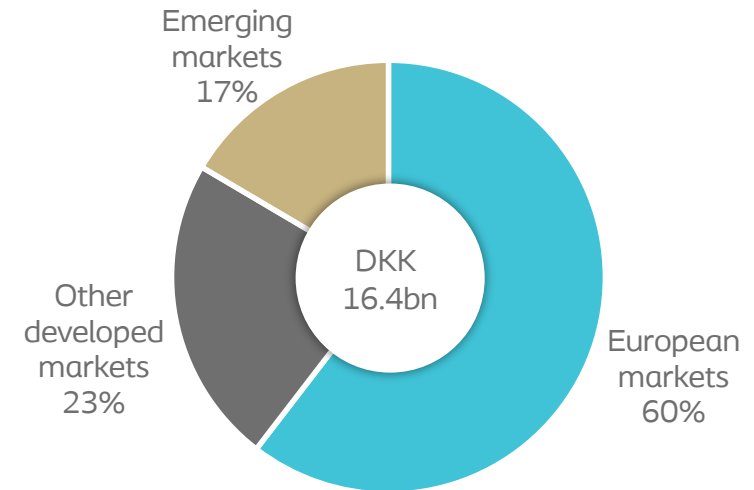


# Coloplast has four business areas all with global sales presence

## Group revenue 2017/18 by segment



## Group revenue 2017/18 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<sup>®</sup> Mio**  
Ostomy bag



### Continance Care

People in need of bladder or bowel management

**SpeediCath<sup>®</sup>**  
Flexible male  
urinary catheter



### Interventional Urology

People with dysfunctional urinary and reproductive systems

**Titan<sup>®</sup> OTR**  
Penile implant



### Wound Care

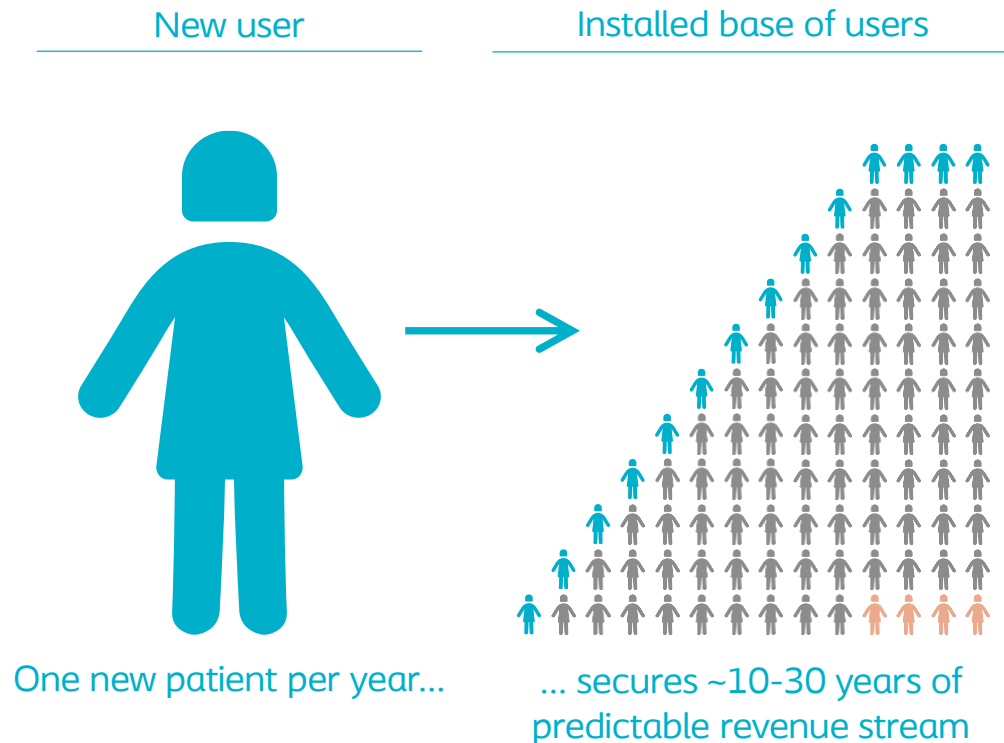
People with difficult-to-heal wounds

**Biatain<sup>®</sup> Silicone**  
Foam wound dressing



# The Chronic Care model secures a predictable revenue stream and stable revenue growth

## The chronic care user flow

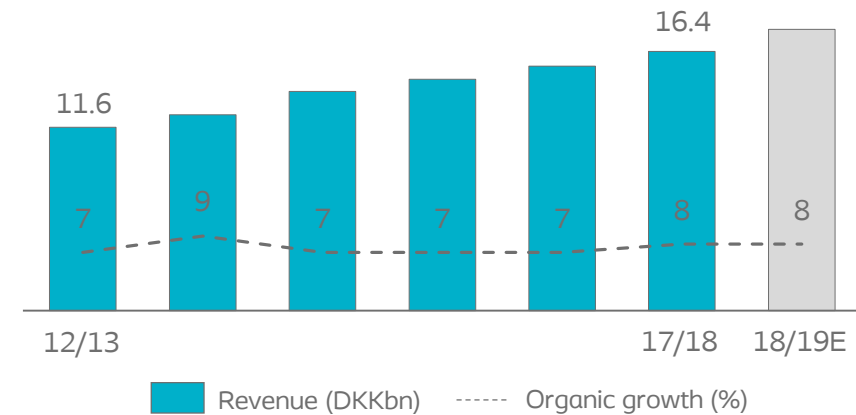


Chronic Care condition

Stable flow of loyal users

Solid reimbursement

## Coloplast group revenues





# Intimate healthcare is characterized by stable industry trends

## Drivers



## Limiters



Coloplast addressable market growth is 4-5%

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

■ Europe  
■ Developed  
■ Emerging

	Ostomy	Continenence	Urology	Wound Care
<b>Addressable market</b> Size in DKK Growth in %	<p>17-18bn 4-5%</p>	<p>13-14bn 5-6%</p>	<p>11-12bn 3-5%</p>	<p>18-20bn 2-4%</p>
<b>Coloplast regional market shares</b>	40 - 50% 15 - 25% 40 - 50%	45 - 55% 20 - 30% 30 - 40%	10 - 20% 5 - 15% 5 - 10%	5 - 15% 0 - 10% 10 - 20%
<b>Coloplast total market share</b>	35-40%	~40%	~15%	7-9%
<b>Key competitors</b>				
<b>Key drivers and limiters</b>	<ul style="list-style-type: none"> <li>• Ageing population</li> <li>• Increasing access to healthcare</li> <li>• Health care reforms</li> <li>• Re-use of products outside Europe</li> </ul>	<ul style="list-style-type: none"> <li>• Ageing population</li> <li>• IC penetration potential</li> <li>• Up-selling</li> <li>• Health care reforms</li> <li>• Commoditization</li> </ul>	<ul style="list-style-type: none"> <li>• Ageing, obesity</li> <li>• Underpenetration</li> <li>• Cost consciousness</li> <li>• Clinical requirements</li> <li>• Less invasive/office procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Ageing, obesity, diabetes</li> <li>• New technologies</li> <li>• Healthcare reforms</li> <li>• Competition</li> <li>• Community treatment</li> </ul>

# Coloplast's LEAD20 strategy will drive revenue and earnings growth across 4 major themes

1

Superior products & innovation

2

Unique user focused market approach

3

Unparalleled efficiency

4

Strong leadership development



# Long-term guidance for the LEAD20 strategy period aimed at accelerating growth and long-term value creation

**Revenue growth**  
annual organic

**7–9%**

**EBIT margin**  
constant currencies

**>30%**

# Growth acceleration to be driven through two key pillars and GOP4 will continue to drive unparalleled efficiency



## Two pillars to drive growth

- I. Accelerated organic investments
  - I. Invest up to 2% of topline p.a. in new incremental investment cases
  - II. Emerging markets, US, selected countries in Europe
- II. Inorganic opportunities to strengthen our service offering towards consumers

## Unparalleled efficiency

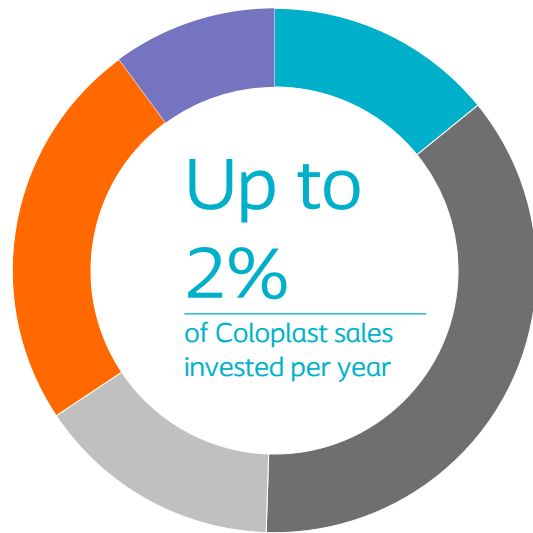
- I. Global Operations Plan 4 to improve EBIT margin by 150bp with full effect from 2020/21<sup>1</sup>

1) Based on EBIT FY2016/17

# We have increased our investments into R&D and commercial opportunities in the US and Emerging markets

## Investment allocation

FY 15/16 to FY 17/18

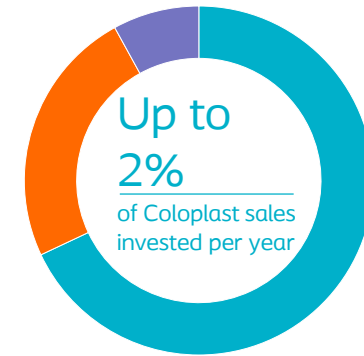


- European markets
- Other developed markets
- Emerging markets
- R&D
- Other (HQ, IT, etc.)

Source: Coloplast

## Investment allocation by type

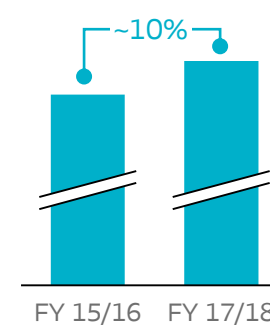
FY 15/16 to FY 17/18



- Sales & marketing expansion
- R&D
- Other (IT, Admin, etc.)

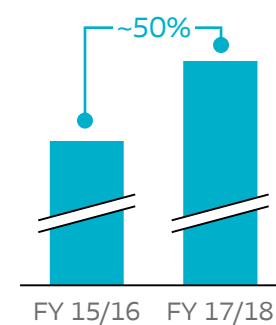
### Salesforce

# of sales reps



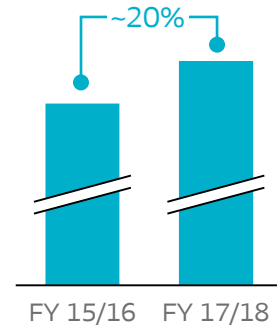
### Market access

# of market access FTEs



### R&D

# of R&D/Pilot FTEs



Source: Coloplast

# For 18/19 we will commit up to 2% of revenue in incremental investments in commercial initiatives and innovation



Innovation  
R&D ~4% of sales



Consumer



# Our global Coloplast Care and DtC presence enables us to support users across countries and business areas



**Over 1M consumers**  
in our database



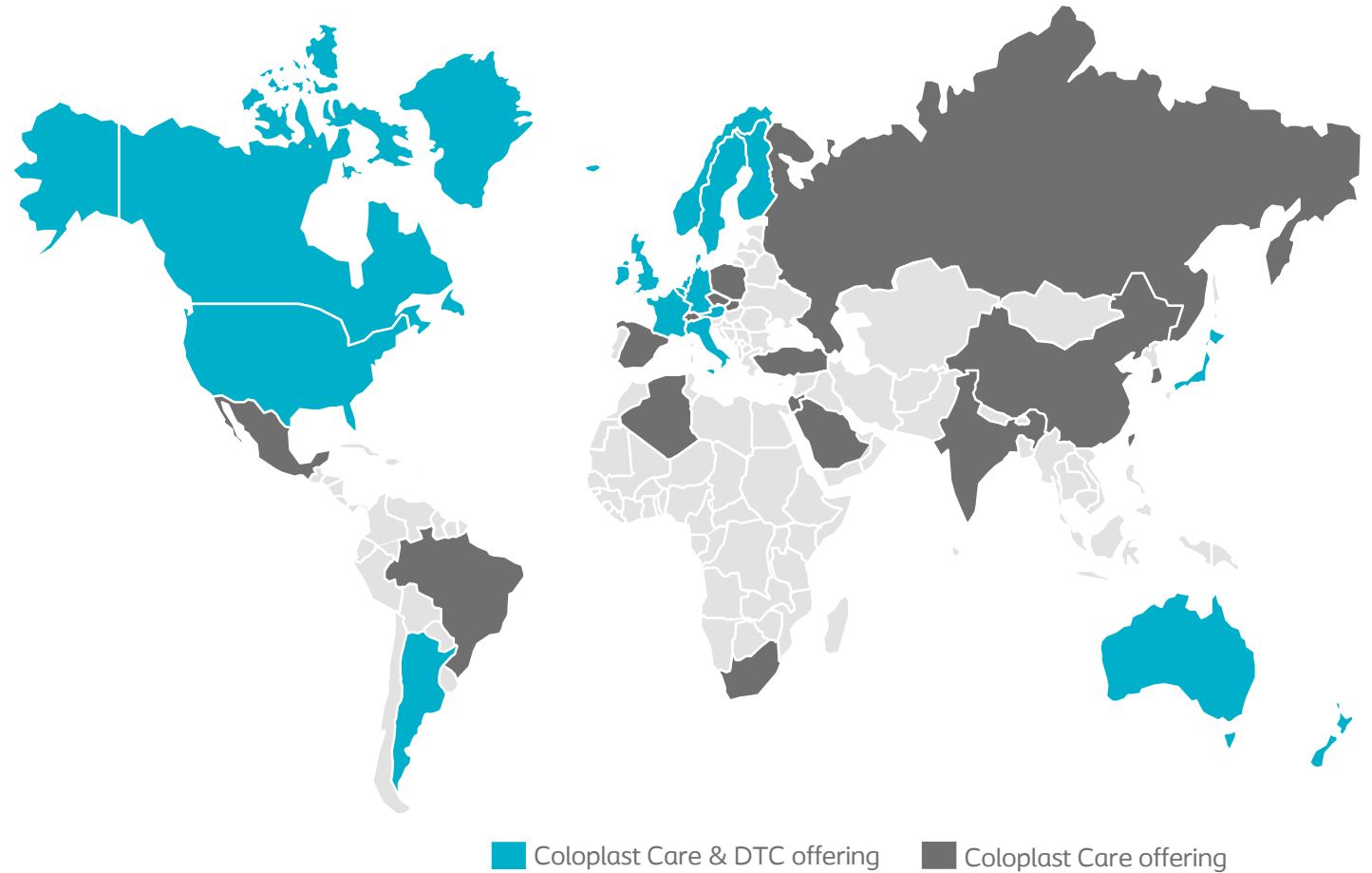
**Over 1M conversations**  
with users across the globe



**Over 30 countries**  
with a consumer setup



**New Bowel Care program**  
implemented in 2018





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

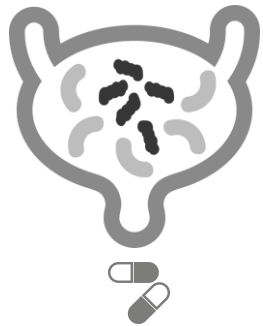
## What really matters to people using catheters?



45%\*

of users describe UTIs as their greatest challenge in life<sup>1</sup>

\* People answering 'not being able to walk: 22%', 'not be able to travel: 9%'



2.7

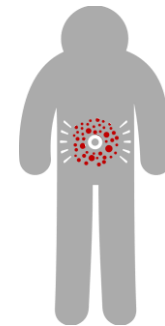
UTIs per user on average every year<sup>1</sup>

## What really matters to people living with a stoma?



93%

worry about leakage<sup>2</sup>



30%

of users experience skin irritation at least weekly<sup>3</sup>

1) Source: Coloplast IC user survey, January 2016 (n=2,942), (Data-on-file) VV-0122794

2) Source: Ostomy Life Study 2016, ECET Coloplast Pre-Event (n=4,235), (Data-on-file) VV-0191619

3) Source: OC Usage Pattern Study 2015, (Data-on-file) VV-0147638

# Through digitalization of new products, we will take the next step towards our mission of making life easier for our users

## Digitalization in product development as first important milestone

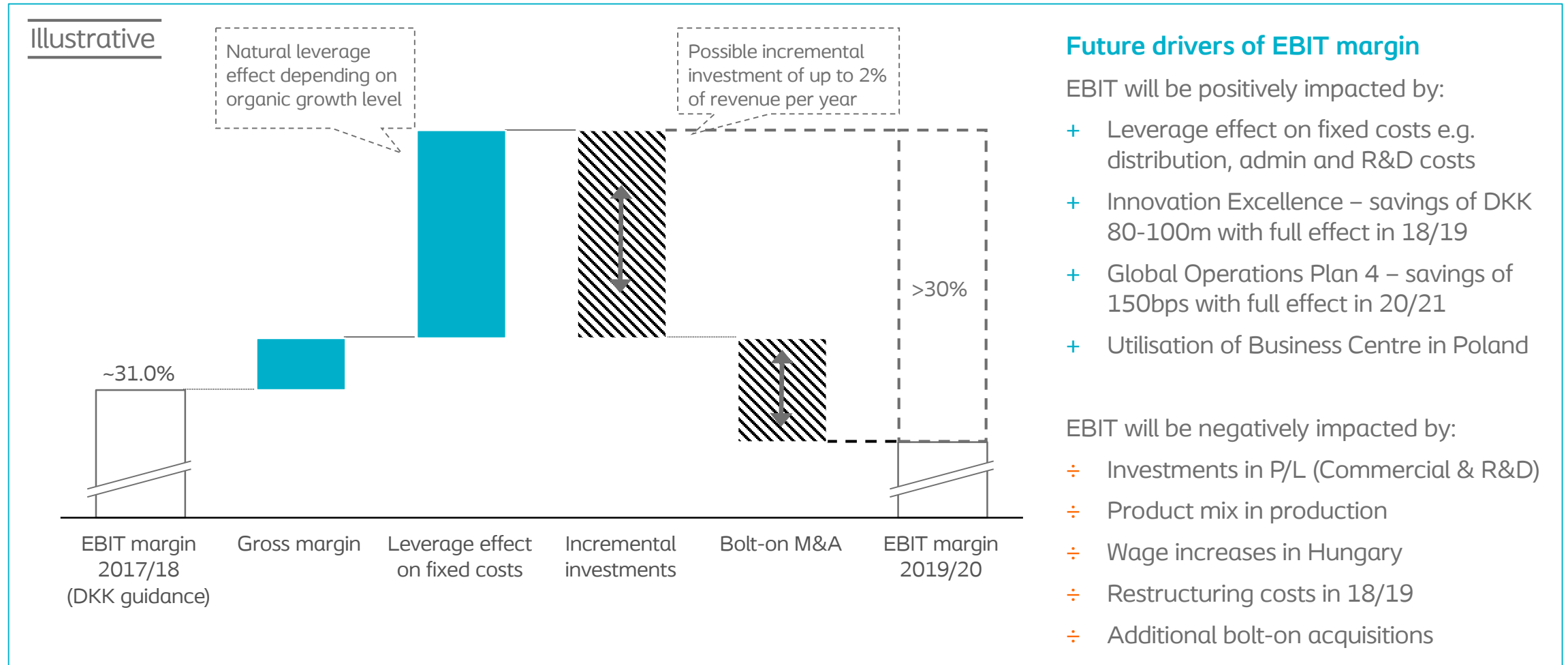


## Digitalization

- We have a mission of making life easier for people with intimate healthcare needs
- Digitalizing our products is an important next step and new foundation to further improve users' lives
- Our R&D department is well on its way with the first digitalized products



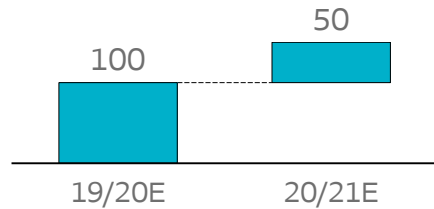
# EBIT margin development is a function of scalability, cost discipline, investments and M&A



# Global Operation Plan 4 aims to support LEAD20 through continued unparalleled efficiency and financial discipline

## Global Operations Plan 4

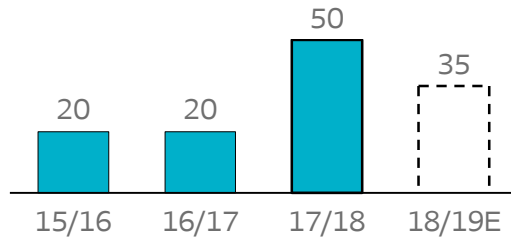
EBIT margin contribution, bps



**3 drivers to drive 150bps EBIT margin contribution**

## Restructuring costs (GOP 3 & 4)

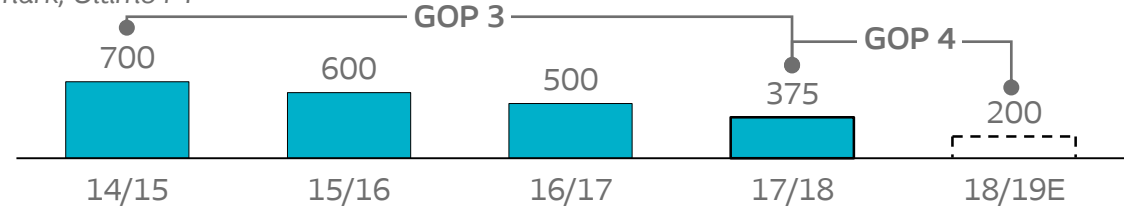
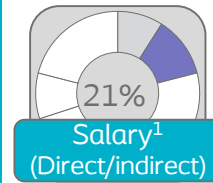
DKKm



Source: Coloplast

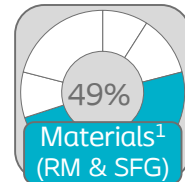
## 1. Reduction of manufacturing in Denmark

Manufacturing FTE's in Denmark, Ultimo FY



## 2. Procurement savings

Materials (Raw materials & Semi-finished goods)



Expand supplier base

- Reduce risk of supply
- Increase competitive pressure

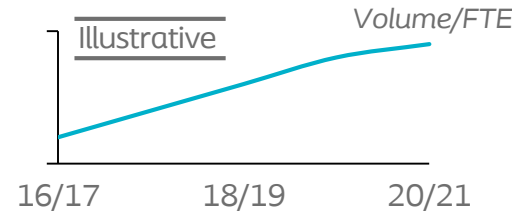
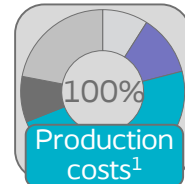


Improve processes

- Implement new materials
- Run sourcing tenders

## 3. Efficiency gains at volume sites through cost focus and automation

Volume per. FTE



Cost focus e.g.:

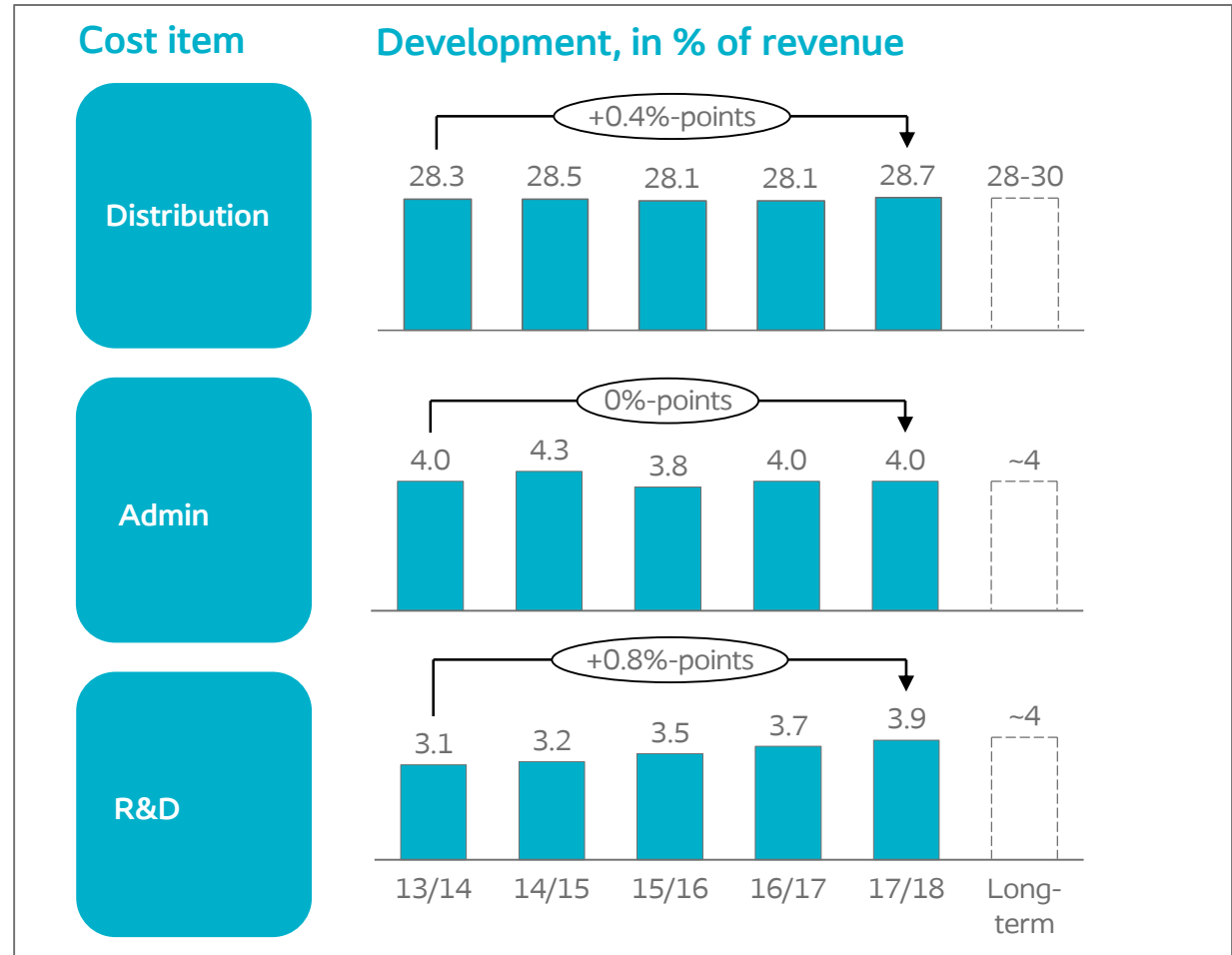
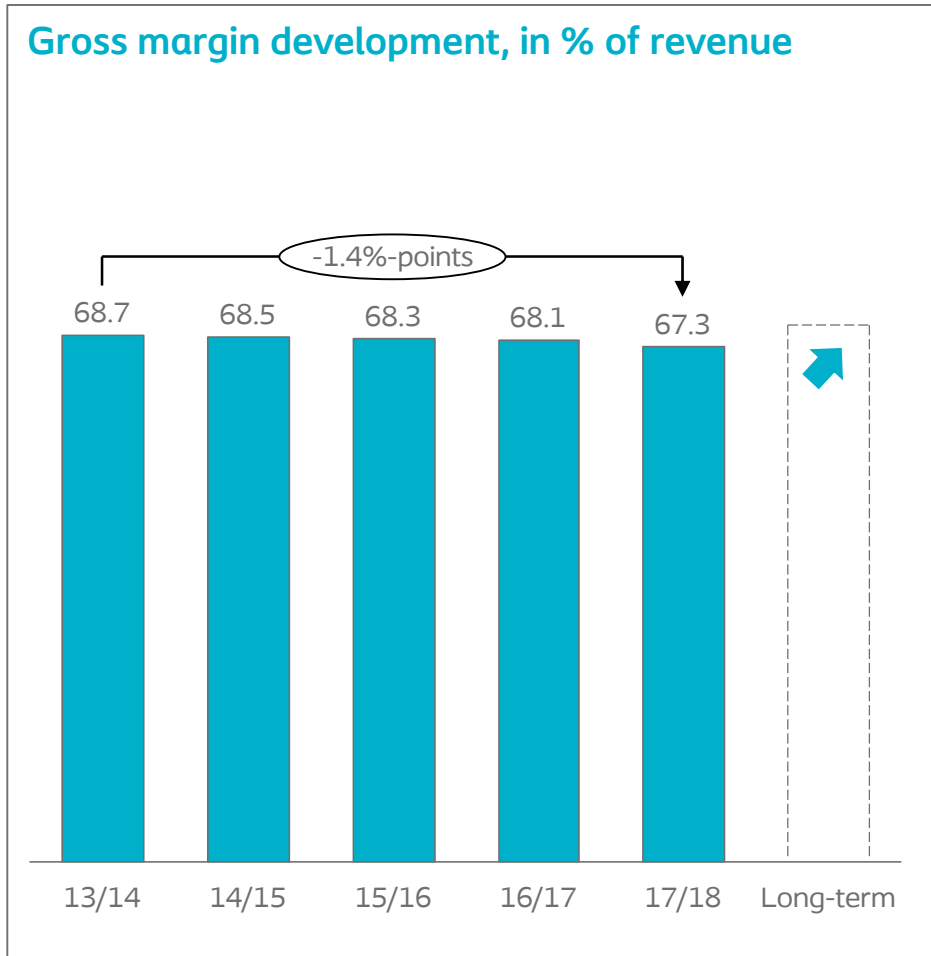
- Improve processes
- Reduce waste

Automation e.g.:

- Packaging
- Visual control

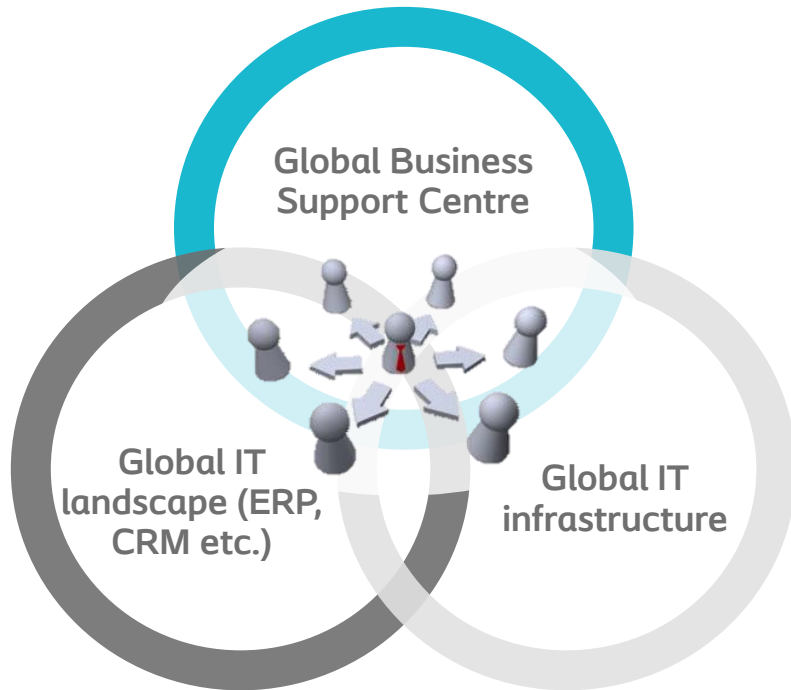
1) FY 2017/18 Production costs, DKK 5,383m

# Profitability supported by scalability and efficiency gains enabling additional investments within distribution and R&D



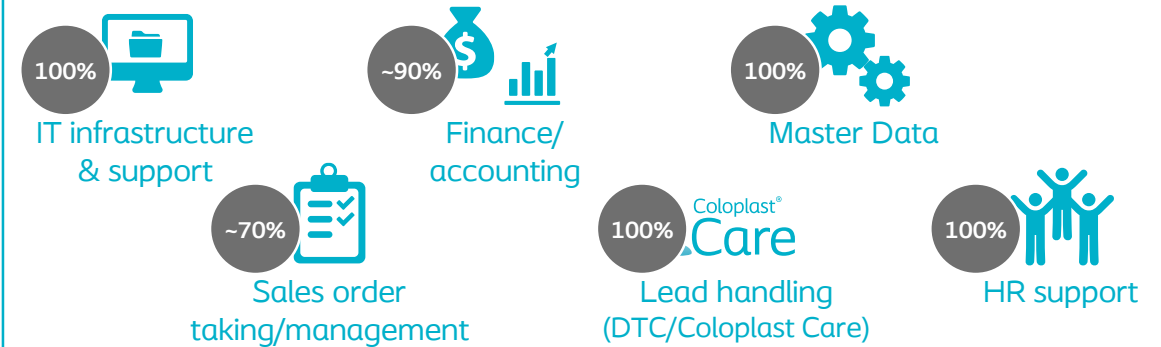
# A global Business Support and IT landscape enables Coloplast to scale faster and more efficiently

## Global Business Services



## Global business services handle the majority of all global support

% of group processes



## Examples of current implementation cases

Sales subsidiary (Portugal)



New manufacturing (Costa Rica)



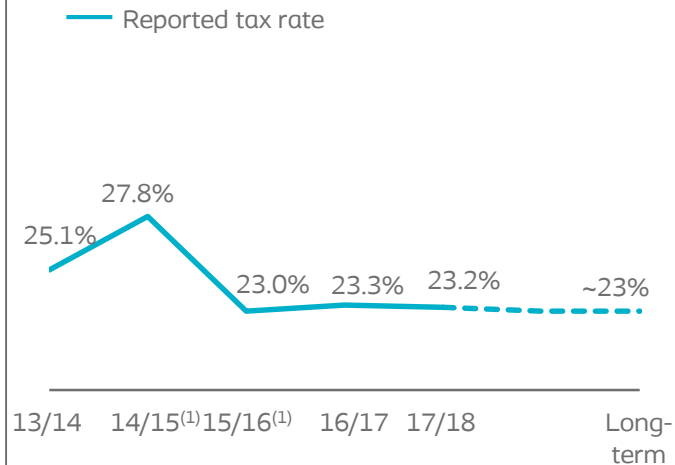
M&A/Direct



Source: Coloplast

# We will continue to deliver strong and attractive free cash flows ...

## Taxation

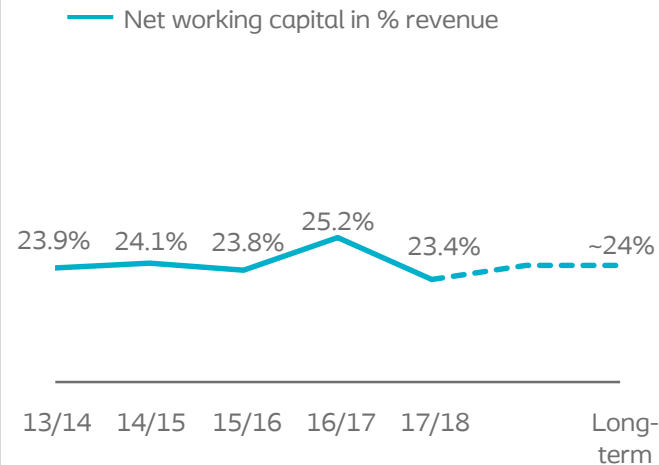


- DK statutory corporate tax rate lowered to 22% in 2016
- Coloplast tax rate expected to be ~23% going forward

1) Impacted by provision for Mesh litigation

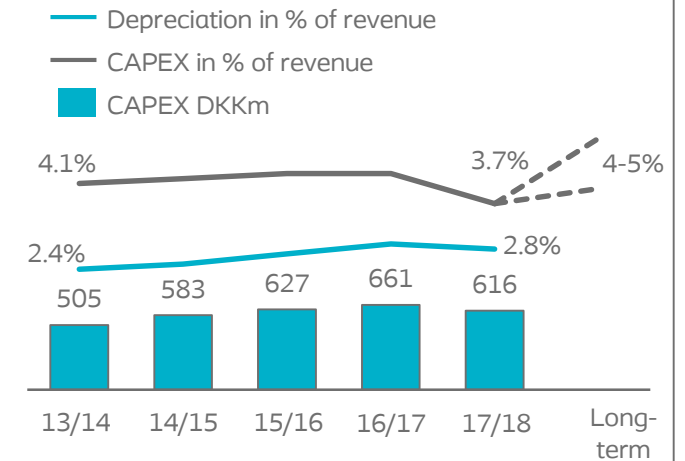
2) Gross investments in PPE

## Net working capital



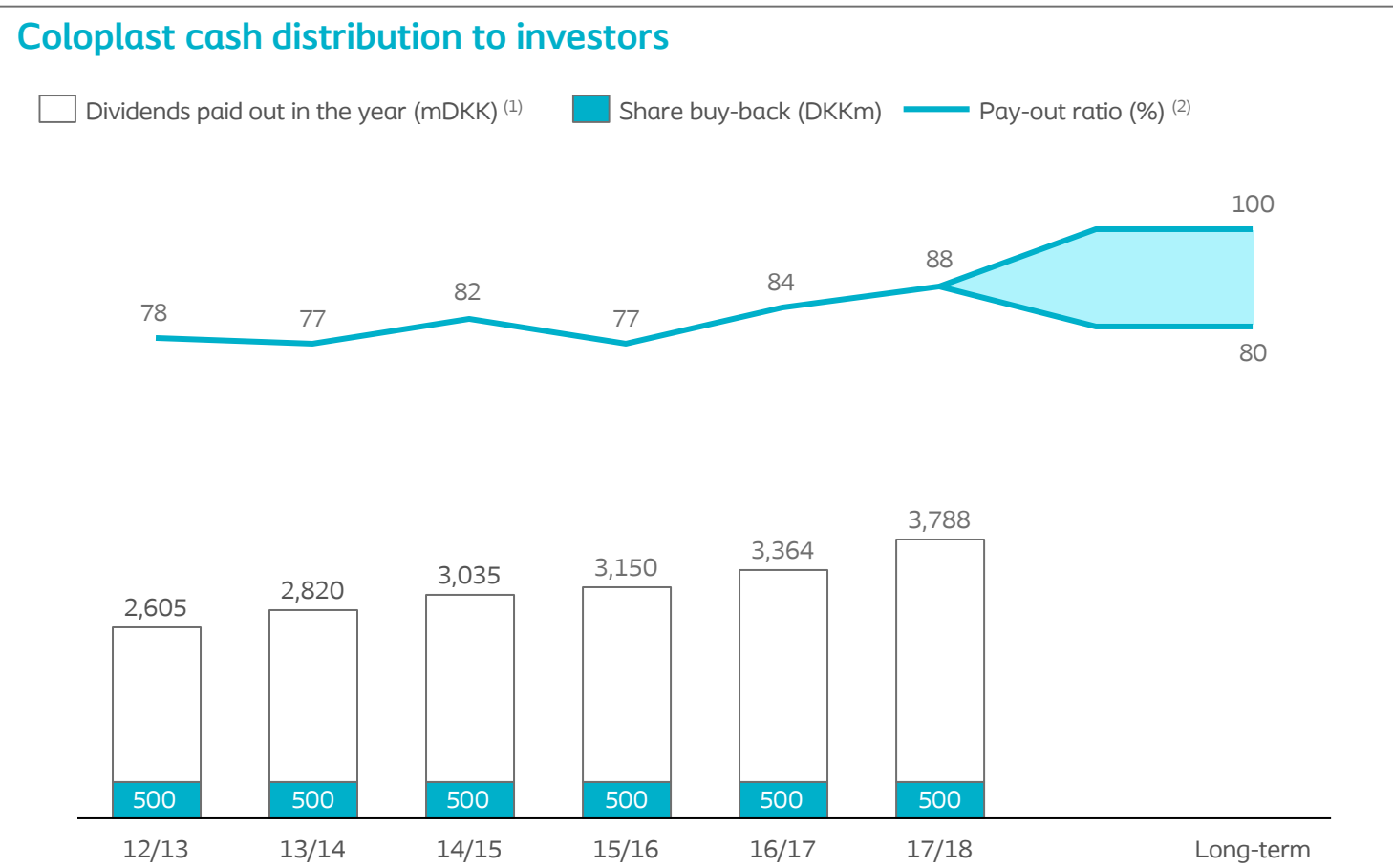
- Net working capital expected to be stable at ~24% of revenue
- Improve debtor policy in Emerging markets
- Maintaining stable inventory levels going forward

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



- Continued investment in machines and capacity expansion
- Widen factory footprint – factory extensions and greenfield investments
  - Factory extension opened in Hungary in 2017/18
  - Next volume factory to be built in Costa Rica by 2020
    - Est. CAPEX of DKK ~300m

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



### Comments

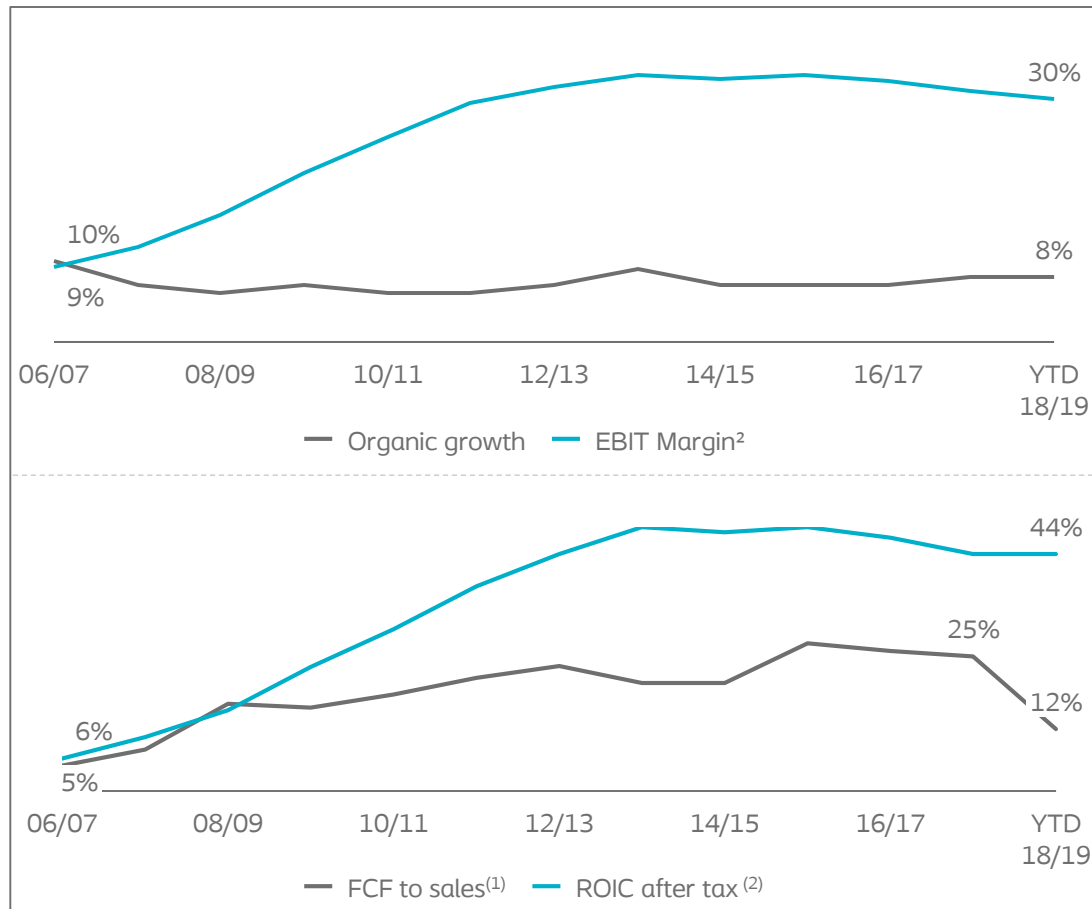
- Coloplast returns excess liquidity to shareholders in the form of dividends and share buy-backs
- Dividend is paid twice a year – after the half-year and full-year financial reporting
- Total dividend of DKK 16 per share for 2017/18
  - H1 2018/19 interim dividend of DKK 5.0 per share for a total interim dividend of DKK 1,062m
- DKK 1bn share buy-back program to be completed before 2018/19 fiscal year end
  - First part (DKK 500m) completed in Q3 2017/18
  - Second part of the share buy-back program of DKK 500m was initiated in Q2 2018/19

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 2013/14, 2014/15 and 2015/16 is before special items related to Mesh litigation



# In sum, we believe Coloplast can continue to deliver stable shareholder returns through ...

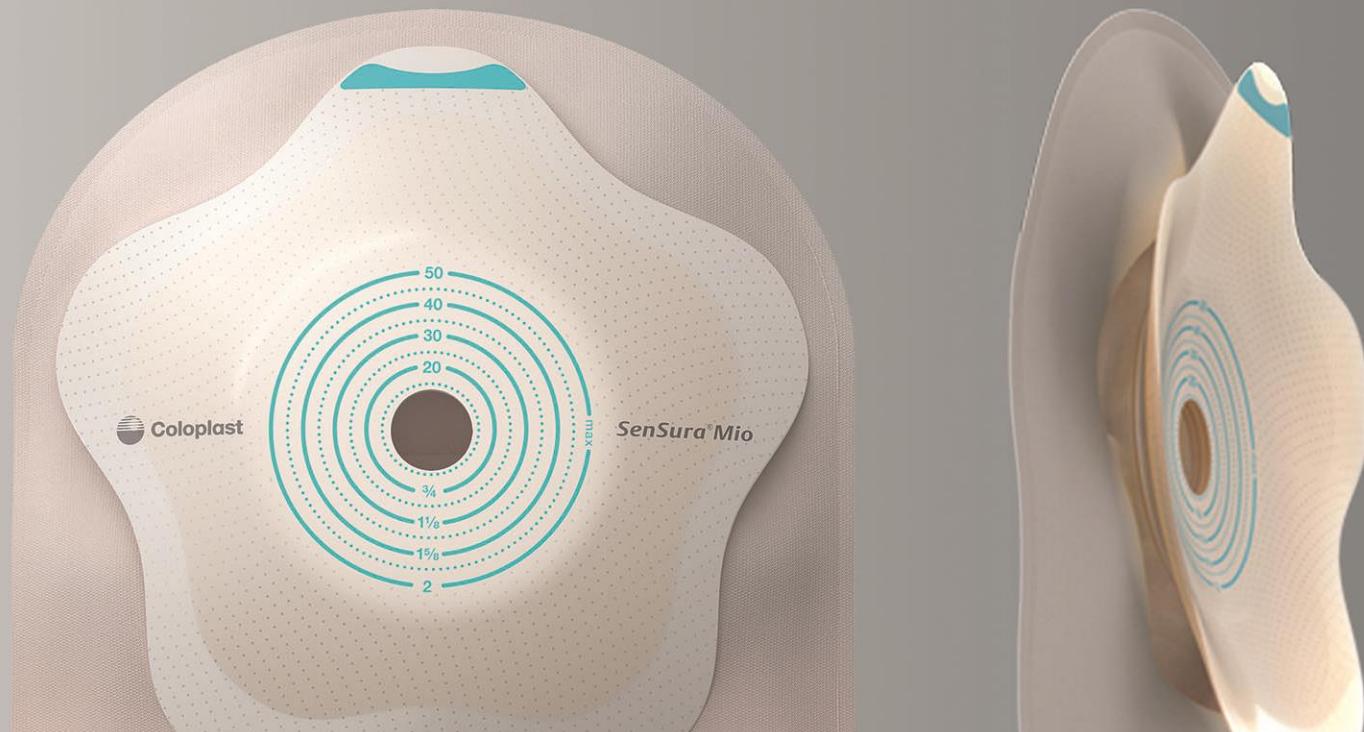


## Comments

- Stable market trends in our Chronic Care business
- Strong Coloplast Care retention program and innovative DtC activities
- Increased focus on growing the business outside Europe
- Additional improvements in manufacturing by leveraging on global operations footprint
- European leverage will provide funds for further investments in sales initiatives
- Resulting in strong free cash flow generation and high return on invested capital

1) FCF adjusted for Mesh payments in 2013/14, 2014/15, 2015/16, 2016/17, 2017/18 and acquisitions in 2016/17 and 2017/18. Adjustment for Mesh payments includes DKK 500m insurance coverage in 2013/14 and 2014/15 combined.

2) Before special items. Special items 2013/14 include DKK 1bn net provision. Special items 2014/15 include DKK 3bn provision. Special items 2015/16 include DKK 0.75bn provision.



# Leading intimate healthcare

Appendices

*SenSura Mio*

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



# The Coloplast share (COLO'B-KO)

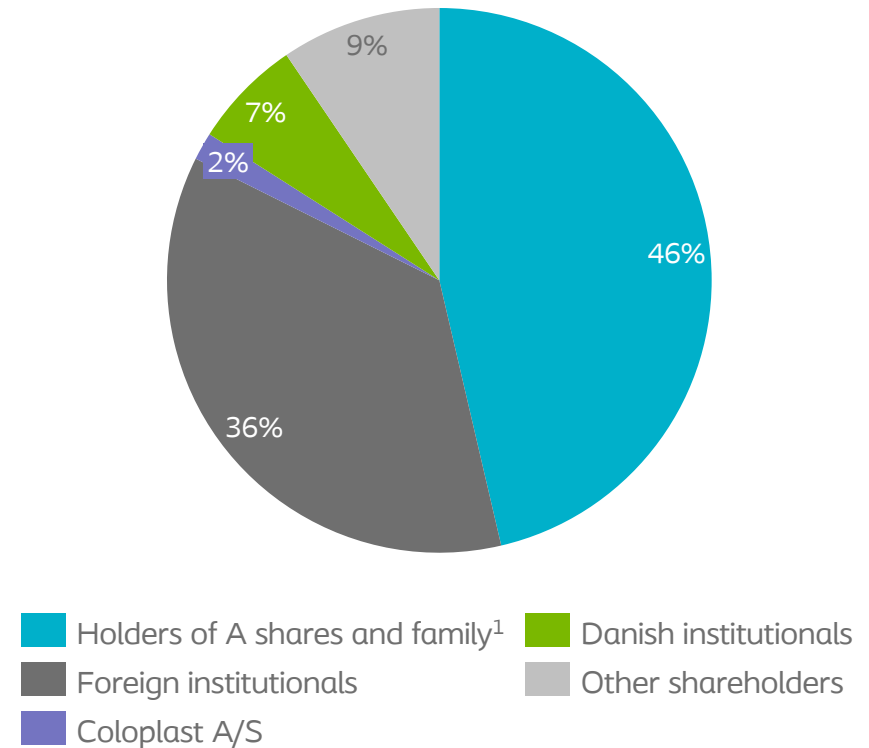
Coloplast share listed on [Nasdaq Copenhagen](#) since 1983

~**154 billion DKK** (~23 billion USD) **market cap** @ ~715 DKK per share (incl. A shares)

Two share classes:

- 18m **A shares** carry 10 votes (family)
- 198m **B shares** carry 1 vote (freely traded)
- **Free float approx.** 54% (B shares)

## Share Capital Ownership



Note: Share capital ownership as per December 2018

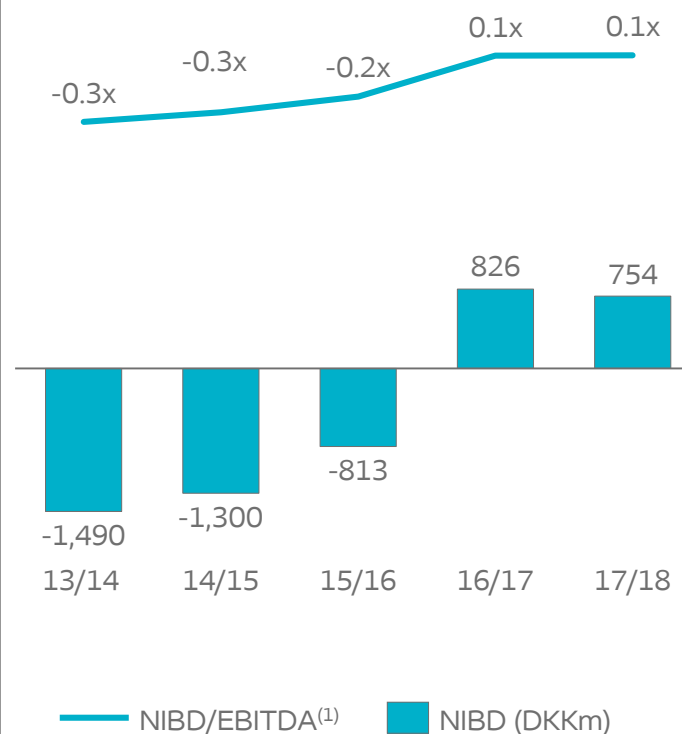
1) Holders of A shares and family hold 69% of the votes in Coloplast

# Capital structure

## Comments

- Overall policy is that excess liquidity is returned to shareholders through a combination of dividends and share buy-backs
- Interest bearing debt will be raised in connection with a major acquisition or other special purposes
- Share buy-backs of DKK 500m per year expected
- Bi-annual dividends
- Coloplast has entered into loan facilities to fund Mesh litigation settlements and the acquisition of distribution companies
- Interest-bearing net debt of DKK 2,060m at 31 March 2019

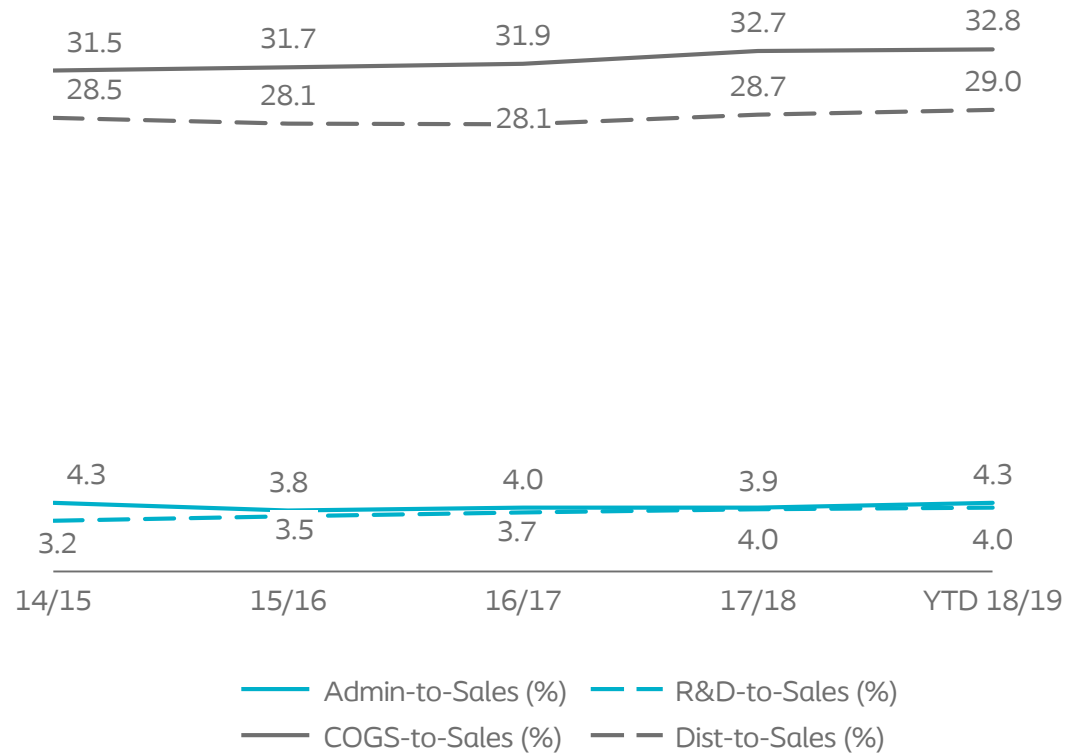
## Net interest bearing debt



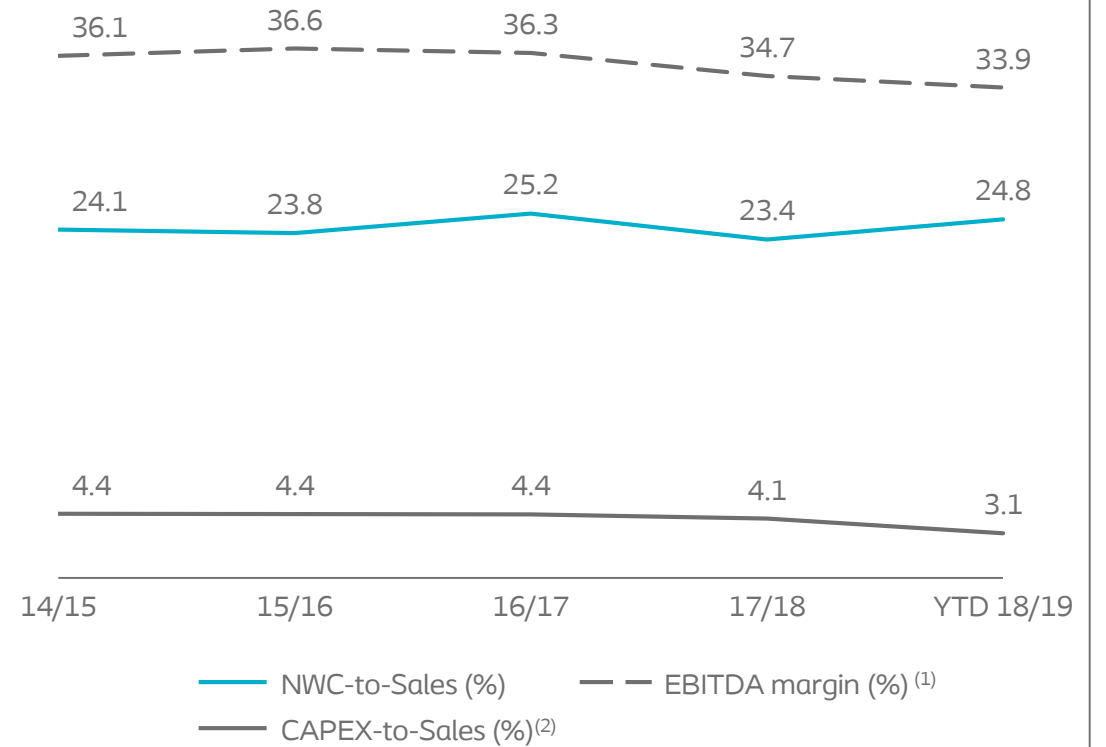
1) Before special items. Special items Q2 2013/14 includes DKK 1bn net provision. Special items Q4 2014/15 includes DKK 3bn provision. Special items Q4 2015/16 includes 0.75bn provision.

# Key Value Ratios

## Profitability drivers



## Free Cash Flow drivers

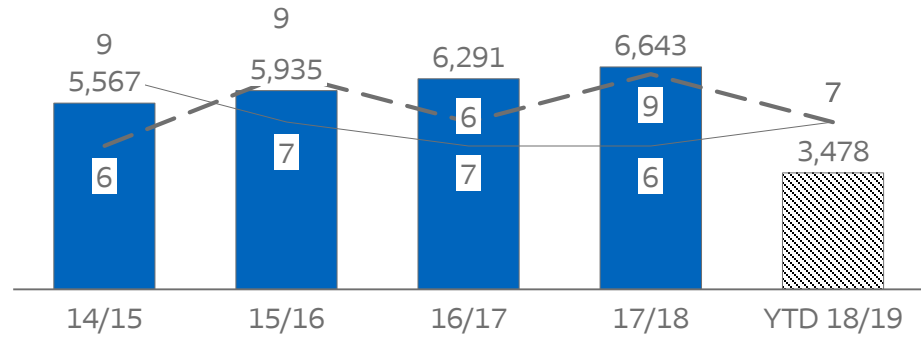


1) Before special items. Special items Q4 2014/15 includes DKK 3bn provision. Special items Q4 2015/16 includes 0.75bn provision

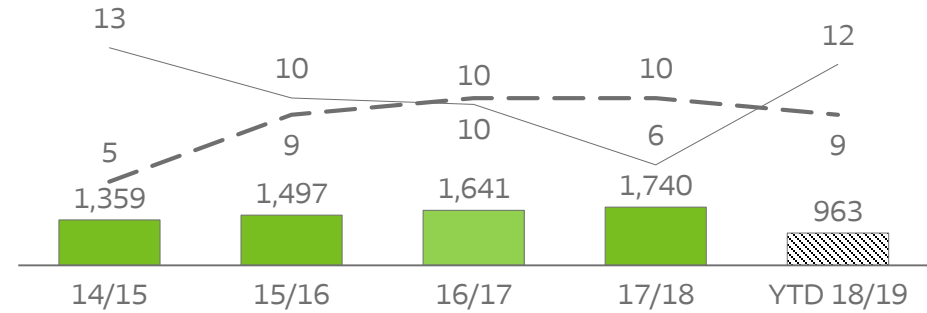
2) Gross CAPEX including investment in intangible assets

# Coloplast revenue development by business area

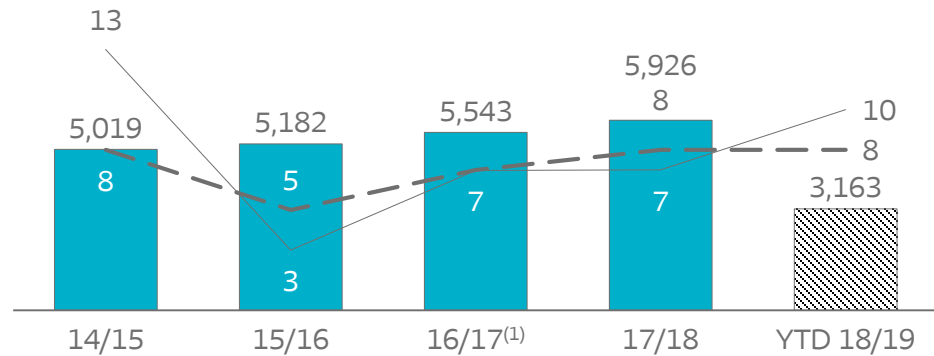
## Ostomy Care



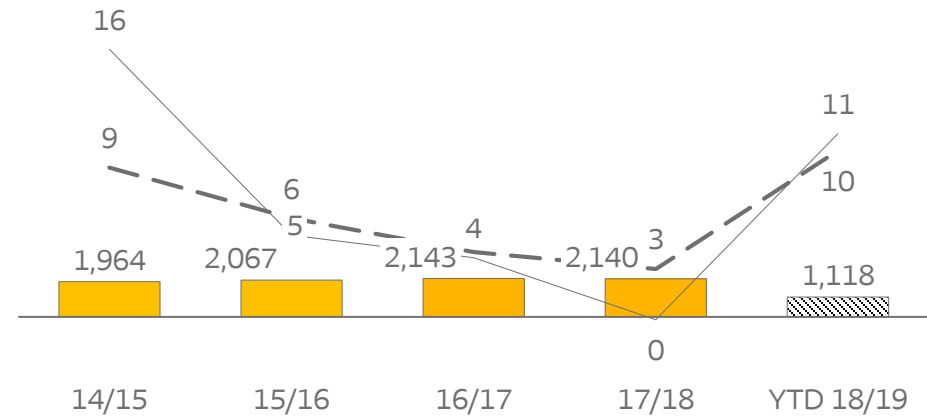
## Interventional Urology



## Continence Care



## Wound & Skin Care

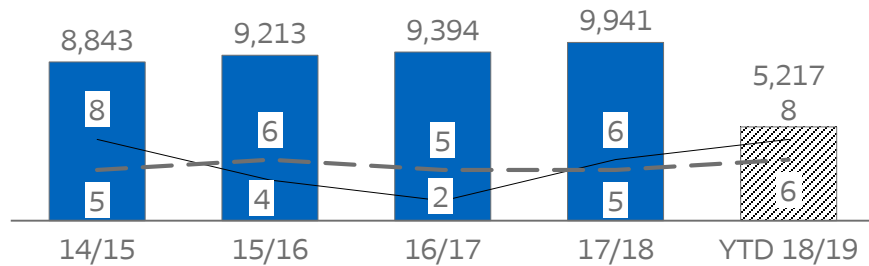


Revenue (DKKm)   
 — Reported growth (%)   
 - - - - - Organic growth (%)

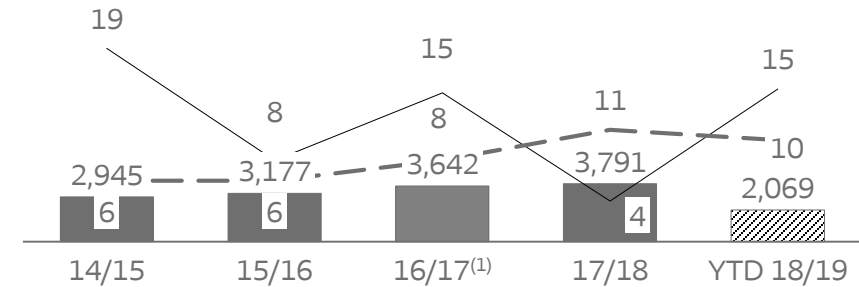
1) Excluding one-off revenue adjustment related to incorrect management of a contract with U.S Veterans Affairs  
 Coloplast Group - Ostomy Care / Continence Care / Wound & Skin Care / Interventional Urology

# Coloplast revenue development by geography and total

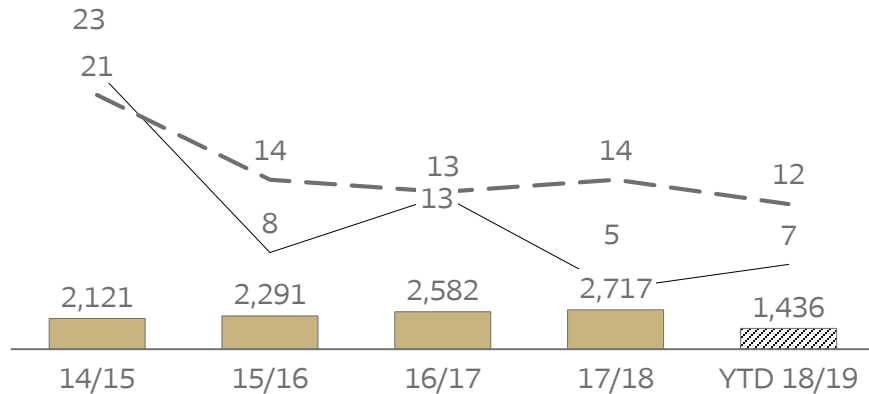
## Europe



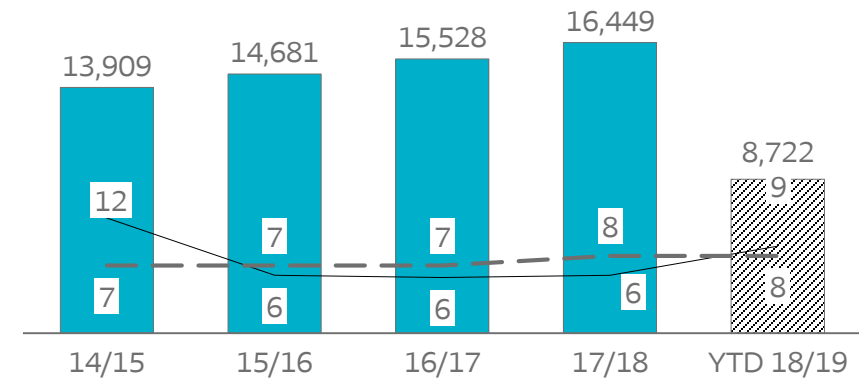
## Other Developed Markets



## Emerging Markets

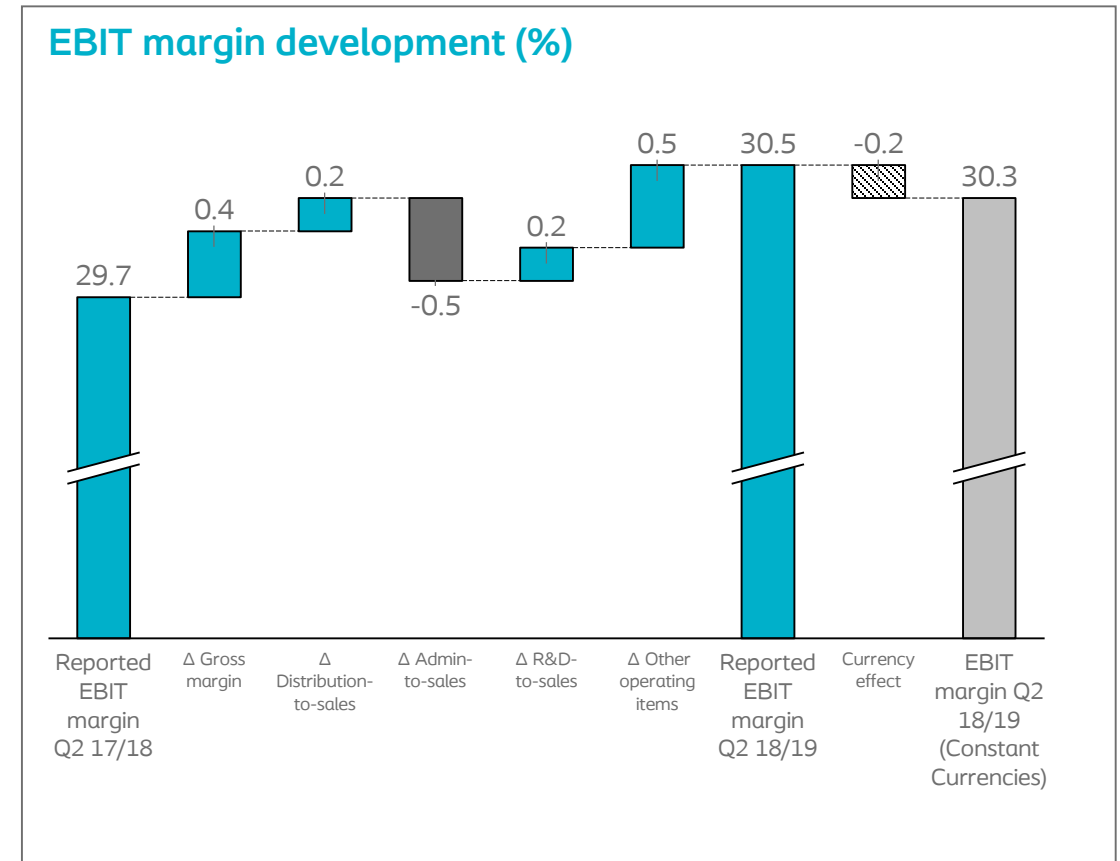
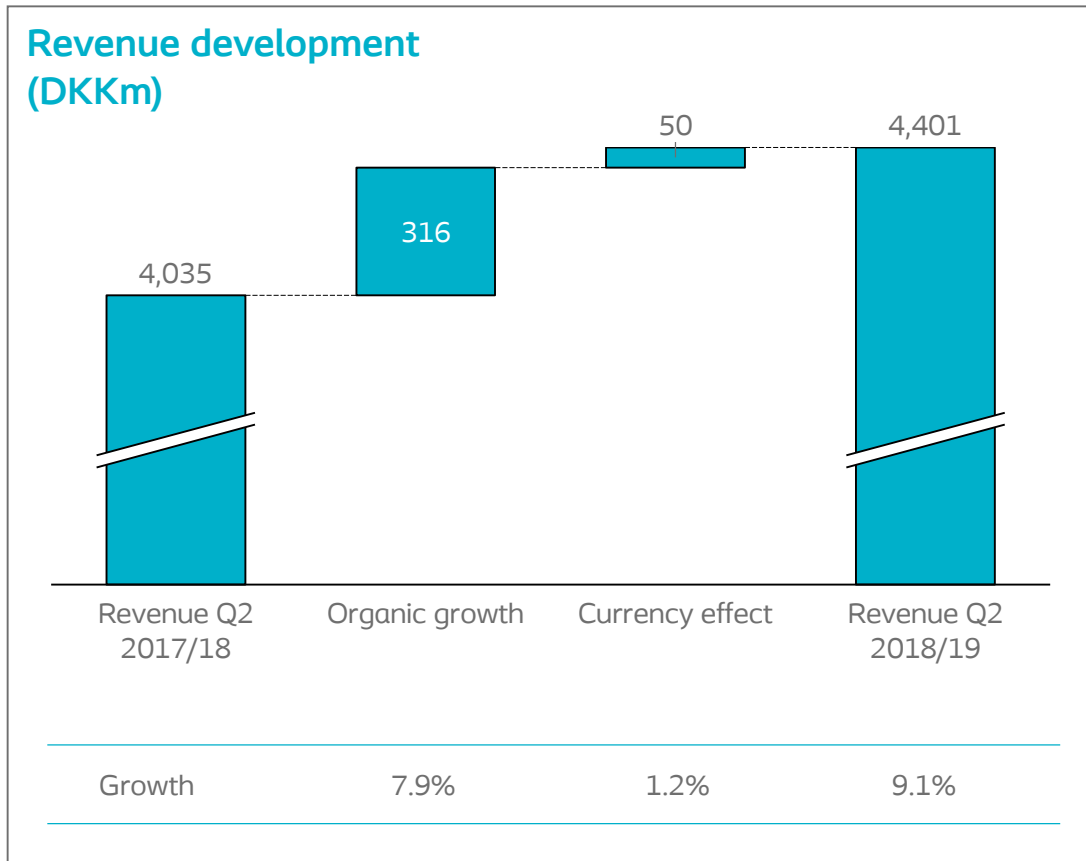


## Coloplast group



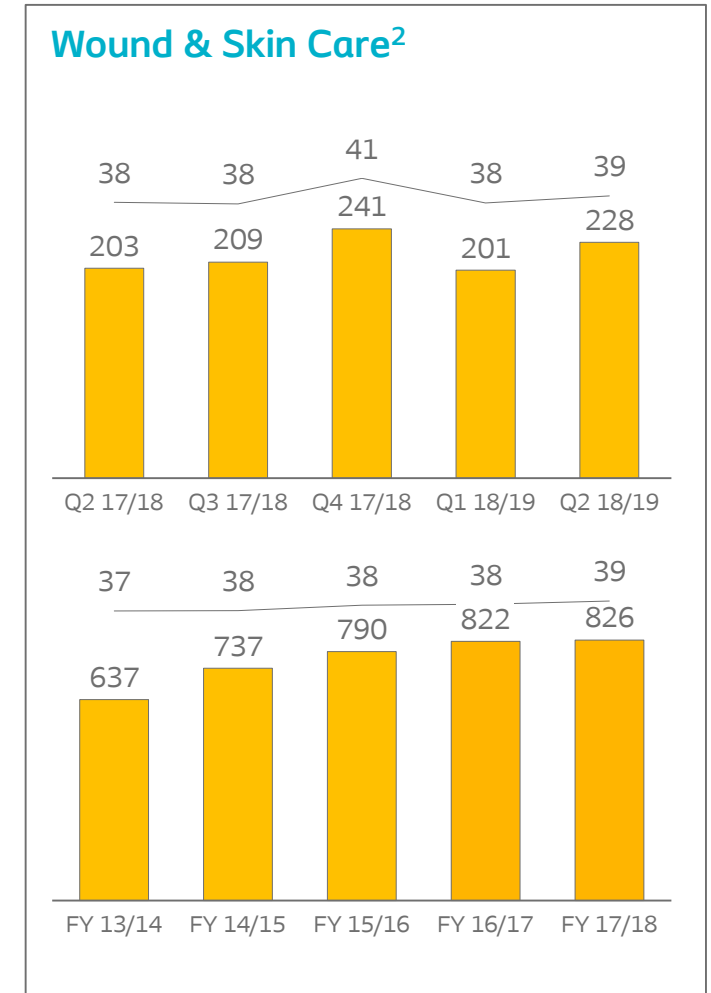
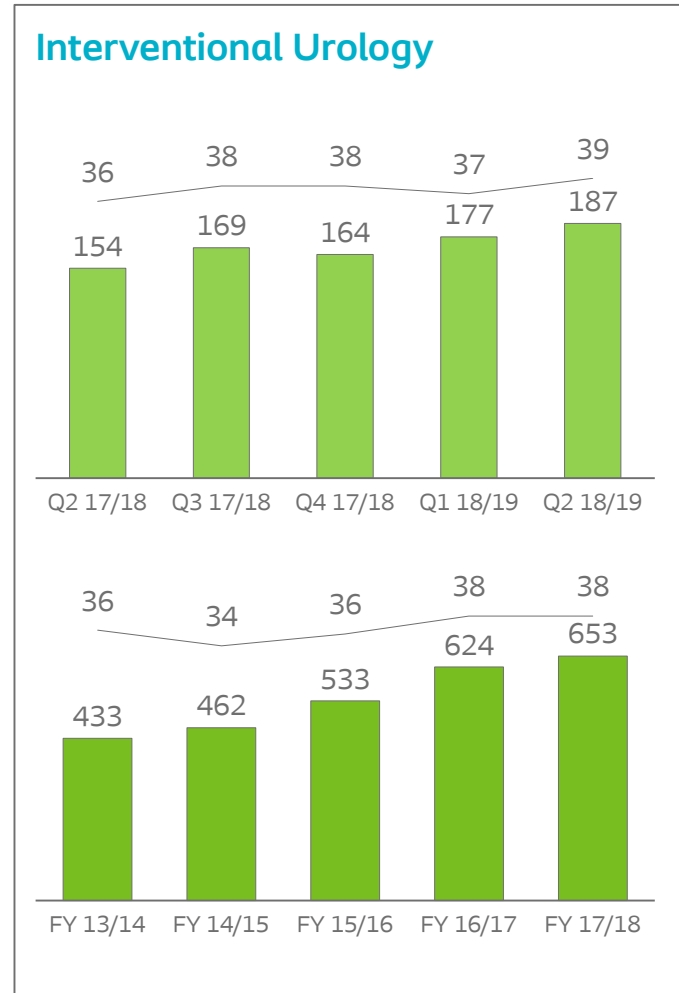
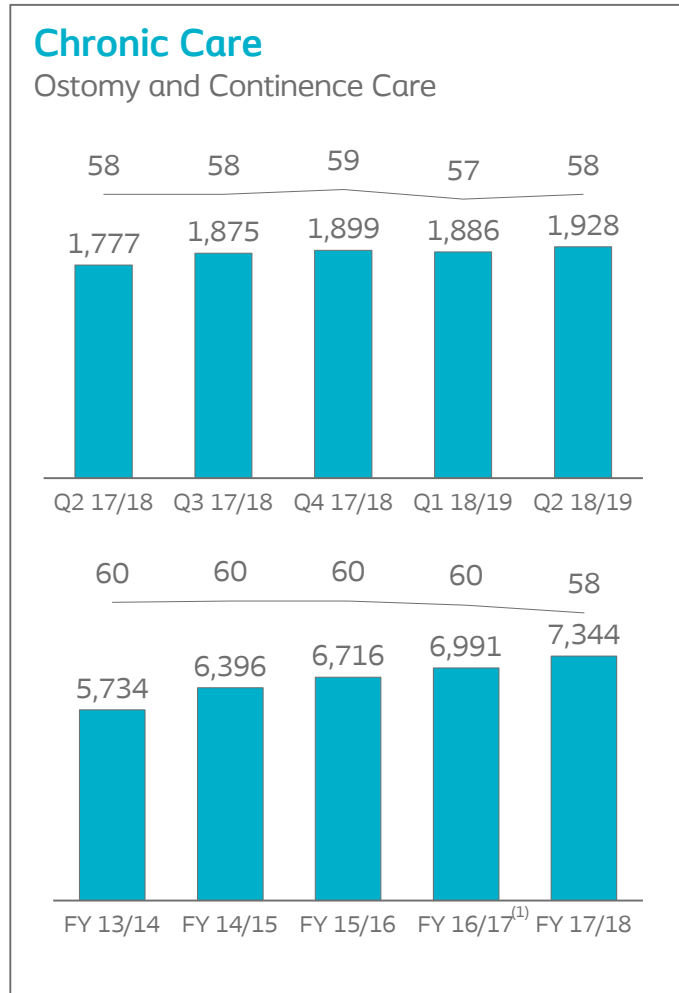
Revenue (DKKm)
 — Reported growth (%)
 - - - - - Organic growth (%)

# Coloplast Q2 revenue and EBIT development





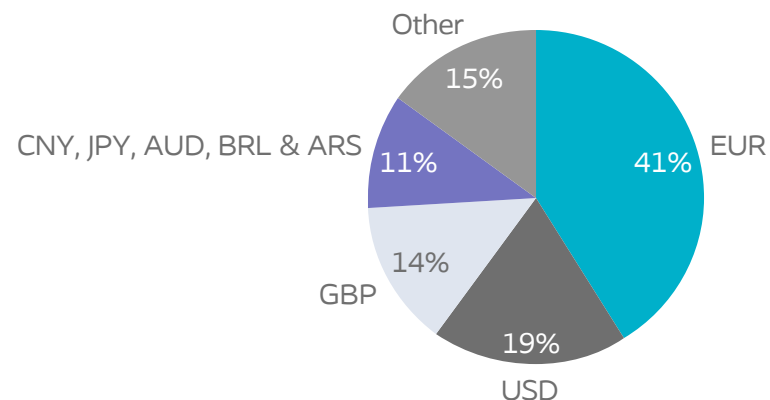
# Segment operating profit (Excludes shared/non-allocated costs)



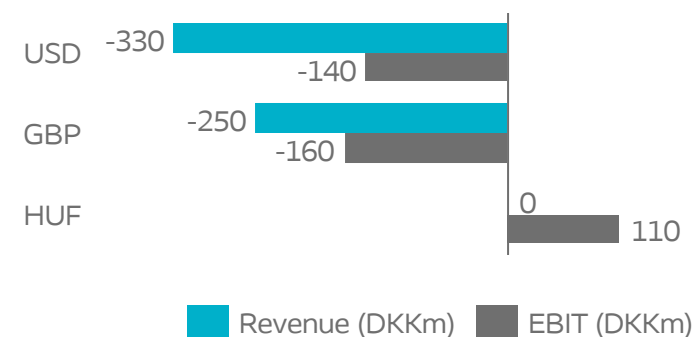
1) Includes DKK 90m one-off revenue adjustment related to incorrect management of a contract with U.S. Veterans Affairs  
 2) As of Q1 2018/19, the segment operating profit in Wound & Skin Care has been adjusted to reflect organisational changes where certain segment functions are changed to group functions. All historical numbers have been adjusted

# Exchange rate exposure FY 2018/19 and hedging policy

## Revenue FX exposure 2018/19<sup>(1)</sup>



## 12 months exposure from 10% initial exchange rate drop<sup>(1)</sup>



## Financial guidance for 2018/19

Currency	Average exchange rate 2017/18 <sup>(1)</sup>	Spot rate, 1 May 2019	Estimated average exchange rate 2018/19	Change in estimated average exchange rate compared with last year	Average exchange rate for H1 2017/18	Average exchange rate for H1 2018/19	Change in average exchange rates for H1 compared with same period last year
Key currencies:							
USD	627	665	660	5%	619	655	6%
GBP	842	868	858	2%	841	848	1%
HUF	2.36	2.30	2.32	-2%	2.39	2.33	-3%
Other selected currencies:							
CNY	96	99	97	2%	95	96	0%
JPY	5.67	5.97	5.93	4%	5.59	5.88	5%
AUD	476	469	469	-2%	481	468	-3%
BRL	180	170	171	-5%	191	173	-9%
ARS	16 <sup>(2)</sup>	15	15	-7%	34	17	-49%

## Hedging Policy

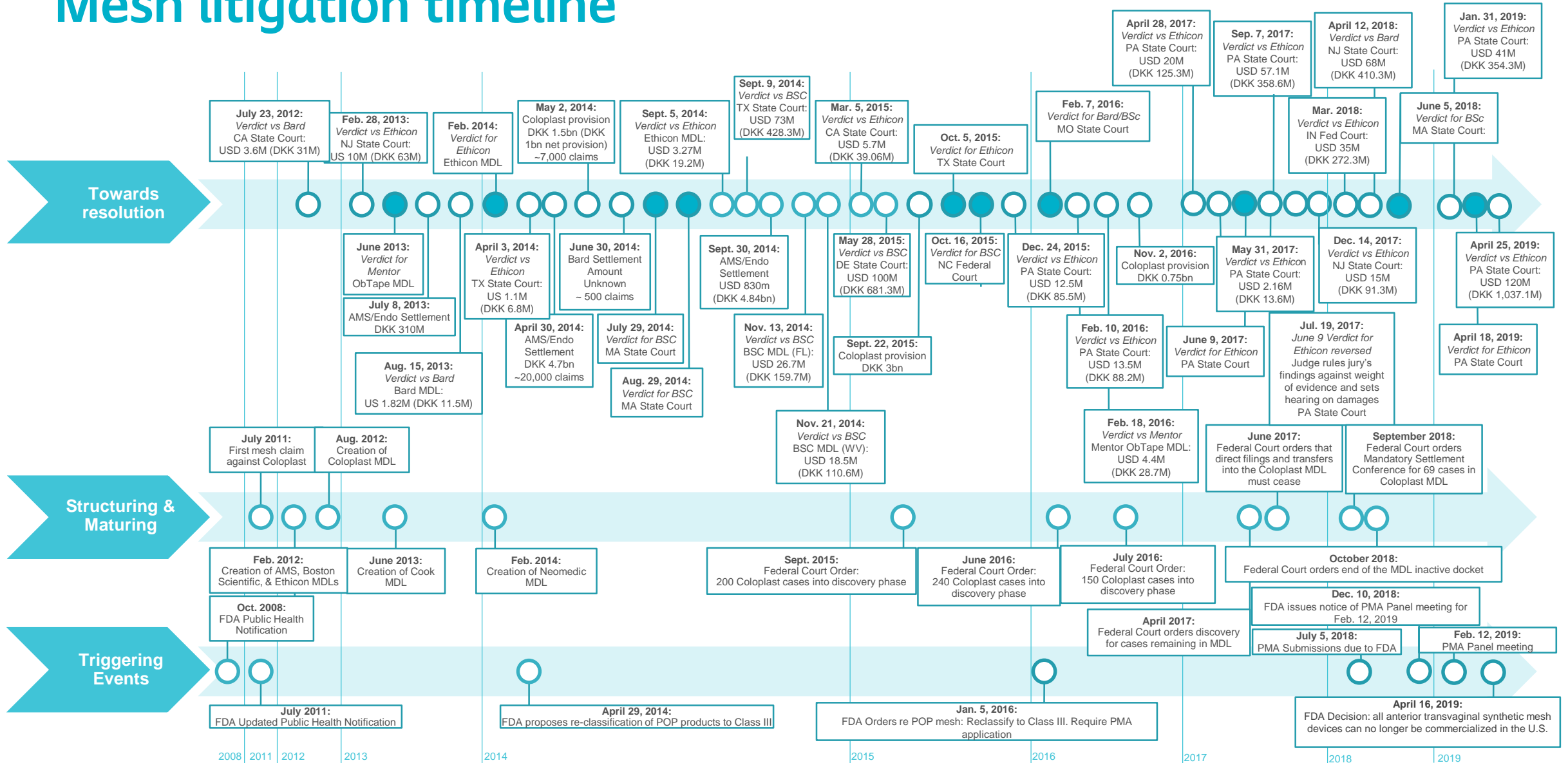
To achieve the objective of a stable income statement we hedge:

- Key currencies e.g., USD, GBP, HUF using forward contracts and options. Not EUR.
- On average 10-12 months
- Selected balance sheet items in foreign currency and part of the expected rolling 12-month cash flows
- Taking risk. vs. cost of hedging into consideration

1) Average exchange rate from 1 October 2017 to 29 September 2018.

2) The hyperinflationary economy in Argentina entails that results denominated in Argentinian Peso must be adjusted for inflation and be translated at the exchange rate of the balance sheet day which was DKK 16.10 per ARS 100.00 at 30 September 2018.

# Mesh litigation timeline



# US Mesh litigation – Overview of current financial impact

## P&L

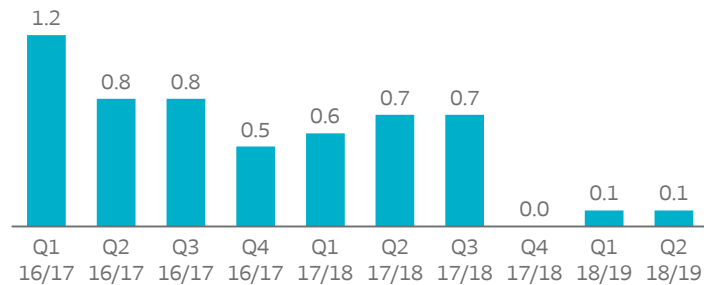
	13/14	14/15	15/16	16/17	17/18
EBIT (before special items)	4,147	4,535	4,846	5,024	5,091
Special items	-1,000	-3,000	- 750	0	0
EBIT	3,147	1,535	4,096	5,024	5,091
EBIT % (before special items)	33	33	33	32	31
EBIT %	25	11	28	32	31

- A total of DKK 5,250m (DKK 4,750 net of insurance coverage) has been provisioned and is considered sufficient
- Currently more than 95% of known cases against Coloplast have been settled

## Balance

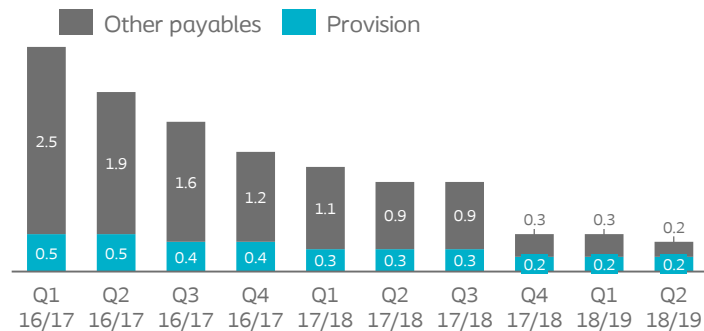
### Assets

#### Restricted cash, DKKbn



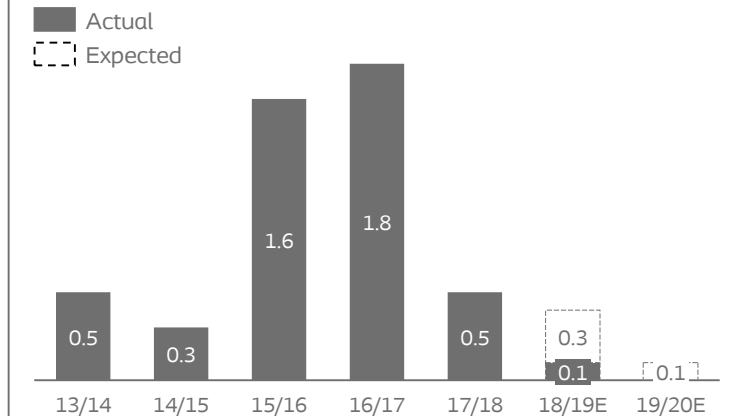
### Liabilities

#### Total liability, DKKbn



## Cash flow

### Actual/Expected cash flow, DKKbn



- Settlements expected to be finalised within the next 1-2 years
- Insurance coverage of DKK 500m received in 2013/14 and 2014/15
- DKK 1,500m loan facility (2 yrs)

# Health reform landscape

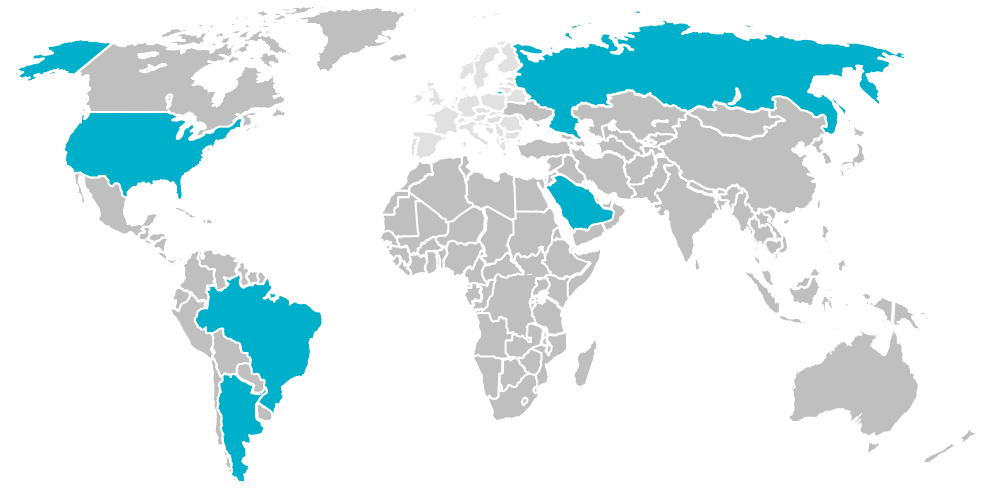
## Europe

- **France:** Reimbursement pressure on OC, CC and WC
- **Greece:** Reimbursement pressure on all BAs
- **Germany:** Reimbursement pressure on OC and CC
- **Netherlands:** Reimbursement pressure on OC and CC
- **Switzerland:** Reimbursement pressure on OC, CC and WC
- **UK:** Efficiency savings under NHS reform



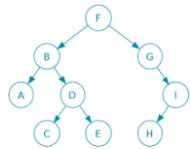
## Rest of World

- **U.S.:** Healthcare reform implementation ongoing
- **Argentina:** Macroeconomic challenges
- **Brazil:** Macroeconomic and political challenges
- **Russia:** Macroeconomic and political challenges
- **Saudi Arabia:** Macroeconomic and political challenges



# CARE helps us increase retention and improve product compliance for in excess of 500,000 enrolled consumers

## We co-develop CARE content with local clinicians



Clinically validated content and call protocol



Self-assessments to identify struggling users



Data shared with clinicians

## CARE is a personal and “high-touch” program



Advisors available on phone



Website with reliable advice and useful self assessment tools 24/7



News, tips and inspiration directly in email or mailbox



Free product and supporting products samples

## Global program with shared infrastructure

1

- ERP

- CRM

- CMS



# With our DtC marketing program we reach into the community

We operate in numerous channels to expose our service and product offering...

YouTube



Coloplast



...and with the reach we get several benefits

Expose  
innovative products



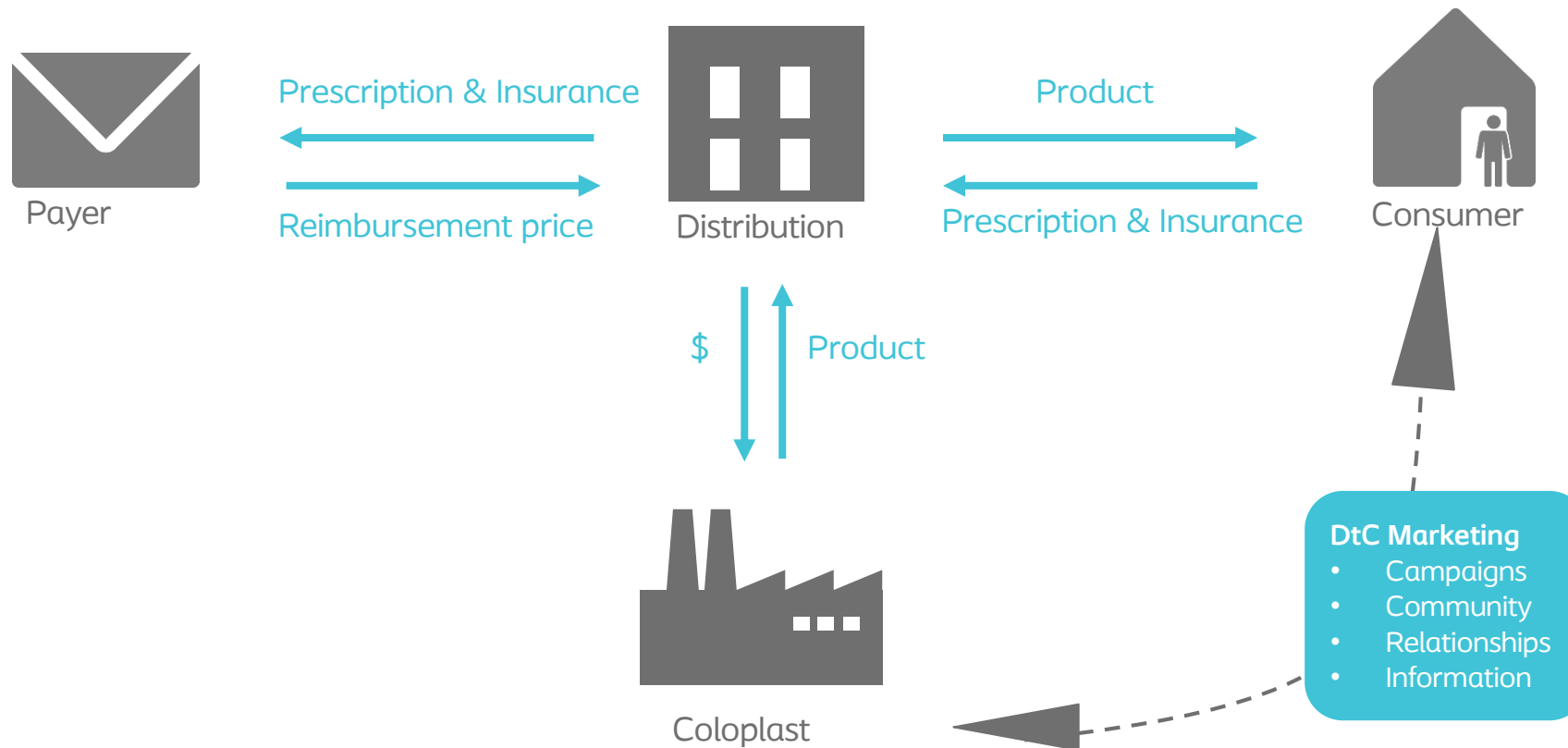
Ensure  
product accessibility



Ensure  
successful experience



# The generic model for distribution and reimbursement of our products





# In Wound Care we are progressing with our new ambition

1 Shape the standard



Endorsements

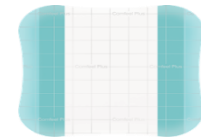


Publications

2 Build a strong product portfolio



reddot award 2017 winner



3 Accelerate in EU



Ramp-up



4 Strengthen position in the US



New structure



New management



New investment plan

5 Secure leading position in China

5

Secure leading position in China



Revised targeting



Leverage position in top 100 cities

6 Selectively invest in EM

6

Selectively invest in EM



Ramping up in selected markets



# Introducing Ostomy Care

## Disease areas

- Colorectal cancer (est. 45%)
- Bladder cancer (est. 10%)
- Diverticulitis (est. 15%)
- Inflammatory bowel disease (est. 10%)
- Other (est. 20%)

## Customer groups

- Nurses, mainly stoma care nurses
- People with a stoma
- Wholesalers/distribution
- Hospital purchasers and GPOs
- Surgeons

## Call points

- Hospital & community nurses
- Hospital buyers
- Distributors
- Dealers
- Wholesalers
- Homecare companies

## Key products



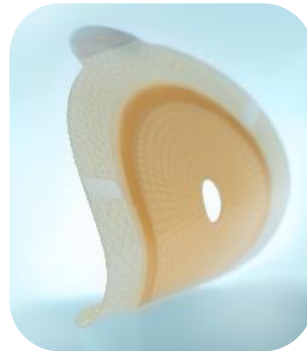
**SenSura® Mio Concave**  
To be launched in 2018-2019



**SenSura® Mio Convex**  
Launched in 2015



**SenSura® Mio**  
Launched in 2014



**SenSura®**  
Launched in 2006-2008



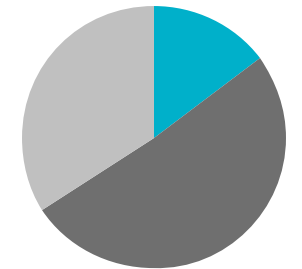
**Assura® new generation**  
Launched in 1998



**Alterna® original**  
Launched in 1991

## Distribution of revenues\*

- Urostomy
- Ileostomy
- Colostomy



\*Excluding baseplates and supporting products

# Introducing Ostomy Care Supporting Products

## Market fundamentals

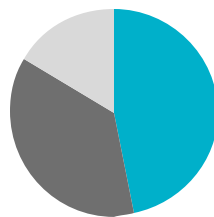
- Market size of DKK 2-3bn
- Market growth of 6-8%
- Market share 30-35%
- Main competitors include: Hollister Adapt, ConvaTec, 3M Cavilon, Eakin

## Customer groups & call points

- Nurses, mainly stoma care nurses
- People with a stoma
- Wholesalers/distributors
- Hospital purchasers and GPOs
- Surgeons

## Market value by geography

- European markets
- Other developed markets
- Emerging markets



## Key products



### Brava® Protective Seal

- Designed for leakage and skin protection



### Brava® Elastic Tape

- Elastic so it follows the body and movements



### Brava® Lubricating Deodorant

- Neutralizing odour

*Brava® is a range of ostomy supporting products designed to reduce leakage or care for skin, to make our end-users feel secure. The Brava® portfolio was launched in 2012.*



### Brava® Skin Barrier

- Reducing skin problems without affecting adhesion



### Brava® Adhesive Remover

- Sting free and skin friendly

# Introducing Continence Care

## Disease areas

- Spinal Cord Injured, SCI
- Spina Bifida, SB
- Multiple Sclerosis, MS
- Benign prostatic hyperplasia, BPH & prostatectomy patients
- Elderly

## Customer groups

- Continenace or home care nurses
- Wholesalers/distributors
- Hospital purchasers and GPOs

## Main call points

- Rehabilitation centers
- Urology wards
- Distributors, dealers & wholesalers

## Key products



**SpeediCath® Navi**  
Intermittent catheter  
To be launched in 2019 - 2020



**SpeediCath® Flex**  
Intermittent catheter  
Launched in 2016



**SpeediCath® Compact Eve**  
Intermittent catheter  
Launched in 2014



**SpeediCath® Compact**  
Male intermittent catheter  
Launched in 2011



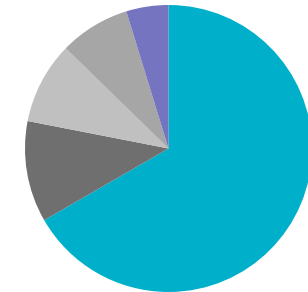
**Conveen® Optima**  
External catheter  
Launched in 05/06



**Conveen® Security+**  
Launched in 2013

## Distribution of revenues

- Intermittent catheters
- Urine bags
- Male ext. catheters
- Bowel management
- CC Other



# Introducing Bowel Management

## Disease areas

Faecal incontinence  
(management products only)

## Customer groups

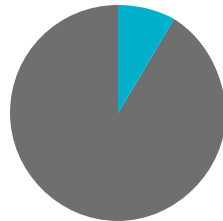
- Spinal Cord Injured, SCI
- Spina Bifida, SB
- Multiple Sclerosis, MS

## Call points

- Rehab centers
- Pediatric clinics
- Urology wards

## Distribution of revenues

- Peristeen® Anal Irrigation
- Anal plug



## Market dynamics

- + Growing awareness
- + Huge underpenetrated and unserved population
- + New devices addressing the many unmet needs
- ÷ Still taboo area and non-focus for professionals (doctors)
- ÷ Very little patient awareness
- ÷ Training required (nurses, patients)
- ÷ Lack of reimbursement



**Peristeen® Anal Irrigation**  
Launched in 2003  
Updated in 2011



**Anal plug**  
Launched in 1995

# Introducing Interventional Urology

## Treatment (surgical) of urological disorders

### Disease areas

- Urinary incontinence
- Pelvic organ prolapse
- Erectile dysfunction
- Enlarged prostate
- Kidney and urinary stones

### Customer groups

- Surgeons
- Purchasing departments and organizations
- End customers

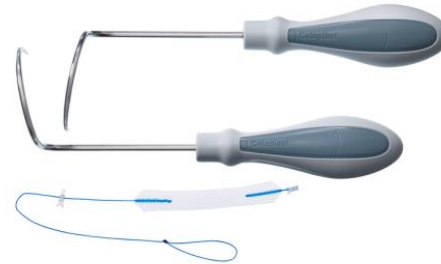
### Call points

- Urologists
- Uro-gynaecologists
- Gynaecologists
- Purchasing departments and organizations

### Key products



**Titan® OTR penile implant**  
Launched in 2008  
Men's health – Surgical Urology



**Altis® single incision sling**  
Launched in 2012  
Women's health – Surgical Urology



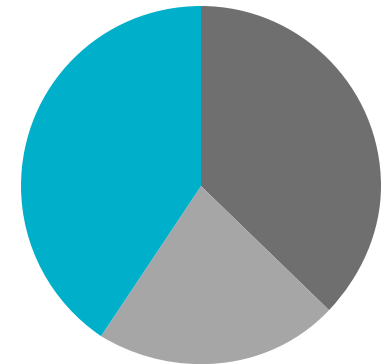
**Isiris® cystoscope**  
Launched in 2015  
Single use devices



**JJ stents**  
Launched in 1998  
Single use devices

### Distribution of revenues

- Men's health
- Women's health
- Single use devices



# Introducing Wound Care

## Disease areas

### Chronic wounds

- Leg ulcers
- Diabetic foot ulcers
- Pressure ulcers

## Customer groups & call points

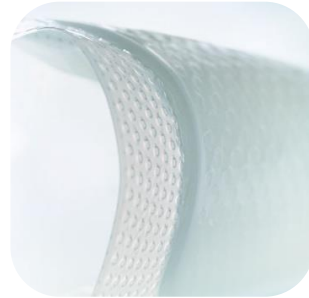
### Hospitals

- Wound care committees
- Specialist nurses/doctors
- (Purchasers)

### Community

- Specialist nurses/doctors
- General practitioners
- District/general nurses
- Large nursing homes

## Key products



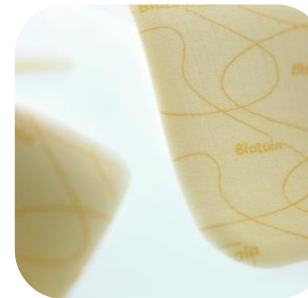
**Biatain® Silicone**  
Foam dressing with silicone adhesive  
Launched in 2013



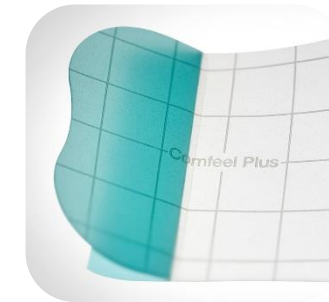
**Biatain® Silicone Sizes & Shapes**  
New range of different sizes  
Launched in 2016



**Biatain® Ag**  
Antimicrobial foam dressing  
Launched in 2002

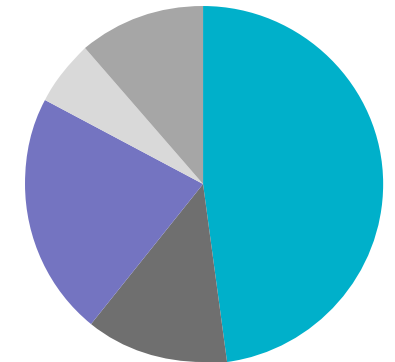
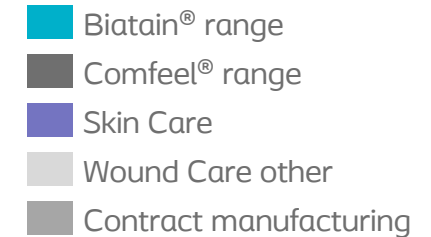


**Biatain®**  
High exudate mgt. foam dressing  
Launched in 1998



**Comfeel® Plus**  
Hydrocolloid dressing  
Relaunched in 2016

## Distribution of revenues (WSC)



# Introducing Skin Care

## Disease areas

- Moisture associated skin damage
- Incontinence
- Skin folds & obesity
- Prevention of skin impairments

## Customer groups & call points

### Hospitals

- Clinical Specialists
- Supply Chain
- Value Analysis Committee

### Community

- Wound Clinics
- Long Term Care
- Home Health Agencies
- Distribution

## Key products



**Sween®**  
Broad line of skin care products  
Designed to increase consistency  
of care



**Critic-Aid® Clear / AF**  
Skin Protectant  
Suitable for neonate to  
geriatric patients



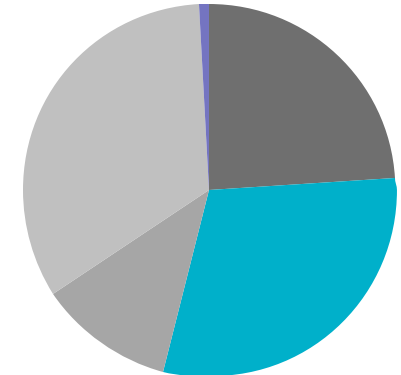
**EasiCleanse Bath®**  
Disposable Bathing Wipes  
Improves Patient Experience



**InterDry® Ag**  
Textile with antimicrobial silver  
complex  
Unique solution for skin on skin  
issues

## Product mix

- Protectants & Antifungals
- Cleansing/Bathing
- Moisturizers
- Textile
- SC Other





# Product market for US Skin Care



## Market drivers/limiters

- + Aging and obese population
- + CMS Value Based Purchasing
- + Increased focus on prevention
- + Increased importance of utilization management
- ÷ Consolidation of Providers
- ÷ Increased competition from both Channel and Manufacturers

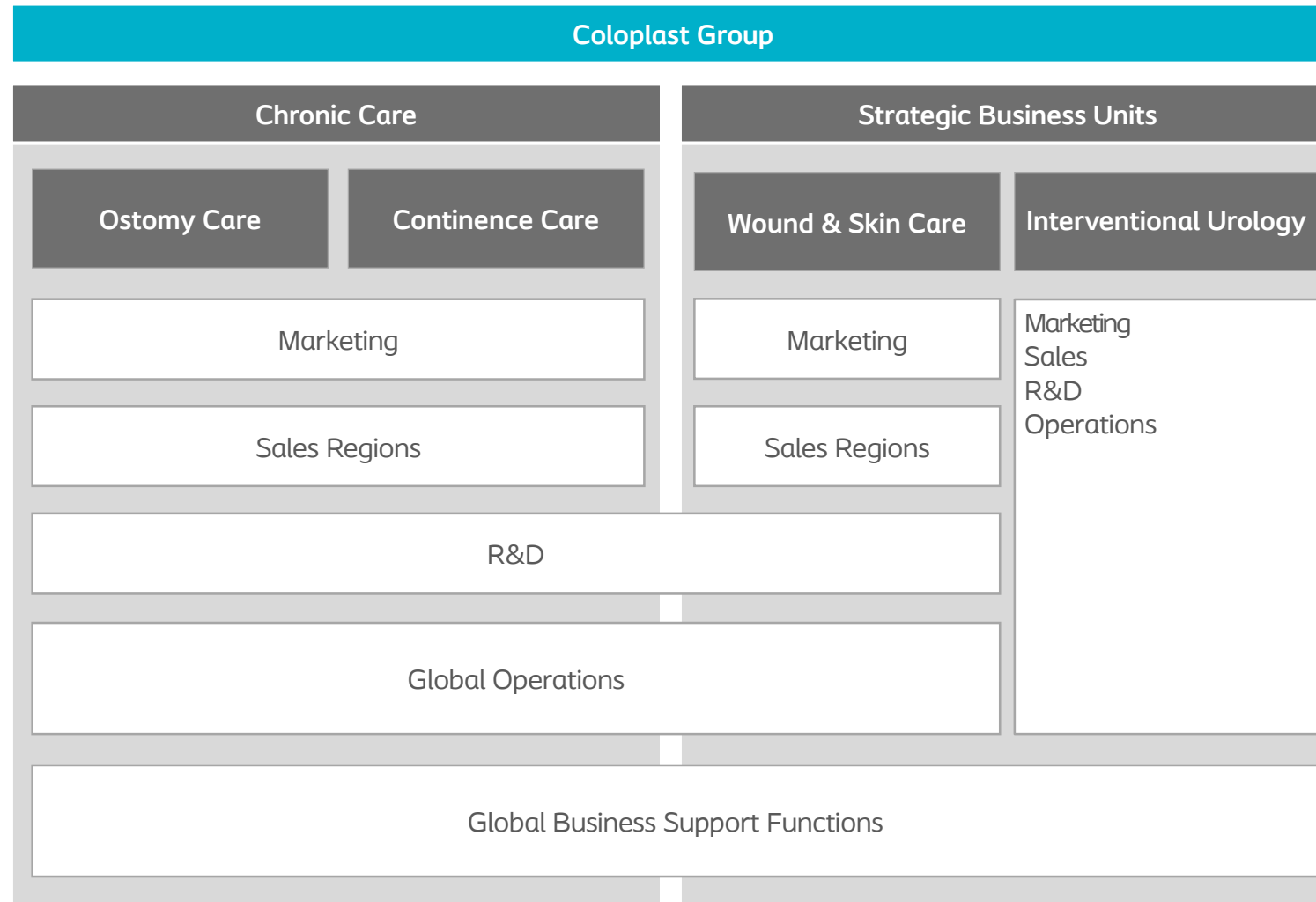
## Market trends

- Increasing size and vertical integration of health systems
- Increasing importance of prevention
- Increasing importance of utilization management
- Increasing scale and vertical integration of market leaders

## US Skin Care at a glance

- US market size estimated at DKK 5-6bn with 4-5% growth
- Market share: 7-9%
- Main competitors include:
  - Medline Industries
  - Sage Products
  - ConvaTec

# The Coloplast organisation



# Coloplast Executive Management



**Kristian Villumsen**

President, CEO

- Born 1970
- With Coloplast since 2008



**Anders Lonning-Skovgaard**

EVP, CFO

- Born 1972
- With Coloplast since 2006



**Allan Rasmussen**

EVP, Global Operations

- Born 1967
- With Coloplast since 1992



**Paul Marcun**

EVP, Chronic Care

- Born 1966
- With Coloplast since 2015

# Responsible operations reduces risks, stimulates employee engagement and supports growth

## Empowering People



### Access to Healthcare

Partnership programme to improve conditions within ostomy, continence and wound care. Established in 2007, the programme has so far supported 52 projects



### Coloplast Care

83%<sup>1</sup> expressed feeling an improved quality of life through their participation



### Educating and training for clinicians

More than 850 ostomy and continence care nurses from more than 20 countries are involved in our advisory boards

## Acting respectfully



### Inclusion and diversity

Year-on-year increase in women in top management. Increase to 20% in 2017/18



### Business Ethics

- 99% of white collars trained in our Code of Conduct
- Independent and global Ethics Hotline
- Risk assessments and due diligence among distributors



### Safety

33% Reduction in injury rates by 2020



### Suppliers

100% of raw material suppliers screened for human rights  
More than 30 have improved standards

## Minimising footprint



### Renewables

100% electricity from renewable sources by 2019. 50% in 2017/18



### Recycling

35% recycling coverage of production waste by 2020.  
33% in 2017/18



FTSE4Good

NOTE: Full statements to be found in Coloplast's Corporate Responsibility Report 2017/18

1) Coloplast Market Study 2013. Data on file.

# Income statement

DKKm	H1 2017/18	H1 2018/19	Change
<b>Revenue</b>	7,990	<b>8,722</b>	<b>9%</b>
<b>Gross profit</b>	5,361	<b>5,860</b>	<b>9%</b>
SG&A costs	-2,662	-2,910	9%
R&D costs	-321	-352	10%
Other operating income/expenses	29	41	41%
<b>Operating profit (EBIT)</b>	<b>2,407</b>	<b>2,639</b>	<b>10%</b>
Net financial items	5	-26	nm
Tax	-554	-601	8%
<b>Net profit</b>	<b>1,858</b>	<b>2,012</b>	<b>8%</b>
<b>Key ratios</b>			
Gross margin	67%	<b>67%</b>	
EBIT margin	30%	<b>30%</b>	
Earnings per share (EPS), diluted	8.74	<b>9.44</b>	8%

# Balance sheet

DKKm	31 Mar 2018	31 Mar 2019	Change
<b>Balance, total</b>	<b>12,751</b>	<b>12,292</b>	<b>-4%</b>
<b>Assets</b>			
<b>Non-current assets</b>	<b>6,110</b>	<b>6,195</b>	<b>1%</b>
<b>Current assets</b>	<b>6,641</b>	<b>6,097</b>	<b>-8%</b>
<i>of which:</i>			
Inventories	1,679	1,869	11%
Trade receivables	2,894	3,113	8%
Restricted cash	702	71	-90%
Marketable securities, cash, and cash equivalents	919	620	-33%
<b>Equity and liabilities</b>			
<b>Total equity</b>	<b>5,376</b>	<b>6,173</b>	<b>15%</b>
<b>Non-current liabilities</b>	<b>674</b>	<b>666</b>	<b>-1%</b>
<b>Current liabilities</b>	<b>6,701</b>	<b>5,453</b>	<b>-19%</b>
<i>of which:</i>			
Trade payables	615	664	8%
<b>Key ratios</b>			
Equity ratio	42%	50%	
Invested capital	9,037	9,529	5%
Return on average invested capital before tax (ROIC) <sup>1)</sup>	53%	57%	
Return on average invested capital after tax (ROIC) <sup>1)</sup>	40%	44%	
Net asset value per share, DKK	25	29	16%

1) This item is before Special items. After Special items, ROIC before tax is 59% (2017/18: 56%), and ROIC after tax is 45% (2017/18: 43%)

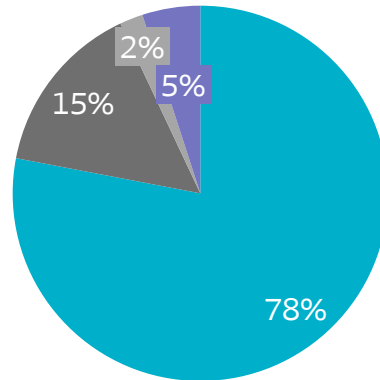
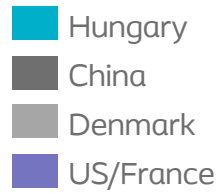
# Cash flow

DKKm	H1 2017/18	H1 2018/19	Change
EBIT	2,407	2,639	10%
Depreciation and amortisation	316	320	1%
Change in working capital	-545	-548	1%
Net interest payments	49	-78	nm
Paid tax	-736	-1,012	38%
Other	-73	-87	19%
<b>Cash flow from operations</b>	<b>1,418</b>	<b>1,234</b>	<b>-13%</b>
Investments in intangibles	-18	-36	100%
CAPEX <sup>1)</sup>	-300	-196	-35%
Acquisition	-293	-	nm
Securities	4	2	-50%
<b>Cash flow from investments</b>	<b>-607</b>	<b>-230</b>	<b>-62%</b>
<b>Free cash flow</b>	<b>811</b>	<b>1,004</b>	<b>-39%</b>
Dividends	-2,230	-2,336	5%
Net acquisition of treasury shares and exercise of share options	-118	12	nm
Drawdown on credit facilities	1,825	1,322	-28%
<b>Net cash flow for the year</b>	<b>288</b>	<b>2</b>	<b>-99%</b>

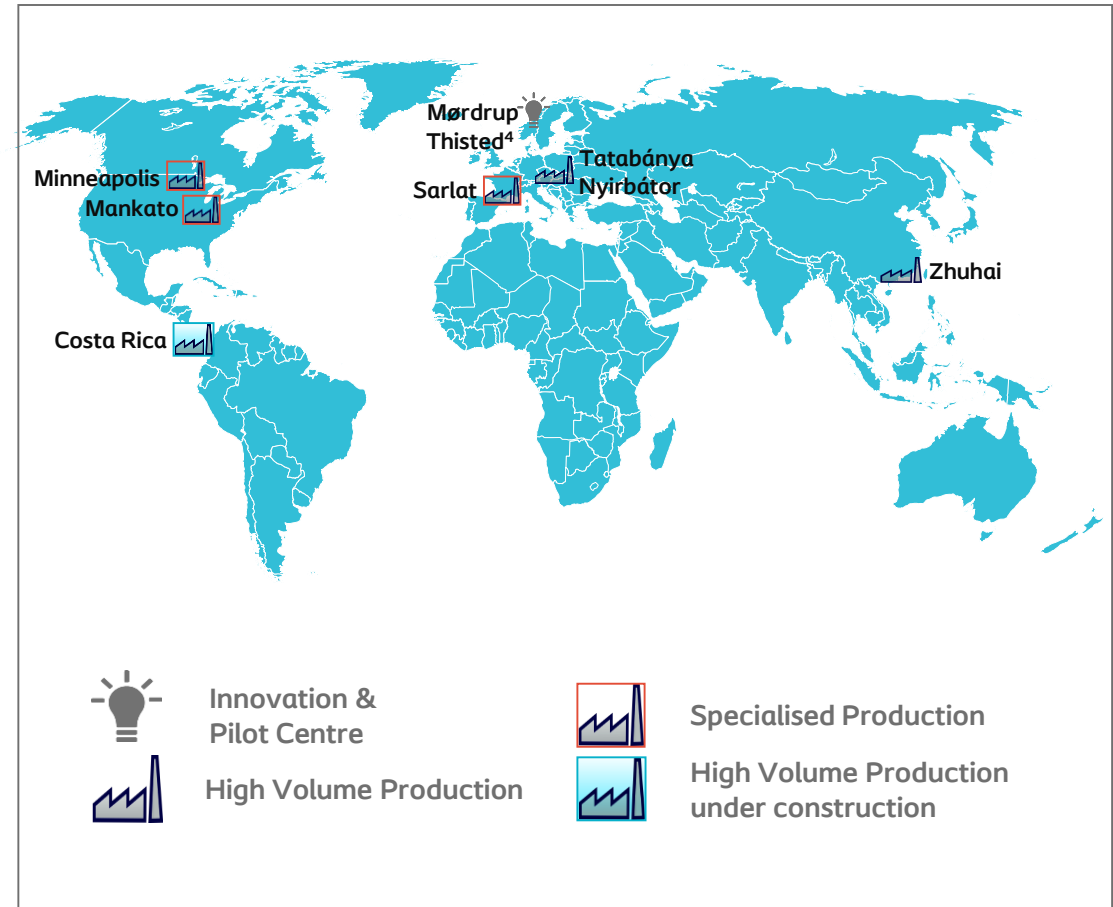
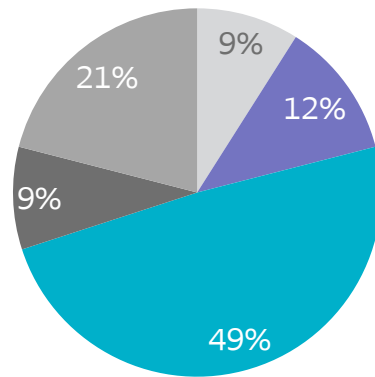
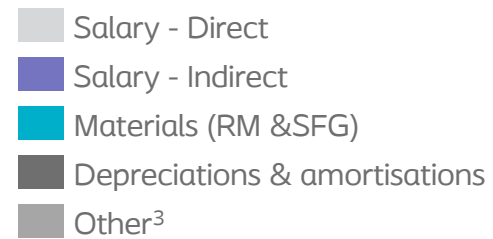
1) Net CAPEX including divestment of PPE

# Manufacturing setup

## Production by country (Volume)<sup>1</sup>



## COGS by cost type<sup>2</sup>



1) Produced quantity of finished goods  
 2) FY 2017/18 Cost of goods sold, DKK 5,383m  
 3) Transport, utility, IT, repair & maintenance costs, etc.

4) Thisted is scheduled to close in June 2019



# Production sites

## Denmark

### Mørdrup



- Pilot development work Ostomy care, Continence care and Wound care
- Adhesives production
- Number of employees in production: ~225

### Thisted



- Ostomy care products
- Number of employees in production: ~100
- Scheduled to close in June 2019

## France

### Sarlat



- Disposable surgical urology products
- Number of employees in production: ~150

## US

### Minneapolis



- Interventional Urology products
- Number of employees in production: ~100

### Mankato



- Skin care products
- Ostomy care supporting products
- Number of employees in production: ~100

# Production sites

## Hungary

### Tatabánya



- Ostomy care products
- Adhesives
- Continence care products
- Interventional Urology products
- Number of employees in production: ~1,700

### Tatabánya PDC



- Postponement & packaging
- Cross docking
- Warehousing
- Distribution & shipping
- Number of employees: ~470

### Nyírbátor



- Continence care products
- Wound care products
- Consumer products
- Number of employees in production: ~2,300

## China

### Zhuhai



- Continence care products
- Ostomy care products
- Machine building
- Number of employees in production: ~1,050

## Costa Rica

### Cartago



- Land purchased in 2018
- Production to be initiated in rented facilities in 2019
- Initial scope is for Ostomy Care products
- Global high volume facility to be operational in 2020

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## 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