

Coloplast Meet the Management
31 August 2022

Raghad,
Saudi Arabia

Financial update

Kristian Villumsen, President & CEO
Anders Lonning-Skovgaard, EVP & CFO

We are committed to our Strive25 ambition of 7-9% organic growth and more than 30% EBIT margin

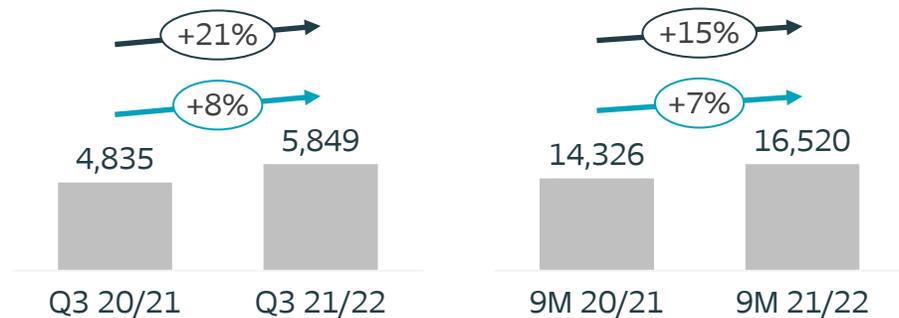


¹ Constant currencies, based on FX rate as of September 29, 2020

Solid Q3 with 8% organic growth and an EBIT margin¹ of 30%

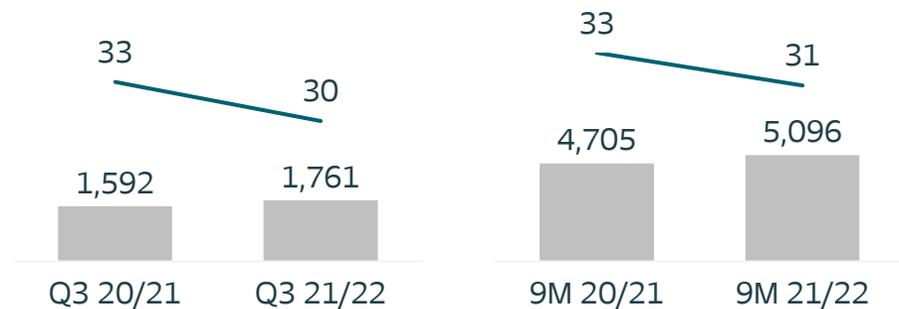
REVENUE GROWTH

■ Reported revenue (mDKK) — Organic growth — Reported growth



EBIT

■ EBIT (DKKm)¹ — Reported EBIT margin¹



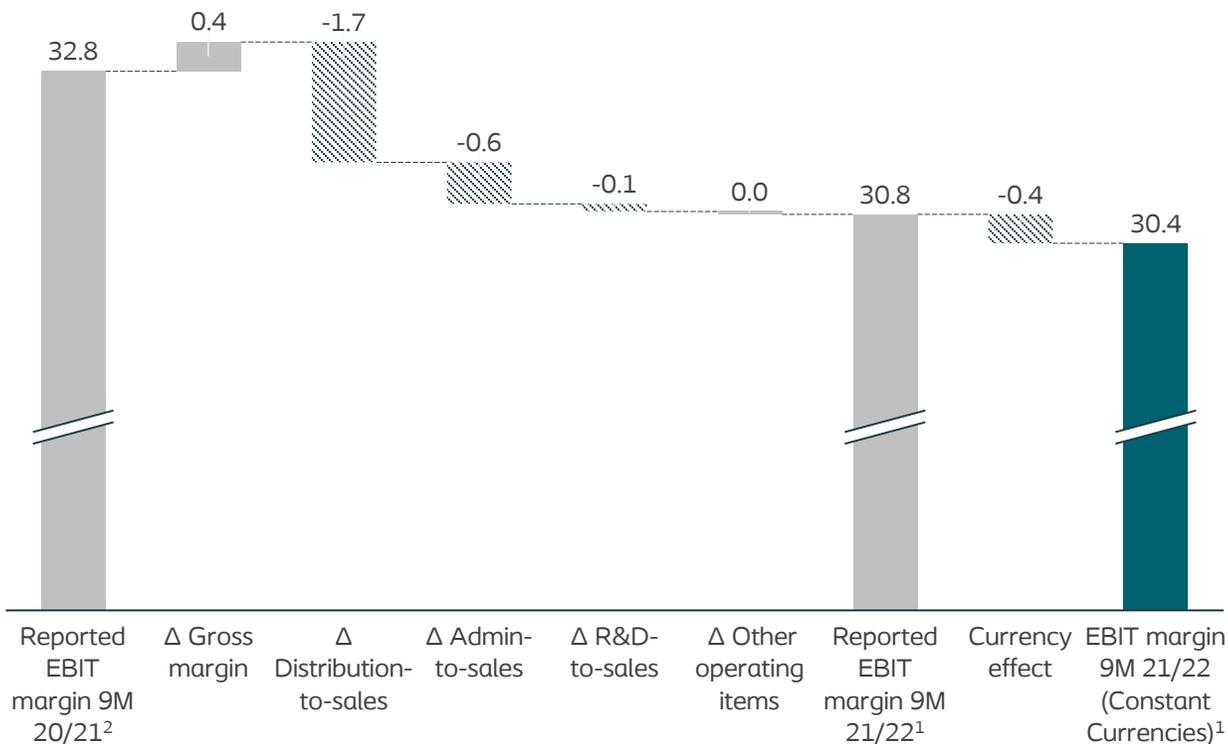
Q3 2021/22 highlights

- Organic growth of 8% and reported growth in DKK of 21%. Atos Medical contributed 9%-points to reported growth, with a double-digit underlying growth
- Organic growth by business area: Ostomy Care 10%, Continence Care 5%, Interventional Urology 11%, Wound & Skin Care 5% (Wound Care 4%)
- Q3 growth was driven by Chronic Care, and especially Ostomy Care, with solid contribution from all regions, excluding China, which remains impacted by COVID-19. In Continence Care, growth was negatively impacted by backorders in Collecting Devices
- Interventional Urology had a solid quarter with broad-based growth
- Wound & Skin Care growth was driven by Contract manufacturing and continued solid momentum in the European Wound Care business
- EBIT before special items increased by 11%, to DKK 1,761 million, corresponding to a reported EBIT margin before special items of 30%, against 33% last year
- ROIC after tax before special items of 26%, against 43% last year, impacted by Atos Medical

¹ Before special items of DKK 300m and 200m related to Mesh in 9M 21/22 and 9M 20/21, respectively. Special items related to the Atos Medical acquisition of DKK 135m in 9M 21/22.

Reported EBIT margin¹ of 31% in 9M reflecting increased level of commercial activity, input costs and the Atos Medical acquisition

EBIT margin development before special items (%)



¹ Before special items of DKK 435 million in 9M 21/22, of which DKK 300 million related to Mesh litigation provisions and the remaining DKK 135 million related to the Atos Medical acquisition (one-off transaction costs, legal and advisory fees)

² Before special items of DKK 200 million related to Mesh litigation provisions in 9M 20/21

9M 2021/22 highlights

- 9M gross margin was 69%, against 68% in 9M last year
 - Positive impact from operating leverage and the Atos Medical acquisition. Negative impact from double-digit wage inflation in Hungary, increasing raw materials, energy and transportation prices, and ramp-up costs in Costa Rica
 - Positive impact of 30 bps from FX on gross margin
- 9M operating expenses were DKK 6,263 million incl. Atos Medical, up 23% from last year. Excl. Atos Medical operating expenses were DKK 5,798 million, a 14% increase from last year. Atos Medical operating expenses were DKK 465 million, impacting distribution, admin and R&D costs, with amortisation costs of DKK 96 million under distribution costs
- Distribution-to-sales at 30%, compared to 28% in 9M last year
 - Distribution costs were up 22% or DKK 894 million against last year, reflecting the inclusion of Atos Medical, increased sales & marketing and travel expenses, higher logistics costs, and continued commercial investments (US, Interventional Urology, consumer and digital)
- Admin-to-sales costs and R&D-to-sales costs were 4%, on par with last year
- EBIT before special items was DKK 5,096 million, an 8% increase, with a reported margin before special items of 31% vs. 33% in 9M last year (positive impact of 40 bps from FX)

FY 2021/22 guidance is unchanged, with organic growth at 6-7%, and EBIT margin of ~31%

**Sales
Growth**

6-7%
Organic growth

~15%
Reported growth

**EBIT
Margin**

~31%
Before special items

28-29%
After special items

**CAPEX &
Tax rate**

~1.2bn
CAPEX

~23%
Tax rate

FY 2022/23 – China COVID-19 situation and energy price development in Hungary are key uncertainties

Key drivers of FY 2022/23 *organic growth*



- Europe Chronic Care on track to deliver growth above the market
- US Chronic Care expected to further improve and deliver growth in line with Strive25
- Emerging Markets, excluding China, on track to deliver double-digit growth in line with Strive25
- Wound & Skin Care expected to grow above the market, however, negative impact of COVID-19 in China expected to persist
- Interventional Urology expected to deliver high-single digit growth in line with Strive25
- Voice & Respiratory Care on track to deliver growth in the 8-10% range
- No current knowledge of significant healthcare reforms; positive pricing impact expected



- China – high level of uncertainty in the Chronic Care and Wound Care businesses due to COVID-19
- Russia – continued geopolitical uncertainty

Key drivers of FY 2022/23 *EBIT margin*



- Pricing initiatives to offset part of the inflationary pressure
- Prudent cost management and prioritization of investments
- Efficiency and scale on global functions
- Efficiency gains from the Automation program as part of Global Operations Plan 5
- Return on existing investments (US, Interventional Urology, Innovation)



- Energy prices – high uncertainty related to price development, majority of Q1 22/23 hedged, rest of FY 22/23 currently unhedged
- Inflationary pressure on raw materials and freight
- Wage inflation on blue-collar salaries in Hungary
- Wage inflation elsewhere

Mission

Making life easier for people with intimate healthcare needs

Values

Closeness... to better understand

Passion... to make a difference

Respect and responsibility... to guide us

Vision

Setting the global standard for listening and responding