
Making
life easier

We make life easier for people with intimate healthcare needs

Who are our typical consumers, and how do we help them?

People who have had their intestines redirected to an opening through the abdominal wall

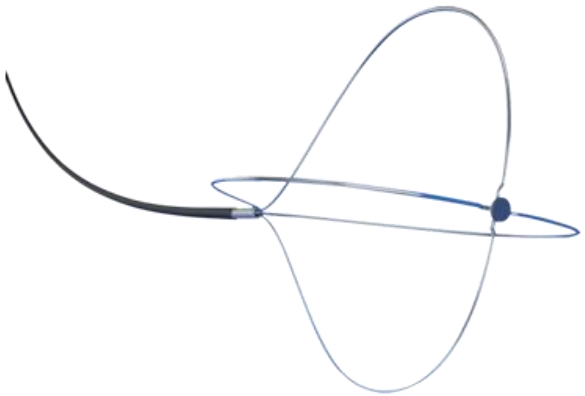
We help with
Ostomy Care

People in need of bladder or bowel management

We help with
Continence Care

People with difficult-to-heal wounds

We help with
Wound & Skin Care



People suffering from urological and pelvic health disorders

We help with
Urology Care

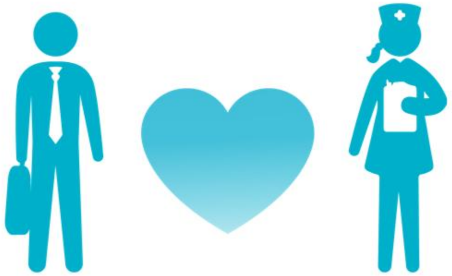
Our company evolves – yet we live the same mission

1957

Manufacturing & Distribution

1983

Subsidiaries



2013

Consumers activities

Design also matters to our consumers

SpeediCath®
Compact Set

reddot design award
winner 2013

SpeediCath®
Compact Eve

reddot award 2015
winner

Coloplast Supply Chain

- Manufacturing Footprint Development

We are growing– so are our need for production capacity

13.9 BN DKK REVENUE

7% ORGANIC GROWTH

Urology Care
Outgrowing
the market

33% **EBIT margin**

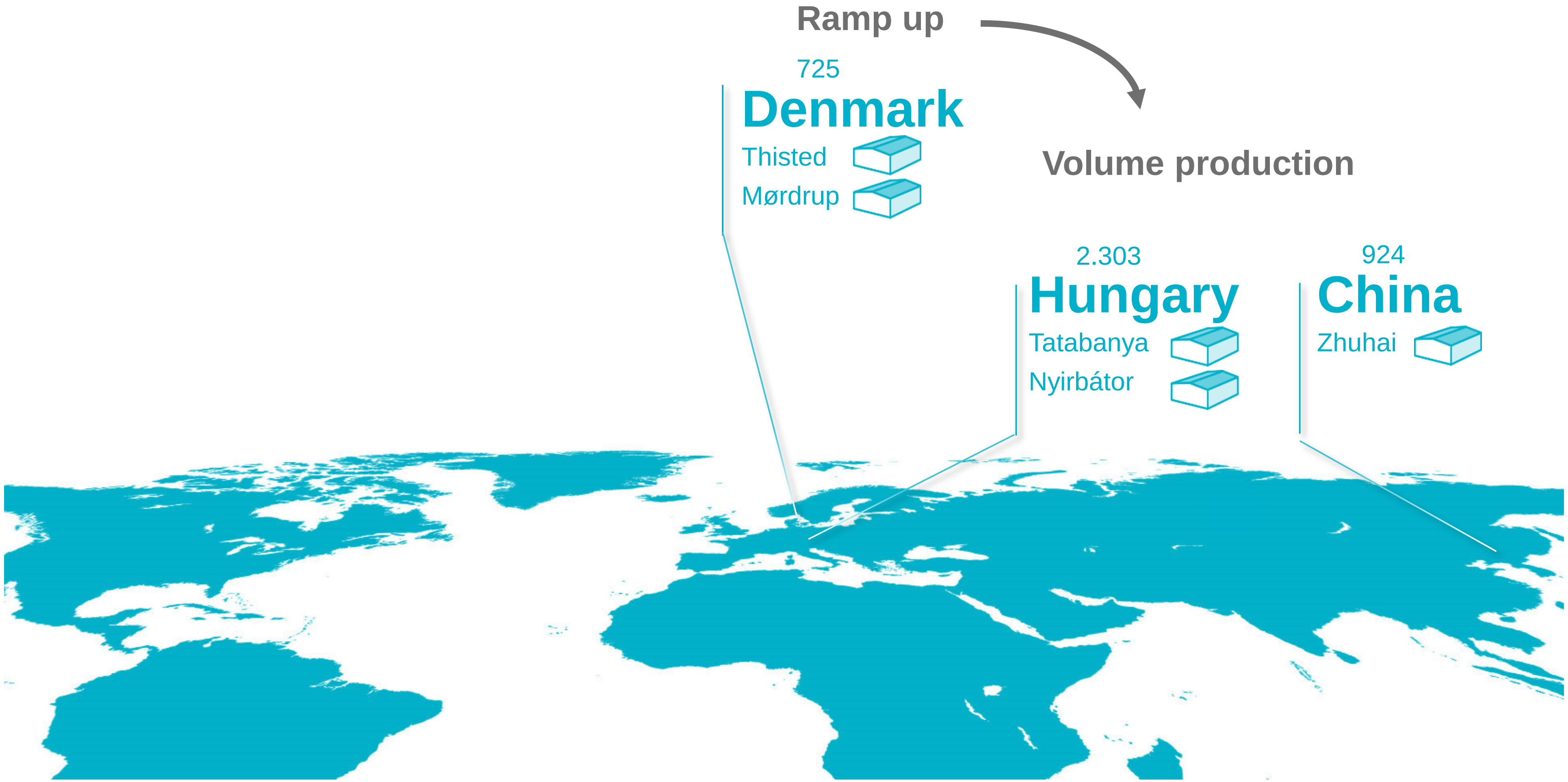
~40% Global market share in Continence Care

Fastest growing
Wound Care business
in the world

35-40% Global market share in Ostomy Care

How do we secure the right Manufacturing footprint?

Coloplast global Manufacturing Footprint strategy was developed in 2008



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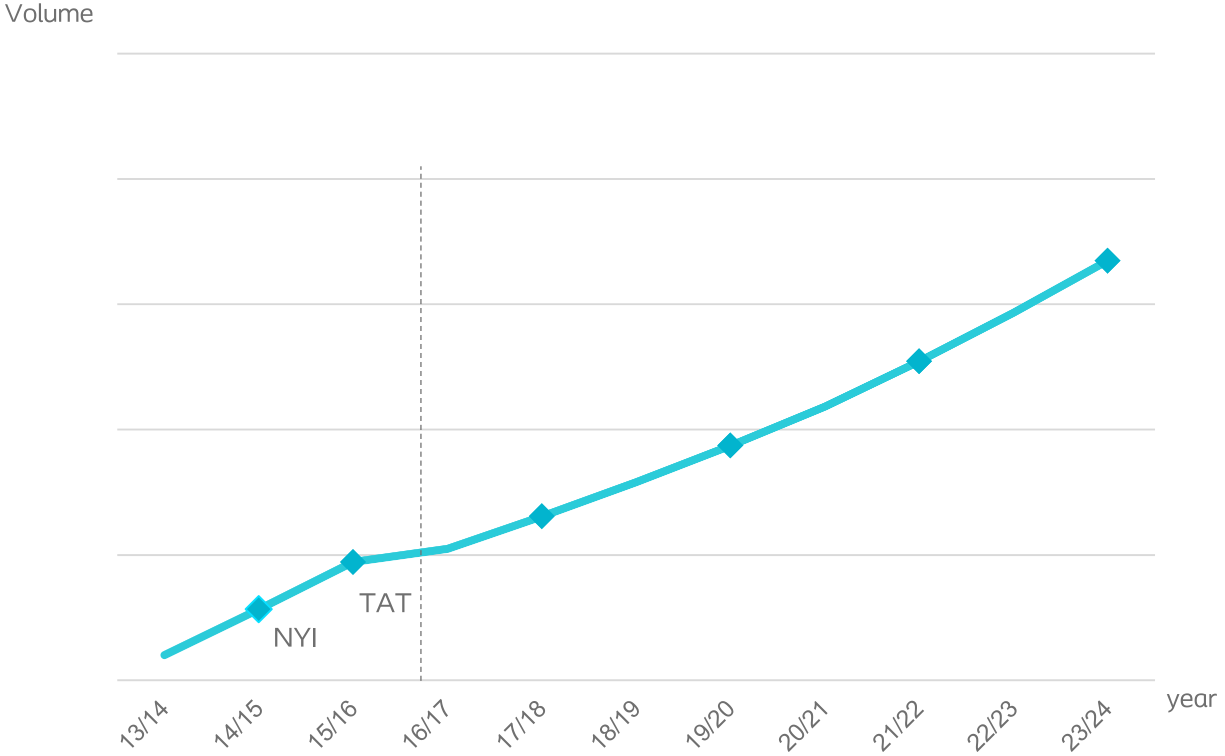
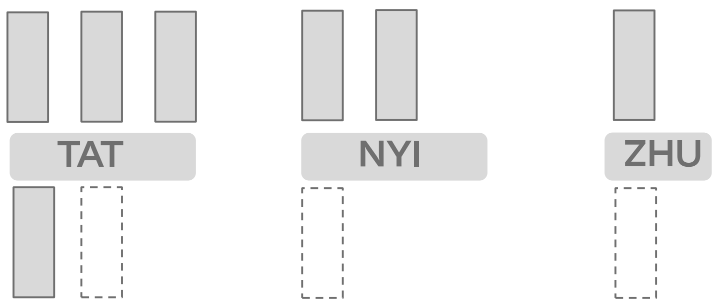
Our growth requires future MFG footprint expansions – Where?

On average we need a new site every 2nd year



We have limited options for expansions



Establish greenfield vs. expand current site

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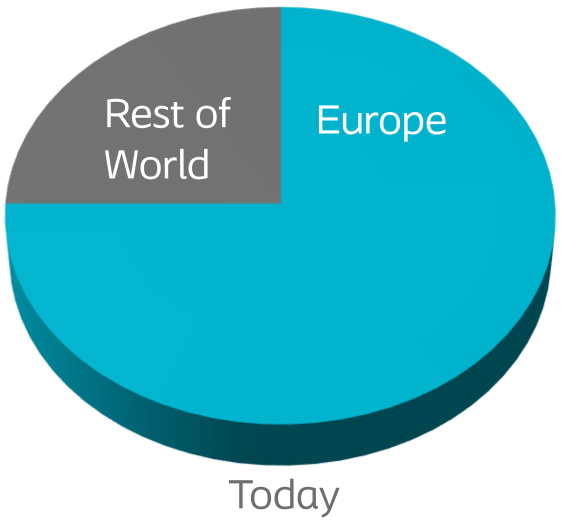
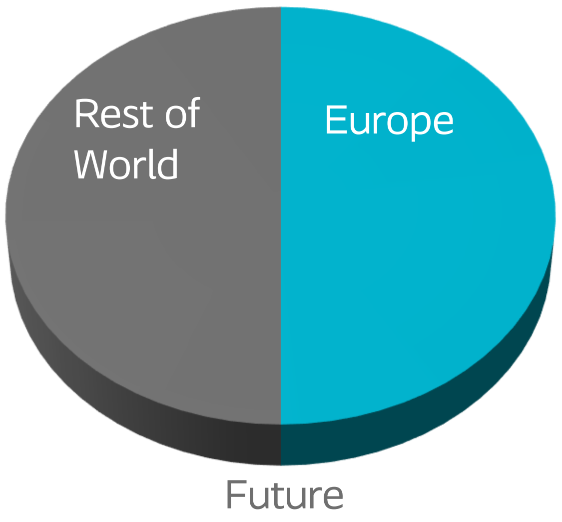
Growth outside Europe is expected to accelerate





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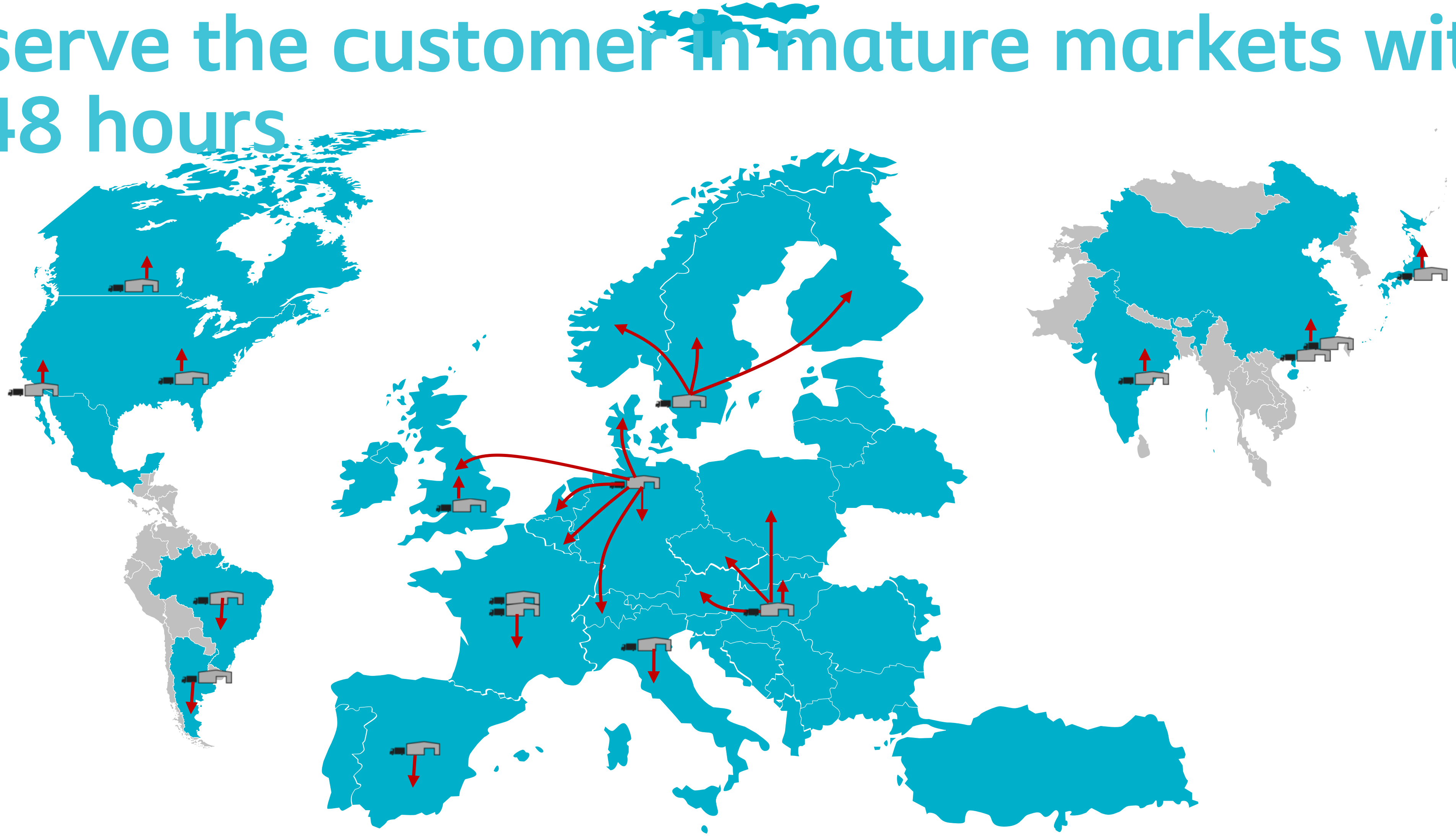
We serve the customer in mature markets within 24-48 hours



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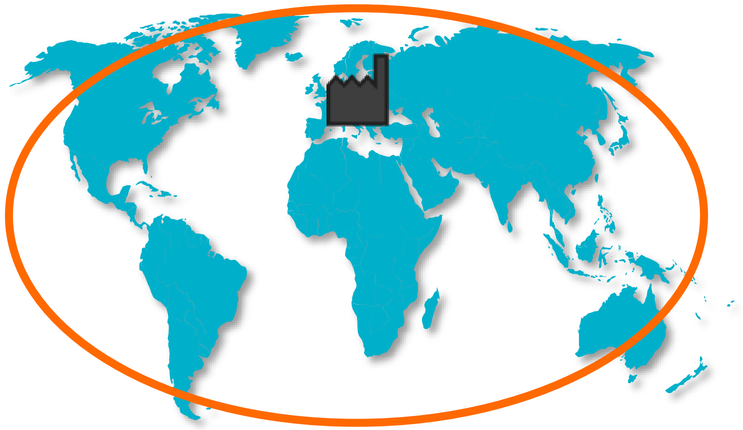
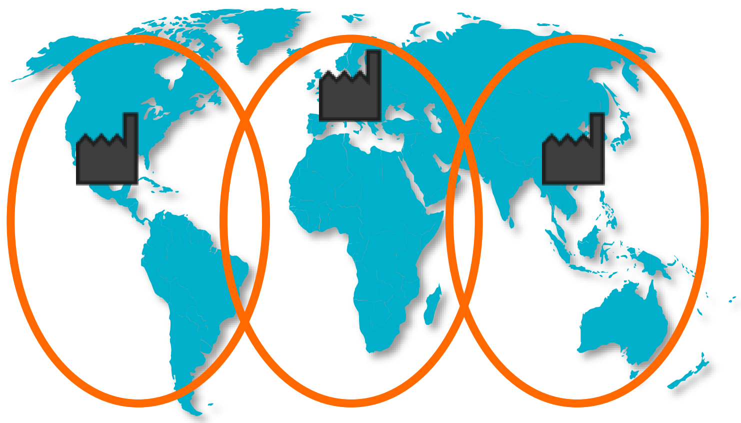
Do we continue a global Manufacturing strategy or is it time to go Regional?

Global



Today

Regional



Future?

Modelling approach

Project method

Project Scope

- Question to answer
- Scenarios
- Definition of data requirement

Data Collection

- Focus on right level
- Priority to get baseline data

Baseline

- Training in SCG
- First delivery from project

Scenarios

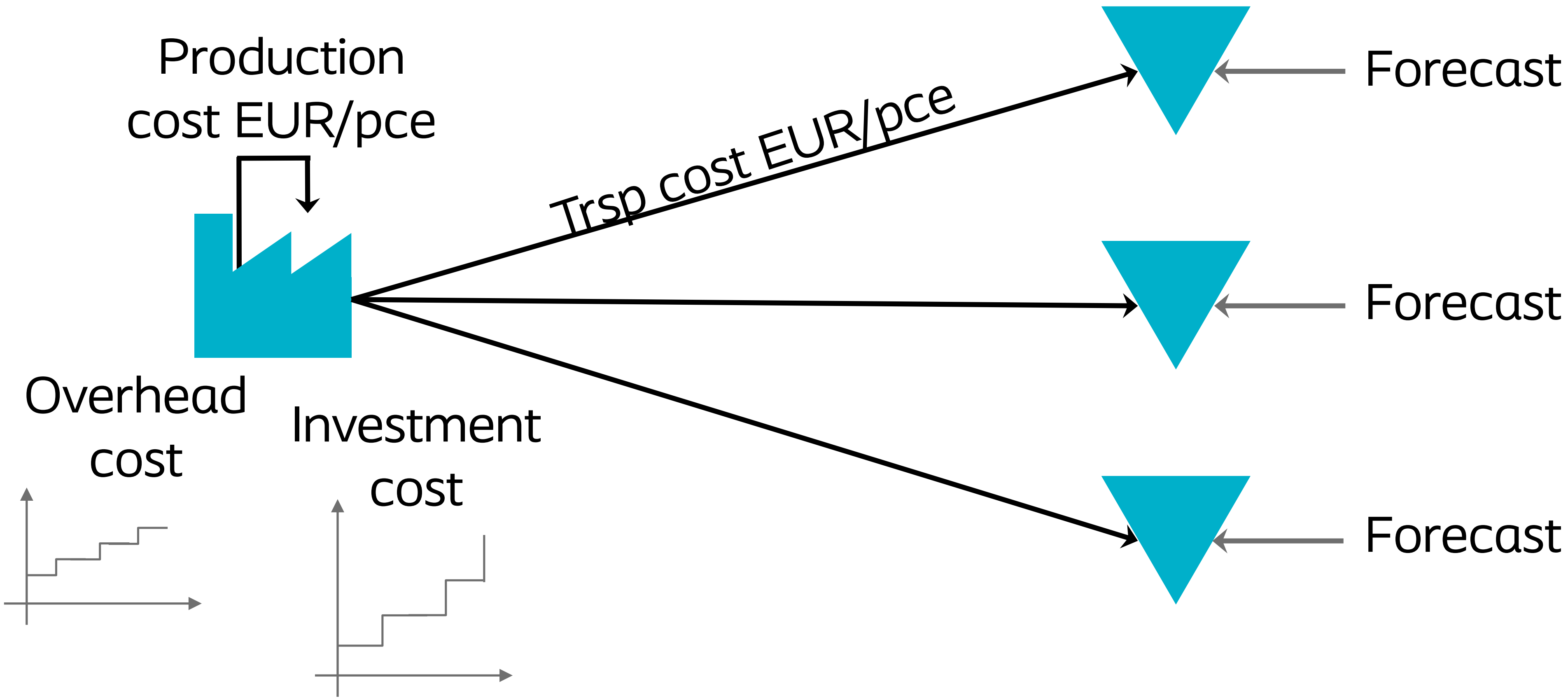
- >20 scenarios
- Adjustments in model structure

Results

- Visualizations in Tableau
- Final delivery from project

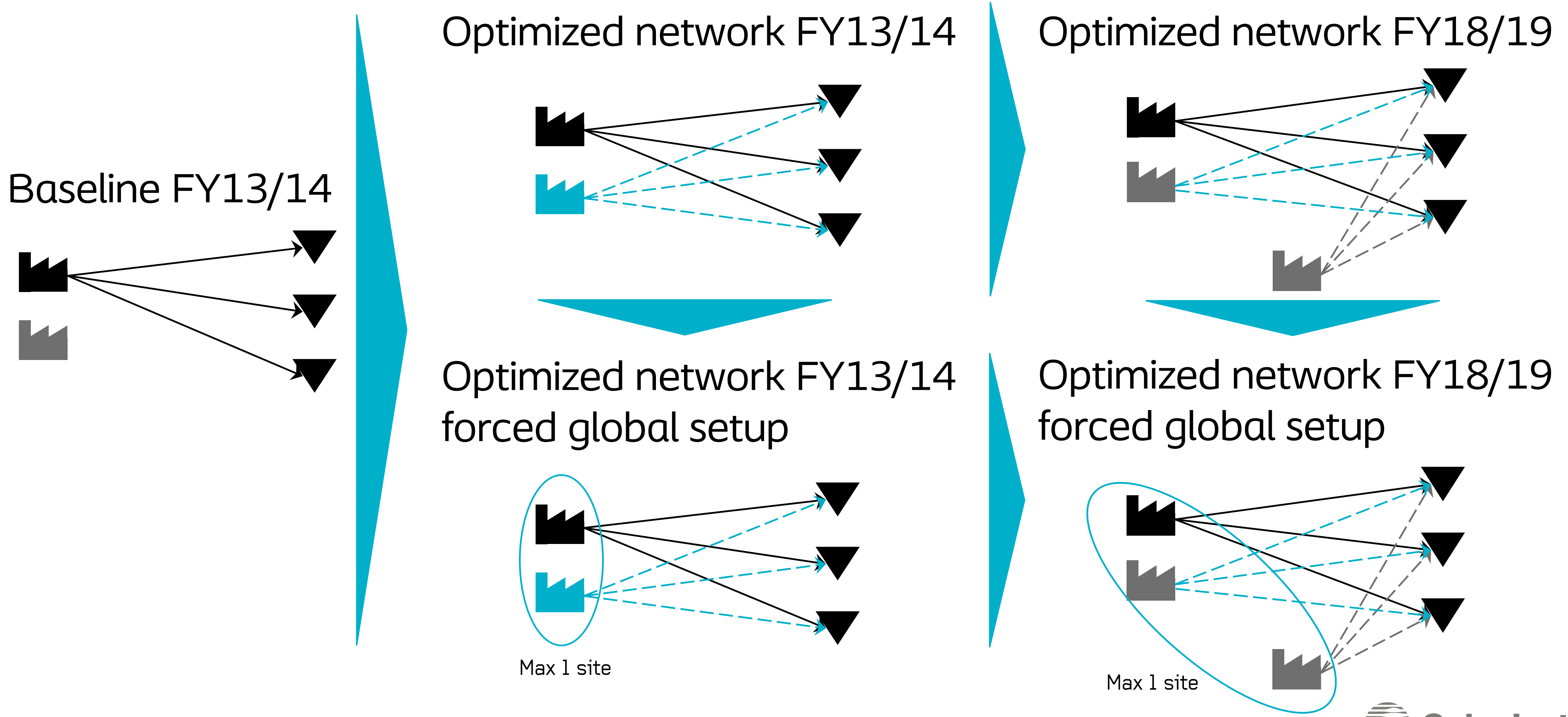
Nov 14 — Jan 15 — Mar 15

Minimize total cost



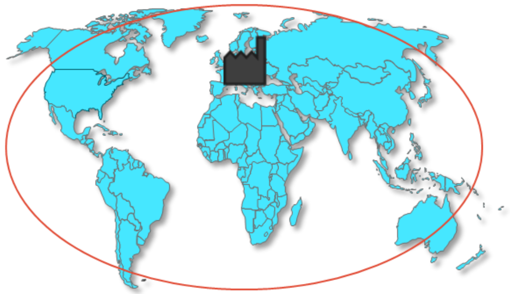
Approaching the production capacity problem

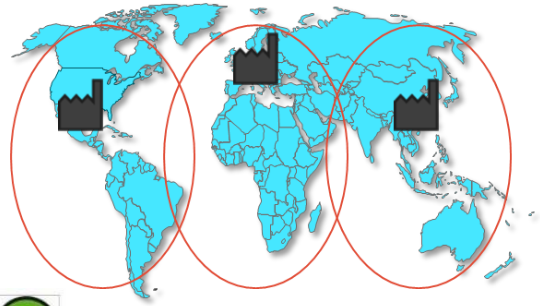
Main scenarios



Conclusions

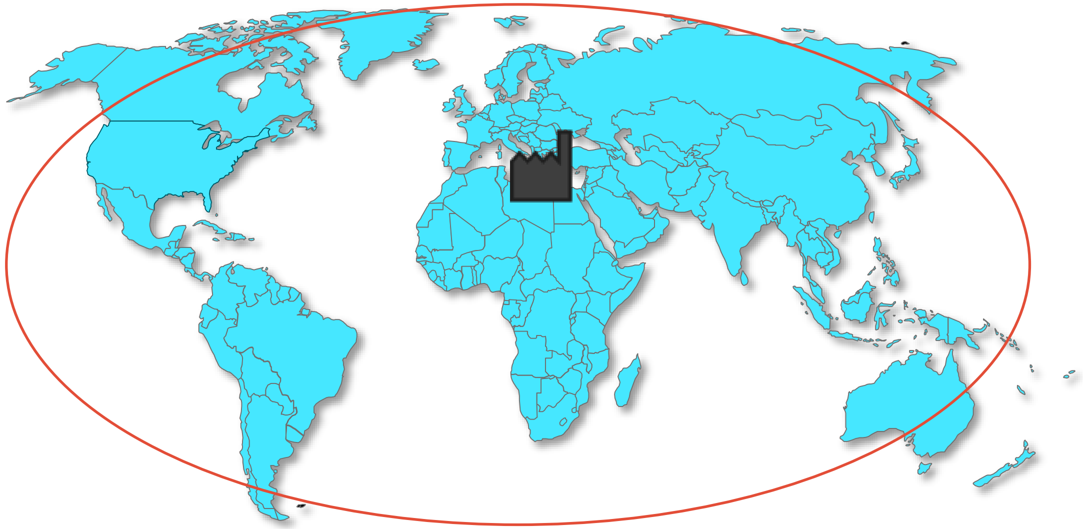
Manufacturing is not only a financial evaluation





Long lead times High inventories	Agility in market response	Short lead times Excess capacity
Competence focus Uniform quality level	Complexity	Increased complexity and coordination
High concentration	Risk	Dual setup – mitigation
Extensive transport High emission power	Environmental impact	Optimized transport Green power
Limited flexibility	Future flexibility	Multiple possible expansions
Continue known structures	Ease of implementation	Unknown territory Multiple transfers

We want to continue expansion of our Global Manufacturing setup for now



- ✓ Investment cost lower than other scenarios
- ✓ Robust due to site specific roles and responsibilities
- ✓ Easy to implement
- ✓ Low probability of Risk but potential high impact in the event
- ✓ Environmental impact
- ✓ Agility in responding to the market

Lessons learned

- Good focus on high level results – efficient decisions
- Dedicated project team – small group with all information
- First results available early – easier to analyze the right scenarios
- Bottom-up simulation ensures most optimal setup
- If the scenarios are decided before model design performed a smarter model structure can be built
- Conversion of cost/capacities to SCG format can be predefined in a staging db (sql/access) to avoid manual work when values are updated