



**convatec**

– forever caring –

# **Convatec Capital Markets Day 2026**

Thursday, 9<sup>th</sup> April 2026

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## **Introduction**

David Phillips

*Head of Investor Relations, Convatec Group*

### **Welcome**

Good afternoon. Welcome. I'm David Phillips, Head of Investor Relations here at Convatec. Can I please ask that you switch your phones to silent mode. In 30 minutes, we will split into four groups for the category breakout sessions, which are across the corridor. This will bring the best of Convatec to life. Pre-recorded videos of the presentation element of these breakouts are available on the webcast page.

We now have a very short video to introduce Accelerate, and then Jonny will begin. So thank you very much and lights out.

[ACCELERATE VIDEO – *available on webcast page*]

## **Strategic Evolution**

Jonny Mason

*CEO, Convatec Group*

Okay. Hello, everybody. Welcome to Convatec's Capital Markets Day. I hope you had a sense from that short video of the excitement that there is at Convatec at the moment. It's a very special company with a deep sense of purpose. There were some difficult years in the run-up to and around the IPO, but that's all in the past.

You will hear today how the FISBE strategy has rebuilt Convatec to be a stronger business and how we are now ready to accelerate. Our vision of pioneering trusted medical solutions to improve the lives we touch resonates across the teams in the organisation. We support people living with difficult chronic – chronic conditions, excuse me. And that's what leads to our brand promise of Forever Caring.

For many in the organisation, this is personal as well as professional, including me. I was one of four siblings. I am one of four siblings. The other three have diabetes, and they use Convatec products every day. That's quite common in the organisation. And this personal dimension drives people on to do even more to improve what we do. And it's one of the reasons why we rank in the top decile for colleague engagement among all of the companies measured.

### **Agenda**

So here's what we're doing today. We've got a real treat for you. I'm going to start with the description of the evolution of the strategy. Then we'll break out, as David mentioned, into four groups and rotate around the four categories, where you'll meet the category leaders, you'll see the products up close, you'll speak to users and healthcare professionals. Then we'll – and for those online there are prerecorded videos for each category.

Then we'll reconvene here in the room and online at 16:20, and you'll hear from Divakar about innovation and what comes next in our pipeline. And you'll hear from Fiona about what it all adds up to. And then I'll finish off with how we're going to make sure we deliver all of this. There'll be plenty of time for questions, and the whole team will retire to the atrium if you want to keep the conversation going afterwards. Sounds good, huh?

### **Presenters**

Here's the executive leadership team who are here today. I've mentioned that Fiona, Divakar and I will present in this room. Tanja, Bruno, Mark and Kjersti will be leading their category presentations in the breakout rooms. And then Emma, Evy, and David will join us for Q&A afterwards.

You're going to meet other colleagues today as well in the breakout rooms, knowledgeable, experienced. These with other colleagues are the ones who have driven the turnaround of Convatec and who have got us into a position now where we're ready to accelerate. So please do make sure to ask them questions later.

### **Convatec: key takeaways**

To cut to the chase, if you are to remember only three things from today – first, that would be a shame. But here is what we suggest they are.

First of all, Convatec operates in large and growing markets. We have strong leadership positions as one of only a few global players and we – and they are very high levels of recurring revenue in these categories.

Secondly, Convatec is a strong business. It has successfully turned around with the FISBE strategy. We've built new expertise. The business is more resilient based on diversified and broad-based growth, and we are delivering sustainable and profitable growth now.

But then the opportunity ahead is very substantial. Demand is growing. It's strong and it's growing. Our new products are working. We're getting positive feedback from healthcare professionals and from patients, and they are winning share. We're investing to meet that growth – and we've got a good and detailed plan that you're going to hear about today and a strong team to deliver the plan.

Those are the three. The only three things you need to remember. But please look for more. So let's get into it.

### **Four chronic care categories in attractive, structurally growing markets**

Here we are. I'll start with a quick recap of what is Convatec. So we are focused on chronic care in four categories, which you can see on the screen. These categories are large and they're growing. They share characteristics of requiring high volumes of high-quality consumable medical devices. Care for the patient is important and all of our products touch the skin. We're going to get to that shortly.

### **Significant structural drivers of long-term volume growth**

These categories are growing because the population is increasing. The population is getting older. The incidence of the diseases that causes these chronic conditions is increasing, and people are living longer with the chronic conditions. So these macro trends that underlie the structural growth are here to stay.

**Strong synergies across our categories**

And these four categories fit well together. All our products touch the skin. So our scientists are looking at polymers and adhesives for development of new products across all categories. All of the products are consumable, and we, therefore are designing for high volumes at high quality.

They're all chronic conditions. So we are offering training and education to healthcare professionals about how to use these devices best. And increasingly, we are generating and disseminating more clinical evidence to demonstrate the value of these products.

And these products are all used repeatedly by people with quite difficult conditions. So we have a range of different ways that we offer service and support to the people who use our devices. All of these areas of expertise apply across all four categories. They make it hard for others to do what we do, and they provide a real competitive advantage.

**Delivering value for all our customers**

It's by delivering value across the continuum of care that we ensure the growth is sustainable. So value for patients, value for healthcare professionals, value for payers.

For patients, we're providing good products and good services, which improve the quality of their lives. For professionals, we're providing products that work and making sure they're available reliably and offering that education and training that I just referred to. And for payers, we're making sure that our products and services do and that they know they do add value to the healthcare systems and that they provide a lower system costs overall and better medical outcomes.

**FISBE has made us stronger**

So that's what we do, and I'm very pleased to say we do it really well. And FISBE has made our business much stronger. Let's just cover that.

**FISBE has been our strategy for six years**

So FISBE was our strategy for six years in two different phases, but with very similar themes. And a lot has been achieved.

F was for focus and we are now focussed. We're focussed on four global categories. The peripheral activity has been disposed of. The portfolios have been rationalised.

I was for innovate and we're launching, as you've heard, 16 products over five years. Innovation is flowing.

S was for simplify. And certainly we've done that. Our G&A used to be 13% of sales and it's now below 7%. And Fiona promises me it'll keep going a bit lower.

B was for build, and we have built a lot of new expertise and we'll refer to some of those teams a bit later on.

And then E was for execute. And Convatec is much better at executing than it used to be, as demonstrated by the delivery of the targets that were set through the FISBE strategy. Now we've got more to do. We can always get better, and that's why it's also in the new strategy and we'll talk about it shortly.

But as a result of FISBE, Convatec is now delivering sustainable and profitable growth.

**FISBE has made us stronger**

Here are some examples of how FISBE has made us stronger. We are focussed with bespoke commercial execution on four global categories and that provides broad-based growth. Those categories which you're going to hear from shortly are supported by some important global functions.

R&D. In there, we have science and innovation, quality and regulatory, medical. All of the – all of this expertise is supporting all four categories, developing and launching new products in all four areas.

Operations didn't used to be global. It is now. That enables the operations team to be driving synergies across all four areas.

Centres of excellence. We've developed new centres of excellence in market access, reimbursement, pricing, sales and marketing, even in change. This expertise is available to support those four global categories in everything they do.

And Convatec Business Services. That is the platform through which we drive productive and effective corporate functions. Most importantly of all, highly engaged team, really up for it. I've already mentioned very high engagement scores, ready to drive forward and deliver what we need to do.

**New capabilities have increased resilience**

And the business is also more resilient. Now we get a lot of questions about reimbursement. So I just wanted to spend a few moments talking about how we think about that.

Reimbursement dynamics are part and parcel of medtech sector. Always has been, always will be. We expect it. We plan for it. We include it in our targets. We include it in our guidance. We are more resilient now to reimbursement dynamics than we used to be, for a number of different reasons.

First of all, we're launching new products. That innovation pipeline is flowing, and with some of these new products comes an opportunity for a positive reimbursement move because the products are offering greater value to the healthcare system.

Secondly, we've got these areas of expertise that I've just referred to. Market access and others, who are liaising with the authorities to demonstrate and make sure they know the value that our products are bringing to the healthcare system. And we didn't used to have that.

And then thirdly, we are more diversified and have broader sources of growth than we used to have. More geographies are growing, more products are growing. The categories are growing faster. And that means we are less exposed to any particular dynamic, as we like to call it. But any particular announcement about one product or another or one market, it has less impact on the whole than it used to have.

People talk about a rule of thumb expectation that you can bank on about 1% per annum on average of deflation in the medtech world. And certainly back in the day, Convatec used to be about there. But through the FISBE years, that has been translated into a positive price evolution. We've managed to improve our price position each year by a little bit, not by much, but rather than negative. It's been slightly positive. And we plan on holding it with a zero contribution in our guidance that we share going – for going forward.

**Momentum is building, and our flywheel is turning**

Now this time series of sales, operating profit margin, EPS and free cash flow, we've shown you a few times before. That's because I quite like it. But what you can see from this chart is momentum is clearly growing. The flywheel is turning. We're making more sales and more profit and more cash each year. And with that, we are investing to drive more growth for the future. And that's how we plan to continue.

**We are now ready to accelerate**

So the FISBE strategy worked well and we're now ready to accelerate. Why is that? You can see on the chart, I've talked about the fact that the business is now stronger. I've talked about the fact that growth – sorry, excuse me. Demand is strong. Well, it is, but it's growing and it's getting stronger in a number of important areas.

I've talked about our new products that we're launching. They are working. They're winning in the market. We're getting positive feedback from professionals and from patients, and they're gaining share. And we are therefore investing to meet this opportunity.

**Our new strategy is Accelerate**

So our new strategy is called Accelerate.

**Strategic evolution: Accelerate**

And it's an evolution of FISBE. A lot of things won't change. We're already focussed. We're going to stay focussed.

Innovation, we've started. We're going to carry on. I won't go through all of them, but B for build. For instance, we have built expertise in new teams. That has been done. We're going to keep that expertise and we're going to keep developing it.

What the evolution of strategy to accelerate enables us to do is focus on the areas that are most important for driving the next phase of growth. So we're going to keep what's good and refocus in some areas that we'll talk about in a moment. And what all that will lead to is, as you can see on the right, a continued launching of new products, faster sales growth and sustainable double-digit EPS growth with strong cash flow conversion.

**Accelerate CTEC**

So accelerate has four pillars, which you can see on the screen: Customer focussed growth; technology; execution; culture. Let's just go through each one of those.

**Customer focused growth**

The Accelerate strategy is all about driving faster growth. And with growth, that means we support more people with chronic conditions. So we'll be growing sales and we'll be increasing market share with the new and differentiated products that we are launching.

We'll be focusing closely on all of our customers. So the broad spectrum, patients, payers, professionals, business partners. And we'll be paying attention to the needs of those customers, retention and loyalty. We'll be measuring customer satisfaction through Net Promoter Score, and we've got some really good scores in certain areas which we'll be looking to maintain and grow.

And as we invest, as we use the capital generated, as we allocate – as we use the cash generated, excuse me, and allocate the capital, that will be into the fastest growing segments. And it will include external innovation and M&A to drive that growth going forward.

### **Technology & innovation**

Technology and innovation technology will be key to achieving all of our objectives. And under this pillar, we're including technology to develop our new products and services and also technology to conduct our business, and it includes AI.

So continuing to develop new products and services to meet customer needs. Increasingly, we'll be generating more and more clinical evidence to demonstrate the efficacy of those products. And we'll continue to deploy modern, standardised IT digital tools. We've made some good progress on that. For instance, we've just completed a global CRM system, which is much more productive and effective than the 64 previous systems that it replaced. There's a lot of potential here still to improve the systems that we've got. And we're making good progress with AI actually.

For us, initially, it's about driving productivity. We've got some good examples where we are already securing benefit in translation services, in customer contact centres and in other areas. We're training our colleagues in how to become more productive, each one, using their AI tools provided by suppliers.

### **Execution excellence**

Execution excellence is about doing things really well, doing them effectively and quickly, a bias for action. We actually are much better at executing than we used to be. And I think I've already said, demonstrated by the delivery of the targets that were set through the FISBE strategy. But we're starting to exercise new muscles.

As we accelerate, as we do more, we're going to have to get even better at executing. And that's what this is all about. So our innovation cycle time will reduce as we practice and as we get better at it. We will improve commercial execution, so that, for example, you'll hear from Tanja in Wound care, we're launching five new products simultaneously. Well, we've never done that before. So we have to get better and train at it.

Simplification and productivity. There's further to go. We'll improve. And always with an eye to the highest level of quality and to responsible business within the communities we serve.

### **Culture, purpose & performance**

And if all of that is what we're going to be doing, then, you know, culture is about how. Similarly, Convatec has a strong culture. It's rooted in our vision and our promise that I shared at the beginning. The purpose of Convatec couldn't be clearer or more motivating for colleagues to drive performance forward. But similarly to execution, as we try and do more and go faster, strengthening the culture will help.

Purpose-led, performance-driven, we are developing our leaders to be collaborating more closely, cross-functionally; a faster bias for action; smoother handoffs between teams, a bit like the baton in the relay race, the fancy picture shows. And all of those leaders – we've got a great set of leaders. All of those leaders will be exemplifying our values of own it, deliver results, do what's right, and they'll be living our forever caring promise.

**All four categories will Accelerate**

So that's a run-through of how the Accelerate strategy is an evolution from FISBE keeping the best, focusing on new. The good news is it applies to all four categories. We're going to break out shortly and you're going to hear from the categories directly. But let me just give you a few pointers for what to look out for.

**Accelerate: Advanced Wound Care**

So Tanja will be telling you how Accelerate applies to Advanced Wound Care. The growth there is going to be driven by five new product launches all running simultaneously and a very exciting one in there is, of course, ConvaNiox, where we are creating a new category.

In technology and innovation, we'll be focusing on finishing the major trials that we've got on at the moment in InnovaMatrix and in ConvaNiox, and then developing more clinical evidence in other areas to support further innovation.

The execution step-up is going to be all about getting those new products to market, five simultaneously, all at the same time, and that's going to require cross-functional collaboration, seamless, smooth handoffs across many functions in support of the category.

The strengthening of culture that we are intending to implement applies across all four categories. So I'm not going to repeat it for each one. It applies across the whole organisation. Actually, I'm going to come back to culture at the end.

**Accelerate: Ostomy Care**

In Ostomy Care, Bruno will be telling you how Accelerate applies there. Big focus on growth across the continuum of care. So acute, post acute, and in the community setting. We're going to be expanding our portfolio to fill a remaining gap with the launch of Natura Body, very important launch coming next year. And then the innovation will move on to peristomal skin health, which Divakar will talk about a bit later.

Execution in Ostomy Care is going to be about driving the scale-up of Esteem Body, launching Natura Body, and then scaling up our manufacturing at high quality.

**Accelerate: Continence Care**

Mark will tell you how accelerate applies in Continence Care. And there, you're going to hear the passion and commitment that we have for service. Fabulous service organisation in the USA. We're going to be exporting that model elsewhere in the world to drive growth outside the US. And we're going to be filling in a remaining gap in the portfolio of products in Continence Care with GC Air Pocket and Set, which is launching this year.

And execution there will be focussed on trying to get these growth plans in the US and elsewhere, all to line up and be seamless, seamless delivery of the ecosystem, as I think you will hear him call it.

**Accelerate: Infusion Care**

And then Infusion Care. Kjersti will tell you how we are working with our partners to develop new technologies, or working with their new technologies and our new technologies to jointly drive the penetration of pump therapy in different markets.

We've got the big diabetes market where we're clear market leader, and there are good developments there. Obviously, Parkinson's is growing really fast, and then we've got our eye on what comes next after that. And you'll see a reference here to high dose biologics.

In execution, we need to improve our quality processes and we will. We're very focussed on satisfying the FDA in all of their regards in all respects. We'll get that done. And we're building a lot more capacity because demand is so strong in Infusion Care. So that's what to look out for in the categories. I do hope you'll be paying attention!

### **Three 'waves' of product innovation**

And then we'll come back in here, and Divakar will talk about innovation and what comes next in the pipeline. Just to steal his thunder a little bit. We think about it in waves of new products just for convenience. Wave one is already in the market, was in the market by the end of 2025. Those products are now scaling up.

Wave two are the products which we are starting to launch in 2026 and 2027. And those two together underpin the acceleration of growth to 6% to 8% that we have shared previously. Then we've got wave three, which comes later and obviously less developed at this stage. But that is what is going to sustain the accelerated growth further out. And the good news is that there are strong ideas coming across all four different categories.

### **Accelerate sustainable and profitable growth**

So you'll hear about that from Divakar. And then from Fiona, she's going to tell you what it all adds up to. And to steal her thunder as well. I will share this slide. Just headlines being that, for all four categories, the sales growth compared to the targets we set at FISBE and at the last Capital Markets Day, the sales growth targets are higher now. So we're accelerating across all four categories, as you can see on the left of the chart.

And that all adds up to Group growth of 6% to 8%. We're planning to operate at mid 20s in terms of operating margin, with a preference for the reinvestment of the benefits of operating leverage to keep driving growth going forward. And that will add up to double-digit EPS growth each year with a strong cash conversion to follow.

### **Breakout rooms**

So now it's time for the highlight of the day. These are your hosts, a mixture of colleagues at the top, healthcare professionals and users of our medical devices, which we're very grateful that they've all come along to talk to you today.

What you'll see in the breakout rooms? You'll hear a video. You'll see the product. You'll hear from each of these people about their experiences of it. So I hope you find it interesting.

**END OF SECTION ONE**

**SECTION TWO**

## **Accelerate Pioneering Innovation**

Divakar Ramakrishnan

*Chief Science, Innovation & Quality Officer, Convatec Group*

### **Accelerate through pioneering innovation**

Good afternoon. I am Divakar Ramakrishnan. I serve as the Chief Science, Innovation and Quality Officer for Convatec. Some of you may remember me from 2022 when I see some familiar faces. So it's great to see you all.

I've been with Convatec for just over six years and joined in early 2020 as Chief Technology Officer, Head of R&D. And more broadly, I've had about three decades of experience in healthcare, spanning biotech medicines, drug delivery systems and medical devices, all in chronic care across R&D and manufacturing science.

What I would like to do this afternoon is cover really how we are accelerating forever caring through pioneering innovation. And more importantly, why I believe that innovation now is a repeatable engine, not just a set of one-off wins.

So I'll cover three things today in my presentation. First, our innovation mindset and the capabilities we have built. Yeah. Second is the evidence and the portfolio output from the tools – waves of innovation that Jonny talked about.

And finally, the third one is really about how this next wave after that, that we call Wave 3, extends this repeatable engine into higher value and more differentiated growth for the company.

So let me start with the mindset first.

### **Our innovation mindset**

So our innovation mindset really starts with the reality of chronic care. We design for people with chronic conditions, not just as patients. That means user-centric design is a core guiding principle for us and a mindset across the entire organisation, including R&D.

The second one is we build single-use products, which require design for high volume and design for high quality from day one. And finally, our output here also relies on deep scientific depth. And that depth spans three particular areas that span all four categories. First is skin material interfaces, second is tissue repair and healing, and third is infection prevention.

So eventually the output becomes more than just products alone. We generate products. They are enabled by digitally enabled tools, education and services, not as add-ons but as integrated solutions.

And finally, what I would like to say is the key point I'm trying to convey here is leverage. We build knowledge once and reuse it across the categories. So this allows, in my mind, innovation to scale, not fragment. So let me go into investment and output.

### **Delivered a fundamental transformation that will sustain accelerated growth**

We increased – over the several years, what I would say is, first, we roughly doubled R&D as a percent of sales since 2019. Second, in terms of capability, you can see on the slide, there are at least five capability areas: clinical evidence, reimbursement, regulatory, design for

manufacturing and user-centred design. Plus, we broadened out our leadership bench with deep expertise.

What this has resulted is a significant input – significant output in terms of the number of clinical trials, publications and patents filed, and you can see them on the slide there. And most importantly, that has allowed us to launch eight products in the last three years and another eight in the next two, starting this year.

And we also achieved what I believe is a watermark level in terms of 30% of revenues were generated from new products as of 2024. So this is no longer a rebuild of our innovation engine. It's a durable operating model.

And now let me double click into one area that shows our mindset shift, which is generating clinical evidence.

### **Rigorous clinical evidence underpins innovation**

This has been a defining shift because of our ownership of clinical evidences not just as validation at the end, but it's a core design input of our key scientific platforms that we would like to use in future products.

Today, we are running over 30 studies, as you have seen on the graph, of which several are actually randomised, controlled studies. The slide here shows – the middle and the right columns show an example from a large randomized controlled trial that we published about this time last year. It was run across three countries, Colombia. It was run in the UK and Germany.

And in 203 patients, the AQUACEL Ag+ platform demonstrated a significantly higher likelihood of complete wound closure and faster healing. The point of this is not just to rattle out statistics. To me, it's really about two things. First, it's a cultural shift towards measuring outcome, not just activity. Second, it's having our homework graded. When I mean homework, I mean the innovation homework, graded by rigorous clinical studies.

And third, this level of evidence strengthens regulatory pathways, accelerates adoption, supports reimbursement, and reinforces premium positioning. And what this does for us is turns this innovation into a durable value. So that's why I thought to share this example.

### **Successfully launching 16 new products across Waves 1 and 2**

Now I want to show you the tangible output we have been able to generate in terms of our innovation system, which we fondly refer to as Wave 1 and Wave 2. Okay? We've launched eight products between 2022 and 2025, and we have eight more on track between '26 and '27. Key point to observe, it spans all four business categories, and we have done it with disciplined global sequencing.

These are also not incremental or catch-up launches. Yeah. They are purpose-built, clinically relevant solutions, designed around real unmet needs. They have integrated user insight, high volume design for manufacturing, and increasingly, we have started integrating digital and service components into these product launches.

Just to put it in context, we had one-off product launches when I started in 2020, really good launches, but they were one-off. Now what we see is repeatable and continuous cadence of innovation across all four categories.

**Revitalised, broadened, high performing portfolio**

What I would like to do is show you how the portfolio has evolved from 2022 to now. What you'll see is back in 2022 across all four categories, we had a suboptimal and narrow portfolio across the categories.

Let me start with Wound Care. In Wound Care, we have now expanded and strengthened the platform depth across five technology platforms. And we are now creating a new category, as Tanja mentioned, in terms of a category to target hard-to-heal wounds with our nitric oxide powered multimodal platform.

Second, in Infusion Care, we have diversified two additional partners in diabetes. And we have also, as Kjersti mentioned, we have gone into fast-growing new therapy areas such as Parkinson's.

And finally, in Ostomy and Continence, what you'll see in the graph is we have shifted from more premium – into more premium differentiated solutions now being supported by digital tools also. So the takeaway here is we have a broader, stronger and more differentiated portfolio that is continuously being refreshed.

**Highlighting three differentiated platforms**

Let me showcase three examples for you. ConvaFoam. ConvaFoam, this is a highly technical multilayer foam dressing, as you saw. It has about five layers. And so it's quite exquisite in terms of both the design and the manufacturing know-how. But what was particularly unique about it was it was designed around the clinical workflow. Nurses can peel open the dressing, inspect the wound and replace or reposition it without wasting the product. So saving time, reducing waste and improving clinical care delivery.

Second, I want to go to our nitric oxide-powered multimodal dressing. We already have compelling randomised clinical trial evidence in diabetic foot ulcers. And now I'm proud to share with you that we have additional data in venous leg ulcers, supporting what we believe will be a new way to manage hard-to-heal wounds. Given the novelty of the technology, we plan to pursue the FDA de novo pathway for US, alongside new clinical and health economic studies to maximise market access, adoption and premium pricing opportunities.

And finally, I also wanted to mention what Esteem Body that you saw. This product combines user-centred design for discretion along with soft convexity, improving fit and leak confidence. And this is being able to be provided across different body shapes and stoma types.

What's been most powerful to me is the real-world feedback we've gotten. People with chronic conditions such as Sara that some of you might have met in the room, right, tell us that they've been able to sleep uninterrupted for the first time in over a decade because of some of the design features we've put in such as the filter.

Together, I hope you take away these examples show you how we have taken science, evidence and human-centred design to create durable differentiation. So that's where we are today.

Now let me pivot to what the future brings.

**Future innovation: 'Wave 3' highlights**

This is what Jonny referred to as Wave 3. It represents our next horizon of value creation. The strategy here, as you can see, is to maximise our internal manufacturing platforms, leverage the proprietary science across all four categories and back it up with clinical validation.

The examples here that you see next-generation ConvaFoam and next-generation FeelClean catheters, right? One is in Wound Care, the other is in Continence care. Both will leverage our proprietary infection prevention science platforms. We're also looking at a next-generation product based on the science of ConvaNiox. Okay? And we are going to go after more wound types and other indications based on the compelling scientific data we are seeing so far with this scientific platform.

In Ostomy, we intend to further build on our gold standard adhesives and accessories, which are quite sought out already with proprietary scientific solutions to reduce peristomal skin complications.

And now let me go to Infusion Care. In the world of infusion care, we are seeing two big trends. Intravenous therapies are increasingly shifting from the hospital to the home via subcutaneous delivery solutions. At the same time, newer biotech medicines such as bispecific antibodies are beginning to require higher volumes or higher concentrations. Both these are driving our next-generation Neria Guard innovation for high-dose biologics.

And what's unique about it is we intend to leverage our existing manufacturing platform and proprietary technologies to do this.

So in summary, Wave 3 reflects a deliberate move on our part to go towards higher growth, stronger differentiation and attractive new segments, all of which will also represent better economics.

Equally, you will note that Wave 3 is predominantly organic, built on platforms we already have invested in, while we remain open to external innovation by way of partnerships or deals if they accelerate our road map or help access new technology bolt-ons.

So now let me shift to our innovation operating system.

**Innovation execution: a competitive advantage**

As innovation output has increased for us, so has our ability to execute predictably and at scale. First, we have embedded design for manufacturing, both in terms of advanced operations in our global operations team and process development expertise in R&D.

What this has done is it has enabled reliable high-volume production. And as a result, we have also built repeatable muscle memory to derisk and accelerate scale up by using pilot lines to test and industrialise new manufacturing technologies.

Second is a point about innovation at scale. Today, we have 16 innovation projects running simultaneously at different levels of globalisation and launching. And this has required seamless coordination between the commercial functions, all the technical innovation functions and our operations colleagues. So what we are doing here is continuously improving our stage gate business process that help codify this coordination. And we have also spent quite a bit of time recently to improve ways of working between these teams for the seamless handoff that Jonny mentioned.

Finally, we are also uniquely differentiated in our industry in the sense that we have our own clinic network in Latin America. These clinics provide industry-leading chronic care, and they also serve as a platform to run clinical studies and accelerate clinical evidence generation and derisk innovation.

More recently, we have been leveraging natural language processing or AI-based anonymised real-world evidence generation. And what this is doing is helping us generate new insights for commercial purposes as well as decision-making and also post-market clinical evidence.

So taken all together, what you see is tangible results, where Wave 2 innovation, right, is 30% faster than Wave 1. Secondly, when you look at the overall portfolio cadence, it has accelerated. It has moved from eight launches in two years – eight launches in three years to now eight launches in two years. And guess what? We are running 30-plus active studies today to enable regulatory pathways, reimbursement and market access.

In 2019, I would say we were in single-digit levels in terms of clinical studies, publications and patents, low single digits, if I may. Yeah?

So in summary, we are building two reinforcing strengths, predictable, scaled execution with faster time to market. That's point number one. Point number two, an innovation portfolio that's moving towards greater differentiation and higher value.

### **Accelerate will deliver long-term, innovation-led growth**

So to close, I want to leave you with the point that Convatec is positioned for long-term innovation-led value creation because our advantage is anchored in four things. Unmet needs discovery and user-centred design that I've already highlighted. Second is, it's a platform-driven architecture on two fronts, manufacturing platforms and science that can be leveraged across all four categories.

The third point is high-quality clinical evidence that can get us regulatory approvals faster, market access and reimbursement. The fourth one is the operational discipline that we are pursuing that accelerates and derisk execution.

So the pictorial there shows our ambition quantified. First, we want to pursue disciplined investment of 5% of R&D as a percentage of sales. Second, we want to lock in and deliver a 30% cycle time reduction versus the Wave 1 innovation you heard about.

We believe those – these two things will, in turn, continue to help us drive a circa 30% new product vitality across our strategic planning horizon, which is the next three to five years. So in conclusion, Wave 1 is scaling or globalising. Wave 2 is launching, and Wave 3 is emerging. I remain confident that our best days are indeed ahead of us.

Thank you. And over to you, Fiona.

## **Accelerate Financial Performance**

Fiona Ryder

*CFO, Convatec Group*

Good afternoon, everybody. I'm Fiona Ryder, the Group CFO, and I am here to tell you about the exciting returns of our new Accelerate strategy. So I did that so I could skip over my picture.

### **Value creation framework**

Let me start by setting out our value creation framework. Organic revenue growth is our key driver of value. This is supported by structural volume demand, execution excellence and our broadening innovative product portfolio.

We translate this into sustainable profitable growth through investments in R&D and commercial capabilities, disciplined P&L management and our ongoing simplification and productivity initiatives. We actively deploy cash generated into the highest returning areas. We prioritise high-return growth CAPEX. But the cash generated also funds our growing dividend, selective M&A and, as we did last year, buybacks.

### **FISBE has delivered: broad based organic growth**

Today, you have heard consistently that FISBE has delivered. Let me remind you the financial outcomes of this. In the last five years, as a result of our enhanced commercial execution and the creation of our innovative pipeline, we have delivered broad-based growth across all of our categories.

Since 2021, growth, excluding InnovaMatrix, has been consistently within our 5% to 7% revenue target. FISBE has also delivered an expansion in our adjusted operating margin.

### **FISBE has delivered: increased operating margin**

Since 2021, margin has increased by 460 basis points despite considerable inflation in this period. We are making good progress towards our target of mid-20s operating margin by 2027. And let me remind you how we achieved this margin progression.

### **Enablers of margin growth**

We simplified our manufacturing network, moving from seven to five main manufacturing facilities, and we significantly invested in the automation of these facilities. We centralised and enhanced our procurement function. And we – under FISBE, we created Convatec business service centres, which was a key enabler in the reduction of our G&A, as Jonny mentioned earlier, from about 13% in 2021 to less than 7% last year.

CBS started with finance, HR and IT activities. We have also established our centres of excellence, market access, strategic pricing, change and marketing and sales. And we have deployed digital and AI to drive productivity and to enhance customer outcomes.

A great example of this is Talkdesk, which we use in 180 Medical, which provides real-time AI-powered speech-to-text capabilities for voice interactions. This has so far driven a 10% patient per agent efficiency improvement, and therefore, a significant reduction in OPEX to sales.

And looking forward, we have more opportunities. The CBS is now being used to support a much broader range of activities. We're supporting pricing, procurement, customer service and

legal from our CBS. And we're also driving more productivity from our investment in digital capabilities.

### **FISBE has delivered a stronger business**

And importantly, FISBE has delivered momentum across the business. Our strong cash generation has allowed us to double investment in R&D, as Divakar said, and that has built our product pipeline and created a virtuous cycle of faster revenue growth and further reinvestment.

We have delivered two years of double-digit EPS growth, and upgraded investment-grade credit rating and a \$300 million share buyback. You have also heard today that we are ready to accelerate, and we will do so from a position of strength.

### **We are now ready to Accelerate**

We operate in structurally growing markets. Demand for our products is increasing. Our new product pipeline is launching successfully and gaining share, and we are investing in capacity to drive faster growth.

In the category breakout sessions, Tanja, Mark, Bruno and Kjersti have talked about how our operational and commercial execution will underpin this acceleration. Waves 1 and 2 of our innovation pipeline specifically targeted the fastest-growing subsegments of the categories in which we operate. This is driving high-quality revenue growth; stable, recurring and diversified across the categories and geographies in which we operate.

And you've just heard from Divakar about our exciting next wave of innovation. These factors combined underpin our acceleration in organic revenue growth from 2027 to 6% to 8%.

### **Faster revenue growth drives further re-investment**

This revenue growth, coupled with disciplined P&L management will enable us to reach our mid-20s operating margin, and we intend to remain within this range. We believe that mid-20s is right for us. We want to continue to invest in key capabilities and ongoing innovation to sustain our acceleration.

Additionally, mid-20s benchmarks well against our peer groups of European and US medtechs. The framework creates opportunities to reinvest to underpin future growth, and we will invest in R&D, marketing and sales to launch new products, clinical evidence capability and geographic expansion, taking our new products and solutions to all key markets.

### **Well-positioned to deal with inflation risks**

Now I'm sure many of you have got questions about the recent spike in oil prices and what that means for our cost of goods. Given our enhanced procurement rigour, we are now much better placed to deal with inflation.

In full year '25, cost – our cost of goods represented about 40% of Group revenues. And within this, raw materials were about 45%. The next largest component were overheads of about 30%, including freight at 5% and utilities at 2%. We have significant hedging and forward purchases in place for 2026, covering about 80% of our raw materials. We are carrying about five months of finished goods and raw material stock.

On this basis, the impact to our P&L of a sustained period of higher inflation is low. As you know, our full year '26 guidance on inflation is about similar to 2025, around 3%. Given the

hedging that we have in place and these stock levels, we estimate that an incremental point of inflation above 3% could represent in 2026 about \$2 million to \$3 million additional P&L cost.

But of course, we would look to mitigate this through efficiencies or pass-through where possible. The cost impact in 2027 would be slightly higher at about 7% to 8% - sorry, \$7 million to \$8 million for an additional point of inflation.

However, I note that, in 2022, when oil prices were also above \$100 per barrel for a period of time, our COGS inflation in aggregate was 8.6% for the year.

### **Clear capital allocation priorities & track record**

Our business is cash-generative and our capital allocation strategy is clear as demonstrated by this chart. We are also committed to a 2 times net debt-to-adjusted-EBITDA leverage target. We are investment grade, and this feels right for us. No need to deliver further.

We are investing to drive faster organic growth is our top priority. And as we reported at our full year results, we are accelerating growth CAPEX to meet demand and to develop new products. We will grow our dividend in line with earnings, and we will continuously scan our key markets looking for attractive bolt-on M&A, which will enhance our competitive positioning, and we would go above 2 times leverage for the right deal, providing that there is a clear path back to 2 times.

We have no desire to be below 2 times net debt-to-EBITDA for a sustained period. So our fourth priority of returning cash to shareholders is likely to be used as it was in 2025 with our \$300 million share buyback.

### **Compelling growth CAPEX opportunities**

As a reminder, growth CAPEX develops new products and creates or increases capacity. And in 2025, we spent \$121 million on growth CAPEX. This will increase to between \$135 million and \$165 million in 2026, and we expect a similar quantum in 2027.

Total CAPEX will be around 9% of Group sales in 2026 and likely similar in 2027, then falling back to our normal range of 5% to 7%. We are investing across all categories. The majority of our 2026 growth CAPEX is in Infusion Care, where we are significantly increasing capacity, in many cases, underwritten by long-term customer contracts.

But importantly, we are adding material capacity to meet demand across all areas. In Advanced Wound Care, we're preparing to scale up ConvaNiox, ConvaFiber and adding further capacity in ConvaFoam.

In Ostomy Care, we're adding further Esteem Body capacity and preparing for the launch of Natura Body, our new two-piece soft convex batch. And in Continence Care, we're expanding capacity to launch our male compact catheter, GentleCath Pocket and GentleCath Set later in 2026.

Growth CAPEX investments are creating valuable high-return, long-term assets. It can take up to three years to build, install and validate a highly automated manufacturing line. And therefore, as we invest, assets under construction on our balance sheet increases.

Assets under construction commence depreciation when the assets are ready for use. We then expect our depreciation costs to increase steadily over time, but this is fully factored into our margin guide. Of course, the anticipated revenue streams from our capacity expansion, in

many cases, underwritten by long-term customer contracts, will drive higher profits and return on capital employed.

### **Improved performance and financial discipline has increased ROCE**

Our improved financial performance and financial discipline has increased our return on capital to over 14%. Given our positive momentum and these compelling growth projects, we expect returns on capital employed will continue to increase in 2026 and 2027, inclusive of the higher CAPEX that I have just discussed.

### **Cash generation supports faster EPS growth**

Our significant cash generation and balance sheet strength will further drive EPS growth. Over time, investors can rely on our operating profit growth, cash generation, investment-grade rating and commitment to 2 times leverage to consistently drive Group EPS. This will be enhanced by attractive M&A or share buybacks.

In conclusion, we have a resilient and reliable business with broad-based revenue growth and a strong track record.

### **Accelerating sustainable and profitable growth**

Our compounding growth algorithm is clear. Our strong balance sheet provides optionality, and we are reaffirming our medium-term targets of 6% to 8% revenue growth, mid-20s operating margin, double-digit EPS and double-digit free cash flow to equity CAGR.

We are ready to accelerate. Over to you, Jonny.

## **Realising Our Full Potential**

Jonny Mason

*CEO, Convatec Group*

So I'm conscious we're running a little bit over time. I'll wrap up quickly because I suspect you might have a question or two. You've heard today that the FISBE strategy has largely worked. We are now a stronger business. We are delivering sustainable and profitable growth. But the opportunity ahead is substantial and we're ready to accelerate.

### **Accelerate will deliver above-market growth**

So the accelerate strategy that we have described today based on these four strategic pillars: customer, technology, execution, and culture will enable us to grow ahead of the markets throughout the entire strategic period. And across each of those four categories – we'll accelerate in each one. These four categories, as we said at the beginning, they sit well together. There is synergy across them.

Each one of them will grow faster through the next strategic period, and that will add up to 6% to 8% for the Group as a whole.

### **The key enablers of Accelerate are in place**

The enablers to deliver this strategy are in place. These are all teams and expertise that was built through the recent years of the FISBE strategy. I'll just quickly skip through them because we've talked about them all today already.

Science and innovation. So we have a substantial team of expert scientists under Divakar's leadership who are pushing the boundaries to find and solve unmet patient needs in areas like adhesives and their impact on skin condition, in areas like plastics extrusion and the impact on high-volume manufacturing.

We have invested. You may have seen some announcements. We've got new centers in London, in Boston, in Slovakia, in Denmark, substantial team delivering that pipeline that we are so proud of.

Quality and regulatory. In general, quality in Convatec is really good. We manufactured last year about a billion products for people to use with very low rates of quality comments or complaints.

Now we do recognise that we have one specific issue in one subsidiary related to the management of complaints processes, and we're very disappointed that that's happened, but we're on it. We're going to fix it. We take it very seriously. And we will demand of ourselves the very highest standards of quality. But it is important to acknowledge, important though that is, it doesn't relate to product quality or to patient safety.

Medical and clinical affairs. I can't add much to what Divakar said already. Over 30 trials running at the moment, some important ones that we're looking forward to reporting back on InnovaMatrix and ConvaNiox, but a wider range and following the theme of developing more clinical evidence to support value going forward.

And market access and reimbursement, that does that, too. These are our experts based mostly in the US, elsewhere, too, who are representing our case – our economics case to the authorities and securing appropriate value for the contribution that our medical devices are adding to the healthcare systems.

In operations, we made really good progress through FISBE, rationalised our footprint, delivered productivity. We're well down the journey of automation in our factories. So the next stage in this group operations function is about finishing off productivity because there's more to go for. We're not yet fully automated. And then it is about delivering more capacity to meet this strong demand that we are lucky enough to have in the market. Very focused on capacity build in all four categories actually, and then on improving resilience at the same time across the network.

In technology, similarly, great progress through FISBE. There's more to do. We've already implemented many standard and modern systems, which has helped drive our productivity. But for instance, MES systems to roll out across the factory network is part of the automation journey. That's not been finished yet. So we'll finish that.

And we're making, I think, good progress in the use of AI. It's a very hot topic these days. We're being selective. We're being focused. We are using AI tools developed by other people, honestly, to deliver productivity within our business. And you heard some good examples from Fiona earlier today.

All of our colleagues internally are being trained in how to use AI tools to make their individual days work more productive. And we're starting to see some rewards.

On M&A, Fiona also mentioned this. It's going to be an important part of our future growth story, but we are disciplined about it. We are focused now, and we're going to stay focused.

And we are looking to deliver superior returns through bolt-on activity, and that might be new technologies or new capabilities, similar to the pattern we've had over recent years.

Most important is people. We – I've talked a bit about culture already. We are developing stronger leadership to drive a stronger performance culture. And that's not to say we're not good. We are. We're in a good place right now, but we want to accelerate, do more and better.

### **Culture is key to deliver**

So I've got one more slide on culture because it feels worth a double click.

We've heard a lot about strategy today, and culture is one of the pillars in strategy. But you're probably quite familiar with Peter Drucker's famous quote that, culture eats strategy for breakfast.

This is how we get stuff done. This is how it all gets delivered at the end of the day. So purpose-led, performance-driven, that's our call. We are developing the leaders, and we're training the teams to be more cross-functionally collaborative. Don't drop that baton between teams, perform as one Convatec team.

And actually, we're doing pretty well. All of the people metrics, they're sort of listed on the right-hand side, how we follow it. They're all going in the right direction. Very strong engagement. I've referred to that already. Our voluntary turnover is going down. Our internal promotions – proportions are going up. Diversity is very strong, which helps with our avoiding group thing and get the right ideas into the room, really strong diversity. We got an award for that from the FT in recent weeks. And our cycle time is improving.

So culture, really important is how we get it all done.

### **We are Convatec**

And I'll just conclude then by saying here is Convatec. This is the investment proposition that we are presenting to you today. We are well placed to deliver the organic revenue growth guidance that we've suggested and double-digit EPS growth year in, year out because we've got very strong market positions in structurally growing markets, leadership positions, where we are one of only a few global players. Because it's consumable products in chronic care, it's a high quality of recurring revenue.

Our new products are working. They're getting great feedback. They're winning market share. And what all that means is the flywheel of investment is turning. More sales, more profit, more cash every year to invest to drive more growth. So we're building a stronger business for customers, and we're driving sustainable value growth for shareholders. That's Convatec.

### **Convatec: key takeaways**

And I'll just leave you coming back to the three takeaways that I mentioned at the beginning of the day. You probably can all remember them anyway, but very attractive market - this is the short version. Very attractive markets, strong and resilient business. The opportunity ahead is substantial.

Thanks very much for your attention.

[END OF TRANSCRIPT]