



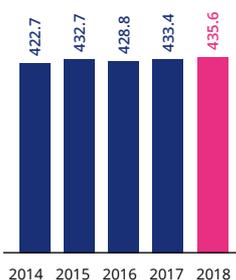
# HEALTHCARE



“Our job is to provide peace of mind for consumers and continence care stakeholders... helping people who experience incontinence to live their lives with dignity and in comfort. As we actively managed our customer and product portfolio in 2018, this was the one thought that drove us forward.”

**XAVIER LAMBRECHT**  
GENERAL MANAGER,  
HEALTHCARE

## REVENUE<sup>1</sup> €435.6M



1. Starting 2017, IFRS 15 has been applied.

WE SUPPLY MOST OF OUR ONTEX-BRANDED INCONTINENCE PRODUCTS TO HEALTHCARE INSTITUTIONS, BUT OUR DIRECT-TO-CONSUMER MODEL THROUGH HOME DELIVERY AND ONLINE IS GROWING. OUR COMMERCIAL APPROACH VARIES DEPENDING ON LOCAL MARKET CONDITIONS.

### PERFORMANCE

While growth fluctuated from quarter to quarter as contracts were gained or lost, revenue in the Healthcare Division overall followed expectations growing on a reported basis by 0.5%, ahead of the market, supported by new business wins as well as higher volumes with some existing customers which helped offset some contract losses. On a like-for-like basis, revenue grew 0.8%.

Sales of adult pants and light incontinence products increased due to our ability to consistently launch innovative products that respond to consumer needs. This helped offset the slight drop in volumes in other product areas. We successfully launched new adult pants for women, where the accent was on femininity and protection (see page 31). We also introduced a new woman’s pad that is thinner than the leading brand yet absorbs ten times its own weight. It is unique in providing security, comfort,

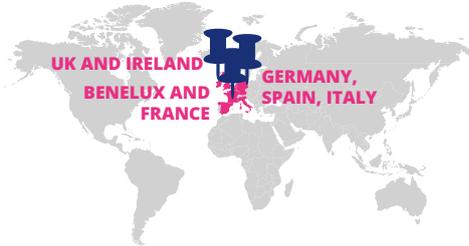
discretion and femininity all in one product (see page 31).

We also made good progress in self-pay channels where adult pants and light incontinence products dominate.

Pricing remained under pressure, especially in the highly competitive institutional channels, owing to competitor activity and tightening of budgets. These have become a constant that we try to accommodate as far as possible through efficiencies, close dialogue with our customers on product specifications as well as innovative routes to market.

Our endeavors to penetrate private nursing home groups met with further success and we continue to develop the model. Our value proposition combines products and services, such as management systems for patient follow-up, and online training for carers as well as accredited online training for nurses (see also story on Odobin page 31).

## KEY MARKETS



## MARKET VALUE



## EXPANDING SELF-PAY CHANNELS

In 2018, we continued to focus on self-pay to ensure that our market leading products are readily available to end-users whether they use digital business-to-consumer platforms or conventional channels. We grew significantly in pharmacies in Italy with our leading brand, Serenity, and successfully launched the iD brand in the UK through around 200 supermarket-based pharmacies.

**OUR INCONTINENCE BRAND iD IS NOW AVAILABLE ON SHELF AT SUPERMARKET-BASED PHARMACIES IN THE UK**



## STRATEGY

We mainly serve two customer categories: institutions and the self-pay customer. For institutions, our aim is to bring cost-efficient, innovative products and end-to-end solutions to the market (including support for families and professionals) without compromising product quality, patient dignity or comfort. The reduction in funding and reimbursement has opened up opportunities in the self-pay channel where our strategy is to leverage our acknowledged position with European institutions to grow market share and address consumers' unmet needs with innovative products and services using digital as well as other channels.

## MARKET BACKGROUND

It is estimated that on average 5-9% of the population suffer from incontinence. The incidence is greater than 20% in some age groups and some 75% of women suffer from continence problems at some time during their life. The taboos associated with incontinence are breaking down. Better living standards mean that people are staying longer in their own home, only tending to enter institutional care when their condition has deteriorated seriously. The pressure on institutions, as well as reimbursement schemes, is driving people to alternative purchase points and there are growing options for individual customized choice. This is being supported by the digital revolution and its ability to disintermediate. Players in this market are increasingly expected to deliver experience and value added services rather than just products.

## OUTLOOK

The market is in decline value-wise but we continue to gain market share. While ensuring that we remain focused on products for people that suffer from a little discomfort to heavy incontinence issues, we see further opportunities in selling training for nurses and carers, to build our reputation as the company with the right product for the person in question, and even insuring that people who don't need our product are not being given them unnecessarily.