



Scapa Healthcare

Deliver Sustainable Profitable Growth

12:15 - 13:00 Lunch

13:00 - 15:00 Introduction & Presentation

15:00 - 16:00 Site Tour

16:00 Depart



Agenda

the achievements and plans for healthcare

GROWTH STRATEGY REVIEW

FIRST WATER CAPABILITIES

FY16 PRIORITIES

SUMMARY

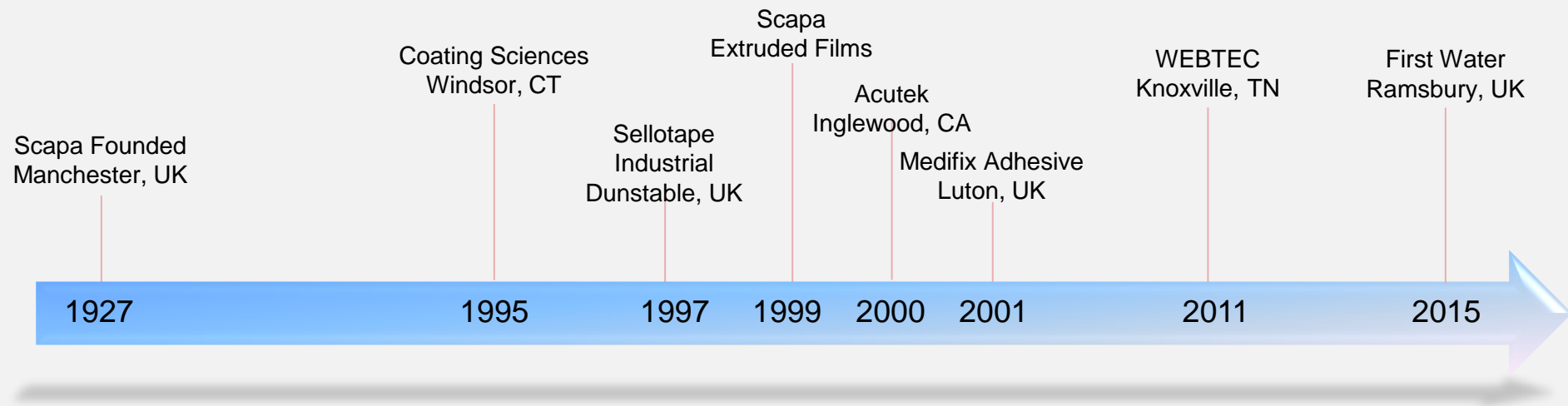
Scapa Healthcare

deliver sustainable profitable growth



Scapa Healthcare

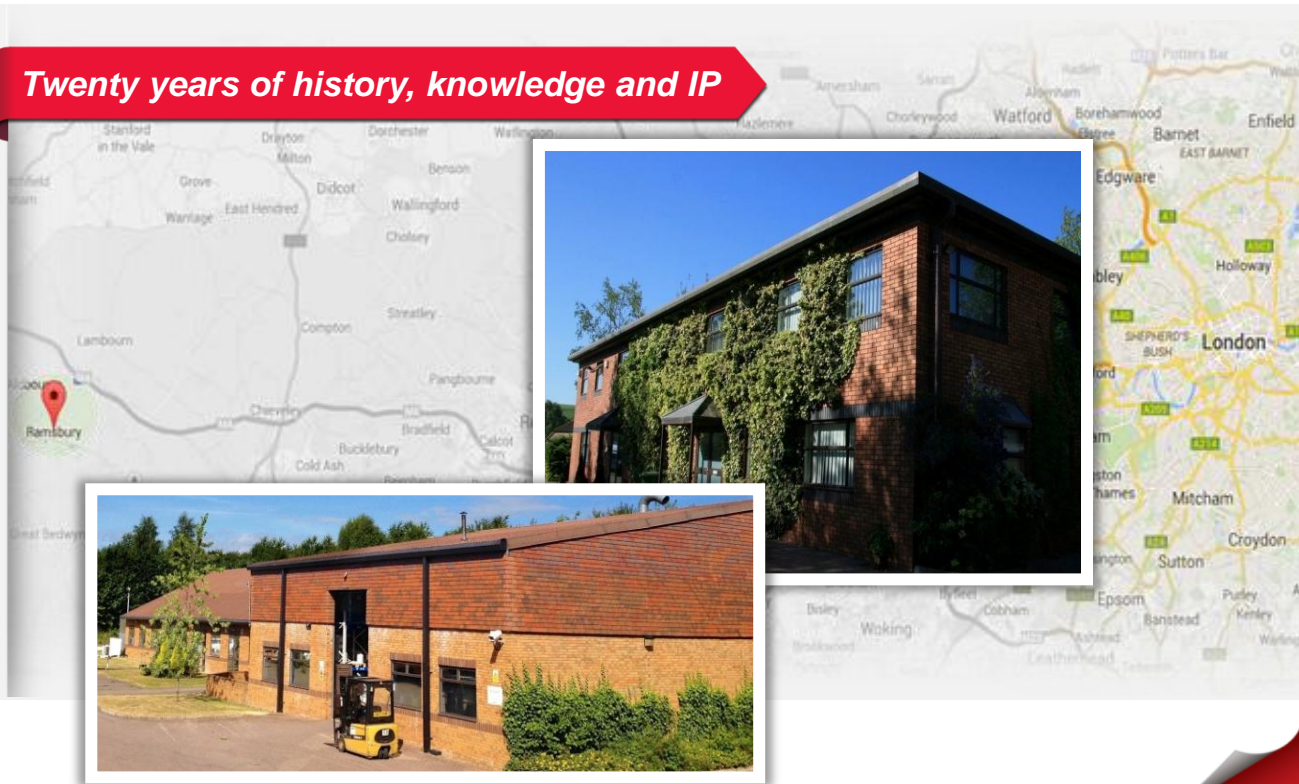
acquisitions support organic growth



First Water strengthens core capabilities

- Ramsbury, UK (Southern England)
- Employees: 65
- Established in 1995, to develop & manufacture skin conductive adhesive hydrogels
- Registered with BSI, ISO 13485 and 21 CFR part 820 compliant Quality Management System
- Novel hydrogels identified in Espicom market report as shift in technology

Twenty years of history, knowledge and IP





Why Scapa Healthcare and First Water?

1 + 1 = 3

- Similar B2B partnership strategy
- Enhances Turn-Key solution capabilities
- Broadens technology portfolio and design capabilities
- EU dedicated Healthcare site and customer base
- Strengthens global manufacturing infrastructure
- Shares an uncompromising focus on quality

Strengthens our AWC, MD and CW market position





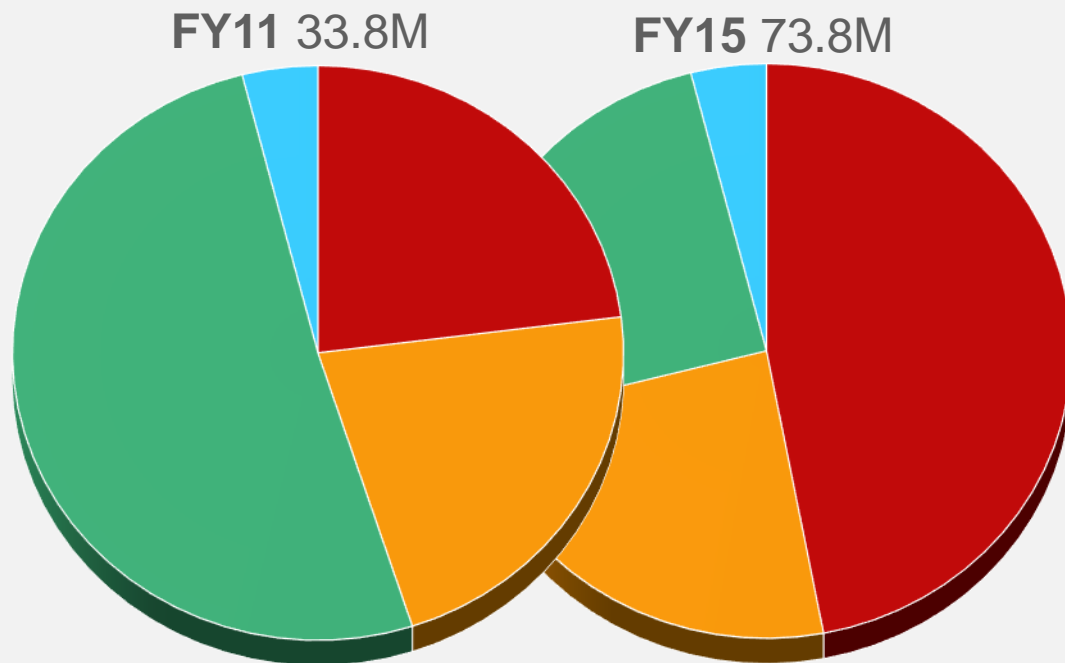
- B2B partnership strategy
- Turn-Key solution capabilities
- Rapid speed to market
- Broad technology portfolio
- Vertical integration & strong manufacturing know-how
- Single supplier, dual source
- Trusted quality

Scapa Healthcare a strategic business partner



Revenue by Segment

FY11 vs. FY15




Medical
Devices

Drug Delivery

Advanced
Wound Care

Consumer
Wellness

Competitor Landscape

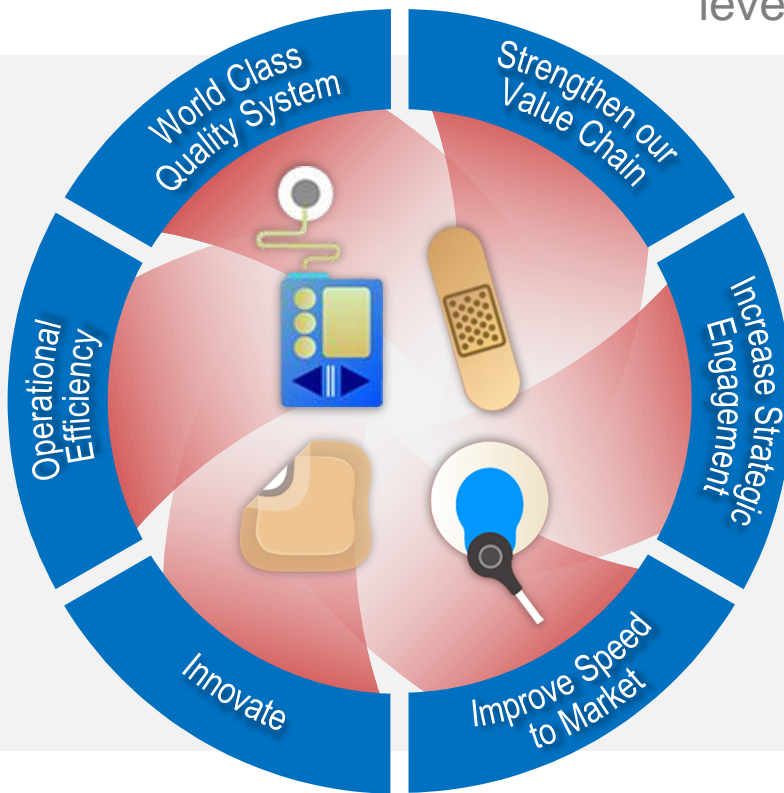
		Customer's Internal Capabilities			Independents
Bespoke Innovation	✓	✓	✓	✓	
Materials	✓	✓	✓	✓	
Adhesives	✓	✓	✓	✓	
Coating	✓	✓	✓	✓	✓
Converting & Assembly	✓	✓	✓		✓
Print & Pack	✓	✓	✓		
Sterilisation	✓	✓	✓		
B2B Focus	✓				



Strategic Building Blocks

leverage Scapa Way Culture

Strategic Building Blocks leverage Scapa Way culture

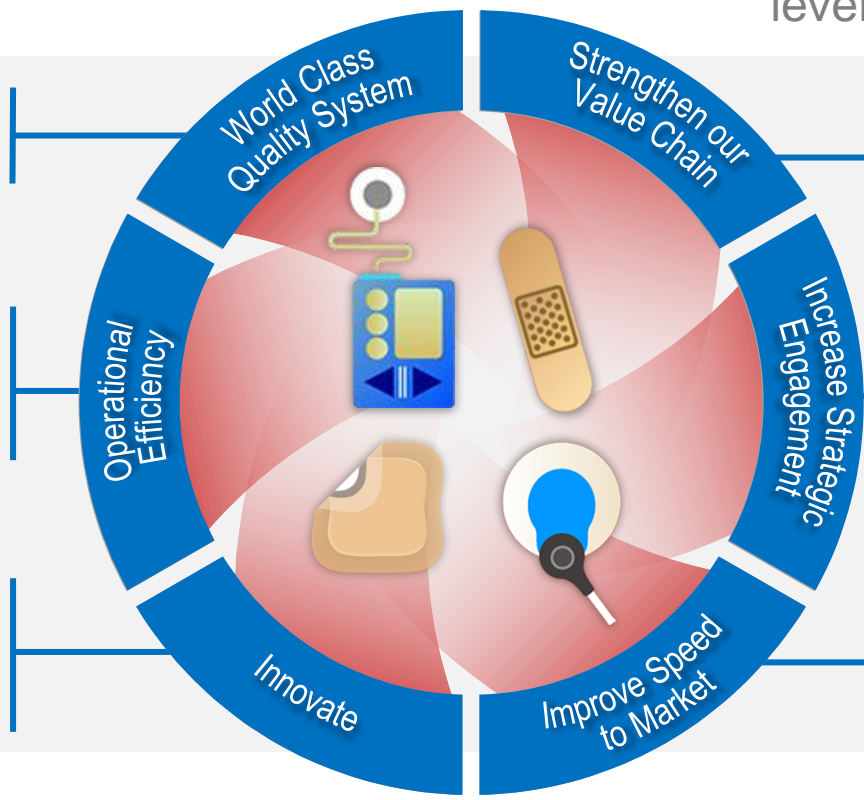


Strategic Building Blocks leverage Scapa Way culture

- One global healthcare QMS

- Fanatically reduce COGS
- Vertical integration across all sites

- Combination products
- Unique product designs
- Novel intellectual property





Strengthen Value Chain

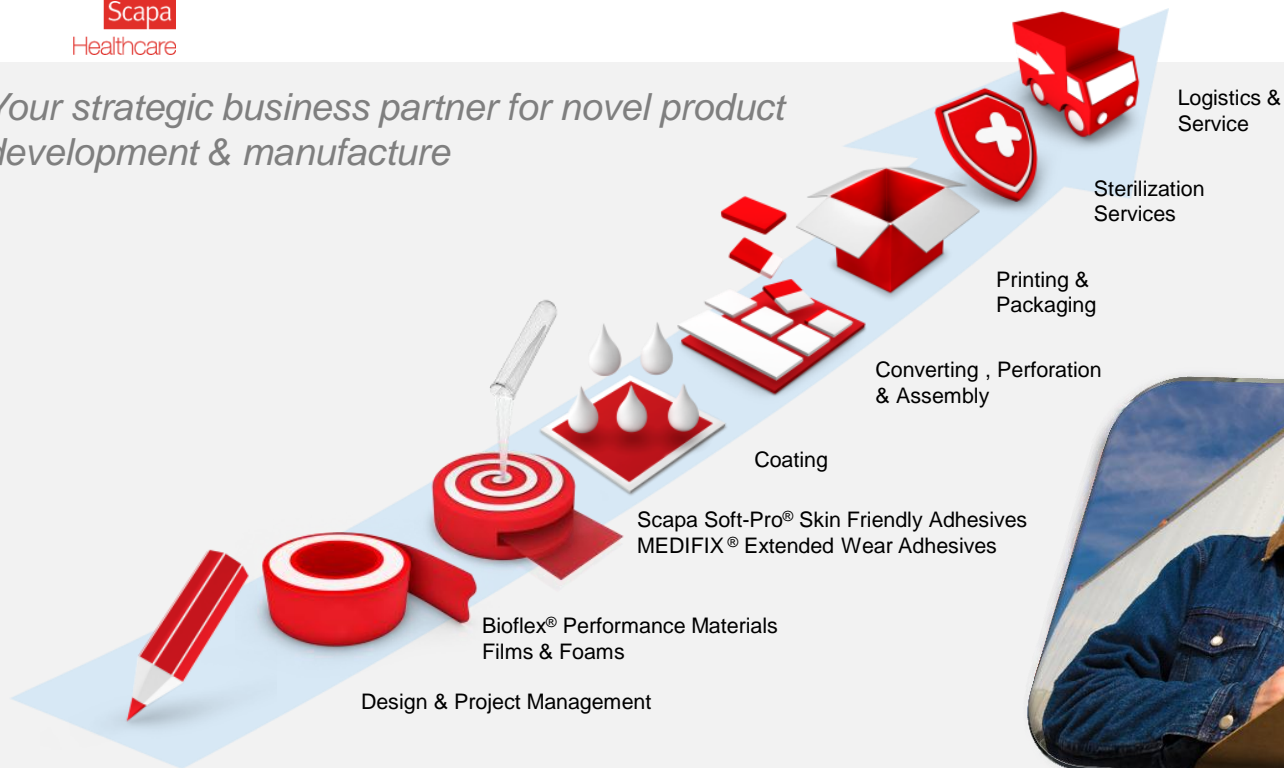
globally recognized brand and core capabilities



Skin Friendly Turn-Key Solutions

think. create. deliver.

Your strategic business partner for novel product development & manufacture

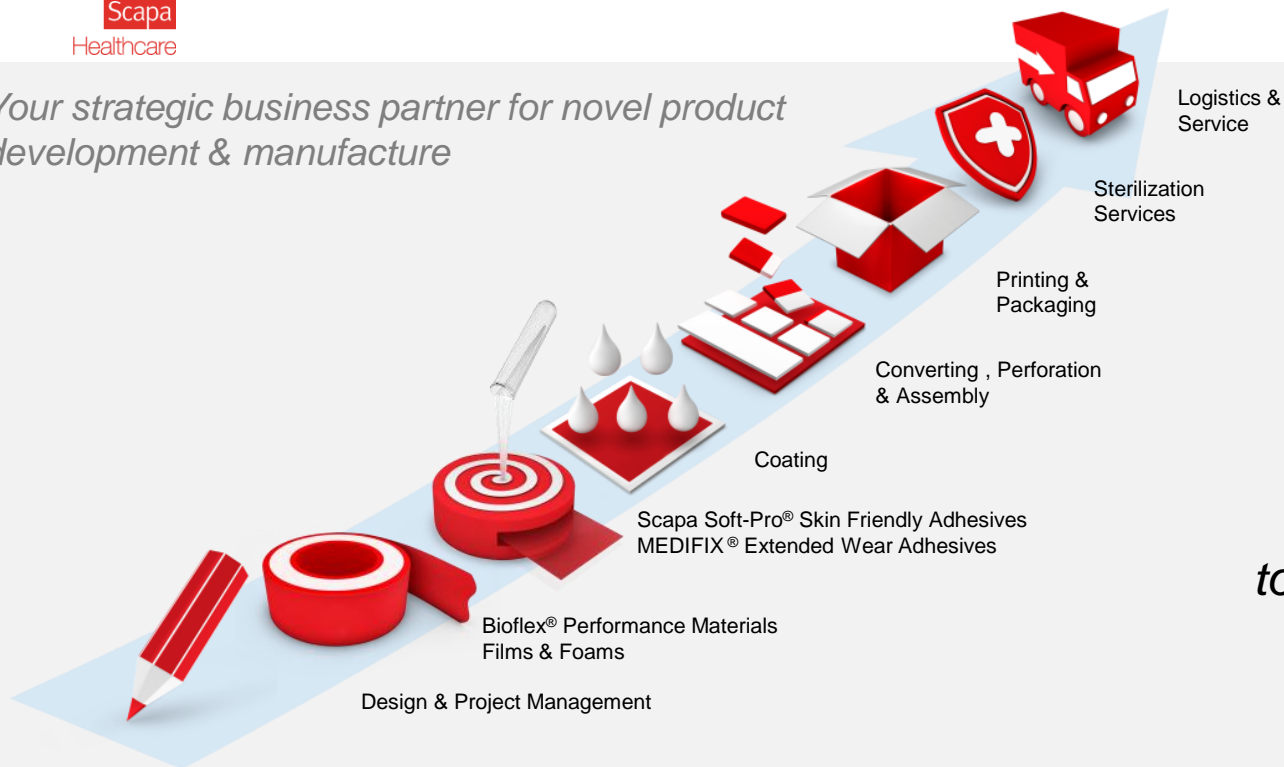




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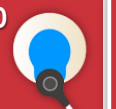
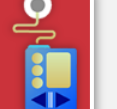


*From innovation
to customer success*

Business Development activity to fill strategic gaps

expand capabilities

- Expand & strengthen current capabilities
- Accretive to HC earnings
- Exploring adjacent markets
- New growth platform?
 - Trans-dermal
 - Diagnostics
 - Other...
- Deep dive into several targets
- Closed First Water acquisition

	AWC 	CW 	MD 	DD 	New Growth Platform
Design/Product Innovation	+	+	.	.	
Formulation	
Adhesives	+	+	+	+	
Coating	+	+	+	+	
Converting	+	+	+	+	
Printing/Packaging	+	+	+	+	
Components for Finished Assembly	+	+	x	x	
Finished Product Assembly	+	+	x	x	
In House Sterilization Services	
Logistic & Services	+	+	.	.	

+ Good Capabilities . Mixed Capabilities x No Capabilities



First Water Capabilities

strengthens core turn-key capabilities



First Water enhances turn-key value proposition

- 22 Patents worldwide
- Dedicated R&D team of 10
 - 74 years of service
- 2 x PhD, 3 x BSc
- Formulation, design, testing, engineering, analytical
- Concept to Commercialization

R&D



**MIXING /
COATING**



- 2 coating lines
- Class 7 clean rooms

- Prototyping Cell
- Slitting machine
- 5 high-speed converting lines

CONVERSION



**PRINTING /
PACKAGING**



- In-house printing
- In-line pouching, packaging

Skin Friendly Turn-Key Solutions

Advanced
Wound Care

Consumer
Wellness

Medical
Devices

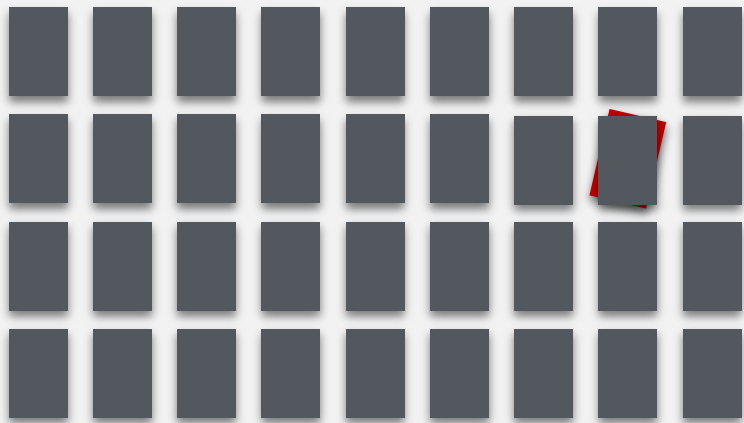
Actives

1. **PROTECT** skin
from **injury**

we develop
products and
technologies
that

2. **CONNECT** skin
with **technology**

Differentiated & Protected Products



Focus on ***differentiated*** products.
Easier to sell, better margins



Focus on products that are ***protected***

Design In-House Results In: valued strategic outsource partner

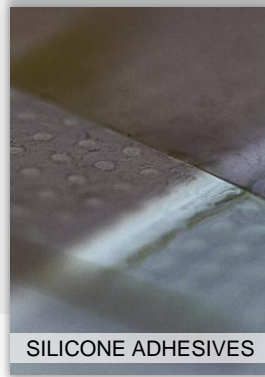
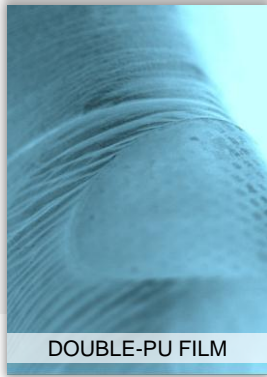
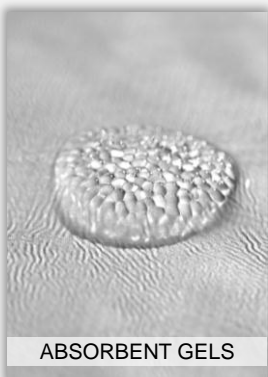
IP generation
in-house

design for
manufacture

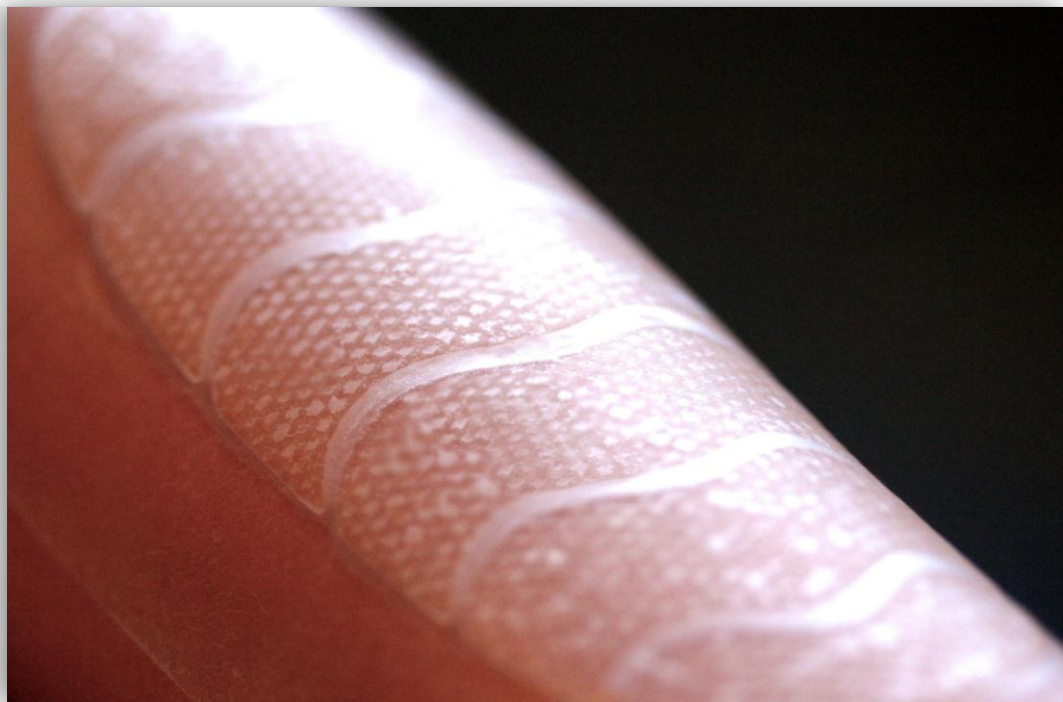
power
balance

FW Design Toolkit

a toolkit of complementary technologies and capabilities



- Multiple discrete gel islands offers
 - Improved flexibility
 - Powerful aesthetic
 - Design for specific areas of the body
 - Management of fluid flow within dressing
- Scapa/FW IP



FLEXCORE in Consumer Wellness

new 2015



Bunion Cushion



Blister Treatment



Callus Cushion



Corn/Wart

- Multiple discrete apertures in acrylic, silicone or hydrogel adhesives
 - Improved flexibility
 - Managed MVTR
 - Powerful aesthetic (double-film allows use of color as additional user appeal lever)
 - Design for specific areas of the body
 - Management of fluid flow within dressing
- Scapa/FW IP



FLEXPORE in action accelerates healing process



SuperSponge technology KAD



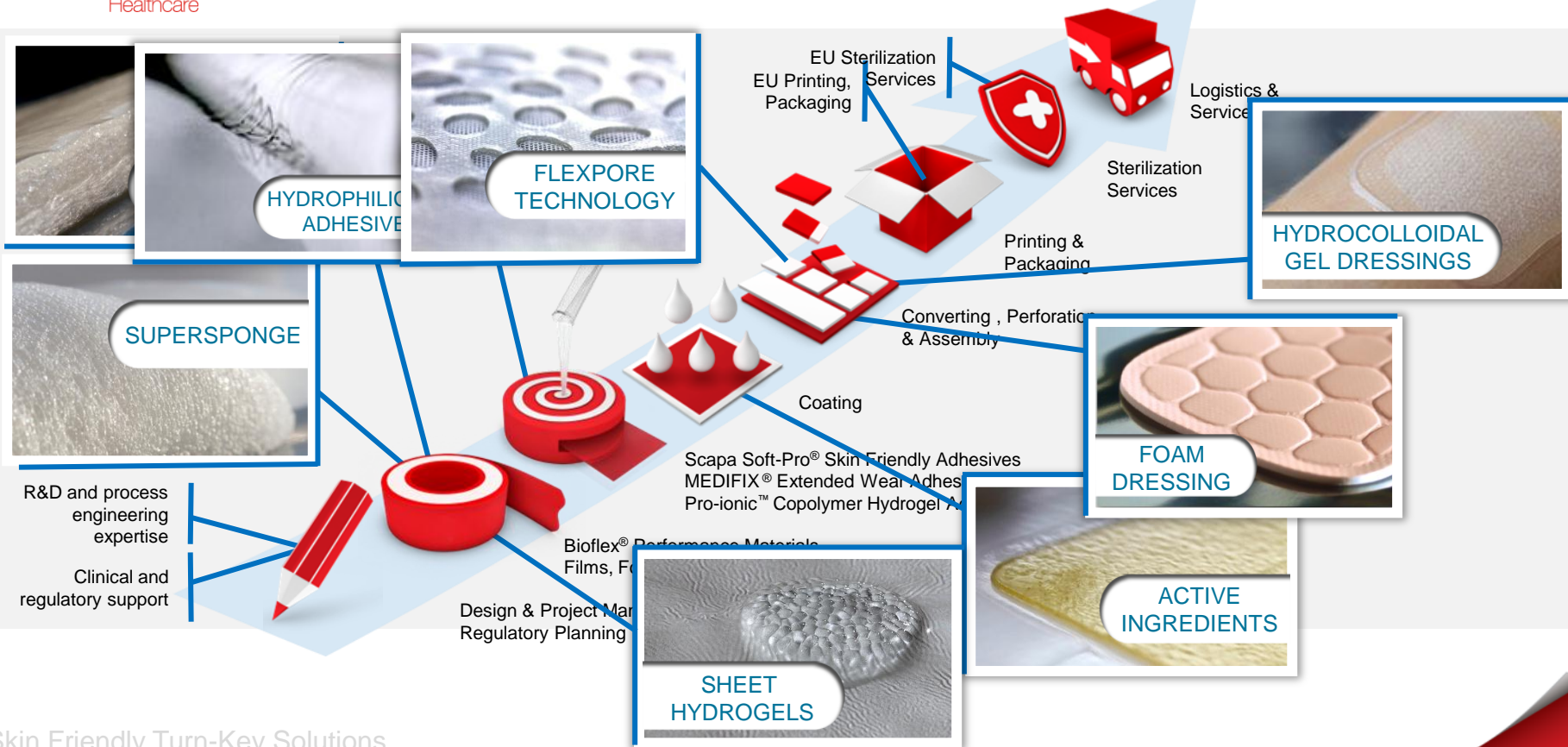


Strengthen Value Chain

fw is additive across the whole value chain

enhanced **Turn-Key Solution** capabilities

First Water is additive across the full value chain

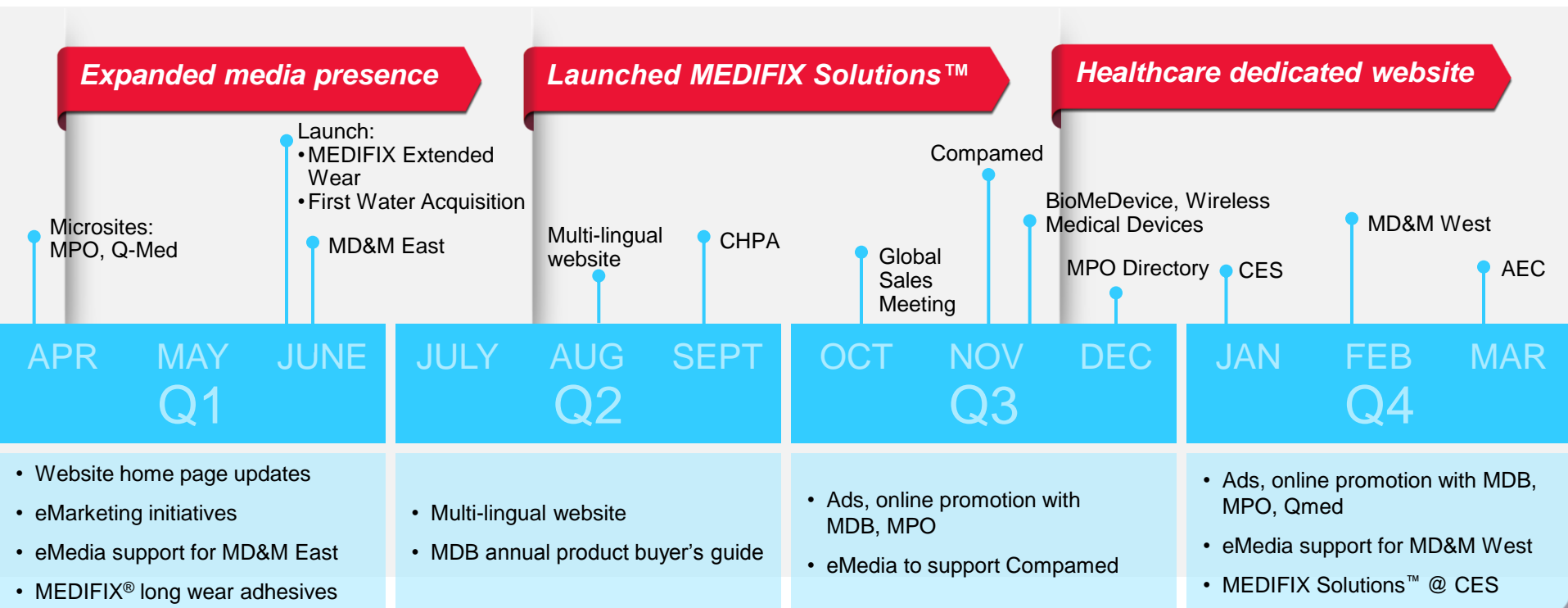


Increase Strategic Engagement

market expansion, speed to commercialization

Marketing Communications

promoting our value proposition





Promote Skin Friendly Turn-Key Capabilities

recent highlights

Increased visibility & brand awareness

- Launched Healthcare dedicate website
- Published articles, posters
- Shifted to eMedia promotions
- Increased tradeshow presence
- Launched MEDIFIX Solutions Platform™
- Presentation at Wearables Technology Conference – London



MEDIFIX Solutions™

engineered for innovative wearable medical devices

Highlights

- Improving the customer experience
- Over 70 leads from the CES
- Focus on Development Revenue
- 10+ NDA's executed
- Launched long-term wear adhesives platform



FY16 – FY17 pipeline growing



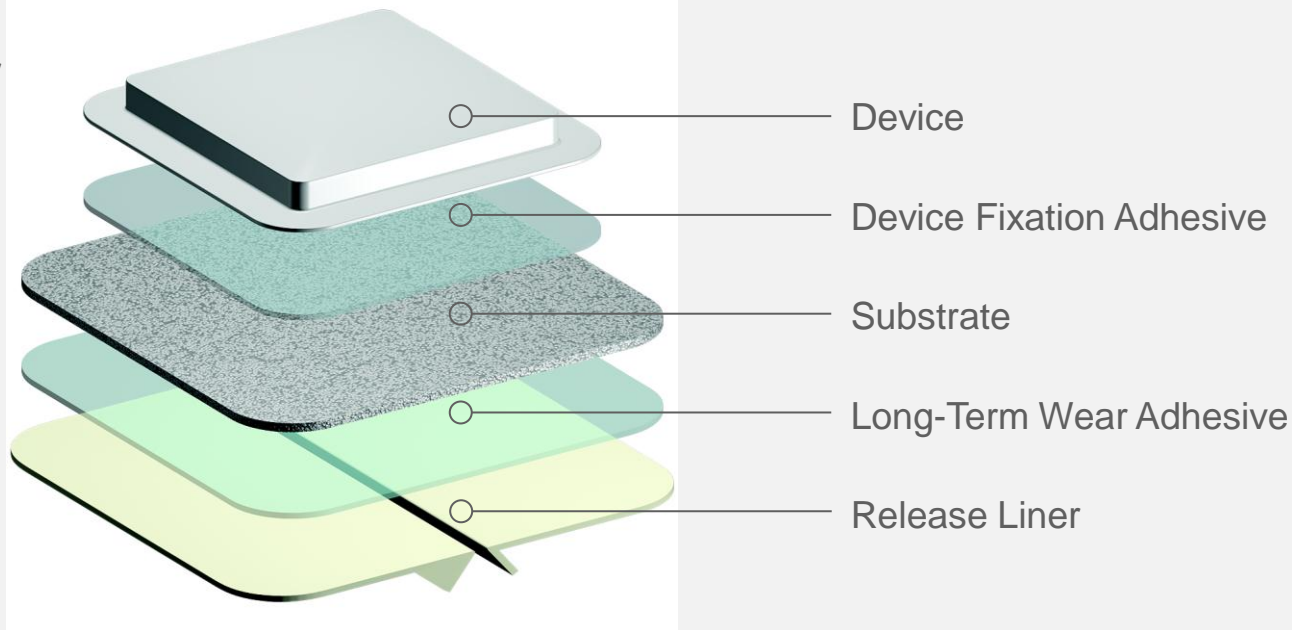
MEDIFIX Solutions™ Long-Term Wear Adhesives

engineered for innovative wearable devices

Creating material and design combinations for optimal outcomes

By considering:

- Materials
- Human behavior
- Clinical factors



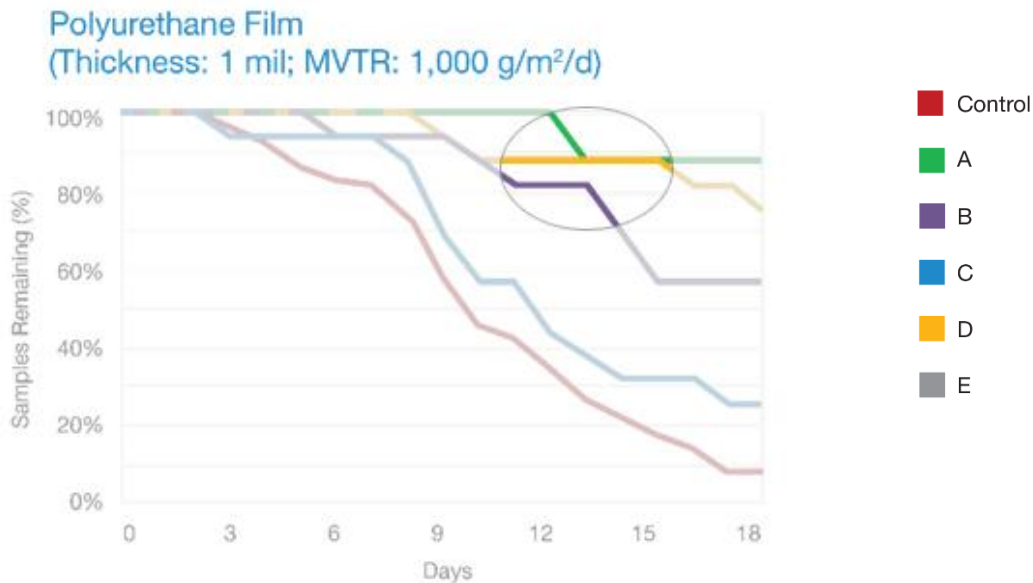


MEDIFIX Solutions™ - Healthy Human Wear Duration Study¹

long-term wear results rely on right combination

The study taught us:

- Each device will require a unique solution
- Device configuration, substrate and adhesive combinations matter
- We have the expertise to add value early in the product development process



1. Bobo J, Morenz J, Douyard, D, and Percival, SL.
Evaluating the Wear Duration of Acrylic Wearable Device
Adhesives on Healthy Human Volunteers. Scapa Healthcare, 2015.



Johnson & Johnson
partnered enabled development

First Product Launch

- SHOWER CARE™ Bandage Protector
- Waterproof cover for patients post surgery
- Extension of J&J Red Cross Brand line
- First in multi-program pipeline to deliver next generation innovation
- Concept-to-launch requirement = 11 months, delivered in 9 months
- March 2015:
 - 1st Launched Product On Shelf



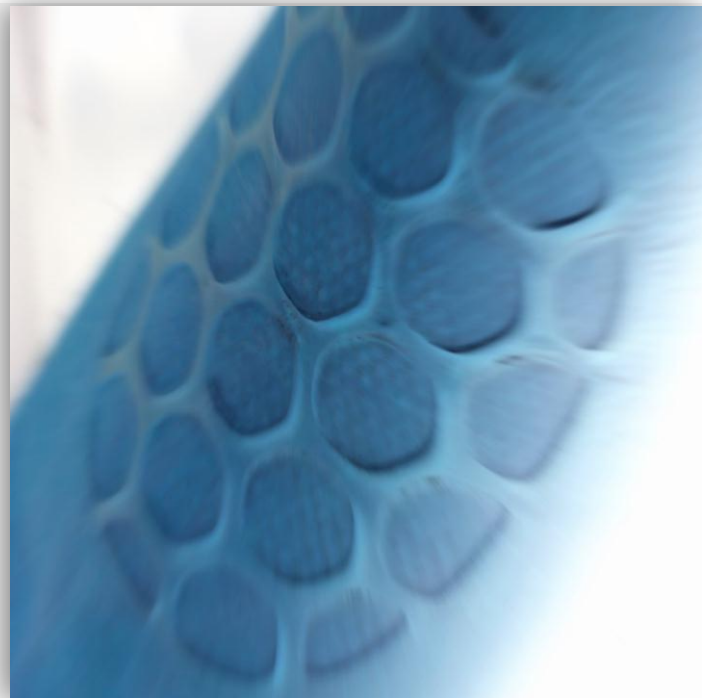
J&J and Scapa Healthcare staff celebrate the launch of
SHOWER CARE™ at the Scapa Healthcare Knoxville plant



Johnson & Johnson
partnered enabled development

Future Product Innovation

- Engaged at Senior level/President of Consumer Healthcare
- Established Strategic Alliance as part of J&J “Partner Enabled Development” initiative
- Partnership aligned to deliver disruptive innovation
- Leverage Scapa Healthcare and now FW technology
- Multi-year launch pipeline planned



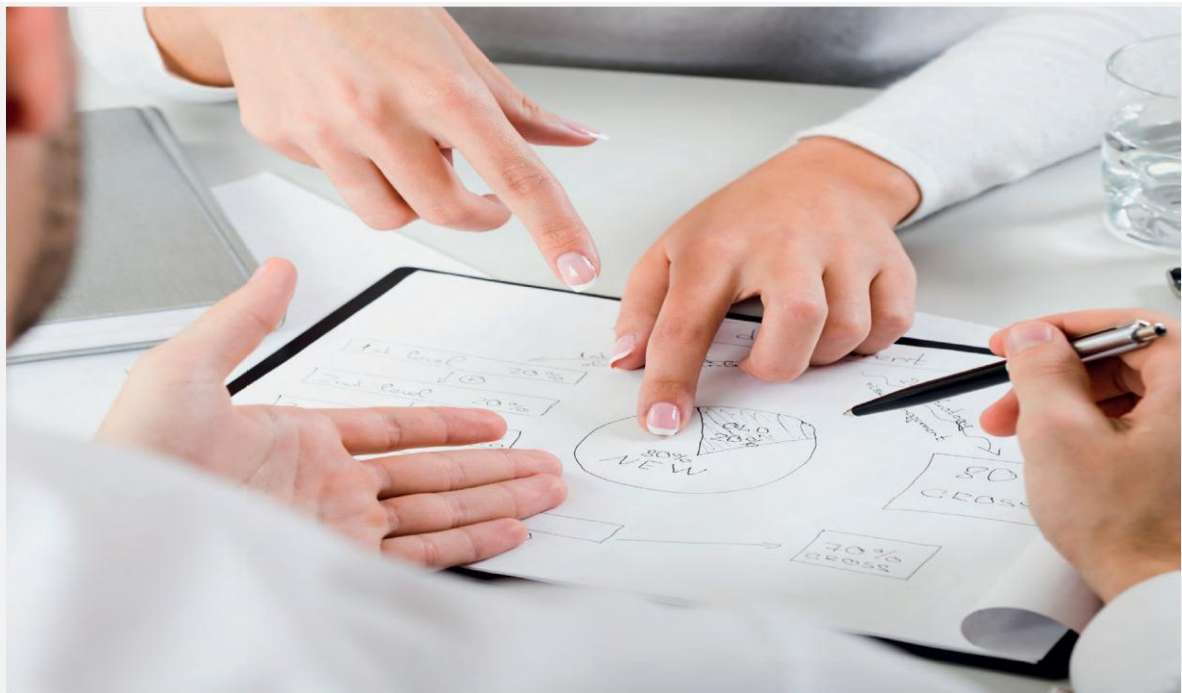


Improve Speed to Market

our competitive advantage

improve speed to market platform to support profitable growth

- Recent investments:
 - Project management
 - Applications Engineering
 - Process Engineering
 - Quality Engineering
- Managing customer requirements:
 - Program teams
 - Virtual library
- Formalized development plans
 - Medical NPD stage gate process
- Standardized development agreement
 - With milestone payments

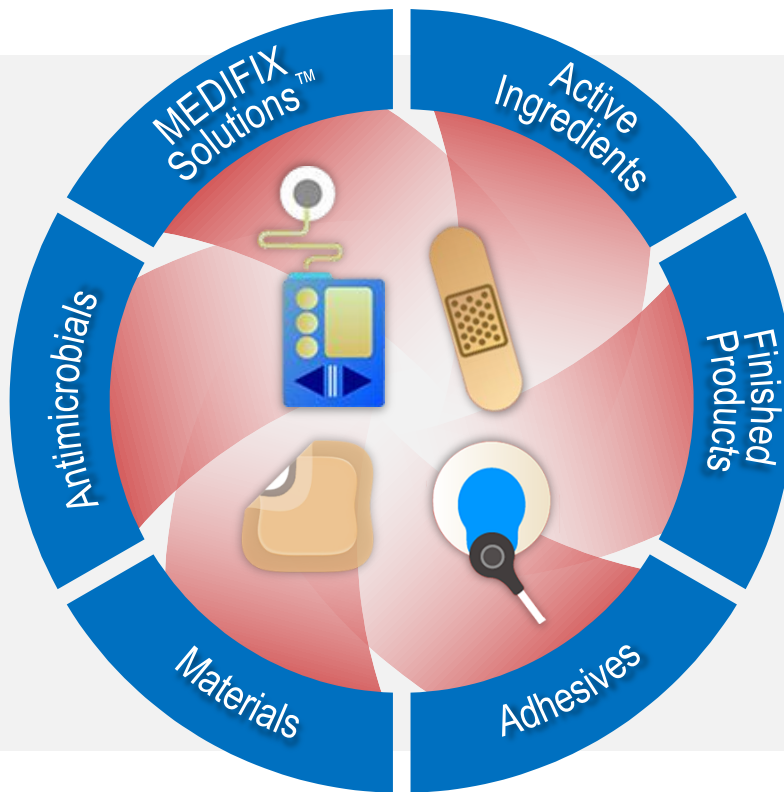




Innovate

our special sauce – anticipating customer requirements

Innovate
our special sauce

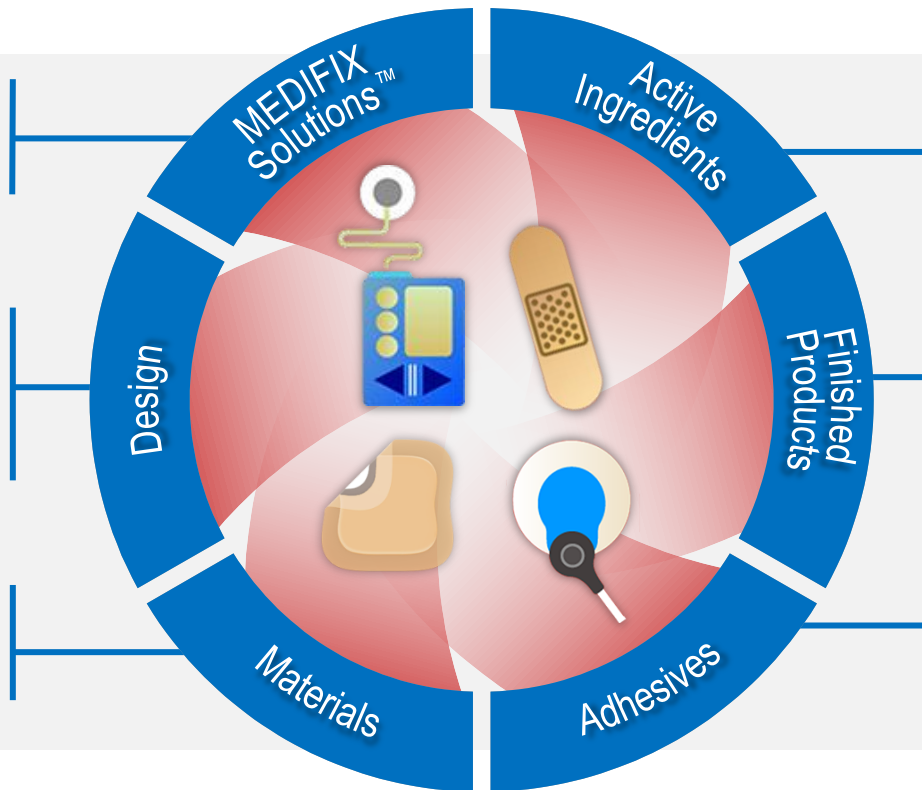


Innovate our special sauce

- Launch MEDIFIX® Extended Wear Platform

- Create Scapa Healthcare Engineering Design (SHED) centers

- Leverage to develop next generation AWC & CW dressings





new product development portfolio map

design compelling and differentiated product solutions



**Advanced
Wound Care**



**Consumer
Wellness**



**Medical
Devices**



**Drug
Delivery**

← Capability Enhancement on-going
Substrate Evaluation on-going →

**Bioflex®
Performance
Materials**

**Soft-Pro®
Adhesives**

Antimicrobials

**Active
Ingredients**

**MEDIFIX
Solutions™**

**Finished
Products**

**INNOVATIVE
DESIGN**



World Class Quality

in everything we do



One Global QMS

anticipate customer requirements

- Upgraded Global HC Quality organization talent
- Senior HC Global Leadership quality reviews
- Formed Quality Excellence Council:
 - Harmonize and leverage global QMS and talent
- Implementing one Global HC QMS
 - SAP QMS software validation in process
 - Initiate electronic platform for all quality subsystems
- Customer satisfaction and regulatory compliance are paramount



FY15: Passed all customer and regulatory audits

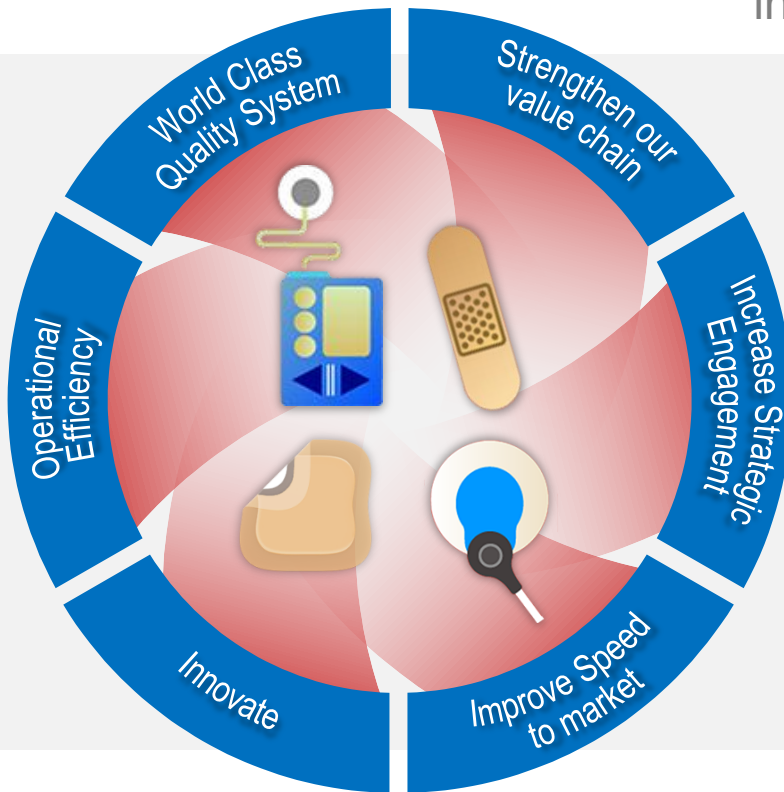


FY16 Priorities

significant progress, foundation for future growth

FY16 priorities

invest in profitable growth



FY16 priorities

invest in profitable growth

- Automate quality processes
- Optimize quality organization
- Deliver cost out plan
- Seamless vertical integration & materials substitution
- Leverage global supply chain
- Launch perforation platform
- Launch MEDIFIX® extended wear adhesive platform
- Leverage FW IP to create a breakthrough innovation strategy



- Integrate FW technology & capabilities
- Acquisitions to fill gaps and expand platforms
- MEDIFIX® growth
- Consumer Wellness expansion
- Strategic AWC expansion
- Leverage new CRM system
- Invest in Project Management & Engineering resources
- Monetize development services



deliver sustainable profitable growth

OUR STRATEGY IS WORKING

SKIN FRIENDLY TURN-KEY VALUE PROPOSITION RESONATES

BRAND RECOGNITION GETTING STRONGER EVERYDAY

EXECUTING OUR ACQUISITION STRATEGY

STRENGTHENED AND MOTIVATED HEALTHCARE TEAM

ACTIVELY ENGAGED WITH THE TOP GLOBAL HEALTHCARE COMPANIES

PIPELINE IS GROWING!



The Ultimate
Measure of Success



Scapa
Healthcare

Scapa Healthcare

deliver sustainable profitable growth