Announcement no. 03/2023
11 May 2023

Ostomy Care
Continence Care
Wound & Skin Care
Interventional Urology
Voice & Respiratory Care

Coloplast A/S
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Denmark

Company reg. (CVR)
no. 69749917

H1 2022/23

Interim financial results, H1 2022/23

1 October 2022 - 31 March 2023

Coloplast delivered Q2 organic growth of 8% and 28% EBIT margin[1]. Reported revenue in DKK was up by 10%.

- Organic growth rates by business area: Ostomy Care 6%, Continence Care 6%, Voice and Respiratory Care 9% (2 months), Wound and Skin Care 13% (Wound Care 12%), and Interventional Urology 17%.
- Solid Q2 for Chronic Care with continued good momentum across regions ex. China, which detracted from growth in Ostomy Care due to COVID-19. Towards the end of Q2, hospital access in China significantly improved, positively impacting procedural volumes. Growth in Continence Care continued to be impacted by backorders in Collecting Devices.
- Voice and Respiratory Care growth was driven by solid momentum in both the laryngectomy and tracheostomy businesses.
- Strong quarter in Wound Care, driven mainly by solid momentum in Europe, including benefit from a low baseline.
- Continued strong momentum in Interventional Urology with broad-based growth, led by the US Men's Health business.
- EBIT[1] was DKK 1,671 million, a 1% decrease from last year. The EBIT margin[1,2] was 28% against 31% last year, reflecting inflationary headwind on input costs, an increase in operating expenses due to increased commercial activity levels, and DKK 53 million in amortisation costs related to the Atos Medical acquisition. Impact from currencies in the quarter was neutral.

H1 2022/23 organic growth of 8% and 28% EBIT margin[1]. Reported revenue in DKK was up 14% to DKK 12,166 million.

- Organic growth rates by business area: Ostomy Care 7%, Continence Care 6%, Wound and Skin Care 7% (Wound Care 4%), and Interventional Urology 14%. Voice and Respiratory Care contributed 6%-points to the reported growth (4 months).
- EBIT[1] was DKK 3,445 million, up 3% from last year. The EBIT margin[1,2] was 28% against 31% last year, reflecting inflationary headwind on input costs, an increase in operating expenses, impacted by increased commercial activity levels, and DKK 107 million in amortisation costs related to the Atos Medical acquisition.
- ROIC after tax before special items was 19% against 25% last year, negatively impacted by the Atos Medical acquisition.
- Free cash flow was DKK 795 million, a 13% decrease from last year (ex. acquisitions), impacted by a decline in cash flow from operating activities mainly due to an increase in net working capital and higher income tax paid.
- The Board of Directors has resolved that the company will pay a half-year interim dividend of DKK 5.00 per share, for a total dividend pay-out of DKK 1,062 million.

FY 2022/23 financial guidance – organic revenue growth is now expected around 8% in constant exchange rates, from 7-8% previously. Reported growth in DKK is now expected to be 8-9%, from previously 9-10%, due to negative impact from currencies. Consequently, the reported EBIT **margin[1] is now expected in the 28-29% range, from previously 28-30%.**

- Reported revenue growth assumes around 2%-points negative impact from currencies, from previously negative 1%-point.
- The reported EBIT margin guidance continues to assume impact from increasing input costs, especially raw materials and electricity in Hungary, partly offset by leverage, price increases, efficiency gains, and prudent management of operating cost.
- Capital expenditures are still expected to be around DKK 1.4 billion. The effective tax rate is still expected to be around 21%.

"We deliver a solid Q2 with 8% organic growth and an EBIT margin of 28%, which is in line with our financial guidance. I am pleased to see strong growth momentum across all our business areas and regions excluding our Chinese business. China continued to be impacted by COVID-19, however, the positive developments in hospital access and patient inflow at the end of Q2 make me optimistic about our long-term growth prospects. Finally, the launch of our new male intermittent catheter, Luja™, is progressing well. The results of the first pivotal clinical study have been published, showing a significant improvement in bladder emptying compared to a competitor catheter. Luja has been launched in four markets with positive feedback and the product is expected to be available in all our key markets over the next 9 months." says President and CEO Kristian Villumsen.

Conference call
Coloplast will host a conference call on Thursday, 11 May 2023 at 11.00 CET.
The call is expected to last about one hour.
To actively participate in the Q&A session please sign up ahead of the conference call on the link here to receive an e-mail with dial-in details Register here
Access the conference call webcast directly here: H1 22/23 conference call

[1] before special items of DKK 20 million in Q2 2022/23; DKK 33 million in H1 2022/23; around DKK 50 million expected for FY 2022/23, related to Atos Medical integration cost
[2] before special items of DKK 381 million in Q2 2021/22 and DKK 415 million in H1 2021/22
Luja is a medical device for which CE-mark has been affixed. Product availability is subject to regulatory process of individual countries and is not guaranteed.

Financial highlights and key ratios

1 October 2022 – 31 March 2023, unaudited

Consolidated	2022/23 6 mths	2021/22 6 mths	Change	2022/23 Q2	2021/22 Q2	Change
Income statement, DKK million						
Revenue	12,166	10,671	14%	6,061	5,502	10%
Research and development costs	-425	-427	0%	-209	-222	-6%
Operating profit before interest, tax, depr. and amort. (EBITDA) before special items	3,974	3,746	6%	1,939	1,922	1%
Operating profit before interest, taxes and amortization (EBITA) before special items	3,612	3,422	6%	1,755	1,752	0%
Operating profit (EBIT) before special items	3,445	3,335	3%	1,671	1,686	-1%
Special items	-33	-415	N/A	-20	-381	N/A
Operating profit (EBIT)	3,412	2,920	17%	1,651	1,305	27%
Net financial income and expenses	-524	-76	N/A	-190	-18	N/A
Profit before tax	2,888	2,844	2%	1,461	1,287	14%
Net profit for the period	2,282	2,187	4%	1,155	980	18%
Revenue growth, %						
Period growth in revenue, %	14	12		10	16	
Growth break down:						
Organic growth, %	8	6		8	7	
Currency effect, %	0	3		-1	3	
Acquired operations, %	6	3		3	6	
Balance sheet, DKK million						
Total assets	35,302	35,170	0%	35,302	35,170	0%
Capital invested	29,337	28,916	1%	29,337	28,916	1%
Net interest-bearing debt (NIBD)	21,007	20,347	3%	21,007	20,347	3%
Equity end of period	7,034	7,273	-3%	7,034	7,273	-3%
Cash flow and investments, DKK million						
Cash flows from operating activities	1,176	1,381	-15%	689	250	N/A
Cash flows from investing activities	-381	-11,096	-97%	-106	-10,895	-99%
Investments in property, plant and equipment, gross	-432	-409	6%	-234	-234	0%
Free cash flow	795	-9,715	N/A	583	-10,645	N/A
Cash flows from financing activities	-549	9,771	N/A	-623	10,516	N/A
Key ratios						
Average number of employees, FTEs[1)]	14,772	13,507		14,885	13,584	
Operating margin (EBIT margin) before special items, %	28	31		28	31	
Operating margin (EBIT margin), %	28	27		27	24	
Operating margin before interest, tax, depr. and amort., (EBITDA margin), %	32	31		32	28	
Gearing ratio, NIBD/EBITDA before special items	2.6	2.7		2.7	2.6	
Return on average invested capital before tax (ROIC), %[2)]	24	32		23	33	
Return on average invested capital after tax (ROIC), %[2)]	19	25		18	25	
Return on equity, %	67	62		71	57	
Equity ratio, %	20	21		20	21	
Net asset value per outstanding share, DKK	33	34	-3%	33	34	-3%
Share data						
Share price, DKK	902	1,025	-12%	902	1,025	-12%
Share price/net asset value per share	27.2	29.9	-9%	27.2	29.9	-9%
Average number of outstanding shares, millions	212.4	212.7	0%	212.4	212.6	0%
PE, price/earnings ratio	41.9	49.8	-16%	41.4	55.6	-26%
Earnings per share (EPS), diluted	10.75	10.26	5%	5.44	4.60	18%
Earnings per share (EPS) before special items, diluted	10.86	11.77	-8%	5.51	5.99	-8%
Free cash flow per share	3.7	-45.7	N/A	2.7	-50.1	N/A

[1)] 2021/22 figures includes Atos Medical employees at the end of the period. Number of FTEs at the end of March 2023 was 14,973, compared to 14,286 FTEs at the end of March 2022.
[2)] Before special items. After special items, ROIC before tax was 24% (2021/22: 29%), and ROIC after tax was 23% (2021/22: 22%).

Strive25

Update on strategic priorities

In September 2020, Coloplast presented the new strategy “Strive25 – Sustainable Growth Leadership”. Below are key highlights on the progress made during the first half of the financial year 2022/23.

Growth

US Chronic Care
Strong performance in the US Ostomy Care business, where Coloplast continues to advance its competitive position. Premier Inc., the second largest GPO in the US, has renewed Coloplast’s group purchasing agreement. The contract, which is multi-source and effective for three years, took effect on April 1, 2023.

China reopening
Coloplast is closely monitoring the market development in China, following the lifting of the COVID-19 restrictions, and views the reopening as encouraging for the business on a mid- to long-term horizon.
China remains a key strategic market for Coloplast and an important contributor to Coloplast’s organic growth ambition in the Strive25 period.

Innovation

Chronic Care – Clinical Performance Programme

Launch of Luja™, the new male intermittent catheter with a Micro-hole Zone Technology, is progressing well. Luja has been launched in four markets, with positive initial feedback. The product is expected to be available in key markets over the next 9 months.

The results of the first pivotal clinical study have been published, showing a significant improvement in bladder emptying with Luja, compared to competitor catheter.

Heylo™, the new digital leakage platform, is in pilot launch in Germany and the UK and has been well-received by users. The clinical studies are on track and the product is expected to launch in 2023.

Sustainability

Improving products and packaging
Production waste recycling was 74% in H1 2022/23, up 10%-p from H1 2021/22. The solid progress reflects a continued scale up of the recycling partnership in Hungary.

Reducing emissions
Scope 1 and 2 emissions were reduced by 15% in H1 2022/23, compared to the base year 2018/19, positively impacted by the installation of electric heat pumps and electric equipment at our production sites in Hungary and China in an effort to phase out natural gas.

Responsible operations – employee engagement
Coloplast continues to uphold a high employee engagement score of 8.1 in the bi-annual employee survey, ahead of the healthcare industry benchmark of 7.6.

Operational efficiency

Global Operations Plan 5 – Automation programme
Due to delays caused by longer component lead times, the timeline of the GOP5 automation programme is now extended into Q1 2023/24, from previously end of FY 2022/23. The ambition to release around 1,000 FTEs is unchanged.

Global Business Support and IT landscape
Positive scale effect driven by further utilization of the Coloplast Business Centre and IT infrastructure.
The integration of Atos Medical IT and finance infrastructure is progressing well, and the IT infrastructure integration will be finalized in May. Coloplast remains on track to deliver estimated run-rate operational synergies of up to DKK 100 million, with full impact from FY 2023/24.

Sales performance

The organic growth was 8% in the first six months of 2022/23. Reported revenue in DKK was up by 14% to DKK 12,166 million, with limited contribution from exchange rate developments. Revenue from acquisitions contributed 6%-points to reported growth (4 months impact), as a result of the acquisition of Atos Medical in the second quarter of 2021/22.

Organic growth in the second quarter was 8%. Reported revenue in DKK was up by 10% to DKK 6,061 million. Exchange rate developments decreased revenue by 1%, mainly related to depreciation of the GBP and several emerging markets currencies against DKK. Revenue from acquisitions contributed 3%-points to reported growth.

Sales performance by business areas	**DKK million**		**Growth composition (6 mths)**			
	2022/23 (6 mths)	2021/22 (6 mths)	Organic growth	Acquired operations	Exchange rates	Reported growth
Ostomy Care	4,478	4,207	7%	-	-1%	6%
Continence Care	3,951	3,721	6%	0%	0%	6%
Voice and Respiratory Care	959	298	9%	212%	1%	222%
Wound and Skin Care	1,425	1,306	7%	-	2%	9%
Interventional Urology	1,353	1,139	14%	-	5%	19%
Revenue	**12,166**	**10,671**	**8%**	**6%**	**0%**	**14%**
	DKK million		**Growth composition (Q2)**			
	2022/23 (Q2)	2021/22 (Q2)	Organic growth	Acquired operations	Exchange rates	Reported growth
Ostomy Care	2,204	2,109	6%	-	-1%	5%
Continence Care	1,964	1,877	6%	0%	-1%	5%
Voice and Respiratory Care	479	298	9%	51%	1%	61%
Wound and Skin Care	747	658	13%	-	1%	14%
Interventional Urology	667	560	17%	-	2%	19%
Revenue	**6,061**	**5,502**	**8%**	**3%**	**-1%**	**10%**

Sales performance by region	**DKK million**		**Growth composition (6 mths)**			
	2022/23 (6 mths)	2021/22 (6 mths)	Organic growth	Acquired operations	Exchange rates	Reported growth
European markets	6,878	6,139	6%	8%	-2%	12%
Other developed markets	3,187	2,610	11%	5%	6%	22%
Emerging markets	2,101	1,922	9%	1%	-1%	9%
Revenue	**12,166**	**10,671**	**8%**	**6%**	**0%**	**14%**
	DKK million		**Growth composition (Q2)**			
	2022/23 (Q2)	2021/22 (Q2)	Organic growth	Acquired operations	Exchange rates	Reported growth
European markets	3,444	3,180	6%	4%	-2%	8%
Other developed markets	1,553	1,325	13%	2%	2%	17%
Emerging markets	1,064	997	9%	1%	-3%	7%
Revenue	**6,061**	**5,502**	**8%**	**3%**	**-1%**	**10%**

Ostomy Care

Ostomy Care generated 7% organic sales growth for the first six months of 2022/23, with reported revenue in DKK growing by 6% to DKK 4,478 million.

The SenSura® Mio portfolio was the main growth contributor, followed by the Brava® range of supporting products. At the product level, SenSura Mio Convex was the main growth contributor driven by Europe, in particular the UK and Germany, and the US. The SenSura and Assura/Alterna® portfolios continued to contribute to growth in the Emerging markets, where they are being actively promoted, most notably LATAM. Growth in the Brava range of supporting products was driven by the US and Europe, in particular Germany, and broad-based contribution from Emerging markets ex. China.

From a geographical perspective, growth was broad-based across geographies with solid contributions from Europe, especially the UK and Germany, the US, and Emerging markets ex. China, led by LATAM.

China detracted from growth in the first six months of 2022/23, as expected, negatively impacted by COVID-19 restrictions and the impact that the lifting of the restrictions has had on the healthcare system.

Q2 organic growth was 6% and reported revenue in DKK increased by 5% to DKK 2,204 million.

The SenSura Mio portfolio was the main contributor to growth. The Brava range of supporting products also contributed to growth in the quarter. At the product level, SenSura Mio Convex was the main contributor to growth driven by Europe, most notably the UK and Germany, as well as the US. The SenSura and Assura/Alterna portfolios continued to contribute to growth in the Emerging markets, where they are being actively promoted, most notably LATAM. Revenue growth in the Brava range of supporting products was driven by Europe and the US, as well as Emerging markets ex. China.

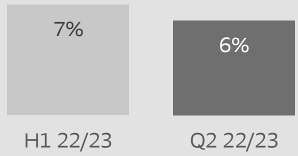
From a geographical perspective, all regions contributed to growth, led by Europe, especially the UK and Germany, and the US. Growth in the Emerging markets region was led by LATAM.

Sales in China declined, negatively impacted by COVID-19. The lifting of the COVID-19 restrictions resulted in a challenging operating environment during the quarter, with limited hospital access negatively impacting procedural volumes. However, hospital access significantly improved towards the end of the quarter, approaching pre-COVID levels. Consequently, procedural volumes rebounded, positively impacting inflow of new patients. The average value per patient remains below pre-COVID levels as a result of continued economic uncertainty, negatively impacting consumer sentiment.

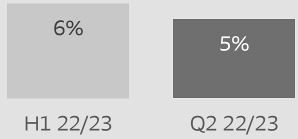
2.2 billion

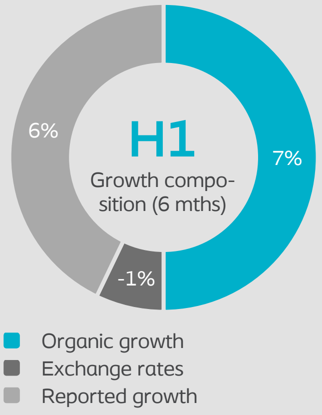
Reported revenue in DKK for Q2 2022/23

Organic growth



Reported growth





Continence Care

Continence Care generated 6% organic sales growth for the first six months of 2022/23, with reported revenue in DKK growing by 6% to DKK 3,951 million.

The SpeediCath® ready-to-use hydrophilic intermittent catheters were the main drivers of revenue growth. Sales growth in the SpeediCath portfolio was broad-based across standard, compact, and flexible catheters, and driven by Europe, in particular the UK and France, as well as the US. SpeediCath Flex Set, a flexible hydrophilic catheter with a new integrated sterile bag, has been launched in nine markets and continues to perform well. SpeediCath Navi, a hydrophilic catheter specifically designed for emerging markets and lower priced developed markets, also contributed to growth.

Bowel Management performed well and made a solid growth contribution, driven by the US and Europe. Peristeen Plus, the newest addition to the portfolio, has replaced Peristeen as the standard of care in the 20 markets where the product has been launched.

Collecting Devices detracted from growth in the first six months of 2022/23, negatively impacted by backorders on Conveen® urisheaths.

From a geographical perspective, growth was driven by the US and Europe, in particular the UK and Germany. The Emerging markets region also contributed to growth, driven by LATAM. Markets with recent reimbursement openings, such as Poland, Australia, Japan, and South Korea, continued to perform well and posted double-digit growth.

Q2 organic growth was 6% and reported revenue in DKK increased by 5% to DKK 1,964 million.

Sales growth in Q2 was driven by solid performance across the SpeediCath portfolio, and more specifically compact, standard, and flexible catheters.

Bowel Management also contributed to growth, led by solid growth in the US.

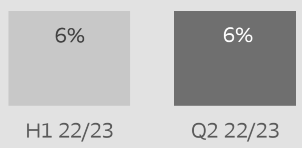
Performance in Collecting Devices continued to be negatively impacted by backorders. The backorder situation on Conveen urisheaths is now resolved, and production will be back to full capacity in Q3.

From a geographical perspective, all regions contributed to growth, led by the US, Europe, in particular the UK and Germany, and LATAM.

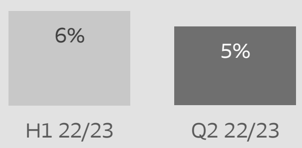
2.0 billion

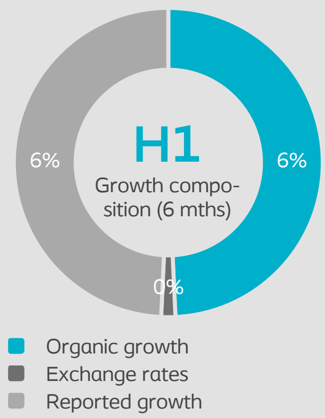
Reported revenue in DKK for Q2 2022/23

Organic growth



Reported growth





Voice and Respiratory Care

February 1, 2023, marked the one-year anniversary of the completion of the Atos Medical acquisition. The business has continued to perform in line with expectations, and the integration of Atos Medical into Coloplast is progressing well and on track to plan.

Voice and Respiratory Care delivered reported revenue of DKK 959 million in the first six months of 2022/23. The Voice and Respiratory Care acquired growth contribution to Group reported growth was 6%-points (4 months impact). The organic growth in the period was high single-digit, in line with expectations, with solid contribution from both Laryngectomy and Tracheostomy.

Laryngectomy delivered high single-digit organic growth. Growth was driven by an increase in patients served in existing and new markets and an increase in patient value driven by the Provox® Life™ portfolio, Atos Medical's new personalised solution and product line which has been launched in 15 markets. The Provox Life portfolio is designed to optimise patient's breathing ability under different circumstances, further enabling 24/7 use of Heat and Moisture Exchangers (HMEs) for improved pulmonary health.

Tracheostomy and ENT (Ear, Nose and Throat) posted high single-digit organic growth, driven by solid demand and positive impact from forward integration in key European markets.

From a geographical perspective, all regions contributed to growth, led by the biggest region Europe. The US also delivered a solid contribution to growth, while the fastest growing region was Emerging markets.

In Q2, Voice & Respiratory Care became part of the Group organic growth and generated 9% organic sales growth. Reported revenue in Q2 amounted to DKK 479 million. Growth in the quarter was driven by solid momentum in both Laryngectomy and Tracheostomy.

Growth in Laryngectomy was high single-digit and continued to be driven by growth in patients served in existing and new markets as well as an increase in patient value driven by the Provox Life portfolio.

Tracheostomy and ENT delivered double-digit growth, with continued solid demand and positive impact from forward integration in key European markets.

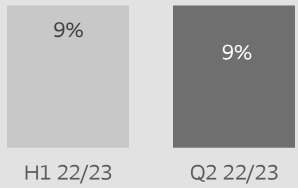
From a geographical perspective, all regions continued to contribute to growth, driven by the biggest region Europe, as well as solid contribution from Other developed markets, most notably the US. Emerging markets continued to be the fastest growing region. Poland made a solid growth contribution as a result of a newly introduced reimbursement scheme for HMEs. The new reimbursement scheme in Poland follows a 4-years long market access project aimed at raising the standard of care for laryngectomy patients.

In April, Atos Medical announced the results of a new clinical study demonstrating significant improvement in pulmonary health and related symptoms when using Provox Life. The study adds to a growing body of evidence which shows that the superior humidification and breathability of Provox Life HMEs lead to improved clinical outcomes.

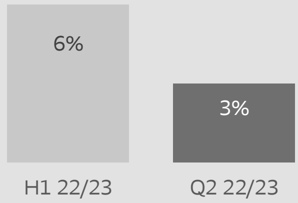
0.5 billion

Reported revenue in DKK for Q2 2022/23

Organic growth



Acquired growth impact



Wound and Skin Care

Wound and Skin Care generated 7% organic sales growth in the first six months of 2022/23, with reported revenue in DKK growing by 9% to DKK 1,425 million.

The wound care business in isolation delivered 4% organic growth in the first six months of 2022/23. Performance in the period was negatively impacted by backorders, as expected.

The Biatain® Silicone portfolio was the main contributor to growth. Biatain Fiber continues to perform well and also contributed to growth.

From a geographical perspective, Europe was the main growth contributor, led by Germany. The US and Emerging markets, led by LATAM, also contributed to growth.

Growth in China was flat in the first six months of 2022/23, negatively impacted by COVID-19 restrictions and the impact that the lifting of the restrictions has had on the healthcare system.

The Compeed contract manufacturing business made a strong contribution to growth and grew double-digit.

The skin care business, which is mostly a US hospital business, delivered flat growth in the first six months, impacted by hospital staff turnover, which has led to reduced awareness and demand for skin care treatment solutions.

Q2 organic growth for Wound & Skin Care was 13%, while reported revenue in DKK increased by 14% to DKK 747 million.

The wound care business delivered 12% organic growth in Q2. Backorders continued to hamper growth, as expected. The backorder situation has been resolved, and production will gradually ramp up to full capacity in the second half of 2022/23.

Europe was the main growth contributor, driven mostly by solid performance of the Biatain Silicone portfolio in Germany, France and the UK. Performance in Europe in the quarter also benefitted from a low baseline last year.

China returned to growth in the quarter driven by significantly improved hospital access, which led to an increase in procedural volumes and demand for wound care products towards the end of the quarter.

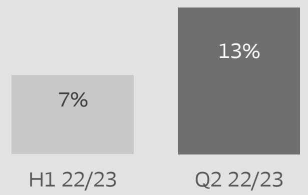
The Compeed contract manufacturing business contributed significantly to growth, reflecting a healthy consumer demand.

The Skin Care business was back to growth, impacted by a lower baseline in Q2 last year.

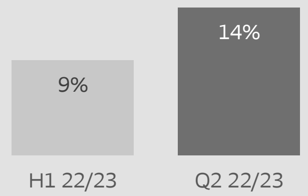
0.7 billion

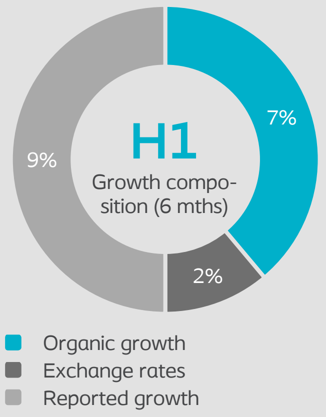
Reported revenue in DKK for Q2 2022/23

Organic growth



Reported growth





Interventional Urology

Interventional Urology generated 14% organic sales growth in the first six months of the 2022/23 financial year, with reported revenue in DKK growing by 19% to DKK 1,353 million.

Growth was broad-based across business areas and geographies, with strong contribution from the Men's Health business in the US, driven by the Titan® penile implants. The Endourology portfolio, driven by Europe, also made a solid contribution to growth.

From a geographical perspective, the US was the main growth contributor, followed by Europe, most notably France.

Coloplast has launched its first laser equipment, Thulium Fiber Laser (TFL) Drive, in key markets. The launch is off to a good start with positive customer feedback. With the launch Coloplast has entered the lasers segment, worth an estimated DKK 3 billion.

Q2 organic growth was 17% and reported revenue in DKK increased by 19% to DKK 667 million.

Revenue growth in the second quarter was driven by continued strong momentum across business areas and geographies, as well as positive impact from a lower baseline in the US last year due to COVID-19.

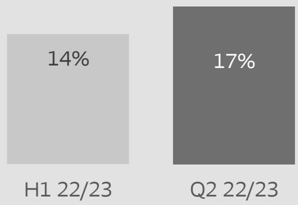
The US Men's Health business was the main growth contributor, driven by the Titan penile implants. The Endourology portfolio in Europe and the Women's Health in the US also contributed nicely to growth.

From a geographical perspective, growth in the quarter was driven by the US and Europe, most notably France.

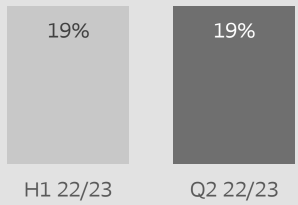
0.7 billion

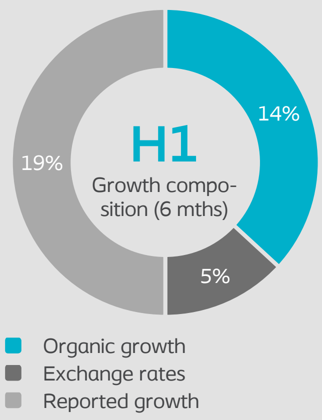
Reported revenue in DKK for Q2 2022/23

Organic growth



Reported growth





Earnings

Income statement, DKK million	2022/23	Index
Revenue	**12,166**	**114**
Production costs	-3,993	119
Gross profit	**8,173**	**112**
Distribution costs	-3,747	120
Administrative expenses	-574	125
Research and development costs	-425	100
Other operating income	26	90
Other operating expenses	-8	114
Operating profit (EBIT) before special items	**3,445**	**103**
Special items	-33	N/A
Operating profit (EBIT)	**3,412**	**117**
Financial income	73	106
Financial expenses	-597	412
Profit before tax	**2,888**	**102**
Tax on profit for the period	-606	92
Net profit for the period	**2,282**	**104**

Gross profit
Gross profit was DKK 8,173 million compared to DKK 7,311 million last year and equivalent to a gross margin of 67%, compared to 69% last year. The gross margin was negatively impacted by raw material price increases, higher energy and transportation costs, double-digit wage inflation in Hungary, as well as ramp-up costs in Costa Rica.

The above-mentioned negative drivers were only partly offset by positive contribution from the inclusion of Atos Medical, price increases, country and product mix, as well as operating leverage and efficiency savings from the Global Operations Plan 5. Coloplast continues to have a strong focus on offsetting the inflationary pressure, with 80+ pricing projects ongoing across regions and business areas.

The gross margin included positive contribution from currencies, mainly related to appreciation of the USD against DKK, partly offset by depreciation of the GBP against DKK. The depreciation of the HUF against DKK also contributed positively. Around 80% of the company's production volumes are in Hungary.

In Q2, gross profit was DKK 4,027 million, corresponding to a Q2 gross margin of 66% against 69% in Q2 last year. The Q2 margin was impacted by the above-mentioned drivers. Contribution from currencies in the quarter was limited, impacted by less favourable development in the USD and HUF against DKK. Energy costs in the quarter posed significant headwind, as a result of higher electricity price levels in Hungary obtained through hedges, which took effect in January 2023.

Cost related to backorder resolution also posed a headwind to the gross margin in the quarter.

Costs
Operating expenses in the first half of the year amounted to DKK 4,728 million. Excluding impact from inorganic operating expenses from the Atos Medical acquisition (4 months), operating expenses increased 9% (DKK 368 million) from last year, as expected. Operating costs for the full year are still expected to grow below reported revenue in DKK (ex. acquired growth).

The increase in operating expenses including inorganic impact from Atos Medical was 19%.

Atos Medical contributed with DKK 570 million to operating expenses in the first six months, of which around DKK 107 million were amortisation costs.

Distribution costs amounted to DKK 3,747 million, a DKK 635 million (20%) increase from DKK 3,112 million last year and were impacted by the inclusion of Atos Medical. Distribution costs amounted to 31% of revenue compared to 29% last year, reflecting increased sales and marketing activities, as well as travel, post COVID-19. Distribution costs were also impacted by higher logistics costs, due to increased freight rates and continued commercial investments in Interventional Urology, consumer and digital initiatives, and Atos Medical.

In Q2, distribution costs amounted to DKK 1,882 million, equal to 31% of revenue against 29% in the same period last year.

Administrative expenses in H1 amounted to DKK 574 million, up DKK 115 million (25%) from DKK 459 million last year, primarily impacted by the inclusion of Atos Medical. Administrative expenses accounted for 5% of revenue against 4% in the same period last year.

The Q2 administrative expenses amounted to 5% of revenue, on par with last year.

The R&D costs in H1 were DKK 425 million, on par with last year's R&D costs of DKK 427 million. R&D costs amounted to 3% of revenue, compared to 4% last year, impacted by phasing.

The Q2 R&D costs amounted to DKK 209 million or 3% of revenue, compared to 4% last year.

Other operating income and other operating expenses amounted to a net income of DKK 18 million, against DKK 22 million last year.

Operating profit before interest, tax, depreciation and amortisation (EBITDA) before special items
EBITDA before special items amounted to DKK 3,974 million in H1, a DKK 228 million (6%) increase from DKK 3,746 million last year. The EBITDA margin before special items was 33% compared to 35% last year.

In Q2, EBITDA before special items was DKK 1,939 million, a DKK 17 million (1%) increase from the same period last year. The EBITDA margin before special items was 32% in Q2, against 35% last year.

Operating profit (EBIT) before special items
EBIT before special items amounted to DKK 3,445 million in H1, a DKK 110 million (3%) increase from DKK 3,335 million last year. The EBIT margin before special items was 28% compared to 31% last year. The EBIT margin was negatively impacted by the inflationary headwinds on production costs and the increase in operating expenses, mainly distribution costs, which among other include DKK 107 million in amortisation costs related to the Atos Medical acquisition. The EBIT margin includes a positive impact from currencies, mainly related to the appreciation of the USD against DKK.
In Q2, EBIT before special items was DKK 1,671 million, a DKK 15 million (1%) decrease from the same period last year. The EBIT margin before special items was 28% in Q2, against 31% last year. The EBIT margin in the quarter was impacted by the aforementioned headwinds on production costs and increase in operating expenses, mainly distribution costs.

Special items
During H1, Coloplast incurred special items expenses of DKK 33 million related to integration costs for the Atos Medical acquisition, of which DKK 20 million in the second quarter.

Operating profit (EBIT) after special items
EBIT after special items was DKK 3,412 million. The EBIT margin after special items was 28%.

The Q2 EBIT after special items was DKK 1,651 million, with an EBIT margin of 27%.

Financial items and tax
Financial items were a net expense of DKK 524 million against a net expense of DKK 76 million last year, mostly driven by non-cash effect from currencies, while the cash impact amounted to DKK 143 million.

The net expense was impacted by net losses on balance sheet items of DKK 227 million, mostly driven by the USD. Interest expenses were DKK 269 million compared to DKK 19 million last year, due to the financing of the Atos Medical acquisition. Losses on currency hedges of DKK 31 million, mainly due to the USD, and fees of DKK 56 million also contributed to the net expense. The financial expenses were only partly offset by financial income, mostly driven by interest hedges of DKK 37 million.

The Q2 financial items were a net expense of DKK 190 million, compared to a net expense of DKK 18 million in the same period last year, driven by the financing of Atos Medical and net losses on balance sheet items, as explained above.

The blended interest rate for the debt financing of Atos Medical is now expected to be around 2.9% in FY 2022/23, from 2.6%, impacted by the adjustment of the variable interest rate on the 2-year bond issue.

The tax rate was 21%, compared to 23% last year, positively impacted by the transfer of Atos Medical IP. The tax expense amounted to DKK 606 million against DKK 657 million last year.

Net profit
Net profit before special items was DKK 2,308 million, a DKK 202 million decrease from DKK 2,510 million last year. Diluted earnings per share (EPS) before special items decreased by 8% from DKK 11.77 last year to DKK 10.86. The decrease was a result of a lower net profit compared to last year due to increased financial expenses, driven mostly by non-cash effect from currency and interest expenses related to the financing of the Atos Medical acquisition.

Net profit after special items was DKK 2,282 million and diluted earnings per share (EPS) after special items were DKK 10.75.

The Q2 net profit before special items amounted to DKK 1,171 million, against DKK 1,276 million last year. The diluted Q2 earnings per share (EPS) were down 8% from last year to DKK 5.51.

The Q2 net profit after special items was DKK 1,155 million and diluted earnings per share (EPS) after special items were DKK 5.44.

Cash flows and investments

Cash flows from operating activities
Cash flows from operating activities amounted to DKK 1,176 million, against DKK 1,381 million last year. The decline in cash flows from operating activities was driven by higher income tax paid, as well as an increase in working capital, mainly due to an increase in inventory, as well as trade receivables. Inventories increased due to a higher safety stock level on raw materials, price increases, and an increase in finished goods due to the transfer of production to Costa Rica.

Investments
Investments amounted to a total cash outflow of DKK 381 million in the first six months of 2022/23, or around 3% of revenue, against and outflow of DKK 11,096 million in the same period last year, impacted by the acquisition of Atos Medical. Capex in the first six months of 2022/23 amounted to DKK 566 million, or around 5% of revenues, compared to capex of DKK 470 million last year, or around 4% of revenues.

Free cash flow
As a result, the free cash flow was an inflow of DKK 795 million compared to an outflow of DKK 9,715 million in the same period last year. Adjusted for acquisitions last year, the free cash flow decreased by DKK 123 million (13%) from DKK 918 million in H1 2021/22.

Capital resources
At 31 March 2023, Coloplast had net interest-bearing debt, including securities, of DKK 21,007 million, against DKK 18,091 million at 30 September 2022. The increase in net interest-bearing debt was mainly due to the payment of dividend in December 2022. The gearing ratio at the end of the period was 2.6x EBITDA (before special items). The gearing ratio for the year is expected around 2x EBITDA (before special items).

Statement of financial position and equity

Balance sheet
At 31 March 2023, total assets amounted to DKK 35,302 million, an increase of DKK 346 million compared to 30 September 2022.

Working capital was 26% of revenue, compared to 25% at 30 September 2022, driven mostly by an increase in inventories, as well as a decrease in trade payables. Inventories increased by DKK 325 million to DKK 3,512 million, impacted by an increase in safety stock on raw materials, price increases, and an increase in finished goods, as explained above. Good development in trade receivables, with an increase of DKK 48 million to DKK 3,988 million. Trade payables decreased by DKK 106 million to DKK 1,136 million, impacted by timing. Net working capital for the year is still expected to be around 24% of revenue.

Equity
Equity decreased by DKK 1,258 million compared to 30 September 2022 to DKK 7,034 million. Total comprehensive income for the period of DKK 1,893 million, share-based remuneration of DKK 27 million, and net effect of sale of treasury shares and loss of exercised options of DKK 7 million were offset by payment of dividends of DKK 3,185 million.

Dividends
The Board of Directors has resolved that the company will pay a half-year interim dividend of DKK 5.00 per share, for a total dividend pay-out of DKK 1,062 million.

Treasury shares
At 31 March 2023, Coloplast's holding of treasury shares consisted of 3,588,647 B shares, which was 104,229 less than at 30 September 2022. The decrease was due to exercise of share options.

Return on invested capital (ROIC)
ROIC after tax before special items was 19% against 27% as of 30 September 2022. The decrease was driven by the acquisition of Atos Medical.

Update on sustainability strategy and performance

Priority	Unit	2025 Ambition	H1 2022/23	H1 2021/22	Change	FY 2021/22
Improving products and packaging						
Recyclable packaging[1]	% of total	90%	-	-	-	78%
Renewable materials in packaging[1]	% of total	80%	-	-	-	76%
Production waste recycling[7]	% of total	75%	74%	64%[8]	10%-p	71%
Reducing emissions						
Scope 1 and 2 emissions[7]	% reduction	100% reduction by 2030[2] [5]	15%	3%	12%-p	8%
Renewable energy use[7]	% of total	100%	76%	69%[8]	7%-p	72%
Electric company cars[1] [3]	% of total	50%	-	-	-	4%
Scope 3 emissions[1] (by 2030)	% reduction per product	50% reduction by 2030[2] [5]	-	-	-	9%
Business travel by air[1]	% reduction	10% reduction[2]	-	-	-	55%
Goods transported by air[1]	% of total	< 5% of total	-	-	-	3%
Responsible operations						
Lost time injury frequency[7]	Parts per million	2.0	2.3[6]	2.3[8]	-	2.4
Code of Conduct training[1]	% of white collars	100%	-	-	-	100%
Female senior leaders (VP+ level)[1]	% of total	40% by 2030	23%[6]	20%	3%-p	21%
Diverse teams[1]	% share of total teams	75%	55%	54%	1%-p	55%
Employee satisfaction[1] [4]	Engagement score	Above benchmark	8.1	8.2[9]	-0.1	8.2

Improving products and packaging
Production waste recycling increased to 74% in H1 2022/23 (four quarters rolling average), compared to 64% in H1 2021/22. The increase reflects continued progress on the efforts to scale up Coloplast's partnership with a recycling manufacturer in Hungary. Through an innovative waste recycling technology, the recycling manufacturer uses Coloplast's production waste as a moulded component in rubber-based composite products used for flooring at schools, sport fields, railway systems or as building isolation.

Scope 1 and 2 emissions
Renewable energy use increased to 76% of the total energy use in H1 2022/23 (four quarters rolling average), compared to 69% in H1 2021/22. The absolute scope 1 and 2 emissions decreased by 15% in H1 2022/23 (four quarters rolling average), compared to the base year 2018/19. Both the uptake in renewable energy use and the reduction in absolute scope 1 and 2 emissions were positively impacted by the continued efforts to phase out natural gas at Coloplast's manufacturing sites in Hungary and China.

Employee engagement survey
Coloplast's bi-annual employee survey, conducted in April, showed a high employee satisfaction with an engagement score of 8.1%. The score lies well above the healthcare industry benchmark and indicates that Coloplast continues to uphold a strong employee satisfaction across the company. In addition, the voluntary turnover level for H1 2022/23 remained stable and on par with 2021/22 despite a very dynamic labour market.

MDR – Coloplast continues to work towards original certification plan
The European Union has adopted a legislative amendment of the Medical Device Regulations (MDR) to extend its deadline. This is to allow more time to certify medical devices under the new framework, while securing patients' access to medical solutions. The amendment entails staggered deadlines up to 2027 and 2028, dependent on device risk classification.

Coloplast's MDR certification activities continue to follow the original plan, working towards MDR readiness in 2024. Coloplast supports the MDR, as it ensures high quality and safety standards for medical devices on the EU market, to the benefit of users.

[1] Metric will only be reported on a semi-annual or full-year basis. [2] From base year 2018/19. [3] Ambition beyond 2025 is 100% of company cars to be converted to electrical vehicles by 2030. [4] Employee survey conducted twice a year. Latest industry benchmark from Q1 2022/23 was 7.6. [5] Target validated by Science-Based Targets initiative (SBTi). [6] Figures for H1 2022/23 includes Atos Medical [7] Four quarters rolling average [8] Figure has been restated due to improved data quality. [9] Bi-annual survey result disclosed in 9M 2021/22 interim report
All numbers are excluding Atos Medical, except Lost time injury frequency and Female Senior Leaders for H1 2022/23.

Other matters

Study shows significant improvement in bladder emptying with Coloplast's Luja™ compared to competitor catheter
Coloplast has published the results of its first pivotal clinical study on Luja™, a new male intermittent catheter, designed to reduce the risk of urinary tract infections by minimizing residual urine and reducing bladder microtrauma.

The study results show that Coloplast's new intermittent male catheter with 80+ micro-holes, Luja, achieved complete bladder emptying in one free flow* in 90% of catheterisations, while Hollister's 2-eyelet catheter, VaPro™, achieved this in 52% of catheterisations. All primary and secondary endpoints of the study have been successfully met. More specifically, the study showed:

- Catheterisation with Luja resulted in close to zero flow-stops compared to one flow-stop on average with VaPro*.
- Luja achieved complete bladder emptying* in 90% of catheterisations, while VaPro achieved this in 52% of catheterisations.
- Catheterisation with Luja resulted in a 74% less likelihood of hematuria post-catheterisation, compared to VaPro.

The second pivotal clinical study on Luja has been finalized and Coloplast expects to publish the results within the next few months.

For more information, please see the press release from 31 March 2023:
[Study shows significant improvement in bladder emptying with Coloplast Luja™ compared to competitor catheter]

War in Ukraine
Coloplast continues to monitor the war in Ukraine closely. Our primary focus is to keep our people safe as well as to ensure that our around 100,000 users in Ukraine and Russia have access to products to manage their chronic conditions.

Revenue exposure in Russia and Ukraine combined is estimated to be around 1% of group revenues in FY 2022/23, majority of which is in Russia.

Coloplast complies with all sanctions imposed by the EU, the UN, and the US on Russia. Medical devices are generally not targeted by sanctions and export controls, and as such Coloplast is able to continue serving its users in Russia. In Poland and Hungary, Coloplast employs around 400 Ukrainians and our local teams have initiated several activities to support Ukrainian colleagues such as transferring their families and finding housing and jobs. Coloplast has also donated large volumes of wound care products to humanitarian organisations.

Timetable for the half-year interim dividend of DKK 5.00 per share
11 May 2023 – Declaration date
15 May 2023 – Ex-dividend date
16 May 2023 – Value date
17 May 2023 – Disbursement date

*Luja has close to zero flow stops. Complete bladder emptying is defined as <10 mL (CP353, NCT05485922). After catheterisation, both catheters emptied the bladder to low and comparable residual volume post-catheterization levels (meaning values for both Luja and VaPro were <8 mL).

2022/23 Financial guidance

Around 8%

Organic revenue growth at constant exchange rates

28-29%

Reported EBIT margin (before special items)

Around 1.4 bn

Capital expenditure in DKK

Around 21%

Effective tax rate

Long term financial guidance

The long-term financial guidance for the Strive25 strategy period running until end 2024/25 is the following:

7-9%
Organic growth p.a.

above 30%
EBIT margin at constant exchange rates

Key assumptions

The impact of current macroeconomic trends and global events, especially input costs development and the reopening in China, is continuously monitored and evaluated on a short- and medium-term basis. The financial guidance is subject to a higher degree of uncertainty due to the changing environment.

The addressable market in which Coloplast operates is expected to continue growing at 4-5% and includes negative impact from COVID-19 in China.

The organic revenue growth guidance and the reported EBIT margin guidance are narrowed. The underlying assumptions laid out in November still largely hold.

Revenue growth
Organic growth is expected around 8% in constant currencies, from previously 7-8%, as a result of a solid growth momentum across business areas. The guidance assumes:

a) The chronic care business excluding China is expected to grow largely in line with the Strive25 ambitions. The assumptions by region include:
   - Continued good momentum in Europe
   - US – sustained good momentum in Ostomy Care and improvement in growth in Continence Care
   - Emerging markets – broad-based double-digit growth excluding China
   - China – impact from COVID-19 in H1 2022/23 and expected improvement in growth in H2 2022/23, driven mainly by a lower baseline last year, as well as expected gradual improvement in inflow of new patients, following the improved hospital access towards the end of Q2. The average value per patient is expected to remain below pre-COVID levels, impacted by consumer sentiment

b) Wound and Skin Care is expected to deliver growth above the market in line with the Strive25 ambitions. China – impact from COVID-19 in H1 2022/23 and expected improvement in growth in H2 2022/23, mainly driven by a lower baseline in 2021/22, as well as improved hospital access and procedural volumes.

c) Interventional Urology is expected to deliver growth of around 10%.

d) Voice and Respiratory Care is expected to grow at 8-10%, with 8 months impact on organic growth

e) Revenue exposure to Russia and Ukraine is expected to be similar to 2021/22 i.e., around 1% of group revenues, with a negative growth contribution in FY 2022/23

f) No current knowledge of significant health care reforms; positive pricing impact is expected. The expectation of long-term price pressure of up to 1% annually is unchanged.

g) A stable supply and distribution of products across the company; impact from backorders on Collecting Devices in H1 2022/23 and impact from backorders in Wound Care in the first nine months of 2022/23

Reported growth in DKK is now expected to be 8-9%, from previously 9-10%. The guidance assumes negative impact of around 2%-points due to unfavourable development in mostly the USD and several emerging markets currencies against the DKK. Contribution from the Atos Medical acquisition to reported growth is around 3%-points (4 months impact).

EBIT margin
The reported EBIT margin before special items is now expected at 28-29%, from previously 28-30%, and assumes negative impact from currencies. The remaining assumptions are unchanged:

a) Leverage effect on fixed costs and continued efficiency improvements through Global Operations Plan 5
b) An increase in input costs, driven mostly by:
    - Raw materials – double-digit price increase
    - Energy – cost expected to be around double compared to 2021/22. Around 60% of the electricity consumption for H2 is hedged at around 400 EUR/MWh, and the remaining 40% will be paid at spot rates, currently below hedged level
    - Wages in Hungary – double-digit increase
c) Prudent management of operating costs, expected to grow below reported revenue in DKK (excluding acquired growth)
d) Incremental investments at the lower end of the Strive25 guidance (up to 2% of sales in incremental OPEX investments)
e) Full year impact of around DKK 230 million of amortisation related to the Atos Medical acquisition

Special items
Around DKK 50 million in special items expected in FY 2022/23, related to the integration of Atos Medical.

Capex
Capex is still expected to be around DKK 1.4 billion and includes investments in automation at volume sites in Hungary and China as part of GOP5, investments in new machines for existing and new products, IT and sustainability investments, as well as Atos Medical capex and integration capex.

Effective tax rate
The effective tax rate is still expected to be around 21%, positively impacted by the transfer of Atos Medical Intellectual Property.

Other assumptions
The provision made to cover costs relating to transvaginal surgical mesh products remains subject to a degree of estimation.

Dividend policy
The Board of Directors intends to distribute excess liquidity to the shareholders through dividends and share buybacks.
The target payout ratio is 60-80% of net profit.

Forward-looking statements

The forward-looking statements in this announcement, including revenue and earnings guidance, do not constitute a guarantee of future results and are subject to risk, uncertainty and assumptions, the consequences of which are difficult to predict.

The forward-looking statements are based on our current expectations, estimates and assumptions and are provided on the basis of information available to us at the present time.

Major fluctuations in the exchange rates of key currencies, significant changes in the healthcare sector or major developments in the global economy may impact our ability to achieve the defined long-term targets and meet our guidance. This may impact our company's financial results.

Exchange rate exposure

Our financial guidance for the 2022/23 financial year has been prepared on the basis of the following assumptions for the company's principal currencies:

OVERVIEW OF EXCHANGE RATES FOR KEY CURRENCIES AGAINST DKK

	GBP	USD	HUF
Average exchange rate 6M 2021/22	883	657	2.04
Average exchange rate 6M 2022/23	849	711	1.87
Change in average exchange rates for 2022/23 compared with the same period last year	**-4%**	**8%**	**-8%**
Average exchange rate 2021/22[1]	878	688	1.97
Spot rate on 9 May 2023	855	678	2.00
Estimated average exchange rate 2022/23[2]	852	695	1.94
Change in average exchange rates compared with average exchange rate 2021/22	**-3%**	**1%**	**-2%**

[1] Average exchange rates for 2021/22 are from 1 October 2021 to 30 September 2022.

[2] Estimated average exchange rates are calculated as the average exchange rates for the first six months combined with the spot rates at 9 May 2023.

Revenue is particularly exposed to developments in USD and GBP relative to DKK. Fluctuations in HUF against DKK impact the operating profit because a substantial part of our production, and thus of our costs, are in Hungary, whereas our sales there are moderate.

EFFECT OVER 12 MONTHS OF A 10% INITIAL DROP IN EXCHANGE RATES FOR KEY CURRENCIES (DKK MILLION), EXCLUDING ATOS MEDICAL

	Revenue	EBIT
USD	-490	-220
GBP	-320	-220
HUF	-	130

Statement by the Board of Directors and the Executive Management

The Board of Directors and the Executive Management have today considered and approved the interim report of Coloplast A/S for the period 1 October 2022 – 31 March 2023.

The interim report which has neither been audited nor reviewed by the company's auditors, is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim report gives a true and fair view of the Group's assets, liabilities and financial position at 31 March 2023 and of the results of the Group's operations and cash flows for the period 1 October 2022 – 31 March 2023.

Furthermore, in our opinion, the Management's report includes a fair account of the development and performance of the Group, the results for the period and of the financial position of the Group.
Other than set forth in the interim report, no changes have occurred to the significant risks and uncertainty factors compared with those disclosed in the annual report for 2021/22.

Humlebæk, 11 May 2023

Executive Management

Kristian Villumsen
President, CEO

Anders Lonning-Skovgaard
Executive Vice President, CFO

Nicolai Buhl Andersen
Executive Vice President

Paul Marcun
Executive Vice President

Allan Rasmussen
Executive Vice President

Board of Directors

Lars Rasmussen
Chairman

Niels Peter Louis-Hansen
Deputy Chairman

Carsten Hellmann

Annette Brüls

Jette Nygaard-Andersen

Marianne Wiinholt

Thomas Barfod
Elected by the employees

Roland V. Pedersen
Elected by the employees

Nikolaj Kyhe Gundersen
Elected by the employees

Statement of comprehensive income

1 October – 31 March, unaudited

Consolidated DKK million	Note	2022/23 6 mths	2021/22 6 mths	Index	2022/23 Q2	2021/22 Q2	Index
Revenue	2	12,166	10,671	114	6,061	5,502	110
Production costs		-3,993	-3,360	119	-2,034	-1,721	118
Gross profit		**8,173**	**7,311**	**112**	**4,027**	**3,781**	**107**
Distribution costs		-3,747	-3,112	120	-1,882	-1,620	116
Administrative expenses		-574	-459	125	-277	-264	105
Research and development costs		-425	-427	100	-209	-222	94
Other operating income		26	29	90	17	15	113
Other operating expenses		-8	-7	114	-5	-4	125
Operating profit (EBIT) before special items		**3,445**	**3,335**	**103**	**1,671**	**1,686**	**99**
Special items	3	-33	-415	-	-20	-381	-
Operating profit (EBIT)		**3,412**	**2,920**	**117**	**1,651**	**1,305**	**127**
Financial income	4	73	69	106	42	50	84
Financial expenses	4	-597	-145	>200	-232	-68	>200
Profit before tax		**2,888**	**2,844**	**102**	**1,461**	**1,287**	**114**
Tax on profit for the period		-606	-657	92	-306	-307	100
Net profit for the period		**2,282**	**2,187**	**104**	**1,155**	**980**	**118**
Remeasurements of defined benefit plans		5	46		7	19	
Tax on remeasurements of defined benefit plans		-2	-10		-2	-4	
Items that will not be reclassified to the income statement		**3**	**36**		**5**	**15**	
Value adjustment of currency hedging		157	-97		34	-3	
Transferred to financial items		31	75		-6	38	
Tax effect of hedging		-38	5		-8	-8	
Currency adjustment of opening balances and other value adjustments relating to subsidiaries		-542	289		-69	261	
Items that may be reclassified to income statement		**-392**	**272**		**-49**	**288**	
Total other comprehensive income		**-389**	**308**		**-44**	**303**	
Total comprehensive income		**1,893**	**2,495**		**1,111**	**1,283**	
DKK							
Earnings per share (EPS)		10.75	10.28		5.44	4.61	
Earnings per share (EPS), diluted		10.75	10.26		5.44	4.60	

Statement of cash flows

1 October – 31 March, unaudited

Consolidated **DKK million**	**Note**	**2022/23** **6 mths**	**2021/22** **6 mths**
Operating profit		3,412	2,920
Amortisation		167	87
Depreciation		362	324
Adjustment for other non-cash operating items	7	-81	172
Changes in working capital	7	-1,289	-1,086
Ingoing interest payments, etc.		12	3
Outgoing interest payments, etc.		-155	-55
Income tax paid		-1,252	-984
Cash flows from operating activities		**1,176**	**1,381**
Investments in intangible assets		-134	-61
Investments in land and buildings		-5	-6
Investments in plant and machinery and other fixtures and fittings, tools and equipment		-30	-11
Investments in property, plant and equipment under construction		-397	-392
Property, plant and equipment sold		2	7
Investment in other investments		-17	-
Acquisition of subsidiaries		-	-10,633
Net sales/purchase of marketable securities		200	-
Cash flows from investing activities		**-381**	**-11,096**
Free cash flow		**795**	**-9,715**
Dividend to shareholders		-3,185	-2,979
Acquisition of treasury shares		-	-373
Sale of treasury shares and loss on exercised options		7	-62
Financing from shareholders		**-3,178**	**-3,414**
Repayment of lease liabilities		-119	-107
Financing through issuing long-term bonds		-	16,373
Drawdown on credit facilities		2,748	-3,081
Cash flows from financing activities		**-549**	**9,771**
Net cash flows		**246**	**56**
Cash and cash equivalents at 1 October		**414**	**448**
Value adjustment of cash and bank balances		-32	15
Cash and cash equivalents, acquired operations		-	-2
Net cash flows		246	56
Cash and cash equivalents at 31 March	8	**628**	**517**

The cash flow statement cannot be derived using only the published financial data.

Assets

At 31 March, unaudited

Consolidated

DKK million	**Note**	**31.03.23**	**31.03.22**	**30.09.22**
Intangible assets		19,603	21,199	20,277
Property, plant and equipment		4,788	4,220	4,474
Right-of-use assets		829	664	677
Other equity investments		68	41	51
Deferred tax asset		656	849	674
Other receivables		35	28	31
Non-current assets		**25,979**	**27,001**	**26,184**
Inventories		3,512	2,870	3,187
Trade receivables		3,988	3,648	3,940
Income tax		390	352	336
Other receivables		394	321	383
Prepayments		395	241	293
Marketable securities		16	220	219
Cash and cash equivalents		628	517	414
Current assets		**9,323**	**8,169**	**8,772**
Assets		**35,302**	**35,170**	**34,956**

Equity and liabilities

At 31 March, unaudited

Consolidated

DKK million	Note	31.03.23	31.03.22	30.09.22
Share capital		216	216	216
Currency translation reserve		-1,381	-129	-910
Reserve for currency hedging		565	-58	415
Proposed ordinary dividend for the year		1,062	1,062	3,185
Retained earnings		6,572	6,182	5,386
Equity		**7,034**	**7,273**	**8,292**
Provisions for pensions and similar liabilities		111	141	115
Provision for deferred tax		1,473	2,263	2,077
Other provisions	5	198	179	258
Bonds	6	16,387	-	16,359
Other payables		3	-	16
Lease liability		655	483	496
Prepayments		8	20	7
Non-current liabilities		**18,835**	**3,086**	**19,328**
Provisions for pensions and similar liabilities		5	5	6
Other provisions	5	236	676	347
Other credit institutions		4,392	20,392	1,644
Trade payables		1,136	755	1,242
Income tax		1,354	727	1,342
Other payables		2,095	2,043	2,544
Lease liability		214	209	209
Prepayments		1	4	2
Current liabilities		**9,433**	**24,811**	**7,336**
Equity and liabilities		**35,302**	**35,170**	**34,956**

Statement of changes in equity, current year

At 31 March, unaudited

Consolidated	Share capital		Reserves				
DKK million	**A shares**	**B shares**	**Currency translation**	**Currency hedging**	**Proposed dividend**	**Retained earnings**	**Total**
2022/23							
Equity at 1 October	**18**	**198**	**-910**	**415**	**3,185**	**5,386**	**8,292**
Net profit for the period	-	-	-	-	1,062	1,220	**2,282**
Other comprehensive income	-	-	-471	150	-	-68	**-389**
Total comprehensive income	**-**	**-**	**-471**	**150**	**1,062**	**1,152**	**1,893**
Sale of treasury shares and loss on exercised options	-	-	-	-	-	7	**7**
Share-based payment	-	-	-	-	-	27	**27**
Dividend paid out in respect of 2021/22	-	-	-	-	-3,185	-	**-3,185**
Transactions with shareholders	**-**	**-**	**-**	**-**	**-3,185**	**34**	**-3,151**
Equity at 31 March	**18**	**198**	**-1,381**	**565**	**1,062**	**6,572**	**7,034**

Statement of changes in equity, last year

At 31 March, unaudited

Consolidated	Share capital		Reserves				
DKK million	A shares	B shares	Currency translation	Currency hedging	Proposed dividend	Retained earnings	Total
2021/22							
Equity at 1 October	**18**	**198**	**-392**	**-41**	**2,979**	**5,406**	**8,168**
Net profit for the period	-	-	-	-	1,062	1,125	**2,187**
Other comprehensive income	-	-	263	-17	-	62	**308**
Total comprehensive income	**-**	**-**	**263**	**-17**	**1,062**	**1,187**	**2,495**
Acquisition of treasury shares	-	-	-	-	-	-373	**-373**
Sale of treasury shares	-	-	-	-	-	-62	**-62**
Share-based payment	-	-	-	-	-	24	**24**
Dividend paid out in respect of 2020/21	-	-	-	-	-2,979	-	**-2,979**
Transactions with shareholders	**-**	**-**	**-**	**-**	**-2,979**	**-411**	**-3,390**
Equity at 31 March	**18**	**198**	**-129**	**-58**	**1,062**	**6,182**	**7,273**

List of notes

Note 1
Accounting policies

The unaudited consolidated financial statements and interim report is presented in accordance with IAS 34 “Interim financial reporting” as adopted by the EU and additional Danish disclosure requirements for listed companies. The accounting policies for recognition and measurement applied in the preparation of the interim report are consistent with those applied in the Annual Report 2021/22 except for new standards, amendments and interpretations that are effective from 2022/23 financial year.

Note 2
Segment information

Operating segments
The operating segments are defined on the basis of the monthly reporting to the Executive Leadership Team, which is considered the senior operational management, and the management structure. Reporting to the Executive Leadership Team is based on four operating segments: Chronic Care, Voice and Respiratory Care., Wound and Skin Care and Interventional Urology.

The operating segment Chronic Care covers the sale of ostomy care products and continence care products. Voice and Respiratory Care covers the sale of laryngectomy care products and tracheostomy products, as well as R&D activities. The operating segment Wound and Skin Care covers the sale of wound and skin care products. The operating segment Interventional Urology covers the sale of urological products, including disposable products, as well as R&D activities.

The reporting segments are also Chronic Care, Voice and Respiratory Care, Wound and Skin Care and Interventional Urology. The segmentation reflects the structure of reporting to the Executive Leadership Team.

The shared/non-allocated comprises support functions (production units and staff functions) and eliminations, as these functions do not generate revenue. While costs of R&D activities for Interventional Urology and Voice and Respiratory Care are included in the segment operating profit/loss for that segment, R&D activities for Chronic Care and Wound and Skin Care are shared functions which are comprised in shared/non-allocated. The shared/non-allocated costs also include PPA amortisation expenditures related to Voice and Respiratory Care.

Financial items and income tax are not allocated to the operating segments.

The Executive Leadership Team reviews each operating segment separately, applying their market contributions to earnings and allocating resources on that basis. The market contribution is defined as external revenue less the sum of direct production costs, distribution costs, sales costs, marketing costs and administrative expenses. Costs are allocated directly to segments. Certain immaterial indirect costs are allocated systematically to the shared/non-allocated and the reporting segments.

The Executive Leadership Team does not receive reporting on assets and liabilities by the reporting segments. Accordingly, the reporting segments are not measured in this respect, nor do we allocate resources on this background. No single customer accounts for more than 10% of revenue.

Note 2, continued

Consolidated	Chronic Care		Interventional Urology		Wound and Skin Care		Voice and Respiratory Care		Group	
DKK million	**2022/23**	**2021/22**	**2022/23**	**2021/22**	**2022/23**	**2021/22**	**2022/23**	**2021/22**	**2022/23**	**2021/22**
Segment revenue:										
Ostomy Care	4,478	4,207	-	-	-	-		-	4,478	4,207
Continence Care	3,951	3,721	-	-	-	-		-	3,951	3,721
Interventional Urology	-	-	1,353	1,139	-	-		-	1,353	1,139
Wound and Skin Care	-	-	-	-	1,425	1,306		-	1,425	1,306
Voice and Respiratory Care	-	-	-	-	-	-	959	298	959	298
External revenue as per the statement of comprehensive income	**8,429**	**7,928**	**1,353**	**1,139**	**1,425**	**1,306**	**959**	**298**	**12,166**	**10,671**
Costs allocated to segment	-3,598	-3,239	-874	-740	-885	-767	-641	-206	-5,998	-4,952
Segment operating profit/loss	**4,831**	**4,689**	**479**	**399**	**540**	**539**	**318**	**92**	**6,168**	**5,719**
Shared/non-allocated									-2,723	-2,384
Special items not included in segment operating profit/loss (see note 3)									-33	-415
Operating profit before tax (EBIT) as per the statement of comprehensive income									**3,412**	**2,920**
Net financials									-524	-76
Tax on profit/loss for the year									-606	-657
Profit/loss for the year as per the statement of comprehensive income									**2,282**	**2,187**

1) Only eight months recognised in 2021/22.

Note 3
Special items

DKK million	2022/23	2021/22
Provisions for litigation about transvaginal surgical mesh products	0	300
Expenses related to business combinations	33	115
Total	**33**	**415**

Special items in 2021/21 contains expenses to cover further costs to resolve the remaining claims in connection with legal assistance related to litigation about transvaginal surgical mesh products as the process takes longer than previously anticipated. See note 5 to the financial statements for more information about the mesh litigation.

Special items also contains expenses and integration costs related to business combinations.

Note 4
Financial income and expenses

DKK million	2022/23	2021/22
Financial income		
Interest income	10	3
Interest hedges	37	-
Net exchange adjustments	-	57
Hyperinflationary adjustment of monetary position	24	8
Other financial income	2	1
Total	**73**	**69**
Financial expenses		
Interest expenses	64	19
Interest expenses, lease liabilities	12	7
Interest expenses, bonds	205	-
Fair value adjustments of forward contracts transferred from other comprehensive income	31	75
Fair value adjustments of cash-based share options	2	2
Net exchange adjustments	227	-
Other financial expenses and fees	56	42
Total	**597**	**145**

Note 5
Other provisions

Product liability case regarding transvaginal surgical mesh products
Since 2011, Coloplast, along with a number of other major manufacturers, has been named as a defendant in individual lawsuits in various federal and state courts around the United States alleging injury resulting from use of transvaginal surgical mesh products designed to treat pelvic organ prolapse and stress urinary incontinence. A multidistrict litigation (MDL) was formed in 2012 in the Southern District of West Virginia to consolidate federal court cases in which Coloplast is the first named defendant.

Since the first lawsuits were filed, Coloplast has been intent on disputing the current and any future litigation and has continually considered which strategy and other steps may serve the company's best interests.

Against this background, Coloplast has from the start reached settlements with groups of law firms. In 2017, Judge Joseph Goodwin issued a court order stating that plaintiffs may no longer direct claims against Coloplast in the ongoing MDL. In 2019, the remaining cases were remanded to the relevant Courts, and on 18 December 2020 the MDL was formally closed. It is estimated that around 99% of the former MDL cases have been settled to date.

The total amount recognised since the 2013/14 financial year for expected costs of litigation in the USA amounts to DKK 6.15 billion including legal costs (before insurance cover of DKK 0.5 billion).

The total expected expense is based on a number of estimates and assumptions and is therefore subject to uncertainty.

The remaining provision made for legal claims amounted to DKK 0.04 billion at 31 March 2023 (DKK 0.2 billion at 30 September 2022) plus DKK 0.1 billion recognised under other debt (DKK 0.3 billion at 30 September 2022). Liabilities are classified as other debt when agreements are reached with the plaintiffs' legal counsel and amounts and timing become known.

With reference to the prejudicial exemption in IAS 37, Coloplast will not disclose any further information about the assumptions for the provision, including any details about current and the expected number of lawsuits and settled claims.

The disclosure of such information is believed to be detrimental to Coloplast in connection with the ongoing confidential negotiations and could inflict financial losses on Coloplast and its shareholders.

Note 6
Bonds

Bonds
Coloplast has in 2021/22 raised EUR 2.2 billion in debt financing through the issuance of senior unsecured notes in an aggregate principal amount of EUR 2.2 billion under the Coloplast Euro Medium Term Note programme. The Notes are unconditionally and irrevocably guaranteed by Coloplast. COLOCB1 Floating Rate Note carries a coupon adjusted quarterly. COLOCB2 carries a fixed coupon for five years, and COLOCB3 carries a fixed coupon for eight years.

COLOCB2 and COLOCB3 can be redeemed at a market price fixed on the redemption date in relation to named EUR bonds with similar maturity.

A pre-hedge was made with Interest swaps on COLOCB2 and COLOCB3 with mandatory breakage on the day the bonds are issued to limit the financial risks. The gain of DKK 521 million has as per hedge accounting been set off in the equity and transferred to the financial items during the lifetime of the bonds.

Short name	Currency	Amount, million	Expiry date	Coupon[1)]
COLOCB1	EUR	650	19-05-2024	3.45
COLOCB2	EUR	850	19-05-2027	2.25
COLOCB3	EUR	700	19-05-2030	2.75

[1)] Fixed for COLOCB1 as per 16-02-2023. The coupon rate is set as 3M Euribor + 0.75%.

Note 7
Specifications of cash flow from operating activities

DKK million	2022/23	2021/22
Net gain/loss on divestment of non-current assets	-1	3
Change in other provisions	-107	144
Other non-cash operating items	27	25
Adjustment for other non-cash operating items	**-81**	**172**
Inventories	-445	-241
Trade receivables	-232	-128
Other receivables, including amounts held in escrow	-95	-177
Trade and other payables etc.	-517	-540
Changes in working capital	**-1,289**	**-1,086**

Note 8
Cash and cash equivalents

DKK million	2023	2022
Bank deposits, short term	628	517
Cash and cash equivalents at 31 March	**628**	**517**

Note 9
Contingent liabilities

Other than as set out in note 5, the Coloplast Group is a party to a few minor legal proceedings, which are not expected to influence the Group's future earnings.

Income statement, quarterly

Unaudited

Consolidated			2021/22			
DKK million	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Revenue	6,061	6,105	6,059	5,849	5,502	5,169
Production costs	-2,034	-1,959	-1,889	-1,801	-1,721	-1,639
Gross profit	**4,027**	**4,146**	**4,170**	**4,048**	**3,781**	**3,530**
Distribution costs	-1,882	-1,865	-1,872	-1,813	-1,620	-1,492
Administrative expenses	-277	-297	-276	-270	-264	-195
Research and development costs	-209	-216	-217	-222	-222	-205
Other operating income	17	9	15	30	15	14
Other operating expenses	-5	-3	-6	-12	-4	-3
Operating profit (EBIT) before special items	**1,671**	**1,774**	**1,814**	**1,761**	**1,686**	**1,649**
Special items	-20	-13	-36	-20	-381	-34
Operating profit (EBIT)	**1,651**	**1,761**	**1,778**	**1,741**	**1,305**	**1,615**
Financial income	42	31	-29	79	50	19
Financial expenses	-232	-365	-137	-149	-68	-77
Profit before tax	**1,461**	**1,427**	**1,612**	**1,671**	**1,287**	**1,557**
Tax on profit for the period	-306	-300	-382	-382	-307	-350
Net profit for the period	**1,155**	**1,127**	**1,230**	**1,289**	**980**	**1,207**

DKK						
Earnings per share (EPS) before special items	5.51	5.36	5.92	6.14	6.00	5.80
Earnings per share (EPS)	5.44	5.31	5.79	6.07	4.61	5.67
Earnings per share (EPS) before special items, diluted	5.51	5.35	5.92	6.13	5.99	5.78
Earnings per share (EPS), diluted	5.44	5.31	5.79	6.06	4.60	5.66

Ostomy Care
Continence Care
Wound & Skin Care
Interventional Urology
Voice & Respiratory Care

Our mission
Making life easier for people
with intimate health care needs

Our values
Closeness... to better understand
Passion... to make a difference
Respect and responsibility... to guide us

Our vision
Setting the global standard
for listening and responding

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This announcement is available in a Danish and an English-language version. In the event of discrepancies, the English version shall prevail.

Coloplast develops products and services that make life easier for people with very personal and private medical conditions. Working closely with the people who use our products, we create solutions that are sensitive to their special needs. We call this intimate health care. Our business includes Ostomy Care, Continence Care, Wound and Skin Care, Interventional Urology and Voice and Respiratory Care. We operate globally and employ more than 14,700 employees.