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**Coloplast delivers a strong full-year result and the company concludes that the Interventional Urology business remains core to its future value creation**

**Coloplast delivered 8% organic revenue growth in the 2018/19 financial year and a 9% increase in EBIT corresponding to an EBIT margin of 31% before special items. The unconditional strategic review of Interventional Urology has concluded that the business remains core to the Coloplast mission and future value creation.**

In the fourth quarter of the 2018/19 financial year, Coloplast delivered 8% organic revenue growth with reported revenue in DKK up by 9% to DKK 4,618m. This marks the company's tenth consecutive quarter delivering 8% organic growth. Full-year organic revenue growth was also 8% with reported revenue in DKK up by 9% to DKK 17,939m. Full-year ROIC after tax and before special items was 48% against 44% last year.

- "We are delivering a strong set of results with 8% organic growth and a 31% EBIT margin before special items. Expressed differently, we have helped make life easier for millions of people with intimate healthcare needs. We continue to take market share across all regions and across all business areas, and we continue to invest to drive both short-term growth as well as to build an even stronger and more competitive company for the medium and long term," says Coloplast CEO Kristian Villumsen.

The business areas reported the following full-year organic growth rates: Ostomy Care 7%, Continence Care 8%, Interventional Urology 10% and Wound & Skin Care 8%.

Looking at sales by geographies, the European markets contributed 6% growth to full-year sales, Other developed markets, driven mainly by the USA, delivered 11% revenue growth, while Emerging Markets provided a 12% increase.

Full-year EBIT before special items amounted to DKK 5,556m, a 9% increase in DKK, corresponding to an EBIT-margin of 31%, which is in line with the company guidance and on par with 2017/18.

EBIT was impacted by a further provision of DKK 400m to cover potential settlements and costs in connection with the existing lawsuits in the United States alleging injury resulting from the use of transvaginal surgical mesh products. The additional provision is made because the remaining lawsuits are taking longer to resolve than initially expected, hence incurring higher costs. The company has not seen an increase in the inflow of new lawsuits.

**Interventional Urology remains core to the Coloplast mission and future value creation**

An unconditional strategic review has concluded that Interventional Urology remains core to the Coloplast mission and future value creation. Coloplast is fully committed to further developing the business and providing the investment and focus required.

- "After completing a thorough review, we have firmly concluded that the Interventional Urology business is core to our mission, and that retaining the business is the right decision to deliver continued shareholder value creation. Fundamentally, we observe large, fast-growing markets and real unmet clinical needs representing long-term growth opportunities," says Kristian Villumsen and continues:

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 healthcare. Our business includes Ostomy Care, Continence Care, Wound and Skin Care and Interventional Urology. We operate globally and employ about 12,000 employees.

- Today, the business delivers strong growth and profitability, which is a good outset from which to invest and develop the business further, to derive even greater long-term value."

### Financial guidance 2019/20

In line with its long-term guidance Coloplast is guiding for 7-8% organic revenue growth and a reported growth in DKK of 7-8% in 2019/20.

The guidance includes the effects of a comprehensive healthcare reform in France, representing an average reduction in prices for Ostomy Care and Contenance Care of ~9% as of 1 July 2019, and Wound Care of ~2% as of 1 June 2019. Coloplast has successfully mitigated half of the impact.

Coloplast expects an EBIT margin of ~31% at constant exchange rates with a reported EBIT margin of ~31% in DKK. The EBIT margin forecast reflects additional incremental investments of up to 2% of revenue for innovation, sales, and marketing purposes.

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### Financial highlights and key ratios

DKKm	2018/19	2017/18	Change		2018/19 Q4	2017/18 Q4	Change
Revenue	17,939	16,449	9%		4,618	4,234	9%
EBIT before special items	5,556	5,091	9%		1,479	1,415	5%
EBIT margin before special items	31%	31%			32%	33%	
Special items*	-400	0	nm		-400	0	nm
EBIT after special items	29%	31%			23%	33%	
Profit for the period	3,873	3,845	1%		793	1,039	-24%

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\*DKK 400m as further provision to cover potential settlements and costs in connection with the existing lawsuits in the US alleging injury resulting from the use of transvaginal surgical mesh products.

#### Sales performance by business area

DKKm	2018/19	2017/18	Organic growth	Reported growth
Ostomy Care	7,166	6,643	7%	8%
Contenance Care	6,459	5,926	8%	9%
Interventional Urology	1,970	1,740	10%	13%
Wound & Skin Care	2,344	2,140	8%	10%
<b>Revenue</b>	<b>17,939</b>	<b>16,449</b>	<b>8%</b>	<b>9%</b>

(DKKm)	2018/19 Q4	2017/18 Q4	Organic growth	Reported growth
Ostomy Care	1,849	1,700	7%	9%
Contenance Care	1,649	1,520	7%	9%
Interventional Urology	493	432	11%	14%
Wound & Skin Care	627	582	6%	8%
<b>Revenue</b>	<b>4,618</b>	<b>4,234</b>	<b>8%</b>	<b>9%</b>

#### Financial guidance for 2019/20

	Guidance for 2019/20	Guidance for 2019/20 (DKK)
<b>Sales growth</b>	7-8% (organic)	7-8%
<b>EBIT margin</b>	~31% (at constant exchange rates)	~31%
<b>Capital expenditure</b>	-	~850m
<b>Tax rate</b>	-	~23%

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