

> **PRESS RELEASE / 5 May 2022**

Coloplast delivers a solid Q2 with 7% organic growth and a 31% EBIT margin and revises full year organic growth guidance to 6-7% from around 7% while maintaining reported growth guidance of around 15% and reported EBIT margin guidance of around 31% before special items

Reported revenue in DKK was up by 16% in Q2. EBIT before special items was DKK 1,686 million, a 7% increase from last year, corresponding to an EBIT margin before special items of 31% against 33% last year.

In Q2, Coloplast delivered 7% organic growth in Ostomy Care, 7% in Continence Care, 9% in Interventional Urology, and 6% in Wound & Skin Care. The acquisition of Atos Medical (Voice & Respiratory Care) delivered high-single digit underlying growth as expected.

- "I would like to highlight the solid performance in our Chronic Care business in Europe and Emerging markets excluding China. In our US Continence Care business, we are starting to see a rebound, as growth in new patients normalised towards the end of the quarter. Our Interventional Urology business delivered strong, broad-based growth, led by the US and Men's Health. Finally, the acquisition of Atos Medical was closed this quarter and the integration is on track. Together with our 1200 new colleagues in Atos Medical and Tracoe, I look forward to the growth journey ahead of us and to helping make life easier for people living with a neck stoma," says Kristian Villumsen, President & CEO of Coloplast.

Looking at organic growth rates by geography in Q2, the European markets reported 5% growth, Other developed markets grew 4%, while Emerging Markets contributed with 16% growth.

- "Since March, we have seen a significant acceleration in COVID-19 cases in China leading to lockdowns in several regions. Our focus is to keep our people safe while continuing to serve our customers, but the lockdowns have resulted in reduced access to hospitals and a decline in procedural volumes and sales in hospitals within Ostomy Care and Wound Care," says Kristian Villumsen.

Consequently, Coloplast is revising the organic growth outlook for 2021/22 to 6-7% from around 7%.

Solid progress on the Clinical Performance Programme and a new catheter launch

Coloplast is progressing with its Clinical Performance Programme and the launch of their new ostomy care and catheter platforms. The pivotal study for the ostomy care platform, which was initiated to test the new skin protecting technology, was concluded this quarter, and the targeted end points were met. The platform is expected to launch in the second half of the Strive25 strategy period. The clinical study on the new catheter platform is also moving ahead according to plan and is expected to launch in 2022/23.

On April 1, Coloplast launched a new product within Continence Care, SpeediCath® Flex Set, thereby expanding the flexible catheter portfolio with a set solution. The new product range will be launched in key markets during 2022 and 2023.

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 & Skin Care, Interventional Urology and Voice & Respiratory Care. We operate globally and employ about 14,000 people.

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. Coloplast is present in Russia with a sales subsidiary of around 70 employees. In Ukraine, we have a representative office with 7 employees and we primarily sell products through two Ukrainian distributors.

2021/22 organic growth guidance revised, EBIT margin before special items guidance unchanged

The organic revenue growth guidance is now expected at 6-7% at constant currencies from previously around 7% as a result of the impact of the spread of COVID-19 in China and the weaker outlook for the Chinese Ostomy Care and Wound Care businesses.

The reported growth in DKK incl. 8-month revenue impact from Atos Medical is unchanged at around 15%. The reported EBIT margin before special items is unchanged at around 31%. The reported EBIT margin after special items is now expected to be around 28-29% from previously around 30%.

EBIT is impacted by special items of around DKK 450 million, of which DKK 300 million is a further provision for costs related to the existing lawsuits in the US alleging injury resulting from the use of transvaginal surgical mesh products. The increased provision is driven by further legal advisory costs as the process to settle outstanding cases is taking longer than previously anticipated. Coloplast has now settled around 99% of the multidistrict litigation (MDL) cases from previously around 98%. The remaining DKK 150 million is related to the Atos Medical acquisition.

CAPEX is unchanged around DKK 1.3bn and effective tax rate unchanged around 23%

The company's long-term financial guidance is unchanged.

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Financial highlights and key ratios

DKKm	2021/22 – Q2	2020/21 – Q2	Change
Revenue	5,502	4,753	16%
EBIT before special items	1,686	1,577	7%
EBIT margin before special items	31%	33%	-2%-pts
Special items*	-381	-200	N/A
EBIT after special items	1,305	1,377	-5%
EBIT margin after special items	24%	29%	-5%-pts
Net profit	980	1,130	-13%

*Special items expenses in Q2 amounted to DKK 381 million, of which DKK 300 million in further provision to cover potential settlements and costs in connection with lawsuits in the US alleging injury resulting from the use of transvaginal surgical mesh products designed to treat pelvic organ prolapse and stress urinary incontinence as explained above. The remaining DKK 81 million were related to one-off legal and advisory fees as well as integration costs in connection to the acquisition of Atos Medical.

Sales performance by business area

DKKm	2021/22 – Q2	2020/21 – Q2	Organic growth	Reported growth
Ostomy Care	2,109	1,936	7%	9%
Contenance Care	1,877	1,719	7%	9%
Interventional Urology	560	495	9%	13%
Wound & Skin Care	658	603	6%	9%
Voice & Respiratory Care	298	-	N/A	N/A
Net revenue	5,502	4,753	7%	16%

Sales performance by region

DKKm	2021/22 – Q2	2020/21 – Q2	Organic growth	Reported growth
European markets	3,180	2,768	5%	15%
Other developed markets	1,325	1,143	4%	16%
Emerging markets	997	842	16%	18%
Net revenue	5,502	4,753	7%	16%

Financial highlights for the first 6 months of 2021/2022

DKKm	2021/22 – 6mths	2020/21 – 6mths	Change
Revenue	10,671	9,491	12%
EBIT before special items	3,335	3,113	7%
EBIT margin before special items	31%	33%	-2%-pts

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Special items*	-415	-200	N/A
EBIT after special items	2,920	2,913	0%
EBIT margin after special items	27%	31%	-4%-pts
Net profit	2,187	2,266	-3%

*Special items expenses in H1 amounted to DKK 415 million, of which DKK 300 million in further provision to cover potential settlements and costs in connection with lawsuits in the US alleging injury resulting from the use of transvaginal surgical mesh products designed to treat pelvic organ prolapse and stress urinary incontinence as explained above. The remaining DKK 115 million were related to one-off legal and advisory fees as well as integration costs in connection to the acquisition of Atos Medical.

Financial guidance for 2021/22

Financial guidance	Guidance for 2021/22	Guidance for 2021/22 (DKK)
Sales growth	6-7% (organic) from previously around 7%	Around 15%
EBIT margin before special items	-	Around 31%
EBIT margin after special items	-	28-29% from previously around 30%
Capital expenditure	-	1.3 billion
Tax rate	-	Around 23%

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