

> **Press release / 8 August 2018**

Coloplast delivers 8% growth, and upgrades full-year growth guidance

Coloplast delivered 8% organic revenue growth and an EBIT margin of 31% at constant exchange rates in the third quarter of the 2017/18 financial year. This is the fifth quarter running of 8% revenue growth, and for FY 2017/18, the company now guides for ~8% organic revenue growth, up from previously 7-8%.

Coloplast delivered 8% organic revenue growth in the third quarter of its financial year, and reported revenue in DKK was also up by 8% to DKK 4,225 million. For the 9M 2017/18 reporting period, organic revenue growth was also 8%, while reported revenue in DKK was up by 6% to DKK 12,215 million.

“The organic revenue growth is twice the market growth rate for the fifth quarter running. Solid growth continues across our business areas, driven in part by our product launches and commercial investments. The patent expiry of SpeediCath® at the end of the previous financial year has turned out to have only limited impact. This allows us to raise our full-year guidance once more, which I’m obviously quite pleased with,” said Coloplast CEO Lars Rasmussen.

Organic growth rates by business area for the 9M 2017/18 reporting period: Ostomy Care 9%, Continence Care 9%, Urology Care 10% and Wound & Skin Care 3%. The Wound Care business alone generated 12% organic growth in the third quarter.

“Our Wound Care business delivered very impressive growth in the third quarter, driven by China and stronger momentum in Europe. We’re seeing double-digit growth in our US Ostomy Care and Continence Care businesses, and our new product portfolio in Ostomy Care, the SenSura® Mio Concave, has been very well received. It is now available and eligible for reimbursement in nine countries. 2017/18 is a year of investing for Coloplast, and we’re now beginning to see the results of our investments,” said Mr Rasmussen.

Looking at sales by geographies, the European markets contributed 5% growth to 9M sales, Other developed markets, driven especially by the USA, delivered 12% revenue growth, while Emerging Markets provided a 14% increase.

EBIT for the 9M period was up by 3% at constant exchange rates and adjusted for the DKK90m one-off revenue adjustment relating to Veterans Affairs, equal to an EBIT margin of 31% against 32% last year. The EBIT performance is in line with the company’s guidance and reflects an increase in sales and marketing investments across all product areas.

Financial guidance 2017/18

Coloplast now guides for ~8% organic revenue growth, up from previously 7-8%, at constant exchange rates. The upgrade is mainly due to the fact that the patent expiry of SpeediCath® standard catheters continues to have a limited effect. The guidance continues to include the effects of a comprehensive healthcare reform in Greece of DKK 100 million, which is expected to impact all business areas.

Coloplast continues to expect an EBIT margin of 31%-32% at constant exchange rates and a reported EBIT margin of ~31% in DKK.

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 urology care. We operate globally and employ around 11,000 employees.

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Financial highlights and key ratios (DKKm)	2017/18 9M	2016/17 9M	Change
Revenue	12,215	11,548	6 %
EBIT	3,676	3,705	-1 %
EBIT margin (at constant exchange rates and adjusted for VA)	31%	32%	
EBIT margin (in DKK)	30%	32%	
Profit for the period	2,806	2,787	1%

Sales performance by business area DKKm	2017/18 9M	2016/17 9M	Organic growth	Reported growth
Ostomy Care	4,943	4,694	9%	5%
Continence Care	4,406	4,119	9%	7%
Urology Care	1,308	1,251	10%	5%
Wound & Skin Care	1,558	1,574	3%	-1%
Other matters		-90		1%
Revenue	12,215	11,548	8%	6%

Financial guidance	Guidance for 2017/18	Guidance for 2017/18 (DKK)
Sales growth	~8% (organic)	~6%
EBIT margin	31-32% (at constant exchange rates)	~31%
Capital expenditure	-	~700
Tax rate	-	~23%

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