

> **PRESS RELEASE / 6 MAY 2021**

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**Coloplast delivers 2% organic growth in Q2 as well as an EBIT margin of 33% and raises full-year underlying EBIT margin guidance from 31-32% to 32-33%**

**Organic growth in Q2 was adversely impacted by the COVID-19 pandemic as well as DKK 150 million in stock building in primarily Europe in Q2 last year. EBIT increased by 2% to 1,577m corresponding to an EBIT margin of 33% before special items. The company maintains full-year organic growth guidance at 7-8% and raises expectations for the EBIT margin from 31-32% to 32-33% before special items.**

The company reported 2% organic growth in Q2. Reported revenue in DKK was down by 1% to DKK 4,753 million, impacted by the depreciation of the USD and a number of Emerging markets currencies against DKK. The EBIT margin was 33% before special items against 32% last year, which reflects continued strong cost control during the COVID-19 pandemic as well as sustained investments in growth opportunities and innovation. EBIT was impacted by a further DKK 200m provision for costs related to the existing lawsuits in the US alleging injury resulting from the use of transvaginal surgical mesh products.

In the first six months of the financial year, organic growth was 4% and the EBIT margin was 33% before special items.

- "COVID-19 continues to impact our business, but we are encouraged by the vaccination roll-out and remain committed to our priorities: We want to keep our employees safe, while continuing to serve our customers, who rely on our products and services to manage their conditions. I am proud of our teams. They have managed the pandemic with determination and discipline, says CEO Kristian Villumsen and continues.
- "I would like to highlight our solid Q2 performance in Emerging Markets, led by China, and our strong momentum in Wound Care, driven by Europe and China as well as our newly launched Biatain® Fiber portfolio. Our Interventional Urology business delivered another quarter of growth driven by the Men's Health portfolio in the US, which continues to lead the recovery as elective procedures resume."
- "As expected, our Chronic Care business was negatively impacted by COVID-19 in Q2, due to lower growth in new patients in Europe and a tough comparison period in Q2 of last year, where we saw significant stock building in Europe in the early days of the pandemic. As we head into the second half of this financial year, we expect that growth will pick up, as elective procedures and hospital activity resume in line with the vaccine roll-out."

Organic growth rates by business area in Q2 were 4% in Ostomy Care, 0% in Continence Care, 3% in Interventional Urology, and 1% in Wound & Skin Care. Wound Care in isolation delivered 9% organic growth driven by Europe and China. The recently launched Biatain® Fiber portfolio continued to contribute to growth, especially in Germany and France.

Looking at organic growth rates by geography in Q2, the European markets reported -2% growth, Other developed markets contributed with 5% growth, while Emerging markets grew 14%.

### GPO contract win in the US

In March 2021, Coloplast was awarded a contract for ostomy products with Vizient Inc., the largest healthcare performance improvement company in the US. The contract is effective as of July 1, 2021 and building on the company's Premier GPO contract win in 2020, Coloplast will now invest in a sales force expansion to support the increased access to hospitals across the US.

### Key breakthrough in Coloplast's Sustainability strategy

In Hungary, Coloplast has found a way to recycle the company's production waste into materials used to build playgrounds and sports fields. Consequently, the company now recycles 58% of its production waste, exceeding the 2025 ambition of 50%. A new ambition will be set and announced in connection with the company's full-year results.

### Coloplast continues to invest in innovation and growth

Coloplast continues to move forward with its new corporate strategy "Strive25 – Sustainable Growth Leadership" and the company plans to annually invest up to 2% of revenue in incremental innovation and commercial initiatives to drive growth. So far this financial year, the company has invested in innovation, sales and marketing activities in Asia, consumer and digital initiatives and Interventional Urology.

### 2020/21 organic growth guidance unchanged, EBIT margin guidance raised

Coloplast continues to expect organic revenue growth of 7-8% at constant exchange rates. Reported growth in DKK is still expected to be 4-5%.

The EBIT margin guidance before special items is raised from 31-32% to 32-33% due to efficiency gains and lower costs as a result of COVID-19. After special items, the reported EBIT margin is expected to be 31-32%. This is due to DKK 200m provision 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 is taking longer than anticipated. The company has now settled around 97% of all known cases.

Capital expenditure is still expected to be around DKK 1.1 billion. The effective tax rate is still expected to be around 23%.

The company will pay a half-year interim dividend of DKK 5.00 per share for a dividend pay-out of DKK 1,065m.

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### Financial highlights and key ratios

DKKm	2020/21 – Q2	2019/20 – Q2	Change
Revenue	4,753	4,823	-1%

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, Contenance Care, Wound and Skin Care and Interventional Urology. We operate globally and employ about 12,500 employees.

EBIT before special items	1,577	1,542	2%
EBIT margin before special items	33%	32%	1%-pts
EBIT margin after special items	29%	32%	-3%-pts
Special items*	-200	0	nm
Net profit	1,130	1,067	6%

\*DKK 200m as further provision to cover potential settlements and costs related to the existing lawsuits in the US alleging injury resulting from the use of transvaginal surgical mesh products.

### Sales performance by business area

DKKm	2020/21 – Q2	2019/20 – Q2	Organic growth	Reported growth
Ostomy Care	1,936	1,920	4%	1%
Contenance Care	1,719	1,776	0%	-3%
Interventional Urology	495	507	3%	-2%
Wound & Skin Care	603	620	1%	-3%
<b>Net revenue</b>	<b>4,753</b>	<b>4,823</b>	<b>2%</b>	<b>-1%</b>

### Sales performance by region

DKKm	2020/21 – Q2	2019/20 – Q2	Organic growth	Reported growth
European markets	2,768	2,847	-2%	-3%
Other developed markets	1,143	1,172	5%	-2%
Emerging markets	842	804	14%	5%
<b>Net revenue</b>	<b>4,753</b>	<b>4,823</b>	<b>2%</b>	<b>-1%</b>

### Financial highlights for the first 6 months of 2020/2021

DKKm	2020/21 – 6mths	2019/20 – 6mths	Organic growth
Revenue	9,491	9,535	4%
EBIT before special items	3,113	3,014	3%
EBIT margin before special items	33%	32%	1%-pts
EBIT margin after special items	31%	32%	-1%-pts
Special items*	-200	0	nm
Net profit	2,266	2,159	5%

### Financial guidance for 2020/21

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Financial guidance	Guidance for 2020/21	Guidance for 2020/21 (DKK)
<b>Sales growth</b>	7-8% (organic)	4-5%
<b>EBIT margin before special items</b>	-	32-33% from previously 31-32%
<b>EBIT margin after special items</b>	-	31-32%
<b>Capital expenditure</b>	-	~1.1 billion
<b>Tax rate</b>	-	~23%

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