

> **Press release / 1 February 2018**

Coloplast delivers solid Q1 interim results and continues to take market share

Coloplast delivered 8% organic revenue growth and an EBIT margin of 31% at constant exchange rates in the first quarter of the 2017/18 financial year. The results were in line with the company's guidance.

Coloplast delivered 8% organic revenue growth in the first three months of the 2017/18 financial year, while reported growth in Danish kroner was up by 5% to DKK 3,955m. Reported revenue was adversely affected by the depreciation of USD and dollar-related currencies against DKK.

EBIT amounted to DKK 1,207m for a 2% decline in DKK but a 4% increase at constant exchange rates. The EBIT margin at constant exchange rates was 31% against 33% in the same period last year. In DKK, the EBIT margin was 31%, against 33% last year.

Organic growth rates by business area: Ostomy Care 9%, Continence Care 10%, Urology Care 11%, and Wound & Skin Care negative at 5%. Organic growth, particularly in the wound care business, was adversely affected by price reforms in Greece.

Looking at sales by geographies, the European markets contributed with 4% growth, Other developed markets delivered 18% revenue growth, while Emerging Markets provided a 10% increase.

- "We're delivering a solid result for the first quarter, and we are off to a good start to the financial year. We're performing well in many of our major markets and are generally delivering strong results in Ostomy Care, Continence Care and Urology Care. As an example, we're delivering double-digit growth, and we see continued increased momentum in the US market," says Coloplast CEO Lars Rasmussen.

Coloplast invests in growth

Coloplast invested in sales and marketing initiatives across multiple markets and business areas during the first quarter as part of its ambition to drive organic growth.

In addition, Coloplast is adding a new product to its ostomy care portfolio with the launch of SenSura® Mio Concave, the first ostomy care product designed specifically for people with hernias or curves.

- "We're proud to be able to offer our users the best products in the market, and I'm confident that this new product will make a big difference to our users while giving Coloplast a strong competitive edge. Our ambition is to continue to win market share, and to do that we need innovative products like SenSura® Mio Concave," says Mr Rasmussen.

In November 2017, Coloplast presented its new long-term financial guidance for the period to 2020. Consistent with its ambition of pursuing non-organic growth opportunities, Coloplast completed the acquisition of French direct-to-consumer home delivery company SAS Lilial in January 2018.

The transaction will strengthen Coloplast's position and its product and service offering in France and will open for further access to payers.

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.

Financial guidance for 2017/18

Coloplast continues to expect organic revenue growth of ~7% at constant exchange rates. Guidance for reported growth in DKK is lowered by 1pp to 5%-6% due to developments in the USD/DKK exchange rate. The guidance includes a negative effect of DKK 100m due to the patent expiry of SpeediCath® standard catheters and the effects of a comprehensive healthcare reform in Greece of DKK 100m.

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

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Financial highlights and key ratios (DKKm)	2017/18 Q1	2016/17 Q1	Change
Revenue	3,955	3,755	5%
EBIT	1,207	1,226	-2%
EBIT margin (at constant exchange rates)	31%	33%	
EBIT margin (in DKK)	31%	33%	
Profit for the period	940	946	-1%

Sales performance by business area (DKKm)	2017/18 Q1	2016/17 Q1	Organic growth	Reported growth
Ostomy Care	1,613	1,509	9%	7%
Continence Care	1,435	1,317	10%	9%
Urology Care	434	408	11%	6%
Wound & Skin Care	473	521	-5%	-9%
Revenue	3,955	3,755	8%	5%

Financial guidance	Guidance for 2017/18	Guidance for 2017/18 (DKK)
Sales growth	~7% (organic)	5-6%
EBIT margin	31-32% (at constant exchange rates)	~31%
Capital expenditure	-	~700
Tax rate	-	~23%

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