

> **Press release / 3 May 2018**

Coloplast delivers 8% organic revenue growth and upgrades full-year growth expectations

Coloplast delivered 8% organic revenue growth and a 31% EBIT margin at constant exchange rates in the first six months of its 2017/18 financial year. For the full year 2017/18, the company now guides 7-8% organic revenue growth from previously ~7%, and reported growth in DKK of ~6% from previously 5-6%.

Coloplast delivered 8% organic revenue growth in the second quarter of its financial year, while reported revenue in DKK was up by 4% to DKK 4,035m. The H1 organic revenue growth was also 8%, while reported revenue in DKK was up by 5% to DKK 7,990m. Reported revenue was adversely affected by the depreciation of USD and dollar-related currencies against DKK.

EBIT amounted to DKK 2,407m for a 3% decline in DKK but a 4% increase at constant exchange rates. The EBIT margin at constant exchange rates was 31% against 32% in the same period last year. In DKK, the EBIT margin was 30%, against 32% last year. The EBIT result is in line with the company's expectations.

- "We deliver a strong half-year result with solid growth across our chronic care business and an increased momentum in our emerging markets. At the same time, the SpeediCath® patent expiry has had a smaller impact than initially anticipated. This allows us to upgrade our full-year growth expectations, which I'm obviously very pleased with," said Coloplast President and CEO Lars Rasmussen.

Organic growth rates by business area: Ostomy Care 10%, Continence Care 9%, Urology Care 10%, and Wound & Skin Care negative 1%. The wound care business accelerated its momentum, delivering 8% organic growth in the second quarter despite the continued negative effects of a comprehensive pricing reform in Greece.

- "We're expanding our ostomy care product portfolio by introducing SenSura® Mio Concave, designed specifically for the outward body profile and customized to help stoma patients avoid leakage. It will be part of the same portfolio as SenSura® Mio Convex, the company's most successful launch to date. As a result, we have very high expectations for the new product category, SenSura® Mio Concave, which is now available and eligible for reimbursement in seven countries," said Mr Rasmussen.

Looking at sales by geographies, the European markets contributed with 4% growth in H1, Other developed markets delivered 13% revenue growth, while Emerging Markets provided a 16% increase.

Tailwind and growth ambitions in the US

As part of the plan to accelerate organic growth in the US market, Coloplast has appointed Manu Varma as Senior Vice President of Chronic Care North America. Former Senior Vice President Ed Veome will take on a new role as Vice President of Sales of Chronic Care North America.

- "The US market holds great potential, and our ambition is to continue to take market share. To that end, we are investing to accelerate growth, which includes investing in and expanding our North American leadership team," said Mr Rasmussen.

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.

Coloplast is also expanding its continence care and wound care product portfolios in the US market by launching the SpeediCath® Flex Coudé Pro, specifically designed for the US market, and the entire Biatain® Silicone portfolio.

In addition, Coloplast has been chosen as the primary ostomy care vendor at Cleveland Clinic, one of the leading hospital chains in the USA. Coloplast will be the new main supplier of ostomy care products to all Cleveland Clinic hospitals.

Financial guidance 2017/18

Coloplast now guides 7-8% organic revenue growth, up from previously ~7%, at constant exchange rates. The change is primarily due to expectations that the patent expiry of SpeediCath® standard catheters will have a negative effect of DKK 50m instead of the previous estimate of DKK 100m and due to increased momentum in the Emerging Markets region. The guidance continues to include the effects of a comprehensive healthcare reform in Greece of DKK 100m, which is expected to impact all business areas.

Reported growth in DKK is expected to be ~6%, up from previously 5-6%, mainly due to developments in the USD/DKK exchange rate. The change is due to the upgraded guidance for organic revenue growth. Coloplast continues to expect an EBIT margin of 31%-32% at constant exchange rates and a reported EBIT margin of ~31% in DKK.

CONTACTS

Lina Danstrup
Senior Media Relations Manager, Corporate Communications
+45 49 11 26 07
dklina@coloplast.com

Ellen Bjurgert
Director, Investor Relations
+45 49 11 33 76
dkebj@coloplast.com

Financial highlights and key ratios (DKKm)	2017/18 6M	2016/17 6M	Change
Revenue	7,990	7,636	5%
EBIT	2,407	2,472	-3%
EBIT margin (at constant exchange rates)	31%	32%	
EBIT margin (in DKK)	30%	32%	
Profit for the period	1,858	1,877	-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, continence care, wound and skin care and urology care. We operate globally and employ around 11,000 employees.

Sales performance by business area DKKm	2017/18 6M	2016/17 6M	Organic growth	Reported growth
Ostomy Care	3,250	3,056	10%	6%
Contenance Care	2,875	2,688	9%	7%
Urology Care	859	828	10%	4%
Wound & Skin Care	1,006	1,064	-1%	-5%
Revenue	7,990	7,636	8%	5%

Financial guidance	Guidance for 2017/18	Guidance for 2017/18 (DKK)
Sales growth	7-8% (organic)	~6%
EBIT margin	31-32% (at constant exchange rates)	~31%
Capital expenditure	-	~700
Tax rate	-	~23%

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.

The Coloplast logo is a registered trademark of Coloplast A/S. © 2018-05
All rights reserved Coloplast A/S, 3050 Humlebaek,
Denmark.