Coloplast A/S
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DK-3050 Humlebaek,
Denmark

Company reg. (CVR)
no. 69749917

H1 2020/21

Interim financial results, H1 2020/21

1 October 2020 - 31 March 2021

Organic growth guidance maintained at 7-8% and EBIT margin guidance before special items raised from 31-32% to 32-33%.

- Coloplast delivered 2% organic growth in Q2. Reported revenue in DKK was down by 1% to DKK 4,753 million. Year to date organic growth was 4% and reported revenue in DKK was flat at DKK 9,491 million due to significant FX headwinds.
- Organic growth rates by business area year to date: Ostomy Care 5%, Continence Care 3%, Interventional Urology 4% and Wound & Skin Care 1%.
- The Chronic Care business in Q2 was negatively impacted by around DKK 150 million in stock building in the comparison period and lower growth in new patients in Europe due to COVID-19, in particular in the UK.
- Ostomy Care delivered 4% organic growth in Q2 lifted by solid broad-based performance in Emerging markets. Continence Care delivered flat organic growth in Q2 reflecting lower growth in new patients in Europe and the US.
- The Interventional Urology business delivered 3% organic growth in Q2. The growth was driven by the Men's Health portfolio in the US, which continues to lead the recovery as elective procedures resume.
- The Wound and Skin Care business delivered 1% organic growth in Q2. Wound Care alone delivered 9% organic growth in Q2 driven by Europe and China. The Biatain® Fiber portfolio continued to contribute to growth, especially in Germany and France. Skin Care and in particular Contract manufacturing detracted from growth as a result of COVID-19.
- EBIT before special items amounted to DKK 3,113 million for H1 20/21, a 3% increase, and an EBIT margin before special items of 33% against 32% last year. EBIT was impacted by a further DKK 200 million provision for costs related to the existing lawsuits in the US alleging injury resulting from the use of transvaginal surgical mesh products.
- ROIC after tax before special items was 43% for the first six months against 46% in the same period last year negatively impacted by the acquisition of Nine Continents Medical in November 2020.
- Coloplast has achieved a breakthrough in Hungary around waste recycling. As a result, 58% of the production waste is now recycled (41% in FY 2019/20), exceeding the 2025 target of 50%.
- Coloplast was awarded a contract for ostomy products with Vizient, Inc., the largest healthcare performance improvement company in the US effective as of July 1, 2021.
- The Board of Directors has resolved that Coloplast will pay a half-year interim dividend of DKK 5.00 per share for a dividend pay-out of DKK 1,065 million.

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

- We continue to expect organic revenue growth of 7-8% at constant exchange rates. Reported growth in DKK is still expected to be 4-5%.
- We now expect a reported EBIT margin before special items of 32-33% from previously 31-32% due to efficiency gains and lower costs as a result of COVID-19. After special items of DKK 200m the reported EBIT margin is expected to be 31-32%.
- Capital expenditure is still expected to be around DKK 1.1 billion. The effective tax rate is still expected to be around 23%.

Conference call
Coloplast will host a conference call on Thursday, 6 May 2021 at 15.00 CEST. The call is expected to last about one hour.
To actively participate in the Q&A session please call +45 3544 5577, +44 3333 000 804 or +1 631 913 1422. The participant PIN code is 62535223#.

Access the conference call webcast directly here:
https://getvisualtv.net/stream/?coloplast-xu5g2qb8j5

Ostomy Care
Continence Care
Wound & Skin Care
Interventional Urology

Financial highlights and key ratios

1 October 2020 – 31 March 2021, unaudited

Consolidated	2020/21 6 mths	2019/20 6 mths	Change	2020/21 Q2	2019/20 Q2	Change
Income statement, DKK million						
Revenue	9,491	9,535	0%	4,753	4,823	-1%
Research and development costs	-363	-351	3%	-177	-182	-3%
Operating profit before interest, tax, depr. and amort. (EBITDA)	3,305	3,436	-4%	1,567	1,756	-11%
Operating profit (EBIT) before special items	3,113	3,014	3%	1,577	1,542	2%
Special items	-200	-	N/A	-200	-	N/A
Operating profit (EBIT)	2,913	3,014	-3%	1,377	1,542	-11%
Net financial income and expenses	57	-211	N/A	98	-157	N/A
Profit before tax	2,970	2,803	6%	1,475	1,385	6%
Net profit for the period	2,266	2,159	5%	1,130	1,067	6%
Revenue growth, %						
Period growth in revenue	0	9		-1	10	
Organic growth	4	8		2	9	
Currency effect	-4	1		-3	1	
Balance sheet, DKK million						
Total assets	15,249	13,528	13%	15,249	13,528	13%
Capital invested	11,682	10,251	14%	11,682	10,251	14%
Net interest-bearing debt	3,450	2,369	46%	3,450	2,369	46%
Equity end of period	6,936	6,586	5%	6,936	6,586	5%
Cash flow and investments, DKK million						
Cash flows from operating activities	1,959	1,641	19%	747	611	22%
Cash flows from investing activities	-1,513	-460	N/A	-287	-246	17%
Investments in property, plant and equipment, gross	-462	-435	6%	-207	-230	-10%
Free cash flow	446	1,181	-62%	460	365	26%
Cash flows from financing activities	-369	-1,016	-64%	-494	-354	40%
Key ratios						
Average number of employees, FTEs	12,532	12,179				
Operating margin (EBIT margin) before special items, %	33	32		33	32	
Operating margin (EBIT margin), %	31	32		29	32	
Operating margin before interest, tax, depr. and amort., (EBITDA margin), %	35	36		33	36	
Return on average invested capital before tax (ROIC), %[1)]	56	60		54	60	
Return on average invested capital after tax (ROIC), %[1)]	43	46		42	46	
Return on equity, %	70	71		71	71	
Equity ratio, %	45	49		45	49	
Net asset value per outstanding share, DKK	33	31	6%	33	31	6%
Share data						
Share price, DKK	954	987	-3%	954	987	-3%
Share price/net asset value per share	29.3	31.9	-8%	29.3	31.9	-8%
Average number of outstanding shares, millions	212.8	212.5	0%	212.8	212.6	0%
PE, price/earnings ratio	44.8	48.6	-8%	44.9	49.1	-9%
Earnings per share (EPS), diluted	10.63	10.12	5%	5.30	5.00	6%
Free cash flow per share	2.1	5.6	-63%	2.2	1.7	29%

[1)] Before special items. After special items, ROIC before tax was 54% (2019/20: 62%), and ROIC after tax was 41% (2019/20: 48%).

Sales performance

The organic growth rate was 4% in the first six months of 2020/21, adversely impacted by the COVID-19 pandemic, as well as around DKK 150 million in stock building in primarily Europe in Q2 last year. Reported revenue was flat at DKK 9,491 million. Exchange rate developments decreased revenue by 4% mainly related to a significant decrease in the value of USD, GBP and several emerging markets currencies against DKK, in particular ARS, BRL and RUB.

Organic growth in the second quarter was 2%. Reported revenue in DKK was down by 1% to DKK 4,753 million. Exchange rate developments decreased revenue by 3% mainly related to the negative development in USD and ARS against DKK.

During Q2, Coloplast acquired two small catheter dealers in the US. The revenue contribution in the quarter is immaterial.

Sales performance by business areas	**DKK million**		**Growth composition (6 mths)**			
	2020/21 (6 mths)	2019/20 (6 mths)	Organic growth	Acquired operations	Exchange rates	Reported growth
Ostomy Care	3,868	3,827	5%	-	-4%	1%
Continence Care	3,424	3,462	3%	0%	-4%	-1%
Interventional Urology	1,031	1,042	4%	-	-5%	-1%
Wound & Skin Care	1,168	1,204	1%	-	-4%	-3%
Revenue	**9,491**	**9,535**	**4%**	**0%**	**-4%**	**0%**
	DKK million		**Growth composition (Q2)**			
	2020/21 (Q2)	2019/20 (Q2)	Organic growth	Acquired operations	Exchange rates	Reported growth
Ostomy Care	1,936	1,920	4%	-	-3%	1%
Continence Care	1,719	1,776	0%	0%	-3%	-3%
Interventional Urology	495	507	3%	-	-5%	-2%
Wound & Skin Care	603	620	1%	-	-4%	-3%
Revenue	**4,753**	**4,823**	**2%**	**0%**	**-3%**	**-1%**

Sales performance by region	**DKK million**		**Growth composition (6 mths)**			
	2020/21 (6 mths)	2019/20 (6 mths)	Organic growth	Acquired operations	Exchange rates	Reported growth
European markets	5,505	5,591	0%	-	-2%	-2%
Other developed markets	2,317	2,351	6%	0%	-7%	-1%
Emerging markets	1,669	1,593	15%	-	-10%	5%
Revenue	**9,491**	**9,535**	**4%**	**0%**	**-4%**	**0%**
	DKK million		**Growth composition (Q2)**			
	2020/21 (Q2)	2019/20 (Q2)	Organic growth	Acquired operations	Exchange rates	Reported growth
European markets	2,768	2,847	-2%	-	-1%	-3%
Other developed markets	1,143	1,172	5%	0%	-7%	-2%
Emerging markets	842	804	14%	-	-9%	5%
Revenue	**4,753**	**4,823**	**2%**	**0%**	**-3%**	**-1%**

Ostomy Care

Ostomy Care generated 5% organic sales growth in the first six months of the 2020/21 financial year, with reported revenue in DKK growing by 1% to DKK 3,868 million.

The SenSura® Mio portfolio and the Brava® range of supporting products continued to be the main drivers of revenue growth. At product level, SenSura Mio Convex was the main contributor to growth driven by the UK, Germany and the US. SenSura Mio Concave continued to contribute to growth. The SenSura and Assura/Alterna® portfolios also delivered satisfactory sales growth in the markets where they are being actively promoted, most notably in China. Sales of the Brava range of supporting products continue to contribute to growth driven by the US, China and Germany.

From a geographical perspective, growth in Europe remains challenged by lower growth in new patients due to COVID-19. Sales growth in Europe in H1 was also negatively impacted by stock building in Q2 last year. The Emerging markets region was the main contributor to growth, led by China, LATAM and tender deliveries in Russia, which similar to last year were phased in H1. The US also contributed nicely to growth in the first six months.

Across the Ostomy Care business, and most pronounced in the European markets, growth in new patients has been negatively impacted as only the most acute ostomy surgeries have taken place following the COVID-19 outbreak. The impact has been largest in the UK, which is Coloplast's largest market in Europe. Growth in new patients continues to improve, albeit at a slower pace in Europe.

Q2 organic growth was 4% and reported revenue increased by 1% to DKK 1,936 million.

The SenSura Mio portfolio and the Brava range of supporting products were the main contributors to growth. SenSura Mio Convex was the main contributor to growth driven by Europe and in particular Germany. The SenSura and Assura/Alterna portfolios delivered satisfactory growth, most notably in China. Revenue growth in the Brava range of supporting products was driven by China and the US.

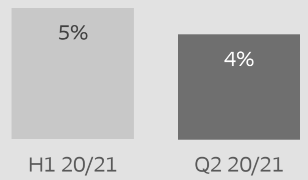
From a geographical perspective, sales growth in Europe was negatively impacted by stock building in Q2 last year and lower growth in new patients in Europe due to COVID-19, in particular in the UK.

The Emerging markets region was the main contributor to growth in Q2, led by China and LATAM. The US also delivered a good contribution to growth.

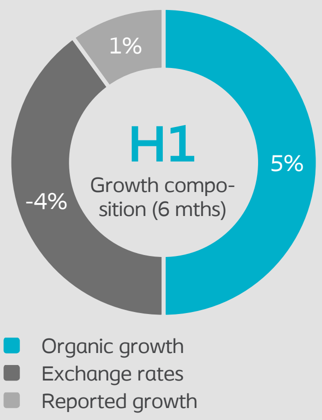
1.9 billion

Reported revenue in DKK for Q2 2020/21

Organic growth



Reported growth



Continence Care

Continence Care generated 3% organic sales growth for the first six months of the 2020/21 financial year, with reported revenue in DKK declining by 1% to DKK 3,424 million.

SpeediCath® intermittent catheters were the main drivers of revenue growth. The growth in sales of the SpeediCath portfolio was driven by flexible catheters, compact catheters and standard catheters, all of which are ready-to-use hydrophilic coated catheters. The growth in flexible catheters and compact catheters was mainly driven by the US and Germany. SpeediCath Navi, a hydrophilic catheter specifically designed for emerging markets and lower priced developed markets, continued to contribute to growth.

The Bowel Management and Collecting Devices businesses were negatively impacted by COVID-19, and contributed to the weakness in the European Continence Care business.

From a geographical perspective, growth in Europe remains challenged by lower growth in new patients due to COVID-19. Sales growth in H1 in Europe was also negatively impacted by stock building in Q2 last year.

The US and Emerging markets contributed positively to growth. Momentum in Q2 in the US was weaker due to lower growth in new patients.

Across the Continence Care business, and most pronounced in Europe, growth in new patients has been negatively impacted due to the COVID-19 outbreak, as only the most acute patient groups such as spinal cord injured have been treated, whereas other patient groups including MS, BPH and Bowel Management patients have postponed their treatment. The impact has been the most significant in the UK, which is Coloplast's largest market in Europe. Growth in new patients continues to improve, albeit at a slower pace in Europe.

Q2 organic growth was flat, while reported revenue in DKK decreased by 3% to DKK 1,719 million.

Sales growth in Q2 was driven by the SpeediCath portfolio, and more specifically flexible catheters.

Growth in Q2 was adversely impacted by Bowel Management and Collecting Devices, in particular in Europe, as fewer patients have been treated as a result of COVID-19.

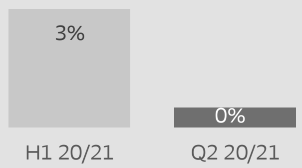
From a geographical perspective, sales growth in Europe was adversely impacted by stock building in Q2 last year, as well as lower growth in new patients due to COVID-19, mainly in the UK.

The US and Emerging markets contributed positively to growth in Q2. The growth momentum in the US was impacted by lower growth in new patients in Q2.

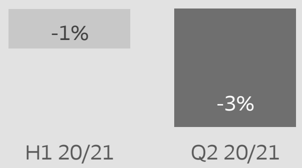
1.7 billion

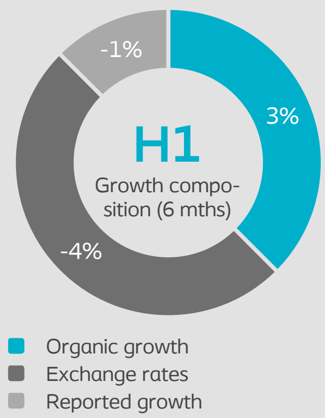
Reported revenue in DKK for Q2 2020/21

Organic growth



Reported growth





Interventional Urology

Interventional Urology generated 4% organic sales growth for the first six months of the 2020/21 financial year, with reported revenue in DKK declining by 1% to DKK 1,031 million.

Growth continues to be negatively impacted by COVID-19, but elective procedures continued to resume throughout the first six months across the US in Men's Health and in selected European markets.

Growth was driven by Titan® penile implants in the US. Sales of disposable surgical products also contributed positively to growth driven by Europe. Women's Health in the US reported negative growth due to the cancellation of procedures following the COVID-19 outbreak.

From a geographical perspective, the US market continues to drive growth in Interventional Urology.

Q2 organic growth was 3%, while reported revenue in DKK decreased by 2% to DKK 495 million.

Similar to Q1, Q2 saw a negative impact on growth due to lower patient activity within elective procedures as a result of COVID-19. Men's Health and the Titan penile implants delivered double-digit growth in the US in Q2 as elective procedures within this area continue to rebound.

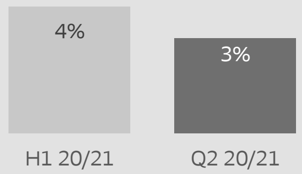
Disposable surgical products in Europe also contributed to growth in Q2. Sales of implantable devices in Women's Health contributed negatively to growth. Towards the end of the quarter procedures within Women's Health in the US began to resume.

From a geographical perspective, the growth in Q2 was driven by the US.

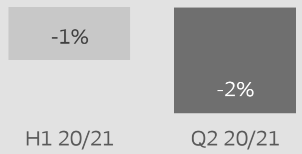
0.5 billion

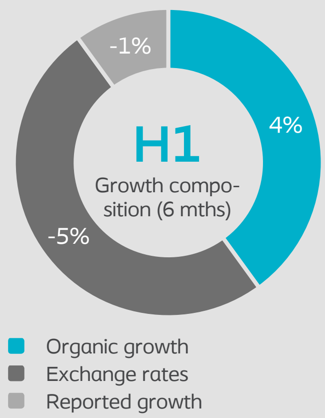
Reported revenue in DKK for Q2 2020/21

Organic growth



Reported growth





Wound & Skin Care

Wound & Skin Care generated 1% organic sales growth for the first six months of the 2020/21 financial year, with reported revenue in DKK declining by 3% to DKK 1,168 million.

The wound care business delivered 7% organic growth in the first six months of the 2020/21 financial year. The Biatain® Silicone portfolio and the newly launched Biatain Fiber portfolio were the main contributors to growth. Biatain Fiber, a gel-forming fiber dressing used for deeper wounds and wound cavities with exudate, has been launched in nine markets and continues to be well-received.

From a geographical perspective, China, France, Germany and Spain were the main contributors to growth. The rebound in hospital activity in China has continued and China posted solid growth for the first six months, which was also positively impacted by a weak comparison period in Q2. The growth in the European wound care business was primarily driven by growth in the Biatain Silicone and Biatain Fiber portfolios. The hospital business in Europe continues to see a negative impact from COVID-19, but the community market has remained relatively intact.

The Skin Care business detracted from growth impacted by lower demand due to COVID-19 and a strong comparison period. The Compeed contract manufacturing business detracted significantly from growth impacted by lower demand due to COVID-19.

Q2 organic growth for Wound & Skin Care was 1%, while reported revenue in DKK decreased by 3% to DKK 603 million.

The wound care business delivered 9% organic growth in Q2 and reported growth of 6%.

China delivered solid growth in the quarter following the resumption of hospital activity as well as a low baseline from Q2 last year.

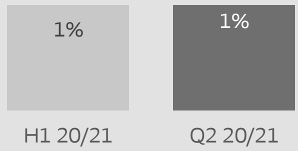
Europe also contributed positively to growth, primarily due to solid momentum in France and Germany as well as a good contribution to growth from the newly launched Biatain Fiber portfolio.

The Skin Care business detracted from growth impacted by lower demand due to COVID-19 and a strong comparison period. The Compeed contract manufacturing business detracted significantly from growth impacted by lower demand due to the COVID-19 pandemic.

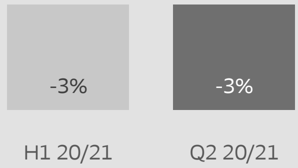
0.6 billion

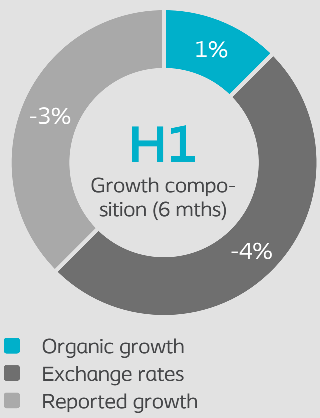
Reported revenue in DKK for Q2 2020/21

Organic growth



Reported growth





Earnings

Income statement, DKK million	H1 2020/21	Index
Revenue	**9,491**	**100**
Production costs	-3,034	99
Gross profit	**6,457**	**100**
Distribution costs	-2,635	95
Administrative expenses	-360	98
Research and development costs	-363	103
Other operating income	25	83
Other operating expenses	-11	110
Operating profit (EBIT) before special items	**3,113**	**103**
Special items	-200	n/a
Operating profit (EBIT)	**2,913**	**97**
Financial income	85	567
Financial expenses	-28	12
Profit before tax	**2,970**	**106**
Tax on profit for the period	-704	109
Net profit for the period	**2,266**	**105**

Gross profit

Gross profit was flat in H1 at DKK 6,457 million compared to DKK 6,482 million last year and equivalent to a gross margin of 68%, on par with last year. The gross margin included a negative impact from currencies, mainly related to the depreciation of USD, GBP and ARS against DKK, which was only partly offset by a positive impact from depreciation of the HUF against the DKK. Around 80% of the company's production volumes are in Hungary.

The gross profit was positively impacted by savings from the Global Operations Plan 4 and 5. This was partly offset by a negative impact from wage inflation and labour shortages in Hungary, as well as extraordinary costs related to COVID-19, including the implementation of extensive safety measures across the company. Higher costs related to scaling up of activities in Costa Rica also impacted the gross profit negatively.

In Q2, Gross profit was DKK 3,251 million, corresponding to a Q2 gross margin of 68% against 68% in Q2 last year. The Q2 margin was impacted by the above-mentioned drivers.

Costs

Distribution costs amounted to DKK 2,635 million in H1, a DKK 135 million decrease (5%) from DKK 2,770 million last year. Distribution costs amounted to 28% of revenue compared to 29% last year. The lower distribution costs reflect lower travel and sales & marketing expenses as a result of the COVID-19 pandemic. This was partly offset by investments in sales and marketing activities in Asia, Interventional Urology and consumer and digital initiatives.

Distribution costs amounted to DKK 1,325 million in Q2, equal to 28% of revenue against 28% in the same period last year.

Administrative expenses in H1 amounted to DKK 360 million, down DKK 7 million (2%) from DKK 367 million last year. The decrease was mainly due to timing of legal expenses. Administrative expenses accounted for 4% of revenue which was consistent with last year.

The Q2 administrative expenses amounted to 4% of revenue on par with the same period last year.

The R&D costs in H1 were DKK 363 million, a DKK 12 million (3%) increase compared to last year due to an increased activity level and costs related to organisational changes. R&D costs amounted to 4% of revenue on par with last year.
The Q2 R&D costs amounted to DKK 177 million or 4% of revenue, in line with the same period last year.

Other operating income and other operating expenses in H1 amounted to a net income of DKK 14 million, against DKK 20 million last year.
Other operating income and other operating expenses for Q2 decreased to a net income of DKK 3 million, against net income of DKK 5 million last year.

Special items

In Q2 Coloplast made a further provision of DKK 200 million 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. The increase comes as the process is taking longer than previously anticipated, including delays due to COVID-19, which has led to an increase in legal advisory costs.

The increase brings the total amount recognised since the 2013/14 financial year for expected costs of litigation in the USA to DKK 5.85 billion (before insurance cover of DKK 0.5 billion).

In 2019, all remaining cases in the Coloplast MDL were remanded to the relevant courts. On 18 December 2020, the Coloplast MDL was formally closed. It is estimated that around 97% of the known cases have been settled to date.

Operating profit (EBIT)
EBIT before special items amounted to DKK 3,113 million in H1, a DKK 99 million (3%) increase from DKK 3,014 million last year. The EBIT margin before special items was 33% compared to 32% last year. The EBIT margin includes a negative impact from currencies, mainly related to the depreciation of USD against DKK.

EBIT after special items was DKK 2,913 million, including special items of DKK 200 million related to the aforementioned lawsuits. The EBIT margin after special items was 31%.

In Q2, EBIT before special items was DKK 1,577 million, a DKK 35 million (2%) increase from the same period last year. The EBIT margin before special items was 33% in Q2, against last year's EBIT margin of 32%. EBIT was positively impacted by lower travel and sales & marketing expenses following the COVID-19 outbreak across all business areas and regions. The company continues to invest in innovation and commercial activities in markets where the COVID-19 situation is normalizing.

The Q2 EBIT after special items was DKK 1,377 million, for a margin of 29%, and includes special items of DKK 200 million related to the aforementioned lawsuits.

Financial items and tax
Financial items were a net income of DKK 57 million, compared to a net expense of DKK 211 million last year. The net income of DKK 57 million was mainly due to gains on balance sheet items denominated in several foreign currencies including the British Pound of DKK 40 million, and gains on currency hedges of DKK 33 million on mainly the US Dollar. This was only partly offset mainly by other financial expenses and fees of DKK 15 million.

The Q2 financial items were a net income of DKK 98 million, compared with a net expense of DKK 157 million in the year-earlier period driven by gains on balance sheet items and currency hedges as explained above.

The tax rate was around 24% for the first six months, approximately 1%-point higher than last year. The tax rate was impacted by two separate matters – the Nine Continents acquisition and a temporary increase in the tax-deductible value of R&D expenses in Denmark. The full year tax rate is still expected to be around 23%. The tax expense amounted to DKK 704 million against DKK 644 million last year.
In Q2 the tax rate was around 23%.

Net profit
Net profit before special items was DKK 2,422 million, a DKK 263 million increase from DKK 2,159 million last year. Diluted earnings per share (EPS) before special items increased by 12% from DKK 10.12 last year to DKK 11.36.

Net profit after special items was 2,266 million and diluted earnings per share (EPS) after special items was DKK 10.63 per share.

The Q2 net profit before special items amounted to DKK 1,286 million, against DKK 1,067 million last year. The Q2 earnings per share (EPS), diluted, were up by 21% to DKK 6.03.

The Q2 net profit after special items was DKK 1,130 million and diluted earnings per share (EPS) after special items was DKK 5.30 per share.

Cash flows and investments

Cash flows from operating activities
Cash flows from operating activities amounted to DKK 1,959 million, against DKK 1,641 million last year. The positive development in cash flows from operating activities was mainly due to a gain on financial items, decrease in income tax paid and an increase in operating profit before special items (EBIT).

Investments
Coloplast made investments of DKK 1,459 million in the first six months of 2020/21 compared with DKK 475 million last year. Investments related to the acquisition of Nine Continents Medical amounted to DKK 950 million. Excluding acquisitions, capex amounted to DKK 509 million or 5% of revenues on par with last year. The increase in investments was mainly linked to the new factory in Costa Rica.

Total cash flows from investing activities were a DKK 1,513 million outflow, against a DKK 460 million outflow in the same period last year, due to the above-mentioned investments.

Free cash flow
As a result, the free cash flow was an inflow of DKK 446 million compared to an inflow of DKK 1,181 million in the same period last year.

Capital resources
At 31 March 2021, Coloplast had net interest-bearing debt, including securities, of DKK 3,450 million, against DKK 1,162 million at 30 September 2020. The increase in net interest-bearing debt was mainly due to the acquisition of Nine Continents Medical in November 2020 and payment of dividends in December 2020.

Statement of financial position and equity

Balance sheet
At 31 March 2021, total assets amounted to DKK 15,249 million, an increase of DKK 1,750 million compared to 30 September 2020. The increase was mainly due to an increase in intangible assets as a result of the DKK 950 million acquisition of Nine Continents Medical.

Working capital was 25% of revenue, compared to 23% at 30 September 2020. Inventories increased by DKK 62 million to DKK 2,289 million and trade receivables increased by DKK 174 million to DKK 3,108 million.
Trade payables decreased by DKK 242 million relative to 30 September 2020 to stand at DKK 572 million.
Net Working Capital for the year is expected to be around 24% of revenue.

Equity
Equity decreased by DKK 470 million relative to 30 September 2020 to DKK 6,936 million. Payment of dividends amounting to DKK 2,765 million was only partly offset by total comprehensive income for the period of DKK 2,162 million, share-based remuneration of DKK 29 million and net effect of treasury shares bought and sold of DKK 104 million.

Dividends
The Board of Directors has resolved that the company will pay a half-year interim dividend of DKK 5.00 per share, for a total of dividend pay-out of DKK 1,065 million.

Share buy-backs
A share buy-back programme of DKK 500 million was initiated in Q2 2020/21 and is expected to be completed before the end of the current financial year. At 31 March 2021, Coloplast had bought back shares for a total amount of DKK 61 million under the programme.

Treasury shares
At 31 March 2021, Coloplast's holding of treasury shares consisted of 3,057,166 B shares, which was 261,829 fewer than at 30 September 2020. The decrease was due to the exercise of share options.

Update on Sustainability strategy and performance

In September 2020 in connection with the launch of the company's new strategy "Strive 25", sustainability was made a core pillar of the strategy focusing on three areas: Improving products and packaging, Reducing emissions and Responsible operations. To deliver on its sustainability ambitions, Coloplast will invest up to DKK 250 million over the next 5 years. A few highlights on the company's progress as of 31 March 2021 are summarised below.

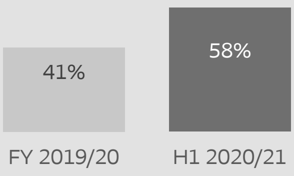
Products and packaging

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

During H1, Coloplast achieved a significant breakthrough in Hungary around waste recycling through a circularity waste pilot. In collaboration with a local waste management supplier, the waste is shredded and bundled to be recycled into rubber flooring for kindergartens and training courts. Coloplast now recycles 58% of its waste which is higher than the ambition for 2025 of 50%. A new ambition will be formulated and announced in connection with the full-year results.

Coloplast is investigating other methods of waste recycling and further progress will require more advanced recycling methods such as ChemCycling.

Production waste recycled[1]



2025 ambition: 50%

Reducing emissions

13 CLIMATE ACTION

Coloplast is committed to ambitious science-based climate action for a 1.5°C future. By year-end, Coloplast will submit emission reduction targets through the Science Based Targets initiative.
In December 2020, Coloplast became an official supporter of the Task Force on Climate-Related Financial Disclosures (TCFD) and will take a step-by-step approach to report according to the TCFD framework.

During H2 2020/21, Coloplast will work together with its suppliers to set targets for reducing emissions from raw materials use, which represents around 50% of the company's total emissions. Through the newly reinforced Sustainable Supplier Program, Coloplast will ensure strengthened processes in evaluating suppliers on environmental, social and governance issues (ESG).

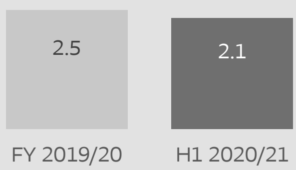
Responsible operations

8 DECENT WORK AND ECONOMIC GROWTH

Throughout the COVID-19 pandemic Coloplast employee saftey and organisational health has been a key priority. A number of precautionary measures, initiatives and tools focusing on employee health and engagement have been introduced.
Coloplast conducted an employee engagement survey using Peakon in April with a 88% participation rate. The engagement score was 8.2 against a benchmark of 7.9 (Healthcare industry benchmark). The score improved compared to November 2020.

The Lost-time injury rate declined to 2.1 in H1 2020/21 compared to 2.5 for 2019/20, which reflects that a large share of the sales ogranisation have been working from home.

LTI frequency[1,2]



2025 ambition: 2.0

1) H1 2020/21 numbers will be audited in connection with FY results

2) Measured in parts per million (PPM): number of injuries resulting in absence from work of one day or more per one million working hours.

Other matters

COVID-19 update
Coloplast continues to take all necessary precautionary measures globally to protect all employees and will continue to comply with and support local, national and global guidelines from health care authorities. Coloplast is monitoring developments closely across all markets and business areas.

Coloplast continues to focus on adapting its business and commercial activities to the challenging situation, while continuing to service users and healthcare professionals to the best of the company's ability.

Coloplast's global manufacturing sites are operating as normal in terms of production and supply chain, and the company continues to fully meet demand.

Vizient GPO Ostomy contract
In March 2021, Coloplast was awarded a contract for ostomy products with Vizient, Inc., the largest healthcare performance improvement company in the US. The new agreement allows Vizient members access to contracted pricing of Coloplast's full portfolio of ostomy products, including ostomy pouches and supporting products. The agreement is effective as of July 1, 2021. As part of the contract, SenSura® Mio Baby & Kids, products developed by Coloplast for neonates, children and teenagers, will be included in Vizient's Preferred Pediatric Program.

Vizient serves more than half of the healthcare organizations across the country – from large integrated delivery networks and academic medical centres to community hospitals, children's hospitals and non-acute care providers.

Acquisitions in the US
During Q2, Coloplast acquired 100% of the shares and voting rights of two small US direct-to-consumer Durable Medical Equipment (DME) dealers, Hope Medical Supply, a Texas-based distributor of catheter supplies and Rocky Mountain Medical Supply, a Washington-based distributor of catheter supplies.

The addition of these two distributors to Comfort Medical strengthens Coloplast's presence in the US catheter dealer market, expands our insurance coverage and enables Coloplast to offer innovative products and services to a broader part of the US market.
The agreed consideration for the shares for both entities amounted to USD 9 million. The contribution to group reported growth in the quarter was immaterial.

New volume factory in Costa Rica
In Q2, the first Coloplast volume factory in Costa Rica became operational. The factory was part of the Global Operations Plan 4 to expand the company's footprint in the Americas. The finalization of the factory went according to plan, both in terms of cost and timing. The factory in Costa Rica will primarily manufacture Ostomy Care products.

As part of the Global Operations Plan 5 it was decided to open a second volume factory in Costa Rica in order to accommodate the company's continued growth. The construction of the second factory has begun and it is expected to be operational in the second half of 2021/22.

New SVP for R&D
Coloplast has appointed Alexis Roberts-McIntosh to SVP for R&D. Alexis will assume her new position on July 1st and report to Nicolai Buhl Andersen, EVP Innovation. Alexis joins Coloplast from Abbott, where she holds a position as Divisional Vice President Global Innovation and Development. Over the last 20+ years, Alexis has held numerous senior leadership roles in the healthcare space working with innovation and R&D at GSK, Pfizer, Unilever, Johnson & Johnson and Reckitt Benckiser.

Timetable for the half-year interim dividend of DKK 5.00 per share
6 May 2021 – Declaration date
10 May 2021 – Ex-dividend date
11 May 2021 – Value date
12 May 2021 – Disbursement date

Our *financial guidance* for 2020/21

7-8%
Organic revenue growth at constant exchange rates

32-33%
Reported EBIT margin before special items

31-32%
Reported EBIT margin after special items

around 1.1 billion
Capital expenditure in DKK

around 23%
Effective tax rate

Key financial guidance assumptions

Revenue growth
The impact of COVID-19 is continuously being monitored and evaluated on a short- and medium-term basis and due to COVID-19 there is higher uncertainty in the financial guidance.

Coloplast's full year guidance assumes the following:
a) Double-digit growth in the second half of 2020/21
b) Resumption of elective procedures and hospital activity across business areas as vaccines are rolled out
c) No current knowledge of significant health care reform vs. French reform in 2019/20
d) A stable supply and distribution of products across the company.

Reported growth in DKK is still expected to be 4-5%.

The financial guidance takes account of known reforms. The company's expectations of long-term price pressure, of up to 1% in annual price pressure is unchanged. Also, the financial guidance assumes sustained and stable sales growth in Coloplast's core markets and a continuation of the successful roll-out of new products.

EBIT margin
The EBIT margin guidance reflects additional incremental investments of up to 2% of revenue for innovation and sales and marketing purposes. The guidance assumes that Coloplast, in addition to achieving its growth target, will continue to deliver scale economy and efficiency improvements and prudent cost management.

EBIT is impacted by a provision of DKK 200 million in special items to cover costs connected to the existing lawsuits in the United States alleging injury resulting from the use of transvaginal surgical mesh products designed to treat pelvic organ prolapse and stress urinary incontinence.

Capex
The capex guidance includes investments in automation initiatives at volume sites in Hungary and China as part of GOP5, establishment of new volume site in Costa Rica, investments in new machines for existing and new products and IT investments.

Other assumptions
The provision made to cover costs relating to transvaginal surgical mesh products remains subject to a degree of estimation.

Long term financial guidance

The long-term financial guidance for the Strive25 strategy period running until end 2024/25 is the following:

7-9%
Organic growth p.a.

above 30%
EBIT margin at constant exchange rates

Dividend policy
The Board of Directors intends to distribute excess liquidity to the shareholders through dividends and share buy-backs.

Forward-looking statements

The forward-looking statements in this announcement, including revenue and earnings guidance, do not constitute a guarantee of future results and are subject to risk, uncertainty and assumptions, the consequences of which are difficult to predict.

The forward-looking statements are based on our current expectations, estimates and assumptions and are provided on the basis of information available to us at the present time.

Major fluctuations in the exchange rates of key currencies, significant changes in the health care sector or major developments in the global economy may impact our ability to achieve the defined long-term targets and meet our guidance. This may impact our company's financial results.

Exchange rate exposure

Our financial guidance for the 2020/21 financial year has been prepared on the basis of the following assumptions for the company's principal currencies:

OVERVIEW OF EXCHANGE RATES FOR KEY CURRENCIES AGAINST DKK

	GBP	USD	HUF
Average exchange rate H1 2019/20	868	676	2.23
Average exchange rate H1 2020/21	838	621	2.06
Change in average exchange rates for 2020/21 compared with the same period last year	**-4%**	**-8%**	**-8%**
Average exchange rate 2019/20[1]	850	667	2.17
Spot rate on 5 May 2021	861	620	2.07
Estimated average exchange rate 2020/21[2]	849	620	2.07
Change in estimated average exchange rates compared with average exchange rate 2019/20	**0%**	**-7%**	**-5%**

[1] Average exchange rates for 2019/20 are from 1 October 2019 to 30 September 2020.

[2] Estimated average exchange rates are calculated as the average exchange rates for the first six months combined with the spot rates at 5 May 2021.

Revenue is particularly exposed to developments in USD and GBP relative to DKK. Fluctuations in HUF against DKK impact the operating profit, because a substantial part of our production, and thus of our costs, are in Hungary, whereas our sales there are moderate.

EFFECT OVER 12 MONTHS OF A 10% INITIAL DROP IN EXCHANGE RATES FOR KEY CURRENCIES (DKK MILLION)

	Revenue	EBIT
USD	-410	-170
GBP	-280	-190
HUF	-	100

Statement by the Board of Directors and the Executive Management

The Board of Directors and the Executive Management have today considered and approved the interim Report of Coloplast A/S for the period 1 October 2020 – 31 March 2021.

The interim report, which has neither been audited nor reviewed by the company's auditors, is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and additional Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim report gives a true and fair view of the Group's assets, liabilities and financial position at 31 March 2021 and of the results of the Group's operations and cash flows for the period 1 October 2020 – 31 March 2021.

Furthermore, in our opinion, the Management's report includes a fair account of the development and performance of the Group, the results for the period and of the financial position of the Group.

Other than as set forth in the interim report, no changes have occurred to the significant risks and uncertainty factors compared with those disclosed in the annual report for 2019/20.

Humlebæk, 6 May 2021

Executive Management

Kristian Villumsen
President, CEO

Anders Lonning-Skovgaard
Executive Vice President, CFO

Nicolai Buhl Andersen
Executive Vice President

Paul Marcun
Executive Vice President

Allan Rasmussen
Executive Vice President

Board of Directors

Lars Rasmussen
Chairman

Niels Peter Louis-Hansen
Deputy Chairman

Carsten Hellmann

Birgitte Nielsen

Jette Nygaard-Andersen

Marianne Wiinholt

Thomas Barfod
Elected by the employees

Roland V. Pedersen
Elected by the employees

Nikolaj Kyhe Gundersen
Elected by the employees

Statement of comprehensive income

1 October – 31 March, unaudited

Consolidated DKK million	Note	2020/21 6 mths	2019/20 6 mths	Index	2020/21 Q2	2019/20 Q2	Index
Revenue	2	9,491	9,535	100	4,753	4,823	99
Production costs		-3,034	-3,053	99	-1,502	-1,553	97
Gross profit		**6,457**	**6,482**	**100**	**3,251**	**3,270**	**99**
Distribution costs		-2,635	-2,770	95	-1,325	-1,355	98
Administrative expenses		-360	-367	98	-175	-196	89
Research and development costs		-363	-351	103	-177	-182	97
Other operating income		25	30	83	10	13	77
Other operating expenses		-11	-10	110	-7	-8	88
Operating profit (EBIT) before special items		**3,113**	**3,014**	**103**	**1,577**	**1,542**	**102**
Special items	3	-200	-	-	-200	-	-
Operating profit (EBIT)		**2,913**	**3,014**	**97**	**1,377**	**1,542**	**89**
Financial income	4	85	15	>200	67	5	>100
Financial expenses	4	-28	-226	12	31	-162	-19
Profit before tax		**2,970**	**2,803**	**106**	**1,475**	**1,385**	**106**
Tax on profit for the period		-704	-644	109	-345	-318	108
Net profit for the period		**2,266**	**2,159**	**105**	**1,130**	**1,067**	**106**
Remeasurements of defined benefit plans		9	48		24	29	
Tax on remeasurements of defined benefit plans		-2	-11		-5	-6	
Items that will not be reclassified to the income statement		**7**	**37**		**19**	**23**	
Value adjustment of currency hedging		-111	-3		-119	43	
Transferred to financial items		-33	74		-21	38	
Tax effect of hedging		31	-16		30	-18	
Currency adjustment of opening balances and other market value adjustments relating to subsidiaries		2	-125		36	-97	
Items that may be reclassified to income statement		**-111**	**-70**		**-74**	**-34**	
Total other comprehensive income		**-104**	**-33**		**-55**	**-11**	
Total comprehensive income		**2,162**	**2,126**		**1,075**	**1,056**	
DKK							
Earnings per share (EPS) before special items		11.38	10.16		6.04	5.02	
Earnings per share (EPS)		10.65	10.16		5.31	5.02	
Earnings per share (EPS) before special items, diluted		11.36	10.12		6.03	5.00	
Earnings per share (EPS), diluted		10.63	10.12		5.30	5.00	

Statement of cash flows

1 October – 31 March, unaudited

Consolidated DKK million	Note	2020/21 6 mths	2019/20 6 mths
Operating profit		2,913	3,014
Depreciation and amortisation		392	422
Adjustment for other non-cash operating items	6	120	-68
Changes in working capital	6	-465	-499
Ingoing interest payments, etc.		38	2
Outgoing interest payments, etc.		-41	-130
Income tax paid		-998	-1,100
Cash flows from operating activities		**1,959**	**1,641**
Investments in intangible assets		-997	-40
Investments in land and buildings		-6	-6
Investments in plant and machinery and other fixtures and fittings, tools and equipment		-27	-19
Investments in property, plant and equipment under construction		-429	-410
Property, plant and equipment sold		4	4
Investment in other investments		1	-
Acquisition of operations		-59	-
Net sales/purchase of marketable securities		-	11
Cash flows from investing activities		**-1,513**	**-460**
Free cash flow		**446**	**1,181**
Dividend to shareholders		-2,765	-2,549
Acquisition of treasury shares		-61	-177
Sale of treasury shares		165	254
Financing from shareholders		**-2,661**	**-2,472**
Repayment of lease liabilities		-99	-95
Drawdown on credit facilities		2,391	1,551
Cash flows from financing activities		**-369**	**-1,016**
Net cash flows		**77**	**165**
Cash and cash equivalents at 1 October		**323**	**356**
Value adjustment of cash and bank balances		17	-23
Cash and cash equivalents, acquired operations		1	-
Net cash flows		77	165
Cash and cash equivalents at 31 March	7	**418**	**498**

The cash flow statement cannot be derived using only the published financial data.

Assets

At 31 March, unaudited

Consolidated DKK million	Note	31.03.21	31.03.20	30.09.20
Intangible assets		3,614	2,456	2,364
Property, plant and equipment		3,569	3,224	3,311
Right-of-use assets		599	536	615
Other equity investments		25	4	27
Deferred tax asset		711	572	669
Other receivables		24	27	24
Non-current assets		**8,542**	**6,819**	**7,010**
Inventories		2,289	1,915	2,227
Trade receivables		3,108	3,269	2,934
Income tax		261	261	242
Other receivables		194	264	338
Prepayments		180	187	163
Amounts held in escrow		-	13	-
Marketable securities		257	302	262
Cash and cash equivalents		418	498	323
Current assets		**6,707**	**6,709**	**6,489**
Assets		**15,249**	**13,528**	**13,499**

Equity and liabilities

At 31 March, unaudited

Consolidated DKK million	Note	31.03.21	31.03.20	30.09.20
Share capital		216	216	216
Currency translation reserve		-372	-295	-375
Reserve for currency hedging		-53	2	60
Proposed ordinary dividend for the year		1,065	1,064	2,765
Retained earnings		6,080	5,599	4,740
Equity		**6,936**	**6,586**	**7,406**
Provisions for pensions and similar liabilities		161	147	176
Provision for deferred tax		638	264	369
Other provisions	5	226	215	128
Lease liability		455	402	430
Prepayments		11	20	11
Non-current liabilities		**1,491**	**1,048**	**1,114**
Provisions for pensions and similar liabilities		13	5	13
Other provisions	5	159	169	159
Other credit institutions		3,501	2,616	1,111
Trade payables		572	664	814
Income tax		743	661	1,003
Other payables		1,661	1,623	1,664
Lease liability		169	151	206
Prepayments		4	5	9
Current liabilities		**6,822**	**5,894**	**4,979**
Equity and liabilities		**15,249**	**13,528**	**13,499**

Statement of changes in equity, current year

At 31 March, unaudited

Consolidated	Share capital		Reserves				
DKK million	A shares	B shares	Currency translation	Currency hedging	Proposed dividend	Retained earnings	Total
2020/21							
Equity at 1 October	18	198	-375	60	2,765	4,740	7,406
Net profit for the period	-	-	-	-	1,065	1,201	2,266
Other comprehensive income	-	-	3	-113	-	6	-104
Total comprehensive income	**-**	**-**	**3**	**-113**	**1,065**	**1,207**	**2,162**
Acquisition of treasury shares	-	-	-	-	-	-61	-61
Sale of treasury shares	-	-	-	-	-	165	165
Share-based payment	-	-	-	-	-	29	29
Dividend paid out in respect of 2019/20	-	-	-	-	-2,765	-	-2,765
Transactions with shareholders	**-**	**-**	**-**	**-**	**-2,765**	**133**	**-2,632**
Equity at 31 March	18	198	-372	-53	1,065	6,080	6,936

Statement of changes in equity, last year

At 31 March, unaudited

Consolidated	Share capital		Reserves				
DKK million	A shares	B shares	Currency translation	Currency hedging	Proposed dividend	Retained earnings	Total
2019/20							
Equity at 1 October	**18**	**198**	**-175**	**-53**	**2,549**	**4,376**	**6,913**
Net profit for the period	-	-	-	-	1,064	1,095	**2,159**
Other comprehensive income	-	-	-120	55	-	32	**-33**
Total comprehensive income	**-**	**-**	**-120**	**55**	**1,064**	**1,127**	**2,126**
Acquisition of treasury shares	-	-	-	-	-	-177	**-177**
Sale of treasury shares	-	-	-	-	-	255	**255**
Share-based payment	-	-	-	-	-	18	**18**
Dividend paid out in respect of 2018/19	-	-	-	-	-2,549	-	**-2,549**
Transactions with shareholders	**-**	**-**	**-**	**-**	**-2,549**	**96**	**-2,453**
Equity at 31 March	**18**	**198**	**-295**	**2**	**1,064**	**5,599**	**6,586**

List of notes

Note 1
Accounting policies

The unaudited consolidated financial statements and interim report is presented in accordance with IAS 34 “Interim financial reporting” as adopted by the EU and additional Danish disclosure requirements for listed companies. The accounting policies for recognition and measurement applied in the preparation of the interim report are consistent with those applied in the Annual Report 2019/20 except for new standards, amendments and interpretations that are effective from 2020/21 financial year.

Note 2
Segment information

Operating segments
The operating segments are defined on the basis of the monthly reporting to the Executive Leadership Team, which is considered the senior operational management, and the management structure. Reporting to the Executive Leadership Team is based on three operating segments: Chronic Care, Interventional Urology and Wound & Skin Care.

The operating segment Chronic Care covers the sale of ostomy care products and continence care products. The operating segment Interventional Urology covers the sale of urological products, including disposable products, as well as R&D activities. The operating segment Wound & Skin Care covers the sale of wound and skin care products.

The reporting segments are also Chronic Care, Interventional Urology and Wound & Skin Care. The segmentation reflects the structure of reporting to the Executive Leadership Team.

The shared/non-allocated comprises support functions (i.e. production units and staff functions) and eliminations, as these functions do not generate revenue. While costs of R&D activities for Interventional Urology is included in the segment operating profit/loss for that segment, R&D activities for Chronic Care and Wound & Skin Care are shared functions which are comprised in shared/non-allocated.

Financial items and income tax are not allocated to the operating segments.

The Executive Leadership Team reviews each operating segment separately, applying their market contributions to earnings and allocating resources on that basis. The market contribution is defined as external revenue less the sum of direct production costs, distribution costs, sales costs, marketing costs and administrative expenses. Costs are allocated directly to segments. Certain immaterial indirect costs are allocated systematically to the shared/non-allocated and the reporting segments.

The Executive Leadership Team does not receive reporting on assets and liabilities by the reporting segments. Accordingly, the reporting segments are not measured in this respect, nor do we allocate resources on this background. No single customer accounts for more than 10% of revenue.

Note 2, continued

Consolidated	Chronic Care		Interventional Urology		Wound & Skin Care		Group	
DKK million	**2020/21**	**2019/20**	**2020/21**	**2019/20**	**2020/21**	**2019/20**	**2020/21**	**2019/20**
Segment revenue:								
Ostomy Care	3,868	3,827	-	-	-	-	3,868	3,827
Continence Care	3,424	3,462	-	-	-	-	3,424	3,462
Interventional Urology	-	-	1,031	1,042	-	-	1,031	1,042
Wound & Skin Care	-	-	-	-	1,168	1,204	1,168	1,204
External revenue as per the statement of comprehensive income	**7,292**	**7,289**	**1,031**	**1,042**	**1,168**	**1,204**	**9,491**	**9,535**
Costs allocated to segment	-2,899	-3,074	-573	-666	-677	-731	-4,149	-4,471
Segment operating profit/loss	**4,393**	**4,215**	**458**	**376**	**491**	**473**	**5,342**	**5,064**
Shared/non-allocated							-2,229	-2,050
Special items not included in segment operating profit/loss (see note 3)							-200	-
Operating profit before tax (EBIT) as per the statement of comprehensive income							**2,913**	**3,014**
Net financials							57	-211
Tax on profit/loss for the year							-704	-644
Profit/loss for the year as per the statement of comprehensive income							**2,266**	**2,159**

Note 3
Special items

DKK million	2020/21	2019/20
Provisions for litigation about transvaginal surgical mesh products	200	-
Total	**200**	**-**

Special items contains expenses to cover further costs to resolve the remaining claims in connection with legal assistance related to litigation about transvaginal surgical mesh products as the process takes longer than previously anticipated. See note 5 to the financial statements for more information about the mesh litigation.

Note 4
Financial income and expenses

DKK million	2020/21	2019/20
Financial income		
Interest income	4	2
Fair value adjustments of forward contracts transferred from other comprehensive income	33	-
Fair value adjustments of cash-based share options	1	-
Net exchange adjustments	40	-
Hyperinflationary adjustment of monetary position	7	13
Total	**85**	**15**
Financial expenses		
Interest expenses	7	10
Interest expenses, lease liabilities	6	6
Fair value adjustments of forward contracts transferred from other comprehensive income	-	74
Fair value adjustments of cash-based share options	-	5
Net exchange adjustments	-	116
Other financial expenses and fees	15	15
Total	**28**	**226**

Note 5
Other provisions

Product liability case regarding transvaginal surgical mesh products
Since 2011, Coloplast, along with a number of other major manufacturers, has been named as a defendant in individual lawsuits in various federal and state courts around the United States alleging injury resulting from use of transvaginal surgical mesh products designed to treat pelvic organ prolapse and stress urinary incontinence. A multidistrict litigation (MDL) was formed in 2012 in the Southern District of West Virginia to consolidate federal court cases in which Coloplast is the first named defendant.

Since the first lawsuits were filed, Coloplast has been intent on disputing the current and any future litigation and has continually considered which strategy and other steps may serve the company's best interests.

Against this background, Coloplast has from the start reached settlements with groups of law firms. In 2017, Judge Joseph Goodwin issued a court order stating that plaintiffs may no longer direct claims against Coloplast in the ongoing MDL. In 2019, the remaining cases were remanded to the relevant Courts, and on 18 December 2020 the MDL was formally closed.

An additional expense of DKK 0.2 billion has been recognised in 2020/21 to cover further costs to resolve the remaining claims as the process takes longer than previously anticipated. The total amount recognised since the 2013/14 financial year for expected costs of litigation in the USA amounts to DKK 5.85 billion including legal costs (before insurance cover of DKK 0.5 billion).

The total expense is based on a number of estimates and assumptions and is therefore subject to uncertainty.

The remaining provision made for legal claims amounted to DKK 0.4 billion at 31 March 2021 (DKK 0.3 billion at 30 September 2020) plus DKK 0.1 billion recognised under other debt (DKK 0.1 billion at 30 September 2020). Liabilities are classified as other debt when agreements are reached with the plaintiffs' legal counsel and amounts and timing become known.

With reference to the prejudicial exemption in IAS 37, Coloplast will not disclose any further information about the assumptions for the provision, including any details about current and the expected number of lawsuits and settled claims.

The disclosure of such information is believed to be detrimental to Coloplast in connection with the ongoing confidential negotiations and could inflict financial losses on Coloplast and its shareholders.

Note 6
Specifications of cash flow from operating activities

DKK million	2020/21	2019/20
Net gain/loss on divestment of non-current assets	1	-1
Change in other provisions	90	-85
Other non-cash operating items	29	18
Adjustment for other non-cash operating items	**120**	**-68**
Inventories	-37	-29
Trade receivables	-140	-183
Other receivables, including amounts held in escrow	132	-104
Trade and other payables etc.	-420	-183
Changes in working capital	**-465**	**-499**

Note 7
Cash and cash equivalents

DKK million	2021	2020
Bank deposits, short term	418	498
Cash and cash equivalents at 31 March	**418**	**498**

Note 8
Contingent liabilities

Other than as set out in note 5, the Coloplast Group is a party to a few minor legal proceedings, which are not expected to influence the Group’s future earnings.

Note 9
Acquisitions

During Q2, Coloplast acquired 100% of the shares and voting rights of two small US direct-to-consumer Durable Medical Equipment (DME) dealers, Hope Medical Supply and Rocky Mountain Medical Supply. The acquisitions are expected to expand Coloplast's footprint in the US market and enable the company to offer innovative products and services to a broader part of the US market.

The fair value of net assets acquired was estimated on the basis of a preliminary balance sheet at the date of acquisition. As a result, the entire purchase prices are expected to be considered as intangible assets.

The agreed consideration for the shares in total for both entities amounts to USD 9 million (DKK 59 million), which fell due for payment on the date of the acquisitions.

Income statement, quarterly

Unaudited

Consolidated	2020/21		2019/20			
DKK million	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Revenue	4,753	4,738	4,590	4,419	4,823	4,712
Production costs	-1,502	-1,532	-1,430	-1,449	-1,553	-1,500
Gross profit	**3,251**	**3,206**	**3,160**	**2,970**	**3,270**	**3,212**
Distribution costs	-1,325	-1,310	-1,326	-1,221	-1,355	-1,415
Administrative expenses	-175	-185	-190	-205	-196	-171
Research and development costs	-177	-186	-175	-182	-182	-169
Other operating income	10	15	14	5	13	17
Other operating expenses	-7	-4	-11	1	-8	-2
Operating profit (EBIT) before special items	**1,577**	**1,536**	**1,472**	**1,368**	**1,542**	**1,472**
Special items	-200	-	-	-	-	-
Operating profit (EBIT)	**1,377**	**1,536**	**1,472**	**1,368**	**1,542**	**1,472**
Financial income	67	18	4	1	5	10
Financial expenses	31	-59	-109	-73	-162	-64
Profit before tax	**1,475**	**1,495**	**1,367**	**1,296**	**1,385**	**1,418**
Tax on profit for the period	-345	-359	-326	-299	-318	-326
Net profit for the period	**1,130**	**1,136**	**1,041**	**997**	**1,067**	**1,092**

DKK						
Earnings per share (EPS) before special items	6.04	5.34	4.89	4.69	5.02	5.14
Earnings per share (EPS)	5.31	5.34	4.89	4.69	5.02	5.14
Earnings per share (EPS) before special items, diluted	6.03	5.33	4.88	4.67	5.00	5.12
Earnings per share (EPS), diluted	5.30	5.33	4.88	4.67	5.00	5.12

Our mission
Making life easier for people
with intimate health care needs

Our values
Closeness... to better understand
Passion... to make a difference
Respect and responsibility... to guide us

Our vision
Setting the global standard
for listening and responding

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This announcement is available in a Danish and an English-language version. In the event of discrepancies, the Danish version shall prevail.

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 health care. Our business includes Ostomy Care, Continence Care, Wound and Skin Care and Interventional Urology. We operate globally and employ about 12,500 employees.