

## H1 2024/25 Pre-close brief – March 2025

Prior to entering our close period on 7 April 2025 and ahead of reporting our H1 results on 6 May 2025 for the period ending 31 March 2025, we would like to bring the following highlights to your attention:

### Product updates

- The new intermittent catheter Luja™ for women\* is now available in 12 markets.

### Final Local Coverage Determination (LCD) policy for skin substitutes

- The implementation date of the final LCD policy, announced on 14 November 2024<sup>1</sup>, has been updated to 13 April 2025 from previously 12 February 2025. The updated timeline is not expected to impact current trading.
- The financial assumptions for Kerecis with a 3-year CAGR of around 30% until 2025/26 and an EBIT margin of around 20% (ex. PPA amortization) in FY 2025/26 are unchanged.

### Financial guidance for FY 2024/25

*(based on spot rates as of 31 January 2025)*

- Current macroeconomic and industry-specific developments, including US tariffs, are continuously monitored and evaluated, and result in a higher degree of uncertainty.
- Organic revenue growth at constant exchange rates is expected at 8-9% and assumes:
  - Growth across business areas and geographies is expected to be largely in line with the Strive25 expectations, with the exception of China Chronic Care and Interventional Urology.
  - China Chronic Care: mid-single digit growth, with continued impact from consumer sentiment.
  - Interventional Urology: a higher level of uncertainty due to the voluntary product recall in Bladder Health and Surgery initiated in Q1.
    - Sales of the impacted products resumed in February, however, the sales uptake has been slower than anticipated. The slower sales uptake is expected to have a negative impact on growth in Interventional Urology in Q2, and the total H1 impact from the product recall is currently being reevaluated.
    - Majority of lost revenues in H1 are still expected to be recovered in H2.
  - Around 1%-point contribution from Kerecis to group organic growth.
  - Positive pricing impact expected, however, at a lower level compared to FY 2023/24.
  - A stable supply and distribution of products across the company.
  - Phasing: organic growth is expected to be H2-weighted, driven by the product recall in Interventional Urology and phasing of tenders in Emerging markets.
  - The organic growth by quarter for FY 2023/24 was: Q1 7.5%, Q2 7.5%, Q3 7.8%, Q4 8.2%.
- Reported revenue growth in DKK is expected around 7% and includes around -1.5%-points impact from the Skin Care divestment (10 months impact) and neutral impact from currencies.
- The gross margin for FY 2024/25 is expected to be around 68% and includes benefit from lower inflationary pressure on input costs, partly offset by ramp-up activities in Costa Rica and Portugal.
- The reported EBIT margin before special items for FY 2024/25 is expected to be around 28% and assumes:
  - Prudent management of operating costs (expected to grow below reported revenue growth).
  - Improvement in profitability in Advanced Wound Care (ex. Kerecis) with positive impact on the group EBIT margin of around 30 basis points (mostly related to the Skin Care divestment).
  - Incremental investments at the lower end of the Strive25 guidance of up to 2% of sales.
  - Kerecis: improvement in profitability, however, continued negative impact on the group EBIT margin of around 100 basis points (including around DKK 100 million in PPA amortisation).
  - Extraordinary costs related to the establishment of the new US distribution centre in H1 2024/25 of around DKK 30 million, expected to gradually come down towards the end of H1.
  - Limited positive impact from currencies.
  - Phasing: the EBIT margin is expected to be H2-weighted.
- Special items of around DKK 130 million expected in FY 2024/25, mostly related to the Atos Medical integration and the profitability improvement initiatives in Advanced Wound Care.

- CAPEX for FY 2024/25 expected to be around DKK 1.4 billion.
- The net financial expenses for FY 2024/25 are expected around DKK -750 million.
- The ordinary tax rate for FY 2024/25 is still expected around 22%, while the effective tax rate is now expected to be around 40% due to the extraordinary impact from the Kerecis IP transfer. The long-term tax rate expectations of around 23% are unchanged.
- Net working capital for the year is expected to be around 24% of revenue.

## Foreign exchange rates

Please see below an updated FX overview with spot rates as of 27 March 2025. Exchange rate exposure and hedging policy are available on page 59 in our latest roadshow presentation ([Roadshow presentation](#)).

Currency	Average exchange rates for FY 2023/24 <sup>1)</sup>	Spot rates, March 27, 2025	Change in spot rate vs. average exchange rates FY 2023/24	Average exchange rates for H1 2023/24 (Oct 1, 2023 to Mar 31, 2024)	Average exchange rates for YTD 2024/25 (Oct 1, 2024 to March 27, 2025)	Change in average exchange rates
Key currencies:						
USD	688	693	1%	690	704	2%
GBP	872	895	3%	865	895	3%
HUF	1.92	1.86	-3%	1.94	1.84	-5%
Other selected currencies:						
CNY	96	95	0%	96	97	2%
JPY	4.58	4.60	0%	4.66	4.62	-1%
AUD	454	437	-4%	451	451	0%
BRL	134	121	-9%	139	121	-14%
ARS <sup>2)</sup>	0.69	0.65	-6%	0.80	0.65	-19%

1) Average exchange rate from October 1 2023 to September 30 2024

2) The hyperinflationary economy in Argentina entails that results denominated in Argentinian Peso must be adjusted for inflation and be translated at the exchange rate of the balance sheet day which was DKK 0.69 per ARS 100.00 at 30 September 2024 and DKK 0.65 per ARS 100.00 at 27 March 2025.

Please do not hesitate to reach out to Investor Relations if you have any questions.

Best regards,

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