

## 9M 2023/24 Pre-close brief – June 2024

Prior to entering our close period on 1 July 2024 and ahead of reporting our 9M results on 20 August 2024 for the period ending 30 June 2024, we would like to bring the following highlights to your attention:

### Product updates

- Luja™, Coloplast's new intermittent catheter with a Micro-hole Zone Technology, is now available in a male and a female variant. The launch of Luja for men has been concluded and the product is now available in 13 markets. The launch of Luja for women\* was initiated in May 2024 and the product is expected to be available in all key markets over the next 11 months.
- Heylo™, a new digital leakage notification device, has been granted national reimbursement in the UK as of 1 July 2024. Work to obtain reimbursement in the second launch market, Germany, is ongoing.
- The SenSura® Mio range is being significantly expanded with the launch of SenSura Mio in black\*, as well as a broader convexity offering\*, both initiated in May 2024. Biatain® Silicone Fit, a new silicone foam dressing, and Peristeen® Light\*, a new transanal irrigation device, were both launched in Q2 2023/24.

### Draft LCD policy for skin substitutes

- Kerecis submitted a rich portfolio of clinical evidence and feedback from clinicians as part of the consultation period, ended on 8 June 2024, to support getting back on the covered list of products. A final LCD policy is expected to be published no later than the end of 2024.

### Financial guidance for FY 2023/24

*(DKK guidance is based on spot rates as of 3 May 2024)*

- Current macroeconomic and industry-specific trends are continuously monitored and evaluated, and result in a higher degree of uncertainty.
- Organic revenue growth is expected to be around 8% in constant exchange rates. Reported growth in DKK is expected to be 10-11% and assumes around 4%-points contribution from the Kerecis acquisition (11 months) and negative impact from currencies of around 1-2%-points. FY 2023/24 revenue growth assumptions are as follows:
  - Chronic Care – continued solid momentum in Europe and Emerging markets, in line with the Strive25 ambitions. Improvement in growth in China, however, China is not expected to return to the Strive25 ambitions of double-digit growth due to continued impact from consumer sentiment.
  - US Chronic Care – growth expected to be H2 weighted, due to impact from order phasing in the US ostomy care business in H1 2023/24.
  - Advanced Wound Care is expected to deliver growth above the market.
  - Interventional Urology is expected to deliver mid-single digit growth, impacted by softer momentum in the Women's Health business.
  - Voice & Respiratory Care is expected to grow at 8-10%.
  - Positive pricing impact expected, however, at a lower level compared to FY 2022/23.
  - Phasing – organic growth in H2 is expected to be in line with FY 2023/24 guidance of around 8%.
  - Contribution from Kerecis to reported growth is expected to be at a similar level across the quarters.
  - The organic growth by quarter for FY 2022/23 was: Q1 6.8%, Q2 8.2%, Q3 7.7%, Q4 7.8%.
- The gross margin for FY 2023/24 is expected to be around 68% and includes the following assumptions:
  - Raw materials – mid single-digit price increase (around 52% of costs of goods sold in FY 2022/23<sup>1</sup>).
  - Energy cost – tailwind from total energy costs of around DKK 100 million (around 4% of costs of goods sold in FY 2022/23<sup>1</sup>).
  - Freight costs – expected to be a tailwind (around 6% of costs of goods sold in FY 2022/23<sup>1</sup>).
  - Wages in Hungary – double-digit increase, similar to 2022/23 (direct salaries were around 8% of costs of goods sold in FY 2022/23<sup>1</sup>, majority of which in Hungary).
  - Italian payback reform – one-off baseline benefit of around 40 basis points from 2022/23 provision.
  - Kerecis – positive contribution of around 100 basis points.
  - Negative impact from currencies.

- The reported EBIT margin before special items is expected at 27-28% and assumes:
  - Prudent management of operating costs (expected to grow below reported revenue growth, excl. acquired growth). Leverage effect on fixed costs e.g., distribution, admin, and R&D costs (as a rule of thumb the leverage effect kicks in at around 5% organic growth).
  - Incremental investments at the lower end of the Strive25 guidance of up to 2% of sales.
  - Benefit from operational synergies related to integration of Atos Medical on Coloplast infrastructure.
  - Kerecis – negative impact of around 100 basis points (incl. PPA amortisation of around DKK 100 million).
  - Currencies – negative impact of around 50 basis points.
  - Phasing – the EBIT margin in H2 is expected to be at a similar level to H1.
- Negative impact from currencies in H1 expected to gradually decrease throughout the remainder of the financial year.
- Special items of around DKK 50m expected in FY 2023/24, related to the integration of Atos Medical.
- CAPEX for 2023/24 expected to be around DKK 1.4bn, which includes investments in the new manufacturing site in Portugal, investments in new machines for existing and new products, IT and sustainability investments, as well as Atos Medical integration capex.
- FY 2023/24 net financial expenses are expected around DKK -750m (based on spot rates as of 3 May).
- The effective tax rate is expected to be around 22%, positively impacted by the transfer of Atos Medical intellectual property. Following the IP transfer, an extraordinary net tax payment has been made in Q2, with a net impact of DKK 2.5bn. The payment will be offset by reduced tax payments the following years.
- Net working capital for the year is expected to be around 25% of revenue.

## Foreign exchange rates

Please see below an updated spot rate overview based on spot rates as of 18 June. Exchange rate exposure and hedging policy are available on page 65 in our latest roadshow presentation ([Roadshow presentation](#)).

Currency	Average exchange rate FY 2022/23 <sup>1)</sup>	Spot rate, June 18, 2024	Spot rate vs. avg. exchange rate FY 2022/23	Average exchange rate 9M 2022/23 (Oct 1, 2022 to Jun 30, 2023)	Average exchange rate YTD 2023/24 (Oct 1, 2023 to Jun 18, 2024)	Change in average exchange rate
Key currencies:						
USD	698	696	0%	702	691	-2%
GBP	855	882	3%	851	868	2%
HUF	1.92	1.88	-2%	1.91	1.93	1%
Other selected currencies:						
CNY	99	96	-3%	100	96	-5%
JPY	5.03	4.40	-13%	5.13	4.60	-10%
AUD	465	460	-1%	470	453	-4%
BRL	138	128	-7%	137	138	1%
ARS <sup>2)</sup>	2.02	0.77	-62%	2.67	0.77	-71%

1) Average exchange rate from October 1 2022 to September 30 2023.

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 2.02 per ARS 100.00 at 30 September 2023 and DKK 0.77 per ARS 100.00 at 18 June 2024.

3) Estimated average exchange rate is calculated as the average exchange rate year to date combined with the spot rates at 18 June 2024.

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

Best regards,

Aleksandra Dimovska  
Senior Director, Investor Relations  
Tel. +45 4911 1800 / 4911 2458  
E-mail: [dkadim@coloplast.com](mailto:dkadim@coloplast.com)

Kristine Husted Munk  
Senior Manager, Investor Relations  
Tel. +45 4911 1800 / +45 4911 3266  
E-mail: [dkkhu@coloplast.com](mailto:dkkhu@coloplast.com)

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