Announcement no. 4/2019
2 May 2019

Ostomy Care
Continence Care
Wound & Skin Care
Interventional Urology

H1 2018/19

Interim financial report, H1 2018/19

(01 October 2018 - 31 March 2019)

Coloplast A/S
Holtedam 1
DK-3050 Humlebaek,
Denmark

Company reg. (CVR)
no. 69749917

Solid underlying performance continues in Q2

- Coloplast delivered 8% organic growth in the second quarter. Year to date organic growth was 8% and reported revenue in DKK was up by 9% to DKK 8,722m.
- Organic growth rates by business area year to date: Ostomy Care 7%, Continence Care 8%, Interventional Urology 9% and Wound & Skin Care 10%.
- Continued strong momentum in Europe with 6% organic growth in the first six months, driven by new product launches including SenSura® Mio Convex, SenSura® Mio Concave and SpeediCath® Flex.
- Ostomy Care was positively impacted by solid momentum in Europe, US and China but negatively impacted by lower tender activity in Emerging markets in Q2, in particular in Russia.
- The French reimbursement review in Ostomy Care, Continence Care and Wound Care is still ongoing. Coloplast now expects a final decision during Q3.
- The Wound Care business delivered 9% organic growth year to date driven by the Biatain® Silicone portfolio in Europe and in particular in the UK and France.
- The Interventional Urology business delivered 9% organic growth in the first six months, driven by sales and marketing investments in the US.
- The incremental investments into innovation and sales and marketing initiatives of up to 2% of revenue that were initiated in Q1 are progressing according to plan.
- EBIT amounted to DKK 2,639m for the first six months, a 10% increase in DKK, corresponding to an EBIT margin of 30% on par with the same period last year. Restructuring costs of DKK 27m were included in the first six months in connection with the reduction of production staff in Denmark.
- ROIC after tax before special items was 44% in the first six months against 40% in the same period last year.
- 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 1,062m.

Financial guidance for 2018/19

- We continue to expect organic revenue growth of ~8% at constant exchange rates and now a reported growth in DKK of ~9% from previously 8-9%.
- We continue to expect an EBIT margin of 30-31% at constant exchange rates and a reported EBIT margin of ~31% in DKK.
- Capital expenditure is now expected to be DKK ~700m from previously DKK ~750m, and we continue to expect the effective tax rate to be ~23%.

Conference call
Coloplast will host a conference call on 2 May 2019 at 15.00 CET. The call is expected to last about one hour. To attend the conference call, call +45 3272 7548, +44 (0) 203 0095709 or +1 646 787 1226. Conference call reference number is 7098078.
A webcast will be posted on www.coloplast.com shortly after the conclusion of the conference call.

Financial highlights and key ratios

1 October - 31 March

(Unaudited)

Consolidated	DKK million			DKK million		
	2018/19	2017/18		2018/19	2017/18	
	6 mths	6 mths	Change	Q2	Q2	Change
Income statement						
Revenue	8,722	7,990	9%	4,401	4,035	9%
Research and development costs	-352	-321	10%	-171	-163	5%
Operating profit before interest, tax, depreciation and amortisation (EBITDA)	2,959	2,723	9%	1,504	1,357	11%
Operating profit (EBIT)	2,639	2,407	10%	1,342	1,200	12%
Net financial income and expenses	-26	5	N/A	-16	-9	78%
Profit before tax	2,613	2,412	8%	1,326	1,191	11%
Net profit for the year	2,012	1,858	8%	1,021	918	11%
Revenue growth						
Period growth in revenue, %	9	5		9	4	
Growth break down:						
Organic growth, %	8	8		8	8	
Currency effect, %	0	-4		1	-5	
Acquired operations, %	1	1		0	1	
Balance sheet						
Total assets	12,292	12,751	-4%	12,292	12,751	-4%
Capital invested	9,529	9,037	5%	9,529	9,037	5%
Net interest-bearing debt	2,060	2,365	-13%	2,060	2,365	-13%
Equity end of period	6,173	5,376	15%	6,173	5,376	15%
Cash flow and investments						
Cash flows from operating activities	1,234	1,418	-13%	462	411	12%
Cash flows from investing activities	-230	-607	-62%	-116	-419	-72%
Investments in property, plant and equipment, gross	-237	-309	-23%	-125	-120	4%
Free cash flow	1,004	811	24%	346	-8	N/A
Cash flows from financing activities	-1,002	-523	92%	-477	102	N/A
Key ratios						
Operating margin, EBIT, %	30	30		30	30	
Operating margin, EBITDA, %	34	34		34	34	
Return on average invested capital before tax (ROIC), %[1)]	57	53		57	52	
Return on average invested capital after tax (ROIC), %[1)]	44	40		44	40	
Return on equity, %	70	72		72	73	
Equity ratio, %	50	42		50	42	
Net asset value per outstanding share, DKK	29	25	16%	29	25	16%
Share data						
Share price, DKK	730	511	43%	730	511	43%
Share price/net asset value per share	25.1	20.1	25%	25.1	20.1	25%
Average number of outstanding shares, millions	212.4	212.3	0%	212.4	212.2	0%
PE, price/earnings ratio	41.7	29.2	43%	38.0	29.5	29%
Earnings per share (EPS), diluted	9.44	8.74	8%	4.78	4.32	11%
Free cash flow per share	4.7	3.8	24%	1.6	0.0	N/A

1) This item is before Special items. After Special items, ROIC before tax is 59% (2017/18: 56%), and ROIC after tax is 45% (2017/18: 43%).

Management's report

Sales performance

The organic growth rate was 8% in the first six months of 2018/19. Reported revenue in DKK was up by 9% to DKK 8,722m. Exchange rate developments increased revenue by less than 1% due to a favourable development in USD against DKK which was partly offset by the depreciation of the Argentinian Peso (ARS) against DKK. Revenue from acquisitions contributed 1%, resulting from the acquisitions of French distributor Lilial and German distributor IncoCare in the second quarter of 2017/18.

Organic growth in the second quarter was 8%. Reported revenue in DKK was up by 9% to DKK 4,401m. Exchange rate developments increased revenue by 1% mainly related to the positive development of the USD against DKK partly offset by the depreciation of the Argentinian Peso (ARS) against DKK.

Sales performance by business area

	DKK million		Growth composition (6 mths)				DKK million	Growth composition (Q2)			
	2018/19 6 mths	2017/18 6 mths	Organic growth	Acquired operations	Exchange rates	Reported growth	2018/19 Q2	Organic growth	Acquired operations	Exchange rates	Reported growth
Ostomy Care	3,478	3,250	7%	0%	0%	7%	1,742	6%	0%	1%	7%
Continence Care	3,163	2,875	8%	2%	0%	10%	1,584	9%	0%	1%	10%
Interventional Urology	963	859	9%	-	3%	12%	484	10%	-	4%	14%
Wound & Skin Care	1,118	1,006	10%	0%	1%	11%	591	9%	0%	2%	11%
Net revenue	**8,722**	**7,990**	**8%**	**1%**	**0%**	**9%**	**4,401**	**8%**	**0%**	**1%**	**9%**

Sales performance by region

	DKK million		Growth composition (6 mths)				DKK million	Growth composition (Q2)			
	2018/19 6 mths	2017/18 6 mths	Organic growth	Acquired operations	Exchange rates	Reported growth	2018/19 Q2	Organic growth	Acquired operations	Exchange rates	Reported growth
European markets	5,217	4,838	6%	1%	1%	8%	2,612	6%	0%	1%	7%
Other developed markets	2,069	1,803	10%	-	5%	15%	1,028	10%	-	8%	18%
Emerging markets	1,436	1,349	12%	-	-5%	7%	761	11%	-	-4%	7%
Net revenue	**8,722**	**7,990**	**8%**	**1%**	**0%**	**9%**	**4,401**	**8%**	**0%**	**1%**	**9%**

Ostomy Care

Ostomy Care generated 7% organic sales growth in the first six months and reported revenue in DKK grew 7% to DKK 3,478m. Revenue from acquisitions contributed less than 1%.
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 continues to be the main contributor to growth driven predominately by Europe. SenSura® Mio Concave is now available in 15 countries and is increasingly contributing to growth. The new SenSura® Mio Baby & Kids portfolio, setting a new standard for paediatric ostomy care products, has been launched in 6 countries.
The SenSura® and Assura/Alterna® portfolios also delivered satisfactory sales growth in the markets where they are being actively promoted, in particular in China and Brazil.
The sales performance of the Brava® range of supporting products was driven especially by growth in China and the US. The Brava® Elastic Tape and the Brava® Protective Seal were the main contributors to growth.

From a country perspective, the UK, China, France and the US were the key drivers of growth. Revenue growth in Emerging markets was negatively impacted by lower tender activity, in particular in Russia, as well as a strong comparison period.

Q2 organic growth was 6%, while reported revenue in DKK increased by 7% to DKK 1,742m. As in Q1, the SenSura® Mio portfolio and the Brava® range of supporting products were also the main contributors to growth. Revenue growth in the SenSura® Mio portfolio was driven by the UK, Germany and the US. The SenSura® and Assura/Alterna® portfolios also delivered satisfactory sales growth in Q2. Revenue growth in the Brava® range of supporting products continued to be driven by positive trends in the Chinese and US markets.
From a country perspective, the UK, China and the US were the main contributors to growth. Revenue growth in Emerging markets was negatively impacted by lower tender activity as mentioned above as well as a strong comparison period.

Continence Care

Continence Care generated 8% organic sales growth in the first six months, with reported revenue in DKK growing by 10% to DKK 3,163m. Revenue from acquisitions contributed 2% driven by acquisitions in the distribution channel.

SpeediCath® intermittent catheters and Peristeen® continued to be the main drivers of revenue growth in the Continence Care business. Sales of SpeediCath® compact catheters contributed to growth driven by good momentum in France, the UK and the US. SpeediCath® Flex contributed positively to growth, especially in the US and across the European markets. Growth in sales of SpeediCath® standard catheters was driven by the US and Emerging markets. The new SpeediCath® Navi, a hydrophilic catheter specifically designed for emerging markets, has been launched in 3 countries.

The Peristeen® portfolio continued to show good results driven by France, the UK and Germany. The sales performance of urisheaths and urine bags also developed positively as a result of higher sales in France and the US.

From a country perspective, growth was driven by France and the US. The upgrade to hydrophilic catheters continues to drive growth in the US.

Q2 organic growth was 9%, while reported revenue in DKK increased by 10% to DKK 1,584m. As in Q1 18/19, organic growth was driven by SpeediCath® intermittent catheters and Peristeen®. Sales of compact catheters in the UK, France and Germany contributed positively to growth. In addition, SpeediCath® Flex also contributed to the positive development, driven mainly by Europe and the US.

From a country perspective, the UK, US and France were the main drivers of growth.

Interventional Urology

Interventional Urology generated 9% organic sales growth in the first six months. Reported revenue in DKK grew 12% to DKK 963m.

Growth was mainly driven by Titan® penile implants and Altis® single incision slings in the US as a result of the commercial investments made over the last two years. Sales of disposable surgical products also contributed positively to growth in the first six months driven by Europe.

From a country perspective, the US market continues to drive growth in Interventional Urology as a result of the above-mentioned sales initiatives.

Q2 organic growth was 10%, while reported revenue in DKK increased by 14% to DKK 484m. As in the first three months of the financial year, the strong sales performance in the US of Titan® penile implants and Altis® single incision slings were the main drivers.

Wound & Skin Care

Wound & Skin Care generated 10% organic sales growth in the first six months and reported revenue in DKK grew by 11% to DKK 1,118m.

The Wound Care business delivered 9% organic growth in the first six months. At a product level, the Biatain® Silicone portfolio continued to be the main contributor to growth, driven by France and the UK. The Biatain® Silicone Sizes & Shapes portfolio accounted for a significant part of the revenue growth in the Biatain® Silicone portfolio.

From a country perspective, France, the UK and China were the main contributors to the growth in the Wound Care business.

The Compeed contract manufacturing business contributed to growth in the first six months helped by low comparative numbers in the same period last year due to inventory reductions related to Johnson & Johnson's sale of the Compeed trademark to HRA Pharma. The Skin Care business reported positive growth in the first six months despite negative growth in Q1 which was due to a strong comparison period.

Q2 organic growth for Wound & Skin Care was 9%, while reported revenue in DKK increased by 11% to DKK 591m. The Wound Care business delivered an organic growth of 9% in Q2. As in Q1, growth in Wound Care sales continued to be driven by sales of Biatain® Silicone. From a country perspective, the Wound Care business saw good momentum in the UK, France and China.

The Compeed contract manufacturing business contributed positively to growth in Q2. The Skin Care business contributed to growth in Q2 driven by new customer contracts.

Gross profit

Gross profit was up by 9% to DKK 5,860m from DKK 5,361m last year. The gross margin was 67% which was in line with last year. The gross margin includes a neutral impact from currencies.

The gross margin was positively impacted by operating leverage driven by revenue growth as well as ongoing efficiency improvements. On the other hand, the gross margin continues to be negatively impacted by product mix, salary inflation in Hungary, restructuring costs and acquisitions.

Restructuring costs for the period amounted to DKK 27m, against DKK 8m last year. The increase is related to the closure of the factory in Thisted, Denmark in June 2019.

The Q2 gross margin was 67% in line with last year. The Q2 margin was negatively impacted by restructuring costs of DKK 10m against DKK 5m in the same period last year.

Costs

Distribution costs amounted to DKK 2,533m in the first six months, a DKK 179m increase (8%) from DKK 2,354m last year. Distribution costs amounted to 29% of revenue which was on par with last year. The higher distribution costs reflect an increase in investments in sales and marketing activities across a number of markets in Chronic Care, Wound Care and Interventional Urology. Q2 distribution costs amounted to DKK 1,277m, equal to 29% of revenue, which was in line with last year.

Administrative expenses amounted to DKK 377m in the first six months, against DKK 308m last year. The increase of DKK 69m (22%) was mainly related to timing of expenses as well as an increase in costs within IT and legal. Administrative expenses accounted for 4% of revenue in line with last year. The Q2 administrative expenses amounted to 4% of revenue which was consistent with last year.

The R&D costs were DKK 352m in the first six months, a DKK 31m (10%) increase which was due to a general increase in R&D activities. R&D costs amounted to 4% of revenue, which was in line with last year. The Q2 R&D costs amounted to DKK 171m or 4% of revenue, in line with last year.

Other operating income and other operating expenses amounted to a net income of DKK 41m in the first six months of 2018/19, against DKK 29m last year. The increase was mainly due to a DKK 16m gain on the sale of former production facilities in Denmark. Other operating income and other operating expenses for the Q2 period increased to a net income of DKK 28m, against net income of DKK 5m last year which is linked to the aforementioned sale of production facilities.

Operating profit (EBIT)

EBIT amounted to DKK 2,639m in the first six months of 2018/19, a DKK 232m (10%) increase from DKK 2,407m last year. The EBIT margin was 30% for the first six months which was on par with last year. The EBIT margin includes a neutral impact from currencies.

In Q2, EBIT was DKK 1,342m, a DKK 142 (12%) increase from Q2 last year. The EBIT margin was 30% in Q2, against last year's EBIT margin of 30%.

Financial items and tax

Financial items were a net expense of DKK 26m in the first six months, compared to a net income of DKK 5m last year. During the first six months of 2018/19, currency hedges have resulted in a net expense of DKK 56m, mainly due to the appreciation of USD and GBP against DKK, which is offset by a net gain of DKK 29m on balance sheet items denominated in foreign currencies and a hyperinflationary adjustment of DKK 18m related to the accounting treatment of the Argentinian Peso. The net expense of DKK 26m for the first six months was mainly attributable to bank charges and fees.
The Q2 financial items were a net expense of DKK 16m, compared with a net expense of DKK 9m in the year-earlier period.

The tax rate was 23%, which was in line with last year. The tax expense amounted to DKK 601m against DKK 554m last year.

Net profit

Net profit for the first six months of 2018/19 was DKK 2,012m, a DKK 154m (8%) increase from DKK 1,858m last year. Diluted earnings per share (EPS) increased by 8% to DKK 9.44 per share.

The Q2 net profit amounted to DKK 1,021m, against DKK 918m last year. The Q2 earnings per share (EPS), diluted, were up by 11% to DKK 4.78.

Cash flows and investments

Cash flows from operating activities

Cash flows from operating activities amounted to DKK 1,234m in the first six months, against DKK 1,418m last year. The decrease is mainly explained by an increase in working capital as well as an increase in tax payments, mainly due to high tax deductions last year in connection with the payments made in respect of settlements in lawsuits in the USA alleging injury resulting from the use of transvaginal surgical mesh products.

Investments

Coloplast made investments (CAPEX) of DKK 273m in the first six months of 2018/19, compared with DKK 327m last year. As a result, CAPEX accounted for 3% of revenue in the period against 4% last year. The decline was mainly linked to timing of investments during the course of the fiscal year.

Total cash flows from investing activities was a DKK 230m outflow in the first six months, against a DKK 607m outflow last year, mainly due to the acquisitions of French distributor Lilial and German distributor IncoCare in the second quarter of 2017/18.

Free cash flow
As a result, the free cash flow was an inflow of DKK 1,004m against DKK 811m last year.

Capital resources
At 31 March 2019, Coloplast had net interest-bearing debt, including securities, of DKK 2,060m, against DKK 754m at 30 September 2018. The increase in net interest-bearing debt is due to the payment of dividends in December 2018.

Statement of financial position and equity

Balance sheet
At DKK 12,292m, total assets increased by DKK 523m relative to 30 September 2018.

Working capital was 25% of revenue. Inventories increased by DKK 144m to DKK 1,869m and trade receivables increased DKK 236m to DKK 3,113m. Trade payables, on the other hand, decreased by DKK 87m relative to 30 September 2018 to stand at DKK 664m.

Equity
Equity decreased by DKK 245m relative to 30 September 2018 to DKK 6,173m. Payment of dividends amounting to DKK 2,336m was only partly offset by total comprehensive income for the period of DKK 2,060m, net effect of treasury shares bought and sold and the share-based remuneration.

Dividends and share buy-backs
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 1,062m.
The second part of the share buy-back programme, equal to DKK 500m of a total amount of DKK 1bn, was initiated in Q2 2018/19 and is expected to be completed before the end of the current financial year. At 31 March 2019, the company had bought back shares at a total of DKK 95m under the second part of the programme.

Treasury shares
At 31 March 2019, Coloplast's holding of treasury shares consisted of 3,540,013 B shares, which was 93,417 fewer than at 30 September 2018. The decline was due to the exercise of share options.

Financial guidance for 2018/19

- We continue to expect organic revenue growth of ~8% at constant exchange rates and now a reported growth in DKK of ~9% from previously 8-9%.
- We continue to expect an EBIT margin of 30-31% at constant exchange rates and ~31% in DKK. The EBIT margin guidance reflects additional incremental investments of up to 2% of revenue for innovation and sales and marketing purposes.
- Capital expenditure is now expected to be DKK ~700m from previously DKK ~750m.
- The effective tax rate is still expected to be about ~23%.

The financial guidance takes account of known reforms. Our expectations for long-term price pressures, of up to 1% in annual price pressure, are 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.

The EBIT margin guidance assumes that Coloplast, in addition to achieving its growth target, will continue to deliver scale economy and efficiency improvements.

The capital investments will increase production capacity for new and existing products and will provide for the construction of a new factory facility in Costa Rica, which is expected to be operational during the 2019/20 financial year.

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

Other matters

New ostomy contract with Kindred at Home in the US

Coloplast has signed a new contract as the primary ostomy supplier with Kindred at Home. With more than 700 locations in 41 states, Kindred at Home is the largest home health agency in the US with an estimated market share of ~5%. The contract took effect from April 2019.

FDA orders Coloplast to cease selling and distributing Restorelle® DirectFix Anterior

FDA has ordered Coloplast to stop selling and distributing Restorelle® DirectFix Anterior products immediately. Coloplast is disappointed by the FDA decision to remove surgical transvaginal mesh as a treatment option for women suffering from pelvic organ prolapse. Coloplast has been committed to working with the FDA on the 522 clinical studies to document the long-term efficacy and safety of the products. Restorelle® DirectFix Anterior accounts for approximately 0.2% of group revenues. Coloplast does not expect the FDA decision to impact the US product liability case regarding transvaginal surgical mesh products. Coloplast has provisioned DKK 5.25bn for the product liability case and settled more than 95% of the known lawsuits. Coloplast continues to see the female pelvic mesh mass tort litigation mature towards conclusion.

Timetable for the half-year interim dividend of DKK 5.00 share

2 May 2019 – Declaration date
6 May 2019 – Ex-dividend date
7 May 2019 – Value date
8 May 2019 – Disbursement date

Meet the Management event in London on 20 August 2019

Coloplast will host a Capital Markets Day in London on 20 August 2019. The event is intended to give institutional investors and equity analysts an opportunity to meet with the broader Management team and get an update on the business and main strategic themes.

Exchange rate exposure
Our financial guidance for the 2018/19 financial year has been prepared on the basis of the following assumptions for the company's principal currencies:

DKK	GBP	USD	HUF
Average exchange rate H1 2017/18	841	619	2.39
Average exchange rate H1 2018/19	848	655	2.33
Change in average exchange rates for 2018/19 compared with the same period last year	1%	6%	-3%
Average exchange rate 2017/18[1)]	842	627	2.36
Spot rate, 1 May 2019	868	665	2.30
Estimated average exchange rate 2018/19[2)]	858	660	2.32
Change in estimated average exchange rates compared with average exchange rate 2017/18	2%	5%	-2%

1) Average exchange rates for 2017/18 are from 1 October 2017 to 28 September 2018.
2) Estimated average exchange rates are calculated as the average exchange rates for H1 combined with the spot rates at 1 May 2019.

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

In DKK millions over 12 months on a 10% initial drop in exchange rates (Average exchange rates 2017/18)	Revenue	EBIT
USD	-330	-140
GBP	-250	-160
HUF	0	110

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 healthcare 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.

Ostomy Care
Continence Care
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Interventional Urology

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 2018 – 31 March 2019. 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 2019 and of the results of the Group's operations and cash flows for the period 1 October 2018 – 31 March 2019.

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 2017/18.

Humlebæk, 2 May 2019

Executive Management:

Kristian Villumsen President, CEO	Anders Lonning-Skovgaard Executive Vice President, CFO
Allan Rasmussen Executive Vice President, Global Operations	Paul Marcun Executive Vice President, Chronic Care

Board of Directors:

Lars Rasmussen Chairman	Niels Peter Louis-Hansen Deputy Chairman	Carsten Hellmann
Birgitte Nielsen	Jette Nygaard-Andersen	Jørgen Tang-Jensen
Thomas Barfod Elected by the employees	Roland Vendelbo Pedersen Elected by the employees	Nikolaj Kyhe Gundersen Elected by the employees

Coloplast

Tables

The financial figures are unaudited

Statement of comprehensive income

1 October - 31 March

(Unaudited)

Consolidated		DKK million			DKK million		
		2018/19	2017/18		2018/19	2017/18	
Note		6 mths	6 mths	Index	Q2	Q2	Index
	Income statement						
2	Revenue	8,722	7,990	109	4,401	4,035	109
	Production costs	-2,862	-2,629	109	-1,444	-1,340	108
	Gross profit	**5,860**	**5,361**	**109**	**2,957**	**2,695**	**110**
	Distribution costs	-2,533	-2,354	108	-1,277	-1,180	108
	Administrative expenses	-377	-308	122	-195	-157	124
	Research and development costs	-352	-321	110	-171	-163	105
	Other operating income	48	48	100	32	21	152
	Other operating expenses	-7	-19	37	-4	-16	25
	Operating profit (EBIT)	**2,639**	**2,407**	**110**	**1,342**	**1,200**	**112**
3	Financial income	55	78	71	27	37	73
4	Financial expenses	-81	-73	111	-43	-46	93
	Profit before tax	**2,613**	**2,412**	**108**	**1,326**	**1,191**	**111**
	Tax on profit for the period	-601	-554	108	-305	-273	112
	Net profit for the period	**2,012**	**1,858**	**108**	**1,021**	**918**	**111**
	Other comprehensive income						
	Items that will not be reclassified to income statement:						
	Remeasurements of defined benefit plans	-15	12		-17	16	
	Tax on remeasurements of defined benefit plans	4	-2		4	-3	
		-11	**10**		**-13**	**13**	
	Items that may be reclassified to income statement:						
	Value adjustment of currency hedging	-104	35		-113	4	
	Transferred to financial items	56	-74		30	-37	
	Tax effect of hedging	11	9		19	8	
	Currency adjustment of opening balances and other market value adjustments relating to subsidiaries	96	-83		48	-63	
		59	**-113**		**-16**	**-88**	
	Total other comprehensive income	**48**	**-103**		**-29**	**-75**	
	Total comprehensive income	**2,060**	**1,755**		**992**	**843**	
	Earnings per Share (EPS)	9.48	8.75		4.81	4.32	
	Earnings per Share (EPS), diluted	9.44	8.74		4.78	4.32	

Ostomy Care
Continence Care
Wound & Skin Care
Interventional Urology

Balance sheet

At 31 March

(Unaudited)

Consolidated	DKK million		
Note	31.03.19	31.03.18	30.09.18
Non-current assets			
Intangible assets	2,517	2,495	2,518
Property, plant and equipment	3,179	3,125	3,169
Other equity investments	10	10	10
Deferred tax asset	464	461	460
Other receivables	25	19	22
Total non-current assets	6,195	6,110	6,179
Current assets			
Inventories	1,869	1,679	1,725
Trade receivables	3,113	2,894	2,877
Income tax	47	40	13
Other receivables	185	240	195
Prepayments	192	167	161
Amounts held in escrow	71	702	12
Marketable securities	308	311	310
Cash and cash equivalents	312	608	297
Total current assets	6,097	6,641	5,590
Total assets	**12,292**	**12,751**	**11,769**

Coloplast

Balance sheet

At 31 March

(Unaudited)

Consolidated Note		DKK million 31.03.19	31.03.18	30.09.18
	Equity			
	Share capital	216	216	216
	Currency translation reserve	-92	-135	-161
	Reserve for currency hedging	-73	25	-36
	Proposed ordinary dividend for the year	1,062	1,060	2,336
	Retained earnings	5,060	4,210	4,063
	Total equity	6,173	5,376	6,418
	Liabilities			
	Non-current liabilities			
	Provisions for pensions and similar liabilities	212	207	192
	Provision for deferred tax	297	271	282
8	Other provisions	37	52	49
	Lease liability	88	101	91
	Prepayments	32	43	29
	Total non-current liabilities	666	674	643
	Current liabilities			
	Provisions for pensions and similar liabilities	0	3	3
8	Other provisions	150	250	222
	Other credit institutions	2,584	3,183	1,262
	Trade payables	664	615	751
	Income tax	419	448	823
	Other payables	1,622	2,196	1,628
	Lease liability	8	0	8
	Prepayments	6	6	11
	Total current liabilities	5,453	6,701	4,708
	Total liabilities	**6,119**	**7,375**	**5,351**
	Total equity and liabilities	**12,292**	**12,751**	**11,769**

1 Accounting policies
9 Contingent liabilities

Coloplast

Statement of changes in equity

(Unaudited)

Consolidated DKK million	Share capital A shares	 B shares	Currency translation reserve	Reserve for currency hedging	Proposed dividend	Retained earnings	Total equity
2018/19							
Balance at 1.10.	18	198	-161	-36	2,336	4,063	6,418
Comprehensive income:							
Net profit for the year					1,062	950	2,012
Other comprehensive income that will not be reclassified to income statement:							
Remeasurements of defined benefit plans						-15	-15
Tax on remeasurements of defined benefit plans						4	4
Other comprehensive income that may be reclassified to income statement:							
Value adjustment of currency hedging				-104			-104
Transferred to financial items				56			56
Tax effect of hedging				11			11
Currency adjustment of opening balances and other market value adjustments relating to subsidiaries			69			27	96
Total other comprehensive income	0	0	69	-37	0	16	48
Total comprehensive income	0	0	69	-37	1,062	966	2,060
Transactions with shareholders:							
Acquisition of treasury shares						-95	-95
Sale of treasury shares						107	107
Share-based payment						19	19
Dividend paid out in respect of 2017/18					-2,336		-2,336
Total transactions with shareholders	0	0	0	0	-2,336	31	-2,305
Balance at 31.03.	**18**	**198**	**-92**	**-73**	**1,062**	**5,060**	**6,173**

Coloplast

Statement of changes in equity

(Unaudited)

Consolidated DKK million	Share capital A shares	 B shares	Currency translation reserve	Reserve for currency hedging	Proposed dividend	Retained earnings	Total equity
2017/18							
Balance at 1.10.	18	198	-86	55	2,228	3,539	5,952
Comprehensive income:							
Net profit for the year					1,060	798	1,858
Other comprehensive income that will not be reclassified to income statement:							
Remeasurements on defined benefit plans						12	12
Tax on remeasurements on defined benefit plans						-2	-2
Other comprehensive income that may be reclassified to income statement:							
Value adjustment of currency hedging				35			35
Transferred to financial items				-74			-74
Tax effect of hedging				9			9
Currency adjustment of opening balances and market value adjustments relating to subsidiaries			-49			-34	-83
Total other comprehensive income	0	0	-49	-30	0	-24	-103
Total comprehensive income	0	0	-49	-30	1,060	774	1,755
Transactions with shareholders:							
Transfers					2	-2	0
Acquisition of treasury shares						-198	-198
Sale of treasury shares						80	80
Share-based payment						17	17
Dividend paid out in respect of 2016/17					-2,230		-2,230
Total transactions with shareholders	0	0	0	0	-2,228	-103	-2,331
Balance at 31.03.	**18**	**198**	**-135**	**25**	**1,060**	**4,210**	**5,376**

Coloplast

Ostomy Care
Continence Care
Wound & Skin Care
Interventional Urology

Cash flow statement

1 October - 31 March

(Unaudited)

Note	Consolidated	2018/19 6 mths	2017/18 6 mths
	DKK million		
	Operating profit	2,639	2,407
	Depreciation and amortisation	320	316
5	Adjustment for other non-cash operating items	-87	-73
6	Changes in working capital	-548	-545
	Ingoing interest payments, etc.	8	78
	Outgoing interest payments, etc.	-86	-29
	Income tax paid	-1,012	-736
	Cash flows from operating activities	**1,234**	**1,418**
	Investments in intangible assets	-36	-18
	Investments in land and buildings	-4	-17
	Investments in plant and machinery	-27	-22
	Investments in property, plant and equipment under construction	-206	-270
	Property, plant and equipment sold	41	9
	Acquisition of operations	0	-293
	Net sales/purchase of marketable securities	2	4
	Cash flow from investing activities	**-230**	**-607**
	Free cash flow	**1,004**	**811**
	Dividend to shareholders	-2,336	-2,230
	Acquisitions of treasury shares	-95	-198
	Sale of treasury shares	107	80
	Financing from shareholders	-2,324	-2,348
	Drawdown on credit facilities	1,322	1,825
	Cash flows from financing activities	**-1,002**	**-523**
	Net cash flows	**2**	**288**
	Cash and cash equivalents at 1.10.	297	314
	Value adjustment of cash and bank balances	13	13
	Cash and cash equivalents, acquisition of operations	0	-7
	Net cash flows	2	288
7	**Cash and cash equivalents at 31.03.**	**312**	**608**

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

Notes

(Unaudited)

Consolidated

1. Accounting policies

The accounting policies for recognition and measurement applied in the preparation of the interim report are consistent with those applied in the Annual Report 2017/18 except for new standards, amendments and interpretations that are effective from the 2018/19 financial year.

IFRS 15

An analysis of the new framework for recognising revenues per IFRS 15 has shown that the current accounting practice is in line with the new standard. For this reason, accounting policies for recognition and measurement remain unchanged.

IFRS 9

An analysis of the new recognition and measurement principles for financial instruments, including trade receivables and forward exchange contracts (used for hedging purposes), shows that the current accounting practice is in line with the new standard. For this reason, accounting policies for recognition and measurement remain unchanged.

Notes

(Unaudited)

Consolidated

2. Segment information

Operating segments

The operating segments are defined on the basis of the monthly reporting to the Executive Management, which is considered the senior operational management, and the management structure. Reporting to Management 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.
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 Management.

The shared/non-allocated comprises support functions (production units, R&D and staff) and eliminations, as these functions do not generate revenue. Financial items and income tax are not allocated to the operating segments.

Management 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 and 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.

Management 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.

Operating segments	Chronic Care		Interventional Urology		Wound & Skin Care		Total	
DKK million	**2018/19**	2017/18	**2018/19**	2017/18	**2018/19**	2017/18	**2018/19**	2017/18
Segment revenue								
Ostomy Care	3,478	3,250	0	0	0	0	3,478	3,250
Continence Care	3,163	2,875	0	0	0	0	3,163	2,875
Interventional Urology	0	0	963	859	0	0	963	859
Wound & Skin Care	0	0	0	0	1,118	1,006	1,118	1,006
External revenue as per the Statement of comprehensive income	**6,641**	**6,125**	**963**	**859**	**1,118**	**1,006**	**8,722**	**7,990**
Segment operating profit/loss	3,814	3,570	364	320	429	376	4,607	4,266
Shared/non-allocated							-1,968	-1,859
Operating profit before tax (EBIT) as per the Statement of comprehensive income							**2,639**	**2,407**
Net financials							-26	5
Tax of profit/loss for the year							-601	-554
Profit/loss for the year as per the Statement of comprehensive income							**2,012**	**1,858**

Note: The comparison figures for Wound & Skin Care are adjusted to reflect organizational changes where certain segment functions are changed to group functions.

Notes

(Unaudited)

Consolidated		DKK million	
		2018/19	2017/18
3.	**Financial income**		
	Interest income	8	4
	Fair value adjustments of forward contracts transferred from Other comprehensive income	0	74
	Net exchange adjustments	29	0
	Hyperinflationary adjustment of monetary position	18	0
	Total	**55**	**78**
4.	**Financial expenses**		
	Interest expenses	4	6
	Fair value adjustments of forward contracts transferred from Other comprehensive income	56	0
	Fair value adjustments of cash-based share options	3	0
	Net exchange adjustments	0	50
	Other financial expenses and fees	18	17
	Total	**81**	**73**
5.	**Adjustment for other non-cash operating items**		
	Net gain/loss on divestment of non-current assets	-23	0
	Change in other provisions	-83	-90
	Other non-cash operating items	19	17
	Total	**-87**	**-73**
6.	**Changes in working capital**		
	Inventories	-111	5
	Trade receivables	-179	-34
	Other receivables, including amounts held in escrow	-81	-173
	Trade and other payables etc.	-177	-343
	Total	**-548**	**-545**
7.	**Cash and cash equivalents**		
	Cash	0	1
	Short term bank balances	312	607
	Total	**312**	**608**

Notes

(Unaudited)

Consolidated

8. 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 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 June 2017, Judge Joseph Goodwin issued a court order stating that plaintiffs may no longer direct claims against Coloplast in the ongoing MDL. The court order is a further step towards closure and full resolution of the MDL.

The total amount recognised since the 2013/14 financial year for expected costs of litigation in the USA amounts to DKK 5.25bn including legal costs (before insurance cover of DKK 0.5bn).

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

Management estimates that more than 95% of known lawsuits in the US have been settled.

The remaining provision made for legal claims at 31 March 2019 amounted to DKK 0.2bn (30 September 2018: DKK 0.2bn) plus DKK 0.2bn recognised under other debt (30 September 2018: DKK 0.3bn). 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.

9. Contingent liabilities

Other than as set out in note 8 other provisions, the Coloplast Group is a party to a few minor legal proceedings, which are not expected to influence the Group's future earnings.

Coloplast

Ostomy Care
Continence Care
Wound & Skin Care
Interventional Urology

Income statement, quarterly

(Unaudited)

Consolidated						
	2018/19		2017/18			
DKK million	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	4,401	4,321	4,234	4,225	4,035	3,955
Production costs	-1,444	-1,418	-1,339	-1,415	-1,340	-1,289
Gross profit	**2,957**	**2,903**	**2,895**	**2,810**	**2,695**	**2,666**
Distribution costs	-1,277	-1,256	-1,162	-1,205	-1,180	-1,174
Administrative expenses	-195	-182	-163	-182	-157	-151
Research and development costs	-171	-181	-159	-160	-163	-158
Other operating income	32	16	8	10	21	27
Other operating expenses	-4	-3	-4	-4	-16	-3
Operating profit (EBIT)	**1,342**	**1,297**	**1,415**	**1,269**	**1,200**	**1,207**
Financial income	27	28	28	19	37	41
Financial expenses	-43	-38	-79	-55	-46	-27
Profit before tax	**1,326**	**1,287**	**1,364**	**1,233**	**1,191**	**1,221**
Tax on profit for the period	-305	-296	-325	-285	-273	-281
Net profit for the period	**1,021**	**991**	**1,039**	**948**	**918**	**940**
Earnings per Share (EPS)	4.81	4.67	4.90	4.47	4.32	4.43
Earnings per Share (EPS), diluted	4.78	4.66	4.89	4.47	4.32	4.42

Ostomy Care
Continence Care
Wound & Skin Care
Interventional Urology

Our mission
Making life easier for people
with intimate healthcare 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 healthcare. Our business includes Ostomy Care, Continence Care, Wound and Skin Care and Interventional Urology. We operate globally and employ about 12,000 employees.