Announcement no. 04/2022
5 May 2022

Ostomy Care
Continence Care
Wound & Skin Care
Interventional Urology
Voice & Respiratory Care

Coloplast A/S
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Denmark

Company reg. (CVR)
no. 69749917

H1 2021/22

Interim financial results, H1 2021/22

1 October 2021 - 31 March 2022

Coloplast delivers a solid Q2 with 7% organic growth and 31% EBIT margin before special items. Organic growth guidance is revised to 6-7% from around 7% due to the impact of COVID-19 in China. Guidance for reported growth and EBIT margin before special items unchanged.

- Coloplast delivered 7% organic growth in Q2. Reported revenue in DKK was up by 16%. Organic growth rates by business area in Q2 were: Ostomy Care 7%, Continence Care 7%, Interventional Urology 9%, and Wound & Skin Care 6%. Voice & Respiratory Care contributed 6%-points to reported growth, and delivered a high-single digit underlying growth as expected.
- Satisfactory Q2 for Chronic Care, driven by solid growth in Europe and Emerging markets, ex. China, which remains impacted by COVID-19. Growth in new patients in the US Continence Care normalised towards the end of the quarter.
- Growth in the Interventional Urology business was broad-based, led by the US and Men's Health and positively impacted by a strong recovery in elective procedure volumes in the US towards the end of the quarter.
- The Wound & Skin Care business delivered a solid quarter, driven by double-digit growth in Contract Manufacturing, due to a low baseline. Wound Care grew 2%, impacted by a high baseline in Europe and softness in China due to COVID-19.
- EBIT before special items was DKK 1,686 million, a 7% increase from last year, corresponding to an EBIT margin before special items of 31% against 33% last year. EBIT was impacted by DKK 381 million in special items. DKK 300 million are related to further provision for the remaining lawsuits in the US alleging injury resulting from the use of transvaginal surgical mesh products, as the process is taking longer than previously anticipated, including delays due to COVID-19. Around 99% of the MDL cases have been settled. The remaining DKK 81 million special items are related to the Atos Medical acquisition.

H1 2021/22 organic growth of 6% and 31% EBIT margin before special items.

- Coloplast delivered 6% organic growth in H1. Reported revenue in DKK was up by 12% to DKK 10,671 million. Organic growth rates by business area were: Ostomy Care 6%, Continence Care 6%, Interventional Urology 7%, Wound & Skin Care 9%. Voice & Respiratory Care contributed 3%-points to the reported growth in H1.
- EBIT before special items amounted to DKK 3,335 million, a 7% increase from last year, corresponding to an EBIT margin before special items of 31% against 33% last year. EBIT was impacted by DKK 415 million in special items[1)].
- ROIC after tax before special items was 25% against 43% last year, negatively impacted by the acquisition of Atos Medical. Diluted earnings per share (EPS) before special items increased by 4% to DKK 11.77.
- The Board of Directors has resolved that Coloplast will pay a half-year interim dividend of DKK 5.00 per share for a total dividend pay-out of DKK 1,062 million.

Organic revenue growth for FY 2021/22 is revised to 6-7% from previously around 7%. Reported growth guidance of around 15% and EBIT margin guidance before special items of around 31% are unchanged.

- Organic revenue growth is now expected at 6-7%, from previously around 7% at constant exchange rates, impacted by the recent COVID-19 outbreak in China, where the current lockdowns have resulted in reduced access to hospitals and a decline in procedural volumes, leading to a weaker outlook for the Chinese Ostomy Care and Wound Care businesses.
- Reported growth in DKK excluding Atos Medical is still expected at around 9%. The impact of the Atos Medical acquisition on reported growth is still expected at around 6%-points. In total, reported growth in DKK is still expected at around 15%.
- Reported EBIT margin before special items is still expected around 31% and reported EBIT margin after special items is now expected at 28-29% from previously around 30%, impacted by special items of around DKK 450 million[2)].
- Capital expenditures still expected to be around DKK 1.3 billion. The effective tax rate still expected to be around 23%.

Conference call
Coloplast will host a conference call on Thursday, 5 May 2022 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 29624222#

Access the conference call webcast directly here:
https://getvisualtv.net/stream/register/?coloplast-oupgacaz5x

[1)] DKK 300 million provision for costs related to the US lawsuits alleging injury from the use of transvaginal surgical mesh products, and DKK 115 million related to the Atos Medical acquisition.
[2)] Includes DKK 300 million provision for costs related to the US lawsuits alleging injury from the use of transvaginal surgical mesh products. Special items related to the Atos Medical acquisition are unchanged and expected around DKK 150 million.

Financial highlights and key ratios

1 October 2021 – 31 March 2021, unaudited

Consolidated	2021/22 6 mths	2020/21 6 mths	Change	2021/22 Q2	2020/21 Q2	Change
Income statement, DKK million						
Revenue	10,671	9,491	12%	5,502	4,753	16%
Research and development costs	-427	-363	18%	-222	-177	25%
Operating profit before interest, tax, depr. and amort. (EBITDA) before special items	3,746	3,505	7%	1,922	1,767	9%
Operating profit before interest, taxes and amortization (EBITA) before special items	3,422	3,187	7%	1,752	1,611	9%
Operating profit (EBIT) before special items	3,335	3,113	7%	1,686	1,577	7%
Special items	-415	-200	N/A	-381	-200	N/A
Operating profit (EBIT)	2,920	2,913	0%	1,305	1,377	-5%
Net financial income and expenses	-76	57	N/A	-18	98	N/A
Profit before tax	2,844	2,970	-4%	1,287	1,475	-13%
Net profit for the period	2,187	2,266	-3%	980	1,130	-13%
Revenue growth, %						
Period growth in revenue, %	12	0		16	-1	
Growth break down:						
Organic growth, %	6	4		7	2	
Currency effect, %	3	-4		3	-3	
Acquired operations, %	3	-		6	-	
Balance sheet, DKK million						
Total assets	35,170	15,249	N/A	35,170	15,249	N/A
Capital invested	28,916	11,682	N/A	28,916	11,682	N/A
Net interest-bearing debt (NIBD)	20,347	3,450	N/A	20,347	3,450	N/A
Equity end of period	7,273	6,936	5%	7,273	6,936	5%
Cash flow and investments, DKK million						
Cash flows from operating activities	1,381	1,959	-30%	250	747	-67%
Cash flows from investing activities	-11,096	-1,513	N/A	-10,895	-287	N/A
Investments in property, plant and equipment, gross	-409	-462	-11%	-234	-207	13%
Free cash flow	-9,715	446	N/A	-10,645	460	N/A
Cash flows from financing activities	9,771	-369	N/A	10,516	-494	N/A
Key ratios						
Average number of employees, FTEs[1)]	13,507	12,532		13,584	12,602	
Operating margin (EBIT margin) before special items, %	31	33		31	33	
Operating margin (EBIT margin), %	27	31		24	29	
Operating margin before interest, tax, depr. and amort., (EBITDA margin), %	31	35		28	33	
Gearing ratio, NIBD/EBITDA before special items	2.7	0.5		2.6	0.5	
Return on average invested capital before tax (ROIC), %[2)]	32	56		33	54	
Return on average invested capital after tax (ROIC), %[2)]	25	43		25	42	
Return on equity, %	62	70		57	71	
Equity ratio, %	21	45		21	45	
Net asset value per outstanding share, DKK	34	33	3%	34	33	3%
Share data						
Share price, DKK	1,025	954	7%	1,025	954	7%
Share price/net asset value per share	29.9	29.3	2%	29.9	29.3	2%
Average number of outstanding shares, millions	212.7	212.8	0%	212.6	212.8	0%
PE, price/earnings ratio	49.8	44.8	11%	55.6	44.9	24%
Earnings per share (EPS), diluted	10.26	10.63	-3%	4.60	5.30	-13%
Earnings per share (EPS) before special items, diluted	11.77	11.36	4%	5.99	6.03	-1%
Free cash flow per share	-45.7	2.1	N/A	-50.1	2.2	N/A

[1)] Includes Atos Medical employees at the end of the period. Number of FTEs per 31.03.2022 was 14,286.
[2)] Before special items. After special items, ROIC before tax was 29% (2020/21: 54%), and ROIC after tax was 22% (2020/21: 41%).

Strive25

Update on strategic priorities

In September 2020, Coloplast presented the new strategy "Strive25 – Sustainable Growth Leadership". Below are key highlights on the progress made during the first half of the financial year 2021/22.

Growth

Atos Medical acquisition
The acquisition of Atos Medical was completed on 31 January 2022, adding a new chronic care business segment, Voice & Respiratory Care. Atos Medical is expected to grow 8-10% organically, with an EBITDA margin in the mid-30s level, and contribute to Coloplast's Strive25 financial guidance.
The integration of Atos Medical is progressing according to plan.

US Chronic Care
With the expansion of the US Ostomy Care sales force during 2020/21, Coloplast is well positioned to capitalise on the Vizient and Premier GPO wins. Key recent contract wins include AscenDrive, Allied Health Solutions and NYU Langone Health.

Innovation

Chronic Care – Clinical Performance Programme
New ostomy platform – the pivotal study to test the new skin protecting technology was concluded, and the targeted end points were met. As a result, Coloplast will continue to work towards the launch of the new ostomy care platform in the second half of the Strive25 strategy period.

New catheter platform – the clinical study is progressing according to plan, and Coloplast continues to work towards a launch of the new continence care platform in 2022/23.

Chronic Care – launches into existing categories
Launch of SpeediCath® Flex Set, expanding the flexible catheters portfolio with a set solution.

Sustainability

Improving products and packaging
Continued improvement in production waste recycling, with 70% of production waste recycled, driven by a pilot project as part of a continued scaling up of the recycling partnership established in Hungary. During Q2, waste from the Nyirbator site in Hungary, which was previously incinerated, is now recycled.

Reducing emissions
Replaced use of natural gas for heating purposes at the Nyirbator site in Hungary with electric heating pumps. As a result, scope 1 & 2 emissions decreased by 10% in H1 2021/22, compared to the same period last year.

Operational efficiency

Global Operations Plan 5
The second volume site in Costa Rica is scheduled to open at the end of May 2022 and is expected to be operational during Q3 2021/22. The factory will be running on renewable energy from the grid.
By 2025, Coloplast expects to produce around 25% of total volume production in Costa Rica.

The Automation programme is progressing according to plan.

Sales performance

The organic growth was 6% in the first six months of 2021/22. Reported revenue in DKK was up by 12% to DKK 10,671 million. Exchange rate developments increased revenue by 3%-points, mainly related to the appreciation of the USD, GBP and CNY against DKK. Revenue from acquisitions contributed 3%-points, as a result of the acquisition of Atos Medical in the second quarter of 2021/22.

Organic growth in the second quarter was 7%. Reported revenue in DKK was up by 16% to DKK 5,502 million. Exchange rate developments increased revenue by 3%-points mainly related to appreciation of the USD, GBP and CNY against DKK. Revenue from acquisitions contributed 6%-points, as a result of the acquisition of Atos Medical (2 months impact).

Sales performance by business areas	**DKK million**		**Growth composition (6 mths)**			
	2021/22 (6 mths)	2020/21 (6 mths)	Organic growth	Acquired operations	Exchange rates	Reported growth
Ostomy Care	4,207	3,868	6%	-	3%	9%
Continence Care	3,721	3,424	6%	0%	3%	9%
Interventional Urology	1,139	1,031	7%	-	3%	10%
Wound & Skin Care	1,306	1,168	9%	-	3%	12%
Voice & Respiratory Care	298	-	n/a	n/a	n/a	n/a
Revenue	**10,671**	**9,491**	**6%**	**3%**	**3%**	**12%**
	DKK million		**Growth composition (Q2)**			
	2021/22 (Q2)	2020/21 (Q2)	Organic growth	Acquired operations	Exchange rates	Reported growth
Ostomy Care	2,109	1,936	7%	-	2%	9%
Continence Care	1,877	1,719	7%	0%	2%	9%
Interventional Urology	560	495	9%	-	4%	13%
Wound & Skin Care	658	603	6%	-	3%	9%
Voice & Respiratory Care	298	-	n/a	n/a	n/a	n/a
Revenue	**5,502**	**4,753**	**7%**	**6%**	**3%**	**16%**

Sales performance by region	**DKK million**		**Growth composition (6 mths)**			
	2021/22 (6 mths)	2020/21 (6 mths)	Organic growth	Acquired operations	Exchange rates	Reported growth
European markets	6,139	5,505	6%	4%	2%	12%
Other developed markets	2,610	2,317	4%	3%	6%	13%
Emerging markets	1,922	1,669	12%	1%	2%	15%
Revenue	**10,671**	**9,491**	**6%**	**3%**	**3%**	**12%**
	DKK million		**Growth composition (Q2)**			
	2021/22 (Q2)	2020/21 (Q2)	Organic growth	Acquired operations	Exchange rates	Reported growth
European markets	3,180	2,768	5%	8%	2%	15%
Other developed markets	1,325	1,143	4%	5%	7%	16%
Emerging markets	997	842	16%	1%	1%	18%
Revenue	**5,502**	**4,753**	**7%**	**6%**	**3%**	**16%**

Ostomy Care

Ostomy Care generated 6% organic sales growth in the first six months of the 2021/22 financial year, with reported revenue in DKK growing by 9% to DKK 4,207 million.

The SenSura® Mio portfolio and the Brava® range of supporting products continued to be the main drivers of revenue growth. At the product level, SenSura Mio Convex was the main contributor to growth driven by Europe, especially the UK and Germany, and the US. SenSura Mio Concave also contributed to growth, driven by Europe, mostly the UK and Germany, and the US. The SenSura and Assura/Alterna® portfolios continued to contribute to growth in the markets where they are being actively promoted, such as China and LATAM. Sales of the Brava range of supporting products continue to contribute to growth driven by Europe, especially the UK and France.

From a geographical perspective, Europe was the main contributor to growth, led by the UK. The US also made a solid contribution to growth, as well as the Emerging markets region, led by LATAM and China.

Q2 organic growth was 7% and reported revenue in DKK increased by 9% to DKK 2,109 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 the UK and Germany. SenSura Mio Concave also contributed to growth, driven by Europe, mostly the UK, and the US. The SenSura and Assura/Alterna portfolios delivered satisfactory growth, most notably in China and LATAM. Revenue growth in the Brava range of supporting products was primarily driven by Europe, especially the UK and France, the US, as well as the Emerging markets region, mostly China.

From a geographical perspective, all regions contributed to growth, led by Europe, especially the UK, the US and a broad-based contribution across the Emerging markets region, led by LATAM and China.

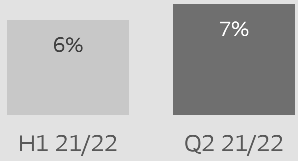
Despite posting growth, China continued to be impacted by a lower average value per patient as a result of economic uncertainty which has impacted consumer sentiment. Due to the recent outbreak of the Omicron variant, access to hospitals has been significantly limited in the affected areas and has begun to negatively impact procedural volumes and growth in new patients. A large share of the Coloplast sales force has also been put under quarantine as a result of the restrictions.

Outside of China, growth in new patients within Ostomy Care remained largely normalised at pre-COVID levels.

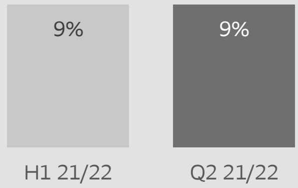
2.1 billion

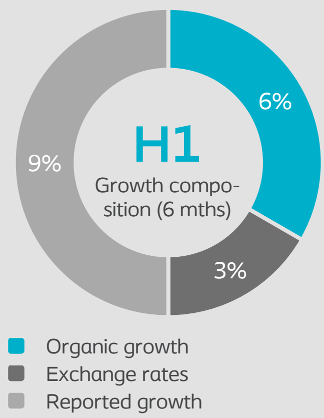
Reported revenue in DKK for Q2 2021/22

Organic growth



Reported growth





Continence Care

Continence Care generated 6% organic sales growth for the first six months of 2021/22 financial year, with reported revenue in DKK growing by 9% to DKK 3,721 million.

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

The Bowel Management business also contributed to growth, driven by Peristeen® in Europe and the US.

From a geographical perspective, sales growth was mainly driven by Europe, in particular the UK and France, as well as the US and LATAM.

Q2 organic growth was 7% and reported revenue in DKK increased by 9% to DKK 1,877 million.

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

Bowel Management also contributed to growth in Q2, mostly in Europe but also the US.

Collecting Devices detracted from growth in Q2, negatively impacted by backorders on Conveen® urisheaths. The backorder situation emerged due to supply shortages experienced by an external raw materials supplier. The issue is now resolved, and production and sales are expected to resume during Q3.

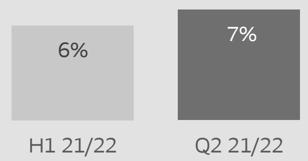
From a geographical perspective, all regions contributed to growth, led by Europe, in particular the UK, the US, and LATAM.

Growth in new patients within Continence Care remained largely normalised at pre-COVID levels across the European markets. In the US, growth in new patients normalised at pre-COVID levels towards the end of the quarter.

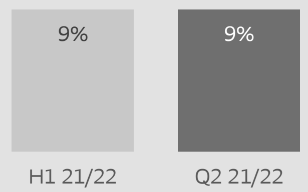
1.9 billion

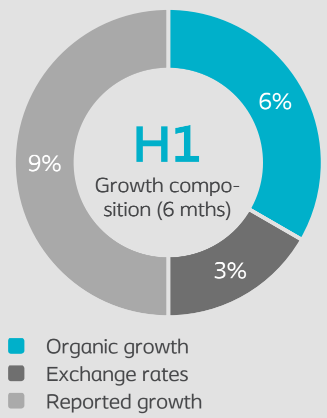
Reported revenue in DKK for Q2 2021/22

Organic growth



Reported growth





Interventional Urology

Interventional Urology generated 7% organic sales growth in the first six months of the 2021/22 financial year, with reported revenue in DKK growing by 10% to DKK 1,139 million.

Growth was driven by Women's and Men's Health, primarily in the US. The Endourology portfolio also contributed nicely to growth, mainly driven by Europe.

From a geographical perspective, the US was the main growth contributor, followed by Europe, and in particular France and Spain.

Q2 organic growth was 9% and reported revenue in DKK increased by 13% to DKK 560 million.

Q2 revenue growth was positively impacted by a rebound in elective procedures in the US towards the end of the quarter, after a soft start due to the spread of the Omicron variant, as well as a lower baseline in Q2 last year.

The US Men's Health business was the main growth contributor, driven by the Titan penile implants.

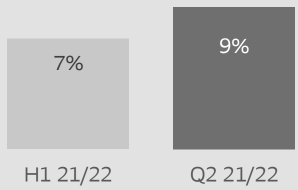
Women's Health in the US and the Endourology portfolio in Europe also contributed nicely to growth.

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

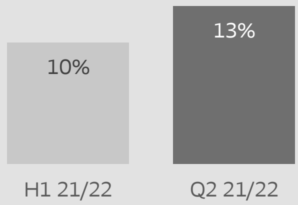
0.6 billion

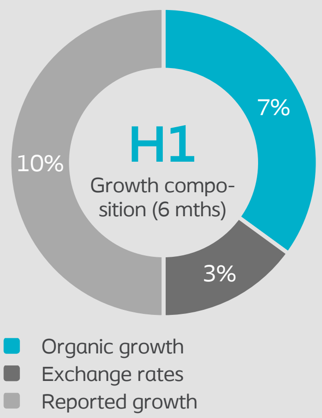
Reported revenue in DKK for Q2 2021/22

Organic growth



Reported growth





Wound & Skin Care

Wound & Skin Care generated 9% organic sales growth for the first six months of the 2021/22 financial year, with reported revenue in DKK growing by 12% to DKK 1,306 million.

The wound care business delivered 9% organic growth in the first six months of the 2021/22 financial year.

The Biatain® Silicone portfolio was the main contributor to growth. Biatain Fiber continues to perform well and also contributed to growth.

From a geographical perspective, Europe was the main growth contributor, driven by solid momentum in Germany and Spain. Emerging markets also contributed nicely to growth.

The Compeed contract manufacturing business made a solid growth contribution and grew double-digit, reflecting improved consumer demand but also a low baseline last year.

The Skin Care business detracted slightly from growth, impacted by lower demand due to COVID-19.

Q2 organic growth for Wound & Skin Care was 6%, while reported revenue in DKK increased by 9% to DKK 658 million.

The wound care business delivered 2% organic growth in Q2. The growth rate in the quarter was impacted by a high baseline in Europe in Q2 2020/21, as well as some quarterly phasing of orders between Q1 and Q2 in key European markets.

Growth in Europe was slightly negative impacted by the aforementioned dynamics. Underlying growth in Europe continues to be solid and driven by the Biatain Silicone and Biatain Fiber portfolios.

The Emerging markets region was the main contributor to growth, primarily driven by China and Brazil. Despite posting growth, performance in China was impacted by the current provincial and regional lockdowns due to COVID-19 and the limited hospital access in the affected areas.

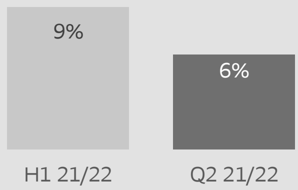
The Compeed contract manufacturing business contributed significantly to growth, impacted by a lower baseline in Q2 last year and an improved demand situation.

The Skin Care business detracted from growth and continued to be impacted by lower demand due to COVID-19.

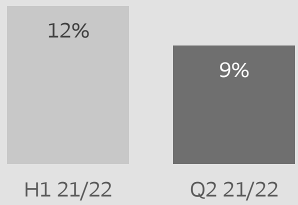
0.7 billion

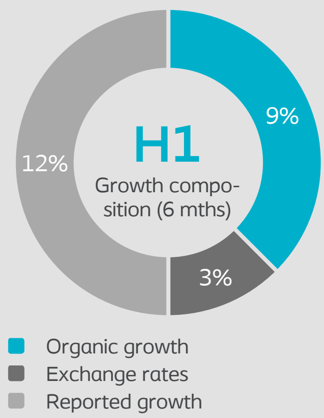
Reported revenue in DKK for Q2 2021/22

Organic growth



Reported growth





Voice & Respiratory Care

The acquisition of Atos Medical was completed on 31 January 2022, adding a new chronic care business segment, Voice & Respiratory Care. The Q2 reported revenue for Voice & Respiratory Care contains two months of revenue. The integration of Atos Medical into Coloplast is progressing according to plan.

Voice & Respiratory Care contributed 6%-points to the reported growth in Q2, and 3%-points to the reported growth in H1.

The underlying growth of Voice & Respiratory Care was high-single digit, in line with expectations.

Laryngectomy, which represents around two-thirds of revenues, was the main growth contributor, with a solid double-digit underlying growth driven by growth in patients served in existing and new markets as well as an increase in patient value driven by the Provox® Life™ portfolio.

Provox® Life™ is Atos Medical's new personalized solution and product line designed to optimize patient's breathing ability under different circumstances, further enabling 24/7 use of Heat and Moisture Exchangers (HMEs) for improved pulmonary health. The Provox Life portfolio is now launched in 14 of the 25 countries where Atos has its own subsidiaries.

From a geographical perspective, all regions contributed to the solid development, with the main growth contribution from the biggest region Europe. The fastest growing region was New Markets, followed by North America.

Tracheostomy and ENT (Ear, Nose & Throat), which represents around one-third of revenues, also contributed to growth, and grew in line with expectations of mid-single digit underlying growth.

Caroline Vagner Rosenstand appointed as the new leader of Atos Medical
As of 1 March 2022, Caroline Vagner Rosenstand has been appointed the new leader of Atos Medical. Prior to joining Atos Medical, Caroline held several strategic and commercial leadership roles at Coloplast, including VP Corporate Strategy and M&A of which two years were based in the US subsidiary, and most recently VP Emerging Markets CEEI Region.

Provox® Life™ System clinical trial
A clinical study funded by Atos Medical, demonstrated a significant reduction in coughing, shortness of breath, and skin irritation in the patient group adhering to daily care routines with their Heat and Moisture Exchangers (HMEs). As a result of the patient's improved state, anxiety and depression were also reduced.
The newly published study is the first clinical study on Provox Life, as well as the first clinical study demonstrating that using higher performance HMEs has a significant positive effect on patients' pulmonary health.

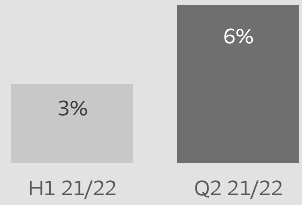
Registration of Heat and Moisture Exchangers (HMEs) in China
The CFDA (China Food and Drug Administration) has approved the registration of the Provox Heat and Moisture Exchangers in China. This is a first important step towards establishing a presence in the Chinese market.

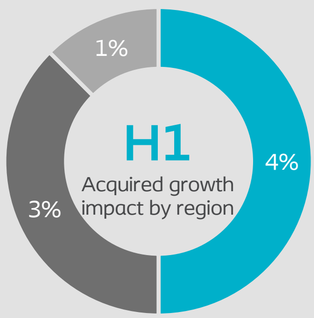
0.3 billion

Reported revenue in DKK for Q2 2021/22*

*Contain only February and March, matching the period of the ownership of Atos Medical

Acquired growth impact





- European markets
- Other developed markets
- Emerging markets

Earnings

Income statement, DKK million	H1 2021/22	Index
Revenue	**10,671**	**112**
Production costs	-3,360	111
Gross profit	**7,311**	**113**
Distribution costs	-3,112	118
Administrative expenses	-459	128
Research and development costs	-427	118
Other operating income	29	116
Other operating expenses	-7	64
Operating profit (EBIT) before special items	**3,335**	**107**
Special items	-415	208
Operating profit (EBIT)	**2,920**	**100**
Financial income	69	81
Financial expenses	-145	518
Profit before tax	**2,844**	**96**
Tax on profit for the period	-657	93
Net profit for the period	**2,187**	**97**

Gross profit
Gross profit was DKK 7,311 million compared to DKK 6,457 million last year and equivalent to a gross margin of 69%, compared to 68% last year. The gross margin included a positive impact from currencies, mainly related to the appreciation of USD, GBP and CNY against DKK. The depreciation of the HUF against DKK also contributed positively. Around 80% of the company's production volumes are in Hungary. Atos Medical contributed positively to the gross margin.

The gross profit was positively impacted by operating leverage and efficiency savings from the Global Operations Plan 5. On the other hand, the gross margin was negatively impacted by double-digit wage inflation in Hungary, increasing prices for raw materials, energy and transportation, as well as ramp-up costs in Costa Rica.

In Q2, Gross profit was DKK 3,781 million, corresponding to a Q2 gross margin of 69% against 68% in Q2 last year. The Q2 margin was impacted by the above-mentioned drivers.

Costs
Operating expenses in the first half of the year amounted to DKK 3,977 million, a DKK 632 million increase (19%) from last year. Atos Medical contributed with DKK 187 million to operating expenses, of which around DKK 39 million were amortisation costs.

Distribution costs amounted to DKK 3,112 million, a DKK 477 million increase (18%) from DKK 2,635 million last year and were impacted by the inclusion of Atos Medical (2 months impact). Distribution costs amounted to 29% of revenue compared to 28% last year. The higher distribution costs reflect increased sales & marketing activities and travel expenses as COVID-19 restrictions were eased across several countries, as well as continued commercial investments in the US, Interventional Urology, and consumer and digital initiatives. Around DKK 39 million in amortisation costs related to the Atos Medical acquisition are included in the distribution costs.

In Q2, distribution costs amounted to DKK 1,620 million, equal to 29% of revenue against 28% in the same period last year.

Administrative expenses in H1 amounted to DKK 459 million, up DKK 99 million (28%) from DKK 360 million last year and were impacted by the inclusion of Atos Medical (2 months impact). The increase in administrative expenses was driven by phasing of legal, consultancy and IT costs. Administrative expenses accounted for 4% of revenue which was on par with last year.

The Q2 administrative expenses amounted to 5% of revenue, compared to 4% in the same period last year.

The R&D costs in H1 were DKK 427 million, a DKK 64 million (18%) increase compared to last year due to an increased activity level across all business areas. R&D costs amounted to 4% of revenue on par with last year. The R&D costs were also impacted by the inclusion of Atos Medical (2 months impact).

The Q2 R&D costs amounted to DKK 222 million or 4% of revenue, in line with the same period last year.

Other operating income and other operating expenses amounted to a net income of DKK 22 million, against DKK 14 million last year.

Operating profit (EBIT) before special items
EBIT before special items amounted to DKK 3,335 million in H1, a DKK 222 million (7%) increase from DKK 3,113 million last year. The EBIT margin before special items was 31% compared to 33% last year. The EBIT margin

includes a positive impact from currencies, mainly related to the appreciation of USD, GBP and CNY against DKK. EBIT was negatively impacted by higher sales & marketing activities and travel expenses as COVID-19 restrictions were eased across several countries, as well as continued commercial investments.

Special items
During H1, Coloplast incurred special items expenses of DKK 415 million.

Coloplast made a further provision of DKK 300 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 6.15 billion including legal costs (before insurance cover of DKK 0.5 billion).
Coloplast continues to make settlement progress on unresolved MDL cases and has now settled around 99% of the MDL cases from previously around 98%.

The remaining expenses of DKK 115 million are related to one-off legal and advisory fees as well as integration costs, in connection to the acquisition of Atos Medical.

Special items expenses in Q2 amounted to DKK 381 million, of which DKK 300 million in further provision as explained above. The remaining DKK 81 million were related to the acquisition of Atos Medical.

Operating profit (EBIT) after special items
EBIT after special items was DKK 2,920 million. The EBIT margin after special items was 27%.

In Q2, EBIT before special items was DKK 1,686 million, a DKK 109 million (2%) increase from the same period last year. The EBIT margin before special items was 31% in Q2, against last year's EBIT margin of 33%. EBIT was negatively impacted by higher sales & marketing activities and travel expenses as COVID-19 restrictions were eased across several countries, continued commercial investments, as well as around DKK 39 million in amortisation costs related to the acquisition of Atos Medical.

The Q2 EBIT after special items was DKK 1,305 million, for a margin of 24%.

Financial items and tax
Financial items were a net expense of DKK 76 million, compared to a net income of DKK 57 million last year. The net expense of DKK 76 million was primarily due to losses on currency hedges of DKK 75 million, on mainly GBP and USD, and fees of DKK 42 million, of which DKK 24 million are loan fees in relation to the Atos Medical acquisition. Interest expenses amounted to DKK 19 million, from DKK 7 million last year, impacted by the financing of the Atos Medical acquisition. This was only partly offset, mainly by gains on balance sheet items denominated in several foreign currencies, including CNY and USD, of DKK 57 million.

The Q2 financial items were a net expense of DKK 18 million, compared to a net income of DKK 98 million in the same period last year, driven by losses on balance sheet items and currency hedges as explained above.

The tax rate was 23%, around 1%-points lower than last year. The tax rate last year was impacted by the Nine Continents acquisition. The tax expense amounted to DKK 657 million against DKK 704 million last year.

Net profit
Net profit before special items was DKK 2,510 million, a DKK 88 million increase from DKK 2,422 million last year. Diluted earnings per share (EPS) before special items increased by 4% from DKK 11.36 last year to DKK 11.77.

Net profit after special items was DKK 2,187 million and diluted earnings per share (EPS) after special items were DKK 10.26.

The Q2 net profit before special items amounted to DKK 1,276 million, against DKK 1,286 million last year. The Q2 earnings per share (EPS), diluted, were down 1% from last year to DKK 5.99.

The Q2 net profit after special items was DKK 980 million and diluted earnings per share (EPS) after special items were DKK 4.60 per share.

Cash flows and investments

Cash flows from operating activities
Cash flows from operating activities amounted to DKK 1,381 million, against DKK 1,959 million last year. The negative development in cash flows from operating activities was mainly due to an increase in inventory and other receivables, including amounts held in escrow.

Investments
Coloplast made investments of DKK 470 million in the first half of 2021/22 or 4% of revenue, compared with DKK 1,459 million last year. Investments in H1 last year included the acquisition of Nine Continents Medical of DKK 950 million. Excluding acquisitions, investments last year amounted to DKK 509 million or 5% of revenue.

Total cash flows from investing activities were a DKK 11,096 million outflow, against a DKK 1,513 million outflow in the same period last year, due to the acquisition of Atos Medical.

Free cash flow
As a result, the free cash flow was an outflow of DKK 9,715 million compared to an inflow of DKK 446 million in the same period last year. Adjusted for acquisitions, the free cash flow for the first six months of 2021/22 was DKK 918 million, a decrease of DKK 536 million compared to the same period last year. The decrease is mainly driven by an increase in inventory and prepaid costs including insurance and financing costs related to the acquisition of Atos Medical.

Capital resources
At 31 March 2022, Coloplast had net interest-bearing debt, including securities, of DKK 20,148 million, against DKK 2,112 million at 30 September 2021. The increase in net interest-bearing debt was mainly due to the acquisition of Atos Medical and payment of dividends in December 2021.

Statement of financial position and equity

Balance sheet
At 31 March 2022, total assets amounted to DKK 35,170 million, an increase of DKK 19,329 million compared to 30 September 2021. The increase was mainly due to an increase in intangible assets driven by the acquisition of Atos Medical.

Working capital was 26% of revenue, compared to 24% at 30 September 2021 due to phasing. Inventories increased by DKK 442 million to DKK 2,870 million and trade receivables increased by DKK 436 million to DKK 3,648 million.
Trade payables decreased by DKK 281 million relative to 30 September 2021 to stand at DKK 755 million.
Net Working Capital for the year is expected to be around 24% of revenue.

Equity
Equity decreased by DKK 895 million relative to 30 September 2021 to DKK 7,273 million. Total comprehensive income for the period of DKK 2,495 million and share-based remuneration of DKK 24 million were offset by the net effect of treasury shares bought and sold of DKK 435 million and payment of dividends of DKK 2,979 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 1,062 million.

Share buy-backs
A share buy-back programme of DKK 500 million was initiated in Q2 2021/22 and was completed on 21 April 2022. At 31 March 2022, Coloplast had bought back shares for a total amount of DKK 373 million under the programme.

Treasury shares
At 31 March 2022, Coloplast's holding of treasury shares consisted of 3,573,404 B shares, which was 391,800 more than at 30 September 2021. The increase was due to the share buy-back programme.

Return on invested capital
ROIC after tax before special items was 25% against 45% as of 30 September 2021. The decrease was mainly due to the acquisition of Atos Medical.

Update on sustainability strategy and performance

Priority	Unit	2025 Ambition	H1 2021/22	H1 2020/21	Change	FY 20/21
Improving products and packaging						
Recyclable packaging[1]	% of total	90%	-	-	-	75%
Renewable materials in packaging[1]	% of total	80%	-	-	-	70%
Production waste recycling	% of total	75%	70%	58%	12%-p	58%
Reducing emissions[2]						
Scope 1 & 2 emissions	Tonnes, CO_2	Net-zero	12,199	13,600	-10%	23,100
Renewable energy use	% of total	100%	63%	58%	5%-p	67%
Electric company cars[1,3]	% of total	50%	-	-	-	2%
Scope 3 emissions[1]	Tonnes, CO_2	-50% per product (2030)	-	-	-	32,725
Business travel by air[1]	Tonnes, CO_2	-10%	-	-	-	575
Goods transported by air[1]	Tonnes, CO_2	Max. 5% of total	-	-	-	2%
Responsible operations						
Loss time injury frequency	Per million working hours	2.0	2.2	2.1	5%	2.2
Code of Conduct training[1]	% of white collars	100%	-	-	-	99%
Female senior leaders (VP+ level)[1]	% of total	30%	20%	24%	-4%-p	24%
Diverse teams[1]	% share of total teams	75%	54%	53%	1%-p	50%
Employee satisfaction[1,4]	Engagement score	Above benchmark	-	-	-	8.2

Improving products and packaging
Production waste recycling increased to 70% in H1 2021/22, compared to 58% in H1 2020/21. The increase is a result of a continued scaling up of the recycling partnership established in Hungary. As a part of a pilot project in Q2, waste from the Nyirbator site in Hungary, which was previously incinerated, is now recycled.

Coloplast continues to explore different partnerships and recycling technologies. To advance recycling technologies and circular industrial plastics, Coloplast has entered an applied research partnership together with the Danish Technological Institute and other partners supported by MUDP – Environmental Technology Development and Demonstration Program under the Ministry of Environment, Denmark.

Scope 1 & 2 emissions
Renewable energy use was 63% of the total energy use in H1 2021/22, compared to 58% in H1 2020/21. The positive development in the renewable energy share was driven by the installation of electric heat pumps at the production site in Nyirbator. During Q2, natural gas which is mostly used for heating purposes, was replaced by electric heating pumps, and will now be the predominant source of heating in the Nyirbator site. As a result, the absolute emissions in the period also decreased by 10%-pts compared to the same period last year.

The 2025 ambition is to use 100% renewable energy, which includes a complete phasing out of natural gas usage.

Inclusion & Diversity initiatives
To drive its diversity and inclusion efforts, Coloplast works with annual action plans for diversity and inclusion on a team level, which has been done on a VP+ level so far. This year, the use of these action plans is being expanded to all Directors and Senior Directors in the organization. As part of the initiative, everyone at a level Director or above will receive diversity data for their team and work on setting actionable goals for how to increase diversity in their teams as well as foster an inclusive environment. This will be supported with training on unconscious biases and inclusive leadership offered to all Director+ leaders in the organization.

1 Metric will only be reported on a semi-annual or full-year basis.
2 Reduction from 18/19 as a base year.
3 Ambition beyond 2025 is 100% of company cars to be converted to electrical vehicles by 2030.
4 Employee survey conducted twice a year. Latest industry benchmark from October 2021 was 7.9.

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. The company continues to monitor developments surrounding COVID-19 closely.

Coloplast continues to meet demand, with all global manufacturing sites operating normally in terms of production and supply chain. The operating environment is not yet fully back to normal, but the situation has significantly improved. Growth in new patients in Chronic Care is largely back to pre-COVID levels across most markets, excluding China. In the US Continence Care business, growth in new patients has taken longer to recover, but it normalised towards the end of the second quarter. Towards the end of the second quarter, we have seen an easing of hospital access restrictions across most geographies, apart from China.
Following the recent outbreak of the Omicron variant, access to hospitals in China has been restricted, which has led to a decline in procedural volumes and sales in the hospital channel within Ostomy Care and Wound Care. As a result of the restrictions, a large share of Coloplast's sales force is under quarantine.

In summary and looking further ahead, we remain confident that the long-term market growth rate of 4-5%, excluding any COVID-19 impact, remains intact.

War in Ukraine
Coloplast is monitoring the war in Ukraine closely. Our primary focus is to keep our people safe as well as to ensure that our around 100,000 users in Ukraine and Russia have access to products to manage their chronic conditions.

Coloplast is present in Russia with a sales subsidiary of around 70 employees. In Ukraine, we have a representative office with 7 employees and we primarily sell products through two Ukrainian distributors.
Revenue exposure in Russia and Ukraine combined is around 1% of group revenues in FY 2021/22, of which the majority is in Russia. Around two-thirds of the expected sales for FY 21/22 have been delivered.

Coloplast complies with all sanctions imposed by the EU, the UN, and the US on Russia. Medical devices are generally not targeted by sanctions and export controls, and as such Coloplast is able to continue serving its users in Russia. In Poland and Hungary, Coloplast employs around 400 Ukrainians and our local teams have initiated a number of activities to support Ukrainian colleagues such as transferring their families and finding housing and jobs. Coloplast has also donated large volumes of wound care products to humanitarian organisations.

SpeediCath® Flex Set launch
Coloplast launches SpeediCath® Flex Set, expanding the flexible catheters portfolio with a set solution. SpeediCath® Flex Set combines the features of the SpeediCath Flex soft hydrophilic catheter with a dry sleeve and flexible tip with a new integrated sterile bag, to cover the entire catheterization process. The new product range will be launched in key markets during 2022 and 2023.

Update on the Clinical Performance Programme
As part of the Clinical Performance Programme, Coloplast is developing a new ostomy care platform based on a new skin protecting technology that addresses the challenges of peristomal skin complications. Peristomal skin complications are common and a burden for many ostomy users and costly to payers and society. A pivotal study on the new technology was conducted in 2020 that showed unsatisfactory results. After conducting a root cause analysis, the product design was optimized and the skin protecting technology was tested again in a new international randomized controlled pivotal study which was concluded during H1 2021/22. The targeted end points of the study have been met and Coloplast will continue to work towards a launch of the new ostomy care platform in the second half of the "Strive25" strategy period.

New Senior Vice President of People & Culture and member of the Executive Leadership Team
Coloplast has appointed Dorthe Rønnau to Senior Vice President, People & Culture and member of the Executive Leadership Team as of 1 May. Dorthe joins Coloplast from Atos Medical, where she was part of the Senior Leadership Team, as Senior Vice President, HR & Communications. Over the last 20+ years, Dorthe has held numerous leadership roles within HR and Global Operations at ISS and Coloplast, where she was employed for 18 years.

Meet the Management event in Copenhagen on 31 August 2022
Coloplast will host a Meet the Management event in Copenhagen on 31 August 2022. 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.

Timetable for the half-year interim dividend of DKK 5.00 per share
5 May 2022 – Declaration date
9 May 2022 – Ex-dividend date
10 May 2022 – Value date
11 May 2022 – Disbursement date

Financial guidance for 2021/22

The impact of COVID-19 is continuously monitored and evaluated on a short- and medium-term basis, and the financial guidance is subject to a higher degree of uncertainty. The ongoing COVID-19 pandemic has had a negative impact on the addressable market growth, and for 2021/22 we expect market growth to be at the lower end of the 4-5% range.

Revenue growth
Coloplast's organic growth is now expected at 6-7%, from previously 7% in constant currencies and assumes:

a) Continued resumption of hospital activity across business areas.
b) For the Chronic Care business, the assumptions by region include:
  - Europe – continued improvement in growth, as a result of a normalised growth in new patients in line with pre-COVID levels.
  - US – continued improvement in growth driven by the normalisation of growth in new patients during Q2 to pre-COVID levels in Continence Care.
  - Emerging markets – broad-based double-digit growth excluding China. China is expected to remain impacted by COVID-19 and lockdowns, due to the outbreak of the Omicron variant. The recent lockdowns have resulted in a decline in procedural volumes and sales in the hospital channel within Ostomy Care and a revised outlook for the year.

c) Wound & Skin Care is still expected to deliver growth above the market in line with Strive25 ambitions, however recent lockdowns in China have resulted in a decline in hospital procedures and sales and a revised outlook for the year.
d) Interventional Urology expected to deliver in line with Strive25 ambitions.
e) No current knowledge of significant health care reforms.
f) A stable supply and distribution of products across the company.

Reported growth in DKK excluding Atos Medical is still expected to be around 9% due to FX movements. The impact of the Atos Medical acquisition on reported growth is still expected to be around 6%-points (8 months impact). In total, reported growth is still expected to be around 15%. Underlying organic growth for Atos Medical continues to be expected at 8-10%.

The expectation of long-term price pressure of up to 1% annually is unchanged.

EBIT margin
EBIT margin before special items is still expected around 31%. EBIT margin after special items is now expected at 28-29% from previously around 30%, impacted by special items of around DKK 450 million, of which DKK 300 million is a further provision for costs related to the existing lawsuits in the US alleging injury resulting from the use of transvaginal surgical mesh products. The remaining special items of around DKK 150 million are related to one-off legal and advisory fees as well as integration costs, in connection to the acquisition of Atos Medical.

The EBIT margin guidance assumes:
Leverage effect on fixed costs and continued efficiency improvements through Global Operations Plan 5

a) Cost inflation on raw materials, freight and energy and double-digit wage inflation in Hungary.
b) An increase in operating costs related to the resumption of business activity as the impact of COVID-19 recedes.
c) Additional incremental investments of up to 2% of revenue for innovation and sales and marketing purposes.

Related to the Atos Medical acquisition, the EBIT margin guidance assumes:

a) Around DKK 150 million of amortisation charges from previously DKK 200 million (8 months).
b) Special items of DKK 150 million (one-off transaction and integration costs).

Capex
Capex is still expected around DKK 1.3 billion.

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

Effective tax rate
Effective tax rate is still expected to be around 23%.

The tax rate is positively impacted by increased R&D cost deductible in Denmark, partly offset by one-off tax payments related to the acquisition of Atos Medical.

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

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

Atos Medical financial assumptions

The key financial assumptions for Atos Medical during the Strive25 strategy period are summarized below:

a) Organic growth is expected to be 8-10%, with an EBITDA margin in the mid-30s level
b) The transaction is expected to be increasingly EPS accretive from FY 2022/23. Estimated run-rate operational synergies of up to DKK 100 million from utilising Coloplast infrastructure, with full impact estimated from FY 2023/24
c) One-off transaction costs including legal fees, advisory fees, insurance costs etc., and P&L integration costs are expected to amount to around DKK 150 million in FY 2021/22, and will be handled as special items
d) Capex integration costs of up to DKK 150 million split over 21/22-23/24, of which the vast majority will be IT capex
e) The acquisition will be structured as a 100% cash payment financed through debt financing
f) One-off financing costs of around DKK 50 million in FY 2021/22 (bank and underwriting fees), from previously DKK 100 million, to be included in net financial items. An additional DKK 100 million will be expensed over the lifetime of the financing
g) The interest rate on the debt is expected to be around 1%
h) Around 75% of the purchase value will be treated as goodwill, and the remaining 25% as intangibles, to be amortised over approximately 15 years

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

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.

Exchange rate exposure

Our financial guidance for the 2021/22 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 6M 2020/21	838	621	2.06
Average exchange rate 6M 2021/22	883	657	2.04
Change in average exchange rates for 2021/22 compared with the same period last year	**5%**	**6%**	**-1%**
Average exchange rate 2020/21[1)]	852	622	2.08
Spot rate on 4 May 2022	885	707	1.96
Estimated average exchange rate 2021/22[2)]	884	682	2.00
Change in estimated average exchange rates compared with average exchange rate 2020/21	**4%**	**10%**	**-4%**

[1)] Average exchange rates for 2020/21 are from 1 October 2020 to 30 September 2021.

[2)] Estimated average exchange rates are calculated as the average exchange rates for the first three months combined with the spot rates at 4 May 2022.

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), EXCLUDING ATOS MEDICAL

	Revenue	EBIT
USD	-420	-170
GBP	-290	-200
HUF	-	120

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 2021 – 31 March 2022.

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 2022 and of the results of the Group's operations and cash flows for the period 1 October 2021 – 31 March 2022.

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 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 2020/21.

Humlebæk, 5 May 2022

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

Annette Brüls

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	2021/22 6 mths	2020/21 6 mths	Index	2021/22 Q2	2020/21 Q2	Index
Revenue	2	10,671	9,491	112	5,502	4,753	116
Production costs		-3,360	-3,034	111	-1,721	-1,502	115
Gross profit		**7,311**	**6,457**	**113**	**3,781**	**3,251**	**116**
Distribution costs		-3,112	-2,635	118	-1,620	-1,325	122
Administrative expenses		-459	-360	128	-264	-175	151
Research and development costs		-427	-363	118	-222	-177	125
Other operating income		29	25	116	15	10	150
Other operating expenses		-7	-11	64	-4	-7	57
Operating profit (EBIT) before special items		**3,335**	**3,113**	**107**	**1,686**	**1,577**	**107**
Special items	3	-415	-200	-	-381	-200	-
Operating profit (EBIT)		**2,920**	**2,913**	**100**	**1,305**	**1,377**	**95**
Financial income	4	69	85	81	50	67	75
Financial expenses	4	-145	-28	>200	-68	31	<-200
Profit before tax		**2,844**	**2,970**	**96**	**1,287**	**1,475**	**87**
Tax on profit for the period		-657	-704	93	-307	-345	89
Net profit for the period		**2,187**	**2,266**	**97**	**980**	**1,130**	**87**
Remeasurements of defined benefit plans		46	9		19	24	
Tax on remeasurements of defined benefit plans		-10	-2		-4	-5	
Items that will not be reclassified to the income statement		**36**	**7**		**15**	**19**	
Value adjustment of currency hedging		-97	-111		-3	-119	
Transferred to financial items		75	-33		38	-21	
Tax effect of hedging		5	31		-8	30	
Currency adjustment of opening balances and other market value adjustments relating to subsidiaries		289	2		261	36	
Items that may be reclassified to income statement		**272**	**-111**		**288**	**-74**	
Total other comprehensive income		**308**	**-104**		**303**	**-55**	
Total comprehensive income		**2,495**	**2,162**		**1,283**	**1,075**	
DKK							
Earnings per share (EPS)		10.28	10.65		4.61	5.31	
Earnings per share (EPS), diluted		10.26	10.63		4.60	5.30	

Statement of cash flows

1 October – 31 March, unaudited

Consolidated DKK million	Note	2021/22 6 mths	2020/21 6 mths
Operating profit		2,920	2,913
Amortisation		87	74
Depreciation		324	318
Adjustment for other non-cash operating items	6	172	120
Changes in working capital	6	-1,086	-465
Ingoing interest payments, etc.		3	38
Outgoing interest payments, etc.		-55	-41
Income tax paid		-984	-998
Cash flows from operating activities		**1,381**	**1,959**
Investments in intangible assets		-61	-997
Investments in land and buildings		-6	-6
Investments in plant and machinery and other fixtures and fittings, tools and equipment		-11	-27
Investments in property, plant and equipment under construction		-392	-429
Property, plant and equipment sold		7	4
Investment in other investments		-	1
Acquisition of operations	9	-10,633	-59
Cash flows from investing activities		**-11,096**	**-1,513**
Free cash flow		**-9,715**	**446**
Dividend to shareholders		-2,979	-2,765
Acquisition of treasury shares		-373	-61
Sale of treasury shares		-62	165
Financing from shareholders		**-3,414**	**-2,661**
Repayment of lease liabilities		-107	-99
Financing through borrowing		16,373	-
Drawdown on credit facilities		-3,081	2,391
Cash flows from financing activities		**9,771**	**-369**
Net cash flows		**56**	**77**
Cash and cash equivalents at 1 October		**448**	**323**
Value adjustment of cash and bank balances		15	17
Cash and cash equivalents, acquired operations		-2	1
Net cash flows		56	77
Cash and cash equivalents at 31 March	7	**517**	**418**

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

Assets

At 31 March, unaudited

Consolidated

DKK million	Note	31.03.22	31.03.21	30.09.21
Intangible assets		21,199	3,614	3,651
Property, plant and equipment		4,220	3,569	3,785
Right-of-use assets		664	599	601
Other equity investments		41	25	41
Deferred tax asset		849	711	743
Other receivables		28	24	26
Non-current assets		**27,001**	**8,542**	**8,847**
Inventories		2,870	2,289	2,428
Trade receivables		3,648	3,108	3,212
Income tax		352	261	282
Other receivables		321	194	226
Prepayments		241	180	172
Marketable securities		220	257	226
Cash and cash equivalents		517	418	448
Current assets		**8,169**	**6,707**	**6,994**
Assets		**35,170**	**15,249**	**15,841**

Equity and liabilities

At 31 March, unaudited

Consolidated DKK million	Note	31.03.22	31.03.21	30.09.21
Share capital		216	216	216
Currency translation reserve		-129	-372	-392
Reserve for currency hedging		-58	-53	-41
Proposed ordinary dividend for the year		1,062	1,065	2,979
Retained earnings		6,182	6,080	5,406
Equity		**7,273**	**6,936**	**8,168**
Provisions for pensions and similar liabilities		141	161	181
Provision for deferred tax		2,263	638	671
Other provisions	5	179	226	56
Lease liability		483	455	449
Prepayments		20	11	2
Non-current liabilities		**3,086**	**1,491**	**1,359**
Provisions for pensions and similar liabilities		5	13	15
Other provisions	5, 9	676	159	150
Other credit institutions		20,392	3,501	2,160
Trade payables		755	572	1,036
Income tax		727	743	928
Other payables		2,043	1,661	1,840
Lease liability		209	169	177
Prepayments		4	4	8
Current liabilities		**24,811**	**6,822**	**6,314**
Equity and liabilities		**35,170**	**15,249**	**15,841**

Ostomy Care
Continence Care
Wound & Skin Care
Interventional Urology
Voice & Respiratory Care

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**
2021/22							
Equity at 1 October	**18**	**198**	**-392**	**-41**	**2,979**	**5,406**	**8,168**
Net profit for the period	-	-	-	-	1,062	1,125	**2,187**
Other comprehensive income	-	-	263	-17	-	62	**308**
Total comprehensive income	**-**	**-**	**263**	**-17**	**1,062**	**1,187**	**2,495**
Acquisition of treasury shares	-	-	-	-	-	-373	**-373**
Sale of treasury shares and loss on exercised options	-	-	-	-	-	-62	**-62**
Share-based payment	-	-	-	-	-	24	**24**
Dividend paid out in respect of 2020/21	-	-	-	-	-2,979	-	**-2,979**
Transactions with shareholders	**-**	**-**	**-**	**-**	**-2,979**	**-411**	**-3,390**
Equity at 31 March	**18**	**198**	**-129**	**-58**	**1,062**	**6,182**	**7,273**

Coloplast

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
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

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 2020/21 except for new standards, amendments and interpretations that are effective from 2021/22 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 four operating segments: Chronic Care, Interventional Urology, Wound & Skin Care and Voice & Respiratory 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 and the operating segment Voice & Respiratory Care covers the sale of laryngectomy care products.

The reporting segments are also Chronic Care, Interventional Urology, Wound & Skin Care and Voice & Respiratory 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 and Voice & Respiratory Care 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. The shared/non-allocated costs also include PPA amortisation expenditures related to Voice & Respiratory Care.

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		Voice & Respiratory Care[1)]		Group	
DKK million	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21
Segment revenue:										
Ostomy Care	4,207	3,868	-	-	-	-		-	4,207	3,868
Continence Care	3,721	3,424	-	-	-	-		-	3,721	3,424
Interventional Urology	-	-	1,139	1,031	-	-		-	1,139	1,031
Wound & Skin Care	-	-	-	-	1,306	1,168		-	1,306	1,168
Voice & Respiratory Care	-	-	-	-	-	-	298	-	298	-
External revenue as per the statement of comprehensive income	**7,928**	**7,292**	**1,139**	**1,031**	**1,306**	**1,168**	**298**	**-**	**10,671**	**9,491**
Costs allocated to segment	-3,239	-2,899	-740	-573	-767	-677	-206	-	-4,952	-4,149
Segment operating profit/loss	**4,689**	**4,393**	**399**	**458**	**539**	**491**	**92**	**-**	**5,719**	**5,342**
Shared/non-allocated									-2,384	-2,229
Special items not included in segment operating profit/loss (see note 3)									-415	-200
Operating profit before tax (EBIT) as per the statement of comprehensive income									**2,920**	**2,913**
Net financials									-76	57
Tax on profit/loss for the period									-657	-704
Profit/loss for the period as per the statement of comprehensive income									**2,187**	**2,266**

[1)] Only two months recognised in 2021/22.

Note 3
Special items

DKK million	2021/22	2020/21
Provisions for litigation about transvaginal surgical mesh products	300	200
Expenses for assistance related to acquisitions	115	-
Total	**415**	**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.

For 2021/22, special items also contain expenses for assistance and integration costs related to acquisitions.

Note 4
Financial income and expenses

DKK million	2021/22	2020/21
Financial income		
Interest income	3	4
Fair value adjustments of forward contracts transferred from other comprehensive income	-	33
Fair value adjustments of cash-based share options	-	1
Net exchange adjustments	57	40
Hyperinflationary adjustment of monetary position	8	7
Other financial income	1	-
Total	**69**	**85**
Financial expenses		
Interest expenses	19	7
Interest expenses, lease liabilities	7	6
Fair value adjustments of forward contracts transferred from other comprehensive income	75	-
Fair value adjustments of cash-based share options	2	-
Other financial expenses and fees	42	15
Total	**145**	**28**

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. It is estimated that around 99% of the MDL cases have been settled to date.

An additional expense of DKK 0.3 billion has been recognised in Q2 2021/22 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 6.15 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 0.3 billion at 31 March 2022 (DKK 0.2 billion at 30 September 2021) plus DKK 0.2 billion recognised under other debt (DKK 0.1 billion at 30 September 2021). 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	2021/22	2020/21
Net gain/loss on divestment of non-current assets	3	1
Change in other provisions	144	90
Other non-cash operating items	25	29
Adjustment for other non-cash operating items	**172**	**120**
Inventories	-241	-37
Trade receivables	-128	-140
Other receivables, including amounts held in escrow	-177	132
Trade and other payables etc.	-540	-420
Changes in working capital	**-1,086**	**-465**

Note 7
Cash and cash equivalents

DKK million	2021	2020
Bank deposits, short term	517	418
Cash and cash equivalents at 31 March	**517**	**418**

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.

Acquisitions

On 31 January 2022, Coloplast completed the acquisition of all shares and voting rights of Atos Medical at a cash consideration of DKK 10,622 million.

About Atos Medical
Atos Medical is the global market leader in laryngectomy. Laryngectomy is a chronic business that fits into Coloplast's mission, vision and values. Atos Medical's purpose of making life easier for people living with a neck stoma is closely aligned with

Note 9, continued

Coloplast's purpose of making life easier for people with intimate healthcare needs. The Atos Medical group serves customers in around 90 countries and a direct presence in 30 countries across the world. Atos Medical employs about 1,200 employees.

Strategic rationale

The transaction represents a new long-term growth category for Coloplast operating with its own identity, brand and execution strength while benefitting from the industry leading capabilities and track record of Coloplast to drive continuous growth and value creation. The acquisition of Atos Medical adds therefore a new long-term growth compounder in a category with significant untapped market potential. Following the expected acquisition, Coloplast gains access to a new chronic care segment to be run as a separate strategic business unit operating on shared Coloplast infrastructure.

Goodwill recognised mainly related to the expertise and knowhow of the acquired workforce and expected synergies from the integration to Coloplast Group. Recognised goodwill is non-deductible for tax purposes.

Transaction and integration costs

In 2021/22, Coloplast incurred transaction and integration costs relating to the acquisition of approximately DKK 115 million, which has been recognised under special items in the statement of comprehensive income. Transaction costs accounts for DKK 85 million. Total transaction and integration costs are expected in the level of DKK 150 million. We expect the full amount of the transaction and integration costs will materialise in 2021/22.

Fair value of acquired net assets and recognised goodwill

The fair value of the acquired net assets has been assessed on the basis of a preliminary balance sheet at the time of acquisition. The accounting for the business combination is considered provisional due to the fact that the transaction was closed on 31 January 2022, leaving limited time to identify and determine fair value of assets acquired and liabilities assumed. Adjustments may be applied to the purchase price allocation for a period of up to 12 months from the acquisition date.

DKK million	Preliminary fair value at date of acquisition (31.01.2022)
Assets identified at fair value:	
Customer relationships	2,427
Patents and trademarks	4,699
Software	23
Intangible assets (under construction)	29
Property, plant and equipment	218
Right-of-use assets	74
Deferred tax assets	45
Inventories	151
Trade receivables	248
Other receivables	73
Cash and cash equivalents	-
Total assets	**7,987**

Note 9, continued

DKK million	Preliminary fair value at date of acquisition (31.01.2022)
Liability identified at fair value:	
Lease liabilities	76
Borrowings	4,990
Provisions	498
Corporate tax	48
Trade payables	60
Other payables	310
Deferred tax liability	1,513
Total liability	**7,495**
Total net assets acquired	**492**
Goodwill	10,130
Purchase price	**10,622**
Acquired cash	-
Cash flow used for acquisition of subsidiaries	**10,622**

Intangible assets consist of customer lists (DKK 2,427 million) and patents and trademarks (DKK 4,699 million). Customer lists consist of access to Atos's existing customer base (users) and physician lists. Patents and trademarks consist of the Atos trademark and name. Receivables represent a gross amount of DKK 321 million and have only been subject to insignificant writedowns.

After recognition of identifiable assets and liabilities at fair value, goodwill related to the acquisition amounts to DKK 10,130 million, which is not deductible for tax purposes.

Earnings impact
We have initiated the operational and legal integration of Atos Medical, while focusing on maintaining a high service level towards our customers in the transition phase. We expect Atos Medical to have significant impact on the revenue growth of the Group, and a limited negative impact on the EBITA margin year-to-date in 2021/22.

Atos Medical is recognised in consolidated net revenue at DKK 298 million and in consolidated operating profit before special items at DKK 53 million, which also includes around DKK 39 million in PPA amortisation costs. If the acquisition had occurred on 1 October 2021, consolidated pro-forma revenue and operating profit before special items for the period ended 31 March of the combined Group would have been approximately DKK 11,250 million and DKK 3,425 million, respectively.

The Atos Medical activities will be presented as a new operating segment for the Coloplast Group.

Fair value measurement
Material net assets acquired for which significant estimates have been applied in the fair value assessment have been recognised using the following valuation techniques:

Customer relationships
Customer relationships have been measured using an income-based method (MEEM), by which the present value of future cash flows from recurring contract customers expected to be retained after the date of acquisition has been valuated using a WACC of 6.7% as discount rate. In total, customer relationships amounting to DKK 2,427 million have been included in the opening balance. The main input value drivers in the MEEM model used are the estimated future retention rate and net cash flow of the

Note 9, continued

acquired contract customer base. These inputs have been estimated based on Management's professional judgement from analysis of the acquired customer base, historical data and general business insight.

Patents and trademarks
Technology has been measured by applying the income-based (relief from royalty) method to the revenue stream. The discount rate applied is 6.7% which is deemed a fair reflection of the risk comprised in the technology.

The corporate trademarks, Atos and TRACOE, are measured by applying the income-based (relief from royalty) method to the revenue stream. The estimated royalty rate of 6.0% is based on the average of the comparable licence contracts. The discount rate applied is 6.7% which is deemed a fair reflection of the risk comprised in the corporate trademarks.

Provisions
The provisions are related to Atos Medical Inc. (US) which is subject to an audit regarding billing compliance. It is assessed that the audit is associated with a material risk of recoupment and based on the preliminary high-level analysis the maximum exposure is currently estimated to around DKK 500 million. Atos Medical expects feedback on the matter within the next 6-9 months at which point Atos Medical Inc. has 240 days to respond and prepare any required further analysis.

Trade receivables and payables
Fair value of trade receivables and trade payables has been measured at the contractual amount expected to be received or paid. In addition, collectability has been taken into consideration on trade receivables. The amounts have not been discounted, as maturity on trade receivables- and payables generally is very short and the discounted effect therefore immaterial.

Financial liabilities
Lease liabilities have been measured at the present value of the remaining lease payments at the acquisition date discounted using an appropriate incremental borrowing rate.

Borrowings
Borrowings have been measured at the present value of the repayable amounts discounted using a representative borrowing rate, unless the discount effect is insignificant.

Other
In addition to the above Coloplast has during Q2 acquired 100% of the shares and voting rights in a small French direct-to-consumer Durable Medical Equipment (DME) dealer, Mercure Medical. The acquisition is expected to expand Coloplast' footprint in Paris, France.

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 price is expected to be considered intangible assets. The agreed consideration for the shares amounts EUR 1.5 million (DKK 11 million), which fell due for payment on the date of the acquisition.

Income statement, quarterly

Unaudited

Consolidated			2020/21			
DKK million	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Revenue	5,502	5,169	5,100	4,835	4,753	4,738
Production costs	-1,721	-1,639	-1,579	-1,500	-1,502	-1,532
Gross profit	**3,781**	**3,530**	**3,521**	**3,335**	**3,251**	**3,206**
Distribution costs	-1,620	-1,492	-1,454	-1,396	-1,325	-1,310
Administrative expenses	-264	-195	-213	-189	-175	-185
Research and development costs	-222	-205	-207	-185	-177	-186
Other operating income	15	14	16	32	10	15
Other operating expenses	-4	-3	-13	-5	-7	-4
Operating profit (EBIT) before special items	**1,686**	**1,649**	**1,650**	**1,592**	**1,577**	**1,536**
Special items	-381	-34	-	-	-200	-
Operating profit (EBIT)	**1,305**	**1,615**	**1,650**	**1,592**	**1,377**	**1,536**
Financial income	50	19	8	44	67	18
Financial expenses	-68	-77	-14	-17	31	-59
Profit before tax	**1,287**	**1,557**	**1,644**	**1,619**	**1,475**	**1,495**
Tax on profit for the period	-307	-350	-339	-365	-345	-359
Net profit for the period	**980**	**1,207**	**1,305**	**1,254**	**1,130**	**1,136**
DKK						
Earnings per share (EPS) before special items	6.00	5.80	6.13	5.89	6.04	5.34
Earnings per share (EPS)	4.61	5.67	6.13	5.89	5.31	5.34
Earnings per share (EPS) before special items, diluted	5.99	5.78	6.12	5.88	6.03	5.33
Earnings per share (EPS), diluted	4.60	5.66	6.12	5.88	5.30	5.33

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, Interventional Urology and Voice & Respiratory Care. We operate globally and employ about 14,000 employees.