

Press release for the first quarter of 2017

HARTMANN GROUP starts the 2017 financial year with moderate growth

Slight rise in EBIT despite investments in growth

Heidenheim/Germany, May 3, 2017 – In the first quarter of 2017, the HARTMANN GROUP, a leading international supplier of medical and healthcare products, achieved a moderate rise of 4.5% in sales revenues to EUR 504.2 million. Meanwhile, all business segments exceeded their previous year's figure. EBIT showed a slight improvement to EUR 37.3 million (previous year: EUR 37.0 million). The Group's consolidated net income of EUR 25.1 million was in the same region as last year (EUR 25.0 million).

Pleasing growth in the Group's core medical segments

HARTMANN showed a growth trend in all of its global regions. In Europe, the Group achieved growth of 3.8% in sales revenues, and in Germany its rate of growth was even higher at 4.7%. In the non-European countries, sales revenues increased by 10.0%, also due to the positive effect of exchange rates. The markets in Africa, Asia and Oceania made a large contribution to this development. In the three core medical segments, an important part was played by innovative treatment concepts with a high level of practical benefits for the patients and the medical staff treating them. The share of these core medical segments in the HARTMANN GROUP's total sales revenues increased slightly to 78.8%. "Developing and actively marketing our innovations as well as the ongoing internationalization remain HARTMANN's most important growth drivers", according to Chief Executive Officer Andreas Joehle.

The Wound Management segment's sales revenues climbed 6.5% to EUR 108.7 million. The HydroTherapy treatment concept and the "Vivano" negative-pressure wound therapy system made a large contribution to this growth. The central growth driver in the area of Personal Health Care proved to be the Veroval® self-testing kits which were only launched one year ago.

The Incontinence Management segment increased its sales revenues by 1.3% to EUR 161.3 million, also thanks to a significant rise in revenues from MoliCare Mobile and the Menalind skin-care range. Through its important acquisition of Lindor in Spain the Group intends to further strengthen its market position in Europe from the third quarter onwards. In the Infection Management segment, sales revenues rose by 7.9% to EUR 127.1 million. Here, the strategic initiatives aimed at improving hygiene compliance resulted in higher sales revenues in the realm of hand and surface disinfection. The Other Group Activities segment saw sales climb by 3.5% to EUR 107.1 million.

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Management Board:

Andreas Joehle (Chairman/CEO). Dr. Raymund Heinen. Michel Kuehn. Dr. Wolfgang Neumann. Stephan Schulz.
Chairman of the Supervisory Board: Fritz-Jürgen Heckmann

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EBIT showing stable developments despite growth investments

While the contribution margin improved due to higher volume, there has, on the other hand, been an increase primarily in sales and marketing expenses and development costs. Despite these growth investments, the return on EBIT asserted itself at the high level of 7.4% (previous year: 7.7%).

Financial position continues to be solid

As of March 31, 2017, the HARTMANN GROUP shows positive net liquidity of EUR 126.8 million which represents another substantial rise compared to the 2016 year-end. The equity ratio amounted to 61.8% which was close to the 2016 year-end ratio.

Number of employees remaining practically unchanged

At the end of the first quarter, the HARTMANN GROUP payroll came to 10,400 employees worldwide, which is just under 30 more than at the end of 2016. The reasons for this rise are the expansion of production capacity in India and of sales structures in the USA. In Germany, the number of employees stayed practically unchanged at 4,560 in total.

Confirmation of the sales and earnings targets for 2017

The HARTMANN GROUP believes itself to be on a good footing for making use of opportunities and minimizing risks in a competitive environment. After carefully considering all relevant factors, we assume that in the current year - as anticipated in our 2016 business report - we will achieve moderate growth in sales revenues and also a moderate rise in EBIT.

For further information on the HARTMANN GROUP, please visit us at <https://hartmann.info/>.

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About the HARTMANN GROUP

The HARTMANN GROUP is one of the leading European providers of medical and hygiene products with core competences in wound treatment (e.g. wound dressings, negative-pressure wound therapy, conforming bandages, plasters), incontinence care (e.g. disposable incontinence briefs and pads as well as products for skin care in case of incontinence) and infection protection (e.g. surgical drapes, operating theater clothing, disposable surgical instruments and disinfectants). The portfolio is supplemented by products for compression therapy and first aid. Moreover, HARTMANN offers innovative system solutions for professional target groups in the medical and care sector. The company with its headquarters in Heidenheim/Germany, whose priority market is Europe, has operations around the world. In 2016, just over 10,300 employees in the HARTMANN GROUP generated sales of about EUR 1,986.5 million.

PAUL HARTMANN AG, located in Heidenheim/Germany, is the core of the group of companies. It belongs to the eldest German industrial operations, dating back to the textile factory founded by Ludwig von Hartmann in 1818. In 1873, his son Paul Hartmann started with the production of surgical cotton wool. Later the company became the flagship of an expanding dressing materials industry. In addition to a number of foreign sales companies, the HARTMANN GROUP includes BODE Chemie (Hamburg), Karl Otto Braun (Wolfstein), Sanimed (Ibbenbüren) and Kneipp (Würzburg).

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