HARTMANN

Inform

Information for our shareholders for the first quarter of 2019

The Head of HARTMANN Germany Dr. Chima Abuba meets Federal Health Minister Jens Spahn at the German Nursing Day 2019

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Dear Sir or Madam,

With an increase in sales of 4.0% and an EBIT margin of 5.7% – approximately the same as the average figure for 2018 – the HARTMANN GROUP started the 2019 business year as expected. Despite the more difficult general economic conditions and further rises in the price of raw materials, we confirm that we will achieve our targets for the year as a whole, with moderate sales growth and EBIT of EUR 102 – 112 million.

In the coming weeks and months, we will focus strongly on sustainably improving our competitive position and earning power. This will be a matter of harnessing potential in production and logistics and improving our organizational structure, as well as pressing ahead with innovations that create distinct added value for our customers.

Just how essential that is for our profitable and sustained growth can be seen not least from the developments in the previous quarter. In the Wound Management segment, HARTMANN achieved distinctly above-average growth, driven by innovations such as super-absorbent wound dressings and the HydroTherapy treatment concept.

Our goal is to continue developing HARTMANN in a sustainable manner in terms of strong growth, earning power and customer satisfaction, as well as from a technological standpoint.

Yours sincerely,

PAUL HARTMANN AG

Britta Fünfstück

Stephan Schulz

The HARTMANN GROUP, a leading international manufacturer of medical and hygiene products, takes a holistic approach to healthcare, placing emphasis on direct practical benefits for patients and the medical staff treating them. Maintaining close contact with users and consumers is fundamental to healthcare concepts that are innovative and successful over the long term. This is expressed in our brand promise of "Going further for health". At the core of our portfolio, we offer professional systems for wound treatment, incontinence care and infection prevention, supplemented by a range of consumer-oriented medical products as well as care and cosmetic products.

Key performance indicators of the HARTMANN GROUP as of March 31

in EUR million	**2018**	**2019**	**Changes compared to previous year** absolute	in %
Sales revenues	516.0	536.4	20.4	4.0
of which outside Germany in %	67.2	68.0		
EBITDA	47.8	53.8	6.0	12.6
Return on EBITDA in %	9.3	10.0		
EBIT	31.3	30.6	-0.7	-2.2
Return on EBIT in %	6.1	5.7		
Consolidated net income	20.8	20.5	-0.3	-1.4
Net return on sales in %	4.0	3.8		
Equity ratio in %	60.8	57.8	-3.0% points	-4.9
Net financial position	73.9	2.7	-71.2	96.3

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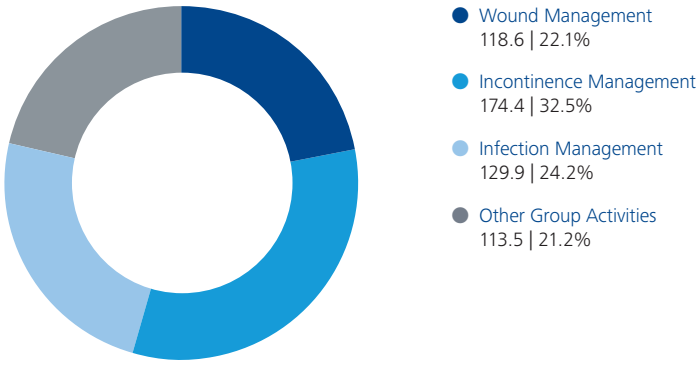
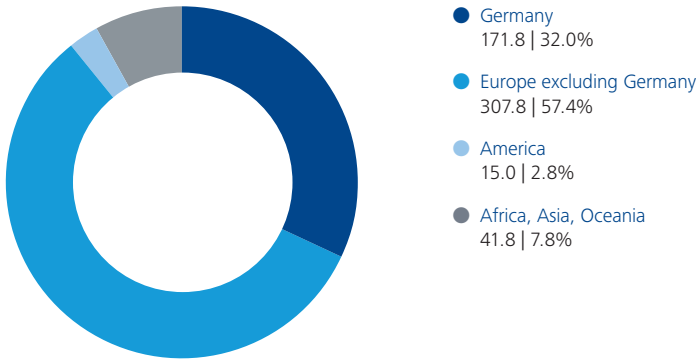
Business Development in the First Quarter of 2019

Share of total sales by business segment
in EUR million and percent



Share of total sales by region
in EUR million and percent



HARTMANN starts the year 2019 with sales growth and stable earnings

In the first quarter of 2019, the HARTMANN GROUP achieved consolidated sales revenues of EUR 536.4 million, surpassing the comparative figure from 2018 (EUR 516.0 million) by 4.0%. The organic growth, without taking into account the effect of exchange rates, acquisitions and divestments, came to 4.1%. All business segments achieved a rise in sales, whereby the Wound Management and Other Group Activities segments generated above-average increases that contributed significantly to the growth. Earnings before interest and taxes (EBIT) amounted to EUR 30.6 million which was nearly the same as last year's figure (EUR 31.3 million).

All segments outperform prior-year sales

Sales revenues in the three core medical business segments went up by a total 3.0% compared to the prior year. Altogether, they accounted for 78.8% (previous year: 79.5%) of the Group's sales.

The Wound Management segment's sales revenues went up by 7.8% compared to the first quarter of 2018 (organic rise of 8.1%), bringing the figure to EUR 118.6 million. Sales of super-absorbent wound dressings and the innovative HydroTherapy treatment concept – both of which grew at a double-digit rate - contributed in particular to this strong rise in sales. The business area of personal healthcare, which is also assigned to this segment, shows roughly the same level of sales as last year (+1.1%).

In the Incontinence Management segment, sales revenues amounted to EUR 174.4 million, which was 0.8% higher than the prior-year figure. The organic growth of 1.2% is attributable, among other things, to above-average growth in sales of MoliCare® Mobile and the skincare range, MoliCare® Skin.

Sales in the Infection Management segment went up by 1.9% to EUR 129.9 million. Our disinfection management products recorded above-average growth, thanks among other things to the continuing sales success of Sterillium® Med as a core product for hand disinfection. Customized surgical sets and surgical gloves show a stable sales trend.

In the Other Group Activities segment, sales revenues increased by 7.5% to EUR 113.5 million. The organic growth of 7.2% is primarily due to successful sales of the CMC Group's private-label products and the KNEIPP Group's bath and bodycare products. The KOB Group, which is global market leader for special medical textiles, also achieved an increase in sales.

Dynamic growth in European countries outside Germany

The 5.0% rise in sales in European countries outside Germany made a major contribution to the HARTMANN GROUP's growth in the first quarter of 2019. The above-average increase in sales revenues in the neighboring countries in Central Europe (6.2%) was underpinned by the positive impact of exchange rates whereas more than half of the organic growth of 5.5% in Eastern

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Europe was absorbed by developments in currency exchange rates. In Western and Southern Europe, sales went up by 3.9% while Northern Europe managed to achieve double-digit growth. The sales regions of America and Africa, Asia, Oceania generated growth above the Group's average rate. Due to price pressure in the hopital business as well as inventory reductions in pharmaceutical wholesale, Germany, with growth of 1.7%, lagged slightly behind the dynamics of the foreign markets. The latter accordingly increased their proportion of the HARTMANN GROUP's total sales from 67.2% in the previous year to 68.0%.

Raw materials prices exerting pressure on EBIT margin

The earnings before interest and taxes (EBIT) amounting to EUR 30.6 million (previous year: EUR 31.3 million) are equivalent to a return on EBIT of 5.7%, compared to 6.1% in the same period last year. The decline is notably a reflection of the rise in the price of key raw materials, especially cellulose, which was heightened further by exchange-rate developments. The Group's consolidated net income of EUR 20.5 million was close to last year's figure (EUR 20.8 million).

Financial position and equity base continue to be sound

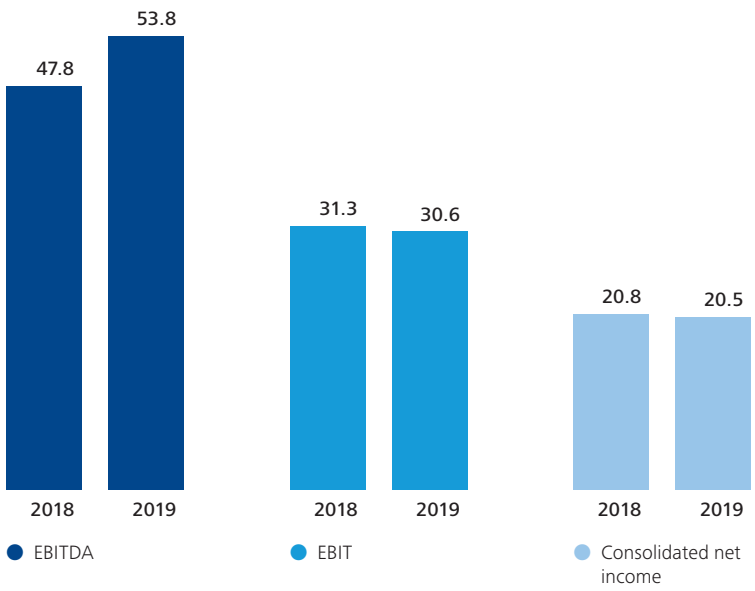
The HARTMANN GROUP's net financial position, at EUR 2.7 million, showed a more or less balanced result. The steep drop compared to the status at year-end 2018 (EUR 104.5 million) is to be attributed to the first-time adoption of IFRS 16. This required that lease liabilities had to be recognized in the accounts for the first time. An identical amount of capitalized rights of use pertaining to the leased assets are recognized on the opposite side of the balance sheet. Detailed information on lease accounting is given in the 2018 consolidated financial statements. Because of these additional items in the balance sheet, the equity ratio went down by 3.8 percentage points compared to balance sheet date in 2018, thus amounting to 57.8% as at March 31, 2019.

Number of employees practically unchanged

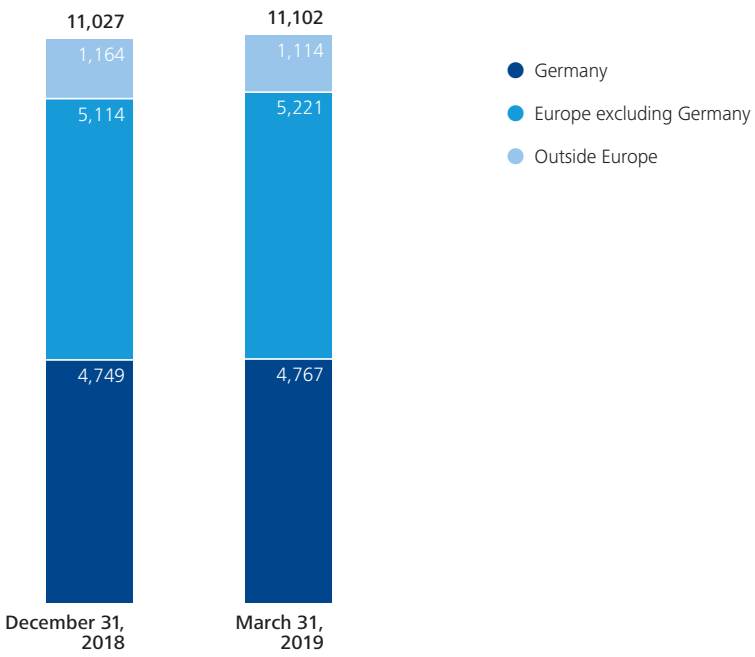
The total number of employees of the HARTMANN GROUP across all company locations went up just slightly by 75 to 11,102 in the quarter under review. As before, Germany accounted for 43% of the total, while the other 57% were at company locations abroad.

In Europe, the rise was primarily because of an increase in staff numbers at KOB Medical Devices GmbH in Germany and additional recruitments of production staff in the Czech Republic and for the sales team in France. The decrease outside of Europe is notably due to production-based adjustments in India and Australia.

Development of EBITDA, EBIT and consolidated net income of the HARTMANN GROUP as of March 31 in EUR million



Number of employees of the HARTMANN GROUP



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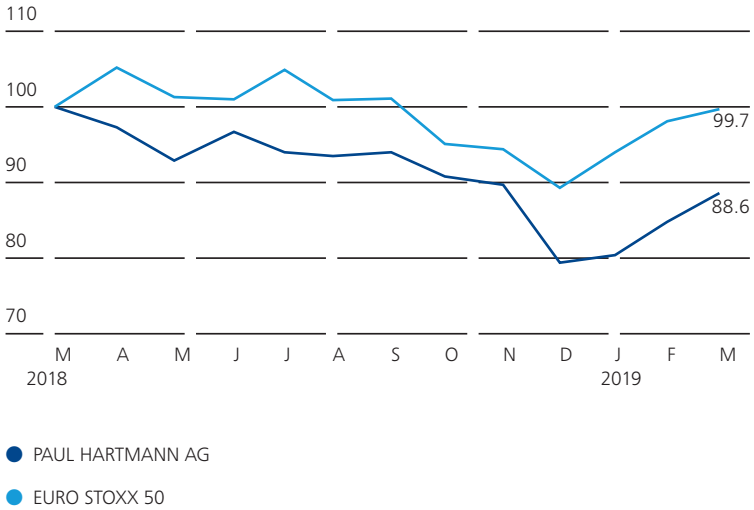
HARTMANN share

Performance of the HARTMANN share price compared to EURO STOXX 50

March 31, 2018 (= 100 percent) to March 31, 2019 in percent



Performance of the HARTMANN share
The HARTMANN share was listed at EUR 326 per share at the end of March 2019, above EUR 34 compared to the end-of-year value in 2018 (EUR 292).

Basic information on the HARTMANN share

WKN	747404
ISIN	DE0007474041
Exchange	Frankfurt Stock Exchange
Segment	Open Market
Type of share	Registered unit shares held in collective safe custody
Capital stock	EUR 91.3 million
Number of shares	3,572,424 units, of which 20,682 units are held as own shares

Outlook

Targets confirmed for the 2019 year as a whole
The outlook for the global healthcare industry remains broadly positive, despite the high general economic risks that presently exist. The increase in health spending in the developing countries and the growing need for care because of an ageing population, together with advances in therapy and technology, are all factors that give rise to an ever-growing, long-term demand for medical products. Political decision-making as to the funding of healthcare systems and the tightening of statutory and regulatory framework conditions within healthcare systems not only presents opportunities but also involves risks.

Additional challenges arise from the volatility of the raw materials and currency markets and from the risks that these pose for our earnings situation. The HARTMANN GROUP continues to counter these risks actively through hedging measures. In addition to this, there are also regulatory costs incurred in implementing the EU Medical Device Regulation (MDR).

Based on the assumptions made, the HARTMANN GROUP considers itself to being a good position overall to be able to continue building on the moderate sales growth achieved in the 2018 fiscal year. Having said that, as developments in the first quarter of 2019 indicate, the Group will not entirely be able to escape the price and margin pressure that is expected throughout the sector for the year as a whole. The focus will be on the sustained improvement of the competitive position and costs in the individual business segments. This includes, among other things, harnessing existing potential in production and logistics and improving the organizational structure. Equally, the Group's product, service and business model innovations will continue to be aimed at directly creating added value for customers. EBIT for the HARTMANN GROUP is expected to remain unchanged at between EUR 102 and 112 million, in other words below the comparative figure from 2018.

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In good time for the holiday season: HARTMANN launches the Sterillium® Protect & Care travel kit

Sterillium® has already been in use by healthcare professionals as a market-leading hand disinfectant for more than half a century. When HARTMANN successfully brought out Sterillium® Protect & Care products onto the general market at the end of 2018, it was the first time that this classic disinfectant became available to private consumers.*

A germ-free vacation with the new Sterillium® Protect & Care travel kit.

The Sterillium® Protect & Care products are available as hand disinfectant gel, hand wash lotion and disinfectant wipes for hands and surfaces, as well as surface disinfectant sprays. They are available from pharmacies for purchase by end-consumers. Sterillium® Protect & Care is a huge success in the end-consumer sector. According to INSIGHT Health, through this new range of Sterillium® the brand is now not only the leader in the category of rub-in hand disinfectants but also for surface sprays and surface wipes.

For a safe and carefree feeling while travelling

The Sterillium® Protect & Care travel kit can be found at pharmacies from April onwards, in good time for the holiday season. Thanks to its conveniently compact shape, the kit is just right for taking along on journeys by road, rail or air for hand and surface disinfection whilst travelling. The Sterillium® Protect & Care travel kit represents one more important step that HARTMANN has taken towards systematically expanding its product portfolio.

"When they are on vacation, people just want to relax and enjoy their free time without a care in the world. Sterillium® Protect & Care provides them with a disinfectant that effectively combats harmful germs, allowing them to feel more at ease on their travels and to worry less about the risk of infection", explains Dr. Henning Mallwitz, head of the research department of the Disinfection business division at BODE Chemie.

The sales launch activities are underpinned by two promotional videos entitled "Moments of Truth". These show humorous scenes – "moments of truth" – that clearly underline the ever-greater need for a clinically tested hand and surface disinfectant to protect people against harmful germs – for example, in elevators and public lavatories.

* Pharmacy purchases in Germany 03/2019: MAT market share according to sales at wholesale prices

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The videos were released on HARTMANN's social media channels and became an instant hit: after just one week, they had already been viewed more than one million times altogether on social networks – Facebook and Instagram – and on the video platform YouTube. Some of the big German media such as the *Süddeutsche Zeitung* and the *Frankfurter Allgemeine Zeitung* as well as *n-tv* have also picked up on the videos on their websites. This extensive coverage also contributes to the success of the Sterillium® brand.

Sterillium® named "Brand of the Century" in 2019

Sterillium® stands for hand disinfection like no other brand and regularly sets new standards in the world of hygiene. Due to its significance, Sterillium® has now been named the "Brand of the Century" twice in a row. The Tempus Corporate publishing company (a subsidiary of the ZEIT publishing house) bestows this distinction on brands that are representative of their product category as a whole. The accolade is a great honour for HARTMANN and gives us motivation to continue making history with innovative products and solutions in the future. Gian Carlo Sciuchetti, Director of the Disinfection business division and Managing Director of BODE Chemie, believes that the winning formula of Sterillium® is based on a combination of "active research work, high quality and a profound understanding of users' needs".

Always use disinfectants carefully and read the label and instructions before use.

Videos:
"Moment of Truth" in public bathrooms: **dpaq.de/Bj9iE**
"Moment of Truth" in elevator: **dpaq.de/9MOFD**

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The successful promotional video entitled "Moments of Truth" shows everyday situations that underline the ever-greater need for a clinically tested hand and surface disinfectant.

News from the HARTMANN GROUP

A strong team: from left to right – Jürgen Graalmann, Managing Director of "Die Brückenköpfe"; Andreas Westerfellhaus, Healthcare Commissioner of the German Federal Government; Dr. Chima Abuba, Managing Director of HARTMANN Germany; Daniela Piossek, Head of PAUL HARTMANN AG's Healthcare Policy Department; and Jens Spahn, Germany's Health Minister.

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German Nursing Day 2019: Working together for better care

Poor working conditions, low pay, little esteem: the healthcare sector is suffering from an acute shortage of qualified healthcare professionals. HARTMANN works hand-in-hand with the healthcare sector and politicians - especially when times are challenging. At the German Nursing Day 2019 in Berlin, HARTMANN clearly stated its position and expressed its commitment to the healthcare industry.

The figures from HARTMANN's "Pflexit Monitor" (a survey carried out on nurses in Germany) last year show that there is a high level of dissatisfaction among nurses and caregivers. The reasons why such people decide to leave their jobs include, above all, the tremendous psychological pressure, the lack of time to devote to patients and the physical strain. The HARTMANN #PflegeComeback study, on the other hand, shows that 48 percent of former nurses and caregivers could envisage returning to their former profession.

HARTMANN believes in direct contact and communication

Around 10,000 visitors were at this year's German Nursing Day event to discuss minimum staffing levels, health insurance funding, job training reforms and digitalization. The event included speeches, panel discussions and workshops presenting a whole range of interesting concepts, ideas and impulses aimed at promoting healthcare. The digitalization of healthcare, the reform of nursing education, teaching and training, and communication between doctors, nurses and patients were just some of the many topics discussed.

One highlight of the event was the visit from the Germany's Federal Health Minister, Jens Spahn (CDU), who came to the HARTMANN stand together with his Under-Secretary of State and Healthcare Commissioner Andreas Westerfellhaus. Especially in the case of such sensitive topics as healthcare, HARTMANN attaches great importance to direct and personal contact and communication with the decision-makers from politics,

Supplying information to interested visitors to the HARTMANN stand.

business and the healthcare sector. Jens Spahn rated HARTMANN's commitment as a valuable and vital source of support in boosting the nursing profession – because politicians, society, care associations and companies must work together if they want to achieve improvements in patient care.

Nursing Care Award 2020: HARTMANN's award for successful concepts from employees

Healthcare affects and matters to all of us – that is one of the core underlying messages of the German Nursing Care Award, the highest national accolade in the nursing sector. At the gala ceremony of the German Nursing Day event, Dr. Chima Abuba, Managing Director of HARTMANN Germany, gave a first indication of the German Nursing Care Award 2020. In the category entitled "Practice" and under the heading of "Recruiting and retaining nursing and healthcare staff – successful concepts taken from practical experience", HARTMANN is looking for examples of effective best practices that counteract nursing staff shortages in the long term. The impetus for this call for entries to the competition came from the results of #PflegeComeback study. Entries from both the inpatient and the outpatient sectors can be submitted up until the end of December 2019. The prize will be awarded to the winner at the German Nursing Day 2020 event. Moreover, at this year's event, HARTMANN also delivered two specialist lectures on the topics of "The Appeal of Employers in the Nursing Sector" and "Nursing as a Career". The goal of these lectures was to demonstrate to nurses attending the event how their profession can be made more attractive and presented more appealingly.

"We are in this together" is the Spot of the Year

Not even a thousand words could better describe the brand mission of HARTMANN Wound Management than this poignant video does: "Healthcare Marketing", the specialist magazine for healthcare brands, has named the HARTMANN Wound Management promotional video entitled "We are in this together" as its Spot of the Year. The short clip won the silver award in the "Spots for Professionals" category.

"Pure emotion! This video spot acts as a fond reminder to medical professionals as to why they chose their job in the first place - to help people and to relieve their suffering. And HARTMANN assists these professional helpers by providing them with quality products," reasoned jury member Ute Wynands, Divisional Manager for Sales & Marketing at the Berlin-based pharmaceutical company Dr. Kade.

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Video:
German: **dpaq.de/dP3r4**
English: **dpaq.de/SxyAo**

The HARTMANN Wound Management promotional video, lasting just under a minute, shows people with wounds at various stages in life.

HARTMANN Wound Management: a strong partner in healing wounds

The video is a central key element in HARTMANN Wound Management's image campaign. It defines what HARTMANN Wound Management stands for, across all of its products and services and throughout all countries, and what spurs the company on. With its indication-based wound treatment concepts, HARTMANN aims to give medical professionals both the technical support and the confidence that they need in order to achieve the goal of a complete healing process. For HARTMANN, patient care is a high priority. Medical professionals see HARTMANN as being in this with them. "We are in this together." That is the key message of the video.

The clip serves to boost people's brand awareness of HARTMANN in the wound management sector and to position HARTMANN as a strong partner for healthcare professionals. Because, with more than 100 years of experience in wound treatment and thanks to broad interaction with medical professionals within the LINK program (the official HARTMANN Wound Management further training network), HARTMANN is aware of the needs of patients and nurses – and is committed to working continuously on even better solutions and products.

"That is why the LINK program is of major importance to our customers and to ourselves. It facilitates national and international interaction between and with medical professionals and also serves the purpose of providing continuous professional and further training in the wound management sector," comments Claudia Brösamle, Senior Manager for Global Sales Marketing in the HARTMANN Wound Management division.

HARTMANN Wound Management designed, filmed and released the spot together with the Baden-Württemberg film academy. It was published in eight languages altogether, including German, English and Spanish. The video lasts just under one minute and shows people with wounds at various stages in life, for example a child with a scraped knee, an elderly lady with a chronic wound and a person with traumatic wounds after an accident. Using a special morphing technique, the video is an emotional display of reciprocal interdependency between those giving help and those receiving it. This morphing technique allows the protagonists to undergo an age transformation, so that the young mother in one scene becomes an elderly lady in the next, while the female doctor turns back into a young girl. In this circle of life, HARTMANN acts in partnership with the medical professionals. Because: "we are in this together."

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Data protection information: quarterly information and annual report of PAUL HARTMANN AG

We automatically send you, the shareholders of the PAUL HARTMANN AG, various information to inform you about the performance of the HARTMANN GROUP and current market developments. This information includes, in particular, financial information, for example, the sending of quarterly information (particularly our shareholder magazine "Inform") and, where you have asked for this to be sent by post, the HARTMANN GROUP's Annual Report.

At the same time, an online version of the quarterly information is available to you on our website https://hartmann.info/en-corp/investor-relations/l/corp/investor-relations under the "Downloads" menu option and in the shareholder portal.

Should you no longer wish to receive the quarterly information and/or the annual report in future, please contact PAUL HARTMANN AG, Investor Relations, P.O. Box 1420, 89504 Heidenheim or via e-mail ir@hartmann.info. Should you wish only to receive quarterly information and/or the annual report electronically in future, again, please contact the address specified.

To send you quarterly information and where we send you the annual report, PAUL HARTMANN AG processes your personal data (surname and first name, address, where relevant, shareholder number) as the legal entity, in each case based on legitimate interests (Art. 6(1) sentence 1 letter f) GDPR). Where you do not provide us with your personal data yourself, we normally receive this via your custodian bank.

The service providers engaged by us to send you quarterly information and/or to send you the annual report as requested process your personal data exclusively according to our instructions and only to the extent this is necessary for the performance of the requested service. All PAUL HARTMANN AG employees and those of our contracted service providers who have access to your personal data and/or process this, are obliged to treat that data as confidential.

We erase your personal data in accordance with the statutory regulations, particularly where the personal data are no longer required for the original purpose of their collection or processing.

Among the legal requirements, you have the right to receive information about your processed data and to request their rectification or erasure or the restriction of processing. In addition, you have a right to lodge a complaint with a supervisory authority.

Among the legal requirements, you may, at any time and without giving reasons for the same, object to any processing of your personal data for the purpose of sending the quarterly information and/or the sending of the annual report.

To do so, please contact PAUL HARTMANN AG, Investor Relations, P.O. Box 1420, 89504 Heidenheim or via e-mail ir@hartmann.info.

For comments and queries about the processing of personal data, your data protection officer can be reached at: PAUL HARTMANN AG, Data Protection Officer, Paul-Hartmann-Strasse 12, 89522 Heidenheim, datenschutz@hartmann.info.

For further data protection information, please see our website at https://hartmann.info/en-corp/ir-dataprotection.

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This report contains forward-looking statements. Actual results may be different from the ones implied by the forward-looking statements. Rounding discrepancies not balanced out.

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