

Press Release

HARTMANN adjusts forecast for fiscal year 2020

- All core segments of HARTMANN are faced with coronavirus-related challenges. Most segments are experiencing weak to negative growth. Sales of disinfectants and personal protective equipment have, on the other hand, increased considerably.
- Up to September 2020, there has been an overall organic sales growth of 15.4% and significant improvement in earnings.
- The new forecast for 2020 adjusted EBITDA is now EUR 280 to 320 million.
- Outlook: Implementation of transformation program and ongoing consequences of coronavirus pandemic are expected to burden sales and earnings.

Heidenheim, December 10, 2020

In the first nine months of 2020, the HARTMANN GROUP generated sales revenues of EUR 1,820 million (previous year: EUR 1,615 million), organic sales growth of 15.4% and an adjusted EBITDA of EUR 207.1 million (adjusted EBITDA margin of 11.4%). During this period, the coronavirus pandemic continued to be the dominant factor in the development of the business.

Coronavirus-related challenges in the core segments: Due to a considerable rise in the number of COVID-19 infections since September, HARTMANN's core segments are facing significant challenges. On the one hand, there is a temporary strong increase in demand for disinfectants and personal protective equipment, which the company is already meeting in the best possible way, i.e. with measures to expand production capacities and secure supply chains. On the other hand, challenges also stem from the postponement of non-urgent surgeries, which results in a decline in business, for example in sterile surgical products and other product groups in Wound Management. These challenges are reflected in the development of the core segments.

- The organic sales decline of 4.6% in the Wound Management segment is primarily due to declining business with classic dressing materials.
- Sales in the Incontinence Management segment were on a par with the previous year with organic growth of 0.2%.
- The strong organic sales growth of 64.4% in the Infection Management segment is mainly due to strong coronavirus-related demand for disinfectants and personal protective equipment, such as masks and examination gloves. Sales of pre-packaged surgical procedure trays, on the other hand, declined significantly due to postponed surgeries.

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François Georgelin, Dr. Raymund Heinen, Michel Kuehn, Stefan
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Forecast 2020: The forecast for the current year as a whole was raised today due to the continuing coronavirus-related strong demand for disinfectants and personal protective equipment. HARTMANN now expects adjusted EBITDA of EUR 280 to EUR 320 million for 2020 and continued strong organic sales growth.

Outlook: There is a high degree of forecast uncertainty due to the unclear further course of the coronavirus pandemic and its economic consequences. HARTMANN therefore currently expects the following developments:

- The tendentially positive special effects in individual product groups observed in the exceptional year of 2020 will be less pronounced in the future.
- Negative effects on HARTMANN's business performance during and particularly after the coronavirus pandemic are to be expected, e.g. due to increased budgetary pressure on healthcare systems.
- The investment requirements for the implementation of the transformation program in combination with the aforementioned effects of the coronavirus pandemic are expected to have a negative impact on sales and earnings in the following year.

Quote Britta Fünfstück, CEO, HARTMANN GROUP:

Overall, the challenging market conditions for the other business segments due to the coronavirus pandemic can be compensated for by considerably increased demand for disinfectants and personal protective equipment.”

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 professional medical and care products and associated services. Its core portfolio is rounded off by consumer-focused medical products as well as skin care and cosmetics articles. In the Wound Management segment, HARTMANN focuses on wound dressings and bandages for traditional and modern wound care. In the Incontinence Management segment, the focus is on absorbent, body-worn products for different degrees of incontinence. The Infection Management segment comprises the business units Risk Prevention and Disinfection. In Risk Prevention, HARTMANN provides customer-specific, pre-assembled sets of components, clothing and covering materials for the operating theatre as well as examination gloves. In the Disinfection segment, HARTMANN develops and produces products for hand and surface disinfection to protect against infectious diseases. The business activities of the group companies KNEIPP, CMC and KOB are included in the Other Group Activities segment. Under the “Glück, das wirkt” trademark, the KNEIPP Group markets body care products, dietary

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Going further
for health

supplements and herbal medicinal products. The CMC Group mainly distributes private-label products in the areas of cotton/cosmetic, medical, baby and home care. The KOB Group is an expert for specialised medical textiles and bandages. The HARTMANN GROUP focuses on the European market, while maintaining its own companies around the world, close to the relevant local markets. In 2019, 11,096 employees in the HARTMANN GROUP generated sales of EUR 2.2 billion. PAUL HARTMANN AG in Heidenheim/Germany is the heart of the group. It is one of the oldest German industrial companies and dates back to a textile factory founded in 1818 by Ludwig von Hartmann. In 1873, under his son Paul Hartmann, the company began producing absorbent cotton wool. It later went on to become the flagship of an expanding dressing material industry worldwide.

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