

HARTMANN NEWS

HARTMANN remains on track for 2018 growth target

- **Demand in core medical business segments: half-year sales grow 3.0% to EUR 1.04 billion**
- **EBIT of EUR 61.1 million is in line with the forecast**
- **Outlook 2018 for sales and EBIT confirmed**

Heidenheim, Germany - August 7, 2018 - The HARTMANN GROUP, a leading international supplier of medical and hygiene products, remains on track for growth in its anniversary year 2018. Group sales revenues grew by 3.0% to EUR 1.0368 billion in the first six months, in spite of the continuing negative impact of exchange rates. If the strength of the euro had not led to reductions in revenue, especially in the case of America and Asia, the Group's growth would actually have amounted to almost 5%.

Earnings before interest and taxes (EBIT) came to EUR 61.1 million, which – as anticipated – was down 6.5% over last year's figure. This arises from price pressure on the markets and higher regulatory costs, as well as expenditures in connection with structural and growth investments. For instance, in the past few months, HARTMANN has been expanding its sales organization considerably in Germany and France. Additionally, the company intensifies sales investments in the growing field of state-of-the-art wound treatment. With a positive net financial position of around EUR 45 million and an equity ratio of over 60%, HARTMANN remains on strong financial footing, allowing it to sustain investment momentum through the second half of the year.

"In the first six months of 2018, HARTMANN demonstrated its favorable strategic position and proved its competitiveness," notes Chief Executive Officer Andreas Joehle. "We have managed to compensate for the effects of price pressure and the strengthened euro, and our growth is in line with expectations. We are also on track as far as earnings are concerned. Despite the extra costs incurred through forward-looking projects, including the implementation of the EU Medical Device Regulation, we have managed to achieve a satisfactory EBIT, given the circumstances." Based on the results of the first six months of the year, HARTMANN confirms the outlook for the 2018 financial year as a whole: a moderate rise in sales combined with a moderate decrease in EBIT.

HARTMANN goes beyond merely taking responsibility for its own business. It also actively assumes social responsibility, especially in the year of its bicentenary, as Joehle explains. "By staging the HARTMANN Future Forum in June, we created a completely new platform to provide stimuli for the future of healthcare – including tackling such issues as demographic change, progressive digitalization or, in particular, the shortage of qualified nurses. We strongly believe that

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companies such as ours can take on far more responsibility toward improving the situation for healthcare. We aim to take the lead in the future and set a good example with our upcoming 'Care Offensive'."

Growth in the core medical business segments

The Wound Management segment achieved sales revenues of EUR 228.7 million, thus surpassing 2017's comparative figure by 1.9%. The growth was predominantly due to growing demand for super-absorbent and antibacterial wound dressings, the HydroTherapy treatment concept and the area of Personal Healthcare.

Sales revenues for the Incontinence Management segment went up 7.8% to EUR 344.5 million. The inclusion of sales revenues generated by LINDOR in Spain more than compensated for the negative impact of exchange rates. The SkintegritY concept for holistic incontinence management and IAD (incontinence-associated dermatitis) prophylaxis also contributed to the segment's second quarter sales growth.

Sales in HARTMANN's Infection Management segment rose by 1.0% to EUR 252.3 million. Without taking exchange rates into account, sales of surgical management products and examination gloves surpassed the previous year's figure, as did sales of solutions for disinfection management. The Other Group Activities segment generated sales of EUR 211.3 million, which was slightly below the last year's level due to negative impact of exchange rates.

The rise in group sales revenues was largely based on positive developments in European countries outside the Group's domestic market. Europe as a whole (not including Germany) achieved an increase of 6.0%. In Germany, HARTMANN managed to slightly surpass last year's figures. Outside of Europe, the moderate growth was overshadowed by the negative impact of exchange rates.

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 Europe's leading providers of medical and hygiene products. Its core expertise is in wound treatment (e.g. wound dressings, negative-pressure wound therapy, conforming bandages, adhesive plasters), incontinence care (e.g. disposable incontinence briefs and pads, as well as incontinence-related skincare products) and infection prevention (e.g. complete surgical procedure sets, surgical clothing, disposable surgical instruments and disinfectants). Its portfolio is rounded off with products for compression therapy, first aid and cosmetics and care products. Furthermore, HARTMANN provides innovative system solutions for professional target groups in the medical and healthcare sectors. With its headquarters in Heidenheim/Germany focusing on the European market, and with group companies worldwide, the Group is in close touch with the global market. In 2017, the HARTMANN GROUP achieved sales revenues of EUR 2.06 billion, with a workforce of 10,764 employees.

PAUL HARTMANN AG in Heidenheim/Germany forms the heart of the corporate group. It is one of Germany's oldest industrial companies, dating back to a textile factory founded by Ludwig von Hartmann in 1818. In 1873, the latter's son Paul Hartmann began production of absorbent cotton wool, and later the Company evolved into the flagship of an expanding dressing materials industry worldwide. The HARTMANN GROUP encompasses not only numerous sales companies abroad but also, among others, BODE Chemie (Hamburg), Karl Otto Braun (Wolfstein), Sanimed (Ibbenbüren) and KNEIPP (Würzburg).

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