

## Covid-19 has an overall strong positive impact on fiscal year 2020 - declining earnings expected in 2021 with high forecast uncertainty

- Key financial figures: Covid-19 pandemic has strong positive impact on sales and earnings
- Transformation program: important progress in all key projects
- Outlook 2021: moderate decrease in organic sales and adjusted EBITDA to EUR 210-260 million

**Heidenheim, March 23, 2021.** For the HARTMANN GROUP, the year 2020 was significantly affected by its transformation program and the Covid-19 pandemic. The improvement in key financial figures, with considerable organic sales growth and a strong increase in earnings, is mainly due to temporary effects of the pandemic. Individual business segments, such as Infection Management, recorded very positive effects on sales and earnings, while Wound Management was particularly impacted by negative economic effects of the pandemic. By consistently implementing its transformation program, HARTMANN is rising to meet increasing challenges in healthcare markets.

### 2020 key financial figures

Sales & organic sales growth	
<b>Group</b>	EUR 2.433 billion (+14.6%)
<b>Wound Management</b>	EUR 452.1 million (-4.5%)
<b>Infection Management</b>	EUR 829.8 million (+60.9%)
<b>Incontinence Management</b>	EUR 690.5 million (-0.2%)
<b>Other Group Activities</b>	EUR 460.6 million (+4.5%)

- **Group:** As a result of Covid-19, HARTMANN recorded a strong organic sales growth of 14.6% and Group sales of EUR 2.433 billion in the 2020 financial year. Adjusted EBITDA amounted to EUR 292.4 million, as opposed to EUR 211.9 million in the previous year.
- **Wound Management:** As a result of a decline in elective surgeries, the need for surgical and wound treatment products decreased.
- **Infection Management:** There was a strong increase in demand for hand and surface disinfectants, as well as personal protective equipment like masks and examination gloves. However, the need for customized surgical procedure trays decreased due to a decline in the number of surgeries.
- **Incontinence Management:** Sales by volume in hospitals and nursing homes decreased due to the pandemic. There were also fewer calls for tenders. Growth in the pharmacy business, among others, nearly compensated the negative effects.
- **Other Group Activities:** The reduced number of surgeries as well as decreased demand for sport injury products, among other effects, led to a decline in business at KOB. An increased level of consumer health awareness, however, had a positive effect on sales volumes at the KNEIPP Group.
- **Dividend proposal:** The Company continues a more than 25-year policy of providing equal or greater dividends every year. The proposal calls for EUR 8.00 per share as opposed to EUR 7.00 in the previous year.

“The pandemic resulted in positive special effects on sales and earnings. That, however, cannot hide the fact that Covid-19 will pose major challenges for all healthcare market participants, including us,” says Britta Fünfstück, CEO of the HARTMANN GROUP.

**Transformation program:**

Despite the challenges of the pandemic, the projects of our transformation program advanced according to plan. These projects include the development of innovative products, cost improvements, e.g. through automation in production and logistics, the development of digital business models as well as new offerings for the outpatient sector.

- Example for strengthening the innovation pipeline: With the successful integration of silicone specialist Advanced Silicone Coating in 2020, the development of **new technologies** for silicone-coated wound dressings both advanced and intensified.
- Example for improvement of the cost position in logistics and production: At the Group's largest logistics center in Herbrechtingen/ Germany, a new packaging and conveyor system increased the number of packages handled daily by more than 150%. At Neuhausen in Switzerland a, high-speed tray and pallet warehouse has been opened. In the future, this will enable 60% more customer orders to be processed.
- Example for digital and outpatient offerings: By acquiring the leading care portal in Germany, pflege.de, HARTMANN can now offer additional **digital consulting competence in an attractive market segment**. By developing new solutions, patients and their caregivers can be supported in their everyday lives.

“In 2020, HARTMANN reached the planned milestones of our transformation program. In parallel with the coronavirus pandemic, this was only possible with the dedicated cooperation of all employees. Thanks to their commitment, our company is well on its way to implementing its strategy,” says Britta Fünfstück.

**Covid-19 pandemic:**

HARTMANN lived up to its **responsibility as an essential supplier** to the sector. The company secured the expansion of its production and logistics during the crisis and protected the health of its employees through immediate preventive measures.

- HARTMANN proved to be a **reliable partner to its customers and patients during the crisis** by rapidly expanding production capacities, securing supply chains as well as maintaining quality and price standards.
- Thanks to the **great commitment of all employees**, the Company was largely able to meet the massive increase in demand for personal protective equipment and disinfectants.

“HARTMANN has succeeded in ensuring the deliverability of selected product groups despite strongly increased demand and while maintaining all quality standards. Our strong teamwork and innovative spirit made these excellent results possible. We can all be proud of this,” says Britta Fünfstück.

**Outlook:**

On one hand, the less pronounced positive effects from the pandemic in 2021 are to be expected; on the other hand, negative effects and increasing budget pressure in healthcare systems will increase significantly. The investment requirements for implementing the transformation program must be taken into consideration, as well. HARTMANN therefore expects a moderate decline in organic sales and adjusted EBITDA of EUR 210 million to EUR 260 million. There is a high degree of forecast uncertainty for 2021 as the further development of the pandemic remains unclear.

“The positive impact of the pandemic in fiscal year 2020 will only materialize this year to a small degree. Large parts of our markets are experiencing a decline in demand. We also anticipate that the increasing budget pressure will accelerate and burden all market participants in the healthcare sector. 2021 will be a challenging year for the

HARTMANN GROUP and the entire industry. Therefore, it is crucial for us to continue to consistently implement our transformation program in 2021," Britta Fünfstück emphasizes.

The Annual Report and Consolidated Financial Statements for the 2020 financial year can be found at <https://www.hartmann.info/en-corp/investor-relations>.

**About the HARTMANN GROUP**

The HARTMANN GROUP is a leading European provider of system solutions for medicine and healthcare. Every day, medical professionals and patients rely on HARTMANN's products in its core segments of Incontinence Management (including MoliCare®), Wound Management (including Zetuvit®) and Infection Prevention (including Sterillium®). We bring this to life with our brand promise "Helps. Cares. Protects." In 2020, HARTMANN achieved sales of EUR 2.4 billion. Founded in 1818, the company is present with its products and solutions in more than 130 countries. The HARTMANN GROUP is currently implementing a strategic transformation program with its high-performance, customer-oriented and passionate team.

For the latest information on HARTMANN's healthcare business, follow @HARTMANN\_GROUP on Twitter. To learn more about the HARTMANN GROUP, visit: <https://hartmann.info/>.

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