

HARTMANN: Sales and earnings under pressure

- Decline in sales and earnings compared with previous quarters, as expected
- Coronavirus pandemic continues to affect the different business segments to varying degrees
- Outlook 2021: Forecast for 2021 confirmed

Heidenheim, 11.08.2021 The impact of the coronavirus pandemic on the HARTMANN GROUP's business development did not significantly diminish in the first six months of financial year 2021. As expected, sales and earnings have come under pressure. The positive effects resulting from the pandemic, which were clearly visible in 2020, declined considerably in the first half of 2021. In particular, demand for disinfection products and personal protective equipment has fallen from the highs of the previous year. At the same time, the negative effects of the coronavirus pandemic have largely persisted: budget and cost pressures in healthcare systems continue to intensify and are impacting the development of business, as is the still-low room occupancy rate in hospitals and nursing homes. Only the slowly increasing number of surgeries towards the end of the first half of the year and the resulting renewed rise in demand for wound care products point to a slight recovery. Rising raw material, freight and logistics costs also had a negative impact on the development of the business segments.

Key performance indicators for the first half year 2021

Sales and organic revenue growth	
Group	1.153 bil. EUR (-5.0 %)
Wound Management	234.4 mil. EUR (+10.8 %)
Infection Management	373.1 mil. EUR (-15.3 %)
Incontinence Management	336.4 mil. EUR (-3.9 %)
Other Group Activities	209.4 mil. EUR (-1.7 %)

- **Group:** Across all business segments, the Company achieved sales revenues of EUR 1.153 billion in the first half of the year. The organic decline in sales was -5.0% (of which -11.6% in the second quarter compared to the same quarter of the previous year). Including exchange rate effects and acquisitions/divestments, the Company recorded a decline in sales of -6.5%. Adjusted EBITDA was EUR 148.2 million and the adjusted EBITDA margin was 12.8%. As expected, the decline in sales and earnings compared to the previous quarters continued.
- **Wound Management:** An increasing number of surgeries and a renewed rise in the frequency of visits to doctors and pharmacies indicate the beginning of a slight recovery. The product ranges for modern wound treatment developed particularly positively.
- **Infection Management:** The decline is due to a decrease in demand for disinfection products compared to 2020. In addition, demand in the personal protective equipment segment was also down. The positive development in the area of examination gloves could not compensate for the declining business in the other product groups of the segment.
- **Incontinence Management:** The very slow rise in bed occupancy rates continues to lead to weak demand for care products in hospitals and homes for the elderly. Product solutions for the ambulatory care of incontinent, active people provided impetus for growth.
- **Other Group Activities:** The pandemic-driven trends of the first quarter of 2021 continued.

For instance, sports clubs and organizers are still subject to significant restrictions, resulting in lower demand for sports injury products. At CMC Consumer Medical Care, reduced demand for cosmetic products led to declining sales. By contrast, the KNEIPP Group succeeded very well in the first half of 2021 in catering to the trend towards greater health awareness and increasing its sales.

Outlook:

The uncertain course of the coronavirus pandemic and its economic consequences continue to cause a high degree of forecast uncertainty in the second half of the year. HARTMANN assumes that positive effects will continue to decline and that negative effects will persist or decline only slowly. In addition, the Company expects freight and logistics costs to rise, in some cases sharply, as well as increasing raw material prices and material costs.

Based on current calculations, the Company confirms the forecast for financial year 2021 published in the Annual Report 2020 with a moderate organic decline in sales and a declining adjusted EBITDA of EUR 210 to 260 million.

Britta Fünfstück, CEO HARTMANN GROUP:

“Cost and budget pressures in healthcare systems are growing significantly. The continued implementation of HARTMANN's Transformation Program is therefore essential for our long-term success.”

About the HARTMANN GROUP:

The HARTMANN GROUP is one of the leading European providers of professional medical and care products and associated services. Every day, healthcare professionals and patients rely on HARTMANN brands in the core segments of Incontinence Management (e.g. MoliCare®), Wound Management (e.g. Zetuvit®) and Infection Prevention (e.g. Sterillium®). This is expressed in our brand promise of “Helps. Cares. Protects.”. Founded in 1818, the company is present with its products and solutions in 130 countries around the world. For the future, the HARTMANN GROUP is currently implementing its strategic Transformation Program with its high-performance, customer-oriented and passionate team.

For the latest information about HARTMANN's healthcare business, follow @HARTMANN_GROUP on Twitter. You can find out more about the HARTMANN GROUP at: www.hartmann.info

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