

16 May 2024



Revenue continued to build, further strategic progress, on track to deliver financial guidance

Convatec Group Plc ("Convatec" or the "Group"), a global medical products and technologies company, announces its trading update for the four months ended 30 April 2024. Group revenue increased by 5.2% on a reported basis, 5.4% on a constant currency basis and 6.5% on an organic basis¹. The Group remains confident of delivering its full year guidance as set out below.

Broad-based growth across all four categories

In **Advanced Wound Care**, organic revenue growth for the first four months was mid-single digit as expected. The performance in the US was strong, with good growth across the portfolio enhanced by InnovaMatrix[®]. In Europe and Global Emerging Markets growth was good, despite some continuing impact of the Chinese market-wide anti-bribery and corruption campaign.

In **Ostomy Care**, organic revenue growth was mid-single digit as expected. There was good growth in Europe, supported by the strong response to the EsteemBody launch in Italy, and in Global Emerging Markets growth was strong. The positive performance in North America was supported by new patient referrals to the Home Services Group.

In **Continence Care**, organic revenue growth was high-single digit, higher than expected, with strong new patient starts and a further increase in reimbursement levels in US. Although small, the performance in Europe and Global Emerging Markets was supportive of growth with an encouraging customer response to our new launch of GentleCath[™] Air for Women in France.

In **Infusion Care**, organic revenue growth was mid-single digit as expected, with phasing of growth weighted to the second half based on continuing strong underlying demand for Convatec's infusion sets both within and outside of diabetes. Diversification of products and customers is progressing well.

Continued strategic progress

• New product innovation progressing well

- In Advanced Wound Care: the win-rate for ConvaFoam[™] evaluations in the US remains strong. The regulatory clearance process for Europe is on track with launches planned for later this year
- In Ostomy Care: EsteemBody[™] launched in Italy in March to a strong response. We have also started launching in the US, Czech Republic and Poland
- In Continence Care: demand for GentleCath[™] Air for Women continued to build following the launch in France in Q4 last year, and is expected to launch in other key European markets and the US later this year
- In Infusion Care: recent new launch activity in diabetes is yielding strong demand for our innovative infusion sets with Tandem's Mobi, Beta Bionics' iLet, Ypsomed's YpsoPump and Medtronic's 780G insulin pumps. Outside of diabetes, the roll out of AbbVie's Parkinson's pump therapy is progressing well in Japan and key European countries leading to strong demand for Convatec's Neria[™] guard infusion sets. AbbVie expects to launch in the US later this year

• Clinical evidence capability delivering

- The company continues to invest in and strengthen its clinical evidence generation and dissemination capability to support the use of its solutions - new team leaders embedded for each of the categories
- For AQUACEL[®] Ag+ Extra[™] in May, we announced preliminary clinical study results from a multinational randomised controlled trial (RCT). The study found that venous leg ulcers managed with AQUACEL[®] Ag+ Extra[™] were 31% more likely to heal completely at 12 weeks and 31% more likely to have a 40% reduction in wound area at 4 weeks, compared with the standard of care dressing
- For InnovaMatrix[®] two prospective clinical studies are underway in the US for Diabetic Foot Ulcers (DFU) and Venous Leg Ulcers (VLU) which are expected to complete and be published later this year. In addition, the results of two Real World Evidence studies are expected to be published later this year

Response to draft proposed local coverage determinations (LCD)

Convatec notes the proposed draft LCDs relating to skin substitutes for DFU and VLU for the advanced wound care biologics segment, published on 25th April. We are actively engaging with all relevant parties during the 45-day consultation window, which may lead to different outcomes than the current draft proposal. Convatec firmly believes that InnovaMatrix[®] delivers strong clinical outcomes for patients and choice for health care practitioners. See notes below for further detail.

Reiterating guidance - FY 2024 and medium-term

The Group is on track to deliver on its guidance for 2024:

- Organic revenue growth between 5.0% and 7.0%
 - Advanced Wound Care: growth reduced to mid to high-single digit, recognising short-term uncertainty from the draft proposed LCDs
 - Ostomy Care: mid-single digit growth, remains unchanged
 - Continence Care: growth increased to mid to high-single digit, given the more positive performance and outlook
 - Infusion Care: high-single digit growth, remains unchanged
- Adjusted operating profit margin on a constant currency basis of at least 21.0% (FY2023: 20.2%)
- Double digit growth in adjusted EPS and free cash flow to equity

Medium term guidance remains unchanged:

The breadth of Convatec's portfolio and strong underlying demand in its chronic care segments, coupled with its innovative new product pipeline, gives management confidence in the medium-term prospects for the Group. Convatec continues to expect to deliver 5-7% organic revenue growth annually, to expand the adjusted operating margin to mid-20s by 2026 or 2027 and to deliver double digit compound annual growth in adjusted EPS and free cash flow to equity going forward.

Conference call details

A conference call to discuss the trading update will be held for analysts and investors at 08:00hrs UK time. Please register using this [link](#).

Footnotes

1 Organic growth is calculated by applying the applicable prior period average exchange rates to the Group's actual performance in the respective period and excluding acquired and disposed/discontinued businesses. For the first four months of 2024 this relates to adjustments for the residual critical care revenues in 2023 and the small Continence Care acquisitions

2 Our fecal management system product portfolio

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About Convatec

Pioneering trusted medical solutions to improve the lives we touch: Convatec is a global medical products and technologies company, focused on solutions for the management of chronic conditions, with leading positions in advanced wound care, ostomy care, continence care, and infusion care. With around 10,000 colleagues, we provide our products and services in almost 100 countries, united by a promise to be forever caring. Our solutions provide a range of benefits, from infection prevention and protection of at-risk skin, to improved patient outcomes and reduced care costs. Group revenues in 2023 were over \$2 billion. The company is a constituent of the FTSE 100 Index (LSE:CTEC). To learn more about Convatec, please visit <http://www.convatecgroup.com>

About InnovaMatrix[®] and the draft LCD proposal

Following 510(k) FDA clearance, InnovaMatrix[®] launched in the US in early 2022 as the first porcine placental-derived extra cellular matrix device. The InnovaMatrix[®] products are cleared for use by the FDA for the management of wounds including pressure ulcers, diabetic foot ulcers, venous leg ulcers, chronic vascular ulcers, surgical wounds (including post-Mohs surgery), partial/full-thickness wounds and trauma wounds. In 2023 revenue from InnovaMatrix[®] products was \$74 million, equating to just over 3% of Convatec's Group revenue.

Since launching InnovaMatrix[®], Convatec has been generating clinical evidence. Clinicians and patients have experienced first-hand the positive impact InnovaMatrix[®] products have on chronic wounds. The Group is confident in the clinical efficacy of its innovative porcine xenograft platform and has four clinical studies underway in the US (prospective clinical DFU study, prospective clinical VLU study and two Real World Evidence studies) which are expected to be published later this year.

On 25 April 2024, seven Medicare Administrative Contractors (MACs) published draft proposed LCDs relating to use of products to treat Diabetic Foot Ulcers (DFU) and Venous Leg Ulcers (VLU). While our InnovaMatrix[®] product meets the technical requirements of the draft proposed LCD, its recent entry to the market and the timeline necessary to generate and to publish clinical evidence means InnovaMatrix is not currently on the draft proposed covered list.

Convatec is actively engaging with all relevant parties as part of the 45-day consultation process currently underway. We are seeking an outcome that preserves choice for clinicians treating chronic wounds, ensures access to innovative, effective products which are in the best interest of patients and maintains the benefits of the well-proven 510(k) pathway for fostering innovation of new products for the benefit of patients.

Forward Looking Statements

This document includes certain forward-looking statements with respect to the operations, performance and financial condition of the Group. Forward-looking statements are generally identified by the use of terms such as "believes", "estimates", "aims", "anticipates", "expects", "intends", "plans", "predicts", "may", "will", "could", "targets", "continues", or their negatives or other similar expressions. These forward-looking statements include all matters that are not historical facts.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and

reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies that are difficult to predict and many of which are outside the Group's control. As such, no assurance can be given that such future results, including guidance provided by the Group, will be achieved. Forward-looking statements are not guarantees of future performance and such uncertainties and contingencies, including the factors set out in the "Principal Risks" section of the Strategic Report in our Annual Report and Accounts, could cause the actual results of operations, financial condition and liquidity, and the development of the industry in which the Group operates, to differ materially from the position expressed or implied in the forward-looking statements set out in this document. Past performance of the Group cannot be relied on as a guide to future performance.

Forward-looking statements are based only on knowledge and information available to the Group at the date of preparation of this document and speak only as at the date of this document. The Group and its directors, officers, employees, agents, affiliates and advisers expressly disclaim any obligations to update any forward-looking statements (except to the extent required by applicable law or regulation).

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