29 July 2025

Interim results for the six months ended 30 June 2025

Delivering broad-based revenue growth, margin expansion & double-digit EPS growth

Key financial highlights for 6 months to 30 June	Reported			Adjusted[5]			
	H1 25	H1 24	*Change*	H1 25	H1 24	*Change*	*CC change*
Revenue	$1,180m	$1,113m	*6.0%*	$1,180m	$1,113m	*6.0%*	*6.3%*
Operating profit	$179m	$149m	*20.1%*	$252m	$223m	*13.1%*	*13.9%*
Operating margin	15.2%	13.4%	*1.8%pts*	21.3%	20.0%	*1.3%pts*	*1.4%pts*
Diluted EPS	5.1 cents	3.8 cents	*33.6%*	8.0 cents	6.8 cents	*18.7%*	
Dividend per share	1.877c	1.822c	*3.0%*				

Percentage movements throughout this release are calculated on actual unrounded numbers.

H1 25 financial highlights

- Organic revenue growth excluding InnovaMatrix® 6.8% (including InnovaMatrix® 6.0%[1]; reported 6.0%)
- Adjusted operating margin[2] up c.130 bps to 21.3% (c.140 bps YoY in constant currency)
- 19% adjusted diluted EPS[2] growth; 34% reported diluted EPS growth

Broad-based organic revenue growth across categories, geographies and products

- AWC[4]: 4.3%[1] ex-InnovaMatrix®, led by a growing contribution from ConvaFoam™, and further Aquacel® Ag+ Extra™ growth. InnovaMatrix® (c.3% of Group revenue) decreased by 13%, in line with our expectations
- OC[4]: 4.7%[1] supported by new patient starts in the US, Esteem Body™ launch and growth in GEM
- CC[4]: 6.7%[1] driven by volume growth in the US, excellent customer service and accelerating international sales
- IC[4]: 14.1%[1] with strong demand for infusion sets in both diabetes and non-diabetes treatments

Successful new product launches

Our innovation pipeline is targeted at the fastest growing market segments:

- In AWC, ConvaFoam™ delivered high success rates in new customer product evaluations
- In AWC, we achieved EU and UK regulatory approval for ConvaNiox™, our highly innovative advanced wound dressing powered by nitric oxide. Initial market launches are planned for Europe in H2 25
- In OC, we saw continued positive customer response to Esteem Body™ which is winning segment share
- In CC, our compact catheter GentleCath Air™ for Women is also winning segment share
- In IC, we continued to diversify customers and applications, and saw our fastest organic growth from new customers, products and therapies, particularly Neria™ Guard for AbbVie's Parkinson's treatment

Confident in FY25 outlook; on-track to deliver medium-term targets

- Group organic revenue growth excluding InnovaMatrix® of 5.5%-7.0% (unchanged) driven by our broadening product portfolio and focused commercial execution. InnovaMatrix® revenue of at least $75m[3] (unchanged)
- Adjusted operating margin[2] of 22.0-22.5% (unchanged), despite c.(50) bps of headwinds from FX and anticipated tariffs in FY25
- Another year of double-digit growth in adjusted EPS[2], with at least 80% cash conversion (unchanged)
- On-track to consistently deliver medium-term targets for 5-7% organic revenue growth and reach mid-20s% adjusted operating margin[2] by 2026 or 2027 (unchanged)

Karim Bitar, Chief Executive Officer, commented:

"Convatec performed strongly in the first half and we are on track to deliver FY25 financial guidance. Under our FISBE strategy, we saw further broad-based organic revenue growth across all chronic care categories, further operating margin expansion and double-digit growth in adjusted EPS.

"Looking ahead, we are well-positioned to deliver our medium-term targets, including double-digit compound annual growth in EPS and free cash flow to equity. This will be driven by our leading positions in structurally growing markets, strongest-ever innovation pipeline and clear focus on execution excellence by our dedicated team of over 10,000 colleagues worldwide."

H1 25 financial summary

- Adjusted operating margin[2] of 21.3%, up c.130 bps YoY (c.140 bps in constant currency)
- Adjusted operating profit[2] up 13% to $252m. Reported operating profit up 20% to $179m (H1 24: $149m)
- Adjusted EPS[2] increased 19% to 8.0 cents. Net finance costs down $8m YoY to $32m and adjusted tax rate of 24.0% (H1 24: 23.7%). Reported EPS increased 34% to 5.1 cents (H1 24: 3.8 cents)
- Free cash flow to equity[5] of $58m (H1 24: $57m)
- Equity cash conversion[5] of 35% (H1 24: 41%), reflecting the normal timing of working capital cashflows which are expected largely to reverse in H2 25
- Net debt to adjusted EBITDA ratio of 1.9x (H1 24: 2.3x), after $101m in dividends, $69m capex, $26m M&A and $80m working capital (H1 24: $75m)

Category growth expectations and additional FY25 guidance (overall Group outlook is on page 7)

- Category revenue growth guidance is unchanged for AWC, OC and CC. We are increasing full year IC revenue guidance to double-digit after a strong first half:
  - AWC[4]: mid-single digit growth excluding InnovaMatrix®[3]. InnovaMatrix® revenue of at least $75m[3]
  - OC[4]: mid-single digit growth
  - CC[4]: mid-to-high single digit growth
  - IC[4]: double-digit growth (previously high-single digit growth)
- Net finance costs now expected to be $65-70m (previously $70-75m; 2024: $78m). Adjusted book tax rate is expected to be similar to FY24 at c. 24%, with the cash tax rate again materially lower
- Reflecting ongoing investments in innovation and efficiency programmes, continue to expect capex of $130-150m, opex R&D spend of c.$100-110m and cash costs of adjusting items of c.$20m

Investor and analyst presentation

The results presentation will be held at 09:45hrs (UK time) today. The event will be simultaneously webcast and the link can be found here. The full text of this announcement and the presentation for the analysts and investors meeting can be found on the 'Results, Reports & Presentations' page of the Convatec website www.convatecgroup.com/investors/reports.

Scheduled events

Trading update for the 10 months ending 31 October 2025	13 November 2025
FY25 preliminary results	25 February 2026

Dividend calendar

Ex-dividend	21 August 2025	Payment date	1 October 2025
Record date	22 August 2025		

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 more than 10,000 colleagues, we provide products and services in around 90 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. Convatec's revenues in 2024 were over $2 billion. The company is a constituent of the FTSE 100 Index (LSE:CTEC). To learn more please visit http://www.convatecgroup.com

Contacts

Analysts & Investors	David Phillips, Head of Investor Relations	+44 (0) 7909 324994
	Jamie Lewis, Investor Relations Manager	ir@convatec.com
Media	FGS Global	Convatec-UK@fgsglobal.com

(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. Acquisitions and disposals added 30 bps to constant currency growth in H1 25, shown on page 4.
(2) Consistent with prior years, management present adjustments to the reported figures to produce more meaningful measures in monitoring the underlying performance of the business. These are set out in the table on page 12
(3) In November 2024, Medicare Administrative Contractors published Local Coverage Determinations (LCDs) for Skin Substitute Grafts/Cellular and Tissue-Based Products for the Treatment of Diabetic Foot Ulcers (DFU) and Venous Leg Ulcers (VLU). Convatec's InnovaMatrix® was not covered by Medicare for DFU/VLU treatments in the LCDs. The LCDs were then postponed until 1 January 2026, and as announced in our statement of 14 April 2025, this improved the FY25 outlook for InnovaMatrix®. See page 4 of this statement for further InnovaMatrix® guidance.
(4) AWC is Advanced Wound Care; OC is Ostomy Care; CC is Continence Care and IC is Infusion Care.
(5) Certain financial measures in this document, including adjusted results, are not prepared in accordance with International Financial Reporting Standards (IFRS). All adjusted measures are reconciled to the most directly comparable measure prepared in accordance with IFRS in the Non-IFRS Financial Information below pages 15 to 20

Operating Review for the six months ended 30 June 2025

Resilient business model driving sustainable growth

Convatec operates in four chronic care categories, which have market growth rates varying between 4-8% p.a. We sell over 900 million high-quality consumable products annually for a diverse range of chronic conditions and are among a small number of leaders in the categories in which we operate. We expect to consistently grow revenue faster than each market over the long term, driven by the strongest new product innovation pipeline in our history.

Our resilient business model is focused on chronic care markets which are structurally growing, with high recurring revenue. Our growth is broad-based across categories, geographies and products, with leading market positions, differentiated products and a strong new product pipeline.

H1 25 represented another period of sustainable and profitable growth for Convatec, evidenced by organic revenue growth excluding InnovaMatrix® of 6.8% (6.0% including InnovaMatrix®), adjusted operating margin up c.130 bps YoY to 21.3%, adjusted EPS[2] growth up 19% and strong cumulative equity cash conversion. More information is provided in the financial review on page 7.

FISBE 2.0 strategy progress

Our FISBE (Focus, Innovate, Simplify, Build, Execute) strategy continued to deliver operationally and strategically.

Focus sits at the heart of our strategy, with four categories and 12 focus countries. Revenue growth exceeded market growth across these focus areas, supported by new product launches. Focus also drives commercial activity and customer centricity. We use customer Net Promoter Score (cNPS) as our key measure of customer satisfaction and loyalty and are working towards capturing cNPS for all our main customer groups. We also simplified our web experience with AI-enabled features to provide easy access to enhanced digital content.

Innovation is key to our strategy and we invested c.$60m in R&D in H1 25, opex and capex. We have the strongest new product pipeline in our history and continued to strengthen Technology & Innovation capabilities. We have launched eight new products in the last three years and continued to extend these launches across our focus markets. We are also on track to launch a further eight in the next two years. In H1 25, we saw a strong and positive market reaction to the eight launches (see category reviews on page 4), such as ConvaFoam™, Esteem Body™ and GentleCath Air™ for Women. As a reminder, products launched since 2022 are:

- InnovaMatrix® in the US and starting to launch in Latin America
- ConvaFoam™ in the US and key European markets
- Esteem Body™ in the US, Europe and GEM Focus markets
- GentleCath Air™ for Women in the US and key European markets
- Infusion set for the new Beta Bionics iLet Bionic Pancreas system
- Extended Wear Infusion Set in US for the Medtronic 780G pump
- Infusion set for the new Tandem Mobi pump
- Neria™ Guard Infusion set for AbbVie's Parkinson's therapy

In Simplify, we made further good progress, as evidenced by the c.130 bps increase in adjusted operating margin (c.140% bps on a constant currency basis). In operations, we continued to realise the benefits of the plant network optimisation completed in 2023-24, with more production focused at our large Slovakia site. Ongoing investments in automation are also driving improved productivity, including in high-speed production and global packaging. In technology, we further reduced the reliance on external resources, generating an annualised saving of c.$5m. In G&A, Convatec Business Services (CBS) continued to drive better service outcomes using standardised processes, with our adjusted G&A reduced to 7.0% of revenue (H1 24: 7.5%).

In Build, our investments in R&D, capex and clinical knowledge are clear examples of adding capability to Convatec. In the period we invested $69m in capex, to increase capacity and improve productivity. This included beginning a new high-speed line in Infusion Care and further packaging automation in AWC. Our Sales & Marketing Centre of Excellence (CoE) launched a new global patient service platform to provide more personalised experience in our me+ programme – which marks its tenth anniversary later this year - and we continued to automate a range of marketing activity.

Execute encompasses excellence in delivery of FISBE across all functions and business units. Our Strategic Pricing CoE, in collaboration with business units, supported the delivery of 40 bps of pricing improvement, included in gross margin. In clinical evidence, our ongoing InnovaMatrix® Randomised Controlled Trials (RCTs) are on track to publish in 2026. We are also building further Real-World Evidence (RWE) studies for both InnovaMatrix® and ConvaNiox™. Market Access & Reimbursement CoE continued to support our existing brands and new product pipeline.

Overall, there are notable synergies across Convatec categories. These include polymer and biomaterial sciences, adhesive technologies, product and clinical development, automated manufacturing, supply chain capabilities and marketing & sales. Our resilient business model is highly scalable and is well-positioned to deliver sustainable double-digit compound annual growth in adjusted EPS[2] and free cash flow to equity[5]. We are also on track to deliver mid-20s% adjusted operating margin target by 2026 or 2027.

Our strong cash generation supports continued organic and inorganic investment for growth, consistent with our capital allocation priorities (see page 8) and broader strategy.

Update on reimbursement

Our FISBE strategy focuses on 1) superior patient outcomes and choice; 2) value for money for payors and 3) outstanding results for health care practitioners (HCPs). This enables the delivery of sustainable growth, despite the dynamic reimbursement environment.

Our Innovate, Build and Execute investments support the delivery of these three key outputs. This includes the significant progress we have made in recent years in growing the new product pipeline, generating clinical evidence and building market access capability.

In setting our medium-term guidance of 5-7% annual revenue growth, we assume a certain level of reimbursement changes. We also consider the breadth of revenues across categories, geographies and products, our innovation pipeline and new product vitality index.

Ostomy & Catheters – proposed competitive bidding program

On 30 June 2025, Centers for Medicare & Medicaid Services (CMS) announced a consultation on proposed new rules regarding the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies competitive bidding program (DMEPOS CBP). Under the proposed rule, CMS seeks to include intermittent catheter and ostomy products in the DMEPOS CBP. Any price impact from CBP would apply to revenues from Medicare.

Medicare beneficiaries currently enjoy access to a wide range of personalised catheter and ostomy products, plus significant support and advice. The proposed rule changes could impact the choice and supply available to patients and providers.

In FY24, Continence and Ostomy product sales via Medicare together represented c.7% of Group revenue (6% in CC and 1% in OC). We estimate that Medicare exposure in CC and OC via other distributors represented an additional c.2% of Group revenue. If the proposed new rules are implemented, we estimate that the potential headwind could be approximately 1-2% of FY27 Group revenue.

Should CMS proceed with rule changes, Convatec is well positioned to continue to grow, based on excellent customer service and loyalty, attractive segment positions and differentiated product portfolio. There are currently 3,000 distributors of Ostomy and Continence products. If this proposal is implemented, it is likely there will be a greater impact on smaller players, and we are well positioned to gain volume.

Proposed changes to biologics sector reimbursement

On 14 July 2025, CMS issued a draft payment proposal for skin substitutes and the start of a sixty-day public comment period. Convatec supports CMS in seeking to remove excess cost and promote responsible market practices. However, the proposed reimbursement rate risks limiting patient choice and product quality. We will engage fully in the public comment process which closes on 12 September 2025.

While the outcome of this process remains uncertain, we continue to expect InnovaMatrix® revenue of at least $75m in FY25. As previously reported, if the proposal is implemented in its current form we estimate that the potential YoY headwind to FY26 revenue could be approximately 1-2% of Group revenue.

InnovaMatrix® is an excellent and highly effective product, with significant health benefits to patients and healthcare professionals, strong user feedback and clinical evidence. We are continuing to develop sales across a range of indications, both within and outside the United States, and our Randomised Controlled Trials are on track to publish in 2026. InnovaMatrix® is also highly competitive with low manufacturing costs, and we are well positioned to take share as competitors may exit the market. We are confident we can deliver long-term profitable growth.

Category review

Group revenue growth was broad-based across all categories, increasing by 6.0% organic, 6.0% reported and 6.3% on a constant currency basis (net M&A added c.30 bps). Organic revenue growth ex-Innovamatrix was 6.8%.

	H1 25 $m	H1 24 $m	Reported growth / (decline)	Foreign exchange impact	Constant currency[2] growth / (decline)	Net M&A impact	Organic[4] growth
Revenue by Category							
AWC ex-InnovaMatrix	**327.6**	314.8	4.1%	(0.4)%	4.5%	0.2%	4.3%
Ostomy Care	**326.5**	311.2	4.9%	(0.4)%	5.3%	0.6%	4.7%
Continence Care	**259.4**	242.6	7.0%	-	7.0%	0.3%	6.7%
Infusion Care	**227.1**	199.7	13.7%	(0.4)%	14.1%	-	14.1%
Group revenue excluding IMX	**1,140.6**	1,068.3*	6.8%	(0.3%)	7.1%	0.3%	6.8%
InnovaMatrix revenue	39.3	45.2	(13.1%)	-	(13.1%)	-	(13.1%)
Group revenue	**1,179.9**	1,113.6*	6.0%	(0.3)%	6.3%	0.3%	6.0%

(*) Includes $0.2m in H1 24 from exit of hospital care & industrial sales relating solely to residual stock sales following exit of this business

Advanced Wound Care

Revenue of $367m increased by 1.9% on a reported basis, and 2.1% on an organic basis. Excluding InnovaMatrix®, and as shown in the table above, AWC organic growth was 4.3% (FY24: 4.2%). InnovaMatrix® declined by 13% to $39m, as expected given market uncertainty around the now-postponed Local Coverage Determinations (LCDs; see below).

Growth was driven by good performance in North America and GEM. We saw a growing contribution from ConvaFoam™ which is taking share and continued to win over 50% of US clinical evaluations and is launching well in Europe. Aquacel™ Ag+ Extra, our market-leading antimicrobial product, delivered continued growth.

AWC key focus areas are:

- Building on strong positions and extending recent launches to new markets:
  - Continuing to grow our market-leading Hydrofiber® brand Aquacel™ Ag+ Extra globally
  - Ongoing launch and geographic expansion of ConvaFoam™ in the US, Europe and GEM
  - Progressing InnovaMatrix® RCTs, securing long-term reimbursement, growing in other indications and launching outside the US
- Continuing to develop new products and the AWC pipeline
  - Launching ConvaNiox™, our breakthrough nitric oxide dressing in the UK, Spain and Italy in H2 25 (see below)
  - ConvaFiber™, our new enhanced Hydrofiber dressing, launching in 2026
  - ConvaVac™, our single-use negative pressure wound therapy product, launching in 2026

Update on InnovaMatrix®

InnovaMatrix® is the first-ever porcine placental-derived extra-cellular matrix for treatment of chronic, surgical and trauma wounds. It is a highly effective product with significant health benefits to patients and healthcare professionals, strong user feedback and clinical evidence. We are on track to publish RCTs in 2026 and are also continuing to develop sales across a range of indications, both within and outside the United States.

As previously reported, the now-postponed Local Coverage Determinations for Skin Substitutes and Tissue-Based Products for the treatment of Diabetic Foot Ulcers (DFUs) and Venous Leg Ulcers (VLUs) created market uncertainty. This resulted in H1 25 InnovaMatrix® revenues down 13% year-to-date to $39m, representing c.3% of Group revenue. We continue to expect InnovaMatrix® revenues of at least $75m in FY25 (FY24 $99m; see page 4 for discussion of the 14 July CMS announcement and our estimate of the potential impact in FY26).

Update on ConvaNiox™

We were delighted to receive regulatory approval in the EU and UK in April 2025 for ConvaNiox™, our breakthrough technology which aims to significantly improve outcomes for hard-to-heal wounds. ConvaNiox™ is a first-in-class, multimodal wound dressing designed to transform the treatment of hard-to-heal DFUs. It combines an advanced dressing technology with the antimicrobial and antibiofilm power of nitric oxide. ConvaNiox™ delivers a significantly improved healing environment (achieving 60% more DFUs healed and three times faster wound area reduction compared to standard care in an RCT) while enhancing patients' quality of life.

We are on track to launch in selected markets during H2 25 and note the first institutions in the UK and Spain have already started to apply this breakthrough technology. Our initial market launch will focus on secondary care and specialist clinics, supporting patients and healthcare professionals in managing DFUs.

Ostomy Care

Revenue of $327m grew by 4.9% on a reported basis, by 5.3% in constant currency and 4.7% on an organic basis.

Esteem Body™, our first new ostomy product launch in over a decade taking Convatec into the fast-growing one-piece soft convex segment, continued to be very successful with patients and clinicians. Growth was strong in Esenta™ accessory products. Good growth in the US was supported by our Home Services Group (HSG) with a continued increase in patient starts. Growth in Europe was steady, and Global Emerging Markets was strong.

OC key focus areas are:

- Continuing to progress our innovation pipeline:
  - Expanding the launch of Esteem Body™ across focus markets
  - Launching Flexi-Seal™ Air, an evolution of our market-leading fecal management system in the US in H2 25
  - Developing Natura® Body, our two-piece soft convex product launching in 2027
- Further improving commercial execution across the continuum of care (acute, post-acute and community):
  - Driving US new patient starts through continued close collaboration with HSG and strategic partners
  - Enhancing patient engagement through me+ programme services in key geographies. Increasing interactions with healthcare professionals through our education programs in partnership with key stakeholders like the US Wound, Ostomy and Continence Nurse society

Continence Care

Revenue of $259m increased by 7.0% in both reported and constant currency, and 6.7% on an organic basis.

Performance was driven by US volume growth as we continued to gain share, while Europe and GEM grew strongly from a low base, adding over 1 percentage point to Continence Care growth. This was further supported by faster growth in Convatec-manufactured products, which again represented c.55% of revenues, including strong growth in Cure™ Medical and GentleCath™ brands.

Our compact catheter GentleCath Air™ for Women continued to be well-received by HCPs and customers.

Key CC focus areas are:

- Rolling out launches to new markets:
  - Further extending the launch of GentleCath Air™ for Women internationally
  - Introducing Cure™ products in Europe and GEM
  - Developing GentleCath Air™ Pocket and GentleCath Air Set™ in 2026/27
- Further improving commercial execution globally:
  - Continuing to build and strengthen commercial teams in Europe and GEM

Infusion Care

Revenue of $227m increased 13.7% on a reported basis, and by 14.1% in both constant currency and organically. Growth was driven by further strong demand for Convatec infusion sets in both diabetes and non-diabetes therapies.

In diabetes, we saw high single-digit revenue growth as durable insulin pump penetration accelerated led by increasing adoption of automated insulin delivery and continuing pump innovation. Diversification of our products and customers progressed very well. This included YpsoMed's YpsoPump, Beta Bionics iLet and Tandem Mobi, plus our Extended Wear set with Medtronic's 780G.

For non-diabetes therapies, Neria™ product range infusion sets achieved high double-digit growth with non-diabetes therapies representing mid-teens of Infusion Care revenue in H1 25. This was driven by the launch of AbbVie's new Parkinson's medicine therapy VYALEV™, now approved in 35 countries including the US. We also welcomed the approval from the US FDA of apomorphine hydrochloride for subcutaneous infusion for the treatment of advanced Parkinson's and look forward to supporting new partners with Neria™ Guard infusion sets.

Key IC focus areas are:

- Supporting customer innovation and expansion in diabetes:
  - Medtronic's 780G extended wear, Tandem Mobi, Beta Bionics iLet and Ypsomed Ypsopump
  - Increasing penetration of automated insulin delivery instead of multiple daily injections
- Continuing to diversify outside diabetes
  - Supporting AbbVie's Parkinson's launch globally and apomorphine hydrochloride in the US
  - Increasing penetration of subcutaneous infusion for other therapies such as pain management
- Expanding operations:
  - Increasing production capacity to meet accelerating demand

H1 financial performance

Group revenue for the period was $1,180m, up 6.0% on a reported basis and 6.3% on a constant currency basis. Adjusting for the net impact of M&A, revenue increased by 6.0% on an organic basis, and excluding InnovaMatrix®, organic revenue increased by 6.8%.

Adjusted gross profit rose 4.9% to $711m (H1 24: $678m) and adjusted gross profit margin reduced by 60 bps to 60.3% (H1 24 60.9%). Reported gross profit was $656m (H1 24: $623m). Improvements in operations productivity and price added a combined 150 bps to gross margin but were offset by COGS inflation of 3% and sales mix, which together represented a headwind of 210 bps. We expect inflation in the second half to be similar to H1, resulting in unchanged FY25 inflation expectations of c.3%.

Adjusted operating profit increased by 13% to $252m (H1 24: $223m), or up 14% on a constant currency basis. Reported operating profit increased by 20% to $179m (H1 24: $149m). We delivered another strong year of adjusted operating margin[2] improvement, up c.130 bps to 21.3% (c.140 bps on a constant FX basis). Adjusted operating expenses reduced as a percentage of revenue by 200 bps to 38.9% and included a 50 bps reduction in G&A to 7.0% of revenue. We are on track to deliver FY25 guidance of adjusted operating margin of 22.0-22.5%, versus 17.7% in 2021.

Adjusted diluted EPS increased by 19% to 8.0 cents (H1 24: 6.8 cents), driven by the 13% increase in adjusted operating profit, net finance costs down $8m YoY to $32m and adjusted tax rate moderately higher YoY at 24.0%. The decrease in finance expenses reflected lower average interest rates than in H1 24. Reported diluted EPS increased by 34%.

Cash flow and leverage

Free cash flow to capital increased by $12m to $125m (H1 24: $113m), with a 12% increase in adjusted EBITDA partially offset by $80m working capital outflows (H1 24: $75m). Our business normally experiences working capital outflows in the first half which we expect largely to reverse in H2 25. Capital expenditure was $69m (H1 24: $51m), in line with FY25 guidance as we continued to add capacity, increase automation and invest in digital technologies.

Looking ahead, working capital is expected to grow no faster than revenue growth each year and, cumulatively, we expect >85% cash conversion from FY23. Free cash flow to equity increased by $1m to $58m (H1 24: $57m).

Equity cash conversion was 35% (H1 24: 41%) and in line with prior years, we expect higher H2 conversion.

Net debt increased to $1,165m (31 Dec 2024: $1,058m). A payment of $27m was made in respect of earnouts associated with past acquisitions. We also paid our final dividend payment of $101m, an increase of $9m YoY given the 3% increase in dividend, and the removal of the scrip dividend option.

The Group ended the period with total borrowings, including IFRS 16 lease liabilities, of $1,340m (31 Dec 2024: $1,202m). Offsetting cash of $96m (31 Dec 2024: $65m) and excluding lease liabilities, net debt was $1,165m (31 Dec 2024: $1,058m), equivalent to 1.9x adjusted EBITDA (H1 24: 2.3x adjusted EBITDA; 31 Dec 2024: 1.8x adjusted EBITDA). Leverage is usually higher at 30 June than 31 December given the payout of dividend, employee bonuses and recent timing of earnouts.

Dividend

The Board is declaring a 3.0% increase in the interim dividend to 1.877 cents per share (H1 24: 1.822 cents) reflecting the target payout ratio of 35-45% for the full year.

Confident in FY25 financial guidance

The Group performed strongly in H1 25 and we continue to expect Group organic revenue growth excluding InnovaMatrix® of 5.5-7.0%. InnovaMatrix® FY25 revenue guidance of at least $75m is also unchanged. We continue to expect adjusted operating margin for FY25 of between 22.0-22.5%, despite an adverse FX impact YoY of c.20 bps and c.30 bps (c.$5-10m) of anticipated incremental tariff costs.

If current spot rates were to hold for the remainder of FY25, the estimated tailwind to FY25 revenue growth would be c.100 bps, while the adjusted operating margin headwind would be c.20 bps.

We now expect FY25 net finance costs will be $65-70m (previously $70-75m; 2024: $78m). Adjusted book tax rate is expected to be c.24%, with the cash tax rate again materially lower. Reflecting ongoing investments in innovation and efficiency programmes, we expect capex of $130-150m, opex R&D spend of c.$100-110m and cash costs of adjusting items of c.$20m.

We remain confident in delivering our medium-term financial targets. These are 5-7% organic growth p.a., adjusted operating margin of mid-20s by 2026 or 2027 and delivering double-digit compound annual growth in adjusted EPS and free cash flow to equity.

Unchanged capital allocation priorities

Our target net debt to adjusted EBITDA leverage remains 2.0x and capital allocation priorities are unchanged. These are: 1) fund organic investment to drive future revenue growth and innovation; 2) pay an annual dividend consistent with 35-45% payout ratio; 3) conduct focused M&A to strengthen competitive position, and 4) any surplus capital would be available for return to shareholders.

Principal risks

The Board reviews and agrees our principal risks on a bi-annual basis, taking account of our risk appetite together with our evolving strategy, current business environment and any emerging risks that could impact the business. Our system of risk management and internal control continues to develop and mature, and updates to the principal risks and mitigation plans are made as required in response to changes in our risk landscape. Details of our enterprise risk management framework are set out in the Group's 2024 Annual Report and Accounts.

The Board has reviewed the principal risks as at 30 June 2025, taking into consideration the risks that existed during the first six months of 2025 and those that it believes will have an impact on the business over the remaining six months of the current financial year. The principal risks have been assessed against the context of the global economic pressures that are impacting all businesses at present and the wider uncertain geopolitical climate. The overall profile of our risks remains consistent with the position presented in the Group's 2024 Annual Report and Accounts. Our principal risks are set out below and listed in order of their potential impact on our ability to successfully deliver on our strategy:

1. Operational Resilience & Quality;
2. Customer & Markets;
3. Cyber & Information Security;
4. Political & Economic Environment;
5. Innovation & Regulatory;
6. Legal, Compliance & Privacy;
7. People; and,
8. Environment & Communities

We continue to monitor and manage all principal risks to ensure they are appropriately mitigated, and in 2025, we have noted the following areas of focus impacting our principal risks:

- Customer & Markets risk – global macroeconomic factors continue to impose financial spending constraints impacting healthcare pricing and reimbursement models; and
- Political & Economic Environment risk - the impact of global tariff changes, which do not at present significantly impact our 2025 Group forecast. We are working through mitigating options to minimise the effect(s) where possible

The Board assesses the overall risk profile of the Group to ensure it is within our risk appetite. In making this assessment the Board considered the broader risk landscape (including the economic challenges as a result of events over recent years impacting specifically inflation and interest rates, ongoing supply chain challenges and the continuing impacts of the wars in Ukraine and the Middle East) on the business environment and any continued or additional impact on the Group's business and principal risks, coupled with the controls and mitigations in place to address these challenges. In the main, as our processes and risk mitigations develop and mature, we have continued to manage the challenges facing the wider business landscape and build further resilience into operations. We work to ensure that each principal risk remains within our risk appetite.

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 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).

Financial Review for six months ended 30 June 2025

Group financial performance

	Six months ended 30 June					
	Reported	Reported	Adjusted[1]	Adjusted[1]	Adjusted @ CC[2]	
	2025 $m	2024 $m	2025 $m	2024 $m	2025 $m	Change %
Revenue	1,179.9	1,113.4	1,179.9	1,113.4	1,183.4	6.3%
Gross profit	656.4	623.1	711.1	677.9		
Operating profit	179.2	149.2	251.8	222.8	253.8	13.9%
Operating margin	15.2%	13.4%	21.3%	20.0%	21.4%	
Profit before income taxes	137.4	104.0	216.6	182.3		
Net profit for the period	104.8	78.6	164.6	139.1		
Basic earnings per share (cents)	5.1	3.8	8.1	6.8		
Diluted earnings per share (cents)	5.1	3.8	8.0	6.8		
Dividend per share (cents)	1.877	1.822				

1. These non-IFRS financial measures are explained and reconciled to the most directly comparable financial measures prepared in accordance with IFRS in the Non-IFRS financial information section on pages 15 to 20.
2. Adjusted 2025 at CC (constant currency) is calculated as 2025 adjusted results translated at 2024 actual FX rates.

Reported and Adjusted results

The Group's financial performance measured in accordance with IFRS (IAS 34 Interim Financial Reporting as adopted by the United Kingdom) is set out in the Condensed Consolidated Interim Financial Statements and Notes and is referred to in this review as "reported".

The commentary in this Financial review includes discussion of the Group's reported results and alternative performance measures ('APMs') (or adjusted results). Management and the Board use APMs as meaningful supplemental measures in monitoring the underlying performance of the business. These measures are disclosed in accordance with the ESMA guidelines and are explained and reconciled to the most directly comparable reported measure prepared in accordance with IFRS in the Non-IFRS financial information section on pages 15 to 20.

Revenue and revenue growth on constant currency and organic bases are non-IFRS financial measures and should not be viewed as a replacement of IFRS reported revenue and revenue growth. Percentage movements throughout this report are calculated on actual unrounded numbers.

Revenue

Group revenue for the six months ended 30 June 2025 of $1,179.9 million (H1 2024: $1,113.4 million) increased 6.0% year-on-year on a reported basis and 6.3% on a constant currency basis.

Adjusting for foreign exchange and acquisition and divestiture-related activities, Group revenue grew by 6.0% on an organic basis. Excluding InnovaMatrix®, organic revenue growth was 6.8% and driven by broad-based revenue growth across all categories.

For more details about the category revenue performance, refer to the Operating Review.

Net profit

Adjusted gross profit increased by 4.9% to $711.1 million (H1 2024: $677.9 million) whilst the adjusted gross margin decreased by 60bps, from 60.9% to 60.3%. Pricing and productivity benefits of 150bps were more than offset by the Group's revenue mix of 100bps and inflationary pressures of 110bps. On a reported basis, gross profit increased by 5.3% to $656.4 million (H1 2024: $623.1 million), with a reported gross margin of 55.6% (H1 2024: 56.0%).

Adjusted operating expenses saw a net increase of $4.2 million to $459.3 million, primarily due to an increase in adjusted selling and distribution expenses of $4.8 million, driven by continued investment in our sales force.

Within adjusted operating expenses, adjusted R&D of $49.7 million (H1 2024: $50.2 million) remained at a steady level year-on-year and, combined with an increase in R&D capital expenditure, continued to reflect the ongoing investment in our future pipeline of new products. On a reported basis, R&D spend was $53.5 million (H1 2024: $54.0 million).

Adjusted G&A was flat year-on-year at $82.9 million (H1 2024: $83.0 million), reducing as a percentage of revenue to 7.0% (H1 2024: 7.5%) and reflecting the Group's continued focus on simplification and productivity and expansion of the scope of our Convatec Business Services (CBS) function. Reported G&A was $98.3 million (H1 2024: $97.8 million).

A reconciliation between reported and adjusted operating expenses is provided in the Non-IFRS financial information section on pages 15 to 20.

Adjusted operating profit increased by 13.1% to $251.8 million (H1 2024: $222.8 million), representing an adjusted operating margin of 21.3% (H1 2024: 20.0%). This was equivalent to 21.4% on a constant currency basis, an increase of c. 140bps from last year. Reported operating profit increased by 20.1% to $179.2 million (H1 2024: $149.2 million).

Adjusted net profit increased by 18.4% to $164.6 million (H1 2024: $139.1 million), with the increase in operating profit and lower finance expenses being partially offset by a higher adjusted tax charge (as explained below). Reported net profit increased by 33.3% to $104.8 million (H1 2024: $78.6 million). Adjusting items are explained on page 11.

Taxation

	Six months ended 30 June			
	2025		2024	
	$m	Effective tax rate	$m	Effective tax rate
Reported income tax (expense)	(32.6)	23.7%	(25.4)	24.4%
Tax effect of adjustments	(19.4)		(17.8)	
Adjusted income tax (expense)	(52.0)	24.0%	(43.2)	23.7%

The Group's reported income tax expense for the six months ended 30 June 2025 was $32.6 million (H1 2024: $25.4 million). The decrease in the reported effective tax rate was mainly driven by the reduction in non-deductible acquisition costs.

The adjusted effective rate of 24.0% for the six months ended 30 June 2025 (H1 2024: 23.7%) was after reflecting the tax impact of items treated as adjusting items (further details can be found in the Reconciliation of reported earnings to adjusted earnings table in the Non-IFRS financial information section on page 17). The increase in the adjusted effective tax rate was mainly driven by an increase in the provision for uncertain tax positions.

Earnings per share (EPS)

Adjusted basic EPS for the six months ended 30 June 2025 increased by 18.7% to 8.1 cents (H1 2024: 6.8 cents) and adjusted diluted EPS increased by 18.7% to 8.0 cents (H1 2024: 6.8 cents).

Reported basic EPS was 5.1 cents (H1 2024: 3.8 cents), reflecting the reported net profit divided by the basic weighted average number of ordinary shares of 2,044,204,772 (H1 2024: 2,047,599,499).

Alternative Performance Measures (APMs)

Management and the Board make adjustments to the reported figures, where appropriate, to produce more meaningful measures to monitor the underlying performance of the business – Alternative performance measures (APMs). The Group's APM policy can be found in the Non-IFRS financial information section on pages 15 to 16 and the following adjustments were made to derive adjusted operating profit and adjusted net profit.

	Six months ended 30 June							
	Operating profit		Fair value movement of contingent consideration		Non-operating expense		Income tax expense	
	2025	2024	2025	2024	2025	2024	2025	2024
	$m	$m	$m	$m	$m	$m	$m	$m
Reported	179.2	149.2	(4.8)	(4.7)	(4.8)	(0.3)	(32.6)	(25.4)
Amortisation of acquired intangibles	67.2	67.3	-	-	-	-	(16.3)	(16.6)
Acquisitions and divestitures	1.5	0.3	4.8	4.7	1.8	-	(2.0)	0.2
Termination benefits and related costs	0.9	1.4	-	-	-	-	(0.2)	(0.3)
Other adjusting items	3.0	4.6	-	-	-	-	(0.9)	(1.1)
Adjusted	251.8	222.8	-	-	(3.0)	(0.3)	(52.0)	(43.2)

Adjustments made to derive adjusted operating profit for the six months ended 30 June 2025 included the amortisation of acquired intangibles of $67.2 million (H1 2024: $67.3 million), of which $47.3 million (H1 2024: $46.9 million) resulted from intangible assets arising from the spin-out from Bristol-Myers Squibb in 2008 and will be fully amortised by December 2026.

Acquisition and divestiture-related costs of $1.5 million within operating profit and $1.8 million within non-operating expenses consisted of costs in respect of certain prior acquisitions and the hospital care exit.

Terminations costs of $0.9 million were in respect of one-off, fundamental transformation projects in line with our simplification and productivity initiatives. Other adjusting items have reduced by $1.6 million to $3.0 million and largely consisted of the recognition of a liability in respect of a historic legal claim.

Of the total of $72.6 million of adjusting items recognised within operating profit, $2.2 million was cash impacting in H1 2025. There was also a cash outflow of $5.5 million in respect of adjusting items recorded as accruals in the prior year. For further information on Non-IFRS financial information, see pages 15 to 20.

The Board, through the Audit and Risk Committee, annually reviews the Group's APM policy to ensure that it remains appropriate, aligns with the regulatory guidance and reflects the way in which the performance of the Group is managed.

Dividends

Dividends are distributed based on the realised distributable reserves of the Company, which are primarily derived from dividends received from subsidiary companies and are not based directly on the Group's consolidated retained earnings. The realised distributable reserves of the Company at 30 June 2025 were $1,472.5 million (31 December 2024: $1,474.7 million).

The Board has decided to increase the interim 2025 dividend by 3.0% to 1.877 cents per share. Our stated policy is a pay-out ratio of 35% to 45% of adjusted net profit but this is interpreted flexibly over time to reflect the underlying performance of the business. The decision to increase the dividend reflects the good progress on delivering sustainable and profitable growth and the Board's confidence in the future prospects of the Group.

Cash Flow and Net Debt

	Six months ended 30 June	
	Adjusted 2025 $m	Adjusted 2024 $m
Adjusted EBITDA[1,7]	306.6	274.9
Working capital movement[1,2,7]	(80.1)	(75.1)
Adjusting items[3,7]	(7.7)	(11.3)
Capital expenditure	(68.9)	(50.6)
Operating cash flow[1,8]	149.9	137.9
Tax paid	(24.8)	(24.4)
Free cash flow to capital[1,8]	125.1	113.5
Net interest paid	(37.1)	(42.5)
Payment of lease liabilities	(12.2)	(12.1)
Realised loss on settlement of FX derivatives relating to financing	(17.6)	-
Other[4]	-	(1.6)
Free cash flow to equity[1,9]	58.2	57.3
Dividends[5]	(100.8)	(91.5)
Acquisitions[6]	(26.2)	(70.9)
Share purchase	(22.4)	-
Non-cash movements[4]	(15.8)	-
Movement in net debt	(107.0)	(105.1)
Net debt[1] at 1 January (excluding lease liabilities)	(1,058.1)	(1,129.3)
Net debt[1] at 30 June (excluding lease liabilities)	(1,165.1)	(1,234.4)

1. These non-IFRS financial measures are explained and reconciled to the most directly comparable financial measure prepared in accordance with IFRS in the Non-IFRS financial information section.
2. The comparatives have been re-presented as outlined in Note 1 of the Condensed Consolidated Financial Statements.
3. Details of adjusting items are provided in the adjusting items cash movement table in the Non-IFRS financial information section. Of the total cash outflow of $7.7 million during the year, $5.5 million related to accruals recorded in the prior year.
4. In H1 2025, non-cash movements of $15.8 million have been presented below free cash flow to equity and consisted of net FX loss on cash and borrowings of $14.2 million and amortisation of deferred financing fees of $1.6 million. The prior year comparatives have not been restated on the basis they are not material.
5. Dividend cash payments of $100.8 million were made to shareholders in the period in respect of the 2024 final dividend.

6. A payment of $26.9 million was made in respect of earnouts associated with past acquisitions. This was offset by an inflow of $0.7 million following finalisation of the working capital adjustment in respect of the 2024 acquisition of Livramedom.
7. Excluding the impact of adjusting items of $7.7 million (H1 2024: $11.3 million) on adjusted EBITDA and adjusted working capital movements, EBITDA was $299.4 million (H1 2024: $268.6 million) and the reported working capital movement was a $82.7 million outflow (H1 2024: $81.6 million).
8. Realised losses on settlement of certain derivatives have been disclosed separately in the Condensed Consolidated Statement of Cash Flows within financing activities. Accordingly, they have moved out of operating cash flow and free cash flow to capital but are still included in the calculation of free cash flow to equity. The Directors consider that this change results in improved definitions and calculations of operating cash flow and free cash flow to capital. The comparatives have not been restated on the basis that the balances are not material.
9. The calculation of the cash flow measure 'Free cash flow to equity' has been redefined to exclude non-cash items such as net foreign exchange gains or losses on cash and borrowings and the amortisation of financing fees. The Directors consider that this change results in improved definition and calculation of free cash flow to equity. See footnote 4 above of impact on H1 2024 free cash flow to equity.

Adjusted EBITDA

Adjusted EBITDA increased by $31.7 million to $306.6 million (H1 2024: $274.9 million), driven primarily from adjusting operating profit increasing by $29.0 million (as explained in the adjusted net profit commentary section).

A reconciliation of adjusted EBITDA to the closest IFRS measure is provided in the Non-IFRS financial information section on pages 15 to 20.

Free cash flow to capital

Free cash flow to capital increased by $11.6 million to $125.1 million (H1 2024: $113.5 million).

Adjusted EBITDA increased by $31.7 million, which was partially offset by an increase in capital expenditure of $18.3 million. The Group invested $68.9 million (H1 2024: $50.6 million) in capital expenditure to develop and launch new products, improve productivity and upgrade technology.

The adjusted working capital movement of $80.1 million remained fairly consistent year-on-year.

Operating cash conversion was 59.5% (H1 2024: 61.9%).

Free cash flow to equity

Free cash flow to equity increased by $0.9 million to $58.2 million (H1 2024: $57.3 million). This was largely driven by an increase in free cash flow to capital of $11.6 million as explained above, and lower finance cost payments of $5.4 million as a result of lower average debt and lower average interest rates. These were partially offset by realised losses on foreign exchange derivatives of $17.6 million.

Equity cash conversion was 35.4% (H1 2024: 41.2%).

Borrowings and net debt

	30 June 2025 $m	31 December 2024 $m
Borrowings[1]	1,260.8	1,122.8
Lease liabilities	79.1	78.8
Total borrowings including lease liabilities	1,339.9	1,201.6
Cash and cash equivalents	(95.7)	(64.7)
Total borrowings including lease liabilities, net of cash	1,244.2	1,136.9
Net debt (excluding lease liabilities)	1,165.1	1,058.1
Net debt (excluding lease liabilities)/adjusted EBITDA[2]	1.9x	1.8x

1. Borrowings are stated net of unamortised financing fees of $9.1 million (31 December 2024: $10.7 million).
2. Adjusted EBITDA for the twelve months to 30 June 2025 has been used in this calculation.

As at 30 June 2025, the Group's cash and cash equivalents were $95.7 million (31 December 2024: $64.7 million). The Group's banking facilities comprise of a term loan of $250.0 million and a multicurrency revolving credit facility of $950.0 million, maturing in 2027 and 2028 respectively. The Group's $500.0 million senior unsecured notes, issued in October 2021, remain in place with maturity in October 2029. As at 30 June 2025, $430.1 million of the multicurrency revolving credit facility remained undrawn (31 December 2024: $566.5 million).

The Group ended the period with total borrowings, including IFRS 16 lease liabilities, of $1,339.9 million (31 December 2024: $1,201.6 million). Offsetting cash of $95.7 million (31 December 2024: $64.7 million) and excluding lease liabilities, net debt was $1,165.1 million (31 December 2024: $1,058.1 million), equivalent to 1.9x adjusted EBITDA (2024: 1.8x adjusted EBITDA). We continue to target leverage of 2x over time but are comfortable to temporarily go above or below this, dependent on M&A and other investment opportunities.

Covenants

At 30 June 2025, the Group was in compliance with all financial and non-financial covenants associated with the Group's outstanding debt.

Non-IFRS financial information

Non-IFRS financial information or alternative performance measures (APMs) are those measures used by the Board and management on a day-to-day basis in their assessment of profit and performance, and comparison between periods. The adjustments applied to IFRS measures reflect the effect of certain cash and non-cash items that the Board believes distort the understanding of the quality of earnings and cashflows as, by their size or nature, they are not considered part of the core operations of the business. Adjusted measures also form the basis of performance measures for remuneration, e.g. adjusted operating profit.

It should be noted that the Group's APMs may not be comparable to other similarly titled measures used by other companies and should not be considered in isolation or as a substitute for the equivalent measures calculated and presented in accordance with IFRS (our reported measures).

In determining whether an item should be presented as an allowable adjustment to IFRS measures, the Group considers items which are significant either because of their size or their nature and arise from events that are not considered part of the core operations of the business. These tend to be one-off events but may still cross more than one accounting period. Recurring items may be considered, particularly in respect of the amortisation of acquisition-related intangible assets. If an item meets at least one of these criteria, the Board, through the Audit and Risk Committee, then exercises judgement as to whether the item should be classified as an allowable adjustment to IFRS performance measures.

The tax effect of the adjustments is reflected in the adjusted tax expense to remove the tax impact from adjusted net profit and adjusted earnings per share.

Amortisation of acquisition-related intangible assets

The Group's strategy is to grow both organically and through acquisition, with acquisitions being targeted to strengthen our position in key geographies and/or business categories or which provide access to new technology. The nature of the businesses acquired includes the acquisition of significant intangible assets, which are required to be amortised. The Board and management regard the amortisation as a distortion to the quality of earnings and it has no cash implications in the year. The amortisation also distorts comparability with peer groups where such assets may have been internally generated and, therefore, not reflected on their balance sheet. Amortisation of acquisition-related intangible assets is, by its nature, a recurring adjustment.

Acquisition-related activities

Costs directly related to potential and actual strategic transactions which have been executed, aborted or are in-flight are deemed adjusting items.

Acquisition-related costs relate to deal costs, integration costs and earn-out adjustments, including the discounting impact which are incurred directly as a result of the Group undertaking or pursuing an acquisition. Deal costs are wholly attributable to the deal, including legal fees, due diligence fees, bankers' fees/commissions and other direct costs incurred as a result of the actual or potential transaction. Integration costs are wholly attributable to the integration of the target and based on integration plans presented at the point of acquisition, including the cost of retention of key people where this is in excess of normal compensation, redundancy of target staff and early lease termination payments.

Adjusted measures in relation to acquisitions also include aborted deal costs.

Divestiture-related activities

Divestiture-related activities comprise the gains or losses resulting from disposal or divestment of a business as a result of a sale, major business change or restructuring programme. These include write-down of non-current assets, provisions to recognise inventories at realisable value, provisions for costs of exiting contracts and associated legal fees, and any other directly attributable costs. Any income from the ultimate disposal of a business or subsidiary is included in the gain or loss.

Adjusted measures in relation to divestitures also include aborted deal costs.

Impairment of assets

Impairments, write-offs and gains and losses from defined programmes and where the Group considers the circumstances of such event are not reflective of normal business trading performance or when transactions relate to acquisition-related intangible assets where the amortisation is already excluded from the calculation of adjusted measures.

Termination benefits and related costs

Termination benefits and other related costs arise from material, one-time Group-wide initiatives to reduce the ongoing cost base and improve efficiency in the business, including divestitures from non-strategic activities. The Board considers each project individually to determine whether its size and nature warrants separate disclosure. Qualifying items are limited to termination benefits (including retention) without condition of continuing employment in respect of major Group-wide change programmes. Where discrete qualifying items are identified these costs are highlighted and excluded from the calculation of adjusted measures. Due to their nature, these adjusted costs may span more than one year.

Other adjusting items

Other adjusting items include items that do not fall within the above categories but qualify as an APM in line with the Group's policy. Whilst non-exhaustive, examples of other adjusting items could include significant historic legal claims outside the normal course of business or one-time initiatives which are part of the Group's strategy to improve productivity in the business and optimise cash flows. The Board considers each item individually to determine whether its size and nature warrants separate disclosure. Qualifying costs are limited to directly attributable costs of the initiatives and any realignment costs. Due to the nature of the initiatives, these adjusted costs may span more than one year.

Revenue measures

Revenue growth on a constant currency basis represents reported revenue, as determined under IFRS, and applying the applicable prior period average exchange rates to the Group's actual performance in the respective period. Organic revenue growth is calculated by adjusting this to exclude the impact of acquisitions and divestitures.

Cash flow measures

Operating cash flow is the net cash generated from operations, as determined under IFRS, less capital expenditure. Free cash flow to capital is defined as operating cash flow less tax paid. Free cash flow to equity reflects how effectively we are converting the profit we generate into cash (after accounting for working capital, capital investments, adjusting items, realised gains or losses on foreign exchange derivatives, tax and interest). Refer to page 19 for details on how these measures are calculated.

Net debt and leverage ratio are two other measures used and these are explained on page 20.

Reconciliation of reported earnings to adjusted earnings for the six months ended 30 June 2025 and 2024

Six months ended 30 June 2025	Revenue $m	Gross profit $m	Operating costs $m	Operating profit $m	Finance expense, net $m	Fair value movement of contingent consideration $m	Non-operating expense, net $m	PBT $m	Income tax $m	Net profit $m
As reported	1,179.9	656.4	(477.2)	179.2	(32.2)	(4.8)	(4.8)	137.4	(32.6)	104.8
Amortisation of acquired intangibles	–	54.0	13.2	67.2	–	–	–	67.2	(16.3)	50.9
Acquisition-related costs	–	–	1.3	1.3	–	4.8	–	6.1	(1.5)	4.6
Divestiture-related costs	–	–	0.2	0.2	–	–	1.8	2.0	(0.5)	1.5
Termination benefits and related costs	–	–	0.9	0.9	–	–	–	0.9	(0.2)	0.7
Other adjusting items	–	0.7	2.3	3.0	–	–	–	3.0	(0.9)	2.1
Total adjustments including tax effect	–	54.7	17.9	72.6	–	4.8	1.8	79.2	(19.4)	59.8
Adjusted	1,179.9	711.1	(459.3)	251.8	(32.2)	–	(3.0)	216.6	(52.0)	164.6

	$m
Amortisation	11.3
Impairment/write-off of assets	0.8
Depreciation	32.2
Share-based payments	10.5
Adjusted EBITDA	306.6

Six months ended 30 June 2024	Revenue $m	Gross profit $m	Operating costs $m	Operating profit $m	Finance expense, net $m	Fair value movement of contingent consideration $m	Non-operating expense, net $m	PBT $m	Income tax $m	Net profit $m
As reported	1,113.4	623.1	(473.9)	149.2	(40.2)	(4.7)	(0.3)	104.0	(25.4)	78.6
Amortisation of acquired intangibles	–	53.7	13.6	67.3	–	–	–	67.3	(16.6)	50.7
Acquisition-related costs	–	–	0.9	0.9	–	4.7	–	5.6	–	5.6
Divestiture-related costs		–	(0.6)	(0.6)	–	–	–	(0.6)	0.2	(0.4)
Termination benefits and other related costs	–	–	1.4	1.4	–	–	–	1.4	(0.3)	1.1
Other adjusting items	–	1.1	3.5	4.6				4.6	(1.1)	3.5
Total adjustments including tax effect	–	54.8	18.8	73.6	–	4.7	–	78.3	(17.8)	60.5
Adjusted	1,113.4	677.9	(455.1)	222.8	(40.2)	–	(0.3)	182.3	(43.2)	139.1

	$m
Amortisation	11.0
Impairment/write-off of assets	0.4
Depreciation	31.4
Share-based payments	9.3
Adjusted EBITDA	274.9

Adjusted operating margin of 21.3% (H1 2024: 20.0%) is calculated as adjusted operating profit of $251.8 million (H1 2024: $222.8 million) divided by revenue of $1,179.9 million (H1 2024: $1,113.4 million). A reconciliation of adjusted operating profit to its closest IFRS measure is shown in the tables above.

Adjusted operating profit at constant currency, determined by applying the applicable prior period average exchange rates to the adjusted operating profit, was $253.8 million, with adjusted operating margin growth of 13.9% on a constant currency basis.

The adjusted operating margin was 21.4% on a constant currency basis, calculated as the adjusted operating profit of $253.8 million on a constant currency basis divided by revenue of $1,183.4 million on a constant currency basis.

Reconciliation of operating costs to adjusted operating costs for the six months ended 30 June 2025 and 2024

	Six months ended 30 June								
	2025					2024			
	S&D	G&A	R&D	Other operating income	Operating costs	S&D	G&A	R&D	Operating costs
	$m	$m	$m	$m	$m	$m	$m	$m	$m
As reported	(327.2)	(98.3)	(53.5)	1.8	(477.2)	(322.1)	(97.8)	(54.0)	(473.9)
Amortisation of acquired intangibles	0.3	9.1	3.8	–	13.2	0.3	9.5	3.8	13.6
Acquisition-related costs	–	1.3	–	–	1.3	–	0.9	–	0.9
Divestiture-related income	0.2	–	–	–	0.2	(0.6)	–	–	(0.6)
Termination benefits and related costs	–	0.9	–	–	0.9	0.2	1.2	–	1.4
Other adjusting items	–	4.1	–	(1.8)	2.3	0.3	3.2	–	3.5
Adjusted	(326.7)	(82.9)	(49.7)	–	(459.3)	(321.9)	(83.0)	(50.2)	(455.1)

Reconciliation of basic and diluted earnings per share to adjusted earnings per share for the six months ended 30 June 2025 and 2024

	Six months ended 30 June			
	2025	Adjusted 2025	2024	Adjusted 2024
	$m	$m	$m	$m
Net profit for the period attributable to the shareholders of the Group	104.8	164.6	78.6	139.1
		Number		Number
Basic weighted average ordinary shares in issue		2,044,204,772		2,047,599,499
Diluted weighted average ordinary shares in issue		2,052,101,321		2,055,953,301
	cents per share	cents per share	cents per share	cents per share
Basic earnings per share	5.1	8.1	3.8	6.8
Diluted earnings per share	5.1	8.0	3.8	6.8

Adjusted diluted EPS has increased by 18.7% and is calculated as adjusted diluted EPS for the current period less adjusted diluted EPS for the prior year, divided by the prior year adjusted diluted EPS. This is calculated on actual unrounded numbers.

Cash flow conversion

	Six months ended 30 June	
	2025	2024
	$m	$m
Operating cash conversion[1]	59.5%	61.9%
Equity cash conversion[1]	35.4%	41.2%

1. Operating cash conversion is calculated as Operating cash flow/Adjusted operating profit. Equity cash conversion is calculated as Free cash flow to equity/Adjusted net profit.

Reconciliation of Operating cash flow, free cash flow to capital and free cash flow to equity

	Six months ended 30 June	
	2025	2024
	$m	$m
Net cash generated from operations	218.8	188.5
Less: Acquisitions of property, plant and equipment and intangible assets	(68.9)	(50.6)
Operating cash flow[2]	149.9	137.9
Tax paid	(24.8)	(24.4)
Free cash flow to capital[2]	125.1	113.5
Net interest paid	(37.1)	(42.5)
Payment of lease liabilities	(12.2)	(12.1)
Proceeds on sale of property, plant and equipment	–	0.3
Financing fee amortisation[3]	–	(1.6)
Foreign exchange (loss) on cash[3]	–	(2.8)
Foreign exchange gain on borrowings[3]	–	2.5
Realised loss on settlement of FX derivatives relating to financing[2]	(17.6)	–
Free cash flow to equity[3]	58.2	57.3

2. Realised losses on settlement of certain derivatives have been disclosed separately in the Condensed Consolidated Statement of Cash Flows within financing activities. Accordingly, they have moved out of operating cash flow and free cash flow to capital but are still included in the calculation of free cash flow to equity. The Directors consider that this change results in improved definitions and calculations of operating cash flow and free cash flow to capital. The comparatives have not been restated on the basis that the balances are not material.
3. The calculation of the cash flow measure 'Free cash flow to equity' has been redefined to exclude non-cash items such as net foreign exchange gains or losses on cash and borrowings and the amortisation of financing fees. The Directors consider that this change results in improved definition and calculation of free cash flow to equity. The comparatives have not been restated on the basis that the balances are not material.

Free cash flow to equity has increased by 1.6% to $58.2 million (H1 2024: $57.3 million). The increase is calculated as the movement in free cash flow to equity year-on-year divided by the free cash flow to equity in the prior year. A reconciliation of free cash flow to equity to its closest IFRS measure is shown in the table above.

Reconciliation of reported and adjusted working capital movement

	Six months ended 30 June	
	2025	2024
	$m	$m
Reported working capital movement[4]	(82.7)	(81.6)
(Decrease)/increase in respect of acquisitions and divestitures	(0.2)	1.1
Increase in termination benefits	2.8	4.4
(Decrease) in respect of other adjusting items	(2.1)	(0.5)
Realised gain on settlement of FX derivatives relating to working capital[5]	2.1	1.5
Adjusted working capital movement	(80.1)	(75.1)

4. The comparatives have been re-presented as outlined in Note 1 of the Condensed Consolidated Financial Statements.

5. Realised gains and losses arising from the settlement of FX derivatives held to manage foreign exchange risk in our working capital have been included in this reconciliation as management believe this provides a more accurate view of the underlying movement in working capital.

Cash outflows from adjusting items

	Six months ended 30 June	
	2025	2024
	$m	$m
Acquisition and divestitures adjustments	(1.3)	(1.4)
Termination benefits and related costs adjustments	(3.8)	(5.8)
Other adjusting items	(2.6)	(4.1)
Total adjusting items	(7.7)	(11.3)

Net debt

Monitoring net debt is important to the Group as it is an indicator of the Group's financial health and its available liquidity. It is an important decision-making tool for investment decisions and strategic planning.

Net debt is calculated as borrowings less cash and excluding lease liabilities.

	30 June 2025	31 December 2024
	$m	$m
Senior notes	495.7	495.1
Credit facilities	765.1	627.7
Lease liabilities	79.1	78.8
Total borrowings including lease liabilities	1,339.9	1,201.6
Less: cash and cash equivalents	(95.7)	(64.7)
Less: lease liabilities	(79.1)	(78.8)
Net debt excluding leases	1,165.1	1,058.1

Leverage

Leverage is an important performance measurement metric for the Group as it is an indicator of financial risk, credit worthiness and operational flexibility. It is also an important consideration in strategic decision-making.

This is calculated as net debt excluding leases divided by adjusted EBITDA.

	30 June 2025	31 December 2024
	$m	$m
Net debt excluding leases[1]	1,165.1	1,058.1
Adjusted EBITDA[2]	622.2	590.5
Leverage	1.9x	1.8x

1. Net debt excluding leases is defined and reconciled to the closest IFRS measure in the Net debt table above.
2. Adjusted EBITDA for the twelve months to 30 June 2025 has been used in this calculation.

INDEPENDENT REVIEW REPORT TO CONVATEC GROUP PLC

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Statement of Cash Flows and related notes 1 to 13.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2025, is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusion Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the Directors have inappropriately adopted the going concern basis of accounting or that the Directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the Directors

The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the Directors are responsible for assessing the group's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly financial report, we are responsible for expressing to the company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Statutory Auditor
London, United Kingdom
28 July 2025

Condensed Consolidated Interim Financial Statements

Condensed Consolidated Income Statement

		Six months ended 30 June	
		2025	2024
	Notes	$m	$m
		(unaudited)	(unaudited)
Revenue	2	1,179.9	1,113.4
Cost of sales		(523.5)	(490.3)
Gross profit		656.4	623.1
Selling and distribution expenses		(327.2)	(322.1)
General and administrative expenses		(98.3)	(97.8)
Research and development expenses		(53.5)	(54.0)
Other operating income		1.8	–
Operating profit		179.2	149.2
Finance income	3	1.4	2.6
Finance expense	3	(33.6)	(42.8)
Fair value movement of contingent consideration	7	(4.8)	(4.7)
Non-operating expense, net		(4.8)	(0.3)
Profit before income taxes		137.4	104.0
Income tax expense	4	(32.6)	(25.4)
Net profit		104.8	78.6
Earnings per share			
Basic earnings per share (cents)	6	5.1¢	3.8¢
Diluted earnings per share (cents)	6	5.1¢	3.8¢

All amounts are attributable to shareholders of the Group and wholly derived from continuing operations (see Note 2 for details).

Condensed Consolidated Statement of Comprehensive Income

	Notes	Six months ended 30 June 2025 $m	2024 $m
		(unaudited)	(unaudited)
Net profit		104.8	78.6
Items that will not be reclassified subsequently to the Consolidated Income Statement:			
Changes in fair value of equity investments		(1.2)	(3.1)
Items that may be reclassified subsequently to the Consolidated Income Statement:			
Foreign currency translation		116.1	(22.1)
Effective portion of changes in fair value of cash flow hedges		15.3	(3.1)
Changes in fair value of cash flow hedges reclassified to the Consolidated Income Statement		1.2	2.9
Costs of hedging		(0.6)	(1.8)
Income tax relating to items that may be reclassified		(0.1)	(0.4)
Other comprehensive income/(expense)		130.7	(27.6)
Total comprehensive income		235.5	51.0

All amounts are attributable to shareholders of the Group and wholly derived from continuing operations.

Condensed Consolidated Statement of Financial Position

	Notes	30 June 2025 $m (unaudited)	31 December 2024 $m (audited)
Assets			
Non-current assets			
Property, plant and equipment		594.0	502.6
Right-of-use assets		67.5	67.5
Intangible assets		759.3	805.9
Goodwill		1,359.9	1,290.2
Investment in financial assets		15.7	16.9
Deferred tax assets		23.2	22.7
Derivative financial assets	9	0.2	–
Restricted cash		4.5	3.4
Other non-current receivables		13.2	12.5
		2,837.5	2,721.7
Current assets			
Inventories		381.1	349.6
Trade and other receivables		402.6	335.0
Current tax receivable		22.4	16.8
Derivative financial assets	9	23.6	18.4
Restricted cash		8.6	8.8
Cash and cash equivalents		95.7	64.7
		934.0	793.3
Total assets		3,771.5	3,515.0
Equity and liabilities			
Current liabilities			
Trade and other payables		369.0	382.7
Lease liabilities		15.4	22.0
Current tax payable		30.5	31.9
Derivative financial liabilities	9	29.2	18.1
Contingent consideration	7	32.2	53.3
Provisions		2.5	4.3
		478.8	512.3
Non-current liabilities			
Borrowings	8	1,260.8	1,122.8
Lease liabilities		63.7	56.8
Deferred tax liabilities		93.6	82.7
Contingent consideration	7	22.7	17.0
Provisions		3.5	3.5
Derivative financial liabilities	9	–	0.3
Other non-current liabilities		37.2	30.7
		1,481.5	1,313.8
Total liabilities		1,960.3	1,826.1
Net assets		1,811.2	1,688.9
Equity			
Share capital		251.5	251.5
Share premium		181.0	181.0
Own shares		(13.4)	(16.4)
Retained deficit		(824.4)	(828.4)
Merger reserve		2,098.9	2,098.9
Cumulative translation reserve		(53.4)	(169.5)
Other reserves		171.0	171.8
Total equity		1,811.2	1,688.9
Total equity and liabilities		3,771.5	3,515.0

Condensed Consolidated Statement of Changes in Equity

	Notes	Share capital $m	Share premium $m	Own shares $m	Retained deficit $m	Merger reserve $m	Cumulative translation reserve $m	Other reserves $m	Total $m
At 1 January 2025 (audited)		251.5	181.0	(16.4)	(828.4)	2,098.9	(169.5)	171.8	1,688.9
Net profit		–	–	–	104.8	–	–	–	104.8
Other comprehensive expense:									
Foreign currency translation adjustment		–	–	–	–	–	116.1	–	116.1
Changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	–	15.8	15.8
Change in fair value of equity investments		–	–	–	–	–	–	(1.2)	(1.2)
Other comprehensive expense		–	–	–	–	–	116.1	14.6	130.7
Total comprehensive income/(expense)		–	–	–	104.8	–	116.1	14.6	235.5
Dividends paid	5	–	–	–	(100.8)	–	–	–	(100.8)
Purchase of shares by Employee Benefit Trust		–	–	(23.0)	–	–	–	–	(23.0)
Share-based payments		–	–	–	–	–	–	10.4	10.4
Share awards vested		–	–	26.0	–	–	–	(25.7)	0.3
Changes in fair value of cash flow hedges transferred to inventory		–	–	–	–	–	–	(0.1)	(0.1)
At 30 June 2025 (unaudited)		251.5	181.0	(13.4)	(824.4)	2,098.9	(53.4)	171.0	1,811.2

	Notes	Share capital $m	Share premium $m	Own shares $m	Retained deficit $m	Merger reserve $m	Cumulative translation reserve $m	Other reserves $m	Total $m
At 1 January 2024 (audited)		251.5	181.0	(0.6)	(888.7)	2,098.9	(122.2)	172.8	1,692.7
Net profit		–	–	–	78.6	–	–	–	78.6
Other comprehensive expense:									
Foreign currency translation adjustment		–	–	–	–	–	(22.1)	–	(22.1)
Changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	–	(2.4)	(2.4)
Change in fair value of equity investments		–	–	–	–	–	–	(3.1)	(3.1)
Other comprehensive expense		–	–	–	–	–	(22.1)	(5.5)	(27.6)
Total comprehensive income/(expense)		–	–	–	78.6	–	(22.1)	(5.5)	51.0
Dividends paid	5	–	–	–	(91.5)	–	–	–	(91.5)
Purchase of shares by Employee Benefit Trust		–	–	(6.9)	–	–	–	–	(6.9)
Share-based payments		–	–	–	–	–	–	9.1	9.1
Share awards vested		–	–	5.3	–	–	–	(4.8)	0.5
At 30 June 2024 (unaudited)		251.5	181.0	(2.2)	(901.6)	2,098.9	(144.3)	171.6	1,654.9

Condensed Consolidated Statement of Cash Flows

	Notes	Six months ended 30 June 2025 $m	2024 $m
Cash flows from operating activities		(unaudited)	(unaudited)
Net profit		104.8	78.6
Adjustments for			
Depreciation of property, plant and equipment		20.6	20.0
Depreciation of right-of-use assets		11.6	11.4
Amortisation of intangible assets		78.5	78.3
Income tax	4	32.6	25.4
Non-operating expense, net[1]		6.9	1.8
Fair value movement of contingent consideration		4.8	4.7
Finance expense, net		32.2	40.2
Share-based payments		10.5	9.3
Impairment/write-off of intangible assets		–	0.2
Impairment (reversals)/charges of property, plant and equipment		(1.0)	0.2
Change in assets and liabilities:			
Inventories		(1.5)	6.7
Trade and other receivables		(41.5)	(29.0)
Other non-current receivables		(0.6)	(0.2)
Restricted cash		(0.4)	0.8
Trade and other payables		(38.4)	(56.5)
Provisions		(2.6)	(4.9)
Other non-current payables		2.3	1.5
Net cash generated from operations		218.8	188.5
Interest received		1.4	2.6
Interest paid		(38.5)	(45.1)
Payment of contingent consideration arising from acquisitions	7	(1.9)	(48.1)
Income taxes paid		(24.8)	(24.4)
Net cash generated from operating activities		155.0	73.5
Cash flows from investing activities			
Acquisition of property, plant and equipment[1]		(56.6)	(37.8)
Acquisition of intangible assets[1]		(12.3)	(12.8)
Proceeds arising from acquisitions	7	0.7	–
Proceeds from sale of property, plant and equipment and other assets		–	0.3
Payment of contingent consideration arising from acquisitions	7	(25.0)	(22.8)
Net cash used in investing activities		(93.2)	(73.1)
Cash flows from financing activities			
Proceeds from borrowings	8	120.9	105.3
Realised loss on settlement of FX derivatives		(17.6)	–
Payment of lease liabilities		(12.2)	(12.1)
Purchase of own shares		(22.4)	–
Dividends paid	5	(100.8)	(91.5)
Net cash used in financing activities		(32.1)	1.7
Net change in cash and cash equivalents		29.7	2.1
Cash and cash equivalents at beginning of the period		64.7	97.6
Effect of exchange rate changes on cash and cash equivalents		1.3	(2.8)
Cash and cash equivalents at end of the period		95.7	96.9

1. The comparatives have been re-presented as outlined in Note 1 to the Condensed Consolidated Financial Statements.

1. Basis of preparation and accounting standards

Convatec Group Plc (the "Company") is a public limited company incorporated in the United Kingdom. The accompanying unaudited Condensed Consolidated Interim Financial Statements of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2025 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34 Interim Financial Reporting as adopted by the United Kingdom. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern as described further below.

The Condensed Consolidated Interim Financial Statements should be read in conjunction with the 2024 Convatec Group Plc Annual Report and Accounts, which were prepared in accordance with the United Kingdom adopted international accounting standards and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). The Condensed Consolidated Interim Financial Statements have been prepared in accordance with the accounting policies adopted in the Group's most recent annual financial statements for the year ended 31 December 2024.

These Condensed Consolidated Interim Financial Statements and the comparatives are unaudited, except where otherwise indicated, and do not constitute statutory financial statements. The statutory financial statements for the Group in respect of the year ended 31 December 2024 have been reported on by the Group's auditor and delivered to the Registrar of Companies. The audit report on those accounts was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The Condensed Consolidated Interim Financial Statements for the six months ended 30 June 2025 were approved by the Board on 28 July 2025.

Going concern

In preparing their assessment of going concern, the Directors considered available cash resources, actual financial performance, forecast performance from the Board-approved 2025 budget and longer-term strategic plan and exposure to the Group's principal and emerging risks.

As at 30 June 2025, the Group held cash and cash equivalents of $95.7 million (31 December 2024: $64.7 million), with borrowings of $1,260.8 million (31 December 2024: $1,122.8 million). Borrowings as at 30 June 2025, net of unamortised financing fees, comprised of a term loan of $250.0 million, drawn multicurrency revolving credit facilities of $519.9 million and senior notes of $500.0 million, with maturity dates of 2027, 2028 and 2029 respectively. $430.1 million of the multicurrency revolving credit facilities remained undrawn as at 30 June 2025 (31 December 2024: $566.5 million).

The Directors considered severe but plausible downside scenarios linked to the Group's principal risks and also carried out a reverse stress test against the base forecast to determine the performance levels that would result in a breach of covenants. Under each downside scenario, the Group is forecast to retain sufficient liquidity and covenant headroom through the going concern period and consider the revenue reduction required to breach covenants to be implausible given the Group's strong market position and the mitigations available to the Board, including reducing expansionary capital investment.

As a result, the Directors have a reasonable expectation that the Group will have adequate liquid resources to meet its liabilities as they become due for a period of at least 12 months from the date that the Financial Statements have been authorised and therefore believe that it is appropriate to adopt the going concern basis of accounting in preparing the Condensed Consolidated Interim Financial Statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Condensed Consolidated Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported value of assets and liabilities, income and expense. Actual results may differ from these estimates or judgements. Management regularly reviews, and revises as necessary, the accounting judgements that significantly impact the amounts recognised in the Condensed Consolidated Interim Financial Statements and the sources of estimation uncertainty that are considered to be "key estimates" due to their potential to give rise to material adjustments in the Group's Consolidated Financial Statements within the next financial year.

In preparing the Condensed Consolidated Interim Financial Statements, management has determined that there are no areas of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year or critical judgements in applying accounting policies that have a significant effect on the amounts recognised in the Condensed Consolidated Interim Financial Statements. This is consistent with the Group's last annual financial statements for the year ended 31 December 2024.

New accounting standards applied

The Group's accounting policies used in these Condensed Consolidated Interim Financial Statements are consistent with those set out in the 2024 Annual Report and Accounts, except for the adoption of new standards effective as of 1 January 2025. No standards, interpretations or amendments have been adopted early.

From 1 January 2025, the Group adopted the following mandatory amendment:

- Lack of exchangeability – Amendments to IAS 21

This amendment did not have a material impact on the Condensed Consolidated Interim Financial Statements.

Prior year re-presentation

Certain line items in the primary statements have been disaggregated to provide greater clarity, and accordingly, the corresponding comparative amounts have been re-presented for consistency and comparability between periods.

Within the Condensed Consolidated Statement of Cash Flows, and to be consistent with the 2024 Consolidated Financial Statements, the non-operating income has been re-presented to be disclosed net of unrealised losses on derivatives of $10.4 million. This was previously recognised separately as derivative financial assets ($4.8 million) and derivative financial liabilities ($15.2 million).

Within the Condensed Consolidated Statement of Cash Flows, cash flows associated with the acquisition of property, plant and equipment of $37.8 million and acquisition of intangible assets of $12.8 million have now been presented separately.

There is no impact on cash flows, or any other subtotal presented previously.

2. Revenue and segment information

The Board considers the Group's business to be a single segment entity engaged in the development, manufacture and sale of medical products and technologies. R&D, manufacturing and central support functions are managed globally for the Group. Revenues are managed both on a category and geographic basis. This note presents the performance and activities of the Group as a single segment.

Convatec's Executive Leadership Team (CELT), as the Group's Chief Operating Decision Maker, is the function that allocates resources and evaluates the Group's global product portfolios on a revenue basis and evaluates profitability and associated investment on an enterprise-wide basis due to shared infrastructures and support functions between the categories. Financial information in respect of revenues provided to the CELT for decision-making purposes is made on both a category and geographic basis. Resources are allocated on a Group-wide basis, with a focus on both category and the key markets but primarily based on the merits of each individual proposal.

Revenue by category

The following table sets out the Group's revenue by category:

	Six months ended 30 June	
	2025 $m	2024 $m
Advanced Wound Care	367.0	360.0
Ostomy Care	326.5	311.1
Continence Care	259.4	242.6
Infusion Care	227.0	199.5
Revenue excluding hospital care exit	1,179.9	1,113.2
Revenue from hospital care exit	–	0.2
Total	1,179.9	1,113.4

Revenue by geography

The following table sets out the Group's revenue by regional geographic market in which third-party customers are located:

	Six months ended 30 June	
	2025 $m	2024 $m
North America	657.0	622.2
Europe	346.6	327.4
Rest of World (RoW)[1]	176.3	163.8
Total	1,179.9	1,113.4

1. Rest of World (ROW) comprises all countries in Asia Pacific, Latin America (including Mexico and the Caribbean), the Middle East (including Turkey) and Africa.

3. Finance income and expenses

Finance expenses arise from interest on the Group's borrowings and lease liabilities. Finance income arises from interest earned on investment of surplus cash.

Finance costs, net for the six months ended 30 June were as follows:

	Six months ended 30 June	
	2025 $m	2024 $m
Finance income		
Interest income on cash and cash equivalents	1.4	1.8
Interest income on interest rate derivatives	–	0.8
Total finance income	1.4	2.6
Finance expenses		
Interest expense on borrowings	(31.3)	(38.0)
Interest expense on interest rate derivatives	(0.2)	–
Other financing-related fees[1]	(3.5)	(4.8)
Interest expense on lease liabilities	(1.8)	(1.7)
Capitalised interest[2]	4.2	2.8
Other finance costs	(1.0)	(1.1)
Total finance expenses	(33.6)	(42.8)
Finance costs, net	(32.2)	(40.2)

1. Other financing-related fees include the amortisation of deferred financing fees of associated with the multicurrency revolving credit facilities, term loans facilities and senior notes and receivables financing fees.
2. Capitalised interest was calculated using the Group's weighted average interest rate over the period of 5.3% (2024: 6.0%) and will be treated as tax deductible.

4. Income taxes

The Group's income tax expense is accrued using the tax rate that would be applicable to expected annual total earnings (i.e. the estimated average annual effective income tax rate applied to the profit before tax).

The tax charge for the six months ended 30 June 2025 has been calculated by applying the effective rate of tax which is expected to apply to the Group for the year ending 31 December 2025 using rates substantively enacted as at 30 June 2025.

For the six months ended 30 June 2025, the Group recorded an income tax expense of $32.6 million (30 June 2024: $25.4 million). The Group's reported effective tax rate for the period ended 30 June 2025 was 23.7% (2024: 24.4%). The decrease in the reported effective tax rate was principally driven by reduction in non-deductible acquisition costs.

The Group continues to believe it has made adequate provision for uncertain tax positions on open issues in accordance with IFRIC 23 Uncertainty over Income Tax Treatments. The ultimate liability for such matters may vary from the amounts provided and is dependent upon the outcome of discussions with relevant tax authorities or, where applicable, appeal proceedings.

The Group has applied the temporary exception as detailed in the IASB announcement "International Tax Reform—Pillar Two Model Rules", which amended IAS 12 Income Taxes, and therefore has not recognised nor disclosed information about deferred tax assets and liabilities related to Pillar Two income taxes.

5. Dividends

The Board ensures that adequate realised distributable reserves are available in the Company in order to meet proposed shareholder dividends, and the purchase of shares for employee share scheme incentives. The Company principally derives distributable reserves from dividends received from subsidiary companies.

In determining the level of dividend in the year, the Board considers the following factors and risks that may influence the proposed dividend:
- Availability of realised distributable reserves
- Available cash resources and commitments
- Strategic opportunities and investments, in line with the Group's strategic plan
- Principal risks of the Group

The Board paid the 2024 final dividend in May 2025. The Board has taken into consideration balancing the return to shareholders, and the additional investment in delivery of our strategy in the period. The decision to increase the interim dividend for 2025 reflects the Board's confidence in the future performance of the Group and the underlying financial strength, realised distributable reserves position, available liquidity and cash generation of the Group when assessing cash flow forecasts for the next two years from the date of the dividend payment.

Dividends paid and proposed were as follows:

	pence per share	cents per share	$m
Final dividend 2023	3.517	4.460	91.5
Interim dividend 2024	1.422	1.822	38.7
Paid in 2024	4.939	6.282	130.2
Final dividend 2024	3.639	4.594	100.8
Paid in 2025 to date	3.639	4.594	100.8
Interim dividend 2025 proposed	1.399	1.877	38.5

The proposed interim dividend for 2025, is to be distributed on 1 October 2025 to shareholders registered at the close of business on 22 August 2025. The dividend will be declared in US dollars and will be paid in Sterling at the exchange rate of $1.3421/£1.00 determined on 28 July 2025.

6. Earnings per share

Basic earnings per share is calculated based on the Group's net profit for the year attributable to shareholders divided by the weighted average number of ordinary shares in issue during the year. The weighted average number of shares is net of shares purchased by the Group and held as own shares. Diluted earnings per share take into account the dilutive effect of all outstanding share options priced below the market price in arriving at the number of shares used in its calculation.

	Six months ended 30 June	
	2025	2024
Net profit attributable to the shareholders of the Group ($m)	104.8	78.6
Basic weighted average ordinary shares in issue (number)	2,044,204,772	2,047,599,499
Dilutive impact of share awards (number)	7,896,549	8,353,802
Diluted weighted average ordinary shares in issue (number)	2,052,101,321	2,055,953,301
Basic earnings per share (cents per share)	5.1¢ per share	3.8¢ per share
Diluted earnings per share (cents per share)	5.1¢ per share	3.8¢ per share

The calculation of diluted earnings per share does not contain any share options that were non-dilutive for the year, because the average market price of the Group's ordinary shares exceeded the exercise price.

7. Acquisitions

Livramedom

Assets acquired and liabilities assumed

In April 2025 (within the measurement period), the Group finalised the working capital and gross indebtedness adjustments which reduce the consideration relating to the 2024 acquisition of Livramedom. The final adjustment was $1.0 million, resulting in the total consideration increasing by $0.7 million to $13.5 million. Of the $1.0 million, $0.7 million has been received from the sellers to date as shown within cash flows from investing activities in the Condensed Consolidated Statement of Cash Flows.

As a result, the carrying value of the Group's goodwill increased to $1,359.9 million at 30 June 2025 (31 December 2024: $1,290.2 million) reflecting the working capital and gross indebtedness adjustments of $0.7 million and foreign exchange movements of $69.0 million.

Contingent consideration

As at 30 June 2025, the discounted fair value of contingent consideration payable in respect of the Group's acquisitions was $54.9 million (31 December 2024: $70.3 million). During the year, earnout payments totalling $26.9 million were made in respect of past acquisitions ($25.0 million recognised within the cash flows from investing activities and $1.9 million recognised within the cash flows from operating activities in the Consolidated Statement of Cash Flows). The net charge to the income statement in respect of changes in the fair value of contingent consideration (based on the best estimates of the amounts payable as at 30 June 2025) was $4.8 million. In addition, there was a foreign exchange movement of $6.7 million from the re-translation of non-USD denominated balances.

8. Borrowings

The Group's sources of borrowing for funding and liquidity purposes derive from senior notes and credit facilities, including a committed revolving credit facility.

The Group's consolidated borrowings were as follows:

	Currency	Year of maturity	30 June 2025 Face value $m	31 December 2024 Face value $m
Revolving Credit Facility[1]	Multicurrency	2028	519.9	383.5
Term Loan	USD	2027	250.0	250.0
Senior Notes	USD	2029	500.0	500.0
Interest-bearing borrowings			1,269.9	1,133.5
Financing fees[2]			(9.1)	(10.7)
Carrying value of borrowings			1,260.8	1,122.8
Current borrowings			–	–
Non-current borrowings			1,260.8	1,122.8

1. Included within the Revolving Credit Facility as at 30 June 2025 was €106.0 million ($124.9 million) and $395.0 million, representing 24.0% of RCF debt denominated in Euros, and 76.0% denominated in US dollars respectively. As at 31 December 2024, this was €106.0 million ($109.8 million) and £7.0 million ($8.8 million), representing 28.6% of RCF debt denominated in Euros, 2.3% of the RCF debt denominated in GBP and 69.1% denominated in US dollars.
2. Financing fees of $9.1 million (31 December 2024: $10.7 million) related to the remaining unamortised fees incurred on the credit facilities and senior notes.

Credit facilities

The credit facilities held by the Group are committed and available for the refinancing of certain existing financial indebtedness and general corporate purposes. The Group's bank credit facility of $1.2 billion comprises of a $250.0 million term loan and a $950.0 million multicurrency revolving credit facility. As at 30 June 2025, the term loan was fully drawn and $519.9 million of the revolving credit facility was drawn, with $430.1 million undrawn.

Financial covenants

The principal financial covenants are based on a permitted net debt to covenant-adjusted EBITDA[1] ratio and interest cover test as defined in the credit facilities agreement. Testing is required on a semi-annual basis, at June and December, based on the last 12 months' financial performance. At 30 June 2025, the permitted net debt to covenant-adjusted EBITDA[1] ratio was a maximum of 3.5 times and the interest cover a minimum of 3.5 times, terms as defined by the credit facilities agreement. In accordance with the credit facilities agreement, the net debt to covenant-adjusted EBITDA[1] ratio can increase to a maximum 4.0 times for permitted acquisitions or investments.

The Group was in compliance with all financial and non-financial covenants at 30 June 2025, with significant available headroom on the financial covenants (in excess of $900.5 million debt headroom on the net debt to covenant-adjusted EBITDA[1]).

1. Covenant-adjusted EBITDA is calculated based on terms as defined in the credit facilities agreement. This is different to adjusted EBITDA, which is an alternative performance measure (APM).

Senior notes

Unsecured senior notes of $500.0 million are subject to an interest cover financial covenant as defined in the indentures which is a minimum of 2.0 times, with testing required annually at 31 December on the last 12 calendar months' financial performances.

9. Fair value measurement

Financial instruments are classified as Level 1, Level 2, or Level 3 in the fair value hierarchy in accordance with IFRS 13 Fair Value Measurements, based upon the degree to which the fair value movements are observable. Level 1 fair value measures are defined as those with quoted (unadjusted) market prices in active markets for identical assets or liabilities. Level 2 fair value measurements are defined as those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (prices from third parties) or indirectly (derived from third-party prices). Level 3 fair value measurements are defined as those derived from significant unobservable inputs.

The only instrument classified as Level 1 are the senior notes, given the availability of quoted market price. The Group's derivative financial instruments as well as the Group's other borrowings are classified as Level 2, and the Group's equity investment in preference shares, together with contingent consideration arising on business combinations, are classified as Level 3. There were no transfers between levels during the year.

	30 June 2025		31 December 2024	
	Carrying amount $m	Fair value $m	Carrying amount $m	Fair value $m
Financial instruments measured at fair value				
Non-current				
Equity investment	15.7	15.7	16.9	16.9
Derivative financial assets	0.2	0.2	-	-
Derivative financial liabilities	-	-	(0.3)	(0.3)
Contingent consideration	(22.7)	(22.7)	(17.0)	(17.0)
Current				
Derivative financial assets	23.6	23.6	18.4	18.4
Derivative financial liabilities	(29.2)	(29.2)	(18.1)	(18.1)
Contingent consideration	(32.2)	(32.2)	(53.3)	(53.3)
Financial instruments not measured at fair value				
Non-current				
Senior notes	(500.0)	(476.3)	(500.0)	(456.9)
Other borrowings	(769.9)	(795.2)	(633.5)	(678.9)

Senior notes and other borrowings

The Group's senior notes are listed and their fair value has been obtained from quoted market data and therefore categorised as a Level 1 measurement in the fair value hierarchy under IFRS 13 Fair Value Measurements. For the Group's other borrowings, the fair value is based on discounted cash flows using a current borrowing rate and is categorised as a Level 2 measurement.

Derivative financial instruments

The Group holds interest rate swap agreements to fix a proportion of variable interest on US dollar and EURO denominated debt, in accordance with the Group's risk management policy. The interest rate swaps are designated as hedging instruments in a cash flow hedging relationship.

The fair values of the interest rate swap agreements are calculated by discounting expected future principal and interest cashflow and translating at the appropriate balance sheet rates and are therefore categorised as a Level 2 measurement in the fair value hierarchy under IFRS 13 Fair Value Measurements.

The Group uses forward foreign exchange contracts, designated as cash flow hedges, to hedge certain forecast third-party foreign currency transactions for up to one year. When a commitment is entered into, a layered approach is taken when hedging the currency exposure, ensuring that no more than 100% of the transaction exposure is covered. The currencies hedged by forward foreign exchange contracts are US dollars, Swiss francs, Pound sterling, Danish krone and Japanese yen. The Group further utilises foreign exchange contracts and swaps classified as fair value through profit or loss (FVTPL) to manage short-term foreign exchange exposure.

The fair values of the forward foreign exchange contracts are calculated by discounting the contracted forward values and translating at the appropriate balance sheet rates and are therefore categorised as a Level 2 measurement in the fair value hierarchy under IFRS 13 *Fair Value Measurements*.

Contingent consideration

Contingent consideration arising on business combinations is classified as a recurring fair value measurement within Level 3 of the fair value hierarchy, in line with IFRS 13, *Fair Value Measurements*. Key unobservable inputs in respect of the Group's acquisitions include actual results, management forecasts and an appropriate discount rate.

Management has determined that the potential range of undiscounted outcomes at 30 June 2025 is between $37.1 million and $152.4 million (31 December 2024: $58.8 million and $163.9 million), from a maximum undiscounted amount of $152.4 million (31 December 2024: $163.9 million). The change in the potential range of undiscounted outcomes as at 30 June 2025 was due to milestone payments made in the year and changes in foreign exchange rates.

The table below shows an indicative basis of the sensitivity to the income statement and balance sheet at 30 June 2025.

	Sales forecast				Discount rate			
	+5%	+10%	-5%	-10%	+1.0%	+2.0%	-1.0%	-2.0%
Increase/(decrease) in financial liability and loss/(gain) in income statement	0.5	1.2	(0.7)	(1.4)	(2.1)	(4.0)	2.2	4.5

Equity investment

The investment is in relation to the Group's investment in BlueWind Medical Limited in 2022. The Group considers this investment to be strategic in nature and it is not held for trading. In line with IFRS 13 Fair Value Measurement, this investment has been classified as Level 3 in the fair value hierarchy as its measurement is derived from significant unobservable inputs by reference to available information, including the current market value of similar instruments, recent financing rounds and discounted cash flows of the underlying net assets. The fair value of the investment has been determined by using an average of three valuation methodologies, those being the precedent transaction method, the income approach method and the probability-weighted expected return model.

The Group made an irrevocable election at initial recognition to present subsequent changes in the fair value of the investment in other comprehensive income. It was initially recorded at fair value plus transaction costs and is remeasured to fair value at subsequent reporting dates. The fair value of the investment at 30 June 2025 was $15.7 million (31 December 2024: $16.9 million), with the movement of $1.2 million taken to the Condensed Consolidated Statement of Other Comprehensive Income. No dividends were recognised during the period.

10. Foreign exchange

The following table summarises the exchange rates used for the translation of currencies into US dollars that have the most significant impact on the Group results:

Currency	Average rate/ Closing rate	Six months ended 30 June 2025	Six months ended 30 June 2024	Year ended 31 December 2024
USD/EUR	Average	1.09	1.08	1.08
	Closing	1.18	1.07	1.04
USD/GBP	Average	1.30	1.27	1.28
	Closing	1.37	1.26	1.25
USD/DKK	Average	0.15	0.15	0.15
	Closing	0.16	0.14	0.14

11. Related Party Transactions

There were no changes in the related party transactions described in the 2024 Annual Report and Accounts that have had a material effect on the financial position or performance of the Group during the six months to 30 June 2025.

12. Commitments and contingencies

Capital commitments
At 30 June 2025, the Group had non-cancellable commitments for the purchase of property, plant and equipment, capitalised software and development of $21.6 million (31 December 2024: $42.6 million).

Contingent liabilities
The Company and its subsidiaries are party to various legal claims and disputes which arise in the normal course of business. Provisions are recognised for outcomes that are deemed probable and can be reliably estimated. Management believe that any material liability in respect of legal actions and claims not already provided for, is remote.

13. Subsequent events

There have been no events between the balance sheet date, and the date on which the financial statements were approved by the Board of Directors, which would require adjustment to the financial statements or any additional disclosure. Refer to the Category Review section of this document for further commentary on the two draft CMS proposals published on 30 June 2025 and 14 July 2025.

On 28 July 2025, the Board declared an interim dividend to be distributed on 1 October 2025. Refer to Note 5 - Dividends for further details.

Directors' Responsibilities Statement

The Directors confirm that to the best of their knowledge:

- The Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 as adopted by the United Kingdom; and

- The interim management report includes a fair review of the information required by:
  a. DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the Condensed Consolidated Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  b. DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The composition of the Board of Directors of Convatec Group plc has not changed since reported in the 2024 Annual Report and Accounts. A list of current Directors is maintained on our corporate website (www.convatecgroup.com).

By order of the Board:

Karim Bitar	Chief Executive Officer	28 July 2025
Jonny Mason	Chief Financial Officer	28 July 2025