



The Ypsomed Group is a leading developer and manufacturer of injection and infusion systems for self-medication and a renowned diabetes specialist with over 30 years' experience. As a leader in innovation and technology, Ypsomed is the preferred partner for pharmaceutical and biotech companies for the supply of injections pens, autoinjectors and infusion systems to administer liquid drugs. Ypsomed promotes and sells its product portfolio under the umbrella brands, mylife™ Diabetescare directly to patients or through pharmacies and clinics, and under YDS Ypsomed Delivery Systems as business-to-business to pharmaceutical companies.

Ypsomed has its headquarters in Burgdorf, Switzerland, and operates a global network of manufacturing sites, subsidiaries and distributors. The Ypsomed Group employs around 1 500 employees.



Growth through own-manufactured products

During the first semester of the financial year 2018/19 we achieved a consolidated total turnover of CHF 258.7 million (previous year: CHF 213.4 million). This corresponds to an increase of CHF 45.3 million.

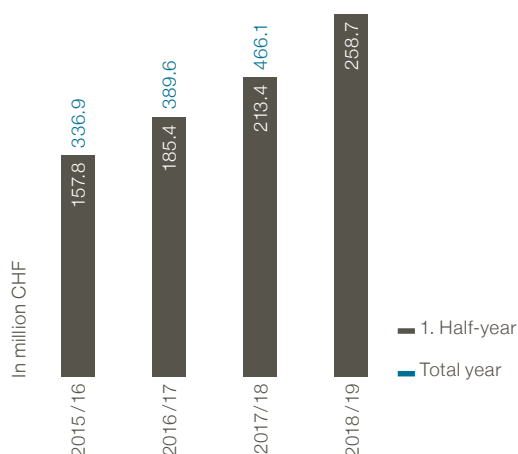
Included in the result is a CHF 49.8 million revenue and profit-related compensation from Insulet Corp. for setting up the European distribution structure for the Omnipod® insulin patch pump. Adjusted for all Omnipod® effects, we achieved growth of CHF 16.8 million, an increase of 12.6 %. The operating result (EBIT) amounts to CHF 68.4 million (previous year: CHF 26.9 million) with an EBIT margin of 26.4 %. The net profit for the reporting period amounts to CHF 56.1 million (previous year: CHF 23.4 million).

Ypsomed Diabetes Care: strong performance with own products

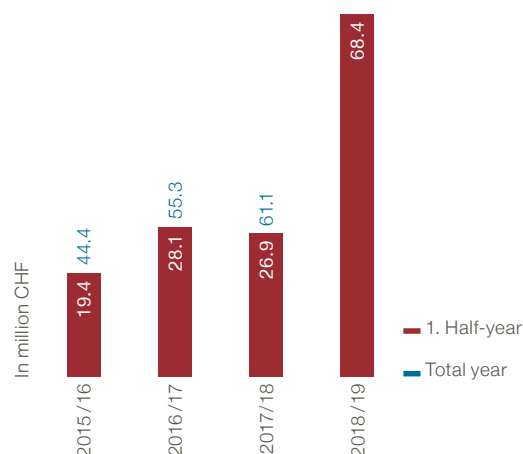
In the Ypsomed Diabetes Care (YDC) segment, we achieved a turnover of CHF 181.7 million in the first half of 2018/19 (previous year: CHF 141.9 million). The revenues include the expected compensation of Insulet Corp. to the amount of CHF 49.8 million as well as the contributions from the distribution of the mylife™ OmniPod® until 30 June 2018. For the second quarter beginning on 01 July 2018, a CHF 28.9 million turnover contribution can be attributed to the discontinuation of the mylife™ OmniPod® compared with the previous year. At the same time, our diabetes specialist retailer DiaExpert has concluded a dealer agreement for the direct distribution of the Omnipod® in Germany as from 01 July 2018 with the Insulet Corp. which contributed CHF 7.6 million to segment turnover for the first half of 2018/19.

In our traditional business without contributions from Omnipod®, in other words, also without the mentioned turnover contribution from Omnipod® sales by DiaExpert, we were able to increase sales by 18.1 % to CHF 73.2 million (previous year: CHF 62.0 million) compared with the previous year. Especially our own mylife™ YpsoPump® insulin pump, but also the business with pen needles, made a gratifying contribution to the increase in turnover which exceeded our expectations. Due to the new technologies in glucose measurement, sales of test strips declined, but at a slower rate than the market as a whole.

Development of turnover at group level



Development of EBIT at group level



Ypsomed Delivery Systems: stable growth

During the first half-year 2018/19, the Ypsomed Delivery Systems (YDS) segment achieved a turnover of CHF 68.1 million (previous year: CHF 62.7 million). This represents an increase in sales of 8.6 %. GSK's withdrawal from the market with its GLP-1 product Tanzeum® was more than overcompensated for by our diversified product and customer portfolio. In addition, increased project revenues and increased deliveries for clinical studies contributed to the result. Furthermore, there was an increase in delivery volumes during the reporting period so that our pharmaceutical partners could test final assembly and prepare for commercial market entry. The area of contract manufacturing continues to grow and proves to be a solid revenue generator due to good partnerships.

Others: continued slight growth in turnover

The Others segment consists of our subsidiary Ypsotec and properties not used for operational purposes. In this segment, we recorded a slight growth in turnover of 2.1 % to CHF 8.9 million (previous year: CHF 8.7 million).

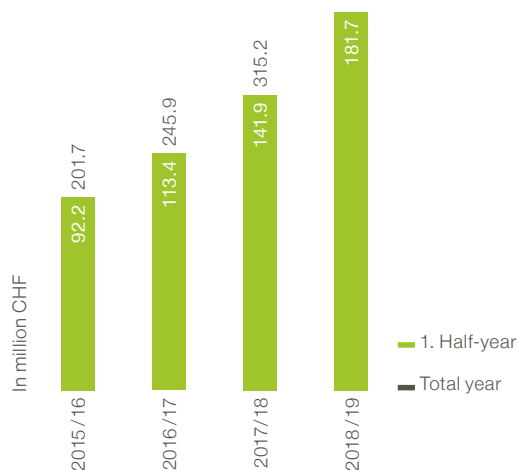
Own-manufactured products and expansion influence results

In the first half-year of 2018/19, the operating result (EBIT) compared with the previous year increased from CHF 26.9 million to CHF 68.4 million. The EBIT margin is 26.4 % (previous year: 12.6 %).

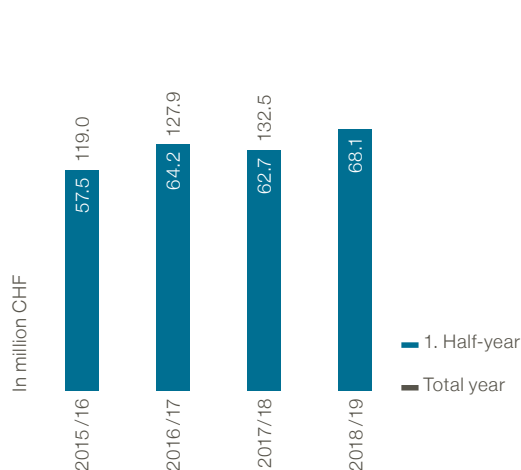
The following factors have affected the result of the first half-year:

- During the reporting period, Omnipod® distribution was transferred to Insulet Corp. as of 30 June 2018. We booked CHF 49.8 million in compensation from Insulet Corp. for building up the European distribution structure for the Omnipod® insulin patch pump. In the discontinued business segment, we generated an EBIT of CHF 13.2 million in addition to the compensation, which was positively influenced by the reversal of value adjustments and a positive currency situation in the first three months of the current financial year from Swiss francs to US dollars and euros.

Turnover Ypsomed Diabetes Care



Turnover Ypsomed Delivery Systems



- We have not only fully maintained our country sales and marketing structures, but are also continuing to invest in the consistent development of new subsidiaries, for example in Australia, Canada and Belgium. Add to this, higher amortisation for development costs. Overall, the mylife™ YpsoPump® negatively impacted our Group result by CHF 10.8 million.
- Costs for the further development of our platforms for our injection pens and auto-injectors, such as the YpsoDose® patch injector, also impacted profits.

Strong increase in cash flow and investments



Willy Michel

Dr. h.c. Willy Michel
Chairman of the
Board of Directors

In the first half of the financial year 2018/19, the cash flow from business activities increased from CHF 31.4 million to CHF 54.2 million compared with the previous year's period. Major changes result from the ending of the distribution of the mylife™ OmniPod® for the items trade receivables, other receivables and accrued income, inventories as well as trade payables.

Our investment activities in the reporting period have more than doubled compared to the previous year and amount to CHF 66.9 million (previous year: CHF 26.4 million). Of this amount, CHF 59.0 million is attributable to investments in property, plant and equipment, including CHF 26.0 million for the construction of the new production facility in Schwerin, CHF 9.7 million for the production infrastructure for injection moulding tools and the additional office workplaces in Burgdorf and CHF 23.3 million for the expansion and renewal of the infrastructure at the existing sites. In addition, we invested CHF 8.4 million into intangible assets. The majority went into the further development of our injection and infusion systems.

Our short-term financial debt to banks increased by CHF 34.0 million during the first half-year 2018/19 to the new amount of CHF 83.0 million. On 05 July, we distributed CHF 17.6 million as tax-free dividends from capital reserves.

Strong increase in total equity



Simon Michel

Simon Michel
Chief Executive Officer

With regard to the balance sheet, cash and cash equivalents totalled CHF 35.0 million for the first half of 2018/19. Other current assets of CHF 58.6 million include CHF 49.8 million in compensation from Insulet Corp. This provides for a quarterly payment obligation, beginning on 30 November 2018. Our total equity amounts to CHF 376.3 million (previous year: CHF 341.5 million). The equity ratio is 69 %.

Outlook

In the 2018/19 financial year, our sales will be in the same order of magnitude as in the financial year 2017/18. At the EBIT level, we expect a result of CHF 73 million for the current financial year. This assumes compensation from Insulet Corp. of around CHF 50 million. The final amount will depend on Insulet's service and sales performance in Europe and may differ negatively if existing customers terminate their diabetes therapy with the Omnipod® within twelve months of the end of the contract. For our operating business, we expect a slightly higher EBIT of CHF 23 million.



Committed to users

Individualisation in diabetes therapy

Digitisation lends itself to new forms of therapy. This is accompanied by increased user expectations of individualised therapy solutions. To meet these user needs, it is clear that future developments must move towards open systems.

Digitisation creates new networks in the health sector. In the social media, the diabetes community has long been grouped under the hashtag #wearenotwaiting. It requires manufacturers to open the communication protocols of their devices in order to be able to use them more flexibly. In addition, there is a considerable number of “do-it-yourself loopers” who use old insulin pumps and sensors as well as a public app to control insulin delivery more individually and, above all, more automatically.

Meanwhile, the diabetes community is picking up momentum from international organisations. With its “Open-Protocol Automated Insulin Delivery (AID) Systems Initiative”, the globally active and renowned Juvenile Diabetes Research Foundation (JDRF) has created a framework to support manufacturers in the development of open systems.

An insulin pump for mature users

Our attention is clearly focused on the different needs of the users of our products. True to our vision of “a free choice in pump therapy”, we therefore design and develop our products on a modular basis, i.e. not as a closed system, but also for people who feel responsible for their own therapy. For this reason we have also decided to join the initiative of the JDRF.

Over two years, JDRF will provide funding to accelerate the development of the next generation of the mylife™ YpsoPump®, which will enable even better automated insulin delivery by exchanging data over open communication protocols with smartphone apps and devices. This development enables a seamless connection with the mylife™ YpsoPump® via secure, well documented and verified communication protocols.

In the next financial year, we also plan to integrate data from continuous glucose monitoring systems (CGM) into the mylife™ App and to establish two-way communication between our insulin pump and the mylife™ App so that the pump can be controlled from the mobile phone. Participation in the Open-Protocol Automated Insulin Delivery (AID) Systems Initiative of JDRF is thus the next logical technical development and a further contribution to giving people with diabetes greater freedom of choice in their treatment options and significantly reducing the burden on people with diabetes.

Together with partners such as JDRF, the Diabetes Centre Berne, the University Hospital for Diabetology (UDEM) in Berne and other international research institutions, we are convinced that we can create an open platform that will enable even more individualised insulin pump therapy. Our objective is to support this interoperability so that users can choose the most appropriate solution for their therapy needs. From simple handling without combination with a continuous glucose sensor to individually optimised and highly automated solutions.



YDS Digital solutions create added value

Data increase adherence to therapy

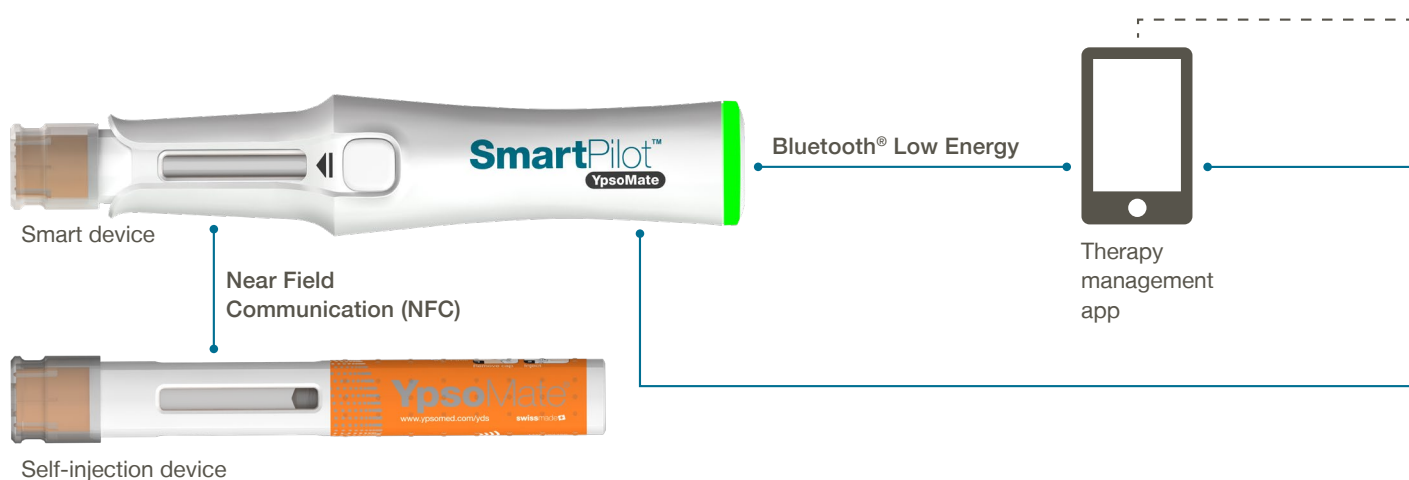
In the Ypsomed Delivery Systems (YDS) division we are expanding our portfolio in cooperation with Philips by YDS SmartServices™ digital services. The solution allows our customers to directly access the data from the networked injection devices and link them to their known patient data. The result is a digital management of the injection devices and thus an important contribution to the improvement of therapeutic success.

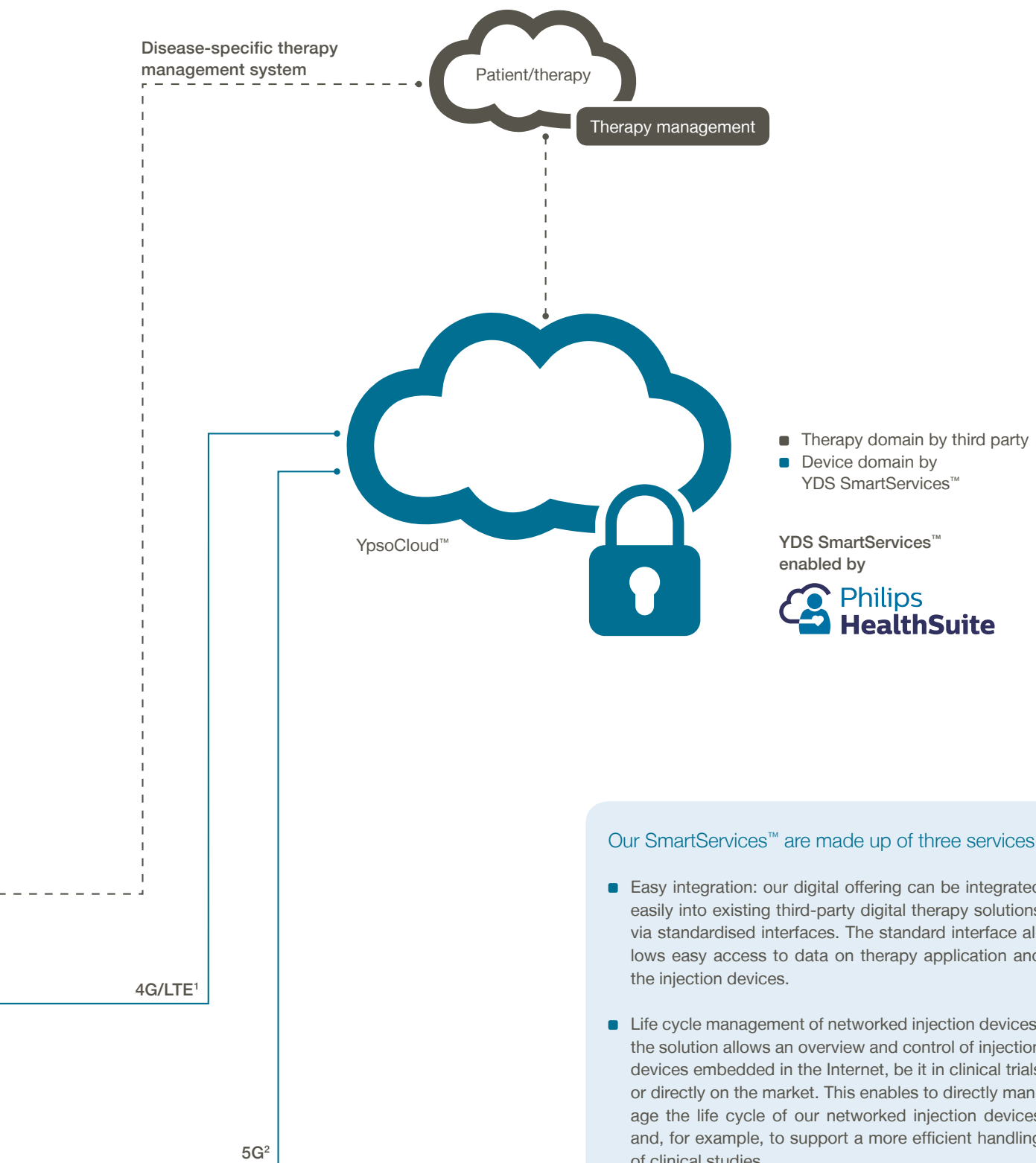
In the course of ongoing digitisation, our industry has concentrated primarily on therapy-specific challenges and less on the complexity of digitally networked injection devices. However, the new possibilities in therapy management make it clear which role efficiently networked and intelligent injection systems can play in successful therapy. Injection pens securely connected to the Internet make it possible to precisely monitor users' adherence to therapy, support patients in their application and thus significantly increase the success of therapy.

With YDS SmartServices™, we are developing a generic solution for our pharmaceutical and biotech customers to check user compliance and manage digitally networked injection systems securely and effectively. The solution enables easy integration of the injection devices into existing digital platforms on the customer side. This enables the effortless integration of therapy-relevant patient data at the customer's end. The injection data from injection pens and autoinjectors are collected in encrypted form via our SmartPilot™ and evaluated by our customers. Access to therapy-relevant data from the in-

jection devices enables our customers to fully focus on building therapy-specific digital solutions for patients, healthcare professionals and caregivers. To this end, we have partnered with Philips, a leader in the field of healthcare technology. Based on the Philips cloud platform, the two companies are developing a solution that facilitates the integration of our intelligent devices into the digital architecture. This shortens the time-to-market, enables secure, privacy-compliant scaling of the solution, and integrates data from our devices with other data sources to support various applications.

With a focus on ease of integration, digital life cycle management and a secure, end-to-end connection of injection devices to the cloud, we overcome hurdles that previously existed for injection systems in connection with therapeutic success.





¹ 4G/LTE stands for the fourth generation of mobile communications. In mobile broadband, LTE currently enables data rates of up to 150 Mbps.

² 5G is designed to enable data rates of up to 1 GBit/s for dozens of connections or dozens of MBit/s for tens of thousands of connections. Subject to country-specific availability.

Our SmartServices™ are made up of three services:

- Easy integration: our digital offering can be integrated easily into existing third-party digital therapy solutions via standardised interfaces. The standard interface allows easy access to data on therapy application and the injection devices.
- Life cycle management of networked injection devices: the solution allows an overview and control of injection devices embedded in the Internet, be it in clinical trials or directly on the market. This enables to directly manage the life cycle of our networked injection devices and, for example, to support a more efficient handling of clinical studies.
- Secure, continuous connection from the injection device to the YpsoCloud™: YDS SmartServices™ offer an encrypted, continuous connection of the injection device to the YpsoCloud™ which complies with the highest standards.



Global responsibility

Sustainability is a matter of course

The topic of sustainability is en vogue. This term not only embraces environment-friendly and resource-saving actions, but also responsibility towards society and the company-specific stakeholders. In an interview, CEO Simon Michel explains what we mean by the term and how we will assume our responsibility even more forcefully in the future.



Simon Michel
Chief Executive Officer

What is Ypsomed's motivation to focus more on the topic of sustainability and what does Ypsomed mean by this?

As a fast-growing company, we are expanding globally. New subsidiaries are being established all over the world, new production sites are being built. Production volume is increasing consistently due to high demand. What began as a small family business in Emmental, Switzerland, has now grown into a global corporation. As a consequence, this also increases our ecological footprint. And with it also the responsibility, which producing companies like us have.

Global company, global responsibility – towards the environment, to society, and to give back part of the revenue generated for the benefit of all. For companies, this also means offering products and services that bring the greatest possible benefit to users and society.

Ecology and social responsibility are trend topics of today and are firmly anchored in the sustainability strategy of many companies. How are these topics addressed at Ypsomed?

Environmental awareness and social responsibility are among the cornerstones of our corporate culture. One example of this is mobility. We promote the use of public transport by providing all employees with a free half-fare SBB season ticket. This offer is financed from the pool of fees levied on the company's own parking spaces. In addition, every apprentice receives a full-fare season ticket free of charge. We have installed charging stations for electric cars in the car park at our headquarters in Burgdorf.

Furthermore, we operate a sustainable personnel policy with a high level of employee commitment. The satisfaction level of our employees is consistently high, the fluctuation rate is consistently low. We actively promote the possibility of "lifelong learning" and offer our employees customised further training opportunities as well as modern and flexible working models.

Are there also economic motives besides the social and ecological aspects? After all, a company also has to bear profits in mind.

Of course there are. Our actions are always geared to long-term profitability. We are committed not only to the environment and society, but also to our long-term oriented shareholders. In addition, we have pursued the same dividend policy ever since the company was founded: we distribute around one third of net profits annually. We also take our responsibility towards our employees seriously and offer secure jobs and prospects in the long term. We are currently in a period of strong growth and are recruiting many new colleagues, particularly in Switzerland. We are clearly committed to Switzerland as a business location and are fully expanding our capacities here.

What concrete measures is Ypsomed taking to reduce CO₂ emissions and improve energy efficiency?

We attach great importance to optimising energy efficiency and reducing CO₂ emissions. Since 2016, we have consistently implemented the Energy Ordinance for Bulk Users, part of the Swiss Government's Energy Strategy 2050. This stipulates achieving a 20% increase in efficiency in energy consumption within a period of ten years. We will meet these targets within the framework of the universal target agreement with the Federation.

Since 2017, we hold the label "Energy and CO₂-reduced". Large savings were achieved particularly in the highly automated production area. Due to the installation of a heat pump at the Solothurn site, the heat energy generated during plastic injection moulding is used for heating the building. In Solothurn, we can therefore completely dispense with the use of fossil fuels and thus significantly reduce the CO₂ concentrations.

What happens next? Will further measures follow?

There is always room for improvement in the areas of the environment and social responsibility. As a globally operating company, we have a global responsibility towards the environment and society. We must act in a future-oriented manner, after all, we are all dependent on an intact environment. We will make our sustainability programme ready for today's world and act accordingly. In the coming months we will have more to report on the subject.

The heat pump used in production replaces fossil fuels.





Consolidated income statement

(Unaudited Swiss GAAP FER figures) in thousand CHF

	Annex	01 April 2018 – 30 Sept. 2018	in %	01 April 2017 – 30 Sept. 2017	in %
Sales of goods and services	2	258 701	100.0 %	213 363	100.0 %
Cost of goods and services sold		–148 589	–57.4 %	–151 662	–71.1 %
Gross profit		110 112	42.6 %	61 701	28.9 %
Marketing and sales expenses		–32 594	–12.6 %	–26 855	–12.6 %
Administration expenses		–10 881	–4.2 %	–9 502	–4.5 %
Other operating income		2 636	1.0 %	2 482	1.2 %
Other operating expenses		–912	–0.4 %	–893	–0.4 %
Operating profit	2	68 362	26.4 %	26 932	12.6 %
Financial income	4	2 354	0.9 %	4 248	2.0 %
Financial expenses	4	–6 232	–2.4 %	–3 880	–1.8 %
Profit before income taxes		64 484	24.9 %	27 300	12.8 %
Income taxes		–8 395	–3.2 %	–3 897	–1.8 %
Net profit		56 088	21.7 %	23 403	11.0 %
Earnings per share (diluted and undiluted) in CHF	5	4.45		1.86	
Operating profit		68 362		26 932	
Depreciation and impairment of fixed assets		11 169		8 939	
Amortisation and impairment of intangible assets		8 836		6 734	
EBITDA (operating profit before depreciation and amortisation)		88 367	34.2 %	42 604	20.0 %



Consolidated balance sheet

(Unaudited Swiss GAAP FER figures) in thousand CHF

Assets	Annex	30 Sept. 2018	in %	31 March 2018	in %
Cash and cash equivalents		35018	6.4 %	32111	6.4 %
Trade receivables		63055	11.5 %	98479	19.7 %
Other current assets	3	58597	10.7 %	12116	2.4 %
Prepayments and accrued income		10739	2.0 %	8638	1.7 %
Current income tax assets		202	0.0 %	158	0.0 %
Inventories		49910	9.1 %	59284	11.9 %
Customer machinery		3865	0.7 %	7526	1.5 %
Total current assets		221387	40.5 %	218311	43.6 %
Financial assets		8622	1.6 %	10196	2.0 %
Deferred income tax assets		2924	0.5 %	2280	0.5 %
Fixed assets		236478	43.2 %	192314	38.4 %
Intangible assets		77813	14.2 %	77139	15.4 %
Total non-current assets		325838	59.5 %	281928	56.4 %
Total assets		547225	100.0 %	500239	100.0 %
Liabilities and equity					
	Annex	30 Sept. 2018	in %	31 March 2018	in %
Financial liabilities		83000	15.2 %	49000	9.8 %
Trade payables		17810	3.3 %	31916	6.4 %
Prepayments from customers		8223	1.5 %	13181	2.6 %
Current income tax payable		10345	1.9 %	6819	1.4 %
Other payables		2080	0.4 %	7245	1.4 %
Accrued liabilities and deferred income		31245	5.7 %	32722	6.5 %
Provisions		1356	0.2 %	1570	0.3 %
Total current liabilities		154059	28.2 %	142453	28.5 %
Non-current liabilities to major shareholder		10000	1.8 %	10000	2.0 %
Other non-current financial liabilities		24	0.0 %	32	0.0 %
Provisions		3533	0.6 %	3315	0.7 %
Deferred income tax liabilities		3332	0.6 %	2897	0.6 %
Total non-current liabilities		16889	3.1 %	16245	3.2 %
Share capital		178994	32.7 %	178994	35.8 %
Capital reserves		119128	21.8 %	136777	27.3 %
Own shares/Translation exchange differences		-15649	-2.9 %	-11944	-2.4 %
Goodwill acquired offset		-322892	-59.0 %	-322892	-64.5 %
Retained earnings		416695	76.1 %	360607	72.1 %
Total equity	6	376276	68.8 %	341542	68.3 %
Total liabilities and equity		547225	100.0 %	500239	100.0 %



Consolidated statement of cash flows

(Unaudited Swiss GAAP FER figures) in thousand CHF

	Annex	01 April 2018 – 30 Sept. 2018	01 April 2017 – 30 Sept. 2017
Net profit		56 088	23 403
Depreciation and amortisation of fixed and intangible assets		20 005	15 672
Loss from impairment (+)/Reversal of impairment (-)	4	1 431	1 382
Change in provisions (incl. deferred income taxes)		-227	-1 246
Other expenses/income that do not affect the fund		872	-1 686
Gain (-)/loss (+) of fixed and financial assets		-77	-1 113
Increase (-)/decrease (+) in trade receivables		33 602	-6 120
Increase (-)/decrease (+) in other receivables and prepayments and accr. income	3	-49 167	-1 277
Increase (-)/decrease (+) in inventories		8 596	-4 680
Increase (-)/decrease (+) in customer machinery		3 661	2 865
Increase (+)/decrease (-) in trade payables		-13 093	5 168
Increase (+)/decrease (-) in prepayments from customers		-4 958	-4 233
Increase (+)/decrease (-) in other payables and accr. liabilities and deferred income		-2 529	2 287
Cash flow from operating activities		54 203	31 424
Disposal of financial assets		252	
Purchase of fixed assets		-59 041	-20 933
Disposal of fixed assets		260	1 116
Purchase of intangible assets		-8 411	-5 578
Cash flow from investing activities		-66 940	-26 395
Proceeds (+)/repayment (-) from borrowings		34 000	15 000
Purchase (-)/disposal (+) of own shares		-5	-8 048
Distribution of capital reserves	6	-17 644	-16 406
Cash flow from financing activities		16 351	-9 453
Effect of foreign currency translation		-707	988
Total cash flow		2 907	-3 436
Cash and cash equivalents as of 01 April		32 111	38 884
Cash and cash equivalents as of 30 September		35 018	35 448
Net increase (+)/decrease (-) in cash and cash equivalents		2 907	-3 436



Consolidated statement of changes in equity

(Unaudited Swiss GAAP FER figures)
in thousand CHF

	Share capital	Group reserves and share premium	Treasury shares	Cumulative translation reserve	Goodwill offset	Retained earnings	Total
Balance as of 01 April 2017	178 994	150 677	-3 090	-10 440	-322 892	308 547	301 796
Net profit						23 403	23 403
Distribution of dividends from capital contribution reserves		-16 406					-16 406
Disposal of own shares		-13	-8 035				-8 048
Translation exchange differences				3 063			3 063
Balance as of 30 September 2017	178 994	134 259	-11 125	-7 377	-322 892	331 950	303 809

	Share capital	Group reserves and share premium	Treasury shares	Cumulative translation reserve	Goodwill offset	Retained earnings	Total
Balance as of 01 April 2018	178 994	136 777	-6 595	-5 349	-322 892	360 607	341 542
Net profit						56 088	56 088
Distribution of dividends from capital contribution reserves		-17 644					-17 644
Disposal of own shares		-5					-5
Translation exchange differences				-3 705			-3 705
Balance as of 30 September 2018	178 994	119 128	-6 595	-9 054	-322 892	416 695	376 276



Notes to the consolidated interim financial statements

Figures in thousand CHF unless otherwise stated.

1. Accounting policies

Basics

This consolidated semiannual balance includes the non-audited consolidated half-year financial statement of the Ypsomed Holding AG and its subsidiaries for the reporting period ending 30 September 2018. The consolidated semiannual balance was prepared in compliance with Swiss GAAP FER 31 interim reporting. The accounting principles applied to the preparation of the semiannual balance comply with the accounting principles on which the consolidated balance per 31 March 2018 was based. The consolidated semiannual balance was released for publication by the Board of Directors on 31 October 2018.

The business operations of Ypsomed are not subject to major seasonal or cyclic fluctuations within the financial year. Preparation of the semiannual balance necessitates that Management make certain estimates and assumptions which may affect the assets and liabilities balanced on the effective reporting date and the revenues and expenditures given for the reporting period. These estimates and assumptions are based on future expectations and are deemed as being appropriate at the point in time of preparing the semiannual balance. The actual figures may differ from these estimates.

2. Segment information

Ypsomed discloses net sales from the perspective of sales structures, according to Ypsomed Delivery Systems (YDS: injection systems) and Ypsomed Diabetes Care (YDC: insulin pumps, infusion sets, pen needles, blood glucose monitoring systems and other accessories). The YDS division provides pharmaceutical and biotech customers with injection systems and related services. This is a B2B situation which is handled directly by the headquarters in Burgdorf. In the YDC area, the products are sold directly to hospitals, doctors, pharmacies and patients via Ypsomed subsidiaries and distributors. The segment Others comprises Ypsotec and properties not used for operational purposes.

Due to possible competitive disadvantages, segment results are not disclosed in accordance with Swiss GAAP FER 31/8. Compared to relevant competitors in the field of injection systems and insulin pumps, this results in

significantly higher transparency with regard to the cost and margin structure and Ypsomed would be the only company to provide detailed segment profitability information. Most of the relevant competitors are companies without publicly available financial information (Owen Mumford, Haselmeier, SHL Group), or large companies with large reporting segments and diluted comparative information (Roche, Medtronic, Becton Dickinson). Accordingly, disclosure of such information would result in a significant competitive disadvantage compared to competitors. In addition, such information can have a negative impact on the negotiating position towards customers and suppliers.

	Ypsomed Diabetes Care	Ypsomed Delivery Systems	Others	Eliminations	Group
Half-year 2017/18					
Sales of goods and services to third-party customers	141 937	62 734	8 692		213 363
Intersegmental sales			686	–686	0
Total sales of goods and services	141 937	62 734	9 379	–686	213 363
Operating profit					26 932
EBIT margin					12.6 %
Investments in fixed and intangible assets					26 511
Depreciation/Amortisation/Impairment					15 672

	Ypsomed Diabetes Care	Ypsomed Delivery Systems	Others	Eliminations	Group
Half-year 2018/19					
Sales of goods and services to third-party customers	181 705	68 119	8 877		258 701
Intersegmental sales			1 085	–1 085	0
Total sales of goods and services	181 705	68 119	9 962	–1 085	258 701
Operating profit					68 362
EBIT margin					26.4 %
Investments in fixed and intangible assets					66 988
Depreciation/Amortisation/Impairment					20 005

3. Discontinued operations

On 21 July 2017, Ypsomed announced that the distribution agreement with Insulet Corp. for the distribution of the Omnipod® will not be extended. The existing agreement

with Insulet Corp. ended on 30 June 2018. The Ypsomed Diabetes Care segment in the regions Switzerland and Europe is affected as follows:

	Total year 2017/18	Half-year 2018/19	Half-year 2017/18
Net revenues from third-party customers Omnipod® until 30 June 2018	181 679	51 007	79 924
Compensation for market establishment		49 846	
Total sales of goods and services	181 679	100 853	79 924
Operating profit	33 985	63 070	14 399

As contractually agreed compensation for the establishment of the European distribution structures for Omnipod®, Ypsomed booked income of CHF 49.8 million as compensation from Insulet Corp. as at 30 June 2018. In the balance sheet, it is reported under other current assets. The calculation of the compensation is based on Omnipod® deliveries to existing customers over the next twelve months and is therefore highly dependent on the future service and sales performance of Insulet. Accordingly, the final amount may differ negatively if

existing customers terminate their diabetes therapy with the Omnipod® within twelve months of the end of the contract.

On 29 June 2018, DiaExpert GmbH, Germany, concluded a non-exclusive agreement with Insulet Corp. for the distribution of Omnipod® in Germany at standard mail order conditions. As part of this business, DiaExpert generated net sales of CHF 7.6 million in the second quarter of 2018/19.

4. Financial income

	Half-year 2018/19	Half-year 2017/18
Dividend income	696	670
Foreign exchange gains	1 638	3 554
Other financial income	20	24
Total financial income	2 354	4 248
Interest expense	248	145
Impairment of financial asset Bionime	1 431	1 382
Foreign exchange losses	4 432	2 261
Other financial expense	122	92
Total financial expense	6 232	3 880

5. Earnings per share

The earnings per share are calculated by dividing the net profits by the monthly weighted number of outstanding shares during the period. Here, the average number of

own shares held by the group companies is subtracted from the issued shares.

	Half-year 2018/19	Half-year 2017/18
Net profit in thousand CHF	56 088	23 403
Number of outstanding shares weighted on a monthly basis	12 602 953	12 595 524
Earnings per share in CHF (diluted and undiluted)	4.45	1.86

6. Payment to shareholders

As per 05 July 2018, CHF 1.40 per share were paid to the shareholders free of withholding tax from capital reserves. The total payment amounted to CHF 17.6 million (previous year: CHF 16.4 million).



Information policy

Ypsomed Holding AG maintains an open and transparent communication policy towards shareholders, potential investors, financial analysts, the media, customers and other interested people, based on the principle of equality. The company uses the following tools: annual report, semiannual report, presentation of the annual results to the media and financial analysts ahead of the General Meeting of Shareholders, as well as media briefings and company publications that have potential relevance to the share price. Responsibility for communication with investors rests with the Chairman of the Board of Directors.

The following research banks monitor the development of the Ypsomed Group:

BZ-Bank, Wilen: Holger Blum
Credit Suisse, Zurich: Christoph Gretler
MIRABAUD Securities LLP: Daniel Jelovcan
Vontobel AG, Zurich: Daniel Buchta
Zürcher Kantonalbank, Zurich: Sibylle Bischofberger Frick

On our website at www.ypsomed.com (under Media & Investors), all interested parties can access up-to-date and potentially market-relevant information (pull system) without charge. Furthermore, all interested parties can subscribe to an e-mail distribution list under www.ypsomed.com/newsservice (push system). The official publication organ of Ypsomed Holding AG is the Swiss Official Gazette of Commerce (SOGC). Company publications with potential relevance to the share price are usually communicated at the end of daily trading. Such publications are reported in advance to the SIX Swiss Exchange Regulation and thereafter uploaded to the above-mentioned website and simultaneously communicated to a number of national newspapers, electronic information systems and to persons registered on the e-mail distribution list.

Equity trading

The registered shares of Ypsomed Holding AG are traded on the SIX Swiss Exchange and on the BX Bern eXchange.

Ticker symbols:
 YPSN (Telekurs)
 YPSN.S (Reuters)
 YPSN SW (Bloomberg)
 Security number 1 939 699
 ISIN: CH 001 939 699 0

Important dates and contact

23 May 2019: Media conference and analysts' presentation of the annual figures 2018/19, Burgdorf

26 June 2019: General Assembly of Shareholders, Burgdorf

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Disclaimer

This annual report contains certain forward-looking statements. These can be identified by terms such as "should", "accept", "expect", "anticipate", "intend" or similar terms and phrases. The actual future results may differ materially from the forward-looking statements in this annual report, due to various factors such as legal and regulatory developments, exchange rate fluctuations, changes in market conditions, as well as the activities of competitors, the non-introduction or delayed introduction of new products for various reasons, risks in the development of new products, interruptions to production, the loss of or inability to obtain intellectual property, litigation and administrative proceedings, adverse publicity and news coverage.

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