

The Demant logo is positioned in the top right corner of the slide. It consists of the word "Demant" in a white, sans-serif font, set against a background of a blurred outdoor scene with people and greenery. A large, semi-transparent white circle is overlaid on the right side of the slide, partially covering the background image and the logo.The title "Interim Management Statement" is located on the left side of the slide. It is written in a bold, dark blue, sans-serif font. To the left of the text is a dark blue graphic element consisting of two L-shaped blocks stacked vertically. The background of the slide is a blurred outdoor scene with people sitting at a table, and a large, semi-transparent white circle is overlaid on the right side.

*6 May 2024*

Søren Nielsen, President & CEO  
René Schneider, CFO  
Investor Relations

# Agenda

- 1 | **Key events and financial take-aways**
- 2 | **Business area performance**
- 3 | **Outlook**
- 4 | **Q&A**

# Key events in Q1 2024

- 1 We have seen strong initial reception of our recently launched premium hearing aids, especially in the independent channel
- 2 Continued good performance in Hearing Aids following an extremely strong 2023. We estimate that our market share in value remained stable
- 3 Hearing Care was off to a slow start, which is slightly below expectations and due to France and continued weak market dynamics in China. However, the run rate improved during the period, and we expect growth to increase going forward
- 4 Diagnostics saw solid performance and was off to a good start to the year
- 5 We delivered on our updated strategic direction to be a fully focused hearing healthcare company and initiated a strategic review of the Communications business area





# Key financial take-aways for Q1 2024

*Organic growth of 3% driven by Diagnostics and Hearing Aids*

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Group **organic growth** of 3% in Q1 driven by Diagnostics and Hearings Aids
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The Group's **gross margin** was better than expected and improved meaningfully vs. Q1 2023, driven by our focus on improving product and channel mix to lift the ASP in Hearing Aids
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**OPEX** saw low double-digit growth, reflecting lower spending in the comparative period, continued investments in R&D and expansion of our distribution
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**EBIT** before special items in line with expectations although slightly lower than the strong Q1 2023
- Outlook for 2024 maintained:**  
 Organic revenue growth: 4-8%  
 EBIT before special items: DKK 4,600-5,000 million  
 Special items: Positive by around DKK 125 million

Business area (DKK million)	Revenue		Growth				
	Q1 24	Q1 23	Org.	Acq.	LCY	FX	Rep.
<i>Hearing Aids, total sales</i>	3,107	3,048	3%	0%	3%	-1%	2%
<i>Hearing Aids, internal sales</i>	-599	-570	1%	4%	5%	0%	5%
Hearing Aids, external sales	2,508	2,478	4%	-1%	3%	-2%	1%
Hearing Care	2,318	2,218	0%	5%	5%	0%	5%
Diagnostics	597	566	7%	0%	7%	-1%	5%
<b>Group</b>	<b>5,423</b>	<b>5,262</b>	<b>3%</b>	<b>2%</b>	<b>4%</b>	<b>-1%</b>	<b>3%</b>



**Business area  
performance**

# The hearing aid market in Q1 2024

## Unit growth in Q1 2024 vs Q1 2023

- We estimate that overall unit growth was around 3% in Q1 2024
- Growth was primarily driven by commercial markets whereas government channels grew at a slower pace in the period

## Geographical unit growth:

- Growth in **Europe** was slightly positive due to Germany and France, whereas growth was negative in the UK due to the NHS
- Growth in **North America** was positive fuelled by the US commercial market, with positive developments in both managed care and the private pay segment. Market growth in VA was slightly negative
- Rest of world** saw slowdown in growth compared to 2023. This was due to negative growth in both China and Japan, which was, however, more than offset by growth in other markets, including Australia and Latin America

Unit growth*	2023				2024	
	Q1	Q2	Q3	Q4	FY	Q1
Europe	4%	-4%	7%	2%	2%	1%
North America	9%	5%	11%	16%	10%	10%
US (commercial)	9%	5%	12%	19%	11%	13%
US (VA)	9%	4%	4%	4%	5%	-1%
Rest of world	9%	10%	7%	10%	9%	1%
<b>Global</b>	<b>7%</b>	<b>3%</b>	<b>8%</b>	<b>8%</b>	<b>7%</b>	<b>3%</b>

We estimate that geography and channel mix changes resulted in a slightly positive ASP development



# Hearing Aids in Q1

Good start to the year in Hearing Aids despite strong growth in 2023

## Comments

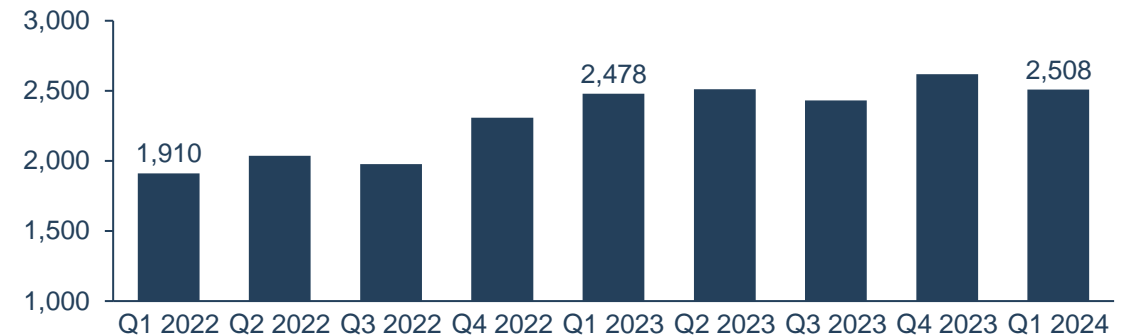
- Growth in Q1 was solid, with 4% organic growth in sales to external customers
- We have seen strong initial reception of our recently launched premium hearing aids in all brands amongst customers, particularly in the independent channel
- Growth was entirely driven by the ASP, whereas unit growth was negative, partly due to lower sales to certain large accounts

Europe	North America	Asia/Pacific/Other
<ul style="list-style-type: none"> <li>• Negative growth in France due to timing of product launch</li> <li>• Germany negatively impacted by certain larger accounts</li> <li>• Good performance in many medium sized markets</li> </ul>	<ul style="list-style-type: none"> <li>• Solid development in the US, especially with independents</li> <li>• Strong growth in VA despite negative growth in channel</li> <li>• Continued good momentum in Canada</li> </ul>	<ul style="list-style-type: none"> <li>• Negative growth in China reflecting soft market dynamics</li> <li>• Overall growth in Asia driven by minor markets</li> <li>• Strong growth in Australia and New Zealand</li> </ul>

## Revenue and growth

Revenue (DKK million)	Q1 24	Q1 23	Growth				
			Org.	Acq.	LCY	FX	Rep.
Hearing Aids	3,107	3,048	3%	0%	3%	-1%	2%
Internal sales to Hearing Care	-599	-570	1%	4%	5%	0%	5%
Sales to external customers	2,508	2,478	4%	-1%	3%	-2%	1%

## Quarterly revenue





# Hearing Care in Q1

*Hearing Care saw a slow start to the year*

## Comments

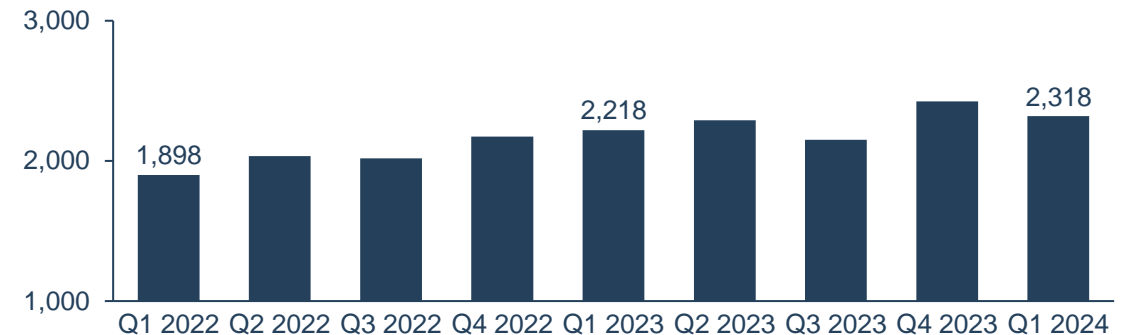
- Organic growth was 0% in Q1, which is below our initial expectations due to negative growth in France and China
- In some markets, the timing of Easter at the end of March had a slightly negative impact on sales. During the period, we have seen an improved run rate, and we expect growth to increase going forward
- Acquisitive growth of 5% was driven by Germany and Belgium

Europe	North America	Asia/Pacific/Other
<ul style="list-style-type: none"> <li>• Negative growth in France due to lower traffic and conversion rates</li> <li>• Good growth in a number of other markets</li> </ul>	<ul style="list-style-type: none"> <li>• Flat organic growth in North America</li> <li>• Slight growth in Canada was offset by slightly negative growth in the US</li> </ul>	<ul style="list-style-type: none"> <li>• Negative growth in China due to continuously weak market dynamics</li> <li>• Strong growth in Australia driven by product mix</li> </ul>

## Revenue and growth

Revenue (DKK million)	Q1 24	Q1 23	Growth				
			Org.	Acq.	LCY	FX	Rep.
Hearing Care	2,318	2,218	0%	5%	5%	0%	5%

## Quarterly revenue







# Diagnostics in Q1

*Diagnostics saw solid performance and was off to a good start to the year*

## Comments

- Organic growth was 7% in the period, which was partly supported by lower growth in the comparative period
- Organic growth was broad-based across regions with the exception of China where the weak market dynamics from 2023 continued into Q1
- Our service and hearing instrument fitting solutions businesses were the primary drivers of growth in Diagnostics

### Europe

- Strong growth, particularly in Poland and Germany
- Negative growth in the UK

### North America

- Continued growth in the US and Canada

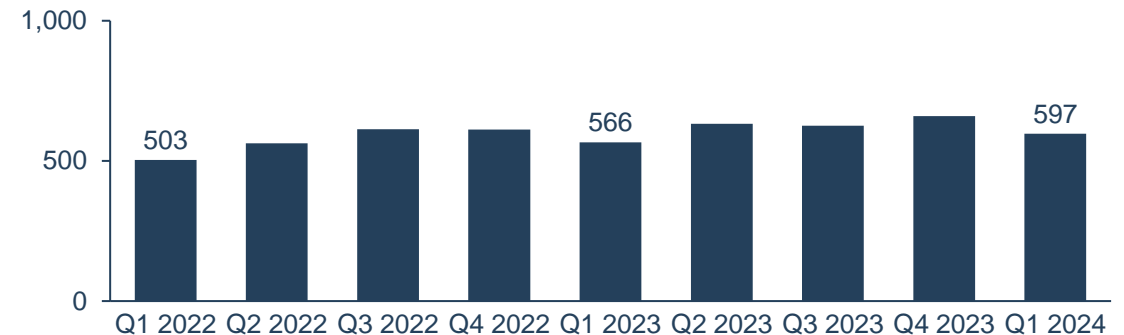
### Asia/Pacific/Other

- Negative growth in China more than offset by strong growth in Japan

## Revenue and growth

Revenue (DKK million)	Q1 24	Q1 23	Growth				
			Org.	Acq.	LCY	FX	Rep.
Diagnostics	597	566	7%	0%	7%	-1%	5%

## Quarterly revenue





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## Outlook for 2024

# Outlook assumptions

*We guide on EBIT before special items as we will recognise two extraordinary items in H1*

*Key outlook assumptions below\**

## Market

- Unit growth rate in the global hearing aid market in line with the structural growth rate of 4-6%
- **We expect a flattish ASP development for the hearing aid market**

## Demant Group

- **We expect the cash allocated to bolt-on acquisitions in 2024 to be higher than normal due to acquisitions already made in 2024 and a continuously good pipeline of attractive opportunities**

## Discontinued Operations

- Divestment of CI business is expected to close in H1 2024. BAHS will remain with the Group for now, pending a review of our strategic options. We expect profit after tax from Hearing Implants to be around DKK 0 million for 2024
- We expect profit after tax related to Communications to be negative by DKK 100-150 million. This relates entirely to an expected full-year operating loss and does not include any financial impact related to the review of strategic options

# Outlook for 2024

*The outlook for 2024 is summarised below*

Metric	Outlook
Organic growth	4-8%
EBIT before special items	DKK 4,600-5,000 million
Share buy-backs	More than DKK 2,000 million

For modelling purposes, we provide further assumptions for 2024 below:

Acquisitive growth	2% based on revenue from acquisitions completed as of 5 May 2024 (prev. 1%)
FX growth	-1% based on foreign exchange rates as of 5 May 2024 and including the impact of hedging
Effective tax rate	Around 24%
Profit after tax from discontinued operations	Negative by DKK 100-150 million, entirely related to Communications, with profit for Hearing Implants expected to be around DKK 0 million
Special items	Positive by around DKK 125 million



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## Q&A

# IR contacts



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## Roadshows and conferences:

8 May	<b>Copenhagen</b> (Carnegie)
8 May	<b>London</b> (Barclays)
22 May	<b>Frankfurt</b> (Deutsche Bank Conference)
23 May	<b>Paris</b> (SEB)
12 June	<b>Copenhagen</b> (Danske Bank Hearing Aid Seminar)
18 June	<b>London</b> (Citi European Healthcare Conference)