Vienna, Austria

25 February 2019

Welcome
&
State of the Nation

Claus F. Horneman

Oticon Export

Welcome to EES 2019: Vienna, Austria

- 2 translators: Boris and Yuri
- 14 countries represented
- 32 participants
- Oticon founded in 1904: 115 years old
- 5 person from Oticon: total of 115 years experience
  - Peter Ladischensky: 32 years with Oticon
  - Carsten Ahlbom: 43 years with Oticon
  - Johanne Rumley: 2 years with Oticon
  - Anne Østergaard: 20 years with Oticon
  - Claus Horneman: 18 years with Oticon & OM

oticon PEOPLE FIRST

Claus Horneman

Curriculum Vitae

- Born 1964
- MBA
- Employed in Demant since 2001
- Oticon Export 2001-2010
- Oticon Medical 2010-2018
- Oticon Export 2018-

On a more personal level

- Married
- Two children
- One dog
- Skiing, golf and MC

oticon
PEOPLE FIRST

1st EES 2007 in Vilnius, Lithuania

13 participants from 6 countries

2nd EES 2008 in Kiev, Ukraine

23 participants from 9 countries

oticon PEOPLE FIRST

3rd EES 2009 in Copenhagen, Denmark

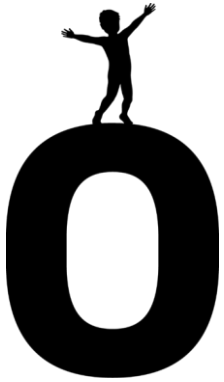
25 participants from 10 countries

oticon PEOPLE FIRST

We are in this together!

Why are we here?

- To network and share knowledge across products, audiology and future opportunities
- To learn more about the latest developments of our products and our competitors
- Get inspired and inspire your colleagues
- All of which will help us raise the bar even further



EES 2019 in Vienna, Austria

Program

Monday 25 February

09:00	**Welcome & State of the Nation** *Claus Frees Horneman*
10:30	**Break**
11:00	**Oticon Opn™ – Closing a Gap to Normal Hearing** *Johanne Rumley*
11:45	**OpenSound Navigator™ & Custom** *Carsten Ahlbom*
12:45	**Lunch**
13:45	**Oticon Siya - Essential Hearing** *Johanne Rumley*
14:45	**Break**
15:15	**Oticon Opn S™ – Breaking a Law of Physics** *Carsten Ahlbom*
16:30	**End of Today's Professional Programme**
17:30	**Meet in the Hotel Lobby and Walk to the Schönbrunn Palace** - Guided Tour around the Palace
19:30	**Dinner at Restaurant Schönbrunner Stöckl**

oticon PEOPLE FIRST

EES 2019 in Vienna, Austria

Program

Tuesday 26 February

09:00	**Oticon Opn Play™ – the New Solution for Kids** *Carsten Ahlbom*
10:30	**Break**
11:00	**Fitting of Velox™ – Practical Tips & Tricks Using Genie** *Carsten Ahlbom*
12:30	**Lunch**
13:30	**How to Increase the Opn Sales to More Than 50% of the Revenue** *Mindaugas Jonaitis*
14:30	**Getting Ready for Tour**
15:00	**Bus Departure from Hotel to the City Center followed by a Guided Walking Tour**
17:00	**Visit to the Spanish Riding School**
18:30	**Dinner at Restaurant Führich**
20:30	**Bus Transfer to the Hotel**

oticon
PEOPLE FIRST

EES 2019 in Vienna, Austria

Program

Wednesday 27 February

09:00	**Competitor Overview** *Claus Frees Horneman*
10:00	**The Future of eHealth – HearingFitness™ & RemoteCare** *Johanne Rumley*
10:45	**Break**
11:15	**Oticon Opn S vs Oticon Siya – How to Differentiate the User Benefits** *Carsten Ahlbom*
12:30	**Wrap-up & Goodbye**
13:00	**Lunch**

oticon PEOPLE FIRST

William Demant Holding becomes Demant

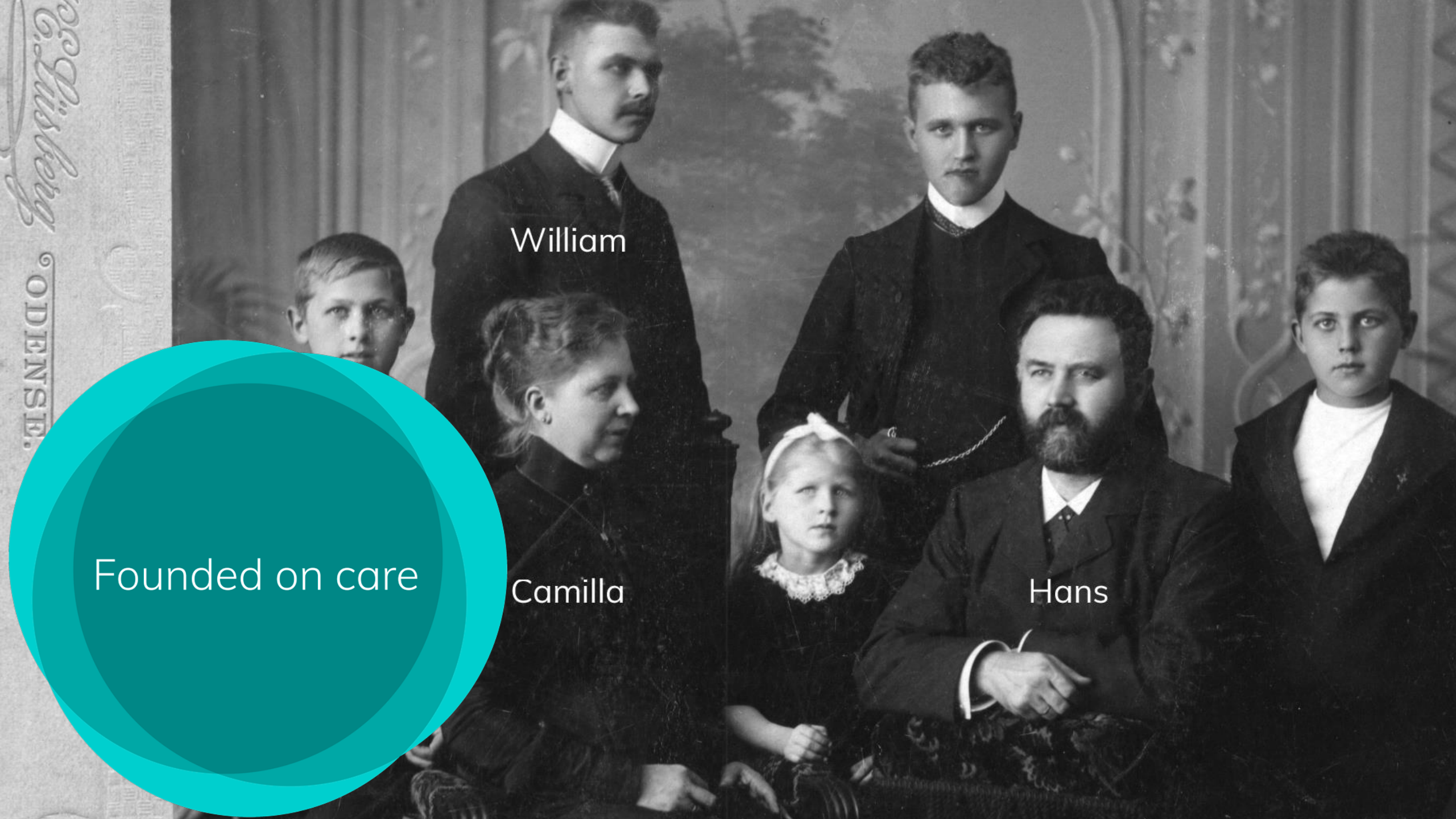
Demant

Investor news

19 February 2019

William Demant Holding changes name to Demant

William Demant Holding A/S proposes to change its name to Demant A/S. At the Annual General Meeting, the Company will ask the shareholders to approve the change of name to Demant. Furthermore, the majority owner of Demant, the Oticon Foundation, intends to change its name to William Demant Foundation.



Founded on care

Demant

Our Purpose
Mission / Vision / Promise

Life-changing hearing health

Demant

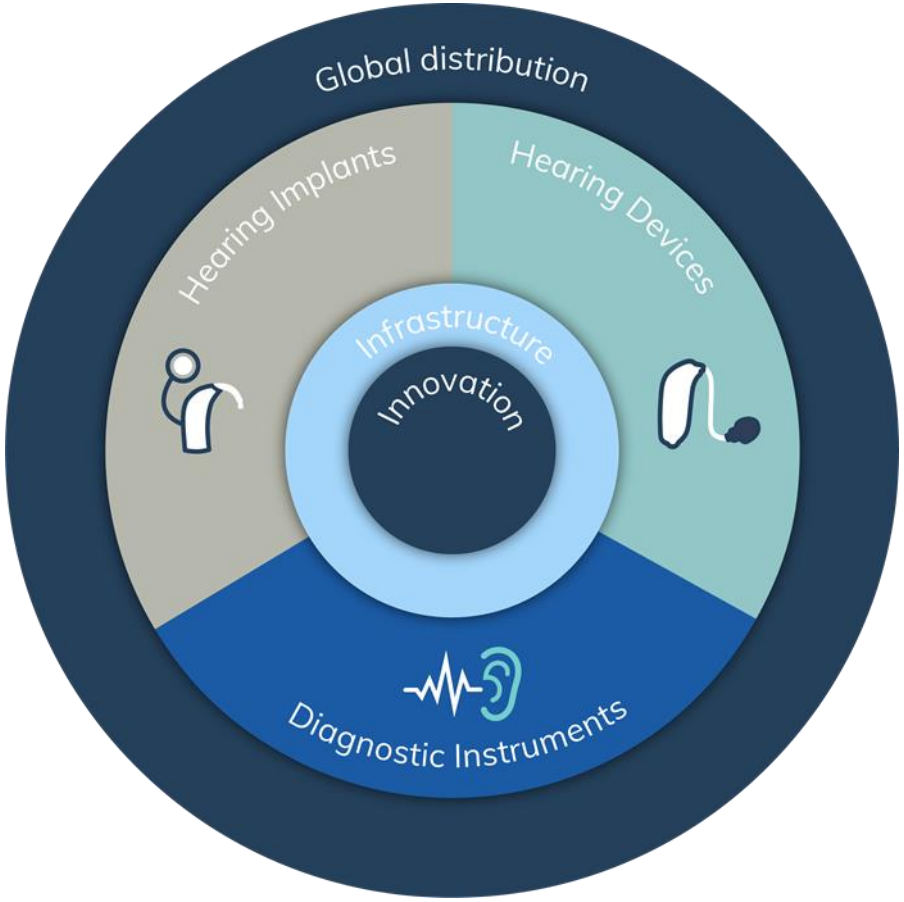
Continued growth of Oticon and Demant

- Kongebakken close to 1,400 people
- Have put up a pavilion with space for 100 + people (after this photo was taken)
- A 3rd building is planned. Construction will start 2019. Space for approximately 500 people

Demant

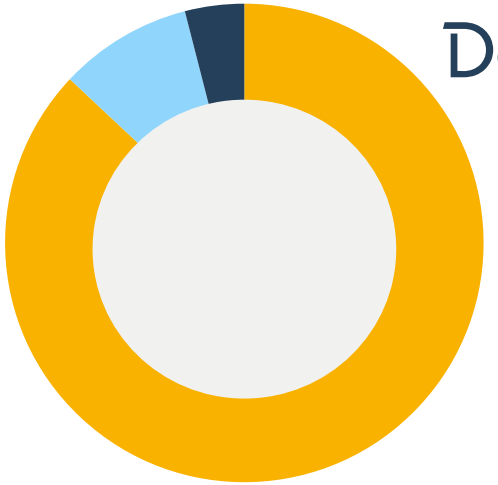
Demant Key Figures

- Revenue 2018: EUR 1.87 billion
- EBIT 2018: EUR 355 million
- Employees 2018: 14,000
- R&D 2018: EUR 135 million



Demant today

Revenue broken down by business activity



Hearing Devices 87%	Hearing Implants 4%	Diagnostic Instruments 9%
Hearing instruments and accessories	Bone-anchored hearing systems and cochlear implants	Wide range of hearing-related equipment

Shared functions - DGS

Global distribution

Demant today

Business areas

DEMANT			
HEARING DEVICES	HEARING IMPLANTS	DIAGNOSTIC INSTRUMENTS	PERSONAL COMMUNICATION
oticon PEOPLE FIRST bernafon SONIC Phonic Ear frontrow PHILIPS	oticon MEDICAL	MAICO Interacoustics amplivox gsi Grason-Stadler MedRx Micromedical TECHNOLOGIES	SENNHEISER COMMUNICATIONS Until end 2019
SHARED OPERATIONS & FUNCTIONS			
DISTRIBUTION ACTIVITIES			

Demant

PHILIPS

Demant and Philips partner in hearing health

- We share the vision to improve the lives of people through innovative healthcare
- We will take connected hearing healthcare to the next level
- A highly trusted consumer brand combined with market-leading hearing care technologies
- Bringing Philips branded hearing solutions: a perfect match with our multi-brand strategy

William Demant

Investor news 3 August 2018

William Demant and Philips partner in hearing healthcare

Based on a shared vision of improving the lives of people through innovative healthcare, William Demant will bring Philips-branded hearing solutions to the global market. This new cooperation will not only change the way we see hearing healthcare, but also widen the definition of hearing healthcare to the benefit of the end-user and hearing care professionals.

Copenhagen, Denmark – William Demant, a global leader in hearing healthcare, today announced that based on a licensing agreement, they are partnering with Philips to bring Philips-branded solutions to hearing healthcare. Combining William Demant's world-leading hearing aid technology with Philips' global brand presence in healthcare, the cooperation will enrich the hearing healthcare experience and support the healthy lifestyle and active life of even more people with hearing loss. Additionally, the solutions will present unique opportunities for hearing care professionals in an ever-evolving market.

"I am happy and proud to partner with Philips – one of the world's best known and highly trusted healthcare brands. We clearly see a great match between William Demant's technological know-how and Philips' broader healthcare offering. By partnering with Philips, we get a unique opportunity to take connected hearing healthcare to the next level and offer new and exciting solutions within integrated healthcare services to the benefit of both professionals and people living with hearing loss," says Søren Nielsen, President & CEO of William Demant.

"We are excited to partner with William Demant, as they bring audiological leadership and innovative hearing technology to the market. Together, we will be able to help improve the lives of even more people living with hearing loss and deliver on our shared vision of creating a healthier world through innovation," says Andrew Mintz, SVP, Head of Global Brand Licensing at Philips.

Health, caring and innovation are cornerstones in the vision of both William Demant and Philips, which makes the partnership a great match for the future. Furthermore, it will strengthen and add value to both companies' ambition to improve people's lives.

Further details on the cooperation will be communicated at a later stage.

* * * * * * *

Further information:
Søren Nielsen, President & CEO
Phone +45 3917 7300
www.demant.com

Other contacts:
René Schneider, CFO
Søren B. Andersson, VP IR
Mathias Holten Møller, IR Officer
Trine Kromann-Mikkelsen, VP Corporate Communication

William Demant Holding A/S | Kongebakken 9, 2765 Smørum, Denmark | +45 3917 7300, william@demant.com, www.demant.com | CVR 71186911 | Page 1 of 2

Demant

Attractive value and growth in hearing health

~5% annual value growth in the next five years

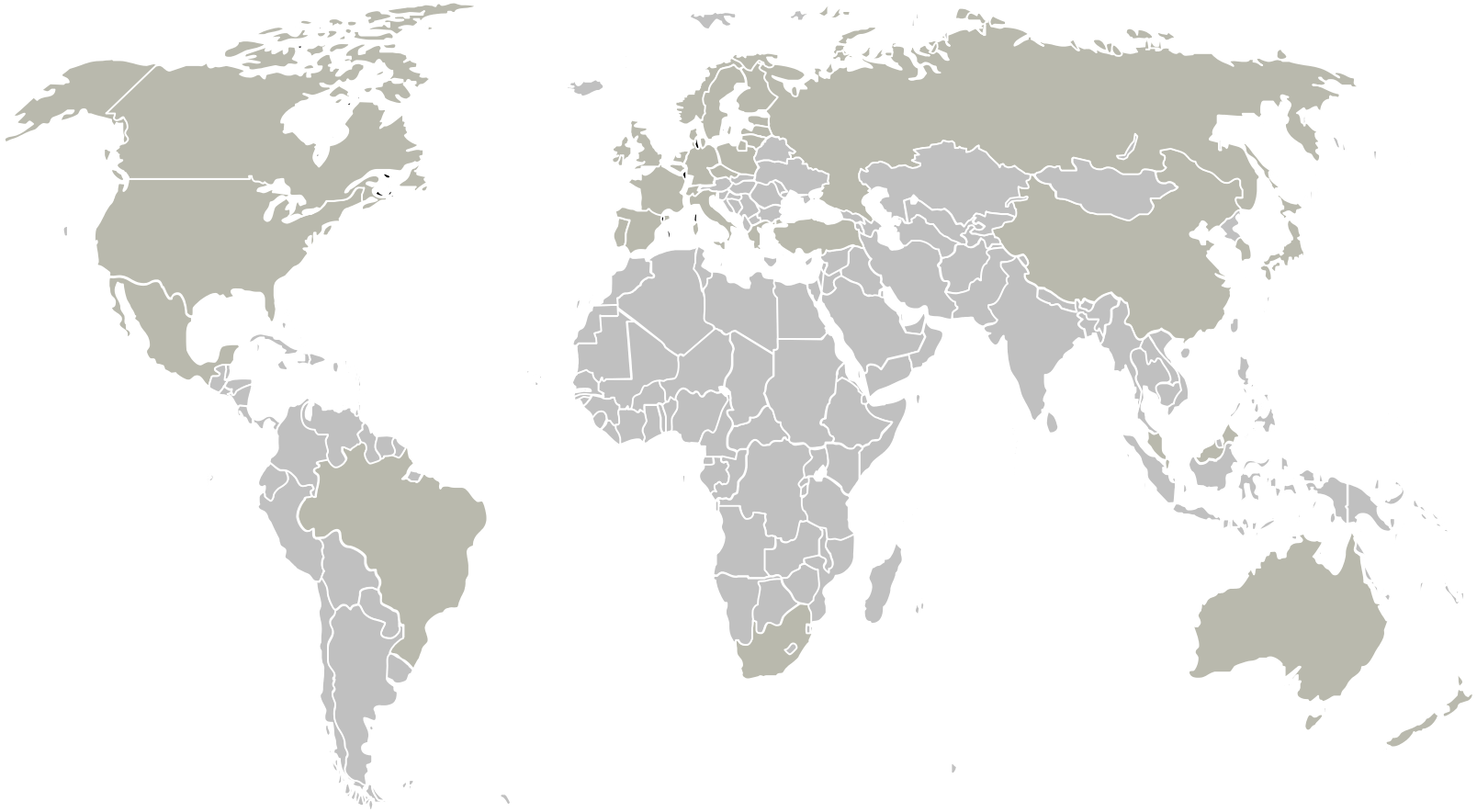
- Modest growth in Hearing Devices: 2-4%
- Modest growth in Diagnostic Instruments: 3-5%
- Strong growth in Hearing Implants: 10-15%

Demant

Global presence

More than 30 countries with subsidiaries

Our products are sold in more than 130 countries

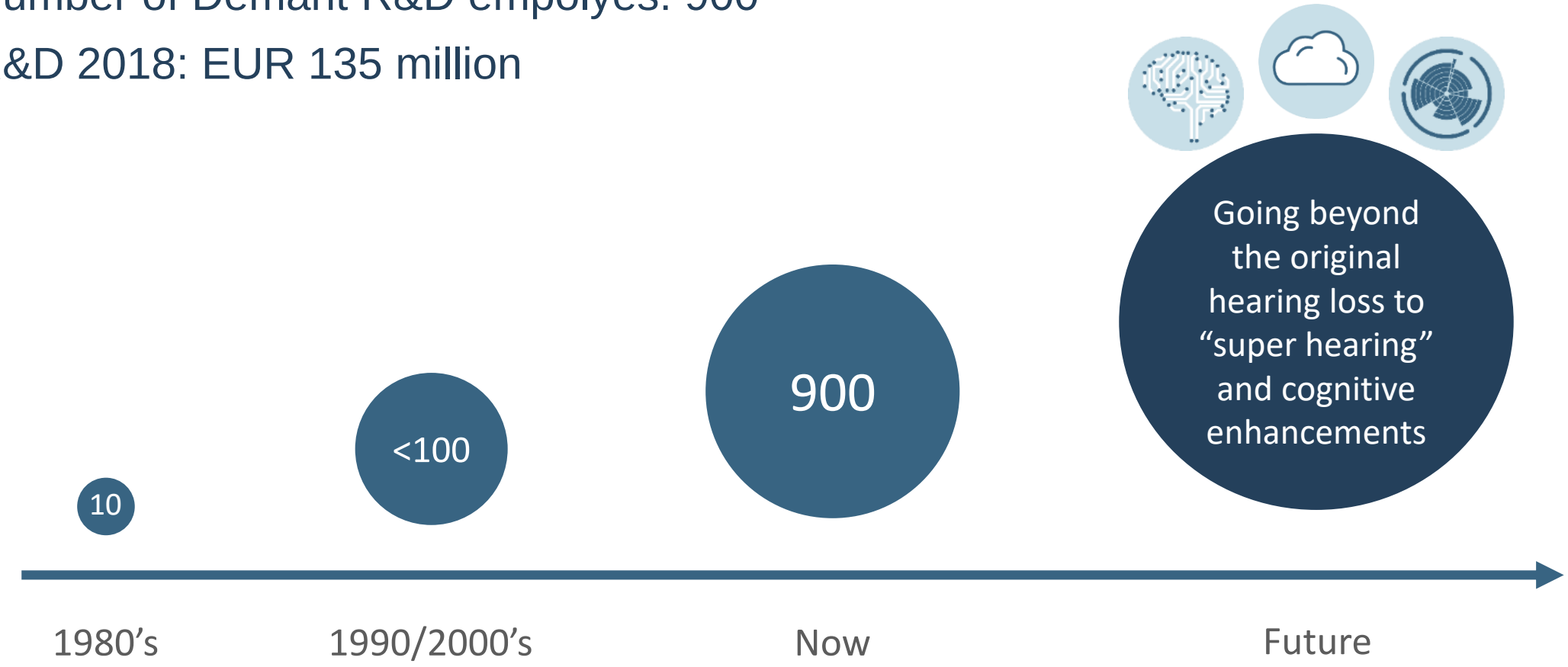


Demant

The R&D journey continues

Complexity of hearing aid development is increasing rapidly

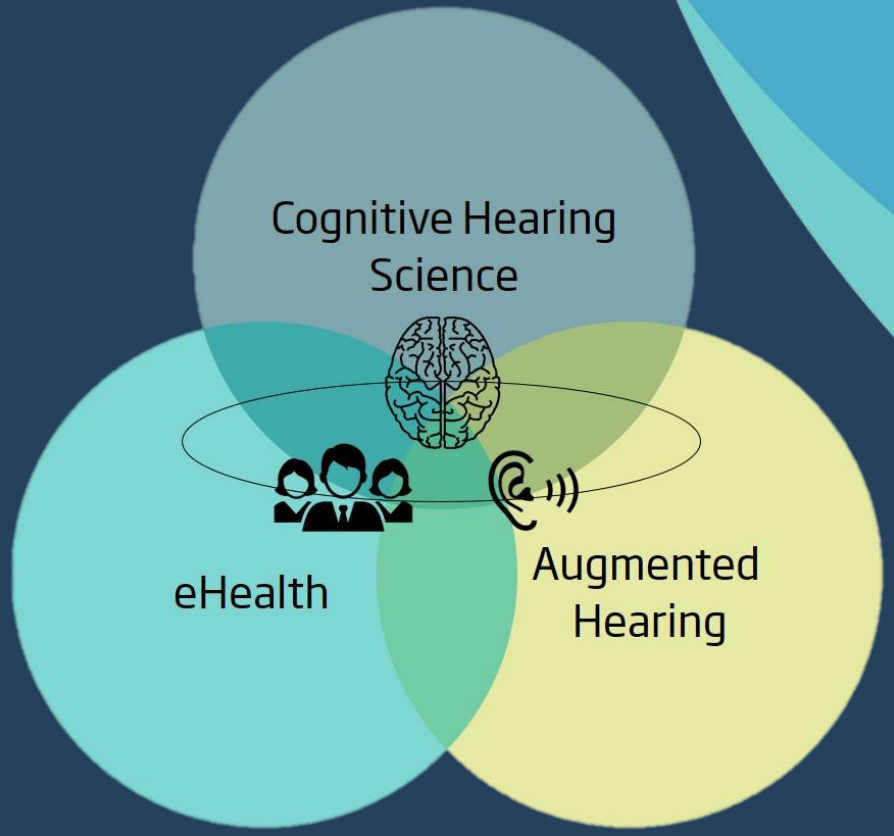
- Number of Demant R&D empolyes: 900
- R&D 2018: EUR 135 million



Demant

Eriksholm Research Centre

- Own research centre with strong links to academia
- Three strategic research areas



Demant

Key competitor overview

Announced merge

Offerings	William Demant	sonova	nvantor	GN	Starkey	WIDEX	Cochlear	MED EL	amplifon	natus
Hearing aid wholesale	◔	◔	◑	◑	◔	◔				
Cochlear implants	◔	◑					●	◔		
Bone-conducting systems	◑						●	◔		
Diagnostic instruments	◔									◔
Distribution	◑	◔	◔	◑	◔	◔			◔	

◔ = Relative strength in business segment

Demant

Seemingly a good fit with limited overlaps…

sivantos
the hearing company

- Brands not considered premium in most markets (e.g. Signia and Rexton)
- Strong position in high volume channels such as Costco and Amplifon
- Strong presence in Asia

WIDEX

- Premium brand with limited presence in low-priced segments
- Strong position with independents and in certain niches
- Focused on Europe and US

Key figures (most recent full-year)	Sivantos	Widex	Merged	WDH
Revenue (€m)	967	583	1,550	1,773
Reported EBIT (€m)	109	71	180	314
Employees	5,950	4,250	10,200	13,514
Revenue/employee (€k)	163	137	152	131

Demant

Welcome consolidation for the industry

Six players becoming five….

- Creating a new strong player with scale to invest
- New top 3 player in hearing aids
- Large gap to #4 (GN) and #5 (Starkey)
- Revenue: €1.6 billion
- R&D spending: €100+ million
- Employees: 10,200 (800 in R&D)
- Enterprise value: €7+ billion

sivantos the hearing company

WIDEX

Demant

Amplifon acquisition of GAES

amplifon

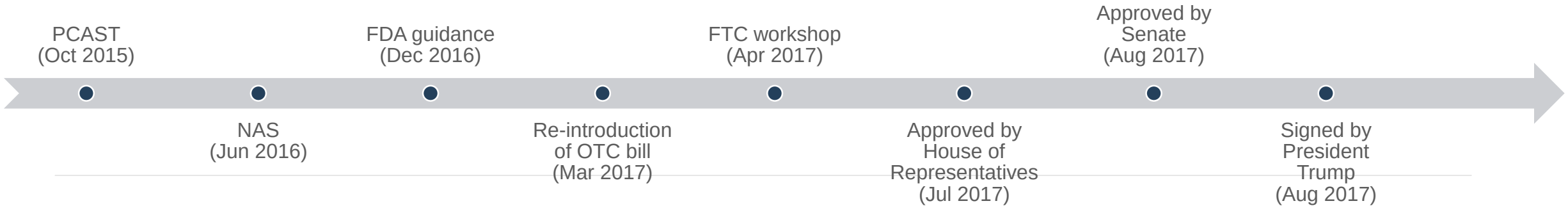
GAES
Centros Auditivos

Demant

OTC – Over-the-counter

Not a lot of news since legislation was passed!

- Regulation of over-the-counter (OTC) hearing aids passed in August 2017
  - FDA must introduce an OTC category within three years from enactment (plus 180 days comment period)
  - Removes requirement for being credentialled for special category of hearing aids (OTC) but devices still likely to be regulated on the product side (GMP, 510(k), inspections etc.)
- We still believe that safety and efficacy for the end-user are crucial factors for obtaining high penetration and satisfaction rates, and we support the regulation of hearing aids – be they OTC or not – as medical devices
- We believe that service provided by a hearing care professional is key for hearing-impaired persons who suffer from other than very simple and mild hearing losses



Demant

The hearing aid industry

Facts and stats

- Market
  - 15+ million units sold per year
  - Global wholesale market of EUR 4.0 billion per year
  - Five/six largest manufacturers hold a market share of +90%
  - Main market: OECD countries
  - 4-6% yearly unit growth mainly due to demographic development
  - ASP is expected to decline by a low, single-digit percentage
  - Growing aging population and increasing life expectancy

Demant

The hearing aid industry

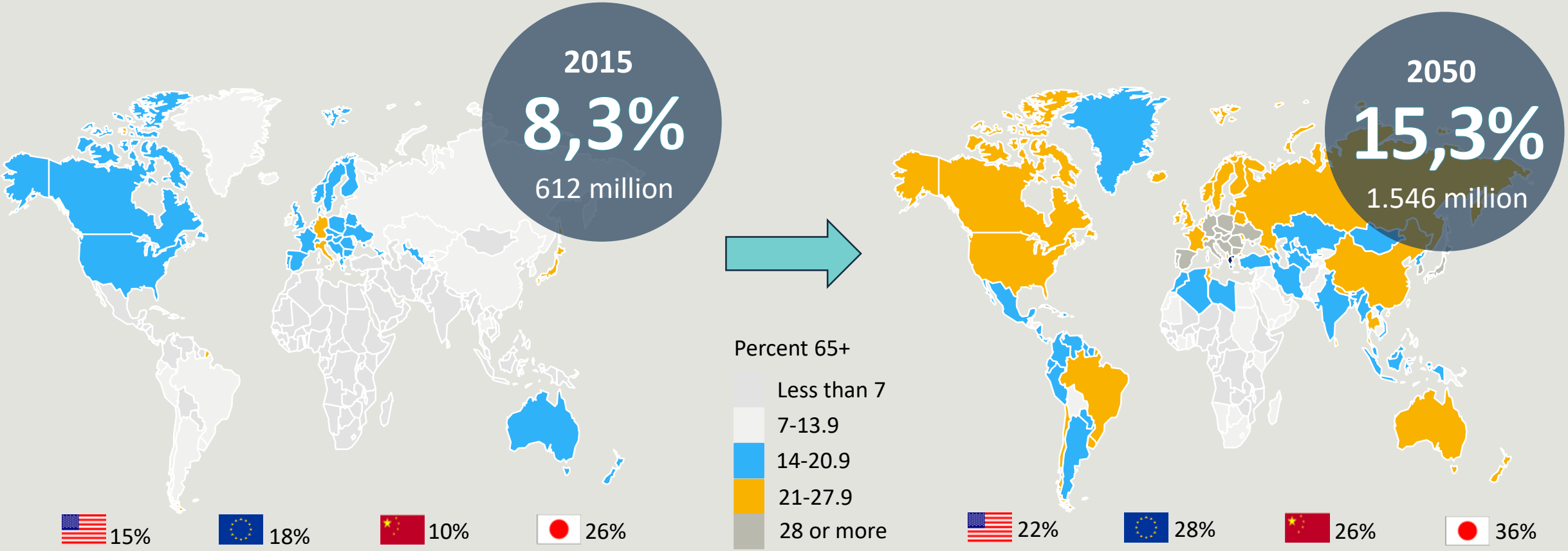
Facts and stats

- End-users
  - 10% of the population in OECD countries suffer from hearing loss
  - Only 20% of people suffering from a hearing loss use a hearing aid
  - 35-40% of the population aged 65+ suffer from a hearing loss
  - Average age of first-time user is 69 years (USA)
  - Average age of all users is 72 years (USA)

Demant

An ageing population across the world

Significant increase in share and size of 65+ population



Source: United Nations, Population Division, Department of Economics and Social Affairs; World Population Prospects; The 2017 Revision

Demant

Silent Generation

Historical Focus

- 80+ age group
  - Do not complain about disadvantages or difficulties
  - Not active in social participation activities
  - Avoiding burdens and harm to children
  - Do not invest or spend for yourself
  - Much less self-esteem

The Modern Senior

Historical Focus

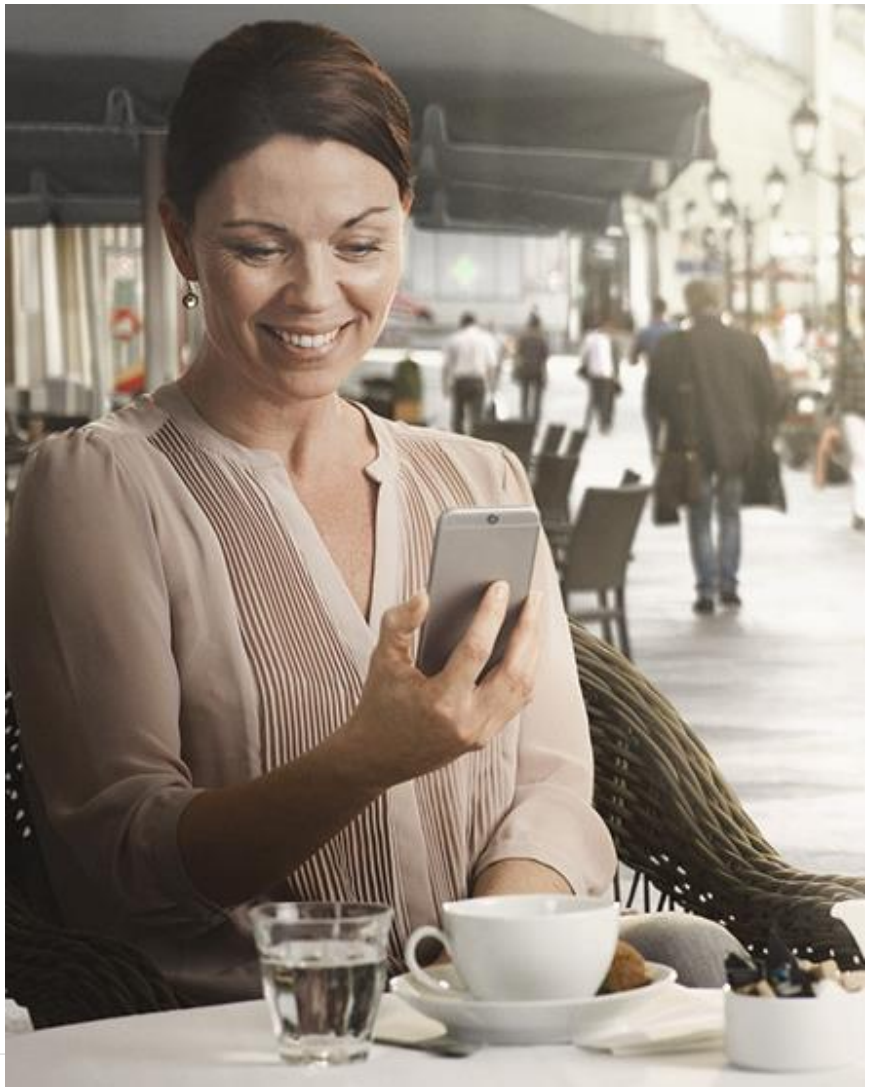
- Baby boomers, age 60-75
  - I claim my rights
  - Life expectancy is high
  - Using modern technologies
  - Less trust in authorities
  - Do "invest in myself"
  - Take advantage of networks to engage in active social activities

Demant

A movement to e-health in hearing care

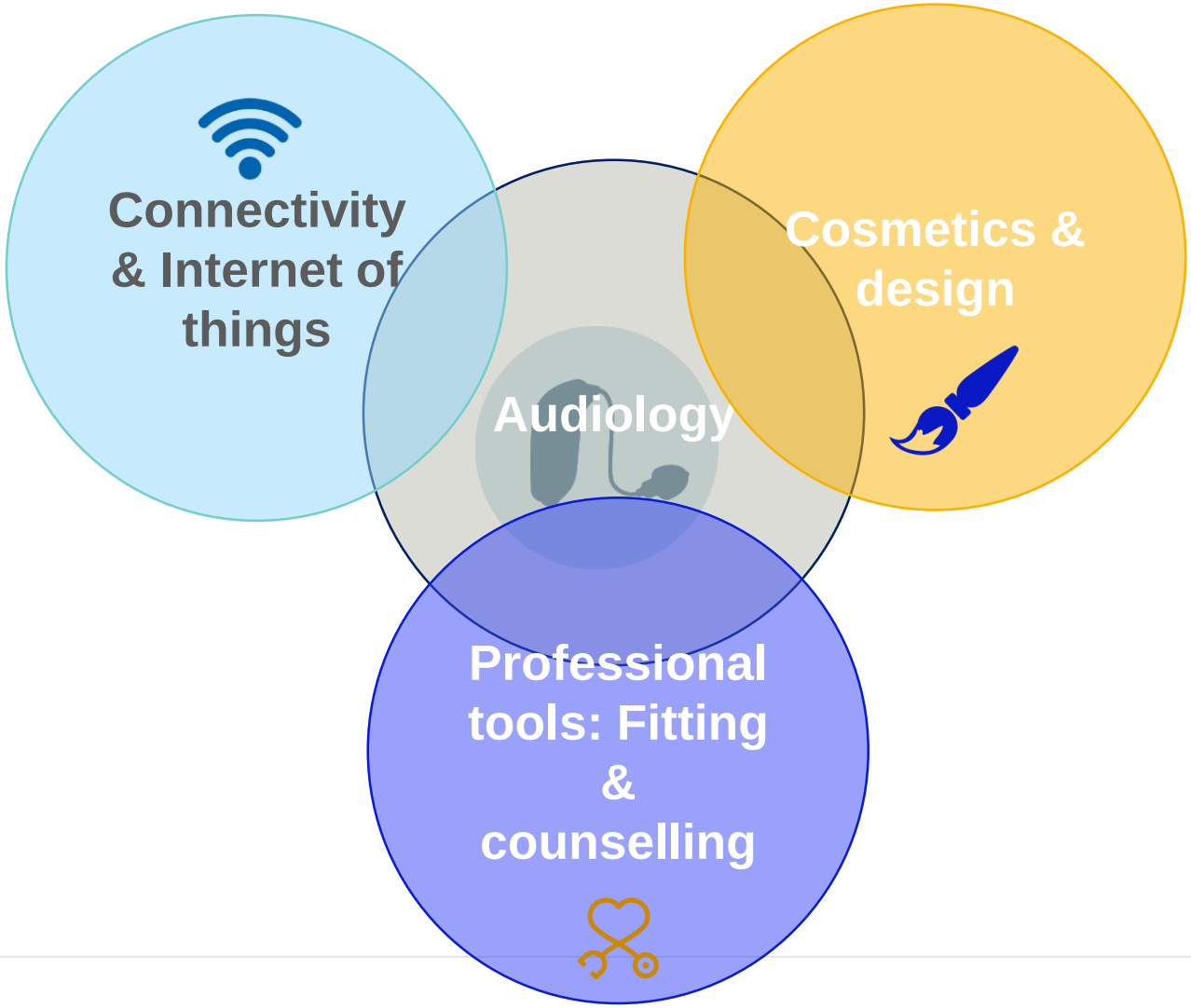
Better hearing care delivered

- Growing number of patients & aging population
  - Calls for new strategies to reduce healthcare costs
- Time and cost reduction
  - Clinic visits time-consuming for patient & family
  - Some customers travel great distances to visit audiologist, traveling is costly
  - Long waiting lists in some public systems
- Personalised, on-demand support
  - Involved patients demand participatory healthcare



Demant

The future direction of innovation



Demant

Professional hearing care remains key

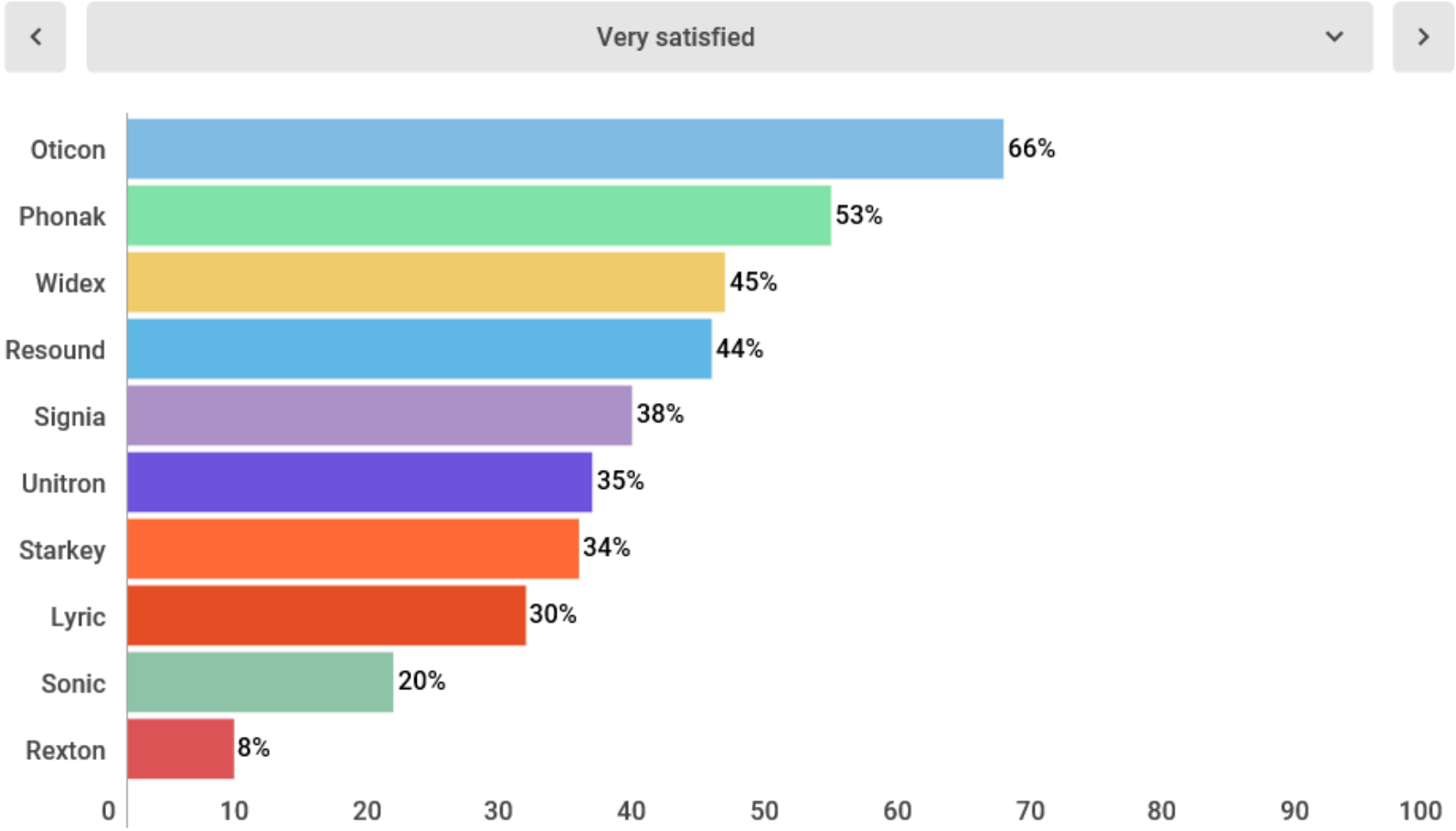
Hearing tracker

- 400hearing care professionals in USA
- Quarterly survey

- www.hearingtracker.com

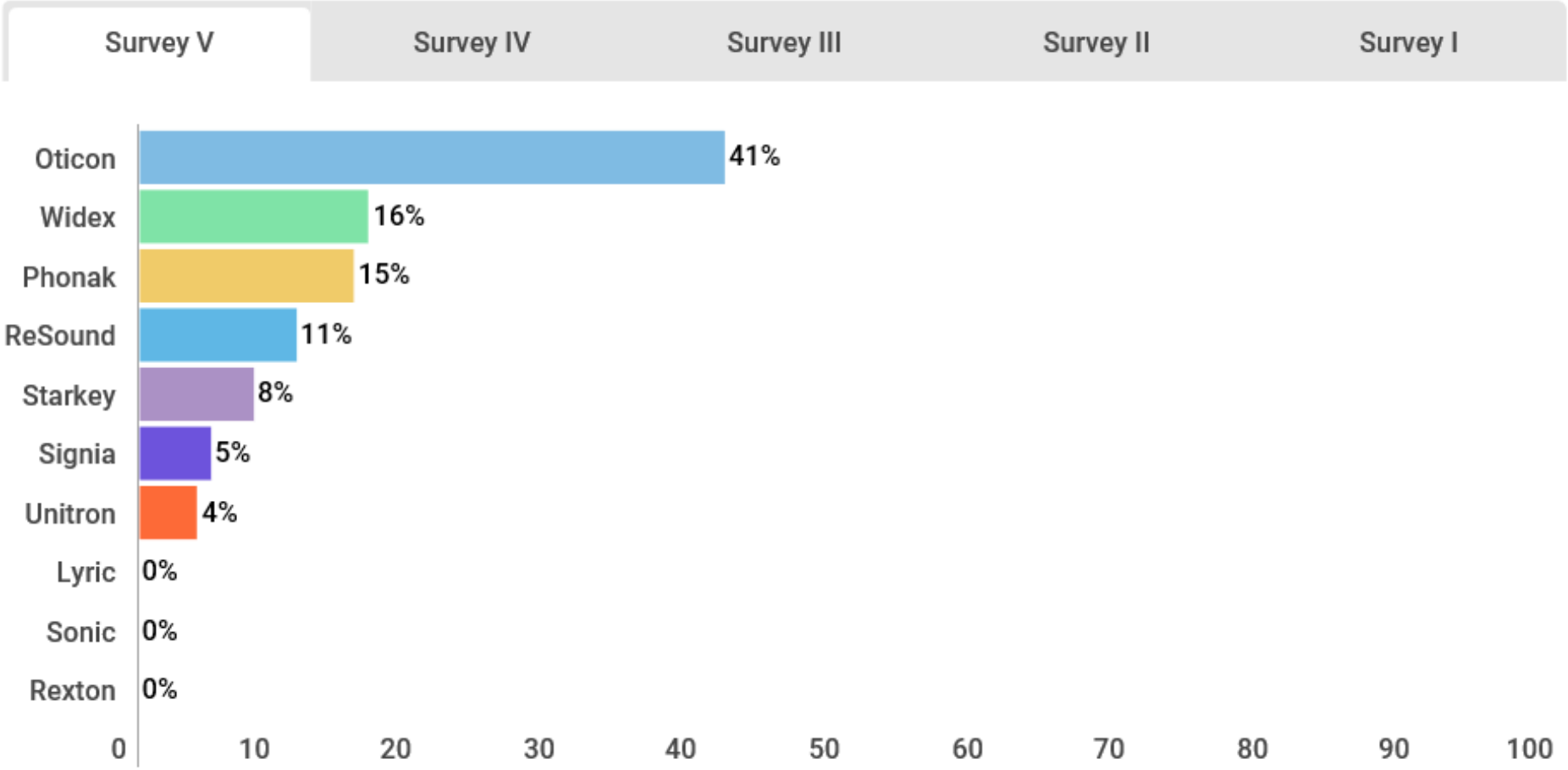
Patient Satisfaction

How would you rate your patients' satisfaction with the following hearing aid brands? *(UBS Survey IV)*



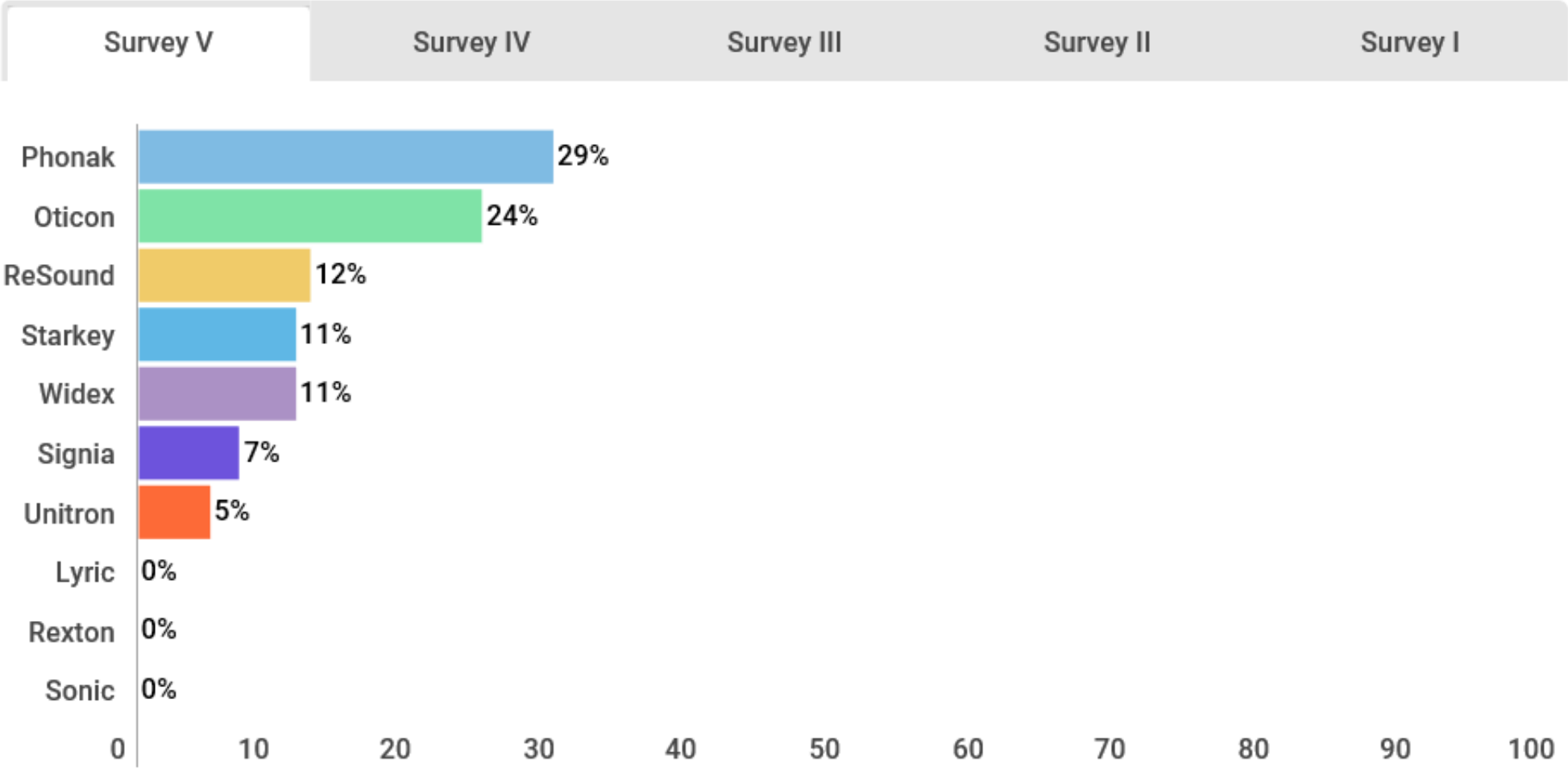
PEOPLE FIRST

Please select the brand that has or offers the **best sound quality**



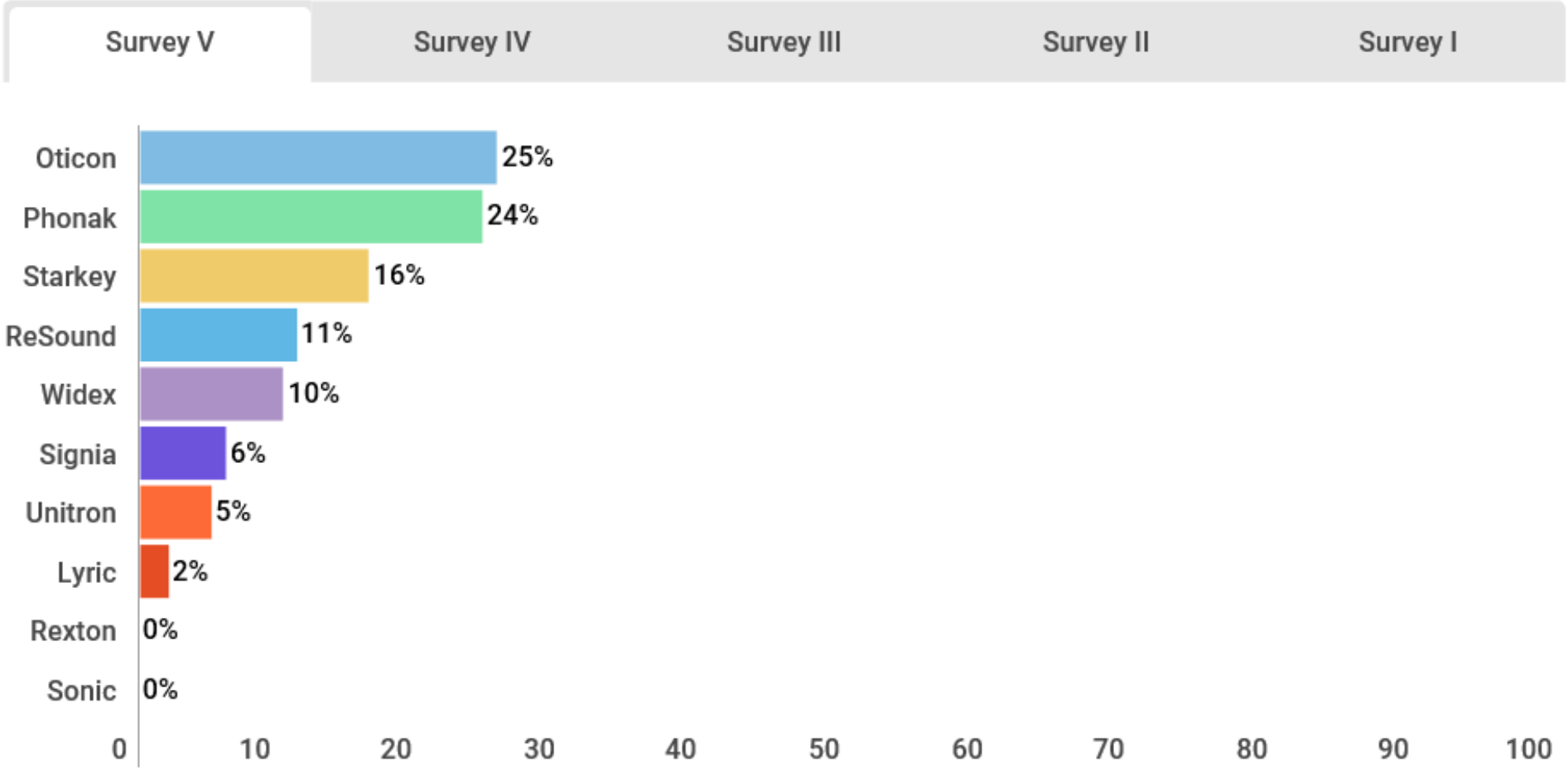
oticon PEOPLE FIRST

Please select the brand that has or offers the **best reliability**



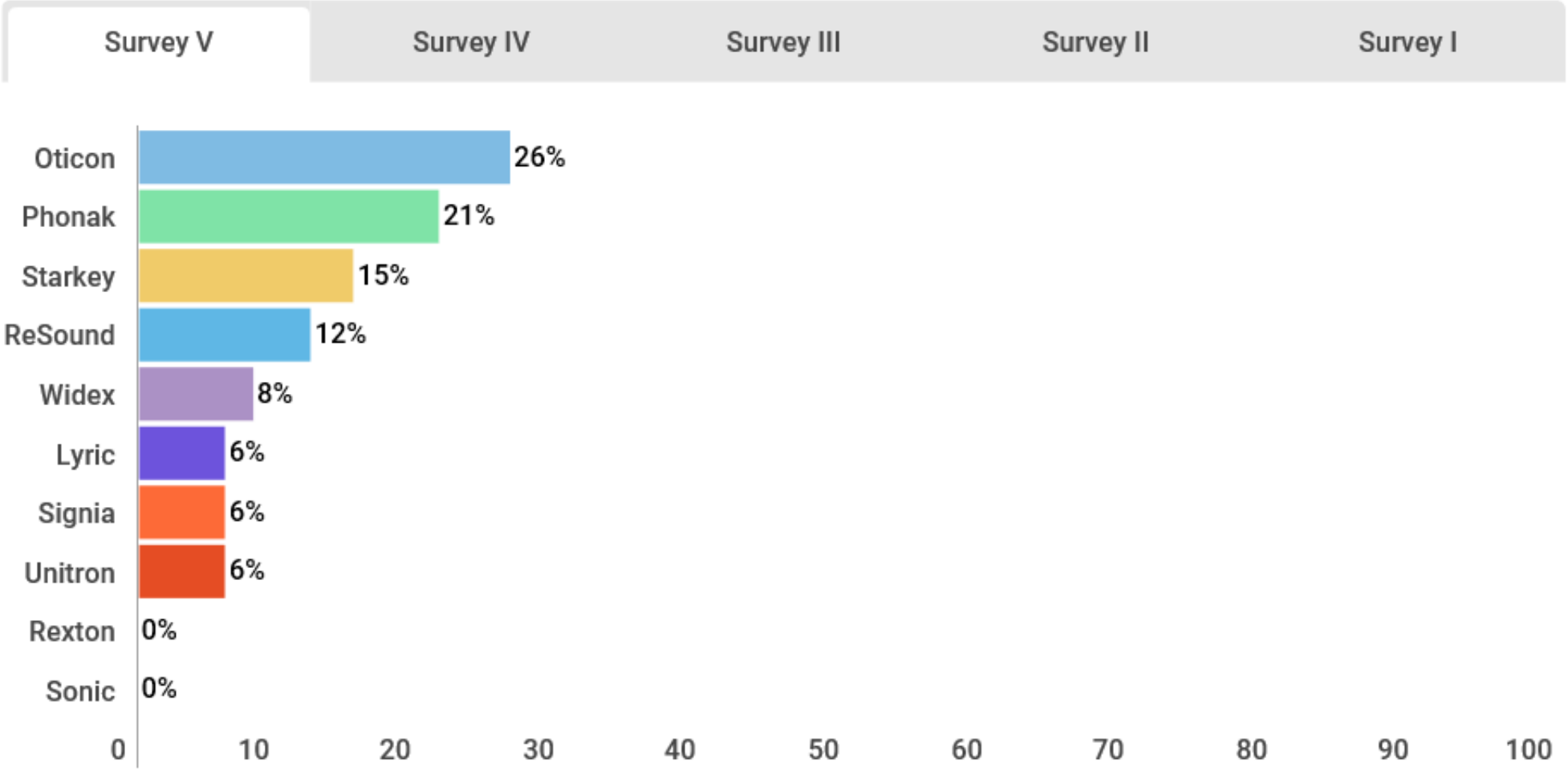
oticon PEOPLE FIRST

Please select the brand that has or offers the **best ease of fit**



oticon PEOPLE FIRST

Please select the brand that has or offers the **best ease of use**

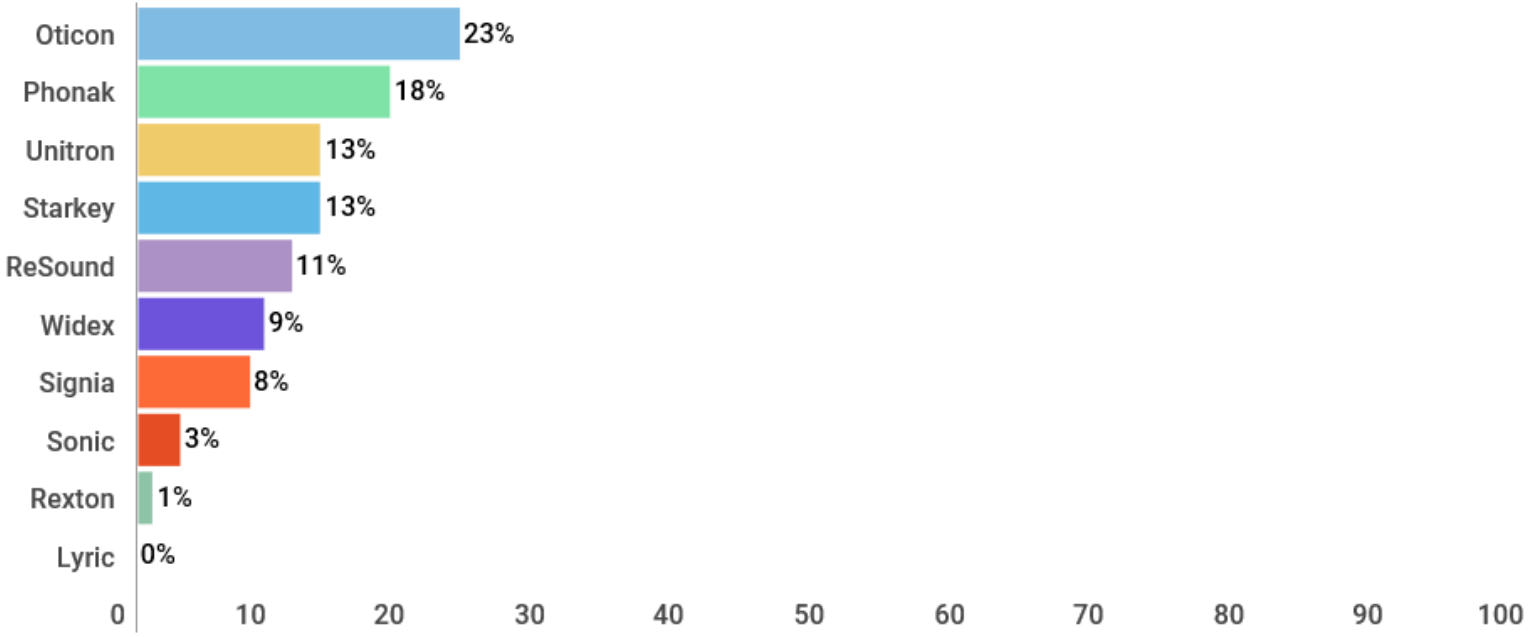


oticon PEOPLE FIRST

Audiologist Survey: Best Hearing Aid Brands

Please select the brand that has or offers the **best value for money**

Survey V | Survey IV | Survey III | Survey II | Survey I



oticon PEOPLE FIRST

Competition

- Kahoot.it
- Monday and Wednesday afternoon
- Further information when the competition will start

Demant

Oticon BrainHearing™

“ ***The ears hear things…***

…the brain makes sense of them “

Demant

“

It opened up the world. I was able to engage again.

I went out to dinner with friends in a noisy restaurant.
And although I heard the background sounds,
I was able to speak across the table […]. I just loved it.

Barbara Abramowitz , hearing aid user

Demant

Thank You