



# Annual Report 2025

*3 February 2026*

Søren Nielsen, President & CEO

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Investor Relations



# Forward-looking statements



This presentation contains forward-looking statements that reflect Demant's current expectations regarding future events and financial performance.

Forward-looking statements are statements other than historical facts and include, without limitation, statements that may predict, forecast, indicate or imply future events, results, performance or achievements and may include words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate”, “project”, “will”, “may”, “could” or similar expressions. These statements are based on assumptions, estimates and predictions that may prove incorrect and are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied.

Factors that may affect future results include, but are not limited to, risks associated with the hearing healthcare industry and Demant's operations as described in this presentation and other publicly available materials. Accordingly, undue reliance should not be placed on these forward-looking statements.

Except as required by applicable law or regulation, Demant undertakes no obligation to update any forward-looking statements to reflect changes in actual results, expectations or events.

# Agenda

- ▶ Key events, financial take-aways and sustainability advancements
- ▶ Business area review
- ▶ Group financial review
- ▶ Outlook and initiatives to improve profitability
- ▶ Q&A

# Financial highlights in 2025

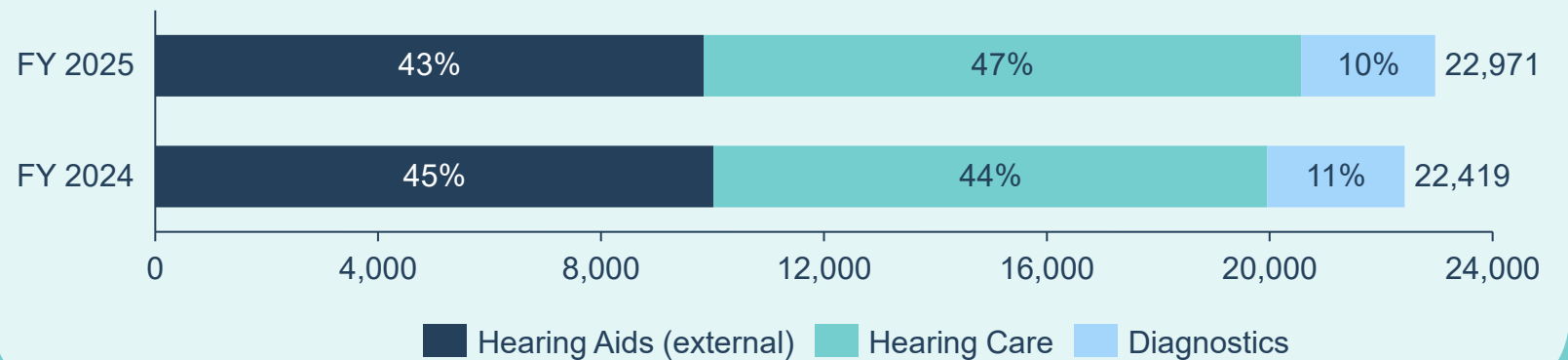
## Revenue growth

**2%** organic

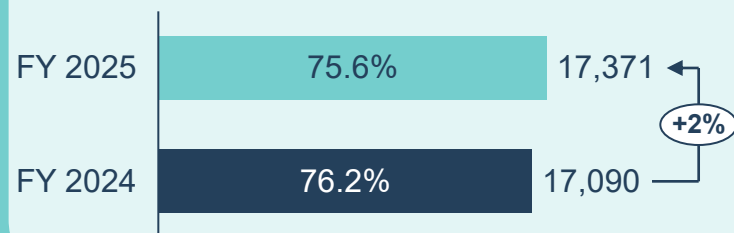
**5%** local currencies

**2%** reported

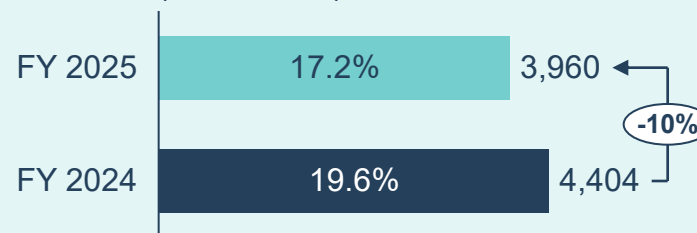
## Revenue (DKK million)



## Gross profit (DKK million)



## EBIT before special items (DKK million)



## Free cash flow (DKK million)





# Key events in 2025

1

In 2025, we acquired KIND Group, which is one of the world's leading retailers of hearing aids. In October, we introduced Oticon Zeal in selected markets, and the launch has created a lot of excitement

2

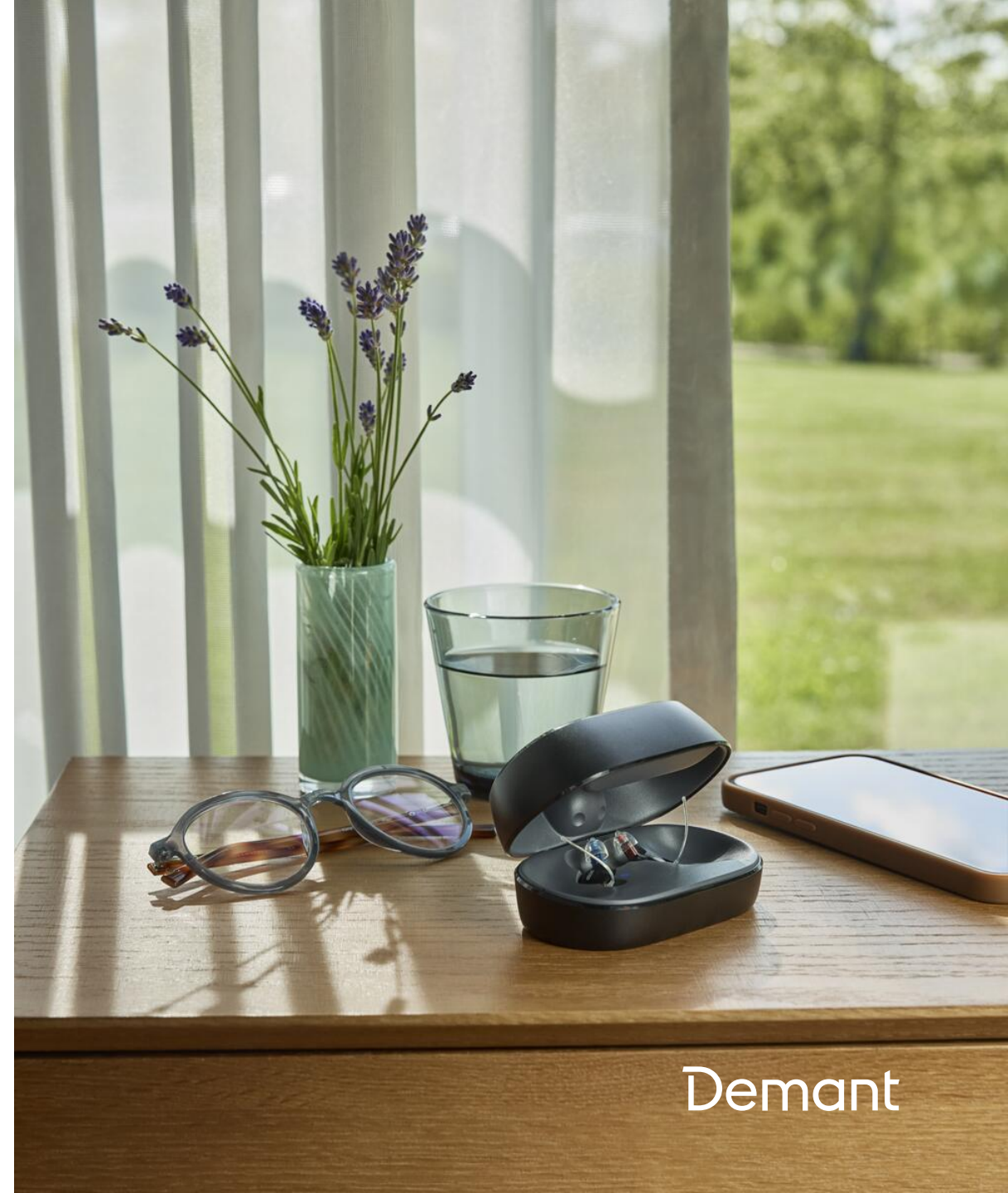
During 2025, we signed agreements to divest EPOS and Oticon Medical, reflecting our commitment to be a more focused hearing healthcare company

3

The hearing aid market remained softer-than-normal, particularly in the US, where market growth was flat in 2025

4

Hearing Care delivered solid performance, whereas Hearing Aids and Diagnostics delivered softer growth. All three business areas showed an improved and strong performance in Q4



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# Key financial take-aways for H2 2025



Group **organic growth** of 4% year-over-year, a sequential improvement from H1 fuelled by all three business areas



Group **gross margin** declined vs. H2 2024 due to ASP headwinds in Hearing Aids and an increasing share of rechargeable devices. Diagnostics was a drag on gross margin



**OPEX** grew 5% organically and, as expected, reported OPEX was flat compared to H1. Acquisitions added an additional 5 percentage points to growth compared to H2 2024



**EBIT before special items** was DKK 2,111 million, negatively impacted by exchange rate effects and by lower operating leverage. EBIT margin before special items contracted by 2.6 percentage points. Special items amounted to DKK -128 million



Strong cash flow with **CFFO** of DKK 2,339 million and **FCF** of DKK 1,968 million



## Outlook for 2026:

Organic revenue growth of 3-6%  
EBIT before special items of DKK 4,100-4,500 million  
Share buy-backs: None

(DKK million)	H2 2025	H2 2024	Reported Growth
<b>Revenue</b>	<b>11,718</b>	<b>11,332</b>	<b>3%</b>
Organic growth	4%	2%	
<b>Gross profit</b>	<b>8,824</b>	<b>8,580</b>	<b>3%</b>
Gross margin	75.3%	75.7%	
Operating expenses (OPEX)	-6,735	-6,312	7%
<b>Operating profit (EBIT) before special items</b>	<b>2,111</b>	<b>2,336</b>	<b>-10%</b>
EBIT margin before special items	18.0%	20.6%	
Cash flow from operating activities (CFFO)	2,339	2,589	-10%
Free cash flow (FCF)	1,968	2,329	-16%

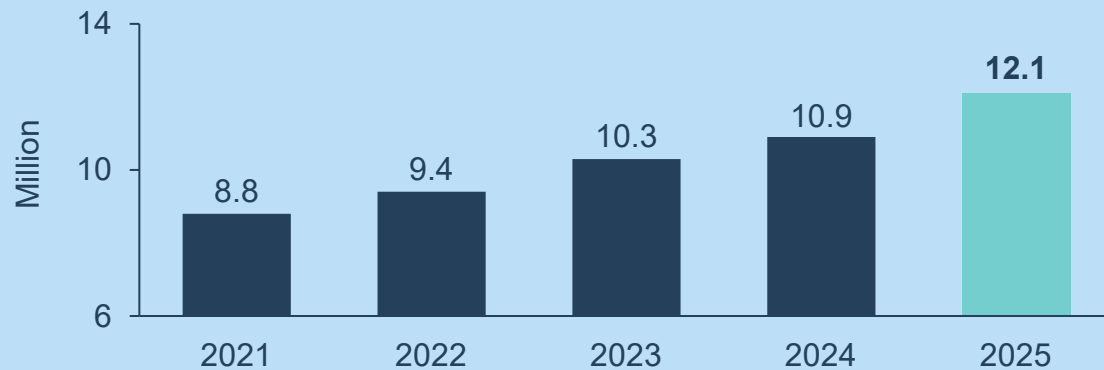
# Sustainability advancements in 2025



*We drove progress towards our 2030 targets*

- ▶ We are guided by our ambition, as the leading hearing healthcare company, to improve as many lives as possible and by our commitment to operate our business in a responsible and sustainable manner

## Core impact: Improved lives



16  
million

Target: More than 16 million lives improved in 2030<sup>1</sup>

## Core impact: Hearing tests



2  
million

Target: Increase awareness by performing more than 2 million hearing tests

<sup>1</sup>The number of people in a year who benefit from hearing aids from Demant

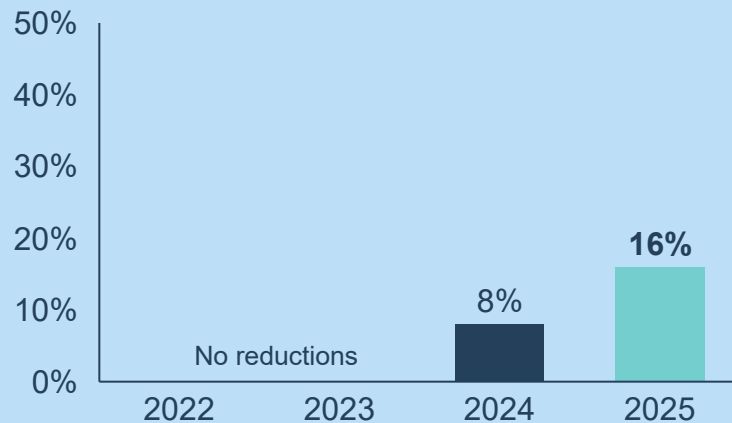
# Sustainability advancements in 2025



*Our ESG ambitions are to decouple our emissions and environmental impact from company growth, drive an inclusive culture and ensure equal opportunities and conduct business with integrity and honesty.*

## Respect for the planet

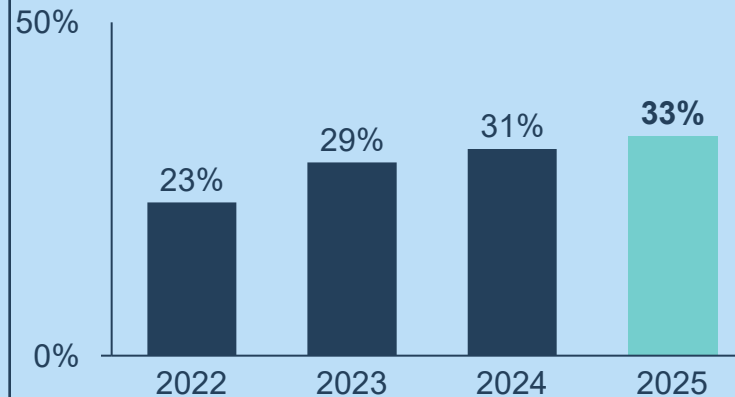
Scope 1 & 2 GHG emissions reduction  
(Share of CO<sub>2</sub>e reduced)



**2030 target:** 46% reduction in scope 1 and 2 greenhouse gas (GHG) emissions vs 2019<sup>1</sup>

## Caring for people

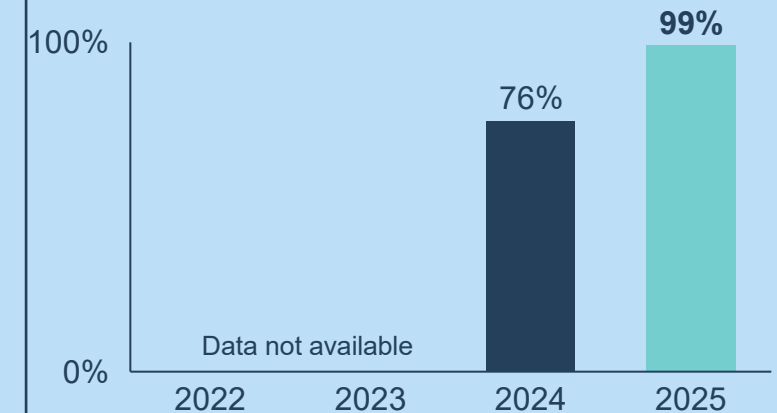
Gender diversity in leadership  
(share of under-represented gender)



**2030 target:** Increase gender balance in top-level management to 35/65% (female/male)

## Performing with integrity

Business integrity  
(share of relevant employees trained)

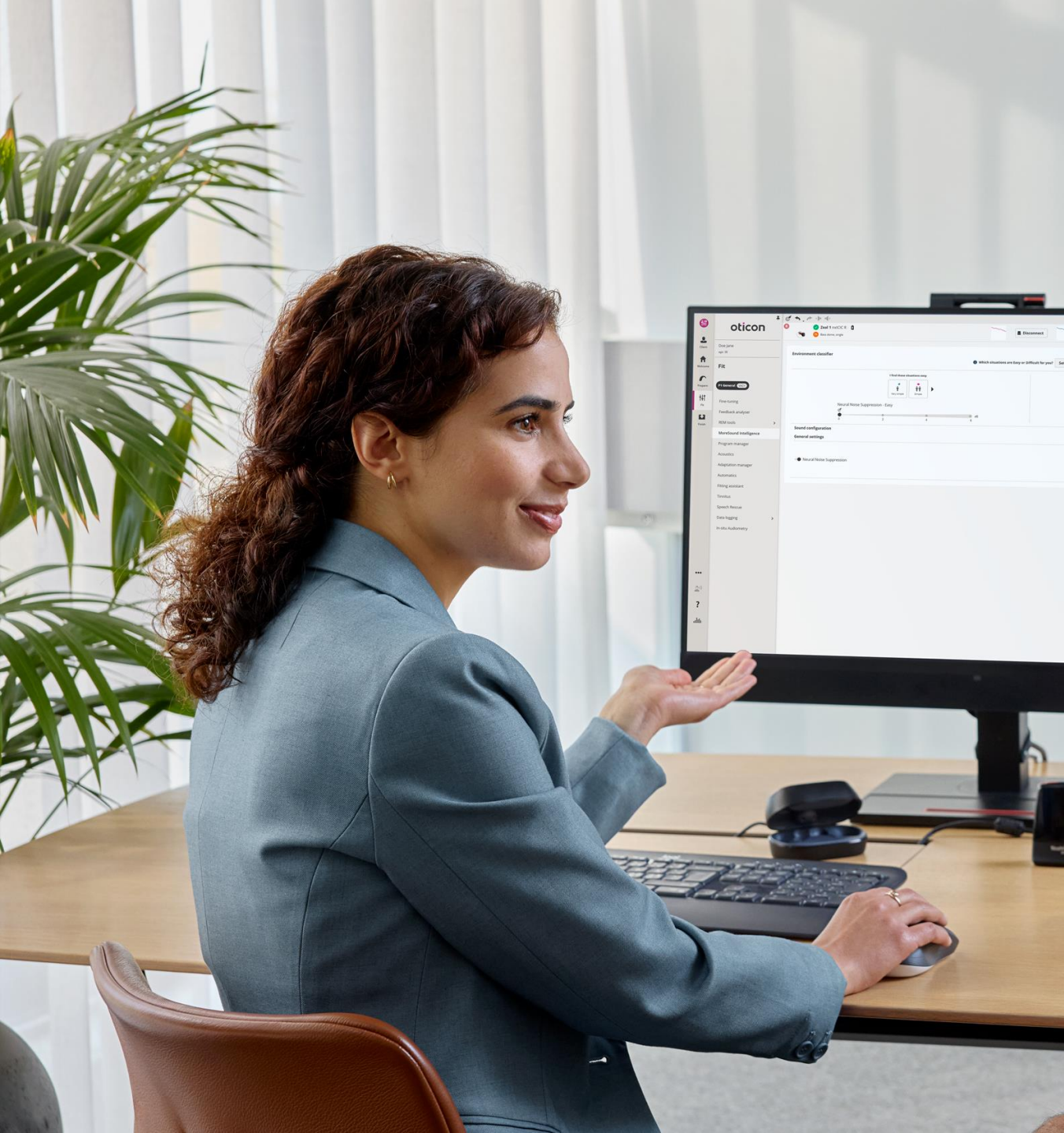


**2030 target:** Code of conduct training to reach 100% of highly exposed employees

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<sup>1</sup>The target for reduction of scope 1 and 2 GHG emissions is calculated vs. the 2019 baseline of 31,980 tonnes of CO<sub>2</sub>e





# Business area review

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# The hearing aid market in 2025

## Estimated market growth:

- ▶ We estimate that overall unit growth was around 3% in 2025, which is below the normal level and primarily due to a weak US commercial market
- ▶ The ASP development is estimated to be around -1% leading to an estimated value growth rate of around 2% in 2025

## Unit growth in Q4 by geography:

- ▶ Growth in Europe was driven by double-digit growth in the UK primarily due to strong growth in the NHS. France continued to show high growth. Excluding the NHS and France, unit growth would have been 3% in Europe. In Germany, growth declined year-over-year
- ▶ North America saw a sequential slowdown and growth was flat in Q4. Canada saw good growth, but this was not enough to offset flat growth in the US commercial market and slightly negative growth in VA
- ▶ Rest of world delivered growth. Australia saw positive growth while Japan saw slight growth. China saw a sequential improvement. We estimate that several emerging markets saw good growth

Unit growth <sup>1</sup>	2025				
	Q1	Q2	Q3	Q4	FY
Europe	4%	3%	4%	8%	5%
North America	-3%	2%	2%	0%	1%
US (commercial)	-5%	4%	2%	0%	0%
US (VA)	-1%	1%	4%	-1%	1%
Rest of world	4%	5%	4%	3%	4%
<b>Global</b>	<b>2%</b>	<b>3%</b>	<b>3%</b>	<b>4%</b>	<b>3%</b>

We estimate that the ASP development in Q4 was negative due to geography and channel mix changes

<sup>10</sup> <sup>1</sup>Estimate based on available market statistics, covering approx. 2/3 of the market, and on own internal assumptions

# Hearing Aids in Q4

*Improved momentum leading to market share gains in both units and value*

## Comments

- Organic growth improved despite continued US market weakness, and our loss of market share in the US
- We introduced Oticon Zeal in select European markets, which has created excitement, but due to the phased launch, the financial impact was limited in Q4
- Unit growth was very solid, resulting in overall market share gains in units and across several key markets. The ASP was negative due to geography and channel mix changes

### Europe

- Growth fuelled by high unit growth in France
- Good growth in the UK driven by strong NHS sales, partly offset by the UK private market
- Good growth in Germany

### North America

- Strong performance in Canada
- US growth was negative due to continuously weaker-than-normal markets as well as lower sales to a large retailer

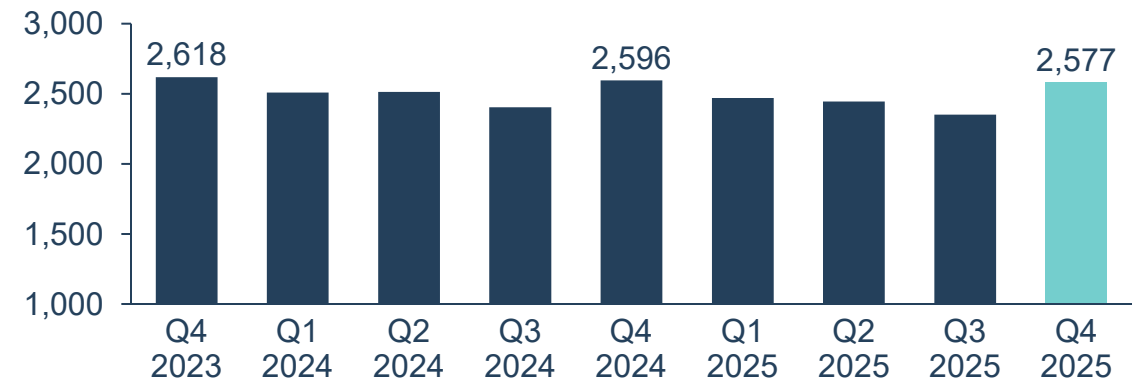
### Asia/Pacific/Other

- Good growth in Japan and South America
- Generally broad-based growth in Asia, except for China

## Revenue and growth

Revenue (DKK million)	Q4 25		Q4 24		Growth		
	Q4 25	Q4 24	Org.	Acq.	LCY	FX	Rep.
Total revenue	3,240	3,179	5%	0%	5%	-3%	2%
Internal revenue	-663	-583	11%	5%	16%	-2%	14%
External revenue	2,577	2,596	4%	-1%	2%	-3%	-1%

## Revenue by quarter (external)



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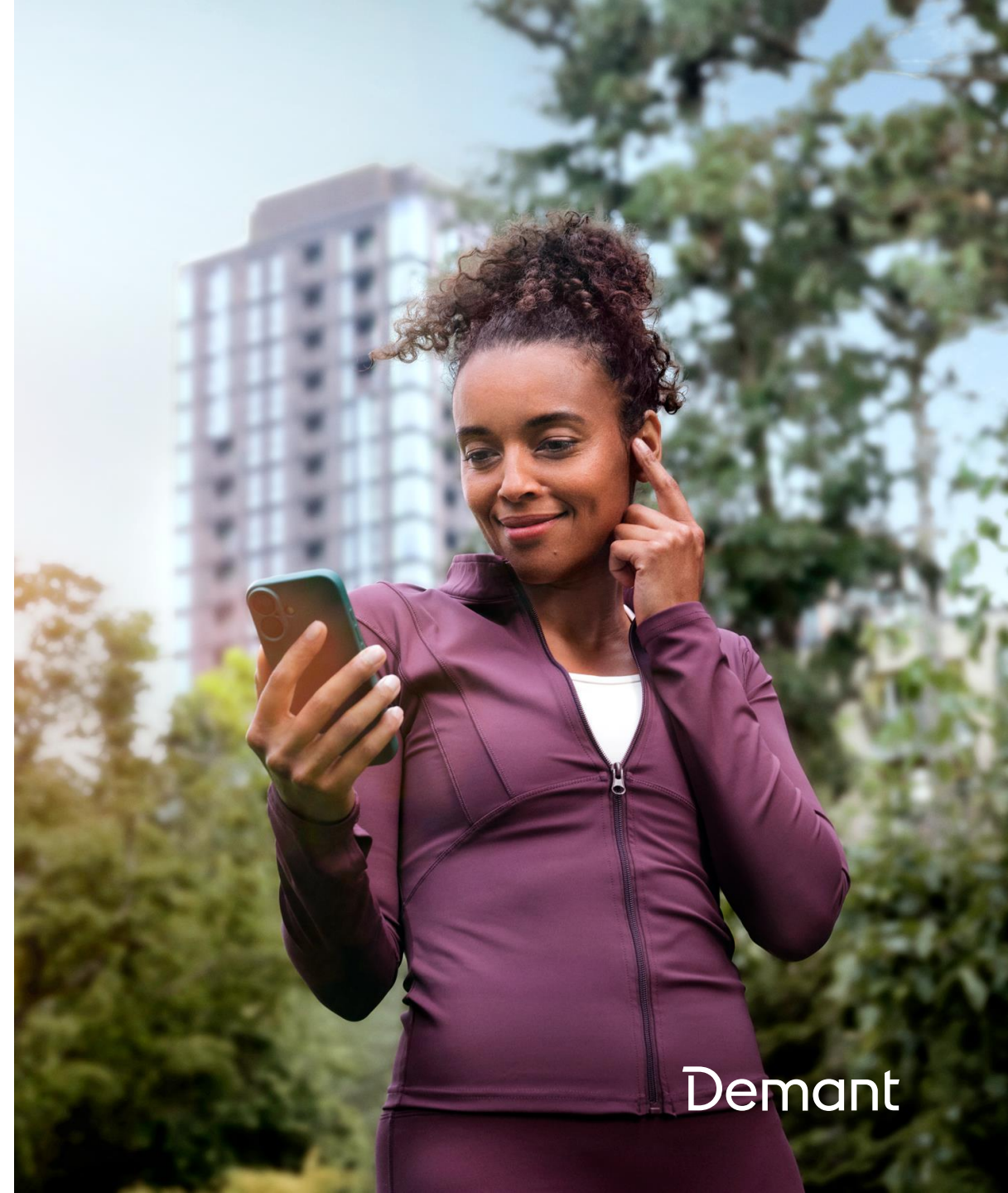
# Global roll-out of Oticon Zeal is under way

## The launch of Oticon Zeal continues in 2026

- ◆ Following the initial launch of Oticon Zeal in select European markets, it is now also available in the US and Canada
- ◆ Oticon Zeal has created excitement among hearing care professionals and attracts end users even at a premium price point
- ◆ We expect to launch Oticon Zeal in all major markets in H1 2026

## New product releases

- ◆ In Q1 2026, we will further expand our portfolio of solutions with additional form factors with the release of Oticon Verit, offering disposable batteries, and Oticon Play SI which is part of our paediatric portfolio
  - ◆ Both new hearing aids offer best-in-class sound quality, and will feature industry-leading connectivity with Auracast™ and Google Fast Pair™



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# Hearing Care in Q4

*Solid performance in a weaker-than-normal hearing aid market*

## Comments

- ▶ 17% growth in local currencies driven by a significant contribution from acquisitions of 12%, largely due to the closing of the KIND acquisition in December
- ▶ Solid 5% organic growth despite a weaker-than-normal hearing aid market
- ▶ Growth in Hearing Care was driven by both unit sales and a positive ASP development

### Europe

- Strong performance across the region particularly in Poland and several other markets
- Continuously solid growth in France due to anniversary of the 2021 reform

### North America

- Good organic growth in North America driven by improved performance in the US
- Negative development in Canada

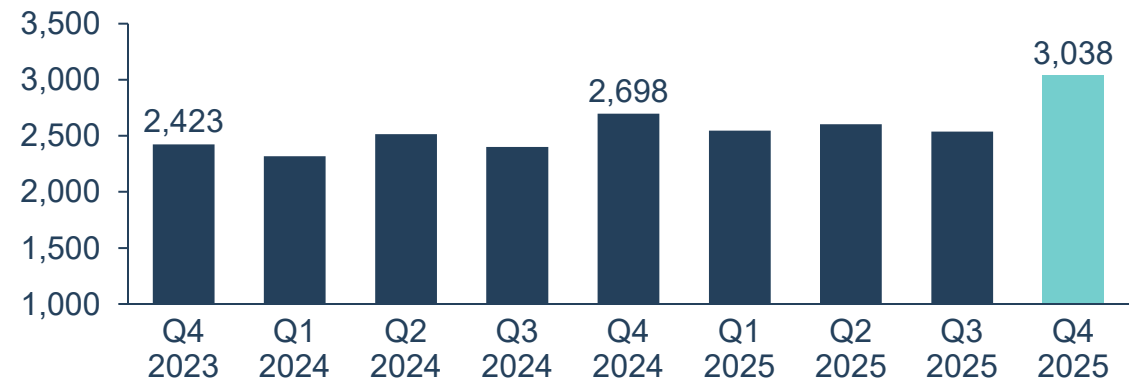
### Asia/Pacific/Other

- Australia saw good growth continuing the improved momentum
- China delivered good organic growth driven by ASP tailwinds due to product mix

## Revenue and growth

Revenue (DKK million)	Q4 25		Q4 24		Growth			
	Q4 25	Q4 24	Org.	Acq.	LCY	FX	Rep.	
Hearing Care	3,038	2,698	5%	12%	17%	-4%	13%	

## Revenue by quarter



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# Diagnostics in Q4

*Diagnostics saw good improvement in Q4*

## Comments

- Continued macroeconomic uncertainties, particularly in the US, resulted in postponed investments in equipment for hospitals and clinics. However, growth dynamics improved in Q4
- Strong organic growth of 8% fuelled by our service and consumables business but with our diagnostics instruments business also saw good performance in our largest markets

### Europe

- Strong growth in the UK and Germany
- Good performance across several medium-sized markets

### North America

- Both the US and Canada saw strong growth, driven by our service and consumables business

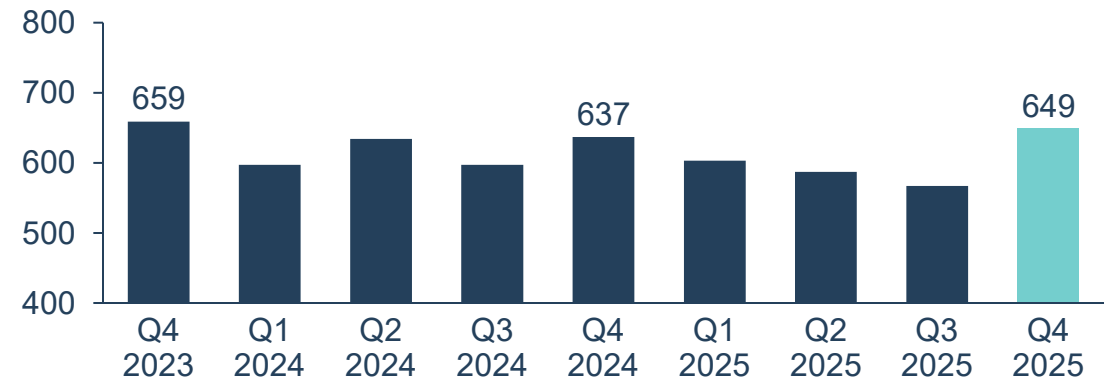
### Asia/Pacific/Other

- Australia delivered strong growth, primarily due to instrument sales
- China continued to be impacted by general market weakness, which was a drag on growth in Asia

## Revenue and growth

Revenue (DKK million)	Q4 25		Q4 24		Growth		
	Q4 25	Q4 24	Org.	Acq.	LCY	FX	Rep.
Diagnostics	649	637	8%	0%	8%	-6%	2%

## Revenue by quarter







# Group financial review

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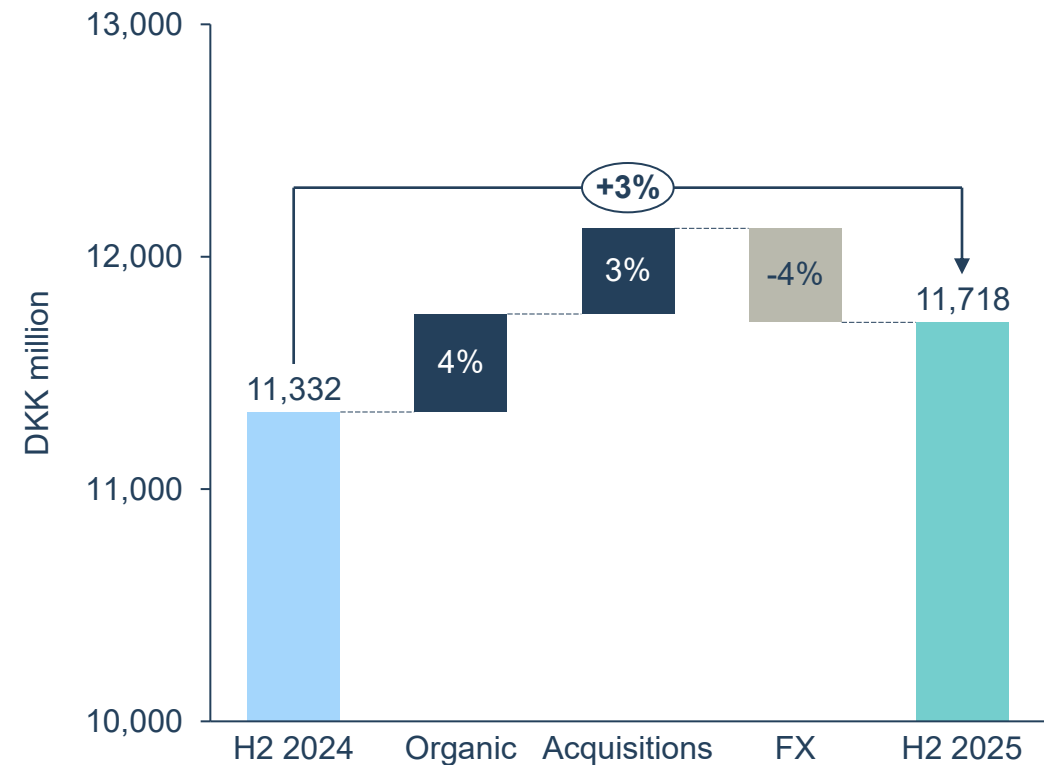


# Revenue in H2

## Comments

- In H2, the Group saw broad-based organic growth, with Hearing Care contributing solid organic growth of 4%
- Hearing Aids and Diagnostics saw good organic growth, with especially Diagnostics improving in Q4
- Acquisitive growth contributed 3 percentage points
- Foreign exchange rates had an impact of -4% predominantly due to the US dollar
- Total reported revenue for the Group in H2 was DKK 11,718 million corresponding to a 3% reported growth rate

## Revenue development

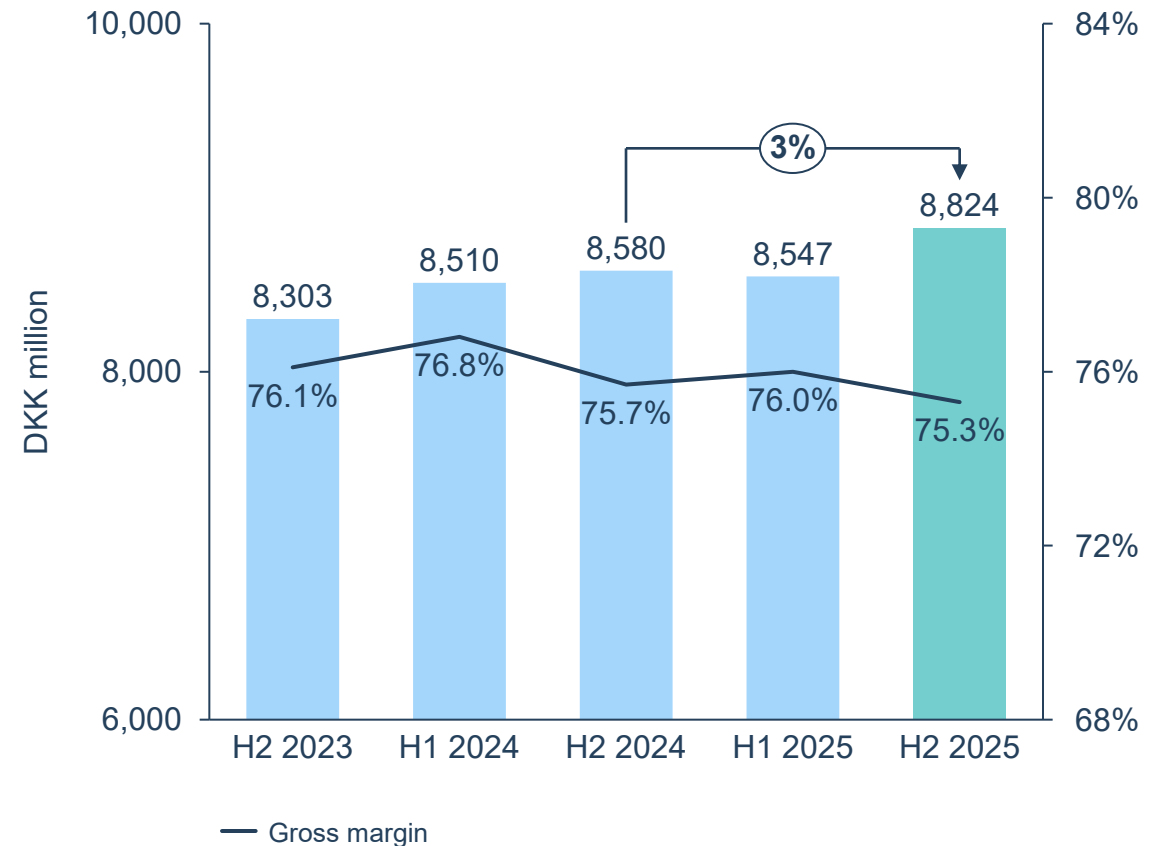


# Gross profit in H2

## Comments

- Gross profit increased by 3% to DKK 8,824 million
- Gross margin declined by 0.4 percentage points vs. H2 2024. Despite a positive impact of business mix, the decline was primarily driven by geography and channel mix changes in Hearing Aids. In our Diagnostics business, the gross margin was also negatively impacted by tariffs
- Developments in foreign exchange rates also had a negative impact on the gross margin

## Gross profit and margin



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# OPEX and EBIT in H2

## Comments

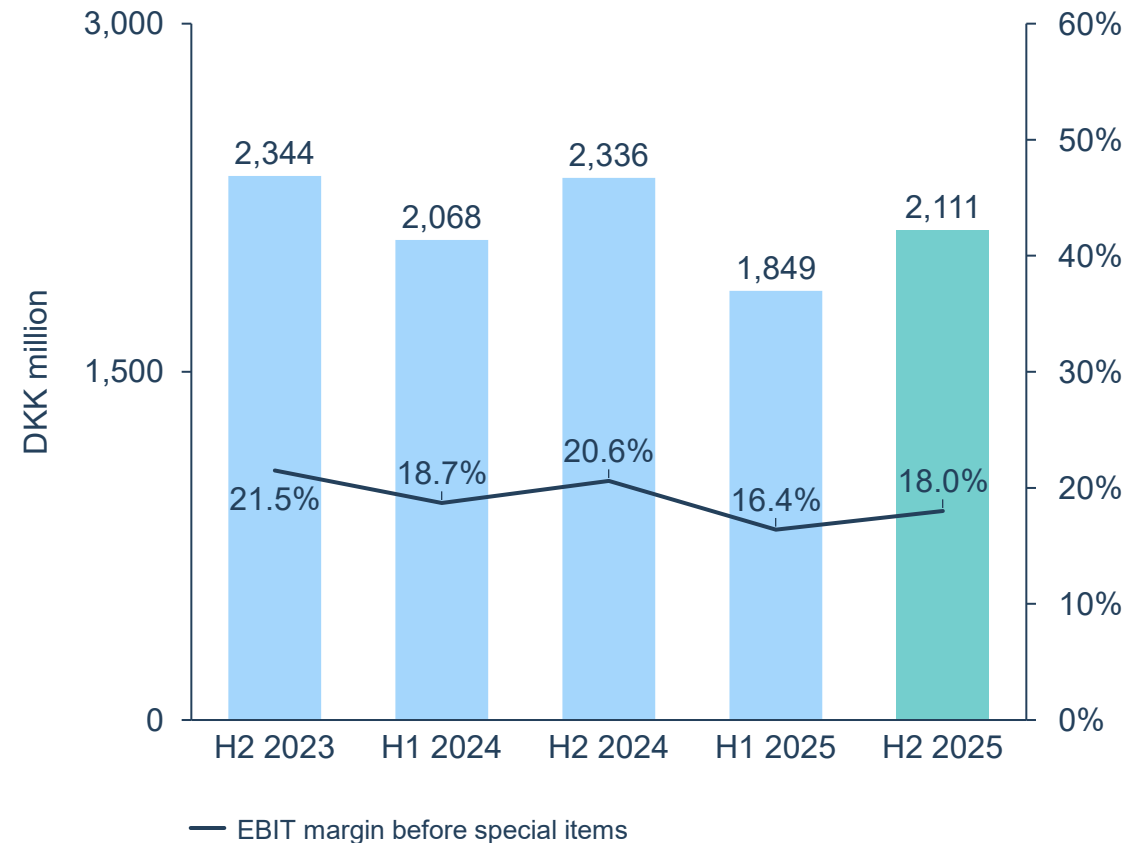
### OPEX development

- ▶ OPEX increased 5% organically year-over-year due to low comparative figures, but saw flat development compared to H1 2025, reflecting our continued focus on cost management
- ▶ Acquisitions added an additional 5 percentage points of growth to OPEX compared to H2 2024, which was partly offset by exchange rate effects due to a decline in the US dollar

### EBIT

- ▶ EBIT before special items was DKK 2,111 million in H2, negatively impacted by exchange rates and by lower operating leverage in Hearing Aids
- ▶ The decline in EBIT was due to weaker-than-normal growth in the hearing aid market and a loss of market share in the US, primarily due to lower sales to a large retailer
- ▶ EBIT margin before special items was 18.0%, a contraction of 2.6 percentage points relative to H2 2024
- ▶ Special items relating to the acquisition of KIND and a non-cash adjustment amounted to DKK -128 million in H2

## EBIT before special items

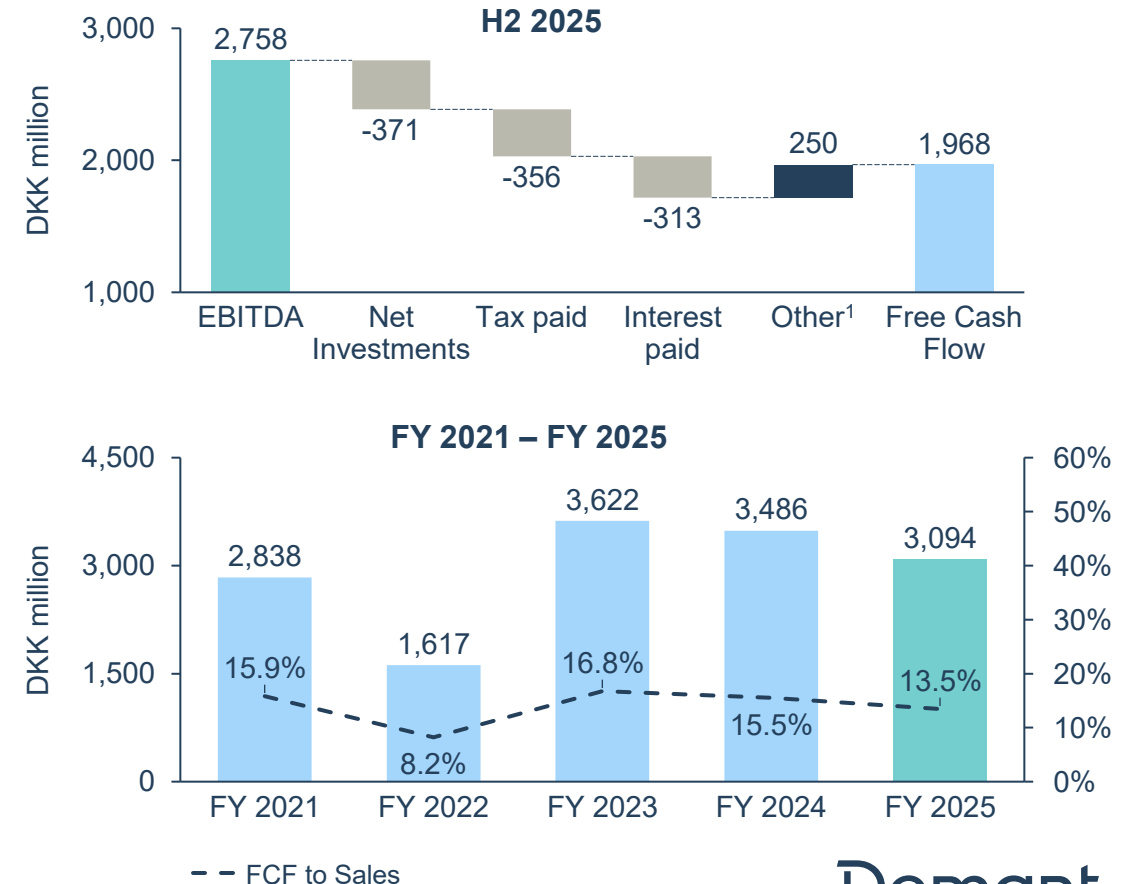


# Cash flow statement in H2

## Comments

- Strong cash generation, as cash flow from operating activities (CFFO) was DKK 2,339 million and free cash flow was DKK 1,968 million
- CAPEX amounted to DKK -409 million, corresponding to a 10% increase compared to H2 2024, primarily due to slightly higher investments in production facilities
- Net cash relating to acquisitions and divestments amounted to DKK -5,436 million, primarily due to the acquisition of KIND
- In H2, the Group did not purchase any shares under the share buy-back programme. For the full year, share buy-backs totaled DKK 582 million until the programme was suspended on 11 June 2025 following the announcement to acquire KIND. The shares were bought at an average price of DKK 255.97

## Free cash flow



19 <sup>1</sup>Other contains non-cash items, working capital and provisions

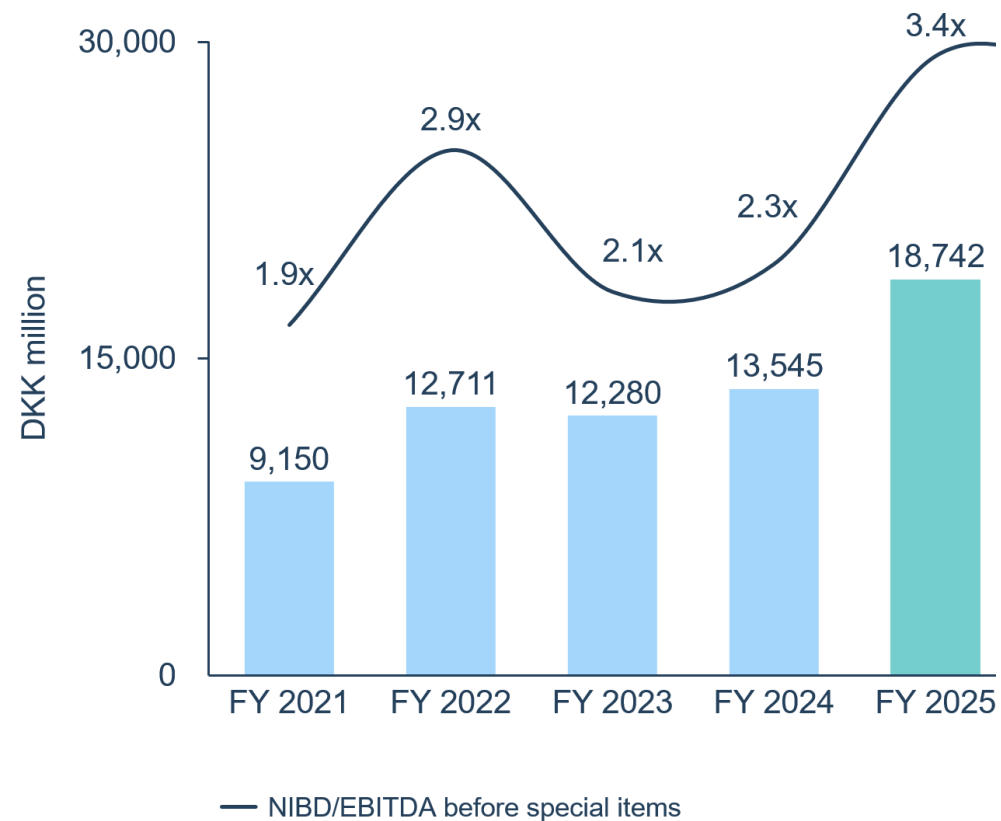


# Balance sheet developments in FY 2025

## Comments

- ▶ In 2025, net interest-bearing debt (NIBD) amounted to DKK 18,742 million, corresponding to a 38% increase relative to 2024. The increase in NIBD is primarily due to the financing of the KIND acquisition
- ▶ The gearing multiple (NIBD/EBITDA before special items) was 3.4x in 2025, which is, as expected, above our medium- to long-term gearing target of 2.0-2.5
- ▶ The Group will prioritise deleveraging and expects to return to our medium- to long-term gearing target of 2.0-2.5 within 18-24 months after 1 December 2025
- ▶ Net working capital<sup>1</sup> (NWC) amounted to DKK 3,387 million, which corresponds to a 3% increase relative to the end of 2024. The increase in NWC is primarily the result of acquisitions leading to a higher level of inventory and trade receivables

## Net interest-bearing debt





# Key financial take-aways for FY 2025



Group **organic growth** of 2% despite continuously weaker-than-normal market conditions



Group **gross margin** declined by 0.6 percentage points, primarily driven by weak market growth, particularly in the US, and by ASP headwinds in Hearing Aids due to geography and channel mix changes



**OPEX** increased by 3% organically, with a continued focus on cost management. Acquisitions added 4 percentage points



**EBIT before special items** was DKK 3,960 million, corresponding to an EBIT margin before special items of 17.2%, negatively impacted by lower operating leverage, particularly in Hearing Aids, as well as exchange rate effects. Special items amounted to DKK -128 million



Strong cash flow with **CFFO** of DKK 3,852 million and **FCF** of DKK 3,094 million



**Share buy-backs** of DKK 582 million (suspended as of 11 June 2025)

(DKK million)	FY 2025	FY 2024	Growth
<b>Revenue</b>	<b>22,971</b>	<b>22,419</b>	<b>2%</b>
Organic growth	2%	2%	
<b>Gross profit</b>	<b>17,371</b>	<b>17,090</b>	<b>2%</b>
Gross margin	75.6%	76.2%	
Operating expenses (OPEX)	-13,447	-12,785	5%
<b>Operating profit (EBIT) before special items</b>	<b>3,960</b>	<b>4,404</b>	<b>-10%</b>
EBIT margin before special items	17.2%	19.6%	
Cash flow from operating activities (CFFO)	3,852	4,080	-6%
Free cash flow (FCF)	3,094	3,486	-11%



# Outlook and initiatives to improve profitability

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# 2026 outlook assumptions



## Market

- ▶ Due to general macroeconomic uncertainty, we expect the value growth rate in the global hearing aid market to be 2-4% in 2026, which is a conservative assumption temporarily below our medium- to long-term assumption

## Special items

- ▶ We expect to incur costs recognised as special items totalling DKK 325 million. These costs relate to previously communicated transaction and integration costs following the acquisition of KIND amounting to approximately DKK 125 million. In addition, the announced organisational and structural changes to the Group will entail one-off costs of an additional DKK 200 million primarily related to severance payments and cost related to the announced measures

## Demant

- ▶ We have launched a company-wide initiative for Demant to improve profitability, which is expected to lead to cost reductions, positively impacting EBIT before special items of around DKK 250 million in 2026. The majority of the impact is expected to materialise in H2, leading to an EBIT before special items being skewed towards H2
- ▶ Due to exchange rate movements during 2025, we expect an impact of exchange rates on EBIT before special items of around DKK -200 million compared to 2025 with the split expected to be evenly distributed between H1 and H2
- ▶ We expect KIND Group to contribute approximately DKK 300 million to the Group's EBIT before special items in 2026
- ▶ We expect a limited impact of tariffs on the Group, but we include an impact of around DKK -25 million of tariffs in 2026 on our Diagnostics business area based on currently implemented tariffs in the US

# We expect significant improvement in EBIT before special items in 2026

## Comments

### Hearing aid market expectations

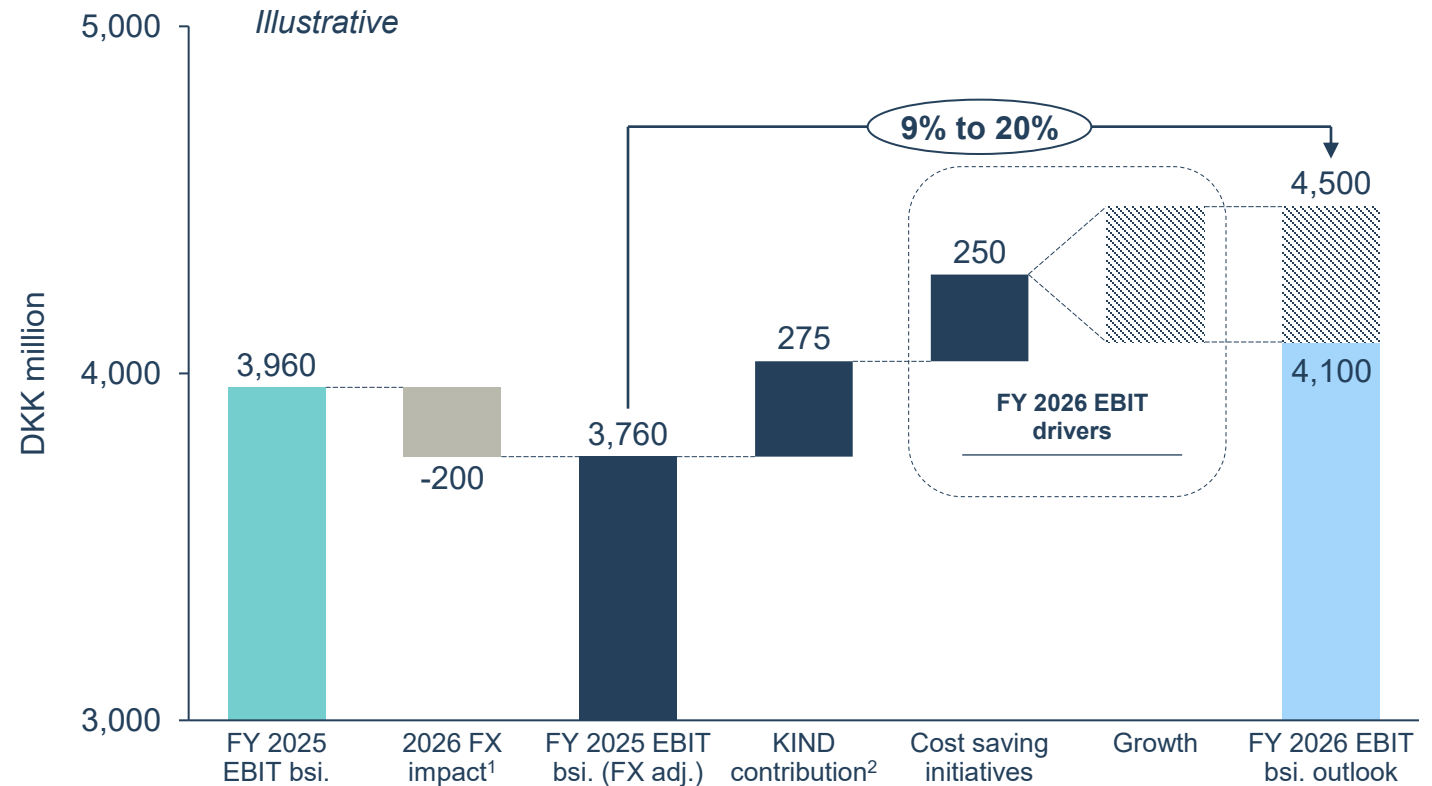
- ▶ In 2026, we expect the hearing aid market to grow 2-4% in value, which is a more conservative assumption and temporarily below our medium- to long-term assumptions

### Additional considerations

- ▶ Primarily due to movements in the US dollar, exchange rates will negatively impact EBIT before special items by DKK 200 million
- ▶ KIND is expected to contribute DKK 275 million to EBIT, which corresponds to 11 months' contribution in 2026

Growth in EBIT before special items is expected to be around 14% at midpoint (excluding exchange rate effects)

## FY 2026 Outlook – EBIT before special items bridge



<sup>24</sup> <sup>1</sup>Exchange rates as at 2 February 2026

<sup>2</sup>11 out of 12 months EBIT contribution from KIND

# Initiatives to improve profitability in the coming years

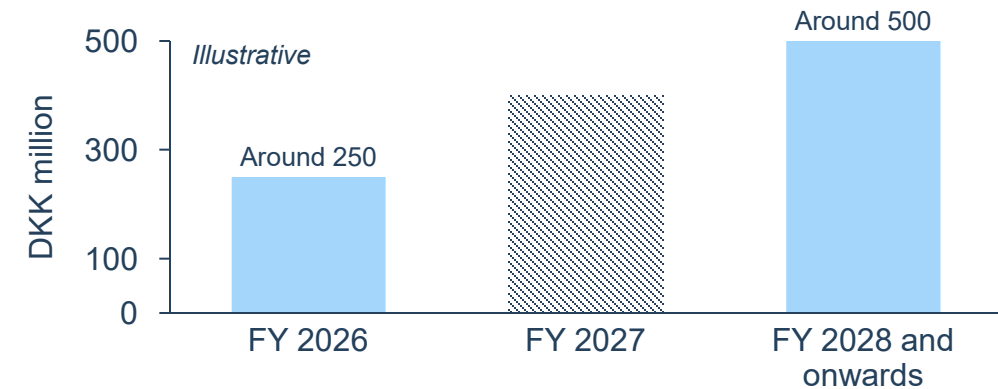
## Background

- ▶ To pave the way for future growth and improved profitability, we are today announcing a company-wide initiative to increase the effectiveness across our organisation.
- ▶ We expect the initiatives to be implemented over the coming two years. They include utilising cost-effective locations, prioritising activities, increasing our efforts to lower production costs and tightening procurement
  - ▶ The measures will result in an intended adjustment to the size of the Demant organisation, which we currently expect to affect approx. 700 employees globally in 2026, of whom approx. 150 employees are located in Denmark

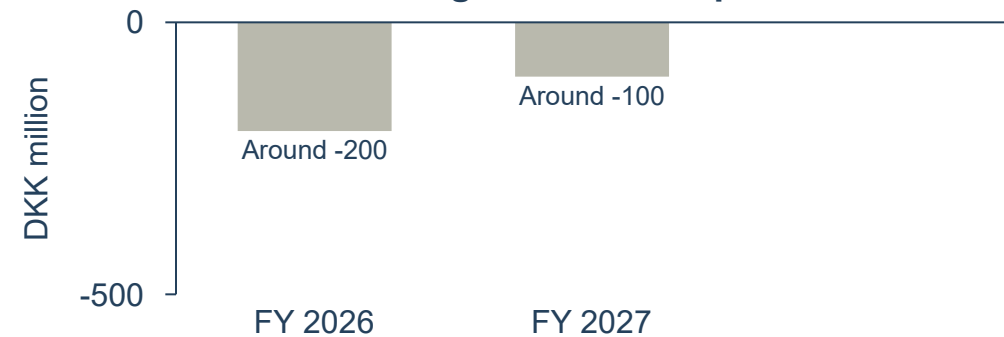
## Financial impact

- ▶ We expect initial cost savings of around DKK 250 million in 2026 and of around DKK 500 million annually from 2028 and onwards. These savings are expected to be realised across both cost of goods sold and OPEX
- ▶ Costs related to the announced measures will be recognised under special items and are expected to be around DKK 200 million in 2026 and around DKK 100 million in 2027 and primarily relate to severance payments

## Expected cost savings



## Costs recognised under special items



# Outlook for 2026



*The outlook for 2026 is summarised below*

Metric	Outlook
Organic growth	3-6%
EBIT before special items	DKK 4,100-4,500 million
Share buy-backs	None

For modelling purposes, we provide further assumptions for 2026 below:

Acquisitive growth	8% based on revenue from acquisitions completed as at 2 January 2026
FX growth	-2% based on exchange rates as at 2 February 2026, including the impact of hedging
Special items	DKK -325 million
Effective tax rate	Around 23%





# Q&A

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## Roadshows and conferences:

- 04 Feb **London** (Goldman Sachs)
- 05 Feb **Paris** (SEB)
- 06 Feb **Copenhagen** (SEB)
- 18 Feb **Toronto** (DNB Carnegie)
- 19 Feb **Chicago** (DNB Carnegie)
- 20 Feb **Stockholm** (Handelsbanken)
- 24 Feb **Zürich** (Bernstein)
- 27 Feb **Oslo** (ABG Sundal Collier)
- 03 Mar **London** (Morgan Stanley European Healthcare Conference)
- 04 Mar **London** (UBS European Healthcare Conference)
- 10 Mar **Miami** (Barclays Annual Global Healthcare Conference)
- 25 Mar **London** (Jefferies Pan-European Mid-Cap Conference)
- 26 Mar **Edinburgh** (ABG Sundal Collier)

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