

1 October 2025 – 31 December 2025

Q1 FY 2025/26 Interim Financial Report

WSA

Q1 FY 2025/26 Report

Financial highlights

Revenue performance in line with expectations

- Group organic revenue growth in Q1 FY 2025/26 was 0%. Group reported revenue declined 6% due to currency headwinds.
- Wholesale delivered organic growth of -4%, impacted by the strict management of our customer base as well as softness in the U.S and some markets in APAC.
- Consumer-facing businesses contributed with 5% organic growth. Growth was driven by strong performance in Online and solid performance in the Retail business across regions while Managed Care was negatively impacted by the scaling back of benefit plans.
- Revenue growth was mixed across geographies with 1% organic growth in Americas, 0% organic growth in EMEA, and -4% organic growth in APAC.

Profitability in line with expectations

- Gross margin improved by 0.8 percentage points driven by operational efficiency improvements and higher relative growth in the Consumer-facing businesses.
- EBITDA margin before special items was 17.5%, which was an increase of 0.5 percentage point compared to last year. This was due to continued operational efficiency improvements and cost reductions made in FY 2024/25.

Global market development

- Global hearing aid unit growth was roughly 3-4%, based on industry data and our internal estimates.

FY 2025/26 outlook confirmed

- The outlook for FY 2025/26 is maintained. WSA expects 0-4% organic revenue growth supported by our competitive product portfolio and upcoming launches. The range reflects the uncertain macro-economic environment.
- The EBITDA margin before special items is expected to increase by around 1 percentage point versus financial year 2024/25, supported by cost reductions made in FY 2024/25, efficiency gains, and growth.

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Macroeconomic and political uncertainties continue to influence market conditions. Yet, we remain disciplined in executing our strategy, focusing strongly on profitability and pioneering innovation. Therefore, it is encouraging that we delivered further profitability improvements during the quarter. Although organic revenue growth was flat, we are seeing solid, sustained momentum in our online and retail channels. Demand for hearing care continues to rise globally, supported by strong demographic trends. WSA is well positioned to capture this long-term structural growth. We are committed to raising the standards of innovation and personalized care to improve the hearing of more people. We look forward to launching new advanced hearing solutions on our Widex and Signia technology platforms.

JAN MAKELA
President and CEO

Q1 Business Highlights

Market development

- Macroeconomic and political uncertainties continue to influence a global hearing aid market, which is growing below historical rates and is impacted by intense price competition.
- Using market data that represent roughly two-thirds of the industry and incorporating our own assumptions, we estimate a global unit growth of approximately 3-4% in Q1 FY 2025/26.
- In **Americas**, the market was flat driven largely by market softness in the U.S.
- In **EMEA**, the market experienced strong growth in France and the UK.
- In **APAC**, the market was flat driven by negative consumer sentiment in key markets.

Innovation

- WSA continued the roll-out of Widex Allure & Compass Cloud in key markets across APAC and EMEA.
- WSA continued the roll out of Signia Motion Charge&Go IX and Insio Charge&Go CIC IX across ANZ, China, Japan, Korea and various European markets.
- WSA will launch significant innovation on our Widex and Signia technology platforms to further drive growth.

Leadership

- Asger Bjerre joined WSA as Chief People Officer and member of the Executive Committee. Asger joined WSA from Becton Dickinson & Company, where he most recently was Senior Vice President of Culture and Talent. He brings solid HR leadership experience from both consumer and medical device companies to WSA.
- Harrison Boyd has been appointed President Region Americas and a member of the Executive Committee, effective March 9, 2026. Harrison is joining from Abbott Laboratories, where he led the commercial organization for Endovascular and Coronary. He brings extensive experience from senior leadership roles across many healthcare industries to WSA.



Key Figures and Financial Ratios

EURm	Q1 2025/26	Q1 2024/25	FY 2024/25
Consolidated statement of profit or loss			
Revenue	629	670	2,579
Gross profit	396	417	1,619
EBITDA before special items**	110	114	456
Special items	-	(8)	(23)
Reported EBITDA	110	106	432
Depreciation and amortization	35	35	147
EBIT	75	71	286
Consolidated statement of financial position			
Total assets	5,096	5,203	5,080
Net interest-bearing debt	2,849	3,518	2,807
Net working capital	360	343	311
Total equity	1,234	642	1,174

** EBITDA before special items is adjusted for costs that are exceptional in nature.

EURm	Q1 2025/26	Q1 2024/25	FY 2024/25
Other key figures			
Investments in intangible assets and property, plant and equipment	30	18	101
Cash flow from operating activities	51	49	388
Free cash flow	25	32	294
Number of full-time employees	12,319	12,436	12,534
Financial ratios, %			
Organic growth	0	4	0
Gross profit margin	63.0	62.2	62.8
EBITDA margin before special items	17.5	17.0	17.7
Reported EBITDA margin	17.5	15.8	16.8
EBIT margin	11.9	10.6	11.1

Key figures/ financial ratios definitions

EBITDA = Earnings before interest, tax, depreciation, amortization

Gross profit margin = Gross profit/(loss) x 100/revenue

EBIT = Earnings before interest and tax

Net interest-bearing debt = total interest-bearing debt – cash and cash equivalents

Organic growth = Growth in revenue exclusive of the impact of foreign exchange rate changes, acquisitions and divestments.

Free cash flow = Operating cash flow – net capex

EBITDA margin before special items = EBITDA before special items x 100/revenue

Reported EBITDA margin = Reported EBITDA x 100/revenue

EBIT margin = EBIT x 100/Revenue

Q1 Financial Performance

Group performance

Group revenue in Q1 FY 2025/26 reached EUR 629 million (Q1 FY 2024/25: EUR 670 million), with organic growth of 0%.

Reported growth of -6% was impacted by negative currency effects totaling EUR 41 million, primarily due to the weakening of the USD against the EUR. M&A contributed EUR 1 million through smaller bolt-on acquisitions.

Business areas

Wholesale delivered organic growth of -4%, which was impacted by the strict management of our customer base and softness in the U.S. and some markets in APAC.

Consumer-facing businesses contributed with 5% organic growth. Online continued the strong trajectory from previous quarters and delivered high growth across geographies, particularly in the U.S. Retail also achieved solid growth across regions. Managed Care was negatively impacted by the scaling back of benefit plans.

Regions

In Q1 FY 2025/26, revenue growth was mixed across geographies.

Americas achieved organic growth of 1% driven by strong growth in Online in the U.S. while Retail performance was solid. Growth in Managed Care in the U.S. was negatively impacted by adjustments to benefit plans. Wholesale growth was negatively affected by a flat market in the U.S. and the strict management of our customer base.

The EMEA region delivered flat organic growth in Q1 FY 2025/26. The region was particularly impacted by the strict management of our customer base. In Germany, we gained market share with independents.

Organic growth in APAC was -4%, driven by softness across some of the key markets, especially China.

Group revenue performance



Revenue performance by business areas and regions

EURm	Q1 2025/26	Q1 2024/25	Organic growth	Reported growth
Wholesale	334	368	-4%	-9%
Consumer-facing	295	302	5%	-2%
Total	629	670	0%	-6%

EURm	Q1 2025/26	Q1 2024/25	Organic growth	Reported growth
Americas	303	327	1%	-7%
EMEA	228	233	0%	-2%
APAC	98	110	-4%	-11%
Total	629	670	0%	-6%

Gross profit and margin

Gross profit in Q1 FY 2025/26 was EUR 396 million (Q1 FY 2024/25: EUR 417 million). This corresponds to a gross margin of 63.0%, which is an improvement of 0.8 percentage points. The gross margin was positively impacted by higher relative growth in Consumer-facing businesses, strict management of our customer base, and by delivering on operational efficiency improvements.

OPEX

OPEX in Q1 FY 2025/26 amounted to EUR 322 million, a reduction of EUR 23 million compared to last year (Q1 FY 2024/25: EUR 345 million) supported by cost reductions made across the Group in FY 2024/25.

In Q1 FY 2025/26, R&D expenditure amounted to EUR 41 million compared to EUR 46 million last year. The focus was on advancing projects that strengthen the product portfolio of our complementary technology platforms.

Selling and general administrative expenses were EUR 281 million, a reduction of EUR 18 million compared to last year.

EBITDA

EBITDA before special items was EUR 110 million (Q1 FY 2024/25: EUR 114 million). EBITDA margin before special items increased to 17.5%, an improvement of 0.5 percentage points compared with last year. The increase is driven by improved gross margin from operational efficiency improvements and the cost reductions made in FY 2024/25.

The reported EBITDA margin of 17.5% increased 1.7 percentage points compared to last year.

Net financial expenses

Net financial expenses amounted to EUR 29 million (Q1 FY 2024/25: EUR 77 million). The decrease is mainly driven by a reduction in net interest expense from EUR 68 million in prior year to EUR 49 million as a result of debt repricing and repayment of PIK notes in the previous financial year. In addition, other financial income and expenses improved from a loss of EUR 8 million to a gain of EUR 20 million, primarily reflecting currency gains of our dollar denominated loan and mark-to-market valuations of derivatives used to hedge our loans.

Income tax

The effective tax rate of 20% is impacted by financing-related items, particularly limitations on interest deductions. Accordingly, the total tax expense for the quarter of EUR 9 million comprises an income tax expense of EUR 15 million attributable to operating profit and an income tax benefit of EUR 6 million related to financing expenses

Balance sheet and cash flow

Cash flow from operating activities in Q1 FY 2025/26 increased slightly to EUR 51 million (Q1 FY 2024/25: EUR 49 million), supported by higher EBITDA, which was partly offset by higher net working-capital outflows.

Cash flow from investing activities was negative EUR 31 million (Q1 FY 2024/25: negative EUR 18 million), driven by increased additions to intangible assets and property, plant and equipment as well as higher acquisition-related outflows. Property, plant, and equipment outflows were affected by phasing, resulting in an elevated outflow in Q1.

Net working capital amounted to EUR 360 million (Q1 FY 2024/25: EUR 343 million). Inventories were significantly lower year-on-year, while higher receivables and lower payables contributed to the overall increase in net working capital.

2025/26 outlook

The outlook for FY 2025/26 is maintained. WSA expects 0-4% organic revenue growth supported by our competitive product portfolio and upcoming launches. The range reflects the uncertain macro-economic environment.

The negative impact on revenue due to stricter management of our customer base and the scaling back of benefit plans in our Managed Care business are levelling off from Q2 onwards, which will expectedly support topline growth.

The EBITDA margin before special items is expected to increase by around 1 percentage point versus FY 2024/25, supported by cost reductions made in FY 2024/25, efficiency gains, and growth.

Consolidated Statement of Profit or Loss

EURm	Q1 2025/26	Q1 2024/25	FY 2024/25
Revenue	629	670	2,579
Cost of goods sold	(233)	(253)	(960)
Gross profit	396	417	1,619
Research and development expenses	(41)	(46)	(177)
Selling and general administrative expenses	(281)	(299)	(1,149)
Other operating income, net	1	(1)	(7)
Share of profit in associates, net of tax	*	*	*
Operating (loss)/profit	75	71	286
Interest income	21	14	43
Interest expense	(70)	(82)	(309)
Other financial income/(expenses), net	20	(8)	18
Profit before taxes	46	(5)	38
Income taxes	(9)	9	(34)
Net income	37	4	4

* Amount less than EUR 1 million

Consolidated Statement of **Financial Position**

EURm	Q1 2025/26	Q1 2024/25	FY 2024/25
Assets			
Goodwill	3,584	3,605	3,572
Other intangible assets	158	149	156
Property, plant and equipment	167	176	164
Right-of-use assets	183	204	187
Investments in associates	5	5	5
Deferred tax assets	110	135	110
Trade receivables	1	2	1
Customer loans	54	58	58
Other assets	33	33	34
Derivative financial assets	20	39	4
Total non-current assets	4,315	4,405	4,291
Inventories	211	246	216
Trade receivables	345	334	326
Current income tax receivables	13	10	18
Customer loans	13	16	13
Other assets	82	81	86
Cash and cash equivalents	96	102	101
Derivative financial assets	21	8	29
Total current assets	781	798	789
Total assets	5,096	5,203	5,080

EURm	Q1 2025/26	Q1 2024/25	FY 2024/25
Equity and Liabilities			
Share capital	126	111	126
Other reserves	3,225	2,676	3,203
Accumulated losses	(2,142)	(2,175)	(2,180)
Total equity attributable to the shareholders of WSA A/S	1,209	612	1,149
Non-controlling interests	25	30	25
Total equity	1,234	642	1,174
Long-term debts	2,844	3,504	2,822
Lease liabilities	166	179	168
Pension obligations	19	18	19
Provisions	41	49	40
Deferred tax liabilities	4	9	5
Other liabilities	57	37	57
Derivative financial liabilities	26	13	49
Total non-current liabilities	3,156	3,810	3,160
Short-term debts	101	115	86
Lease liabilities	44	47	44
Trade payables	197	239	232
Current income tax liabilities	54	43	47
Provisions	65	66	65
Other liabilities	230	240	253
Derivative financial liabilities	15	2	19
Total current liabilities	706	751	746
Total equity and liabilities	5,096	5,203	5,080

Consolidated Statement of Cash Flows

EURm	Q1 2025/26	Q1 2024/25	FY 2024/25
Operating (loss)/profit	75	72	286
Depreciation, amortization and impairment	35	35	147
(Gain)/Loss on sale and disposal of intangibles, property, plant and equipment and right-of-use assets	*	*	2
Share of profit in associates	*	*	*
Other non-cash adjustments	2	(5)	*
Cash flow from operating activities before changes in working capital	112	102	435
Change in inventories	5	(24)	6
Change in trade and other receivables	(19)	(18)	(9)
Change in trade payables	(34)	16	9
Change in customer loans	4	(1)	2
Change in other assets and other liabilities	(18)	(24)	(9)
Change in provisions	1	(1)	(15)
Cash flow from operating activities before financial items and tax	51	50	419
Financial income received	*	2	4
Income taxes paid, net	*	(3)	(35)
Cash flow from operating activities	51	49	388

* Amount less than EUR 1 million

EURm	Q1 2025/26	Q1 2024/25	FY 2024/25
<i>Investing activities</i>			
Acquisition of companies/operations, net of cash acquired	(5)	(1)	*
Investments in intangible assets and property, plant and equipment	(30)	(18)	(101)
Investments in other assets	*	*	*
Proceeds from disposal of intangible assets and property, plant and equipment	3	1	7
Proceeds from disposal of businesses, net of cash disposed	*	*	(1)
Cash flow used in investing activities	(31)	(18)	(95)
Cash flow from operating and investing activities	20	31	293
<i>Financing activities</i>			
Proceeds from issuance of shares	-	-	592
Proceeds from non-controlling interests	-	-	4
Transaction costs paid for issuance of long-term debts	-	-	(2)
Proceeds from long-term and short-term debts	30	105	193
Repayment of long-term and short-term debts	(7)	(23)	(703)
Other transactions with non-controlling interests	*	(1)	(6)
Financial expenses paid	(44)	(113)	(286)
Cash flows relating to lease liabilities	(16)	(17)	(58)
Change in other short-term debt and other financing activities	12	22	(17)
Cash flow used in financing activities	(25)	(27)	(283)
Net cash flow	(5)	4	10
Cash and cash equivalents at beginning of year	101	96	96
Adjustment foreign currency, cash and cash equivalents	*	2	(5)
Cash and cash equivalents at end of year	96	102	101

1 October 2025 – 31 December 2025

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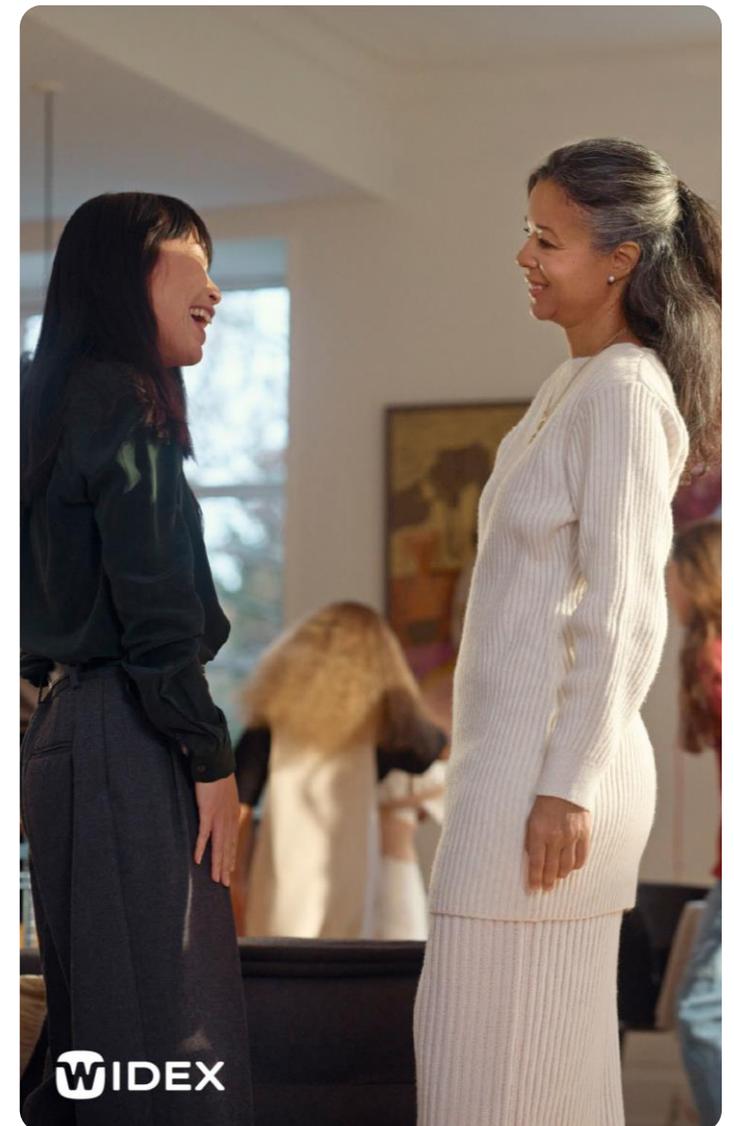
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