

**Company announcement** no 2024-10

16 July 2024

**Revised financial outlook for 2024 and preliminary H1 financial key figures**

**Outlook for 2024 revised: Organic growth of 2-4% (prev. 4-8%) and EBIT before special items of DKK 4,300-4,600 million (prev. DKK 4,600-5,000 million)**

**Preliminary organic growth of 3% in Q2 below expectations due to Hearing Aids and Diagnostics**

**Current low growth in Hearing Aids expected to continue in H2 due to our chosen managed care brand strategy in the US**

**Developments during the period**

*Unless otherwise indicated, the commentary below relates to H1 2024.*

Today, Demant updates its financial outlook for 2024 and provides preliminary financial key figures for H1, with the **Group** reporting organic growth of 3% (Q2: 3%) and an EBIT before special items of DKK 2,068 million for H1 2024. In addition, the Group has seen very solid free cash flow generation in the reporting period.

- In **Hearing Aids**, organic growth in revenue from external customers was 2% (Q2: 1%) driven by very strong comparative figures, but the development in Q2 has nonetheless been below expectations. In the reporting period, the reception of our flagship product Oticon Intent by the independent channel has been good and in line with our expectations.
  - Following our strategic decision to position our brands across channels in the US more clearly, we have seen significant loss of market share in managed care in Q2, which has not been fully compensated by additional sales to independents in the US. Despite the current headwinds, we remain firmly committed to our brand strategy in the US.
  - The general competitive environment remains intense, which has had some impact on growth – particularly in more price-focused channels and segments.
- In **Diagnostics**, organic growth was 3% (Q2: 0%) with negative growth in China and across our portfolio of balance products. While performance was weaker than expected, we expect growth to improve in H2.
- **Hearing Care** saw positive performance with organic growth of 3% (Q2: 5%), which is in line with expectations.

**Revised financial outlook for 2024**

We have revised our financial outlook for 2024 based on an updated view on H2 and the results realised in Q2:

Metric	Outlook for 2024
Organic growth	2-4% (previously 4-8%)
EBIT before special items	DKK 4,300-4,600 million (previously DKK 4,600-5,000 million)
Share buy-backs	Remain unchanged at more than DKK 2,000 million

The revised outlook is based on the following updated assumptions:

- In Hearing Aids, the loss of market share in managed care and the lack of ability to fully compensate through additional sales to independents in the US are assumed to continue at the current level for the remainder of 2024.
- In order to achieve a better balance between revenue and OPEX growth, we have taken certain cost-saving initiatives across the Group. When including the effect of these initiatives, we expect OPEX to grow organically in the low-to-mid single digits in H2 compared to the same period last year.

### **Publication of Interim Report**

The stated financial key figures are preliminary, and Demant will release the full details in its Interim Report to be published on 14 August 2024.

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