

Company announcement no 2025-12

Interim Management Statement for Q3 2025

4 November 2025

Organic growth of 3% in Q3 driven by solid performance in Hearing Care

The hearing aid market remained softer than normal with sequential slowdown in US commercial market

Outlook for 2025: Organic growth of 1-3% and EBIT of DKK 3,900-4,300 million, both likely in the lower end

"In Q3, the Group delivered 3% organic revenue growth in a global hearing healthcare market that remains affected by macroeconomic uncertainties. Hearing Care performed very well, and Hearing Aids gained unit market share, but the Group's performance was impacted by a sequential slowdown in the US commercial market. Although the market is growing at a slower pace than normal, the fundamental demand for professional hearing care and innovative technology remains intact, and we are committed to addressing these needs. In October, we proudly launched Oticon Zeal, the world's most complete in-the-ear hearing aid that meets the users' expectations of having all necessary features in a discreet design: high sound quality, seamless connectivity and convenient rechargeability," says Søren Nielsen, President & CEO of Demant.

Financial review of Q3 2025

Business area	Revenue (DKK million)		Growth				
	Q3 2025	Q3 2024	Organic	Acquisitive	LCY	FX	Reported
Hearing Aids, total revenue	3,012	3,004	3%	0%	3%	-3%	0%
Hearing Aids, internal revenue	-662	-600	8%	4%	12%	-2%	10%
Hearing Aids, external revenue	2,350	2,404	2%	-1%	1%	-3%	-2%
Hearing Care	2,537	2,400	4%	5%	9%	-3%	6%
Diagnostics	567	597	-1%	0%	-1%	-4%	-5%
Group	5,454	5,401	3%	2%	5%	-4%	1%

Business area	Revenue (DKK million)		Growth				
	YTD 2025	YTD 2024	Organic	Acquisitive	LCY	FX	Reported
Hearing Aids, total revenue	9,233	9,234	1%	1%	1%	-2%	0%
Hearing Aids, internal revenue	-1,969	-1,808	6%	4%	10%	-1%	9%
Hearing Aids, external revenue	7,264	7,426	-1%	0%	-1%	-2%	-2%
Hearing Care	7,686	7,234	3%	5%	8%	-2%	6%
Diagnostics	1,757	1,828	-2%	0%	-2%	-2%	-4%
Group	16,707	16,488	1%	2%	3%	-2%	1%

Unless otherwise indicated, the commentary below relates to Q3 2025.

- The **Group** saw organic growth of 3%, which is a sequential improvement on H1, but in the lower end of our expectations, which is partly due to a weaker-than-normal hearing aid market. The Group saw additional growth of 2% related to acquisitions in Hearing Care. Exchange rate effects were -4%, resulting in total reported revenue growth of 1%.
 - **Hearing Aids** saw organic growth in revenue from external customers of 2%. Growth continues to be impacted by softness in the global hearing aid market, with the US commercial market seeing a sequential slowdown, leading to headwinds in the average selling price (ASP) and lower value growth. With regard to our unit sales development, we gained market share in total and across a number of key markets despite seeing lower unit sales to a large retailer in the US.
 - **Hearing Care** delivered solid performance in a market that continues to be soft, leading to organic growth of 4% despite tough comparative figures. The development was broad-based with particularly strong performances in Poland and in several of our other medium-sized markets. Momentum in France also continues to drive strong

unit growth, but as expected, the ASP development was negative due to product mix changes. In line with our strategy, acquisitions in several markets contributed to growth in Q3, with Germany continuing to be the primary contributor.

- **Diagnostics** saw organic growth of -1%. Growth in the business area remains impacted by continuously weak markets, including the US where we continue to see lower-than-normal investments in equipment in hospitals and clinics due to macroeconomic uncertainties. If we take a broader look at our product categories, growth in our services and consumables business continues to be positive, but this was not enough to offset negative growth in our instrument business.
- The Group's **gross margin** declined year-over-year and was slightly below expectations. This is a result of our ASP development in Q3 due to geographic and channel mix changes in Hearing Aids as well as an increasing share of rechargeable devices. Developments in Diagnostics also contributed to the decline.
- As expected, **OPEX** saw modest organic growth compared to the same period last year and given the lower-than-normal market growth rate, we continue to focus on cost management. Acquisitions contributed further to OPEX growth. Driven by a number of key currencies, including the US dollar, exchange rates reduced reported OPEX.
- The Group's **EBIT** was in the lower end of our expectations, primarily due to a lower-than-expected gross margin. In addition, foreign exchange rates continued to have a negative impact on EBIT.
- The Group continued to generate a high **cash flow from operating activities (CFFO)**, which was somewhat supported by net working capital (NWC) developments in the period under review. Despite continued momentum in acquisitions, the high cash flow resulted in a slight reduction of the net interest-bearing debt compared to the end of Q2. The gearing multiple thus currently remains within our medium- to long-term target range of 2.0-2.5. Following closing of the KIND Group acquisition, which is expected to take place in H2 2025, the gearing ratio will temporarily exceed the medium- to long-term range.
- The agreement to acquire KIND Group, as announced on 11 June 2025, remains subject to customary closing conditions and regulatory approvals. As a consequence of the signed agreement, the Group's **share buy-back** programme was suspended on 11 June 2025. As at that date, the Group had bought back shares worth DKK 582 million.
- Profit after tax from **discontinued operations** was slightly positive and in line with expectations. This is attributable to an operating profit in our bone anchored hearing systems (BAHS) business, which was partially offset by a small operating loss in Communications.
- On 22 October 2025, Demant signed an **agreement to sell Oticon Medical** to Impilo, thereby concluding the process of divesting its Hearing Implants business area. The agreement ensures the continuity of Oticon Medical's business operations for the benefit of customers and patients. The transaction is subject to customary closing conditions and regulatory approvals. Closing of the transaction is expected to take place no later than the end of Q1 2026.

Outlook for 2025

Our financial outlook for 2025 is summarised in the table below:

Metric	Outlook for 2025
Organic growth	1-3% range, likely in the lower end of the range
EBIT	DKK 3,900-4,300 million range, likely in the lower end of the range
Share buy-backs	DKK 582 million as at 11 June, when the share buy-back programme was suspended

The outlook is based on a number of key assumptions as described below (changes marked in bold):

- The unit growth rate in the global hearing aid market in 2025 is expected to be 2-4%. Due to geographic and channel mix changes, we expect the hearing aid market to see ASP development of around -1% for the full year, resulting in a value growth rate of 1-3% in 2025.
- We expect the French market to grow in the high single digits in units in 2025.

- The cash allocated to acquisitions in 2025 will be at a much higher-than-normal level due to a high level of bolt-on acquisitions already made in 2025 and the previously announced acquisition of KIND Group, one of the world's leading retailers of hearing aids, for a total consideration of EUR 700 million.
- Our financial outlook for 2025 does not include any contribution from KIND Group, pending closing of the transaction, which is expected to take place in H2 2025.
- We expect flat development in OPEX sequentially in H2 compared to H1 2025.
- We continue to expect an impact on EBIT of around DKK -125 million compared to our original assumptions (unchanged compared to the most recently published outlook) for the year due to adverse exchange rate developments. This includes the effects of both hedged and unhedged currencies, with the majority of the impact expected to take effect in Q2-Q4.
- We expect a limited impact of tariffs on the Group, but we include an impact of around DKK -25 million of tariffs in 2025 on our Diagnostics business area based on currently implemented tariffs in the US.
- **Our Communications business and our business for bone anchored hearing systems, Oticon Medical, are recognised as part of discontinued operations, and for the full year 2025, we expect a loss after tax from discontinued operations to be around DKK 200 million. This is due to the impact of the announced divestment of Oticon Medical and the expected operating results generated by the businesses in 2025, but does not include any financial impact of the intended divestment of our Communications business.**

For modelling purposes, we provide further assumptions for 2025 below, which are updated as at 3 November 2025:

Metric	Assumption for 2025
Acquisitive growth	2% based on revenue from acquisitions completed as at 3 November 2025
FX growth	-2% based on exchange rates as at 3 November 2025 and including the impact of hedging
Effective tax rate	Around 23%
Loss from discontinued operations	Around DKK 200 million

Conference call details

Demant will host a conference call on 5 November 2025 at 14:00 CET. A live webcast of the call will be available on our website www.demant.com. If you would like to access the conference call to ask questions, please pre-register [here](#) to receive the dial-in numbers and access codes. A presentation for the call will be uploaded on our website shortly before the call.

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Management commentary

Market trends

Overall, the hearing healthcare market we address, which comprises the markets for hearing aids and diagnostic instruments and services, saw improvement in Q3 from H1, but remained at a lower-than-normal growth rate.

Hearing aid market

Based on available market statistics, covering around two-thirds of the hearing aid market, and on our own assumptions, we estimate that the global hearing aid market saw unit growth of around 3% in Q3 compared to the same period in 2024. This is an improvement from the low levels in H1, but, as expected, the growth rate remained below the structural growth rate. While growth was broad-based across geographies, it was primarily driven by Europe, as the US commercial market saw a sequential slowdown, even though it continues to generate growth. For Q3, we estimate that geographic and channel mix changes resulted in flat to slightly negative ASP development and that the total hearing aid market thus continued to grow at a lower-than-normal rate.

Estimated unit growth in the hearing aid market by region

Region	2025			
	Q1	Q2	Q3	YTD
Europe	4%	3%	4%	3%
North America	-3%	2%	2%	1%
Hereof US (commercial)	-5%	4%	2%	0%
Hereof US (VA)	-1%	1%	4%	1%
Rest of world	4%	5%	4%	4%
Global	2%	3%	3%	3%

We estimate that market growth in Europe – which was supported by slightly softer comparative figures in Q3 – was 4% in Q3 compared to the same period in 2024. Growth was primarily driven by France, which continued to see strong, double-digit unit growth. Excluding France, growth in Europe would have been around 2%. In the UK, growth was entirely driven by the private market, whereas growth was slightly negative in the NHS. In Germany, growth accelerated sequentially following a slow Q2.

Unit growth in North America was 2% in Q3, driven by a rebound in VA in Q3 after several quarters of flattish growth. As far as the commercial market is concerned, growth slowed down sequentially, with managed care continuing to see negative growth. In Canada, the market improved following negative growth in Q2, but it remained at a low level.

In the Rest of world region, we estimate that growth was 4%. This was driven by Japan, which showed solid improvement after several quarters of flat growth. Several emerging markets are also estimated to have contributed to growth, while Australia and China delivered flat to slightly negative growth in Q3.

Market for diagnostic instruments

We estimate that the growth rate in the market for diagnostic instruments was slightly negative in Q3 compared to the same period last year. This is due to the continuously soft demand for diagnostic instruments, which was offset by growth in the market for services and consumables in the period.

Business areas

Hearing Aids

Sales to external customers grew organically by 2% in Q3, impacted by continued softness in the global hearing aid market, including a sequential slowdown in the US commercial market, leading to ASP headwinds and lower value growth. Growth measured in units was positive and above the estimated market growth rate, leading to market share gains in units in total and across a number of key markets despite lower unit sales to a large US retailer. However, this was offset by negative ASP development, resulting from a less favourable geographic and channel mix.

In Europe, organic growth was fuelled by good performance in France, which continued to see a positive effect of the four-year anniversary of the hearing healthcare reform implemented in 2021, leading to high unit growth this year. As expected, we saw a higher share of Class I devices sold at a lower ASP, leading to lower, but still positive, value growth in France. The UK contributed positively to growth in Q3, whereas Germany saw flattish growth.

Driven by strong performance in Canada, growth was positive in North America. In the US, growth was impacted by a sequentially slower commercial market and negative growth contribution from a large retailer, which was, however, offset by growth in VA. In managed care, we also saw growth contribution, albeit from a very low level.

In Asia, organic growth was slightly negative, partly due to a slightly negative Chinese market and despite strong growth in Japan. In our Pacific region, we saw good growth driven by strong growth in Australia. Our Rest of world region also saw growth, driven by good broad-based performance in Latin America.

Hearing Care

Hearing Care continued to deliver solid performance in Q3, achieving 4% organic growth despite tough comparative figures. Performance was broad-based with particularly strong performance in Poland and in several of our medium-sized markets. Growth in the period under review was driven by both unit growth and positive ASP development.

Europe delivered solid, broad-based organic growth, driven by particularly strong performances in Poland and in several of our medium-sized markets. In France, the effect of ongoing renewals of hearing aids distributed in the first year of the hearing healthcare reform continues to contribute to growth. However, these effects were partially offset by product mix changes. The UK delivered growth in Q3, as did Germany, which also contributed strongly to growth due to acquisitions.

Driven by improved performance in the US market and despite a sequential slowdown in the US commercial market, North America saw slight organic growth. In contrast, we saw slightly negative development in Canada.

Asia and the Pacific region both delivered solid organic growth, with China and Australia as the main contributors due to improved product mix in both markets. However, this trend was partially offset by negative growth in Japan.

Diagnostics

Diagnostics delivered -1% organic growth in Q3, reflecting continued softness in the global market for diagnostic instruments. While our services and consumables business continued to perform well, this growth was not sufficient to offset the decline in our instruments business. Macroeconomic uncertainties remain a key challenge, particularly in the US, where reduced investments in clinical and hospital equipment continue to impact demand.

In North America – which is the largest market for our Diagnostics business area – we continue to see lower-than-normal growth in the US, as market uncertainty continues to weigh on investment decisions, particularly in the clinic and hospital segments. Europe experienced negative organic growth in Q3, as did our Pacific and Rest of world regions. In Asia, organic growth was slightly positive in overall terms, with mixed performances across the region and with China delivering flat growth.