

Company announcement no 2026-08

Interim Management Statement for Q1 2026

5 May 2026

Group organic growth of 6% driven by very strong organic growth of 9% in Hearing Aids fuelled by Oticon Zeal
 Group growth in local currencies of 16% supported by the acquisition of KIND Group in 2025
 Initiatives to improve profitability progressing well with several measures implemented during Q1
 Outlook for 2026 is maintained, however the strong reception of Oticon Zeal makes results at the lower end of the organic growth and EBIT before special items ranges less likely

“The first quarter marked a strong start to the year for Demant and clearly illustrated the strength of our innovation capabilities. We have a leading AI-based hearing aid platform, and our ability to drive market share gains remains intact. The launch of Oticon Zeal and the market’s positive reception of the product have driven strong performance in our Hearing Aids business. This has further strengthened our confidence in the product and thus in our financial outlook for the year. During the quarter, we also implemented structural changes across the organisation to better position our business for higher growth and improved profitability. With cost-reduction initiatives underway and strong commercial momentum, I have confidence in Demant’s ability – as a leading hearing healthcare company – to improve the lives of even more people living with hearing loss,” says Søren Nielsen, President & CEO of Demant.

Financial review of Q1 2026

Business area	Revenue (DKK million)		Growth				
	Q1 2026	Q1 2025	Organic	Acquisitive	LCY	FX	Reported
Hearing Aids, total revenue	3,356	3,148	11%	0%	11%	-4%	7%
Hearing Aids, internal revenue	-821	-678	19%	6%	25%	-4%	21%
Hearing Aids, external revenue	2,535	2,470	9%	-2%	7%	-4%	3%
Hearing Care	3,123	2,547	4%	23%	26%	-4%	23%
Diagnostics	588	603	4%	0%	4%	-6%	-2%
Group	6,246	5,620	6%	10%	16%	-5%	11%

- The **Group** saw organic growth of 6%, which is at the high end of our expectations. This was fuelled by particularly strong growth in Hearing Aids and supported by a hearing aid market growing 4% and thus at the upper end of our expectations for the year. The Group saw additional growth of 10% related to acquisitions in Hearing Care. Exchange rate effects were -5%, primarily due to developments in the US dollar, leading to total reported revenue growth of 11%.
 - **Hearing Aids** saw organic growth in revenue from external customers of 9%, driven by significant market share gains in terms of value. With the roll-out of Oticon Zeal across all major markets in Q1, growth momentum in Hearing Aids has seen strong improvement, supported by both Zeal and our existing portfolio of products. This clearly demonstrates the demand for our broad portfolio of power-efficient hearing aids, offering industry-leading connectivity and AI-based signal processing. Revenue growth was driven by both unit growth and an improved average selling price (ASP) due to positive product and channel mix changes. Overall, this highlights our significant innovation capabilities and the positive reception of Oticon Zeal.
 - **Hearing Care** continued the positive trend from 2025 and delivered a good performance in Q1, with organic growth of 4%. This development was broad-based, reflecting solid growth contributions from the UK and North America. Following the closing of the KIND acquisition in Q4 2025, the integration progressed as planned in Q1, with KIND being the primary contributor to the 23% growth from acquisitions.
 - **Diagnostics** saw a good start to the year, with organic growth of 4%. Growth was driven both by our service and consumables business and by good sales of diagnostic instruments. When looking at our global performance across product categories, we estimate that we have gained market share in Q1 in the market for diagnostic equipment.

- As expected, the Group's **gross margin** increased compared to Q1 2025. The improvement was primarily driven by a higher ASP in Hearing Aids and by positive business mix effects.
- **OPEX** saw organic growth in line with expectations, as we continue to invest in innovation, including solutions to be launched in H2, while maintaining our focus on cost management. Acquisitions contributed to OPEX growth due to the consolidation of KIND, whereas exchange rates reduced reported OPEX.
- Despite the negative impact of exchange rate fluctuations, the Group's **EBIT before special items** improved compared to Q1 2025. This was fuelled by strong performance in Hearing Aids as well as a positive impact of the consolidation of KIND.
- The Group continued to deliver a solid cash flow, with both **CFFO** and **FCF** being positive in Q1. The Group also continued its acquisition activities in Hearing Care. The cash outflow related to these acquisitions was more than offset by the proceeds received from the divestments of EPOS and Oticon Medical, which were both finalised in Q1. As a result of this and of improving profits, the Group's **gearing multiple** (NIBD/EBITDA before special items) declined compared to Q4 2025, although it remains above our medium- to long-term target range of 2.0-2.5.
- As announced in February 2026, the Group has initiated **structural changes** across its business areas to position Demant for improved growth and profitability. In Q1, we implemented several organisational adjustments, which, as expected, led to limited cost benefits in the period under review. The Group remains on track to deliver DKK 250 million in savings in 2026 and continues to expect total cost savings from the structural changes of DKK 500 million, which will take full effect in 2028.

Outlook for 2026

Our financial outlook for 2026 is maintained, however the strong reception of Oticon Zeal in Q1 makes results at the lower end of the organic growth and EBIT before special items ranges less likely:

Metric	Outlook for 2026
Organic growth	3-6%
EBIT before special items	DKK 4,100-4,500 million
Share buy-backs	None

The outlook is based on the following key assumptions as described below, which are unchanged:

- 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.
- 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.
- In February 2026, we 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 to contribute approximately DKK 300 million to the Group's EBIT before special items in 2026.
- 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.

For modelling purposes, we provide further assumptions for 2026 below, which are updated as at 4 May 2025:

Metric	Assumptions for 2026
Acquisitive growth	9% based on revenue from acquisitions completed as at 4 May 2026 (previously 8%)
FX growth	-2% based on exchange rates as at 4 May 2026, including the impact of hedging
Special items	DKK -325 million
Effective tax rate	Around 23%

Conference call details

Demant will host a conference call on 6 May 2026 at 14:00 CEST. 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.

Further information:

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

Other contacts:

René Schneider, CFO
Peter Pudselk, Head of Investor Relations
Gustav Høegh, Investor Relations Officer
Maribel Alonso Francisco, Communication Manager

Management commentary

Market trends

Overall, the hearing healthcare market we address, which comprises the markets for hearing aids and diagnostic instruments and services, saw growth in Q1 2026.

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 Q1 compared to the same period in 2025. Growth was broad-based, with all regions seeing growth, albeit slightly below the structural unit growth rate of 4-6%. This development was as expected. We estimate that geography and channel mix changes supported the global ASP development in Q1, leading to an estimated value growth rate in the global hearing aid market of around 4%. This is at the high end of our assumed market growth rate in value for 2026.

Estimated hearing aid market unit growth by region

Region	2025					2026
	Q1	Q2	Q3	Q4	FY	Q1
Europe	4%	3%	4%	8%	5%	2%
North America	-3%	2%	2%	0%	1%	3%
Hereof US (commercial)	-5%	4%	2%	0%	0%	3%
Hereof US (VA)	-1%	1%	4%	-1%	1%	4%
Rest of world	4%	5%	4%	3%	4%	4%
Global	2%	3%	3%	4%	3%	3%

We estimate that unit growth in Europe was around 2% in Q1 compared to the same period in 2025. Growth was primarily driven by Germany and France. In the UK, growth was negative despite growth in the private market, as unit growth in the NHS saw a decline following a strong Q4 in 2025. Looking beyond the three largest markets, we estimate that several medium-sized European markets delivered good growth in the period.

In North America, unit growth was 3% in Q1. Growth in the US commercial market was also 3%, driven by private-pay channels. However, this growth rate was significantly impacted by negative growth in managed care, which weighed on overall market growth. Unit growth in VA improved sequentially, partly supported by low comparative figures, reaching 4%. In Canada, unit growth remained solid in Q1.

Looking beyond Europe and North America, we estimate that unit growth in the Rest of world region was around 4%. Growth in Japan was strong, and we estimate that the Chinese market saw growth despite continuously challenging market dynamics. Australia saw slightly negative growth in the period, but several emerging markets delivered solid unit growth in Q1.

Diagnostics market

Following improving trends in the market for diagnostic instruments and services towards the end of 2025, we estimate that market growth was slightly positive in Q1, driven by the market for diagnostic equipment and the market for services and consumables.

Hearing Aids

Organic growth in sales to external customers was 9% in Q1 2026, with the business seeing a significant growth momentum following the launch of Oticon Zeal, which delivered growth ahead of plans. This was further supported by growth in our existing portfolio of products, demonstrating the demand by our customers and users for our broad portfolio of power-efficient hearing aids with industry-leading connectivity and AI-based signal processing. Growth was also supported by the hearing aid market growing 4%, which was at the high end of our expectations. In Q1, we saw both unit growth and a strong contribution from ASP developments compared to Q1 2025, and we estimate that we have significantly increased our market share in terms of value.

In Europe, organic growth was good, driven by solid performance in Germany and the UK as well as good performance in several medium-sized markets. In France, growth was slightly positive.

In North America, we saw strong double-digit growth fuelled by performance in the US commercial market and in VA, with Oticon Zeal being available in VA since 1 May 2026. Despite a decline in the managed care market, we delivered very strong growth in the channel, however from a low comparative base. In Canada, growth was solid, supported by the launch of Oticon Zeal in Q1.

In Asia, organic growth was flat despite negative growth in Japan and China as well as in our Pacific region. Organic growth in Australia was good, and in our Rest of world region, which mostly comprises emerging markets, organic growth was strong.

Hearing Care

Hearing Care continued the good performance, leading to organic growth of 4% despite strong comparative figures. This development was driven by very strong performance in the UK, in particular, and in North America. Acquisitive growth was 23%, primarily driven by the acquisition of KIND in Germany. Acquisitions in the UK also contributed to acquisitive growth in the latter part of the period. When looking at the organic growth rate in Q1, we see that growth was mainly driven by units, but we also saw tailwind from an increase in the ASP, primarily due to positive product mix changes.

Europe saw solid organic growth, driven by strong performance in UK and in several of our medium-sized markets, particularly Poland. In Germany, organic growth was good and was further supported by significant acquisitive growth. In France, growth was slightly negative, as unit growth was outweighed by a negative ASP due to product mix changes.

In North America, organic growth was good, driven by continuously strong momentum in Canada. In the US, organic growth remained solid, despite a strong performance relative to the market in the comparative period. Both countries saw a positive impact of the launch of Oticon Zeal on the product mix in Q1.

Looking beyond Europe and North America, we saw growth in Australia, whereas growth in China was slightly negative following a number of quarters with good performance.

Diagnostics

Organic growth in Diagnostics was 4%, driven by growth in our businesses for diagnostic instruments and services and consumables. The business area did not see any impact of acquisitions in Q1.

In Europe, organic growth was positive, driven by particularly strong growth in the UK and Poland. In North America, growth was also positive, driven by Canada, whereas the US saw slightly negative growth. In Asia, growth was impacted by continued softness in China where we continue to see adverse effects of our limited access to public markets. In our Rest of world region, we saw negative growth despite good growth in several smaller emerging markets.