Demant

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Interim Report 2026 and upgraded financial outlook for 2026

Inside information

Organic growth of 7% in H1, ahead of expectations and driven by strong momentum in all business areas
EBIT before special items of DKK 2,134 million, corresponding to strong growth of 19% in local currencies
Strong cash flow generation with CFFO of DKK 1,603 million, supporting significant debt reduction
Outlook for 2026 upgraded: Organic growth of 6-7% and EBIT before special items of DKK 4,400-4,800 million

"We delivered very strong organic growth in the first half of 2026, which is ahead of our expectations. I am particularly pleased to see the strong momentum in all business areas, which also helped drive accelerated growth in the second quarter. The momentum in Hearing Aids was fuelled by the continuously successful rollout of Oticon Zeal, while solid execution in Hearing Care and strong growth in Diagnostics also contributed to the overall performance of the Group. Combined with the cost-saving initiatives we began implementing across the organisation in the first quarter, we have already seen an improvement in earnings, underlining our ability to execute on our strategic priorities. Thus, we upgrade our financial outlook for the full year and enter the second half of the year with confidence and high expectations for the upcoming launch of our new premium and industry-leading hearing aid, Oticon Reveal, featuring our new Dual AI sound processing system," says Søren Nielsen, President & CEO of Demant.

Financial review of H1 2026

	Revenue (DKK million)		**Growth**				
Business area	**Q2 2026**	**Q2 2025**	**Organic**	**Acquisitive**	**LCY**	**FX**	**Reported**
Hearing Aids, total revenue	*3,443*	*3,073*	*14%*	*0%*	*14%*	*-1%*	*12%*
Hearing Aids, internal revenue	*-825*	*-629*	*29%*	*2%*	*31%*	*0%*	*31%*
Hearing Aids, external revenue	2,618	2,444	10%	-1%	9%	-2%	7%
Hearing Care	3,415	2,602	8%	23%	31%	0%	31%
Diagnostics	634	587	9%	0%	9%	-1%	8%
Group	**6,667**	**5,633**	**9%**	**11%**	**19%**	**-1%**	**18%**

	Revenue (DKK million)		**Growth**				
Business area	**H1 2026**	**H1 2025**	**Organic**	**Acquisitive**	**LCY**	**FX**	**Reported**
Hearing Aids, total revenue	*6,799*	*6,221*	*12%*	*0%*	*12%*	*-3%*	*9%*
Hearing Aids, internal revenue	*-1,646*	*-1,307*	*24%*	*4%*	*28%*	*-2%*	*26%*
Hearing Aids, external revenue	5,153	4,914	9%	-1%	8%	-3%	5%
Hearing Care	6,538	5,149	6%	23%	29%	-2%	27%
Diagnostics	1,222	1,190	6%	0%	6%	-4%	3%
Group	**12,913**	**11,253**	**7%**	**10%**	**18%**	**-3%**	**15%**

Unless otherwise indicated, the commentary below relates to H1 2026.

- The **Group** generated organic growth of 7% (Q2: 9%). Acquisitive growth was 10% (Q2: 11%), exchange rate effects were -3% (Q2: -1%), and reported revenue growth was 15% (Q2: 18%), resulting in Group revenue of DKK 12,913 million (Q2: 6,667 million).
  - **Hearing Aids** saw organic growth in revenue from external customers of 9%. This is above our expectations and driven by very strong momentum in the business and further supported by market growth of around 4% in value, which is at the high end of our assumed market growth rate. Growth accelerated from Q1, reaching 10% organic growth in Q2 despite a slightly tougher comparative base than in Q1. Oticon Zeal continued to deliver strong performance, but growth was also driven by other products, with North America seeing particularly strong growth. Growth in H1 was fuelled by both unit growth and a positive ASP development due to a strong

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product, channel and geography mix, and we estimate that we have grown our business significantly above the market growth rate. In August, we will begin the rollout of our new industry-leading, AI-based hearing aid platform, including our new flagship product, Oticon Reveal, which features our new Dual AI sound processing technology. The product is expected to drive growth together with Oticon Zeal in H2 2026.

  - **Hearing Care** saw organic growth of 6%. Momentum in our business accelerated from Q1 to 8% organic growth in Q2, partly aided by slightly easier comparative figures. The strong growth was broad-based across regions and most of our large and medium-sized markets, including Germany. Acquisitions continue to contribute significantly to growth, delivering 23% growth in Hearing Care in H1, predominantly driven by the acquisition of KIND but also by a larger retail acquisition in the UK in March.
  - **Diagnostics** saw organic growth of 6%. Growth in the period was driven by market share gains and market growth and supported by slightly easier comparative figures, leading to an acceleration in growth from Q1 to Q2, which delivered 9% organic growth. The growth was driven by good growth in both our instruments business and our services and consumables business.

- The Group's **gross margin** was above our expectations, reaching 77.1%, an increase of 1.1 percentage points compared to H1 2025. The development was primarily driven by a higher ASP in Hearing Aids due to a strong product, channel and geography mix and supported by the acquisition of KIND in Hearing Care. The development in exchange rates did not impact the gross margin.
- **OPEX** saw 5% organic growth, partly supported by savings from our implemented cost-saving initiatives. Acquisitions in Hearing Care added 14% to the Group's OPEX, while exchange rate effects were -2%.
- The **cost-saving initiatives** announced in February 2026 are progressing ahead of plans. The activities undertaken resulted in savings of around DKK 100 million in H1, which is slightly above expectations. As a result of the good progress, we now expect to deliver savings of around DKK 300 million in 2026 and continue to see total annual savings from the structural changes of DKK 500 million from 2028 onwards.
- **EBIT before special items** amounted to DKK 2,134 million, corresponding to an EBIT margin before special items of 16.5%. EBIT before special items was negatively impacted by exchange rate effects of around DKK 50 million, mainly due to a lower US dollar in H1 2026, although the underlying performance was very strong. EBIT before special items grew by 19% in local currencies compared to H1 2025. It was driven by contributions from all business areas, including particularly strong performance in Hearing Aids and in Hearing Care due to KIND, both of which performed ahead of expectations. This development was achieved despite a temporarily negative impact on EBIT of a larger retail acquisition in the UK, where integration activities were completed in H1. Excluding exchange rate effects and this acquisition, the underlying EBIT margin before special items increased by 0.6 percentage points compared to H1 2025, reflecting strong operating leverage and execution across the business. This resulted in **adjusted earnings per share (EPS)** of DKK 6.40, an increase of 20% compared to H1 2025.
- **Special items** related to the cost-saving initiatives in the Group as well as integration costs in KIND amounted to DKK -216 million. Both the integration of KIND and the implementation of cost-saving initiatives are progressing faster than planned, which will result in slightly higher costs to be recognised under special items than initially expected. These costs are related to the accelerated close-down of KIND's manufacturing site in Kölleda, Germany, and the strong execution of our cost-saving initiatives to improve the Group's profitability. **Reported EBIT** was DKK 1,918 million.
- The Group delivered strong **cash flow**, with CFFO of DKK 1,603 million and FCF of DKK 1,284 million. CFFO increased by 6% compared to H1 2025, reflecting a higher operating profit, while FCF increased by 14%, driven by the higher CFFO and supported by lower net investments. Acquisitions and divestments resulted in a net cash inflow of DKK 91 million, as proceeds from the divestments of Hearing Implants and Communications more than offset cash spent on acquisitions in Hearing Care in the period.
- There were no **share buy-backs** during H1 2026, as the Group remained focused on reducing the net debt following the closing of the acquisition of KIND in December 2025. The Group significantly reduced its net interest-bearing debt during the period, amounting to DKK 17,950 million as at the end of June 2026. This corresponds to a **gearing multiple** of 3.0, reflecting rapid deleveraging and strong progress towards our medium- to long-term target range of 2.0-2.5. Following strong profit and cash-flow generation, we expect our gearing multiple to slightly exceed this target at the end of 2026.

Outlook for 2026

Following the strong performance in H1 and our expectation of continuously strong momentum in H2 2026, we upgrade our financial outlook for 2026:

Metric	Outlook for 2026
Organic growth	6-7% (previously 3-6%)
EBIT before special items	DKK 4,400-4,800 million (previously DKK 4,100-4,500 million)
Share buy-backs	None

The outlook is based on a competitive environment, with several competitors expected to launch new products in H2, as well as a number of additional key assumptions as described below:

- Following the improvement in the hearing aid market in H1, we now expect value growth in the global hearing aid market to be 3-4% in 2026. This is a conservative assumption below our medium- to long-term assumption, reflecting continued macroeconomic uncertainty.
- Even though the global trade and tariff situation continues to be characterised by elevated uncertainty, we no longer expect to see any additional impact of tariffs on the Group relative to 2025 (previously DKK -25 million), as we expect to recognise a refund in H2 of previously paid tariffs in the US.
- Following exchange rate developments during H1, we expect an exchange rate impact on EBIT before special items of around DKK -125 million (previously DKK -200 million) compared to 2025, with the impact expected to weigh slightly towards H2.
- In February 2026, we launched cost-saving initiatives in Demant to improve profitability. Following the strong execution of these initiatives in H1, we now expect to see savings positively impacting EBIT before special items by around DKK 300 million in 2026 (previously around DKK 250 million). The majority of the impact is expected to materialise in H2.
- Based on a better-than-expected performance in H1, we expect KIND to contribute DKK 325 million (previously DKK 300 million) to the Group's EBIT before special items in 2026.
- Due to the faster integration of KIND and the strong progress of our cost-saving initiatives, we now expect to incur costs recognised as special items totalling DKK 400 million (previously DKK 325 million) in 2026. These costs relate to previously communicated transaction and integration costs following the acquisition of KIND, amounting to approximately DKK 150 million (previously DKK 125 million). In addition, the announced cost-saving initiatives entail one-off costs of DKK 250 million (previously DKK 200 million), primarily related to severance payments and implementation costs. As previously communicated, we continue to expect to incur costs recognised as special items, amounting to DKK 100 million in 2027.

For modelling purposes, we provide further assumptions for 2026 below, which are updated as at 10 August 2026:

Metric	Assumption for 2026
Acquisitive growth	9% based on revenue from acquisitions completed as at 10 August 2026
FX growth	-1% based on exchange rates as at 10 August 2026 and including the impact of hedging (previously -2%)
Special items	DKK -400 million (previously DKK -325 million)
Effective tax rate	Around 23%

Conference call details

Demant will host a conference call on 12 August 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 attend 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.

The revised financial outlook for 2026 is published as inside information pursuant to Article 17 of the Market Abuse Regulation.

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