Demant

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Interim Management Statement for Q3 2026

Demant announced preliminary Q3 figures and upgraded its 2026 financial outlook on 9 October 2026. This Interim Management Statement for Q3 elaborates on the developments in our business areas, financial key figures, the hearing aid market and the assumptions for our 2026 outlook.

Very strong performance in Q3 with Group reported growth of 21% and organic growth of 11%
Hearing Aids saw very strong organic growth of 17%, driven by the highly successful launch of Oticon Reveal
Outlook for 2026 reiterated: Organic growth of 7-8% and EBIT before special items of DKK 4,700-5,000 million
Share buybacks resumed and expected to total at least DKK 3 billion by the end of 2027

"We delivered a very strong third quarter with 21% revenue growth for the Group, driven by particularly strong momentum in Hearing Aids and a significant contribution from the acquisition of German hearing care retailer KIND. The successful launch of the flagship hearing aid, Oticon Reveal, drove significant growth and further strengthened our overall product portfolio, while Hearing Care and Diagnostics also contributed positively. The strong results put us on track to end the year on an all-time high, enabling us to invest further in innovation to improve the lives of people living with hearing loss," says Søren Nielsen, President & CEO of Demant.

Financial review of Q3 2026

	Revenue (DKK million)		**Growth**				
Business area	**Q3 2026**	**Q3 2025**	**Organic**	**Acquisitive**	**LCY**	**FX**	**Reported**
Hearing Aids, total revenue	*3,597*	*3,012*	*19%*	*0%*	*19%*	*0%*	*19%*
Hearing Aids, internal revenue	*-850*	*-662*	*25%*	*3%*	*28%*	*1%*	*28%*
Hearing Aids, external revenue	2,747	2,350	17%	-1%	17%	0%	17%
Hearing Care	3,278	2,537	6%	22%	28%	2%	29%
Diagnostics	599	567	4%	0%	4%	2%	6%
Group	**6,624**	**5,454**	**11%**	**10%**	**20%**	**1%**	**21%**

	Revenue (DKK million)		**Growth**				
Business area	**YTD 2026**	**YTD 2025**	**Organic**	**Acquisitive**	**LCY**	**FX**	**Reported**
Hearing Aids, total revenue	*10,396*	*9,233*	*15%*	*0%*	*15%*	*-2%*	*13%*
Hearing Aids, internal revenue	*-2,496*	*-1,969*	*24%*	*4%*	*28%*	*-1%*	*27%*
Hearing Aids, external revenue	7,900	7,264	12%	-1%	11%	-2%	9%
Hearing Care	9,816	7,686	6%	22%	28%	-1%	28%
Diagnostics	1,821	1,757	6%	0%	6%	-2%	4%
Group	**19,537**	**16,707**	**8%**	**10%**	**18%**	**-2%**	**17%**

Unless otherwise indicated, the commentary below relates to Q3 2026.

- The **Group** saw organic growth of 11%, fuelled by strong growth acceleration in Hearing Aids and supported by a hearing aid market that grew by 7% in value in Q3 (5% YTD). The Group saw additional growth of 10% related to acquisitions in Hearing Care, predominantly from KIND. Exchange rate effects were 1%, resulting in total reported revenue growth of 21%.
    - **Hearing Aids** saw organic growth in revenue from external customers of 17% despite slightly tougher comparative figures than in Q2. This was significantly above our expectations and driven by very strong sales from the launch of Oticon Reveal, which has further accelerated the positive momentum created by Oticon Zeal. This development confirms the strength and relevance of our overall product portfolio for customers.

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- **Hearing Care** delivered solid organic growth of 6%, which is slightly ahead of expectations. Growth was broad-based across regions, with strong growth contributions from especially Germany and Canada. KIND performed well in Q3 and was the main contributor to the 22% acquisitive growth.
- **Diagnostics** saw organic growth of 4%, which is in line with our expectations. 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 delivered growth slightly above the market growth rate for diagnostic instruments and services and consumables in Q3.

- The Group's **gross margin** increased significantly year-over-year and was ahead of our expectations. In Q3, the development was primarily driven by a higher ASP in Hearing Aids following the launch of Oticon Reveal and supported by the acquisition of KIND in Hearing Care. In addition, the Group saw a slight improvement in the gross margin, as we recognised the anticipated refund of previously paid tariffs in Q3. Changes in foreign exchange rates did not materially impact the gross margin.
- **OPEX** saw organic growth in line with expectations, as we continue to invest in the business, while maintaining focus on cost management. Acquisitions contributed to OPEX growth due to the acquisition of KIND, and we saw a slight increase in OPEX due to changes in exchange rates.
- Due to the strong organic growth, the Group saw significant operating leverage and improvement in **EBIT before special items** in Q3 compared to Q3 2025. In addition, we continue to see a positive contribution from KIND, whereas foreign exchange rates had a negative impact on EBIT before special items. Both drivers were as expected.
- In terms of costs recognised as **special items**, the Group continued to make good progress on the cost effectiveness initiatives and the integration of KIND, and the costs related to these activities were in line with expectations.
- Fuelled by the strong organic growth, the Group delivered a very strong cash flow in terms of both **CFFO** and **FCF**. As a result of this and of increasing profits, the Group's gearing multiple (NIBD/EBITDA before special items) declined meaningfully compared to Q2 2026. Therefore, we announced on 9 October that we would resume our share buyback programme, expecting to buy back shares worth at least DKK 3 billion by the end of 2027, and to end that year with a gearing multiple within the target range of 2.0-2.5.

Outlook for 2026

Our financial outlook for 2026 was upgraded on 9 October and is summarised in the table below. The financial outlook is based on a competitive environment, with several competitors launching products in H2.

Metric	Outlook for 2026
Organic growth	7-8%
EBIT before special items	DKK 4,700-5,000 million
Share buybacks	At least DKK 3 billion from Q4 2026 to the end of 2027

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

- Following the positive development in the hearing aid market in Q3, we expect value growth in 2026 to be in line with the structural growth rate in the hearing aid market, with 4-5% being the most likely outcome.
- **As expected, we recognised a refund of previously paid tariffs in the US amounting to approximately DKK 25 million in Q3**. **Even though the global trade and tariff situation continues to be characterised by elevated uncertainty, we do not expect to see any additional impact of tariffs on the Group relative to 2025.**
- Following exchange rate developments during 2026, we expect an exchange rate impact on EBIT before special items of around DKK -125 million compared to 2025, with the impact expected to weigh slightly towards H2.
- In February 2026, we launched cost effectiveness initiatives in Demant to improve profitability. We expect to see savings positively impacting EBIT before special items by around DKK 300 million in 2026. The majority of the impact is expected to materialise in H2.
- We expect KIND to contribute DKK 325 million to the Group's EBIT before special items in 2026.

- We expect to incur costs recognised as special items totalling DKK 400 million in 2026. These costs relate to previously communicated transaction and integration costs following the acquisition of KIND, amounting to approximately DKK 150 million. In addition, the announced cost-saving initiatives entail one-off costs of DKK 250 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 2 November 2026:

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

Conference call details

Demant will host a conference call on 4 November 2026 at 14:00 CET. 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 available on our website shortly before the call.

For further information, please contact:

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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 growth above the structural growth rate in Q3 2026.

Hearing aid market

Based on available market statistics, covering approximately two-thirds of the market, and on our own assumptions, we estimate that the global hearing aid market saw unit growth of 6% in Q3 compared to the same period in 2025. We estimate that this growth included a contribution of approximately 1 percentage point from product introductions realised at the end of Q3. While growth was broad-based across geographies, it was primarily driven by the US commercial market and Europe. For Q3, we estimate that geographic and channel mix changes resulted in a positive ASP development and that the total hearing aid market thus grew by around 7% in value.

Estimated unit growth in the hearing aid market by region

	2026			
Region	**Q1**	**Q2**	**Q3**	**YTD**
Europe	2%	2%	8%	4%
North America	3%	2%	6%	4%
US (commercial)	*3%*	*0%*	*8%*	*4%*
US (VA)	*4%*	*1%*	*1%*	*2%*
Rest of world	4%	5%	4%	4%
Global	**3%**	**3%**	**6%**	**4%**

We estimate that the market unit growth rate in Europe was 8% in Q3 compared to the same period in 2025. Growth was driven by continuously strong development in Germany and France. Market growth in the UK improved in Q3 after two quarters of negative growth, with both the NHS and the private market contributing to growth. We estimate that the smaller European markets also saw growth in Q3.

Unit growth in North America saw strong improvement in Q3, reaching 6%. Partly supported by product launches in Q3, growth was driven by the US commercial market. Growth was weighed down by a continuously negative managed care market. In VA, market growth was 1% and in Canada, market growth was slightly positive.

We estimate that unit growth in the Rest of world region was 4%, supported by broad-based growth across several emerging markets. China and Japan also delivered growth.

Diagnostics market

We estimate that the growth rate in the market for both diagnostic instruments and services and consumables was slightly positive in Q3 compared to the same period last year.

Business areas

Hearing Aids

Hearing Aids saw organic growth in revenue from external customers of 17%, despite slightly tougher comparative figures than in Q2. This is significantly above our expectations, driven by the very strong launch of Oticon Reveal, particularly in the US commercial market, fuelling a strong product mix. The strong launch has further expanded the positive momentum created by Oticon Zeal, which confirms the strength and relevance of our overall product portfolio for customers. In Q3, we saw both above-market unit growth and a strong contribution from ASP developments compared to Q3 2025, and we estimate that we have significantly increased our market share in value. The reception by customers of Oticon Reveal has been very favourable, with the product now broadly available across markets and channels.

North America continued to see double-digit organic growth, entirely driven by the US. Strong growth in the US was supported by the launch of Oticon Reveal, a continuously strong contribution from our entire portfolio of products and an improved market share in the VA channel. Organic growth in Canada was slightly positive.

Europe delivered strong organic growth, with strong contributions from the UK, Germany and France. Several medium-sized markets also contributed to growth.

In Asia, organic growth was strong, despite China seeing negative growth. Australia delivered very strong organic growth, and our Rest of world region, which predominantly comprises emerging markets, delivered solid organic growth.

Hearing Care

Hearing Care delivered solid organic growth of 6%, which is slightly ahead of expectations. Growth was broad-based across regions and driven by both unit growth and a positive ASP development.

Europe delivered solid organic growth, driven by a strong performance in Germany and solid contributions from several of our other medium-sized markets. In France, growth was positive. Acquisitions continued to be a significant contributor to reported growth, following the acquisition of KIND. As announced on 3 November 2026, Demant has initiated a process to unite its Hearing Care activities in Germany under the KIND name. This will create one Hearing Care organisation in Germany, combining the trusted KIND name with the visual identity of Demant Hearing Care.

Driven by continued momentum in Canada, North America saw strong organic growth. Supported by improving market conditions, the US also saw solid growth.

The Pacific region delivered solid broad-based organic growth. In Asia, organic growth was slightly positive, whereas China saw negative growth.

Diagnostics

Diagnostics delivered 4% organic growth in Q3, driven by growth in our businesses for diagnostic instruments and services and consumables. The business area did not see any impact of acquisitions in Q3.

In Europe, organic growth was positive. North America also saw growth, driven by the US, whereas growth in Canada was negative, following a strong performance in H1. Our Pacific and Rest of world regions both saw strong organic growth, driven by Australia and Latin America, respectively. Asia saw flat growth.