

Investor news

Capital Markets Day 2024

12 March 2024

Sharpened focus on Hearing Healthcare

On Tuesday, 12 March 2024, at 11:00 CET, Demant hosts a Capital Markets Day (CMD) at our headquarters in Smørum, Denmark, for investors and analysts. During the event, we will outline our strategic priorities and financial aspirations for the medium to long term and also deep dive into how we deliver market-leading innovation and further expand our distribution going forward. The presentations and a livestream will be available on our [website](#) shortly before the event.

Background

Since our latest CMD in 2021, Demant has undergone significant strategic changes. Following the decisions to discontinue our Hearing Implants business area and to undertake a strategic review of Communications, we are now emerging as a more focused and more profitable company. This allows us to be fully focused on our core Hearing Healthcare business and by doing so to continue to grow our market share by delivering market-leading innovation, further expand our distribution and thus enable us to reach and help even more people hear better.

Key messages from today's Capital Markets Day

Under the theme, *Sharpened focus on Hearing Healthcare*, the key messages from today's Capital Markets Day will be:

- We upgrade our view on the hearing aid market, which we now expect to grow 4-6% p.a. in value (previously 2-5% p.a.), reflecting annual unit growth of 4-6% and flattish yearly ASP development (previously negative by 1-2% p.a.), which is in line with the estimated recent historical ASP development. For the hearing healthcare market, which also includes the market for diagnostic equipment, we thus expect annual value growth of around 5% (previously 4%).
- Our medium- to long-term outlook now relates to our Hearing Aids, Hearing Care and Diagnostics business areas, collectively our Hearing Healthcare business. Driven by our more positive view on the hearing healthcare market and our aspiration of continued market share gains, we aim for annual revenue growth of 8-10% in local currencies, which comprises organic growth of 6-8 percentage points and growth from bolt-on acquisitions of around 2 percentage points.
- Over the medium to long term, we expect incremental EBIT margin expansion, and we consider scale a significant parameter for delivering improved profitability.
- Innovation remains at the core of our company, and we believe that being leaders in audiological performance is an important part of sustaining a competitive advantage in our industry. As we go forward, we are committed to continuing to invest in next-generation hearing healthcare solutions using groundbreaking sound-processing based on deep neural networks and other advances in artificial intelligence.
- We still believe strongly in the value of professional, in-person counselling and care for patients through either external customers or our own Hearing Care network. We will continue to invest in global distribution, including continued expansion of Hearing Care both organically and through acquisitions, to further increase the scale and profitability of our Group.
- We remain a highly cash-generative business, and despite continuous value-adding investments in R&D and distribution, we expect free cash flow generation to remain strong going forward, leaving ample room for cash returns to shareholders in the form of share buy-backs. Our gearing multiple target remains unchanged at 2.0-2.5.
- We are a positive-impact business and employ sustainable business practices as an integrated part of our strategy. Over the last years, we have seen a steady improvement of our ESG performance, and we remain committed to enhancing our sustainability efforts both in terms of disclosure and by delivering on our targets within climate and diversity, equity and inclusion.

Agenda

11:00	Welcome	Peter Pudseyk <i>Head of Investor Relations</i>
11:10	Sharpened focus on Hearing Healthcare	Søren Nielsen <i>President & CEO</i>
12:00	Lunch break and product demos	
13:00	Fuelling innovation and core technology development in Hearing Aids	Various speakers from Hearing Aids
14:30	Break and product demos	
14:55	Succeeding in the US hearing aid market	Ty Lee <i>President, Hearing Aids North America</i>
15:45	Continuing our Hearing Care growth journey	Niels Wagner <i>President, Hearing Care</i>
16:30	Break	
16:40	Driving scale benefits to deliver long-term shareholder value	René Schneider <i>CFO</i>
17:10	Final Q&A and concluding remarks	
17:30	End of event	

Outlook for 2024 announced in February remains unchanged

2024 has been off to a good start in line with expectations, and we reiterate our outlook for the year of organic growth of 4-8%, EBIT of DKK 4,600-5,000 million and share buy-backs of more than DKK 2,000 million.

For our discontinued business areas, we still expect the divestment of our cochlear implants business to close in H1 2024, as the process is progressing according to plan. The bone-anchored hearing systems business will remain with the Group for now, pending a review of our strategic options. The strategic review of Communications is still ongoing as planned, and we expect it to be concluded by the end of H1 2024.

Practical matters

For in-person attendance, registration will open at 10:30 CET. The event will start at 11:00 CET at our headquarters in Smørum, Denmark. The presentations and livestream will be available on our [website](#) shortly before the event, and a replay will also be made available on our website following the event. Throughout the day, there will be Q&A sessions after each presentation. However, it is only possible to ask questions live from the venue.

Further information:

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

Other contacts:

René Schneider, CFO
Peter Pudseyk, Head of Investor Relations
Henrik Axel Lynge Buchter, Manager of External Communication