

Company announcement no 2023-06

17 April 2023

Demant raises financial guidance for 2023

Today, Demant announces preliminary revenue and growth rates for Q1 2023 and adjusts the outlook for 2023 to reflect very strong performance in Q1. The outlook for organic growth is increased to 6-10% (prev. 3-7%) and for EBIT to DKK 3,800-4,200 million (prev. DKK 3,600-4,000 million).

Business area	Revenue (DKK million)		Growth					
	Q1 2023	Q1 2022	Organic	Acquisitive	LCY	FX	Reported	
Hearing Aids, total sales	3,048	2,351	26%	0%	26%	4%	30%	
Hearing Aids, internal sales	-570	-441	23%	5%	29%	1%	29%	
Hearing Aids, external sales	2,478	1,910	26%	-1%	25%	4%	30%	
Hearing Care	2,218	1,898	9%	8%	17%	0%	17%	
Diagnostics	566	503	4%	7%	11%	2%	13%	
Hearing Healthcare	5,262	4,311	16%	4%	20%	2%	22%	
Communications	246	292	-15%	0%	-15%	-1%	-16%	
Group	5,508	4,603	14%	4%	18%	2%	20%	

In Q1 2023, Demant realised organic growth of 14%. This was significantly above our initial expectations driven by very strong performance in Hearing Healthcare, while Communications, as expected, saw negative organic growth.

- Growth in **Hearing Aids** was significantly above initial expectations in Q1 driven by very strong performance in the US. Growth was fuelled by very successful launches of new premium hearing aids in all our brands, including our new flagship product, Oticon Real. Hearing Aids also saw stronger-than-expected growth in Europe and Asia, reflecting broad-based commercial momentum. Overall, growth was driven mostly by unit growth but also by positive ASP development.
- Hearing Care** also delivered stronger-than-expected performance in Q1 thanks to solid organic growth in most major markets. In China, acquisitive growth from Sheng Wang was higher than expected due to strong recovery following significant negative impacts of coronavirus at the beginning of the year.
- In **Diagnostics**, organic growth in Q1 was negatively impacted by some shipment delays in connection with the ramp-up of a new production site in Poland. However, the order book remains strong and the production run rate had normalised at the end of Q1.
- As expected, organic growth in **Communications** was negative in Q1 due to continuously weak markets for both enterprise solutions and gaming headsets.

Driven by the development in Q1 2023, we increase our outlook for organic growth to 6-10% (prev. 3-7%). Also, we increase our outlook for EBIT to DKK 3,800-4,200 million (prev. DKK 3,600-4,000 million), which reflects increased profitability in Q1. As a consequence, the Group's gearing multiple at the end of 2023 is now expected to be within our medium- to long-term target of 2.0-2.5.

We will not host a conference call in connection with today's announcement, but more details will be published in our Interim Management Statement on 3 May 2023.

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