



Kepler Cheuvreux's Digital Hearing Aid Day

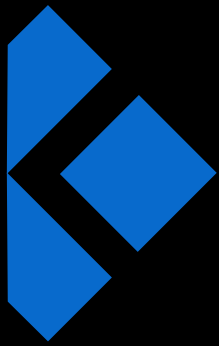
Monday, May 11, 2020

Presentations, Panel Discussions and Q&A with the following companies: GN Store Nord, Nuheara, InnerScope, Demant, Intricon, and Lively.

Q&A session with all companies moderated by Maja Pataki, Head of Medical Devices Sector Research at Kepler Cheuvreux

RSVP with the US SmartConnect Team:

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About Hearing Aids

We estimate the global Hearing Aid market at close to 18 million units in 2019 with unit growth of around 6%, with c. 70% being sold in the US and Europe. We are looking at a sector with an average unit growth of 4-6% and annual pricing pressure of 1-2%. While growth has somewhat accelerated over growth rates of a decade ago, mainly due to new channel concepts like Costco and pharmacies, penetration rates in the industry have remained largely unchanged at 25-26%. Looking at the hearing loss pyramid, 5-15% of people suffer from severe to profound hearing loss, where penetration levels stand at 70% and everyone that could be helped by a hearing aid has one. The rest of hearing impaired people consist of 20% of people suffering from moderate to severe hearing loss with penetration rates of 50%, and the mild to moderate group making up the rest, with estimated 10% penetration. Tapping into the mild to moderate market potential is key to seeing penetration rates increase longer term.

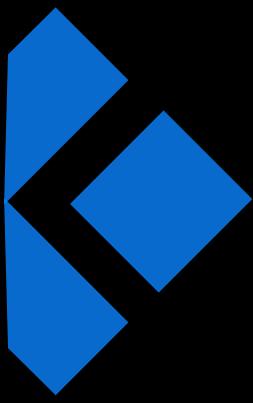
There has been meaningful consolidation over the last two decades and today the hearing aid wholesale market is controlled by five large players who together account for c. 95% of global units. Competition from large new entrants has been missing. We believe this to be due to two factors: a still limited market size with 18 million units, and a distribution side that is not seduced by low priced products.

Structural Changes in the Hearing Aid Market

Over the last couple of years we have seen initiatives which are challenging the status quo in the hearing aid industry. The signing of the Over-the-Counter Hearing Aid Act by President Trump in 2017 has raised the stakes in the industry although there is now arguably a greater threat to the long term economics of the traditional players from various Direct-to-Consumer models. We believe the industry is broadly recognizing that the modern senior's needs are differing from that seen in the past decades and there is no longer a "one-size-fits-all" strategy anymore. With the uptake of hearables with hearing aid features, artificial intelligence and sensor technology, hearing aids have evolved materially over the last few years. We expect that the advent of OTC will make the space attractive for competition from outside the industry resulting in greater consumer influence over the pricing structure of the industry - in summary, bringing disruption and pricing pressure to traditional models.

Our Latest Industry report :

Q&A Report- Medtech & Services: [Click Here](#)



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Maja Pataki, Q&A Moderator:

Head of Medical Devices Sector Research at Kepler Cheuvreux

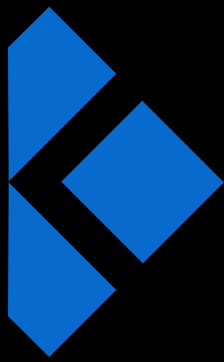
Maja started covering European Healthcare in 2003 at UBS. For more than 15 years, she has covered close to 20 of the largest European Medtech companies. Her focus on industry & sector fundamentals has repeatedly positioned her in the top ten of both Extel and II. She started her financial analyst career at UBS in 2000 as a Swiss country analyst. Maja has a Master's degree in Finance, Economics and Statistics.

Maja's Latest Reports :

GN Store Nord: Time to change the tune - [click here](#)

DEMANT: Questions about 2020 momentum remain - [click here](#)

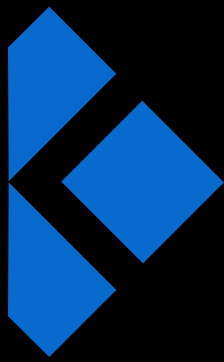
Europe: Potential Medicare Coverage of Hearing Aids - [click here](#)



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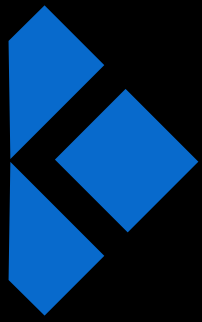
INNERSCOPE	InnerScope Hearing Technologies is a rapidly expanding consolidator of the hearing aid industry. Management is applying decades of profitable industry experience and technology to an antiquated and disjointed industry, unlocking scale and efficiency, which will serve all of InnerScope's stakeholders. Its direct-to-consumer model is revolutionizing the industry with its Walmart.com, Sears.com and Kmart.com relationship representing a paramount shift in the consumption of hearing aids by the hearing impaired.
GN STORE NORD	GN Store Nord is a global leader in intelligent audio solutions. The company operates through two divisions: Hearing and Audio. Through its Hearing business the company develops, manufactures and distributes hearing aids through third parties. Through its Audio business it develops, manufactures and distributes headset solutions both to the professional market as well as to the consumer market. GN does not operate its own retail stores, but instead has a franchise network in the US. GN Resound was the first company with a 2.4 Ghz hearing aid in the market that ultimately paved the way for external connectivity to smartphones.
LIVELY	Lively launched its online audiology platform in 2019 thereby challenging the traditional distribution of hearing aids. It offers its customers high quality hearing aids and audiologist support at an attractive price by taking the sales and care process online, from hearing test to consultation. With its approach, Lively is pioneering the introduction of telemedicine in audiology.



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DEMANT	<p>Demant is a global leader in hearing healthcare covering all aspects of the market. The company develops, manufactures and distributes hearing aids through its wholesale operations and own retail network. It also has exposure to diagnostic equipment and hearing implants. It has a broad client base, supplying its products to individual audiologists, retail chains, hospitals and doctors. William Demant also runs a personal communication business stemming from its historical Sennheiser JV. The company is clearly recognised as a pioneer in hearing aids and is one of the innovation leaders in the industry.</p>
NUHEARA	<p>Nuheara is an innovative audio wearables company that has developed proprietary and multi-functional intelligent hearing technology that augments a person's hearing and facilitates cable-free connection to smart devices. The company is based in Perth, Australia with offices in San Francisco and New York. Nuheara was the first wearables technology company to be listed on the ASX (Australian Stock Exchange). In 2016, the company released the revolutionary wireless earbuds, IQbuds™, which allows customers to augment their hearing according to their personal hearing preferences and connect hands-free via their voice-enabled smart devices. In 2018, the IQbuds BOOST were selected by NHS as a hearing solution for mild to moderate hearing loss.</p>
INTRICON	<p>Intricon is a US medical device company which operates two businesses: Medical (59% of sales) and Hearing (41% of sales). In its Medical business, the company develops, manufactures and sells microelectronics, micro-mechanical assemblies and high precision injected moulded plastic components. Through its Hearing division the company focusses on value-based hearing healthcare, identifying costs and access as the key hurdles to low penetration rates. Through the acquired Hearing Help express it operates a direct-to-consumer channel. It has a manufacturing agreement with hi Hearing Innovation, a UnitedHealth Group company as supplier for the company. Through PC Werth it has access to the NHS contract in the UK.</p>



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SCHEDULE

08:00 - 08:20	NUHEARA	Justin Miller, Co-founder, CEO
08:35 - 08:55	DEMANT	Søren Nielsen, President & CEO Christian Lange, Investor Relations
09:10 - 09:30	INNERSCOPE	Matthew Moore, Co-Founder & Chief Executive Officer
09:45 - 10:05	GN STORE NORD	Gitte Aabo, CEO of GN Hearing Morten P. Toft, Vice President, Investor Relations & Treasury Rune Sandager, Senior Manager, Investor Relations
10:20 - 10:40	LIVELY	Adam Karp, CEO and Co-Founder
10:55 - 11:15	INTRICON	Mark Gorder, CEO J. Scott Longval, CFO Delain Wright, VP of Business Development
11:30 - 12:00	Q&A SESSION FOR ALL COMPANIES MODERATED BY MAJA PATAKI	

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