

## Investor News

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# Sennheiser Communications evolves in new set-ups

*Copenhagen/September 11, 2018 – William Demant Holding A/S (William Demant) and Sennheiser electronic GmbH & Co. KG (Sennheiser) see great opportunities lying ahead in all three business segments of Sennheiser Communications A/S (Sennheiser Communications). To be able to fully capture these opportunities, both parties have the wish to dedicate their focus on different business segments with full end-to-end responsibility. Therefore, William Demant and Sennheiser have decided to end their joint venture and let the business segments evolve in different set-ups. While the business segments of Enterprise Solutions and Gaming headsets will evolve as an independent business as part of the William Demant Group, the business segment of Mobile Music headsets will be part of the Sennheiser Consumer business in the future. The separation happens in good faith and the partners intend to continue their cooperation where synergies and opportunities exist.*

- The joint venture has been a successful journey for both partners, during which we have collaborated on the development of new technology and have seen an ongoing growth of market shares. All three business segments continue to have tremendous potential for the future, said Daniel Sennheiser, co-CEO at Sennheiser to which Søren Nielsen, President & CEO at William Demant, adds - As the market dynamics have changed during the years and full end-to-end dedication is needed including a focused R&D approach, the time is now right to continue - each of us - in our own focused directions.

For more than 15 years, the joint venture Sennheiser Communications, a 50/50 split ownership between Sennheiser and William Demant, has successfully developed and promoted Sennheiser branded portfolios of Enterprise Solutions, Gaming and Mobile Music headsets. The end of the joint venture formally implies a cash free split of ownership structure.

The separation is planned for January 1, 2020. Until then, the company Sennheiser Communications will continue its business while Sennheiser and William Demant will prepare the separation in close partnership in order to ensure a seamless and smooth transition for employees, customers, suppliers and partners.

Going forward, William Demant will take over the business segments of Enterprise Solutions (CC&O) and Gaming including the distribution, which has been with Sennheiser until now. The new entity under William Demant will continue the license agreement with the Sennheiser brand for the Enterprise Solutions and Gaming portfolios. Throughout 2018 and 2019, profit sharing of Sennheiser Communications between Sennheiser and William Demant will remain as today.

- For William Demant this clearly shows our strong commitment to support the future growth in the two attractive business segments of Enterprise Solutions and Gaming. It is our intention to take the already existing global distribution set-up to a next level with a dedicated approach and we believe that R&D synergies within our Group will become even stronger going forward with the emerging trend

of intelligent audio, low power connectivity and small form factors, said President & CEO Søren Nielsen, William Demant.

For Sennheiser, the integration of the mobile music business segment is a further consequent step in focusing on its core competencies and fostering its independency as a family-owned company.

- Sennheiser will further tap into the growing market of mobile music headsets with a clear focus on innovative “Smart & Connected” audio experiences. Our Consumer Division will become even stronger as all necessary competencies will be concentrated here. Within our Professional Division, the Business Communications segment – alongside wireless microphone technology – will continue to be a stronghold with attractive growth potentials ahead. The 3D audio technology AMBEO will also remain a crucial part in developing our future product portfolio within both the Consumer and the Professional Division, said Dr. Andreas Sennheiser, co-CEO at Sennheiser.

Current President of Sennheiser Communications Jeppe Dalberg-Larsen will continue to spearhead Sennheiser Communications during the transition period and William Demant’s new company after the separation:

- At Sennheiser Communications we have managed to build a global business having some of the finest people in the sound industry, with amazing double-digit growth rates year after year. I look forward to spearheading this continuation of passion for sound excellence in our new set-up. We see great potential in the market and with William Demant’s willingness to support our endeavours we will be equipped to accelerate growth, take on new markets and act more agile as an independent company. The strong R&D backbone will continue to fuel our innovation and thus enable us to bring strong premium audio concepts to the market, said Jeppe Dalberg-Larsen.

#### **About William Demant**

*Listed on Nasdaq Copenhagen as part of the Danish Blue chip index, the C25 index, William Demant is a leading global company that develops, manufactures and sells hearing instruments, hearing implants, diagnostic instruments and personal communication devices. William Demant Invest, wholly owned by the Oticon Foundation, holds the majority of shares in William Demant Holding. The Group operates in a global market with companies in more than 30 countries, has a total staff exceeding 13,000 and generates annual revenues of more than DKK 13 billion.*

#### **About Sennheiser**

*Shaping the future of audio and creating unique sound experiences for customers – this aim unites Sennheiser employees and partners worldwide. Founded in 1945, Sennheiser is one of the world’s leading manufacturers of headphones, microphones and wireless transmission systems. With 21 sales subsidiaries and long-established trading partners, the company is active in more than 50 countries and operates its own production facilities in Germany, Ireland, Romania and the USA. Since 2013, Sennheiser has been managed by Daniel Sennheiser and Dr. Andreas Sennheiser, the third generation of the family to run the company. In 2017, the Sennheiser Group generated turnover totaling €667.7 million.*

### **About Sennheiser Communications**

*Sennheiser Communications is a joint venture between the Danish company William Demant and the German company Sennheiser. Based in Copenhagen, the joint venture specializes in telecommunication products for call centers, office applications and environments as well as headsets for gaming and mobile devices. Sennheiser Communications excels in state-of-the-art technologies and outstanding customer service and markets them worldwide. The joint venture draws on the experience of two companies that are both global technology leaders in their respective sectors.*

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