



Full-Year Results 2022/23

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Good strategic progress in a challenging environment

- **Solid sales performance** driven by acquisitions and organic growth but held back by macroeconomic headwinds and non-renewal of large contract with US customer – significant step-up in 4Q after softer than expected 3Q
- **Muted profitability development** due to the expected dilution from M&A, inflation and FX, partly offset by active price and cost countermeasures
- **Strong progress on strategic M&A**, expanding consumer access through AC network expansion and by building new Consumer Hearing business
- **Significant advances in innovation** with successful launch of Phonak Lumity and first new early-entry hearing solution
- **Outlook reflecting mid-term targets**, after adjusting for loss of large contract with market uncertainties continuing



Sonova
HEAR THE WORLD

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Sonova Group

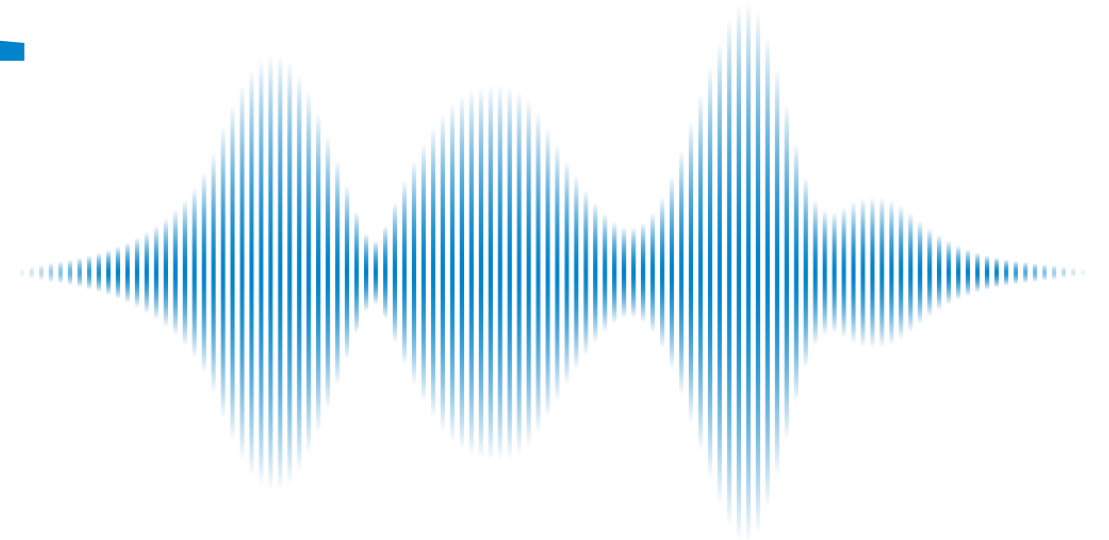
PHONAK

unitron

AudioNova

 **SENNHEISER**
A brand licensed by Sonova

 **ADVANCED
BIONICS**



Sonova Group results

Key highlights – FY 2022/23



Sales

CHF 3,738 m
+14.6% in LC
+11.1% in CHF



EPS (adj.)

CHF 11.14 per share
+11.5% in LC
+3.5% in CHF



Sales outlook

+3-7%
growth in LC
in FY 2023/24



EBITA (adj.)

CHF 840.4 m
+6.1% in LC
-0.5% in CHF



Consumer access

Continued AC network
expansion & addressing
broader range of
consumer needs
through innovation



EBITA (adj.) outlook

+ 6-10%
growth in LC
in FY 2023/24

Note: adj. refers to adjusted figures; for details, please refer to slide 30 and Appendix – Non-GAAP adjustments.

Sonova's strategy

Strategic pillars

Lead innovation in audiological performance & consumer experience

Leverage **M&A** to accelerate growth strategically

Continuous **process** improvement through Sonova X & structural optimization



Expand consumer access through **omni-channel** audiological care network and consumer device business

Extend reach through **multi-channel, value-adding** partnerships & commercial excellence

Invest in high growth developing markets

► Further progress achieved on our proven strategy, especially on expansion of our consumer access

Lead innovation

Hearing Instruments business – Recent product introductions

Phonak Audéo Lumity



Aug
22

- ▶ Enhanced speech understanding with SmartSpeech™ technology
- ▶ 2nd generation **waterproof** and sweatproof
- ▶ **Easy to use, rechargeable** with new charger
- ▶ Universal direct connectivity

Strong customer response with penetration rate tracking well with previous platforms

Phonak Slim Lumity



Apr
23

- ▶ Stylish new form factor, building on proven Lumity features
- ▶ Rechargeable with a new charger
- ▶ Easy to use with Tap Control & push button
- ▶ Universal direct connectivity

Unitron Vivante



Apr
23

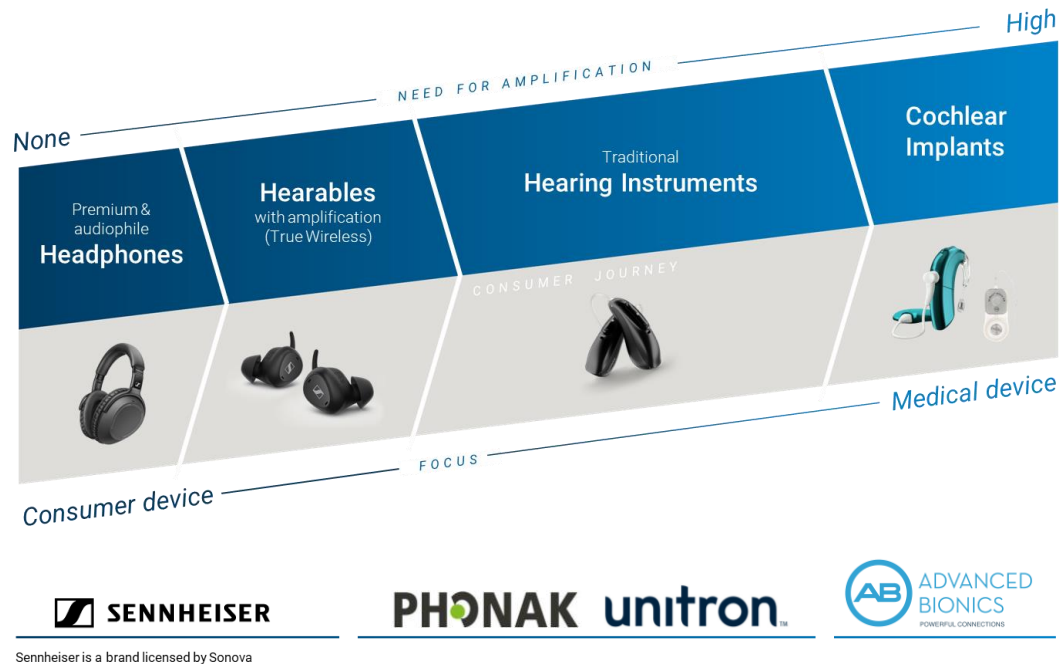
- ▶ New HyperFocus for conversations in loud noise environments
- ▶ 360 conversation in car manual program
- ▶ Brand new charger with magnetic insertion
- ▶ Universal direct connectivity

- ▶ Successful launch of Lumity platform – Now expanding to additional form factors and Unitron brand

Lead innovation

Consumer Hearing business – Speech-enhanced hearables

- ▶ Sonova is addressing the entire hearing continuum



First **speech-enhanced hearables** launched in January 2023 with the Sennheiser Conversation Clear Plus earbuds



Self fitting



Clarity boost & auto scene detection



Hybrid ANC



Improved phone calls

- ▶ Creating new market opportunities under the Sennheiser brand through earlier consumer engagement

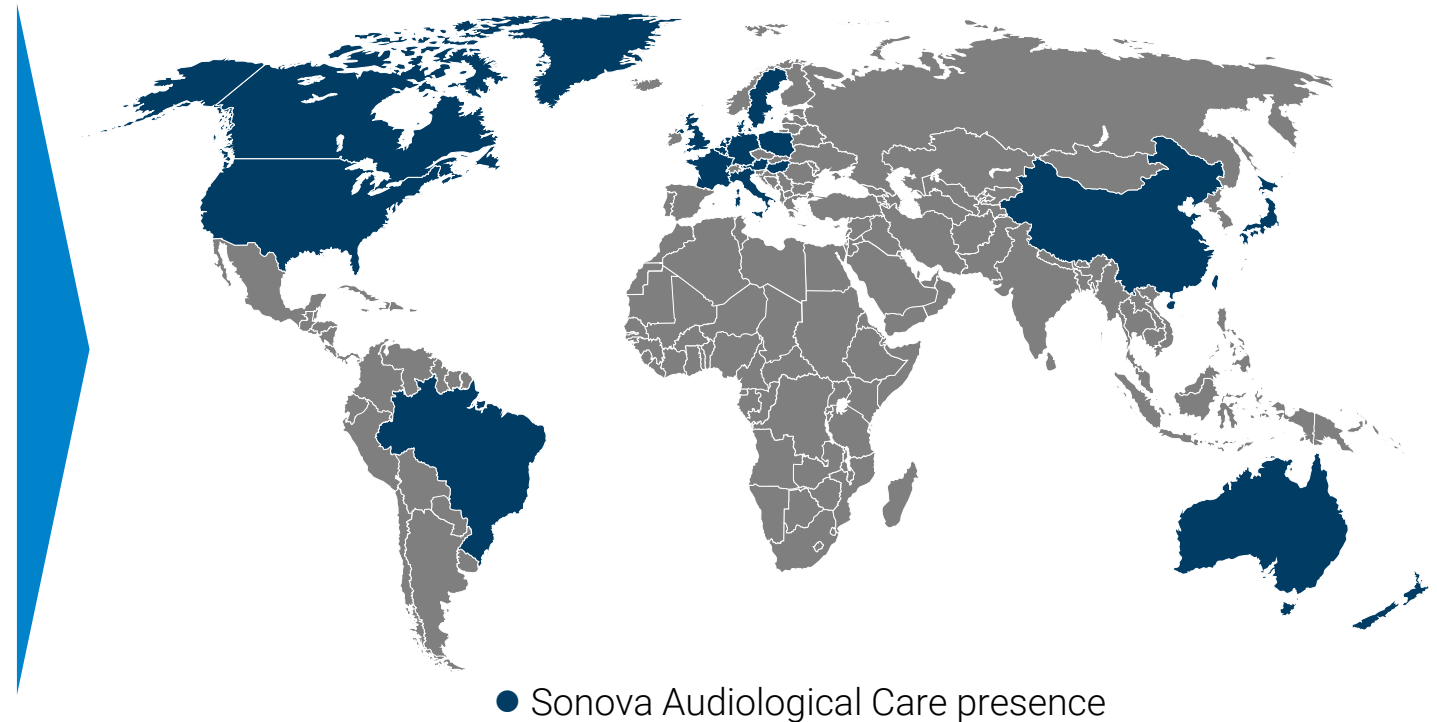
Expand consumer access – AC network expansion

Continued high level of acquisitions and greenfield openings

→ Over CHF 260 million invested in FY 22/23:

- HYSOUND acquisition in China, closed in December 2022, adding over 200 POS
- More than 140 additional POS through bolt-ons with focus on US, Canada, Germany and France

→ Expanding through greenfield openings with attractive new stores and formats while optimizing existing network



Strategic growth markets



► Continued investment in network expansion in FY 2022/23 – Reaching over 3,900 clinics globally

Structural optimization

New operations facility for the Americas

- New operations facility in Mexico to serve the entire Americas region
- Expanding Sonova's global manufacturing capabilities for the Hearing Instruments and Cochlear Implants businesses
- Built according to LEED* standards

Key benefits:

- **Faster delivery times** through closer proximity to customers
- **Cost-efficient** operations with access to highly skilled talents
- Improved **supply chain security** due to supply in the region
- Support the achievement of **CO₂ emissions targets** by reducing product transfer from Asia to the Americas

* Leadership in Energy and Environmental Design

► **Further optimizing supply chain while mitigating new risks – Significant investment with attractive return**



ESG highlights

Overview of selected tangible achievements highlighting progress towards our ESG commitments



Environmental

- ▶ On a comparable basis*, reduced **greenhouse gas emissions** across the whole value chain (Scope 1-3) by 22% vs. 2019
- ▶ **100% renewable electricity** globally within our own operations
- ▶ Established **ambitious climate targets**, committing us to significantly reducing CO₂ emissions across our whole value chain (pending validation by the Science Based Targets initiative)

*Including the Sennheiser consumer business and Alpaca for all years.



Social

- ▶ **270 hearing care professionals trained** in the SIHA program since 2021/22 in low- and middle-income countries
- ▶ Maintained consistently high level of **employee engagement** over the past years, currently at 82%
- ▶ More than 54% of Sonova **people leaders are women**
- ▶ Implemented global **employee health & wellbeing** measures, with particular focus on mental health



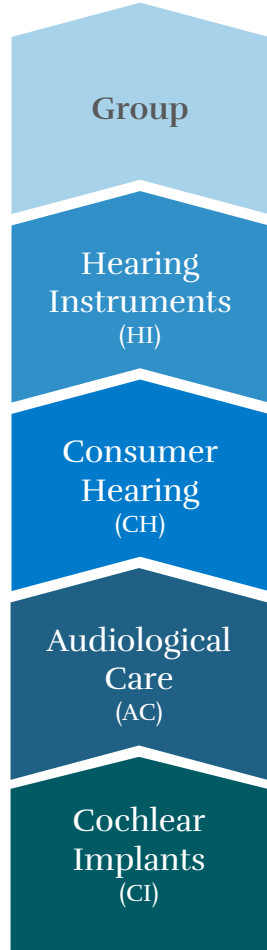
Governance

- ▶ Launched a new **tool to assess sustainability risks for our suppliers** and engage with them to improve their practices
- ▶ Launched global **Human Rights Policy** and further advanced implementation of human rights due diligence
- ▶ 10% of the variable cash **compensation** of the Management Board is linked to ESG performance

▶ Substantial progress on our *IntACT* ESG strategy achieved in FY 2022/23

Sonova Group results

Summary FY 2022/23



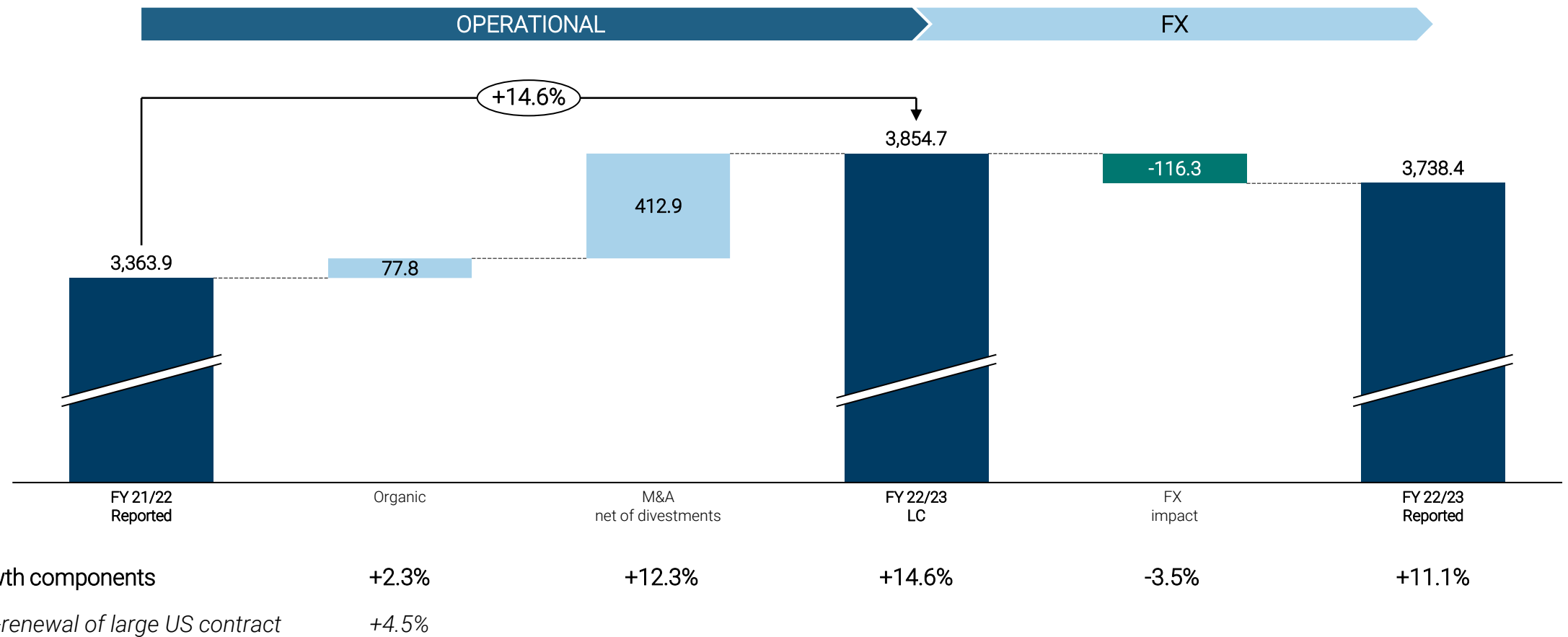
- Sales of CHF 3,738.4 million up +14.6% in LC (organic: +2.3%), +11.1% in CHF
- EBITA (adj.) of CHF 840.4 million, up +6.1% in LC
- EBITA margin (adj.) of 22.5%, down -190bps in LC – held back by expected dilution from M&A
- EPS (adj.) up +11.5% in LC to CHF 11.14 – Reported EPS up +3.2% in CHF to CHF 10.75
- Sales of CHF 1,809.3 million (+0.2% in LC), +4.1% in LC excluding the non-renewal of contract with large US customer
- Favorable customer response to new Phonak Audéo Lumity platform
- Successful execution of pricing initiatives resulting in positive ASP development
- Sales of CHF 284.3 million – first full year of consolidation
- Integration of Sennheiser Consumer Division on track and delivering on expectations
- Performance driven by successful launches, incl. Momentum TW 3 earbuds and the Momentum 4 headphones
- Sales of CHF 1,357.8 million (+15.7% in LC) – solid organic growth of +4.5% and M&A contributing +11.2%
- Benefiting from successful integration of Alpaca, which doubled our US clinic network
- Meaningful extension into the fast-growing China market through the acquisition of highly regarded HYSOUND business
- Sales of CHF 286.9 million (+2.8% in LC)
- Growth driven by system sales despite supply headwinds and continued hospital staffing shortages
- Upgrade sales supported by continued global rollout of Marvel sound processors in 2nd year after launch

Note: adj. refers to adjusted figures; for details, please refer to slide 30 Appendix – Non-GAAP adjustments.

► **Solid performance considering macroeconomic headwinds**

Sales components

in CHF million

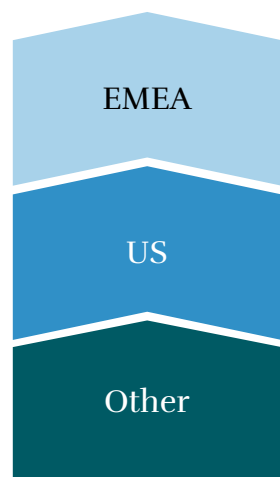


► Organic growth held back by non-renewal of large US contract and FX – Strong contribution from M&A

Sonova Group results

Sales by regions and key markets

	FY 2022/23		2H 2022/23		1H 2022/23	
	CHF m	Δ % in LC	CHF m	Δ % in LC	CHF m	Δ % in LC
EMEA	1,868.2	+13.1%	988.4	+11.5%	879.8	+14.9%
USA	1,150.0	+9.5%	547.2	+5.0%	602.7	+14.2%
Americas (excl. USA)	274.0	+11.2%	133.9	+6.6%	140.1	+16.1%
Asia / Pacific	446.2	+40.3%	222.2	+34.3%	224.0	+47.1%
Total Sonova	3,738.4	+14.6%	1,891.7	+11.6%	1,846.6	+17.9%



- Robust development in NL, AT, the Nordics and in distributor markets despite macroeconomic headwinds
- Weak development in France, softness in UK private market and slowing momentum in DE
- Growth lifted by acquisition of Sennheiser Consumer Division and continued expansion of AC clinic network
- Growth driven by the acquisition of Alpaca
- Private market negatively impacted by weak consumer sentiment, partly offset by growth in VA
- Significant negative impact from the non-renewal of contract with large US customer affecting 2H development
- Americas (excl. the US) helped by acquisitions – solid AC performance in CA and BR – HI affected by non-renewal in 2H
- APAC driven by acquisition of Sennheiser Consumer Division and HYSOUND – low comparison base due to PY lockdowns

► All regions and key markets contributing to growth performance

Sonova Group results

Key financials – Half-year view

CHF m	FY 2022/23	Δ % in LC	2H 2022/23	Δ % in LC	1H 2022/23	Δ % in LC
Sales	3,738.4	+14.6%	1,891.7	+11.6%	1,846.6	+17.9%
Gross profit (adj.)	2,645.1	+11.8%	1,360.7	+11.3%	1,284.4	+12.3%
- Gross profit margin (adj.)	70.8%		71.9%		69.6%	
OPEX (adj.)	1,804.7	+14.7%	918.4	+12.4%	886.3	+17.2%
EBITA (adj.)	840.4	+6.1%	442.3	+9.0%	398.1	+3.0%
- EBITA margin (adj.)	22.5%		23.4%		21.6%	
- Δ EBITA margin (adj.)	-260bps	-190bps	-150bps	-60bps	-380bps	-320bps

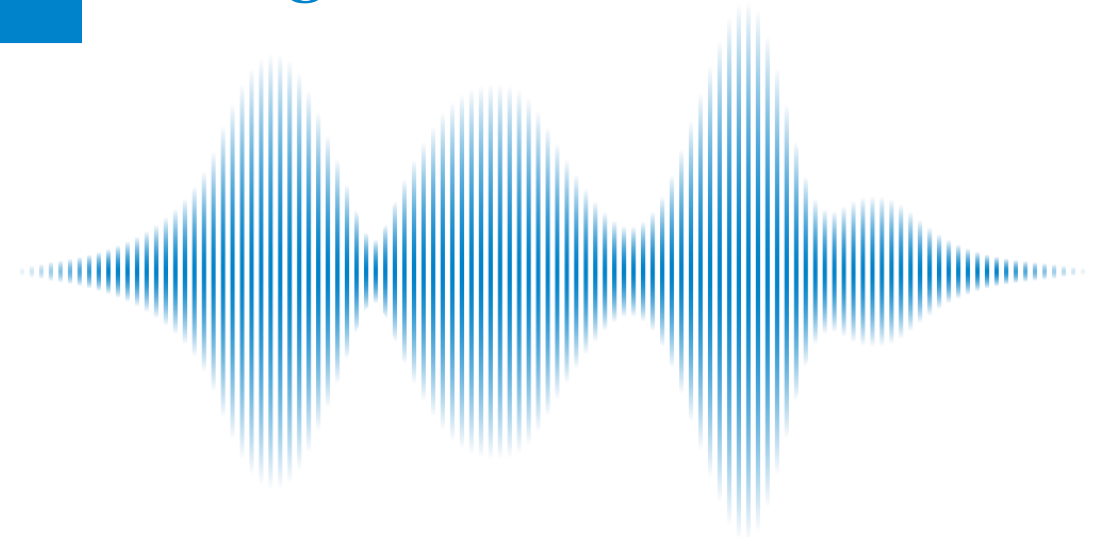
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- Weaker than expected 3Q growth – good recovery in 4Q
- Organic sales development in 2H held back by non-renewal of large contract with US customer
- Profitability in 2H supported by full impact of price increases, Lumity launch, easing cost pressures and benefit from cost initiatives

► Strong sequential improvement in profitability in 2H – Driven by gross margin improvement

2

Hearing Instruments segment



Hearing Instruments segment

Highlights

Sales
CHF 3,451m

+15.7% vs. PY in LC

+2.3% organic growth

EBITA (adj.)
CHF 804m

+5.7% vs. PY in LC

Margin: 23.3%

Margin YOY: -230bps in LC

HI business
Sales:
CHF 1,809m

+0.2% vs. PY in LC

+0.1% organic growth

CH business
Sales:
CHF 284m

+16.6% vs. PY in LC*

* pro forma

AC business
Sales:
CHF 1,358m

+15.7% vs. PY in LC

+4.5% organic growth

Segment sales

- Growth strongly supported by acquisitions
- Favorable customer response to product launches in both the HI and CH business
- Organic development affected by slower than anticipated market momentum
- Significant headwind in 2H from non-renewal of contract with a large US customer

Segment profitability

- Positive ASP development in all businesses reflecting disciplined execution of price increases
- Expected dilutive effect from first time consolidation of acquisition of the Sennheiser Consumer Division
- Headwinds from high freight and component costs but easing towards end of the year

Note: adj. refers to adjusted figures; for details, please refer to slide 30 and Appendix – Non-GAAP adjustments.

► **Strong sales contribution from M&A – Profitability reflects input costs and dilutive effect from acquisitions**

Hearing Instruments business

Sales dynamics

HI business
sales: CHF 1,809m

+0.2% vs. PY in LC

+0.1% organic growth*

* +4.1% excl. non-renewal of contract
with large US customer

- Slower than anticipated momentum in key hearing care markets affecting growth
- Favorable market response to the new Phonak Lumity platform, which was now further expanded in April 2023
- Non-renewal of contract with large US customer strongly impacting development in 2H
- Successful implementation of price increases to offset inflationary cost pressures and to reflect continued innovation



► **Impact from slow markets and non-renewal of contract – Partly offset by Lumity launch and ASP increases**

Consumer Hearing business

Sales dynamics

CH business
sales: CHF 284m
+16.6% vs. PY in LC*

* pro forma

- Acquired Sennheiser Consumer Division delivering on plan
- Quick and smooth transition into a combined business
- Gaining market share in challenging consumer devices sector, driven by successful product launches
- Successfully entered market segment for early-entry hearing solutions with launch of Sennheiser Conversation Clear Plus



► Sennheiser Consumer Division delivering on plan – Strong growth in first year and entry into new segment

Audiological Care business

Sales dynamics

AC business
sales: CHF 1,358m

+15.7% vs. PY in LC

+4.5% organic growth

- Adding >400 clinics through M&A and greenfield openings
- Successful integration of Alpaca Audiology in the US
- Further expanding into the fast-growing China market through the acquisition of HYSOUND
- Extending successful Digital Lead Generation Hub concept to serve 5 major markets
- Broadening consumer value proposition by expanding medical services through SilentCloud™ app to manage tinnitus

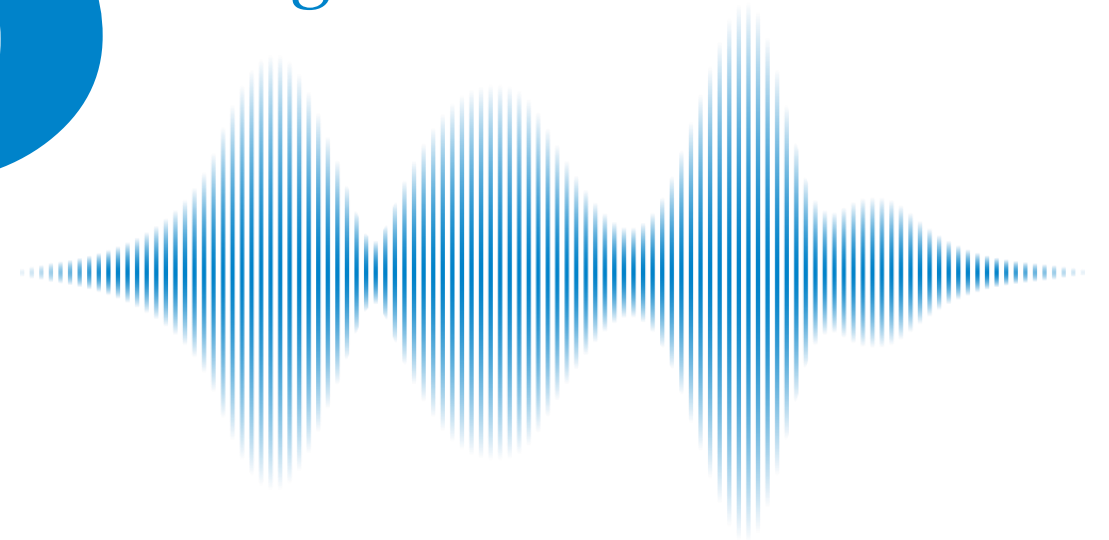
► **Solid organic growth and lift from acquisitions – Expanding in China and broadening consumer access**





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Cochlear Implants segment



Cochlear Implants segment

Highlights

Sales
CHF 286.9m

+2.8% vs. PY in LC

EBITA (adj.)
CHF 35.9m

+14.6% vs. PY in LC

Margin: 12.5%

Margin YOY: +150bps in LC

System sales
CHF 185.4m

+5.1% vs. PY in LC

Upgrade sales
CHF 101.5m

-1.0% vs. PY in LC

Cochlear implant systems

- Held back by supply shortages, continued hospital staffing challenges and competitive pressure
- Injunction in DE related to patent dispute – lifted in October 2022 through a preliminary suspension
- Positive sales impact through refined patient segmentation and improved sales practices

Upgrades and accessories

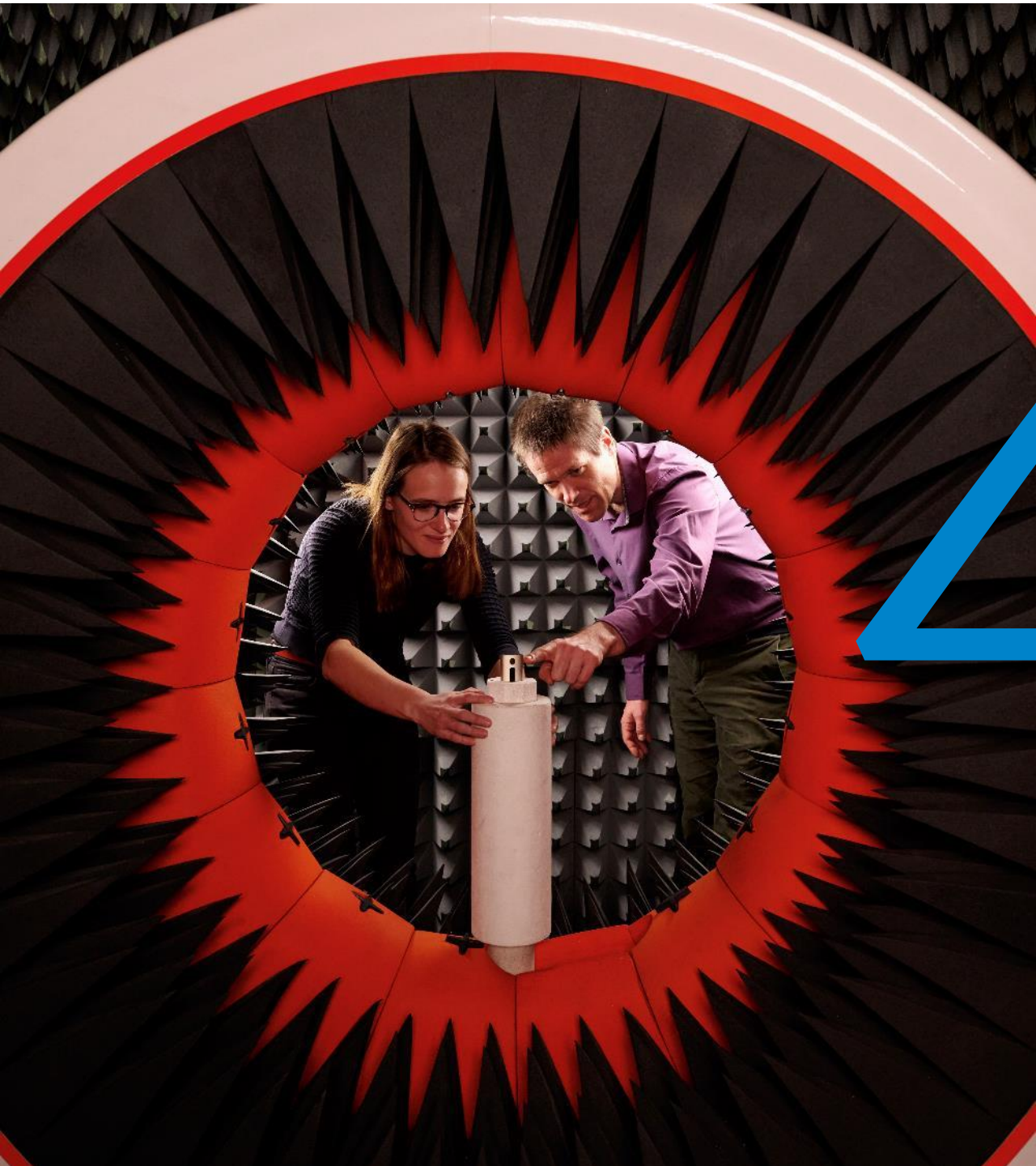
- Supported by continued global rollout of sound processors based on proven Marvel technology
- Strong 2-year development– growth in FY 22/23 impacted by high comparison base in prior year

Segment profitability

- Solid margin expansion in LC, despite lower growth and input factor headwinds
- CHF development impacted by strength of USD

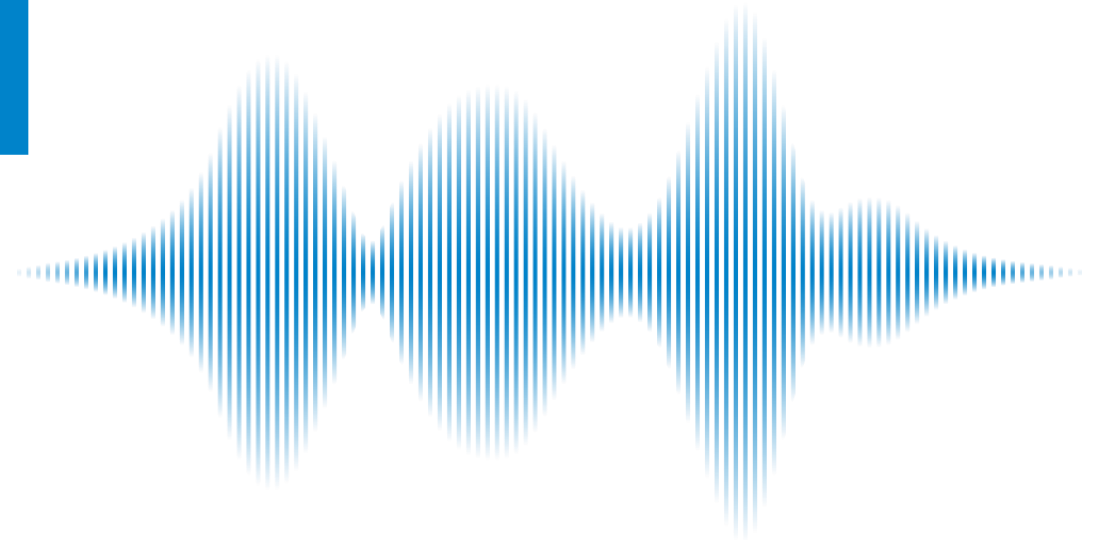
Note: adj. refers to adjusted figures; for details, please refer to slide 30 and Appendix – Non-GAAP adjustments.

► **Growth in system sales despite market headwinds – Solid profitability development**



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Financial Information



Financial highlights

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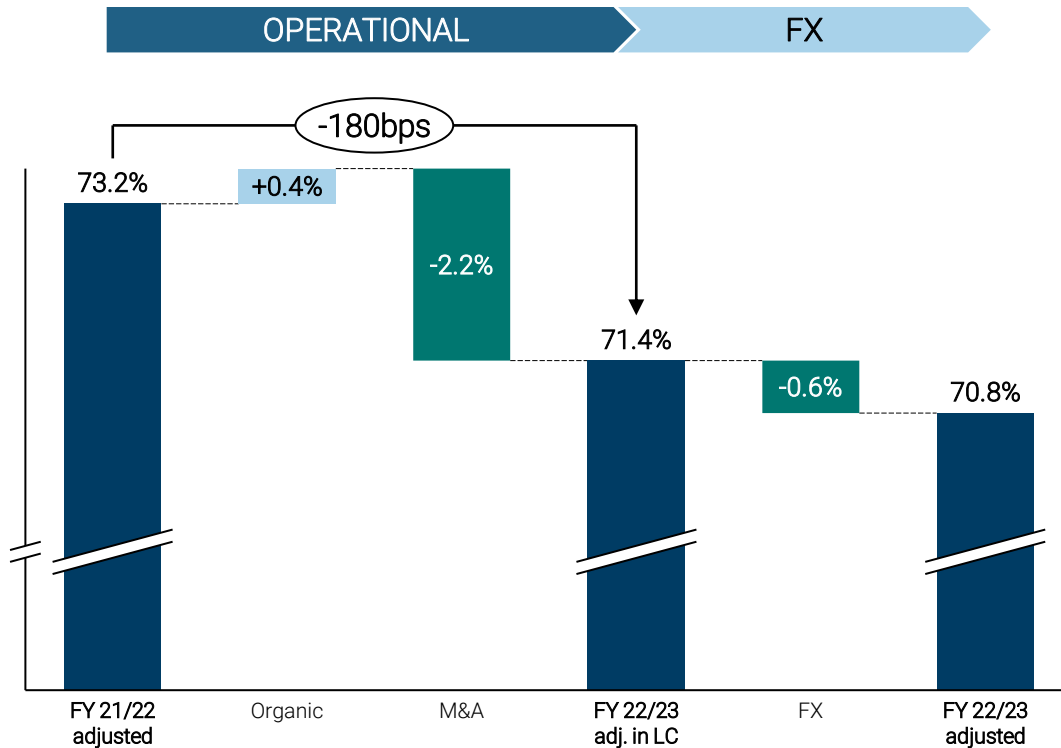


- Sales of CHF 3,738.4 million
- Growth of +14.6% in LC (organic +2.3%), +11.1% in CHF – significant negative FX impact: CHF -116.3 million (-3.5%)
- Good performance considering market challenges and loss of large US contract – strong contribution from acquisitions
- Gross profit margin (adj.) of 70.8%, -180bps in LC – significant sequential improvement in 2H of +230bps
- EBITA (adj.) of CHF 840.4 million, up +6.1% in LC, margin of 22.5%, down -190bps in LC
- Margins impacted by expected dilution from M&A and gross profit headwinds
- EPS (adj.) of CHF 11.14, up +11.5% in LC reflecting earnings development, share buyback and temporary tax benefits
- Operating free cash flow (OpFCF) at CHF 535.6 million, down -29.9% YOY
- YOY development driven by increase in NWC – mainly due to FY 2021/22 benefit from higher payables and a build up in NWC of ~CHF 30 million related to the acquisition of the Sennheiser Consumer Division
- Cash conversion reflecting rise in NWC and normalization of CAPEX levels
- New share buyback program started in April –CHF 421.5 million bought back by March 31, 2023
- Net debt position at CHF 1,495.9 million, mainly driven by acquisitions, dividend payment and share buyback program
- Net debt/EBITDA ratio of 1.5x – at upper end of target range of 1.0-1.5x

Note: adj. refers to adjusted figures; for details, please refer to slide 30 and Appendix – Non-GAAP adjustments.

Gross margin development

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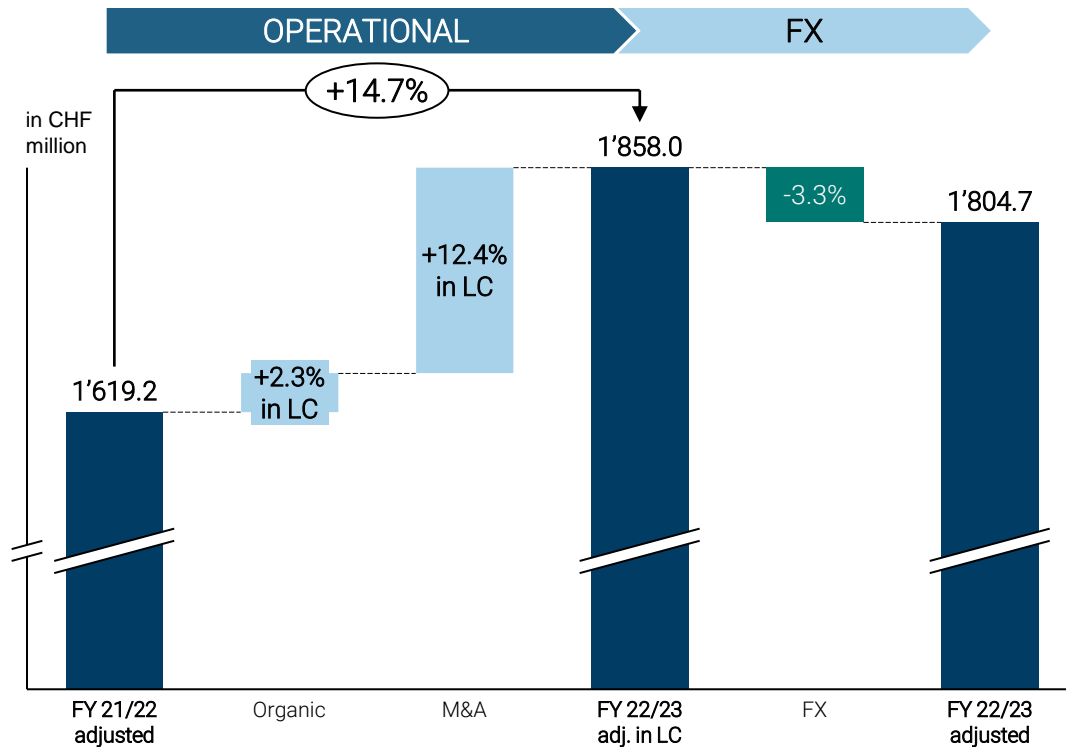
Note: adj. refers to adjusted figures; for details, please refer to slide 30 and Appendix – Non-GAAP adjustments.

- Gross profit margin (adj.) decreased by -240bps in CHF or -180bps in LC to 70.8%
 - Expected dilutive effect from acquisition of the Sennheiser Consumer Division
 - Adverse ASP impact from country mix, offset by price increases in all businesses
 - Elevated freight and component costs, easing towards the end of the financial year, offset by continuous improvement and disciplined cost management
 - Adverse currency development
- Solid sequential improvement of +230bps in CHF in the second half of FY 22/23

► Development affected by cost headwinds and acquisitions – Solid sequential improvement in 2H

Development of operating expenses

Sonova Group



Note: adj. refers to adjusted figures; for details, please refer to slide 30 and Appendix – Non-GAAP adjustments.

- Disciplined cost management – low single-digit organic OPEX growth, despite inflationary pressures, shift in business mix due to faster AC growth and lower than expected sales momentum
- Growth driven by acquisition of Sennheiser Consumer Division and AC network expansion
- Benefits from structural optimization initiatives on indirect spend

► Good cost management in inflationary environment – OPEX growth mainly driven by acquisitions

Development of operating expenses

Sonova Group – Expense by category excluding acquisition-related amortization

	FY 2022/23		FY 2021/22		Comments
	CHF m	Δ % in LC	CHF m		
Research & development (adj.) in % of sales	-242.9 6.5%	+6.2%	-229.4 6.8%	–	Continued investments in innovation
Sales & marketing (adj.) in % of sales	-1,250.6 33.5%	+19.1%	-1,090.1 32.4%	–	>75% of increase related to recent acquisitions
General & administration (adj.) in % of sales	-311.9 8.3%	+6.3%	-299.8 8.9%	–	Increase exclusively driven by acquisitions – Tight cost management – organic decline in G&A expenses
Other income/expenses (adj.)	+0.6	n/m	0.0		
Total OPEX (adj.) in % of sales	-1,804.7 48.3%	+14.7%	-1,619.2 48.1%		
Adjustments	-31.0	n/m	-38.5	–	Costs related to restructuring, M&A and legal
Total OPEX (reported) in % of sales	-1,835.8 49.1%	+14.0%	-1,657.7 49.3%		

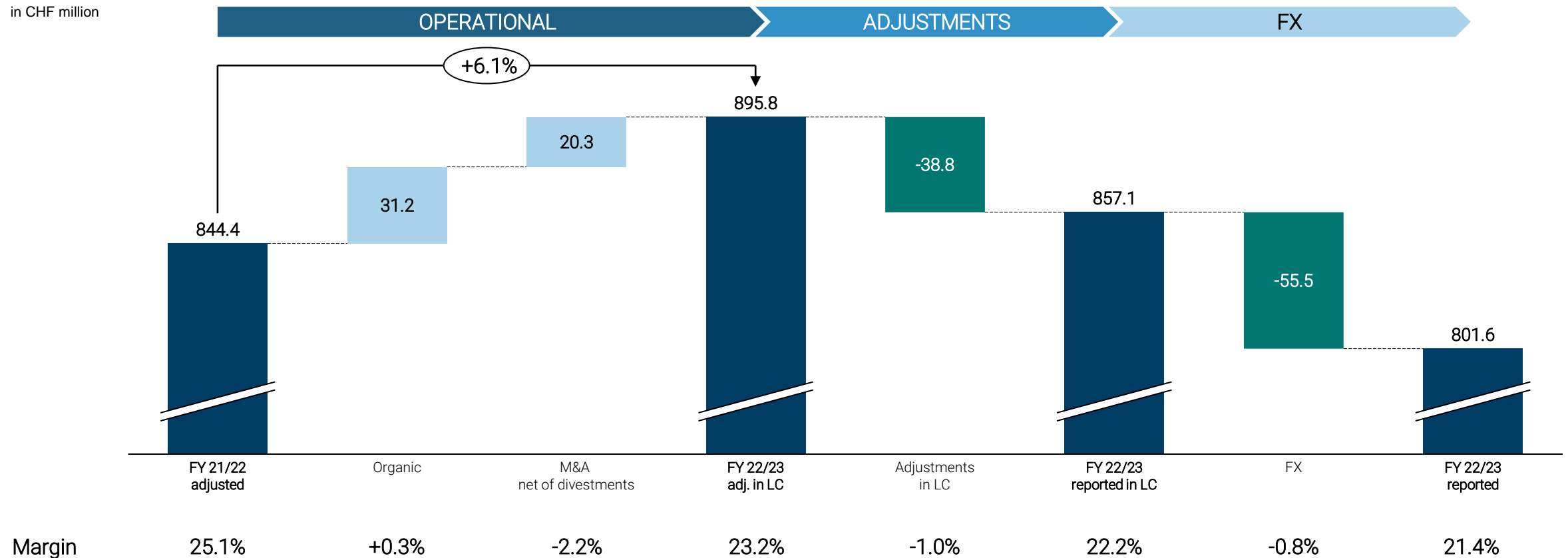
Note: adj. refers to adjusted figures; for details, please refer to slide 30 and Appendix – Non-GAAP adjustments.

► Cost development reflecting recent acquisitions and good organic cost management

EBITA components

Sonova Group

in CHF million



Note: adj. refers to adjusted figures; for details, please refer to slide 30 and Appendix – Non-GAAP adjustments.

► Organic margin improvement driven by strong development in 2H – Dilution from FX and acquisitions

Key financials

Sonova Group

	FY 2022/23					
	CHF m	Margin	Δ % in CHF	Δ % in LC	Δ margin in LC	Comments
Sales (reported)	3,738.4		+11.1%	+14.6%		
Gross profit (adj.)	2,645.1	70.8%	+7.4%	+11.8%	-180bps	
OPEX (adj.)	1,804.7		+11.5%	+14.7%		
EBITA (adj.)	840.4	22.5%	-0.5%	+6.1%	-190bps	
Adjustments	-38.8					– Restructuring, transaction and integration costs, patent/legal expenses
EBITA (reported)	801.6	21.4%	-0.2%	+6.7%	-170bps	
Acq. rel. amortization	-54.9					– Increase driven by acquisitions, incl. Sennheiser Consumer Division
EBIT (reported)	746.7	20.0%	-1.7%	+5.2%	-190bps	
Financial result	-31.0					
Tax	-57.4					– Underlying tax rate of 9.7% (FY 2021/22: 14.5%), – Temporary impact of later than expected implementation of Pillar 2 and initial safe harbor exemptions and related impact on deferred tax balances
Net profit (reported)	658.3	17.6%	-0.8%	+7.1%	-130bps	
EPS (adj. in CHF)	11.14		+3.5%	+11.5%		– Partly lifted by share buyback and lower reported tax rate
EPS (reported. in CHF)	10.75		+3.2%	+11.4%		

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Overview of adjustments

Key financials – As reported and adjusted

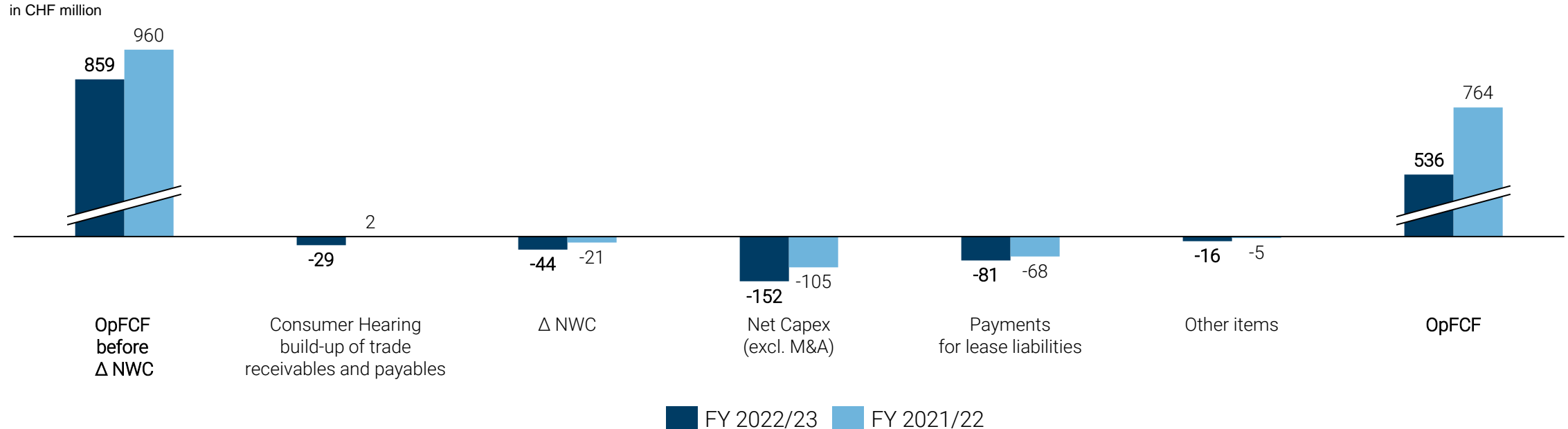
in CHF million	FY 2022/23	Adjustments					FY 2022/23
	Reported	① Restructuring	② Transaction & integration	③ Patent / legal litigation	④ Other	Total	Adjusted
Sales	3,738.4	-	-	-	-	-	3,738.4
Cost of sales	-1,101.0	+7.6	+0.2	-	-	+7.7	-1,093.3
Gross profit	2,637.4	+7.6	+0.2	-	-	+7.7	2,645.1
Research & Development	-243.0	+0.2	-	-	-	+0.2	-242.9
Sales & Marketing	-1,263.1	+6.4	+6.2	-	-	+12.5	-1,250.6
General & Administration	-330.2	+1.5	+10.6	+6.2	-	+18.3	-311.9
Other income/(expenses)	+0.6	-	-	-	-	-	+0.6
Total OPEX	-1,835.8	+8.0	+16.8	+6.2	-	+31.0	-1,804.7
EBITA	801.6	+15.6	+17.0	+6.2	-	+38.8	840.4
EPS (in CHF)	10.75	+0.20	+0.24	+0.10	-0.15	+0.39	11.14

Note: positive values indicate a positive impact on the adjusted vs. the respective reported financial metric and vice versa.

- ① **Restructuring:** costs related to structural optimization initiatives (incl. build-up of new operations facility in Mexico)
- ② **Transaction & integration:** costs related to the acquisitions and integrations (Sennheiser Consumer Division, Alpaca and HySound)
- ③ **Patent / legal litigation:** costs largely related to patent litigation with MED-EL
- ④ **Other:** positive impact from tax reforms

Cash flow development

Sonova Group – Operating Free Cash Flow



- **OpFCF before changes in NWC:** Affected by higher taxes paid and decrease in long-term provisions
- **Build-up in NWC for Consumer Hearing business:** Acquisition of Sennheiser Consumer Division largely without trade receivables and payables
- **NWC:** Maintaining higher safety stock after build-up in PY, FY 2021/22 benefit from higher payables related to inventory increase
- **CAPEX:** Investments in infrastructure, incl. new operating facility for the Americas, AC store upgrades and digitization initiatives
- **Lease liabilities:** Increased lease payments related to AC network expansion

► Build-up of NWC in CH business and growth investments in Audiological Care

Balance sheet

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CHF m	31 Mar 2023	31 Mar 2022	Comments
Days sales outstanding (DSO)	54	54	– Continued solid receivable collection
Days inventory outstanding (DIO)	154	182	– Improvement driven by reduction in safety stock and product launches in prior year
Capital employed	3,727.3	3,439.1	– Driven by higher net debt level related to share buyback – Higher intangibles from acquisitions
ROCE <small>(reported)</small>	20.8%	24.1%	– YOY development driven by increase in average capital employed from higher M&A activity in the past 2 years and higher net debt vs. stable reported EBIT
Net debt	1,495.9	1,006.3	– Increase largely related to acquisitions, dividend payments and share buyback program
Net debt/EBITDA	1.5x	1.0x	– At upper end of target range of 1.0-1.5x net debt / EBITDA

Note: DSO and DIO calculated on a 360 days basis; net debt/EBITDA ratio calculated based on net debt as of 30 March 2023, divided by 12-months rolling reported EBITDA.

► Higher leverage as a result of acquisitions, dividend payments and share buyback program

Total shareholder return & cash deployment strategy

Sonova Group

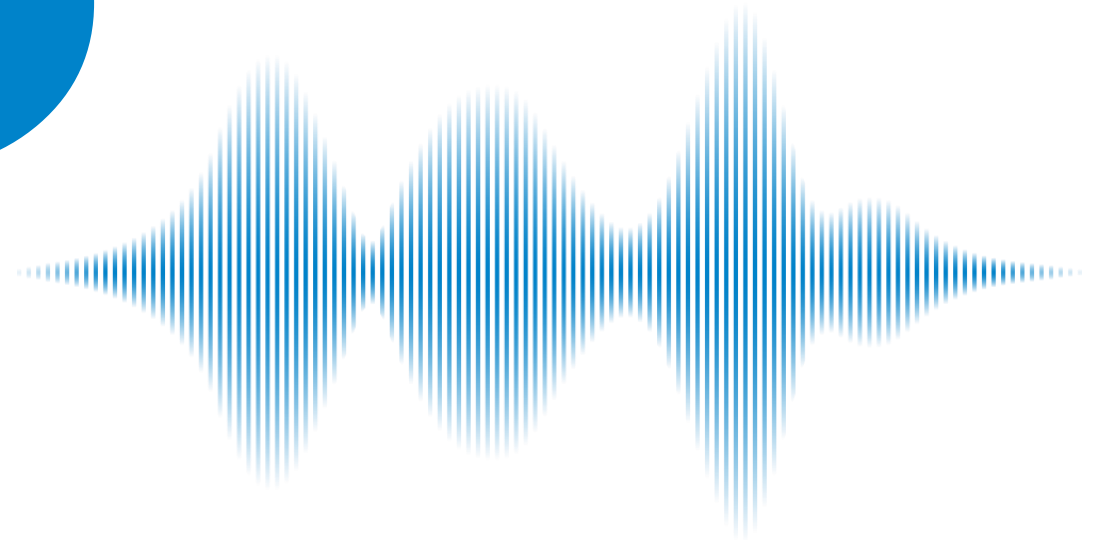
Sonova TSR strategy		FY 2022/23
1. Acquisitions	<ul style="list-style-type: none">– Bolt-ons: CHF 70-100 million p.a.– Strategic and technology acquisitions	<ul style="list-style-type: none">– Total M&A cash-out: more than CHF 260 million, mainly spent for further AC network expansion
2. Attractive dividend	<ul style="list-style-type: none">– Maintain payout ratio of around 40%	<ul style="list-style-type: none">– CHF 268 million distributed– Dividend of CHF 4.60 per share proposed, +5% YOY
3. Healthy balance sheet	<ul style="list-style-type: none">– Targeting net debt/EBITDA ratio of 1.0-1.5x	<ul style="list-style-type: none">– Equity ratio of 40.2%– Net Debt/EBITDA ratio of 1.5x
4. Share buyback	<ul style="list-style-type: none">– Three-year buyback program of up to CHF 1.5 billion from April 2022 until April 2025	<ul style="list-style-type: none">– Shares worth CHF 421.5 million bought back– Balanced approach in FY 2023/24 prioritizing leverage target range and healthy balance sheet– No share repurchases foreseen in FY 2023/24

► TSR strategy aimed at creating shareholder value – Phasing of buyback following order of priorities



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Outlook



Outlook

Guidance and mid-term target

FY 2023/24 hearing care market assumptions

- Attractive hearing care market fundamentals remain intact
- Short-term uncertainties in macroeconomic environment remain
- Consumer sentiment improved in 1Q 2023 and is expected to gradually improve further throughout the year
- Potential support from pent-up demand driven by postponed replacements

→ Markets remain volatile and uncertainty remains high in terms of the market development in FY 2023/24

FY 2023/24 expected currency impact

- Reflecting exchange rates as of May 2023, reported sales growth in Swiss francs are expected to be reduced by ~4-5%-pts and adj. EBITA growth in Swiss francs to be negatively affected by ~8-9%-pts in FY 2023/24 due to currency impact

FY 2023/24 Sonova business assumptions

- High comparison base in 1H 22/23, easing in the second half
- Non-renewal of contract with large US customer in HI business to reduce group revenue growth by around 4% in 1H 2023/24
- Cost pressure expected to ease gradually and benefits from improvement initiatives expected to increasingly contribute to profitability
- Restructuring and integration costs of around CHF 20-25 million planned in FY 2023/24

→ YOY sales and adj. EBITA growth in LC expected to be significantly lower in 1H vs. 2H

In LC	Guidance FY 2023/24	Mid-term Target
Sales growth	+3% to +7%	+6% to +9% p.a.
adj. EBITA growth	+6% to +10%	+7% to +11% p.a.

Note: adj. refers to adjusted figures; for details, please refer to Appendix – Non-GAAP adjustments.

► Stronger 2H expected driven by comparison base and headwind from non-renewal of US contract in 1H

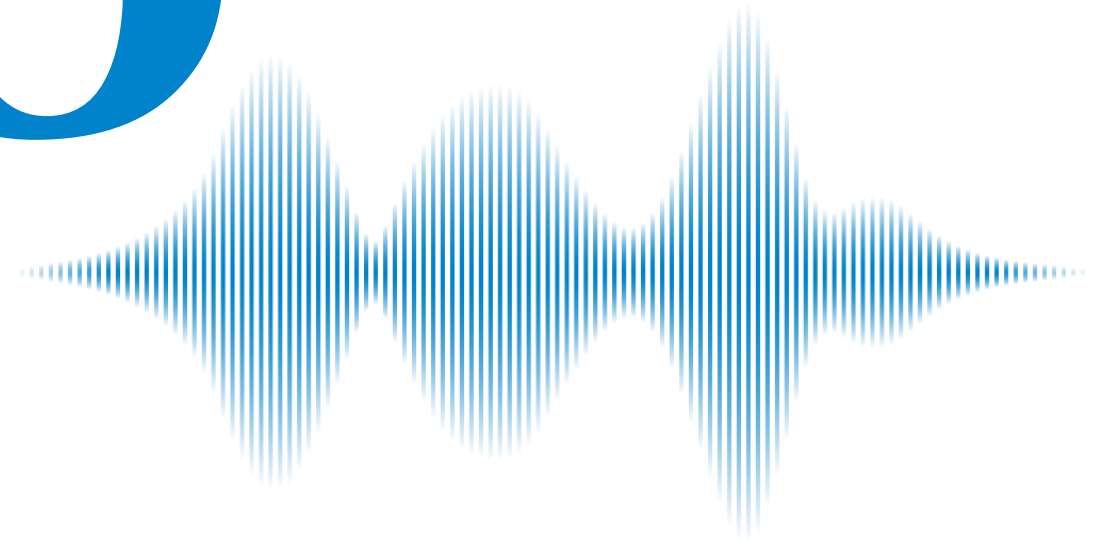
Outlook

Upcoming events

Date	Event
May 17-30	FY 2022/23 results roadshow
June 12	Sonova Annual General Shareholders' Meeting (Zurich)
October 18-20	International EUHA Congress (Nuremberg)
November 21	Publication of Half-Year Results 2023/24

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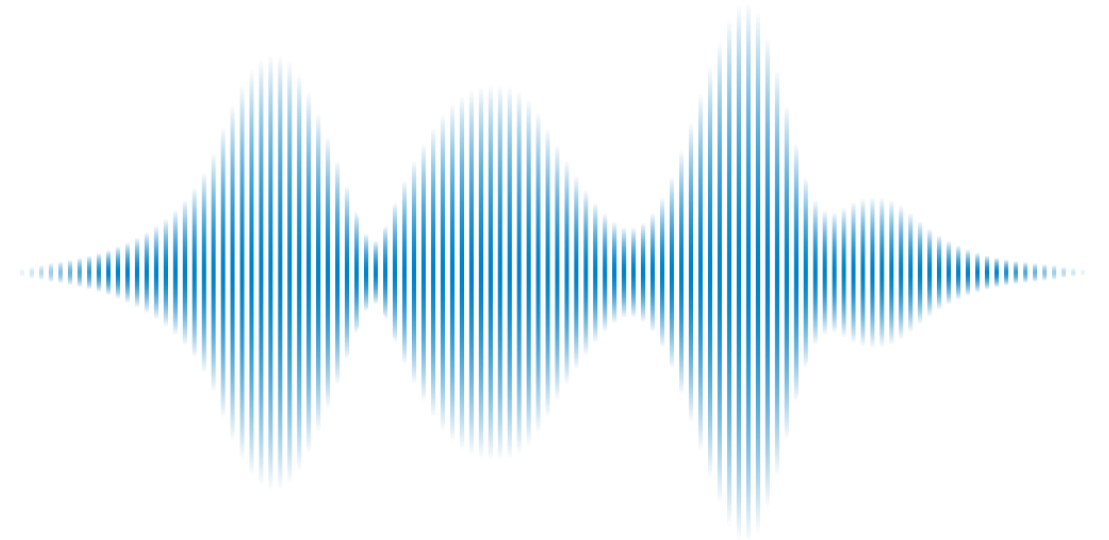
Q&A



Thank you!

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Appendix



Appendix

Sales by segment and sales components – Half-year view

	FY 2022/23			2H 2022/23			1H 2022/23		
	CHF m	Δ % in CHF	Δ % in LC	CHF m	Δ % in CHF	Δ % in LC	CHF m	Δ % in CHF	Δ % in LC
HI business	1,809.3	-1.6%	+0.2%	879.3	-7.3%	-4.6%	930.0	+4.5%	+5.3%
CH business*	284.3	+12.4%	+16.6%	151.3	+28.0%	+32.7%	133.0	-1.6%	+2.0%
AC business	1,357.8	+9.8%	+15.7%	717.7	+8.5%	+14.3%	640.1	+11.3%	+17.3%
HI segment	3,451.5	+11.9%	+15.7%	1,748.3	+8.0%	+12.3%	1,703.2	+16.2%	+19.3%
CI segment	286.9	+2.5%	+2.8%	143.4	+1.3%	+2.7%	143.5	+3.8%	+3.0%
Total Sonova	3,738.4	+11.1%	+14.6%	1,891.7	+7.5%	+11.6%	1,846.6	+15.1%	+17.9%
Δ organic	+77.8		+2.3%	-2.4		-0.1%	+80.2	-	+5.0%
Δ acquisitions	+413.3		+12.3%	205.9		+11.7%	+207.4	-	+12.9%
Δ disposals	-0.4		-0.0%	-0.0		-0.0%	-0.4	-	-0.0%
Δ FX	-116.3	-3.5%		-71.9	-4.1%		-44.4	-2.8%	-

* pro forma

Appendix

Business performance – Hearing Instruments and Audiological Care businesses

Hearing Instruments business

	FY 2022/23			2H 2022/23			1H 2022/23		
	CHF m	Δ % in CHF	Δ % in LC	CHF m	Δ % in CHF	Δ % in LC	CHF m	Δ % in CHF	Δ % in LC
Sales	1,809.3	-1.6%	+0.2%	879.3	-7.3%	-4.6%	930.0	+4.5%	+5.3%
Δ organic	+2.1		+0.1%	-44.7		-4.7%	+46.8	-	+5.3%
Δ acquisitions	+1.4		+0.1%	+0.6		+0.1%	+0.8	-	+0.1%
Δ disposals	-0.4		-0.0%	-0.0		-0.0%	-0.4	-	-0.0%
Δ FX	-32.2	-1.8%		-24.9	-2.6%		-7.3	-0.8%	-

Audiological Care business

	FY 2022/23			2H 2022/23			1H 2022/23		
	CHF m	Δ % in CHF	Δ % in LC	CHF m	Δ % in CHF	Δ % in LC	CHF m	Δ % in CHF	Δ % in LC
Sales	1,357.8	+9.8%	+15.7%	717.7	+8.5%	+14.3%	640.1	+11.3%	+17.3%
Δ organic	+55.4		+4.5%	+26.0		+3.9%	+29.3	-	+5.1%
Δ acquisitions	+138.3		+11.2%	+68.4		+10.3%	+69.9	-	+12.2%
Δ FX	-72.6	-5.9%		-38.1	-5.8%		-34.5	-6.0%	-

Appendix

Non-GAAP adjustments

in CHF m	2022/23			2021/22		
	FY	2H	1H	FY	2H	1H
Restructuring	+15.6	+12.8	+2.8	+13.5	+6.1	+7.4
<i>thereof HI segment</i>	+14.6	+11.8	+2.8	+12.9	+6.4	+6.5
<i>thereof CI segment</i>	+1.0	+1.0	+0.0	+0.6	-0.3	+0.9
Transaction and integration costs	+17.0*	+14.4	+2.5	+12.0	+7.0	+5.0
Patent / legal litigation	+6.2	+5.2	+1.0	+16.0	+16.0	-
<i>thereof HI segment</i>	+1.5	+1.5	-	-	-	-
<i>thereof CI segment</i>	+4.7	+3.7	+1.0	+16.0	+16.0	-
Total adjustments to EBITA	38.8	+32.4	+6.3	+41.5	+29.1	+12.5
Impact from tax reforms (affecting net profit and EPS)	-9.2	-9.2	0	-17.5	-17.5	-

Note: positive values indicate a positive impact on the adjusted vs. the respective reported financial metric and vice versa.

*The acquisition of the Sennheiser Consumer Division, Alpaca Audiology, and HYSOUND resulted in transaction and integration costs of CHF 17.0 million (2021/22: CHF 12.0 million)

Appendix

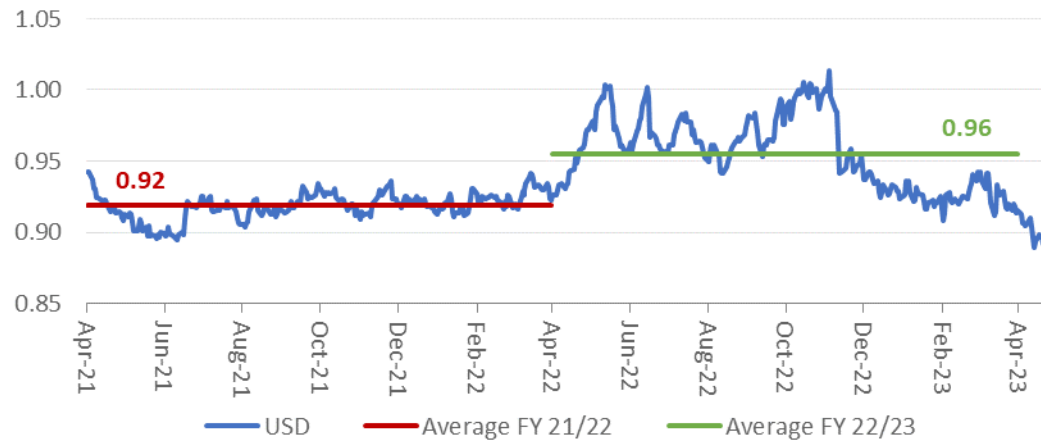
Cash flow statement

	FY 2022/23		FY 2021/22
	CHF m	Δ % in CHF	CHF m
Income before taxes	715.6	-1.7%	728.2
<i>Depreciation & amortization</i>	239.7	+13.5%	211.1
<i>Working capital</i>	-73.7	+289.9%	-18.9
<i>Other cash effects</i>	-25.5	n/m	32.6
<i>Tax paid</i>	-86.8	+85.9%	-46.7
<i>Financial result</i>	14.6	-58.2%	34.9
Operating cash flow	783.9	-16.7%	941.1
<i>Payments for lease liabilities</i>	-81.1	+20.0%	-67.6
<i>Capex</i>	-154.3	+44.7%	-106.6
<i>Other movements in financial assets</i>	-12.9	+403.1%	-3.2
Operating free cash flow	535.6	-29.9%	763.7
<i>Net M&A</i>	-261.1	-56.0%	-596.1
Free cash flow	274.4	+63.8%	167.6
Cash flow from financing activities	-545.2	-60.8%	-1,392.4

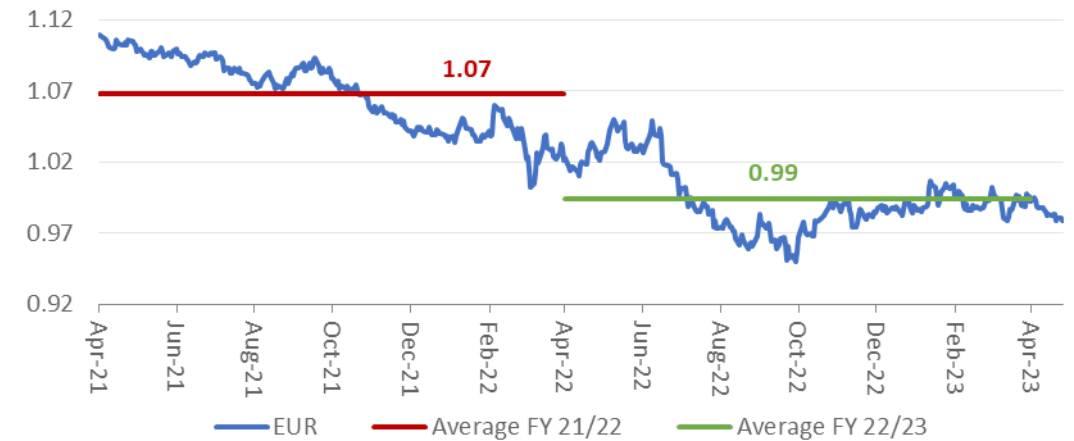
Appendix

Sonova Group – FX impact on sales and margins

USD/CHF



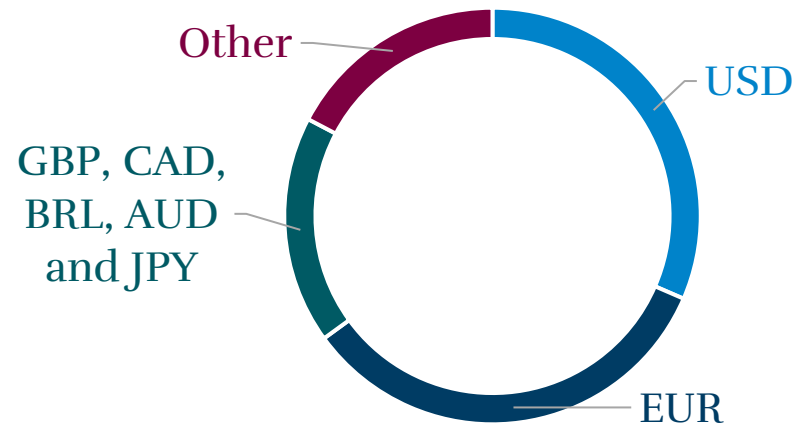
EUR/CHF



	Rate	Sales	EBITA
USD/CHF	+/- 5%	+/- CHF 61 million	+/- CHF 19 million
EUR/CHF	+/- 5%	+/- CHF 68 million	+/- CHF 28 million

Appendix

Sonova Group – Sales by currency and FX rates



	FY-21/22	1H-22/23	2H-22/23	FY-22/23	Effect FY-22/23	Spot May-2023
USD	0.92	0.97	0.94	0.96	+	0.89
EUR	1.07	1.00	0.99	0.99	-	0.98
GBP	1.26	1.17	1.13	1.15	-	1.11
CAD	0.73	0.75	0.70	0.72	-	0.66
AUD	0.68	0.67	0.63	0.65	-	0.59
BRL	0.17	0.19	0.18	0.19	+	0.18
JPY 100	0.82	0.72	0.69	0.70	-	0.65

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