sonova
HEAR THE WORLD

Summary Report 2023/24

Highlights 2023/24

Sonova Group: Sales of CHF 3,627 million

Group sales were CHF 3,626.9 million, up 3.2% in local currencies but down 3.0% in Swiss francs. Organic growth reached 1.6% in local currencies.

Adjusted Group EBITA: +4.4% in local currencies

Adjusted Group EBITA [1)] reached CHF 771.4 million, up 4.4% in local currencies but down by 8.2% in Swiss francs. This represents a margin of 21.3%.

Earnings per share: +6.4% in local currencies

Adjusted earnings per share [1)] increased by 6.4% in local currencies but fell 9.6% in Swiss francs to CHF 10.06.

Dividend of CHF 4.30 proposed

The Board of Directors proposes to the 2024 Annual General Shareholders' Meeting a dividend of CHF 4.30 per share, representing an adjusted [1)] payout ratio of 43%.

Protecting the planet: Emissions reduced by 28%

On a comparable basis, the Group reduced Scope 1, 2, and 3 CO_2 emissions by 28% since 2019. Also, the Science Based Targets initiative (SBTi) officially approved Sonova's greenhouse gas reduction targets.

Advancing our people: High engagement

Employee surveys show a consistently high employee engagement score over the past five years – 83% this year.

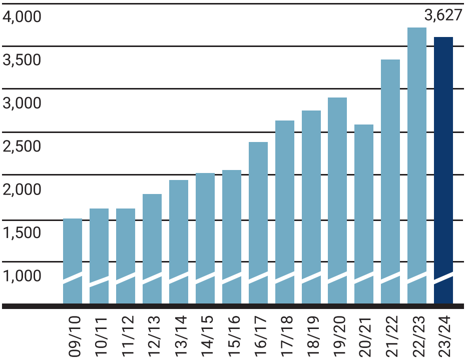
Sonova Group key figures

in CHF million unless otherwise specified	2023/24	2022/23	Change in Swiss francs	Change in local currencies
Sales	3,626.9	3,738.4	(3.0%)	3.2%
EBITA	727.0	801.6	(9.3%)	3.6%
EPS (CHF)	10.08	10.75	(6.3%)	10.0%
Operating free cash flow	539.2	535.6	0.7%	
EBITA (adjusted)[1)]	771.4	840.4	(8.2%)	4.4%
EPS (CHF) (adjusted)[1)]	10.06	11.14	(9.6%)	6.4%

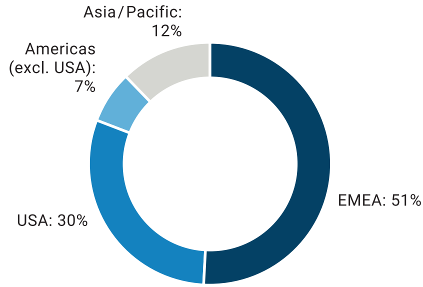
1) Non-GAAP financial measure adjusted for nonrecurring items incl. restructuring and acquisition-related costs, certain legal items and benefits from tax reforms; see financial review and for details see the table "Reconciliation of non-GAAP financial measures" in the Annual Report 2023/24.

Key figures 2023/24

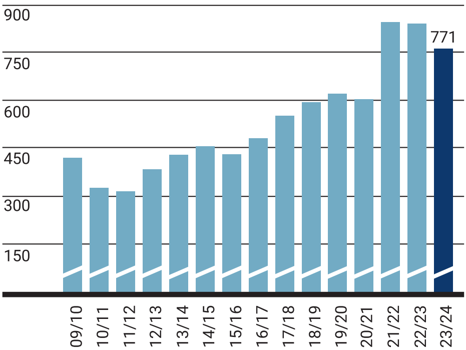
Sales in CHF m



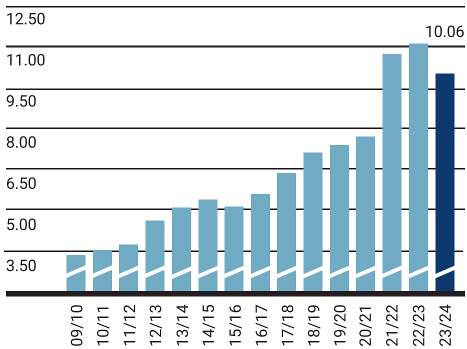
Sales by regions in 2023/24



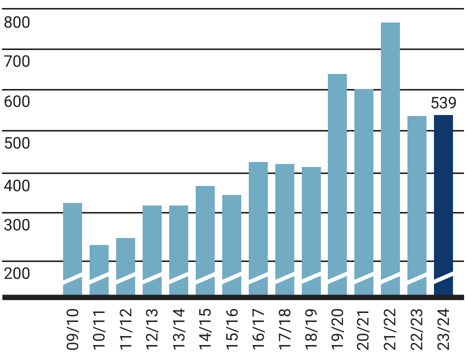
Adjusted EBITA [1] in CHF m



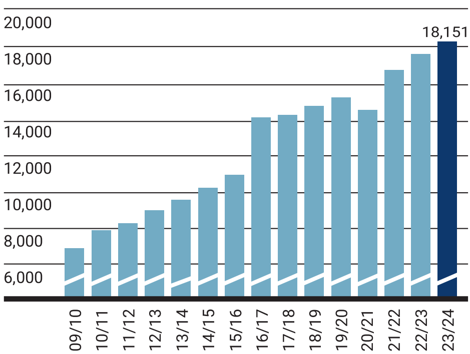
Adjusted EPS [1] in CHF



Operating free cash flow in CHF m



Number of employees



Teresa Wenhard works as an Audiological Engineer in our Hearing Instruments Business. Sound quality is especially important to Teresa being a musician herself. That passion motivates her research into ways to upgrade the performance of our range of hearing solutions for customers.

Letter to shareholders

Dear shareholders,

After some anticipated temporary challenges in the first half of the 2023/24 financial year, Sonova saw more robust momentum in the second half and ended the year on a positive note. We continued to implement our strategy, systematically and comprehensively: advancing our product portfolio, extending direct engagement with our consumers, and delivering continuous improvement in our operational and commercial execution. These achievements give us a solid foundation on which we will build in the coming financial year.

Among the highlights of the year were the introduction of new technology solutions, which include extending the benefits of the Lumity hearing aid platform across the Phonak portfolio. At the same time, we continued our strong investment into fundamental innovation that will be demonstrated in exciting new products to be launched in the near future. We further expanded our Audiological Care network through acquisitions and new store openings, and successfully integrated HYSOUND in China. We entered the emerging over-the-counter hearing aid market in the US with All-Day Clear, a new self-fitting hearing aid sold under the Sennheiser brand. And we significantly extended the capabilities of our cochlear implants portfolio with our unique Remote Programming solution.

Basic audiological research continues to drive our innovation. Recent studies supported by Phonak and reported in *The Lancet* and elsewhere showed that treating hearing loss can slow the rate of decline in cognitive abilities among older adults with increased risk for brain disorders like dementia. Phonak has therefore introduced a dedicated awareness program for hearing care professionals and the people they serve to highlight this issue.

In operations, our new Mexicali facility for the Americas has begun production and promises substantial reduction in delivery time and costs, while optimizing our global supply chain and helping us to further reduce our CO_2 emissions.

The financial year also saw some temporary challenges. More than in any year in the past decade, adverse currency exchange-rate developments reduced results reported in Swiss francs. And in the first half of the financial year, our Hearing Instruments business was still affected by the non-renewal of a single major US contract.

These challenges notwithstanding, our results for the year are solid and show improving sales momentum through the second half-year. We remain confident in the effectiveness of our strategy as a generator of profitable growth. You can find additional details in the strategy & businesses section of this year's annual report.

Naeem Randera knew he wanted to help others after supporting his father through progressive hearing loss from otosclerosis. He is an audiologist for the Boots Hearingcare brand in the UK.

Hearing Instruments segment

Sales in the Hearing Instruments segment rose by 3.2% in local currencies, largely driven by the good performance of the Audiological Care business. Despite challenges in the first half of the year, the Hearing Instruments business saw solid growth in the second half, as we have solved our temporary operational issues. After strong growth in the previous year, performance in the Consumer Hearing business was impeded by generally weak demand in the consumer electronics market, along with the issue of inconsistent performance from some batteries provided by a now deselected external supplier for one of our key products.

The Hearing Instruments business further extended the reach of our Phonak Lumity platform, making the latest technology accessible to even more consumers. Among many new product launches were a battery-powered Audéo Lumity hearing aid, for those who prefer multi-day power to daily recharging; Terra and Terra+, offering quality hearing and connectivity for budget conscious consumers; and new entries in the Sky and Naída families, bringing the benefits of Lumity technology to children and to adults with severe-to-profound hearing loss. Unitron's new Vivante platform was launched in April and extended through the year. Hearing Instruments also made further strong progress on product reliability, in which the Phonak Lumity platform achieved a continued improvement compared to its already dependable predecessor.

The Audiological Care business saw positive development throughout the year, thanks both to organic growth and acquisitions. Good organic sales were enabled by continuous improvements in consumer care processes, versatile approaches to bringing people in-store, and close cooperation with key stakeholders such as Ear, Nose, and Throat specialists (ENTs). We further expanded our network through bolt-on acquisitions and continued the successful integration of HYSOUND, a leading nationwide audiological care chain in China that we acquired in December 2022. HYSOUND has performed ahead of plan during its first full year with Sonova. China has attractive growth potential and we are convinced that this high quality business will allow us to further expand our presence there in the coming years.

The Consumer Hearing business saw negative sales development, for the reasons mentioned above. Integration, however, is complete and the focus is now on achieving sustained profitable growth by engaging consumers with premium products and reaching them early on their hearing journey. An important element of this was Sonova's entry into the over-the-counter hearing instrument market with the US launch in June 2023 of the Sennheiser All-Day Clear, which targets mild to moderate hearing loss. In addition we launched a number of new audio products, such as our MOMENTUM True Wireless 4 earbuds, introduced in February 2024, which include more than a dozen improvements over their predecessor in connectivity, sound quality, and active noise cancellation.

Cochlear Implants segment

Sales for the Cochlear Implants segment, which conducts its business through the Advanced Bionics brand, rose by 3.6% in local currencies. System sales continued their year-on-year growth, while upgrade sales were down due to the lower remaining number of recipients awaiting an upgrade as the Marvel CI sound processor range enters its third post-launch year. Marvel CI's capabilities have been significantly enhanced by our Remote Programming solution, enabled through Phonak's unique universal Bluetooth® connectivity, which allows recipients to have their processors adjusted by their audiologists at a long distance via smartphone. This enables self-sufficiency for recipients while providing immediate, easy connection to professional support when necessary.

Returning cash to shareholders

At the Annual General Shareholders' Meeting (AGM) in June 2024, the Board of Directors will propose a dividend of CHF 4.30 per share. This represents a stable payout ratio, in line with our total shareholder return strategy, of around 40%. Over the past ten years, the dividend has risen by a compound annual growth rate of 9.2%.

The Group intends to maintain a healthy balance sheet in line with our moderate leverage target ratio of 1.0-1.5x net debt to EBITDA. In the absence of any larger acquisitions and subject to the cashflow development in Swiss francs, Sonova expects to resume share buybacks under its current program during the second half of the 2024/25 financial year.

Environmental, social, and governance (ESG)

At the 2024 AGM, shareholders will for the first time have a vote on non-financial matters, presented in the Sonova ESG Report. During the 2023/24 financial year we continued to implement *IntACT*, our ESG strategy, which is delivering significant year-on-year improvements. For example, around two thirds of leadership positions were hired from within the organization, reflecting our drive to grow talent and build leadership internally. We also increased the share of women in senior management from 22.0% to 28.3% and middle management from 36.4% to 39.9%.

The Science Based Targets initiative (SBTi) officially approved Sonova's greenhouse gas reduction targets for Group operations (scope 1 and 2) and value chain (scope 3) emissions. On a comparable basis, we have already achieved a 28% reduction of total scope 1-3 CO_2 emissions since 2019.

Audiology is a personal calling for Sarah Downing, who leads Global Marketing for our Advanced Bionics brand. She is captivated by what hearing technology can do. Sarah passes that passion on to the teams she works with.

Working at Sonova has taught Guillermo Salcedo a lot about hearing health. The leader of our new operations facility in Mexicali, Mexico finds it rewarding to be part of an industry where the products have a positive impact on people's lives.

We continued to receive consistently high ESG ratings in the 2023/24 financial year across the major ratings and indices, including the highest possible MSCI rating of AAA and a tenth consecutive year of inclusion in the Dow Jones Sustainability Index, ranking fourth out of 279 companies in the healthcare equipment and supplies industry.

You will find further and more detailed information in our ESG Report, which is part of the Sonova Annual Report 2023/24.

Changes to the Board of Directors and to the Management Board

Gilbert Achermann has been nominated by the Board of Directors for election at the 2024 AGM as a new independent Board member. From 2010 to April 2024, he served as Chair of the Board of Directors of the Straumann Group, a global dental industry leader, having previously served as its CFO and CEO for a very successful period of more than 12 years. In 2020 he became a member, and in 2022 Chair, of the Board of Directors at Ypsomed Group, a manufacturer of injection and infusion systems.

With his in-depth understanding of the medical technology sector and his successful track record as CEO as well as his experience as Chair of multiple company boards, we are confident he will make a significant contribution to Sonova's future growth. The Board of Directors has made it clear that, as part of its commitment to medium-term succession planning, Gilbert Achermann will be nominated to succeed current Chair Robert Spoerry at the 2025 AGM.

After the end of the 2023/34 financial year, we announced the following appointments to the Management Board: Lilika Beck, Managing Director Connect Hearing Canada in Sonova's Audiological Care business, was appointed GVP Consumer Hearing, after Martin Grieder passed away in a tragic accident at the beginning of April. Oliver Lux, Managing Director Audiological Care Germany, was appointed GVP Audiological Care, succeeding Christophe Fond, who will pursue an opportunity outside the hearing care industry after successfully leading the business for seven years. Both appointments are effective as of June.

Alistair Simpson will join Sonova as GVP Cochlear Implants and succeed Victoria Carr-Brendel, who has decided to retire from executive roles for personal reasons after successfully leading the business since 2019. Alistair brings longstanding expertise in the medical device industry and has a successful track record in various senior leadership positions in the sector. His appointment will take effect as of July.

Our gratitude and appreciation go to Martin, Christophe and Vicky for their contributions to Sonova's success, and we wish Lilika, Oliver and Alistair all the best in their new roles.

Our thanks

The unwavering dedication and enthusiasm of our employees carry us forward, surmounting challenges and achieving solid results; we are deeply grateful. We also thank our consumers, whose wish for better hearing inspires all our work, along with the professionals who bring them our solutions. Finally, we remain profoundly thankful for the trust of our shareholders, which provides the firm foundation for our strategy to deliver sustainable, profitable growth.

Outlook

Sonova's solid and improving performance over this financial year confirms the strong fundamentals of our business and the soundness of our strategy. We are well positioned to accelerate growth and to engage with yet more consumers at more points on their hearing journey. The coming financial year will include further significant product launches that will elevate our industry-leading performance and drive growth, particularly in the second half-year. We therefore expect to see a year-on-year rise of 6-9% in consolidated sales, and of 7-11% in adjusted EBITA measured at constant exchange rates, with stronger momentum in both during the second half-year.

Robert Spoerry
Chair of the Board of Directors

Arnd Kaldowski
CEO

As the Human Resources partner for Sonova in China, Violey Xie has a clear understanding of how her team contributes to the delight of hearing. By improving employee engagement, Violey and her colleagues know they are helping to provide a better hearing experience for customers.

Financial review

Sales momentum picking up in the second half-year – Strong headwind from currencies

Sonova Group sales reached CHF 3,626.9 million in the 2023/24 financial year, up 3.2% in local currencies and down 3.0% in Swiss francs. Development in the first half of the financial year was held back by temporary operational challenges and effects of the non-renewal of a large contract with a single US customer, but momentum picked up in the second half-year. This was supported by a positive market response to the expansion of the Phonak Lumity platform and a gradual improvement in the overall hearing care market, despite regional differences. Groupwide organic growth was 1.6%, or 3.2% excluding the previously mentioned non-renewal of a large contract. Acquisitions in the reporting period (including the full-year effect of prior-year acquisitions) contributed 1.6% to sales growth. Exchange rate developments had a significant negative impact, reducing reported sales by CHF 232.9 million and the reported sales growth in Swiss francs by 6.2 percentage points.

Hearing care market improving over the course of the year

Sales in Europe, Middle East and Africa (EMEA) rose by 3.8% in local currencies. Growth was supported by the continued expansion of the audiological care network. A number of key markets achieved robust sales growth, including Germany, the UK, Belgium, and the Netherlands. Regional growth was dampened, however, by weaker development in France.

In the United States, sales increased by 0.7% in local currency, supported by market growth and bolt-on acquisitions in the Audiological Care business. The country returned to solid growth in the second half of the 2023/24 financial year, as year-on-year development was no longer impacted by the previously mentioned non-renewal of a large contract.

Sales in the rest of the Americas (excluding the US) grew by 3.6% in local currencies, helped by acquisitions but held back in Canada during the first half of the financial year by the impact of the previously mentioned non-renewal of a large contract.

Sales in the Asia Pacific (APAC) region increased by 7.1% in local currencies, supported by the acquisition of HYSOUND in China (completed in December 2022) and strong growth in Japan, but dampened by weak performance in Korea, Australia, and New Zealand. In the second half of the financial year, development was impacted by a high comparison base in China, which had experienced strong growth in the prior year period after the lifting of pandemic related lockdowns.

Modest underlying margin improvement – Strong currency headwinds weigh on profitability

Additional structural optimization initiatives during the reporting period, largely driven by the buildup of a new operations facility in Mexico, resulted in restructuring costs of CHF 23.7 million (2022/23: CHF 15.6 million). Transaction and integration costs related to acquisitions, including HYSOUND, the Sennheiser Consumer Division, and Alpaca Audiology, amounted to CHF 10.5 million (2022/23: CHF 17.0 million). In addition, the Group incurred legal costs of CHF 10.2 million (2022/23: CHF 6.2 million). Income taxes were positively affected by CHF 39.1 million, as a result of tax reforms (2022/23: CHF 9.2 million).

Adjusted figures and growth rates in this financial review exclude the items in the foregoing paragraph. For more details, please refer to the “Reconciliation of non-GAAP financial measures” table at the end of the financial review in the financial review of the full Annual Report 2023/24.

Reported gross profit amounted to CHF 2,610.4 million. Adjusted gross profit was up by 6.3% in local currencies but down 0.9% in Swiss francs to CHF 2,621.5 million. Gross profit was supported by prior year price increases implemented to offset inflationary pressures, as well as by a business mix shift reflecting strong growth in the Audiological Care business, particularly in the first half-year. The development was further supported by lower costs for repairs as a result of improvements in product reliability as well as the gradual easing of headwinds from transport and component costs. The adjusted gross profit margin was up by 2.1 percentage points in local currencies and 1.5 percentage points in Swiss francs, to 72.3%.

Excluding acquisition-related amortization, reported operating expenses were CHF 1,883.3 million (2022/23: CHF 1,835.8 million). The development was impacted by the previously mentioned business mix shift, which was partly driven by acquisitions in the Audiological Care business, and the moderate sales development in the Hearing Instruments business in the first half-year. As a result, adjusted operating expenses before acquisition-related amortization increased by 7.2% in local currencies or 2.5% in Swiss francs to CHF 1,850.1 million (2022/23: CHF 1,804.7 million). Adjusted research and development (R&D) expenses before acquisition-related amortization reached CHF 236.0 million (2022/23: CHF 242.9 million), representing a stable development in local currencies.

Adjusted sales and marketing costs before acquisition-related amortization rose by 7.9% in local currencies to CHF 1,278.6 million or 35.3% of sales (2022/23: 33.5%). This was largely driven by the previously mentioned business mix shift to a greater share for the Audiological Care business, which has a higher ratio of sales and marketing costs to sales than the rest of the Group. Adjusted general and administration costs before acquisition-related amortization rose by 11.3% in local currencies, reaching CHF 334.9 million or 9.2% of sales (2022/23: 8.3%), driven in part by ongoing investment in IT infrastructure. Adjusted other expenses totaled CHF 0.6 million (2022/23: CHF 0.6 million income).

Adjusted operating profit before acquisition-related amortization (EBITA) reached CHF 771.4 million (2022/23: CHF 840.4 million), up by 4.4% in local currencies but down 8.2% in Swiss francs. The adjusted EBITA margin reached 21.3%, down 1.2 percentage points compared to the prior year but up 0.3 percentage points in local currencies. The strong headwind from exchange rate developments reduced adjusted EBITA by CHF 106.1 million and the margin by 1.5 percentage points. Reported EBITA grew by 3.6% in local currencies but declined by 9.3% in Swiss francs to CHF 727.0 million. Acquisition-related amortization amounted to CHF 57.1 million (2022/23: CHF 54.9 million), reflecting recent acquisitions. Reported operating profit (EBIT) reached CHF 669.9 million (2022/23: CHF 746.7 million), down 10.3% in Swiss francs.

Earnings per share

Net financial expenses, including the result from associates, were CHF 22.6 million, down from CHF 31.0 million in the prior year. Income taxes amounted to CHF 37.8 million (2022/23: CHF 57.4 million). Income taxes were reduced by CHF 39.1 million due to effects related to tax reforms (2022/23: CHF 9.2 million). They were also impacted by the recognition of deferred tax assets arising from losses incurred, as well as by an increase in tax provisions. Basic earnings per share (EPS) reached CHF 10.08, up 10.0% in local currencies but down 6.3% in Swiss francs. Adjusted EPS rose 6.4% in local currencies but fell by 9.6% in Swiss francs to CHF 10.06, compared to CHF 11.14 in the prior year.

Hearing Instruments segment – Growth accelerating in the second half

The Hearing Instruments segment generated sales of CHF 3,347.9 million, an increase of 3.2% in local currencies but down 3.0% in Swiss francs compared to the prior year. After a flat development in the first half-year, organic growth picked up, reaching 3.2% in the second half-year. The contribution from acquisitions in the reporting period (including the full-year effect of prior-year acquisitions) lifted sales by 1.8% or CHF 60.6 million. Exchange rate fluctuations reduced reported sales by CHF 214.5 million and the reported sales growth in Swiss francs by 6.2 percentage points.

Sales in the Hearing Instruments business reached CHF 1,697.7 million, up by 0.7% in local currencies. Excluding the impact from the previously mentioned non-renewal of a large contract, which held back the development in the first half, sales rose by 4.0% in local currencies and strongly accelerated in the second half-year. The development was supported by the expansion of the Phonak Lumity family of products throughout the year and by the introduction of the Unitron Vivante™ platform, along with the residual impact from prior-year price increases. The business also made further strong progress on product reliability, with the Phonak Lumity platform achieving a continued improvement compared to its already dependable predecessor – a trend that was well received by customers.

The Audiological Care business generated sales of CHF 1,410.5 million, up 9.2% in local currencies. Organic growth reached 4.7%, supported by strong growth in many European markets, including Belgium, the Netherlands, Poland, and Austria, and reflecting both higher volume and increased ASP. Acquisitions (including the full-year effect of prior-year acquisitions) lifted sales by 4.5%. These included the acquisition of HYSOUND in China (completed in December 2022), as well as further bolt-on acquisitions across all regions. HYSOUND has performed ahead of plan during its first full year with Sonova.

Sales in the Consumer Hearing business were down 9.3% in local currencies to CHF 239.7 million. Development was impeded by generally weak demand in the consumer electronics market. Moreover, an issue of inconsistent performance from some batteries provided by a now deselected external supplier for one of our key products resulted in a temporary gap in the product portfolio until its successor was launched later in the year. In June 2023, the business entered the over-the-counter hearing instrument market with the launch of the Sennheiser All-Day Clear. A number of new audio products were introduced, including ACCENTUM wireless headphones (launched in September 2023) and MOMENTUM True Wireless 4 earbuds (February 2024).

Reported EBITA for the Hearing Instruments segment amounted to CHF 701.7 million, up 4.2% in local currencies. Adjusted EBITA rose by 4.5% in local currencies to CHF 736.3 million, corresponding to an EBITA margin of 22.0% (2022/23: 23.3%). Excluding the adverse currency development, the adjusted EBITA margin rose by 0.3 percentage points compared to the prior year.

Cochlear Implants segment – System sales accelerating in the second half

Sales in the Cochlear Implants business reached CHF 278.9 million, up 3.6% in local currencies but down 2.8% in Swiss francs. System sales continued their year-on-year growth, increasing by 6.8% in local currencies with growth accelerating in the second half-year. Development was supported by higher volumes due to an improving market environment, partly held back by an adverse impact of the country mix on ASP. Sales of upgrades and accessories were down by 2.1% in local currencies. With the Marvel sound processors entering their third year after the launch in 2021, the installed base of recipients waiting for an upgrade is tapering off. Development in the first half-year was also impacted by residual supply chain issues, which have since been resolved.

Reported EBITA for the Cochlear Implants segment was CHF 25.4 million. The adjusted EBITA reached CHF 35.1 million (2022/23: CHF 35.9 million), representing a margin of 12.6% (2022/23: 12.5%). A slow start to the year with residual supply chain issues, coupled with adverse shifts in the geographic and product mix, weighed on profitability. Development was also impacted by continued investments in innovation and commercial excellence.

Cash flow

Cash flow from operating activities was CHF 753.3 million (2022/23: CHF 783.9 million). The reduction was entirely driven by lower income before taxes as a result of adverse currency developments, partly offset by lower cash outflow from changes in net working capital and lower tax payments. Furthermore, the net purchase of tangible and intangible assets decreased to CHF 127.4 million (2022/23: CHF 152.3 million), reflecting elevated investments in infrastructure and IT projects in the prior year. This resulted in an operating free cash flow of CHF 539.2 million (2022/23: CHF 535.6 million).

As a result of the continued expansion of the Group's audiological care network, the cash consideration for acquisitions amounted to CHF 101.6 million. This is down from CHF 261.1 million in the prior year, which included the acquisition of HYSOUND in China. In summary, this resulted in a free cash flow of CHF 437.6 million (2022/23: CHF 274.4 million). The cash outflow from financing activities of CHF 415.3 million mainly reflects the dividend payment of CHF 274.1 million as well as repayment of lease liabilities of CHF 75.1 million.

Balance sheet

Cash and cash equivalents stood at CHF 513.6 million compared to CHF 413.9 million at the end of the 2022/23 financial year. Net working capital was CHF 93.2 million (end of 2022/23: CHF 89.5 million). Receivable collection continued to be strong, while the Group maintained elevated safety stock during the buildup of its new operations facility in Mexico as part of the global supply chain optimization. Driven mainly by acquisitions, capital employed increased to CHF 3,850.9 million compared to CHF 3,727.3 million at the end of the 2022/23 financial year.

The Group's equity of CHF 2,491.3 million represents an equity ratio of 43.0%, up from 40.2% at end of the 2022/23 financial year. The net debt position decreased to CHF 1,359.5 million compared to CHF 1,495.9 million at the end of the 2022/23 financial year. The net debt/EBITDA ratio stood at 1.5x, stable compared to March 2023, and within Sonova's target range of 1.0-1.5x. The return on capital employed (ROCE) reached 17.7% compared to 20.8% in the prior year.

Consolidated financial statements

Consolidated income statement

CHF million	2023/24	2022/23
Sales	**3,626.9**	**3,738.4**
Cost of sales	(1,016.5)	(1,101.0)
Gross profit	**2,610.4**	**2,637.4**
Research and development[1]	(239.0)	(244.6)
Sales and marketing[1]	(1,346.0)	(1,316.4)
General and administration	(354.9)	(330.2)
Other income	0.0	0.6
Other expenses	(0.6)	(0.0)
Operating profit (EBIT)[2]	**669.9**	**746.7**
Financial income	12.3	15.0
Financial expenses	(39.2)	(49.9)
Share of profit/(loss) in associates/joint ventures, net	4.4	3.9
Income before taxes	**647.3**	**715.6**
Income taxes	(37.8)	(57.4)
Income after taxes	**609.5**	**658.3**
Attributable to:		
Equity holders of the parent	601.0	647.5
Non-controlling interests	8.5	10.7
Basic earnings per share (CHF)	10.08	10.75
Diluted earnings per share (CHF)	10.05	10.72

[1] Includes acquisition-related amortization of CHF 1.5 million (previous year: CHF 1.6 million) in "Research and development" and CHF 55.6 million (previous year: CHF 53.3 million) in "Sales and marketing". EBITA (Earnings before financial result, share of profit/(loss) in associates/joint ventures, taxes and acquisition-related amortization) amounts to CHF 727.0 million (previous year: CHF 801.6 million).
[2] Earnings before financial result, share of profit/(loss) in associates/joint ventures and taxes (EBIT).

Consolidated statement of comprehensive income

CHF million	2023/24	2022/23
Income after taxes	**609.5**	**658.3**
Other comprehensive income		
Actuarial gain/(loss) from defined benefit plans, net	13.2	(36.9)
Tax effect on actuarial result from defined benefit plans, net	(2.3)	6.5
Total items not to be reclassified to income statement in subsequent periods	**10.9**	**(30.4)**
Currency translation differences	(79.4)	(121.9)
Tax effect on currency translation items	5.0	4.9
Total items to be reclassified to income statement in subsequent periods	**(74.4)**	**(117.0)**
Other comprehensive income, net of tax	**(63.5)**	**(147.4)**
Total comprehensive income	**546.0**	**510.8**
Attributable to:		
Equity holders of the parent	537.8	501.6
Non-controlling interests	8.2	9.3

Consolidated balance sheet

Assets CHF million	**31.3.2024**	**31.3.2023**
Cash and cash equivalents	513.6	413.9
Trade receivables and other current financial assets	549.0	535.7
Inventories	435.6	419.1
Other current operating assets and income tax receivables	154.3	144.1
Total current assets	**1,652.4**	**1,512.9**
Property, plant and equipment	380.2	371.1
Right-of-use assets	269.6	288.4
Intangible assets	3,038.6	3,057.9
Investments in associates/joint ventures	19.2	18.7
Other non-current financial and operating assets	67.2	52.6
Retirement benefit asset	16.8	
Deferred tax assets	347.8	250.9
Total non-current assets	**4,139.4**	**4,039.6**
Total assets	**5,791.8**	**5,552.5**

Liabilities and equity CHF million	**31.3.2024**	**31.3.2023**
Current financial liabilities	18.8	22.2
Current lease liabilities	74.3	73.4
Trade payables	202.4	192.9
Current income tax liabilities	211.0	171.9
Short-term contract liabilities	123.6	115.8
Other short-term operating liabilities	379.6	373.9
Short-term provisions	128.3	154.0
Total current liabilities	**1,137.9**	**1,104.2**
Non-current financial liabilities	1,576.1	1,591.6
Non-current lease liabilities	204.8	223.5
Long-term provisions	80.5	91.2
Long-term contract liabilities	158.0	184.0
Retirement benefit obligation	13.9	12.8
Deferred tax liabilities	129.4	113.9
Total non-current liabilities	**2,162.5**	**2,217.0**
Total liabilities	**3,300.4**	**3,321.1**
Equity	**2,491.3**	**2,231.4**
Total liabilities and equity	**5,791.8**	**5,552.5**

Consolidated cash flow statement

CHF million	2023/24	2022/23
Income before taxes	**647.3**	**715.6**
Depreciation, amortization and impairment of tangible and intangible assets and right-of-use assets	246.2	239.7
Loss on sale of tangible and intangible assets, net	0.8	1.9
Share of (profit) / loss in associates / joint ventures, net	(4.4)	(3.9)
Decrease in long-term provisions and long-term contract liabilities	(28.8)	(33.6)
Financial (income) / expenses, net excl. cash flow from management of foreign currencies and exchange (gains)/losses	17.3	14.6
Share based payments	22.8	21.0
Other non-cash items	(17.2)	(11.0)
Income taxes paid	(74.6)	(86.8)
Cash flow before changes in net working capital	**809.4**	**857.5**
Increase in trade receivables	(22.0)	(67.3)
Increase in inventories	(19.0)	(7.7)
Increase in trade payables	11.7	5.2
Other, net	(26.8)	(3.8)
Cash flow from operating activities	**753.3**	**783.9**
Purchase of tangible and intangible assets	(128.6)	(154.3)
Cash consideration for acquisitions, net of cash acquired	(101.6)	(261.1)
Other, net	(3.8)	(12.9)
Cash flow from investing activities	**(234.0)**	**(428.3)**
Proceeds from / (repayment of) borrowings, net		319.2
Repayment of lease liabilities	(75.1)	(75.9)
Share buyback program		(446.2)
(Purchase) / sale of treasury shares, net	(31.5)	(40.3)
Dividends paid by Sonova Holding AG	(274.1)	(267.6)
Other, net	(34.7)	(34.4)
Cash flow from financing activities	**(415.3)**	**(545.2)**
Exchange losses on cash and cash equivalents	(4.3)	(7.0)
Increase / (decrease) in cash and cash equivalents	**99.7**	**(196.6)**
Cash and cash equivalents at the beginning of the financial year	413.9	610.5
Cash and cash equivalents at the end of the financial year	**513.6**	**413.9**

Consolidated changes in equity

CHF million

	Attributable to equity holders of Sonova Holding AG					
	Share capital	Retained earnings and other reserves	Translation adjustment	Treasury shares	Non-controlling interests	Total equity
Balance April 1, 2022	**3.2**	**3,550.8**	**(422.6)**	**(721.0)**	**22.3**	**2,432.8**
Total comprehensive income		617.2	(115.6)		9.3	510.8
Capital decrease – share buyback program	(0.1)	(702.7)		702.8		
Share-based payments		8.1		21.1		29.2
Sale of treasury shares[1]		(29.2)		46.0		16.7
Purchase of treasury shares				(477.9)		(477.9)
Dividend paid		(267.6)			(12.7)	(280.3)
Balance March 31, 2023	**3.1**	**3,176.6**	**(538.2)**	**(429.0)**	**18.9**	**2,231.4**

Balance April 1, 2023	**3.1**	**3,176.6**	**(538.2)**	**(429.0)**	**18.9**	**2,231.4**
Total comprehensive income		611.9	(74.1)		8.2	546.0
Capital decrease – share buyback program	(0.1)	(421.4)		421.5		
Share-based payments		8.2		19.7		27.9
Sale of treasury shares[1]		(14.8)		35.3		20.5
Purchase of treasury shares				(51.3)		(51.3)
Dividend paid		(274.1)			(8.2)	(282.3)
Acquisition of non-controlling interests		(3.4)	0.5		2.0	(0.9)
Balance March 31, 2024	**3.0**	**3,082.9**	**(611.7)**	**(3.8)**	**20.9**	**2,491.3**

[1] In relation to long-term equity incentive plans.

Financial statements of Sonova Holding AG

Income statement

CHF million	2023/24	2022/23
Income		
Investment income	470.8	326.8
Financial income	26.9	17.9
Total income	**497.7**	**344.6**
Expenses		
Administration and other expenses	(10.1)	(11.5)
Depreciation and amortization	(12.8)	0.0
Financial expenses	(49.5)	(62.5)
Direct taxes	(0.5)	(0.5)
Total expenses	**(72.9)**	**(74.5)**
Net profit for the year	**424.8**	**270.1**

Balance sheet

Assets CHF million	31.3.2024	31.3.2023
Cash and cash equivalents	3.8	4.8
Other receivables, group companies	73.8	24.4
Prepaid expenses and other receivables, third parties	0.3	0.4
Total current assets	**77.9**	**29.6**
Financial assets, third parties	1.6	2.0
Financial assets, group companies	1,704.7	1,539.8
Investments	435.0	498.4
Total non-current assets	**2,141.3**	**2,040.2**
Total assets	**2,219.2**	**2,069.8**

Liabilities and shareholders' equity CHF million	31.3.2024	31.3.2023
Trade account payables, third parties	0.2	0.1
Short-term interest-bearing liabilities, third parties	4.8	4.8
Other short-term liabilities, third parties	2.1	1.2
Accrued liabilities	11.0	8.9
Total short-term liabilities	**18.1**	**15.0**
Bonds	1,512.3	1,514.6
Other long-term liabilities, third parties	0.1	0.1
Total long-term liabilities	**1,512.4**	**1,514.8**
Total liabilities	**1,530.5**	**1,529.8**
Share capital	3.0	3.1
Legal reserves	1.8	7.5
Balance carried forward	262.9	682.7
Net profit for the year	424.8	270.1
Treasury shares	(3.8)	(423.3)
Total shareholders' equity	**688.8**	**540.0**
Total liabilities and shareholders' equity	**2,219.2**	**2,069.8**

Appropriation of available earnings

As proposed by the Board of Directors to the Annual General Shareholders' Meeting of June 11, 2024:

CHF million	31.3.2024
Balance carried forward from previous year	262.9
Net profit for the year	424.8
Total available earnings	**687.8**
Dividend distribution[1]	(256.3)
Balance to be carried forward	**431.4**

[1] If the Annual General Shareholders' Meeting approves the proposed appropriation of available earnings, a gross dividend of CHF 4.30 per registered share of CHF 0.05 will be paid out (previous year: CHF 4.60).

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Financial calendar

June 11, 2024
General Shareholders' Meeting of
Sonova Holding AG

November 19, 2024
Publication of Semi-Annual Report
as of September 30, 2024

May 13, 2025
Publication of Annual Report
as of March 31, 2025

June 10, 2025
General Shareholders' Meeting of
Sonova Holding AG

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Invitation and agenda
General Shareholders' Meeting presentations
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