Stäfa, September 15, 2016, Lukas Braunschweiler, CEO & Hartwig Grevener, CFO

Sonova completes acquisition of AudioNova

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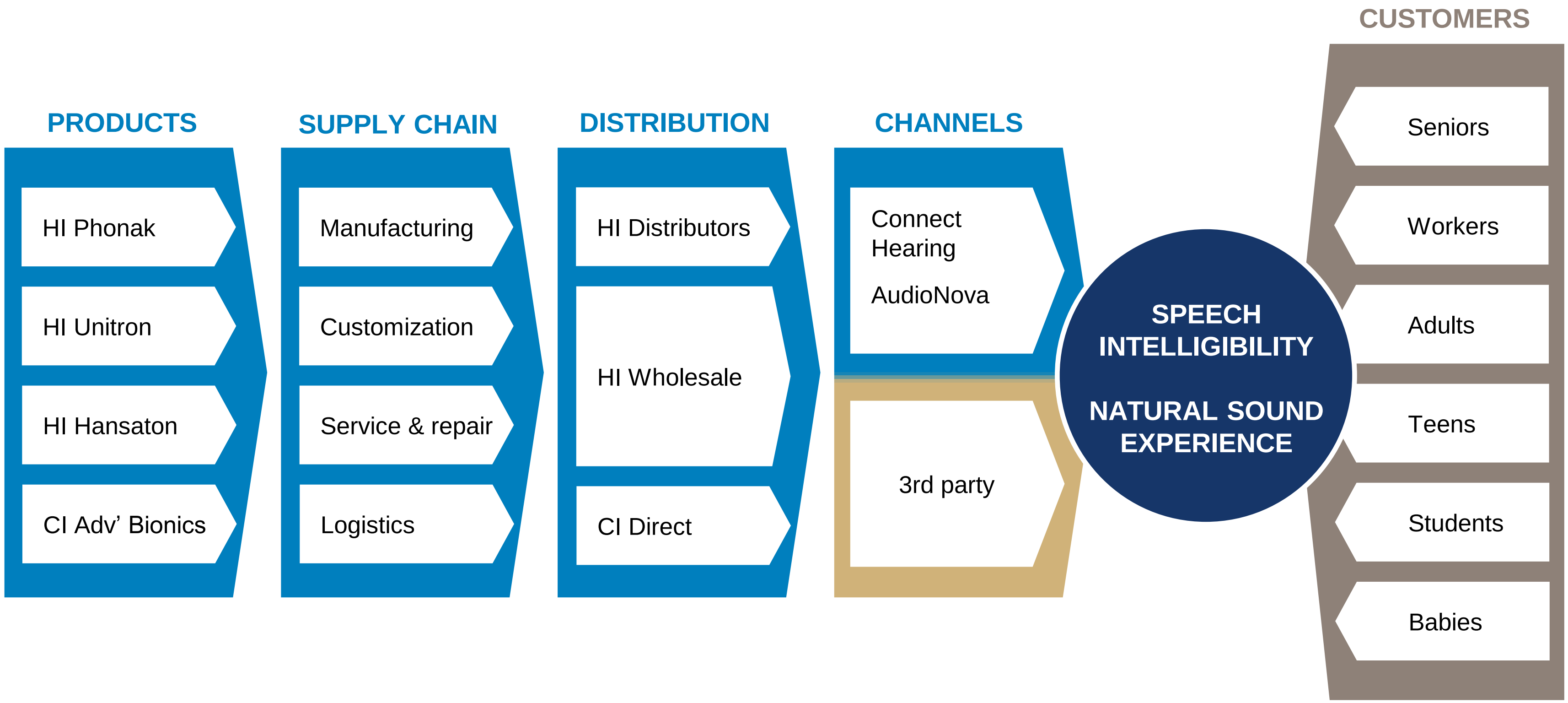
AudioNova to become a strong pillar of Sonova's business model



AudioNova to become a strong pillar of Sonova's business model

AudioNova business

AudioNova business

Strong European exposure with a leading presence in eight countries

One of the leading hearing care service providers in Europe

– Over 1,300 stores across eight countries (DE, NL, IT, BE, PL, DK, FR, PT)
– Over 300,000 hearing aids sold p.a.
– More than 2,750 employees including 1,600 acousticians
– Founded 90 years ago in Rotterdam, Netherlands as a hearing aid store
– Acquired by HAL Investments B.V. in 2000
– Expanded through store openings and further acquisitions in EU (e.g. Geers)

Strong leading local brands

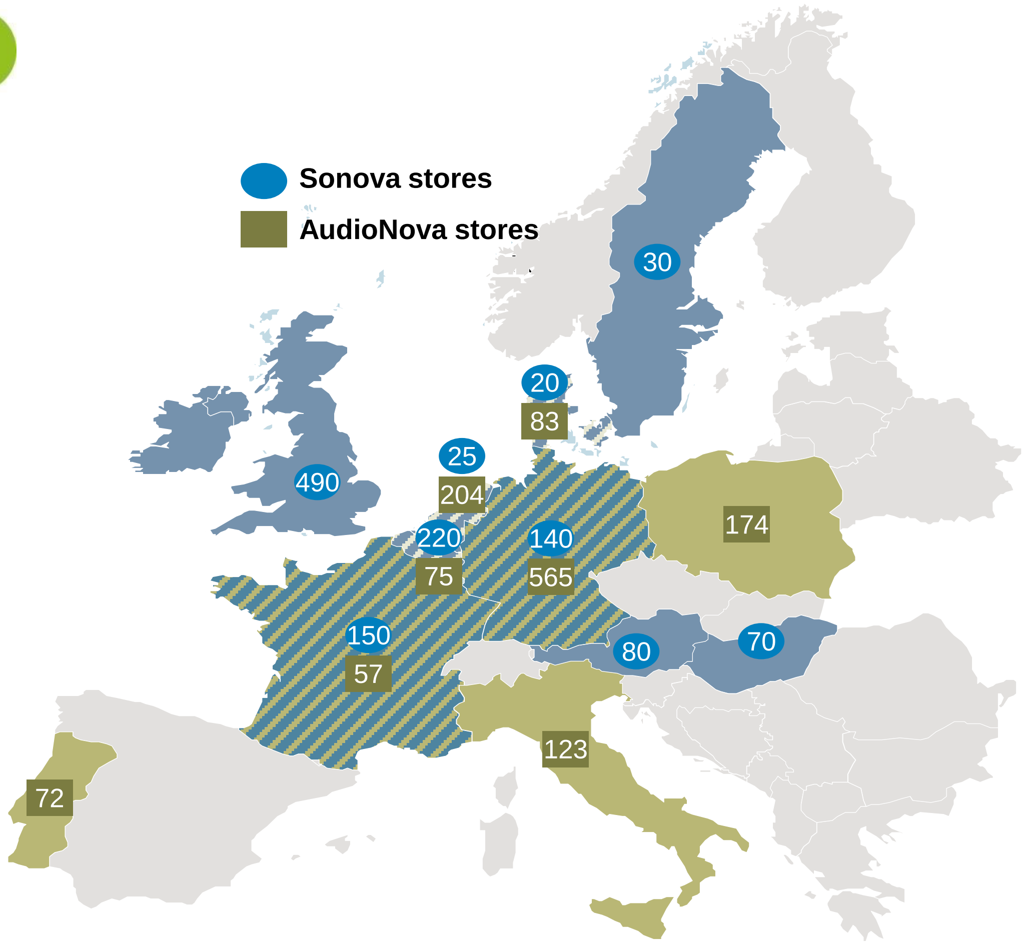
– DE and PL: Geers
– NL: Schoonenberg

Solid track record

– Well-managed and profitable business

AudioNova business

Number of stores in EU – Compared and in combination with Sonova



AudioNova acquisition

AudioNova acquisition

Timeline of the transaction – Events since May 2016

May 4th	Sonova announces agreement to acquire AudioNova
July 5th	Approval by the Office of Competition and Consumer Protection in Poland
July 11th	Approval by the Dutch Healthcare Authority (NZa)
July 20th	Approval by the German Federal Cartel Office (Bundeskartellamt)
Sep 7th	Approval by the Authority for Consumers & Markets (ACM) in the Netherlands
Sep 14th	Closing of the deal

Deal closed fast and with minimal anti-trust conditions

AudioNova acquisition

Convincing strategic rationale of the combination

- Sonova and AudioNova create one of the broadest hearing aid retail service networks in Europe with leading market positions globally, particularly in Europe
- Combination is a reflection of Sonova's vertical business model and go-to-market strategy
- Very complementary country portfolio of Sonova and AudioNova, including key market Germany
- Sonova to further gain proximity to customers and to expand its service capacity by adding over 1,600 hearing healthcare professionals
- Share of Sonova technology and products sold in the AudioNova retail stores will be significantly increased from currently around 25% to over >80% over the next 18 months

Creating one of the broadest retail service networks in Europe in line with strategy

AudioNova acquisition

Extensive synergies and benefits

– Securing end-user access

– Leveraging combined lead generation and database marketing potential

– Capturing full sales volume of more than 300,000 units

– Increasing share of wallet of Sonova products

– Improving network operational efficiency and store productivity

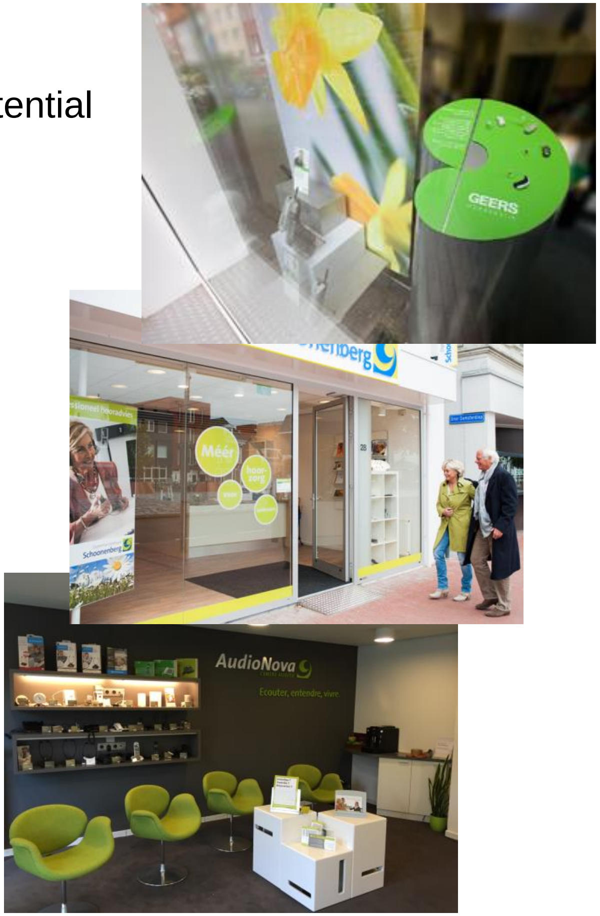
– Reducing transaction costs (incl. sales and marketing)

– Optimizing country and corporate overhead

– Leveraging marketing investments

– Attracting and retaining the best audiologists and employees

– Excellence in employee training and development

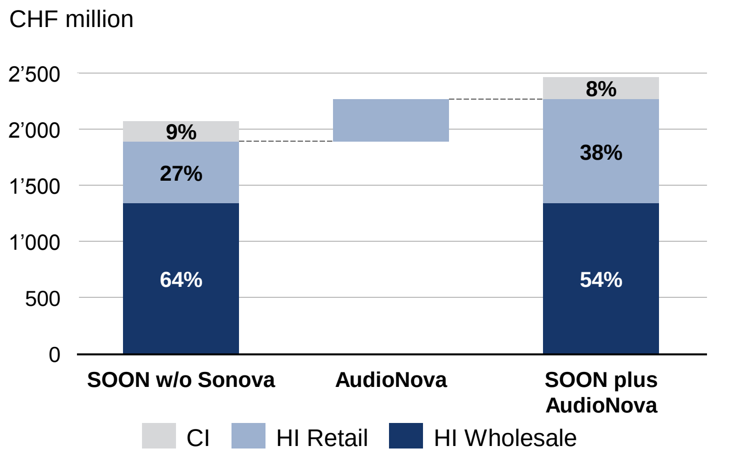


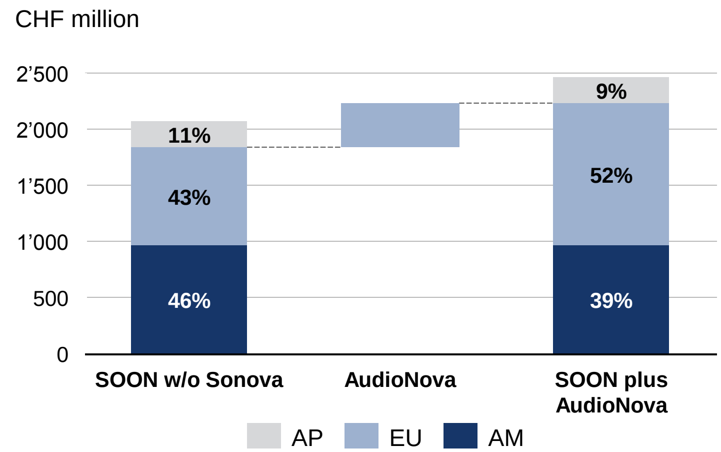
Supporting our integrated business model

AudioNova acquisition

Mid-term financial impact – Pro-forma 12-month impact

Sales:





Note: considers 2015/16 values for Sonova, 2015 values for AudioNova

Margin:

	SOON w/o AudioNova	AudioNova	SOON plus AudioNova
EBITDA	23 - 24%	~16%	22 - 23%
EBITA	20 - 21%	~13%	19 - 20%

Note: combined view based on 2016/17 guidance, excl. synergies and one-time costs

– **Improved gross margin**
– **ca. 100bps EBITA margin dilution**

FY 2016/17 – AudioNova acquisition – Year of transformation

AudioNova acquisition

Short-term financial impact on FY 2016/17

Expected financial impact of the acquisition on FY 2016/17

- Consolidation as of September 2016
- Sales contribution of CHF 210-220 million expected in FY 2016/17
- EBITA contribution (before transaction and integration costs) of CHF 25-30 million
- One time costs of CHF 30-35 million, thereof half in FY 2016/17
- Annual acquisition related amortization of around CHF 20-25 million – CHF 12-15 million in FY 2016/17
- Transaction expected to be EPS accretive in the first financial year after closing (excl. one-off costs)

Acquisition funding

- Deal values AudioNova at EUR 830 million (CHF 913 million)
- Financed with cash and debt resulting in a pro forma Net debt/EBITA ratio of around 1.2x
- Short-term funding by bridge facility – to be largely replaced through bond financing

Contribution in line with previous indication – Pro rata temporis

AudioNova acquisition

sonova
HEAR THE WORLD

Substantially adding to seasonalisation impacts 1H versus 2H 2016/17

	Factor	1H 2016/17	2H 2016/17
Hearing instruments	**AudioNova acquisition**: consolidation	1 month	6 months
	AudioNova acquisition: DE customer reactions	Modest market share loss in wholesale DE	Stabilization, modest recovery in wholesale DE
	New product launch: Phonak Belong platform	1 month benefit in selected NA and EU markets	Full benefit in major NA, EU and AP markets
	New product launch: Phonak Belong in VA	Preparation for November '16 VA introduction	Full benefit as of November '16
	New product launch: Product life cycle in Costco	Products in last quarter of 2-year life cycle	Full benefit of new offering
Cochlear implants	**New product launch**: Naída Link processor	1 - 2 months benefit	Full half year benefit
	New product launch: HiRes Ultra implant	1 month benefit	Full half year benefit
	Upgrades: customer base reaching 5 year maturity	Low qualifying customer base due to 1H 2011 recall	Increased qualifying customer base

Q & A

Upcoming events

Important dates

18 October	5. Sonova Investor & Analyst Day	Stäfa
19-21 October	EUHA Congress	Hannover
14 November	1H 2016/17 Results	