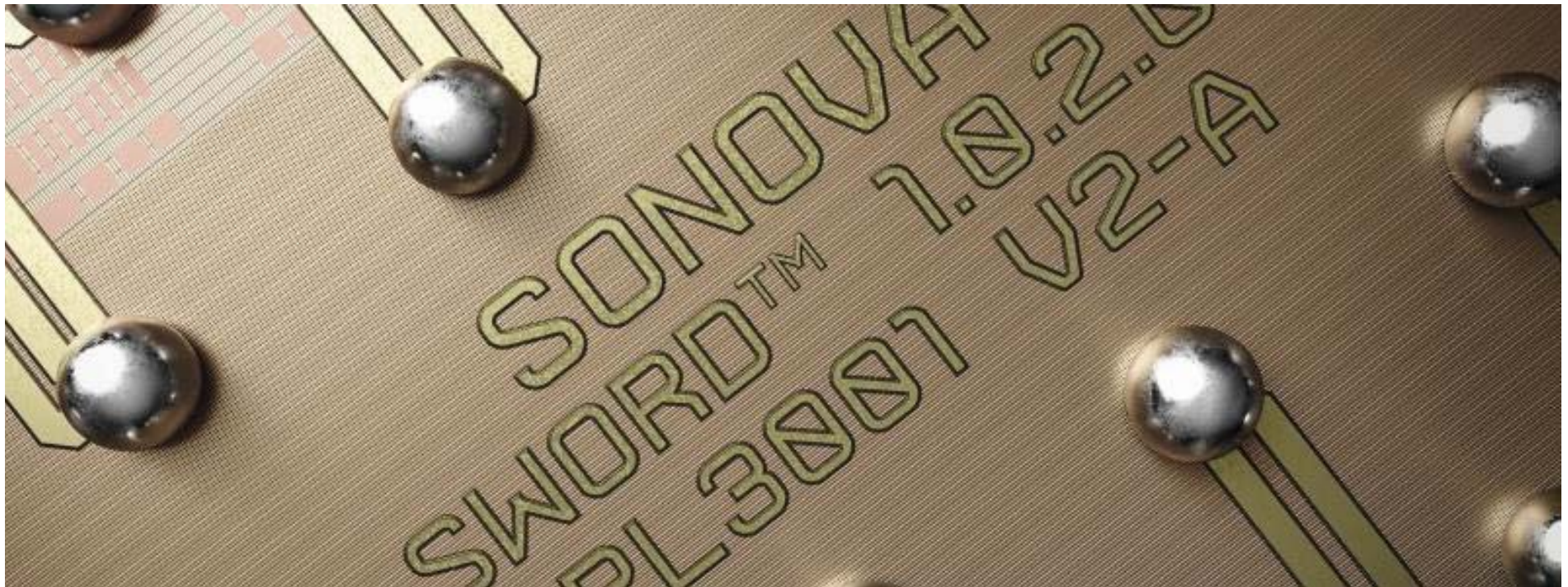


Investor & Analyst Day 2017

Stäfa, Switzerland | October 17, 2017



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This presentation constitutes neither an offer to sell nor a solicitation to buy any securities. This presentation does not constitute an offering prospectus within the meaning of Article 652a of the Swiss Code of Obligations nor a listing prospectus within the meaning of the listing rules of SIX Swiss Exchange.

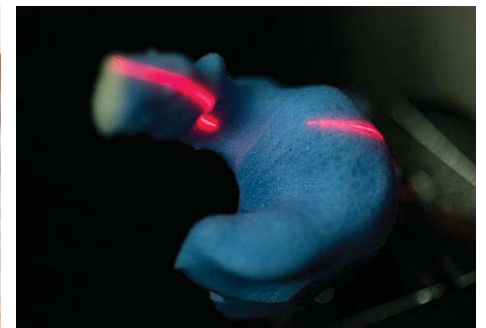
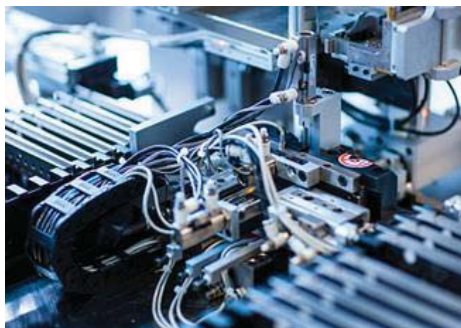
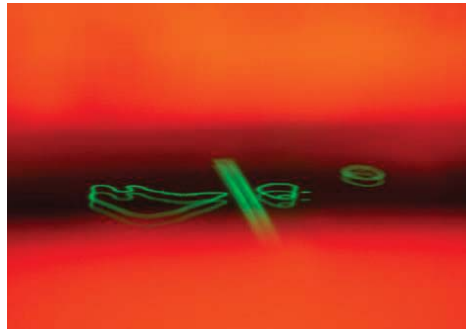
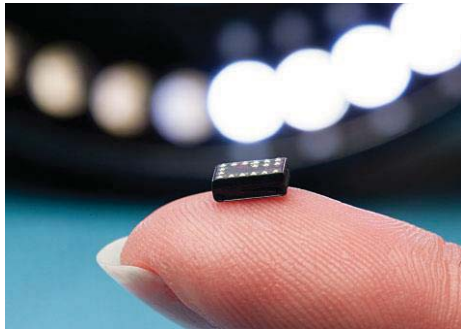
Investor & Analyst Day 2017

Program

08.30	Reception, Coffee and Croissants
09.00	Introduction Lukas Braunschweiler, CEO
09.30	New technologies – New 2.4 GHz universal wireless chip Andi Vonlanthen, GVP Research & Development
10.30	Coffee break
10.45	New products – Hearing instruments Thomas Lang, SVP Phonak Marketing
11.45	eSolutions – Distance support and VA HearAssist Francois Julita, Director Digital Experience
12.15	Lunch break
13.30	Go-to-market – Cochlear implants: Unleashing the potential of the adult segment Hansjürg Emch, GVP Cochlear Implants
14.15	Summary and Q&A Lukas Braunschweiler, CEO
14.45	Factory tour

Introduction

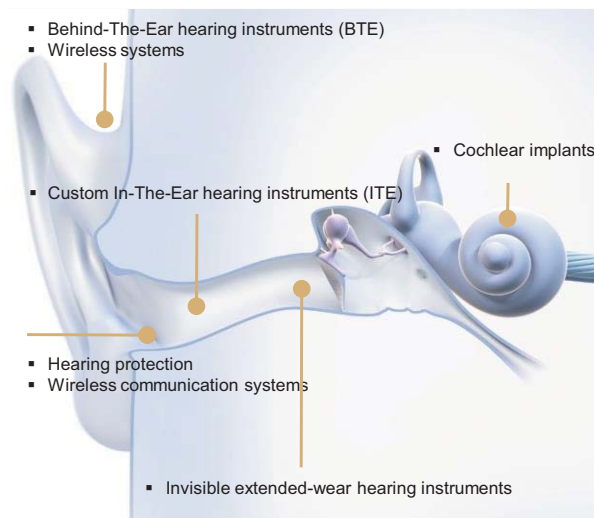
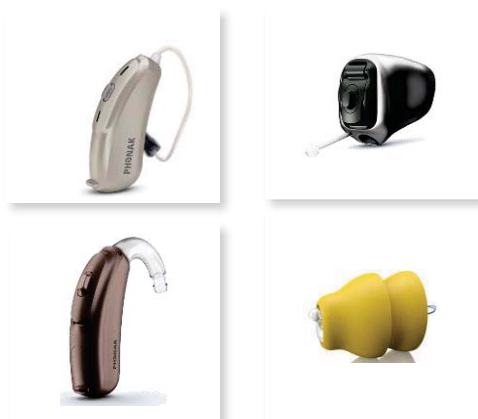
Stäfa, Switzerland | October 17, 2017 | Lukas Braunschweiler, CEO



1. Sonova Group

Broadest and most advanced offering – Hearing instruments, cochlear implants ...

HI Hearing Instruments



CI Cochlear Implants



PHONAK unitron

HANSATON

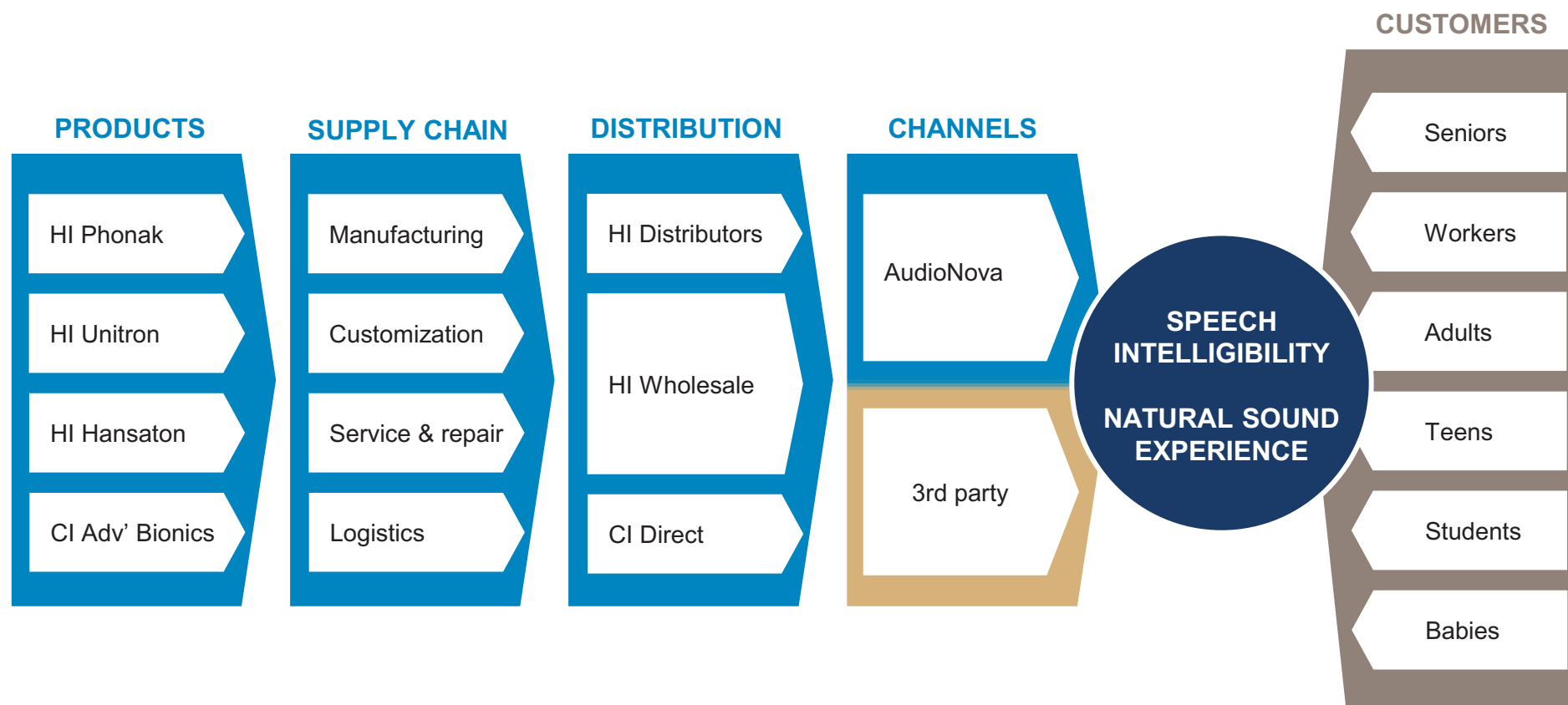


Advanced Bionics

Connect Hearing  Hansaton  Lapperre  AudioNova   hearingcare AuditionSanté 

... and professional audiological services

Unique vertically integrated business model – Focused on customer value

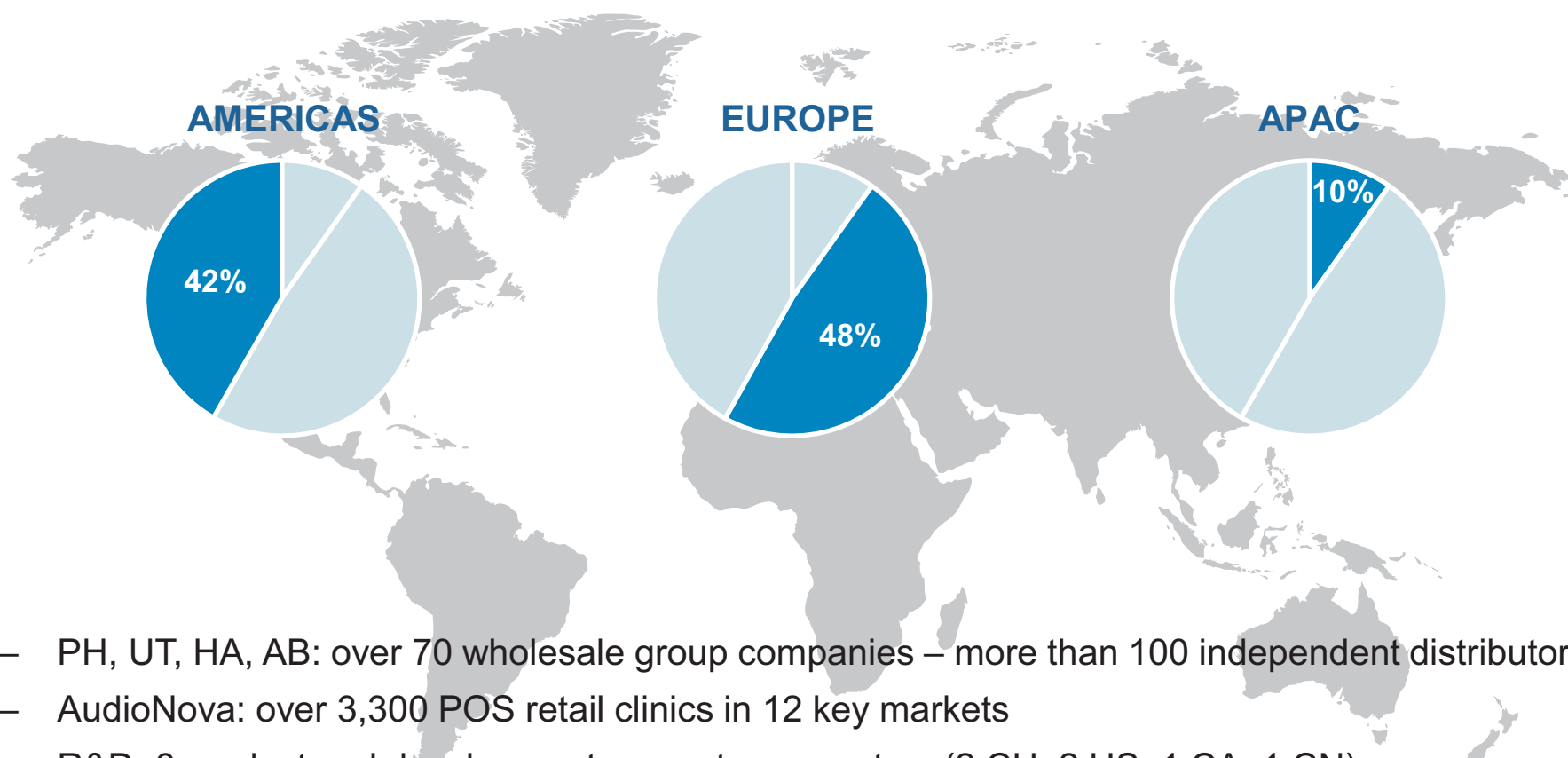


Own technology, products, supply chain, wholesale and retail networks

Phonak 70 years
changing lives



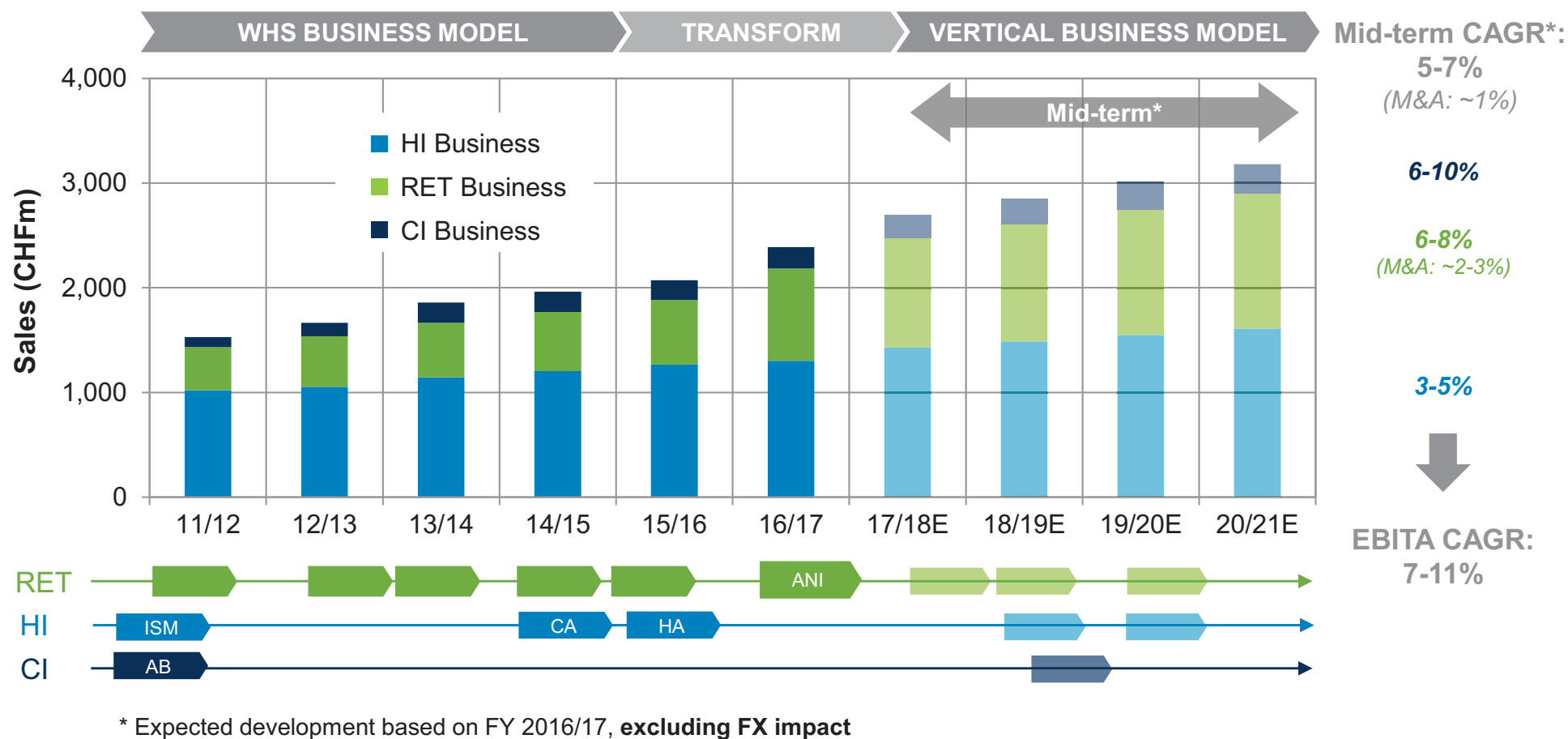
Strong geographic footprint – Market leading network and infrastructure



- PH, UT, HA, AB: over 70 wholesale group companies – more than 100 independent distributors
- AudioNova: over 3,300 POS retail clinics in 12 key markets
- R&D: 6 product and development competence centers (2 CH, 2 US, 1 CA, 1 CN)
- Operations: 4 production centers (1 CH, 1CN, 1 VI, 1 US)

Largest global sales and distribution network in the industry – Wholesale and retail

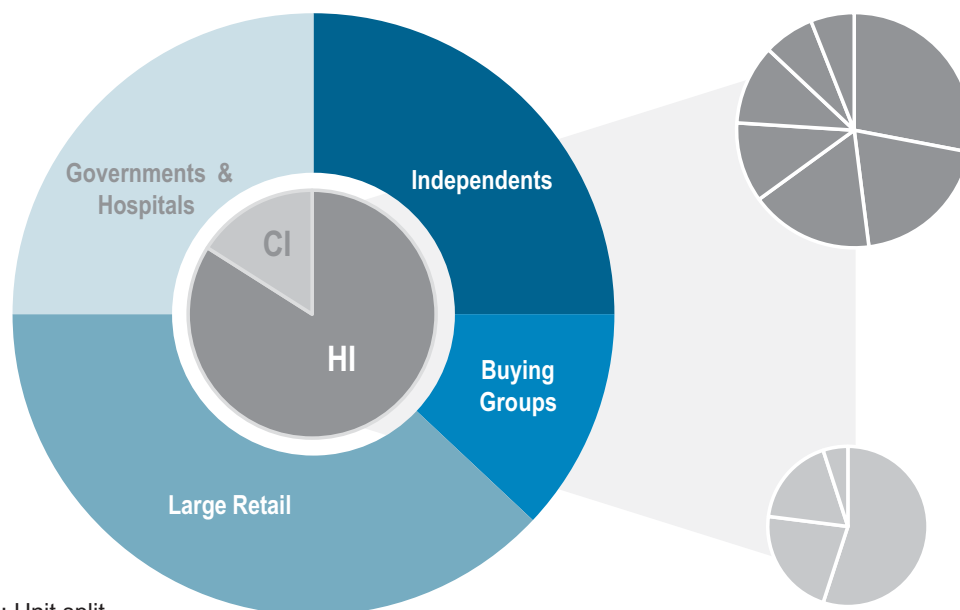
Mid-term outlook – Solid growth and margin expansion



Transformation into unique vertically integrated business model

2. Hearing care market

Hearing care market – Attractive size and growth potential – Strong fundamentals



Note: Unit split

TOTAL HEARING CARE MARKET

- Market Size	~ CHF 16 billion
- Market CAGR	~ + 4-5%
- HI Size (units)	~ 14 million
- CI Size (units)	~ 60 thousand

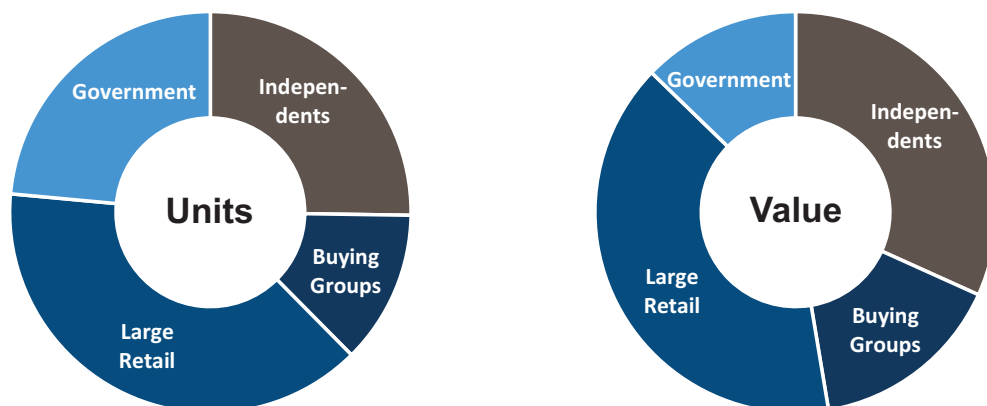
HEARING INSTRUMENTS HI

- Market Size	~ CHF 5 billion
- Market CAGR	~ + 3-5%
- HI Size (units)	~ 14 million

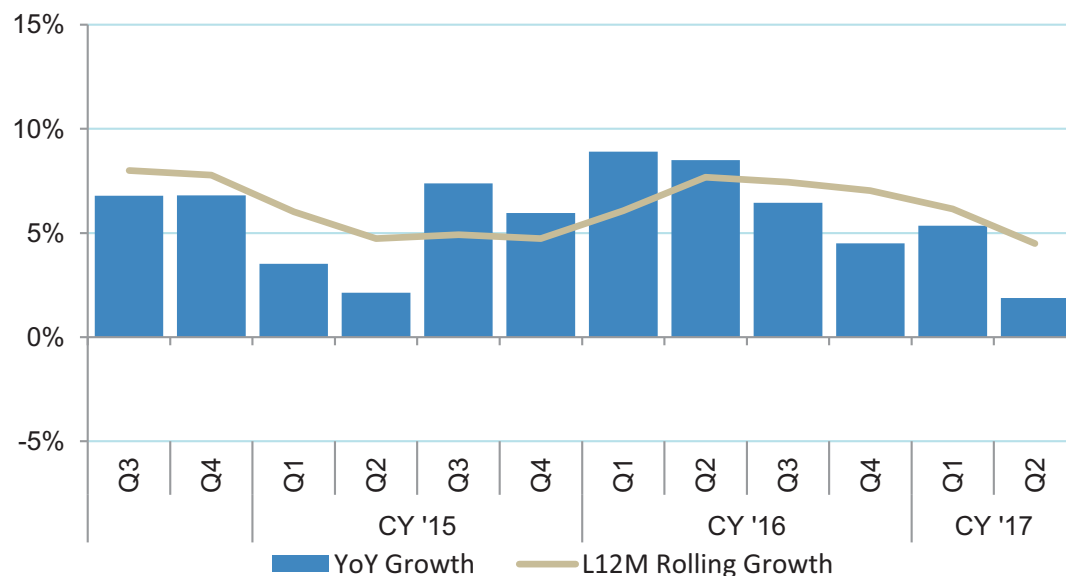
COCHLEAR IMPLANTS CI

- Market Size	~ CHF 1.1 billion
- Market CAGR	~ + 5-10%
- CI Size (units)	~ 60 thousand

Hearing instruments – Global



Unit Growth – Global



Recent market factors

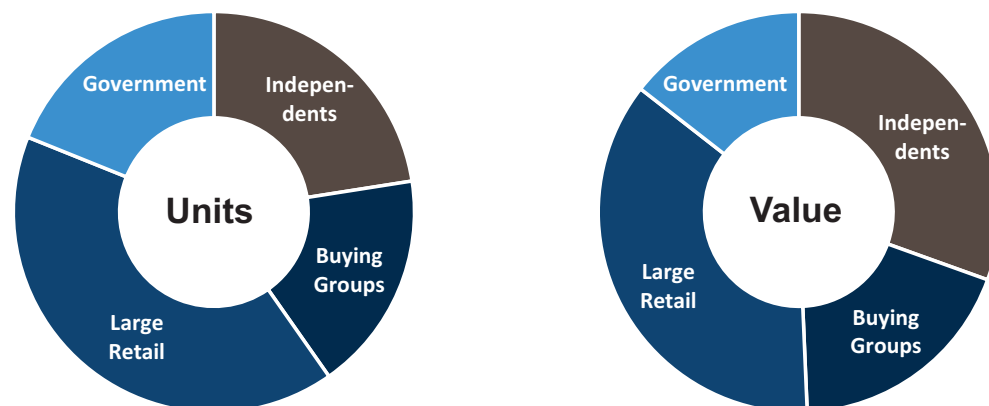
Market with steady long-term unit growth driven by key markets: US, Canada, France & Australia

Reported market growth slowed more recently due to:

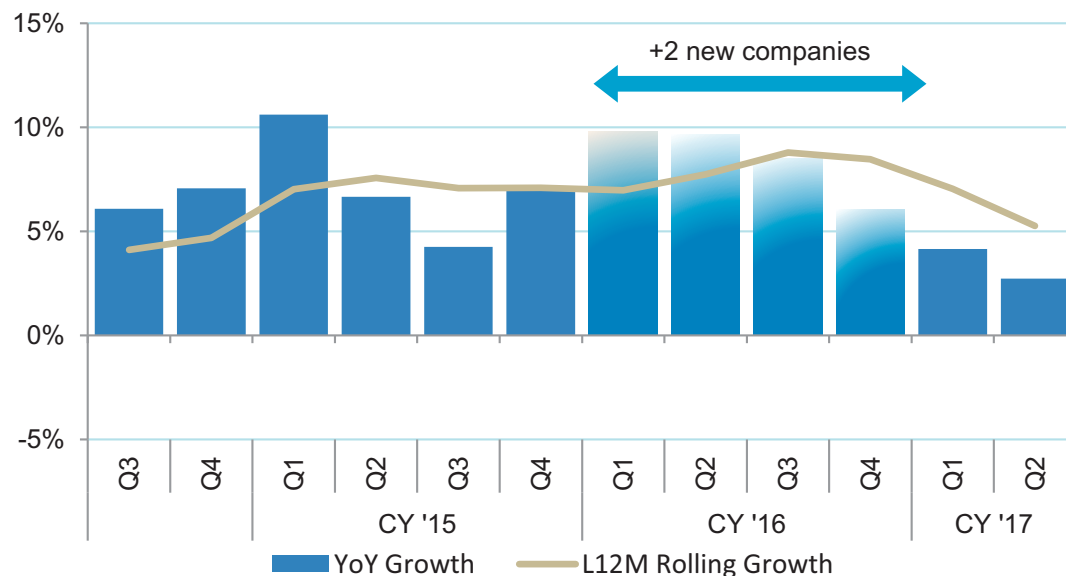
- Re-aligned comparison of US market after CY 2016: two new companies (Hansaton/Intricon) included in US HIA statistics, adding an additional +1.5 to +2.0% to unit growth globally, impacting CY 2017 YoY growth rates
- 1H-2017: Germany with slight YoY unit decline; reports of higher difficulties in generating new patients

CY 2016 growth rate bolstered by the introduction of two new companies being tracked within North America, which has impacted average growth

Hearing instruments – North America



Unit Growth – North America



Recent market factors

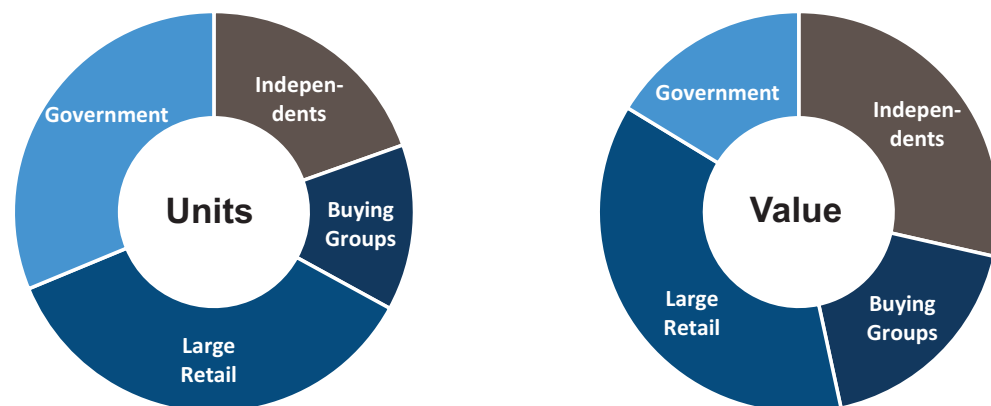
US: YTD unit growth driven by private market

- Private market: Growth driven by strong product launches, aggressive promotional offers and increased 3rd party (insurance) involvement
- VA: Continues to operate at capacity, resulting in slight growth in CY 2017
- RIC form factor driving market growth at the expense of BTE and ITE form factors

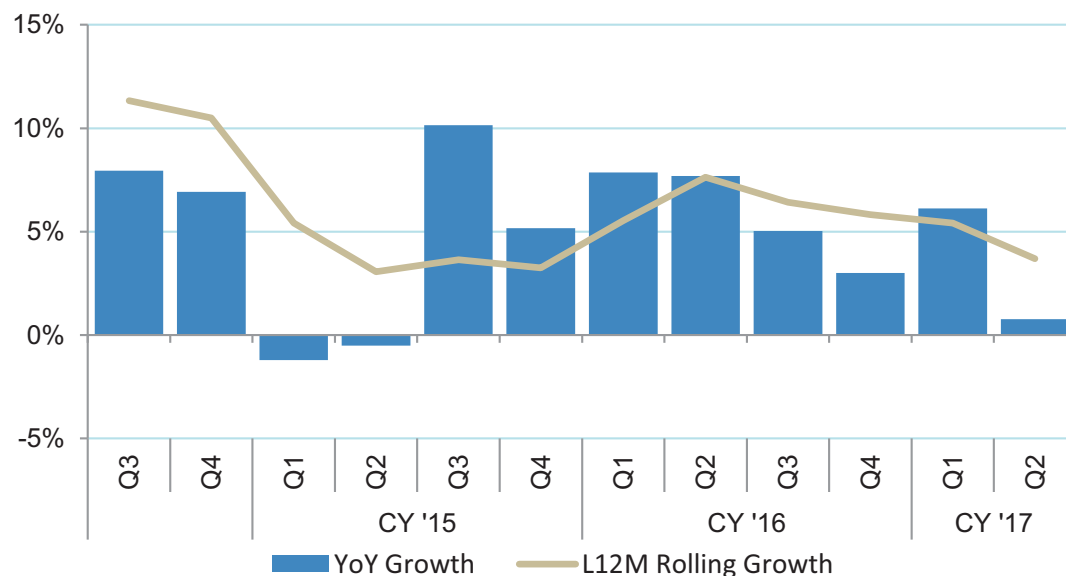
CA: Continued YoY market growth with overall positive trend and on-going increased manufacturer-owned retail consolidation

US market growth boosted by around 4-5% due to the inclusion of two new companies in HIA in CY 2016. Starting in Q1-2017, YoY growth rates are comparable

Hearing instruments – Europe



Unit Growth – Europe



Recent market factors

DE: Unit market growth currently below average long-term development with growth mainly coming from basic and premium segment – YoY decline in 1H-2017, with reports of higher difficulties in generating new patients

FR: Solid YoY growth driven by new store openings and an increase of new patients fitted – More pressure coming from private insurances and shop-in-shop expansion in optical retail chains

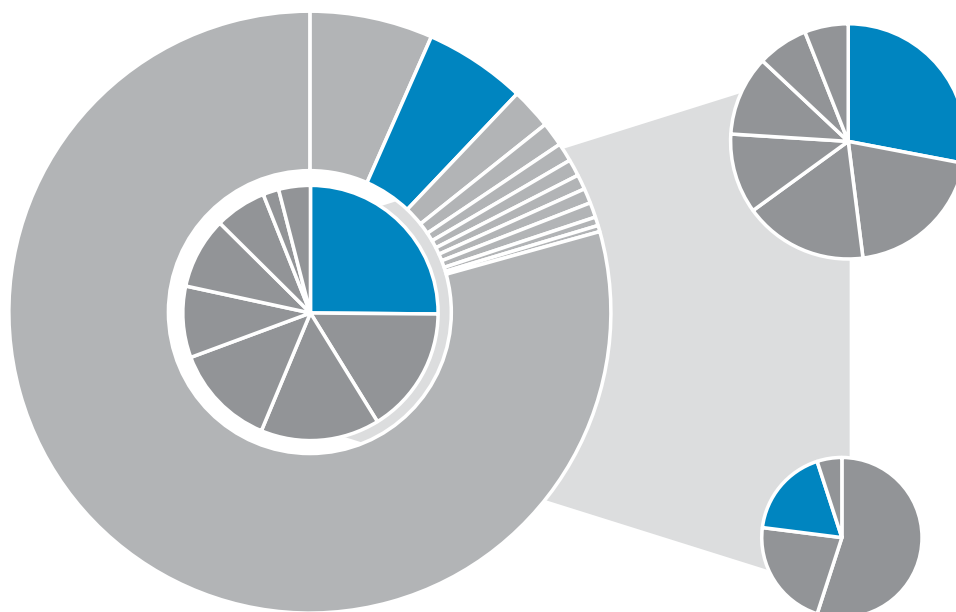
UK: Continued solid growth YoY in public sector (NHS) due to dynamic AQP development – Private sector showed double digit revenue growth YTD despite slight decline in units, compensated by strong ASP development

1H-2015 YoY unit decline due to German Market consolidation

Sources: Units and Value split: Sonova estimates

Unit growth: aggregated official local market statistics for 10 European markets DE, FR, IT, NL, SW, DE, NO, CH, DK, UK

Expanding into larger hearing care market – Leverage strong HI position



Note: Unit split

TOTAL HEARING CARE MARKET

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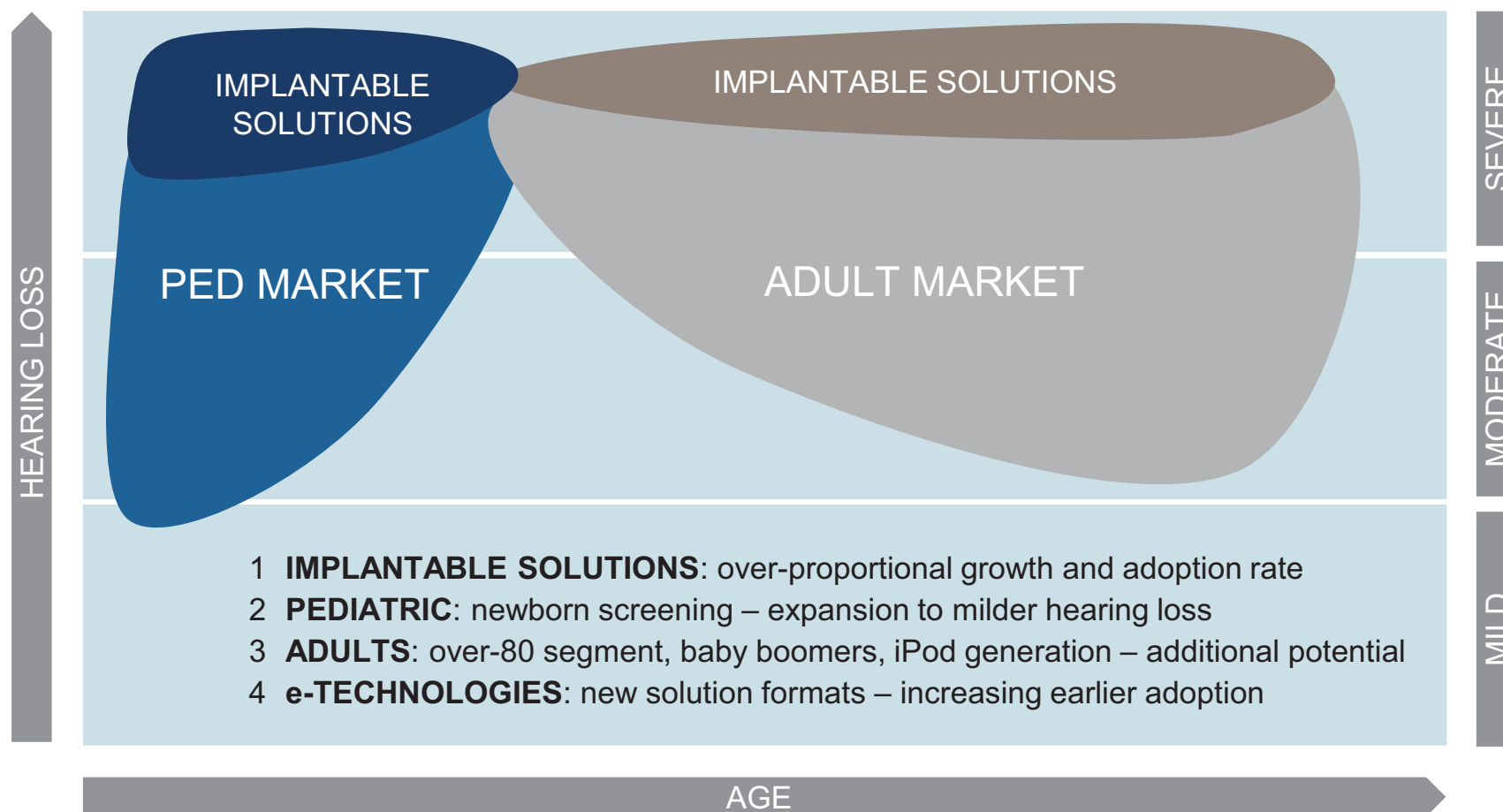
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COCHLEAR IMPLANTS CI

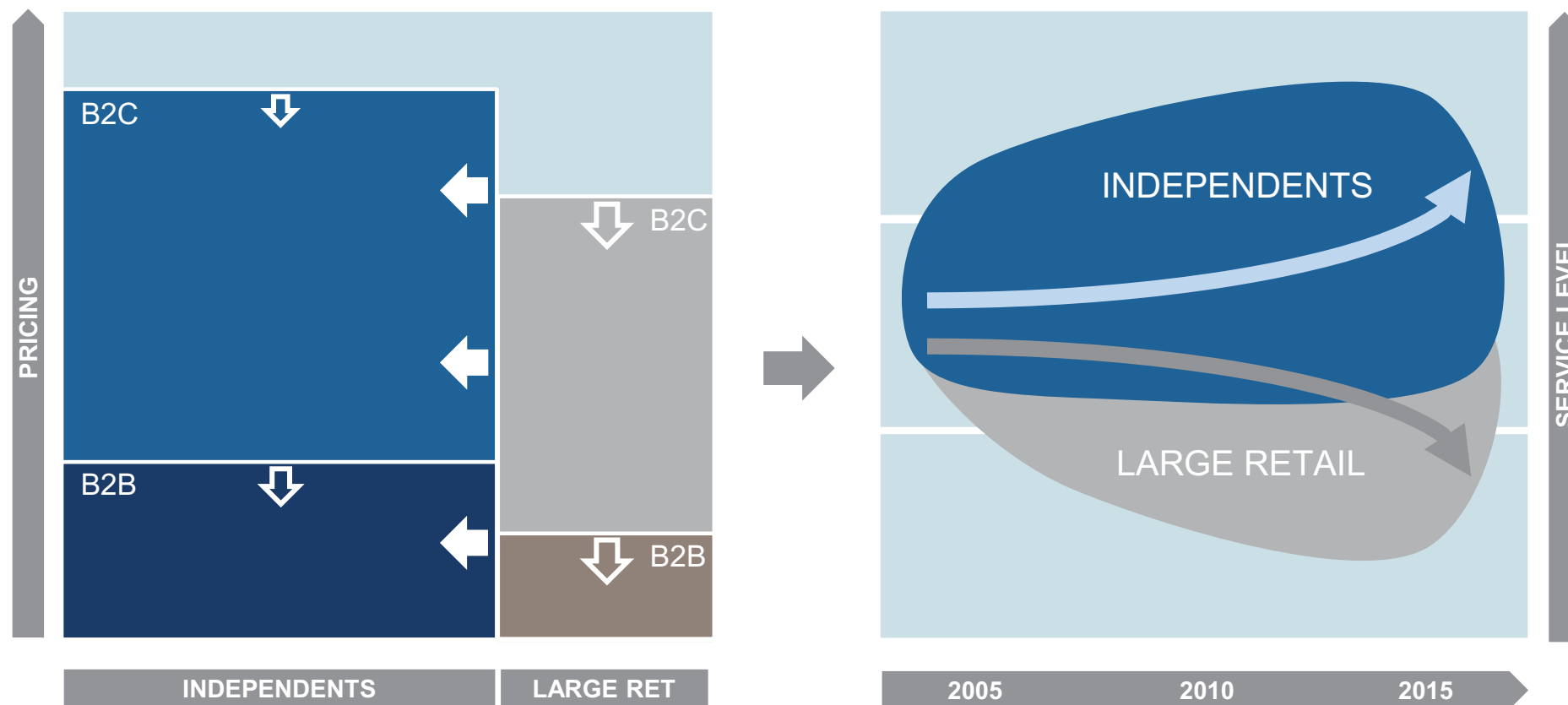
- Market Size	~ CHF 1.1 billion
- Market CAGR	~ + 5-10%
- CI Size (units)	~ 60 thousand

Trend 1 – Increased adoption of implantable solutions – Aging population increasing



Conclusion – Provide complete HI and CI solutions – Leverage e-Technologies

Trend 2 – Accelerated bi-furcation of professional service channels



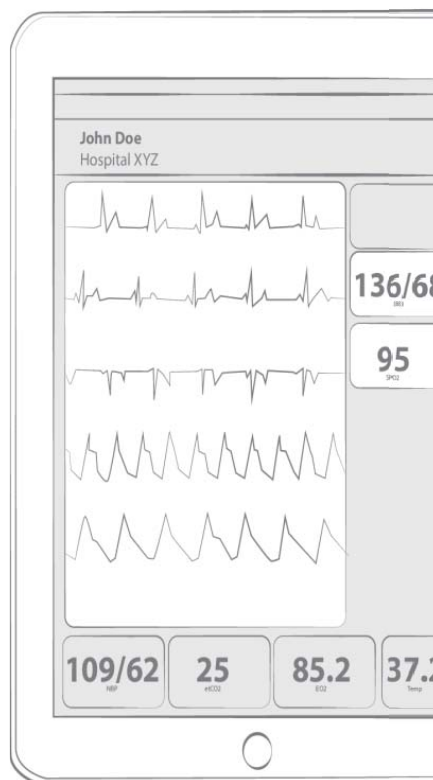
Conclusion – Vertical integration to access value-added potential and consumer

Trend 3 – e-Health and e-Hearing care – Expanding digital value proposition



Self Diagnostic

i.e. Diabetes App



Monitoring

Remote Patient Data



Virtual Care

Online Care Services



Self Adjust

Hand Prosthesis App

Conclusion – Develop e-Hearing care solution offering based on e-Technologies

3. Corporate strategy

Strategic focus

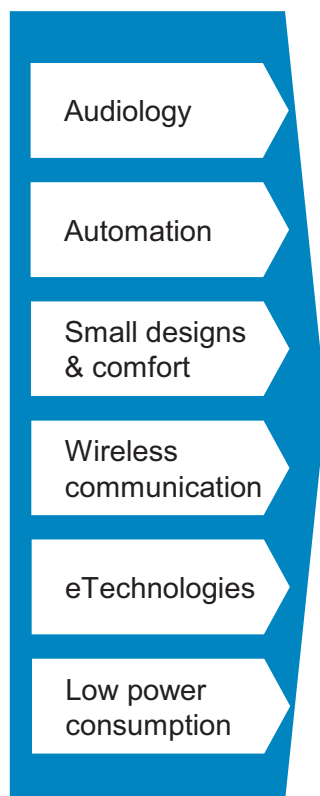
Focus on hearing care – Continuous innovation to grow sales, earnings & cash flow



Lead digital (r)evolution and e-business transformation in hearing care

Focus on ultimate customer value proposition

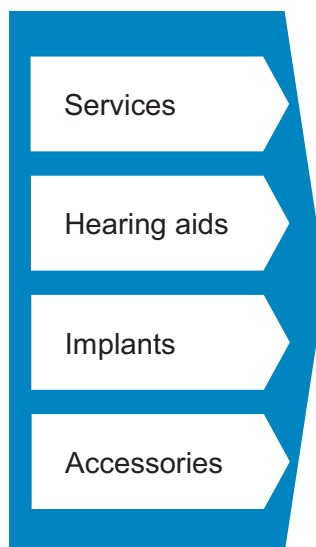
TECHNOLOGIES



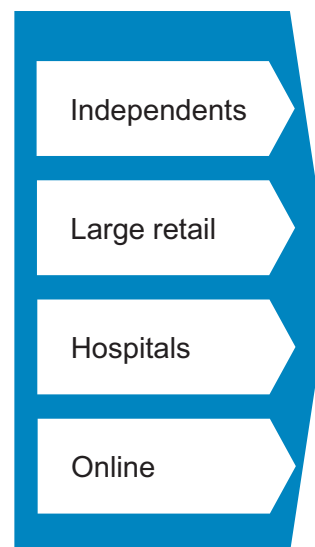
VALUES



PRODUCTS



CHANNELS



STRATEGY

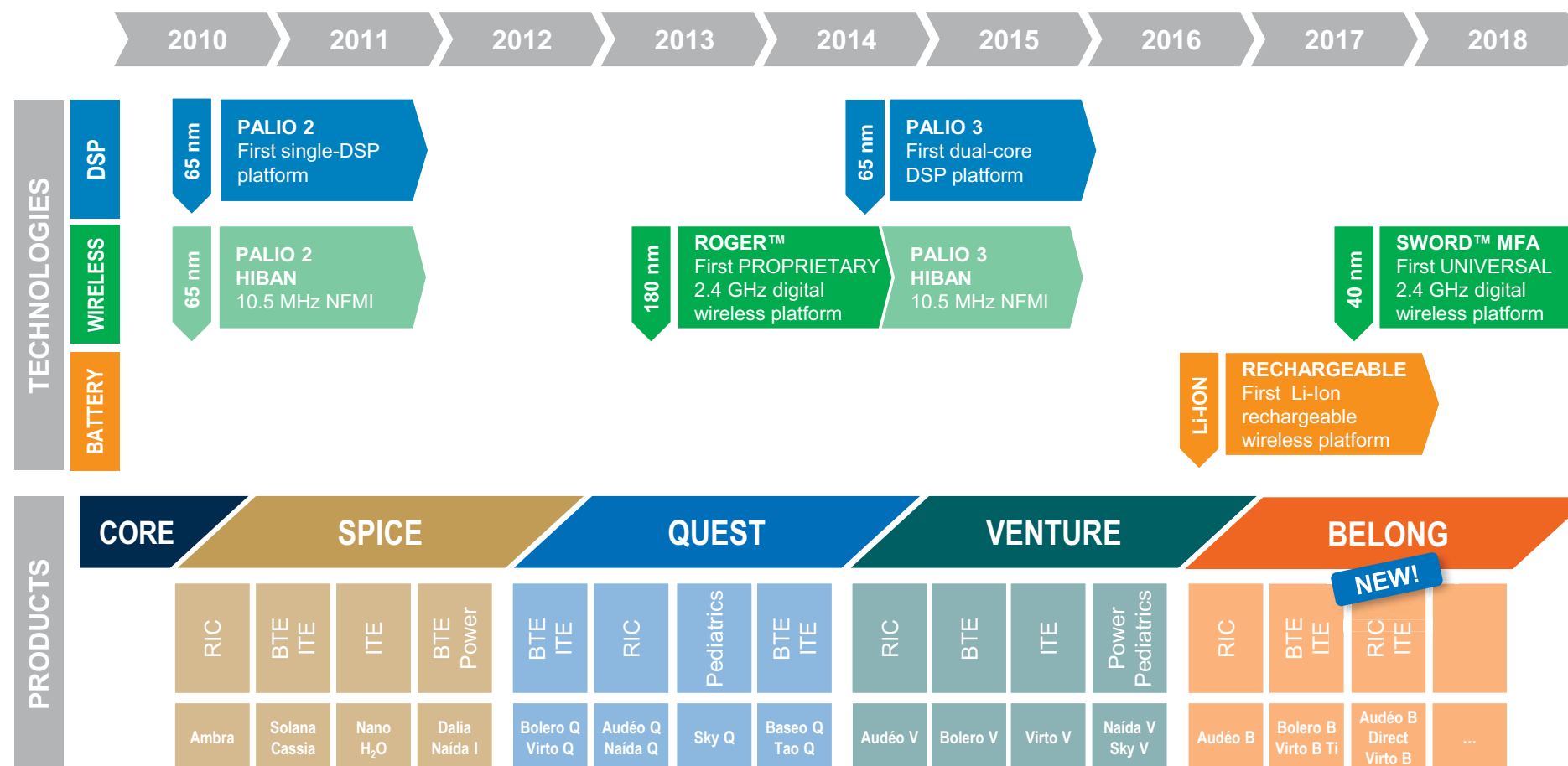


**SPEECH
INTELLIGIBILITY
NATURAL SOUND
EXPERIENCE**

Speech intelligibility and natural sound experience – In every listening situation

New product strategy

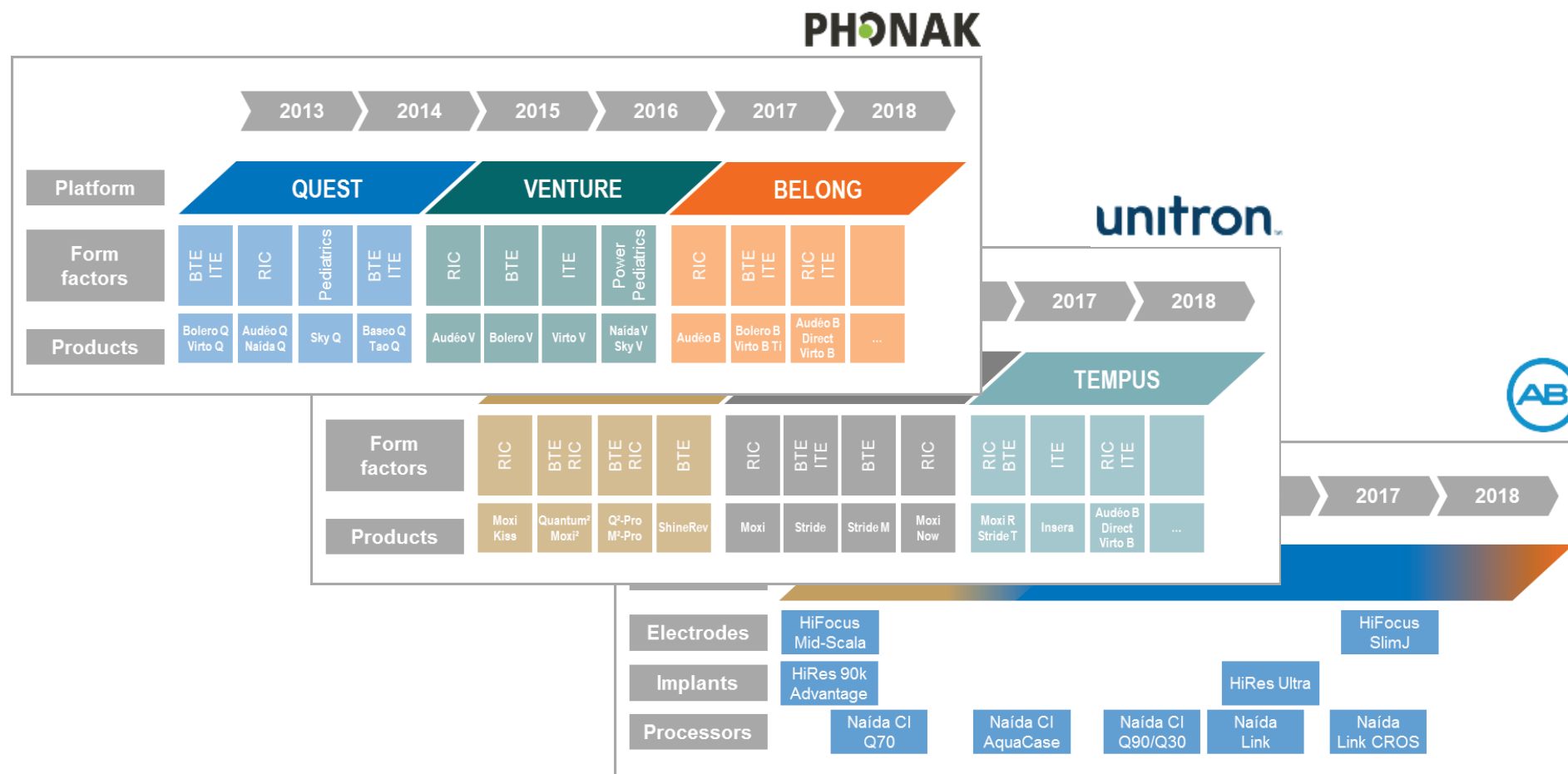
Implement consistent platform approach for HI & CI



Drive strong new product pipelines – Gross R&D spending > CHF150 million

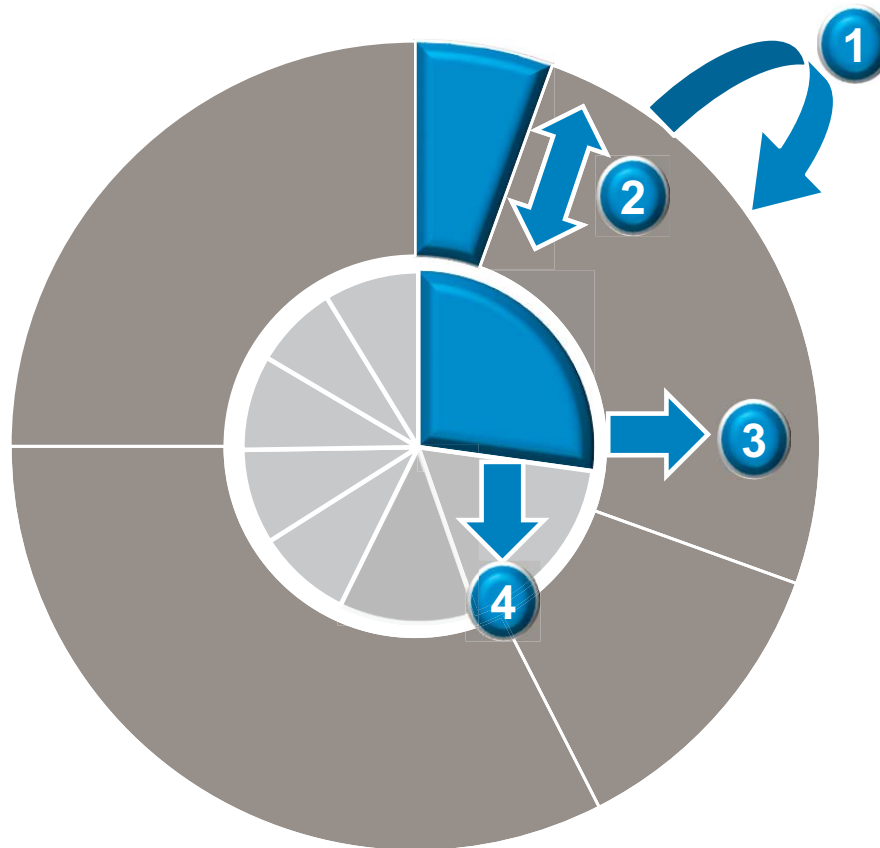
New product strategy

Leverage platform approach to offer complete range of products



Product pipelines: Consistently meeting product development targets

Grow market position along 4 main vectors – Drive vertical integration

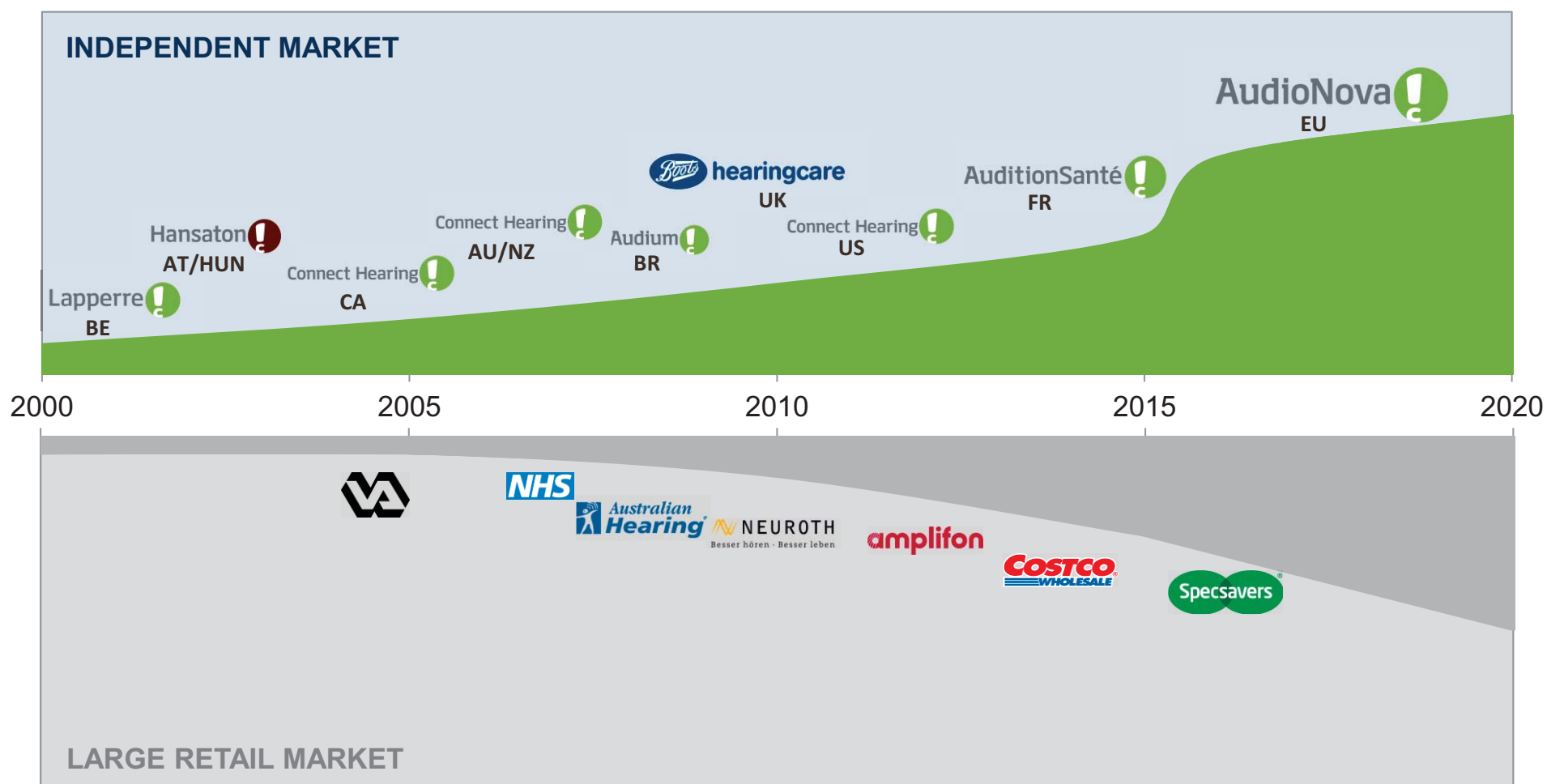


- 1** Develop consumer base
 - e-Marketing / direct marketing
 - Demand generation processes
- 2** Integrate service channels
 - Retail network expansion
 - Integration & productivity
- 3** Expand accessible markets
 - Emerging markets
 - New product formats
- 4** Penetrate existing markets
 - Multi-brand strategy
 - Continuous product innovation

Increase customer demand generation – B2B and B2C e-Marketing approach

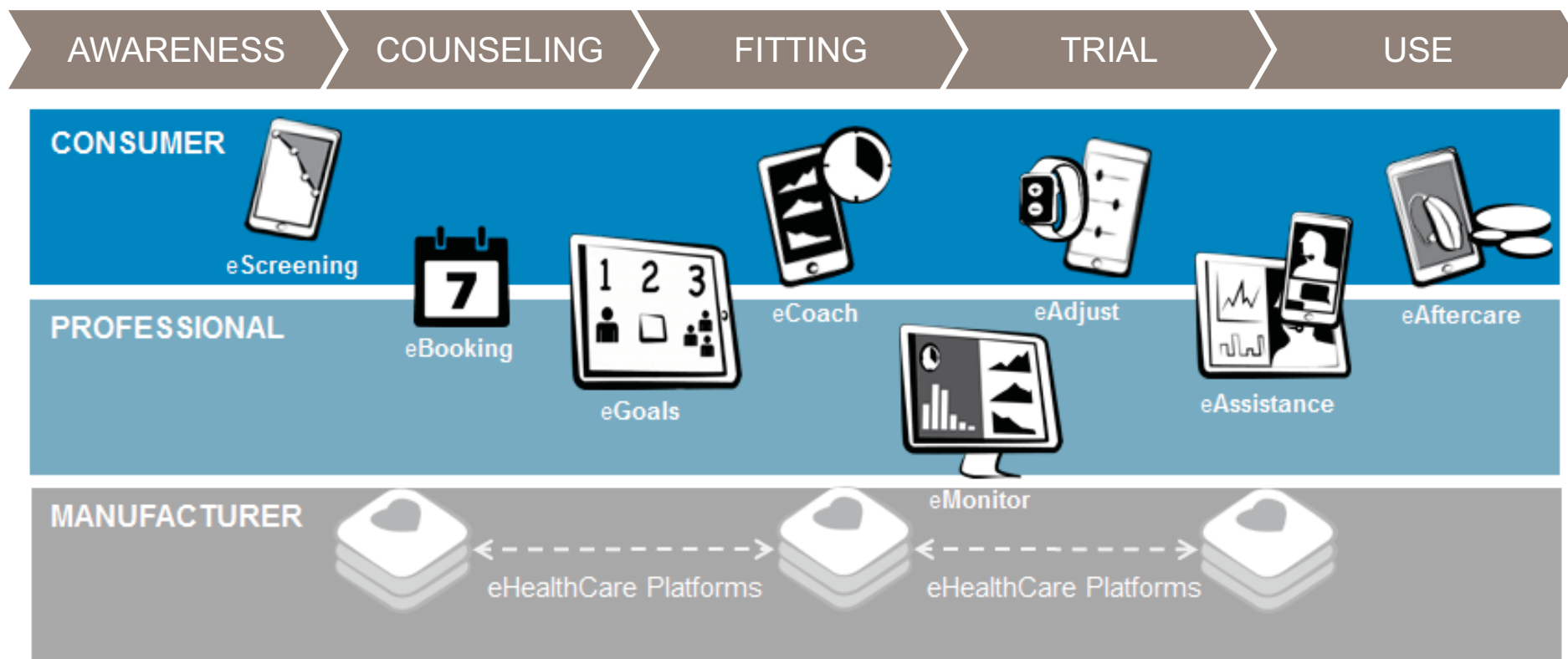
Go-to-market strategy

Independent market – Strong position – Including own AudioNova Group



Large retail market – Growing relationships

Develop complete solution and service offering based on e-Technologies



Expand technology platform approach to include e-based technologies

New technologies – New 2.4 GHz universal wireless chip

A new age of communication powered by cutting edge wireless technology

Stäfa, Switzerland | October 17, 2017 | Andi Vonlanthen, GVP Research & Development



The core desire

- Best hearing performance
- Seamless user experiences
- Esthetics and discreetness

In a more and more connected world

**AT SONOVA, WE ENVISION
A WORLD WHERE
EVERYONE ENJOYS THE
DELIGHT OF HEARING AND
THEREFORE LIVES A LIFE
WITHOUT LIMITATIONS.**



Strategic focus

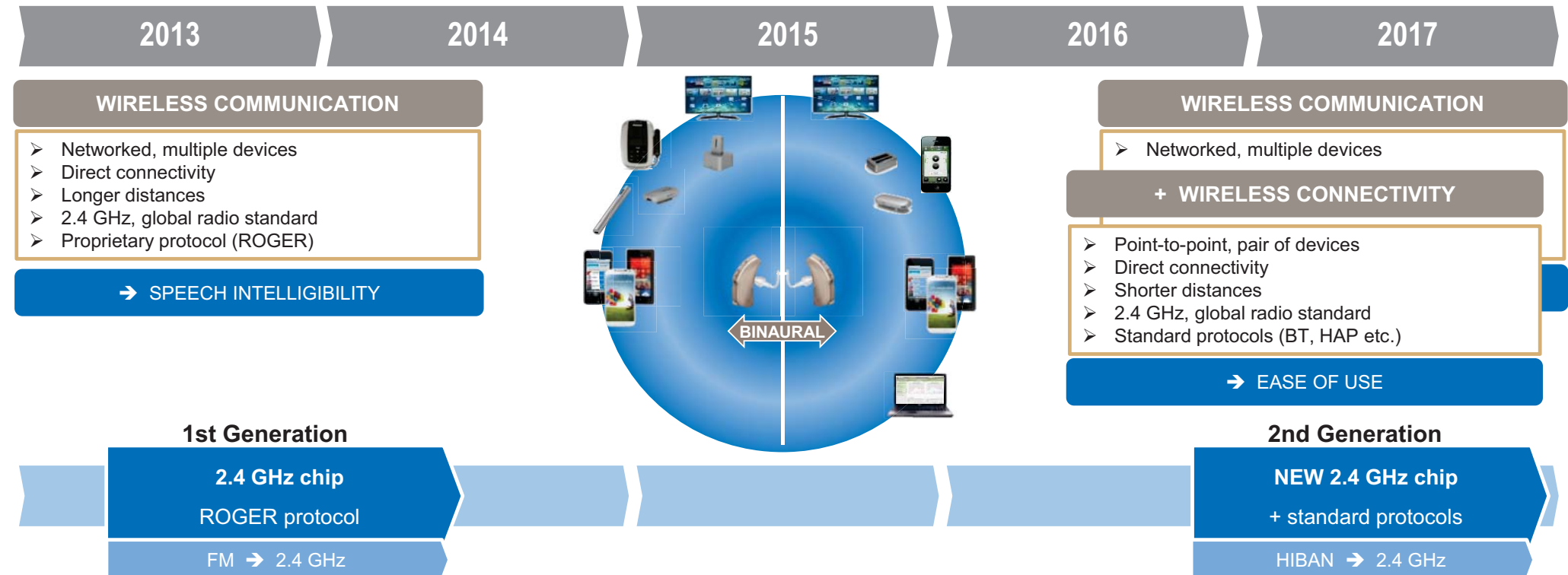
Focus on hearing care – Continuous innovation to grow sales, earnings & cash flow



Lead digital (r)evolution and eBusiness transformation in hearing care

Wireless platform

Where are we coming from...



...and what we have achieved in digital communication and connectivity

Communication

A voice to connect



..... A language to understand



2.4 GHz is only a carrier frequency

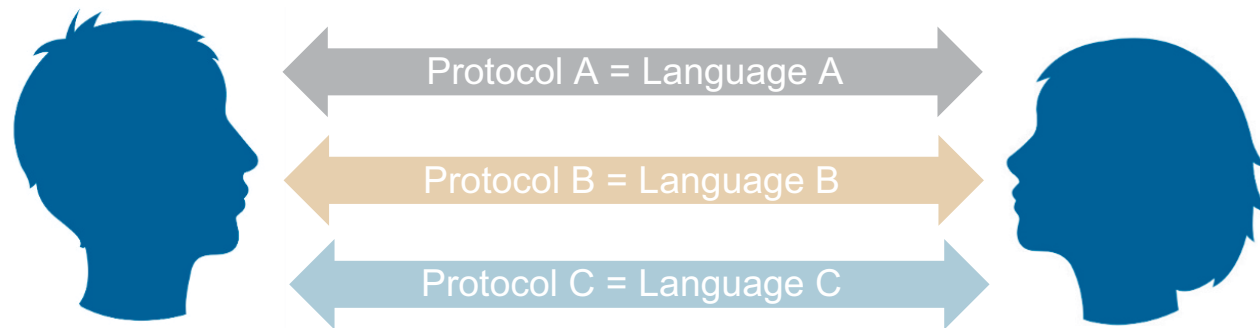


- 2.4 GHz is the frequency of an electromagnetic carrier wave that can transmit audio and data signals from a transmitter to a receiver
- It is like a voice. Human beings are capable of creating sounds by using their vocal cords and their mouth
- Just like with humans, technical devices need a common language in order to communicate. These are called “protocols” and are much more relevant for performance than the carrier wave

2.4 GHz is like the voice in human communication

What is a protocol?

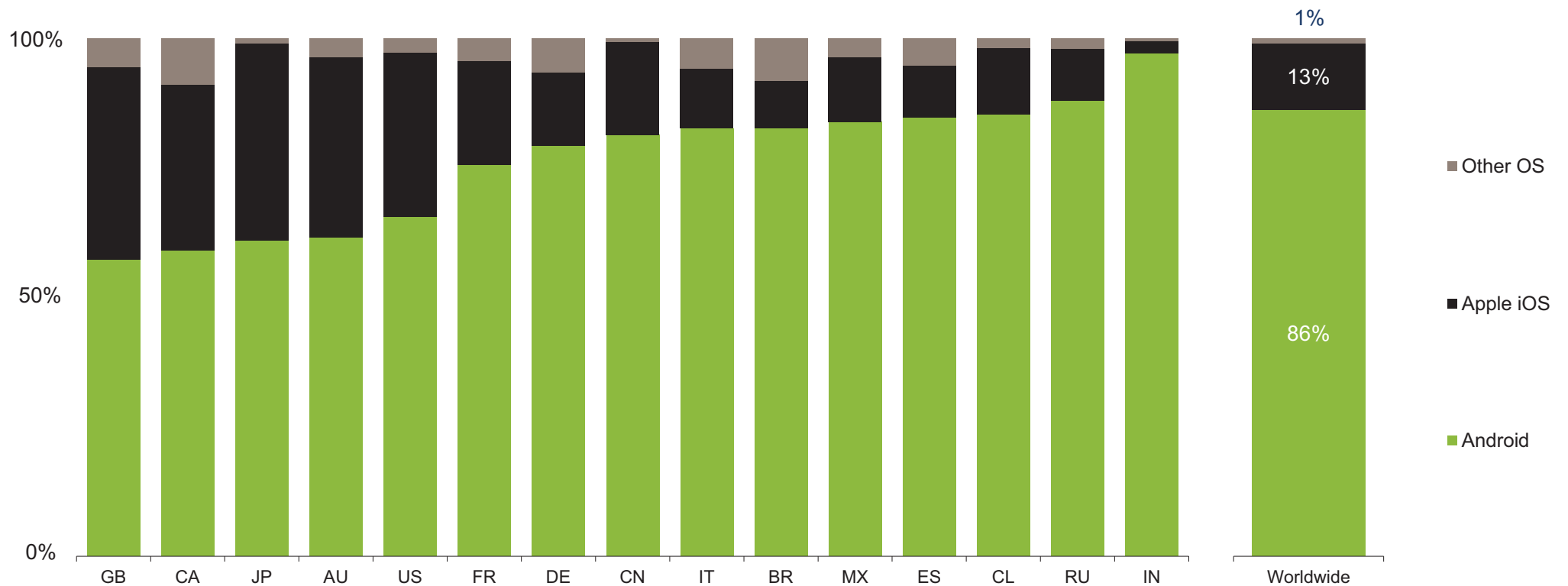
- Protocols are like languages that are used to communicate in an optimized way for a different use case
- Some protocols are ideal for data transmission, others for audio signals
- Some are broadly available in most Bluetooth® enabled devices, some are proprietary to a manufacturer
- To offer the best performance for specific applications, a wireless system needs to be able to run multiple protocols and seamlessly switch between them



Multiple protocols provide the best solution for specific applications

Android dominates the smartphone market

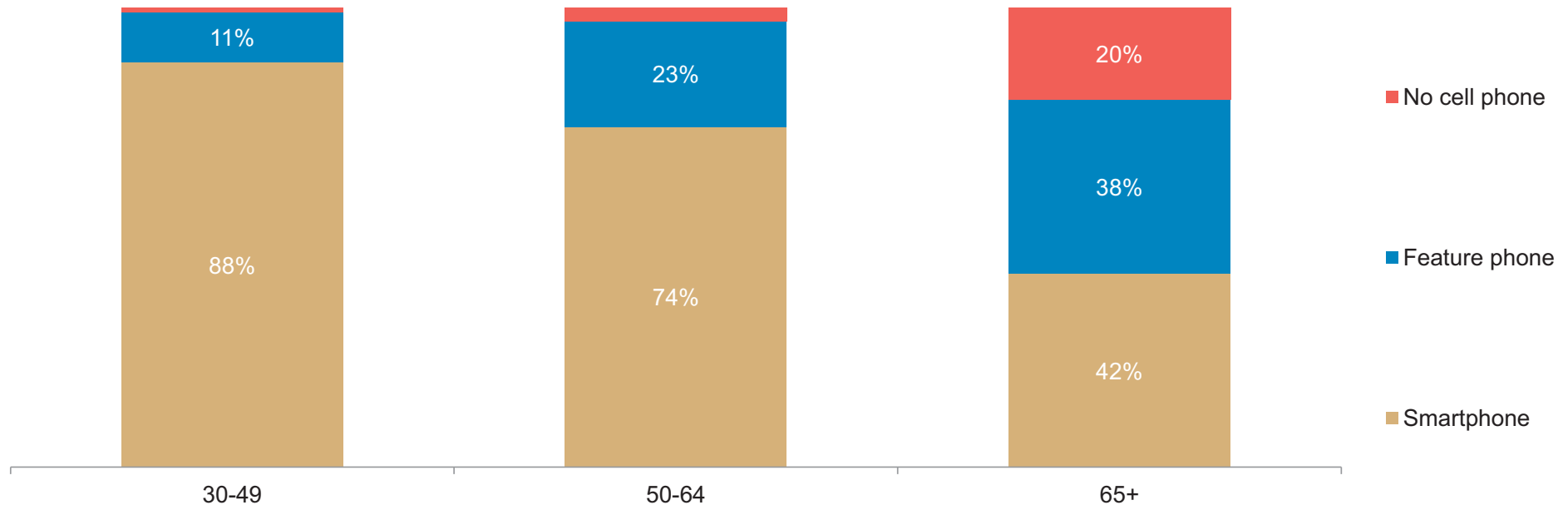
Market share of smartphone operating systems by country and worldwide (2016)



Source: Global mobile landscape 2016, eMarketer, November 2016

Feature phones are still relevant

Type of owned cell phone by age group

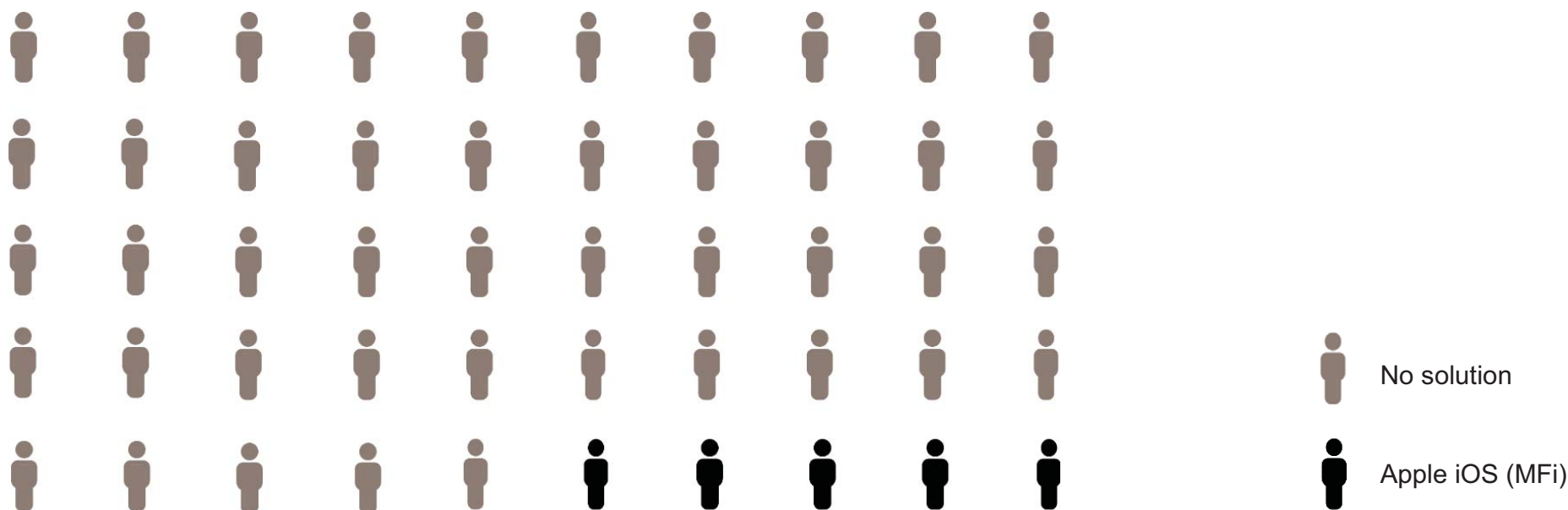


More than 23% of age group 50+ own a feature phone and not a smartphone

Source: Pew Research Center. Retrieved 5 April 2017, from <http://www.pewinternet.org/fact-sheet/mobile>

Direct connectivity today

Direct connectivity in hearing aids is limited to iPhones (MFi)



Today, only a minority of hearing aid users have access to direct connectivity

Sources: Pew Research Center. Retrieved 5 April 2017, from <http://www.pewinternet.org/fact-sheet/mobile>, Global mobile landscape 2016, eMarketer, November 2016

Made for iPhone® (MFi)

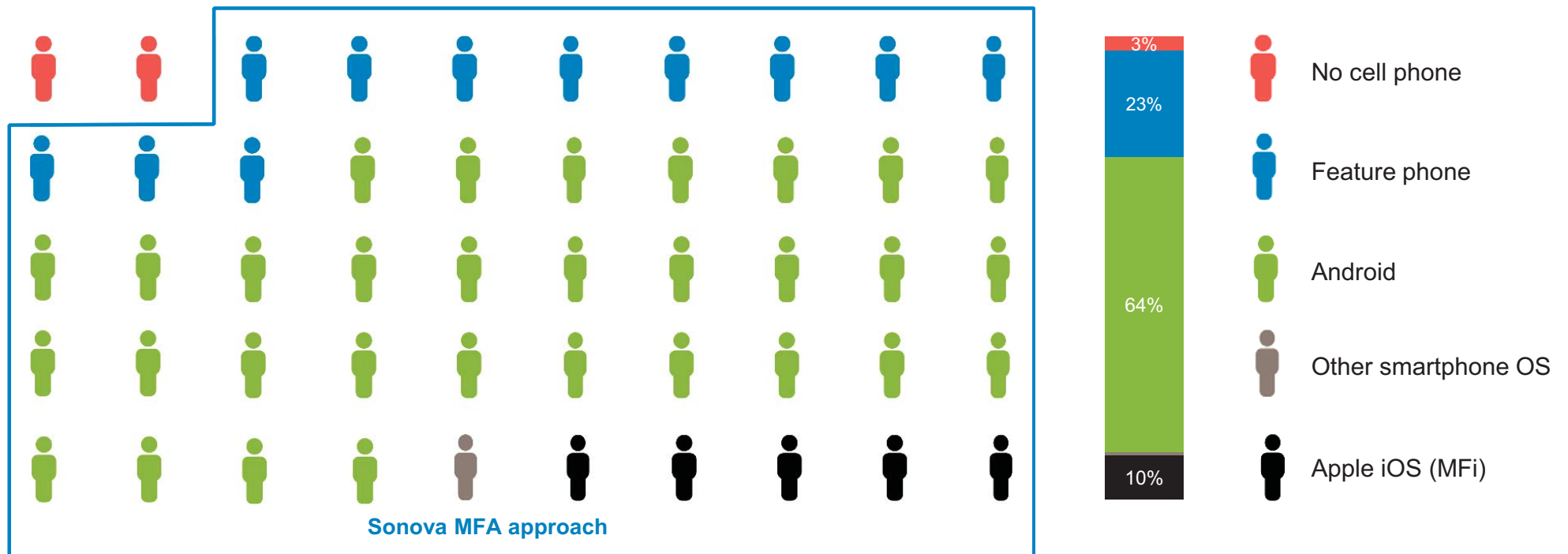
Only 10% use an Apple iPhone



A solution only for Apple devices has never been an option for Sonova

Sources: Pew Research Center. Retrieved 5 April 2017, from <http://www.pewinternet.org/fact-sheet/mobile>, Global mobile landscape 2016, eMarketer, November 2016
Third party trademarks shown on this page are the property of their respective owners and used for information purposes only

Most hearing aid users with a cellphone can benefit from direct connectivity



Sources: Pew Research Center. Retrieved 5 April 2017, from <http://www.pewinternet.org/fact-sheet/mobile>, Global mobile landscape 2016, eMarketer, November 2016

Connectivity offers access to a world beyond phone calls

There is a whole range of multimedia audio applications



Sources: Third party trademarks shown on this page are the property of their respective owners and used for information purposes only

Connectivity offers access to a world beyond phone calls

Connect to billions of multimedia audio sources

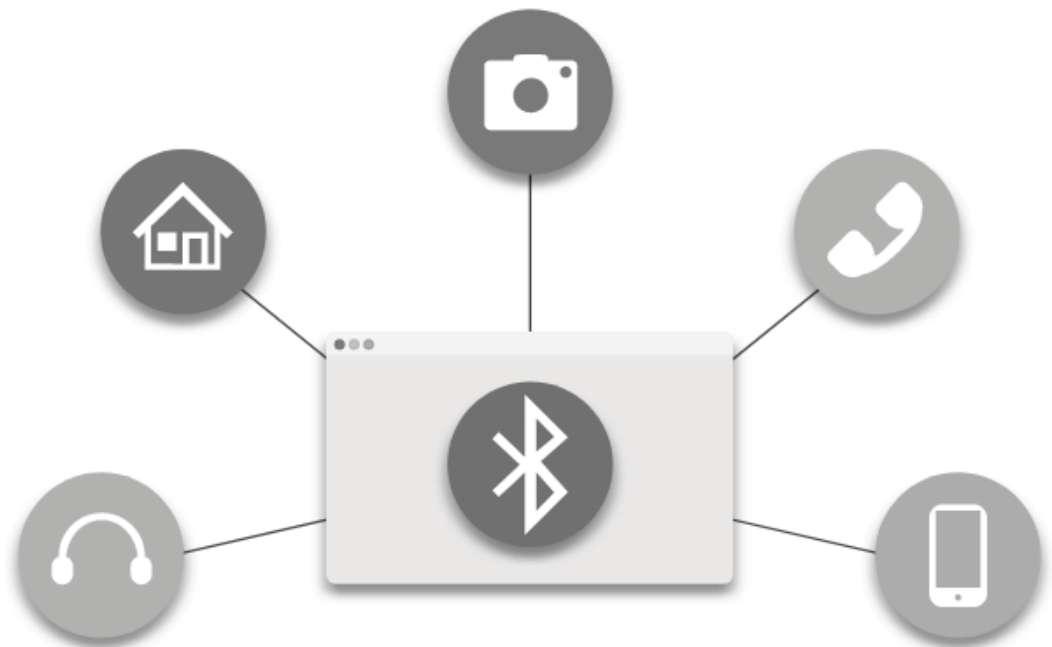


Sources: Third party trademarks shown on this page are the property of their respective owners and used for information purposes only

How is Made For All possible?

Standard Bluetooth® to connect to billions of multimedia audio sources

- Bluetooth® Classic is the standard for transmitting audio (voice or music)
 - Hands-free phone calls (HFP)
 - Music streaming (A2DP)
- Bluetooth® LE is the standard for transmitting data
 - Remote App
 - Wireless fitting
 - eSolutions



Bluetooth for standard use cases

Note: Bluetooth is a trademark of Bluetooth SIG, Inc.

We also want to deliver best hearing performance



Add proprietary protocols for specific hearing use cases

- **Binaural VoiceStream Technology™** for best hearing performance in difficult situations with full audio streaming between two ears
- **Roger™** technology for best hearing over distance and in noise as well as in group conversations
- **Proprietary extension of BT Classic** to overcome the limitation of streaming to one ear only.
- **AirStream™ Technology** for true plug and play solutions for HCP and end users with high sound quality for TV streaming



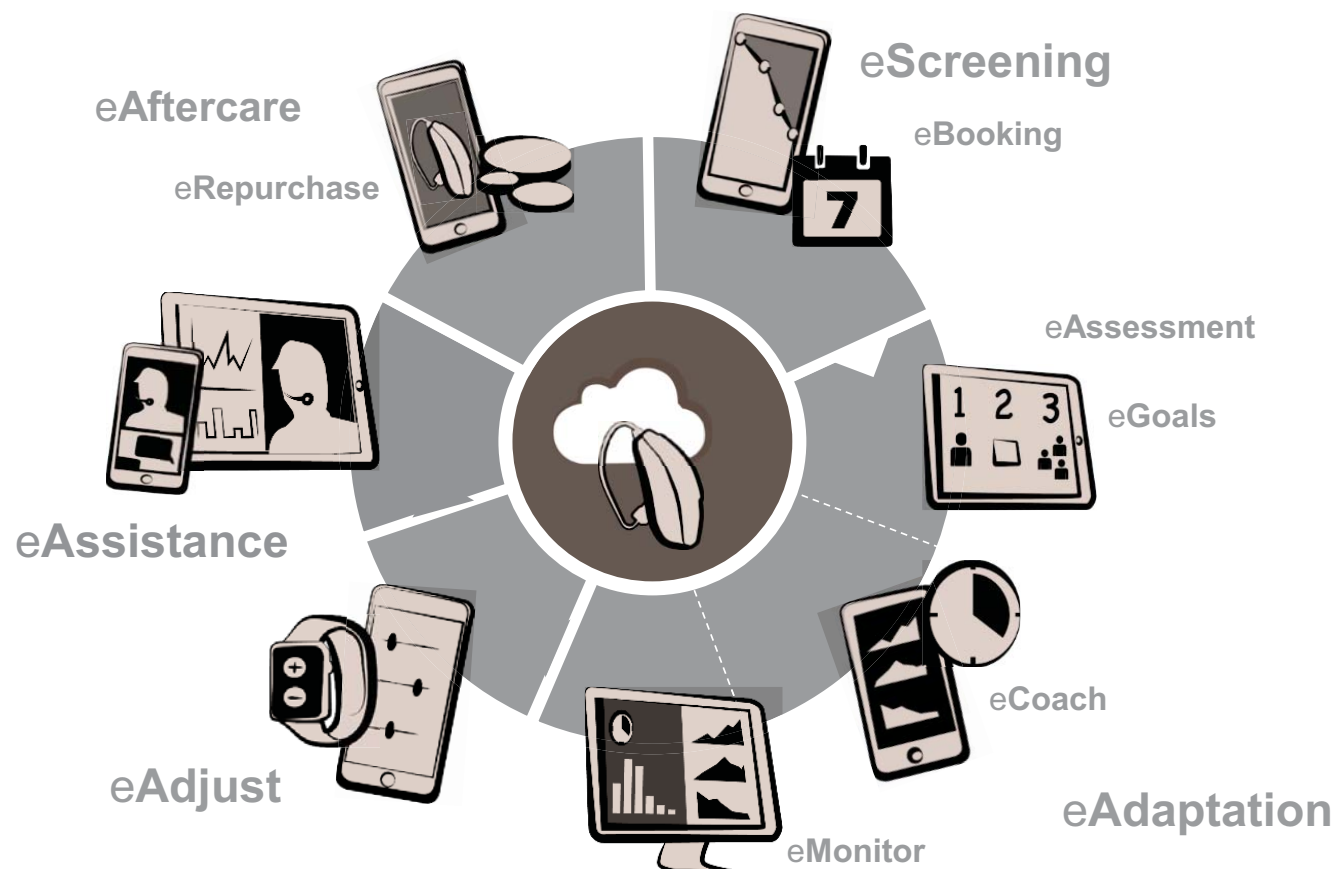
Multiple proprietary protocols to choose the best solution for any specific application

Multiprotocol overview



Technology is magically handling all these protocols in a seamless user experience

Support for all the new tools for the Hearing Health Care Professional



Phonak eSolutions Wheel is a registered Phonak Trademark

A close-up photograph of a microchip. The chip has a brown, textured surface with intricate gold-colored circuit patterns. A small, metallic, spherical object is placed on the chip, partially obscuring the text. The text is white and reads "Introducing SWORD™".

Introducing
SWORD™

Sonova Wireless One Radio Digital chip

SWORD™ makes the difference

More reasons for SWORD™

- **Hearing aid batteries**
 - SWORD™ is the world's first BT Classic chip compatible with small hearing aid batteries (ZnAir)
- **One radio chip and one antenna**
 - For smallest size and most appealing design
- **Future proof**
 - Entire BT protocol stack on the chip, according to our needs
 - Ready for additional features and future BT standards. (HAP)
- **Additional applications**
 - Also supports accessories based on Roger™ or AirStream™ technology



SWORD™ – Our chip for the wireless future

New products – Hearing instruments

Stäfa, Switzerland | October 17, 2017 | Thomas Lang, SVP Phonak Marketing



A Sonova brand



PHONAK
life is on

Phonak Audéo™ B-R



Phonak Virto™ B-Titanium



Phonak Audéo™ B-Direct

Hearing aids that easily connect to any cell phone* as well as your TV

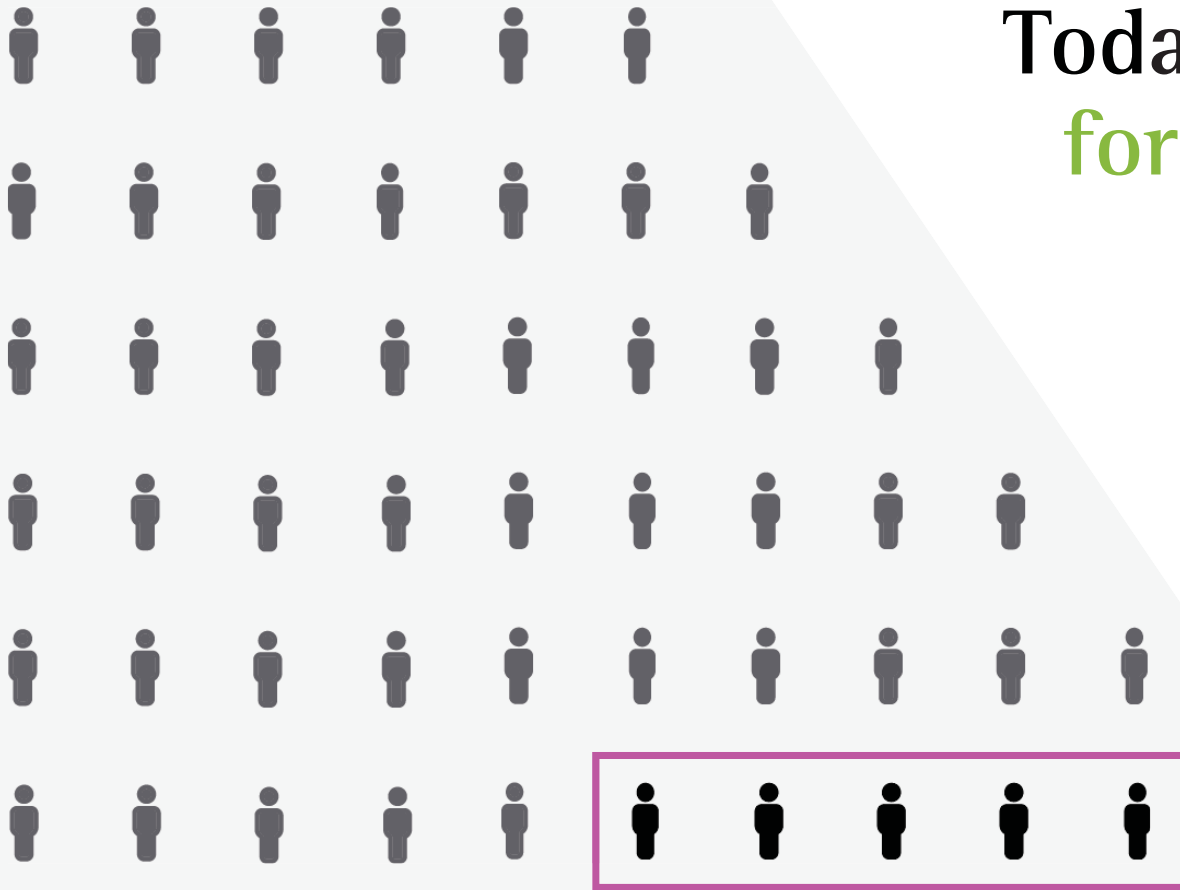


Note: *with Bluetooth® 4.2 wireless technology and most older Bluetooth phones

Today's solutions are
for iPhone® only...

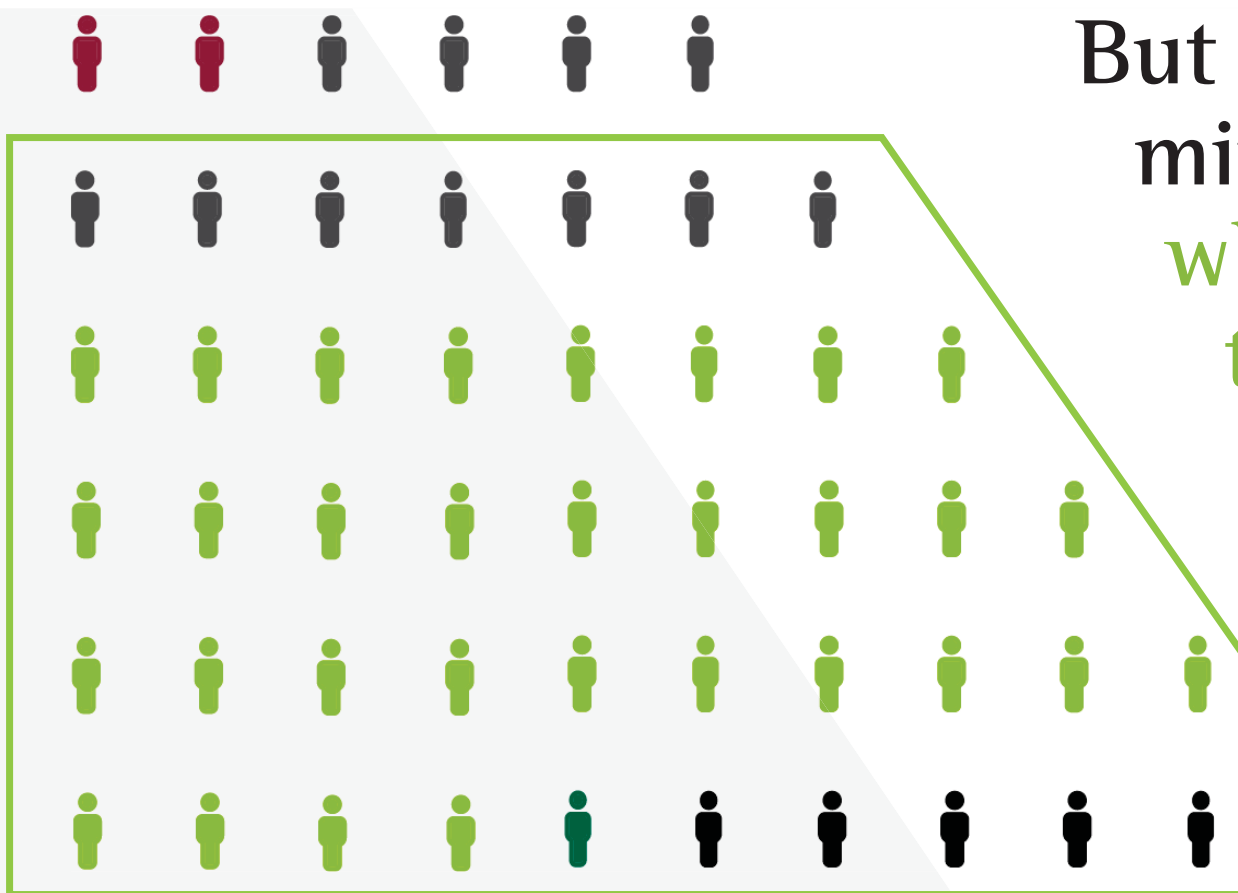
=

ONLY
10%



Sources: Pew Research Center. Retrieved 5 April 2017, from <http://www.pewinternet.org/fact-sheet/mobile>, Global mobile landscape 2016, eMarketer, November 2016
iPhone is a trademark of Apple, Inc

But why cater to only a minority of the market
when you could cater to most?

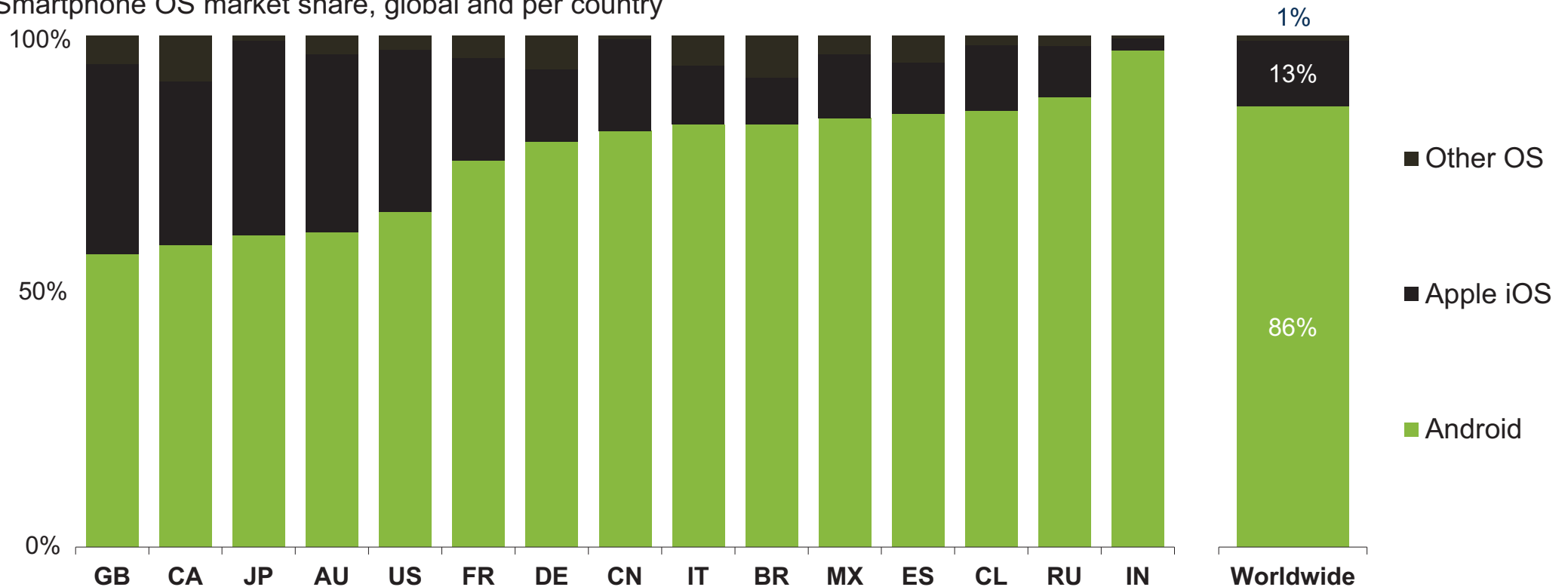


-  No cell phone
-  Feature phone
-  Android
-  Other smartphone OS
-  Apple iOS (MFi)

Sources: Pew Research Center. Retrieved 5 April 2017, from <http://www.pewinternet.org/fact-sheet/mobile>, Global mobile landscape 2016, eMarketer, November 2016

Android™ is by far the most used Smartphone OS

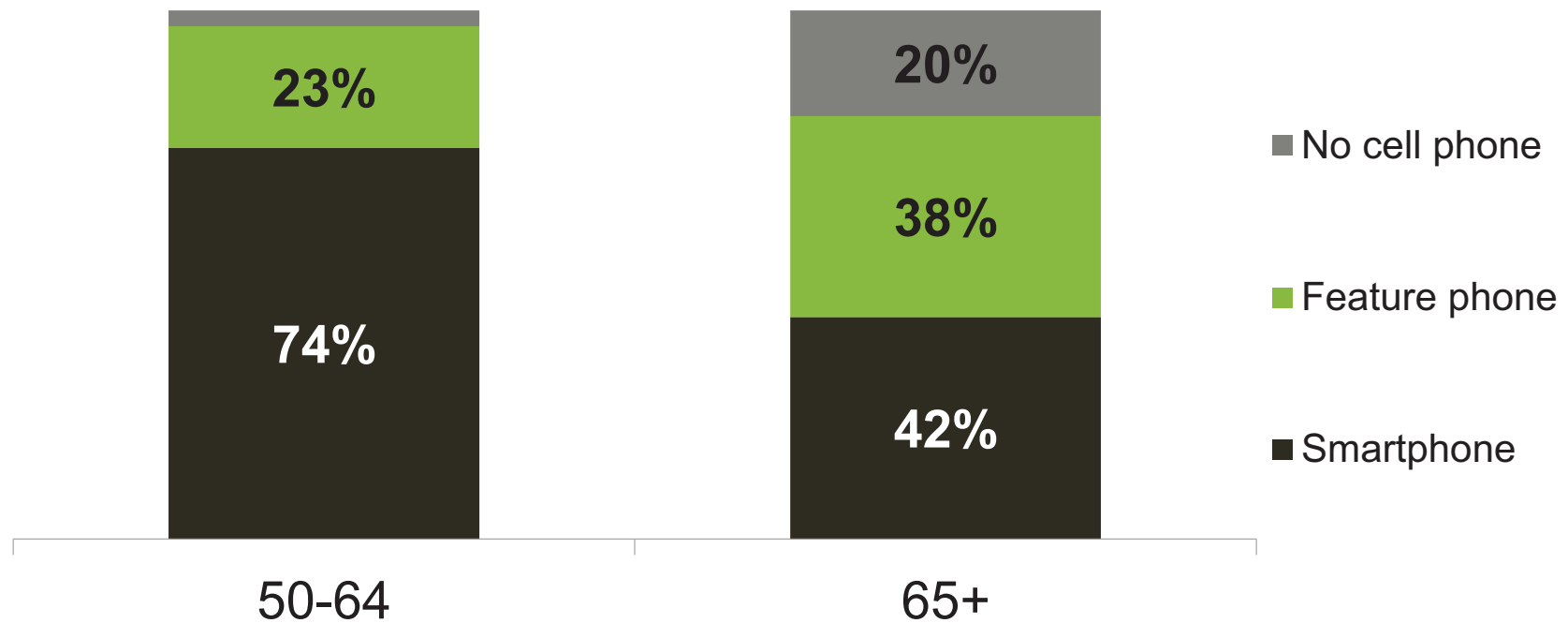
Smartphone OS market share, global and per country



Sources: Global mobile landscape 2016, eMarketer, November 2016
Android is a trademark of Google, Inc.

Let's not forget feature phones

Cell phone user penetration by age group



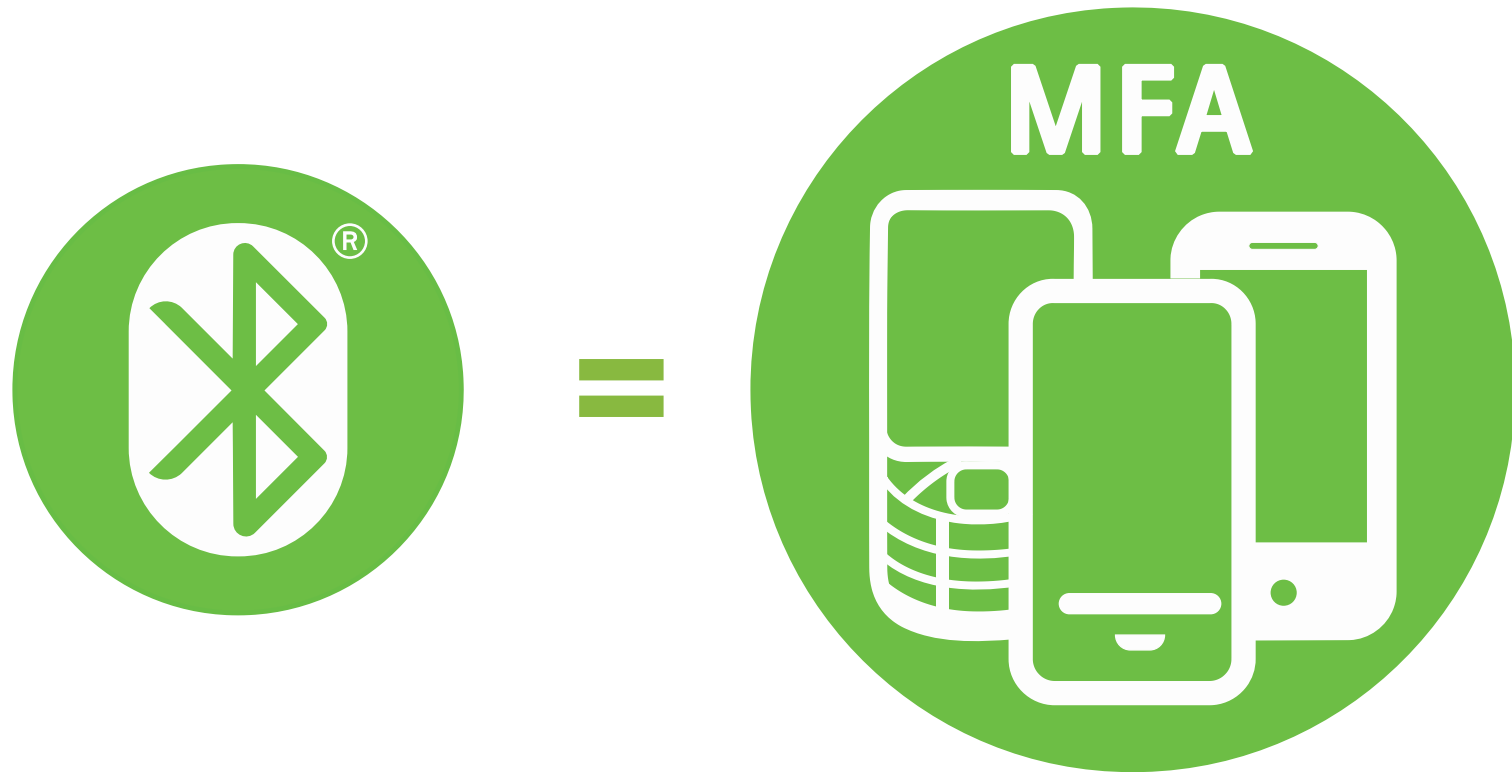
Source: Pew Research Center. Retrieved 5 April 2017, from <http://www.pewinternet.org/fact-sheet/mobile>



And, **every manufacturer's** solution today for non-iPhone users...

...is a **body-worn intermediary streaming device**

By using Bluetooth® classic!



Note: Bluetooth is a trademark of Bluetooth SIG, Inc.



SWORD™

Sonova Wireless One Radio Digital chip



**Enjoy the freedom
of universal connectivity**

**Compatible with any*
Bluetooth phone**

Note: *with Bluetooth® 4.2 wireless technology and most older Bluetooth phones



Answer calls with a touch of your hearing aid

Talk hands-free using your hearing aids as a wireless headset





**Experience excellent
TV sound quality**

**Turn your hearing
aids into wireless
TV headphones**



AirStream™ Technology



The new proprietary **2.4 GHz streaming protocol** compatible
with **Audéo B-Direct**

Phonak Remote app



New Features

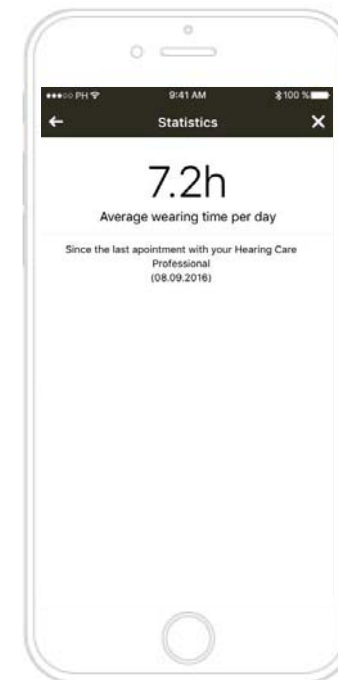
Advanced program settings



Environmental balance



Wearing Time



Audéo™ B line-extension



PHONAK
life is on

Whom to recommend which product to – Someone who is looking for...

- Direct connectivity to phone
- Hands-free calls
- Easy connectivity to TV
- Convenience
- Confidence
- No battery hassle
- Smallest size
- T-Coil
- More control, longer battery life, Roger
- All performance levels

Audéo B-Direct



Audéo B-R



Audéo B



Excellent Belong™ platform hearing performance in three performance levels

90 – Premium

- Speech in Car
- Comfort in Echo
- Music
- Comfort in Noise
- Speech in Noise
- Calm Situation
- EchoBlock
- WindBlock
- SoundRelax
- SNR-Boost
- FlexControl
- Flex Volume
- Real Ear Sound
- WhistleBlock
- NoiseBlock
- QuickSync
- SoundRecover2
- Tinnitus Balance
- auto Acclimatization
- UltraZoom Premium
- User Preference Tuning
- 20 channels

70 – Advanced

- Music
- Comfort in Noise
- Speech in Noise
- Calm Situation
- WindBlock
- SoundRelax
- SNR-Boost
- FlexControl
- Flex Volume
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- WhistleBlock
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- QuickSync
- SoundRecover2
- Tinnitus Balance
- auto Acclimatization
- UltraZoom Advanced
- User Preference Tuning
- 16 channels

50 – Standard

- Comfort in Noise
- Speech in Noise
- Calm Situation
- SNR-Boost
- FlexControl
- Flex Volume
- Real Ear Sound
- WhistleBlock
- NoiseBlock
- QuickSync
- SoundRecover2
- Tinnitus Balance
- auto Acclimatization
- UltraZoom Standard
- User Preference Tuning
- 12 channels

Direct connectivity – Competitive comparison

Feature	Product	Phonak Audéo B-Direct	ReSound LiNX 3D	Oticon Opn	Signia Pure 13 BT	Starkey Halo	Widex Beyond
Made for All*		✓					
Direct connectivity to Android phones		✓					
Direct connectivity to iPhones		✓	✓	✓	✓	✓	✓
Direct connectivity to all smartphones*		✓					
Direct connectivity to all feature phones*		✓					
Truly hands free phone calls		✓					
Voice pickup and processing by hearing aid		✓					
Direct TV audio streaming		✓	✓	✓	✓		✓
Broadcast TV audio streaming		✓	✓	✓	✓		
Plug and Play installation		✓					
Video calls (e.g. Skype) on iPhone or iPad		✓	✓	✓	✓	✓	✓
Video calls on all smartphones and tablets*		✓					
Music streaming on-the-go			✓	✓	✓	✓	✓
Ear-to-ear streaming (data synchronization)		✓	✓	✓	✓	✓	✓
Wireless fitting with visual side detection		✓					

Note: *with Bluetooth® 4.2 wireless technology and most older Bluetooth phones
Competitor trademarks are the property of their respective owners and shown for identification and information purposes only.

Phonak Target – One of the world's favorite fitting software

True wireless fitting with Noahlink Wireless

1. Patented fitting software feature to wirelessly detect and visually identify left/right hearing aids
2. One-time pairing





Direct phone connectivity
is most important followed by
TV/stereo system

Direct phone connectivity with
hands-free is a KEY driver

Music on the go is not key
within the target group

Source: Online survey, Phonak Audéo B-Direct pricing study, target group 40+, USA and Germany, February 2017, N=970

Phonak Audéo™ B-Direct

Hearing aids that easily connect to any cell phone* as well as your TV

*with Bluetooth® 4.2 wireless technology and most older Bluetooth phones



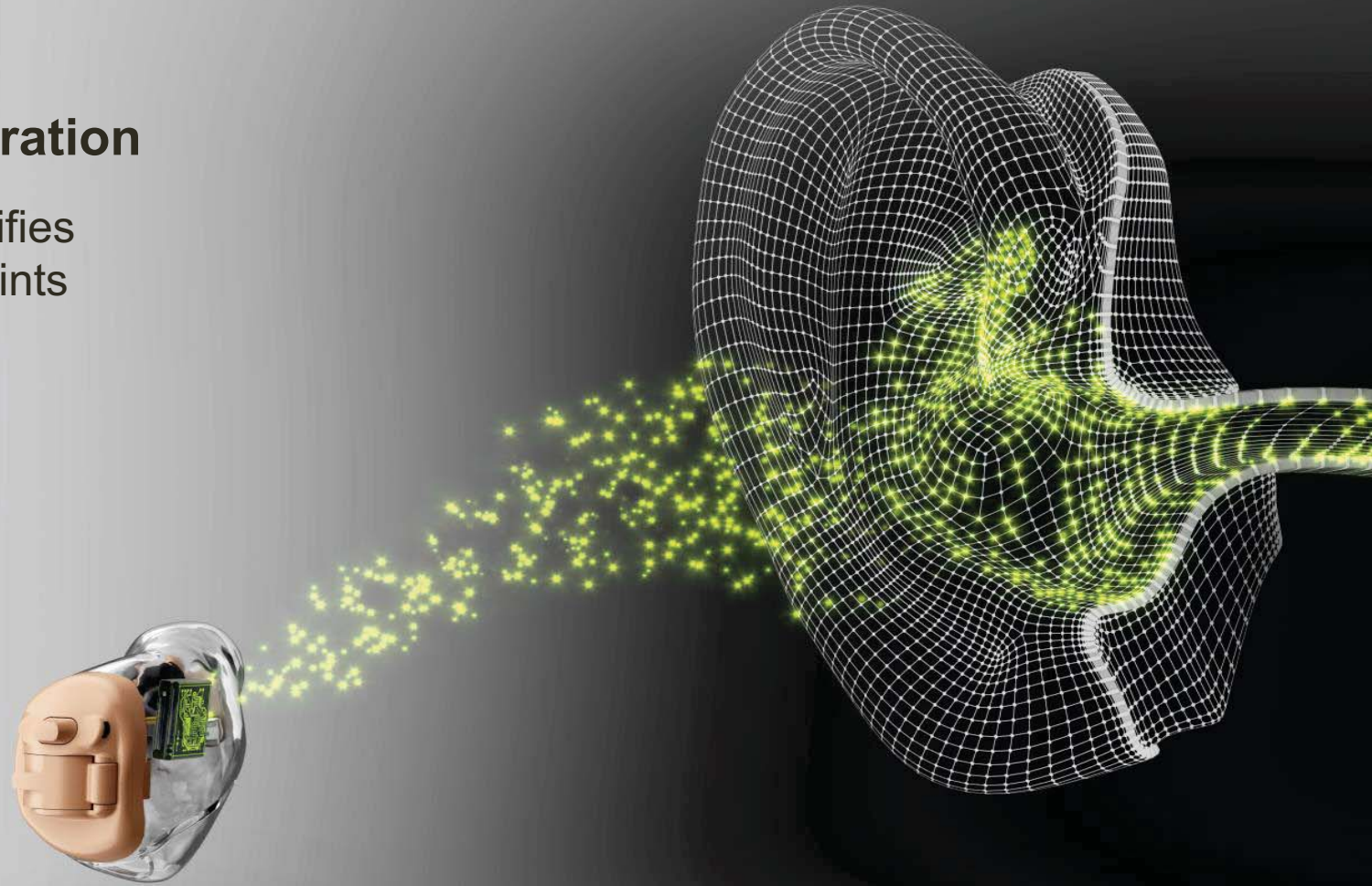
Phonak Virto B

The world's first hearing aids with Biometric Calibration

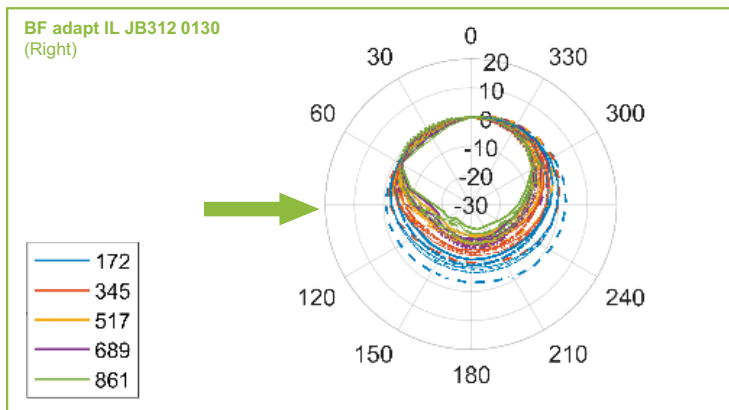


Biometric Calibration

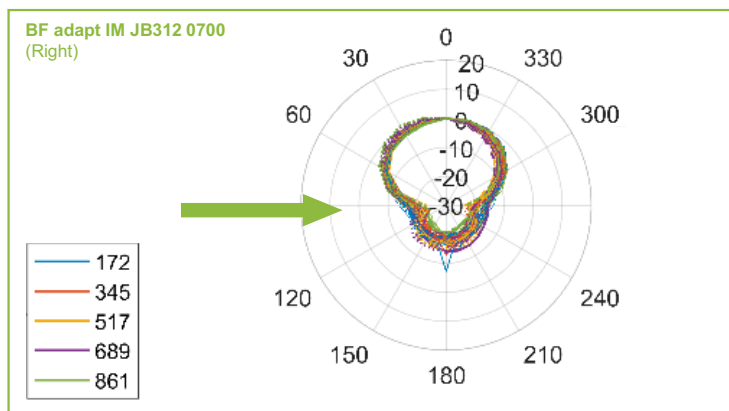
Our software identifies
over 1'600 data points



Without Biometric Calibration



With Biometric Calibration



Biometric Calibration provides a 2 dB improvement in directionality leading to **better hearing performance***

Kleine, T., Ochsner, G., Hoffman, C., Schumacher, D., Bishop, R. (2017). Biometric Calibration: improving directionality for Phonak Virto™ B. Phonak Field Study News, retrieved from www.phonakpro.com/evidence, accessed October 4th, 2017.

Summary

- Virto B is a full product family launch with many more new features
- Biometric Calibration benefits all directional models at no extra effort for the audiologist nor our labs

All directional models will deliver a 2dB improvement in directionality with Virto B!





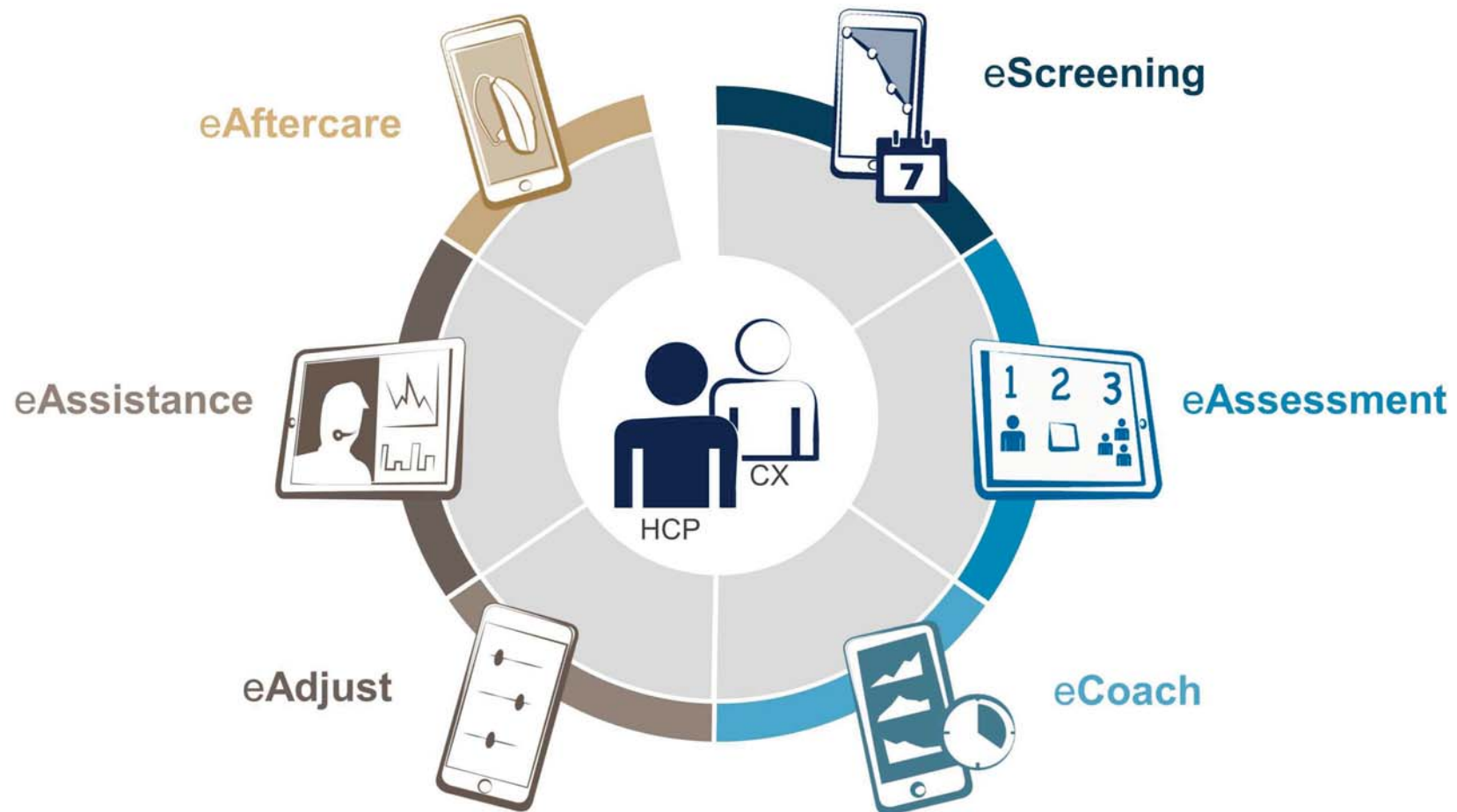
Together, we change lives

eSolutions – Distance support and VA HearAssist

Stäfa, Switzerland | October 17, 2017 | Francois Julita, Director Digital Experience



eSolutions – Empower, connect and assist



Phonak eSolutions Wheel is a registered Phonak Trademark

Sonova 4.0 – Digital transformation strategy



Map out
industry 4.0
strategy

1



Create
initial pilot
projects

2



Define the
needed
capabilities

3



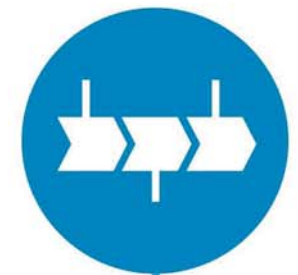
Become a
virtuoso in
data analytics

4



Transform
into a digital
enterprise

5



Actively plan
an ecosystem
approach

6

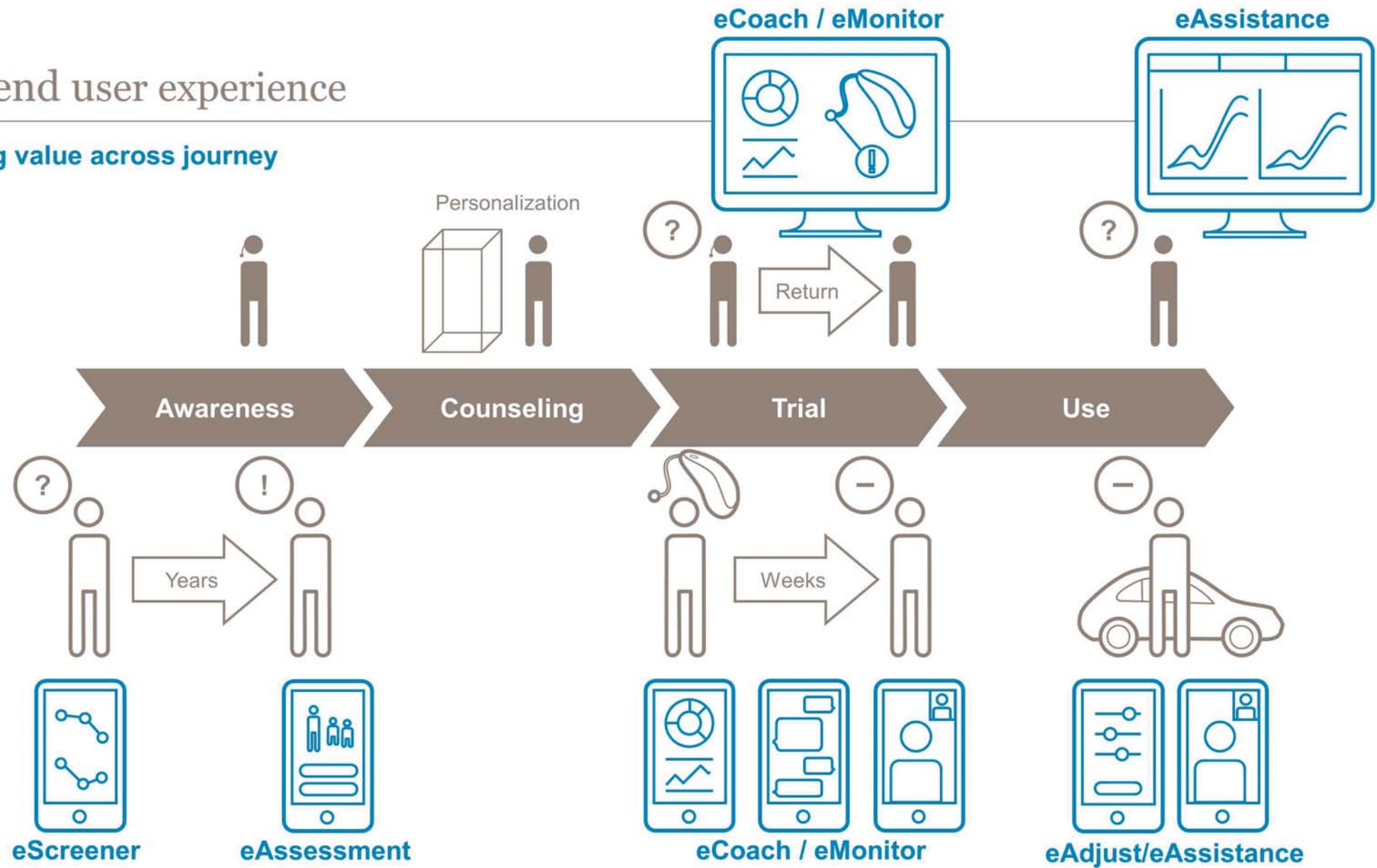
Map out Sonova 4.0 strategy

1



End-end user experience

Creating value across journey





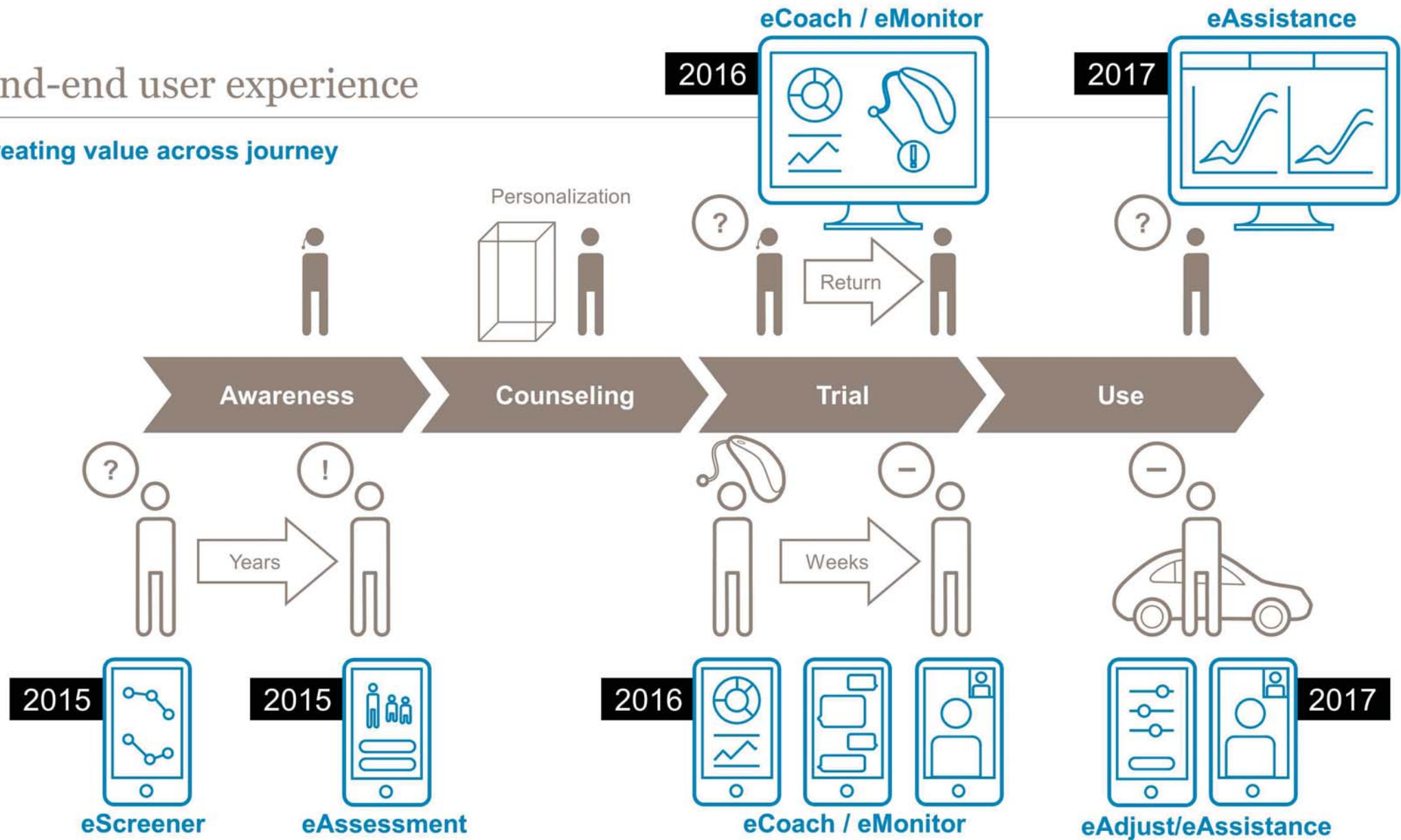
It's not a product, it's not a service.
It's both!

Create initial pilot projects



End-end user experience

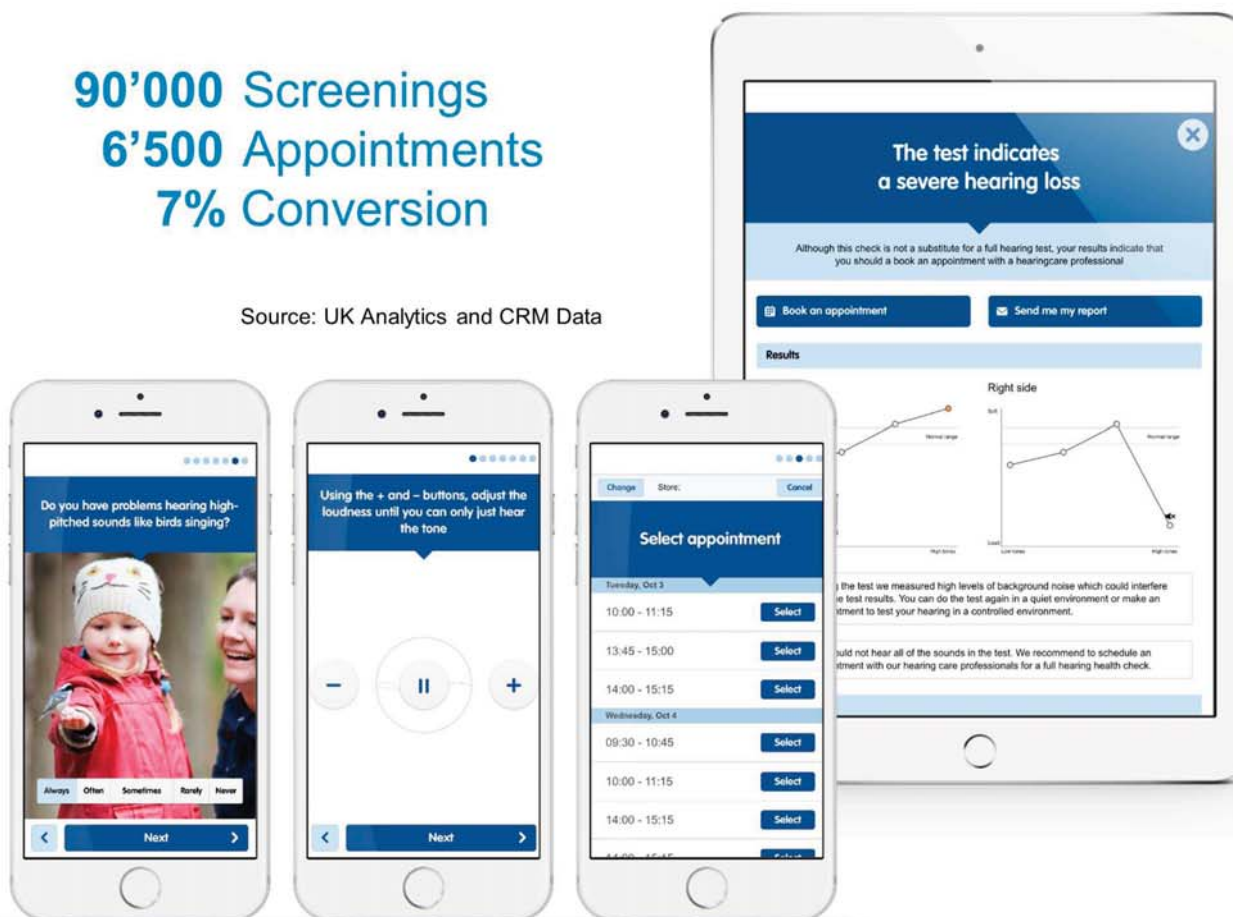
Creating value across journey



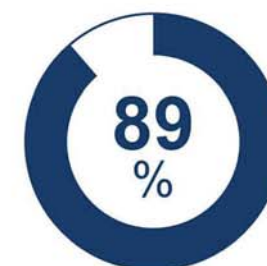
eScreener – Early and convenient online hearing screening

90'000 Screenings
6'500 Appointments
7% Conversion

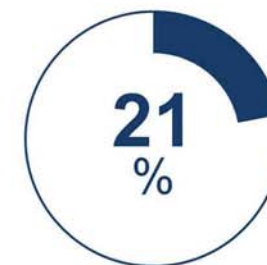
Source: UK Analytics and CRM Data



Ease of use
Very easy or
easy to use



NPS
Highly or likely
to recommend



Convenience
Would not have
booked otherwise

Source: Sonova user satisfaction surveys 2015–2017 ongoing, n=2515

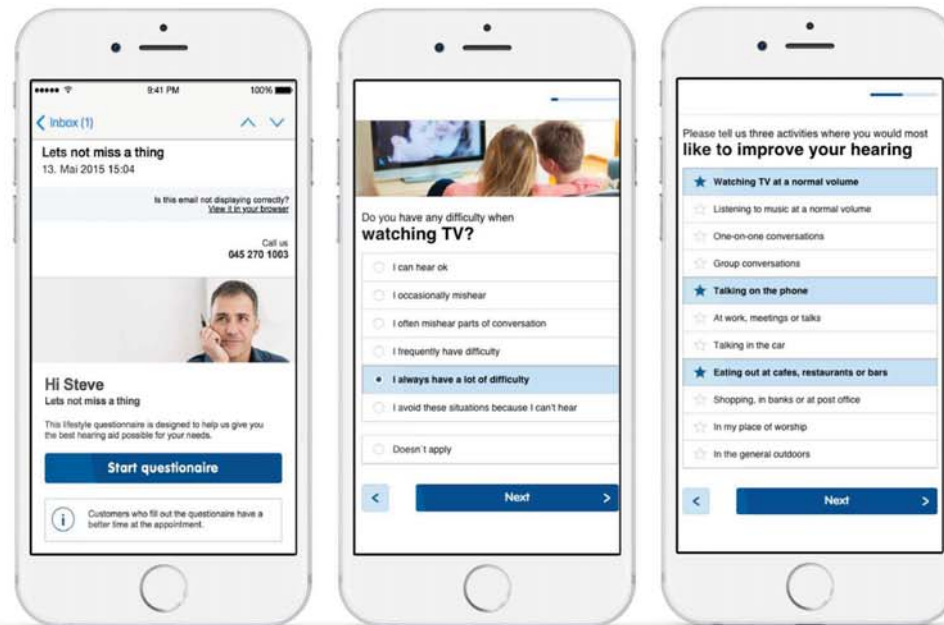
eAssessment – Convenient needs assessment prior to appointment

sonova
HEAR THE WORLD

5'000+ Assessment invites
80% Conversion

”

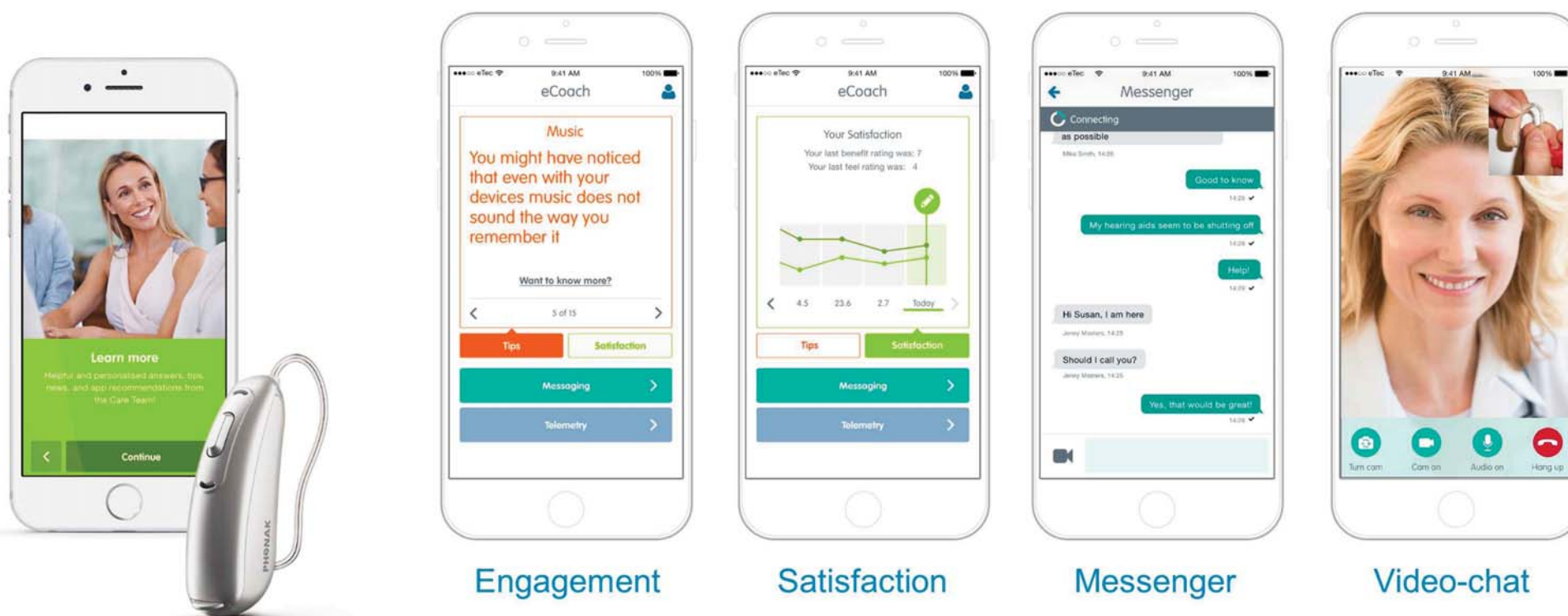
The questionnaire covered my concerns well and seemed very relevant to my needs.

A detailed view of the Sonova eAssessment questionnaire interface, showing the 'watching TV' section. The section is titled 'Tell us more about your difficulties when watching TV.' and includes a question 'How often do you watch TV?' with radio button options: 'Only specific programmes', 'Every day: daytime or evening only' (selected), and 'Everyday: daytime and evening'. Below this is a question 'What is the issue with the TV?' with radio button options: 'It is too loud for others watching with me', 'Background noise is too loud', and 'The speech is unclear' (selected). The next question is 'How does this make you feel?' with radio button options: 'Embarrassed', 'Frustrated' (selected), and 'Upset/angry'. The final question is 'What would hearing better for this situation mean to you?' with a text input field. At the bottom, there is a 'Next' button.

Source: Sonova user satisfaction surveys 2015–2017 ongoing, n=5000+

eCoach – Empower and engage new users

” Oh this is really cool - you link directly to products - great stuff



Source: User survey, Sonova 2016

eCoach – Empower HCP and customer service

“ We want to know if a hearing aid is being worn or not. Low wearing time is a strong indicator for non-adoption*

Customer overview

NAME	STATUS	MESSAGES	VIDEO	SATISFACTION	INV
Thomas Schmitt	Open	1 unread		about 7 hours ago	
Tom Bahr				2 months ago	
David Grotzer				13 days ago	
David Grotzer	Open			22 days ago	
David Grotzer				19 days ago	
My 1st	Open			about 6 hours ago	
Philip Schmitt				22 days ago	
David Grotzer	Pending			about a month ago	
David Grotzer				6 days ago	
David Grotzer	Open			a day ago	
David Grotzer	Pending			3 days ago	
David Grotzer				10 days ago	
David Grotzer	Open			2 months ago	

Client details

Name: Susan Hayes

Phone: 06.02.2016

Email: s.hayes@bbc.co.uk

Date of Birth: 11.12.1965

Gender: Female

Age: 46

Wearing time: 4 months

Program usage: 46

Satisfaction: 4.5

Issue: open

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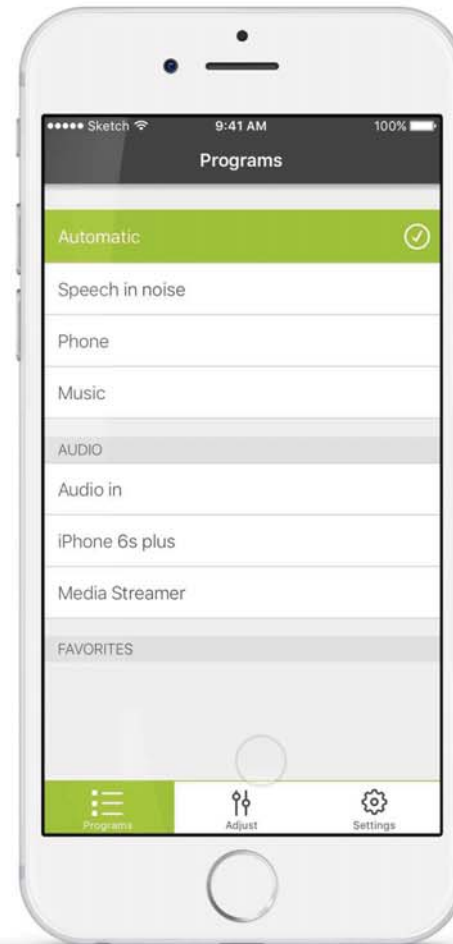
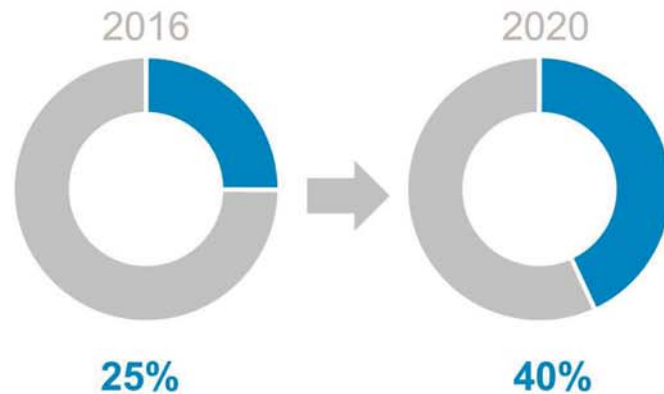
Issue: open

* Source: Sonova HCP Workshops USA, March / October 2016

eAdjust – Empower “modern” users



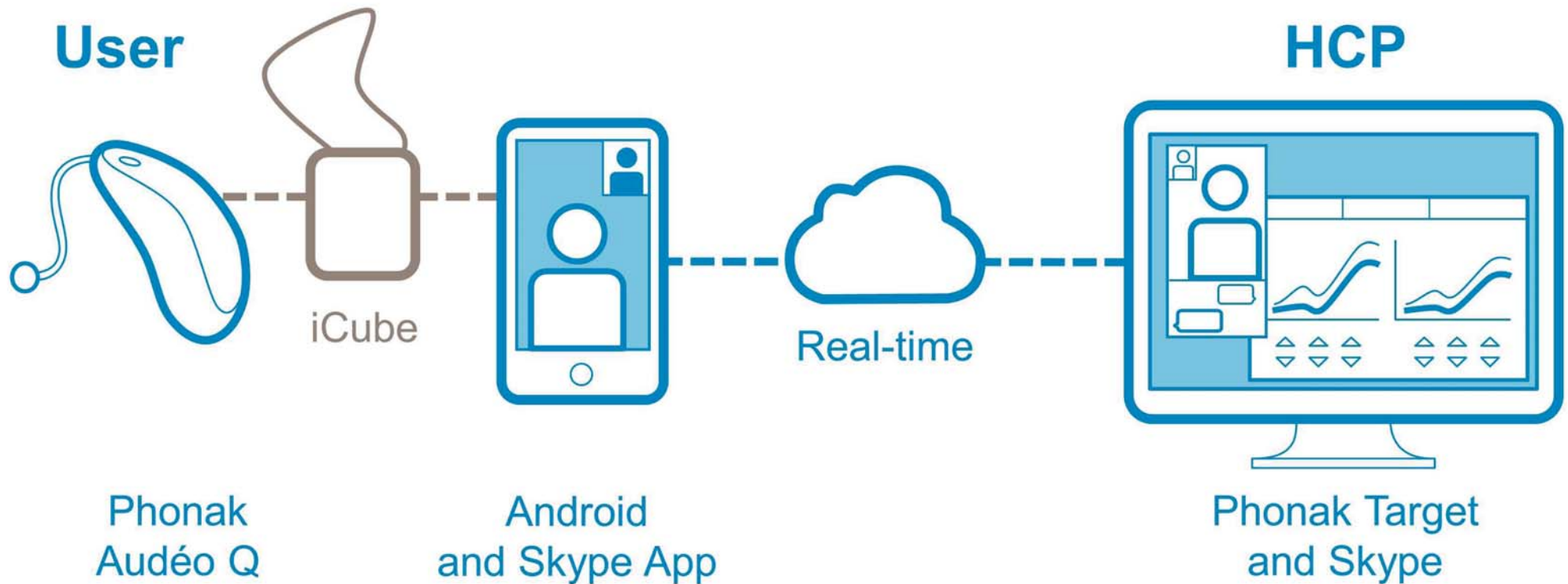
I like the option to create my own settings and not being forced to drive to clinic to fix these specific issues



Source: Sonova HCP Workshops USA, March / October 2016

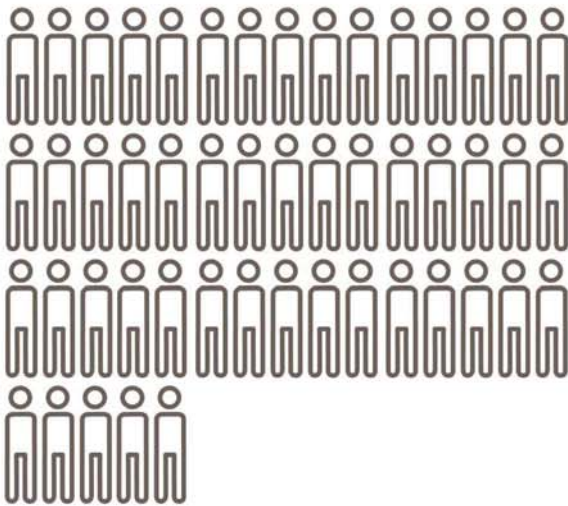
eAssistance – Connect, empower and assist

2013 Phonak was the first manufacturer to provide a real-time tele-fitting



eAssistance – Clinical trials 2013/14

It was a representative sample of 50+ participants and 100+ sessions



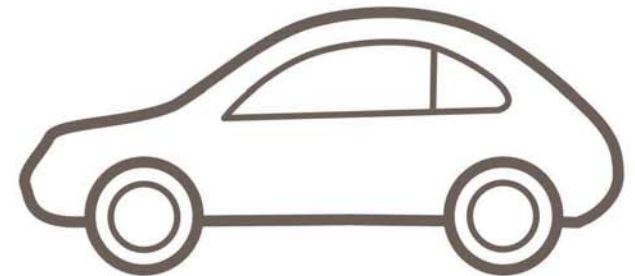
50

Participants



65

Age avg.

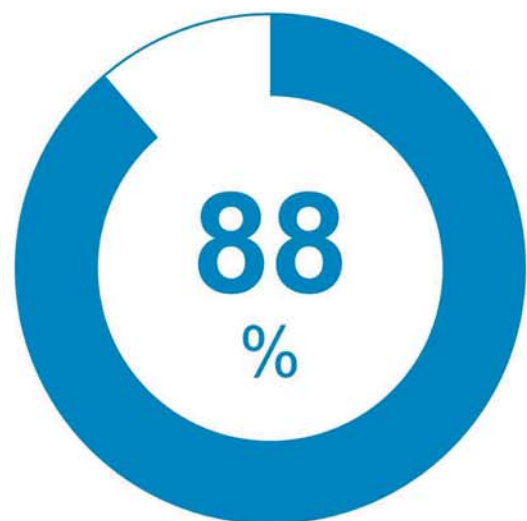


35

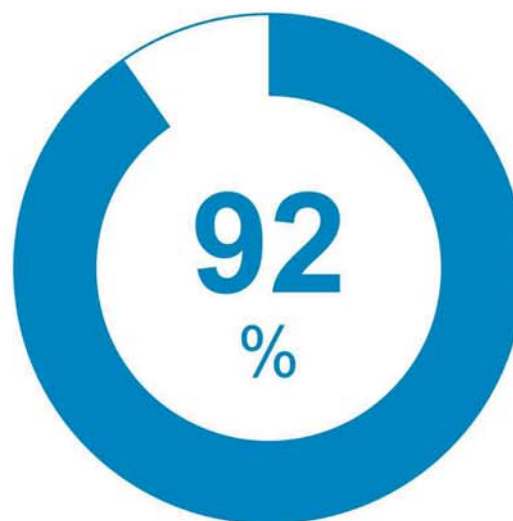
Minutes avg.

eAssistance – What users had to say

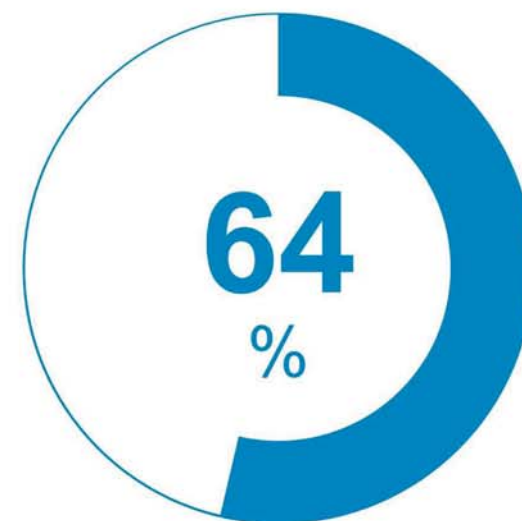
Satisfaction with end-users was very high



Prefer tele sessions under difficult conditions



Would **recommend** tele sessions to other users

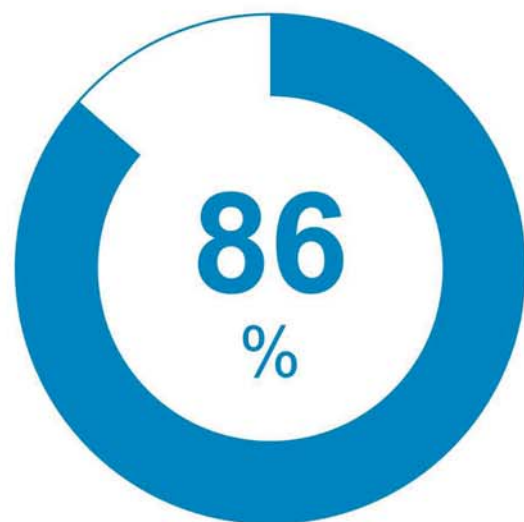


Would prefer tele sessions if offered a **choice**

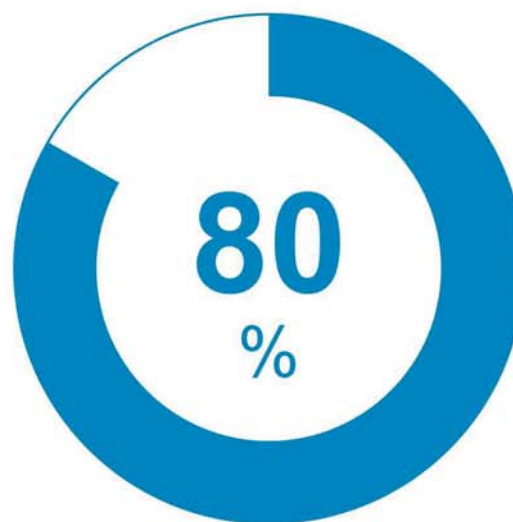
Source: Remote Hearing Aid Support: The Next Frontier, Journal of the American Academy of Audiology, Angle, Schnittker, Tharpe, Vanderbilt University, Sonova AG, 2017

eAssistance – What HCPs had to say

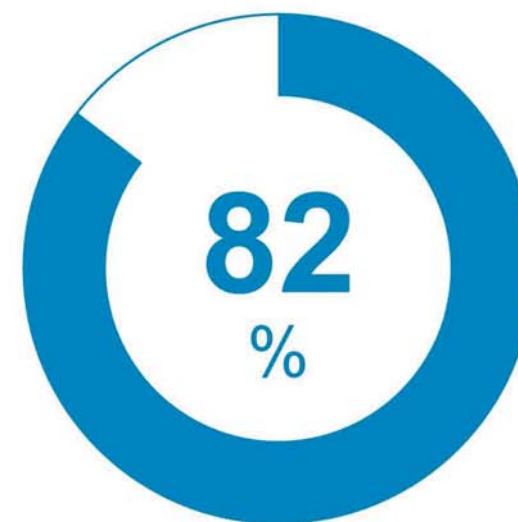
HCPs acknowledged value of tele-sessions



Tele sessions
with **stable**
connection



Tele sessions as
efficient as
face-to-face



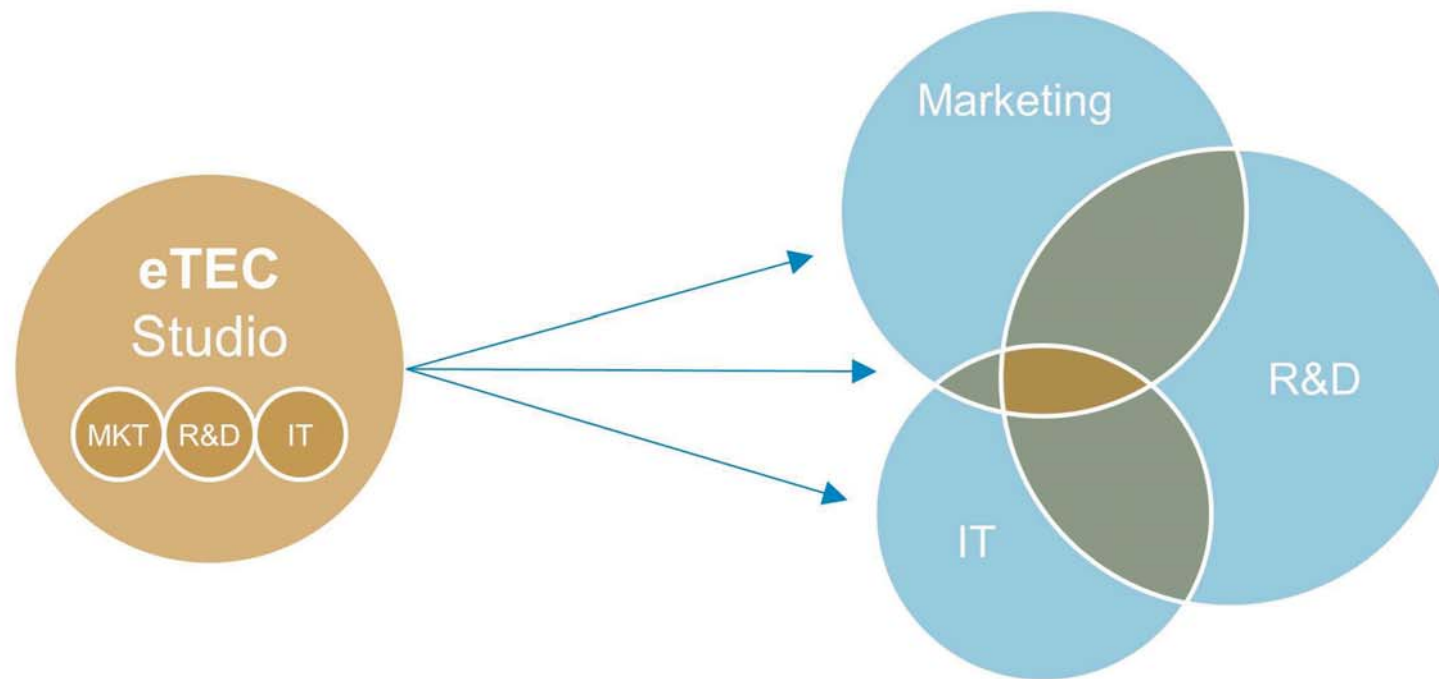
Tele sessions
satisfied with
outcome

Source: Remote Hearing Aid Support: The Next Frontier, Journal of the American Academy of Audiology, Angley, Schnittker, Tharpe, Vanderbilt University, Sonova AG, 2017



Lean approach: From incubator to commercial eSolutions

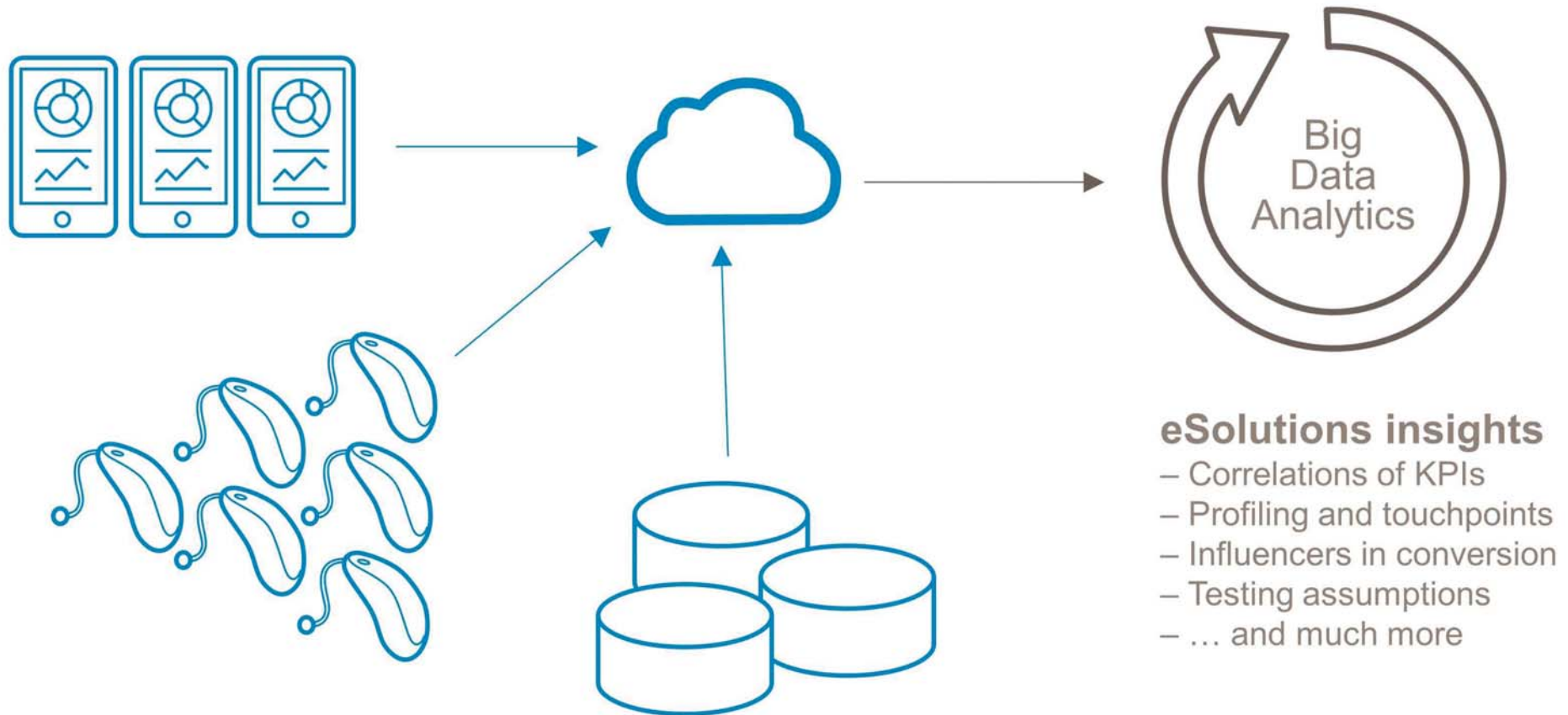
Crucial skills have been built up over last years to become a cross-functional digital transformation team



Incubator Pilots

Cross-functional Commercial eSolutions

Anonymized source and device monitoring data transformed into research assets





5

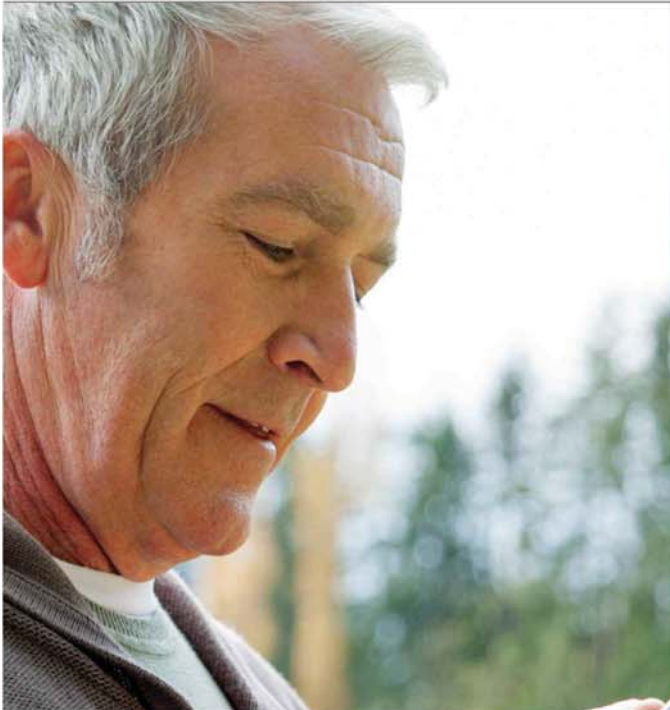


Transform into a
digital enterprise

TELE MEDICINE

eAssistance (aka distance support) – Value for all

sonova
HEAR THE WORLD



Users

Autonomy and flexibility
Reduced travel time
Real-life adjustment



HCP

Efficiency, skills and capacity
Customer satisfaction
Younger, active segments

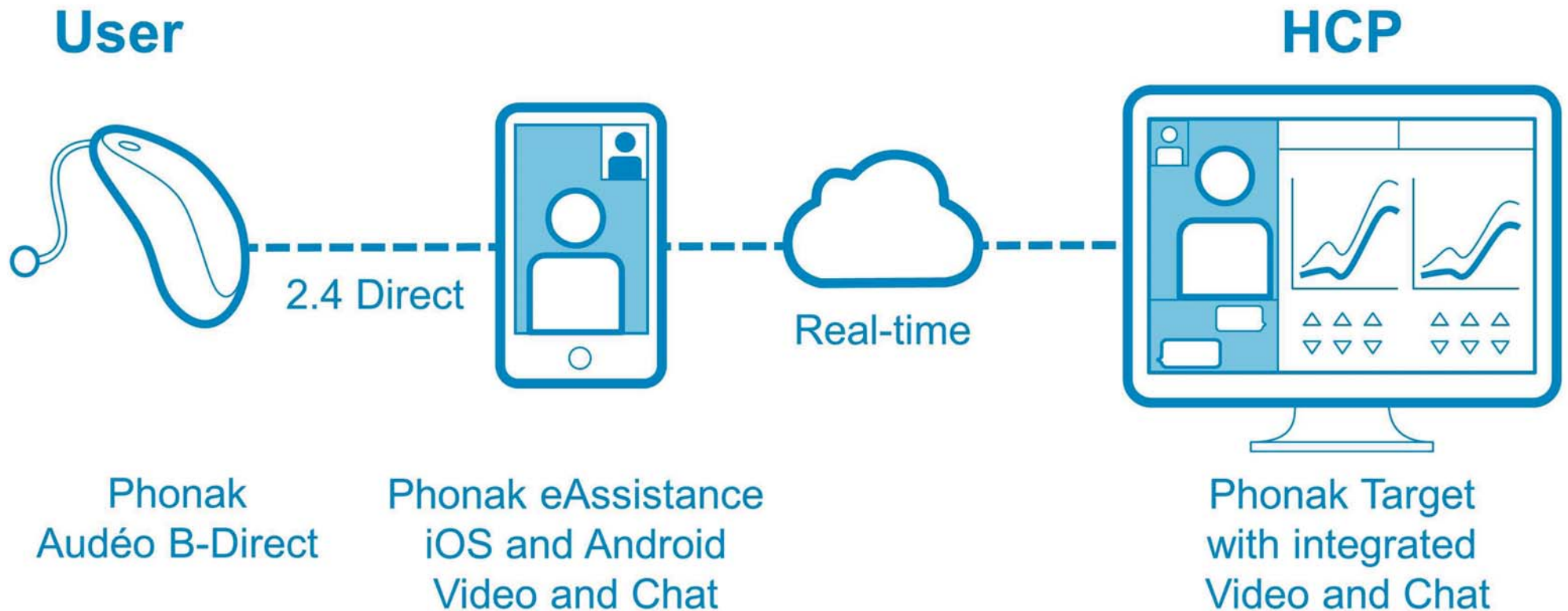


Sonova

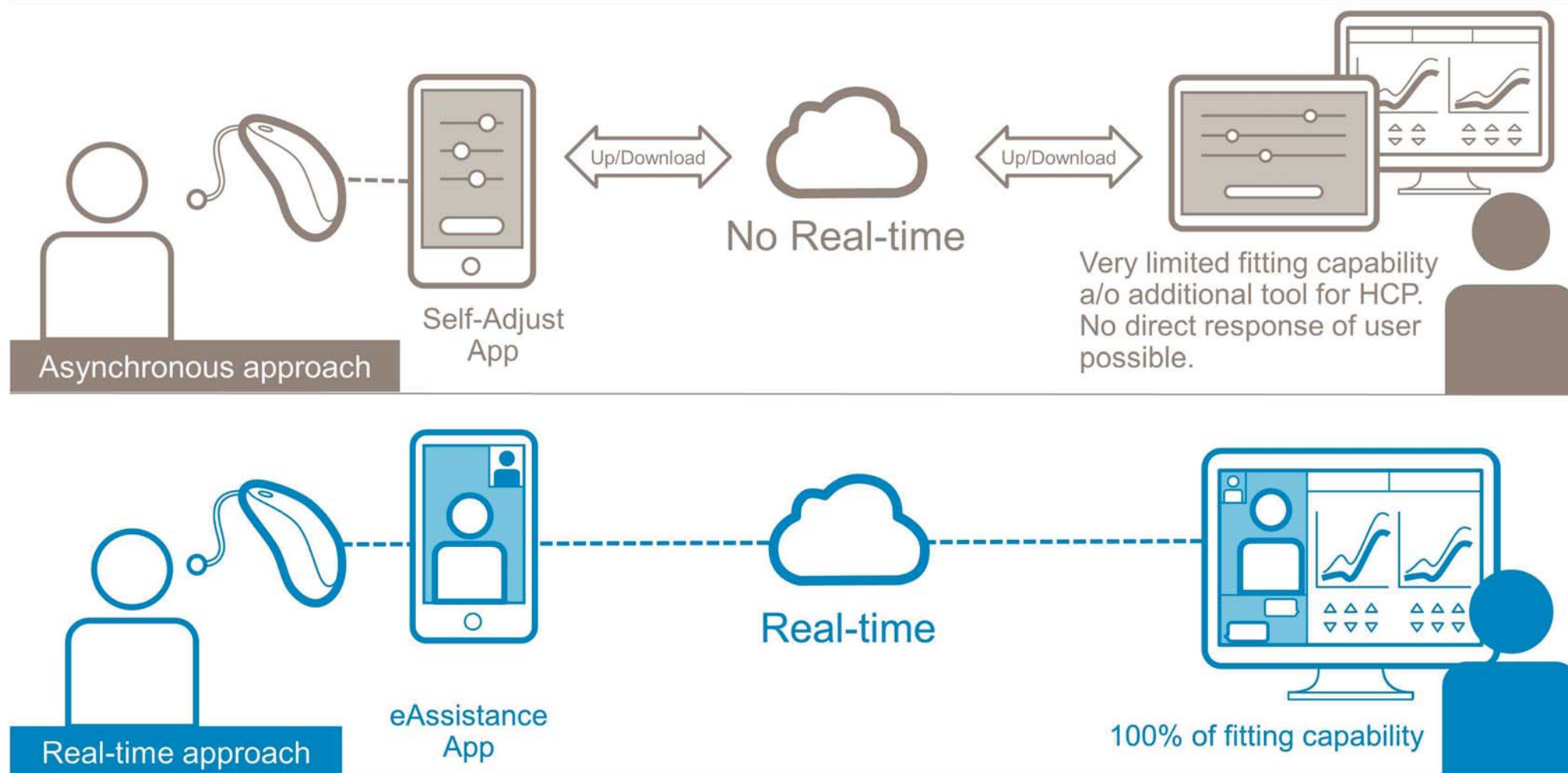
New value proposition
Innovation leadership
BigData for research

eAssistance – Realtime tele-audiology

Today Phonak is still the only manufacturer to provide a real-time tele-fitting for Android and iOS



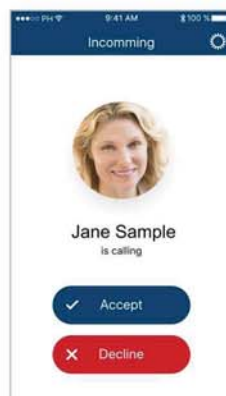
2 fundamentally different tele-session models in the market



VA HearAssist – Clinical trial running in 3 VA-clinics



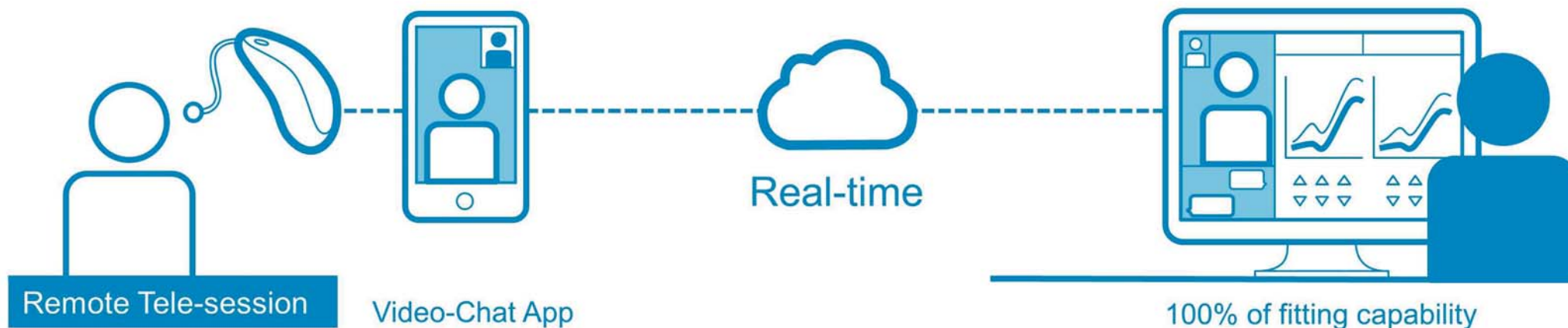
Audéo B-Direct



VA-App



Phonak Target – Regular HCP Fitting Software



Source: <http://www.audiologyonline.com/releases/phonak-and-va-cooperate-on-20156>

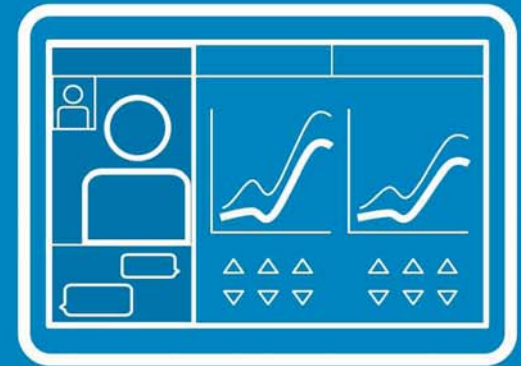
Competitive advantage



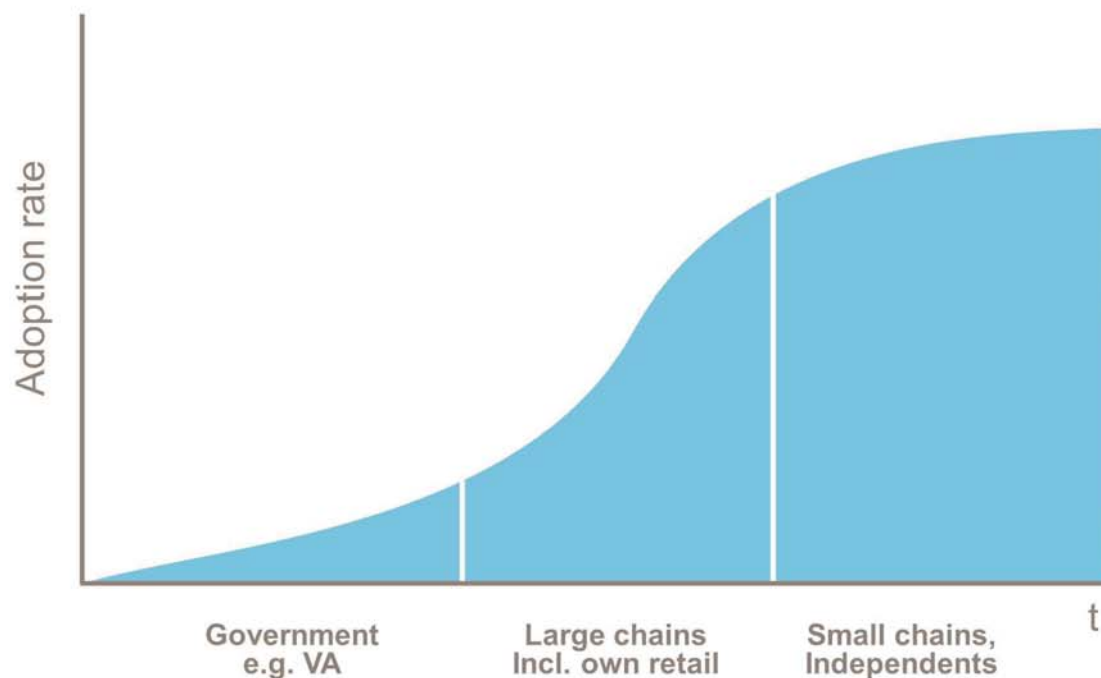
**Android
and iOS**



**Real-time
adjustment**



**Fully embedded in
standard software**



Accessibility to all consumers

MFA universal connectivity

Accessibility to all channels

eAssistance embedded in fitting software

Respond to user preferences

Flexible to type and pace of adoption

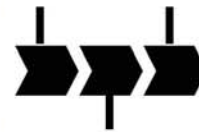
Co-existence

Traditional and e-enabled service models for different consumer groups

Gradual adoption – Larger providers expected to lead the way

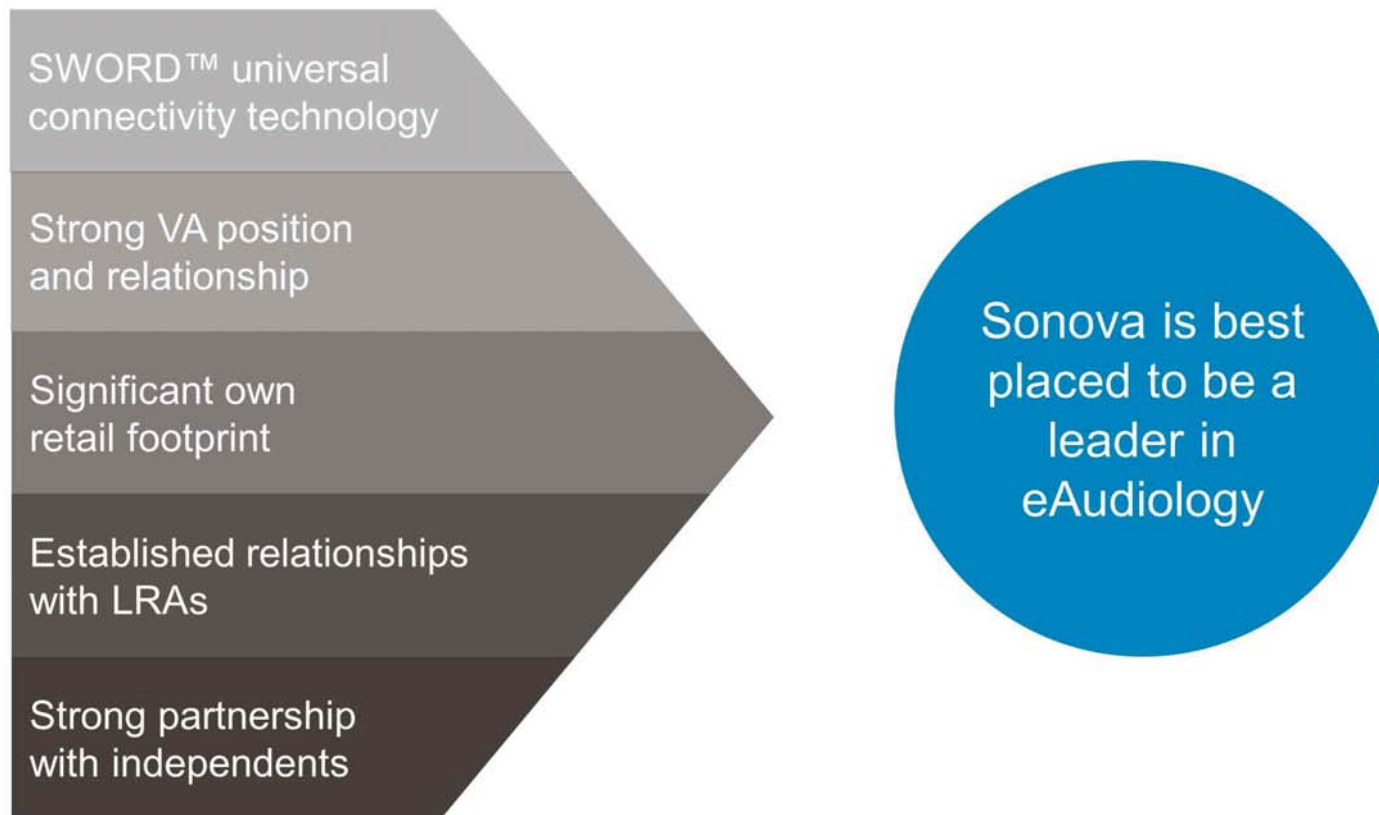
Actively Plan an Eco-system approach

6



eSolutions – Sonova in best position

Sonova in a strong position to benefit from increased use





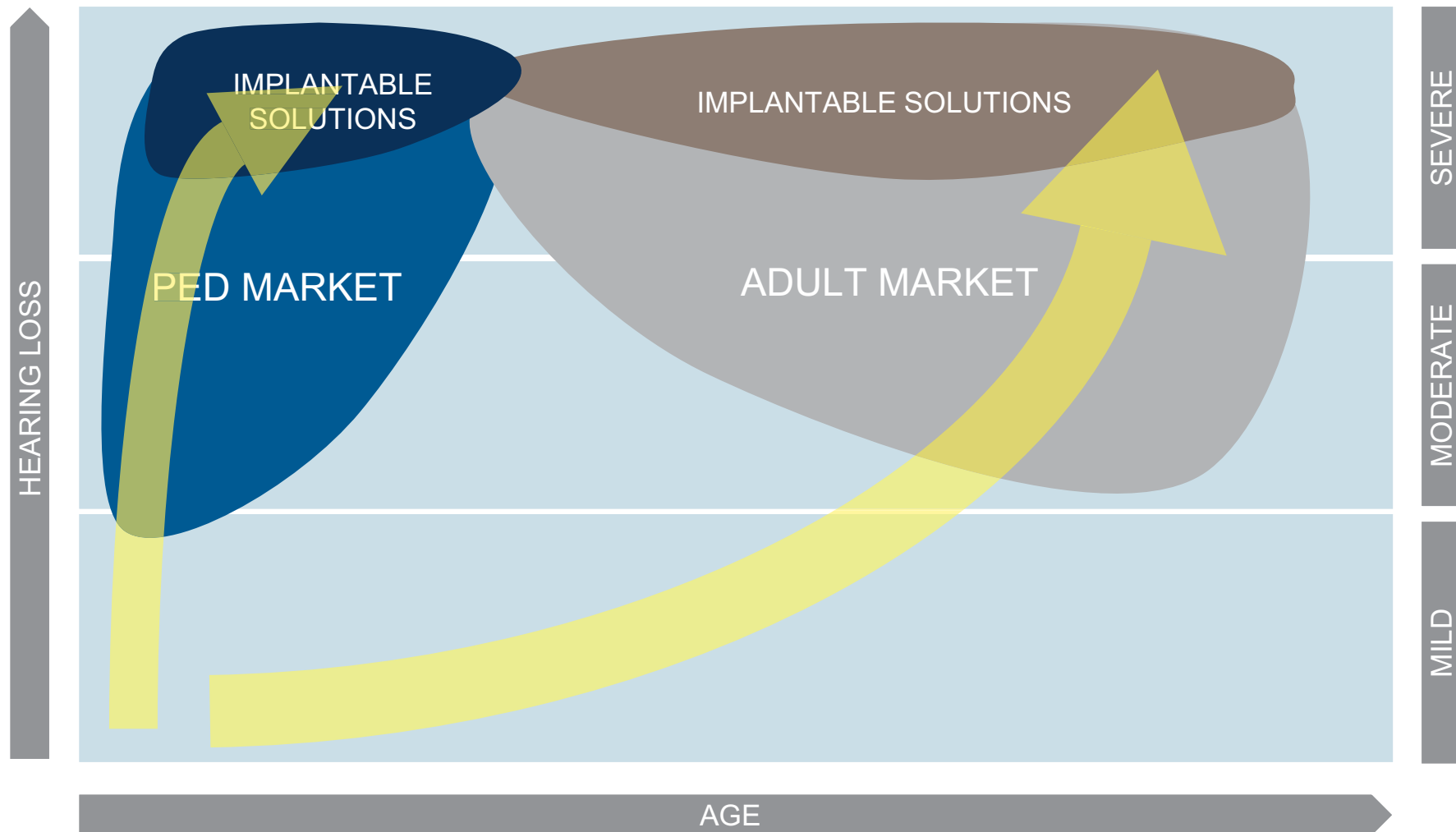
Advanced Bionics

Unleashing the potential of the adult segment

Stäfa, Switzerland | October 17, 2017 | Hansjürg Emch, GVP Medical



Increased adoption of implantable solutions – Aging population increasing

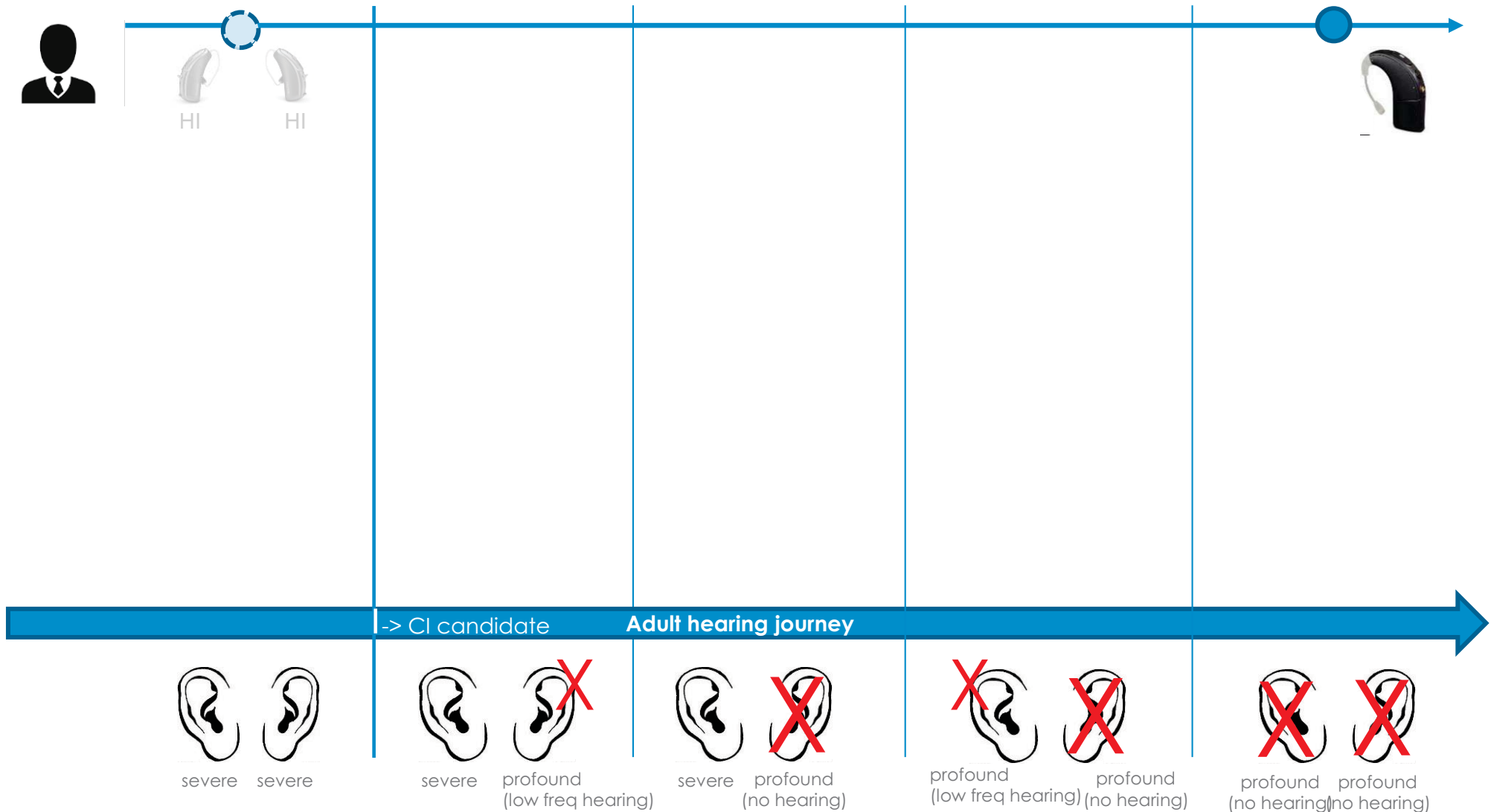


Age related hearing loss – A gradual non-linear process



The AB- Phonak Naída platform

The adult hearing journey – Diverse and non-linear

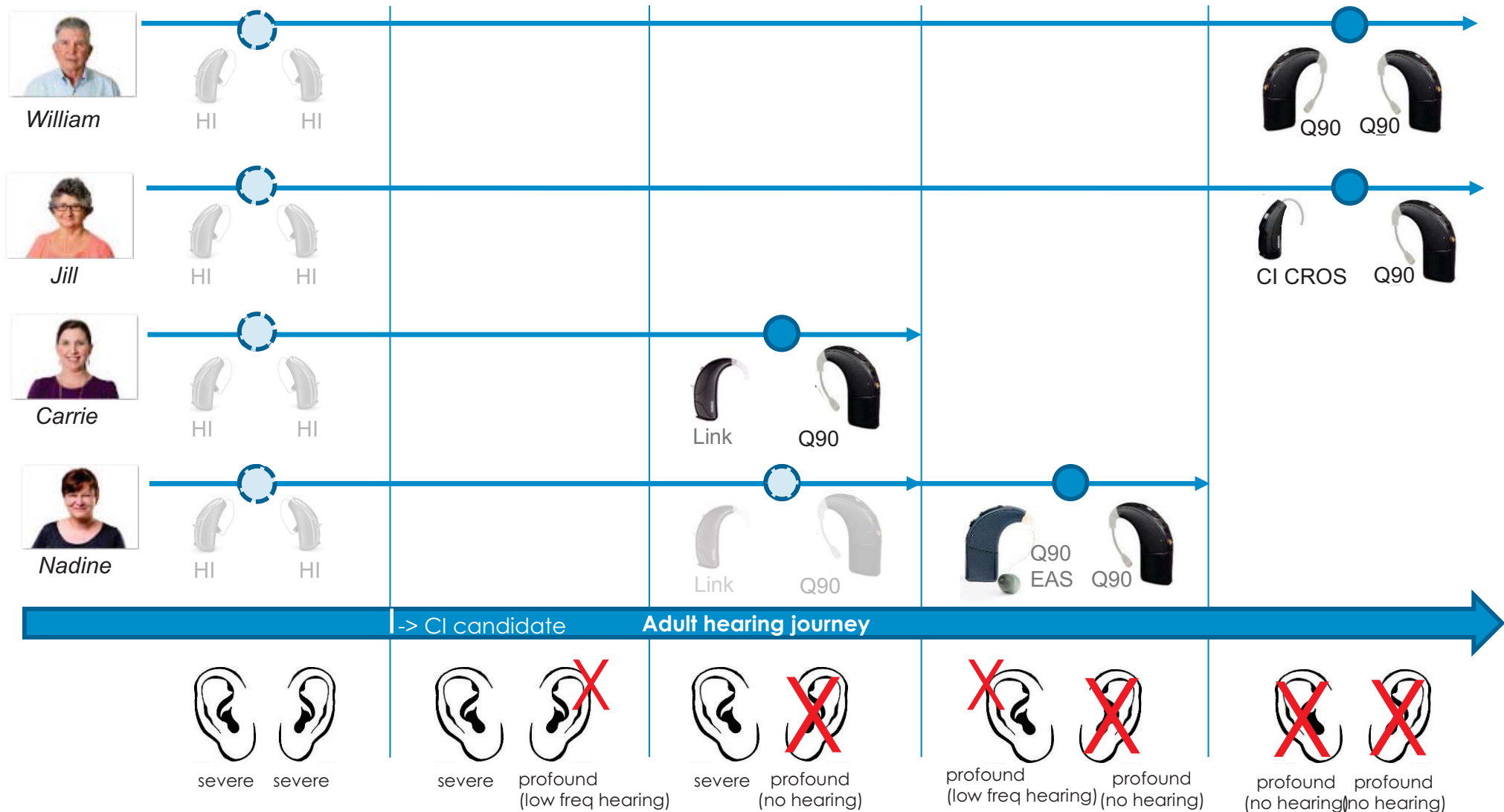


A single CI is no longer the answer to today's expectations



The AB- Phonak Naída platform

The adult hearing journey – Diverse and non-linear



Customized solutions for different and changing needs



Naída

The complete range of hearing solutions

No Hearing

Some Hearing

Bilateral
Cochlear Implant

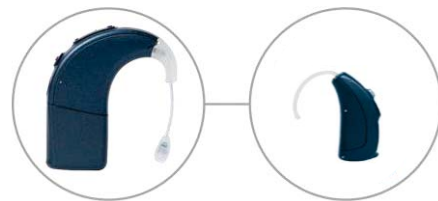
Unilateral
Cochlear Implant

Opposite Ear

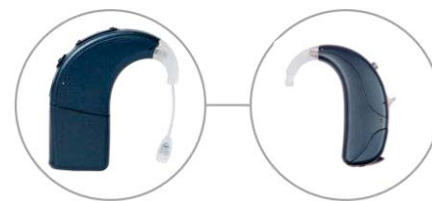
Same Ear



Naída CI
Bilateral Solution



Naída™ Link
CROS Solution



Naída Link
Bimodal Solution



Naída CI with
Acoustic Amplification



William



Jill



Carrie



Nadine

Designed for best individual solution



William

Naída CI Bilateral Solution



Advanced Bionics
Naída CI Sound
processor

Advanced Bionics
Naída CI Sound
processor



PHONAK



Naída CI Bilateral Solution



William

Benefits

Hearing Symmetry

The natural benefits of hearing in stereo.

Easy to Use

Wear and go with swappable devices.



Easy to Communicate

Hear important sounds in both ears.

Easy to Connect

Crystal clear wireless streaming.



Jill

Naída Link CROS Solution



Advanced Bionics
Naída CI Q90/Q70
sound processor



Phonak Naída™
Link CROS



PHONAK



Jill

Hear from wherever you want

Without Naída Link CROS

- Head shadow effect
- Where do I sit on the table?
- Fatigue/exhaustion
- Difficulty understanding speech in noise

With Naída Link CROS

- Access to offside sounds
- Consistent performance
- Reduced effort & stress

contra-lateral
side

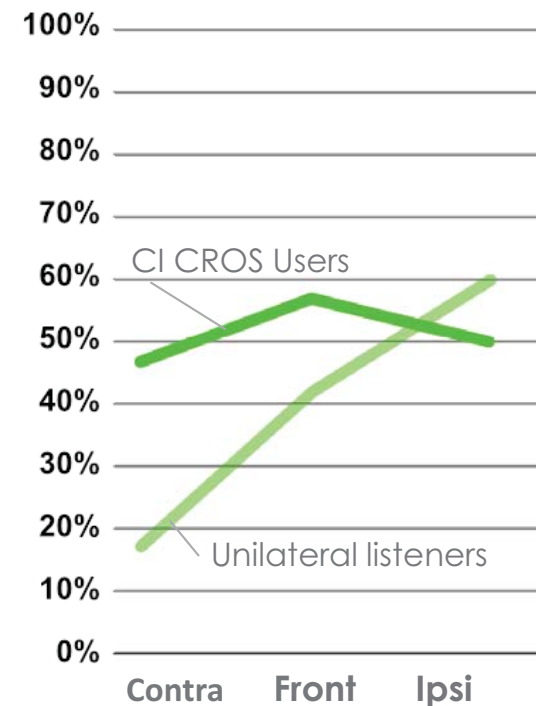


ipsi-lateral
side



front

Speech understanding
in noise (AZBio, n=30)



Source: Advanced Bionics (2016) Bilateral Hearing for Unilateral AB Cochlear Implant Recipients, White Paper

Consistent performance in quiet and noise wherever the sound comes from



Jill

Easy to use

- No need for any adjustments – Works completely automatically
- All day use – No need to remove it (convenient mute button)
- Simple – Your patients can forget they're wearing it



*available with Naída CI Q90

Just switch it on – Adapts automatically



Jill

Easy to communicate

- Cable free, hassle free
- Small and lightweight
- Resistant to water, sweat and dust
- Comes in 7 matching colors



Wireless and discreet



Jill

Easy to program

Initialize Processor

 Initializing this Naída CI Q90 processor will clear it of all patient and program information.

Are you sure you want to initialize this processor?

 Serial Number

Side 

-  Right
-  Right
-  Right + HA Left
-  Right + CROS Left

  Naída CI Q90

1  1     

2  

3  

4  

5  



No fitting required



Jill

Benefits

Easy to Hear

Hear from all sides -patients can walk into any listening situation with confidence.

Easy to Use

Patients can simply switch it on and enjoy hearing from both sides.



Easy to Wear

Wireless and discreet, patients can wear it without it being noticed.

Easy to Program

No fitting required. Just set it and go.



Carrie

Naída Link Bimodal Solution



Advanced Bionics
Naída CI Q90/Q70
sound processor

Phonak Naída™ Link
hearing aid



PHONAK

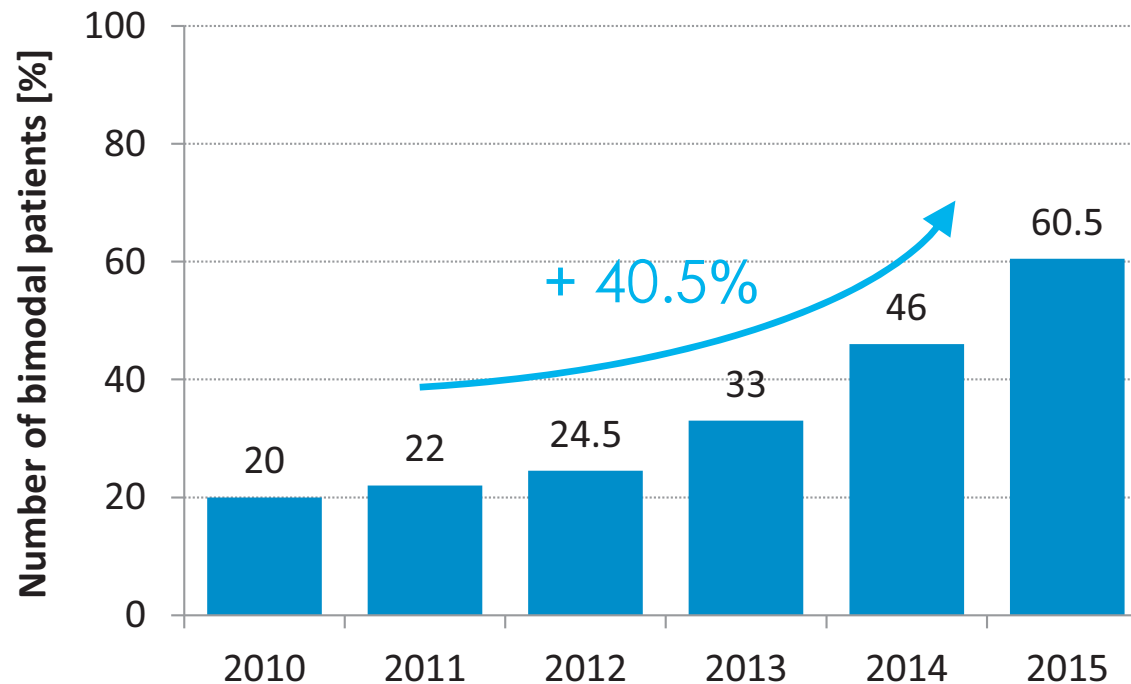


Growth of Bimodal Population



Carrie

Percentage of CI candidates who benefit from amplification in contralateral ear



- Relaxation of indication criteria
- More residual hearing on the opposite ear
- Use of hearing aid contralaterally

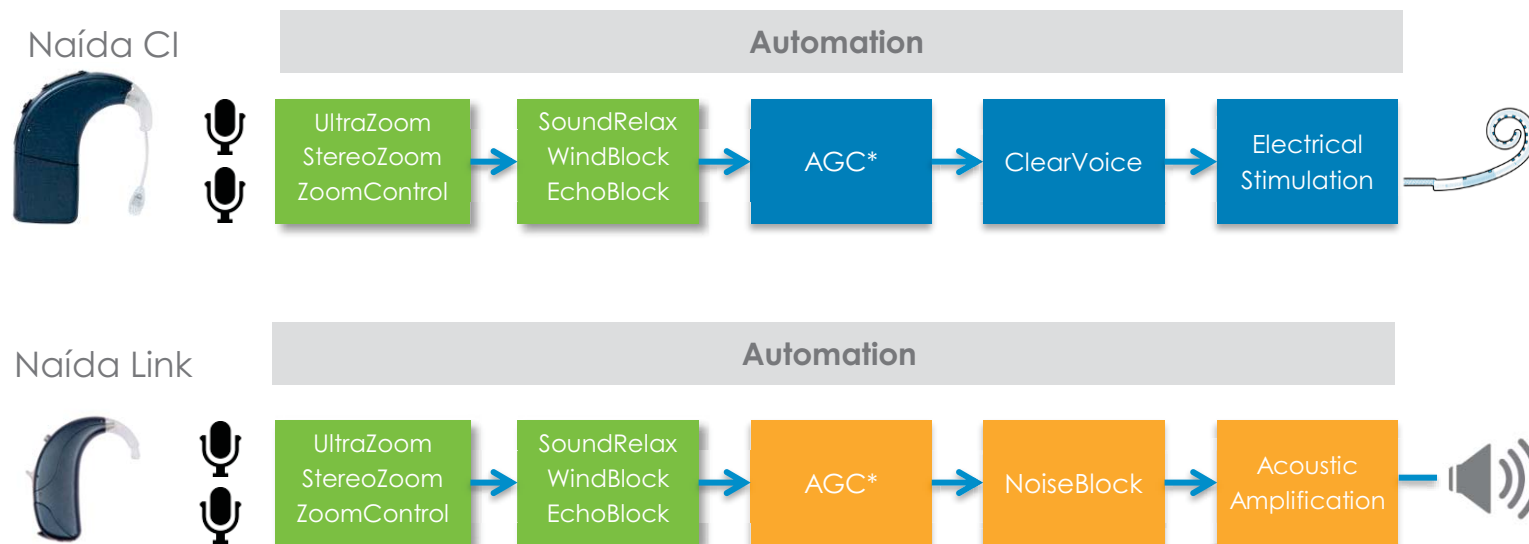
Source: A. Buchner: CI 2016 Conference, Toronto, Canada

Tripled in the last 5-6 years



Carrie

Easy to hear – Easy to use



Both devices use the same platform. Matched sound processing technology.

* AGC (Automatic Gain Control)

WindBlock



more comfortable listening in wind

SoundRelax



Softens sharp sounds

UltraZoom



better understanding in noise

Shared signal processing – Shared volume and program settings



Carrie

Easy to communicate – Wireless streaming of audio signals between two ears

DuoPhone



Streams phone calls to both ears for stereo hearing and easier conversations in noise

ZoomControl



Focuses on a speaker to your front-back or right-left for improved communication in noisy environments

StereoZoom



One-on-one conversation with less effort

Easy to connect – Wireless streaming from external devices to both ears



Roger System



RemoteMic, TVLink



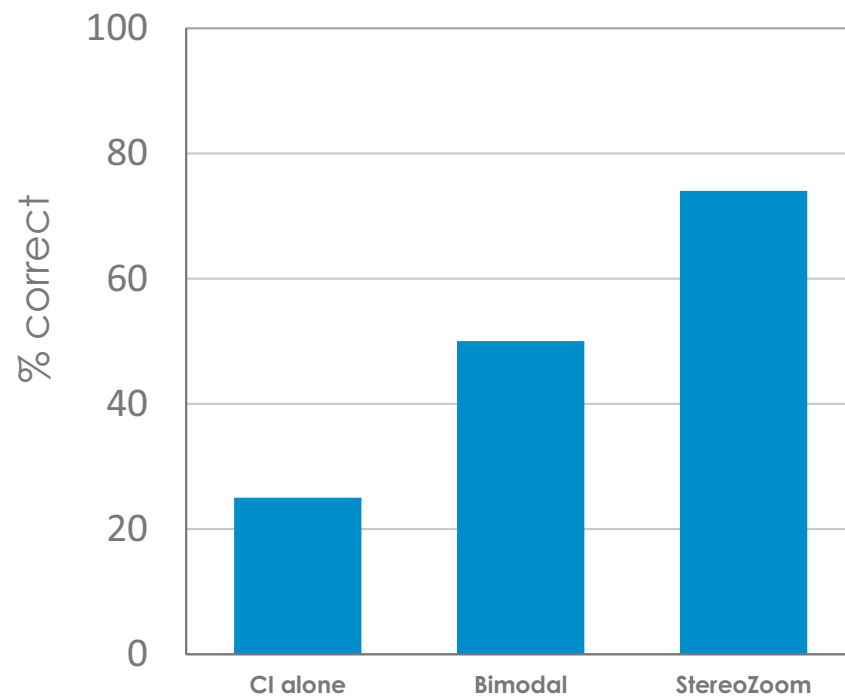
EasyCall Accessory DECT Phone Accessory



Carrie

Easy to communicate – Easy to connect – Easy to program

Speech understanding in noise



- Bimodal Benefit 21%
- Binaural VoiceStream™ Technology Benefit 21%
- Overall Naída Bimodal Solution Benefit 42%
- Optimal program with just the click of a button

Source: Advanced Bionics (2016) Bimodal StereoZoom Feature: Enhancing Conversation in Extreme Noise for Unilateral AB Implant Recipients White Paper



Carrie

Benefits

Easy to Hear

The most natural way to combine a hearing aid and cochlear implant.

Easy to Use

Shared automatic features for improved sound quality and understanding in noise.



Easy to Communicate

Hear important sounds in both ears.

Easy to Connect

Crystal clear wireless streaming.

Naída CI with Acoustic Amplification



PHONAK

Pending FDA approval.
Not available for sale within the United States.



Naída CI with Acoustic Amplification



Nadine

Benefits

The Best of Both

A complete cochlear implant and hearing aid solution in one.

Easy to Hear

The most natural way to combine a hearing aid and cochlear implant.



Easy to Connect

Compatible with a full line of proven Phonak accessories.

Easy to Program

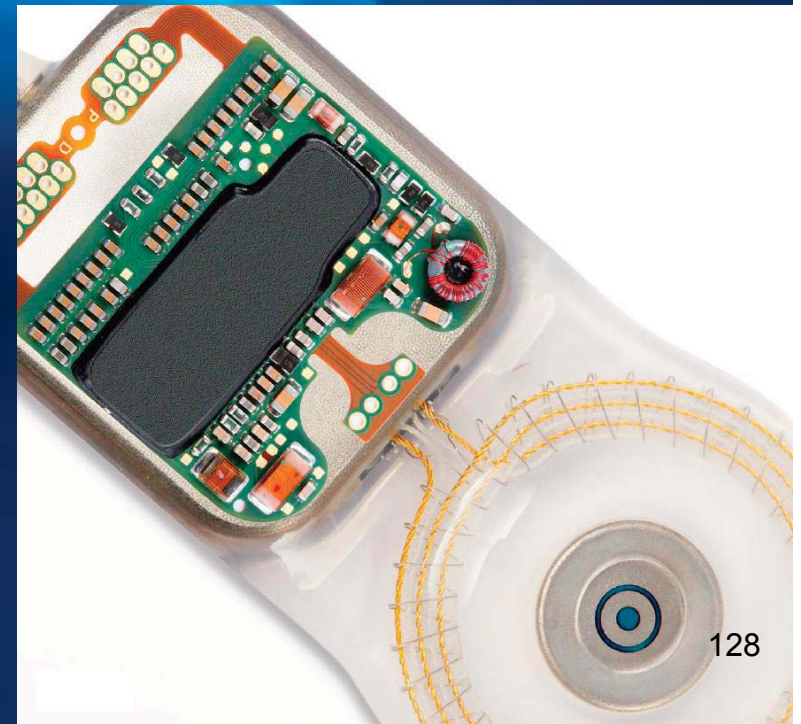
One sound processor. One Electrode. One simple fitting process.

Pending FDA approval. Not available for sale within the United States.



Sophisticated implant technology

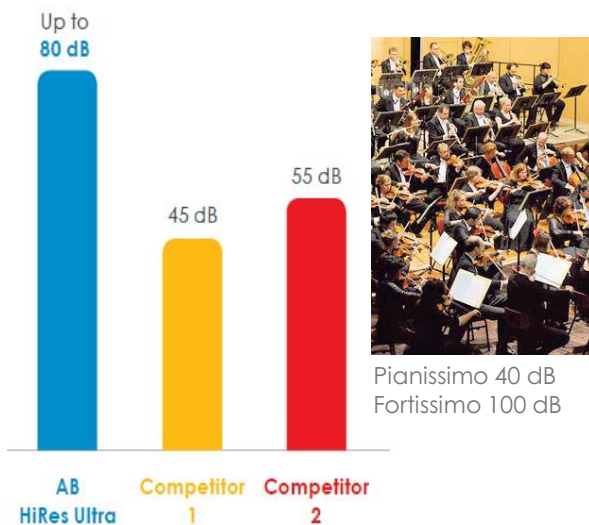
To complete Naída CI offering





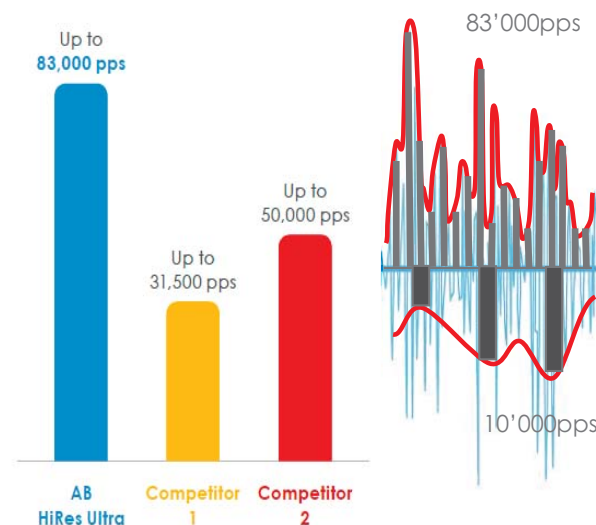
Sophisticated implant technology

The widest input dynamic range



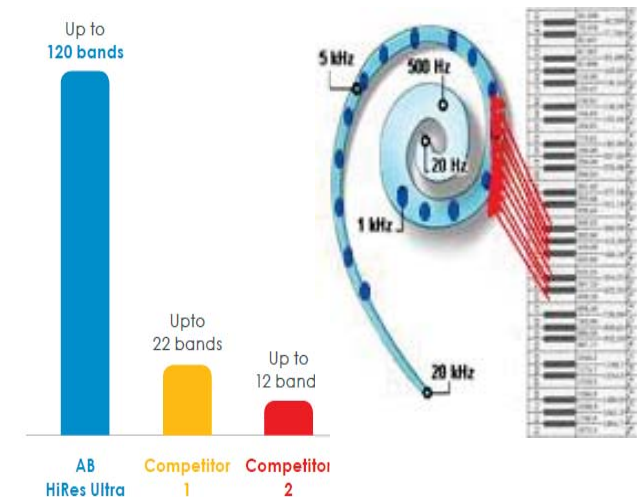
Hear soft and loud sounds,
near and far

The fastest stimulation rate



The most natural listening
experience, hearing the subtle
aspects of speech and music

The highest spectral resolution



To fully appreciate music and hear
in noisy environments

Music appreciation and natural sound experience



Best in-class a-traumatic HiFocus™ electrodes

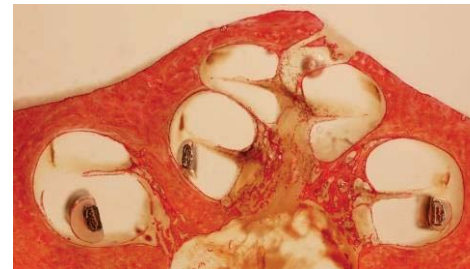


Cochlea Cross Section: Electrode position close to modiolus



HiFocus Mid Scala

- A-traumatic
- Pre-curved
- Mid Scala placement
- Off-stylet insertion
- Diameter 0.5-0.7mm
- Consistent insertion depth
- **Designed for consistent positioning in the cochlea**



Cochlea Cross Section: Electrode position at lateral wall



HiFocus SlimJ

- A-traumatic
- Straight and soft
- Lateral wall placement
- Soft insertion
- Diameter 0.5-0.7mm
- Insertion depth depending on cochlea size
- **Designed for ease of handling and insertion**

Maximum surgical flexibility based on clinician preference



Unleashing the potential of the adult segment

Summary



AB offers complete portfolio

Implants

- HiRes™ Technology
- HiRes™ Advantage
 - HiRes™ Ultra



Electrodes

- A-traumatic HiFocus™ Technology
- HiFocus™ MidScala (Perimodiolar)
 - HiFocus™ SlimJ (Lateral Wall)



Processors

- Phonak sound processing
- Under-water hearing
- Naída CI (BTE)
 - with Acoustic Amplification
 - Neptune (Off-the-ear)



Connectivity

- 2.4 GHz proprietary technology
- Roger™
 - Remote Mic
 - TV Link
 - DECT and Smartphone



Second Ear

- Binaural VoiceStream™ Technology
- Naída Link (some hearing in opposite ear)
 - Naída Link CROS (no hearing in opposite ear)
 - Naída CI Bilateral



Customizable solutions to fit diverse needs



The AB – Phonak Naída platform

The adult hearing journey – Diverse and non-linear



William



Jill



Carrie

- Maximizing performance
- Full access to sound
- Consistent performance in quiet and noise
- Customization for the clinical population
- Customization for changing patient needs
- Most efficient clinical workflows



Nadine



HI HI



Link



Q90
EAS



Link



Q90



Q90
EAS Q90



Q90 Q90

-> CI candidate

Adult hearing journey



severe severe



severe profound
(low freq hearing)



severe profound
(no hearing)



profound
(low freq hearing) profound
(no hearing)



profound
(no hearing) profound
(no hearing)

Naída – Optimized and customized solution for every recipient



The AB – Phonak Naída platform

Unleashing the potential of 2 million Phonak Naída hearing aid users

Market potential

Market p.a.

Phonak Naída
hearing aid users

Of which
potential CI
candidates

CI implants

~2'000'000

>150'000

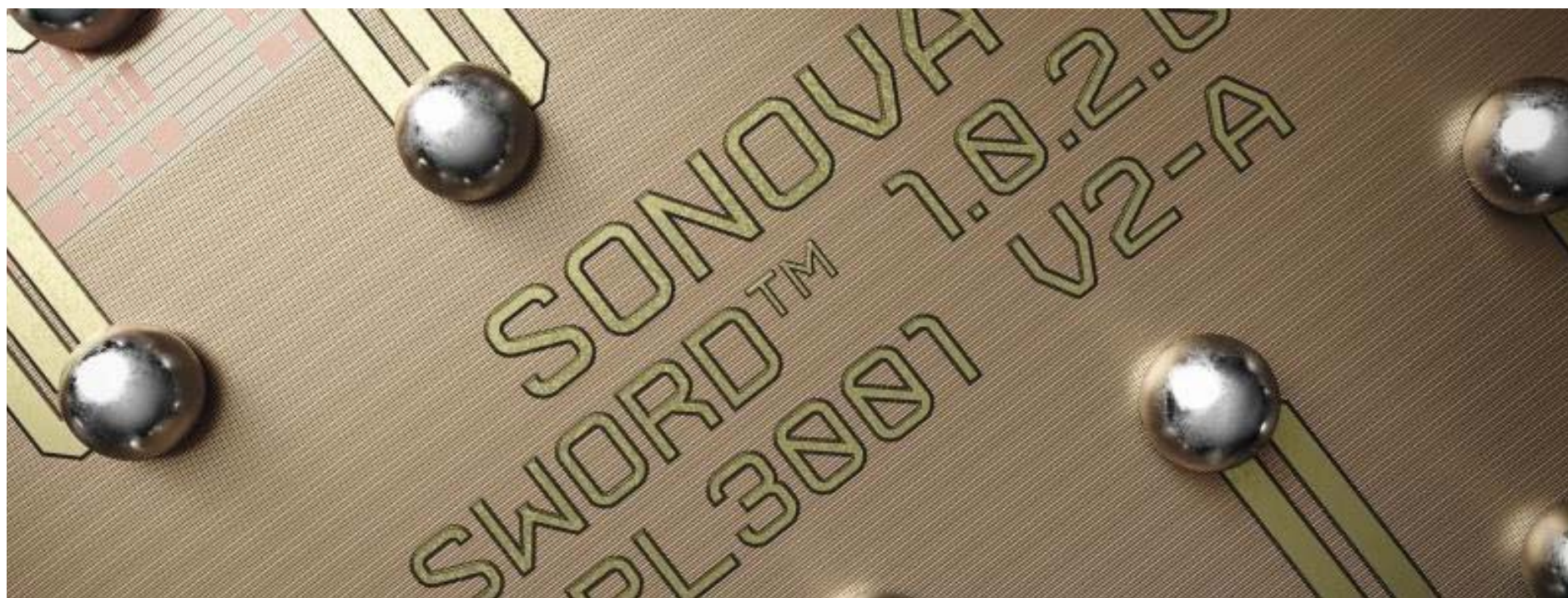
~60'000



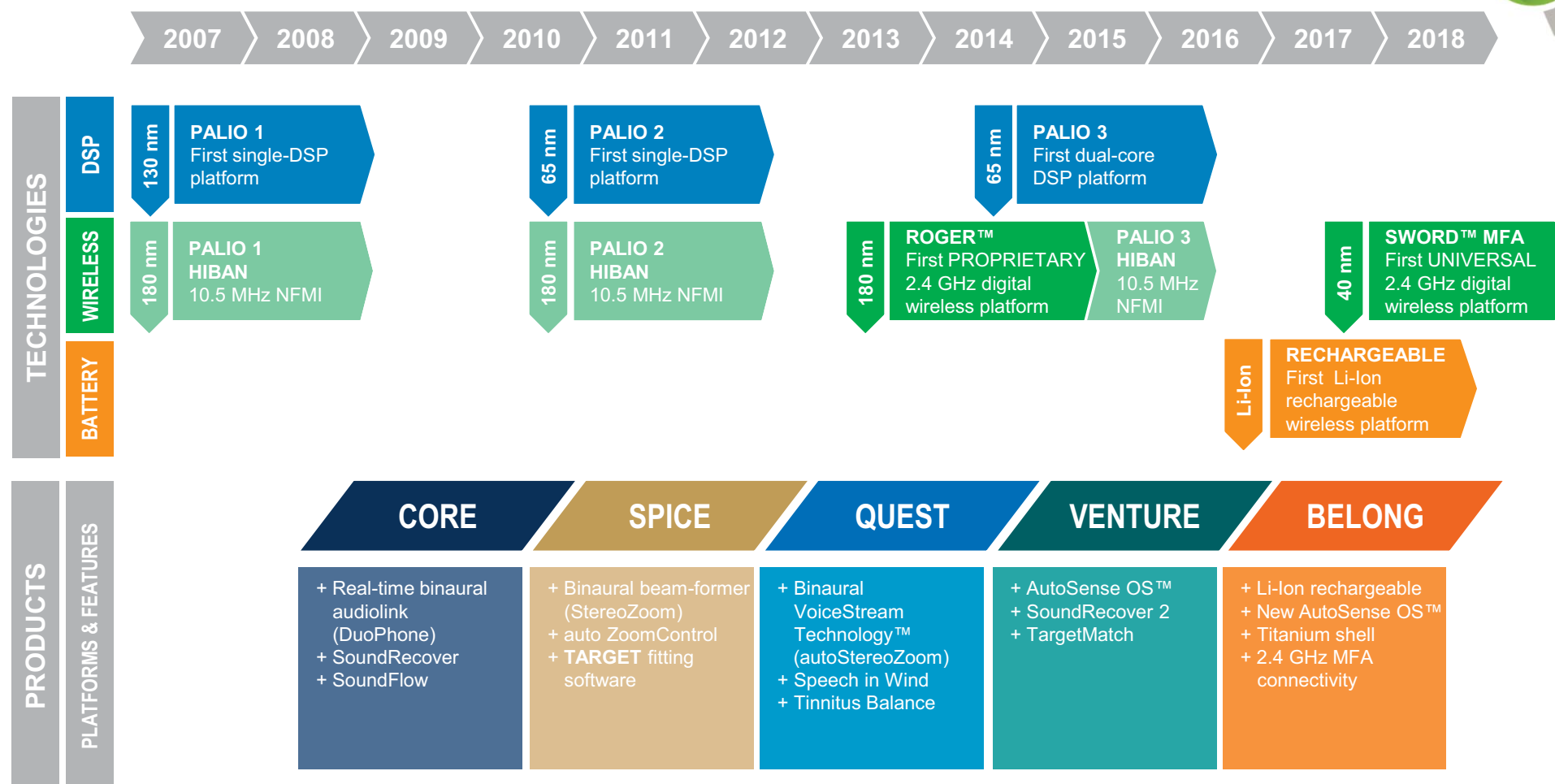
Over 150k Phonak Naída hearing aid users are potential CI candidates

Summary and Q&A

Stäfa, Switzerland | October 17, 2017



Breakthrough products & technologies – Setting industry standards



Phonak – Pioneer in hearing instruments for 70 years

Leading the way into the future digital and connected world of hearing



Upcoming events

Important dates

13 Nov 2017	Half-Year Results 2017/18 and conference call
14-22 Nov 2017	Roadshow Half-Year Results 2017/18
April 2018	Investor Call AudiologyNow!
22 May 2018	Publication Full-Year Results 2017/18
23-31 May 2018	Roadshow Full-Year Results 2017/18
12 Jun 2018	Annual General Meeting