Full Year 2020/21

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Strengthening our market position in a challenging year

- **Sustained positive momentum** during the recovery, resulting in strong 2H sales and FY earnings growth
- **Continued market share gains in HI**, reflecting strong execution and success of Phonak Paradise
- **CI business rebounding** towards the year-end, supported by innovative product launches
- **Stepped up growth investments** despite the short-term challenges from the COVID-19 pandemic
- Return to **cash dividends and share buyback**
- **Well positioned to participate in the recovery**, expecting significant growth in FY 2021/22

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Key highlights

Sales

CHF 2,602m

-6.8% in LC
(2H: +6.6% in LC)

EPS (adj.)

CHF 7.71 per share

+4.3% in CHF

Sales outlook

+24-28%

growth in LC
in FY 2021/22

EBITA (adj.)

CHF 603m

+5.6% in LC
(2H: +33.6% in LC)

Innovation

Phonak Paradise

successful launch &
market share gains

EBITA outlook

+34-42%*

growth in LC
in FY 2021/22

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

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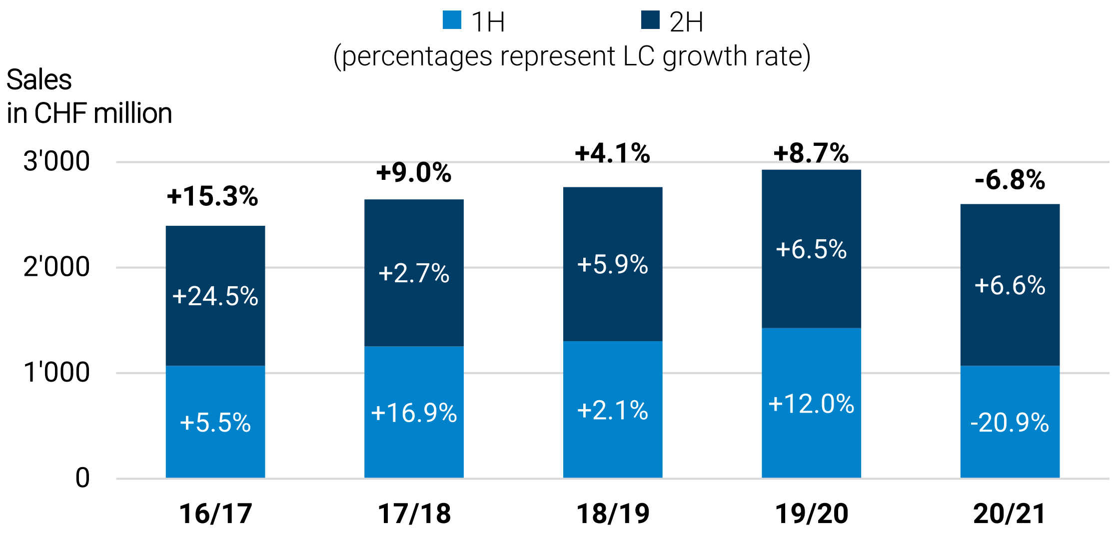
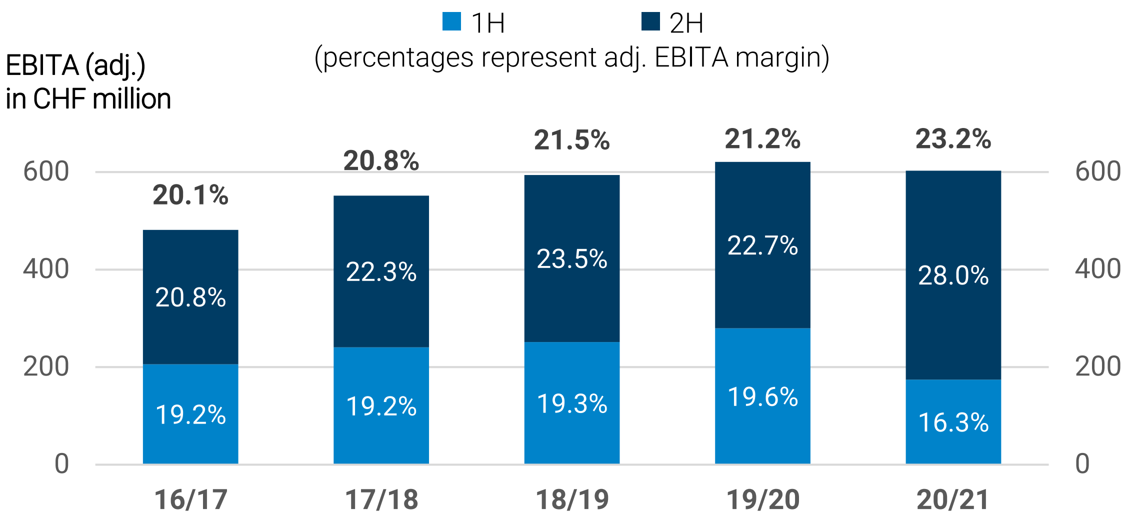
Performance history





	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Sales growth reported	+15.6%	+10.4%	+4.4%	+5.6%	-10.8%
Sales growth in LC	+15.3%	+9.0%	+4.1%	+8.7%	-6.8%
Organic sales growth in LC	+4.3%	+3.8%	+4.9%	+8.1%	-7.1%
EBITA Margin (adj.)	20.1%	20.8%	21.5%	21.2%	23.2%

► Solid growth in recent years with FY 2020/21 affected by COVID – Strong margin progression despite FX

Sonova's strategy

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Strategic pillars

Lead innovation in audiological performance & consumer experience

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

Expand and optimize **omni-channel audiological care network**

Continuous **process improvement & structural optimization**

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

Invest in **high growth developing markets**

► Our strategy remains unchanged and has proven to be effective throughout the COVID-19 pandemic

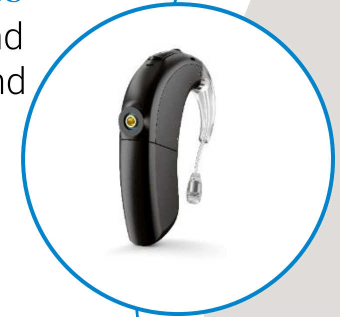
Lead innovation

Our most recent product launches

Phonak
Audéo™ Paradise
2Q 20/21

Unitron
BLU platform
1Q 21/22

Advanced Bionics
Naída™ CI Marvel and Sky CI™ Marvel sound processors
3Q 20/21

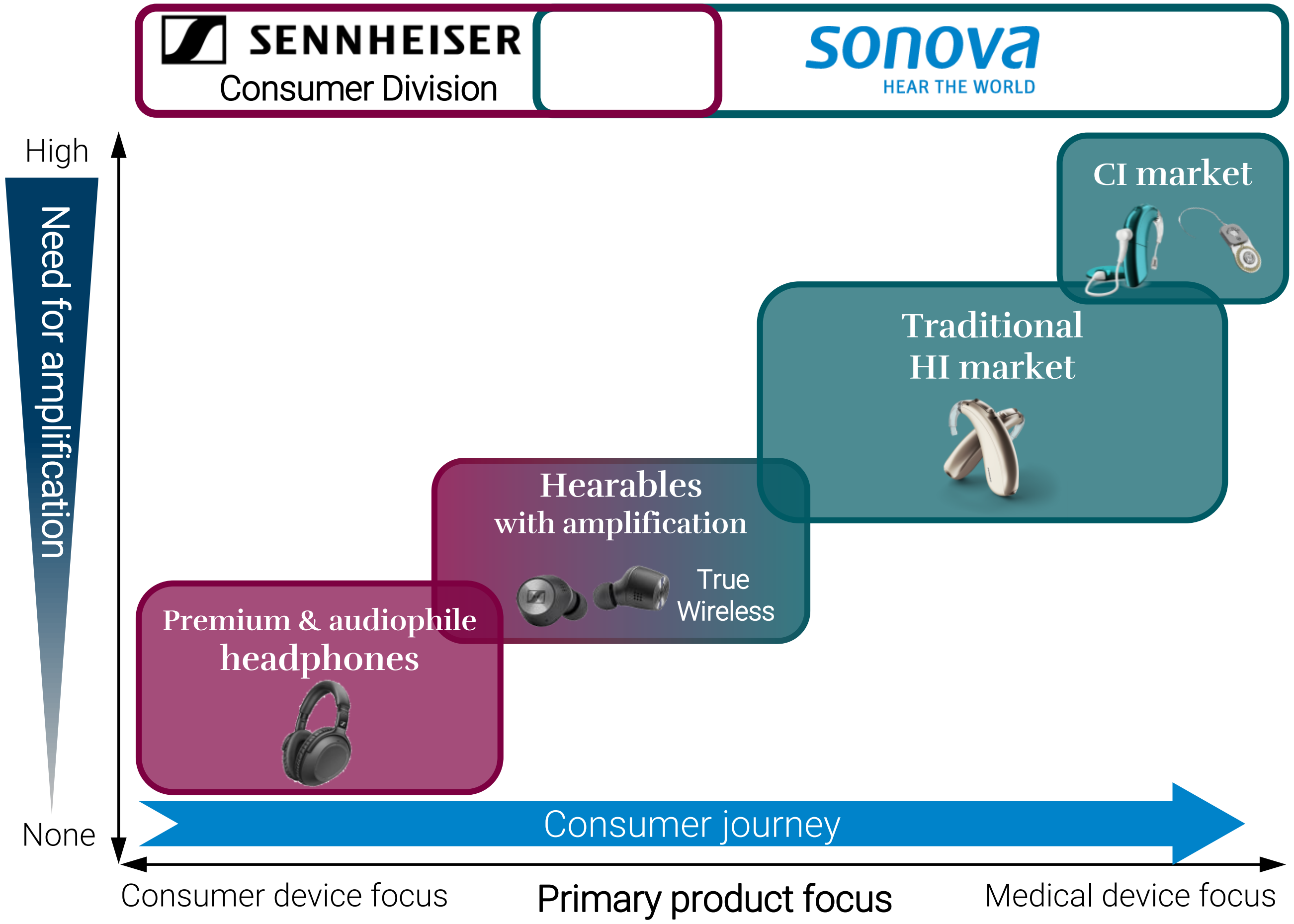


Hansaton
STRATOS platform
1Q 21/22

Leverage M&A to accelerate growth strategically

Strategic rationale of the Sennheiser Consumer Division acquisition

- Joining forces in rapidly developing segment of **hearables with amplification**, jump-starting Sonova's own efforts
- Adding an **additional growth vector** by entering the fast-growing market of True Wireless headsets
- Expanding reach by capturing potential hearing instrument consumers **earlier on their journey**
- Gaining **access to new channels** and leveraging the strong Sennheiser brand
- **Leveraging the combined strengths** of Sonova's audiological expertise and Sennheiser's know-how in premium sound delivery
- Exploiting **significant synergies** in production, R&D and channel access



▶ Expanding Sonova's reach along the consumer journey leveraging Sennheiser's well established platform

Note: The acquisition remains subject to regulatory approval and other conditions; it is not reflected in the FY 2021/22 guidance

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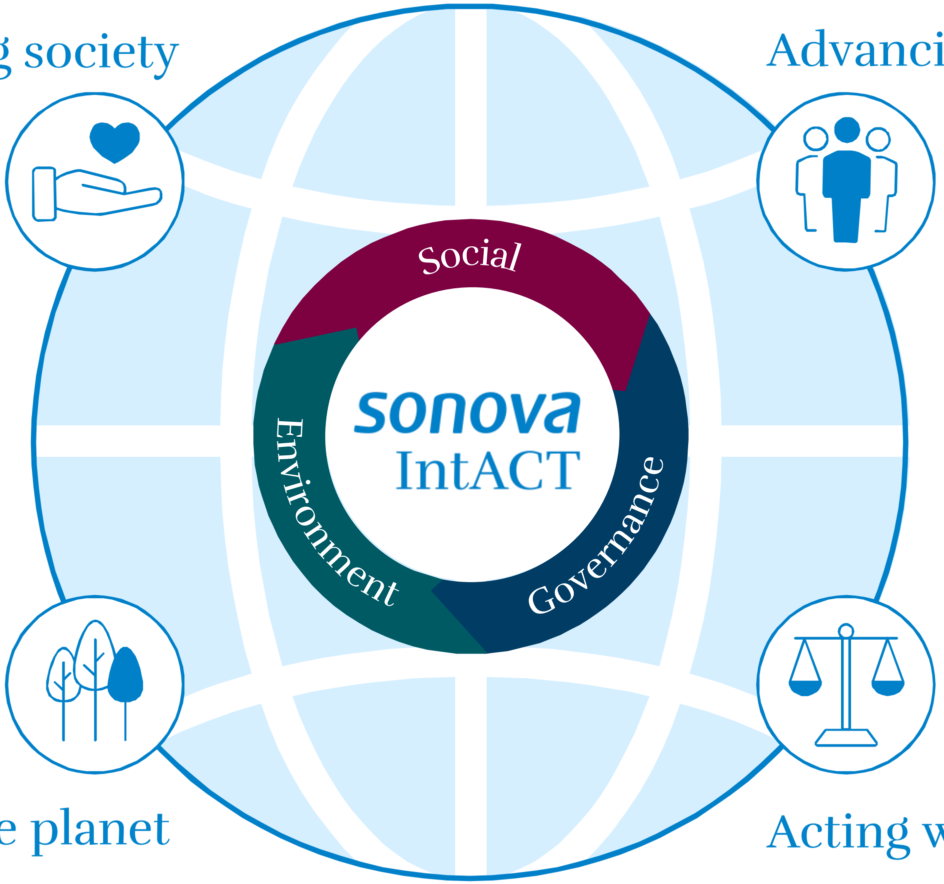
IntACT – Sonova's ESG Strategy

Serving society

We constantly innovate in hearing health care, improve access for people in under-served areas and engage actively with our communities.

Advancing our people

We foster our employees' development, well-being and engagement in an inclusive work environment that embraces diversity.



We drive the transition to a resource-efficient and low-carbon future of our operations throughout the lifecycle of our products and services.

Protecting the planet

We behave ethically and apply the highest quality and safety standards to everything we do.

Acting with integrity

► Advanced ESG strategy clustered around four strategic areas

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Elevated ESG commitments for Sonova

We increase our **support for children** through the **Hear the World Foundation** by 10% YOY

We strive for **40% women in key positions** by 2025

We **train and certify 250 HCPs in low- and middle-income countries** through the SIHA 12-month HCP program by 2022

We aim for >95% of employees* to have a **development plan** by 2022

*excluding job roles in production/assembly

We achieve **carbon-neutral operations** by the end of 2021

We improve the **product reliability** rate >20% YOY for HI and CI

We reduce **packaging** waste by 20% by 2023

We integrate **ESG in supply chain** risk assessments and audits

We reduce our emissions through **energy savings and the transition to renewable energy** and align our long-term targets with the ambitious **1.5°C scenario**

We implement **human rights due diligence** aligned with international frameworks and train all relevant employees by 2022

► Tangible, impactful and measurable ESG commitments

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Summary FY 2020/21

Group

- Sales of CHF 2,601.9 million down -6.8% in LC (organic -7.1%), -10.8% in CHF – growth of +6.6% in LC in 2H
- EBITA (adj.) of CHF 603.0 million, up +5.6% in LC, +33.6% in LC in 2H – structural optimization fully delivering to plan
- EBITA margin (adj.) of 23.2%, up +290bps in LC – strong margin improvement in 2H (+600bps in LC)
- EPS (adj.) up +15.5% in LC to CHF 7.71

Hearing Instruments

- Sales of CHF 1,463.9 million (-4.7% in LC) – returning to positive growth in 2H with sales up +6.1% in LC
- Successful launch of Phonak Paradise platform – strong market response driving broad-based market share gains
- Advancing excellence in commercial execution to drive sustained market outperformance and profitable growth

Audiological Care

- Sales of CHF 953.5 million (-8.1% in LC) – good momentum in 2H with sales up +6.9% in LC
- Advancing omni-channel strategy – stepping up online lead generation while entering new markets and channels
- Network streamlining on track – combining store locations to improve efficiency while protecting sales

Cochlear Implants

- Sales of CHF 184.5 million (-15.9% in LC) – strong recovery towards year-end supported by new processor launches
- Strong headwind from COVID-19 pandemic and residual impact from Feb 2020 voluntary field corrective action
- Good initial market response from launch of Naída™ CI Marvel for adults and Sky CI™ Marvel sound processors

► Returning to growth in 2H – Strong margin expansion while maintaining high level of growth investments

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

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Key financials – As reported and adjusted

	FY 2019/20		FY 2020/21			
	CHF m	Margin	CHF m	Margin	Δ % in CHF	Δ % in LC
Sales (reported)	2,916.9		2,601.9		-10.8%	-6.8%
Gross profit (adj.)	2,106.9	72.0%	1,880.2	72.3%	-10.8%	-6.4%
OPEX (adj.)	1,486.2		1,277.1		-14.1%	-11.4%
EBITA (adj.)	620.8	21.2%	603.0	23.2%	-2.9%	+5.6%
Adjustments	-66.4		60.3			
EBITA (reported)	554.3	19.0%	663.3	25.5%	+19.7%	+30.5%
EPS (adj. in CHF)	7.39		7.71		+4.3%	+15.5%
EPS (reported in CHF)	7.61		9.23		+21.3%	+33.7%
Operating free cash flow (reported)	638.5		602.4		-5.7%	
ROCE (reported)	18.2%		22.3%			

► Sustained market share gains – Strong profitability and solid cash flow despite FX and COVID-19 headwind

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

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Key financials – As reported and adjusted

in CHF million	FY 2020/21 Reported	Adjustments: 1 HI segment	2 CI segment	3 Other	Total	FY 2020/21 Adjusted
Sales	**2,601.9**	**-**	**-**	**-**	**-**	**2,601.9**
Cost of sales	-728.3	5.5	1.1	-	6.6	-721.7
Gross profit	**1,873.5**	**5.5**	**1.1**	**-**	**6.6**	**1,880.2**
Research & Development	*-203.9*	*0.5*	*25.5*	-	*26.0*	*-177.9*
Sales & Marketing	*-881.2*	*22.1*	*0.5*	-	*22.6*	*-858.6*
General & Administration	*-250.9*	*8.3*	*0.6*	-	*8.9*	*-242.0*
Other income/(expenses)	*125.8*	-	*-124.4*	-	*-124.4*	*1.4*
Total OPEX	-1,210.3	31.0	-97.8	-	-66.9	-1,277.1
EBITA	**663.3**	**36.5**	**-96.7**	**-**	**-60.3**	**603.0**
EPS (in CHF)	**9.23**	**0.46**	**-1.54**	**-0.45**	**-1.53**	**7.71**

1 **HI segment:** restructuring costs (CHF 36.5 million) related to further improving the operating structure and AC streamlining

2 **CI segment:** restructuring costs (CHF 2.3 million), award in patent infringement lawsuit to AB (CHF 124.4 million) and impairment of capitalized development costs (CHF 25.3 million)

3 **Other:** positive transition impacts from the Swiss tax reform (CHF 28.0 million)

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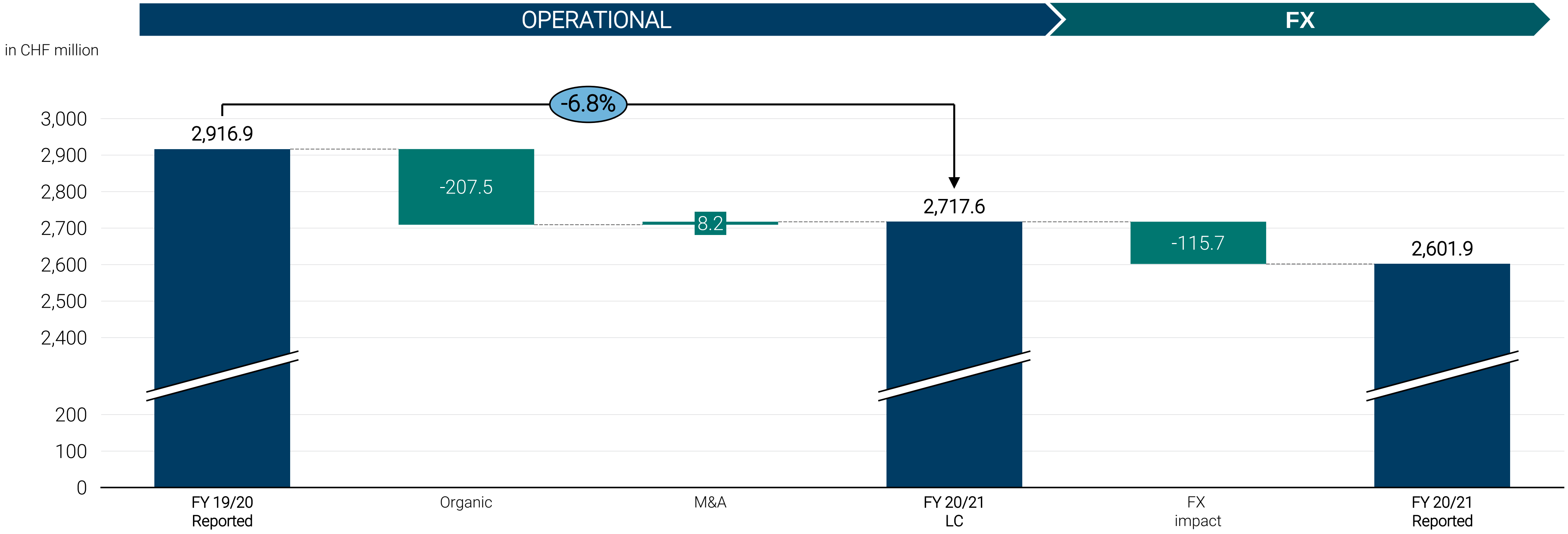
Sales Components



Growth components	-7.1%	+0.3%	**-6.8%**	-4.0%	**-10.8%**

► Solid sales momentum in light of market headwinds – Sustained market outperformance

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Reported sales by regions and key markets – Half-year view

	1H 2020/21		2H 2020/21		FY 2020/21	
	CHF m	Δ % in LC	CHF m	Δ % in LC	CHF m	Δ % in LC
EMEA	572.9	-19.1%	843.7	+5.9%	1'416.6	-6.0%
USA	302.3	-26.0%	429.9	+3.8%	732.2	-10.8%
Americas (excl. USA)	71.7	-26.7%	106.4	+7.4%	178.2	-9.7%
Asia / Pacific	122.8	-10.5%	152.2	+19.9%	275.0	+3.7%
Total Sonova	1,069.6	-20.9%	1,532.2	+6.6%	2,601.9	-6.8%

EMEA

- HI business: Solid recovery led by positive growth in FR, DE, Nordics and CH
- AC business: Good momentum in major markets in continental Europe, held back by lagging recovery in the UK and 2H slowdown in DE
- CI business: Sales supported by upgrade sales – system sales impacted by postponement of elective surgeries due to the pandemic

US

- HI business: Significant market share gains across all sales channels driven by Phonak Paradise – faster recovery with independent channel
- AC business: Dynamic recovery across the network, partially held back by temporary lockdowns in 2H
- CI business: Business affected by strict lockdowns and voluntary field corrective action – faster recovery in 4Q supported by product launch

Other

- HI business: 2H rebound in APAC led by CN, KR and NZ, development in Americas muted by impacts from the pandemic in BR, MX
- AC business: APAC lifted by strong momentum in NZ, Americas held back by lock-down in CA, partly offset by bolt-ons in BR
- CI business: Strong DD growth throughout the year in CN offsetting sharp declines in other markets

▶ Market recovery led by APAC – All regions returning to positive growth in 2H

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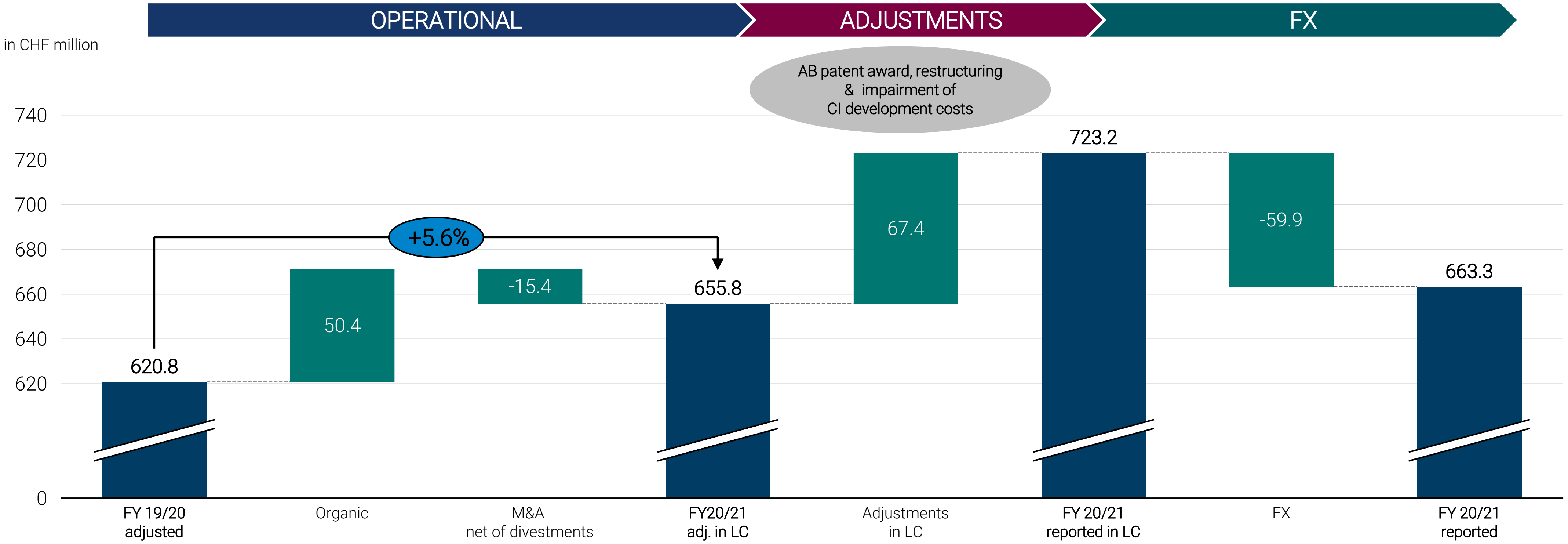
EBITA components



Margin	21.2%	+3.5%	-0.6%	24.1%	+2.5%	26.6%	-1.1%	25.5%

► Strong margin development –Increase of investments in growth initiatives & structural optimization

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

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Key financials – Half-year view

CHF m	1H 2020/21	Δ % in LC	2H 2020/21	Δ % in LC	FY 2020/21	Δ % in LC
Sales	1,069.6	-20.9%	1,532.2	+6.6%	2,601.9	-6.8%
Gross profit (adj.)	740.3	-22.0%	1,139.8	+8.0%	1,880.2	-6.4%
- Gross profit margin (adj.)	69.2%		74.4%		72.3%	
OPEX (adj.)	566.0	-19.5%	711.1	-3.6%	1,277.1	-11.4%
EBITA (adj.)	174.3	-28.5%	428.7	+33.6%	603.0	+5.6%
- EBITA margin (adj.)	16.3%		28.0%		23.2%	
- Δ EBITA margin (adj.)	-330bps	-190bps	+530bps	+600bps	+200bps	+290bps

► Returning to growth and significant profitability expansion – Structural optimizations fully delivering to plan

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

2 Hearing Instruments segment

Hearing Instruments segment

Key financials – Half-year view

	1H 2020/21			2H 2020/21			FY 2020/21		
	CHF m	Δ % in CHF	Δ % in LC	CHF m	Δ % in CHF	Δ % in LC	CHF m	Δ % in CHF	Δ % in LC
Sales	986.5	-23.8%	-19.6%	1,430.8	+2.8%	+6.5%	2,417.3	-10.0%	-6.1%
Δ organic	-256.9		-19.9%	86.0		+6.2%	-170.9		-6.4%
Δ acquisitions	3.8		+0.3%	4.3		+0.3%	8.2		+0.3%
Δ disposals	-		-	-		-	-		-
Δ FX	-54.5	-4.2%		-51.6	-3.7%		-106.1	-3.9%	

EBITA (adj.)	184.3	-32.0%	-22.6%	432.8	+24.0%	+32.2%	617.1	-0.5%	+8.3%
EBITA margin (adj.)	18.7%	-230bps	-80bps	30.2%	+510bps	+600bps	25.5%	+240bps	+350bps

- Return to growth in 2H, driven both by HI and AC business
- Structural optimization initiatives announced in June 2020 well on track with attractive payback
- Margin improvement driven by sustainable cost savings, lower COVID-related marketing and travel spend as well as 1H government support
- Additional savings from structural optimization initiatives expected in FY 2021/22

► Sustained market outperformance – Strong execution and structural optimization initiatives lift margin

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

Hearing Instruments segment

Hearing Instruments business

	1H 2020/21			2H 2020/21			FY 2020/21		
	CHF m	Δ % in CHF	Δ % in LC	CHF m	Δ % in CHF	Δ % in LC	CHF m	Δ % in CHF	Δ % in LC
Sales	607.8	-21.1%	-16.7%	856.0	+1.6%	+6.2%	1,463.9	-9.2%	-4.7%
Δ organic	-129.6		-16.8%	51.7		+6.1%	-77.8		-4.8%
Δ acquisitions	0.9		+0.1%	0.7		+0.1%	1.6		+0.1%
Δ FX	-33.8	-4.4%		-39.1	-4.6%		-72.9	-4.5%	

- Successful launch of Phonak Audéo™ Paradise platform in August 2020 supporting market share gains across channels and geographies
- Continued market outperformance driven further by progress in elevating commercial execution
- ASP lift from launches and temporary shift in channel mix – pressure from normalization and French reimbursement change towards year end
- Further market share gains in the VA, reaching highest level in over seven years in March 2021 (exit-rate)
- Renewed private label contract with large US hearing aid retailer to support growth in the US going forward
- Introduction of new platforms at Unitron and Hansaton in 1Q 2021/22, powered by the Sonova PRISM™ chip

► Market share gains across channels and geographies driven by Paradise and strong commercial execution

Hearing Instruments segment

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Audiological Care business

	1H 2020/21			2H 2020/21			FY 2020/21		
	CHF m	Δ % in CHF	Δ % in LC	CHF m	Δ % in CHF	Δ % in LC	CHF m	Δ % in CHF	Δ % in LC
Sales	378.7	-27.7%	-23.8%	574.8	+4.6%	+6.9%	953.5	-11.2%	-8.1%
Δ organic	-127.3		-24.3%	34.2		+6.2%	-93.1		-8.7%
Δ acquisitions	2.9		+0.5%	3.6		+0.7%	6.6		+0.6%
Δ disposals	-			-			-		
Δ FX	-20.7	-3.9%		-12.6	-2.3%		-33.2	-3.1%	

- Expansion of marketing efforts starting in June driving new consumer demand with increased traffic from digital lead generation
- Accelerated network streamlining on track – combing store locations to improve efficiency while protecting sales
- Advances in omni-channel strategy – expanding online lead generation, entrance into Chinese market and broader roll-out of webstores
- Step-up of M&A and greenfield openings in 2H after temporary slowdown due to the pandemic
- World of Hearing store concept further expanded – 10 stores in four markets opened by the end of FY 2020/21

► Good progress on strategic growth initiatives and solid sales performance despite impacts from COVID

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3 Cochlear Implants segment

Cochlear Implants segment

Key financials – half-year view

	1H 2020/21			2H 2020/21			FY 2020/21		
	CHF m	Δ % in CHF	Δ % in LC	CHF m	Δ % in CHF	Δ % in LC	CHF m	Δ % in CHF	Δ % in LC
Sales	83.1	-37.2%	-33.8%	101.4	+3.0%	+8.2%	184.5	-20.0%	-15.9%
Δ organic	-44.7		-33.8%	+8.1		+8.2%	--36.6		-15.9%
Δ FX	-4.4	-3.3%		-5.2	-5.2%		-9.6	-4.1%	
EBITA (adj.)	-10.1	NM	NM	-4.2	NM	NM	-14.3	NM	NM
EBITA margin (adj.)	-12.2%	NM	NM	-4.1%	NM	NM	-7.8%	NM	NM

- Development significantly restricted by reduction in the number of elective surgeries as hospitals focused on the pandemic
- Good progress in reducing impact from voluntary field corrective action through targeted customer engagement
- Launch of new sound processors based on proven Marvel technology driving interest and supporting momentum towards year-end
- Structural savings with 4% ROS benefit in product cost and OPEX, continuous improvement momentum accelerating

► Gradual improvement in sales and profitability supported by product launch and engagement initiatives

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

Cochlear Implants segment

Sales by product groups

	1H 2020/21		2H 2020/21		FY 2020/21	
	CHF m	Δ % in LC	CHF m	Δ % in LC	CHF m	Δ % in LC
Cochlear implant systems	60.6	-35.4%	68.7	+10.5%	129.3	-17.1%
Upgrades and accessories	22.5	-29.1%	32.7	+3.7%	55.2	-12.8%
Total CI segment	83.1	-33.8%	101.4	+8.2%	184.5	-15.9%

System sales

– Good sequential progress after sharp decline in 1H from pandemic headwinds and impact of voluntarily field corrective action
– YOY sales comparison in 2H distorted by returns for credit related to the voluntary field corrective action in the prior year period

Upgrade sales

– Reduced audiology counselling capacity as hospitals focused on COVID-19 patients affecting upgrade volumes throughout the year
– Introduction of two new sound processors towards the end of the period – Naída™ CI Marvel for adults and Sky CI™ Marvel for children
– CI Marvel processors based on proven Marvel technology – bringing leading sound processing and wireless connectivity to CI recipients
– Strong market reception of new sound processors by both consumers and clinicians, expected to help AB regain market share

► Sequential improvement driven by expansion in hospital capacity in 2H and launch of new sound processors

4 Financial information

Financial information

Highlights

Sales

- Sales of CHF 2,601.9 million
- Growth of -6.8% in LC (organic -7.1%), -10.8% in CHF (FX headwind: CHF 115.7 million)
- Return to growth in 2H with sales up +6.6% in LC

Profitability

- Gross profit margin (adj.) of 72.3%, margin up +60bps in LC
- EBITA (adj.) of CHF 603.0 million, up +5.6% in LC, margin up +290bps in LC and up +600bps in LC in 2H
- EPS (adj.) of CHF 7.71, up +15.5% in LC reflecting earnings growth

OpFCF

- Operating free cash flow (OpFCF) at CHF 602.4 million, down -5.7%
- YOY development in working capital distorted by pandemic-driven volatility
- Continued strong cash conversion (OpFCF/adj. EBITA) of 100%

TSR & Balance Sheet

- Dividend of CHF 3.20 proposed – up 10% vs. FY 2018/19 and representing a payout ratio of 42% (adj.)
- Board of Directors approved a new share buyback program of up to CHF 700 million for FY 2021/22
- Limited leverage (net debt/EBITDA ratio of 0.1x) providing financial flexibility

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

Financial information

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Key financials – As reported and adjusted

	FY 2019/20		FY 2020/21			
	CHF m	Margin	CHF m	Margin	Δ % in CHF	Δ % in LC
Sales (reported)	2,916.9		2,601.9		-10.8%	-6.8%
Gross profit (adj.)	2,106.9	72.0%	1,880.2	72.3%	-10.8%	-6.4%
OPEX (adj.)	1,486.2		1,277.1		-14.1%	-11.4%
EBITA (adj.)	620.8	21.2%	603.0	23.2%	-2.9%	+5.6%
Adjustments	-66.4		60.3			
EBITA (reported)	554.3	19.0%	663.3	25.5%	+19.7%	+30.5%
EPS (adj. in CHF)	7.39		7.71		+4.3%	+15.5%
EPS (reported in CHF)	7.61		9.23		+21.3%	+33.7%
Operating free cash flow (reported)	638.5		602.4		-5.7%	
ROCE (reported)	18.2%		22.3%			

► Sustained market share gains – Strong profitability and solid cash flow despite FX and COVID-19 headwind

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

Financial information

Operating expenses excluding acquisition-related amortization

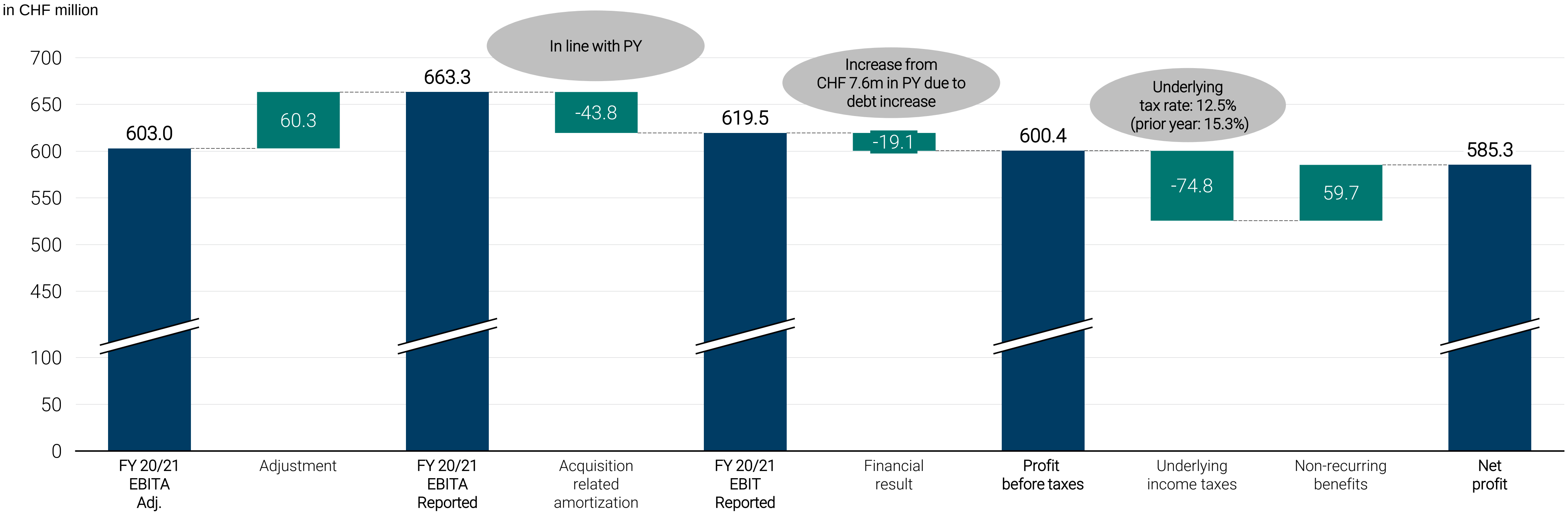
	FY 2019/20	FY 2020/21			
	CHF m	CHF m	Δ % in CHF	Δ % in LC	Comments
Research & Development (adj.) - in % of sales (adj.)	-163.2 5.6%	-177.9 6.8%	+9.0%	+10.3%	– Increased level of investment in innovation despite COVID – Earn out expenses from recent technology acquisition
Sales & Marketing (adj.) - in % of sales (adj.)	-1,023.8 35.0%	-858.6 33.0%	-16.1%	-13.0%	– Increased investment in customer-facing resources – Otherwise strict cost control and COVID-related savings – Benefits from structural initiatives, in particular in AC
General & Administration (adj.) - in % of sales (adj.)	-299.3 10.2%	-242.0 9.3%	-19.1%	-16.6%	– Ongoing investment in IT platform for AC business – Benefits from ongoing back office consolidation – Release of bad debt provision (CHF 16.3 million), largely offset by higher legal provisions
Other income/expenses (adj.)	0.1	1.4	n/a	n/a	
Total OPEX (adj.) - in % of sales (adj.)	**-1,486.2** 50.8%	**-1,277.1** 49.1%	**-14.1%**	**-11.4%**	– Government support of CHF 42.5 million, largely in 1H
Adjustments	-43.1	66.9			– FY 2019/20: restructuring and voluntary field action – FY 2020/21: restructuring, AB award and impairment of capitalized development costs
Total OPEX (reported) - in % of sales (reported)	**-1,529.3** 52.4%	**-1,210.3** 46.5%	**-20.9%**	**-18.8%**	

► Strict cost control and benefits from optimization initiatives supporting sustained investments in growth

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

Financial information

Reported results and income taxes



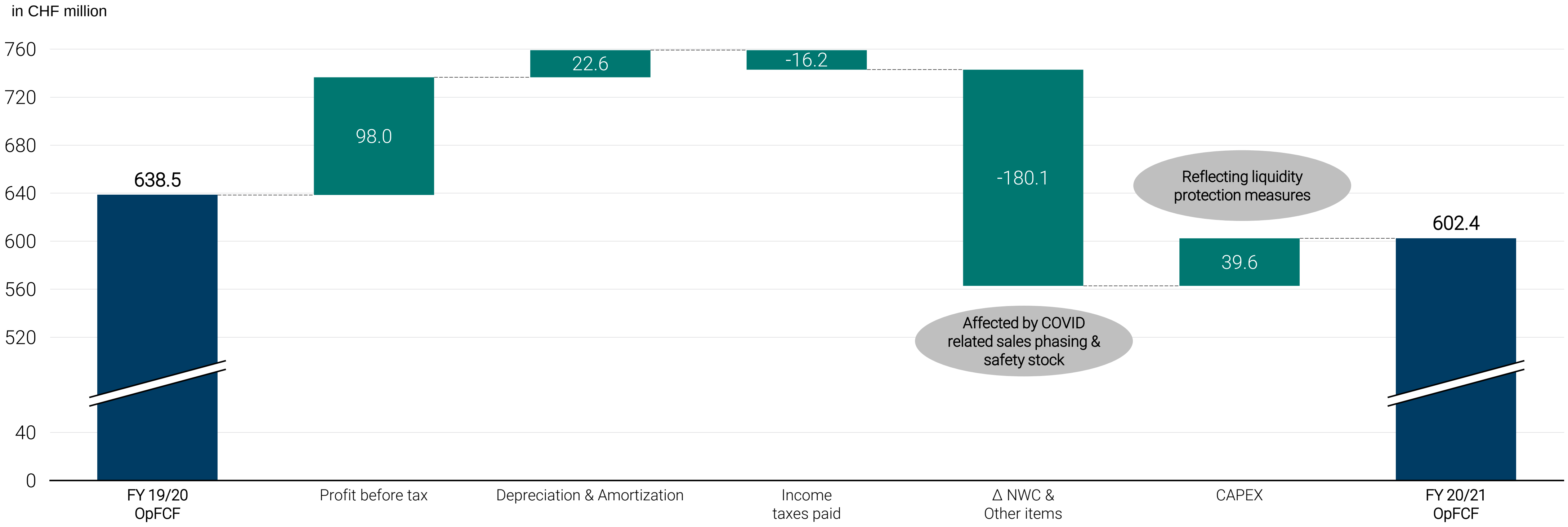
Margin	23.2%	25.5%	23.8%	23.1%	22.5%
Δ YOY	+200bps	+660bps	+630bps	+590bps	+570bps

► Positive impact from AB patent infringement award and transition impact from Swiss tax reform

Note: adj. refers to figures adjusted for restructuring costs, an award in patent infringement lawsuit to AB and an impairment of capitalized development costs in the CI segment

Financial information

Operating free cash flow (OpFCF)



Growth components	+15.3%	+3.5%	-2.5%	-28.2%	+6.2%	-5.7%

► NWC change distorted by pandemic-driven volatility – Strong cash conversion (OpFCF/adj. EBITA) of 100%

Financial information

Balance sheet

CHF m	31 Mar 2020	31 Mar 2021	Comments
Days sales outstanding (DSO)	56	56	– Strong collection management throughout the pandemic
Days inventory outstanding (DIO)	133	154	– Targeted stock increases to mitigate supply chain risks
Capital employed	2,692.5	2,855.7	– Higher receivables due to strong March vs. PY – Increased safety stock
ROCE (reported)	18.2%	22.3%	– Improvement driven by operating performance and AB patent infringement award
Net debt	663.0	83.3	– Driven by solid cash flow – Supported by suspension of cash dividend and SBB
Net debt/EBITDA	0.8x	0.1x	

► Strong balance sheet provides strategic flexibility

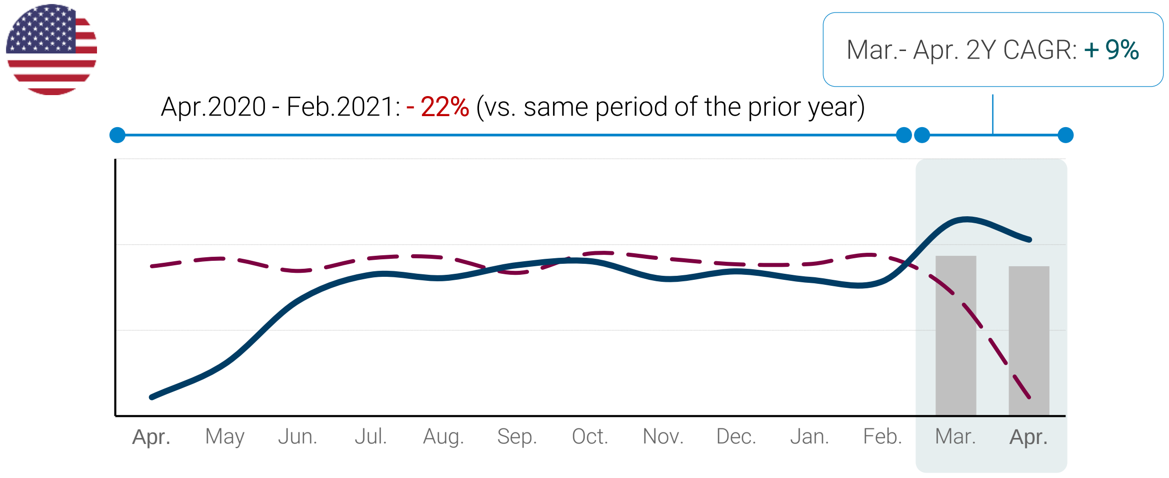
Note: DSO and DIO calculated on a 90 day basis

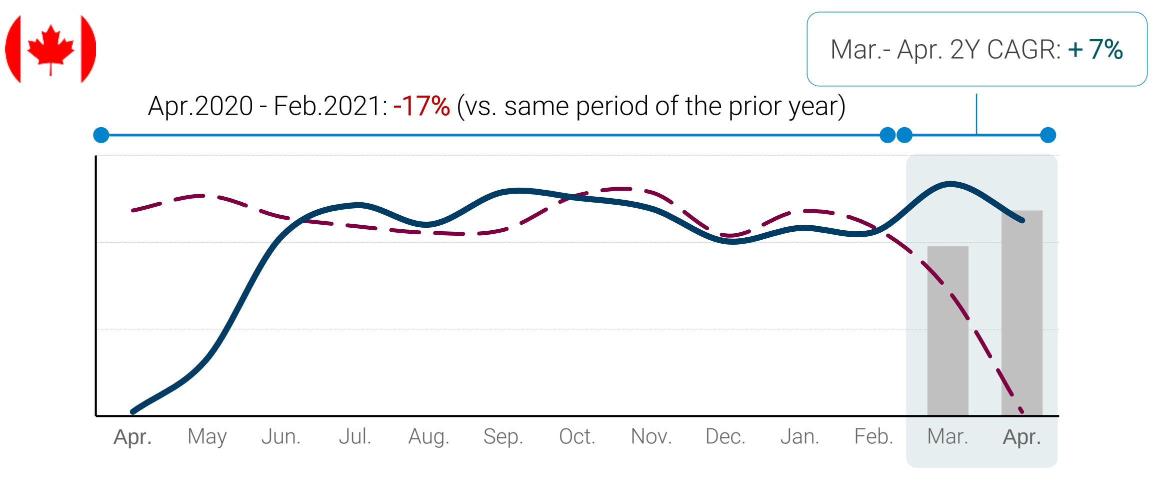
5 Outlook

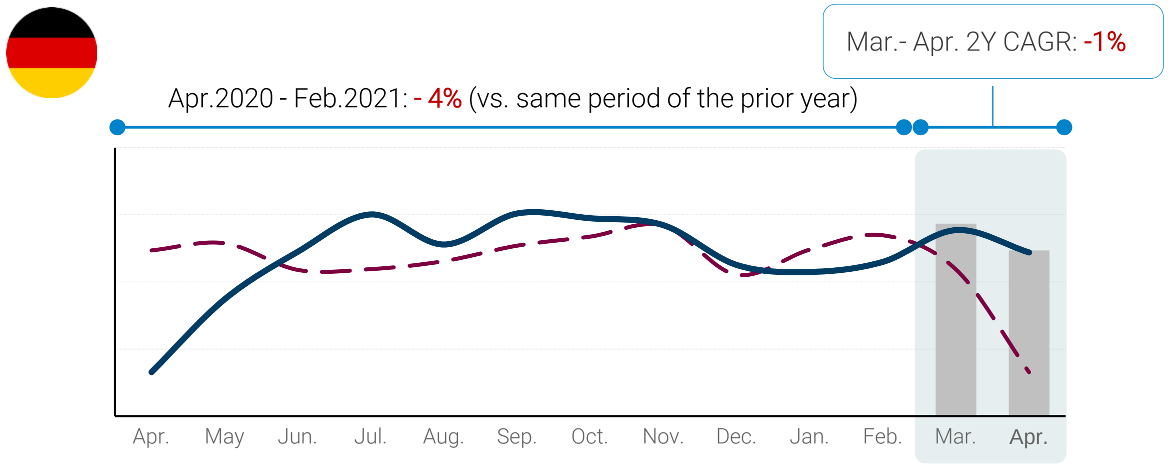
Outlook

Monthly unit market development and short-term trends

Actual — Same period of the prior year — 2019







- Overall situation still remains dynamic
- Strong rebound in several major markets in March, supported by pent-up demand and benefiting from vaccinations
- Strong unit growth in FR in YTD 2021, driven by reimbursement change
- Commercial market leading the recovery
- Some large markets (e.g. UK) are lagging as more restrictive lockdown measures are persisting longer

▶ Recovery underway, supported by vaccination programs – Strong base effect starting in March 2021

Source: Official Industry Reports (HIA, CAEA, BVHI)

Outlook

Guidance and mid-term target

	Actual FY 2020/21	Guidance FY 2021/22	Mid-term Target
Sales growth in LC	-6.8%	+24% to +28%	+5% to +7% p.a.
adj. EBITA growth in LC	+5.6%	+34% to +42%	+7% to +11% p.a.

Considerations for FY 2021/22

- Guidance assumes further market normalization, supported by progress of vaccination programs in major developed markets
- The outlook builds on the strong momentum and sustained market share gains in the past two years
- Sales growth expected to be skewed towards 1H 2021/22, reflecting significant sales decline in 1H 2020/21
- Strong YOY margin improvement expected in 1H from compounding benefit of significantly higher sales and structural improvements
- Resilience of consumer demand coupled with release of pent-up demand expected to support the market recovery
- The impact of the acquisition of the Sennheiser Consumer Division is not yet reflected in the guidance
- Reflecting May 2021 FX rates, reported sales and EBITA growth are expected to be lifted by 2 and 4 %-pts respectively in FY 2021/22

► Further sales recovery expected, supported by pent-up demand – Strong fall-through on profitability

Outlook

Total shareholder return (TSR) – Cash deployment strategy

Sonova TSR strategy

1. Acquisitions
- Acceleration of bolt-on acquisitions – CHF 70-100 million p.a.
- Strategic and technology acquisitions

2. Attractive dividend
- Restarting cash dividends worth more than CHF 200 million
- Maintain payout ratio of around 40%

3. Healthy balance sheet
- Preserving financial and strategic flexibility

4. Share buyback program
- Restarting buyback program
- Targeting up to CHF 700 million in FY 2021/22

► TSR strategy aimed at creating shareholder value – Re-initiation of share buyback program decided

Birgit Conix

Management change

Recent career

- Joined Sonova on May 1, 2021
- 2018-2021: Group CFO and member of the Executive Board of TUI AG, a global leader in tourism
- 2013-2018: Group CFO of Belgian media, cable and telecommunications group Telenet Group N.V.
- 2011-2013: Regional CFO for Western Europe at Dutch brewing company Heineken N.V.
- 1996-2011: Various leadership positions in finance, strategy and business operations in the pharmaceuticals and medical devices business units at Johnson & Johnson

Education

- MBA from the University of Chicago Booth School of Business, USA
- Master of Science in Business Economics from the University of Tilburg, Netherlands

► Birgit Conix will succeed Hartwig Grevener as CFO of Sonova after the AGM in June 2021

6

Q&A

Thank you!

7 Appendix

Appendix

Non-GAAP adjustments

Adjustments for (in CHF m):	2019/20 1H	2019/20 2H	2019/20 FY	2020/21 1H	2020/21 2H	2020/21 FY
Restructuring	15.5	3.1	18.6	21.9	16.9	38.8
thereof HI segment	*15.5*	*3.1*	*18.6*	*20.8*	15.7	36.5
thereof CI segment	-	-	-	*1.1*	*1.2*	*2.3*
Patent infringement lawsuit	-	-	-	-99.0	-25.4	-124.4
Impairment of capitalized development costs	-	-	-	-	25.3	25.3
Voluntary field corrective action	-	47.8	47.8	-	-	-
Total adjustments to EBITA	15.5	51.9	66.4	-77.1	16.8	-60.3
Swiss tax reform (affecting net profit and EPS)	-154.3	90.2	-64.1	-	-28.0	-28.0

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

► Net effect of EBITA adjustments over two years neutral – Transitional effect of Swiss tax reform on EPS

Appendix

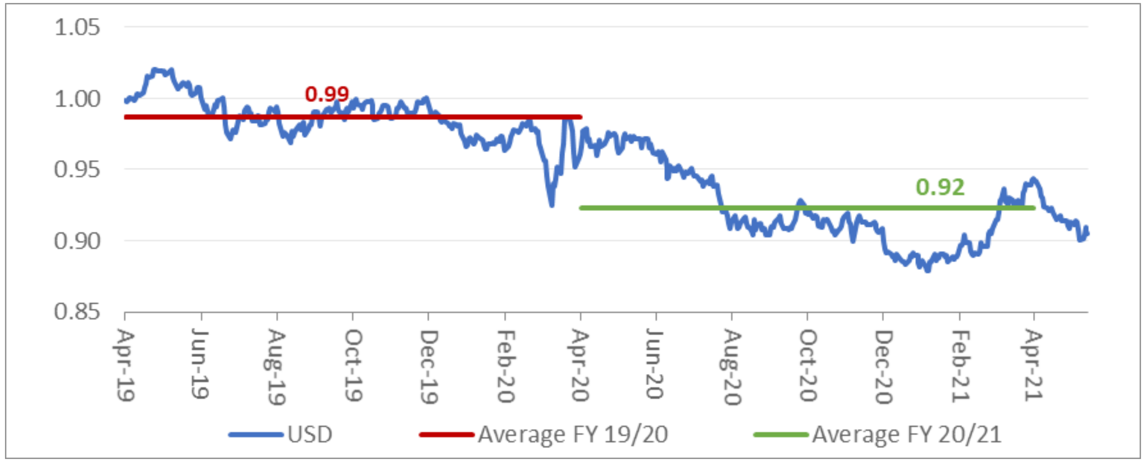
Sonova Group – Half-year view

	1H 2020/21			2H 2020/21			FY 2020/21		
	CHF m	Δ % in CHF	Δ % in LC	CHF m	Δ % in CHF	Δ % in LC	CHF m	Δ % in CHF	Δ % in LC
HI segment	986.5	-23.8%	-19.6%	1,430.8	+2.8%	+6.5%	2,417.3	-10.0%	-6.1%
CI segment	83.1	-37.2%	-33.8%	101.4	+3.0%	+8.2%	184.5	-20.0%	-15.9%
Total Sonova	**1,069.6**	**-25.0%**	**-20.9%**	**1,532.2**	**+2.8%**	**+6.6%**	**2,601.9**	**-10.8%**	**-6.8%**
Δ organic	-301.6		-21.1%	94.1		+6.3%	-207.5		-7.1%
Δ acquisitions	3.8		+0.3%	4.3		+0.3%	8.2		+0.3%
Δ disposals	-			-		-	-		-
Δ FX	-58.9	-4.1%		-56.8	-3.8%		-115.7	-4.0%	

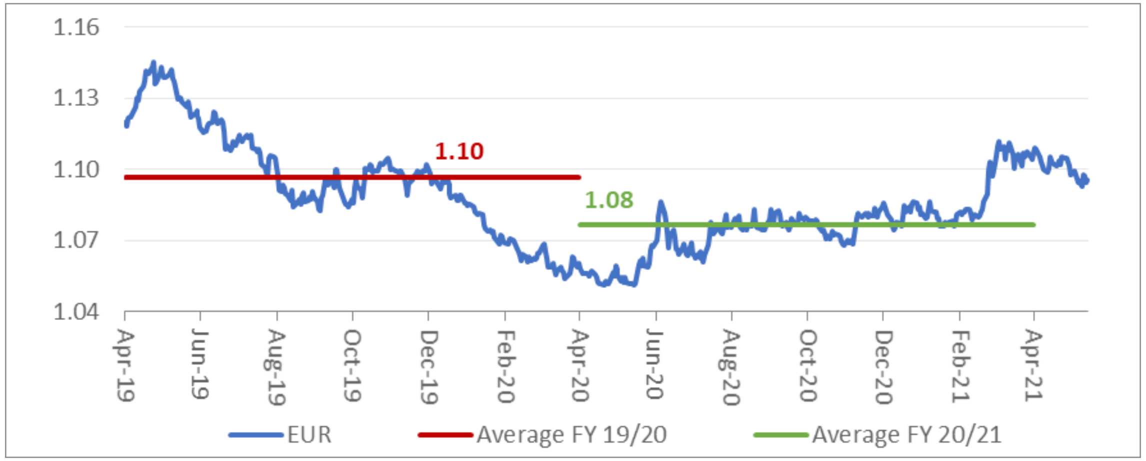
Appendix

Sonova Group – FX impact on sales and margins

USD/CHF



EUR/CHF

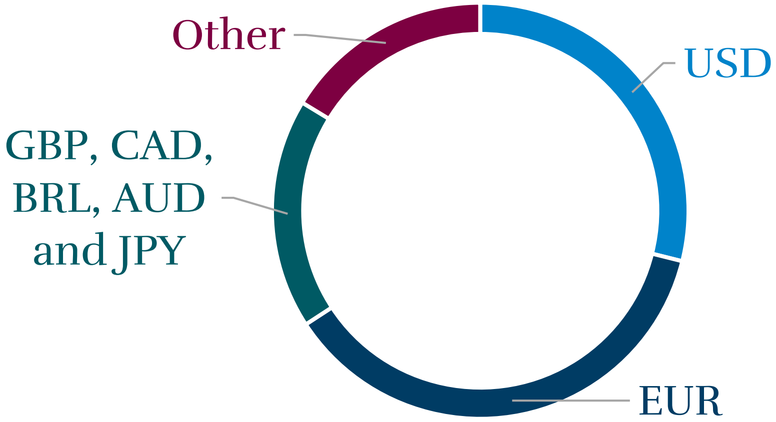


	Rate	Sales	EBITA
USD/CHF	+/- 5%	+/- CHF 49 million	+/- CHF 19 million
EUR/CHF	+/- 5%	+/- CHF 63 million	+/- CHF 30 million

▶ USD and EUR account for roughly two thirds of the overall FX exposure

Appendix

Sonova Group – FX impact on sales and margins



	FY-19/20	1H-20/21	2H-20/21	FY-20/21	Effect FY-20/21	Spot May-2021
USD	0.99	0.94	0.90	0.92	–	0.90
EUR	1.10	1.07	1.08	1.08	–	1.10
GBP	1.25	1.19	1.22	1.21	–	1.27
CAD	0.74	0.69	0.70	0.70	–	0.75
AUD	0.67	0.65	0.68	0.66	–	0.70
BRL	0.24	0.18	0.17	0.17	–	0.17
JPY 100	0.91	0.88	0.86	0.87	–	0.83

► Seven main currencies account for over 80% of Group sales