Investor Presentation

September 2021

Disclaimer

This presentation contains forward-looking statements, which offer no guarantee with regard to future performance. These statements are made on the basis of management's views and assumptions regarding future events and business performance at the time the statements are made. They are subject to risks and uncertainties including, but not confined to, future global economic conditions, exchange rates, legal provisions, market conditions, activities by competitors and other factors outside Sonova's control. Should one or more of these risks or uncertainties materialize or should underlying assumptions prove incorrect, actual outcomes may vary materially from those forecasted or expected. Each forward-looking statement speaks only as of the date of the particular statement, and Sonova undertakes no obligation to publicly update or revise any forward-looking statements, except as required by law.

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.

I

Sonova Group & hearing care market

Sonova Group

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

Sonova Group

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

Sonova Group

Reasons to invest in Sonova

ATTRACTIVE MARKET

- Attractive secular growth drivers
- Low penetration rate in both HI & CI
- Relative resilience to economic cycles
- Continued potential to innovate “Better Hearing”
- Opportunity to elevate hearing aids
  to become a “healthy living companion”

LEADING MARKET POSITION

- Leading positions in key market segments
- Unique vertically integrated business model
- Broadest most advanced product offering
- Global and differentiated distribution network

STRONG FINANCIALS

- Attractive margin with further upside
- Strong balance sheet
- Solid free cash flow and low tax rate
- Proactive and agile cost management

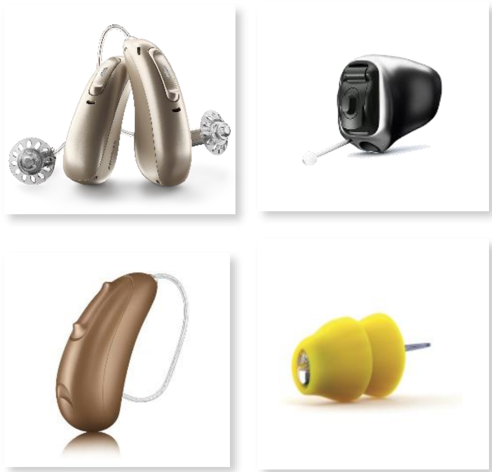
► **Strong fundamentals and attractive growth potential remain intact**

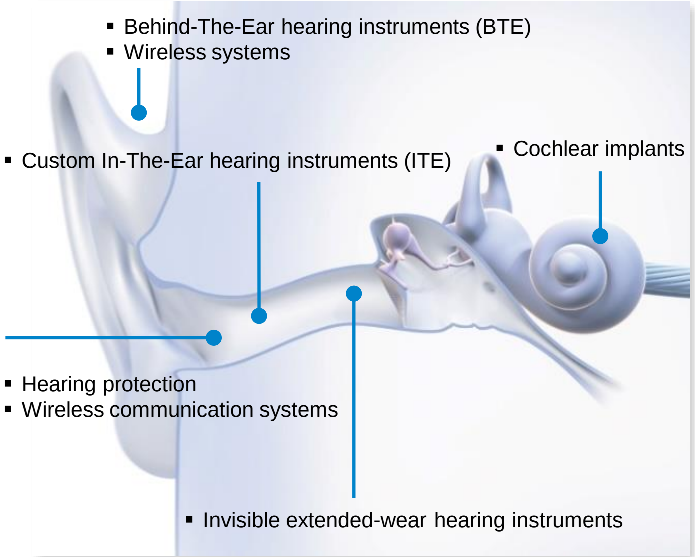
Sonova Group

sonova
HEAR THE WORLD

Broadest and most advanced hearing care product offering

Hearing Instruments





Cochlear Implants

PHONAK unitron HANSATON

ADVANCED BIONICS
POWERFUL CONNECTIONS

Audiological Care

Connect Hearing · Hansaton · Lapperre · AudioNova · Boots hearingcare · AuditionSanté

Market trends

Evolving consumer and customer expectations and needs

Driving change by demanding:
- Continued advancement of hearing performance
- Flexible, omnichannel service engagement models
- Broader benefits of hearing aids
- HCP support for key interactions over full consumer journey

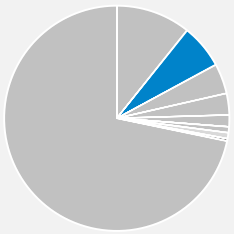
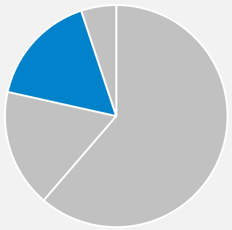
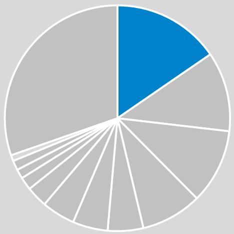
Continuous innovation in:
- Audiological performance
- Comfort and fit
- Connectivity and apps
- Added functionalities

Adapting the service model to:
- Build broader marketing and service capabilities
- Adapt to increasing importance of digital and segment specific needs
- Broaden offering to solutions beyond hearing aids

► Sonova’s opportunity: Innovation leadership to elevate consumer and customer journey

Market

The hearing care market – Attractive size and growth potential

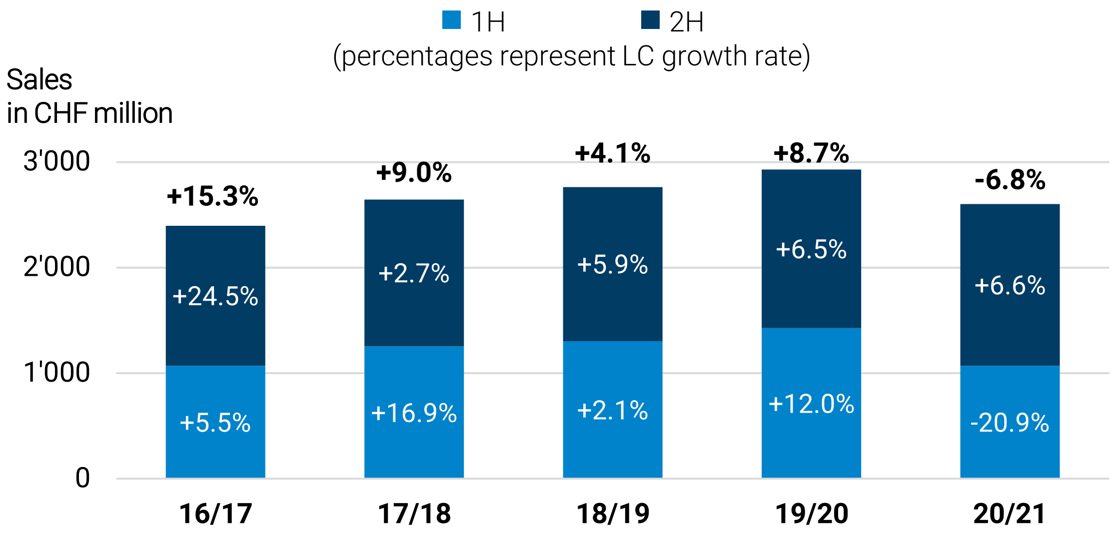
HI MANUFACTURERS	HI RETAILERS	CI MANUFACTURERS	HEARING CARE MARKET
~ CHF 6.5 bn (~ 16.5m units) Market CAGR: ~3-5%	~ CHF 11 bn value added Market CAGR: ~3-5%	~ CHF 1.5 bn (~ 65k units) Market CAGR: ~5-10%	~ CHF 19 bn Market CAGR: ~4-5%
# 1 in the HI market	# 2 in the retail market	# 2/3 in the CI market	# 1 in the hearing care market
			

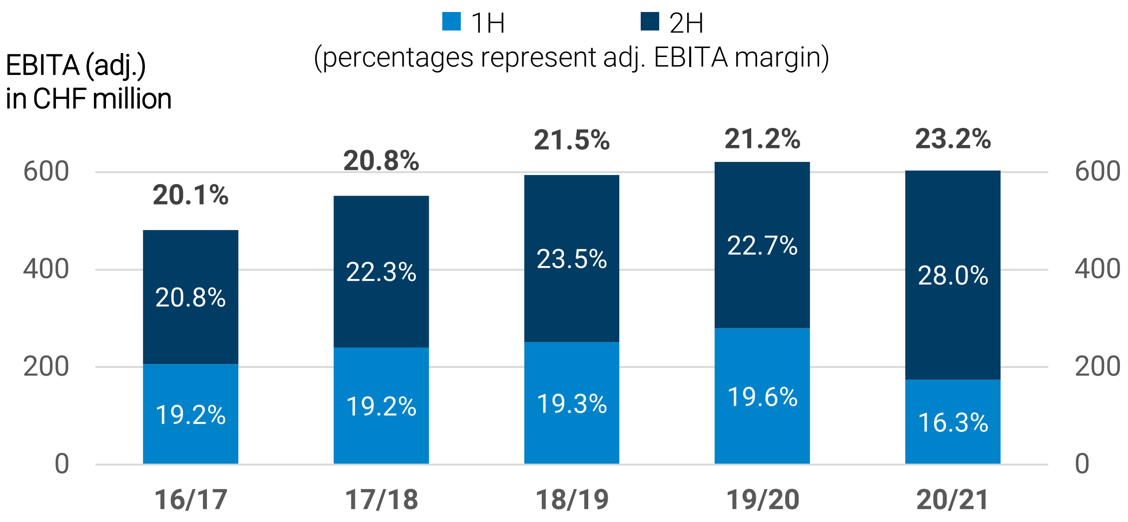
► Sonova – #1 position in the overall hearing care market

Source: Sonova estimates for market size in CY 2019; market CAGR refers to mid-term growth rate post COVID effects

Sonova Group

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

2 Sonova's strategy

Sonova's strategy

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**

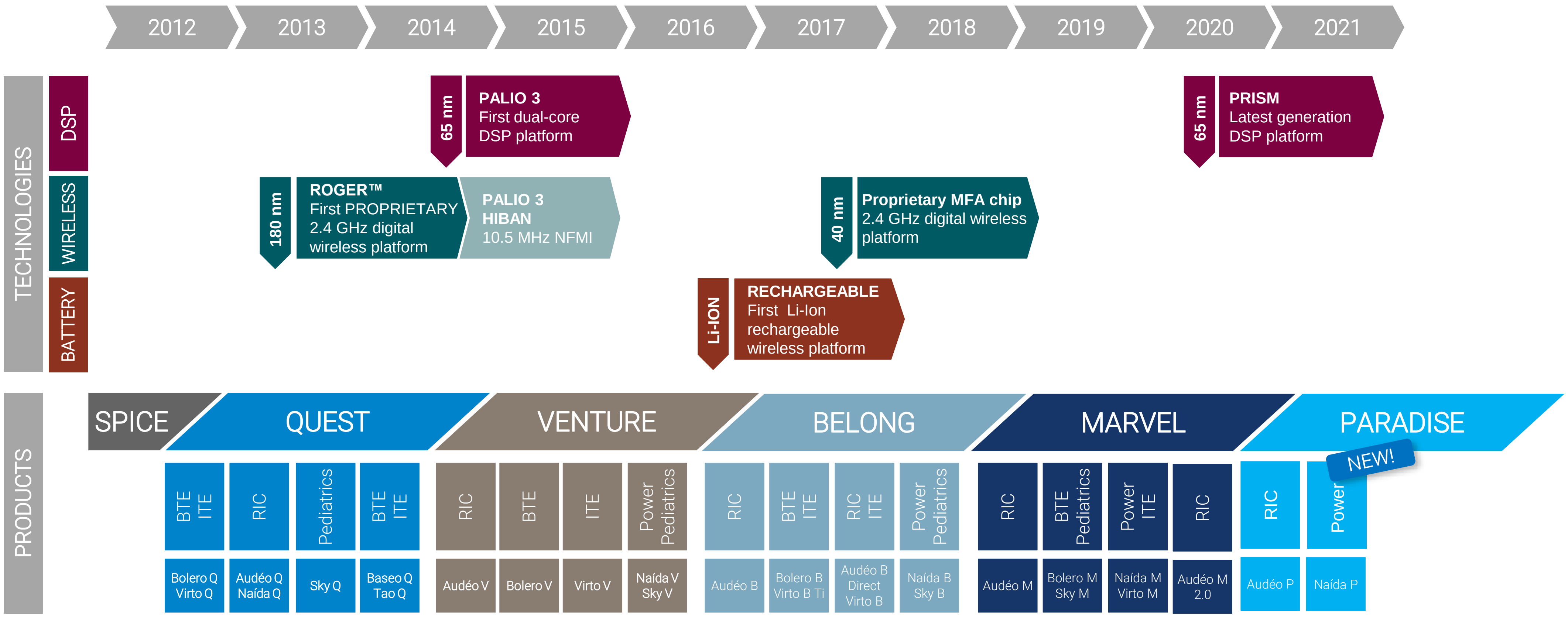
Extend reach through **multi-channel, value-adding partnerships & commercial excellence**

Invest in **high growth developing markets**

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

Lead innovation

Implement consistent platform approach for HI & CI – Example Phonak

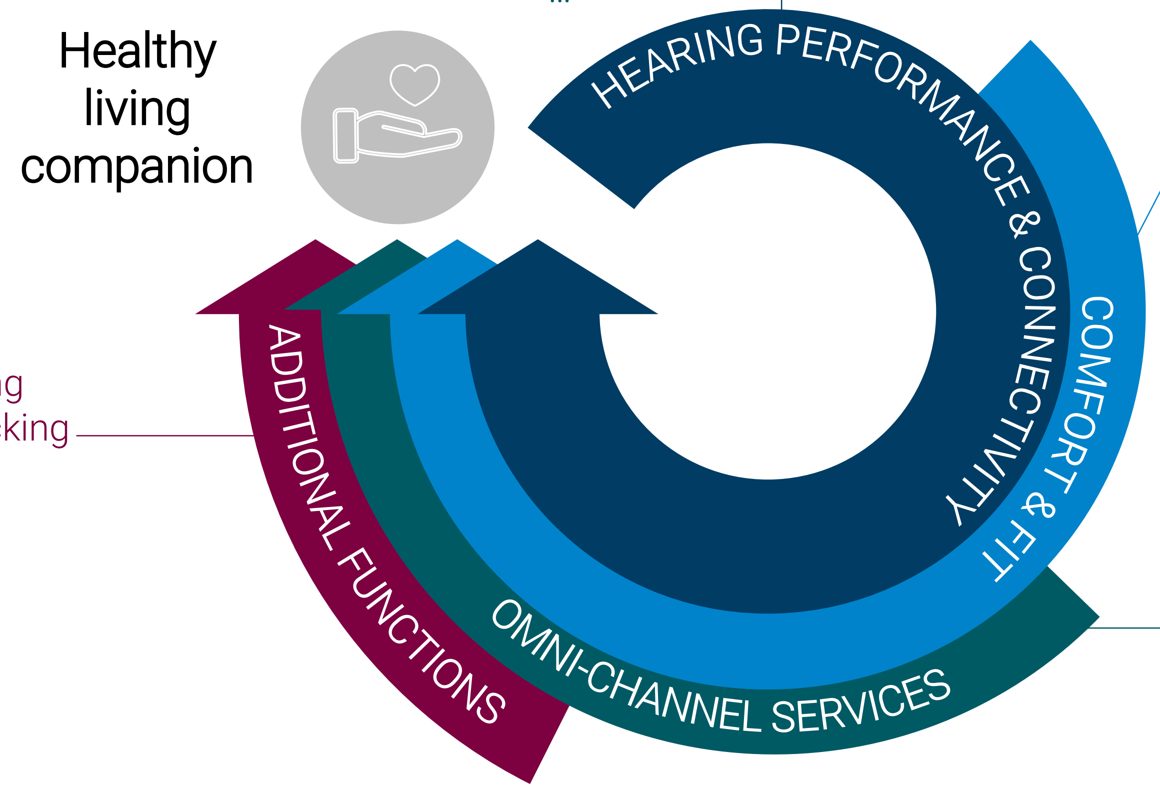


► Driving strong product pipelines – Gross R&D spending > CHF180 million

Lead innovation

Innovation framework

- Effortless communication in daily life powered by AI
- Natural and authentic sound quality
- Seamless adaptation to environment
- Multi-media streaming
- ...



- Wearing comfort
- Size, aesthetics, handling
- Rechargeability
- Reliability
- ...

- Vital signs monitoring
- Physical activity tracking
- Balance monitoring
- Tinnitus therapy
- ...

- Fitting tool innovation
- First fit acceptance
- Personalization
- User empowerment
- Audiology Service Innovation
- ...

► Driving innovation to elevate hearing aids to become healthy living companions

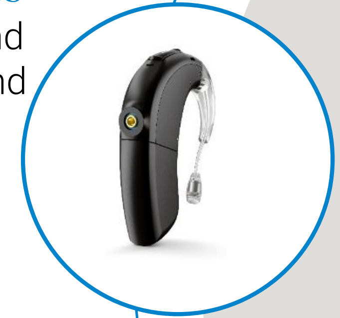
Lead innovation

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

Lead innovation

Example: Phonak Audéo™ Paradise launched in August 2020

Unrivaled sound quality

- New sound processing chip - PRISM™
- New motion sensor
- New APD 2.0
- New AutoSense OS™ 4.0
  - Speech Enhancer
  - Dynamic Noise Cancellation
  - Motion Sensor Hearing

Personalized digital solutions

- New Hearing Screener 2.0
- New myPhonak 4.0 app
  - Hearing Diary 2.0
  - AudiogramDirect (Remote Support)
  - Remote Control
- New Client Dashboard 2.0

Universal connectivity

- Connects to smartphones, TV & more
- MFA
- Multiple Bluetooth® connections
- New Tap Control for easy access to Bluetooth functionalities

► Designed with a clear focus on delivering an excellent sound experience for consumers

Expand and optimize omni-channel AC network

More than 3,200 points of sales and 6,500 employees

- A leading global platform of around **3,200 points of sales**
- More than **6,500 employees** in Sonova Audiological Care across **20 markets**
- High concentration of networks in **Europe** with over **2,600** stores in 13 countries
- Close to **CHF 1bn revenues** in FY20/21
- Active in eCommerce for accessories in **11 markets** today
- **Omni-channel journey** initiated or in development in majority of the countries

► No. 2 global provider with significant growth runway

Expand and optimize omni-channel AC network

sonova HEAR THE WORLD

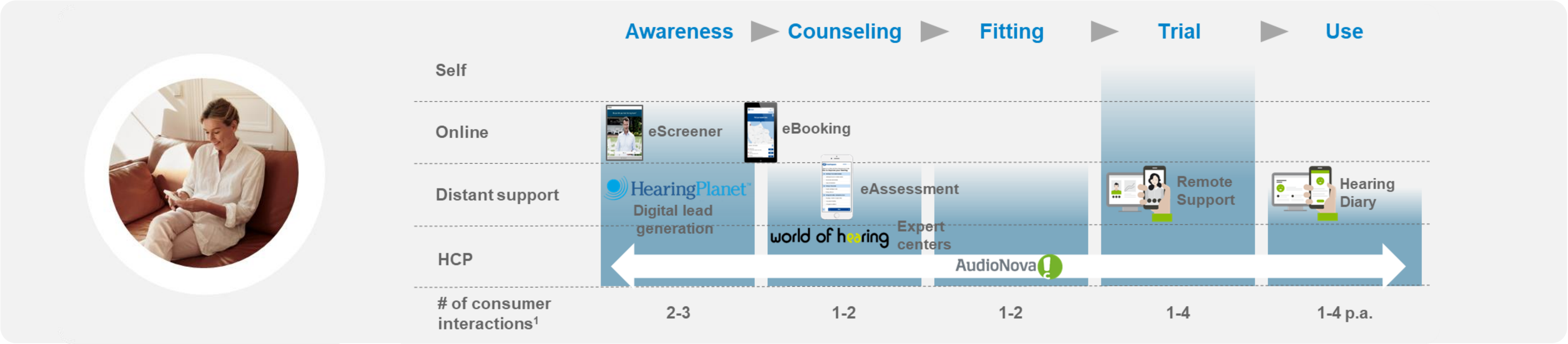
Touchpoints offered pre- and post-sale through a multitude of channels

Benefits to consumers

- 24/7 service, 365 days/year even during lockdown
- Increased choice and comprehensive flexibility between channels
- Social distancing easily possible
- Significantly reduced need to leave home

Benefits to AC and Sonova

- Increase demand and customer satisfaction (loyalty)
- Ensure business continuity even during lockdowns
- Leverage opportunity to optimize brick & mortar store network
- Be a first mover and display innovation leadership



▶ Omni-channel approach is key to fulfilling consumers' evolving requirements

Expand and optimize omni-channel AC network

Example World of Hearing: Flagship stores as regional centers of expertise, leveraging satellite stores' referrals

2018 — Concept launch

Present — Several builds in progress

2020+ — Scale globally

Reduced lead time

~20%

Customers can view and understand their different HI choices and experience them instantly in life like situations

Younger customers

~3Y

Open and low barrier environment attracts younger age group with active lifestyle

Increased average sales price

>10%

Premium experience and elevated value proposition reflect in higher achieved average sales price

► A successful start now followed by a rapid expansion – 12 stores as of June 2021

Extend reach through commercial excellence

Driving growth beyond product innovation (example HI business, also deployed in CI business)

Enabling sustainable market share gains	Three workstreams	Rollout plan
– Elevating commercial execution to drive market penetration – Driving growth beyond product launches and innovation	1 **Sales excellence:** Improving sales productivity and funnel management to unlock or grow target segments with biggest growth potential 2 **Marketing excellence:** Improving B2B marketing to increase market visibility and ability to drive segment specific campaigns 3 **Pricing Excellence:** Building pricing capabilities by strengthening pricing execution process and enablers	– Continuous improvement in Wave 1 Summit GCs (US, DE, FR, UK) – Sales Ex deployment in Wave 2 countries (CA, ES) – launched in Dec. 2020 – GTM phase 2 in the US (more FOTS) – Processes and learnings to be standardized for global deployment

► Grow customer base through better coverage and commercial execution

Invest in high growth developing markets

sonova HEAR THE WORLD

Example: Entering the Chinese market with omni-channel proposition

Tencent

Multi-purpose messaging, social media and mobile payment app

> 0.4b bn transactions daily on WeChat mini programs

More than 1 bn daily commercial transactions

Used by >1.3 bn Chinese on a daily basis

Alibaba Health

Part of Alibaba Group, the world's largest eCommerce company

Captures > 50% of all B2C eCommerce in China

The largest B2C eCommerce platform for brands

> 500 million active users

WeChat app as THE portal to an omni-channel journey: screening, appointment booking, eStore

Between June and December 2020:

- >5m clicks on World of Hearing WeChat Account
- Leading follower base in the industry with >160k registered followers

Already 2 major retail partners on board

Flagship store launched on T-Mall, ensuring access to partner's 320 retail stores

► WeChat and T-Mall presence enables us to reach millions of customers through the apps they use daily

Continuous process improvement & structural optimization

sonova HEAR THE WORLD

Harvest cost savings opportunities by driving structural optimization

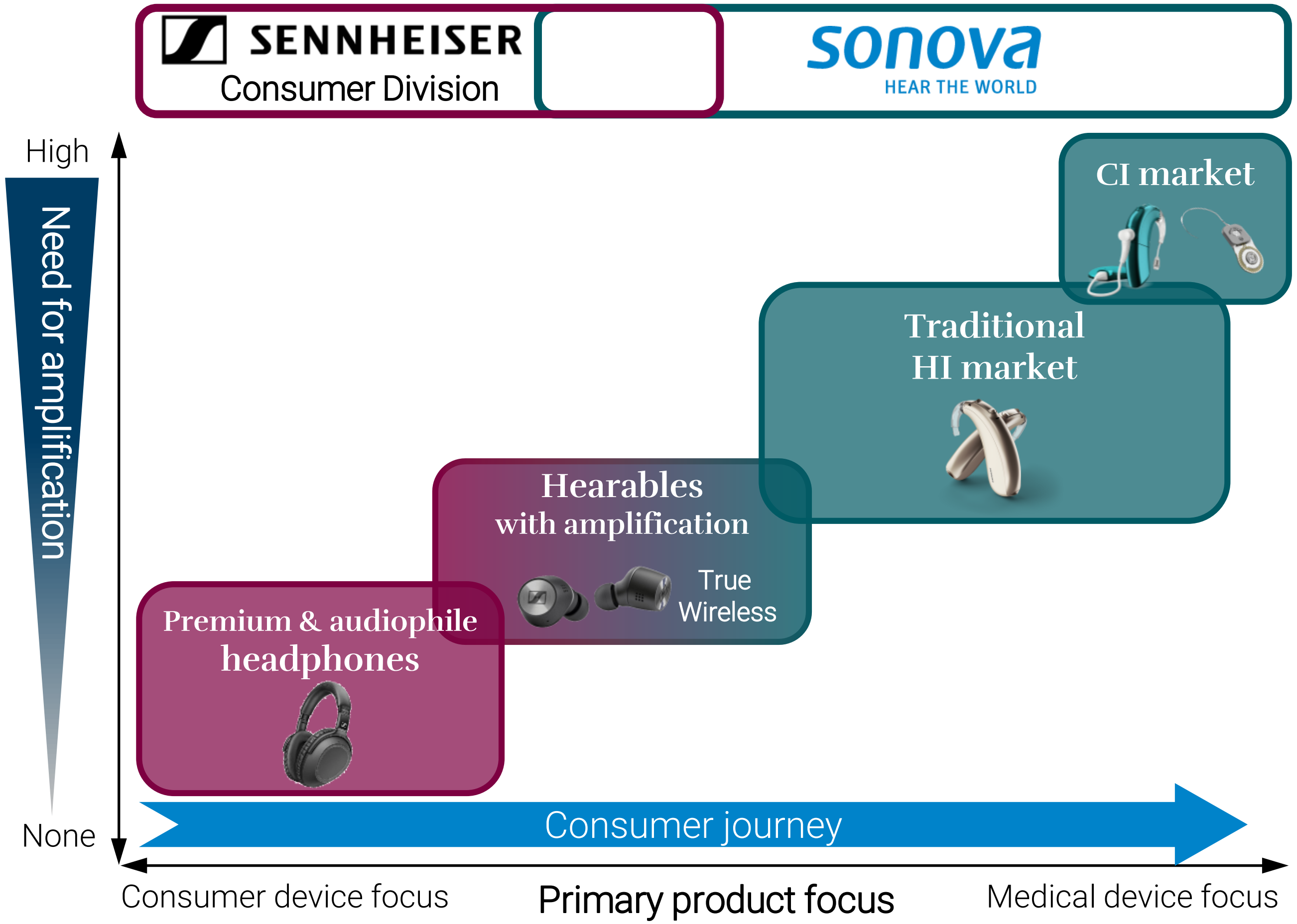
		2018/19	2019/20	2020/21	
Footprint	Reduction of rooftops	✓	✓✓	✓	Satellite support & warehouses, consolidation of sites
	Streamlining of AC POS			✓✓	200-300 POS, largely sales neutral
Processes & Organization	Operations site improvement	✓		✓✓	Supply chain consolidation, logistics network optimization
	Back office, shared services & CoE	✓	✓	✓✓	Finance, IT and sales back office
	Span of Control			✓	Leadership efficiency opportunities
Economics	Restructuring costs (CHFm)	11.5	18.6	38.9	➡ Attractive ROI of measures by leveraging attrition in 1H
	Run-rate benefit (CHFm)	7	10	>70M	

► Initiatives on track – Run rate cost savings at end of FY-20/21 exceeding target

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

Sonova's commitment to sustainable success

sonova HEAR THE WORLD

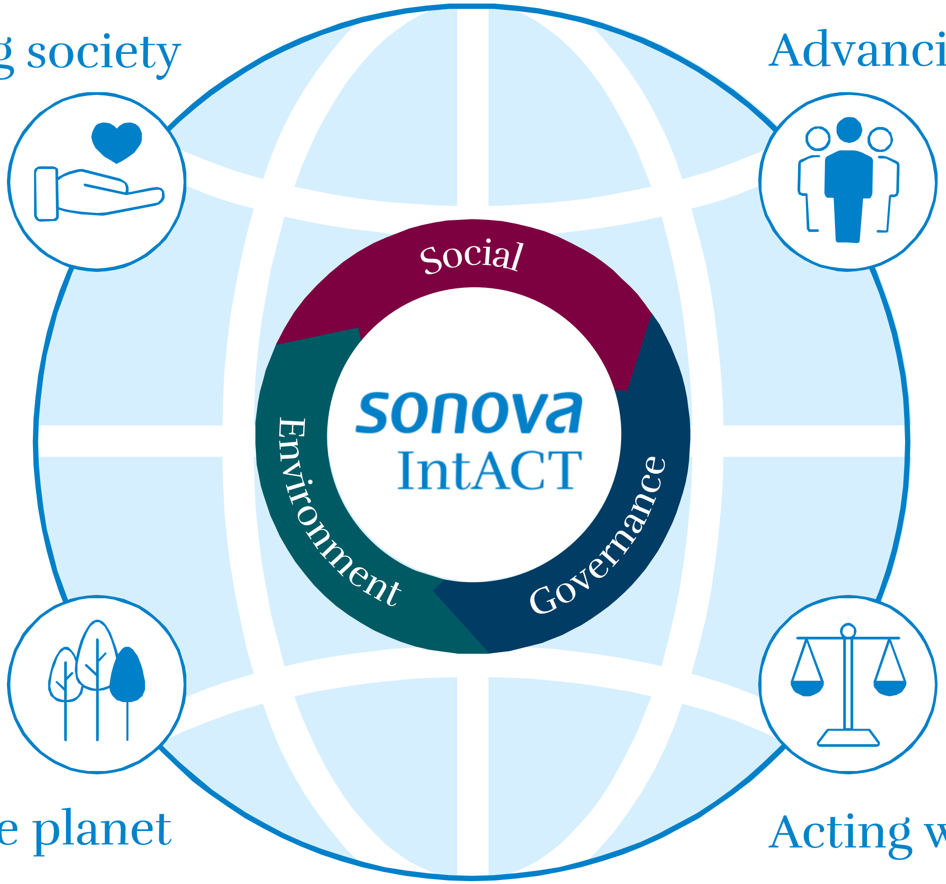
IntACT – Sonova's ESG Strategy

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

Sonova's commitment to sustainable success

sonova HEAR THE WORLD

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

Sonova's ESG ratings and performance

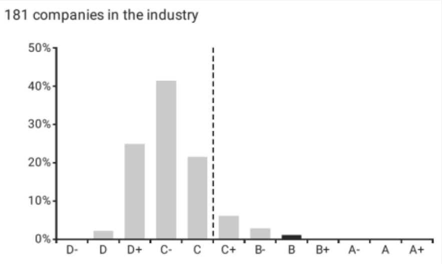
Commitment to sustainability is integrated in our business and culture

Sonova ESG ratings

Corporate ESG Performance – Prime – RATED BY ISS ESG

B

Status: Prime (C+ or better)



Last update: 07/2020

MSCI – MSCI ESG RESEARCH INC.

AA

As of 08/2020, Sonova received an MSCI ESG Rating of AA.

MSCI ESG RATINGS – AA

CCC | B | BB | BBB | A | AA | AAA

SUSTAINALYTICS – a Morningstar company

Low Risk

ESG Risk Rating

17.8 Low Risk

Negl.	Low	Med.	High	Severe
0-10	10-20	20-30	30-40	40+

Ranking

INDUSTRY GROUP
Healthcare — **31** out of 549

Last update: 04/2021

Member of Dow Jones Sustainability Indices – Powered by the S&P Global CSA

Member

Status: Member DJSI world (72 or better) and DJSI Europe (64 or better)

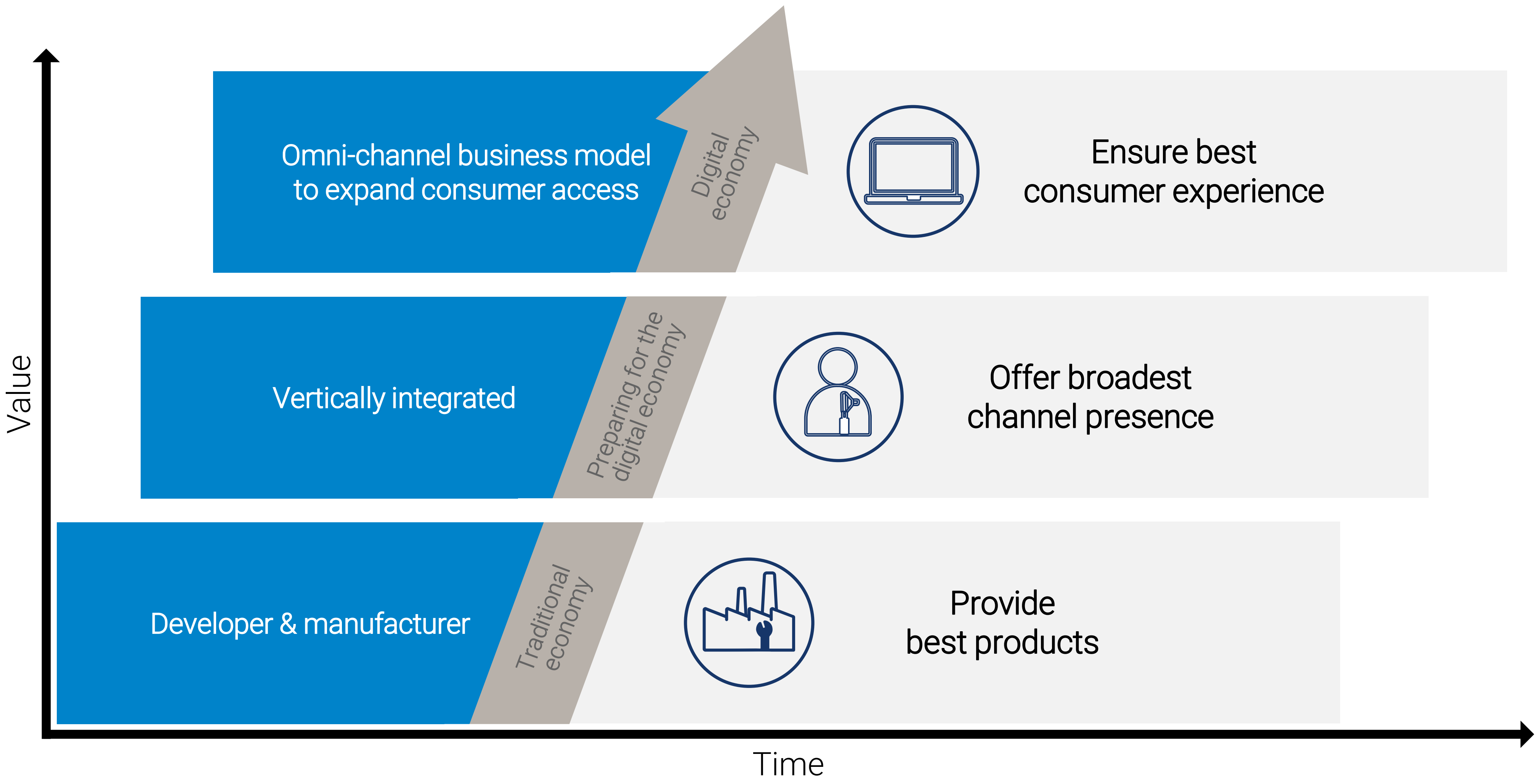
97th Percentile

78 Scoring: 1-100

Last update: 11/2020

► Major rating agencies confirm Sonova's industry-leading ESG performance

Sonova's strategy development



► Transforming our business strategy by expanding of our access to consumers

3 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

Full-Year 2020/21

sonova HEAR THE WORLD

Sonova Group – 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

Full-Year 2020/21

sonova HEAR THE WORLD

Sonova Group – Key financials – As reported and adjusted

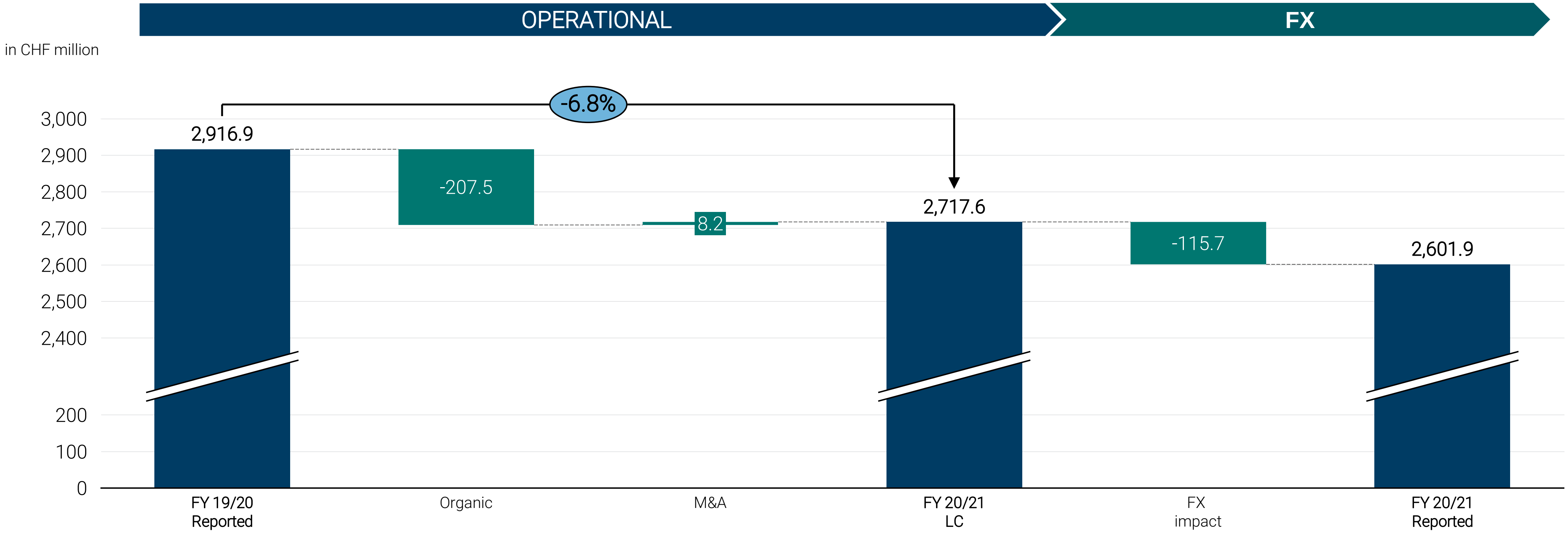
in CHF million	FY 2020/21 Reported	Adjustments ① HI segment	② CI segment	③ Other	Total	FY 2020/21 Adjusted
Sales	**2,601.9**	**-**	**-**	**-**	**-**	**2,601.9**
Cost of sales	-728.3	5.5	1.1	-	6.6	-721.7
Gross profit	**1,873.5**	**5.5**	**1.1**	**-**	**6.6**	**1,880.2**
Research & Development	*-203.9*	*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)

Full-Year 2020/21

sonova HEAR THE WORLD

Sonova Group – Sales Components

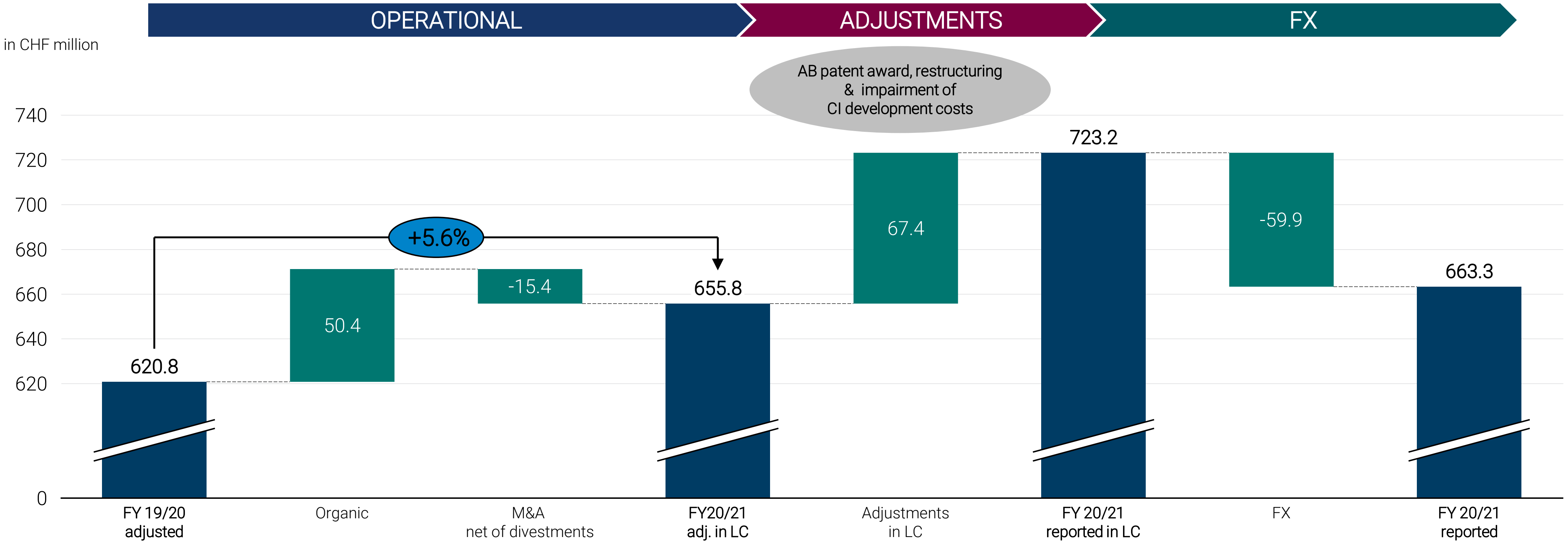


Growth components		-7.1%	+0.3%	**-6.8%**	-4.0%	**-10.8%**

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

Full-Year 2020/21

Sonova Group – 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

Full-Year 2020/21

sonova
HEAR THE WORLD

Sonova Group – 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

Full-Year 2020/21

sonova HEAR THE WORLD

HI 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

Full-Year 2020/21

sonova
HEAR THE WORLD

HI 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

Full-Year 2020/21

HI Segment – 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

Full-Year 2020/21

sonova HEAR THE WORLD

CI 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

4 Outlook

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
- Restarted 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

sonova
HEAR THE WORLD

5 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 HEAR THE WORLD

Sonova Group – 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

Appendix

Sonova Group – Key financials – Half-year view

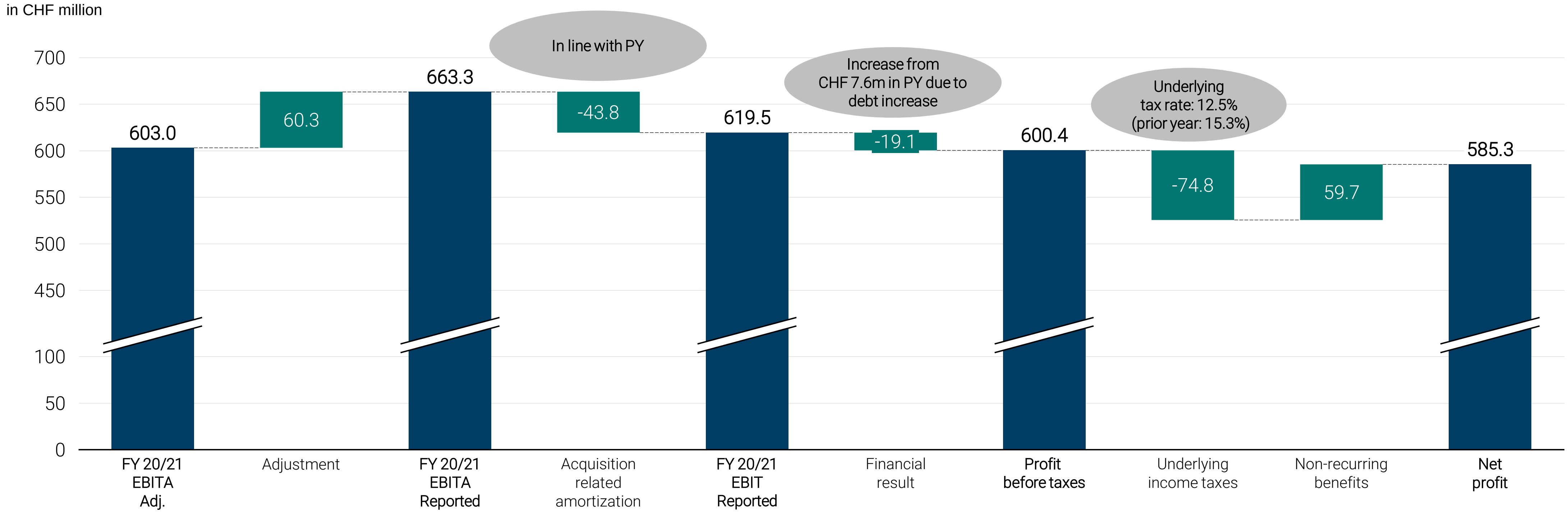
CHF m	1H 2020/21	Δ % in LC	2H 2020/21	Δ % in LC	FY 2020/21	Δ % in LC
Sales	1,069.6	-20.9%	1,532.2	+6.6%	2,601.9	-6.8%
Gross profit (adj.)	740.3	-22.0%	1,139.8	+8.0%	1,880.2	-6.4%
- Gross profit margin (adj.)	69.2%		74.4%		72.3%	
OPEX (adj.)	566.0	-19.5%	711.1	-3.6%	1,277.1	-11.4%
EBITA (adj.)	174.3	-28.5%	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

Appendix

Sonova Group – Reported results and income taxes



	FY 20/21 EBITA Adj.	FY 20/21 EBITA Reported	FY 20/21 EBIT Reported	Profit before taxes	Net profit
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

Appendix

sonova HEAR THE WORLD

CI 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

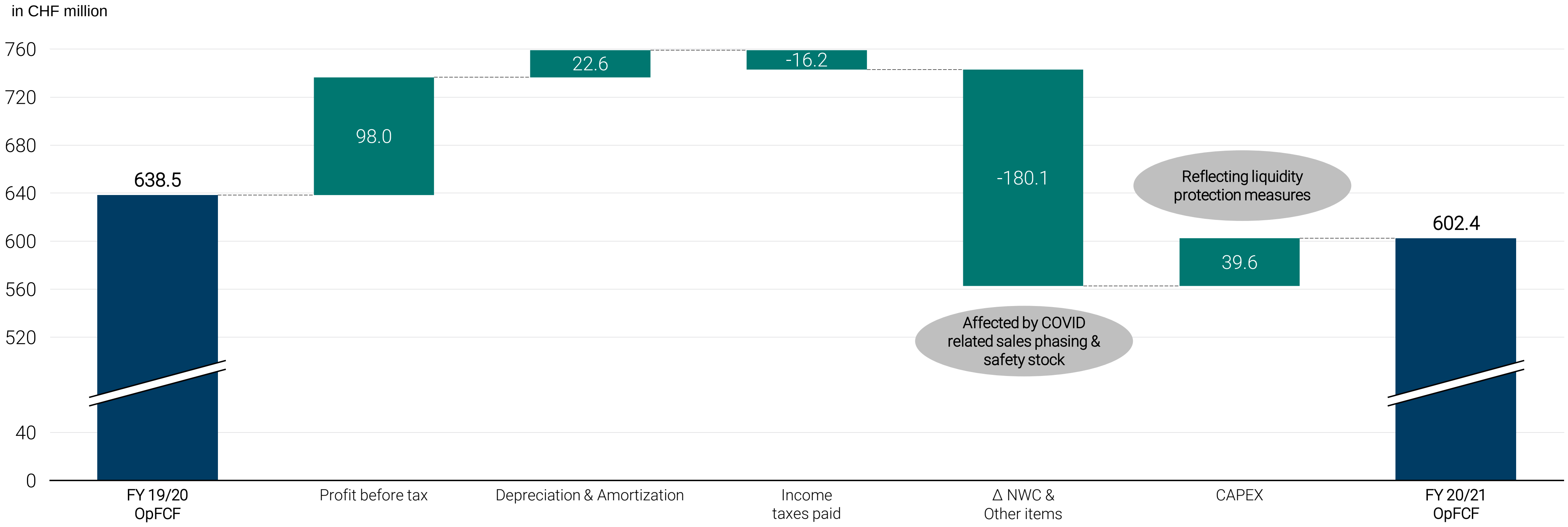
Upgrade sales

- 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

Appendix

Sonova Group – Operating free cash flow (OpFCF)



	Profit before tax	Depreciation & Amortization	Income taxes paid	Δ NWC & Other items	CAPEX	FY 20/21 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%

Appendix

Sonova Group – Balance sheet

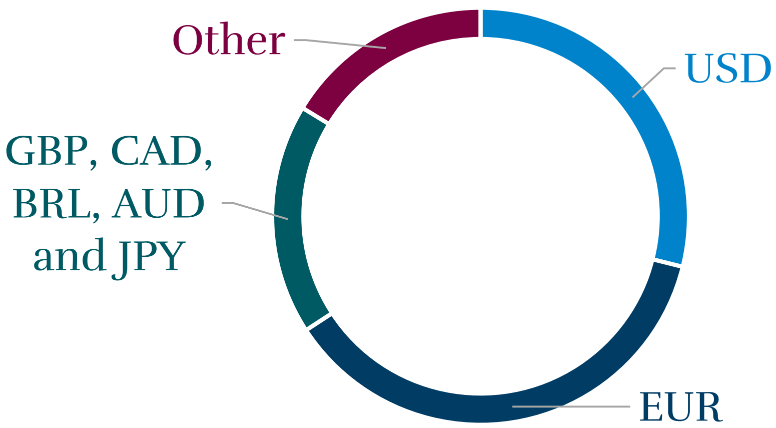
CHF m	31 Mar 2020	31 Mar 2021	Comments
Days sales outstanding (DSO)	56	56	– Strong collection management throughout the pandemic
Days inventory outstanding (DIO)	133	154	– Targeted stock increases to mitigate supply chain risks
Capital employed	2,692.5	2,855.7	– Higher receivables due to strong March 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

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