Investor Presentation

January 2022

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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

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Summary 1H 2021/22

Group

- Sales of CHF 1,603.8 million up +48.5% in LC (organic: +46.6%, 2y CAGR: +8.5%), +49.9% in CHF
- EBITA (adj.) of CHF 406.4 million, up +129.3% in LC – benefiting from higher sales and structural optimization
- EBITA margin (adj.) of 25.3%, up +890bps in LC
- EPS (adj.) up +142.0% in LC to CHF 4.86

Hearing Instruments

- Sales of CHF 890.2 million (+46.2% in LC)
- Building on the success of Phonak's Paradise platform – offering expanded with ActiveVent™ and Audéo Life in August 2021
- Benefiting from renewal of private label contract with large US hearing aid retailer and leading position with the VA

Audiological Care

- Sales of CHF 575.4 million (+48.0% in LC)
- Supported by the market rebound – held back by slower recovery in DE, BE and NL, temporary lockdowns in AU, NZ
- Pick-up in M&A activity – bolt-on acquisitions adding +5.2% to AC growth in 1H 2021/22

Cochlear Implants

- Sales of CHF 138.3 million (+67.3% in LC)
- Growth in both upgrade and system sales driven by strong demand for the new Marvel sound processors
- Re-capturing market share after the voluntary field corrective action
- EBITA margin (adj.) of 13.0% – achieving double-digit profitability for the first time in the history of the segment

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

► Good sales momentum in 1H supported by latest product innovations and strong commercial execution

Sonova Group

Reasons to invest in Sonova

Attractive market

- Attractive secular growth drivers
- Resilience to economic cycles
- Good penetration potential in both HI & CI
- 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
- Advanced vertically integrated business model
- Broadest and most advanced product offering
- Global and differentiated distribution network

Strong financials

- Attractive margin with further upside
- Significant capacity for growth investments
- Strong balance sheet
- Solid free cash flow and low tax rate

Note: HI = Hearing Instruments; CI = Cochlear implants

▶ Strong fundamentals and attractive growth potential fully intact

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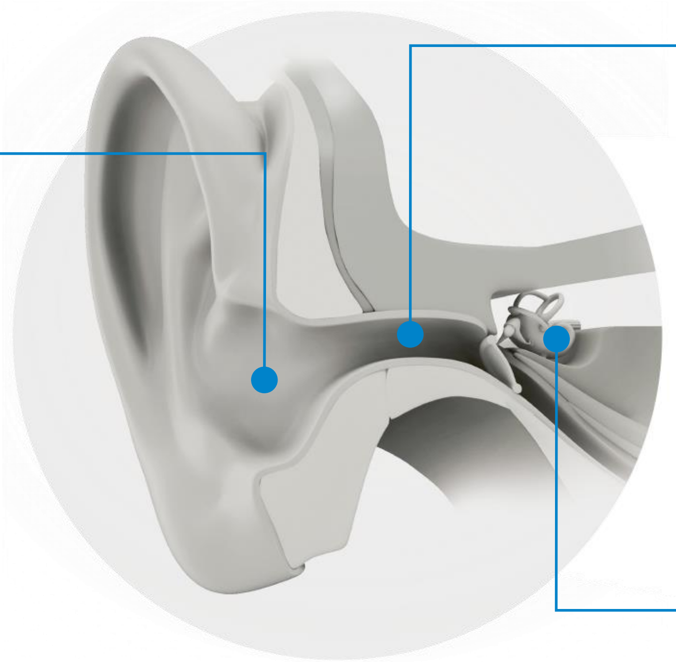
Broadest and most advanced hearing care product offering



SENNHEISER

Consumer Hearing*


Premium & True Wireless headphones


Enhanced hearing


Audiophile

PHONAK unitron

Hearing Instruments


Receiver-In-Canal (RIC) hearing instruments


In-The-Ear (ITE) hearing instruments


Behind-The-Ear (BTE) hearing instruments


Roger wireless systems

ADVANCED BIONICS

Cochlear Implants


Cochlear implant systems with electrodes


Sound processors

AudioNova

Audiological Care

Individual diagnostics and analysis

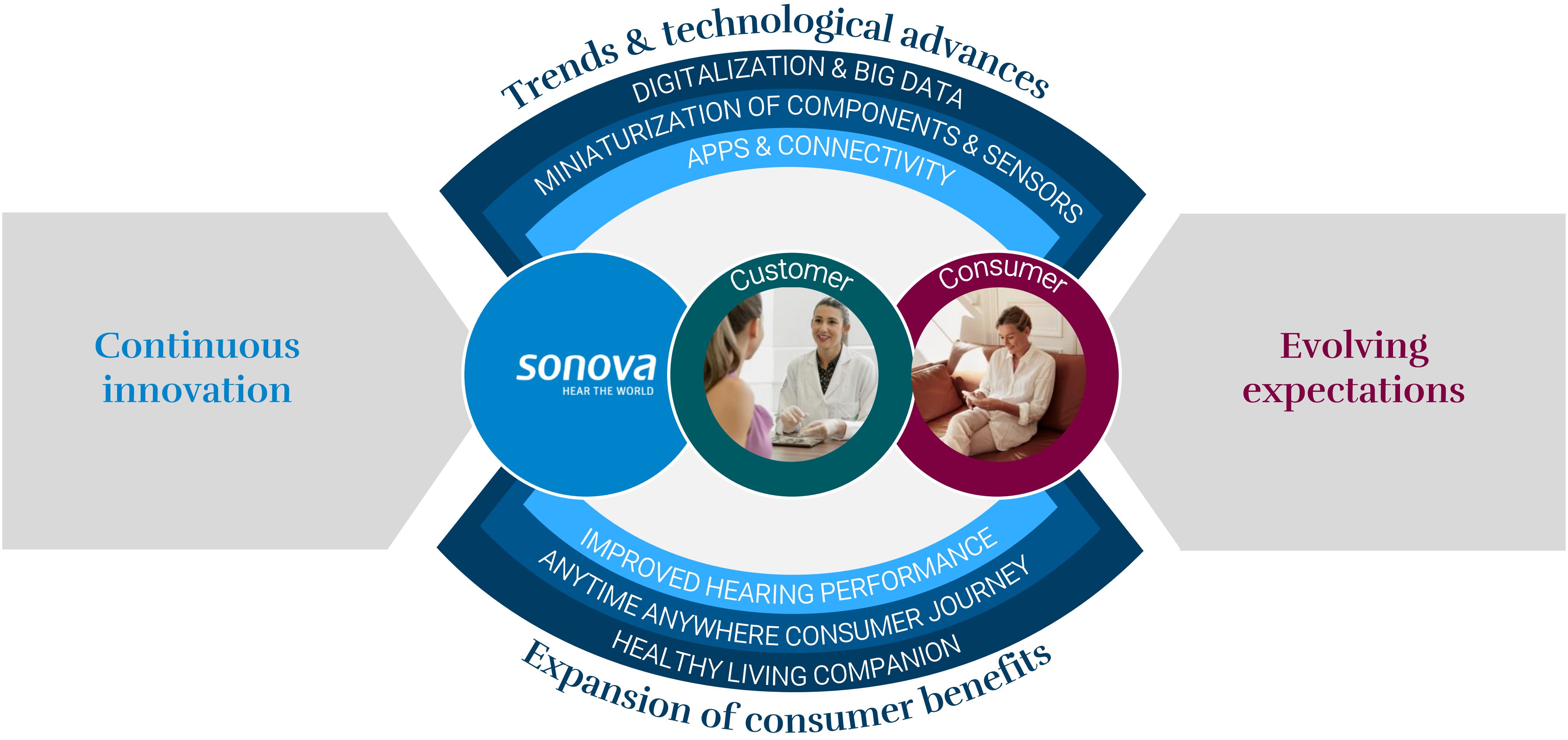
Hearing assessments and counseling, personalized fitting of hearing aids

After care and hearing aid maintenance services

Note: The transaction for the Consumer Hearing Business "Sennheiser" is subject to regulatory approval.

Market trends

Technological advances and expansion of consumer benefits



► Sonova's opportunity: Innovation leadership to address megatrends and to elevate consumer journey

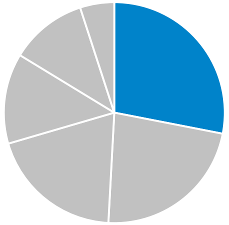
Market

The hearing care market – Attractive size and growth potential

HI manufacturers

~ CHF 6.5 bn (~ 16.5m units)
Market CAGR: ~3-5%

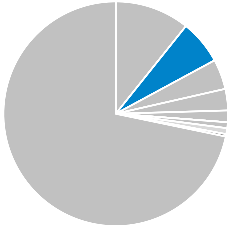
1 in the HI market



HI retailers

~ CHF 11 bn value added
Market CAGR: ~3-5%

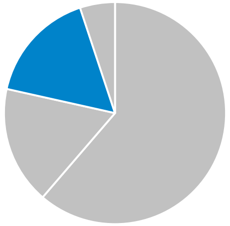
2 in the retail market



CI manufacterers

~ CHF 1.5 bn (~ 65k units)
Market CAGR: ~5-10%

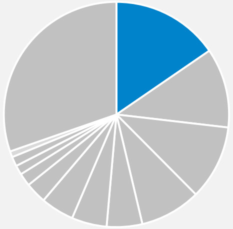
2/3 in the CI market



Hearing care market

~ CHF 19 bn
Market CAGR: ~4-5%

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

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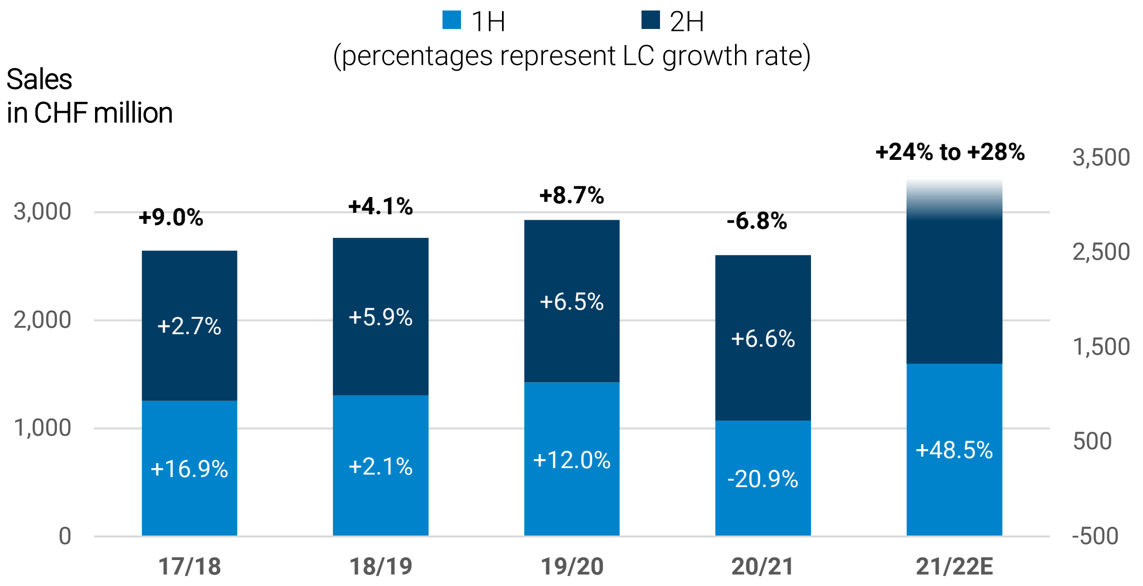
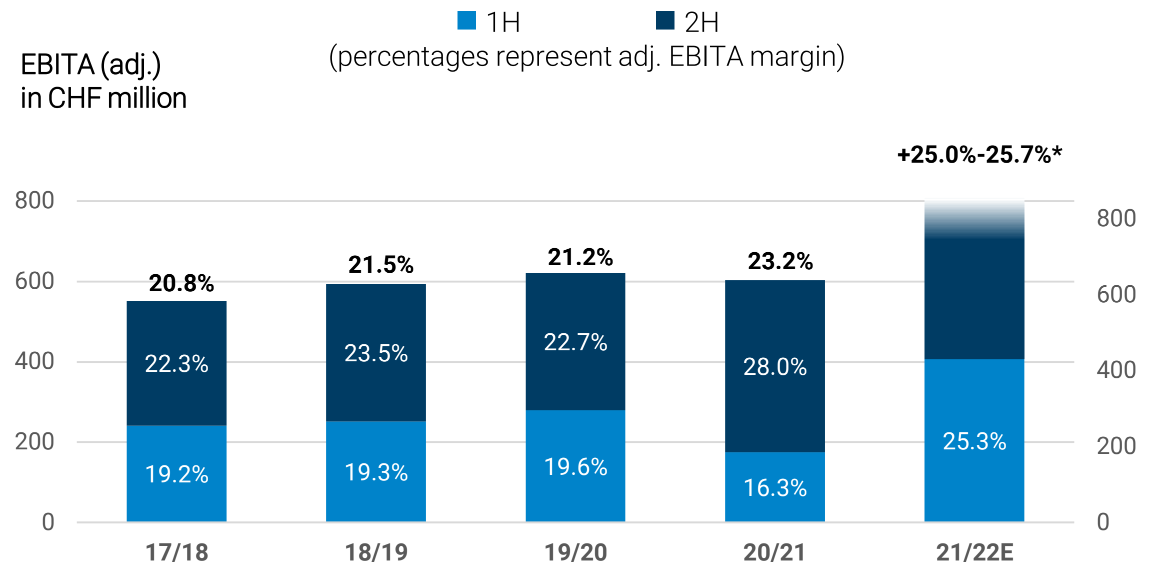
Performance history





	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	1H 2021/22
Sales growth reported	+10.4%	+4.4%	+5.6%	-10.8%	+49.9%
Sales growth in LC	+9.0%	+4.1%	+8.7%	-6.8%	+48.5%
Organic sales growth in LC	+3.8%	+4.9%	+8.1%	-7.1%	+46.6%
EBITA Margin (adj.)	20.8%	21.5%	21.2%	23.2%	25.3%

Note: * implied FY 2021/22 margin in LC; based on low end and high end of the guidance range for of LC sales and adj. EBITA growth respectively

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

2 Sonova’s strategy

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**

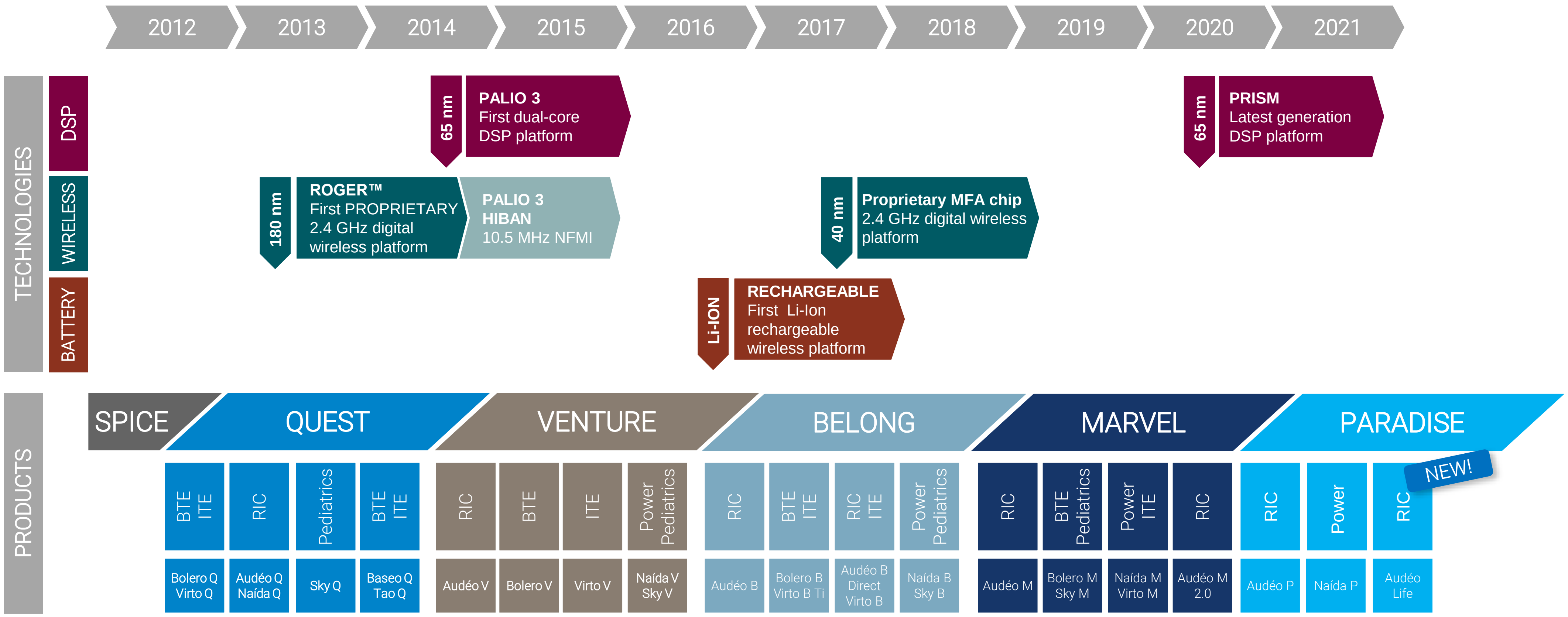
Extend reach through **multi-channel, value-adding partnerships & commercial excellence**

Invest in **high growth developing markets**

► Further progress achieved on key elements of our proven strategy

Lead innovation

Implement consistent platform approach for HI & CI – Example Phonak



► Driving strong product pipelines – Gross R&D spending > CHF180 million in FY 2020/21

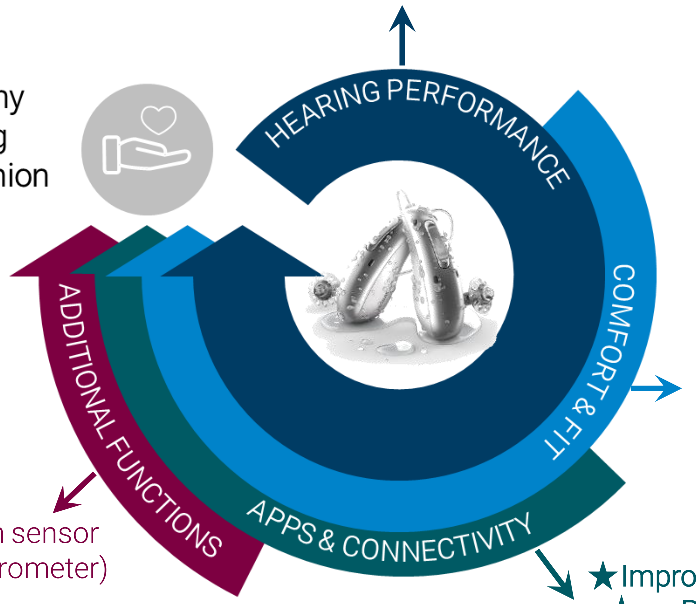
Lead innovation

Advancing innovation in HI and CI

Phonak Paradise 2.0

PRISM chip and new speech processing algorithms,
★ActiveVent™

Healthy living companion



Tap Control, multiple Bluetooth® connections,
★ waterproofing

Motion sensor (accelerometer)

★Improved myPhonak app
★myPhonak Junior app
Client Dashboard 2.0

★ launched in 2021; others launched in 2020

Naída CI processor

Combines established **Phonak Marvel platform and proven AB sound processing**

Features u**nique ergonomic housing** for a comfortable and secure fit

Connects wirelessly with virtually **any Bluetooth® device** for calls or streaming through Sonova's MFA

► Delivering significant advancements in innovation with tangible consumer benefits

Expand and optimize omni-channel AC network

Network expansion – The combination of bolt-on M&A greenfield expansion

Systematic approach to:

- ➡ Increase store density
- ➡ Optimize the store footprint
- ➡ Enter new growth markets

Balance sheet investments:

Higher spending for bolt-ons:

- ➡ Planned cash-out increased to CHF 70-100 million p.a. from CHF 50-70 million p.a.

P&L investments:

Expansion of various shop formats:

- ➡ Regular stores
- ➡ World of Hearing
- ➡ Shop-in-shops

Targeting combined MSD to HSD percentage points average annual **growth contribution** in AC

► Expansion of consumer access built into Sonova's Audiological Care strategy

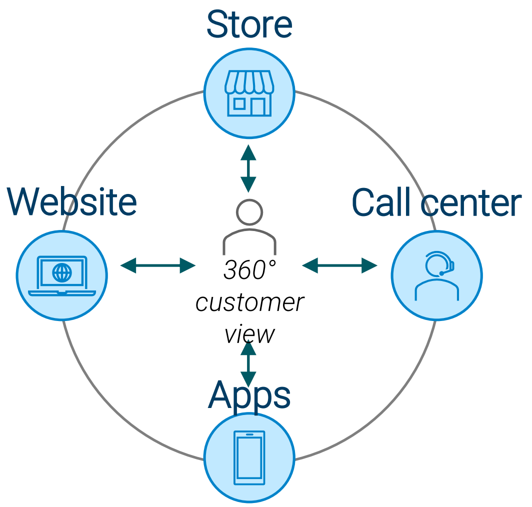
Expand and optimize omni-channel AC network

Proactive approach to serve changing consumer needs and digitalization

Omnichannel strategic pillars

- Personalized experience
- Lead generation & renewals
- Omnichannel sales & service
- TeleHealth and pro-active care

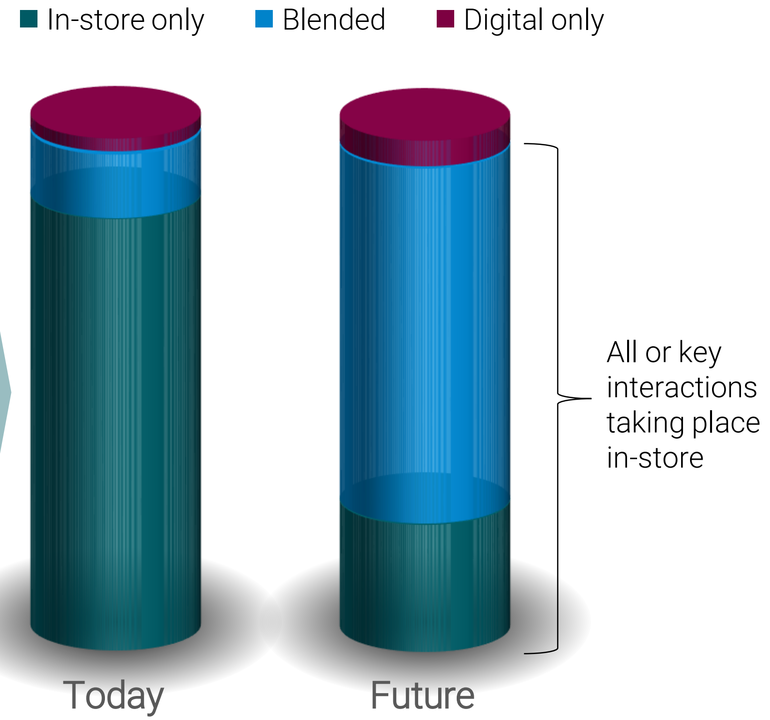
Ecosystem



Key enablers

IT systems	Digital marketing	Connected devices

Evolution of the channel mix



Blended model as a winning formula

► Sonova Audiological Care in a strong position to successfully drive omni-channel consumer journey

Extend reach through commercial excellence

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

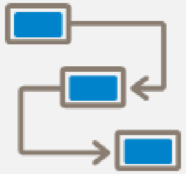
Enabling sustainable market share gains

- Elevating commercial execution to drive market penetration
- Driving growth beyond product launches and innovation

Three workstreams

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

Rollout plan



- 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

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Consumer journey innovation – Omni-channel model in China

Lead generation

- Lead generation factory for Audionova & wholesale partners
- Leading followership
- Strategic platform partnerships

Engagement

- Platform apps as portal for screening, appointment, eCommerce, etc.
- Personal Invitation by call center
- Membership privileges

Conversion

Online stores

JD.com T-mall WeChat Store TikTok

Own stores

Brick & mortar

Network partners

320 stores

► Executing our omni-channel approach from consumer engagement to fulfillment

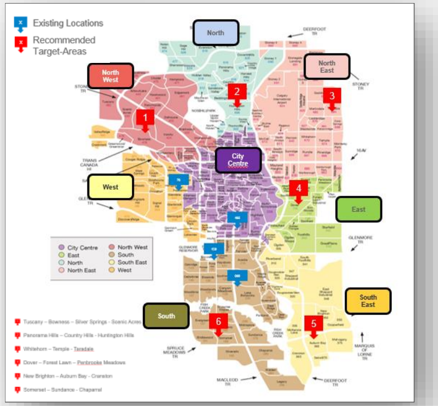
Continuous process improvement & structural optimization

Audiological Care – Examples of continuous improvement of same-store base

Marketing excellence

- Increase referrals from physicians and ear nose and throat doctors (ENTs)
- Expand digital lead generation

Geo-optimized store portfolio management



- Systematic and data-driven process to optimize store network

In-store excellence

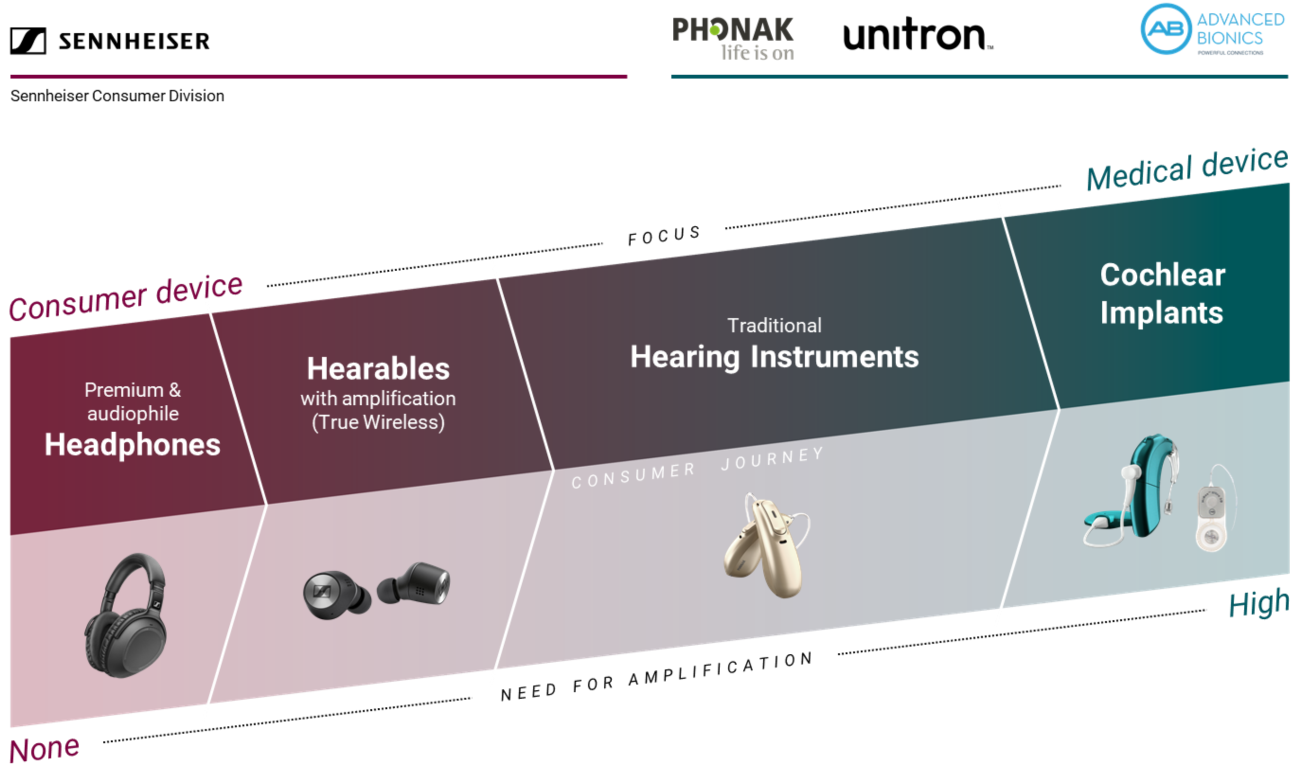
- Improve audiologist productivity through standardized calendar management

► **Driving same-store growth and delivering funds to invest into next tier growth opportunities**

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

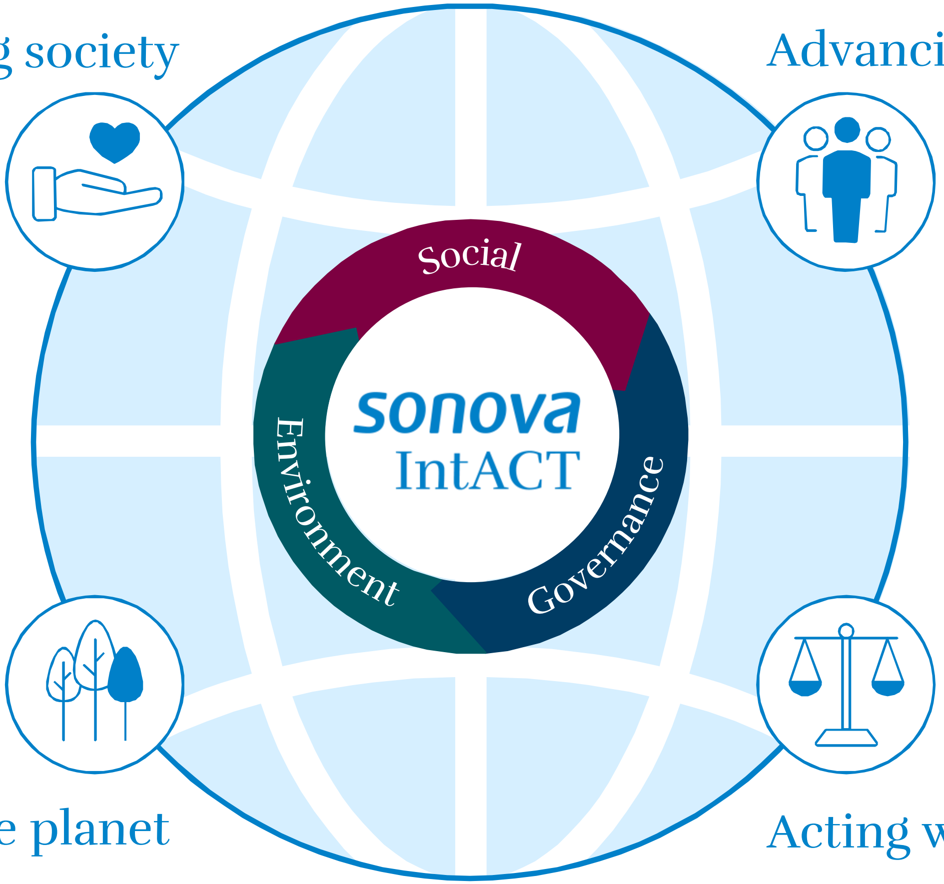
IntACT – Sonova's ESG Strategy

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.



Protecting the planet

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

Acting with integrity

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

► Advanced ESG strategy clustered around four strategic areas

Sonova's commitment to sustainable success

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

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Commitment to sustainability is integrated in our business and culture

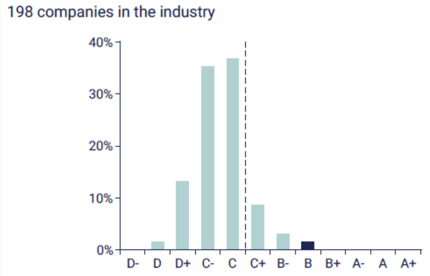
Sonova ESG ratings

ISS ESG

Corporate ESG Performance
RATED BY ISS ESG
Prime

B

Status: Prime (C+ or better)
Industry position: Top 10%



Last rating update: 12 Jul 2021

MSCI

MSCI ESG RESEARCH INC.

AA

In 2021, Sonova received an MSCI ESG Rating of AA.

MSCI ESG RATINGS AA

CCC	B	BB	BBB	A	AA	AAA

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Last rating update: 22 Oct 2021

SUSTAINALYTICS

a Morningstar company

Low ESG risk

ESG Risk Rating

14.9 Low Risk

Negligible	Low	Medium	High	Severe
0-10	10-20	20-30	30-40	40+

Ranking

INDUSTRY GROUP
Healthcare — **17** out of 607

Last rating update: 7 Oct 2021

Member of Dow Jones Sustainability Indices

Powered by the S&P Global CSA

DJSI member

Member of indices:
DJSI World & DJSI Europe

78 /100 — ESG score

98th — Industry percentile

Last rating update: 12 Nov 2021

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

3 Financial information

Financial information

Highlights

Sales

- Sales of CHF 1,603.8 million
- Growth of +48.5% in LC (organic +46.6%), +49.9% in CHF (favorable FX impact: CHF +15.7 million)
- Supported by low comparison figures and ongoing recovery, despite residual challenges from the pandemic

Profitability

- Gross profit margin (adj.) of 73.8%, margin up +430bps in LC
- EBITA (adj.) of CHF 406.4 million, up +129.3% in LC, margin up +890bps in LC
- EPS (adj.) of CHF 4.86, up +142.0% in LC reflecting strong earnings growth

OpFCF

- Operating free cash flow (OpFCF) at CHF 337.3 million, up +37.2%
- YOY development affected by PY patent infringement award, increase in safety stock and higher tax payments
- Continued solid cash conversion (OpFCF/adj. EBITDA) of 83%

TSR & Balance Sheet

- New share buyback program started in June – CHF 277 million bought back by September 30
- Net debt position at CHF 345.3 million, mainly driven by re-start of share buyback program and dividend payments
- Limited leverage (net debt/EBITDA ratio of 0.3x) providing financial flexibility

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

Half-Year 2021/22

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Sonova Group – Key financials – As reported and adjusted

	1H 2021/22					
	CHF m	Margin	Δ % in LC	Δ margin in LC	2y CAGR in LC	Comments
Sales (reported)	1,603.8		+48.5%		+8.5%	
Gross profit (adj.)	1,183.1	73.8%	+57.6%	+430bps	+11.0%	– Driven by ongoing cost optimization and higher volume – partly offset by higher sourcing costs at the end of the period
OPEX (adj.)	776.7		+35.6%		+4.5%	
EBITA (adj.)	406.4	25.3%	+129.3%	+890bps	+26.3%	– Benefits from structural optimization and higher sales
Adjustments	-12.5					– Restructuring costs of CHF 7.4m, M&A costs of CHF 5.0m
EBITA (reported)	393.9	24.6%	+54.1%	+90bps	+28.1%	– Positive FX effect of CHF 6.6m in CHF reported
Acq. rel. amortization	-21.7					– In line with prior year level
EBIT (reported)	372.2	23.2%	+59.1%	+160bps	+30.5%	
Financial result	-19.2					– Increase driven by rise in debt and higher share price
Tax	-51.1					– Underlying tax rate of 14.5% (1H 2020/21: 13.5%)
Net profit (reported)	301.9	18.8%	+45.6%	-40bps	-2.5%	
EPS (adj. in CHF)	4.86		+142.0%		+28.5%	– Driven by strong earnings growth

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

► Strong performance supported by solid market recovery, low comparison base and strong execution

Half-Year 2021/22

Key financials

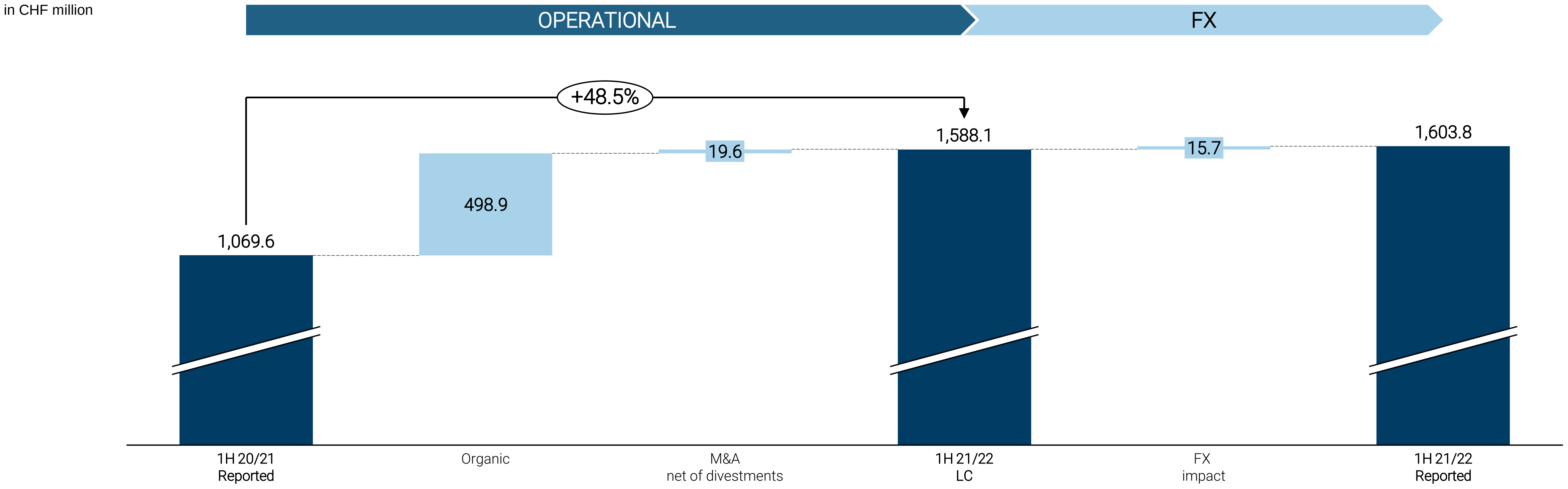
	1H2021/22 CHF m	Δ % in LC vs. 1H 2020/21	Δ % in LC vs. 1H 2019/20	2y CAGR in LC
Sales HI segment	1,465.6	+46.9%	+18.4%	+8.8%
Sales HI business	*890.2*	*+46.2%*	*+22.1%*	*+10.5%*
Sales AC business	*575.4*	*+48.0%*	*+12.9%*	*+6.3%*
Sales CI segment	138.3	+67.3%	+10.9%	+5.3%
Total sales	1,603.8	+48.5%	+17.7%	+8.5%
Gross profit (adj.)	1,183.1	+57.6%	+23.1%	+11.0%
Gross margin (adj.)	*73.8%*	*+430bps*	*+330bps*	
OPEX (adj.)	776.7	+35.6%	+9.2%	+4.5%
OPEX in % of sales (adj.)	*48.4%*	*-460bps*	*-370bps*	
EBITA (adj.)	406.4	+129.3%	+59.5%	+26.3%
EBITA margin (adj.)	*25.3%*	*+890bps*	*+700bps*	
EPS (adj. in CHF)	4.86	+142.0%	+65.2%	+28.5%

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

▶ Sustained HI market share gains in the past two years – Best-in-class profitability

Half-Year 2021/22

Sonova Group – Sales components



	Organic	M&A net of divestments	1H 21/22 LC	FX impact	1H 21/22 Reported
YoY growth components	+46.6%	+1.8%	+48.5%	+1.5%	+49.9%
2-year CAGR	*+7.6%*	*+0.9%*	*+8.5%*	*-2.5%*	*+6.0%*

► Good sales momentum supported by market recovery – Low comparison base lifting YOY growth rates

Half-Year 2021/22

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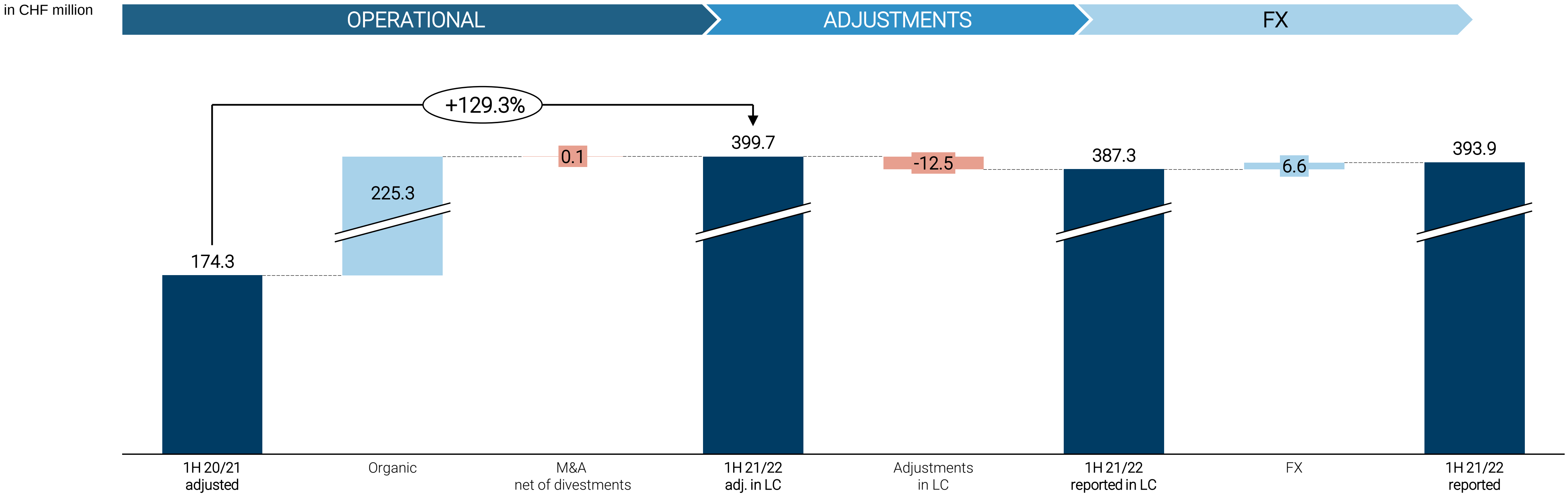
Sonova Group – EBITA Components



Margin	16.3%	+9.2%	-0.3%	25.2%	-0.8%	24.4%	+0.2%	24.6%

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

► Strong progress on margins reflecting benefits from structural optimization and higher sales

Half-Year 2021/22

Sonova Group – Operating expenses excluding acquisition-related amortization

	1H 2021/22			1H 2020/21	
	CHF m	Δ % in LC	2y CAGR in LC	CHF m	Comments
Research & Development (adj.) in % of sales	-114.8 7.2%	+47.0%	+20.4%	-78.1 7.3%	– Continued step up in new technology investments – Step-up in amortization of CI development costs
Sales & Marketing (adj.) in % of sales	-517.4 32.3%	+38.0%	+2.4%	-368.2 34.4%	– Increased investment in customer-facing resources, digital capabilities and lead generation – Benefits from structural initiatives
General & Administration (adj.) in % of sales	-144.1 9.0%	+19.0%	+2.3%	-120.2 11.2%	– Ongoing investment in IT platform for AC business – Further benefits from ongoing back-office consolidation
Other income/expenses (adj.)	-0.5	NM	NM	0.5	
Total OPEX (adj.) in % of sales	-776.7 48.4%	+35.6%	+4.5%	-566.0 52.9%	– 1H 2020/21: government support of CHF 39.1 million – 1H 2021/22: government support of CHF 1.4 million
Adjustments	-11.0	NM	NM	78.4	– 1H 2020/21: restructuring and AB patent award – 1H 2021/22: restructuring costs and transaction costs related to the Sennheiser acquisition
Total OPEX (reported) in % of sales	-787.8 49.1%	+59.6%	+4.2%	-487.6 45.6%	

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

► Benefits from structural improvements funding step-up in growth investments

Half-Year 2021/22

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HI Segment – Key financials

Sales	EBITA (adj.)
CHF 1,466m +46.9% vs. PY in LC +8.8% 2y CAGR in LC	CHF 388m +107.9% vs. PY in LC +25.6% 2y CAGR in LC Margin 26.5%: +780bps

HI business	AC business
Sales: CHF 890m +46.2% vs. PY in LC +10.5% 2y CAGR in LC +46.2% organic growth	Sales: CHF 575m +48.0% vs. PY in LC +6.3% 2y CAGR in LC + 42.7% organic growth

Segment sales

- Strong organic growth further supported by M&A
- YOY performance driven by ongoing market recovery and easy comparison base
- Some residual headwinds from COVID-19 pandemic
- Market share gains sustained over 2 years through continued success of Phonak Paradise and commercial execution

Segment profitability

- Margin improvement driven by continuous and structural improvements
- Operating leverage from volume growth
- Supply chain constraints weighing on margin expansion towards the end of the period
- Continued expansion of growth investments

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

► Strong sales recovery – Continuous and structural improvements enable EBITA margin expansion

Half-Year 2021/22

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CI Segment – Key financials

Sales
CHF 138.3m
+67.3% vs. PY in LC
+5.3% 2y CAGR in LC

EBITA (adj.)
CHF 18.0m
Margin 13.0%
Up from negative EBITA in PY, highest in history

System sales
CHF 88.4m
+46.6% vs. PY in LC
-2.5% 2y CAGR in LC

Upgrade sales
CHF 49.9m
+122.9% vs. PY in LC
+25.5% 2y CAGR in LC

Cochlear implant systems

- Further recovery of surgery volumes in North America, CN and most Western European countries
- Recapturing market share after the voluntary field corrective action

Upgrades and accessories

- Strong market response to new sound processors based on proven Marvel technology – bringing leading sound processing and wireless MFA connectivity to CI recipients

Segment profitability

- Double-digit profitability supported by continuous and structural improvements at AB
- Marvel technology and good growth in the US driving positive ASP development

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

► Strong progress on profitability driven by continuous and structural improvement

4 Outlook

Outlook

Factors impacting 1H performance and considerations for outlook into 2H

	1H 2021/22	2H 2021/22
HI Segment	– Ongoing market recovery and easy comparison base – Strong competitive position of Phonak Paradise	– Further market recovery but more challenging comparison base – Ongoing risk of regional restrictions due to COVID-19 pandemic – Contribution from recent product launches – Potential slowdown in FR and high comparison base in 2022
CI Segment	– Recovery of surgery volumes – Strong market response to new sound processors	– Further market recovery but more challenging comparison base – Lower contribution from pent-up demand for upgrades
EBITA	– Full YOY benefit of structural optimization initiated in FY 2020/21 – Higher component costs due to supply chain constraints towards the end of the period – Significant step-up in growth investments – Increase in costs per lead required to generate consumer traffic in AC business	– Lower YOY benefit of structural optimization initiatives – Ongoing supply chain constraints to result in higher component costs for the full period – Continued step-up in growth investments – Elevated lead generation costs in AC set to continue

► More challenging comparison base and supply chain constraints to affect performance in 2H

Outlook

Re-iterating guidance and mid-term target

In LC	Guidance FY 2021/22	Mid-term Target
Sales growth	+24% to +28%	+6% to +9% p.a.
adj. EBITA growth	+34% to +42%	+7% to +11% p.a.

Assumptions for 2H 2021/22

- Guidance includes further market normalization absent any additional headwinds from supply chain constraints
- Resilience of consumer demand coupled with release of pent-up demand expected to support further market recovery
- The impact of the acquisition of the Sennheiser Consumer Division is not yet reflected in the guidance
- Reflecting November 2021 FX rates, reported sales and EBITA growth in Swiss francs are expected to be lifted by 0-1 and 1-2 %-pts respectively in FY 2021/22 due to the currency impact

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

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

5 Appendix

Appendix

Non-GAAP adjustments

Adjustments for (in CHF m):	1H 2021/22	1H 2020/21
Restructuring	+7.4	+21.9
thereof HI segment	*+6.5*	*+20.8*
thereof CI segment	*+0.9*	*+1.1*
Patent infringement lawsuit		-99.0
Transaction costs related to the acquisition f the Sennheiser Consumer Division	+5.0	-
Total adjustments to EBITA	+12.5	-77.1

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

Appendix

Sonova Group results – Sales by regions and key markets

	1H 2021/22				1H 2020/21	
	CHF m	Δ % in LC	2y CAGR in LC	% Group sales	CHF m	% Group sales
EMEA	830.6	+41.3%	+7.0%	52%	572.8	54%
USA	499.8	+70.3%	+12.2%	31%	302.3	28%
Americas (excl. USA)	116.9	+56.9%	+7.7%	7%	71.7	7%
Asia / Pacific	156.6	+23.2%	+5.1%	10%	122.8	11%
Total Sonova	**1,603.8**	**+48.5%**	**+8.5%**	**100%**	**1,069.6**	**100%**

EMEA

- HI business: Supported by reimbursement change in FR, strong recovery in UK, IT, ES – partially offset by slower recovery in DE and Nordics
- AC business: Good momentum in UK, FR, IT and PL – slower consumer demand in DE, Nordics, Benelux and AT
- CI business: Strong growth driven by DE, FR and UK – positive market response to new sound processor driving upgrade sales

US

- HI business: Growth supported by strong market recovery, renewal of private label contract and sustained leadership in the VA segment
- AC business: Sales driven by ongoing market recovery, further supported by bolt-on acquisitions
- CI business: Re-capturing market share lost after voluntary field corrective action – strong lift from upgrade sales

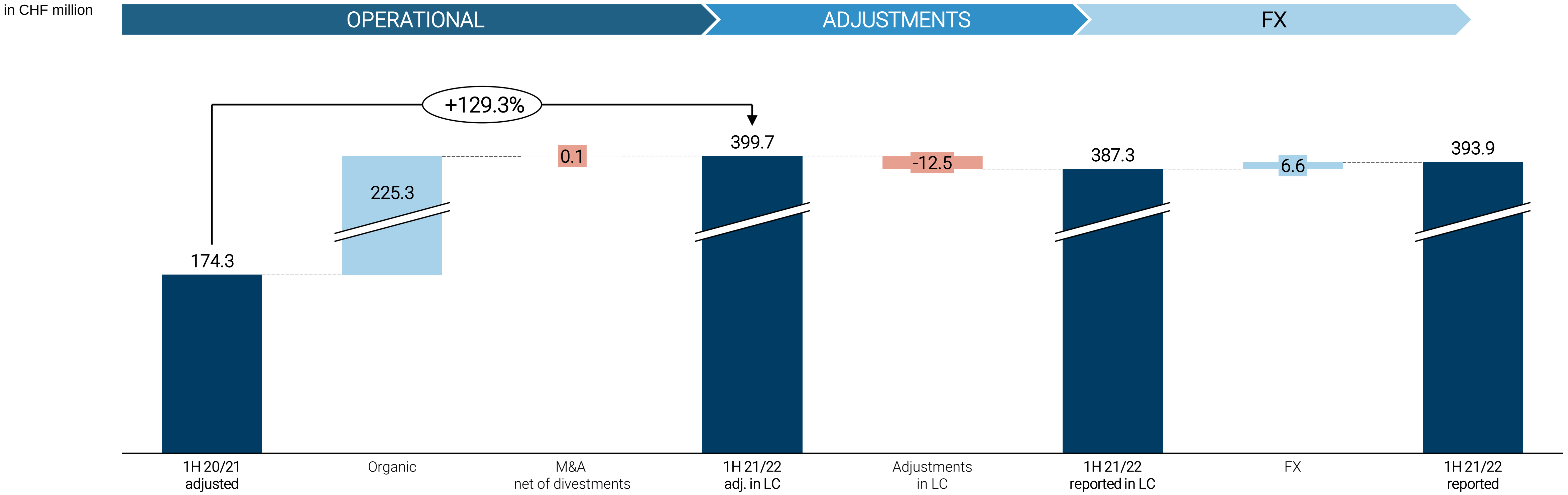
Other

- HI business: APAC held back by lockdowns in JP, AU and NZ – subdued market momentum in CA leading to slower recovery in Americas
- AC business: Temporary lockdowns in AU, NZ weighing on APAC sales – Americas supported by contributions from bolt-ons
- CI business: Challenging comparison base in APAC – performance in Americas driven by CA

► Market recovery led by US – Recovery continues across all regions despite residual COVID-19 challenges

Appendix

Sonova Group – EBITA Components



Margin	16.3%	+9.2%	-0.3%	25.2%	-0.8%	24.4%	+0.2%	24.6%

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

► Strong progress on margins reflecting benefits from structural optimization and higher sales

Appendix

Sonova Group – Key financials – As reported and adjusted

	1H 2021/22					
	CHF m	Margin	Δ % in LC	Δ margin in LC	2y CAGR in LC	Comments
Sales (reported)	1,603.8		+48.5%		+8.5%	
Gross profit (adj.)	1,183.1	73.8%	+57.6%	+430bps	+11.0%	– Driven by ongoing cost optimization and higher volume – partly offset by higher sourcing costs at the end of the period
OPEX (adj.)	776.7		+35.6%		+4.5%	
EBITA (adj.)	406.4	25.3%	+129.3%	+890bps	+26.3%	– Benefits from structural optimization and higher sales
Adjustments	-12.5					– Restructuring costs of CHF 7.4m, M&A costs of CHF 5.0m
EBITA (reported)	393.9	24.6%	+54.1%	+90bps	+28.1%	– Positive FX effect of CHF 6.6m in CHF reported
Acq. rel. amortization	-21.7					– In line with prior year level
EBIT (reported)	372.2	23.2%	+59.1%	+160bps	+30.5%	
Financial result	-19.2					– Increase driven by rise in debt and higher share price
Tax	-51.1					– Underlying tax rate of 14.5% (1H 2020/21: 13.5%)
Net profit (reported)	301.9	18.8%	+45.6%	-40bps	-2.5%	
EPS (adj. in CHF)	4.86		+142.0%		+28.5%	– Driven by strong earnings growth

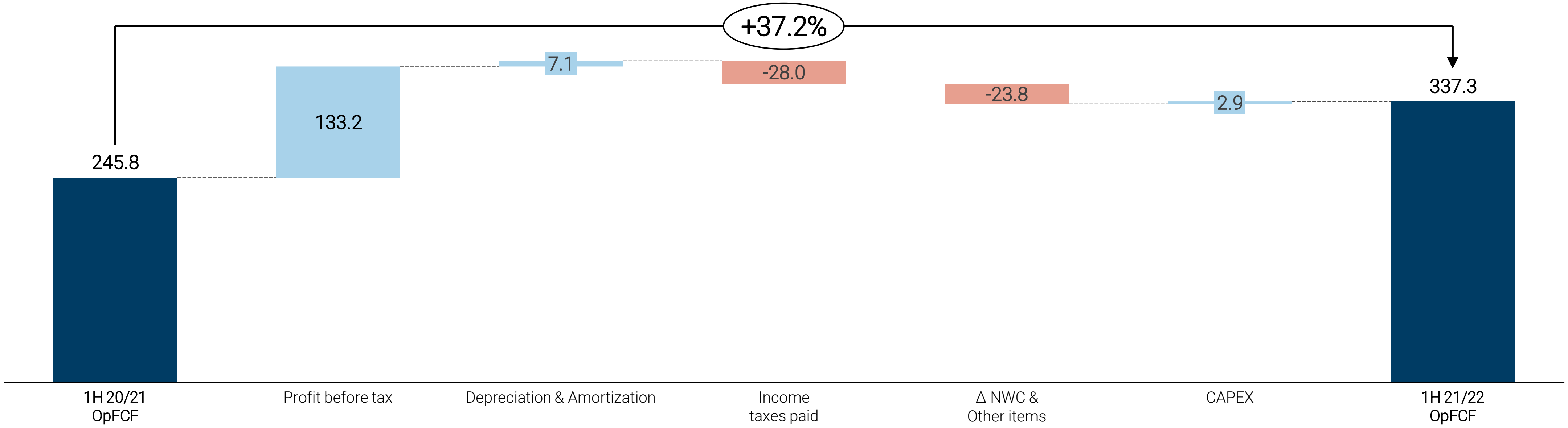
Note: adj. refers to adjusted figures; for details, please refer to Appendix – Non-GAAP adjustments

▶ Strong performance supported by solid market recovery, low comparison base and strong execution

Appendix

Sonova Group – Operating Free Cash Flow

in CHF million



Growth components	+54.2%	+2.9%	-11.4%	-9.7%	+1.2%	+37.2%

► Driven by profit growth – Partly offset by PY patent award & higher safety stock and timing of tax payments

Appendix

Sonova Group – Balance sheet

CHF m	30 Sep 2021	30 Sep 2020	Comments
Days sales outstanding (DSO)	54	58	– Continued strong collection management
Days inventory outstanding (DIO)	149	137	– Targeted stock increases to counter supply chain risks
Capital employed	2,917.2	2,673.9	– Rise in receivables due to sales recovery and increase in safety stock – Higher intangibles due to step-up in bolt-on acquisitions
ROCE (reported)	27.3%	17.6%	– Improvement driven by strong profit growth
Net debt	345.3	394.6	– Increase vs. March 2021 driven by share buyback program, dividend payments and step-up in M&A
Net debt/EBITDA	0.3x	0.6x	

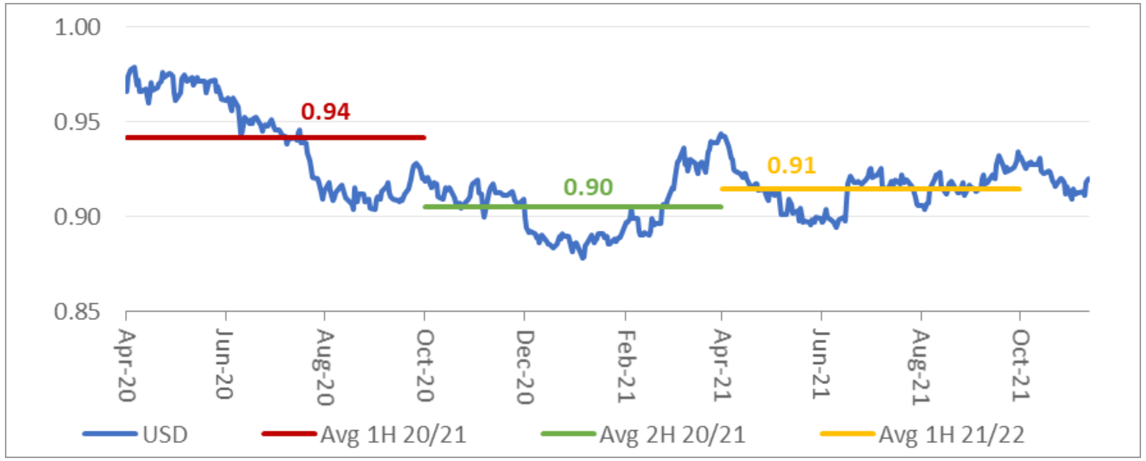
Note: DSO and DIO calculated on a 90 day basis

► Significant increase of ROCE driven by higher earnings – Limited leverage provides strategic flexibility

Appendix

Sonova Group – FX impact on sales and margins

USD/CHF

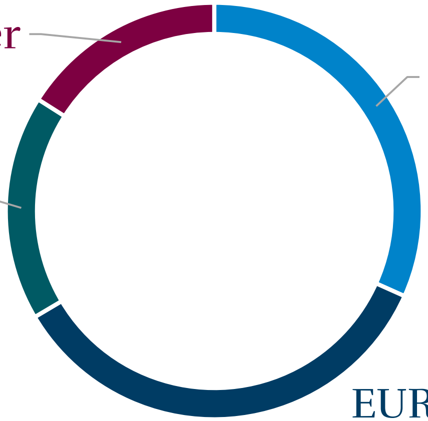


EUR/CHF

	Rate	Sales	EBITA
USD/CHF	+/- 5%	+/- CHF 51 million	+/- CHF 19 million
EUR/CHF	+/- 5%	+/- CHF 60 million	+/- CHF 27 million

Appendix

Sonova Group – Sales by currency and FX rates



	1H-20/21	1H-21/22	Effect 1H-21/22	2H-20/21	FY-20/21	Spot Nov-2021
USD	0.94	0.91	-	0.90	0.92	0.92
EUR	1.07	1.09	+	1.08	1.08	1.05
GBP	1.19	1.27	+	1.22	1.21	1.23
CAD	0.69	0.74	+	0.70	0.70	0.73
AUD	0.65	0.69	+	0.68	0.66	0.67
BRL	0.18	0.17	-	0.17	0.17	0.17
JPY 100	0.88	0.83	-	0.86	0.87	0.81