Group Media & Investor Release

Ad hoc announcement pursuant to Art. 53 LR

Financial year 2024/25: Sonova achieves market share gains across all businesses and announces upcoming CEO transition

Staefa (Switzerland), May 9, 2025 – Sonova Holding AG (SWX: SOON), a leading provider of innovative hearing solutions, today announces results for the 2024/25 financial year. With market share gains across all four businesses in the second half, Group sales reached CHF 3,865.4 million, an increase of 7.6% in local currencies. Adjusted Group EBITA reached CHF 807.8 million, an increase of 7.4% in local currencies. Supported by successful product launches and further improvements in commercial execution, growth in sales and adjusted EBITA accelerated to 9.2% and 16.6%, both in local currencies in the second half-year, respectively. Unfavorable exchange rate movements impacted the results in Swiss francs, leading to a 6.6% increase in sales and 4.7% in adjusted EBITA for the full year. The Board of Directors will propose a dividend of CHF 4.40 per share to the Annual General Shareholders' Meeting. In the 2025/26 financial year, the Group expects consolidated sales to increase by 5-9% and EBITA normalized for special items but after restructuring costs to grow in the range of 14-18%, both measured at constant exchange rates. Sonova also announces that Arnd Kaldowski will step down as CEO effective September 30, 2025, due to personal reasons, marking a planned transition in Sonova's leadership. Eric Bernard, former CEO of WS Audiology, will join Sonova on July 1, 2025, and assume full responsibilities as CEO by October 1, 2025.

Arnd Kaldowski, CEO of Sonova, says: "We are pleased to report a solid performance overall and an accelerating momentum, achieving above-market growth across all four businesses in the second half. Growth in the Hearing Instruments segment was supported by the successful launch of the Phonak Infinio and Sphere Infinio platforms, which were well received and resulted in substantial market share gains. Additionally, the measures we have taken to enhance growth and profitability in the Audiological Care business have proven effective, leading to a strong acceleration in the second half. We have also made good progress on our strategic priorities in the Consumer Hearing business and experienced robust system sales in cochlear implants throughout the year. Building on this sales momentum and benefiting from the measures undertaken to enhance productivity and improve our cost structure, we are entering the new financial year from a position of strength, which positions us well to address the market challenges arising from uncertainties related to the current macroeconomic environment."

Sonova Group key figures – Financial year 2024/25 in CHF million

	FY 2024/25	FY 2023/24	Change in CHF	Change in local currencies
Sales	3,865.4	3,626.9	+6.6%	+7.6%
EBITA (adjusted)[1)]	807.8	771.4	+4.7%	+7.4%
EBITA margin (adjusted)[1)]	20.9%	21.3%		
EPS (adjusted, CHF)[1)]	10.81	10.06	+7.4%	+10.6%
Operating free cash flow	577.9	539.2	+7.2%	

1) Non-GAAP financial measure adjusted for nonrecurring items; see financial review and for details see the table "Reconciliation of non-GAAP financial measures" in the Annual Report 2024/25 to be published May 13, 2025.

Sales growth supported by successful product launches

In the 2024/25 financial year, Sonova Group sales reached CHF 3,865.4 million, an increase of 7.6% in local currencies and 6.6% in Swiss francs. Growth accelerated in the second half-year, driven by the successful launch of the Infinio and Sphere Infinio platforms in August, both of which received positive feedback and supported further growth in the Hearing Instruments and Audiological Care businesses. A slowdown in the US private hearing aid market in the final months of the financial year hampered overall development. Organic growth was 6.4%, while acquisitions in the reporting period, along with the full-year effect of previous acquisitions, contributed 1.2% to total sales growth. Exchange rate effects negatively impacted reported sales by CHF 37.7 million, reducing growth in Swiss francs by 1.0 percentage point.

Solid performance across all regions despite subdued market development

Sales in Europe, Middle East and Africa (EMEA) increased by 7.0% in local currencies. Growth was adversely affected by weaker-than-anticipated market conditions. This was partly mitigated by market share gains following the successful launch of the new platforms in August 2024, as well as by bolt-on acquisitions, mainly in Germany.

In the United States, sales rose by 7.7% in local currency, bolstered by above market growth in the Hearing Instruments business following the recent platform launches. Development was held back by a decline in the private hearing aid market in the final months of the financial year, as consumers grew increasingly hesitant due to widespread economic uncertainty.

Sales in the rest of the Americas (excluding the US) grew by 10.8% in local currencies. Growth was driven by the strong performance of the Hearing Instruments business in Canada, complemented by the ongoing expansion of the store network in the Audiological Care business. Additionally, Brazil delivered significant growth across all businesses.

In the Asia Pacific (APAC) region, sales rose by 8.1% in local currencies. The key driver was strong development of all businesses in Australia, driven in part by bolt-on acquisitions. In China, the performance of the Hearing Instruments and Audiological Care businesses was affected by a sluggish hearing aid market, while both the Cochlear Implants and Consumer Hearing sectors experienced substantial growth.

Substantial increase in profitability in the second half after initial headwinds

The Group implemented additional structural optimization initiatives to streamline operations and enhance profitability in the Audiological Care business, improve its cost structure, and further develop its operations facility in Mexico. Restructuring costs amounted to CHF 44.2 million (2023/24: CHF 23.7 million). Transaction and integration costs related to acquisitions totaled CHF 7.5 million (2023/24: CHF 10.5 million). In addition, the Group incurred legal costs of CHF 6.3 million (2023/24: CHF 10.2 million). Impacts from tax reforms increased income taxes by CHF 49.5 million (2023/24: reduction of CHF 39.1 million).

Adjusted figures and growth rates in this financial review exclude the items in the previous paragraph. For more details, please refer to the “Reconciliation of non-GAAP financial measures” table in the financial review of the full Annual Report 2024/25, which will be published May 13, 2025.

Reported gross profit amounted to CHF 2,784.5 million. Adjusted gross profit was CHF 2,799.7 million, an increase of 8.1% in local currencies and 6.8% in Swiss francs. This development was supported by higher volume in the Hearing Instruments business as well as lower costs of components. While average selling prices (ASP) in both the Hearing Instruments and Audiological Care business were helped by the new platforms, this was offset by pressure on previous generation products, costs related to the ramp up of manufacturing, and an adverse country mix. As a result, the adjusted gross profit margin reached 72.4%, up by 0.2 percentage points in Swiss francs or 0.3 percentage points in local currencies.

Excluding acquisition-related amortization, reported operating expenses were CHF 2,034.7 million (2023/24: CHF 1,883.3 million). Adjusted operating expenses before acquisition-related amortization rose by 8.4% in local currencies or by 7.7% in Swiss francs to CHF 1,991.9 million (2023/24: CHF 1,850.1 million). The cost increase is related to investments in the launch of the new hearing aid platforms in the first half-year and elevated lead generation costs in the Audiological Care business, as well as labor cost inflation. Operating costs grew at a slower rate than sales in the second half-year, supported by targeted cost initiatives. Adjusted research and development (R&D) expenses before acquisition-related amortization reached CHF 232.0 million (2023/24: CHF 236.0 million), a stable development in local currencies, following the successful completion of two parallel platform developments. This represents 6.0% of sales (2023/24: 6.5%).

Adjusted sales and marketing costs before acquisition-related amortization increased by 9.6% in local currencies to CHF 1,390.0 million or 36.0% of sales (2023/24: 35.3%). This was primarily driven by significant launch investments as well as by elevated lead generation costs, new store openings, and acquisitions in the Audiological Care business. Primarily driven by higher IT investments, rising labor costs, and one-time benefits in the prior year, adjusted general and administration costs before acquisition-related amortization increased by 11.2% in local currencies, reaching CHF 370.1 million or 9.6% of sales (2023/24: 9.2%). Adjusted other income totaled CHF 0.0 million (2023/24: expenses of CHF 0.6 million).

Fueled by a strong increase of 16.6% in local currencies in the second half-year, adjusted operating profit before acquisition-related amortization (EBITA) rose by 7.4% in local currencies and 4.7% in Swiss francs, reaching CHF 807.8 million (2023/24: CHF 771.4 million). The adjusted EBITA margin was 20.9%, down 0.4 percentage points in Swiss francs and 0.1 percentage points in local currencies. Exchange rate developments reduced adjusted EBITA by CHF 20.5 million and the margin by 0.3 percentage points. Reported EBITA rose by 5.9% in local currencies or 3.1% in Swiss francs, totaling CHF 749.8 million (2023/24: CHF 727.0 million). Acquisition-related amortization amounted to CHF 57.9 million (2023/24: CHF 57.1 million). Reported operating profit (EBIT) amounted to CHF 691.9 million (2023/24: CHF 669.9 million), up 6.2% in local currencies or 3.3% in Swiss francs.

Net financial expenses, including the result from associates, rose from CHF 22.6 million in the prior year to CHF 39.9 million, reflecting increased hedging costs and certain non-recurring benefits in the prior year. Income taxes amounted to CHF 105.0 million (2023/24: CHF 37.8 million), impacted by the implementation of the OECD global minimum tax laws in Switzerland from 2024 onwards. In the prior year, income taxes benefited from effects related to tax reforms and the recognition of deferred tax assets arising from losses incurred. Basic earnings per share (EPS) reached CHF 9.07, down 6.9% in local currencies and 10.0% in Swiss francs. Adjusted EPS rose by 10.6% in local currencies and 7.4% in Swiss francs to CHF 10.81, compared to CHF 10.06 in the prior year.

Hearing Instruments segment – Successful product launches driving sales acceleration

Sales in the Hearing Instruments segment reached CHF 3,561.4 million, reflecting an increase of 7.5% in local currencies and 6.4% in Swiss francs. Growth accelerated in the second half-year, driven by successful product launches and a rebound of organic growth in the Audiological Care business, although it was held back by softer-than-expected market growth. Organic sales growth was 6.1%, while acquisitions contributed an additional 1.3%, equating to CHF 44.1 million. Exchange rate effects reduced reported sales by CHF 36.1 million, or 1.1% in Swiss francs.

The Hearing Instruments business recorded sales of CHF 1,821.4 million, reflecting an increase of 8.5% in local currencies. Following the successful launch of the Phonak Audéo Infinio and Audéo Sphere Infinio hearing aid families in August, the company consistently gained market share, resulting in a growth of 9.8% in local currencies in the second half-year. In the final two months of the 2024/25 financial year, the development was held back by a significant slowdown in the private hearing aid market in the US, affecting both volume growth and ASP development.

The Audiological Care business generated sales of CHF 1,487.5 million, representing an increase of 6.4% in local currencies. Organic growth reached 3.3% but accelerated to 5.3% in the second half-year, supported by a series of measures implemented to drive growth and profitability. Convincing customers to visit the hearing care clinic and make a purchase decision continued to be a challenge, resulting in elevated lead generation costs. Acquisitions (including the full-year effect of prior year acquisitions) lifted sales by 3.1%.

Sales in the Consumer Hearing business increased by 6.4% in local currencies, reaching CHF 252.5 million. This was fueled by double-digit growth in the second half-year, benefiting from the return of the global consumer audio market to growth and a favorable comparison base. The business has made considerable progress in its strategic priorities, focusing on premium market categories while driving sustainable profitability by expanding customer reach in key markets and channels, as well as optimizing product-related costs.

Reported EBITA for the Hearing Instruments segment was CHF 721.4 million, up 5.5% in local currencies. Adjusted EBITA rose by 6.5% in local currencies to CHF 764.9 million, corresponding to a margin of 21.5% (2023/24: 22.0%). Excluding the adverse currency development, the adjusted EBITA margin declined by 0.2 percentage points compared to the prior year, but improved by 1.4 percentage points in the second half-year compared to the prior year period.

Cochlear Implants segment – Continued market share gains

Sales in the Cochlear Implants segment amounted to CHF 303.9 million, up 9.5% in local currencies and 9.0% in Swiss francs. The increase was primarily attributed to continued strong system sales, which rose by 16.3% in local currencies, indicating market share gains. Sales growth was also supported by the Remote Programming feature introduced in the previous financial year. Strong performance in the US was achieved through enhanced commercial execution and improvements in lead generation. Sales of upgrades and accessories declined by 3.9% in local currencies, as many recipients have already adopted the Marvel sound processor technology, which was introduced in 2021.

Reported EBITA for the Cochlear Implants segment was CHF 28.4 million. The adjusted EBITA reached CHF 42.8 million (2023/24: CHF 35.1 million), representing a margin of 14.1% (2023/24: 12.6%). Adverse shifts in the geographic sales mix weighed on the gross margin, which was more than offset by strict control of operating costs. Excluding the adverse currency development, the adjusted EBITA margin rose by 1.8 percentage points.

Cash flow

Cash flow from operating activities totaled CHF 793.7 million (2023/24: CHF 753.3 million). Growth of income before taxes in Swiss francs was held back by adverse currency developments. Lower cash outflow from changes in working capital was driven by the fact that the impact of higher receivables and inventories was more than compensated by the increase in payables, partly due to ongoing payment term initiatives. The net purchase of tangible and intangible assets stood at CHF 136.0 million (2023/24: CHF 127.4 million). Coupled with higher income taxes paid, operating free cash flow reached CHF 577.9 million (2023/24: CHF 539.2 million).

Cash consideration for acquisitions amounted to CHF 77.3 million (2023/24: CHF 101.6 million), reflecting the further expansion of the Audiological Care network through bolt-on acquisitions, mainly in Australia, Canada, and Germany. In total, this resulted in a free cash flow of CHF 500.5 million (2023/24: CHF 437.6 million). The cash outflow from financing activities of CHF 401.8 million mainly reflects the dividend payment of CHF 256.2 million, as well as lease liabilities repayment of CHF 73.3 million.

Balance sheet

Cash and cash equivalents rose to CHF 686.9 million, compared to CHF 513.6 million at the end of the 2023/24 financial year. Net working capital rose to CHF 165.0 million, compared to CHF 93.2 million at the end of the 2023/24 financial year, reflecting higher receivables and inventory, partly offset by the increase in accounts payable. Capital employed remained stable at CHF 3,824.1 million, compared to CHF 3,850.9 million at the end of the 2023/24 financial year.

The Group’s equity of CHF 2,684.6 million represents an equity ratio of 45.3%, compared to 43.0% at end of the 2023/24 financial year. The net debt position decreased to CHF 1,139.5 million compared to CHF 1,359.5 million at the end of the 2023/24 financial year. The net debt/EBITDA ratio stood at 1.2x, down from 1.5x in March 2024, and within Sonova’s target range of 1.0-1.5x. The return on capital employed (ROCE) reached 18.0% compared to 17.7% in the prior year.

Outlook 2025/26

Building on our solid momentum, increased market share, positive market reception for our new products, and the continued execution of our strategy, we are entering the new financial year from a position of strength. The outlook is based on the current sentiment and growth trends in the hearing care market, as well as the tariffs currently in place. It reflects the recent decline in consumer confidence, particularly in the USA, along with the associated moderate market slowdown observed in recent months. This outlook assumes no significant additional tariffs or other major economic disruptions beyond those already known at the time of this report's publication.

For the full 2025/26 financial year, Sonova expects consolidated sales to increase by 5%-9%, and EBITA – normalized for special items but including restructuring costs – to grow in a range of 14%-18% when measured at constant exchange rates.

Reflecting exchange rates as of early May 2025, Sonova anticipates reported sales growth in Swiss francs to be reduced by around 4 percentage points and normalized EBITA growth in Swiss francs to be negatively affected by 5-6 percentage points in FY 2025/26.

Eric Bernard to succeed Arnd Kaldowski as CEO

After successfully leading Sonova as CEO for nearly eight years, Arnd Kaldowski has decided to step down as CEO effective September 30, 2025, due to health-related matters affecting a family member, marking a planned transition in Sonova's leadership. He will remain available to the Group in an advisory capacity until June 2026, leveraging his extensive industry and company-specific knowledge. After a thorough selection process, the Board of Directors has appointed Eric Bernard (1967, French citizen). He will join Sonova on July 1, 2025, and assume full responsibilities as CEO by October 1, 2025, to ensure a smooth transition.

Robert Spoerry, Chair of Sonova, states: “Sonova is in an even stronger position today than it was eight years ago. Under Arnd’s successful leadership, we have seen Sonova grow its market share and continue to introduce impactful innovation in the field of hearing aids, including the groundbreaking real-time AI powered Sphere Infinio hearing aids. At the same time, we effectively navigated challenges such as a global pandemic, the significant strengthening of the Swiss Franc, and other macroeconomic pressures. These efforts have enabled Sonova to solidify its leadership in the hearing care industry. On behalf of the Sonova Board of Directors, I wish to express my sincere gratitude for Arnd’s dedicated service and remarkable contributions.”

Eric Bernard brings over 30 years of global experience and proven commercial leadership capabilities in the hearing care and optical industry. From 2019 to 2024, he served as CEO of WS Audiology, a global leader in the hearing care sector, successfully managing the merger and integration of Widex and Sivantos. Prior to that, he spent 25 years in country, regional, and global leadership roles at Essilor, a world leader in the optical industry, where he was also a member of the Executive Committee. Eric received his master's degree in Applied Mathematics and Social Sciences from Université Paris Dauphine-PSL, France, and is a graduate from ESSEC Business School in Cergy, France.

Robert Spoerry adds: “I am very pleased to welcome Eric Bernard as the new CEO of Sonova. He has been appointed after a thorough selection process and will assume his position on October 1, 2025. Eric’s extensive global leadership experience and management skills in the hearing care and adjacent industries are essential as we continue to advance Sonova's vision and build on our leadership in innovative hearing care solutions. I am convinced that Eric will ensure continuity and further advance the Group in line with its successful strategy."

The presentation of the Full-Year Results 2024/25 can be downloaded at:
https://www.sonova.com/en/presentations

The Annual Report 2024/25 will also be available on our website on May 13, 2025, at:
https://www.sonova.com/en/financial-reports

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Key Figures Sonova Group (consolidated)

April 1 to March 31, in CHF million unless otherwise specified	2024/25	2023/24
Sales	**3,865.4**	**3,626.9**
change compared to previous year (%)	6.6	(3.0)
Gross profit	**2,784.5**	**2,610.4**
in % of sales	72.0	72.0
Gross profit (adjusted)[1]	**2,799.7**	**2,621.5**
in % of sales (adjusted)	72.4	72.3
Research & development costs	**233.6**	**237.5**
in % of sales	6.0	6.5
Sales & marketing costs	**1,408.8**	**1,290.4**
in % of sales	36.4	35.6
Operating profit before acquisition-related amortization (EBITA)	**749.8**	**727.0**
in % of sales	19.4	20.0
Operating profit before acquisition-related amortization (EBITA) (adjusted)[1]	**807.8**	**771.4**
in % of sales (adjusted)	20.9	21.3
Operating profit (EBIT)	**691.9**	**669.9**
in % of sales	17.9	18.5
Income after taxes	**547.0**	**609.5**
in % of sales	14.2	16.8
Income after taxes (adjusted)[1]	**650.7**	**608.7**
in % of sales (adjusted)	16.8	16.8
Basic earnings per share	**9.07**	**10.08**
Basic earnings per share (CHF) (adjusted)[1]	**10.81**	**10.06**
Dividend/distribution per share (CHF)	**4.40[2]**	**4.30**
Net debt[3]	**1,139.5**	**1,359.5**
Net working capital[4]	165.0	93.2
Capital expenditure (tangible and intangible assets)[5]	137.6	128.6
Capital employed[6]	3,824.1	3,850.9
Total assets	5,924.2	5,791.8
Equity	2,684.6	2,491.3
Equity financing ratio (%)[7]	45.3	43.0
Free cash flow[8]	500.5	437.6
Operating free cash flow[9]	**577.9**	**539.2**
Return on capital employed (%)[10]	**18.0**	**17.7**
Number of employees (end of period)	**17,990**	**18,151**

1) Non-GAAP financial measure adjusted for nonrecurring items; for details see the table "Reconciliation of non-GAAP financial measures" in the financial review of the full Annual Report 2024/25.
2) Proposal to the Annual General Shareholders' Meeting of June 10, 2025.
3) Cash and cash equivalents + other current financial assets (without loans) – current financial liabilities – current lease liabilities – non-current financial liabilities – non-current lease liabilities.
4) Receivables (incl. loans) + inventories – trade payables – current income tax liabilities – short-term contract liabilities – other short-term liabilities – short-term provisions.
5) Excluding goodwill and intangibles relating to acquisitions.
6) Equity + net debt.
7) Equity in % of total assets.
8) Cash flow from operating activities + cash flow from investing activities + payments for lease liabilities.
9) Free cash flow – cash consideration for acquisitions and from divestments, net of cash acquired/divested – cash consideration for associates.
10) EBIT in % of capital employed (average).

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About Sonova

Sonova is a global leader in innovative hearing care solutions: from personal audio devices and wireless communication systems to audiological care services, hearing aids and cochlear implants. The Group was founded in 1947 and is headquartered in Stäfa, Switzerland.

Sonova operates through four businesses – Hearing Instruments, Audiological Care, Consumer Hearing and Cochlear Implants – and the core brands Phonak, Unitron, AudioNova, Sennheiser (under license) and Advanced Bionics as well as recognized regional brands. The Group's globally diversified sales and distribution channels serve an ever growing consumer base in more than 100 countries.

In the 2024/25 financial year, the Group generated sales of CHF 3.9 billion, with a net profit of CHF 547 million. Around 18,000 employees are working on achieving Sonova's vision of a world where everyone enjoys the delight of hearing.

For more information please visit www.sonova.com.