Half-Year Results 2023/24

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Strategy and growth drivers

Sustainable market leader in an attractive industry

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Attractive market

- Attractive secular growth drivers
- Significant penetration potential in mild and moderate hearing loss population and high growth developing markets
- Continued potential to innovate “Better Hearing”
- Opportunity to elevate hearing aid adoption and value capture through focus on known comorbidities

Leading market position

- Leading position in the Hearing Industry
- Advanced vertically integrated business model
- Broadest and most advanced product offering
- Global and differentiated distribution network, with scaled direct consumer access

Focus on sustainability

- Strong purpose and positive impact on society by providing advanced hearing health care
- *IntACT* ESG strategy executed Group-wide
- Ambitious climate actions linked to science-based targets
- Industry leading ESG performance, recognized by major rating agencies

Strong financials

- Attractive profit margins
- Strong balance sheet and cash generation
- Moderate leverage and long-term debt structure at low interest rates
- Significant capacity for organic and inorganic growth investments
- Low tax rate

► The fundamentals of Sonova’s business remain strong and offer attractive value creation opportunities

Our strategy

Strategic pillars

Lead innovation in audiological performance & consumer experience

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

Expand consumer access through **omni-channel audiological care network** and **consumer device** business

Continuous **process improvement** through Sonova X **& structural optimization**

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

Invest in **high growth developing markets**

► Consistent implementation of our proven strategy continuing

Our growth ambition

Ambition to gain market share through customer-focused growth strategy and strong execution capability

Mid-term targets

Sales CAGR
6-9% p.a. in LC
organic: +5-7%
M&A: ~+1-2%

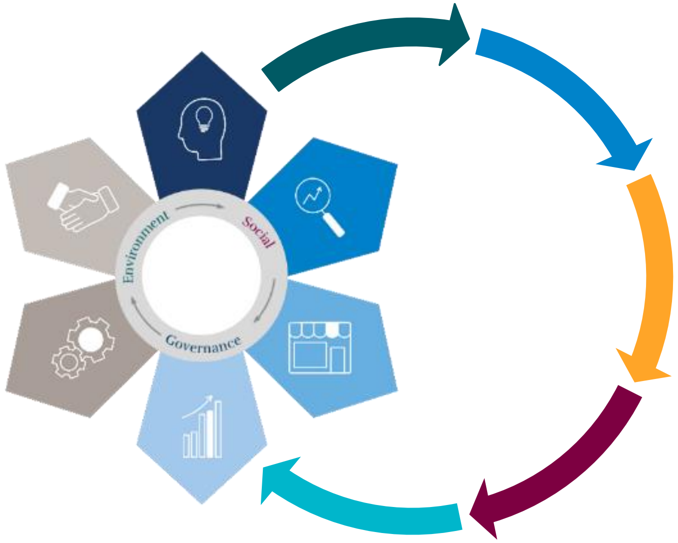
adj. EBITA CAGR
7-11% p.a. in LC

Market growth (in value)

Mid-term CAGR
4-6% p.a.

Sonova growth strategy

Executing on our strategic pillars to drive above-market growth



Key focus areas

Targeted growth initiatives in 5 focus areas enabled by continued growth investments

- Lead innovation
  - Advance hearing innovation
  - Expand consumer value
- Broaden consumer access
- Deliver commercial excellence
- Accelerate high growth markets

► Mid-term targets and strategy unchanged – Continuing to drive above-market growth and margin expansion

Key growth drivers

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Customer centricity and growth initiatives driving sustainable, above-market growth

Lead innovation		Broaden consumer access	Deliver commercial excellence	Accelerate high growth markets
Advance hearing innovation	**Expand consumer value**			
Pioneer technology & deliver best-in-class audiological performance	**Deliver consumer-centric value-add through differentiated solutions**	**Provide broad consumer access to pinnacle audiological services & solutions**	**Be the partner of choice through state-of the art & customer-oriented service**	**Expand presence in markets with high growth potential**
Key growth drivers				
– Elevate **core hearing performance** by expanding **processing power** and **algorithms (incl. AI technologies)**	– Enhance consumer value though **technology-enabled medical services** and expand category with **early-entry hearing devices**	– Expand network through **M&A and greenfield** openings – Elevate **consumer journey** through **digitization and omni-channel** interaction	– Elevate relationships with B2B customers through **value-added services, feet on the street investments** and **commercial excellence**	– Scale up Audiological Care business network and further build on consumer audio brand in **China**

► Key growth drivers, each with more than CHF 100 million sales upside

Shaping a sustainable business

Continued investment across all ESG pillars – Industry leading rating with major rating agencies

Strong progress of internal leadership development

- In 1H 2023/24, ~72% of Sonova's leadership positions were filled by internal candidates – rate at a high level and further progress made compared to 66% in FY 2022/23
- Improved share of women in middle management to 38.2% (+1.8 ppts vs. FY 2022/23) and in senior management to 25.2% (+3.2 ppts vs. FY 2022/23)

Science-based CO_2 reduction targets approved

- Committed to reduce combined absolute scope 1 and 2 greenhouse gas (GHG) emissions by 78.3% and 32.5% in scope 3 by 2032 compared to 2019 – thereby aligning with the 1.5° C scenario for scope 1 and 2, and with the "well below 2° C" scenario for scope 3
- The Science Based Targets initiative (SBTi) officially approved our targets, representing an important milestone on Sonova's journey to drive impactful actions for our society and the planet

Industry-leading sustainability rating

- Sonova ranking 2nd out of over 200 assessed companies in the medical devices industry according to Sustainalytics (September 2023)

► Further progress achieved in 1H 2023/24 – Industry leading sustainability rating maintained

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1H 2023/24 review

Sonova Group

Summary 1H 2023/24

- Market environment remained volatile with sequential slowdown in 2Q 2023 – re-acceleration in 3Q 2023
- Good market growth in North America, additional contribution from higher growth in developing markets while Europe remaining subdued
- Value growth supported by ASP lift from pricing initiatives in both HI and AC
- HI business started to regain positive momentum – improving net promoter score and gaining back share sequentially in key markets
- Strong execution driving good growth in AC business, organically and through acquisitions
- Continued focus on executing our proven strategy – sustained growth investments into innovation, our digital ecosystem and AC network expansion
- Muted sales and profitability development, held back by the non-renewal of a large contract, fading temporary operational challenges and a significant strengthening of the CHF – operational effects expected to reverse in 2H
- Higher investments to sustain the positive trajectory in HI and AC to accelerate sales in the second half while expecting continued margin expansion

Sonova Group results

Key highlights – 1H 2023/24

Sales

CHF 1,753 m

+1.6% in LC

-5.1% in CHF

EPS (adj.)

CHF 4.34 per share

+8.1% in LC

-11.3% in CHF

Sales outlook

+3-7%

growth in LC
in FY 2023/24

EBITA (adj.)

CHF 350.0 m

+2.5% in LC

-12.1% in CHF

Consumer access & innovation

Continued AC network expansion, investments in digital ecosystem and broadened HI portfolio offering

EBITA (adj.) outlook

+4-8%

growth in LC
in FY 2023/24

Note: adj. refers to adjusted figures; for details, please refer to slide 30 and Appendix – Non-GAAP adjustments.

Sonova Group results

Summary 1H 2023/24

Group

- Sales of CHF 1,753.0 million up +1.6% in LC – material FX headwinds reducing topline growth by -6.7%
- Organic sales growth of -0.4% or +3.0% if excluding non-renewal of contract with large customer in the HI business
- EBITA (adj.) of CHF 350.0 million, up +2.5% in LC – EBITA margin (adj.) of 20.0%, up +20bps in LC
- EPS (adj.) up +8.1% in LC to CHF 4.34 – Reported EPS up +5.0% in LC but down -14.6% in CHF to CHF 4.11

Hearing Instruments (HI)

- Sales of CHF 824.5 million – organic growth of -4.3% in LC but up +2.4% in LC adjusted for large US contract
- Growth held back by large contract and temporary operational challenges – markets improving with regional differences
- Business starting to regain positive momentum

Consumer Hearing (CH)

- Sales of CHF 120.3 million down -1.9% in LC – performing in line with peers in a challenging consumer electronics market
- Development further impacted by high comparison base – new product launches more skewed towards 2H vs. 1H in PY
- Expanding range of Sennheiser-branded hearing solutions with launch of new self-fitting hearing aids (OTC)

Audiological Care (AC)

- Sales of CHF 675.5 million – strong performance with sales growth of +11.5% in LC
- Solid organic growth of +5.7% in LC driven by good performance in most EU markets – positive M&A contribution of +5.8%
- HYSOUND in China performing ahead of plan – integration on track and market recovering well

Cochlear Implants (CI)

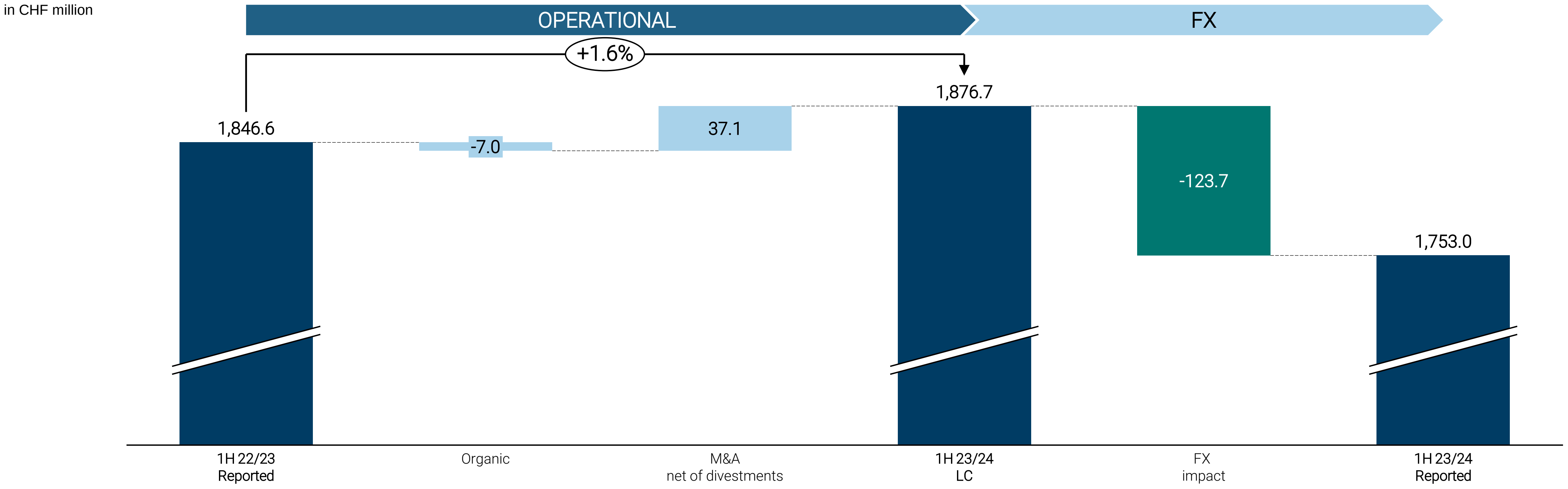
- Sales of CHF 132.6 million, down -0.9% in LC – impacted by slowing processor sales and launch from largest competitor
- System sales up +2.8% in LC supported by a continued market improvement as hospital staffing shortages abated
- Upgrades and accessories -7.8% in LC – installed base of recipients waiting for an upgrade to Marvel is tapering off

Note: adj. refers to adjusted figures; for details, please refer to slide 30 Appendix – Non-GAAP adjustments.

► Soft start into the year – Strong performance in AC helping to offset headwinds in HI and CI

Sonova Group results

Sales components



	Organic	M&A net of divestments	1H 23/24 LC	FX impact	1H 23/24 Reported
YOY growth components	-0.4%	+2.0%	+1.6%	-6.7%	-5.1%
excl. non-renewal of large US contract	*+3.0%*				

► Sales held back by operational challenges and non-renewal of large HI contract – Material FX headwinds

Sonova Group results

Sales by regions and key markets

	1H2023/24			1H 2022/23	
	CHF m	Δ % in LC	% Group sales	CHF m	% Group sales
EMEA	881.6	+4.8%	51%	879.8	47%
USA	530.7	-4.6%	30%	602.7	33%
Americas (excl. USA)	126.5	-1.2%	7%	140.1	8%
Asia / Pacific	214.2	+7.8%	12%	224.0	12%
Total Sonova	**1,753.0**	**+1.6%**	**100.0%**	**1,846.6**	**100%**

EMEA

- Good growth in several key markets, including Germany, Belgium, the Netherlands and Poland
- Weaker development in France, Italy and Sweden
- Growth supported by the continued expansion of the audiological care network

US

- Strong benefit from solid market recovery and the expansion of our audiological care network
- Growth heavily impacted by non-renewal of contract with large US customer in the HI business

Other

- Growth in the Americas (excl. the US) held back by soft development in Canada, due to non-renewal of large contract
- Development in APAC driven by the HYSOUND acquisition in China performing ahead of plan and strong growth in Japan but held back by slower development in Australia and New Zealand

► Good growth in our key market Europe offsetting weakness in the US – Strong growth in emerging markets

Hearing Instruments segment

Hearing Instruments segment

Highlights

Sales
CHF 1,620m
+1.8% vs. PY in LC
-0.3% organic growth

EBITA (adj.)
CHF 338m
+4.2% vs. PY in LC
Margin: 20.8%
Margin YOY: +50bps in LC

HI business Sales: CHF 825m
-4.3% vs. PY in LC*

* +2.4% excl. non-renewal of contract with large US customer

CH business Sales: CHF 120m
-1.9% vs. PY in LC

AC business Sales: CHF 675m
+11.5% vs. PY in LC
+5.7% organic growth

Note: adj. refers to adjusted figures; for details, please refer to slide 30 and Appendix – Non-GAAP adjustments.

Segment sales

- Soft start into the year with momentum improving over the course of the reporting period
- Strong execution in AC in both Europe and China offsetting fading headwinds in HI business
- Momentum supported by positive market response to the Lumity platform expansion, the improvement of the hearing care market as well as the pick-up in the HI business

Segment profitability

- Benefitting from lower component costs and last year's pricing initiatives in all businesses
- Shift in business mix towards AC lifting gross margin, but at higher OPEX in percentage of sales
- Sales development in HI limiting operating leverage
- Increasing investments to sustain sales momentum

► Strong execution in AC offsetting fading headwinds in HI – Investing to sustain positive trajectory

Hearing Instruments business

Sales dynamics

HI business sales: CHF 825m

-4.3% vs. PY in LC*

* +2.4% excl. non-renewal of contract with large US customer

- **Business starting to regain momentum** through product launches, resolving temporary operational challenges and proactive communication with HCPs
- **Strong market** in North America and Canada, weakness in EU with regulatory changes in Germany and France
- **Non-renewal of large contract** impacting sales in US and CA – no further impact after annualization in September 2023
- **Strong reliability improvement –** Lumity repair rate 30% better than Paradise, supporting HCP in-store efficiency

► Regaining positive momentum through improving operational performance

Consumer Hearing business

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Sales dynamics

CH business sales: CHF 120m

-1.9% vs. PY in LC

- **High comparison base driven by numerous launches in previous year –** performing in line with its peers in a challenging consumer electronics market
- **Launched our new self-fitting OTC hearing aid** – positive initial response from HCPs and consumers
- **Product launches, including ACCENTUM Wireless** headphones introduced in September, **expected to support sales in the second half**

▶ Performing in line with peers in a challenging market – Entering the early-entry hearing market (OTC)

Audiological Care business

Sales dynamics

AC business
sales: CHF 675m

+11.5% vs. PY in LC

+5.7% organic growth

- **Strong performance** driven by solid growth in most European markets, added to by M&A incl. HYSOUND in China performing ahead of plan
- Continuing to **drive value creation** through optimization of store efficiency and increasing share of wallet
- **Solid Sonova balance sheet enabling** continued footprint expansion to drive growth – more than 80 POS added
- **Building a digital omni-channel ecosystem** – continued investment to complement in-store consumer experience

► Increasing consumer access – Continued high M&A activity and increasing investments to drive sales

Cochlear Implants segment

Cochlear Implants segment

Highlights

Sales
CHF 132.6m
-0.9% vs. PY in LC

EBITA (adj.)
CHF 12.7m
-30.5% vs. PY in LC
Margin: 9.5%
Margin YOY: -400bps in LC

System sales
CHF 89.3m
+2.8% vs. PY in LC

Upgrade sales
CHF 43.4m
-7.8% vs. PY in LC

Note: adj. refers to adjusted figures; for details, please refer to slide 30 and Appendix – Non-GAAP adjustments.

Cochlear implant systems

- Solid system sales in light of new processor launch of largest competitor
- Held back by residual supply chain challenges, which are solved by now
- Continued market improvement as hospital staffing shortages abated

Upgrades and accessories

- Upgrade sales at high level but declining YoY due to the stage in the product cycle as Marvel sound processers enter 3rd year after the launch

Segment profitability

- Held back by sales development, mix shifts and higher costs from supply chain issues
- Continued investments in sales and marketing to drive future growth

► System sales supported by improved market, upgrades facing challenges – Profitability declining

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3 Financial information

Financial highlights

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Sonova Group

Sales

- Sales of CHF 1,753.0 million +1.6% in LC and -5.1% in CHF
- Significant FX headwinds of CHF -123.7 million (-6.7%)
- Organic sales growth of -0.4% in LC for the Group – +3.0% in LC adjusted for non-renewal of large US contract

Profitability

- Gross profit margin (adj.) of 71.6%, +280bps from pricing & productivity initiatives, business mix and easing cost headwinds
- EBITA (adj.) of CHF 350.0 million, up +2.5% in LC, margin of 20.0%, up +20bps in LC
- Impacted by slow sales development and shift in the business mix resulting from substantial growth in AC business
- EPS (adj.) of CHF 4.34, up +8.1% in LC but down -11.3% in CHF due to substantial FX headwind

OpFCF

- Operating free cash flow (OpFCF) at CHF 150.5 million, down -18.8% YOY
- Decline almost exclusively driven by adverse FX impact on income before tax and higher tax payments
- Slight improvement in NWC cash-out despite higher receivables due to improved sales momentum towards the end of 1H 2023/24

TSR & Balance Sheet

- Net debt/EBITDA ratio of 1.8x – above target range of 1.0-1.5x due to seasonal factors including dividend payment
- Net debt position at CHF 1,672.3 million – increase driven by acquisitions and lower OpFCF due to effects from FX
- Dividend distribution of CHF 274m – share buyback temporarily paused

Note: adj. refers to adjusted figures; for details, please refer to slide 30 Appendix – Non-GAAP adjustments.

Gross margin development

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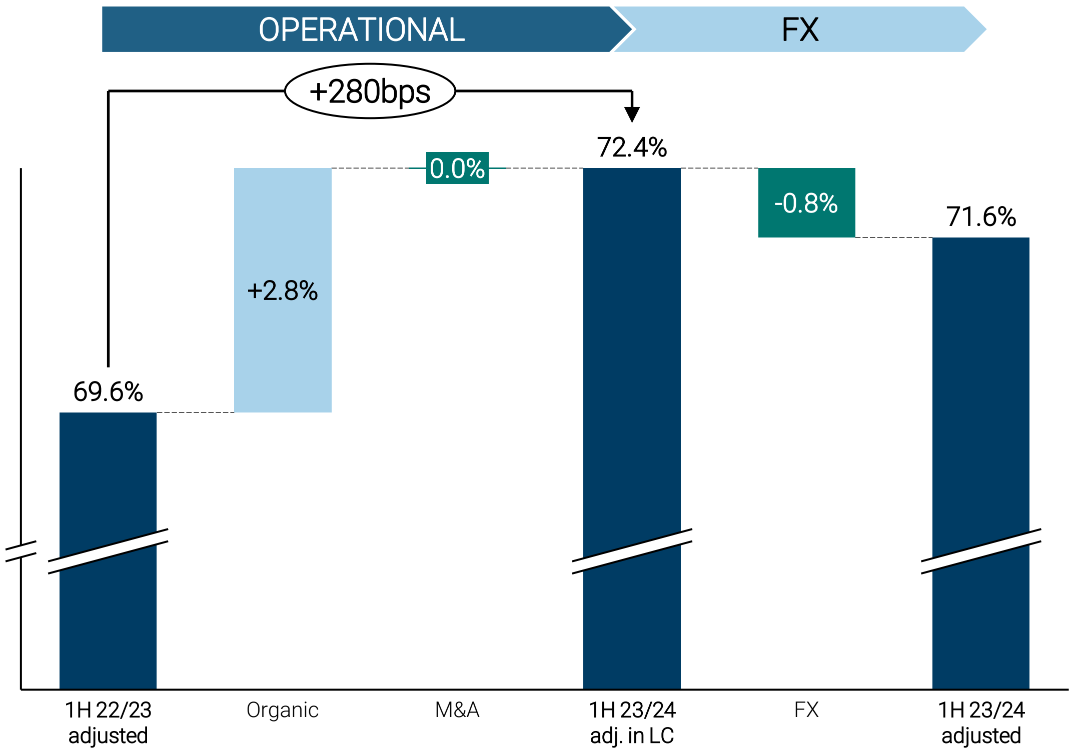

- Gross margin (adj.) increased by +200bps in CHF to 71.6% or operationally by +280bps in LC
- Margin increase mainly driven organically by:
  - Prior year price increases
  - Continued progress from continuous improvement initiatives
  - Shift in the business mix due to the strong growth in AC
  - Easing of headwinds from transport and component costs
- Adverse FX development weighing on GP margin

Note: adj. refers to adjusted figures; for details, please refer to slide 30 and Appendix – Non-GAAP adjustments.

► Improvement driven by PY ASP increases, productivity gains, business mix shift and easing cost headwinds

Development of operating expenses

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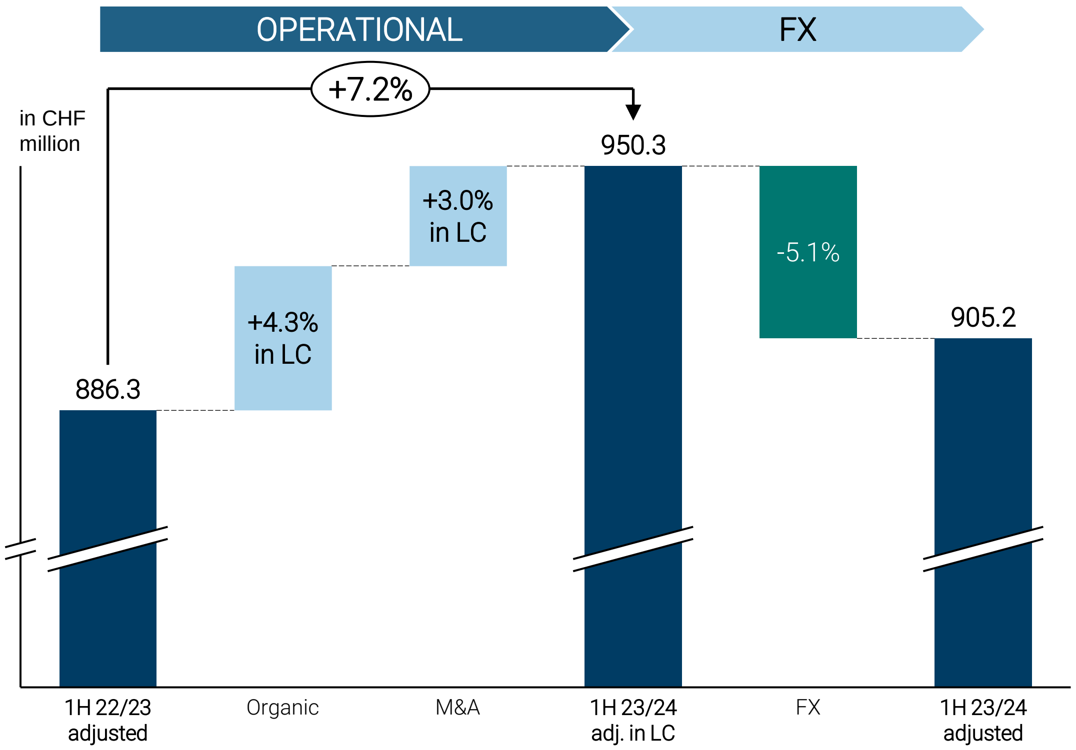

- Organic OPEX development driven by business mix shift due to faster growth in the AC business and continued investments in sales & marketing to drive future sales
- Additional increase related to continued acquisitions to expand AC network incl. HYSOUND in China
- FX development reducing OPEX growth in CHF, however, resulting in -100bps negative impact on adj. EBITA margin due to currency mismatch of sales vs. OPEX

Note: adj. refers to adjusted figures; for details, please refer to slide 30 and Appendix – Non-GAAP adjustments.

► OPEX growth driven by shift in business mix, investments to drive future sales and M&A

Development of operating expenses

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Sonova Group – Expense by category excluding acquisition-related amortization

	1H 2023/24		1H 2022/23	
	CHF m	Δ % in LC	CHF m	Comments
Research & development (adj.) in % of sales	-115.6 6.6%	-0.6%	-119.2 6.5%	– Stable investments in innovation – Phasing of certain larger projects
Sales & marketing (adj.) in % of sales	-625.3 35.7%	+8.2%	-613.1 33.2%	– >75% of increase related to acquisitions – Continued investment in sales & marketing to drive future sales
General & administration (adj.) in % of sales	-163.8 9.3%	+10.8%	-154.0 8.3%	– Inflationary impact on energy and maintenance costs – Harmonization of merit after larger acquisitions
Other income/expenses (adj.)	-0.5	NM	-0.0	
Total OPEX (adj.) in % of sales	**-905.2** 51.6%	**+7.2%**	**-886.3** 48.0%	
Adjustments	-13.1	NM	-5.5	– Costs related to structural optimization initiatives, bolt-on acquisitions and integration costs of past acquisitions
Total OPEX (reported) in % of sales	**-918.3** 52.4%	**+8.1%**	**-891.8** 48.3%	

Note: adj. refers to adjusted figures; for details, please refer to slide 30 and Appendix – Non-GAAP adjustments.

► Cost development reflecting recent acquisitions and investments to enable future growth

EBITA Components

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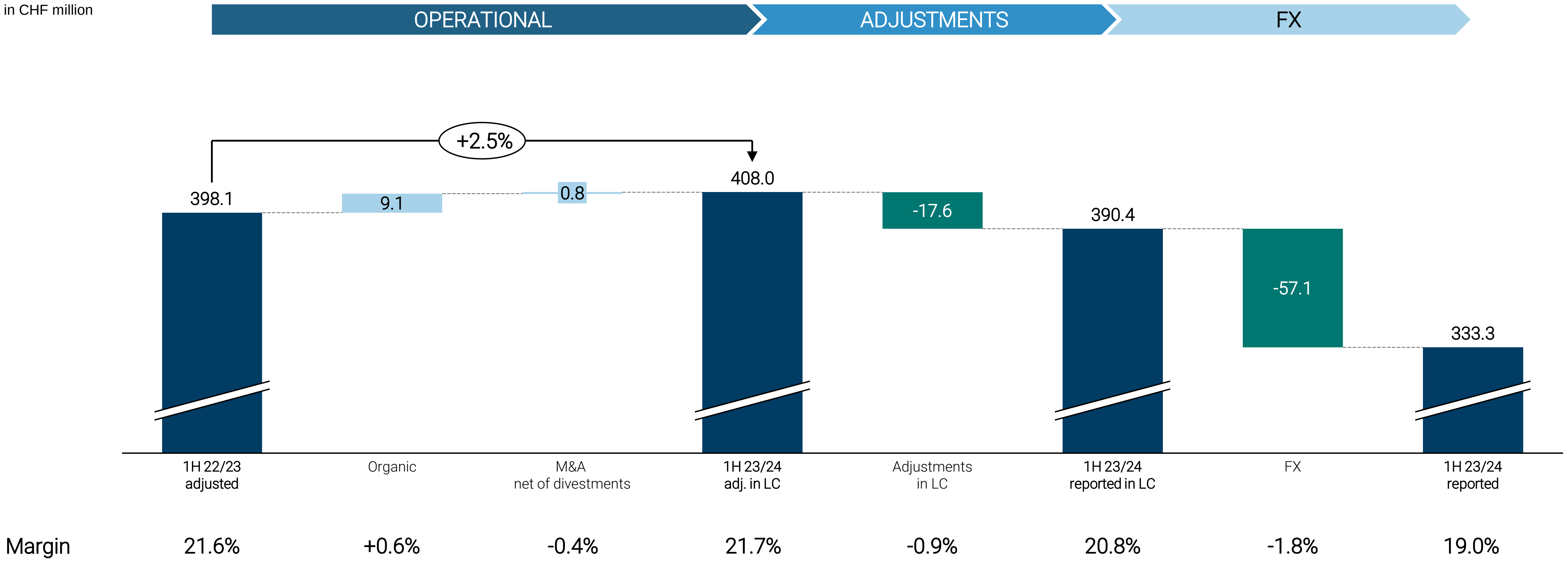

Note: adj. refers to adjusted figures; for details, please refer to slide 30 and Appendix – Non-GAAP adjustments.

► Operational margin improvement more than offset by significant FX headwinds

Key financials

Sonova Group

	1H 2023/24				
	CHF m	Margin	Δ % in LC	Δ margin in LC	Comments
Sales (reported)	1,753.0		+1.6%		
Gross profit (adj.)	1,255.2	71.6%	+5.8%	+280bps	
OPEX (adj.)	905.2		+7.2%		
EBITA (adj.)	350.0	20.0%	+2.5%	+20bps	
Adjustments	-16.7				– Restructuring, transaction and integration costs
EBITA (reported)	333.3	19.0%	-0.4%	-40bps	
Acq. rel. amortization	-27.8				
EBIT (reported)	305.6	17.4%	-0.7%	-50bps	
Financial result	-11.9				
Tax	-44.1				– Underlying tax rate of 15.0% (1H 2022/23: 15.5%)
Net profit (reported)	249.6	14.2%	+3.3%	+30bps	
EPS (adj. in CHF)	4.34		+8.1%		– Lifted by lower share count from PY buyback and by lower reported tax rate – Significant FX headwind resulting in EPS decline in CHF of -11.3%
EPS (reported. in CHF)	4.11		+5.0%		

Note: adj. refers to adjusted figures; for details, please refer to slide 30 and Appendix – Non-GAAP adjustments.

Overview of adjustments

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Key financials – As reported and adjusted

in CHF million	1H 2023/24 Reported	Adjustments: 1 Restructuring	Adjustments: 2 Transaction & integration	Adjustments: Total	1H 2023/24 Adjusted
Sales	1,753.0	-	-	-	1,753.0
Cost of sales	-501.3	+3.6	-	+3.6	-497.8
Gross profit	1,251.6	+3.6	-	+3.6	1,255.2
Research & Development	*-117.0*	*+1.5*	*-*	*+1.5*	*-115.6*
Sales & Marketing	*-631.5*	*+2.8*	*+3.4*	*+6.2*	*-625.3*
General & Administration	*-169.3*	*+2.4*	*+3.1*	*+5.5*	*-163.8*
Other income/(expenses)	*-0.5*	*-*	*-*	*-*	*-0.5*
Total OPEX	-918.3	+6.6	+6.5	+13.1	-905.2
EBITA	333.3	+10.2	+6.5	+16.7	350.0
EPS (in CHF)	4.11	+0.15	+0.09	+0.24	4.34

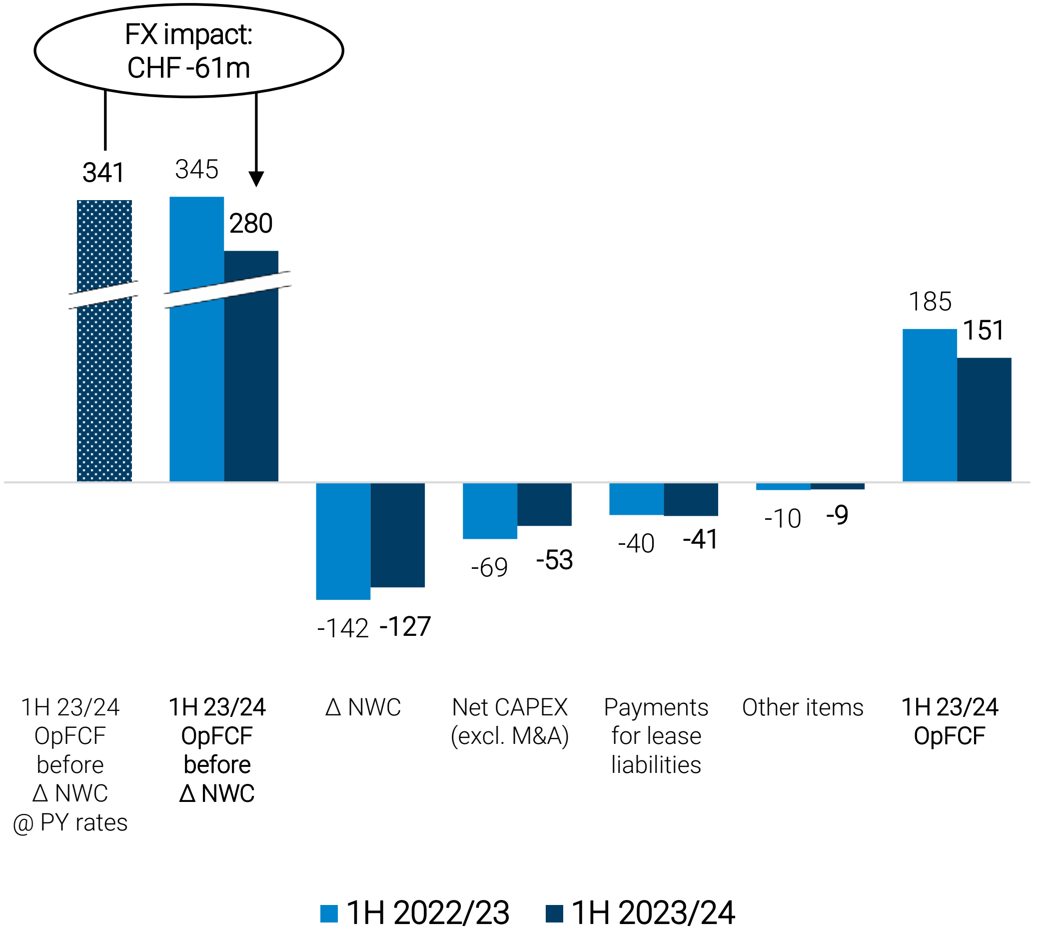
Note: positive values indicate a positive impact on the adjusted vs. the respective reported financial metric and vice versa.

1 **Restructuring:** costs mainly related to structural optimization initiatives (incl. build-up of new operations facility in Mexico)

2 **Transaction & integration:** costs related to the acquisitions of AC business bolt-ons and integrations (Sennheiser CD, Alpaca and Hysound)

Cash flow development

Sonova Group – Operating Free Cash Flow



- **OpFCF before changes in NWC:** Driven by lower income before tax due to CHF 61 million adverse FX impact as well as CHF 8 million higher tax payments and a positive impact of CHF 4 million on other items
- **Change in NWC:** Slight improvement, helped by prior year build-up in working capital for the Consumer Hearing business, following the acquisition of the Sennheiser Consumer Division
- **CAPEX:** Lower vs. 1H 2022/23, which had included catch-up effects after the pandemic

► YOY development driven by significant adverse FX impact on profits – Partly offset by NWC improvement

Balance sheet

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CHF m	30 Sep 2023	30 Sep 2022	Comments
Days sales outstanding (DSO)	57	52	– Increase largely driven by improved sales momentum towards the end of 1H 2023/24
Days inventory outstanding (DIO)	165	162	– Affected by elevated safety stock levels and transition effects during global supply chain optimization
Capital employed	3,802.9	3,498.1	– Driven by acquisitions and higher net working capital
ROCE (reported)	18.9%	23.4%	– Mainly due to lower business result in CHF and increased levels of capital employed from acquisitions, incl. the Sennheiser Consumer Division and Alpaca
Net debt	1,672.3	1,497.3	– Increase mainly due to acquisitions in the last 12 months, and lower cash levels due to FX impact
Net debt/EBITDA	1.8x	1.5x	– Above target range of 1.0-1.5x due to seasonal factors including dividend payment – Solid long-term debt structure at low interest rates

Note: DSO and DIO calculated on a 360 day basis; net debt/EBITDA ratio calculated based on net debt as of 30 September 2023, divided by 12-months rolling reported EBITDA.

► Leverage temporarily above target range – Balance sheet impacted by acquisitions and FX development

Total shareholder return & cash deployment strategy

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	Sonova TSR strategy	1H 2023/24
1. Acquisitions	– Bolt-ons: CHF 70-100 million p.a. – Strategic and technology acquisitions	– **Total M&A cash-out: CHF 60 million** investment into further AC network expansion
2. Attractive dividend	– Maintain payout ratio of around 40%	– **CHF 274 million distributed, dividend up** +5% YOY with payout ratio of 41%
3. Healthy balance sheet	– Targeting net debt/EBITDA ratio of 1.0-1.5x	– Equity ratio of 39.5% – **Net Debt/EBITDA ratio of 1.8x**
4. Share buyback	– Three-year buyback program of up to CHF 1.5 billion from April 2022 until April 2025	– **No shares bought back in 1H 2023/24** and **no share repurchases foreseen in FY 2023/24** – **Balanced approach in FY 2023/24, continuing to** prioritize leverage target range and healthy balance sheet

► TSR strategy unchanged

4 Outlook

Outlook

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Recap of 1H 2023/24 and guidance for FY 2023/24

	Recap 1H 2023/24	Considerations for 2H 2023/24

HI Segment	– Volatile market environment – slowdown in 2Q but reacceleration in 3Q 2023
	– HI sales held back by the non-renewal of the large US contract in HI and temporary operational challenges – improving momentum in 2Q
	  – QoQ improvement of global market share in key markets
	  – Improving NPS for Phonak building fundament for further recovery
	– Strong execution in AC with good organic and inorganic growth partly offsetting fading headwinds in HI
	– CH business performing in line with peers in a challenging market
		– Re-acceleration of global hearing care markets in 3Q 2023 as foundation for positive development in second half – short-term uncertainties persist
		– Expecting market share gains in HI – positive development in NPS and sequential market share gains in 1H boding well for growth acceleration in 2H
		– Large client contract annualized – no further impact on business performance
		– Continued solid momentum in AC expected, both organic and inorganically
		– CH launch cycle skewed towards 2H vs 1H in PY
		– Higher investments in HI and AC to drive substantial acceleration in sales growth in 2H, while expecting continued margin expansion

CI Segment	– Solid system sales considering new processor launch of largest competitor – Upgrade sales lower due to already high penetration of Marvel processor	– Momentum supported by market recovery but YoY headwind from high PY processor sales to continue, resulting in growth headwind
FX	– Substantial FX headwinds due to strong appreciation of the Swiss franc – Sales growth reduced by 6.7% and adj. EBITA growth reduced by 14.6%	– Continued negative impact: FY 2023/24 sales growth in CHF expected to be reduced by 6-7%-pts and adj. EBITA growth in CHF by 12-14%-pts*

Note: * Reflecting average exchange rates YTD and exchange rates as of early November for the remainder of FY 2023/24

in local currencies (LC)	Guidance FY 2023/24	Mid-term Target
Sales growth (incl. M&A)	+3% to +7%	+6% to +9% p.a.
adj. EBITA growth	+4% to +8% (previous: +6% to +10%)	+7% to +11% p.a.

▶ Driving substantial sales growth acceleration in 2H, while expecting continued margin expansion

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Q&A

Thank you!

6 Appendix

Appendix

Sales by segment and sales components

	1H 2023/24			1H 2022/23		
	CHF m	Δ % in CHF	Δ % in LC	CHF m	Δ % in CHF	Δ % in LC
HI business	824.5	-11.3%	-4.3%	930.0	+4.5%	+5.3%
CH business	120.3	-9.5%	-1.9%	133.0	n/a	n/a
AC business	675.5	+5.5%	+11.5%	640.1	+11.3%	+17.3%
HI segment	1,620.3	-4.9%	+1.8%	1,703.2	+16.2%	+19.3%
CI segment	132.6	-7.5%	-0.9%	143.5	+3.8%	+3.0%
Total Sonova	1,753.0	-5.1%	+1.6%	1,846.6	+15.1%	+17.9%
Δ organic	-7.0	-	-0.4%	+80.2	-	+5.0%
Δ acquisitions	+37.1	-	+2.0%	+207.4	-	+12.9%
Δ disposals	-	-	-	-0.4	-	-0.0%
Δ FX	-123.7	-6.7%	-	-44.4	-2.8%	-

Appendix

Sales performance by business

Hearing Instruments business

	1H 2023/24			1H 2022/23		
	CHF m	Δ % in CHF	Δ % in LC	CHF m	Δ % in CHF	Δ % in LC
Sales	824.5	-11.3%	-4.3%	930.0	+4.5%	+5.3%
Δ organic	-39.8	-	-4.3%	+46.8	-	+5.3%
Δ acquisitions	+0.0	-	+0.0%	+0.8	-	+0.1%
Δ disposals	-	-	-	-0.4	-	-0.0%
Δ FX	-65.8	-7.1%	-	-7.3	-0.8%	-

Audiological Care business

	1H 2023/24			1H 2022/23		
	CHF m	Δ % in CHF	Δ % in LC	CHF m	Δ % in CHF	Δ % in LC
Sales	675.5	+5.5%	+11.5%	640.1	+11.3%	+17.3%
Δ organic	+36.6	-	+5.7%	+29.3	-	+5.1%
Δ acquisitions	+37.0	-	+5.8%	+69.9	-	+12.2%
Δ FX	-38.2	-6.0%	-	-34.5	-6.0%	-

Consumer Hearing business

	1H 2023/24			1H 2022/23		
	CHF m	Δ % in CHF	Δ % in LC	CHF m	Δ % in CHF	Δ % in LC
Sales	120.3	-9.5%	-1.9%	-	-	-
Δ organic	-2.5	-	-1.9%	-	-	-
Δ FX	-10.2	-7.7%	-	-	-	-

Cochlear Implants business

	1H 2023/24			1H 2022/23		
	CHF m	Δ % in CHF	Δ % in LC	CHF m	Δ % in CHF	Δ % in LC
Sales	132.6	-7.5%	-0.9%	143.5	+3.8%	+3.0%
Δ organic	-1.3	-	-0.9%	+4.1	-	+3.0%
Δ FX	-9.5	-6.6%	-	+1.1	+0.8%	-

Appendix

Non-GAAP adjustments

in CHF m	1H 2023/24	1H 2022/23
Restructuring	+10.2	+2.8
thereof HI segment	*+7.2*	*+2.8*
thereof CI segment	*+3.0*	*+0.0*
Transaction and integration costs	+6.5	+2.5
Patent / legal litigation	-	+1.0
thereof HI segment	-	-
thereof CI segment	-	*+1.0*
Total adjustments to EBITA	**+16.7**	**+6.3**

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

Appendix

Cash flow statement

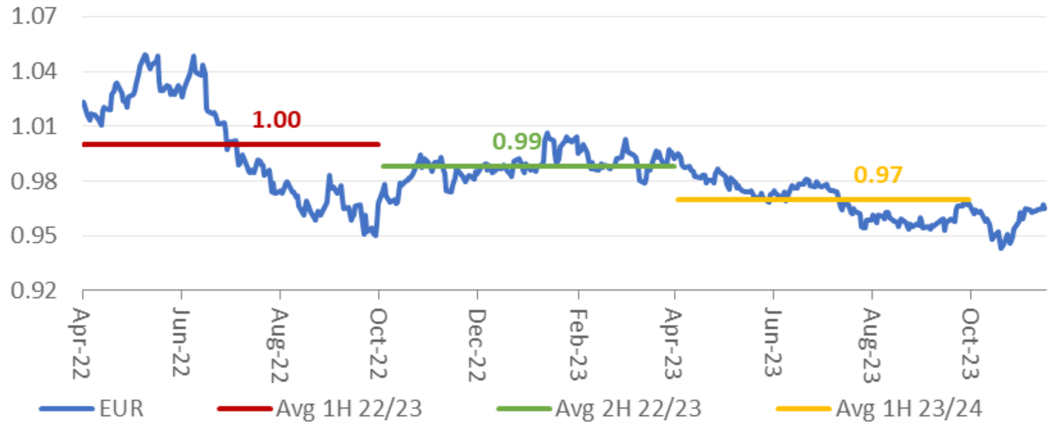
	1H 2023/24		1H 2022/23
	CHF m	Δ % in CHF	CHF m
Income before taxes	293.7	-16.2%	350.5
Depreciation & amortization	*121.3*	*+1.9%*	*119.0*
Working capital	*-127.0*	*-10.7%*	*-142.1*
Other cash effects	*3.1*	*NM*	*-2.1*
Tax paid	*-45.6*	*+22.1%*	*-37.3*
Financial result	*7.1*	*-52.3%*	*15.0*
Operating cash flow	252.8	-16.6%	303.0
Payments for lease liabilities	*-40.8*	*+3.4%*	*-39.5*
Capex	*-52.9*	*-23.0%*	*-68.7*
Other movements in financial assets	*-8.5*	*-11.2%*	*-9.6*
Operating free cash flow	150.5	-18.8%	185.3
Net M&A	*-59.9*	*-30.2%*	*-85.7*
Free cash flow	90.6	-8.9%	99.5
Cash flow from financing activities	-290.3	-37.4%	-463.6

Appendix

Sonova Group – FX impact on sales and margins

USD/CHF

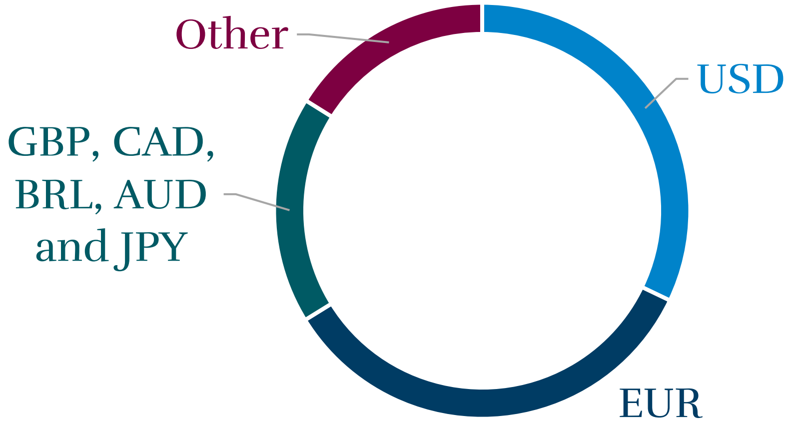
EUR/CHF



	Rate	Sales	EBITA
USD/CHF	+/- 5%	+/- CHF 59 million	+/- CHF 17 million
EUR/CHF	+/- 5%	+/- CHF 65 million	+/- CHF 23 million

Appendix

Sonova Group – Sales by currency and FX rates



	1H-22/23	1H-23/24	Δ YOY in %	2H-22/23	FY-22/23	Spot Nov-2023
USD	0.97	0.89	-7.7%	0.94	0.96	0.90
EUR	1.00	0.97	-3.0%	0.99	0.99	0.96
GBP	1.17	1.12	-4.5%	1.13	1.15	1.10
CAD	0.75	0.66	-11.2%	0.70	0.72	0.65
AUD	0.67	0.59	-12.7%	0.63	0.65	0.58
BRL	0.19	0.18	-4.7%	0.18	0.19	0.18
JPY 100	0.72	0.63	-12.3%	0.69	0.70	0.61

Upcoming events

Date	Event
April 1 – May 13, 2024	Quiet period
May 14, 2024	Publication of Full-Year Results 2023/24
June 11, 2024	AGM 2024
October 1 – November 18, 2024	Quiet period
November 19, 2024	Publication of Half-Year Results 2024/25

Sonova Financial Calendar

Please find the full financial calendar here: Financial Calendar | Sonova International

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