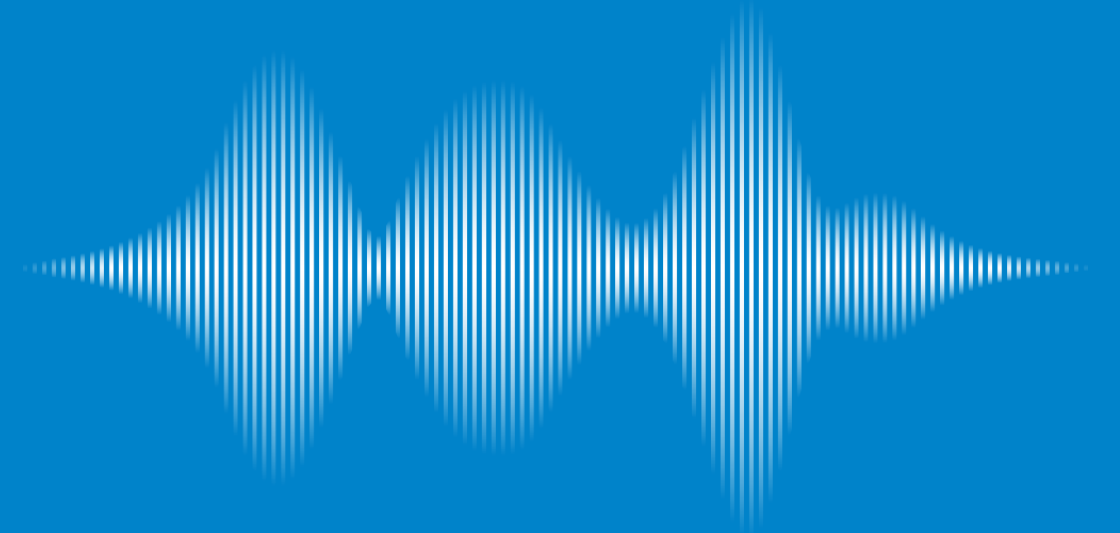


# Investor & Analyst Day 2022

Stäfa, Switzerland  
October 11, 2022



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# Investor & Analyst Day 2022

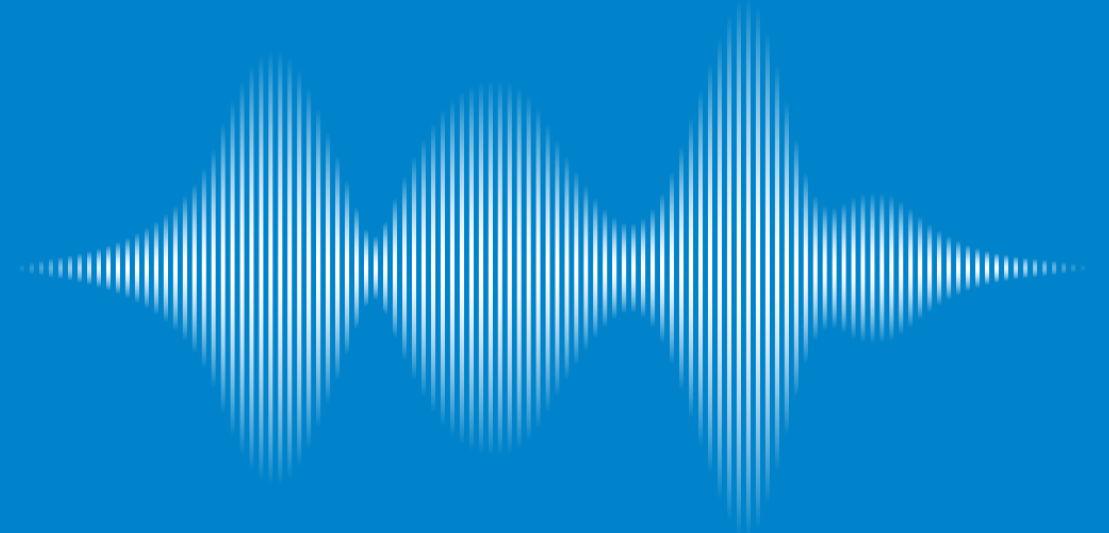
## Agenda and Speakers

09.05	<b>Market and strategy update</b> Strategy on track – Leading innovation and expanding our reach	Arnd Kaldowski, CEO Birgit Conix, CFO	
09.30	<b>Audiological Care</b> Expanding consumer access and engagement	Christophe Fond, GVP Audiological Care	
10.00	<b>1st Q&amp;A</b>		
10.15	<b>Coffee break</b>		
10.45	<b>Hearing Instruments</b> Excelling in an evolving marketplace	Rob Woolley, GVP Hearing Instruments	
11.15	<b>Phonak Lumity</b> Conversations shine with Lumity	Fabia Müller, Director Strategic Marketing Excellence	
11.45	<b>2nd Q&amp;A</b>		
12.00	<b>Lunch break and product marketplace</b>		
13:30	<b>Consumer Hearing</b> Expanding our market through earlier consumer engagement	Martin Grieder, GVP Consumer Hearing	
14:00	<b>Summary and final Q&amp;A (with live questions over the phone line)</b>	Arnd Kaldowski, CEO Birgit Conix, CFO	
14.30	<b>End of the event</b>		

Market and strategy update

# Strategy on track – Leading innovation and expanding our reach

Arnd Kaldowski, Chief Executive Officer | Birgit Conix, Chief Financial Officer



## Reasons to invest in Sonova

### Attractive market

- Attractive secular growth drivers
- Relative resilience to economic cycles
- Good penetration potential in both hearing devices and implants
- 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

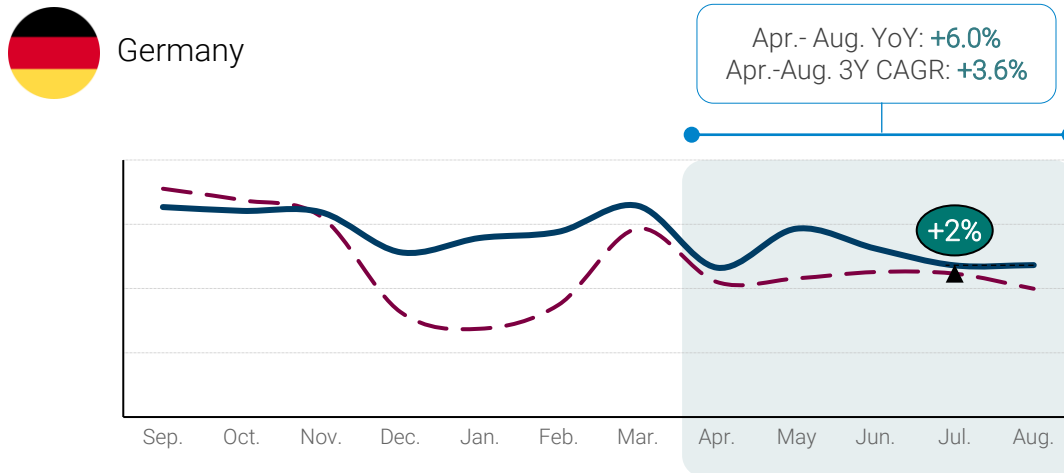
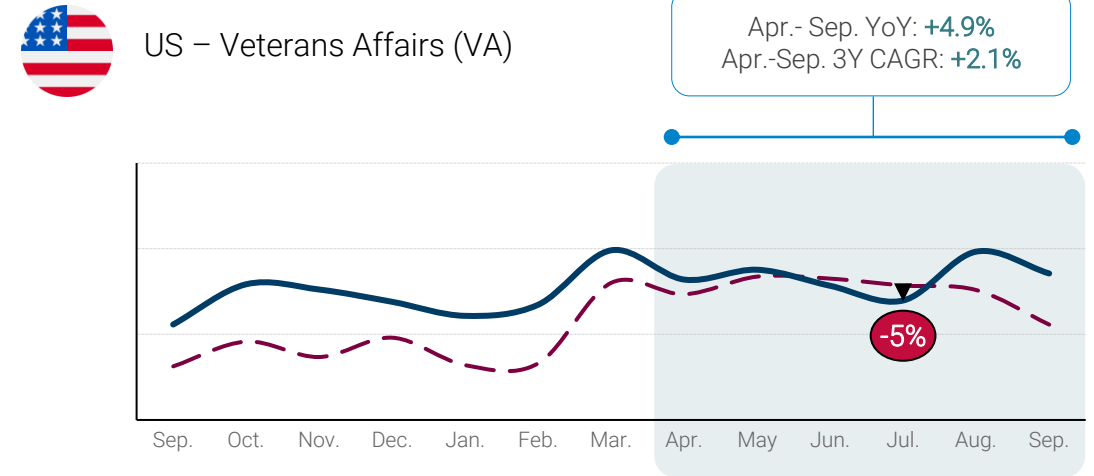
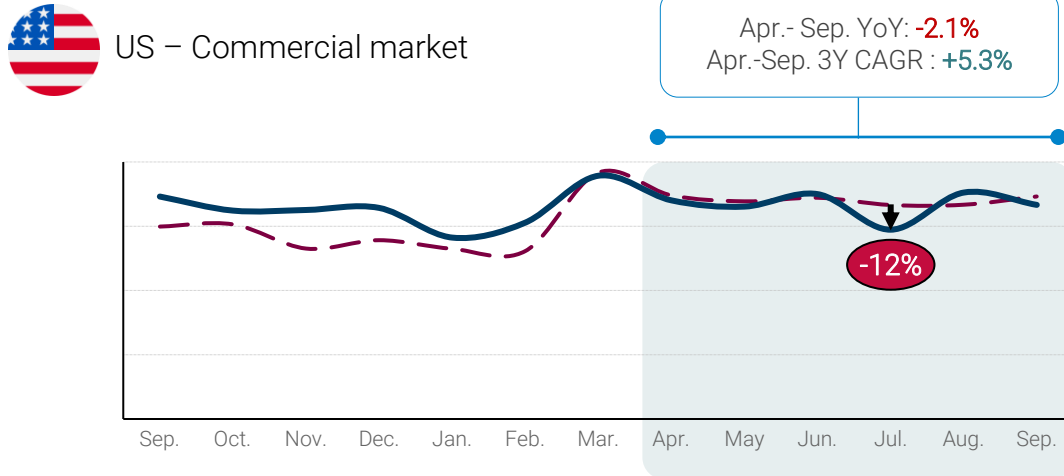
### Strong financials

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

► Strong fundamentals and attractive growth potential fully intact

# Market update

US markets recovering in August – Trend in Germany weakening

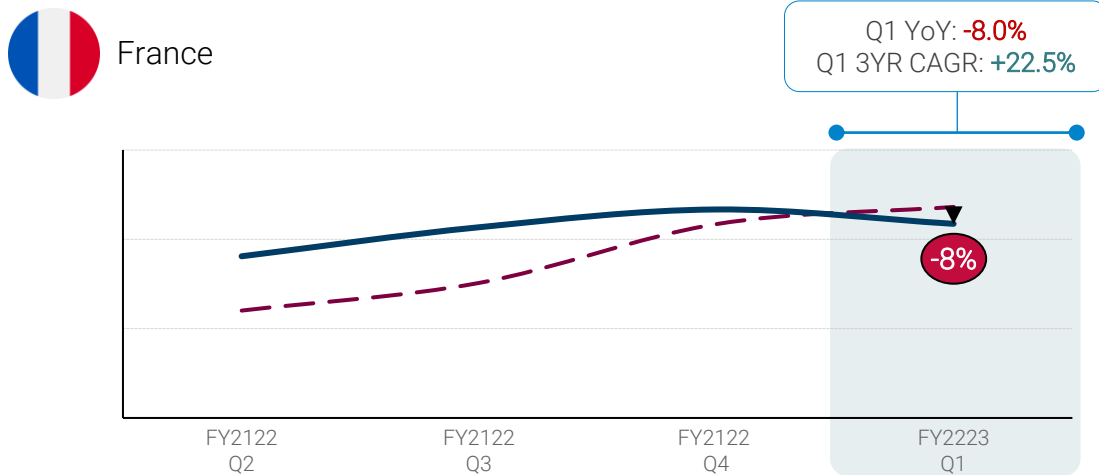
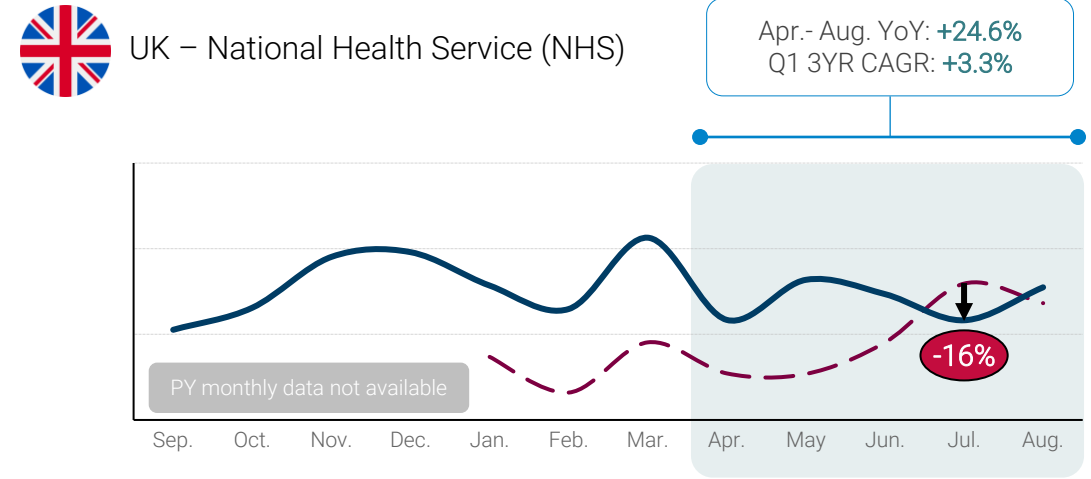
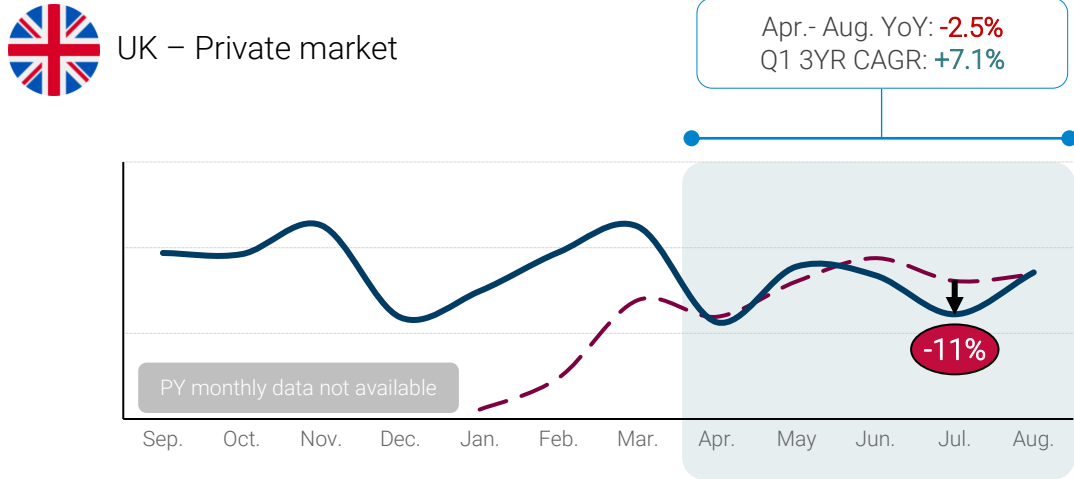


- US Commercial market – YoY growth below expectations, particularly due to headwinds in July with low in-store footfall
- US VA market – slowing since March but strong recovery in August
- Germany – market decelerating yet stronger than expected, in light of falling consumer confidence levels

— Actual — Same period of the prior year

# Market update

Strong 3-year CAGR in France and UK – trend weakening



- UK Private market – slowdown in recent months with July decline affected by heat wave and COVID impacting the capacity of store staff and in-store traffic
- UK NHS – strong recovery between April-August, supported by low comparison base (pandemic affecting hospital capacity in PY)
- France – market contraction as expected, following strong growth in FY 2021/22 after reimbursement change

— Actual — Same period of the prior year

# Our strategy

Six strategic pillars



► Consistent implementation of our proven strategy



# Strategy update

## Progress of key deliverables



### Lead innovation

- Introduced new Lumity platform with material improvement in speech understanding
- Added new functionalities such as waterproofing and sensor technology to hearing aids
- Successfully launched Momentum True Wireless 3 and Momentum 4

### Expand consumer access

- Established Digital Lead Generation Hub and World of Hearing store concept, expanding access to younger consumers
- Introduced TV Clear – first Sonova product launched under the Sennheiser brand

### Extend customer reach

- Building up value-added service offerings and loyalty programs for independents
- Expanding salesforce in HI and CI, enabling better coverage of competitive accounts
- Leveraging own stores and Phonak customers to grow CI recipient funnel

### Invest in high growth markets

- Set the stage in China through digital marketing and direct consumer sales activities
- Expanding AC with the planned HYSOUND acquisition adding ~200 hearing aid clinics in China

### Drive continuous improvement

- Improved labor productivity by >10% p.a. through >100 targeted Kaizens p.a. in operations
- Elevated territory and sales funnel management to increase the number of customer visits per day and sales conversion rates

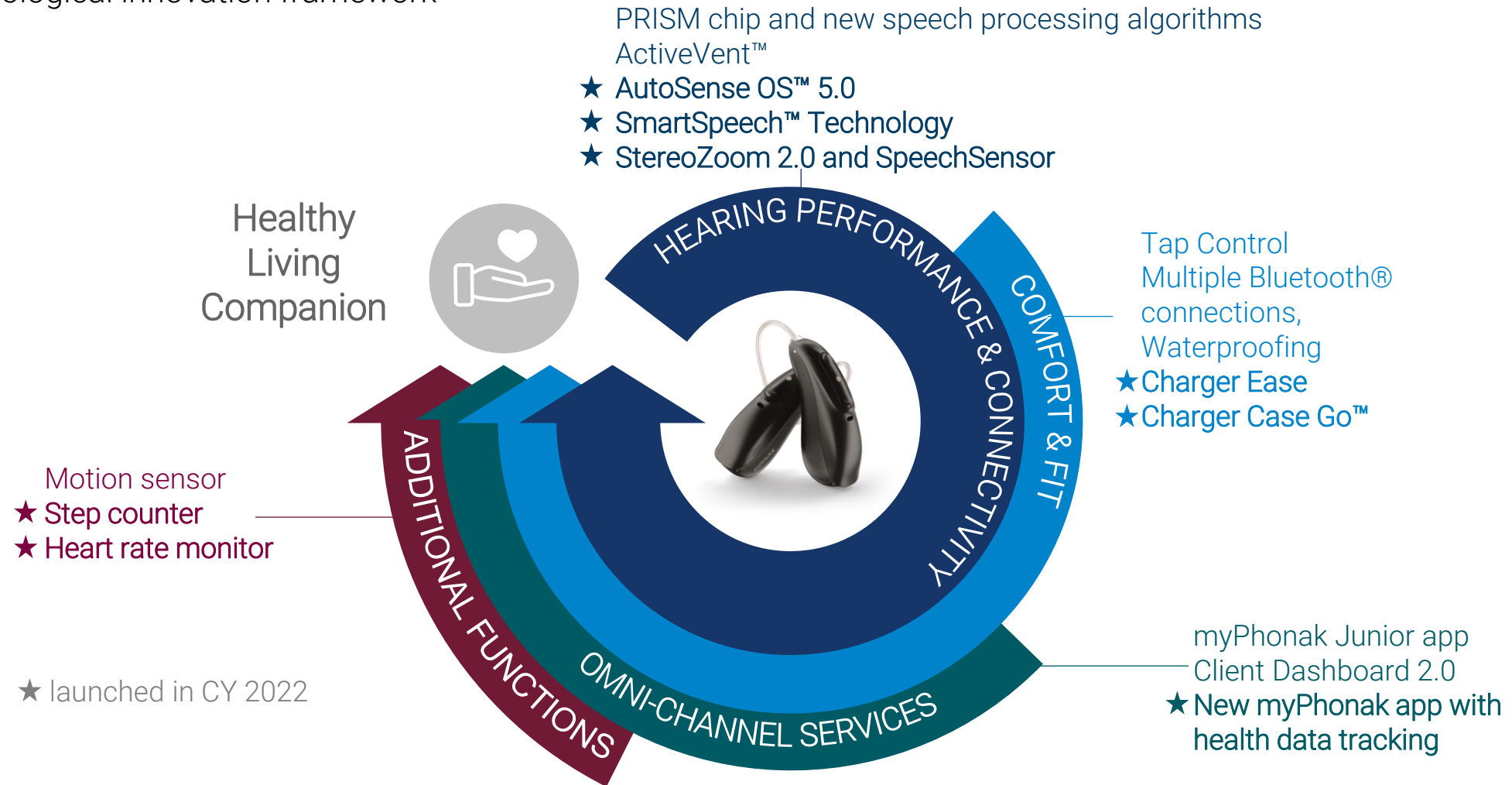
### Leverage M&A

- Sennheiser Consumer Division delivering on plan and integration well on track
- Added >400 AC stores through M&A and >100 through greenfield openings in FY 2021/22

► Continuing to deliver along the 6 pillars of our strategy

# Lead innovation in audiological and consumer experience

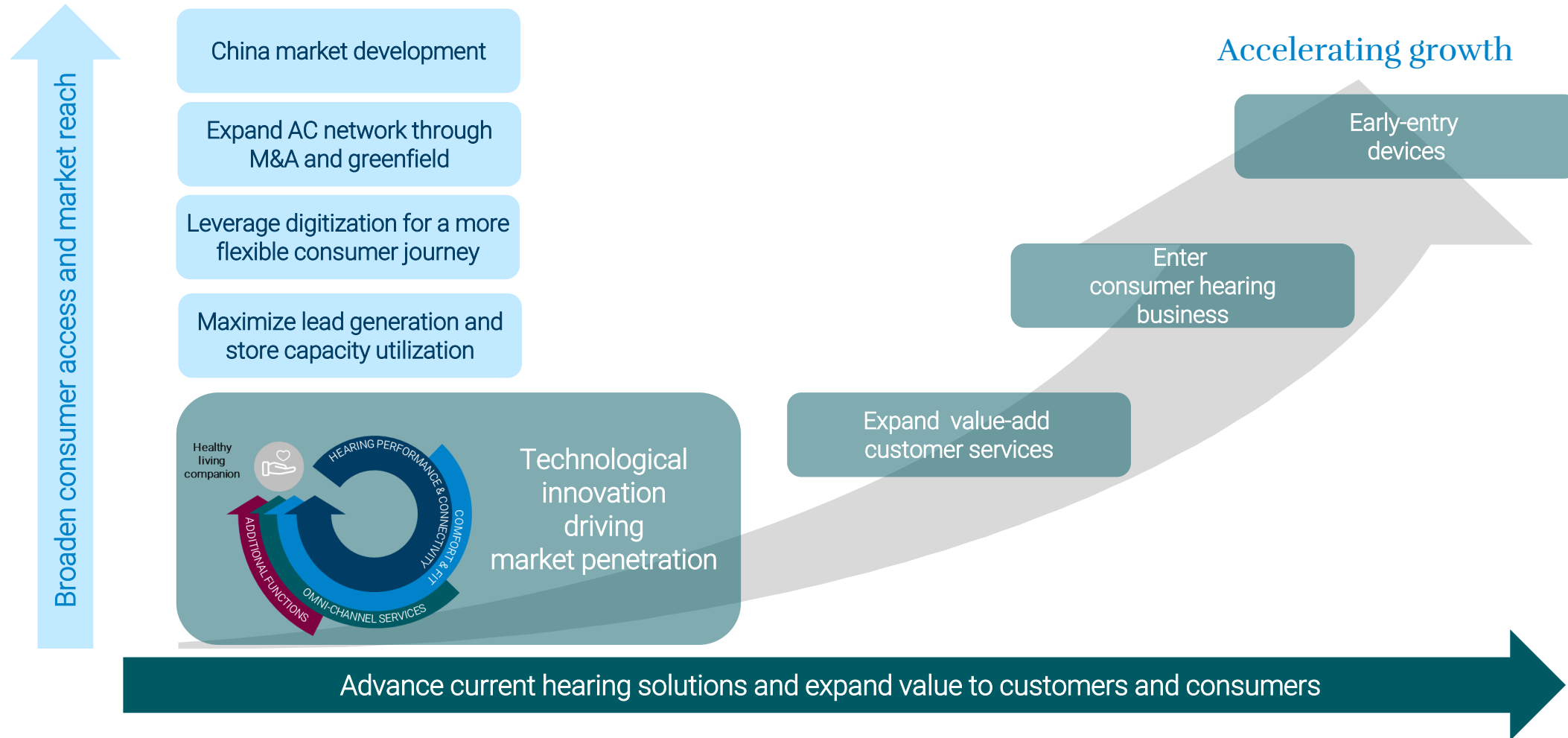
Our technological innovation framework



► Driving innovation to elevate consumer benefits of hearing aids

# Lead innovation and expand consumer access

Expanding the addressable market by driving innovation in products, solutions and consumer journey



▶ Leveraging technological innovation and balance sheet strength to drive growth

A structured methodology to continuously improve our core processes

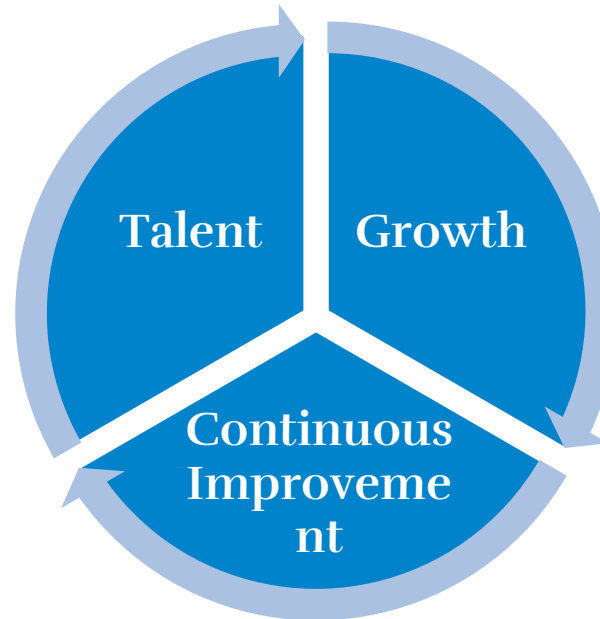
## Talent – key ingredient for sustainable success\*

- Internal promotion rate from <50% to ~65%
- Voluntary attrition in US stores reduced from >30% to <10%

\* Achievements in the past 4 years

## Continuous improvement – driving profitability and investment capacity

- Increased labor productivity by >10% p.a. through deployment of Kaizens broadly
- Reduced greenhouse gas emissions by 77% compared to 2017 levels



## Growth – maximizing returns\*

- Number of customer visits per week doubled, enabling factor 3x increase of competitive visits
- AC client renewal rate up >10% – leveraging existing client base to reduce lead generation cost

\* Achievements in the past 3 years

# Driving growth by elevating commercial execution

Delivering value through customer segmentation, lead generation and training

## Achievements\*



>20% revenue growth  
YoY on competitive accounts



>3x better competitive  
conversion rate



2x more customer intakes with  
higher propensity to change



35% faster to  
close a deal



2x more visits  
per week

\* Achievements over the past 3 years

## The workstreams

### Sales



Comprehensive funnel  
management for sales  
opportunities

- Standard process, tools, metrics and rigorous monitoring



Optimized coverage via  
Improved go-to-market and  
right-sized number of feet-  
on-the street

- Deployed in major Group Companies in Western Europe and North America
- Asia and remaining Europe in progress

### Marketing



Holistic approach to  
capitalize customer's  
needs and motivation to  
do business with Sonova

- Intakes scoring to identify higher propensity to change
- Drive customer engagement via data analytics
- Maximize campaign impact via standard performance framework

### Sales Academy



Develop best-in-class sales  
organization that shines in  
front of customer

- Training program to elevate sales capabilities and skills of our sales teams
- Rolled out in key Group Companies in North America and Europe



Continuous improvement + daily management  
to guarantee sustainability

► Grow customer base through optimized coverage and commercial execution

# Improving efficiency in manufacturing

Recent example: Continuous improvement at Sennheiser plant in Tullamore

## Achievements



SonovaX rolled out to Sennheiser plant



Audiophile headphone output increased by +40%



Significant labor cost and material savings



2 successful new launches while executing Kaizens



Early wins creating buy-in

## Situation

- Sennheiser Consumer Division acquired by Sonova in March 2022
- 115 employees in operations
- Annual production output: 7.9m transducers and 250k audiophile headphones

## Challenge

- Increase profitability of Sennheiser business while creating ability to invest into growth

## How we did it

- Rolled out SonovaX across the Sennheiser Tullamore plant right after the acquisition
- Operators and leaders trained on multiple continuous improvement tools, e.g. daily KPI monitoring and visual management
- Executed 6 Kaizens, targeted at productivity and delivery improvements



▶ Successfully rolled-out SonovaX in Sennheiser manufacturing site with strong first wins

# Sonova training of hearing care professionals

Facilitating strategy of Audiological Care coverage and driving growth

## Achievements\*



Increased number of trained HCPs by factor >10x



Reduced HCP turnover by >50% globally



Reduced need for external recruiting



Improved perspective and created career path for HCPs

\* Achievements over the past 3 years

## Situation

- According to Sonova survey, HCPs seek more development opportunities
- High attrition rate (e.g. US >30% p.a.)
- Open HCP positions in clinics were a major barrier to growth

## Challenge

- Sustainably increase number of HCPs at Sonova and in the market
- Retain HCPs and offer development opportunities
- Increase HCP engagement

## How we did it

- Created dedicated Sonova HCP academy in DE
- Developed Swiss International Hearing Academy (SIHA) and standardized global HCP training material
- Created targeted programs in US, UK, Asia to train front desk staff to become HCPs
- Meeting business demands by training an additional 200 licensed HCPs in FY-22/23



► Addressing HCP shortage – Number of HCPs trained in-house up >10x to 200 p.a. within 3 years

# Summary and outlook

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

	Developments in 1H 2022/23	Consideration for 2H 2022/23
Hearing Care Market	<ul style="list-style-type: none"> <li>– Macro-economic picture weighing on consumer sentiment</li> <li>– Overall slower hearing care markets than initially expected – especially driven by the US and UK private markets</li> </ul>	<ul style="list-style-type: none"> <li>– Inflationary pressures expected to persist</li> <li>– Consumer sentiment believed to remain muted</li> <li>– Slower growth in hearing care markets expected to persist</li> </ul>
Sonova	<ul style="list-style-type: none"> <li>– Successful launch of new Lumity platform – contributing to HI business growth in the final 6 weeks</li> <li>– Continued expansion of AC network through regular bolt-ons</li> <li>– CH business performing as expected driven by successful product launches – seasonality affecting 1H performance</li> <li>– Partial benefit from price increases implemented in July</li> <li>– Supply chain issues leading to headwinds from transport and component costs, in addition delivery challenges in CH and CI business</li> </ul>	<ul style="list-style-type: none"> <li>– Contribution from the Lumity platform for the entire period to lift average selling price (ASP) and improve product mix</li> <li>– Full period contribution from recent price increases</li> <li>– Additional bolt-ons – planned HYSOUND acquisition to add ~200 POS</li> <li>– CH business to benefit from increased sales during the important Christmas season</li> <li>– Gradual easing of supply chain constraints and freight costs</li> </ul>

▶ Sound performance expected in 2H despite persistent pressures from slower markets



# Outlook

Guidance and mid-term target as of August 16, 2022

In LC	Guidance FY 2022/23	Mid-term Target
Sales growth	+15% to +19%	+6% to +9% p.a.
adj. EBITA growth	+6% to +10%	+7% to +11% p.a.

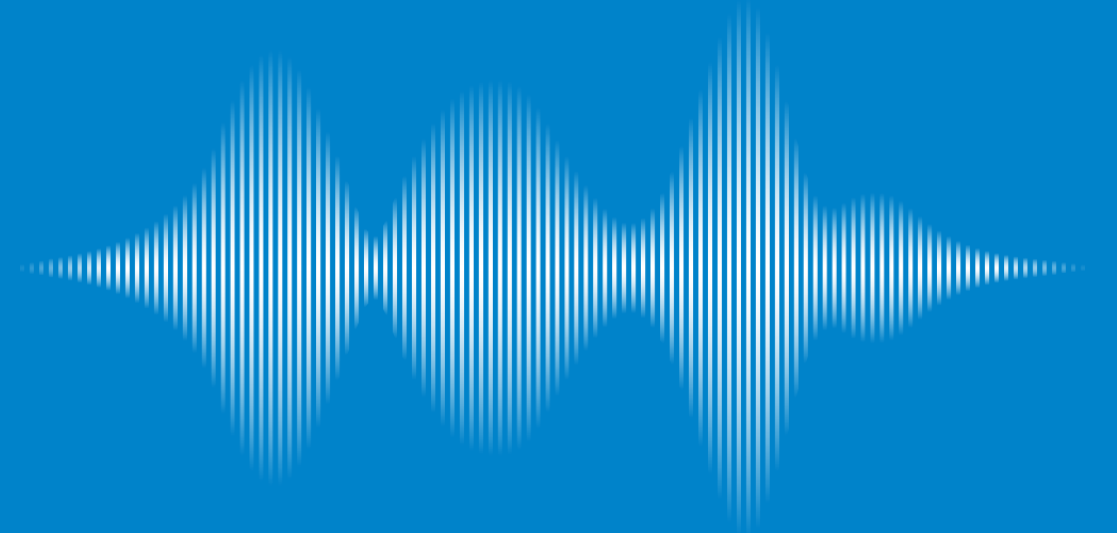
- In 1H 2022/23, Sonova sales to grow by approximately 16%-18% and adj. EBITA to remain largely unchanged versus the prior year period, both measured at constant exchange rates
- Reflecting FX rates as of September 30, reported sales and EBITA growth in Swiss francs are expected to be reduced by 3-4 and 5-6 %-pts respectively in FY 2022/23

Note: adj. refers to adjusted figures



# Audiological Care Expanding consumer access and engagement

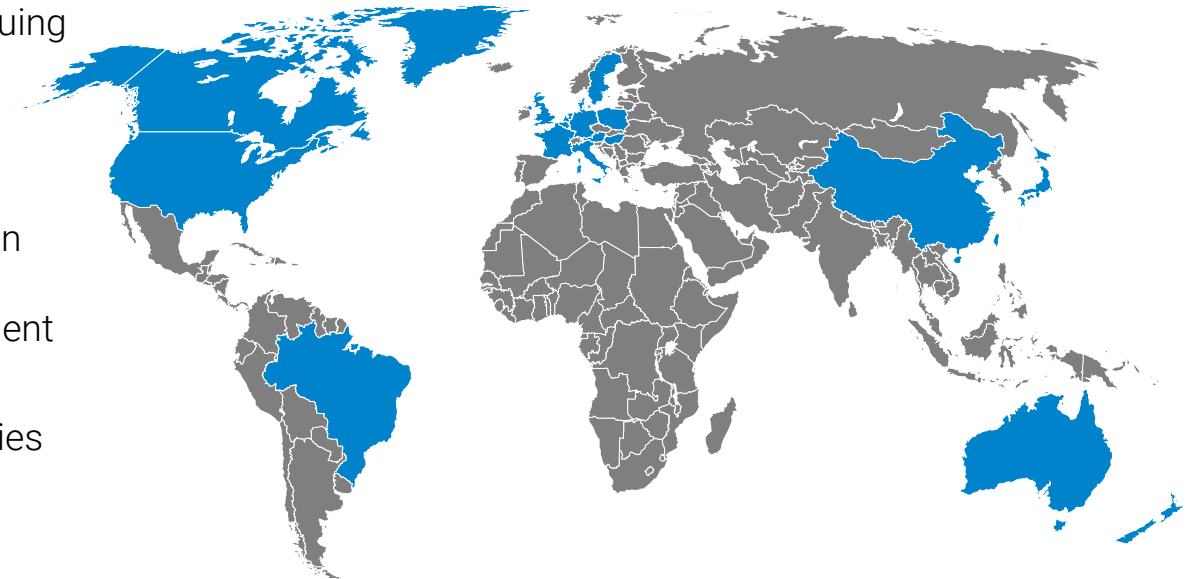
Christophe Fond, GVP Audiological Care



# Sonova's Audiological Care business

3,800 points of sales and 7,900 employees spanning across five continents

Today	vs.	last year
<ul style="list-style-type: none"><li>- A growing platform of ~ 3,800 clinics</li></ul>		<ul style="list-style-type: none"><li>- Adding ~ 600 clinics continuing to gain market share</li></ul>
<ul style="list-style-type: none"><li>- Around 7,900 employees in Sonova Audiological Care across 20 markets</li></ul>		<ul style="list-style-type: none"><li>- + ~ 900 employees</li><li>- Strong growth of footprint in US and CN (to come)</li><li>- Adding HCPs and digital talent</li></ul>
<ul style="list-style-type: none"><li>- Omnichannel journey strengthened in all major countries</li></ul>		<ul style="list-style-type: none"><li>- Expansion of Digital Lead Generation Hub to 5 countries</li></ul>
<ul style="list-style-type: none"><li>- Continue to actively expand our network through greenfield openings and M&amp;A</li></ul>		<ul style="list-style-type: none"><li>- ~ 500 clinics acquired with strengthened M&amp;A organization in target geographies</li></ul>

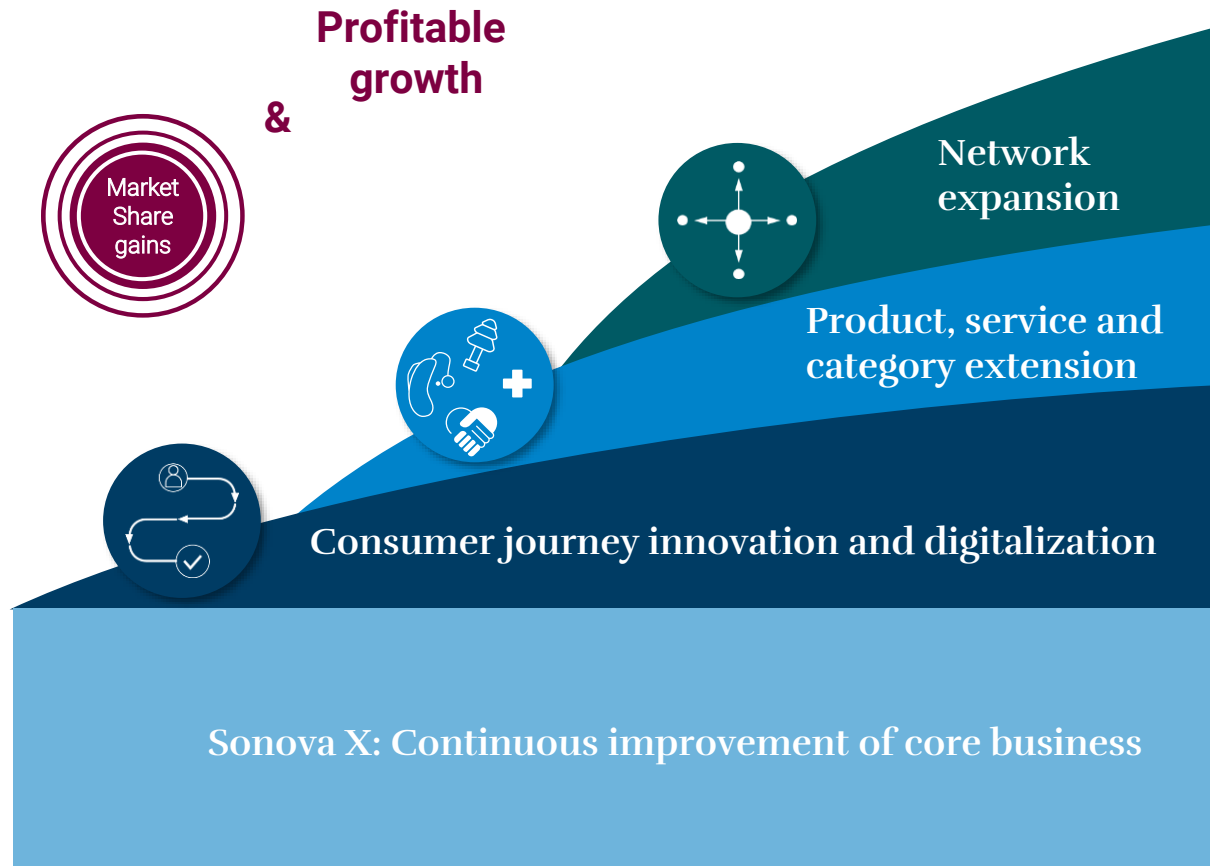


● Sonova Audiological Care presence

► We exceeded our growth goal and continue to gain consumer access

# Strategy overview

Key growth drivers



Expansion

We continue to increase our clinic density through:

- Accelerated **M&A activity**
- **Greenfield** openings

We extend our consumer offering by adding:

- Relevant products, e.g. Sennheiser
- **Medicalization services**, e.g. tinnitus treatment

Organic

We accelerate our **digitalization** journey:

- Innovating our **omnichannel** proposition
- Expanding our proven **Digital Lead Generation Hub** and leveraging **consumer apps**

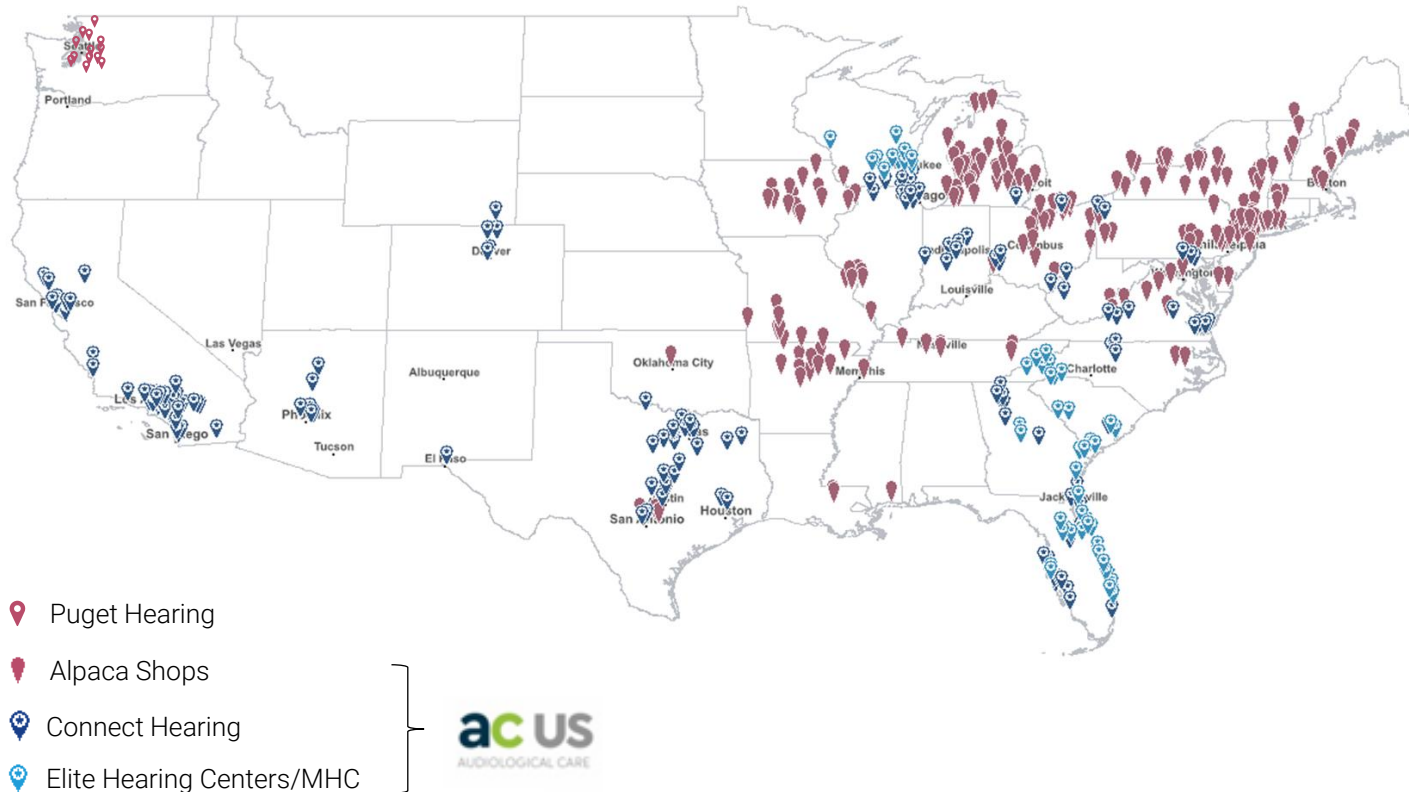
We continuously improve our processes by:

- Optimizing **in-store execution**, e.g. capacity management
- Driving brand and store homogenization
- Elevating **lead generation**

► Driving profitable growth by expanding reach and offering

# USA – Doubling our store network (YoY)

Significant expansion in 2022 through the acquisition of Alpaca and bolt-ons

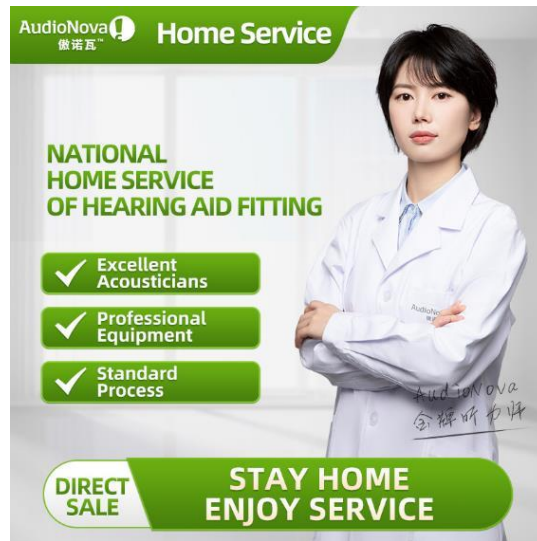


- Doubling of number of clinics in our network with highly complementary footprint
- Alpaca as largest independent retailer in the US market with high degree of medicalization and value creation
- New leadership in place, combining the successful teams of Connect Hearing and Alpaca
- On track with all transitional workstreams including conversion to Sonova product
- Comprehensive strategic plan and key workstreams defined for our continued growth strategy

► Complimentary footprint and new talent provides foundation for a strong organization and future growth

# China – A unique proposition

Signed acquisition of HYSOUND



## Strong digital AudioNova position

- MyAudioNova app and ecosystem on Tencent's WeChat platform
- 11 online sales channels across all major platforms under AudioNova brand
- Online Phonak flagship stores on Alibaba's T-Mall and JD

## Own AudioNova store development

- Successful development of AudioNova store formats in greater Shanghai region
- Launch of World of Hearing store format setting new industry standards in the Chinese B2C HI market

## HYSOUND acquisition

- Highly professional, national network with medical expertise and high value creation per clinic
- More than 200 clinics and over 650 employees
- Price, sales and number of audiologists per clinic similar to European levels

► Combining our digital platform and own store development with HYSOUND, a strong national player

Continuous improvement of core business

## Faster and better service for our customers

- Realized **service time improvements** through process optimization with SonovaX toolbox:
  - Average turn around time reduced by more than 40%
- Significant improvement of service performance reliability and reduction in outliers:
  - Improved customer satisfaction



## Optimizing capacity utilization

- Optimal use of Audiologist resources through dynamic capacity management:
  - Targeted lead generation for stores with excess capacity
  - Sales relevant time increased by ~10% per AC store so far
- Improving customer facing time and reducing time to appointment
- Applying SonovaX toolbox to develop, deploy and sustain capacity management in the local markets.



▶ Significant progress achieved and continuous improvement embedded as core competency

# Digitalization and consumer journey innovation

The customer-centric digital transformation journey we are on



We continue and accelerate our digital transformation putting customers first:

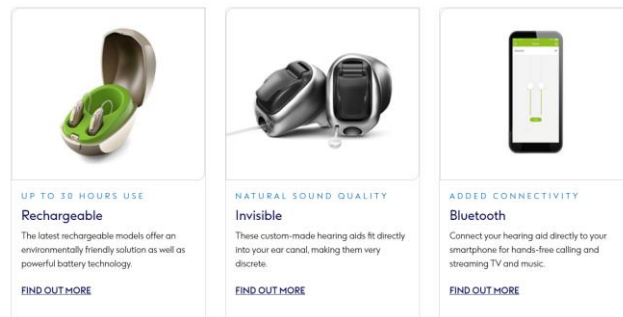
- **Easy access** and constant availability
  - All services available online
  - Physical presence close to our customers
- **Integrated hearing journeys** for traditional, blended and digital-first customers
- **Seamless switch** between channels
- **Personalized engagement**
- **Premium product and service offering**

► Building the ecosystem to serve customers in line with their preferences



# Digitalization and consumer journey innovation

In-house performance marketing – Digital Lead Generation Hub



## Mission & Setup

In-house digital marketing for online lead generation, qualification & conversion

- Capturing new customer segments at lower costs per lead
- Building up database and digital competencies
- Successfully implemented for 5 markets

## Acquisition of new, attractive target segments in high-quality approach

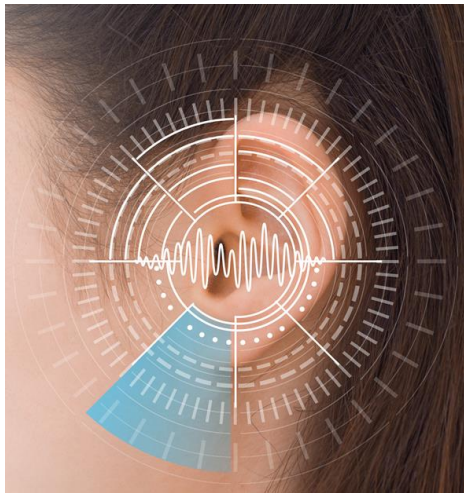
- Customers 10 years younger\*
- Higher basket value: +17% average selling price\*
- Stronger qualification: +27% conversion rate from appointment to sale\*\*

\*vs. country average, \*\*compared to external lead acquisition agency

► Strong in-house performance marketing capability is the basis of our digital proposition

# Digitalization and consumer journey innovation

SilentCloud™ App – Tinnitus management coming this fall



B2C Lead Creation through Digital Marketing touchpoints

Sales Funnel converts the lead into a Hearing Aid customer



App Download



Hearing Assessment



Education & Counseling



HCP (ENT) Approval



Subscription



Sound Therapy



Hearing Aid Purchase

▶ SilentCloud identifies and onboards customers earlier in their hearing loss journey

# Digitalization and consumer journey innovation

MyAudioNova app

*Personalized services*

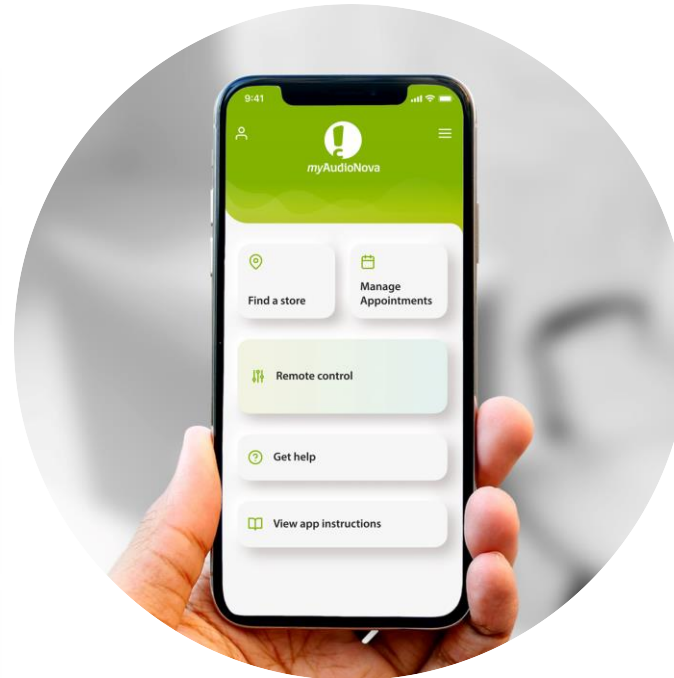
## Release 1.1

Medical regulated hearing device connectivity

Remote connection & control of the latest HIs	Remote HI Control	Remote HCP Access
	Phonak HIs	Hearing Education

Omnichannel sales and service

Customer account management & preferences	eBooking	Store finder
	Accessory Sales	3rd party Apps



*Accessible 24/7/365*

## Quarterly releases

Medically regulated hearing device connectivity

Continuous updates to enhance the customer experience	App Notifications	Digital Needs Assessment
	Upgrades support latest HIs	AudioNova HIs

Omnichannel sales and service

Personalized customer loyalty & retention	Personal CRM	Hearing screener / Online Hearing Test
	Diary & engagement timeline	Live chat (bot & agent)

Plug and play digital experience

Global roll-out

Training for all Audiologists, agents & local HQ staff

98% of eligible customers to use App

Persona-based lead generation

► Gateway to our continuously expanding omnichannel sales & service experience – Rollout starting in 2023

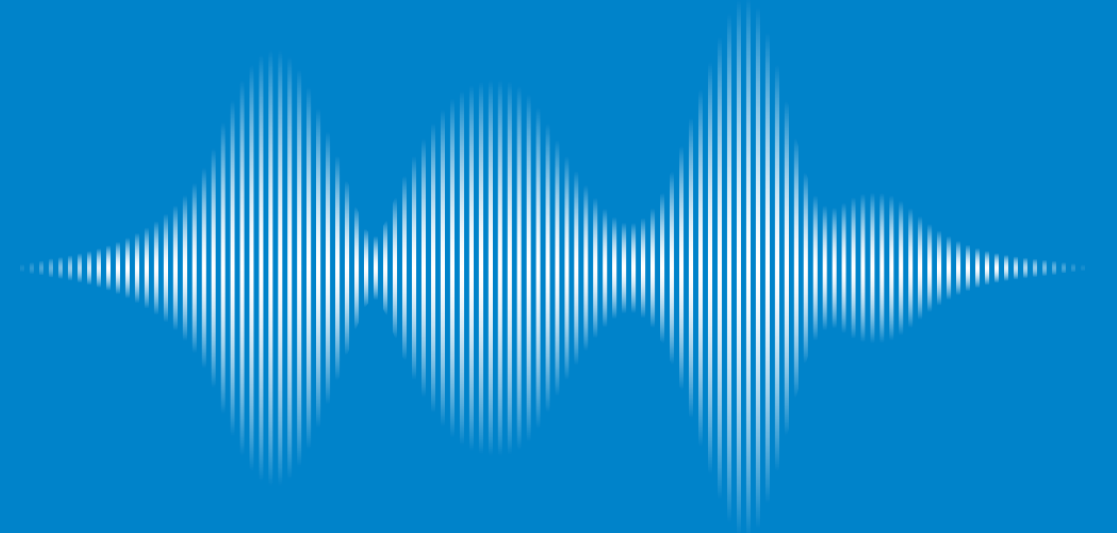
# Expanding consumer access and engagement

- Strengthened M&A organization and processes to drive inorganic growth
- Continuous process improvements via SonovaX to increase profitability and to fund our strategic growth initiatives
- Further development of our omnichannel strategy to increase consumer access and satisfaction while better leveraging our fixed assets
- Broadening our portfolio for hearing needs solutions in different channels



# Hearing Instruments Excelling in an evolving marketplace

Robert Woolley, GVP Hearing Instruments





**stryker**® **straumann**group



## Robert Woolley

### GVP Hearing Instruments

- **Two decades of experience in the medical technology sector**
- **Led marketing-leading and high-growth organizations before joining Sonova**
- **Cross-functional expertise** in commercial, development and general management
- **US and EU experience** provides a **global perspective** on business today

# Our belief on Hearing Instrument market leadership

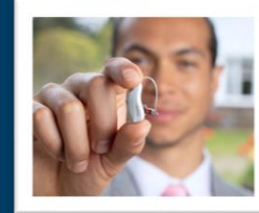
## Excellence in consumer experience

*Excel through consumer oriented, seamless buying journeys and easy-to-use, high-performance hearing solutions*



## Excellence in customer experience

*Enable our customers to thrive in their business and delight patients through a trusted partnership*



## Channel access to hearing care

*Expand the market and drive access to industry-leading hearing care*



## Scale and capability to innovate

*Continue to fuel innovation and go-to-market*



► Focus to strengthen our advantage leveraging our strong fundamental capabilities

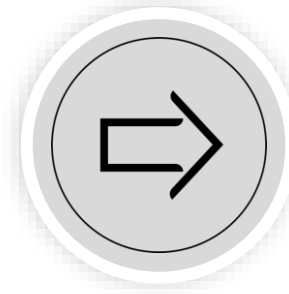
# Excellence in consumer experience

Winning dimensions



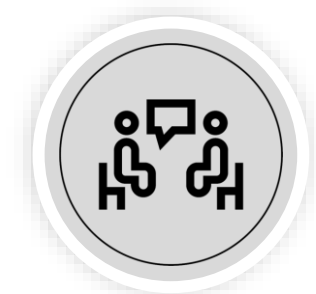
## Hearing performance & sound quality

- Unique, top rated, solutions ensuring speech understanding, noise reduction, sound quality across all situations
  - Roger
  - SpeechEnhancer
  - Sound Recover 2.0
  - Dynamic Noise Cancellation (DNC)
  - NEW: AutoSense OS™ 5.0
  - NEW: SmartSpeech™ Technology



## Consumer ease-of-use

- Unique MFA technology allowing **vast connectivity** to available devices
- **Hands-free call** solutions allowing for hassle-free phone calls
- **Rechargeable devices** for more customer-friendly use
- **Waterproof form factor** to allow for a lifestyle without limitations
- **Integrated app ecosystem**



## Consumer-oriented, seamless buying journey

- “Trial” program
- **Omni-channel** purchase options
- 24/7 Remote **support** and coordinated end-customer care
- Optimized **end-consumer workflow**

► Enabling ever more consumers to enjoy the delight of hearing



# Innovation inspired by consumer needs

June 2021

## Roger ON™

User centric design  
4 times awarded



- Our latest, most versatile **wireless microphone** for distant and challenging listening environments
- **Directly stream** to hearing aids and cochlear implants

October 2021

## Phonak Audéo Life™

World's first **waterproof**  
rechargeable hearing aid



- **Waterproof** & sweatproof
- **Robust housing** tested beyond IP68
- Easy to use with our first **inductive charger**

July 2022

## Phonak Audéo Fit™ & myPhonak app

Our first hearing aid  
with **heart rate** sensor



- Paradise sound quality with motion and heart rate tracking to **gain health insights**
- Empowers users to **track** and **engage with health matters**

September 2022

## Phonak Lumity

Superior speech understanding  
to let conversations shine

**Lumity.**



- **Enhanced speech understanding** with **SmartSpeech™** technology
- **2<sup>nd</sup> generation** waterproof and sweatproof

► **Strong innovation momentum in the expansion of functionality and ecosystem maintained**

# Excellence in customer experience

## Winning dimensions

### Long-standing trusted relationship with customers

- 75 years; reach of > 100 countries



### Audiological-rooted high-cadence innovation

- 2-year cadence platform innovation
- AI-driven processors for best hearing
- Ranked as audiological leader from HCPs (US, 2022)\*

\*Source: Sonova proprietary research, 2022

### Successful first-time fitting

- Rated #1 in client success rate by HCPs
- Product ecosystem for seamless fitting experience (Target® Software)

### Broad portfolio offering of products & services

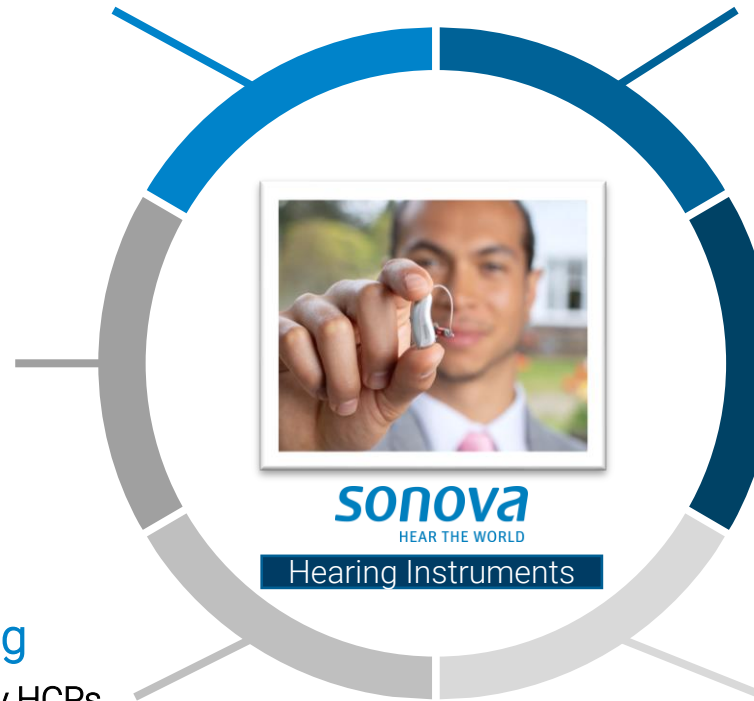
- Comprehensive solutions portfolio for every hearing loss
- Proprietary, value-added service offering for consumer and business support

### Product quality

- Proven product reliability
- Dedicated focus on design for reliability

### Service quality

- 7 global centers of excellence in all key geographies
- Resilient supply and repair processes
- Dedicated customer service and technical support



► Partner of choice to enable profitable growth

# Scale and capability to innovate



## Hearing performance and sound quality

- Proprietary micro-electronics platforms (chips)
- AI-driven sound processing



## End-consumer and customer experience

- UX in product and app ecosystem design
- Remote control and service tools



## Workflow integration with hearing instrument

- Digital audiology workflow (hardware, software)
- Remote fitting solutions



## Health and medicalization

- Co-morbidities studies (Well-Hearing is Well-Being)
- Healthy living companion

**Expanding R&D  
investments**

**Double-digit CAGR in  
the past 3 years**

▶ “Ready-for-future” innovation supported by strong in-house capabilities and significant funding ability

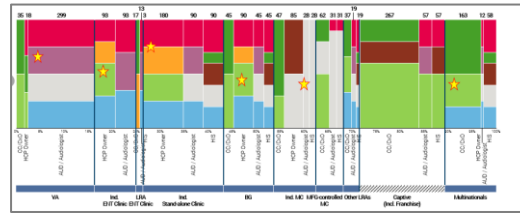
# How we drive market leadership at Sonova

## Strong geographical footprint



- Presence in over 100 countries though > 30 subsidiaries and our network of independent distributors

## Focused segmentation and channel alignment



- Proprietary customer and consumer segmentation to drive targeted go-to-market strategy
- Internal market and customer engine with > 30 market research studies per year

## Integrated sales and marketing focus



- Enhanced end-to-end integrated commercial execution
- B2B demand generation engine
- Integrated market and sales funnel management
- Sonova Sales Academy platform

## Sonova X advantage



- Core management system with >8 key tools to drive:
  - Higher consumer satisfaction
  - Growth
  - Continuous improvement

▶ A proven toolkit for sustainable competitive advantage

# Key achievements in the past 2 years



## Commercial Excellence

### Sales Excellence

- Productivity improved by **> 45%**
- Time-spent for competitive accounts increased by **> 40%**
- Competitive accounts' revenue CAGR **>15%**

### Marketing Excellence

- **+90% YoY** B2B lead generation
- **+75% YoY** B2C lead generation
- Global campaign management set-up

### Value Capture

- Driving value capture across all key market segments
- New launch pricing process leading to premium pricing for all new launches
- Life cycle pricing strategy leading to two list price increases in CY 2022

### Go-to-Market (GTM)

- Sales organization grown by **+30%** in the last 3 years

### Sonova X

- Sonova excellence system rolled out in wave 1 and 2 across **80%** of key markets

▶ Commercial excellence driving market share gains and volume capture



# Conversations shine with Lumity.

Fabia Méline Müller

Director Strategic Marketing Excellence

# Consumers prioritize speech understanding over sound quality

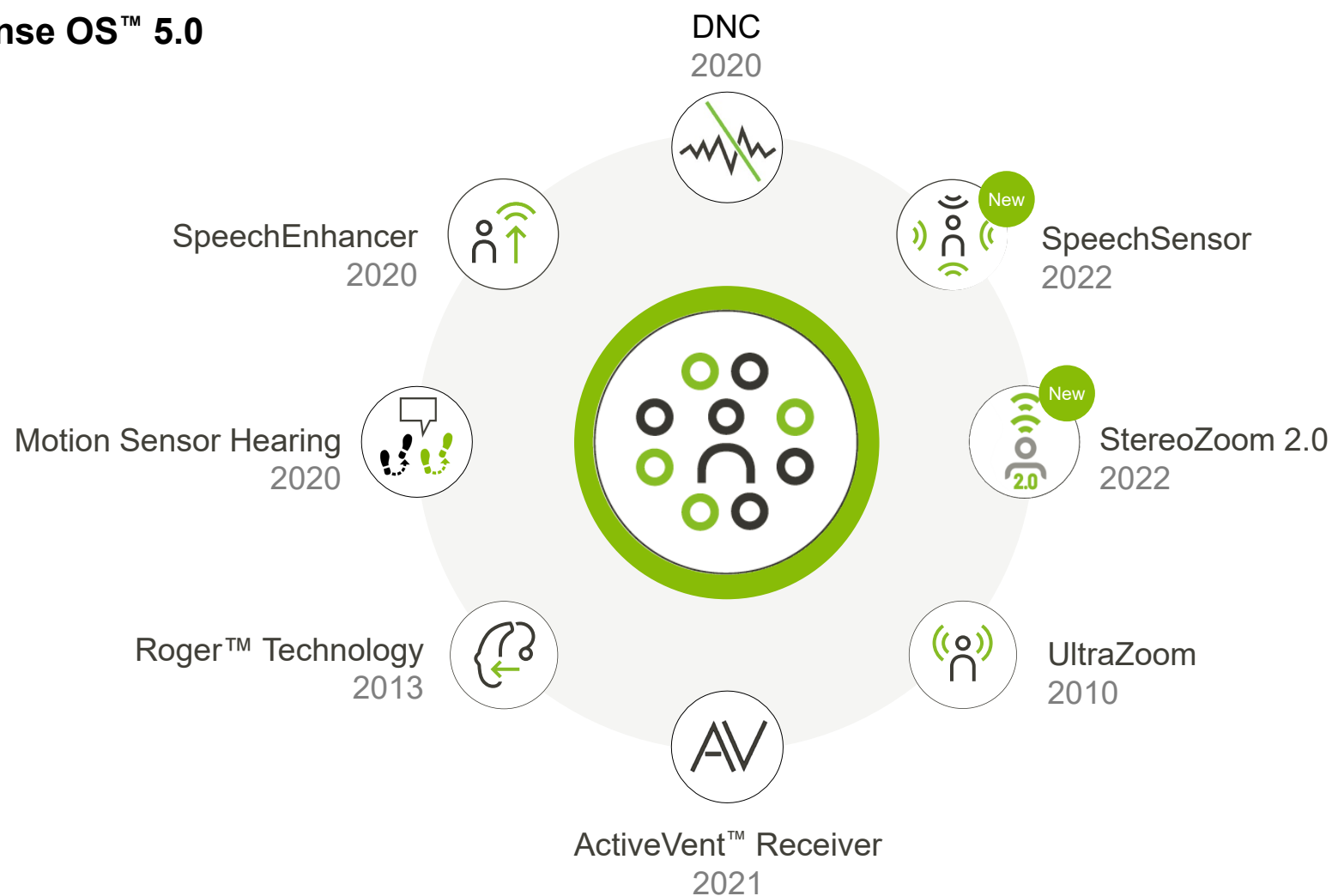


- 1 From a distance
- 2 1:1 conversation in noise
- 3 Without visual cues
- 4 Soft speech
- 5 Group conversation in noise



# New Phonak SmartSpeech™ Technology

Part of AutoSense OS™ 5.0





## StereoZoom 2.0: smoother, smarter and stronger



1

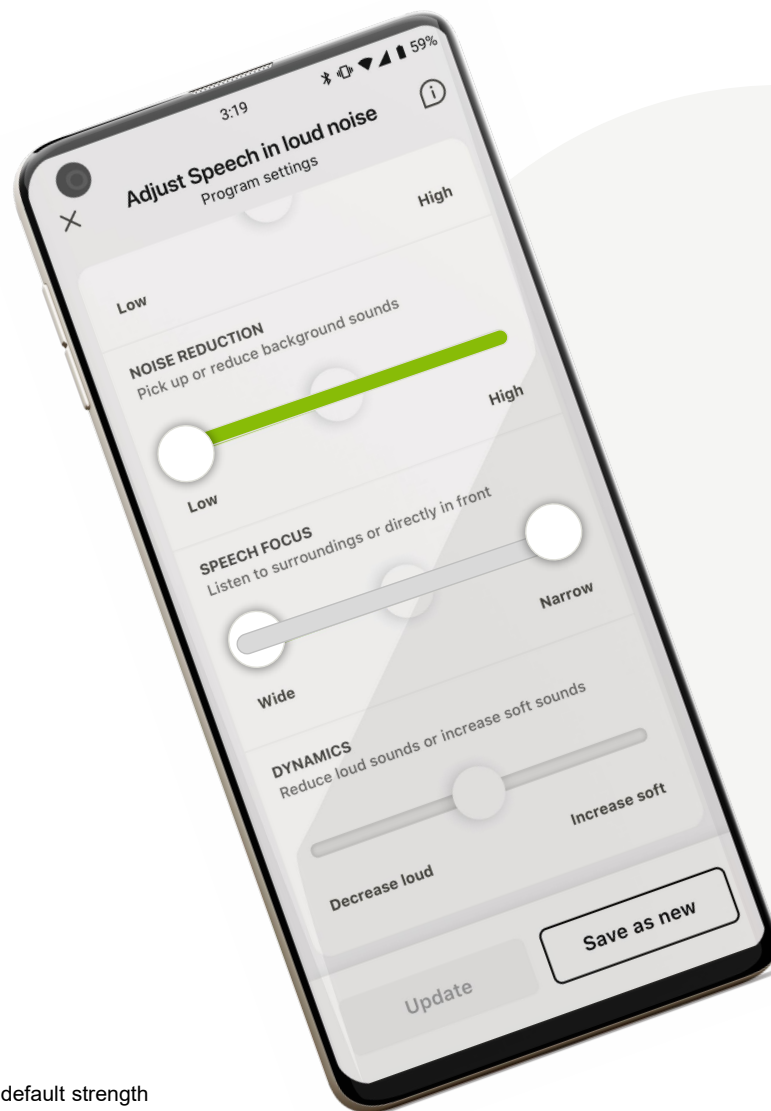
**Smooth** transition from Speech in Noise into to Speech in Loud Noise.

2

**Smart** noise level dependent activation of strength.

additional  
**3.0 dB**  
better SNR\*

## StereoZoom 2.0: smoother, smarter and stronger



additional  
**2.5dB**  
better SNR\*

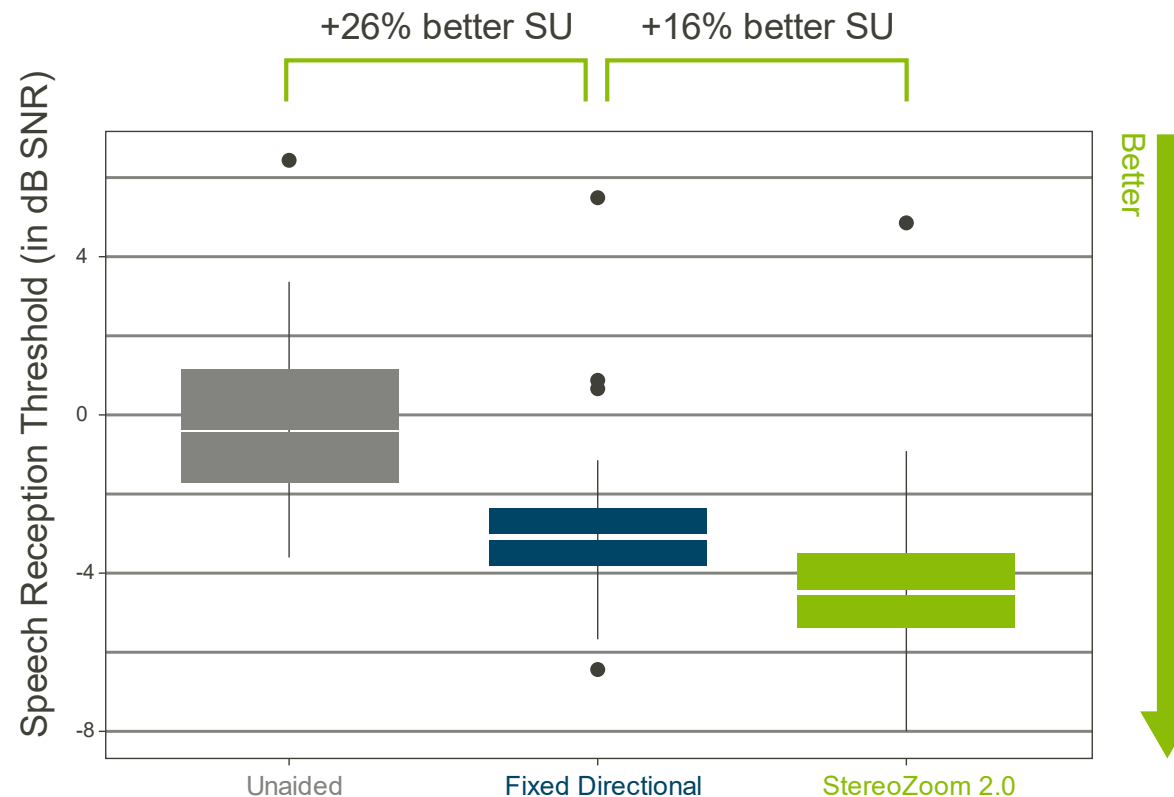
\* StereoZoom 2.0 maximum strength compared default strength

# StereoZoom 2.0: smoother, smarter and stronger

**3.0dB better SNR** for speech from front in challenging environments\*

**2.5dB better SNR** at maximum strength compared to default strength\*\*

**16% better speech understanding\*\*\***



SU = speech understanding

Woodward, J and Latzel, M (2022) New implementation of directional beamforming configurations show improved speech understanding and reduced listening effort. Phonak Field Study

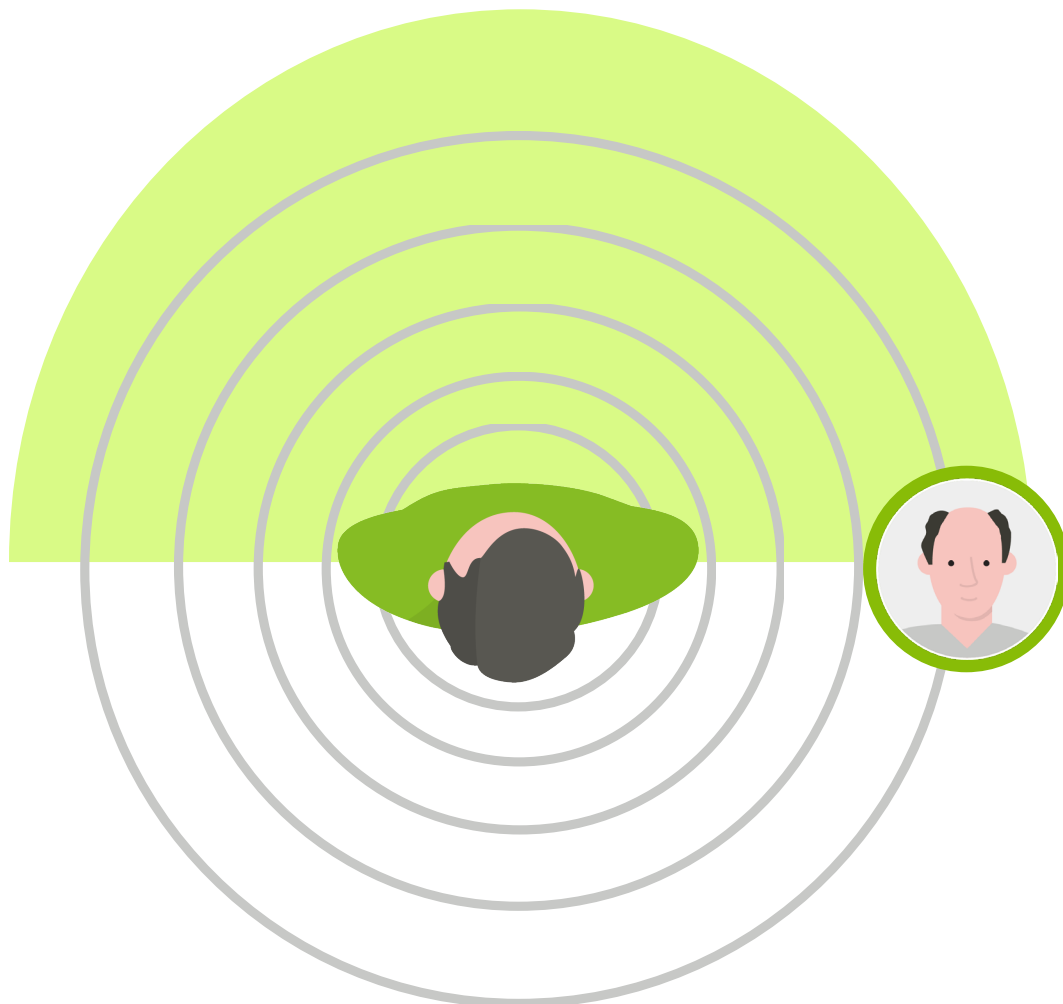
News in preparation. Expected end of 2022

\*Compared to Real Ear Sound with power dome

\*\* with power dome

\*\*\*compared to fixed directional

## Speech Sensor: Accurate detection of speech



1

Constant monitoring of sound environment.

2

Decision made based on information on which direction main speech is coming from.

3

ASOS 5.0 activates the most appropriate beamformer setting based on direction of speech

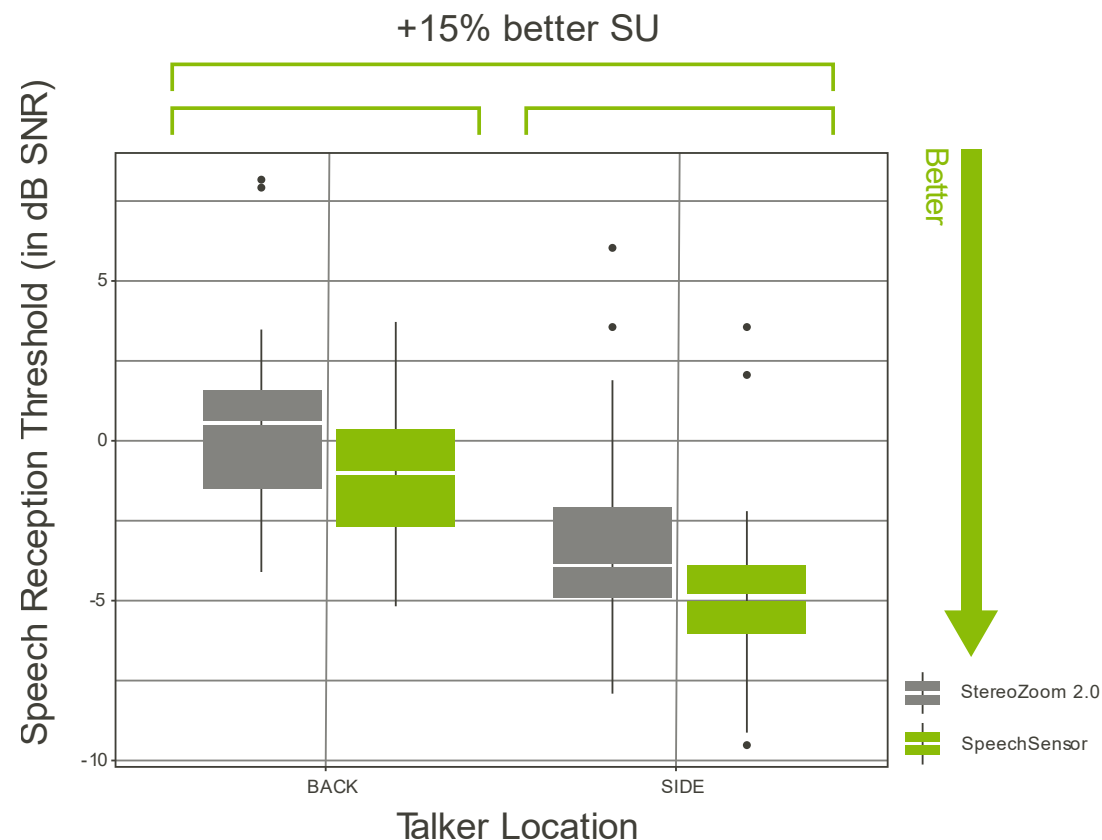
additional  
**3.4 dB**  
better SNR\*

# Speech Sensor: Accurate detection of speech

**3.4dB better SNR** with fixed directional when speech is from the side

**15% better speech understanding** with speech from the side or behind

**11% less listening effort**

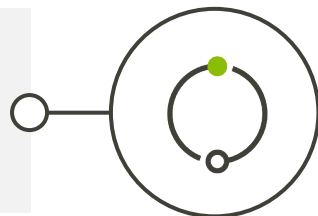


# AutoSense OS™ 5.0

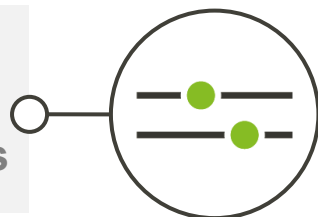
Developed with  
**A.I. based**  
machine learning



Scans the environment  
**700 times**  
per second



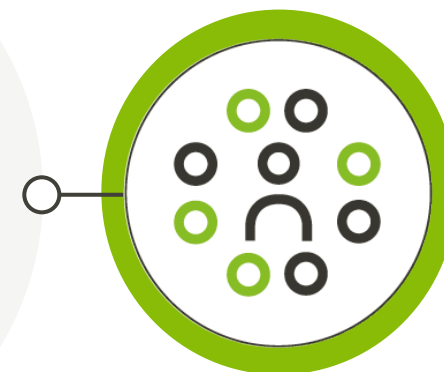
**200+**  
unique setting combinations



Speech understanding  
**features**  
and comfort



orchestrates  
**SmartSpeech**  
**Technology**  
for improved speech  
understanding<sup>1,2,3,4</sup>



1. Appleton, J. (2020) AutoSense OS 4.0 - significantly less listening effort and preferred for speech intelligibility. Phonak Field Study News retrieved from [www.phonakpro.com/evidence](http://www.phonakpro.com/evidence), accessed February, 2022.  
 Latzel, M. & Hobi, S. (2022) Receiver with mechanical vent provides benefit of open and closed acoustics for better speech understanding in noise and naturalness of own voice perception. Phonak Field Study News in preparation. Expected mid of 2022.  
 Thibodeau L. M. (2020) Benefits in Speech Recognition in Noise with Remote Wireless Microphones in Group Settings. Journal of the American Academy of Audiology, 31(6), 404–411.  
 Woodward, J and Latzel, M (2022) New implementation of directional beamforming configurations show improved speech understanding and reduced listening effort. Phonak Field Study News in preparation. Expected end of 2022.

## Product line up



**Audéo L-R**



**Audéo L-RT**



**Charger Ease**

Compatible with  
Audéo L-R & RT



**Audéo L-RL**



**Charger Case Go™ /  
Life Charger**

Compatible with  
Audéo L-RL

# Conversations shine with Lumity



1 Appleton, J. (2020) AutoSense OS 4.0- significantly less listening effort and preferred for speech intelligibility. *Phonak Field Study News* retrieved from [www.phonakpro.com/evidence](http://www.phonakpro.com/evidence)

2 Woodward, J and Latzel, M (2022) New implementation of directional beamforming configurations show improved speech understanding and reduced listening effort. *Phonak Field Study News* in preparation. Expected end of 2022.



## Successful launch in 16 countries so far



**Global rollout**

**16 countries**

Where Phonak Lumity is available  
as of the 30<sup>th</sup> of September 2022

**40 countries**

To follow before the end of 2022

**Launch events**

**Live roadshows**

scheduled in most countries, many  
for the first time in 3 years

**>4'500**

HCPs have attended our  
roadshows so far

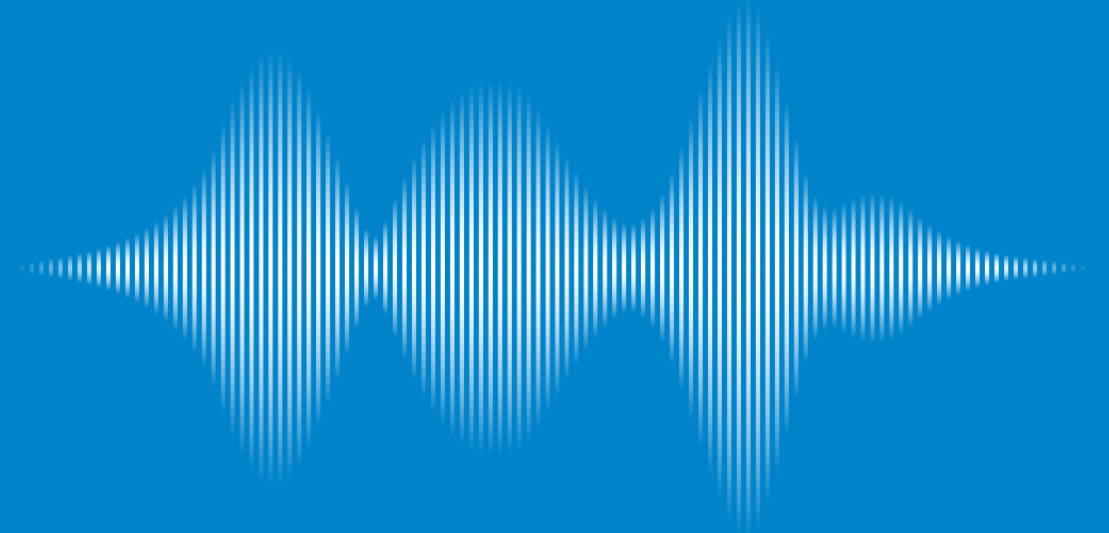
## Key take-aways

- Our consumer oriented, seamless buying journey and our easy-to-use, high-performance hearing solutions support an **excellent consumer experience**
- We are enabling our customers to thrive in their business through a **trusted partnership**, a broad product portfolio and service offering
- We have the scale and capability to **innovate at a high cadence** in all targeted key areas
- Our continuous improvement and growth across marketing, sales and R&D strengthen our market leadership and is providing us with a **sustainable competitive advantage**
- Phonak Audéo Lumity with **SmartSpeech Technology** delivering a significant audiological step-up in speech understanding, **addressing 3 of the top 5 consumer needs**



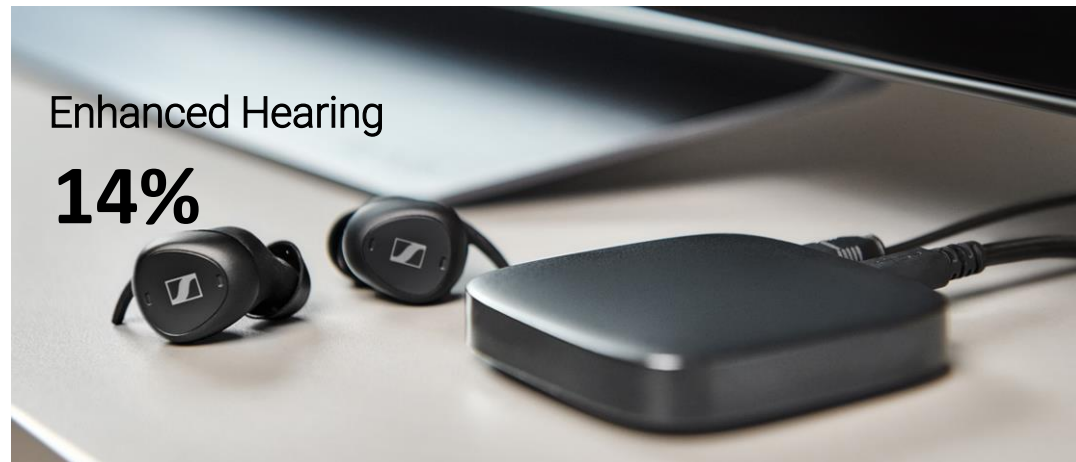
# Consumer Hearing Expanding our market through earlier consumer engagement

Martin Grieder, GVP Consumer Hearing Business



# Product categories

Product category revenue split based on CY 2021 sales of EUR 266 million

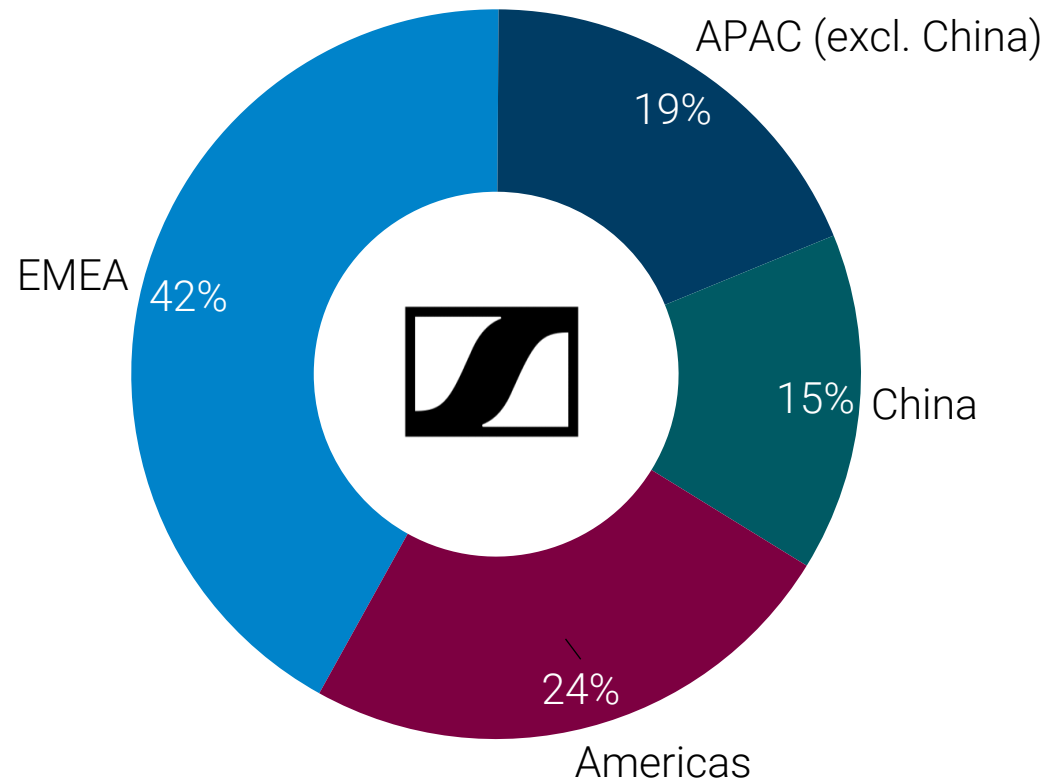


► Premium Headphones and Audiophile make up around 80% of our product portfolio

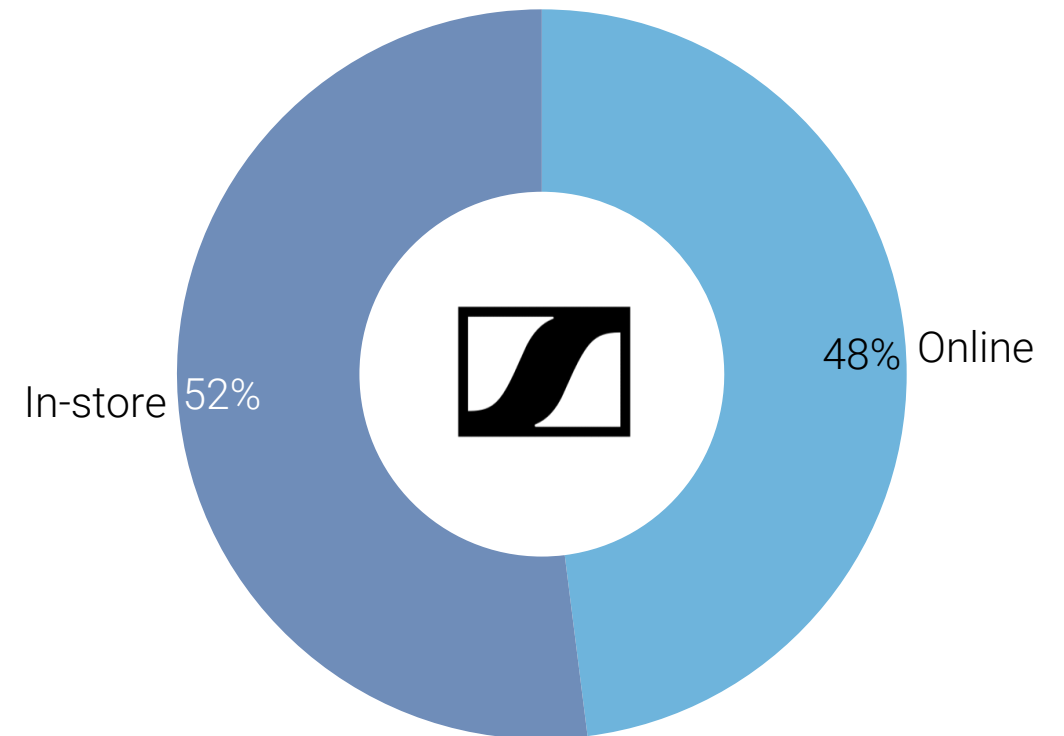
# Regional and channel split

Regional and online/in-store revenue split based on CY 2021 sales of EUR 266 million

## Regional split



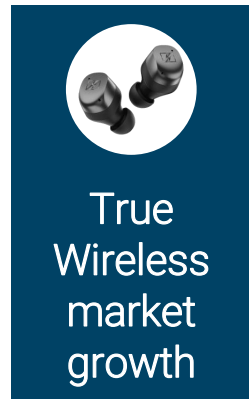
## Online / In-Store split



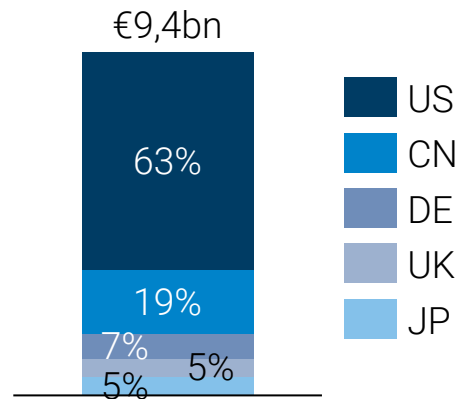
► Strong footprint in Asia & China as well as online

# Market development in key headphone segments

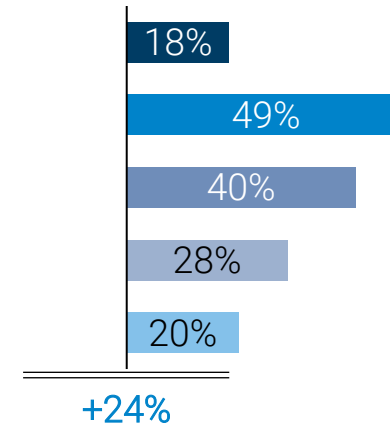
Market growth rates in True Wireless and Bluetooth Headband headphones



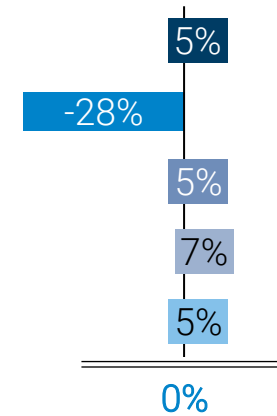
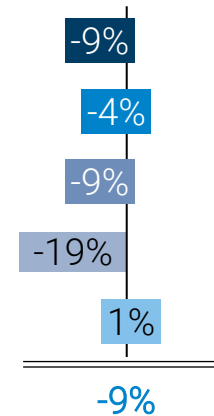
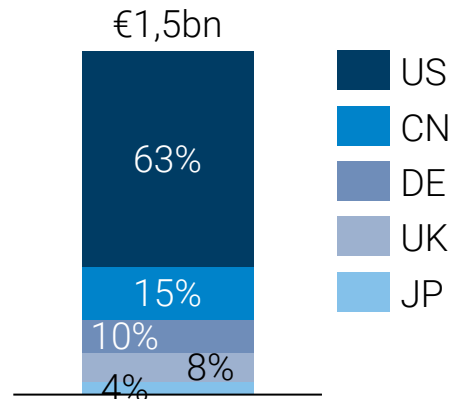
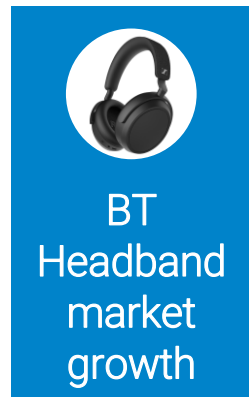
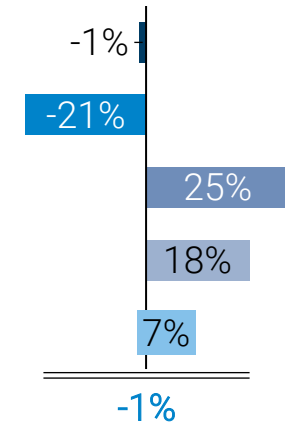
Market split (Jul2021-Jun2022)



2021 (CAGR vs 2019)



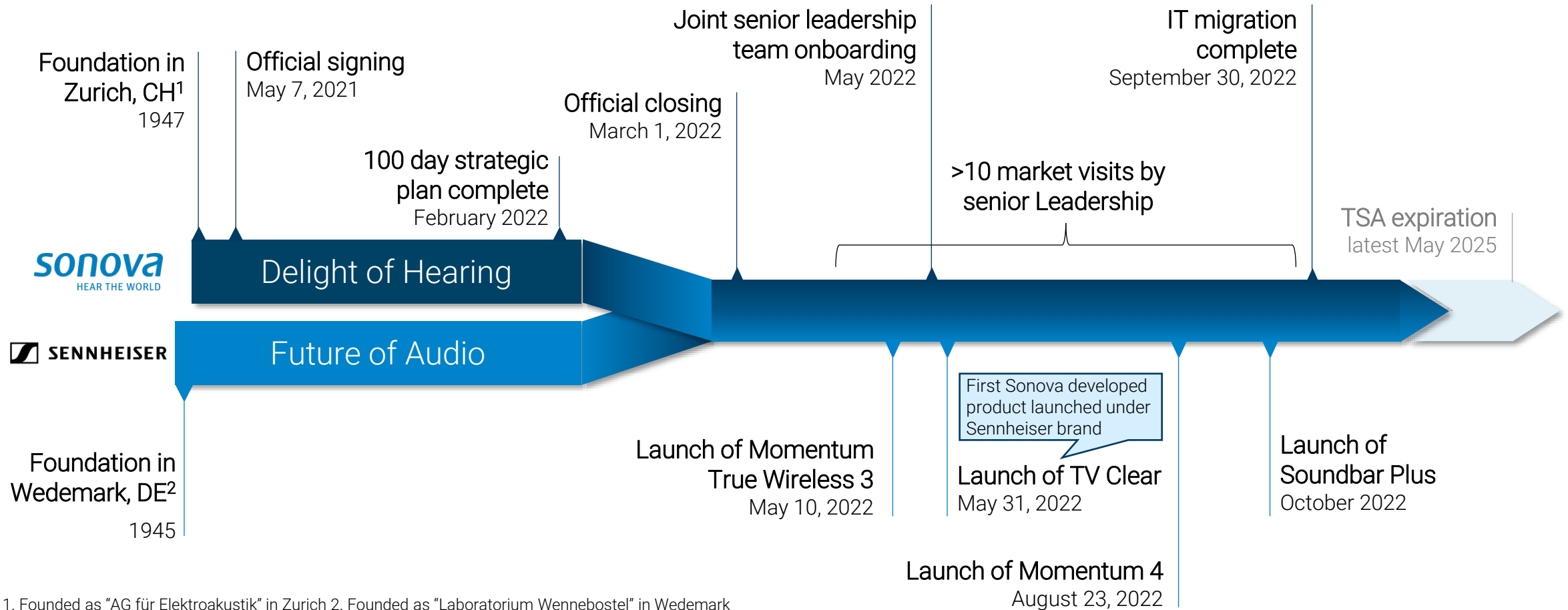
1H 2022 (vs 1H 2021)



► US and China account for majority of both segments – True Wireless (TW) growth rates slowing in 1H 2022 vs. 2021 whereas Bluetooth Headband (BT) recovering thanks to growth in premium market

# Overview of Sennheiser transition into Sonova

Transition timeline and focus areas going forward



1. Founded as "AG für Elektroakustik" in Zurich 2. Founded as "Laboratorium Wennebostel" in Wedemark

► Deal closed as of March 1 – Transition of Sennheiser consumer business progressing well

# Product launch overview

Key launches since closing in March 2022

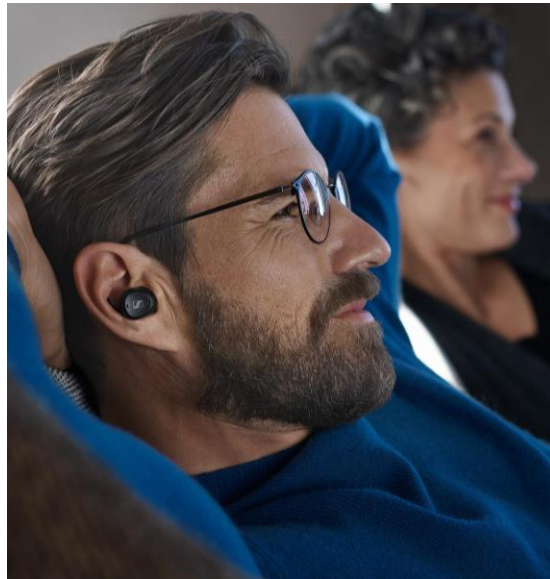
## Premium Headphones



MOMENTUM True Wireless 3

Launched: May 10, 2022

## Enhanced Hearing



TV Clear Set

Launched: May 31, 2022

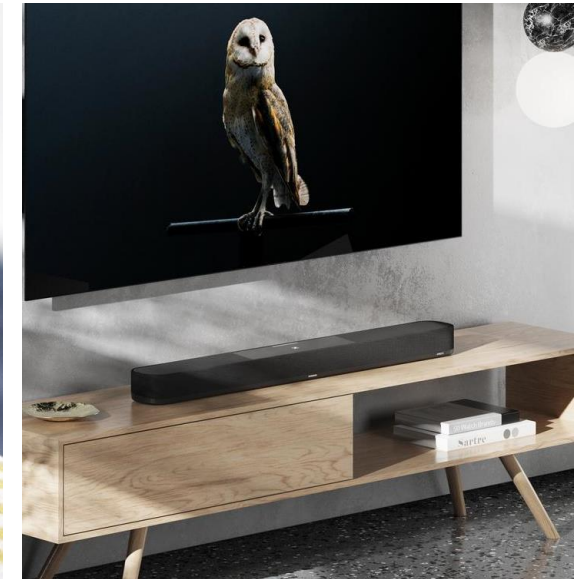
## Premium Headphones



MOMENTUM 4 Wireless

Launched: August 23, 2022

## Soundbars



AMBEO Soundbar | Plus

Launching: October 2022

Total product launches since closing: 8 products

► Four key product launches executed successfully since closing



# MOMENTUM True Wireless 3

Very successful launch of our new True Wireless flagship model in May



Amazon rating: 4.2



## PR & Influencer campaign

- Received approx. 200 media reviews with average review score 4.5/5
- ~2.4k news articles with ~8.5 billion potential reach
- Winner of the Best True Wireless headphones award by Trusted Reviews
- NYC Times Square billboard & influencer activations
- 132k social media engagements
- 1.7 million reach

► Driven by MTW3, we were able to increase our TW market share in all key countries (avg. of +0.5 %-pts) in 2Q-22 vs 1Q-22



Superior sound



Ultimate individual and secure fit



Effortlessly smart and connected



ANC and Transparency Mode



Long battery life and Qi wireless charging

# MOMENTUM 4 Wireless

Launched in August 2022



Amazon rating: 4.0

## PR

- 2,100 media articles
- 50+ product reviews with an average score of 5 out of 5 stars
- Selected review highlights:
  - What Hi-Fi?: 5/5 Stars
  - Stuff Magazine: 5/5 Stars
  - CHIP: 1.2 (Excellent; Nr.1 on the list: "Best Bluetooth headphone")
  - Computer Bild: 1.5 (Very Good)
  - Ljud & Bild: 6/6 Stars

**Sennheiser Momentum 4 review: tremendous noise-cancelling headphones**  
★★★★★

Supremely comfortable, feature-packed Bluetooth cans sound brilliant with 60-hour battery life

A photograph of the Sennheiser Momentum 4 Wireless headphones, showing the ear cups and headband.

**Bluetooth-Kopfhörer im Test**

1 Sennheiser Momentum 4 Wireless



Gesamtnote  
**1,2**  
Sehr gut  
→ Testbericht

- + Soundqualität (1,2)
- + Noise Cancelling (1,3)
- + Mobilität (1,0)
- + Komfort (1,2)
- + Ausstattung (1,6)

Quelle: BestCheck.de



Sennheiser signature sound



Control the environment



Premium comfort



Long battery life



Crystal-clear calls

- ▶ Fantastic launch and reviews for our new BT Headband product. Initial sales significantly higher than predecessor model

# TV Clear Set

Launched in May 2022



Amazon rating: 3.7

## PR

- Received approx. 25 detailed media reviews so far
- Key benefits highlighted in press reviews:
  - Speech enhancement working well
  - Trouble free setup / video and sound are immediately in sync
  - Comfortable to wear
  - Very useful mobile app



Advanced speech clarity



Control your TV environment



Long-lasting wearing comfort



Multiple device connectivity



Personalized experience

- ▶ First Sonova developed product launched under the Sennheiser brand connects both businesses

# AMBEO Soundbar portfolio

AMBEO Soundbar | Max  
Launch: May 2019

AMBEO Soundbar | Plus  
Launch: October 2022

AMBEO Soundbar | Mini  
Launch: Early 2023

AMBEO Sub  
Launch: October 2022



► We expand our best-in-class Soundbar offering to a holistic portfolio

# Our overarching Vision

**sonova**  
HEAR THE WORLD



Extend our leadership in  
premium consumer audio

&

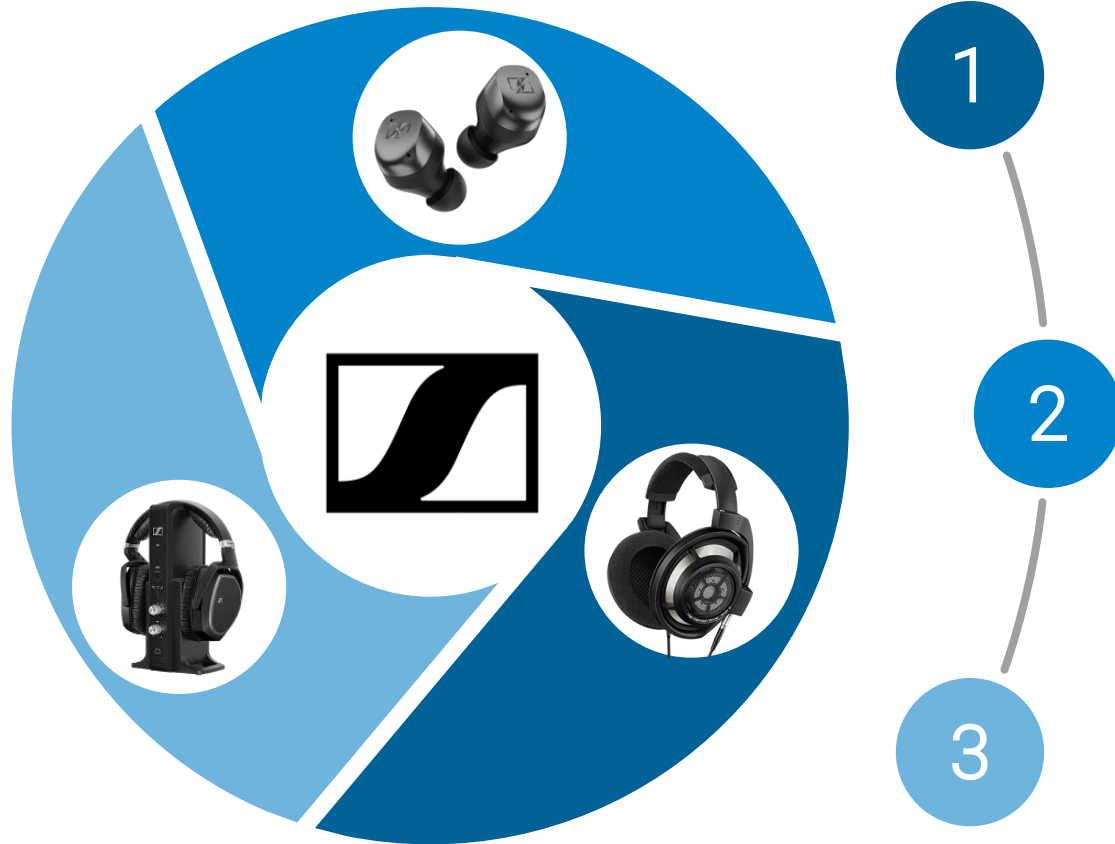
Become the go-to brand for  
situational hearing solutions



**SENNHEISER**

# Our strategic product priorities

Three product areas in focus



## 1 Audiophile

- Focus on the growing premium segment and on being the innovation leader leveraging our state-of-the-art transducer technology
- Sennheiser with strong brand positioning & heritage known for best-in-class sound and audiophile performance

## 2 Premium True Wireless

- Focus on growing premium segment and consumers who seek unmatched sound quality, wearing comfort and bespoke design
- Sennheiser signature sound and superior sound quality strengthened by custom fit and sensor technology

## 3 Hearing Care / Enhanced Hearing

- Shape the emerging consumer hearing care market with situational hearing solutions
- Allowing us to engage consumers earlier and enables channel synergies between Consumer Hearing, Hearing Instruments and Audiological Care

► Specific focus areas in each category leveraging our intrinsic competitive advantage

# Our Go-To-Market priorities

Three focus areas going forward



## Driving online sales

- Grow our **online business** from **currently 50% to 75%** to get closer to consumers, control brand positioning and manage price position better
- Excel in online **key account management** and drive sales on brand.com & marketplaces



## Digital Marketing effectiveness

- Achieve **excellence in data analytics** to optimize our digital marketing & eCommerce effectiveness
- Optimize our **performance marketing approach**
- Improve **CRM and automation to deliver a seamless digital consumer experience** with better insights and marketing efficiency



## Regional focus

- Double down on GTM efforts in key **growth markets USA and China**
- Increase brand awareness in target customer segment by **sharpening brand positioning and leveraging key influencers**
- Extend our **audiophile leadership position in the US and China**

► We aim to further increase our online sales while we increase our focus on China and USA

# Planned launch of Speech Enhanced Hearable device

Market opportunity in speech Enhanced Hearables

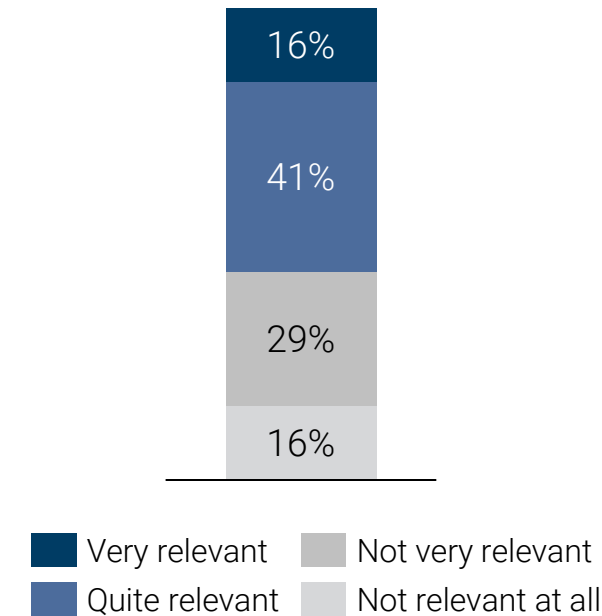
## Market opportunity



Speech Enhanced Hearables are used to improve hearing ability in various situations where people cannot distinguish speech.

## How relevant is this product to you?

Base: n=1500\*



## Planned Sonova / Sennheiser offering



\* Research conducted in US, CN, DE with consumers experiencing mild to moderate hearing loss

► We are getting ready to launch our Sennheiser branded Speech Enhanced Hearable device



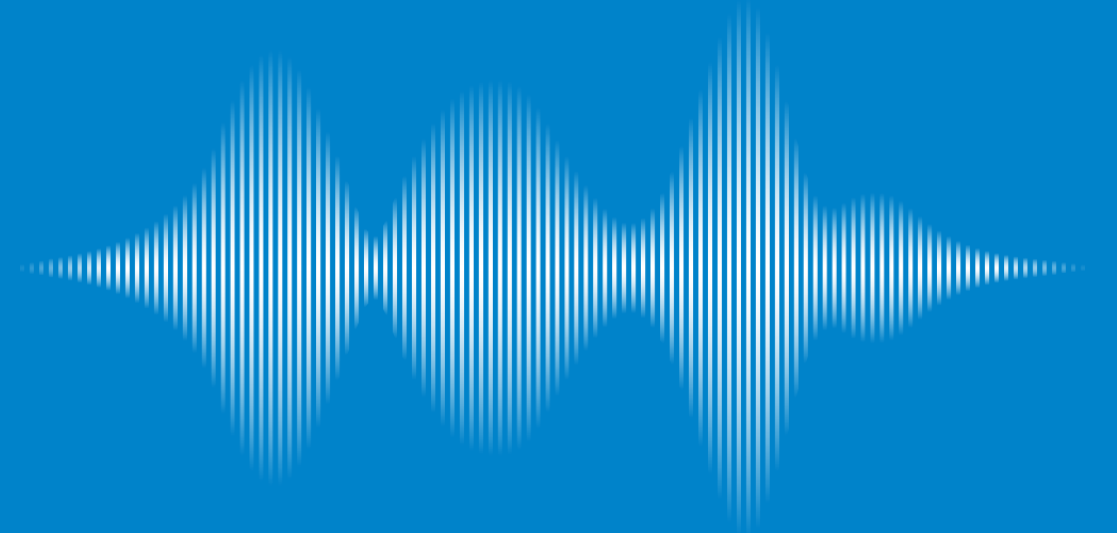
# Expanding our market position and broadening our portfolio

- Integration of Sennheiser consumer business on track and **progressing well**
- Business **benefiting from our SonovaX** continuous improvement expertise and other tangible synergies
- **Four key product launches** since closing with MOMENTUM True Wireless 3, TV Clear, MOMENTUM 4, and Soundbar Plus
- Aiming to **extend our leadership in premium consumer audio** and to become the **go-to brand for situational hearing** solutions
- **Three product focus areas:** Audiophile, True Wireless, and Hearing Care / Enhanced Hearing
- Getting ready to **launch a new Speech Enhanced Hearable** marketed through the Sennheiser brand soon



# Summary and final Q&A

Arnd Kaldowski, Chief Executive Officer | Birgit Conix, Chief Financial Officer



# Key takeaways

- Continuing to deliver on our **proven strategy** by **leveraging innovation** to drive growth
- **Broadening consumer access and market reach** by advancing current hearing solutions and expanding consumer benefits
- **Systematically applying the SonovaX Business System** to drive organic growth and efficiencies
- **Driving our omnichannel strategy in AC** and expanding consumer access through network extension
- **Strengthening market leadership in HI** by elevating consumer and customer experience
- **Expanding our market reach** by entering the consumer hearing market with the launch of speech enhanced hearables

