

Sonova to acquire Sennheiser Consumer Division

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At Sonova,

we envision a world
where everyone enjoys
the delight of hearing and
therefore lives
a life without limitations



Summary

Key points



- Leveraging combined strengths of Sonova’s audiological expertise and Sennheiser’s know-how in premium sound delivery
- Expanding consumer reach by providing additional touchpoints earlier in their hearing journey and through new channels
- Jump-starting Sonova’s in-house efforts to enter the market for amplified consumer hearing devices



- Strong portfolio of premium music headphones with superior audio performance
- Well-renowned brand for consumer audio headsets with premium perception and strong reputation
- Complementary online and in-store distribution network providing good channel access for consumer hearing devices
- Division generates revenues of EUR 250 million and employs around 600 staff worldwide



- Builds a strong platform for growth, leveraging the strong portfolio and competences of both partners
- Creates sustainable and substantial synergies in lead generation, R&D, production and distribution
- Enables sustainable success by benefiting from Sonova’s core strengths in technology and operational excellence
- Transaction expected to be EPS accretive in the first financial year, adjusted for one-time cost

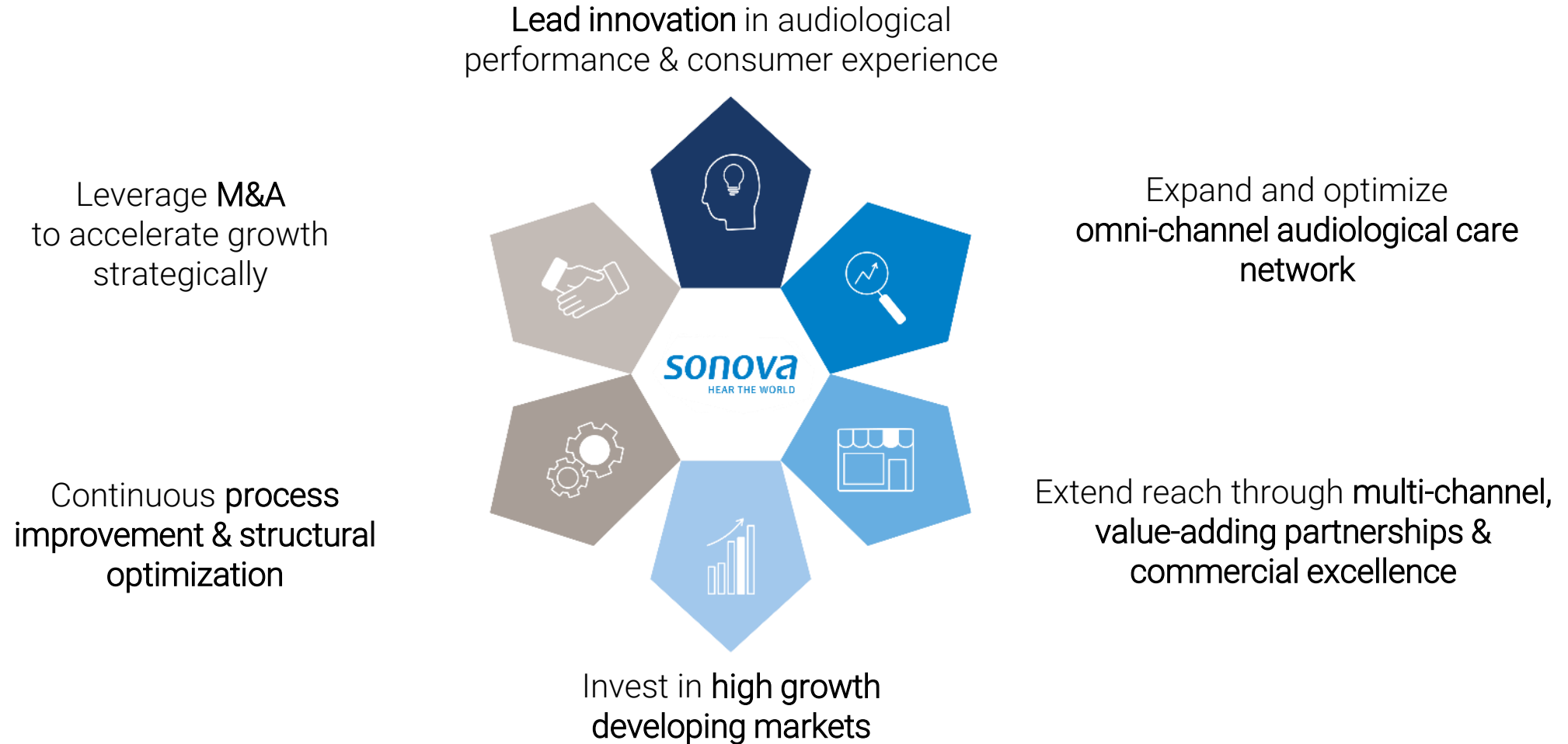


- Purchase agreement signed to acquire Sennheiser Consumer Division for EUR 200 million in cash
- Brand licensing agreement on customary terms for consumer hearing devices in perpetuity will be in place
- Deal is subject to regulatory approvals and is expected to close in second half of calendar year 2021

► Creating significant new growth opportunities by leveraging the strengths of two high-quality businesses

Sonova's strategy

Strategic pillars

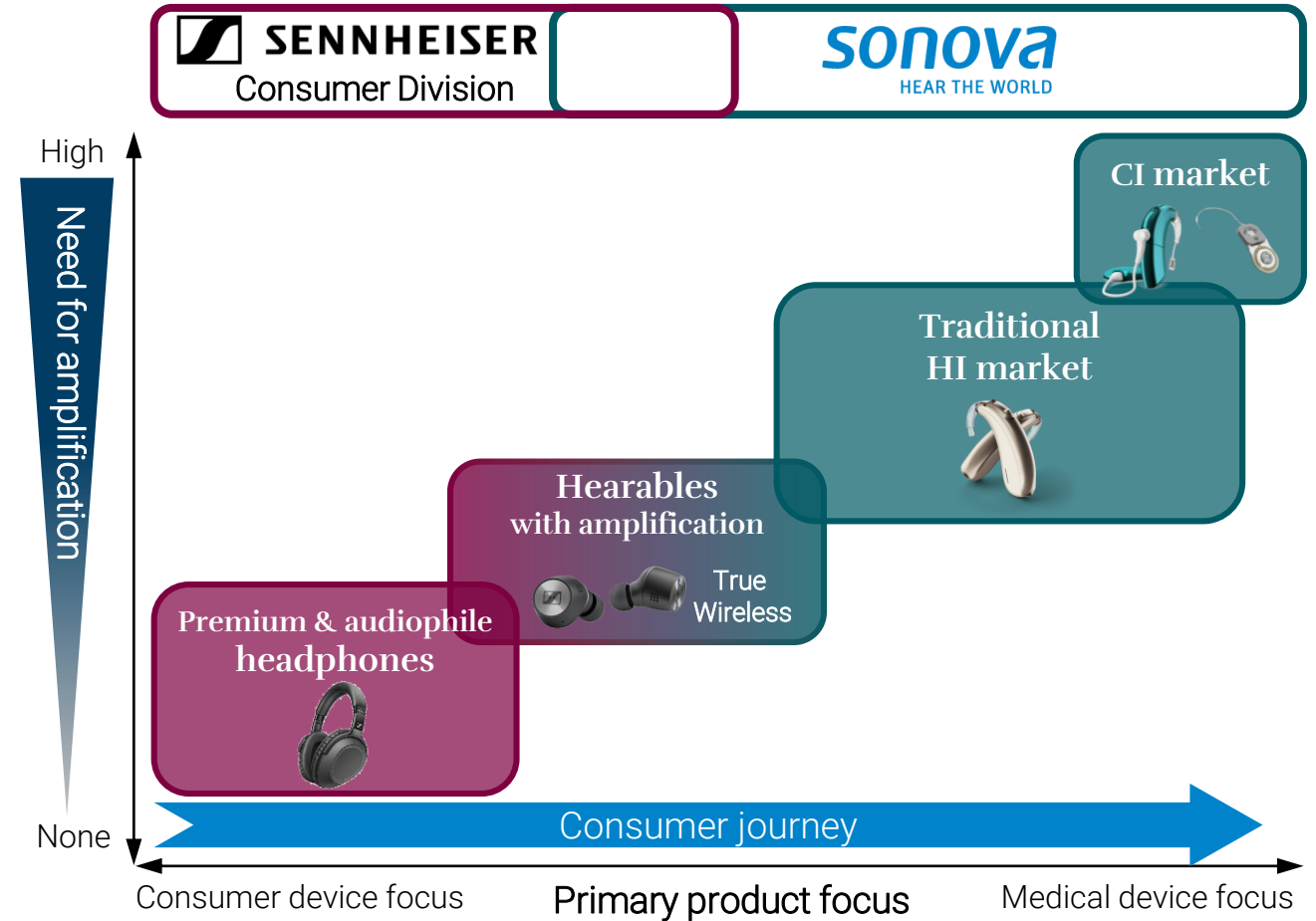


► The acquisition exemplifies our strategic pillars in terms of innovation and market access

Strategic rationale

Sound logic for the acquisition

- Joining forces in rapidly developing segment of **hearables with amplification**, jump-starting Sonova's own efforts
- Adding an **additional growth vector** by entering the fast-growing market of True Wireless headsets
- Expanding reach by capturing potential hearing instrument consumers **earlier on their journey**
- Gaining **access to new channels** and leveraging the strong Sennheiser brand
- **Leveraging the combined strengths** of Sonova's audiological expertise and Sennheiser's know-how in premium sound delivery
- Exploiting **significant synergies** in production, R&D and channel access



► **Expanding Sonova's reach along the consumer journey leveraging Sennheiser's well established platform**

The Sennheiser Consumer Division

Background

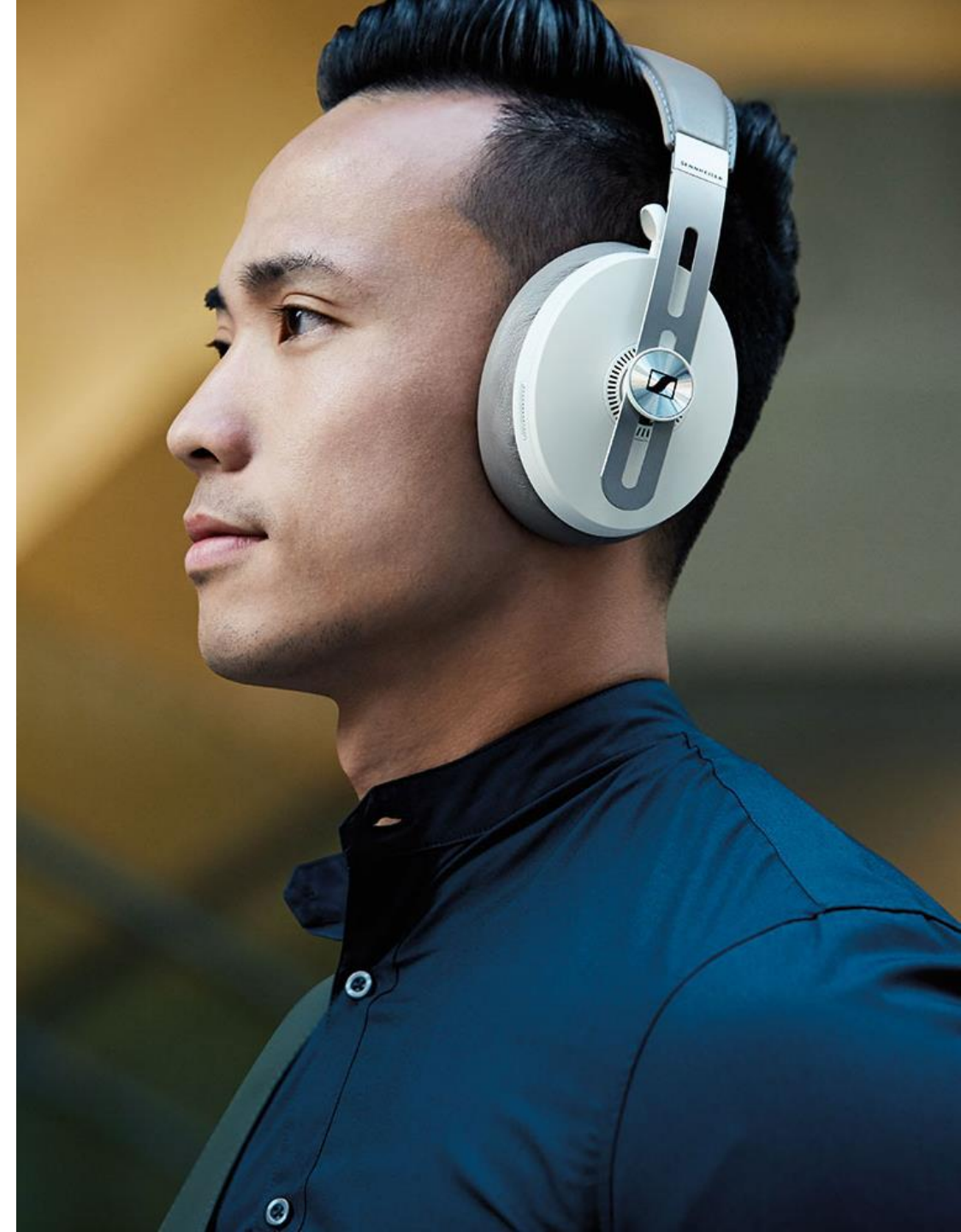
- Founded in 1945, Sennheiser is **one of the world's leading manufacturers** of headsets, loudspeakers, microphones and wireless transmission systems
- Consumer Division, generates **revenues of around EUR 250 million**
- Active in the **fast-growing market** for personal audio devices, in particular for true wireless headsets
- Sennheiser is a **well-recognized brand** in the fast-growing segment of consumer audio headsets with premium perception
- **Complementary distribution channel** with products sold both in-store and online with a strong online market position in the US and CN



► Acquiring well-recognized brand for premium consumer headsets with superior audio performance

Expanding our offering and entering new markets

- Leveraging the combined strengths of two well-renowned companies in their respective fields
- Augmenting Sennheiser’s know-how in premium sound delivery with **Sonova’s technological expertise** in audiology, wireless technology and miniaturization
- Expanding Sonova’s consumer reach with complementary offering and strong brand
- Adding touchpoints with consumers earlier in their hearing journey
- Jump-starting Sonova’s in-house efforts to enter the market for amplified consumer hearing devices
- Entering a fast growing market driven by strong momentum in true wireless headsets
- Significant **synergy potential** both in terms of growth and profitability



Q&A