

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

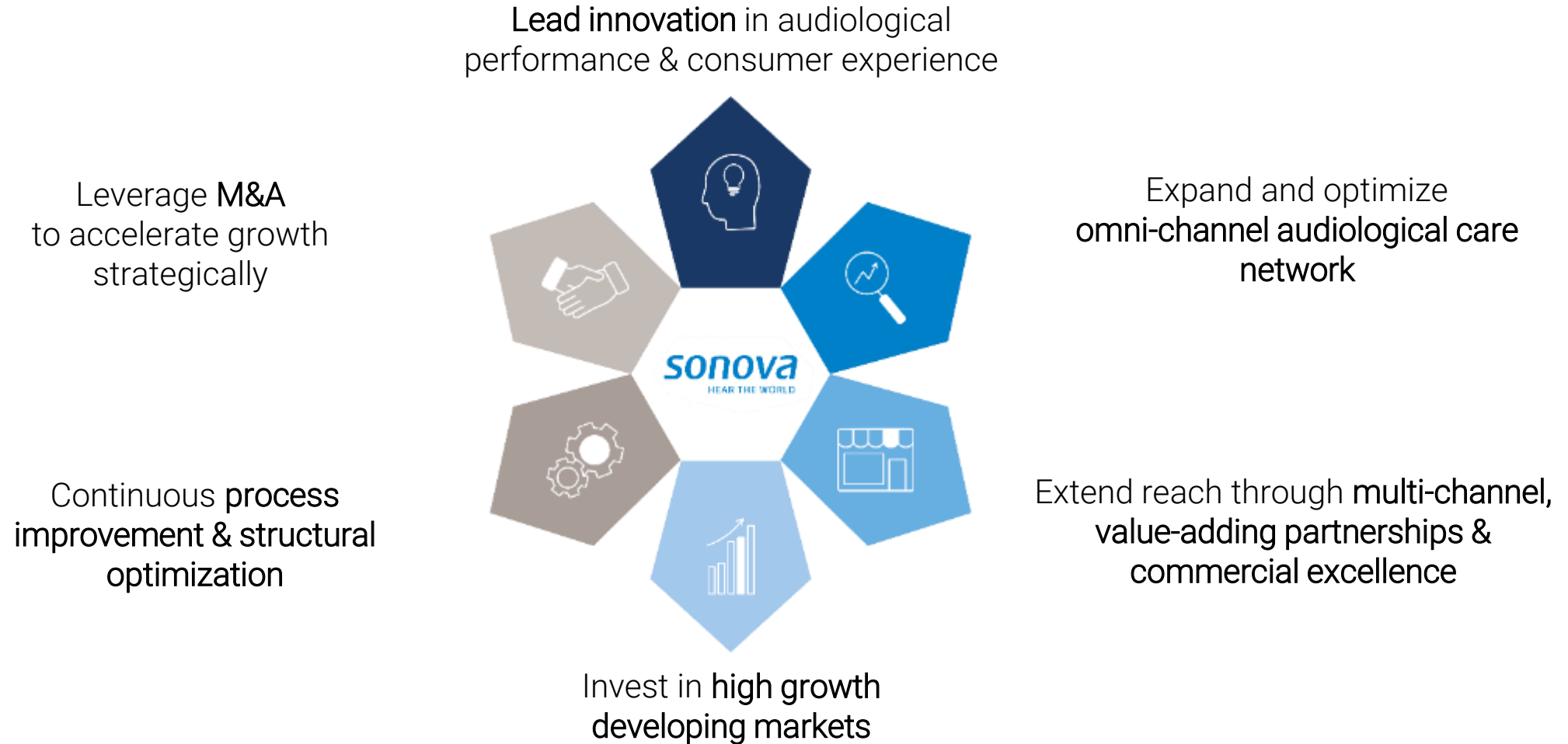


- Purchase agreement signed to acquire Sennheiser Consumer Division for EUR 200 million in cash
- Brand licensing agreement on customary terms for consumer hearing devices in perpetuity will be in place
- Deal is subject to regulatory approvals and is expected to close in second half of calendar year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

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

Sonova's strategy

Strategic pillars

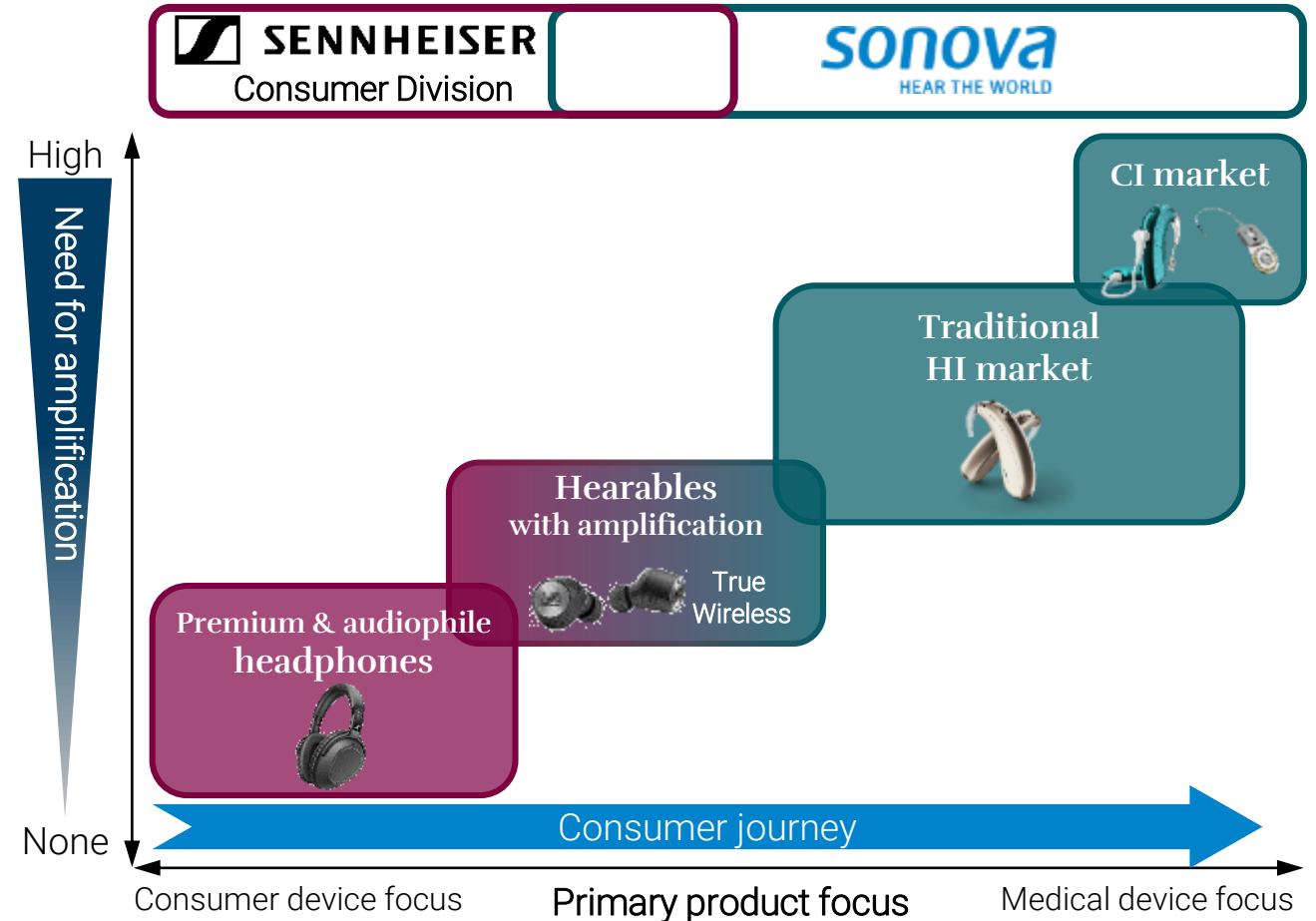


► The acquisition exemplifies our strategic pillars in terms of innovation and market access

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

About Sennheiser

One of the most recognized audio brands



The Sennheiser brand has been a synonym for extraordinary sound, a unique audio experience and excellent product quality for more than 75 years.

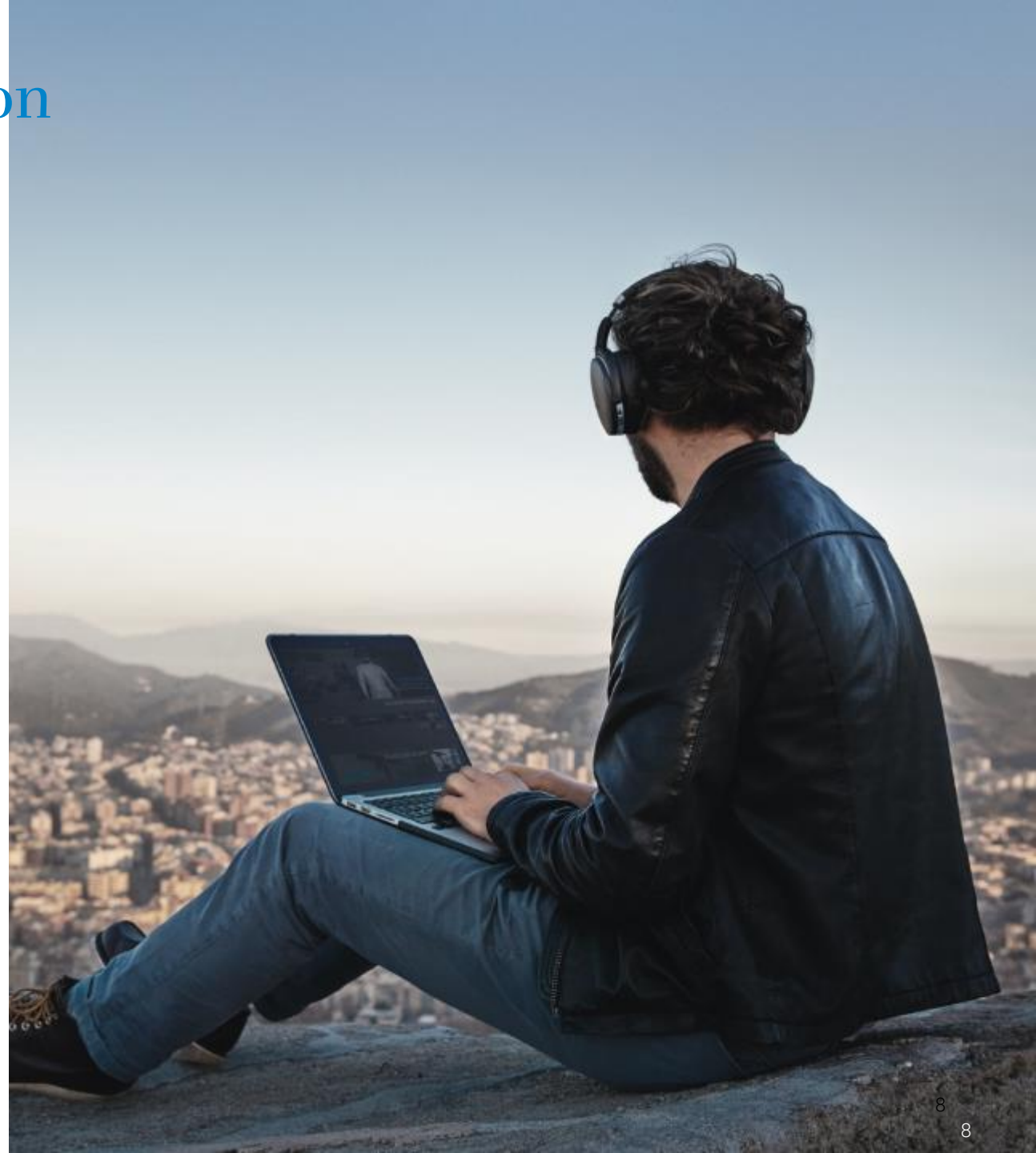


This passion for audio is reflected in all Sennheiser products and recognized by experts and customers around the world.

The Sennheiser Consumer Division

At a glance

- Sennheiser is **one of the world's leading manufacturers** of headsets, loudspeakers, microphones and wireless transmission systems
- The Consumer Division generates **revenues of around EUR 250 million**
- Active in a **fast-growing market** expected to reach more than EUR 80 billion over the next 4 years
- Sennheiser is a **well-recognized brand** in the fast-growing segment of consumer audio headphones with premium perception
- **Global sales coverage through complementary distribution channels** with products sold both in-store and online in EMEA, APAC and AMERICAS regions, with a strong online market position in the US and CN



The Sennheiser Consumer Division

Comprehensive product portfolio in the fast-growing consumer market

Premium Headphones
(64% share of turnover)



Audiophile
(14% share of turnover)



Enhanced Hearing
(18% share of turnover)



Soundbars
(4% share of turnover)



The Sennheiser Consumer Division

Global sales coverage through complementary distribution channels (in-store and online)

20
sales
subsidiaries

14
country
partners

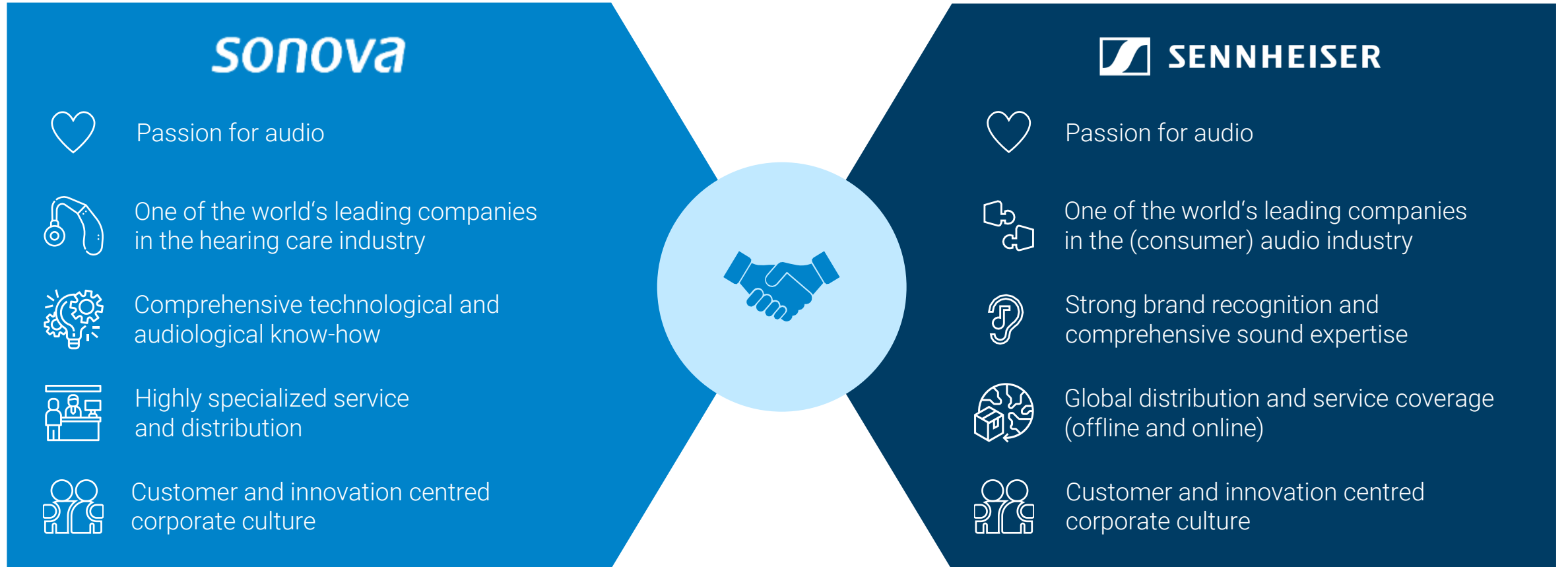
28
online
stores

Active in more than
50 countries

Sonova and the Sennheiser Consumer Division

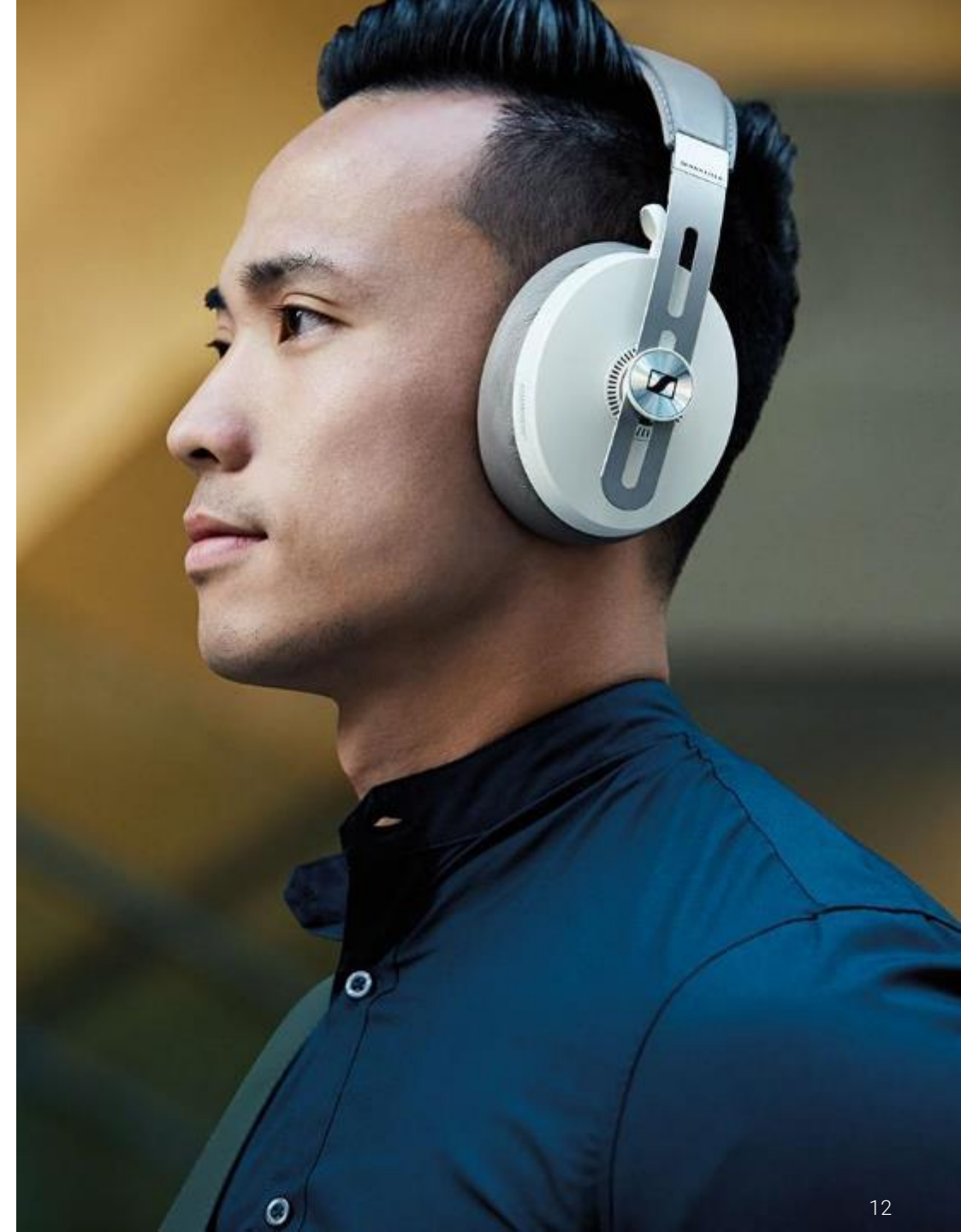


A great match – in terms of expertise, technologies and culture



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