

Highlights 2016 / 17

The Sonova Group achieved strong progress in the 2016/17 financial year, with solid growth across our businesses. Moreover, the acquisition of AudioNova marks a major milestone in the Group's transformation to a fully integrated business model that extends along the entire hearing care value chain.

Sonova Group: 15.3 % sales growth in local currencies

Consolidated sales for the Sonova Group were CHF 2,396 million, an increase of 15.3 % in local currencies and of 15.6 % in Swiss francs. This includes AudioNova for seven months of the year. Organic growth stood at 4.3 %.

Hearing instruments segment: 15.9 % sales growth in local currencies

Sales in the hearing instruments segment reached CHF 2,190.3 million, an increase of 15.9 % in local currencies and 16.2 % in Swiss francs. Excluding one-time costs²⁾, EBITA increased by 10.3 % in local currencies.

Cochlear implants segment: 9.6 % sales growth in local currencies

Sales in the cochlear implants segment reached CHF 205.4 million, up 9.6 % in local currencies. This resulted in an EBITA of CHF 8.0 million, up from a break-even result in the prior year.

Normalized Group EBITA of CHF 481.4 million

Excluding one-time costs²⁾, Group EBITA increased by 12.1 % in local currencies and 11.8 % in Swiss francs to CHF 481.4 million. As reported, Group EBITA reached CHF 463.0 million, up 7.5 % over the prior year.

Sound cash flow, healthy balance sheet

Supported by continued strong cash generation, operating free cash flow reached CHF 424.8 million, resulting in a healthy balance sheet.

Dividend increase of 9.5 % proposed

The Board of Directors proposes to the 2017 Annual General Shareholders' Meeting a dividend of CHF 2.30, representing a normalized²⁾ payout ratio of 41 %.

Sonova Group key figures

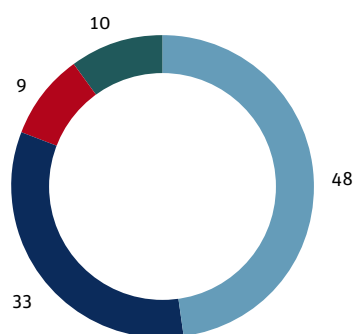
in CHF m unless otherwise specified	2016 / 17	2015 / 16	Change in Swiss francs	Change in local currencies
Sales	2,395.7	2,071.9	15.6 %	15.3 %
EBITA	463.0	430.6	7.5 %	7.9 %
EPS (CHF)	5.35	5.11	4.7 %	
Operating free cash flow	424.8	344.2	23.4 %	
ROCE ¹⁾	20.4 %	26.0 %		
EBITA (normalized) ²⁾	481.4	430.6	11.8 %	12.1 %
EBITA margin (normalized) ²⁾	20.1 %	20.8 %		
EPS (CHF) (normalized) ²⁾	5.58	5.11	9.2 %	

¹⁾ For detailed definitions, please refer to "Key figures".

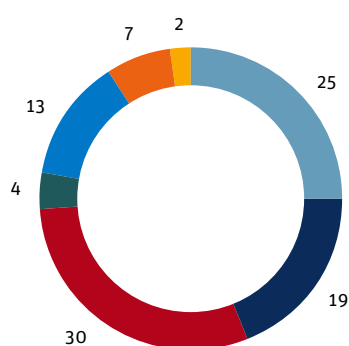
²⁾ 2016 / 17 excluding one-time costs of CHF 18.4 million, consisting of transaction cost and integration related restructuring costs in connection with the acquisition of AudioNova.

Key figures 2016/17

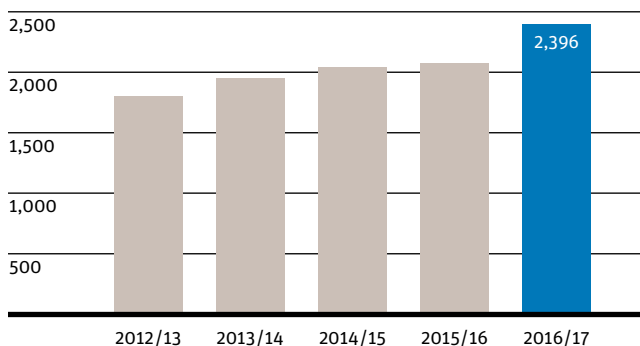
Sales by regions in 2016/17 in %



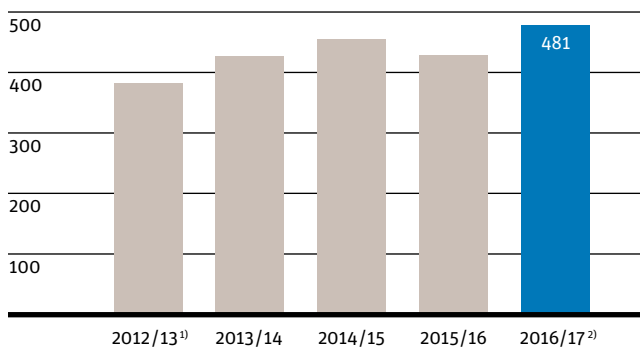
Sales by product groups in 2016/17 in %



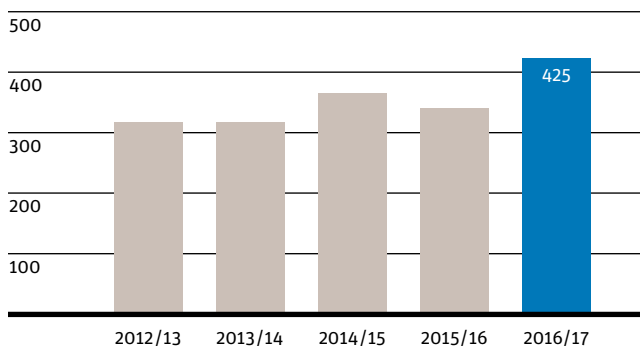
Sales development in CHF m



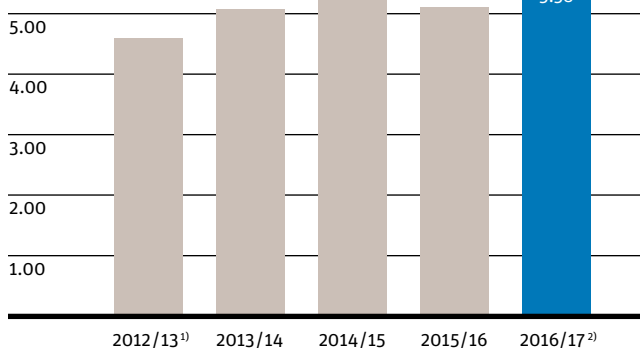
EBITA development in CHF m



Operating Free Cash Flow development in CHF m



EPS development in CHF



¹⁾ Restated following the implementation of IAS 19 (revised). Excluding one-off cost, mainly related to the increase of the product liability provision within the cochlear implants business.

²⁾ Excluding one-time costs of CHF 18.4 million, consisting of transaction costs and integration related restructuring costs in connection with the acquisition of AudioNova.