

# Sennheiser Communications A/S

Company presentation

Jeppe Dalberg-Larsen, President



# Jeppe Dalberg-Larsen

- Born 1969
- M.Sc. in Economics from Aarhus University
- Employed with the William Demant Group since 1996
- CIO - Head of Global IT, William Demant (Oticon) 1998 to 2001
- General Manager, Danacom A/S 2001 to 2003
- President, Sennheiser Communications since 2003



# Sennheiser Communications at a glance



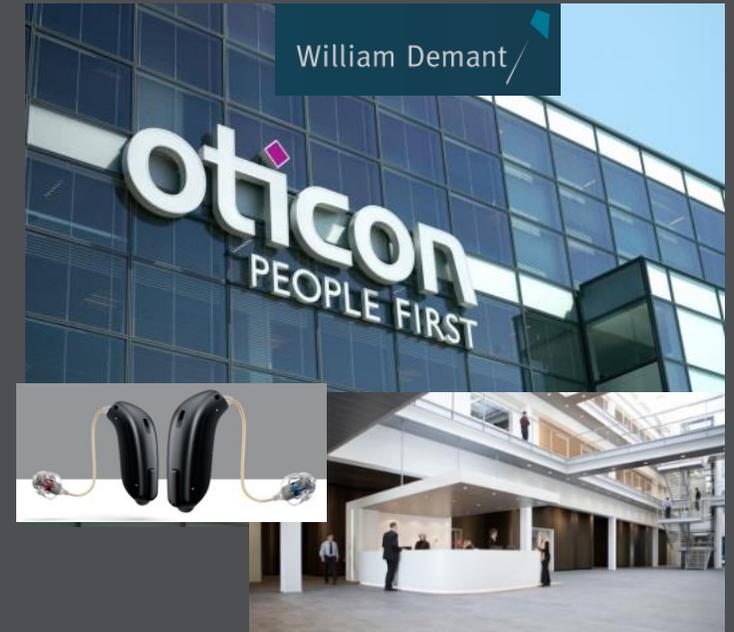
- Joint venture established in 2003:
  - William Demant Holding 50%
  - Sennheiser electronic GmbH & Co. KG 50%
- Main product areas:
  - CC&O: Headsets for mobile phones, contact centres, offices and Unified Communications (UC)
  - Consumer: Headsets for gaming and mobile
- Locations:
  - Headquarters in Ballerup, Denmark
  - Offices in Hong Kong and Dongguan in China
  - Headcount: 176

# A strong foundation



## Sennheiser electronic

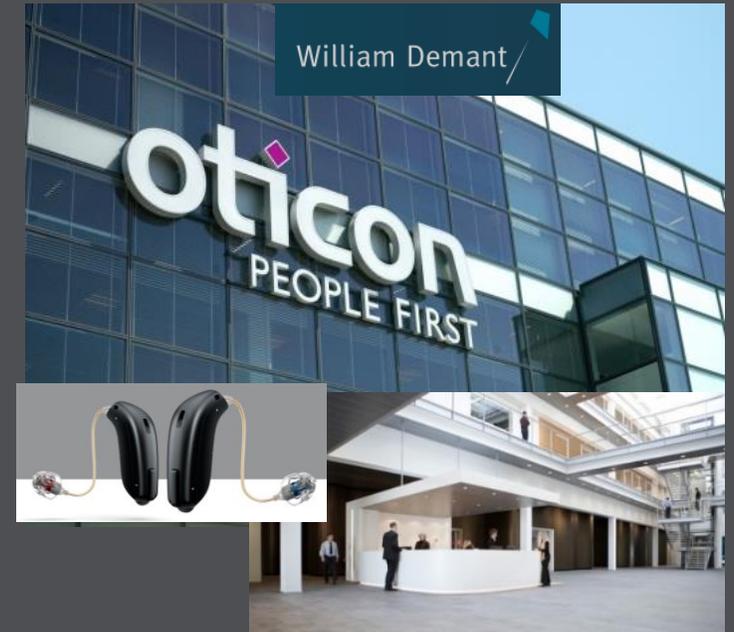
- Founded in 1945
- Premium positioning: Shaping the future of audio
- Main product categories:
  - Headphones
  - Microphones
  - Wireless transmission systems



## William Demant Holding

- Founded in 1904
- Hearing healthcare company
- Hearing solutions, audiometric equipment, personal communication systems

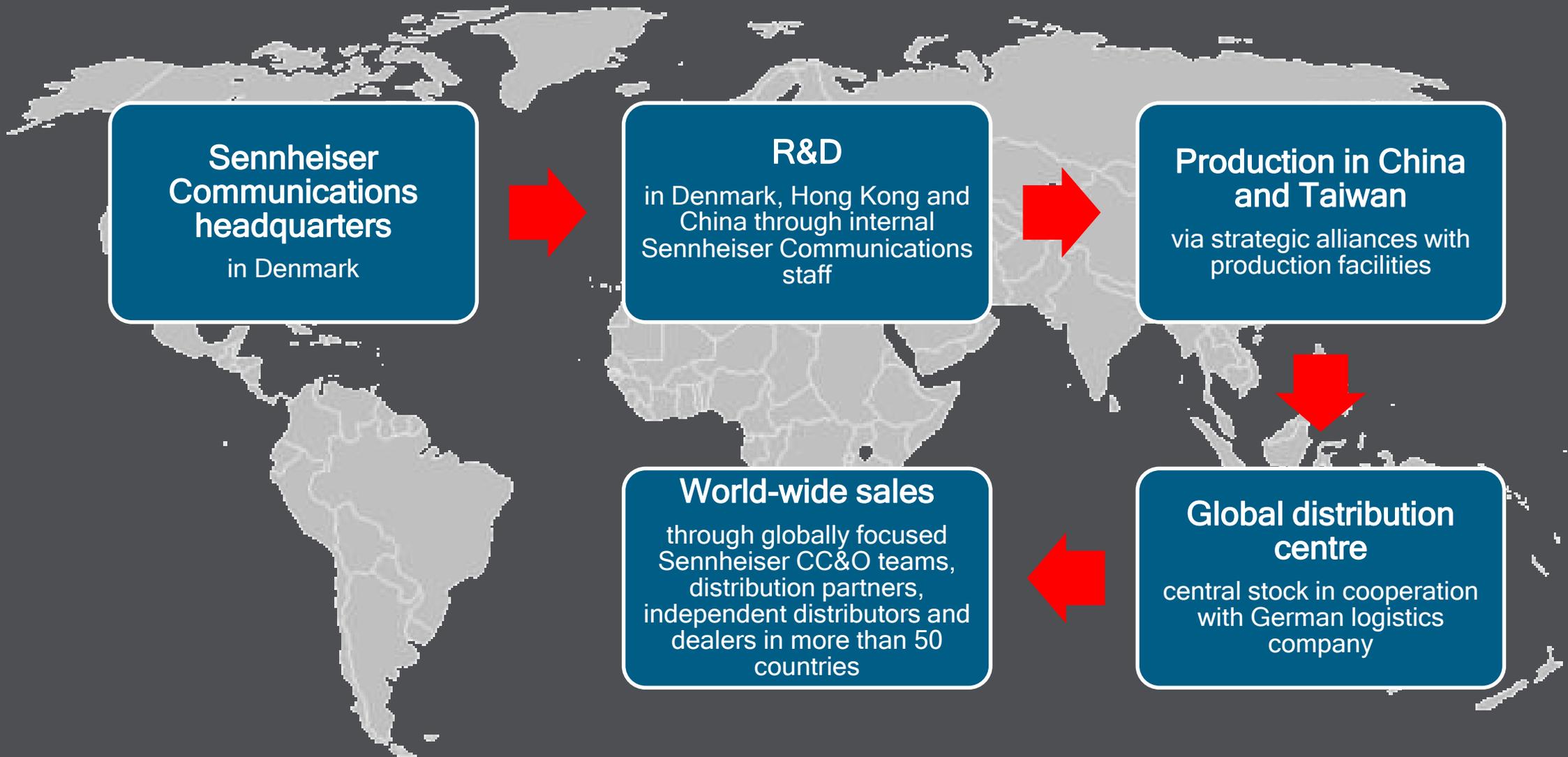
# Capitalising on synergies



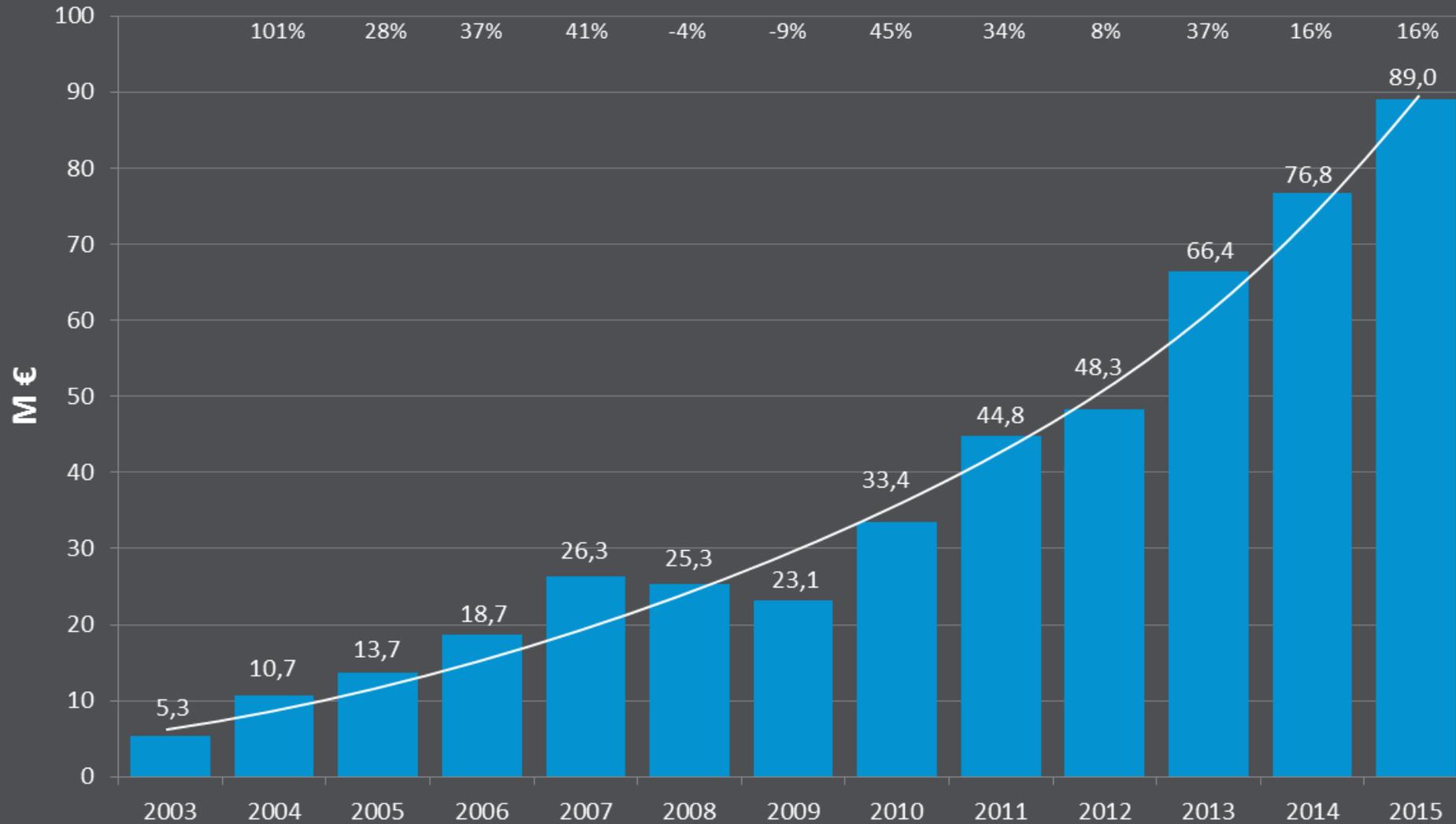
- Premium brand positioning
- Distribution network
- R&D and technology
- Best practice
- Supply chain scalability

- R&D
  - Miniaturisation
  - Noise cancelling
  - DSP
  - Wireless technology
  - Speech intelligibility
- Back office
  - IT, HR, Legal, Finance, Quality etc.

# A global set-up



# Total year revenue - out of factory



CAGR 26.5%

Actual exchange rates

# Business segments

Contact Centre and Office (CC&O)



Wired  
Wireless

Consumer mobile



Mobile communication  
Mobile music

Gaming



Gaming  
Music and entertainment  
VoIP

# Gaming

- Growing market - growth rate of 7-8% (-2019)\*
- Premium positioning
- Trends → VR and 3D sound
- Gaming platforms



\*Research and Markets 2015

# Gaming headsets



**SENNHEISER**  
ASSASSIN'S CREED  
SOUNDSCAPE

PS4 PS3 XBOX ONE XBOX 360  

**THE SOUND GAMES ARE MADE OF**

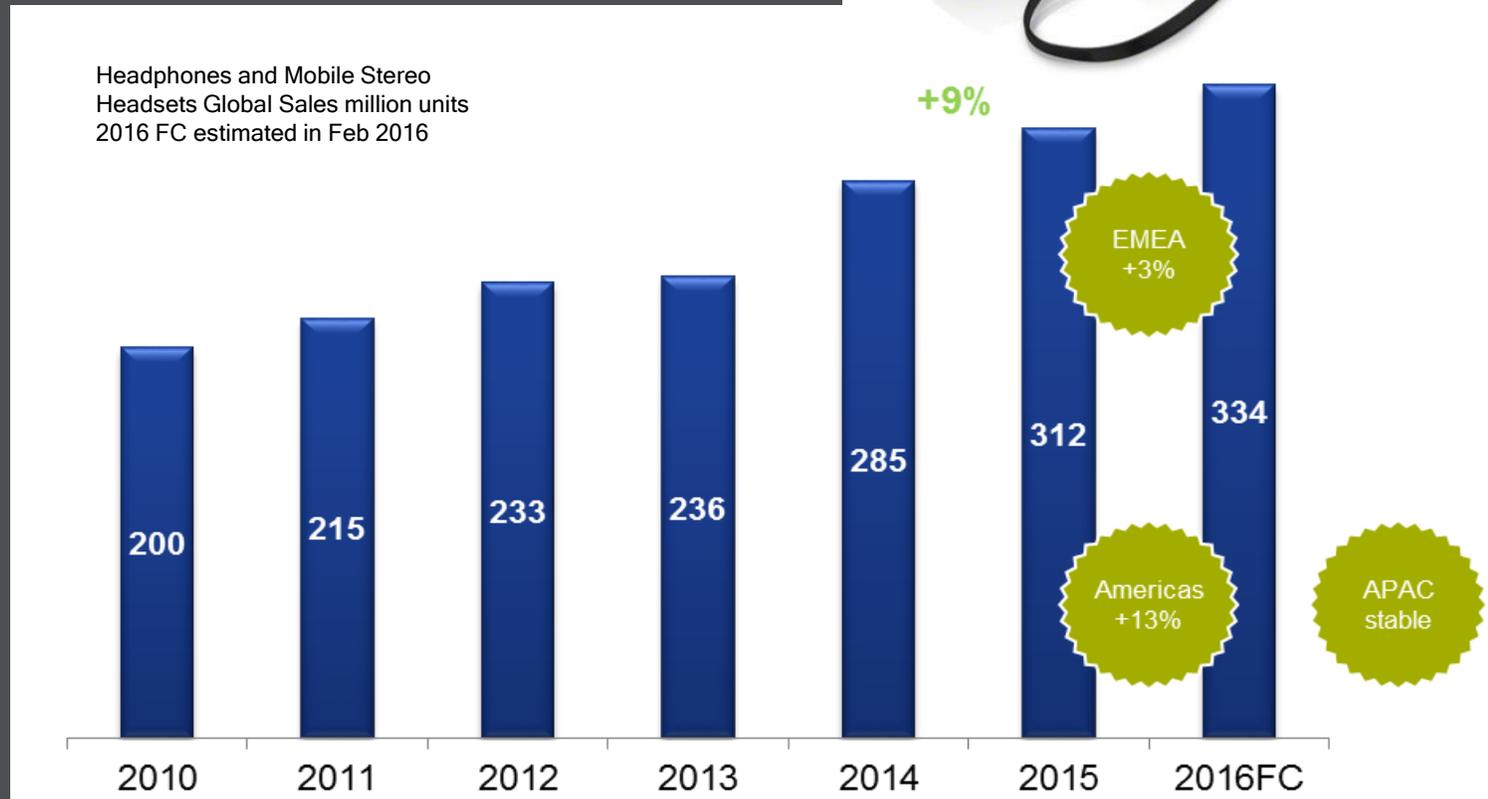
GAME SERIES G4ME ONE

GAME SERIES G4ME ZERO

# Mobile music headsets



- Total market size expected to exceed USD 13bn by the end of 2016\*
- Well established premium brand
- Trends:
  - Increased use of smartphones and music applications (Spotify, YouTube, Twitch etc.)
  - Premium positioning



Source: EPSNews\*

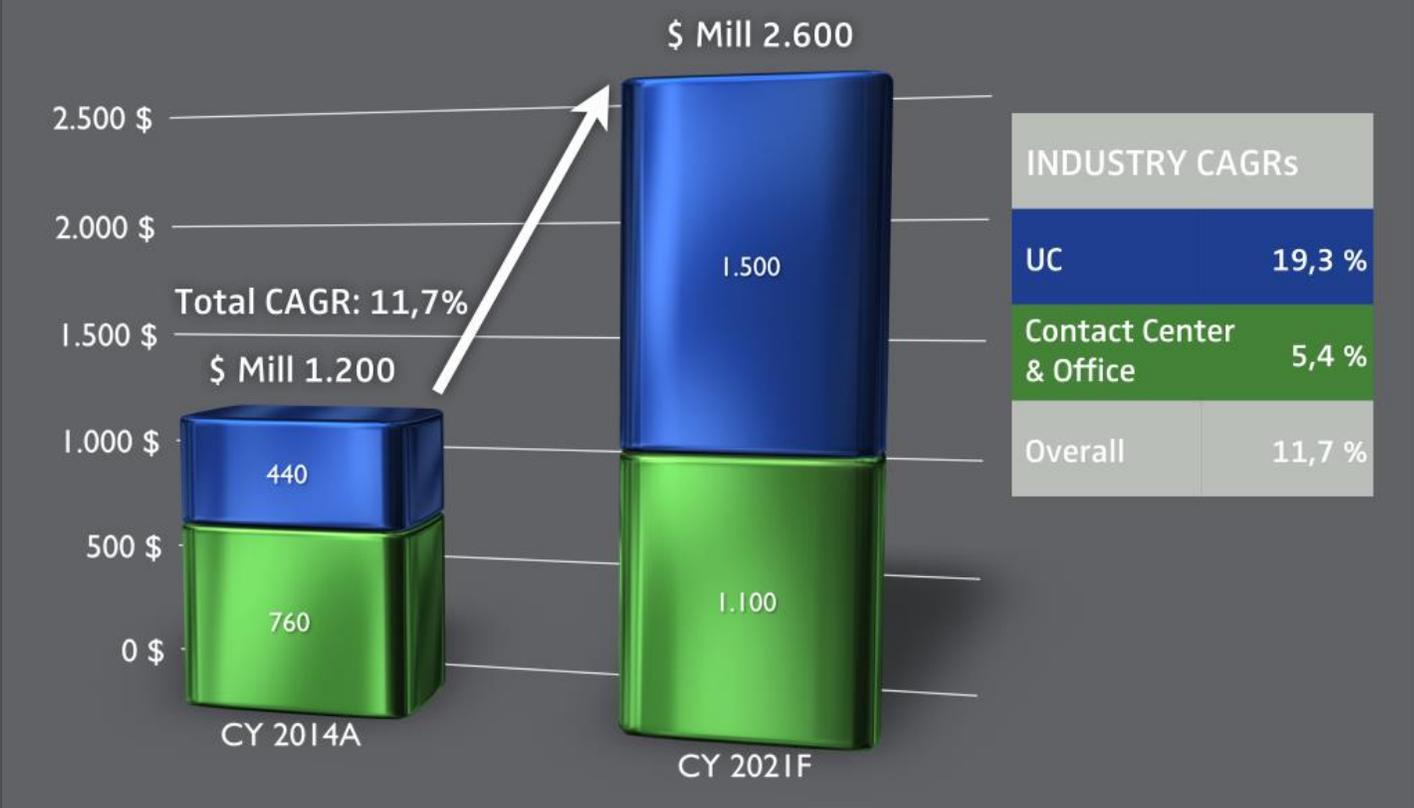
# Mobile communication/music headphones



# Contact Centre & Office

## Global industry revenue expectations CY14-CY21

- UC trend is driving growth
- Our expectation: CAGR of approx. 10%



Source: Frost & Sullivan, 2014

# From “simple phone accessory” to a “complex IT device”

## 2003 → Desk phone telephony

- Wired headsets
- One-product strategy
- Deskphone interoperability



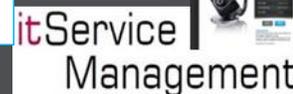
## 2010 → Internet telephony

- BT product category
- DECT product category
- USB product category
- Speaker phone product category
- Development and maintenance of wireless product platforms



## 2014 → UC telephony

- Cloud-based IT solutions
- Ecosystems with diagnostics, configuration, asset management etc.
- Flexible swapping of calls between multiple platforms (mobile, tablet, PC and Mac)
- Interoperability with multiple phone vendors (Skype4B, Cisco, Avaya etc.)
- Global regulatory compliance
- Fighting noise in open-office environments
- Encryption
- Internet of things
- Contextual intelligence



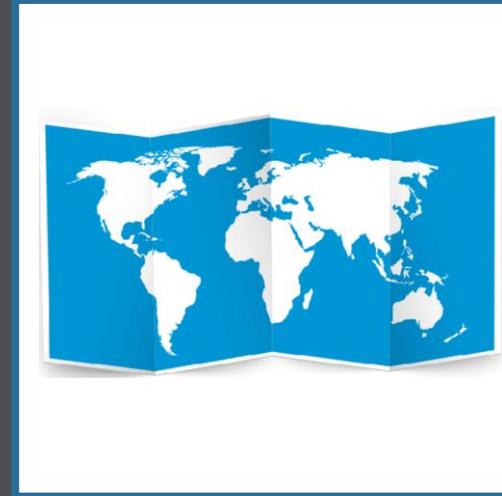
# Key to success



Full product portfolio



Strategic partnerships



Global impact



IT eco systems

# Unified Communications - changes the way we work



## Desk Worker

When you spend less than 10% of your time away from your desk and you're not required to answer calls away from your workstation.



## Office Worker

When you need to be able to handle calls while away from your desk – although you probably spend most of your time at your workstation.



## Mobile Worker

When you have no dedicated office desk and no fixed location but should be available while on the road.



# Trends

- **Open-office environments** continue to emerge, prompting professionals to seek business grade headsets to boost productivity
- **Multiple Device Integration** becomes the centre of Unified Communications; seamless interaction between all devices will be crucial
- The importance of **software** for enterprise communication devices is growing, leading to new wireless solutions, features and capabilities in professional headsets



# Strategic alliance partners

- Certification and compatibility with latest software deployments
  - Warranty
- Long-term relationships
  - Sales
  - Marketing
  - R&D
- Integrated solutions ensuring a smooth and productive user experience



# Global impact

- True global partner
  - GLOBAL: Ability to make global deals - terms and conditions, service level agreements
  - LOCAL: Product fulfilment and delivery of premium service and support

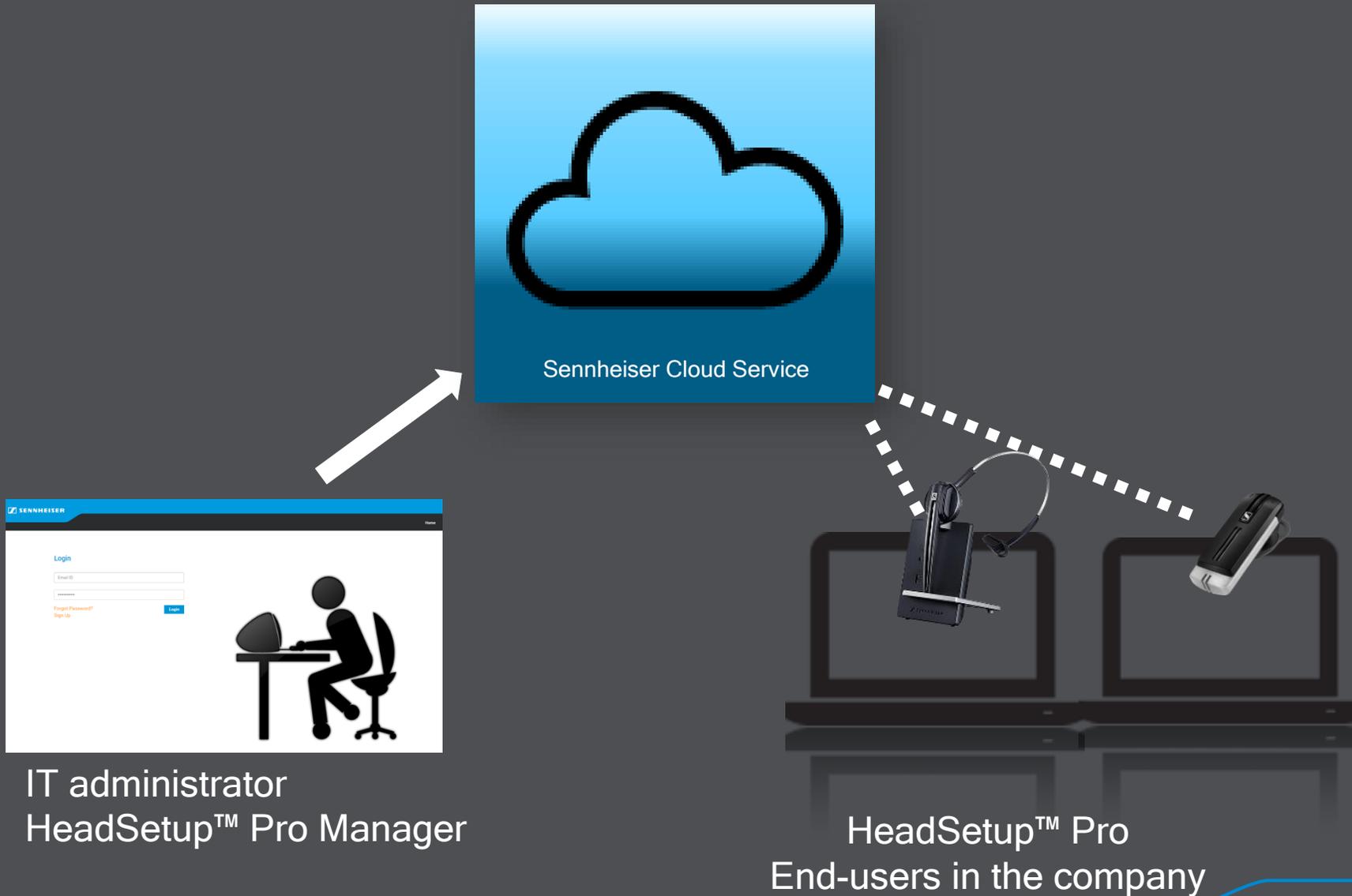


# IT eco systems

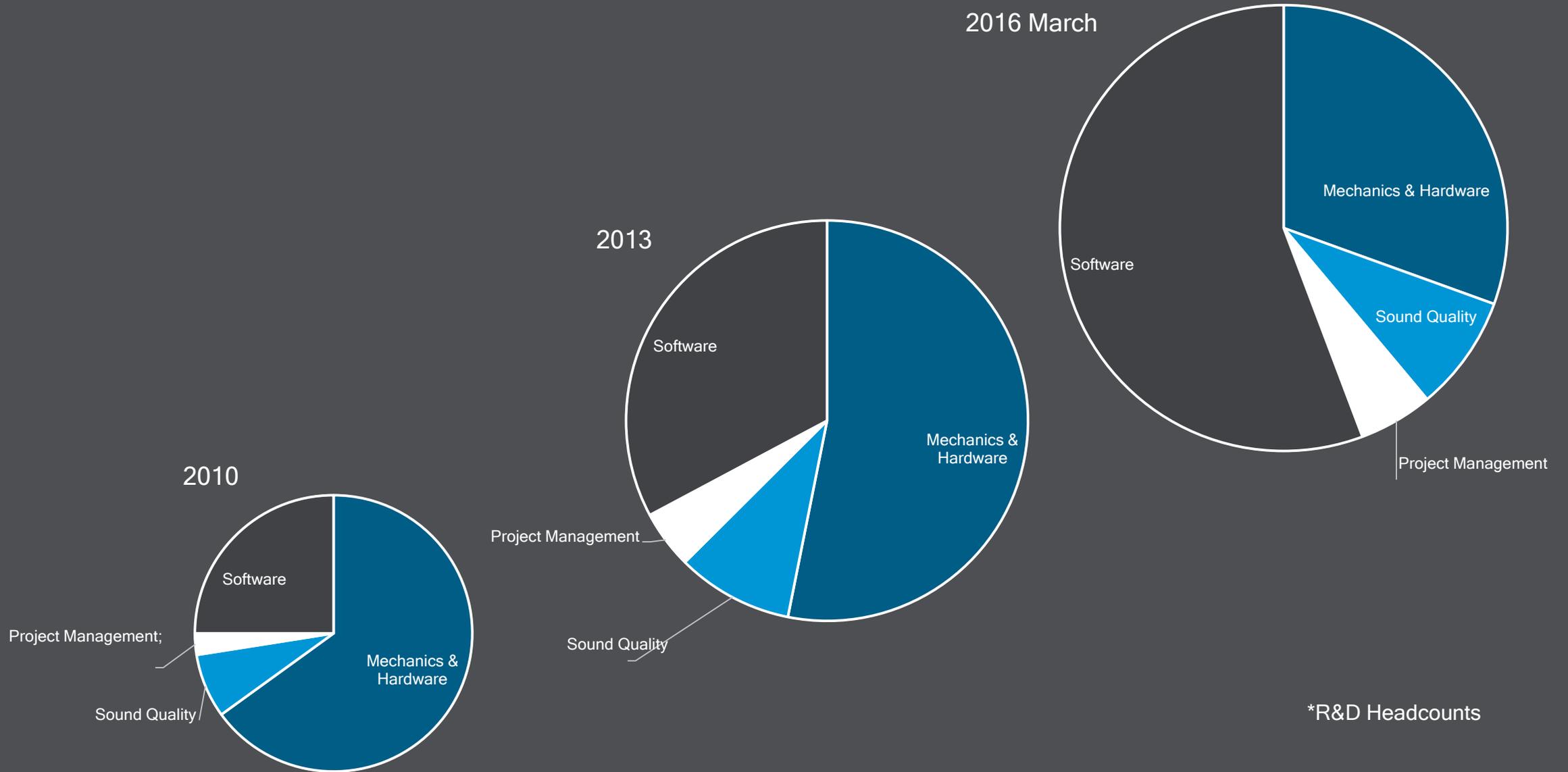
- Device management software
- HeadSetup™ Pro Manager - cloud-based IT management tool
- Important for winning large UC deals
- Centralised, efficient overview and management of CC&O products



# HeadSetup™ Pro Manager



# R&D competence development



\*R&D Headcounts

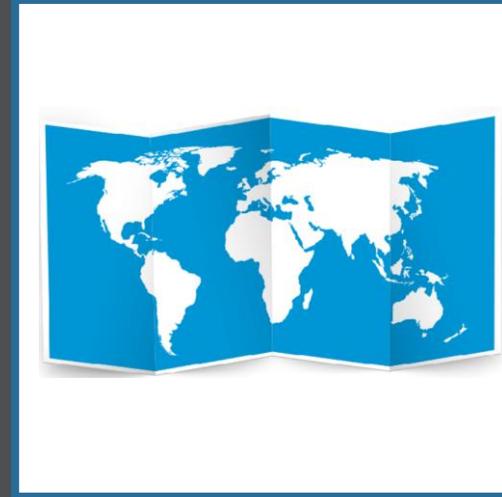
# Key to success - from products to solutions



Full product portfolio



Strategic partnerships



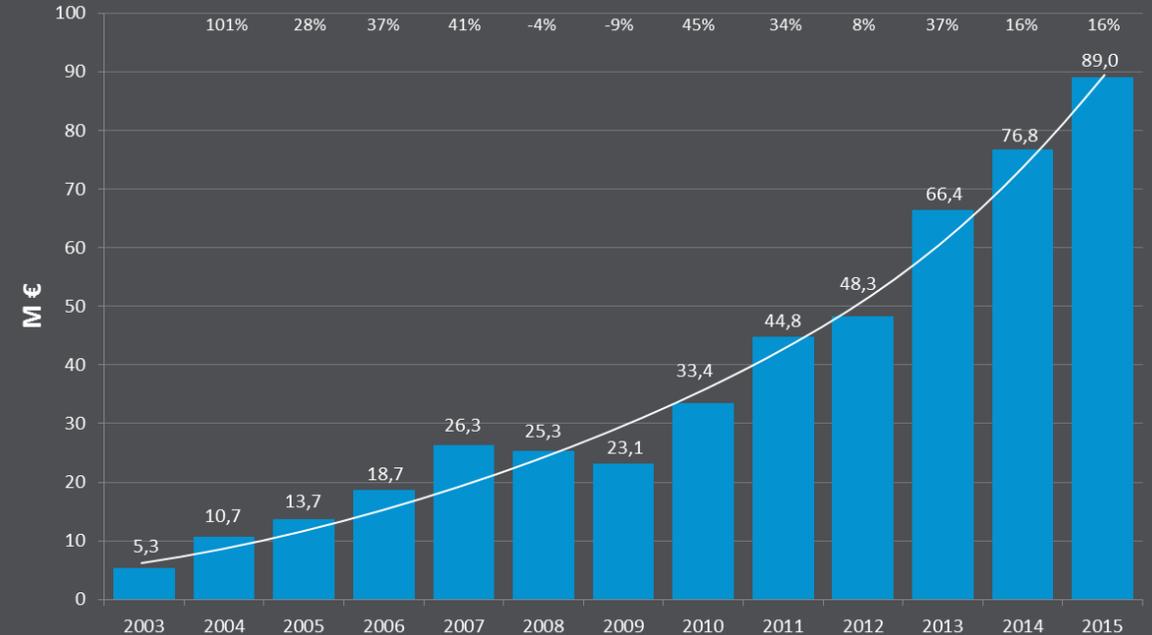
Global impact



IT eco systems

# Conclusion

- Attractive market conditions
- Foundation based on synergies
- Complete premium product portfolio
- From products to solutions
- Global focus and reach



→ GEARED FOR CONTINUOUS GROWTH

# Questions?



Thank you

