



#### Key take-aways



Continued strong performance in line with our expectations



The expanded Oticon Opn family continues to drive strong organic growth



Retail continues to deliver organic growth rates in line with market growth rates



Continued strong momentum in Hearing Implants, particularly in the CI segment



Organic growth in Diagnostic Instruments in line with strong growth in H1 2017



Full-year outlook maintained: EBIT of DKK 2.3-2.6 billion

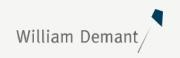




## Global hearing aid market in 2017



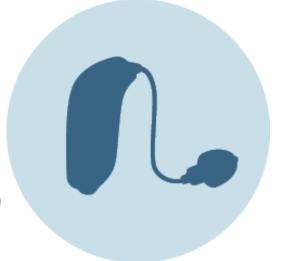
- We maintain our estimate that the global market growth rate in units will in 2017 be slightly below our general expectations of 4-6%
- The global average selling price (ASP) is seen as relatively stable and slightly above our general expectations
- In terms of value, the global market for hearing aids is estimated to have seen moderate growth of 1-3%, which is in line with our general expectations



# Strong organic growth in wholesale of hearing aids

With Oticon Opn as the main driver, strong performance continues

- Strong organic growth in the second half increasingly driven by the ASP
  - 1. Positive product mix
    - Driven by expanded Oticon Opn portfolio
    - Improved mix in Bernafon and Sonic due to Zerena and Enchant
  - 2. Positive channel mix
    - Increased sales to independents and VA
    - Lost sales to large chain in Europe (due to acquisition by a competitor)
    - Timing of NHS orders
  - 3. Positive geographical mix
    - Strong growth in North America
- Comparative figures becoming somewhat tougher during the second half



#### Opn has introduced a paradigm shift in hearing care



#### New releases complement recent Oticon Opn launches

Broadening the reach of the open sound paradigm





#### Introducing stereo streaming from all smartphones

**Overcoming the limitations of Classic Bluetooth** 

#### Oticon Opn with 2.4 GHz BLE enables:

- Streaming in stereo to both ears
- ▶ High-quality sound thanks to extended frequency range (7.5 kHz)
- Low battery consumption
- Made for iPhone® (MFI)

Industry standards coming for Bluetooth Low Energy audio streaming standard









#### Bernafon Zerena 9|7|5

- Introduction in largest markets with excellent feedback
- Introduction in some export markets in progress
- Costco: Launched in the USA and Canada, additional countries to follow
- ZPower rechargeable Silver-Zinc batteries
- Made for iPhone® and 2.4 GHz streaming to all phones



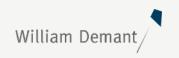


# **Sonic Enchant 100|80|60**

- International roll-out ongoing
- SoundDNA technology extremely well received
- Upcoming news:
  - Wireless connectivity solution for all phones
  - miniRITE rechargeable with ZPower solution







## Organic growth in retail supported by acquisitions

- Organic growth in retail YTD in line with market growth:
  - Impacted by negative growth in Australian market
  - Strong growth momentum in mature retail operations in Canada, the UK and France
  - It remains a complex task to consolidate more fragmented retail markets, e.g. the US
- Acquisitions primarily made in North America, however with a lower level in the second half of 2017 against the first half of 2017





#### Strong growth in cochlear implants in second half-year

- Increased uptake of the Neuro system due to launches in new markets
- Some large tender orders placed by export markets for previous product generation
  - Negative impact on overall ASP
- First reliability report for the Neuro implant released with excellent results
- Neuro 2 external processor and new fitting software to be launched around year-end
  - Pending regulatory approval including CE mark











#### BAHS carried strong momentum into second half-year



- Growth continues to be driven by Ponto 3, particularly the SuperPower version
- Positive clinical results on improved speech understanding







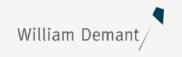


# Strong organic growth in line with first half-year

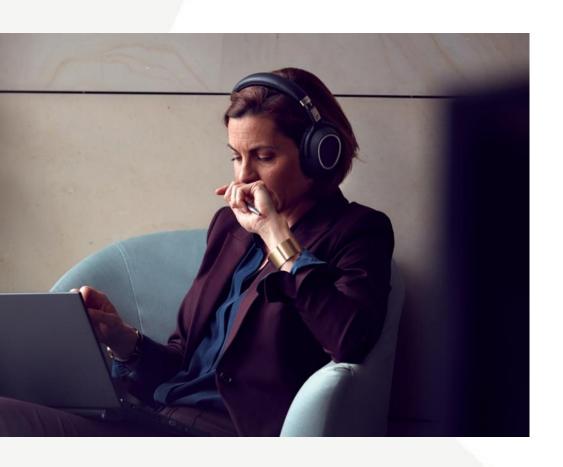
- Mainly driven by North America, South America and Asia
- Continued market share gains
- Several new product launches







# Sennheiser Communications: Positive momentum in underlying business



- Positive contributions from all three segments: CC&O, Mobile and Gaming
- Reported growth negatively impacted by inventory reductions in second half-year





#### Outlook 2017

We see a global unit growth rate for 2017 slightly below our general expectation of 4-6% unit growth and estimate that average selling prices have been relatively stable.

We expect to generate growth in sales in all the Group's three business activities: Hearing Devices, Hearing Implants and Diagnostic Instruments.

Based on current exchange rates and including the impact of exchange rate hedging, we expect a slightly negative exchange rate impact on revenue of less than 1% in 2017. Acquisitions made in 2016 will impact consolidated revenue by approx. 1% in 2017.

We aim at a target gearing multiple of 1.5-2.0 measured as NIBD (net interest-bearing debt) relative to EBITDA.

Operating profit (EBIT) of DKK 2.3–2.6 billion before restructuring costs of around DKK 175 million.

# Q&A

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## Meet us!

14 November	London (UBS European Conference)
15 November	London (Jefferies Global Healthcare Conference)
23 November	Frankfurt (HSBC Healthcare Day)
24 November	Paris (Danske Bank)
6-7 December	New York (Citi Global Healthcare Conference)
8 December	Toronto (Mirabaud)
12 December	Copenhagen (Danske Bank Winter Seminar)
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