



Sivantos Group

Investor presentation

Siemens preferred equity repayment– EUR term loan

January 2016

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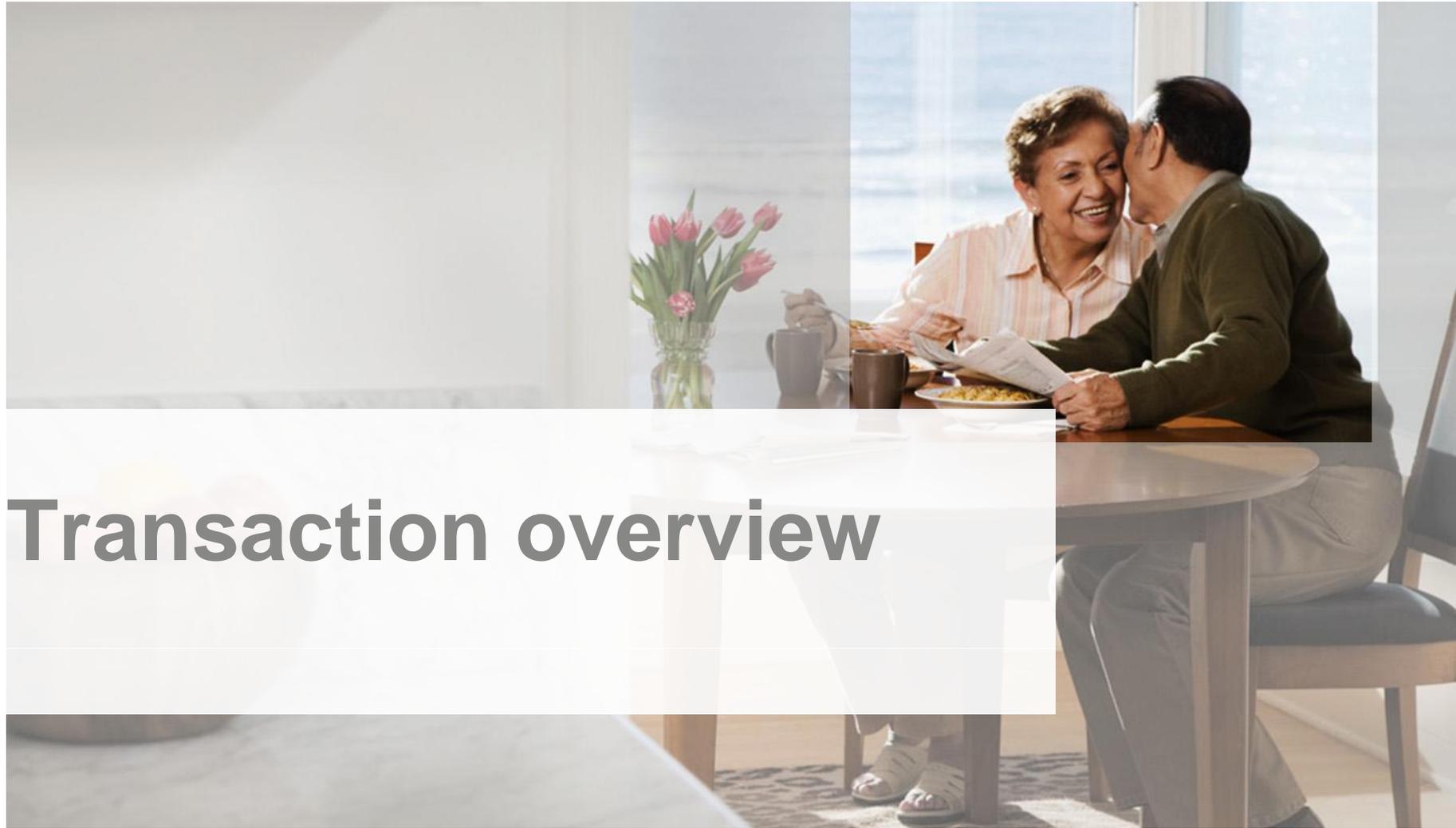
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Transaction overview

Transaction overview (1/2)

- On 15 January 2015, funds advised by EQT Partners AB ("EQT") together with Santo Holding (Deutschland) GmbH ("Santo"), acquired Siemens Audiology Solutions ("SAS") from Siemens Beteiligung GmbH ("SBI"), the holding company of SAS
 - Implied Enterprise Value of €2,220 million (**14.1⁴x FY14A Adjusted EBITDA¹** of €156.9 million) with equity cushion of c. 50%
 - Siemens AG re-invested €200 million and management team acquired a meaningful equity ownership position with own money
- SAS, renamed as Sivantos Group ("Sivantos" or the "Company"), is a **pure play manufacturer of hearing aid devices with over 100 years of experience** in audiology
 - **Leading positions in Asia, Europe and North America** supported by a broad portfolio of high quality products and established brands
 - **Largest global manufacturer of hearing aid devices in volume terms** with more than 3 million units manufactured annually²
 - For the PF³ FY15A, Sivantos generated net revenues of **€835.3m and PF³ Adj. EBITDA¹ of €205.9m (24.7% margin)**

1. COGS, OPEX and Other expenses adjusted for normalization items

2. According to management estimates

3. Pro-forma (PF.) unaudited key figures of Auris Luxembourg II S.A. as if Sivantos Group and its consolidated subsidiaries formerly "Siemens Audiology Solutions" were included for the full fiscal year 2015; from April 2015 onwards all figures include audibene

4. EV/EBITDA multiple shown in syndication materials was 13.7x, however EQT/Santo added €70m of additional equity at closing of the transaction increasing the EV/EBITDA up to 14.1x

Transaction overview (2/2)

- Since the acquisition in January 2015, Sivantos has continued to demonstrate very strong operating and financial performance
 - ✓ **Successful re-branding of the Company**
 - ✓ **Strong uptake of binax and continued success of micon**
 - ✓ **Successful acquisition and integration of audibene which continues to expand globally**
 - ✓ **Sales and PF¹ Adj. EBITDA² up +21.0% (10.1% organically) and +31.2% respectively in FY15 vs. FY14**
 - ✓ **Significant ~1.5x deleveraging achieved since LBO from 6.8x post EQT acquisition to 5.3x as of 30 Sept 2015**
- Based on strong operating and financial performance, and in order to achieve full equity ownership of the Company, EQT and Santo have agreed with Siemens to repay Siemens' preferred equity, associated warrants and earn-out (the "Transaction") prior to maturity. The Transaction will be financed through a combination of equity and debt proceeds:
 - €100m equity provided by EQT, Santo and management increasing cash equity up to €1,079m
 - €90m shareholder loan provided by Santo and EQT credit fund
 - €110m Term Loan B add-on mirror loan
- Pro Forma, the Company will have **net senior secured leverage of 4.5x and total net debt leverage of 5.8x**, well below opening leverage at LBO in 2014, and significant cash equity contribution

Current capital structure

Significant deleveraging since EQT acquisition driven by strong EBITDA growth and cash flow generation

	€m		€m
Term loan B add-on ³	110	Repay Siemens preferred equity warrants and earn-out	300
New shareholder loan	90	Transaction costs	3
EQT / Santo equity contribution	100		
Cash on balance sheet	3		
Total sources	303	Total uses	303

€ millions	EQT acquisition			Sep-15			Sep-15 Pro forma			Maturity	Current pricing	Floor	Current ratings
	Amt	% total	xEBITDA	Amt	% total	xEBITDA	Amt	% total	xEBITDA				
Cash	-			(39)			(36)						Corp: B2/B+
RCF drawn	-			28			28			2021	E + 3.75%	-	B1/B+
€ Term loan	305			304			304			2022	E + 3.25%	1.0%	B1/B+
US\$ Term loan (\$600m) ¹	480			524			524			2022	L + 3.25%	1.0%	B1/B+
Additional € Term Loan	-			-			110			2022			B1/B+
Senior secured net debt	785	35.4%	5.0x	816	28.0%	4.0x	929	31.9%	4.5x				
€ Senior notes	275			275			275			2023	8.0%	-	Caa1/B-
Total net debt	1,060	47.7%	6.8x	1,091	37.5%	5.3x	1,204	41.3%	5.8x				
Cash equity	960			979 ⁶			1,079						
Siemens pref. equity	200			200			-						
New shareholder loan	-			-			90						
Implied additional equity value ²	-			643			540						
Total equity	1,160	52.3%	7.4x	1,822	62.5%	8.8x	1,709	58.7%	8.3x				
Total capitalization²	2,220	100.0%	14.1x	2,913	100.0%	14.1x	2,913	100.0%	14.1x				
Available RCF	75			47			47			2021			
PF ⁴ Adj. EBITDA ⁵	157	Sep-14		206	Sep-15		206	Sep-15					

1. €597m US\$ Term Loan B outstanding and assuming average FX EUR/USD over Sep-15 LTM average of c. 1.14 as per Sivantos SFA calculation. FX EUR/USD at LBO was 1.25

2. Assuming trading multiple in line with EQT acquisition

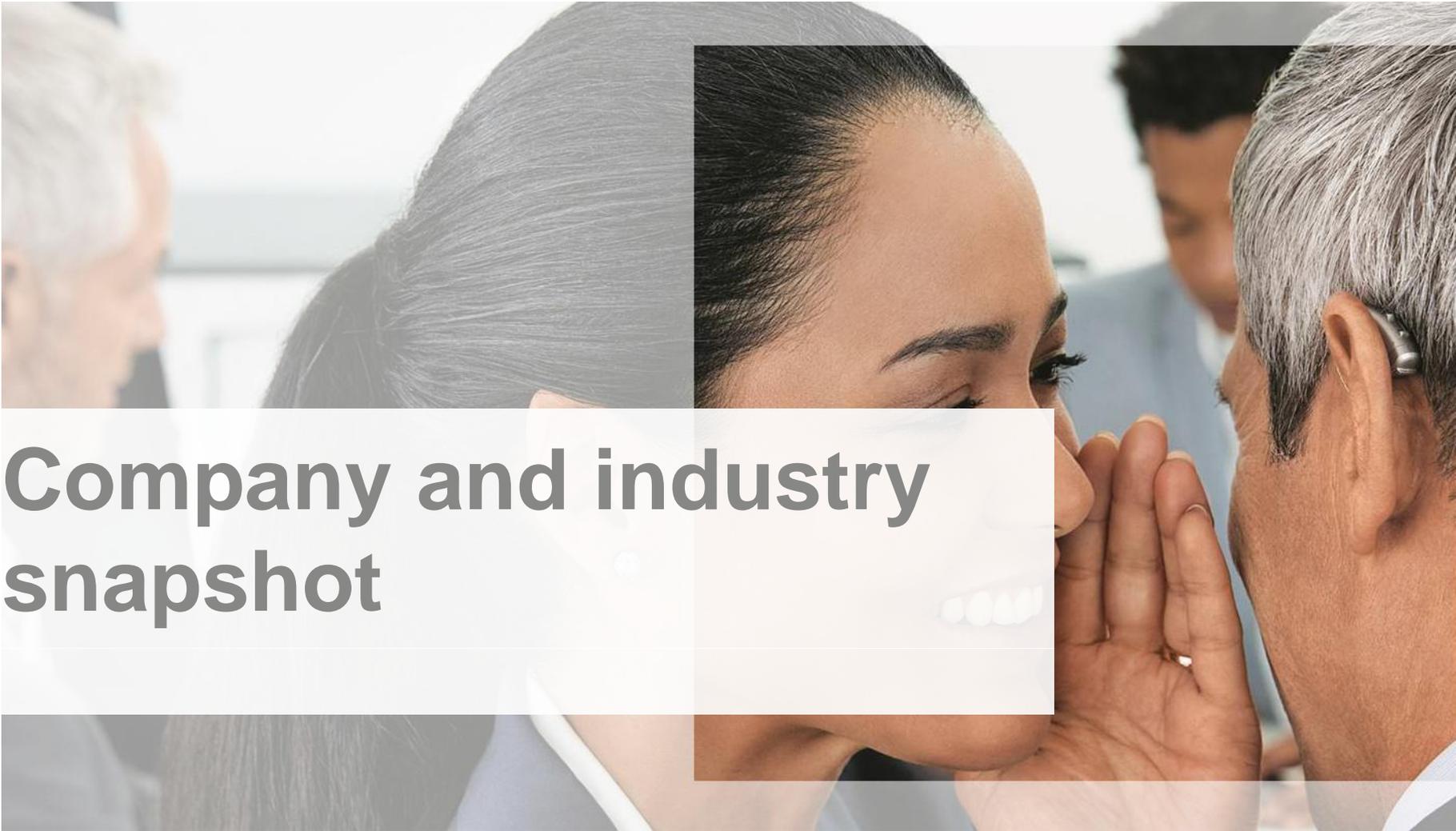
3. Proceeds to be upstreamed given available RP capacity in credit agreement of €127m as per September 2015 (i.e. using general basket calculated based on Total Adjusted Assets)

4. Pro-forma (PF.) unaudited key figures of Auris Luxembourg II S.A. as if Sivantos Group and its consolidated subsidiaries formerly "Siemens Audiology Solutions" were included for the full fiscal year 2015; from April 2015 onwards all figures include contribution of audibene acquisition Cash equity increases by €100m given the EQT / Santo contribution in the contemplated transaction while implied equity is reduced by €100m due to the payment of associated warrants and earn-out

5. COGS, OPEX and Other expenses adjusted for normalization items

6. As part of audibene transaction, the audibene founders and managers reinvested €19.1m in the business.

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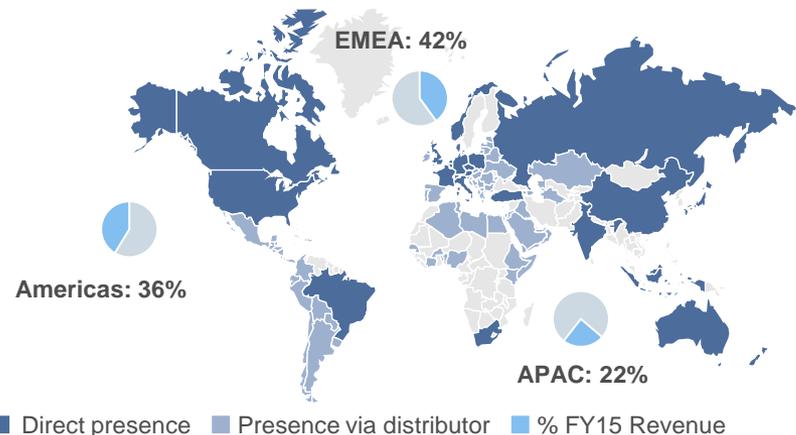
Company and industry snapshot

Sivantos: World leader in hearing devices manufacturing

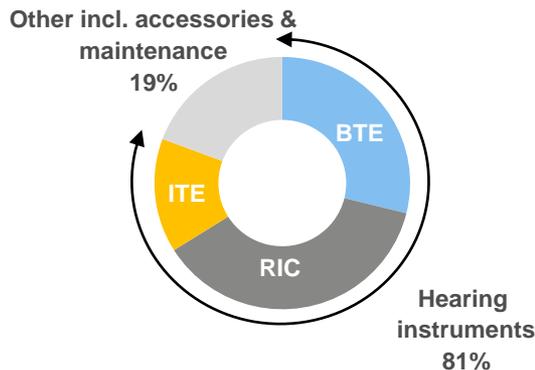
Key highlights

- Pure play manufacturer of hearing aid devices with more than 100 years of experience in audiology
 - Headquartered in Singapore, employing c. 5,300³ people globally
- Global #1 manufacturer by volumes with more than 3m units manufactured annually, #3 by revenue
 - FY September 2015 Revenue¹: €835m (+21.0% vs. FY14; 10.1% organically)
 - FY September 2015 PF¹ Adj. EBITDA⁴: € 206m (24.7% margin)
- Global footprint with strong market positions in key markets
- Balanced offer of technologically advanced products across all price ranges with a focus on the higher value segments

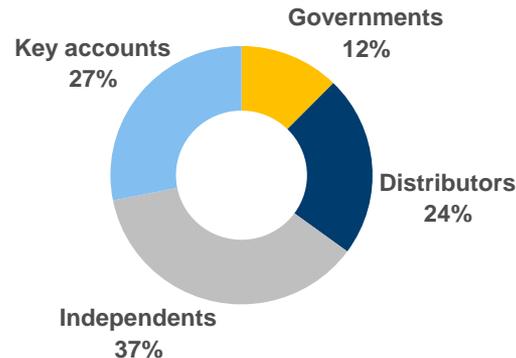
Global operating footprint



Revenue by product² – FY15



Revenue by channel³ – FY15



Key brands – Successful multibrand strategy

Product brands



Retail brands



Online brand



1. Pro-forma (PF.) unaudited key figures of Auris Luxembourg II S.A. as if Sivantos Group and its consolidated subsidiaries formerly "Siemens Audiology Solutions" were included for the full fiscal year 2015; from April 2015 onwards all figures include contribution of audibene acquisition 2. Wholesale 3. Including audibene 4. COGS, OPEX and Other expenses adjusted for normalization items

Our business is focused on hearing instruments

Relevant market products – products which materially improve people’s quality of life

Hearing aids (c.€3.5bn¹)

Behind-the-ear (BTE)

“Traditional” BTE

- Plastic case is **worn behind the ear** and **connected to a plastic earmould** inside the outer ear
- Generally bigger and more visible than others



Receiver-in-the-canal (RIC)

- Wearing is similar to BTE devices, but **speaker (“receiver”)** of the hearing aid is **placed inside the ear canal**
- Case **usually smaller** than traditional BTE



In-the-ear (ITE) / In-the-canal (ITC)

- ITE aids fit into the outer ear (concha)
- ITC aids fit into ear canal
- **Completely-in-canal (CIC)** hearing aids nearly entirely hidden in the ear canal **barely visible**
- Used for **mild to moderately severe** hearing loss



Covered by Sivantos product portfolio

Mild to severe hearing loss

Source: Major consulting firm, October 2014; Company website

Note: List of devices / technologies not exhaustive

1. Management estimates; Wholesale only

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Non-substitute products

Implants

Surgical and implant technologies

- Require surgery / more invasive technology
- **Meaningful risk especially for people aged 65 years or more**
- Considered as **last resort solution** for profound hearing loss / deafness
- Significantly **more expensive**

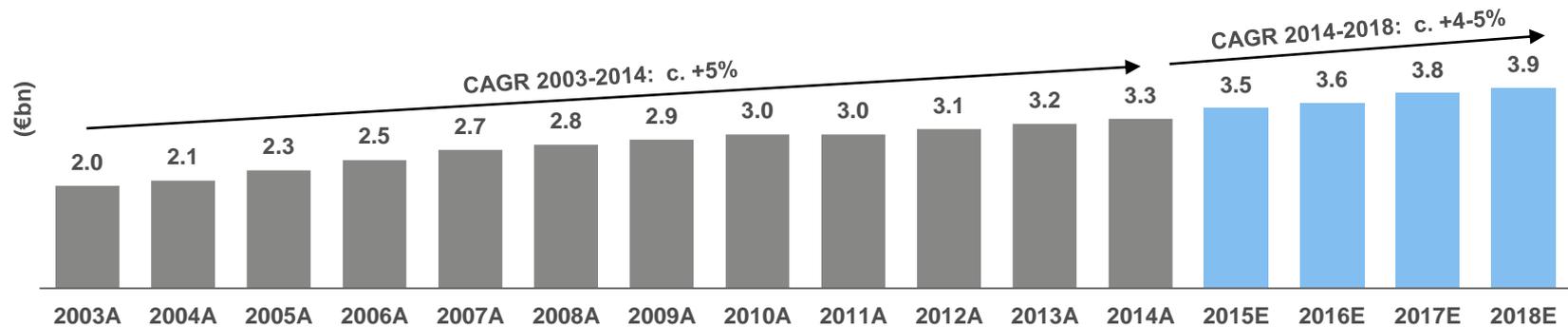


Profound hearing loss

Our industry is characterised by consistent historical growth and positive outlook

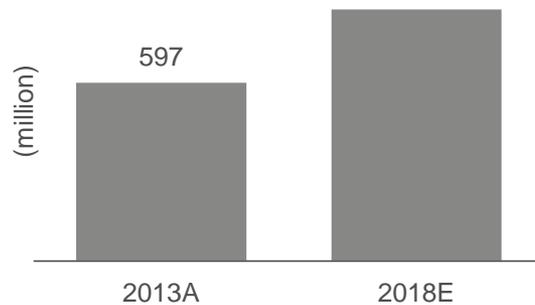
Consistent market growth over the past decade and positive outlook

Global GDP growth



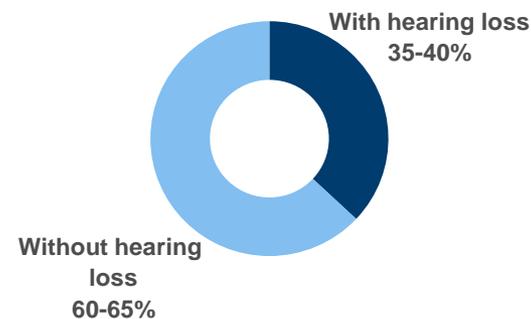
Ageing population

Population of 65+ years old 719



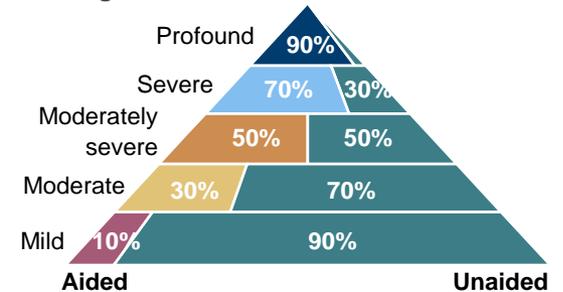
Elderly with hearing loss prevalence

% of elderly people with hearing loss



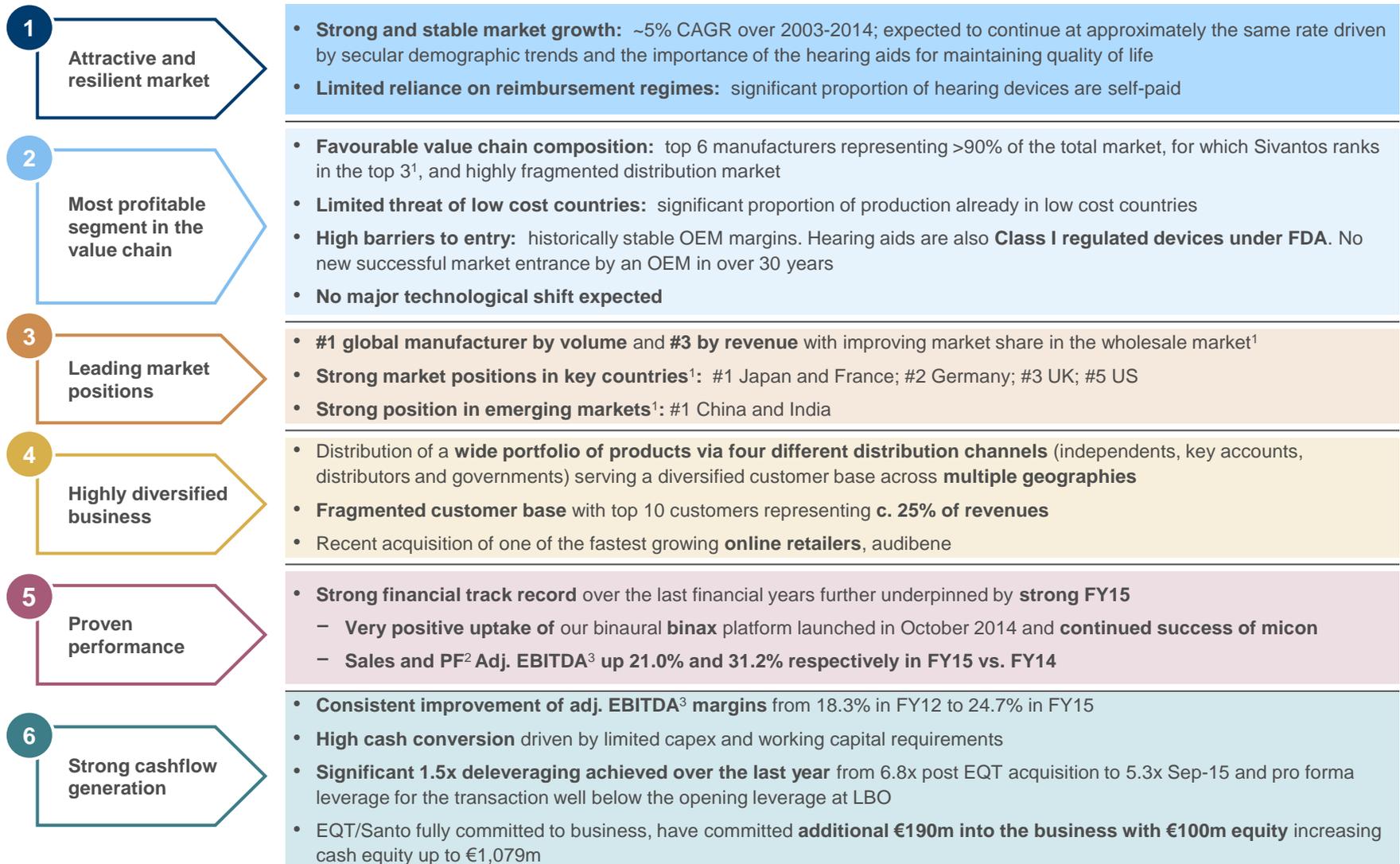
Room for penetration growth

Hearing loss level



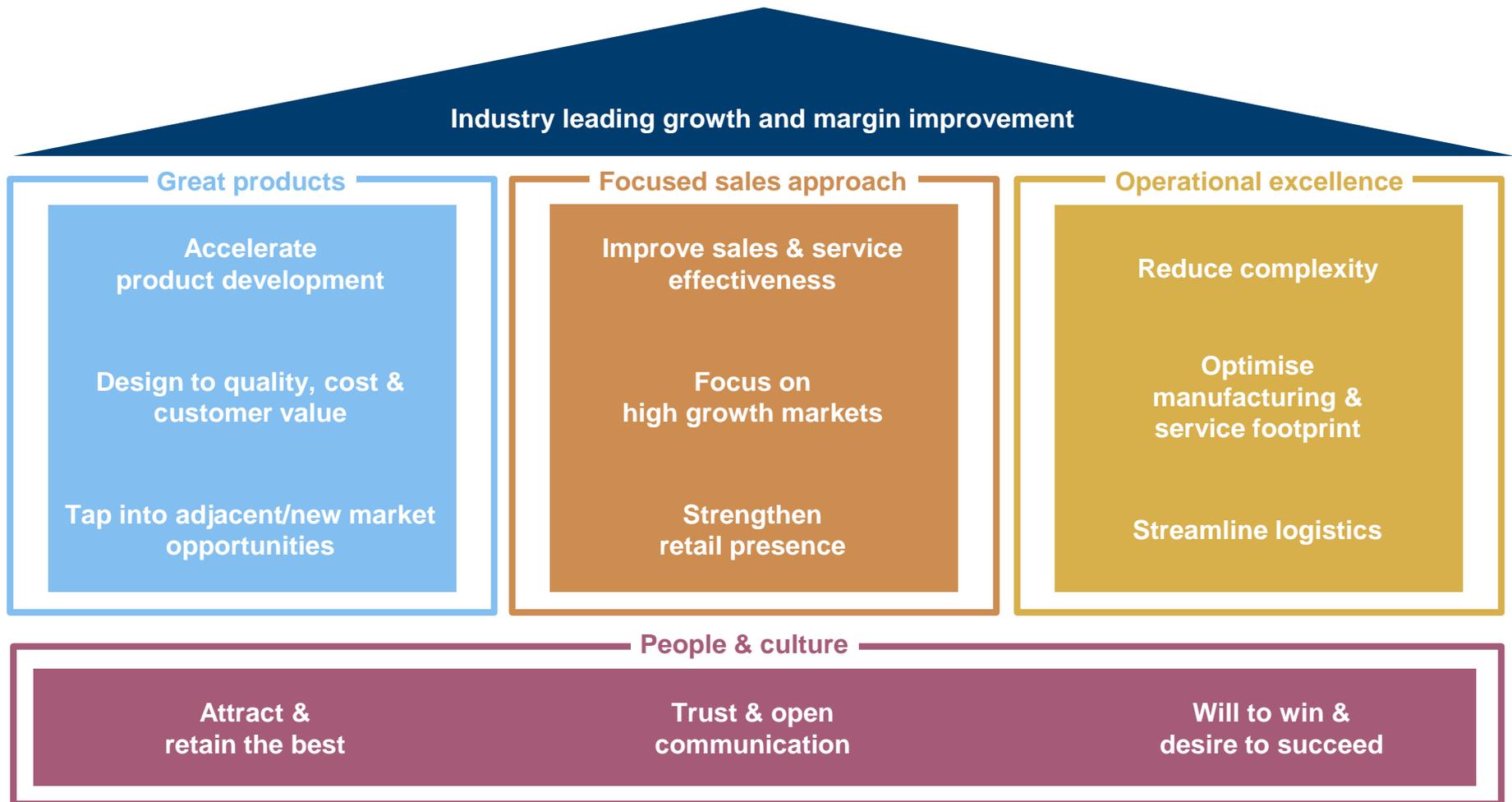
Source: Amplifon; major consulting firm, October 2014 (market defined as wholesale revenues); World Bank; Hearing Review

Sivantos has a very attractive credit profile



1. According to management estimates 2. Pro-forma (PF.) unaudited key figures of Auris Luxembourg II S.A. as if Sivantos Group and its consolidated subsidiaries formerly © Sivantos 2015 All rights reserved/restricted. "Siemens Audiology Solutions" were included for the full fiscal year 2015; from April 2015 onwards all figures incl. audibene 3. COGS, OPEX and Other expenses adj. for normalization items

Consistent strategy and disciplined execution have been the cornerstone of our success





Trading update

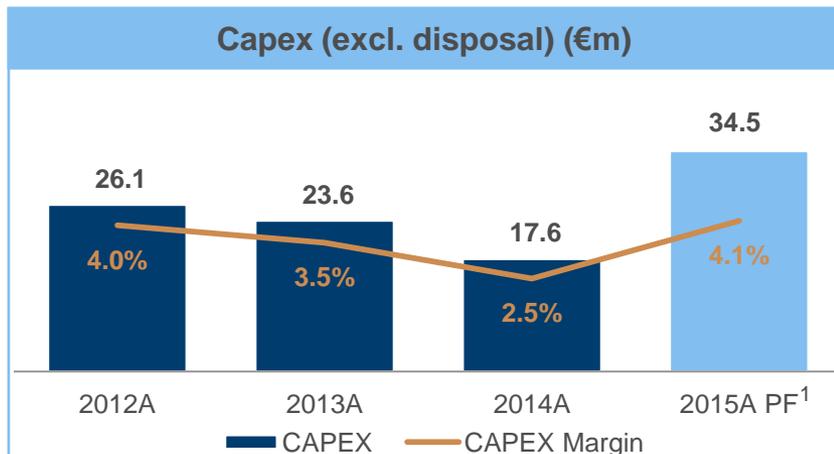
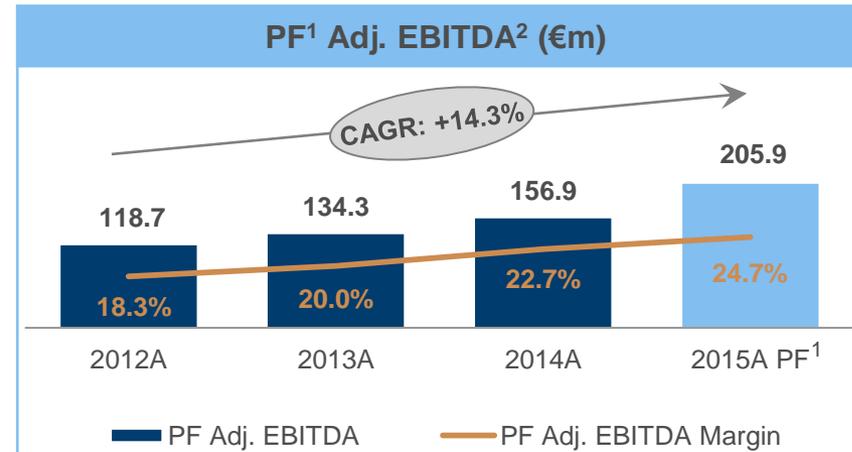
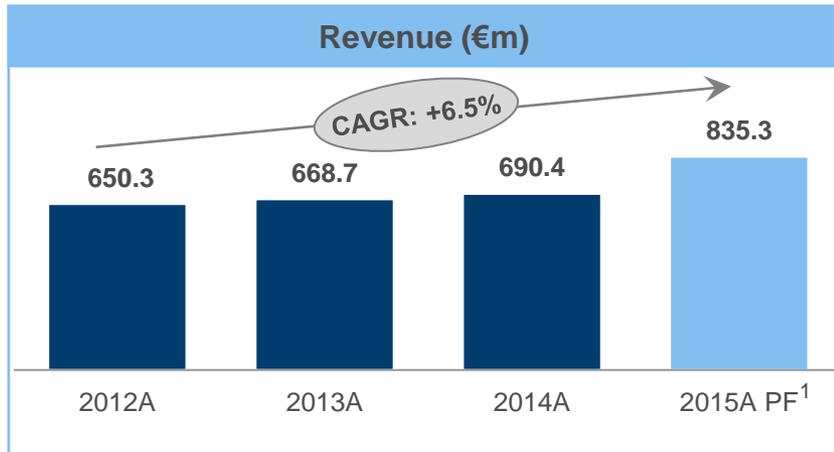
Performance highlights since LBO

- 1 Successfully re-branding of the Company** from Siemens Audiology Solutions to **Sivantos Group**
 - Key product brands remain Siemens, Audio Service, Rexton and A&M
 - Sivantos can continue to utilise the Siemens product brand until Jan-2020 and benefits from a 3 year extension to facilitate after sales services
- 2 Strong revenue growth** with FY2015 PF¹ revenue of € 835.3m up 21.0% (10.1% organically) vs. € 690.4m for FY2014
 - Successful uptake of **binax** and continued strong demand for **micon** products
 - Global market growth estimated at 4-5% for 2015 – 2018 period, comfortably higher vs. forecasted GDP
- 3 Successful acquisition and integration of audibene**, one of the fastest growing **online retailers** for hearing aids globally, in Mar-2015
 - Highly complementary transaction and will help Sivantos to shape the (online) future of the hearing aid industry
 - Customers receive consultation support by experienced hearing care professionals via telephone and the audibene websites. Fitting is done with a highly trained external audiologist partner in developed markets and remotely via video consultation in emerging markets
- 4 PF¹ Adj. EBITDA² growth** of 31.2% to **€ 205.9m for FY September 2015** (24.7% margin) vs. €156.9m as of FY September 2014 (22.7% margin)
- 5 Significant ~1.5x deleveraging achieved since LBO from 6.8x post EQT acquisition in December 2014 to 5.3x in Q4-15**
 - PF of transaction net senior secured leverage of 4.5x/ total net leverage of 5.8x – well below opening leverage at LBO

1. Pro-forma (PF.) financial key figures have been prepared to present the results of Auris Luxembourg II S.A. as-if Sivantos Group and its consolidated subsidiaries formerly "Siemens Audiology Solutions" were included for the period October 2014 to September 2015 Pro-forma (PF.) financial key figures are not audited
2. COGS, OPEX and Other expenses adjusted for normalization items

Financial update – overview

FY September 2015

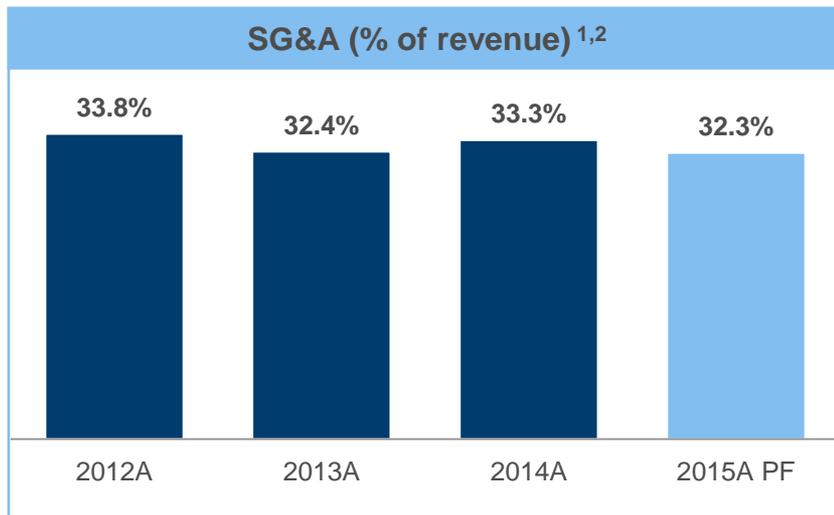
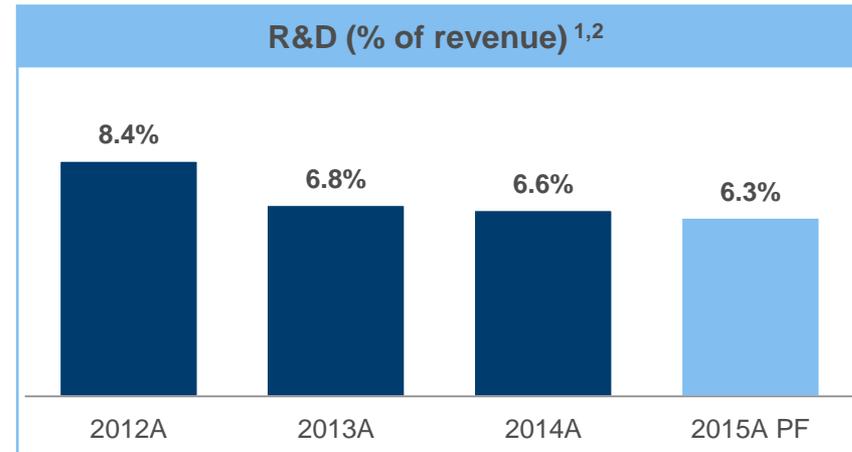
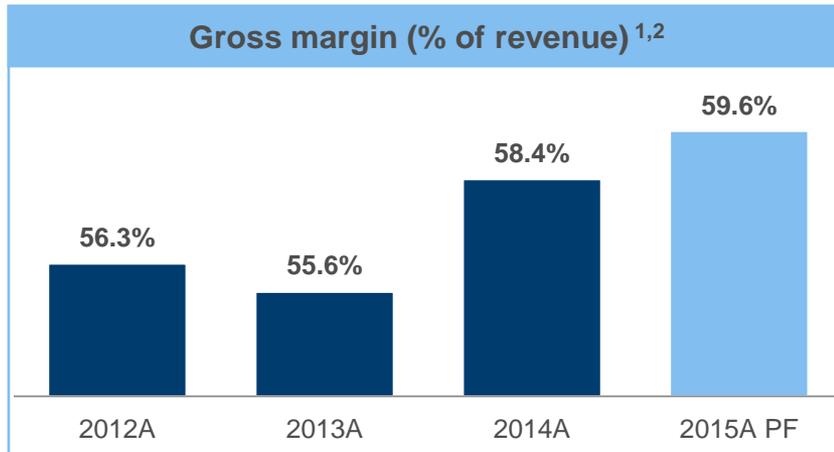


- ### 2015 vs. 2014 Key Observations
- ✓ Comparable revenue growth of 10.1% with binax and micon platforms main drivers of unit and revenue growth
 - ✓ Average selling price (ASP) increase driven by binax launch and changed channel mix towards retail and independents
 - ✓ Balanced growth across all regions
 - ✓ Net capex of operational items increase in 2015 post carve-out creating platform for additional growth

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Financial update – drivers of profitability

FY September 2015



- 2015 vs. 2014 Key Observations**
- ✓ Gross margin increase by 170bps on a comparable basis offset by higher material costs as new platforms are technologically more complex
 - ✓ Manufacturing overhead reduced from further optimization of manufacturing footprint
 - ✓ Stable R&D costs underline Sivantos' commitment to growth
 - ✓ Increase in SG&A (absolute); expected to decrease once streamlining of IT/ back office processes completed 2-3 years from now; % dropping 2015 due to higher revenue
 - ✓ Favourable FX development due to natural hedge

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Breakdown of 2015 Normalizations

Normalizations by category		Comments	
€m	2015		
Pro-forma EBITDA^{1,2}	162.4	1. Personnel and other restructuring costs	Employee severance payments and restructuring costs due to changes in organization and closure of manufacturing sites in the US, Indonesia and other smaller locations
1. Personnel and other restructuring costs	10.1	2. Consulting	Consulting costs for the Full Potential Plan (FPP) project and change of control related topics
2. Consultancy costs	11.2	3. Other Indonesia site closure costs	Non-personnel related cost to exit from the manufacturing site in Indonesia including scrapping and rework of material
3. Indonesia site closure	6.4	4. IT carve out and ERP implementation	IT carve out and ERP implementation cost incurred due to change of control
4. IT carve out and ERP replacement	3.5	5. audibene new company set-up costs	Set-up costs for the new subsidiaries
5. audibene new company set-up costs	2.5	6. Transaction costs & financing fees	Transaction cost, consulting and financing fees
6. Transaction costs & financing fees	8.1	7. Others	Write-off of old receivables and stock in audibene relating to period before acquisition
7. Others	1.7		Costs relating to re-naming of company as "Sivantos" including related costs of scrapping and updating of marketing material
Total Normalizations	43.5		Registration of company's name change, replacement of marketing materials etc.
Pro-forma Adj. EBITDA^{1,2,3}	205.9		

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Term sheet



Indicative Term sheet: Add-on Mirror Loan to Existing EUR Loan

Issuer / Borrower	Same as existing
Facility type	Term Loan B[1], add-on mirror tranche to existing EUR TLB tranche
Currency	EUR
Current amounts	€110m
Maturity	Jan-2022 (same as existing term loan)
Pricing	E + 325ps
Floor	1.00% – same as existing
OID	TBC
Amortization	Bullet (1% p/a) – same as existing
Security	Same as existing
Covenants	Same as existing (covenant lite)
SFA and Other Terms	Same as existing
Governing law	English Law

December 2015						
M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

January 2016						
M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Timetable	
• w/c 4 January 2016:	Wall Crossed Investor Calls with Management/EQT (if needed)
• w/c 11 January 2016:	Ratings feedback available
• 11 January 2016:	Feedback From Wall Crossed Investors
• Mid-January 2016:	Potential General Syndication (if applicable) / Pricing and Allocation
• End January 2016:	Funding