

## **Sivantos surpasses EUR 1 billion revenue in fiscal year 2017/2018**

- **Double digit sales growth of 14% (12% Organic) to EUR 1.1 billion**
- **Strong profitability with EBITDA margin of 23.8%**
- **Strong free cashflow of EUR 132 million**
- **Above-market performance in most key markets**

**Singapore, December 11, 2018.** *Leading hearing aid manufacturer Sivantos has presented strong results for fiscal year 2017/2018 (October 1, 2017, to September 30, 2018). Reported sales expanded by 14% (12% organic) to EUR 1.1 billion. Most of its key countries out-performed the market, with impressive results in the US, where the Company gained 3% market share, and in Germany, which reported a sales growth of 26% year-on-year.*

Fiscal year 2017/2018 witnessed significant acceleration in growth from Q2 onwards delivering consistent double-digit growth. Successful product launches of the Nx platform and the advanced rechargeable solution Charge & Go, supported by sharpened launch management and go-to-market execution, were the key reasons for the strong growth. Styletto, the world's first Slim Receiver-In-Canal ("RIC"), launched in late August 2018, further established Sivantos' innovation edge in revolutionary hearing aid design.

Like-for-like EBITDA margin was up by 6 bp to 24.6 % (23.8% with acquisitions and investments in transformation). Supply chain optimization has improved like-for-like Gross Margin by 10 bp to 64.3%, compensating for the dilution from new acquisitions. A continued strong free cash flow of EUR 132 million has led to further deleveraging even after the TruHearing acquisition. This healthy cashflow generation ability – even with significant investments and acquisitions – is reflected in a Free Cashflow Conversion rate of 0.6 times.

Sivantos' investments in transformation since 2015 are paying off and have contributed clearly to the success of fiscal year 2017/2018. Sivantos has invested significantly in R&D to build an innovative product portfolio, which has been the enabler of its successful product launches. The Company has achieved strong growth in traditional channels while expanding in alternative channels and building new ones. During the same period a lean and efficient organization has been built, leading to rapid improvement in efficiency and transparency. As a result of the transformation over the last four years, Sivantos now has a robust platform to drive sustainable growth over the years to come.

Company CEO, Ignacio Martinez, commented: "The outlook for Sivantos is extremely positive, and our fundamentals are very strong. The transformation we started after the carve-out from Siemens has been successful. Over the past four years we have built a robust organization, capable of successfully launching innovative products on a continued and frequent basis thus driving growth in traditional as well as new

channels. The results of fiscal year 2017/2018 clearly reflect that our investments in transformation are paying off in the form of double-digit growth.”

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### **About Sivantos Group**

The business operations of the former Siemens AG hearing aid division have been combined into the Sivantos Group since early 2015. Sivantos can look back on 140 years of German engineering and countless global innovations. Today Sivantos is one of the leading hearing aid manufacturers worldwide. With its around 6,000 employees, the group recorded revenues of EUR 1100 million in the fiscal year 2017/2018 and an adj. EBITDA of EUR 262 million. Sivantos' international sales organization supplies hearing care specialists and sales partners in more than 120 countries. Particularly high value is placed on product development. Sivantos aims to become the market leader in the coming years with its brands Signia, Audio Service, Rexton, A&M, HearUSA, TruHearing and audibene. The owners of Sivantos are the anchor investors EQT along with the Strüngmann family as a co-investor. Sivantos GmbH is a brand license holder of Siemens AG. More information can be found at [www.sivantos.com](http://www.sivantos.com)