



Q3 & 9M 2016 Results

October 26th, 2016



Disclaimer

The information contained herein and other material discussed during the conference call, particularly the ones regarding any possible or assumed future performance of the Amplifon Group, are or may be forward looking statements and in this respect they involve some risks and uncertainties.

Any reference to past performance of Amplifon shall not be taken as an indication of future performance.

This document is being provided to you solely for your information and may not be reproduced or redistributed to any other person.

This presentation does not constitute an offer to sell or the solicitation of an offer to buy the securities discussed herein.

This presentation does not constitute an offer to sell or the solicitation of an offer to buy the securities discussed herein.

Statement

In compliance with Article 154 bis of the “Uniform Financial Services Act” (Legislative Decree 58/1998), the Financial Reporting Officer, Ugo Giorcelli, declares that the accounting information reported in this presentation corresponds to the underlying documentary reports, books of account and accounting entries.

Reporting of segment information

Pursuant to IFRS 8 – “Operating Segments”, based on a corresponding change in the reports periodically analyzed by the Chief Executive Officer and the Company’s Top Management, the schedules relating to segment information have been revised in order to expose separately data by direct competence of leaders of the Regions and the costs of the Company’s central functions (corporate bodies, general management, business development, procurement, treasury, legal affairs, human resources, IT systems, global marketing and internal audit) which do not qualify as operating segments under IFRS 8. As of FY 2015, these corporate costs, previously reported in the EMEA region, are shown separately and the figures for the first nine months of 2015 have been, consequently, restated.

Q3 2016 & 9M 2016 Key takeaways

Solid execution pays off: another set of strong results

- Continued sustained sales growth (Q3 2016: +11.2%¹; 9M 2016: +10.8%¹)
 - 11th consecutive quarter of robust organic growth
 - Balanced growth across Regions, Americas accelerating
 - Strong comparable basis
- Solid operating leverage, fostered by EMEA
- Strong network expansion
 - Acquisitions of 162 shops & 6 SiS in 9M 2016
 - Acquisition of 107 shops in Germany including Focus Hören (62 shops) and Die Hörmeister (24 shops)
 - Acquisition of 23 shops & 3 SiS in France
 - Acquisition of 100% of Hear More (21 shops) in Ontario (Canada) in August 2016
 - Cash out totaled €70.4 million (€54.9 million in Q3 2016)
 - New openings of 23 shops & 69 SiS (primarily in Iberia, Poland, Australia, New Zealand)
- Continued marketing investments to accelerate future top-line growth
 - >+20% in Q3 2016 vs Q3 2015
 - +20% in 9M 2016 vs 9M 2015

Q3 2016 Financial highlights

Continuing sustained profitable growth

<i>Data in €m</i>	Q3 2016	Q3 2015	Δ%
REVENUES	259.7	233.5	+11.2%
<i>Organic growth</i>			+8.1%
<i>Acquisitions</i>			+3.1%
<i>FX</i>			0.0%
EBITDA RECURRING	33.6	29.7	+13.3%
<i>Margin %</i>	13.0%	12.7%	

- Another quarter of double-digit growth at constant FX (+11.2%)
 - Excellent organic growth
 - Americas steadily accelerating
 - Strong Q3 2015 comparable basis (+9.2% at constant FX)
- Profitability improvement
 - EBITDA Recurring margin up by 30 bps
 - Marketing: >+20%
 - Net Profit Recurring of €9.7 million, +103.3% vs Q3 2015
- Ongoing network expansion
 - 122 shops & 1 SiS acquired primarily in Germany and Canada
 - Cash out totaled €54.9 million
 - New openings of 20 shops & 8 SiS (primarily in Iberia and Poland)

9M 2016 Financial highlights

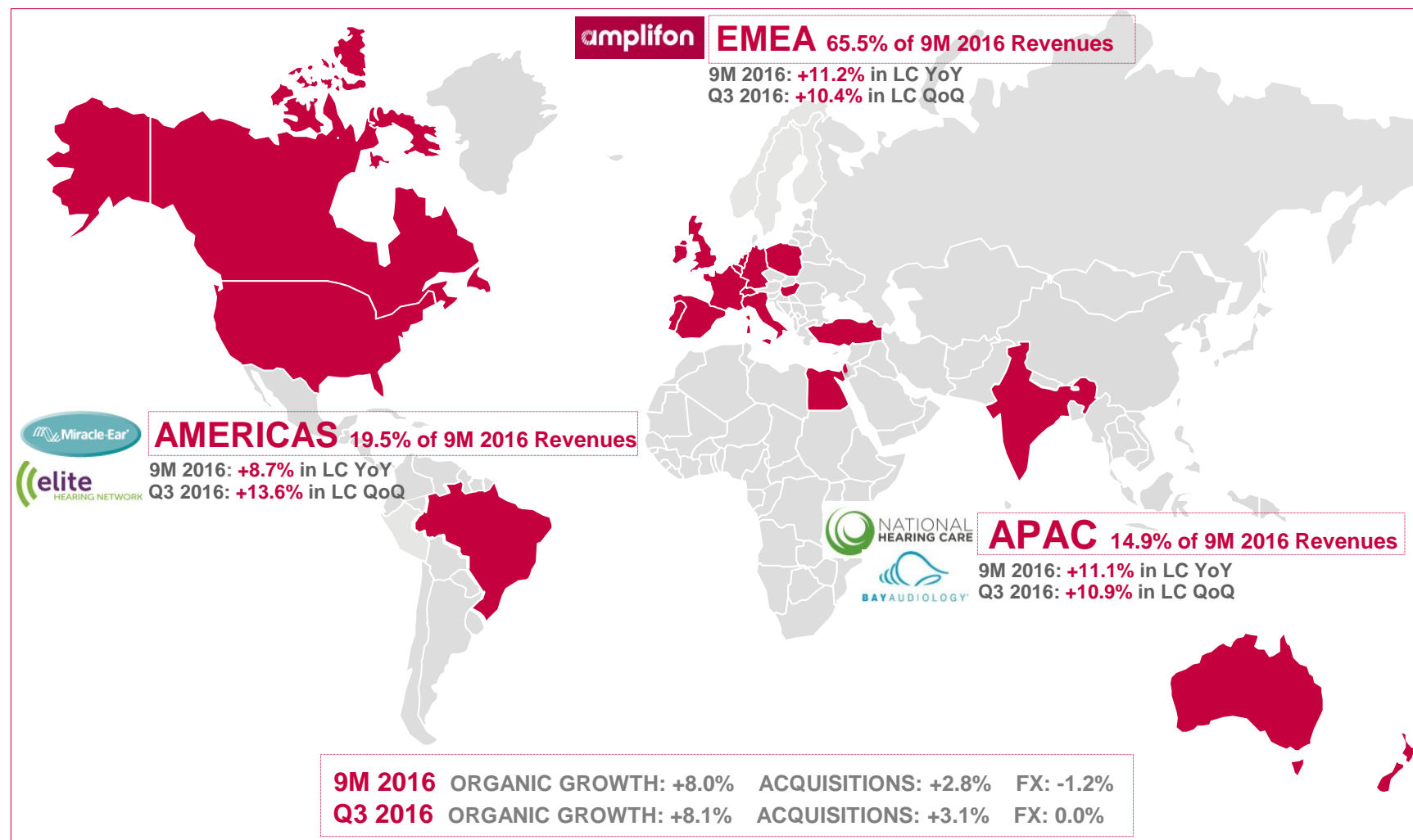
Robust business environment persists

<i>Data in €m</i>	9M 2016	9M 2015	Δ%
REVENUES	803.9	733.7	+9.6%
<i>Organic growth</i>			+8.0%
<i>Acquisitions</i>			+2.8%
<i>FX</i>			-1.2%
EBITDA RECURRING	121.6	108.3	+12.3%
<i>Margin %</i>	15.1%	14.8%	

- Strong sales growth in all Regions
 - Strong growth in EMEA: +11.2%¹
 - Continued growth in Americas: +8.7%¹
 - Sustained momentum in APAC: +11.1%¹
- Solid operating leverage
 - EBITDA Recurring of €121.6 million, up 12.3% to 15.1% margin
 - Net Profit Recurring of €41.1 million, up 40.1%
- Free cash flow of €27.5 million
- Net debt at €265.9 million, corresponding to 1.42x Net Debt/EBITDA

Revenues roadmap by Geography

Strong performance in all three Regions continues



Financial results by Region

EMEA: strong profitable growth and market share gains

- Performance well above market reference
- Scoring another quarter of double digit growth¹
 - Solid organic growth further boosted by M&A
- Best performing countries: Italy, Switzerland, Iberia, Germany, Belux, Hungary and Poland, all supported by healthy organic growth
- Continued momentum in Italy, driven by marketing investments and store execution
- Stellar performance of Germany thanks to strong underlying growth and acquisitions (107 shops)
- Robust volume growth more than offset ASP pressure in the Netherlands
- Growth in France driven by acquisitions (23 shops & 3 SiS)
- Continued sales improvement in the UK, with an acceleration in Q3
- EBITDA Recurring margin improvement of 190 bps (170 bps in Q3)
 - Top-line growth and operational efficiency

<i>Data in €m</i>	9M 2016	9M 2015	Δ%
REVENUES	526.5	477.7	+10.2%
<i>Organic growth</i>			+7.4%
<i>Acquisitions</i>			+3.8%
<i>FX</i>			-1.0%
EBITDA Recurring	74.6	58.7	+27.2%
<i>Margin %</i>	14.2%	12.3%	

<i>Data in €m</i>	Q3 2016	Q3 2015	Δ%
REVENUES	160.3	147.1	+9.0%
<i>Organic growth</i>			+6.1%
<i>Acquisitions</i>			+4.3%
<i>FX</i>			-1.4%
EBITDA Recurring	16.8	12.9	+30.3%
<i>Margin %</i>	10.5%	8.8%	

Financial results by Region

AMERICAS: steadily accelerating

- Sales growth steadily improving on a remarkable performance of 9M 2015 (+17.6% at constant FX)
- Strong performance of Miracle Ear
 - Successful operational execution
 - Initial results of new TV campaign
- EHN back to positive comps after early termination of a commercial partnership in Q3 2015
- Strong performance of AHHC driven by two large insurance contracts
- Sound performance in Canada, fostered by the acquisition of 21 Hear More Canada shops in Ontario in August 2016, bringing Miracle-Ear locations in Canada to 42 corporate shops
- EBITDA Recurring substantially flat vs. 9M 2015
 - Marketing: >+50%
 - Investments for the launch of the new Miracle-Ear TV campaign

<i>Data in €m</i>	9M 2016	9M 2015	Δ%
REVENUES	157.0	145.0	+8.2%
<i>Organic growth</i>			+7.4%
<i>Acquisitions</i>			+1.3%
<i>FX</i>			-0.5%
EBITDA Recurring	28.5	28.7	-0.4%
<i>Margin %</i>	18.2%	19.8%	

<i>Data in €m</i>	Q3 2016	Q3 2015	Δ%
REVENUES	55.5	49.1	+13.2%
<i>Organic growth</i>			+11.6%
<i>Acquisitions</i>			+2.0%
<i>FX</i>			-0.4%
EBITDA Recurring	9.6	9.7	-1.7%
<i>Margin %</i>	17.2%	19.8%	

Miracle-Ear's new creative TV campaign

"Hear a Better Day"



- ✓ Strengthening brand equity & awareness
- ✓ Positive performance vs. latest campaigns

Miracle-Ear: Sivantos confirmed partner

- Experienced, reliable partner
- Over 15 years of successful partnership
- Three-year contract with exclusivity (2017-2019)
- Differentiated and personalized product offering
- Mutual benefits and improvements on several business terms will support further marketing investments



Financial results by Region

APAC: continued outstanding performance

- Strong revenue growth of 11.1% in LC
 - Robust organic growth in Q3 2016 (+10.8% in LC)
 - Currency tailwind in Q3 2016
 - Remarkable 9M 2015 comparable basis (+12.2% in LC)
- Double-digit organic growth in Australia
 - Continued successful marketing lead generation and high shop productivity
 - Openings of 8 shops & 22 SiS
- Positive performance in New Zealand, despite remarkable 9M 2015 comparable basis (+24.3% in LC)
 - Strong acceleration of organic growth to high-single digit in Q3 2016
 - Opening of 6 shops
- EBITDA in LC increased by 7.9%
 - Marketing: ~+50%
 - At Company's highest profitability levels

<i>Data in €m</i>	9M 2016	9M 2015	Δ%
REVENUES	119.8	110.8	+8.1%
<i>Organic growth</i>			+10.2%
<i>Acquisitions</i>			+0.9%
<i>FX</i>			-3.0%
EBITDA Recurring	36.5	34.7	+5.2%
<i>Margin %</i>	30.5%	31.3%	

<i>Data in €m</i>	Q3 2016	Q3 2015	Δ%
REVENUES	43.7	37.3	+17.3%
<i>Organic growth</i>			+10.8%
<i>Acquisitions</i>			+0.1%
<i>FX</i>			+6.4%
EBITDA Recurring	13.3	11.6	+14.7%
<i>Margin %</i>	30.4%	31.1%	

Q3 2016 Financial results

Delivering solid results

<i>Data in €m (unless specified)</i>	Q3 2016¹	Q3 2015 Recurring	Q3 2015 Reported	Δ% Recurring
REVENUES	259.7	233.5	233.5	+11.2%
EBITDA ²	33.6	29.7	31.7	+13.3%
<i>Margin %</i>	13.0%	12.7%	13.6%	
EBIT ²	20.8	17.2	19.2	+20.9%
<i>Margin %</i>	8.0%	7.4%	8.2%	
PROFIT BEFORE TAX ³	16.3	11.5	14.9	+41.6%
NET PROFIT ⁴	9.7	4.8	6.8	+103.3%
EPS (Euro)	0.044	0.022	0.031	+100.0%

1. No one-offs in Q3 2016

2. Net positive one-off in Q3 2015 of €2.0 million due to €2.5m for early termination of a commercial partnership in the US, partially offset by €0.5m of restructuring charges in the Netherlands

3. Positive one-offs in Q3 2015 of €3.4 million (in addition to item in Note 2, €1.4 million for the elimination of the discounting of receivables entirely repaid by the US partner following early termination of the partnership)

4. Positive one-offs in Q3 2015 of €2.0 million related to items in Note 3 net of taxes

9M 2016 Financial results

Delivering solid results

<i>Data in €m (unless specified)</i>	9M 2016 Recurring	9M 2016 Reported	9M 2015 Recurring	9M 2015 Reported	Δ% Recurring
REVENUES	803.9	803.9	733.7	733.7	+9.6%
EBITDA ¹	121.6	119.1	108.3	103.5	+12.3%
<i>Margin %</i>	15.1%	14.8%	14.8%	14.1%	
EBIT ¹	83.0	80.5	70.3	65.5	+18.1%
<i>Margin %</i>	10.3%	10.0%	9.6%	8.9%	
PROFIT BEFORE TAX ²	69.2	66.7	53.7	47.3	+28.9%
NET PROFIT ³	41.1	39.3	29.3	25.3	+40.1%
EPS (Euro)	0.187	0.179	0.135	0.116	+38.5%

1. Negative one-offs in 9M 2016 of €2.5 million related to advisory fees and expenses for an acquisition process not completed; net negative one-offs in 9M 2015 of €4.8 million related to the change in leadership for €6.8 million and to restructuring charges in the Netherlands for €0.5 million, partially offset by positive one-off of €2.5 million for early termination of a commercial partnership in the US
2. Negative one-offs in 9M 2016 related to the impact of items in Note 1; negative one-offs in 9M 2015 of €6.4 million (in addition to items in Note 1, €4.3 million of make whole costs for the US\$70m pre-payment of USPP 2006-2016; €1.4 million of for the elimination of the discounting of receivables entirely repaid by the US partner following early termination of the partnership and €1.3m of extraordinary income in New Zealand for accounting principle IFRS 3R – step up acquisition - related to Dilworth 100% acquisition)
3. Negative one-offs in 9M 2016 of €1.7 million related to the impact of items in Note 1 net of taxes; negative one-offs in 9M 2015 of €4.0 million related to items in Note 2 net of taxes

9M 2016 Financial results

Cash flow sustained higher Capex & cash-out for acquisitions

<i>Data in €m</i>	9M 2016¹	9M 2015²
OPERATING CASH FLOW (A)	62.1	58.7
CAPEX (B)	(35.6)	(28.8)
DISPOSALS (B)	1.0	8.5
FREE CASH FLOW (A+B)	27.5	38.4
ACQUISITIONS (C)	(70.4)	(34.7)
OTHER ACQUISITIONS/DISPOSALS (D)	(0.1)	4.8
CASH FLOW PROVIDED BY (USED IN) INVESTING ACTIVITIES (B+C+D)	(105.0)	(50.2)
CASH PROVIDED BY (USED IN) OPERATING AND INVESTING ACTIVITIES	(43.0)	8.5
CASH PROVIDED BY (USED) FINANCING ACTIVITIES	(20.1)	(10.8)
NET CASH FLOW FOR THE PERIOD	(63.0)	(2.2)

1. Non recurring cash out of €3.1 million in 9M 2016 (€2.5 million related to advisory fees and expenses for an acquisition process not completed and €0.6 million related to restructuring charges of FY 2015 in the Netherlands)
2. Net positive flow of €3.3m in 9M 2015 (USPP make whole and CEO transition costs offset by the EHN income related to the termination agreement with one of its members)

9M 2016 Financial results

Solid capital structure to sustain future growth opportunities

<i>Data in €m</i>	30/09/2016	31/12/2015	30/09/2015
CASH	(150.2)	(196.7)	(149.8)
SHORT-TERM DEBT	36.2	19.1	17.8
MEDIUM/LONG-TERM DEBT	<u>379.9</u>	<u>382.5</u>	<u>384.5</u>
NET DEBT	265.9	204.9	252.5
EQUITY	528.1	500.2	454.7
NET DEBT/EBITDA	1.42x	1.21x	1.52x
NET DEBT/TOTAL EQUITY	0.50x	0.41x	0.56x

2016 Outlook

On track to meet full year objectives

- Amplifon's strong momentum is expected to continue in Q4 2016
 - Drivers: increasing volumes with stable ASP
- Continued top-line growth, above market reference
 - Contribution from all Regions
 - Solid organic growth
- Sales growth acceleration and operational efficiencies to drive solid profitability
- Preparing for another success story in 2017
 - Continuing marketing investments to boost market share and penetration
 - Ongoing distribution network expansion
- Well on track in executing our mid-term strategy and ambitions

2017 Financial calendar

Key corporate events

Date	Event
Tuesday, February 28 th	FY 2016 Results
Thursday, April 20 th	Shareholders' General Meeting
Thursday, April 27 th	Q1 2017 Results
Wednesday, July 26 th	Q2 & H1 2017 Results
Wednesday, October 25 th	Q3 & 9M 2017 Results

Annexes

Revenue breakdown by segment

<i>Data in €m</i>	9M 2016	%	9M 2015	%	Δ %	Δ% FX	Δ% in local currency	OG %
EMEA	526.5	65.5%	477.7	65.1%	10.2%	-1.0%	11.2%	7.4%
AMERICAS	157.0	19.5%	145.0	19.8%	8.2%	-0.5%	8.7%	7.4%
APAC	119.8	14.9%	110.8	15.1%	8.1%	-3.0%	11.1%	10.2%
Corporate	0.7	0.1%	0.2	0.0%	n.s.	-	-	n.s.
Total	803.9	100.0%	733.7	100.0%	9.6%	-1.2%	10.8%	8.0%

<i>Data in €m</i>	Q3 2016	%	Q3 2015	%	Δ %	Δ% FX	Δ% in local currency	OG %
EMEA	160.3	61.7%	147.1	63.0%	9.0%	-1.4%	10.4%	6.1%
AMERICAS	55.5	21.4%	49.1	21.0%	13.2%	-0.4%	13.6%	11.6%
APAC	43.7	16.8%	37.3	16.0%	17.3%	6.4%	10.9%	10.8%
Corporate	0.2	0.1%	0.1	0.0%	n.s.	-	-	n.s.
Total	259.7	100.0%	233.5	100.0%	11.2%	0.0%	11.2%	8.1%

Contacts

Amplifon S.p.A.

Via G. Ripamonti. 133
20141 Milano (MI) - Italy
Phone: +39 02 5747 21
Fax: +39 02 5730 0033
ir@amplifon.com

Investor relations team

FRANCESCA RAMBAUDI
Investor Relations Director
Phone: +39 02 5747 2261
Fax: +39 02 5740 9427
francesca.rambaudi@amplifon.com

AMANDA HART GIRALDI
Investor Relations Analyst
Phone: +39 02 5747 2317
Fax: +39 02 5740 9427
amanda.giraldi@amplifon.com

OLGA LEPECHKINA
Investor Relations Assistant
Phone: +39 02 5747 2542
Fax: +39 02 5740 9594
olga.lepechkina@amplifon.com