



GAES - A key milestone in Amplifon's growth story

July 24th, 2018

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

Transaction highlights

DEAL STRUCTURE & CONSIDERATION

- Amplifon signed a definitive agreement for the acquisition of GAES group from the Gassó family and other minority shareholders
- The equity value to be paid in cash amounts to Euro 528 million, with a net financial position expected to be around zero

STRATEGIC RATIONALE & VALUE CREATION

- Unique strategic fit with significant value creation further accelerating Amplifon growth strategy, particularly in the core Spanish market
 - Expected ~€20 million run-rate synergies at EBITDA level by 2021
 - The deal is expected to be EPS¹ accretive from the first year upon completion

FINANCING & FINANCIAL LEVERAGE

- The acquisition will be financed with a new bank facility underwritten by Unicredit S.p.A.
 - Term Loan, 5 year maturity from signing of the Facility Agreement
- Expected pro-forma leverage post-acquisition of around 3.4x on 2017 figures²
 - Rapid de-leveraging post-acquisition thanks to strong cash generation following the combination with GAES

APPROVALS & TIMING

- Closing expected by the end of Q4 2018, after receipt of required antitrust clearance

1. Excludes transaction costs and purchase accounting
2. Net Debt/EBITDA adjusted, Amplifon EBITDA as reported

An industry-shaping move underpinned by a compelling acquisition rationale



Further consolidates Amplifon's global leadership, thanks to the combination with the largest privately-owned specialty retailer in the industry, increasing global market share to >11%



Unique strategic fit with Amplifon's growth strategy to achieve leadership particularly in the highly attractive and core Spanish market, thus further diversifying Amplifon's business



Clear industrial value thanks to a profitable business, a highly valued and recognized brand, extensive store network and high-end positioning



Significant and sustainable revenue and cost synergies

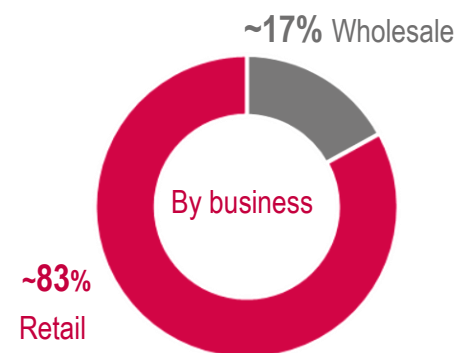
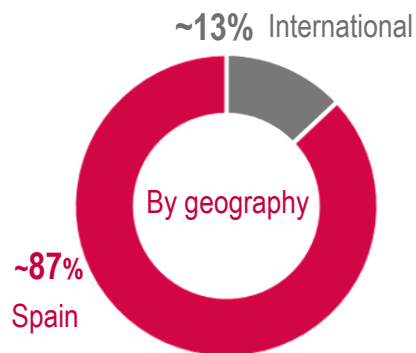


Extraordinary combination of talents, skills, expertise and systems, totally dedicated to pursuing excellence and innovation in customer experience




GAES: the Spanish national champion

- Founded in 1949, GAES is today the largest privately-owned hearing aid specialty retailer worldwide
- The company is the clear leader in Spain, 10th largest worldwide hearing aid retail market, still significantly underpenetrated (~15-20%) and with strong growth potential
- GAES, which is also present in Portugal and Andorra as well as in six Latin American countries, operates through around 600 points of sale worldwide, of which around 500 are in Spain
- GAES' business model leverages on its highly valued and recognized brand, high-end positioning as well as on high quality service and extremely qualified professional workforce
- The company is also engaged in the wholesale distribution of hearing aids, cochlear implants and medical devices and in hearing aids manufacturing (Microson)

FY2017 Revenue breakdown: €210m



GAES' geographic footprint

	 Spain	 Portugal	 LATAM countries
Presence since	1949	1993	From 1999
Population (m)	46.4	10.3	253.3
% on Revenues	~87%	~3%	~10%
# Stores	>500	>20	~70

GAES: a profitable business that will consolidate Amplifon's global leadership

FY2017 Highlights



Revenues

€210m

€1,266m

Adj. EBITDA

~€30m

€218m



Positioning in hearing care retail

Leader in Spanish-speaking world

Global leader



PoS

~600

~10,000



People

~1,800

~14,000



Countries

9

21

Multiple sources of synergies, fully captured by 2021

COMMERCIAL EXCELLENCE

- Complementary and ideal geographical footprint to reach optimal scale in Spain and Portugal
- Productivity increase through best practices

MARKETING OPTIMIZATION

- Greater effectiveness and efficiency in marketing spend

PROCUREMENT

- Procurement efficiency and increased scale

EFFICIENT STRUCTURE

- Optimization and overall scale benefits over fixed costs



~ €20 million annual synergies at EBITDA level by 2021

Acquisition to drive significant value creation for all stakeholders

Unique opportunity in Amplifon's growth story to **consolidate its global market leadership** and **accelerate future growth**

Significant value creation thanks to the **unique strategic fit** and **strong synergy potential**

Strong financial profile and robust cash flow generation **to successfully continue executing on Amplifon's recently communicated strategic plan** and **retain a flexible capital structure** to pursue future opportunities

Best practice sharing, merging of best-in-class talents and group-wide infrastructures to pursue unrivalled quality in service and constant innovation in customers' experience



Investor Relations Contacts

FRANCESCA RAMBAUDI

Director

Tel: +39 02 5747 2261

francesca.rambaudi@amplifon.com

PAOLA BEZZI

Junior specialist

Tel: +39 02 5747 2310

paola.bezzi@amplifon.com

OLGA LEPECHKINA

Assistant

Tel: +39 02 5747 2542

olga.lepechkina@amplifon.com