



H1 2018 Results

Milan | July 26th, 2018

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IFRS 15 & IFRS 9

From January 1st, 2018 the Group has adopted the principle IFRS 15 "Revenue from contracts with customers" and IFRS 9 "Financial instruments", which have led to changes in accounting policies and in some cases adjustments to the amounts recognized in the financial statements. The comparative data for 2017 have not been restated, while the data for 2018 is also presented without the application of IFRS 15. Thus the comparative analysis in this presentation refers, unless otherwise specified, to 2018 data without the application of IFRS 15, since the impact of IFRS 9 is negligible.

Statement

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

Q2 & H1 2018 Key takeaways

Excellent momentum continues

- Continued strong top-line growth (Q2 2018: +10.6% in LC; H1 2018: +10.2% in LC)
 - Strong organic growth, above market
 - Robust contribution from M&A
 - Extremely challenging comparable basis (+13.1% in Q2 2017 vs Q2 2016; +14.6% in H1 2017 vs H1 2016)
- Outpacing the global hearing care retail market
 - Leadership consolidation and market share gains in core markets
- Continued profitability improvement with EBITDA margin up 35 bps, despite a still adverse translative FX
 - Marketing: ~+20%
 - Includes marketing costs for the launch of the new Amplifon product line in Q2
- Ongoing network expansion: 96 shops & 53 SiS
 - Acquisition of 70 shops & 9 SiS primarily in France, Germany and Canada
 - Net cash-out totaled €37.6 million
 - Openings of 26 shops & 44 SiS
- Highly successful launch of Amplifon product line and ecosystem in Italy
 - >70% of the offer already represented by the new Amplifon product line

On July 24th, Amplifon announced the acquisition of GAES group, a key milestone in the Company's growth story

*Commentary refers to H1 2018, if not stated differently
For comparability purpose commentary refers to data prepared without the adoption of IFRS 15 ("@'17 IFRS") being the impact of IFRS 9 totally irrelevant*

Q2 2018 Financial highlights

Excellent top-line growth and continued profitability expansion

Data in €m	Q2 2018		Q2 2017	Δ%
	@'18 IFRS	@'17 IFRS		@'17 IFRS
REVENUES	350.2	352.4	327.7	+7.5%
Organic growth				+7.4%
Acquisitions				+3.2%
FX				-3.1%
EBITDA Rec.	66.7	68.2	62.5	+9.1%
Margin %	19.1%	19.4%	19.1%	

- Another quarter of strong double-digit top-line growth in LC (+10.6%)
 - Outstanding organic growth at +7.4%
 - Robust M&A contribution
 - Balanced across Regions
 - Still significant currency headwind for both USD/EUR and AUD/EUR
 - Remarkable Q2 2017 comparable basis (+13.1% in Q2 2017 vs Q2 2016)
- Continued profitability improvement
 - EBITDA margin up by 30 bps despite adverse translative FX
 - Marketing: ~+30%
 - Includes marketing costs for the launch of the new Amplifon product line
 - Net Profit of €33.9 million, +25.5% vs Q2 2017
- Ongoing network expansion with M&A in core countries: Germany, France and Canada
- Very strong free cash flow generation
- IFRS 15 marginal impact on revenues and EBITDA (respectively, -€2.2m and -€1.5m); no cash impact

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H1 2018 Financial highlights

Solid execution leading to strong half-year results

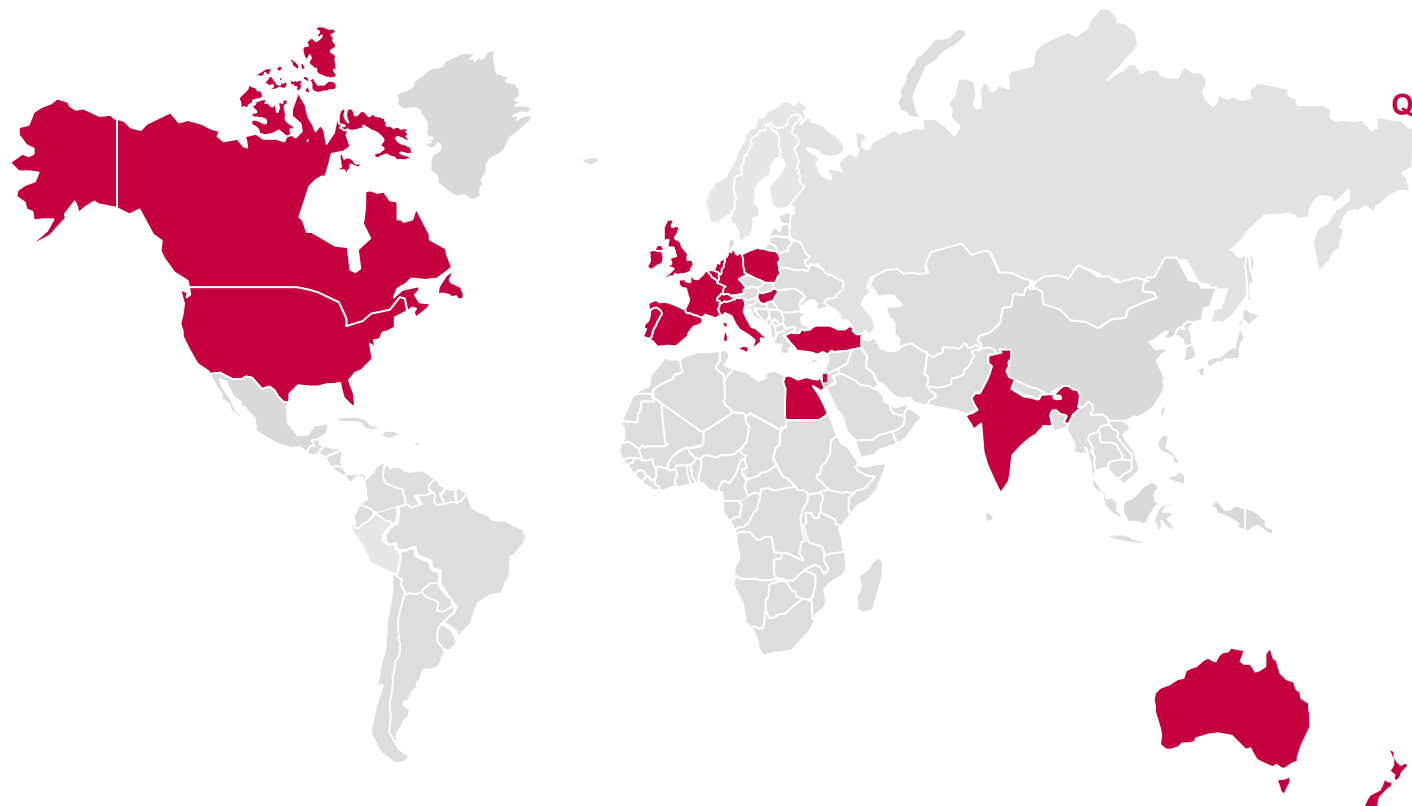
Data in €m	H1 2018		H1 2017	Δ%
	@'18 IFRS	@'17 IFRS		@'17 IFRS
REVENUES	659.6	662.8	623.8	+6.2%
Organic growth				+6.5%
Acquisitions				+3.7%
FX				-4.0%
EBITDA Rec.	109.9	112.2	103.4	+8.5%
Margin %	16.7%	16.9%	16.6%	

- Strong top-line growth of +10.2% in LC
 - Robust organic growth as well as M&A contribution
 - Currency headwind for both USD/EUR and AUD/EUR
 - Remarkable H1 2017 comparable basis (+14.6% in H1 2017 vs H1 2016)
- Solid operating leverage
 - EBITDA of €112.2 million, up 8.5% or 35 bps over H1 2017 despite adverse translative FX
 - Marketing: ~+20%
 - Net Profit of €49.1 million, up +23.5% vs H1 2017
- Continued investments to support long-terms growth
 - Cash-out for acquisitions: €37.6 million
- Free cash flow of €44.5 million
- Net debt at €319.6 million, corresponding to 1.39x Net debt/EBITDA
 - Dividend payment of €24.1 million

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Revenue roadmap by Region

Excellent momentum continues



H1 2018: +10.2% in LC

Organic growth¹: +6.5%

Acquisitions: +3.7%

FX: -4.0%

Q2 2018: +10.6% in LC

Organic growth¹: +7.4%

Acquisitions: +3.2%

FX: -3.1%



AMERICAS

16.5% of H1 2018 Revenues

H1 2018: +5.0% in LC

Q2 2018: +6.4% in LC



EMEA

70.3% of H1 2018 Revenues

H1 2018: +12.1% in LC

Q2 2018: +12.4% in LC



APAC

13.0% of H1 2018 Revenues

H1 2018: +7.4% in LC

Q2 2018: +7.1% in LC



¹ Calculated as sum of like-for-like growth and openings

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H1 2018 Results | July 26th, 2018

Financial results by Region

EMEA: outstanding top-line growth along with excellent profitability expansion

Data in €m	H1 2018		H1 2017	Δ%
	@'18 IFRS	@'17 IFRS		@'17 IFRS
REVENUES	463.0	465.8	418.5	+11.3%
Organic growth				+6.8%
Acquisitions				+5.3%
FX				-0.8%
EBITDA Rec.	82.0	84.3	70.5	+19.6%
Margin %	17.7%	18.1%	16.8%	-

Data in €m	Q2 2018		Q2 2017	Δ%
	@'18 IFRS	@'17 IFRS		@'17 IFRS
REVENUES	247.2	249.3	223.3	+11.6%
Organic growth				+7.9%
Acquisitions				+4.5%
FX				-0.8%
EBITDA Rec.	51.6	53.1	44.6	+18.9%
Margin %	20.9%	21.3%	20.0%	-

- Outstanding revenue growth of +12.1% in LC
 - Strong organic growth at 6.8%, further accelerating in Q2 (+7.9%)
 - Significant contribution from M&A
 - Extremely challenging comparable basis (+14.3% in H1 2017 vs H1 2016)
- Robust performance in Italy supported by the successful roll-out of Amplifon product-line and eco-system
- Outstanding performance in France and Germany fostered by strong organic growth and acquisitions
- Strong top-line growth for Iberia, driven by double-digit organic growth
- Solid top-line performance of UK, accelerating in Q2
- Very strong EBITDA margin improvement of 130 bps, after higher marketing investments (~+20% vs. H1 2017; ~+30% vs. Q2 2017)
 - Top-line growth, operational efficiency and scale-reach in core countries

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Financial results by Region

AMERICAS: robust trading performance, strong organic growth acceleration in Q2

Data in €m	H1 2018		H1 2017	Δ%
	@'18 IFRS	@'17 IFRS	@'17 IFRS	@'17 IFRS
REVENUES	109.3	109.7	116.5	-5.8%
Organic growth				+4.2%
Acquisitions ¹				+0.8%
FX				-10.8%
EBITDA Rec.	20.8	20.9	21.7	-3.7%
Margin %	19.1%	19.1%	18.7%	-

Data in €m	Q2 2018		Q2 2017	Δ%
	@'18 IFRS	@'17 IFRS	@'17 IFRS	@'17 IFRS
REVENUES	57.5	57.8	58.7	-1.6%
Organic growth				+5.9%
Acquisitions ¹				+0.5%
FX				-8.0%
EBITDA Rec.	11.9	12.0	11.9	+0.5%
Margin %	20.7%	20.7%	20.3%	-

- Robust revenue growth at +5.0% in LC
 - Strong organic growth in Q2 2018, with sequential improvement vs Q1
 - Extremely challenging comparable basis (+14.8% in H1 2017 vs H1 2016)
 - Significant currency headwind, although reducing
 - Average EUR/USD FX at 1.21 in H1 2018 vs 1.08 in H1 2017
- Outstanding performance of Miracle-Ear and positive contribution from AHHC and EHN
- Solid growth in Canada, fostered by M&A
- Disposal of Amplifon's 51% stake in Direito de Ouvir Amplifon Brasil S/A to former JV partner in Q2
- EBITDA margin improvement of 40 bps thanks to operational excellence
 - Marketing investments flattish in H1 vs 2017 (Q2: ~+15%)

1. Net of Brazil divesture

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Financial results by Region

APAC: strong performance affected by significant FX headwind

Data in €m	H1 2018		H1 2017	Δ%
	@'18 IFRS	@'17 IFRS	@'17 IFRS	@'17 IFRS
REVENUES	86.1	86.0	88.0	-2.2%
Organic growth				+7.4%
Acquisitions				0.0%
FX				-9.6%
EBITDA Rec.	23.6	23.5	25.2	-6.4%
Margin %	27.4%	27.4%	28.6%	-

Data in €m	Q2 2018		Q2 2017	Δ%
	@'18 IFRS	@'17 IFRS	@'17 IFRS	@'17 IFRS
REVENUES	44.8	44.8	45.2	-0.8%
Organic growth				+7.1%
Acquisitions				+0.0%
FX				-8.0%
EBITDA Rec.	12.0	11.9	13.1	-9.4%
Margin %	26.7%	26.6%	29.1%	-

- Strong revenue growth of +7.4% in LC, affected by very negative FX
 - Challenging comparison base (+15.7% in H1 2017 vs H1 2016)
 - Average EUR/AUSD FX at 1.57 in H1 2018 vs 1.44 in H1 2017
- Robust momentum in Australia, driven by healthy organic growth
- Continued outstanding performance in New Zealand, driven by high-single digit organic growth
- EBITDA at €23.5 million, down ~6%
 - Strong marketing investments (~+30%) to support the recent launch of the new NHC brand image and positioning
 - Adverse FX translative effect
 - At Company's highest profitability levels

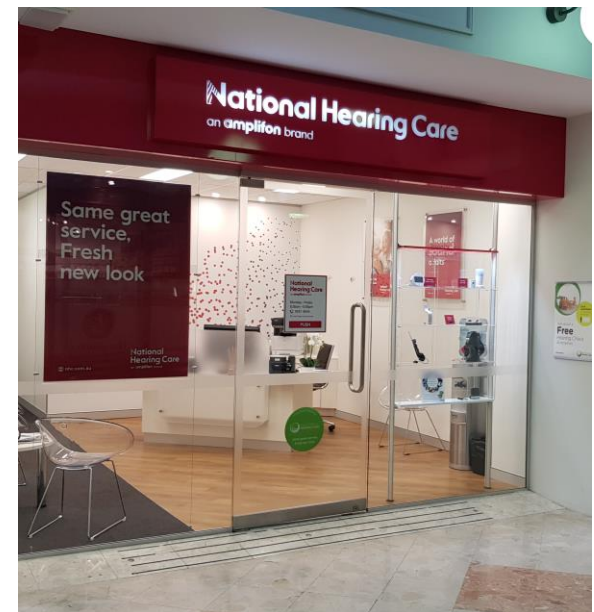
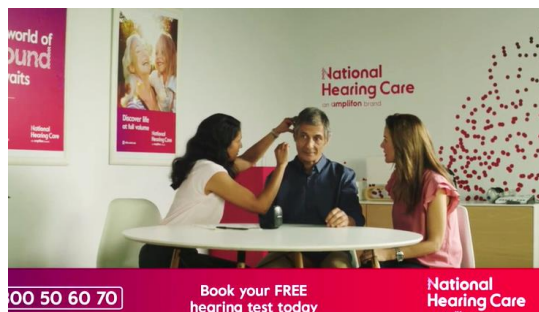
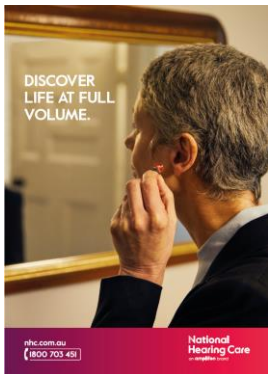
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National Hearing Care: new brand image and positioning

New growth opportunity in Australia to grow in the private market

- **January 2018:** Launch of the new visual identity
- **February – September 2018:** Stores rebranding
- **July - December 2018:** New TV and digital campaign

National Hearing Care
an **amplifon** brand



Q2 2018 Financial results

Delivering excellent results in all P&L items, Net Profit +25%

Data in €m (unless specified)	Q2 2018		Q2 2017		Δ% Rec. @'17 IFRS
	@'18 IFRS	@'17 IFRS	Recurring	Reported	
REVENUES	350.2	352.4	327.7	327.7	+7.5%
EBITDA¹	66.7	68.2	62.5	60.0	+9.1%
<i>Margin %</i>	19.1%	19.4%	19.1%	18.3%	-
D&A	(17.2)	(17.2)	(15.6)	(15.6)	+10.6%
EBIT¹	49.5	51.0	47.0	44.4	+8.6%
<i>Margin %</i>	14.1%	14.5%	14.3%	13.6%	-
NET FINANCIAL EXPENSES	(5.1)	(5.1)	(4.8)	(4.8)	+6.3%
PROFIT BEFORE TAX¹	44.4	45.9	42.2	39.7	+8.9%
TAXES	(12.0)	(12.0)	(15.2)	(14.4)	-20.8%
<i>% on PBT</i>	27.0%	26.2%	36.0%	36.3%	-
MINORITY	(0.0)	(0.0)	(0.0)	(0.0)	-
NET PROFIT²	32.4	33.9	27.0	25.3	+25.5%
<i>Margin %</i>	9.3%	9.6%	8.2%	7.7%	-
EPS (Euro)	0.154	0.148	0.123	0.116	+24.5%

1. No non-recurring items in Q2 2018. Negative one-offs in Q2 2017 of €2.5 million for restructuring charges related to AudioNova France and MiniSom Portugal acquisitions

2. No non-recurring items in Q2 2018. Negative one-off in Q2 2017 of €1.7 million related to the impact of items in Note 1 net of taxes

H1 2018 Financial results

Continued improvement in all profitability lines

Data in €m (unless specified)	H1 2018		H1 2017		Δ% Rec. @'17 IFRS
	@'18 IFRS	@'17 IFRS	Recurring	Reported	
REVENUES	659.6	662.8	623.8	623.8	+6.2%
EBITDA¹	109.9	112.2	103.4	100.9	+8.5%
<i>Margin %</i>	16.7%	16.9%	16.6%	16.2%	-
D&A	(33.9)	(33.9)	(30.4)	(30.4)	+11.4%
EBIT¹	76.1	78.3	73.0	70.4	+7.4%
<i>Margin %</i>	11.5%	11.8%	11.7%	11.3%	-
NET FINANCIAL EXPENSES	(9.8)	(9.8)	(9.5)	(9.5)	+3.6%
PROFIT BEFORE TAX¹	66.3	68.5	63.5	61.0	+7.9%
TAXES	(19.3)	(19.4)	(23.7)	(22.9)	-17.9%
<i>% on PBT</i>	29.1%	28.4%	37.3%	37.6%	-
MINORITY	(0.1)	(0.1)	0.0	0.0	-
NET PROFIT²	47.0	49.1	39.8	38.1	+23.5%
<i>Margin %</i>	7.1%	7.4%	6.4%	6.1%	-
EPS (Euro)	0.215	0.224	0.182	0.174	+23.3%

1. No non-recurring items in H1 2018. Negative one-offs in H1 2017 of €2.5 million for restructuring charges related to AudioNova France and MiniSom Portugal acquisitions

2. No non-recurring items in H1 2018. Negative one-offs in H1 2017 of €1.7 million related to the impact of items in Note 1 net of taxes

H1 2018 Financial results

Strong cash flow generation to support Capex and M&A to foster Company's growth

Data in €m	H1 2018 ¹	H1 2017 ²	Δ
Operating cash flow (a)	70.4	61.3	9.1
Capex (net) (b)	(26.0)	(28.8)	2.8
Free cash flow (a+b)	44.5	32.5	12.0
Acquisitions (net) (c)	(37.6)	(75.3)	37.7
Cash provided by (used in) operating and investing activities	6.9	(42.8)	49.7
Cash flow provided by (used in) investing activities (b+c)	(63.5)	(104.1)	40.6
Cash provided by (used) financing activities	(30.6)	(31.8)	1.2
Net cash flow for the period	(23.7)	(74.5)	50.8
Net financial position (opening date)	(296.3)	(224.4)	(71.8)
Change in net financial position	(23.7)	(74.5)	50.8
Effect of FX on financial position	0.3	(1.6)	1.9
Net financial position (closing date)	(319.6)	(300.5)	(19.1)

1. No non-recurring cash item in H1 2018

2. Non recurring cash-out of €0.4 million in H1 2017 for restructuring charges related to AudioNova France and MiniSom Portugal acquisitions

No impact on Cash Flow from 2018 IFRS

H1 2018 Financial results

Solid capital structure to sustain future growth opportunities

Data in €m	30/06/2018		31/12/2017
	@'18 IFRS	@'17 IFRS	
Cash	(223.8)	(223.8)	(124.1)
Short-term debt ¹	304.2	304.2	301.1
Medium/long-term debt	239.2	239.2	119.3
Net debt	319.6	319.6	296.3
Equity²	550.2	603.6	588.4
Net debt/EBITDA	1.40x	1.39x	1.35x
Net debt/total equity	0.58x	0.53x	0.50x

1. Short-term debt includes Bond expiring in July 2018. Amplifon has already refinanced the outstanding Bond via new Bank and Revolving Credit facilities, securing better terms and conditions

2. Change in Equity as at 30/06/2018 @'18 IFRS vs as at 31/12/2017 is primarily due to: IFRS impact (€52.6m) and FX (€6.7m)

2018 Outlook

Strong momentum to persist

- Entering H2 with a strong H1 behind
- Strong momentum is expected to continue in H2 2018
- Robust top-line growth, above market reference and with healthy mix
 - Contribution from all Regions
 - Solid organic growth
 - Contribution from acquisitions
- Continued profitability expansion
 - Scale reach in key markets and operational efficiencies to more than compensate higher investments
- Strong focus on execution
- Well on track in executing our 2020 strategic plan
 - Outpace the market through the launch of Amplifon product line & innovative multi-channel eco-system
 - Launch of new features for the AmplifonAPP
 - Continue leading consolidation in core markets
 - Continue re-investing heavily in the business (marketing, network expansion, people) for long-term sustainable growth



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