

Q4 & FY 2023 Results

Milan, March 7th 2024



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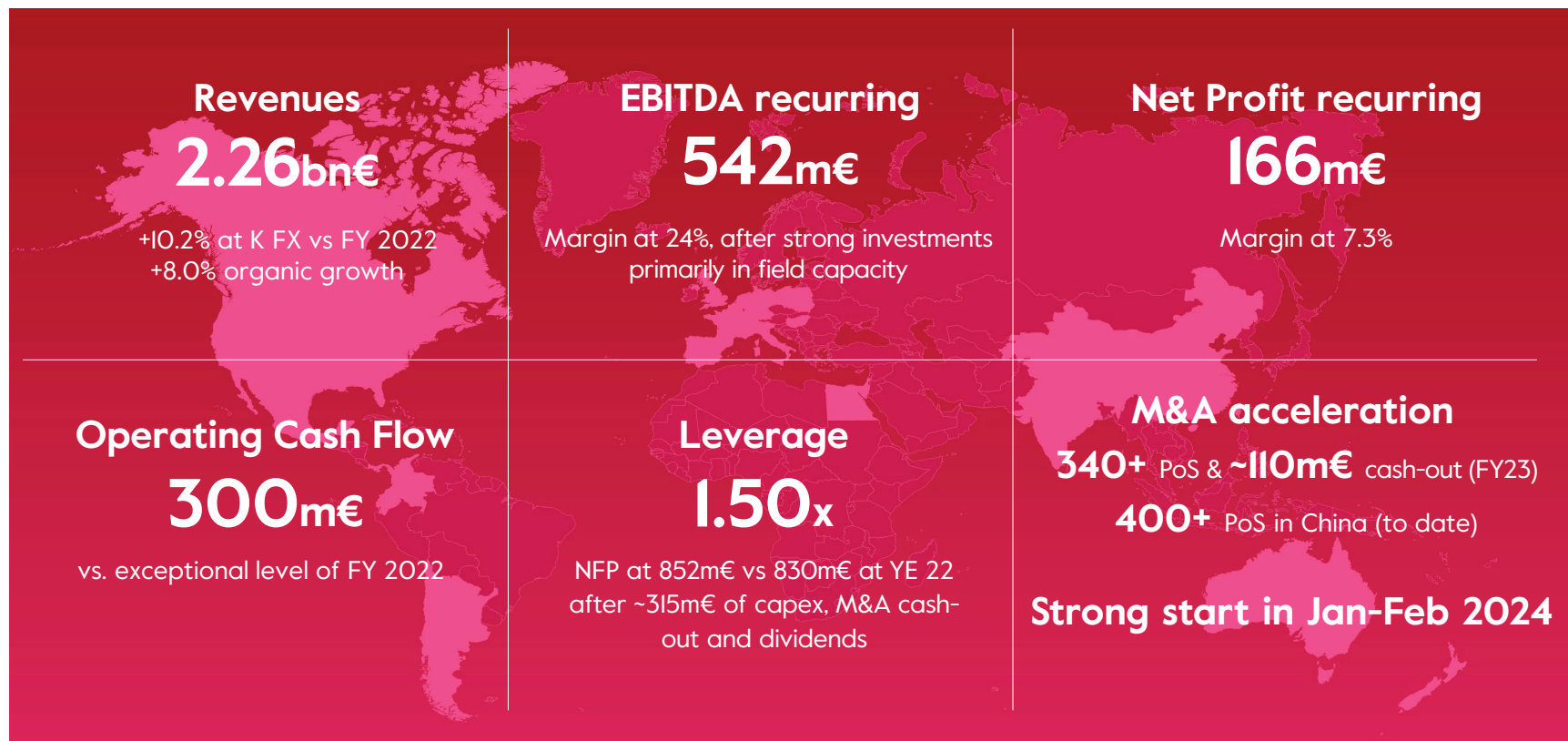
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Statement

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.

Figures in the tables may reflect minimal differences exclusively due to rounding.

FY 2023: Another record year of excellent growth despite a softer-than-expected core European market



Q4 2023 Financial highlights

Excellent and well-above-market organic growth. Significant FX headwind. Profitability affected by EMEA lower operating leverage in a softer-than-expected European market

Data in €m	Q4 2023	Q4 2022	Δ%
REVENUES	615.0	579.4	+6.1%
Organic growth			+8.9%
Acquisitions			+2.3%
FX			-5.1%
EBITDA Rec.	155.8	155.8	0.0%
Margin %	25.3%	26.9%	-160 bps

- Excellent revenue growth at constant FX vs Q4 2022
 - Strong and well-above-market organic growth
 - Global market demand basically driven by a strong US market, while Europe still in negative territory despite Q4 2022 easy comps
 - Negative impact of one trading day less, primarily in EMEA (equivalent to ~1.5% growth)
 - Significant share gains across all major markets and positive pricing development
 - Remarkable M&A contribution for bolt-ons mainly in France, Germany, US and China
 - Significant and higher than expected FX headwind primarily due to Argentine peso devaluation in December
 - Application of Inflation Accounting impacting for around 2p.p. negatively on FX and positively on organic growth
- EBITDA recurring at ~€156 million, with margin at 25.3%
 - Lower operating leverage in EMEA
 - Significant investments primarily in field capacity to unlock constraints and boost growth
 - Less favorable geographic mix (slower EMEA)
 - Adverse FX impact

FY 2023 Financial highlights

Another record year of excellent growth underpinned by strong investments in a softer-than-expected European market. FX deterioration at YE

Data in €m	FY 2023	FY 2022	Δ%
REVENUES	2,260.1	2,119.1	+6.7%
Organic growth			+8.0%
Acquisitions			+2.2%
FX			-3.5%
EBITDA Rec.	541.6	525.3	+3.1%
Margin %	24.0%	24.8%	-80 bps

- Excellent revenue growth at constant FX vs FY 2022
 - Very strong and above market organic growth in a softer-than-expected market in Europe
 - Remarkable M&A contribution for bolt-ons mainly in France, Germany, US, Canada and China
 - Significant FX headwind increasing at year-end
 - ~15-20€m negative impact due to FX deterioration (primarily Argentine peso) vs. assumptions at end of Q3
- EBITDA recurring at €541.6 million, with margin at 24.0%
 - Lower operating leverage in EMEA
 - Significant investments primarily in field capacity to unlock constraints and boost growth
 - Less favorable geographic mix (slower EMEA)
 - Adverse FX impact
- Net Profit recurring at €165.8 million
- Dividend proposal at 29 euro cents, with pay-out ratio at ~42%

Financial results by Region

EMEA: strong revenue performance in a still slightly negative market. Profitability affected by a lower operating leverage after strong investments in a softer-than-expected market

Data in €m	Q4 2023	Q4 2022	Δ%
REVENUES	418.0	397.9	+5.1%
Organic growth			+4.1%
Acquisitions			+1.0%
FX			0.0%
EBITDA Rec.	118.7	123.6	-4.0%
Margin %	28.4%	31.1%	-270 bps

Data in €m	FY 2023	FY2022	Δ%
REVENUES	1,485.3	1,417.2	+4.8%
Organic growth			+4.0%
Acquisitions			+1.0%
FX			-0.2%
EBITDA Rec.	419.0	415.5	+0.8%
Margin %	28.2%	29.3%	-110 bps

- Strong revenue growth at constant FX vs Q4 2022
 - Solid and well-above-market organic growth
 - Market still posting a slightly negative performance and softer vs. assumptions based on last year easy comps
 - Negative impact of one trading day less
 - Positive pricing development
 - M&A contribution mainly related to France and Germany
- Revenue growth in France, despite a still slightly negative market, though improving vs previous quarter
- Solid organic growth in all other core markets
- EBITDA at €119 million, with margin at 28.4%
 - Lower operating leverage due to softer-than-expected market demand
 - Significant investments primarily in field capacity
- Strong revenues growth at constant FX vs FY 2022
 - Solid organic growth in a softer than expected market
 - M&A contribution mainly related to France and Germany
- EBITDA at €419 million, with margin at 28.2%
 - Lower operating leverage due to softer market demand
 - Significant investments primarily in field capacity

Financial results by Region

AMERICAS: excellent revenue performance and strong profitability expansion even after strong growth of Miracle-Ear Direct Retail. Significant FX headwind

Data in €m	Q4 2023	Q4 2022	Δ%
REVENUES	107.6	99.3	+8.4%
Organic growth			+26.1%
Acquisitions			+6.8%
FX			-24.5%
EBITDA	31.0	26.9	+15.2%
Margin %	28.8%	27.1%	+170 bps

Data in €m	FY 2023	FY 2022	Δ%
REVENUES	429.6	381.3	+12.7%
Organic growth			+18.5%
Acquisitions			+6.9%
FX			-12.7%
EBITDA Rec.	115.0	100.4	+14.5%
Margin %	26.8%	26.3%	+50 bps

- Excellent revenue growth at constant FX vs Q4 2022
 - Outstanding organic growth vs. a remarkable comparison base (+20% in Q4 2022 vs Q4 2021)
 - Very strong M&A contribution related to the US and Canada
 - Strong FX headwind driven by the Argentine peso devaluation in December
 - Application of Inflation Accounting impacting for around 10p.p. negatively on FX and positively on organic growth
- Continued excellent performance in the US, boosted by Miracle-Ear Direct Retail and AHHC
- EBITDA at €31.0 million, with margin at 28.8%, up 170bps even after:
 - Fast growth of Miracle-Ear Direct Retail vs Franchise in the US
- Excellent revenue growth at constant FX vs FY 2022
 - Outstanding organic growth despite remarkable comparison base (+24.3% in FY 2022 vs FY 2021)
 - Very strong M&A contribution
 - Strong FX headwind primarily related to Argentine peso devaluation at year-end
 - Application of Inflation Accounting impacting for around 4p.p. negatively on FX and positively on organic growth
- EBITDA at €115 million, with margin at 26.8%, up 50bps even after the fast-growth of Miracle-Ear Direct Retail

Financial results by Region

APAC: outstanding top-line performance across all markets and profitability improvement at year-end. Significant FX headwind

Data in €m	Q4 2023	Q4 2022	Δ%
REVENUES	89.2	82.2	+8.6%
Organic growth			+11.9%
Acquisitions			+3.4%
FX			-6.7%
EBITDA	23.4	21.2	+10.1%
Margin %	26.2%	25.9%	+30 bps

- Excellent revenue growth at constant FX vs Q4 2022
 - Outstanding and well-above-market organic growth
 - Remarkable M&A contribution related to China
 - 400+ PoS in China to date
 - Strong FX headwind
- Strong organic growth across all markets
- EBITDA at €23.4 million, with margin at 26.2%, up 30bps even after fast growth of China

Data in €m	FY 2023	FY 2022	Δ%
REVENUES	344.7	320.1	+7.7%
Organic growth			+13.3%
Acquisitions			+2.1%
FX			-7.7%
EBITDA Rec.	89.8	83.9	+7.1%
Margin %	26.1%	26.2%	-10 bps

- Excellent revenue growth of +15.4% at constant FX vs FY 2022
 - Outstanding organic growth
 - M&A contribution related to China
 - Strong FX headwind
- EBITDA at €89.8 million, with margin at 26.1%
 - One-time cost for leadership change in the Region in Q2

Q4 2023 Financial results

Delivering solid results despite a still slightly negative demand in Europe

Data in €m	Q4 2023		Q4 2022		Δ Rec
(unless specified)	Recurring	Reported	Recurring	Reported	23/22
REVENUES	615.0	615.0	579.4	579.4	+6.1%
EBITDA	155.8	154.3	155.8	154.9	+0.0%
<i>Margin %</i>	<i>25.3%</i>	<i>25.1%</i>	<i>26.9%</i>	<i>26.7%</i>	--
ORDINARY D&A	(62.4)	(62.4)	(49.9)	(49.9)	-25.2%
PPA AMORTIZATION	(12.3)	(12.3)	(11.9)	(11.9)	-3.5%
EBIT	81.1	79.5	94.0	93.1	-13.8%
<i>Margin %</i>	<i>13.2%</i>	<i>12.9%</i>	<i>16.2%</i>	<i>16.1%</i>	--
NET FIN. EXPENSES	(12.6)	(12.6)	(9.4)	(9.4)	-34.3%
PBT	68.5	67.0	84.6	83.7	-19.1%
TAXES	(15.6)	(15.4)	(20.9)	(20.7)	+25.2%
<i>% on PBT</i>	<i>22.8%</i>	<i>23.0%</i>	<i>24.7%</i>	<i>24.7%</i>	--
NET PROFIT	53.0	51.7	63.7	63.0	-16.9%
<i>Margin %</i>	<i>8.6%</i>	<i>8.4%</i>	<i>11.0%</i>	<i>10.9%</i>	--
EPS Reported (€)	--	0.231	--	0.281	--
EPS Adjusted (€)	0.281	--	0.327	--	-14.0%

FY 2023 Financial results

Solid full-year results despite a softer-than-expected core European market

Data in €m	FY 2023		FY 2022		Δ Rec
(unless specified)	Recurring	Reported	Recurring	Reported	23/22
REVENUES	2,260.1	2,260.1	2,119.1	2,119.1	+6.7%
EBITDA	541.6	526.8	525.3	518.7	+3.1%
<i>Margin %</i>	<i>24.0%</i>	<i>23.3%</i>	<i>24.8%</i>	<i>24.5%</i>	--
ORDINARY D&A	(218.7)	(218.7)	(192.9)	(192.9)	-13.3%
PPA AMORTIZATION	(49.0)	(49.0)	(47.1)	(47.1)	-4.0%
EBIT	274.0	259.2	285.3	278.7	-4.0%
<i>Margin %</i>	<i>12.1%</i>	<i>11.5%</i>	<i>13.5%</i>	<i>13.2%</i>	--
NET FIN. EXPENSES	(49.5)	(49.5)	(34.9)	(34.9)	-41.6%
PBT	224.5	209.7	250.3	243.7	-10.3%
TAXES	(58.8)	(54.7)	(66.8)	(65.0)	+11.9%
<i>% on PBT</i>	<i>26.2%</i>	<i>26.1%</i>	<i>26.7%</i>	<i>26.7%</i>	--
NET PROFIT	165.8	155.1	183.3	178.5	-9.5%
<i>Margin %</i>	<i>7.3%</i>	<i>6.9%</i>	<i>8.7%</i>	<i>8.4%</i>	--
EPS Reported (€)	--	0.693	--	0.796	--
EPS Adjusted (€)	0.913	--	0.977	--	-6.6%

FY 2023 Financial results

Operating Cash Flow comparing with the exceptional level of 2022. Strong investments in Capex and M&A to boost growth

Data in €m	FY 2023	FY 2022	Δ
Operating cash flow before repayment of lease liabilities	416.2	460.3	(44.1)
Repayment of lease liabilities	(116.2)	(107.3)	(8.9)
Operating cash flow	300.0	353.0	(53.0)
Capex (net)	(139.9)	(106.3)	(33.6)
Free cash flow	160.2	246.7	(86.5)
Acquisitions (net)	(108.5)	(84.6)	(23.9)
Cash provided by (used in) operating and investing activities	51.7	162.1	(110.4)
Cash provided by (used) financing activities	(69.2)	(118.1)	48.9
Net cash flow for the period	(17.5)	44.0	(61.5)
Net financial position (opening date)	(830.0)	(871.2)	41.2
Change in net financial position	(17.5)	44.0	(61.5)
Effect of FX & discontinued operation on financial position	(4.6)	(2.8)	(1.8)
Net financial position (closing date)	(852.1)	(830.0)	(22.1)

FY 2023 Financial results

Leverage decreased at 1.50x after strong investments (~€250m Capex & M&A cash-out) and shareholders' returns (€65m dividend distribution)

Data in €m	31/12/2023	31/12/2022
Liquidity	(194.0)	(229.6)
Short-term debt	326.7	251.7
Medium/long-term debt	719.4	807.9
Net financial debt	852.1	830.0
Lease liabilities	497.4	468.6
Total financial debt & lease liabilities	1,349.6	1,298.6
Total net equity	1,101.7	1,040.4
Net debt/EBITDA ¹	1.50x	1.52x
Net debt/Equity	0.77x	0.80x

1. Refers to the EBITDA recorded in the last 4 quarters determined excluding the fair value of the share-based payments and based only on the recurring business

Our commitment to a more sustainable future

Main ESG achievements in 2023



Environment

- Increase of renewable energy from 52% to 74%
- SBTi commitment to set & submit near-term decarbonization targets
- First Climate Change Risk Assessment & improved TCFD disclosure
- New Global Environmental Policy



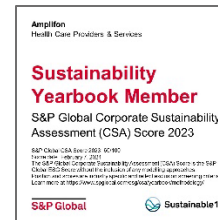
Social

- Free hearing tests generating ~300€m savings for customers & prospects
- Increase of gender representation in managerial roles from 44% to 47%
- ~420,000 training hours to employees
- Top Employer for EMEA & North Americas and 11 countries



Governance

- CDP B scoring (Full management) and S&P 2023 Sustainability Yearbook Member
- Third ESG-linked credit facility
- New Sustainability Plan
 - New & ongoing quantitative and ambitious targets
 - Linked to ESG-linked financings & MBO



LISTENING
AHEAD
SUSTAINABILITY PLAN

2024 Outlook

Work done in 2023 paves the way for a year of strong, profitable growth ahead

- In 2023, in a global macroeconomic and geopolitical environment characterized by uncertainty and volatility especially in Europe, we continued to grow very fast, well above market, and gained further market share
 - Several productivity measures were taken in response to the weaker-than-expected European market
- Looking ahead to 2024, we expect the European market to normalize (e.g., France and Germany), while the US market to continue to grow at a healthy rate
- Considering the above, assuming no further significant slowdown in global economic activity due to, among others, the well-known inflation-related and geopolitical issues, for FY2024, we expect
 - Revenues to grow High-Single-Digit at constant FX^I
 - Above-market performance leading to continued share gains
 - Bolt-on M&A contribution on revenues > 2%
 - EBITDA recurring margin > 24.6%
 - Benefiting from productivity measures taken in 2023 already from Q1 2024
- Strong start in Jan - Feb
- In the medium term, we are very positive about our prospects of sustainable growth in sales and profitability, thanks to our further strengthened competitive positioning and the secular fundamentals of the hearing care market

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