

AMPLIFON: THE PATH OF STRONG GROWTH AND IMPROVING PROFITABILITY CONTINUES

DOUBLE DIGIT GROWTH IN REVENUES AND SIGNIFICANT INCREASE IN PROFITABILITY

STRONG CONTRIBUTION FROM ACQUISITIONS, PARTICULARLY IN GERMANY, FRANCE AND PORTUGAL

PERFORMANCE CONTINUES TO OUTPACE THE MARKET AVERAGE

Main results for the first nine months of 2017:

- Consolidated **REVENUES** of 901.8 million euros, up 12.2% at current exchange rates and 12.1% at constant exchange rates compared to the same period of 2016.
- **EBITDA** net of non-recurring expenses reached 140.8 million euros, an increase of 15.8%, with the margin coming in at 15.6% of revenues, showing an improvement of 50 basis points compared to the same period of 2016. EBITDA as reported reached 136.9 million euros, or 15.2% of revenues, an increase of 14.9% compared to the same period of 2016.
- Recurring **NET PROFIT** amounted to 50.9 million euros, an increase of 24.1% compared to the first nine months of 2016. Net profit as reported rose 22.4% from the 39.3 million euros recorded in the first nine months of 2016 to 48.2 million euros.
- **NET FINANCIAL DEBT** was 320.7 million euros, up with respect to the 224.4 million euros reported at December 31st, 2016, due to increased investments in network expansion, the purchase of treasury shares and the payment of dividends.
- **FREE CASH FLOW** was positive for 34.0 million euros, an increase of approximately 6.5 million euros, after absorbing higher investments for 8.2 million euros, compared to the same period of 2016.

Milan, October 25th, 2017 - Today the Board of Directors of Amplifon S.p.A. (MTA; Bloomberg ticker: AMP:IM), global leader in hearing solutions and services, approved the Interim Financial Report as at September 30th, 2017 during a meeting chaired by Susan Carol Holland.

MAIN ECONOMICAL AND FINANCIAL FIGURES – FIRST NINE MONTHS 2017

(Euro millions)	First nine months 2017				First nine months 2016				Change % on recurring
	Recurring	Non recurring	Total	% on recurring	Recurring	Non recurring	Total	% on recurring	
Net revenues	901.8	-	901.8	100.0%	803.9	-	803.9	100.0%	12.2%
EBITDA	140.8	(3.9)	136.9	15.6%	121.6	(2.5)	119.1	15.1%	15.8%
EBIT	95.3	(3.9)	91.4	10.6%	83.0	(2.5)	80.5	10.3%	14.7%
Group net income	50.9	(2.8)	48.2	5.6%	41.1	(1.7)	39.3	5.1%	24.1%
Free cash flow			34.0				27.5		
		30/09/2017				31/12/2016			Change %
Net financial debt		320.7				224.4			42.9%



MAIN ECONOMICAL AND FINANCIAL FIGURES – Q3 2017

(Euro millions)	Q3 2017				Q3 2016				Change % on recurring
	Recurring	Non recurring	Total	% on recurring	Recurring	Non recurring	Total	% on recurring	
Net revenues	278.0	-	278.0	100.0%	259.7	-	259.7	100.0%	7.0%
EBITDA	37.4	(1.4)	36.0	13.5%	33.6	-	33.6	13.0%	11.2%
EBIT	22.3	(1.4)	20.9	8.0%	20.8	-	20.8	8.0%	7.1%
Group net income	11.2	(1.1)	10.1	4.0%	9.7	-	9.7	3.7%	14.9%

“We are very satisfied both with the path of strong growth and improving profitability that we have been pursuing since the beginning of the year, as well as with the vitality of our business. The results achieved so far allow us to prepare for another record year”, said Enrico Vita, Amplifon’s Chief Executive Officer. “Particularly, in these first nine months, revenue growth continued to be balanced across all the Company’s geographic areas and to outpace the market average thanks to the constant focus on execution and the solid mix between organic growth and acquisitions. In addition to the top-line growth, the main drivers of the increased profitability are the scale reached in key countries and an improved operational efficiency. These results confirm the effectiveness of the strategy pursued also in 2017, which called for significant investments in marketing and communication activities, as well as in the expansion of the distribution network with acquisitions and new openings in key markets. These excellent results allow us to be very confident of achieving our medium-long term objectives.”

Overview

Amplifon reported consolidated revenues of 901.8 million euros in the first nine months of 2017, an increase of 12.2% at current exchange rates and of 12.1% at constant exchange rates compared to the same period of the prior year. This result was balanced across acquisition driven (+6.1%) and organic growth (+6.0%), while the foreign exchange effect was minimal (+0.1%).

Net of non-recurring expenses, EBITDA for the first nine months of the year rose 15.8% to 140.8 million euros, with the margin increasing by 50 basis points. EBITDA as reported reached 136.9 million euros, an increase of 14.9%. Recurring net profit rose 24.1% to 50.9 million euros, while the as reported figure increased 22.4%. The balance sheet and financial indicators continue to demonstrate the Company’s solidity: free cash flow, after absorbing higher investments for 8.2 million euros mainly linked to new openings compared to the first nine months of 2016, reached 34.0 million euros, while net debt was 320.7 million euros, higher than the 224.4 million euros recorded at December 31st, 2016 due to the significant acquisitions closed in the last nine months (83.0 million euros), the increase in the purchase of treasury shares (27.8 million euros) and the payment of higher dividends (15.3 million euros).

Amplifon reported revenues of 278.0 million euros in the third quarter of 2017, an increase of 9.1% at constant exchange rates and of 7.0% at current exchange rates compared to the third quarter of 2016. The increase was driven by organic growth (+3.2%) and acquisitions (+5.9%), while the foreign exchange effect was negative for 2.1% mainly due to the noticeable strengthening of the Euro against the US and Australian dollars. The results of the quarter, characterized by the low seasonality, were achieved despite the exceptional growth reported in the third quarter of 2016, one trading day less across all geographic areas and a slightly lower market growth in selected countries compared to same period of the prior year. Recurring EBITDA rose 11.2% compared to the third quarter of 2016 to 37.4 million euros, while the margin went from 13.0% in the third quarter of 2016 to 13.5% in the same period of 2017 due to improved operating leverage. EBITDA as reported rose 7.1%. The non-recurring expenses of 1.4 million euros reported in the quarter were related to restructuring charges following the acquisitions of the



AudioNova retail businesses in France and Portugal. Net profit before non-recurring expenses rose 14.9% to 11.2 million euros, while net profit as reported was up 4.0%.

The network expansion program continued in the first nine months, both organically and through acquisitions, with the addition of 295 stores and 104 shop-in-shops, of which 34 stores and 18 shop-in-shops in the third quarter. Acquisitions were made mainly in Germany, France (including the AudioNova retail chain), Portugal (including the MiniSom retail chain) and India. The openings, 41 stores and 46 shop-in-shops, were located primarily in Spain, New Zealand and Australia.

Economic results for the first nine months of 2017

The strong **consolidated revenues** growth trend was achieved thanks to the solid performances reported in all geographic areas: excellent growth was posted in **EMEA** where good organic growth was combined with the strong contribution from acquisitions, a very positive performance was reported also in **AMERICAS** driven by Miracle-Ear and Amplifon Hearing Health Care, while in **APAC** performance was driven by the excellent organic growth posted in New Zealand and the positive performance reported in Australia notwithstanding the already outstanding results recorded in the comparison period.

Thanks to the significant acceleration in revenues and improved operating leverage, recurring **EBITDA** was up 15.8% in the first nine months compared to the same period of 2016 at 140.8 million euros or 15.6% of revenues. EBITDA as reported amounted to 136.9 million euros, an increase of 14.9%, while the margin rose 40 basis points. The non-recurring expenses of 3.9 million euros reported in the first nine months were related to restructuring charges following the acquisitions of the AudioNova retail businesses in France and in Portugal, closed in March and April 2017, respectively.

EBIT, net of non-recurring expenses, amounted to 95.3 million euros or 10.6% of revenues, an increase of 14.7% compared to the same period of 2016. This increase is attributable to the improvement in EBITDA, partially offset by the increase in depreciation and amortization linked to network expansion. EBIT as reported rose 13.4%.

Recurring **net profit (NP)** amounted to 50.9 million euros, an increase of 24.1% compared to the same period of 2016. Net profit as reported rose 22.4%, also thanks to a better tax rate which came in at 37.5% compared to the 40.8% recorded in the same period of the prior year.

Performance by geographic area

EMEA: strong top-line growth driving profitability

Revenues in Europe, the Middle East and Africa (**EMEA**) reached 595.1 million euros in the first nine months of 2017, an increase of 13.8% at constant exchange rates and of 13.0% at current exchange rates compared to the same period of the prior year. This result is explained for 5.7% by organic growth, for 8.1% by acquisitions, while the foreign exchange effect had a negative impact of 0.8%.

In **Europe**, **Italy** continues to record a remarkable performance thanks to the new media strategy and CRM activities. The strong positive trend in **France** reflects the work done in terms of both marketing and the quest for excellence in customer relationships, as well as the benefits linked to the integration of AudioNova in March 2017. The outstanding growth reported in **Germany** continues to be driven by strong network expansion and good organic growth, which accelerates in the third quarter. An outstanding performance driven by double-digit organic growth and network expansion was posted in the **Iberian Peninsula**. **Spain**, in particular, reported strong organic growth attributable to the effective marketing campaigns and new openings; **Portugal** succeeded in doubling its revenues with respect to the comparison period, thanks to double-digit organic growth and the impact of the MiniSom acquisition, whose network integration has been almost completed. The performance in the **Netherlands** was down slightly, but still higher than the market, while **Belux** reported a positive performance thanks to revised marketing campaigns and further focus on retail excellence. In **Switzerland**, the results of the first nine



months were positive and largely driven by organic growth, thanks to the traffic generated by renewed marketing activities. In the **United Kingdom**, the sales growth posted in local currency confirms the trend of improvement due to new commercial and marketing strategies.

The contribution of **EMEA** to the Company's profitability continues to be very important, with recurring EBITDA rising markedly (+20.9%) to 90.2 million euros due to the strong revenues increase, the improved operating leverage and the greater scale reach mainly in Germany and France. The margin also increased, rising from the 14.2% reported in the first nine months of 2016 to 15.2% in the same period of 2017. EBITDA as reported rose 15.7%.

AMERICAS: solid top-line performance and significant profitability improvement

Revenues in **AMERICAS** reached 171.6 million euros in the first nine months of 2017, up 9.3% at current exchange rates and 8.9% in local currency compared to the same period of the prior year. The result was driven for 6.2% by organic growth and for 2.7% by acquisitions, while the foreign exchange effect had a positive impact of 0.4%. In the **United States**, notwithstanding the negative impact of the hurricanes in the third quarter and the challenging comparison base, both **Amplifon Hearing Health Care** and **Miracle-Ear** demonstrated excellent execution capacity reporting robust growth compared to the first nine months of 2016. A positive performance was also recorded by **Elite Hearing Network** thanks to the acquisition of new members. **Canada** also contributed to the Region's results mainly thanks to the exceptional external growth, as well as the positive foreign exchange effect.

EBITDA in **AMERICAS** improved noticeably compared to the prior year, rising from 28.5 to 33.5 million euros (+17.5%), with the margin on revenues increasing 130 basis points thanks to strong improvement in profitability in the second, and, above all, in the third quarter. In the third quarter, despite a softer organic growth due to the hurricanes described above, one trading day less and lower growth rate of the US private market with respect to the comparison period, EBITDA rose over 400 basis points thanks to both operational efficiency and favorable comparison with the same period of 2016, which was characterized by massive investments in the business.

ASIA-PACIFIC: solid trading performance, back to acceleration in the third quarter

Revenues in **ASIA-PACIFIC** were 134.0 million euros in the first nine months of 2017, an increase of 11.9% at current exchange rates and of 8.1% in local currencies compared to same period of the prior year. This result was driven by organic growth (+6.2%) and network expansion (+1.9%), along with a positive foreign exchange effect (+3.8%). **New Zealand** recorded double-digit organic growth driven by strong operational efficiency and effective marketing activities, and **Australia** posted a good performance as well, which improved in the third quarter, compared to the particularly challenging comparison base of the previous year. **India's** excellent growth reflects the start-up nature of the business and the impact of the Bloom Senso acquisition completed in January 2017. In the first nine months, the foreign exchange effect was positive in all three countries, while in the third quarter the its impact was overall negative.

EBITDA in **APAC** rose 5% from the 36.5 million euros recorded in the first nine months of 2016 to 38.3 million euros in the same period of 2017, with slight contraction in the margin which came in at 28.6%.

Balance sheet figures as at September 30th, 2017

The balance sheet and financial indicators continue to demonstrate the Company's solidity and ability to sustain future growth opportunities. Net equity amounted to 550.8 million euros at September 30th, 2017, slightly down compared to the 557.7 million euros posted at December 31st, 2016 due to the purchase of treasury shares and the payment of dividends, as well as the negative impact of foreign exchange effect.



Operating cash flow amounted to 76.8 million euros, 14.7 million euros (+23.7%) higher than the 62.1 million euros posted in the same period of the prior year. The free cash flow, positive for 34.0 million, also increases compared to the 27.5 million euros generated in the same period of 2016, after higher investments (net of disposals) of 42.8 million euros compared to 34.6 million euros of the first nine months of 2016, mainly due to new openings and shop renewals. The higher net cash-out for acquisitions (83.0 million euros compared to 70.5 million euros in the same period of 2016) along with the increase in the purchase of treasury shares (27.8 million euros compared to 12.0 million euros in the same period of 2016) and the higher payment of dividends (15.3 million euros compared to 9.4 million euros in the same period of 2016) bring the net cash flow for the period to negative 93.0 million euros compared to the negative 63.0 million euros reported in the first nine months of 2016.

Net financial debt came in at 320.7 million euros, affected by the negative impact of foreign exchange (negative for 3.2 million euros compared to positive 2.1 million euros at December 31st, 2016), was higher than the 224.4 million euros recorded at December 31st, 2017, with the net debt/EBITDA ratio coming to 1.54x.

Subsequent events after September 30th, 2017

Lastly, in October 2017, the Company signed a 50 million euro unsecured bilateral 5-year financing agreement, amortizing in the last two years, with BPM S.p.A. - Gruppo Banco BPM. This facility follows the 100 million euro financing agreement signed with UniCredit S.p.A. in September 2017 and the other bilateral revolving committed medium-term lines for a total amount of 195 million euros also obtained in 2017. These transactions are part of the refinancing program of the 275 million euro Eurobond expiring on July 16th, 2018, under significantly better terms and conditions than today. This program will allow a reduction of the average cost of debt, a decrease of the excess liquidity, an extension of the average residual debt maturity and a higher financial flexibility.

Outlook

The Company expects the favorable, both organic and external, growth trend to continue in the last quarter of 2017 across all geographic areas. This growth, driven by substantial investments in integrated marketing and communication activities, as well as the constant focus on execution and the contribution of piecemeal acquisitions in key countries, will favor the increase in profitability. The Company reiterates its confidence in its ability to implement and execute the strategic guidelines announced in March 2016, as well as to achieve the medium-long term targets.

Assignment of New Performance Stock Grant Plan Beneficiaries

The Board of Directors resolved to assign, based on the recommendations of the Remuneration and Appointments Committee and pursuant to Art. 84 *bis*, par. 5 of Consob Regulation n. 11971/1999, as amended, the seventh award cycle of the performance stock grant plan (for the period 2017-2019) which calls for the assignment of 122,000 shares with assignment date October 25th, 2017.

The information regarding the beneficiaries and the respective rights assigned will be made available in accordance with the law at the corporate headquarters and published on the Company's website within a table prepared in accordance with the indications provided in Table n. 1, Form 7 of Annex 3A of Regulation n. 11971/1999 and reflecting the characteristics already disclosed in the Information Circular.

The Information Circular relating to the new Performance Stock Grant Plan 2014-2021, which contains all the detailed information required by current law, will be made available to the public in the same manner.



*The results for the third quarter 2017 will be presented to the financial community today at 15:00 (CET) during a conference call. To participate in the conference call dial one of the following numbers: +44 121 281 8003 (UK), +1 718 705 8794 (USA) or +39 02 805 88 11 (Italy). It is also possible to participate via audiowebcast through the following link:
<http://services.choruscall.eu/links/amplifon171025.html>*

A few presentation slides will be made available prior to the beginning of the conference call, beginning at 14:30 CET, in the Investors section (Presentations) of the website: www.amplifon.com/corporate. Those who are unable to attend the conference call may access a recording which will be available immediately after the call until 24:00 (CET) of October 28th, 2017, by dialing the following numbers: +44 121 281 8005 (UK), +1 718 705 8797 (USA) or +39 02 72 495 (Italy), access code: 986#.

In compliance with paragraph 2 of Article 154 bis of the “Uniform Financial Services Act” (Legislative Decree 58/1998), the Manager charged with preparing the Company's financial reports, Gabriele Galli, declares that the accounting information reported in the present press release corresponds to the underlying documentary reports, books of account and accounting entries.

This press release contains forward-looking statements. These statements are based on the Company's current expectations and projections about future events and, by their nature, are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future, and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including: continued volatility and further deterioration of capital and financial markets, changes in general macro-economic conditions, economic growth and other changes in business conditions, changes in laws and regulations (both in Italy and abroad), and many other factors, most of which are outside of the Company's control.

About Amplifon

Amplifon, listed on the STAR segment of the Italian Stock Exchange, is the global leader in hearing solutions and services for retail expertise, customization and consumer care. Through a network of over 9,900 points of sale, of which approximately 4,200 directly operated stores, 3,800 service centers and 1,900 affiliates, Amplifon is active in 22 countries across EMEA (Italy, France, the Netherlands, Germany, the UK, Ireland, Spain, Portugal, Switzerland, Belgium, Luxembourg, Hungary, Egypt, Turkey, Poland and Israel), Americas (U.S.A., Canada and Brazil) and APAC (Australia, New Zealand and India). With more than 7,000 hearing care professionals, the Group is committed to delivering the highest quality of service and care, in order to achieve the best hearing experience for customers worldwide. More information about the Group is available at: www.amplifon.com/corporate.

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NET REVENUES BY GEOGRAPHIC AREA – FIRST NINE MONTHS 2017

(€ thousands)	First Nine Months 2017	%	First Nine Months 2016	%	Change	Change %	Exchange diff.	Change % in local currency	Organic growth % (*)
Total EMEA	595,097	66.0%	526,507	65.5%	68,590	13.0%	(4,231)	13.8%	5.7%
Total Americas	171,593	19.0%	157,007	19.5%	14,586	9.3%	659	8.9%	6.2%
Total APAC	133,997	14.9%	119,767	14.9%	14,230	11.9%	4,548	8.1%	6.2%
Corporate and intercompany elimination	1,087	0.1%	659	0.1%	428	64.9%			
Total	901,774	100.0%	803,940	100.0%	97,834	12.2%	976	12.1%	6.0%

(*) Organic growth is calculated as sum of same store growth and openings

NET REVENUES BY GEOGRAPHIC AREA – THIRD QUARTER 2017

(€ thousands)	Q3 2017	%	Q3 2016	%	Change	Change %	Exchange diff.	Change % in local currency	Organic growth % (*)
Total EMEA	176,570	63.5%	160,278	61.7%	16,292	10.2%	(1,638)	11.2%	2.9%
Total Americas	55,133	19.8%	55,536	21.4%	(403)	(0.7%)	(2,938)	4.6%	2.4%
Total APAC	46,008	16.5%	43,690	16.8%	2,318	5.3%	(799)	7.1%	5.4%
Corporate and intercompany elimination	284	0.1%	225	0.1%	59	26.2%			
Total	277,995	100.0%	259,729	100.0%	18,266	7.0%	(5,375)	9.1%	3.2%

(*) Organic growth is calculated as sum of same store growth and openings



CONSOLIDATED INCOME STATEMENT – FIRST NINE MONTHS 2017

(€ thousands)	First Nine Months 2017				First Nine Months 2016				
	Recurring	Non recurring	Total	% on recurring	Recurring	Non recurring	Total	% on recurring	% change on recurring
Revenues from sales and services	901,774	-	901,774	100.0%	803,940	-	803,940	100.0%	12.2%
Operating costs	(764,475)	(3,912)	(768,387)	-84.8%	(681,037)	-	(681,037)	-84.7%	12.3%
Other costs and revenues	3,497	-	3,497	0.4%	(1,276)	(2,502)	(3,778)	-0.2%	374.1%
Gross operating profit (EBITDA)	140,796	(3,912)	136,884	15.6%	121,627	(2,502)	119,125	15.1%	15.8%
Depreciation and write-downs of non-current assets	(32,276)	-	(32,276)	-3.6%	(27,212)	-	(27,212)	-3.4%	18.6%
Operating result before the amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	108,520	(3,912)	104,608	12.0%	94,415	(2,502)	91,913	11.7%	14.9%
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(13,237)	-	(13,237)	-1.5%	(11,373)	-	(11,373)	-1.4%	16.4%
Operating profit (EBIT)	95,283	(3,912)	91,371	10.6%	83,042	(2,502)	80,540	10.3%	14.7%
Income, expenses, valuation and adjustments of financial assets	246	-	246	0.0%	278	-	278	0.0%	-11.5%
Net financial expenses	(14,274)	-	(14,274)	-1.6%	(13,986)	-	(13,986)	-1.7%	2.1%
Exchange differences and non hedge accounting instruments	(326)	-	(326)	0.0%	(182)	-	(182)	0.0%	79.1%
Profit (loss) before tax	80,929	(3,912)	77,017	9.0%	69,152	(2,502)	66,650	8.6%	17.0%
Tax	(30,031)	1,124	(28,907)	-3.3%	(27,998)	786	(27,212)	-3.5%	7.3%
Net profit (loss)	50,898	(2,788)	48,110	5.6%	41,154	(1,716)	39,438	5.1%	23.7%
Profit (loss) of minority interests	(49)	-	(49)	0.0%	101	-	101	0.0%	-148.5%
Net profit (loss) attributable to the Group	50,947	(2,788)	48,159	5.6%	41,053	(1,716)	39,337	5.1%	24.1%



CONSOLIDATED INCOME STATEMENT – THIRD QUARTER 2017

(€ thousands)	Q3 2017				Q3 2016				
	Recurring	Non recurring	Total	% on recurring	Recurring	Non recurring	Total	% on recurring	% change on recurring
Revenues from sales and services	277,995	-	277,995	100.0%	259,729	-	259,729	100.0%	7.0%
Operating costs	(242,866)	(1,373)	(244,239)	-87.4%	(225,328)	-	(225,328)	-86.8%	7.8%
Other costs and revenues	2,270	-	2,270	0.8%	(764)	-	(764)	-0.3%	397.1%
Gross operating profit (EBITDA)	37,399	(1,373)	36,026	13.5%	33,637	-	33,637	13.0%	11.2%
Depreciation and write-downs of non-current assets	(10,797)	-	(10,797)	-3.9%	(9,064)	-	(9,064)	-3.5%	19.1%
Operating result before the amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	26,602	(1,373)	25,229	9.6%	24,573	-	24,573	9.5%	8.3%
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(4,284)	-	(4,284)	-1.5%	(3,733)	-	(3,733)	-1.4%	14.8%
Operating profit (EBIT)	22,318	(1,373)	20,945	8.0%	20,840	-	20,840	8.0%	7.1%
Income, expenses, valuation and adjustments of financial assets	50	-	50	0.0%	88	-	88	0.0%	-43.2%
Net financial expenses	(4,604)	-	(4,604)	-1.7%	(4,654)	-	(4,654)	-1.8%	-1.1%
Exchange differences and non hedge accounting instruments	(343)	-	(343)	-0.1%	9	-	9	0.0%	-3,911.1%
Profit (loss) before tax	17,421	(1,373)	16,048	6.3%	16,283	-	16,283	6.3%	7.0%
Tax	(6,331)	322	(6,009)	-2.3%	(6,577)	-	(6,577)	-2.5%	-3.7%
Net profit (loss)	11,090	(1,051)	10,039	4.0%	9,706	-	9,706	3.7%	14.3%
Profit (loss) of minority interests	(63)	-	(63)	0.0%	(3)	-	(3)	0.0%	2,000.0%
Net profit (loss) attributable to the Group	11,153	(1,051)	10,102	4.0%	9,709	-	9,709	3.7%	14.9%



SEGMENT INFORMATION – FIRST NINE MONTHS 2017

(€ thousands)	First Nine Months 2017					First Nine Months 2016				
	EMEA	Americas	Asia Pacific	Corporate (*)	Total	EMEA	Americas	Asia Pacific	Corporate (*)	Total
Net Revenues	595,097	171,593	133,997	1,087	901,774	526,507	157,007	119,767	659	803,940
EBITDA	86,322	33,535	38,308	(21,281)	136,884	74,613	28,541	36,487	(20,516)	119,125
% on sales	14.5%	19.5%	28.6%	-2.4%	15.2%	14.2%	18.2%	30.5%	-2.6%	14.8%
Recurring EBITDA	90,234	33,535	38,308	(21,281)	140,796	74,613	28,541	36,487	(18,014)	121,627
% on sales	15.2%	19.5%	28.6%	-2.4%	15.6%	14.2%	18.2%	30.5%	-2.2%	15.1%
EBIT	57,435	29,928	28,791	(24,783)	91,371	50,622	25,279	28,240	(23,601)	80,540
% on sales	9.7%	17.4%	21.5%	-2.7%	10.1%	9.6%	16.1%	23.6%	-2.9%	10.0%

(*) The impact of the centralized costs is calculated as a percentage of the Group's total sales.

SEGMENT INFORMATION – THIRD QUARTER 2017

(€ thousands)	Q3 2017					Q3 2016				
	EMEA	Americas	Asia Pacific	Corporate (*)	Total	EMEA	Americas	Asia Pacific	Corporate (*)	Total
Net Revenues	176,570	55,133	46,008	284	277,995	160,278	55,536	43,690	225	259,729
EBITDA	18,400	11,812	13,156	(7,342)	36,026	16,822	9,575	13,295	(6,055)	33,637
% on sales	10.4%	21.4%	28.6%	-2.6%	13.0%	10.5%	17.2%	30.4%	-2.3%	13.0%
Recurring EBITDA	19,773	11,812	13,156	(7,342)	37,399	16,822	9,575	13,295	(6,055)	33,637
% on sales	11.2%	21.4%	28.6%	-2.6%	13.5%	10.5%	17.2%	30.4%	-2.3%	13.0%
EBIT	8,479	10,670	10,258	(8,462)	20,945	8,971	8,479	10,573	(7,183)	20,840
% on sales	4.8%	19.4%	22.3%	-3.0%	7.5%	5.6%	15.3%	24.2%	-2.8%	8.0%

(*) The impact of the centralized costs is calculated as a percentage of the Group's total sales.



NON RECURRING ITEMS

(€ thousands)	First nine months 2017	First nine months 2016	Q3 2017	Q3 2016
Restructuring charges related to the acquisition of the retail businesses of AudioNova in France and Portugal	(3,912)	-	(1,373)	-
Advisory fees and expenses related to an acquisition process not completed	-	(2,502)	-	-
Impact of the non-recurring items on EBITDA	(3,912)	(2,502)	(1,373)	-
Impact of the non-recurring items on EBIT	(3,912)	(2,502)	(1,373)	-
Impact of the non-recurring items pre-tax	(3,912)	(2,502)	(1,373)	-
Impact of the above items on the tax burden of the period	1,124	786	322	-
Impact of the non-recurring items on total net result	(2,788)	(1,716)	(1,051)	-



CONSOLIDATED BALANCE SHEET

(€ thousands)	30/09/2017	31/12/2016	Change
Goodwill	674,494	635,132	39,362
Customer lists, non compete agreements, trademarks and location rights	136,003	110,401	25,602
Software charges, licenses, other int.ass., wip and advances	50,696	51,505	(809)
Tangible assets	133,278	119,794	13,484
Fixed financial assets	43,018	45,271	(2,253)
Other non-current financial assets	7,406	6,214	1,192
Total fixed assets	1,044,895	968,317	76,578
Inventories	40,484	31,370	9,114
Trade receivables	121,328	127,278	(5,950)
Other receivables	49,422	42,162	7,260
Current assets	211,234	200,810	10,424
Total assets	1,256,129	1,169,127	87,002
Trade payables	(117,219)	(131,181)	13,962
Other payables	(125,165)	(121,037)	(4,128)
Provisions for risks (current portion)	(2,540)	(2,346)	(194)
Short term liabilities	(244,924)	(254,564)	9,640
Working capital	(33,690)	(53,754)	20,064
Derivative instruments	(9,116)	(10,212)	1,096
Deferred tax assets	45,695	40,744	4,951
Deferred tax liabilities and tax payables	(67,219)	(62,405)	(4,814)
Provisions for risks (non current portion)	(63,461)	(59,341)	(4,120)
Employee benefits (non current portion)	(16,486)	(16,609)	123
Loan fees	917	1,468	(551)
Other long term payables	(30,063)	(26,127)	(3,936)
NET INVESTED CAPITAL	871,472	782,081	89,391
Shareholders' equity	550,610	557,371	(6,761)
Third parties' equity	193	289	(96)
Net equity	550,803	557,660	(6,857)
Long term net financial debt	105,188	379,566	(274,378)
Short term net financial debt	215,481	(155,145)	370,626
Total net financial debt	320,669	224,421	96,248
FINANCIAL DEBT AND NET EQUITY	871,472	782,081	89,391

NET FINANCIAL DEBT MATURITY PROFILE

(€ millions)	2017	2018	2019	2020 and beyond	Total
Eurobond		(275.0)			(275.0)
Private placement				(100.9)	(100.9)
Bank overdraft	(41.6)				(41.6)
Others	(5.4)	(10.0)	(1.3)	(0.5)	(17.2)
Cash and cash equivalents	114.0				114.0
Total	67.0	(285.0)	(1.3)	(101.4)	(320.7)



CONSOLIDATED CASH FLOW STATEMENT

(€ thousands)	First nine months 2017	First nine months 2016
EBIT	91,371	80,540
Amortization, depreciation and write down	45,513	38,585
Provisions, other non-monetary items and gain/losses from disposals	19,571	15,449
Net financial expenses	(13,566)	(13,036)
Taxes paid	(32,996)	(28,877)
Changes in net working capital	(33,101)	(30,594)
Cash flow provided by (used in) operating activities (A)	76,792	62,067
Cash flow provided by (used in) operating investing activities (B)	(42,807)	(34,590)
Free Cash Flow (A) + (B)	33,985	27,477
Cash flow provided by (used in) acquisitions (C)	(82,960)	(70,455)
Cash flow provided by (used in) investing activities (B+C)	(125,767)	(105,045)
Cash flow provided by (used in) operating activities and investing activities	(48,975)	(42,978)
Dividends paid	(15,292)	(9,427)
Fees paid on medium/long-term financing	(75)	-
Treasury shares	(27,793)	(12,006)
Capital increases, third parties contributions and dividends paid by subsidiaries to third parties	103	1,371
Hedging instruments and other changes in non current assets	(987)	(5)
Net cash flow from the period	(93,019)	(63,045)
Net financial indebtedness as of period opening date	(224,421)	(204,911)
Effect of exchange rate fluctuations on financial position	(3,229)	2,101
Change in net financial position	(93,019)	(63,045)
Net financial indebtedness as of period closing date	(320,669)	(265,855)