

AMPLIFON TO ACQUIRE BAY AUDIO IN AUSTRALIA

TRANSACTION HIGHLIGHTS:

- **FURTHER STRENGTHENS AMPLIFON'S POSITION IN THE CORE AUSTRALIAN MARKET, BUILDING ANOTHER COMPANY STRONGHOLD**
- **A PERFECT FIT WITH AMPLIFON'S PRESENCE IN THE COUNTRY THANKS TO A DISTINCTIVE AND COMPLEMENTARY RETAIL MODEL LEVERAGING ON OVER 100 STORES LOCATED IN HIGH-TRAFFIC PREMIERE SHOPPING MALLS**
- **A UNIQUE ASSET WITH HIGH-GROWTH (>20% REVENUE CAGR 2016-2021) AND PROFITABLE BUSINESS PROFILE**
- **SIGNIFICANT VALUE CREATION AND SYNERGY POTENTIAL**
- **THE DEAL WILL BE FINANCED VIA AVAILABLE CASH**
- **CLOSING OF THE TRANSACTION IS EXPECTED BY THE END OF 2021**

Milan, July 12th, 2021 – Amplifon S.p.A. (“Amplifon” or the “Company”; MTA; Bloomberg ticker: AMP:IM), global leader in hearing solutions and services, announces today that it has signed a definitive agreement for the acquisition of Bay Audio Pty Limited (“Bay Audio”) from Peter and Anya Hutson, former founders of Bay Audiology in New Zealand, and from other minority shareholders. The cash-out amounts to AUD 550 million (around Euro 340 million), on a cash and debt free basis.

Bay Audio, a leading private independent Australian hearing care retailer, operates a network of over 100 points of sale located in high-traffic premiere shopping malls across the East Coast. In the financial year closed on May 31st 2021, despite the impact of the Covid-19 pandemic, Bay Audio posted revenues of around AUD 100 million (around Euro 63 million) and a Recurring EBITDA of over AUD 30 million (around Euro 20 million)¹. Bay Audio recorded an impressive over 20% revenues CAGR over the period 2016-2021 and we expect the company to further accelerate in 2022. In fact, for the year ending on May 31st, 2022 revenues, also in light of Covid-19 pandemic impact in the previous year, are expected to grow in the region of 30%, together with a slight profitability improvement.

The acquisition of Bay Audio represents a key strategic transaction for Amplifon and perfectly fits the Company's growth strategy to further strengthen its position in the core Australian retail market.

Amplifon will finance the acquisition with available cash.

ENRICO VITA, CEO

“This major acquisition represents another key milestone in the history of our Company and perfectly fits our growth model and M&A strategy. Moreover, this deal will enable us to build another Company stronghold, further strengthening our position in the Australian retail market, the tenth largest in the world. The combination with Bay Audio's complementary and innovative business model, its premium positioning as well as its high-growth and profitable financial profile will allow us to create tremendous new opportunities to drive growth and deliver significant value to all stakeholders. Finally, we look forward to welcoming the management team and all the people of Bay Audio to our organization which, together with our people of Amplifon and Attune, will create a unique platform to offer the highest quality hearing care in Australia”.

¹ Not audited financial data. EBITDA amounts to around AUD 34 million. Recurring EBITDA excludes extraordinary incomes primarily related to the impact of Covid-19 pandemic
Note: all financial data in AUD is translated to EUR at EUR/AUD FX of 1.60



PETER HUTSON, FOUNDER OF BAY AUDIO

“I am delighted that Bay Audio finds a new home in the Amplifon Group and is reunited with the Bay Audiology business in New Zealand. Both Bay Audio and Amplifon are best-in-class retailers with an extraordinary focus on customer experience and people development. I am confident that, inside Amplifon, Bay Audio will expand the legacy we have built and continue to accelerate its growth trajectory”.

DETAILS ON BAY AUDIO'S BUSINESS

Bay Audio, founded in 2007, is controlled by major shareholders Peter and Anya Hutson, former founders of Bay Audiology in New Zealand (part of the Amplifon Group since 2010) and by interests associated with James Reeves, an experienced investor based in New Zealand.

Bay Audio operates over 100 full-time points of sale located across the East Coast leveraging on a distinctive business model driven by spontaneous traffic in premiere and urban shopping malls and, similarly to Amplifon, is highly focused in delivering the highest quality service to its customers. This combination of innovative retail model and excellence in customer service allows Bay Audio to be strongly positioned in the high-end of the market, also targeting a younger customer base compared to the average of the industry.

Bay Audio recorded an impressive over 20% revenue CAGR over the period 2016-2021, also despite the Covid-19 impact, driven by strong same-store growth and new-store roll-out, as well as a very solid profitability. In the financial year closed on May 31st, 2021, despite the impact of the Covid-19 pandemic, Bay Audio posted revenues of around AUD 100 million (around Euro 63 million) and a Recurring EBITDA of over AUD 30 million (around Euro 20 million)². For the year ending on May 31st, 2022 revenues, also in light of Covid-19 pandemic impact in the previous year, are expected to grow in the region of 30% together with a slight profitability improvement.

Bay Audio's workforce comprises around 500 people, of which around 85% are related to the field force.

STRATEGIC RATIONALE

Bay Audio acquisition represents a unique strategic opportunity for Amplifon as it:

- Further strengthens Amplifon's position in the core Australian market, building another Company stronghold;
- It perfectly complements Amplifon's current presence in the country, creating an ideal platform, together with Amplifon and Attune, to offer the highest quality of hearing care in Australia;
- Represents the ideal combination thanks to Bay Audio's innovative retail model, strong brand, recognized premium positioning and high-growth and profitable business profile;
- Around AUD 8 million (around Euro 5 million) of annual synergies at EBITDA level - leveraging greater scale and best practices sharing - are expected to be delivered by 2023.

FINANCING AND OTHER TRANSACTION DETAILS

The acquisition will be fully financed by available cash.

The transaction is currently expected to be completed by the end of 2021 and is subject to the receipt of required antitrust clearance and Australian foreign investment approval.

In connection with this acquisition, Amplifon was advised by Goldman Sachs International (M&A advisor), MinterEllison (legal advisor) and E&Y Advisory (financial & tax due diligence). Bay Audio was advised by UBS (M&A advisor), Watson Mangioni (legal) and Deloitte (financial & tax due diligence).

² Not audited financial data. EBITDA amounts to around AUD 34 million. Recurring EBITDA excludes extraordinary incomes primarily related to the impact of Covid-19 pandemic



CONFERENCE CALL

Amplifon will present the transaction to the financial community today at 11.00 am (CET) during a conference call and audiowebcast. The details of the call are: +39 028058811 (Italy), +33 170918703 (France), +44 1212818003 (UK), +1 7187058794 (US); or access the audiowebcast directly through the following link: <https://services.choruscall.com/mediaframe/webcast.html?webcastid=ppm28vRp>. Presentation slides will be made available prior to the beginning of the call, in the Investors section (Presentations) of the website: <https://corporate.amplifon.com>. 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 the following day of the event, by dialing the following number: +39 028020987 (Italy), and inserting the guest code 700905# and the access code: 905#.

Certain statements and information contained in this press release that are not statements or information of historical fact constitute forward-looking statements, notwithstanding that such statements are not specifically identified as such. These statements may include terminology such as “may”, “will”, “expect”, “could”, “should”, “intend”, “commit”, “estimate”, “anticipate”, “believe”, “remain”, “on track”, “design”, “target”, “objective”, “goal”, “forecast”, “projection”, “outlook”, “prospects”, “plan”, “intend”, or similar terminology. These statements are based on current expectations and projections by Amplifon about future events and, by their nature, address matters that 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 on the financial and capital markets, changes of the macroeconomic conditions and of the economic growth, as well as other changes in the business conditions, changes in regulations and institutional framework (in each case, in Italy or abroad), and many other factors, most of which are outside of the control of Amplifon. Amplifon expressly disclaims and does not assume any liability in connection with any inaccuracies in any of these forward-looking statements or in connection with any use by any party of such forward-looking statements. Any forward-looking statements contained in this press release speak only as of the date of this communication. Amplifon undertakes no obligation to update or revise its outlook or forward-looking statements, whether as a result of new developments or otherwise. Names, organizations and company names referred to may be the trademarks of their respective owners. This communication does not represent investment advice neither a solicitation, nor a recommendation nor an invitation, nor an offer for the purchase or sale of financial products and/or of any kind of financial services as contemplated by the laws in any country or state.

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.

About Amplifon

Amplifon, global leader in the hearing care retail market, empowers people to rediscover all the emotions of sound. Amplifon’s over 17,000 people worldwide strive every day to understand the unique needs of every customer, delivering exclusive, innovative and highly personalized products and services, to ensure everyone the very best solution and an outstanding experience. The Group operates through a network of over 11,000 points of sale in 26 Countries and 5 continents. More information about the Group is available at: <https://corporate.amplifon.com>.

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