Q4 & FY 2022 Results

Milan, March 1st, 2023

amplifon

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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.

Best-in-class FY22 results despite exceptional comps in an uncertain macroeconomic context

Revenues
2.12bn€
+8.8% vs 2021
+3.0% organic growth

EBITDA recurring
525m€
+8.8% vs 2021
Margin at 24.8%

Net Profit as reported
179m€
+13.1% vs 2021
29 euro cents dividend per share

Operating Cash Flow
353m€
Flat vs exceptionally high 2021

Leverage
1.52x
Strongly reducing vs YE 2021
NFP at 830m€, after over 300m€ investments

Solid start to 2023
Solid revenue growth in the first two months

Significant bolt-on M&A acceleration with 150 PoS acquired since October

Q4 2022 Financial highlights

Sound performance despite slower than expected market demand, still challenging comparison base and 1.5 trading days less

Data in €m	Q4 2022	Q4 2021	Δ 22/21
REVENUES	579.4	568.2	+2.0%
Organic growth			+0.4%
Acquisitions			+1.1%
FX			+0.5%
EBITDA Rec.	155.8	156.6	-0.5%
Margin %	**26.9%**	**27.6%**	**-70bps**

- Revenues up +2% at current FX and +1.5% at constant FX
  - Positive and above market organic growth
    - Softer than expected market development due to macroeconomic headwinds and some temporary adverse factors (climate in the US, regional lockdowns in China, contraction of the French market)
    - Still remarkable comparison base (+16.3% in Q4 2021 vs Q4 2019)
    - 1.5 trading days less vs Q4 2021 (equivalent to ~+2.5% growth)
  - Softer M&A contribution at +1.1%, however steadily accelerating from year-end
  - FX tailwind at +0.5%, significantly reducing vs previous quarters for both the lower appreciation of the USD and AUSD vs Euro and the hyperinflationary environment in Argentina
- EBITDA recurring at €155.8 million, pretty much in line with prior year all-time-high figure
  - Lower operating leverage due to lower organic growth
  - Continued significant re-investments in the business
  - Very challenging comparison base (+180bps in Q4 2021 vs Q4 2019)

FY 2022 Financial highlights

Solid and above-market revenue growth, surpassing the €2bn milestone, market share gains and best-in-class profitability

Data in €m	FY 2022	FY 2021	Δ 22/21
REVENUES	2,119.1	1,948.1	+8.8%
Organic growth			+3.0%
Acquisitions			+3.8%
FX			+2.0%
EBITDA Rec.	525.3	482.8	+8.8%
Margin %	**24.8%**	**24.8%**	**+0bps**

- Revenues up ~+9% at current FX and ~+7% at constant FX
  - Organic growth at +3%, above market with share gains in core markets
    - Extremely challenging comparison base (+17.2% in 2021 vs 2019)
    - Market softening and increasingly volatile from Q2 due to global macroeconomic headwinds, Covid pandemic in Asia Pacific markets and temporary climate extremes in the US (year-end) and EMEA (Q2)
    - Anticipated contraction of the French market, second largest worldwide, due to the hearing healthcare reform anniversary
  - M&A contribution at 3.8%, primarily for Bay Audio
  - FX tailwind at 2.0% primarily driven by USD appreciation vs Euro
- EBITDA recurring at €525.3 million, up ~+9% vs 2021 and margin still at all-time-high despite high-inflationary environment, even after significant re-investments in strategic initiatives
- All-time high Net Profit recurring at €183.3 million, up ~+5% vs 2021
- Dividend proposal increased by 11.5% to 29 euro cents, with pay-out ratio at 36.5% vs 26 euro cents of last year

Financial results by Region

EMEA: revenues affected by softer than expected market demand at year-end though profitability still at record level despite 2021 extremely challenging comparison base

Data in €m	Q4 2022	Q4 2021	Δ 22/21
REVENUES	397.9	405.5	-1.9%
Organic growth			-2.5%
Acquisitions			+0.5%
FX			+0.1%
EBITDA Rec.	123.6	133.8	-7.6%
Margin %	**31.1%**	**33.0%**	**-190bps**

- Revenues down ~2% at both current and constant FX vs Q4 2021
  - Negative organic performance, though flat on same working days basis
    - Softer than expected market demand in most of Region's markets
    - Anticipated contraction of the French market, though improving vs previous quarters
    - 1.5 trading days less
  - M&A contribution at +0.5%
- Negative organic performance in the Iberian Peninsula and Germany
- EBITDA at €123.6 million, with margin at over 31%
  - Lower operating leverage due to organic performance
  - Continued significant re-investments in the business
  - Challenging comparison base with record-high margin in Q4 2021 (+190bps in Q4 2021 vs Q4 2019)

Data in €m	FY 2022	FY 2021	Δ 22/21
REVENUES	1,417.2	1,389.6	+2.1%
Organic growth			+1.0%
Acquisitions			+0.7%
FX			+0.4%
EBITDA Rec.	415.5	408.2	+1.8%
Margin %	**29.3%**	**29.4%**	**-10bps**

- Revenues up +2.1% at current FX and +1.7% at constant FX
  - Organic growth at +1%
  - M&A contribution at +0.7%
- EBITDA at €415.5 million, with margin at 29.3%, flattish vs. previous year record level

Financial results by Region

AMERICAS: excellent year-end with another outstanding and above market performance, confirming the success of the US strategy

Data in €m	Q4 2022	Q4 2021	Δ 22/21
REVENUES	99.3	82.5	+20.4%
Organic growth			+14.1%
Acquisitions			+3.7%
FX			+2.6%
EBITDA Rec.	26.9	22.4	+20.3%
Margin %	**27.1%**	**27.1%**	**+0bps**

- Excellent revenue growth at +20.4% at current FX and +17.8% at constant FX
  - Outstanding organic growth at ~+14% despite remarkable comparison base (+30.4% in Q4 2021 vs Q4 2019)
    - Strong growth in the US driven by Miracle-Ear Franchise and Direct Retail (~300 DOS at YE) as well as AHHC in a negative private market (~-4%)
    - Exceptional performance in Latam
  - M&A contribution at +3.7% related to the US and Canada
  - FX tailwind at +2.6%, significantly reducing vs previous quarters, affected by inflation accounting for the Argentine business
- EBITDA at €26.9 million, margin at 27.1%, after strong re-investments in the business

Data in €m	FY 2022	FY 2021	Δ 22/21
REVENUES	381.3	306.7	+24.3%
Organic growth			+13.0%
Acquisitions			+2.9%
FX			+8.4%
EBITDA Rec.	100.4	80.4	+24.9%
Margin %	**26.3%**	**26.2%**	**+10bps**

- Revenues up +24.3% at current FX and +15.9% at constant FX
  - Excellent and above market organic growth at +13%
  - M&A contribution at +2.9%
  - FX tailwind at 8.4%
- EBITDA at €100.4 million, with margin at 26.3%, up 10bps vs 2021 also after strong re-investments in the business

Financial results by Region

APAC: solid top-line performance, though still impacted by pandemic-related softness across markets

Data in €m	Q4 2022	Q4 2021	Δ 22/21
REVENUES	82.2	80.3	+2.4%
Organic growth			+1.5%
Acquisitions			+0.6%
FX			+0.3%
EBITDA Rec.	21.2	22.2	-4.1%
Margin %	**25.9%**	**27.6%**	**-170bps**

- Solid revenue growth at +2.4% at current FX and +2.1% at constant FX
  - Positive organic growth despite regional lockdowns in China
  - M&A contribution at +0.6% related to China
  - FX tailwind reducing at +0.3%
- Solid organic performance in Australia, more than offsetting softer performance in the other Region's markets still affected by Covid pandemic (China and New Zealand)
- EBITDA at €21.2 million, with margin at 25.9%
  - Lower operating leverage due to organic performance and labour cost inflation
  - Continued re-investments in the business primarily in Australia

Data in €m	FY 2022	FY 2021	Δ 22/21
REVENUES	320.1	251.7	+27.3%
Organic growth			+2.2%
Acquisitions			+21.7%
FX			+3.4%
EBITDA Rec.	83.9	71.5	+17.3%
Margin %	**26.2%**	**28.4%**	**-220bps**

- Revenues up +27.3% at current FX and +23.9% at constant FX
  - Organic growth at +2.2%
  - Strong M&A contribution at +21.7%, primarily related to Bay Audio
- EBITDA at €83.9 million, with margin at 26.2%
  - Lower operating leverage due to re-investments in the business and labour cost inflation, primarily in Australia

Q4 2022 Financial results

Delivering solid results in a softer than expected market

Data in €m (unless specified)	Q4 2022 Recurring	Q4 2022 Reported	Q4 2021 Recurring	Q4 2021 Reported	Δ Rec 22/21
REVENUES	**579.4**	**579.4**	**568.2**	**568.2**	**+2.0%**
EBITDA	**155.8**	**154.9**	**156.6**	**147.6**	**-0.5%**
Margin %	*26.9%*	*26.7%*	*27.6%*	*26.0%*	--
ORDINARY D&A	(49.9)	(49.9)	(49.1)	(49.1)	-1.5%
PPA AMORTIZATION	(11.9)	(11.9)	(12.1)	(12.1)	+1.9%
EBIT	**94.0**	**93.1**	**95.3**	**86.3**	**-1.4%**
Margin %	*16.2%*	*16.1%*	*16.8%*	*15.2%*	--
NET FINANCIAL EXPENSES	(9.4)	(9.4)	(1.8)	(1.8)	-417.1%
PBT	**84.6**	**83.7**	**93.5**	**84.5**	**-9.5%**
TAXES	(20.9)	(20.7)	(23.4)	(20.8)	+10.6%
% on PBT	*24.7%*	*24.7%*	*25.0%*	*24.6%*	--
NET PROFIT FROM CONTINUED OPERATIONS	**63.7**	**63.1**	**70.1**	**63.7**	**-9.1%**
Margin %	*11.0%*	*10.9%*	*12.3%*	*11.2%*	--
NET PROFIT FROM DISC. OPERATIONS	--	--	--	(6.6)	--
NET PROFIT	**63.7**	**63.0**	**70.1**	**57.0**	**-9.1%**
Margin %	*11.0%*	*10.9%*	*12.3%*	*10.0%*	--
EPS Reported (€)	--	**0.281**	--	**0.254**	--
EPS Adjusted (€)	**0.327**	--	**0.355**	--	**-7.9%**

FY 2022 Financial results

Strong full-year results. All-time-high Net profit as reported

Data in €m	FY 2022		FY 2021		Δ Rec
(unless specified)	Recurring	Reported	Recurring	Reported	22/21
REVENUES	**2,119.1**	**2,119.1**	**1,948.1**	**1,948.1**	**+8.8%**
EBITDA	**525.3**	**518.7**	**482.8**	**468.3**	**+8.8%**
Margin %	*24.8%*	*24.5%*	*24.8%*	*24.0%*	--
ORDINARY D&A	(192.9)	(192.9)	(176.6)	(178.3)	-9.3%
PPA AMORTIZATION	(47.1)	(47.1)	(44.0)	(44.0)	-6.9%
EBIT	**285.3**	**278.7**	**262.1**	**246.0**	**+8.8%**
Margin %	*13.5%*	*13.2%*	*13.5%*	*12.6%*	--
NET FINANCIAL EXPENSES	(34.9)	(34.9)	(22.6)	(22.6)	-54.3%
PBT	**250.3**	**243.7**	**239.5**	**223.4**	**+4.5%**
TAXES	(66.8)	(65.0)	(64.2)	(59.8)	-4.0%
% on PBT	*26.7%*	*26.7%*	*26.8%*	*26.8%*	--
NET PROFIT FROM CONTINUED OPERATIONS	**183.5**	**178.8**	**175.3**	**163.6**	**+4.7%**
Margin %	*8.7%*	*8.4%*	*9.0%*	*8.4%*	--
NET PROFIT FROM DISC. OPERATIONS	--	--	--	(5.8)	--
NET PROFIT	**183.3**	**178.5**	**175.2**	**157.8**	**+4.6%**
Margin %	*8.7%*	*8.4%*	*9.0%*	*8.1%*	--
EPS Reported (€)	--	**0.796**	--	**0.702**	--
EPS Adjusted (€)	**0.977**	--	**0.926**	--	**+5.6%**

FY 2022 Financial results

Strong cash generation vs exceptionally high FY 2021

Data in €m	FY 2022	FY 2021	Δ
Operating cash flow before repayment of lease liabilities	**460.3**	**461.2**	**(0.9)**
Repayment of lease liabilities	(107.3)	(95.2)	(12.1)
Operating cash flow	**353.0**	**365.9**	**(12.9)**
Capex (net)	(106.3)	(111.0)	4.7
Free cash flow	**246.7**	**254.9**	**(8.2)**
Acquisitions (net)	(84.6)	(414.6)	330.0
Cash provided by (used in) operating and investing activities	**162.1**	**(159.7)**	**321.8**
Cash provided by (used) financing activities	(118.1)	(80.8)	(37.4)
Net cash flow for the period	**44.0**	**(240.4)**	**284.4**

Net financial position (opening date)	**(871.2)**	**(633.7)**	**(237.5)**
Change in net financial position	44.0	(240.4)	284.4
Effect of FX & discontinued operation on financial position	(2.8)	2.9	(5.7)
Net financial position (closing date)	**(830.0)**	**(871.2)**	**41.2**

FY 2022 Financial results

Very sound balance sheet with leverage significantly reducing at 1.52x

Data in €m	31/12/2022	31/12/2021
Liquidity	(229.6)	(318.4)
Short-term debt	251.7	165.8
Medium/long-term debt	807.9	1,023.8
Net financial debt	**830.0**	**871.2**
Lease liabilities	468.6	451.9
Total financial debt & lease liabilities	**1,298.6**	**1,323.1**
Total net equity	**1,040.4**	**927.3**
Net debt/EBITDA[1]	1.52x	1.68x
Net debt/Equity	0.80x	0.94x

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

- On January 31st, 2023, Amplifon successfully completed the prepayment of its outstanding USPP Notes, Company's most expensive source of debt bearing a 4% interest rate
  - \$110m (€85.4m) repayment amount financed via available liquidity
  - Very limited costs for "make-whole" and derivatives' unwinding
- The prepayment of the USPP Notes and the consequent termination of the related financial covenants allows the Company to lower its overall cost of funding and further enhance its financial flexibility

Our commitment to a more sustainable future

Main ESG achievements in 2022

Environment

- First full GHG inventory along the value chain (Scope 3)
- >50% renewable energy consumption
- ~194 million batteries saved thanks to rechargeable hearing devices

Social

- New Diversity, Equity, Inclusion, Belonging Policy & Governance
- Women representation: 72% of employees and 44% in managerial roles
- Recognitions: Top Employer & Women Winning Institute

Governance

- New Stakeholder Engagement Plan
- Board of Directors with 55% of women and 44% of members with ESG & Climate-change expertise
- ESG ratings: S&P 2023 Sustainability Yearbook Member & Industry Mover and CDP first participation

top EMPLOYER EUROPE 2023
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

top EMPLOYER UNITED STATES OF AMERICA 2023
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

top EMPLOYER NEW ZEALAND 2023
CERTIFIED EXCELLENCE IN EMPLOYEE CONDITIONS

WINNING WOMEN INSTITUTE

FT FINANCIAL TIMES

Amplifon
Health Care Providers & Services
Industry Mover
S&P Global ESG Score 2022
64 /100
As of February 7, 2023.
Position and Score are industry specific and reflect exclusion screening criteria. Learn more at spglobal.com/esg/yearbook
S&P Global
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2023 Outlook

Off to a solid start, looking positively to 2023

- After slower-than-expected Q4 market demand, revenues showed solid growth in the first two months of 2023
- Next months' market growth is key to consolidating the trend and increasing visibility for the rest of the year
- We confirm our goal to outperform the market and gain share also in 2023

- M&A activity accelerated from last year-end and continued to be strong at the beginning of 2023, also exploiting opportunity from decreasing multiples expectations from sellers
  - Bolt-on M&A contribution expected at around 2%

- Price increase implemented globally from January 1st to offset labour cost inflation
  - Price increase full effect from March
- No other significant cost inflation items
- We confirm our goal to increase overall profitability in 2023 thanks to operating leverage while strongly investing for the future

- In the medium term, we continue to remain extremely positive on our prospects of sustainable growth in sales and profitability, thanks to the intact fundamentals of the hearing care market and our further strengthened competitive positioning

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