Q3 & 9M 2023 Results

Milan, October 30th 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.

Q3 2023: All-time-high organic growth underpinned by strong investments in a softer-than-expected market in Europe

Revenues
531m€
+11.4% at K FX vs Q3 2022
+9% organic growth

EBITDA recurring
110m€
Margin at 20.7%, after strong investments in field capacity & marketing

Net Profit recurring
23.5m€
Margin at 4.4%

Operating Cash Flow
169m€
vs. 218m€ exceptional level of 9M 2022

Leverage
1.63x
NFP at 918m€ vs 830m€ at YE 22 after ~250m€ of capex, M&A cash-out and dividends

M&A bolt-ons YTD
~220 PoS & ~**83m€** cash-out

Key milestone in China
300+ PoS

Q3 2023 Financial highlights

Excellent and well-above-market organic growth. Profitability affected by EMEA lower operating leverage after strong investments in a softer-than-expected European market

Data in €m	Q3 2023	Q3 2022	Δ%
REVENUES	531.3	502.5	+5.7%
Organic growth			+9.0%
Acquisitions			+2.4%
FX			-5.7%
EBITDA Rec.	109.8	109.4	+0.3%
Margin %	**20.7%**	**21.8%**	**-110 bps**

- Excellent revenue growth of +11.4% at constant FX vs Q3 2022
  - All-time-high and well-above-market organic growth at +9%
    - Global market demand primarily driven by a strong US market, while European market still in negative territory and below expectations
    - Negative impact of one trading day less
    - Significant share gains across all major markets and positive pricing development
  - Remarkable M&A contribution at +2.4% for bolt-ons in France, Germany, US, Canada and China
  - Significant FX headwind at -5.7% primarily due to US dollar, Australian dollar and Argentine peso depreciation vs Euro
- EBITDA recurring at ~€110 million, with margin at 20.7%
  - Very challenging comparison base with record profitability reported in Q3 2022 driven by cost containment measures (21.8%; +50bps vs Q3 2021)
  - Lower operating leverage in EMEA
  - Significant investments in the business (field capacity and marketing) to unlock constraints and boost growth
  - Less favorable geographic mix (slower EMEA)
  - Adverse FX impact

9M 2023 Financial highlights

Delivering strong first nine-months results

Data in €m	9M 2023	9M 2022	Δ%
REVENUES	1,645.1	1,539.7	+6.8%
Organic growth			+7.6%
Acquisitions			+2.1%
FX			-2.9%
EBITDA Rec.	385.8	369.5	+4.4%
Margin %	**23.5%**	**24.0%**	**-50 bps**

- Excellent revenue growth of ~+10% at constant FX vs 9M 2022
  - Very strong and above market organic growth at +7.6% in a softer than expected market in Europe
  - Remarkable M&A contribution at +2.1% for bolt-ons in France, Germany, Canada, US and China
  - FX headwind at ~-3% increasing throughout the period
- EBITDA recurring at €385.8 million, with margin at 23.5%
  - Lower operating leverage in EMEA
  - Significant investments in the business
  - Less favorable geographic mix (slower EMEA)

Financial results by Region

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

Data in €m	Q3 2023	Q3 2022	Δ%
REVENUES	331.8	314.6	+5.4%
Organic growth			+5.0%
Acquisitions			+0.8%
FX			-0.4%
EBITDA Rec.	82.9	82.0	+1.1%
Margin %	**25.0%**	**26.1%**	**-110 bps**

Data in €m	9M 2023	9M 2022	Δ%
REVENUES	1,067.2	1,019.3	+4.7%
Organic growth			+4.0%
Acquisitions			+0.9%
FX			-0.2%
EBITDA Rec.	300.3	291.9	+2.9%
Margin %	**28.1%**	**28.6%**	**-50 bps**

- Strong revenue growth of +5.8% at constant FX vs Q3 2022
  - Strong and well-above-market organic growth at +5%
    - Still negative and softer than expected market demand
    - Negative impact of one trading day less
    - Positive pricing development
  - M&A contribution at ~+1%, related to France and Germany
- Negative performance in France due to market contraction
- Solid organic growth in other core markets
- EBITDA at ~€83 million, with margin at 25%
  - Very challenging comparison base in Q3 2022 driven by cost management measures (26.1%, +60bps vs Q3 2021)
  - Lower than expected operating leverage due to softer market demand
  - Significant investments in the business

- Revenues up +4.9% at constant FX vs 9M 2022
  - Solid organic growth at +4% in a softer than expected market
  - M&A contribution at ~+1%, related to France and Germany
- EBITDA at €300 million, with margin at 28.1%
  - Lower operating leverage due to softer market demand
  - Significant investments in the business

Financial results by Region

AMERICAS: excellent momentum continues with another outstanding and well-above-market performance. Significant FX headwind

Data in €m	Q3 2023	Q3 2022	Δ%
REVENUES	109.3	101.3	+8.0%
Organic growth			+17.3%
Acquisitions			+7.3%
FX			-16.6%
EBITDA	26.8	24.9	+7.8%
Margin %	**24.6%**	**24.6%**	**+0 bps**

Data in €m	9M 2023	9M 2022	Δ%
REVENUES	322.0	282.0	+14.2%
Organic growth			+15.8%
Acquisitions			+6.9%
FX			-8.5%
EBITDA Rec.	83.9	73.5	+14.3%
Margin %	**26.1%**	**26.0%**	**+10 bps**

- Excellent revenue growth of ~+25% at constant FX vs Q3 2022
  - Outstanding organic growth at +17.3% vs. a remarkable comparison base (+27% in Q3 2022 vs Q3 2021)
  - M&A contribution at +7.3% related to the US and Canada
  - Strong FX headwind at ~-17% driven by the US dollar depreciation vs Euro and the hyperinflationary environment in Argentina
- Continued excellent performance in the US, boosted by Miracle-Ear Direct Retail and AHHC
- EBITDA at €26.8 million, with margin at 24.6%
  - Fast growth of Miracle-Ear Direct Retail vs Franchise in the US
  - Negative FX impact

- Excellent revenue growth of +22.7% at constant FX vs 9M 2022
  - Outstanding organic growth at ~+16%, despite remarkable comparison base (+26% in 9M 2022 vs 9M 2021)
  - M&A contribution at +6.9%
  - FX headwind at -8.5% increasing throughout the period
- EBITDA at €83.9 million, with margin at 26.1%, up 10bps even after the fast-growing Direct Retail business

Financial results by Region

APAC: outstanding top-line performance across all markets. Strong FX headwind

Data in €m	Q3 2023	Q3 2022	Δ%
REVENUES	90.1	86.5	+4.2%
Organic growth			+13.9%
Acquisitions			+2.5%
FX			-12.2%
EBITDA	23.8	22.8	+4.6%
Margin %	**26.5%**	**26.4%**	**+10 bps**

- Excellent revenue growth of +16.4% at constant FX vs Q3 2022
  - Outstanding and well-above-market organic growth at ~+14%
  - M&A contribution at +2.5% related to China
    - 300+ PoS in China to date
  - Strong FX headwind of -12.2%
- Double-digit organic growth across all markets
- EBITDA at €23.8 million, with margin at 26.5%
  - Fast growth of China

Data in €m	9M 2023	9M 2022	Δ%
REVENUES	255.5	238.0	+7.4%
Organic growth			+13.8%
Acquisitions			+1.6%
FX			-8.0%
EBITDA Rec.	66.5	62.7	+6.1%
Margin %	**26.0%**	**26.3%**	**-30 bps**

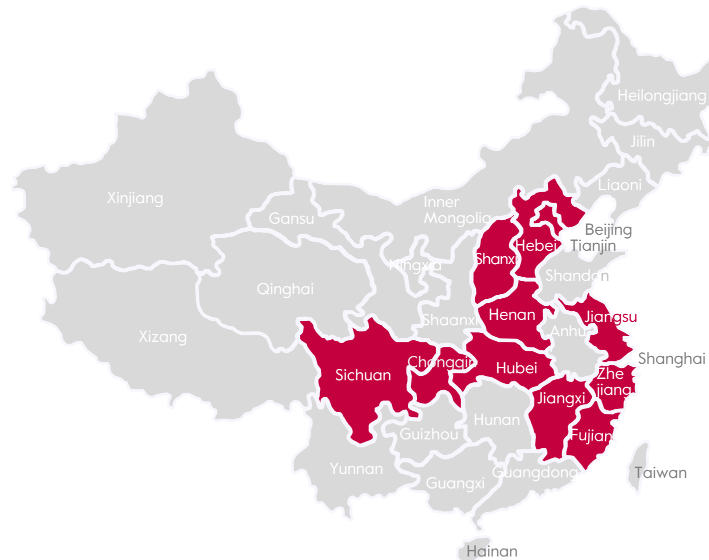
- Excellent revenue growth of +15.4% at constant FX vs 9M 2022
  - Outstanding organic growth at ~+14%
  - M&A contribution at +1.6% related to China
  - FX headwind of -8% increasing throughout the period
- EBITDA at €66.5 million, with margin at 26%
  - One-time cost for leadership change in the Region in Q2

A key milestone in our journey in China: 300+ PoS

Building a very solid platform ready for the future wave of growth

Amplifon China today

- **300** PoS, of which 120+ acquired YTD
- **~700** Employees
- **~600** HC Professionals
- **HQs** in **Shanghai**
- **13** Provinces & Special Municipalities covered



Huge untapped market potential

- **~€0.8bn** Retail market value, ~5% of global market
- **~10%** Market penetration, steadily increasing
- **>5%** 65+ Population CAGR to 2030

Q3 2023 Financial results

Delivering solid results in a softer-than-expected market in Europe, Group's core geography

Data in €m (unless specified)	Q3 2023 Recurring	Q3 2023 Reported	Q3 2022 Recurring	Q3 2022 Reported	Δ Rec 23/22
REVENUES	531.3	531.3	502.5	502.5	+5.7%
EBITDA	109.8	107.8	109.4	108.8	+0.3%
Margin %	*20.7%*	*20.3%*	*21.8%*	*21.6%*	--
ORDINARY D&A	(52.2)	(52.2)	(48.4)	(48.4)	-7.9%
PPA AMORTIZATION	(12.1)	(12.1)	(12.0)	(12.0)	-1.4%
EBIT	45.4	43.5	49.1	48.4	-7.5%
Margin %	*8.5%*	*8.2%*	*9.8%*	*9.6%*	--
NET FIN. EXPENSES	(13.2)	(13.2)	(8.3)	(8.3)	-59.3%
PBT	32.2	30.3	40.8	40.1	-21.0%
TAXES	(8.7)	(8.2)	(11.1)	(10.9)	+21.3%
% on PBT	*27.0%*	*27.0%*	*27.1%*	*27.1%*	--
NET PROFIT	23.5	22.1	29.7	29.2	-20.9%
Margin %	*4.4%*	*4.2%*	*5.9%*	*5.8%*	--
EPS Reported (€)	--	0.099	--	0.130	--
EPS Adjusted (€)	0.147	--	0.172	--	-14.5%

9M 2023 Financial results

Strong first nine months results

Data in €m (unless specified)	9M 2023		9M 2022		Δ Rec
	Recurring	**Reported**	**Recurring**	**Reported**	**23/22**
REVENUES	**1,645.1**	**1,645.1**	**1,539.7**	**1,539.7**	**+6.8%**
EBITDA	**385.8**	**372.6**	**369.5**	**363.8**	**+4.4%**
Margin %	*23.5%*	*22.6%*	*24.0%*	*23.6%*	--
ORDINARY D&A	(156.3)	(156.3)	(143.1)	(143.1)	-9.2%
PPA AMORTIZATION	(36,6)	(36.6)	(35.2)	(35.2)	-4.1%
EBIT	**192.9**	**179.7**	**191.3**	**185.6**	**+0.9%**
Margin %	*11.7%*	*10.9%*	*12.4%*	*12.1%*	--
NET FIN. EXPENSES	(36.9)	(36.9)	(25.6)	(25.6)	-44.3%
PBT	**156.0**	**142.8**	**165.7**	**160.0**	**-5.8%**
TAXES	(43.2)	(39.3)	(45.9)	(44.3)	+5.9%
% on PBT	*27.7%*	*27.6%*	*27.7%*	*27.7%*	--
NET PROFIT	**112.8**	**103.4**	**119.6**	**115.5**	**-5.7%**
Margin %	*6.9%*	*6.3%*	*7.8%*	*7.5%*	--
EPS Reported (€)	--	0.462	--	0.515	--
EPS Adjusted (€)	0.632	--	0.650	--	**-2.9%**

9M 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	9M 2023	9M 2022	Δ
Operating cash flow before repayment of lease liabilities	**253.7**	**298.5**	**(44.8)**
Repayment of lease liabilities	(85.1)	(80.1)	(5.0)
Operating cash flow	**168.6**	**218.3**	**(49.7)**
Capex (net)	(99.8)	(75.4)	(24.4)
Free cash flow	**68.8**	**143.0**	**(74.2)**
Acquisitions (net)	(83.2)	(52.2)	(31.0)
Cash provided by (used in) operating and investing activities	**(14.5)**	**90.7**	**(105.2)**
Cash provided by (used) financing activities	(69.4)	(100.8)	31.4
Net cash flow for the period	**(83.8)**	**(10.1)**	**(73.7)**

Net financial position (opening date)	**(830.0)**	**(871.2)**	**41.2**
Change in net financial position	(83.8)	(10.1)	(73.7)
Effect of FX & discontinued operation on financial position	(3.8)	(0.8)	(3.0)
Net financial position (closing date)	**(917.6)**	**(882.1)**	**(35.5)**

9M 2023 Financial results

Leverage at 1.63x after strong investments (>€180m Capex & M&A cash-out) and shareholders' returns (€65m dividend distribution)

Data in €m	30/09/2023	31/12/2022
Liquidity	(197.7)	(229.6)
Short-term debt	449.4	251.7
Medium/long-term debt	666.0	807.9
Net financial debt	**917.6**	**830.0**
Lease liabilities	487.6	468.6
Total financial debt & lease liabilities	**1,405.3**	**1,298.6**
Total net equity	**1,070.7**	**1,040.4**
Net debt/EBITDA[1]	1.63x	1.52x
Net debt/Equity	0.86x	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

2023 Outlook

Playing offense in a softer-than-expected demand in the core European market

- In a global macroeconomic and geopolitical environment characterized by increasing uncertainty and volatility, we continue to grow very fast gaining market share
- Looking into Q4, we expect
  - The US market to continue to grow healthily while the European market to stay subdued
  - To continue to grow organically significantly faster than the market
  - Bolt-on M&A contribution on revenues of at least 2%
  - Strong start to Q4 with revenues showing double-digit growth at constant FX in October
- In light of the above, assuming no further material global economic activity slowdown due to, among others, the well-known inflation-related and ever-increasing geopolitical issues, for FY2023 we expect
  - Revenues to develop in line with our plan and the previously issued outlook at around €2,290 million[1] (circa +11% at constant FX vs FY2022), net of the negative currency impact vs previous outlook FX assumptions which we currently estimate at around €30 million[1] (thus corresponding to €2,320 million at previous outlook FX)
    - Continued share gains and pricing supporting our revenue growth
  - EBITDA recurring at around €550 million[1], net of the negative currency impact vs previous outlook FX assumptions which we currently estimate at around €10 million[1] (thus corresponding to €560 million at previous outlook FX)
    - Accelerated investments in audiologist capacity and marketing to unlock constraints and boost future growth
- In the medium term, we continue to remain extremely positive on our prospects of sustainable growth in sales and profitability, thanks to the secular fundamentals of the hearing care market and our further strengthened competitive positioning

1. Main FX assumptions for FY 2023: EUR/USD at 1.08; EUR/AUD at 1.62; EUR/ARS at 371 (as at September 30, 2023); EUR/EGP at 33.1

Investor Relations & Sustainability Contacts

FRANCESCA RAMBAUDI
Investor Relations & Sustainability Sr Director
Tel: +39 02 5747 2261
francesca.rambaudi@amplifon.com

AMANDA HART GIRALDI
Investor Relations Manager
Tel: +39 02 5747 2317
amanda.giraldi@amplifon.com

FRANCESCO ROMEO
Sustainability Manager
Tel: +39 344 2723 416
Francesco.romeo@amplifon.com

OLGA LEPECHKINA
Assistant
Tel: +39 02 5747 2542
olga.lepechkina@amplifon.com

amplifon