

# Q1 2024 Results

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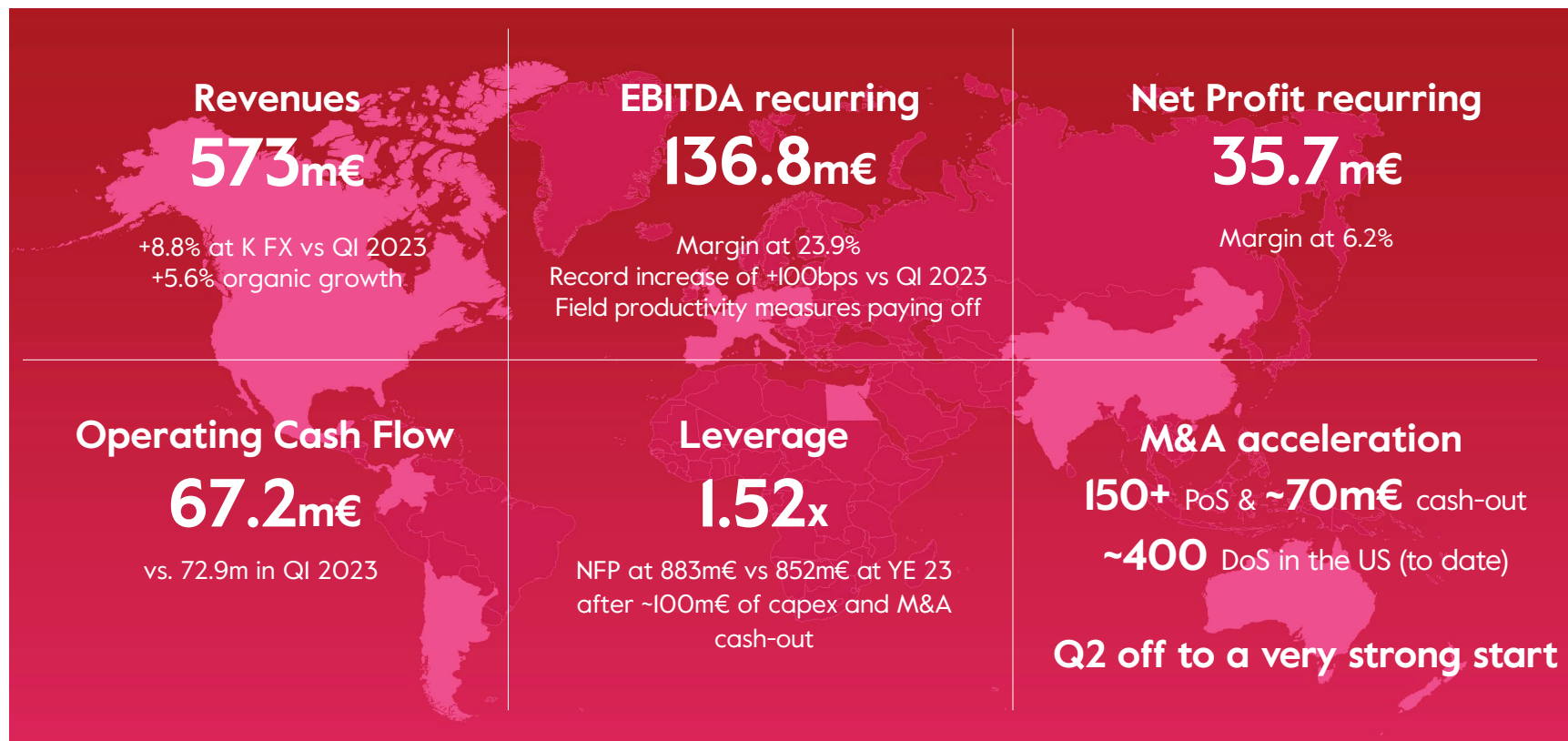
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## Statement

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.

# Q1 2024: an excellent start in both sales growth and profitability despite the challenging comps and the early Easter



# Q1 2024 Financial highlights

Excellent quarter driven by very strong top-line performance and outstanding profitability expansion

Data in €m	Q1 2024	Q1 2023	Δ%
REVENUES	573.1	540.3	+6.1%
Organic growth			+5.6%
Acquisitions			+3.2%
FX			-2.7%
EBITDA Rec.	136.8	123.5	+10.7%
<b>Margin %</b>	<b>23.9%</b>	<b>22.9%</b>	<b>+100 bps</b>

- High-single digit revenue growth at constant FX vs Q1 2023
  - Strong and above-market organic growth
    - Global market demand driven by a strong US market, Europe back to growth and progressively normalizing
    - Negative impact of early Easter in March and one trading day less in the quarter (equivalent to -1.5% growth)
    - Very challenging comparison base (+9% in Q1 2023 vs Q1 2022)
    - Significant share gains across all major markets
  - Remarkable M&A contribution of bolt-ons in France, Germany, US, Uruguay and China
  - FX headwind primarily due to Euro appreciation vs USD, AUD, NZD and Argentine peso
- EBITDA recurring at ~€137 million, with margin at Q1 all-time-high level of 23.9%, up 100bps vs Q1 2023
  - Field productivity measures taken in 2H 2023 paying-off

# Financial results by Region

EMEA: Solid revenue performance in a progressively normalizing market environment despite the early Easter. Outstanding profitability improvement driven by field productivity measures

Data in €m	Q1 2024	Q1 2023	Δ%
REVENUES	376.1	359.7	+4.5%
Organic growth			+2.9%
Acquisitions			+1.4%
FX			+0.2%
EBITDA Rec.	109.3	100.0	+9.3%
<b>Margin %</b>	<b>29.1%</b>	<b>27.8%</b>	<b>+130 bps</b>

- Solid revenue growth at constant FX vs Q1 2023
  - Solid and above-market organic growth
    - Market was back to slight growth and progressively normalizing
    - Negative impact of early Easter in March and one trading day less in the quarter (equivalent to -1.5% growth)
    - Share gains across main markets
  - M&A contribution mainly related to France and Germany
- Solid growth in all core markets
- EBITDA at over €109 million, with margin at all-time-high level of 29.1%, up 130bps vs Q1 2023
  - Field productivity measures taken in 2H 2023 paying-off

# Financial results by Region

AMERICAS: Excellent performance driven by very strong organic growth and significant M&A contribution. Material FX headwind

Data in €m	Q1 2024	Q1 2023	Δ%
REVENUES	110.8	100.9	+9.9%
Organic growth			+13.0%
Acquisitions			+8.3%
FX			-11.4%
EBITDA	26.2	24.8	+5.7%
<b>Margin %</b>	<b>23.7%</b>	<b>24.6%</b>	<b>-90 bps</b>

- Excellent revenue growth at constant FX vs Q1 2023
  - Very strong organic growth vs. a remarkable comparison base (+20% in Q1 2023 vs Q1 2022)
  - Significant M&A contribution related to the US and Uruguay
    - Acquisition of two sizeable franchisees YTD totaling ~85 DoS, leading the Miracle-Ear Direct Retail network to ~400 PoS
  - Material FX headwind due to Euro appreciation vs USD and Argentine peso
  - Application of Inflation Accounting impacting for less than 2 p.p. negatively on FX and positively on organic growth
- Continued excellent performance in the US (Miracle-Ear Direct Retail and AHHC)
- EBITDA at €26.2 million, with margin at 23.7%, after significant re-investments in the business
  - Fast growth of Miracle-Ear Direct Retail vs Franchise in the US

# Financial results by Region

APAC: Outstanding top-line performance and excellent profitability improvement.  
Significant FX headwind

Data in €m	Q1 2024	Q1 2023	Δ%
REVENUES	86.2	79.6	+8.3%
Organic growth			+8.8%
Acquisitions			+4.7%
FX			-5.2%
EBITDA	24.2	21.7	+11.2%
Margin %	28.1%	27.3%	+80 bps

- Excellent revenue growth at constant FX vs Q1 2023
  - Outstanding and well-above-market organic growth vs. a remarkable comparison base (+11% in Q1 2023 of which +13% organic vs Q1 2022)
  - Strong M&A contribution related to China
    - 410+ PoS in China to date
  - Significant FX headwind
- Excellent organic growth across all main markets
- EBITDA at €24.2 million, with margin at 28.1%, up 80bps even after fast growth of China

# Q1 2024 Financial results

Excellent results across the board

Data in €m	Q1 2024		Q1 2023		Δ Rec
(unless specified)	Recurring	Reported	Recurring	Reported	24/23
<b>REVENUES</b>	<b>573.1</b>	<b>573.1</b>	<b>540.3</b>	<b>540.3</b>	<b>+6.1%</b>
<b>EBITDA</b>	<b>136.8</b>	<b>135.7</b>	<b>123.5</b>	<b>115.6</b>	<b>+10.7%</b>
<i>Margin %</i>	<i>23.9%</i>	<i>23.7%</i>	<i>22.9%</i>	<i>21.4%</i>	<i>--</i>
ORDINARY D&A	(58.6)	(58.6)	(50.1)	(50.1)	-16.9%
PPA AMORTIZATION	(12.5)	(12.5)	(11.9)	(11.9)	-4.2%
<b>EBIT</b>	<b>65.7</b>	<b>64.6</b>	<b>61.5</b>	<b>53.6</b>	<b>+6.9%</b>
<i>Margin %</i>	<i>11.5%</i>	<i>11.3%</i>	<i>11.4%</i>	<i>9.9%</i>	<i>--</i>
NET FIN. EXPENSES	(14.5)	(14.5)	(11.9)	(11.9)	-21.0%
<b>PBT</b>	<b>51.3</b>	<b>50.2</b>	<b>49.5</b>	<b>41.6</b>	<b>+3.6%</b>
TAXES	(15.1)	(14.9)	(14.7)	(12.4)	-3.2%
<i>% on PBT</i>	<i>29.5%</i>	<i>29.6%</i>	<i>29.6%</i>	<i>29.7%</i>	<i>--</i>
<b>NET PROFIT</b>	<b>35.7</b>	<b>34.9</b>	<b>34.9</b>	<b>29.3</b>	<b>+2.2%</b>
<i>Margin %</i>	<i>6.2%</i>	<i>6.1%</i>	<i>6.5%</i>	<i>5.4%</i>	<i>--</i>
EPS Reported (€)	--	<b>0.154</b>	--	<b>0.130</b>	--
EPS Adjusted (€)	<b>0.202</b>	--	<b>0.196</b>	--	<b>+3.0%</b>



# Q1 2024 Financial results

Operating Cash Flow broadly in line with Q1 2023. Strong acceleration in M&A to boost growth

Data in €m	Q1 2024	Q1 2023	Δ
<b>Operating cash flow before repayment of lease liabilities</b>	<b>97.3</b>	<b>100.9</b>	<b>(3.6)</b>
Repayment of lease liabilities	(30.1)	(28.0)	(2.1)
<b>Operating cash flow</b>	<b>67.2</b>	<b>72.9</b>	<b>(5.7)</b>
Capex (net)	(29.9)	(26.6)	(3.3)
<b>Free cash flow</b>	<b>37.2</b>	<b>46.3</b>	<b>(9.1)</b>
Acquisitions (net)	(71.3)	(38.8)	(32.5)
<b>Cash provided by (used in) operating and investing activities</b>	<b>(34.1)</b>	<b>7.5</b>	<b>(41.6)</b>
Cash provided by (used) financing activities	5.9	(1.8)	7.7
<b>Net cash flow for the period</b>	<b>(28.2)</b>	<b>5.7</b>	<b>(33.9)</b>
<b>Net financial position (opening date)</b>	<b>(852.1)</b>	<b>(830.0)</b>	<b>(22.1)</b>
Change in net financial position	(28.2)	5.7	(33.9)
Effect of FX & discontinued operation on financial position	(3.0)	(2.1)	(0.9)
<b>Net financial position (closing date)</b>	<b>(883.3)</b>	<b>(826.4)</b>	<b>(56.9)</b>

# Q1 2024 Financial results

Leverage stable at 1.5x after strong investments (~€100m Capex & M&A cash-out)

Data in €m	31/03/2024	31/12/2023
Liquidity	(214.6)	(194.0)
Short-term debt	376.4	326.7
Medium/long-term debt	721.5	719.4
<b>Net financial debt</b>	<b>883.3</b>	<b>852.1</b>
Lease liabilities	507.0	497.4
<b>Total financial debt &amp; lease liabilities</b>	<b>1,390.3</b>	<b>1,349.6</b>
<b>Total net equity</b>	<b>1,138.4</b>	<b>1,101.7</b>
Net debt/EBITDA <sup>1</sup>	1.52x	1.50x
Net debt/Equity	0.78x	0.77x

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

# 2024 Outlook

Q1 excellent start further strengthens our confidence in a year of strong, profitable growth.

All work done in 2023 paying-off

- In Q1 2024
  - The European market was back to growth and progressively normalizing, while the US market remained strong
  - Once again, we delivered strong and above-market growth
  - Field productivity measures taken in 2023 already paying very good dividends
- Very strong start also in Q2 with April up High-Teens at constant FX, also due to the 2024 early Easter effect
- 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 confirm our previously communicated outlook:
  - Revenues to grow High-Single-Digit at constant FX<sup>1</sup>
    - 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
- 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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