



# **Amplifon**

# **Q3 2015 Financial Results**

**Milan, October 22<sup>nd</sup>, 2015**

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## Q3 2015: another quarter of strong growth across geographies

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- **Group sales up by 12,8% on very challenging PY comparison**
  - Very well balanced growth: Organic +6,3%, Acquisitions +2,9%
  - Positive forex effect +3,7%
- **Market share gains in almost all the Markets**
- **Solid Group operating leverage: +30bps on recurring and +120pbs reported**
- **Accelerating investments to boost future growth**
  - Investments in marketing: +15% vs. PY
  - Investments in expansion: +175 stores added YTD to the network of which +76 in Q3
- **Entering Q4 with solid trading environment and on track to deliver full year objectives**



## 9M 2015: strong and profitable growth and market share gains

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- **Double digit revenue growth across all geographic areas:**
  - **9M 2015** revenue of €733,7m up 17,7% y-o-y (OG +8,9%, Acq. +3,2%, FX 5,6%)
  - **Q3 2015** strong growth confirmed on very challenging PY comparison – sales up 12,8% (OG +6,3%, Acq. +2,9%, FX 3,7%)
  - Leadership consolidation and **market share gains** in all the main Countries supported by higher investments for growth
- **Strong 9M 2015 EBITDA growth (+30,1% y-o-y) and margin improvement (+1,4 p.p.) on recurring basis**
  - Reported EBITDA negatively impacted by several one-off items for a total net balance of €-4,8m
  - Positive FX impact of €5,7m – recurring EBITDA up 23,2% net of FX
- **Strong 9M 2015 EBIT improvement on recurring basis, up 43,6% y-o-y (Ebit % on sales +1,7 p.p.)**
  - Positive FX impact of €4,6m – recurring EBIT up 34,2% net of FX
  - Higher D&A driven by the acceleration in network expansion and IT CAPEX
- **Remarkable improvement in 9M 2015 Group Net Profit, €+13,9m on recurring basis (+89,6% y-o-y) excluding:**
  - €-2,0m (after taxes) one-off costs (CEO termination agreement, network optimization costs in NL, EHN one-off income)
  - €-2,6m *make whole* costs (after taxes) related to the pre-payment of €55,2m USPP 2006-2016
  - €+1,3m financial income on step up acquisitions (Dilworth Hearing Ltd) according to IFRS 3R
  - €+10,6m tax income in H1 2014 in Australia



# Ongoing network expansion sustained by solid balance sheet & cash generation

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- **Ongoing footprint expansion:**
  - over **100** corporate shops and SIS acquired in 9M 2015 for a total consideration of **€34,7m** of which:
    - 57 corporate shops acquired in Germany
    - 27 corporate shops/SIS in France
    - Over 20 shops acquired in NZ (Dilworth), Iberia, Belux, Israel, Canada, US (customer lists)
  - over **75** shops/SIS opened across all our geographies
- **Solid capital structure and cash generation**
- **FCF of €38,4m improved significantly with respect to PY, considering the following one-offs:**
  - net positive flow of €3,3m in 9M 2015 (USPP *make whole* and CEO transition costs offset by the EHN income related to the termination agreement with one of its members)
  - tax reimbursement of €8,0 in 9M 2014
- **NFP improved significantly with respect to €289,5m at 30/09/2014 (after €42,3m invested in acquisition in the last 12 months)**
  - increased slightly to €252,5m from €248,4m at 31/12/2014 due to acquisitions (€34,7m), usual working capital seasonality and dividends (€9,4m)
- **Healthy financial ratios further improved confirm strong deleveraging profile:**
  - **Net Debt/EBITDA** at 1,52x (1,77x at FY 2014)
  - **Net Debt/Group Equity** at 0,56x (0,56x at FY 2014)



# 9M-2015 Financial Results:

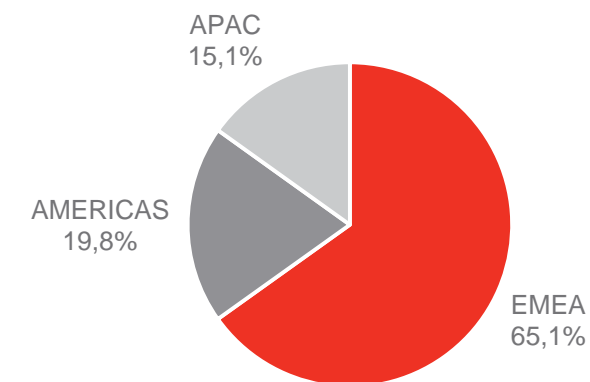
## strong growth in sales, profitability and cash generation

| € millions       | 9M 2015   |       |               |       |       | 9M 2014   |       |               |       |       | Δ % on Recurring |
|------------------|-----------|-------|---------------|-------|-------|-----------|-------|---------------|-------|-------|------------------|
|                  | Recurring | %     | Non-Recurring | Total | %     | Recurring | %     | Non-Recurring | Total | %     |                  |
| REVENUE          | 733,7     | 100%  | -             | 733,7 | 100%  | 623,3     | 100%  | -             | 623,3 | 100%  | 17,7%            |
| EBITDA           | 108,3     | 14,8% | (4,8)         | 103,5 | 14,1% | 83,2      | 13,4% | -             | 83,2  | 13,4% | 30,1%            |
| EBIT             | 70,3      | 9,6%  | (4,8)         | 65,5  | 8,9%  | 49,0      | 7,9%  | -             | 49,0  | 7,9%  | 43,6%            |
| PBT              | 53,7      | 7,3%  | (6,4)         | 47,3  | 6,4%  | 32,0      | 5,1%  | -             | 32,0  | 5,1%  | 67,9%            |
| Group Net Income | 29,3      | 4,0%  | (4,0)         | 25,3  | 3,5%  | 15,5      | 2,5%  | 10,6          | 26,1  | 4,2%  | 89,6%            |

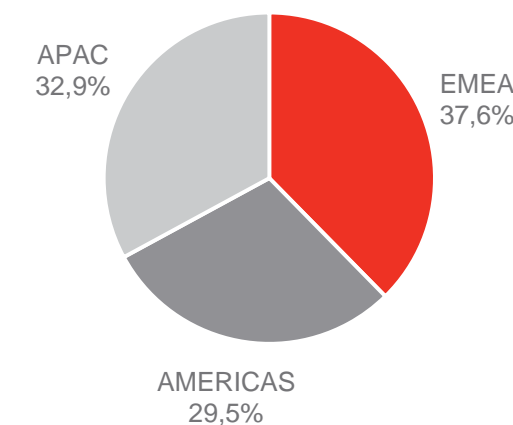
| € millions       | Q3 2015   |       |               |       |       | Q3 2014   |       |               |       |       | Δ % on Recurring |
|------------------|-----------|-------|---------------|-------|-------|-----------|-------|---------------|-------|-------|------------------|
|                  | Recurring | %     | Non-Recurring | Total | %     | Recurring | %     | Non-Recurring | Total | %     |                  |
| REVENUE          | 233,5     | 100%  | -             | 233,5 | 100%  | 206,9     | 100%  | -             | 206,9 | 100%  | 12,8%            |
| EBITDA           | 29,7      | 12,7% | 2,0           | 31,7  | 13,6% | 25,7      | 12,4% | -             | 25,7  | 12,4% | 15,4%            |
| EBIT             | 17,2      | 7,4%  | 2,0           | 19,2  | 8,2%  | 13,6      | 6,6%  | -             | 13,6  | 6,6%  | 26,7%            |
| PBT              | 11,5      | 4,9%  | 3,4           | 14,9  | 6,4%  | 8,6       | 4,1%  | -             | 8,6   | 4,1%  | 34,5%            |
| Group Net Income | 4,8       | 2,0%  | 2,0           | 6,8   | 2,9%  | 3,5       | 1,7%  | -             | 3,5   | 1,7%  | 35,3%            |

| € millions            | 30/09/2015 | 30/09/2014 |
|-----------------------|------------|------------|
| NFP                   | -252,5     | -289,5     |
| FCF reported          | 38,4       | 30,4       |
| FCF adj*              | 35,2       | 22,4       |
| Net Debt/Group Equity | 0,56       | 0,68       |
| Net Debt/EBITDA       | 1,52       | 2,15       |

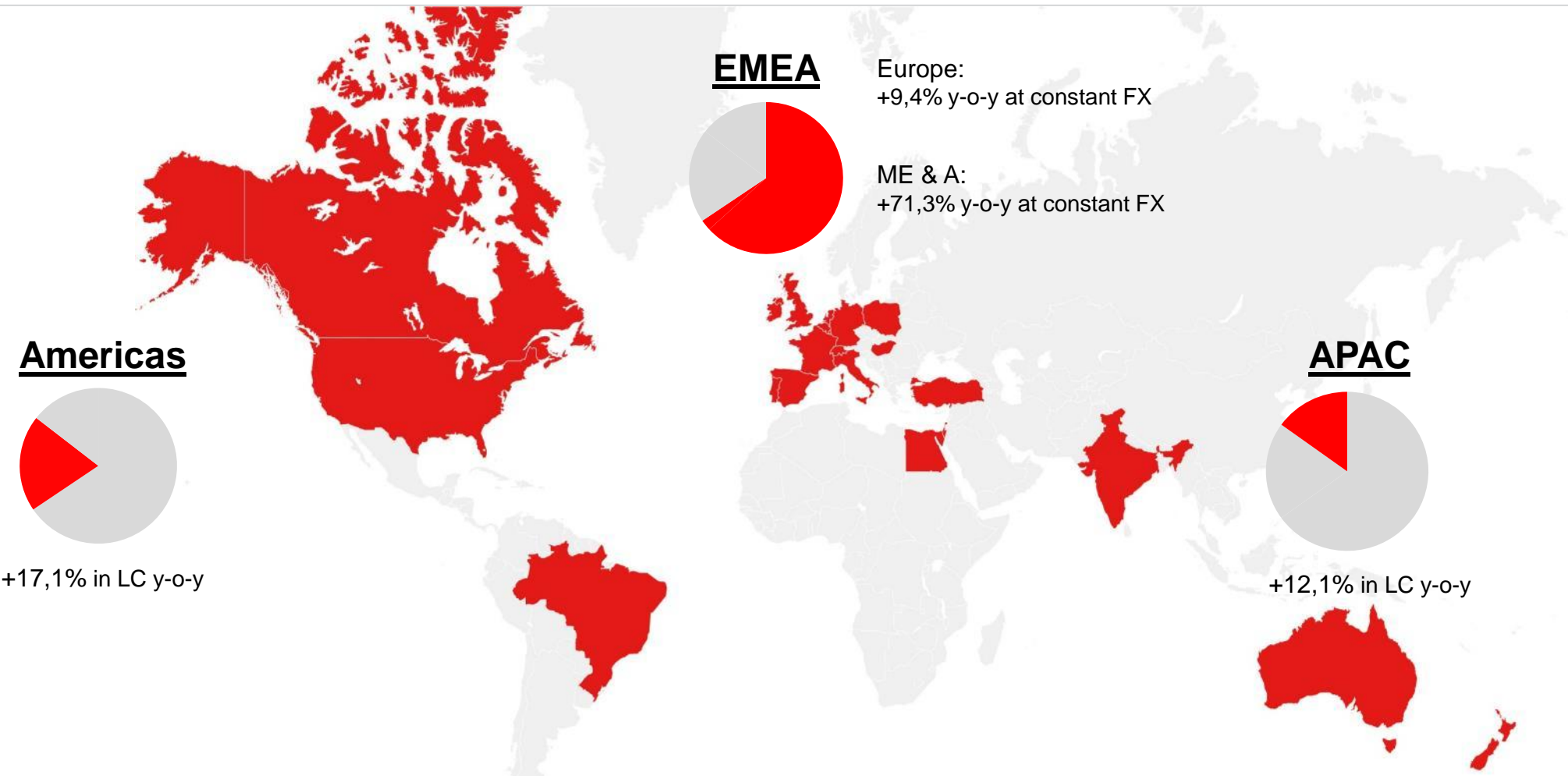
SALES by Region



Recurring EBITDA by Region



# Global leader outperforming the steady growth of the hearing solutions market



Hearing aid users growing steadily but represent only ca. 20% of hearing impaired



# EMEA:

## solid sales on strong comps and more investments to sustain future growth

| € millions              | 9M 2015     |             | 9M 2014     |             | Δ %          | € millions              | Q3 2015    |             | Q3 2014    |             | Δ %         |
|-------------------------|-------------|-------------|-------------|-------------|--------------|-------------------------|------------|-------------|------------|-------------|-------------|
| REVENUE                 | 477,9       | 100,0%      | 424,6       | 100,0%      | 12,6%        | REVENUE                 | 147,1      | 100,0%      | 135,2      | 100,0%      | 8,8%        |
| EBITDA                  | 39,0        | 8,2%        | 37,9        | 8,9%        | 2,7%         | EBITDA                  | 8,3        | 5,6%        | 8,6        | 6,3%        | -3,6%       |
| EBIT                    | 12,7        | 2,7%        | 14,6        | 3,5%        | -13,1%       | EBIT                    | -0,6       | -0,4%       | 0,2        | 0,2%        | -345,9%     |
| <b>EBITDA recurring</b> | <b>46,3</b> | <b>9,7%</b> | <b>37,9</b> | <b>8,9%</b> | <b>22,0%</b> | <b>EBITDA recurring</b> | <b>8,8</b> | <b>6,0%</b> | <b>8,6</b> | <b>6,3%</b> | <b>2,5%</b> |

- **Solid organic growth in Q3 (+4,1% on very strong comparison base of +16,9% in Q3-2014 ) further boosted by acquisitions (+2,8%) and FX (+1,9%)**
  - Market share gains in all the main markets
  - Accelerating marketing and expansion investments to boost lead generation and support future growth
- **9M 2015 sales up 12,6% y-o-y (OG +7,0%, Acq. +3,7%, FX +1,9%)**
  - Strong organic growth in **Italy** (+10,6%), **Switzerland** (+13,5% in CHF further boosted by the strong FX), **Iberia** (+15,2%) and in all the **MEA** markets
  - **France** (+14,4%) and **Germany** (+11,8%) continued to outperform the market also thanks to acquisitions
  - In **The Netherlands** (+1,9%) positive volume growth has mitigated the ongoing ASP pressure
- **9M 2015 recurring EBITDA** up 22% y-o-y (+0,8 p.p. as margin on sales) driven by robust organic growth
  - Q3 recurring Ebitda margin influenced by higher marketing investments (+15% vs PY) to boost future growth and acquisition costs in Germany. One-off costs due to network optimization in The Netherlands impacted reported Ebitda
- **Acceleration of footprint expansion** in France (23 shops and 7 SIS mainly acquired), Germany (57 shops acquired) and Iberia (15 shops and 12 SIS mainly opened)





# AMERICAS:

## strong sales momentum and MS gains in a structurally growing market

| € millions              | 9M 2015     |              | 9M 2014     |              | Δ %          |
|-------------------------|-------------|--------------|-------------|--------------|--------------|
| REVENUE                 | 145,0       | 100,0%       | 101,4       | 100,0%       | 43,0%        |
| EBITDA                  | 30,5        | 21,0%        | 18,3        | 18,0%        | 67,0%        |
| EBIT                    | 27,1        | 18,6%        | 15,5        | 15,3%        | 74,0%        |
| <b>EBITDA recurring</b> | <b>27,9</b> | <b>19,3%</b> | <b>18,3</b> | <b>18,0%</b> | <b>53,1%</b> |

| \$ millions             | 9M 2015     |              | 9M 2014     |              | Δ %          |
|-------------------------|-------------|--------------|-------------|--------------|--------------|
| REVENUE                 | 161,6       | 100,0%       | 137,4       | 100,0%       | 17,6%        |
| EBITDA                  | 34,0        | 21,0%        | 24,7        | 18,0%        | 37,3%        |
| EBIT                    | 30,1        | 18,6%        | 21,1        | 15,3%        | 43,1%        |
| <b>EBITDA recurring</b> | <b>31,1</b> | <b>19,3%</b> | <b>24,7</b> | <b>18,0%</b> | <b>25,9%</b> |

| € millions              | Q3 2015    |              | Q3 2014    |              | Δ %          |
|-------------------------|------------|--------------|------------|--------------|--------------|
| REVENUE                 | 49,1       | 100,0%       | 35,1       | 100,0%       | 40,0%        |
| EBITDA                  | 12,0       | 24,5%        | 6,4        | 18,2%        | 88,7%        |
| EBIT                    | 11,0       | 22,4%        | 5,4        | 15,5%        | 101,7%       |
| <b>EBITDA recurring</b> | <b>9,5</b> | <b>19,4%</b> | <b>6,4</b> | <b>18,2%</b> | <b>49,0%</b> |

| € millions              | Q3 2015     |              | Q3 2014    |              | Δ %          |
|-------------------------|-------------|--------------|------------|--------------|--------------|
| REVENUE                 | 54,5        | 100,0%       | 46,5       | 100,0%       | 17,4%        |
| EBITDA                  | 13,4        | 24,5%        | 8,5        | 18,2%        | 58,3%        |
| EBIT                    | 12,2        | 22,4%        | 7,2        | 15,5%        | 69,2%        |
| <b>EBITDA recurring</b> | <b>10,6</b> | <b>19,4%</b> | <b>8,5</b> | <b>18,2%</b> | <b>24,9%</b> |

- Ongoing strong momentum across all business lines, supported by steady market growth and positive FX tailwinds
  - outstanding **Miracle-Ear** performance due to improvement in all business KPIs. Investments in marketing planned for Q4 to support the ongoing profitable growth of the business
  - **EHN** continued to outperform the independent market, underpinned by successful commercial initiatives to grow share of wallet and by the incremental contribution of new subscriptions
  - **AHHC** sales boosted by an important Insurance-funded contract signed in Q4-2014 - focus remains on exploring new potential partnerships while continuing to grow the current core business
  - in **Canada** management focus remains on improving operational performance of the existing network while continuing to expand the perimeter (4 new stores added YTD)
- **Significant EBITDA improvement**, further benefitting from a US\$ 2,8m one-off income in Q3 related to the termination agreement with one of the EHN members
  - 9M recurring Ebitda in US\$ up 25,9% y-o-y (+1,3 p.p. margin)



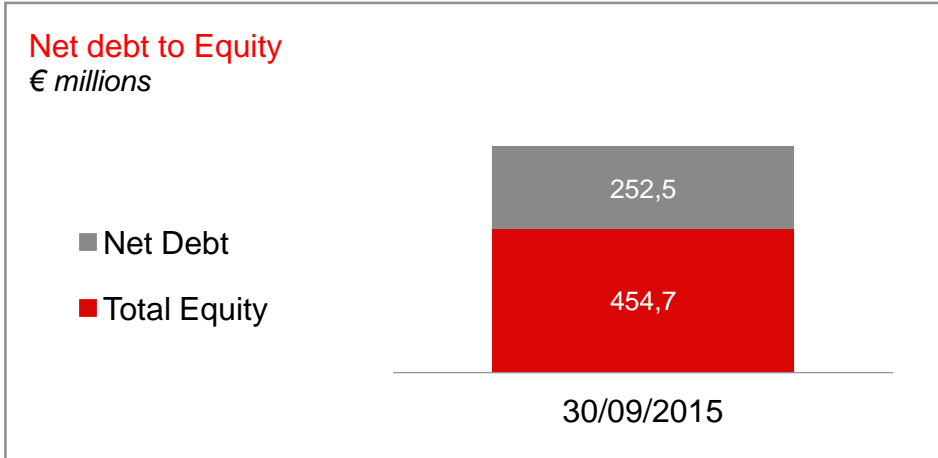
## APAC: strong business growth sustained by further operational improvement

| € millions | 9M 2015 |        | 9M 2014 |        | Δ %   | € millions | Q3 2015 |        | Q3 2014 |        | Δ %   |
|------------|---------|--------|---------|--------|-------|------------|---------|--------|---------|--------|-------|
| REVENUE    | 110,8   | 100,0% | 97,4    | 100,0% | 13,8% | REVENUE    | 37,3    | 100,0% | 36,6    | 100,0% | 1,8%  |
| EBITDA     | 34,1    | 30,7%  | 27,0    | 27,8%  | 26,0% | EBITDA     | 11,4    | 30,6%  | 10,8    | 29,5%  | 5,8%  |
| EBIT       | 25,7    | 23,2%  | 18,8    | 19,3%  | 37,1% | EBIT       | 8,9     | 23,8%  | 7,9     | 21,6%  | 11,8% |

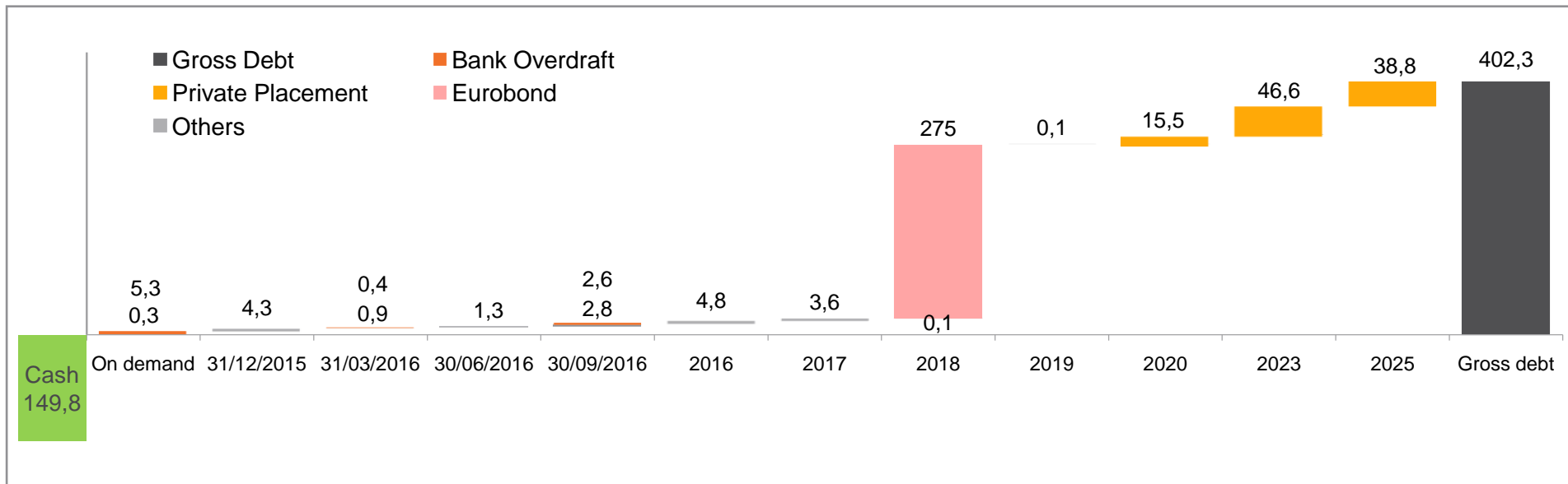
| AUS\$ millions | 9M 2015 |        | 9M 2014 |        | Δ %   | AUS\$ millions | Q3 2015 |        | Q3 2014 |        | Δ %   |
|----------------|---------|--------|---------|--------|-------|----------------|---------|--------|---------|--------|-------|
| REVENUE        | 162,1   | 100,0% | 143,7   | 100,0% | 12,8% | REVENUE        | 57,2    | 100,0% | 52,6    | 100,0% | 8,7%  |
| EBITDA         | 50,0    | 30,8%  | 40,2    | 28,0%  | 24,1% | EBITDA         | 17,5    | 30,6%  | 15,7    | 29,8%  | 11,7% |
| EBIT           | 37,8    | 23,3%  | 28,0    | 19,5%  | 34,7% | EBIT           | 13,6    | 23,7%  | 11,6    | 22,0%  | 17,3% |

- **Steady organic growth on strong Q3-2014 comparison (+10,9%)** – performance partially jeopardized by FX headwinds (-6,9% in Q3 from +6,9% in H1-2015);
- **9M 2015 sales up +13,8% predominantly driven by same store growth (OG +9,6%, Acq. +2,6%, FX +1,7%);**
  - Ongoing positive organic growth in **Australia** (+6,0% in 9M-2015) driven by volumes and ASP and supported by healthy underlying market trend;
  - Remarkable growth in **New Zealand** (NZD sales up 24,3% in 9M 2015 ) driven by operational improvement, favorable ACC scheme and positive contribution from Dilworth consolidation (+8,9%) effective from April;
- **9M 2015 EBITDA** margin up 2,9 p.p. y-o-y driven by strong top line growth combined with extremely high shop productivity in Australia and New Zealand

# Solid capital structure to sustain future growth



- In May 2015 prepayment of the €55,2m USPP tranche
- €150m war chest ready to support strong M&A activity
- Healthy financial ratios



- Net Debt/EBITDA: 1,52x
- Net Debt/Group Equity: 0,56x



# Strong operational cash flow sustains higher investments in acquisitions

| € thousands   | 9M 2015              | 9M 2014             |
|---|----------------------|---------------------|
| EBIT  | 65.501               | 48.962              |
| D&A   | 38.003               | 34.274              |
| Other non cash adjustments and gains/losses on sale                 | 16.872               | 11.649              |
| Net financials  | <sup>1</sup> -19.101 | -15.659             |
| Taxes paid  | -25.351              | <sup>2</sup> -8.325 |
| Changes in working capital  | <sup>3</sup> -17.220 | -17.080             |
| <b>Operating Cash Flow (A)</b>                                      | <b>58.704</b>        | <b>53.821</b>       |
| Net capital expenditures (B) comprising:                            | <sup>4</sup> -20.283 | -23.428             |
| - Softwares and other intangible fixed assets                       | -7.120               | -6.719              |
| - Property, plant and equipment                                     | -21.671              | -21.882             |
| - Disposals   | 8.508                | 5.173               |
| <b>Free cash flow (A+B)</b>   | <b>38.421</b>        | <b>30.393</b>       |
| Acquisitions (C)  | <sup>5</sup> -34.716 | -28.337             |
| Other acquisitions/disposals (D)                                    | 4.809                | -81                 |
| <b>Cash flow provided by (used in) investing activities (B+C+D)</b> | <b>-50.190</b>       | <b>-51.846</b>      |
| <b>Total cash used / provided</b>                                   | <b>8.514</b>         | <b>1.975</b>        |
| Share buy back  | -4.454               | 0                   |
| Dividends   | -9.356               | -9.350              |
| Long term loan commissions and fees                                 | 0                    | 0                   |
| Share capital increase and third party contributions                | 4.133                | 1.152               |
| Other non financial long term assets and derivatives                | -988                 | -6.525              |
| <b>Total net cash flow</b>  | <b>-2.242</b>        | <b>-12.748</b>      |
| <b>Net debt at the beginning of the period</b>                      | <b>-248.417</b>      | <b>-275.367</b>     |
| Discontinued and forex  | -1.841               | -1.428              |
| <b>Total net cash flow</b>  | <b>-2.242</b>        | <b>-12.748</b>      |
| <b>Net debt at the end of the period</b>                            | <b>-252.500</b>      | <b>-289.543</b>     |

- FCF follows normal seasonality
- Strong improvement vs PY (€+12,7m) net of one-offs (€+3,3m in 2015 and €8,0m in 2014)

1. Higher interests payment due to the €4,3m make whole for the pre-payment of a €55,2m USPP tranche
2. Tax reimbursement of €8,0m in Australia
3. Higher Working Capital absorption owing to higher sales/receivables
4. Net Capex on tangible and intangible assets due to new openings, ongoing store refurbishment and IT investments
5. Various acquisitions in Germany, France, New Zealand & Canada; customer list acquired in US



# Annexes



# Revenue Breakdown by Country:

## Q3 confirming strong growth on very challenging PY comparisons

| € millions         | 9M 2015      |               | 9M 2014      |               | Δ %          | Δ FX        | OG%           | Q3 2015      |              | Q3 2014      |            | Δ %          | Δ FX | OG% |
|--------------------|--------------|---------------|--------------|---------------|--------------|-------------|---------------|--------------|--------------|--------------|------------|--------------|------|-----|
| Italy              | 168,1        | 22,9%         | 152,5        | 24,5%         | 10,2%        |             | 9,3%          | 47,7         | 45,1         | 5,9%         |            | 5,9%         |      |     |
| France             | 84,2         | 11,5%         | 73,6         | 11,8%         | 14,6%        |             | 8,2%          | 25,4         | 23,2         | 9,5%         |            | 2,7%         |      |     |
| The Netherlands*   | 48,8         | 6,6%          | 47,8         | 7,7%          | 1,9%         |             | 1,9%          | 16,6         | 17,0         | -2,6%        |            | -2,6%        |      |     |
| Germany            | 45,6         | 6,2%          | 40,8         | 6,5%          | 11,8%        |             | 0,1%          | 15,8         | 13,6         | 15,7%        |            | 0,1%         |      |     |
| UK & Ireland       | 31,5         | 4,3%          | 28,7         | 4,6%          | 9,5%         | 3,2         | -1,7%         | 10,3         | 10,3         | -0,1%        | 0,6        | -9,4%        |      |     |
| Iberica            | 29,2         | 4,0%          | 25,4         | 4,1%          | 15,2%        |             | 15,2%         | 9,2          | 7,4          | 23,1%        |            | 23,1%        |      |     |
| Switzerland        | 28,8         | 3,9%          | 22,1         | 3,5%          | 30,4%        | 3,7         | 13,5%         | 9,0          | 7,6          | 18,9%        | 0,2        | 5,5%         |      |     |
| BeLux              | 18,0         | 2,5%          | 17,5         | 2,8%          | 2,7%         |             | 2,7%          | 5,9          | 5,4          | 8,9%         |            | 8,9%         |      |     |
| Hungary            | 5,8          | 0,8%          | 6,5          | 1,0%          | -10,5%       | 0,0         | -13,3%        | 1,5          | 1,2          | 23,2%        | -0,1       | 16,6%        |      |     |
| Poland             | 1,8          | 0,2%          | 1,0          | 0,2%          | 90,6%        | 0,0         | 89,7%         | 0,6          | 0,4          | 50,8%        | 0,0        | 51,3%        |      |     |
| <b>Europe</b>      | <b>462,0</b> | <b>63,0%</b>  | <b>415,9</b> | <b>66,7%</b>  | <b>11,1%</b> | <b>6,9</b>  | <b>6,7 %</b>  | <b>142,0</b> | <b>131,3</b> | <b>8,2%</b>  | <b>0,7</b> | <b>3,8%</b>  |      |     |
| Turkey             | 3,0          | 0,4%          | 2,4          | 0,4%          | 27,0%        | 0,0         | 28,6%         | 1,0          | 0,8          | 27,3%        | 0,0        | 41,1%        |      |     |
| Israel             | 10,2         | 1,4%          | 4,2          | 0,7%          | 139,9%       | 0,8         | 13,6%         | 3,3          | 2,4          | 35,4%        | 0,0        | 7,5%         |      |     |
| Egypt              | 2,7          | 0,4%          | 2,1          | 0,3%          | 30,2%        | 0,3         | 15,9%         | 0,8          | 0,7          | 10,9%        | 0,0        | 2,1%         |      |     |
| <b>MEA</b>         | <b>15,9</b>  | <b>2,2%</b>   | <b>8,7</b>   | <b>1,4%</b>   | <b>83,1%</b> | <b>1,0</b>  | <b>18,2 %</b> | <b>5,1</b>   | <b>4,0</b>   | <b>29,1%</b> | <b>0,0</b> | <b>13,2%</b> |      |     |
| <b>EMEA</b>        | <b>477,9</b> | <b>65,1%</b>  | <b>424,6</b> | <b>68,1%</b>  | <b>12,6%</b> | <b>7,9</b>  | <b>7,0 %</b>  | <b>147,1</b> | <b>135,2</b> | <b>8,8%</b>  | <b>0,8</b> | <b>4,0%</b>  |      |     |
| United States      | 139,3        | 19,0%         | 98,3         | 15,8%         | 41,7%        | 24,7        | 16,5%         | 46,9         | 33,9         | 38,3%        | 3,9        | 16,1%        |      |     |
| Canada             | 4,9          | 0,7%          | 3,1          | 0,5%          | 55,6%        | 0,3         | 13,7%         | 1,9          | 1,1          | 66,7%        | 0,0        | 14,5%        |      |     |
| Brazil             | 0,8          | 0,1%          | 0,0          | 0,0%          | N/A          | N/A         | N/A           | 0,3          | 0,0          | N/A          | N/A        | N/A          |      |     |
| <b>AMERICAS</b>    | <b>145,0</b> | <b>19,8%</b>  | <b>101,4</b> | <b>16,3%</b>  | <b>43,0%</b> | <b>25,0</b> | <b>16,4%</b>  | <b>49,1</b>  | <b>35,1</b>  | <b>40,0%</b> | <b>3,9</b> | <b>16,0%</b> |      |     |
| Australia          | 71,5         | 9,7%          | 66,9         | 10,7%         | 6,9%         | 0,6         | 6,0%          | 24,3         | 24,7         | -1,4%        | 0,1        | 5,3%         |      |     |
| New Zealand        | 35,5         | 4,8%          | 28,1         | 4,5%          | 26,2%        | 0,5         | 15,6%         | 11,5         | 11,1         | 3,6%         | 0,3        | 1,2%         |      |     |
| India              | 3,8          | 0,5%          | 2,3          | 0,4%          | 63,8%        | 0,5         | 41,1%         | 1,5          | 0,9          | 70,0%        | 0,1        | 51,8%        |      |     |
| <b>APAC</b>        | <b>110,8</b> | <b>15,1%</b>  | <b>97,4</b>  | <b>15,6%</b>  | <b>13,8%</b> | <b>1,7</b>  | <b>9,6 %</b>  | <b>37,3</b>  | <b>36,6</b>  | <b>1,8%</b>  | <b>0,6</b> | <b>5,2%</b>  |      |     |
| <b>Total Group</b> | <b>733,7</b> | <b>100,0%</b> | <b>623,3</b> | <b>100,0%</b> | <b>17,7%</b> | <b>34,6</b> | <b>8,9 %</b>  | <b>233,5</b> | <b>206,9</b> | <b>12,8%</b> | <b>5,2</b> | <b>6,3%</b>  |      |     |



# Q3 2015 Income Statement

| € millions  | Q3 2015   |        |                  |       |        | Q3 2014   |        |               |         |        | Δ % on Recurring |
|---|-----------|--------|------------------|-------|--------|-----------|--------|---------------|---------|--------|------------------|
|   | Recurring | %      | Non recurring    | Total | %      | Recurring | %      | Non recurring | Total   | %      |                  |
| REVENUE   | 233,5     | 100,0% |                  | 233,5 | 100,0% | 206,9     | 100,0% |               | 206,9   | 100,0% | 12,8%            |
| Operating costs   | (204,2)   | -87,5% | -                | -     | -87,5% | (181,1)   | -87,5% | -             | (181,1) | -87,5% | 12,8%            |
| Other operating revenue/costs   | 0,5       | 0,2%   | <sup>1</sup> 2,0 | 2,5   | 1,1%   | (0,1)     | 0,0%   | -             | (0,1)   | 0,0%   | -886,4%          |
| EBITDA  | 29,7      | 12,7%  | 2,0              | 31,7  | 13,6%  | 25,7      | 12,4%  | -             | 25,7    | 12,4%  | 15,4%            |
| Depreciation and write-downs of non-current assets                      | (8,8)     | -3,8%  | -                | (8,8) | -3,8%  | (8,2)     | -4,0%  | -             | (8,2)   | -4,0%  | 7,4%             |
| EBITA   | 20,9      | 8,9%   | 2,0              | 22,9  | 9,8%   | 17,5      | 8,5%   | -             | 17,5    | 8,5%   | 19,2%            |
| Customer lists, trademarks, non-compete agr. & loc. rights amortization | (3,7)     | -1,6%  | -                | (3,7) | -1,6%  | (3,9)     | -1,9%  | -             | (3,9)   | -1,9%  | -6,9%            |
| EBIT  | 17,2      | 7,4%   | 2,0              | 19,2  | 8,2%   | 13,6      | 6,6%   | -             | 13,6    | 6,6%   | 26,7%            |
| Net Interest, exchange differences & other financial income/expenses    | (5,7)     | -2,5%  | <sup>2</sup> 1,4 | (4,4) | -1,9%  | (5,1)     | -2,4%  | -             | (5,1)   | -2,4%  | 13,5             |
| PBT   | 11,5      | 4,9%   | 3,4              | 14,9  | 6,4%   | 8,6       | 4,1%   | -             | 8,6     | 4,1%   | 34,5%            |
| Current/deferred taxes  | (6,8)     | -2,9%  | (1,4)            | (8,1) | -3,5%  | (4,9)     | -2,4%  | -             | (4,9)   | -2,4%  | 37,1%            |
| Net Income Group and Minorities   | 4,7       | 2,0%   | 2,0              | 6,7   | 2,9%   | 3,6       | 1,7%   | -             | 3,6     | 1,7%   | 30,8%            |
| Minority interests  | (0,0)     | 0,0%   | -                | (0,0) | 0,0%   | 0,1       | 0,0%   | -             | 0,1     | 0,0%   | -146,1%          |
| Net Income  | 4,8       | 2,0%   | 2,0              | 6,8   | 2,9%   | 3,5       | 1,7%   | -             | 3,5     | 1,7%   | 35,3%            |

1. Non recurring network optimization costs in NL more than offset by the \$2,8m positive one-off in US



# 9M 2015 Income Statement

| € millions  | 9M 2015   |        |               |        |         | 9M 2014   |         |               |         |        | Δ % on Recurring |
|---|-----------|--------|---------------|--------|---------|-----------|---------|---------------|---------|--------|------------------|
|   | Recurring | %      | Non recurring | Total  | %       | Recurring | %       | Non recurring | Total   | %      |                  |
| REVENUE   | 733,7     | 100,0% | -             | 733,7  | 100,0%  | 623,3     | 100,0%  | -             | 623,3   | 100,0% | 17,7%            |
| Operating costs   | (626,9)   | -85,4% | 1             | (6,8)  | (633,7) | -86,4%    | (539,7) | -86,6%        | (539,7) | -86,6% | 16,1%            |
| Other operating revenue/costs   | 1,4       | 0,2%   | 2             | 2,0    | 3,4     | 0,5%      | (0,4)   | -0,1%         | (0,4)   | -0,1%  | -476,6%          |
| EBITDA  | 108,3     | 14,8%  | (4,8)         | 103,5  | 14,1%   | 83,2      | 13,4%   | -             | 83,2    | 13,4%  | 30,1%            |
| Depreciation and write-downs of non-current assets                      | 3 (26,8)  | -3,7%  | -             | (26,8) | -3,7%   | (23,1)    | -3,7%   | -             | (23,1)  | -3,7%  | 16,2%            |
| EBITA   | 81,5      | 11,1%  | (4,8)         | 76,7   | 10,5%   | 60,2      | 9,7%    | -             | 60,2    | 9,7%   | 35,4%            |
| Customer lists, trademarks, non-compete agr. & loc. rights amortization | (11,2)    | -1,5%  | -             | (11,2) | -1,5%   | (11,2)    | -1,8%   | -             | (11,2)  | -1,8%  | -0,1%            |
| EBIT  | 70,3      | 9,6%   | (4,8)         | 65,5   | 8,9%    | 49,0      | 7,9%    | -             | 49,0    | 7,9%   | 43,6%            |
| Net Interest, exchange differences & other financial income/expenses    | (16,6)    | -2,3%  | 4 5           | (1,6)  | (18,2)  | -2,5%     | (17,0)  | -2,7%         | (17,0)  | -2,7%  | -2,2%            |
| PBT   | 53,7      | 7,3%   | (6,4)         | 47,3   | 6,4%    | 32,0      | 5,1%    | -             | 32,0    | 5,1%   | 67,9%            |
| Current/deferred taxes  | (24,5)    | -3,3%  | 2,4           | (22,1) | -3,0%   | (16,5)    | -2,6%   | 6 10,6        | (5,9)   | -0,9%  | 48,6%            |
| Net Income Group and Minorities   | 29,1      | 4,0%   | (4,0)         | 25,2   | 3,4%    | 15,5      | 2,5%    | 10,6          | 26,1    | 4,2%   | 88,5%            |
| Minority interests  | (0,2)     | 0,0%   | -             | (0,2)  | 0,0%    | 0,0       | 0,0%    | -             | 0,0     | 0,0%   | -                |
| Net Income  | 29,3      | 4,0%   | (4,0)         | 25,3   | 3,5%    | 15,5      | 2,5%    | 10,6          | 26,1    | 4,2%   | 89,6%            |

1. One-off provision related to the termination of the CEO
2. One-off income of \$2,8m in US, partially offset by €0,5m network optimization costs in NL
3. Higher depreciation due to ongoing investments on network expansion and IT
4. Higher financial costs due to €4,3m make whole owing to the pre-payment of a €55,2m USPP tranche
5. €1,3m financial income on *step up acquisitions* (Dilworth Hearing Ltd) according to IFRS R3
6. Tax benefit of €10,6m as a result of the recognized fiscal deductibility of the amortization of several intangible assets in Australia



# Balance Sheet: perimeter growth and FX effect



| € thousands   | 30/09/2015     | 31/12/2014     | 30/09/2014     |
|---|----------------|----------------|----------------|
| Goodwill  | 555.118        | 534.822        | 534.322        |
| Cust. lists. non-compet. agreem..<br>trademarks and location rights | 94.435         | 98.650         | 100.847        |
| Software charges. licenses. other<br>int.assets. WIP and advances   | 37.553         | 36.458         | 30.179         |
| Tangible assets   | 96.921         | 96.188         | 95.423         |
| Fixed financial assets  | 42.260         | 48.583         | 45.939         |
| Other intangible assets   | 4.095          | 3.691          | 3.693          |
| <b>Total fixed assets</b>   | <b>830.382</b> | <b>818.392</b> | <b>810.403</b> |
| Inventories   | 32.387         | 28.690         | 32.095         |
| Trade receivables   | 99.629         | 109.355        | 93.515         |
| Other receivables   | 37.373         | 33.059         | 33.427         |
| <b>Current assets</b>   | <b>169.389</b> | <b>171.104</b> | <b>159.037</b> |
| <b>Total assets</b>   | <b>999.771</b> | <b>989.496</b> | <b>969.440</b> |

| € thousands   | 30/09/2015      | 31/12/2014      | 30/09/2014      |
|---|-----------------|-----------------|-----------------|
| Trade payables  | -93.777         | -101.788        | -87.188         |
| Other payables  | -118.423        | -124.418        | -106.301        |
| Provisions for contingency and<br>obligations (current portion)     | -4.044          | -978            | -1.005          |
| <b>Short term liabilities</b>                                       | <b>-216.244</b> | <b>-227.184</b> | <b>-194.494</b> |
| <b>Working capital</b>  | <b>-46.855</b>  | <b>-56.080</b>  | <b>-35.457</b>  |
| Derivative instruments  | -5.984          | -9.820          | -9.207          |
| Deferred tax assets   | 47.608          | 44.653          | 49.175          |
| Deferred tax liabilities  | -54.576         | -51.998         | -50.853         |
| Provision for risks and charges (non-<br>current portion)           | -45.508         | -40.569         | -36.551         |
| Loan commissions and fees   | 2.373           | 3.023           | 3.369           |
| Liabilities for employees' benefits &<br>other non-current payables | -20.274         | -15.962         | -14.247         |
| <b>NET INVESTED CAPITAL</b>   | <b>707.166</b>  | <b>691.639</b>  | <b>716.632</b>  |
| <b>Total net equity</b>   | <b>454.666</b>  | <b>443.222</b>  | <b>427.089</b>  |
| Net M/LT indebtedness   | 384.495         | 442.484         | 439.844         |
| Net ST financial indebtedness                                       | -131.995        | -194.067        | -150.301        |
| <b>Total NFP</b>  | <b>252.500</b>  | <b>248.417</b>  | <b>289.543</b>  |
| <b>OWN FUNDS AND NFP</b>  | <b>707.166</b>  | <b>691.639</b>  | <b>716.632</b>  |

# Investor relations contacts

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## Investor Relations Office

### Amplifon

Via G. Ripamonti. 133  
20141 Milano (MI)  
Italy  
Phone: +39 02 5747 21  
Fax: +39 02 5730 0033  
[ir@amplifon.com](mailto:ir@amplifon.com)

### Company Secretary

Phone: +39 02 57472373  
Fax: +39 02 57409594  
[segreteria.societaria@amplifon.com](mailto:segreteria.societaria@amplifon.com)

## Investor Relations Team

### Emilia Trudu

Investor Relations Director  
Phone: +39 02 5747 2454  
Fax: +39 02 5740 9427  
[emilia.trudu@amplifon.com](mailto:emilia.trudu@amplifon.com)

### Amanda Hart Giraldi

Investor Relations Analyst  
Phone: +39 02 5747 2317  
Fax: +39 02 5740 9427  
[amanda.giraldi@amplifon.com](mailto:amanda.giraldi@amplifon.com)

### Olga Lepechkina

Assistant Investor Relations  
Phone: +39 02 5747 2542  
Fax: +39 02 5740 9594  
[olga.lepechkina@amplifon.com](mailto:olga.lepechkina@amplifon.com)

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## English

Web [www.amplifon.com/English/](http://www.amplifon.com/English/)  
Investors [www.amplifon.com/English/Investors/](http://www.amplifon.com/English/Investors/)

## Italiano

Web [www.amplifon.com/Italiano/](http://www.amplifon.com/Italiano/)  
Investors [www.amplifon.com/Italiano/Investors/](http://www.amplifon.com/Italiano/Investors/)