

Bay Audio – A strategic acquisition to build another Company stronghold

July 12th, 2021



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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.

Note: all financial data in AUD is translated to EUR at EUR/AUD FX of 1.60

Transaction highlights

Deal structure & consideration

- Amplifon signed a definitive agreement for the acquisition of Bay Audio Pty Limited (“Bay Audio”) from Peter & Anya Hutson, former founders of Bay Audiology in New Zealand and from other minority shareholders
- The purchase price on a cash and debt-free basis amounts to AUD 550 million (Euro 340 million)
- The acquisition will be fully financed by available cash

Strategic rationale & value creation

- Perfect fit with Amplifon’s growth model and M&A strategy, enabling Amplifon to build another Company stronghold
 - Expected ~AUD 8 million (~Euro 5 million) run-rate synergies at EBITDA level by 2023
 - Significant value creation and synergy potential

Timing

- Closing expected by the end of 2021, after receipt of required antitrust clearance and Australian foreign investment approval

A perfect fit to build another Company stronghold



Further strengthens Amplifon's **position** in the core Australian market, building another Company stronghold



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 the country



Ideal combination thanks to Bay Audio's **innovative retail model**, **strong brand**, recognized **premium positioning** and **high-growth and profitable** business profile



~AUD 8 million (~Euro 5 million) of **annual synergies** at EBITDA level - leveraging greater scale and best practices sharing - are expected to be delivered by 2023

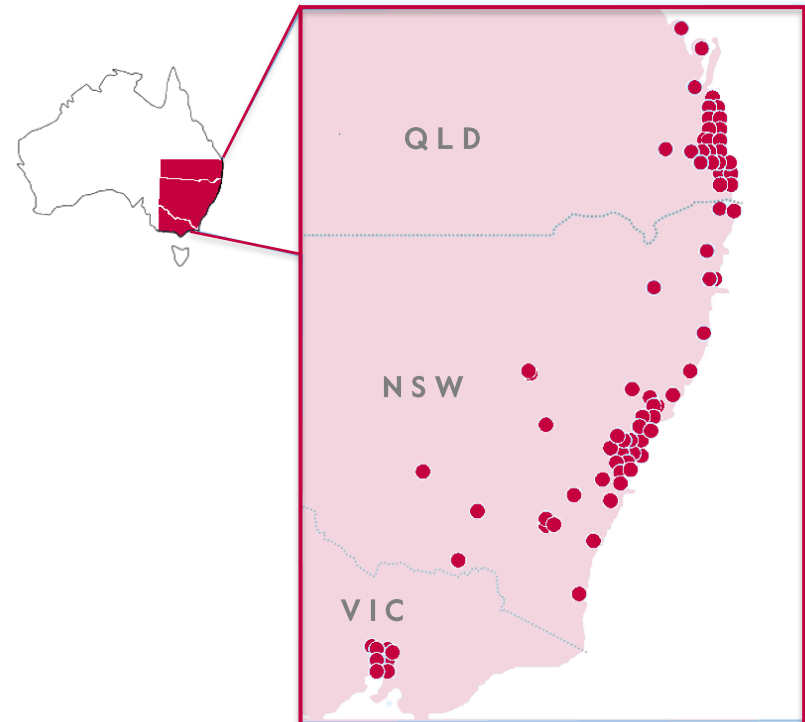
Acquisition to drive **significant value creation** for all stakeholders

A leading private independent hearing care retailer with a distinctive and highly complementary retail model

Key highlights

- Founded in Australia in 2007 by Peter and Anya Hutson, former founders of Bay Audiology in New Zealand
- Leading private independent hearing care retailer in the core Australian retail market
 - 10th market worldwide
- Customer-centric strategy focused in delivering the highest quality service to its customers
- Network of >100 points of sale across the East Coast
 - Stores located in high traffic premiere & urban shopping malls
 - Recognized premium positioning
 - Wide customer base, including younger customers vs industry average
- Workforce of ~500 people, of which ~85% are field force

Distribution network



Unique asset with high-growth and profitable business profile

Strong financial profile

- Impressive historical revenue performance
 - >20% last 5-year revenue CAGR (2016-2021), despite Covid-19 impact
 - Fueled by strong same-store growth and new-store roll-out
- Highly profitable business

Sound growth potential

- ~66% of the network is less than 5 years old with embedded strong potential of returning customer as network matures
- Opportunity to increase current asset utilization
- Potential expansion to other Australian territories

Key financial data



~100 million

revenue in 2021¹ (AUD), despite Covid-19 impact



>30 million

Recurring EBITDA in 2021² (AUD)



~+30%

Expected revenue growth in 2022³

Strong financial profile to be further fostered by expected ~AUD 8 million run-rate synergies at EBITDA level by 2023, leveraging scale & best-practices sharing

2. EBITDA of around AUD 34 million. Recurring EBITDA excludes extraordinary incomes primarily related to the impact of Covid-19 pandemic

1. Year-end at May 31st 2021
3. Year-end May 31st, 2022

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