

Q2 & H1 2023 Results

Mil an, July 27th 2023



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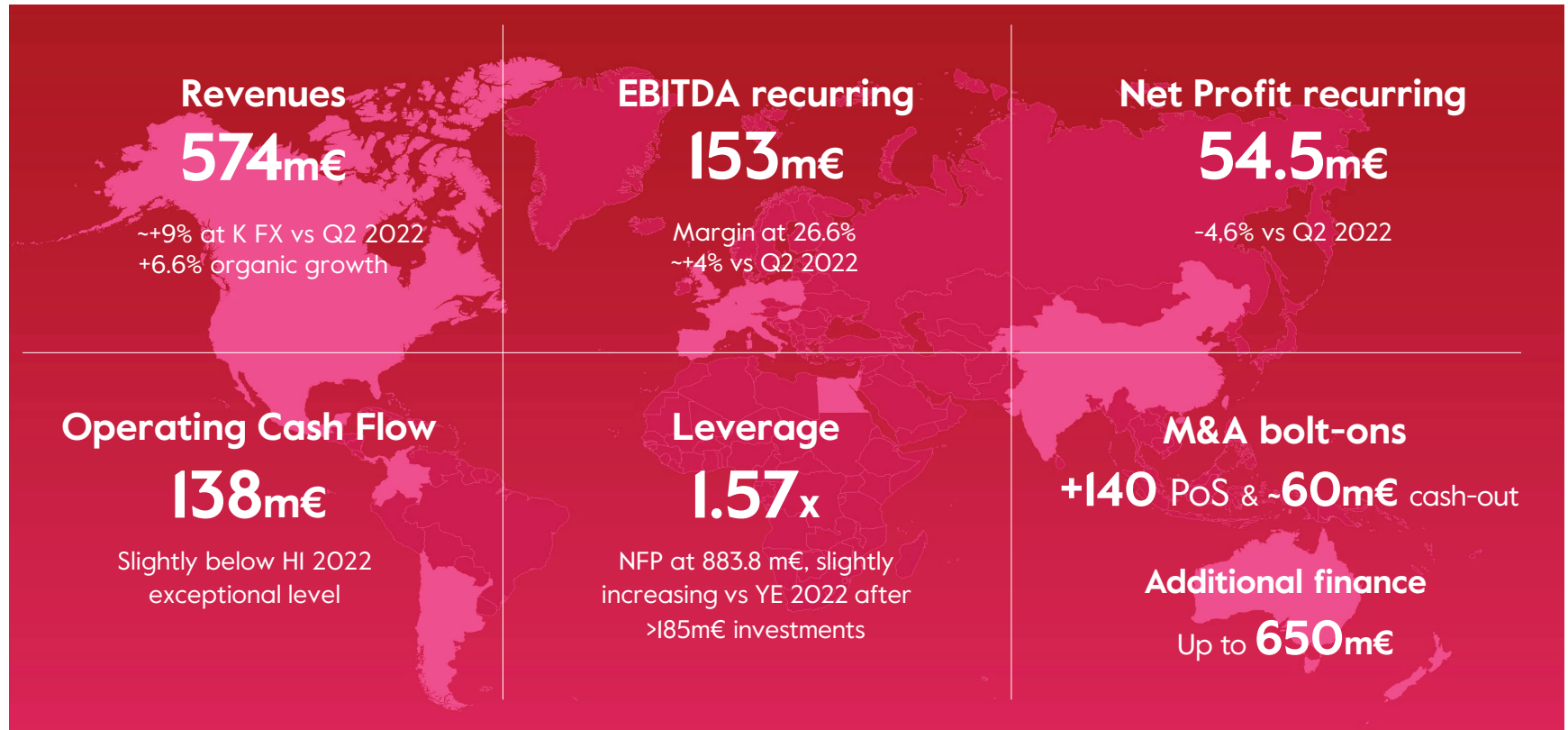
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Statement

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.

Q2 2023: Very strong revenue growth in a softer than expected market



Q2 2023 Financial highlights

Very strong and above market revenue growth in a softer than expected market and with one trading day less; temporary adverse factors affecting profitability

Data in €m	Q2 2023	Q2 2022	Δ%
REVENUES	573.5	541.4	+6.0%
Organic growth			+6.6%
Acquisitions			+2.2%
FX			-2.8%
EBITDA Rec.	152.5	147.3	+3.6%
Margin %	26.6%	27.2%	-60 bps

- Excellent revenue growth of +8.8% at constant FX vs Q2 2022
 - Strong and above market organic growth at +6.6%
 - Softer than expected global market demand, mainly due to lower level of returning customers in EMEA; US still growing at a healthy +5%, though at a lower pace than in Q1
 - Negative impact of one trading day less, primarily in EMEA (equivalent to -1.6% growth)
 - Share gains across major markets and positive pricing development
 - Remarkable M&A contribution at +2.2% for bolt-ons in France, Germany, US, Canada and China
 - Significant FX headwind at -2.8% primarily due to US dollar, Australian dollar and Argentine peso depreciation vs Euro
- EBITDA recurring at €152.5 million, with margin at 26.6%, even after strong re-investments in the business
 - Very challenging comparison base with record profitability reported in Q2 2022 (27.2%; +40bps vs Q2 2021)
 - Less favorable geographic (slower EMEA) and US business mix
 - Leadership change in APAC Region

HI 2023 Financial highlights

Delivering strong half-year results

Data in €m	HI 2023	HI 2022	Δ%
REVENUES	1,113.8	1,037.2	+7.4%
Organic growth			+7.0%
Acquisitions			+2.0%
FX			-1.6%
EBITDA Rec.	276.0	260.1	+6.1%
Margin %	24.8%	25.1%	-30 bps

- Excellent revenue growth of +9% at constant FX vs HI 2022
 - Very strong and above market organic growth at +7% in a softer than expected market, mainly due to returning customers in EMEA
 - Remarkable M&A contribution at +2.0% for bolt-ons in France, Germany, Canada, US and China
 - FX headwind at -1.6% increasing throughout the period
- EBITDA recurring at €276 million, with margin at 24.8%, even after strong re-investments in the business
 - Less favorable geographic (slower EMEA) and US business mix
 - Leadership change in APAC Region

Financial results by Region

EMEA: sound performance in a softer than expected market and with one trading day less

Data in €m	Q2 2023	Q2 2022	Δ%
REVENUES	375.8	364.5	+3.1%
Organic growth			+2.2%
Acquisitions			+1.0%
FX			-0.1%
EBITDA Rec.	117.4	116.4	+0.8%
Margin %	31.2%	31.9%	-70 bps

Data in €m	HI 2023	HI 2022	Δ%
REVENUES	735.5	704.6	+4.4%
Organic growth			+3.5%
Acquisitions			+1.0%
FX			-0.1%
EBITDA Rec.	217.4	209.9	+3.6%
Margin %	29.6%	29.8%	-20 bps

- Revenues up +3.2% at constant FX vs Q2 2022
 - Above market organic growth at +2.2%
 - Still negative market demand, mainly driven by returning customers
 - Negative impact of one trading day less (equivalent to ~1.6% growth)
 - Positive pricing development
 - M&A contribution at +1.0%, related to France and Germany
- EBITDA at €117 million, with margin at over 31%
 - Exceptionally challenging comparison base with record-high margin in Q2 2022 (~32%, +90bps in Q2 2022 vs Q2 2021)
 - Lower than expected operating leverage
- Revenues up +4.5% at constant FX vs HI 2022
 - Solid organic growth at +3.5% in a softer than expected market in Q2
 - M&A contribution at +1.0%, related to France and Germany
- EBITDA at €217 million, with margin at 29.6%

Financial results by Region

AMERICAS: another outstanding and well-above-market performance for the Group's fastest-growing Region

Data in €m	Q2 2023	Q2 2022	Δ%
REVENUES	111.8	96.8	+15.5%
Organic growth			+16.6%
Acquisitions			+6.9%
FX			-8.0%
EBITDA	32.3	27.9	+15.8%
Margin %	28.9%	28.8%	+10 bps

Data in €m	HI 2023	HI 2022	Δ%
REVENUES	212.7	180.8	+17.6%
Organic growth			+14.9%
Acquisitions			+6.7%
FX			-4.0%
EBITDA Rec.	57.1	48.5	+17.6%
Margin %	26.9%	26.9%	+0 bps

- Excellent revenue growth of +23.5% at constant FX vs Q2 2022
 - Outstanding organic growth at +16.6% vs. a remarkable comparison base (+21% in Q2 2022 vs Q2 2021)
 - M&A contribution at +6.9% related to the US and Canada
 - Strong FX headwind at -8.0% driven by the US dollar depreciation vs Euro and the hyperinflationary environment in Argentina
- Continued very strong performance in the US, boosted by Miracle-Ear Direct Retail and AHHC
- Double-digit organic growth in Latam
- EBITDA at €32 million, with margin at 28.9%, despite a remarkable comparison base (28.8%; +100bps in Q2 2022 vs Q2 2021) and less favorable business mix due to fast growth of Direct Retail in the US
- Excellent revenue growth of +21.6% at constant FX vs HI 2022
 - Outstanding organic growth at +15%, despite remarkable comparison base (+25% in HI 2022 vs HI 2021)
 - M&A contribution at +6.7%
 - FX headwind at -4.0%
- EBITDA at €57 million, with margin at 26.9%

Financial results by Region

APAC: excellent top-line performance across all markets and accelerating in Q2; profitability affected by one-time charge for leadership change

Data in €m	Q2 2023	Q2 2022	Δ%
REVENUES	85.8	80.0	+7.2%
Organic growth			+14.6%
Acquisitions			+1.5%
FX			-8.9%
EBITDA	20.9	20.5	+1.7%
Margin %	24.3%	25.7%	-140 bps

- Excellent revenue growth of +16.1% at constant FX vs Q2 2022
 - Outstanding organic growth at ~+15%
 - M&A contribution at +1.5% related to China (~230 PoS to date)
 - Remarkable FX headwind of -8.9%
- Double-digit organic growth in Australia
- Outstanding performance in China
- EBITDA at ~€21 million, with margin at 24.3%
 - Margin contraction vs Q2 2022 entirely due to one-time cost for leadership change in the Region

Data in €m	HI 2023	HI 2022	Δ%
REVENUES	165.4	151.5	+9.2%
Organic growth			+13.7%
Acquisitions			+1.2%
FX			-5.7%
EBITDA Rec.	42.6	39.9	+6.9%
Margin %	25.8%	26.3%	-50 bps

- Excellent revenue growth of ~+15% at constant FX vs HI 2022
 - Outstanding organic growth at ~+14%
 - M&A contribution at +1.2% related to China
 - FX headwind of -5.7%
- EBITDA at ~€43 million, with margin at 25.8%
 - Leadership change in the Region

Q2 2023 Financial results

Delivering solid results across the board

Data in €m	Q2 2023		Q2 2022		Δ Rec
(unless specified)	Recurring	Reported	Recurring	Reported	23/22
REVENUES	573.5	573.5	541.4	541.4	+6.0%
EBITDA	152.5	149.1	147.3	145.3	+3.6%
<i>Margin %</i>	<i>26.6%</i>	<i>26.0%</i>	<i>27.2%</i>	<i>26.8%</i>	--
ORDINARY D&A	(53.9)	(53.9)	(48.5)	(48.5)	-11.0%
PPA AMORTIZATION	(12.6)	(12.6)	(11.7)	(11.7)	-7.2%
EBIT	86.0	82.7	87.0	85.0	-1.1%
<i>Margin %</i>	<i>15.0%</i>	<i>14.4%</i>	<i>16.1%</i>	<i>15.7%</i>	--
NET FIN. EXPENSES	(11.8)	(11.8)	(8.9)	(8.9)	-32.9%
PBT	74.3	70.9	78.1	76.2	-4.9%
TAXES	(19.8)	(18.8)	(20.9)	(20.4)	+5.4%
<i>% on PBT</i>	<i>26.7%</i>	<i>26.5%</i>	<i>26.8%</i>	<i>26.8%</i>	--
NET PROFIT	54.5	52.1	57.1	55.7	-4.6%
<i>Margin %</i>	<i>9.5%</i>	<i>9.1%</i>	<i>10.6%</i>	<i>10.3%</i>	--
EPS Reported (€)	--	0.232	--	0.249	--
EPS Adjusted (€)	0.288	--	0.294	--	-1.9%

HI 2023 Financial results

Strong half-year results

Data in €m (unless specified)	HI 2023		HI 2022		Δ Rec 23/22
	Recurring	Reported	Recurring	Reported	
REVENUES	1,113.8	1,113.8	1,037.2	1,037.2	+7.4%
EBITDA	276.0	264.8	260.1	255.1	+6.1%
<i>Margin %</i>	<i>24.8%</i>	<i>23.8%</i>	<i>25.1%</i>	<i>24.6%</i>	--
ORDINARY D&A	(104.0)	(104.0)	(94.7)	(94.7)	-9.9%
PPA AMORTIZATION	(24.5)	(24.5)	(23.2)	(23.2)	-5.5%
EBIT	147.5	136.2	142.2	137.2	+3.7%
<i>Margin %</i>	<i>13.2%</i>	<i>12.2%</i>	<i>13.7%</i>	<i>13.2%</i>	--
NET FIN. EXPENSES	(23.7)	(23.7)	(17.3)	(17.3)	-37.1%
PBT	123.8	112.5	124.9	119.9	-0.9%
TAXES	(34.5)	(31.2)	(34.8)	(33.4)	+1.0%
<i>% on PBT</i>	<i>27.8%</i>	<i>27.7%</i>	<i>27.9%</i>	<i>27.9%</i>	--
NET PROFIT	89.3	81.4	89.9	86.3	-0.6%
<i>Margin %</i>	<i>8.0%</i>	<i>7.3%</i>	<i>8.7%</i>	<i>8.3%</i>	--
EPS Reported (€)	--	0.363	--	0.385	--
EPS Adjusted (€)	0.485	--	0.478	--	+1.3%

HI 2023 Financial results

Operating Cash Flow slightly below exceptionally strong HI 2022

Data in €m	HI 2023	HI 2022	Δ
Operating cash flow before repayment of lease liabilities	194.2	207.8	(13.6)
Repayment of lease liabilities	(56.2)	(52.2)	(3.9)
Operating cash flow	138.0	155.6	(17.6)
Capex (net)	(61.9)	(48.0)	(13.9)
Free cash flow	76.1	107.6	(31.5)
Acquisitions (net)	(59.1)	(31.0)	(28.1)
Cash provided by (used in) operating and investing activities	17.0	76.5	(59.6)
Cash provided by (used) financing activities	(67.5)	(101.0)	33.5
Net cash flow for the period	(50.5)	(24.4)	(26.0)
Net financial position (opening date)	(830.0)	(871.2)	41.2
Change in net financial position	(50.5)	(24.4)	(26.0)
Effect of FX & discontinued operation on financial position	(3.3)	0.3	(3.7)
Net financial position (closing date)	(883.8)	(895.3)	11.5

HI 2023 Financial results

Leverage at 1.57x after strong investments (>€120m Capex & M&A cash-out) and shareholders' returns (€65m dividend distribution)

Data in €m	30/06/2023	31/12/2022
Liquidity	(215.5)	(229.6)
Short-term debt	432.4	251.7
Medium/long-term debt	666.9	807.9
Net financial debt	883.8	830.0
Lease liabilities	482.1	468.6
Total financial debt & lease liabilities	1,365.9	1,298.6
Total net equity	1,041.6	1,040.4
Net debt/EBITDA ¹	1.57x	1.52x
Net debt/Equity	0.85x	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

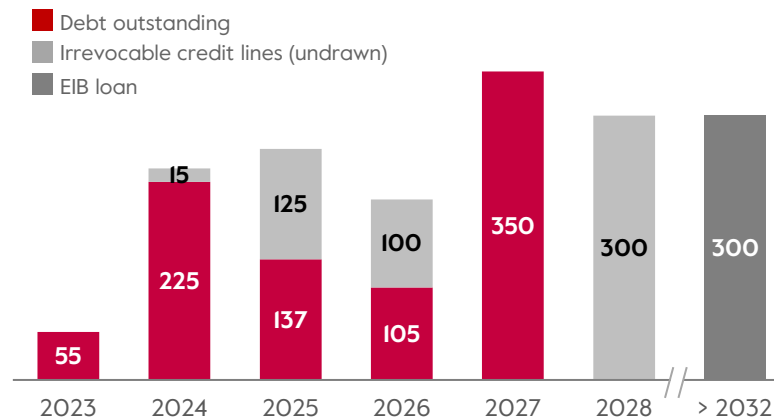
Company's financial solidity further reinforced

Successfully secured up to €650 million of additional finance

Debt outstanding & committed credit lines YTD

€ mln	Credit lines	Final maturity
Bank loan	60	2024
Bank loan	254	2025
Sustainability-linked loan	193	2026
Eurobond	350	2027
EIB loan	300	up to 2034
<i>Committed RCF</i>	<i>555</i>	<i>2024 up to 2028</i>
<i>o/w drawn</i>	<i>15</i>	
Subtotal (excluding RCF undrawn)	1,172	
Total	1,712	

Debt maturity & committed credit lines YTD (€m)



- Amplifon successfully secured up to €650 million of additional finance, diversifying its sources of funding, extending the average debt maturity while enhancing financial flexibility and optimizing cost
 - €300 million sustainability-linked revolving credit facility
 - 3-year term with extension option for 2 additional years at Amplifon's discretion
 - €300 million EIB loan (out of the total €350 million financing approved by the EIB) to support Amplifon's innovation and digitalization strategy
 - Disbursement in several tranches over the next 24 months and repayment period of 9 years
 - Lower cost of funding vs market

Strong liquidity profile supported by cash on balance sheet & irrevocable credit lines leading to a headroom of >€800 million

2023 Outlook

- In Q2 market demand was softer than expected, primarily due to lower level of returning customers in EMEA
- Looking into H2
 - We expect to continue to grow faster than the market
 - Organic and profitability comparative figures easing particularly in Q4
 - Positive start to Q3 with revenues showing very strong growth in July
- We are positive on our previously issued FY 2023 outlook under the already communicated assumptions
 - A global market demand for FY2023 back to a volume growth in the region of 2-3%
 - Estimated FY2023 exchange rates¹
- 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

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