Update for Credit Investors - H1 2020 Results

Milan, July 30th, 2020

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.

Q2 2020: Revenues affected by Covid-19 particularly in April but materially improving during the quarter

Actions on costs and cash flow delivering impressive results

- Revenues down 42.8% at constant FX due to Covid-19 outbreak, still outpacing the global hearing care retail market
  - Organic contraction at -44.1%
  - +1.3% contribution from M&A
- As expected, Q2 resulted in the toughest quarter due to the impact of full lockdown measures in most markets during April
- The pace of recovery was better than expected, with strong sequential improvement month-over-month
- Our organization reacted extremely quickly and decisively thanks to everyone's contribution
  - Strong actions to reduce costs and generate cash
  - Completion of refinancing program ensuring over €650 million of headroom
- Excellent profitability, despite lower revenues, reflecting decisive and timely actions on costs
  - EBITDA at €66.4 million, with margin at 26.5%, up 200bps vs Q2 2019
- Outstanding cash flow generation with Free cash flow at €72.1 million in H1 2020 vs €57.9 million in H1 2019, +24.6%
- Excellent Net Financial Position at €765.3 million, further improving vs. December 2019 and March 2020 despite negative impact from Covid-19 outbreak, and with leverage at 2.18x

Trading update

Faster-than-expected recovery, July trading above previous year

- Impressive pace of recovery, improving sequentially during the quarter and strongly correlated with the ease of lockdown restrictions
  - April running at ~-65% vs prior year with ~35%[I] of network operating
  - May at ~-45% vs prior year with ~50%[I] of network operating
  - June at ~-20% vs prior year with ~70%[I] of network operating
- Pace of recovery across markets
  - Europe was heavily impacted in Q2 as most of our core markets experienced severe lockdown measures in April - with the exception of Germany - but recovered strongly from early May
  - The US was amongst the most impacted markets during the month of April but the fastest to recover since end of April/early May
  - APAC led the recovery in Q2, driven by a good contribution throughout all the period of Australia where operations have always been running, New Zealand which exited the total lockdown in mid-May and recovered fast thereafter, and China already at previous year revenue level in May
- Momentum is continuing in July with network globally almost entirely operating and with revenues currently growing vs. previous year
- Significant market share gains across the board
- Recovery trend demonstrating once again the resilience of our business and no change to industry's fundamentals

I. Average calculated on working hours. For US accounted only Miracle-Ear direct stores

Q2 2020 Financial highlights

Financials far better-than-expected with impressive results on profitability and cash flow, thanks to timely and effective measures

Data in €m	Q2 2020	Q2 2019	Δ%
REVENUES	250.4	440.1	-43.1%
Organic growth			-44.1%
Acquisitions			+1.3%
FX			-0.3%
EBITDA	66.4	107.6	-38.3%
Margin %	**26.5%**	**24.5%**	-

- Revenues down 42.8% in LC
  - Organic performance at -44.1%, due to Covid-19 outbreak
  - M&A contribution at +1.3%
  - FX impact at -0.3%
- Trading heavily impacted by Covid-19 in April but quickly improving thereafter with the ease of restrictions in most markets
- Excellent profitability, despite lower revenues, reflecting decisive and timely actions on costs
  - EBITDA at €66.4 million, with margin at 26.5%, up 200 bps vs Q2 2019
  - Significant decrease in labour cost primarily thanks to the activation of Government social schemes and other employment support tools as well as productivity improvements
  - Strong reduction of marketing spending (~-65% vs Q2 2019)
  - Significant achievements in the renegotiation of rent agreements (~€7 million income according to the application of the Covid-19-related rent concessions amendment to IFRS 16 issued by the IASB)
  - Other costs benefitting from tight control on discretionary costs and successful renegotiation of supplier contracts

H1 2020 Financial highlights

Highly encouraging results reflecting solid speed of recovery and strong ability in managing cost base and cash flow

Data in €m	H1 2020	H1 2019	Δ%
REVENUES	613.9	832.0	-26.2%
Organic growth			-27.8%
Acquisitions			+1.8%
FX			-0.2%
EBITDA	131.3	186.6	-29.6%
Margin %	**21.4%**	**22.4%**	-

- Revenues down 26.0% in LC
  - Organic performance at -27.8%, due to Covid-19 outbreak
  - M&A contribution at +1.8%
  - FX impact at -0.2%
- Trading impacted by Covid-19 from March, then improving since end of April/early May at a better-than-expected pace
- Very limited profitability decline despite lower revenues
  - Timely and decisive actions on costs
  - EBITDA at €131.3 million, with margin at 21.4%, down only 100bps vs H1 2019
- Strong operating and free cash flow at €121.6 million and €72.1 million, despite negative impact from Covid-19 outbreak
- Effective actions implemented to generate cash flow and improve NFP
  - Capex at €21.8 million (€5.3 million in Q2) vs €42.0 million in H1 2019
  - No M&A cash-out in Q2 leading to €41.8 million in H1 2020 vs €27.7 million in H1 2019
  - No dividend distribution vs €30.9 million cash-out in H1 2019
  - Tight control of operating and non-operating working capital

Financial results by Region

EMEA: performance affected by Covid-19 but significantly improving both on top-line and profitability since end of April

Data in €m	H1 2020	H1 2019	Δ%
REVENUES	437.5	607.1	-27.9%
Organic growth			-29.6%
Acquisitions			+1.5%
FX			+0.2%
EBITDA	102.9	147.3	-30.2%
Margin %	**23.5%**	**24.3%**	-

Data in €m	Q2 2020	Q2 2019	Δ%
REVENUES	179.2	323.4	-44.6%
Organic growth			-45.7%
Acquisitions			+1.0%
FX			+0.1%
EBITDA	52.3	85.4	-38.7%
Margin %	**29.2%**	**26.4%**	-

- Revenues down 28.1% in LC
  - Organic performance at -29.6% due to Covid-19 outbreak
  - M&A contribution of +1.5% for bolt-on M&A in Germany and France
- Trading impacted by Covid-19 from March, initially in Italy, then following in other EMEA countries
- Faster-than-expected recovery since end of April/early May with the lift-up of restrictive measures
- Very good performance despite Covid-19 in Germany due to less restrictive measures
- Robust performance in France, thanks to an impressive recovery pace with the ease of lockdown, and reaching flat exit run-rate at the end of June
- Sequential and better-than-expected improvement in Q2 in Italy and Spain, countries initially more affected by the health emergency and severe lockdown measures
- EBITDA at €102.9 million, with margin at 23.5%, down only 80bps vs H1 2019
- Impressive results from the actions implemented on costs in Q2, delivering an EBITDA margin at 29.2%, up 280bps vs Q2 2019

Commentary refers to H1 2020, if not stated differently

Financial results by Region

AMERICAS: varied timing and impact of Covid-19 across the Region, with the core US market showing the strongest speed of recovery

Data in €m	H1 2020	H1 2019	Δ%
REVENUES	104.6	131.9	-20.7%
Organic growth			-21.3%
Acquisitions			+0.4%
FX			+0.2%
EBITDA	22.7	29.1	-22.1%
Margin %	**21.7%**	**22.1%**	-

Data in €m	Q2 2020	Q2 2019	Δ%
REVENUES	40.2	68.8	-41.5%
Organic growth			-41.4%
Acquisitions			+0.2%
FX			-0.3%
EBITDA	10.8	16.4	-34.1%
Margin %	**26.9%**	**23.9%**	-

- Revenues down 20.9% in LC
  - Organic performance at ~-21%, due to Covid-19 outbreak
  - Contribution from M&A at +0.4% related to Canada
  - Currency tailwind, despite reverse of Euro appreciation vs. US Dollar in Q2
- Covid-19 impact materialization from end of March in the US and thereafter in Canada and Latin America
- US market, heavily impacted by Covid-19 during the month of April, showed the fastest recovery pace
  - Miracle-Ear reported a good performance with positive growth in June and strong share gains
  - Canada and Latin America severely impacted by the pandemic in Q2
- EBITDA at €22.7 million, with margin at 21.7%, down only 40bps vs H1 2019
- Impressive results from the actions implemented on costs in Q2, delivering EBITDA margin at 26.9%, up 300bps vs Q2 2019

Commentary refers to H1 2020, if not stated differently

Financial results by Region

APAC: leading the recovery on the top-line and showing an outstanding operating leverage

Data in €m	H1 2020	H1 2019	Δ%
REVENUES	71.8	91.0	-21.1%
Organic growth			-23.5%
Acquisitions			+5.7%
FX			-3.3%
EBITDA	22.7	27.3	-16.9%
Margin %	**31.5%**	**30.0%**	-

Data in €m	Q2 2020	Q2 2019	Δ%
REVENUES	31.0	46.6	-33.6%
Organic growth			-36.0%
Acquisitions			+5.2%
FX			-2.8%
EBITDA	12.5	13.3	-5.7%
Margin %	**40.5%**	**28.5%**	-

- Revenues down -17.8% in LC
  - Organic performance at -23.5%
  - M&A contribution at +5.7% related to Attune acquisition
  - Currency headwind
- Good performance in Australia affected by Covid-19 emergency to a lesser extent compared to other markets thanks to less restrictive measures
- New Zealand strongly impacted by the pandemic from end of March to mid-May due to the adoption of total lockdown measures (including closure of our network), but quickly recovering thereafter
- China, first market to be affected by Covid-19, back to growth in Q2
- EBITDA at €22.7 million, with margin at 31.5%, up 150bps vs H1 2019
- Impressive results from mitigation measures in Q2, delivering an EBITDA margin at 40.5%, up 12p.p. vs Q2 2019

Commentary refers to H1 2020, if not stated differently

Q2 2020 Financial results

Results far better-than-expected despite extraordinary Covid-19 impact on business

Data in €m (unless specified)	Q2 2020	Q2 2019 Recurring	Q2 2019 Reported	Δ% Rec.
REVENUES	**250.4**	**440.1**	**440.1**	**-43.1%**
EBITDA[1]	**66.4**	**107.6**	**103.2**	**-38.3%**
Margin %	*26.5%*	*24.5%*	*23.5%*	--
ORDINARY D&A	(39.5)	(37.3)	(37.3)	-6.0%
PPA-RELATED AMORTIZATION	(9.9)	(9.3)	(9.4)	-6.6%
EBIT[2]	**17.0**	**61.1**	**56.6**	**-72.1%**
Margin %	*6.8%*	*13.9%*	*12.9%*	--
NET FINANCIAL EXPENSES	(6.8)	(6.2)	(6.2)	-8.3%
PBT[2]	**10.3**	**54.8**	**50.4**	**-81.2%**
TAXES	(2.9)	(14.3)	(13.6)	79.7%
% on PBT	*28.2%*	*26.0%*	*27.1%*	--
MINORITY	(0.0)	(0.0)	(0.0)	--
NET PROFIT[3]	**7.4**	**40.6**	**36.8**	**-81.7%**
Margin %	*3.0%*	*9.2%*	*8.4%*	--
EPS Reported (€)	**0.033**	--	**0.166**	**-79.9%**
EPS Adjusted[3] (€)	**0.068**	**0.217**	--	**-68.6%**

1. No one-offs in Q2 2020. Negative one-off in Q2 2019 of €4.4 million for costs related to GAES integration
2. No one-offs in Q2 2020. Negative one-off in Q2 2019 of €4.4 million related to GAES integration
3. No one-offs in Q2 2020. Negative one-off in Q2 2019 of €3.8 million related to items in Notes above net of taxes
4. EPS adjusted for one-offs and PPA-related amortization (net of taxes)

H1 2020 Financial results

Results far better-than-expected despite extraordinary Covid-19 impact on business

Data in €m (unless specified)	H1 2020	H1 2019 Recurring	H1 2019 Reported	Δ% Rec.
REVENUES	**613.9**	**832.0**	**832.0**	**-26.2%**
EBITDA[1]	**131.3**	**186.6**	**180.8**	**-29.6%**
Margin %	*21.4%*	*22.4%*	*21.7%*	--
ORDINARY D&A	(80.2)	(72.7)	(72.2)	-10.4%
PPA-RELATED AMORTIZATION	(19.6)	(18.5)	(18.6)	-5.7%
EBIT[2]	**31.5**	**95.4**	**89.5**	**-66.9%**
Margin %	*5.1%*	*11.5%*	*10.8%*	--
NET FINANCIAL EXPENSES	(13.7)	(12.8)	(12.8)	-7.2%
PBT[2]	**17.8**	**82.6**	**76.7**	**-78.5%**
TAXES	(5.3)	(23.2)	(22.2)	-77.1%
% on PBT	*29.9%*	*28.1%*	*28.9%*	--
MINORITY	(0.1)	(0.0)	(0.0)	--
NET PROFIT[3]	**12.6**	**59.4**	**54.5**	**-78.8%**
Margin %	*2.0%*	*7.1%*	*6.5%*	--
EPS Reported (€)	**0.056**	--	**0.247**	**-77.2%**
EPS Adjusted[3] **(€)**	**0.121**	**0.330**	--	**-63.4%**

1. No one-offs in H1 2020. Negative one-off in H1 2019 of €5.8 million for costs related to GAES integration
2. No one-offs in H1 2020. Negative one-off in H1 2019 of €5.9 million related to GAES integration
3. No one-offs in H1 2020. Negative one-off in H1 2019 of €4.9 million related to items in Notes above net of taxes
4. EPS adjusted for one-offs and PPA-related amortization (net of taxes)

H1 2020 Financial results

Outstanding cash flow generation with Free cash flow up +24.6%, despite Covid-19 outbreak

Data in €m	H1 2020[1]	H1 2019[2]	Δ
Operating cash flow before repayment of lease liabilities	**121.6**	**139.5**	**(17.9)**
Repayment of lease liabilities	(27.7)	(39.7)	12.0
Operating cash flow	**93.9**	**99.8**	**(5.9)**
Capex (net)	(21.8)	(42.0)	20.2
Free cash flow	**72.1**	**57.9**	**14.2**
Acquisitions (net)	(41.8)	(27.7)	(14.1)
Cash provided by (used in) operating and investing activities	**30.3**	**30.1**	**0.2**
Cash provided by (used) financing activities	(7.7)	(29.7)	22.0
Net cash flow for the period	**22.6**	**0.4**	**22.2**

Net financial position (opening date)	**(786.7)**	**(840.9)**	**54.2**
Change in net financial position	22.6	0.4	22.2
Effect of FX & discontinued operation on financial position	(1.2)	(0.7)	(0.6)
Net financial position (closing date)	**(765.3)**	**(841.1)**	**75.7**

1. Non recurring cash-out of €0.8 million in H1 2020
2. Non recurring cash-out of €7.0 million in H1 2019

H1 2020 Financial results

Excellent NFP with leverage at 2.18x and further strengthened financial profile

Data in €m	30/06/2020	31/12/2019
Cash	(427.2)	(138.4)
Short-term debt	66.4	172.4
Medium/long-term debt	1,126.2	752.6
Net financial debt	**765.3**	**786.7**
Lease liabilities	442.7	424.6
Total financial debt & lease liabilities	**1,208.0**	**1,211.3**
Total net equity	**700.0**	**696.1**
Net debt/EBITDA	2.18x	1.90x
Net debt/Equity	1.10x	1.13x

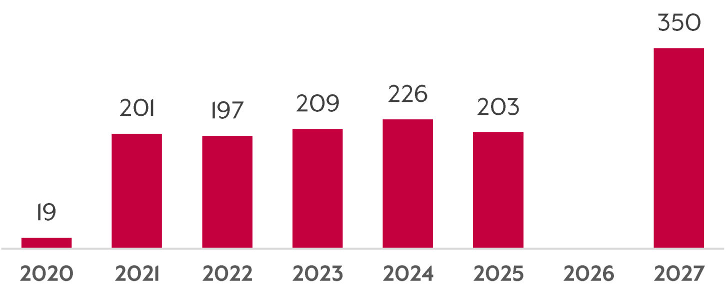
Company's financial solidity further reinforced

Refinancing secured additional ~€370 million credit lines and extended maturities for €240 million

Committed credit lines after refinancing (€m)

	Principal		Maturity
Bond 7-yr	350		2027
Private placement	101		2020-23-25
GAES Term Loan Tranche A	199		2023
Existing Term Loans	193	13	2021
		180	2024-25
Existing RCF	195	135	2021-22
		60	2025
Additional finance	*~370*		*2024-25*
Total committed lines	**~1,400**		

Committed credit lines maturity after refinancing (€m)



- The Company completed the refinancing securing ~€370 million additional finance as well as extending maturities
  - Completed refinancing for over €600 million
    - ~€370 million additional credit lines with very favorable pricing terms and maturities almost entirely at 2025
    - €240 million existing lines extended almost entirely to 2025
- No material short-term debt maturities, with weighted average debt maturity of around 5 years post-refinancing

Strong liquidity profile supported by cash on balance sheet & undrawn committed revolving credit facilities of over €650 million

2020 Outlook
Looking ahead with confidence

- Whilst we remain cautious about the future developments of the Covid-19 outbreak, we believe the worst is behind us
- The impressive speed of recovery since the easing of restrictive measures and the actual July run rate clearly demonstrate the resilience of our business
- In fact, industry fundamentals and consumer behaviors have not been affected by Covid-19
- Although the situation remains uncertain, given our recent performance and assuming no further significant re-tightening of lockdown restrictions, we are positive about the second half of the year and we now expect Q3 at a similar revenue level to previous year
- We also look positively to FY 2021 both in terms of sales and profitability
  - Regarding profitability, the strong measures implemented to reduce our cost base and improve productivity will allow us to be more efficient going forward
- We are moving in the right direction to transform this unprecedented crisis into an opportunity and to emerge from it even stronger than before

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