



SPAFID CONNECT

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Oggetto : Amplifon to acquire Gaes Group

Testo del comunicato

Vedi allegato.

AMPLIFON TO ACQUIRE GAES GROUP

TRANSACTION HIGHLIGHTS:

- CONSOLIDATES AMPLIFON'S GLOBAL LEADERSHIP POSITION WITH THE ACQUISITION OF THE LARGEST PRIVATELY-OWNED SPECIALTY RETAILER WORLDWIDE
- A UNIQUE OPPORTUNITY FOR AMPLIFON'S GROWTH STRATEGY IN THE CORE SPANISH MARKET THANKS TO A HIGHLY RECOGNIZED BRAND AND THE MOST EXTENSIVE NETWORK
- SIGNIFICANT VALUE CREATION AND SYNERGY POTENTIAL, MAKING A POSITIVE CONTRIBUTION TO EPS¹ ALREADY FROM THE FIRST YEAR
- THE DEAL WILL BE FINANCED WITH A NEW FINANCING FACILITY RESULTING IN A PRO-FORMA NET DEBT/EBITDA OF 3.4X (BASED ON 2017 FIGURES; AMPLIFON EBITDA AS REPORTED)
- CLOSING OF THE TRANSACTION IS EXPECTED BY THE END OF Q4 2018

Milan, July 24th, 2018. Amplifon S.p.A. ("Amplifon" or the "Company"; MTA; Bloomberg ticker: AMP:IM), global leader in hearing solutions and services, announces today that it has signed a definitive agreement for the acquisition of GAES Group ("GAES") from the Gassó family and from other minority shareholders. The equity value to be paid in cash amounts to Euro 528 million, with a net financial position expected to be around zero.

GAES is the largest privately-owned specialty hearing care retailer worldwide, with a leadership positioning in Spain, the tenth largest hearing aid retail market in the world. The company is also present in Portugal as well as in different Latin American countries. GAES operates a network of around 600 points of sale, of which around 500 are in Spain. In 2017 GAES Group posted revenues of around Euro 210 million and an adjusted EBITDA of around Euro 30 million².

The acquisition of GAES represents a key strategic transaction for Amplifon and supports the Company's growth strategy to consolidate its market position in core markets. In addition, the combination, which will also allow for a greater diversification of Amplifon's business, is expected to generate significant synergies.

Amplifon will finance the acquisition with a new bank financing fully underwritten by UniCredit S.p.A.

Enrico Vita, Chief Executive Officer of Amplifon, commented: *"This major acquisition represents a key milestone in the history of our Company and perfectly fits Amplifon's growth strategy, allowing us to consolidate our global leadership and enabling us to become market leader in Spain, as well as consolidate our market position in Portugal while entering also the Latin American region. The combination with GAES' profitable business, the benefits of greater scale and the strong financial profile will enable us to successfully pursue our recently communicated development plans, thus creating tremendous new opportunities to drive growth, pursue excellence and innovation in customer experience and deliver significant shareholder value. Finally, we strongly believe this deal represents a significant opportunity for both companies' employees and customers, given both Amplifon and GAES have long histories of unrivalled quality of service and utmost attention to customers"*.

Antonio Gassó, Chief Executive Officer of GAES, added: *"This deal represents a great opportunity for GAES to become part of the leading global retail hearing care group while leading and accelerating its expansion through the GAES brand in Spain and Latin America. We both share very similar cultural values based on customer centricity, personal impact and passion for excellence, which will facilitate people integration within a leading group and will create exciting career opportunities both in Spain and around the world"*.

¹ EPS excludes transaction related expenses and purchasing accounting (Purchase Price Allocation)

² Pro-forma not audited financial data



Details on GAES' business

GAES, founded in 1949 by Juan Gassó Bosch and José María Espoy in Barcelona, is owned by the Gassó family.

Today GAES Group is the leader in hearing care solutions in the Spanish speaking world with a workforce of around 1,800 people. The company is the N. 1 player in Spain and is also present in Portugal and in Andorra as well in six Latin American countries (Argentina, Chile, Ecuador, Panama, Colombia and Mexico).

GAES operates around 600 points of sales worldwide, of which around 500 are in Spain. With close to 70 years in the hearing care market, similarly to Amplifon, GAES leverages on its highly valued and recognized brand and an extensive coverage of its network combined with a deep customer centric strategy.

The Group is also engaged in the wholesale distribution of hearing aids, cochlear implants and medical devices and in hearing aids manufacturing (Microson).

In 2017, GAES posted revenues of around Euro 210 million and an adjusted EBITDA of around Euro 30 million. In terms of geographic and business revenue breakdown, Spain and the hearing care retail core business accounted for 87% and 83% of 2017 consolidated sales, respectively.

Strategic rationale

GAES acquisition represents a unique opportunity which is extremely strategic to Amplifon for the following reasons:

- Further consolidates Amplifon's global leadership in the hearing care retail market thanks to the combination with the largest privately-owned specialty retailer in the industry, increasing Amplifon's global market share to over 11%;
- It is a unique strategic fit with Amplifon's growth strategy to consolidate its position in the core Spanish and Portuguese markets, while also building a position in Latin America;
- Represents the ideal combination thanks to GAES' highly valued and recognized brand, the extensive coverage of its store network, its highly professional workforce as well as a profitable business;
- Around Euro 20 million of annual synergies at EBITDA level - leveraging greater scale, best brands and best practices sharing - are expected to be delivered by 2021;
- Allows to build an extraordinary platform for international talent, skills, expertise and systems, completely dedicated to pursuing excellence and innovation in customer experience.

Financing and other transaction details

Debt financing is secured by UniCredit S.p.A. via a Term Loan facility with maturity of 5 years from signing of the Facility Agreement. Pro-forma financial leverage (Net Debt/adjusted EBITDA ratio; based on 2017 figures; Amplifon EBITDA as reported) post-acquisition will result around 3.4x.

The transaction is currently expected to be completed by the end of Q4 2018 and is subject to the receipt of required antitrust clearance.

In connection with this acquisition, Amplifon was advised by Goldman Sachs International (M&A advisor), Garrigues (legal advisor) and KPMG (financial and fiscal due diligence), while for the financing and structuring legal advisors included White & Case and Gianni Origoni Grippo Cappelli & Partners. GAES was advised by BBVA, Toda & Nel-lo Abogados and E&Y (due diligence) and Arshust (anti-trust).



Conference call

Amplifon will present the transaction to the financial community today at 10.00am (CET) during a conference call and audiowebcast. The details of the call are: +44 121 281 8003 (UK), +1 718 705 8794 (USA) or +39 02 805 88 11 (Italy); or access the audiowebcast directly through the following link: <http://services.choruscall.eu/links/amplifon180700.html>. Presentation slides will be made available prior to the beginning of the call, in the Investors section (Presentations) of the website: www.amplifon.com/corporate. Those who are unable to attend the conference call may access a recording which will be available immediately after the call until 24:00 (CET) of the following day of the event, by dialing the following numbers: +44 121 281 8005 (UK), +1 718 705 8797 (USA) or +39 02 72 495 (Italy), access code: 938#.

In compliance with paragraph 2 of Article 154 bis of the “Uniform Financial Services Act” (Legislative Decree 58/1998), the Manager charged with preparing the Company’s financial reports, Gabriele Galli, declares that the accounting information reported in the present press release corresponds to the underlying documentary reports, books of account and accounting entries.

Certain statements and information contained in this press release that are not statements or information of historical fact constitute forward-looking statements, notwithstanding that such statements are not specifically identified as such. These statements may include terminology such as “may”, “will”, “expect”, “could”, “should”, “intend”, “commit”, “estimate”, “anticipate”, “believe”, “remain”, “on track”, “design”, “target”, “objective”, “goal”, “forecast”, “projection”, “outlook”, “prospects”, “plan”, “intend”, or similar terminology. These statements are based on current expectations and projections by Amplifon about future events and, by their nature, address matters that are subject to inherent risks and uncertainties. They relate to events and depend on circumstances that may or may not occur or exist in the future, and, as such, undue reliance should not be placed on them. Actual results may differ materially from those expressed in such statements as a result of a variety of factors, including continued volatility and further deterioration on the financial and capital markets, changes of the macroeconomic conditions and of the economic growth, as well as other changes in the business conditions, changes in regulations and institutional framework (in each case, in Italy or abroad), and many other factors, most of which are outside of the control of Amplifon. Amplifon expressly disclaims and does not assume any liability in connection with any inaccuracies in any of these forward-looking statements or in connection with any use by any party of such forward-looking statements. Any forward-looking statements contained in this press release speak only as of the date of this communication. Amplifon undertakes no obligation to update or revise its outlook or forward-looking statements, whether as a result of new developments or otherwise. Names, organizations and company names referred to may be the trademarks of their respective owners. This communication does not represent investment advice neither a solicitation, nor a recommendation nor an invitation, nor an offer for the purchase or sale of financial products and/or of any kind of financial services as contemplated by the laws in any country or state.

About Amplifon

Amplifon, global leader in the hearing care retail market, empowers people to rediscover all the emotions of sound. Amplifon’s 14,000 people worldwide strive every day to understand the unique needs of every customer, delivering exclusive, innovative and highly personalized products and services, to ensure everyone the very best solution and an outstanding experience. Amplifon operates through a network of over 10,000 points of sale in 21 Countries and 5 continents. More information about the Company is available at: www.amplifon.com/corporate .

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