



SPAFID CONNECT

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Diffusione presunta

Oggetto : Record results in 2018 for the fourth year in
a row

Testo del comunicato

Vedi allegato.

AMPLIFON: RECORD RESULTS IN 2018 FOR THE FOURTH YEAR IN A ROW. A YEAR OF GREAT STRATEGIC INITIATIVES, FROM M&A TO THE LAUNCH OF THE AMPLIFON PRODUCT LINE

DOUBLE DIGIT GROWTH IN REVENUES (+10.6% AT CONSTANT EXCHANGE RATES), DRIVEN BY STRONG ORGANIC GROWTH AND ACQUISITIONS

CONTINUOUS IMPROVEMENT IN PROFITABILITY: RECURRING EBITDA AND NET PROFIT AT HISTORIC HIGHS RISING 11.0% AND 19.3%, RESPECTIVELY

STRONG NETWORK EXPANSION WITH A TOTAL OF 271¹ NEW STORES AND 86 SHOP-IN-SHOPS DUE TO STRONG M&A ACTIVITY MAINLY IN FRANCE, GERMANY, CANADA AND CHINA

AN EXTRAORDINARY YEAR FOR THE NUMEROUS STRATEGIC INITIATIVES: THE GAES ACQUISITION, THE LAUNCH OF THE AMPLIFON PRODUCT LINE IN ITALY AND THE FIRST JOINT VENTURE IN CHINA

UPDATE OF THE FINANCIAL TARGETS AT 2020, SUPPORTED BY A STRONG INNOVATION PROGRAM AND BY THE UNIQUE OPPORTUNITY STEMMING FROM THE INTEGRATION OF GAES

Main results for 2018²:

- Consolidated **REVENUES** of 1,372.7 million euros, up 10.6% at constant exchange rates and 8.4% at current exchange rates compared to 2017
- **EBITDA** net of non-recurring expenses reached 241.3 million euros, or 17.6% of revenues, an increase of around 40 basis points compared to the prior year. EBITDA as reported reached 232.9 million euros or 17.0% of revenues
- Recurring **NET PROFIT** amounted to 113.4 million euros, an increase of 19.3% compared to 95.0 million euros in 2017. Net profit as reported rose 6.1% from the 100.6 million euros posted in the prior year to 106.7 million euros
- **NET FINANCIAL DEBT** was 840.9 million euros, higher than the 296.3 million euros reported at December 31st, 2017, due to the cash-out for the GAES acquisition
- **FREE CASH FLOW** was positive for 110.3 million euros, an increase of 12.6% or approximately 12.3 million euros compared to 2017, after absorbing net capex of 76.1 million euros
- **Proposed dividend** of 14 euro cents per share, 27.3% higher than the previous year, with a payout of around 31% on the consolidated net earnings per share as reported³

Milan, March 5th, 2019 - Today the Board of Directors of Amplifon S.p.A. (MTA; Bloomberg ticker: AMP:IM), global leader in hearing solutions and services, approved the draft Financial Statements and the Consolidated Financial Statements as at December 31st, 2018 during a meeting chaired by Susan Carol Holland.

For the sake of effective comparison with the same period of 2017, the income statement figures for 2018 and the fourth quarter of 2018 in the following tables were prepared without applying the accounting standard IFRS 15. The following comments are, therefore, based on these figures, unless stated otherwise.

¹ Net of the disposal of Direito de Ouvir's distribution network in Brazil and of the acquisition of GAES' distribution network

² For the sake of effective comparison, the figures for 2018 commented on in this press release refer to 2018 figures without the application of IFRS 15 ("FY 2018 w/o IFRS 15"), unless stated otherwise.

³ Net profit as reported after application of IFRS 15



MAIN CONSOLIDATED ECONOMICAL AND FINANCIAL FIGURES – FY 2018

(Euro millions)	FY 2018 w/o IFRS 15 (*)				FY 2017				Change % on recurring
	Recurring	Non recurring	Total	% on recurring	Recurring	Non recurring	Total	% on recurring	
Net revenues	1,372.7	-	1,372.7	100.0%	1,266.0	-	1,266.0	100.0%	8.4%
EBITDA	241.3	(8.5)	232.9	17.6%	217.5	(5.0)	212.5	17.2%	11.0%
EBIT	169.2	(8.5)	160.7	12.3%	154.9	(5.2)	149.7	12.2%	9.2%
Net income	113.4	(6.7)	106.7	8.3%	95.0	5.6	100.6	7.5%	19.3%
Free cash flow			110.3				98.0		
	12/31/2018				12/31/2017				Change %
Net Financial Position		840.9				296.3			183.8%

MAIN CONSOLIDATED ECONOMICAL AND FINANCIAL FIGURES – FORTH QUARTER 2018

(Euro millions)	Q4 2018 w/o IFRS 15 (*)				Q4 2017				Change % on recurring
	Recurring	Non recurring	Total	% on recurring	Recurring	Non recurring	Total	% on recurring	
Net revenues	405.1	-	405.1	100.0%	364.2	-	364.2	100.0%	11.2%
EBITDA	87.0	(2.5)	84.5	21.5%	76.7	(1.1)	75.6	21.1%	13.4%
EBIT	66.6	(2.5)	64.1	16.4%	59.6	(1.3)	58.3	16.4%	11.7%
Net income	48.1	(2.3)	45.8	11.9%	44.1	8.3	52.4	12.1%	9.1%

(*) 2018 data without application of IFRS 15 for the sake of comparison with as reported 2017 data.

“2018 was a truly exceptional year for Amplifon, both for the excellent financial results achieved and the numerous strategic initiatives undertaken, and it closed, once again, with record results characterized, firstly, by double-digit growth in revenues, well outpacing the market, and, secondly, by the improved operational efficiency that allowed us to further increase profitability” said **Enrico Vita**, Amplifon’s Chief Executive Officer. *“2018 was a truly special year, also due to the numerous and important strategic initiatives undertaken. First of all, the GAES acquisition, the largest in our history, which made our Group even stronger and enabled us to reach an even more important dimension. The consolidation of GAES will create tremendous opportunities for further development, generating important synergies and creating significant value for our shareholders. We also completed the first joint venture with the main specialty retailer in Beijing, an important first step in building our presence in China. Lastly, we successfully launched the Amplifon branded products and our innovative multichannel ecosystem on the Italian market. Because of all of this, today we can present to the financial community even more ambitious growth plans for 2020, supported by our strong innovation program and, above all, by the enormous opportunity stemming from the integration of GAES.”*



Overview

In 2018 Amplifon reported record consolidated revenues of 1,372.7 million euros, an increase of 10.6% at constant exchange rates and of 8.4% at current exchange rates compared to the already excellent performance of 2017. Net of non-recurring expenses, EBITDA rose 11.0% to 241.3 million euros, with the margin increasing by around 40 basis points. EBITDA as reported reached 232.9 million euros, an increase of 9.6%. Recurring net profit was up by 19.3% reaching all-time high of 113.4 million euros, while net profit as reported came in at 106.7 million euros, an increase of 6.1% compared to 2017 which was characterized by a non-recurring tax gain of 9.6 million euros.

The balance sheet and financial indicators continue to demonstrate the Company's solidity: free cash flow reached 110.3 million euros, an increase of 12.3 million euros compared to 2017, after absorbing net capex of 76.1 million euros. Free cash flow net of the non-recurring items amounted to 118.0 million euros, an increase of 18.0 million euros with respect to 2017. Net debt came in at 840.9 million euros, higher than the 296.3 million euros recorded at December 31st, 2017 due to the GAES acquisition.

Amplifon reported excellent results in the fourth quarter of 2018, in sharp acceleration compared to the fourth quarter of 2017. Revenues amounted to 405.1 million euros, an increase of 11.2% compared to the fourth quarter of the prior year at both constant and current exchange rates. The increase was driven by exceptional organic growth (+7.4%) and the contribution of acquisitions (+3.8%). Recurring EBITDA was 13.4% higher than EBITDA posted in the fourth quarter of 2017, coming in at 87.0 million euros with a margin increase of around 40 basis points as a result of improved operating leverage. EBITDA as reported rose 11.8% to 84.5 million euros and recurring net profit rose 9.1% to 48.1 million euros.

The network expansion program continued in 2018, both organically and through acquisitions, with the addition of 271⁴ stores and 86 shop-in-shops, net of the acquisition of the GAES network. Acquisitions, 226 stores and 33 shop-in-shops, were made mainly in France, Germany, Canada and China for a total cash-out of approximately 90 million euros. Including also GAES' distribution network, the Company today operates through a network of around 11,000 points of sale, of which 5,150 corporate shops.

Economic results for 2018

Consolidated revenues amounted to 1,372.7 million euros in 2018, an increase of 10.6% at constant exchange rates and of 8.4% at current exchange rates compared to 2017. Revenues were driven by strong organic growth (+7.0%) and acquisitions (+3.6%), while the foreign exchange effect was negative for 2.2% mainly due to the strengthening of the Euro against the US and Australian dollars which, however, improved progressively during the year. The strong growth in revenues was achieved thanks to the solid performances reported in all geographic areas: in **EMEA**, excellent organic growth was combined with the strong contribution from acquisitions; strong growth in revenues was reported in the **AMERICAS**, which accelerated during the year, thanks to the great performances of Miracle-Ear and Amplifon Hearing Health Care; good growth was posted in **APAC** despite the softness of the market in the second half and the particularly adverse foreign exchange effect.

Thanks to the significant top-line acceleration and improved operating leverage, recurring **EBITDA** maintained its solid growth trend rising 11.0% compared to 2017, coming in at 241.3 million euros or 17.6% of revenues. EBITDA as reported rose 9.6% to 232.9 million euros. Non-recurring expenses related to the GAES acquisition amounted to 8.5 million euros in 2018.

EBIT, net of non-recurring expenses, was 169.2 million euros, an increase of 9.2% compared to the prior year. Such increase is attributable to the improvement in EBITDA, partially offset by the increase in depreciation and amortization linked to the network expansion, as well as the increased investments made in innovation and IT infrastructure. EBIT as reported rose 7.4% to 160.7 million euros.

Recurring net profit (NP) reached all-time high of 113.4 million euros, an increase of 19.3% compared to 2017, with a tax rate of 26.9% versus 30.0% in 2017. Net profit as reported amounted to 106.7 million euros,

⁴ Net of the disposal of Direito de Ouvir's distribution network in Brazil and the acquisition of GAES' distribution network.



an increase of 6.1% compared to 2017. In addition to the non-recurring expenses relating to the GAES acquisition of around 6.7 million euros (net of the tax effect), net profit as reported is impacted by the tax rate which came in at 26.9% compared to 22.9% in 2017. The lower tax rate recorded in 2017 is attributable to a non-recurring tax gain of 9.6 million euros.

Performance by geographic area

EMEA: outstanding execution delivering excellent profitable growth

Revenues in **Europe, the Middle East and Africa (EMEA)** reached 960.4 million euros, an increase of 12.7% at constant exchange rates and of 12.2% at current exchange rates compared to 2017. This result is driven for 7.9% by exceptional organic growth (which reached the peak of 9.4% in the fourth quarter), for 4.8% by acquisitions, while the foreign exchange effect had a negative impact of 0.5%.

In **Europe**, **Italy** reported a strong performance also thanks to the successful roll-out of the new Amplifon product line and digital ecosystem. Excellent growth continued in **France** and **Germany**, driven by both strong organic growth and significant M&A activity. An excellent performance was reported in **Spain**, supported by extraordinary organic growth.

The contribution of **EMEA** to the Company's profitability continues to be very significant, with recurring EBITDA rising 23.6% to 185.9 million euros. The margin rose 180 basis points to the historic high of 19.4% of revenues due to the strong increase in revenues, greater operational efficiency and the greater scale reached mainly in Germany and France, despite the ongoing strong marketing investments.

AMERICA: strong performance & continued profitability improvement, progressively accelerating throughout the year

In 2018 revenues in **AMERICAS** amounted to 234.4 million euros, an increase of 7.0% in local currency and of 2.4% at current exchange rates compared to the prior year. This result is explained by solid organic growth (+5.7%), which accelerated sharply in the fourth quarter (+7.4%), and by acquisitions⁵ (+1.3%). Revenues were penalized by the unfavorable USD/EUR exchange rate, which had a negative impact of 4.6%, although improving in the second half. The strong growth in the region was driven by the excellent results of **Miracle-Ear** and **Amplifon Hearing Health Care**, combined with the contribution made by **Canada**, where solid growth was reported thanks mainly to M&A.

EBITDA in **AMERICAS** rose from the 45.2 million euros recorded in 2017 to 47.0 million euro (+4.1%) in 2018, despite the adverse FX translative effect. The margin rose 40 basis points (reaching the peak of 100 basis points in the fourth quarter) compared to the prior year, coming in at 20.1% of revenues, thanks to improved operational efficiency and despite the particularly challenging comparison base, as the margin recorded in 2017 was 170 basis points higher than in 2016.

ASIA-PACIFIC: solid sales performance in local currencies despite market softness in H2; profitability reflecting significant marketing investments and negative FX translative effect

Revenues in **ASIA-PACIFIC** amounted to 174.4 million euros in 2018, an increase of 4.6% in local currency despite the challenging comparison with the prior year, while the unfavorable foreign exchange had a negative impact on revenues of 7.2%. A positive performance was reported in **Australia** despite a softer market environment in the second half of the year. **New Zealand** reported solid organic growth even though the market, again in the second half, was softer due to the anniversary of the regulatory changes that took place in 2013. However, it seems that the market is already improving in light of the solid performance posted in APAC in the first months of 2019.

⁵ Net of the disposal of Direito de Ouvir's distribution network in Brazil



In **ASIA-PACIFIC** EBITDA was 43.6 million euros, down compared to the 51.5 million euros recorded in 2017 as a result of the particularly adverse FX translative effect, the strong marketing investments (about 40% higher than in 2017) for the launch of the new brand image of National Hearing Care and the greater difficulty in absorbing fixed costs in Australia in the second half due to the softer market environment.

Balance sheet figures as at December 31st, 2018

The balance sheet and financial indicators continue to demonstrate the Company's solidity. According to the new accounting standards, net equity amounted to 596.1 million euros at December 31st, 2018. The cumulative effect of the first-time adoption, at January 1st, 2018, of the accounting principles IFRS 15 and IFRS 9 on the net equity opening balance caused a decrease of 61.2 million euros compared to the net equity posted at December 31st, 2017 (588.4 million euros).

Operating cash flow amounted to 186.5 million euros, 17.8 million euros higher than the 168.6 million euros posted in the prior year. Free cash flow, positive for 110.3 million euros, also increased compared to the 98.0 million euros generated in 2017 after higher investments (net of disposals) of 76.1 million euros compared to 70.7 million euros in 2017. On a recurring basis, free cash flow reached 118.0 million euros in 2018, an increase of 18.0 million euros compared to the 100.0 million euros generated in 2017. The higher net cash-out for acquisitions (620.2 million euros, of which approximately 530 million euros relative to the GAES acquisition, compared to 111.5 million euros in 2017), along with the investments made in operating and financial activities of 35.6 million euros (down by 17.2 million euros compared to 2017, after dividends that rose from 15.3 million in 2017 to 24.1 million euros in 2018) bring the net cash flow for the period to negative 545.5 million euros compared to negative 66.3 million euros in the prior year.

Net debt was 840.9 million euros, higher than the 296.3 million euros recorded at December 31st, 2017 due to the GAES acquisition, with the net debt/EBITDA⁶ ratio coming in at 3.11x.

Results of the Parent Company Amplifon S.p.A.

In 2018, the parent company Amplifon S.p.A. posted revenues of 314.0 million euros (310.7 million euros according to the new accounting standards) and net profit as reported of 80.4 million euros (79.3 million euros according to the new accounting standards) compared to 64.7 million euros in 2017.

Dividend

The Company's Board of Directors will propose that during the Annual Shareholders' Meeting, convened on April 17th, 2019, shareholders approve allocation of the year's earnings, as follows:

- distribution of part of the year's earnings as a dividend to shareholders of 0.14 euros (14 euro cents) per share, for a total of 30,894,412.50 euros based on the share capital subscribed to date, with shares going ex-dividend (detachment of coupon 12) on May 20th, 2019, to be paid as from May 22nd, 2019;
- allocation of the rest of the year's earnings, amounting to 48,366,544.93 euros, as retained earnings.

The total dividends payable and the allocation of retained earnings not distributed will vary depending on the number of shares with dividend rights outstanding as of the payment date, net of the Company's treasury shares.

⁶ Ratio Net Debt/EBITDA calculated as per definition of covenant in the GAES financing facility contract and applying the accounting principles in place on 31.12.2017, and, precisely, without the application of IFRS 15 (as per contract). According to the definition of covenant contracts for other facilities the ratio Net Debt/EBITDA is equal to 3.37x. In 2018, these indicators were calculated without applying IFRS 15, as provided by the financing facilities agreements.



Outlook

The Company expects to continue strengthening its global leadership position, recording a favorable trend in revenues growth across all geographic areas. Such performance will be driven by favorable organic growth, thanks to sizeable investments in marketing, the launch of the Amplifon product line and innovative multichannel ecosystem in other core countries, and constant focus on distribution network productivity, as well as by favorable external growth stemming from the recent GAES acquisition and piecemeal acquisitions in core countries (Germany, France and Canada). The Company also expects a continued increase in recurring EBITDA thanks to a significant increase in revenues, a greater scale in core markets, greater operational efficiency and the integration of GAES. Amplifon, therefore, reiterates its confidence in the ability to achieve its medium-long term targets. Such targets have been updated following the completion of the GAES acquisition and are discussed in the next paragraph.

Strategic update: growth opportunities and financial targets for 2020

Amplifon today also announces an update on Amplifon's strategic guidelines and future growth opportunities, as well as on the Company's financial targets for 2020, in light of the tremendous opportunity stemming from the recent acquisition of GAES, closed in December 2018.

With regards to the strategic guidelines, Amplifon confirms what announced in March 2018 during its Capital Markets Day. More in detail, the Company aims to further strengthen its global leadership through:

- A differentiated growth strategy focused on core worldwide markets;
- A customer-centric strategy in order to offer a distinctive and highly innovative customer experience;
- Investments to support an increasingly effective and attractive organization.

With regards to Amplifon's future growth opportunities, in addition to accelerating the roll-out of the Amplifon product line and multichannel ecosystem in other core countries already in 2019, the Company will benefit from the unique opportunity stemming from the integration of GAES. In reference to the latter, the Company expects to generate annual run-rate synergies in the range of 20 to 25 million euros at EBITDA level from 2021. Such synergies are higher than the ones initially disclosed at the announcement of the transaction and will require around 20 million euros of cumulated one-off costs in the two-year period 2019-2020.

With regards to the financial targets for 2020, the Company expects to post consolidated revenues in the range of 1,800 and 1,860 million euros⁷, recurring EBITDA between 330 and 345 million euros⁸ and operating cash flow of approximately 260 million euros.

The Company also expects net profit to grow in 2020 driven by greater operating leverage as well as continuous focus on financial expenses and tax rate, which is expected to be below 30% in the two-year period, also after the application of IFRS 15, and despite the annual amortization related to the allocation of the purchase price paid for the GAES acquisition in accordance with the accounting treatment for Purchase Price Allocation.

Finally, the Company aims at generating approximately 480 million euros cumulated operating cash flow in the two-year period 2019-2020. The significant cash generation will fully support the investments expected for the period (totaling around 330 million euros for Capex and cash-out for acquisitions⁹), reducing the Company's financial leverage in 2020 to a net debt/EBITDA ratio¹⁰ of approximately 2.2x.

⁷ Data in local currency and without applying IFRS 15 and IFRS 16. With application of IFRS15 alone, revenues are expected to be 1,785-1,845 million euros

⁸ Data without applying IFRS 15 and IFRS 16. With application of IFRS 15 alone recurring EBITDA is expected to be between 320 and 335 million euros

⁹ Mainly related to acquisitions in Germany, France and Canada

¹⁰ Ratio Net Debt/EBITDA calculated as per definition of covenant in the GAES financing facility contract and applying the accounting principles in place on 31.12.2017, and, precisely, without the application of IFRS 15 (as per contract) and IFRS 16.



An update of the strategic guidelines, the growth opportunities and the financial targets will be provided by Amplifon's Chief Executive Officer, Enrico Vita, together with some members of the Executive Leadership Team, during today's conference call and audiowebcast with the financial community - "FY Results 2018 & Strategic Update" - at 15:00 CET.

Buy-back program

During today's meeting the Board of Directors also resolved, pursuant to Articles 2357 and 2357-ter of the Italian Civil Code and Art. 132 of Legislative Decree n. 58 of 24 February 1998, to submit a proposal to the Annual Shareholders' Meeting to authorize a new share buy-back program, following withdrawal of the current program expiring October 2019. The new authorization is requested for a period of 18 months from the Shareholders' Meeting and calls for the purchase and disposal, on one or more occasions, on a rotating basis, of up to a total number of new shares which, taking account of the treasury shares already held, does not exceed 10% of Amplifon S.p.A.'s share capital. Currently, the Company holds a total of 5,676,745 treasury shares equal to 2.51% of the share capital.

The proposal is motivated by the need to continue to provide the Company with an efficient means to access treasury shares to service stock-based incentive plans, existing and future, reserved for executives and/or employees and/or staff members of the Company or its subsidiaries, and for potential free allocation of shares to shareholders, as well as to use as a form of payment for extraordinary transactions, including company acquisitions and the exchange of equity interests. Based on the Board of Directors' proposal to be submitted to the Annual Shareholders' Meeting, the purchase price of the shares should be determined on a case by case basis for each single transaction. The price, however, may not be 10% higher or lower than the stock price registered at the close of the trading session prior to each single purchase.

For further information please refer to the Directors' Report prepared in accordance with Art. 73 of the Regulations for Issuers.

Non-Financial Disclosure

During today's meeting the Board of Directors also approved the 2018 Non-Financial Disclosure drawn-up in accordance with the Italian Legislative Decree 254/2016 in relation to the disclosure of non-financial information. This statement, which represents not only the response to the Decree, but also Amplifon's Sustainability Report, is an opportunity to share with Amplifon's stakeholders the progress made by the Company in its areas of commitment in terms of sustainability.

Calling of the Annual Shareholders' Meeting

The draft Financial Statements as at December 31st, 2018 approved by Amplifon S.p.A.'s Board of Directors today will be submitted to the shareholders for approval during the Annual Shareholders' Meeting convened, in single call, on April 17th, 2019. The 2018 Non-Financial Disclosure will also be presented.

The Annual Shareholders' Meeting will be called upon to resolve on i) the proposed authorization for the buy-back program described above; ii) the appointment of the new Board of Directors for the period 2019-2021, after having determined the number of members.

The Board of Directors also resolved to submit the following to the Annual Shareholders' Meeting for approval: i) the Group's Remuneration Report drawn up in accordance with Art.123-ter of TUF; ii) the Directors' remuneration for 2019; iii) the Stock Grant Plan 2019-2025 for employees and/or staff members of the Company and its subsidiaries and the list of potential beneficiary directors.

The documentation called for under the law relating to the above-mentioned topics and the proposed resolutions submitted to the shareholders will be available at the Company's registered office, along with the 2018 Consolidated Financial Statements and the Report on Corporate Governance and Ownership Structure approved today by the Board of Directors, within the time period required by law. The documentation will also be available on the website www.amplifon.com/corporate.



The results for FY 2018 will be presented to the financial community today at 15:00 (CET) during a conference call and audiowebcast. To participate in the conference call dial one of the following numbers: +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/amplifon190305.html>

A few presentation slides will be made available prior to the beginning of the conference call, beginning at 14:30 CET, 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 March 8th, 2017, by dialing the following numbers: +44 121 281 8005 (UK), +1 718 705 8797 (USA) or +39 02 72 495 (Italy), access code: 904#; or, if the recording is no longer available, by accessing <http://corporate.amplifon.com/bod-meeting-to-approve-draft-financial-statements-at-31-12-2018>

From January 1st, 2018, the Group has adopted the principle IFRS 15 "Revenue from contracts with customers" and IFRS 9 "Financial instruments", which have led to changes in accounting policies and in some cases adjustments to the amounts recognized in the financial statements. The comparative data for 2017 have not been restated, while the data for 2018 are also presented without the application of IFRS 15. The comparative analysis in this press release refers, unless otherwise specified, to 2018 data without the application of IFRS 15, since the impact of IFRS 9 is totally negligible.

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.

This press release contains forward-looking statements. These statements are based on the Company's current expectations and projections about future events and, by their nature, 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 of capital and financial markets, changes in general macro-economic conditions, economic growth and other changes in business conditions, changes in laws and regulations (both in Italy and abroad), and many other factors, most of which are outside of the Company's control.

About Amplifon

Amplifon, global leader in the hearing care retail market, empowers people to rediscover all the emotions of sound. Amplifon's 16,000 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. The Group operates through a network of over 11,000 points of sale in 29 Countries and 5 continents. More information about the Group is available at: www.amplifon.com/corporate.

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MAIN CONSOLIDATED ECONOMICAL AND FINANCIAL FIGURES – FY 2018

(Euro millions)	FY 2018				FY 2017				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Net revenues	1,362.2	-	1,362.2	100.0%	1,266.0	-	1,266.0	100.0%	7.6%
EBITDA	233.9	(8.5)	225.5	17.2%	217.5	(5.0)	212.5	17.2%	7.6%
EBIT	161.8	(8.5)	153.3	11.9%	154.9	(5.2)	149.7	12.2%	4.4%
Net income	107.1	(6.7)	100.4	7.9%	95.0	5.6	100.6	7.5%	12.7%
Free cash flow			110.3				98.0		
			12/31/2018				12/31/2017		Change %
Net Financial Position		840.9				296.3			183.8%

(Euro millions)	FY 2018 w/o IFRS 15 (*)				FY 2017				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Net revenues	1,372.7	-	1,372.7	100.0%	1,266.0	-	1,266.0	100.0%	8.4%
EBITDA	241.3	(8.5)	232.9	17.6%	217.5	(5.0)	212.5	17.2%	11.0%
EBIT	169.2	(8.5)	160.7	12.3%	154.9	(5.2)	149.7	12.2%	9.2%
Net income	113.4	(6.7)	106.7	8.3%	95.0	5.6	100.6	7.5%	19.3%

(*) 2018 data without application of IFRS 15 for the sake of comparison with as reported 2017 data.

MAIN CONSOLIDATED ECONOMICAL AND FINANCIAL FIGURES – FORTH QUARTER 2018

(Euro millions)	Q4 2018				Q4 2017				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Net revenues	399.5	-	399.5	100.0%	364.2	-	364.2	100.0%	9.7%
EBITDA	83.4	(2.5)	80.9	20.9%	76.7	(1.1)	75.6	21.1%	8.7%
EBIT	63.0	(2.5)	60.5	15.8%	59.6	(1.3)	58.3	16.4%	5.6%
Net income	45.1	(2.3)	42.8	11.3%	44.1	8.3	52.4	12.1%	2.3%

(Euro millions)	Q4 2018 w/o IFRS 15 (*)				Q4 2017				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Net revenues	405.1	-	405.1	100.0%	364.2	-	364.2	100.0%	11.2%
EBITDA	87.0	(2.5)	84.5	21.5%	76.7	(1.1)	75.6	21.1%	13.4%
EBIT	66.6	(2.5)	64.1	16.4%	59.6	(1.3)	58.3	16.4%	11.7%
Net income	48.1	(2.3)	45.8	11.9%	44.1	8.3	52.4	12.1%	9.1%

(*) 2018 data without application of IFRS 15 for the sake of comparison with as reported 2017 data.



CONSOLIDATED NET REVENUES BY GEOGRAPHIC AREA – FY 2018

(€ thousands)	FY 2018 w/o IFRS 15 (*)	%	FY 2017	%	Change	Change %	Exchange diff.	Change % in local currency	Organic growth % (**)
Total EMEA	960,380	70.0%	855,628	67.6%	104,752	12.2%	(4,166)	12.7%	7.9%
Total Americas	234,421	17.1%	228,940	18.1%	5,481	2.4%	(10,640)	7.0%	5.7%
Total APAC	174,370	12.7%	179,002	14.1%	(4,632)	-2.6%	(12,841)	4.6%	3.9%
Corporate and intercompany elimination	3,559	0.2%	2,424	0.2%	1,135				
Total	1,372,730	100.0%	1,265,994	100.0%	106,736	8.4%	(27,647)	10.6%	7.0%

(*) 2018 data without application of IFRS 15 for the sake of comparison with as reported 2017 data.

(**) Organic growth is calculated as sum of same store growth and openings.

CONSOLIDATED NET REVENUES BY GEOGRAPHIC AREA – FORTH QUARTER 2018

(€ thousands)	Q4 2018 w/o IFRS 15 (*)	%	FY 2017	%	Change	Change %	Exchange diff.	Change % in local currency	Organic growth % (**)
Total EMEA	295,450	72.9%	260,531	71.5%	34,919	13.4%	(223)	13.5%	9.4%
Total Americas	64,974	16.0%	57,347	15.7%	7,627	13.3%	1,429	10.8%	7.4%
Total APAC	42,893	10.6%	45,005	12.4%	(2,112)	-4.7%	(1,112)	-2.2%	-5.0%
Corporate and intercompany elimination	1,820	0.5%	1,337	0.4%	483		-		
Total	405,137	100.0%	364,220	100.0%	40,917	11.2%	94	11.2%	7.4%

(*) 2018 data without application of IFRS 15 for the sake of comparison with as reported 2017 data.

(**) Organic growth is calculated as sum of same store growth and openings.



CONSOLIDATED INCOME STATEMENT – FY 2018

(€ thousands)	FY 2018				FY 2017				
	Recurring	Non recurring	Total	% on recurring	Recurring	Non recurring	Total	% on recurring	Change % on recurring
Revenues from sales and services	1,362,234	-	1,362,234	100.0%	1,265,994	-	1,265,994	100.0%	7.6%
Operating costs	(1,131,060)	(2,193)	(1,133,253)	-83.0%	(1,053,167)	(4,992)	(1,058,159)	-83.2%	-7.4%
Other costs and revenues	2,750	(6,264)	(3,514)	0.2%	4,656	-	4,656	0.4%	-40.9%
Gross operating profit (EBITDA)	233,924	(8,457)	225,467	17.2%	217,483	(4,992)	212,491	17.2%	7.6%
Depreciation and write-downs of non-current assets	(51,150)	-	(51,150)	-3.8%	(44,694)	(214)	(44,908)	-3.5%	-14.4%
Operating result before the amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	182,774	(8,457)	174,317	13.4%	172,789	(5,206)	167,583	13.6%	5.8%
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(21,007)	-	(21,007)	-1.5%	(17,906)	-	(17,906)	-1.4%	-17.3%
Operating profit (EBIT)	161,767	(8,457)	153,310	11.9%	154,883	(5,206)	149,677	12.2%	4.4%
Income, expenses, valuation and adjustments of financial assets	470	-	470	0.0%	502	-	502	0.0%	-6.4%
Net financial expenses	(13,521)	(649)	(14,170)	-1.0%	(19,284)	-	(19,284)	-1.5%	29.9%
Exchange differences and non-hedge accounting instruments	(1,034)	-	(1,034)	-0.1%	(548)	-	(548)	0.0%	-88.7%
Profit (loss) before tax	147,682	(9,106)	138,576	10.8%	135,553	(5,206)	130,347	10.7%	8.9%
Tax	(40,599)	2,433	(38,166)	-2.8%	(40,633)	10,764	(29,869)	-3.2%	0.1%
Net profit (loss)	107,083	(6,673)	100,410	7.9%	94,920	5,558	100,478	7.5%	12.8%
Profit (loss) of minority interests	(33)	-	(33)	0.0%	(100)	-	(100)	0.0%	67.0%
Net profit (loss) attributable to the Group	107,116	(6,673)	100,443	7.9%	95,020	5,558	100,578	7.5%	12.7%



(€ thousands)	FY 2018 w/o IFRS 15 (*)				FY 2017				Change % on recurring
	Recurring	Non recurring	Total	% on recurring	Recurring	Non recurring	Total	% on recurring	
Revenues from sales and services	1,372,730	-	1,372,730	100.0%	1,265,994	-	1,265,994	100.0%	8.4%
Operating costs	(1,134,139)	(2,193)	(1,136,332)	-82.6%	(1,053,167)	(4,992)	(1,058,159)	-83.2%	-7.7%
Other costs and revenues	2,750	(6,264)	(3,514)	0.2%	4,656	-	4,656	0.4%	-40.9%
Gross operating profit (EBITDA)	241,341	(8,457)	232,884	17.6%	217,483	(4,992)	212,491	17.2%	11.0%
Depreciation and write-downs of non-current assets	(51,150)	-	(51,150)	-3.7%	(44,694)	(214)	(44,908)	-3.5%	-14.4%
Operating result before the amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	190,191	(8,457)	181,734	13.9%	172,789	(5,206)	167,583	13.6%	10.1%
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(21,007)	-	(21,007)	-1.5%	(17,906)	-	(17,906)	-1.4%	-17.3%
Operating profit (EBIT)	169,184	(8,457)	160,727	12.3%	154,883	(5,206)	149,677	12.2%	9.2%
Income, expenses, valuation and adjustments of financial assets	470	-	470	0.0%	502	-	502	0.0%	-6.4%
Net financial expenses	(13,521)	(649)	(14,170)	-1.0%	(19,284)	-	(19,284)	-1.5%	29.9%
Exchange differences and non-hedge accounting instruments	(1,034)	-	(1,034)	-0.1%	(548)	-	(548)	0.0%	-88.7%
Profit (loss) before tax	155,099	(9,106)	145,993	11.3%	135,553	(5,206)	130,347	10.7%	14.4%
Tax	(41,766)	2,433	(39,333)	-3.0%	(40,633)	10,764	(29,869)	-3.2%	-2.8%
Net profit (loss)	113,333	(6,673)	106,660	8.3%	94,920	5,558	100,478	7.5%	19.4%
Profit (loss) of minority interests	(21)	-	(21)	0.0%	(100)	-	(100)	0.0%	79.0%
Net profit (loss) attributable to the Group	113,354	(6,673)	106,681	8.3%	95,020	5,558	100,578	7.5%	19.3%

(*) 2018 data without application of IFRS 15 for the sake of comparison with as reported 2017 data.



CONSOLIDATED INCOME STATEMENT – FORTH QUARTER 2018

(€ thousands)	Q4 2018				Q4 2017				
	Recurring	Non recurring	Total	% on recurring	Recurring	Non recurring	Total	% on recurring	Change % on recurring
Revenues from sales and services	399,463	-	399,463	100.0%	364,220	-	364,220	100.0%	9.7%
Operating costs	(316,209)	(1,931)	(318,140)	-79.2%	(288,692)	(1,080)	(289,772)	-79.3%	-9.5%
Other costs and revenues	106	(522)	(416)	0.0%	1,159	-	1,159	0.3%	-90.9%
Gross operating profit (EBITDA)	83,360	(2,453)	80,907	20.9%	76,687	(1,080)	75,607	21.1%	8.7%
Depreciation and write-downs of non-current assets	(14,880)	-	(14,880)	-3.7%	(12,418)	(214)	(12,632)	-3.4%	-19.8%
Operating result before the amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	68,480	(2,453)	66,027	17.1%	64,269	(1,294)	62,975	17.6%	6.6%
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(5,522)	-	(5,522)	-1.4%	(4,669)	-	(4,669)	-1.3%	-18.3%
Operating profit (EBIT)	62,958	(2,453)	60,505	15.8%	59,600	(1,294)	58,306	16.4%	5.6%
Income, expenses, valuation and adjustments of financial assets	217	-	217	0.1%	256	-	256	0.1%	-15.2%
Net financial expenses	(1,833)	(582)	(2,415)	-0.5%	(5,010)	-	(5,010)	-1.4%	63.4%
Exchange differences and non-hedge accounting instruments	(422)	-	(422)	-0.1%	(222)	-	(222)	-0.1%	-90.1%
Profit (loss) before tax	60,920	(3,035)	57,885	15.3%	54,624	(1,294)	53,330	15.0%	11.5%
Tax	(15,762)	739	(15,023)	-3.8%	(10,602)	9,640	(962)	-2.9%	-48.7%
Net profit (loss)	45,158	(2,296)	42,862	11.3%	44,022	8,346	52,368	12.1%	2.6%
Profit (loss) of minority interests	56	-	56	0.0%	(50)	-	(50)	0.0%	212.0%
Net profit (loss) attributable to the Group	45,102	(2,296)	42,806	11.3%	44,072	8,346	52,418	12.1%	2.3%



(€ thousands)	Q4 2018 w/o IFRS 15 (*)				Q4 2017				Change % on recurring
	Recurring	Non recurring	Total	% on recurring	Recurring	Non recurring	Total	% on recurring	
Revenues from sales and services	405,137	-	405,137	100.0%	364,220	-	364,220	100.0%	11.2%
Operating costs	(318,258)	(1,931)	(320,189)	-78.6%	(288,692)	(1,080)	(289,772)	-79.3%	-10.2%
Other costs and revenues	105	(522)	(417)	0.0%	1,159	-	1,159	0.3%	-90.9%
Gross operating profit (EBITDA)	86,984	(2,453)	84,531	21.5%	76,687	(1,080)	75,607	21.1%	13.4%
Depreciation and write-downs of non-current assets	(14,879)	-	(14,879)	-3.7%	(12,418)	(214)	(12,632)	-3.4%	-19.8%
Operating result before the amortisation and impairment of customer lists, trademarks, non-competition agreements and goodwill arising from business combinations (EBITA)	72,105	(2,453)	69,652	17.8%	64,269	(1,294)	62,975	17.6%	12.2%
Amortization and impairment of trademarks, customer lists, lease rights and non-competition agreements and goodwill	(5,522)	-	(5,522)	-1.4%	(4,669)	-	(4,669)	-1.3%	-18.3%
Operating profit (EBIT)	66,583	(2,453)	64,130	16.4%	59,600	(1,294)	58,306	16.4%	11.7%
Income, expenses, valuation and adjustments of financial assets	217	-	217	0.1%	256	-	256	0.1%	-15.2%
Net financial expenses	(1,833)	(582)	(2,415)	-0.5%	(5,010)	-	(5,010)	-1.4%	63.4%
Exchange differences and non-hedge accounting instruments	(423)	-	(423)	-0.1%	(222)	-	(222)	-0.1%	-90.5%
Profit (loss) before tax	64,544	(3,035)	61,509	15.9%	54,624	(1,294)	53,330	15.0%	18.2%
Tax	(16,395)	739	(15,656)	-4.0%	(10,602)	9,640	(962)	-2.9%	-54.6%
Net profit (loss)	48,149	(2,296)	45,853	11.9%	44,022	8,346	52,368	12.1%	9.4%
Profit (loss) of minority interests	68	-	68	0.0%	(50)	-	(50)	0.0%	238.0%
Net profit (loss) attributable to the Group	48,080	(2,296)	45,784	11.9%	44,072	8,346	52,418	12.1%	9.1%

(*) 2018 data without application of IFRS 15 for the sake of comparison with as reported 2017 data.



CONSOLIDATED SEGMENT INFORMATION – FY 2018

(€ thousands)	FY 2018					FY 2017				
	EMEA	Americas	Asia Pacific	Corporate (**)	Total	EMEA	Americas	Asia Pacific	Corporate (**)	Total
Net Revenues	952,337	231,818	174,520	3,559	1,362,234	855,628	228,940	179,002	2,424	1,265,994
EBITDA	178,625	46,193	43,779	(43,130)	225,467	145,445	45,156	51,491	(29,601)	212,491
% on sales	18.8%	19.9%	25.1%	-3.2%	16.6%	17.0%	19.7%	28.8%	-2.3%	16.8%
Recurring EBITDA	179,160	46,193	43,779	(35,208)	233,924	150,437	45,156	51,491	(29,601)	217,483
% on sales	18.8%	19.9%	25.1%	-2.6%	17.2%	17.6%	19.7%	28.8%	-2.3%	17.2%
EBIT	132,229	40,939	30,113	(49,971)	153,310	105,323	40,062	38,872	(34,580)	149,677
% on sales	13.9%	17.7%	17.3%	-3.7%	11.3%	12.3%	17.5%	21.7%	-2.7%	11.8%

(€ thousands)	FY 2018 w/o IFRS 15 (*)					FY 2017				
	EMEA	Americas	Asia Pacific	Corporate (**)	Total	EMEA	Americas	Asia Pacific	Corporate (**)	Total
Net Revenues	960,380	234,421	174,370	3,559	1,372,730	855,628	228,940	179,002	2,424	1,265,994
EBITDA	185,394	47,025	43,595	(43,130)	232,884	145,445	45,156	51,491	(29,601)	212,491
% on sales	19.3%	20.1%	25.0%	-3.1%	17.0%	17.0%	19.7%	28.8%	-2.3%	16.8%
Recurring EBITDA	185,929	47,025	43,595	(35,208)	241,341	150,437	45,156	51,491	(29,601)	217,483
% on sales	19.4%	20.1%	25.0%	-2.6%	17.6%	17.6%	19.7%	28.8%	-2.3%	17.2%
EBIT	138,998	41,770	29,929	(49,971)	160,727	105,323	40,062	38,872	(34,580)	149,677
% on sales	14.5%	17.8%	17.2%	-3.6%	11.7%	12.3%	17.5%	21.7%	-2.7%	11.8%

(*) 2018 data without application of IFRS 15 for the sake of comparison with as reported 2017 data.

(**) The impact of the centralized costs is calculated as a percentage of the Group's total sales.



CONSOLIDATED SEGMENT INFORMATION – FORTH QUARTER 2018

(€ thousands)	Q4 2018					Q4 2017				
	EMEA	Americas	Asia Pacific	Corporate (**)	Total	EMEA	Americas	Asia Pacific	Corporate (**)	Total
Net Revenues	290,914	63,795	42,935	1,819	399,463	260,531	57,347	45,005	1,337	364,220
EBITDA	69,749	13,917	8,836	- 11,596	80,906	59,122	11,621	13,183	(8,319)	75,607
% on sales	24.0%	21.8%	20.6%	-2.9%	20.3%	22.7%	20.3%	29.3%	-2.3%	20.8%
Recurring EBITDA	70,285	13,917	8,836	- 9,678	83,360	60,202	11,621	13,183	(8,319)	76,687
% on sales	24.2%	21.8%	20.6%	-2.4%	20.9%	23.1%	20.3%	29.3%	-2.3%	21.1%
EBIT	57,198	12,507	5,261	- 14,461	60,505	47,888	10,134	10,082	(9,798)	58,306
% on sales	19.7%	19.6%	12.3%	-3.6%	15.1%	18.4%	17.7%	22.4%	-2.7%	16.0%

(€ thousands)	Q4 2018 w/o IFRS 15 (*)					Q4 2017				
	EMEA	Americas	Asia Pacific	Corporate (**)	Total	EMEA	Americas	Asia Pacific	Corporate (**)	Total
Net Revenues	295,450	64,974	42,893	1,819	405,137	260,531	57,347	45,005	1,337	364,220
EBITDA	73,492	13,850	8,785	(11,596)	84,531	59,122	11,621	13,183	(8,319)	75,607
% on sales	24.9%	21.3%	20.5%	-2.9%	20.9%	22.7%	20.3%	29.3%	-2.3%	20.8%
Recurring EBITDA	74,027	13,850	8,785	(9,678)	86,984	60,202	11,621	13,183	(8,319)	76,687
% on sales	25.1%	21.3%	20.5%	-2.4%	21.5%	23.1%	20.3%	29.3%	-2.3%	21.1%
EBIT	60,941	12,440	5,210	(14,461)	64,130	47,888	10,134	10,082	(9,798)	58,306
% on sales	20.6%	19.1%	12.1%	-3.6%	15.8%	18.4%	17.7%	22.4%	-2.7%	16.0%

(*) 2018 data without application of IFRS 15 for the sake of comparison with as reported 2017 data.

(**) The impact of the centralized costs is calculated as a percentage of the Group's total sales.



NON-RECURRING ITEMS

(€ thousands)	FY 2018 (*)	FY 2017
GAES acquisition costs	(8,457)	-
Restructuring costs incurred following the acquisition of AudioNova's retail businesses in France and in Portugal	-	(4,992)
Impact of the non-recurring items on EBITDA	(8,457)	(4,992)
Write-downs of plant, property and equipment following closure of AudioNova's stores in Portugal as part of the restructuring process	-	(214)
Impact of the non-recurring items on EBIT	(8,457)	(5,206)
Commitment fees related to the financing of the GAES acquisition	(649)	-
Impact of the non-recurring items on profit before tax	(9,106)	(5,206)
Change in deferred tax in the United States due to the tax reform	-	9,604
Impact of the above items on the tax burden for the year	2,433	1,160
Impact of the non-recurring items on net profit	(6,673)	5,558

(€ thousands)	Q4 2018 (*)	Q4 2017
GAES acquisition costs	(2,453)	-
Restructuring costs incurred following the acquisition of AudioNova's retail businesses in France and in Portugal	-	(1,080)
Impact of the non-recurring items on EBITDA	(2,453)	(1,080)
Write-downs of plant, property and equipment following closure of AudioNova's stores in Portugal as part of the restructuring process		(214)
Impact of the non-recurring items on EBIT	(2,453)	(1,294)
Commitment fees related to the financing of the GAES acquisition	(582)	-
Impact of the non-recurring items on profit before tax	(3,035)	(1,294)
Change in deferred tax in the United States due to the tax reform		9,604
Impact of the above items on the tax burden for the year	739	36
Impact of the non-recurring items on net profit	(2,296)	8,346

(*) 2018 non-recurring items are the same with or without application of IFRS 15.



RECLASSIFIED CONSOLIDATED BALANCE SHEET

(€ thousands)	31/12/2018	31/12/2017	Change
Goodwill	1,258,848	684,635	574,213
Customer lists, non-compete agreements, trademarks and location rights	154,236	143,373	10,863
Software charges, licenses, other int.ass., wip and advances	69,596	56,583	13,013
Tangible assets	188,651	143,003	45,648
Fixed financial assets	41,546	43,392	(1,846)
Other non-current financial assets	26,752	7,576	19,176
Total fixed assets	1,739,629	1,078,562	661,067
Inventories	61,770	37,081	24,689
Trade receivables	169,454	132,792	36,662
Other receivables	79,299	47,584	31,715
Current assets	310,523	217,457	93,066
Total assets	2,050,152	1,296,019	754,133
Trade payables	(173,649)	(137,401)	(36,248)
Other payables	(244,917)	(133,423)	(111,494)
Provisions for risks (current portion)	(2,768)	(4,055)	1,287
Short term liabilities	(421,334)	(274,879)	(146,455)
Working capital	(110,811)	(57,422)	(53,389)
Derivative instruments	(10,876)	(9,866)	(1,010)
Deferred tax assets	74,641	45,300	29,341
Deferred tax liabilities and tax payables	(64,885)	(60,044)	(4,841)
Provisions for risks (non-current portion)	(48,043)	(65,390)	17,347
Employee benefits (non-current portion)	(20,290)	(16,717)	(3,573)
Loan fees	3,795	632	3,163
Other long term payables	(126,202)	(30,372)	(95,830)
NET INVESTED CAPITAL	1,436,958	884,683	552,275
Shareholders' equity	594,919	588,681	6,238
Third parties' equity	1,183	(263)	1,446
Net equity	596,102	588,418	7,684
Long term net financial debt	877,688	119,193	758,495
Short term net financial debt	(36,832)	177,072	(213,904)
Total net financial debt	840,856	296,265	544,591
FINANCIAL DEBT AND NET EQUITY	1,436,958	884,683	552,275



CONSOLIDATED NET FINANCIAL DEBT MATURITY PROFILE

(€ millions)	2018	2019	2020	2021	2022 and beyond	Total
Private placement			(15.5)		(85.4)	(100.9)
Bank loans		(3.3)	(6.7)	(191.7)	(58.4)	(260.1)
Syndicated Loan		(26.5)	(39.8)	(39.8)	(424.0)	(530.1)
Bank overdraft	(4.8)	(2.6)				(7.4)
Others		(15.8)	(2.6)	(0.8)	(13.1)	(32.3)
Cash and cash equivalents	89.9					89.9
Total	85.1	(48.2)	(64.6)	(232.3)	(580.9)	(840.9)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(€ thousands)	FY 2018	FY 2017
EBIT	153,310	149,677
Amortization, depreciation and write down	72,157	62,814
Provisions, other non-monetary items and gain/losses from disposals	19,743	27,840
Net financial expenses	(13,942)	(18,322)
Taxes paid	(36,590)	(45,866)
Changes in net working capital	(8,212)	(7,499)
Cash flow provided by (used in) operating activities (A)	186,466	168,644
Cash flow provided by (used in) operating investing activities (B)	(76,146)	(70,665)
Free Cash Flow (A+B)	110,320	97,979
Net cash flow provided by (used in) acquisitions (C)	(620,639)	(111,516)
(Purchase) sale of other investment and securities (D)	452	23
Cash flow provided by (used in) investing activities (B+C+D)	(696,333)	(182,158)
Cash flow provided by (used in) operating activities and investing activities	(509,867)	(13,514)
Dividends paid	(24,079)	(15,292)
Fees paid on medium/long-term financing	(3,758)	(775)
Treasury shares	(9,631)	(36,160)
Capital increases, third parties' contributions and dividends paid by subsidiaries to third parties	(22)	144
Hedging instruments and other changes in non-current assets	1,901	(710)
Net cash flow from the period	(545,456)	(66,307)
Net financial indebtedness as of period opening date	(296,265)	(224,421)
Effect of discontinued operation on financial position	22	-
Effect of exchange rate fluctuations on financial position	843	(5,537)
Change in net financial position	(545,457)	(66,307)
Net financial indebtedness as of period closing date	(840,856)	(296,265)



INCOME STATEMENT - AMPLIFON SPA

(Euro)	FY 2018			FY 2017			Change
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total	
Revenues from sales and services	310,668,409	-	310,668,409	295,353,089	-	295,353,089	15,315,320
Operating costs	(284,173,762)	(1,010,497)	(285,184,259)	(266,833,169)	-	(266,833,169)	(18,351,090)
- <i>Related parties</i>	(2,095,089)	-	(2,095,089)	(632,981)	-	(632,981)	(1,462,108)
Other costs and revenues	54,799,295	(6,911,066)	47,888,229	44,071,363	-	44,071,363	3,816,866
- <i>Related parties</i>	43,203,078	-	43,203,078	27,983,662	-	27,983,662	15,219,416
Gross operating profit (EBITDA)	81,293,942	(7,921,563)	73,372,379	72,591,283	-	72,591,283	781,096
Amortization, depreciation and impairment							
Amortization of intangible fixed assets	(9,945,813)	-	(9,945,813)	(7,108,267)	-	(7,108,267)	(2,837,546)
Amortization of tangible fixed assets	(6,967,430)	-	(6,967,430)	(6,438,593)	-	(6,438,593)	(528,837)
Impairment	(281)	-	(281)	(1,872)	-	(1,872)	1,591
	(16,913,524)	-	(16,913,524)	(13,548,732)	-	(13,548,732)	(3,364,792)
Operating result (EBIT)	64,380,418	(7,921,563)	56,458,855	59,042,551	-	59,042,551	(2,583,696)
Financial income, charges and value adjustment to financial assets							
Other income and charges, impairment and revaluations of financial assets	57,200,955	(9,980,400)	47,220,555	40,587,119	(559,040)	40,028,079	7,192,476
- <i>Related parties</i>	57,200,955	-	57,200,955	40,587,119	(559,040)	40,028,079	17,172,876
Interest income and charges	(12,641,415)	(649,272)	(13,290,687)	(18,076,554)	-	(18,076,554)	4,785,867
- <i>Related parties</i>	(5,182,896)	-	(5,182,896)	(5,418,253)	-	(5,418,253)	235,357
Other financial income and charges	319,185	-	319,185	2,295,130	(8,933,826)	(6,638,696)	6,957,881
- <i>Related parties</i>	2,655,426	-	2,655,426	3,919,118	(8,933,826)	(5,014,708)	7,670,134
Exchange gains and losses	(111,950)	-	(111,950)	(366,364)	-	(366,364)	254,414
Gain (loss) on assets measured at fair value	(170,167)	-	(170,167)	144,219	-	144,219	(314,386)
	44,596,608	(10,629,672)	33,966,936	24,583,550	(9,492,866)	15,090,684	18,876,252
Income (loss) before tax	108,977,026	(18,551,235)	90,425,791	83,626,101	(9,492,866)	74,133,235	16,292,556
Tax	(13,699,229)	2,534,395	(11,164,834)	(9,411,120)	-	(9,411,120)	(1,753,714)
Total net income (loss)	95,277,797	(16,016,840)	79,260,957	74,214,981	(9,492,866)	64,722,115	14,538,842



BALANCE SHEET - AMPLIFON SPA

(Euro)	12/31/2018	12/31/2017	Change
Goodwill	539,855	539,855	-
Intangible fixed assets with finite useful life	37,410,517	29,541,783	7,868,734
Tangible fixed assets	29,466,197	26,533,302	2,932,895
Equity Investments	1,160,745,906	615,554,530	545,191,376
Hedging instruments	3,725,226	-	3,725,226
Other long-term financial assets – related parties	80,910,000	73,710,000	7,200,000
Deferred tax assets	21,844,725	18,533,803	3,310,922
Contract costs – Long-term	2,487,635	-	2,487,635
Other assets	12,781,502	1,519,911	11,261,591
Total non-current assets	1,349,911,563	765,933,184	583,978,379
Inventories	10,314,266	10,164,456	149,810
Trade receivables	44,904,946	39,234,570	5,670,376
Trade receivables – related companies	41,540,369	15,438,413	26,101,956
Contract costs – Short-term	1,737,325	-	1,737,325
Other receivables	28,125,112	15,236,178	12,888,934
Short term financial receivables	174	19,064	(18,890)
Short term financial receivables – related parties	87,343,577	58,256,384	29,087,193
Cash and cash equivalents	13,271,239	43,616,735	(30,345,496)
Total current assets	227,237,008	181,965,800	45,271,208
TOTAL ASSETS	1,577,148,572	947,898,984	629,249,588
(Euro)	12/31/2018	12/31/2017	Change
Share capital	4,527,072	4,526,605	467
Share premium account	202,565,197	202,412,368	152,829
Legal reserve	933,760	933,760	-
Treasury shares	(50,932,674)	(60,216,741)	9,284,067
Stock option reserve	34,180,599	30,077,912	4,102,687
Cash flow hedge reserve	(8,011,161)	(7,281,509)	(729,652)
Extraordinary reserve	2,766,528	2,766,528	-
Other reserves	649,012	824,619	(175,607)
Income (loss) carried forward	203,391,512	185,115,866	18,275,646
Income (loss) for the year	79,260,957	64,722,115	14,538,842
Total net equity	469,330,802	423,881,523	45,449,279
Financial liabilities	758,639,393	14,794,033	743,845,360
Financial liabilities – related parties	113,537,118	108,396,565	5,140,553
Provisions for risks and charges	13,984,855	13,115,610	869,245
Liabilities for employees' benefits	3,328,966	3,258,589	70,377
Hedging instruments	1,956,754	2,361,759	(405,005)
Trade payables – Long-term	-	240,000	(240,000)
Payables for business acquisitions – Long-term	12,501,959	-	12,501,959
Contract liabilities – Long-term	26,861,368	-	26,861,368
Deferred tax liabilities	1,230,112	1,378,260	(148,148)
Total non-current liabilities	932,040,525	143,544,816	788,495,709
Trade payables	49,212,141	41,976,776	7,235,365
Trade payables – related parties	1,306,450	460,330	846,120
Other payables	41,140,835	42,084,073	(943,238)
Other payables – related parties	232,072	-	232,072
Contract liabilities – Short-term	20,719,685	-	20,719,685
Payables for business acquisitions – Short-term	4,827,419	5,094,195	(266,776)
Other financial payable	29,541,496	280,790,043	(251,248,547)
Other financial payable – related parties	18,010,311	5,753,527	12,256,784
Hedging instruments – Short-term	46,144	44,049	2,095
Tax payables	10,740,692	4,269,652	6,471,040
Total current liabilities	175,777,245	380,472,645	(204,695,400)
TOTAL LIABILITIES	1,577,148,572	947,898,984	629,249,588



CONDENSED CASH FLOW STATEMENT - AMPLIFON SPA

(€ thousands)	FY 2018	FY 2017
EBIT	56,459	59,043
Amortization, depreciation and write down	16,913	13,549
Provisions, other non-monetary items and gain/losses from disposals	8,972	9,274
Net financial expenses	(12,686)	(15,455)
Impairment of current assets	-	(8,934)
Dividends received	57,201	40,587
Taxes paid	(7,621)	(13,663)
Changes in net working capital	(16,051)	4,663
Cash flow generated from (absorbed by) operating activities (A)	103,187	89,064
Cash flow generated from (absorbed by) operating investing activities (B)	(28,354)	(22,525)
Free Cash Flow (A+B)	74,833	66,539
Cash flow provided by (used in) acquisitions (C)	(551,865)	(89,289)
(Purchase) sale of other investment and securities (D)	-	325
Cash flow generated from (absorbed by) investing activities (B+C+D)	(580,219)	(111,489)
Other non-current assets	61	(46)
Fees paid on medium/long-term financing	(3,758)	(775)
Dividends distributed	(24,079)	(15,292)
Treasury shares	(9,631)	(36,160)
Capital increases	106	538
Net cash flow from the period	(514,333)	(74,160)
Net financial indebtedness as of period opening date	(232,397)	(158,237)
Change in net financial position	(514,333)	(74,160)
Net financial indebtedness as of period closing date	(746,730)	(232,397)

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