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Diffusione presunta

Oggetto : THE FIRST HALF OF 2019 CONFIRMS
THE EXCELLENT GROWTH IN
REVENUES AND SIGNIFICANT
INCREASE IN PROFITABILITY

Testo del comunicato

Vedi allegato.

AMPLIFON: THE FIRST HALF OF 2019 CONFIRMS THE EXCELLENT GROWTH IN REVENUES AND SIGNIFICANT INCREASE IN PROFITABILITY

STRONG REVENUE GROWTH (+25.0% AT CONSTANT EXCHANGE RATES) SUSTAINED BY SOLID ORGANIC GROWTH, FURTHER ACCELERATING IN THE SECOND QUARTER, AND THE EXTRAORDINARY CONTRIBUTION OF M&A

SIGNIFICANT IMPROVEMENT IN PROFITABILITY (RECURRING EBITDA MARGIN +30 BPS) EVEN AFTER THE CONSOLIDATION OF GAES. RECURRING NET PROFIT +31.6%

OUTSTANDING PERFORMANCE IN SPAIN ALSO THANKS TO THE EXCELLENT RESULTS FROM THE GAES INTEGRATION

VERY POSITIVE INITIAL RESULTS FROM THE LAUNCH OF THE AMPLIFON PRODUCT EXPERIENCE IN THE NETHERLANDS AND GERMANY

Main results for the first half of 2019¹:

- Consolidated **revenues** of 832.0 million euros, up 25.0% at constant exchange rates and 26.1% at current exchange rates compared to the same period of 2018
- Recurring **EBITDA** rose 28.4% to 141.2 million euros, with the margin coming in at 17.0% of revenues, an increase of 30 basis points compared to the same period of 2018, even after the consolidation of GAES. EBITDA as reported reached 135.4 million euros, or 16.3% of revenues
- Recurring **Net profit** amounted to 61.9 million euros, an increase of 31.6% compared to the first half of 2018. Net profit as reported rose 21.2% to 57.0 million euros
- **Net financial debt** was 841.1 million euros, substantially unchanged with respect to the 840.9 million euros reported at December 31st, 2018 thanks to strong cash flow generation, also after a higher dividend payment
- Recurring **Free cash flow** reached 64.8 million euros, an increase of 20.3 million euros or 45.7% compared to the same period of 2018

Milan, July 30th, 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 Interim Financial Report as at June 30th, 2019 during a meeting chaired by Susan Carol Holland.

For the sake of effective comparison with the same period of 2018, key figures for the first half and second quarter of 2019 in the following tables were prepared without applying the accounting standard IFRS 16. The following comments are, therefore, based on these figures, unless stated otherwise.

¹ For the sake of effective comparison with the as reported figures for the first half and second quarter of 2018, figures for the first half and second quarter of 2019 commented in this press release refer to figures without the application of the accounting standard IFRS16 ("H1 2019 w/o IFRS 16" and "Q2 2019 w/o IFRS 16"), unless stated otherwise



MAIN CONSOLIDATED ECONOMICAL AND FINANCIAL FIGURES – FIRST HALF 2019

(Euro millions))	H1 2019 w/o IFRS 16 (*)				H1 2018				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Net revenues	832.0	-	832.0	100.0%	659.6	-	659.6	100.0%	26.1%
EBITDA	141.2	(5.8)	135.4	17.0%	109.9	-	109.9	16.7%	28.4%
EBIT	92.8	(5.9)	86.9	11.2%	76.1	-	76.1	11.5%	22.0%
Net income	61.9	(4.9)	57.0	7.4%	47.0	-	47.0	7.1%	31.6%
Free cash flow		57.9					44.5		
		06/30/2019					12/31/2018		Change %
Net Financial Position		841.1					840.9		-

(*) For the sake of comparison, 2019 data are shown without the application of IFRS 16.

MAIN CONSOLIDATED ECONOMICAL AND FINANCIAL FIGURES – SECOND QUARTER 2019

(Euro millions)	Q2 2019 w/o IFRS 16 (*)				Q2 2018				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Net revenues	440.1	-	440.1	100.0%	350.2	-	350.2	100.0%	25.7%
EBITDA	84.9	(4.4)	80.5	19.3%	66.7	-	66.7	19.1%	27.2%
EBIT	59.9	(4.4)	55.4	13.6%	49.5	-	49.5	14.1%	21.0%
Net income	41.9	(3.8)	38.1	9.5%	32.4	-	32.4	9.3%	29.3%

(*) For the sake of comparison, 2019 data are shown without the application of IFRS 16.

“The first half of 2019 shows once again extremely positive results. These results are characterized by solid, above-market organic growth, further accelerating in the second quarter, as well as by the extraordinary contribution from acquisitions, mostly driven by GAES. In fact, GAES integration continues in the wake of the excellent first quarter results, thus contributing positively to the double-digit growth in revenues”, said Enrico Vita, Amplifon’s Chief Executive Officer “We are also very satisfied with the results achieved in terms of profitability at group level which showed significant improvement, even after the consolidation of GAES. This allows us to be confident of achieving a recurring EBITDA margin in 2019 higher than the 2018 margin. Lastly, we are proceeding at a sustained pace with the execution of our other strategic initiatives, as demonstrated by the first very positive results of the progressive roll-out of the Amplifon Product Experience also in the Netherlands and Germany.”



Overview

Amplifon reported consolidated revenues of 832.0 million euros in the first half of 2019, an increase of 25.0% at constant exchange rates and of 26.1% at current exchange rates compared to the first half of 2018. This outstanding performance reflects strong, above market organic growth (+4.8%) and the extraordinary contribution of acquisitions (+20.2%) fueled by the consolidation of GAES and its double-digit organic growth (reported in M&A), as well as the bolt-on acquisitions carried out mainly in France and Germany. The foreign exchange effect was positive for 1.1%.

Recurring EBITDA rose 28.4% in the first half of 2019 to 141.2 million euros. The margin came in at 17.0%, an increase of 30 basis points compared to the first half of 2018, even after the consolidation of GAES, characterized by a lower initial profitability compared to the rest of the Amplifon group. EBITDA as reported reached 135.4 million euros or 16.3% of revenues, up 23.1% year on year. Recurring net profit rose 31.6% to 61.9 million euros, while net profit as reported grew by 21.2% to 57.0 million euros. Adjusted earnings per share (adjusted EPS)² came in at 34.1 euro cents, 37.7% higher than the 24.8 euro cents reported in the first half of 2018.

The balance sheet and financial indicators show a positive trend: free cash flow reached 57.9 million euros, showing strong improvement compared to the 44.5 million euros posted in the first half of 2018, after absorbing net capex of 42.0 million euros. Recurring free cash flow reached an even higher 64.8 million euros, with an increase of 45.7% compared to the first half of 2018. Net debt came in at 841.1 million euros, substantially unchanged with respect to the 840.9 million euros recorded at December 31st, 2018 thanks to the strong cash flow generation, also after a higher dividend payment.

Amplifon reported excellent results also in the second quarter of 2019. Revenues amounted to 440.1 million euros, an increase of 24.7% at constant exchange rates and of 25.7% at current exchange rates compared to the second quarter of 2018, even after the application of IFRS 15 which had a negative impact of around 1%. The increase was driven by strong, above market organic growth (+5.6%), in acceleration compared to the first quarter of 2019, as well as the contribution of acquisitions (+19.1%), which was fueled by the consolidation of GAES and its double-digit organic growth (reported in M&A) along with the bolt-on acquisitions carried out mainly in France and Germany. The foreign exchange effect was positive for 1.0%. Recurring EBITDA amounted to 84.9 million euros, while the margin rose 20 basis points to 19.3%. EBITDA as reported reached 80.5 million euros or 18.3% of revenues. Recurring net profit was 29.3% higher than in the comparison period, coming in at 41.9 million euros, whereas net profit as reported grew 17.5% to 38.1 million euros.

The network expansion program continued in the first half, both organically and through acquisitions, with the addition of 82 stores, of which 33 in the second quarter. The acquisitions, 64 stores, were made mainly in France and Germany for a total cash-out of 27.7 million euros.

Economic results for the first half of 2019

Consolidated revenues amounted to 832.0 million euros in the first half of 2019, an increase of 25.0% at constant exchange rates and of 26.1% at current exchange rates compared to the first half of the prior year. Revenues were driven by strong organic growth (+4.8%), outpacing the market, while acquisitions contributed 20.2%. The foreign exchange effect had a positive impact of 1.1%, attributable mainly to the strengthening of the USD against the Euro. The growth trend was sustained by the solid performances posted in all the geographic areas in which the Company operates: an excellent performance was recorded in **EMEA**, thanks also to strong organic growth which accelerated further in the second quarter and the extraordinary contribution of GAES; strong revenue growth was posted in **AMERICAS**, driven by positive organic growth and significant contribution of acquisitions linked to the consolidation, as well as the excellent performance, of GAES LATAM business; the good growth in revenues recorded in **APAC** reflects

² Net earnings per share adjusted (adjusted EPS) for non-recurring expenses and amortization linked to acquisitions in accordance with the Purchase Price Allocation accounting treatment.



solid organic growth, which outpaced the market, as well as the contribution made by the first Chinese joint venture.

Thanks to the significant acceleration in revenues and operating leverage, recurring **EBITDA** maintained its solid growth trend increasing 28.4% to 141.2 million euros. The recurring EBITDA margin rose 30 basis points compared to the first half of 2018 to 17.0% even after the consolidation of GAES and the continuous investments in marketing. EBITDA as reported rose 23.1% to 135.4 million euros. Non-recurring expenses related to the GAES integration amounted to 5.8 million euros in the first half of 2019. Recurring and as reported EBITDA after the application of IFRS 16 came to 186.6 million euros and 180.8 million euros, respectively.

Recurring **EBIT** rose 22.0% compared to the same period of 2018 to 92.8 million euros or 11.2% of revenues. This increase is attributable to the improvement in EBITDA, which was partially offset by higher depreciation and amortization related to network expansion, innovation, and IT infrastructure, as well as the impact of the 18.5 million euros in amortization recognized for acquisitions in accordance with Purchase Price Allocation accounting treatment. EBIT as reported rose 14.3% to 86.9 million euros.

Recurring **Net profit (NP)** reached 61.9 million euros, an increase of 31.6% compared to the first half of 2018. This excellent result is attributable to both the 27.1% decrease in financial expenses, especially considering that net financial debt at June 30th, 2019 was around 2.6x higher than at June 30th, 2018, and a reduction in the tax rate from the 29.1% recorded in the first half of 2018 to the current 27.7%. Net profit as reported rose 21.2% in the first half of 2019 to 57.0 million euros, with a tax rate of 28.5%. Adjusted earnings per share (adjusted EPS)³ came in at 34.1 euro cents, 37.7% higher than the 24.8 euro cents reported in the first half of 2018.

Performance by geographic area

EMEA: outstanding performance boosted by strong organic growth, accelerating in the second quarter, and the excellent results of Spain

Revenues in Europe, the Middle East and Africa (**EMEA**) reached 607.1 million euros in the first half of 2019, an increase of 30.9% at constant exchange rates and of 31.1% at current exchange rates. This result was driven for 5.5% by strong organic growth, thanks also to the further acceleration to 6.9% in the second quarter, and for 25.4% by acquisitions. The latter reflect the combined effect of the consolidation of GAES as of January 1st, 2019, GAES double-digit organic growth (reported in M&A) and the bolt-on acquisitions made in Germany and France. The foreign exchange effect was positive for 0.2%.

In **Europe**, **Italy** recorded excellent organic growth thanks also to the continuous success of the roll-out of the Amplifon product line and digital ecosystem, which were also launched in the Netherlands and Germany with very positive initial results. In **Spain**, both GAES and Amplifon businesses reported excellent, above expectations, double-digit organic growth, stemming also from the first successful activities of the integration process. Double-digit growth was recorded in **Germany**, driven by strong organic growth and acquisitions. **France** returned to double-digit revenue growth in the second quarter, after a largely unchanged performance in the first quarter due to an adverse phasing related to the introduction of the new regulatory framework.

The contribution of EMEA to the Group's profitability continues to be very significant, with recurring EBITDA rising 33.1% to 109.2 million euros. The margin showed strong improvement, rising 30 basis points to 18.0% of revenues, despite the slight contraction reported in the second quarter due to the dilutive effect of the integration of GAES which has a different seasonality.

³ Earnings per share adjusted (adjusted EPS) for non-recurring items and amortization related to acquisitions according to the Purchase Price Allocation accounting treatment



AMERICAS: strong top-line growth and excellent profitability improvement

Revenues in **AMERICAS** reached 131.9 million euros in the first half of 2019, an increase of 13.7% in local currency and 20.6% at current exchange rates. The performance was driven by the strong contribution of acquisitions (+11.4%), explained mainly by the consolidation and growth of GAES LATAM business. Organic growth, which grew by 2.3%, even after the negative impact of the accounting standard IFRS 15 of around 1%, is attributable to the good performance of Miracle-Ear and Amplifon Hearing Health Care which more than offset the softer performance of Elite Hearing Network and Canada. The foreign exchange effect was positive for 6.9%.

Recurring EBITDA in **AMERICAS** grew from the 20.8 million euros recorded in the first half of 2018 to 27.0 million euros in the first half of 2019 (+29.6%). The margin rose 140 basis points (peaking at 160 basis points in the second quarter) to 20.5% of revenues thanks to the strong operating leverage which more than offset the dilutive effect stemming from the consolidation of GAES LATAM business.

ASIA-PACIFIC: robust and above-market sales performance; profitability reflecting lower fixed cost absorption

Revenues in **ASIA-PACIFIC** amounted to 91.0 million euros in the first half of 2019, an increase of 6.8% in local currency and 5.7% at current exchange rates. Revenues were penalized by the unfavorable foreign exchange effect which had a negative impact of 1.1%. The region's performance is explained for 3.4% by solid organic growth which outpaced the market, despite one less working day. Acquisitions contributed for 3.4% and are related to the Chinese joint venture. A good performance, driven by solid organic growth, was reported in **Australia**, while revenues in **New Zealand** were still largely unchanged due to the anniversary of the regulatory change that took place in 2013.

In **ASIA-PACIFIC**, EBITDA decreased by 6.4% compared to the same period in 2018 to 22.1 million euros due primarily to the lower absorption of fixed costs, especially in the second quarter, as a result of the softer market environment and the one less working day, as well as the dilutive effect stemming from the consolidation of the Chinese joint venture. The margin came in at 24.3% and is expected to improve in the coming quarters.

Balance sheet figures as at June 30th, 2019

The balance sheet and financial indicators show a positive trend, confirming the Group's solidity and ability to sustain future growth opportunities. Total net equity amounted to 625.5 million euros at June 30th, 2019, higher than the 595.9⁴ million euros reported at December 31st, 2018.

According to the application of the new accounting standards, operating cash flow before repayment of lease liabilities amounted to 139.5 million euros. Repayment of lease liabilities, equal to 39.7 million euros, brings the operating cash flow to 99.8 million euros (106.8 million euros on a recurring basis), an increase of 29.4 million euros compared to 70.4 million euros in the 2018 comparison period. Free cash flow, positive for 57.9 million euros, was also higher than the 44.5 million euros generated in the first half of 2018, after investments (net of disposals) of 42.0 million euros versus 26.0 million euros in the 2018 comparison period. Recurring free cash flow reaches 64.8 million euros in the first half of 2019, an increase of 45.7% compared to the same period of the prior year. Net cash-out for acquisitions (27.7 million euros compared to 37.6 million euros in the first half of 2018) along with the dividends paid and other investing activities, accounting for 29.7 million euros, bring the cash flow for the period to positive 0.4 million euros compared to negative 23.7 million euros in the same period of the prior year.

Net financial debt amounted to 841.1 million euros at June 30th, 2019 largely unchanged with respect to the 840.9 million euros recorded at December 31st, 2018 thanks to the strong cash flow generation

⁴ 2018 Balance Sheet has been revised for the provisional allocation of the GAES acquisition price



mentioned above and despite the payment of higher dividends. The net debt/EBITDA ratio decreased from 2.46x⁵ at December 31st, 2018 to 2.23x⁵ at June 30th, 2019.

Outlook

The Company expects to continue recording a favorable, above market trend in revenues in the second half of 2019 thanks to the contribution of all the geographic areas in which it operates, driven by solid organic growth, the integration of GAES and the contribution of acquisitions, mainly in France and Germany. In 2019, the Company also expects the recurring EBITDA margin to be higher than in 2018, even after the consolidation of GAES. Lastly, the Company expects to proceed at a steady pace with the execution of its strategic plan for 2020 thanks to both the integration of GAES and the progressive roll-out of the Amplifon Product Experience in France, Australia and the United States in the third quarter.

The Company announces that the Interim Management Report as at June 30th, 2019 will be made available to the public from August 7th at the Company's registered office, on the Company's website www.amplifon.com/corporate and on the authorized storage system eMarket STORAGE (www.emarketstorage.com).

The results for H1 2019 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/amplifon190730.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 August 2nd, 2019, by dialing the following numbers: +44 121 281 8005 (UK), +1 718 705 8797 (USA) or +39 02 72 495 (Italy), access code: 938#; or, if the recording is no longer available, by accessing <http://corporate.amplifon.com/bod-meeting-to-approve-the-interim-financial-report-at-30-06-2019>.

From January 1st, 2019, the Group has adopted the principle IFRS 16 "Leases", which have led to changes in accounting policies and in some cases adjustments to the amounts recognized in the financial statements. The principle IFRS 16 implies the recognition among the fixed assets of the right of use of the leased assets that fall within the scope of application of the principle and the recognition under the liabilities of the related financial debt. The comparative data for 2018 have not been restated, while the key data for H1 2019 are also presented without the application of IFRS 16. The comparative analysis in this press release refers, unless otherwise specified, to 2019 key data without the application of IFRS 16.

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.

⁵ The net debt/EBITDA ratio is calculated based on the covenants redefined with the banks and investors in the first months of 2019 after the introduction of the new accounting standards IFRS15, IFRS9 and IFRS16.



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 – FIRST HALF 2019

(Euro millions)	H1 2019				H1 2018				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Net revenues	832.0	-	832.0	100.0%	659.6	-	659.6	100.0%	26.1%
EBITDA	186.6	(5.8)	180.8	22.4%	109.9	-	109.9	16.7%	69.7%
EBIT	95.4	(5.9)	89.5	11.5%	76.1	-	76.1	11.5%	25.4%
Net income	59.4	(4.9)	54.5	7.1%	47.0	-	47.0	7.1%	26.2%
EPS adjusted* (in Euro)		0.330				0.248			33.1%
Free cash flow		57.9				44.5			
		06/30/2019				12/31/2018			Change %
Net Financial Position		841.1				840.9			-

(Euro millions)	H1 2019 w/o IFRS 16 (**)				H1 2018				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Net revenues	832.0	-	832.0	100.0%	659.6	-	659.6	100.0%	26.1%
EBITDA	141.2	(5.8)	135.4	17.0%	109.9	-	109.9	16.7%	28.4%
EBIT	92.8	(5.9)	86.9	11.2%	76.1	-	76.1	11.5%	22.0%
Net income	61.9	(4.9)	57.0	7.4%	47.0	-	47.0	7.1%	31.6%
EPS adjusted* (in Euro)		0.341				0.248			37.7%

(*) Net income adjusted for the non-recurring items and for the amortization of the intangible assets as per the Purchase Price Allocation accounting treatment.

(**) For the sake of comparison, 2019 data are shown without the application of IFRS 16.



MAIN CONSOLIDATED ECONOMICAL AND FINANCIAL FIGURES – SECOND QUARTER 2019

(Euro millions)	Q2 2019				Q2 2018				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Net revenues	440.1	-	440.1	100.0%	350.2	-	350.2	100.0%	25.7%
EBITDA	107.6	(4.4)	103.2	24.5%	66.7	-	66.7	19.1%	61.3%
EBIT	61.1	(4.4)	56.6	13.9%	49.5	-	49.5	14.1%	23.4%
Net income	40.6	(3.8)	36.8	9.2%	32.4	-	32.4	9.3%	25.1%
EPS adjusted* (in Euro)		0.217				0.165			32.0%

(Euro millions)	Q2 2019 w/o IFRS 16 (**)				Q2 2018				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Net revenues	440.1	-	440.1	100.0%	350.2	-	350.2	100.0%	25.7%
EBITDA	84.9	(4.4)	80.5	19.3%	66.7	-	66.7	19.1%	27.2%
EBIT	59.9	(4.4)	55.4	13.6%	49.5	-	49.5	14.1%	21.0%
Net income	41.9	(3.8)	38.1	9.5%	32.4	-	32.4	9.3%	29.3%
EPS adjusted* (in Euro)		0.223				0.165			35.7%

(*) Net income adjusted for the non-recurring items and for the amortization of the intangible assets as per the Purchase Price Allocation accounting treatment.

(**) For the sake of comparison, 2019 data are shown without the application of IFRS 16.



CONSOLIDATED NET REVENUES BY GEOGRAPHIC AREA - FIRST HALF 2019

(€ thousands)	H1 2019	%	H1 2018	%	Change	Change %	Exchange diff.	Change % in local currency	Organic growth % (*)
Total EMEA	607,128	73.0%	462,961	70.2%	144,167	31.1%	924	30.9%	5.5%
Total Americas	131,884	15.9%	109,339	16.5%	22,545	20.6%	7,489	13.7%	2.3%
Total APAC	91,037	10.9%	86,118	13.1%	4,919	5.7%	(945)	6.8%	3.4%
Corporate and intercompany elimination	1,986	0.2%	1,187	0.2%	799	67.3%	-	67.3%	67.3%
Total	832,035	100.0%	659,605	100.0%	172,430	26.1%	7,468	25.0%	4.8%

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

CONSOLIDATED NET REVENUES BY GEOGRAPHIC AREA – SECOND QUARTER 2019

(€ thousands)	Q2 2019	%	Q2 2018	%	Change	Change %	Exchange diff.	Change % in local currency	Organic growth % (*)
Total EMEA	323,365	73.5%	247,232	70.5%	76,133	30.8%	590	30.5%	6.9%
Total Americas	68,782	15.6%	57,539	16.4%	11,243	19.5%	3,370	13.7%	1.7%
Total APAC	46,622	10.6%	44,824	12.8%	1,798	4.0%	(533)	5.2%	1.9%
Corporate and intercompany elimination	1,293	0.3%	603	0.3%	690	114.4%	-	114.5%	114.4%
Total	440,062	100.0%	350,198	100.0%	89,864	25.7%	3,427	24.7%	5.6%

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



CONSOLIDATED INCOME STATEMENT – FIRST HALF 2019

(€ thousands)	H1 2019				H1 2018				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Revenues from sales and services	832,035	-	832,035	100.0%	659,605	-	659,605	100.0%	26.1%
Operating costs	(646,294)	(5,805)	(652,099)	-77.7%	(551,065)	-	(551,065)	-83.5%	-17.3%
Other costs and revenues	824	-	824	0.1%	1,409	-	1,409	0.2%	-41.5%
Gross operating profit (EBITDA)	186,565	(5,805)	180,760	22.4%	109,949	-	109,949	16.7%	69.7%
Depreciation and write-downs of non-current assets	(72,669)	-	(72,669)	-8.7%	(23,691)	-	(23,691)	-3.6%	-206.7%
Operating result before the amortization and impairment of PPA related assets (EBITA)	113,896	(5,805)	108,091	13.7%	86,258	-	86,258	13.1%	32.0%
PPA related depreciation and impairment	(18,523)	(65)	(18,588)	-2.2%	(10,201)	-	(10,201)	-1.5%	-81.6%
Operating profit (EBIT)	95,373	(5,870)	89,503	11.5%	76,057	-	76,057	11.5%	25.4%
Income, expenses, valuation and adjustments of financial assets	193	-	193	0.0%	158	-	158	0.0%	22.2%
Net financial expenses	(13,121)	-	(13,121)	-1.6%	(9,501)	-	(9,501)	-1.4%	-38.1%
Exchange differences and non-hedge accounting instruments	112	-	112	0.0%	(454)	-	(454)	-0.1%	124.7%
Profit (loss) before tax	82,557	(5,870)	76,687	9.9%	66,260	-	66,260	10.0%	24.6%
Tax	(23,199)	999	(22,200)	-2.8%	(19,273)	-	(19,273)	-2.9%	-20.4%
Net profit (loss)	59,358	(4,871)	54,487	7.1%	46,987	-	46,987	7.1%	26.3%
Profit (loss) of minority interests	(5)	-	(5)	0.0%	(51)	-	(51)	0.0%	90.2%
Net profit (loss) attributable to the Group	59,363	(4,871)	54,492	7.1%	47,038	-	47,038	7.1%	26.2%



(€ thousands)	H1 2019 w/o IFRS 16 (**)				H1 2018				
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	Change % on recurring
Revenues from sales and services	832,035	-	832,035	100.0%	659,605	-	659,605	100.0%	26.1%
Operating costs	(691,668)	(5,805)	(697,473)	-83.1%	(551,065)	-	(551,065)	-83.5%	-25.5%
Other costs and revenues	829	-	829	0.1%	1,409	-	1,409	0.2%	-41.2%
Gross operating profit (EBITDA)	141,196	(5,805)	135,391	17.0%	109,949	-	109,949	16.7%	28.4%
Depreciation and write-downs of non-current assets	(29,894)	-	(29,894)	-3.6%	(23,691)	-	(23,691)	-3.6%	-26.2%
Operating result before the amortization and impairment of PPA related assets (EBITA)	111,302	(5,805)	105,497	13.4%	86,258	-	86,258	13.1%	29.0%
PPA related depreciation and impairment	(18,523)	(65)	(18,588)	-2.2%	(10,201)	-	(10,201)	-1.5%	-81.6%
Operating profit (EBIT)	92,779	(5,870)	86,909	11.2%	76,057	-	76,057	11.5%	22.0%
Income, expenses, valuation and adjustments of financial assets	193	-	193	0.0%	158	-	158	0.0%	22.2%
Net financial expenses	(7,444)	-	(7,444)	-0.9%	(9,501)	-	(9,501)	-1.4%	21.7%
Exchange differences and non-hedge accounting instruments	112	-	112	0.0%	(454)	-	(454)	-0.1%	124.7%
Profit (loss) before tax	85,640	(5,870)	79,770	10.3%	66,260	-	66,260	10.0%	29.2%
Tax	(23,735)	999	(22,736)	-2.9%	(19,273)	-	(19,273)	-2.9%	-23.2%
Net profit (loss)	61,905	(4,871)	57,034	7.4%	46,987	-	46,987	7.1%	31.7%
Profit (loss) of minority interests	14	-	14	0.0%	(51)	-	(51)	0.0%	127.5%
Net profit (loss) attributable to the Group	61,891	(4,871)	57,020	7.4%	47,038	-	47,038	7.1%	31.6%

(*) For the sake of comparison, 2019 data are shown without the application of IFRS 16.



CONSOLIDATED INCOME STATEMENT – SECOND QUARTER 2019

(€ thousands)	Q2 2019				Q2 2018				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Revenues from sales and services	440,062	-	440,062	100.0%	350,198	-	350,198	100.0%	25.7%
Operating costs	(332,960)	(4,380)	(337,340)	-75.6%	(283,823)	-	(283,823)	-81.0%	-17.3%
Other costs and revenues	521	-	521	0.1%	349	-	349	0.1%	49.3%
Gross operating profit (EBITDA)	107,623	(4,380)	103,243	24.5%	66,724	-	66,724	19.1%	61.3%
Depreciation and write-downs of non-current assets	(37,259)	-	(37,259)	-8.5%	(12,077)	-	(12,077)	-3.4%	-208.5%
Operating result before the amortization and impairment of PPA related assets (EBITA)	70,364	(4,380)	65,984	16.0%	54,647	-	54,647	15.6%	28.8%
PPA related depreciation and impairment	(9,289)	(65)	(9,354)	-2.1%	(5,140)	-	(5,140)	-1.5%	-80.7%
Operating profit (EBIT)	61,075	(4,445)	56,630	13.9%	49,507	-	49,507	14.1%	23.4%
Income, expenses, valuation and adjustments of financial assets	121	-	121	0.0%	9	-	9	0.0%	1244.4%
Net financial expenses	(6,627)	-	(6,627)	-1.5%	(4,904)	-	(4,904)	-1.4%	-35.1%
Exchange differences and non-hedge accounting instruments	272	-	272	0.1%	(183)	-	(183)	-0.1%	248.6%
Profit (loss) before tax	54,841	(4,445)	50,396	12.5%	44,429	-	44,429	12.7%	23.4%
Tax	(14,281)	635	(13,646)	-3.3%	(11,996)	-	(11,996)	-3.4%	-19.0%
Net profit (loss)	40,560	(3,810)	36,750	9.2%	32,433	-	32,433	9.3%	25.1%
Profit (loss) of minority interests	(20)	-	(20)	0.0%	(3)	-	(3)	0.0%	-566.7%
Net profit (loss) attributable to the Group	40,580	(3,810)	36,770	9.2%	32,436	-	32,436	9.3%	25.1%



(€ thousands)	Q2 2019 w/o IFRS 16 (**)				Q2 2018				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Revenues from sales and services	440,062	-	440,062	100.0%	350,198	-	350,198	100.0%	25.7%
Operating costs	(355,734)	(4,380)	(360,114)	-80.8%	(283,823)	-	(283,823)	-81.0%	-25.3%
Other costs and revenues	527	-	527	0.1%	349	-	349	0.1%	51.0%
Gross operating profit (EBITDA)	84,855	(4,380)	80,475	19.3%	66,724	-	66,724	19.1%	27.2%
Depreciation and write-downs of non-current assets	(15,679)	-	(15,679)	-3.6%	(12,077)	-	(12,077)	-3.4%	-29.8%
Operating result before the amortization and impairment of PPA related assets (EBITA)	69,176	(4,380)	64,796	15.7%	54,647	-	54,647	15.6%	26.6%
PPA related depreciation and impairment	(9,289)	(65)	(9,354)	-2.1%	(5,140)	-	(5,140)	-1.5%	-80.7%
Operating profit (EBIT)	59,887	(4,445)	55,442	13.6%	49,507	-	49,507	14.1%	21.0%
Income, expenses, valuation and adjustments of financial assets	121	-	121	0.0%	9	-	9	0.0%	1244.4%
Net financial expenses	(3,790)	-	(3,790)	-0.9%	(4,904)	-	(4,904)	-1.4%	22.7%
Exchange differences and non-hedge accounting instruments	272	-	272	0.1%	(183)	-	(183)	-0.1%	248.6%
Profit (loss) before tax	56,490	(4,445)	52,045	12.8%	44,429	-	44,429	12.7%	27.1%
Tax	(14,577)	635	(13,942)	-3.3%	(11,996)	-	(11,996)	-3.4%	-21.5%
Net profit (loss)	41,913	(3,810)	38,103	9.5%	32,433	-	32,433	9.3%	29.2%
Profit (loss) of minority interests	(14)	-	(14)	0.0%	(3)	-	(3)	0.0%	-366.7%
Net profit (loss) attributable to the Group	41,927	(3,810)	38,117	9.5%	32,436	-	32,436	9.3%	29.3%

(*) For the sake of comparison, 2019 data are shown without the application of IFRS 16.



CONSOLIDATED SEGMENT INFORMATION

(€ thousands)	H1 2019					H1 2018				
	EMEA	Americas	Asia Pacific	Corporate (**)	Total	EMEA	Americas	Asia Pacific	Corporate (**)	Total
Net Revenues	607,128	131,884	91,037	1,986	832,035	462,961	109,339	86,118	1,187	659,605
EBITDA	141,491	29,114	27,269	(17,114)	180,760	81,986	20,845	23,636	(16,518)	109,949
% on sales	23.3%	22.1%	30.0%	-2.1%	21.7%	17.7%	19.1%	27.4%	-2.5%	16.7%
Recurring EBITDA	147,271	29,139	27,269	(17,114)	186,565	81,986	20,845	23,636	(16,518)	109,949
% on sales	24.3%	22.1%	30.0%	-2.1%	22.4%	17.7%	19.1%	27.4%	-2.5%	16.7%
EBIT	71,169	24,011	15,666	(21,343)	89,503	59,737	18,317	17,072	(19,069)	76,057
% on sales	11.7%	18.2%	17.2%	-2.6%	10.8%	12.9%	16.8%	19.8%	-2.9%	11.5%

(€ thousands)	H1 w/o IFRS 16 (*)					H1 2018				
	EMEA	Americas	Asia Pacific	Corporate (**)	Total	EMEA	Americas	Asia Pacific	Corporate (**)	Total
Net Revenues	607,128	131,884	91,037	1,986	832,035	462,961	109,339	86,118	1,187	659,605
EBITDA	103,371	26,999	22,135	(17,114)	135,391	81,986	20,845	23,636	(16,518)	109,949
% on sales	17.0%	20.5%	24.3%	-2.1%	16.3%	17.7%	19.1%	27.4%	-2.5%	16.7%
Recurring EBITDA	109,151	27,024	22,135	(17,114)	141,196	81,986	20,845	23,636	(16,518)	109,949
% on sales	18.0%	20.5%	24.3%	-2.1%	17.0%	17.7%	19.1%	27.4%	-2.5%	16.7%
EBIT	69,216	23,788	15,248	(21,343)	86,909	59,737	18,317	17,072	(19,069)	76,057
% on sales	11.4%	18.0%	16.7%	-2.6%	10.4%	12.9%	16.8%	19.8%	-2.9%	11.5%

(*) For the sake of comparison, 2019 data are shown without the application of IFRS 16.

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



(€ thousands)	Q2 2019					Q2 2018				
	EMEA	Americas	Asia Pacific	Corporate (**)	Total	EMEA	Americas	Asia Pacific	Corporate (**)	Total
Net Revenues	323,365	68,782	46,622	1,293	440,062	247,232	57,539	44,824	603	350,198
EBITDA	81,040	16,398	13,302	(7,497)	103,243	51,576	11,885	11,953	(8,690)	66,724
% on sales	25.1%	23.8%	28.5%	-1.7%	23.5%	20.9%	20.7%	26.7%	-2.5%	19.1%
Recurring EBITDA	85,395	16,423	13,302	(7,497)	107,623	51,576	11,885	11,953	(8,690)	66,724
% on sales	26.4%	23.9%	28.5%	-1.7%	24.5%	20.9%	20.7%	26.7%	-2.5%	19.1%
EBIT	45,344	13,665	7,265	(9,644)	56,630	40,323	10,599	8,571	(9,986)	49,507
% on sales	14.0%	19.9%	15.6%	-2.2%	12.9%	16.3%	18.4%	19.1%	-2.9%	14.1%

(€ thousands)	Q2 w/o IFRS 16 (*)					Q2 2018				
	EMEA	Americas	Asia Pacific	Corporate (**)	Total	EMEA	Americas	Asia Pacific	Corporate (**)	Total
Net Revenues	323,365	68,782	46,622	1,293	440,062	247,232	57,539	44,824	603	350,198
EBITDA	61,936	15,309	10,727	(7,497)	80,475	51,576	11,885	11,953	(8,690)	66,724
% on sales	19.2%	22.3%	23.0%	-1.7%	18.3%	20.9%	20.7%	26.7%	-2.5%	19.1%
Recurring EBITDA	66,291	15,334	10,727	(7,497)	84,855	51,576	11,885	11,953	(8,690)	66,724
% on sales	20.5%	22.3%	23.0%	-1.7%	19.3%	20.9%	20.7%	26.7%	-2.5%	19.1%
EBIT	44,445	13,602	7,039	(9,644)	55,442	40,323	10,599	8,571	(9,986)	49,507
% on sales	13.7%	19.8%	15.1%	-2.2%	12.6%	16.3%	18.4%	19.1%	-2.9%	14.1%

(*) For the sake of comparison, 2019 data are shown without the application of IFRS 16.

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



NON-RECURRING ITEMS

(€ thousands)	H1 2019	H1 2018
GAES integration costs	(5,805)	-
Impact of the non-recurring items on EBITDA	(5,805)	-
Impairment of GAES immaterial asset	(65)	-
Impact of the non-recurring items on EBIT	(5,870)	-
Impact of the non-recurring items on profit before tax	(5,870)	-
Impact of the above items on the tax burden for the period	999	-
Impact of the non-recurring items on net profit	(4,871)	-

(€ thousands)	Q2 2019	Q2 2018
GAES integration costs	(4,380)	-
Impact of the non-recurring items on EBITDA	(4,380)	-
Impairment of GAES immaterial asset	(65)	-
Impact of the non-recurring items on EBIT	(4,445)	-
Impact of the non-recurring items on profit before tax	(4,445)	-
Impact of the above items on the tax burden for the period	635	-
Impact of the non-recurring items on net profit	(3,810)	-



RECLASSIFIED CONSOLIDATED BALANCE SHEET

(€ thousands)	06/30/2019	12/31/2018 (*)	Change
Goodwill	1,183,529	1,161,598	21,931
Customer lists, non-compete agreements, trademarks and location rights	275,865	279,406	(3,541)
Software charges, licenses, other int.ass., wip and advances	84,515	79,996	4,519
Tangible assets	196,101	188,941	7,160
Right of use assets	433,446	-	433,446
Fixed financial assets	40,580	41,546	(966)
Other non-current financial assets	30,686	26,752	3,934
Total fixed assets	2,244,722	1,778,239	466,483
Inventories	67,345	61,740	5,605
Trade receivables	184,517	169,454	15,063
Other receivables	90,208	77,292	12,916
Current assets (A)	342,070	308,486	33,584
Total assets	2,586,792	2,086,725	500,067
Trade payables	(174,099)	(173,100)	(999)
Other payables	(264,151)	(244,986)	(19,165)
Provisions for risks (current portion)	(6,244)	(4,916)	(1,328)
Short term liabilities (B)	(444,494)	(423,002)	(21,492)
Working capital (A) – (B)	(102,424)	(114,516)	12,092
Derivative instruments	(12,514)	(10,876)	(1,638)
Deferred tax assets	78,172	75,204	2,968
Deferred tax liabilities	(98,966)	(98,932)	(34)
Provisions for risks (non-current portion)	(48,575)	(49,619)	1,044
Employee benefits (non-current portion)	(22,545)	(20,290)	(2,255)
Loan fees	2,316	3,795	(1,479)
Other long-term payables	(137,609)	(126,202)	(11,407)
NET INVESTED CAPITAL	1,902,577	1,436,803	465,774
Shareholders' equity	624,417	594,919	29,498
Third parties' equity	1,129	1,028	101
Net equity	625,546	595,947	29,599
Long term net financial debt	812,211	877,688	(65,477)
Short term net financial debt	28,856	(36,832)	65,688
Total net financial debt	841,067	840,856	211
Lease liabilities	435,964	-	435,964
Total lease liabilities & net financial debt	1,277,031	840,856	436,175
NET EQUITY, LEASE LIABILITIES AND NET FINANCIAL DEBT	1,902,577	1,436,803	465,774

(*) 2018 Balance Sheet has been revised for the provisional allocation of the GAES acquisition price.



CONSOLIDATED NET FINANCIAL DEBT MATURITY PROFILE

(€ thousands)	2019	2020	2021	2022	2023 e oltre	Totale
Private placement		(15.5)			(85.4)	(100.9)
Bank loans	(3.3)	(6.8)	(151.6)	(58.3)		(220.0)
Financing for GAES acquisition	(13.2)	(39.8)	(39.8)	(79.5)	(344.5)	(516.8)
Bank overdraft	(104.0)					(104.0)
Others	(11.4)	(3.3)	(0.5)	(13.0)		(28.2)
Cash and cash equivalents	128.8					128.8
Total	(3.1)	(65.4)	(191.9)	(150.8)	(429.9)	(841.1)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(€ thousands)	H1 2019 (*)	H1 2018
EBIT	89,503	76,057
Amortization, depreciation and write-down	91,257	33,892
Provisions, other non-monetary items and gain/losses from disposals	12,908	9,499
Net financial expenses	(11,098)	(9,382)
Taxes paid	(17,035)	(17,177)
Changes in net working capital	(26,062)	(22,448)
Cash flow provided by (used in) operating activities before repayment of lease liabilities	139,473	70,440
Repayment of lease liabilities	(39,655)	-
Cash flow provided by (used in) operating activities (A)	99,818	70,440
Cash flow provided by (used in) operating investing activities (B)	(41,966)	(25,950)
Free Cash Flow (A) + (B)	57,852	44,490
Net cash flow provided by (used in) acquisitions (C)	(27,747)	(37,973)
(Purchase) sale of other investment and securities (D)	-	388
Cash flow provided by (used in) investing activities (B+C+D)	(69,713)	(63,535)
Cash flow provided by (used in) operating activities and investing activities	30,105	6,905
Dividends	(30,939)	(24,079)
Fees paid on medium/long-term financing	-	(146)
Treasury shares	-	(7,833)
Capital increases, third parties' contributions and dividends paid by subsidiaries to third parties	(38)	117
Hedging instruments and other changes in non-current assets	1,318	1,313
Net cash flow from the period	446	(23,723)
Net financial indebtedness as of period opening date	(840,856)	(296,265)
Effect of discontinued operation on financial position	-	24
Effect of exchange rate fluctuations on financial position	(657)	318
Change in net financial position	446	(23,723)
Net financial indebtedness as of period closing date	(841,067)	(319,646)

(*) Cash flow is negatively impacted by non-recurring items for Euro 6,981 thousand.

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