



SPAFID CONNECT

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Diffusione presunta

Oggetto : Record results for the fifth year in a row in
2019

Testo del comunicato

Vedi allegato.

AMPLIFON: RECORD RESULTS FOR THE FIFTH YEAR IN A ROW IN 2019. REVENUES UP BY OVER 27% AND RECURRING EBITDA ABOVE THE 300 MILLION EUROS THRESHOLD, THANKS ALSO TO THE CONTINUED EXCELLENT PERFORMANCE OF SPAIN

OVER 27% INCREASE IN REVENUES, DRIVEN BY EXCELLENT ORGANIC GROWTH IN STRONG ACCELERATION IN THE SECOND HALF OF THE YEAR, AND THE EXTRAORDINARY CONTRIBUTION OF ACQUISITIONS

STRONG IMPROVEMENT IN RECURRING PROFITABILITY (EBITDA MARGIN +20 BPS, AN INCREASE OF 28.8%) EVEN AFTER THE CONSOLIDATION OF GAES. RECURRING NET PROFIT +23.9%

DOUBLE-DIGIT ORGANIC GROWTH IN SPAIN EACH QUARTER OF THE YEAR, THANKS ALSO TO THE EXCELLENT RESULTS FROM THE GAES INTEGRATION

AS REPORTED RESULTS REFLECT NON-RECURRING EXPENSES RELATED TO THE GAES INTEGRATION, WITH THE FIRST AND MOST CRITICAL PHASE OF THE INTEGRATION PROCESS COMPLETED SUCCESSFULLY IN 2019

EXCELLENT RESULTS FROM THE ROLL-OUT OF THE AMPLIFON PRODUCT EXPERIENCE IN SIX CORE MARKETS

The main results for 2019¹:

- Consolidated **revenues** of 1,732.1 euros, up 27.1% at current exchange rates and 26.1% at constant exchange rates compared to 2018
- Recurring **EBITDA** rose 28.8% to 301.2 million euros or 17.4% of revenues, with a margin increase of 20 basis points compared to 2018 even after the consolidation of GAES. EBITDA as reported amounted to 278.9 million euros or 16.1% of revenues
- Recurring **net profit** reached 132.7 million euros, an increase of 23.9% compared to 2018. Net profit as reported rose 13.7% to 114.2 million euros. **Adjusted earnings per share** came to 68.2 euro cents per share, an increase of 29.6% compared to the 52.6 euro cents reported in 2018
- **Net financial debt** was 786.7 million euros, showing strong improvement compared to the 840.9 million euros posted at December 31st, 2018, with net debt/EBITDA coming to 1.90x² at December 31st, 2019
- Recurring **free cash flow** reached 171.4 million euros, an increase of 53.4 million euros or 45.2% compared to 2018
- **Proposed dividend** of 16 euro cents per share, 14.3% higher than the previous year, with a payout of around 33% on the consolidated net earnings per share as reported³

Milan, March 4th, 2020 - 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 Annual Financial Statements and the Consolidated Financial Statements as at December 31st, 2019 during a meeting chaired by Susan Carol Holland.

¹For the sake of effective comparison with the as reported figures for FY 2018 and fourth quarter 2018, income statement figures for FY 2019 and fourth quarter 2019 commented in this press release refer to figures without the application of the accounting standard IFRS16 ("FY 2019 w/o IFRS 16" and "Q4 2019 w/o IFRS 16"), unless stated otherwise

² The net debt/EBITDA ratio is calculated based on the criteria redefined with banks and investors in the first months of 2019 following the introduction of the new accounting standards IFRS15, IFRS9 and IFRS16.

³ After application of IFRS 16



For the sake of effective comparison with same period of 2018, key income statement figures for 2019 and for the fourth quarter of 2019 shown 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.

MAIN CONSOLIDATED ECONOMICAL AND FINANCIAL FIGURES – FY 2019

(Euro millions)	FY 2019 w/o IFRS 16 (**)				FY 2018				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Net revenues	1,732.1	-	1,732.1	100.0%	1,362.2	-	1,362.2	100.0%	27.1%
EBITDA	301.2	(22.3)	278.9	17.4%	233.9	(8.5)	225.5	17.2%	28.8%
EBIT	197.2	(24.2)	172.9	11.4%	161.8	(8.5)	153.3	11.9%	21.9%
Net income	132.7	(18.4)	114.2	7.7%	107.1	(6.7)	100.4	7.9%	23.9%
EPS adjusted (*, in Euro)	0.682				0.526				
Free cash flow	149.9				110.3				
	12/31/2019				12/31/2018				Change %
Net Financial Position	786.7				840.9				-6.4%

(*) EPS 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 income statement data are shown without the application of IFRS 16.

MAIN CONSOLIDATED ECONOMICAL AND FINANCIAL FIGURES – FOURTH QUARTER 2019

(Euro millions)	Q4 2019 w/o IFRS 16 (**)				Q4 2018				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Net revenues	507.3	-	507.3	100.0%	399.5	-	399.5	100.0%	27.0%
EBITDA	106.6	(3.8)	102.8	21.0%	83.4	(2.5)	80.9	20.9%	27.8%
EBIT	76.0	(5.5)	70.5	15.0%	63.0	(2.5)	60.5	15.8%	20.8%
Net income	53.1	(4.4)	48.7	10.5%	45.1	(2.3)	42.8	11.3%	17.7%

(*) EPS 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.

“2019 was a year of great success: for the fifth year in a row we closed the year with record financial results which confirm the validity of our strategy and our strong execution capabilities. Revenues rose more than 27% driven by strong organic growth, well above the market, and the extraordinary contribution of acquisitions. Profitability also improved significantly even after the integration of GAES, leading to an excellent cash flow generation”, said Enrico Vita, Amplifon’s Chief Executive Officer “There is, however, much more in addition to the numbers. 2019 was, in fact, the first year of the GAES integration, the biggest acquisition ever in our history, and we completed its initial and most complex phase faster and with better results than initially expected. In 2019 we also extended the roll-out of our Amplifon Product Experience to France, Germany, the Netherlands, the United States and Australia with excellent results. Lastly, consistent with our strategy to further strengthen our position in our core markets, in February 2020, we finalized the acquisition of Attune Hearing in Australia.”



Overview

Amplifon reported consolidated revenues of 1,732.1 million euros in 2019, an increase of 26.1% at constant exchange rates and of 27.1% at current exchange rates compared to 2018. This outstanding performance reflects strong, above market, organic growth (+6.8%), in sharp acceleration in the second half of the year, and the extraordinary contribution of acquisitions (+19.3%), 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 1.0%.

Recurring EBITDA rose 28.8% in 2019 to 301.2 million euros. The margin came in at 17.4%, an increase of 20 basis points compared to 2018 even after the consolidation of GAES, characterized by a lower initial profitability compared to the rest of the Amplifon group. EBITDA as reported rose 23.7% to 278.9 million euros or 16.1% of revenues. In 2019, non-recurring expenses related to the GAES integration totaled 22.3 million euros at EBITDA level. Recurring net profit grew 23.9% to 132.7 million euros. Net profit as reported, which reflects the above-mentioned one-offs net of taxes for 18.4 million euros, rose 13.7% to 114.2 million euros. Adjusted earnings per share (adjusted EPS)⁴ came in at 68.2 euro cents, 29.6% higher than the 52.6 euro cents reported in 2018.

The balance sheet and financial indicators show a positive trend: free cash flow reached 149.9 million euros, showing strong improvement compared to the 110.3 million euros posted in 2018, after absorbing net capex of 88.9 million euros. Net of the non-recurring cash-out, free cash flow reached 171.4 million euros, 53.4 million euros or 45.2% higher than in 2018. Net financial debt was 786.7 million euros, a strong improvement compared to the 840.9 million euros recorded at December 31st, 2018, bringing the net debt/EBITDA ratio from 2.46x⁵ as of December 31st, 2018 to 1.90x⁵ as of December 31st, 2019.

Amplifon recorded excellent results in the fourth quarter of 2019. Revenues reached 507.3 million euros, an increase of 26.2% at constant exchange rates and of 27.0% at current exchange rates compared to the fourth quarter of 2018. The increase was driven by excellent organic growth (+8.2%), well above the market, and the extraordinary contribution of acquisitions (+18.0%), which was fueled by the consolidation of GAES and its double-digit organic growth (reported in M&A), along with the bolt-on acquisitions made mainly in France and Germany. The foreign exchange effect was positive for 0.8%. Recurring EBITDA amounted to 106.6 million euros and the margin rose 10 basis points to 21.0%. EBITDA as reported, which reflects non-recurring expenses related to the integration of GAES totaling 3.8 million euros, was 102.8 million euros or 20.3% of revenues. Recurring net profit was 17.7% higher than in the comparison period, coming in at 53.1 million euros, whereas net profit as reported, which reflects the one-offs net of taxes, was 48.7 million euros

The network expansion program continued in 2019, both organically and through acquisitions, with the addition of 150 stores. The acquisitions, 122 stores, were made mainly in France and Germany for a total net cash-out of 66.5 million euros.

Economic results for 2019

Consolidated revenues amounted to 1,732.1 million euros in 2019, an increase of 26.1% at constant exchange rates and of 27.1% at current exchange rates compared to the prior year. Revenues were driven by strong, above market, organic growth (+6.8%), in sharp acceleration in the second half of the year, while acquisitions contributed for 19.3%; the foreign exchange had a positive impact of 1.0%, attributable mainly to the strengthening of the USD against the Euro. The growth trend was sustained by the solid performances posted in all geographic areas: an exceptional performance was recorded in **EMEA**, with the extraordinary contribution of Spain and excellent organic growth accelerating strongly in the second half of the year; strong revenue growth was posted in **AMERICAS**, driven by solid organic growth accelerating

⁴ 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.

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



sharply in the last quarter and the noticeable contribution of acquisitions, thanks to the consolidation, as well as the excellent performance, of GAES business in Latin America; the good revenue growth recorded in APAC reflects solid organic growth, which improved markedly in the third and, above all, fourth quarter, as well as the contribution of the acquisitions related to the Chinese joint venture.

Thanks to the significant acceleration in revenues and operating leverage, recurring EBITDA maintained its solid growth trend increasing 28.8% to 301.2 million euros. The recurring EBITDA margin rose 20 basis points compared to 2018 to 17.4% even after the consolidation of GAES and the continuous investments in marketing and strategic projects. EBITDA as reported rose 23.7% to 278.9 million euros. In 2019, non-recurring expenses related to the GAES integration totaled 22.3 million euros at EBITDA level. Recurring and as reported EBITDA after the application of IFRS 16 came to 392.8 million euros and 370.6 million euros, respectively.

Recurring EBIT rose 21.9% compared to 2018 to 197.2 million euros or 11.4% 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 37.6 million euros in amortization recognized for acquisitions in accordance with Purchase Price Allocation accounting. EBIT as reported rose 12.8% to 172.9 million euros.

Recurring net profit (NP) reached 132.7 million euros, an increase of 23.9% compared to 2018, with a tax rate of 27.0%, lower than the 27.5% recorded in 2018. The excellent result in net profit is attributable mainly to greater operating leverage. Net profit as reported, which reflects the one-offs net of taxes for 18.4 million euros, rose 13.7% in 2019 to 114.2 million euros with a tax rate of 27.4%, slightly lower than the 27.5% recorded in 2018. Adjusted earnings per share (adjusted EPS)⁶ came in at 68.2 euro cents, 29.6% higher than the 52.6 euro cents reported in 2018.

Performance by geographic area

EMEA: excellent performance driven by strong organic growth and boosted by the outstanding results of Spain

Revenues in Europe, the Middle East and Africa (EMEA) reached 1,253.9 million euros in 2019, an increase of 31.3% at constant exchange rates and of 31.7% at current exchange rates. This result was driven for 7.4% by an excellent organic growth, thanks also to the strong acceleration recorded in the second half of the year, and for 23.9% by acquisitions. The latter reflects 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 0.4%

In **Europe**, **Italy** recorded excellent organic growth thanks to the Amplifon Product Experience and the success of the new marketing campaign. In **Spain** the excellent, double-digit organic growth trend, above expectations, was confirmed. Excellent performance continued in **France** and **Germany**, driven by strong organic growth, thanks also to the launch of the Amplifon Product Experience, and significant M&A activity.

During the fourth quarter of 2019 Amplifon exited the non-strategic Turkish market, with the sale of its 51% stake in Maxtone to Amplifon's previous partner in the Joint Venture. This transaction is not material from a financial standpoint in terms of either the value or turnover of the company sold.

The contribution of EMEA to the Group's profitability continues to be very significant, with recurring EBITDA rising 37.0% to 245.5 million euros. The margin showed strong improvement, increasing 80 basis points (with a peak of 160 basis points in the fourth quarter) to 19.6%, due to the excellent growth in revenues, greater operating efficiency, greater scale in core countries (Germany and France) and the strong improvement in profitability posted in Spain which exceeded initial expectations.

⁶ 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.



AMERICA: strong top-line growth, significantly accelerating at year-end, and strong profitability expansion

Revenues in **AMERICAS** reached 285.3 million euros in 2019, an increase of 17.5% in local currencies and 23.1% at current exchange rates. The performance was driven by the strong contribution of acquisitions (+13.0%), explained mainly by the consolidation and double-digit growth of GAES business in Latin America. Organic growth, which reached 4.5% and improved strongly to 8.6% in the fourth quarter, is attributable to the good performance of Miracle-Ear and Amplifon Hearing Healthcare. The foreign exchange effect was positive for 5.6%.

Recurring EBITDA in **AMERICAS** grew from the 46.2 million euros recorded in 2018 to 60.5 million euros in 2019 (+30.9%). The margin rose 130 basis points to 21.2% of revenues thanks to the strong operating leverage, which more than offsets the dilutive effect stemming from the consolidation of GAES business in Latin America.

ASIA-PACIFIC: solid growth boosted by double-digit organic growth in the fourth quarter

Revenues in **ASIA-PACIFIC** amounted to 187.8 million euros in 2019, an increase of 8.6% in local currencies and 7.6% at current exchange rates. Revenues were affected by the unfavorable foreign exchange effect which had a negative impact of 1.0%. The region's performance is explained for 5.7% by solid organic growth, which significantly outpaced the market and improved noticeably in the second half of the year reaching 11.0% in the fourth quarter, despite a still soft market environment, particularly in Australia. Acquisitions, related to the Chinese joint venture, contributed for 2.9%. A good, above market performance, driven by strong organic growth, was reported in **Australia** thanks also to the launch of the Amplifon Product Experience and despite the strong bush fires in the second half of December. A positive performance was recorded in **New Zealand** despite the lasting impact of the anniversary of the regulatory change that took place in 2013.

In **ASIA-PACIFIC**, EBITDA was 44.3 million euros, 1.2% higher than in 2018, primarily due by lower absorption of the increased investments, related mainly to the organizational strengthening in a still a soft market, as well as the dilutive effect stemming from the consolidation of the Chinese joint venture. The margin came in at 23.6%.

Balance sheet figures as at December 31st, 2019

The balance sheet and financial indicators show a positive trend, confirming the Company's solidity and ability to sustain future growth opportunities. Total net equity amounted to 696.1 million euros at December 31st, 2019, higher than the 595.9⁷ million euros reported at December 31st, 2018.

Based on the new accounting standards, operating cash flow before repayment of lease liabilities amounted to 319.8 million euros. Repayment of lease liabilities, equal to 81.0 million euros, brought the operating cash flow to 238.7 million euros (260.3 million euros on a recurring basis), an increase of 52.3 million euros compared to 186.5 million euros in 2018. Free cash flow, positive for 149.9 million euros, was also higher than the 110.3 million euros generated in 2018, after investments (net of disposals) of 88.9 million euros versus 76.1 million euros in 2018. Recurring free cash flow reached 171.4 million euros in 2019, an increase of 45.2% compared to the prior year. Net cash-out for acquisitions (66.5 million euros compared to 620.2 million euros in 2018, which included the cash-out for the GAES acquisition), along with the 28.4 million euros in dividends paid and other investing activities, brought the cash flow for the period to positive 55.0 million euros, an improvement compared to the negative 545.5 million euros posted in 2018.

⁷ 2018 Balance Sheet figures were redetermined following the allocation of the GAES acquisition price.



Net financial debt amounted to 786.7 million euros at December 31st, 2019, with a strong improvement compared to the 840.9 million euros recorded at December 31st, 2018. The net debt/EBITDA ratio fell from 2.46x⁸ recorded at December 31st, 2018 to 1.90x⁸ at December 31st, 2019.

Events subsequent to December 31st, 2019

After the close of FY 2019, Amplifon completed the acquisition of Attune Hearing (around 55 stores) in Australia. The transaction, which calls for a cash-out of around 55 million Australian dollars (around 34 million euros), fits perfectly with Amplifon's strategy to further strengthen the company's position in the core Australian market, combining National Hearing Care's retail business with Attune's integrated medical model.

In February 2020, Amplifon also completed the successful placement of a senior unsecured non-convertible bond for a total nominal amount of 350 million euros with 7 year maturity. This placement is consistent with Amplifon's goal to constantly optimize its financial structure by diversifying its sources of funding and extending the average debt maturity. The proceeds are to be used to refinance existing debt and for general corporate purposes.

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

In 2019, the parent company Amplifon S.p.A. posted revenues of 335.8 million euros and net profit as reported of 94.0 million euros (based on the new accounting standard IFRS16) compared to 79.3 million euros in 2018.

Dividend

The Company's Board of Directors will propose that during the Annual Shareholders' Meeting, convened on April 24th, 2020, shareholders approve allocation of the year's earnings, as follows:

- distribution of part of the year's earnings as a dividend to shareholders of 0.16 euros (16 euro cents) per share, for a total of 35,708,286.88 euros based on the share capital subscribed to date, with shares going ex-dividend (detachment of coupon 13) on May 18th, 2020, to be paid as from May 21st, 2020;
- allocation of the rest of the year's earnings, amounting to 58,308,027.12 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.

Outlook

Given the current situation related to the social and economic effects of Covid-19 (the so-called Coronavirus) and the uncertainty on the duration and geographic expansion of this epidemic, it makes premature today for the Company to assess potential impacts for the next few months. The Company is closely monitoring the situation and is ready to take appropriate actions and initiatives.

Obviously, medium and long-term market fundamentals clearly remain unchanged and supported by the secular trends of ageing of population and increase in penetration.

⁸ The net debt/EBITDA ratio is calculated based on the criteria redefined with banks and investors in the first months of 2019 following the introduction of the new accounting standards IFRS15, IFRS9 and IFRS16.



The Company also expects to continue to grow above market leveraging its customer-centric strategy and strong competitive advantages derived from its absolute leadership position, unique brand portfolio, high geographic diversification, strong financial profile and proven and agile execution capabilities, as demonstrated in past years.

The Company finally confirms that its 2020 strategy will focus on the following key initiatives, already successfully implemented in 2019, and which are expected to deliver strong results also for the current year:

- progressive roll-out of the Amplifon Product Experience
- second wave of the GAES integration, leading to significant synergies
- bolt-on acquisition strategy.

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 2020. 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 3,211,827 treasury shares equal to 1.4% 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 increase the number of treasury shares to be used 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 will 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.

Consolidated Non-Financial Disclosure

During today's meeting the Board of Directors also approved the 2019 Consolidated 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 is not only the response to the Decree, but also Amplifon's Sustainability Report, represents an opportunity to share the progress the Company has made in its commitment to sustainability with all its stakeholders.

Calling of the Annual Shareholders' Meeting

The draft Financial Statements as at December 31st, 2019 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 24th, 2020. The 2019 Consolidated Non-Financial Disclosure will also be presented.

The Annual Shareholders' Meeting will be also called upon to resolve on the proposed authorization for the buy-back program described above.



The Board of Directors also resolved to submit the following to the Annual Shareholders' Meeting for approval: i) the Group's 2020 Remuneration Report drawn up in accordance with Art.123-ter of TUF; ii) the Directors' remuneration for 2020.

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 2019 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 <https://corporate.amplifon.com>.

The results for FY 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:

<https://78449.choruscall.com/dataconf/productusers/amplifon/mediaframe/35887/indexr.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: <https://corporate.amplifon.com>. 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 7th, 2020, by dialing the following numbers: +44 121 281 8005 (UK), +1 718 705 8797 (USA) or +39 02 72 495 (Italy), access code: 914#; or, if the recording is no longer available, by accessing the webpage:

<https://corporate.amplifon.com/it/investors/presentazioni-e-webcast/presentazione-risultati-FY-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 the period under examination 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.

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 some 17,000 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 around 11,000 points of sale in 28 Countries and 5 continents. More information about the Group is available at: <https://corporate.mplifon.com>.

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MAIN CONSOLIDATED ECONOMICAL AND FINANCIAL FIGURES – FY 2019

(Euro millions)	FY 2019				FY 2018				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Net revenues	1,732.1	-	1,732.1	100.0%	1,362.2	-	1,362.2	100.0%	27.1%
EBITDA	392.8	(22.2)	370.6	22.7%	233.9	(8.5)	225.5	17.2%	67.9%
EBIT	201.3	(24.2)	177.1	11.6%	161.8	(8.5)	153.3	11.9%	24.4%
Net income	127.1	(18.4)	108.7	7.3%	107.1	(6.7)	100.4	7.9%	18.6%
EPS adjusted (*, in Euro)	0.707				0.526				
Free cash flow	149.9				110.3				
	12/31/2019				12/31/2018				Change %
Net Financial Position	786.7				840.9				-6.4%

(Euro millions)	FY 2019 w/o IFRS 16 (**)				FY 2018				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Net revenues	1,732.1	-	1,732.1	100.0%	1,362.2	-	1,362.2	100.0%	27.1%
EBITDA	301.2	(22.3)	278.9	17.4%	233.9	(8.5)	225.5	17.2%	28.8%
EBIT	197.2	(24.2)	172.9	11.4%	161.8	(8.5)	153.3	11.9%	21.9%
Net income	132.7	(18.4)	114.2	7.7%	107.1	(6.7)	100.4	7.9%	23.9%
EPS adjusted (*, in Euro)	0.682				0.526				

(*) EPS 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 income statement data are shown without the application of IFRS 16.



MAIN CONSOLIDATED ECONOMICAL AND FINANCIAL FIGURES – FOURTH QUARTER 2019

(Euro millions)	Q4 2019				Q4 2018				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Net revenues	507.3	-	507.3	100.0%	399.5	-	399.5	100.0%	27.0%
EBITDA	130.2	(3.8)	126.4	25.7%	83.4	(2.5)	80.9	20.9%	56.2%
EBIT	76.6	(5.5)	71.1	15.1%	63.0	(2.5)	60.5	15.8%	21.7%
Net income	51.4	(4.4)	47.0	10.1%	45.1	(2.3)	42.8	11.3%	13.9%

(Euro millions)	Q4 2019 w/o IFRS 16 (**)				Q4 2018				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Net revenues	507.3	-	507.3	100.0%	399.5	-	399.5	100.0%	27.0%
EBITDA	106.6	(3.8)	102.8	21.0%	83.4	(2.5)	80.9	20.9%	27.8%
EBIT	76.0	(5.5)	70.5	15.0%	63.0	(2.5)	60.5	15.8%	20.8%
Net income	53.1	(4.4)	48.7	10.5%	45.1	(2.3)	42.8	11.3%	17.7%

(*) EPS 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 – FY 2019

(€ thousands)	FY 2019	%	FY 2018	%	Change	Change %	Exchange diff.	Change % in local currency	Organic growth % (*)
Total EMEA	1,253,880	72.4%	952,337	69.9%	301,543	31.7%	3,037	31.3%	7.4%
Total Americas	285,346	16.5%	231,818	17.0%	53,528	23.1%	12,966	17.5%	4.5%
Total APAC	187,791	10.8%	174,520	12.8%	13,271	7.6%	(1,792)	8.6%	5.7%
Corporate and intercompany elimination	5,046	0.3%	3,559	0.3%	1,487				
Total	1,732,063	100.0%	1,362,234	100.0%	369,829	27.1%	14,211	26.1%	6.8%

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

CONSOLIDATED NET REVENUES BY GEOGRAPHIC AREA – FOURTH QUARTER 2019

(€ thousands)	Q4 2019	%	Q4 2018	%	Change	Change %	Exchange diff.	Change % in local currency	Organic growth % (*)
Total EMEA	376,053	74.1%	290,914	72.8%	85,139	29.3%	1,248	28.9%	7.8%
Total Americas	81,964	16.2%	63,795	16.0%	18,169	28.5%	2,693	24.2%	8.6%
Total APAC	47,573	9.4%	42,935	10.7%	4,638	10.8%	(569)	12.1%	11.0%
Corporate and intercompany elimination	1,732	0.3%	1,819	0.5%	(87)				
Total	507,322	100.0%	399,463	100.0%	107,859	27.0%	3,372	26.2%	8.2%

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



CONSOLIDATED INCOME STATEMENT – FY 2019

(€ thousands)	FY 2019				FY 2018				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Revenues from sales and services	1,732,063	-	1,732,063	100.0%	1,362,234	-	1,362,234	100.0%	27.1%
Operating costs	(1,340,654)	(22,193)	(1,362,847)	-77.4%	(1,131,060)	(2,193)	(1,133,253)	-83.0%	-18.5%
Other costs and revenues	1,374	-	1,374	0.1%	2,750	(6,264)	(3,514)	0.2%	-50.0%
Gross operating profit (EBITDA)	392,783	(22,193)	370,590	22.7%	233,924	(8,457)	225,467	17.2%	67.9%
Depreciation and write-downs of non-current assets	(65,900)	(1,916)	(67,816)	-3.8%	(51,150)	-	(51,150)	-3.8%	-28.8%
Right-of-use depreciation	(87,942)	(105)	(88,047)	-5.1%	-	-	-	-	-
Operating result before the amortization and impairment of PPA related assets (EBITA)	238,941	(24,214)	214,727	13.8%	182,774	(8,457)	174,317	13.4%	30.7%
PPA related depreciation and impairment	(37,636)	-	(37,636)	-2.2%	(21,007)	-	(21,007)	-1.5%	-79.2%
Operating profit (EBIT)	201,305	(24,214)	177,091	11.6%	161,767	(8,457)	153,310	11.9%	24.4%
Income, expenses, valuation and adjustments of financial assets	191	-	191	0.0%	470	-	470	0.0%	-59.4%
Net financial expenses	(26,325)	-	(26,325)	-1.5%	(13,521)	(649)	(14,170)	-1.0%	-94.7%
Exchange differences and non-hedge accounting instruments	(818)	-	(818)	0.0%	(1,034)	-	(1,034)	-0.1%	20.9%
Profit (loss) before tax	174,353	(24,214)	150,139	10.1%	147,682	(9,106)	138,576	10.8%	18.1%
Tax	(47,433)	5,818	(41,615)	-2.8%	(40,599)	2,433	(38,166)	-2.8%	-16.8%
Net profit (loss)	126,920	(18,396)	108,524	7.3%	107,083	(6,673)	100,410	7.9%	18.5%
Profit (loss) of minority interests	(142)	-	(142)	0.0%	(33)	-	(33)	0.0%	-330.3%
Net profit (loss) attributable to the Group	127,062	(18,396)	108,666	7.3%	107,116	(6,673)	100,443	7.9%	18.6%



(€ thousands)	FY 2019 w/o IFRS 16 (*)				FY 2018				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Revenues from sales and services	1,732,063	-	1,732,063	100.0%	1,362,234	-	1,362,234	100.0%	27.1%
Operating costs	(1,432,299)	(22,331)	(1,454,630)	-82.7%	(1,131,060)	(2,193)	(1,133,253)	-83.0%	-26.6%
Other costs and revenues	1,430	-	1,430	0.1%	2,750	(6,264)	(3,514)	0.2%	-48.0%
Gross operating profit (EBITDA)	301,194	(22,331)	278,863	17.4%	233,924	(8,457)	225,467	17.2%	28.8%
Depreciation and write-downs of non-current assets	(66,390)	(1,917)	(68,307)	-3.8%	(51,150)	-	(51,150)	-3.8%	-29.8%
Operating result before the amortization and impairment of PPA related assets (EBITA)	234,804	(24,248)	210,556	13.6%	182,774	(8,457)	174,317	13.4%	28.5%
PPA related depreciation and impairment	(37,636)	-	(37,636)	-2.2%	(21,007)	-	(21,007)	-1.5%	-79.2%
Operating profit (EBIT)	197,168	(24,248)	172,920	11.4%	161,767	(8,457)	153,310	11.9%	21.9%
Income, expenses, valuation and adjustments of financial assets	191	-	191	0.0%	470	-	470	0.0%	-59.4%
Net financial expenses	(15,021)	-	(15,021)	-0.9%	(13,521)	(649)	(14,170)	-1.0%	-11.1%
Exchange differences and non-hedge accounting instruments	(831)	-	(831)	0.0%	(1,034)	-	(1,034)	-0.1%	19.6%
Profit (loss) before tax	181,507	(24,248)	157,259	10.5%	147,682	(9,106)	138,576	10.8%	22.9%
Tax	(48,950)	5,826	(43,124)	-2.8%	(40,599)	2,433	(38,166)	-2.8%	-20.6%
Net profit (loss)	132,557	(18,422)	114,135	7.7%	107,083	(6,673)	100,410	7.9%	23.8%
Profit (loss) of minority interests	(108)	-	(108)	0.0%	(33)	-	(33)	0.0%	-227.3%
Net profit (loss) attributable to the Group	132,665	(18,422)	114,243	7.7%	107,116	(6,673)	100,443	7.9%	23.9%

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



CONSOLIDATED INCOME STATEMENT – FOURTH QUARTER 2019

(€ thousands)	Q4 2019				Q4 2018				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Revenues from sales and services	507,322	-	507,322	100.0%	399,463	-	399,463	100.0%	27.0%
Operating costs	(377,438)	(3,821)	(381,259)	-74.4%	(316,209)	(1,931)	(318,140)	-79.2%	-19.4%
Other costs and revenues	289	-	289	0.1%	106	(522)	(416)	0.0%	172.6%
Gross operating profit (EBITDA)	130,173	(3,821)	126,352	25.7%	83,360	(2,453)	80,907	20.9%	56.2%
Depreciation and write-downs of non-current assets	(20,477)	(1,719)	(22,196)	-4.0%	(14,880)	-	(14,880)	-3.7%	-37.6%
Right-of-use depreciation	(23,171)	62	(23,109)	-4.6%	-	-	-	-	-
Operating result before the amortization and impairment of PPA related assets (EBITA)	86,525	(5,478)	81,047	17.1%	68,480	(2,453)	66,027	17.1%	26.4%
PPA related depreciation and impairment	(9,929)	-	(9,929)	-2.0%	(5,522)	-	(5,522)	-1.4%	-79.8%
Operating profit (EBIT)	76,596	(5,478)	71,118	15.1%	62,958	(2,453)	60,505	15.8%	21.7%
Income, expenses, valuation and adjustments of financial assets	(28)	-	(28)	0.0%	217	-	217	0.1%	-112.9%
Net financial expenses	(6,628)	-	(6,628)	-1.3%	(1,833)	(582)	(2,415)	-0.5%	-261.5%
Exchange differences and non-hedge accounting instruments	(581)	-	(581)	-0.1%	(422)	-	(422)	-0.1%	-37.7%
Profit (loss) before tax	69,359	(5,478)	63,881	13.7%	60,920	(3,035)	57,885	15.3%	13.9%
Tax	(18,152)	1,101	(17,051)	-3.6%	(15,762)	739	(15,023)	-3.8%	-15.2%
Net profit (loss)	51,207	(4,377)	46,830	10.1%	45,158	(2,296)	42,862	11.3%	13.4%
Profit (loss) of minority interests	(172)	-	(172)	0.0%	56	-	56	0.0%	-407.1%
Net profit (loss) attributable to the Group	51,379	(4,377)	47,002	10.1%	45,102	(2,296)	42,806	11.3%	13.9%



(€ thousands)	Q4 w/o IFRS 16 (*)				Q4 2018				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Revenues from sales and services	507,322	-	507,322	100.0%	399,463	-	399,463	100.0%	27.0%
Operating costs	(401,129)	(3,781)	(404,910)	-79.1%	(316,209)	(1,931)	(318,140)	-79.2%	-26.9%
Other costs and revenues	358	-	358	0.1%	106	(522)	(416)	0.0%	237.7%
Gross operating profit (EBITDA)	106,551	(3,781)	102,770	21.0%	83,360	(2,453)	80,907	20.9%	27.8%
Depreciation and write-downs of non-current assets	(20,599)	(1,719)	(22,318)	-4.1%	(14,880)	-	(14,880)	-3.7%	-38.4%
Operating result before the amortization and impairment of PPA related assets (EBITA)	85,952	(5,500)	80,452	16.9%	68,480	(2,453)	66,027	17.1%	25.5%
PPA related depreciation and impairment	(9,929)	-	(9,929)	-1.9%	(5,522)	-	(5,522)	-1.4%	-79.8%
Operating profit (EBIT)	76,023	(5,500)	70,523	15.0%	62,958	(2,453)	60,505	15.8%	20.8%
Income, expenses, valuation and adjustments of financial assets	(28)	-	(28)	0.0%	217	-	217	0.1%	-112.9%
Net financial expenses	(3,803)	-	(3,803)	-0.8%	(1,833)	(582)	(2,415)	-0.5%	-107.5%
Exchange differences and non-hedge accounting instruments	(595)	-	(595)	-0.1%	(422)	-	(422)	-0.1%	-41.0%
Profit (loss) before tax	71,597	(5,500)	66,097	14.1%	60,920	(3,035)	57,885	15.3%	17.5%
Tax	(18,656)	1,107	(17,549)	-3.7%	(15,762)	739	(15,023)	-3.8%	-18.4%
Net profit (loss)	52,941	(4,393)	48,548	10.4%	45,158	(2,296)	42,862	11.3%	17.2%
Profit (loss) of minority interests	(164)	-	(164)	0.0%	56	-	56	0.0%	-392.9%
Net profit (loss) attributable to the Group	53,105	(4,393)	48,712	10.5%	45,102	(2,296)	42,806	11.3%	17.7%

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



CONSOLIDATED SEGMENT INFORMATION

(€ thousands)	FY 2019					FY 2018				
	EMEA	Americas	Asia Pacific	Corporate (**)	Total	EMEA	Americas	Asia Pacific	Corporate (**)	Total
Net Revenues	1,253,880	285,346	187,791	5,046	1,732,063	952,337	231,818	174,520	3,559	1,362,234
EBITDA	300,139	64,545	54,989	(49,083)	370,590	178,625	46,193	43,779	(43,130)	225,467
% on sales	23.9%	22.6%	29.3%	-2.8%	21.4%	18.8%	19.9%	25.1%	-3.2%	16.6%
Recurring EBITDA	322,235	64,642	54,989	(49,083)	392,783	179,160	46,193	43,779	(35,208)	233,924
% on sales	25.7%	22.7%	29.3%	-2.8%	22.7%	18.8%	19.9%	25.1%	-2.6%	17.2%
EBIT	152,439	52,549	30,486	(58,383)	177,091	132,229	40,939	30,113	(49,971)	153,310
% on sales	12.2%	18.4%	16.2%	-3.4%	10.2%	13.9%	17.7%	17.3%	-3.7%	11.3%

(€ thousands)	FY 2019 w/o IFRS 16 (*)					FY 2018				
	EMEA	Americas	Asia Pacific	Corporate (**)	Total	EMEA	Americas	Asia Pacific	Corporate (**)	Total
Net Revenues	1,253,880	285,346	187,791	5,046	1,732,063	952,337	231,818	174,520	3,559	1,362,234
EBITDA	223,267	60,360	44,319	(49,083)	278,863	178,625	46,193	43,779	(43,130)	225,467
% on sales	17.8%	21.2%	23.6%	-2.8%	16.1%	18.8%	19.9%	25.1%	-3.2%	16.6%
Recurring EBITDA	245,502	60,456	44,319	(49,083)	301,194	179,160	46,193	43,779	(35,208)	233,924
% on sales	19.6%	21.2%	23.6%	-2.8%	17.4%	18.8%	19.9%	25.1%	-2.6%	17.2%
EBIT	149,320	52,132	29,851	(58,383)	172,920	132,229	40,939	30,113	(49,971)	153,310
% on sales	11.9%	18.3%	15.9%	-3.4%	10.0%	13.9%	17.7%	17.3%	-3.7%	11.3%

(*) 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)	Q4 2019					Q4 2018				
	EMEA	Americas	Asia Pacific	Corporate (**)	Total	EMEA	Americas	Asia Pacific	Corporate (**)	Total
Net Revenues	376,053	81,964	47,573	1,732	507,322	290,914	63,795	42,935	1,819	399,463
EBITDA	113,092	19,793	13,335	(19,868)	126,352	69,749	13,917	8,836	(11,596)	80,907
% on sales	30.1%	24.1%	28.0%	-3.9%	24.9%	24.0%	21.8%	20.6%	-2.9%	20.3%
Recurring EBITDA	116,841	19,865	13,335	(19,868)	130,173	70,285	13,917	8,836	(9,678)	83,360
% on sales	31.1%	24.2%	28.0%	-3.9%	25.7%	24.2%	21.8%	20.6%	-2.4%	20.9%
EBIT	71,440	15,512	6,694	(22,528)	71,118	57,198	12,507	5,261	(14,461)	60,505
% on sales	19.0%	18.9%	14.1%	-4.4%	14.0%	19.7%	19.6%	12.3%	-3.6%	15.1%

(€ thousands)	Q4 2019 w/o IFRS 16 (*)					Q4 2018				
	EMEA	Americas	Asia Pacific	Corporate (**)	Total	EMEA	Americas	Asia Pacific	Corporate (**)	Total
Net Revenues	376,053	81,964	47,573	1,732	507,322	290,914	63,795	42,935	1,819	399,463
EBITDA	93,415	18,826	10,397	(19,868)	102,770	69,749	13,917	8,836	(11,596)	80,907
% on sales	24.8%	23.0%	21.9%	-3.9%	20.3%	24.0%	21.8%	20.6%	-2.9%	20.3%
Recurring EBITDA	97,125	18,897	10,397	(19,868)	106,551	70,285	13,917	8,836	(9,678)	83,360
% on sales	25.8%	23.1%	21.9%	-3.9%	21.0%	24.2%	21.8%	20.6%	-2.4%	20.9%
EBIT	70,939	15,518	6,594	(22,528)	70,523	57,198	12,507	5,261	(14,461)	60,505
% on sales	18.9%	18.9%	13.9%	-4.4%	13.9%	19.7%	19.6%	12.3%	-3.6%	15.1%

(*) 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)	FY 2019	FY 2019 w/o IFRS 16	FY 2018
GAES acquisition (2018) and integration (2019) costs	(22,193)	(22,331)	(8,457)
Impact of the non-recurring items on EBITDA	(22,193)	(22,331)	(8,457)
Accelerated depreciation and impairment of GAES assets	(2,021)	(1,917)	-
Impact of the non-recurring items on EBIT	(24,214)	(22,248)	(8,457)
Financial expenses related to the financing of GAES Acquisition	-	-	(649)
Impact of the non-recurring items on profit before tax	(24,214)	(22,248)	(9,106)
Impact of the above items on the tax burden for the period	5,818	5,826	2,433
Impact of the non-recurring items on net profit	(18,396)	(18,422)	(6,673)

(€ thousands)	Q4 2019	Q4 2019 w/o IFRS 16	Q4 2018
GAES acquisition (2018) and integration (2019) costs	(3,821)	(3,781)	(2,453)
Impact of the non-recurring items on EBITDA	(3,821)	(3,781)	(2,453)
Accelerated depreciation and impairment of GAES assets	(1,657)	(1,719)	-
Impact of the non-recurring items on EBIT	(5,478)	(5,500)	(2,453)
Financial expenses related to the financing of GAES Acquisition	-	-	(582)
Impact of the non-recurring items on profit before tax	(5,478)	(5,500)	(3,035)
Impact of the above items on the tax burden for the period	1,101	1,107	739
Impact of the non-recurring items on net profit	(4,377)	(4,393)	(2,296)



RECLASSIFIED CONSOLIDATED BALANCE SHEET

(€ thousands)	12/31/2019	12/31/2018 (*)	Change
Goodwill	1,215,511	1,161,598	53,913
Customer lists, non-compete agreements, trademarks and location rights	270,307	279,406	(9,099)
Software charges, licenses, other int.ass., wip and advances	97,201	79,996	17,205
Tangible assets	196,579	188,968	7,611
Right of use assets	418,429	-	418,429
Fixed financial assets	44,887	41,546	3,341
Other non-current financial assets	32,282	26,752	5,530
Total fixed assets	2,275,196	1,778,266	496,930
Inventories	64,592	61,713	2,879
Trade receivables	205,219	169,454	35,765
Other receivables	75,998	77,292	(1,294)
Current assets (A)	345,809	308,459	37,350
Total assets	2,621,005	2,086,725	534,280
Trade payables	(177,390)	(173,100)	(4,290)
Other payables	(284,827)	(244,986)	(39,841)
Provisions for risks (current portion)	(4,242)	(4,916)	674
Short term liabilities (B)	(466,459)	(423,002)	(43,457)
Working capital (A) – (B)	(120,650)	(114,543)	(6,107)
Derivative instruments	(8,763)	(10,876)	2,113
Deferred tax assets	81,427	75,204	6,223
Deferred tax liabilities	(102,111)	(98,932)	(3,179)
Provisions for risks (non-current portion)	(50,290)	(49,619)	(671)
Employee benefits (non-current portion)	(25,281)	(20,290)	(4,991)
Loan fees	1,611	3,795	(2,184)
Other long-term payables	(143,701)	(126,202)	(17,499)
NET INVESTED CAPITAL	1,907,438	1,436,803	470,635
Shareholders' equity	695,031	594,919	100,112
Third parties' equity	1,084	1,028	56
Net equity	696,115	595,947	100,168
Long term net financial debt	752,648	877,688	(125,040)
Short term net financial debt	34,050	(36,832)	70,882
Total net financial debt	786,698	840,856	(54,158)
Lease liabilities	424,625	-	424,625
Total lease liabilities & net financial debt	1,211,323	840,856	370,467
NET EQUITY, LEASE LIABILITIES AND NET FINANCIAL DEBT	1,907,438	1,436,803	470,635

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



CONSOLIDATED NET FINANCIAL DEBT MATURITY PROFILE

(Euro millions)	2020	2021	2022	2023	2024 and beyond	Total
Private placement	(15.5)			(46.6)	(38.8)	(100.9)
Bank loans	(6.7)	(131.7)	(58.3)			(196.7)
Financing for GAES acquisition	(39.8)	(39.8)	(79.5)	(344.5)		(503.5)
Hot money, bank overdraft and accrued interests	(97.0)					(97.0)
Others	(13.4)	(0.9)	(12.7)			(27.0)
Cash and cash equivalents	138.4					138.4
Total	(34.0)	(172.4)	(150.4)	(391.1)	(38.8)	(786.7)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(€ thousands)	FY 2019 (*)	FY 2018
EBIT	177,091	153,310
Amortization, depreciation and write-down	193,499	72,157
Provisions, other non-monetary items and gain/losses from disposals	26,771	19,743
Net financial expenses	(23,935)	(13,942)
Taxes paid	(46,983)	(36,590)
Changes in net working capital	(6,688)	(8,212)
Cash flow provided by (used in) operating activities before repayment of lease liabilities	319,755	186,466
Repayment of lease liabilities	(81,006)	-
Cash flow provided by (used in) operating activities (A)	238,749	186,466
Cash flow provided by (used in) operating investing activities (B)	(88,878)	(76,146)
Free Cash Flow (A) + (B)	149,871	110,320
Net cash flow provided by (used in) acquisitions (C)	(66,860)	(620,639)
(Purchase) sale of other investment and securities (D)	378	452
Cash flow provided by (used in) investing activities (B+C+D)	(155,360)	(696,333)
Cash flow provided by (used in) operating activities and investing activities	83,389	(509,867)
Dividends	(30,939)	(24,079)
Fees paid on medium/long-term financing	-	(3,758)
Treasury shares	-	(9,631)
Capital increases, third parties' contributions and dividends paid by subsidiaries to third parties	(134)	(22)
Hedging instruments and other changes in non-current assets	2,678	1,901
Net cash flow from the period	54,994	(545,456)
Net financial indebtedness as of period opening date	(840,856)	(296,265)
Effect of discontinued operation on financial position	(42)	22
Effect of exchange rate fluctuations on financial position	(794)	843
Change in net financial position	54,994	(545,456)
Net financial indebtedness as of period closing date	(786,698)	(840,856)

(*) Cash flow is negatively impacted by non-recurring items for Euro 21,531 thousand.



INCOME STATEMENT - AMPLIFON SPA

(Euro)	FY 2019			FY 2018			Change
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total	
Revenues from sales and services	335,847,196	-	335,847,196	310,668,409	-	310,668,409	25,178,787
Operating costs	(310,744,918)	(7,358,601)	(318,103,519)	(284,173,762)	(1,010,497)	(285,184,259)	(32,919,260)
- Related parties	(519,239)	(6,506,000)	(7,025,239)	(2,095,089)	-	(2,095,089)	(4,930,150)
Other costs and revenues	76,529,703	-	76,529,703	54,799,295	(6,911,066)	47,888,229	28,641,474
- Related parties	59,829,770	-	59,829,770	43,203,078	-	43,203,078	16,626,692
Gross operating profit (EBITDA)	101,631,981	(7,358,601)	94,273,380	81,293,942	(7,921,563)	73,372,379	20,901,001
Amortization, depreciation and impairment							
Amortization of intangible fixed assets	(13,972,844)	-	(13,972,844)	(9,945,813)	-	(9,945,813)	(4,027,031)
Amortization of tangible fixed assets	(7,572,447)	-	(7,572,447)	(6,967,430)	-	(6,967,430)	(605,017)
Right-of-use depreciation	(16,238,602)	-	(16,238,602)	-	-	-	(16,238,602)
Impairment	-	-	-	(281)	-	(281)	281
	(37,783,893)	-	(37,783,893)	(16,913,524)	-	(16,913,524)	(20,870,369)
Operating result (EBIT)	63,848,088	(7,358,601)	56,489,487	64,380,418	(7,921,563)	56,458,855	30,632
Financial income, charges and value adjustment to financial assets							
Other income and charges, impairment and revaluations of financial assets	65,555,634	-	65,555,634	57,200,955	(9,980,400)	47,220,555	18,335,079
- Related parties	65,722,923	-	65,722,923	57,200,955	-	57,200,955	8,521,968
Interest income and charges	(16,052,738)	-	(16,052,738)	(12,922,973)	(649,272)	(13,572,245)	(2,480,493)
- Related parties	(5,685,351)	-	(5,685,351)	(5,182,896)	-	(5,182,896)	(502,455)
Other financial income and charges	47,658	-	47,658	600,743	-	600,743	(553,085)
- Related parties	1,874,615	-	1,874,615	3,014,368	-	3,014,368	(1,139,753)
Exchange gains and losses	103,078	-	103,078	(111,950)	-	(111,950)	215,028
Gain (loss) on assets measured at fair value	(350,333)	-	(350,333)	(170,167)	-	(170,167)	(180,166)
	49,303,299	-	49,303,299	44,596,608	(10,629,672)	33,966,936	15,336,363
Income (loss) before tax	113,151,387	(7,358,601)	105,792,786	108,977,026	(18,551,235)	90,425,791	15,366,995
Tax	(13,952,409)	2,175,937	(11,776,472)	(13,699,229)	2,534,395	(11,164,834)	(611,638)
Total net income (loss)	99,198,978	(5,182,664)	94,016,314	95,277,797	(16,016,840)	79,260,957	14,755,357



BALANCE SHEET - AMPLIFON SPA

(Euro)	12/31/2019	12/31/2018	Change
Goodwill	539,855	539,855	-
Intangible fixed assets with finite useful life	47,909,195	37,410,517	10,498,678
Tangible fixed assets	29,330,401	29,466,197	(135,796)
Right of use assets	95,506,684		95,506,684
Equity Investments	1,232,073,785	1,160,745,906	71,327,879
Hedging instruments	8,152,779	3,725,226	4,427,553
Other long-term financial assets – related parties	104,400,000	80,910,000	23,490,000
Deferred tax assets	22,932,203	21,844,725	1,087,478
Contract costs – Long-term	2,884,005	2,487,635	396,370
Other assets	14,074,721	12,781,502	1,293,219
Total non-current assets	1,557,803,628	1,349,911,563	207,892,065
Inventories	10,650,601	10,314,266	336,335
Trade receivables	59,984,581	44,904,946	15,079,635
Trade receivables – related companies	59,408,904	41,540,369	17,868,535
Contract costs – Short-term	2,082,961	1,737,325	345,636
Hedging instruments	2,201,087	-	2,201,087
Other receivables	26,723,990	28,125,112	(1,401,122)
Short term financial receivables	174	174	-
Short term financial receivables – related parties	90,749,299	87,343,577	3,405,722
Cash and cash equivalents	61,110,884	13,271,239	47,839,645
Total current assets	312,912,481	227,237,008	85,675,473
TOTAL ASSETS	1,870,716,109	1,577,148,572	293,567,538
Share capital	4,527,772	4,527,072	700
Share premium reserve	202,712,442	202,565,197	147,245
Legal reserve	933,760	933,760	
Treasury shares	(29,130,663)	(50,932,674)	21,802,011
Stock option reserve	34,515,488	34,180,599	334,889
Cash flow hedge reserve	(6,209,535)	(8,011,161)	1,801,626
Extraordinary reserve	2,766,528	2,766,528	
Other reserves	614,429	649,012	(34,583)
Income (loss) carried forward	248,791,962	203,391,512	45,400,450
Income (loss) for the year	94,016,314	79,260,957	14,755,357
Total net equity	553,538,497	469,330,802	84,207,695
Financial liabilities	652,802,411	758,639,393	(105,836,982)
Financial liabilities – related parties	97,917,038	113,537,118	(15,620,080)
Lease liabilities – Long-term	79,686,914		79,686,914
Provisions for risks and charges	15,893,603	13,984,855	1,908,748
Liabilities for employees' benefits	3,358,698	3,328,966	29,732
Hedging instruments	4,289,007	1,956,754	2,332,253
Payables for business acquisitions – Long-term	12,286,747	12,501,959	(215,212)
Contract liabilities – Long-term	29,551,993	26,861,368	2,690,625
Deferred tax liabilities	999,464	1,230,112	(230,648)
Total non-current liabilities	896,785,875	932,040,525	(35,254,650)
Trade payables	51,641,687	49,212,141	2,429,546
Trade payables – related parties	22,628,456	1,306,450	21,322,006
Other payables	50,737,129	41,140,835	9,596,294
Other payables – related parties	-	232,072	(232,072)
Contract liabilities – Short-term	22,549,401	20,719,685	1,829,716
Payables for business acquisitions – Short-term	4,222,712	4,827,419	(604,707)
Other financial payable	135,963,792	29,541,496	106,422,296
Other financial payable – related parties	108,060,702	18,010,311	90,050,391
Lease liabilities – Short-term	15,998,017		15,998,017
Hedging instruments – Short-term	5,734	46,144	(40,410)
Tax payables	8,584,107	10,740,692	(2,156,585)
Total current liabilities	420,391,737	175,777,245	244,614,492
TOTAL LIABILITIES	1,870,716,109	1,577,148,572	293,567,538



CONDENSED CASH FLOW STATEMENT - AMPLIFON SPA

(€ thousands)	FY 2019	FY 2018
EBIT	56,488	56,459
Amortization, depreciation and write down	37,784	16,913
Provisions, other non-monetary items and gain/losses from disposals	11,317	8,972
Net financial expenses	(13,650)	(12,686)
Dividends received	63,087	57,201
Taxes paid	(12,636)	(7,621)
Changes in net working capital	10,864	(16,051)
Cash flow provided by (used in) operating activities before repayment of lease liabilities	153,254	103,187
Repayment of lease liabilities	(15,228)	-
Cash flow provided by (used in) operating activities (A)	138,026	103,187
Cash flow provided by (used in) operating investing activities (B)	(32,119)	(28,354)
Free Cash Flow (A+B)	105,907	74,833
Cash flow provided by (used in) acquisitions (C)	(74,412)	(551,865)
(Purchase) sale of other investment and securities (D)	377	-
Cash flow generated from (absorbed by) investing activities (B+C+D)	(106,154)	(580,219)
Other non-current assets	117	61
Fees paid on medium/long-term financing	-	(3,758)
Dividends distributed	(30,939)	(24,079)
Treasury shares	-	(9,631)
Capital increases	148	106
Net cash flow from the period	1,198	(514,333)
Net financial indebtedness as of period opening date	(746,730)	(232,397)
Change in net financial position	1,198	(514,333)
Merger Hearing Supplies S.r.l.	3,749	-
Net financial indebtedness as of period closing date	(741,783)	(746,730)

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