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Oggetto	:	Amplifon approved the Interim Financial Report as at March 31, 2020

Testo del comunicato

Vedi allegato.

AMPLIFON: A STRONG START OF THE YEAR SLOWED IN MARCH BY THE COVID-19 CRISIS

AFTER A STRONG PERFORMANCE IN THE FIRST TWO MONTHS OF THE YEAR, THE FIRST QUARTER RESULTS WERE IMPACTED BY THE MEASURES ADOPTED IN MARCH TO CONTAIN THE SPREAD OF COVID-19

REVENUES WERE DOWN 7.2% AT CONSTANT EXCHANGE RATES AND EBITDA MARGIN AT 17.8%

EXCELLENT CASH FLOW GENERATION WITH FREE CASH FLOW OF 44.2 MILLION EUROS, AROUND 2.7 TIMES THE CASH FLOW GENERATED IN THE SAME PERIOD OF 2019

NET FINANCIAL POSITION AT 790.7 MILLION EUROS, LARGELY UNCHANGED COMPARED TO DECEMBER 2019, EVEN AFTER CASH-OUT FOR M&A OF 41.7 MILLION EUROS AND DESPITE THE COVID-19 EMERGENCE, WITH FINANCIAL LEVERAGE OF 1.99X AT MARCH 31ST, 2020

DECISIVE AND SIGNIFICANT ACTIONS TO MITIGATE THE FINANCIAL IMPACTS RELATED TO COVID-19

FURTHER STRENGTHENING OF THE ALREADY SOLID FINANCIAL STRUCTURE WITH ADDITIONAL CREDIT LINES AND EXTENSION OF MATURITIES

The main results for the first quarter of 2020:

- Consolidated **revenues** of 363.5 million euros, down 7.2% at constant exchange rates and 7.3% at current exchange rates compared to the same period of 2019 due to the Covid-19 outbreak
- **EBITDA** amounted to 64.9 million euros, down 17.8% compared to the same period of 2019 due to lower revenues, with EBITDA margin at 17.8%
- **Net profit** came to 5.1 million euros, 72.7% lower than in the first quarter of 2019
- **Net financial debt** was 790.7 million euros, in line with the 786.7 million euros posted at December 31st, 2019, even after cash-out for acquisitions of 41.7 million euros and despite the negative impact from Covid-19 outbreak
- **Free cash flow** reached 44.2 million euros, around 2.7 times the cash flow generated in the first quarter of 2019

Milan, April 29th, 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 Interim Financial Report as at March 31st, 2020 during a meeting chaired by Susan Carol Holland.

MAIN CONSOLIDATED ECONOMICAL AND FINANCIAL FIGURES – FIRST QUARTER 2020

(Euro millions)	Q1 2020				Q1 2019				
	Recurring	**Non-recurring**	**Total**	**% on recurring**	Recurring	Non-recurring	Total	% on recurring	**Change % on recurring**
Net revenues	363.5	-	363.5	100.0%	392.0	-	392.0	100.0%	-7.3%
EBITDA	64.9	-	64.9	17.8%	78.9	(1.4)	77.5	20.1%	-17.8%
EBIT	14.5	-	14.5	4.0%	34.3	(1.4)	32.9	8.8%	-57.8%
Net income	5.1	-	5.1	1.4%	18.8	(1.1)	17.7	4.8%	-72.7%
EPS adjusted (*, in Euro)	0.053				0.112				

Free cash flow	44.2	16.2	
	03/31/2019	12/31/2019	**Change %**
Net Financial Position	790.7	786.7	0.5%

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

"Since the beginning of this challenging period, stemming from the Covid-19 outbreak, our priority has been protecting the health of our people while continuing to safely serve and support our customers. While the current circumstances are unparalleled, we are still managing our business thanks to our trademark qualities: speed and agility, on the one side, and focus, on the other. We have, in fact, immediately taken decisive actions to mitigate the financial impact of this unprecedented crisis," said **Enrico Vita, Amplifon's Chief Executive Officer**. *"Looking beyond the immediate future, we are confident that our undisputed competitive positioning, coupled with the unchanged fundamentals of our market, will allow us to deliver renewed strong growth over the medium term".*

Overview

Amplifon reported consolidated revenues of 363.5 million euros in the first quarter of 2020, down 7.2% at constant exchange rates and 7.3% at current exchange rates compared to the first quarter of the prior year. This result reflects the strong growth in local currency, of around 10%, recorded in the first two months of the year, impacted by the Covid-19 outbreak later in March. Organic performance, therefore, was negative for 9.5% in the quarter, while acquisitions contributed +2.3%. The foreign exchange effect was negative for 0.1%.

EBITDA was 17.8% lower than the recurring EBITDA recorded in the first quarter of 2019, coming in at 64.9 million euros in the quarter, with an EBITDA margin of 17.8%. Net profit was 5.1 million euros, 72.7% lower than the recurring net profit posted in the first quarter of 2019. No non-recurring expenses were incurred in the first quarter of 2020. Adjusted earnings per share (adjusted EPS)[1] came in at 5.3 euro cents, 52.7% lower than the 11.2 euro cents reported in the first quarter of 2019.

The balance sheet and financial indicators confirm the Group's solidity, even in challenging times like these: more in detail, cash flow generation was excellent in the period despite the health crisis, with free cash flow reaching 44.2 million euros, roughly 2.7 times the cash flow generated in the first quarter of 2019, after absorbing net capex of 16.5 million euros. Despite seasonality and the negative impact of the

[1] 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

Covid-19 outbreak, net financial debt was basically unchanged with respect to the 786.7 million euros recorded at December 31st, 2019, coming in at 790.7 million euros, thanks to the excellent cash generation mentioned above.

The network expansion program continued in the first two months of the quarter, with the acquisition in February of 54 Attune stores in Australia and the addition of another 21 stores, mainly in France and Germany, for a total cash-out of 41.7 million euros.

Economic results for the first quarter of 2020

Consolidated revenues amounted to 363.5 million euros in the first quarter of 2020, down 7.2% at constant exchange rates and 7.3% at current exchange rates compared to the first quarter of 2019. Revenues reflect the strong growth recorded in the first two months of the year, of around 10% in local currency (driven by an excellent organic growth of 7.4%), impacted by the Covid-19 outbreak later in March. Organic performance, therefore, was negative for 9.5% in the quarter, while acquisitions contributed +2.3%. The foreign exchange effect was negative for 0.1%.

The performances of the different geographic areas varied based on the timing of the Covid-19 outbreak and the gradual adoption of restrictive measures by the different governmental authorities. In **EMEA**, the first region to be struck by the pandemic at the beginning of March, a negative performance was recorded in the quarter despite the excellent performance reported in the first two months of the year. In **AMERICAS**, where the emergency spread in the second half of March, with containment measures that varied initially from state to state, growth was positive in the quarter, also thanks to the excellent performance of Miracle-Ear, Amplifon Hearing Healthcare and Canada in January and February. In addition to being impacted severely by the Covid-19 outbreak, **APAC** was also affected by the bushfires that devastated Australia at the beginning of the year.

In the first quarter of 2020, **EBITDA** was affected by the decline in revenues due to the Covid-19 outbreak, coming in at €64.9 million or 17.8% of revenues, 17.8% lower than the recurring EBITDA in the first quarter of 2019. The results of the decisive measures adopted by the Company to contain the financial impacts of the Covid-19 emergency, although implemented promptly, will mainly be realized from the second quarter onwards (for more information on these measures refer to the following paragraph, “Covid-19 emergence measures”). No non-recurring expenses were incurred in the first quarter of 2020.

EBIT amounted to 14.5 million euros, or 4.0% of revenues, down 57.8% compared to the recurring EBIT recorded in the first quarter of 2019.

Net profit (NP) was 5.1 million euros, a decline of 72.7% compared to the recurring net profit recorded in the first quarter of 2019. Tax rate came in at 32.4%, compared to 32.2% on a recurring basis and 32.5% as reported in the same period of the prior year. **Adjusted earnings per share** (**adjusted EPS**)[2] came in at 5.3 euro cents, 52.7% lower than the 11.2 euro cents reported in the first quarter of 2019.

Performance by geographic area

EMEA: double-digit top-line performance until early March, with Covid-19 outbreak impacting thereafter

Revenues in Europe, the Middle East and Africa (**EMEA**) reached 258.3 million euros in the first quarter of 2020, a decline of 9.0% at current exchange rates and of 9.4% at constant exchange rates compared to the first quarter of 2019. This result reflects negative organic performance of 11.4% and the positive

[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

contribution of the acquisitions made in Germany and France for 2.0%. The foreign exchange effect was positive for 0.4%.

In the first two months of the year, **Europe** posted excellent growth in revenues, which were around 10% higher than in the same period of 2019, driven by an outstanding organic growth of +7.5%. Subsequently, from the beginning of March, the Covid-19 emergence began to impact the Region's results, first in Italy and later in the other countries. Even though in most countries hearing care retail is categorized as essential service and allowed to operate, the traffic in the Group's points of sale fell significantly with the progressive adoption of increasingly more restrictive measures – like lockdowns – by the different governmental authorities. **Italy** was the first country, as well as the most affected one by Covid-19 and related containment measures, followed by **Spain** and **France**. Despite the health crisis, **Germany**, **the Netherlands**, **Switzerland** and **Belgium-Luxembourg** – countries where the containment measures implemented were less severe – reported a good performance in the quarter.

In **EMEA,** EBITDA decreased by 18.4% compared to the recurring EBITDA of first quarter 2019 to 50.5 million euros or 19.6% of revenues as a result of lower absorption of fixed costs due to the revenue decline caused by the health crisis.

AMERICAS: growth in revenues thanks to excellent results recorded in the first two months of the year and a varied timing of the Covid-19 impact across the Region

Revenues in **AMERICAS** reached 64.4 million euros in the first quarter of 2020, an increase of 2.0% at current exchange rates and of 1.3% in local currencies, despite the impact of the Covid-19 outbreak and the relative containment measures. The performance was driven for 0.7% by organic growth and for 0.6% by external growth in Canada. The foreign exchange effect was positive for 0.7%

Revenue growth was extraordinary in January and February, rising +16% in local currencies with respect to the same period of 2019, thanks to the excellent, double-digit performances of **Miracle-Ear**, **Amplifon Hearing Healthcare** and **Canada**. Since the second half of March, the negative impact of the pandemic began to materialize, although at a pace and with the adoption of measures that varied initially in the different US states.

In the first quarter of 2020, EBITDA in the **AMERICAS** came in at 11.9 million euros or 18.5% of revenues, decreasing 6.6% with respect to the first quarter of 2019 due to the slowdown in revenue growth reported in the period.

ASIA-PACIFIC: top-line performance impacted by the Australian bushfires in January and the Covid-19 emergence mainly in March

Revenues in **ASIA-PACIFIC** amounted to 40.9 million euros in the first quarter of 2020, a decrease of 4.1% in local currencies and 8.0% at current exchange rates, penalized by a negative exchange effect of 3.9%. Revenues in the area were impacted, in January, by the bushfires in Australia and the spread of Covid-19 in China, followed by other countries of the Region in March. This resulted in a negative organic performance of 10.3%. Contribution from M&A (+6.2%) is related to the Attune acquisition closed in Australia at the beginning of February.

In the first quarter, revenues in **Australia** were affected by the bushfires mentioned above and the Covid-19 outbreak, even though the impact of the latter was less significant compared to other countries as the containment measures were less severe. **New Zealand, China** and **India** were impacted by total lockdown measures which resulted in the closure, at different times, of all Group's stores in the various countries.

EBITDA in **ASIA-PACIFIC** amounted to 10.1 million euros, down 27.6% compared to the same period of 2019 due to the lower absorption of fixed costs attributable to the decline in revenues. EBITDA margin came in at 24.7%.

Balance sheet figures as at March 31st, 2020

The balance sheet and financial indicators confirm the Company's solidity, even in challenging times like these. Net equity amounted to 666.3 million euros at March 31st, 2020, compared to 696.1 million euros at December 31st, 2019.

Cash generation was excellent in the reporting period, despite the health emergence. Operating cash flow, before repayment of lease liabilities, amounted to 80.8 million euros. The repayment of lease liabilities, equal to 20.1 million euros, brought the operating cash flow to 60.7 million euros, an increase of 25.8 million euros compared to 34.8 million euros in the 2019 comparison period. Free cash flow, positive for 44.2 million euros, was also significantly higher than the 16.2 million euros generated in the first quarter of 2019, after investments (net of disposals) of 16.5 million euros versus 18.6 million euros in the 2019 comparison period. Net cash-out for acquisitions (41.7 million euros, related mainly to the Attune acquisition in Australia, compared to 14.4 million euros in the first quarter of 2019), along with net the negative cash flow generated by financing activities of 4.9 million euros, bring the cash flow for the period to negative 2.5 million euros compared to positive 3.0 million euros in the same period of the previous year.

Net financial debt (before lease liabilities) amounted to 790.7 million euros at March 31st, 2020, basically unchanged with respect to the 786.7 million euros recorded at December 31st, 2019, despite seasonality and the negative impact of the Covid-19 outbreak, with a net debt/EBITDA ratio of 1.99x.

Events subsequent to March 31st, 2020

The Covid-19 emergence persisted after the close of the quarter and in April the restrictive measures adopted by the different governmental authorities intensified leading many countries worldwide to go on lockdown. Even though in most countries hearing care retail is categorized as essential service and allowed to operate, the progressive adoption of increasingly restrictive measures in April caused a generalized, significant drop in the Group's store traffic and, consequently, in revenues.

In response to this situation, since the beginning of March, the Company implemented a decisive action plan aimed at mitigating the financial impact of Covid-19 (for more information refer to the paragraph below "Covid-19 emergence measures"). The different measures adopted include the refinancing of existing credit lines to extend the maturities and increase the total amount of committed lines by around 300 million euros. More in detail, in April the Company signed, and obtained firm commitment to sign with regards to a 50 million euro revolving facility, financing agreements for a total amount of around 490 million euros, of which around 280 million euros additional and 210 million euros with maturities extended to 2025 for almost all the lines compared to the original maturity of 2021/ 2022.

Covid-19 emergence measures

The Company is closely monitoring on a daily basis the development of the Covid-19 emergence and has swiftly implemented an effective action plan to ensure the health and safety of all its people and customers, as well as mitigate any financial impact.

Measures to protect stakeholders during Covid-19 emergence

Since the start of the Covid-19 outbreak, the Company's priority has been to safeguard the health of its people, while ensuring continuous support and superior service to its customers. The Company has, therefore, created a task force at both Group and country level in order to coordinate and implement immediately all the preventive measures needed to ensure the health of its employees, customers and other stakeholders, in line with the safety measures indicated by the authorities in the different countries. These measures include the development and adoption of a new Group-wide store protocol (which comprises the use of personal protective equipment by hearing care professionals and client advisers, visits on an appointment-only basis following an in-depth telephone triage in order to assess the customers' health condition, strict social distancing and hygiene procedures, etc.), smart working practices for back-office personnel and other safety measures.

Measures to mitigate the financial impact of Covid-19 emergence

Given the negative impact on the demand in the hearing care retail market due to the restrictive or even general lockdown measures adopted by the governmental authorities in various countries for the Covid-19 emergence, the Company reacted promptly and decisively by implementing a series of actions aimed at mitigating its impact. More in detail, the Company adopted the following cost containment measures:

- Labor costs: activation of government social schemes and other employment support tools which were either already in place or have been implemented to address the current exceptional circumstances in the various countries where the Group operates, proportional reduction in variable compensation, voluntary pay cuts by management and hiring freeze
- Marketing costs: significant reduction of these costs
- Other costs: suspension of all discretionary costs and renegotiation of several supplier contracts and rent agreements

Furthermore, with a view to safeguarding its net financial position, the Company also temporarily suspended all non-essential capex and M&A cash-outs, as well as, as previously announced and approved during the Shareholders' Meeting held on April 24th, 2020, allocated all year's profit as retained earnings.

Lastly, as described in the paragraph related to events subsequent to the close of the quarter, in March the Company began refinancing its credit lines in order to extend the maturities and increase the amount of the committed lines by around 300 million euros. More in detail, in April the Company signed, and obtained firm commitment to sign with regards to a 50 million euro revolving facility, financing agreements for a total amount of around 490 million euros, of which around 280 million euros additional and 210 million euros with maturities extended to 2025 for almost all the lines. Once the refinancing is completed, the average maturity of Amplifon's debt will be around 5 years and the Company will benefit from a strong liquidity position supported by cash on balance sheet and undrawn committed revolving facilities for a total amount of around 550 million euros.

Outlook

Given the current uncertainty on the length and depth of the health and socio-economic crisis related to the Covid-19 outbreak, as well as on the timing of a possible waning of the crisis and on the speed of normalization thereafter, the Company confirms that today is not yet possible to assess the impact of this epidemic on the current year.

Consequently, the Company believes appropriate to withdraw its guidance issued in March 2018 and, subsequently, upgraded in March 2019 to reflect the GAES acquisition. The Company will provide updates in this regard as visibility increases and allows to make more accurate estimates as to the impact of the Covid-19 outbreak.

As previously mentioned, the Company took immediate and effective action to identify and implement a series of measures aimed at mitigating the financial impact of Covid-19 focused on, specifically, strong cost containment measures, protection of its net financial position and strengthening of the Company's already solid financial profile. The results of these measures, although activated since March, will be mainly realized in the second quarter which, given the generalized lockdown measures adopted in the majority of the countries worldwide, is expected to be more impacted, although still to an uncertain extent depending on the timing of a possible waning of the crisis and the consequent return to normality.

Lastly, despite the negative short-term impact of Covid-19 on the demand in the hearing care retail market, the Company still expects to over-perform the market and, above all, is confident that its unique competitive positioning, along with the strong fundamentals of its market, will allow the Company to deliver renewed strong growth over the medium term.

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The Company announces that the Interim Financial Statements as at March 31st, 2020 will be made available to the public from May 14th 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).

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The results for Q1 2020 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/37396/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 May 2nd, 2020, by dialing the following numbers: +44 121 281 8005 (UK), +1 718 705 8797 (USA) or +39 02 72 495 (Italy), access code: 904#; or, if the recording is no longer available, by accessing the webpage:

https://corporate.amplifon.com/en/investors/financial-calendar/results-presentation-q1-2020

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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.

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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.amplifon.com.

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CONSOLIDATED NET REVENUES BY GEOGRAPHIC AREA – FIRST QUARTER 2020

(€ thousands)	**Q1 2020**	%	Q1 2019	%	**Change**	**Change %**	**Exchange diff.**	**Change % in local currency**	**Organic growth % (*)**
Total EMEA	258,266	71.1%	283,763	72.4%	(25,497)	-9.0%	1,103	-9.4%	-11.4%
Total Americas	64,355	17.7%	63,102	16.1%	1,253	2.0%	448	1.3%	0.7%
Total APAC	40,855	11.2%	44,415	11.3%	(3,560)	-8.0%	(1,749)	-4.1%	-10.3%
Corporate and intercompany elimination	-	0.0%	693	0.2%	(693)	-100.0%	-	-100.0%	-100.0%
Total	**363,476**	**100.0%**	**391,973**	**100.0%**	**(28,497)**	**-7.3%**	**(198)**	**-7.2%**	**-9.5%**

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

CONSOLIDATED INCOME STATEMENT – FIRST QUARTER 2020

(€ thousands)	Q1 2020				Q1 2019				
	Recurring	**Non-recurring**	**Total**	**% on recurring**	Recurring	Non-recurring	Total	% on recurring	**Change % on recurring**
Revenues from sales and services	363,476	-	363,476	100.0%	391,973	-	391,973	100.0%	-7.3%
Operating costs	(299,902)	-	(299,902)	-82.5%	(313,334)	(1,425)	(314,759)	-79.9%	4.3%
Other income and costs	1,281	-	1,281	0.3%	303	-	303	0.1%	322.8%
Gross operating profit (EBITDA)	**64,855**	**-**	**64,855**	**17.8%**	**78,942**	**(1,425)**	**77,517**	**20.1%**	**-17.8%**
Depreciation, amortization and impairment of non-current assets	(17,183)	-	(17,183)	-4.7%	(15,086)	-	(15,086)	-3.8%	-13.9%
Right-of-use depreciation	(23,505)	-	(23,505)	-6.5%	(21,195)	-	(21,195)	-5.4%	-10.9%
Operating result before the amortization and impairment of PPA related assets (EBITA)	**24,167**	**-**	**24,167**	**6.6%**	**42,661**	**(1,425)**	**41,236**	**10.9%**	**-43.4%**
PPA related depreciation, amortization and impairment	(9,677)	-	(9,677)	-2.6%	(8,362)	-	(8,362)	-2.1%	-15.7%
Operating profit (EBIT)	**14,490**	**-**	**14,490**	**4.0%**	**34,299**	**(1,425)**	**32,874**	**8.8%**	**-57.8%**
Income, expenses, valuation and adjustments of financial assets	23	-	23	0.0%	72	-	72	0.0%	-68.1%
Net financial expenses	(6,760)	-	(6,760)	-1.8%	(6,495)	-	(6,495)	-1.7%	-4.1%
Exchange differences and non-hedge accounting instruments	(254)	-	(254)	-0.1%	(159)	-	(159)	0.0%	-59.7%
Profit (loss) before tax	**7,499**	**-**	**7,499**	**2.1%**	**27,717**	**(1,425)**	**26,292**	**7.1%**	**-72.9%**
Tax	(2,428)	-	(2,428)	-0.7%	(8,918)	363	(8,555)	-2.3%	72.8%
Net profit (loss)	**5,071**	**-**	**5,071**	**1.4%**	**18,799**	**(1,062)**	**17,737**	**4.8%**	**-73.0%**
Profit (loss) of minority interests	(72)	-	(72)	0.0%	(11)	-	(11)	0.0%	-554.5%
Net profit (loss) attributable to the Group	**5,143**	**-**	**5,143**	**1.4%**	**18,810**	**(1,062)**	**17,748**	**4.8%**	**-72.7%**

CONSOLIDATED SEGMENT INFORMATION - FIRST QUARTER 2020

(€ thousands)	Q1 2020					Q1 2019				
	EMEA	**Americas**	**Asia Pacific**	**Corporate (*)**	**Total**	EMEA	Americas	Asia Pacific	Corporate (*)	Total
Net Revenues	258,266	64,355	40,855	-	363,476	283,763	63,102	44,415	693	391,973
EBITDA	**50,521**	**11,876**	**10,110**	**(7,652)**	**64,855**	**60,451**	**12,717**	**13,967**	**(9,618)**	**77,517**
% on sales	*19.6%*	*18.5%*	*24.7%*	*-2.1%*	*17.8%*	*21.3%*	*20.2%*	*31.4%*	*-2.5%*	*19.8%*
Recurring EBITDA	**50,521**	**11,876**	**10,110**	**(7,652)**	**64,855**	**61,876**	**12,717**	**13,967**	**(9,618)**	**78,942**
% on sales	*19.6%*	*18.5%*	*24.7%*	*-2.1%*	*17.8%*	*21.8%*	*20.2%*	*31.4%*	*-2.5%*	*20.1%*
EBIT	**12,786**	**8,618**	**3,056**	**(9,970)**	**14,490**	**25,826**	**10,345**	**8,401**	**(11,698)**	**32,874**
% on sales	*5.0%*	*13.4%*	*7.5%*	*-2.7%*	*4.0%*	*9.1%*	*16.4%*	*18.9%*	*-3.0%*	*8.4%*

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

NON-RECURRING ITEMS

(€ thousands)	**Q1 2020**	Q1 2019
GAES integration costs	**-**	(1,425)
Impact of the non-recurring items on EBITDA	-	**(1,425)**
Impact of the non-recurring items on EBIT	-	**(1,425)**
Impact of the non-recurring items on profit before tax	-	**(1,425)**
Impact of the above items on the tax burden for the period	**-**	363
Impact of the non-recurring items on net profit	-	**(1,062)**

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(€ thousands)	**03/31/2020**	12/31/2019	**Change**
Goodwill	1,221,875	1,215,511	6,364
Customer lists, non-compete agreements, trademarks and location rights	268,237	270,307	(2,070)
Software charges, licenses, other int.ass., wip and advances	98,235	97,201	1,034
Tangible assets	192,533	196,579	(4,046)
Right of use assets	417,297	418,429	(1,132)
Fixed financial assets	38,591	44,887	(6,296)
Other non-current financial assets	31,273	32,282	(1,009)
Total fixed assets	**2,268,041**	**2,275,196**	**(7,155)**
Inventories	70,873	64,592	6,281
Trade receivables	153,215	205,219	(52,004)
Other receivables	86,546	75,998	10,548
Current assets (A)	**310,634**	**345,809**	**(35,175)**
Total assets	**2,578,675**	**2,621,005**	**(42,330)**
Trade payables	(189,582)	(177,390)	(12,192)
Other payables	(270,347)	(284,827)	14,480
Provisions for risks (current portion)	(4,700)	(4,242)	(458)
Short term liabilities (B)	**(464,629)**	**(466,459)**	**1,830**
Working capital (A) – (B)	**(153,995)**	**(120,650)**	**(33,345)**
Derivative instruments	(3,726)	(8,763)	5,037
Deferred tax assets	78,774	81,427	(2,653)
Deferred tax liabilities	(100,222)	(102,111)	1,889
Provisions for risks (non-current portion)	(43,145)	(50,290)	7,145
Employee benefits (non-current portion)	(24,763)	(25,281)	518
Loan fees	6,655	1,611	5,044
Other long-term payables	(142,534)	(143,701)	1,167
NET INVESTED CAPITAL	**1,885,085**	**1,907,438**	**(22,353)**
Shareholders' equity	665,319	695,031	(29,712)
Third parties' equity	950	1,084	(134)
Net equity	**666,269**	**696,115**	**(29,846)**
Long term net financial debt	838,944	752,648	86,296
Short term net financial debt	(48,200)	34,050	(82,250)
Total net financial debt	**790,744**	**786,698**	**4,046**
Lease liabilities	428,072	424,625	3,447
Total lease liabilities & net financial debt	**1,218,816**	**1,211,323**	**7,493**
NET EQUITY, LEASE LIABILITIES AND NET FINANCIAL DEBT	**1,885,085**	**1,907,438**	**(22,353)**

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)**
Eurobond	-	-	-	-	(350.0)	**(350.0)**
Bank loans	(3.3)	(131.7)	(58.3)	-	-	**(193.3)**
Financing for GAES acquisition	(39.8)	(39.8)	(79.5)	(79.5)	-	**(238.5)**
Bank accounts	(150.5)	-	-	-	-	**(150.5)**
Others	(10.8)	(1.5)	(17.3)	-	-	**(29.6)**
Cash and cash equivalents	272.1	-	-	-	-	**272.1**
Total	**52.2**	**(172.9)**	**(155.1)**	**(126.1)**	**(388.8)**	**(790.7)**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(€ thousands)	Q1 2020 (*)	Q1 2019 (**)
EBIT	14,490	**32,874**
Amortization, depreciation and write-down	50,365	44,643
Provisions, other non-monetary items and gain/losses from disposals	2,420	7,760
Net financial expenses	(5,863)	(5,733)
Taxes paid	(3,487)	(6,395)
Changes in net working capital	22,850	(18,673)
Cash flow provided by (used in) operating activities before repayment of lease liabilities	**80,775**	**54,476**
Repayment of lease liabilities	(20,123)	(19,634)
Cash flow provided by (used in) operating activities (A)	**60,652**	**34,842**
Cash flow provided by (used in) operating investing activities (B)	(16,473)	(18,601)
Free Cash Flow (A) + (B)	**44,179**	**16,241**
Net cash flow provided by (used in) acquisitions (C)	(41,745)	(14,364)
(Purchase) sale of other investment and securities (D)	-	-
Cash flow provided by (used in) investing activities (B+C+D)	**(58,218)**	**(32,965)**
Cash flow provided by (used in) operating activities and investing activities	**2,434**	**1,877**
Fees paid on medium/long-term financing	(5,043)	-
Hedging instruments and other changes in non-current assets	134	1,089
Net cash flow from the period	**(2,475)**	**2,966**
Net financial indebtedness as of period opening date	**(786,698)**	**(840,856)**
Effect of discontinued operation on financial position	(1,571)	(93)
Effect of exchange rate fluctuations on financial position	(2,475)	2,966
Change in net financial position	**(790,744)**	**(837,983)**
Net financial indebtedness as of period closing date	**(786,698)**	**(840,856)**

(*) Cash flow is negatively impacted by non-recurring items for Euro 777 thousand.
(**) Cash flow is negatively impacted by non-recurring items for Euro 3.053 thousand.

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