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Oggetto	:	Very encouraging first half of 2020 despite the impact of COVID-19

Testo del comunicato

Vedi allegato.

AMPLIFON: VERY ENCOURAGING FIRST HALF OF 2020 DESPITE THE IMPACT OF COVID-19

EXCELLENT RESULTS IN TERMS OF PROFITABILITY, CASH FLOW AND NET FINANCIAL POSITION CONFIRM THE ABILITY TO MITIGATE THE FINANCIAL IMPACT OF THE PANDEMIC THANKS TO THE TIMELY IMPLEMENTATION OF AN EFFECTIVE ACTION PLAN

REVENUES AFFECTED BY COVID-19 (-26.2%), PARTICULARLY IN APRIL, BUT MATERIALLY ACCELERATING IN SUBSEQUENT MONTHS, WITH JULY TRADING ABOVE PREVIOUS YEAR, CONFIRMING THE RESILIENCE OF THE BUSINESS

EXCELLENT PROFITABILITY WITH EBITDA MARGIN AT 21.4% AND STRONG CASH GENERATION WITH FREE CASH FLOW AT 72.1 MILLION EUROS, INCREASING 24.6% COMPARED TO THE SAME PERIOD OF THE PRIOR YEAR

NET FINANCIAL POSITION AT 765.3 MILLION EUROS, IMPROVING VS. BOTH DECEMBER 2019 AND MARCH 2020 DESPITE THE IMPACT OF THE PANDEMIC, WITH LEVERAGE AT 2.18X AT JUNE 30TH, 2020

COMPLETED REFINANCING AIMING TO FURTHER STRENGTHEN THE ALREADY SOLID FINANCIAL STRUCTURE OF THE GROUP

Main results for the first half of 2020[1]:

- Consolidated **revenues** of 613.9 million euros, a decrease of 26.0% at constant exchange rates and 26.2% at current exchange rates compared to the first half of 2019 due to the Covid-19 outbreak
- **EBITDA** amounted to 131.3 million euros, with the margin at 21.4%, down only 100 bps, thanks to the decisive and timely actions on costs
- **Net profit** came to 12.6 million euros compared to 59.4 million euros on a recurring basis in the first half of 2019
- **Net financial debt** was 765.3 million euros at June 30th, 2020, improving both versus the 786.7 million euros recorded at December 31st, 2019 and the 790.7 million euros posted at March 31st, 2020 despite the Covid-19 outbreak, with financial leverage at 2.18x at June 30th 2020
- **Free cash flow** reached 72.1 million euros, an increase of 14.2 million euros or 24.6% compared to the same period of 2019, thanks to the effective measures implemented

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Milan, July 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 June 30th, 2020 during a meeting chaired by Susan Carol Holland.

[1] Unless stated otherwise, the commentary contained in this press release refers to the recurring income statement figures for what regards H1 and Q2 2019.

MAIN CONSOLIDATED ECONOMICAL AND FINANCIAL FIGURES – FIRST HALF 2020

(Euro millions)	**H1 2020**				H1 2019				
	Recurring	**Non-recurring**	**Total**	**% on recurring**	Recurring	Non-recurring	Total	% on recurring	**Change % on recurring**
Net revenues	613.9	-	613.9	100.0%	832.0	-	832.0	100.0%	-26.2%
EBITDA	131.3	-	131.3	21.4%	186.6	(5.8)	180.8	22.4%	-29.6%
EBIT	31.5	-	31.5	5.1%	95.4	(5.9)	89.5	11.5%	-66.9%
Net income	12.6	-	12.6	2.0%	59.4	(4.9)	54.5	7.1%	-78.8%
EPS adjusted (*, in Euro)	0.121				0.330				

Free cash flow	72.1	57.9	
	06/30/2020	12/31/2019	**Change %**
Net Financial Position	765.3	786.7	-2.7%

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

MAIN CONSOLIDATED ECONOMICAL AND FINANCIAL FIGURES – SECOND QUARTER 2020

(Euro millions)	**Q2 2020**				Q2 2019				
	Recurring	**Non-recurring**	**Total**	**% on recurring**	Recurring	Non-recurring	Total	% on recurring	**Change % on recurring**
Net revenues	250.4	-	250.4	100.0%	440.1	-	440.1	100.0%	-43.1%
EBITDA	66.4	-	66.4	26.5%	107.6	(4.4)	103.2	24.5%	-38.3%
EBIT	17.0	-	17.0	6.8%	61.1	(4.4)	56.6	13.9%	-72.1%
Net income	7.4	-	7.4	3.0%	40.6	(3.8)	36.8	9.2%	-81.7%
EPS adjusted (*, in Euro)	0.068				0.217				

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

"I am very proud of how the company was able to react so quickly and with such determination to the unprecedented crisis triggered by Covid-19. Thanks, in fact, to the contribution made by all our people, we were able to significantly limit its impact as demonstrated by both the quarterly results, very positive given the extraordinary impact of the Covid-19 outbreak, and our strong balance sheet and financial solidity. While we remain cautious about the future developments of the pandemic worldwide, we look ahead to the second part of the year with great confidence, reassured by a business trend that is constantly and rapidly improving in all our core markets." said ***Enrico Vita, Amplifon's Chief Executive Officer****. "I am convinced that, thanks to all the work done to continue supporting our customers even during this very difficult period, as well as all the initiatives implemented to make our company even more efficient, we will emerge from these challenging times even stronger than before."*

Overview

After a very positive beginning of the year, with revenues showing strong growth of 10% in local currency in the first two months, the results for the first half were impacted by the health emergency triggered by the spread of Covid-19 and the measures implemented to contain the outbreak. Even though in most countries hearing care services were categorized as essential services and the stores could, therefore, continue to operate, the lockdown measures caused a generalized, significant drop in the Group's store traffic and, consequently, in revenues since beginning of March and, above all, in April. In the following months, with the easing of the lockdown measures, the pace of recovery was faster than initially expected, with strong sequential acceleration month-over-month, confirming the unchanged industry fundamentals and consumer behavior.

Consolidated revenues came to 613.9 million euros in the first half of 2020, down 26.0% at constant exchange rates and 26.2% at current exchange rates compared to the first half of 2019. This above market performance reflects a negative organic performance of -27.8%, along with the +1.8% contribution of acquisitions and a -0.2% foreign exchange impact.

In order to mitigate the pandemic's effects on its financial and economic results, the Company immediately adopted since March a decisive action plan with measures aimed at containing costs, maximizing cash generation and safeguarding its net financial position, as well as strengthening its financial structure by refinancing the credit lines.

The effective and timely implementation of these measures allowed the Company to significantly limit the impact on profitability, posting an EBITDA of 131.3 million euros in the first half with an EBITDA margin of 21.4%, down only 100 basis points against the first half of 2019. Following the amendment to IFRS 16 introduced by the International Accounting Standards Board (IASB)[2] in late May, Amplifon benefited from an income of around 7 million euros in the second quarter due to the renegotiations of the lease agreements of its distribution network, primarily in relation to the period April-June, following the Covid-19 emergency.

Net profit came to 12.6 million euros compared to a recurring net profit of 59.4 million euros in the first half of 2019. Adjusted earnings per share (adjusted EPS)[3] came in at 12.1 euro cents compared to 33.0 euro cents in the first half of 2019.

The balance sheet and financial indicators continue to confirm the Group's solidity, even in this unprecedented period: more in detail, thanks to the significant actions and their results in terms of cash generation and protection of the net financial position, the Company generated free cash flow of 72.1 million euros compared to 57.9 million euros in the first half of 2019 (+24.6%) and the net financial debt came to 765.3 million euros, improving both versus December 2019 and March 2020, with financial leverage at 2.18x at the end of the reporting period. Lastly, in response to the health crisis, the Company completed the refinancing and increased the total amount of its credit lines bringing its liquidity position supported by cash on balance sheet and undrawn committed revolving facilities at the end of June 2020 to over 650 million euros .

As a result of the heightened restrictive measures adopted by the different governmental authorities, the second quarter of 2020 was the most affected by the Covid-19 pandemic. Revenues fell 43.1% against the second quarter of 2019 to 250.4 million euros. April was the most impacted month by the lockdown measures, posting a drop in revenues of around -65%, while in May and June, as the lockdown measures gradually eased and the Group's distribution network became more operative, the recovery improved sequentially with sales down -45% and -20%, respectively. Profitability was excellent in the second quarter, despite the significant drop in revenues, thanks to the impressive results from the actions on costs. EBITDA

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[2] On May 28th, 2020, IASB issued an amendment to IFRS 16 which introduces a practical expedient based on which the renegotiations of rent contracts related to the Covid-19 pandemic that generate a reduction in the rent owed for the period through June 30th, 2021 are not considered contractual changes and, thus, their effect are considered as variable rent with a positive impact on the income statement. To date this amendment has yet to be endorsed by the European Union

[3] 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

amounted to 66.4 million euros with the margin at 26.5%, an increase of 200 basis points compared to the EBITDA margin in the second quarter of 2019, also thanks to the 7 million euros income due to the Covid-19-related rent concessions.

Economic results for the first half of 2020

Consolidated revenues came to 613.9 million euros in the first half of 2020, down 26.0% at constant exchange rates and 26.2% at current exchange rates compared to the first half of the prior year. This performance reflects a negative organic performance of -27.8% and +1.8% contribution of acquisitions. The foreign exchange effect was negative for 0.2%.

The trend in the different geographic areas varied according to the duration and intensity of the restrictive measures adopted by the governmental authorities in each area: **EMEA** was the area most affected, with lockdown measures in all the main markets with the exception of Germany, but recovering strongly since the beginning of May; the **AMERICAS**, where the United States was hit hard by the closures in April, proved to be the market with the fastest recovery; while **APAC** suffered less thanks to the adoption of less restrictive measures in Australia, the quick recovery in New Zealand as of mid-May following the end of the lockdown, as well as the good performance in China, impacted by closures in February and back to growth in the second quarter.

The timely and decisive actions on costs allowed the Company to limit the impact on profitability and reach an **EBITDA** in the period of 131.3 million euros with the margin at 21.4%, only 100 basis points lower than in the first half of 2019. **EBIT** amounted to 31.5 million euros, or 5.1% of revenues, compared to a recurring EBIT of 95.4 million euros in the first half of 2019.

Net profit (NP) was 12.6 million euros, compared to a recurring net profit of 59.4 million euros in the first half of 2019. This result is attributable to both the significant decrease in revenues due to the pandemic and the slight increase in depreciation, amortization and financial expenses. The tax rate came to 29.9%. **Adjusted earnings per share (adjusted EPS)**[4] came in at 12.1 euro cents, compared to 33.0 euro cents in the first half of 2019.

Performance by geographic area

EMEA: performance affected by Covid-19, but significantly improving both on top-line and profitability since end of April

Revenues in Europe, the Middle East and Africa (**EMEA**) reached 437.5 million euros in the first half of 2020, down 27.9% at current exchange rates and of 28.1% in local currency. The organic performance was negative for 29.6%, while acquisitions contributed +1.5%. The foreign exchange effect was positive for 0.2%.

The performance in **Europe** reflects the severity of the pandemic containment measures implemented by the governmental authorities first in Italy and, shortly thereafter, in the other countries. The performance was particularly good in **Germany**, due to less restrictive measures, and in **France** where a strong recovery was reported as the lockdown eased, with sales in line with the prior year already at the end of June. The pace of the recovery in Italy and Spain was also better-than-expected at the beginning of the health crisis with strong sequential improvement month-over-month.

In EMEA, EBITDA amounted to 102.9 million euros in the first half, with the margin on revenues at 23.5%, only 80 basis points lower than in the comparison period. The margin in the second quarter reached 29.2%,

[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

an increase of 280 basis points compared to the second quarter of 2019, thanks to the impressive results from the actions implemented on costs.

AMERICAS: varied timing and impact of Covid-19 across the region, with the core US market showing the strongest speed of recovery

Revenues in **AMERICAS** reached 104.6 million euros in the first half of 2020, a decrease of 20.7% at current exchange rates and of 20.9% in local currencies. This result reflects an organic performance that was negative for 21.3%, the +0.4% contribution of acquisitions and the positive exchange effect (+0.2%). The impact of Covid-19 materialized at the end of March in the **United States**, becoming significantly worse in April, and shortly thereafter also in Canada and Latin America. As the lockdown measures eased, the US reported the fastest pace of recovery with **Miracle-Ear** posting a good performance and positive growth rates already in June, as well as strong market share gains. **Canada** and **Latin America** were severely impacted by the pandemic in the second quarter.

In AMERICAS the results from the actions implemented on costs were also impressive, above all in the second quarter of the year. EBITDA in AMERICAS amounted to 22.7 million euros in the first half, with the margin coming in at 21.7%, only 40 basis points lower than in the first half of 2019. EBITDA in the quarter amounted to 10.8 million euros, with the margin at 26.9%, a notable increase of 300 basis points with respect to the comparison period.

ASIA-PACIFIC: good recovery in revenues and outstanding operating leverage

Revenues in **ASIA-PACIFIC** amounted to 71.8 million euros in the first half of 2020, a decrease of 17.8% in local currencies and 21.1% at current exchange rates. The organic performance was negative for 23.5%. A 5.7% contribution came from M&A, attributable to the acquisition of Attune Hearing in Australia, while the exchange effect was negative for 3.3%. Revenues were penalized by the total lockdown in **New Zealand** from the end of March to mid-May with the closure of the entire distribution network, but with a strong recovery as measures eased. The performance in **Australia** was better than in other countries, despite the bushfires in the first quarter and due to the less restrictive containment measures. China, the first market affected by Covid-19, was back to growth in the second quarter.

In ASIA-PACIFIC the measures implemented to mitigate the impact of the health crisis also delivered excellent results. EBITDA amounted to 12.5 million euros in the second quarter and 22.7 million euros in the first half. The margin reached 40.5% in the quarter (an improvement of 12 percentage points) and 31.5% in the half (an increase of 150 basis points compared to the first half of 2019).

Balance sheet figures as at June 30th, 2020

The balance sheet and financial indicators confirm to the Group's solidity, even in this unprecedented period.

Net equity amounted to 700.0 million euros at June 30th, 2020, slightly up compared to the 696.1 million euros recorded at December 31st, 2019.

Operating cash flow, before payment of lease liabilities, amounted to 121.6 million euros. The payment of lease liabilities, equal to 27.7 million euros (which benefitted from a drop in cash-outs of roughly 15 million euros as a result of the concessions achieved in rent renegotiations), brought the operating cash flow to 93.9 million euros, down slightly compared to the 99.8 million euros recorded in the comparison period 2019. Excellent free cash flow, positive for 72.1 million euros, higher than the 57.9 million euros generated in the first half of 2019, after investments (net of disposals) of 21.8 million euros versus 42.0 million euros in the comparison period 2019. Net cash-out for acquisitions (41.8 million euros versus 27.7 million euros in the first half of 2019), along with other financing activities of 7.7 million euros, bring cash flow for the period to positive 22.6 million euros versus positive 0.4 million euros in the comparison period.

Net financial debt came to 765.3 million euros, improving versus both the 786.7 million euros recorded at December 31st, 2019 and the 790.7 million euros posted at March 31st, 2020, despite the Covid-19 outbreak, with leverage at 2.18x at June 30th, 2020.

Update of Covid-19 emergency measures

Amplifon took timely and effective action to mitigate the negative impact of the Covid-19 outbreak, defining and implementing a solid action plan aiming to:

- ensure the health and safety of its people and customers;
- reduce operational costs and maximize cash generation;
- further strengthen the financial structure through an important refinancing program.

More in detail, the main measures to contain costs and maximize cash flow implemented by the Company, generating the most relevant effects in the second quarter of 2020, include:

- significant reduction in labor costs mainly due to the adoption of government social schemes and other forms of employment support tools which were either already in place or have been implemented to address the extraordinary circumstances in the countries where the Group operates, as well as an increase in productivity;
- strong reduction in marketing spending;
- suspension of all discretionary costs and renegotiation of numerous supplier contracts and rent agreements;
- suspension of non-essential capex and M&A cash-out;
- tight control of working capital;
- allocation of the entire profit for the year 2019 as retained earnings, without dividend distribution to shareholders.

Lastly, in response to the health crisis, the Company further strengthened its financial structure by refinancing credit lines, extending the maturities and increasing the amount of the committed lines by around 370 million euros. This allowed Amplifon to close the first half of 2020 with a strong liquidity position of over 650 million euros, including cash on balance sheet and undrawn committed revolving facilities.

Outlook

While the risks associated to future developments of the Covid-19 outbreak call for caution, the Company is confident that the most difficult phase of the pandemic is now behind. The impressive speed of recovery since the easing of restrictive measures and the positive signals from July performance, with revenues growing vs. prior year, clearly demonstrate the resilience of the business, the unchanged solid fundamentals of the market in which the Group operates and the unaltered consumers' behaviors.

Therefore, although the situation remains uncertain, given the Group's recent performance and assuming no further significant re-tightening of lockdown restrictions in the near future, the Group expects a favorable trend in the second half of 2020 and estimates third quarter of 2020 at a similar revenue level to previous year.

The Company also looks positively to FY 2021 both in terms of sales and profitability. The strong measures implemented to reduce the cost base and improve productivity shall, in fact, allow the Company to be even more efficient going forward.

Assignment of Performance Stock Grant Plan 2019-2025

In relation to the above-mentioned plan, the Board of Directors resolved to assign, on July 30th, 2010, 458,000 shares at target as the first tranche of the cycle of the stock grant for the period 2020-2022, based on the recommendations of the Remuneration and Appointments Committee and pursuant to Art. 84 bis, par. 5 of Consob Regulation n. 11971/1999, as amended.

The information regarding the beneficiaries and the respective rights assigned will be reported in the table prepared in accordance with the indications provided in Table n. 1, Form 7 of Annex 3A of Regulation n. 11971/1999 and reflecting the characteristics already disclosed in the Information Document, which will be made available within the time period required by law at the Company's registered office and published on the Company's website https://corporate.amplifon.com.

The Information Document relating to the new Stock Grant Plan 2019-2025, which contains all the detailed information required by current law, is available to the public in the same manner.

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The Company announces that the Interim Financial Statements as at June 30th, 2020 will be made available to the public from August 7th at the Company's registered office, on the Company's website https://corporate.amplifon.com and on the authorized storage system eMarket STORAGE (www.emarketstorage.com).

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The results for H1 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/39471/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 August 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: 938# - codice guest: 700938#; or, if the recording is no longer available, by accessing the webpage: https://corporate.amplifon.com/en/investors/financial-calendar/results-presentation-q2-2020

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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

(€ thousands)	**H1 2020**	%	H1 2019	%	**Change**	**Change %**	**Exchange diff.**	**Change % in local currency**	**Organic growth % (*)**
Total EMEA	437,470	71.3%	607,128	73.0%	(169,658)	-27.9%	1,355	-28.1%	-29.6%
Total Americas	104,601	17.0%	131,884	15.9%	(27,283)	-20.7%	219	-20.9%	-21.3%
Total APAC	71,828	11.7%	91,037	10.9%	(19,209)	-21.1%	(3,048)	-17.8%	-23.5%
Corporate and intercompany elimination	-	-	1,986	0.2%	(1,986)	-100.0%	-	-100.0%	-100.0%
Total	**613,899**	**100.0%**	**832,035**	**100.0%**	**(218,136)**	**-26.2%**	**(1,474)**	**-26.0%**	**-27.8%**

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

(€ thousands)	**Q2 2020**	%	Q2 2019	%	**Change**	**Change %**	**Exchange diff.**	**Change % in local currency**	**Organic growth % (*)**
Total EMEA	179,204	71.6%	323,365	73.5%	(144,161)	-44.6%	252	-44.7%	-45.7%
Total Americas	40,246	16.1%	68,782	15.6%	(28,536)	-41.5%	(229)	-41.2%	-41.4%
Total APAC	30,973	12.3%	46,622	10.6%	(15,649)	-33.6%	(1,299)	-30.8%	-36.0%
Corporate and intercompany elimination	-	-	1,293	0.3%	(1,293)	-100.0%	-	-100.0%	-100.0%
Total	**250,423**	**100.0%**	**440,062**	100.0%	**(189,639)**	**-43.1%**	**(1,276)**	**-42.8%**	**-44.1%**

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

CONSOLIDATED INCOME STATEMENT – FIRST HALF 2020

(€ thousands)	H1 2020				H1 2019				
	Recurring	**Non-recurring**	**Total**	**% on recurring**	Recurring	Non-recurring	Total	% on recurring	**Change % on recurring**
Revenues from sales and services	613,899	-	613,899	100.0%	832,035	-	832,035	100.0%	-26.2%
Operating costs	(493,696)	-	(493,696)	-80.4%	(646,294)	(5,805)	(652,099)	-77.7%	23.6%
Other income and costs	11,096	-	11,096	1.8%	824	-	824	0.1%	1,246.6%
Gross operating profit (EBITDA)	**131,299**	**-**	**131,299**	**21.4%**	**186,565**	**(5,805)**	**180,760**	**22.4%**	**-29.6%**
Depreciation, amortization and impairment of non-current assets	(34,231)	-	(34,231)	-5.6%	(29,894)	-	(29,894)	-3.6%	-14.5%
Right-of-use depreciation	(45,965)	-	(45,965)	-7.5%	(42,775)	-	(42,775)	-5.1%	-7.5%
Operating result before the amortization and impairment of PPA related assets (EBITA)	**51,103**	**-**	**51,103**	**8.3%**	**113,896**	**(5,805)**	**108,091**	**13.7%**	**-55.1%**
PPA related depreciation, amortization and impairment	(19,577)	-	(19,577)	-3.2%	(18,523)	(65)	(18,588)	-2.2%	-5.7%
Operating profit (EBIT)	**31,526**	**-**	**31,526**	**5.1%**	**95,373**	**(5,870)**	**89,503**	**11.5%**	**-66.9%**
Income, expenses, valuation and adjustments of financial assets	(256)	-	(256)	0.0%	193	-	193	0.0%	-232.6%
Net financial expenses	(14,219)	-	(14,219)	-2.3%	(13,121)	-	(13,121)	-1.6%	-8.4%
Exchange differences and non-hedge accounting instruments	732	-	732	0.1%	112	-	112	0.0%	553.6%
Profit (loss) before tax	**17,783**	**-**	**17,783**	**2.9%**	**82,557**	**(5,870)**	**76,687**	**9.9%**	**-78.5%**
Tax	(5,323)	-	(5,323)	-0.9%	(23,199)	999	(22,200)	-2.8%	77.1%
Net profit (loss)	**12,460**	**-**	**12,460**	**2.0%**	**59,358**	**(4,871)**	**54,487**	**7.1%**	**-79.0%**
Profit (loss) of minority interests	(117)	-	(117)	0.0%	(5)	-	(5)	0.0%	-2,240.0%
Net profit (loss) attributable to the Group	**12,577**	**-**	**12,577**	**2.0%**	**59,363**	**(4,871)**	**54,492**	**7.1%**	**-78.8%**

CONSOLIDATED INCOME STATEMENT – SECOND QUARTER 2020

(€ thousands)	Q2 2020				Q2 2019				
	Recurring	**Non-recurring**	**Total**	**% on recurring**	Recurring	Non-recurring	Total	% on recurring	**Change % on recurring**
Revenues from sales and services	250,423	-	250,423	100.0%	440,062	-	440,062	100.0%	-43.1%
Operating costs	(193,794)	-	(193,794)	-77.4%	(332,960)	(4,380)	(337,340)	-75.6%	41.8%
Other income and costs	9,815	-	9,815	3.9%	521	-	521	0.1%	1,783.9%
Gross operating profit (EBITDA)	**66,444**	**-**	**66,444**	**26.5%**	**107,623**	**(4,380)**	**103,243**	**24.5%**	**-38.3%**
Depreciation, amortization and impairment of non-current assets	(17,046)	-	(17,046)	-6.7%	(15,679)	-	(15,679)	-3.6%	-8.7%
Right-of-use depreciation	(22,461)	-	(22,461)	-9.0%	(21,580)	-	(21,580)	-4.9%	-4.1%
Operating result before the amortization and impairment of PPA related assets (EBITA)	**26,937**	**-**	**26,937**	**10.8%**	**70,364**	**(4,380)**	**65,984**	**16.0%**	**-61.7%**
PPA related depreciation, amortization and impairment	(9,901)	-	(9,901)	-4.0%	(9,289)	(65)	(9,354)	-2.1%	-6.6%
Operating profit (EBIT)	**17,036**	**-**	**17,036**	**6.8%**	**61,075**	**(4,445)**	**56,630**	**13.9%**	**-72.1%**
Income, expenses, valuation and adjustments of financial assets	(280)	-	(280)	-0.1%	121	-	121	0.0%	-331.4%
Net financial expenses	(7,459)	-	(7,459)	-3.0%	(6,627)	-	(6,627)	-1.5%	-12.6%
Exchange differences and non-hedge accounting instruments	987	-	987	0.4%	272	-	272	0.1%	262.9%
Profit (loss) before tax	**10,284**	**-**	**10,284**	**4.1%**	**54,841**	**(4,445)**	**50,396**	**12.5%**	**-81.2%**
Tax	(2,895)	-	(2,895)	-1.1%	(14,281)	635	(13,646)	-3.3%	79.7%
Net profit (loss)	**7,389**	**-**	**7,389**	**3.0%**	**40,560**	**(3,810)**	**36,750**	**9.2%**	**-81.8%**
Profit (loss) of minority interests	(45)	-	(45)	0.0%	(20)	-	(20)	0.0%	-850.0%
Net profit (loss) attributable to the Group	**7,434**	**-**	**7,434**	**3.0%**	**40,580**	**(3,810)**	**36,770**	**9.2%**	**-81.7%**

CONSOLIDATED SEGMENT INFORMATION

(€ thousands)	H1 2020					H1 2019				
	EMEA	**Americas**	**Asia Pacific**	**Corporate (*)**	**Total**	EMEA	Americas	Asia Pacific	Corporate (*)	Total
Net Revenues	437,470	104,601	71,828	-	613,899	607,128	131,884	91,037	1,986	832,035
EBITDA	**102,866**	**22,706**	**22,656**	**(16,929)**	**131,299**	**141,491**	**29,114**	**27,269**	**(17,114)**	**180,760**
% on sales	*23.5%*	*21.7%*	*31.5%*	*-2.8%*	*21.4%*	*23.3%*	*22.1%*	*30.0%*	*-2.1%*	*21.7%*
Recurring EBITDA	**102,866**	**22,706**	**22,656**	**(16,929)**	**131,299**	**147,271**	**29,139**	**27,269**	**(17,114)**	**186,565**
% on sales	*23.5%*	*21.7%*	*31.5%*	*-2.8%*	*21.4%*	*24.3%*	*22.1%*	*30.0%*	*-2.1%*	*22.4%*
EBIT	**28,799**	**16,441**	**7,969**	**(21,683)**	**31,526**	**71,169**	**24,011**	**15,666**	**(21,343)**	**89,503**
% on sales	*6.6%*	*15.7%*	*11.1%*	*-3.5%*	*5.1%*	*11.7%*	*18.2%*	*17.2%*	*-2.6%*	*10.8%*

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

(€ thousands)	Q2 2020					Q2 2019				
	EMEA	**Americas**	**Asia Pacific**	**Corporate (*)**	**Total**	EMEA	Americas	Asia Pacific	Corporate (*)	Total
Net Revenues	179,204	40,246	30,973	-	250,423	323,365	68,782	46,622	1,293	440,062
EBITDA	**52,345**	**10,830**	**12,546**	**(9,277)**	**66,444**	**81,040**	**16,398**	**13,302**	**(7,497)**	**103,243**
% on sales	*29.2%*	*26.9%*	*40.5%*	*-3.7%*	*26.5%*	*25.1%*	*23.8%*	*28.5%*	*-1.7%*	*23.5%*
Recurring EBITDA	**52,345**	**10,830**	**12,546**	**(9,277)**	**66,444**	**85,395**	**16,423**	**13,302**	**(7,497)**	**107,623**
% on sales	*29.2%*	*26.9%*	*40.5%*	*-3.7%*	*26.5%*	*26.4%*	*23.9%*	*28.5%*	*-1.7%*	*24.5%*
EBIT	**16,012**	**7,823**	**4,913**	**(11,712)**	**17,036**	**45,344**	**13,665**	**7,265**	**(9,644)**	**56,630**
% on sales	*8.9%*	*19.4%*	*15.9%*	*-4.7%*	*6.8%*	*14.0%*	*19.9%*	*15.6%*	*-2.2%*	*12.9%*

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

NON-RECURRING ITEMS

(€ thousands)	**H1 2020**	H1 2019
GAES integration costs	-	(5,805)
Impact of the non-recurring items on EBITDA	-	**(5,805)**
Impairment of GAES intangible 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 2020**	Q2 2019
GAES integration costs	-	(4,380)
Impact of the non-recurring items on EBITDA	-	**(4,380)**
Impairment of GAES intangible 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)	**06/30/2020**	12/31/2019	**Change**
Goodwill	1,242,099	1,215,511	26,588
Customer lists, non-compete agreements, trademarks and location rights	262,863	270,307	(7,444)
Software, licenses, other int,ass,, wip and advances	95,315	97,201	(1,886)
Tangible assets	185,216	196,579	(11,363)
Right of use assets	423,757	418,429	5,328
Fixed financial assets	39,446	44,887	(5,441)
Other non-current financial assets	28,952	32,282	(3,330)
Total fixed assets	**2,277,648**	**2,275,196**	**2,452**
Inventories	67,130	64,592	2,538
Trade receivables	132,997	205,219	(72,222)
Other receivables	76,889	75,998	891
Current assets (A)	**277,016**	**345,809**	**(68,793)**
Total assets	**2,554,664**	**2,621,005**	**(66,341)**
Trade payables	(139,939)	(177,390)	37,451
Other payables	(282,757)	(284,827)	2,070
Provisions for risks (current portion)	(3,996)	(4,242)	246
Short term liabilities (B)	**(426,692)**	**(466,459)**	**39,767**
Working capital (A) – (B)	**(149,676)**	**(120,650)**	**(29,026)**
Derivative instruments	(4,510)	(8,763)	4,253
Deferred tax assets	77,497	81,427	(3,930)
Deferred tax liabilities	(97,615)	(102,111)	4,496
Provisions for risks (non-current portion)	(47,084)	(50,290)	3,206
Employee benefits (non-current portion)	(23,861)	(25,281)	1,420
Loan fees	9,396	1,611	7,785
Other long-term payables	(133,707)	(143,701)	9,994
NET INVESTED CAPITAL	**1,908,088**	**1,907,438**	**650**
Shareholders' equity	699,166	695,031	4,135
Third parties' equity	878	1,084	(206)
Net equity	**700,044**	**696,115**	**3,929**
Long term net financial debt	1,126,173	752,648	373,525
Short term net financial debt	(360,828)	34,050	(394,878)
Total net financial debt	**765,345**	**786,698**	**(21,353)**
Lease liabilities	442,699	424,625	18,074
Total lease liabilities & net financial debt	**1,208,044**	**1,211,323**	**(3,279)**
NET EQUITY, LEASE LIABILITIES AND NET FINANCIAL DEBT	**1,908,088**	**1,907,438**	**650**

CONSOLIDATED NET FINANCIAL DEBT MATURITY PROFILE

(€ 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)	(23.8)	(85.6)	(80.9)	(302.6)	**(496.2)**
Financing for GAES acquisition	-	(39.8)	(79.5)	(79.5)	-	**(198,8)**
Bank accounts	(15.5)	-	-	-	-	**(15.5)**
Others	(8.3)	(1.2)	(21.6)	-	-	**(31.1)**
Cash and cash equivalents	427.2	-	-	-	-	**427.2**
Total	**384.6**	**(64.9)**	**(186.7)**	**(207.0)**	**(691.4)**	**(765.3)**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(€ thousands)	**H1 2020 (*)**	H1 2019 (**)
EBIT	**31,526**	89,503
Amortization, depreciation and write-downs	99,773	91,257
Provisions, other non-monetary items and gain/losses from disposals	475	12,908
Net financial expenses	(12,336)	(11,098)
Taxes paid	(808)	(17,035)
Changes in net working capital	2,932	(26,062)
Cash flow provided by (used in) operating activities before repayment of lease liabilities	**121,562**	**139,473**
Repayment of lease liabilities	(27,683)	(39,655)
Cash flow provided by (used in) operating activities (A)	**93,879**	**99,818**
Cash flow provided by (used in) operating investing activities (B)	(21,804)	(41,966)
Free Cash Flow (A) + (B)	**72,075**	**57,852**
Net cash flow provided by (used in) acquisitions (C)	(41,816)	(27,747)
(Purchase) sale of other investment and securities (D)	-	-
Cash flow provided by (used in) investing activities (B+C+D)	**(63,620)**	**(69,713)**
Cash flow provided by (used in) operating activities and investing activities	**30,259**	**30,105**
Dividends	-	(30,939)
Fees paid on medium/long-term financing	(7,374)	-
Capital increases, third parties' contributions and dividends paid by subsidiaries to third parties	-	(38)
Hedging instruments and other changes in non-current assets	(284)	1,318
Net cash flow from the period	**22,601**	**446**

Net financial indebtedness as of period opening date	**(786,698)**	**(840,856)**
Effect of exchange rate fluctuations on financial position	(1,248)	(657)
Change in net financial position	22,601	446
Net financial indebtedness as of period closing date	**(765,345)**	**(841,067)**

(*) Cash flow is negatively impacted by non-recurring items for Euro 812 thousand,
(**) Cash flow is negatively impacted by non-recurring items for Euro 6,981 thousand,

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