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Diffusione presunta
Oggetto : Performance in the first 9 months shows
strong acceleration

Testo del comunicato

Vedi allegato.

AMPLIFON: PERFORMANCE IN THE FIRST 9 MONTHS SHOWS STRONG ACCELERATION DRIVEN BY AN EXCELLENT THIRD QUARTER WITH DOUBLE-DIGIT REVENUE GROWTH AND A SIGNIFICANT INCREASE IN PROFITABILITY

THE EXCELLENT RESULTS IN THE THIRD QUARTER – IN TERMS OF REVENUES, PROFITABILITY AND CASH FLOW – CONFIRM THE SHARP RECOVERY AND RESILIENCE OF THE BUSINESS, AS WELL AS THE ABILITY TO MITIGATE THE FINANCIAL IMPACT OF THE PANDEMIC

IN THE FIRST NINE MONTHS OF 2020 REVENUES WERE INFLUENCED BY THE COVID-19 EMERGENCE (-14.4% AT CONSTANT EXCHANGE RATES), BUT SHOWED A STRONG ACCELERATION IN THE THIRD QUARTER POSTING DOUBLE-DIGIT GROWTH (+10.4% AT CONSTANT EXCHANGE RATES), WELL ABOVE THE MARKET

SIGNIFICANT INCREASE IN PROFITABILITY WITH THE EBITDA MARGIN RISING 50 BPS IN THE NINE MONTHS AND AN IMPRESSIVE 330 BPS IN THE THIRD QUARTER OF 2020, CONFIRMING THE GROUP'S GREATER STRUCTURAL EFFICIENCY

STRONG CASH GENERATION WITH FREE CASH FLOW COMING IN AT 127.1 MILLION EUROS, 85.2% HIGHER THAN IN THE SAME PERIOD OF 2019

NET FINANCIAL POSITION AT 712.6 MILLION EUROS, IMPROVING VS. BOTH DECEMBER 2019 AND JUNE 2020, WITH LEVERAGE DOWN AT SEPTEMBER 30TH, 2020 TO 1.89X

Main results for the first nine months of 2020¹:

- Consolidated revenues of 1,042.1 million euros, decreasing 14.4% at constant exchange rates and 14.9% at current exchange rates compared to the first nine months of 2019 due to the Covid-19 outbreak
- EBITDA amounted to 228.4 million euros, with the margin at 21.9%, 50 bps higher despite the impact of the pandemic and thanks to the decisive and timely actions on costs
- Net profit came to 41.1 million euros compared to 75.7 million euros on a recurring basis in the first nine months of 2019
- Net financial debt was 712.6 million euros, improving versus both the 786.7 million euros recorded at December 31st, 2019 and the 765.3 million euros posted at June 30th, 2020, with financial leverage down to 1.89x
- Free cash flow reached 127.1 million euros, an increase of 58.4 million euros or 85.2% compared to the first nine months of 2019, thanks to the effective measures implemented

Milan, October 28th, 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 September 30th, 2020 during a meeting chaired by Susan Carol Holland.

¹ Unless stated otherwise, the comments in this press release refer to the recurring income statement figures for Q3 and 9M 2019.

MAIN CONSOLIDATED ECONOMICAL AND FINANCIAL FIGURES – FIRST NINE MONTHS 2020

(Euro millions)	First nine months 2020				First nine months 2019				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Net revenues	1,042.1	-	1,042.1	100.0%	1,224.7	-	1,224.7	100.0%	-14.9%
EBITDA	228.4	-	228.4	21.9%	262.6	(18.4)	244.2	21.4%	-13.0%
EBIT	79.7	-	79.7	7.6%	124.7	(18.7)	106.0	10.2%	-36.1%
Net income	41.1	-	41.1	3.9%	75.7	(14.0)	61.7	6.2%	-45.7%
EPS adjusted (*, in Euro)		0.281				0.432			
Free cash flow		127.1				68.6			
		09/30/2020				12/31/2019			Change %
Net Financial Position		712.6				786.7			-9.4%

(*) 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 – THIRD QUARTER 2020

(Euro millions)	Q3 2020				Q3 2019				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Net revenues	428.2	-	428.2	100.0%	392.7	-	392.7	100.0%	9.0%
EBITDA	97.1	-	97.1	22.7%	76.0	(12.6)	63.5	19.4%	27.6%
EBIT	48.1	-	48.1	11.2%	29.3	(12.9)	16.5	7.5%	64.1%
Net income	28.5	-	28.5	6.7%	16.3	(9.1)	7.2	4.2%	74.8%
EPS adjusted (*, in Euro)		0.160				0.103			

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

“We are very satisfied with the excellent results achieved in the third quarter despite what continues to be a challenging environment due to the effects of the ongoing pandemic. The strong growth in revenues, which far outpaced the reference market, in fact, confirms the resiliency of our business and the strength of our competitive positioning, while the significant improvement in profitability and the maximization of cash generation testify to the effectiveness of the measures undertaken since the very inception of the crisis triggered by COVID-19”, said Enrico Vita, Amplifon’s Chief Executive Officer. “While we remain cautious in light of possible future developments of the pandemic worldwide, we continue to be positive about the future, reassured by the recent performance of the business in all our core markets and the unchanged fundamentals of our industry.”

Overview

The performance in the first nine months of the year was characterized by very different trends over the reporting period depending on the impact of the COVID-19 outbreak and the restrictive measures adopted to contain its spread. After a very positive beginning of the year, the Group's performance was, in fact, severely impacted by the pandemic and the adoption of restrictive measures in the period March-June. Strong growth was, however, recorded since the beginning of July. The third quarter of 2020 was witness not only to a recovery that was stronger and faster than initially expected, but also to Amplifon's excellent capabilities in limiting the impact of the pandemic on its economic and financial results.

Consolidated revenues came to 428.2 million euros in the **third quarter of 2020**, an increase of 10.4% at constant exchange rates and 9.0% at current exchange rates compared to the third quarter of 2019. This performance, significantly above market, reflects an organic growth of 8.2%, along with the 2.2% contribution of acquisitions and a negative foreign exchange effect of 1.4%. Organic growth benefitted from both the decision to keep the network operative during the lockdown months and to quickly resume investments in business growth as soon as external conditions allowed it. EBITDA was 27.6% higher compared to the third quarter of 2019, coming in at 97.1 million euros, with a margin that rose 330 basis points to 22.7%. In addition to the strong increase in revenues, this significant improvement in profitability is attributable to the greater operating efficiency and the increased productivity stemming from the actions on costs implemented in the second quarter and, partially, to the limited use of social schemes to offset the impact of the pandemic, as well as an income of around 2 million euros due to the renegotiation of the lease agreements for the distribution network². This strong increase in profitability was achieved despite the sizeable investments made in the business such as marketing investments, which were higher than in the third quarter of 2019, and the restart of key Corporate growth projects. Net profit amounted to 28.5 million euros, an increase of 74.8% compared to the third quarter of 2019.

Revenues amounted to 1,042.1 million euros in the **first nine months of 2020**, down 14.4% at constant exchange rates and 14.9% at current exchange rates due to the restrictive measures adopted mainly in the period March-June in all the Group's core markets to contain the spread of the pandemic. EBITDA, however, came to 228.4 million euros with the margin at 21.9%, 50 basis points higher than in the first nine months of 2019, thanks to the excellent results of the swift action plan implemented on costs. Net profit was 41.1 million euros compared to a recurring net profit of 75.7 million euros in the first nine months of 2019. Adjusted earnings per share (adjusted EPS)³ came in at 28.1 euro cents compared to 43.2 euro cents in the first nine months 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 taken and their results in terms of cash generation and safeguarding the net financial position, the Company generated free cash flow of 127.1 million euros compared to 68.6 million euros in the first nine months of 2019 (+85.2%) and net financial debt came to 712.6 million euros, improving versus both December 2019 and June 2020, with financial leverage at the end of the period down to 1.89x.

² On May 28th, 2020, IASB issued an amendment to IFRS 16 which was endorsed by the European Union on October 9th, 2020. The amendment introduces a practical expedient based on which any reductions in rent owed through June 30th, 2021 obtained as a result of Covid-19 lease renegotiations are not considered lease changes and are recognized as variable rent which has a positive on the income statement.

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.

Economic results for the first nine months of 2020

Consolidated revenues came to 1,042.1 million euros in the first nine months of 2020, down 14.4% at constant exchange rates and 14.9% at current exchange rates compared to the first nine months of the prior year, impacted by the restrictive measures implemented to contain the spread of the pandemic mainly in the spring. This performance reflects a negative organic performance for 16.3% and the positive contribution of acquisitions for +1.9%. The foreign exchange effect was negative for 0.5%.

The trend in the different geographic areas varied according to the duration and intensity of the restrictive measures adopted, as well as the speed of the recovery: in **EMEA**, initially the most affected area by the lockdown measures, the recovery was very quick since the end of April, with a performance above the prior year already in July; in the **AMERICAS**, North America reported strong recovery beginning in early May, returning to good organic growth in the third quarter, while Latin America continues to be severely impacted by the pandemic which struck at the end of March; all **APAC** countries, with the exception of India, recorded an improvement in the period, with a return to growth in the third quarter.

EBITDA amounted to 228.4 million euros with the margin at 21.9%, 50 basis points higher than in the first nine months of 2019, thanks to the timely and decisive actions on costs which allowed the Company to significantly limit the impact on profitability in the second quarter, as well as improve efficiency and productivity, as shown by the noticeable profitability expansion recorded in the third quarter. The Company also benefitted from an income of around 9 million euros due to the renegotiation of lease agreements for the distribution network⁴. **EBIT** amounted to 79.7 million euros, or 7.6% of revenues, compared to a recurring EBIT of 124.7 million euros in the first nine months of 2019.

Net profit (NP) was 41.1 million euros, compared to a recurring net profit of 75.7 million euros in the first nine months of 2019. This result is attributable mainly to the decrease in revenues caused by the pandemic and the slight increase in D&A and financial expenses. The tax rate came to 28.7%. **Adjusted earnings per share (adjusted EPS)**⁵ came in at 28.1 euro cents, compared to 43.2 euro cents in the first nine months of 2019.

Performance by geographic area

EMEA: strong recovery with an excellent third quarter performance both on top line and profitability

Revenues in Europe, the Middle East and Africa (**EMEA**) reached 740.7 million euros in the first nine months of 2020, down 15.6% at current exchange rates and 15.8% in local currency. The organic performance was negative for 17.2%, while acquisitions contributed by +1.4%. The foreign exchange effect was positive for 0.2%.

Europe was impacted by the severe restrictive measures adopted to contain the spread of Covid-19 from March, but began to recover already at the end of April and was back to growth since July.

More in detail, in the third quarter of 2020 revenues were 12.0% higher than in the third quarter of 2019, coming in at 303.2 million euros. This result was driven for 10.8% by organic growth, thanks to the strong performance recorded in all the core markets (particularly in Italy, France and Spain) and for 1.2% by acquisitions.

EBITDA amounted to 179.7 million euros in the first nine months of 2020, with the margin on revenues at 24.3%, 90 basis points higher than in the same period of 2019. In the third quarter, EBITDA came to 76.8 million euros, an increase of 32.2% against the comparison period, with the margin on revenues rising 390 basis points to 25.3% thanks to strong revenue growth, as well as greater efficiency and productivity.

⁴ Amendment to IFRS 16 published by the International Accounting Standards Board (IASB) on May 28th, 2020 and endorsed by the European Union on October 9th 2020

⁵ 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.

AMERICAS: varied impact of Covid-19 across the Region, with the core US market showing a strong recovery and back to solid organic growth in local currency in the third quarter

Revenues in **AMERICAS** came to 174.2 million euros in the first nine months of 2020, a decrease of 12.5% in local currencies and of 14.4% at current exchange rates. This result reflects a negative organic performance for 13.0%, the contribution of acquisitions for +0.5%, and the negative exchange effect for 1.9%.

North America was impacted by Covid-19 from the end of March, but showed rapid recovery already in early May, reaching solid growth of around 7% at constant exchange rates in the third quarter. **Latin America** has, on the other hand, suffered for almost the entire period since the beginning of the pandemic.

In the third quarter of 2020 the Region's revenues amounted to 69.6 million euros, up 2.8% at constant exchange rates and down 2.7% at current exchange rates. This performance was driven for +2.2% by organic growth and for +0.6% by acquisitions. The exchange effect was negative for 5.5%.

EBITDA amounted to 38.7 million euros in the first nine months of 2020, with the margin coming in at 22.2%, 20 basis points higher than in the comparison period. In the third quarter, EBITDA amounted to 16.0 million euros, with margin at 23.0%, approximately 110 basis points higher than the third quarter of 2019.

ASIA-PACIFIC: strong recovery in revenues and outstanding operating leverage, further accelerated by an outstanding third quarter

Revenues in **ASIA-PACIFIC** amounted to 127.3 million euros in the first nine months of 2020, a decrease of 6.1% in local currencies and 9.2% at current exchange rates. The organic performance was negative for 13.3%; a +7.2% contribution came from M&A, attributable to the acquisition of Attune Hearing in Australia, while the exchange effect was negative for 3.1%.

The nine-month performance reflects the different timing and impact of the pandemic, as well as the differences in the duration and intensity of the restrictive measures adopted. During the third quarter, however, all the countries in the Region, with the exception of India, were back to strong growth (China and New Zealand even double-digit) despite the localized lockdowns in the State of Victoria in Australia and in Auckland, New Zealand.

More in detail, revenues in the third quarter amounted to 55.5 million euros, up 15.3% in local currencies and 12.8% at current exchange rates. Organic growth was +5.3% and the contribution from M&A was +10.0%, while the exchange effect was negative for 2.5%.

A significant increase in profitability was seen also in ASIA-PACIFIC. EBITDA amounted to 45.1 million euros in the first nine months of the year, an increase of 8.4% compared to the first nine months of 2019, with the margin on revenues up 5.7 percentage points. In the third quarter, EBITDA came to 22.5 million euros with the margin at 40.5%, an increase of 11.3 percentage points attributable also to the activation of social schemes to mitigate the impact of the localized lockdowns.

Balance sheet figures as at September 30th, 2020

The balance sheet and financial indicators continue to confirm the Group's solidity, even in this challenging situation.

Net equity amounted to 726.7 million euros at September 30th, 2020, higher than the 696.1 million euros recorded at December 31st, 2019.

Operating cash flow, before payment of lease liabilities, amounted to 205.4 million euros. The payment of lease liabilities, equal to 50.3 million euros, brought the operating cash flow to 155.1 million euros, higher compared to the 127.4 million euros recorded in the comparison period of 2019. The excellent free cash flow, positive for 127.1 million euros, was 58.4 million euros higher (+85.2%) than the 68.6 million euros generated in the first nine months of 2019, after investments (net of disposals) of 28.1

million euros versus 58.7 million euros in the comparison period of 2019. Net cash-out for acquisitions (41.9 million euros versus 53.0 million euros in the first nine months of 2019), along with other financing activities of 7.9 million euros, bring cash flow for the period to positive 77.3 million euros versus negative 15.4 million euros in the comparison period.

Net financial debt came to 712.6 million euros, improving versus both the 786.7 million euros recorded at December 31st, 2019 and the 765.3 million euros posted at June 30th, 2020, with financial leverage at September 30th, 2020 down to 1.89x, compared to 2.18x at June 30th, 2020.

Outlook

The current developments in the Covid-19 outbreak in many areas of the world limit the visibility on the next months and require caution. Looking at the final part of the year, with regards to revenues, in October the Company is currently trading above the levels recorded in the same period of 2019, and, for November and December, performance will depend upon the level of restrictive measures that will be re-introduced by the Governments of the affected markets; with regards to profitability, the Company expects to continue to reap the benefits of the actions implemented since the second quarter.

Lastly, the Company remains positive beyond 2020 both in terms of sales and profitability, thanks to the resilience of the business, the unchanged industry's fundamentals and consumer's behavior, as well as the strength of its competitive positioning and its execution capabilities in both growth and challenging environments such as the current one.

Assignment of Performance Stock Grant Plan 2019-2025

In relation to the above-mentioned plan, the Board of Directors resolved to assign, on October 30th, 2020, 99,800 shares at target as the second 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.

The Company announces that the Interim Financial Statements as at September 30th, 2020 will be made available to the public from November 6th 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).

The results for Q3 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/41353/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 October 31st, 2020, by dialing the following numbers: +39 02 802 0987 (Italy), access code: 904# - codice guest: 700904#; or, if the recording is no longer available, by accessing the webpage: <https://corporate.amplifon.com/en/investors/financial-calendar/results-presentation-q3-2020>.

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.amplifon.com>.

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MAIN CONSOLIDATED ECONOMICAL AND FINANCIAL FIGURES – FIRST NINE MONTHS 2020

(Euro millions)	First nine months 2020				First nine months 2019				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Net revenues	1,042.1	-	1,042.1	100.0%	1,224.7	-	1,224.7	100.0%	-14.9%
EBITDA	228.4	-	228.4	21.9%	262.6	(18.4)	244.2	21.4%	-13.0%
EBIT	79.7	-	79.7	7.6%	124.7	(18.7)	106.0	10.2%	-36.1%
Net income	41.1	-	41.1	3.9%	75.7	(14.0)	61.7	6.2%	-45.7%
EPS adjusted (*, in Euro)			0.281				0.432		
Free cash flow			127.1				68.6		
			09/30/2020				12/31/2019		Change %
Net Financial Position			712.6				786.7		-9.4%

(*) 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 – THIRD QUARTER 2020

(Euro millions)	Q3 2020				Q3 2019				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Net revenues	428.2	-	428.2	100.0%	392.7	-	392.7	100.0%	9.0%
EBITDA	97.1	-	97.1	22.7%	76.0	(12.6)	63.5	19.4%	27.6%
EBIT	48.1	-	48.1	11.2%	29.3	(12.9)	16.5	7.5%	64.1%
Net income	28.5	-	28.5	6.7%	16.3	(9.1)	7.2	4.2%	74.8%
EPS adjusted (*, in Euro)			0.160				0.103		

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

CONSOLIDATED NET REVENUES BY GEOGRAPHIC AREA

(€ thousands)	First 9M 2020	%	First 9M 2019	%	Change	Change %	Exchange diff.	Change % in local currency	Organic growth % (*)
Total EMEA	740,652	71.1%	877,827	71.7%	(137,175)	-15.6%	1,420	-15.8%	-17.2%
Total Americas	174,163	16.7%	203,382	16.6%	(29,219)	-14.4%	(3,739)	-12.5%	-13.0%
Total APAC	127,307	12.2%	140,218	11.4%	(12,911)	-9.2%	(4,304)	-6.1%	-13.3%
Corporate and intercompany elimination	-	-	3,314	0.3%	(3,314)	-100.0%	-	-100.0%	-100.0%
Total	1,042,122	100.0%	1,224,741	100.0%	(182,619)	-14.9%	(6,623)	-14.4%	-16.3%

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

(€ thousands)	Q3 2020	%	Q3 2019	%	Change	Change %	Exchange diff.	Change % in local currency	Organic growth % (*)
Total EMEA	303,182	70.8%	270,699	69.0%	32,483	12.0%	65	12.0%	10.8%
Total Americas	69,562	16.2%	71,498	18.2%	(1,936)	-2.7%	(3,958)	2.8%	2.2%
Total APAC	55,479	13.0%	49,181	12.5%	6,298	12.8%	(1,256)	15.3%	5.3%
Corporate and intercompany elimination	-	-	1,327	0.3%	(1,327)	-100.0%	-	-100.0%	-100.0%
Total	428,223	100.0%	392,705	100.0%	35,518	9.0%	(5,149)	10.4%	8.2%

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

CONSOLIDATED INCOME STATEMENT – FIRST NINE MONTHS 2020

(€ thousands)	First nine months 2020				First nine months 2019				
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	Change % on recurring
Revenues from sales and services	1,042,122	-	1,042,122	100.0%	1,224,741	-	1,224,741	100.0%	-14.9%
Operating costs	(826,925)	-	(826,925)	-79.4%	(963,216)	(18,372)	(981,588)	-78.6%	14.1%
Other income and costs	13,160	-	13,160	1.3%	1,085	-	1,085	0.1%	1,112.9%
Gross operating profit (EBITDA)	228,357	-	228,357	21.9%	262,610	(18,372)	244,238	21.4%	-13.0%
Depreciation, amortization and impairment of non-current assets	(51,753)	-	(51,753)	-4.9%	(45,424)	(198)	(45,622)	-3.7%	-13.9%
Right-of-use depreciation	(67,515)	-	(67,515)	-6.5%	(64,770)	(166)	(64,936)	-5.3%	-4.2%
Operating result before the amortization and impairment of PPA related assets (EBITA)	109,089	-	109,089	10.5%	152,416	(18,736)	133,680	12.4%	-28.4%
PPA related depreciation, amortization and impairment	(29,425)	-	(29,425)	-2.9%	(27,707)	-	(27,707)	-2.3%	-6.2%
Operating profit (EBIT)	79,664	-	79,664	7.6%	124,709	(18,736)	105,973	10.2%	-36.1%
Income, expenses, valuation and adjustments of financial assets	(438)	-	(438)	-0.1%	220	-	220	0.0%	-299.1%
Net financial expenses	(22,083)	-	(22,083)	-2.1%	(19,699)	-	(19,699)	-1.6%	-12.1%
Exchange differences and non-hedge accounting instruments	560	-	560	0.1%	(237)	-	(237)	0.0%	336.3%
Profit (loss) before tax	57,703	-	57,703	5.5%	104,993	(18,736)	86,257	8.6%	-45.0%
Tax	(16,584)	-	(16,584)	-1.6%	(29,281)	4,717	(24,564)	-2.4%	43.4%
Net profit (loss)	41,119	-	41,119	3.9%	75,712	(14,019)	61,693	6.2%	-45.7%
Profit (loss) of minority interests	12	-	12	0.0%	30	-	30	0.0%	-60.0%
Net profit (loss) attributable to the Group	41,107	-	41,107	3.9%	75,682	(14,019)	61,663	6.2%	-45.7%

CONSOLIDATED INCOME STATEMENT – THIRD QUARTER 2020

(€ thousands)	Q3 2020				Q3 2019				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Revenues from sales and services	428,223	-	428,223	100.0%	392,705	-	392,705	100.0%	9.0%
Operating costs	(333,230)	-	(333,230)	-77.8%	(316,922)	(12,567)	(329,489)	-80.7%	-5.1%
Other income and costs	2,065	-	2,065	0.5%	262	-	262	0.1%	688.2%
Gross operating profit (EBITDA)	97,058	-	97,058	22.7%	76,045	(12,567)	63,478	19.4%	27.6%
Depreciation, amortization and impairment of non-current assets	(17,523)	-	(17,523)	-4.2%	(15,595)	(133)	(15,728)	-4.0%	-12.4%
Right-of-use depreciation	(21,550)	-	(21,550)	-5.0%	(21,995)	(166)	(22,161)	-5.6%	2.0%
Operating result before the amortization and impairment of PPA related assets (EBITA)	57,985	-	57,985	13.5%	38,455	(12,866)	25,589	9.8%	50.8%
PPA related depreciation, amortization and impairment	(9,847)	-	(9,847)	-2.3%	(9,118)	-	(9,118)	-2.3%	-8.0%
Operating profit (EBIT)	48,138	-	48,138	11.2%	29,337	(12,866)	16,471	7.5%	64.1%
Income, expenses, valuation and adjustments of financial assets	(182)	-	(182)	-0.1%	27	-	27	0.0%	-774.1%
Net financial expenses	(7,864)	-	(7,864)	-1.8%	(6,579)	-	(6,579)	-1.7%	-19.5%
Exchange differences and non-hedge accounting instruments	(172)	-	(172)	0.0%	(349)	-	(349)	-0.1%	50.7%
Profit (loss) before tax	39,920	-	39,920	9.3%	22,436	(12,866)	9,570	5.7%	77.9%
Tax	(11,261)	-	(11,261)	-2.6%	(6,081)	3,718	(2,363)	-1.5%	-85.2%
Net profit (loss)	28,659	-	28,659	6.7%	16,355	(9,148)	7,207	4.2%	75.2%
Profit (loss) of minority interests	128	-	128	0.0%	35	-	35	0.0%	265.7%
Net profit (loss) attributable to the Group	28,531	-	28,531	6.7%	16,320	(9,148)	7,172	4.2%	74.8%

NON-RECURRING ITEMS

(€ thousands)	First nine months 2020	First nine months 2019
GAES integration costs	-	(18,372)
Impact of the non-recurring items on EBITDA	-	(18,372)
Impairment of GAES intangible asset	-	(364)
Impact of the non-recurring items on EBIT	-	(18,736)
Impact of the non-recurring items on profit before tax	-	(18,736)
Impact of the above items on the tax burden for the period	-	4,717
Impact of the non-recurring items on net profit	-	(14,019)

(€ thousands)	Q3 2020	Q3 2019
GAES integration costs	-	(12,567)
Impact of the non-recurring items on EBITDA	-	(12,567)
Impairment of GAES intangible asset	-	(299)
Impact of the non-recurring items on EBIT	-	(12,866)
Impact of the non-recurring items on profit before tax	-	(12,866)
Impact of the above items on the tax burden for the period	-	3,718
Impact of the non-recurring items on net profit	-	(9,148)

CONSOLIDATED SEGMENT INFORMATION

(€ thousands)	First nine months 2020					First nine months 2019				
	EMEA	Americas	Asia Pacific	Corporate (*)	Total	EMEA	Americas	Asia Pacific	Corporate (*)	Total
Net Revenues	740,652	174,163	127,307	-	1,042,122	877,827	203,382	140,218	3,314	1,224,741
EBITDA	179,677	38,706	45,132	(35,158)	228,357	187,046	44,753	41,654	(29,215)	244,238
% on sales	24.3%	22.2%	35.5%	-3.4%	21.9%	21.3%	22.0%	29.7%	-2.4%	19.9%
Recurring EBITDA	179,677	38,706	45,132	(35,158)	228,357	205,394	44,777	41,654	(29,215)	262,610
% on sales	24.3%	22.2%	35.5%	-3.4%	21.9%	23.4%	22.0%	29.7%	-2.4%	21.4%
EBIT	69,387	29,875	22,854	(42,452)	79,664	80,999	37,038	23,792	(35,856)	105,973
% on sales	9.4%	17.2%	18.0%	-4.1%	7.6%	9.2%	18.2%	17.0%	-2.9%	8.7%

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

(€ thousands)	Q3 2020					Q3 2019				
	EMEA	Americas	Asia Pacific	Corporate (*)	Total	EMEA	Americas	Asia Pacific	Corporate (*)	Total
Net Revenues	303,182	69,562	55,479	-	428,223	270,699	71,498	49,181	1,327	392,705
EBITDA	76,811	16,000	22,476	(18,229)	97,058	45,555	15,637	14,385	(12,099)	63,478
% on sales	25.3%	23.0%	40.5%	-4.3%	22.7%	16.8%	21.9%	29.2%	-3.1%	16.2%
Recurring EBITDA	76,811	16,000	22,476	(18,229)	97,058	58,122	15,637	14,385	(12,099)	76,045
% on sales	25.3%	23.0%	40.5%	-4.3%	22.7%	21.5%	21.9%	29.2%	-3.1%	19.4%
EBIT	40,589	13,434	14,885	(20,770)	48,138	9,830	13,027	8,127	(14,513)	16,471
% on sales	13.4%	19.3%	26.8%	-4.9%	11.2%	3.6%	18.2%	16.5%	-3.7%	4.2%

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

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(€ thousands)	09/30/2020	12/31/2019	Change
Goodwill	1,235,138	1,215,511	19,627
Customer lists, non-compete agreements, trademarks and location rights	253,540	270,307	(16,767)
Software, licenses, other int.ass., wip and advances	92,854	97,201	(4,347)
Tangible assets	173,874	196,579	(22,705)
Right of use assets	408,660	418,429	(9,769)
Fixed financial assets	38,371	44,887	(6,516)
Other non-current financial assets	29,819	32,282	(2,463)
Total fixed assets	2,232,256	2,275,196	(42,940)
Inventories	63,623	64,592	(969)
Trade receivables	159,502	205,219	(45,717)
Other receivables	73,020	75,998	(2,978)
Current assets (A)	296,145	345,809	(49,664)
Total assets	2,528,401	2,621,005	(92,604)
Trade payables	(149,745)	(177,390)	27,645
Other payables	(284,589)	(284,827)	238
Provisions for risks (current portion)	(3,438)	(4,242)	804
Short term liabilities (B)	(437,772)	(466,459)	28,687
Working capital (A) – (B)	(141,627)	(120,650)	(20,977)
Derivative instruments	(6,172)	(8,763)	2,591
Deferred tax assets	75,390	81,427	(6,037)
Deferred tax liabilities	(94,533)	(102,111)	7,578
Provisions for risks (non-current portion)	(47,681)	(50,290)	2,609
Employee benefits (non-current portion)	(24,679)	(25,281)	602
Loan fees	8,877	1,611	7,266
Other long-term payables	(139,316)	(143,701)	4,385
NET INVESTED CAPITAL	1,862,515	1,907,438	(44,923)
Shareholders' equity	725,757	695,031	30,726
Third parties' equity	965	1,084	(119)
Net equity	726,722	696,115	30,607
Long term net financial debt	1,127,151	752,648	374,503
Short term net financial debt	(414,599)	34,050	(448,649)
Total net financial debt	712,552	786,698	(74,146)
Lease liabilities	423,241	424,625	(1,384)
Total lease liabilities & net financial debt	1,135,793	1,211,323	(75,530)
NET EQUITY, LEASE LIABILITIES AND NET FINANCIAL DEBT	1,862,515	1,907,438	(44,923)

CONSOLIDATED NET FINANCIAL DEBT MATURITY PROFILE

(€ millions)	2020	2021	2022	2023	2024 and beyond	Total
Private placement	-	-	-	(46.57)	(38.81)	(85.37)
Eurobond	-	-	-	-	(350.00)	(350.00)
Bank loans	(0.98)	(25.85)	(87.61)	(82.96)	(305.61)	(503.00)
Financing for GAES acquisition	-	(39.75)	(79.50)	(79.50)	-	(198.75)
Bank accounts	(11.53)	-	-	-	-	(11.53)
Others	(3.21)	(1.25)	(21.89)	(0.10)	(0.07)	(26.53)
Cash and cash equivalents	462.63	-	-	-	-	462.63
Total	446.91	(66.85)	(189.00)	(209.13)	(694.49)	(712.55)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(€ thousands)	First nine months 2020 (*)	First nine months 2019 (**)
EBIT	79,664	105,973
Amortization, depreciation and write-downs	148,693	138,265
Provisions, other non-monetary items and gain/losses from disposals	13,374	27,515
Net financial expenses	(19,654)	(17,374)
Taxes paid	(15,000)	(29,833)
Changes in net working capital	(1,653)	(37,537)
Cash flow provided by (used in) operating activities before repayment of lease liabilities	205,424	187,009
Repayment of lease liabilities	(50,278)	(59,647)
Cash flow provided by (used in) operating activities (A)	155,146	127,362
Cash flow provided by (used in) operating investing activities (B)	(28,070)	(58,735)
Free Cash Flow (A) + (B)	127,076	68,627
Net cash flow provided by (used in) acquisitions (C)	(41,947)	(53,008)
(Purchase) sale of other investment and securities (D)	-	3
Cash flow provided by (used in) investing activities (B+C+D)	(70,017)	(111,740)
Cash flow provided by (used in) operating activities and investing activities	85,129	15,622
Dividends	-	(30,939)
Fees paid on medium/long-term financing	(7,533)	-
Capital increases, third parties' contributions and dividends paid by subsidiaries to third parties	(272)	(53)
Hedging instruments and other changes in non-current assets	(73)	(33)
Net cash flow from the period	77,251	(15,403)
Net financial indebtedness as of period opening date	(786,698)	(840,856)
Effect of exchange rate fluctuations on financial position	(3,105)	(492)
Change in net financial position	77,251	(15,403)
Net financial indebtedness as of period closing date	(712,552)	(856,751)

(*) Cash flow is negatively impacted by non-recurring items for Euro 1,372 thousand.

(**) Cash flow is negatively impacted by non-recurring items for Euro 9,500 thousand.

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