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Oggetto : Board of Directors' approved 2020 results

<i>Testo del comunicato</i>
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Vedi allegato.

## 2020 RESULTS DEMONSTRATE THE STRONG RESILIENCE OF THE BUSINESS, THE EXCELLENT STRUCTURAL INCREASE IN PROFITABILITY AND THE STRONG CASH GENERATION IN THE EXCEPTIONALLY CHALLENGING COVID-19 ENVIRONMENT

RESILIENCY, AGILITY AND STRONG EXECUTION CAPABILITIES IN AN EXTREMELY CHALLENGING YEAR, FROM WHICH AMPLIFON EMERGES EVEN STRONGER

REVENUES IMPACTED BY THE COVID-19 OUTBREAK (-9.3% AT CONSTANT EXCHANGE RATES), BUT WITH STRONG RECOVERY IN THE SECOND HALF OF THE YEAR AND A PERFORMANCE WELL ABOVE THE REFERENCE MARKET

STRONG INCREASE IN PROFITABILITY WITH THE 2020 EBITDA MARGIN UP 110 BPS AND ALL-TIME HIGH EBITDA IN THE FOURTH QUARTER WHICH CONFIRM THE GROUP'S INCREASED STRUCTURAL EFFICIENCY

RECORD FREE CASH FLOW OF 256.9 MILLION EUROS (+71.4% COMPARED TO 2019) AND NET FINANCIAL DEBT AT 633.7 MILLION EUROS, AN IMPROVEMENT OF MORE THAN 150 MILLION EUROS COMPARED TO DECEMBER 2019

SUCCESSFUL IMPLEMENTATION OF THE STRATEGIC INITIATIVES: ROLL-OUT OF THE AMPLIFON PRODUCT EXPERIENCE IN THREE ADDITIONAL COUNTRIES, INTEGRATION OF GAES AND M&A IN AUSTRALIA AND THE UNITED STATES

### MAIN RESULTS FOR 2020<sup>1</sup>

- Consolidated **revenues** of 1,555.5 million euros, decreasing 9.3% at constant exchange rates and 10.2% at current exchange rates compared to 2019 due to the Covid-19 outbreak
- **EBITDA** amounted to 371.0 million euros, with margin at 23.8%, 110 bps higher despite the impact of the pandemic and thanks to the decisive actions on costs
- **Net profit** at 101.0 million euros compared to 127.1 million euros on a recurring basis in 2019
- **Net financial debt** was 633.7 million euros, showing a strong improvement versus both the 786.7 million euros recorded at December 31<sup>st</sup>, 2019 and the 712.6 million euros posted at September 30<sup>th</sup>, 2020, with financial leverage down to 1.63x at December 31<sup>st</sup>, 2020
- Record **Free cash flow** at 256.9 million euros, an increase of 107.0 million euros or 71.4% compared to 2019, thanks to the effective measures implemented
- Proposed **dividend** of 22 euro cents per share, with a payout of around 49% on the consolidated net earnings per share

### MAIN RESULTS FOR THE FOURTH QUARTER OF 2020<sup>1</sup>

- Consolidated **revenues** of 513.4 million euros, increasing 2.9% at constant exchange rates and 1.2% at current exchange rates compared to the fourth quarter of 2019, despite the reintroduction of restrictive measures in several countries
- Record **EBITDA** amounted at 142.6 million euros, with margin at 27.8%, 210 bps higher than in the same period of 2019
- **Net profit** at 59.9 million euros, an increase of 16.6% compared to the recurring net profit of 51.4 million euros recorded in the fourth quarter of 2019

<sup>1</sup> Unless specified otherwise, comments in this press release refer to recurring income statement figures.



Milan, March 3<sup>rd</sup>, 2021 – Today the Board of Directors of Amplifon S.p.A. (MTA; Bloomberg ticker: AMP:IM), global leader in hearing solutions and services, approved the draft Annual Financial Statements and the Consolidated Financial Statements as at December 31<sup>st</sup>, 2020 during a meeting chaired by Susan Carol Holland.

## ENRICO VITA, CEO

“We are very proud of the excellent results we achieved in 2020, an extraordinarily challenging year from which we emerged even stronger. Although the environment continues to be difficult due to the effects of the ongoing pandemic, the performance in revenues, which far outpaced the reference market and decidedly accelerated in the second half of the year, confirm the impressive resilience of our business and our strong competitive positioning. Moreover, the excellent structural improvement in profitability, which reached its highest level ever in the fourth quarter, and the record cash flow generation demonstrate the effectiveness of the actions undertaken since the very inception of the Covid-19 outbreak. At the same time, we continued to pursue our long-term growth strategy also including the closing of important acquisitions in Australia and the United States. Lastly, while we remain cautious in light of possible future developments of the pandemic worldwide, we continue to be extremely positive about the medium-term growth prospects of our Company.”

## FOURTH QUARTER 2020 ECONOMIC RESULTS

(Euro millions)	Q4 2020				Q4 2019				Change % on recurring
	Recurring	Non recurring	Total	% on recurring	Recurring	Non recurring	Total	% on recurring	
Net revenues	513.4	-	513.4	100.0%	507.3	-	507.3	100.0%	1.2%
EBITDA	142.6	-	142.6	27.8%	130.2	(3.8)	126.4	25.7%	9.6%
EBIT	88.8	-	88.8	17.3%	76.6	(5.5)	71.1	15.1%	16.0%
Net income	59.9	-	59.9	11.7%	51.4	(4.4)	47.0	10.1%	16.6%
EPS adjusted (* in Euro)				0.297				0.250	

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

**Consolidated revenues** amounted to 513.4 million euros in the fourth quarter of 2020, an increase of 2.9% at constant exchange rates and of 1.2% at current exchange rates compared to the fourth quarter of 2019, despite the extremely challenging comparison period and the reintroduction of restrictive measures in several countries. This performance, noticeably higher than the reference market, reflects a positive organic growth of 1.7%, as well as the contribution of acquisitions for 1.2%. The foreign exchange effect was negative for 1.7% as a result of the strengthening of the euro against the US and Australian dollars and, above all, the Latin American currencies.

The trend in the different regions varied according to the severity of the new restrictive measures adopted in the fourth quarter: **EMEA** posted a solid performance driven by strong organic growth mainly in Spain, France, Germany and BeLux despite the reintroduction of lockdown measures; in the **AMERICAS**, a robust, well above market organic growth was recorded in North America despite the uptick in infections and the presidential elections in the United States, while the performance in Latin America, which returned to solid organic growth, was severely impacted by a particularly adverse foreign exchange effect; an excellent performance was reported in **APAC** with double-digit revenue growth thanks to outstanding organic growth in New Zealand and China, as well as a strong performance in Australia, fueled also by the acquisition of Attune Hearing.

**EBITDA** amounted to 142.6 million euros, 9.6% higher than in the fourth quarter of 2019 on a recurring basis. The EBITDA margin reached the highest level ever recorded, rising 210 basis points to 27.8%. This significant improvement in profitability is attributable to the greater operating efficiency and the increased productivity stemming from the strong actions on costs implemented since the second quarter (without the use of social schemes to offset the impact of the pandemic in the quarter and excluding any significant income from the renegotiation of lease



agreements for the distribution network<sup>2</sup>). This strong increase in profitability was reached also after the significant re-investments in the business, including investments in marketing which were higher than in the fourth quarter of 2019, and the restart of important strategic initiatives since the third quarter 2020.

**EBIT** came to 88.8 million euros, or 17.3% of revenues, an increase of 16.0% compared to the recurring EBIT of 76.6 million euros reported in the fourth quarter of 2019.

**Net profit** amounted to 59.9 million euros, an increase of 16.6% compared to the 51.4 million euros posted in the fourth quarter of 2019 on a recurring basis.

Lastly, in December 2020 the Company closed the acquisition of PJC Investments' hearing care business, the second largest Miracle-Ear franchisee with 110 points of sale located in the states with the highest density of senior citizens in the United States. The transaction, which also calls for PJC's points of sale to be combined with Miracle-Ear's 59 direct stores, further strengthens Amplifon's position in the world's largest hearing care market, creating new growth opportunities, to the benefit of both the direct business and all the franchisees.

## FY 2020 ECONOMIC RESULTS

(Euro millions)	FY 2020				FY 2019				Change % on recurring
	Recurring	Non recurring	Total	% on recurring	Recurring	Non recurring	Total	% on recurring	
Net revenues	1,555.5	-	1,555.5	100.0%	1,732.1	-	1,732.1	100.0%	-10.2%
EBITDA	371.0	-	371.0	23.8%	392.8	(22.2)	370.6	22.7%	-5.6%
EBIT	168.5	-	168.5	10.8%	201.3	(24.2)	177.1	11.6%	-16.3%
Net income	101.0	-	101.0	6.5%	127.1	(18.4)	108.7	7.3%	-20.5%
EPS adjusted (* , in Euro)				0.578				0.682	

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

**Consolidated revenues** amounted to 1,555.5 million euros in 2020, a decrease of 9.3% at constant exchange rates and of 10.2% at current exchange rates compared to the prior year, reflecting a negative organic performance of 11% and a positive contribution from acquisitions for 1.7%. The foreign exchange effect was negative for 0.9%. These results were impacted by the Covid-19 outbreak and the severe restrictions implemented to contain its spread, primarily during the spring, despite the strong recovery in the business recorded in the second half of the year.

After a very strong beginning of the year characterized by a strong revenue growth of around 10% (at constant exchange rates), recorded between January and February, the Group's performance was, in fact, severely impacted by the adoption of restrictive measures since March, and mainly in April, when the drop in revenues reached 65% against the same period of 2019. Since July, as the restrictions were eased, the recovery was quicker than originally expected and showed a strong acceleration month-over-month also thanks to the timely decision to resume marketing investments. Revenues in the second half did, in fact, show strong growth against the same period of the prior year (+6.2% at constant exchange rates) thanks to an excellent third quarter (+10.4% at constant exchange rates, driven by an increase in organic growth of 8.2% against the comparison period) and a fourth quarter which was also very positive (+2.9% at constant exchange rates, with organic growth of 1.7%), despite the restrictive measures reintroduced by the governments in several markets, mainly in Europe, and a particularly challenging comparison period.

The trend in the different regions was influenced by the impact of the pandemic, by the duration and intensity of the restrictive measures adopted, as well as the speed of the recovery once the measures were eased: in **EMEA**, the performance was affected mainly from March through June, followed by a quick recovery, which fueled a strong performance in the second half despite the reintroduction of restrictive measures in the region's main countries toward the end of the year; in the **AMERICAS**, North America returned to solid growth in the second half after having been impacted by the pandemic mainly from the end of March to May; the performance in Latin America was severely impacted by the pandemic with improvement only at year-end; all the APAC countries, with the

<sup>2</sup> On May 28<sup>th</sup>, 2020, IASB issued an amendment to IFRS 16 which was endorsed by the European Union on October 9<sup>th</sup>, 2020. The amendment introduces a practical expedient based by which any reductions in rent owed through June 30<sup>th</sup>, 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 impact on the income statement



exception of India, returned to strong growth in the third quarter despite the localized lockdowns in Australia and New Zealand in the third quarter.

**EBITDA** amounted to 371.0 million euros with margin at 23.8%, 110 basis points higher than in 2019, thanks to the timely and effective 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 rise in profitability in the third and fourth quarters. The Company also benefitted from income of around 9.7 million euros stemming from the renegotiation of lease agreements for the distribution network<sup>3</sup>.

**EBIT** came to 168.5 million euros, or 10.8% of revenues, compared to a recurring EBIT of 201.3 million euros in 2019.

**Net profit** was 101.0 million euros, compared to a recurring net profit of 127.1 million euros in 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 27.5%, down slightly compared to the 27.7% registered in 2019 on a reported basis. Adjusted earnings per share (adjusted EPS)<sup>4</sup> came in at 57.8 euro cents, compared to 68.2 euro cents in 2019.

## PERFORMANCE BY GEOGRAPHIC AREA

**EMEA: Solid top-line performance, well above market, and excellent profitability even after the new restrictive measures at year-end**

(Euro millions)	Q4. 2020	Q4. 2019	Δ%	FY 2020	FY 2019	Δ%
<b>Revenues</b>	382.9	376.1	<b>+1.8%</b>	1,123.5	1,253.9	<b>-10.4%</b>
Organic growth			+1.5%			-11.6%
Acquisitions			+0.4%			+1.1%
FX			-0.1%			+0.1%
<b>EBITDA</b>	125.9	116.8	<b>+7.7%</b>	305.5	322.2	<b>-5.2%</b>
<i>Margin %</i>	<i>32.9%</i>	<i>31.1%</i>	-	<i>27.2%</i>	<i>25.7%</i>	-

**EMEA** was impacted by the severe restrictive measures adopted to contain the spread of Covid-19 from March, but showed significant recovery since July and recorded a strong performance in the second half, despite the new lockdowns introduced toward the end of the year. More in detail, in the fourth quarter of 2020 the region's revenues were 1.8% higher than in the fourth quarter of 2019, also thanks to a strong organic growth in Spain, France, Germany and BeLux.

The EBITDA margin reached 27.2% in the year, an increase of 150 basis points compared to 2019, while the margin on revenues rose an impressive 180 basis points to 32.9% in the fourth quarter thanks to greater efficiency and productivity.

<sup>3</sup> Amendment to IFRS 16 published by the International Accounting Standards Board (IASB) on May 28<sup>th</sup>, 2020 and endorsed by the European Union on October 9<sup>th</sup>, 2020

<sup>4</sup> 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 second half

(Euro millions)	Q4. 2020	Q4. 2019	Δ%	FY 2020	FY 2019	Δ%
<b>Revenues</b>	75.4	82.0	-8.0%	249.6	285.3	-12.5%
Organic growth			+1.0%			-9.0%
Acquisitions			+0.1%			+0.4%
FX			-9.1%			-3.9%
<b>EBITDA</b>	18.8	19.9	-5.2%	57.5	64.6	-11.0%
<i>Margin %</i>	<i>25.0%</i>	<i>24.2%</i>	-	<i>23.1%</i>	<i>22.7%</i>	-

**North America** was impacted by Covid-19 from the end of March, but showed rapid recovery already in early May, reaching solid growth in the second part of the year. In the fourth quarter the performance in the **United States**, driven by Miracle-Ear's strong organic growth and despite the uptick in infections and the presidential elections, well outpaced the reference market. **Latin America**, on the other hand, has suffered for almost the entire period since the beginning of the pandemic, but reported considerable improvement in the organic performance toward the end of the year which was, however, penalized by a particularly adverse foreign exchange effect.

The EBITDA margin came to 23.1% in the year, an increase of 40 basis points with respect to the comparison period, while in the fourth quarter the margin on revenues was about 80 basis points higher than in the comparison period coming in at 25.0%.

Moreover, the acquisition of PJC Investments' hearing care business, Miracle-Ear's second largest franchisee, was finalized in the fourth quarter.

## ASIA-PACIFIC: strong recovery on the top-line and outstanding operating leverage, with an excellent end of the year

(Euro millions)	Q4. 2020	Q4. 2019	Δ%	FY 2020	FY 2019	Δ%
<b>Revenues</b>	55.1	47.6	+15.9%	182.4	187.8	-2.9%
Organic growth			+7.8%			-8.0%
Acquisitions			+9.9%			+7.9%
FX			-1.8%			-2.8%
<b>EBITDA</b>	17.7	13.3	+32.5%	62.8	55.0	+14.2%
<i>Margin %</i>	<i>32.1%</i>	<i>28.0%</i>	-	<i>34.4%</i>	<i>29.3%</i>	-

**ASIA-PACIFIC** reported an outstanding performance in revenues, in an exceptionally challenging 2020 environment; even though the region was affected differently in the various countries depending on the timing of the pandemic's impact and the relative restrictive measures adopted; revenues were, in fact, largely stable in local currency with respect to 2019. APAC was back to strong growth in the second part of the year, despite the lockdowns in New Zealand and Australia in the third quarter and closed the year with a strong acceleration in revenue growth, thanks also to strong organic growth (+7.8%), despite the particularly challenging comparison period (+11% in fourth quarter of 2019 versus the same period of 2018). China and New Zealand reported double-digit organic growth in the fourth quarter, while a solid performance was posted in Australia where the rebranding to Amplifon was also carried out in the quarter. The contribution of M&A in both the year and the fourth quarter is attributable to the acquisition of Attune Hearing in Australia finalized in February 2020.

There was a significant increase in profitability also in ASIA-PACIFIC, with the margin on revenues increasing 5.1 percentage points compared to 2019. The fourth quarter EBITDA margin was 4.1 percentage points higher than in the comparison period, coming in at 32.1%, thanks to greater efficiency and productivity and without the support of social schemes in the period.



## BALANCE SHEET FIGURES AS AT DECEMBER 31<sup>ST</sup>, 2020

The balance sheet and financial indicators continue to confirm the Group's solidity, even in this extraordinarily challenging year: thanks to the numerous actions taken, the Company generated a record free cash flow of 256.9 million euros and decreased net financial debt by more than 150 million euros.

Net equity amounted to 801.9 million euros at December 31<sup>st</sup>, 2020, higher than the 696.1 million euros recorded at December 31<sup>st</sup>, 2019.

Operating cash flow, before payment of lease liabilities, reached 386.9 million euros. The payment of lease liabilities, equal to 72.8 million euros, brought the operating cash flow to 314.1 million euros, higher than the 238.7 million euros recorded in 2019. Free cash flow reached the record level of 256.9 million euros, an increase of 107.0 million euros (+71.4%) compared to the 149.9 million euros generated in 2019, after investments (net of disposals) of 57.2 million euros versus 88.9 million euros in 2019. Net cash-out for acquisitions (89.2 million euros versus 66.5 million euros in 2019), along with other financing activities of 7.7 million euros, bring cash flow for the period to positive 160.0 million euros versus the positive 55.0 million euros in the prior year.

Net financial debt came to 633.7 million euros, better than the 786.7 million euros recorded at December 31<sup>st</sup>, 2019, with financial leverage down to 1.63x, compared to 1.90x at December 31<sup>st</sup>, 2019.

## COVID-19 EMERGENCY MEASURES

Amplifon reacted in an agile, timely and effective manner to mitigate the negative impact of the Covid-19 outbreak, adopting, already from March, measures aimed both at ensuring the health and safety of its people and customers and at limiting the negative impact on the economic-financial results.

More in detail, the Company immediately adopted a rigorous operating protocol for its stores in order to guarantee continuous customer support and service, a service deemed essential in most of the Countries in which the Group operates. This ensured that at least part of its network of stores was open, even during the initial period of the pandemic characterized by generalized lockdowns.

To offset the impact on economic and financial results, the Company took decisive actions to contain costs and maximize cash generation above all in the initial period from March to June during which the impact of the pandemic was the most severe. These actions paved the way for structural efficiencies and improvements in productivity destined to endure in the future, thus further strengthening the Group's profitability profile. Lastly, the Company strengthened its already solid financial structure by extending debt maturities and increasing the total available committed credit lines, which allowed Amplifon to close 2020 with a strong liquidity position of around 800 million euros, including cash on balance sheet and undrawn committed revolving facilities.

## EVENTS SUBSEQUENT TO DECEMBER 31<sup>ST</sup>, 2020

During today's meeting the Board of Directors definitively approved the project to redefine Amplifon S.p.A.'s corporate structure in line with the evolution of the group's organizational structure and multinational nature. This transaction will be implemented through the contribution in kind of the business branch related to the operating activities of the country Italy as consideration for the capital increase reserved to Amplifon, which will be resolved upon by Amplifon Italia S.r.l., a fully-owned subsidiary of Amplifon. Once the transaction is finalized, Amplifon will be responsible for the definition and development of the strategic direction as well as for the management and strategic coordination activities for the entire group, while Amplifon Italia will be responsible for the operating activities related to the country Italy.

## RESULTS OF THE PARENT COMPANY AMPLIFON S.P.A.

In 2020, the parent company Amplifon S.p.A. posted revenues of 282.3 million euros and net profit as reported of 67.1 million euros compared to 94.0 million euros in 2019.

## DIVIDEND

The Company's Board of Directors will propose that during the Annual Shareholders' Meeting, convened on April 23<sup>rd</sup>, 2021, shareholders approve allocation of the year's earnings, as follows:

- distribution of part of the year's earnings as a dividend to shareholders of 0.22 euros (22 euro cents) per share, for a total of 49,464,123.28 euros based on the share capital subscribed to date, with shares going ex-dividend (detachment of coupon I3) on May 24<sup>th</sup>, 2021, to be paid as from May 26<sup>th</sup>, 2021;
- allocation of the rest of the year's earnings, amounting to 17,666,676.02 euros, as retained earnings.



The total dividends payable and the allocation of retained earnings not distributed will vary depending on the number of shares with dividend rights outstanding as of the payment date, net of the Company's treasury shares.

## OUTLOOK

The current developments in the Covid-19 pandemic and the spread of new variants, as well as the uncertainty as to the timing for the roll-out of the vaccines in many countries worldwide, limit the visibility for the next few months and require, as in the past, caution. In the first two months of 2021, despite the ongoing restrictive measures across different countries and the hearing care retail market still negatively impacted by Covid-19 outbreak, the Company estimates a performance above market, with revenues at constant foreign exchange in line with those reported in January-February 2020 which posted a strong growth versus the same period of 2019.

For 2021 the Company expects to see a gradual normalization of the hearing care market throughout the year as vaccines are released and restrictive measures are subsequently lifted.

Looking at 2021, assuming the above-mentioned gradual normalization of the market during the year, the Company expects:

- with regards to revenues, to outperform the reference market with a strong recovery compared to 2020;
- with regards to profitability, to continue to reap the benefits from the actions undertaken in 2020, thus achieving a significant EBITDA margin expansion compared to 2019.

Lastly, the Company remains extremely positive about the medium-term prospects for both sales and profitability, thanks to the proven resilience of its business, the soundness of the industry's fundamentals and the unchanged customer behavior, as well as the even stronger competitive positioning, the solid strategy and the strong execution capabilities in both growth and challenging environments such as the current one.

## BUY-BACK PROGRAM

During today's meeting the Board of Directors also resolved, pursuant to Articles 2357 and 2357-ter of the Italian Civil Code and Art. 132 of Legislative Decree n. 58 of 24 February 1998, to submit a proposal to the Annual Shareholders' Meeting to authorize a new share buy-back program, following the withdrawal of the current program expiring October 2021. The new authorization is requested for a period of 18 months from the Shareholders' Meeting and calls for the purchase and disposal, on one or more occasions, on a rotating basis, of up to a total number of new shares which, taking account of the treasury shares already held, does not exceed 10% of Amplifon S.p.A.'s share capital. Currently, the Company holds a total of 1.551.696 treasury shares equal to 0.69% of the share capital.

The proposal is motivated by the need to continue to provide the Company with an efficient means to access treasury shares to service stock-based incentive plans, existing and future, reserved for executives and/or employees and/or staff members of the Company or its subsidiaries, and for potential free allocation of shares to shareholders, as well as to increase the number of treasury shares to be used as a form of payment for extraordinary transactions, including company acquisitions and the exchange of equity interests. Based on the Board of Directors' proposal to be submitted to the Annual Shareholders' Meeting, the purchase price of the shares will be determined on a case by case basis for each single transaction. The price, however, may not be 10% higher or lower than the stock price registered at the close of the trading session prior to each single purchase.

For further information please refer to the Directors' Report prepared in accordance with Art. 73 of the Regulations for Issuers.

## CONSOLIDATED NON-FINANCIAL DISCLOSURE AND SUSTAINABILITY PLAN

During today's meeting the Board of Directors also approved the 2020 Consolidated Non-Financial Disclosure drawn-up in accordance with the Italian Legislative Decree 254/2016. This statement, which constitutes both the response to the Decree as well as Amplifon's Sustainability Report, represents an opportunity to share the progress the Company has made in its commitment to sustainability with all its stakeholders.

This year, Amplifon's fifth Sustainability Report is enriched with a sustainability plan that contains targets consistent with the Group's business strategy and the United Nations' 2030 Agenda for Sustainable Development, confirming the Company's strong commitment to generating an economic, social and environmental impact that is increasingly positive and inclusive, incorporating Sustainability in its core business.





## CALLING OF THE ANNUAL SHAREHOLDERS' MEETING

The draft Financial Statements as at December 31<sup>st</sup>, 2020 approved by Amplifon S.p.A.'s Board of Directors today will be submitted to the shareholders for approval during the Annual Shareholders' Meeting convened, in single call, on April 23<sup>rd</sup>, 2021. The 2020 Consolidated Non-Financial Disclosure will also be presented.

The Annual Shareholders' Meeting will be also called upon to resolve on i) the proposed authorization for the buy-back program described above; ii) the appointment of the new Board of Statutory Auditors for the period 2021-2023 and definition of the related remuneration.

The Board of Directors also resolved to submit the following to the Annual Shareholders' Meeting for approval: i) the Group's 2021 Remuneration Report drawn up in accordance with Art.123-ter of TUF and Art.84-quarter of the Issuers Regulation; ii) the Directors' remuneration for 2021.

The documentation called for under the law relating to the above-mentioned topics and the proposed resolutions submitted to the shareholders will be available at the Company's registered office, along with the 2020 Consolidated Financial Statements, the Consolidated Non-Financial Disclosure, and the Report on Corporate Governance and Ownership Structure approved today by the Board of Directors, within the time period required by law.

The documentation will also be available on the website <https://corporate.amplifon.com>.

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*The Company announces that the draft Annual Financial Statements and the Consolidated Financial Statements as at December 31<sup>st</sup>, 2020 will be made available to the public from March 18<sup>th</sup>, 2021 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](http://www.emarketstorage.com)).*

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*The results for the FY and Q4 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/43646/indexr.html>*

*A few presentation slides will be made available prior to the beginning of the conference call, beginning at 14:30 CET, in the Investors section (Presentations) of the website: <https://corporate.amplifon.com>. Those who are unable to attend the conference call may access a recording which will be available immediately after the call until 24:00 (CET) of March 6<sup>th</sup>, 2021, by dialing the following number: +39 02 802 0987 (Italy), access code: 914# - guest code: 700914#; or, if the recording is no longer available, by accessing the webpage:*

*<https://corporate.amplifon.com/en/investors/financial-calendar/fy-2020-results-presentation-->*

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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 over 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 over 11,000 points of sale in 27 Countries and 5 continents. More information about the Group is available at: <https://corporate.amplifon.com>.

### Investor Relations

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## CONSOLIDATED NET REVENUES BY GEOGRAPHIC AREA – FY 2020

(€ thousands)	FY 2020	%	FY 2019	%	Change	Change %	Exchange diff.	Change % in local currency	Organic growth % (*)
Total EMEA	1,123,534	72.2%	1,253,880	72.4%	(130,346)	-10.4%	1,128	-10.5%	-11.6%
Total Americas	249,583	16.0%	285,346	16.5%	(35,763)	-12.5%	(11,222)	-8.6%	-9.0%
Total APAC	182,426	11.8%	187,791	10.8%	(5,365)	-2.9%	(5,145)	-0.1%	-8.0%
Corporate and intercompany elimination	-	-	5,046	0.3%	(5,046)	-100.0%	-	-100.0%	-100.0%
<b>Total</b>	<b>1,555,543</b>	<b>100.0%</b>	<b>1,732,063</b>	<b>100.0%</b>	<b>(176,520)</b>	<b>-10.2%</b>	<b>(15,239)</b>	<b>-9.3%</b>	<b>-11.0%</b>

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

## CONSOLIDATED NET REVENUES BY GEOGRAPHIC AREA – FOURTH QUARTER 2020

(€ thousands)	Q4 2020	%	Q4 2019	%	Change	Change %	Exchange diff.	Change % in local currency	Organic growth % (*)
Total EMEA	382,882	74.6%	376,053	74.1%	6,829	1.8%	(292)	1.9%	1.5%
Total Americas	75,420	14.7%	81,964	16.2%	(6,544)	-8.0%	(7,483)	1.1%	1.0%
Total APAC	55,119	10.7%	47,573	9.4%	7,546	15.9%	(841)	17.7%	7.8%
Corporate and intercompany elimination	-	-	1,732	0.3%	(1,732)	-100.0%	-	-100.0%	-100.0%
<b>Total</b>	<b>513,421</b>	<b>100.0%</b>	<b>507,322</b>	<b>100.0%</b>	<b>6,099</b>	<b>1.2%</b>	<b>(8,616)</b>	<b>2.9%</b>	<b>1.7%</b>

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



## CONSOLIDATED INCOME STATEMENT – FOURTH QUARTER 2020

(€ thousands)	Q4 2020				Q4 2019				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Revenues from sales and services	513,421	-	513,421	100.0%	507,322	-	507,322	100.0%	1.2%
Operating costs	(371,332)	-	(371,332)	-72.3%	(377,438)	(3,821)	(381,259)	-74.4%	1.6%
Other income and costs	521	-	521	0.1%	289	-	289	0.1%	80.3%
<b>Gross operating profit (EBITDA)</b>	<b>142,610</b>	<b>-</b>	<b>142,610</b>	<b>27.8%</b>	<b>130,173</b>	<b>(3,821)</b>	<b>126,352</b>	<b>25.7%</b>	<b>9.6%</b>
Depreciation, amortization and impairment of non-current assets	(22,129)	-	(22,129)	-4.3%	(20,477)	(1,719)	(22,196)	-4.0%	-8.1%
Right-of-use depreciation	(22,254)	-	(22,254)	-4.4%	(23,171)	62	(23,109)	-4.6%	4.0%
<b>Operating result before the amortization and impairment of PPA related assets (EBITA)</b>	<b>98,227</b>	<b>-</b>	<b>98,227</b>	<b>19.1%</b>	<b>86,525</b>	<b>(5,478)</b>	<b>81,047</b>	<b>17.1%</b>	<b>13.5%</b>
PPA related depreciation, amortization and impairment	(9,392)	-	(9,392)	-1.8%	(9,929)	-	(9,929)	-2.0%	5.4%
<b>Operating profit (EBIT)</b>	<b>88,835</b>	<b>-</b>	<b>88,835</b>	<b>17.3%</b>	<b>76,596</b>	<b>(5,478)</b>	<b>71,118</b>	<b>15.1%</b>	<b>16.0%</b>
Income, expenses, valuation and adjustments of financial assets	95	-	95	0.0%	(28)	-	(28)	0.0%	439.3%
Net financial expenses	(7,402)	-	(7,402)	-1.4%	(6,628)	-	(6,628)	-1.3%	-11.7%
Exchange differences and non-hedge accounting instruments	94	-	94	0.0%	(581)	-	(581)	-0.1%	116.2%
<b>Profit (loss) before tax</b>	<b>81,622</b>	<b>-</b>	<b>81,622</b>	<b>15.9%</b>	<b>69,359</b>	<b>(5,478)</b>	<b>63,881</b>	<b>13.7%</b>	<b>17.7%</b>
Tax	(21,679)	-	(21,679)	-4.2%	(18,152)	1,101	(17,051)	-3.6%	-19.4%
<b>Net profit (loss)</b>	<b>59,943</b>	<b>-</b>	<b>59,943</b>	<b>11.7%</b>	<b>51,207</b>	<b>(4,377)</b>	<b>46,830</b>	<b>10.1%</b>	<b>17.1%</b>
Profit (loss) of minority interests	46	-	46	0.0%	(172)	-	(172)	0.0%	126.7%
<b>Net profit (loss) attributable to the Group</b>	<b>59,897</b>	<b>-</b>	<b>59,897</b>	<b>11.7%</b>	<b>51,379</b>	<b>(4,377)</b>	<b>47,002</b>	<b>10.1%</b>	<b>16.6%</b>



## CONSOLIDATED INCOME STATEMENT – FY 2020

(€ thousands)	FY 2020				FY 2019				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Revenues from sales and services	1,555,543	-	1,555,543	100.0%	1,732,063	-	1,732,063	100.0%	-10.2%
Operating costs	(1,198,257)	-	(1,198,257)	-77.1%	(1,340,654)	(22,193)	(1,362,847)	-77.4%	10.6%
Other income and costs	13,681	-	13,681	0.9%	1,374	-	1,374	0.1%	895.7%
<b>Gross operating profit (EBITDA)</b>	<b>370,967</b>	<b>-</b>	<b>370,967</b>	<b>23.8%</b>	<b>392,783</b>	<b>(22,193)</b>	<b>370,590</b>	<b>22.7%</b>	<b>-5.6%</b>
Depreciation, amortization and impairment of non-current assets	(73,882)	-	(73,882)	-4.7%	(65,900)	(1,916)	(67,816)	-3.8%	-12.1%
Right-of-use depreciation	(89,769)	-	(89,769)	-5.8%	(87,942)	(105)	(88,047)	-5.1%	-2.1%
<b>Operating result before the amortization and impairment of PPA related assets (EBITA)</b>	<b>207,316</b>	<b>-</b>	<b>207,316</b>	<b>13.3%</b>	<b>238,941</b>	<b>(24,214)</b>	<b>214,727</b>	<b>13.8%</b>	<b>-13.2%</b>
PPA related depreciation, amortization and impairment	(38,816)	-	(38,816)	-2.5%	(37,636)	-	(37,636)	-2.2%	-3.1%
<b>Operating profit (EBIT)</b>	<b>168,500</b>	<b>-</b>	<b>168,500</b>	<b>10.8%</b>	<b>201,305</b>	<b>(24,214)</b>	<b>177,091</b>	<b>11.6%</b>	<b>-16.3%</b>
Income, expenses, valuation and adjustments of financial assets	(344)	-	(344)	0.0%	191	-	191	0.0%	-280.1%
Net financial expenses	(29,486)	-	(29,486)	-1.8%	(26,325)	-	(26,325)	-1.5%	-12.0%
Exchange differences and non-hedge accounting instruments	655	-	655	0.0%	(818)	-	(818)	0.0%	180.1%
<b>Profit (loss) before tax</b>	<b>139,325</b>	<b>-</b>	<b>139,325</b>	<b>9.0%</b>	<b>174,353</b>	<b>(24,214)</b>	<b>150,139</b>	<b>10.1%</b>	<b>-20.1%</b>
Tax	(38,263)	-	(38,263)	-2.5%	(47,433)	5,818	(41,615)	-2.8%	19.3%
<b>Net profit (loss)</b>	<b>101,062</b>	<b>-</b>	<b>101,062</b>	<b>6.5%</b>	<b>126,920</b>	<b>(18,396)</b>	<b>108,524</b>	<b>7.3%</b>	<b>-20.4%</b>
Profit (loss) of minority interests	58	-	58	0.0%	(142)	-	(142)	0.0%	140.8%
<b>Net profit (loss) attributable to the Group</b>	<b>101,004</b>	<b>-</b>	<b>101,004</b>	<b>6.5%</b>	<b>127,062</b>	<b>(18,396)</b>	<b>108,666</b>	<b>7.3%</b>	<b>-20.5%</b>



## NON-RECURRING ITEMS – FOURTH QUARTER 2020

(€ thousands)	Q4 2020	Q4 2019
GAES integration costs	-	(3,821)
<b>Impact of the non-recurring items on EBITDA</b>	-	<b>(3,821)</b>
Impairment of GAES intangible asset	-	(1,657)
<b>Impact of the non-recurring items on EBIT</b>	-	<b>(5,478)</b>
<b>Impact of the non-recurring items on profit before tax</b>	-	<b>(5,478)</b>
Impact of the above items on the tax burden for the period	-	1,101
<b>Impact of the non-recurring items on net profit</b>	-	<b>(4,377)</b>

## NON-RECURRING ITEMS – FY 2020

(€ thousands)	FY 2020	FY 2019
GAES integration costs	-	(22,193)
<b>Impact of the non-recurring items on EBITDA</b>	-	<b>(22,193)</b>
Impairment of GAES intangible asset	-	(2,021)
<b>Impact of the non-recurring items on EBIT</b>	-	<b>(24,214)</b>
<b>Impact of the non-recurring items on profit before tax</b>	-	<b>(24,214)</b>
Impact of the above items on the tax burden for the period	-	5,818
<b>Impact of the non-recurring items on net profit</b>	-	<b>(18,396)</b>



## CONSOLIDATED SEGMENT INFORMATION – FOURTH QUARTER 2020

(€ thousands)	Q4 2020					Q4 2019				
	EMEA	Americas	Asia Pacific	Corporate (*)	Total	EMEA	Americas	Asia Pacific	Corporate (*)	Total
Net Revenues	382,882	75,420	55,119	-	513,421	376,053	81,964	47,573	1,732	507,322
<b>EBITDA</b>	<b>125,863</b>	<b>18,839</b>	<b>17,671</b>	<b>(19,763)</b>	<b>142,610</b>	<b>113,092</b>	<b>19,793</b>	<b>13,335</b>	<b>(19,868)</b>	<b>126,352</b>
% on sales	32.9%	25.0%	32.1%	-3.8%	27.8%	30.1%	24.1%	28.0%	-3.9%	24.9%
<b>Recurring EBITDA</b>	<b>125,863</b>	<b>18,839</b>	<b>17,671</b>	<b>(19,763)</b>	<b>142,610</b>	<b>116,841</b>	<b>19,865</b>	<b>13,335</b>	<b>(19,868)</b>	<b>130,173</b>
% on sales	32.9%	25.0%	32.1%	-3.8%	27.8%	31.1%	24.2%	28.0%	-3.9%	25.7%
<b>EBIT</b>	<b>87,602</b>	<b>14,686</b>	<b>10,207</b>	<b>(23,660)</b>	<b>88,835</b>	<b>71,440</b>	<b>15,512</b>	<b>6,694</b>	<b>(22,528)</b>	<b>71,118</b>
% on sales	22.9%	19.5%	18.5%	-4.6%	17.3%	19.0%	18.9%	14.1%	-4.4%	14.0%

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

## CONSOLIDATED SEGMENT INFORMATION – FY 2020

(€ thousands)	FY 2020					FY 2019				
	EMEA	Americas	Asia Pacific	Corporate (*)	Total	EMEA	Americas	Asia Pacific	Corporate (*)	Total
Net Revenues	1,123,534	249,583	182,426	-	1,555,543	1,253,880	285,346	187,791	5,046	1,732,063
<b>EBITDA</b>	<b>305,540</b>	<b>57,546</b>	<b>62,803</b>	<b>(54,922)</b>	<b>370,967</b>	<b>300,139</b>	<b>64,545</b>	<b>54,989</b>	<b>(49,083)</b>	<b>370,590</b>
% on sales	27.2%	23.1%	34.4%	-3.5%	23.8%	23.9%	22.6%	29.3%	-2.8%	21.4%
<b>Recurring EBITDA</b>	<b>305,540</b>	<b>57,546</b>	<b>62,803</b>	<b>(54,922)</b>	<b>370,967</b>	<b>322,235</b>	<b>64,642</b>	<b>54,989</b>	<b>(49,083)</b>	<b>392,783</b>
% on sales	27.2%	23.1%	34.4%	-3.5%	23.8%	25.7%	22.7%	29.3%	-2.8%	22.7%
<b>EBIT</b>	<b>156,989</b>	<b>44,561</b>	<b>33,062</b>	<b>(66,112)</b>	<b>168,500</b>	<b>152,439</b>	<b>52,549</b>	<b>30,486</b>	<b>(58,383)</b>	<b>177,091</b>
% on sales	14.0%	17.9%	18.1%	-4.3%	10.8%	12.2%	18.4%	16.2%	-3.4%	10.2%

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



## RECLASSIFIED CONSOLIDATED BALANCE SHEET

(€ thousands)	12/31/2020	12/31/2019	Change
Goodwill	1,281,609	1,215,511	66,098
Customer lists, non-compete agreements, trademarks and location rights	259,627	270,307	(10,680)
Software, licenses, other int.ass., wip and advances	101,559	97,201	4,358
Tangible assets	177,616	196,579	(18,963)
Right of use assets	409,338	418,429	(9,091)
Fixed financial assets	38,125	44,887	(6,762)
Other non-current financial assets	31,569	32,282	(713)
<b>Total fixed assets</b>	<b>2,299,443</b>	<b>2,275,196</b>	<b>24,247</b>
Inventories	57,431	64,592	(7,161)
Trade receivables	169,060	205,219	(36,159)
Other receivables	60,533	75,998	(15,465)
<b>Current assets (A)</b>	<b>287,024</b>	<b>345,809</b>	<b>(58,785)</b>
<b>Total assets</b>	<b>2,586,467</b>	<b>2,621,005</b>	<b>(34,538)</b>
Trade payables	(181,036)	(177,390)	(3,646)
Other payables	(318,968)	(284,827)	(34,141)
Provisions for risks (current portion)	(3,560)	(4,242)	682
<b>Short term liabilities (B)</b>	<b>(503,564)</b>	<b>(466,459)</b>	<b>(37,105)</b>
<b>Working capital (A) – (B)</b>	<b>(216,540)</b>	<b>(120,650)</b>	<b>(95,890)</b>
Derivative instruments	(5,908)	(8,763)	2,855
Deferred tax assets	83,671	81,427	2,244
Deferred tax liabilities	(95,150)	(102,111)	6,961
Provisions for risks (non-current portion)	(49,765)	(50,290)	525
Employee benefits (non-current portion)	(24,019)	(25,281)	1,262
Loan fees	7,941	1,611	6,330
Other long-term payables	(141,361)	(143,701)	2,340
<b>NET INVESTED CAPITAL</b>	<b>1,858,312</b>	<b>1,907,438</b>	<b>(49,126)</b>
Shareholders' equity	800,883	695,031	105,852
Third parties' equity	985	1,084	(99)
<b>Net equity</b>	<b>801,868</b>	<b>696,115</b>	<b>105,753</b>
Long term net financial debt	1,103,265	752,648	350,617
Short term net financial debt	(469,600)	34,050	(503,650)
<b>Total net financial debt</b>	<b>633,665</b>	<b>786,698</b>	<b>(153,033)</b>
Lease liabilities	422,779	424,625	(1,846)
<b>Total lease liabilities &amp; net financial debt</b>	<b>1,056,444</b>	<b>1,211,323</b>	<b>(154,879)</b>
<b>NET EQUITY, LEASE LIABILITIES AND NET FINANCIAL DEBT</b>	<b>1,858,312</b>	<b>1,907,438</b>	<b>(49,126)</b>





## CONSOLIDATED NET FINANCIAL DEBT MATURITY PROFILE

(€ millions)	2021	2022	2023	2024	2025 & beyond	Total
Private placement	-	-	(46.57)	-	(38.81)	(85.37)
Eurobond	-	-	-	-	(350.00)	(350.00)
Bank loans	(25.96)	(87.89)	(83.06)	(191.38)	(114.31)	(502.60)
Financing for GAES acquisition	(39.75)	(79.50)	(79.50)	-	-	(198.75)
Bank accounts	(11.95)	-	-	-	-	(11.95)
Others	(6.75)	(8.22)	(24.04)	-	-	(39.01)
Short term investments	8.98	-	-	-	-	8.98
Cash and cash equivalents	545.03	-	-	-	-	545.03
<b>Total</b>	<b>469.60</b>	<b>(175.61)</b>	<b>(233.16)</b>	<b>(191.38)</b>	<b>(503.11)</b>	<b>(633.67)</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(€ thousands)	FY 2020 (*)	FY 2019 (**)
<b>EBIT</b>	<b>168,500</b>	<b>177,091</b>
Amortization, depreciation and write-downs	202,467	193,499
Provisions, other non-monetary items and gain/losses from disposals	24,799	26,771
Net financial expenses	(25,823)	(23,935)
Taxes paid	(34,462)	(46,983)
Changes in net working capital	51,395	(6,688)
<b>Cash flow provided by (used in) operating activities before repayment of lease liabilities</b>	<b>386,876</b>	<b>319,755</b>
Repayment of lease liabilities	(72,802)	(81,006)
<b>Cash flow provided by (used in) operating activities (A)</b>	<b>314,074</b>	<b>238,749</b>
Cash flow provided by (used in) operating investing activities (B)	(57,194)	(88,878)
<b>Free Cash Flow (A) + (B)</b>	<b>256,880</b>	<b>149,871</b>
Net cash flow provided by (used in) acquisitions (C)	(89,199)	(66,860)
(Purchase) sale of other investment and securities (D)	-	378
<b>Cash flow provided by (used in) investing activities (B+C+D)</b>	<b>(146,393)</b>	<b>(155,360)</b>
<b>Cash flow provided by (used in) operating activities and investing activities</b>	<b>167,681</b>	<b>83,389</b>
Dividends	-	(30,939)
Fees paid on medium/long-term financing	(7,709)	-
Capital increases, third parties' contributions and dividends paid by subsidiaries to third parties	(306)	(134)
Hedging instruments and other changes in non-current assets	287	2,678
<b>Net cash flow from the period</b>	<b>159,953</b>	<b>54,994</b>
<b>Net financial indebtedness as of period opening date</b>	<b>(786,698)</b>	<b>(840,856)</b>
Effect of discontinued operation on financial position	-	(42)
Effect of exchange rate fluctuations on financial position	(6,920)	(794)
Change in net financial position	159,953	54,994
<b>Net financial indebtedness as of period closing date</b>	<b>(633,665)</b>	<b>(786,698)</b>

(\*) Cash flow is negatively impacted by non-recurring items for Euro 1,101 thousand.

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



## INCOME STATEMENT – AMPLIFON S.P.A.

(Euro)	FY 2020			FY 2019			Change
	Recurring	Non-recurring	Total	Recurring	Non-recurring	Total	
Revenues from sales and services	282,305,591	-	282,305,591	335,847,196	-	335,847,196	(53,541,605)
- <i>Related parties</i>	5,249,959	-	5,249,959	-	-	-	5,249,959
Operating costs	(284,271,169)	-	(284,271,169)	(310,744,918)	(7,358,601)	(318,103,519)	33,832,350
- <i>Related parties</i>	4,387,804	-	4,387,804	(519,239)	(6,506,000)	(7,025,239)	11,413,043
Other costs and revenues	69,873,175	-	69,873,175	76,529,703	-	76,529,703	(6,656,528)
- <i>Related parties</i>	45,733,718	-	45,733,718	59,829,770	-	59,829,770	(14,096,052)
<b>Gross operating profit (EBITDA)</b>	<b>67,907,597</b>	<b>-</b>	<b>67,907,597</b>	<b>101,631,981</b>	<b>(7,358,601)</b>	<b>94,273,380</b>	<b>(26,365,783)</b>
<b>Amortization, depreciation and impairment</b>							
Amortization of intangible fixed assets	(12,426,467)	-	(12,426,467)	(13,972,844)	-	(13,972,844)	1,546,377
Amortization of tangible fixed assets	(7,659,402)	-	(7,659,402)	(7,572,447)	-	(7,572,447)	(86,955)
Right-of-use depreciation	(16,782,476)	-	(16,782,476)	(16,238,602)	-	-	(16,782,476)
	<b>(36,868,345)</b>	<b>-</b>	<b>(36,868,345)</b>	<b>(37,783,893)</b>	<b>-</b>	<b>(37,783,893)</b>	<b>915,548</b>
<b>Operating result (EBIT)</b>	<b>31,039,252</b>	<b>-</b>	<b>31,039,252</b>	<b>63,848,088</b>	<b>(7,358,601)</b>	<b>56,489,487</b>	<b>(25,450,235)</b>
<b>Financial income, charges and value adjustment to financial assets</b>							
Other income and charges, impairment and revaluations of financial assets	58,168,251	-	58,168,251	65,555,634	-	65,555,634	(7,387,383)
- <i>Related parties</i>	58,168,251	-	58,168,251	65,722,923	-	65,722,923	(7,554,672)
Interest income and charges	(19,668,518)	-	(19,668,518)	(16,052,738)	-	(16,052,738)	(3,615,780)
- <i>Related parties</i>	(5,061,358)	-	(5,061,358)	(5,685,351)	-	(5,685,351)	623,993
Other financial income and charges	109,492	-	109,492	47,658	-	47,658	61,834
- <i>Related parties</i>	1,238,885	-	1,238,885	1,874,615	-	1,874,615	(635,730)
Exchange gains and losses	900,587	-	900,587	103,078	-	103,078	797,509
Gain (loss) on assets measured at fair value	(106,232)	-	(106,232)	(350,333)	-	(350,333)	244,101
	<b>39,403,580</b>	<b>-</b>	<b>39,403,580</b>	<b>49,303,299</b>	<b>-</b>	<b>49,303,299</b>	<b>(9,899,719)</b>
<b>Profit (loss) before tax</b>	<b>70,442,832</b>	<b>-</b>	<b>70,442,832</b>	<b>113,151,387</b>	<b>(7,358,601)</b>	<b>105,792,786</b>	<b>(35,349,954)</b>
<b>Current and deferred income tax</b>							
Current tax	(8,341,477)	-	(8,341,477)	(15,837,444)	2,175,937	(13,661,507)	5,320,030
Deferred tax	5,029,444	-	5,029,444	1,885,035	-	1,885,035	3,144,409
	<b>(3,312,033)</b>	<b>-</b>	<b>(3,312,033)</b>	<b>(13,952,409)</b>	<b>2,175,937</b>	<b>(11,776,472)</b>	<b>8,464,439</b>
<b>Total net profit (loss)</b>	<b>67,130,799</b>	<b>-</b>	<b>67,130,799</b>	<b>99,198,978</b>	<b>(5,182,664)</b>	<b>94,016,314</b>	<b>(26,885,515)</b>



## BALANCE SHEET – AMPLIFON S.P.A.

(Euro)	31/12/2020	31/12/2019	Change
Goodwill	539,855	539,855	-
Intangible fixed assets with finite useful life	53,383,386	47,909,195	5,474,191
Tangible fixed assets	28,128,738	29,330,401	(1,201,663)
Right of use assets	91,448,622	95,506,684	(4,058,062)
Equity Investments	1,245,354,345	1,232,073,785	13,280,560
Hedging instruments	4,326,818	8,152,779	(3,825,961)
Other long-term financial assets – related parties	74,600,000	104,400,000	(29,800,000)
Deferred tax assets	27,059,693	22,932,203	4,127,490
Contract costs – Long-term	2,495,099	2,884,005	(388,906)
Other non-current assets	12,987,895	14,074,721	(1,086,826)
<b>Total non-current assets</b>	<b>1,540,324,451</b>	<b>1,557,803,628</b>	<b>(17,479,177)</b>
Inventories	8,779,897	10,650,601	(1,870,704)
Trade receivables	52,325,257	59,984,581	(7,659,324)
Trade receivables – related companies	120,332,650	59,408,904	60,923,746
Contract costs – Short-term	2,128,856	2,082,961	45,895
Hedging instruments	-	2,201,087	(2,201,087)
Other receivables	22,043,051	26,724,164	(4,681,113)
Short term financial receivables – related parties	67,951,150	90,749,299	(22,798,149)
Cash and cash equivalents	438,575,670	61,110,884	377,464,786
<b>Total current assets</b>	<b>712,136,531</b>	<b>312,912,481</b>	<b>399,224,050</b>
<b>TOTAL ASSETS</b>	<b>2,252,460,982</b>	<b>1,870,716,109</b>	<b>381,744,873</b>
Share capital	4,527,772	4,527,772	-
Share premium reserve	202,712,442	202,712,442	-
Legal reserve	933,760	933,760	-
Treasury shares	(14,281,114)	(29,130,663)	14,849,549
Stock option reserve	34,224,997	34,515,488	(290,491)
Cash flow hedge and foreign currency reserve	(4,014,641)	(6,209,535)	2,194,894
Extraordinary reserve	2,766,528	2,766,528	-
Other reserves	531,152	614,429	(83,277)
Income (loss) carried forward	344,519,922	248,791,962	95,727,960
Income (loss) for the year	67,130,799	94,016,314	(26,885,515)
<b>Total net equity</b>	<b>639,051,617</b>	<b>553,538,497</b>	<b>85,513,120</b>
Financial liabilities	949,511,815	652,802,411	296,709,404
Financial liabilities – related parties	89,642,246	97,917,038	(8,274,792)
Lease liabilities – Long-term	77,347,215	79,686,914	(2,339,699)
Provisions for risks and charges	17,434,000	15,893,603	1,540,397
Liabilities for employees' benefits	3,465,056	3,358,698	106,358
Hedging instruments	5,963,170	4,289,007	1,674,163
Payables for business acquisitions – Long-term	21,547,764	12,286,747	9,261,017
Contract liabilities – Long-term	26,683,609	29,551,993	(2,868,384)
Deferred tax liabilities	768,816	999,464	(230,648)
Other liabilities	1,449,000	-	1,449,000
<b>Total non-current liabilities</b>	<b>1,193,812,691</b>	<b>896,785,875</b>	<b>297,026,816</b>
Trade payables	60,689,329	51,641,687	9,047,642
Trade payables – related parties	14,722,137	22,628,456	(7,906,319)
Other payables	45,523,235	50,737,129	(5,213,894)
Contract liabilities – Short-term	22,833,410	22,549,401	284,009
Payables for business acquisitions – Short-term	-	4,222,712	(4,222,712)
Other financial payable	68,225,793	135,963,792	(67,737,999)
Other financial payable – related parties	174,378,765	108,060,702	66,318,063
Lease liabilities – Short-term	15,495,732	15,998,017	(502,285)
Hedging instruments – Short-term	111,966	5,734	106,232
Tax payables	17,616,307	8,584,107	9,032,200
<b>Total current liabilities</b>	<b>419,596,674</b>	<b>420,391,737</b>	<b>(795,063)</b>
<b>TOTAL LIABILITIES</b>	<b>2,252,460,982</b>	<b>1,870,716,109</b>	<b>381,744,873</b>



## CONDENSED CASH FLOW STATEMENT - AMPLIFON S.P.A.

(€ thousands)	FY 2020	FY 2019
Operating profit (EBIT)	31,040	56,488
Amortization, depreciation and impairment	36,868	37,784
Provisions, other non-monetary items and gain/losses from disposals	12,667	11,317
Net financial expenses	(16,055)	(13,650)
Dividends received	23,747	63,087
Taxes paid	(11,732)	(12,636)
Change in net working capital	5,575	10,864
Cash flow provided by (used in) operating activities before repayment of lease liabilities	82,110	153,254
Repayment of lease liabilities	(13,545)	(15,228)
Cash flow provided by (used in) operating activities (A)	68,565	138,026
Cash flow provided by (used in) operating investing activities (B)	(24,266)	(32,119)
Free Cash Flow (A+B)	44,299	105,907
Cash flow provided by (used in) acquisitions (C)	(37,390)	(74,412)
(Purchase) sale of other investment and securities (D)	17,347	377
Cash flow generated from (absorbed by) investing activities (B+C+D)	(44,309)	(106,154)
Other non-current assets	(19)	117
Fees paid on medium/long-term financing	(705)	-
Dividends distributed	(7,709)	-
Treasury shares	-	(30,939)
Capital increases	-	148
Net cash flow from the period	15,823	1,198
Net financial indebtedness as of period opening date	(741,783)	(746,730)
Change in net financial position	15,823	1,198
Merger Hearing Supplies S.r.l.	-	3,749
Net financial indebtedness as of period closing date	(725,960)	(741,783)

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