



SPAFID
CONNECT

Informazione Regolamentata n. 0525-49-2022	Data/Ora Ricezione 28 Luglio 2022 12:50:42	Euronext Star Milan
--	--	---------------------

Societa' : AMPLIFON

Identificativo : 165390

Informazione
Regolamentata

Nome utilizzatore : AMPLIFONN01 - Galli

Tipologia : 1.1

Data/Ora Ricezione : 28 Luglio 2022 12:50:42

Data/Ora Inizio : 28 Luglio 2022 12:50:43

Diffusione presunta

Oggetto : Revenue growth of around 8% and
outstanding profitability expansion in the
second Quarter 2022

Testo del comunicato

Vedi allegato.

REVENUE GROWTH OF AROUND 8% AND OUTSTANDING PROFITABILITY EXPANSION IN THE SECOND QUARTER OF 2022 DESPITE AN EXCEPTIONALLY HIGH COMPARISON BASE

STRONG REVENUE GROWTH, ABOVE THE REFERENCE MARKET, DESPITE A PARTICULARLY CHALLENGING COMPARISON BASE (~+20% IN THE SECOND QUARTER OF 2021 COMPARED TO THE SECOND QUARTER OF 2019)

EXCELLENT INCREASE IN PROFITABILITY WITH THE RECURRING EBITDA MARGIN UP 40 BASIS POINTS COMPARED TO THE SECOND QUARTER OF 2021, EVEN AFTER SIGNIFICANT INVESTMENTS IN THE BUSINESS

STRONG CASH GENERATION WITH FREE CASH FLOW OF 107.6 MILLION EUROS IN THE FIRST HALF AND NET FINANCIAL POSITION AT 895.3 MILLION EUROS, AFTER INVESTMENTS OF AROUND 180 MILLION EUROS IN CAPEX, M&A, SHARE BUYBACK AND DIVIDENDS

THE COMPANY IS POSITIVE ON ITS PREVIOUSLY ISSUED FY2022 OUTLOOK

MAIN RESULTS FOR THE SECOND QUARTER OF 2022¹

- Consolidated **revenues** of 541.4 million euros, an increase at current exchange rates of 7.6% and of 5.0% at constant exchange rates compared to the second quarter of 2021
- Recurring **EBITDA** amounted to 147.3 million euros, an increase of 9.2% compared to the second quarter of 2021, with the margin rising 40 basis points to 27.2%
- Recurring **net profit** was 57.0 million euros, 5.2% higher than in the second quarter of 2021

MAIN RESULTS FOR THE FIRST HALF OF 2022¹

- Consolidated **revenues** of 1,037.2 million euros, an increase at current exchange rates of 11.3% and of 9.1% at constant exchange rates compared to the first half of 2021
- Recurring **EBITDA** amounted to 260.1 million euros, an increase of 12.7% compared to the first half of 2021, with the margin at 25.1%, thanks to greater operating efficiency, even after significant investments in the business
- Recurring **net profit** reached 89.9 million euros, 14.4% higher than in the same period of 2021
- **Free cash flow** came to 107.6 million euros, lower than in the first half of 2021 due to higher Capex
- **Net financial debt** was 895.3 million euros compared to 871.2 million euros at December 31st, 2021, after Capex of 48.0 million euros, net cash-out for M&A of 31.0 million euros, share buyback of 42.9 million euros and dividends of 58.2 million euros, with financial leverage at 1.67x at June 30th, 2022

¹ Unless stated otherwise, the comments in this press release refer to the recurring income statement figures. In addition, in light of the wind-down of Elite's wholesale business in the United States, completed in the fourth quarter of 2021, and in accordance with IFRS 5, the income statement figures for the second quarter and first half of 2021 were restated for the exclusion of Elite's discontinued business through the line "Profit (Loss) from Continuing Operations".

Milan, July 28th, 2022 – 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 of June 30th, 2022 during a meeting chaired by Susan Carol Holland.

ENRICO VITA, CEO

“We are truly satisfied with the results achieved in the second quarter, considering the exceptionally challenging comparison with the same period of 2021. We grew more than the market, further increasing our share in core markets, and we also recorded an outstanding profitability expansion, even after significant investments in the business.

Looking ahead, we are confident of being ideally positioned to continue to grow and create value in any possible scenario, including in a volatile and uncertain environment as the current one.”

SECOND QUARTER 2022 RESULTS

(Euro millions)	Q2 2022				Q2 2021				Change % on recurring
	Recurring	Non recurring	Total	% on recurring	Recurring	Non recurring	Total	% on recurring	
Net revenues	541.4	-	541.4	100.0%	503.3	-	503.3	100.0%	7.6%
EBITDA	147.3	(2.0)	145.3	27.2%	134.8	(1.9)	132.9	26.8%	9.2%
EBIT	87.0	(2.0)	85.0	16.1%	80.9	(1.9)	79.1	16.1%	7.5%
Net income	57.0	(1.4)	55.6	10.6%	54.2	(0.3)	53.9	10.8%	5.2%
EPS adjusted (*), in Euro)	0.294				0.276				6.5%

(*), EPS adjusted (adjusted net earnings per share) for non-recurring expenses and for the amortization linked to acquisitions as per the Purchase Price Allocation accounting treatment.

Consolidated revenues amounted to 541.4 million euros in the second quarter of 2022, an increase of 7.6% at current exchange rates and of 5.0% at constant exchange rates compared to the second quarter of 2021. This above market performance is attributable for 0.5% to organic growth and for 4.5% to acquisitions. The foreign exchange effect was positive for 2.6%. This result was achieved despite an extremely challenging comparison with the second quarter of 2021, which posted an exceptional revenue growth of around 20% compared to the same period of 2019. Moreover, this result was also achieved despite the anticipated contraction of the French market (second largest worldwide) due to the hearing healthcare reform anniversary, the persistent effects of the pandemic in Asia Pacific and one trading day less.

In the second quarter revenues in **EMEA** were slightly higher than in the same period of 2021 and profitability showed an outstanding improvement; **AMERICAS** recorded excellent organic growth, well above market, driven by Miracle-Ear in the United States, along with outstanding profitability, despite the extremely challenging comparison base; **APAC** reported a positive performance, supported by the Bay Audio acquisition, despite an underlying market affected by a still high level of Covid-infections rates and related restrictive measures.

Recurring **EBITDA** amounted to 147.3 million euros, an increase of 9.2% compared to the second quarter of 2021. The recurring margin came in at 27.2%, rising 40 basis points compared to the second quarter of 2021. This significant improvement in profitability was achieved thanks to greater efficiency and improved productivity, even after significant investments in the business. EBITDA as reported came to 145.3 million euros after non-recurring expenses of 2.0 million euros.

Recurring **EBIT** came in at 87.0 million euros, 7.5% higher than the 80.9 million euros recorded in the second quarter of 2021, with a margin of 16.1%. This increase is attributable to the significant improvement in EBITDA, which was partially offset by higher depreciation and amortization related to network expansion, innovation, and IT infrastructure, as well as the impact of amortization recognized for acquisitions (including Bay Audio) in accordance with the Purchase Price Allocation accounting treatment. EBIT as reported came to 85.0 million euros.

Recurring **net profit** reached 57.0 million euros, 5.2% higher than the 54.2 million euros recorded in the second quarter of 2021 despite the negative impact of inflation accounting on the Argentinian subsidiary and the fact that

the comparison period benefitted from a gain following the disposal of the Irish subsidiary. Net profit as reported, which reflects the 1.4 million euros of non-recurring expenses referred to above, amounted to 55.6 million euros. The tax rate was slightly lower than in the same period of 2021, coming in at 26.8%. The adjusted earnings per share (EPS adjusted) reached 29.4 euro cents, an increase of 6.5% from the 27.6 euro cents reported in the second quarter of 2021.

FIRST HALF 2022 RESULTS

(Euro millions)	HI 2022				HI 2021				Change % on recurring
	Recurring	Non recurring	Total	% on recurring	Recurring	Non recurring	Total	% on recurring	
Net revenues	1,037.2	-	1,037.2	100.0%	931.8	-	931.8	100.0%	11.3%
EBITDA	260.1	(5.0)	255.1	25.1%	230.7	(4.3)	226.4	24.8%	12.7%
EBIT	142.2	(5.0)	137.2	13.7%	123.9	(4.3)	119.6	13.3%	14.8%
Net income	89.9	(3.6)	86.3	8.7%	78.6	(1.5)	77.1	8.4%	14.4%
EPS adjusted (* , in Euro)	0.478				0.420				13.9%
Free cash flow			107.6				118.8		-9.4%
			06/30/2022				12/31/2021		Change %
Net Financial Indebtedness			895.3				871.2		2.8%

(*) EPS adjusted (adjusted net earnings per share) for non-recurring expenses and for the amortization linked to acquisitions as per the Purchase Price Allocation accounting treatment.

Consolidated revenues amounted to 1,037.2 million euros in the first half of 2022, an increase of 11.3% at current exchange rates and of 9.1% at constant exchange rates compared to the first half of 2021. The performance was driven by above market organic growth of 4.3% and for 4.8% by acquisitions, mainly related to Bay Audio. The foreign exchange effect was positive for 2.2%, due primarily to the strengthening of the US dollar against the Euro.

Recurring **EBITDA** amounted to 260.1 million euros, an increase of 12.7% compared to the first half of 2021. The recurring margin came in at 25.1%, rising 30 basis points compared to the first half of 2021. EBITDA as reported came to 255.1 million euros, after non-recurring expenses of 5.0 million euros.

Recurring **EBIT** reached 142.2 million euros, an increase of 14.8% compared to the 123.9 million euros recorded in the first half of 2021, with margin at 13.7%. EBIT as reported was 137.2 million euros.

The recurring **net profit** reached 89.9 million euros, 14.4% higher than the 78.6 million euros recorded in the first half of 2021, thanks to greater operating leverage. Net profit as reported was 86.3 million euros, with a tax rate of 27.9% which was lower than the 28.3% reported in the same period of the prior year. The adjusted net earnings per share (EPS adjusted) came in at 29.4 euro cents, an increase of 6.5% from the 27.6 euro cents reported in the first half of 2021.

PERFORMANCE BY GEOGRAPHIC AREA

EMEA: Excellent profitability, despite a very high comparison base and the anticipated regulatory reform anniversary in France

(Euro millions)	Q2 2022	Q2 2021	Δ% 22/21
Revenues	364.5	362.9	+0.4%
Organic growth			-0.4%
Acquisitions			+0.5%
FX			+0.3%
EBITDA recurring	116.4	112.5	+3.5%
<i>Margin %</i>	31.9%	31.0%	+90 bps

Revenues in EMEA were slightly higher, at both constant and current exchange rates, compared to the second quarter of 2021 despite an extremely challenging comparison base as revenues were up 12% in 2021 compared to the same pre-pandemic period of 2019. Revenues were also affected by the expected decline in the French market due to the significant structural growth posted in 2021 for the regulatory reform and one trading day less.

Profitability was outstanding with the recurring EBITDA margin coming in at 31.9%, 90 basis points higher than the same period of 2021, thanks to greater operating efficiency.

AMERICAS: Another extraordinary performance, driven by an excellent well-above market organic growth, along with an outstanding improvement in profitability

(Euro millions)	Q2 2022	Q2 2021	Δ% 22/21
Revenues	96.8	79.8	+21.2%
Organic growth			+7.5%
Acquisitions			+2.6%
FX			+11.1%
EBITDA recurring	27.9	22.2	+25.5%
<i>Margin %</i>	28.8%	27.8%	+100 bps

Another outstanding revenue performance driven by an excellent organic growth of 7.5%, despite a truly exceptional comparison base as in the second quarter of 2021 revenues increased by over 55% compared to the pre-pandemic period of 2019. A very strong and well-above market performance was recorded in the United States, thanks to significant share gains, driven by Miracle-Ear and, in particular, by its Direct Retail business. The bolt-on acquisitions in the United States and Canada contributed for 2.6%, while the foreign exchange effect was positive for 11.1% due to the noticeable strengthening of the US dollar against the Euro.

The quarterly EBITDA margin was also outstanding, coming in at 28.8%, 100 basis points higher than in the second quarter of 2021, thanks again to greater efficiency despite continuous investment in the business and a challenging comparison base.

ASIA-PACIFIC: Strong top-line performance, fostered by Bay Audio contribution, despite a reference market still affected by the pandemic and related restrictive measures

(Euro millions)	Q2 2022	Q2 2021	Δ% 22/21
Revenues	80.0	60.6	+32.1%
Organic growth			-3.4%
Acquisitions			+30.9%
FX			+4.6%
EBITDA recurring	20.5	17.8	+15.5%
<i>Margin %</i>	<i>25.7%</i>	<i>29.3%</i>	<i>-370 bps</i>

ASIA-PACIFIC reported an increase in revenues of 27.5% at constant exchange rates, driven by the significant contribution of M&A, primarily related to Bay Audio. Organic performance was affected by a still high level of Covid-contagions and related restrictive measures in Australia, New Zealand and China. The quarter had also one trading day less compared to the second quarter of 2021.

EBITDA recurring amounted to 20.5 million euros, with an increase of 15.5% compared to the same period of 2021. The EBITDA margin came to 25.7%, lower than in the second quarter of 2021, due to the significant investments in marketing in Australia and to the lower operating leverage due to the organic performance and labour cost inflation.

BALANCE SHEET FIGURES AS OF JUNE 30TH, 2022

The balance sheet and financial indicators continue to confirm the Group's solidity and ability to sustain future growth opportunities. In the first half of 2022 the Company generated a free cash flow of 107.6 million euros and net financial debt came to 895.3 million euros.

Total net equity amounted to 978.6 million euros at June 30th, 2022, higher than the 927.3 million euros recorded at December 31st, 2021.

Operating cash flow, before payment of lease liabilities, reached 207.8 million euros. The payment of lease liabilities, equal to 52.2 million euros, brought the operating cash flow to 155.6 million euros, slightly higher than the 155.4 million euros recorded in the first half of 2021. Free cash flow came to 107.6 million euros, slightly lower than the exceptional 118.8 million euros reported in the first half of 2021, after higher investments (net of disposals) of 48.0 million euros versus 36.6 million euros in the first half of 2021. The net cash-out for acquisitions (31.0 million euros versus 42.9 million euros in the first half of 2021), as well as dividends payment (58.2 million euros) and outlays for the share buyback program (42.9 million euros), bring the cash flow for the reporting period to negative 24.4 million euros versus positive 13.2 million euros in the first half of 2021.

Net financial debt came to 895.3 million euros, compared to 871.2 million euros at December 31st, 2021, with financial leverage slightly decreasing compared to December 31st, 2021 to 1.67x.

OUTLOOK

In a general environment characterized by increasing volatility and uncertainty, the Group achieved results in the first half of 2022 overall in line with expectations.

Looking into the second half of 2022:

- A still high comparison base is expected in the third quarter, then easing in the fourth quarter;
- The French hearing care market is expected to develop in line with the Group's FY 2022 expectations previously disclosed (namely a 5-10% market contraction due to the significant structural growth reported in 2021 as a result of the regulatory reform);
- The Covid negative impact across APAC markets is still today affecting consumers and personnel.

In addition, the Company expects to be in the ideal position to continue to grow faster than the reference market also in the second half of the year and to further strengthen its global leadership in any possible scenario.

In light of the above, under the assumption of no further global economic activity slowdown due to, among others, the well-known pandemic, geopolitical and inflation related issues, we are positive on our previously issued FY 2022 outlook².

MERGER BY INCORPORATION OF OTOHUB S.R.L. INTO AMPLIFON S.P.A.

Today Amplifon S.p.A.'s Board of Directors approved the merger by incorporation of the wholly-owned and controlled subsidiary Otohub S.r.l. into the parent company Amplifon S.p.A. as presented in the plan signed by the two companies' Boards of Directors on December 16th, 2021.

Pursuant to Article 6 of the Corporate Governance Code for Listed Companies on the matter of transactions with related parties, it is clarified that Otohub S.r.l. is a related party to Amplifon S.p.A. once it is controlled by the latter and that the mentioned transaction – which does not appear to be a “significant transaction” – has been approved by positive voting by all the members of the Board of Directors of Amplifon S.p.A.. The transaction benefits from the exemption provided by the Article 14 of the Consob Regulation and by the Article 4 of the Amplifon Regulation on the Transactions with Related Parties available on the website www.amplifon.com/corporate, Governance section. Due to this exemption, Amplifon S.p.A. will not publish the relating information document according to Article 5 of the Consob Regulation.

The Company announces that the Interim Financial Report as of June 30th, 2022 will be made available to the public from August 5th, 2022 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 the Q2 2022 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 1 212818004 (UK), +1 718 7058796 (USA), +33 170918704 (France) or +39 02 802 09 11 (Italy); or access the audiowebcast directly through the following link:

<https://event.choruscall.com/mediaframe/webcast.html?webcastid=UPbaEGqm>

Prior to the beginning of the conference call, starting from 14:30 CET, a presentation will be made available 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 July 3rd, 2022, by dialing the following number: +39 02 802 0987 (Italy), access code: 927# - guest code: 700927#; or, if the recording is no longer available, by accessing the webpage:

<https://corporate.amplifon.com/en/investors/financial-calendar/results-presentation-q2-2022>

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.

Any differences in the totals reported in the tables in this press release may be due to rounding.

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.

² See press release of March 3rd, 2022

About Amplifon

Amplifon, global leader in the hearing care retail market, empowers people to rediscover all the emotions of sound. Amplifon's around 18,600 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 9,200 points of sale in 25 Countries and 5 continents. More information about the Group is available at: <https://corporate.amplifon.com>.

Investor Relations

Amplifon S.p.A.

Francesca Rambaudi

Tel +39 02 5747 2261

francesca.rambaudi@amplifon.com

Media Relations

Brunswick

Massimo Gaia / Barbara Scalchi

Tel +39 02 9288 6200

amplifon@brunswickgroup.com

Corporate Communication

Amplifon S.p.A.

Luca Marini

Tel +39 02 5747 2005

luca.marini@amplifon.com

CONSOLIDATED NET REVENUES BY GEOGRAPHIC AREA – HI 2022 VS HI 2021

(€ thousands)	HI 2022	%	HI 2021	%	Change	Change %	Exchange diff.	Change % in local currency	Organic growth % (*)
Total EMEA	704,649	68.0%	673,954	72.3%	30,695	4.6%	2,900	4.2%	3.5%
Total Americas	180,790	17.4%	144,592	15.5%	36,198	25.0%	13,512	15.7%	12.9%
Total APAC	151,493	14.6%	113,240	12.2%	38,253	33.8%	3,709	30.5%	-1.6%
Corporate and intercompany elimination	274	0.0%	-	-	274	-	-	-	-
Total	1,037,206	100.0%	931,786	100.0%	105,420	11.3%	20,121	9.1%	4.3%

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

CONSOLIDATED NET REVENUES BY GEOGRAPHIC AREA – Q2 2022 VS Q2 2021

(€ thousands)	Q2 2022	%	Q2 2021	%	Change	Change %	Exchange diff.	Change % in local currency	Organic growth % (*)
Total EMEA	364,478	67.3%	362,870	72.1%	1,608	0.4%	1,255	0.1%	-0.4%
Total Americas	96,769	17.9%	79,811	15.9%	16,958	21.2%	8,892	10.1%	7.5%
Total APAC	80,031	14.8%	60,593	12.0%	19,438	32.1%	2,807	27.5%	-3.4%
Corporate and intercompany elimination	121	0.0%	-	-	121	0.0%	-	0.0%	0.0%
Total	541,399	100.0%	503,274	100.0%	38,125	7.6%	12,954	5.0%	0.5%

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

CONSOLIDATED SEGMENT INFORMATION – HI 2022 VS HI 2021

(€ thousands)	HI 2022					HI 2021				
	EMEA	Americas	Asia Pacific	Corporate (*)	Total	EMEA	Americas	Asia Pacific	Corporate (*)	Total
Net Revenues	704,649	180,790	151,493	274	1,037,206	673,954	144,592	113,240	-	931,786
EBITDA	208,172	48,548	37,521	(39,153)	255,088	192,435	37,898	33,666	(37,550)	226,449
% on sales	29.5%	26.9%	24.8%	-3.8%	24.6%	28.6%	26.2%	29.7%	-4.0%	24.3%
Recurring EBITDA	209,854	48,548	39,868	(38,153)	260,117	195,297	37,898	33,666	(36,120)	230,741
% on sales	29.8%	26.9%	26.3%	-3.7%	25.1%	29.0%	26.2%	29.7%	-3.9%	24.8%
EBIT	135,290	37,743	13,561	(49,427)	137,167	118,233	27,513	18,926	(45,072)	119,600
% on sales	19.2%	20.9%	9.0%	-4.8%	13.2%	17.5%	19.0%	16.7%	-4.8%	12.8%

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

CONSOLIDATED SEGMENT INFORMATION – Q2 2022 VS Q2 2021

(€ thousands)	Q2 2022					Q2 2021				
	EMEA	Americas	Asia Pacific	Corporate (*)	Total	EMEA	Americas	Asia Pacific	Corporate (*)	Total
Net Revenues	364,478	96,769	80,031	121	541,399	362,870	79,811	60,593	-	503,274
EBITDA	115,763	27,878	19,190	(17,549)	145,282	111,040	22,210	17,774	(18,089)	132,935
% on sales	31.8%	28.8%	24.0%	-3.2%	26.8%	30.6%	27.8%	29.3%	-3.6%	26.4%
Recurring EBITDA	116,398	27,878	20,537	(17,549)	147,264	112,464	22,210	17,774	(17,625)	134,823
% on sales	31.9%	28.8%	25.7%	-3.2%	27.2%	31.0%	27.8%	29.3%	-3.5%	26.8%
EBIT	78,975	22,160	6,714	(22,839)	85,010	73,892	17,150	10,353	(22,339)	79,056
% on sales	21.7%	22.9%	8.4%	-4.2%	15.7%	20.4%	21.5%	17.1%	-4.4%	15.7%

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

CONSOLIDATED INCOME STATEMENT – HI 2022 VS HI 2021

(€ thousands)	HI 2022				HI 2021				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Revenues from sales and services	1,037,206	-	1,037,206	100.0%	931,786	-	931,786	100.0%	11.3%
Operating costs	(780,764)	(4,978)	(785,742)	-75.3%	(704,278)	(4,156)	(708,434)	-75.5%	-10.9%
Other income and costs	3,675	(51)	3,624	0.4%	3,233	(136)	3,097	0.3%	13.7%
Gross operating profit (EBITDA)	260,117	(5,029)	255,088	25.1%	230,741	(4,292)	226,449	24.8%	12.7%
Depreciation, amortization and impairment of non-current assets	(41,011)	-	(41,011)	-4.0%	(38,935)	-	(38,935)	-4.2%	-5.3%
Right-of-use depreciation	(53,675)	-	(53,675)	-5.2%	(46,698)	-	(46,698)	-5.0%	-14.9%
Operating result before the amortization and impairment of PPA related assets (EBITA)	165,431	(5,029)	160,402	15.9%	145,108	(4,292)	140,816	15.6%	14.0%
PPA related depreciation, amortization and impairment	(23,235)	-	(23,235)	-2.2%	(21,216)	-	(21,216)	-2.3%	-9.5%
Operating profit (EBIT)	142,196	(5,029)	137,167	13.7%	123,892	(4,292)	119,600	13.3%	14.8%
Income, expenses, valuation and adjustments of financial assets	267	-	267	0.0%	829	-	829	0.1%	-67.8%
Net financial expenses	(15,837)	-	(15,837)	-1.5%	(14,489)	-	(14,489)	-1.5%	-9.3%
Exchange differences, inflation accounting and Fair Value valuation	(1,727)	-	(1,727)	-0.2%	(682)	-	(682)	-0.1%	-153.2%
Profit (loss) before tax	124,899	(5,029)	119,870	12.0%	109,550	(4,292)	105,258	11.8%	14.0%
Tax	(34,815)	1,411	(33,404)	-3.3%	(30,910)	1,109	(29,801)	-3.4%	-12.6%
Profit (loss) from continuing operations	90,084	(3,618)	86,466	8.7%	78,640	(3,183)	75,457	8.4%	14.6%
Profit (loss) from discontinued operations	-	-	-	0.0%	-	1,718	1,718	0.0%	-
Net profit (loss)	90,084	(3,618)	86,466	8.7%	78,640	(1,465)	77,175	8.4%	14.6%
Profit (loss) of minority interests	183	-	183	0.0%	31	-	31	0.0%	490.3%
Net profit (loss) attributable to the Group	89,901	(3,618)	86,283	8.7%	78,609	(1,465)	77,144	8.4%	14.4%

CONSOLIDATED INCOME STATEMENT – Q2 2022 VS Q2 2021

(€ thousands)	Q2 2022				Q2 2021				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Revenues from sales and services	541,399	-	541,399	100.0%	503,274	-	503,274	100.0%	7.6%
Operating costs	(396,247)	(1,982)	(398,229)	-73.2%	(369,008)	(1,752)	(370,760)	-73.3%	-7.4%
Other income and costs	2,112	-	2,112	0.4%	557	(136)	421	0.1%	279.2%
Gross operating profit (EBITDA)	147,264	(1,982)	145,282	27.2%	134,823	(1,888)	132,935	26.8%	9.2%
Depreciation, amortization and impairment of non-current assets	(20,989)	-	(20,989)	-3.9%	(19,709)	-	(19,709)	-3.9%	-6.5%
Right-of-use depreciation	(27,558)	-	(27,558)	-5.1%	(23,513)	-	(23,513)	-4.7%	-17.2%
Operating result before the amortization and impairment of PPA related assets (EBITA)	98,717	(1,982)	96,735	18.2%	91,601	(1,888)	89,713	18.2%	7.8%
PPA related depreciation, amortization and impairment	(11,725)	-	(11,725)	-2.1%	(10,657)	-	(10,657)	-2.1%	-10.0%
Operating profit (EBIT)	86,992	(1,982)	85,010	16.1%	80,944	(1,888)	79,056	16.1%	7.5%
Income, expenses, valuation and adjustments of financial assets	218	-	218	0.0%	842	-	842	0.2%	-74.1%
Net financial expenses	(7,993)	-	(7,993)	-1.4%	(7,327)	-	(7,327)	-1.5%	-9.1%
Exchange differences, inflation accounting and Fair Value valuation	(1,079)	-	(1,079)	-0.2%	(343)	-	(343)	-0.1%	-214.6%
Profit (loss) before tax	78,138	(1,982)	76,156	14.5%	74,116	(1,888)	72,228	14.7%	5.4%
Tax	(20,934)	558	(20,376)	-3.9%	(19,921)	464	(19,457)	-3.9%	-5.1%
Profit (loss) from continuing operations	57,204	(1,424)	55,780	10.6%	54,195	(1,424)	52,771	10.8%	5.6%
Profit (loss) from discontinued operations	-	-	-	0.0%	-	1,106	1,106	0.0%	-
Net profit (loss)	57,204	(1,424)	55,780	10.6%	54,195	(318)	53,877	10.8%	5.6%
Profit (loss) of minority interests	183	-	183	0.0%	7	-	7	0.0%	2514.3%
Net profit (loss) attributable to the Group	57,021	(1,424)	55,597	10.6%	54,188	(318)	53,870	10.8%	5.2%

NON-RECURRING ITEMS – HI 2022

(€ thousands)	HI 2022	HI 2021
GAES integration costs	(1,682)	(2,666)
Charitable donation costs	(1,000)	-
Bay Audio integration costs	(2,347)	-
Amplifon S.p.A. restructuring costs	-	(1,626)
Impact of the non-recurring items on EBITDA	(5,029)	(4,292)
Impact of the non-recurring items on EBIT	(5,029)	(4,292)
Impact of the non-recurring items on profit before tax	(5,029)	(4,292)
Impact of the above items on the tax burden for the period	1,411	1,109
Impact of the non-recurring items on net profit from continuing operations	(3,618)	(3,183)
Profit (loss) from discontinued operations	-	1,718
Impact of the non-recurring items on net profit	(3,618)	(1,465)

NON-RECURRING ITEMS – Q2 2022

(€ thousands)	Q2 2022	Q2 2021
GAES integration costs	(635)	(1,230)
Charitable donation costs	-	-
Bay Audio integration costs	(1,347)	-
Amplifon S.p.A. restructuring costs	-	(658)
Impact of the non-recurring items on EBITDA	(1,982)	(1,888)
Impact of the non-recurring items on EBIT	(1,982)	(1,888)
Impact of the non-recurring items on profit before tax	(1,982)	(1,888)
Impact of the above items on the tax burden for the period	558	464
Impact of the non-recurring items on net profit from continuing operations	(1,424)	1,424
Profit (loss) from discontinued operations	-	1,106
Impact of the non-recurring items on net profit	(1,424)	(318)

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(€ thousands)	06/30/2022	12/31/2021	Change
Goodwill	1,743,543	1,681,470	62,073
Customer lists, non-compete agreements, trademarks and location rights	277,280	284,592	(7,312)
Software, licenses, other int.ass., wip and advances	134,902	129,938	4,964
Tangible assets	194,591	186,845	7,746
Right of use assets	458,442	437,377	21,065
Fixed financial assets	10,378	11,923	(1,545)
Other non-current financial assets	41,502	40,436	1,066
Total fixed assets	2,860,638	2,772,581	88,057
Inventories	67,271	62,570	4,701
Trade receivables	179,178	168,680	10,498
Other receivables	103,140	96,761	6,379
Current assets (A)	349,589	328,011	21,578
Total assets	3,210,227	3,100,592	109,635
Trade payables	(294,632)	(242,507)	(52,125)
Other payables	(355,470)	(377,394)	21,924
Provisions for risks (current portion)	(2,155)	(3,282)	1,127
Short term liabilities (B)	(652,257)	(623,183)	(29,074)
Working capital (A) – (B)	(302,668)	(295,172)	(7,496)
Derivative instruments	11,148	(3,447)	14,595
Deferred tax assets	94,716	85,185	9,531
Deferred tax liabilities	(117,902)	(105,191)	(12,711)
Provisions for risks (non-current portion)	(24,368)	(29,079)	4,711
Employee benefits (non-current portion)	(12,719)	(20,763)	8,044
Loan fees	6,005	7,017	(1,012)
Other long-term payables	(165,432)	(160,733)	(4,699)
NET INVESTED CAPITAL	2,349,418	2,250,398	99,020
Shareholders' equity	976,277	925,178	51,099
Third parties' equity	2,326	2,103	223
Net equity	978,603	927,281	51,322
Long term net financial debt	950,058	1,023,780	(73,722)
Short term net financial debt	(54,760)	(152,594)	97,834
Total net financial debt	895,298	871,186	24,112
Lease liabilities	475,517	451,931	23,586
Total lease liabilities & net financial debt	1,370,815	1,323,117	47,698
NET EQUITY, LEASE LIABILITIES AND NET FINANCIAL DEBT	2,349,418	2,250,398	99,020

CONSOLIDATED NET FINANCIAL DEBT MATURITY PROFILE

(Euro millions)	2022	2023	2024	2025	2026 & beyond	Total
Private placement	-	(46.6)	-	(38.8)	-	(85.4)
Eurobond	-	-	-	-	(350.0)	(350.0)
Bank loans	(44.0)	(116.8)	(225.0)	(122.1)	(105.0)	(612.9)
Financing for GAES acquisition	-	-	-	-	-	-
Bank accounts	(33.4)	-	-	-	-	(33.4)
Other	(3.8)	(18.6)	(1.1)	(2.5)	-	(26.0)
Short term investments	49.9	-	-	-	-	49.9
Cash and cash equivalents	162.4	-	-	-	-	162.4
Total	131.2	(182.0)	(226.1)	(163.5)	(455.0)	(895.3)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(€ thousands)	HI 2022(*)	HI 2021 (**)
EBIT	137,167	121,554
Amortization, depreciation and write-downs	117,921	106,861
Provisions, other non-monetary items and gain/losses from disposals	7,817	6,577
Net financial expenses	(13,850)	(13,543)
Taxes paid	(25,060)	(30,931)
Changes in net working capital	(16,183)	10,702
Cash flow provided by (used in) operating activities before repayment of lease liabilities	207,812	201,220
Repayment of lease liabilities	(52,216)	(45,857)
Cash flow provided by (used in) operating activities (A)	155,596	155,363
Cash flow provided by (used in) operating investing activities (B)	(48,004)	(36,580)
Free Cash Flow (A) + (B)	107,592	118,783
Net cash flow provided by (used in) acquisitions (C)	(31,049)	(46,526)
(Purchase) sale of other investment, securities and business units (D)	-	3,644
Cash flow provided by (used in) investing activities (B+C+D)	(79,053)	(79,462)
Cash flow provided by (used in) operating activities and investing activities	76,543	75,901
Fees paid on medium/long-term financing	-	-
Dividends	(58,237)	(49,356)
Treasury shares	(42,872)	(13,331)
Capital increases, third parties' contributions and dividends paid by subsidiaries to third parties	(67)	(119)
Hedging instruments and other changes in non-current assets	198	154
Net cash flow from the period	(24,435)	13,249
Net financial indebtedness as of period opening date	(871,186)	(633,665)
Effect of exchange rate fluctuations on financial position	323	(61)
Effect of discontinued operations on net financial indebtedness	-	(52)
Change in net financial position	(24,435)	13,249
Net financial indebtedness as of period closing date	(895,298)	(620,529)

(*) Cash flow is negatively impacted by non-recurring items for Euro 3,731 thousand.

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

Fine Comunicato n.0525-49

Numero di Pagine: 16