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Oggetto : Strong revenue growth in the first nine
months of 2023, EBITDA at 386 million
Euros

<i>Testo del comunicato</i>

Vedi allegato.

PRESS RELEASE

STRONG REVENUE GROWTH AT 1.65 BILLION EUROS (+10%) IN THE FIRST NINE MONTHS OF 2023, EBITDA AT 386 MILLION EUROS (+4.4%)

INTERNATIONAL EXPANSION ACCELERATES: EXCEEDED THE 9,500 POINTS OF SALE WORLDWIDE AND MORE THAN 300 IN CHINA

REVENUES UP 9.7% AT CONSTANT EXCHANGE RATES DRIVEN MAINLY BY A STRONG, WELL-ABOVE-MARKET ORGANIC GROWTH (+7.6%), FURTHER ACCELERATING TO 9% IN THE THIRD QUARTER IN A SOFTER THAN EXPECTED EUROPEAN MARKET

RECURRING EBITDA 4.4% HIGHER THAN IN THE FIRST NINE MONTHS OF 2022, WITH THE MARGIN AT 23.5% AFTER SIGNIFICANT INVESTMENTS IN THE BUSINESS TO SUPPORT FUTURE GROWTH. NET PROFIT AT AROUND 113 MILLION EUROS

NET FINANCIAL DEBT OF 917.6 MILLION EUROS AT SEPTEMBER 30TH (830 MILLION EUROS AT DECEMBER 31ST, 2022) AFTER INVESTMENTS IN CAPEX, ACQUISITIONS AND DIVIDENDS FOR AROUND 250 MILLION EUROS. FINANCIAL LEVERAGE AT 1.63x

BOLT-ON ACQUISITIONS CONTINUE: AMPLIFON'S GLOBAL NETWORK EXCEEDS 9,500 STORES THANKS TO THE ROUGHLY 220 POINTS OF SALES ACQUIRED SINCE THE BEGINNING OF THE YEAR, MAINLY IN FRANCE, GERMANY, NORTH AMERICA, AND CHINA, FOR A CASH-OUT OF AROUND 83 MILLION EUROS. MORE THAN 300 STORES IN CHINA.

STRONG START TO THE FOURTH QUARTER WITH DOUBLE-DIGIT REVENUE GROWTH AT CONSTANT EXCHANGE RATES IN OCTOBER

MAIN RESULTS FOR THE FIRST NINE MONTHS OF 2023¹

- Consolidated **revenues** of 1,645.1 million euros, an increase of 9.7% at constant exchange rates and of 6.8% at current exchange rates compared to the first nine months of 2022
- Recurring **EBITDA** was 385.8 million euros, up 4.4% compared to 369.5 million euros in the first nine months of 2022. Margin on revenues at 23.5%, down 50 basis points compared to the record level posted in the first nine months of 2022 due to lower operating leverage in EMEA for the softer than expected market, a less favorable geographic mix and the strong investments to support the company's future growth
- Recurring **net profit** amounted to 112.8 million euros, 5.7% lower than the 119.6 million euros recorded in the first nine months of 2022, due to higher amortization and depreciation attributable to the strong investments in the business and higher financial expenses (interests, inflation accounting, lease accounting and foreign exchange differences)
- **Free cash flow** came to 68.8 million euros, after significant investments of 99.8 million euros, compared to the exceptional 143.0 million euros reported in the same period of 2022 which also benefitted from significant actions to improve working capital
- **Net financial debt** was 917.6 million euros compared to 830.0 million euros at December 31st, 2022, after investments for capex, M&A and dividends of around 250 million euros, with financial leverage at 1.63x at September 30th, 2023

MAIN RESULTS FOR THE THIRD QUARTER OF 2023¹

- Consolidated **revenues** of 531.3 million euros, up 11.4% at constant exchange rates and 5.7% at current exchange rates compared to the third quarter of 2022 driven by a record organic growth of 9%, despite the softer demand in Europe, the Group's main market
- Recurring **EBITDA** was 109.8 million euros, an increase of 0.3% compared to 109.4 million euros in the third quarter of 2022. Margin on revenues of 20.7% was 110 basis points lower compared to the record level

¹ Unless stated otherwise, the comments in this press release refer to the recurring income statement figures

posted in the third quarter of 2022 due to lower operating leverage in EMEA for the softer than expected market, a less favorable geographic mix, the significant investments to support the company's future growth and the negative foreign exchange effect

- Recurring **net profit** amounted to 23.5 million euros compared to 29.7 million euros in the third quarter of 2022

Milan, October 30th, 2023 – Today the Board of Directors of Amplifon S.p.A. (EXM; Bloomberg ticker: AMP:IM), global leader in hearing solutions and services, approved the Interim Financial Report as at September 30th, 2023 during a meeting chaired by Susan Carol Holland.

ENRICO VITA, CEO

“The results for the first nine months confirm the great dynamism of our group, demonstrated by the strong increase in revenues and, above all, a record organic growth achieved despite a demand in Europe which remains subdued. We are continuing to invest significantly in our international network through continuous acquisitions and we have now exceeded 9,500 stores, strengthening our presence in core markets like North America, France, Germany and China. In the latter we now have more than 300 points of sales, becoming one of the country's main players in just five years of operation. These investments, combined with the ones made throughout the year in the organization to better serve our customers, marketing and innovation are essential to the acceleration of our medium/long-term growth path.”

ECONOMIC RESULTS FOR THE FIRST NINE MONTHS OF 2023

(€ millions)	9M 2023				9M 2022				Change% on recurring
	Recurring	Non Recurring	Total	% on recurring	Recurring	Non Recurring	Total	% on recurring	
Net revenues	1,645.1	-	1,645.1	100.0%	1,539.7	-	1,539.7	100.0%	6.8%
EBITDA	385.8	(13.2)	372.6	23.5%	369.5	(5.7)	363.8	24.0%	4.4%
EBIT	192.9	(13.2)	179.7	11.7%	191.3	(5.7)	185.6	12.4%	0.9%
Net income	112.8	(9.4)	103.4	6.9%	119.6	(4.1)	115.5	7.8%	-5.7%
EPS adjusted (* in Euro)	0.632				0.650				-2.9%
Free cash flow		68.8				143.0			-51.9%
		30/09/2023				31/12/2022			Change %
Net Financial Indebtedness		917.6				830.0			10.6%

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

Consolidated revenues amounted to 1,645.1 million euros in the first nine months of 2023, up 9.7% at constant exchange rates and 6.8% at current exchange rates compared to the first nine months of 2022. This performance was driven for 7.6% by an excellent, well-above-market organic growth and for 2.1% by the acquisitions made mainly in France, Germany, China, and North America. The excellent organic growth, despite a persistently softer than expected European market, was sustained by share gains and the positive development of pricing actions. The foreign exchange effect was negative for 2.9% due mainly to the increasing depreciation of the US dollar, the Australian dollar and the Argentinian peso against the Euro throughout the period.

Recurring **EBITDA** was 385.8 million euros, an increase of 4.4% compared to 369.5 million euros in the first nine months of 2022. The margin on revenues came in at 23.5%, 50 basis points lower than in the first nine months of 2022 due to lower operating leverage in EMEA for the softer than expected market, a less favorable geographic mix, the significant investments made in specialized field personnel (hearing care specialists) and marketing to support the future growth path. EBITDA as reported amounted to 372.6 million euros after non-recurring expenses of 13.2 million euros attributable mainly to the application of IFRS 2 following the assignment of shares disclosed on January 5th².

² Refer also to note 47 “Subsequent Events” in the Annual Report 2022 for more information in this regard

Recurring **EBIT** came to 192.9 million euros, an increase of 0.9% compared to the 191.3 million euros recorded in the first nine months of 2022, with the margin at 11.7%. This improvement is attributable to the EBITDA performance, despite higher depreciation and amortization related to strong investments in network expansion, innovation and IT infrastructure. EBIT as reported amounted to 179.7 million euros.

Recurring **net profit** amounted to 112.8 million euros, 5.7% lower than the 119.6 million euros recorded in the first nine months of 2022 due to the lower operating leverage, higher depreciation and amortization and an increase in financial expenses. The increase of 11.3 million euros in net financial expenses is attributable to higher interest rates (even though most of the medium/long-term debt is at fixed rate), the strong negative impact of inflation accounting on the Argentinian subsidiary, higher costs derived from the application of IFRS 16 to network leases and exchange differences tied to currency volatility mainly in countries in North and South America.

Net profit as reported, which reflects the non-recurring expenses referred to above for 9.4 million euros, was 103.4 million euros. The tax rate of 27.6% was slightly lower than in the same period of 2022. The adjusted net earnings per share (EPS adjusted) came in at 63.2 euro cents, a slight decrease of 2.9% compared to the 65.0 euro cents reported in the first nine months of 2022.

ECONOMIC RESULTS FOR THE THIRD QUARTER OF 2023

	Q3 2023				Q3 2022				Change% on recurring
	Recurring	Non Recurring	Total	% on recurring	Recurring	Non Recurring	Total	% on recurring	
Net revenues	531.3	-	531.3	100.0%	502.5	-	502.5	100.0%	5.7%
EBITDA	109.8	(1.9)	107.8	20.7%	109.4	(0.7)	108.8	21.8%	0.3%
EBIT	45.4	(1.9)	43.5	8.5%	49.1	(0.7)	48.4	9.8%	-7.5%
Net income	23.5	(1.4)	22.1	4.4%	29.7	(0.5)	29.2	5.9%	-20.9%
EPS adjusted (*, in Euro)	0.147				0.172				-14.5%

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

Consolidated revenues amounted to 531.3 million euros in the third quarter of 2023, up 11.4% at constant exchange rates and 5.7% at current exchange rates compared to the third quarter of 2022. This performance was driven by an all-time-high organic growth of 9.0%, well above the reference market, and by acquisitions for 2.4%. The excellent organic growth was sustained by share gains in all core markets and the positive development of the global pricing actions, despite a softer than expected European market and one less working day than in the comparison period. The foreign exchange effect was particularly adverse in the quarter at -5.7%, due primarily to the weakening of the US dollar, the Argentinian peso and the Australian dollar against the Euro.

The performance was very positive across all geographic areas: a strong performance in revenues was reported in **EMEA** despite a softer than expected market and one less working day than in the comparison period; **AMERICAS** was once again the area posting the highest revenue growth, driven by an excellent organic growth and acquisitions; **APAC** also recorded an outstanding performance, supported by double-digit organic growth in all markets and the recent acquisitions in China.

Recurring **EBITDA** was 109.8 million euros, an increase of 0.3% compared to the 109.4 million euros reported in the third quarter of 2022 despite the extremely challenging comparison base. In the third quarter of 2022 the Company, in fact, posted a record level of profitability with an EBITDA margin of 21.8% as a result of cost containment actions. The margin on revenues was 20.7%, 110 basis points lower than in the same period of 2022 due to lower operating leverage in EMEA for the softer than expected market, a less favorable geographic mix, the significant investments made in specialized field personnel (hearing care specialists) and marketing to support the future growth path, as well as the negative foreign exchange effect. EBITDA as reported amounted to 107.8 million euros after non-recurring expenses of 1.9 million euros attributable mainly to the application of IFRS 2 following the assignment of shares disclosed previously.

Recurring **EBIT** came to 45.4 million euros, after higher depreciation and amortization related to network expansion, innovation and IT infrastructure, down 7.5% compared to the 49.1 million euros recorded in the third quarter of 2022, with the margin at 8.5%. EBIT as reported amounted to 43.5 million euros.

Recurring **net profit** amounted to 23.5 million euros compared to 29.7 million euros in the same period of 2022. This result reflects lower operating leverage, higher depreciation and amortization and a 4.9-million-euro increase in net financial expenses attributable to the factors commented on above. Net profit as reported, which was impacted by the nonrecurring expenses referred to above for 1.4 million euros, came to 22.1 million euros with a tax rate of 27.0%, lower than in the same period of 2022. The adjusted net earnings per share (EPS adjusted) came in at 14.7 euro cents compared to 17.2 euro cents in the third quarter of 2022.

In the third quarter, the Group acquired approximately 80 points of sales in the main core markets: France, Germany, North America and China.

PERFORMANCE BY GEOGRAPHIC AREA

EMEA: Strong revenue performance with profitability affected by a lower operating leverage after strong investments in a softer-than-expected market

(€ millions)	9M 2023	9M 2022	Δ% 23/22
Revenues	1,067.2	1,019.3	+4.7%
Organic growth			+4.0%
Acquisitions			+0.9%
FX			-0.2%
EBITDA recurring	300.3	291.9	+2.9%
<i>Margin %</i>	<i>28.1%</i>	<i>28.6%</i>	<i>-50 bps</i>

(€ millions)	Q3 2023	Q3 2022	Δ% 23/22
Revenues	331.8	314.6	+5.4%
Organic growth			+5.0%
Acquisitions			+0.8%
FX			-0.4%
EBITDA recurring	82.9	82.0	+1.1%
<i>Margin %</i>	<i>25.0%</i>	<i>26.1%</i>	<i>-110 bps</i>

In the first nine months of 2023, **EMEA** reported a solid increase in revenues driven by an above-market organic performance and the bolt-on acquisitions made in France and Germany. In the third quarter revenues were driven for 5.0% by strong organic growth and for 0.8% by acquisitions. The organic performance, despite a market demand which was still subdued and below expectations and one working day less than in the same period of 2022, was well-above-market benefitting from share gains in core countries and positive pricing developments. More specifically, while the performance in France was negative due to the underlying market contraction, the Group reported good growth in all the other core markets of the region.

In the first nine months of 2023, the recurring EBITDA margin came to 28.1%, again at Group's highest profitability levels, albeit slightly lower than in the same period of 2022. In the third quarter of 2023 the EBITDA margin came to 25.0% after significant investments in the business and affected by the lower operating leverage. This result should also be looked at in light of the exceptionally challenging comparison base with the record-high EBITDA margin posted in the same period of 2022 as a result of the cost containment measures implemented.

AMERICAS: another excellent performance, driven by a well-above-market organic growth, further accelerating in the third quarter. Significant foreign exchange headwind

(€ millions)	9M 2023	9M 2022	Δ% 23/22
Revenues	322.0	282.0	+14.2%
Organic growth			+15.8%
Acquisitions			+6.9%
FX			-8.5%
EBITDA recurring	83.9	73.5	+14.3%
<i>Margin %</i>	<i>26.1%</i>	26.0%	+10 bps

(€ millions)	Q3 2023	Q3 2022	Δ% 23/22
Revenues	109.3	101.3	+8.0%
Organic growth			+17.3%
Acquisitions			+7.3%
FX			-16.6%
EBITDA recurring	26.8	24.9	+7.8%
<i>Margin %</i>	<i>24.6%</i>	24.6%	+0 bps

In the first nine months of 2023, **AMERICAS** reported an excellent revenue performance driven by a well-above-market organic growth, which further accelerated during the reporting period. In the third quarter, in fact, organic growth reached 17.3%, despite the extremely challenging comparison base (revenues grew more than 25% in the third quarter of 2022). The United States recorded an outstanding performance for the eleventh quarter in a row, driven by both Miracle-Ear Direct Retail and Amplifon Hearing Health Care. The bolt-on acquisitions made in North America contributed 7.3%, while the exchange effect was particularly negative for 16.6% mainly due to the weakening of the US dollar against the Euro and the strong devaluation of the Argentinian peso.

EBITDA was 83.9 million euros in the first nine months of 2023, an increase of 14.3% compared to the same period of 2022, with the margin coming in at 26.1%, 10 basis points higher than in the same period of 2022, even after significant investments in the business and the strong growth of Miracle-Ear Direct Retail activities in the United States. In the third quarter, EBITDA amounted to 26.8 million euros, with the margin at 24.6%, unchanged compared to the third quarter of 2022 due to the factors mentioned above and the adverse foreign exchange translation effect.

ASIA-PACIFIC: Outstanding top-line performance across all markets. Strong foreign exchange headwind.

(€ millions)	9M 2023	9M 2022	Δ% 23/22
Revenues	255.5	238.0	+7.4%
Organic growth			+13.8%
Acquisitions			+1.6%
FX			-8.0%
EBITDA recurring	66.5	62.7	+6.1%
<i>Margin %</i>	<i>26.0%</i>	26.3%	-30 bps

(€ millions)	Q3 2023	Q3 2022	Δ% 23/22
Revenues	90.1	86.5	+4.2%
Organic growth			+13.9%
Acquisitions			+2.5%
FX			-12.2%
EBITDA recurring	23.8	22.8	+4.6%
<i>Margin %</i>	<i>26.5%</i>	26.4%	<i>+10 bps</i>

In the first nine months of 2023 **ASIA-PACIFIC** reported an excellent revenue growth driven mainly by an outstanding organic growth and the contribution of the acquisitions made in China. In the third quarter organic growth reached 13.9% thanks to the double-digit performance recorded in all countries of the area, while the contribution of the bolt-on acquisitions, made primarily in China, reached 2.5%. The particularly negative foreign exchange effect impacted the region's revenues for 12.2%.

EBITDA amounted to 66.5 million euros in the first nine months of 2023, up 6.1% compared to the same period of 2022, with the margin at 26.0%, down slightly against the comparison period due to the one-time cost related to the change in the region's leadership in the second quarter. In the third quarter, recurring EBITDA reached 23.8 million euros, 4.6% higher than in the third quarter of 2022, with the margin on revenues up 10 basis points coming in at 26.5%.

BALANCE SHEET FIGURES AS AT SEPTEMBER 30TH, 2023

The balance sheet and financial indicators continue to confirm the Group's solidity and ability to sustain future growth opportunities. In the first nine months of 2023 the Company generated free cash flow of 66.8 million euros, with net financial debt coming in at 917.6 million euros and total net equity of 1,070.7 million euros.

Operating cash flow, before payment of lease liabilities, was 253.7 million euros. The payment of lease liabilities, equal to 85.1 million euros, brought the operating cash flow to 168.6 million euros, lower than the exceptional level of 218.3 million euros recorded in the first nine months of 2022 which benefitted from significant actions taken to improve working capital. Free cash flow came to 66.8 million euros compared to 143.0 million euros in the first nine months of 2022, also due to higher investments (net of disposals) which amounted to 99.8 million euros compared to 75.4 million euros in the first nine months of 2022. The net cash-out for acquisitions (83.2 million euros versus 52.2 million euros in the first nine months of 2022), the payment of dividends (65.4 million euros) and those relating to other financial assets (4.0 million euros), brought the cash flow for the reporting period to negative 83.8 million euros compared to negative 10.1 million euros in the first nine months of 2022.

Net financial debt came to 917.6 million euros compared to 830.0 million euros at December 31st, 2022 and 882.1 million euros at September 30th, 2022, with financial leverage at 1.63x, slightly higher compared to 1.52x at December 31st, 2022 and largely in line with 1.61x at September 30th, 2022.

EVENTS SUBSEQUENT TO SEPTEMBER 30TH, 2023

In the first nine months of 2023 the Group recorded a strong acceleration in bolt-on acquisitions with approximately 220 stores acquired mainly in France, Germany, North America and China, for a net cash-out of roughly 83 million euros. This path continued even after the end of the reporting period with the acquisition of over 30 shops in China in October, namely in the Sichuan province and in the special municipality of Chongqing. As a result of this transaction, Amplifon's distribution network in China now exceeded 300 points of sale, an important milestone for the Group which entered the attractive Chinese market in 2018 and in just a few years has become one of its most important players. China represents a huge opportunity for the Amplifon Group's medium-term growth given its estimated size and exceptional growth potential.

As a result of the recent acquisitions, the Group's global network has now exceeded 9,500 points of sale.

OUTLOOK

In the first nine months of 2023, the Company continued its strong growth path despite a softer-than-expected demand in the European market and a global macroeconomic and geopolitical environment characterized by increasing uncertainty and volatility.

Looking into the fourth quarter of 2023, Amplifon expects:

- the US market to continue to grow healthily, while the European market to remain subdued and below initial expectations;
- to continue to grow organically significantly faster than the market;
- bolt-on acquisitions to contribute at least 2% to the Group's consolidated revenue growth;
- a strong start to the fourth quarter with double-digit revenue growth at constant exchange rates in October.

In light of the above, and with regards to what previously communicated³, for FY 2023 the Group expects:

- consolidated revenues, in line with the outlook previously communicated, of around 2,290 million euros⁴ which corresponds to around 11% growth at constant exchange rates compared to FY 2022, supported by continued market share gains, positive pricing actions and bolt-on acquisitions. The revenue figure, updated with the most recent foreign exchange assumptions, corresponds to around 2,320 million euros based on the same foreign exchange assumptions used in the previously communicated outlook;
- recurring EBITDA of around 550 million euros⁴ (which corresponds to approximately 560 million euros based on the same foreign exchange assumptions used in the previously communicated outlook) explained by the strong investments made in specialized field personnel (hearing care specialists) and marketing to support the Company's future growth path.

In the medium-term the Company remains extremely positive on its prospects for sustainable growth in sales and profitability, thanks to the secular fundamentals of the hearing care market and its even stronger competitive positioning.

These expectations for 2023 do not include any further slowdowns in global economic activity due to, among others, the well-known inflation related issues and the ever-increasing uncertainties related to the current geopolitical situation. Toward this end, lastly, it should be noted that Amplifon operates around 25 points of sale in Israel which generate sales equal to approximately 1% of its consolidated revenues.

ASSIGNMENT OF BENEFICIARIES OF THE PERFORMANCE STOCK GRANT PLAN 2023-2028

In relation to the above-mentioned plan, the Board of Directors resolved to assign 97,800 shares at target on October 30th, 2023 as the second tranche of the stock grant cycle for the period 2023-2025, based on the recommendations of the Remuneration and Appointments Committee and pursuant to Art. 84 bis, par. 5 of Consob Regulation n. 11971/99, as amended.

The information regarding the beneficiaries and the number of shares assigned will be reported in the table prepared in accordance with the indications provided in Table n. I, 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 2023-2028, which contains all the detailed information required by current law, is available to the public in the same manner

It should be noted that, the Interim Report as at September 30th, 2023 will be made available to the public as from November 9th, 2023 at the Company's registered office, on the Company's website at <https://corporate.amplifon.com> and at the authorized storage mechanism eMarket STORAGE (www.emarketstorage.com).

The results for Q3 2023 will be presented to the financial community today at 15:00 (CET) during a conference call and audiowebscast. To participate in the conference call dial one of the following numbers: +44 121 281 8004 (UK), +1 718 705 8796 (USA), +33 170 918 704 (France) or +39 02 802 09 11 (Italy); or access the audiowebscast directly through the following link:

<https://event.choruscall.com/mediaframe/webcast.html?webcastid=7iPOPkWT>

³ Please refer to the press release published on May 2nd, 2023

⁴ Foreign exchange rates for FY2023 outlook: EUR/USD at 1.08; EUR /AUD at 1.62; EUR /ARS at 371 (assumed equal to the data as of September 30th given the well-known currency volatility and uncertainty); EUR/EGP at 33.1. In the outlook previously communicated to the market last May the exchange rate assumptions were: EUR/USD at 1.07; EUR /AUD at 1.57; EUR /ARS at 227; EUR/EGP at 32. Such assumptions have been updated to reflect the currency development during the first nine months of the year, characterized by a higher appreciation of the Euro against the USD, AUD and, above all, the Argentinian peso.

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 November 2nd, 2023, by dialing the following number: +39 02 802 0987 (Italy), access code: 905# - guest code: 700905#; or, if the recording is no longer available, by accessing the webpage:

<https://corporate.amplifon.com/en/investors/financial-calendar/results-presentation-q3-2023>

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.

Figures in the tables may reflect minimal differences exclusively 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.

About Amplifon

Amplifon, global leader in the hearing care retail market, empowers people to rediscover all the emotions of sound. Amplifon's around 20,000 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, with annual revenues of over 2 billion euros, operates through a network of over 9,500 points of sale in 25 Countries and 5 continents. More information about the Group is available at: <https://corporate.amplifon.com>.

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CONSOLIDATED NET REVENUES BY GEOGRAPHIC AREA – FIRST NINE MONTHS 2023 VS FIRST NINE MONTHS 2022

(€ thousands)	First nine months 2023	%	First nine months 2022	%	Change	Change %	Exchange diff.	Change % in local currency	Organic growth % (*)
Total EMEA	1,067,232	64.9%	1,019,254	66.2%	47,978	4.7%	(2,003)	4.9%	4.0%
Total Americas	321,984	19.6%	282,043	18.3%	39,941	14.2%	(24,002)	22.7%	15.8%
Total APAC	255,511	15.5%	237,986	15.5%	17,525	7.4%	(19,119)	15.4%	13.8%
Corporate and intercompany elimination	338	0.0%	412	0.0%	(74)	-18.0%	-	-18.0%	-18.0%
Total	1,645,065	100.0%	1,539,695	100.0%	105,370	6.8%	(45,124)	9.7%	7.6%

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

CONSOLIDATED NET REVENUES BY GEOGRAPHIC AREA – Q3 2023 VS Q3 2022

(€ thousands)	Q3 2023	%	Q3 2022	%	Change	Change %	Exchange diff.	Change % in local currency	Organic growth % (*)
Total EMEA	331,750	62.4%	314,605	62.6%	17,145	5.4%	(970)	5.8%	5.0%
Total Americas	109,323	20.6%	101,254	20.2%	8,068	8.0%	(16,825)	24.6%	17.3%
Total APAC	90,130	17.0%	86,493	17.2%	3,637	4.2%	(10,533)	16.4%	13.9%
Corporate and intercompany elimination	93	0.0%	137	0.0%	(44)	-32.1%	-	-32.1%	-32.1%
Total	531,296	100.0%	502,489	100.0%	28,806	5.7%	(28,328)	11.4%	9.0%

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

CONSOLIDATED SEGMENT INFORMATION – FIRST NINE MONTHS 2023 VS FIRST NINE MONTHS 2022

(€ thousands)	First nine months 2023					First nine months 2022				
	EMEA	Americas	Asia Pacific	Corporate (*)	Total	EMEA	Americas	Asia Pacific	Corporate (*)	Total
Net Revenues	1,067,232	321,984	255,511	338	1,645,065	1,019,254	282,043	237,986	412	1,539,695
EBITDA	298,834	83,949	66,292	(76,490)	372,585	289,847	73,456	60,016	(59,470)	363,849
% on sales	28.0%	26.1%	25.9%	-4.6%	22.6%	28.4%	26.0%	25.2%	-3.9%	23.6%
Recurring EBITDA	300,267	83,949	66,465	(64,875)	385,806	291,873	73,456	62,671	(58,470)	369,530
% on sales	28.1%	26.1%	26.0%	-3.9%	23.5%	28.6%	26.0%	26.3%	-3.8%	24.0%
EBIT	185,290	63,220	27,734	(96,575)	179,669	180,357	56,626	23,813	(75,225)	185,571
% on sales	17.4%	19.6%	10.9%	-5.9%	10.9%	17.7%	20.1%	10.0%	-4.9%	12.1%

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

CONSOLIDATED SEGMENT INFORMATION – Q3 2023 VS Q3 2022

(€ thousands)	Q3 2023					Q3 2022				
	EMEA	Americas	Asia Pacific	Corporate (*)	Total	EMEA	Americas	Asia Pacific	Corporate (*)	Total
Net Revenues	331,750	109,323	90,130	93	531,296	314,605	101,254	86,493	137	502,489
EBITDA	82,345	26,845	23,670	(25,032)	107,828	81,676	24,910	22,495	(20,319)	108,762
% on sales	24.8%	24.6%	26.3%	-4.7%	20.3%	26.0%	24.6%	26.0%	-4.0%	21.6%
Recurring EBITDA	82,889	26,845	23,843	(23,812)	109,765	82,020	24,910	22,803	(20,319)	109,414
% on sales	25.0%	24.6%	26.5%	-4.5%	20.7%	26.1%	24.6%	26.4%	-4.0%	21.8%
EBIT	44,073	19,828	11,687	(32,135)	43,453	45,067	18,884	10,252	(25,799)	48,404
% on sales	13.3%	18.1%	13.0%	-6.0%	8.2%	14.3%	18.7%	11.9%	-5.1%	9.6%

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

CONSOLIDATED INCOME STATEMENT – FIRST NINE MONTHS 2023 VS FIRST NINE MONTHS 2022

(€ thousands)	First nine months 2023				First nine months 2022				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Revenues from sales and services	1,645,065	-	1,645,065	100.0%	1,539,695	-	1,539,695	100.0%	6.8%
Operating costs	(1,263,004)	(13,221)	(1,276,225)	-76.7%	(1,175,114)	(5,630)	(1,180,744)	-76.3%	-7.5%
Other income and costs	3,745	-	3,745	0.2%	4,949	(51)	4,898	0.3%	-24.3%
Gross operating profit (EBITDA)	385,806	(13,221)	372,585	23.5%	369,530	(5,681)	363,849	24.0%	4.4%
Depreciation, amortization and impairment of non-current assets	(68,360)	-	(68,360)	-4.2%	(62,026)	-	(62,026)	-4.0%	-10.2%
Right-of-use depreciation	(87,908)	-	(87,908)	-5.3%	(81,057)	-	(81,057)	-5.3%	-8.5%
Operating result before the amortization and impairment of PPA related assets (EBITA)	229,538	(13,221)	216,317	14.0%	226,447	(5,681)	220,766	14.7%	1.4%
PPA related depreciation, amortization and impairment	(36,648)	-	(36,648)	-2.3%	(35,195)	-	(35,195)	-2.3%	-4.1%
Operating profit (EBIT)	192,890	(13,221)	179,669	11.7%	191,252	(5,681)	185,571	12.4%	0.9%
Income, expenses, revaluation and adjustments of financial assets	210	-	210	0.0%	323	-	323	0.0%	-35.0%
Net financial expenses	(33,410)	-	(33,410)	-2.0%	(23,983)	-	(23,983)	-1.6%	-39.3%
Exchange differences, inflation accounting and Fair Value valuation	(3,693)	-	(3,693)	-0.2%	(1,912)	-	(1,912)	0.0%	-93.2%
Profit (loss) before tax	155,997	(13,221)	142,776	9.5%	165,680	(5,681)	159,999	10.8%	-5.8%
Tax	(43,179)	3,844	(39,335)	-2.6%	(45,877)	1,588	(44,289)	-3.0%	5.9%
Net profit (loss)	112,818	(9,377)	103,441	6.9%	119,803	(4,093)	115,710	7.8%	-5.8%
Profit (loss) of minority interests	3	-	3	0.0%	226	-	226	0.0%	-98.7%
Net profit (loss) attributable to the Group	112,815	(9,377)	103,438	6.9%	119,577	(4,093)	115,484	7.8%	-5.7%

CONSOLIDATED INCOME STATEMENT – Q3 2023 VS Q3 2022

(€ thousands)	Q3 2023				Q3 2022				Change % on recurring
	Recurring	Non-recurring	Total	% on recurring	Recurring	Non-recurring	Total	% on recurring	
Revenues from sales and services	531,296	-	531,296	100.0%	502,489	-	502,489	100.0%	5.7%
Operating costs	(421,266)	(1,937)	(423,203)	-79.3%	(394,350)	(652)	(395,002)	-78.5%	-6.8%
Other income and costs	(265)	-	(265)	0.0%	1,275	-	1,275	0.3%	-120.8%
Gross operating profit (EBITDA)	109,765	(1,937)	107,828	20.7%	109,414	(652)	108,762	21.8%	0.3%
Depreciation, amortization and impairment of non-current assets	(23,010)	-	(23,010)	-4.3%	(21,015)	-	(21,015)	-4.2%	-9.5%
Right-of-use depreciation	(29,233)	-	(29,233)	-5.6%	(27,383)	-	(27,383)	-5.4%	-6.8%
Operating result before the amortization and impairment of PPA related assets (EBITA)	57,522	(1,937)	55,585	10.8%	61,016	(652)	60,364	12.2%	-5.7%
PPA related depreciation, amortization and impairment	(12,132)	-	(12,132)	-2.3%	(11,960)	-	(11,960)	-2.4%	-1.4%
Operating profit (EBIT)	45,390	(1,937)	43,453	8.5%	49,056	(652)	48,404	9.8%	-7.5%
Income, expenses, revaluation and adjustments of financial assets	3	-	3	0.0%	56	-	56	0.0%	-94.6%
Net financial expenses (*)	(13,568)	-	(13,568)	-2.6%	(8,148)	-	(8,148)	-1.5%	-66.5%
Exchange differences, inflation accounting and Fair Value valuation (*)	389	-	389	0.2%	(180)	-	(180)	-0.1%	316.1%
Profit (loss) before tax	32,214	(1,937)	30,277	6.1%	40,784	(652)	40,132	8.2%	-21.0%
Tax	(8,708)	548	(8,160)	-1.7%	(11,061)	177	(10,884)	-2.3%	21.3%
Net profit (loss)	23,506	(1,389)	22,117	4.4%	29,723	(475)	29,248	5.9%	-20.9%
Profit (loss) of minority interests	35	-	35	0.0%	44	-	44	0.0%	-20.5%
Net profit (loss) attributable to the Group	23,471	(1,389)	22,082	4.4%	29,679	(475)	29,204	5.9%	-20.9%

(*) It is specified that, on the 2022 comparative period, reclassifications between income, expenses and adjustments of financial assets have been made in order to better represent financial information

NON-RECURRING ITEMS – FIRST NINE MONTHS 2023

(€ thousands)	First nine months 2023	First nine months 2022
GAES second phase integration costs	(1,433)	(2,026)
Charitable donation costs	-	(1,000)
Bay Audio acquisition and integration costs	(174)	(2,655)
Notional cost related to share assignment	(11,614)	-
Impact of the non-recurring items on EBITDA	(13,221)	(5,681)
Impact of the non-recurring items on EBIT	(13,221)	(5,681)
Impact of the non-recurring items on profit before tax	(13,221)	(5,681)
Impact of the above items on the tax burden for the period	3,844	1,588
Impact of the non-recurring items on net profit	(9,377)	(4,093)

NON-RECURRING ITEMS – Q3 2023

(€ thousands)	Q3 2023	Q3 2022
GAES second phase integration costs	(543)	(344)
Bay Audio acquisition and integration costs	(174)	(308)
Notional cost related to share assignment	(1,220)	-
Impact of the non-recurring items on EBITDA	(1,937)	(652)
Impact of the non-recurring items on EBIT	(1,937)	(652)
Impact of the non-recurring items on profit before tax	(1,937)	(652)
Impact of the above items on the tax burden for the period	548	177
Impact of the non-recurring items on net profit	(1,389)	(475)

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(€ thousands)	09/30/2023	12/31/2022	Change
Goodwill	1,794,323	1,754,028	40,295
Customer lists, non-compete agreements, trademarks and location rights	260,392	266,125	(5,733)
Software, licenses, other int.ass., wip and advances	164,772	153,973	10,799
Tangible assets	207,697	193,415	14,282
Right of use assets	468,226	451,747	16,479
Fixed financial assets	16,108	13,292	2,816
Other non-current financial assets	45,345	42,402	2,943
Total fixed assets	2,956,863	2,874,982	81,881
Inventories	84,712	76,258	8,454
Trade receivables	202,889	192,066	10,823
Other receivables	108,219	77,891	30,328
Current assets (A)	395,820	346,215	49,605
Total assets	3,352,683	3,221,197	131,486
Trade payables	(324,454)	(325,583)	1,129
Other payables	(346,019)	(360,461)	14,442
Provisions for risks (current portion)	(975)	(1,663)	688
Short term liabilities (B)	(671,448)	(687,707)	16,259
Working capital (A) – (B)	(275,628)	(341,492)	65,864
Derivative instruments	19,429	24,474	(5,045)
Deferred tax assets	88,193	81,780	6,413
Deferred tax liabilities	(105,897)	(106,683)	786
Provisions for risks (non-current portion)	(19,511)	(19,944)	433
Employee benefits (non-current portion)	(10,099)	(8,940)	(1,159)
Loan fees	3,448	4,508	(1,060)
Other long-term payables	(180,815)	(169,736)	(11,079)
NET INVESTED CAPITAL	2,475,983	2,338,949	137,034
Shareholders' equity	1,069,770	1,038,509	31,261
Third parties' equity	945	1,841	(896)
Net equity	1,070,715	1,040,350	30,365
Long term net financial debt	665,982	807,907	(141,925)
Short term net financial debt	251,651	22,086	229,565
Total net financial debt	917,633	829,993	87,640
Lease liabilities	487,635	468,606	19,029
Total lease liabilities & net financial debt	1,405,268	1,298,599	106,669
NET EQUITY, LEASE LIABILITIES AND NET FINANCIAL DEBT	2,475,983	2,338,949	137,034

CONSOLIDATED NET FINANCIAL DEBT MATURITY PROFILE

(€ millions)	2023	2024	2025	2026	2027 & beyond	Total
Eurobond	-	-	-	-	(350.0)	(350.0)
Bank loans	(54.5)	(225.0)	(122.1)	(105.0)	-	(506.6)
Bank accounts	(242.3)	-	-	-	-	(242.3)
Other	(4.3)	(5.7)	(6.4)	(0.1)	-	(16.5)
Short term investments	51.0	-	-	-	-	51.0
Cash and cash equivalents	146.8	-	-	-	-	146.8
Total	(103.3)	(230.7)	(128.5)	(105.1)	(350.0)	(917.6)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(€ thousands)	First nine months 2023 (*)	First nine months 2022 (**)
Amortization, depreciation and write-downs	179,669	185,571
Provisions, other non-monetary items and gain/losses from disposals	192,916	178,278
Net financial expenses	28,735	15,826
Taxes paid	(33,971)	(22,842)
Changes in net working capital	(60,679)	(33,048)
Cash flow provided by (used in) operating activities before repayment of lease liabilities	(52,970)	(25,329)
Repayment of lease liabilities	253,700	298,456
Cash flow provided by (used in) operating activities (A)	(85,095)	(80,125)
Cash flow provided by (used in) operating investing activities (B)	168,605	218,331
Free Cash Flow (A) + (B)	(99,833)	(75,363)
Amortization, depreciation and write-downs	68,772	142,968
Net cash flow provided by (used in) acquisitions (C)	(83,243)	(52,243)
Cash flow provided by (used in) investing activities (B+C+D)	(183,076)	(127,606)
Cash flow provided by (used in) operating activities and investing activities	(14,471)	90,725
Fees paid on medium/long-term financing	(1,413)	-
Hedging instruments	(1,483)	-
Dividends	(65,361)	(58,237)
Treasury shares	-	(42,872)
Capital increases, third parties' contributions and dividends paid by subsidiaries to third parties	(137)	(608)
Other changes in non-current assets	(982)	904
Net cash flow from the period	(83,847)	(10,088)
Net financial indebtedness as of period opening date	(829,993)	(871,186)
Effect of exchange rate fluctuations on financial position	(3,793)	(791)
Change in net financial position	(83,847)	(10,088)
Net financial indebtedness as of period closing date	(917,633)	(882,065)

(*) Cash flow is negatively impacted by non-recurring items for Euro 2,740 thousand.

(**) Cash flow is negatively impacted by non-recurring items for Euro 4,629 thousand.

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