Message from the Chairperson and the Chief Executive Officer

2017, another record year

Dear Shareholders,

2017 represents another key milestone in Amplifon’s success story: we achieved record results for the third year in a row, definitely testifying the effectiveness of our business model as well as of the strategic pillars pursued and supported by significant investments, primarily in marketing, in the expansion of the distribution network in core markets and in our people.

Once again both revenues and EBITDA, which came in respectively at 1,266.0 and 212.5 million euros, reached all-time high up 11.7% and 13.7% compared to the previous year. Also reported net profit came in at the record level of 100.6 million euros, showing an increase of 58.1% compared to the previous year. Such solid results allow Amplifon to propose a dividend distribution of 0.11 euro for each ordinary share to shareholders, an increase of 57.1% compared to the previous year.

We are very satisfied both with the strong growth of results and improving profitability that we have achieved, as well as with the vitality of our business. Revenue growth was well balanced across all the Company’s geographic areas and outpaced the market thanks to the solid mix between organic growth and acquisitions. In addition to the overall top-line growth, the main drivers of the increased profitability have been the scale reached in key countries and the improved operational efficiency.

In 2017, we continued to expand our worldwide distribution network to consolidate our leadership position globally, with the addition of 346 shops and 117 shop-in-shops, thus reaching 10,069 points of sale throughout the world. Acquisitions were made mainly in Germany, France, Portugal and India; while new openings, 45 stores and 59 shop-in-shops, were located primarily in Spain, New Zealand and Australia.

During the year, Amplifon continued to pursue its marketing and communication strategy, one of the Company’s key strategic pillars of development, aimed at further strengthening the relationship between its customers and its brands, leading a real cultural change in the industry and redefining the way customers feel about their hearing. During the year, the Company pooled together its marketing, advertising as well as communication strategies in Europe in order to further raise Amplifon’s already high brand awareness thus achieving a greater efficacy and efficiency thanks to an integrated platform for media planning and creative communication.
Finally, we believe that today what is increasingly important is not just achieving results, but how those results are achieved. At Amplifon we intend to continue doing business responsibly and with a view to creating shared and sustainable value. This is why in August, Amplifon published for the first time a Sustainability Report. It represented not only the beginning of a journey towards growing a sustainable business, but also highlighted the Company’s commitment towards corporate social responsibility topics and provided a thorough understanding of our activities in this regard. We are therefore now proudly publishing the Non financial disclosure drawn up in accordance with Italian Legislative Decree No 254/2016 for the year 2017.

The coming years will be very important for our Group: we have undertaken new and important projects primarily to anticipate our customers’ needs and satisfy their expectations. Customers have always been our key stakeholder and all our initiatives and strategic decisions are guided by the desire to put them at the heart of what we do.

We are convinced that 2017 results represent an excellent basis to start a 2018 with optimism and to meet our mid-long term objectives. We would not have been able to reach such positive results without the commitment and strong determination of our management team and the extraordinary ability, continuing hard work and great passion of our people. Thus, we would like to show them our deepest appreciation, as well as thank our Shareholders for their support and trust in our Company.

Susan Carol Holland  
Chairperson

Enrico Vita  
Chief Executive Officer