Intermonte

Milan, 17 March 2026

Italian Equity Research – Company Update

AMPLIFON

OUTPERFORM

Sector: Consumers

Price: Eu9.02 - **Target: Eu16.00**

A Complex Deal in Challenging Times, but Industrially Sound

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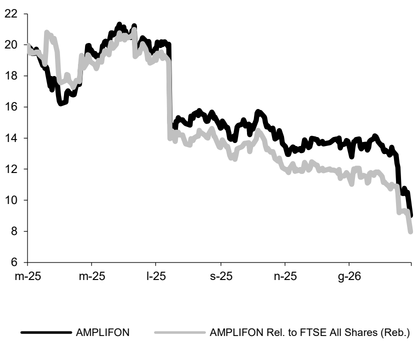
Stock Rating			
Rating:			Unchanged
Target Price (Eu):			from 19.00 to 16.00
	2026E	**2027E**	**2028E**
Chg in Adj EPS	0.0%	0.0%	0.0%

Next Event
1Q25 Results Out 5 May 2026

AMPLIFON - 12M Performance



Stock Data			
Reuters code:			AMPF.MI
Bloomberg code:			AMP IM
Performance	**1M**	**3M**	**12M**
Absolute	-33.4%	-35.0%	-54.9%
Relative	-30.3%	-35.0%	-68.8%
12M (H/L)			21.32/9.02
3M Average Volume (th):			2,259.93

Shareholder Data	
No. of Ord shares (mn):	226
Total no. of shares (mn):	226
Mkt Cap Ord (Eu mn):	2,042
Total Mkt Cap (Eu mn):	2,042
Mkt Float - Ord (Eu mn):	1,178
Mkt Float (in %):	57.7%
Main Shareholder:	
Ampliter Srl (Susan Holland)	42.0%

Balance Sheet Data	
Book Value (Eu mn):	1,009
BVPS (Eu):	4.46
P/BV:	2.0
Net Financial Position (Eu mn):	-1,525
Enterprise Value (Eu mn):	3,080

Unexpectedly, Amplifon announced the €2.3bn acquisition of pure wholesaler GN Hearing to create a global vertically integrated operator, with meaningful synergies mainly from volume insourcing and a more diversified profile due to strong geographical and industrial complementarity. The deal, expected to close by year-end, entails key complexities, notably a capital increase of up to €750m to refinance the bridge loan. Ex-synergies leverage would be ~3x assuming the equity raise is completed but could rise to >3.6x if not, especially in the current environment. On a preliminary basis we estimate mid-single-digit EPS accretion by 2027, showing the deal is industrially accretive. However, while remaining positive on the stock, we adopt a more cautious valuation stance and, applying ~8.5x to combined EBITDA post synergies 2027E (lower end of fully integrated peer multiples), lower our TP from €19 to €16 to reflect higher execution risk, increased leverage, and financing uncertainty. No change in estimates at this stage.

- **Transaction highlights.** AMP will acquire GN Hearing for ~€2.3bn (cash-free/debt-free), funded with €1.69bn cash and 56m Amplifon shares, targeting €60–80m net EBITDA synergies by 2029. The cash portion is bridge financed and to be refinanced via debt and equity (including up to €0.75bn capital increase/equity-linked instruments), implying ~3.0x pro-forma leverage at closing (ex-synergies). The deal has full board and shareholder support, with closing expected by end-2026 subject to regulatory approvals and completion of the carve-out. GN will hold c.16% of Amplifon pro-forma, with the right to appoint one board member. A shareholder agreement will be signed with Ampliter (controlling shareholder). The stake will be subject to customary transfer restrictions and lock-up.
- **Pro forma 2025 financials.** Revenues would reach ~€3.3bn (€2.4bn AMP, ~€1.0bn GN, ~€0.1bn eliminations) and adj. EBITDA ~€830m (€540m AMP, ~€220m GN, ~€70m mid-point synergies), implying a ~25% margin. Adj. EBIT would exceed €510m (€281m AMP, ~€160m GN, ~€70m synergies), or a ~16% margin.
- **A more diversified business profile.** AMP is predominantly a European retail player (64% EMEA), while GN Hearing is a global pure wholesaler (~€1.0bn) with stronger exposure to the Americas (49%). The combination creates a more geographically balanced group, reducing Europe's weight to 54% and increasing exposure to the Americas to 29%. Post-transaction revenues would reach ~€3.3bn, with a diversified business mix of ~71% retail and ~29% wholesale.
- **Significant insourcing-driven synergies with additional upside.** AMP expects ~€60–80m net EBITDA synergies, ~85% driven by volume insourcing, with full delivery targeted by 2029. Integration costs are estimated at ~€80m over the next 2–3 years, with additional cost and revenue synergies not yet quantified. Further upside could come from procurement efficiencies, working capital and CapEx optimization, and innovation-driven revenue growth. In the US, GN's Beltone network will remain separate from Miracle-Ear and offers AMP a key opportunity to double US market share. Limited risk given the retailer–wholesaler combination, with potential to reduce third-party reliance and accelerate synergies.

Key Figures & Ratios	2024A	2025A	2026E	2027E	2028E
Sales (Eu mn)	2,409	2,396	2,432	2,546	2,686
EBITDA Adj (Eu mn)	566	540	568	623	667
Net Profit Adj (Eu mn)	188	159	181	218	254
EPS New Adj (Eu)	0.831	0.703	0.799	0.964	1.122
EPS Old Adj (Eu)	0.831	0.703	0.799	0.964	1.122
DPS (Eu)	0.291	0.290	0.225	0.314	0.377
EV/EBITDA Adj	13.6	9.7	5.4	4.8	4.3
EV/EBIT Adj	24.5	18.6	10.0	8.2	7.0
P/E Adj	10.9	12.8	11.3	9.4	8.0
Div. Yield	3.2%	3.2%	2.5%	3.5%	4.2%
Net Debt/EBITDA Adj	2.6	2.8	2.7	2.3	1.9

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (**DCF**) model or similar methods such as a dividend discount model (**DDM**)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the FTSEMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

Explanation of our ratings system:

BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and - 10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 17 March 2026 Intermonte's Research Department covered 131 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	32.06%
OUTPERFORM:	38.17%
NEUTRAL:	29.77%
UNDERPERFORM:	00.00%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (76 in total) is as follows:

BUY:	52.63%
OUTPERFORM:	27.63%
NEUTRAL:	18.42%
UNDERPERFORM:	01.32%
SELL:	00.00%

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