AMPLIFON

NEUTRAL

Sector: Consumers

Price: Eu20.03 - **Target: Eu20.00**

Sharp Deterioration of External Scenario, Move to NEUTRAL

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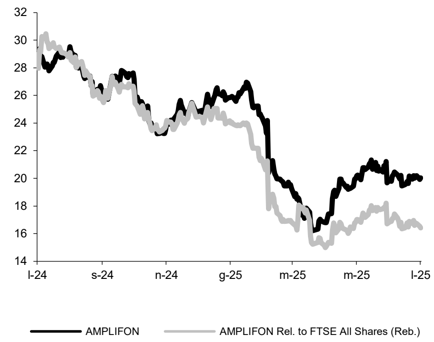
Stock Rating			
Rating:	from OUTPERFORM to NEUTRAL		
Target Price (Eu):	from 27.00 to 20.00		
	2025E	**2026E**	**2027E**
Chg in Adj EPS	-13.3%	-11.0%	-3.3%

Next Event
3Q25 Results 29 October 2025

AMPLIFON - 12M Performance



Stock Data			
Reuters code:			AMPF.MI
Bloomberg code:			AMP IM
Performance	**1M**	**3M**	**12M**
Absolute	1.8%	19.3%	-30.8%
Relative	-1.9%	10.3%	-53.0%
12M (H/L)			29.53/16.21
3M Average Volume (th):			1,583.41

Shareholder Data	
No. of Ord shares (mn):	226
Total no. of shares (mn):	226
Mkt Cap Ord (Eu mn):	4,535
Total Mkt Cap (Eu mn):	4,535
Mkt Float - Ord (Eu mn):	2,616
Mkt Float (in %):	57.7%
Main Shareholder:	
Amplifter Srl (Susan Holland)	42.0%

Balance Sheet Data	
Book Value (Eu mn):	1,213
BVPS (Eu):	5.36
P/BV:	3.7
Net Financial Position (Eu mn):	-1,547
Enterprise Value (Eu mn):	5,581

As feared, 2Q results missed expectations, hit by a sharp macro deterioration leading to a second FY25 guidance cut in under a year—lowering top-line growth at CER from 7% (~5% organic) to 3% (~1%) and margins from 24% to 23%. Persistent uncertainty and hearing aid replacement cycles beyond five years - especially in Southern Europe, hardest hit by COVID lockdowns in 2020 —continue to weigh on demand. While guidance assumes some 2H normalization, visibility remains limited. The Fit4Growth programme targets a 150–200bp margin improvement by 2027, but its success depends on the Group's ability to reignite organic growth to historical levels—a significant challenge in the current environment. Moreover, prolonged replacement cycles and muted 2024–25 trends in EMEA (2/3 of Group sales) could further weigh on long-term structural growth. We go to NEUTRAL, with a new TP at €20 (from €27).

- **2Q results.** Revenues declined by 1.9% YoY to €593mn (-4%/-5% vs our exp./consensus), mainly due to a -2.5% FX impact and -1.7% organic growth (EMEA -2.5%, AMERICAS +0.1%, APAC -0.4%), partially offset by the M&A contribution. Adj. EBITDA fell 8.7% to €147mn (-9%/-11% vs our exp./cons.), with the margin down 180bps to 24.9%, reflecting broad-based pressure across regions (EMEA -210bps, AMERICAS -270bps, APAC -130bps). Margin contraction was driven by lower operating leverage, a less favourable country mix in EMEA, and dilution from the fast growth of Miracle-Ear Direct Retail and the integration of recent acquisitions. The quarter was also impacted by a challenging comparison base, Easter timing, one fewer trading day, and significant FX headwinds. Europe showed a two-speed trend: strong growth in France (boosted by the RAC 0 anniversary) and solid performance in Germany vs weaker trends in Southern Europe, affected by soft consumer confidence, the 5th COVID anniversary, and an intense June heatwave.
- **Change in estimates.** Factoring in a 2pp FX headwind and a 2pp contribution from M&A, the revised guidance points to revenues of around €2,430mn (-4% vs consensus) and adj. EBITDA of c. €560mn (-8% vs consensus). We have adjusted our estimates accordingly, leading to a 13% downgrade to our 2025 EPS forecast. For FY26–27, we now project low single-digit organic growth (vs. prev. 4–4.5%) and margin improvement to 24.5% by 2027, supported by the Fit4Growth programme.
- **Downgrade to NEUTRAL (from OUTPERFORM); new target €20 (from €27).** We lower our DCF-based TP from €27 to €20 (despite a reduced EMPR from 6% to 5.5%), broadly in line with the current price. While long-term fundamentals remain sound and management is taking action, the structural growth story has become less visible amid rising macro and geopolitical uncertainty, as reflected in HA replacement cycles now exceeding five years in some EMEA markets. This backdrop may support bolt-on M&A, but transformational opportunities appear limited. At 23x 2026 P/E, the stock looks expensive given a structural growth profile now trending in the low-single digits — a reset from historical mid-single digits amid continued estimate volatility.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	2,260	2,409	2,429	2,522	2,631
EBITDA Adj (Eu mn)	542	566	554	585	644
Net Profit Adj (Eu mn)	215	188	170	197	238
EPS New Adj (Eu)	0.949	0.831	0.752	0.868	1.053
EPS Old Adj (Eu)	0.949	0.831	0.867	0.975	1.089
DPS (Eu)	0.290	0.291	0.228	0.272	0.343
EV/EBITDA Adj	14.1	13.6	10.1	9.5	8.6
EV/EBIT Adj	29.5	24.5	19.1	17.0	14.3
P/E Adj	21.1	24.1	26.6	23.1	19.0
Div. Yield	1.4%	1.5%	1.1%	1.4%	1.7%
Net Debt/EBITDA Adj	2.5	2.6	2.8	2.6	2.3

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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.

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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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As at 30 July 2025 Intermonte's Research Department covered 134 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	32.84%
OUTPERFORM:	38.81%
NEUTRAL:	28.35%
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 (79 in total) is as follows:

BUY:	53.16%
OUTPERFORM:	29.11%
NEUTRAL:	17.73%
UNDERPERFORM:	00.00%
SELL:	00.00%

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