Intermonte

Milan, 30 October 2025

Italian Equity Research – Change in View/3Q25 Results

AMPLIFON

OUTPERFORM

Sector: Consumers

Price: Eu14.99 - **Target: Eu19.00**

Turning the Corner: EMEA Back to Growth, Fit4Growth Ahead

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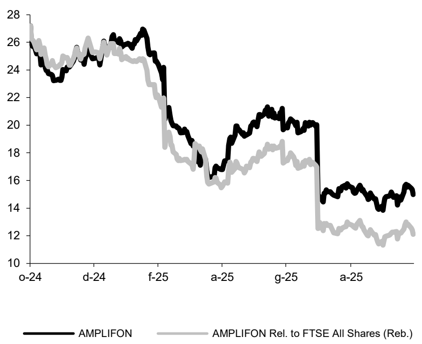
Stock Rating			
Rating:	from NEUTRAL to OUTPERFORM		
Target Price (Eu):	from 16.50 to 19.00		
	2025E	**2026E**	**2027E**
Chg in Adj EPS	-1.7%	0.3%	-0.2%

Next Event

FY25 Results 4 March 2026

AMPLIFON - 12M Performance



Stock Data			
Reuters code:			AMPF.MI
Bloomberg code:			AMP IM
Performance	**1M**	**3M**	**12M**
Absolute	6.0%	-25.2%	-44.9%
Relative	4.4%	-30.0%	-68.7%
12M (H/L)			26.95/13.86
3M Average Volume (th):			2,152.32

Shareholder Data	
No. of Ord shares (mn):	226
Total no. of shares (mn):	226
Mkt Cap Ord (Eu mn):	3,394
Total Mkt Cap (Eu mn):	3,394
Mkt Float - Ord (Eu mn):	1,958
Mkt Float (in %):	57.7%
Main Shareholder:	
Ampliter Srl (Susan Holland)	42.0%

Balance Sheet Data	
Book Value (Eu mn):	1,112
BVPS (Eu):	4.91
P/BV:	3.1
Net Financial Position (Eu mn):	-1,554
Enterprise Value (Eu mn):	4,452

As expected, 3Q was a transitional quarter: still soft, but showing QoQ recovery in EMEA (Spain, Italy) and strong acceleration in the Americas, leaving behind a 2Q hit by a reduced returning customer base. France slowed in 3Q, although October volumes rebounded to high single-digit growth. The Fit4Growth Plan is running ahead of schedule (margin +150–200bp by 2027), with network optimisation behind the ~0.5% trim to the FY25 top line. While no formal guidance has been provided, FY26 should benefit from the enlarged returning customer base following the 2021 post-COVID rebound. Overall, these messages point to a more attractive risk/reward, with current valuations (8x EBITDA'26) offering a compelling entry point, prompting us to upgrade to OUTPERFORM (from Neutral).

- **3Q25 results** came in below consensus by 1%/4%/19% on revenues/EBITDA/net profit, reflecting a softer contribution from France (volumes +6% in July and August), increased efforts on network optimisation (selective closure of underperforming stores, 100 YTD), and stronger ForEx headwinds. Nonetheless, after two consecutive quarters of decline, EMEA delivered QoQ recovery and returned to organic growth (1Q: -0.7%, 2Q: -2.5%, 3Q: +0.3%), mainly supported by improvements in Spain and Italy. AMERICAS showed an impressive acceleration (1Q: +2.5%, 2Q: +0.1%, 3Q: +4.3%), with US organic growth outpacing the market despite a very tough comparison base (3Q24: +12% YoY). In APAC, weaker organic trends (1Q: +0.5%, 2Q: -0.4%, 3Q: -1.9%) reflected a soft market context and a tough comparison base. EBITDA margin 19.1% (-1.1pp YoY, -0.4/0.5pp vs. our exp./cons.), hit by lower operating leverage, a softer EMEA mix, dilution from the Miracle-Ear Direct Retail push, higher marketing costs, and tougher ForEx. Net debt rose to €1.17bn (+€213mn vs. YE24, +€66mn vs. 2Q25), with very weak FCF in 9M (€28mn vs. our exp. €81mn) mainly due to higher NWC absorption (+€47mn vs. our exp).
- **Feedback from the call.** FY25 outlook. Top line +2-2.5% CER (from 3%), EBITDA margin still c.23%. France to benefit from the RAC0 reform anniversary until Apr–May '26, with volumes growth rebounding from c.6% in 3Q to high single-digit in October. The anniversary of the 2021 market rebound will boost the returning customer base in 2026, particularly in Southern Europe. US market set for gradual recovery: by channel, private outperformed insurance, which is stabilising as insurers scale back hearing benefits; managed care now <20% of US sales. Fit4Growth ahead: 100 of ~250 selective closures of non-performing shops (~4% network) completed YTD; benefits to be visible from FY26.
- **Change in estimates.** The new FY25 top line outlook (our exp.: +2.4% CER, +0.3% organic) drives a ~1% cut to adj. EBITDA and ~2% to adj. EPS.
- **OUTPERFORM (from Neutral); target €19 (from €16.5).** 3Q marked the first positive turning point in EMEA, and the coming quarters should benefit from easier comps, a major boost in returning customers from the 2021 post-Covid rebound (assuming a ~5-year HA lifetime cycle), and the first benefits of the Fit4Growth plan. Combined with a potential release of pent-up demand, these factors could gradually restore growth to historical levels. Meanwhile, the valuation looks reasonable after hitting a 10-year low and the sharp peer de-rating. We are lifting our TP from €16.5 to €19 (implying 27% upside, 9x EBITDA'26E), reflecting an average of an improved DCF valuation (€22 fair value, up from €20, 50% weight) driven by a lower risk-free rate (from 4% to 3.5%), and 2026 peers' multiples (€15 fair value unchanged, 50% weight).

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	2,260	2,409	2,418	2,500	2,595
EBITDA Adj (Eu mn)	542	566	545	580	635
Net Profit Adj (Eu mn)	215	188	167	197	237
EPS New Adj (Eu)	0.949	0.831	0.737	0.868	1.048
EPS Old Adj (Eu)	0.949	0.831	0.750	0.866	1.050
DPS (Eu)	0.290	0.291	0.214	0.269	0.337
EV/EBITDA Adj	14.1	13.6	8.2	7.7	6.9
EV/EBIT Adj	29.5	24.5	15.5	13.6	11.5
P/E Adj	15.8	18.0	20.3	17.3	14.3
Div. Yield	1.9%	1.9%	1.4%	1.8%	2.2%
Net Debt/EBITDA Adj	2.5	2.6	2.8	2.7	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 October 2025 Intermonte's Research Department covered 131 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	32.06%
OUTPERFORM:	38.17%
NEUTRAL:	29.01%
UNDERPERFORM:	00.76%
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:	51.32%
OUTPERFORM:	30.26%
NEUTRAL:	17.10%
UNDERPERFORM:	01.32%
SELL:	00.00%

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