Milan, 30 June 2025

Italian Equity Research – 2Q25 Preview

AMPLIFON

OUTPERFORM

Sector: Consumers

Price: Eu19.67 - **Target: Eu27.00**

Softer June Consumer Sentiment to Have Pressured 2Q Trends

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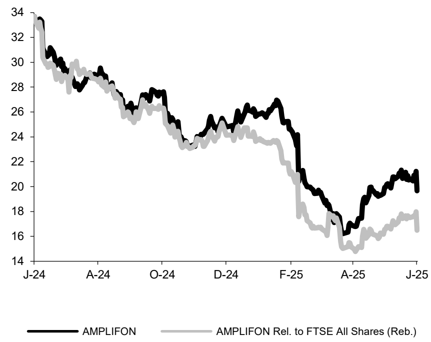
Stock Rating			
Rating:			Unchanged
Target Price (Eu):			from 29.00 to 27.00
	2025E	**2026E**	**2027E**
Chg in Adj EPS	-8.3%	-12.2%	-13.4%

Next Event
2Q25 Results 29 July 2025

AMPLIFON - 12M Performance



Stock Data			
Reuters code:			AMPF.MI
Bloomberg code:			AMP IM
Performance	**1M**	**3M**	**12M**
Absolute	-1.4%	0.6%	-41.6%
Relative	-0.3%	-1.4%	-60.9%
12M (H/L)			33.47/16.21
3M Average Volume (th):			1,699.33

Shareholder Data	
No. of Ord shares (mn):	226
Total no. of shares (mn):	226
Mkt Cap Ord (Eu mn):	4,453
Total Mkt Cap (Eu mn):	4,453
Mkt Float - Ord (Eu mn):	2,569
Mkt Float (in %):	57.7%
Main Shareholder:	
Ampliter Srl (Susan Holland)	42.0%

Balance Sheet Data	
Book Value (Eu mn):	1,242
BVPS (Eu):	5.49
P/BV:	3.6
Net Financial Position (Eu mn):	-1,533
Enterprise Value (Eu mn):	5,475

- **Highlights from pre-close call.** According to HIA, the US private market was flat in early June after strong April-May trends, with a typical quarter-end recovery expected. The softness likely reflects weaker consumer confidence and the timing of new product launches. In Europe, data is not yet available, but sentiment has deteriorated broadly, while France remains resilient on ~10% FY25 volume growth linked to the RAC-0 anniversary. APAC remains muted, particularly in China, with no data released. 2Q top line impacted by one fewer trading day (~1.5%) and the Easter shift from March to April. The revenue mix remains skewed toward Europe (~65%) vs the US (~15%), with a tough comp vs 2Q24 (+7.1% CER; Americas +16%, APAC +9%) and a ~2% FX headwind. M&A should contribute ~2% to FY25 revenue, with a €100mn normalized annual cash-out, while the exit from China's wholesale business will weigh on APAC's M&A contribution. 2Q profitability continued to reflect strategic investments in Miracle Ear (US) and China, supporting long-term positioning but temporarily pressuring margins. FY D&A is expected to grow at a slower pace than in recent years. FY net financial charges should rise slightly (vs €60mn in FY24) due to refinancing at less favorable rates. As of late June, the buyback reached 2.6mn shares for €52mn YTD.
- **Our preview on 2Q.** Revenues should be €616mn (+1.9% YoY), with organic growth of 1.4% (EMEA +1.0%, Americas +2.1%, APAC +1.9%), accelerating from +0.1% in 1Q (EMEA -0.7%, Americas +2.5%, APAC +0.5%). We assume a ~2pp FX headwind and an M&A contribution of ~2.5pp. Adj. EBITDA expected at €162mn (+0.1% YoY), with a 26.2% margin (-0.5pp YoY), including EMEA at 30.9% (-0.1pp), Americas 27.0% (-0.4pp), and APAC 24.6% (-0.2pp). Corporate costs at €18mn (3% of sales). Adj. EBIT expected at €96.4mn and adj. net profit at ~€59.9mn. Net debt should have risen to €1.05bn, 1.8x EBITDA.
- **Change in estimates.** 2Q represents a checkpoint for FY estimates, as the second-largest quarter of the year (4Q > 2Q > 1Q > 3Q). The company currently guides for mid- to high single-digit top-line growth at CER (including >2pp from M&A). We now assume low single-digit organic growth in 2Q (2%, down from 4.4% previously), implying a less demanding acceleration in 2H (3.6%) after the expected +0.7% in 1H. We do not rule out a possible narrowing of the FY guidance toward the lower end of the range—i.e., closer to mid-single-digit growth—versus the current 7% CER mid-point. We also trim FY26–27 estimates to ease top-line reacceleration, resulting in an 8–13% cut to FY25–27 adj. EPS.
- **OUTPERFORM confirmed; new target €27 (from €29).** Following our estimate revision, we lower our DCF-based TP from €29 to €27 (>35% upside) while reiterating OUTPERFORM, as we remain confident on the long-term story. After two years of ongoing volatility, we expect EMEA trends to improve in 2H, boosting sentiment ahead of the 4th anniversary of the French reform (mid-2025), which could spark a structural rebound. While major M&A is unlikely, downside risk to our estimates remains limited. At our TP, the stock would trade at 31x adj. P/E'25 (vs. 23x current), still below the 5Y average of 35x.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	2,260	2,409	2,479	2,640	2,794
EBITDA Adj (Eu mn)	542	566	589	631	672
Net Profit Adj (Eu mn)	215	188	196	221	246
EPS New Adj (Eu)	0.949	0.831	0.867	0.975	1.089
EPS Old Adj (Eu)	0.949	0.831	0.945	1.111	1.256
DPS (Eu)	0.290	0.291	0.280	0.320	0.362
EV/EBITDA Adj	14.1	13.6	9.3	8.6	8.0
EV/EBIT Adj	29.5	24.5	16.7	15.2	13.6
P/E Adj	20.7	23.7	22.7	20.2	18.1
Div. Yield	1.5%	1.5%	1.4%	1.6%	1.8%
Net Debt/EBITDA Adj	2.5	2.6	2.6	2.4	2.1

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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 S&PMIB40 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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Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.
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As of today Intermonte's distribution of stock ratings is as follows:

BUY:	32.59 %
OUTPERFORM:	37.78 %
NEUTRAL:	29.63 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

As at 31 March 2025 the distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (74 in total) is as follows:

BUY:	52.70 %
OUTPERFORM:	29.73 %
NEUTRAL:	17.57 %
UNDERPERFORM	00.00 %
SELL:	00.00 %

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