Amplifon – GN Hearing

MN-20017

Phase 1 Determination

Acquisition may be put into effect

8 September 2026

1. Determination

Notified acquisition	Amplifon S.p.A (**Amplifon**) proposes to acquire all of the issued shares in GN Hearing A/S (**GN Hearing**) (the **Acquisition**).
Determination	The Australian Competition and Consumer Commission has determined under section 51ABZE(1) of the *Competition and Consumer Act 2010* (Cth) that the Acquisition may be put into effect.
Parties to the Acquisition	The acquirer, Amplifon, is a global provider of hearing care services and a retailer of hearing aid devices and related accessories. In Australia, Amplifon operates through a retail network of more than 350 hearing care service clinics under the Amplifon brand, and other retail networks operating under the Attune, National Hearing Care and Bay Audio brands. Amplifon also provides online customer brokerage services under the EarDeals brand. The target, GN Hearing, is a global manufacturer and wholesale distributor of hearing aid devices and related accessories. In Australia, the hearing business is conducted through a local Australian subsidiary, GN Hearing Australia. The separate enterprise and gaming business of GN Hearing's corporate group does not form part of the Acquisition and will not be acquired by Amplifon.
Reasons for determination	The reasons for the ACCC's determination are set out in section 2.

2. Statement of reasons

2.1. When making a determination in Phase 1, the Australian Competition and Consumer Commission (**ACCC**) undertakes a competition assessment and considers whether it is appropriate for an acquisition to be approved or subject to further assessment in Phase 2 in accordance with section 51ABZJ of the *Competition and Consumer Act 2010* (Cth) (the **Act**). In doing so, the ACCC must have regard to the object of the Act and all relevant matters, including the interests of consumers.

2.2. For more information about the ACCC's approach to considering notified acquisitions, see the ACCC's merger assessment guidelines and interim merger process guidelines.

2.3. In conducting its competition assessment, the ACCC has considered the information and documents that were submitted with the notification form, additional information provided by the parties to the Acquisition (the **Parties**), information from third parties and publicly available information. The ACCC has also analysed confidential data from the Parties and various other sources in conducting its competition assessment.

2.4. For the reasons given below, the ACCC has determined that the Acquisition may be put into effect.

Industry background

The Hearing Services Program

2.5. The Australian Government provides hearing services, including assessments, rehabilitation and devices, to eligible Australians with hearing loss through the Hearing Services Program. The majority of hearing aids supplied in Australia are fully or partially subsidised under the Hearing Services Program.[1]

2.6. The Hearing Services Program comprises two components:

- **Voucher scheme** – for eligible consumers to access a network of retail service providers across locations Australia-wide.
- **Community Service Obligations** – additional services provided by Hearing Australia (a Commonwealth-owned entity) for people who are aged under 26 years, eligible Aboriginal and Torres Strait Islanders and people who need specialist services or live in a remote area.

2.7. The Hearing Services Program specifies a list of fully subsidised devices from approved wholesale suppliers, which are available to eligible consumers without charge. Partially subsidised devices with additional features may also be approved under the Hearing Services Program, and have a 'gap' that eligible consumers are required to pay.

2.8. Wholesale suppliers that wish to participate in the Hearing Services Program are required to enter into a Deed of Standing Offer with the Australian Government.[2] The Deed of Standing Offer also forms part of a deemed contract with retailers when hearing aids are ordered from the wholesale supplier for the purposes of the Hearing Services Program.[3] The Deed of Standing Offer, among other provisions:

- prohibits wholesale suppliers from unreasonably refusing to supply approved devices (both fully and partially subsidised) to retailers[4]
- specifies maximum prices that wholesale suppliers can charge retailers for fully subsidised devices[5]
- imposes non-price obligations on wholesale suppliers in relation to timing of supply, quality, warranty services and support services (at no additional cost), including training and product information,[6] and
- restricts the disclosure of confidential information, including by providing that information can only be shared with related bodies for the purpose of fulfilling

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[1] The Parties estimated that over 60% of hearing aids fitted in Australia in 2025 were subsidised through the Hearing Services Program. Paragraph 5.3 of the 2017 report of the parliamentary inquiry into the Hearing Health and Wellbeing of Australia referred to estimates from Professor Harvey Dillon, Director, National Acoustic Laboratories, Australian Hearing (now Hearing Australia) that approximately 80% of hearing aids sold in Australia are fully or partially subsidised under the Hearing Services Program.

[2] The current version of the Deed of Standing Offer (**2026 Deed of Standing Offer**) was published on 24 April 2026 and is available on the Department of Health, Disability and Ageing website.

[3] Clause 4.2 of the 2026 Deed of Standing Offer.

[4] Clause 4.5 of the 2026 Deed of Standing Offer.

[5] Clause 4.3 and Schedule 1 of the 2026 Deed of Standing Offer. The Hearing Services Program does not specify maximum prices that wholesale suppliers can charge retailers for partially subsidised devices; these prices are as agreed between the wholesale supplier and retailer.

[6] Part 2 of Schedule 2 of the 2026 Deed of Standing Offer.

obligations under the Deed of Standing Offer (and associated contract with the retailer). The retailer can also notify the wholesale supplier that particular information cannot be disclosed to related bodies.[7]

Key market participants

2.9. In Australia, hearing aids are mostly supplied by 5 global manufacturers: GN Hearing, Demant, Sonova, WS Audiology and Starkey. GN Hearing is a significant wholesale supplier of hearing aids under the Hearing Services Program.

2.10. Demant, Sonova and WS Audiology are all vertically integrated with retail stores. Audika, Connect Hearing and Bloom Hearing are their respective key retail businesses in Australia. Other than GN Hearing, Starkey is the only major manufacturer without a retail arm in Australia.

2.11. Amplifon is a significant retail service provider and operates over 450 hearing care service clinics under various brands.

2.12. Other than Amplifon and the vertically-integrated suppliers mentioned above, retail suppliers of hearing aids generally fall into three categories:

- **Hearing Australia** – a Commonwealth-owned entity and a significant provider of hearing aid services under the Hearing Services Program, as well as the sole provider of Commonwealth-funded hearing services under the Community Service Obligation component of the program. It operates from approximately 600 locations comprised of more than 180 permanent retail locations and additional visiting sites across Australia.
- **Optometry retailers (Specsavers, OPSM)** – Specsavers is a significant retail provider of hearing aid devices and services at 336 of its approximately 400 retail stores. OPSM has also recently commenced providing retail hearing aid device sales and services in Australia, from 7 of its approximately 400 retail stores.
- **Independent hearing care providers** – independent hearing aid retailers which are owned and run by clinical audiologists and operate from independent clinics across Australia. Independent Audiologists Australia is a representative body for more than 200 of these providers.

2.13. GN Hearing supplies hearing aids and accessories to Amplifon as well as other retail distributors, public health organisations (for example, Hearing Australia under the Hearing Services Program), and independent audiology clinics. The vertically integrated wholesalers (Demant, Sonova and WS Audiology) also supply non-vertically integrated clinics, in addition to their own retail clinics.

2.14. Based on information provided by the Parties and third parties, the ACCC understands that the supply chain for hearing aids and accessories in Australia has undergone significant structural change over time, including increased vertical integration and consolidation.

[7] Part 3 of Schedule 2 of the 2026 Deed of Standing Offer.

Relationship between the Parties

2.15. Amplifon and GN Hearing have an existing vertical relationship, as GN Hearing manufactures and supplies hearing aids and accessories as inputs to Amplifon's retailing business.

2.16. GN Hearing is currently a very significant wholesaler of hearing aids to Amplifon in Australia, and Amplifon represents a major Australian retail distribution channel for GN Hearing.

Competition assessment

2.17. The ACCC has considered the effects of the Acquisition by comparing the likely future state of competition if the Acquisition proceeds against the continuation of the current state of competition (being the likely future state of competition if the Acquisition does not proceed and GN Hearing remains a non-vertically integrated manufacturer/wholesaler).

2.18. The ACCC considered the competitive effects of the Acquisition in Australia in relation to both the wholesale and retail supply of hearing aids and accessories.

2.19. The ACCC has considered whether the Acquisition is likely to substantially lessen competition by providing the merged firm with:

- the ability and incentive to foreclose Amplifon's rivals in the retail supply of hearing aids and accessories by withholding access to GN Hearing products, or supplying those products to Amplifon's rivals on worse price or non-price terms
- the ability and incentive to foreclose GN Hearing's rivals in the wholesale supply of hearing aids and accessories by fully or partly restricting their access to retail distribution via Amplifon's retail stores, or only distributing competing hearing aids and accessories through Amplifon's clinics on worse terms
- access to competitively significant information it would not have access to absent the Acquisition, and which allows the merged firm to identify its retail rivals' prices, costs or commercial strategies.

Vertical effects – foreclosure of rival clinics in the retail supply of hearing aids and related accessories

2.20. The ACCC considers that the Acquisition is unlikely to result in the merged firm having the ability and incentive to foreclose Amplifon's retail rivals' access to hearing aids and accessories.

2.21. Based on information and data from the Parties and third parties, and publicly available information, the ACCC considers that the merged firm is unlikely to have the ability to foreclose retail rivals post-Acquisition for the following reasons:

- Any foreclosure strategy would primarily affect non-vertically integrated retailers as vertically integrated retailers have a guaranteed source of supply of hearing aids and accessories through their upstream manufacturing/wholesale arm.
- Although GN Hearing is a large supplier of hearing aids in Australia, GN Hearing's products do not appear to be an especially important input for hearing aid retailers to effectively compete. Specifically, information from some third parties

indicates that GN Hearing's products do not have any characteristics that make them superior to products offered by rival manufacturers/wholesalers.

- There are several alternative wholesale suppliers available (including Starkey, Demant, Sonova, and WS Audiology) that retailers could switch their input purchases to. While three of these wholesalers are vertically integrated, non-vertically integrated retailers currently acquire a material proportion of their volumes from these wholesalers. Vertically integrated wholesalers will likely have an incentive to continue supplying third-party retailers.
- The Hearing Services Program imposes obligations on wholesale suppliers (detailed at paragraph 2.8 above) that, while subject to circumvention risk, would mean that they are obliged to continue supplying third-party retailers certain quantities of hearing aids on the basis of set price and non-price terms.

2.22. The ACCC has also considered whether the merged firm would be likely to have an incentive to engage in a foreclosure strategy. In coming to a view, the ACCC has had regard to financial information provided by the Parties, shares of supply in the wholesale and retail supply of hearing aids and accessories, and information from third parties about the pricing strategies of competing retailers.

2.23. The ACCC considers that the merged firm's incentives to foreclose Amplifon's rivals would likely be weak. This view is informed by the presence of alternative retail networks (including those which are vertically integrated with a wholesaler) and the possible reduction in GN Hearing volumes if the merged firm engaged in a foreclosure strategy.

2.24. Therefore, the ACCC considers that the merged firm would be unlikely to have the ability to foreclose Amplifon's rivals in the retail supply of hearing aids and accessories. In the event that the merged firm did have some limited ability, any incentive would likely be weak.

2.25. In coming to these views, the ACCC has had regard to feedback received from some third parties expressing concerns about less favourable supply terms from GN Hearing for non-vertically integrated retailers post-Acquisition. In connection with these concerns, some third parties also submitted that:

- GN Hearing is an important wholesale supplier for non-vertically integrated retailers as it is the largest remaining non-vertically integrated manufacturer. Non-vertically integrated retailers may prefer to deal with GN Hearing due to concerns about sharing competitively significant information with vertically integrated manufacturers
- GN Hearing's relationship with Cochlear through the Smart Hearing Alliance allows it to supply a unique bimodal solution, whereby a consumer can simultaneously use a Cochlear implant and GN Hearing hearing aid
- there may be challenges with switching hearing aid manufacturers, including becoming familiar with new fitting software, training, clinical workflows, accessories and support arrangements, and the need for ongoing support from previous suppliers, including for repairs, components and firmware.

2.26. Ultimately, having regard to the material before the ACCC as a whole, including the extent of existing supply volumes between vertically integrated manufacturers and competing retailers, there was insufficient evidence to indicate that GN Hearing supplies an especially important input for retailers to compete. Also, while there may

be challenges when switching to a new hearing aid manufacturer, information available to the ACCC indicates that the vast majority of retailers supply hearing aids from multiple brands, suggesting that retailers are able to switch. Concerns regarding Amplifon's access to competitively significant information are considered at paragraphs 2.33–2.35 below.

2.27. Given the ACCC's views regarding the merged firm's ability and incentive to foreclose retail rivals at paragraph 2.24 above, the ACCC did not consider it necessary to assess whether any such foreclosure would be likely to have the effect of substantially lessening competition in the retail supply of hearing aids and accessories.

Vertical effects – foreclosure of rival manufacturers in the wholesale supply of hearing aids and related accessories

2.28. The ACCC considers that the Acquisition is unlikely to result in the merged firm having the ability to foreclose GN Hearing's rivals' access to retail distribution.

2.29. Based on information and data from the Parties and third parties, and publicly available information, the ACCC considers that the merged firm would be unlikely to have the ability to foreclose rival wholesale suppliers of hearing aids and accessories post-Acquisition for the following reasons:

- GN Hearing's closest rivals are vertically integrated and will continue to have access to their vertically integrated retail distribution channels post-Acquisition.
- Amplifon is not a critical distribution channel for other wholesalers. Some third parties indicated that they have previously been able to, and in the future could, switch to alternative distribution channels. This supports the view that, in the event that the merged firm attempted to foreclose rival wholesalers, these rivals could pursue alternative distribution channels.

2.30. In coming to these views, the ACCC has had regard to feedback received from some third parties that the Acquisition may reduce consumer choice in geographic regions with limited alternatives to Amplifon, which currently carries a number of hearing aid brands.

2.31. However, having regard to the material before the ACCC as a whole, the ACCC considers that there is insufficient evidence to support these concerns. GN Hearing is already a very significant wholesale supplier to Amplifon. Additionally, while the ACCC has not come to a view on the geographic scope of competition in the retail supply of hearing aids and accessories, multiple alternative retailers are typically present in the areas where Amplifon operates. Further, vertically integrated retailers may be able to expand into relevant geographic areas where it loses sales volumes through Amplifon.

2.32. Given the ACCC's view regarding the merged firm's ability to foreclose retail rivals at paragraph 2.29 above, the ACCC did not consider it necessary to assess the merged firm's incentive to foreclose and whether any such foreclosure would be likely to have the effect of substantially lessening competition in the wholesale supply of hearing aids and accessories.

Vertical effects – reduced competition arising from access to and use of competitively significant information about rival retailers

2.33. The ACCC considered the potential effect of Amplifon's access to competitively significant information post-Acquisition following concerns raised by some third parties (see paragraph 2.25 above).

2.34. Based on the information provided by those third parties, the ACCC understands that post-Acquisition, Amplifon could have access to information regarding its rival retailers to which it does not currently have access.

2.35. Based on information and data from the Parties and third parties, and publicly available information, the ACCC considers that Amplifon's access to such information is unlikely to undermine the ability or incentive of rival retailers to compete effectively for the following reasons:

- The information identified by third parties as potentially raising concerns, such as purchasing volumes, product mix and repair activity, is unlikely to be sufficient to undermine retailers' ability and incentive to compete effectively in the retail supply of hearing aids and accessories.
- Non-vertically integrated retailers, which have collectively comprised a material share of supply in the retail market over the last several years, currently acquire a material proportion of their hearing aids and accessories from vertically integrated wholesalers and this does not appear to undermine their ability or incentives to compete effectively.
- The Hearing Services Program imposes obligations on wholesale suppliers (detailed at paragraph 2.8 above) that, while subject to circumvention risk, would restrict GN Hearing's ability to share confidential information of retailers with Amplifon, and allow a retailer to specifically notify GN Hearing that particular information cannot be disclosed to related bodies.
- There would remain at least one alternative non-vertically integrated manufacturer for retailers to acquire hearing aids from.

3. Applications for review

3.1. A notifying party, or other person who has been allowed to do so by the Australian Competition Tribunal, may apply for review if they are dissatisfied with the determination. Pursuant to section 100C of the Act, applications for review of the determination are to be made to the Australian Competition Tribunal before the end of 14 calendar days after this statement of reasons was included on the ACCC's Acquisitions Register. To confirm whether there has been any application for review, please contact the Australian Competition Tribunal.

Determination made by a division of the Commission constituted by a direction issued pursuant to section 19 of the Act