



The Wellness Company

The Technogym Board of Directors approved the consolidated revenues of the first three months of 2018

# **Technogym continues to grow**

*First quarter sales are up in all main geographic areas*

- **Consolidated revenues stands at Euro 124.7 million, up by 6.1% Y/Y in the first three months of 2018 compared with Euro 117.5 million in the same period of last year.**
- **At constant exchange rates, the Technogym group reported a 12% Y/Y growth in the reference period.**
- **The company continues to outpace market growth in all the main geographic areas**



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**Cesena (Italy), May 15th, 2018** – The Board of Directors of Technogym (MTA: TGYM), a globally leading company operating in the fitness equipment area and active in the broader wellness sector, has reviewed today the consolidated revenues of the first three months of 2018.

**Nerio Alessandri, Chairman and CEO, commented:**

*“After the important sales result of approximately 600 million Euro registered in 2017, Technogym continues to grow in the first quarter of 2018 and to gain market shares in all main geographic areas. Product and digital ecosystem innovation remains the company’s strategic priority both in the sport performance sector, in which thanks to SKILL LINE Technogym has defined a new product category, and in the design and lifestyle sector with ARTIS and PERSONAL lines.*

*In the first quarter of 2018 we have launched SKILLRUN, the innovative treadmill specifically designed for athletic training and completely integrated in our digital ecosystem.*

*Beside product innovations, Technogym continues to innovate also on processes, in order to realize the new Technogym 4.0, based on IoT connected equipment, on the Mywellness cloud platform, on the CRM system and on the new SAP IT system, a challenging strategic project - that Technogym has been activating at global level in the last week - to allow the company to face future challenges”.*



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## **Revenue trend at March 31st, 2018**

Consolidated revenues have been prepared in compliance with the International Reporting Standards issued by the International Accounting Standards Board. First quarter 2017 revenues have been adjusted, due to the IFRS 15 implementation starting from January 1<sup>st</sup> 2018.

After the sales growth reported in 2017, Technogym continues to grow in the first quarter of 2018 and registers a consolidated sales growth of 6.1% compared to the same period of last year. The growth equals 12% at constant exchange rates.

Following is a short analysis of revenues broken down by:

- distribution channels;
- geographic areas;

### ***Revenue by distribution channels***

<i>(In thousands of Euro and percentage of total revenues)</i>	<b>Data at March 31st</b>			
	<b>2018</b>	<b>2017</b>	<b>2018 vs 2017</b>	<b>%</b>
<i>Field sales</i>	86.391	80.112	6.279	7,8%
<i>Wholesale</i>	27.465	25.827	1.638	6,3%
<i>Inside sales</i>	9.053	10.221	-1.168	-11,4%
<i>Retail</i>	1.791	1.339	452	33,7%
<b>Total Revenues</b>	<b>124.700</b>	<b>117.500</b>	<b>7.200</b>	<b>6,1%</b>

Field Sales and Wholesales continue to be the main distribution channels. Retail, which has only a marginal weight in the business model of the Company, retains, for now, a show-room role in support of the other main sales channels.



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## Revenues by geographic areas

<i>(In thousands of Euro and percentage of total revenues)</i>	Data at March 31st			
	2018	2017	2018 vs 2017	%
Europe (Without Italy)	64.494	62.685	1.810	2,9%
MEIA	9.016	9.496	-480	-5,1%
APAC	20.596	19.214	1.382	7,2%
Italy	11.340	10.606	734	6,9%
North America	14.188	12.446	1.742	14,0%
LATAM	5.003	3.125	1.878	60,1%
<b>Total Revenues</b>	<b>124.700</b>	<b>117.500</b>	<b>7.200</b>	<b>6,1%</b>

In the first quarter of 2018, in line with the trend of recent years, over 90% of the total revenues of the Group was generated outside of Italy and approximately 40% outside of Europe.

Revenues showed growth in all main geographic areas. In particular, after the double digit growth of 2017 also in the first three months of this year, North America reported a strong performance (+14%). A significant growth was also recorded for APAC (+7.2%) and also the European core market grows over 3%.

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Today's Board of Directors, following the appointment of the new Board of Directors by May 8<sup>th</sup> 2018 Shareholders' Meeting, appointed corporate offices and assigned operating powers to its members.

The BoD appointed, for the entire duration of his mandate and therefore until the approval of the financial statements as of December 31, 2021, the Chairman Mr. Nerio Alessandri to the office of Chief Executive Officer of the Company and Mr. Pierluigi Alessandri to the office of Vice Chairman, conferring to both, as well as to the Director Mr. Carlo Capelli, the operating powers. The Director Mr. Carlo Capelli has also been appointed as director in charge of the internal control and risk management system called to perform the functions listed by article 7.C.4 of the Self Regulatory Code approved by Borsa Italiana S.p.A..

The Board of Directors also assessed, according to article 3.P.2. of the mentioned Self Regulatory Code, the existence of the independence requisites established by TUF and by the Self Regulatory Code of the following Directors: Ms. Maria Cecilia La Manna, Ms. Francesca Bellettini, Mr. Vincenzo Giannelli, Ms. Chiara Dorigotti and Mr. Andrea Giuseppe Zocchi. According to article 2.C.3 of the Corporate Governance Code, the Board appointed Ms. Maria Cecilia La Manna as the lead



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independent director called to perform the functions referred to in application to article 2.C.4 of the Self-Regulatory Code.

Lastly, the Board of Directors appointed the members of the Control and Risk Committee, the Nomination and Remuneration Committee and the Committee for Transactions with Related Parties as follows.

The Control and Risk Committee is composed by Ms. Maria Cecilia La Manna (Chairman), Mr. Maurizio Cereda (Vice Chairman) and Ms. Chiara Dorigotti.

The Nomination and Remuneration Committee is composed by Mr. Vincenzo Giannelli (Chairman), Mr. Riccardo Pinza (Vice Chairman) and Mr. Andrea Giuseppe Zocchi.

The Related Parties Transaction Committee is composed by Ms. Maria Cecilia La Manna (Chairman), Ms. Chiara Dorigotti (Vice Chairman) and Mr. Andrea Giuseppe Zocchi.

Finally, the BoD appointed the members of the new Supervisory Body established pursuant to Italian Legislative Decree nr. 231/2001 up to the date of approval of the Company's financial statements as at December 31, 2020 in the persons of Andrea Ciani (Chairman), Mr. Emanuele Scorsonetto, Mr. Giuliano Boccanegra.

*The Manager responsible for preparing the company's financial reports, Stefano Zanelli, declares that, pursuant to paragraph 2 article 154-bis of the Consolidated Law on Finance (TUF), the accounting data contained in this press release reflects the Company's accounts, books and records.*



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## Media Relations Contacts

Technogym Media Relations Director – Enrico Manaresi  
[emanaresi@technogym.com](mailto:emanaresi@technogym.com) - +393403949108

Technogym Investor Relator  
[investor\\_relations@technogym.com](mailto:investor_relations@technogym.com) - +390547650111

Tancredi Group  
Giovanni Sanfelice - +442078877632  
Nicholas Lamptey  
[giovanni@tancredigroup.com](mailto:giovanni@tancredigroup.com)

## Notes to the Press Release

### Technogym

Established in 1983, Technogym is a world leader in the supply of products, services and digital solutions for fitness and wellness. The Company has approximately 2,000 employees in its 14 branches in Europe, United States, Asia, Middle East, Australia and South America, and exports around 90% of its products to more than 100 countries. Technogym S.p.A. has been the official supplier of the last seven editions of the Olympic Games: Sydney 2000, Athens 2004, Turin 2006, Beijing 2008, London 2012, Rio 2016 and PyeongChang 2018.

### Safe Harbor Statement

Some statements in this Press Release could represent forward looking statements as defined by the Private Securities Litigation Reform Act of 1995. These statements concern risks, uncertainties and other factors which may lead to significant differences between the forecast and the actual results. These risks and uncertainties include, but are not limited to, the ability to manage the effects of the current uncertain international economic and financial outlook, the ability to acquire new activities and incorporate them effectively, the ability to predict future economic trends and changes in consumer preferences, the ability to successfully introduce and market new products, the ability to maintain an efficient distribution system, the ability to achieve and manage growth, the ability to negotiate and retain favorable license agreements and to deal effectively with currency fluctuations and changes in local market conditions, the ability to protect intellectual properties, to resolve issues with the information system, with risks associated with inventory, credit and insurance, with changes in the taxation system, as well as other political, economic, legal and technological factors and other risks and uncertainties already highlighted in our filings with the National Commission for Listed Companies and the Stock Exchange. These forward looking statements were released as of today and we disclaim any obligation to update them.