



# Technogym Financial Results H1 2023

Cesena, August 2nd 2023



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*William Marabini, the Manager in charge of preparing the corporate accounting documents, declares that, pursuant to art. 154-bis, paragraph 2, of the Legislative Decree no. 58 of February 24, 1998, the accounting information contained herein correspond to document results, books and accounting records.*

*Some figures related to previous periods were reclassified for a better representation of balance sheet and the profit and loss statements.*



# Market sizing & evolution

# TECHNOGYM overall potential market account for 4.4 trillion USD

**WELLNESS ECONOMY: ~4.400 B\$** (*Health, prevention, nutrition, weight loss...*)

**PHYSICAL ACTIVITY: ~738 B\$**

**FITNESS EQUIPMENT MARKET: ~14 B\$**

**COMMERCIAL MARKET ~7B\$**

**HOME MARKET ~7B\$**

Club

Hospitality &  
Residential

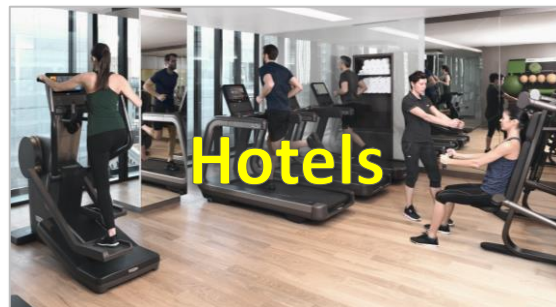
Health

Corporate

Private users

# Fast recovery across the B2B market space

## B2B Segments



**Hotels** showed a growth acceleration driven by investments from big hotel chains

**Wellness Real Estate / Residences** continued to benefit from the growth in residential (especially in the US) and in leisure clubs



**Corporates** are investing in Wellness programs to attract and retain employees

**Health & anti-aging** is growing after COVID especially in Europe but with good perspectives from US and APAC

**Club** sector is still benefitting from higher consumer and investors confidence. New players are entering markets together with big chains development plan on track, all combined by a high focus on digital offer.



# Home remaining on the growth path

## B2C Segment

General demand for at-home training solutions normalized after the pandemic but it still very high for high-end solutions (e.g. entire home gym).

Gradual international expansion is still the key to penetrate new customers leveraging the **Technogym unique Luxury & Prestige positioning** with a focus on US, UK, Japan and Emirates.



**At-Home**



# Financial Results H1 2023

# Double digit growth of all figures

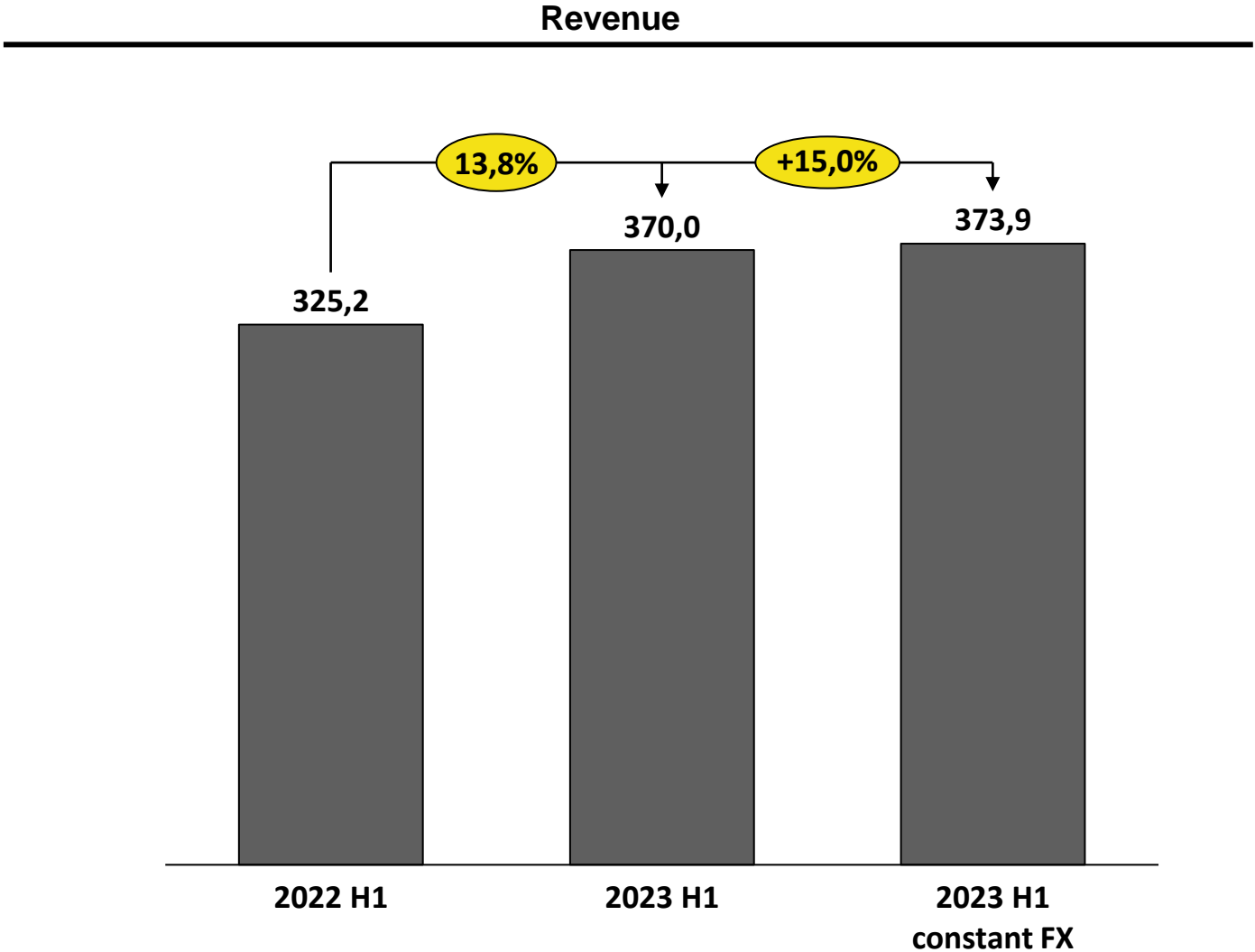
€ millions

	H1 - 2023	H1 - 2022	H1 - 2023 vs H1 - 2022
Revenue (€m)	370.0	325.2	+13.8%
EBITDA ADJ (€m) Margin (%)	59.4 16.1%	51.8 15.9%	+14.6%
EBIT ADJ (€m) Margin (%)	35.1 9.5%	30.3 9.3%	+15.7%
Net Profit ADJ (€m) Margin (%)	28.1 7.6%	25.0 7.7%	+12.6%
Net Financial Position (€m)	72.2	46.4	+25.8
Free Cash Flow (€m)	6.5	-8.2	+14.7



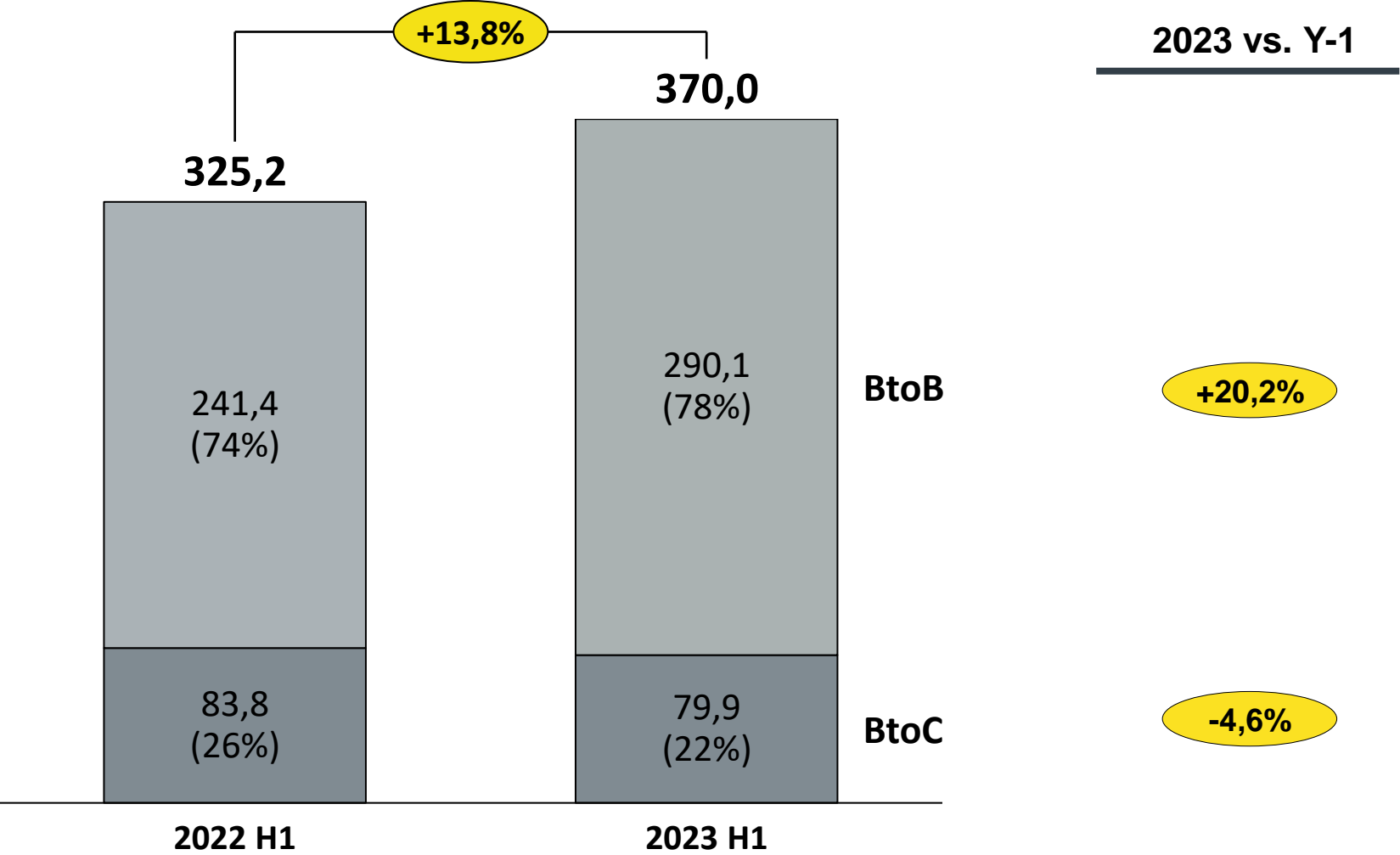
# Revenue growth at constant F/X 15,0% YoY

€ millions



# Strong growth in B2B coupled with B2C growth in Q2

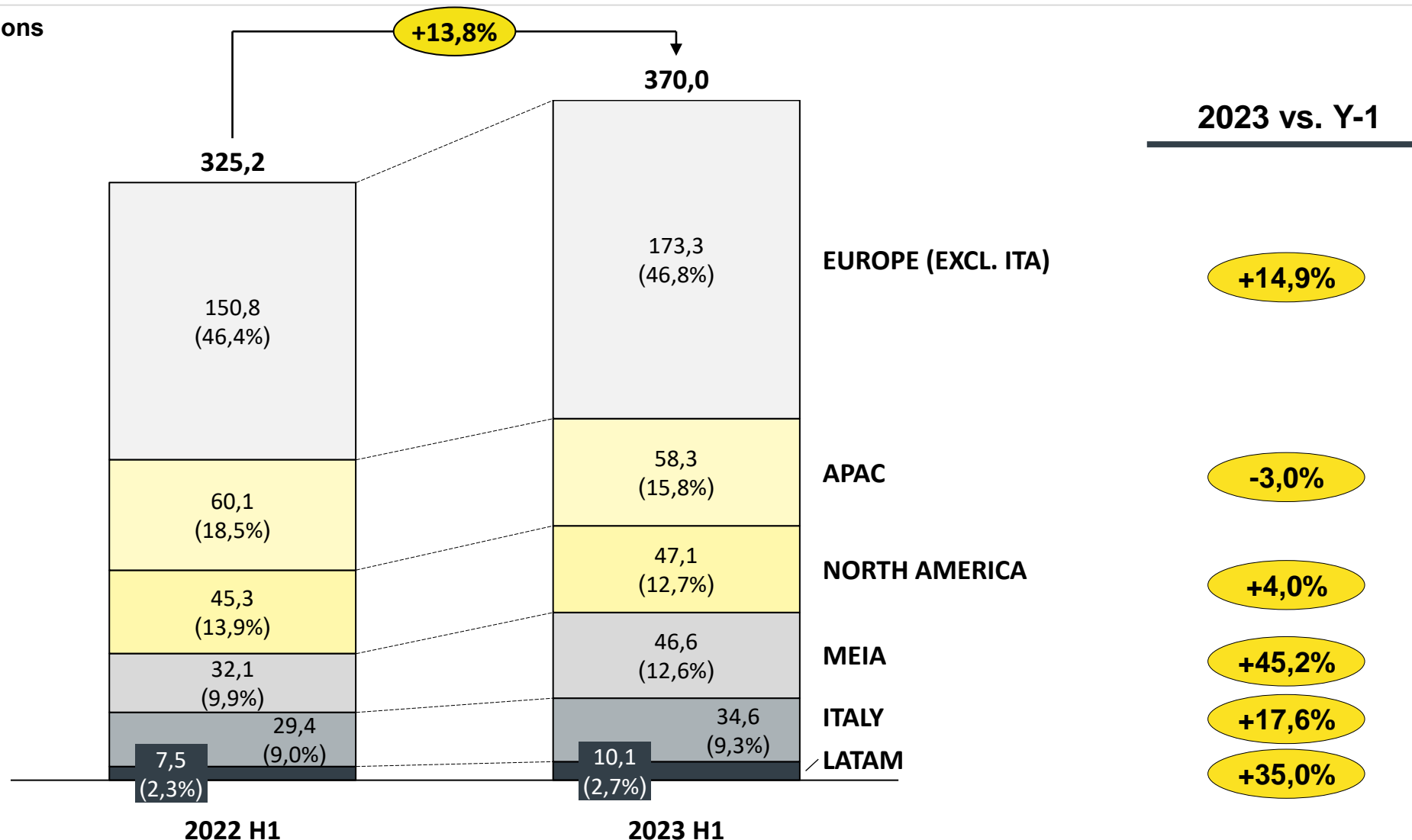
€ millions





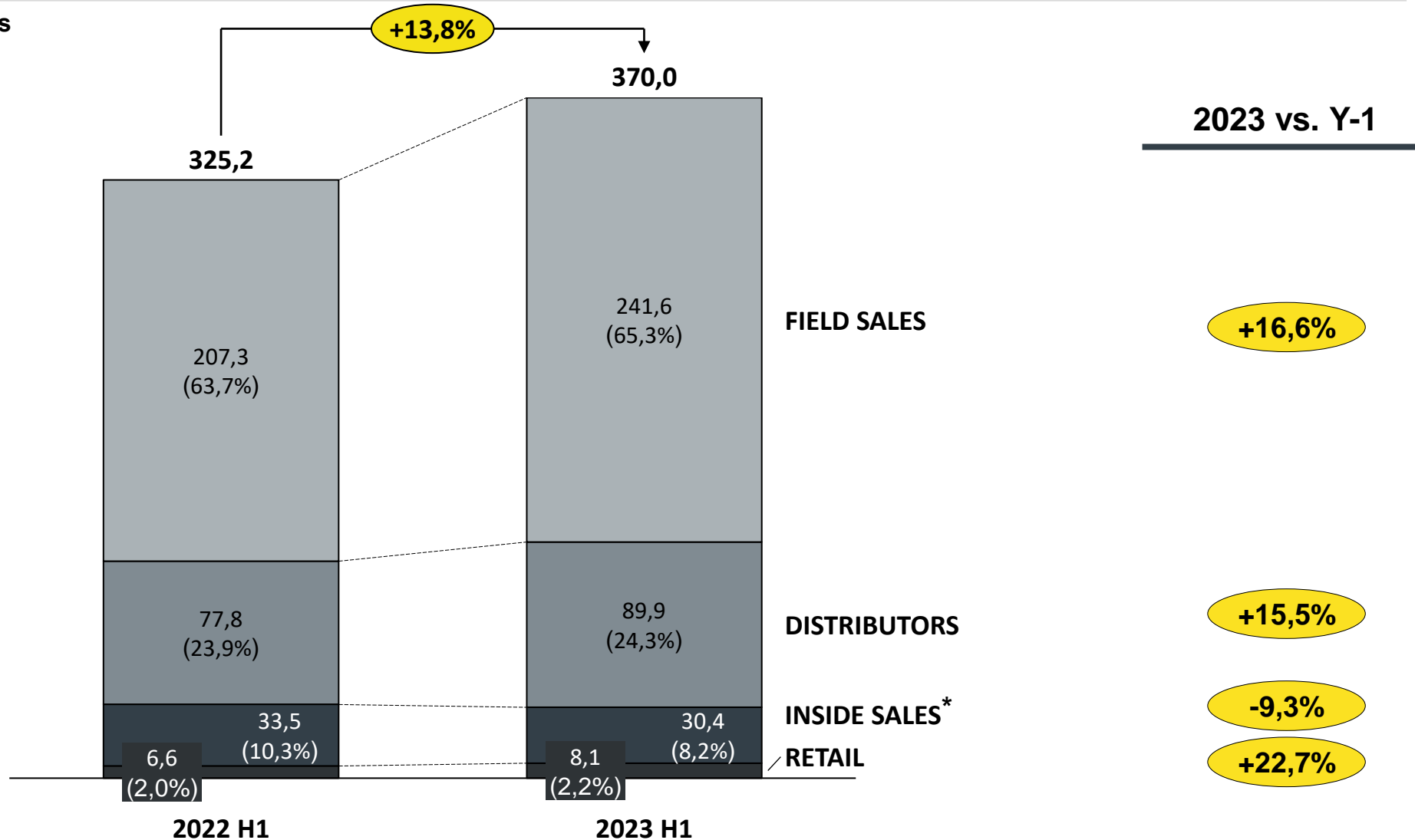
# Strong growth continue in MEIA and in the European area

€ millions



# Strong growth in Field Sales, Distributors and Retail

€ millions



\* Includes E-Commerce and Teleselling channels



# Statutory Profit & Loss H1 2023

(€m)	Jun 2022		Jun 2023		Delta	Jun 2023 vs Jun 2022 Δ %
<b>Total revenue</b>	<b>325,2</b>	<b>% on sales</b>	<b>370,0</b>	<b>% on sales</b>	<b>44,8</b>	<b>13,8%</b>
Cost of raw, ancillary and consumable materials and goods for resale <i>of which (cost) not recurrent</i>	(108,2) (0,0)	(33,3%)	(121,3) (0,0)	(32,8%)	(13,1) 0,0	12,1%
Service, Rentals and leases <i>of which (cost) not recurrent</i>	(93,2) (0,1)	(28,7%)	(105,0) (0,7)	(28,4%)	(11,8) (0,6)	12,7%
Personnel cost <i>of which (cost) not recurrent</i>	(70,3) (0,8)	(21,6%)	(81,9) (0,5)	(22,1%)	(11,6) 0,2	16,5%
Depreciations, amortisations and write-downs <i>of which (cost) not recurrent</i>	(18,8) (0,0)	(5,8%)	(22,5) (0,0)	(6,1%)	(3,7) (0,0)	19,7%
Provision for risk and charges <i>of which (cost) not recurrent</i>	(3,3) (0,6)	(1,0%)	(3,7) (1,9)	(1,0%)	(0,4) (1,3)	12,5%
Other operations cost <i>of which (cost) not recurrent</i>	(3,1) (0,0)	(0,9%)	(3,6) (0,1)	(1,0%)	(0,5) (0,0)	16,1%
Share of result joint venture and impairment <i>of which (cost) not recurrent</i>	0,4 0,0	0,1%	4,4 4,5	1,2%	4,0 4,5	<i>h.v.</i>
<b>Net operating income</b>	<b>28,8</b>	<b>8,8%</b>	<b>36,4</b>	<b>9,8%</b>	<b>7,6</b>	<b>26,5%</b>
Financial income and (expenses) and from investments	2,3	0,7%	1,5	0,4%	(0,8)	(35,0%)
<b>Profit (loss) before tax</b>	<b>31,0</b>	<b>9,5%</b>	<b>37,8</b>	<b>10,2%</b>	<b>6,8</b>	<b>22,0%</b>
Taxes <i>of which (cost) not recurrent</i>	(7,5) 0,0	(2,3%)	(8,2) (1,0)	(2,2%)	(0,7) (1,0)	9,7%
<b>Profit (loss)</b>	<b>23,5</b>	<b>7,2%</b>	<b>29,6</b>	<b>8,0%</b>	<b>6,1</b>	<b>25,9%</b>
Profit (loss) for the year of minority interests	(0,1)	(0,0%)	(1,2)	(0,3%)	(1,1)	<i>h.v.</i>
<b>Profit (loss) attributable to owners of the parent</b>	<b>23,5</b>	<b>7,2%</b>	<b>28,5</b>	<b>7,7%</b>	<b>5,0</b>	<b>21,4%</b>

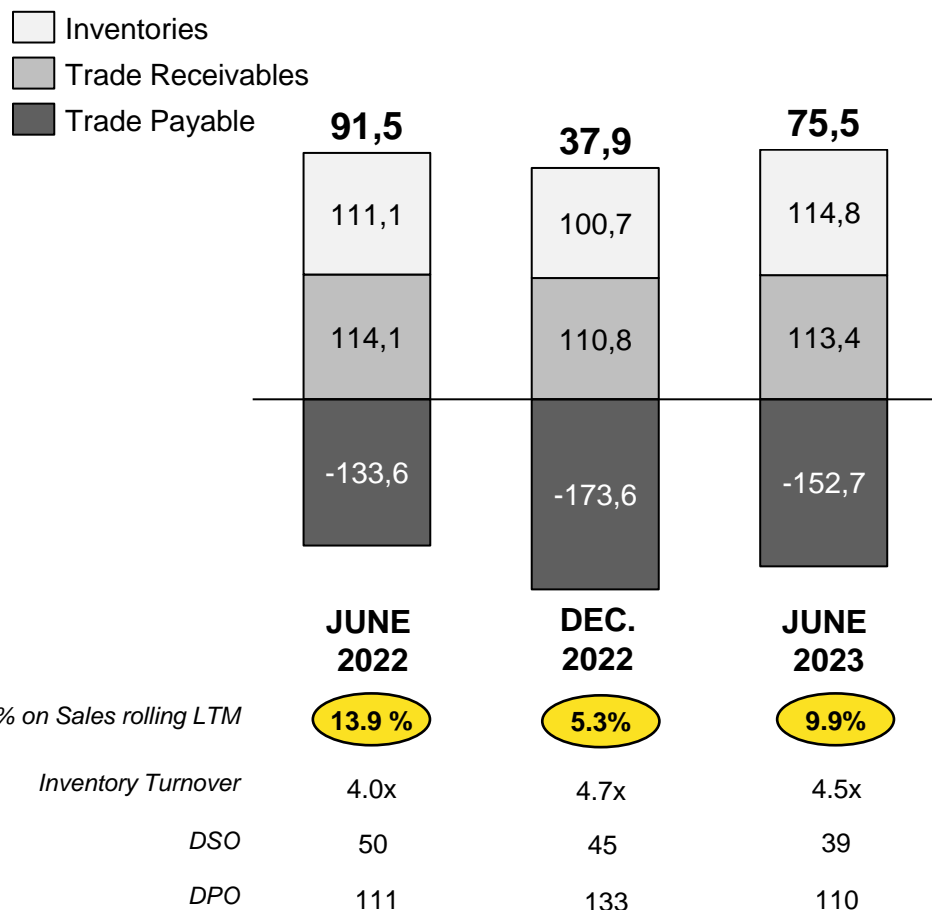
## Comments

- Revenue grew 13.8% to 370m€ (15.0% at constant F/X), mainly driven by volumes growth, product mix and 2022 price hikes contribution.
- Among Opex DWI (delivery, warehousing, installation) costs are still affected by inflation carryover from previous years.
- Personnel costs growing due to carryover and new competencies hiring.
- Amortization path is driven by continuous investments in digital transformation.
- JV result impacted by TG Emirates investment evaluation (+4.5m€)
- EBITDA adjusted at 16.1% vs 15.9% in 2022.

# Trade Working Capital

€ millions

## Trade Working Capital evolution



## Comments

### Inventories

- Increase of 14.2 m€ compared to Dec '22 driven by stock reserve after the decrease due to year-end sales

### Trade receivables

- Increase of 2.6 m€ vs Dec '22, due to the higher sales volumes in Q2 '23
- Improving collection timing with June DSO decreasing by 6 days compared to Dec '22

### Trade payables

- Decrease of 20.9 m€ vs Dec '22 due to the seasonal payment of purchases finalized in last month of 2022

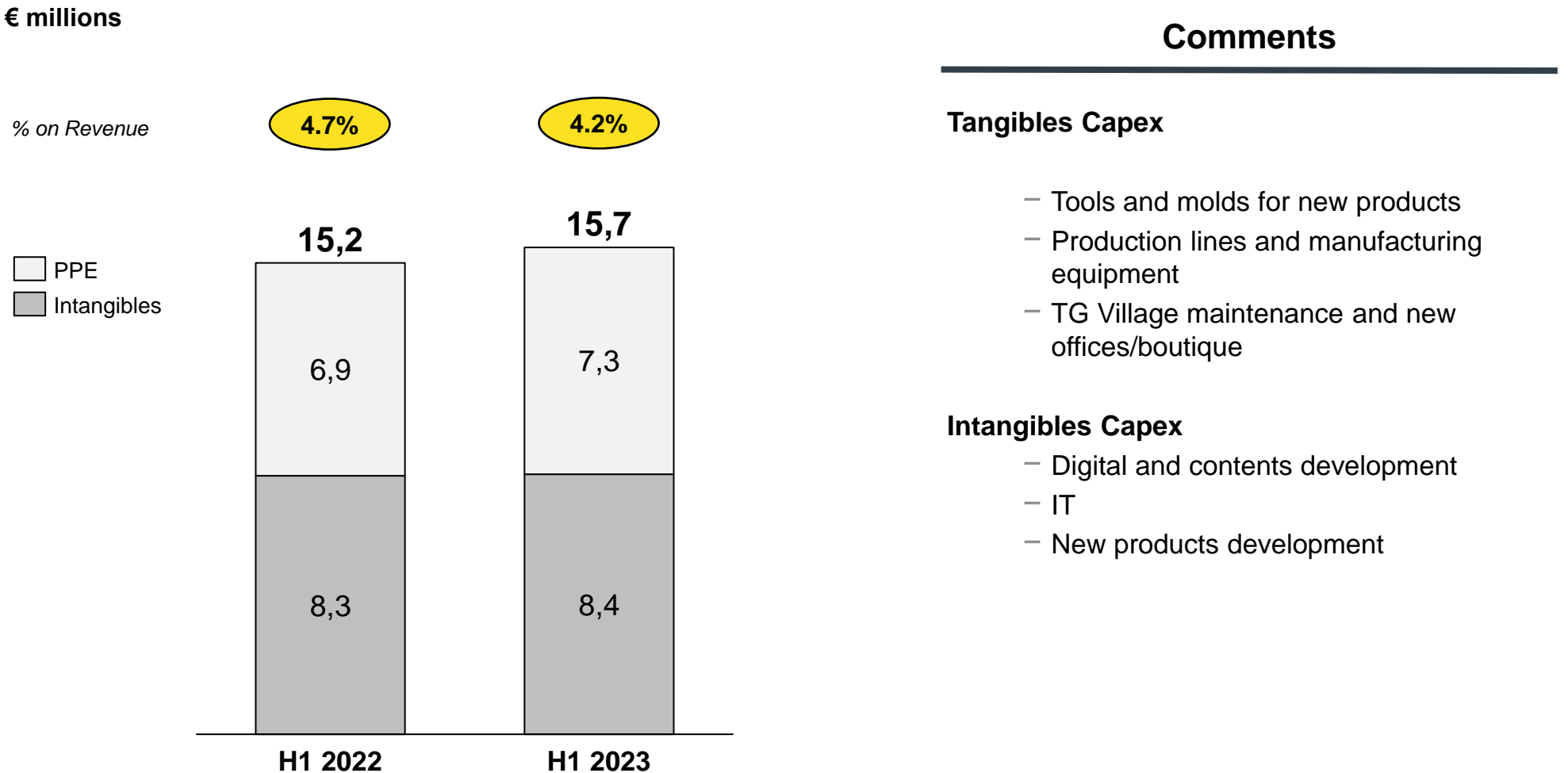
IT: Calculated as the ratio of Turnover for products, spare parts, hardware and software / Inventory w/o deval.

DSO: Calculated as Account receivables net of VAT (~ 11%) / Total turnover

DPO: Calculated as Trade payables net of VAT (~ 7%) / (Total costs for raw materials, semi-finished products and services)

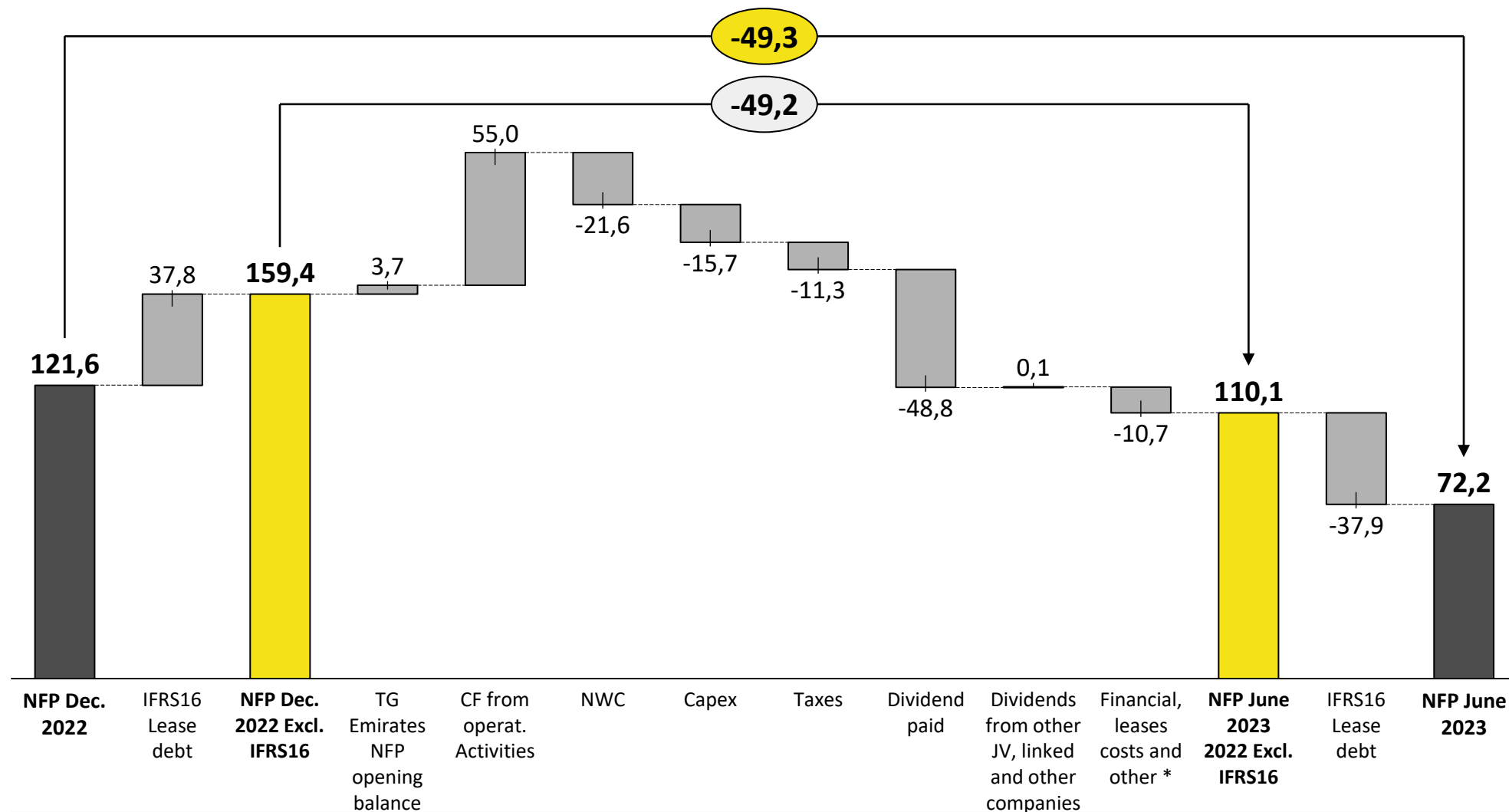


# Capex at 4.2% on revenue: investing in Digital and IT



# Net Financial Position at 72.2 m€

€ millions

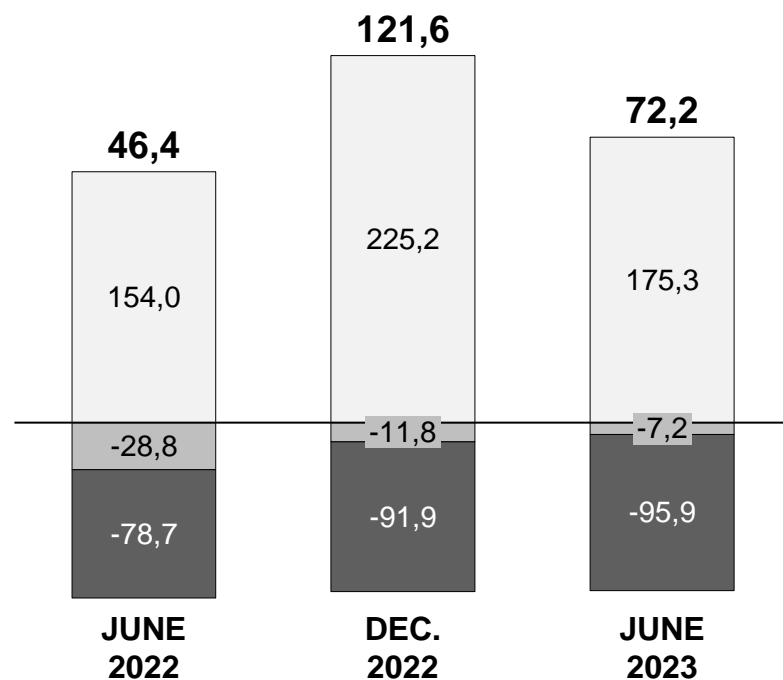


\* Payment rental IFRS16 -3,7 m€ ; Lease DLL -4.2 m€;  
Impact of converting liquidity in currency and others -2.8€

# Net Financial Position

€ millions

## Net Financial Position



- Cash and cash equivalent and deposits
- Bank debt
- Other financial debt

## Comments

**Cash, cash equivalent and deposit** at 175 m€ vs 225 m€ as of Dec.'22

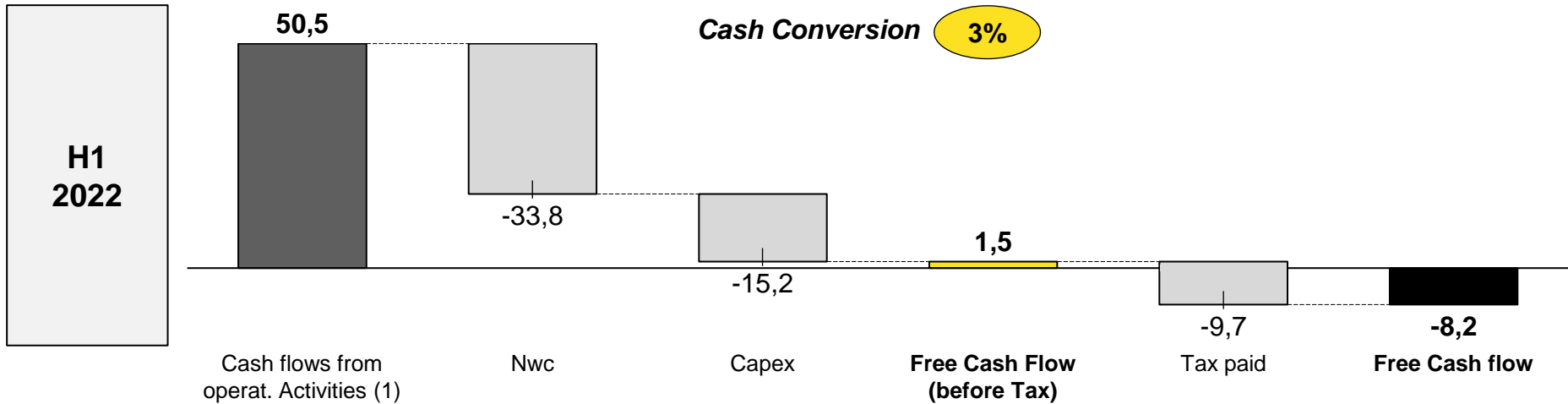
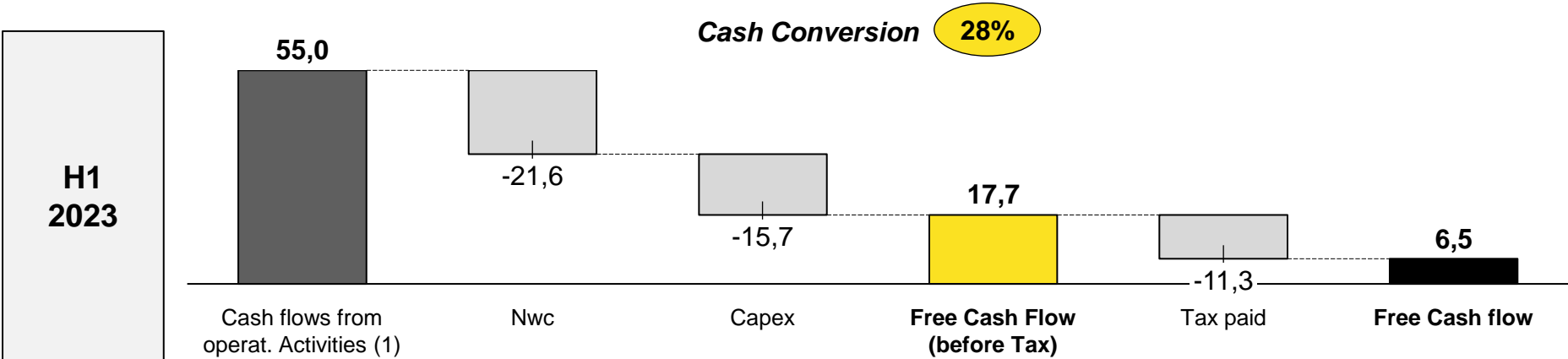
**Bank debt** at 7.2 €, 4.6 m€ decrease vs Dec.'22

**Other financial debts** at 96 m€ of which:

- Leasing at 58.3 m€ vs 54.1 m€ as of Dec.'22
- IFRS 16 impact at 38 €m, 37.8 at Dec.'22

# Free cash flow

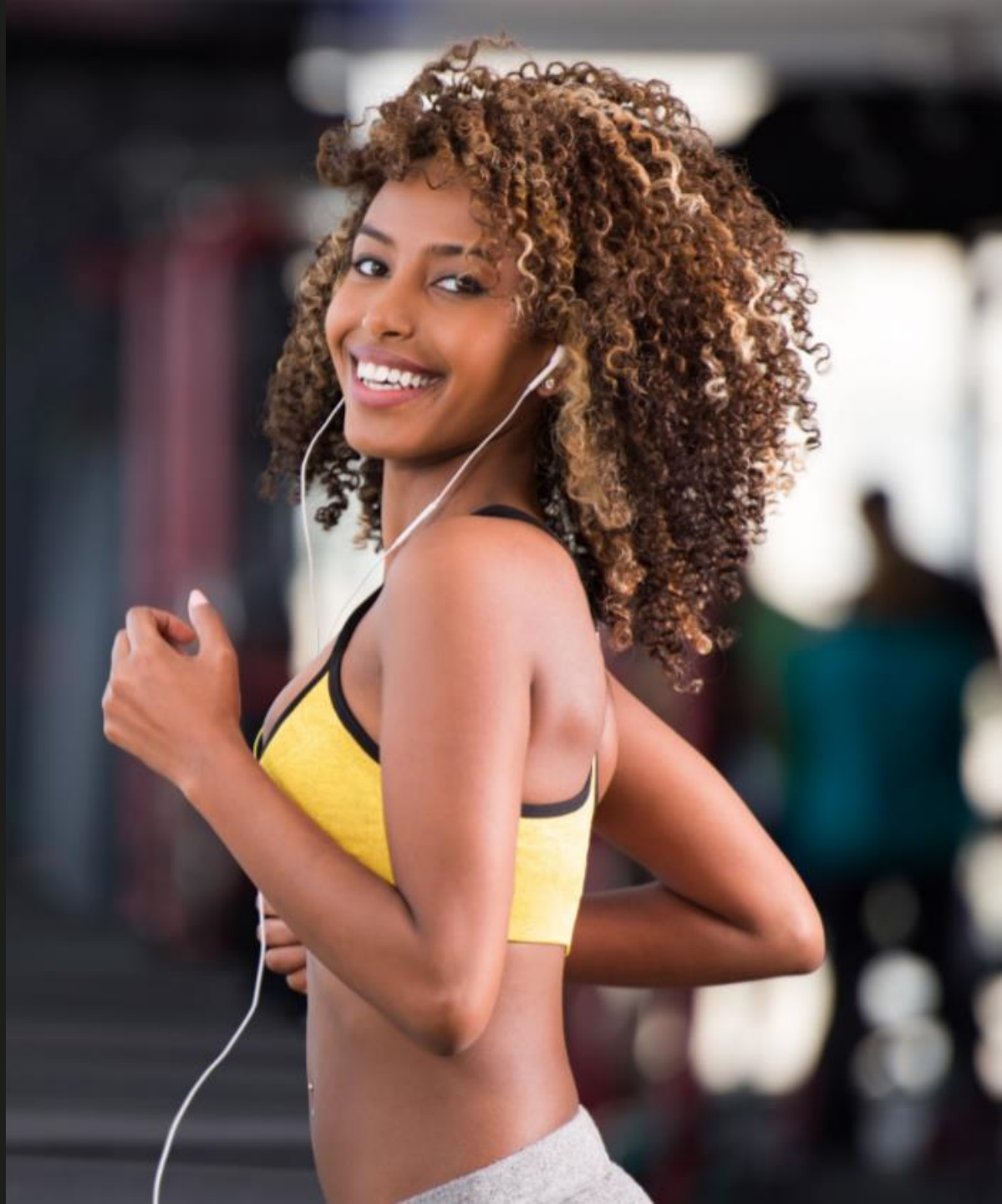
€ millions



Note: Cash conversion calculated as Free Cash Flow before Tax / EBITDA  
(1) Cash flow from operating activities calculated as : EBITDA – risultato JV  
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**LET'S MOVE<sup>®</sup>**  
**FOR A BETTER WORLD**





# Annex

# Balance Sheet June 2023

€m	Dec 2022	% on LTM Revenues	Jun 2023	% on LTM Revenues	Dec 2022 vs Jun 2023 Δ %
Inventories	100,7	14,0%	114,8	15,0%	14,1%
Trade receivables	110,8	15,4%	113,4	14,8%	2,3%
Trade payables	(173,6)	(24,1%)	(152,7)	(19,9%)	(12,0%)
<b>Trade Working Capital</b>	<b>37,9</b>	<b>5,3%</b>	<b>75,5</b>	<b>9,9%</b>	<b>99,0%</b>
Other current assets/(liabilities)	(61,4)	(8,5%)	(62,1)	(8,1%)	1,2%
Current tax liabilities	(9,2)	(1,3%)	(11,6)	(1,5%)	27,0%
Provisions	(14,2)	(2,0%)	(15,2)	(2,0%)	7,1%
<b>Net Working Capital</b>	<b>(46,8)</b>	<b>(6,5%)</b>	<b>(13,5)</b>	<b>(1,8%)</b>	<b>(71,1%)</b>
Property, plant and equipment	164,1	22,7%	164,4	44,4%	0,2%
Intangible assets	55,7	7,7%	55,3	14,9%	(0,7%)
Goodwill	0,0	0,0%	1,0	0,3%	<i>h.v.</i>
Investments in joint ventures	4,1	0,6%	1,2	0,3%	(71,1%)
Employee benefit obligations	(2,6)	(0,4%)	(2,6)	(0,7%)	0,3%
Other non current asset and (liabilities)	49,6	6,9%	44,4	12,0%	(10,5%)
<b>Net Fixed Capital</b>	<b>270,9</b>	<b>37,5%</b>	<b>263,7</b>	<b>34,4%</b>	<b>(2,7%)</b>
<b>Net Invested Capital</b>	<b>224,1</b>	<b>31,1%</b>	<b>250,2</b>	<b>32,6%</b>	<b>11,6%</b>
Shareholders' Equity	345,9	47,9%	322,6	87,2%	(6,8%)
Net financial position adj for Trade pay due > 12m *	(121,9)	(16,9%)	(72,4)	(9,5%)	(40,6%)
<b>Total Source of Funding</b>	<b>224,1</b>	<b>31,1%</b>	<b>250,2</b>	<b>32,6%</b>	<b>11,6%</b>

NFP (Cash)  
(159 m€)  
excluding IFRS16

NFP (Cash)  
(110 m€)  
excluding IFRS16

\* Balance sheet net financial position adj for Trade pay due > 12m excludes all the trade payables that will be due after 12 months from the date of reporting, according to ESMA guidelines on 4<sup>th</sup> March 2021

Strictly private & confidential

# Cash Flow statement June 2023

(€m)	Jun 2023	Jun 2022	Jun 2022 vs Jun 2023 Δ ass.	Jun 2022 vs Jun 2023 Δ %
<b>Consolidated profit for the year</b>	<b>29,6</b>	<b>23,5</b>	<b>6,1</b>	<b>25,9%</b>
Depreciation, amortization and impairment losses	22,5	18,8		
Provisions	0,1	3,3		
Share of net result from joint ventures	(4,4)	(0,4)		
Net financial expenses	(0,9)	(2,0)		
Income/(expenses) from investments	(0,5)	(0,3)		
Income tax expenses	8,2	7,5		
Other non-monetary changes	0,4	0,0		
<b>Cash flows from operating activities before changes in working capital</b>	<b>55,0</b>	<b>50,5</b>	<b>4,5</b>	<b>8,9%</b>
Change in inventory	(2,6)	(3,3)		
Change in trade receivables	11,2	(5,9)		
Change in trade payables	(23,0)	(25,5)		
Change in other operating assets and liabilities	(7,2)	0,8		
Income taxes paid	(11,3)	(9,7)		
<b>Net cash inflow from operating activities (A)</b>	<b>22,1</b>	<b>7,0</b>	<b>15,2</b>	<b>217,1%</b>
Investments in property, plant and equipment	(9,8)	(7,7)		
Disposals of property, plant and equipment	2,5	0,8		
Investments in intangible assets	(9,4)	(8,3)		
Disposals of intangible assets	1,0	0,0		
Dividends received from other entities	0,1	0,3		
Disposal/(Investments) of subsidiaries, associates and other entities (Netted from opening cash & cash equivalent)	4,2	0,0		
<b>Net cash inflow (outflow) from investing activities (B)</b>	<b>(11,4)</b>	<b>(14,9)</b>	<b>3,5</b>	<b>(23,5)%</b>
Repayment of IFRS 16	(6,2)	(4,3)		
Proceeds from new borrowings	0,0	4,0		
Repayment of borrowings	(4,5)	(37,8)		
Net increase (decrease) of current financial assets and liabilities	20,6	(32,4)		
Dividends paid	(48,8)	(31,6)		
Payments of net financial expenses	1,5	0,7		
<b>Net cash inflow (outflow) from financing activities (C)</b>	<b>(37,4)</b>	<b>(101,3)</b>	<b>64,0</b>	<b>h.v.</b>
<b>Net increase (decrease) in cash and cash equivalents (D)=(A)+(B)+(C)</b>	<b>(26,6)</b>	<b>(109,2)</b>	<b>82,6</b>	<b>h.v.</b>
<b>Free Cash Flow</b>	<b>2,9</b>	<b>(9,0)</b>	<b>12,0</b>	<b>h.v.</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>205,4</b>	<b>174,3</b>		
Net increase (decrease) in cash and cash equivalents from January 1 to I	(26,6)	(109,2)		
Effects of exchange rate differences on cash and cash equivalents	(4,9)	2,5		
<b>Cash and cash equivalents at the end of the year</b>	<b>173,9</b>	<b>67,6</b>		



# Ebitda adjusted reconciliation H1 2023

(€m)	Jun 2022	Jun 2023	Jun 2023 vs Jun 2022 Δ %
<b>Total Revenues</b>	<b>325,2</b>	<b>370,0</b>	<b>13,8%</b>
<b>Ebitda</b>	<b>50,9</b>	<b>62,6</b>	<b>23,0%</b>
<b>Margin %</b>	<b>15,6%</b>	<b>16,9%</b>	
<b>Ebit</b>	<b>28,8</b>	<b>36,4</b>	<b>26,5%</b>
<b>Margin %</b>	<b>8,8%</b>	<b>9,8%</b>	
Other operations cost	0,0	0,1	
Personnel cost	0,8	0,5	
Service, Rentals and leases	0,1	0,7	
Cost of raw, ancillary and consumable materials and goods for resale	0,0	0,0	
Share of result joint venture and impairment	0,0	(4,5)	
<b>Total not recurring on Ebitda</b>	<b>0,9</b>	<b>(3,2)</b>	<b>h.v.</b>
<b>EBITDA Adjusted</b>	<b>51,8</b>	<b>59,4</b>	<b>14,6%</b>
<b>Margin %</b>	<b>15,9%</b>	<b>16,1%</b>	
Provision for risk and charges	0,6	1,9	
Depreciations, amortisations and write-downs	0,0	0,0	
<b>Total not recurring on Ebit</b>	<b>1,5</b>	<b>(1,3)</b>	<b>h.v.</b>
<b>Ebit Adjusted</b>	<b>30,3</b>	<b>35,1</b>	<b>15,7%</b>
<b>Margin %</b>	<b>9,3%</b>	<b>9,5%</b>	