

# Technogym Financial Results 2021



Cesena, March 23rd 2022

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



# Market evolution and Technogym upsides

# Fast recovery in across the B2B market space

## B2B Segments



**Hotels** activity improved driven by re-openings with daily average rates already above pre-COVID level

**Wellness Real Estate / Residences** proved to be in a better shape than general construction with a continuous interest from developers



**Corporates** are investing in Wellness programs to attract employees back to the office

**Health & anti-aging** are in a strong growth trajectory after COVID

Several existing **Clubs** are already at a pre-COVID activity level + new openings recorded in the Premium segment across geographies

# Home remaining on the growth path

## B2C Segment

Demand for at-home training solutions is still high in a normalized market scenario across all the geographies where the company operates

Gradual international expansion is still the key to penetrate new customers leveraging the **Technogym** unique **Luxury & Prestige** positioning



**At-Home**

# Technogym to catch new opportunities by .....

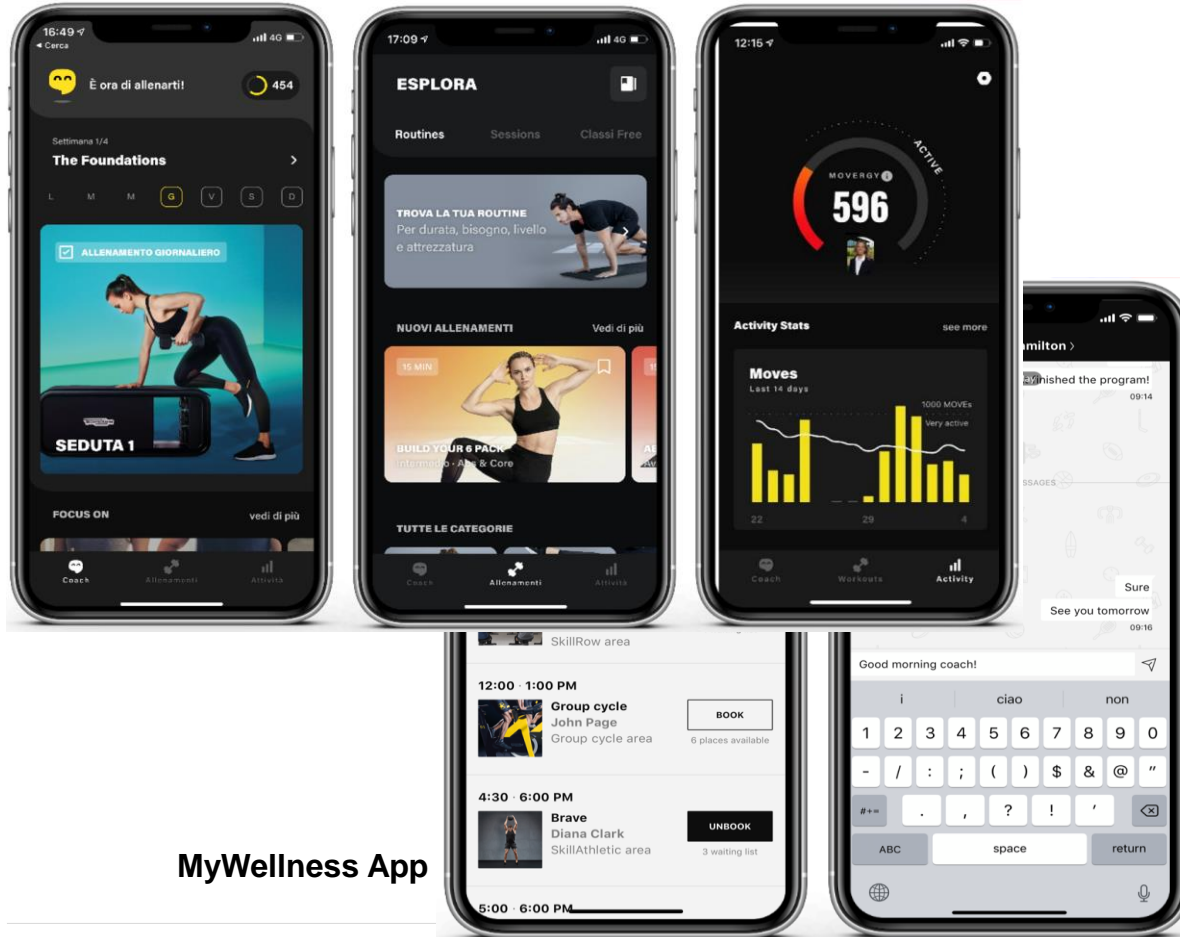
## The new biocircuit for Health & Medical fitness



# Technogym Ecosystem to catch new opportunities by .....

## New MyWellness CRM Platform & Technogym App

### Technogym App



### MyWellness App

### Technogym App B2C2B

The A.I. based Technogym Smart Coach, guides end-users among Sessions, Routines and Signature programs customizing their wellness journey according to equipment availability

### MyWellness 6.0 B2B2C

The latest version of the Technogym CRM platform now allows professional operators to customize end-users training experience via on-demand videos in a full hybrid approach

# Technogym content to catch new opportunities by .....

## Training experiences video on-demand library



After years supporting professional operators Technogym started populating the Technogym Live platform with own filmed Precision Training content: any training goal can now be achieved quicker and easier

Proprietary content couples with third party ones already available on Technogym Live

# Technogym products to catch new opportunities by .....

## New solutions for cyclists & home fitness

### New home products

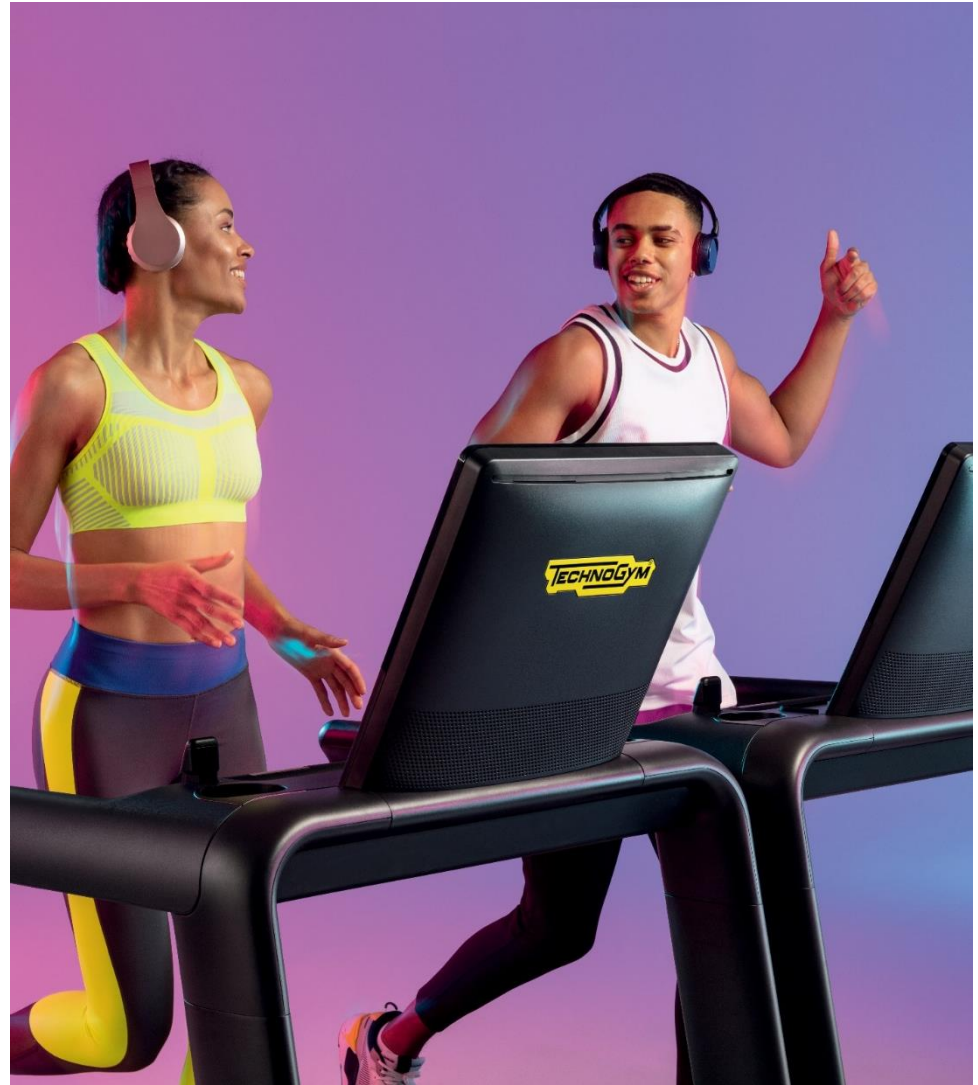
Technogym is enlarging its product and solution portfolio to serve different end-users needs



# In Sport Performance with high intensity training



# In Fitness with Cardio & Strength training



# The widest product & solutions range



# FY 2021 results at a glance

€ million

	2021	2020	2021 vs 2020
Revenue (€m)	611.4	509.7	+20.0%
EBITDA ADJ (€m) <i>Margin (%)</i>	107.0* 17.5%	96.9 19.0%	+10.5%
EBIT ADJ (€m) <i>Margin (%)</i>	67.1** 11.0%	58.9 11.6%	+13.8%
Net Profit (€m) <i>Margin (%)</i>	63.1*** 10.3%	36.0 7.1%	+75.2%
Net Financial Position (€m)	96.0	59.5	+36.5

\* EBITDA including Exerp and non recurring 118.9 €m (19.4% on sales)

\*\* EBIT including Exerp 78.9 €m

\*\*\* Net Profit excluding Exerp 49.1 €m

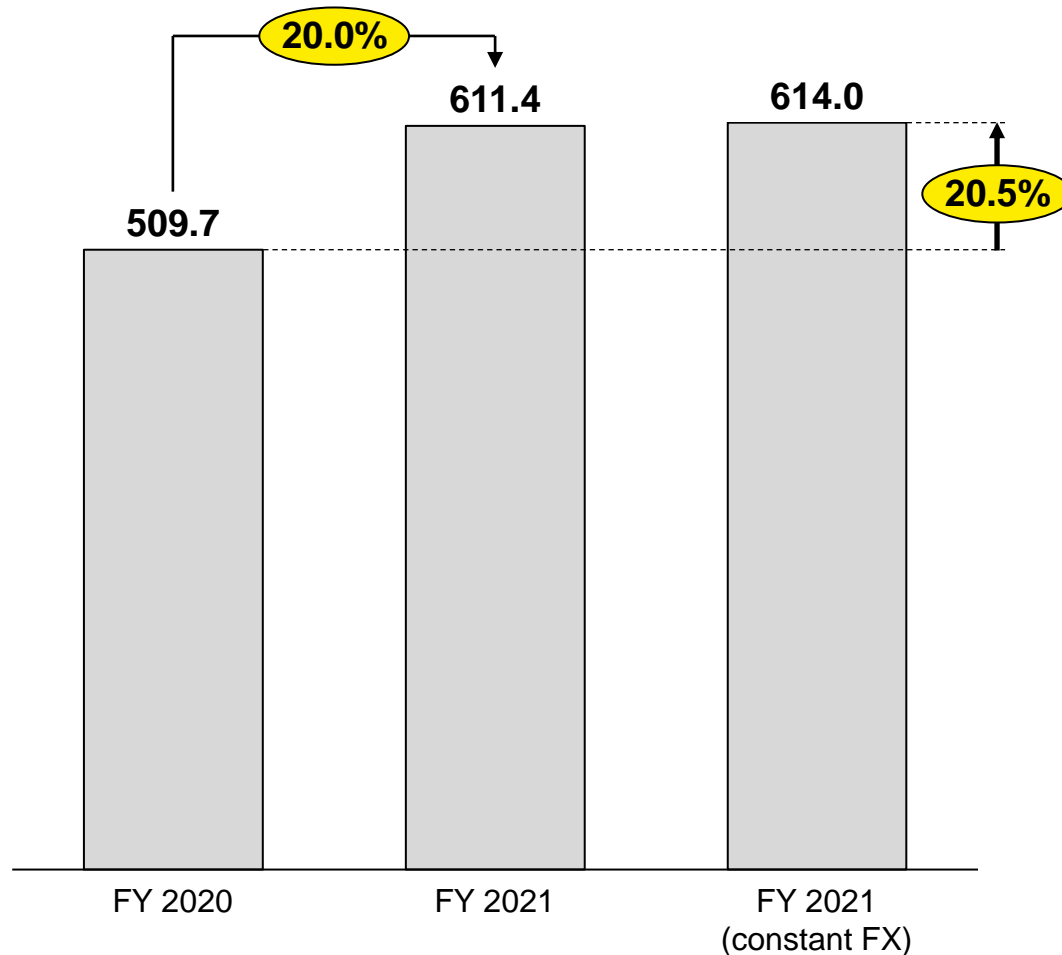
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# Top line grew by 20% in 2021

€ million

## Revenue



## Key comments

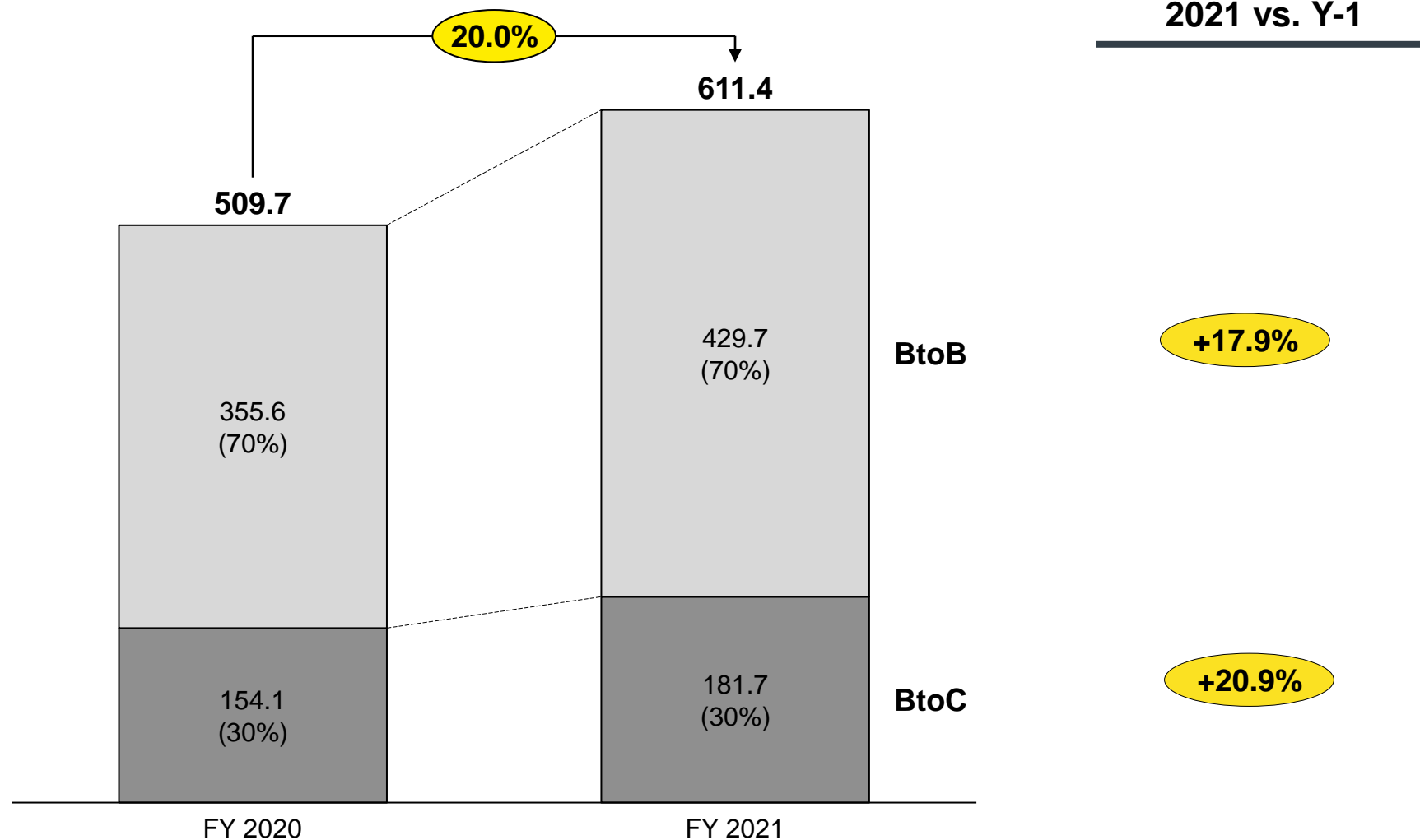
- Strong rebound in BtoB led by a double-digit growth in all the segments, from Health to Hotels, from Residential to Clubs
- Key Accounts restarted significant orders over the last quarters
- EU and APAC geographies benefitted from >20% growth in countries like UK, China and Benelux
- Distributors' strong performance among sales channels mainly led by APAC and MEIA regions

**Excluding FX impact, growth would have been slightly higher at +20,5%.  
Major impacts:**

- USD and JPY

# BtoB rebound led by all segments

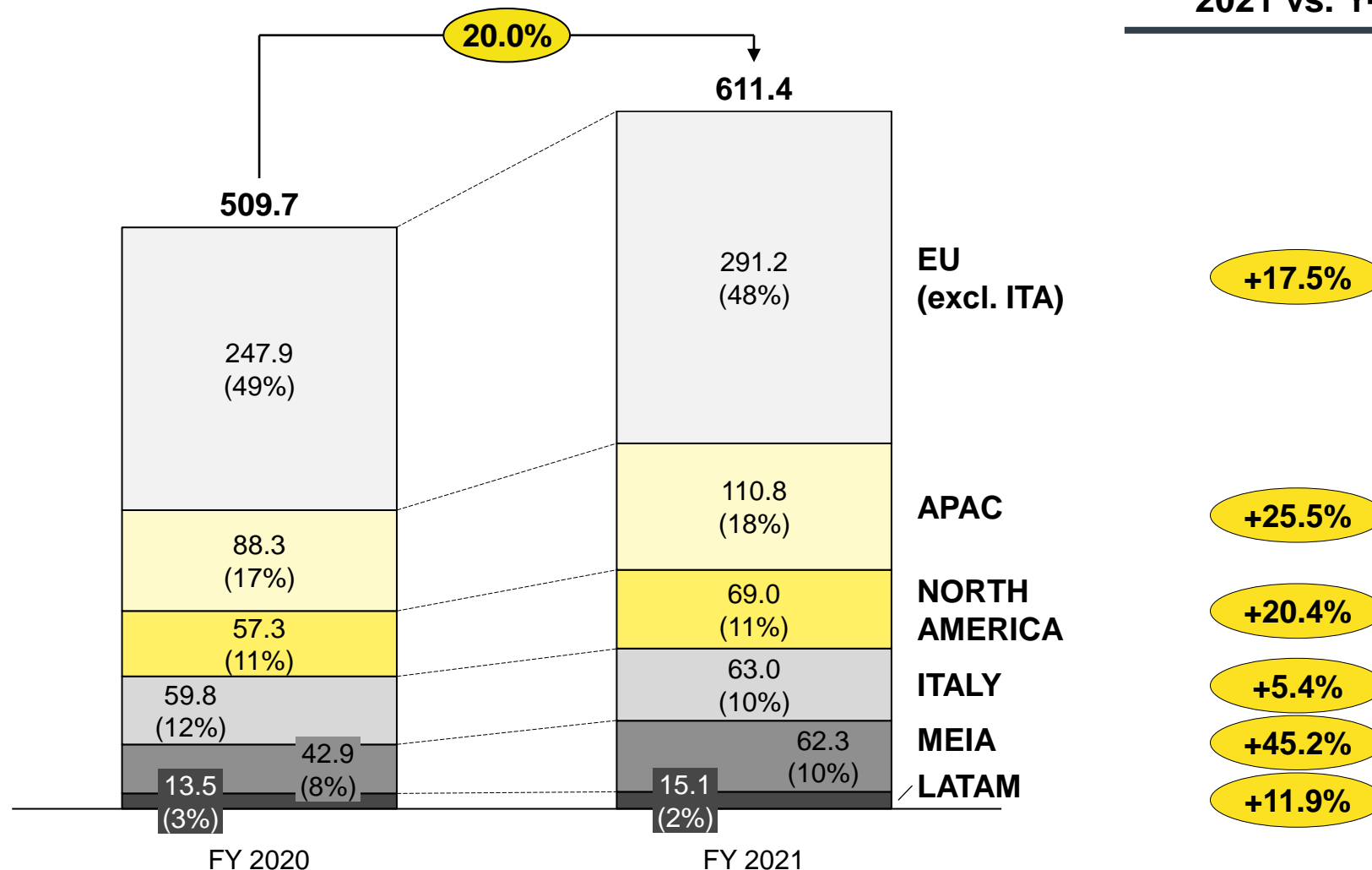
€ million



# Strong growth recorded in APAC, North America and MEIA

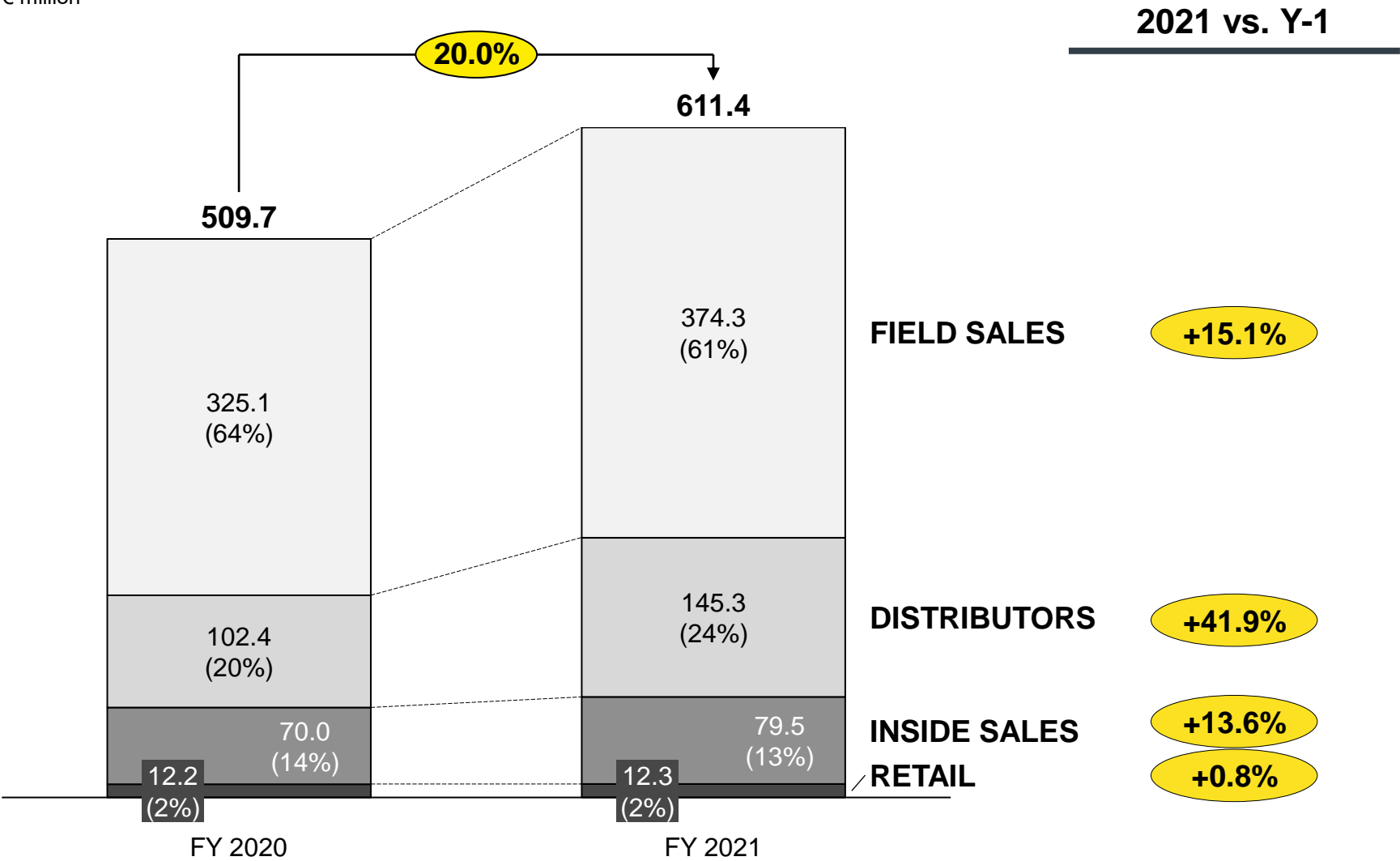
€ million

**2021 vs. Y-1**



# Strong growth of Distributors

€ million



# 2021 Profit & Loss

€ million

(€m)	Dec 2020		Dec 2021		Delta	2021 vs 2020
<b>Total revenue</b>	<b>509,7</b>	<b>% on sales</b>	<b>611,41</b>	<b>% on sales</b>	<b>101,7</b>	<b>20,0%</b>
Cost of raw, ancillary and consumable materials and goods for resale	(166,4)	(32,6%)	(209,4)	(34,3%)	(43,1)	25,9%
of which (cost) not recurrent	(0,7)		(0,0)		0,7	
Service, Rentals and leases	(128,5)	(25,2%)	(158,2)	(25,9%)	(29,7)	23,1%
of which (cost) not recurrent	(1,2)		(0,5)		0,7	
Personnel cost	(112,6)	(22,1%)	(133,3)	(21,8%)	(20,7)	18,3%
of which (cost) not recurrent	(1,0)		(1,4)		(0,4)	
Depreciations, amortisations and write-downs	(35,1)	(6,9%)	(36,4)	(6,0%)	(1,3)	3,8%
of which (cost) not recurrent	(0,0)		(0,0)			
Provision for risk and charges	(3,3)	(0,6%)	(3,5)	(0,6%)	(0,2)	7%
of which (cost) not recurrent	(0,5)		(0,0)		0,4	
Other operations cost	(10,3)	(2,0%)	(6,9)	(1,1%)	3,3	(32,4%)
of which (cost) not recurrent	(1,1)		(0,2)		1,0	
Share of result joint venture and impairment	0,9	0,2%	15,4	2,5%	14,5	n.a
of which (cost) not recurrent	0,0		14,0		14,0	
<b>Net operating income</b>	<b>54,4</b>	<b>10,7%</b>	<b>78,9</b>	<b>12,9%</b>	<b>24,5</b>	<b>45,1%</b>
			81,0			
Margin (%)	10,7%		12,9%		2,2%	
Financial income and (expenses) and from investments	(6,3)	(1,2%)	0,8	0,1%	7,2	n.a
of which (cost) not recurrent	(2,6)		0,0		2,6	
<b>Profit (loss) before tax</b>	<b>48,0</b>	<b>9,4%</b>	<b>79,7</b>	<b>13,0%</b>	<b>31,7</b>	<b>66,0%</b>
Taxes	(11,6)	(2,3%)	(16,5)	(2,7%)	(4,9)	42%
of which (cost) not recurrent	(0,3)		0,0		0,3	
<b>Profit (loss)</b>	<b>36,4</b>	<b>7,2%</b>	<b>63,3</b>	<b>10,3%</b>	<b>26,8</b>	<b>73,6%</b>
Margin (%)	7,2%		10,3%		3,2%	
Profit (loss) for the year of minority interests	(0,4)	(0,1%)	(0,2)	(0,0%)	0,2	(54,9%)
<b>Profit (loss) attributable to owners of the parent</b>	<b>36,0</b>	<b>7,1%</b>	<b>63,1</b>	<b>10,3%</b>	<b>27,1</b>	<b>75,2%</b>
<b>EBITDA</b>	<b>92,9</b>		<b>118,9</b>			<b>28,0%</b>
	-4,088		(2,1)			
<b>Adjusted EBITDA</b>	<b>96,9</b>		<b>107,0</b>		<b>10,1</b>	<b>10,5%</b>
Margin (%)	19,0%		17,5%		(1,5%)	
<b>Profit (loss) adjusted</b>	<b>43,4</b>		<b>51,2</b>		<b>7,8</b>	<b>17,9%</b>
Percentage (%)	8,5%		8,4%		(0,1%)	

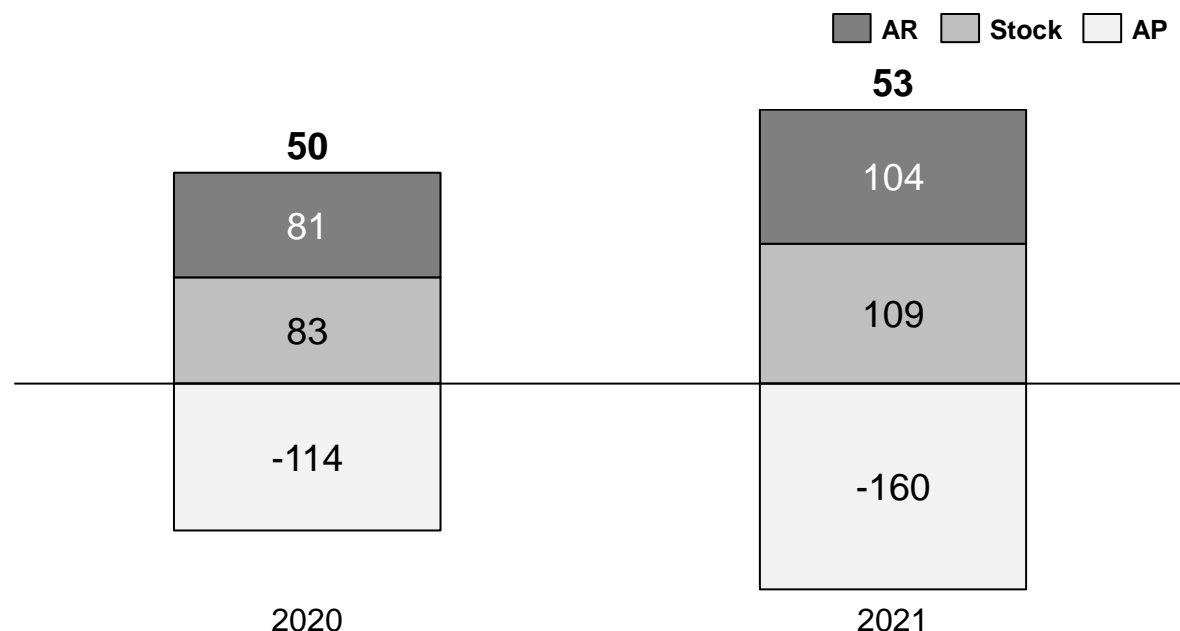
## Comments

- Increase in revenue (+20,5% at constant FX) driven by volumes recovery
- Raw material price increase partially offset by price hikes in 2021 due to the nature of the business: some months are needed for new prices to be fully recognized in the top line
- Labor cost increase driven by new competence hiring during the year
- D&A increase following higher Capex towards digital, SW and Content development
- Reported Tax rate at 20.7% (26.8% without non-recurring items like Exerp disposal and patent box)

# Trade Working Capital improved vs 2020

€ million

## Trade Working Capital evolution



## Comments

- **Inventories:** growth driven by a prudentially higher stock to avoid any supply chain disruption in 2022
- **Trade Receivables:** DSO driven by higher sales
- **Trade payable:** DPO improved from 130 to 146 days

% on  
Sales

**9.7%**

**8.7%**

Inventory  
Turnover

4.1x

3.9x

DSO

46

50

DPO

130

146

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

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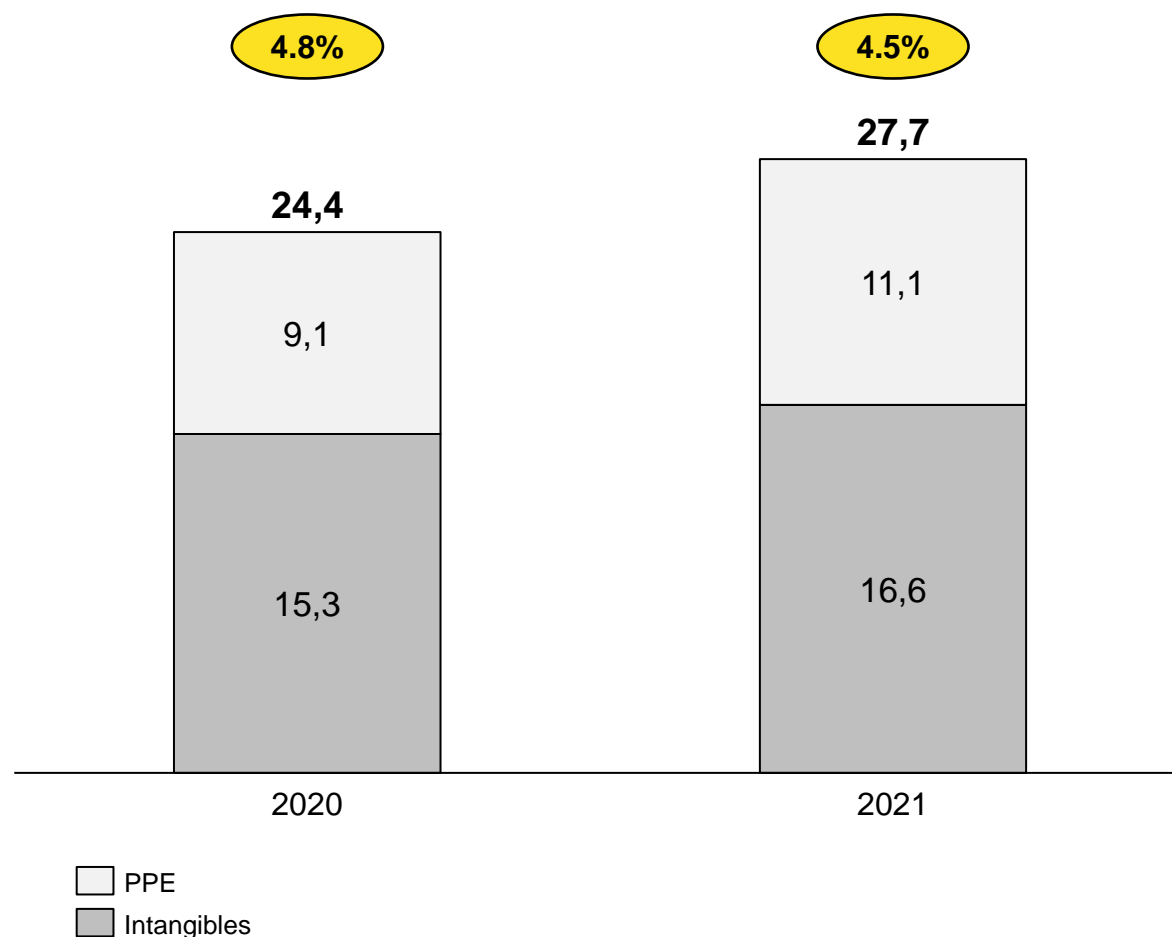
DPO: Calculated as Trade payables net of VAT (~ 7%) / (Total costs for raw materials, semi-finished products and services)



# Capex grew to Euro 27.7m to support Company's development

€ million

% on Revenue



## Comments

### ■ Tangible Capex

- Tools and molds for new products
- Production lines and manufacturing equipment
- Corporate facility, Offices and Studios

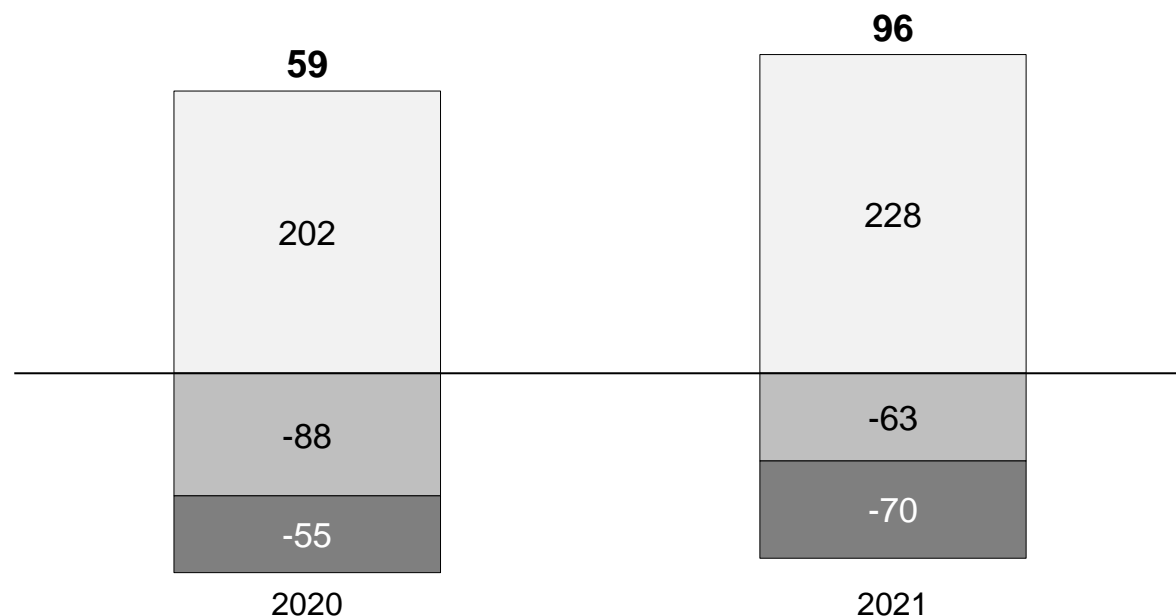
### ■ Intangible Capex

- Digital and content development
- New products development
- IT activities

# Net Cash further improved in 2021

€ million

## Net Financial Position



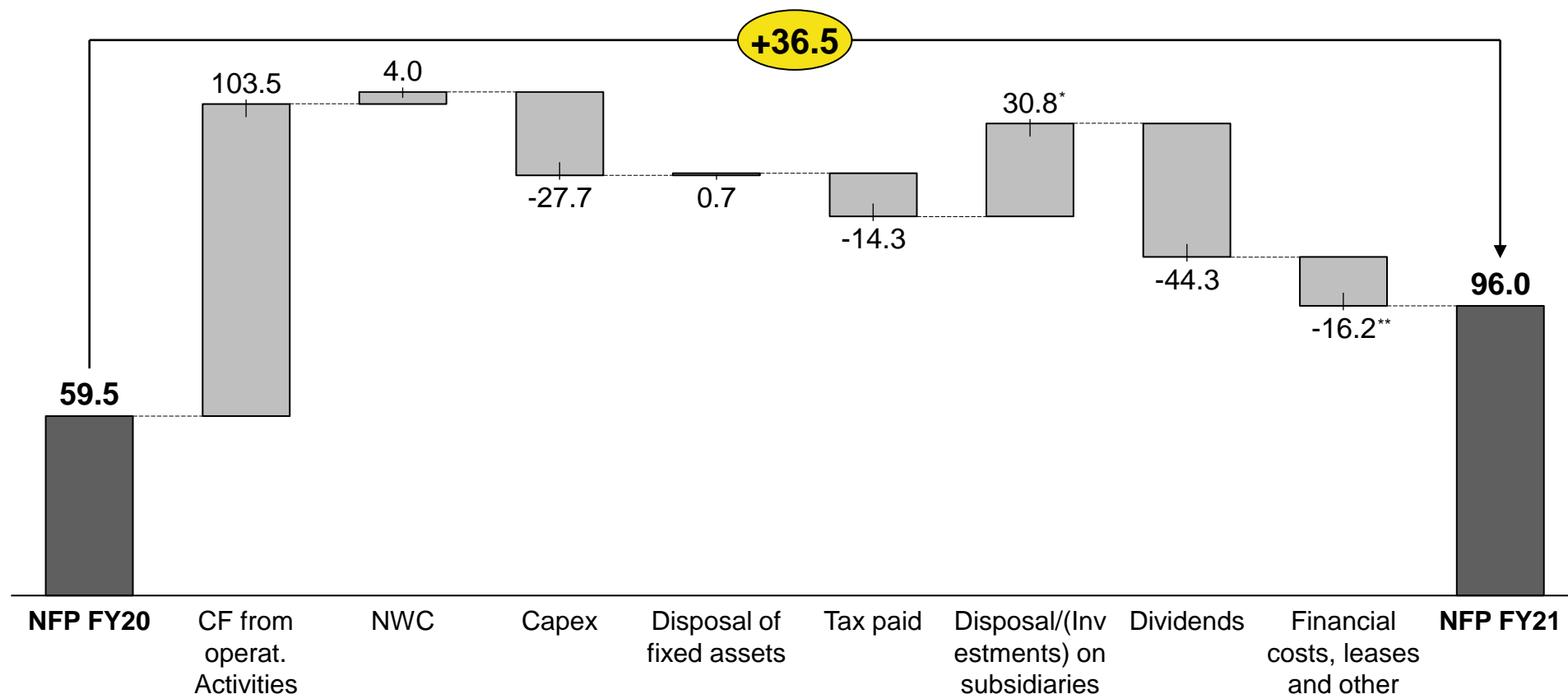
- Cash, cash equivalent and short term deposit
- Bank debt
- Other financial debt

## Comments

- **Other financial debt**
  - Leasing guarantee stands at 44,7 €m on Dec 2021 increasing vs Y-1 (32.4m €)
  - Rent and direct leasing (IFRS 16) at 24 €m
- Without considering IFRS16 impact, NFP would be 120 €m as of Dec 2021 (vs. 83.2 €m net cash at Dec 2020)

# Net Financial Position from 59 to 96m€

€ million



\* Exerp +49,6 €M, Exerp minorities and costs -17,4 €M, Physio -1,3 €M

\*\* DLL incremental guarantee (type II) 11,5 €M, rent cash out (IFRS 16) 6,6 €M, financial income 1,8 €M

# 2021 Balance Sheet

(€m)	Dec 2020	% on LTM Revenues	Dec 2021	% on LTM Revenues
Inventories	82,6	16,2%	108,5	17,8%
Trade receivables	81,1	15,9%	104,2	17,0%
Trade payables	(114,0)	(22,4%)	(159,8)	(26,1%)
<b>Trade Working Capital</b>	<b>49,7</b>	<b>9,7%</b>	<b>53,0</b>	<b>8,7%</b>
Other current assets/(liabilities)	(56,4)	(11,1%)	(65,3)	(10,7%)
Current tax liabilities	(2,5)	(0,5%)	(6,0)	(1,0%)
Provisions	(8,6)	(1,7%)	(11,7)	(1,9%)
<b>Net Working Capital</b>	<b>(17,8)</b>	<b>-3,5%</b>	<b>(30,0)</b>	<b>-4,9%</b>
<b>Net Fixed Capital</b>	<b>248,9</b>	<b>48,8%</b>	<b>244,8</b>	<b>40,0%</b>
<b>Net Invested Capital</b>	<b>231,1</b>	<b>45,3%</b>	<b>214,8</b>	<b>35,1%</b>
Shareholders' Equity	290,5		311,6	
Financial Net Position (excl. Trade pay. due > 12m)	(59,5)	(11,7%)	(96,8)	(15,8%)
<b>Total Source of Funding</b>	<b>231,1</b>	<b>45,3%</b>	<b>214,8</b>	<b>35,1%</b>

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