Financial Results
H1 2018

TECHNOGYM

The Wellness Company™

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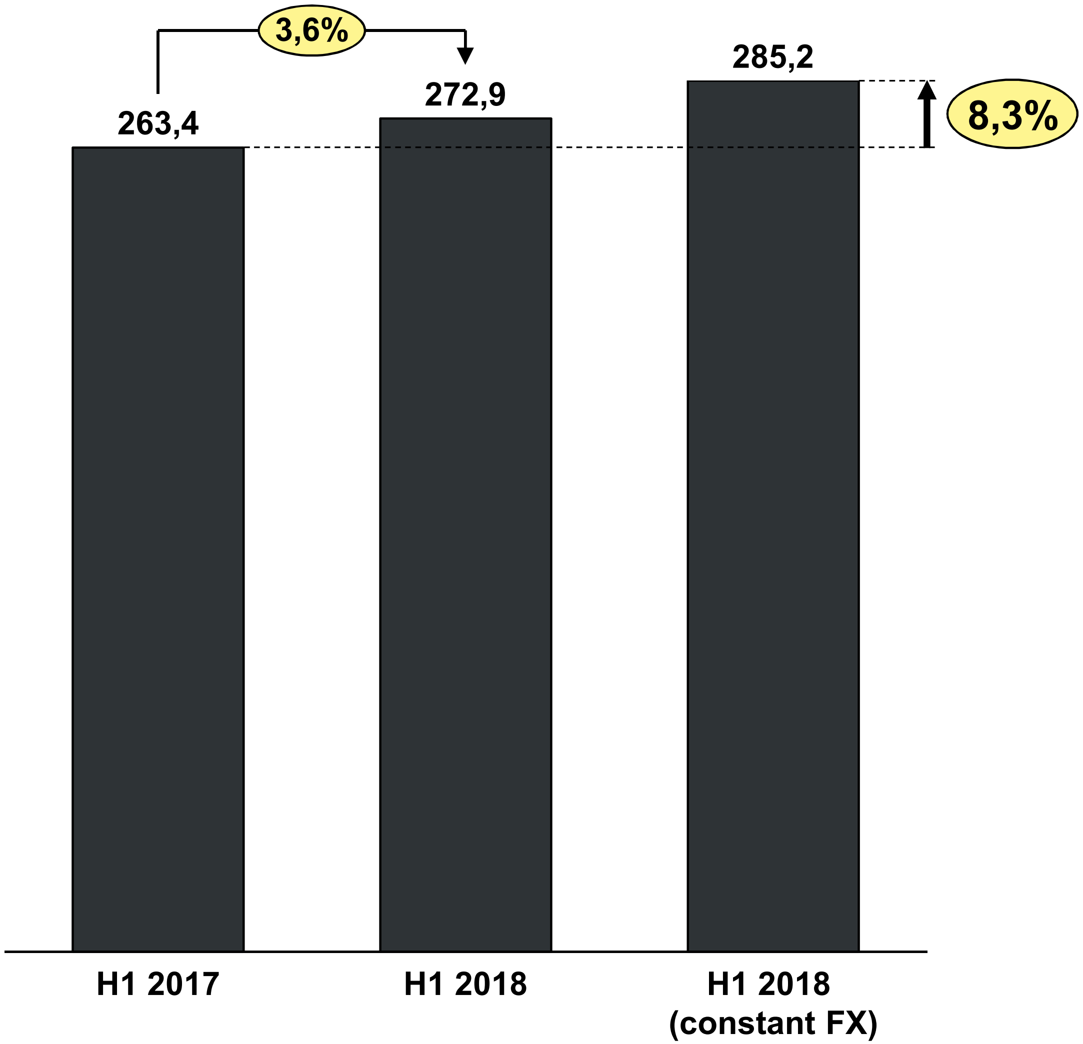
Revenues showing high single-digit growth

Revenues (€m)



Key comments

Positive volume effect primarily coming from

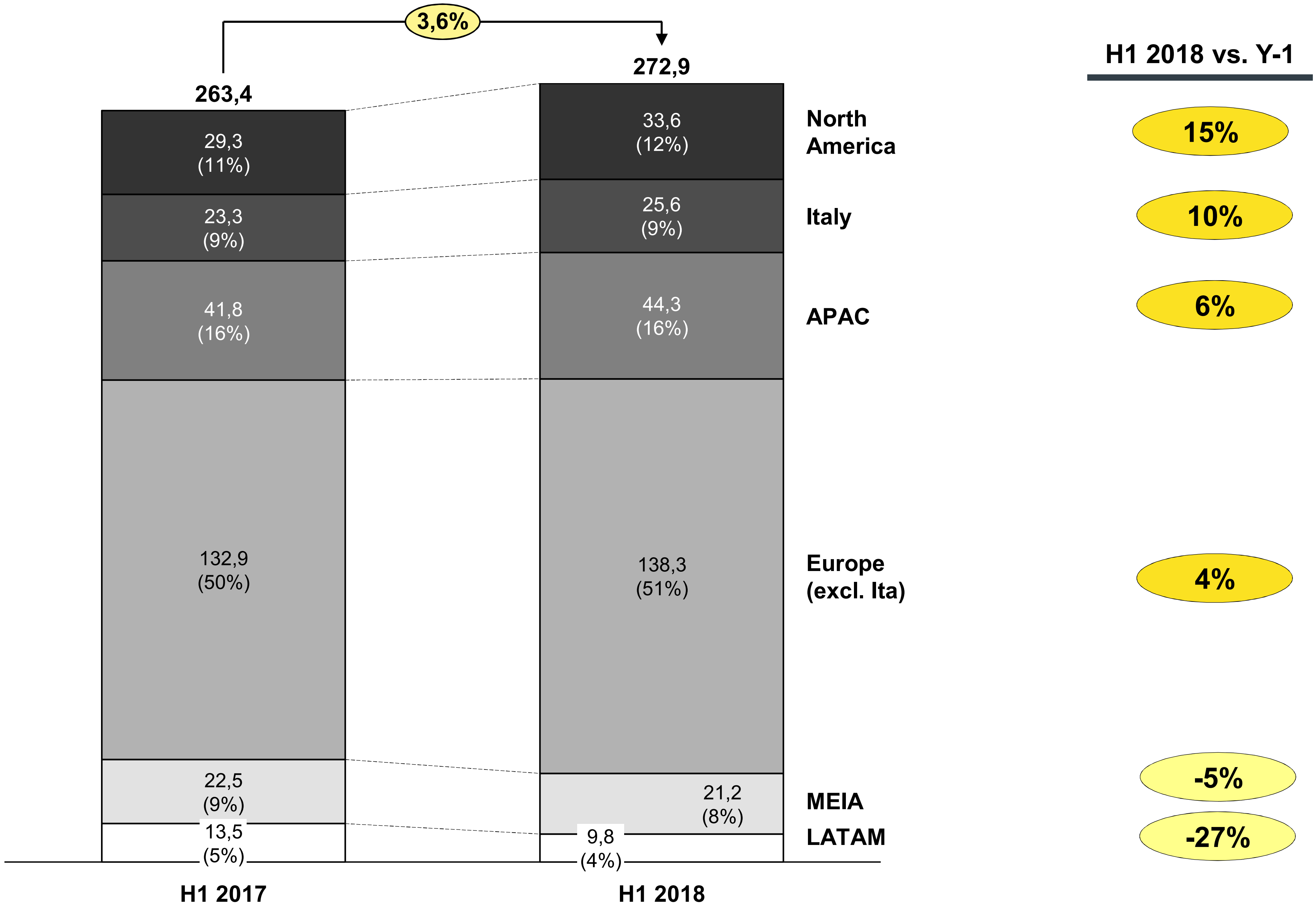
- Overseas markets (NA, APAC) and Italy
- Commercial vertical segments (H&R and HCP)
- Field sales channel
- New product launches (primarily Skill line and Biocircuit) still at c. 16% of equipment sales

Excluding FX impact, revenue growth would have been 8,3%

- Major negative impact from USD, JPY and RUB

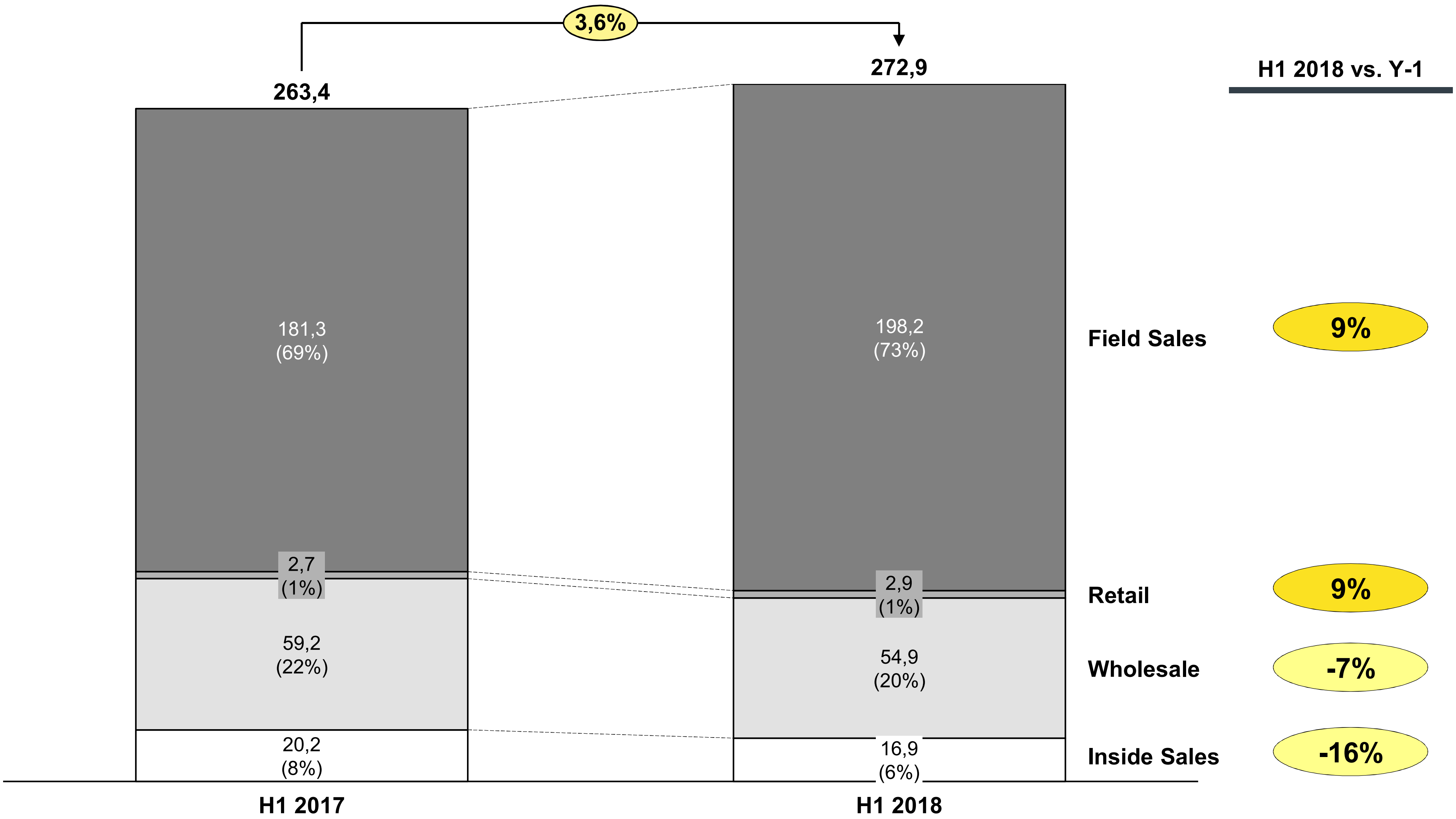
NA & ITALY driving with double-digit growth

Revenue breakdown by geography - €m, percentage incidence & change



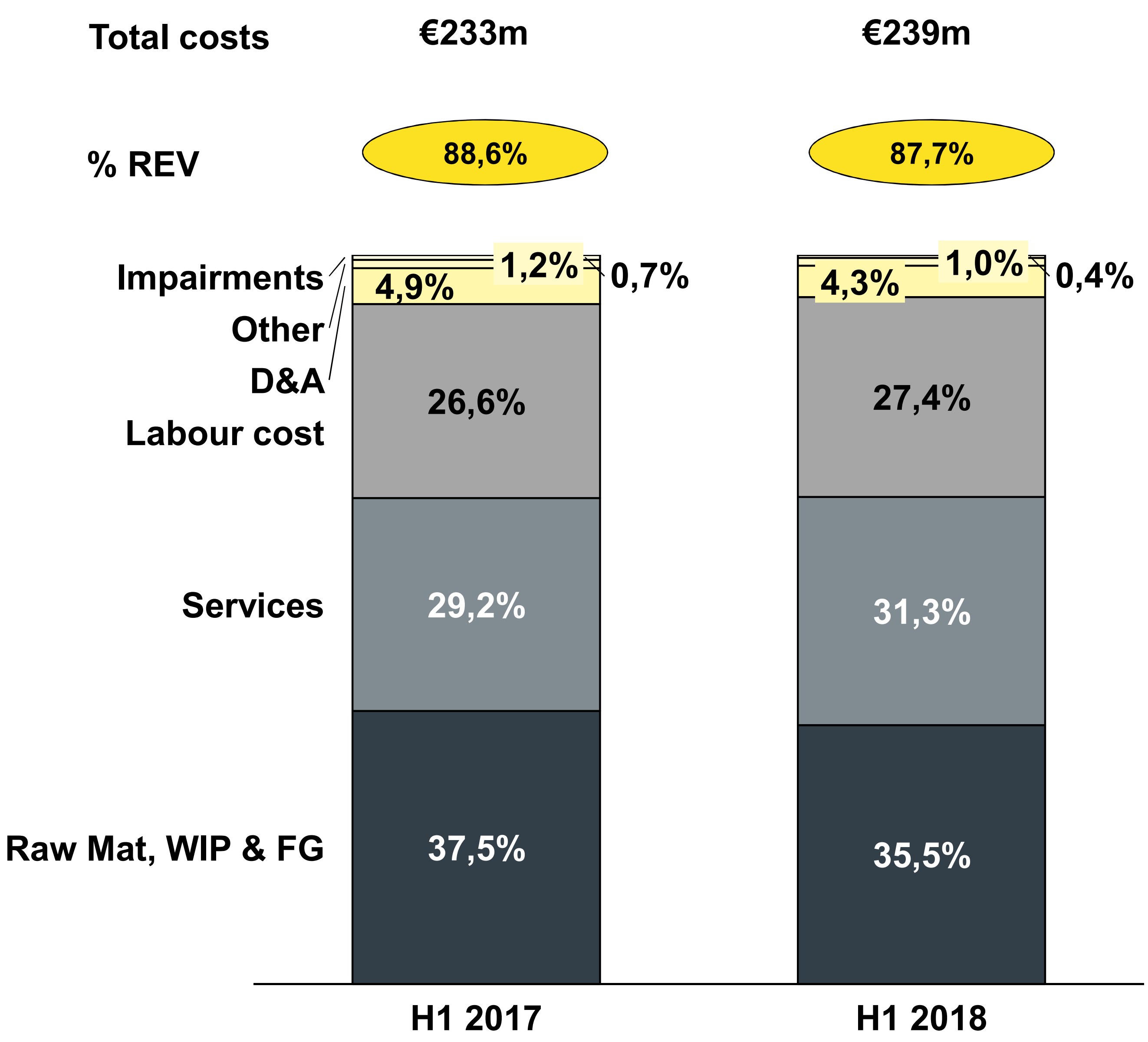
High single-digit growth on field sales

Revenue breakdown by channel - €m, percentage incidence & change



Cost base impact substantially in line with Y-1 performance

Recurring cost base evolution (% REV)



Key comments

D&A / Impairments

- Declining on a yearly basis in value and in % of sales

Personnel cost

- Moderate increase compared to Y-1 driven by new hirings to expand the global coverage of the Field Sales network

Services cost

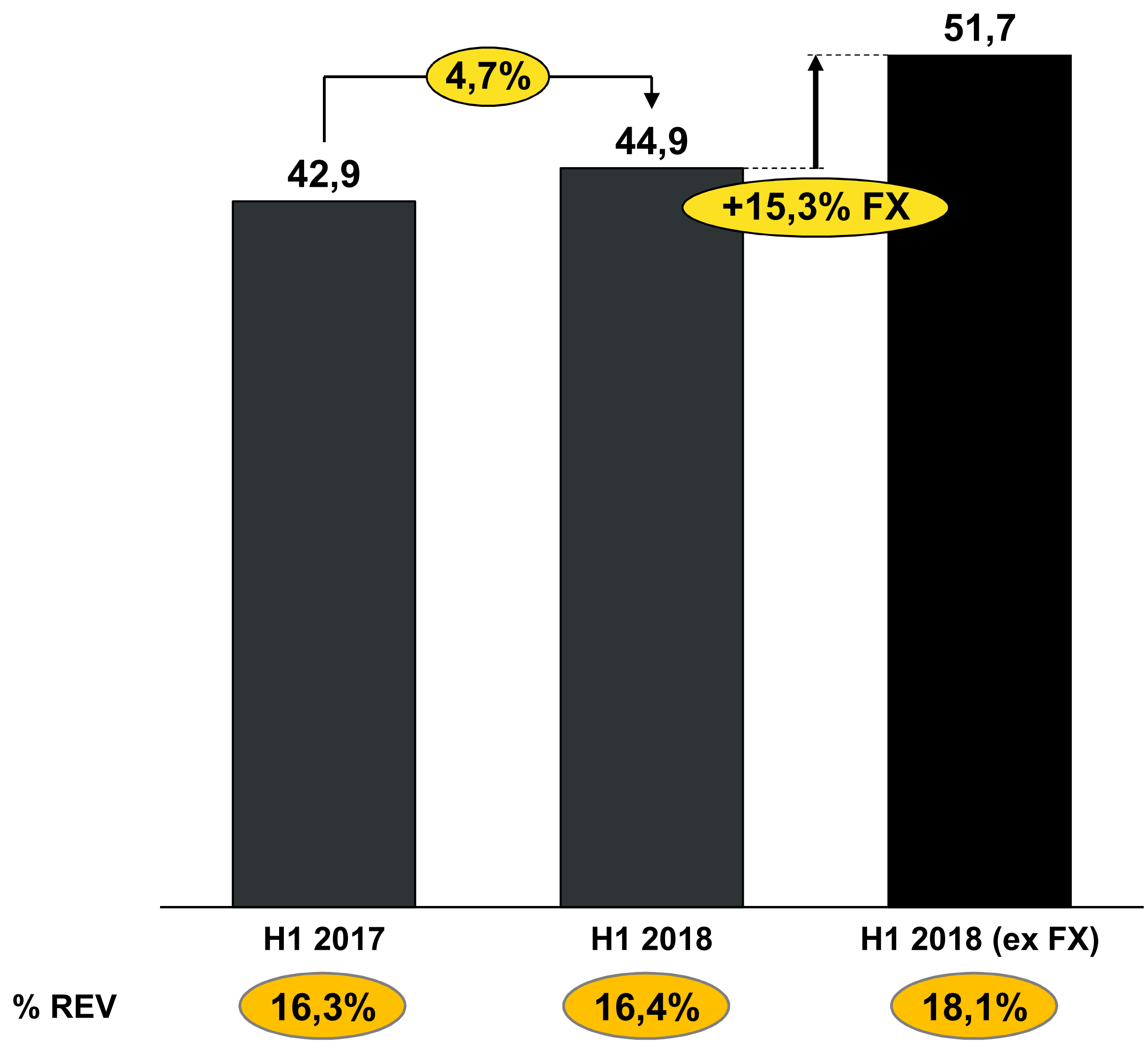
- Increase in Service costs mainly driven by higher revenues and advertising costs in the period

Raw Materials, WIP & Finished Goods

- Further increase in sourcing and logistics led to a further decline vs Y-1

EBITDA adjusted improving vs Y-1

EBITDA Adj evolution (€m)



Key comments

EBITDA adjusted margin increase:

- Positive effect coming from product mix and further efficiencies in cost of production steered an expansion in margin despite the lower operating leverage recorded in Q2
- Labor cost increased due to new hirings aimed at expanding the global reach of Technogym's Field Sales network
- SG&A has increased +7,3% Y/Y driven by marketing, IT activities and a direct support to the expansion of the sales network coverage

Profit and Loss statement

(€m)	June 2017	June 2018	%Chg
Total revenue	**263,4**	**272,9**	**3,6%**
Cost or raw, ancillary and consumable materials and goods for resale	(87,3)	(85,1)	-2,5%
Service, Rentals and leases	(68,0)	(74,9)	10,1%
of which (cost) not recurrent	*(0,0)*	*0,0*	*nm*
Personnel cost	(62,0)	(65,6)	5,9%
of which (cost) not recurrent	*(0,0)*	*0,0*	*nm*
Depreciations, amortisations and write-downs	(11,4)	(10,4)	-9,5%
Provision for risk and charges	(1,5)	(0,9)	-38,2%
Other operations cost	(2,5)	(2,5)	0,1%
of which (cost) not recurrent	*(0,2)*	*0,0*	*nm*
Share of result joint venture	(0,6)	0,1	-119,0%
Net operating income	**30,1**	**33,6**	**11,6%**
Margin (%)	***11,4%***	***12,3%***	
Financial income and (expenses)	(2,8)	(0,2)	-108%
Profit (loss) before tax	**27,3**	**33,4**	**24,0%**
Taxes	(8,2)	4,5	nm
Profit (loss) before minority interest	**19,0**	**37,9**	**99%**
Margin (%)	*7,2%*	*14,0%*	
Profit (loss) for the year of minority interests	(0,1)	(0,2)	nm
Profit for the year	**19,0**	**37,7**	**99%**

Key comments

Net operating income key drivers

- Commercial customers leading the growth with sound contribution from HCP and H&R
- Revenues driven by a healthy combination of volumes/price/product mix growth
- Increase in personnel and service costs offset by efficiencies in production and better raw material sourcing
- Declining D&A on a yearly basis

Negative FX impact driven primarily by USD, JPY and RUB

- -12,3m € on revenues
- -6,8m € on EBITDA ADJ
- -7,1m € on NET RESULT

H1 18 tax rate was positively affected by one offs (Patent Box estimated at c. 12,5m € and US for c. 2,6m € DTA not previously accrued)

Trade Working Capital analysis

Working Capital (€m)

(€m)	June	
	2017	**2018**
Inventories	77,5	79,1
Trade receivables	86,2	114,3
Trade payable	(99,1)	(114,2)
Trade Working Capital	**64,6**	**79,1**
% LTM of total revenue	*11,4%*	*13,0%*
Other current assets/(liabilities)	(44,5)	(43,3)
Current tax liabilities	(5,0)	(11,0)
Provisions	(12,7)	(11,6)
Net Working Capital	**2,4**	**13,2**
% LTM of total revenue	*0,40%*	*2,20%*
Inventory Turnover 1	*5,5*	*5,8*
Days Sales Outstanding (DSO) 2	*46,3*	*58,1*
Days Payables Outstanding (DPO) 3	*99,2*	*109,5*

Key comments

TWC at 13% of revenues and increasing vs. H1 17 (11,4% of revenues) driven by seasonal dynamics.

Inventories

- Slight increase in absolute and relative value vs. Y-1.
- Main components are finished products (66,0m €) and raw materials (11,6m €)

Trade receivables

- Increasing vs. Y-1 and stable vs December 2017 (-3m €) due to one-offs not pertaining to regular business activity. Recovery in H2.
- Confirmed general good credit quality

Trade payables

- Improving DPO dynamics, now only 10 days below Dec-2017 level (vs >25 in H1 17) despite usual seasonality.

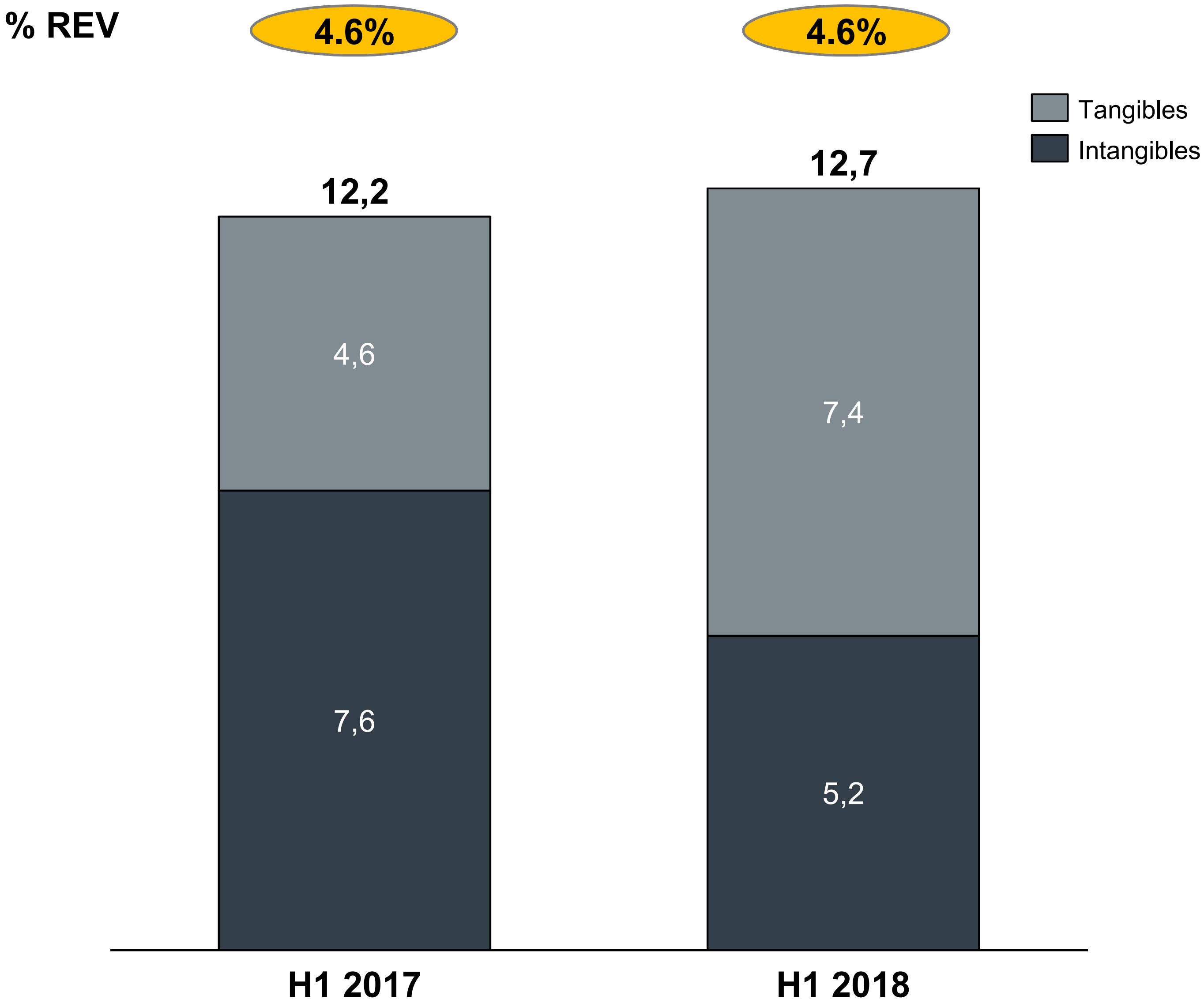
Other assets and liabilities which included:

- Payables to employees: 13 m €
- Advance payments from customers: 19 m €
- Deferred income (e.g. maintenance): 32.7 m €

1. Calculated as revenues for products, spares parts, hardware e software divided by gross inventory;
2. Calculated as trade receivables net of VAT (~11%) divided by revenues; 3. Calculated as trade payables net of VAT (~7%) divided by cost of products and cost of service

CAPEX stable <5% on revenues

Capex analysis (€m)



Key comments

Main Tangibles Investment

- Tools and Molds for new product
- New air conditioning system in the plant

Main Intangibles Investments

- ERP project
- Investments in new products development (Artis Elliptical, Group Cycles live, Biocircuit, SkillBike)

Net Financial Debt

Net Financial Debt (€m)

€m	30 Jun 2017	30 Jun 2018
Cash & cash equivalent	**(39,0)**	**(58,1)**
Current financial receivables	**(0,6)**	**(0,2)**
Current bank debt	46,6	30,9
of which granted by Committed Credit facilities	*10*	*5,0*
of which granted by Uncommitted Credit facilities	*10*	*25,9*
Current portion of non current debt	19,6	18,4
Other current financial debt	6,8	8,4
Net current financial debt	**73,0**	**57,7**
Non current portion of non current debt	63,9	46,8
Other non current financial debt	12,3	15,3
Non current financial debt	**76,2**	**62,1**
Financial net debt	**109,6**	**61,5**
NFD / EBITDA (LTM12m)	*1,02x*	*0,51x*

Key comments

Cash & Cash equivalent

- Very strong cash position mainly refers to bank deposits € denominated

Current bank debt

- Mainly composed of credit lines stand-by and short-term financing. As of 30/06/2018
  - Lines of credit and overdrafts uncommitted for ~101m € of which 25,9m € drawn (revocable / floating rate: EURIBOR + spread)
  - Committed credit line (medium-long term) for ~30m of which 5m € drawn (floating: EURIBOR + spread)

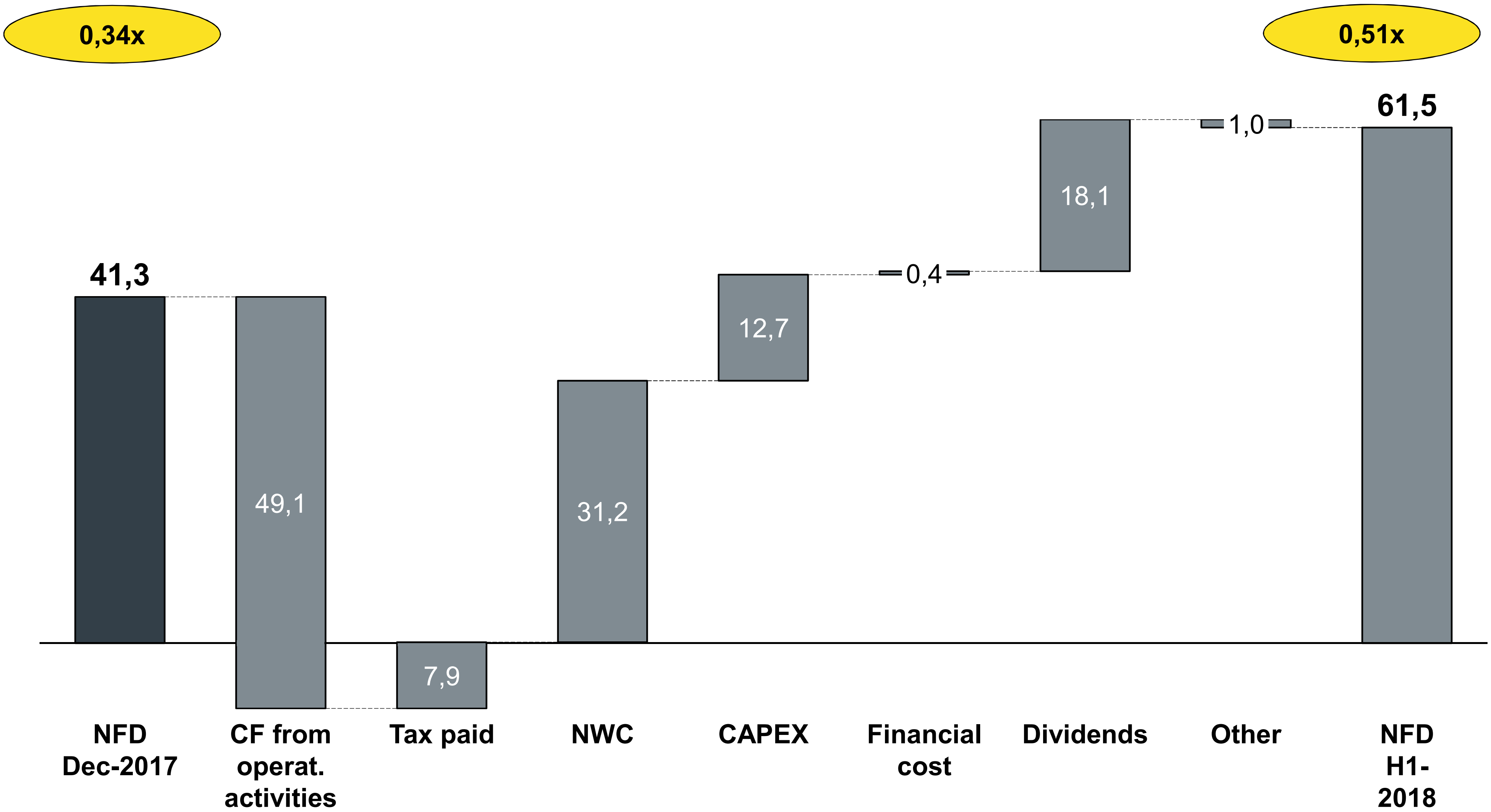
Current portion of non-current debt / Non current financial debt

- Flexible financial structure based on bank amortizing loans with ~1,9y duration (floating: EURIBOR + spread)
- One amortizing loan hedged with a plain vanilla interest swap (Notional: 12m €, maturity 2020)
- Leasing exposure stands at 22,7m € in H1 (7,4m € short term among "other current financial debt" and 15,3m € among "non current financial debt"), sligthly increasing vs Y-1 (18,7m €).

Net Financial Debt walk (in m €)

Key comments

Despite the seasonal cash absorption Technogym still has a very low leverage providing high financial flexibility to continue investing in innovation



Appendix

Balance Sheet

€m	Jun 2017	% on Revenues	Jun 2018	% on Revenues
Inventories	77,5	29,4%	79,1	29,0%
Trade receivables	86,2	32,7%	114,3	41,9%
Trade payables	(99,1)	(37,6%)	(114,2)	(41,8%)
Trade Working Capital	**64,6**	**24,5%**	**79,1**	**29,0%**
Other current assets/(liabilities)	(44,5)	(16,9%)	(43,3)	(15,9%)
Current tax liabilities	(5,0)	(1,9%)	(11,0)	(4,0%)
Provisions	(12,7)	(4,8%)	(11,6)	(4,3%)
Net Working Capital	**2,4**	**0,9%**	**13,2**	**4,8%**
Property, plant and equipment	141,5	53,7%	139,7	51,2%
Intangible assets	27,1	10,3%	30,2	11,1%
Investments in joint ventures	20,5	7,8%	17,8	6,5%
Employee benefit obligations	(3,2)	(1,2%)	(3,1)	(1,2%)
Other non current asset and (liabilities)	12,9	4,9%	17,2	6,3%
Net Fixed Capital	**198,9**	**75,5%**	**201,8**	**73,9%**
Net Invested Capital	**201,3**	**76,4%**	**215,0**	**78,8%**
Shareholders' Equity	91,7		153,4	
Financial Net Debt	109,6	41,6%	61,5	22,6%
Total Source of Funding	**201,3**	**76,4%**	**215,0**	**78,8%**

EBITDA Reconciliation

(€m)	**June**			
	2017		**2018**	**Jun 2017 vs Jun 2018 Δ**
Net operating income	**30,1**		**33,6**	**11,6%**
Restructuring costs	(0,0)		0,0	
Consultancies costs	0,0		0,0	
IPO Cost	(0,2)		0,0	
Total not recurring items	**(0,2)**		**0,0**	**nm**
Adjusted Net operating income	**29,9**		**33,6**	**12,3%**
Depreciations, amortisations and write-downs	(11,4)		(10,4)	-9,5%
Provision for risk and charges	(1,5)		(0,9)	-38,2%
EBITDA adjusted	**42,9**		**44,9**	**4,7%**
Margin %	***16,3%***		***16,4%***	
Non recurring	(0,2)		0,0	
EBITDA	**43,0**		**44,9**	**4,3%**
Margin %	***16,3%***		***16,4%***	

Cash Flow statement

(€m)	June 2017	June 2018	Δ ass.	Δ %
Consolidated profit for the year	**19,0**	**37,9**	**18,9**	**99,3%**
Depreciation, amortization and impairment losses	11,4	10,4		
Provisions	1,5	0,9		
Share of net result from joint ventures	0,6	(0,1)		
Net financial expenses	2,6	0,2		
Income/(expenses) from investments	0,2	(0,0)		
Income tax expenses	8,2	(4,5)		
Cash flows from operating activities before changes in WC	**43,6**	**44,8**	**1,2**	**2,70%**
Change in inventory	(5,5)	(11,8)		
Change in trade receivables	5,9	(4,8)		
Change in trade payables	(27,2)	(9,1)		
Change in other operating assets and liabilities	(12,8)	(5,8)		
Non-recurrent fiscal payment	0,0	0,0		
Income taxes paid	(6,9)	(3,4)		
Net cash inflow from operating activities (A)	**(2,9)**	**9,9**	**12,7**	**nm**
Investments in property, plant and equipment	(4,5)	(7,4)		
Disposals of property, plant and equipment	0,0	0,0		
Investments in intangible assets	(7,6)	(5,2)		
Dividends received from other entities	0,1	0,0		
Dividends received from joint ventures	0,0	0,0		
Investments in subsidiaries, associates and other entities	(0,3)	0,0		
Net cash inflow (outflow) from investing activities (B)	**(12,4)**	**(12,6)**	**(0,3)**	**2,4%**
Proceeds from new borrowings	0,0	0,0		
Repayment of borrowings	(10,9)	(28,6)		
Net increase (decrease) of current financial assets and liabilities	27,0	29,7		
Dividends paid	(13,0)	(18,1)		
Payments of net financial expenses	(1,5)	(0,6)		
Net cash inflow (outflow) from financing activities (C)	**1,6**	**(17,6)**	**(19,2)**	**nm**
Net increase (decrease) in cash and cash equivalents before FX impact (D)=(A)+(B)+(C)	**(13,6)**	**(20,4)**	**(6,8)**	**49,6%**