

Technogym Financial Results H1 2022

Investor presentation



Cesena, August 3rd 2022

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Massimiliano Moi, 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.



SPORT



STATUS



HEALTH



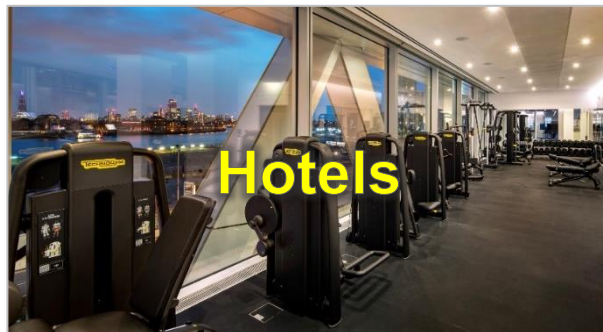
FITNESS

Technogym market update

Recovery ongoing across all the BtoB segments



Clubs



Hotels



Health centers



Corporates

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 demand in line with pre-pandemic trend



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.**

Technogym to catch new opportunities by

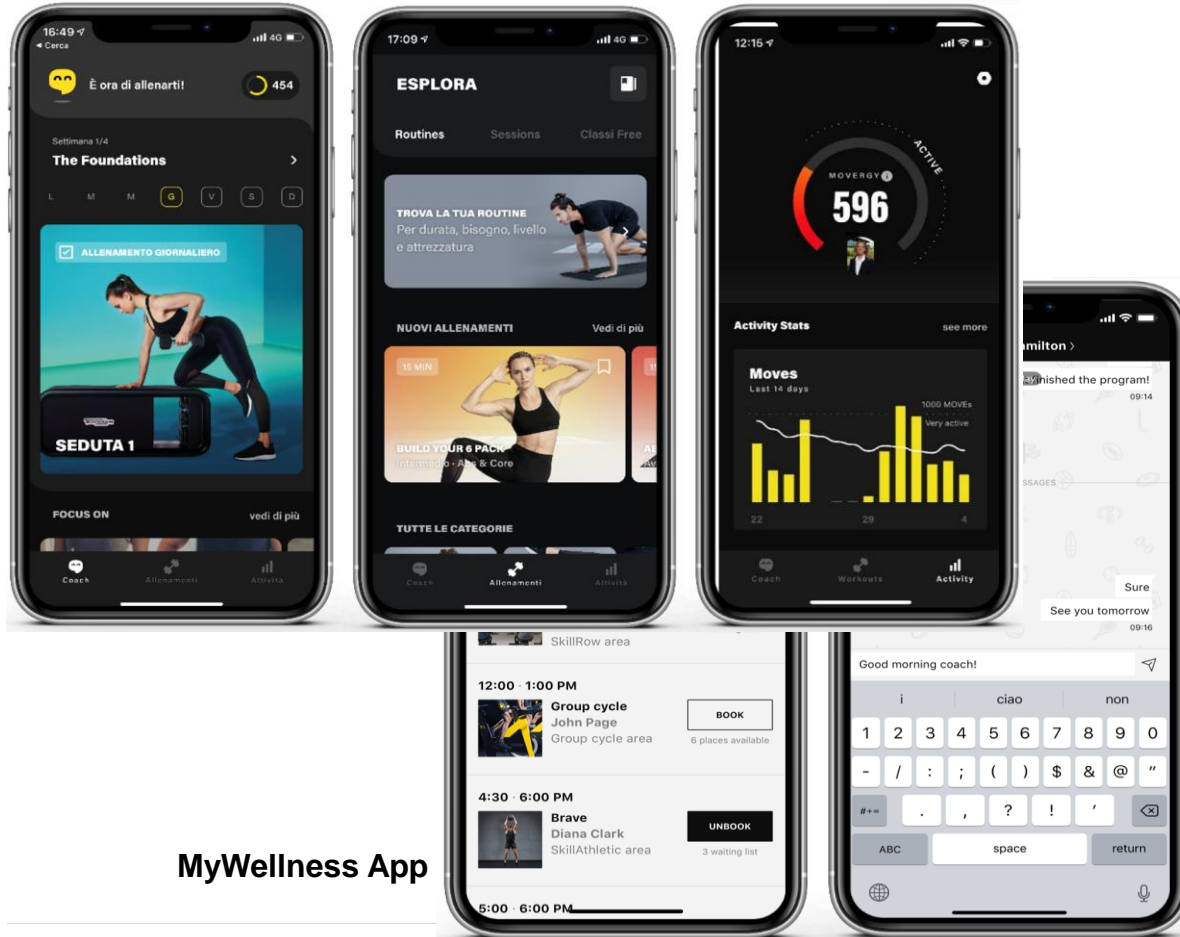
The new biocircuit for Health & Medical fitness



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

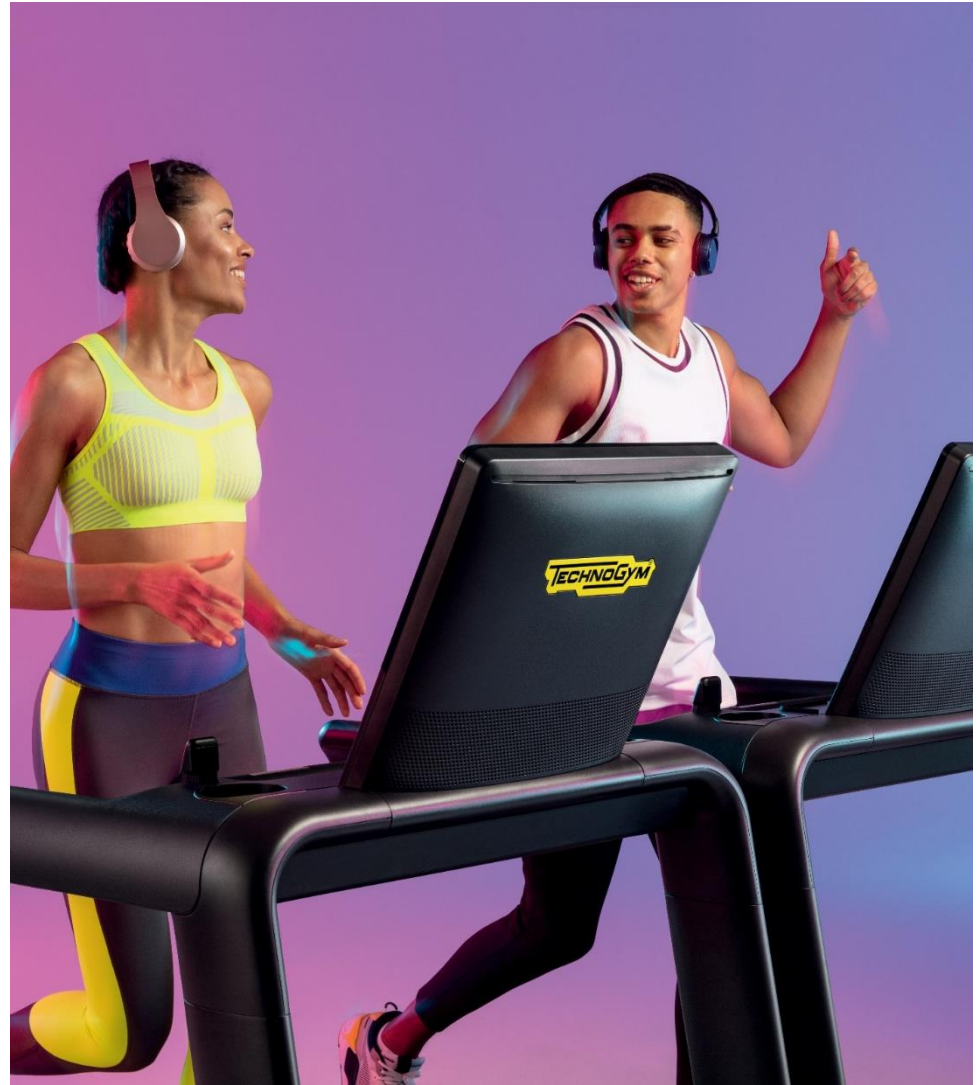
Technogym is enlarging its product and solution portfolio to serve different end-users needs



In Sport Performance with high intensity training format



In Fitness with Cardio & Strength training



The widest ecosystem of SW, Content, Service & Equipment





Financial Results H1 2022

H1 2022 results at a glance

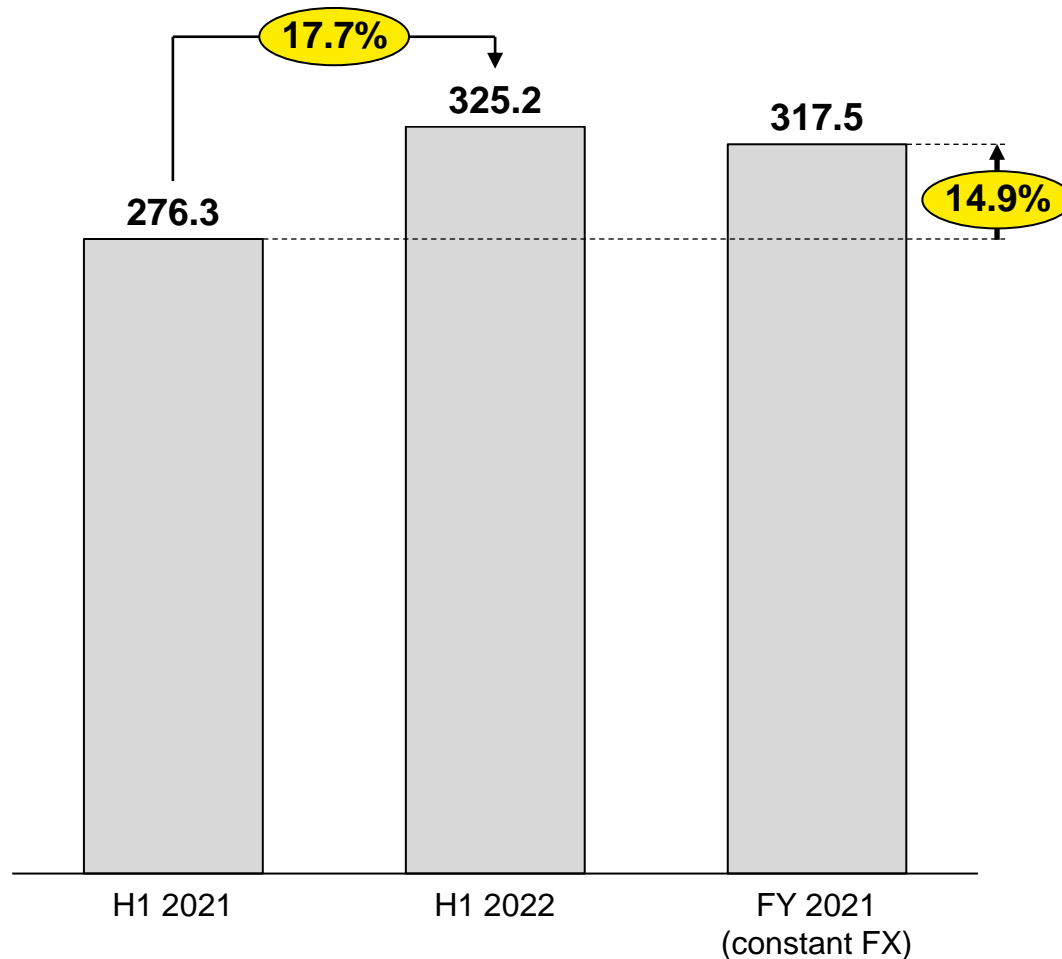
€ million

	H1 - 2022	H1 - 2021	H1 - 2022 vs H1 - 2021
Revenue (€m)	325.2	276.3	+17.7%
EBITDA ADJ (€m) <i>Margin (%)</i>	51.8 15.9%	48.0 17.4%	+8.0%
EBIT ADJ (€m) <i>Margin (%)</i>	30.3 9.3%	27.7 10.0%	+9.2%
Net Profit ADJ (€m) <i>Margin (%)</i>	25.0 7.7%	20.0 7.3%	+24.7%
Net Financial Position (€m)	46.4	70.4	-24.0

Top line grew by c. 18% in H1-2022

€ million

Revenue



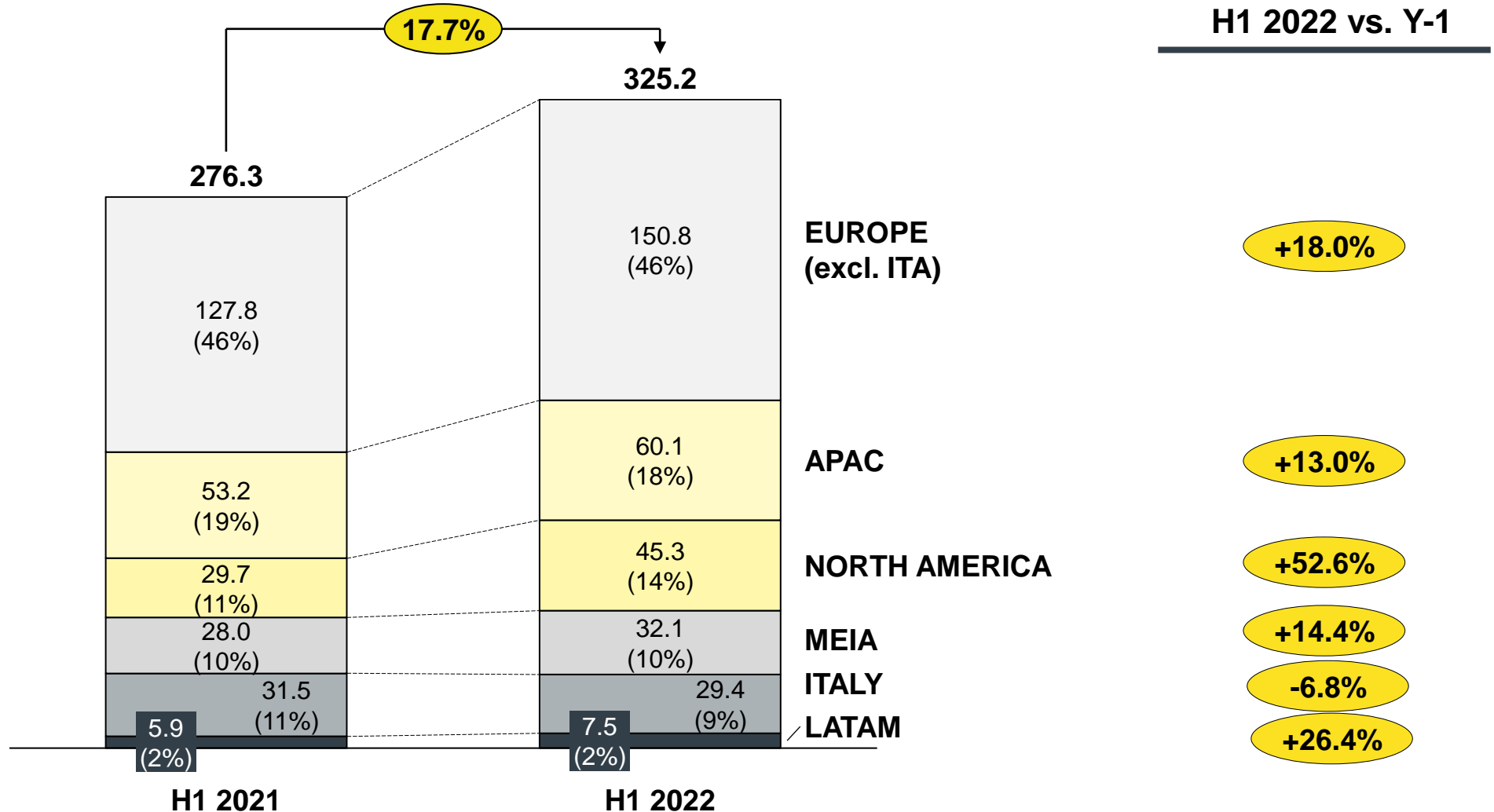
Key comments

- Strong rebound in BtoB led by a double-digit growth in all the sub-segments, from Health to Hotels, from Residential to Clubs
- North America is steering the growth coupled with remarkable growth in Europe and APAC, despite China's lockdowns

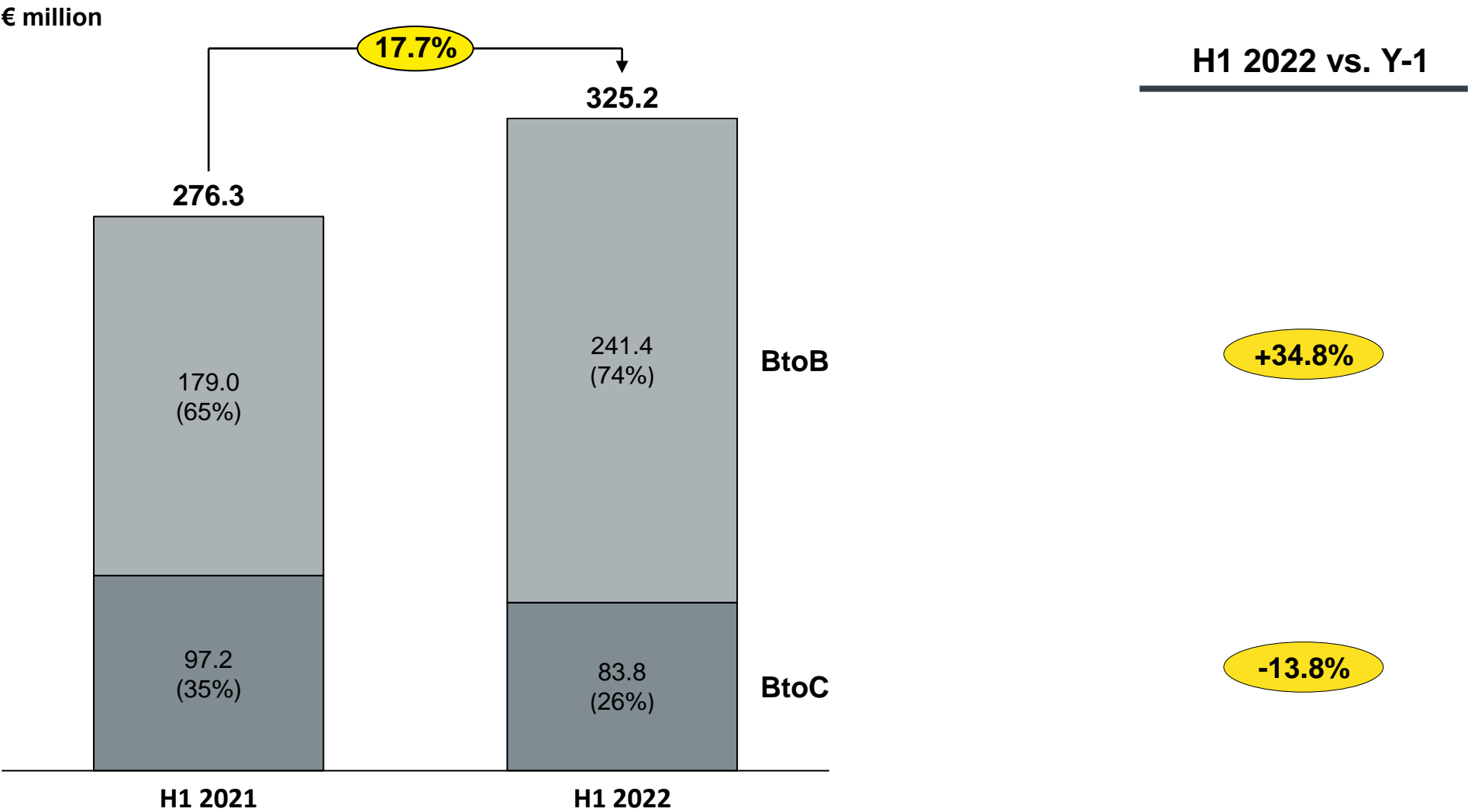
Excluding FX impact, growth would have been slightly lower at +14,9%. USD provided the strongest contribution in the first half

Strong revenue growth in North America

€ million

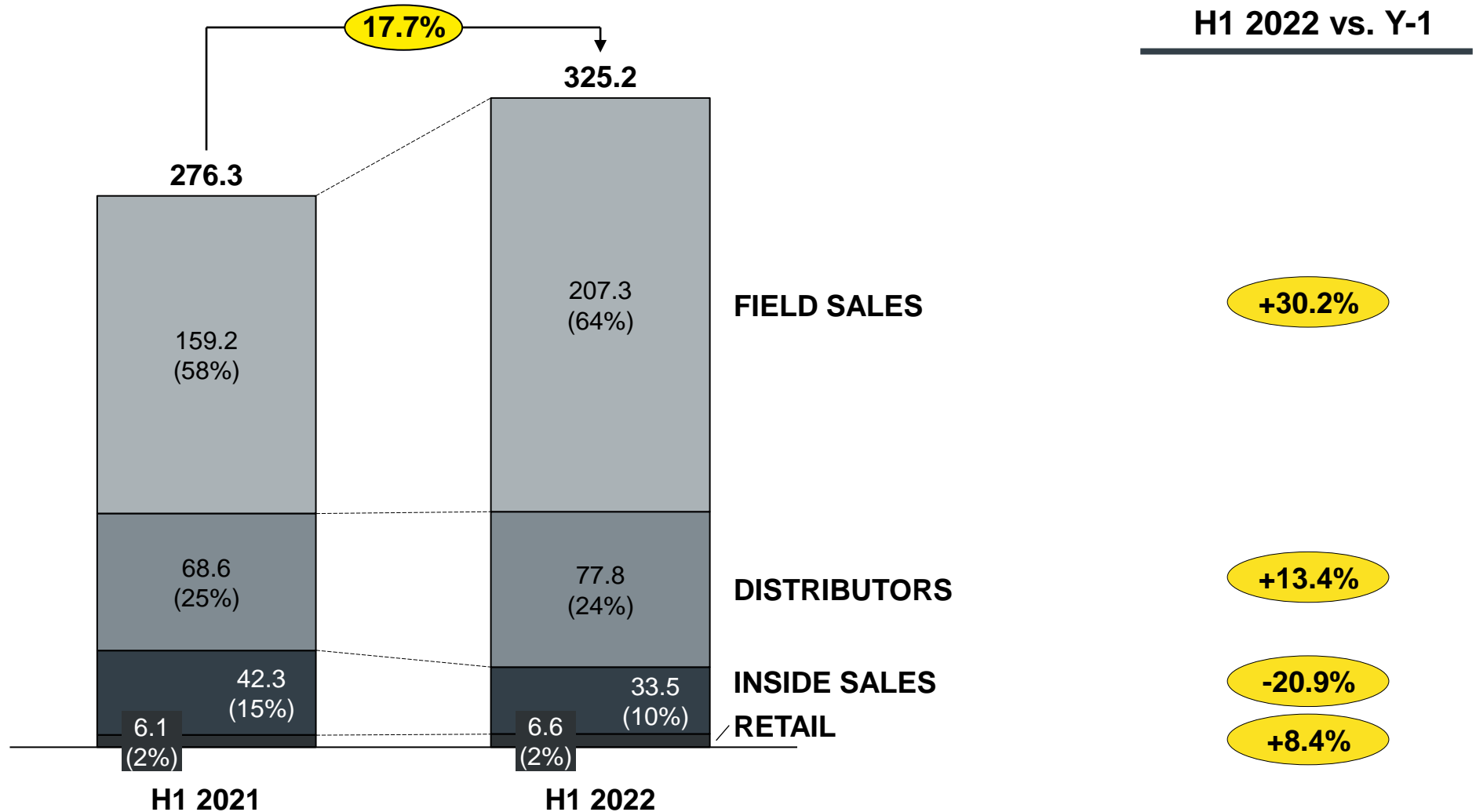


BtoB continue in a sound growth path



Fieldsales and Distributors benefited from BtoB

€ million



Statutory Profit & Loss H1 2022

(€m)	June 2021		June 2022		Delta 2022 vs 2021	
Total revenue	276,3	% on sales	325,22	% on sales	49,0	17,7%
Cost of raw, ancillary and consumable materials and goods for resale	(91,0)	(32,9%)	(108,2)	(33,3%)	(17,2)	18,9%
of which (cost) not recurrent	(0,0)		(0,0)		0,0	
Service, Rentals and leases	(69,9)	(25,3%)	(90,5)	(27,8%)	(20,6)	29,5%
of which (cost) not recurrent	(0,2)		(0,1)		0,1	
Personnel cost	(64,8)	(23,5%)	(72,9)	(22,4%)	(8,1)	12,5%
of which (cost) not recurrent	(0,5)		(0,8)		(0,3)	
Depreciations, amortisations and write-downs	(17,8)	(6,5%)	(18,8)	(5,8%)	(1,0)	5,4%
Provision for risk and charges	(2,4)	(0,9%)	(3,3)	(1,0%)	(0,9)	39%
of which (cost) not recurrent	0,0		(0,6)		(0,6)	
Other operations cost	(4,1)	(1,5%)	(3,1)	(0,9%)	1,0	(24,4%)
of which (cost) not recurrent	(0,1)		(0,0)		0,1	
Share of result joint venture and impairment	11,9	0,0	0,4	0,1%	(11,5)	<i>h.v.</i>
of which (cost) not recurrent	11,1		0,0		(11,1)	
Net operating income	38,1	13,8%	28,8	8,8%	(9,3)	(24,4)%
Margin (%)	13,8%		8,8%		(4,9%)	
Financial income and (expenses) and from investments	(0,1)	(0,0%)	2,3	0,7%	2,3	<i>h.v.</i>
Profit (loss) before tax	38,0	13,8%	31,0	9,5%	(7,0)	(18,4)%
Taxes	(7,5)	(2,7%)	(7,5)	(2,3%)	0,0	0%
Profit (loss)	30,5	11,0%	23,5	7,2%	(7,0)	(22,8)%
Margin (%)	11,0%		7,2%		(3,8%)	
Profit (loss) for the year of minority interests	(0,1)	(0,0%)	(0,1)	(0,0%)	0,1	(44,5%)
Profit (loss) attributable to owners of the parent	30,4		23,5		(6,9)	(22,7)%
Adjusted EBITDA	48,0		51,8		3,9	8,0%
Margin (%)	17,4%		15,9%		(1,4%)	
Profit (loss) adjusted	20,0		25,0		5,0	24,7%
Percentage (%)	7,3%		7,7%		0,4%	

Comments

Revenue

- Increase in Revenue +17.7% (constant F/X +14.9%) driven by the strong performance of the BtoB

Costs

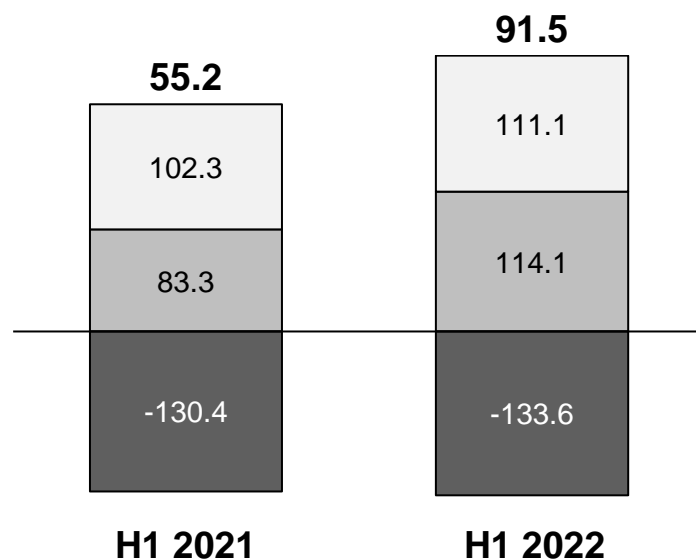
- The increase in raw material price and inbound logistic costs has been partially offset by better product mix, initial list price adjustments and cost reduction activities
- General activity pick-up and top line growth led to after sales costs increase
- Additional investments in competences via new hires in sales force and new digital skills

Trade Working Capital

€ million

Trade Working Capital evolution

Inventories
 Trade Receivables
 Trade Payable



% on Sales rolling LTM

9.8%

13.9%

Inventory Turnover

3.9x

4.0x

DSO

43

50

DPO

134

111

Comments

Inventories: growth driven by inflation components and raw material to avoid supply chain disruption and finished products to allow fast delivery time to our customers

Trade receivables: growth driven by higher sales in the semester and segment mix with more BtoB

Trade Payable: trend driven by the payment of some trade payables due in the first months of 2022

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

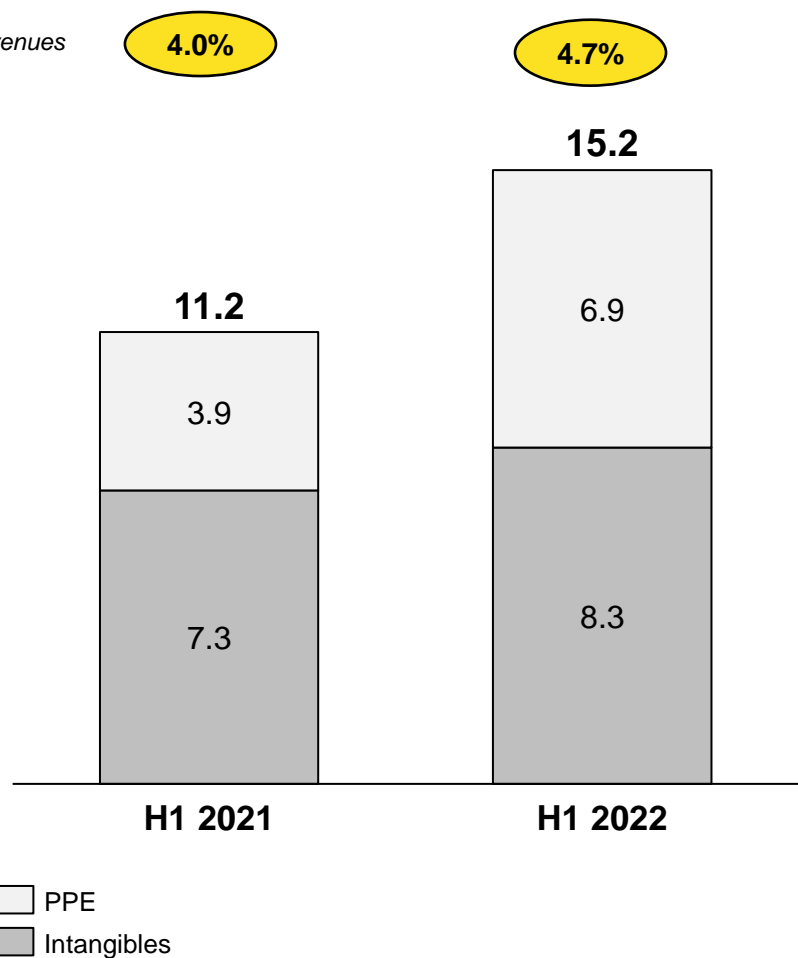
DSO: Calculated as Account receivables net of VAT (~ 11%) / Total turnover

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

Capex: increasing investments in Digital and IT

€ million

% on Revenues



Comments

Tangible Capex

- Tools and molds for new products
- Production lines and manufacturing equipment

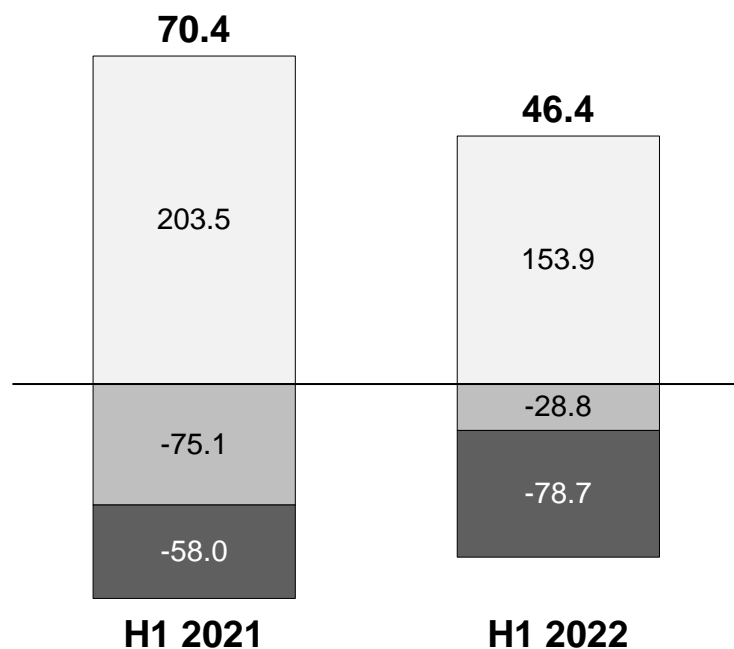
Intangible Capex

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

Net Financial Position

€ million

Net Financial Position



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

Comments

Cash, cash equivalent and deposit stand at € 154m as of June 2022

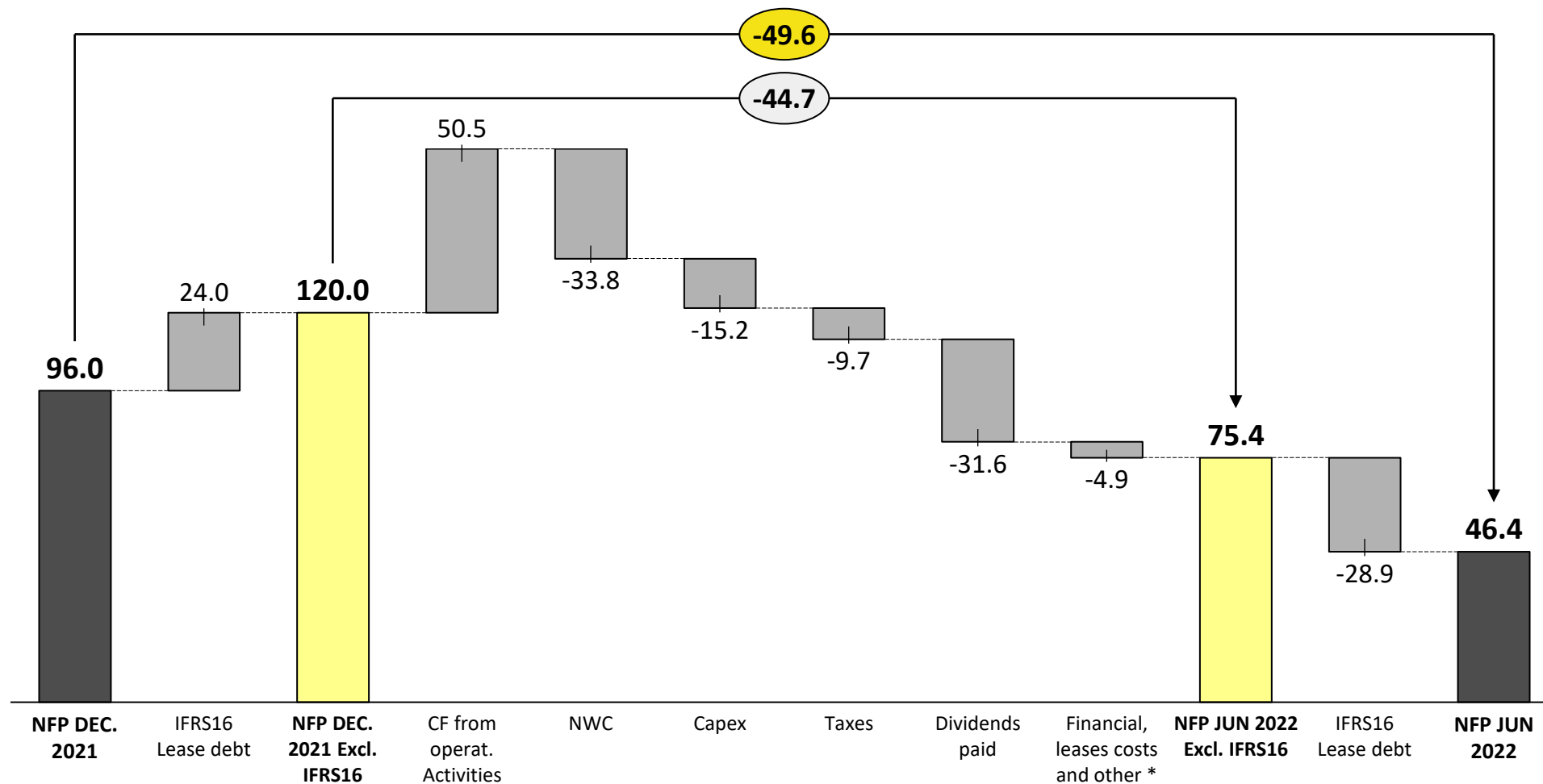
Bank debt decreased by € 46m compared to June 2021

Other financial debts:

- Leasing exposure at € 48.8m vs € 32.7m of June 2021
- IFRS 16 impact on financial debt is € 28.9m

Net Financial Position path in H1

€ million



- * Payment rental IFRS16 -4,3m€ ; Lease DLL -4.1m€;
- Impact of converting liquidity in currency +2.5 m€; Financial and others +1.0m€

Strictly private & confidential



Balance Sheet as of June 2022 (vs. Dec-21 and June-21)

€m	June 2021	% on LTM Revenues	Dec 2021	% on LTM Revenues	June 2022	% on LTM Revenues
Inventories	102,3	18,2%	108,5	17,8%	111,1	16,8%
Trade receivables	83,3	14,8%	104,2	17,0%	114,1	17,3%
Trade payables	(130,4)	(23,2%)	(159,8)	(26,1%)	(133,6)	(20,2%)
Trade Working Capital	55,2	9,8%	53,0	8,7%	91,5	13,9%
Other current assets/(liabilities)	(58,6)	(10,4%)	(65,3)	(10,7%)	(62,3)	(9,4%)
Current tax liabilities	(8,2)	(1,5%)	(6,0)	(1,0%)	(11,1)	(1,7%)
Provisions	(10,3)	(1,8%)	(11,7)	(1,9%)	(10,7)	(1,6%)
Net Working Capital	(21,9)	(3,9%)	(30,0)	(4,9%)	7,4	1,1%
Property, plant and equipment	155,2	27,5%	153,6	25,1%	157,5	48,4%
Intangible assets	48,5	8,6%	50,7	8,3%	52,1	16,0%
Investments in joint ventures	3,9	0,7%	4,4	0,7%	5,2	1,6%
Employee benefit obligations	(3,4)	(0,6%)	(3,1)	(0,5%)	(3,1)	(0,9%)
Other non current asset and (liabilities)	24,3	4,3%	39,1	6,4%	40,1	12,3%
Net Fixed Capital	228,5	40,6%	244,8	40,0%	251,8	38,1%
Net Invested Capital	206,6	36,7%	214,8	35,1%	259,3	39,3%
Shareholders' Equity	277,0		311,6		306,5	
Net financial position adj for Trade pay due > 12m *	(70,4)	(12,5%)	(96,8)	(15,8%)	(47,2)	(7,1%)
Total Source of Funding	206,6	36,7%	214,8	35,1%	259,3	39,3%

NFP (Cash) = -
94.7m€ excluding
IFRS16

NFP (Cash) = -
120 m€ excluding
IFRS16

NFP (Cash) = -
75,4m€ 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 of 4 march 2021

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