

Technogym Financial Results 2021



Cesena, March 23rd 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.



Market evolution and Technogym upsides

Fast recovery 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



Technogym to catch new opportunities by

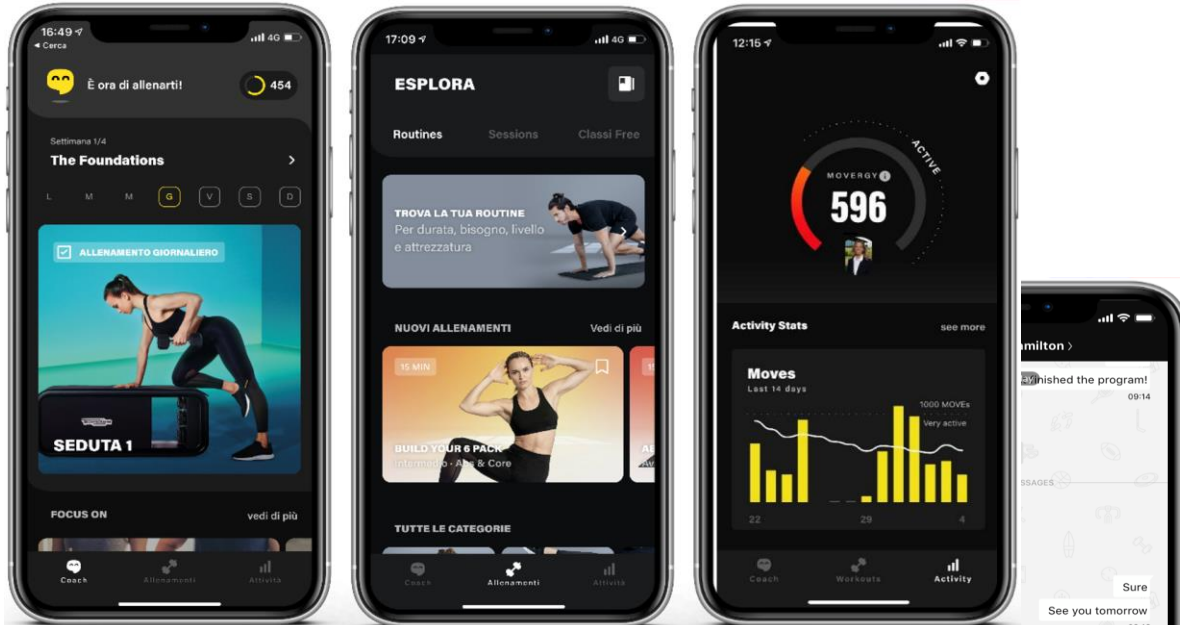
The new biocircuit for Health & Medical fitness



Technogym Ecosystem to catch new opportunities by

New MyWellness CRM Platform & Technogym App

Technogym App



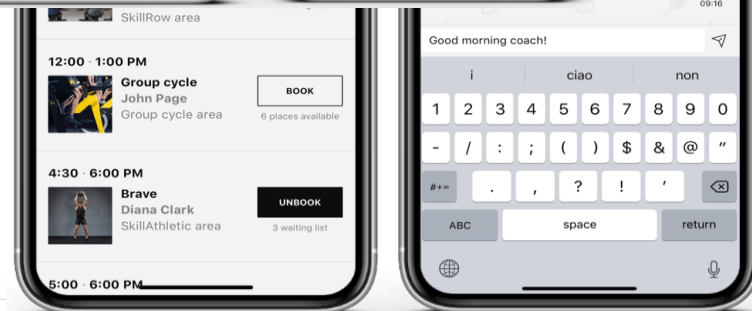
Technogym App B2C2B

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

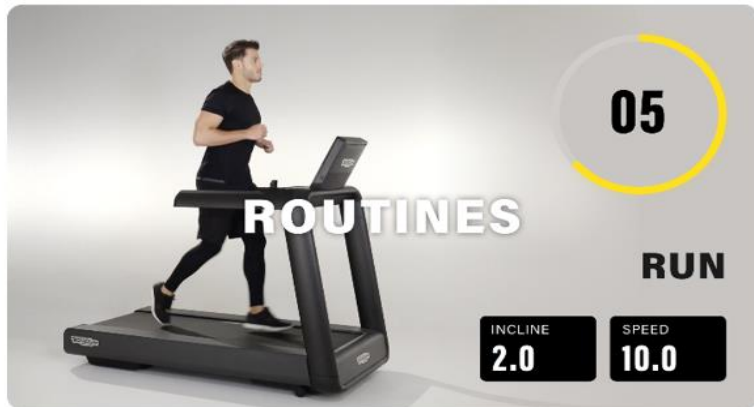
The latest version of the Technogym CRM platform now allows professional operators to customize end-users training experience via on-demand videos in a full hybrid approach

MyWellness App



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

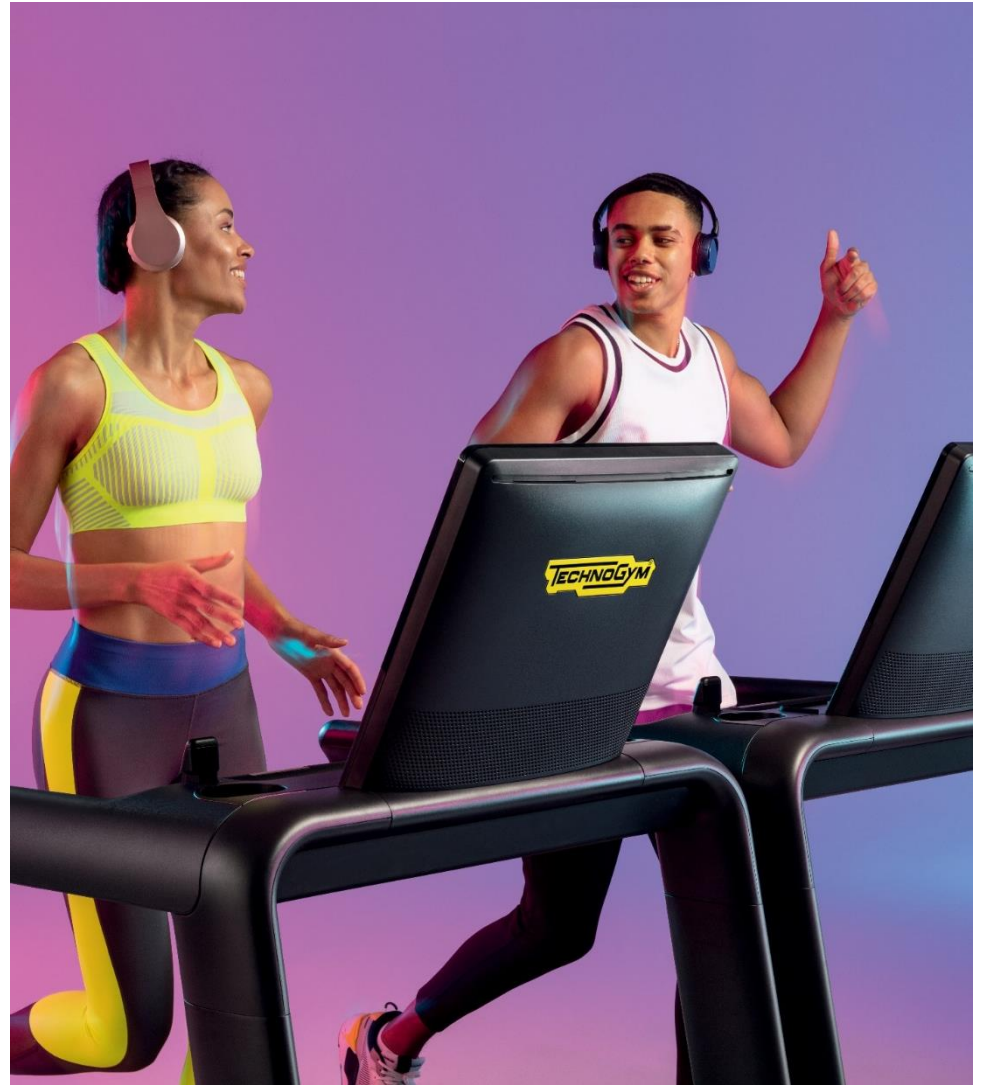
Technogym is enlarging its product and solution portfolio to serve different end-users needs



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

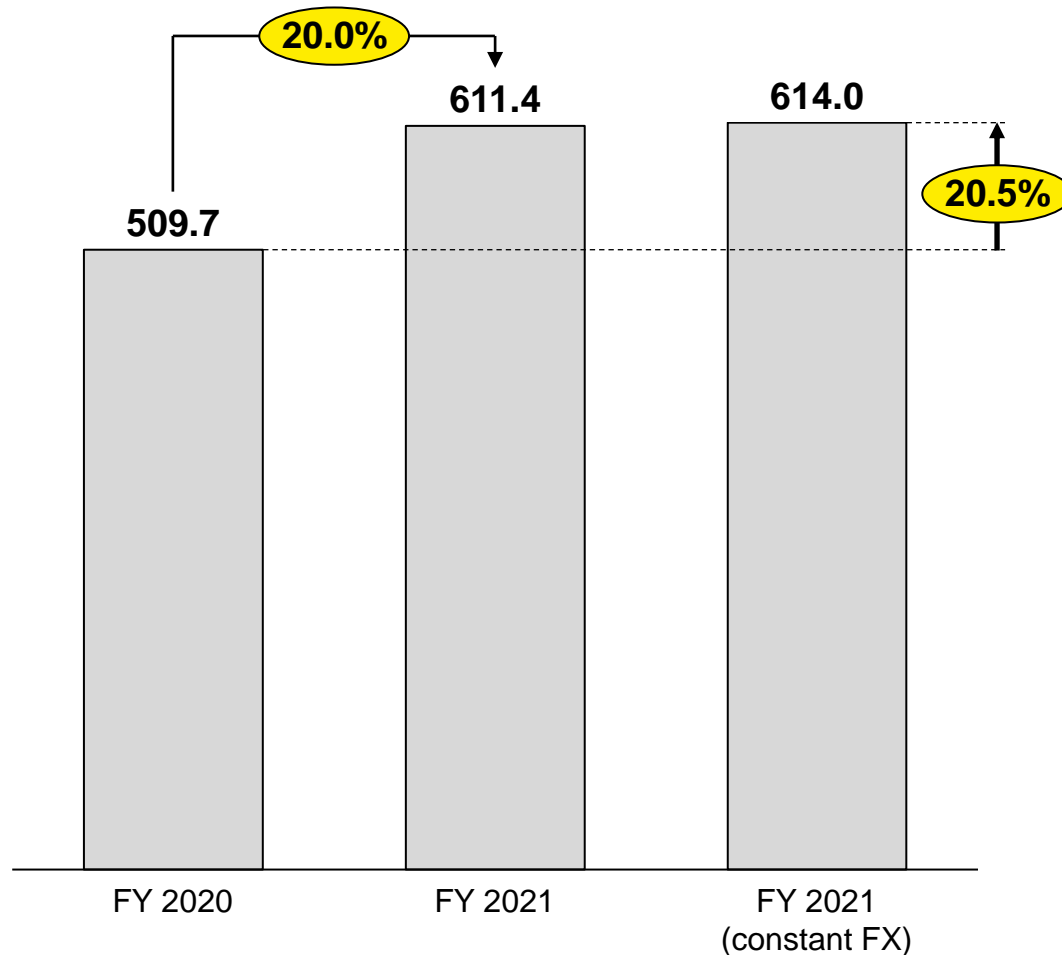
*** Net Profit excluding Exerp 49.1 €m

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Top line grew by 20% in 2021

€ million

Revenue



Key comments

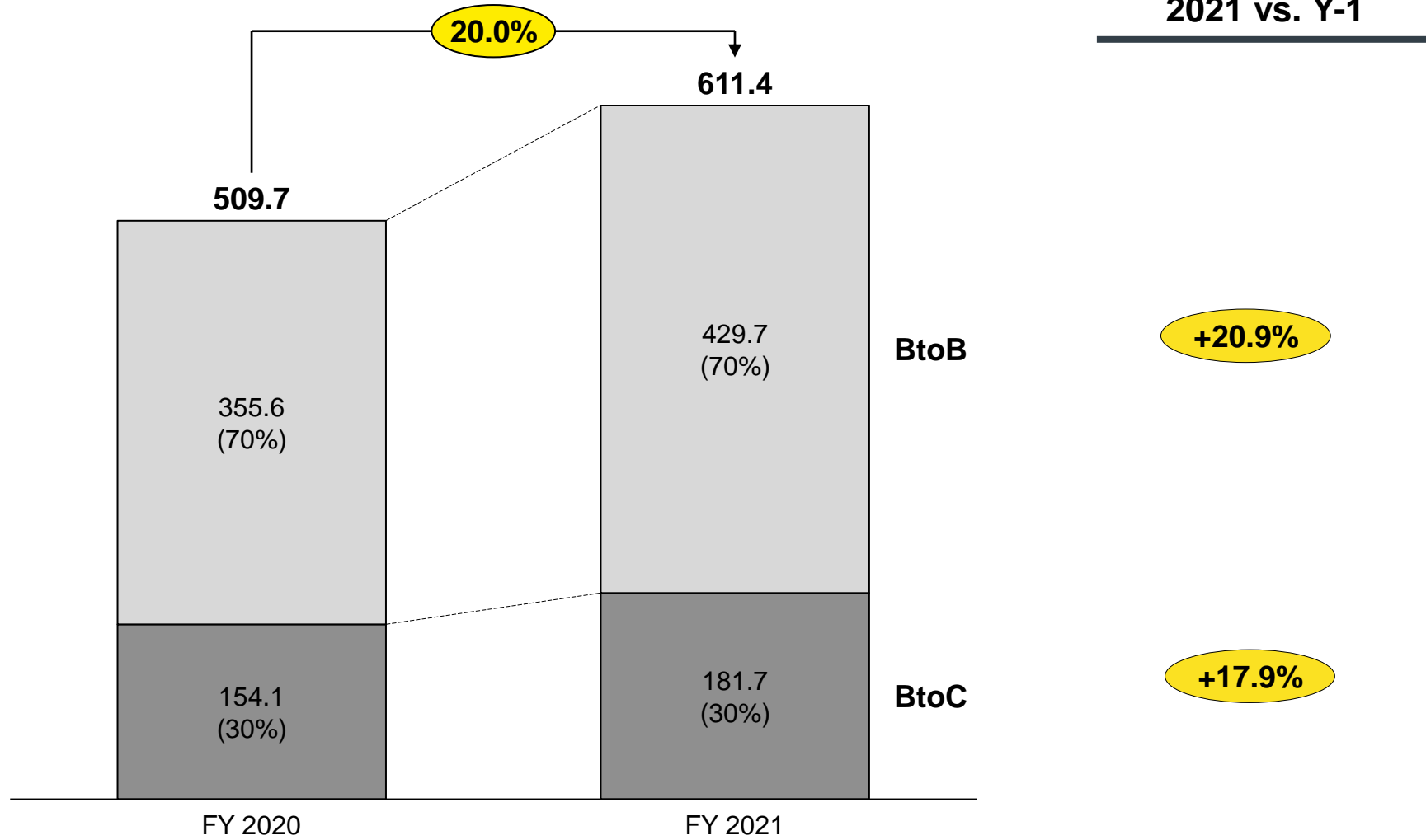
- Strong rebound in BtoB led by a double-digit growth in all the segments, from Health to Hotels, from Residential to Clubs
- Key Accounts restarted significant orders over the last quarters
- EU and APAC geographies benefitted from >20% growth in countries like UK, China and Benelux
- Distributors'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

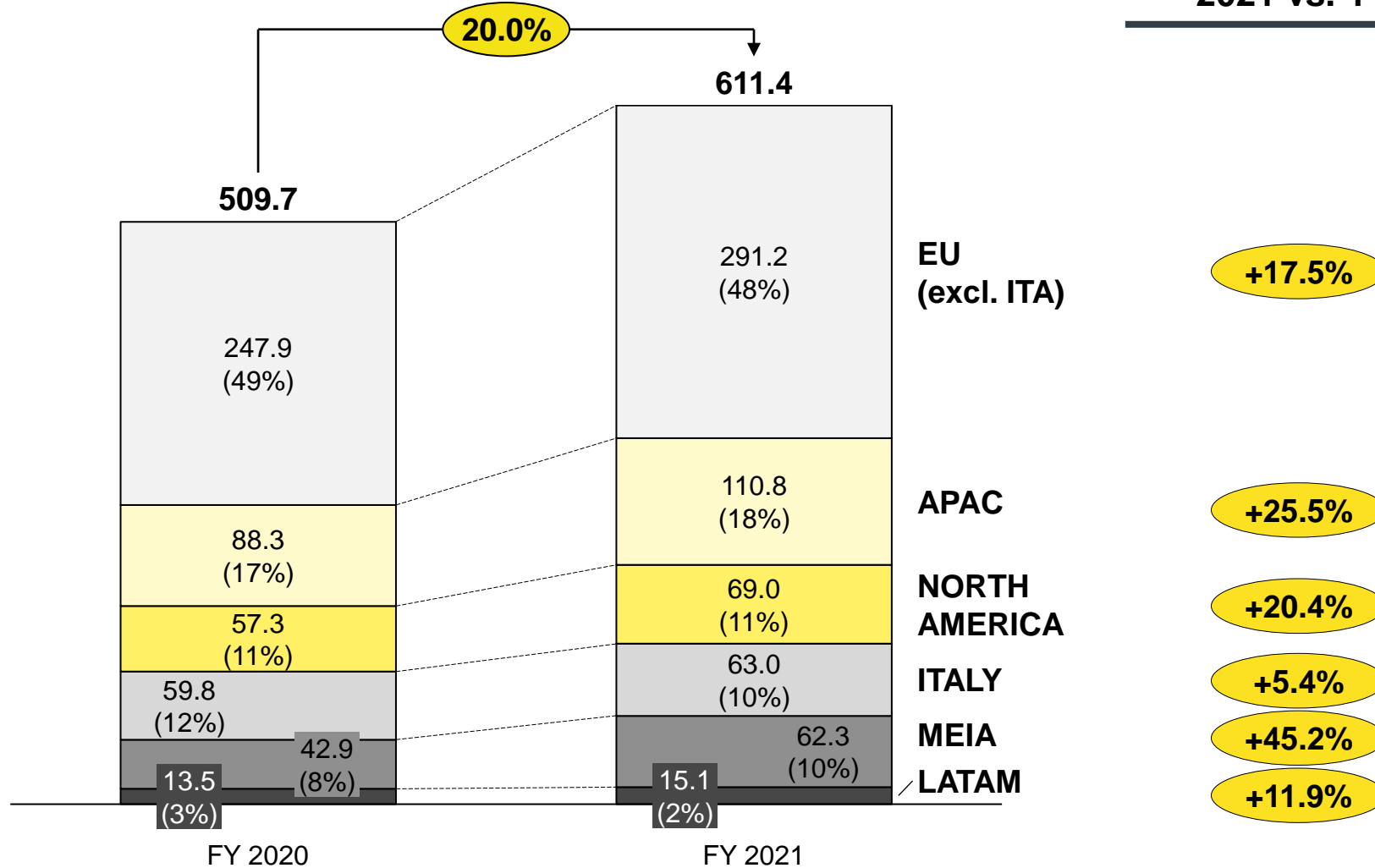
€ million



Strong growth recorded in APAC, North America and MEIA

€ million

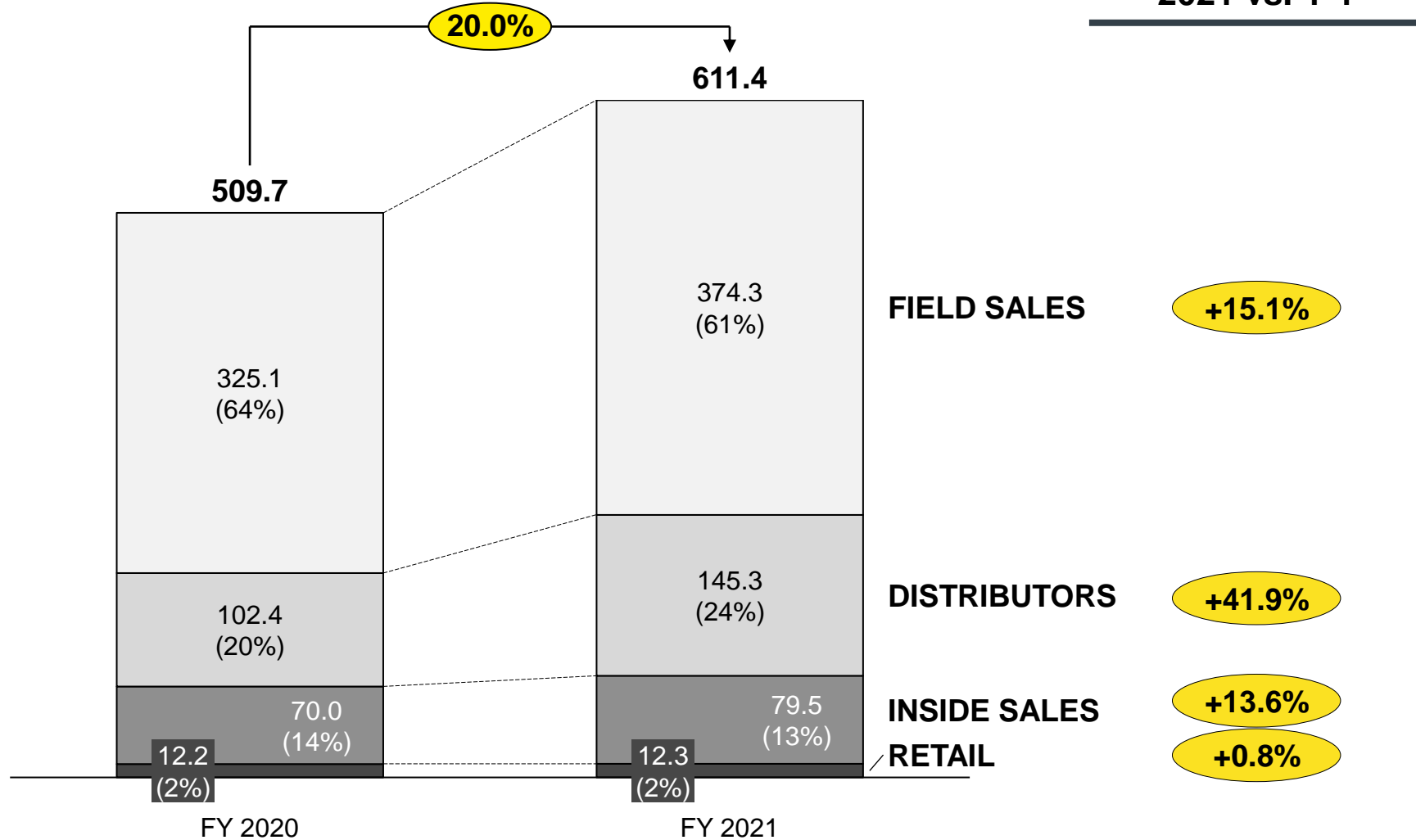
2021 vs. Y-1



Strong growth of Distributors

€ million

2021 vs. Y-1



2021 Profit & Loss

€ million

(€m)	Dec 2020		Dec 2021		Delta	2021 vs 2020
Total revenue	509,7	% on sales	611,41	% on sales	101,7	20,0%
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	
Net operating income	54,4	10,7%	78,9	12,9%	24,5	45,1%
<i>Margin (%)</i>	<i>10,7%</i>		<i>12,9%</i>		<i>2,2%</i>	
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	
Profit (loss) before tax	48,0	9,4%	79,7	13,0%	31,7	66,0%
Taxes	(11,6)	(2,3%)	(16,5)	(2,7%)	(4,9)	42%
of which (cost) not recurrent	(0,3)		0,0		0,3	
Profit (loss)	36,4	7,2%	63,3	10,3%	26,8	73,6%
<i>Margin (%)</i>	<i>7,2%</i>		<i>10,3%</i>		<i>3,2%</i>	
<i>Profit (loss) for the year of minority interests</i>	<i>(0,4)</i>	<i>(0,1%)</i>	<i>(0,2)</i>	<i>(0,0%)</i>	<i>0,2</i>	<i>(54,9%)</i>
Profit (loss) attributable to owners of the parent	36,0	7,1%	63,1	10,3%	27,1	75,2%
EBITDA	92,9		118,9			28,0%
Adjusted EBITDA	96,9		107,0		10,1	10,5%
<i>Margin (%)</i>	<i>19,0%</i>		<i>17,5%</i>		<i>(1,5%)</i>	
Profit (loss) adjusted	43,4		51,2		7,8	17,9%
<i>Percentage (%)</i>	<i>8,5%</i>		<i>8,4%</i>		<i>(0,1%)</i>	

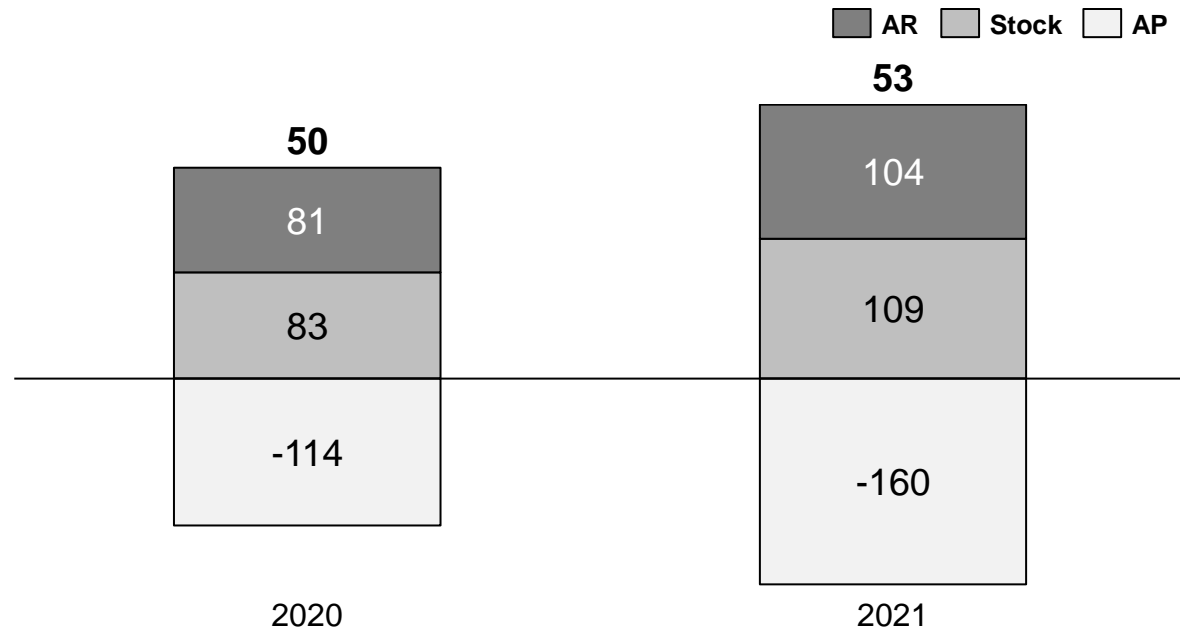
Comments

- 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

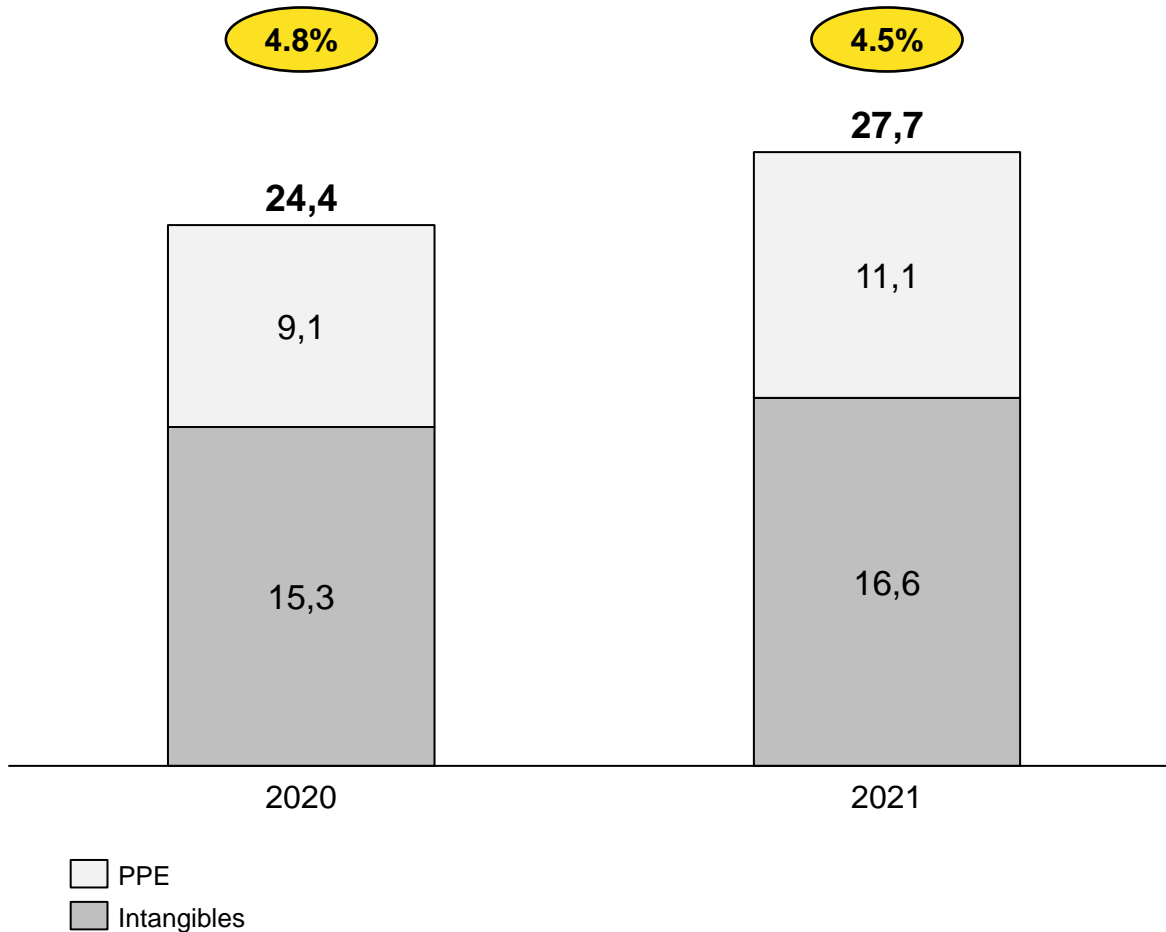
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DPO: Calculated as Trade payables net of VAT (~ 7%) / (Total costs for raw materials, semi-finished products and services)

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

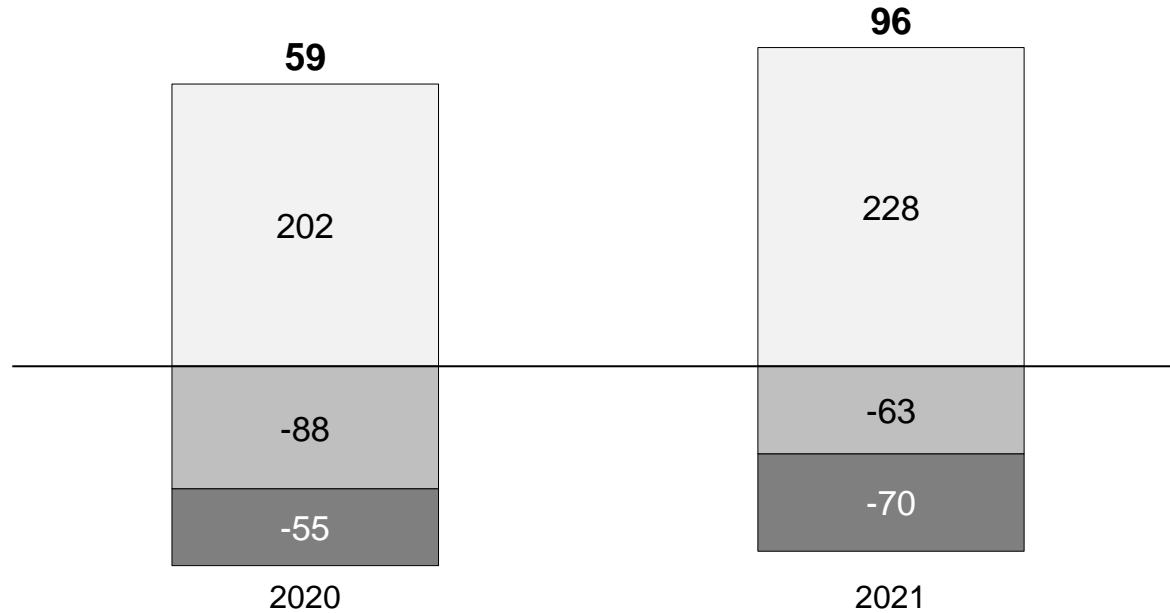
■ Intangible Capex

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

Net Cash further improved in 2021

€ million

Net Financial Position



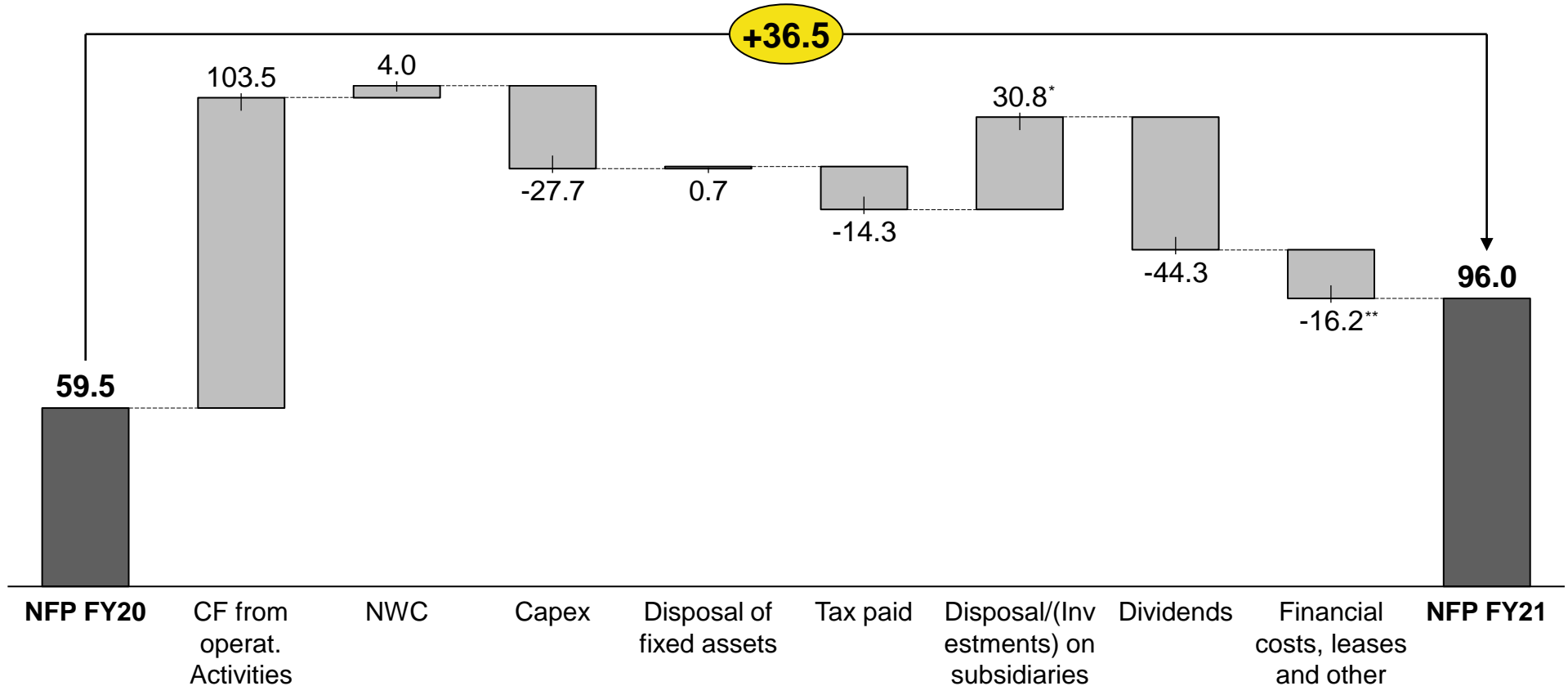
- Cash, cash equivalent and short term deposit
- Bank debt
- Othe financial debt

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%)
Trade Working Capital	49,7	9,7%	53,0	8,7%
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%)
Net Working Capital	(17,8)	-3,5%	(30,0)	-4,9%
Net Fixed Capital	248,9	48,8%	244,8	40,0%
Net Invested Capital	231,1	45,3%	214,8	35,1%
Shareholders' Equity	290,5		311,6	
Financial Net Position (excl. Trade pay. due > 12m)	(59,5)	(11,7%)	(96,8)	(15,8%)
Total Source of Funding	231,1	45,3%	214,8	35,1%

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