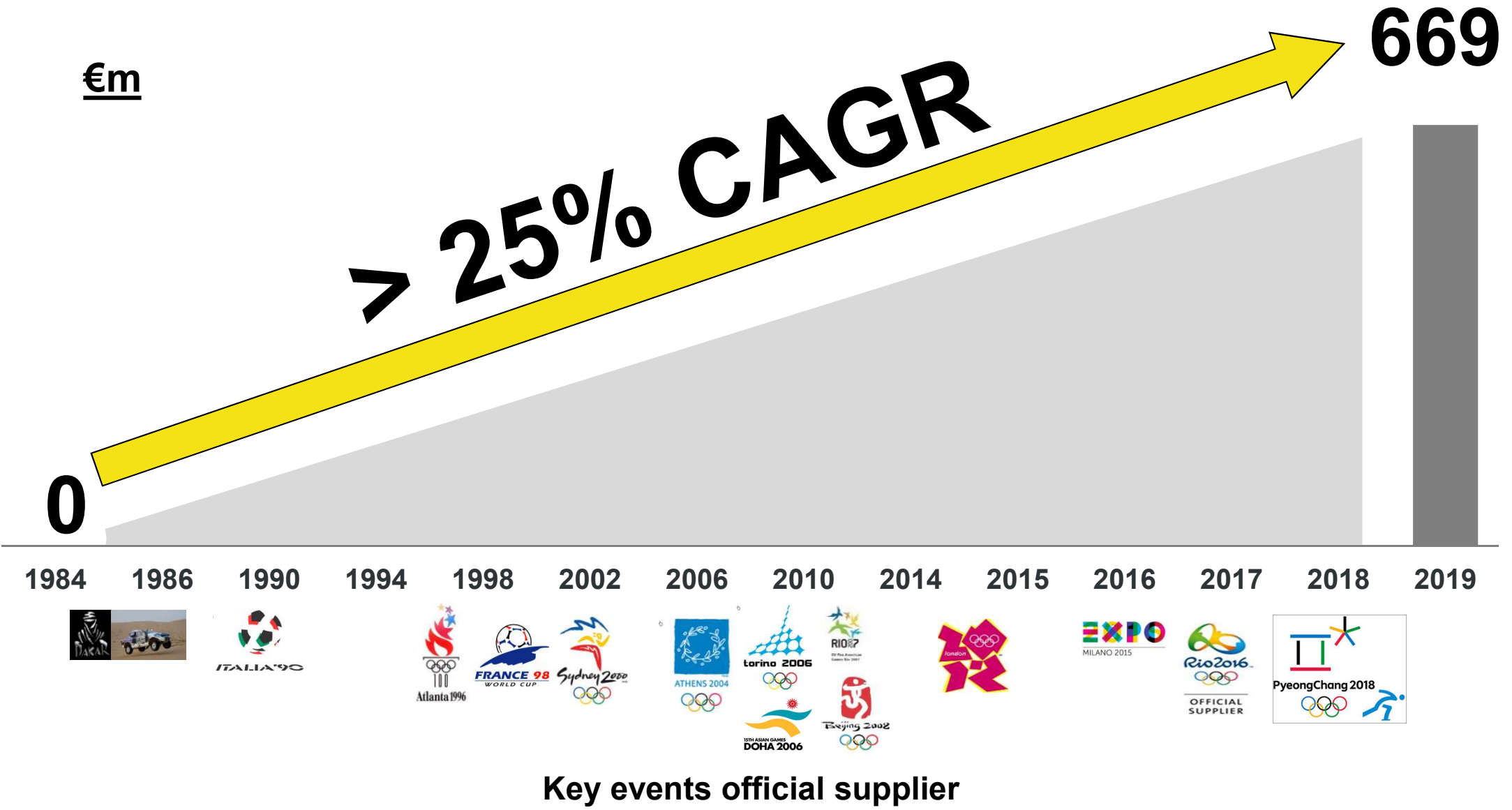


Financial results 2019

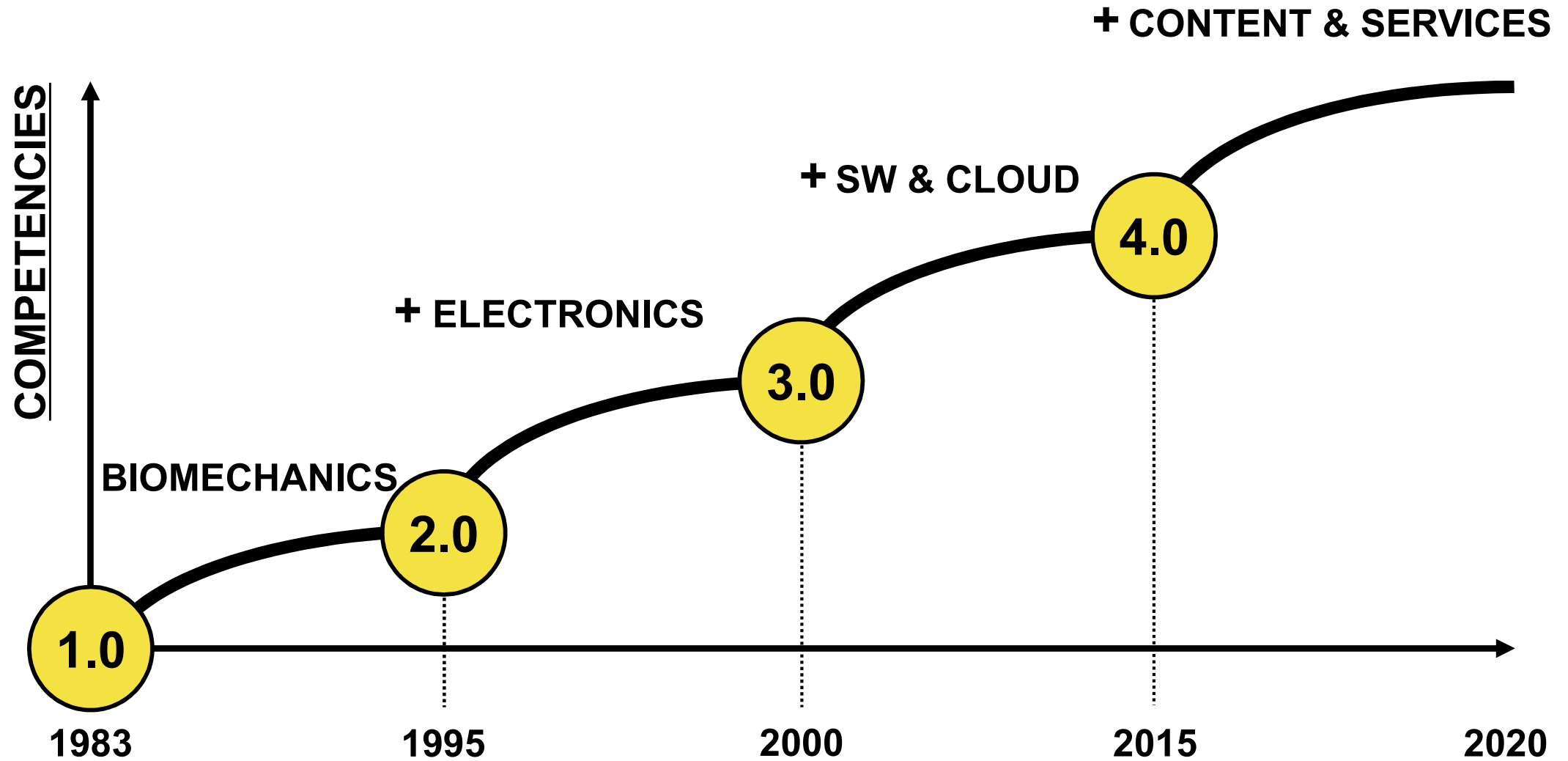


Cesena, March 17 2020

37 years of organic growth



Technogym disruptive innovation

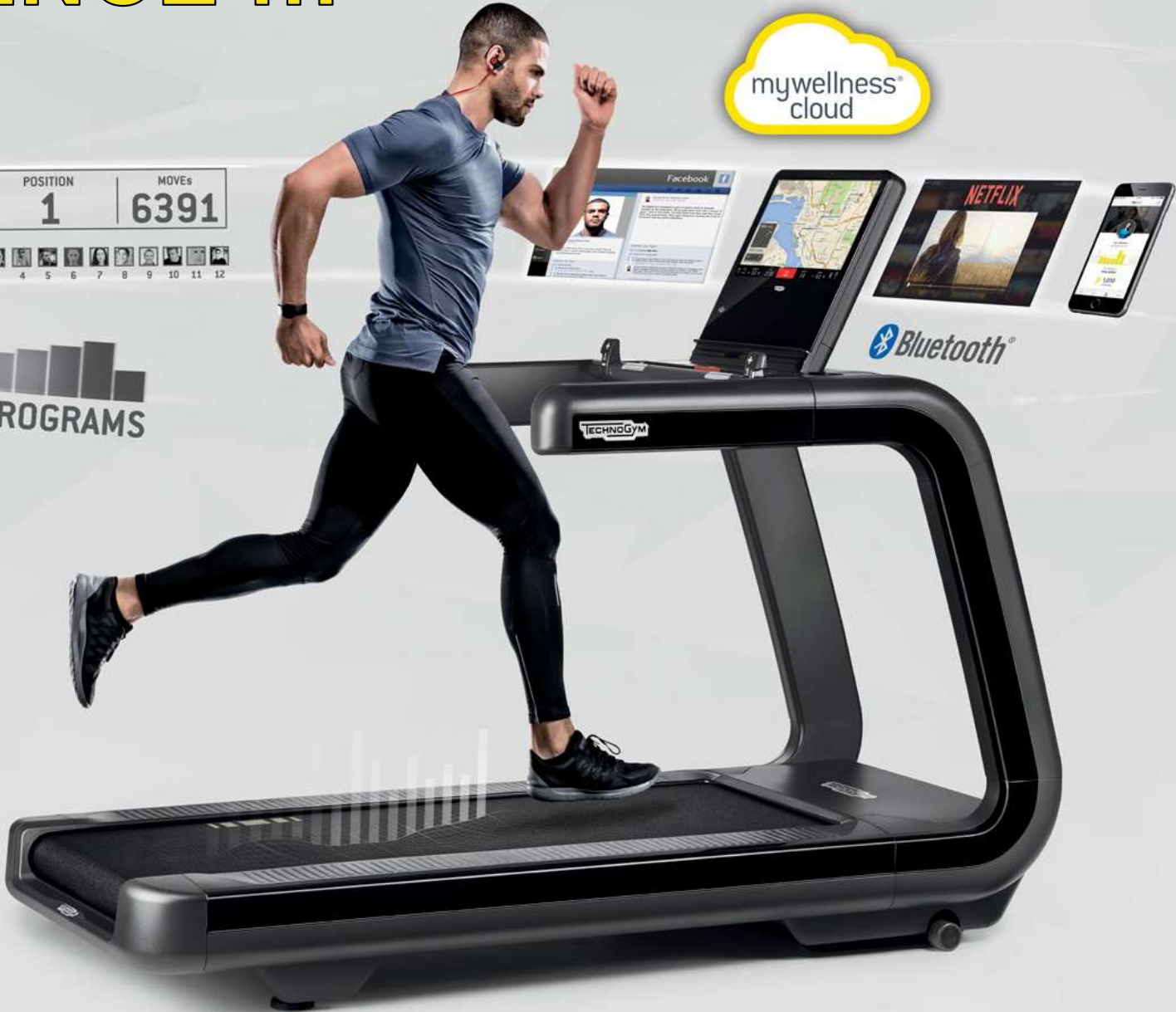


CONNECTED WELLNESS EXPERIENCE ...



CHALLENGES

	POSITION	MOVES									
	1	6391									
1	2	3	4	5	6	7	8	9	10	11	12



DIFFERENT FORMATS FOR DIFFERENT PASSIONS



SKILLATHLETIC: our new experience for athletic training



A new immersive training experience accessible both in existing Clubs or in new boutique fitness studios

Biocircuit: automatic and personalized workout



2019: another year of profitable growth

EUR 99m FCF

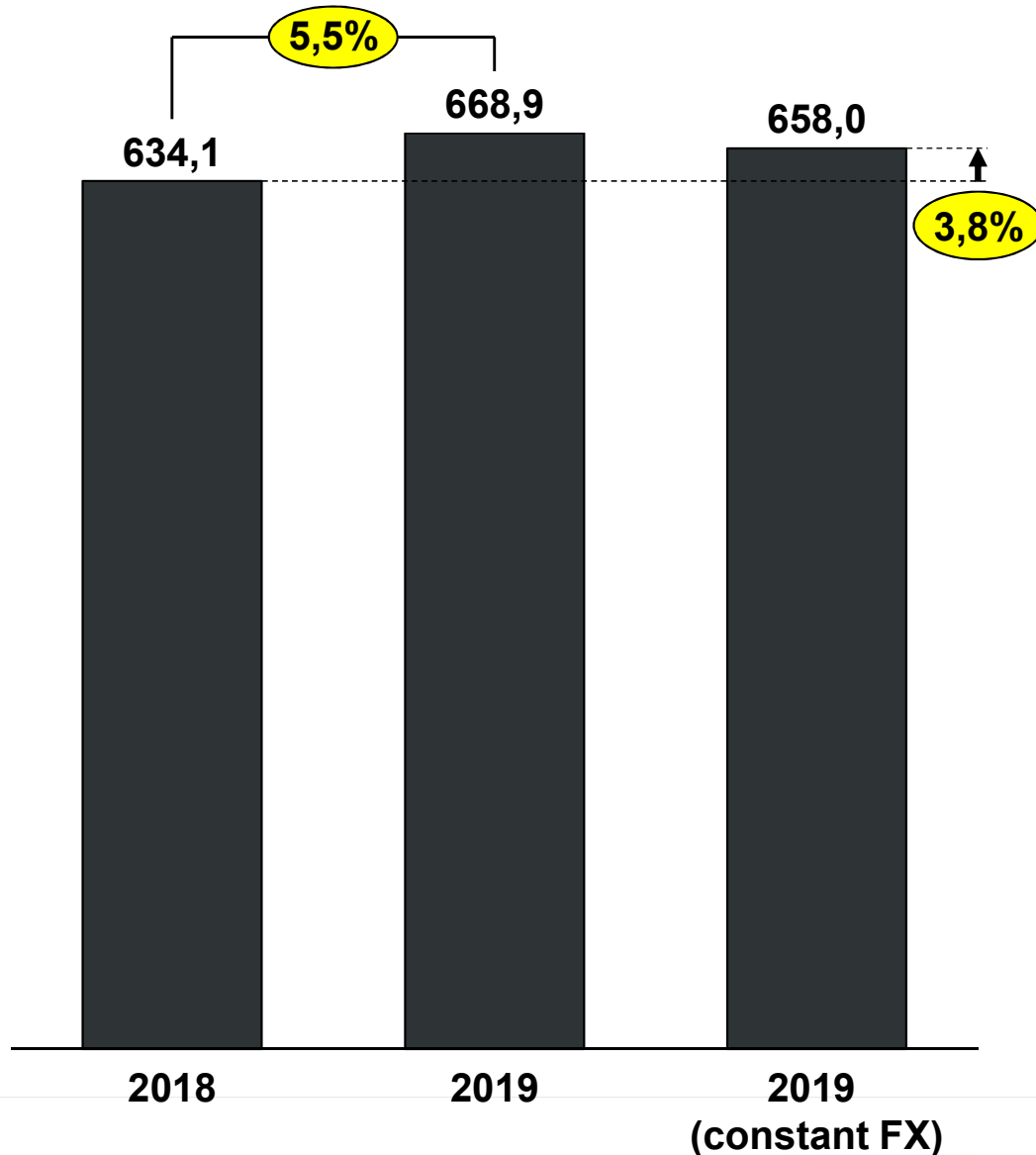
Rev growth > Mkt

EUR 25m Net Cash at YE



Revenues showed mid single-digit growth

Revenues (€m)



Key comments

YoY growth mainly driven by:

- Overseas markets (APAC, NA and LATAM)
- Vertical segments (H&R and Home)
- Standard business, thereby diversifying the risk related to KA
- Offering: services and digital solutions

Excluding FX impact (+10,9 m€), growth YoY would have been 3,8%.

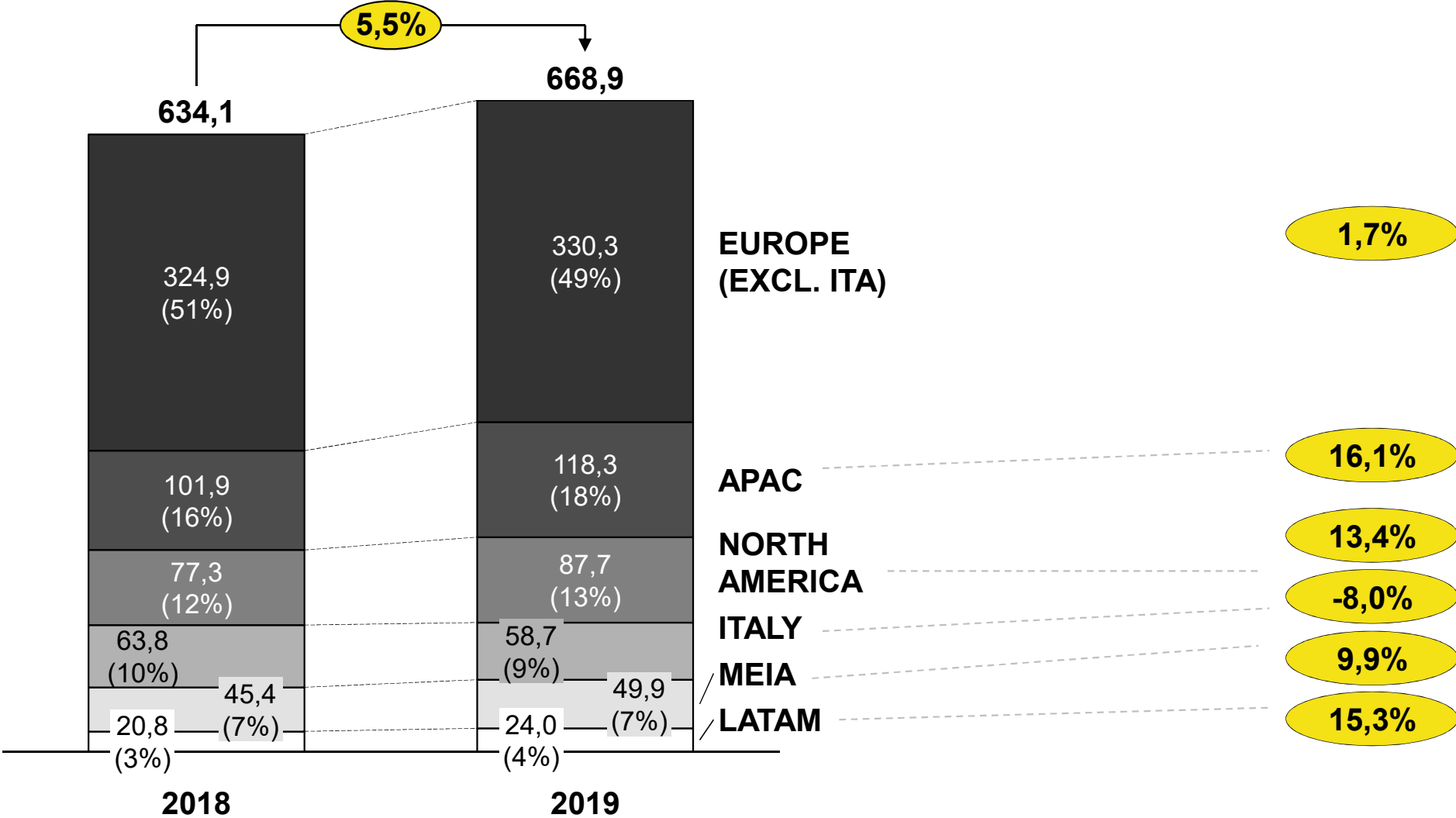
Major upsides were from:

- USD
- JPY

N.A. & APAC driving the growth

Revenue by geography (€m, % incidence & change)

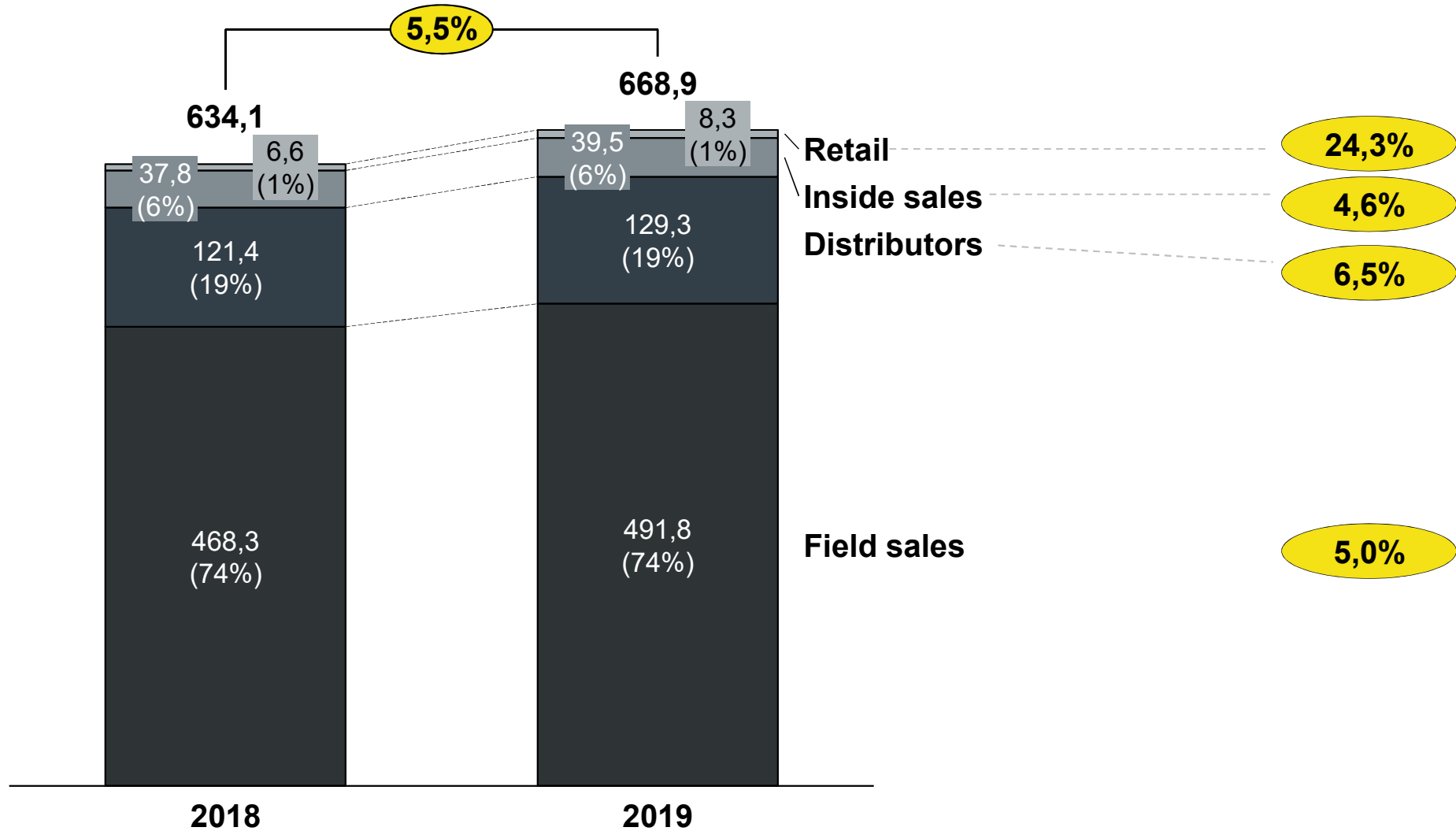
2019 vs. Y-1



All sales channels are growing YoY

Revenue by channels (€m, % incidence & change)

2019 vs. Y-1



Top line growth with a steady profitability

Profit and Loss statement (excluding IFRS 16)

(€m)	Dec 2018	Dec 2019 excluding IFRS 16	Delta (excluding IFRS 16)	2019 vs 2018
Total revenue	634,1	668,9	34,8	5,5%
Cost of raw, ancillary and consumable materials and goods for resale	(200,5)	(219,3)	(18,8)	9,4%
<i>of which (cost) not recurrent</i>	0,0	(0,1)	(0,1)	
Service, Rentals and leases	(162,5)	(168,3)	(5,8)	3,6%
<i>of which (cost) not recurrent</i>	(2,0)	(1,3)	0,7	
Personnel cost	(133,8)	(137,7)	(3,9)	2,9%
<i>of which (cost) not recurrent</i>	(1,0)	(2,4)	(1,4)	
Depreciations, amortisations and write-downs	(22,0)	(25,2)	(3,2)	14,6%
Provision for risk and charges	(2,6)	(4,1)	(1,6)	60,8%
Other operations cost	(6,1)	(7,3)	(1,2)	19,4%
<i>of which (cost) not recurrent</i>	0,0	(0,4)	(0,4)	
Share of result joint venture	0,3	1,0	0,7	<i>h.v.</i>
Net operating income	106,9	108,0	1,1	1,0%
<i>Margin (%)</i>	16,9%	16,1%	(0,7%)	
Financial income and (expenses) and from investments	0,6	(1,3)	(1,9)	<i>h.v.</i>
Profit (loss) before tax	107,5	106,6	(0,8)	(0,8)%
Taxes	(14,0)	(22,7)	(8,7)	<i>h.v.</i>
<i>of which (cost) not recurrent</i>	12,5	2,2	(10,3)	
Profit (loss) before minority interest	93,5	83,9	(9,5)	(10,2)%
<i>Margin (%)</i>	14,7%	12,5%	(2,2%)	
Profit (loss) for the year of minority interests	(0,4)	(0,5)	(0,1)	23,6%
Profit for the year	93,0	83,4	(9,6)	(10,3)%
Adjusted EBITDA	134,4	141,5	7,1	5,3%
<i>Margin (%)</i>	21,2%	21,2%		
Profit for the year adjusted	83,5	85,4	1,9	2,2%
<i>Percentage(%)</i>	13,2%	12,8%	(0,4%)	

Key comments

Net operating income drivers

- Top line growth driven by volumes
- Positive performance on products cost reduction offset by increase in custom duties and service costs (i.e. logistic costs, consultancy & maintenance)
- Increase in personnel costs is mainly due to 2018 carry over and new hires, mainly driven by increasing focus on digital & contents
- Increase in D&A is driven by higher investments for new products development and IT projects also related to digital transformation
- Increase in provision for risk and charges is mainly due to the increase of bad debt provision
- Tax variation is due to lower non recurring patent box and deferred taxes accrual for a total of 10,3m€

Positive FX impact driven primarily by USD and JPY:

- +11m € on revenues
- +6,1m € on Net operating income
- +5,9m € on Net result

Top line growth with a steady profitability

Profit and Loss statement (including IFRS 16)

(€m)	Dec 2018	Dec 2019	Delta	2019 vs 2018
Total revenue	634,1	668,9	34,8	5,5%
Cost of raw, ancillary and consumable materials and goods for resale	(200,5)	(219,3)	(18,8)	9,4%
<i>of which (cost) not recurrent</i>	0,0	(0,1)	(0,1)	
Service, Rentals and leases	(162,5)	(163,6)	(1,1)	0,6%
<i>of which (cost) not recurrent</i>	(2,0)	(1,3)	0,7	
Personnel cost	(133,8)	(136,2)	(2,3)	1,7%
<i>of which (cost) not recurrent</i>	(1,0)	(2,4)	(1,4)	
Depreciations, amortisations and write-downs	(22,0)	(31,1)	(9,1)	41,4%
Provision for risk and charges	(2,6)	(4,1)	(1,6)	60,8%
Other operations cost	(6,1)	(7,3)	(1,2)	19,4%
<i>of which (cost) not recurrent</i>	0,0	(0,4)	(0,4)	
Share of result joint venture	0,3	1,0	0,7	<i>h.v.</i>
Net operating income	106,9	108,4	1,5	1,4%
<i>Margin (%)</i>	16,9%	16,2%	(0,7%)	
Financial income and (expenses) and from investments	0,6	(1,9)	(2,6)	<i>h.v.</i>
Profit (loss) before tax	107,5	106,4	(1,1)	(1,0)%
Taxes	(14,0)	(22,7)	(8,7)	<i>h.v.</i>
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Profit for the year	93,0	83,2	(9,8)	(10,6)%
Adjusted EBITDA	134,4	147,8	13,4	10,0%
<i>Margin (%)</i>	21,2%	22,1%	0,9%	
Profit for the year adjusted	83,5	85,2	1,7	2,0%
<i>Percentage (%)</i>	13,2%	12,7%	(0,4%)	

Key comments

Net operating income drivers

- Top line growth driven by volumes
- Positive performance on products cost reduction offset by increase in custom duties and service costs (i.e. logistic costs, consultancy & maintenance)
- Increase in personnel costs is mainly due to 2018 carry over and new hires, mainly driven by increasing focus on digital & contents
- Increase in D&A is driven by higher investments for new products development and IT projects also related to digital transformation
- Increase in provision for risk and charges is mainly due to the increase of bad debt provision
- Tax variation is due to lower non recurring patent box and deferred taxes accrual for a total of 10,3m€

IFRS16 impact is as follows:

- -4,8m € costs of rentals
- -1,5m € costs of rentals related to employee
- +5,9m € D&A
- -0,6m € financial expenses

Positive FX impact driven primarily by USD and JPY:

- +11m € on revenues
- +6,1m € on Net operating income
- +5,9m € on Net result

TWC heading towards normalization

Working Capital (€m)

(€m)	Dec 2018	Dec 2019
Inventories	89,5	76,8
Trade receivables	151,5	127,5
Trade payable	(143,9)	(127,5)
Trade Working Capital	97,1	76,8
<i>% LTM of total revenue</i>	<i>15,3%</i>	<i>11,5%</i>
Other current assets/(liabilities)	(40,4)	(46,8)
Current tax liabilities	(8,1)	(5,1)
Provisions	(14,1)	(12,7)
Net Working Capital	34,6	12,2
<i>% LTM of total revenue</i>	<i>5,5%</i>	<i>1,8%</i>
Inventory Turnover 1	5,2	6,1
Days Sales Outstanding (DSO) 2	73	59
Days Payables Outstanding (DPO) 3	133	112

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

Key comments

Trade Working Capital

- TWC declining as percentage on revenues (11,5%) compared to Dec 18 (15,3% of revenues)
- Inventory Turnover increase by 0,9
- DSO decrease by 14 days compared to Dec 18 due to recovery plan on overdue
- DPO decrease by 21 days compared to Dec 18 in line with prevailing terms of payment and purchasing mix

Inventories

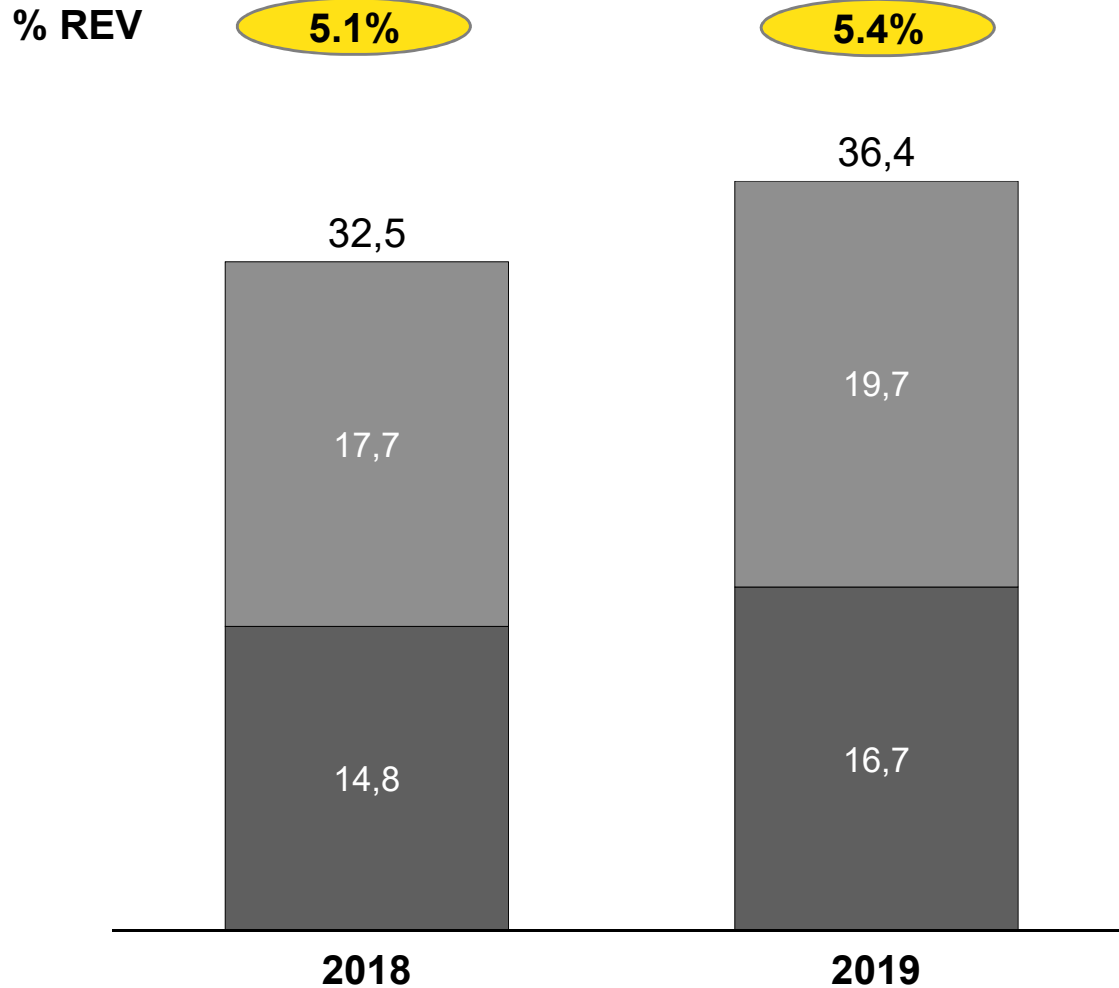
- Inventories include mainly finished products (63,5m €) and raw materials & components (13,3m €)
- Strong decrease due to:
 - Reduction of Plants stock for Finished Products
 - Reduction of local subsidiaries stock due to improved integration between manufacturing and logistic

Other current A/L

- Increased due to VAT (payable) and higher advance from Customer

Capex at 5.4% on revenues, slightly increasing Y/Y

Capex analysis (€m)



Key comments

Major Tangibles Capex

- Investments in industrial tools and molds for new products
- New warehouse in the Slovakian plant

Major Intangibles Capex

- Investments in digital transformation project
- New products development
- New contents development

■ Tangibles
■ Intangibles

Net Financial Debt: full deleverage

€m

Net Financial Position (€m)

€m	31 Dec 2018	31 Dec 2019
Cash & cash equivalent	(78,5)	(114,4)
Current financial receivables	(0,2)	(0,1)
Current bank debt	29,1	25,6
<i>of which granted by Committed Credit facilities</i>	<i>29,1</i>	<i>25,6</i>
<i>of which granted by Uncommitted Credit facilities</i>	<i>0,0</i>	<i>0,0</i>
Current portion of non current debt	18,4	12,6
IFRS 16 Current liability		6,5
Other current financial debt	12,7	10,1
Net current financial debt	60,2	54,8
Non current portion of non current debt	37,6	24,7
IFRS 16 Non Current liability		15,2
Other non current financial debt	15,8	16,2
Non current financial debt	53,4	56,0
Net Financial Position	34,9	(3,7)
<i>NFP / EBITDA (LTM12m)</i>	<i>0,26x</i>	<i>nd</i>

Key comments

Cash & Cash equivalent

- Strong increase in cash position mainly refers to bank deposits € denominated

Current bank debt

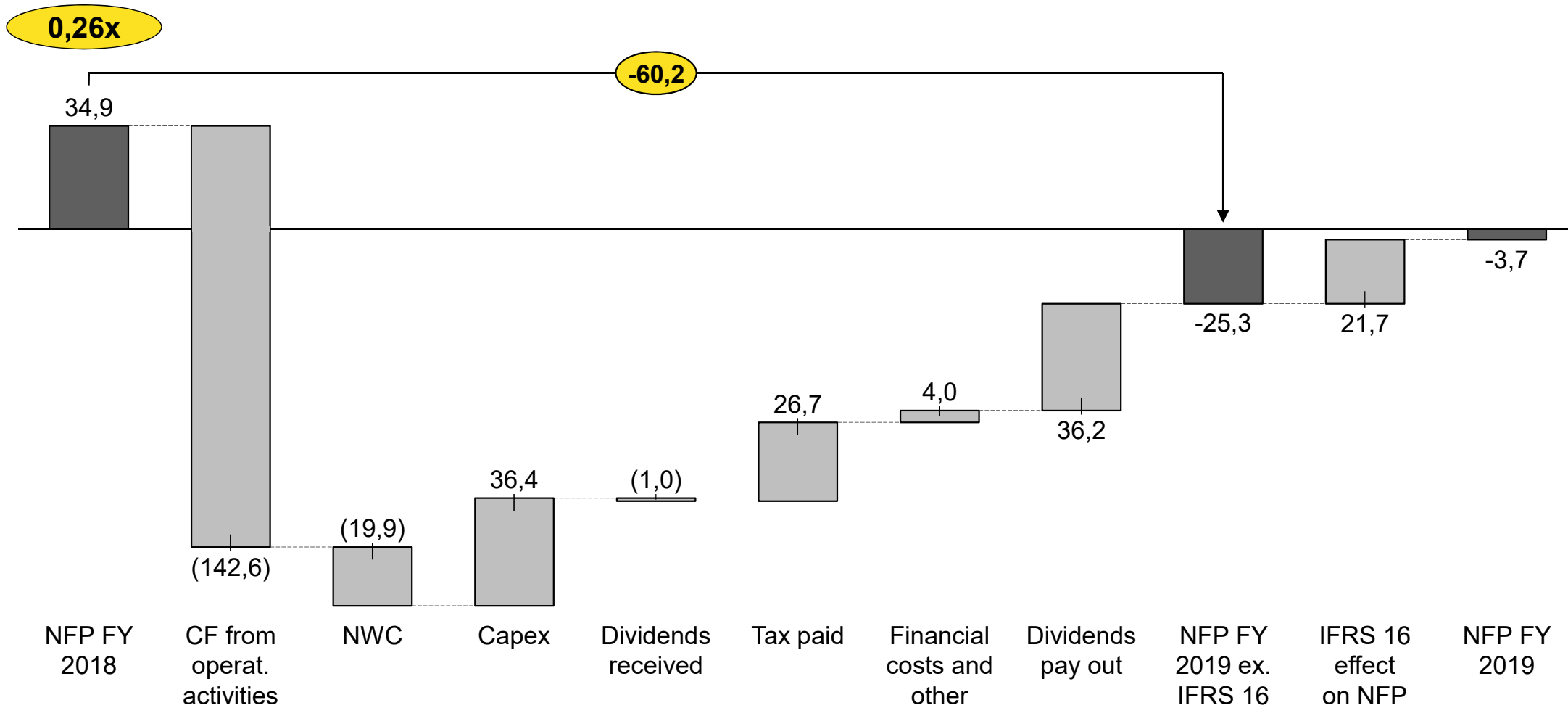
- Mainly composed of credit lines stand-by and short-term financing. As of 31/12/2019
 - Lines of credit and overdrafts committed for ~35m € of which 25m € drawn (revocable / floating rate: EURIBOR + spread)
 - Lines of credit and overdrafts uncommitted for ~63,5m € not drawn (revocable / floating rate: EURIBOR + spread)

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

- Flexible financial structure based on bank amortizing loans with ~2y duration (floating: EURIBOR + spread)
- Leasing exposure stands at 26,3m € in 2019 (10,1m € short term among “other current financial debt” and 16,2m € among “non current financial debt”), slightly decreasing vs Y-1 (28,5m €).
- IFRS 16 impact on financial debt is 21,7m € 2019

Net Financial Position walk

€m





Annexes

Balance Sheet

€m	Dec 2018	% on Revenues	Dec 2019	% on Revenues
Inventories	89,5	14,1%	76,8	11,5%
Trade receivables	151,5	23,9%	127,5	19,1%
Trade payables	(143,9)	(22,7%)	(127,5)	(19,1%)
Trade Working Capital	97,1	15,3%	76,8	11,5%
Other current assets/(liabilities)	(40,4)	(6,4%)	(46,4)	(6,9%)
Current tax liabilities	(8,1)	(1,3%)	(5,1)	(0,8%)
Provisions	(14,1)	(2,2%)	(12,7)	(1,9%)
Net Working Capital	34,6	5,5%	12,6	1,9%
Property, plant and equipment	142,6	22,5%	167,9	25,1%
Intangible assets	35,9	5,7%	43,4	6,5%
Investments in joint ventures	18,0	2,8%	18,1	2,7%
Employee benefit obligations	(3,0)	(0,5%)	(3,1)	(0,5%)
Other non current asset and (liabilities)	16,1	2,5%	17,5	2,6%
Net Fixed Capital	209,6	33,0%	243,8	36,5%
Net Invested Capital	244,1	38,5%	256,4	38,3%
Shareholders' Equity	209,3		260,1	
Financial Net Debt	34,9	5,5%	(3,7)	(0,5%)
Total Source of Funding	244,1	38,5%	256,4	38,3%

NFD = +25,3m€
excluding
IFRS16

Cash Flow statement

(€m)	Dec 2018	Dec 2019
Consolidated profit for the year	93,5	83,7
Depreciation, amortization and impairment losses	22,0	31,1
Provisions	2,6	4,1
Share of net result from joint ventures	(0,3)	(1,0)
Net financial expenses	(0,5)	2,4
Income/(expenses) from investments	(0,1)	(0,4)
Income tax expenses	14,0	22,7
Cash flows from operating activities before changes in working capital	131,2	142,6
Change in inventory	(22,5)	11,9
Change in trade receivables	(37,6)	18,1
Change in trade payables	20,8	(16,9)
Change in other operating assets and liabilities	(11,1)	6,7
Non-recurrent fiscal payment	0,0	0,0
Income taxes paid	(18,6)	(26,68)
Net cash inflow from operating activities (A)	62,2	135,8
Investments in property, plant and equipment	(18,2)	(21,3)
Disposals of property, plant and equipment	0,4	1,6
Investments in intangible assets	(15,1)	(16,8)
Disposals of intangible assets	0,3	0,1
Dividends received from joint ventures	0,0	1,0
Dividends paid	0,0	0,0
Minority Interest	0,0	0,0
Investments in subsidiaries, associates and other entities	(0,9)	(0,6)
Disposal of subsidiaries, associates and other entities	0,0	0,0
Net cash inflow (outflow) from investing activities (B)	(33,4)	(36,0)
Repayment of IFRS 16	0,0	(6,3)
Proceeds from new borrowings	0,0	25,0
Repayment of borrowings	(37,8)	(43,9)
Net increase (decrease) of current financial assets and liabilities	26,8	(3,6)
Dividends paid	(18,1)	(36,2)
Payments of net financial expenses	0,2	(0,5)
Net cash inflow (outflow) from financing activities (C)	(29,0)	(65,4)
Net increase (decrease) in cash and cash equivalents (D)=(A)+(B)+(C)	(0,2)	34,3
Cash and cash equivalents at the beginning of the year	77,8	78,5
Net increase (decrease) in cash and cash equivalents from January 1 to Aug 31	(0,2)	34,3
Effects of exchange rate differences on cash and cash equivalents	0,8	1,6
Cash and cash equivalents at the end of the year	78,5	114,4

EBITDA Reconciliation

(€m)	Dec 2018	Dec 2019	Dec 2019 excluding IFRS 16	Dec 2018 vs Dec 2019 Δ %	Dec 2018 vs Dec 2019 excluding
Net operating income	106,9	108,4	108,0	1,4%	1,0%
Personnel cost	1,0	2,4	2,4		
Service, Rentals and leases	2,0	1,3	1,3		
Cost of raw, ancillary and consumable materials and goods for resale	0,0	0,1	0,1		
Other operations cost	0,0	0,4	0,4		
Total not recurring items	3,0	4,2	4,2	n.a	n.a
Adjusted Net operating income	109,9	112,6	112,2	2,5%	2,1%
Depreciations, amortisations and write-downs	(22,0)	(31,1)	(25,2)	41,4%	
Provision for risk and charges	(2,6)	(4,1)	(4,1)	60,8%	
EBITDA adjusted	134,4	147,8	141,5	10,0%	5,4%
Margin %	21,2%	22,1%	21,2%		
Non recurring	3,0	4,2	4,2		
EBITDA	131,4	143,6	137,3	9,3%	4,6%
Margin %	20,7%	21,5%	20,5%		