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<i>Testo del comunicato</i>

Vedi allegato.



The Wellness Company



THE TECHNOGYM BOARD OF DIRECTORS APPROVED THE HALF-YEARLY FINANCIAL REPORT AS OF JUNE 30, 2021

TECHNOGYM GROWS ALL OVER THE WORLD

Improved margins and cash generation

- **CONSOLIDATED REVENUES:** Euro 276.3 million, +24.2% compared to 222.4 million in the first half 2020. +26.8% currency neutral.
- **EBITDA ADJ:** Euro 48.0 million, +28.7% compared to 37.3 million in the first half 2020
- **UTILE NETTO ADJ:** Euro 20.0 million, +75.8% compared to 11.4 million in the first half 2020
- **FREE CASH FLOW:** Euro 31.6 million, compared to 22.5 million in the first half 2020 with a conversion rate at 54% pre tax
- **NET FINANCIAL POSITION:** Euro +70.4 million as of June, increasing from 14.1 million as of June 2020



The Wellness Company



Nerio Alessandri, Chairman and CEO, commented:

"In these days, 12 thousand athletes from all over the world are training with Technogym's products and digital solutions at the Tokyo Olympic Games, where for the eighth time Technogym has been chosen as Official Supplier. We are proud of this result that rewards the work of our team and represents a great opportunity for us both from the point of view of innovation, thanks to the feedback from the world's best athletes, as well as with regards to the promotion of the brand globally.

From a business perspective, we have approached this first half of the year with the same attitude as the sports champions. In 2020, despite the challenging environment in some market segments, we focused on home fitness, where we performed above expectations. In 2021, we have continued to consolidate our performance in the home fitness segment and at the same time we promptly built on the recovery in the BtoB segments.

The first semester closed with revenues up over 24%, marking a significant acceleration in the second quarter. This performance, which makes us confident for the year-end, is the result of a progressive recovery in BtoB, with all segments positive in the period, and a steady growth in the BtoC segment.

Innovation continues with the recent launch of the Technogym App, which completes the Technogym Ecosystem and allows users to access personalized workouts from an artificial intelligence-based digital smart coach, with on-demand video from top trainers, at home, in the gym, in the office, on the road and outdoors. As we have been saying for years, the wellness sector has finally become a hybrid: in the future, people will train both at home and at the gym. Technogym, thanks to its digital ecosystem, is in the ideal position to offer the exclusive "connected wellness experience" in fitness, sport and health, for the benefit of both industry operators and consumers.

The results of the first half of the year, both in terms of revenue growth and improved profitability, confirm the long-standing focus of the entire Technogym team in pursuing sustainable and profitable long-term growth. Innovation has always been central to the company's strategy and for this reason we continue to develop the Technogym Community through our brand, our extraordinary people, talents and distinctive skills."



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Cesena (Italia), August 2nd, 2021 – The Board of Directors of Technogym S.p.A. (MTA: TGYM), one of the world's leading companies in smart equipment, service and digital services for the fitness, sport and health sectors, as part of the broader wellness sector, examined and approved the consolidated half-yearly financial report as of June 30, 2020 today, drawn up in accordance with IAS/IFRS international accounting standards.

The first half of the year was influenced by the progress of the Covid-19 vaccination campaign in many countries, which enabled a gradual relaxation of the restrictive measures decided to counter the spread of the pandemic. Thanks to the reopening of many activities, the climate of greater optimism among the various economic players and the growing interest in Wellness Technogym recorded a significant acceleration in revenue growth during the second quarter, returning to positive performance in all BtoB segments and in all geographical areas.

In terms of Adjusted EBITDA, there was an improvement compared to last year, returning to a level of profitability in line with the first half of 2019, thanks to the acceleration of turnover in the second quarter.

The net financial position improved compared to December 31, 2019, despite the payment of a dividend. This result is all the more remarkable in light of the usual negative seasonality that characterizes the first half of the year and the payment of dividends of €44 million during the period.

Net income adjusted for non-recurring items shows a strong improvement compared to last year and benefits from the general recovery of the business and the improvement in operating profitability.

On the innovation front, during the first half of the year the company expanded its library of services and content to support the growing interest in digital fitness by releasing Mywellness app 6.0 and the Technogym App. The former is an open CRM software platform that enables the club to improve the customer experience and accelerate attraction and retention by providing the consumer with a greater level of personalization of the center experience. The Technogym App, on the other hand, establishes a direct dialogue with the end consumer, providing them with an A.I.-based smart coach that can support everyone in achieving their fitness, health or sports goals by adapting to the available equipment available in the various training locations.

Today Technogym has several tens of thousands of centers set up around the world with over 20 million end users registered on the Mywellness platform.

During the semester, the company continued its commitment to marketing and communication activities, as well as to the development of new training content, aimed at maintaining Technogym's positioning as a Premium brand in the BtoB sector and Prestige in the BtoC sector and supporting the company's role as a partner for end-user training with a hybrid approach, thus capitalizing on end-users' growing interest in Wellness on the Go launched back in 2012.

Results of the First Half of 2020

The consolidated results have been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and approved by the European Union.

Here below we provide a brief overview of consolidated revenue and other main items among Profit & Loss and Balance Sheet.

1) Revenue

The first half of the year recorded a 24.2% increase in sales (+26.8% at constant exchange rates) thanks to the constant contribution of BtoC and the first tangible signs of recovery in BtoB in all the segments covered by Technogym. Sales in the period reached 276.3 million Euros compared to 222.4 million recorded in the same period of 2020, with a strong acceleration in the second quarter (+39.6% compared to the second quarter of 2020). It's worth mentioning in particular the performance in Europe, which confirms the solid restart of demand as soon as the restrictive measures imposed by the various countries to deal with the pandemic are reduced or eliminated.

Here below we provide a brief revenue analysis per:

- Client category;
- Geographical area;
- Distribution Channels;

Revenue by Client Category

(In thousands of Euro and percentage of total revenues)

	H1 as of June 30			
	2021	2020	'21 VS '20	%
BtoC	97,216	62,100	35,116	56.5%
BtoB	179,038	160,348	18,690	11.7%
Total Revenue	276,255	222,448	53,807	24.2%

Revenues as of June 30 confirm the strong growth of the Private customer segment compared to last year (+56% Y/Y) supported by the broad range of Technogym products and services in line with the growing demand for at-home training. At the same time there was an initial recovery in the Commercial business (around +12%, with a significant acceleration in the second quarter), albeit with different dynamics between the various segments and geographies and with general signs of improvement where the pandemic has reduced its incidence more. It's worth mentioning the performance of the Health segment, which was the best across all BtoB segments - all improving in the period - thanks to the growing demand for health-related training solutions..

Revenue by geographic areas

(In thousands of Euro and percentage of total revenues)

	H1 as of June 30			
	2021	2020	2021 vs 2020	%
Europe (ex Italy)	127,848	105,956	21,892	20.7%
APAC	53,200	39,163	14,037	35.8%
Italy	31,535	25,740	5,795	22.5%
North America	29,692	28,329	1,363	4.8%
MEIA	28,044	17,641	10,403	59.0%
LATAM	5,936	5,619	317	5.6%
Total Revenue	276,255	222,448	53,807	24.2%

The vista by geographical area is influenced by the different stages of evolution of the pandemic as well as by the contribution, in some cases significant, made by Home sales, which are mainly concentrated in the European area. In this improving scenario Technogym recorded growth in all geographical areas during the period. Particularly significant was the acceleration in the second quarter in Europe where, in addition to the continuing momentum in BtoC, BtoB started up again in a number of countries, such as the UK and France; the performance in Italy (+22.5%) is still outstanding. A return to growth also in North America, a region that in recent quarters has been particularly affected by the pandemic due to the decision of some key accounts in the Club sector and operators in the Hospitality segment to postpone certain investments. Excellent performance also in APAC, which is confirmed as the region furthest ahead in the recovery, with revenues for the period higher than those recorded in H1 2019 and where the excellent performance of China should be highlighted. The MEIA region continues to grow, significantly above H1 2019 turnover, while LATAM still need to show some initial recovery signs.

Revenue by distribution channels

<i>(In thousands of Euro and percentage of total revenues) □</i>	H1 as of June 30			
	2021	2020	2021 vs 2020	%
Field sales	159,216	143,174	16,042	11.2%
Wholesale	68,612	46,045	22,567	49.0%
Inside sales	42,336	28,355	13,981	49.3%
Retail	6,091	4,874	1,217	25.0%
Total Revenue	276,255	222,448	53,807	24.2%

Regarding top line performance per sales channel, the channels most exposed to home fitness performed well. Retail, or rather the Group's 10 flagship stores, registered revenue growth of 25.0%, while Inside Sales, which includes teleselling and e-commerce channels, grew by 49.3%. The Wholesale channel confirmed the excellent performance of the first quarter, mainly supported by the growth of business in the emerging regions of APAC and MEIA, as well as by the contribution of many European distributors. Finally, Field Sales, although it continues to be the channel most impacted by the lock-down, recorded a solid double-digit performance in the second quarter, benefiting from the easing of COVID containment measures in several geographies and the restart of the BtoB business.

2) EBITDA, Operating Income and Net Profit Adjusted

Adjusted EBITDA amounted to € 48.0 million, up by € 10.7 million (+28.7%) compared to € 37.3 million in the first half of 2020. This increase is mainly attributable to the growth in sales volumes, which offset the increase in certain costs related to raw materials and logistics recorded during the half-year.

Overall, the ratio of Adjusted EBITDA to Revenues (EBITDA Adjusted Margin) was 17.3%, in line with that recorded during the first half of 2019 (17.1%).

Adjusted Operating Income is equal to € 27.7 million, up by € 9.9 million (+55.4%) compared to € 17.9 million in the same period of 2020. This improvement, supported by the increase in sales



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volumes, is particularly significant in the light of the higher amortization and depreciation recorded compared to the previous year as a result of the investments made for the digitization of the offer, both with reference to the new technologies used and with reference to the development of content. Overall, the adjusted ROS for the period was 10.0%, an improvement on the 8.0% registered in the first half of 2020.

Adjusted Net Profit amounted to € 20.0 million, up by € 8.6 million (+75.8%) compared to € 11.4 million in the first half of 2020. This trend is mainly supported by the evolution of the Operating Result mentioned above.

Finally, we remind that in the six-month period ended June 30, 2021, non-recurring income of € 10.3 million mainly attributable to the capital gain of € 11.1 million, net of the related ancillary costs, related to the sale of Amleto Aps, a subsidiary, which led to the corresponding exit of Exerp Aps, Exerp America LLC and Exerp Asia Pacific Pty from the consolidation perimeter, which took place on 14 May 2021 with closing date 25 and for the remaining part to non-recurring charges of € 0.8 million mainly attributable to costs related to staff leaving for € 0.5 million. As of June 30, 2020, non-recurring charges of €5.3 million had been recorded.

3) Net Financial Position

Net financial position was positive at €70.4 million, an increase of €10.9 million compared to €59.4 million as of December 31, 2020 and €14.1 million as of June 2020. This improvement, despite the negative seasonality and the payment of dividends of €44.3 million, is attributable to the group's cash generation - amounting to €31.6 million pre-tax, and the proceeds from the sale of Amleto Aps which resulted in the corresponding exit of Exerp Aps, Exerp America LLC and Exerp Asia Pacific Pty from the scope of consolidation.

Outlook

During the first half of the year, thanks to the gradual progress of vaccination campaigns in many countries, there was a gradual easing of restrictions and a consequent recovery in economic activity. This general framework supported the recovery of orders and turnover from all the B2B segments in which the company operates with a Premium positioning, supported by the general desire to restart by serving the growing demand for Wellness.

In the second half of the year Technogym will continue to pursue its long-term growth strategy, aimed at putting the training experience for the end user at the center, by leveraging its historical strength in product innovation, in services and digital combined with the development of proprietary training video contents. For many years Technogym has been spreading Mywellness, the professional CRM platform for BtoB, which today has over 20 million users. The launch of the Technogym App (BtoC), which took place in June, will allow Technogym to expand its community of connected users, to promote the wellness lifestyle at home, in the gym, in the hotel, in the office and outdoors, for the benefit of both industry operators and consumers.

Finally, the objective of pursuing a growth in line with the first semester, also in the second part of the year, is confirmed.

Consolidated income statement

<i>(In thousands of Euro)</i>	Half year ended 30 June			
	2021	<i>of which from related party</i>	2020	<i>of which from related party</i>
REVENUES				
Revenues	275.879	5.436	222.044	4.177
Other operating income	376	83	404	104
Total revenues	276.255		222.448	
OPERATING COSTS				
Purchases and use of raw materials, work in progress and finished goods <i>of which non-recurring income/(expenses)</i>	(91.026)	(34)	(69.015)	(36)
Cost of services <i>of which non-recurring income/(expenses)</i>	(69.937)	(458)	(60.306)	(358)
Personnel expenses <i>of which non-recurring income/(expenses)</i>	(64.825)	-	(54.843)	6
Other operating costs <i>of which non-recurring income/(expenses)</i>	(4.060)	(9)	(3.916)	(7)
Share of net result from joint ventures and impairment <i>of which non-recurring income/(expenses)</i>	11.880		(2.137)	
Depreciation, amortization and impairment losses	11.128		(2.468)	
Net provisions	(17.841)	(769)	(17.222)	(782)
NET OPERATING INCOME	38.063		12.813	
Financial income	5.574	7	5.390	-
Financial expenses	(6.057)	(78)	(6.945)	(74)
Net financial expenses	(483)		(1.555)	
Income/(expenses) from investments	426		261	
PROFIT BEFORE TAX	38.006		11.520	
Income tax expenses <i>of which non-recurrent income taxes</i>	(7.519)		(5.288)	
	-		(295)	
PROFIT FOR THE YEAR	30.487		6.232	
Profit (loss) attributable to non-controlling interests	(130)		(164)	
Profit (loss) attributable to owners of the parent	30.357		6.068	
EARNINGS PER SHARE	0,15		0,03	

Consolidated Statement of Financial Position

<i>(In thousands of Euro)</i>	As of June 30		As of December 31	
	2021	<i>of which from related parties</i>	2020	<i>of which from related parties</i>
ASSETS				
Non-current assets				
Property, plant and equipment	155.199	9.300	159.243	9.982
Intangible assets	48.484		47.365	
Deferred tax assets	19.171		18.532	
Investments in joint ventures and associates	3.920		18.736	
Non-current financial assets	204		2.992	
Other non-current assets	45.541		52.616	
TOTAL NON-CURRENT ASSETS	272.520		299.484	
Current assets				
Inventories	102.308		82.614	
Trade receivables	83.307	1.573	81.060	1.174
Financial assets	23.026		39	
Derivative financial instruments	15		1.525	
Other current assets	24.583	258	17.202	466
Cash and cash equivalents	180.468		202.065	
TOTAL CURRENT ASSETS	413.708		384.505	
TOTAL ASSETS	686.228		683.989	
EQUITY AND LIABILITIES				
Equity				
Share capital	10.066		10.066	
Share premium reserve	7.132		4.990	
Other reserves	29.544		25.541	
Retained earnings	198.226		211.567	
Profit (loss) attributable to owners of the parent	30.357		36.004	
Equity attributable to owners of the parent	275.325		288.167	
Capital and reserves attributable to non-controlling interests	1.519		1.934	
Profit (loss) attributable to non-controlling interests	130		444	
Equity attributable to non-controlling interests	1.649		2.379	
TOTAL EQUITY	276.974		290.546	
Non-current liabilities				
Financial liabilities	58.868	8.395	97.677	9.411
Deferred tax liabilities	247		343	
Employee benefit obligations	3.420		2.955	
Provisions	8.503		9.662	
Other non-current liabilities	31.839		37.665	
TOTAL NON-CURRENT LIABILITIES	102.878		148.302	
Current liabilities				
Trade payables	130.449	523	114.006	316
Current tax liabilities	8.184		2.465	
Financial liabilities	73.763	2.774	46.409	2.061
Derivative financial instruments	497		58	
Provisions	10.252		8.621	
Other current liabilities	83.231		73.582	-
TOTAL CURRENT LIABILITIES	306.376		245.141	
TOTAL EQUITY AND LIABILITIES	686.228		683.989	

Consolidated Statement of Cash Flows

<i>(in thousands of Euro)</i>	Year ended June 30	
	2021	2020
Cash flows from operating activities		
Profit for the year	30.487	6.232
<i>Adjustments for:</i>		
Income taxes	7.519	5.288
Profit (Loss) from equity inv.	(426)	(261)
Financial income and expenses	483	1.555
Depreciation & Amortisation	17.841	17.222
Net accruals	2.384	2.196
Revenues from Joint Venture	(11.880)	2.137
Cash flows from operating activities before changes in working capital	46.407	34.368
Increase (decrease) in inventory	(19.509)	(15.615)
Increase (decrease) in trade receivables	(3.989)	55.234
Increase (decrease) in trade payables	15.507	(39.458)
Increase (decrease) in other operating assets and liabilities	4.338	(3.992)
Income taxes paid	(3.552)	(5.467)
Net cash inflow from operating activities (A)	39.202	25.072
<i>of which from related parties</i>	5.358	3.311
Cash flows from investing activities		
Investments in property, plant and equipment	(4.280)	(2.650)
Disposals of property, plant and equipment	374	472
Investments in intangible assets	(7.265)	(5.985)
Disposals of intangible assets	0	56
Disposal /(Investments) of subsidiaries, associates and other entities	29.484	-
Net cash inflow (outflow) from investing activities (B)	18.314	(8.106)
<i>of which from related parties</i>	-	-
Cash flows from financing activities		
Repayment of IFRS 16	(3.487)	(3.392)
Proceeds from new borrowings	-	-
Repayment of borrowings	(12.500)	(6.194)
Net increase (decrease) of current financial assets and liabilities	(21.844)	(496)
Dividends paid to shareholders	(44.292)	-
Payment of net financial expenses	2.661	45
Net cash inflow (outflow) from financing activities (C)	(79.462)	(10.037)
<i>of which from related parties</i>	(847)	(856)
Net increase (decrease) in cash and cash equivalents (D)=(A)+(B)+(C)	(21.946)	6.929
Cash and cash equivalents at the beginning of the year	202.065	114.413
Net increase (decrease) in cash and cash equivalents from January 1 to December 31	(21.946)	6.929
Effects of exchange rate differences on cash and cash equivalents	348	(760)
Cash and cash equivalents at the end of the year	180.468	120.582



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Declaration of the executive in charge of preparing the corporate accounting documents

The Manager in charge of preparing the corporate accounting documents Massimiliano Moi declares pursuant to paragraph 2 of article 154 bis of the Consolidated Law on Finance that the accounting information contained in this press release corresponds to the documentary results, books and accounting records.

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Notes to the press release

Technogym

Founded in 1983, Technogym is a world-leading international brand in products, services and digital solutions for fitness and wellness. With over 2.200 employees and 14 branches in Europe, the United States, Asia, Middle East, Australia and South America, the company exports 90% of its production to over 100 countries. Technogym was the official supplier for the last seven Olympic Games: Sydney 2000, Athens 2004, Turin 2006, Beijing 2008, London 2012, Rio 2016, PyeongChang 2018 and has been named Official Supplier also for the forthcoming Tokyo Olympic Games

Forward looking statements

Certain statements in this press release could constitute forward-looking statements, including references that do not exclusively relate to historical data or current events, and as such, uncertain. These statements are based on a number of assumptions, expectations and other factors that could lead to actual results which differ, even substantially, from those forecast. There are numerous factors that could generate results and trends that are notably different from the forward looking information in this press release. These elements include but are not limited to the ability to manage the effects of the current uncertain international economic scenario, ability to acquire new assets and integrate them effectively, ability to forecast future economic conditions and changes in consumer preferences, ability to successfully introduce and market new products, ability to maintain an efficient distribution system, ability to achieve and manage growth, ability to negotiate and maintain favorable license agreements, currency fluctuations, changes in local conditions, ability to protect intellectual property, problems with information systems, risks associated with inventory, credit and insurance risks, changes in tax regulations, and likewise other political, economic, legal and technological factors and other risks and uncertainties. These forward-looking statements were issued as of today's date and we shall not be under any obligation to provide any updates and they are not a reliable indication of future performance.

Alternative performance indicators

This press release provides a number of alternative performance indicators used by management to allow an improved assessment of the business performance and the financial performance and position of the Group. These indicators are not recognized as accounting measures in the context of IFRS and should therefore not be considered as an alternative way to assess the financial performance of the Group and its financial position. Since the calculation of these measures is not governed by the applicable accounting standards, the calculation methods applied by the Company may not be the same as those used by others and therefore these indicators may not be comparable. Therefore, investors should not place undue reliance on this data or information. This press release also contains certain financial, operating and other indicators that have been adjusted to reflect non-recurring extraordinary events and transactions, known as special items. This 'adjusted' information was included to allow better comparison of the financial information for all periods; however this information is not recognized as economic or financial data within the scope of the IFRS and/or does not constitute an indication of the historical performance of the Company or Group. Therefore, investors should not place undue reliance on this data or information.

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