

# Technogym Financial Results H1 2022

Investor presentation



Cesena, August 3<sup>rd</sup> 2022

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*Some figures related to previous periods were reclassified for a better representation of balance sheet and the profit and loss statements.*



# Technogym market update

# Recovery ongoing across all the BtoB 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 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 .....

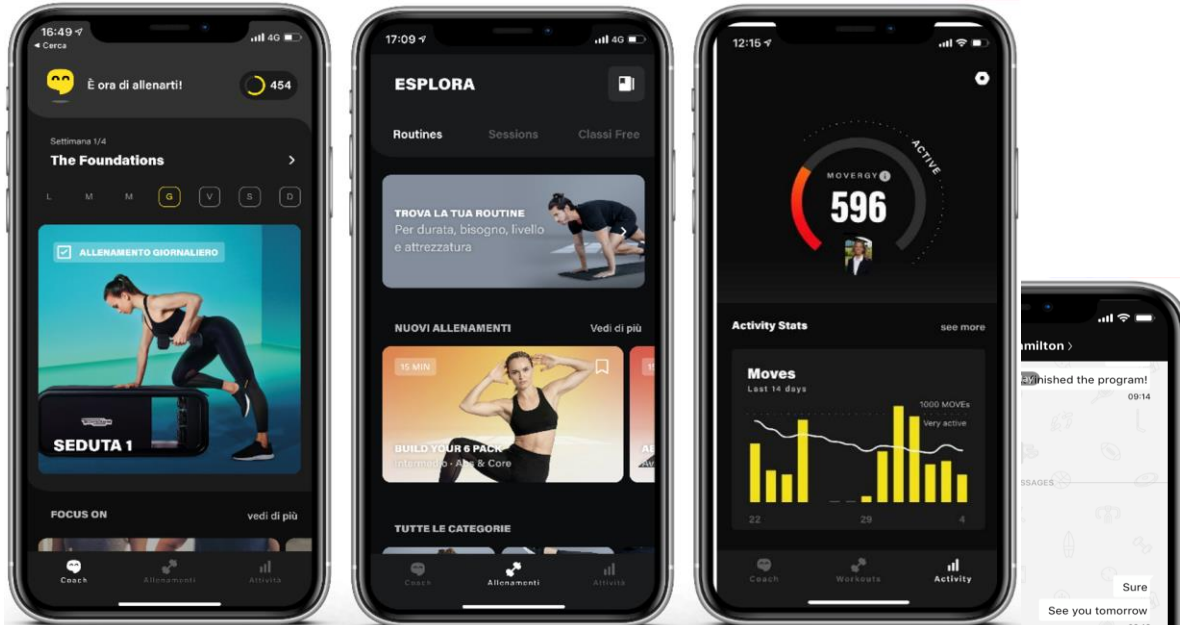
## The new biocircuit for Health & Medical fitness



# Technogym Ecosystem to catch new opportunities by .....

## New MyWellness CRM Platform & Technogym App

### Technogym App



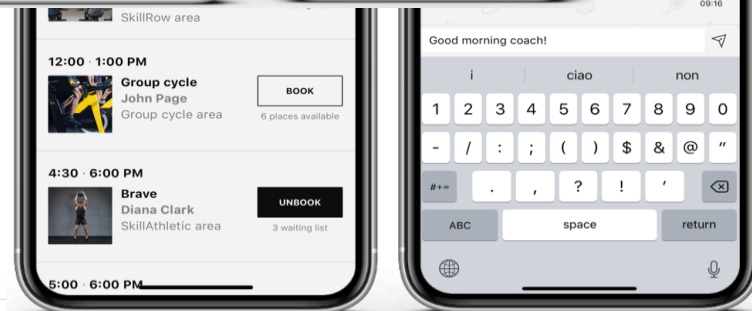
### Technogym App B2C2B

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

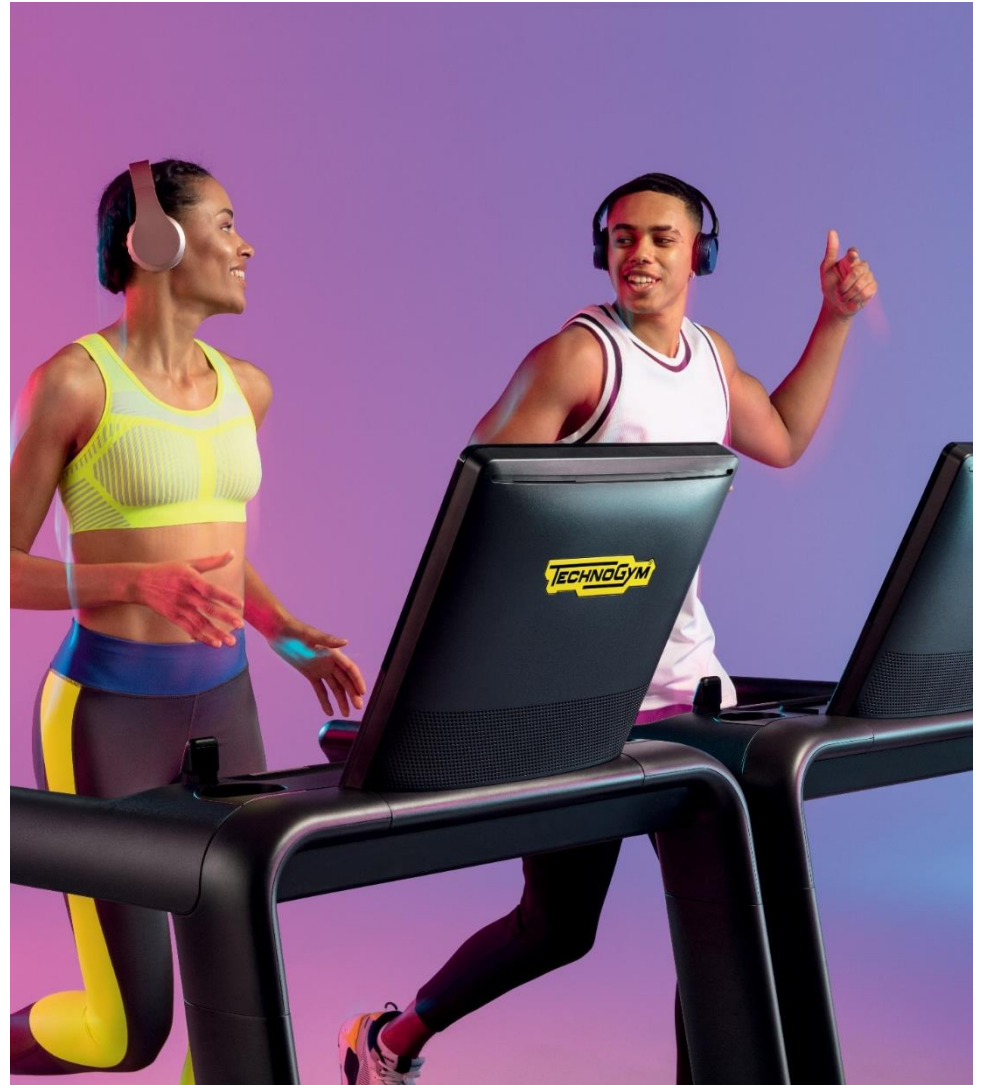
Technogym is enlarging its product and solution portfolio to serve different end-users needs



# In Sport Performance with high intensity training 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

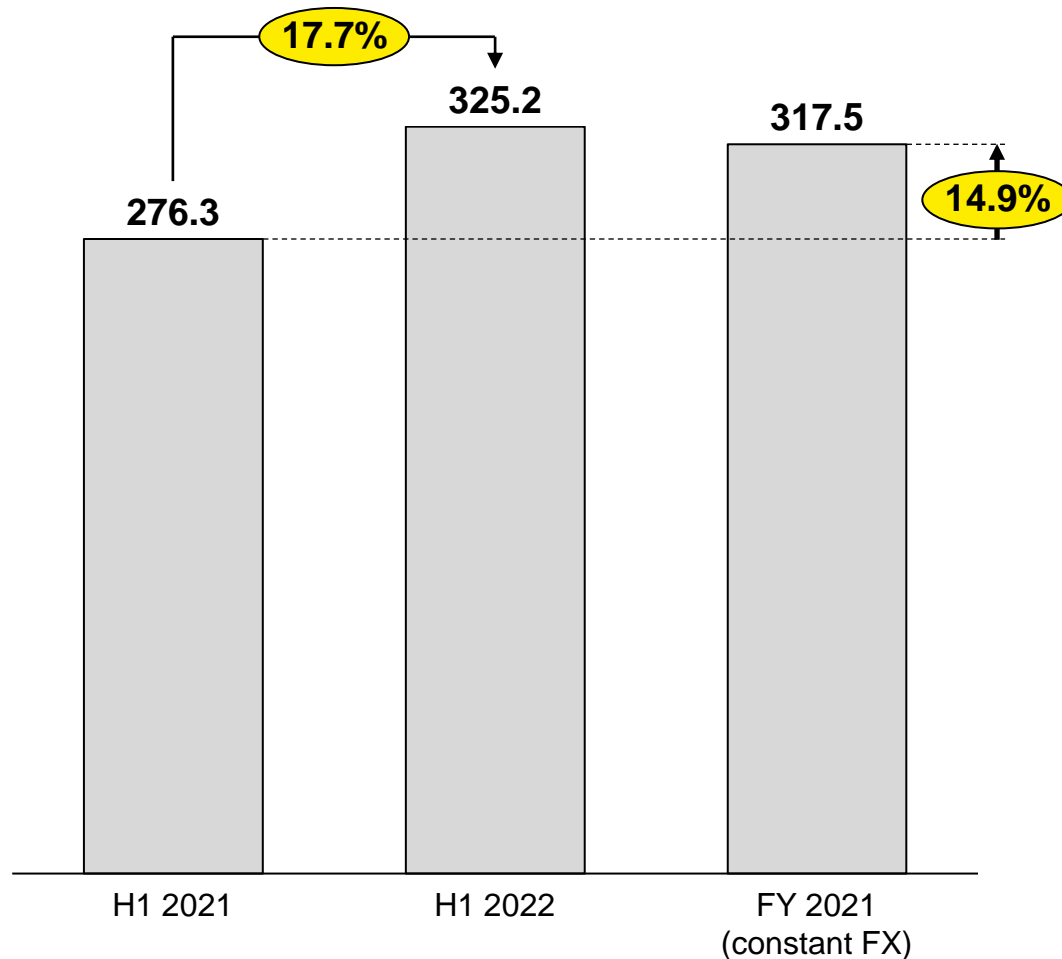
€ million

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

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

€ million

## Revenue



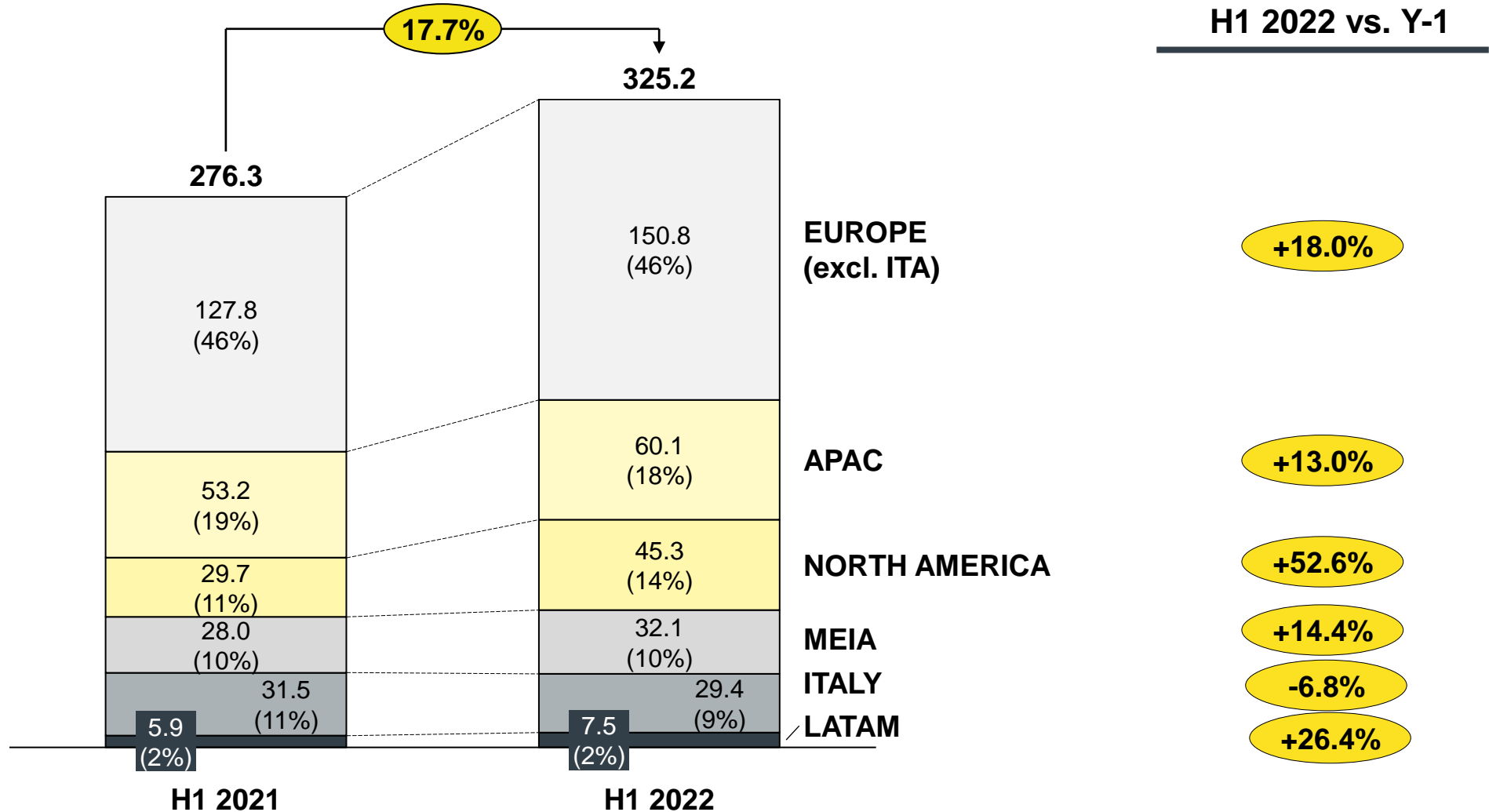
## Key comments

- 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

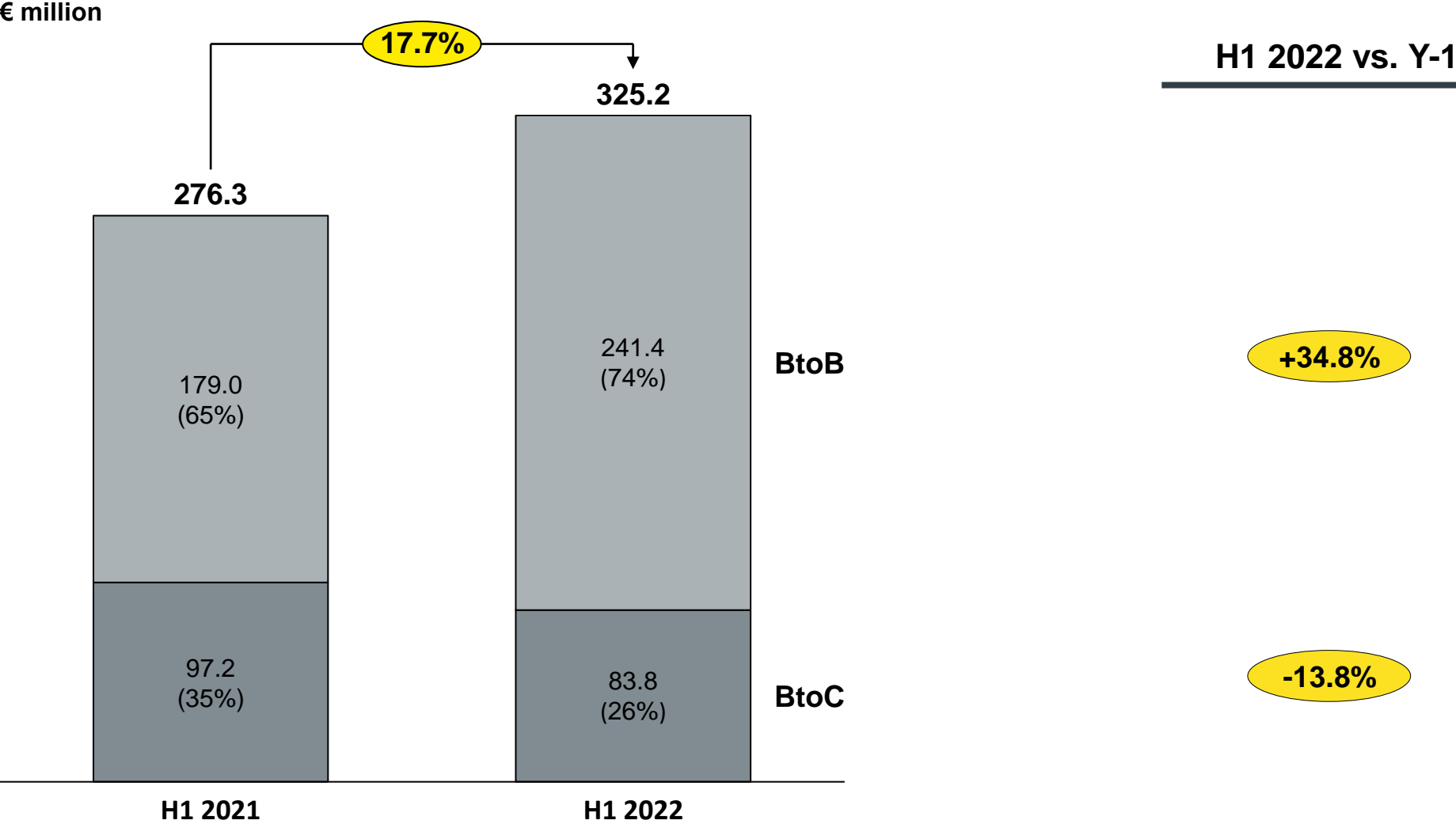
# Strong revenue growth in North America

€ million



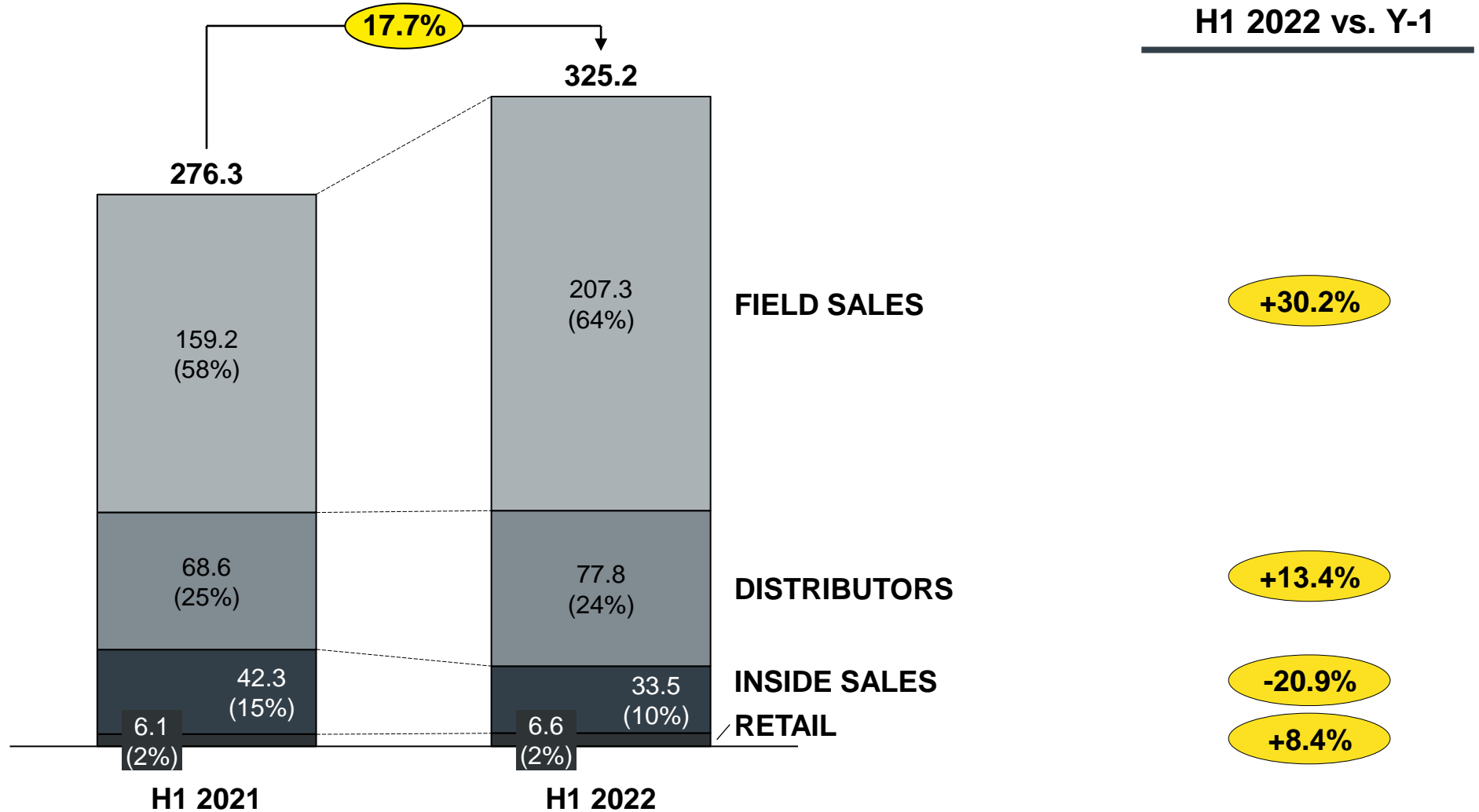


# BtoB continue in a sound growth path



# Fieldsales and Distributors benefited from BtoB

€ million



# Statutory Profit & Loss H1 2022

(€m)	June 2021		June 2022		Delta 2022 vs 2021	
<b>Total revenue</b>	<b>276,3</b>	<b>% on sales</b>	<b>325,22</b>	<b>% on sales</b>	<b>49,0</b>	<b>17,7%</b>
Cost of raw, ancillary and consumable materials and goods for resale	(91,0)	(32,9%)	(108,2)	(33,3%)	(17,2)	18,9%
<i>of which (cost) not recurrent</i>	(0,0)		(0,0)		0,0	
Service, Rentals and leases	(69,9)	(25,3%)	(90,5)	(27,8%)	(20,6)	29,5%
<i>of which (cost) not recurrent</i>	(0,2)		(0,1)		0,1	
Personnel cost	(64,8)	(23,5%)	(72,9)	(22,4%)	(8,1)	12,5%
<i>of which (cost) not recurrent</i>	(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%
<i>of which (cost) not recurrent</i>	0,0		(0,6)		(0,6)	
Other operations cost	(4,1)	(1,5%)	(3,1)	(0,9%)	1,0	(24,4%)
<i>of which (cost) not recurrent</i>	(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>
<i>of which (cost) not recurrent</i>	11,1		0,0		(11,1)	
<b>Net operating income</b>	<b>38,1</b>	<b>13,8%</b>	<b>28,8</b>	<b>8,8%</b>	<b>(9,3)</b>	<b>(24,4)%</b>
<i>Margin (%)</i>	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>
<b>Profit (loss) before tax</b>	<b>38,0</b>	<b>13,8%</b>	<b>31,0</b>	<b>9,5%</b>	<b>(7,0)</b>	<b>(18,4)%</b>
Taxes	(7,5)	(2,7%)	(7,5)	(2,3%)	0,0	0%
<b>Profit (loss)</b>	<b>30,5</b>	<b>11,0%</b>	<b>23,5</b>	<b>7,2%</b>	<b>(7,0)</b>	<b>(22,8)%</b>
<i>Margin (%)</i>	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%)
<b>Profit (loss) attributable to owners of the parent</b>	<b>30,4</b>		<b>23,5</b>		<b>(6,9)</b>	<b>(22,7)%</b>
<b>Adjusted EBITDA</b>	<b>48,0</b>		<b>51,8</b>		<b>3,9</b>	<b>8,0%</b>
<i>Margin (%)</i>	17,4%		15,9%		(1,4%)	
<b>Profit (loss) adjusted</b>	<b>20,0</b>		<b>25,0</b>		<b>5,0</b>	<b>24,7%</b>
<i>Percentage (%)</i>	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

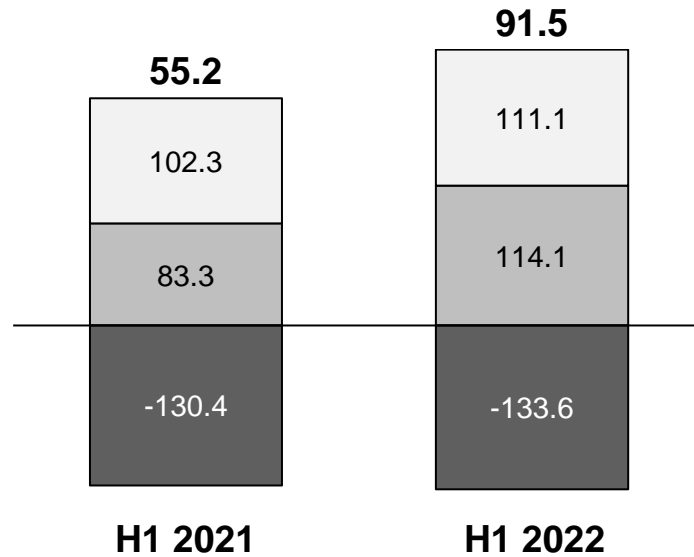
- The increase in raw material price and inbound logistic costs has been partially offset by better product mix, initial list price adjustments and cost reduction activities
- General activity pick-up and top line growth led to after sales costs increase
- Additional investments in competences via new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

# Trade Working Capital

€ million

## Trade Working Capital evolution

Inventories
  Trade Receivables
  Trade Payable



H1 2021

H1 2022

% 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

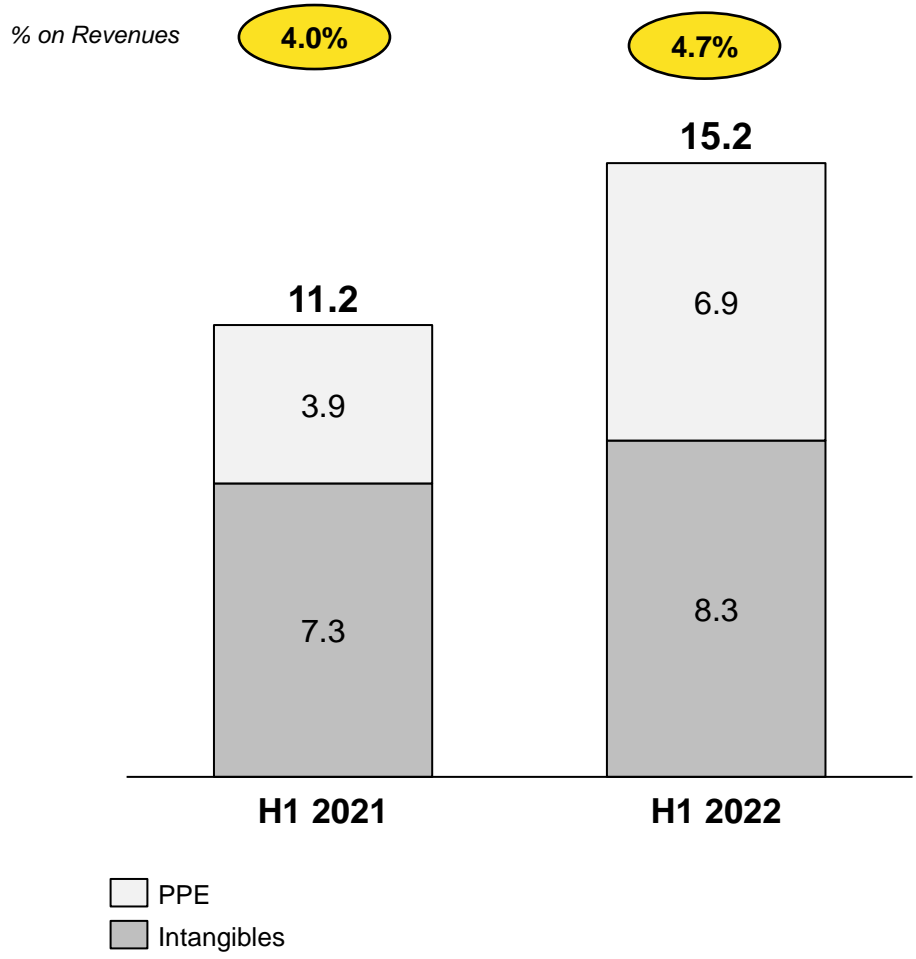
IT: Calculated as the ratio of Turnover for products, spare parts, hardware and software / Inventory w/o deval.

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



## Comments

### Tangible Capex

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

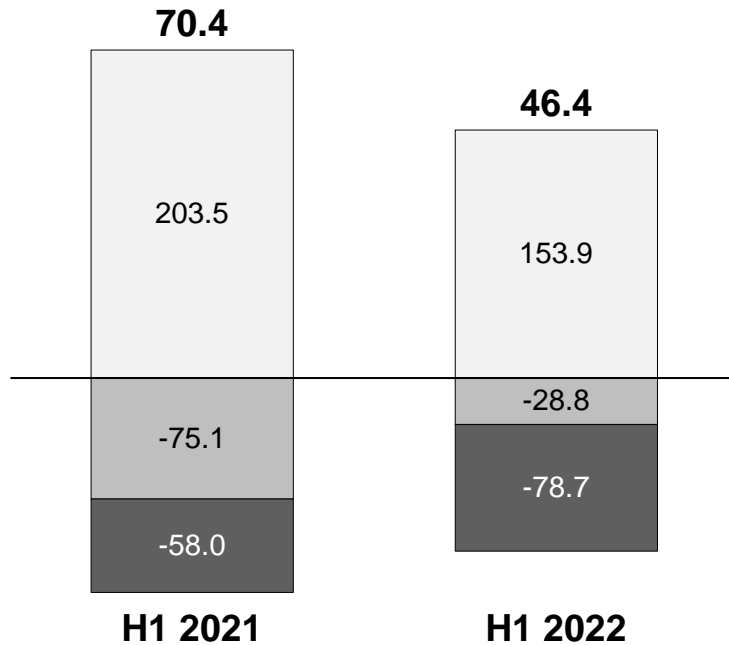
### Intangible Capex

- 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

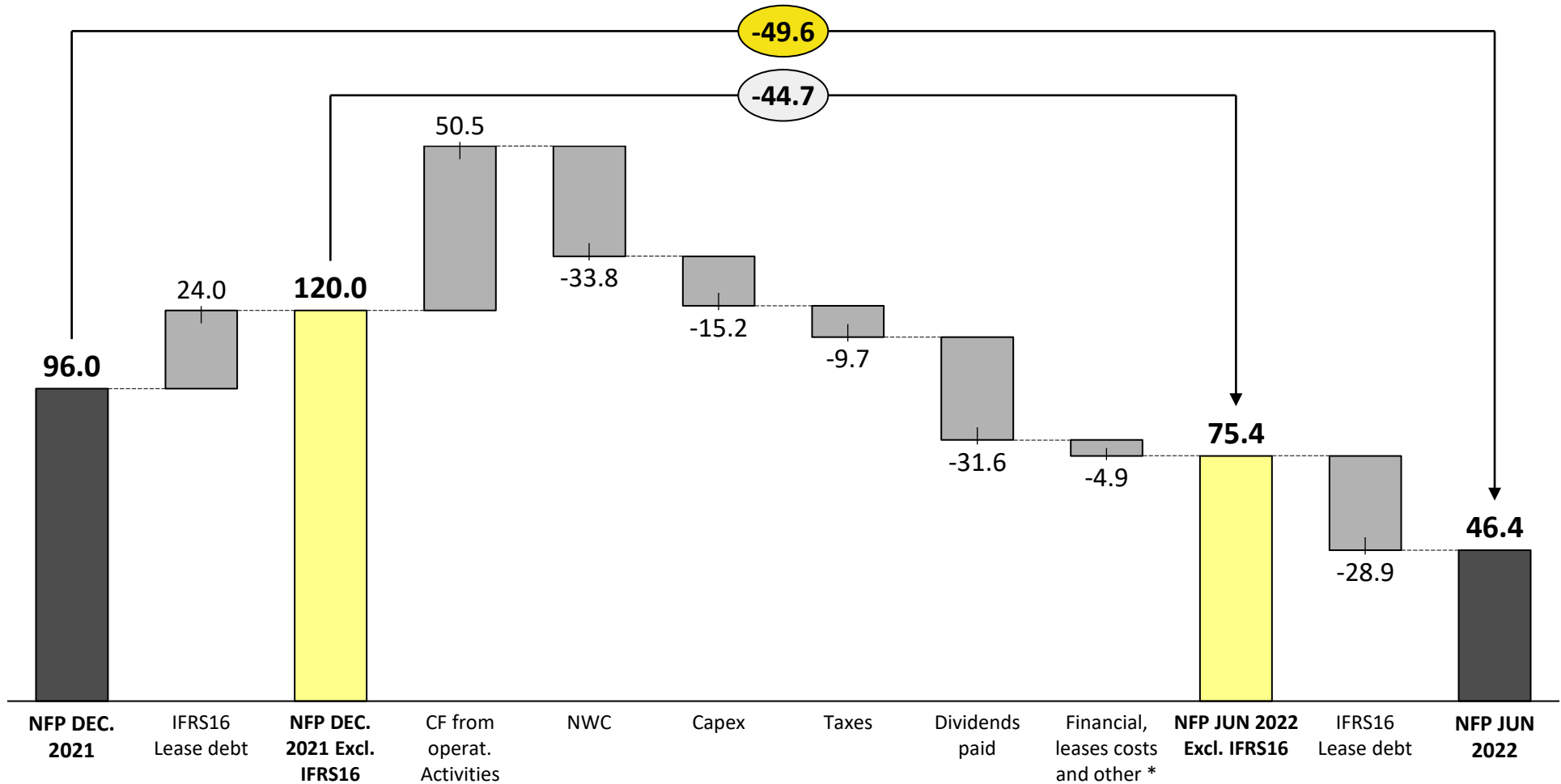
**Bank debt** decreased by € 46m compared to June 2021

### 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€

# 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%)
<b>Trade Working Capital</b>	<b>55,2</b>	<b>9,8%</b>	<b>53,0</b>	<b>8,7%</b>	<b>91,5</b>	<b>13,9%</b>
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%)
<b>Net Working Capital</b>	<b>(21,9)</b>	<b>(3,9%)</b>	<b>(30,0)</b>	<b>(4,9%)</b>	<b>7,4</b>	<b>1,1%</b>
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%
<b>Net Fixed Capital</b>	<b>228,5</b>	<b>40,6%</b>	<b>244,8</b>	<b>40,0%</b>	<b>251,8</b>	<b>38,1%</b>
<b>Net Invested Capital</b>	<b>206,6</b>	<b>36,7%</b>	<b>214,8</b>	<b>35,1%</b>	<b>259,3</b>	<b>39,3%</b>
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%)
<b>Total Source of Funding</b>	<b>206,6</b>	<b>36,7%</b>	<b>214,8</b>	<b>35,1%</b>	<b>259,3</b>	<b>39,3%</b>

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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