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Testo del comunicato

Vedi allegato.



The Wellness Company



THE TECHNOGYM BOARD OF DIRECTORS APPROVED THE HALF-YEARLY FINANCIAL REPORT AS OF JUNE 30, 2022

TECHNOGYM: sales +17.7% in H1

- **CONSOLIDATED REVENUES: Euro 325.2 million, +17.7% compared to 276.3 million in first half 2021. +14.9% currency neutral. Strong growth in North America (+52.6%)**
- **EBITDA ADJ: Euro 51.8 million, +8.0% compared to 48.0 million in the first half 2021**
- **NET PROFIT ADJ: Euro 25.0 million, +24.7% compared to 20.0 million in the first half 2021**
- **NET FINANCIAL POSITION: Euro 46.4 million at the end of June, compared to 70.4 million as of June 2021**



The Wellness Company



Nerio Alessandri, Chairman and CEO, commented:

“Technogym has intercepted the business recovery of fitness club, hotels and medical centres, and revenues in the first six months of the year are strongly growing in all BtoB segments and the BtoC customer segment is also well above pre-pandemic levels.

Technogym is today the only brand able to fully grasp all market opportunities thanks to its digital ecosystem, which offers people the possibility of connecting to their personalized wellness experience at the gym, at home, at work, on the road.

Consistency with our premium positioning in the various market segments has also allowed us to maintain adequate profitability and look forward to the rest of the year with optimism.

Being well is good for people, businesses and governments. Today, more than ever, wellness and health are priorities for everyone: all over the world, governments are increasingly focusing on policies centered on prevention and the promotion of healthy lifestyles, companies invest on their staff health and wellness, and people are more and more aware on the benefits of regular exercise”

Cesena (Italia), August 3, 2022 – 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 shows a strong recovery in the BtoB segments and the confirmation of people's increased interest in health and exercise. During the period, Technogym records a significant acceleration in revenue growth, with double-digit performance in all BtoB segments and achieves revenue 10% higher than in the first half of 2019.

In terms of Adjusted EBITDA there is an improvement compared to last year, although the increase in production costs has not yet been offset by the list price increases decided during the year.

The Net Financial Position decreases compared to 31 December 2021 due to the negative seasonality of the business in the first part of the year, the payment of dividends to shareholders and an increase in Working Capital mainly related to payments to some suppliers in the first months of the current year.

Net Profit Adjusted for non-recurring items significantly improves compared to the last year and benefits from the general recovery of the business.

Innovation remains the driving force behind the growth of Technogym, which in the first half of the year presented Biostrength, the new line for strength training (a fast-growing trend in the market), that, thanks to artificial intelligence, adapts to the needs and goals of each individual user and offers a unique range of training content with the aim of guaranteeing 30% more results for the same training time.

Moreover, new Technogym App features and new video content have been launched as part of the Technogym Live platform to further enhance the user's training experience

Today Technogym is present in over 85 thousand professional centres and over 22 million users use the MyWellness platform and the Technogym App to support their workout.

During the half-year, 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 at supporting the company's role as an end-user training partner with a hybrid approach, thus capitalising on the growing interest of end-users in Wellness on the go launched by Technogym back in 2012.

Results of the First Half of 2022

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 records a 17.7% increase in sales (+14.9% at constant exchange rates), thanks to a strong recovery in all BtoB segments, while the BtoC customer segment records a double turnover compared to pre-pandemic levels. It's worth mentioning the double-digit growth in almost all geographical areas confirming the validity of the long-term strategy of Technogym.

Here below we provide a brief revenue analysis for:

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

Revenues by Client Category

H1 as of June 30

(In thousands of Euro and percentage change)

	2022	2021	'22 VS '21	%
BtoC	83,842	97,216	(13,374)	(13.8%)
BtoB	241,380	179,038	62,341	34.8%
Totale Revenues	325,223	276,255	48,968	17.7%

Revenues for the first half of the year confirm the progressive recovery of the BtoB segment, as in previous quarters, thanks to double-digit growth registered in all sub-segments; strong performances in the Club and Hospitality & Residential segments. In the first half of 2022, BtoB revenue further closed the gap compared to the performance of the first half of 2019. The BtoC segment recorded a physiological slowdown compared to last year but stood at more than double the value recorded in H1 2019.

Revenues by geographic areas

<i>(In thousands of Euro and percentage change)</i>	H1 as of June 30			
	2022	2021	2022 vs 2021	%
Europe (ex Italy)	150,824	127,848	22,976	18.0%
APAC	60,122	53,200	6,922	13.0%
Italy	29,388	31,535	(2,147)	(6.8%)
North America	45,318	29,692	15,626	52.6%
MEIA	32,070	28,044	4,026	14.4%
LATAM	7,501	5,936	1,565	26.4%
Totale Revenues	325,223	276,255	48,968	17.7%

In terms of geographical areas, top performances were reported in Europe and North America. The excellent performance in North America (+52.6%) is supported by growth in the Hospitality & Residential and Club segments. In Europe (+18.0%), the progressive recovery of the BtoB segment, starting from Club, generated strong growth in the UK, Germany, France, Benelux and Spain. Good performance in APAC (+13.0%), where growth in Australia, Japan, Hong Kong and some markets covered by the Wholesale channel, like Thailand and Vietnam, more than offset the performance of China, impacted by the restrictions aimed at containing COVID-19. The MEIA region continued to grow, significantly above H1 2019 sales, while in LATAM the first signs of recovery after the lockdown continue to be seen.

Revenues by distribution channels

<i>(In thousands of Euro and percentage change)</i>	H1 as of June 30			
	2022	2021	2022 vs 2021	%
Field sales	207,301	159,216	48,085	30.2%
Wholesale	77,822	68,612	9,210	13.4%
Inside sales	33,500	42,336	(8,836)	-20.9%
Retail	6,600	6,091	0,509	8.4%
Totale Revenues	325,223	276,255	48,968	17.7%

The trend of the market segments is also reflected, as usual, in the evolution of the sales channels. The two channels most exposed to the Commercial segment, Field Sales and Wholesale, have registered the greatest growth in the half-year. In particular, the growth in Field Sales is linked to a higher productivity, compared to last year, of individual salesmen with the same sales network, while the growth in the Wholesale channel is the result of the excellent performance achieved by some distributors in APAC but also in Europe and MEIA. The retail channel performed well, also thanks to the contribution of the new Munich boutique. Inside Sales, which, as we recall, includes teleselling and e-commerce, is the only channel in contraction as it is mainly exposed to the general trend of the BtoC segment.

2) EBITDA, Operating Income and Net Profit Adjusted

Adjusted EBITDA amounted to € Euro 51.8 million, up by € 3.9 million (+8.0%) compared to € 48.0 million in the first half 2021. This increase is attributable to the increase in sales volumes and the increase in list prices, which only partially offset the increase in costs related to raw materials and logistics recorded in the first half of 2022.

There was also a return to the normal seasonality of the business, characterized by higher marketing costs for trade fairs and events in the first half of the year, as well as an increase in after-sales service activities compared to the first half of 2021, which had not seen fitness clubs operating at full capacity as in 2022. In this scenario Technogym was able to record an Adjusted EBITDA as a percentage of revenue of 15.9% at 30 June 2022 (17.4% as of 30 June 2021).

Adjusted Operating Income stands at € 30.3 million, up by € 2.6 million (+9.2%) compared to € 27.7 million in the same period of 2021. This trend is impacted not only by the aforementioned dynamics, but also by higher depreciation and amortization recorded compared to the previous year as a result of the investments made to digitize the offer, both with reference to the new technologies used and the development of content. Overall, the Adjusted ROS for the period was 9.3% (10.0% in the first half of 2021).

Adjusted Net Profit amount to € 25.0 million, up by € 5.0 million (+24.7%) compared to Euro 20.0 million in the first half of 2021. This trend is in line with the above.

Lastly, it should be noted that the six months ended 30 June 2022 reported non-recurring expenses of € 1.5 million, mainly attributable to personnel costs and related charges not related to normal operations. Non-recurring income of € 11.1 million related to the capital gain obtained from the sale of the shares held in Amleto APS (Exerp Group) and non-recurring charges of € 812 thousand were recorded for the six months ended 30 June 2021.

3) Net Financial Position

The Net Financial Position is positive at € 46.4 million, compared to € 96.0 million as of 31 December 2021 and € 70.4 million as of 30 June 2021. This trend in the semester is related to the business seasonality in the first part of the year, to the payment of dividends to shareholders for approx. Euro 32 million, to higher investments as well as an increase in Working Capital mainly related to the payment of trade payables due in the first months of the year.



The Wellness Company



Outlook

In the second half of the current financial year, Technogym expects a double-digit growth in revenues, thanks to the uniqueness of its business model, based not only on the widest range of products and services in the sector, but also on the possibility of providing people with personalized and accessible on-the-go workout experiences in over 85 thousand centres worldwide, and operators with the opportunity to digitalise their offerings and open up to new business models.

The uniqueness of this model combined with continuous product innovation, which has seen the recent launch of Biostrength, will allow the company to pursue an improvement in profitability during 2022 and the sustainability of economic margins in the long term, an essential condition to be able to continue to invest in innovation to support current and prospect customers and the value of the brand.

Other resolutions

Approval of the regulation of the Performance shares plan 2022-2024

In execution of the resolution adopted by the Shareholders' meeting held on May 4, 2022 and with the favorable opinion of the Appointments and Remuneration Committee, the Board of Directors approved the Regulation of the Performance Shares Plan 2022-2024 and assigned rights to obtain total no. 436,800 Base Shares. Base Shares means the number of Technogym shares that the beneficiaries of the Plan may obtain free of charge in case the performance targets are 100% met pursuant to the terms and conditions of the Regulation. The actual number of Technogym shares that shall be granted to the beneficiaries of the Plan shall be determined at the end of the Plan taking into account the actual performance in respect to the performance targets and shall not in any event exceed 130% of the Base Shares. Information under Annex 3A, Scheme 7, of Consob Regulation no. 11971, of May 14, 1999 (the "Consob Regulation") shall be provided in accordance to the terms and conditions set forth in art. 84-bis, paragraph 5, lett. a) of Consob Regulation. For additional information regarding the main features of the Performance Shares Plan 2022-2024, please see the report of the Board of Directors to the Shareholders' meeting held on May 4, 2022 and the Informative Document pursuant to art. 84-bis of the Consob Regulation available at the Company's registered office and the website of the Company <https://corporate.technogym.com/en/governance/shareholders-meetings>.

Consolidated income statement

<i>(In thousands of Euro)</i>	As the date of June 30			
	2022	<i>of which from related party</i>	2021	<i>of which from related party</i>
REVENUES				
Revenues	324.001	5.108	275.879	5.436
Other revenues and income	1.223	98	376	83
Total revenues	325.223		276.255	
OPERATING COSTS				
Purchases and use of raw materials, work in progress and finished goods	(108.221)	(78)	(91.026)	(34)
<i>of which non-recurring income/(expenses)</i>	<i>(10)</i>		<i>(13)</i>	
Cost of services	(90.535)	(1.099)	(69.937)	(458)
<i>of which non-recurring income/(expenses)</i>	<i>(118)</i>		<i>(215)</i>	
Personnel expenses	(72.924)	(140)	(64.825)	-
<i>of which non-recurring income/(expenses)</i>	<i>(780)</i>		<i>(464)</i>	
Other operating costs	(3.069)	(10)	(4.060)	(9)
<i>of which non-recurring income/(expenses)</i>	<i>(26)</i>		<i>(120)</i>	
Share of net result from joint ventures	420		11.880	
Depreciation, amortization and impairment losses / (write-backs)	-		11.128	
Net provisions	(18.810)	(796)	(17.841)	(769)
<i>of which non-recurring income/(expenses)</i>	<i>(3.320)</i>		<i>(2.384)</i>	
NET OPERATING INCOME	<i>(607)</i>		-	
Financial income	28.764		38.063	
Financial expenses	12.950	(20)	5.574	7
<i>of which non-recurring income/(expenses)</i>	<i>(10.995)</i>	<i>(62)</i>	<i>(6.057)</i>	<i>(78)</i>
Net financial expenses	1.954		(483)	
Income/(expenses) from investments	298		426	
<i>of which non-recurring income/(expenses)</i>	31.016		38.006	
PROFIT BEFORE TAX	(7.484)		(7.519)	
<i>of which non-recurring income/(expenses)</i>	23.532		30.487	
PROFIT FOR THE YEAR	(72)		(130)	
Profit (loss) attributable to non-controlling interests	23.459		30.357	
Profit (loss) attributable to owners of the parent	0,12		0,15	

Consolidated Statement of Financial Position

<i>(In thousands of Euro)</i>	As the date of June 30		As the date of December 31	
	2022	<i>of which from related party</i>	2021	<i>of which from related party</i>
ASSETS				
Non-current assets				
Property, plant and equipment	157.524	9.177	153.563	8.498
Intangible assets	52.053		50.697	
Deferred tax assets	21.874		20.280	
Investments in joint ventures and associates	5.202		4.438	
Other financial non-current assets	205		200	
Other non-current assets	61.121		62.871	
TOTAL NON-CURRENT ASSETS	297.978		292.049	
Current assets				
Inventories	111.071		108.548	
Trade receivables	114.091	677	104.242	1.963
Current financial assets	86.379		53.837	
Assets for derivative financial instruments	143		127	
Other current assets	39.843	39	29.984	475
Cash and cash equivalents	67.577		174.306	
TOTAL CURRENT ASSETS	419.104		471.044	
TOTAL ASSETS	717.082		763.092	
EQUITY AND LIABILITIES				
Equity				
Share capital	10.066		10.066	
Share premium reserve	7.132		7.132	
Other reserves	39.010		31.321	
Retained earnings	225.014		198.256	
Profit (loss) attributable to owners of the parent	23.459		63.065	
Equity attributable to owners of the parent	304.682		309.841	
Capital and reserves attributable to non-controlling interests	1.717		1.519	
Profit (loss) attributable to non-controlling interests	72		200	
Equity attributable to non-controlling interests	1.789		1.720	
TOTAL EQUITY	306.471		311.560	
Non-current liabilities				
Non-current financial liabilities	56.629	8.234	57.671	7.974
Deferred tax liabilities	210		301	
Employee benefit obligations	3.061		3.091	
Non-current provisions for risks and charges	9.655		8.952	
Other non-current liabilities	33.206		34.950	
TOTAL NON-CURRENT LIABILITIES	102.762		104.964	
Current liabilities				
Trade payables	133.624	691	159.769	640
Current tax liabilities	11.096		5.951	
Current financial liabilities	50.197	3.504	73.771	2.737
Liabilities for derivative financial instruments	58		41	
Current provisions for risks and charges	10.708		11.734	
Other current liabilities	102.165		95.302	
TOTAL CURRENT LIABILITIES	307.848		346.567	
TOTAL EQUITY AND LIABILITIES	717.082		763.092	

Consolidated Statement of Cash Flows

<i>(in thousands of Euro)</i>	As the date of June 30	
	2022	2021
Cash flows from operating activities		
Profit for the period	23.532	30.487
<i>Adjustments for:</i>		
Income taxes	7.484	7.519
Income/(expenses) from investments	(298)	(426)
Financial income/(expenses)	(1.954)	483
Depreciation, amortization and impairment losses	18.810	17.841
Net provisions	3.320	2.384
Share of net result from joint ventures	(420)	(11.880)
Cash flows from operating activities before changes in working capital	50.474	46.407
Change in inventories	(3.335)	(19.509)
Change in trade receivables	(5.872)	(3.989)
Change in trade payables	(25.461)	15.507
Change in other assets and liabilities	834	4.338
Income taxes paid	(9.660)	(3.552)
Net cash inflow from operating activities (A)	6.980	39.202
<i>of which from related parties</i>	<i>(4.041)</i>	<i>5.358</i>
Cash flows from investing activities		
Investments in property, plant and equipment	(7.683)	(4.280)
Disposals of property, plant and equipment	827	374
Investments in intangible assets	(8.318)	(7.265)
Disposals of intangible assets	-	-
Dividends received from joint ventures	305	-
Disposal/(Investments) of subsidiaries, associates and other entities	-	29.484
Net cash inflow (outflow) from investing activities (B)	(14.869)	18.314
<i>of which from related parties</i>	<i>305</i>	<i>-</i>
Cash flows from financing activities		
Repayment of IFRS 16	(4.347)	(3.487)
Proceeds from new borrowings	4.002	-
Repayment of borrowings	(37.767)	(12.500)
Net increase (decrease) of current financial assets and liabilities	(32.357)	(21.844)
Dividends paid to shareholders	(31.604)	(44.292)
Payments of net financial expenses	744	2.661
Net cash inflow (outflow) from financing activities (C)	(101.330)	(79.462)
<i>of which from related parties</i>	<i>(857)</i>	<i>(847)</i>
Net increase (decrease) in cash and cash equivalents (D)=(A)+(B)+(C)	(109.219)	(21.946)
Cash and cash equivalents at the beginning of the year	174.306	202.065
Net increase (decrease) in cash and cash equivalents from January 1 to June 30	(109.219)	(21.946)
Effects of exchange rate differences on cash and cash equivalents	2.489	348
Cash and cash equivalents at the end of the period	67.577	180.468



The Wellness Company



Statement by the Executive Responsible for the preparation of Financial Reports

In accordance with article 154-bis, paragraph 2 of the Consolidated Finance Act, the executive responsible for the preparation of financial reports, Massimiliano Moi, declares that the accounting data contained in this press release is consistent with entries in the accounting books and records.

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Notes to the press release **Technogym**

Technogym is a world leading brand in products and digital technologies for fitness, sport and health for wellness. Technogym offers a complete ecosystem of connected smart equipment, digital services, on-demand training experiences and apps that allow every single end-user to access a completely personalized training experience anytime and anywhere: at home, at the gym, on-the-go. Over 50 million people train with Technogym in 80,000 wellness centres and 500,000 private homes world-wide. Technogym has been Official Supplier to the last eight Olympic Games and it's the brand of reference for sport champions and celebrities all over the world.

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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Numero di Pagine: 12