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*Testo del comunicato*

Vedi allegato.

# Technogym grows double digit in the first half of 2023

- **Consolidated Revenue: Euro 370.0 million, +13.8% compared to Euro 325.2 million in the first half of 2022 (+15.0% currency neutral)**
- **EBITDA Adj: Euro 59.4 million, +14.6% compared to Euro 51,8 million in the first half of 2022**
- **Net Profit Adj: Euro 28.1 million, +12.6% compared to Euro 25.0 million in the first half of 2022**
- **Net Financial Position: positive for Euro 72.2 million as of June 30 2023, improved compared to Euro 46.4 million as of June 30 2023.**

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**Nerio Alessandri, Chairman and CEO** of Technogym, commented: *“Our strategy, aimed at investing in long-term profitable and sustainable growth, yielded excellent short-term results as well. In the first six months of the year, we recorded a double-digit increase in all key financial indicators, in line with the plans communicated during the recent Investor Wellness Day.*

*Technogym, together with the creation of economic value for customers and shareholders, contributes to social value for individuals, via improved health and quality of life. This is in-line with one of the main goals of the United Nations, the "Good Health and Wellbeing Goal," which seeks to reduce the mortality rate from non-communicable diseases by one-third by 2030 through prevention and the promotion of healthy lifestyles.*

*Technogym's vision, which has been promoting wellness for 30 years and has developed a unique ecosystem capable of personalizing training programs and exercise regimens for everyone, represents one of the main market trends. "Technogym is Medicine" is our challenge for the future, aiming to become the new "sustainable and aspirational medicine" through prevention and care protocols, promoting healthy longevity with our world-class solutions.*



The Wellness Company



*Alongside the growing focus on the health market, sport remains crucial to our business strategy and brand development. With just one year left until the Paris 2024 Olympics, Technogym will play a prominent role as the exclusive and official supplier, providing smart equipment and services for the preparation of over 15,000 athletes”.*

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**Cesena (Italy), August 2 2023** – The Board of Directors of Technogym S.p.A. (EXM: TGYM), the wellness company, reviewed and approved today the consolidated financial report as of June 30 2023, prepared in accordance with the International Accounting Standards (IAS/IFRS).

During the first half of the year, Technogym experienced significant growth in its Business-to-Business (BtoB) segment, with double-digit increase across all its sub-segments. The Business-to-Consumer (BtoC) segment also showed signs of normalization, with the second quarter recording growth compared to the same period in 2022.

The company's performance in terms of Adjusted EBITDA improved compared to the previous year, primarily due to increased sales volumes and a favorable product mix. Technogym achieved growth in profitability while continuing to invest in innovation to enhance its wellness solutions.

Technogym achieved a positive Net Financial Position of Euro 72.2 million, showing an improvement compared to Euro 46.4 million as of June 30 2022, but a decrease compared to Euro 122 million as of December 31 2022.

During the first half, Technogym launched Technogym Run and further strengthened its digital ecosystem, enhancing the user experience of the Technogym App and incorporating artificial intelligence models capable of adapting to the needs of over 50 million users. This resulted in a 30% increase in performance for equivalent training time.

The brand positioning as Prestige in the BtoC market and Premium in the BtoB market has benefited from additional communication investments, including major industry trade shows and digital campaigns to reach new users. The company has built a strong community with a presence in over 85 thousand professional centers and 400,000 homes.

### **Results of the first half of 2023**

The consolidated results have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union. Below is a brief overview of the consolidated revenue and other key indicators among P&L and Balance Sheet.

## 1) Revenue

The first half of the year ended with a revenue growth of 13.8% (15.0% at constant exchange rates). This growth was driven by the continuous expansion of all BtoB segments, while the BtoC customer segment saw an increase in revenue during the second quarter. It's worth noting that growth was observed in nearly all geographical regions, which demonstrates the effectiveness of Technogym's long-term strategy.

Here below we provide a brief revenue analysis for:

- customer segments;
- geographies;
- distribution channels;

### ***Revenue by customer segments***

H1 as of June 30

(In thousands of Euro and percentage change)

	2023	2022	'23 VS '22	%
BtoC	79,948	83,843	(3,895)	(4.6%)
BtoB	290,054	241,380	48,674	20.2%
<b>Total Revenues</b>	<b>370,002</b>	<b>325,223</b>	<b>44,779</b>	<b>13.8%</b>

The first-half revenues confirmed the gradual recovery of our BtoB segment, which was already observed in previous quarters, thanks to double-digit growth across all sub-segments. The Club segment continued to benefit from high consumer and investor confidence in the sector, while Hospitality & Residential saw continued investment plans from major industry operators. Additionally, Health Corporate & Performance was primarily driven by growth in Corporate, University, and uniformed services. As for the BtoC segment, Technogym focused on providing tailored Prestige solutions to High-Net-Worth clients. This segment experienced growth during the second quarter and boasts an overall revenue more than double what was recorded in the first half of 2019.

### ***Revenue by geographies***

H1 as of June 30

(In thousands of Euro and percentage change)

	2023	2022	2023 vs 2022	%
Europe (ex. Italy)	173,273	150,824	22,449	14.9%
APAC	58,338	60,122	(1,784)	(3.0%)
Italy	34,562	29,388	5,174	17.6%
North America	47,125	45,318	1,807	4.0%
MEIA	46,576	32,070	14,506	45.2%
LATAM	10,128	7,501	2,627	35.0%
<b>Total Revenues</b>	<b>370,002</b>	<b>325,223</b>	<b>44,779</b>	<b>13.8%</b>

The Group experienced growth in nearly all geographical regions. Particularly, Europe continued to exhibit a highly positive trend, with double-digit growth driven by consistent investments from BtoB clients, especially in the UK, Spain, and Benelux. The MEIA region also benefited from a constant demand for high-tech Wellness solutions. Despite unfavorable seasonality and the impact of the depreciating dollar, North America confirms its growth trajectory.

Finally, the APAC region was negatively impacted by the situation in China, with carryover effects from the lockdown experienced in 2022, which outweighed the good performance recorded in Australia and Japan.

## Revenue by distribution channels

<i>(In thousands of Euro and percentage change)</i>	<b>H1 as of June 30</b>			
	<b>2023</b>	<b>2022</b>	<b>2022 vs 2021</b>	<b>%</b>
Field sales	241,618	207,301	34,317	16.6%
Wholesale	89,893	77,822	12,071	15.5%
Inside sales	30,390	33,500	(3,110)	(9.3%)
Retail	8,101	6,600	1,501	22.7%
<b>Total Revenues</b>	<b>370,002</b>	<b>325,223</b>	<b>44,779</b>	<b>13.8%</b>

Regarding the revenue analysis by distribution channel, the significant contributions from the Field Sales and Wholesale channels were confirmed. The Field Sales channel's success was attributed to the improved productivity of the direct sales network, while the Wholesale channel benefits from outstanding performances in several countries within the Europe and MEIA regions.

Additionally, the Retail channel showed growth compared to the previous year, primarily due to the presence of an additional flagship store. On the other hand, the Inside Sales channel's performance was impacted by international dynamics in the Home segment, resulting in a much stronger performance in the second quarter compared to the first quarter.

## 2) EBITDA, Operating Income and Net Profit Adjusted

**Adjusted EBITDA** for the first half of the year amounted to Euro 59.4 million, showing a growth of Euro 7.6 million (+14.6%) compared to Euro 51.8 million in the first half of 2022. This increase can be attributed primarily to higher sales volumes, particularly in the BtoB segment, as well as product mix improvements and the implementation of the price increase introduced in 2022.

It's important to note that the business historically experiences seasonality, with higher marketing costs for trade shows and events during the first half of the year. Despite this scenario, Technogym has managed to enhance its profitability, achieving an EBITDA Adjusted margin of 16.1% in terms of revenue (compared to 15.9% in the first half of 2022).

The **Adjusted Operating Profit** amounted to Euro 35.1 million, representing a growth of Euro 4.8 million (+15.7%) compared to Euro 30.3 million in the same period of 2022. This performance is impacted by the factors mentioned earlier, as well as higher depreciation costs related to investments made in digitizing the offerings, including new technologies and content development. Overall, the Adjusted ROS (Return on Sales) for the period stands at 9.5% (compared to 9.3% in the first half of 2022).

The **Adjusted Group Net Profit** was Euro 28.1 million, showing a growth of Euro 3.1 million (+12.6%) compared to Euro 25.0 million in the first half of 2022. This growth aligns with the trends mentioned above.

During the first half of 2023, the Group recorded non-recurring expenses amounting to Euro 1.3 million, primarily related to personnel costs and other non-operational charges (compared to Euro 1.5 million in the same period of 2022).

### 3) **Net financial position and free cash flow before taxes**

The Net Financial Position was positive by Euro 72.2 million, which represents a decrease compared to Euro 122.0 million as of December 31, 2022, but it shows improvement when compared to Euro 46.4 million as of June 30, 2022. This variation is primarily due to the regular negative seasonality of the business during the first part of the fiscal year, the payment of higher dividends to shareholders compared to previous periods, and an increase in Working Capital, mainly resulting from settling debts with suppliers in the early months of the year, consistent with the seasonal nature of our business.

The Recurring Free Cash Flow before taxes for the period reached Euro 17.7 million (with a conversion rate of 28.3%<sup>1</sup>), showing significant progress compared to Euro 1.5 million in the first half of 2022 (with a conversion rate of 2.9%). This improvement is attributed to a higher operating cash flow and a more effective management of the Trade Working Capital.

### **Outlook**

The first half of the fiscal year confirmed the solid growth across all BtoB segments, which was observed over the past few quarters. Health and Healthy Longevity have become significant aspirations for people, contributing to the growth of the entire Wellness ecosystem worldwide and to the continuous development of numerous professional operators in the industry. This trend allows the Wellness Economy to grow at a rate significantly higher than the global GDP growth.

For the current fiscal year, Technogym foresees a double-digit revenue growth, that coupled with operational efficiencies, will enable Technogym to enhance its profitability. This constant and sustainable growth in profitability will further empower the company to continue investing in innovation, offering consumers cutting-edge and distinctive training solutions.

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<sup>1</sup> Recurring cash conversion rate= free cash flow before taxes/EBITDA



The Wellness Company



## **Other Resolutions**

### **Approval of the regulation of the Performance Shares Plan 2023-2025**

In execution of the resolution adopted by the Shareholders' meeting held on May 5 2023 and with the favorable opinion of the Appointments and Remuneration Committee, the Board of Directors approved the Regulation of the Performance Shares Plan 2023-2025 and assigned rights to obtain total no. 325,100 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 5, 2023 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			
	2023	of which from related party	2022	of which from related party
<b>REVENUES</b>				
Revenues	368,830	28	324,001	5,108
Other revenues and income	1,223	1,223	2	1,223
<b>Total Revenues</b>	<b>370,002</b>		<b>325,223</b>	
<b>OPERATING COSTS</b>				
Purchases and use of raw materials, work in progress and finished goods	(121,343)	(1)	(108,221)	(78)
<i>of which non-recurring income/(expenses)</i>	-		(10)	
Cost of services	(105,031)	(1,148)	(90,535)	(1,099)
<i>of which non-recurring income/(expenses)</i>	(700)		(118)	
Personnel expenses	(81,859)	-	(72,924)	(140)
<i>of which non-recurring income/(expenses)</i>	(530)		(780)	
Other operating costs	(3,565)	(13)	(3,069)	(10)
<i>of which non-recurring income/(expenses)</i>	(66)		(26)	
Share of net result from joint ventures	4,421		420	
<i>of which non-recurring income/(expenses)</i>	4,534		0	
Depreciation, amortization and impairment losses / (write-backs)	(22,514)	(875)	(18,810)	(796)
Net provisions	(3,737)		(3,320)	
<i>of which non-recurring income/(expenses)</i>	(1,925)		(607)	
<b>NET OPERATING INCOME</b>	<b>36,374</b>		<b>28,764</b>	
Financial income	13,585	(39)	12,950	(20)
Financial expenses	(12,637)	(67)	(10,995)	(62)
<b>Net financial expenses</b>	<b>948</b>		<b>1,954</b>	
Income/(expenses) from investments	515		298	
<b>PROFIT BEFORE TAX</b>	<b>37,837</b>		<b>31,016</b>	
Income taxes	(8,210)		(7,484)	
<i>of which non-recurring income/(expenses)</i>	(976)		-	
<b>PROFIT FOR THE YEAR</b>	<b>29,627</b>		<b>23,532</b>	
<b>Profit (loss) attributable to non-controlling interests</b>	(1,153)		(72)	
<b>Profit (loss) attributable to owners of the parent</b>	<b>28,474</b>		<b>23,459</b>	



## Consolidated Balance Sheet Statement

<i>(In thousands of Euro)</i>	As the date of June 30		As the date of December 31	
	2023	<i>of which from related party</i>	2022	<i>of which from related party</i>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	164,439	9,515	164,122	9,094
Intangible assets	56,280		55,688	
Deferred tax assets	25,540		24,043	
Investments in joint ventures and associates	1,173		4,058	
Other financial non-current assets	200		201	
Other non-current assets	76,384		73,544	13
<b>TOTAL NON-CURRENT ASSETS</b>	<b>324,016</b>		<b>321,656</b>	
<b>Current assets</b>				
Inventories	114,824		100,671	
Trade receivables	113,377	40	110,824	(6)
Current financial assets	1,416		19,883	
Assets for derivative financial instruments	1,114		637	
Other current assets	31,511	39	27,178	1,292
Cash and cash equivalents	173,893		205,358	
<b>TOTAL CURRENT ASSETS</b>	<b>436,134</b>		<b>464,551</b>	
<b>TOTAL ASSETS</b>	<b>760,150</b>		<b>786,207</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	10,066		10,066	
Share premium reserve	7,132		7,132	
Other reserves	34,980		37,698	
Retained earnings	236,397		225,438	
Profit (loss) attributable to owners of the parent	28,474		63,587	
<b>Equity attributable to owners of the parent</b>	<b>317,049</b>		<b>343,922</b>	
Capital and reserves attributable to non-controlling interests	4,372		1,716	
Profit (loss) attributable to non-controlling interests	1,153		288	
<b>Equity attributable to non-controlling interests</b>	<b>5,525</b>		<b>2,005</b>	
<b>TOTAL EQUITY</b>	<b>322,574</b>		<b>345,927</b>	
<b>Non-current liabilities</b>				
Non-current financial liabilities	60,944	8,544	66,431	8,540
Deferred tax liabilities	1,119		168	
Employee benefit obligations	2,608		2,600	
Non-current provisions for risks and charges	10,906		9,586	
Other non-current liabilities	45,711		38,415	
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>121,288</b>		<b>117,201</b>	
<b>Current liabilities</b>				
Trade payables	152,700	953	173,559	1,002
Current tax liabilities	11,646		9,169	
Current financial liabilities	42,737	4,326	37,501	3,457
Liabilities for derivative financial instruments	324		77	
Current provisions for risks and charges	15,238		14,222	
Other current liabilities	93,645		88,552	
<b>TOTAL CURRENT LIABILITIES</b>	<b>316,289</b>		<b>323,080</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>760,150</b>		<b>786,207</b>	

## Consolidate Cash Flow Statement

<i>(in thousands of Euro)</i>	<b>As the date of June 30</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities</b>		
Profit for the period	29,627	23,532
<i>Adjustments for:</i>		
Income taxes	8,210	7,484
Income/(expenses) from investments	(515)	(298)
Financial income/(expenses)	(948)	(1,954)
Depreciation, amortization and impairment losses	22,514	18,810
Net provisions	111	3,320
Share of net result from joint ventures	(4,421)	(420)
Other non-monetary changes	378	-
<b>Cash flows from operating activities before changes in working capital</b>	<b>54,956</b>	<b>50,474</b>
Change in inventories	(2,602)	(3,335)
Change in trade receivables	11,245	(5,872)
Change in trade payables	(22,970)	(25,461)
Change in other assets and liabilities	(7,226)	834
Income taxes paid	(11,268)	(9,660)
<b>Net cash inflow from operating activities (A)</b>	<b>22,134</b>	<b>6,980</b>
<i>of which from related parties</i>	<i>(1,010)</i>	<i>(4,041)</i>
<b>Cash flows from investing activities</b>		
Investments in property, plant and equipment	(9,809)	(7,683)
Disposals of property, plant and equipment	2,497	827
Investments in intangible assets	(8,367)	(8,318)
Disposals of intangible assets	-	-
Dividends received from joint ventures	131	305
Disposal/(Investments) of subsidiaries, associates and other entities	4,172	-
<b>Net cash inflow (outflow) from investing activities (B)</b>	<b>(11,376)</b>	<b>(14,869)</b>
<i>of which from related parties</i>	<i>131</i>	<i>305</i>
<b>Cash flows from financing activities</b>		
Repayment of IFRS 16	(6,162)	(4,347)
Proceeds from new borrowings	-	4,002
Repayment of borrowings	(4,532)	(37,767)
Net increase (decrease) of financial assets and liabilities	20,626	(32,357)
Dividends paid to shareholders	(48,816)	(31,604)
Payments of net financial expenses	1,513	744
<b>Net cash inflow (outflow) from financing activities (C)</b>	<b>(37,370)</b>	<b>(101,330)</b>
<i>of which from related parties</i>	<i>(942)</i>	<i>(857)</i>
<b>Net increase (decrease) in cash and cash equivalents (D)=(A)+(B)+(C)</b>	<b>(26,612)</b>	<b>(109,219)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>205,358</b>	<b>174,306</b>
Net increase (decrease) in cash and cash equivalents from January 1 to December 31	(26,612)	(109,219)
Effects of exchange rate differences on cash and cash equivalents	(4,854)	2,489
<b>Cash and cash equivalents at the beginning of the year</b>	<b>173,893</b>	<b>67,577</b>



The Wellness Company



Pursuant to art. 154-bis, paragraph 2 of the Consolidated Finance Act, the executive in charge of the preparation of financial reports, William Marabini, 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 55 million people train with Technogym in 85,000 wellness centers and 400,000 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 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.

Fine Comunicato n.1845-22

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