



The Wellness Company

The Technogym Board of Directors reviewed the consolidated revenues of the first quarter of 2019

## TECHNOGYM: SALES GROW

- **CONSOLIDATED REVENUE: Euro 131.5 milioni, +5,4% Vs first quarter of 2018**
- **Strong growth in Nord America (+25%) and China (+16%)**

**Nerio Alessandri, Chairman and CEO, commented:**

*“Following the 2018 good performance, Technogym grows more than the market in the first quarter of 2019. We continue to grow in Europe, the most important geographic area in terms of volumes, and, at the same time we record strong growths in hi-potential areas such as North America (+25%) and China (+16%).*

*The 360° innovation, from product, to service, to ecosystem, based on our Mywellness digital platform, continues to represent our strategic priority. In line with the activities we have started in 2018, in 2019, our TECHNOGYM 4.0 project will be at full steam and involve all the company areas with further investments focused at the development of new programs and “training experiences”, leveraging our connected smart equipment and digital ecosystem.*

*Moreover, thanks to our innovative Technogym Live platform, previewed during this quarter, we will be able to offer consumer, on Technogym’s equipment consoles, via streaming, their favorite trainers classes and programs at home, at the gym, in hotel, at work.*

*The result of the first quarter, despite being the least significant of the year due to business seasonality, makes us confident to achieve our yearly goals”.*



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**Cesena (Italy), 14 May 2019** – The Board of Directors of Technogym (MTA: TGYM), a globally leading company operating in the fitness equipment area and active in the broader wellness sector, has reviewed today the consolidated revenues of the first three months of 2019.

### **Revenue trend at March 31st 2019**

Consolidated results have been prepared in compliance with the International Reporting Standards issued by the International Accounting Standards Board.

After the sales growth reported in 2018, in the first three months of 2019 the Company posted a 5.4% consolidated revenues increase compared to the first three months of 2018. At constant exchange rates, consolidated revenues growth stands at 3.5%

In the first three months of 2019, sales stood at Euro 131.5 million versus Euro 124.7 million recorded in the same period of 2018. It's worth noting the increase in sales posted in hi-potential markets - North America (+24.8%), MEIA (+14.6%) – and Europe (+4.3%).

Here below we provide a short analysis of revenues broken down by:

- distribution channels;
- geographic areas;

#### ***Revenue by distribution channels***

<i>(In thousands of Euro and percentage of total revenues)</i>	<b>Data at March 31st</b>			
	<b>2019</b>	<b>2018</b>	<b>2019 vs 2018</b>	<b>%</b>
Field sales	91.894	87.305	4.589	5,3%
Wholesale	28.181	26.522	1.659	6,3%
Inside sales	9.988	9.100	888	9,8%
Retail	1.446	1.800	-354	-19,7%
<b>Total Revenues</b>	<b>131.509</b>	<b>124.727</b>	<b>6.782</b>	<b>5,4%</b>

As regards revenues breakdown per sales channel: Field Sales continue to be the main channel, recording a growth of +5.3%. The Wholesales channel, as announced, recovers significantly (+6.3%) thanks to the rump up of some new distributors. The inside sales channel (Ecommerce & teleselling) recorded a strong growth (+9.8%) mainly driven by the European market. The Retail channel, impacted by the temporary closure of the Moscow store, has a marginal impact on the company business model, with its main purpose to act as show room support for the other main direct sales channels in an omni-channel perspective.



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### Revenues by geographic areas

<i>(In thousands of Euro and percentage of total revenues)</i>	Data at March 31st			
	2019	2018	2019 vs 2018	%
Europe (ex Italy)	66.958	64.178	2.780	4,3%
MEIA	10.457	9.125	1.332	14,6%
APAC	21.462	20.732	729	3,5%
Italy	10.756	11.340	-584	-5,2%
North America	17.848	14.299	3.549	24,8%
LATAM	4.028	5.053	-1.025	-20,3%
<b>Total Revenues</b>	<b>131.509</b>	<b>124.727</b>	<b>6.782</b>	<b>5,4%</b>

With regard to geographies Technogym continues to grow as planned in all the key markets: Europe, North America and APAC. In line with the past years Technogym reported a significant sales increase in North America (+24.8%) a strategic markets for the future growth of the company. A positive trend is reported in in Europe, MEIA and Asia Pacific too. Italy's performance, in line with the expectations, was negatively affected by the 2018 extraordinary result. LATAM, that has a marginal impact within company's total volumes, is still weks driven by the instable macro-economic scenario in Brasil, which represents the major contributor in the region.



*The Manager responsible for preparing the company's financial reports, Andrea Alghisi, declares that, pursuant to paragraph 2 article 154-bis of the Consolidated Law on Finance (TUF), the accounting data contained in this press release reflects the Company's accounts, books and records.*



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## Notes to the press release

### Technogym

Founded in 1983, Technogym S.p.A. is a world-leading international supplier of products, services and solutions in the fields of fitness and wellness. With over 2,000 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 S.p.A. was the official supplier for the last seven Olympic Games: Sydney 2000, Athens 2004, Turin 2006, Beijing 2008, London 2012, Rio 2016, PyeongChang 2018.

### 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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