

TECHNOGYM

Sector: Consumers

OUTPERFORM

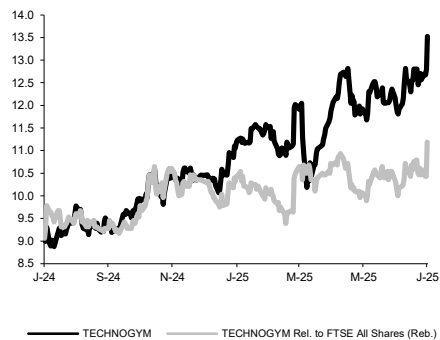
Price: Eu13.53 - Target: Eu14.50

Strong 2Q25 Beats Expectations. High Visibility on FY

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Stock Rating			
Rating:	Unchanged		
Target Price (Eu):	Unchanged		
	2025E	2026E	2027E
Chg in Adj EPS	0.0%	0.0%	0.0%

TECHNOGYM - 12M Performance



Stock Data			
Reuters code:	TGYM.MI		
Bloomberg code:	TGYM IM		
Performance	1M	3M	12M
Absolute	11.2%	13.9%	49.3%
Relative	8.2%	4.9%	28.3%
12M (H/L)	13.53/8.88		
3M Average Volume (th):	215.66		

Shareholder Data	
No. of Ord shares (mn):	201
Total no. of shares (mn):	201
Mkt Cap Ord (Eu mn):	2,720
Total Mkt Cap (Eu mn):	2,720
Mkt Float - Ord (Eu mn):	1,682
Mkt Float (in %):	61.8%
Main Shareholder:	
Wellness Holding (N.Alessandri)	33.8%

Balance Sheet Data	
Book Value (Eu mn):	461
BVPS (Eu):	2.29
P/BV:	5.9
Net Financial Position (Eu mn):	217
Enterprise Value (Eu mn):	2,507

- Another solid quarter.** Technogym yesterday released 1H25 results which came in ahead of our expectations thanks to a very remarkable 2Q25, which saw revenues up double digit by +13.6% (our expectation at +7.4%). 1H25 revenues came in at Eu458.8m, +14.1% YoY +4% vs. our estimates with the B2C segment at +10.4% YoY and B2B at +15.1% YoY. Positive double-digit growth across all regions with an outstanding performance in the Americas at +20.2% YoY and Italy, which thanks to a +30.7% growth in 2Q25 reached 1H25 growth of +18.2%. We think this is a very solid set of results underlying the positive momentum across regions and the positive effects of new product launches and new channels.
- Very positive developments in profitability.** 1H25 Adj. EBITDA came in at Eu84.8m with a record margin on sales of 18.5%, up by 190bps YoY thanks to product mix, pricing discipline and cost optimization initiatives. Volumes and consequent operating leverage supported margin expansion. Adj. Net Profit rose to Eu43.6m, +34.4% YoY. Net financial position positive at Eu84.1m, down from Eu160.1m at the end of the previous fiscal year.
- Constructive indications from management.** No specific outlook provided as usual but management said that for the current year, “Technogym expects to meet its stated objectives of sustainable growth, with revenue expansion, improved profitability, and solid cash generation, while continuing to invest in innovation to further strengthen the brand’s distinctive global positioning and drive long-term value creation”. Also, during the conference call, the CEO and CFO reiterated constructive messages on the remainder of the year highlighting that current consensus estimates could be revised slightly upward. Current trading is solid with the order intake supporting sales evolution. No change in order book seen so far following tariff implementations.
- Change in estimates.** Based on the results achieved and the indications provided, we stick to our current assumptions and estimates which were already ahead of consensus before the release. We think consensus might align.
- OUTPERFORM, target Eu14.5 (confirmed).** We think TGYM offers an unparalleled medium-term equity story thanks to its strong brand and leading positioning, attracting the interest of investors seeking exposure to the global wellness industry through a high-end player. The company is well placed to continue to deliver sustainable and profitable growth as confirmed by the resilience of the underlying business, while exploiting the increasingly significant macro trends that combine wellness and the health sector through its frontrunner status. 1Q25 sales surpassed our expectations to a remarkable degree, and more importantly shook off a reasonable degree of the uncertainty on this year and next year’s trends, which induced us to remain more cautious. We think prospects are solid and the contribution from new clientele segments, such as Hotel, Health and Life Science related clients, is set to last and increase. Based on the upside to current levels, we keep our OUTPERFORM recommendation.

Key Figures & Ratios	2023A	2024A	2025E	2026E	2027E
Sales (Eu mn)	808	901	993	1,083	1,129
EBITDA Adj (Eu mn)	152	178	207	233	0
Net Profit Adj (Eu mn)	77	90	111	131	147
EPS New Adj (Eu)	0.385	0.446	0.550	0.653	0.729
EPS Old Adj (Eu)	0.385	0.446	0.550	0.653	0.729
DPS (Eu)	0.289	0.216	0.268	0.319	0.357
EV/EBITDA Adj	9.9	9.7	12.1	10.4	nm
EV/EBIT Adj	10.7				
P/E Adj	35.1	30.3	24.6	20.7	18.6
Div. Yield	2.1%	1.6%	2.0%	2.4%	2.6%
Net Debt/EBITDA Adj	-0.8	-0.9	-1.0	-1.3	nm

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The main methods used to evaluate financial instruments and set a target price for 12 months after the investment recommendation are as follows:

- Discounted cash flow (DCF) model or similar methods such as a dividend discount model (DDM)
- Comparison with market peers, using the most appropriate methods for the individual company analysed: among the main ratios used for industrial sectors are price/ earnings (P/E), EV/EBITDA, EV/EBIT, price /sales
- Return on capital and multiples of adjusted net book value are the main methods used for banking sector stocks, while for insurance sector stocks return on allocated capital and multiples on net book value and embedded portfolio value are used
- For the utilities sector comparisons are made between expected returns and the return on the regulatory asset base (RAB)

Some of the parameters used in evaluations, such as the risk-free rate and risk premium, are the same for all companies covered, and are updated to reflect market conditions. Currently a risk-free rate of 4.0% and a risk premium between 5.5% - 6.0% are being used.

Frequency of research: quarterly.

Reports on all companies listed on the FTSEMIB40 Index, most of those on the MIDEX Index and the main small caps (regular coverage) are published at least once per quarter to comment on results and important newsflow.

A draft copy of each report may be sent to the subject company for its information (without target price and/or recommendations), but unless expressly stated in the text of the report, no changes are made before it is published.

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BUY: stock expected to outperform the market by over 25% over a 12 month period;

OUTPERFORM: stock expected to outperform the market by between 10% and 25% over a 12 month period;

NEUTRAL: stock performance expected at between +10% and -10% compared to the market over a 12 month period;

UNDERPERFORM: stock expected to underperform the market by between -10% and -25% over a 12 month period;

SELL: stock expected to underperform the market by over 25% over a 12 month period.

Prices: The prices reported in the research refer to the price at the close of the previous day of trading

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Intermonte SIM is authorised by CONSOB to provide investment services and is listed at n° 246 in the register of brokerage firms.

As at 1 August 2025 Intermonte's Research Department covered 134 companies. Intermonte's distribution of stock ratings is as follows:

BUY:	32.84%
OUTPERFORM:	37.31%
NEUTRAL:	29.85%
UNDERPERFORM:	00.00%
SELL:	00.00%

The distribution of stock ratings for companies which have received corporate finance services from Intermonte in the last 12 months (79 in total) is as follows:

BUY:	53.16%
OUTPERFORM:	29.11%
NEUTRAL:	17.73%
UNDERPERFORM:	00.00%
SELL:	00.00%

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