BASIC-FIT
PRESS RELEASE
HALF YEAR RESULTS 2018

BASIC-FIT CONTINUES STRONG GROWTH WITH SOLID MARGINS

Club openings pipeline strengthens further; at least 100 club openings in 2018

H1 FINANCIAL HIGHLIGHTS

- Revenue increased by 22% to €190 million (H1 2017: €156 million)
- Adjusted club EBITDA margin remains strong at 43.2% (H1 2017: 43.3%)
- Adjusted EBITDA increased by 24% to €56.7 million (H1 2017: €45.5 million)
- Net earnings increased by 173% to €6.1 million (H1 2017: €2.2 million)
- Adjusted net earnings[1] increased by 23% to €12.7 million (H1 2017: €10.3 million)

H1 OPERATIONAL HIGHLIGHTS

- 44 net club openings in the period, growing network to 565 clubs (521 clubs at FY 2017 and 466 clubs at H1 2017)
- Total number of memberships increased by 148 thousand in the period to 1.67 million (1.52 million at FY 2017 and 1.36 million at H1 2017)
- Introduction of the DUO membership to support yield and length of stay
- Other revenue increased by 48% to €4.9 million

OUTLOOK 2018

- The club openings pipeline continues to strengthen further with over 300 clubs in the different stages of the pipeline
- We expect to open at least 100 new clubs in 2018

Rene Moos, CEO Basic-Fit:

We had a strong first half of the year in which we increased the number of members by 23% and revenue by 22% year on year. We continued to diligently execute our ambitious growth strategy and with 32 new clubs in the second quarter of which 14 in June, club openings were back-end loaded. We expect to benefit from the ramp-up of memberships at these new clubs and adjusted EBITDA growth to remain robust in the second half of the year.

At the end of the period we introduced a new type of membership called DUO, which allows a member to bring someone else to the club to work out together. We expect that this will support the average revenue per member and increases the average length of stay as working out together is more fun and motivates members to keep on exercising and stay a member longer.

Note: Adjusted (club) EBITDA, adjusted net earnings and leverage ratio are non-GAAP measures (see page 7)

[1] Net earnings before amortisation, exceptional items and one-offs and the related tax effects (25%).

With France being at the core of our growth strategy, our new club openings pipeline continues to grow with mainly French clubs. At the same time, we are consolidating our leading market position in the Netherlands and Belgium where we will increase the number of club openings to further benefit from operating leverage. We continue on our strong growth path and for this year expect to open at least 100 clubs.

FINANCIAL AND BUSINESS REVIEW

Key figures

In € millions	H1 2018	H1 2017	change
Revenue	**189.6**	**156.0**	**22%**
Operating expenses	(107.7)	(88.5)	22%
Adjusted club EBITDA	**82.0**	**67.5**	**21%**
Total overhead expenses	(25.3)	(21.9)	15%
Adjusted EBITDA	**56.7**	**45.5**	**24%**
Exceptional items	(0.3)	(2.2)	-85%
EBITDA	**56.3**	**43.3**	**30%**
Depreciation & Amortisation	(43.0)	(35.5)	21%
Operating profit	**13.3**	**7.8**	**71%**
Finance cost	(4.8)	(3.6)	**31%**
Income tax	(2.5)	(2.0)	**27%**
Net result	**6.1**	**2.2**	**173%**
Adjusted net earnings*	**12.7**	**10.3**	***23%***
Adjusted EPS	**0.23**	**0.19**	**23%**

** Before amortisation, exceptional items and one-offs and the related tax effects (25%)*
Totals are based on non-rounded figures

On 1 January 2018, IFRS 15 came into effect. As explained at the announcement of our full year results, this impacts the timing of revenue recognition. In the period, this resulted in a €0.4 million decrease for both revenue and adjusted EBITDA. Excluding IFRS 15, revenue would have been €190 million and adjusted EBITDA €57.1 million.

CLUB AND MEMBERSHIP DEVELOPMENT

In the first half of the year we opened 45 clubs and merged two clubs resulting in 44 net additions to our network (H1 2017: 47 net club openings). At the end of the period we operated 565 clubs compared to 466 clubs a year ago; an increase of 99 clubs.

Club development

	Q2 '18	Q1 '18	Q4 '17	Q3 '17	Q2 '17
Netherlands	154	153	152	151	149
Belgium	168	167	167	165	163
Luxemburg	10	9	9	9	8
France	200	171	160	135	114
Spain	33	33	33	33	32
Total # clubs	**565**	**533**	**521**	**493**	**466**

The total number of memberships in the first half of the year increased to 1.67 million compared to 1.52 million at the end of 2017 and 1.36 million a year ago. This represents an increase of 148 thousand and 308 thousand memberships respectively. The membership growth could have been stronger if not for the timing of club openings and the long warm weather period in the Benelux in May and June.

REVENUE

In the first half of the year, revenue increased by 22% to €190 million compared to €156 million in H1 2017.

Fitness revenue increased by 21% to €185 million as a result of the ramp up of memberships at our existing clubs and the new club openings. Other revenue increased by 48% to €4.9 million as we continue to sell more day-passes, have higher sales from our vending machines and higher income from our personal trainer concept, which is now also being rolled out in France.

Geographic revenue split

Unaudited - In € millions	H1 2018	H1 2017	change
Netherlands	58.7	55.2	6%
Belgium	60.7	58.9	3%
Luxemburg	4.8	4.5	7%
France	54.2	26.4	105%
Spain	11.2	10.9	2%
Total revenue	**189.6**	**156.0**	**22%**

Totals are based on non-rounded figures

All countries showed revenue growth compared to H1 2017. In France, we delivered revenue growth of 105% due to the continued large number of club openings and the memberships ramp-up at immature clubs.

The average yield per member per month decreased by three percent to €19.26 compared to €19.76 in H1 2017. Excluding the impact of IFRS 15 the yield in the first half of the year would have been €19.30. The €0.46 decrease is the result of the larger part of France in the mix with its high VAT rate which was partly compensated by the higher up-take of add-on services and the introduction of the DUO membership in France.

ADJUSTED CLUB EBITDA AND ADJUSTED EBITDA

Adjusted club EBITDA increased by 21% to €82.0 million, representing a stable adjusted club EBITDA margin of 43.2% (H1 2017: 43.3%).

Total operating expenses on a club level increased in line with revenue to €108 million from €88.5 million in H1 2017.

Adjusted EBITDA increased by 24% to €56.7 million compared to €45.5 million in H1 2017. The adjusted EBITDA margin increased to 29.9% compared to 29.2% in the same period last year, as a result of operating leverage on country overhead. Total overhead expenses increased by 15% to €25.3 million compared to €21.9 million in H1 2017. Marketing spend accounted for €0.4 million of the increase. We continue to expect that marketing spend will increase by around €3.0 million in 2018 compared to 2017 to support the growth and build the brand in France.

EBITDA AND EXCEPTIONAL ITEMS

Total EBITDA of the group increased by 30% to €56.3 million compared to €43.3 million in H1 2017.

Exceptional items mainly comprise of non-cash pre-opening costs and costs related to the retention share plan awarded to key people after the IPO. Exceptional items totalled €0.3 million compared to €2.2 million in H1 2017. In the first half of this year this was largely compensated by a one-off insurance benefit related to the temporary closure of one of our clubs in France.

DEPRECIATION

Depreciation costs were €35.3 million, an increase of 27% compared to the first half of 2017. As a percentage of revenue this was 19%. This relative high number is partly explained by the late opening of clubs in the period, and foremost by €1.1 million in impairments, mainly as a result of the temporary closure of the French club (€0.8 million which we treat as a one-off). Excluding the impairments, depreciation was 18% of revenue.

INTEREST AND NET DEBT

The finance expenses in the first half of the year increased to €4.8 million compared to €3.6 million in H1 2017, as a result of the higher debt. At the end of the period our net debt was €301 million compared to €282 million at the end of 2017 and €248 million at the end of H1 2017. The increase is the result of the large number of club openings. The leverage ratio[2] at the end of the period was 2.7, a small improvement compared to the 2.8 times adjusted EBITDA at the end of the first half and full year 2017.

In June, Basic-Fit successfully completed an amend and extend of its existing facilities agreement, taking advantage of current favourable market conditions. The facilities agreement now consists of a €250 million term loan and a €200 million revolving facility, increasing the aggregate amount by €100 million. As a result of the amendment, the maturities of both the term and revolving credit facilities have been extended to June 2023. In addition, Basic-Fit was able to reduce the margin on both facilities, reflecting Basic-Fit's strong financial performance over the past years.

[2] Net debt/LTM adjusted EBITDA.

CORPORATE TAX

In the first half of the year, corporate tax expenses amounted to €2.5 million (H1 2017: €2.0 million) representing an effective tax rate of 29% compared to 47% in H1 2017. Of the €2.5 million, €0.4 million relates to non-deductible expenses including share-based payments.

ADJUSTED NET EARNINGS

The net profit in the first half of the year was €6.1 million compared to a profit of €2.2 million in H1 2017, an increase of 173%. Adjusted for amortisation, exceptional items and one offs and the related tax effects, net earnings increased by 23% to €12.7 million compared to €10.3 million in H1 2017.

Reconciliation net result to adjusted net earnings

In € millions	H1 2018	H1 2017
Net result	**6.1**	**2.2**
Amortisation	**7.7**	**7.6**
Exceptional items	**0.3**	**2.2**
Pre-opening costs	0.6	0.9
Other exceptional costs	(0.2)	1.3
One-off costs	**0.8**	**0.0**
One-off impairments	0.8	0.0
Related tax effects (25%)	**(2.2)**	**(2.5)**
One-off tax benefit / charge	**0.0**	**0.7**
Adjusted net earnings	**12.7**	**10.3**

Totals are based on non-rounded figures

WORKING CAPITAL

Working capital at the end of the period was €90.0 million negative compared to €80.1 million negative at the end of 2017. As a percentage of revenue working capital remained stable at minus 25%, in line with our guidance.

CASH FLOW & CAPITAL EXPENDITURE

The cash flow pre-expansion capex, defined as adjusted EBITDA minus maintenance capex, was €46.3 million, an increase of 41% compared to €32.9 million in H1 2017.

Maintenance capex in H1 2018 was €10.4 million compared to €12.6 million in H1 2017. This translates into an average of €19 thousand maintenance costs per club (H1 2017: €28 thousand). The decline year on year is related to the planning to do most of the maintenance in the second half of the year. We continue to expect maintenance capex of around €55 thousand per club for the full year.

Expansion capex in the period was €53.6 million compared to €59.6 million in H1 2017. The decrease is largely explained by the fewer gross club openings – 45 clubs in H1 2018 compared to 51 clubs in H1 2017. Expansion capex includes the expenses for the expansion of existing clubs, expenses for yet to open clubs and acquired clubs totalling €4.8 million (H1 2017: €5.3

million). On the 44 clubs that we built ourselves, we spent €48.8 million, which is on average €1.1 million per club (H1 2017: €1.1 million).

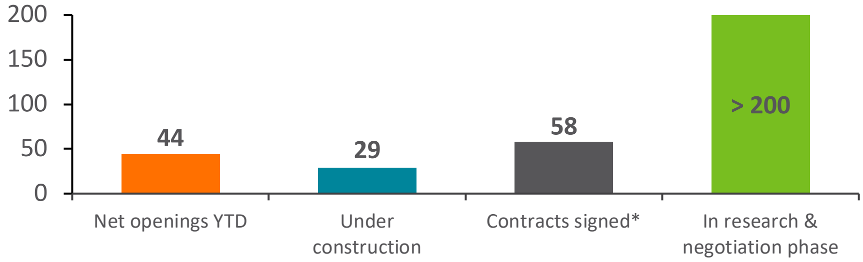
Other capex was €2.0 million compared to €1.9 million in H1 2017. Other capex mainly consisted of investments in innovations and software development.

MATURE CLUB DEVELOPMENT

At the start of the year we had 327 mature clubs that were 24 months old or older. These mature clubs showed a stable membership development in the first half of the year with 3,285 memberships on average per club, compared to 3,282 at the start of the year. In the period the mature clubs achieved revenue of €129 million and adjusted club EBITDA of €63.7 million, which represents a margin of 49.5% (H1 2017: 48.0%). The 61 clubs that we built in 2015 and which became mature in 2018, showed a ROIC[3] of 35%, well above the targeted 30%.

OUTLOOK

Club openings pipeline (# clubs)



** Contracts signed includes sites for which we are awaiting permit approval*

We continue to fill the new club openings pipeline, including with sites for clubs to be opened after 2018. The pipeline mainly consists of French sites, in line with our expansion strategy. More recently we have also been adding an increasing number of Dutch and Belgium sites to the pipeline as we see increased opportunities to grow in these markets and further benefit from operating leverage.

At the end of the period we had over 300 clubs in the different stages of the pipeline: 29 clubs under construction, 58 clubs for which contracts are signed and over 200 clubs that are in the research or negotiation phase.

Supported by the well-filled pipeline we are confident we can open at least 100 clubs in 2018, of which around 80 in France and more than 20 clubs in the other countries of operations.

We will continue to rigidly follow our well-defined expansion process to secure the high quality of our network and to maintain a return on invested capital on mature clubs of at least 30%.

-- END –

[3] LTM adjusted club EBITDA divided by the initial investments

The full half year report including notes to the interim condensed consolidated financial statements is available on Basic-Fit's corporate website.

FOR MORE INFORMATION

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AUDIO WEBCAST HALF YEAR 2018 RESULTS

Date and time: 2 August 2018 at 14.00 CET
corporate.basic-fit.com

Basic-Fit is listed on Euronext Amsterdam in the Netherlands
ISIN: NL0011872650 Symbol: BFIT

FINANCIAL CALENDAR

Q3 trading update	31 October 2018
FY 2018 results	6 March 2019

ABOUT BASIC-FIT

With 565 clubs, Basic-Fit is the largest fitness operator in Europe. We operate in five countries and in our clubs, more than 1.6 million people work on improving their fitness. Basic-Fit operates a straightforward membership model and offers a high-quality, value-for-money fitness experience that appeals to the fitness needs of all active people who care about their personal health and fitness. A typical subscription costs €19.99 a month and gives people access to all our clubs in Europe and a pass which can be shared with family members.

NOTES TO THE PRESS RELEASE

The interim results are unaudited and presented in millions of euros and all values are rounded to the nearest million unless otherwise stated. Change percentages and totals are calculated before rounding. As a consequence, rounded amounts may not add up to the rounded total in all cases.

This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

NON-IFRS FINANCIAL MEASURES

The financial information in this report includes non-IFRS financial measures and ratios (e.g. club EBITDA, adjusted EBITDA, exceptional items, adjusted net earnings and net debt) which are not recognised measures of financial performance or liquidity under IFRS. In addition, certain other operational data, such as the number of clubs, number of members and number of countries in which Basic-Fit is present, are disclosed. The non-IFRS financial measures presented are measures used by management to monitor the underlying performance of the business and operations and, have therefore not been audited or reviewed. Furthermore, they may not be indicative of the historical operating results, nor are they meant to be predictive of future results. These non-IFRS measures are presented because they are considered important supplementary measures of Basic-Fit's performance, and we believe that these and similar measures are widely used in the industry in which Basic-Fit operates as a way to evaluate a company's operating performance and liquidity. Not all companies calculate non-IFRS financial measures in the same manner or on a consistent basis. As a result, these measures and ratios may not be comparable to measures used by other companies under the same or similar names.

Term	Definition
Adjusted club EBITDA	Profit (loss) before overhead, interest, taxes, depreciation and amortisation, and before exceptional expenses
Adjusted club EBITDA margin	Adjusted club EBITDA divided by revenue
Adjusted EBITDA	Profit (loss) before interest, taxes, depreciation and amortisation, and before exceptional expenses
Adjusted EBITDA margin	Adjusted EBITDA divided by revenue
EBITDA	Profit (loss) before interest, taxes, depreciation and amortisation
EBITDA margin	EBITDA divided by revenue
EBIT	Earnings before interest and taxes
Adjusted net earnings	Net earnings adjusted for amortisation, exceptional items and the releated tax effects
Adjusted EPS	Adjusted earnings divided by the weighted average number of diluted shares

FORWARD-LOOKING STATEMENTS / IMPORTANT NOTICE

Some statements in this press release may be considered ’forward-looking statements’. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. These forward-looking statements involve known and unknown risks, uncertainties and other factors that are outside of our control and impossible to predict and may cause actual results to differ materially from any future results expressed or implied. These forward-looking statements are based on current expectations, estimates, forecasts, analyses and projections about the industry in which we operate and management's beliefs and assumptions about possible future events. You are cautioned not to put undue reliance on these forward-looking statements, which only express views as at the date of this press release and are neither predictions nor guarantees of possible future events or circumstances. We do not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events, except as may be required under applicable securities law.

Interim condensed consolidated statement of comprehensive income

Consolidated statement of profit or loss

(In € x 1,000)	30 June 2018 Unaudited	30 June 2017 Unaudited (*)
Revenue	189,643	155,974
	189,643	155,974
Costs of consumables used	(2,933)	(2,010)
Employee benefits expense	(33,986)	(29,585)
Depreciation, amortisation and impairment charges	(42,956)	(35,467)
Other operating income	1,332	169
Other operating expenses	(97,750)	(81,259)
Operating profit	**13,350**	**7,822**
Finance income	62	5
Finance costs	(4,824)	(3,632)
Finance costs - net	**(4,762)**	**(3,627)**
Profit before income tax	8,588	4,195
Income tax	(2,504)	(1,967)
Profit for the period	**6,084**	**2,228**

Earnings per share for profit attributable to ordinary equity holders of the company:

Basic earnings per share (in €)	0.11	0.04
Diluted earnings per share (in €)	0.11	0.04

(in € x 1,000)	30 June 2018 Unaudited	30 June 2017 Unaudited
Profit for the period	**6,084**	**2,228**
Other comprehensive income		
Items that may be reclassified to profit or loss		
Cash flow hedges	245	333
Deferred tax on cash flow hedges	(61)	(83)
Other comprehensive income for the period net of tax	**184**	**250**
Total comprehensive income for the period	**6,268**	**2,478**

(*) The Group has applied IFRS 15 and IFRS 9 as of 1 January 2018. Under the transition methods chosen, comparative information has not been restated.

Interim condensed consolidated statement of financial position

(In € x 1,000)	30 June 2018 Unaudited	31 December 2017 Audited (*)
Assets		
Non-current assets		
Property, plant and equipment	452,644	424,420
Intangible assets	264,533	269,723
Deferred tax assets	8,388	6,264
Receivables	3,039	2,645
Total non-current assets	**728,604**	**703,052**
Current assets		
Inventories	1,429	1,226
Current income tax receivables	90	-
Trade and other receivables	18,962	25,654
Cash and cash equivalents	8,958	13,033
Total current assets	**29,439**	**39,913**
Total assets	**758,043**	**742,965**
Equity		
Share capital	3,280	3,280
Share premium	358,360	358,360
Treasury shares	(666)	-
Other capital reserves	2,055	1,344
Retained earnings	(47,866)	(45,313)
Cash flow hedge reserve	(176)	(360)
Total equity	**314,987**	**317,311**
Liabilities		
Non-current liabilities		
Borrowings	309,967	294,568
Derivative financial instruments	715	325
Deferred tax liabilities	16,931	16,756
Other non-current liabilities	15,236	13,110
Provisions	2,962	3,592
Total non-current liabilities	**345,811**	**328,351**
Current liabilities		
Trade and other payables	95,169	93,913
Current income tax liabilities	362	1,721
Current portion of borrowings	2	20
Derivative financial instruments	427	567
Provisions	1,285	1,082
Total current liabilities	**97,245**	**97,303**
Total liabilities	**443,056**	**425,654**
Total equity and liabilities	**758,043**	**742,965**

(*) The Group has applied IFRS 15 and IFRS 9 as of 1 January 2018. Under the transition methods chosen, comparative information has not been restated.

Interim condensed consolidated statement of cash flow

(In € x 1,000)	30 June 2018 Unaudited	30 June 2017 Unaudited (*)
Cash flows from operating activities		
Profit before income tax	8,588	4,195
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	35,291	27,820
Amortisation and impairment of intangible assets	7,665	7,647
Share-based payment expense	711	844
Gain on disposal of property, plant and equipment	(55)	(87)
Finance income	(62)	(5)
Finance expense	4,824	3,632
Movements in provisions	(427)	(629)
Working capital adjustments:		
Increase in inventories	(203)	(30)
Decrease (increase) in trade and other receivables	6,692	(380)
(Decrease) increase in trade and other payables	(4,086)	5,237
Cash generated from operations	**58,938**	**48,244**
Interest received	62	5
Interest paid	(4,264)	(3,588)
Income tax paid	(2,717)	-
Net cash flows from operating activities	**52,019**	**44,661**
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	56	199
Purchase of property, plant and equipment	(67,319)	(83,577)
Purchase of other intangible assets	(2,332)	(649)
Acquisitions, net of cash acquired	(425)	(1,364)
Repayment of loans granted	14	13
Disinvestments (investments) in other financial fixed assets	(408)	(472)
Net cash flows used in investing activities	**(70,414)**	**(85,850)**
Cash flows from financing activities		
Proceeds from borrowings	15,003	42,761
Repayments of borrowings	(17)	(966)
Financing costs paid	-	(375)
Purchase of treasury shares	(666)	(869)
Net cash flows from financing activities	**14,320**	**40,551**
Net increase (decrease) in cash and cash equivalents	**(4,075)**	**(638)**
Cash and cash equivalents at 1 January	13,033	17,365
Cash and cash equivalents at 30 June	**8,958**	**16,727**

(*) The Group has applied IFRS 15 and IFRS 9 as of 1 January 2018. Under the transition methods chosen, comparative information has not been restated.