



BASIC-FIT

HALF YEAR RESULTS 2019

SPEAKERS:

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BASIC-FIT

HIGHLIGHTS H1 2019

Strong first half with all KPI's increasing by at least 20%



Clubs

682

Up 21%
year on year



Members

2.00 million

Up 20%
year on year



Revenue

€240 million

Up 27%
year on year



Adjusted EBITDA*

€69.7 million

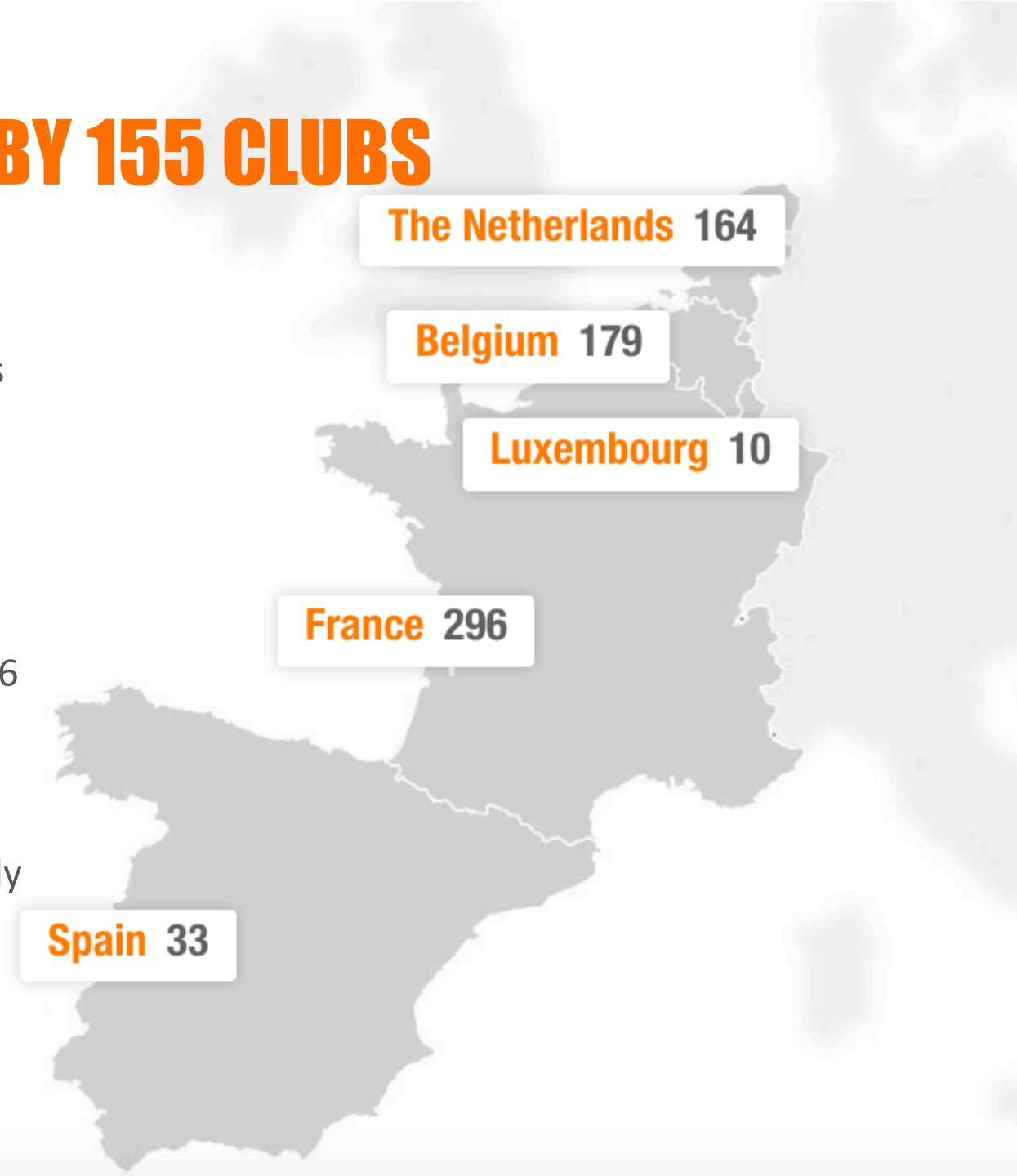
Up 23%
year on year

* Without adoption of IFRS 16

ON TRACK TO GROW NETWORK BY 155 CLUBS

Fitland will add 30 clubs to the network

- 8 53 net club openings; growing total network to 682 clubs
- 8 22 net clubs opened in Q1 and 31 clubs in Q2
- 8 44 net clubs opened in France, 3 in the Netherlands and 6 in Belgium
- 8 On track to increase club network by 125 clubs organically and by 30 clubs through Fitland acquisition



MEMBERSHIPS UP 20% TO 2 MILLION

Demand for Premium remains strong

- 8 Memberships up 328 thousand year on year and 157 thousand in H1 to 2.00 million
- 8 Mature clubs have 3,329 members on average compared to 3,287 members at the start of the year
- 8 Continued strong demand Premium membership by more than 25% of joiners
- 8 Initial results of pilot with Basic membership in Spain encouraging





FINANCIAL REVIEW

BASIC-FIT

REPORTING UNDER IFRS 16

Significant impact on P&L and Balance Sheet

- Basic-Fit applies IFRS 16 based on a full retrospective approach
- On the balance sheet lease is recognised as a right of use asset (RoUA) and finance lease liability
- EBITDA no longer includes lease costs, instead the depreciation charges on the RoUA and interest charges on the financial leases are included in the P&L
- For consistency purposes we will continue to discuss our results on a pre-IFRS 16 basis in 2019, next to full post IFRS 16 reporting in our financial statements and the notes to these statements
- IFRS 16 has no impact on our bank covenants as they are calculated based on frozen GAAP



FRONT LOADING EFFECT IFRS 16 ON PBT IS SIGNIFICANT

Restatements income statement H1 2019

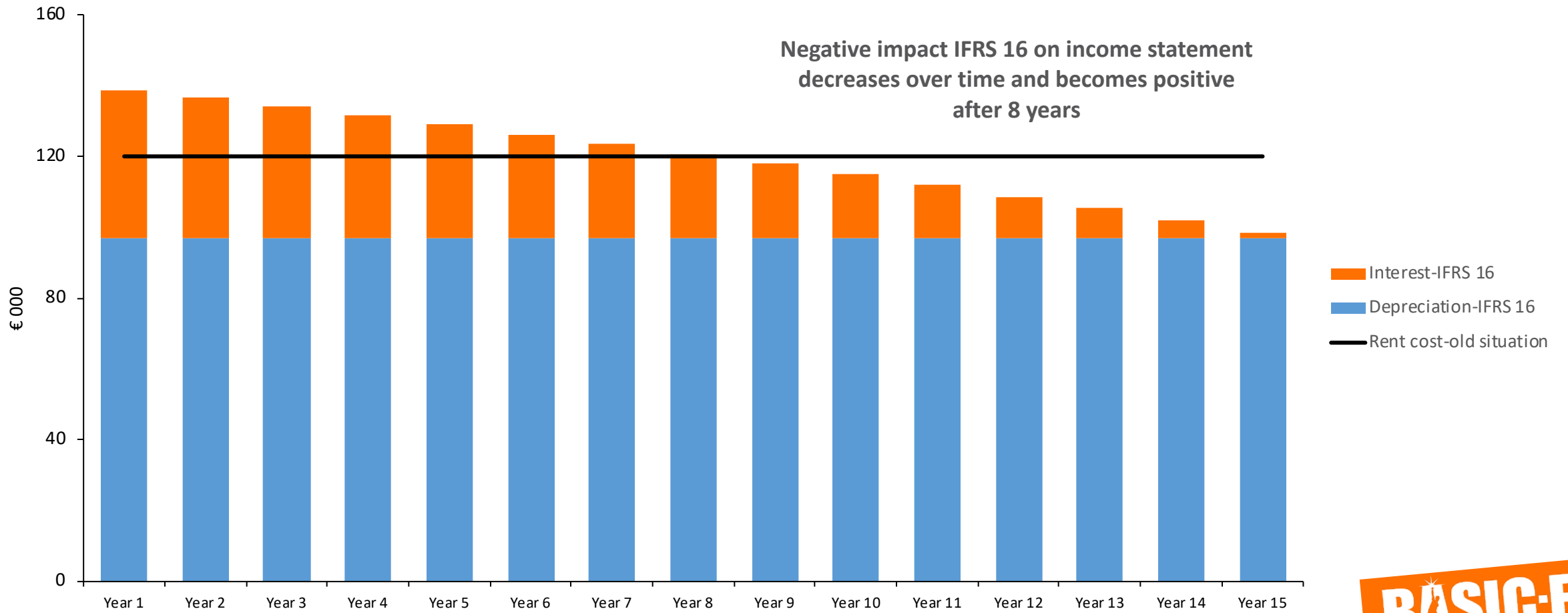
In € millions	Pre IFRS 16	Restatement	Post IFRS 16
Total revenue	240.0	-	240.0
Property rent	(49.9)	49.9	(0.0)
Personnel & other operating expenses	(86.8)	0.0	(86.7)
Adjusted club EBITDA	103.4	49.9	153.3
Total overhead expenses	(33.7)	1.1	(32.6)
Adjusted EBITDA	69.7	51.0	120.7
Exceptional items	(2.1)	0.9	(1.2)
EBITDA	67.6	51.9	119.5
Depreciation and impairment tangibles	(43.6)	0.6	(43.0)
Depreciation right of use assets	-	(48.7)	(48.7)
Amortisation	(7.5)	1.3	(6.2)
Operating profit	16.5	5.1	21.6
Finance cost	(8.2)	0.0	(8.2)
Interest lease liabilities	-	(12.0)	(12.0)
Income tax	(2.5)	1.9	(0.6)
Net result	5.8	(4.9)	0.9

- ⌘ Adjusted EBITDA increased by €51.0 million to €120.7 million as lease expenses are no longer included
- ⌘ Depreciation of right of use assets included for €48.7 million
- ⌘ Interest charge for lease liabilities included for €12.0 million

Note: totals are based on non-rounded figures

SINGLE CLUB EXAMPLE

IFRS 16 impacts PBT negatively for foreseeable future



IFRS 16 IMPACT ON BALANCE SHEET

Restatements balance sheet H1 2019

(In € millions)	Pre IFRS 16	Restatement	Post IFRS 16
Assets			
Non-current assets			
Intangibles	257.4	(16.0)	241.4
Property, plant and equipment	567.1	(14.7)	552.4
Right-of-use assets	-	805.7	805.7
Financial and deferred tax assets	22.9	6.6	29.4
Total non-current assets	847.4	781.5	1,628.9
Total current assets	55.9	-	55.9
Total assets	903.3	781.5	1,684.8
Equity			
Share capital + reserves	364.0	-	364.0
Retained earnings	(31.0)	(37.0)	(68.0)
Total equity	333.0	(37.0)	295.9
Liabilities			
Borrowings	409.1	-	409.1
Lease liabilities	-	850.7	850.7
Provisions	3.3	(2.5)	0.8
Trade and other payables, incl. lease incentives	136.6	(24.4)	112.2
Financial instruments and tax liabilities	21.2	(5.1)	16.1
Total liabilities	570.3	818.6	1,388.9
Total equity and liabilities	903.3	781.5	1,684.8

- Balance sheet almost doubles in size
- Recognition of right of use assets for €805.7 million
- Inclusion of lease liabilities for €850.7 million

INCOME STATEMENT

Solid club EBITDA margin of 43.1%

- 8 Total revenue increased by 27% to €240.0 million; Other revenue up 33% to €6.5 million
- 8 Like for like revenue up 6% to €136 million
- 8 Club EBITDA increased by 26% to €103 million; margin stable at 43.1% (H1 2018: 43.2%)
- 8 Adjusted EBITDA increased by 23% to €69.7 million; margin of 29.0% (H1 2018: 29.9%)
- 8 Adjusted net earnings increased by 9% to €13.0 million

Note: Results are without the adoption of IFRS 16



MATURE CLUB DEVELOPMENT

Stable high margin of 49.7%

- 🔗 407 mature clubs; 309 in Benelux and 98 in France and Spain
- 🔗 Revenue of €168 million
- 🔗 Modest increase in the average number of members per mature club to 3,329 from 3,287 at the start of the year
- 🔗 Adjusted club EBITDA of €83.7 million, representing an adjusted club EBITDA margin of 49.7% (H1 2018: 49.5%)
- 🔗 On average a club had an adjusted LTM club EBITDA of €402 thousand compared to €395 thousand in 2018.

Note: Results are without the adoption of IFRS 16



CASH FLOW & CAPITAL EXPENDITURE

<i>In € millions</i>	H1 2019	H1 2018
Adjusted EBITDA	69.7	56.7
Maintenance capex	(11.9)	(10.4)
Cash Flow (Pre-Expansion Capex)	57.7	46.3
<i>Operating Cash Conversion</i>	83%	82%
Δ Provisions and other non-cash items	(0.4)	(0.4)
Δ NWC*	(6.5)	(1.7)
Expansion capex	(84.1)	(53.6)
Cash Flow (Post-Expansion Capex)	(33.3)	(9.4)
Other capex	(7.3)	(2.0)
Cash Flow (Post All Capex)	(40.6)	(11.4)

Maintenance capex

- €18 thousand per club
- Maintenance capex is expected to remain stable at around €55 thousand per club on average in 2019

Expansion capex

- Includes €6.6 million investments in small acquisitions, yet to open clubs and expansion of existing clubs and the €10.0 million prepayment for the Fitland acquisition which was closed in July
- €1.18 million spent on average per new built club

Other capex

- Mainly consists of the smart camera system development and rollout, other innovations and software development
- Around €10 million expected for 2019

Note: totals are based on non-rounded figures

* Excluding restatement IFRS 15 opening balance of €11.7 million for H1 2018

NET DEBT & WORKING CAPITAL

Sufficient headroom for growth

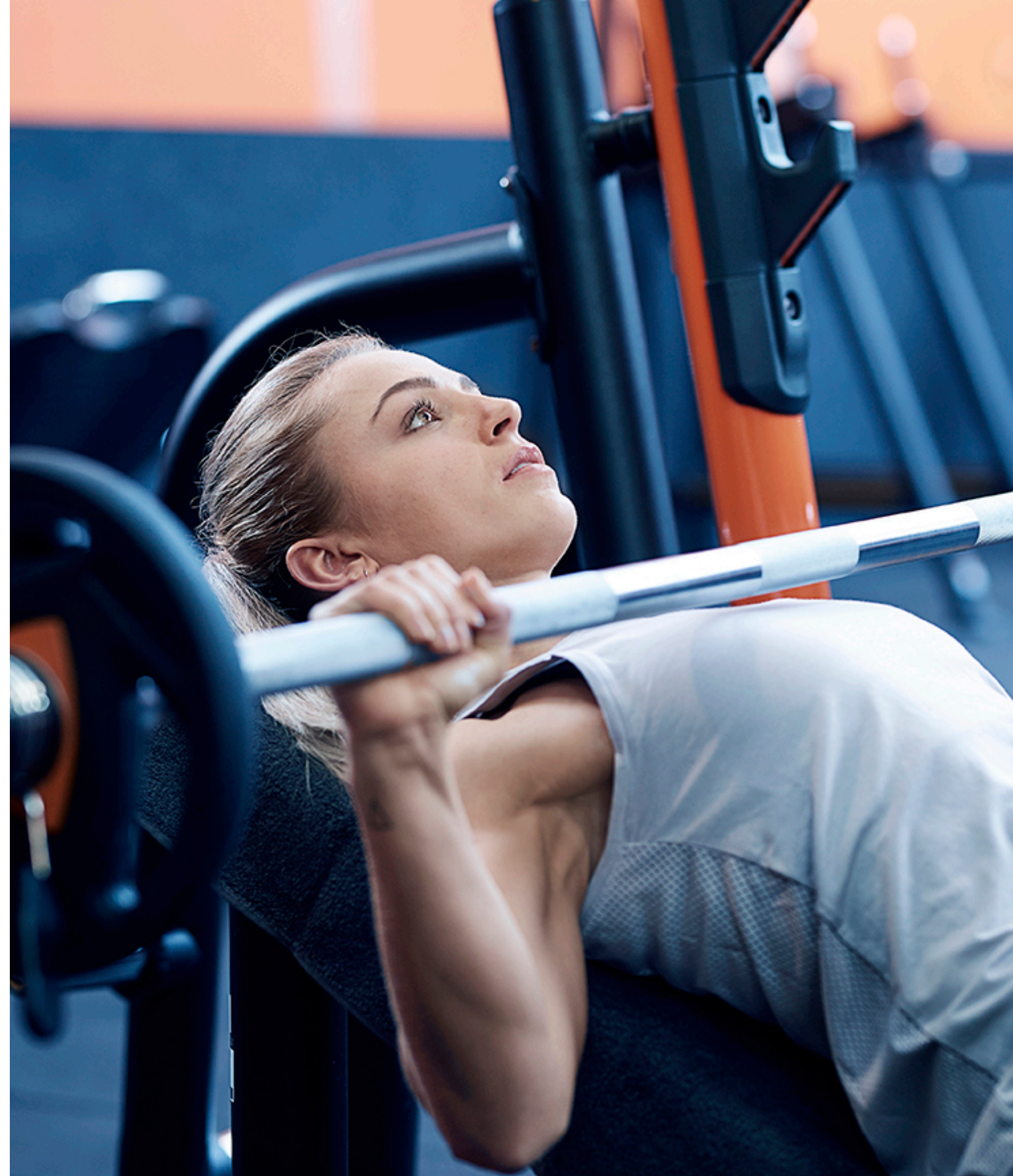
8 Net debt of €386 million (H1 2018: €301 million)

- Leverage ratio of 2.4 (bank covenants definition), versus 2.3 in H1 2018

8 NWC of - €107 million (H1 2018: - €90 million)

- NWC is - 24% of revenue, stable compared to - 25% in H1 2018

Note: Results are without the adoption of IFRS 16

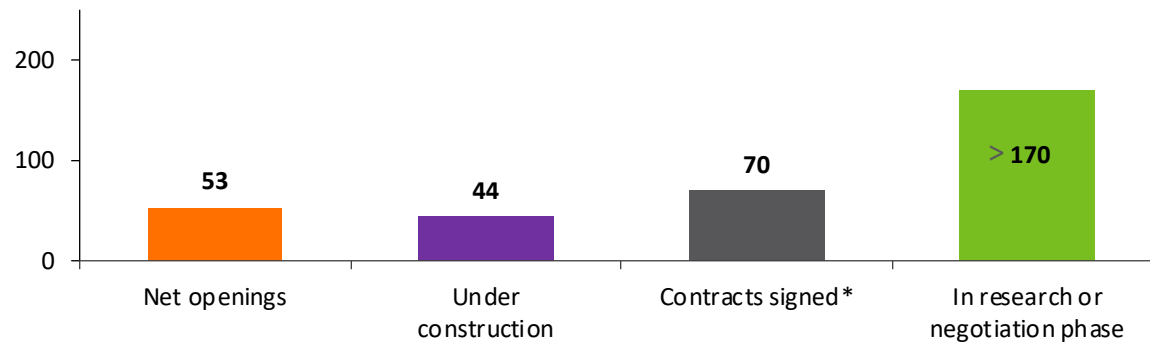


OUTLOOK 2019

On track to open around 155 clubs

- 8 Pipeline remains strong with more than 275 clubs
- 8 Expect to open around 155 clubs in 2019 of which 30 through the Fitland acquisition
- 8 Majority of club openings in France, around 40 clubs in the Netherlands, 10 in Belgium and 5-10 in Spain

Club openings pipeline (# clubs)



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



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