

# BASIC-FIT INVESTOR PRESENTATION

APRIL 2022



**BASIC-FIT**

# AGENDA CONTENTS



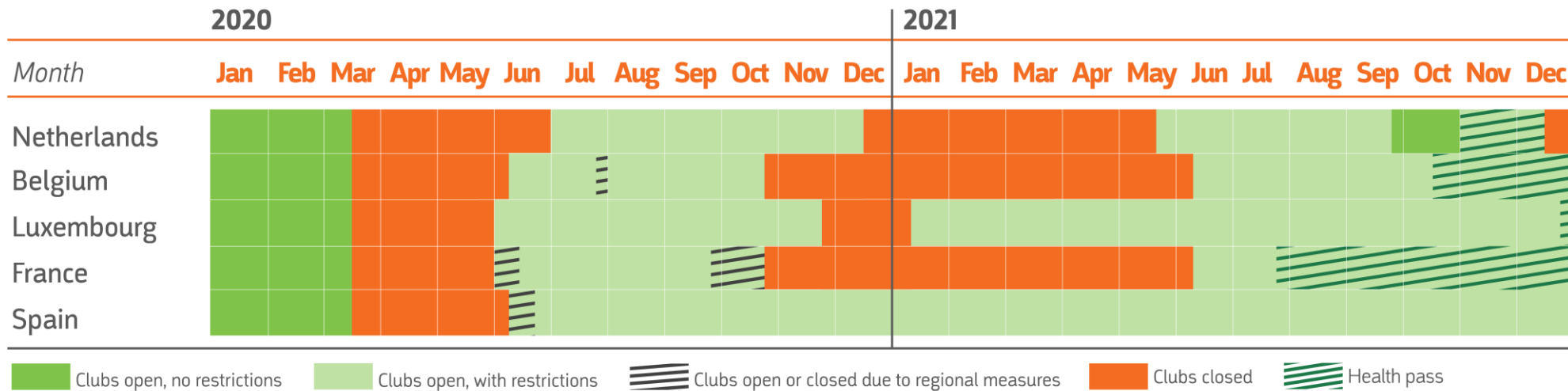
- 01** Recap 2021
- 02** History & track record
- 03** The opportunity
- 04** Our growth strategy
- 05** Why our model works
- 06** Sustainability
- 07** Appendix

# RECAP 2021

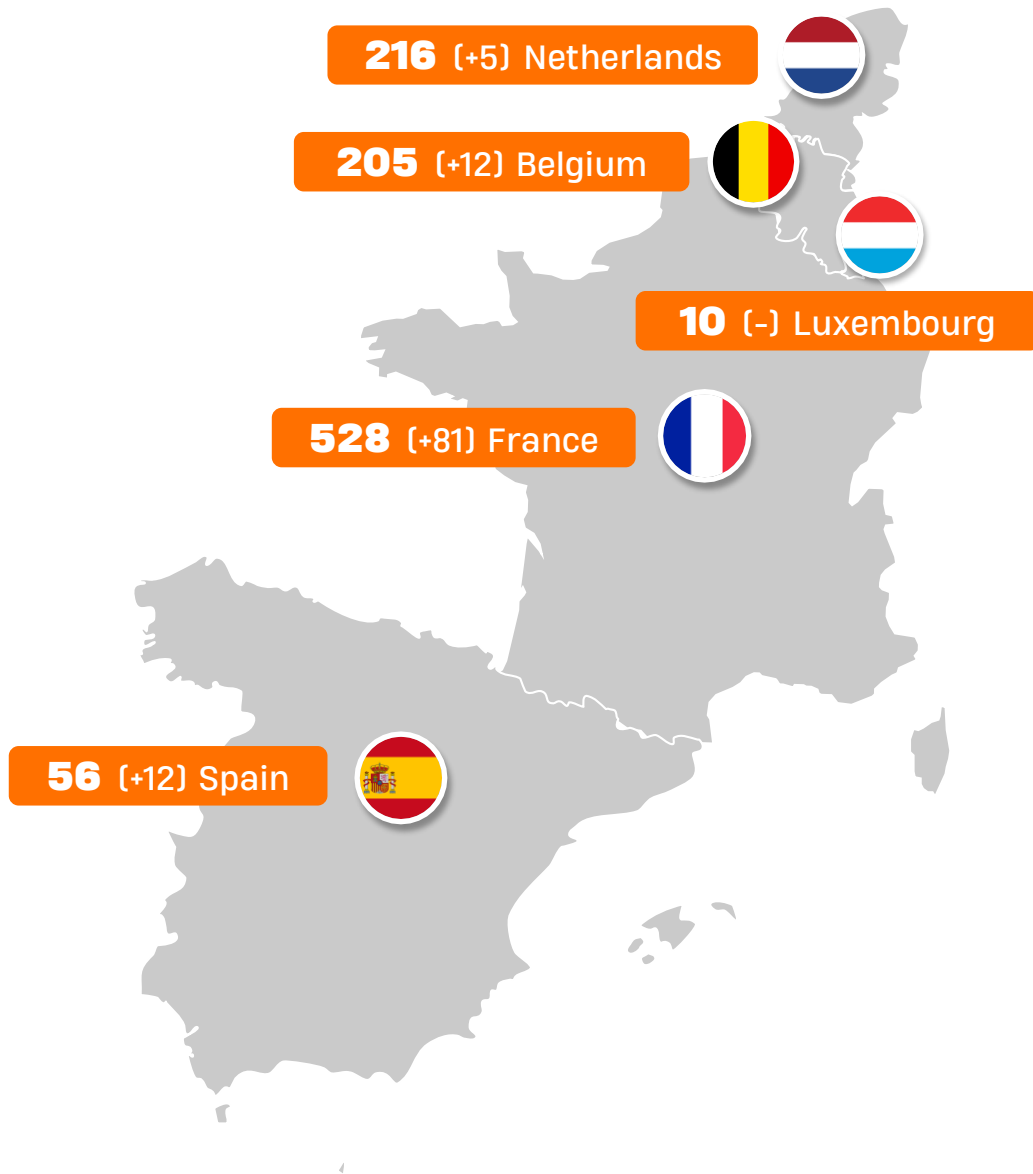
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# OUR CLUBS WERE CLOSED 36% OF THE TIME IN 2021

## NO MORE HEALTH PASS CHECKS SINCE 14 MARCH 2022



- 🔗 Clubs 81% of the time closed in H1 2021, resulting in loss of memberships
- 🔗 H2 2021 impacted by restrictions, mandatory health pass checks to enter clubs and a (evening) lockdown in the Netherlands (Nov/Dec)
- 🔗 Health pass no longer required in all countries (NL since 25 Feb, BE 7 Mar, FR 14 Mar)



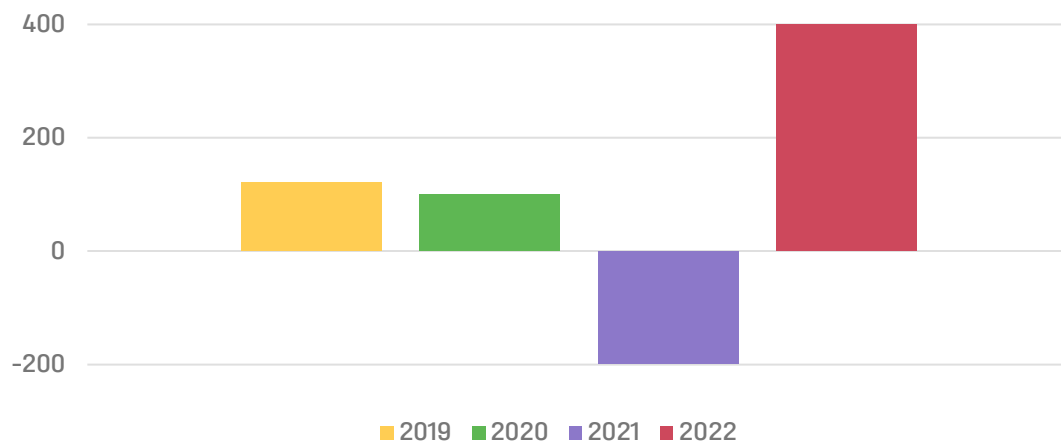
## 110 NET CLUB OPENINGS

- 🔗 1,015 clubs compared to 905 in 2020 (+12%)
- 🔗 Strengthening of market position in all our countries
- 🔗 Ongoing strong execution of our club rollout in France
- 🔗 Record number of club openings in Spain

# STRONG START IN 2022

## GROWING TO 2.6 MILLION MEMBERS IN MARCH

MEMBERSHIP GROWTH Q1 2022\* VS. Q1 2019-2021



MEMBERSHIPS 2019 - MARCH 2022\*



- Record joiner rates first ten weeks in 2022
- On target to grow memberships by at least 1 million in 2022
- Lifting of health pass restrictions in Belgium (7 March) and France (14 March)

\* Q1 2022 Company forecast

# OUR NEW MARKET GERMANY

## LONG-TERM POTENTIAL TO GROW TO 600 CLUBS



\* Pre-pandemic

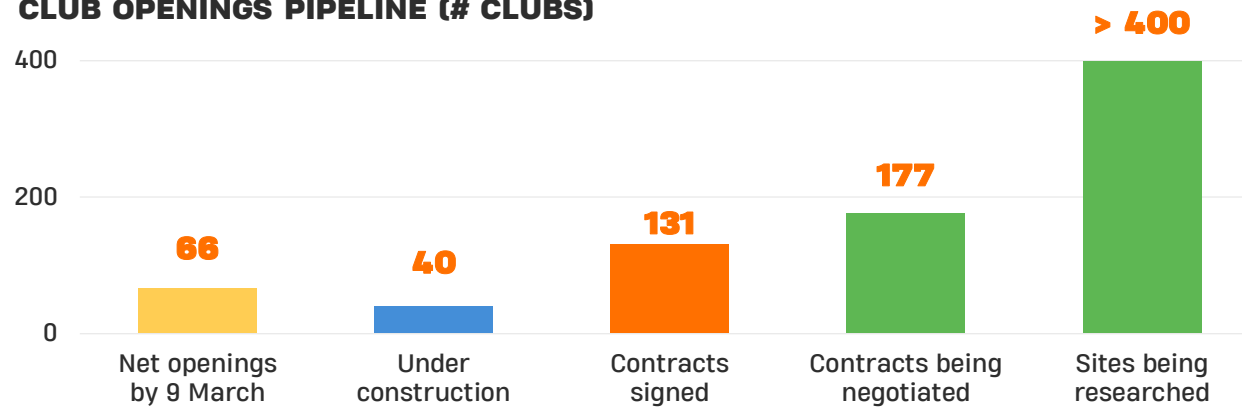
\*/\*\* Source: Deloitte/EuropeActive European Health & Fitness Market Report 2021



# EXECUTION OF OUR GROWTH STRATEGY

- 🔗 Acceleration of club rollout; 200-300 new clubs a year
- 🔗 Club network expected to grow to around 1,250 clubs in 2022
- 🔗 First clubs in Germany to open in H2 2022
- 🔗 We will continue to be flexible and are able to adjust the timing of club openings when required

CLUB OPENINGS PIPELINE (# CLUBS)





# OUTLOOK 2022

## ACCELERATION OF CLUB ROLLOUT



Membership  
growth of at least  
**1 million**



Revenue of  
**€800 - €850**  
million



Group underlying  
EBITDA of around  
**€240 million**



Increase club rollout  
to reach  
**1,250 clubs**

# MEDIUM TERM TARGETS



Open 200-300 clubs per annum  
from 2023 onwards



By 2025 2,000 clubs



By 2030 3,000 to 3,500 clubs



Modest memberships growth at  
mature clubs as from 2023



Mature club ROIC target  
of at least 30%

*Barring any unforeseen circumstances, including COVID-19 related*

# HISTORY & TRACK RECORD

**BASIC-FIT**

# HISTORY OF BASIC-FIT

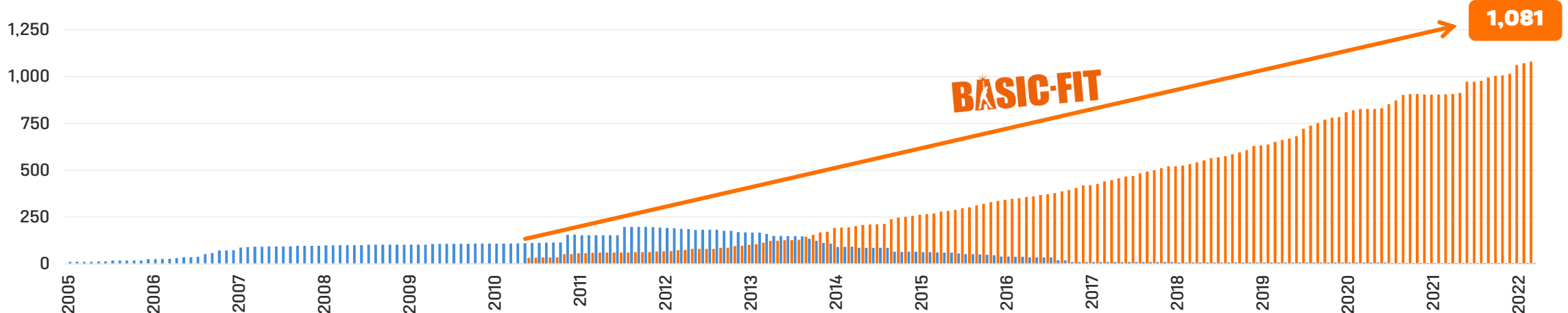
## A LONG TRACK RECORD OF GROWTH IN THE FITNESS SPACE



### # OF CLUBS

■ Basic-Fit

■ HealthCity (separate entity as of 2013)

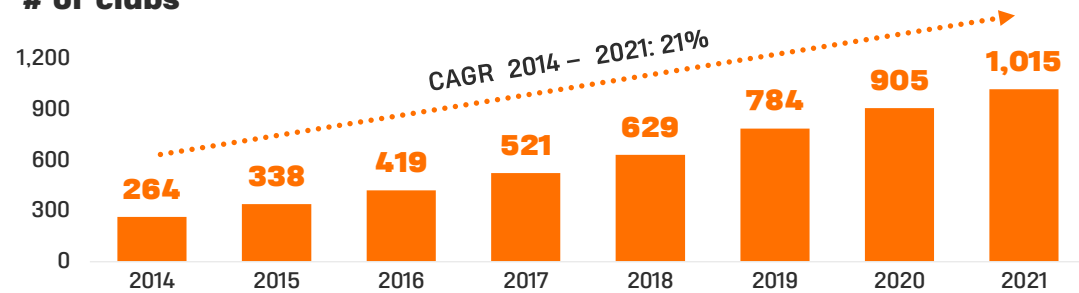




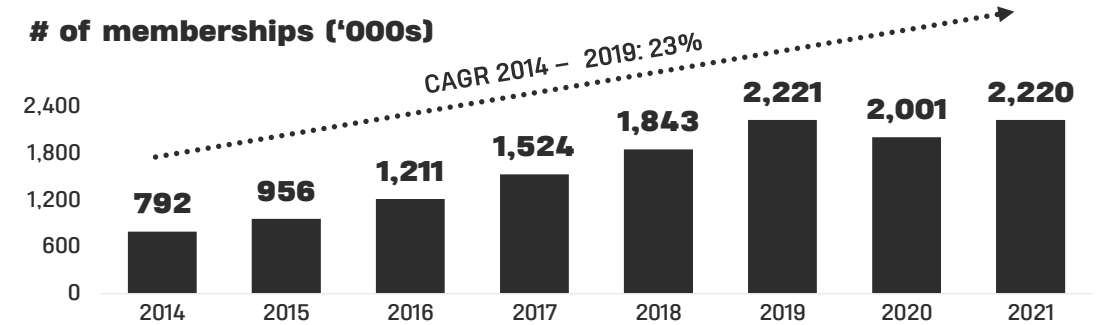
# RECOMMENCING OUR TRACK RECORD AFTER COVID-19

## REVENUE AND UNDERLYING EBITDA MORE THAN TRIPLED BETWEEN 2014-2019

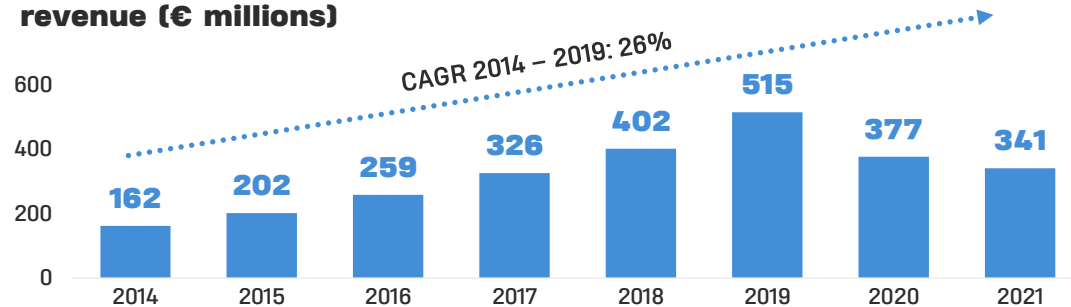
# of clubs



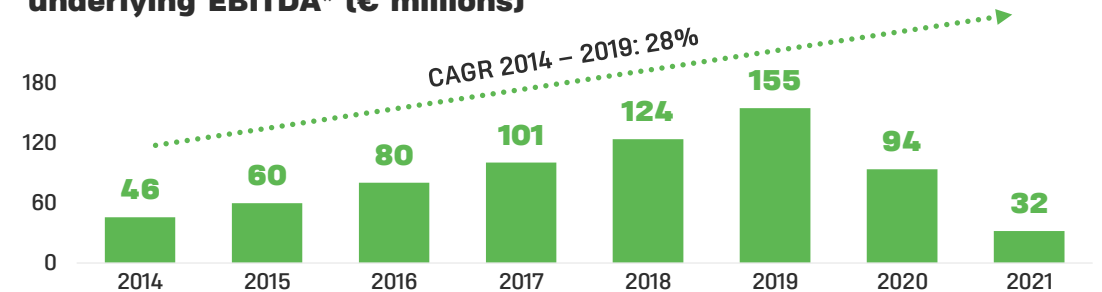
# of memberships ('000s)



revenue (€ millions)



underlying EBITDA\* (€ millions)



\* Adjusted EBITDA for the years prior to 2020

A woman with grey hair tied back is smiling while exercising on a Matrix elliptical machine. She is wearing a white t-shirt and maroon leggings. The machine is orange and black with 'MATRIX' written on the console and frame. In the background, another person is on a similar machine, and large windows show an outdoor area with trees and a building.

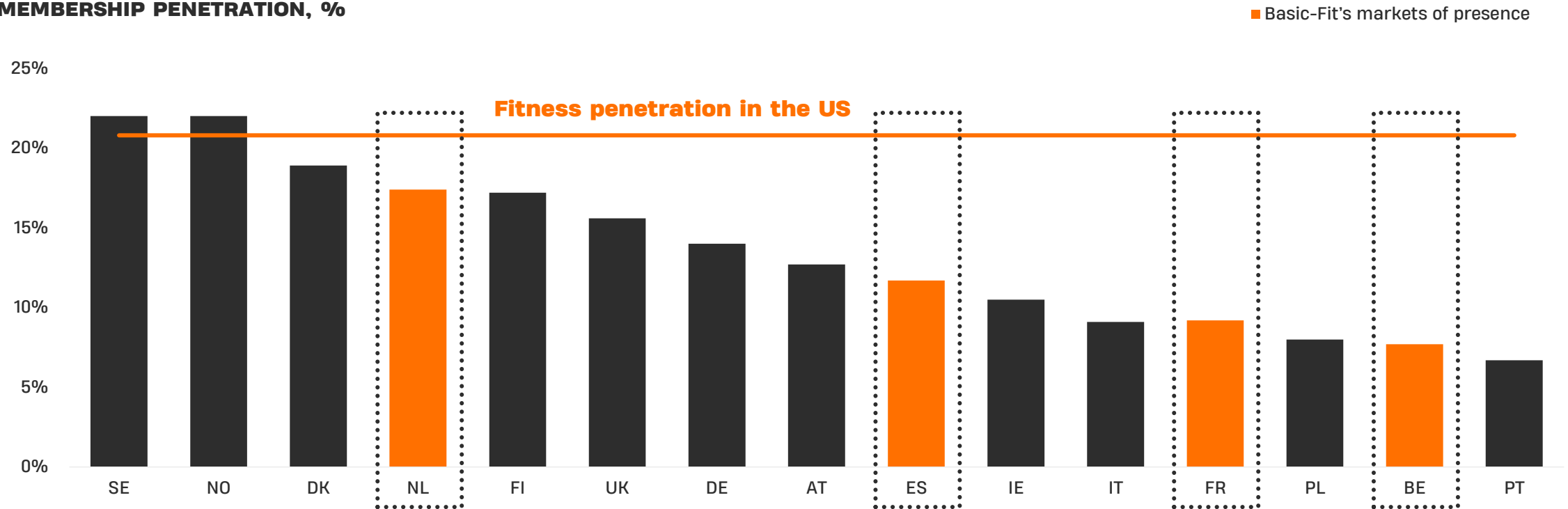
# THE OPPORTUNITY

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# IMMATURE EUROPEAN FITNESS MARKETS OFFER SIGNIFICANT GROWTH OPPORTUNITIES

MEMBERSHIP PENETRATION, %

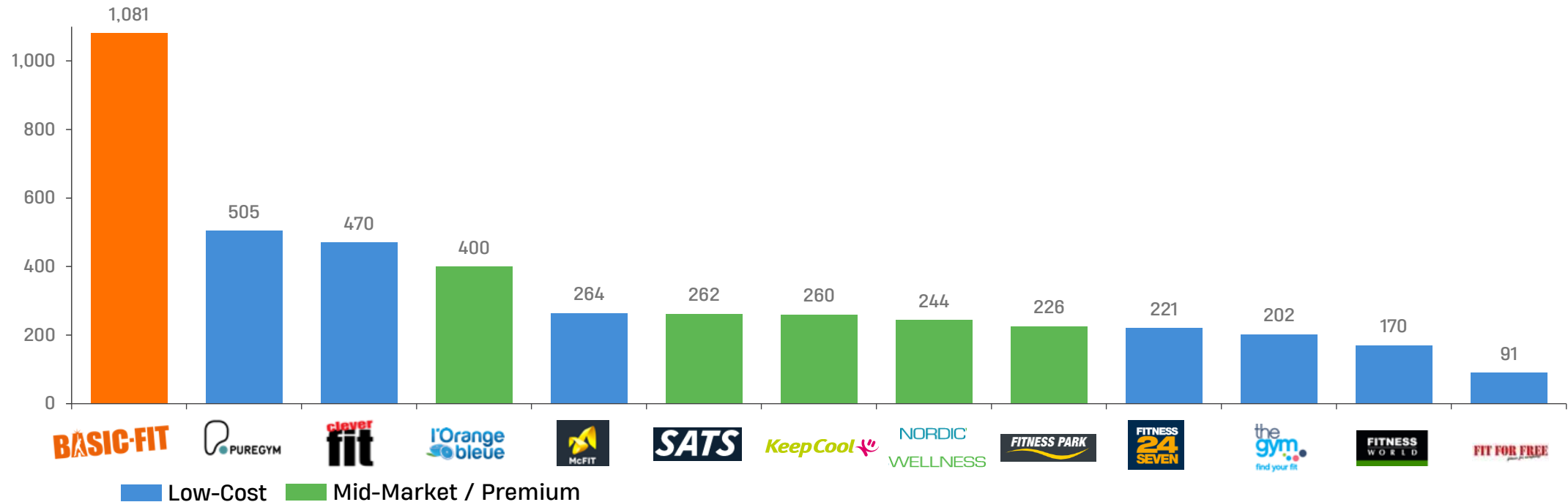


Source: Deloitte and EuropeActive – European Health & Fitness Market Report 2020, IHRSA 2019

# BASIC-FIT'S COMPETITIVE LANDSCAPE

**THERE ARE ONLY A FEW LARGE VALUE-FOR-MONEY FITNESS CHAINS**

Countries	6	3	5	1	5	4	1	1	2	3	1	3	1
HQ based													
Avg club size (sqm)	1,500	500 – 2,200	700 – 1,500	500 – 600	1,200 – 2,000	n/a	300-1,500	400 – 1,500	300 – 1,500	n/a	750 – 1,400	n/a	1,500 – 2,000
Franchise	No	No	Mainly	Mainly	No	No	Mainly	No	Mainly	No	No	No	No



Source: company websites, company information and Deloitte and EuropeActive – European Health & Fitness Market 2021

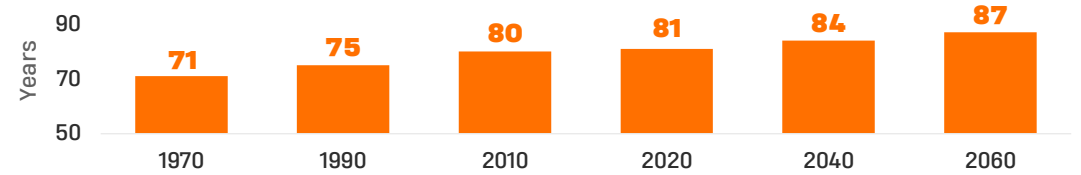
**BASIC-FIT**

# FITNESS PERFECTLY FITS NEEDS OF MILLENNIALS AND GEN Z

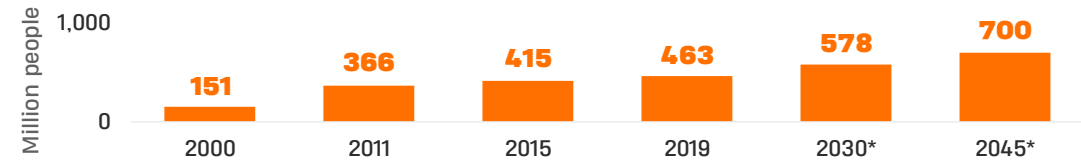
## INCREASED AWARENESS OF HEALTH & WELLNESS



### RISE IN LIFE EXPECTANCY – EUROPEAN UNION<sup>(A)</sup>

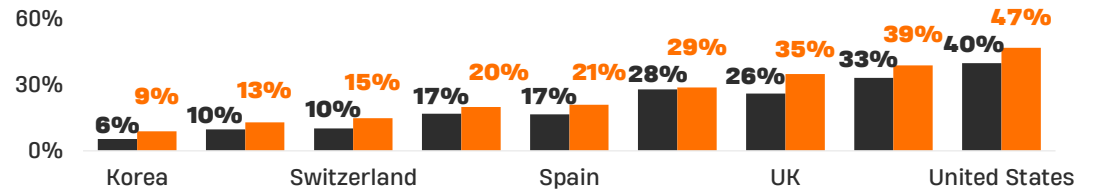


### INCREASE IN DIABETES – GLOBALLY<sup>(B)</sup>



### GROWING OBESITY<sup>(C)</sup>

OBESITY AMONG ADULTS, 2015 OR NEAREST YEAR, 2030 ESTIMATE PER OECD



Source:

(a) Eurostat, Life expectancy at birth. Forecasts are average of male/female data based on unweighted averages of all EU countries

(b) International Diabetes Federation (2019, 9<sup>th</sup> edition): Figures are estimates for people between 20 and 79 years of age, \* These years are projections

(c) OECD Health Statistics 2017 & 2018. 2030E: OECD analysis of national health survey data.

# OUR GROWTH STRATEGY

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# OUR GROWTH PILLARS



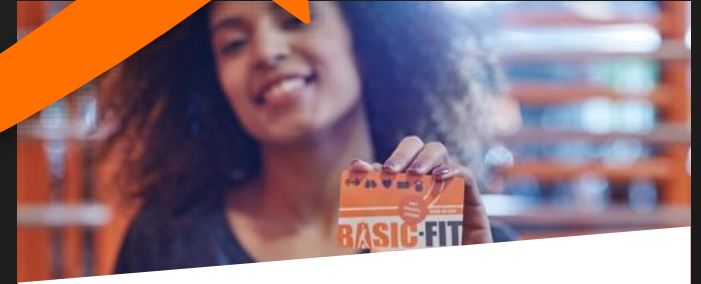
## New club rollout

- Significant whitespace potential in existing geographies
- Visible and secure rollout pipeline
- Proven model that can be applied to expansion in new markets



## Maturation of existing estate

- Visible and consistent maturity profile for new openings
- 24 months for a new club to reach maturity with an average membership level of ~3,300
- Potential for further membership growth utilising club capacity



## Yield management & other revenue

- Basic-Fit is committed to keeping membership fees low
- Increase membership yield by offering value-added products and services
- Other revenue sources from day-passes, vending machines, licensed personal trainers and physio



## LARGE WHITE SPACE POTENTIAL

**2,050-2,600 CLUBS POTENTIAL BY INCREASING THE FITNESS PENETRATION AND MARKET SHARE GAINS**

03/2022	GOAL	HOW
 223 clubs	300-350 clubs	Clusters
  217 clubs	300 clubs	Regional clubs
 578 clubs	1,000-1,300 clubs	Big cities / Paris / idf / regional clubs
 63 clubs	450-650 clubs	Focus on urban areas



# OUR CONCEPTS NEW AND IMPROVED

- Basic-Fit club concept tweaked to perfection
- Basic-Fit Express clubs for smaller villages and large city centres
- Basic-Fit Ladies clubs for selective places in large cities
- Concept range enables the opening of clubs that are better attuned to local demand....
- ...and enables us to open clubs in more locations
- All concepts are build with a ROIC target of >30%



# CLUSTER STRATEGY

## CLUSTER STRATEGY ENHANCES MARKET POSITION AND INCREASES PENETRATION

- 🔗 A club can be built in a catchment area with at least 30K inhabitants
- 🔗 The number of clubs that we open in an area depends on the total membership potential
- 🔗 Simultaneous fit-out of cluster clubs
- 🔗 Operational advantages for regional managers and marketing synergies
- 🔗 Optimally set to benefit from increase in fitness penetration



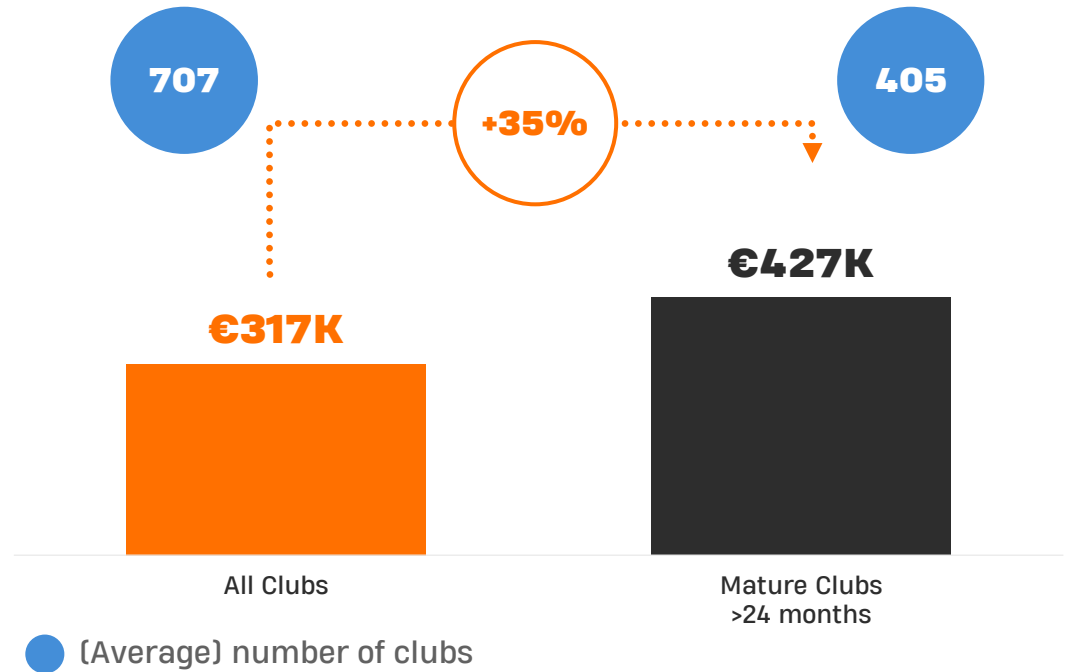
*Note: example city with 100k inhabitants*

# EMBEDDED GROWTH POTENTIAL FROM MATURATION

## CLUB MATURATION SIGNIFICANTLY CONTRIBUTES TO EBITDA GROWTH

- Underlying club EBITDA increases with maturation of network
- Average underlying mature club EBITDA of €427 thousand per club in 2019
- Underlying club EBITDA could potentially increase to €436 million based on maturation of current network of 1,015 clubs (Dec 2021)

### AVERAGE UNDERLYING CLUB EBITDA 2019\*

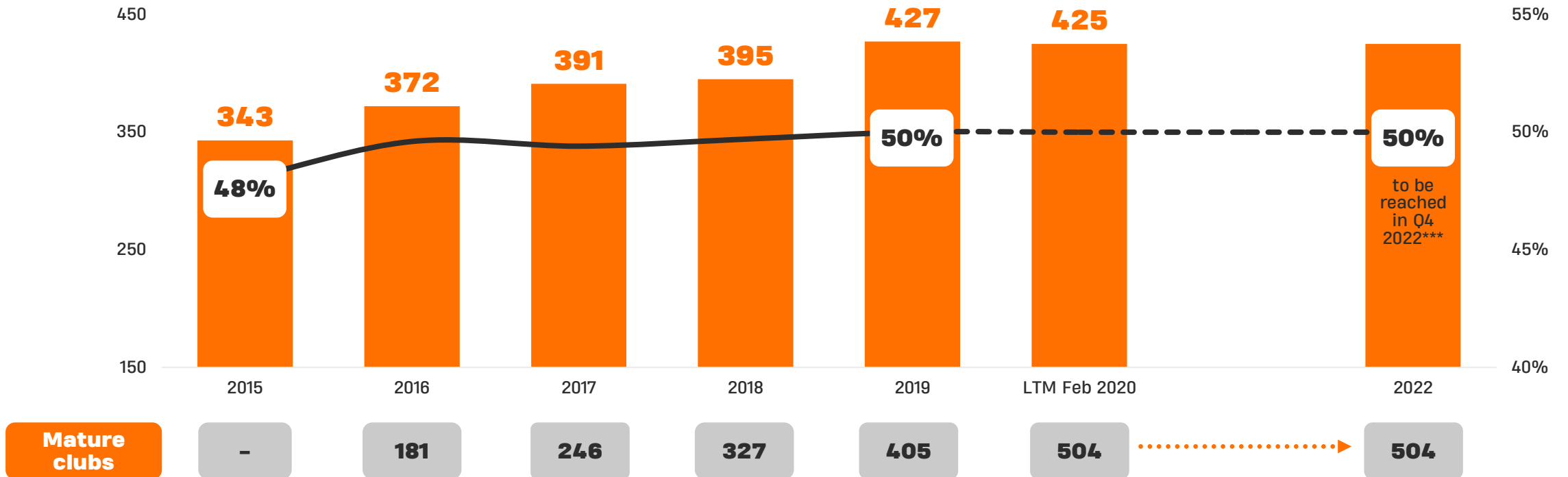


\* 2019 data used to provide a pre-COVID-19 understanding of our business model

# INCREASING AVERAGE MATURE CLUB EBITDA\*

## ALL MATURE CLUBS ARE PROFITABLE\*\*

### UNDERLYING CLUB EBITDA (IN € THOUSANDS)



\* Data until Feb 2020 because FY20 and FY21 were impacted by COVID-19 related club closures.

\*\* Situation before the start of the pandemic

\*\*\* Company forecast. Barring any unforeseen circumstances, including COVID-19 related.



# YIELD MANAGEMENT & OTHER REVENUE

## 2.5%\* OF TOTAL REVENUE, HIGHLY PROFITABLE

### ADD-ONS / YIELD

#### SPORTS WATER

- Available in all Basic-Fit clubs
- >20% membership penetration



**Sports Water**  
Sugar free water fortified with vitamins

**€5 per four weeks**



#### LIVE GX CLASSES

- Clubs with live classes under the guidance of a certified instructor



**Live Group Lessons**  
With Instructor

**€5 per four weeks**



#### DAY PASS

- For one-off visits
- > 35,000 day passes a month



**Day pass**  
**€8.99**

#### VENDING

- Broad and high quality selection of relevant products



**Vending**  
Sports nutrition



### OTHER REVENUE

#### PT & PHYSIO

- 689 clubs with personal trainers
- 236 clubs with physio
- Physiotherapists and PTs pay rent fees to Basic-Fit
- PT intro session
- Personal Online Coach for €60/12 wks



**Personal Trainer**  
Local entrepreneurs renting space inside Basic-Fit clubs  
**€350 - €1,500 p/m licence fee**



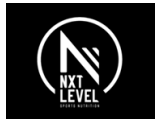
#### Basic-Fit Media

- DOOH advertising and partner product sales
- In club narrow casting and online product sales



#### NXT Level

- Basic-Fit's sports nutrition brand
- Vending & Webshop  
Sports nutrition



\* Based on 2019 Group revenue.

# 24/7 CONNECTION WITH OUR MEMBERS



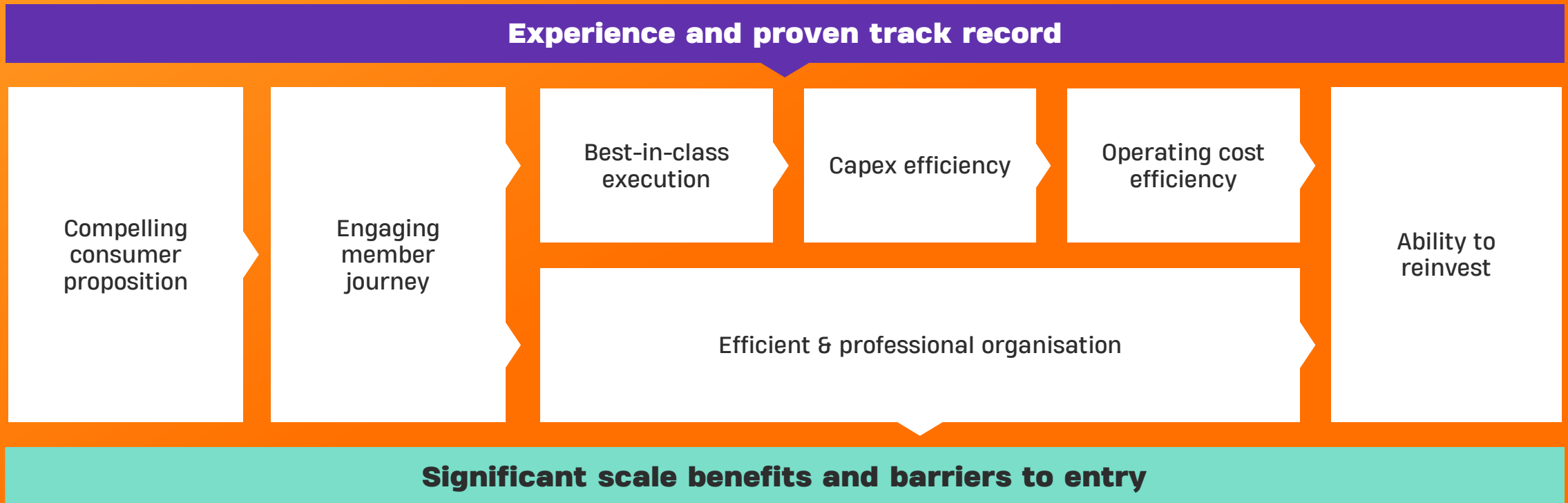


A man and a woman are smiling while working out on treadmills in a gym. The man is in the foreground, wearing a blue t-shirt, and the woman is slightly behind him, wearing a light blue long-sleeved shirt. They are both looking towards the camera. The background shows other gym equipment and a person in a blue shirt. The overall tone is positive and energetic.

# WHY OUR MODEL WORKS

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# BASIC-FIT HAS A PROVEN AND SCALABLE BUSINESS MODEL



# COMPELLING CONSUMER PROPOSITION

## WE MAKE AFFORDABLE FITNESS AVAILABLE FOR ALL

High quality estate



State of the art equipment




Exciting exercise programmes





# AFFORDABLE MEMBERSHIP OPTIONS

## EASY PROCESS TO JOIN

MEMBERSHIPS			
	<input type="radio"/> BASIC	<input type="radio"/> COMFORT	<input checked="" type="radio"/> PREMIUM 
Price	€14, <sup>99</sup> per 4 weeks	€19, <sup>99</sup> per 4 weeks	€29, <sup>99</sup> per 4 weeks
Access to number of clubs	1 Home club	1000+ clubs	1000+ clubs
Virtual assistant	X	✓	✓
Train online from home with GXR	X	✓	✓
Share you member card	X	X	✓
Come train with a friend	X	X	✓
Startup Fee	FREE	FREE	FREE
GET A FREE GYM BAG!*	✓	✓	✓
NOW 6 WEEKS EXTRA!	✓	✓	✓

*The Basic membership option is a pilot (since April 2019) and currently only available in Spain.*

# INTERACTIVE TECH-ENABLED MEMBER EXPERIENCE

## TECHNOLOGY ENHANCES THE CUSTOMER EXPERIENCE WHILST KEEPING COSTS LOW

### Sign-up

Kiosk & Online registration

- Seamless self-service sign up and membership changes
- 24/7 online sign up & support



### Enter club

Stadium Gate

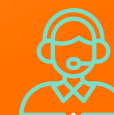
- Secure & controlled entry
- Only pass holders can enter
- Track visit statistics



### 24/7 Customer Service

Digital Customer Support integrates AI and Live Chat

- Live chat on web and social media for customer support
- Artificial intelligence used to increase conversion
- Live chat with a fitness expert in-app



### Follow the pros

GXR

- Fitness without boundaries
- Classes offered every hour in the club and on-demand at home



### Get exercise instructions

Virtual Coach

- Virtual instructor on the main club floor
- Track progress with body composition scale
- Discover exercises with technique tips and find the best training programme



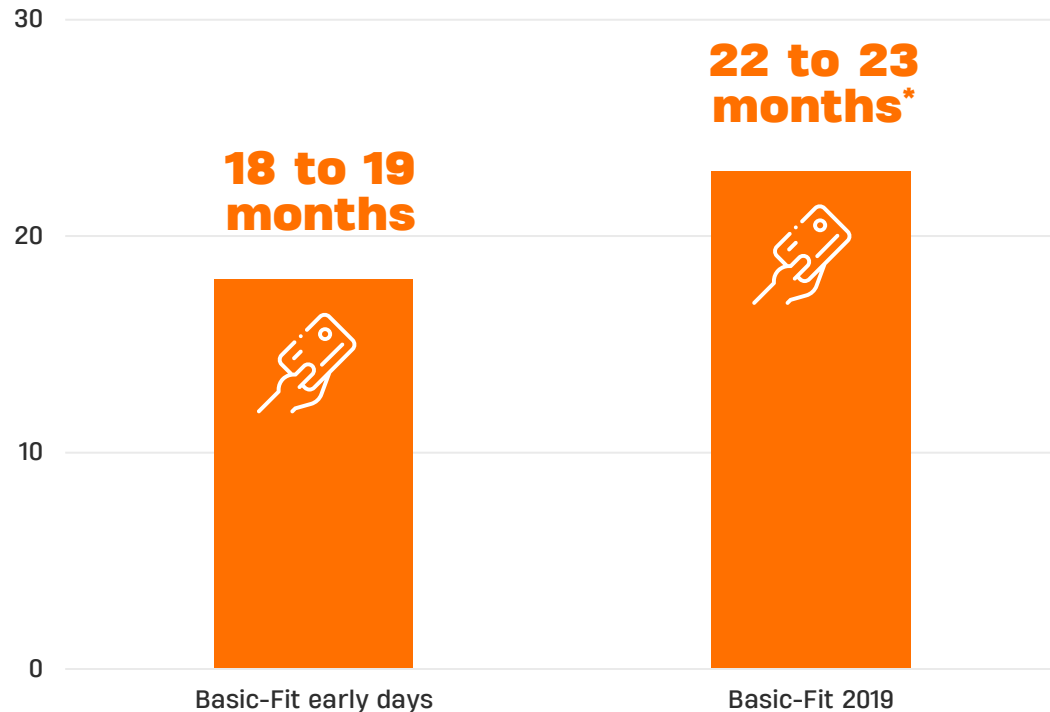
### Stay engaged outside the box

Basic-Fit App

- Over 200 training programmes
- Training options for in-gym and at home
- Food app with comprehensive food database
- Video platform with GXR



# ENGAGING MEMBER JOURNEY



\* 2019 data used because 2020 and 2021 data are impacted by COVID-19 related club closures.



## BASIC-FIT HAS A LONGER LENGTH OF STAY THAN THE AVERAGE FITNESS CLUB

- Basic-Fit has a longer average length of stay than the fitness industry in general and our figure is growing
- Our average length of stay (LoS) at the time of our IPO was 18-19 months and we are currently at 22-23 months
- The international fitness market's LoS is less than 12 months



# WELL STRUCTURED APPROACH TO SITE SELECTION DRIVEN BY TECHNOLOGY AND LOCAL MARKET INSIGHTS AND EXPERIENCE



## Research

- 🔗 Nationwide sourcing of sites (via real estate agencies)
- 🔗 White spot analysis
- 🔗 Requirement of site size 1,200-2,500sqm
- 🔗 Dense population catchments
- 🔗 Highly visible locations / easy access to parking
- 🔗 Close to major transport hubs
- 🔗 Competition analysis
- 🔗 Demographic analysis
- 🔗 Proprietary mapping tools



## Analysis

- 🔗 New club analysis (i.e. costs and membership development)
- 🔗 Estimated returns and payback
- 🔗 Contractor appraisal of construction costs



## Approval / Negotiation

- 🔗 Business manager, property manager and CEO/CFO approval
- 🔗 Legal process
- 🔗 9-10 year lease with rent free periods
- 🔗 Pricing terms i.e. monthly rent payments and bank guarantee
- 🔗 Permit application



## New Club Opening

- 🔗 Fit-out complete
- 🔗 HQ and country recruit and appoint Club team
- 🔗 Pre-opening marketing / website
- 🔗 Pre-opening membership sales
- 🔗 Real time tracking of performance



# DATA ANALYSIS

**DETAILED ANALYSIS REMAINS FUNDAMENTAL TO OUR COMPETITIVENESS**



**Drive Time Analysis**



Inhabitants



Age  
distribution



Other  
demographics



Fitness  
Penetration



Competitors



Competitor  
Analysis



Market  
share



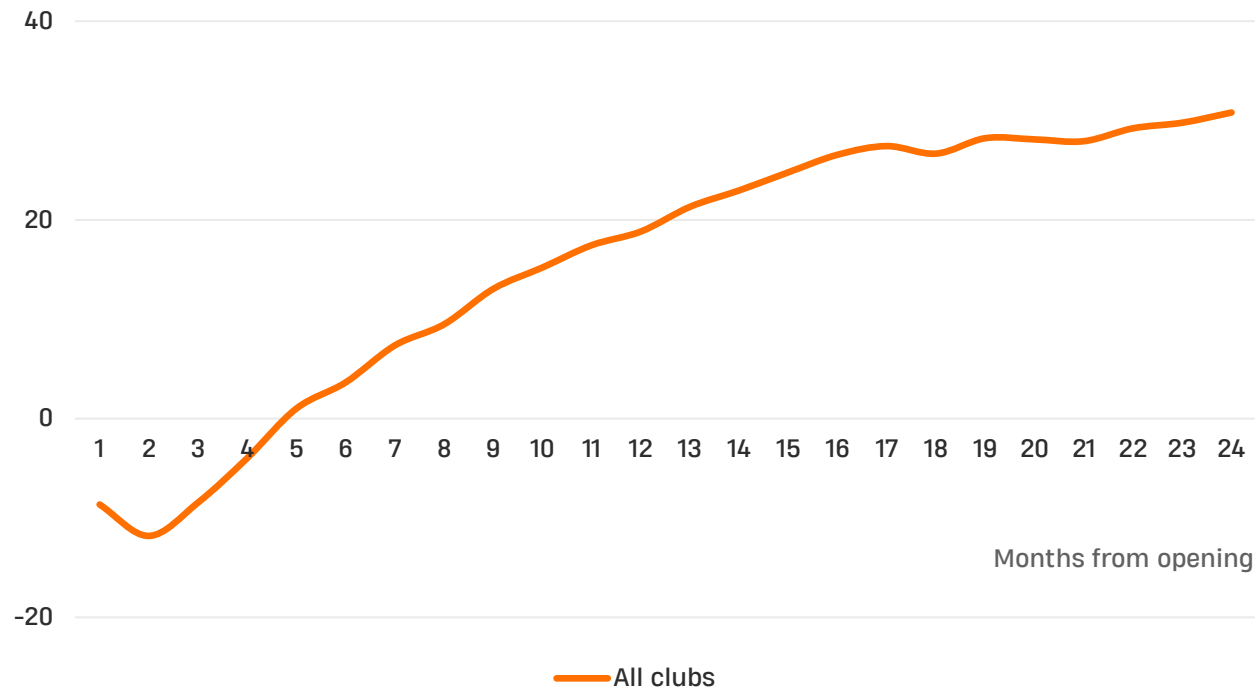
Members

# CONSISTENT UNIT RETURNS\*

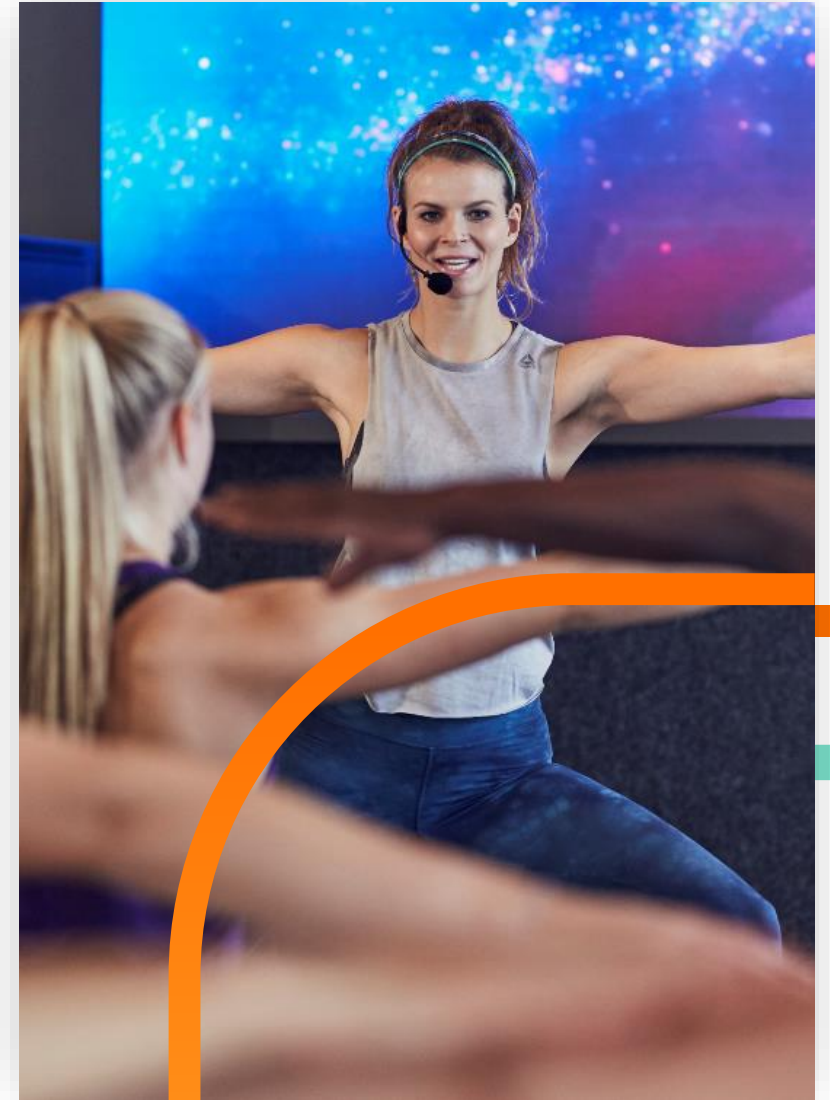
## ROIC TARGET OF 30%

### CLUB UNDERLYING EBITDA DEVELOPMENT

In € thousands



\* As achieved pre-COVID-19



**BASIC-FIT**

# EFFICIENT OPERATIONS DRIVE ATTRACTIVE ECONOMICS\*

## FURTHER OPERATING LEVERAGE AS WE CONTINUE TO GROW THE BUSINESS

### Cost efficient operations

- 🔗 Technology is an enabler of our business model and at the core of our operations
- 🔗 Clubs run with less than 3 FTEs on average
- 🔗 Clubs supported by PTs who are incentivised to “think like an owner”
- 🔗 Cost-efficient outsourcing of cleaning and other services

### Supported by centralised functions

- 🔗 Minimise local overhead and avoid duplicate function
- 🔗 Pool resources and establish best practices
- 🔗 Monitoring, control and signing off on decisions

### Significant scale advantages

- 🔗 High level of standardisation allows for bulk purchasing with large discounts
- 🔗 Negotiation of pan European prices
- 🔗 Highly detailed bill of material and fit-out specification enables cost efficient construction of clubs

### Club economics

**Example of an  
average mature  
club**  
in € thousands

Initial investment	1,200
Members	3,350
Revenue	840
Club underlying EBITDA	420
Club underlying EBITDA margin	50%
ROIC	35%

\* As achieved pre-COVID-19



A woman in a gym, wearing a dark purple tank top and black leggings, is pulling a thick black rope with both hands. She has a determined expression, with her mouth open and teeth showing. The background is a blurred gym setting with various exercise machines. The word "SUSTAINABILITY" is overlaid in large, white, bold, sans-serif capital letters across the middle of the image.

# SUSTAINABILITY



# BASIC-FIT & SUSTAINABILITY A NATURAL MATCH

- 🔗 Increasingly sedentary lifestyles
- 🔗 On demand society
- 🔗 Lifestyle diseases
- 🔗 Increasing awareness of health & fitness

## Fitness is part of the solution

- 🔗 Clubs close to where people live or work
- 🔗 Membership as from €19.99 per four weeks
- 🔗 Exercise whenever, wherever and however you want



## LOW COST = SMALL FOOTPRINT

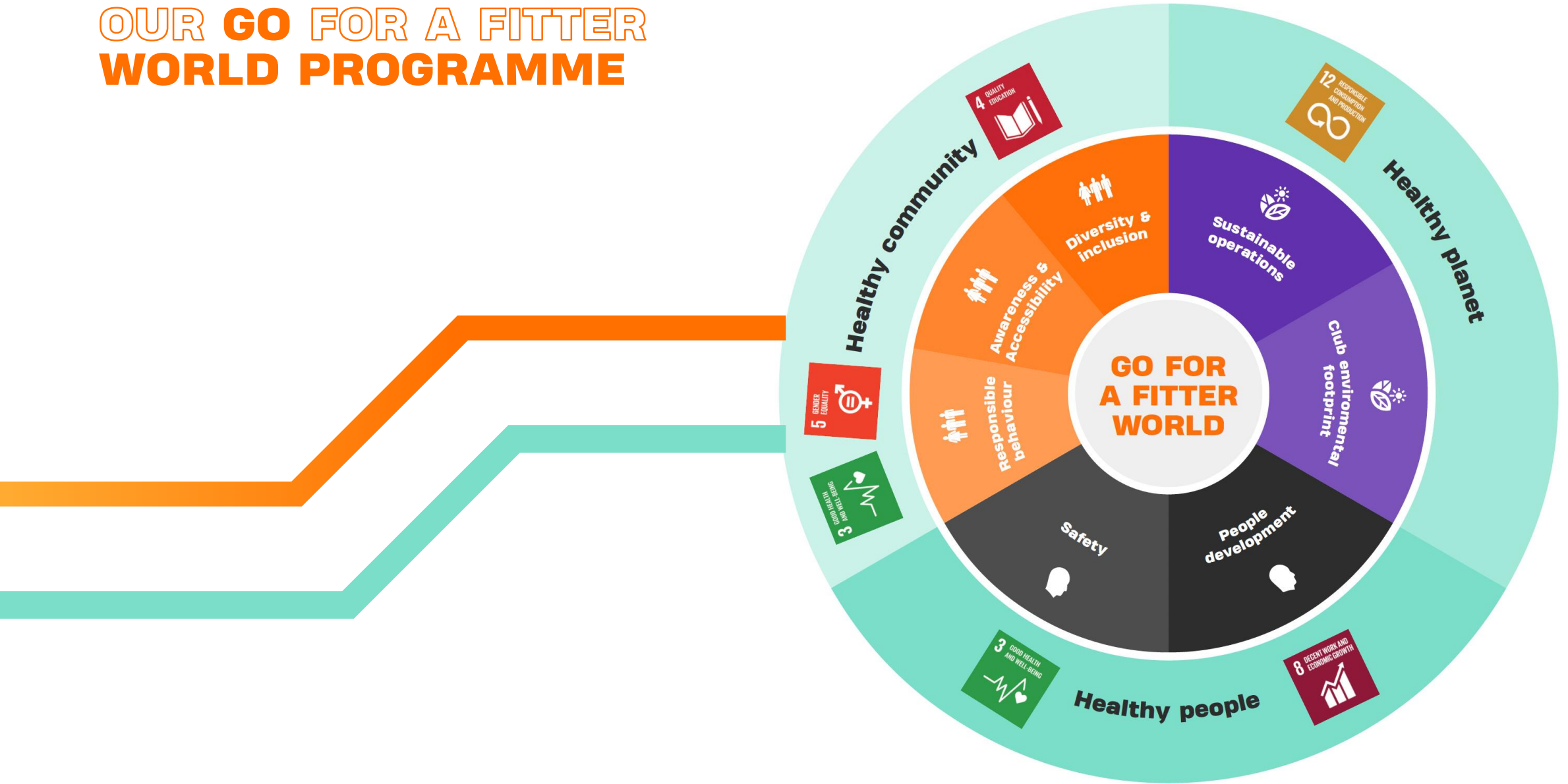
- 🔗 Fitness equipment is self powered
- 🔗 LED lighting
- 🔗 No swimming pools or sauna
- 🔗 Water saving shower heads
- 🔗 Water flow and shower time management
- 🔗 Recycled paper paper-towels



# OUR STEPS IN SUSTAINABILITY



# OUR **GO** FOR A FITTER WORLD PROGRAMME



# MAIN AMBITIONS



## Healthy people:

**Improve health  
and wellbeing for  
15 million people\***

By 2030, we aim  
to reach 15 million  
people to help them  
improve their health  
and wellbeing

**8** DECENT WORK AND  
ECONOMIC GROWTH



**3** GOOD HEALTH  
AND WELL-BEING



## Healthy planet:

**Reduce our  
environmental  
footprint by being  
carbon neutral with  
our club operations**

By 2030, we aim to  
have reduced our  
environmental footprint  
and be carbon neutral

**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



## Healthy community:

**Support our  
communities  
towards a fitter  
life and a more  
inclusive place**

By 2030, we aim  
to have invested  
€5 million in our  
communities  
through impactful  
partnerships

**4** QUALITY  
EDUCATION



**3** GOOD HEALTH  
AND WELL-BEING



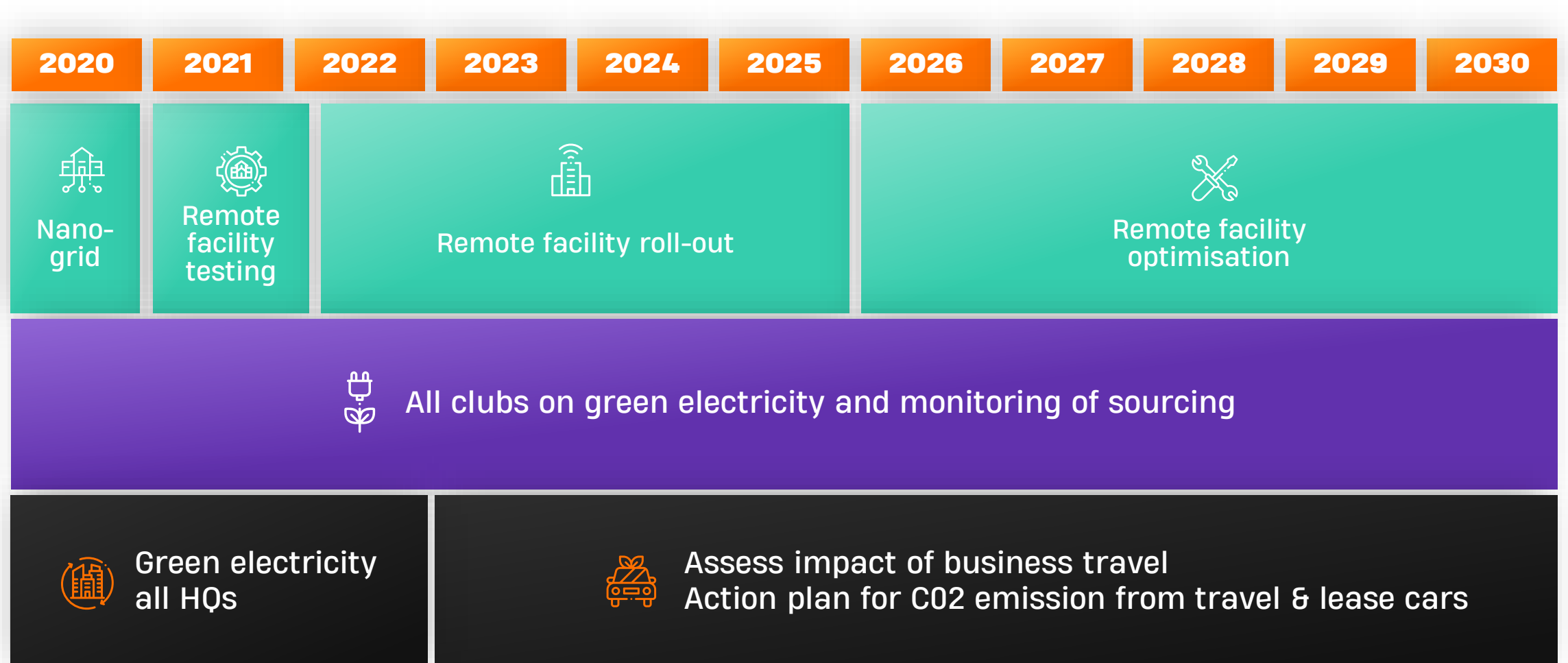
**5** GENDER  
EQUALITY



*\* All people that benefit from our  
products and services across  
Europe in our clubs or at home*



# THE ROAD TO CARBON NEUTRAL



# APPENDIX

# ALTERNATIVE PERFORMANCE MEASURES

Term	Definition
Club EBITDA	EBITDA before overhead costs and net result from non-club revenue (webshop and NXT Level)
Club EBITDA margin	Club EBITDA as a percentage of club revenue
Underlying club EBITDA	Club EBITDA adjusted for exceptional items and minus invoiced rent costs of opened clubs
Underlying club EBITDA margin	Underlying club EBITDA as a percentage of club revenue
EBITDA	Profit (loss) before interest, taxes, depreciation, amortisation and COVID-19 rent credit
EBITDA margin	EBITDA as a percentage of total revenue
Underlying EBITDA	EBITDA adjusted for exceptional items and minus invoiced rent costs
Underlying EBITDA margin	Underlying EBITDA as a percentage of total revenue
EBIT	Profit (loss) before interest and taxes
Underlying net result	Net result adjusted for IFRS16, PPA amortisation, IRS valuation differences, exceptional items, one-offs and the related tax effects
Basic underlying EPS	Underlying net result divided by the weighted average number of shares
Diluted underlying EPS	Underlying net result divided by the weighted average number of diluted shares
Net debt	Total of long- and short-term borrowings and IFRS16 lease liabilities, less cash and cash equivalents
Net debt (excl. lease liabilities)	Total of long- and short-term borrowings, less cash and cash equivalents
ROIC	Underlying mature club EBITDA as a percentage of the initial investment to build a club
Mature club	Club that has been open for 24 months or more at the start of the year
Mature club revenue	Revenue of mature clubs
Mature club underlying EBITDA	Underlying EBITDA of mature clubs
Mature club underlying EBITDA margin	Underlying EBITDA of mature clubs as a percentage of mature club revenue
Expansion capex	Total costs of newly built clubs, acquisitions, existing club enlargements and cost for clubs that are not yet open
Initial capex newly built club	Total costs newly built clubs divided by the number of newly built clubs
Maintenance capex	Total club maintenance costs
Average maintenance costs per club	Total maintenance capex divided by the average number of clubs

# DISCLAIMER

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