

BASIC-FIT PRESS RELEASE

Q3 2022 TRADING UPDATE

Hoofddorp, 28 October 2022

BASIC-FIT REPORTS 42% INCREASE IN MEMBERSHIPS TO 3.15 MILLION

Average number of members at mature clubs back at pre-COVID level

FIRST NINE MONTHS HIGHLIGHTS

- Number of clubs increased by 165 year-on-year to 1,160 (YTD up 145 clubs)
- Number of memberships increased 42% to 3.15 million from 2.22 million at the start of the year
- Take-up rate Premium membership by joiners increased to around 50%
- Average revenue per member increased to €22.50 a month
- Revenue of €563 million (YTD 2021: €186 million)
- €174 million available liquidity

OUTLOOK & RECENT DEVELOPMENTS

- Average number of members at mature clubs passed the 3,300 mark in October
- Revised guidance for 2022: around 3.35 million memberships, revenue of approximately €800 million and underlying EBITDA of between €200 million and €205 million
- Club count of 1,200 expected at year-end
- Leverage ratio (net debt / adjusted EBITDA) of close to 3.0 times expected at year-end
- Long-term target of 3,000 to 3,500 clubs by 2030 reiterated

RENE MOOS, CEO BASIC-FIT

"In the third quarter we continued to see a strong development of our membership base with high joiner numbers and leaver numbers below the level that we saw prior to the outbreak of the COVID-19 pandemic. The membership development continued to be healthy in October. The recovery of our mature clubs was strong as well, as expected, and we passed the 3,300 memberships mark already in October.

During the year we experienced increasing delays in obtaining licenses for the construction of new clubs. As a result, we now expect to end 2022 with 1,200 clubs. About 50 clubs that were originally planned to open in the second half of 2022, are now expected to open in January 2023. Considering the current inflationary environment and the energy pricing development in Europe, we will be flexible with our club openings programme in 2023. In line with our longer-term guidance, we expect to open between 200 and 300 clubs. Depending on the macro-economic environment this could be at the lower or higher end of the range. There is no change in our long-term target of growing our network to 3,000 to 3,500 clubs by 2030.

As a result of the lower number of club openings and the shift in timing of club openings towards the back end of the year, we now expect to end the year with around 3.35 million memberships, an increase of 50%. We expect to report revenue of approximately €800 million in 2022. Underlying EBITDA is expected to come in between €200 million and €205 million, compared to the prior guidance of around €225 million.

We are pleased with the increasing uptake of Premium memberships, which has a positive effect on the average revenue per membership going forward. At the start of the year the uptake was in the mid-twenties, and we have seen it increase to around 50% of joiners in the third quarter. With the recovery of the mature club membership base, and with the important January and February months still ahead, we expect that the average number of members at mature clubs will reach a higher level in 2023 than in 2019. The expected higher yield and higher number of memberships per mature club in 2023 will help the company to absorb the impact of inflation on operating costs and to get back to the average underlying mature club EBITDA of 2019, whilst maintaining a very competitive membership pricing of €19.99."

MEMBERSHIP DEVELOPMENT

At the end of September 2022, we had 3.15 million memberships which is a 43% increase compared to a year ago when we reported 2.21 million memberships. Year-to-date the membership base increased by 42%.

Membership development

In millions, end of period	2022	2021	change
Start of the year	2.22	2.00	11%
First quarter	2.63	1.80	46%
Second quarter	2.92	2.01	45%
Third quarter	3.15	2.21	43%
Fourth quarter		2.22	

We have seen continued strong demand for Premium memberships. Currently, around 50% of our joiners select this membership. Premium memberships account for 32% of all memberships at the end of October, compared to 23% at the start of the year and 26% at the end of June.

The average number of members at the 502 mature clubs¹ has been recovering well this year. In October we passed the 3,300 memberships per mature club mark, bringing the number back at the targeted level. When we include the next two cohorts of mature clubs – clubs opened in 2018 and 2019 – we are also close to the average of 3,300 members. With the strong January and February months still ahead, we expect that the average number of memberships at mature clubs will be higher in 2023 than in the pre-COVID years. In this expectation we include all the 770 clubs that were opened before 2020.

REVENUE DEVELOPMENT

Revenue was €563 million in the first nine months of 2022, compared to €186 million in the same period last year. The increase is the result of the strong recovery of the membership base, the increase in the average yield per membership and the fact that there was no lockdown, except for

¹ A club is considered mature when it is at least 24 months old at the start of the calendar year. Because of the pandemic, we temporarily report mature club performance based on the current 502 clubs that were mature before the start of the pandemic in 2020.

our Dutch clubs during the first two weeks of January. The average yield per membership a month over the first nine months was €22.50. This is 9.4% higher than the €20.56 in 2019, the year before the start of the COVID-19 pandemic.

CLUB DEVELOPMENT

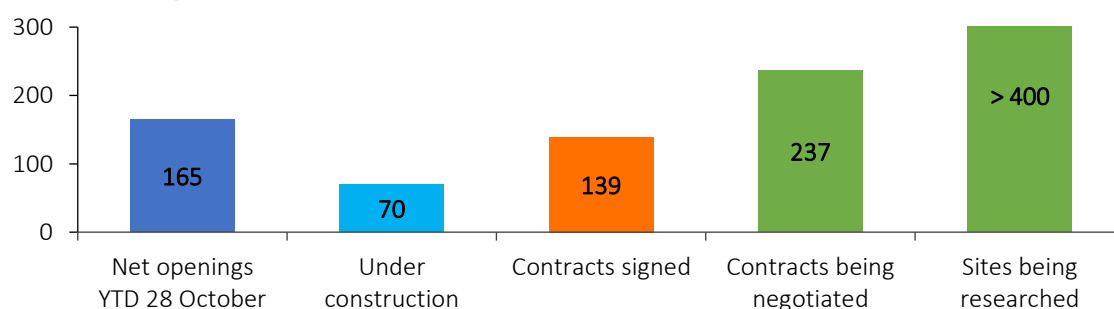
In the first nine months of 2022 we increased our club network by 145 clubs to 1,160. At the end of September, we operated 633 clubs in France, 228 in the Netherlands, 215 in Belgium, 74 in Spain and 10 in Luxembourg. In Germany, we opened our first 2 clubs in October whilst we ramped up our club openings pipeline.

OUTLOOK

Due to the delays in obtaining permits in combination with the increasing back-end loaded character of our openings, we expect that around 50 clubs that were planned to be opened in H2 2022 will now be opened in January 2023. The later openings do not result in additional costs. We expect to end the year with 1,200 clubs and around 3.35 million memberships.

Mainly as a result of the adjustment in the timing and number of club openings and the successive impact on memberships, we now expect to report revenue of around €800 million. With revenue expected to come in at the low end of the earlier guided range, the higher marketing expenses as communicated at our half-year results and operating costs increasing moderately in the current inflationary environment, underlying EBITDA is expected to come in between €200 million and €205 million in 2022, compared to the prior guidance of €225 million. Utility unit costs remain nearly flat this year thanks to fixed price contracts that we have in place. Unit energy prices are also fixed for a large part of our energy consumption in 2023

Club openings pipeline (# clubs)



In view of the macro-economic uncertainties, in particular the impact of the inflationary environment and high energy prices on consumer behaviour, we will be flexible with the number of club openings in 2023. Based on the actual macro-economic developments, we could end up at the lower or higher end of the guided range of between 200 and 300 club openings per year.

The average yield per member developed positively throughout 2022 due to the increasing uptake of Premium memberships. We expect that a combination of a further positive yield development and average memberships growth at our mature clubs can compensate for cost inflation in 2023.

AVAILABLE LIQUIDITY & LEVERAGE RATIO

We ended the period with €174 million of available liquidity. This includes €20 million of additional liquidity as a result of an agreed accordion increase. With the recovery of our membership base and the flexibility in club openings we expect to continue to have ample available liquidity. We expect to reach the point of positive cash flow in the course of the second half of 2023.

At the end of 2022, we will have our first normal covenant testing after a period with amended covenant testing due to the COVID-19 pandemic. We expect to report a leverage ratio (net debt / adjusted EBITDA) of close to 3.0 times, well below the covenant threshold.

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MORE INFORMATION

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ABOUT BASIC-FIT

With over 1,160 clubs, Basic-Fit is the largest fitness operator in Europe. The company operates in six countries and has more than 3.15 million memberships. Each day, members can work on improving their health and fitness in our clubs. 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 people who care about their personal health and fitness. A Basic membership costs €19.99 per four weeks and includes all the benefits of the Basic-Fit App.