

CAPITAL MARKETS DAY COO UPDATE

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9 November 2023

[Start the presentation](#)



BASIC-FIT

THE 2023 – 2030 BASIC-FIT JOURNEY

EXECUTE – IMPROVE – REACT – ACHIEVE



30%
ROIC



CAPEX
& FIXED COSTS



SPEED
WHY & HOW

2030

2023

GERMANY
STRATEGY



GROWTH
& CONTROL

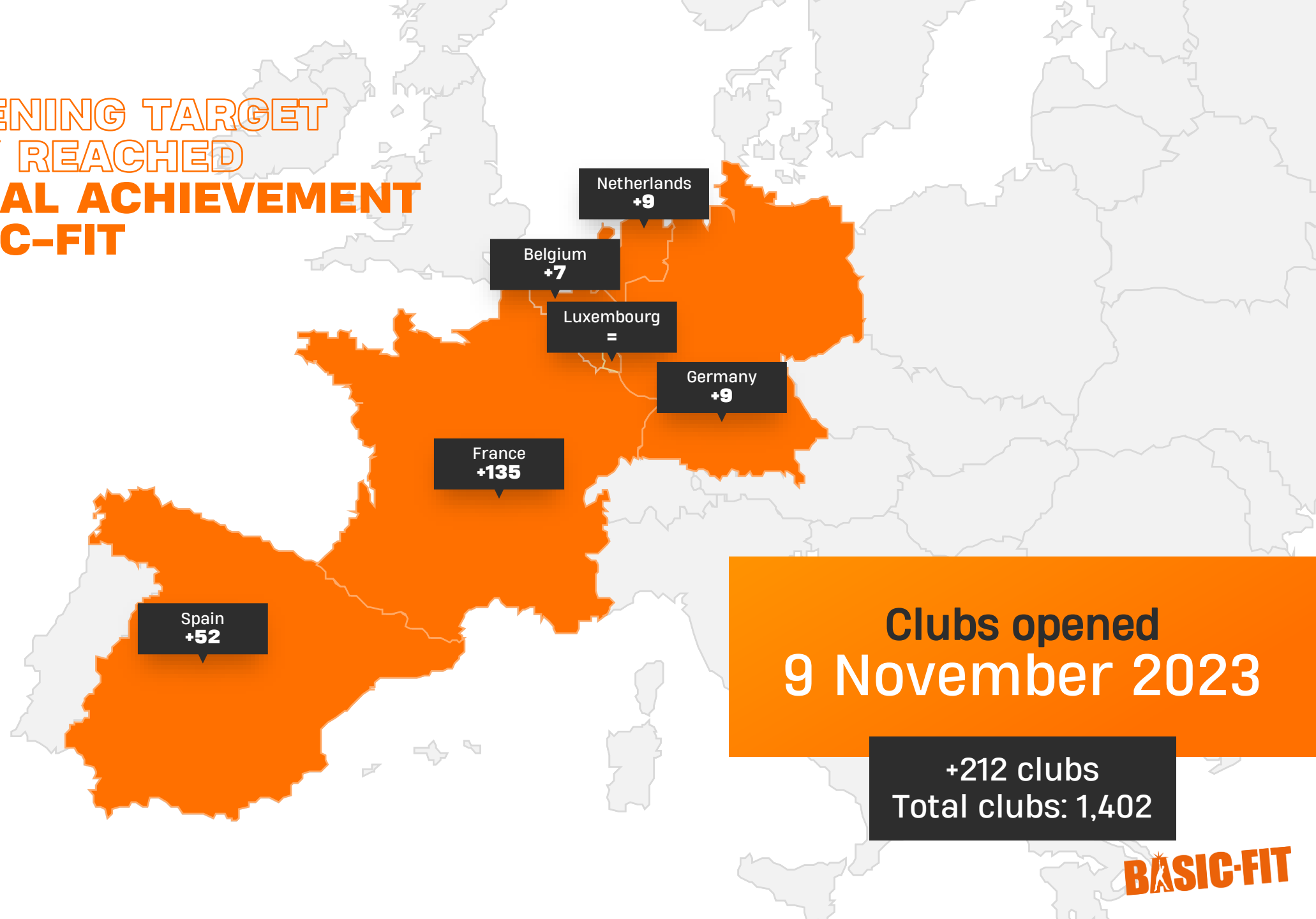


GOALS &
CONCLUSION



BASIC-FIT

2023 OPENING TARGET
ALREADY REACHED
**HISTORICAL ACHIEVEMENT
FOR BASIC-FIT**



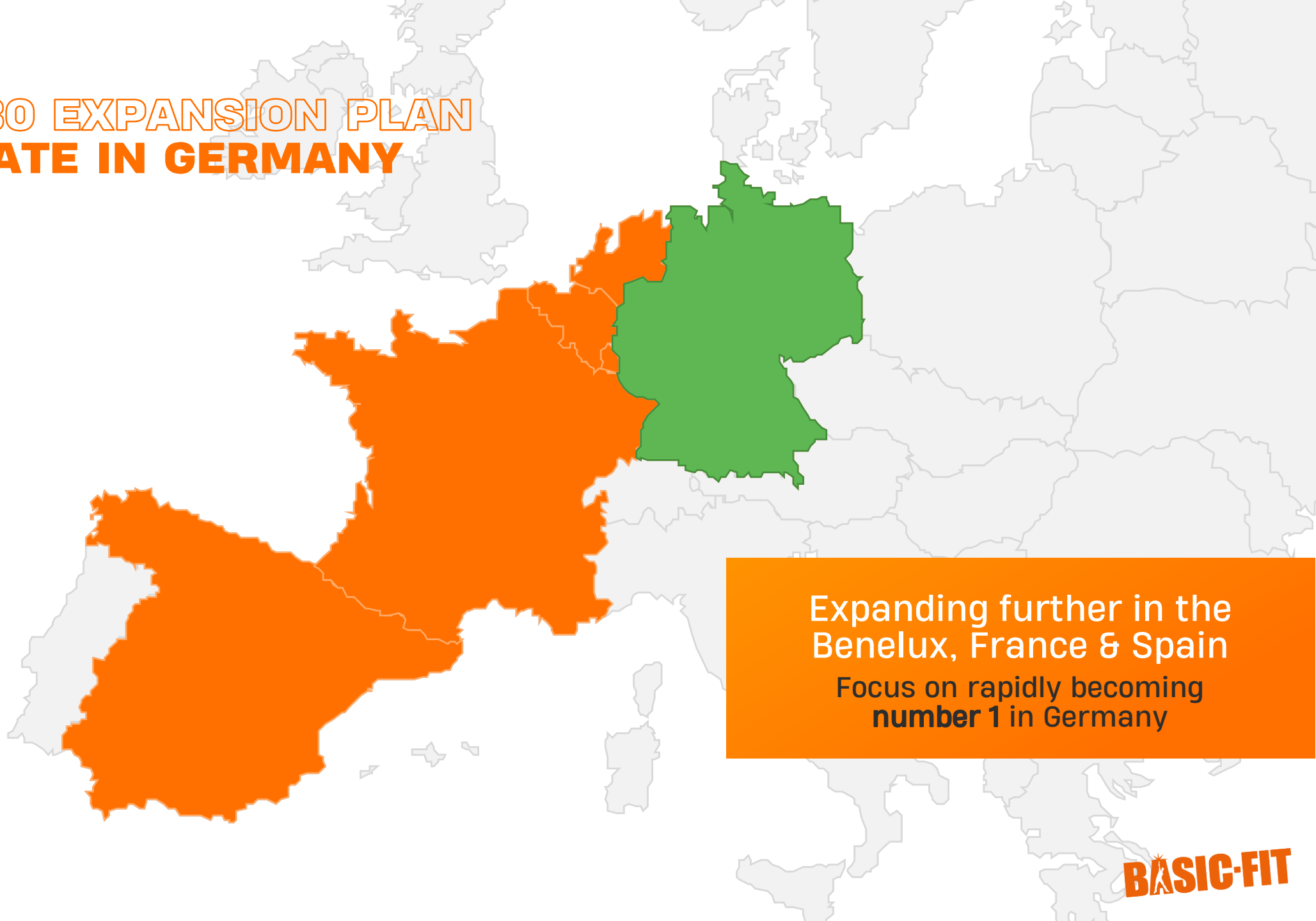
**FLEXIBILITY TO ADAPT
OUR EXPANSION TEMPO
TO MARKET CONDITIONS**

**610+ projects
in negotiations**

**Focus on France & Spain
in 2024 & 2025**

BASIC-FIT

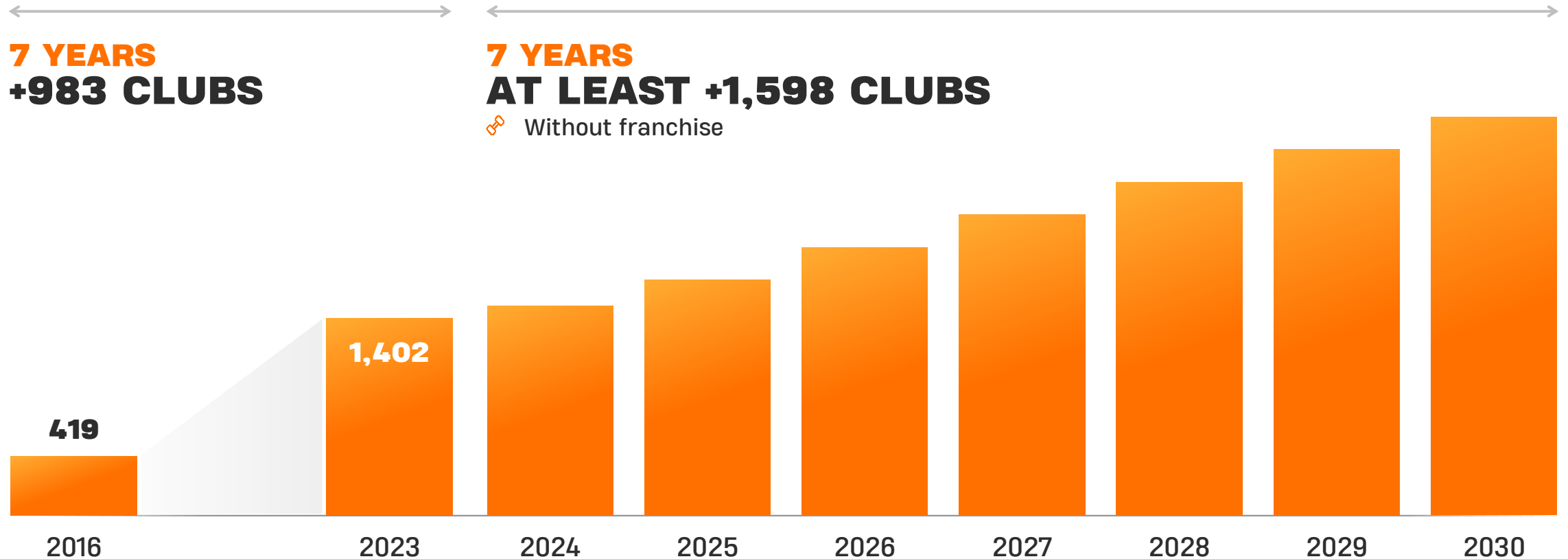
2026-2030 EXPANSION PLAN ACCELERATE IN GERMANY



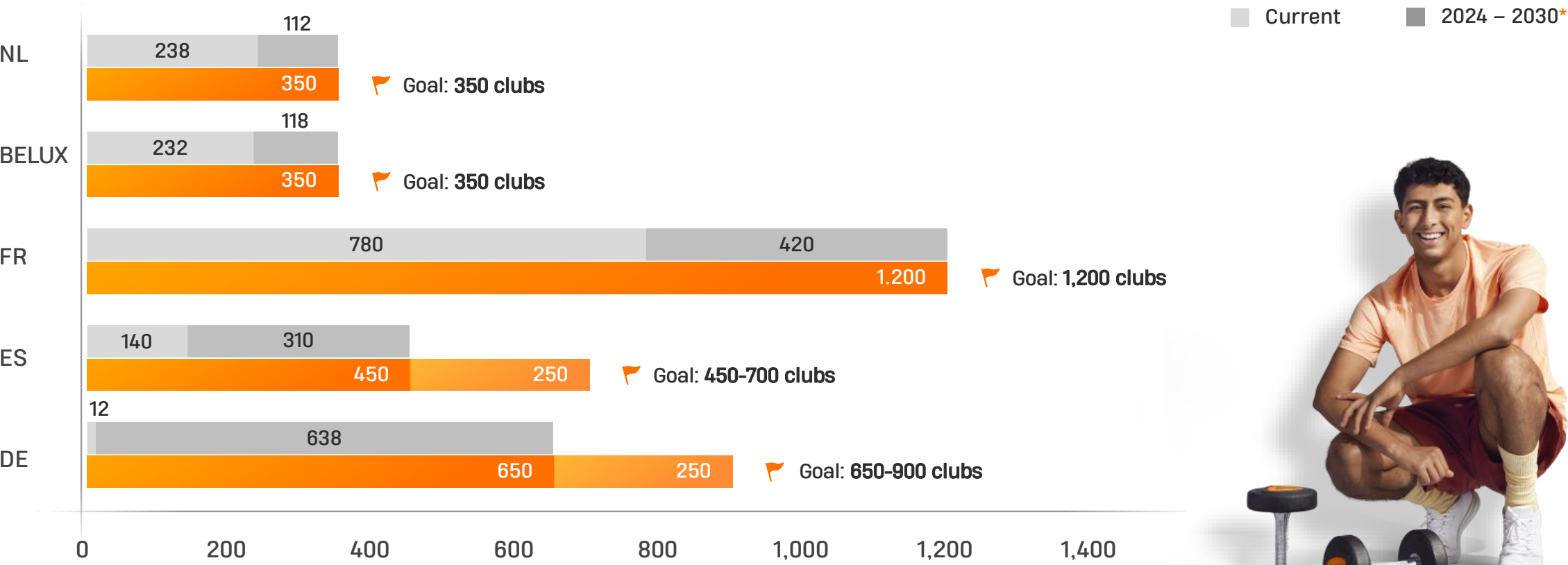
Expanding further in the
Benelux, France & Spain

Focus on rapidly becoming
number 1 in Germany

WE WILL KEEP SCALING UP TO REACH AT LEAST 3,000 CLUBS BY 2030



OUR 3,000 – 3,500 CLUBS EXPANSION JOURNEY BY COUNTRY BY 2030



* Estimation 2024 - 2030

CHAPTER

IT'S NOT ONLY ABOUT GROWTH



BASIC-FIT

GROWTH PLAN UNDER CONTROL WITH RIGHT FOCUS ON OTHER KPIS TO GUARANTEE THE 30% ROIC



SPEED
Why and how



FIXED COSTS
Our plan



STAY #1
With 30% ROIC



GROWTH SPEED IS CRUCIAL TO GUARANTEE LONG-TERM 30% ROIC

WHY?

- 🔑 First mover advantage
- 🔑 Entry barrier
- 🔑 Scale



HOW?

- 🔑 Less costs & more control
- 🔑 Automation
- 🔑 New clubs & acquisitions



AVAILABILITY?

- 🔑 No issues to find locations
- 🔑 Preferred partner of landlords
- 🔑 Regular broker & landlord events



BASIC-FIT

OUR RENT LEVELS REMAIN STABLE
2019–2024 OVERVIEW (CITY AND REGIONAL CLUBS)



AVERAGE CLUB SIZE ALSO REMAINS STABLE (1.300M2)
2019–2024 OVERVIEW (CITY AND REGIONAL CLUBS)



1.2M / 1.25M CAPEX UNDER CONTROL DESPITE INFLATION THANKS TO OUR SCALE

1

Favorable position in negotiations with landlords

- 🔗 Cluster approach to get the best deal
- 🔗 Strong market leader tenant
- 🔗 Standardized contract and efficient process

2

Strong partnership with our building partners

- 🔗 Deal with constructors (more volume, less margin)
- 🔗 2024 projects estimated @ € 1.25 million

3

Europe-wide contracts for technical installations

- 🔗 Best price negotiated through volume
- 🔗 Supply aligned with expansion pipeline

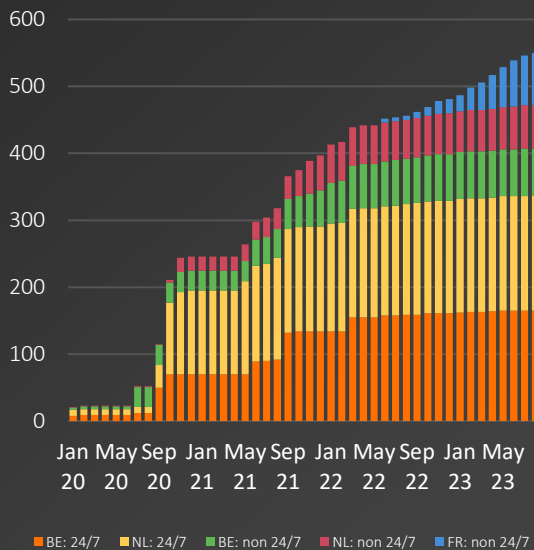


BASIC-FIT

STAFF COSTS CONTROL

SCALING EFFICIENT 24/7 REMOTE OPERATIONS

REMOTE DEPLOYMENT



EFFICIENT STRATEGY

- 🔑 330 24/7 clubs
- 🔑 50 FTE in our 24/7 remote surveillance team (vs 660 FTE without remote operations)
- 🔑 Operating the clubs with 7.5% of the FTE
- 🔑 Morning shift starts @ 8h30 (170K hours annually) & unstaffed unplanned (1,700 hours monthly)

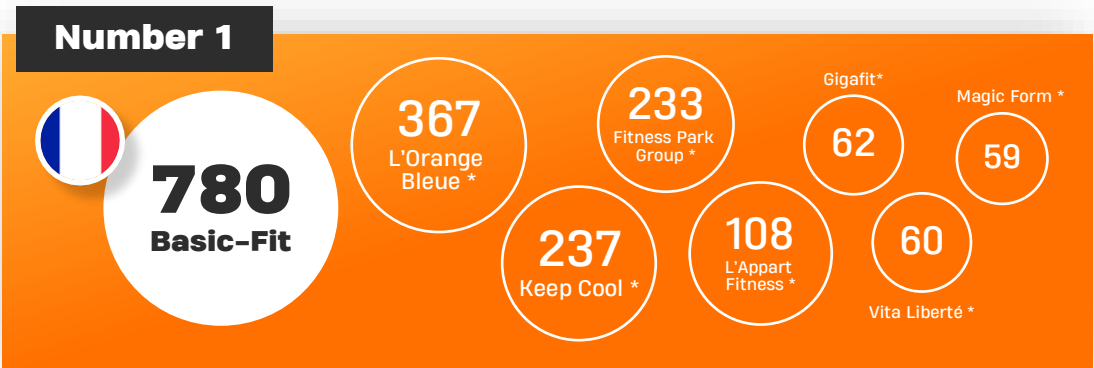


THE CONCLUSION

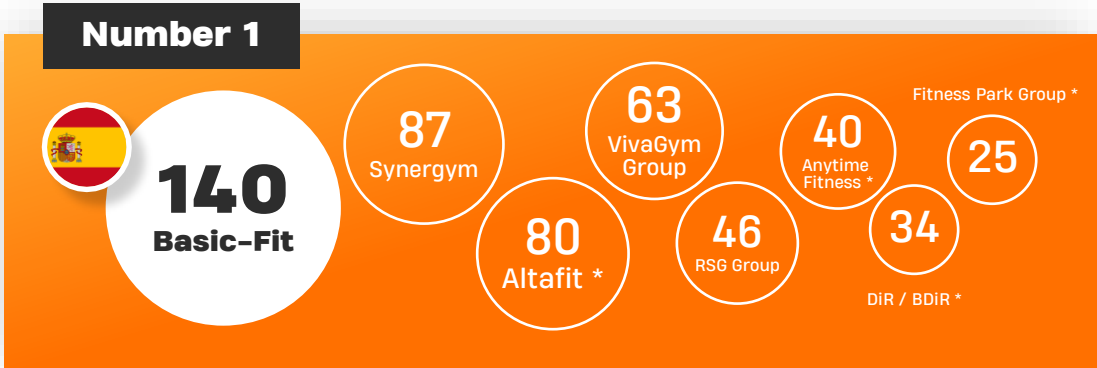
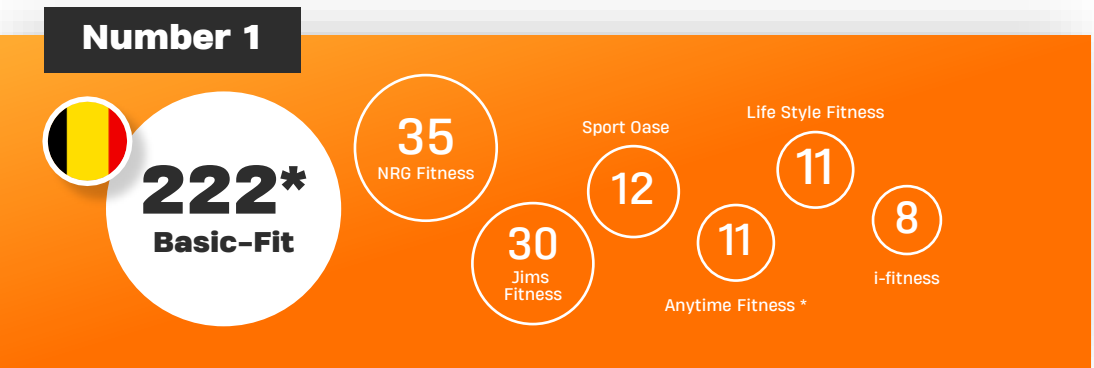
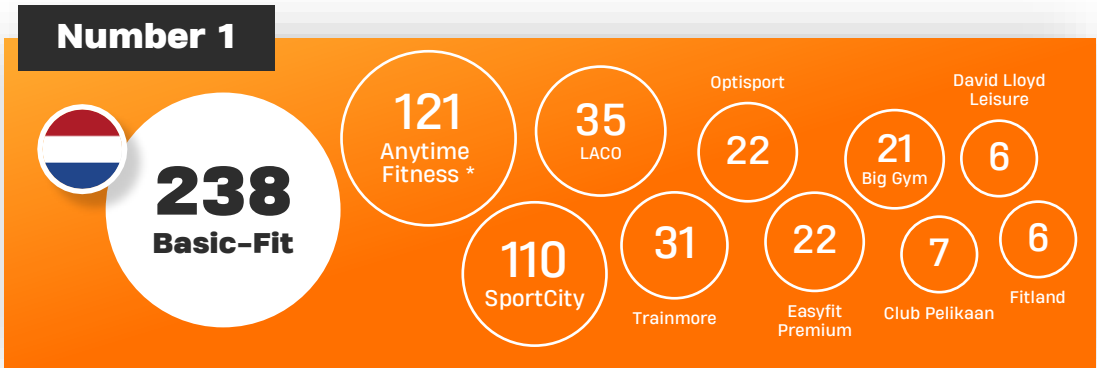
- 👍 Less costs
- 🛡️ More safety
- 💡 Flexibility to adapt
- 👥 More service for members
- 📅 24/7 to be tested in the near future in Spain

MARKET LEADER WITH FAVORABLE COMPETITIVE LANDSCAPE

NOVEMBER 2023 CLUB COUNT PER COUNTRY



ONLY FRANCHISE COMPETITORS IN THE TOP CHAINS LIST IN DELOITTE REPORT



Source: own internet research, selection of main brands from 2023 European Health & Fitness Market Report (Deloitte/Europe Active)
* Plus an additional 10 clubs in Luxembourg

OUR 2022 EXPANSION PERFORMANCE

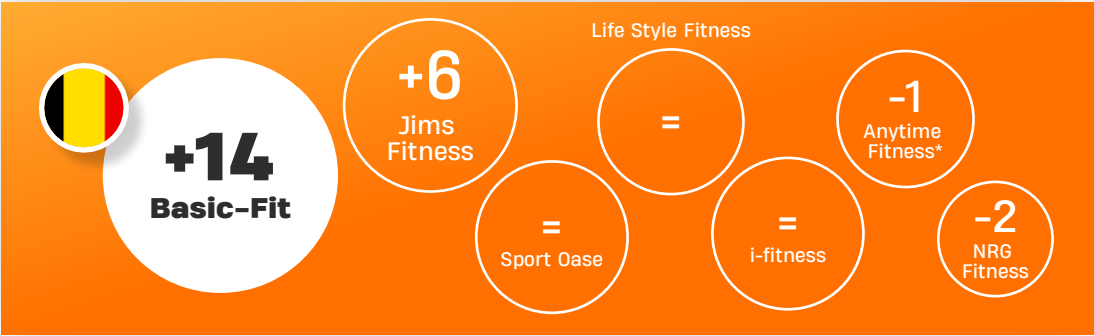
OUTPERFORMING THE MARKET IN NET GROWTH



Basic-Fit **+119 clubs**
7 competitors **+55 clubs**



Basic-Fit **+15 clubs**
9 competitors **-4 clubs**



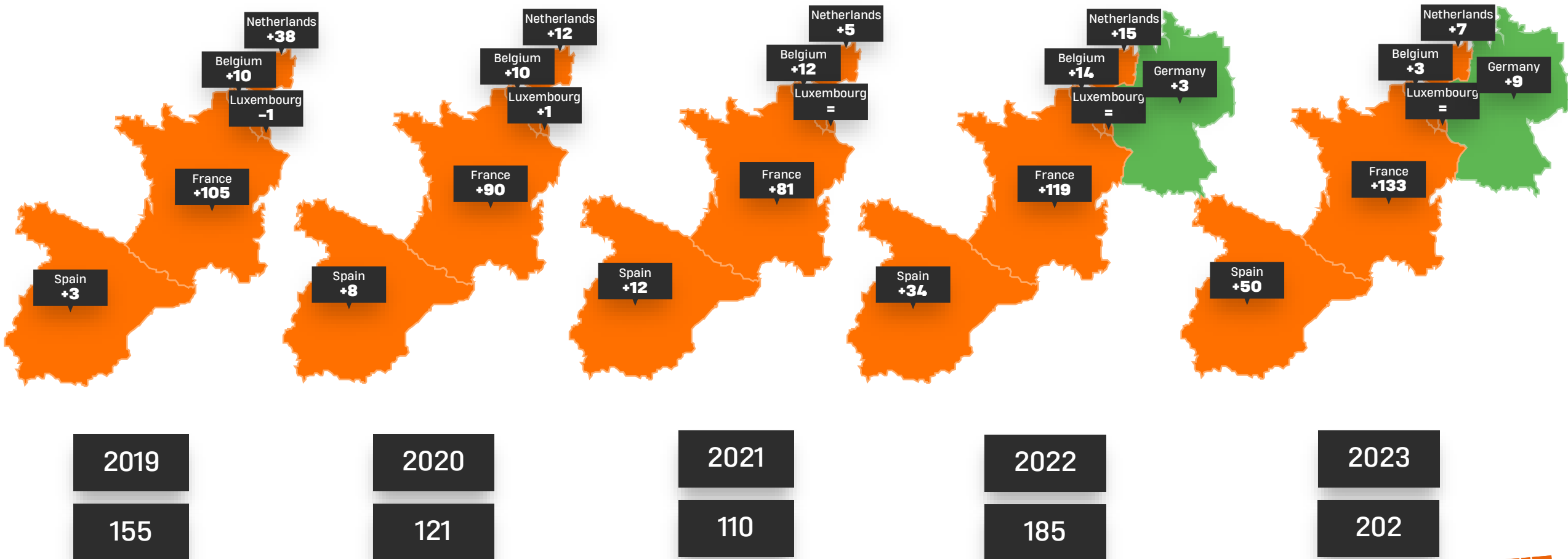
Basic-Fit **+14 clubs**
6 competitors **+3 clubs**



Basic-Fit **+34 clubs**
7 competitors **+49 clubs**

2022
+182 FOR BASIC-FIT
VS +103 FOR OUR
29 MAIN COMPETITORS TOGETHER

ACCELERATED ROLL-OUT TO CAPTURE MARKET SHARE AND BENEFIT FROM RISING FITNESS PENETRATION



ON TRACK TO REACH THE AT LEAST 3,000 CLUBS MILESTONE AND PLAN IN PLACE TO OPTIMIZE PROFITABILITY

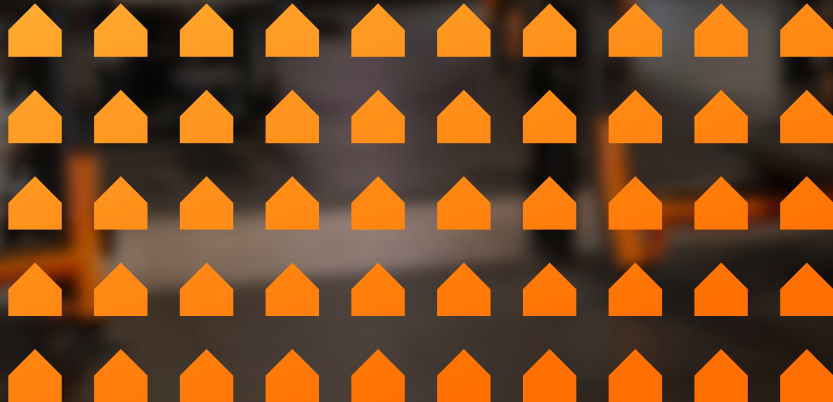
350



1,402



3,000+



CLUSTER ROLL-OUT

Main driver of our success to become market leader and build revenue



ABILITY TO ADAPT

World is changing fast and we always adapt to circumstances to guarantee our (long-term) return

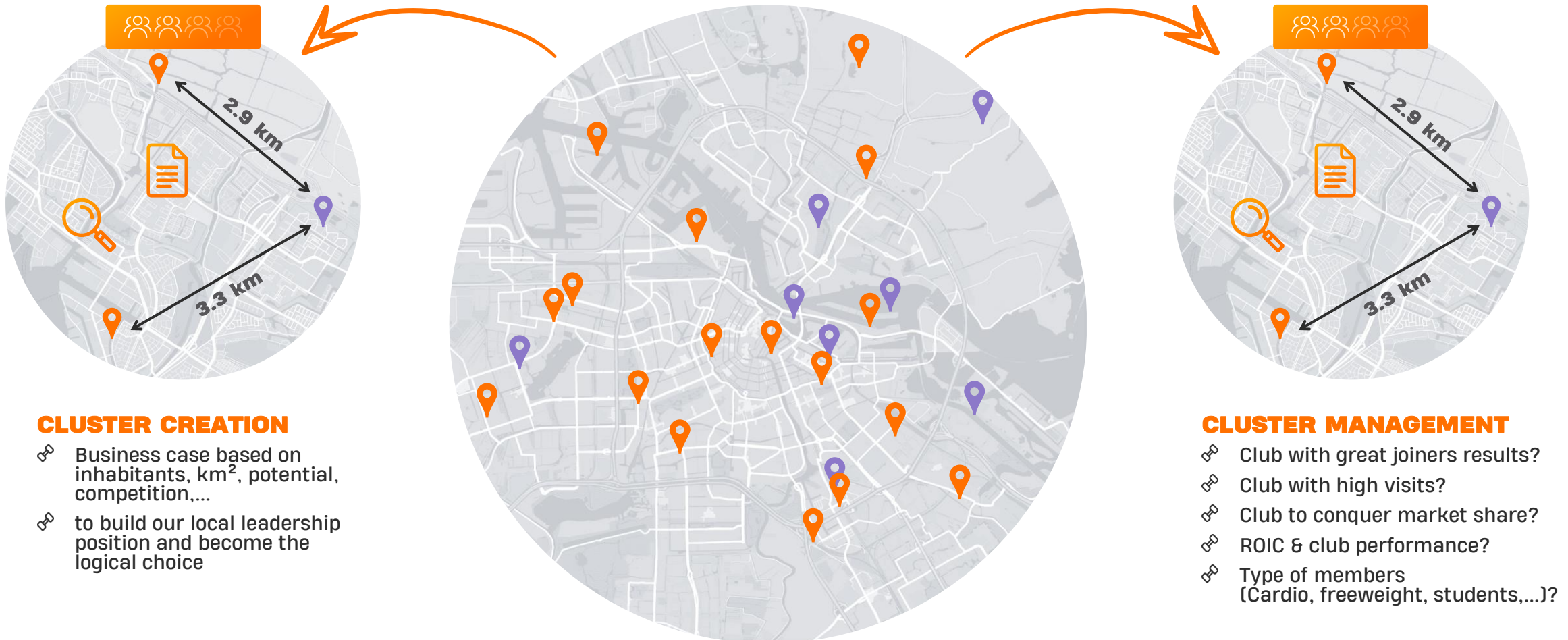


CLUSTER MANAGEMENT

Main driver to boost profitability by taking the right decisions

CLUSTER CREATION VS CLUSTER MANAGEMENT

SAME APPROACH, DIFFERENT DECISION-MAKING PROCESS



IMPROVING LONG-TERM CLUSTER PROFITABILITY

AUTOMATED LEASE RENEWAL & REBRANDING STRATEGY



DISCOVERED BY MULTIPLE ACQUISITIONS

Unbeatable value
for money to become
the logical choice



FOCUS ON CLUSTER PROFITABILITY

In addition to
club results



OPTIMIZATION BASED ON TRACK RECORDS

Not on theoretical
business cases or
assumptions



FOCUS ON IMPROVING THE PROFITABILITY

By mixing local
intelligence and
technology



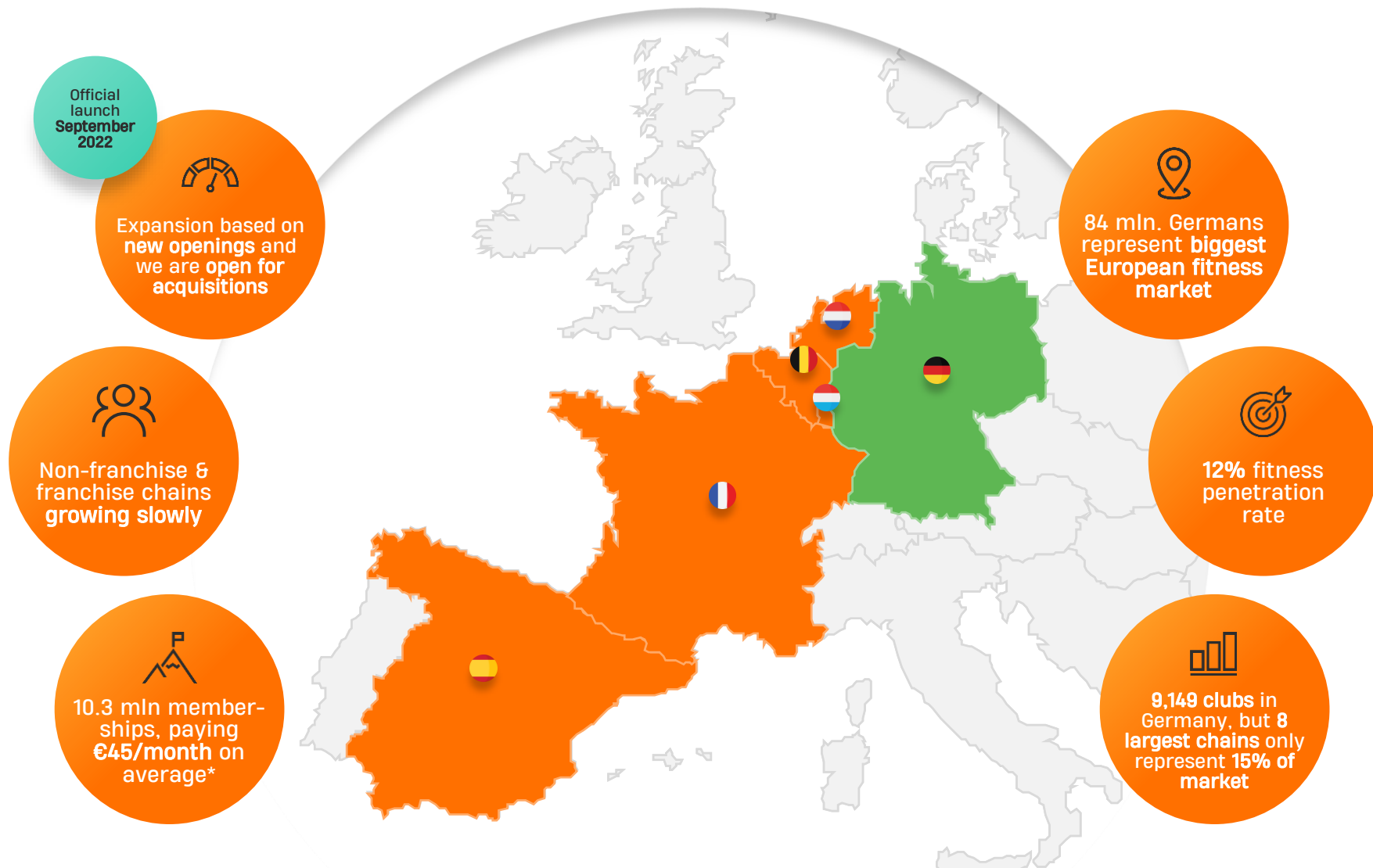
AND BOOSTING THE FITNESS PENETRATION

By responding to our
people's habits /
behaviours / wishes

CHAPTER

COUNTRY NUMBER 6 PLAN & STRATEGY





BUILDING THE FOUNDATIONS FOR LONG-TERM SUCCESS IN GERMANY

STRATEGY BUILT ON GATHERED MARKET INTELLIGENCE

MAXIMUM PREPARATION TO HIT THE GROUND RUNNING

1

We listed
all

**398 GERMAN
CITIES**

> 30,000
inhabitants

2

We
have

**IDENTIFIED
CLUSTERS**

Goal by city to
become the
preferred choice

3

We listed
all

**COMMERCIAL
BROKERS**

to give our
expansion teams a
flying start

4

We analysed
all

**GERMAN
CHAINS**

to understand who
we're up against

5

We listed the
delays to obtain a

**BUILDING
PERMIT**

in the major
German cities



EXPANSION ANALYSIS 16 REGIONS IN GERMANY

1	Baden-Württemberg	9	Niedersachsen
2	Bayern	10	Nordrhein-Westfalen
3	Berlin	11	Rheinland-Pfalz
4	Brandenburg	12	Saarland
5	Bremen	13	Sachsen
6	Hessen	14	Sachsen-Anhalt
7	Hamburg	15	Schleswig-Holstein
8	Mecklenburg-Vorpommern	16	Thüringen

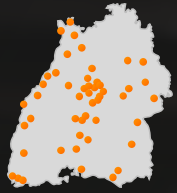
DEMOGRAPHIC ANALYSIS



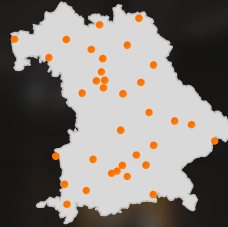
Baden-Württemberg

CITY	POPULATION	AREA	CAPACITY
1. Stuttgart	653,911	207 km ²	21 _x
2. Karlsruhe	312,060	173 km ²	10 _x
3. Mannheim	310,658	145 km ²	10 _x
4. Freiburg	231,195	109 km ²	7 _x
5. Heidelberg	161,485	119 km ²	5 _x
6. Ulm	126,790	100 km ²	4 _x
7. Heilbronn	126,592	100 km ²	4 _x
8. Pforzheim	125,957	98 km ²	4 _x
9. Reutlingen	115,865	87 km ²	3 _x
10. Esslingen am Neckar	94,145	46 km ²	3 _x
11. Ludwigsburg	93,584	43 km ²	3 _x
12. Tübingen	91,506	108 km ²	3 _x
13. Villingen-Schwenningen	85,707	165 km ²	2 _x
14. Konstanz	84,911	56 km ²	2 _x
15. Aalen	68,393	147 km ²	2 _x

LISTED ALL **CITIES WITH 30,000+ INHABITANTS** IN ALL GERMAN REGIONS



Baden-Württemberg



Bayern



Berlin



Brandenburg



Bremen



Hessen



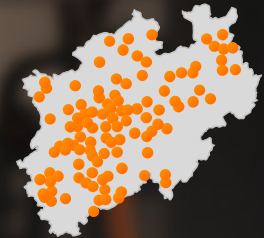
Hamburg



Mecklenburg-Vorpommern



Niedersachsen



Nordrhein-Westfalen



Rheinland-Pfalz



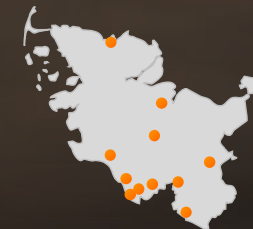
Saarland



Sachsen



Sachsen-Anhalt

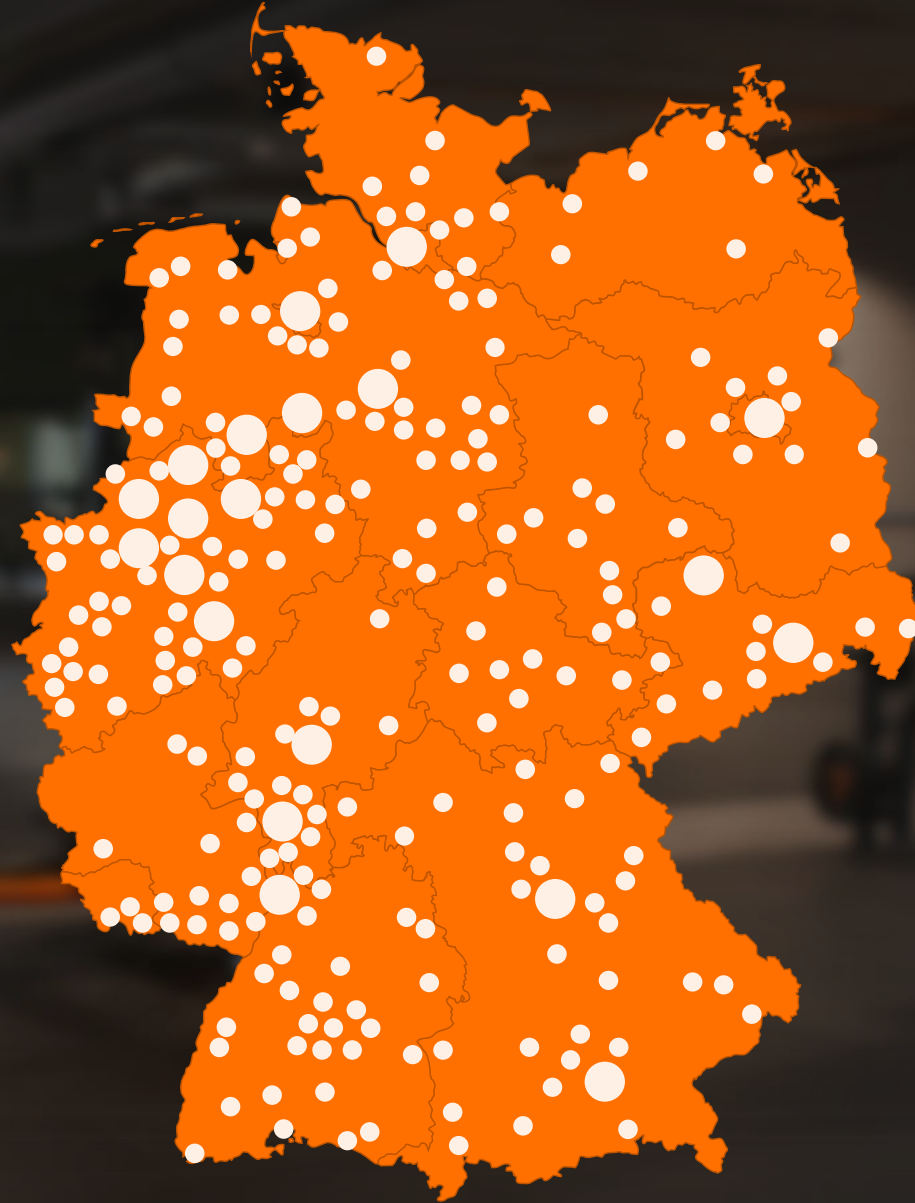


Schleswig-Holstein



Thüringen

MANY CITIES OF AT
LEAST 30,000 INHABITANTS
**BUT ALSO LARGE AREAS
WITH SMALLER CITIES**

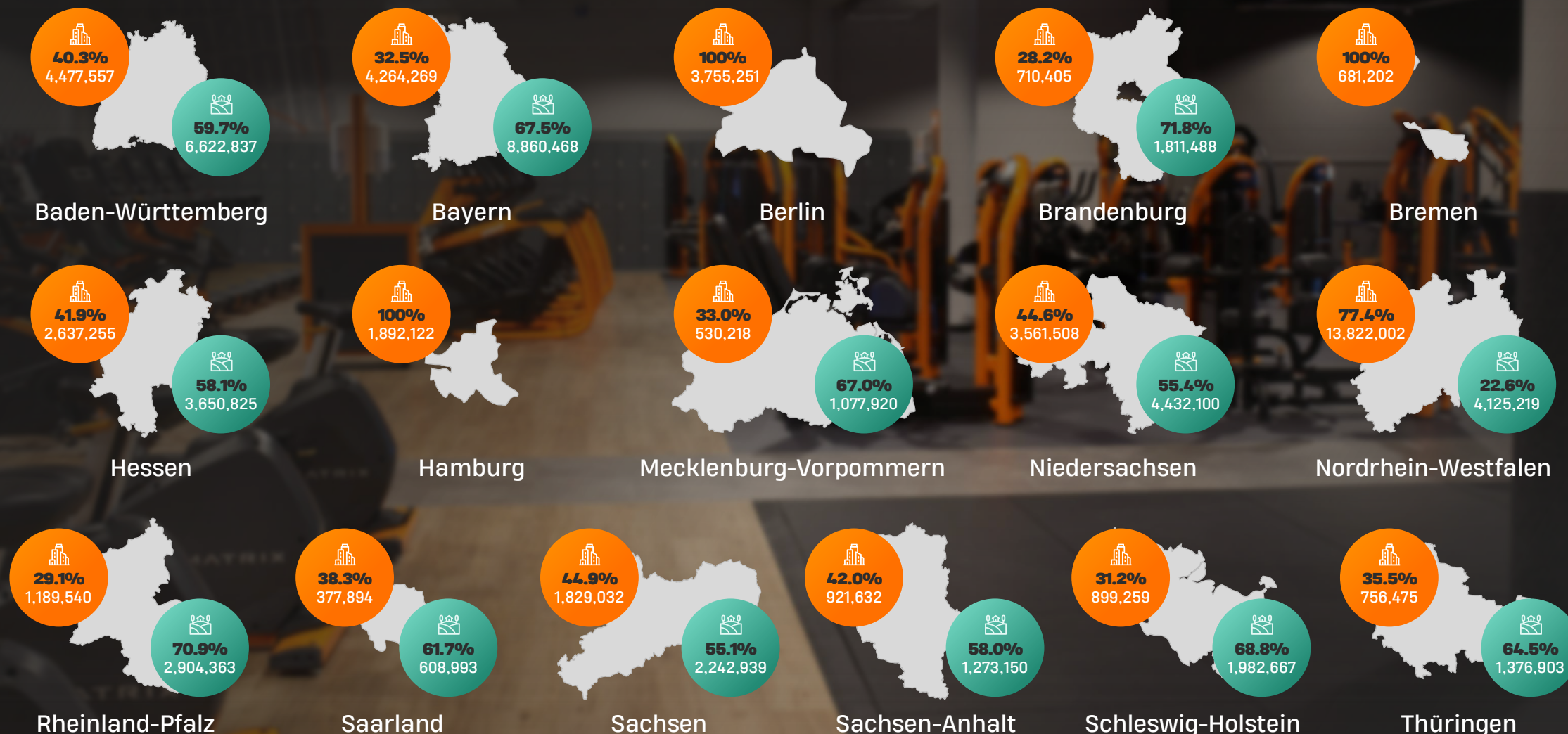


MANY CITIES OF AT
LEAST 30,000 INHABITANTS
**BUT ALSO LARGE AREAS
WITH SMALLER CITIES**



DETAILED CALCULATION BY REGION

ALMOST 50% OF GERMANS LIVE IN SMALLER CITIES





42,306,000
inhabitants in cities >30,000



40,970,000
inhabitants in cities <30,000

REGIONAL CLUBS ARE A BIG OPPORTUNITY WITH ATTRACTIVE FIGURES



Local intelligence & technology



Less competition
(also long-term)



Lower rents & good negotiation position



Benefit from national marketing



Reinforce our national coverage and provide great value for money in such cities



Open to all



BASIC-FIT

CHAPTER

COMPETITIVE LANDSCAPE IN GERMANY



COMPETITIVE GERMAN MARKET

ONLY SHORT-TERM IMPACT



Established market
with many national & regional fitness players



Aggressive POS promotions [e.g. “6 months for €1”]
with sometimes big marketing investments



Only short-term impact
on our clubs



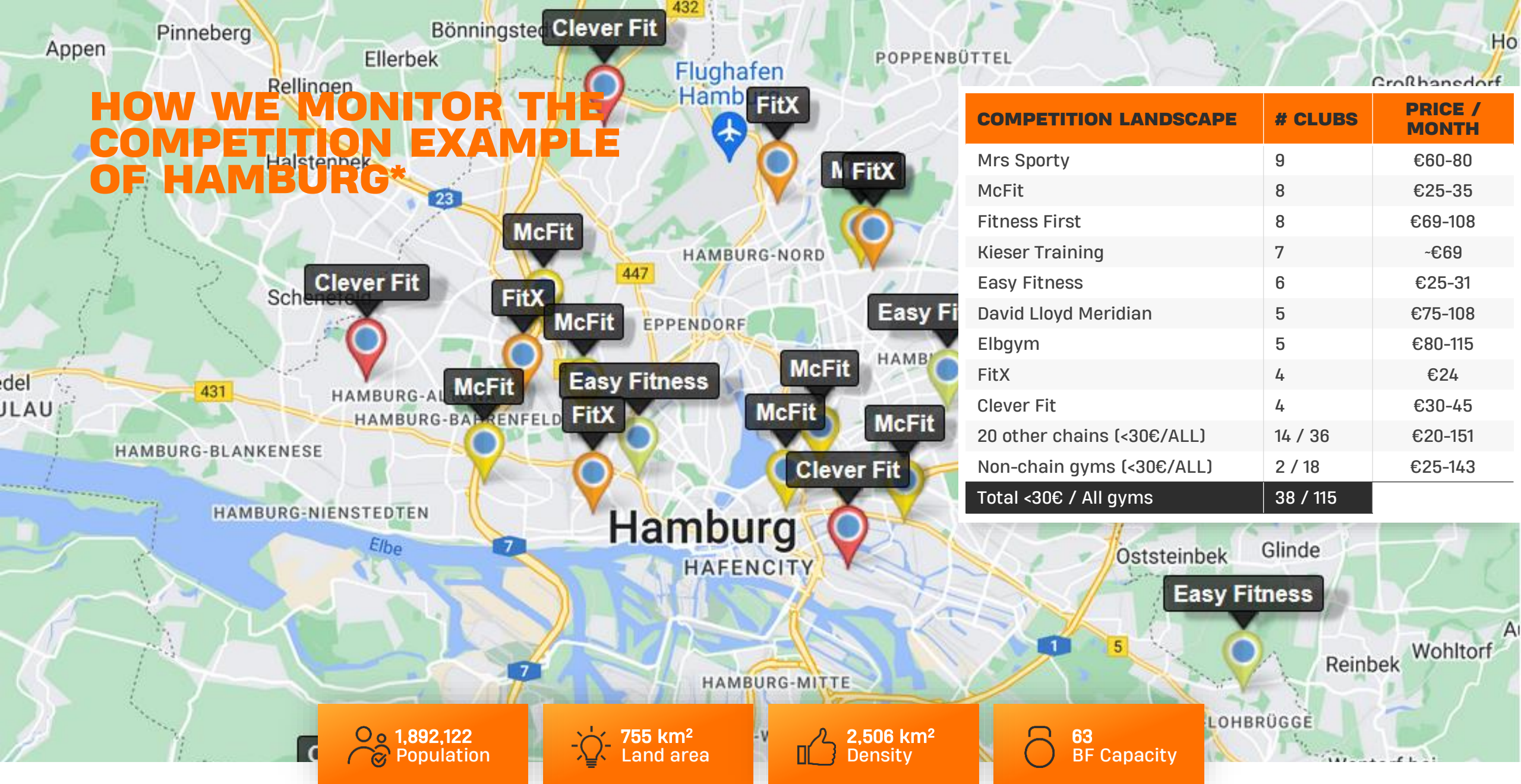
Strong clusters will make us
the logical choice for gym-goers



Our execution capabilities and long-term strategy
will lead us to the market leader position

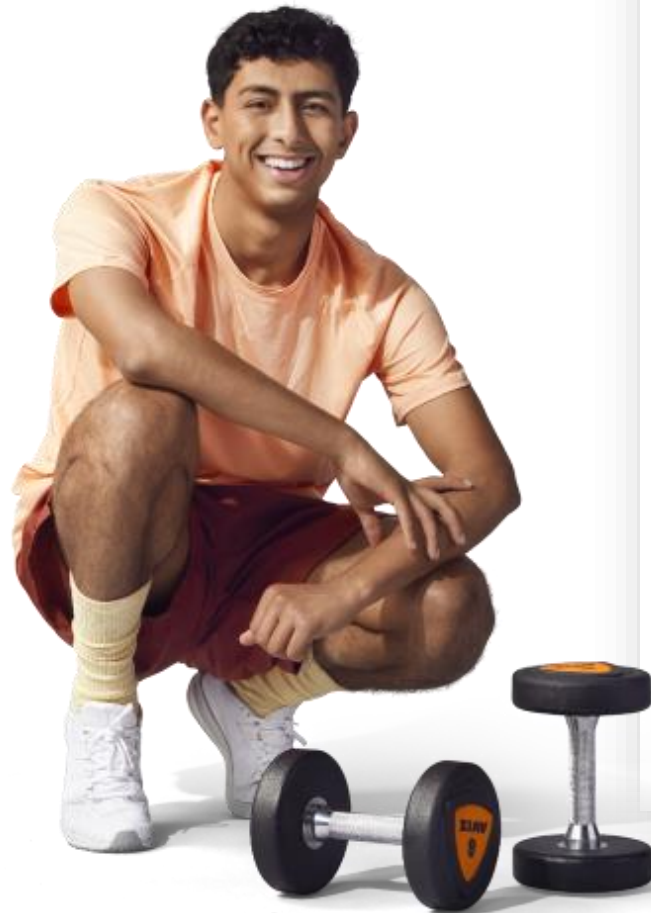


HOW WE MONITOR THE COMPETITION EXAMPLE OF HAMBURG*



WHY GERMANY?

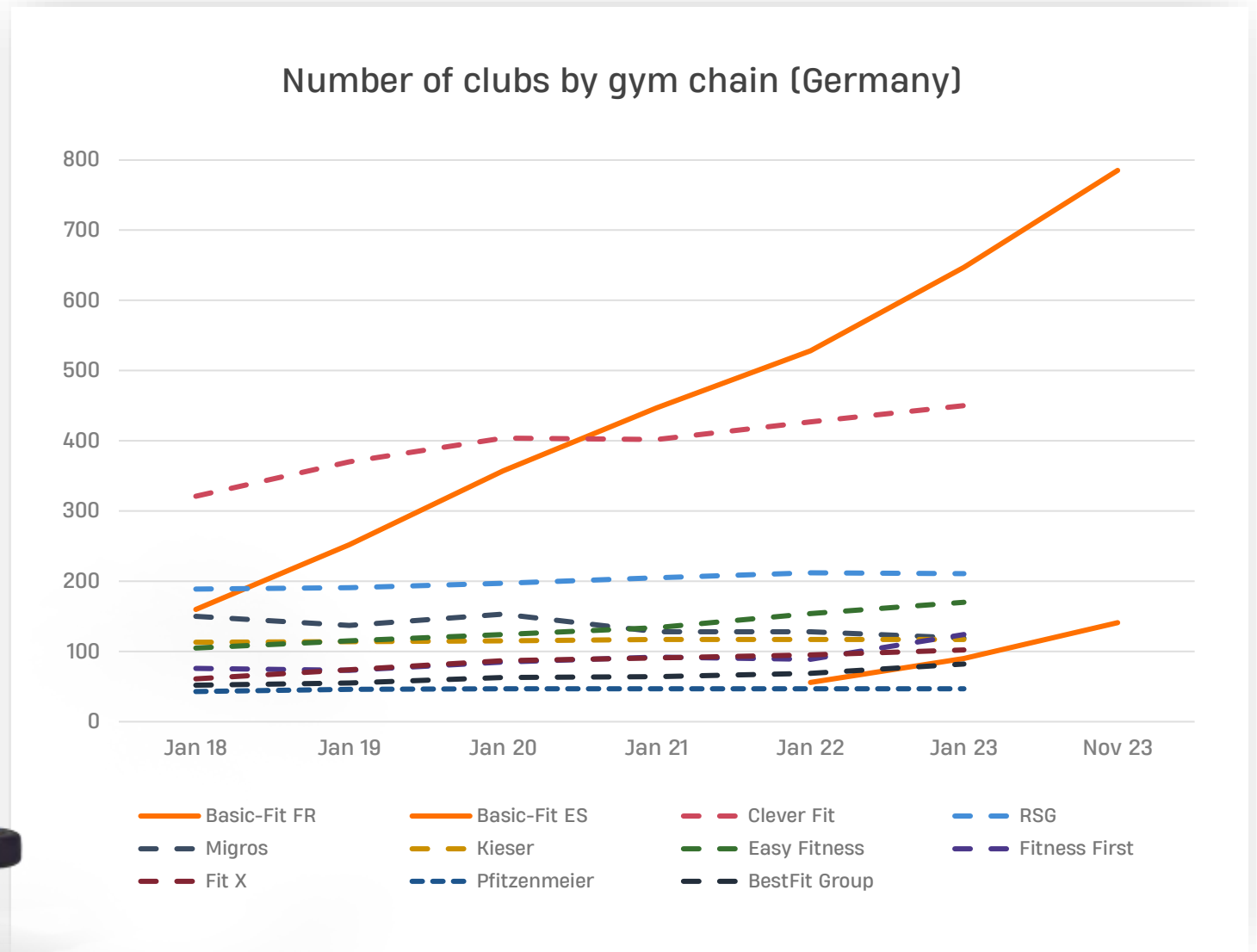
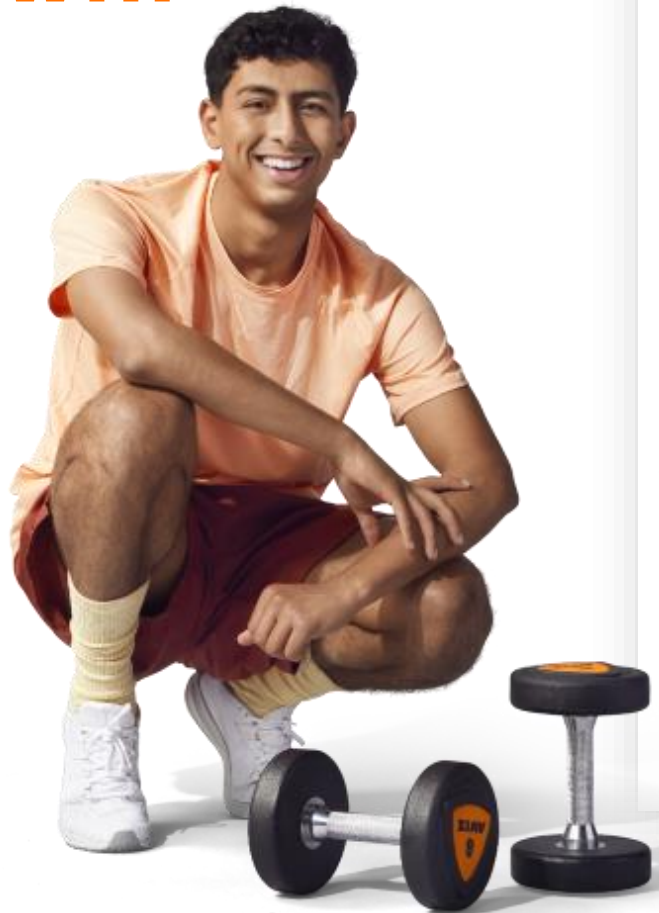
FRAGMENTED MARKET



CITY	POPULATION	MAJOR HVLP CHAINS	LARGEST CLUSTER	REGIONAL HVLP CHAINS	TOTAL CLUBS
BERLIN	3,755,251	MCFIT FITX CLEVERFIT	MCFIT 18 CLUBS	SUPERFIT FIT/ONE FIT STAR CRUNCH FIT	60
HAMBURG	1,892,122	MCFIT FITX CLEVERFIT EASY FITNESS	MCFIT 8 CLUBS	FIT/ONE XTRAFIT	26
MÜNCHEN	1,512,491	MCFIT FITX CLEVERFIT JUMPERS	CLEVERFIT 6 CLUBS	FIT/ONE FIT STAR	26
KÖLN	1,084,831	MCFIT AI FITNESS	MCFIT 6 CLUBS	FLEXX FITNESS XTRAFIT	23
FRANKFURT	773,068	MCFIT CLEVER FIT	MCFIT 3 CLUBS	FIT/ONE FIT STAR XTRAFIT	7
STUTTGART	632,865	MCFIT CLEVERFIT FITX JUMPERS	MCFIT 3 CLUBS	FIT/ONE	8
BRUSSELS	1,241,175	BASIC-FIT			48

WHY GERMANY?

LIMITED COMPETITOR GROWTH

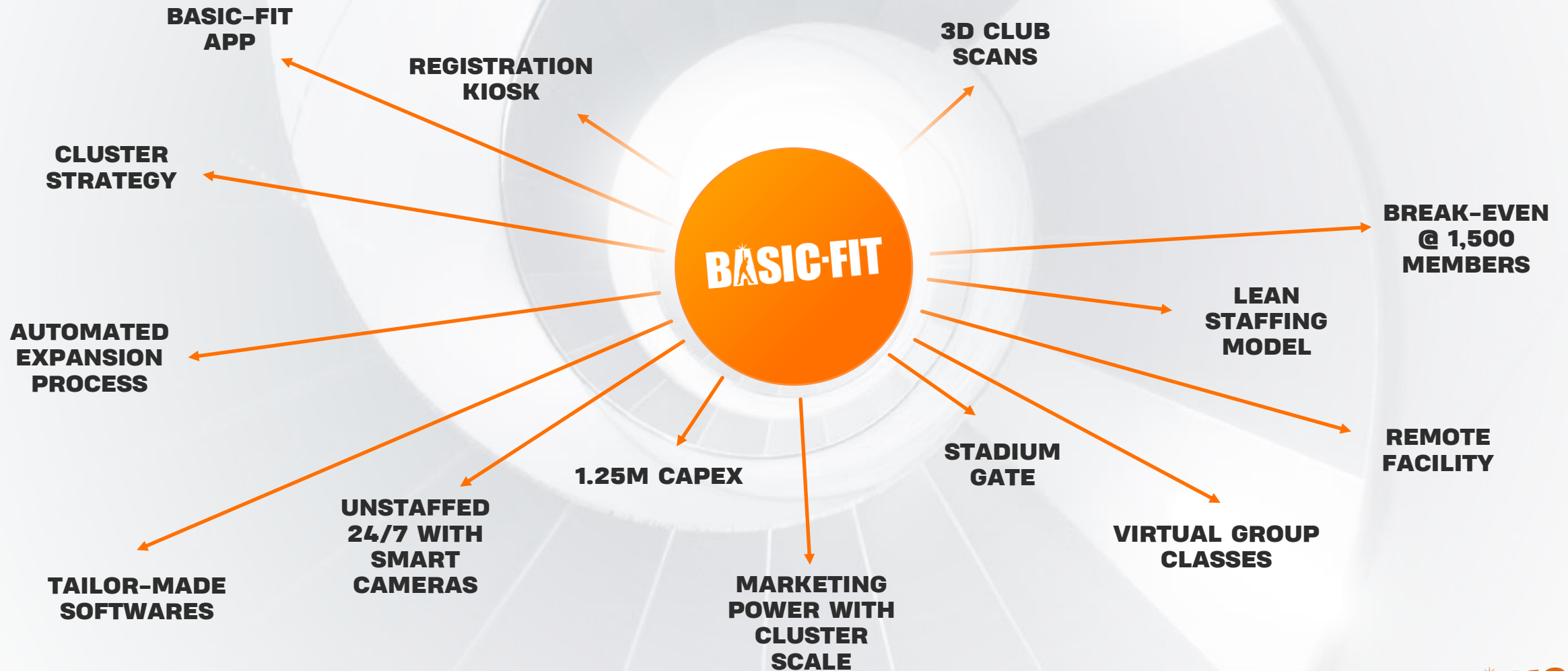


COMPETITOR GROWTH IS MOSTLY BASED ON ACQUISITIONS

NO OPERATOR IS SHOWING ORGANIC GROWTH LIKE BASIC-FIT

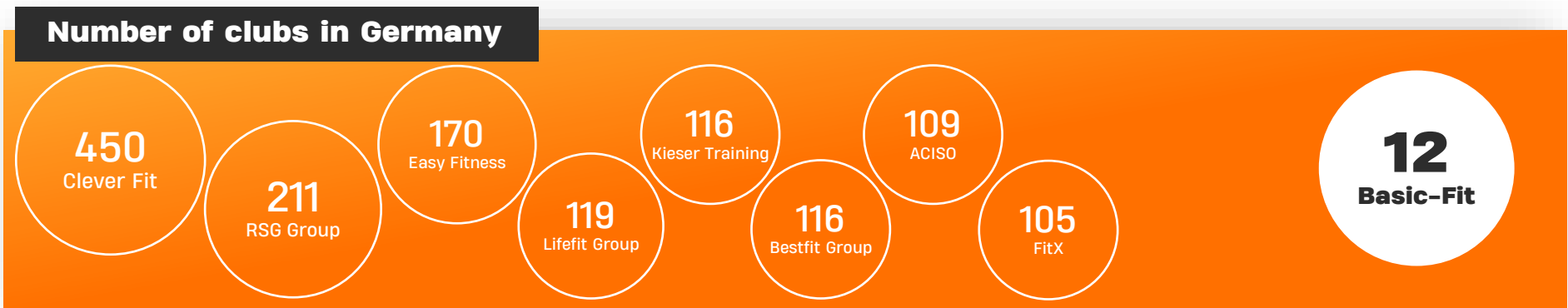
DATE	BRAND ACQUIRED	# CLUBS	SELLER	BUYER
Oct 2023	FLEXX Fitness	9	Private investors	BestFit Group / NORD Holding
Dec 2022	Fitness Loft	27	Private investors	LifeFit Group (Fitness First, ELBGYM,...)
Apr 2022	In Shape	12	Private investors	LifeFit Group (Fitness First, ELBGYM,...)
Jan 2022	ACISO	172	Migros	Lafayette Mittelstand Capital
Sep 2021	Marea Fitness	5	Private investors	Viva Fitness
Jul 2021	HYGIA	10	Private investors	Fitnessland
May 2021	Eurofit	5	Private investors	BestFit Group / NORD Holding
Feb 2021	Fitness4You	6	Private investors	MC Shape
Feb 2021	FIT/ONE	30	Private investors	Waterland Capital
Oct 2020	AI Fitness	28	Private investors	NORD Holding
Jan 2020	Meridian Spa & Fitness	8	Afinum Management & Private investors	David Lloyd Leisure
Jul 2019	Smile X	17	Private investors	LifeFit Group (Fitness First, ELBGYM,...)
Feb 2019	FT Club	N/A	Private investors	Migros Group

UNIQUE LOW BREAK-EVEN POINT WITH 1,500 MEMBERS THANKS TO STRONG OPERATIONAL EXCELLENCE FOCUS



COMPETITIVE LANDSCAPE IN GERMANY

NOVEMBER 2023 CLUB COUNT PER COUNTRY



RSG Group brands: McFit, HIGH5, John Reed, Gold's Gym
ACISO brands: INJOY, Elements & FT Club

Lifefit Group brands: Fitness First & ELBGYM
Bestfit Group brands: Jumpers & AI Fitness



[*] Brand charging a recurring service fee on top of the monthly subscription fee (between €15 and €30 every 6 months).

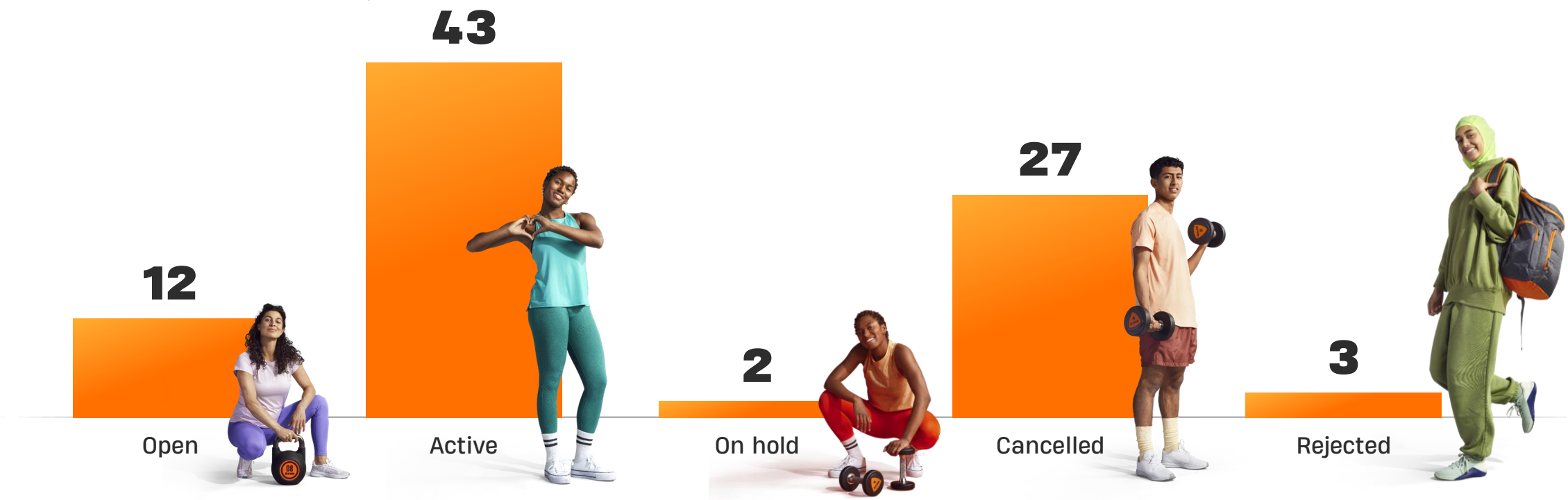


**980 LOCATIONS
ALREADY VISITED
IN GERMANY**

Crucial to build local market knowledge

RIGOUROUS SITE SELECTION DISCIPLINE
OF EVERY 11 LOCATIONS ANALYSED
ONLY 1 REACHED THE BOARD APPROVAL STAGE

Current new club approval analysis status (Total 87)



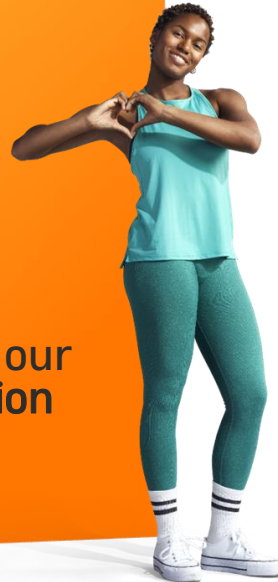
A CRUCIAL STEP TO BUILD MARKET KNOWLEDGE JUST LIKE IN FRANCE AND SPAIN IN THE PAST



Become experts
of each city in
2-3 weeks' time
(location & price)



Improve our
negotiation
position



Build strong
knowledge
of German
permit
process



Needed steps
for our future
accelerated
club roll-out



RIGOUROUS PREPARATION TO QUICKLY BECOME MARKET LEADER IN GERMANY



Strong clusters
in 5 to 8 cities
in the next 24
months



Other cities
are being
developed
simultaneously



2024 & 2025:
Build knowledge
& competences
in Germany



2026:
accelerated
roll-out (75+
openings per year)





“

OUR UNIQUE EXECUTION
CAPABILITIES **WILL**
LEAD US TO THE STRONG
MARKET LEADER POSITION
WE ALREADY HAVE IN
OUR OTHER MARKETS.

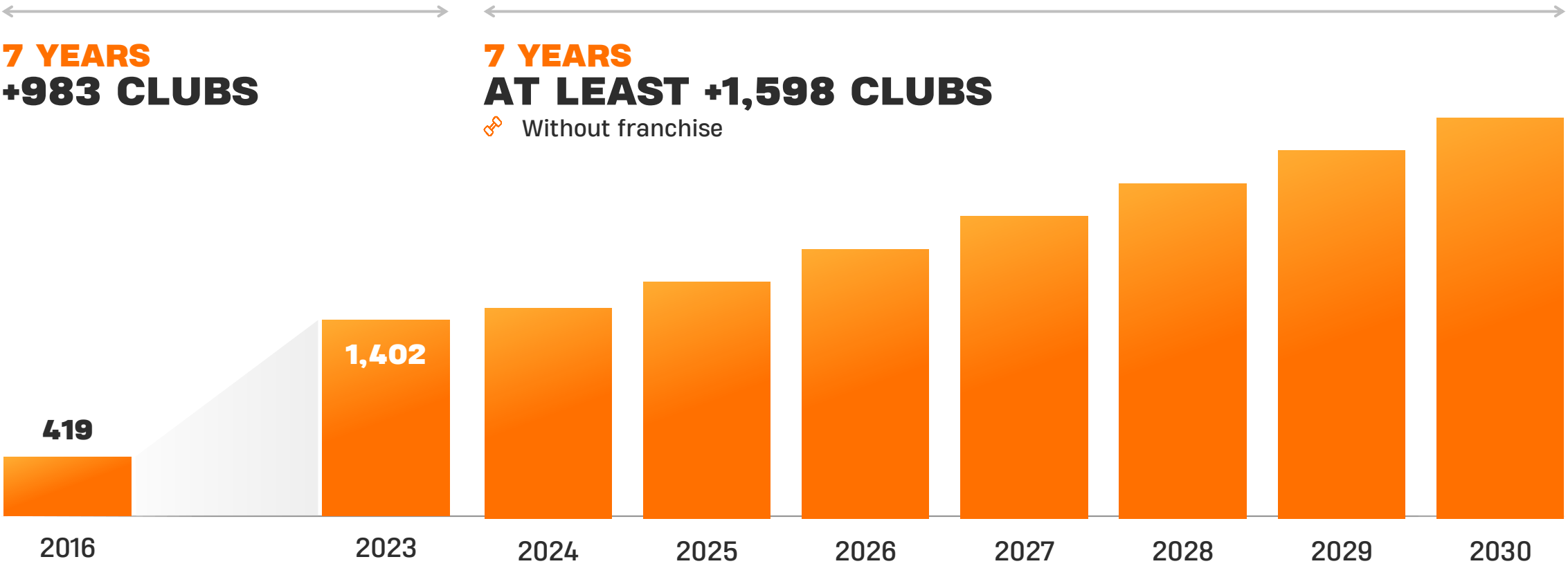
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CHAPTER

PIONEERS OF INNOVATION



SYSTEMS IN PLACE TO REACH 3,000+ CLUBS MILESTONE
AND WE KEEP INNOVATING TO IMPROVE EVEN MORE



UP TO 300 CLUBS / YEAR GUARANTEED WITH CURRENT PROCESS

18-24 MONTHS TO OPEN A CLUB

1

Initiating & Analysing

2

Defining & Planning

3

Executing

4

Accepting & Closing

51,261 tasks

✓ 15,314

↺ 35,947

✓ 1,666 tasks

↺ 17,474 tasks

✓ 9,724 tasks

↺ 14,343 tasks

✓ 2,769 tasks

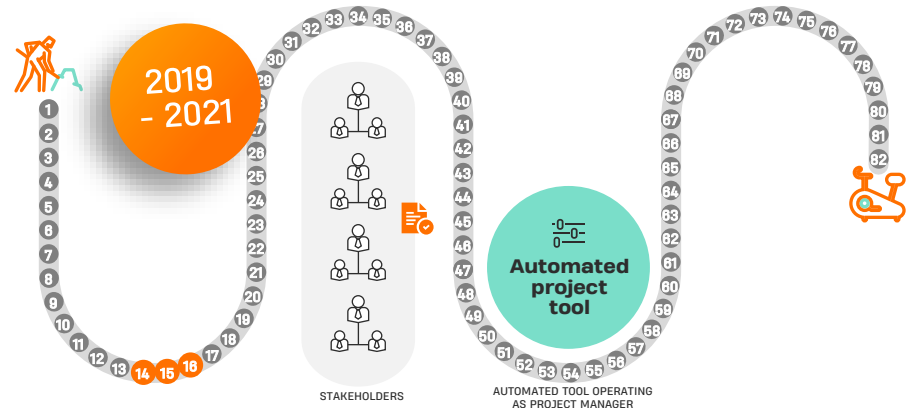
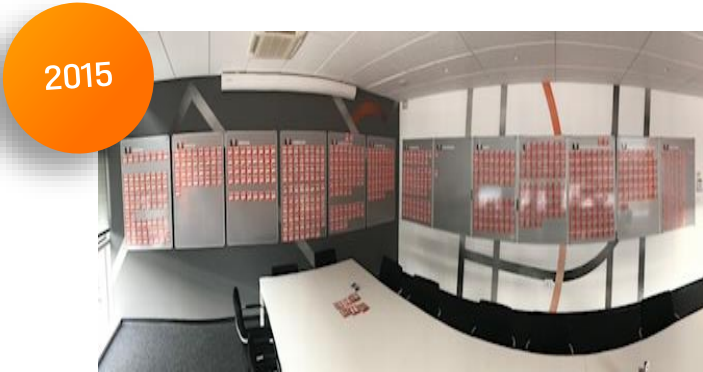
↺ 2,865 tasks

✓ 1,155 tasks

↺ 1,265 tasks

INNOVATIONS IN EXPANSION TECHNOLOGY OVER THE YEARS

FROM PHYSICAL BOARDS TO AUTOMATED PROJECT TOOL



Our solution

Create new expansion steps ? No 😊

Make the process even more efficient

SHORTEN EXPANSION PROCESS TIMELINE

HOW CAN WE MOVE FASTER & BE MORE IN CONTROL?



Several steps depend on external partners & authorities (obtaining permits, landlord's analysis & preparations, landlord works,...)



We analyzed the expansion steps with the longest delays, identified the cause of the delay and implemented solutions to speed up the task



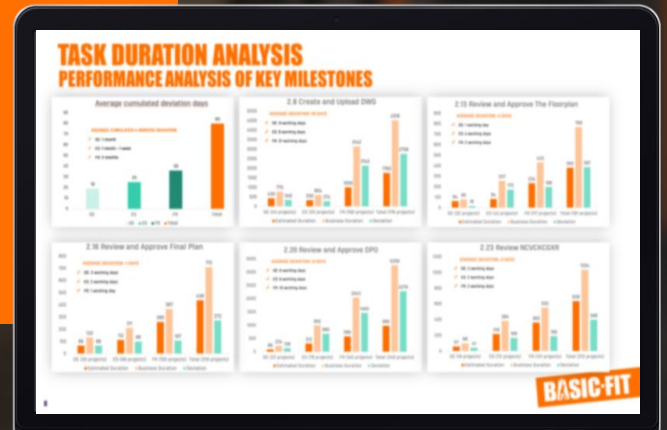
Goal was to reduce the average project time of **18-24 months** as much as possible:

By eliminating certain obstacles that were making us lose time

By giving our construction partners more support

By controlling our CAPEX budgets

By optimizing the commercial negotiations with the landlords



OUR LAUNCH IN GERMANY WAS A GREAT LABORATORY FOR IMPROVING OUR PROCESS



Launch with **7 new** German construction partners



800+ pages of guidelines to build a Basic-Fit gym according to our standards:

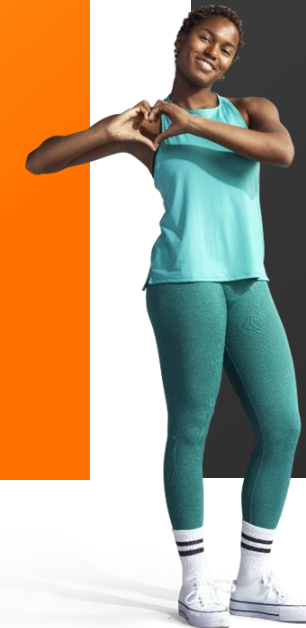
1. Brand book
2. Product catalogue
3. Pricing catalogue



Major lesson of 2022-2023:
It's not because you have a dictionary that you know all the words in it...



What solutions have we put in place?



3D SCAN OF EACH LOCATION **DURING** COMMERCIAL VISIT



+ **SPEED,**
+ **EFFICIENCY**
+ **CONTROL**



- **COSTS**
- **PRESSURE**

- 🔗 No more time wasted waiting for correct plans
- 🔗 Technical constraints immediately identified
- 🔗 Construction partner can perform technical visit with the right plans in hand



AUTOMATIC LAY-OUT DESIGN WITH ARTIFICIAL INTELLIGENCE



- 🔗 Proprietary AI tool incorporates 800+ pages of guidelines
- 🔗 Generates unlimited amount of possible lay-outs *(5 plans per second)*
- 🔗 Calculates the CAPEX of each option
- 🔗 Allows us to pick the most cost-efficient lay-out
- 🔗 Easy to adjust plans in case of technical constraints

INNOVATIONS AS GAME CHANGERS FOR THE FUTURE

MORE SPEED AND MORE CONCEPT & COSTS CONTROL



Less training needed
for partners



More control on club concept
from anywhere in the world



Faster negotiations with
landlord & more professional approach



Quick cost saving decisions
with less dependency on partners (lay-out, acoustic,...)



Shorten the
18-24 months expansion process



Easier for our teams and
our partners to keep track of the many projects



On top of our existing expansion capabilities
these improvements will be game changers
for our future (franchise) plans



BASIC-FIT

CHAPTER

CONCLUSION



WE ARE ON TRACK TO ACHIEVE WHAT WE PROMISED

