

The Actic logo features the word "ACTIC" in a bold, black, sans-serif font, slanted upwards to the right. It is positioned in the top left corner of the page, partially overlapping a dark blue triangular graphic element.

ACTIC

Q4



Year-end Report 1 January–31 December 2018

Actic Group AB

“Change initiatives impacted quarterly earnings – enhanced customer focus for profitable growth has highest priority”

Year-end Report 2018

"We have started change initiatives that impacted earnings by SEK 10 million in the fourth quarter. The underlying operation's financial trend is in line with the preceding year, which is unsatisfactory given the acquisitions that were made. To drive a customer-focused agenda moving forward that strengthens our member base and gives profitable growth has highest priority"

Anders Carlbark, CEO

Fourth quarter – October to December 2018

- Net sales rose to SEK 238.2 million (229.2), up 4%, of which 0% was organic.
- Adjusted EBITDA amounted to SEK 24.1 million (33.9), corresponding to a margin of 10.1% (14.8).
- Earnings were impacted by non-recurring items of SEK 10 million.
- EBIT amounted to negative SEK 0.4 million (pos: 11.1).
- Net profit for the period was SEK 0.3 million (1.6).
- Earnings per share before and after dilution amounted to SEK 0.02 (0.10).

Full-year 2018

- Net sales rose to SEK 941.2 million (881.2), up 7%, of which 0% was organic.
- Adjusted EBITDA amounted to SEK 142.2 million (144.2), corresponding to a margin of 15.1% (16.4).
- EBIT amounted to SEK 46.8 million (32.7).
- Net profit for the period was SEK 22.9 million (loss: 5.4).
- Earnings per share before and after dilution amounted to SEK 1.44 (neg: 1.53).
- The operations in Finland were divested on 1 July 2018.
- The Board of Directors proposes to the Annual General Meeting a dividend of SEK 0.50 (0.50) per share.

Key financial data

Figures in SEK million	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	238.2	229.2	941.2	881.2
Adjusted EBITDA	24.1	33.9	142.2	144.2
Adjusted EBITA	8.7	19.2	80.1	84.8
Adjusted EBITA margin, %	3.6	8.4	8.5	9.6
EBIT	-0.4	11.1	46.8	32.7
Net profit/loss for the period	0.3	1.6	22.9	-5.4
Earnings per share before and after dilution, SEK	0.02	0.10	1.44	-1.53
Cash flow from operating activities	33.6	52.0	132.7	103.2
Cash flow for the period	47.4	-13.0	64.4	17.0
Average number of shares before and after dilution, thousands	15,897	15,897	15,897	12,122
Equity/assets ratio, %	43.7	43.7	43.7	43.7
Total ARPM, SEK	360	349	346	339

For definitions of key financial data, see page 16.

Clubs and members

	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Number of clubs at the end of the period	177	178	177	178
Number of members at the end of the period	220,355	225,133	220,355	225,133
Average number of members during the period	220,836	219,169	226,610	216,666
Average number of full-time equivalent employees	800	792	796	752

	Openings last 0-12 months	Openings last 12-24 months	Mature clubs	Total clubs
Nordics	2	4	146	152
Germany	3	2	20	25

On average, a mature club in the Nordic segment generates annual revenues of SEK 6.0 million and an EBITDA of SEK 1.3 million after allocation of joint contributions. For the German segment, the corresponding figures are SEK 3.4 million and SEK 0.2 million respectively.

Change initiatives impacted quarterly earnings – enhanced customer focus for profitable growth has highest priority

We have started change initiatives that impacted earnings by SEK 10 million in the fourth quarter. The underlying operation's financial trend is in line with the preceding year, which is unsatisfactory given the acquisitions that were made. To drive a customer focused agenda moving forward that strengthens our member base and gives profitable growth has highest priority.

Personal reflections

As the new CEO of Actic and being new to the industry, I have prioritised my time, since taking on my position in December, to creating an image of our business by meeting personnel and visiting as many clubs as possible. I have managed to visit more than 50 clubs in Sweden, Norway and Germany and can say that we have a broad and competitive offering, but one that needs to be further redesigned and become more efficient.

From our recently completed member survey, I can see that we need to become faster at correcting the factors that have a negative impact on our members' experience at the gym. As a direct measure, we have made it a priority that all our machines should be functioning and cleanliness assured in accordance with our customer promise. During the spring, we will assign priority to investments aimed at redesigning our largest clubs, where we have the best prerequisites for increasing our member base and profitability. Despite these measures, I see a challenging first six months ahead before our work generates effects on sales and profitability.

My focus is to create a plan that, strengthening our member base and our profitability in the long term, that will be presented to the Board of Directors during the first half of the year.

Continued robust PT trend

Personal training is an important and expanding share of revenue in the Nordic segment. During the year, the operation grew by 23 percent to make sales totalling SEK 107 million. Our PT operations thus accounted for a share of more than 11% of our net sales. Although far from all of our clubs are adapted for PT operations, the assessment is that



there is still favourable growth potential, since there are players in our industry that have a share in excess of 20 percent.

Acquisitions in Norway

In November, we signed an agreement to acquire the operations of Asker Treningssenter AS, in Norway, which operates three very attractive clubs in the Oslo area, with about 5,000 members. As well as giving us a stronger platform in the Norwegian market, Asker has a broad and well-developed offering that we can further develop in Norway and build on within the Group. The operation, which was transferred on 1 January 2019, generates annual sales of nearly SEK 40 million with favourable profitability. Asker is an important main club with strong PT operations, to which we will relocate our regional head office.

Actic Academy

During the quarter, most of the Group's more than 3,000 employees underwent training outside ordinary working hours in Actic Academy, with a focus on core values and work approach. The focus was primarily our proprietary "7 Forces" concept, which ensures our customer interaction and creates a behaviour among our employees who, in their contact with the customer, provide inspiration for a healthier lifestyle through training. One of the goals of this Group-wide venture is increased customer loyalty so that we retain more members.

Start of the high season

This year, we have chosen to go into the high season with a full-price offering, resulting in a positive effect on the price of cards sold in the range of 10%. However, it has resulted in a negative impact on the number of cards sold. The number of members at the end of January was slightly more than 230,000. As stated, a customer-focused agenda that further strengthens our member base and drives profitable growth has the highest priority.

Solna, February 2019

Anders Carlbark



Operations

Fourth quarter

Net sales in the quarter amounted to SEK 238.2 million (229.2), a growth of 4%. Acquisitions contributed SEK 10.2 million. Measured at fixed-exchange rates, organic growth was 0. Currency effects affected net sales positively by SEK 2.7 million and divested operations had a negative effect of SEK 3.6 million. Adjusted EBITDA amounted to SEK 24.1 million (33.9), corresponding to an adjusted EBITDA margin of 10.1% (14.8). Earnings were charged with non-recurring items totalling SEK 10 million pertaining to training in Actic Academy, costs for external consultants in conjunction with additions to the Group's accounting system, provisions attributable to rental disputes in progress and German receivables. EBIT amounted to a negative SEK 0.4 million (pos: 11.1).

Full-year

Net sales in the period amounted to SEK 941.2 million (881.2), representing growth of 7%. Acquisitions contributed SEK 60.1 million. The extremely hot and sunny weather in the Nordic region during the spring and summer resulted in a decline in gym card sales and visitors to the facilities for a significant part of the year. Currency effects had a positive effect of SEK 9.4 million on net sales. Growth was attributable to acquired operations in the Nordic countries and to new establishments in Germany. The membership base amounted to 220,355 (225,133) at the end of the period, by which it should be noted that the divested Finnish clubs and the discontinued contract in Högdalen reduced the base by more than 7,000 members during the second half of the year. Adjusted EBITDA amounted to SEK 142.2 million (144.2), corresponding to an adjusted EBITDA margin of 15.1% (16.4), which, adjusted for the effect of IFRS 15, would have been 15.7%. Items affecting comparability amounted to SEK 0 million (expense: 25.6). EBIT amounted to SEK 46.8 million (32.7). Earnings for the year were negatively impacted by the hot summer period and were charged with the above non-recurring costs, which were offset by the acquisitions made and the degree of maturity in the German clubs.

Financial income and expenses – full-year

Financial expenses amounted to SEK 23.5 million (40.8) and financial income totalled SEK 8.6 million (6.7). The financial expenses were attributable to interest expenses for loan financing, while financial income mainly pertained to exchange-rate differences.

The financial expenses were lower in 2018 compared with the preceding year, when the liabilities declined and were renegotiated in conjunction with the new share issue and stock exchange listing.

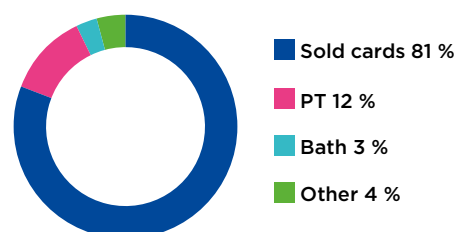
Tax – full-year

The earnings impact of tax for the period amounted to an expense of SEK 8.9 million (expense: 4.0). The effective tax rate is 28.0%, which was primarily impacted by uncapitalised loss carryforwards in Germany and the restatement of deferred tax as a result of new tax rates.

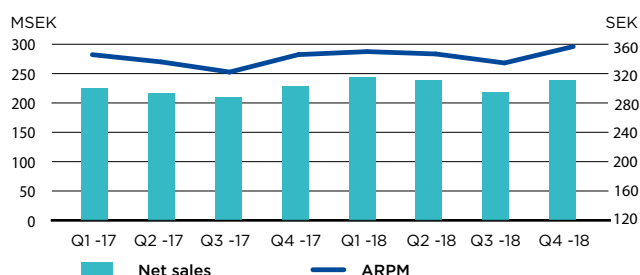
Consolidated profit/loss – full-year

Consolidated net profit amounted to SEK 22.9 million (loss: 5.4), corresponding to earnings per share before and after dilution of SEK 1.44 (loss: 1.53).

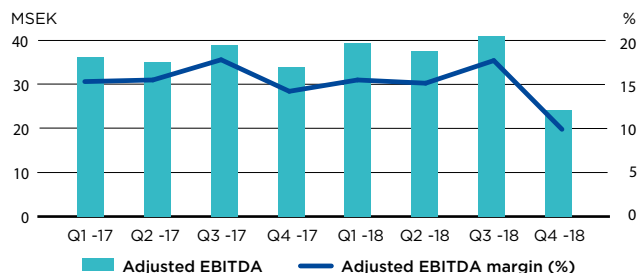
NET SALES PER CATEGORY, Q4



NET SALES & ARPM



ADJUSTED EBITDA & EBITDA MARGIN



Sales and earnings per operating segment

Actic conducts operations in two operating segments. Actic's largest operating segment is the Nordics, which comprises its operations in Sweden and Norway. The operation has gradually expanded since 1981. The Nordics are home to just over 750

swimming halls and Actic conducts operations in approximately 100 of these. Actic's second operating segment comprises Germany and Austria, where the company primarily operates Gym & Swim clubs.

REVENUES PER OPERATING SEGMENT, SEK MILLION

	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Nordics	217.0	213.2	861.9	818.4
<i>of which, Gym card</i>	<i>174.0</i>	<i>170.7</i>	<i>701.9</i>	<i>673.4</i>
Germany	21.2	16.0	79.3	62.8
<i>of which, Gym card</i>	<i>19.8</i>	<i>15.2</i>	<i>74.3</i>	<i>58.5</i>
Total net sales	238.2	229.2	941.2	881.2
<i>of which, Gym card</i>	<i>193.8</i>	<i>185.9</i>	<i>776.2</i>	<i>731.9</i>

ADJUSTED EBITDA AND RECONCILIATION WITH THE GROUP'S EARNINGS BEFORE TAX, SEK MILLION

	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Nordics	30.9	39.9	167.8	173.9
Germany	0.1	2.4	3.7	3.3
Shared Group expenses	-6.9	-8.4	-29.3	-33.0
Adjusted EBITDA total	24.1	33.9	142.2	144.2
Items affecting comparability	0.0	-0.6	0.0	-25.6
Depreciation	-24.5	-22.1	-95.4	-86.0
EBIT	-0.4	11.1	46.8	32.7
Financial net	-3.3	-3.1	-14.9	-34.1
EBT	-3.7	8.0	31.9	-1.4

Nordics operating segment

Net sales in the fourth quarter amounted to SEK 217.0 million (213.2), corresponding to growth of 2%. After adjustment for the divestment of the facilities in Finland, growth was 3%. EBITDA amounted to SEK 30.9 million (39.9) corresponding to a margin of 14.3% (18.7). Earnings were charged with expenses of SEK 6.5 million attributable to provisions for rental disputes in progress, the training of all personnel in Actic Academy and external consultants in conjunction with additions to the new accounting system.

Net sales for the Nordics segment during the period amounted to SEK 861.9 million (818.4), corresponding to growth of 5%. EBITDA amounted to SEK 167.8 million (173.9) corresponding to a margin

of 19.5% (21.3). For the full-year, average revenue per member (ARPM) increased 2% to SEK 350 (344) per month. The ARPM was negatively impacted by price campaigns aimed at increasing the sales of membership cards during the hot summer months.

In July, Actic divested its Finnish subsidiary that operated three facilities, which, until the divestment, had sales of SEK 7.5 million with an EBITDA of SEK 0.5 million in 2018. The facilities in question had sales of about SEK 15 million in 2017. The transaction generated a capital gain of SEK 1.3 million and had a marginal positive impact on Actic's earnings per share for the current year. At the end of the period, there were 152 clubs.

German operating segment

Net sales in the fourth quarter amounted to SEK 21.2 million (16.0), corresponding to growth of 33%. EBITDA amounted to SEK 0.1 million (2.4) corresponding to a margin of 0.5% (15.0). Earnings were charged with provisions of SEK 1.5 million attributable to doubtful receivables and higher personnel costs due to training in Actic Academy.

Net sales for the Germany segment amounted to SEK 79.3 million (62.8) during the period, corresponding to growth of 26%. EBITDA amounted to SEK 3.7 million (3.3) corresponding to a margin of 4.7% (5.3). New establishments that are not yet mature, the provision named above and due diligence costs recognised directly in earnings had an adverse impact. The membership base increased 18% to 22,575 members at the end of 2018 and for the full-year, average revenue per member (ARPM) increased 8% to SEK 306 (283) per month. At the close of the period, there were 25 clubs, with no change since the preceding report.

SEASONAL VARIATIONS

Actic's operations are subject to seasonal variations related to the level of activity at the clubs, which is highest in the first quarter of the year. After activity levels decline at the end of the second quarter, member flows and activities at the clubs increase again after the summer months at the end of the third quarter. The introduction of IFRS 15 comprised an equalising factor on revenue over the financial year, see also Note 2.



Financial position

PERSONNEL

The number of full-time equivalent employees in 2018 totalled 796, compared with 752 for full-year 2017. This increase in the number of employees was mainly attributable to acquisitions and new establishments.

PARENT COMPANY

Net loss for the year was SEK 0.1 million (profit: 18.7). Equity at the end of the period totalled SEK 825.7 million, compared with SEK 833.8 million at 31 December 2017.

CASH FLOW, CASH AND CASH EQUIVALENTS

Cash flow from operating activities totalled SEK 132.7 million (103.2). Cash funds amounted to SEK 130.6 million (66.1) at the end of the period. Available unutilised loans amounted to SEK 62 million at the end of the period, compared with SEK 73 million on 31 December 2017.

EQUITY AND LIABILITIES

The equity/assets ratio was 43.7% at the end of the period, compared with 43.7% at 31 December 2017. Interest-bearing liabilities amounted to SEK 521.5 million at the end of the period compared with SEK 506.5 million at year-end 2017. Net debt of SEK 390.9 million in relation to adjusted EBITDA for 2018 gave a ratio of 2.7, compared with 3.1 for full-year 2017.

INVESTMENTS

In full-year 2018, the company invested SEK 63.7 million in tangible fixed assets, with most of the amount earmarked for newly opened clubs and the upgrade of existing clubs. SEK 12.2 million was invested in intangible fixed assets, mainly accounting systems, the new digital platform and the new app for members.

EVENTS DURING THE PERIOD

Anders Carlbark became the new CEO on 1 December. Anders joins Actic after a decade at H&M where he spent the last two years as Global Head of Merchandising. Previously, he was Area Manager at Lidl.

Actic divested all of its three facilities in Finland. The facilities in question had sales of about SEK 15 million in 2017, and the purchaser acquired the

existing personnel and contracts as of 1 July. The transaction had a marginal positive impact on Actic's earnings per share in 2018.

EVENTS AFTER THE END OF THE PERIOD

In November, Actic signed an agreement to acquire the operations of Asker Treningscenter AS, which operates three clubs in Asker, Norway, with a total of 5,000 members. Asker Treningscenter has annual sales of nearly SEK 40 million and is expected to make a positive contribution to the Group's EBITDA margin going forward. The transfer of the three facilities occurred on 1 January 2019, instead of December 2018 as communicated earlier.

ANNUAL GENERAL MEETING

Actic's Annual General Meeting will be held in Solna on 16 May 2019. Shareholders who wish to have a matter addressed at the Annual General Meeting should submit their motions to the Board of Directors not later than 31 March 2019 to guarantee that the motion can be included in the notification of the Annual General Meeting. Motions should be submitted by post to: Actic Group AB (publ), Box 1805, SE-171 21 Solna, Sweden, or by e-mail to: ir@actic.se.

DIVIDEND

The Board of Directors and CEO have resolved to propose to the Annual General Meeting a dividend of SEK 0.50 (0.50) per share, corresponding to a total of SEK 8 million (8).



MATERIAL RISKS AND UNCERTAINTIES

Actic is exposed to a number of business and financial risks. The company's business risks can be divided into three categories: strategic, operational and legal risks. Among other factors, the company's financial risks are attributable to exchange rates, interest rates, liquidity and credit granting. Risk management within the Actic Group aims to identify, control and reduce these risks. This is accomplished through an assessment of risk probability and the potential impact on the Group. The company's risk assessment is unchanged compared with the risk scenario presented on pages 81–83 of the 2017 Annual Report. The Parent Company's risks and uncertainties are indirectly the same as those of the Group.

LEASING AGREEMENT – IFRS 16

IFRS 16 Leases applies for the financial year beginning 1 January 2019. Actic mainly has many leases with entirely or partially fixed rent and, accordingly, the new accounting standards have a considerable impact on the consolidated income statement and balance sheet. The portion of the lease expense that is sales-based is subject to the change in standard but not included in the liability calculation. To simplify comparability in future reporting in 2019, the Actic Group intends to use a full retrospective approach for the transition to the new standards.

According to the new standard, the fixed portion of the lease expense will be replaced by amortisation of rights-of-use and interest on the lease liability. In the cash-flow statement, total cash flow will remain unchanged, but a reclassification will occur between cash flow from operating activities and cash flow from financing activities.

Gross accounting of use assets and lease liabilities will take place in the consolidated balance sheet. Initially, equity will be negatively impacted by the interest expense for the lease liability always being higher at the beginning of the term of a lease, while depreciation will take place straight-line.

The change mainly impacts the Group's recognised lease expense. A minor effect also arises for cars recognized earlier as operating leases and for two leaseholds. Otherwise, the Group formerly recognised equipment for gym operations according to the standards for finance leases, which will not lead to any difference in relation to IFRS 16.

The effects of the application of IFRS 16 were calculated as follows:

IFRS 16 effects on the balance sheet

SEK million	31 Dec 2018	1 Jan 2018
Right-of-use assets	676	667
Deferred tax assets	9	9
Prepaid lease expenses	-21	-20
	664	666
Equity	-37	-33
Lease liabilities	701	669
	664	666

IFRS 16 effects on the income statement

	Jan-Dec 2018
Other operating expenses	140
Depreciation	-116
Interest expenses	-27
Deferred tax	0
	-3

OUTLOOK

Actic does not publish forecasts.

Solna, 14 February 2019

Anders Carlbark
President and CEO

The information in this year-end report is of the type that Actic Group AB (publ) is required to disclose according to the Securities Market Act. The information was submitted for publication on Thursday, 14 February at 7:45 a.m. (CET).

Condensed consolidated income statement

SEK 000s	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	238,229	229,244	941,196	881,206
Other operating income	8,543	7,956	33,714	29,121
Total revenue	246,772	237,200	974,910	910,326
Personnel costs	-101,300	-93,842	-366,878	-354,196
Other operating expenses	-121,337	-110,122	-465,862	-437,508
Depreciation of tangible and intangible assets	-24,490	-22,113	-95,377	-85,961
EBIT	-356	11,125	46,793	32,661
Financial net	-3,323	-3,096	-14,929	-34,088
Profit/loss before tax	-3,678	8,029	31,864	-1,427
Tax	3,981	-6,422	-8,926	-3,976
Net profit/loss for the period	302	1,606	22,938	-5,403
of which, attributable to Parent Company shareholders	302	1,606	22,938	-5,403
Profit/loss per share				
before dilution (SEK)	0.02	0.10	1.44	-1.53
after dilution (SEK)	0.02	0.10	1.44	-1.53

Consolidated statement of comprehensive income

SEK 000s	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net profit/loss for the period	302	1,606	22,938	-5,403
Other comprehensive income				
Items that have been transferred or may be transferred to net profit for the year				
Translation differences for the year on translation of foreign operations	-12,477	-3,524	5,238	-9,821
Total other comprehensive income	-12,477	-3,524	5,238	-9,821
Comprehensive income for the period	-12,175	-1,918	28,176	-15,224

Condensed consolidated financial position

SEK 000s	31 Dec 2018	31 Dec 2017
Assets		
Intangible fixed assets	854,784	870,650
Tangible fixed assets	336,773	333,766
Deferred tax assets	6,770	5,163
Total fixed assets	1,198,327	1,209,579
Other current assets	103,215	111,383
Cash and cash equivalents	130,580	66,078
Total current assets	233,795	177,461
Total assets	1,432,122	1,387,040
Equity and liabilities		
Equity attributable to Parent Company shareholders	625,866	605,638
Non-current interest-bearing liabilities	470,588	466,252
Deferred tax liabilities	31,532	27,766
Total non-current liabilities	502,120	494,018
Current interest-bearing liabilities	50,891	40,219
Other current liabilities	253,246	247,166
Total current liabilities	304,137	287,385
Total liabilities	806,256	781,402
Total equity and liabilities	1,432,122	1,387,040

Consolidated statement of changes in equity, condensed

SEK 000s	31 Dec 2018	31 Dec 2017
Equity at the beginning of the period	605,638	364,515
Comprehensive income for the period	28,176	-15,224
New share issue, net	-	256,346
Dividend to shareholders	-7,948	-
Equity at the end of the period	625,866	605,638

Condensed consolidated statement of cash flows

SEK 000s	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Operating activities				
Profit/loss before tax	-3,677	8,029	31,865	-1,427
Adjustments for non-cash items	17,267	21,445	95,715	104,116
Income tax paid	-7,449	299	-11,052	-5,544
Cash flow from operating activities before changes in working capital	6,141	29,773	116,528	97,145
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in inventory	286	238	2,478	954
Increase (-)/Decrease (+) in operating receivables	10,413	-10,071	7,654	-16,589
Increase (+)/Decrease (-) in operating liabilities	16,713	32,066	6,075	21,701
Cash flow from operating activities	33,553	52,006	132,735	103,211
Investing activities				
Acquisition of tangible fixed assets	-19,209	-39,690	-63,696	-90,550
Divested tangible fixed assets	135	-	135	-
Investment contributions received	-	-	-	5,916
Acquisition of intangible fixed assets	-3,207	-3,742	-12,219	-21,960
Acquisition of subsidiaries/operations, net liquidity effect	-	-46,881	-	-73,402
Divestment of subsidiaries, net liquidity effect	1,814	-	1,032	-
Cash flow from investing activities	-20,467	-90,312	-74,748	-179,997
Financing activities				
New share issue	-	-	-	252,499
Loans raised	37,754	30,673	55,962	487,800
Repayment of debt	-	-	-20,000	-625,700
Repayment of leasing debt	-3,422	-5,381	-21,639	-20,764
Dividends paid to Parent Company shareholders	-	-	-7,948	-
Cash flow from financing activities	34,332	25,292	6,375	93,835
Cash flow for the period	47,418	-13,015	64,362	17,050
Cash and cash equivalents at the beginning of the period	83,502	79,091	66,077	49,057
Exchange-rate difference in cash and cash equivalents	-340	1	141	-29
Cash and cash equivalents at the end of the period	130,580	66,078	130,580	66,078

Parent Company condensed income statement

SEK 000s	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Net sales	1,832	1,402	4,014	11,954
Personnel costs	-3,191	-2,148	-7,420	-19,163
Other operating expenses	-92	-925	-5,025	-10,625
Amortisation and impairment of intangible fixed assets	-6	-6	-26	-25
EBIT	-1,457	-1,678	-8,457	-17,859
Financial net	-61	-1	-387	-1,656
Appropriations	8,728	43,499	8,728	43,499
Profit/loss before tax	7,210	41,820	-116	23,984
Tax	-1,588	-8,849	0	-5,284
Net profit/loss for the period	5,622	32,970	-116	18,700

Net profit/loss for the period corresponds to comprehensive income for the period for the Parent Company.

Parent Company's condensed balance sheet

SEK 000s	31 Dec 2018	31 Dec 2017
Financial fixed assets	794,803	794,803
Intangible fixed assets	157	110
Total fixed assets	794,960	794,913
Total current receivables	33,674	45,820
Total current assets	33,674	45,820
Total assets	828,634	840,733
Restricted equity	753	753
Non-restricted equity	824,932	832,997
Total equity	825,685	833,750
Total current liabilities	2,949	6,983
Total equity and liabilities	828,634	840,733

Quarterly data

Amount in SEK, Group	2018 Q4	2018 Q3	2018 Q2	2018 Q1	2017 Q4	2017 Q3
Net sales	238.2	219.3	239.5	244.2	229.2	209.1
Adjusted EBITDA	24.1	40.9	37.7	39.5	33.9	39.0
Adjusted EBITDA margin, %	10.1	18.6	15.8	16.2	14.8	18.7
Items affecting comparability	-	-	-	-	0.6	-1.2
Adjusted EBITA	8.7	24.6	22.7	24.1	19.2	23.6
Adjusted EBITA margin, %	3.6	11.2	9.5	9.9	8.4	11.3
EBIT	-0.4	17.7	14.5	14.9	11.1	17.7
Net profit for the period	0.3	8.8	6.8	7.0	1.6	12.8
Cash flow from operating activities	33.6	36.7	12.1	50.4	52.0	27.7
Total ARPM, SEK	360	334	350	353	349	324

Notes to the financial statements

NOTE 1 REPORTING UNITS

The Parent company Actic Group AB is a Swedish public limited-liability company, with corporate registration number 556895-3409. This consolidated year-end report for the period ending 31 December 2018 encompasses the company and its subsidiaries, collectively referred to as the Group.

NOTE 2 ACCOUNTING POLICIES

This condensed consolidated interim report was prepared in accordance with IAS 34 Interim Financial Reporting together with the applicable provisions in the Annual Accounts Act. The Parent Company's accounts have been prepared pursuant to Chapter 9 of the Annual Accounts Act, Quarterly Reports. In addition to the financial statements and the accompanying notes, other sections of the interim report also contain disclosures in accordance with IAS 34.16A.

For both the Group and the Parent Company, the same accounting policies and estimation basis have been applied as in the most recent Annual Report, with the exception of the amended accounting policies described below.

New and amended IFRS standards (IFRS 15 and IFRS 9) and interpretations and amendments to RFR 2 and RFR 1 that came into effect for the 2018 financial year.

IFRS 9 has had no impact on the Group's or the Parent Company's financial statements.

IFRS 15 has impacted the Group's net sales to the extent that recognition of the initial membership fee for new members is now allocated of the initial membership period, normally 12 months, instead of being recognised directly when membership is taken. Since no restatement has been performed for previous periods, this entailed a negative impact on net sales for 2018. This effect is expected to amount to around SEK 6.3 million for the 1 January–31 December 2018 period.

NOTE 3 ESTIMATES AND JUDGEMENTS

In the preparation of an interim report, management is required to make judgements and estimates as well as assumptions that impact the application of the accounting policies and the amounts recognised with respect to assets, liabilities, revenue and expenses. The actual outcome may deviate from these estimates and judgements. The company's critical judgements and sources of uncertainty in estimates are the same as those reported in the most recent Annual Report.

NOTE 4 EQUITY

For 2018, a dividend was paid for 2017 of SEK 0.50 per share.

NOTE 5 FINANCIAL INSTRUMENTS

Only low value derivatives contracts were entered into for the period ending 31 December 2018.

NOTE 6 TRANSACTIONS WITH RELATED PARTIES

The nature and scope of the company's transactions with related parties has not changed materially compared with the information disclosed in the 2017 Annual Report.

NOTE 7 ALTERNATIVE PERFORMANCE MEASURES

To increase the understanding of the development of the operations and the financial status of Actic Group, Actic presents some alternative performance measures in addition to the conventional financial ratios established by IFRS. However, these alternative performance measures should not be considered as a substitute for the financial information presented in the financial statements in accordance with IFRS. The reconciliations presented in the tables below are to be read together with the definitions on page 16.

Adjusted EBITA, EBITDA and margins

Amounts in SEK 000s	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
EBIT	-356	11,125	46,793	32,661
Reversal of amortisation of intangible fixed assets	9,013	7,472	33,315	26,545
EBITA	8,657	18,597	80,108	59,206
Costs attributable to acquisitions and disposals	-	649	-	1,366
Listing-related expenses	-	-	-	24,200
Adjusted EBITA	8,657	19,246	80,108	84,772
Reversal of depreciation of tangible fixed assets	15,477	14,641	62,062	59,416
Adjusted EBITDA	24,135	33,886	142,170	144,188
Net sales	238,229	229,244	941,196	881,206
Adjusted EBITA margin, %	3.6	8.4	8.5	9.6
Adjusted EBITDA margin, %	10.1	14.8	15.1	16.4

Net debt and net debt/adjusted EBITDA ratio

Amounts in SEK 000s	Oct-Dec 2018	Oct-Dec 2017	Jan-Dec 2018	Jan-Dec 2017
Non-current interest-bearing liabilities	470,588	466,252	470,588	466,252
Current interest-bearing liabilities	50,891	40,219	50,891	40,219
Total interest-bearing liabilities	521,479	506,470	521,479	506,470
- Cash and cash equivalents	-130,580	-66,078	-130,580	-66,078
Net debt	390,898	440,393	390,898	440,393
Adjusted EBITDA	24,135	33,885	142,170	144,189
Net debt/adjusted EBITDA ratio	-	-	2.7	3.1

Organic growth

Amounts in SEK 000s	Oct-Dec 2018	Growth %	Jan-Dec 2018	Growth %
Acquired businesses	10,217	4.5%	60,069	6.8%
Divested operations	-3,577	-1.6%	-7,124	-0.8%
Currency effect	2,695	1.2%	9,361	1.1%
Exchange-rate adjusted, organic growth	-350	-0.2%	-2,316	-0.3%
Total growth	8,985	3.9%	59,990	6.8%

Financial calendar

Annual Report 2018	12 April 2019
Interim report Jan-Mar 2019	8 May 2019
2019 Annual General Meeting	16 May
Interim report Jan-Jun 2019	22 August
Interim report Jan-Sep 2019	6 November

Overall strategy

Actic's overall strategy can be summarised as follows:

- Refine existing clubs and strengthen the product and service offering.
- Continued expansion of the offering through new establishments.
- Participate in the consolidation of the industry through acquisitions.

Acquired clubs are to contribute positively to the Group's earnings from day one, while new establishments are expected to achieve break-even after 12 months and full profitability after 24 months.

Financial objectives

Actic has adopted the following financial targets:

Growth — Average yearly organic growth of at least 5%, with additional growth from acquisitions.

Profitability — Adjusted EBITDA margin of more than 20% in the medium term.

Capital structure — Net debt/adjusted EBITDA ratio below 3.0.

Dividend policy — A dividend rate of 30% to 50% of annual net income.

As a result of IFRS 16, the financial goals for profitability and capital structure will be restated in 2019.

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Financial definitions

EBITDA, EBITA, EBIT, adjusted EBITDA, adjusted EBITA and ARPM do not comprise performance metrics calculated pursuant to IFRS. Accordingly, they should not be considered as alternatives to net income or EBIT as indicators of performance, or as alternatives to operating cash flow as metrics of liquidity. EBITDA, EBITA, EBIT, adjusted EBITDA, adjusted EBITA and ARPM are used by the management for making operational decisions. Moreover, EBITDA, EBITA, EBIT, adjusted EBITDA, adjusted EBITA and ARPM do not comprise metrics intended for the use of investors. EBITDA, EBITA, EBIT, adjusted EBITDA, adjusted EBITA and ARPM which are presented in this report may not be comparable with similarly named metrics reported by other companies due to differences in calculation methods.

PERFORMANCE METRICS NOT DEFINED PURSUANT TO IFRS

	Description	Reason for using the metric
EBIT	Operating profit.	EBIT provides an overview of the profitability generated through operations.
EBITA	EBITA Operating profit before impairment and amortisation of intangible fixed assets.	EBITA provides an overview of the profitability generated through operations.
EBITDA	Operating profit before impairment, depreciation and amortisation of tangible and intangible fixed assets.	EBITDA together with EBITA provides an overview of the profitability generated through operations.
Items affecting comparability	Costs attributable to items including acquisitions and divestments, and the stock exchange listing, which were included in the statement of profit/loss and that affect comparability with earlier periods.	The metric provides a clear view of any costs that are not attributable to operations and which can thus be excluded when comparing different periods.
Adjusted EBITA	EBITA excluding items affecting comparability.	Adjusted EBITA is adjusted for items that impact comparability and, accordingly, comprises a useful metric for measuring the company's profitability generated by operations.
Adjusted EBITDA	EBITDA after reversal of items affecting comparability.	Adjusted EBITDA is adjusted for items that impact comparability and, accordingly, comprises a useful metric for measuring the company's profitability generated by operations.
EBIT margin	Adjusted EBITA divided by net sales.	The EBIT margin is a useful metric for measuring the company's value creation through operations.
Adjusted EBITA margin	Adjusted EBITA divided by net sales.	The adjusted EBITA margin is adjusted for items that impact comparability and, accordingly, comprises a useful metric for measuring the company's value creation through operations.

	Description	Reason for using the metric
Adjusted EBITDA margin	Adjusted EBITDA divided by net sales.	The adjusted EBITDA margin is adjusted for items that impact comparability and, accordingly, comprises a useful metric for measuring the company's value creation through operations.
Shared Group expenses	Operating expenses not attributable to individual facilities. These expenses pertain to support functions in the form of site management, marketing, customer support, HR, finance, IT, Actic Academy, product development, establishments, service and Group management.	Central and local functions provide an overview of the total of non-facility-related expenses.
EBITDA margin per segment	EBITDA divided by net sales broken down by segment.	Provides an overview of the value creation generated through operations for the company's different segments.
Organic growth	Change in net sales adjusted for currency effects, acquisitions and disposals compared with the year-earlier period.	The metric is used to follow underlying sales growth driven by volume, product offering and price changes for similar products between different periods.
Net debt	Interest-bearing debt less cash and cash equivalents.	Provides an indication of the company's level of debt and financial risk.
Net debt/Adjusted EBITDA	Net debt at the end of the period divided by adjusted EBITDA based on the rolling twelve-month value.	Provides an indication of the company's level of debt and financial risk.
Average revenue per member (ARPM)	Net sales during the period divided by the average number of members during the period. The average number of members is based on the number of members at the end of each month during the period. The average revenue per member pertains to the average revenue on a monthly basis.	Provides an indication of the company's level of sales relative to the customer base.
Number of clubs	Number of clubs at the end of the period	Provides an indication of the company's size in the market.
Number of members	Number of members at the end of the period.	Provides an indication of the company's size in the market.
Average number of full-time equivalent employees	The average number of employees is calculated as the total of the average number of full-time positions during the period on a monthly basis and the accumulated hours worked for the period for hourly contract employees converted to full-time positions	Provides an indication of the total number of FTEs employed to run the company.
Working capital	Inventories, accounts receivable, prepaid expenses and accrued income and other receivables less accounts payable, tax liabilities, other liabilities, and accrued expenses and deferred income.	Provides an indication of the amount of working capital tied up in operations.
Equity/assets ratio	Equity as a percentage of total assets.	Provides an indication of the proportion of assets financed through equity. Equity in relation to other liabilities describes long-term payment capacity.

Glossary

Full-service clubs Clubs where both the fitness club and the swimming facility are operated by Actic's own personnel.

Gym & Swim clubs Clubs where the fitness club is operated by Actic and the swimming facility is operated by an external partner.

HIT High-intensity training is a strength training method. The method is focused on short, high-intensity exercise. HIT prioritises high intensity and few repetitions with the aim of developing muscles as efficiently as possible.

In-house clubs Clubs where the fitness facility is operated by external personnel.

Cluster Geographic area with several Actic clubs located in close proximity to one another, forming a cluster.

PT Personal training.

Stand-alone clubs Clubs that exclusively operate fitness facilities

Actic in brief

Actic was founded in 1981 and began its international expansion in 1995. Actic is now one of the leading players in the staffed gym market in the Nordics. Actic has 177 clubs with just over 220,000 members in four countries. Its main markets are Sweden, Norway and Germany.

Actic has a unique business model whereby the majority of its clubs have access to swimming facilities, which is included in the membership fee paid by Actic's members.

Actic uses a well-established exercise method known as high-intensity training (HIT) and offers its members personal training programmes including follow-up sessions with trained instructors. Together with swimming, this differentiates Actic in the market.

The training offering is broad, with strength training, with group classes and functional training, and personal training (PT), which attracts a broad target group and is building successful clusters in the Nordics and Germany.

Actic's vision is to contribute to a healthier society by attracting broader target groups and thereby expanding the market. Actic's employees play an active role in the local community as a way of contributing to a healthier society.

Actic, which has its head office in Solna in Stockholm, had approximately 800 full-time equivalent employees and net sales of SEK 941 million in 2018. The Group is led by CEO Anders Carlbark.



A close-up, profile shot of a woman with dark hair tied in a ponytail, wearing a black quilted jacket. She is looking off to the side with a slight smile. The background is a soft, out-of-focus sunset or sunrise scene with warm light. The ACTIC logo is in the bottom right corner.

ACTIC

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