

Q3 Interim Report



14 November 2018

Q3 at a Glance

219.3 MSEK
Net Sales

40.9 MSEK
Adjusted EBITDA

18.6 %
Adjusted
EBITDA-marginal



178
Number of Clubs

220 228
Number of members

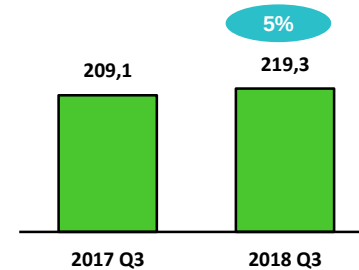
751
Number of FTEs

Actic Group

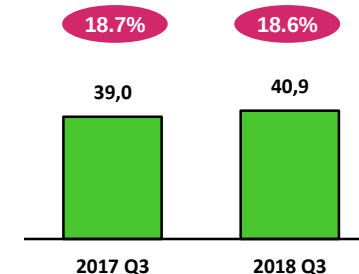
Q3 Highlights

- Net sales amounted to SEK 219.3m in Q3 compared to SEK 209.1m in 2017 Q3
- Net sales growth 5%
 - Organic growth was -1% in constant currency
 - Currency effects affected net sales positively with SEK 3.5m
 - Divestment of operations affected net sales negatively with SEK 3.5m
- Adjusted EBITDA amounted to SEK 40.9m in Q3 compared to 39.0 m in 2017 Q3
 - Adjusted EBITDA margin of 18.6% compared to 18.7%
- ARPM grew by 3% to SEK 334 (324) per month driven by increased demand for PT services
- Cash flow from operating activities amounted to SEK 36.7m in Q3 compared to SEK 27.7m in Q3 2017

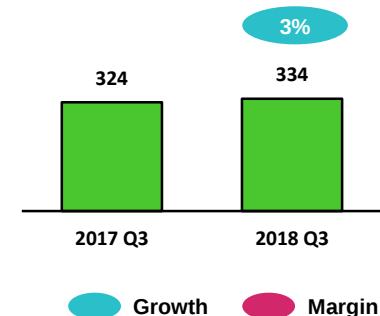
Net Sales (SEKm)



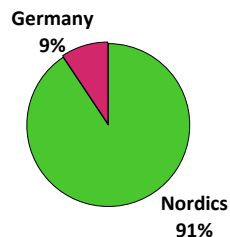
Adjusted EBITDA (SEKm)



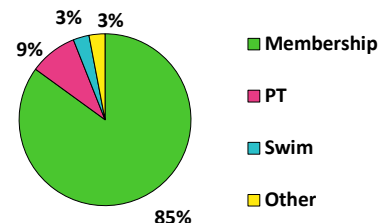
ARPM (SEK)



Net sales by segment



Net sales by product category

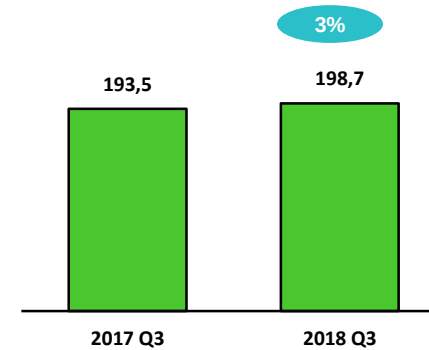


Segment – Nordics

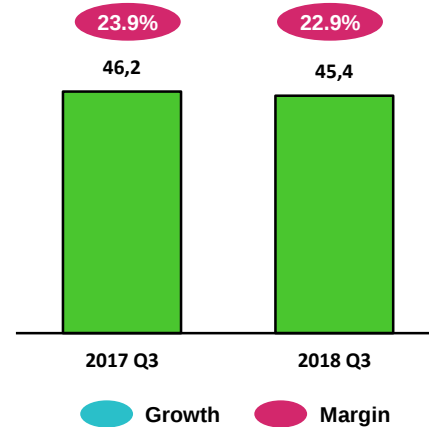
Q3 Highlights

- Net sales growth of 3% to SEK 198.7m in Q3 from SEK 193.5m in Q3 2017
- ARPM grew by 2% to SEK 348 per month YTD compared to SEK 341 in 2017 driven by increased demand for PT services
- EBITDA amounted to SEK 45.4m corresponding to a margin of 22.9% compared to EBITDA of SEK 46.2m and a margin of 23.9% in Q3 2017
 - EBITDA has decline due to new equipment/ refurbishing in existing facilities as well as higher energy compare to last year.
 - The Norwegian market has, relatively seen, showed a positive development during the quarter, especially the PT-business.
- By the end of the quarter there were 153 clubs

Net Sales (SEKm)



EBITDA (SEKm)

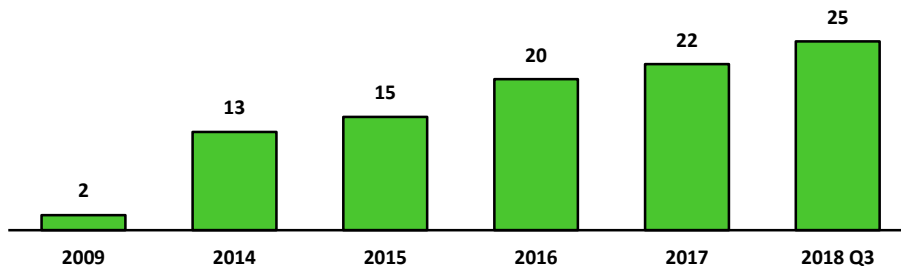


Segment – Germany

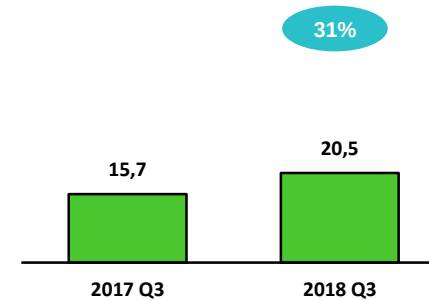
Q3 Highlights

- Net sales growth of 31% to SEK 20.5m in Q3 from SEK 15.7m in Q3 last year
- EBITDA of SEK 2.0m and EBITDA margin of 9.5% in Q3 compared to EBITDA of SEK 0.2m and EBITDA margin of 1.5% in 2017
- The result has developed positively because of previously establishments that start to show profitability and operational efficiency
- ARPM grew by 7% to SEK 303 per month compared to SEK 284 in 2017 during period
- The number of clubs were 25 by the end of the quarter

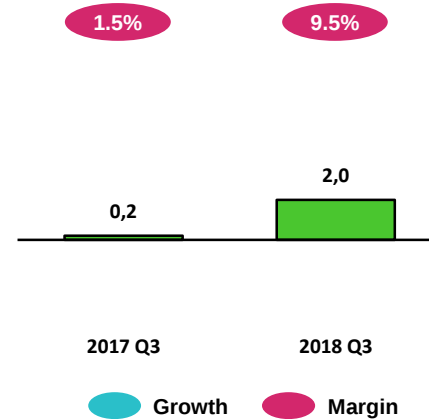
Number of clubs in Germany



Net Sales (SEKm)



EBITDA (SEKm)

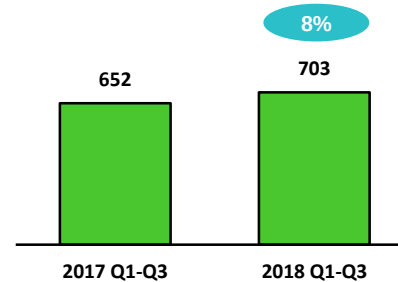


Actic Group

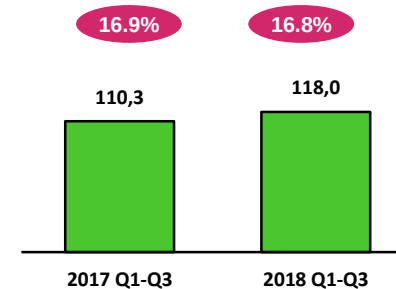
Highlights – January to September 2018

- Net sales amounted to SEK 703.0m during the period compared to SEK 652.0m in the same period 2017
- Net sales growth 8%
 - Organic growth was 0% in constant currency
 - Currency effects affected net sales positively with SEK 6.4m
 - IFRS 15 has affected the revenue accounting negatively with SEK 7.5m
 - The growth is related to acquired operations in the Nordics and completed establishments in Germany.
- Adjusted EBITDA amounted to SEK 118.0m compared to SEK 110.3m in the same period 2017
 - Adjusted EBITDA margin of 16.8% compared to 16.9%, and excl. IFRS 15 impact 17.7%
 - ARPM grew by 2% to 344 compared to SEK 336 per month driven by increased demand for PT services
- Cash flow from operating activities amounted to SEK 99.2m compared to SEK 51.2m

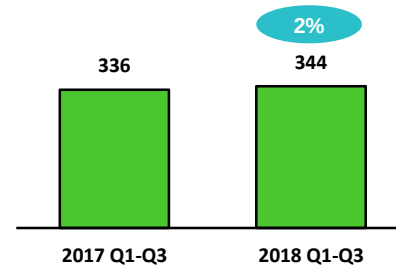
Net Sales (SEKm)



Adjusted EBITDA (SEKm)



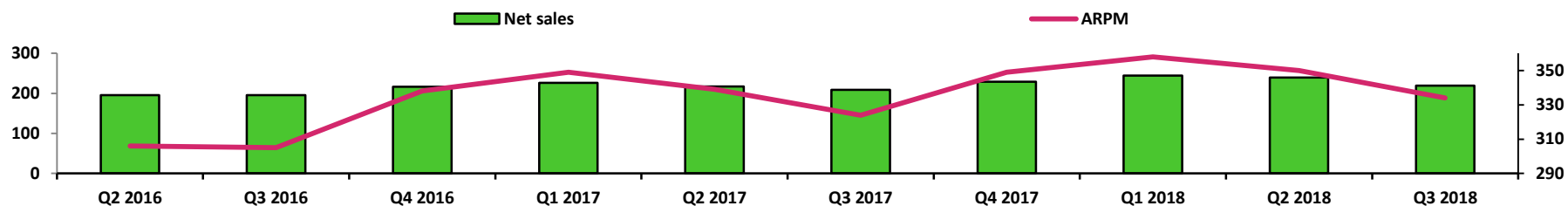
ARPM (SEK)



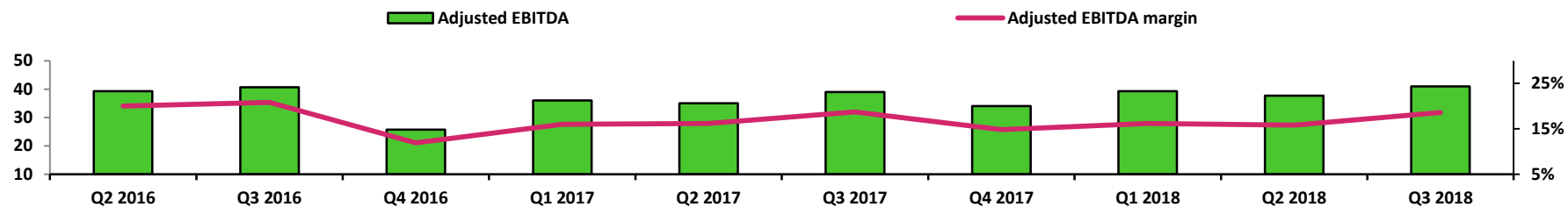
● Growth ● Margin

Quarterly overview

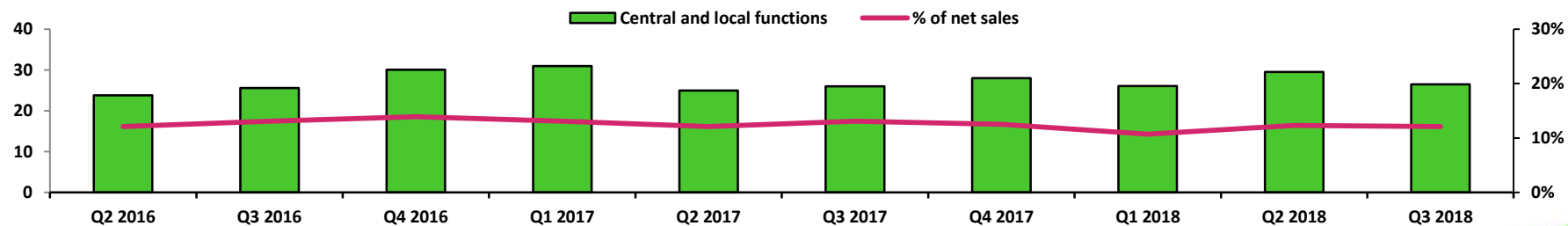
Net sales (SEKm) and ARPM (SEK)



Adjusted EBITDA (SEKm)

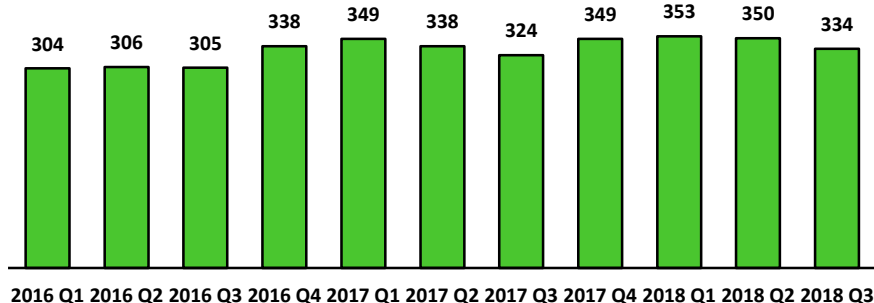


Central and local functions

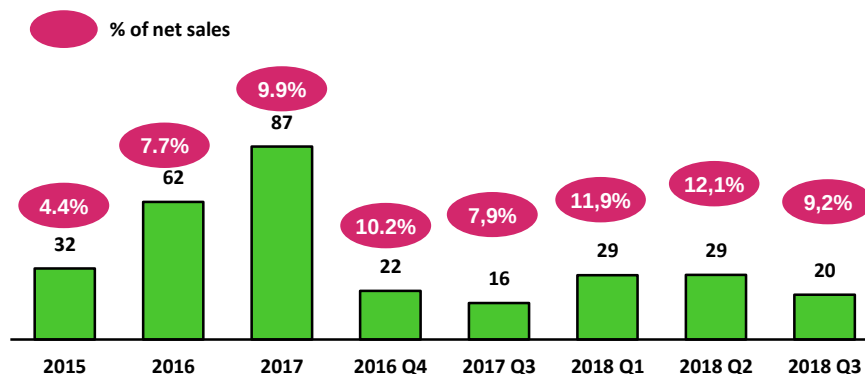


Overview of key business drivers

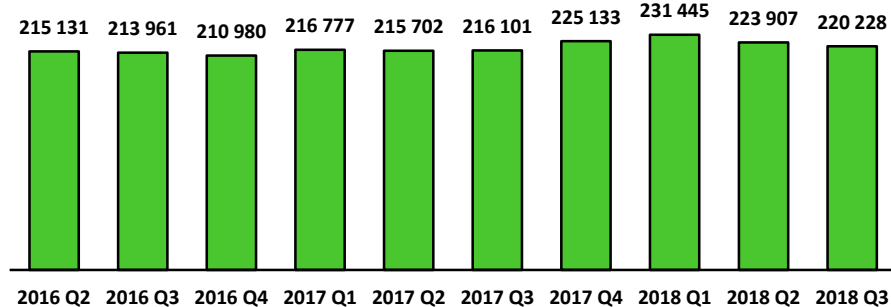
ARPM



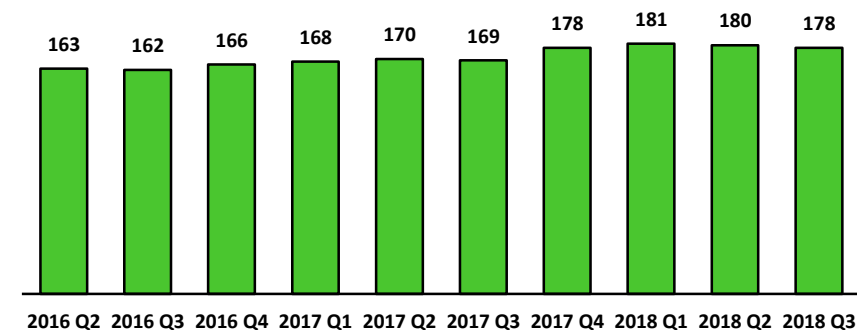
Net sales for PT



Membership base



Number of clubs



Financial targets

Actic's financial targets

Growth

- Average yearly organic growth of 5%, with additional growth from acquisitions

Margin

- Adjusted EBITDA margin to exceed 20% in the medium term

Capital structure

- Net debt to adjusted EBITDA ratio below 3.0x in the medium term

Dividend policy

- Pay-out ratio of 30-50% of annual net income

Acquisition of Asker Treningssenter

Highlights

- Actic has signed an agreement to acquire Asker Treningssenter, which operates three training centers in Asker, Norway
- The operations, with about 5,000 members, generate annual sales of about SEK 40 million
- Asker Treningssenter runs three very attractive facilities in the Oslo region and gives us a stronger platform in the Norwegian market
- Actic will move our regional headquarter to Asker which will be an important main facility with strong PT business
- Consolidation will take place on 1 December
- The acquisition will have a marginal positive effect on the Group's earnings per share this year



Current Trading

Highlights

- Adjusted for the divested Finnish clubs, the member base is still stable.
- PT sales develop according to plan and shows strong momentum, especially in the Norwegian market. During the quarter the growth was 23%.
- The German segment shows both growth and increased margins due to more mature clubs.
- The divestment of the Finnish operations took place on July 1 2018 – about 15 MSEK in annual sales.
- Actic takes the next step in our digital journey. In November launch of a larger pilot of a completely new digital platform in order to enhance the customer experience and support our internal processes.
- Our new app enables our customers to buy membership and PT-hours directly in the app as well as communicate with their club and/or PT.
- Anders Carlbark will start his position as the new CEO in December 2018.



Q&A

