

Q4 Interim Report



14 February 2018

Q4 at a Glance

238.2 MSEK
Net Sales

24.1 MSEK
Adjusted EBITDA

10.1 %
Adjusted
EBITDA-marginal



177
Number of Clubs

220 355
Number of members

800
Number of FTEs

Non-recurring costs and measures taken

Non-recurring cost of SEK 10m

- Provisions for rental disputes and bad debt.
- Implementation of two new reporting systems and costs for external consultants.
- 7Forces education within Actic Academy for Actic employees.
- Nordic segment SEK -6.5m.
- German segment SEK -1.5m.
- Central costs SEK -2m.

Measures taken

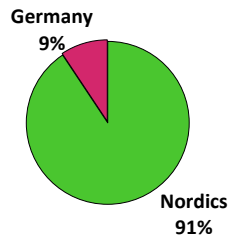
- Customer experience – deliver according to customer promise.
- Action plan linked to customer survey.
- New incentive for club managers.
- Long term strategic plan will be presented during the first half 2019.

Actic Group

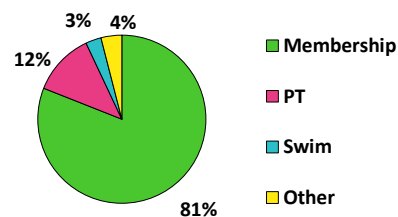
Q4 Highlights

- Net sales amounted to SEK 238.2m in Q4 compared to SEK 229.2m in 2017 Q4.
- Net sales growth 4%.
 - Organic growth was 0% in constant currency.
 - Currency effects affected net sales positively with SEK 2.7m.
 - Divestment of operations affected net sales negatively with SEK 3.6m.
- Adjusted EBITDA amounted to SEK 24.1m in Q4 compared to 33.9m in 2017 Q4.
 - Adjusted EBITDA margin of 10.1% compared to 14.8%
 - Non-recurring cost SEK 10m.
- ARPM grew by 3% to SEK 360 (349) per month driven by increased demand for PT services.
- Cash flow from operating activities amounted to SEK 33.6m in Q4 compared to SEK 52.0m in Q4 2017.

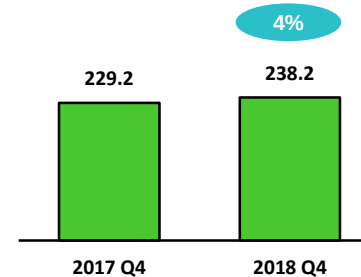
Net sales by segment



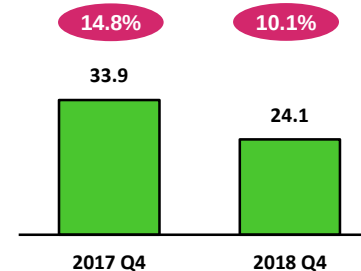
Net sales by product category



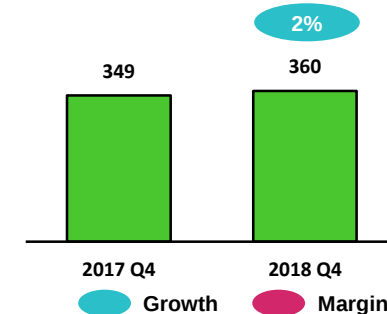
Net Sales (SEKm)



Adjusted EBITDA (SEKm)



ARPM (SEK)

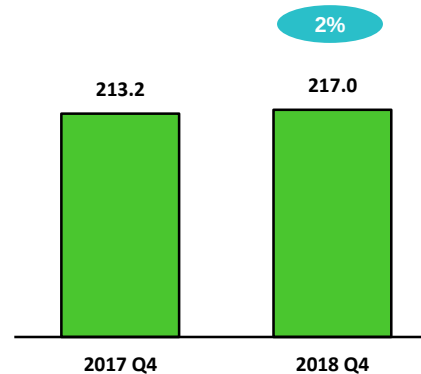


Segment – Nordics

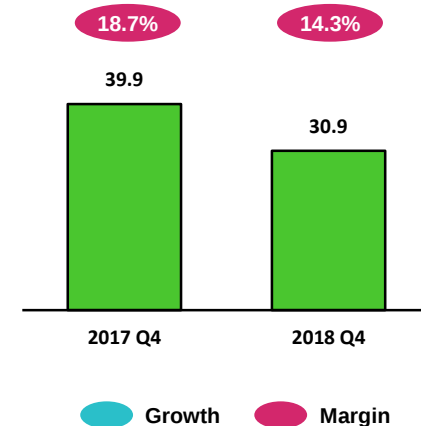
Q4 Highlights

- Net sales growth of 2% to SEK 217.0m in Q4 from SEK 213.2m in Q4 2017.
 - Adjusted for the divestment of the Finish operations, growth amounted to 3%.
- ARPM grew by 2% to SEK 350 per month during 2018 compared to SEK 344 in 2017 driven by increased demand for PT services.
- EBITDA amounted to SEK 30.9m corresponding to a margin of 14.3% compared to EBITDA of SEK 39.9m and a margin of 18.7% in Q4 2017.
 - The result has been charged with costs of SEK 6.5m due to provisions for ongoing rental disputes, education for employees within Actic Academy, and external consultants in connection with the compilation of a new finance system.
- By the end of the quarter there were 152 clubs.

Net Sales (SEKm)



EBITDA (SEKm)

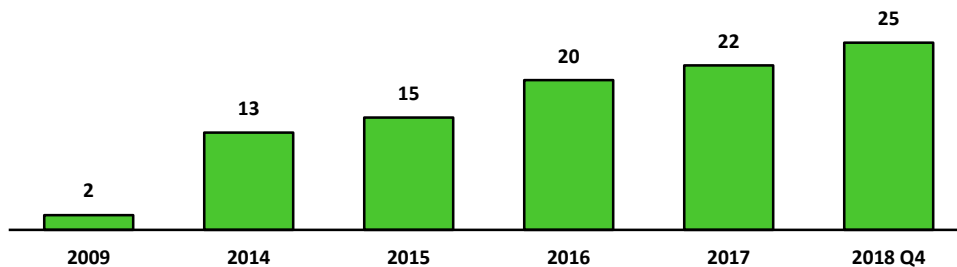


Segment – Germany

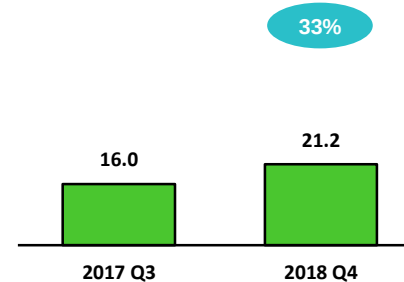
Q4 Highlights

- Net sales growth of 33% to SEK 21.2m in Q4 from SEK 16.0m in Q4 last year.
- EBITDA of SEK 0.1m and EBITDA margin of 0.5% in Q4 compared to EBITDA of SEK 2.4m and EBITDA margin of 15.0% in 2017.
- The result has been charged with reservations of SEK 1.5m, mainly due to provisions for bad debt as well as higher personnel costs as a result of the education in Actic Academy.
- ARPM grew by 8% to SEK 306 per month during 2018 compared to SEK 283 in 2017.
- The number of clubs were 25 by the end of the quarter.

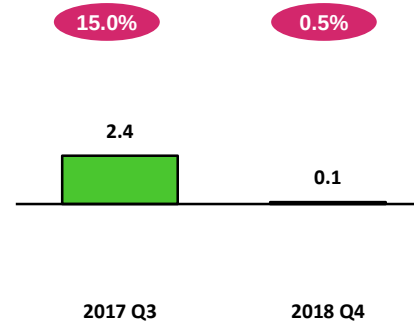
Number of clubs in Germany



Net Sales (SEKm)



EBITDA (SEKm)



● Growth
 ● Margin

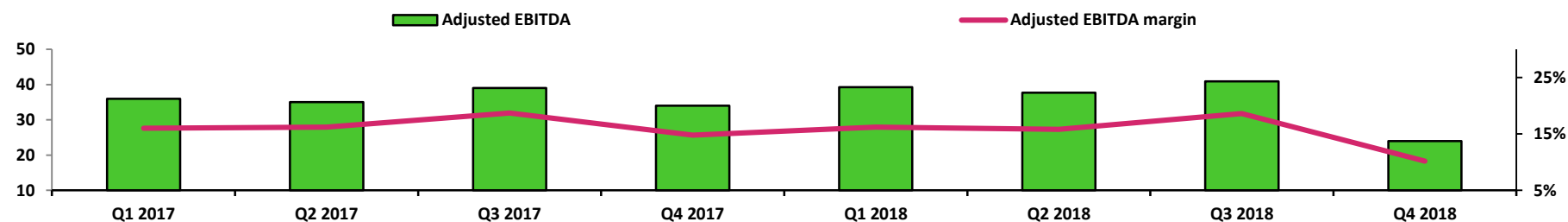


Quarterly overview

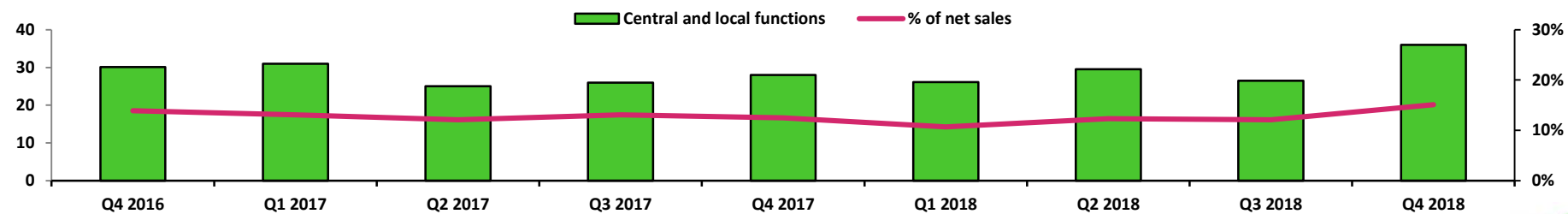
Net sales (SEKm) and ARPM (SEK)



Adjusted EBITDA (SEKm)

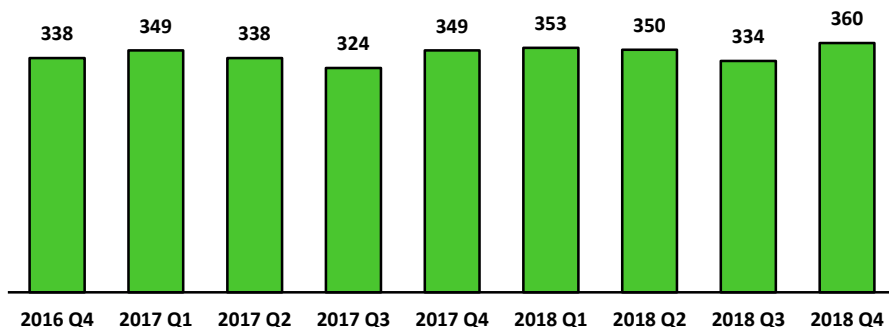


Central and local functions

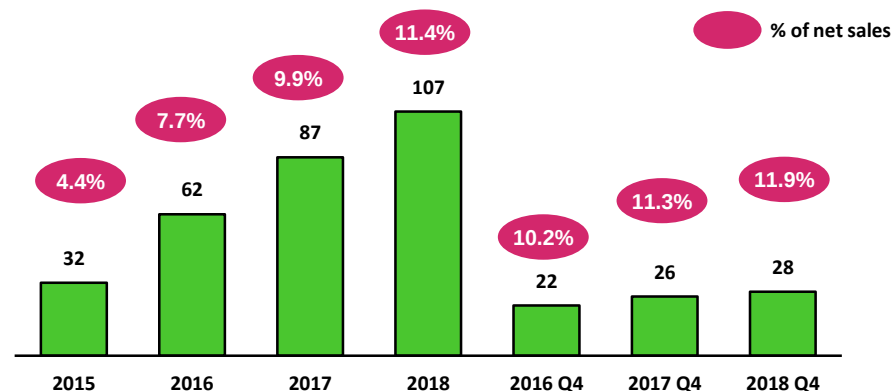


Overview of key business drivers

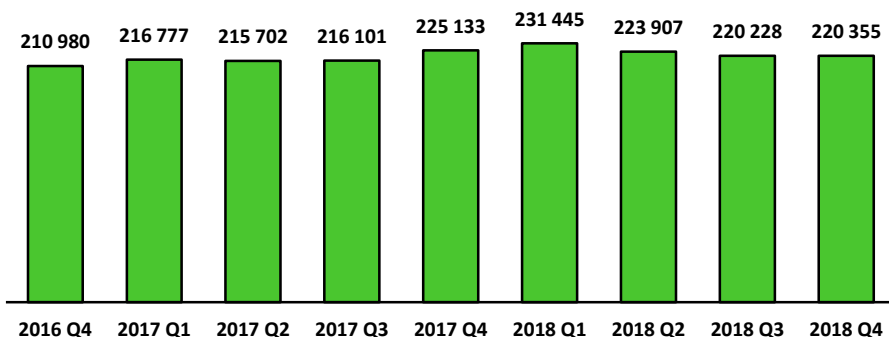
ARPM



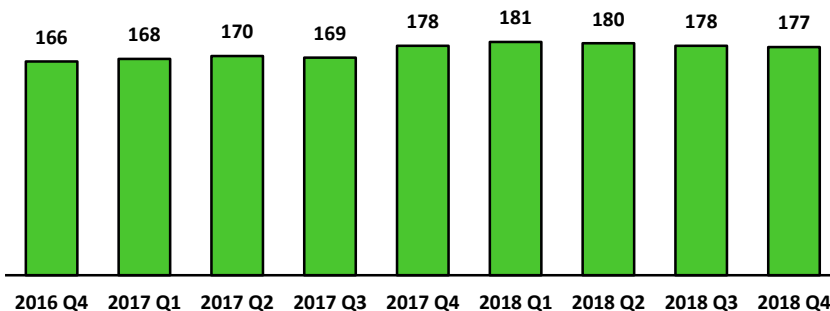
Net sales for PT



Membership base



Number of clubs

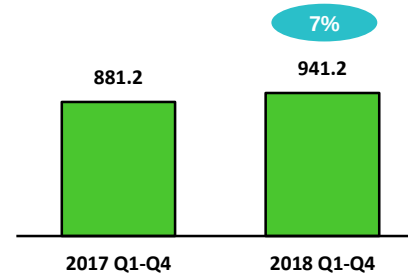


Actic Group

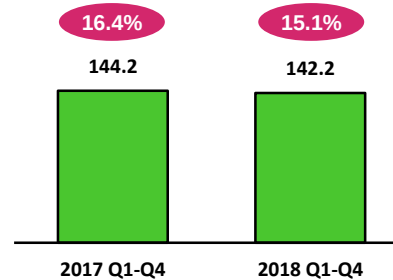
Highlights – January to December 2018

- Net sales amounted to SEK 941.2m during the period compared to SEK 881.2m in the same period 2017.
- Net sales growth 7%.
 - Organic growth was 0% in constant currency.
 - Currency effects affected net sales positively with SEK 9.4m.
 - Acquisitions contributed with SEK 60.1m.
 - The growth was related to acquired operations in the Nordics and new establishments in Germany.
 - The warm weather in the Nordics during spring and summer has resulted in a decline in gym card sales. and visits to the clubs for a significant part of the year.
- Adjusted EBITDA amounted to SEK 142.2m compared to SEK 144.2m in the same period 2017.
 - Adjusted EBITDA margin of 15.1% compared to 16.4%, and excl. IFRS 15 impact 15.7%.
 - ARPM grew by 2% to 346 compared to SEK 339 per month driven by increased demand for PT services.
- Cash flow from operating activities amounted to SEK 132.7m compared to SEK 103.2m in the same period 2017.

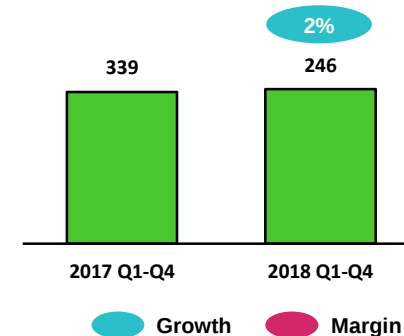
Net Sales (SEKm)



Adjusted EBITDA (SEKm)



ARPM (SEK)



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

Current Trading

Highlights

- Asker Treningssenter, which operates three training centers in Asker, Oslo. Consolidation took place on 1 January 2019.
- Opening in Leksand in January – Mora and Södertälje in April.
- Focus at customer value proposition and higher member base.
- Strategic direction will be presented during the spring.



Q&A