



lifefit | group

***FY2023***

***Annual report***

February 2024





## EXECUTIVE SUMMARY

REPORTED FINANCIAL FY2023 + BRIDGE TO Q4/23 UNAUDITED INTERIM REPORT

## 1 General Information / FY23 Results

- Second year audit performed by Mazars (previous years were audited by EY)
- FY23 includes acquisition of Fitness Loft per end of Dec-23, current fiscal year accordingly includes 10 months of Fitness Loft trading
- According to Q4/23 interim reporting, LFG reported an PF (for the acquisition) adjusted EBITDA of EUR 23.6m
- Additional revenue of EUR 0.4m compared to Q4/23 result from lower deferred income
- **In total, the PF adjusted LTM EBITDA slightly increased to EUR 24.0m (EUR +0.4m)**
- All other adjustments do not have impact on PF adjusted EBITDA, more details presented on page 6 and in the annual report

## 2 Successful M&A / Financing

- **Successful acquisition of Project Smart in Feb-24**, a 19+ club strong FSBP network in the Stuttgart metropolitan area with nearly 40k members, which increases LifeFit's portfolio to more than 140 studios and comes along with a projected EBITDA contribution of around EUR 4.0m (run-rate)
- **EUR 12.0m bond tap issue** to part-finance the acquisition

## 3 Outperforming business in Q1/24

- Q1/24 KPIs above plan – a strong indicator for future growth of the business
- **~16k net members (incl. aggregator equivalents) gained throughout Q1/24, now looking at 400k+ members including Smart**
- LFL membership increased to around 111% of pre-covid levels, clearly above market
- **Preliminary PF EBITDA (unadjusted) of the group at EUR 2.8m+ monthly run-rate in Jan-24, resulting in an attractive 12 month run-rate projection of EUR 34.1m (b/f Smart), respectively EUR 38.1m including Smart**



A man and a woman are performing a squat in a gym. The man is standing behind the woman, holding the barbell. The woman is in the middle of the squat, with her back to the camera. The gym has a modern, industrial feel with bright, geometric lighting on the ceiling. There are yellow and blue weight plates visible in the background.

EXECUTIVE SUMMARY

REPORTED FINANCIALS FY2023 + BRIDGE TO Q4/23 UNAUDITED INTERIM REPORT

## Consolidated Statement of Comprehensive Income

in kEUR	2023	2022 Adjusted with retroactive effect*
Revenue	166,306	104,710
State Aid	0	8,291
Other operating income	7,559	2,245
Cost of materials	8,534	8,145
Personnel costs	44,125	33,548
Other operating expenses	73,467	55,304
Amortization and depreciation	41,087	33,068
<b>Operating result (EBIT)</b>	<b>6,652</b>	<b>-14,819</b>
Loss from at-equity investments	0	-276
Financial income	1,070	341
Financial costs	32,721	23,966
<b>Financial result</b>	<b>-31,651</b>	<b>-23,625</b>
<b>Loss before taxes</b>	<b>-24,998</b>	<b>-38,720</b>
Income taxes	2,336	2,354
<b>Loss for the period</b>	<b>-22,662</b>	<b>-36,366</b>

## Consolidated Cash Flow Statement

	31.10.2022 Adjusted with retroactive effect*	31.10.2023 kEUR	31.10.2022 kEUR
<b>Cash flow from operations</b>	<b>38,105</b>	<b>32,559</b>	
<b>Net cash flow from investment activities</b>	<b>-11,267</b>	<b>-17,375</b>	
<b>Net cash flow from financing activities</b>	<b>-14,455</b>	<b>-29,822</b>	
<b>Net increase in cash and cash equivalents</b>	<b>12,382</b>	<b>-14,638</b>	
<b>Cash and cash equivalents as at 31 October</b>	<b>8,404</b>	<b>23,041</b>	
<b>Cash and cash equivalents</b>	<b>20,786</b>	<b>8,404</b>	

## Consolidated Balance Sheet

in kEUR	Note	31.10.2023	31.10.2022 Adjusted with retroactive effect*	1.11.2021 Adjusted with retroactive effect*
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Goodwill	4.2	55,893	32,943	25,556
Intangible assets	4.2	11,281	8,558	8,249
Property, plant and equipment	4.1	45,703	43,794	38,766
Right-of-use assets	4.3	100,901	89,330	92,790
Other non-financial assets	5.4	1,552	1,871	1,676
Shares in joint ventures		0	1	1
Deferred tax assets	3.9	4,897	5,262	3,375
		220,226	181,759	170,413
<b>CURRENT ASSETS</b>				
Inventories	5.1	507	698	865
Trade receivables	5.2	2,419	1,839	913
Receivables from related parties	7.1	784	700	602
Current income tax assets	5.3	660	171	396
Other non-financial assets	5.4	1,658	3,285	27,205
Other financial assets	5.5	3,485	988	0
Cash and cash equivalents	5.6	20,786	8,404	23,040
		30,299	16,084	53,022
<b>TOTAL ASSETS</b>		<b>250,525</b>	<b>197,843</b>	<b>223,435</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Subscribed capital	6.1	26	26	26
Capital reserve	6.1	99,521	99,521	99,521
Retained earnings	6.1	-217,915	-196,427	-160,059
		-118,368	-96,880	-60,512
<b>NON-CURRENT LIABILITIES</b>				
Financial liabilities	6.2	55,981	0	38,935
Shareholder debt	6.3	56,718	43,790	38,097
Other non-financial liabilities	6.6	187	0	0
Other financial liabilities	6.7	10,779	46	294
Other provisions	6.8	1,896	2,639	2,478
Lease liabilities	4.3/6.2	121,990	111,829	115,054
		247,552	158,304	194,858
<b>CURRENT LIABILITIES</b>				
Financial liabilities	6.2	10,375	49,853	10,113
Trade payables	6.5	14,813	13,789	14,163
Other non-financial liabilities	6.6	5,694	2,487	3,907
Contract liabilities	6.6	3,474	1,970	775
Other financial liabilities	6.7	63,435	50,264	47,176
Payables to related parties	7.1	1,336	0	0
Other provisions	6.8	500	719	601
Lease liabilities	4.3/6.2	21,198	17,238	12,174
Income tax liabilities	6.9	516	99	181
		121,341	136,419	89,089
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>250,525</b>	<b>197,843</b>	<b>223,435</b>

- In total, the consolidated equity of the group is negative. The equity position of the group has no legal impact. A test for balance sheet over-indebtedness is carried out at the level of LifeFit Group MidCo GmbH. As of the balance sheet date, the company's unaudited annual financial statements according to the German GAAP (HGB) show positive equity of approximately EUR 15.2m.
- Besides the accumulated losses until 31 October 2023 the negative consolidated equity of the group results from the difference of the purchase price of the acquisition of shares in Fitness First Germany GmbH, Elbgym GmbH and Barry's Bootcamp GmbH by LifeFit Group MidCo GmbH and Fitness First Germany GmbH's book value of net assets. The transaction had to be accounted for as a "transaction under common control" and no hidden reserves of Fitness First Germany GmbH, such as brand name, customer contracts or goodwill were considered. Had the transaction happened under third parties, the consolidated equity of the group would be substantially positive.



## Consolidated Statement of Comprehensive Income

in kEUR	Unaudited interim report (Q4) FY23	Annual report FY23	Δ
Revenue	166,348	166,306	-42 1)
Covid-19 government aid	0	0	0
Other operating income	4,685	7,559	2,874 2)
Cost of materials	-9,659	-8,534	1,125
Personnel expenses	-45,175	-44,125	1,050
Other operating expenses	-67,927	-73,467	-5,540 3)
Depreciation and amortisation	-39,705	-41,087	-1,382 4)
<b>Operating profit or loss (EBIT)</b>	<b>8,567</b>	<b>6,653</b>	<b>-1,914</b>
Income from at equity investments	0	0	0
Finance income	-97	1,070	1,167 5)
Finance costs	-32,570	-32,721	-151
<b>Financial result</b>	<b>-32,473</b>	<b>-31,651</b>	<b>822</b>
<b>Profit or loss before income taxes</b>	<b>-23,906</b>	<b>-24,998</b>	<b>-1,092</b>
Income taxes	1,688	2,336	648
<b>Profit or loss for the period</b>	<b>-22,218</b>	<b>-22,662</b>	<b>-444</b>

## Consolidated Cash Flow Statement

in kEUR	Unaudited interim report (Q4) FY23	Annual report FY23	Δ
Cash flows from operating activities	19,269	38,105	18,836
Cash flows from investing activities	-18,013	-11,267	6,746
Cash flows from financing activities	11,128	-14,455	-25,583
<b>Cash flow for the period</b>	<b>12,384</b>	<b>12,383</b>	<b>-1</b>
Beginning cash and cash equivalents	8,404	8,404	0
<b>Closing cash and cash equivalents</b>	<b>20,788</b>	<b>20,786</b>	<b>-2</b>

## Consolidated Balance Sheet

in kEUR	Unaudited interim report (Q4) 31 Oct 2023	Annual report 31 Oct 2023	Δ
<b>Non-current assets</b>			
Intangible assets	66,478	67,174	696
Property, plant and equipment	46,833	45,703	-1,130
Right-of-use-assets	100,150	100,901	751
Non-current trade receivables	1,553	1,552	-1
Investments / Joint venture	0	0	0
Deferred tax assets	5,389	4,897	-492
	220,403	220,226	-177
<b>Current assets</b>			
Inventories	773	507	-266
Trade receivables	1,972	2,419	447
Receivables from affiliated companies	715	784	69
Current income tax assets	380	660	280
Other non-financial assets	2,863	1,658	-1,205
Other financial assets	3,333	3,485	152
Cash and cash equivalents	20,788	20,786	-2
	30,825	30,299	-526
<b>TOTAL ASSETS</b>	<b>251,227</b>	<b>250,525</b>	<b>-702</b>
<b>Equity</b>	<b>-119,096</b>	<b>-118,368</b>	<b>728</b>
<b>Non-current liabilities</b>			
Financial liabilities	55,981	55,981	0
Shareholder debt	56,718	56,718	0
Other non-financial liabilities	188	187	-1
Other financial liabilities	2,529	10,779	8,250
Other provisions	2,869	1,896	-973
Lease liabilities	119,660	121,990	2,330
Deferred tax liabilities	0	0	0
	237,946	247,552	9,606
<b>Current liabilities</b>			
Financial liabilities	10,375	10,375	0
Trade payables	15,133	14,813	-320
Other non-financial liabilities	8,614	5,694	-2,920
Contract liabilities	0	3,474	3,474
Other financial liabilities	73,325	63,435	-9,890
Payables to affiliated companies	2,892	1,336	-1,556
Other provisions	528	500	-28
Lease liabilities	21,210	21,198	-12
Income tax liabilities	301	516	215
	132,377	121,341	-11,036
<b>TOTAL LIABILITIES</b>	<b>370,323</b>	<b>368,893</b>	<b>-1,430</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>251,227</b>	<b>250,525</b>	<b>-702</b>

## Commentary

- Revenue includes additional EUR 0.4m as a result of lower deferred income
- Other operating income includes one-off income for the reduction of Fitness Loft's earn-out liabilities based on a final agreement between MidCo and the former shareholders, which was concluded after the acquisition date (EUR 2.5m)
- Other operating expense primary includes one-off expense for additions to In Shape's earn-out liabilities based on lower fair value of covid-liabilities (EUR 2.7m) and add. one-off costs due to clearing I/C balances post take over of smile X accounting
- Depreciation includes additional impairment of EUR 1.7m, attributable to a right-of-use asset of one Fitness First club
- Additional finance income results from late entry of amended discount rate re restoration provision

NOTE: all other material variances result from reclassifications (i.e. not net income relevant). For more details on the different items, we refer to the report.

## Pro forma Financials + IFRS 16 impacts + Reported Financials

	FY2023			FY2023 REPORTED
EURm	AC pre IFRS16	Impact of IFRS16	AC under IFRS16	AC IFRS16
<b>KPIs</b>				
# of Clubs <sup>1</sup>	121			
Members ['000]	324			
Joiner Yield [EUR]	44.1			
ARPM [EUR]	47.3			
Retention % (annualised)	74.1			
<b>Profit/Loss</b>				
Revenue	170.3			166.3
EBITDA <sup>2</sup>	22.2	31.7	53.9	47.7
- Adjustments	1.8			
<b>Adjusted EBITDA</b>	<b>24.0</b>			
Depreciation & amortisation	-24.1	-18.0	-42.1	-41.1
Exceptionals/One-off charges	-4.3			
<b>Operating Profit/Loss</b>	<b>-6.2</b>		<b>7.4</b>	<b>6.7</b>
Income from at equity investments	-0.1			0.0
Total Finance costs	-14.9	-17.3	-32.2	-31.7
Total Tax	2.2			2.3
<b>Net Profit/Loss</b>	<b>-19.0</b>		<b>-22.7</b>	<b>-22.7</b>
<b>Cash Flow</b>				
EBITDA <sup>2</sup>	22.2			
Working capital	-1.9			
Exceptionals & provisions	-2.6			
Interest paid	-6.2			
Tax	0.0			
<b>OPERATING CASH FLOW</b>	<b>11.5</b>			<b>38.1</b>
Cash flow from investing activities	-18.0			-11.3
<b>FREE CASH FLOW</b>	<b>-6.5</b>			<b>26.8</b>
Cash flow from financing activities	18.9			-14.5
<b>NET CASH FLOW</b>	<b>12.4</b>			<b>12.4</b>

## Notes

<sup>1</sup> excluding franchise clubs

<sup>2</sup> excluding exceptionals/one-off charges

## Pro forma Financials by Segment

	FY2023					
EURm	LifeFit Group	Fitness First	elbgym	smile X	In Shape	FitnessL OFT
<b>KPIs</b>						
# of Clubs <sup>1</sup>	121	61	7	13	13	27
Members ['000]	324.1	204.0	5.5	32.2	18.8	63.6
Joiner Yield [EUR]	44.1	51.1	71.8	31.1	41.5	28.2
ARPM [EUR]	47.3	54.5	96.4	30.9	49.9	29.5
Retention % (annualised)	74.1	80.0	64.7	81.7	66.0	57.1
<b>Profit/Loss</b>						
Revenue	170.3	119.7	6.1	11.3	10.6	22.5
EBITDA <sup>2</sup>	22.2	13.6	0.9	2.2	1.2	4.4
- Adjustments	1.8	1.8	0.0	0.0	0.0	0.0
<b>Adjusted EBITDA</b>	<b>24.0</b>	<b>15.3</b>	<b>0.9</b>	<b>2.2</b>	<b>1.2</b>	<b>4.4</b>
Depreciation & amortisation	-24.1	-12.3	-0.5	-5.2	-1.2	-4.8
Exceptionals/One-off charges	-4.3	-4.0	0.0	-0.1	0.0	-0.2
<b>Operating Profit/Loss</b>	<b>-6.2</b>	<b>-2.8</b>	<b>0.3</b>	<b>-3.1</b>	<b>0.0</b>	<b>-0.6</b>
Income from at equity investments	-0.1	-0.1	0.0	0.0	0.0	0.0
Total Finance costs	-14.9	-14.4	0.0	0.0	-0.2	-0.4
Total Tax	2.2	0.8	0.0	1.4	0.1	-0.2
<b>Net Profit/Loss</b>	<b>-19.0</b>	<b>-16.5</b>	<b>0.3</b>	<b>-1.7</b>	<b>0.0</b>	<b>-1.1</b>
<b>Cash Flow</b>						
EBITDA <sup>2</sup>	22.2	13.6	0.9	2.2	1.2	4.4
Working capital	-1.9	-1.6	-0.1	0.0	0.0	-0.2
Exceptionals & provisions	-2.6	-2.5	0.0	0.0	-0.2	0.0
Interest paid	-6.2	-6.2	0.0	0.0	0.0	0.0
Tax	0.0	0.0	0.0	0.0	0.0	0.0
<b>OPERATING CASH FLOW</b>	<b>11.5</b>	<b>3.3</b>	<b>0.8</b>	<b>2.2</b>	<b>1.1</b>	<b>4.1</b>
Cash flow from investing activities	-18.0	-22.0	-0.1	-0.2	-0.2	4.5
<b>FREE CASH FLOW</b>	<b>-6.5</b>	<b>-18.7</b>	<b>0.7</b>	<b>2.0</b>	<b>0.9</b>	<b>8.6</b>
Cash flow from financing activities	18.9	19.4	-0.1	-0.3	-0.2	0.0
<b>NET CASH FLOW</b>	<b>12.4</b>	<b>0.7</b>	<b>0.6</b>	<b>1.7</b>	<b>0.7</b>	<b>8.6</b>

## Notes

<sup>1</sup> excluding franchise clubs

<sup>2</sup> excluding exceptionals/one-off charges

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***F*** Fitness First

**BARRY'S**

ELBGYM

CLUB  PILATES®

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customized fitness