

Q4 2024

INTERIM REPORT

OCTOBER-DECEMBER 2024

CEO SONDRÉ GRAVIR
CFO CECILIE ELDE

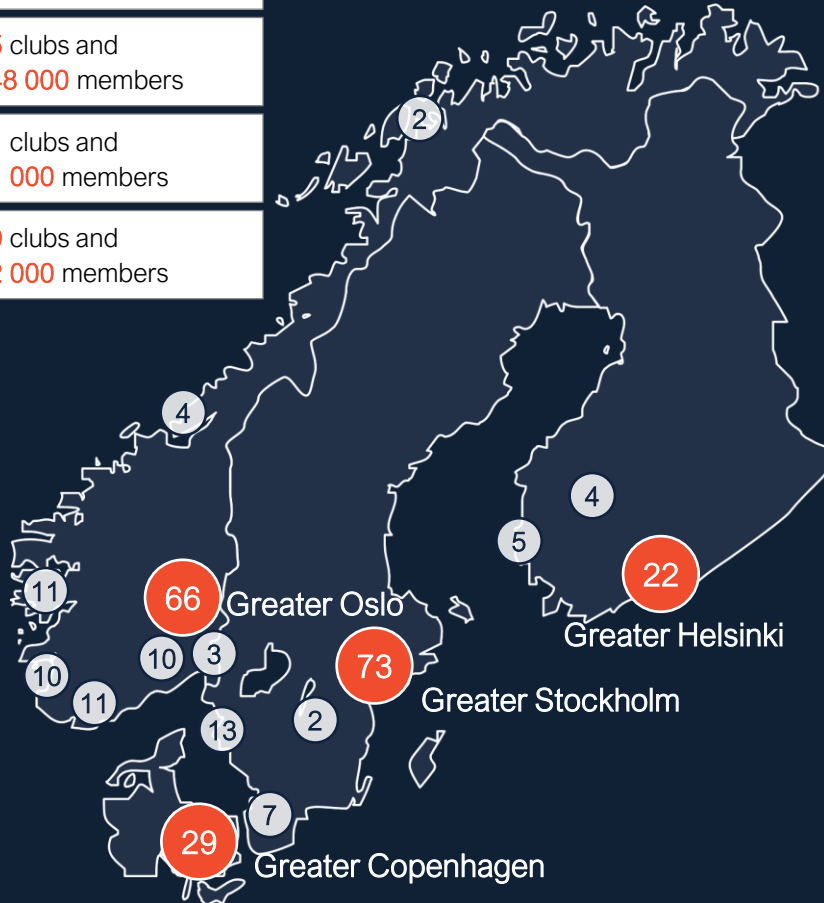
INVESTOR RELATIONS:
STINE.KLUND@SATS.NO
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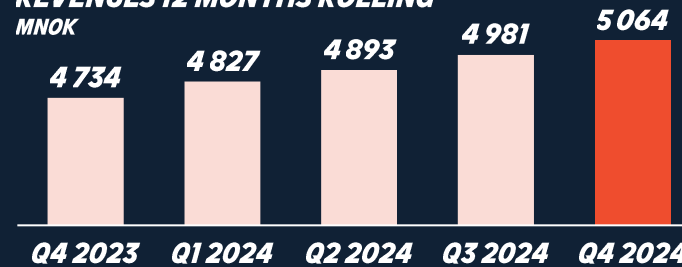
SATS AT A GLANCE

#1 FITNESS CLUB OPERATOR IN THE NORDICS

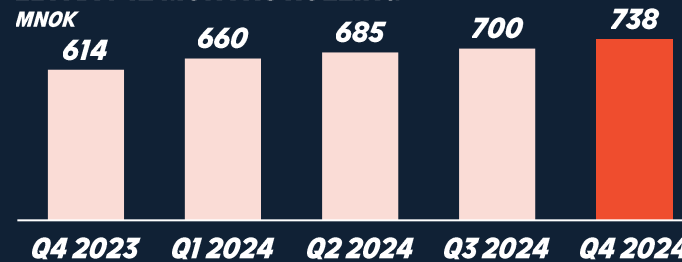
	117 clubs and 332 000 members
	95 clubs and 248 000 members
	31 clubs and 71 000 members
	29 clubs and 82 000 members



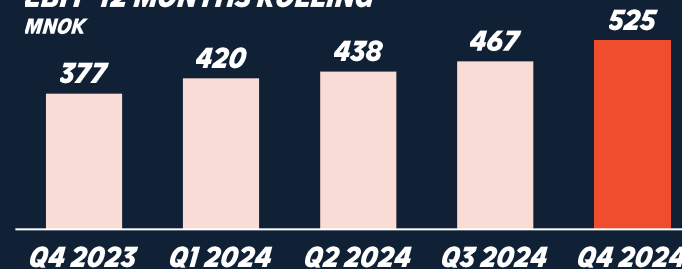
REVENUES 12 MONTHS ROLLING
MNOK



EBITDA¹ 12 MONTHS ROLLING
MNOK



EBIT¹ 12 MONTHS ROLLING
MNOK



272
CLUBS

733 000
MEMBERS

10 000
EMPLOYEES

128 000
DAILY
WORKOUTS

1 700
DAILY GROUP
TRAINING CLASSES

1) Before IFRS 16 and EO items

STRONG FINANCIAL DELIVERY IN Q4 AND POSITIVE START OF THE NEW YEAR



PRODUCT DEVELOPMENTS PAYING OFF, THROUGH BOOSTED ACTIVITY LEVELS AND MEMBER LOYALTY

Our members are working out more than ever before, with the all countries following the positive development seen in Norway, after replicating the Norwegian formula with increased investments in group training capacity

OF WORKOUTS:

+7%

VS Q4 2023



STRONG FINANCIAL PERFORMANCE IN Q4 AND 2024 OVERALL

Achieved robust financial growth, with a continued positive trajectory across all key financial metrics

REVENUES:

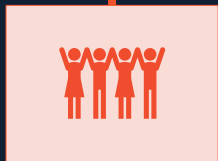
+7%

VS Q4 2023

EBITDA¹:

+37%

VS Q4 2023



FINANCIAL STRENGTH ENABLING DEBT REDUCTION AND SHAREHOLDER RETURNS

High cash generation and continued deleveraging. Debt down payment of NOK 103 million in the quarter and share buyback program of NOK 100 million initiated, marking the first step in our shareholder distribution journey

FREE CASH FLOW:

+12%

VS Q4 2023

LEVERAGE:

1.4X

VS 2.3X IN Q4 2023



CONFIDENT ENTRY INTO THE NEW YEAR

Positive momentum from Q4 has carried into early 2025, with elevated activity levels persisting into the first half of Q1, still with group training in lead. This provides confidence that we are on the right track, both operationally and financially

1) Before IFRS 16

ENHANCING THE PRODUCT QUALITY TO KEEP MEMBERS MOVING AND MAINTAIN PRICE PREMIUM

CONTINUE UPGRADING THE CLUB PORTFOLIO

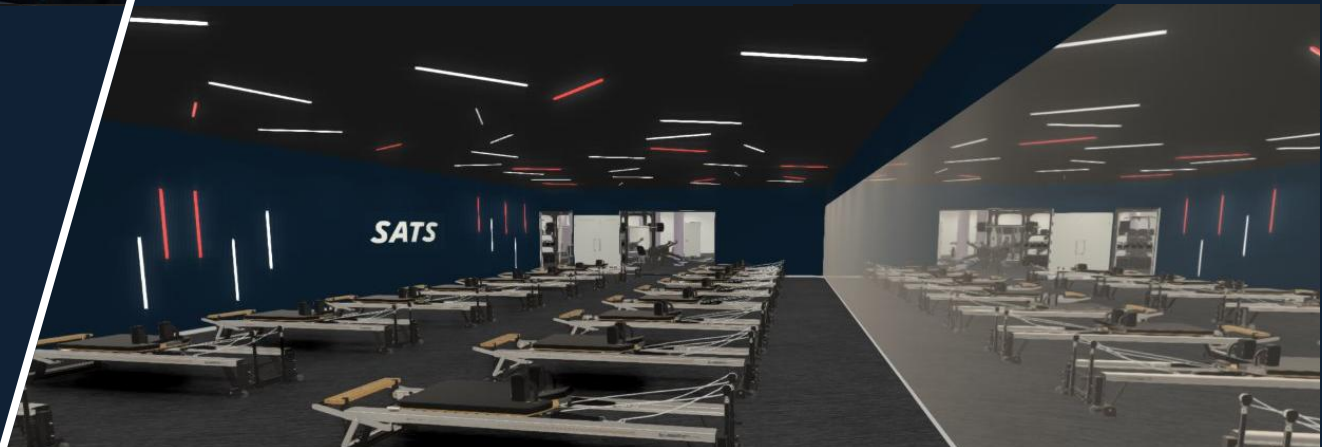


NOK 155 MILLION

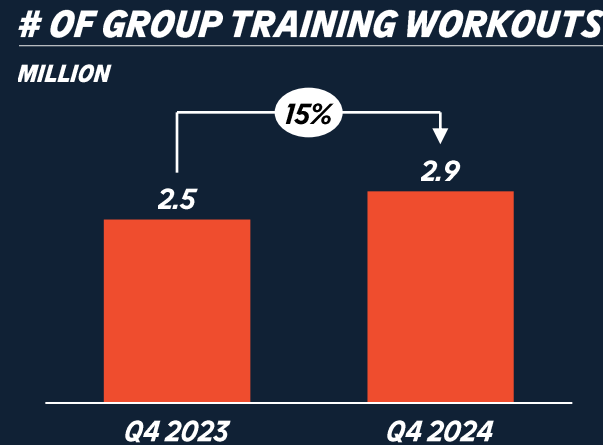
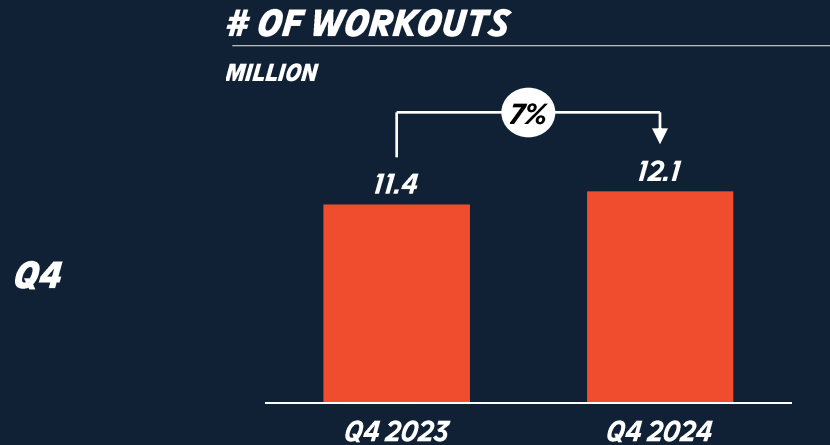
spent on value-adding club upgrades in Q4 2024

LAUNCHING NEW AND INNOVATIVE PRODUCTS

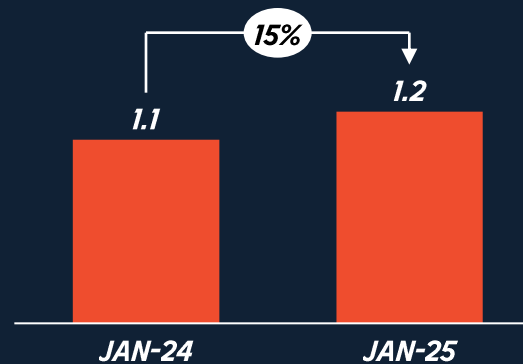
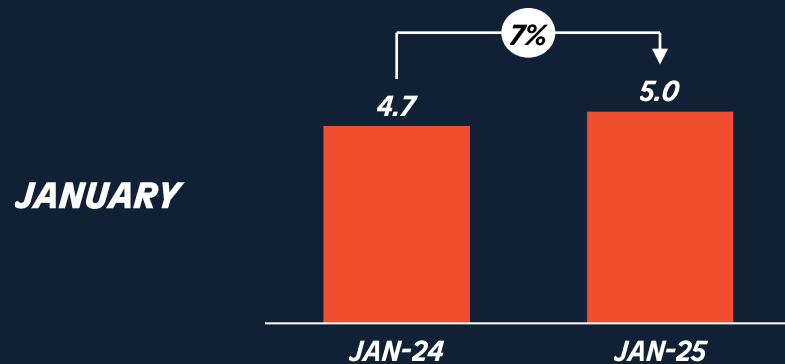
- Launching a bundle of **Reformer** products in March (Reformer Pilates, Reformer Strength, Reformer HIIT)
- Taking a dominating fitness trend to the mass market – global and local trend reports focus on the new wave for Pilates and Reformer classes
- Meeting the **second largest boutique trend** (in addition to HIIT), leaving our group training offer even more complete than ever before



PRODUCT DEVELOPMENTS DRIVING MEMBER ENGAGEMENT AND LOYALTY



- Have through 2023 and the first half of 2024 piloted added investments into the group training product in Norway, with successful results
- The replication of the Norwegian pilot into the other markets are showing promising results, and will thus be rolled out further

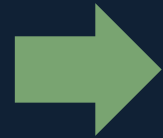


**FINANCIAL
REVIEW
Q4 2024**



Q4 2024 FINANCIAL HIGHLIGHTS

CONTINUED POSITIVE TREND FOR ALL FINANCIAL KPIS



MEMBERS
733 000
+0.3%



ARPM
598
+7%



REVENUES
1 311M
+7%



EBITDA¹
175M
+37%



EBIT¹
125M
+87%



FREE CASHFLOW
153M
+12%



NET DEBT¹
1 069M
-26%



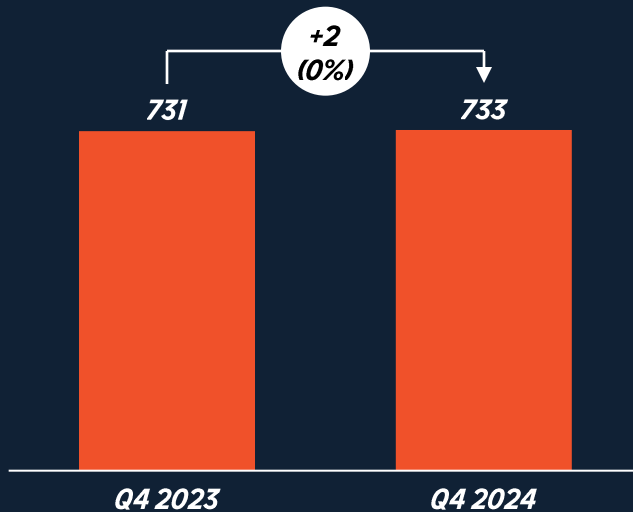
LEVERAGE²
1.4X
VS 2.3X

1) Before IFRS 16
2) Net debt to EBITDA before IFRS 16

STABLE MEMBER BASE AND CONTINUED IMPROVEMENT IN SQM UTILIZATION

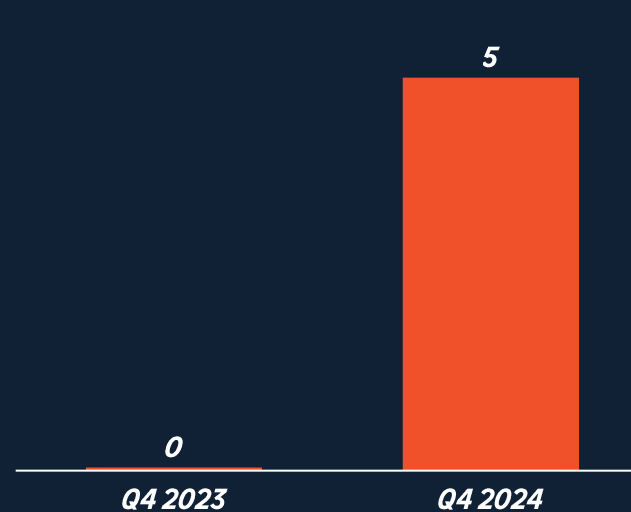
TOTAL MEMBERS

'000

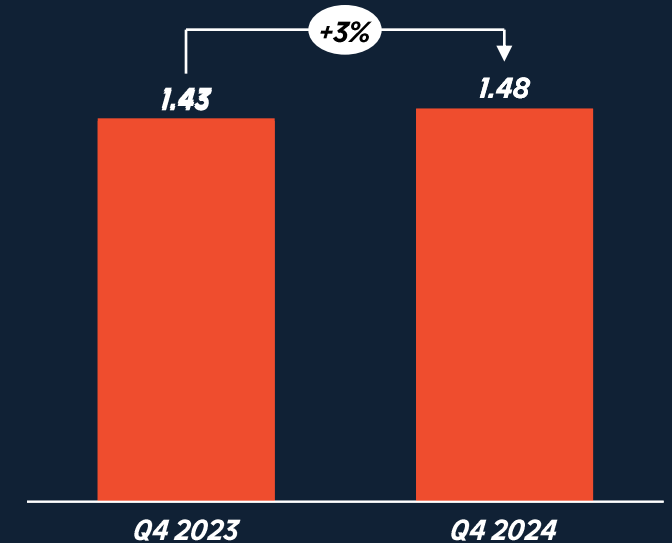


NET GROWTH

'000



MEMBERS PER SQM



- Strong close of the year, adding 5 000 members in the quarter
- Stable member development compared to last year despite operating four fewer clubs
- Members per sqm improved by 3%, driven by portfolio optimization and space utilization efforts

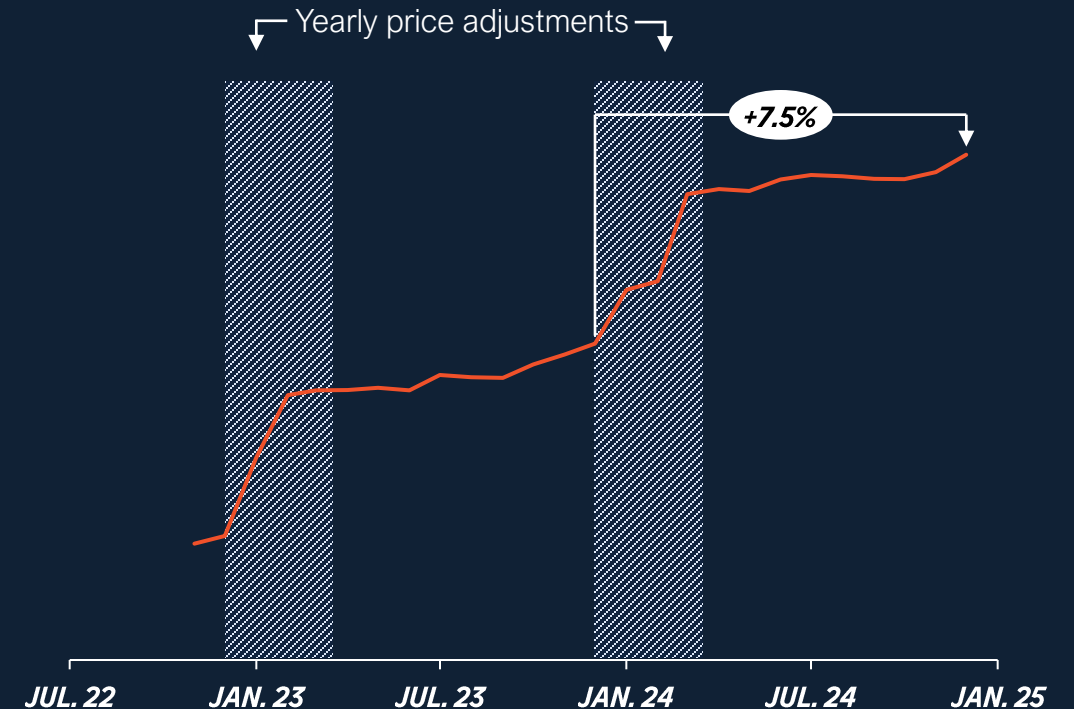
IMPROVED MEMBERSHIP MIX AND SUCCESSFUL PRICE ADJUSTMENTS IMPLEMENTED, WITH FINANCIAL EFFECT SOMEWHAT BETTER THAN EXPECTED

DRIVERS FOR PRICE INCREASES

- 
MEMBERSHIP MIX
 - Product development is strengthening our brand and driving member engagement, making add-on products, such as group training, more attractive
- 
LIST PRICE ADJUSTMENT
 - List prices for memberships and personal training adjusted 3 December 2024
 - Avg. increase in line with inflation across the membership product portfolio
- 
INFLATION ADJUSTMENT
 - Inflation adjustment of memberships in accordance with the October 2024 CPIs (1.3-2.6%) with effect from January 2025
- 
MINIMUM PRICE ADJUSTMENT
 - Price increases for members with the highest deviation from the list price with effect as of February 2025

MEMBERSHIP CONTRACTUAL PRICE

NOK, CONSTANT CURRENCY

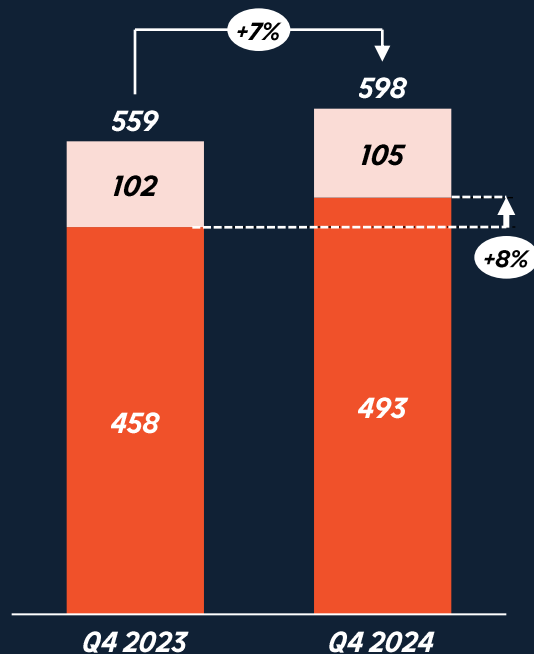


STEADY REVENUE GROWTH DURING THE YEAR, WITH A 7% GROWTH IN BOTH ARPM AND TOTAL REVENUES

TOTAL ARPM

NOK

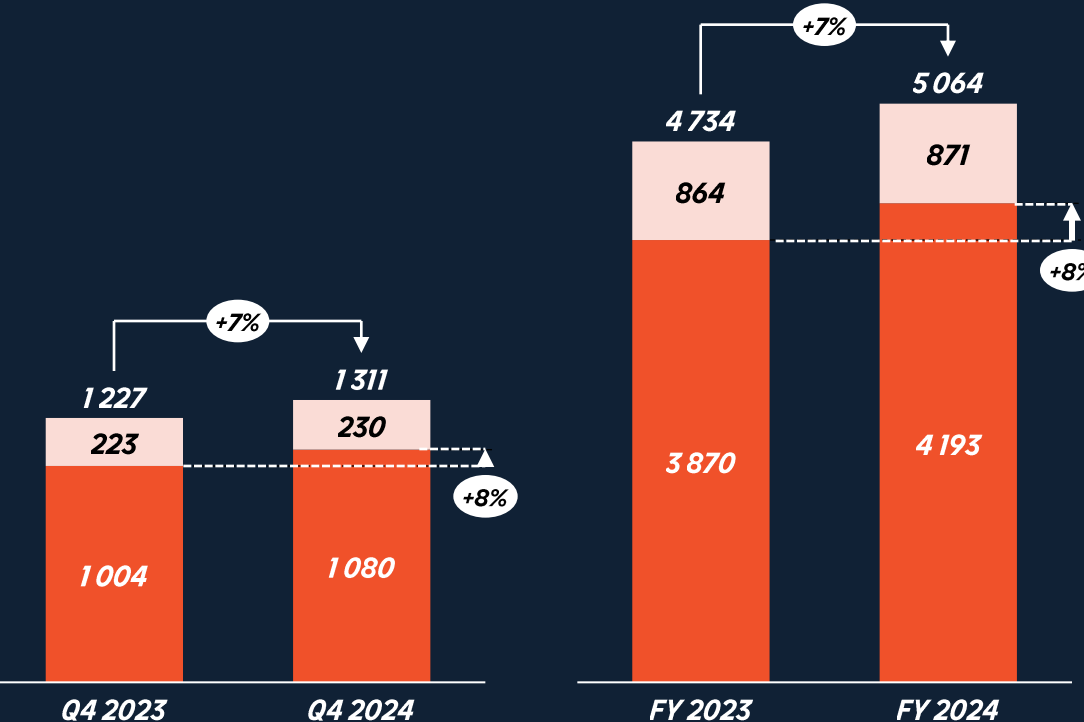
MEMBERSHIP YIELD
OTHER YIELD



TOTAL REVENUES

MNOK

MEMBERSHIP REVENUES
OTHER REVENUES



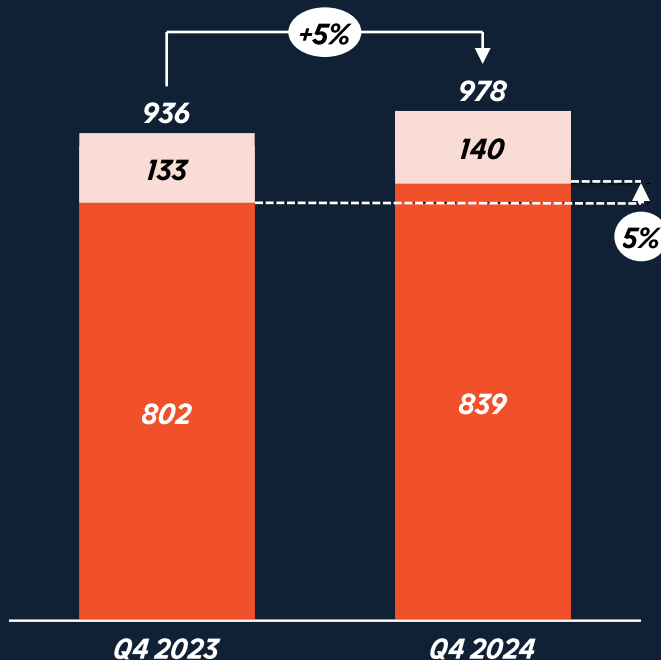
- Growth in membership yield, following price initiatives and increased attractiveness of the group training product
- Total revenues lifted by 7% y/y, as a stable member development is combined with yield increases above inflation
- Slight increase in revenues from personal training and retail

COST INCREASE IN LINE WITH INFLATION

CLUB OPERATING COST

MNOK

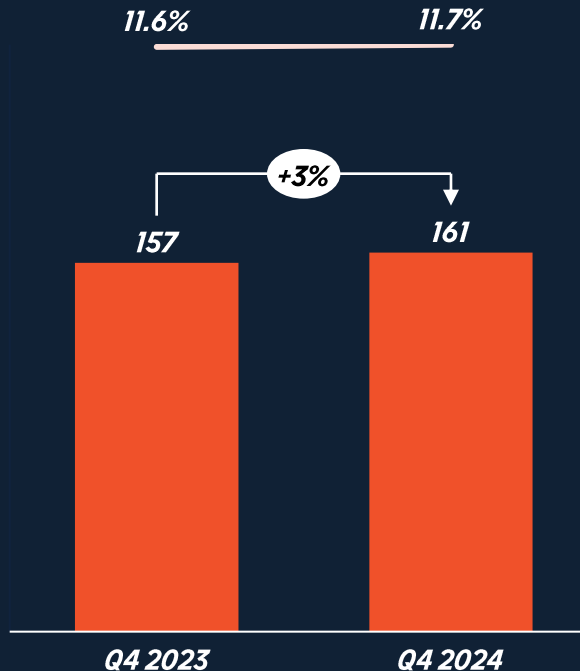
- CLUB OPEX
- DIRECT COST/COGS



OVERHEAD

MNOK

- OVERHEAD
- LTM OVERHEAD AS % OF REVENUES



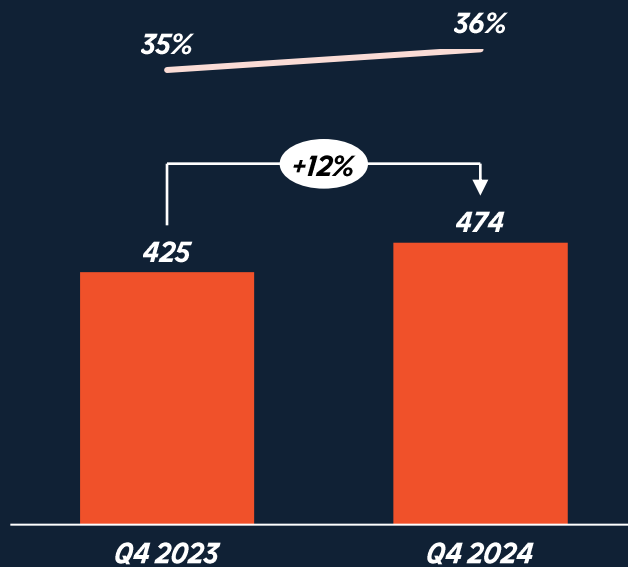
- Increase in club operating cost of 5%, driven by inflation
- Some additional investments in the product offering, mainly related to adding more group training classes
- Hedged the electricity price for ~50% of the total estimated consumption from Q4 2024 until end 2026 to reduce risk
- Cost base expected to increase in line with inflation going forward, but with the mentioned additional investments in product offering, mainly related to adding more group training classes

STRONG EBITDA REFLECTING ROBUST PROFITABILITY

REPORTED EBITDA

MNOK

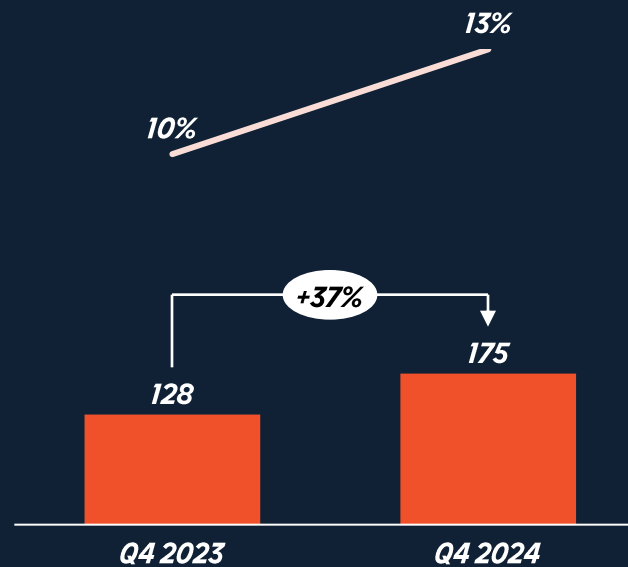
■ EBITDA
— EBITDA MARGIN



EBITDA BEFORE IFRS 16

MNOK

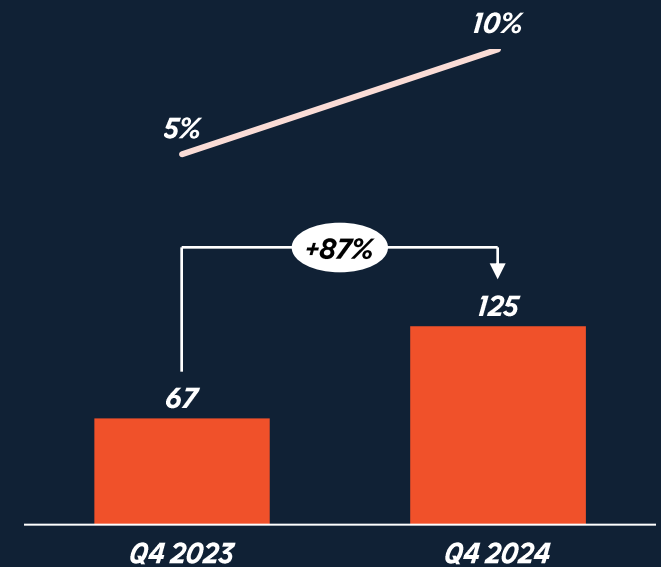
■ EBITDA BEFORE IFRS 16
— EBITDA BEFORE IFRS 16 MARGIN



EBIT BEFORE IFRS 16

MNOK

— EBIT BEFORE IFRS 16 MARGIN
■ EBIT BEFORE IFRS 16



CAPEX DEPLOYMENT SKEWED TOWARDS YEAR-END, AS PREVIOUSLY COMMUNICATED, ENDING THE YEAR AT THE TARGET OF 5% OF REVENUES

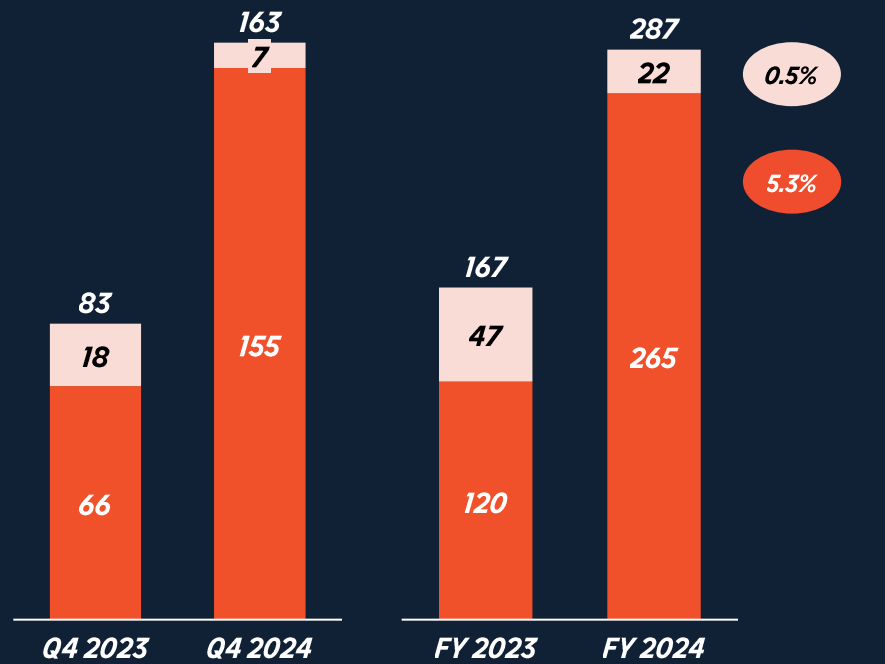
CAPITAL EXPENDITURE

MNOK

EXPANSION

UPGRADES AND MAINTENANCE

% OF REVENUES (FY)



CLUB EXPANSION PIPELINE

+	Helsinki	Q1 2025	<ul style="list-style-type: none"> One club closure in the quarter Actively scouting locations in key clusters and major Nordic cities, targeting a run-rate of 8-12 new clubs per year
	Oslo (Fresh Fitness)	Q1 2025	
	Larvik (Fresh Fitness)	Q3 2025	
	Oslo	2026	
-	Gothenburg	Q4 2024	

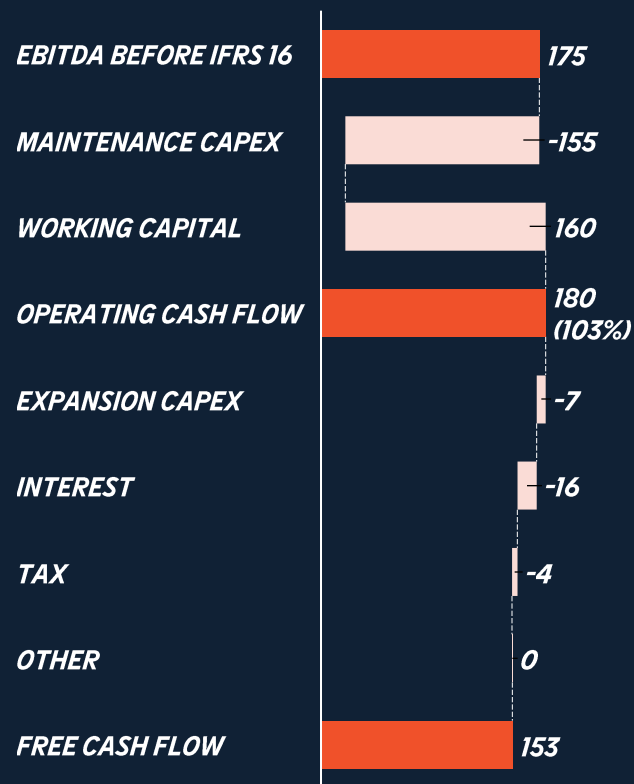
UPGRADES AND MAINTENANCE

- Investment levels returned to target level of 5% of revenues after significant club upgrades and equipment purchases this fall to support further growth and value proposition towards members
- In Q3, the depreciation period for fitness equipment was prolonged from 5-9 years to 7-12 years, as a result of a more structured approach to asset management
- Sustained investment discipline remains a priority, and we take a structured approach to prioritizing investments based on club quality, competition, and cluster strategy, ensuring high-return investments and optimal space and equipment utilization

FREE CASH FLOW OF NOK 407 MILLION IN 2024

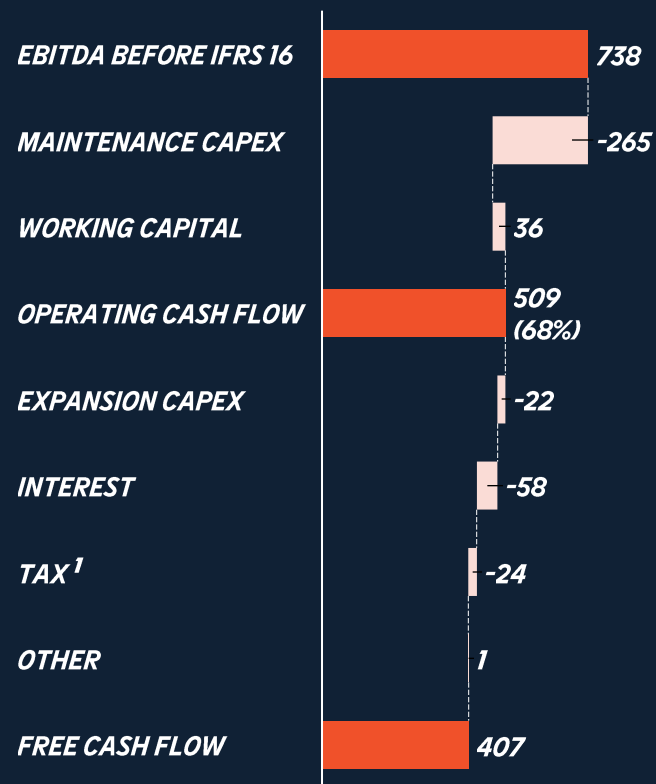
FREE CASH FLOW Q4 2024

MNOK



FY 2024 FREE CASH FLOW

MNOK



- Generated strong free cash flow of NOK 153 million in Q4 and NOK 407 million for the full year 2024
- Positive working capital effects following the growing business with prepayment of memberships, but maintenance capex skewed towards the end of Q4, results in some capex cash carryover to Q1
- The robust cash flow over the past 12 months underscores our strong cash generating capability, supporting further debt reduction and shareholder distributions

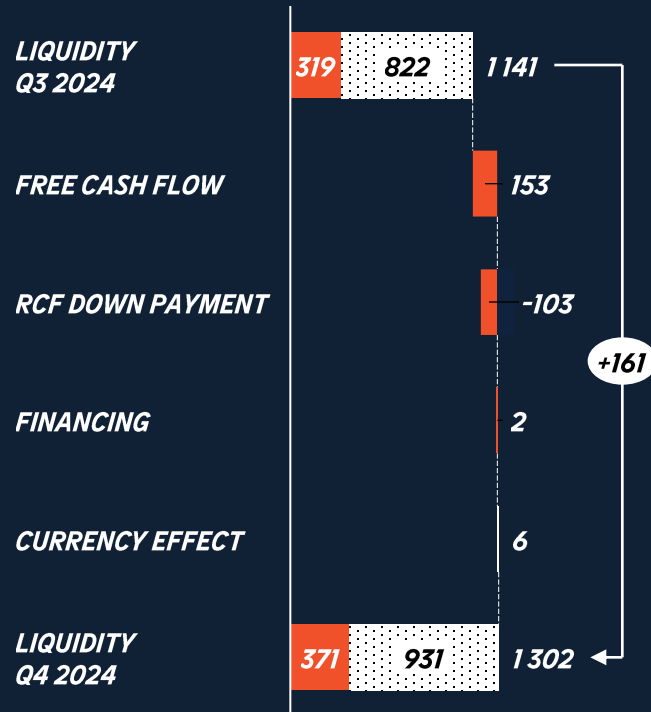
1) Note that tax payment is expected to increase to around NOK 100 million in 2025, following improved profitability in recent years

DELEVERAGING MOMENTUM CONTINUING THROUGH 2024

LIQUIDITY POSITION

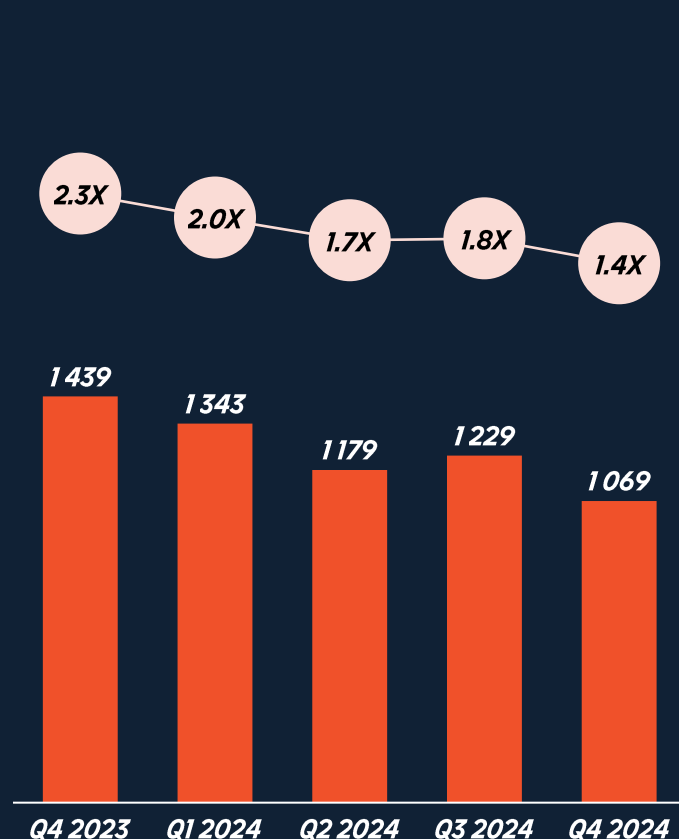
MNOK

UNDRAWN RCF
 CASH BALANCE



NET DEBT AND LEVERAGE RATIO¹

MNOK

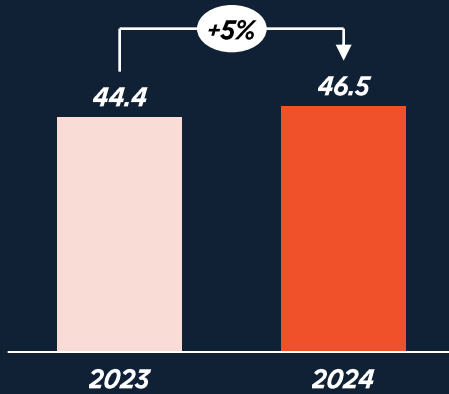


- The strong cash flow enabled further down payment of NOK 103 million on the RCF
- Have continued the deleveraging journey during the quarter
- Remain committed to keep leverage in the lower end of the communicated target range of 1.5x-2.0x net debt to EBITDA
- Have thus initiated the first share buyback program of NOK 100 million

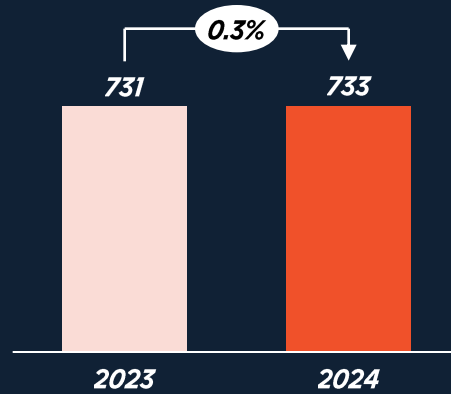
1) Net debt to EBITDA before IFRS 16

FULL-YEAR 2024 SUMMARY

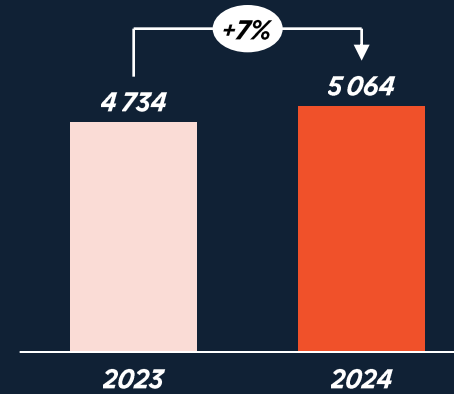
WORKOUTS (MILLION)



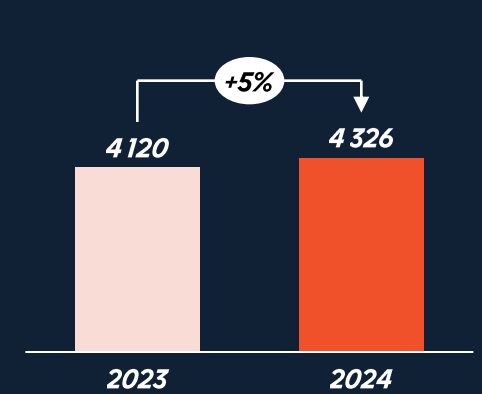
MEMBERS ('000)



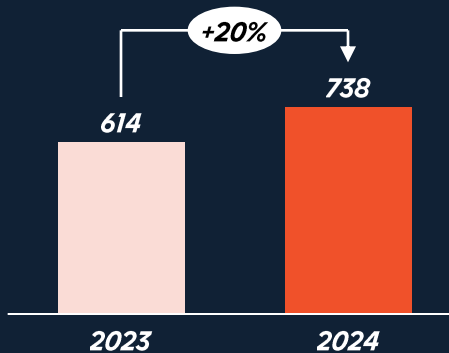
REVENUE (MNOK)



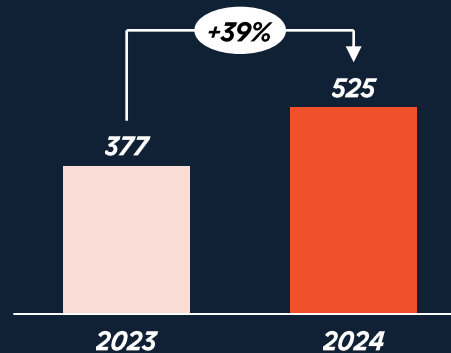
TOTAL OPEX (MNOK)



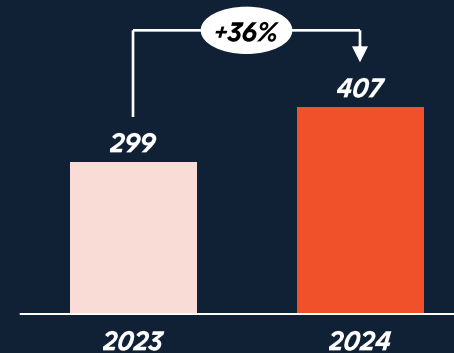
EBITDA BEFORE IFRS 16 (MNOK)



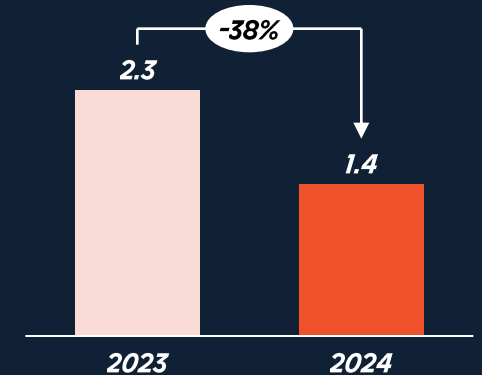
EBIT BEFORE IFRS 16 (MNOK)



FREE CASH FLOW (MNOK)



LEVERAGE RATIO



OUTLOOK



STRONG DELEVERAGING HAS ENABLED THE INITIATION OF A SHAREHOLDER DISTRIBUTION PROGRAM, WITH SHARE BUYBACK AS THE FIRST STEP

THE BOARD OF DIRECTORS HAS RESOLVED TO INITIATE THE FIRST SHARE BUYBACK PROGRAM IN 2025

SHARE CAPITAL DISTRIBUTION

This is the first share buyback program in 2025. The company aims to distribute at least 50% of annual net profit as a combination of share buybacks and semi-annual dividends

PURCHASE PERIOD

17 February until the last trading day before the AGM (25 April) and the date the maximum consideration under the buyback program is used

MAXIMUM CONSIDERATION

NOK 100 million

PURPOSE

Main purpose of the program is to service shareholders by way of reducing its share capital, but the shares will partially be allocated to a share investment program for employees

COMPLIANCE

The share buyback program will be carried out in accordance with the Market Abuse Regulation and the Safe Harbour Regulation

OUTLOOK



The **strong financial delivery** in 2024 was driven by investments in improved product offering, combined with yield initiatives growing member revenues, and strong focus on operational execution and efficiency



We will maintain a sharp focus on these areas also in 2025, which will result in **further strengthened financial results** with strong cash conversion



We will be **disciplined in our CAPEX decisions**; increasing club capacity in existing footprint improving return per square meter, strengthening the product offering and building the pipeline to deliver on a moderate club expansion within the Nordics with 8-12 new club openings per year



We re-iterate the financial guidance on keeping leverage ratio in the lower end of the indicated 1.5-2.0 interval and focus on shareholder return by distributing at least 50% of net profit – materializing in 2025 with **share buybacks starting now and first bi-annual dividend payment to be paid in Q3**



***SAVE THE DATE:
SATS CAPITAL MARKETS DAY ON MAY 7, 2025***

APPENDIX



DISCLAIMER

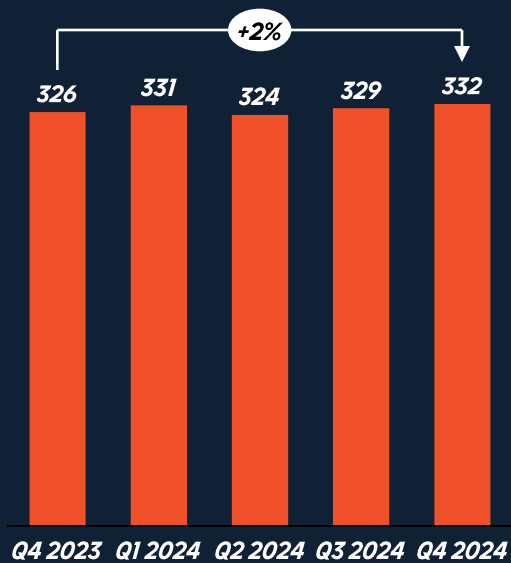
This report includes forward-looking statements which are based on our current expectations and projections about future events. Statements herein, other than statements of historical facts, regarding future events or prospects, are forward-looking statements. All such statements are subject to inherent risks and uncertainties, and many factors can lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements. As a result, you should not place undue reliance on these forward-looking statements.

The Group reports its financial results in accordance with accounting principles IFRS as issued by the IASB and as endorsed by the EU. However, management believes that certain alternative performance measures (APMs) provide management and other users with additional meaningful financial information that should be considered when assessing the Group's ongoing performance. These APMs are non-IFRS financial measures, and should not be viewed as a substitute for any IFRS financial measure. Management, the board of directors and the long term lenders regularly uses supplemental APMs to understand, manage and evaluate the business and its operations. These APMs are among the factors used in planning for and forecasting future periods, including assessment of financial covenants compliance.

NORWAY

OUTGOING MEMBER BASE

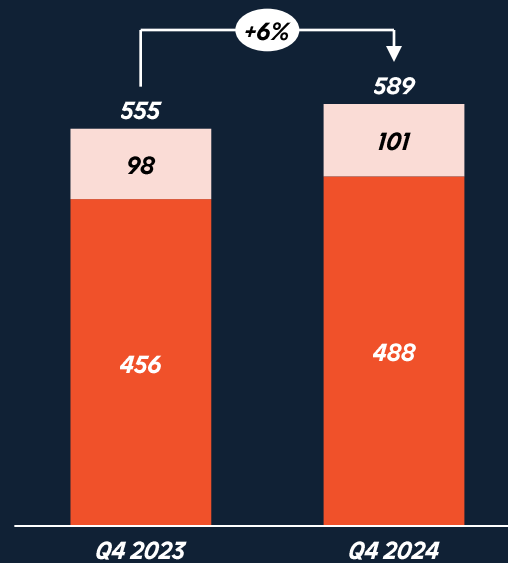
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ARPM AND YIELD

NOK/MONTH

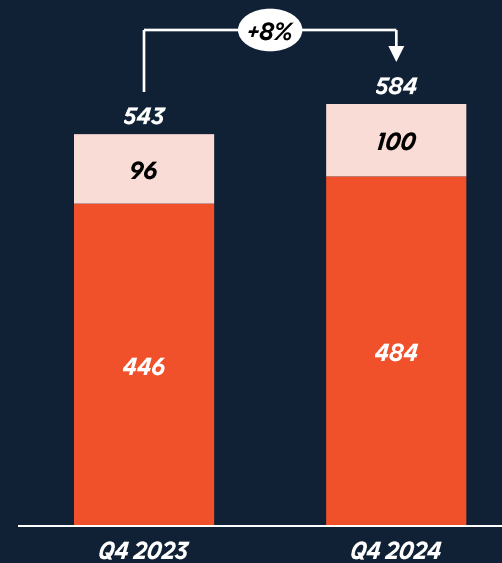
MEMBERSHIP YIELD
OTHER YIELD



TOTAL REVENUES

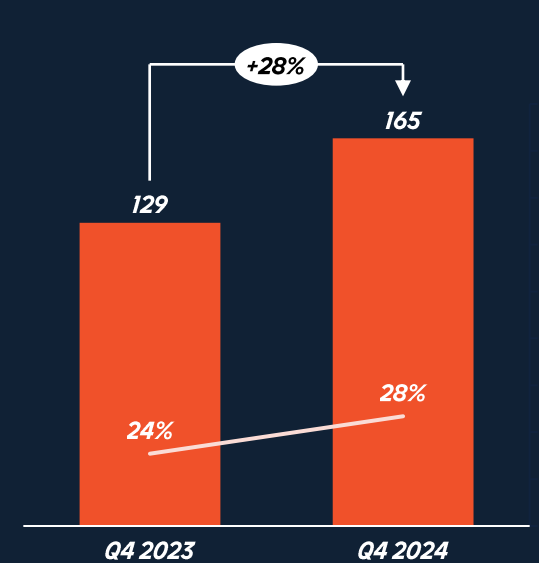
MNOK

MEMBERSHIP REVENUES
OTHER REVENUES



COUNTRY EBITDA BEFORE IMPACT OF IFRS 16

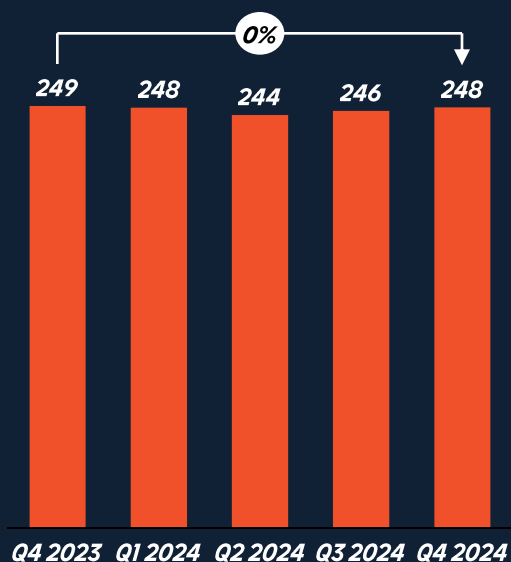
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SWEDEN

OUTGOING MEMBER BASE

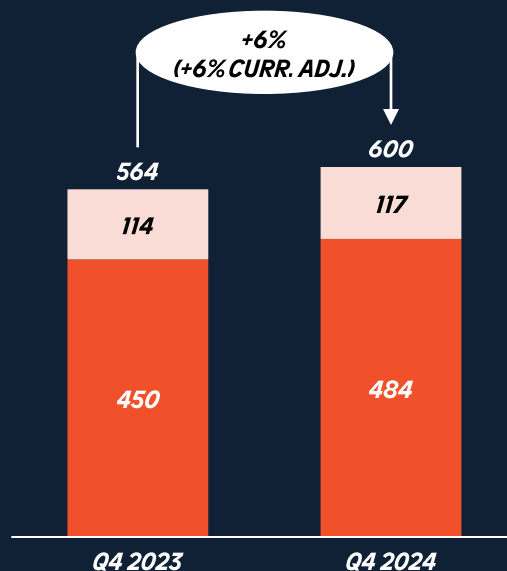
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ARPM AND YIELD

NOK/MONTH

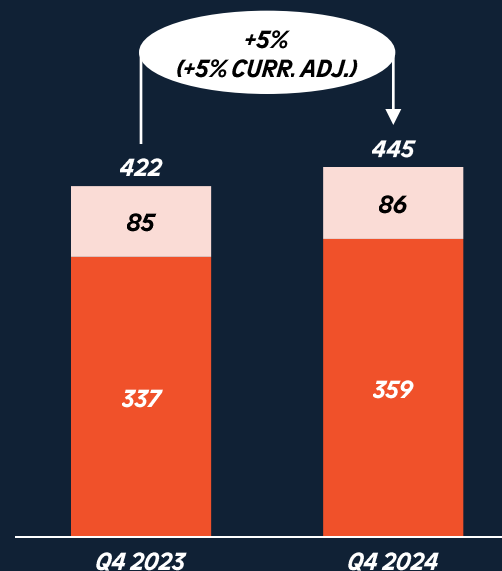
MEMBERSHIP YIELD
OTHER YIELD



TOTAL REVENUES

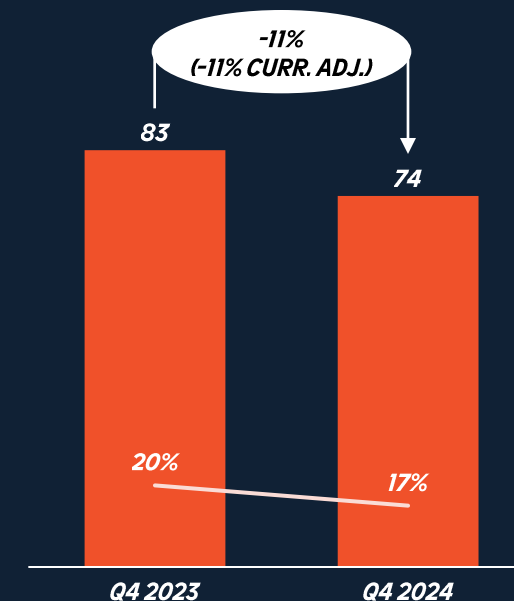
MNOK

MEMBERSHIP REVENUES
OTHER REVENUES



COUNTRY EBITDA BEFORE IMPACT OF IFRS 16

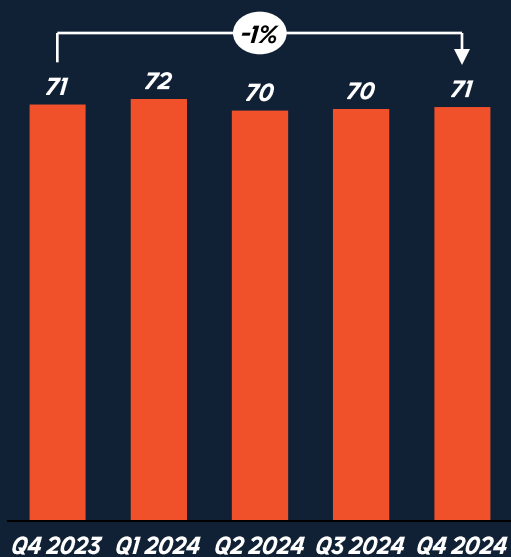
MNOK



FINLAND

OUTGOING MEMBER BASE

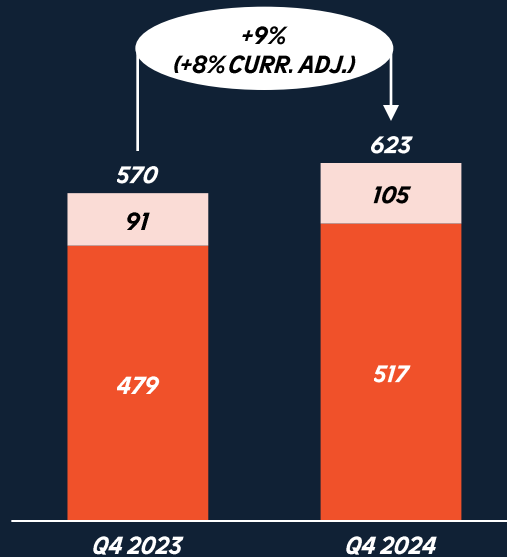
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ARPM AND YIELD

NOK/MONTH

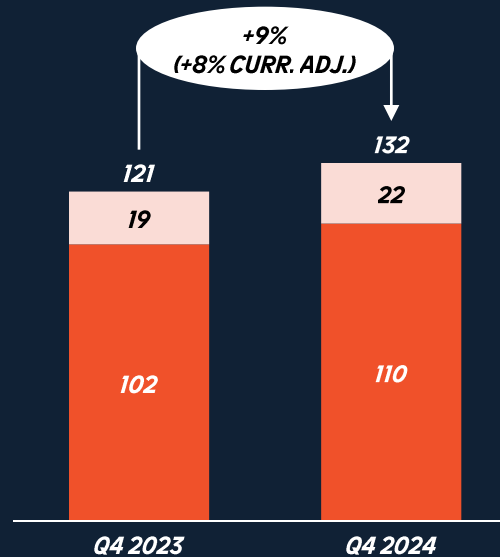
MEMBERSHIP YIELD
OTHER YIELD



TOTAL REVENUES

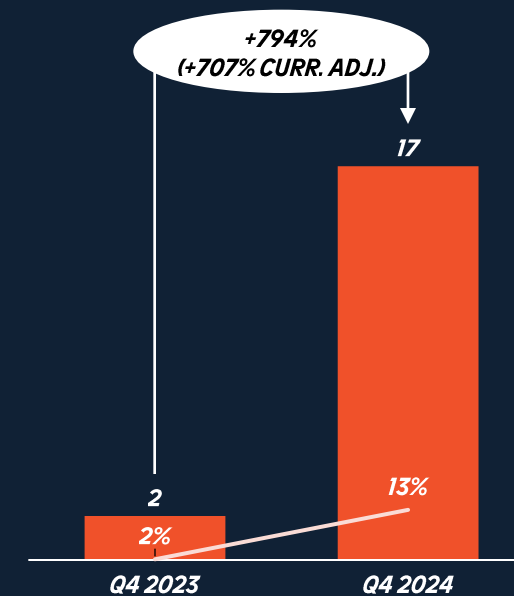
MNOK

MEMBERSHIP REVENUES
OTHER REVENUES



COUNTRY EBITDA BEFORE IMPACT OF IFRS 16

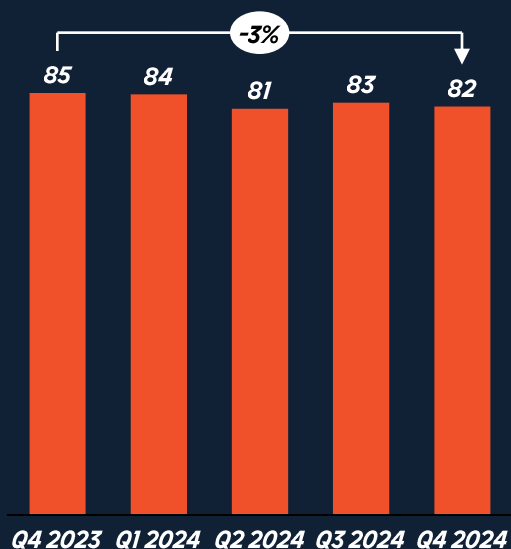
MNOK



DENMARK

OUTGOING MEMBER BASE

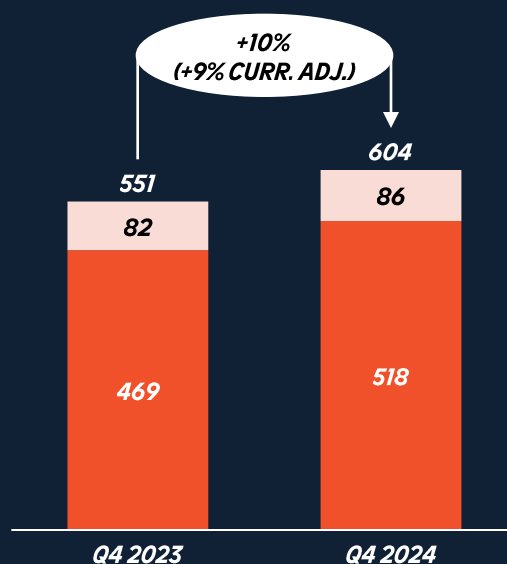
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ARPM AND YIELD

NOK/MONTH

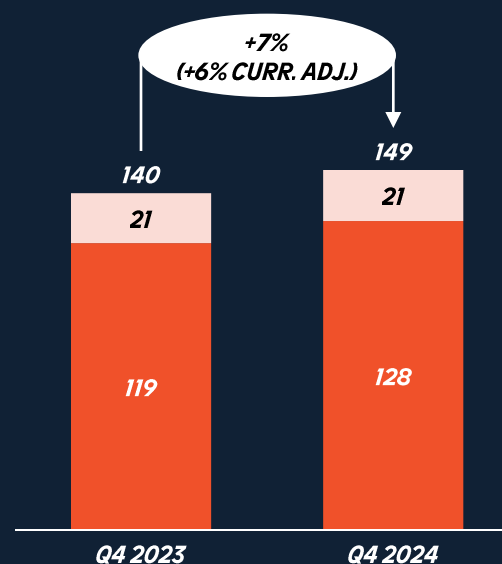
MEMBERSHIP YIELD
OTHER YIELD



TOTAL REVENUES

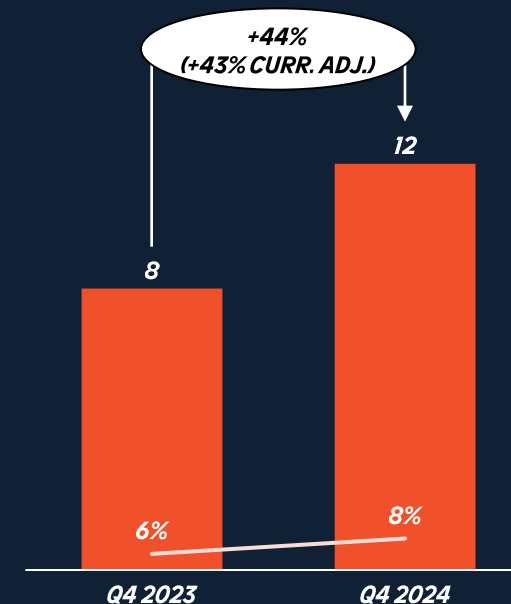
MNOK

MEMBERSHIP REVENUES
OTHER REVENUES



COUNTRY EBITDA BEFORE IMPACT OF IFRS 16

MNOK



SUMMARY TABLE

<i>Amounts in NOK million</i>	Q4 2024	Q4 2023
Number of clubs, EOP	272	276
Outgoing member base ('000s)	733	731
Average number of members per club	2 696	2 649
ARPM (NOK)	598	559
Yield (NOK)	493	458
Reported EBITDA (MNOK)	474	425
EBITDA before impact of IFRS 16 (MNOK)	175	128
EBITDA before impact of IFRS 16 margin	13 %	10 %
Country EBITDA before impact of IFRS 16 (MNOK)	267	222
Country EBITDA before impact of IFRS 16 margin	20 %	18 %
Net debt (MNOK)	1 069	1 439
Total capital expenditures (MNOK)	163	83
Expansion capital expenditures (MNOK)	7	18
Maintenance capital expenditures (MNOK)	155	66
Operating cash flow (MNOK)	180	161
Leverage ratio	1.4	2.3
Cash conversion	103 %	126 %

REPORTING UNDER IFRS 16

AMOUNTS IN NOK MILLION	REPORTED Q4 2024	CHANGE IFRS 16	EXCL. IFRS 16 Q4 2024
BALANCE SHEET ITEMS - IFRS 16			
Property, plant and equipment	792	0	792
Right-of use assets	4 657	4 657	0
Deferred tax assets	185	76	110
Prepaid expenses and accrued income	237	-100	336
Total assets	9 336	4 633	4 703
Equity	1 345	-378	1 723
Non-current lease liability	4 090	4 090	0
Current lease liability	959	959	0
Other current liabilities	360	-38	398
Total liabilities	7 991	5 011	2 980
PROFIT & LOSS ITEMS - IFRS 16			
Revenue	1 311	0	1 311
Cost of goods sold	-40	0	-40
Personnel expenses	-511	0	-511
Other operating expenses	-286	300	-585
Depreciation and amortization	-294	-244	-50
Impairment of assets held for sale	0	0	0
Operating profit	181	55	125
Net financial items	-77	-62	-15
Profit/loss before tax	103	-7	110

DEFINITIONS

TERM	DEFINITION
Average number of members per club	Outgoing member base divided by outgoing number of clubs
Average revenue per member (ARPM)	Calculated as monthly total revenue divided by the average member base
Capex: Expansion capital expenditures	The sum of investments related to acquisitions and greenfields, as well as capex related to the perfect club initiative and digital expansion
Capex: Upgrades and maintenance capital expenditures	Club upgrades and maintenance and IT capital expenditures
Cash conversion	Operating cash flow divided by EBITDA before impact of IFRS 16
Country EBITDA before impact of IFRS 16	EBITDA before impact of IFRS 16 less allocation of Group overhead and cost allocations
EBIT before impact of IFRS 16	EBIT adjusted for the impact of implementation of the IFRS 16 lease standard
EBITDA	Profit/(loss) before net financial items, income tax expense, depreciation and amortization
EBITDA before impact of IFRS 16	EBITDA adjusted for the impact of implementation of the IFRS 16 lease standard

TERM	DEFINITION
Group overhead	Consists of group services such as commercial functions, IT, finance and administration
Leverage ratio	Net debt divided by last twelve months EBITDA before impact of IFRS 16
Member base	Number of members, including frozen memberships, excluding free memberships
Operating cash flow	EBITDA before impact of IFRS 16 less upgrades and maintenance capital expenditures and working capital
Other yield	Calculated as monthly other revenue in the period, divided by the average member base
Total overhead	The sum of country overhead and group overhead
Underlying operating cash flow	Operating cash flow less expansion capital expenditures
Yield	Calculated as monthly member revenue in the period, divided by the average member base

RECONCILIATION OF FREE CASH FLOW BRIDGE AND CONSOLIDATED STATEMENT OF CASH FLOWS

FREE CASHFLOW	CONSOLIDATED STATEMENT OF CASHFLOWS
EBITDA before impact of IFRS16	Profit before tax Depreciation, amortization and impairment Net financial items Installments on lease liabilities Interests on lease liabilities
Maintenance capex	Purchase of property, plant and equipment (contains both maintenance capex and expansion capex)
Working capital	Change in inventory Change in accounts receivables Change in trade payables Change in other receivables and accruals
Expansion capex	Purchase of property, plant and equipment (contains both maintenance capex and expansion capex) Proceeds from property, plant and equipment Acquisition of subsidiary, net of cash acquired
Interest and tax	Taxes paid in the period Paid interests on borrowings
Other	Gain/loss from disposal or sale of equipment
Cash flow items not included in free cash flow	Loan to related parties Repayments of borrowings Proceeds from borrowings Proceeds from issues of shares Proceeds from sale of own shares Transaction costs from issues of new shares Other financial items

SATS