

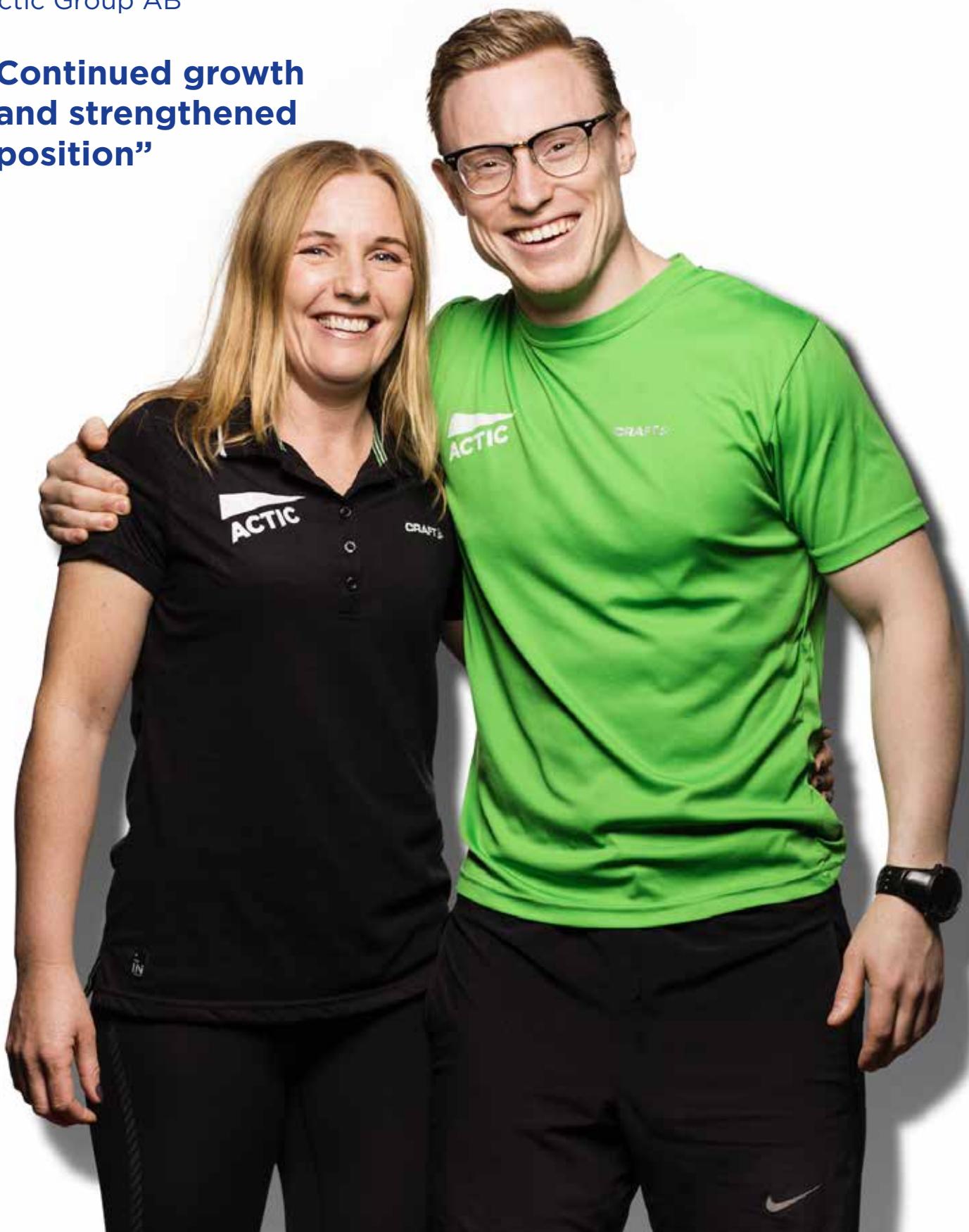
# Q1

# ACTIC

## Interim report 1 January–31 March 2017

Actic Group AB

**"Continued growth  
and strengthened  
position"**



# Interim report

## 1 January–31 March 2017

### First quarter–January to March 2017

- Net sales rose to SEK 226.0 million (194.1), up 16%.
- Organic growth amounted to 5%.
- ARPM increased 15% to SEK 349 (304).
- Adjusted EBITDA amounted to SEK 36.3 million (35.8).
- The adjusted EBITDA margin amounted to 16.0% (18.4).
- Items affecting comparability<sup>1)</sup> totalled SEK -10.3 million (-1.8).
- EBIT amounted to SEK 4.2 million (19.7).
- Net loss for the period was SEK -4.7 million (8.3).
- Earnings per share<sup>2)</sup> before and after dilution amounted to a negative SEK -10.68 (neg: -1.76).
- Cash flow from operating activities totalled SEK 31.0 million (31.5) and was charged with items affecting comparability.
- The net debt/adjusted EBITDA ratio for the most recent 12-month period was 4.2 (4.3).
- New establishment of three facilities during the quarter.
- Acquisition of three facilities in Karlstad with transfer on 1 May.
- After the end of the period, Actic was listed on Nasdaq Stockholm, at the same time as refinancing was implemented.

### Key financial data

SEK million	Jan-Mar 2017	Jan-Mar 2016	Rolling 12 months	Jan-Dec 2016
Net sales	226.0	194.1	833.9	802.0
Adjusted EBITDA	36.3	35.8	141.8	141.3
Adjusted EBITDA margin, %	16.0	18.4	17.0	17.6
Adjusted EBITA	20.4	23.0	82.8	85.4
Adjusted EBITA margin, %	9.0	11.8	9.9	10.7
EBIT	4.2	19.7	19.8	35.3
Net income/loss for the period	-4.7	8.3	-17.0	-4.0
Earnings per share <sup>2)</sup> before and after dilution, SEK	-10.68	-1.76	-39.55	-30.63
Net debt/adjusted EBITDA ratio	-	-	4.2	4.3
Cash flow from operating activities	31.0	31.5	76.0	77.7
Number of clubs at the end of the period	168	150	168	166
Number of members at the end of the period	216,777	211,906	216,777	210,980
ARPM, SEK	349	304	324	314
Club EBITDA	67.1	61.2	252.0	246.2
Club EBITDA margin, %	29.7	31.5	30.2	30.7
Average number of full-time equivalent employees	768	685	724	703

<sup>1)</sup> See note 10. <sup>2)</sup> See note 4. For definitions of key financial data, see page 29.

# Continued growth and strengthened position

Sales during the first quarter increased 16 percent to SEK 226 million and were mainly driven by acquisitions. Organic growth was 5 percent, which is in line with our long-term target. The elements behind the organic growth are intensified focus on add-on services, new establishments and an effective price strategy. At the same time, ARPM increased 15 percent to SEK 349 (304) per month, which is in line with our strategy. The membership base increased during the quarter as a result of seasonal patterns and improved targeting of key customers.

## Successful stock exchange listing

First of all, I want to take this opportunity to welcome all of our new shareholders in Actic, who number just over five thousand. We are proud of the large amount of interest shown in our company and the offer was also vastly oversubscribed. The stock exchange listing will, for example, result in increased awareness of our brand and offering, as well as serving as a stamp of quality. A listed environment provides us even better conditions to further strengthen our market positions through new establishments and acquisitions, in parallel with the continuous development of our offering to our members.

## Strong PT trend

Our PT operation continues to develop very positively and displayed growth of more than 60 percent during the quarter compared with the year-earlier period. In March, one of our clubs sold PT services for more than a million kronor in a single month for the very first time. It is also a reflection of the strong demand among our members for expert guidance on their exercise programmes. The PT business accounted for 9 percent of sales in the first quarter, indicating that we continue to have considerable potential for expansion in the area. In the Norwegian market, we are making investments to strengthen our expertise and structure, to thus achieve a critical mass within our PT operations.

Demand for our customised corporate packages also developed in a positive direction. Similarly, our loyalty programme, which was recently launched in the Swedish market, was well received and



strengthens our relationship with our members by offering them a number of benefits for more active training. We have seen, which we are working on, a weaker performance in the Norwegian operations as a result of renegotiated leases and a lower inflow of members than was expected. We also have a higher overall cost level than previously.

## New establishments and acquisitions

During the quarter, we acquired three facilities in Karlstad, which are expected to contribute annual sales of SEK 25-30 million, with an annual EBITDA in the range of SEK 5 million. The acquisition should be regarded as a feature of Actic's growth strategy and is a very fitting complement to our existing facility at Sundstabadet. Looking ahead, we will be able to provide a highly attractive offering for our more than 10,000 members in Karlstad, while we also establish a strong local position. Consolidation of the operations took place on 1 May.

## **“Our PT operation continues to develop very positively and displayed growth of more than 60 percent”**

In the German market, we see continued growth potential and, during the quarter, our three new openings from the second half of 2016, were supplemented by the addition of our second facility in Duisburg. In addition, we have signed contracts to establish another three facilities during the year, including a gym in a large, newly built bathhouse in Neustadt. Although this pushes up costs in the short term, this will contribute to organic growth and earnings over time. In addition, the Club EBIT-DA margin for mature clubs is generally higher in Germany than in the Nordics.

We are also active in a number of potential acquisition processes (LOIs) in both segments, although these are at a relatively early stage.



### **Continued expansion**

Investments are made in our platform to enable expansion and the strengthening of our position and brand, as well as the provision of a competitive offering to our customers. For example, this includes simpler payment solutions and developed communications with our members, as well as offerings such as new forms of group training, the loyalty programme and better access to our gyms. This puts pressure on the operating margin in the short term, but is of importance for achieving the right efficiency and scalability in future, which will help us to achieve our medium-term financial targets.

We are now looking forward, as a listed company, to fulfilling our strategy and thus taking on an active role in the ongoing consolidation and continuously broadening and strengthening our offering to create value for our members and our shareholders.

Solna, May 2017

Christer Zaar

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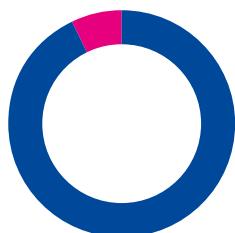
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# Financial development in the first quarter

## Sales and EBIT

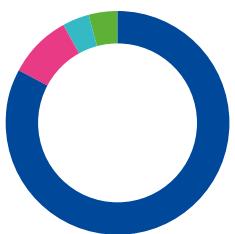
Net sales in the first quarter amounted to SEK 226.0 million (194.1), corresponding to growth of 16 percent. Acquisitions contributed SEK 20 million. Measured at fixed exchange rates, organic growth totalled 5 percent. Exchange-rate changes affected net sales positively by SEK 2.9 million. The Group's growth was primarily attributable to acquired operations in the Nordics and higher ARPM. Contributing factors to this increase in ARPM included a sharp increase in PT sales, which contributed SEK 21 million during the first quarter, compared with SEK 13 million during the year-earlier period, and Actic's focused efforts with respect to local pricing. The intensified effort to focus on member groups that are to a greater extent in need of and use add-on services continues. The membership base increased during the quarter as a result of seasonal patterns and new establishments.

## NET SALES PER OPERATING SEGMENT



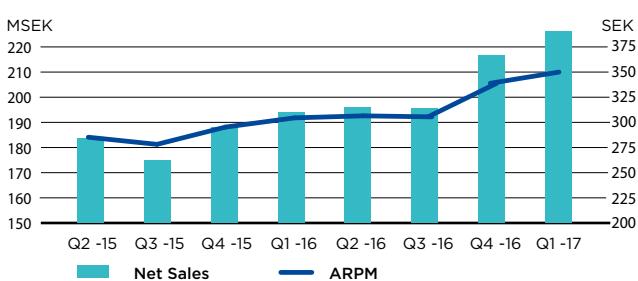
█ Nordics 93%  
█ Germany 7%

## NET SALES PER PRODUCT CATEGORY



█ Sold cards 83 %  
█ PT 9 %  
█ Bath 4 %  
█ Other 4 %

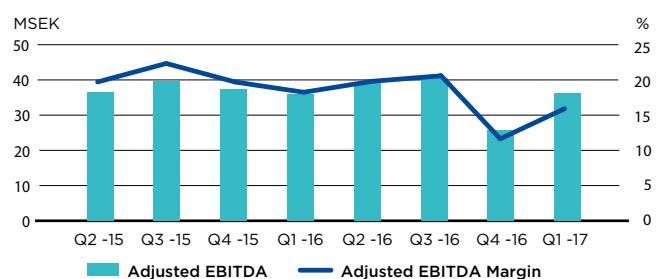
## NET SALES & ARPM



Adjusted EBITDA amounted to SEK 36.3 million (35.8), corresponding to an adjusted EBITDA margin of 16.0 percent (18.4). Items affecting comparability amounted to a negative SEK -10.3 million (neg: -1.8) and primarily comprised listing costs. The higher pace of establishment, continued investment in the service offering and central and local support functions impacted earnings compared with the preceding year.

EBIT amounted to SEK 4.2 million (19.7).

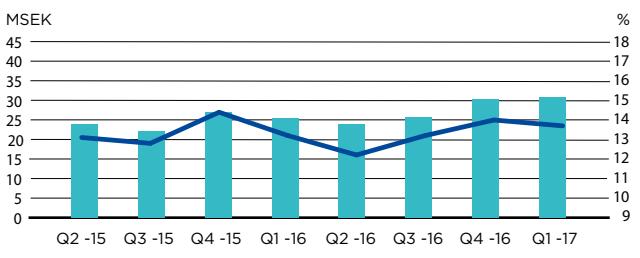
## ADJUSTED EBITDA MARGIN



## Central and local support functions

Actic's central and local support functions comprise a basis for efficiently delivering the Group's offering in all markets. In recent years, significant investments have been made in these functions for continued expansion, as well as to generate economies of scale and simplify integration of potential acquisitions. Adjusted for items affecting comparability, costs for central and local functions in relation to sales amounted to 13.2 percent for the most recent 12-month period, compared with 13.1 percent for full-year 2016.

## Central and local support functions



## **Financial income and expenses**

Financial expenses amounted to SEK -11.4 million (-10.8) and financial income totalled SEK 2.3 million (1.7). Financial expenses during the period were primarily attributable to interest expenses for loan financing, while financial income mainly pertained to currency-related translation differences.

## **Tax**

The earnings effect of tax in the first quarter was slightly positive at SEK 0.2 million (-2.3).

## **Net income**

Net income for the quarter amounted to SEK -4.7 million (8.3), corresponding to earnings per share before and after dilution of SEK -10.68 (-1.76) SEK, see note 4.



# 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, Norway and Finland. The company has conducted and gradually expanded its operations since 1981. The Nordic countries are home to just over 750 swimming halls and Actic conducts operations in approximately 100 of these. Actic's second, smaller – but rapidly expanding – operating segment comprises Germany and Austria, where the company primarily operates Gym & Swim clubs. Actic's swimming facilities in Germany will gradually be supplemented with stand-alone facilities in line with the company's cluster strategy.



## Nordics operating segment

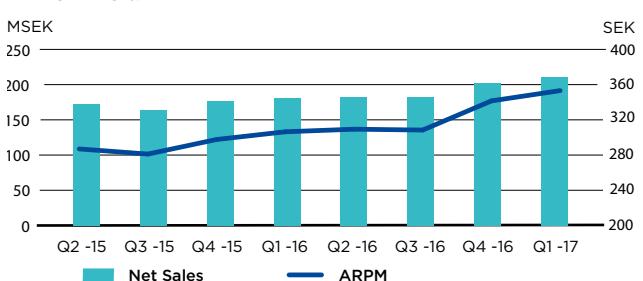
SEK million	Jan-Mar 2017	Jan-Mar 2016	Rolling 12 months	Jan-Dec 2016
Net sales	210.7	181.3	778.1	748.7
EBITDA	45.6	41.7	170.9	167.0
EBITDA margin, %	21.7	23.0	22.0	22.3
ARPM, SEK	355	307	329	317
Number of members at the end of the period	198,339	195,508	198,339	193,503
Number of clubs at the end of the period	147	133	147	146
Average number of full-time equivalent employees	654	592	617	601

### First quarter

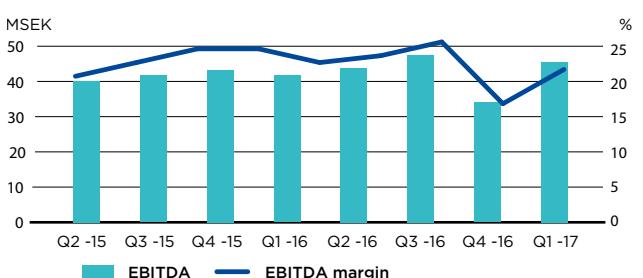
Net sales during the first quarter for the Nordics segment increased 16 percent to SEK 210.7 million (181.3). Acquisitions contributed SEK 20 million. ARPM rose 15 percent to SEK 355 (307) due to a gradual increase in PT sales, which contributed SEK 21 million (13) during the quarter, and work related to local offerings. Corporate sales, customised exercise products for various companies, and the sale of goods made an additional contribution compared to the year-earlier period.

EBITDA for the quarter totalled SEK 45.6 million (41.7), corresponding to a margin of 21.7 percent (23.0). The decline in margin is largely attributable to an increased pace of new establishment and a weaker trend in Norway.

### NET SALES & ARPM



### EBITDA & EBITDA MARGIN



## Acquisitions and new clubs

In total, 13 new facilities were added in the Nordics segment in 2016. The acquisition of Flex Sports Club added 13 new facilities, two were added through new openings and two smaller clubs were closed during the year.

During January 2017, Actic took over operation of a gym at the municipal swimming hall in Svenljunga and, in March, a third facility opened in Södertälje. At the same time, one small club was closed.

After the end of the period, during May, Actic will open a club in Frösundavik (Stockholm) with

primary focus on corporate clients. During the third quarter of 2017, Actic will open a third club in Varberg, which will thus become a cluster city with various types of facilities.

In February, a contract was signed for the acquisition of three facilities in Karlstad. The facilities are expected to add about 7,000 members and will have annual sales in the region of SEK 25–30 million. Consolidation occurred on 1 May.

Discussions (LOIs) are also under way regarding the acquisition of a chain of seven clubs in Norway and a facility in Mälardalen.

## German operating segment

SEK million

	Jan-Mar 2017	Jan-Mar 2016	Rolling 12 months	Jan-Dec 2016
Net sales	15.4	12.8	55.8	53.3
EBITDA	-0.0	0.6	-1.5	-0.9
EBITDA margin, %	-0.2	4.6	-2.6	-1.6
ARPM, SEK	283	266	273	269
Number of members at the end of the period	18,438	16,398	18,438	17,477
Number of clubs at the end of the period	21	17	21	20
Average number of full-time equivalent employees	99	81	94	90

## First quarter

The segment's net sales during the fourth quarter increased 20 percent to SEK 15.4 million (12.8). EBITDA for the quarter totalled SEK -0.0 million (0.6), corresponding to a margin of -0.2 percent (4.6). The lower margin was attributable to a higher establishment rate and investments in the organisation in the past year, combined with a longer-than-planned interruption of operations in Schortens. Although new establishments have short-term impact on the profitability of the segment, Actic foresees major future potential in the German market.

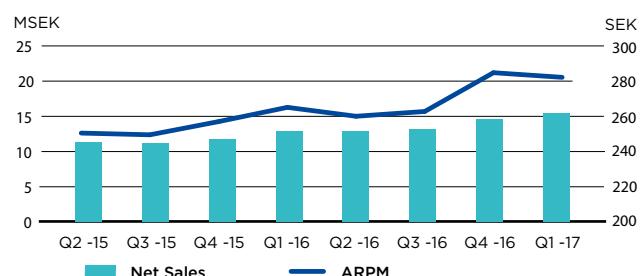
## Acquisitions and new clubs

A total of five new facilities were added through new establishment in the segment in Germany in 2016.

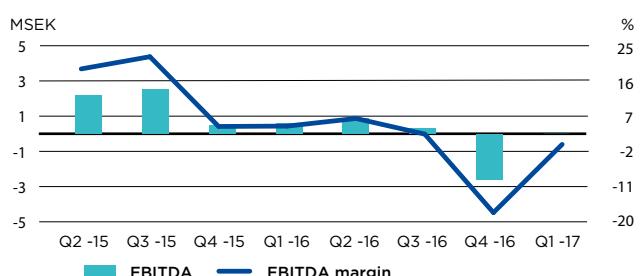
A second facility in Duisburg opened in January 2017. Three new facilities are scheduled to be established at the end of the year in Giessen (north of Frankfurt), Primasen (east of Saarbrücken) and in Neustadt. The latter of these will be in a large, newly built bathhouse.

In addition, a letter of intent was signed for the potential acquisition of two facilities in northern Germany, of which one is a Gym & Swim Club, with annual sales of about SEK 15 million.

## NET SALES & ARPM



## EBITDA & EBITDA MARGIN



# Financial position

## Cash flow, cash and cash equivalents

Actic's operations have reported negative tied-up working capital since the Group's revenue is based to a certain degree on advance monthly payments and due to the Group's relatively low requirement for capital tied up in inventories and accounts receivable. Combined with the company's stable EBITDA trend, this gives rise to a relatively high generation of cash.

Cash flow from operating activities in the third quarter totalled SEK 31.0 million (31.5) and was impacted adversely by items affecting comparability. The change in working capital amounted to SEK 16.9 million. The positive trend is attributable to a growing business and increasing advance payments.

Cash flow from investing activities for the quarter amounted to negative SEK 14.0 million (neg. 44.1).

Cash and cash equivalents at the end of the period totalled SEK 69.0 million, compared with SEK 94.3 million a year earlier. Available unutilised loans amounted to SEK 26.0 million at the end of the period.

## Investments

During the period, Actic continued to invest in its central functions, such as its accounting system, the membership system in Germany and an app for the company's members. Investments in intangible fixed assets during the quarter amounted to SEK 3.1 million (19.7).

Investments in property, plant and equipment amounted to SEK 15.0 million (15.2) in the first quarter and were attributable to implemented and future openings and upgrades.

## Equity and liabilities

At 31 March 2017, equity amounted to SEK 357.3 million, compared with SEK 364.5 million at 31 December 2016. The equity/assets ratio was 27.6 percent, compared with 28.5 percent at year-end 2016. Interest-bearing liabilities amounted to SEK

659.6 million compared with SEK 653.0 million at year-end 2016. The net debt/adjusted EBITDA ratio for the most recent 12-month period amounted to 4.2, compared with 4.3 for full-year 2016.

## PERSONNEL

The number of full-time equivalent employees during the period totalled 768, compared with 703 for full-year 2016. This increase in the number of employees was mainly attributable to the acquisitions and new establishments carried out over the past year.

## OVERALL STRATEGY

Actic's overall strategy can be summarised as follows:

- Continued expansion of the offering through new establishments and cluster-building
- Driving market consolidation through M&A
- Refined product and service offering.

## FINANCIAL GOALS

Actic has adopted the following financial targets:

**Growth** – Average yearly organic growth of at least 5 percent, with additional growth from acquisitions.

**Profitability** – Adjusted EBITDA margin of more than 20 percent in the medium term.

**Capital structure** – Net debt/adjusted EBITDA ratio below 3.0.

## Dividend policy

A dividend rate of 30 to 50 percent of annual net income.

## PARENT COMPANY

Net loss for the period was SEK -1.9 million (0.2). Equity at the end of the period totalled SEK 557.0 million, compared with SEK 554.6 million at year-end. No investments were made in the Parent Company during the quarter.

## EVENTS AFTER THE END OF THE FIRST QUARTER

### Listing on Nasdaq Stockholm

The board of directors of Actic Group conducted a combined sale of existing and newly issued shares with the aim of promoting the company's continued development and to broaden the ownership space. The offering was directed to the public in Sweden and to institutional investors in Sweden and abroad. Actic was listed on Nasdaq Stockholm's Small Cap list on 7 April 2017 and uses the ticker code ATIC. The price was set at SEK 50.50 per share, and the company gained slightly more than 5,000 new shareholders.

### Changes in equity in conjunction with the listing

In conjunction with the listing of Actic's shares on the Nasdaq Stockholm, the company's former ordinary shares of Class A and Class B, Class C and Class D, as well as preference shares, were converted so that, after the listing, Actic has only one class of share. The company also conducted a new share issue comprising 5,346,534 shares, which generated SEK 270 million for the company before issue expenses. Following the conversion of all the shares outstanding to ordinary shares and the new issues of shares in conjunction with the IPO, the total number of shares outstanding is 15,896,936, all of these being ordinary shares of the same class. The company does not hold any own shares.

### Refinancing

In conjunction with the listing, Actic signed a new loan agreement. The facilities made available by this comprise a five-year loan facility of SEK 435 million and a bank overdraft facility of SEK 100 million.

The new financing has been used, for example, for refinancing of earlier loans, which has led to reduced debt and lower financing costs ahead.

### Acquisitions

Actic acquired three facilities in Karlstad, which are expected to contribute annual sales of SEK 25-30 million, with an annual EBITDA in the range of SEK 5 million. Consolidation occurred on 1 May 2017.

### OWNERSHIP STRUCTURE

Prior to the stock exchange listing, Actic International S.â.r.l, which is owned by IK 2007 Fondén, was the company's majority owner. At 5 May 2017, it controlled 36.5 percent of capital and votes. Among the new larger shareholders are Athanase Industrial Partners with 7.5 percent, AP4 with 7.0 percent and Swedbank Robur with 6.0 percent. The company had a total over 5,000 shareholders.

### 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 when most members join, and there is generally more activity at swimming facilities with swimming classes and similar activities. 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.

## 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 4 and 35-38 of the 2016 Annual Report. The Parent Company's risks and uncertainties are indirectly the same as those of the Group.

## OUTLOOK

Actic does not publish forecasts.

## ASSURANCE

The undersigned affirm that this interim report provides a fair overview of the operations, financial position and earnings of the Parent Company and the Group and describes the material risks and uncertainties to which the Parent Company and the companies included in the Group are exposed.

Solna, 11 May 2017

Christer Zaar

President and CEO

The company's auditors have not reviewed this report.

This report comprises information that Actic Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted through the agency of the above contacts for publication on Thursday 11 May 2017 at 1:30 p.m. CET.

# Key financial data and other information

SEK million Group	Jan-Mar 2017	Jan-Mar 2016	Rolling 12 months	Jan-Dec 2016
Net sales	226.0	194.1	833.9	802.0
Adjusted EBITDA	36.3	35.8	141.8	141.3
Adjusted EBITDA margin, %	16.0	18.4	17.0	17.6
Adjusted EBITA	20.4	23.0	82.8	85.4
Adjusted EBITA margin, %	9.0	11.8	9.9	10.7
EBIT	4.2	19.7	19.9	35.3
Net income/loss for the period	-4.7	8.3	-17.0	-4.0
Cash flow from operating activities	31.0	31.5	76.0	77.7
Working capital	-147.0	-123.0	-147.0	-129.4
Net debt	590.7	518.7	590.7	603.9
Net debt/EBITDA ratio	-	-	4.2	4.3
Equity/assets ratio, %	27.6	30.1	27.6	28.5
Return on equity, %	-	-	-4.7	-1.1

SEK million Segment	Jan-Mar 2017	Jan-Mar 2016	Rolling 12 months	Jan-Dec 2016
Net sales, Nordics	210.7	181.3	778.1	748.7
Net sales, Germany	15.4	12.8	55.8	53.3
EBITDA, Nordics	45.6	41.7	170.9	167.0
EBITDA, Germany	-0.0	0.6	-1.5	-0.9
EBITDA margin, Nordics, %	21.7	23.0	22.0	22.3
EBITDA margin, Germany, %	-0.2	4.6	-2.6	-1.6
ARPM, Nordics, SEK	355	307	329	317
ARPM, Germany, SEK	283	266	273	269
<b>Total ARPM, SEK</b>	<b>349</b>	<b>304</b>	<b>324</b>	<b>314</b>
Number of members at the end of the period, Nordics	198,339	195,508	198,339	193,503
Number of members at the end of the period, Germany	18,438	16,398	18,438	17,477
<b>Total number of members at the end of the period</b>	<b>216,777</b>	<b>211,906</b>	<b>216,777</b>	<b>210,980</b>
Number of clubs at the end of the period, Nordics	147	133	147	146
Number of clubs at the end of the period, Germany	21	17	21	20
<b>Total number of clubs at the end of the period</b>	<b>168</b>	<b>150</b>	<b>168</b>	<b>166</b>
Average number of full-time equivalent employees, Nordics	654	592	617	601
Average number of full-time equivalent employees, Germany	99	81	94	90
Average number of full-time equivalent employees, central support	15	11	13	12
<b>Total average number of full-time equivalent employees</b>	<b>768</b>	<b>685</b>	<b>724</b>	<b>703</b>

SEK Per share data	Jan-Mar 2017	Jan-Mar 2016	Rolling 12 months	Jan-Dec 2016
Average number of shares, thousands	1,583	1,583	1,583	1,583
Average number of shares after dilution, thousands	1,583	1,583	1,583	1,583
Earnings per share	-10.68	-1.76	-39.55	-30.63
Earnings per share after dilution	-10.68	-1.76	-39.55	-30.63
Share price at the end of the period	n/a	n/a	n/a	n/a

## Quarterly data

SEK million	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2
Net sales	226.0	216.4	195.5	195.9	194.1	187.9	174.7	183.4
Adjusted EBITDA	36.3	25.7	40.6	39.3	35.8	37.3	39.5	36.4
Adjusted EBITDA margin	16.0	11.9	20.8	20.0	18.4	19.9	22.6	19.9
EBIT	4.2	-10.3	9.4	16.6	19.7	21.2	24.6	18.0
Cash flow from operating activities	31.0	14.0	21.1	11.0	31.5	37.2	17.1	20.2
SEK million	2017 Q1	2016 Q4	2016 Q3	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2
Net sales, Nordics	210.7	201.9	182.5	183.0	181.3	176.2	163.6	172.1
Net sales, Germany	15.4	14.5	13.1	12.9	12.8	11.7	11.1	11.3
EBITDA margin, Nordics, %	21.7	16.8	26.0	23.9	23.0	24.5	25.5	23.3
EBITDA margin, Germany, %	-0.2	-18.1	2.5	6.6	4.6	4.5	22.8	19.6
Central and local functions, excl. items affecting comparability	30.8	30.1	25.6	23.8	25.4	27.0	22.2	23.8
Central and local functions, excl. items affecting comparability in rela- tion to net sales, %	13.6	13.9	13.1	12.1	13.1	14.3	12.7	13.0
ARPM, Nordics, SEK	355	343	309	310	307	298	281	287
ARPM, Germany, SEK	283	286	263	260	266	257	250	251
Total ARPM, SEK	349	338	305	306	304	295	278	285
Total number of members at the end of the period	216,777	210,980	213,961	215,131	211,906	211,651	211,594	209,972
Total number of clubs at the end of the period	168	166	162	163	150	148	146	146

# Condensed consolidated statement of profit/loss

SEK 000s	Note	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Net sales		226,048	194,131	802,004
Other operating income		7,691	6,650	27,935
<b>Total operating income</b>		<b>233,739</b>	<b>200,781</b>	<b>829,939</b>
<b>Operating expenses</b>				
Goods for resale		-3,230	-2,053	-11,945
Other external costs		-113,262	-93,765	-397,481
Personnel costs		-91,163	-70,960	-316,369
Depreciation, amortisation and impairment of tangible and intangible fixed assets		-21,763	-14,320	-68,795
Other operating expenses		-138	-	-
<b>EBIT</b>		<b>4,183</b>	<b>19,682</b>	<b>35,349</b>
Financial income		2,335	1,741	7,207
Financial expenses		-11,427	-10,770	-43,912
<b>Financial net</b>		<b>-9,092</b>	<b>-9,029</b>	<b>-36,705</b>
<b>Profit before tax</b>		<b>-4,909</b>	<b>10,653</b>	<b>-1,356</b>
Tax		245	-2,308	-2,606
<b>Net income/loss for the period</b>		<b>-4,664</b>	<b>8,345</b>	<b>-3,962</b>
<b>Profit for the period attributable to:</b>				
Parent Company shareholders		-4,664	8,345	-3,962
<b>Earnings per share</b>				
before dilution (SEK)	4	-10.68	-1.76	-30.63
after dilution (SEK)	4	-10.68	-1.76	-30.63

# Condensed consolidated statement of profit/loss and other comprehensive income

SEK 000s	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
<b>Net income/loss for the period</b>	<b>-4,664</b>	<b>8,345</b>	<b>-3,961</b>
<b><i>Other comprehensive income</i></b>			
<b>Items that have been transferred or may be transferred to net income</b>			
Translation differences for the period on translation of foreign operations	-2,550	5,319	18,959
<b>Other comprehensive income for the period</b>	<b>-2,550</b>	<b>5,319</b>	<b>18,959</b>
<b>Comprehensive income for the period</b>	<b>-7,214</b>	<b>13,663</b>	<b>14,998</b>
<b>Comprehensive income for the period attributable to:</b>			
Parent Company shareholders	-7,214	13,663	14,998

# Condensed consolidated statement of financial position

SEK 000s	Note	31 Mar 2017	31 Mar 2016	31 Dec 2016
<b>Assets</b>				
Goodwill		744,589	708,702	746,404
Other intangible fixed assets		60,268	30,314	62,085
Tangible fixed assets		320,096	298,523	321,814
Deferred tax assets		4,611	8,353	4,462
<b>Total fixed assets</b>		<b>1,129,375</b>	<b>1,045,892</b>	<b>1,134,766</b>
Inventories		5,882	5,568	5,970
Tax receivables		1,492	-	-
Accounts receivable		28,400	21,201	32,032
Prepaid expenses and accrued income		43,843	31,085	41,413
Other receivables		14,215	9,860	14,425
Cash and cash equivalents		68,979	94,255	49,057
<b>Total current assets</b>		<b>175,460</b>	<b>161,969</b>	<b>142,897</b>
<b>Total assets</b>		<b>1,292,375</b>	<b>1,207,861</b>	<b>1,277,663</b>
<b>Equity</b>				
Share capital	5	500	52	500
Other capital contributed		383,593	383,593	383,593
Reserves		-3,860	-14,950	-1,310
Retained profits including net income		-22,932	-5,514	-18,268
<b>Equity attributable to Parent Company shareholders</b>		<b>357,301</b>	<b>363,181</b>	<b>364,515</b>
<b>Non-controlling interests</b>				
<b>Total equity</b>		<b>357,301</b>	<b>363,180</b>	<b>364,515</b>
<b>Liabilities</b>				
Non-current interest-bearing liabilities		602,236	569,463	596,691
Interest rate swaps		-	1,698	-
Deferred tax liabilities		34,588	38,701	36,870
<b>Total non-current liabilities</b>		<b>636,824</b>	<b>609,862</b>	<b>633,561</b>
Current interest-bearing liabilities		57,394	43,512	56,310
Accounts payable		70,612	50,893	78,135
Tax liabilities		441	5,163	1,021
Other liabilities		14,670	21,345	7,739
Accrued expenses and deferred income		155,133	113,351	136,381
Provisions		-	554	-
<b>Total current liabilities</b>		<b>298,250</b>	<b>234,817</b>	<b>279,587</b>
<b>Total liabilities</b>		<b>935,074</b>	<b>844,679</b>	<b>913,148</b>
<b>Total equity and liabilities</b>		<b>1,292,375</b>	<b>1,207,860</b>	<b>1,277,663</b>

# Condensed consolidated statement of changes in equity

Equity attributable to Parent Company shareholders					
	Share cap- ital	Other capi- tal contrib- uted	Translation reserve	Retained earnings in- cluding net income for the year	Total
<b>January to March 2016</b> SEK 000s					
Opening equity, 1 Jan 2016	52	383,593	-20,269	-13,859	349,517
<b>Total comprehensive income for the year</b>					
Net income				8,345	8,345
Other comprehensive income for the year				5,319	5,319
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>5,319</b>	<b>8,345</b>	<b>13,663</b>
Transactions with the Group's shareholders	-	-	-	-	-
<b>Closing equity 31 March 2016</b>	<b>52</b>	<b>383,593</b>	<b>-14,950</b>	<b>-5,514</b>	<b>363,180</b>

Equity attributable to Parent Company shareholders					
	Share cap- ital	Other capi- tal contrib- uted	Translation reserve	Retained earnings in- cluding net income for the year	Total
<b>January to March 2017</b> SEK 000s					
Opening equity, 1 Jan 2017	500	383,593	-1,310	-18,268	364,515
<b>Total comprehensive income for the year</b>					
Net income				-4,664	-4,664
Other comprehensive income for the year				-2,550	-2,550
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-2,550</b>	<b>-4,664</b>	<b>-7,214</b>
<b>Transactions with the Group's shareholders</b>					-
Dividends paid	-	-	-	-	-
<b>Total transactions with the Group's shareholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing equity 31 March 2017</b>	<b>500</b>	<b>383,593</b>	<b>-3,860</b>	<b>-22,932</b>	<b>357,301</b>

# Condensed consolidated statement of cash flows

SEK 000s	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
<b>Operating activities</b>			
Profit/loss before tax	-4,909	10,653	-1,355
Adjustments for non-cash items	23,596	14,549	69,167
Income tax paid	-4,494	-3,424	-5,778
<b>Cash flow from operating activates before changes in working capital</b>	<b>14,193</b>	<b>21,778</b>	<b>62,034</b>
<b>Cash flow from changes in working capital</b>			
Increase (-) / decrease (+) in inventory	79	-1,037	-704
Increase (-)/Decrease (+) in operating receivables	-1,632	2,595	-21,558
Increase (+)/Decrease (-) in operating liabilities	18,404	8,179	37,887
<b>Cash flow from operating activities</b>	<b>31,044</b>	<b>31,516</b>	<b>77,659</b>
<b>Investing activities</b>			
Purchase of tangible fixed assets	-14,981	-15,174	-66,839
Divestment of tangible fixed assets	-	-	-
Investment contributions received	4,000	-	2,000
Purchase of intangible fixed assets	-3,064	-19,702	-32,021
Divestment of intangible fixed assets	-	-	-
Acquisition of subsidiaries/operations, net liquidity effect	-	-9,244	-60,269
<b>Cash flow from investing activities</b>	<b>-14,045</b>	<b>-44,120</b>	<b>-157,130</b>
<b>Financing activities</b>			
Loans raised	8,220	4,446	72,244
Repayment of debt	-	-	-30,000
Repayment of leasing debt	-5,267	-4,122	-20,582
Dividends paid to Parent Company shareholders	-	-	-
<b>Cash flow from financing activities</b>	<b>2,953</b>	<b>324</b>	<b>21,662</b>
Cash flow for the period	19,953	-12,281	-57,808
Cash and cash equivalents at the beginning of the period	49,057	106,419	106,419
Exchange-rate difference in cash and cash equivalents	-30	117	446
<b>Cash and cash equivalents at the end of the period</b>	<b>68,979</b>	<b>94,255</b>	<b>49,057</b>

# Condensed income statement for the Parent Company

SEK 000s	Jan-Mar 2017	Jan-Mar 2016	Jan-Dec 2016
Other operating income	1,500	-	1,546
<b>Operating expenses</b>			
Other external costs	-1,720	-	-7,832
Personnel costs	-2,254	-	-2,757
<b>EBIT</b>	<b>-2,474</b>	<b>-</b>	<b>-9,043</b>
Profit/loss from financial items:			
Other interest income and similar profit items	0	238	674
Interest expenses and similar loss items	-	0	-30
<b>Profit/loss after financial items</b>	<b>-2,474</b>	<b>238</b>	<b>-8,399</b>
Appropriations	-	-	4,092
<b>Profit/loss before tax</b>	<b>-2,474</b>	<b>238</b>	<b>-4,307</b>
Tax	542	-	-
<b>Net income*</b>	<b>-1,932</b>	<b>238</b>	<b>-4,307</b>

\* Net income for the period corresponds to comprehensive income for the period for the Parent Company.

# Condensed balance sheet for the Parent Company

SEK 000s	31 Mar 2017	31 Mar 2016	31 Dec 2016
<b>Assets</b>			
<b>Fixed assets</b>			
Financial fixed assets			
Participations in Group companies	540,979	540,979	540,979
Receivables from Group companies	-	18,000	-
Deferred tax assets	1,950	-	-
<b>Total financial fixed assets</b>	<b>542,929</b>	<b>558,979</b>	<b>540,979</b>
<b>Total fixed assets</b>	<b>542,929</b>	<b>558,979</b>	<b>540,979</b>
<b>Current assets</b>			
Current receivables			
Receivables from Group companies	23,970	-	23,107
Other receivables	4	-	408
Prepaid expenses and accrued income	2,944	1,080	2,906
<b>Total current receivables</b>	<b>26,918</b>	<b>1,080</b>	<b>26,422</b>
Cash and bank balances	-	40	-
<b>Total current assets</b>	<b>26,918</b>	<b>1,120</b>	<b>26,422</b>
<b>Total assets</b>	<b>569,847</b>	<b>560,099</b>	<b>567,401</b>
<b>Equity and liabilities</b>			
Equity			
Restricted equity			
Share capital	500	52	500
Non-restricted equity			
Premium reserve	383,593	383,593	383,593
Accumulated profit/loss	174,849	174,625	174,855
Net income	-1,932	916	-4,306
<b>Total equity</b>	<b>557,010</b>	<b>559,186</b>	<b>554,642</b>
<b>Current receivables</b>			
Accounts payable	203	-	263
Liabilities to Group companies	-	913	2,625
Current tax liabilities	1,484	-	-
Other liabilities	181	-	241
Accrued expenses and deferred income	10,970	-	9,631
<b>Total current liabilities</b>	<b>12,838</b>	<b>913</b>	<b>12,760</b>
<b>Total equity and liabilities</b>	<b>569,848</b>	<b>560,099</b>	<b>567,401</b>

# Condensed 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. The company began operating in June 2012 and has its registered office in Solna, Sweden. This condensed consolidated interim report ("interim report") for the three-month period ending 31 March 2017 encompasses the company and its subsidiaries, collectively referred to as the Group.

The Group operates some 168 swimming and fitness facilities in two segments: the Nordics (Sweden, Norway and Finland) and Germany (Germany and Austria). As of the balance-sheet date, the Group had 217,000 members.

Approximately 70 percent of the Group's gyms are operated in swimming halls through partnership agreements with municipalities and other counterparties and the remaining 30 percent are operated as separate gym facilities.

## NOTE 2 ACCOUNTING POLICIES

This condensed consolidated interim report was prepared in accordance with IAS 34 Interim Financial Reporting. The Group applied the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the EU. The Group also applies relevant sections of the Swedish Annual Accounts Act and Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups. The Parent Company applies RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act.

The accounting policies and terms of calculation applied for the Group and the Parent Company are the same as those applied in the most recent Annual Report. New and amended IFRS and interpretations and amendments to RFR 2 and RFR 1 that came into effect for the 2017 financial year have not had any material impact of the financial statements of the Group or the Parent Company.

In addition to the financial statements and the notes to the financial statements, other sections of the interim report also contain disclosures in accordance with IAS 34.16A.

Disclosures regarding significant events after the balance-sheet date as well as information concerning seasonal variations and material risks and uncertainties are presented on page 10. Information regarding dividends to shareholders is provided in Note 5 on page 23.

## 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 EARNINGS PER SHARE

Prior to the end of the reporting period, a merger of shares was implemented. This merger implies that the number of shares declined, but the share capital is unchanged. Prior to the merger, the number of ordinary shares was 83,875,785, while after the merger, these totalled 1,582,561, of which 258,417 are Class A shares and 1,324,144 Class B shares. The weighted average number of shares was adjusted retroactively to reflect this.

A merger was also implemented for preference shares. Prior to the merger, the number of preference shares was 475,295,677 and after the merger, these numbered 8,967,841. After the end of the reporting period, in conjunction with the

stock exchange listing, 8,967,841 preference shares outstanding and 258,417 Class B shares outstanding were converted to Class A ordinary shares. A new issue of 5,346,534 Class A shares was also conducted. The total outstanding number of shares following the above events amounts to 15,896,936 and these comprise Class A shares in their entirety. The conversion and the new issue are included in the weighted average number of shares as of 7 April 2017. None of these events was adjusted retroactively. The weighted average number of shares accumulated at 30 June 2017 is estimated to amount to 8,262,603.

SEK	Jan-Mar 2017	Jan-Mar 2016	Rolling 12 months	Jan-Dec 2016
Earnings per share before and after dilution	-10.68	-1.76	-39.55	-30.63

**The amounts used as numerators and denominators are recognised below:**

SEK 000s	Jan-Mar 2017	Jan-Mar 2016	Rolling 12 months	Jan-Dec 2016
Net income attributable to Parent Company shareholders	-4,664	8,345	-16,970	-3,961
Interest on preference shares *	-12,242	-11,129	-45,630	-44,517
Earnings attributable to ordinary Parent Company shareholders, before and after dilution, used in the calculation of earnings per share	-16,907	-2,784	-62,601	-48,478
Average number of shares, thousands	1,583	1,583	1,583	1,583

\* Funds received by the company in the form of subscription settlement for preference shares are calculated including interest. For further information, refer to the 2015 Annual Report.

Date	Event	Ordinary	Number of shares after the transaction					Share capital		
			Ordinary A	Ordinary B	Pref C1	Pref C2	Pref D1	Pref D2	Change	Total
5 June 2012	New formation	50,000	-	-	-	-	-	-	50,000	50,000
28 Sept 2012	Merger	1	-	-	-	-	-	-	0	50,000
28 Sept 2012	Split	540,979,196	-	-	-	-	-	-	0	50,000
28 Sept 2012	Change of share class	0	0	540,979,196	0	0	0	0	0	50,000
28 Sept 2012	New share issue	-	13,523,703	608,601,011	15,018,357	0	444,815,321	0	50,000	100,000
28 Sept 2012	Reduction <sup>1)</sup>	-	13,523,703	67,621,815	15,018,357	0	444,815,321	0	-50,000	50,000
3 Feb 2015	New share issue	-	13,696,139	70,179,644	15,018,357	372,573	444,815,321	15,089,426	1,681	51,681
27 Dec 2016	Bonus issue	-	13,696,139	70,179,644	15,018,357	372,573	444,815,321	15,089,426	448,319	500,000
21 Mar 2017	Merger	-	258,417	1,324,144	283,365	7,029	8,392,741	284,706	-	500,000
7 April 2017	Conversion	-	10,550,402	-	-	-	-	-	-	500,000
7 April 2017	New share issue	-	15,896,936	-	-	-	-	-	253,383	753,383

1) The reduction in the company's share capital was undertaken as part of the restructuring of the company's capital and share structure.

There are no potential ordinary shares that could give rise to a dilution effect, which means that earnings per share before and after dilution are the same. The number of ordinary shares ordinary shares per 31 March 2017 amounted to 1,582,561 (31 December 2016: 83,875,785).

## NOTE 5 EQUITY

No dividend was approved or paid in 2016 or 2017.

## NOTE 6 OPERATING SEGMENTS

Actic conducts operations in two operating segments:

- Nordics:** Actic's largest operating segment comprising its operations in Sweden, Norway and Finland. The Nordic countries are home to just over 750 swimming halls and Actic conducts operations in approximately 100 of these. Revenue comprises membership revenue, PT revenue, swimming revenue and revenue from add-on products, such as accident insurance, sales of goods, etc.

- Germany:** Actic's segment comprising Germany and Austria, where the company primarily operates Gym & Swim clubs. Germany and Austria are home to more than 3,000 swimming halls and Actic currently conducts operations in just over 20 of these. Revenue primarily comprises membership revenue and revenue from add-on products, such as sales of goods, sauna services and physiotherapy.

January to March SEK 000s	Nordics		Germany		Group-wide and eliminations		Total Group	
	Jan-Mar 2017	Jan-Mar 2016	Jan-Mar 2017	Jan-Mar 2016	Jan-Mar 2017	Jan-Mar 2016	Jan-Mar 2017	Jan-Mar 2016
Net sales	210,696	181,321	15,352	12,811	-	-	226,048	194,131
Other operating income ex exchange gains	7,297	6,587	267	24	-	0	7,564	6,612
Exchange gains on operating receivables/liabilities	40	-	-2	-	89	38	127	38
<b>Other operating income</b>	<b>7,337</b>	<b>6,587</b>	<b>265</b>	<b>24</b>	<b>89</b>	<b>38</b>	<b>7,691</b>	<b>6,650</b>
<b>Total operating income</b>	<b>218,034</b>	<b>187,908</b>	<b>15,617</b>	<b>12,835</b>	<b>89</b>	<b>38</b>	<b>233,739</b>	<b>200,781</b>
<b>EBITDA</b>	<b>45,647</b>	<b>41,740</b>	<b>-24</b>	<b>594</b>	<b>-19,676</b>	<b>-8,331</b>	<b>25,946</b>	<b>34,003</b>
Depreciation of tangible fixed assets	-	-	-	-	-15,847	-12,834	-15,847	-12,834
<b>EBITA</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-35,523</b>	<b>-21,165</b>	<b>10,099</b>	<b>21,168</b>
Amortisation of intangible fixed assets	-	-	-	-	-5,916	-1,486	-5,916	-1,486
<b>EBIT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-41,439</b>	<b>-22,651</b>	<b>4,183</b>	<b>19,682</b>
Interest income	-	-	-	-	2,335	1,741	2,335	1,741
Interest expenses	-	-	-	-	-11,427	-10,770	-11,427	-10,770
<b>Profit/loss before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-50,532</b>	<b>-31,680</b>	<b>-4,909</b>	<b>10,653</b>

## NOTE 7 ACQUISITION OF OPERATIONS

As part of the Group's expansion strategy, Actic acquired the assets and liabilities of three clubs in Karlstad. Consolidation took place on 1 May 2017. Had the acquisition occurred on 1 January 2017, management estimates that the acquired operations would have contributed approximately SEK 6 million to the Group's net sales and about SEK 1 million to EBITDA during the first quarter.

Had the acquisition occurred on 1 January 2017, management estimates that the acquired operations would have contributed approximately SEK 25–30 million to the Group's net sales and about SEK 5 million to EBITDA during current financial year.

### Sport & Fitness I Karlstad City AB, Sport & Fitness Färjestad AB, and Sport & Fitness Östra AB.

On 14 February 2017 Actic signed a contract for the acquisition of three facilities. The facilities were acquired through a so-called acquisition of assets and liabilities for a purchase consideration of SEK 27.8 million, which was paid in cash. The final purchase consideration will be adjusted based on the acquired business's transfer accounts per 30 April 2017. The acquisition analysis will be established based on the transfer accounts. The final acquisition analysis will be impacted by assets and liabilities in the acquired business. There is no conditional purchase consideration.

#### SEK 000s

##### The acquired company's net assets on the acquisition date

Leases	9,490
Customer relationships	7,583
Tangible fixed assets	8,662
Other operating receivables	1,753

##### Accounts payable and other operating liabilities

Net identifiable assets and liabilities	-9,311
	18,177

Consolidated goodwill	9,598
Consideration paid	27,775

#### Goodwill

The goodwill value mainly includes cost synergies, since the acquired operations will be able to utilise Actic's existing support functions instead of conducting its own administration. Actic also expects the acquisition to generate purchasing synergies, since the acquired operations will be able to utilise the central purchasing agreements in place within the Actic Group.

The acquisition is also expected to generate revenue synergies by strengthening the loyalty of the company's members, since Actic is able to offer a stronger product range in the region. The goodwill is expected to be tax-deductible.

#### Intangible assets

Identified intangible fixed assets comprise leases and customer relationships. The useful life of these assets is between two and 13 years for leases and two years for customer relationships.

#### Acquisition-related costs

Acquisition-related costs amounted to SEK 0.7 million and pertained to consultant fees in conjunction with due diligence and agreement signing. These costs will be recognised as other external costs in the statement of profit/loss and other comprehensive income.

## NOTE 8 FINANCIAL INSTRUMENTS

Financial instruments measured at fair value in the statement of financial position comprise interest rate swaps. During the first quarter, the Group conducted early redemption of all interest rate swaps, which is why there are no financial instruments valued at fair value per 31 March 2017. The early redemption of interest rate swaps generated a realised cost of SEK 6,000 in the first quarter.

During the current comparative periods, all swaps comprised debts amounting to SEK 0.7 million on 31 December 2016 and SEK 4.5 million on 31 March 2016, and the fair value of interest rate swaps is based on the discounting of calculated future cash flows in accordance with the terms and maturity dates stipulated in the agreement and on the market rate for similar instruments on the balance-sheet date. The calculations are included in Level 2 of the fair value hierarchy.

The fair value of accounts receivable, cash and cash equivalents, accounts payable and other financial instruments that are current assets or current liabilities do not differ materially from the carrying amount, since these have a short maturity period.

The fair value and carrying amount of liabilities to credit institutions, excluding derivatives, are estimated at:

	31 Mar -17	31 Mar -16	31 Dec -16
Fair value	671	629	666
Carrying amount	660	613	653

Fair value is measured at the loans' nominal amount, meaning the carrying amount before deductions for transaction costs, since the loans are subject to variable interest and the loan margin in the loan agreements is deemed to correspond to the margin that would be received on the balance-sheet date. This calculation is deemed attributable to Level 2 of the fair value hierarchy.

## NOTE 9 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 2016 Annual Report.

After the end of the reporting period, in conjunction with the stock exchange listing, 8,967,841 preference shares outstanding and 258,417 Class B shares outstanding were converted to Class A ordinary shares A. See also Note 4.

## NOTE 10 ALTERNATIVE PERFORMANCE MEASURES

Certain information and analyses presented in this interim report include alternative performance measures not defined by IFRS. Along with comparable IFRS-defined performance measures, Actic considers this information to be useful for investors since it provides a basis for measuring the company's operating income and its ability to repay liabilities and invest in its operations. Management uses these financial measures as well as the most directly comparable IFRS-defined financial measures in its assessment of the company's operating income and value creation. These alternative performance measures are not to be analysed in isolation from, or be viewed as a substitute for, the financial information presented in the financial statements in accordance with IFRS. The alternative performance measures reported by Actic are not necessarily comparable with similar measures presented by other companies.

The reconciliations presented in the tables below are to be read together with the definitions on page 29.

### Organic growth

Organic growth is derived from total net sales as follows:

SEK 000s	Jan-Mar 2017	Growth, %
Net sales	226,048	16.4
Of which, growth generated by the company	11,736	6.0
Of which, acquired growth	20,181	10.4
Total growth	31,917	16.4
Currency effect	2,937	-

### Adjusted EBITA, EBITDA and margins

Management is of the opinion that the operating profit measures of EBITA and EBITDA, adjusted for external costs attributable to acquisitions and disposals and listing-related expenses, provide useful information that enables investors to monitor and analyse the underlying earnings trend in the company and to create comparable income measure between the periods.

SEK 000s	Jan-Mar 2017	Jan-Mar 2016	Rolling 12 months	Jan-Dec 2016
EBIT	4,183	19,682	19,850	35,349
Reversal of amortisation of intangible fixed assets	5,916	1,486	17,300	12,870
EBITA	10,099	21,168	37,150	48,219
External costs attributable to acquisitions and disposals	718	372	2,432	2,086
Listing-related expenses	9,594	1,442	43,262	35,111
Adjusted EBITA	20,410	22,984	82,845	85,419
Reversal of depreciation of tangible fixed assets	15,847	12,834	58,938	55,925
Adjusted EBITDA	36,257	35,818	141,783	141,344
Net sales	226,048	194,131	833,291	802,004
Adjusted EBITA margin, %	9.0	11.8	9.9	10.7
Adjusted EBITDA margin, %	16.0	18.4	17.0	17.6

### Items affecting comparability

SEK 000s	Jan-Mar 2017	Jan-Mar 2016	Rolling 12 months	Jan-Dec 2016
External costs attributable to acquisitions and disposals	718	372	2,432	2,086
Listing-related expenses	9,594	1,442	34,971	26,819
VAT correction Norway	-	-	8,292	8,292
<b>Total items affecting comparability</b>	<b>10,312</b>	<b>1,814</b>	<b>45,695</b>	<b>37,197</b>

## EBITDA margin per segment

SEK 000s	Jan-Mar 2017	Jan-Mar 2016	Rolling 12 months	Jan-Dec 2016
<b>Nordics</b>				
EBITDA, Nordics	45,647	41,740	170,913	167,006
Net sales, Nordics	210,696	181,321	778,086	748,710
<b>EBITDA margin, Nordics, %</b>	<b>21.7</b>	<b>23.0</b>	<b>22.0</b>	<b>22.3</b>
SEK 000s	Jan-Mar 2017	Jan-Mar 2016	Rolling 12 months	Jan-Dec 2016
<b>Germany</b>				
EBITDA, Germany	-24	594	-1,469	-851
Net sales, Germany	15,352	12,811	55,835	53,294
<b>EBITDA margin, Germany, %</b>	<b>-0.2</b>	<b>4.6</b>	<b>-2.6</b>	<b>-1.6</b>

## Central and local functions

Operating expenses not attributable to individual facilities. Expenses pertain to support functions in the form of site management, marketing, customer support, HR, finance, IT, Arctic Academy, product development, establishments, service and Group management.

SEK 000s	Jan-Mar 2017	Jan-Mar 2016	Rolling 12 months	Jan-Dec 2016
Total central and local functions	-41,142	-27,228	-155,949	-142,035
Costs attributable to acquisitions and disposals	718	372	2,432	2,086
Listing-related expenses	9,594	1,442	34,971	26,819
VAT correction Norway	0	0	8,292	8,292
<b>Total central and local functions excluding items affecting comparability</b>	<b>-30,830</b>	<b>-25,413</b>	<b>-110,256</b>	<b>-104,839</b>
Net sales	226,048	194,131	833,921	802,004
<b>Central and local costs excluding items affecting comparability in relation to net sales, %</b>	<b>13.6</b>	<b>13.1</b>	<b>13.2</b>	<b>13.1</b>

## Working capital

SEK 000s	31 Mar-17	31 Dec-16	30 Sep-16	30 June-16	31 Mar-16	31 Dec-15	30 Sep-15	30 June-15
Inventories	5,882	5,970	6,954	7,591	5,568	4,502	4,984	4,811
Tax assets	1,492	-	-	-	-	-	-	-
Accounts receivable	28,400	32,032	29,449	18,632	21,201	20,403	18,117	12,037
Prepaid expenses	43,843	41,413	34,306	31,797	31,085	31,544	28,546	28,957
Other receivables	14,215	14,425	4,789	9,612	9,860	11,330	8,363	3,666
Accounts payable	-70,612	-78,135	-60,743	-49,069	-50,893	-51,609	-49,495	-48,248
Tax liabilities	-441	-1,021	-2,736	-4,954	-5,163	-5,278	-5,503	-2,708
Other liabilities	-14,670	-7,739	-24,294	-15,514	-21,345	-20,350	-19,295	-11,650
Accrued expenses and deferred income	-155,133	-136,381	-110,464	-117,482	-113,351	-106,528	-92,647	-97,802
<b>Total working capital</b>	<b>-147,025</b>	<b>-129,436</b>	<b>-122,738</b>	<b>-119,388</b>	<b>-123,038</b>	<b>-115,986</b>	<b>-106,931</b>	<b>-110,937</b>

### Net debt and net debt/adjusted EBITDA ratio

SEK 000s	Jan-Mar 2017	Jan-Mar 2016	Rolling 12 months	Jan-Dec 2016
Non-current interest-bearing liabilities	602,236	569,463	602,236	596,691
Current interest-bearing liabilities	57,394	43,512	57,394	56,310
<b>Total interest-bearing liabilities</b>	<b>659,630</b>	<b>612,975</b>	<b>659,630</b>	<b>653,001</b>
Less cash and cash equivalents	-68,979	-94,255	-68,979	-49,057
<b>Net debt</b>	<b>590,651</b>	<b>518,720</b>	<b>590,651</b>	<b>603,944</b>
Adjusted EBITDA	36,257	35,817	141,781	141,341
<b>Net debt/adjusted EBITDA ratio</b>	<b>-</b>	<b>-</b>	<b>4.2</b>	<b>4.3</b>

### Equity/assets ratio

SEK 000s	31 Mar-17	30 Mar-16	31 Dec-16	31 Dec-15
Equity attributable to Parent Company shareholders	357,301	363,180	364,515	349,517
Total assets	1,292,375	1,207,860	1,277,663	1,195,122
<b>Equity/assets ratio, %</b>	<b>27.6</b>	<b>30.1</b>	<b>28.5</b>	<b>29.2</b>

### Return on equity

SEK 000s	Jan-Mar 2017	Jan-Mar 2016	Rolling 12 months	Jan-Dec 2016
Net income/loss for the period	-4,664	8,345	-16,970	-3,961
Equity attributable to Parent Company shareholders (average)	360,908	356,349	360,241	357,016
<b>Return on equity, %</b>	<b>-</b>	<b>-</b>	<b>-4.7</b>	<b>-1.1</b>

### ARPM

SEK 000s	Jan-Mar 2017	Jan-Mar 2016	Rolling 12 months	Jan-Dec 2016
Net sales, Nordics, SEK 000s	210,696	181,321	778,086	748,710
Average number of members during the period, Nordics	198,081	196,581	197,204	196,589
<b>ARPM, Nordics</b>	<b>355</b>	<b>307</b>	<b>329</b>	<b>317</b>
Net sales, Germany, SEK 000s	15,352	12,811	55,835	53,294
Average number of members during the period, Germany	18,068	16,069	17,053	16,521
<b>ARPM, Germany</b>	<b>283</b>	<b>266</b>	<b>273</b>	<b>269</b>
Net sales, SEK 000s	226,048	194,131	833,921	802,004
Average number of members during the period	216,149	212,649	214,257	213,109
<b>Total ARPM</b>	<b>349</b>	<b>304</b>	<b>324</b>	<b>314</b>

## Financial calendar

Interim report Jan-Jun 2017	15 Aug 2017
Interim report Jan-Sep 2017	14 Nov 2017

## Financial definitions

**Number of members** Number of members at the end of the period

**Return on equity** Net income divided by the average of opening and closing equity for the period

**Return on capital employed** Operating profit and financial income divided by the average opening and closing capital employed for the period

**Central and local functions** 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

**Club EBITDA** Operating profit at the club level, meaning operating profit before impairment, depreciation and amortisation of tangible and intangible fixed assets less costs for central and local support functions

**Club EBITDA margin** Operating profit at the club level divided by net sales

**EBIT** Operating profit after depreciation and amortisation

**EBITA** Operating profit before impairment and amortisation of intangible fixed assets

**EBITDA** Operating profit before impairment, depreciation and amortisation of tangible and intangible fixed assets

**EBITDA margin per segment** EBITDA divided by revenue from external customers per segment

**Equity per share** Equity divided by the number of shares outstanding at the end of the period

**Average number of shares after dilution** Average number of ordinary shares outstanding and potential future shares

**Average number of shares before dilution**

Average number of ordinary shares outstanding

**Adjusted EBITA margin** Adjusted EBITA divided by net sales

**Adjusted EBITDA margin** Adjusted EBITDA divided by net sales

**Adjusted EBITA** EBITA after reversal of items affecting comparability

**Adjusted EBITDA** EBITDA after reversal of items affecting comparability

**Items affecting comparability** Items included in the statement of profit/loss that affect comparability between earlier periods

## 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

**Net debt** Interest-bearing liabilities less cash and cash equivalents

**Net debt/adjusted EBITDA ratio** Net debt at the end of the period divided by adjusted EBITDA based on the rolling 12-month value

**Organic growth** Change in net sales adjusted for currency effects, acquisitions and disposals compared with the year-earlier period

**Earnings per share after dilution** Net income for the period

divided by the average number of ordinary shares during the period after dilution

**Earnings per share before dilution** Net income for the period divided by the average number of ordinary shares during the period before dilution

**Working capital** Inventories, accounts receivable, prepaid expenses and accrued income and other receivables less accounts payable, tax liabilities (current), other liabilities and accrued expenses and deferred income

**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

**Equity/assets ratio** Equity as a percentage of total assets

## 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 (formerly Nautilus Gym) was founded in 1981 and launched the Gym & Swim club concept. The company began its international expansion in 1995 and Actic is now one of the leading players in the staffed gym market in the Nordics. Actic has approximately 168 clubs with 215,000 members in five countries. Its main markets are Sweden, Norway, Finland, Germany and Austria.

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 has four types of facilities: full-service clubs, with gym and swimming facilities operated by Actic's own personnel; Gym & Swim clubs, where the fitness facilities are operated by Actic and the swimming facilities are operated by external partners; stand-alone clubs, which exclusively operate fitness facilities; and in-house clubs, where the fitness facilities are operated by external personnel.

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.

Actic offers a wide range of exercise options, including strength training, group classes and personal training (PT), which attracts a broad target group and is building successful clusters of Gym & Swim clubs as well as stand-alone clubs 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 clubs 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 750 full-time equivalent employees and sales of SEK 802 million in 2016. The Group is led by CEO Christer Zaar.





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