

1Q24 Earnings Presentation



BIORITMO



TOTALPASS



ONE
PILATES



This presentation contains forward-looking statements related to the Company that reflect the current view and/or estimates of the Company and its Management regarding its future performance, businesses and events. Forward-looking statements include, without limiting to, any statement that contain forecasts, estimates and projections about future results, performance or objectives, also indicated by the expressions "we believe", "we anticipate", "we expect", "we estimate", "we forecast" and other similar expressions. These forward-looking statements are subject to risks, uncertainties and future events. We caution investors that diverse factors may cause actual results to differ significantly from these plans, objectives, expectations, projections and intentions expressed in this presentation. Under no circumstances, will the Company, its subsidiaries, directors, executive officers, agents or employees be liable to third parties (including investors) for any investment decision taken based on the information and statements in this presentation, or for any damage caused by such decision, related to or specifically based on such information or statements. Information about competitive position, including market forecasts throughout this presentation, and information on the market potential in which the Company operates, was obtained through internal research, market surveys, information available in public domain and business publications. This presentation and its contents are property of the Company and cannot be partially or totally reproduced or circulated without prior written consent from the Company.



HIGHLIGHTS 1Q24

smart fit

- RECORD **ADDITION OF 238 CLUBS LTM**, CLOSE TO THE GUIDANCE FOR 2024, ENDING 1Q24 WITH **1,469 UNITS** (+19% Y/Y)
- MEMBER BASE IN CLUBS EXCEEDED **4.5 MILLION** (+18% VS. 1Q23), WITH THE ADDITION OF **395 THOUSAND IN 1Q24** SECOND BEST PERFORMANCE EVER
- **NET REVENUE GROWTH OF 28% VS. 1Q23**, REACHING A RECORD OF R\$1.3 BILLION IN 1Q24 (11% VS. 4Q23)
- SOLID **CASH GROSS MARGIN OF 50.4%** IN 1Q24, WITH CASH GROSS MARGIN OF MATURE CLUBS⁽¹⁾ STABLE AT **52%** FOR THE FIFTH STRAIGHT QUARTER
- **RECORD QUARTERLY EBITDA² OF R\$395 MILLION**, STRONG GROWTH OF 30% VS. 1Q23 AND 19% VS. 4Q23, WITH EBITDA MARGIN OF **31.4%**



(1) Unit is considered mature when it has been operating for at least 24 months at the start of the calendar year.

(2) Excludes the effects of IFRS 16/CPC06 (R2)



SOLID SECULAR TRENDS

Changes in people's habits and behavior strengthen market opportunities

SMART FIT BRASIL SURVEY: HABITS AND BEHAVIOR CHANGES¹

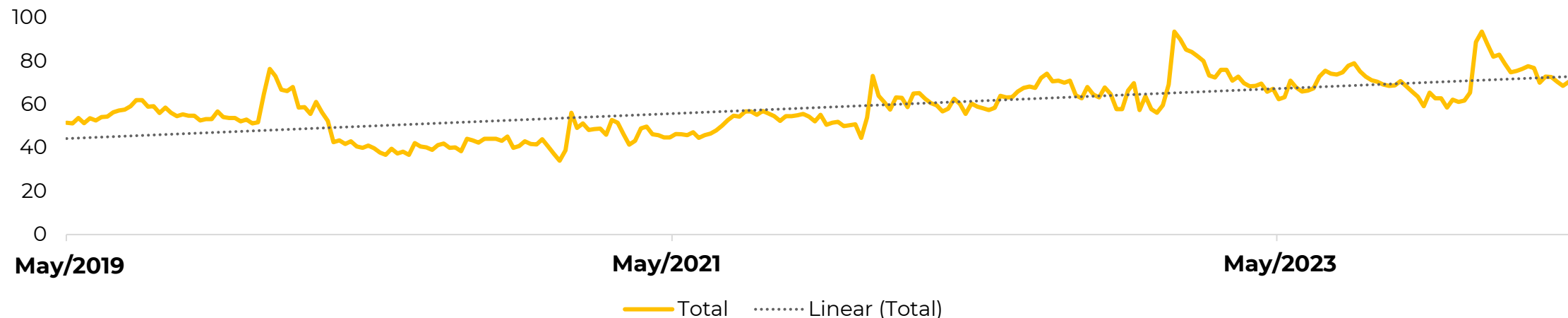
“How much do you agree that...”



% Totally agree and agree



Google Trends: search for Gym word²



(1) The company's marketing team carried out the research. In the period from February 2nd to 6th, 2024, 1,003 people were interviewed online who had used and/or used gyms in the last four years.

(2) Source: Google Trends. The average search relevance for the word "academia" (in Portuguese and Spanish) considers five geographies: Brazil, Mexico, Colombia, Chile, and Peru.



MARKET SOLID GROWTH POTENTIAL

Updated external study for Brazil reinforces growth opportunity

CASE STUDY: WHITE SPACE BRAZIL

Cities with Smart Fit operations

Micro areas with Smart Fit

+129
Clubs

19%

Micro areas without Smart Fit

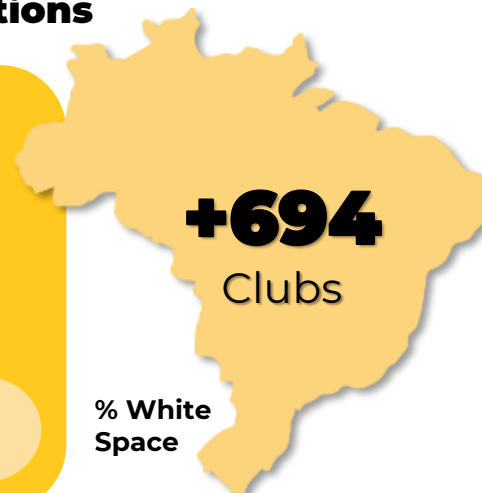
+458
Clubs

66%

Cities without Smart Fit operations

+107
Clubs

15%



% White Space

CONTEXT/GOAL

Study with external consultancy to estimate white space in Brazil, contributing to the execution of the expansion

METHODOLOGY

Regression model, combining external and internal variables

LATIN AMERICA



HIGH GROWTH POTENTIAL

Countries with Smart Fit operations

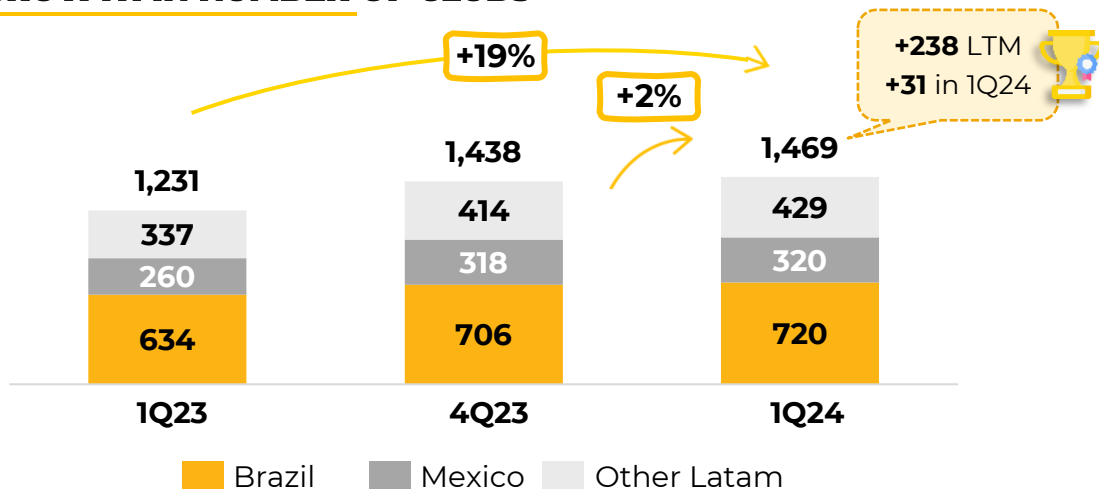




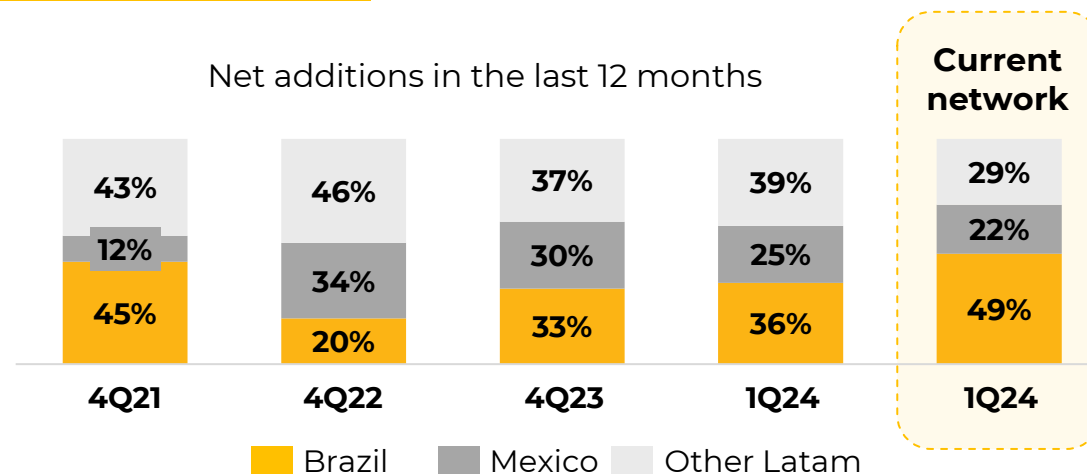
CLUB NETWORK EXPANSION

Record addition of 238 clubs in the last 12 months, reaching 1,469 units in 1Q24

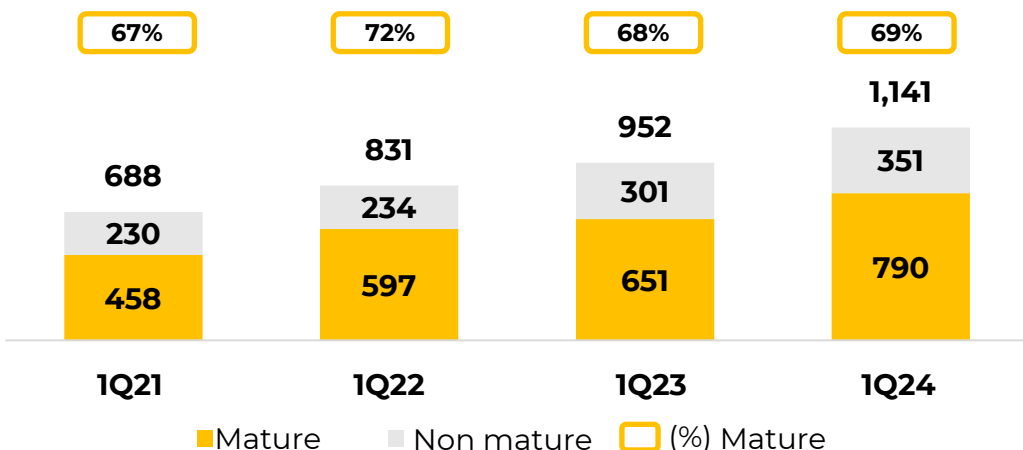
GROWTH IN NUMBER OF CLUBS¹



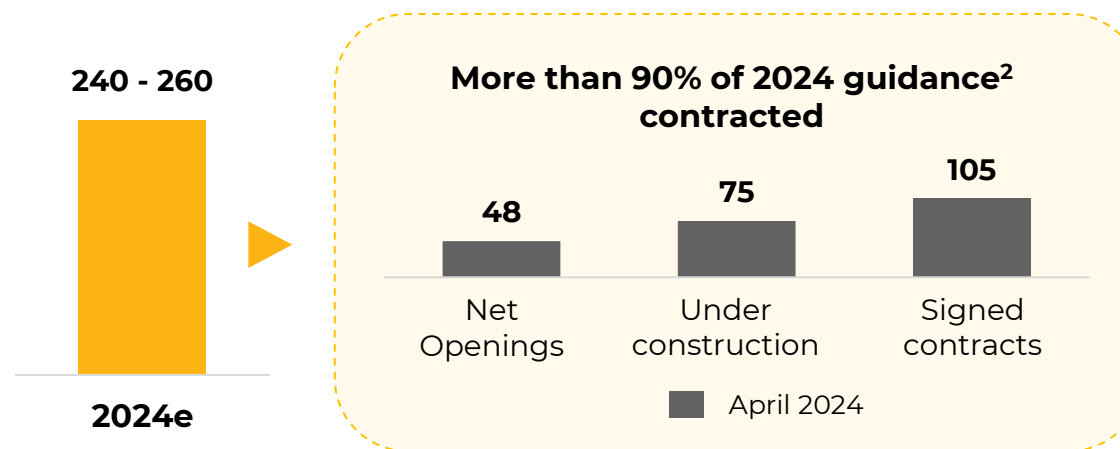
BREAKDOWN OF CLUB NETWORK BY REGION



EVOLUTION OF OWN CLUB NETWORK BY AGING



2024 PIPELINE



(1) Includes all group clubs (excludes Studios); (2) According to guidance disclosed to the market in February 2024 and considering the guidance midpoint.

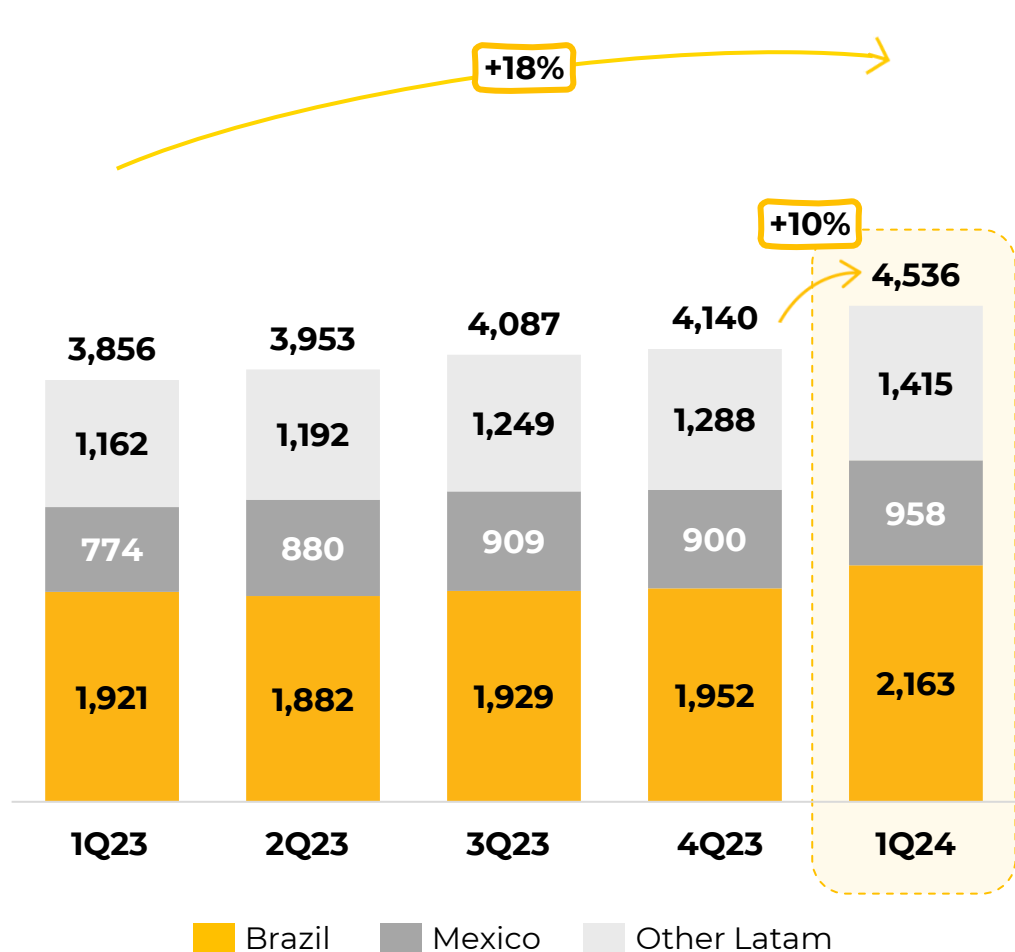


CONTINUOUS GROWTH IN NUMBER OF MEMBERS AND REVENUE smart fit

In 1Q24, the member base in clubs came to 4.5 million (+18% vs. 1Q23), with the addition of 395 thousand members in the quarter

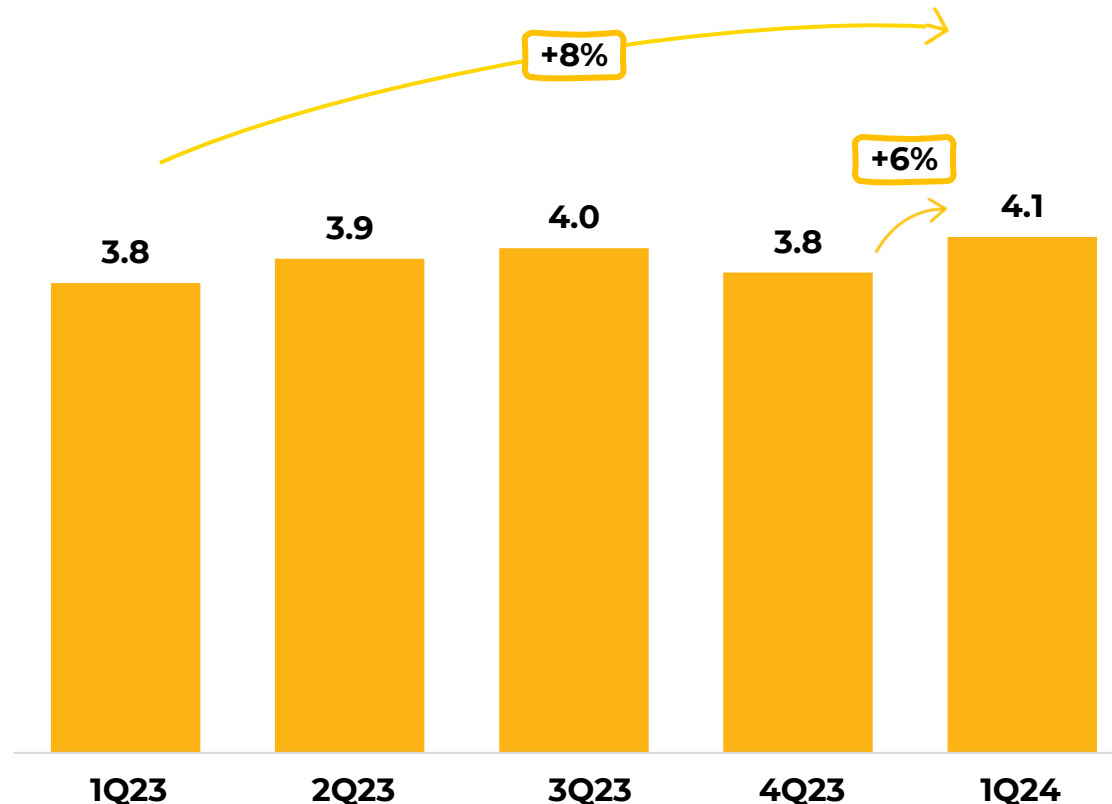
MEMBER BASE IN CLUBS

(#'000 end of period)



AVERAGE NET REVENUE PER SMART FIT OWN CLUB (ANNUALIZED)

(R\$ MILLION)



In 1Q24, annualized average revenue per own club grew 8% vs. 1Q23 due to the **increase in average number of members and the increase in average ticket**



ROBUST REVENUE MANAGEMENT AGENDA

Optimization of plan portfolio and pricing, sustaining business model competitiveness with solid returns



PLAN PORTFOLIO

Portfolio of plans that presents a **range of pricing with unique and differentiated** attributes by product

BRAND EQUITY

CLUB NETWORK

PREMIUM EXPERIENCE



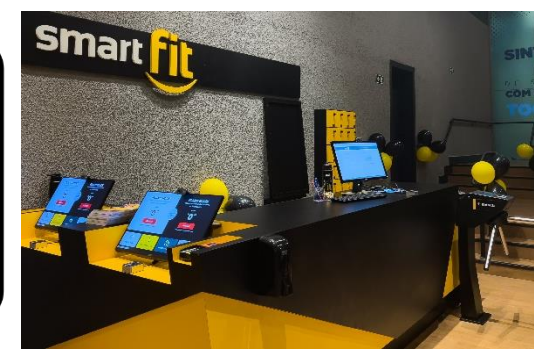
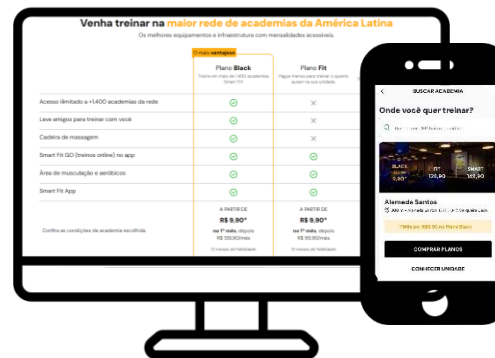
PRICING INTELLIGENCE

Data-driven process that reinforces market potential with efficiency gains

COMPETITIVENESS

PRODUCTIVITY

HIGHER CONVERSION

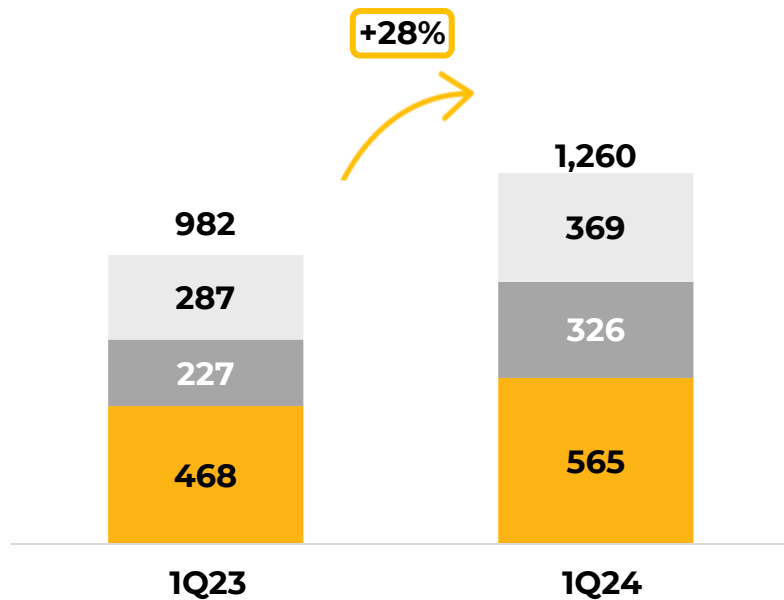


Pricing increases carried out over the last few years in different regions in line with other initiatives carried out in the period to sustainably optimize revenue per gym



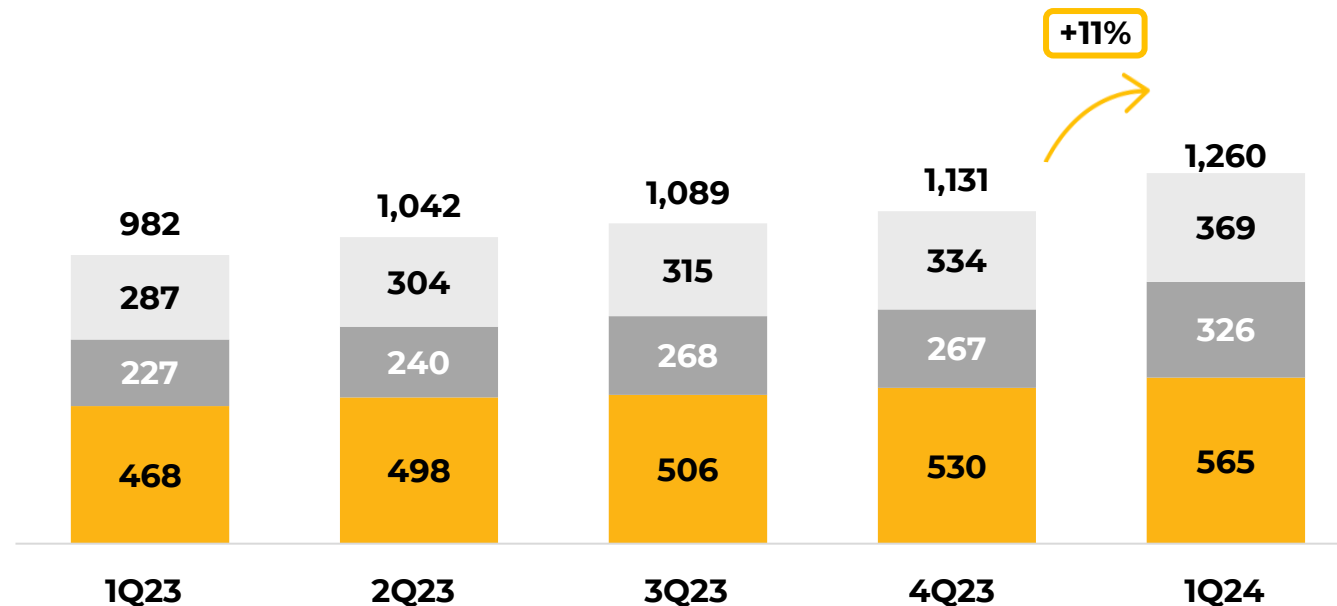
VARIATION IN NET REVENUE

(R\$M) | (#'000 end of period)



EVOLUTION OF NET REVENUE

(R\$ MILLION)



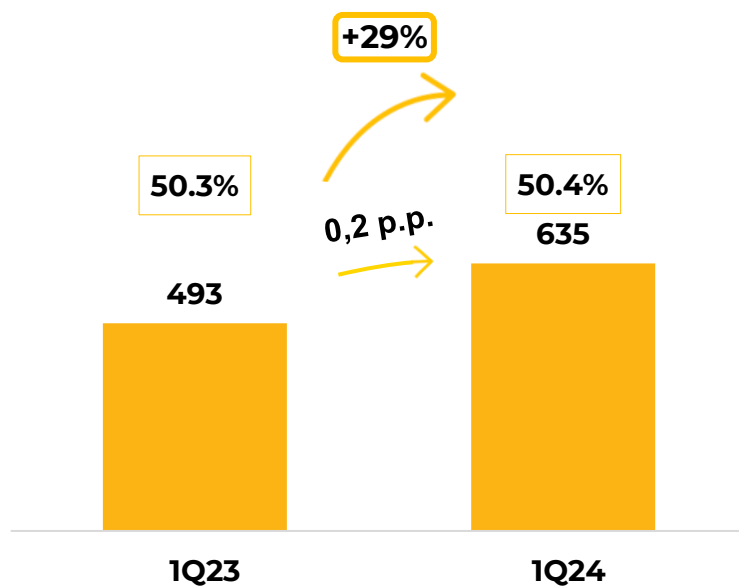
■ Brazil
 ■ Mexico
 ■ Other Latam

- Net Revenue of **R\$1,260 million** in 1Q24, **+28% vs. 1Q23**, mainly due to the 20% increase in the average member base in Smart Fit's own clubs and the 8% increase in average ticket in the period
- This increase in the average ticket is due to the transfer of prices in recent years in different regions and several initiatives rolled out in the period to optimize revenues per club in a sustainable manner
- In the last 12 months, net revenue totaled **R\$4.5 billion**



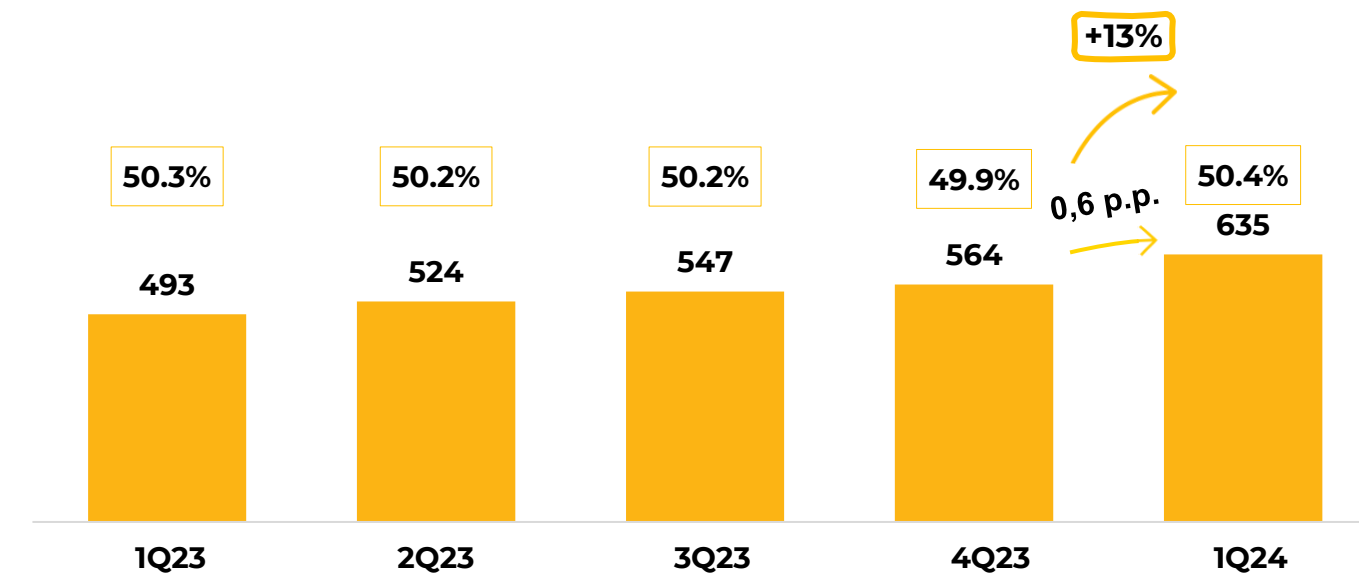
VARIATION IN CASH GROSS PROFIT

(R\$ MILLION)



EVOLUTION OF CASH GROSS PROFIT

(R\$ MILLION)



■ Gross Profit □ % Net Revenue

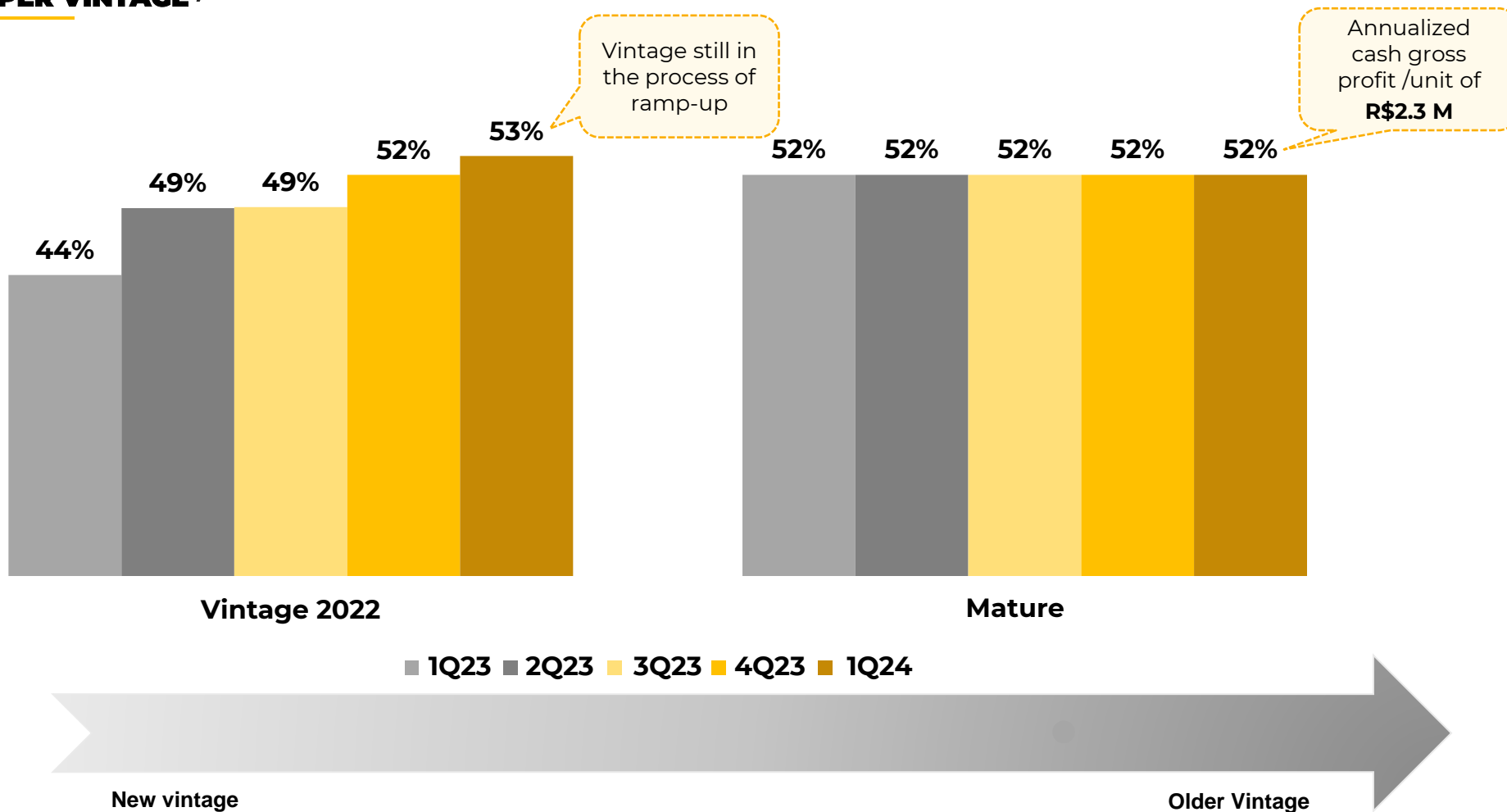
- Cash gross profit totaled **R\$635 million** in 1Q24, **+29% vs. 1Q23**, with cash gross margin of **50.4%**, up 0.2 p.p. vs. 1Q23, due to solid net revenue growth and efficient cost management, despite the record expansion pace
- In the last 12 months, cash gross profit totaled **R\$2.3 billion**, resulting in a cash gross margin of 50.2%
- Compared to 4Q23, cash gross profit increased **R\$71.3 million**, up 13%, and gross margin increased 0.6 p.p.
- Cash gross margin before pre-operating costs was **51.1%** stable vs. the previous quarter and **+0,5p.p. vs. 1Q23**



GROSS MARGIN OF MATURE CLUBS STABLE AT 52%

Combination between solid performance of mature¹ clubs² and maturation of units inaugurated in the last years in line with historical data

GROSS MARGIN PER VINTAGE^{1,2}

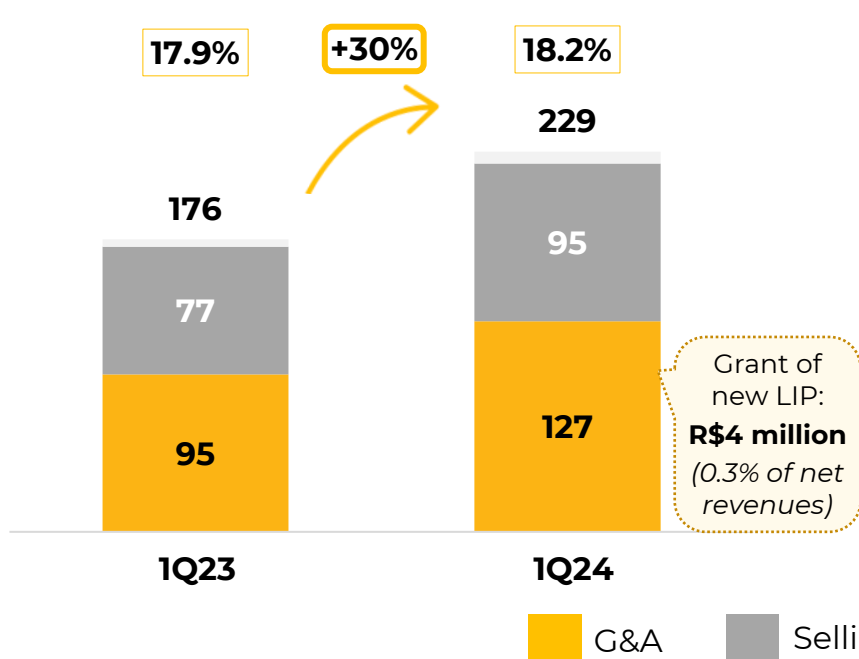


(1) Unit is considered mature when it has been operating for at least 24 months at the start of the calendar year.
(2) Includes only Smart Fit own clubs.



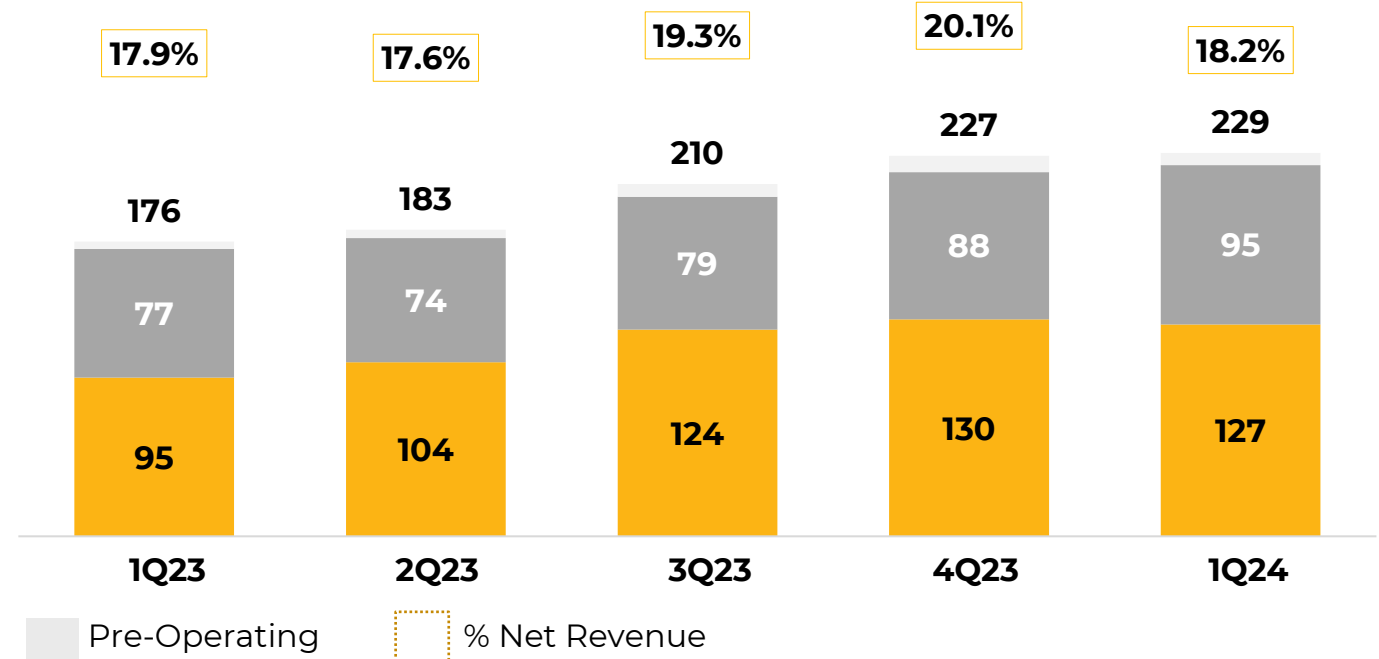
VARIATION IN EXPENSES

(R\$ MILLION)



EVOLUTION OF EXPENSES

(R\$ MILLION)

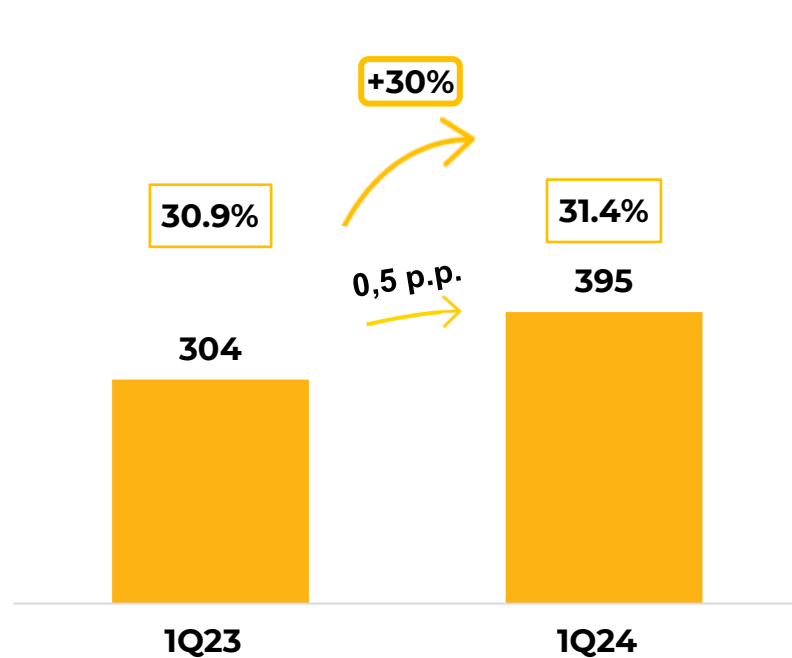


- Selling, general and administrative expenses totaled **R\$229 million** in 1Q24, **+30% vs. 1Q23**, mainly reflecting the increase of **34% in general and administrative expenses**, which reflects higher investments in Company's structure to support the resumption of business during 2023, as well as the structuring of new businesses
- Compared to 4Q23, selling, general and administrative expenses remained stable, which led to a **dilution of 2 p.p. of these lines as a percentage of net revenue in the quarter**



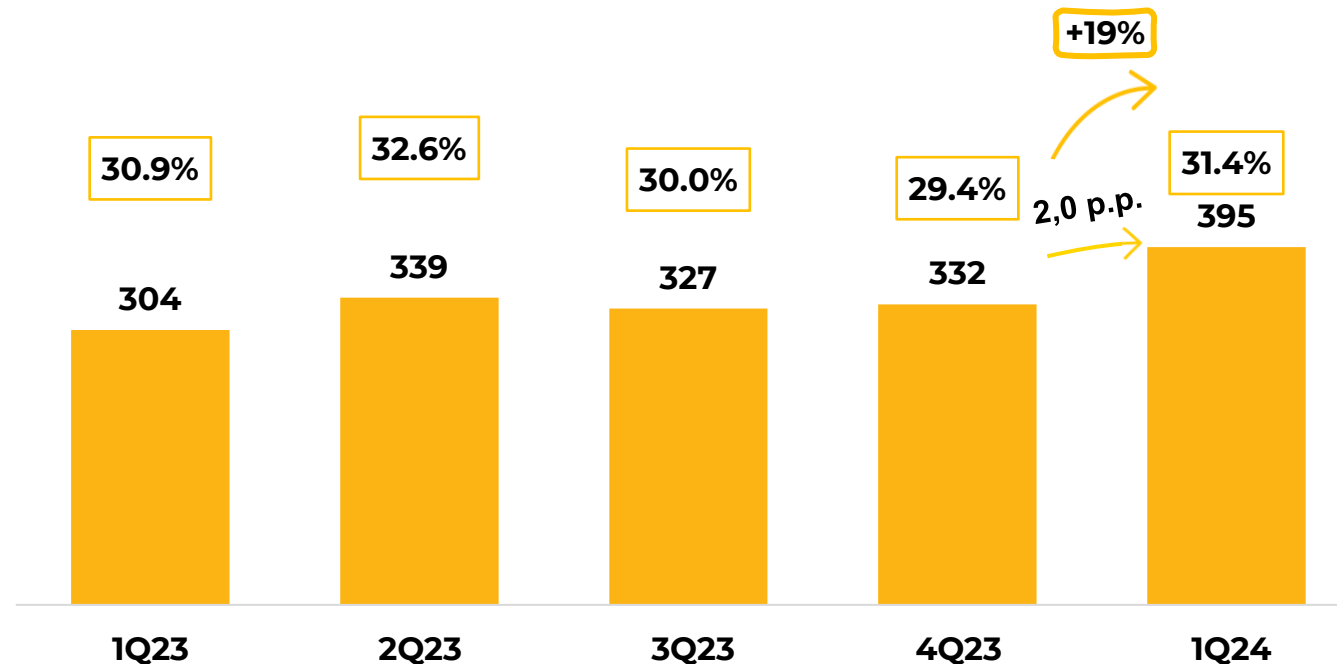
VARIATION IN EBITDA

(R\$ MILLION)



EVOLUTION OF EBITDA¹

(R\$ MILLION)



- EBITDA of **R\$395 million** in 1Q24, strong growth of **+30% vs. 1Q23**, with margin of **31.4%** (+0.5 p.p. vs. 1Q23)
- In 1Q24, EBITDA before pre-operating expenses totaled **R\$410 million**, vs. R\$311 million in 1Q23, up **+32%**. Margin was **32.6%** (+0.9 p.p. vs. 1Q23), due to the continued expansion of member base in the period and the consequent revenue growth and dilution of costs and expenses
- Compared to 4Q23, EBITDA before pre-operating expenses in 1Q24 grew **15%**, resulting in an increase of 1.2p.p. in margin

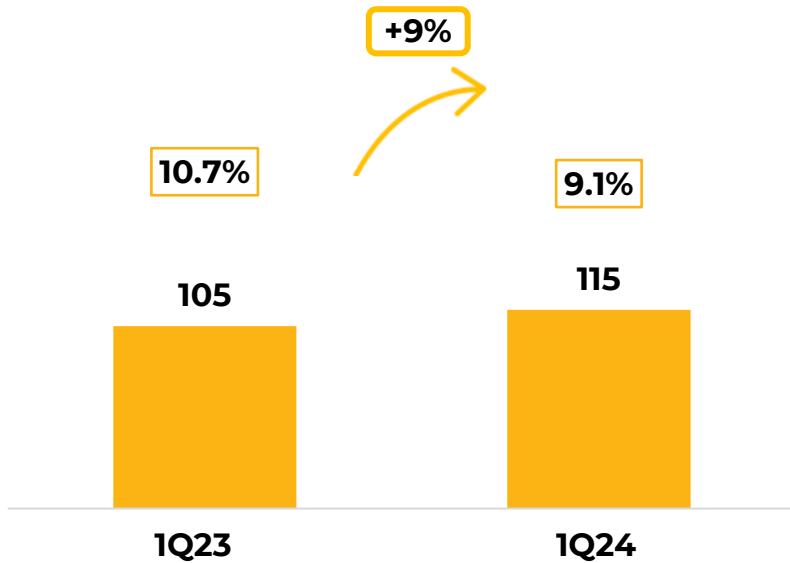
(1) Excludes the positive effect of R\$176.6 million registered in 2Q23 with the revaluation of existing 50% interest in Panama due to the acquisition of control of this operation, in accordance with accounting standards in effect in the period



RECURRING NET INCOME

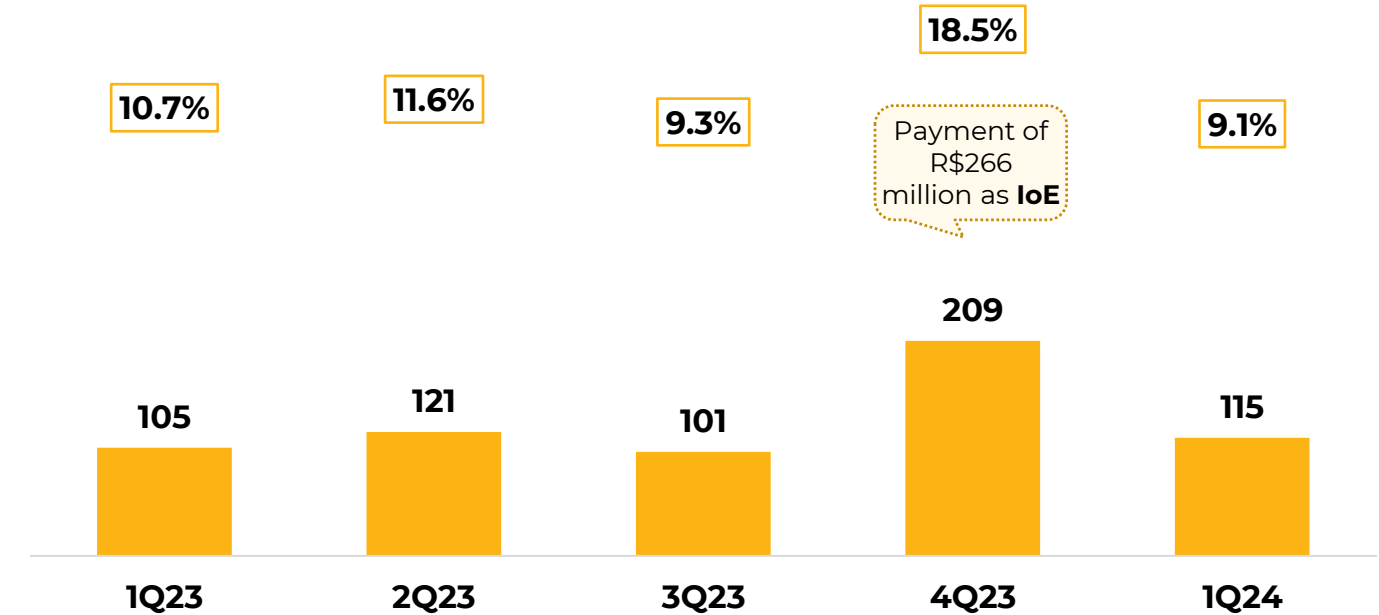
VARIATION IN RECURRING NET INCOME¹

(R\$ MILLION)



EVOLUTION OF RECURRING NET INCOME¹

(R\$ MILLION)



■ Recurring Net Income □ Recurring Net Margin

- In the quarter, the recurring net income reached **R\$ 114.8** million, up **9%** vs. 1Q23, with 9.1% of net margin
- Company's net income reached **R\$ 1,175.0** million in the last twelve months, with a net margin of **26.0%**, representing a substantial improvement compared to the profit of R\$ 170 million of 1Q23 LTM

(1) Excludes the impact due to two non-recurring effects related to (i) the recognition of deferred tax in the amount of R\$483 million in 4Q23; and (ii) the revaluation of the participation in the Panama and Costa Rica operations of R\$146 million in the last 12 months

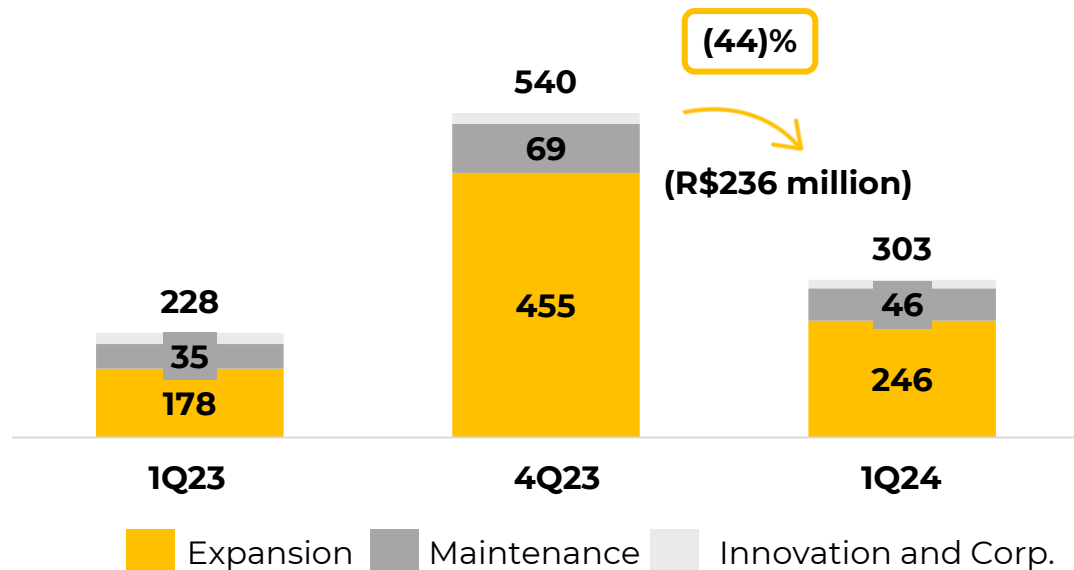


FINANCIAL LIQUIDITY AND CAPEX

Solid cash position of R\$2.3 billion and lengthy debt profile

CAPEX

(R\$ MILLION)

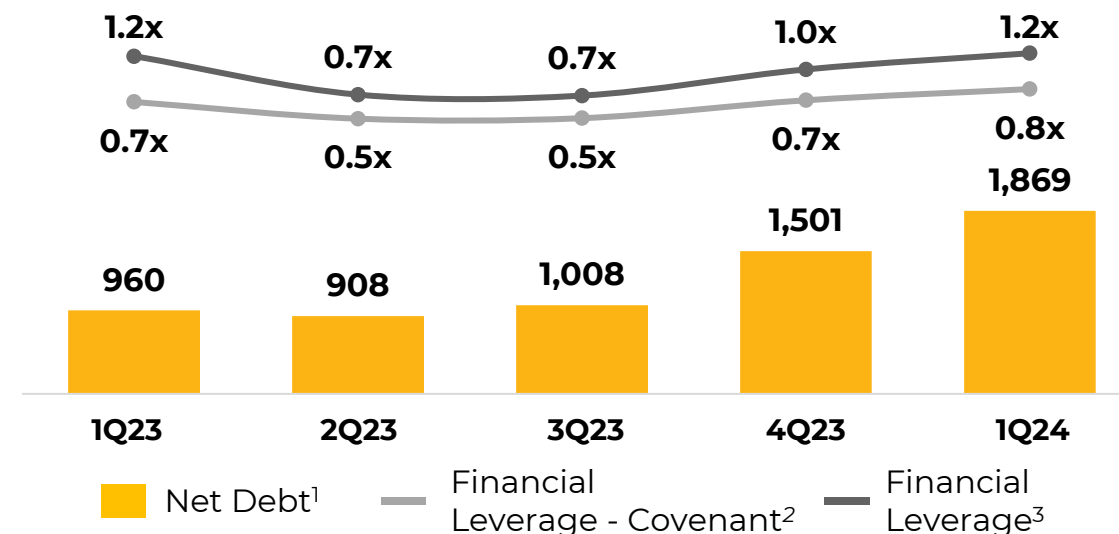


Capex of **R\$303 million** reflecting the increase in investments to expand the club network vs. 1Q23

Maintenance capex totaled **R\$46 million**, +30% vs. 1Q23, due to higher utilization of clubs, in line with the strategy of offering a high standard experience

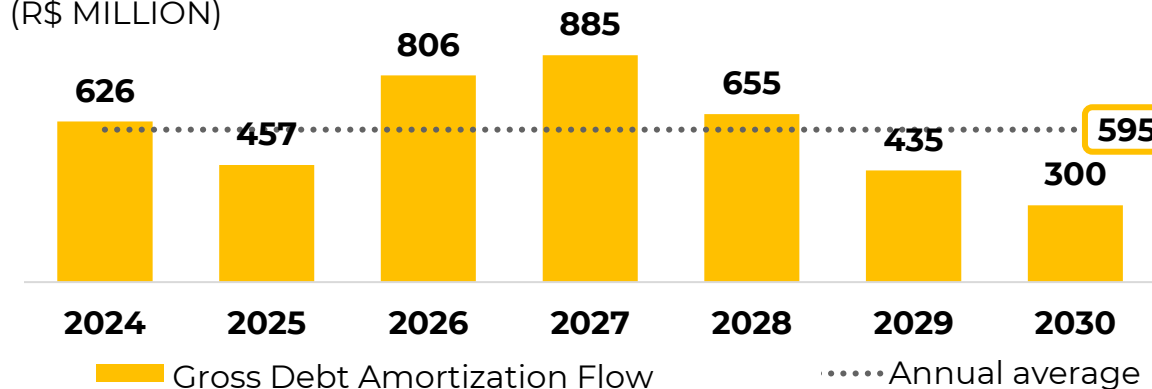
Financial leverage was **1.2 times** vs. 1.0 times in 4Q23. On April/24, the 9th issuance of debentures of R\$1,320M was carried out

NET DEBT¹ (R\$M) AND FINANCIAL LEVERAGE^{2,3}



GROSS DEBT PAYMENT FLOW⁴

(R\$ MILLION)



(1) "Net Debt" uses the definition of the Company's debentures. For more details, see the indenture; (2) The indicator "Financial Leverage - Covenant" considers the indicator "Adjusted Net Debt" divided by "EBITDA LTM," using the definition of net debt and EBITDA of the Company's debentures; (3) The indicator "Financial Leverage" considers the indicator "Adjusted Net Debt," using the definition of Company's debentures, and the indicator "EBITDA LTM," excluding the effects from IFRS16 regarding commercial leases related to the rents of clubs and offices; (4) "Gross debt" considers short- and long-term loans, financing and operating leases (excluding property leases) with financial institutions in the 1T24.

Instructions:

- To ask questions, click on the **Q&A** icon at the bottom of the screen.
- A request will appear on the screen to activate your microphone. Activate your microphone to ask questions.
- Please ask your questions all at once.

