

# PRESS RELEASE

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## QUARTERLY STATEMENT Q4 2019

### LifeFit Group outperforms expectations and previous year across the board

**Frankfurt/Main, 30 December 2019.** LifeFit Group, a leading fitness and health platform in Germany and operator of the Fitness First, Elbgym, smile X, Barry's Bootcamp, The Gym Society Germany, Pure Barre and Club Pilates brands, has published its unaudited quarterly and financial year results<sup>1</sup> for LifeFit Group as of 31 October 2019.

#### Highlights pro forma Financials and KPIs FY2018/19:

- Turnaround of rolling LTM Revenues and Adjusted EBITDA followed by sustainable growth
- LifeFit Group foundation followed by fast M&A activities resulting in five brands at fiscal year end
- Total Revenues in core business<sup>2</sup> increased by 3.2% vs. previous year to EUR 127.9m, driven by continued growth in all segments
- The group focuses on membership dues showing significant improvement in its driving KPIs joiner yield (EUR 45.8 vs. 43.7 previous year) and retention (73.4% vs. 68.7% previous year)
- Adjusted EBITDA in core business increased by 61.1% vs. previous year to EUR 19.4m (previous year: EUR 12.1m) and above expectations
- Adjusted EBITDA margin at 15.2% (vs. 9.7% previous year)
- Net Cash Flow of EUR +18.9m is driven by the issuance of EUR 40.0m bond and EUR 10.0m shareholder loan.
- Strong cash position at year end with >EUR 20.0m free cash at hand for planned capex and expansion

"I am very pleased with our full year results and the continued progress we made regarding the formation and the expansion of the group", says Martin Seibold, CEO of the LifeFit Group. "It is incredible what we have already achieved in such a short time. The brands and their concepts are very different, which is why they complement each other to form a portfolio that can comprehensively serve the fitness market and offer each customer the right product."

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<sup>1</sup> The result of the financial year refers to the period 1 July to 31 October 2019, since operative business started from the date of acquisition of the three subsidiaries Fitness First Germany GmbH, Elbgym GmbH and Barry's Bootcamp GmbH on 1 July 2019. Due to the short financial year of LifeFit Group Midco and for a better understanding of the financial results, the group presents pro forma financial statements considering the 12 month period 1 November 2018 to 31 October 2019 and adjusted for IFRS 16 impacts.

<sup>2</sup> Core business excludes all clubs/services, which already have been divested/closed or will not be continued.

## **Revenue growth across all segments**

The LifeFit Group recorded revenue growth in all segments and showed a 3.2% increase vs. previous year in total revenues (core business EUR 127.9m vs. 123.9m previous year), which was achieved in particular by focusing on joiner yield (EUR 45.8 vs. 43.7 previous year) and retention (73.4% vs. 68.7% previous year). This is based on the re-strengthened core brand Fitness First in combination with the growing brands Elbgym and smile X. Targeted investment in facility and training equipment keeps the estate in great shape. By continuously upskilling the fitness expertise of club teams the group supports current and will ensure future member retention gains.

## **+61.1% EBITDA increase driven by revenue growth and cost efficiencies**

Pro forma adjusted EBITDA increased to EUR 19.4m (vs. EUR 12.1m previous year), adjusted EBITDA margin increased to 15.2% (vs. 9.7% previous year). In addition to growing revenues, the group was able to decrease costs by successfully executed cost efficiency programs and reduced head office and club employment costs. With continued optimisation of the club portfolio, the group achieved additional profitability enhancement.

## **EUR +18.9m Net Cash Flow driven by EUR 40m senior secured bond issue**

Net Cash Flow for the pro forma 12 month period FY2018/19 was EUR +18.9m, which is primarily driven by the issue of a EUR 40.0m senior secured bond and EUR 10.0m shareholder loan. Net proceeds were primarily used for financing the acquisition of smile X, the leading regional fitness provider in the Saar-Palatinate region. The group shows a strong cash position at year end with more than EUR 20m available free cash at hand, which will be used for investments into the existing portfolio, for the roll-out of new concepts as well as potentially for additional M&A.

## **Outlook**

LifeFit Group Management will continue to strongly focus on the key revenue drivers, joiner yield and retention, which are underpinning sustainable growth. Portfolio optimisation will be more focused on best practice sharing among the group and will result in higher club profitability. The multi-banner approach will result in additional M&A activities with further businesses and expanding existing brands. In addition, franchise concepts have started to roll out and will increase revenues and profitability in the long run.

## **ABOUT THE LIFEFIT GROUP**

The LifeFit Group is a leading fitness and health platform in Germany, uniting several fitness brands from the boutique, high-value-low-price and premium segments under one roof. The Group is committed to inspire and support its customers to live their best lives through personal, fun and focused health and fitness experiences. Fitness First is the largest fitness service provider of the LifeFit Group and offers a motivating fitness experience including innovative training concepts, relaxation in the form of wellness facilities and 20+ pools. The exclusive Hamburg performance fitness provider Elbgym stands for hard training and a strong community, while smile X positions itself in the high-value-low-price segment with a dedicated training area concept for a broad range of customer groups. The boutique fitness concepts of Barry's Bootcamp, the pioneer of high-intensity interval training indoors and The Gym Society, the innovative compact studio concept from the Netherlands, which aims to reach 80% of health-conscious people who have not yet found the right concept and now Xponential Fitness' brands Club Pilates and Pure Barre complete the diverse portfolio of the LifeFit Group. Learn more about LifeFit Group online [www.lifefit-group.com](http://www.lifefit-group.com)

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