

PRESS RELEASE

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QUARTERLY STATEMENT Q1 2020

LifeFit Group recorded revenue and profitability growth in the first quarter

Frankfurt/Main, 30 March 2020. 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 results¹ for LifeFit Group as of 31 January 2020.

Highlights pro forma Financials and KPIs Jan-20 LTM:

- Turnaround of rolling LTM Revenues and Adjusted EBITDA followed by sustainable growth
- LifeFit Group foundation followed by fast M&A activities resulting in seven brands at quarter end
- Total Revenues in core business² increased by 0.8% compared to FY19 to EUR 128.9m, driven by continued growth in all segments
- The group focuses on membership dues showing significant improvement in joiner yield (EUR 46.5 LTM vs. 45.8 in FY19) which is caused by the implementation of a new pricing at Fitness First and retention stabilisation at high level (73.2%)
- Adjusted EBITDA in core business increased by 2.9% vs. FY19 to EUR 17.9m (FY19: EUR 17.4m)
- Adjusted EBITDA margin at 13.9% (vs. 13.6% in FY19)
- Q1 Net Cash Flow of EUR -7.3m follows LifeFit's investment strategy
- Strong cash position at quarter end with >EUR 15.0m free cash at hand

"I am pleased with the underlying first quarter results and continued progress we have made across the board and brands but of course the Covid-19 crisis build up and the subsequent obligatory club closures is on top of our mind and actions at present", says Martin Seibold, CEO of the LifeFit Group. "We have been taking transparent and decisive actions in support of our staff and members and commenced cash preserving activities to mitigate the economic impact. In addition we are utilising state related economic relief programs and with our strong cash position we are in a good position to weather this storm and be ready for developing opportunities."

¹ Due to the short financial year of Lifefit Group Midco in FY19 and for a better understanding of the financial results, the group presents pro forma financial statements considering the 12 month period 1 February 2019 to 31 January 2020 and adjusted for IFRS 16 impacts.

² 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 0.8% increase vs. FY19 in total revenues (core business EUR 128.9m vs. 127.9m in FY19), which was achieved in particular by focusing on joiner yield (EUR 46.5 LTM vs. 45.8 in FY19) and retention. Yield increase is mainly driven by the implementation of a new pricing at Fitness First, which focuses on simplification and combines multiclub access with weekly pricing while new member integration and member support tools have been introduced simultaneously. After a very strong increase in FY19 (73.4% vs. 68.7% previous year), where retention benefited from a contract model change two years ago, retention rate in Q1 stays stable (73.2%).

EBITDA increase driven by revenue growth and cost efficiencies

Jan-20 LTM pro forma adjusted EBITDA increased to EUR 17.9m (vs. EUR 17.4m in FY19), adjusted EBITDA margin increased to 13.9% (vs. 13.6% in FY19). 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.

EUR -7.3m Net Cash Flow follows LifeFit's investment strategy

Net Cash Flow for Q1/FY20 was EUR -7.3m, which is primary characterised by capex of EUR 4.2m (esp. spend for conversion of Fitness First into smile X clubs, but as well on existing portfolio). In addition LifeFit launched a joint venture with Xponential Fitness, the curator of eight outstanding boutique fitness brands, and invested in a master franchise agreement. The group shows a strong cash position at quarter end with more than EUR 15m available free cash at hand with an EUR 10m RCF in place.

Outlook

LifeFit Group Management is fully aware of potential further business implications in the course of the current covid-19 crises and has initiated a broad set of measures and initiatives to mitigate the economic impacts. The fitness segment has traded through the financial crisis 2008/2009 and demonstrated resilience. LifeFit has gone through a turnaround and has well proven processes and a track record to manage under challenging circumstances. We expect mid-term market development positive with a higher focus on lifestyle and activity given being fit increases immune system. Our free cash position of EUR >15m (+RCF) will give us sufficient liquidity for current shut-down scenarios.

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

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