

PRESS RELEASE

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QUARTERLY STATEMENT Q3 2020 LifeFit Group result affected by covid-19 implications in the third quarter

Frankfurt/Main, 29 September 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 July 2020.

Highlights pro forma Financials and KPIs Jul-20 LTM:

- Operational KPIs went down with members from more than 250k in Q1 to 230k in Q3 (lack of joiner driven) due to club closures
- Total revenues in core business² decreased by 5.5% vs. FY19 to EUR 120.8m and will decrease further in future due to missing members resulting from the lockdown and forthcoming compensations
- Jul-20 LTM Adjusted EBITDA in core business decreased by 9.6% vs. FY19 to EUR 15.7m
- Adjusted EBITDA margin at 13.0% (vs. 13.6% in FY19)
- Q3 Net Cash Flow of EUR -3.2m is primary characterised by positive deferral effects in working capital which increases operating cash flow and capex spend of EUR 6.2m into existing portfolio and new studios/formats
- Strong cash position at quarter end with EUR 26.4m cash at bank

I am very pleased that all our studios have remained to stay open over the last weeks and that driving KPIs like visitation and new members almost come back to prior year levels. The closed clubs presented us with a unique opportunity to further upgrade our facilities and equipment while at the same time develop our teams via e-learning." says Martin Seibold, CEO of the LifeFit Group. "We have been taking transparent and decisive actions in support of our staff and members and have introduced 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. Health & fitness in general and strengthening of the immune system is probably more important than ever which we anticipate will drive more people into gyms over time."

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 August 2019 to 31 July 2020 and adjusted for IFRS 16 impacts.

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

Revenue impacted by covid-19 related club closures

Operational and financial KPIs were significantly impacted by the covid-19 crisis and related club closures from mid of March to mid of June 2020. Therefore total LTM revenues in core business decreased by -5.5% compared to FY19 to EUR 120.8m. The shortfall is due on the one hand to direct revenue reductions during the lockdown and on the other hand to missing members and a deferred revenue effect regarding the compensation offered (EUR 1.1m). Before club closures the group kept to focus on membership dues showing significant improvement in joiner yield (LTM EUR 47.1 vs. 45.8 in FY19) and retention stabilisation at high level (72.6%).

EBITDA decrease driven by covid-19 related revenue shortfall

Jul-20 LTM pro forma adjusted EBITDA in core business decreased by 9.6% compared to FY19 from EUR 17.4m to EUR 15.7m. This is mainly driven by membership dues compensation and missing side revenues during and as result of the lockdown as well as missing members afterwards. Initiated cost actions are not able to overcompensate revenue shortfall mid-term. Adjusted EBITDA margin for Jul-20 LTM is at 13.0% compared to 13.6% in FY19.

EUR -3.2m net change in cash as a result of continued capex program

Net Cash Flow for Q3/FY20 was EUR -3.2m, which is primarily characterised by positive deferral effects in working capital which increases operating cash flow and capex spend (EUR 6.2m) in existing portfolio and new studios/formats. The group shows a strong cash position at quarter end with more than EUR 26.4m cash at bank.

Outlook

The whole fitness industry was negatively affected by the Covid-19 outbreak. Although all clubs are re-opened in June 2020, the LFG expects further implications on future financial performance from a short/mid-term perspective. Member visitation and joiner volume started on a low level after the closing period and increases slowly. By ensuring best-in-class hygiene standards we comfort the member to work-out and come back to routine. In the long-term LFG is confident that health and fitness will be even more focused in the society. The negative financial impact of covid-19 will probably lead to a consolidation phase in the fitness industry with opportunities for growth via acquisitions. The vast experience in managing different brands in various segments combined with efficient and scalable central services qualifies LFG as a central future player in the German fitness industry. Considering the latest increasing infection rates and local lock-downs there is still a risk of closing clubs again. Thus LFG continues to focus on resolute cash-flow management to ensure a high level of liquidity.

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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