



# Investor Announcement

Acquisition of Fitness World Group

December 2019

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# Pleased to announce the acquisition of Fitness World

## Transaction overview

### Summary

- PureGym has reached an agreement to acquire Fitness World Group, a leading European gym operator
  - Expected to complete early 2020
  - Transaction includes all operations of Fitness World Group, based in Denmark, Switzerland and Poland
- All cash acquisition at c.£350m<sup>(1)</sup> enterprise value
- Equates to c.7.2x Fitness World Group Sept'19 LTM Run Rate Adj. EBITDA of c.£49m<sup>(2)</sup>

### Transaction Financing

- Committed bridging instrument<sup>(3)</sup> available
- £35m RCF upsize to support combined business
- Subsequently, expect to replace with EUR senior secured debt in early 2020

## Investment Rationale

### Combining market leading gym operators

- Proven scale operations in attractive markets
- Fitness World is clear #1 gym operator in Denmark, #2 player in Switzerland and growing presence in Poland
- Strong strategic fit with aligned low-cost model approach
- Strong digital app and ancillary revenue offering
- Synergies principally through scale procurement and sharing best practices
- Strong, sustainable EBITDA and cashflow generation

### Positions PureGym as a European Champion

- Provides territory, diversification and scale benefits
- Almost 500 gyms combined, member base approaching 1.8m
- Presence in 4 countries with combined population c.120 million
- Pro Forma Revenue exceeds £400m and Pro Forma Run Rate Adj. EBITDA approaching £150m

# Fitness World overview

Fitness World is Denmark's #1 gym operator, with growing presence in Switzerland and Poland

## Company Overview

**240 Gyms**  
across Denmark,  
Switzerland and Poland

**600k**  
Members

**£179m<sup>(1)</sup>**  
Q3'19 LTM  
Revenue

**£40m<sup>(1)</sup>**  
Q3'19 LTM  
EBITDA

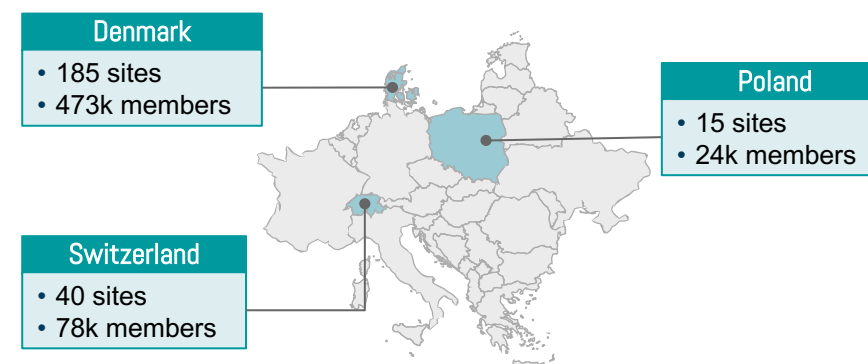
## Fitness World is a leading European gym operator

- Founded in 2005
- 240 gyms / 600k members
- Denmark: #1 market position (45% market share)
- Switzerland: acquired Basefit.ch (#2 player) in Oct 2018
- Poland: growing presence organically and via acquisitions
- Own fitness app and sports nutrition brand

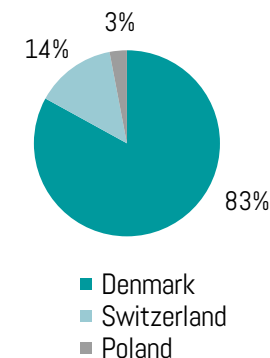
## Key financials Q3'19 LTM

- Revenue of £179m<sup>(1)</sup> (+7.0% growth y-o-y)
- Run Rate Adj. EBITDA of £49m<sup>(2)</sup>

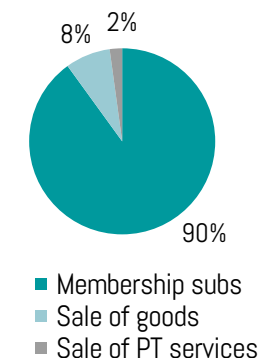
## Geographical Presence



## Revenue by Geography



## Revenue by Type



# Transformational transaction positions PureGym as a European champion

The PureGym & Fitness World combination will create a **diversified pan-European operator of scale** with **1.7m members** and almost **500 gyms**

		 <sup>(1)</sup>	
Countries of Operation	1 (UK)	3 (DK, PL, CH)	4 (UK, DK, PL, CH)
2018 Population (in countries of operation)	67m	52m	119m
# Members	1.2m	0.6m	1.7m
# Gyms	244 <sup>(4)</sup>	240	484
Revenue	£247m	£179m	£426m
Adjusted EBITDA	£85m	£40m <sup>(2)</sup>	£125m
Adjusted EBITDA margin	35%	22%	29%
Run Rate Adjusted EBITDA	£98m	£49m <sup>(3)</sup>	£147m