

Fitness Sector Update

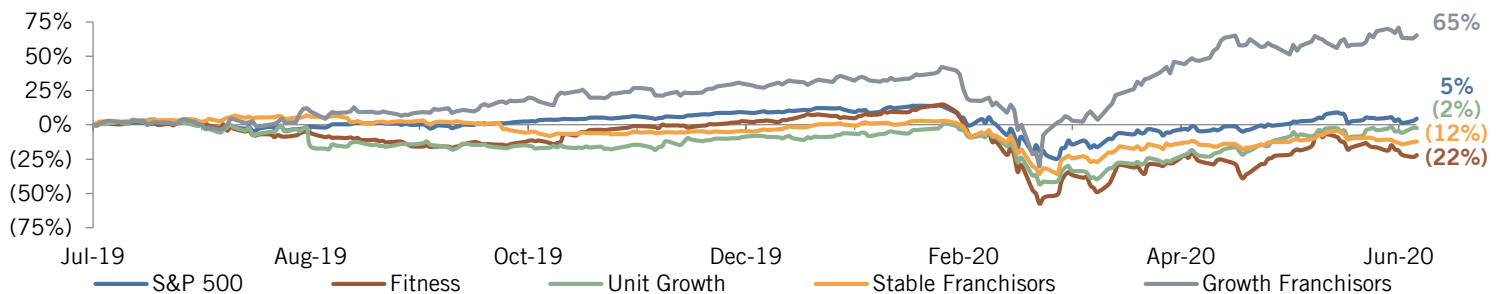
SECOND QUARTER 2020



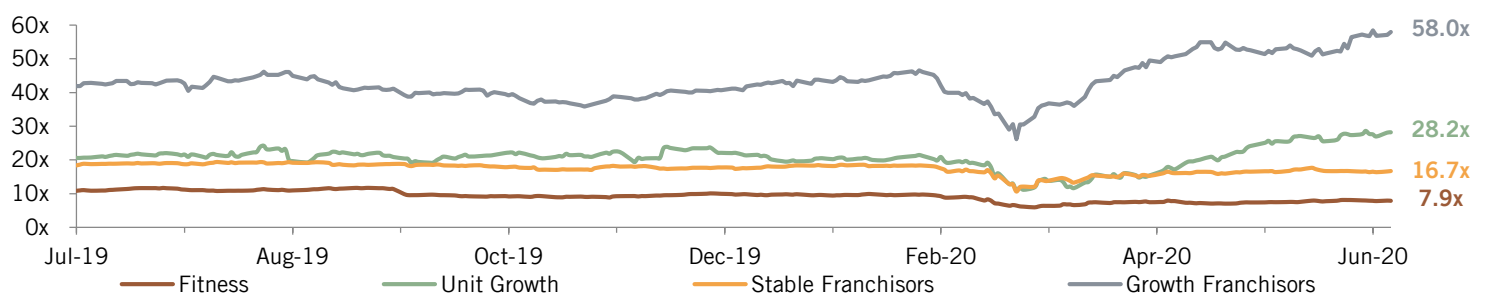
Recent Observations

- To state the obvious, Q2 was marked by unprecedented events and uncertainty. Fortunately most fitness clubs / studios we track were able to begin the process of re-opening their facilities (and billing members) in stages towards the end of the quarter
- We have been pleased to hear the data coming out of re-opened clubs / studios is generally positive and health & wellness is top of mind for consumers – second only to immunity – which should provide favorable long-term tailwinds
- While near-term uncertainty will likely persist until a vaccine is available, investors remain very interested in the category. It will come as no surprise that at-home and digital concepts are top of mind today, but interest in other fitness sector sub-categories is re-emerging as more positive data accumulates everyday
- **Please save the date for our annual fitness summit, which will be virtual this year, on September 24th. Additional details to follow**
- Q2 registered nine fitness-related M&A transactions, down 40% versus 15 transactions in Q2'19
 - Activity during the quarter was largely centered around: (i) investments into digital and at-home fitness concepts and (ii) capital injections into strong brands which were hamstrung by government mandated club / studio closures resulting from the COVID pandemic
 - While nearly every M&A process was put on hold at the beginning of Q2, we are seeing a resurgence of investor interest as buyers are beginning to re-visit processes that were put on hold and seek out new opportunities. We expect “regular way” activity to re-emerge in Q3
- The U.S. equity capital markets are being fueled by hope and optimism as vaccine headlines have countered rising COVID infection rates and job gains have driven a broad market rally, with the Dow Jones off only ~10% YTD
 - Q2 marked the strongest quarterly performance for U.S. equities on record since 1998 (S&P 500 +20% and Nasdaq +30%)
 - However, investors remain weary as job gains have been driven by low-wage sectors and high-wage sectors (e.g., tech and financials) are yet to re-hire. Many fear wage growth will not correlate to the strength in employment headlines and some high-wage job loss may be permanent
- The debt capital markets were volatile throughout Q2 and witnessed significant bifurcation between leveraged loans and high yield bonds
 - Leveraged loans cratered in Q2, with the weighted average bid price falling into the mid-70's in late-March before recovering to ~90 at the end of the quarter. Institutional issuance totaled only \$44 billion during Q2, down 38% versus Q2'19
 - Conversely, the high yield market experienced a Fed-fueled frenzy which drove a fundamental capital markets shift. It was the first time since Q4'09 that secured high yield issuance volume outpaced loan issuance in a quarter with ~80% of all volume attributed to high yield
 - The quarter began with a flood of issuance to shore up liquidity and a flurry of amendment activity, however as the market improved new issuance to back M&A transactions emerged. Lenders (generally) were constructive throughout the quarter and supported borrower relief

LTM INDEXED SHARE PRICE PERFORMANCE



LTM TRADING MULTIPLES (EV / LTM EBITDA)



Source: Capital IQ as of June 30, 2020.

Note: Indexed share price performance weighted by market capitalization. Fitness index includes CLUB, ENXTAM:BF, LSE:GYM, OM: ATIC, PLNT and SASE:1830. Unit Growth index includes EYE, FIVE, FND, GO, OLLI and ULTA. Stable Franchisors index includes DENN, DIN, DNKN, DPZ, JACK, MCD, PLNT, QSR, SERV, WEN and YUM. Growth Franchisors index includes PZZA and WING.

SELECTED PUBLIC MARKET COMPARABLES

(USD\$ in millions, except per share data)

	6/30/20 Price	% of 52-Wk High	Equity Value	Enterprise Value	EV / Revenue	EV / EBITDA			P/E		PEG		LT EPS Growth	
						LTM	2021 (E)	2022 (E)	2021 (E)	2022 (E)	2021 (E)	2022 (E)		
Fitness														
Planet Fitness, Inc.	\$60.57	68%	\$5,637	\$6,867	11.1x	26.1x	21.2x	18.1x	33.7x	26.9x	2.34	1.88	14.4%	
Basic-Fit N.V.	26.28	65%	1,577	2,085	3.6x	11.8x	10.6x	8.6x	32.8x	25.0x	0.36	0.28	90.2%	
Leejam Sports Company	15.59	66%	817	911	3.7x	8.9x	7.8x	6.1x	16.2x	11.4x	1.31	0.93	12.3%	
The Gym Group plc	1.88	46%	312	373	1.8x	4.0x	3.5x	3.0x	25.0x	14.9x	N/A	N/A	N/A	
Town Sports International Holdings, Inc.	0.54	18%	15	184	0.4x	4.7x	NM	NM	NM	NM	N/A	N/A	N/A	
Actic Group AB (publ)	1.63	54%	26	63	0.7x	6.9x	NM	NM	NM	NM	N/A	N/A	N/A	
					Mean:	3.5x	10.4x	10.8x	9.0x	26.9x	19.6x	1.34	1.03	39.0%
					Median:	2.7x	7.9x	9.2x	7.3x	28.9x	20.0x	1.31	0.93	14.4%
Unit Growth														
Ulta Beauty, Inc.	\$203.42	55%	\$11,455	\$11,101	1.6x	12.6x	9.8x	9.0x	18.3x	16.0x	1.11	0.97	16.5%	
Ollie's Bargain Outlet Holdings, Inc.	97.65	93%	6,353	6,234	4.4x	32.4x	22.8x	20.5x	35.4x	31.5x	2.64	2.35	13.4%	
Floor & Decor Holdings, Inc.	57.65	92%	5,910	6,036	2.8x	24.0x	20.3x	17.4x	44.9x	35.0x	2.04	1.59	22.0%	
Five Below, Inc.	106.91	77%	5,961	5,822	3.5x	32.4x	16.7x	13.7x	29.4x	24.1x	1.68	1.38	17.5%	
Grocery Outlet Holding Corp.	40.80	86%	3,708	4,090	1.5x	35.7x	18.7x	17.0x	40.8x	36.1x	3.21	2.84	12.7%	
National Vision Holdings, Inc.	30.52	77%	2,450	2,921	1.7x	16.8x	15.2x	14.0x	49.1x	37.0x	9.50	7.16	5.2%	
					Mean:	2.6x	25.7x	17.3x	15.3x	36.3x	30.0x	3.36	2.71	14.6%
					Median:	2.3x	28.2x	17.7x	15.5x	38.1x	33.3x	2.34	1.97	15.0%
Stable Franchisors (LTGR < -15% per annum)														
McDonald's Corporation	\$184.47	83%	\$137,164	\$170,937	8.2x	16.7x	15.9x	14.8x	23.0x	20.7x	3.39	3.05	6.8%	
Yum! Brands, Inc.	86.91	73%	26,159	36,654	6.5x	18.3x	17.5x	16.1x	23.0x	20.5x	1.89	1.68	12.2%	
Restaurant Brands International Inc.	54.63	69%	16,398	29,136	5.2x	13.5x	12.6x	11.7x	20.0x	18.2x	1.91	1.73	10.5%	
Domino's Pizza, Inc.	369.44	94%	14,452	18,355	5.0x	27.0x	22.4x	20.6x	30.3x	26.8x	2.48	2.19	12.2%	
Dunkin' Brands Group, Inc.	65.23	77%	5,356	7,907	5.8x	16.6x	16.4x	15.5x	21.3x	19.8x	2.13	1.98	10.0%	
The Wendy's Company	21.78	91%	4,850	7,449	5.4x	19.0x	17.0x	15.8x	32.3x	27.9x	3.34	2.88	9.7%	
Planet Fitness, Inc.	60.57	68%	5,637	6,867	11.1x	26.1x	21.2x	18.1x	33.7x	26.9x	2.34	1.88	14.4%	
ServiceMaster Global Holdings, Inc.	35.69	61%	4,709	6,246	3.0x	16.7x	18.0x	16.6x	37.1x	33.4x	23.34	20.97	1.6%	
Jack in the Box Inc.	74.09	80%	1,680	2,930	3.0x	14.3x	10.6x	10.6x	15.3x	13.8x	1.05	0.95	14.5%	
Dine Brands Global, Inc.	42.10	40%	691	1,977	2.2x	8.3x	8.8x	7.7x	9.1x	6.9x	N/A	N/A	N/A	
Denny's Corporation	10.10	42%	563	941	1.9x	9.8x	11.7x	9.7x	17.7x	13.6x	1.96	1.51	9.0%	
					Mean:	5.2x	16.9x	15.6x	14.3x	23.9x	20.8x	4.38	3.88	10.1%
					Median:	5.2x	16.7x	16.4x	15.5x	23.0x	20.5x	2.24	1.93	10.3%
Growth Franchisors (LTGR > -15% per annum)														
Wingstop Inc.	\$138.97	95%	\$4,111	\$4,407	21.3x	86.5x	55.3x	44.7x	113.4x	87.4x	6.54	5.04	17.3%	
Papa John's International, Inc.	79.41	93%	2,578	3,188	2.0x	29.4x	18.3x	17.3x	37.5x	33.4x	2.31	2.05	16.2%	
					Mean:	11.6x	58.0x	36.8x	31.0x	75.4x	60.4x	4.42	3.55	16.8%
					Median:	11.6x	58.0x	36.8x	31.0x	75.4x	60.4x	4.42	3.55	16.8%
Digital														
Peloton Interactive, Inc.	\$57.77	93%	\$16,362	\$14,930	10.4x	NM	70.7x	41.2x	NM	NM	N/A	N/A	N/A	

OPERATING STATISTICS

(USD\$ in millions)

	LTM			LTM Margin %		Sales Growth		EBITDA Growth		Balance Sheet			
	Revenue	Gross Profit	EBITDA	Gross Profit	EBITDA	1 Year	5 Year	1 Year	5 Year	Cash	Debt	Lev.	
Fitness													
Planet Fitness, Inc.	\$620	\$346	\$263	55.9%	42.5%	11.3%	15.7%	11.5%	22.1%	\$547	\$1,778	6.8x	
Basic-Fit N.V.	578	462	176	79.9%	30.5%	28.2%	26.0%	24.7%	30.6%	75	583	3.3x	
Leejam Sports Company	245	89	102	36.2%	41.9%	9.7%	0.0%	14.4%	0.0%	37	131	1.3x	
The Gym Group plc	203	201	93	99.1%	46.1%	23.6%	27.5%	25.0%	45.4%	3	65	0.7x	
Town Sports International Holdings, Inc.	467	373	39	80.0%	8.5%	5.3%	0.6%	(28.5%)	(5.7%)	19	188	4.8x	
Actic Group AB (publ)	96	58	9	59.9%	9.5%	(2.0%)	0.0%	N/A	N/A	11	48	5.3x	
				Mean:	68.5%	29.8%	12.7%	11.6%	9.4%	18.5%			3.7x
				Median:	69.9%	36.2%	10.5%	8.1%	14.4%	22.1%			4.0x
Unit Growth													
Ulta Beauty, Inc.	\$6,828	\$2,658	\$881	38.9%	12.9%	(1.3%)	15.0%	(24.3%)	8.9%	\$1,154	\$800	0.9x	
Ollie's Bargain Outlet Holdings, Inc.	1,433	563	192	39.3%	13.4%	11.0%	16.6%	6.1%	20.7%	119	1	0.0x	
Floor & Decor Holdings, Inc.	2,123	898	251	42.3%	11.8%	19.0%	0.0%	30.6%	0.0%	290	415	1.7x	
Five Below, Inc.	1,683	574	180	34.1%	10.7%	3.4%	18.9%	(22.1%)	13.2%	139	0	0.0x	
Grocery Outlet Holding Corp.	2,714	837	114	30.8%	4.2%	15.8%	N/A	(13.3%)	N/A	161	544	4.8x	
National Vision Holdings, Inc.	1,733	920	173	53.1%	10.0%	9.0%	0.0%	29.3%	0.0%	263	734	4.2x	
				Mean:	39.8%	10.5%	9.5%	10.1%	1.0%	8.5%			1.9x
				Median:	39.1%	11.3%	10.0%	15.0%	(3.6%)	8.9%			1.3x
Stable Franchisors (LTGR < -15% per annum)													
McDonald's Corporation	\$20,767	\$10,906	\$10,237	52.5%	49.3%	(0.7%)	(4.9%)	0.9%	2.0%	\$5,380	\$39,153	3.8x	
Yum! Brands, Inc.	5,606	2,786	2,006	49.7%	35.8%	0.6%	(15.7%)	5.8%	(5.8%)	1,154	11,649	5.8x	
Restaurant Brands International Inc.	5,562	3,223	2,162	57.9%	38.9%	3.6%	24.1%	1.7%	19.6%	2,498	13,669	6.3x	
Domino's Pizza, Inc.	3,656	1,023	681	28.0%	18.6%	5.0%	12.4%	9.8%	11.7%	201	4,105	6.0x	
Dunkin' Brands Group, Inc.	1,374	711	476	51.7%	34.6%	2.6%	12.5%	4.8%	4.6%	601	3,152	6.6x	
The Wendy's Company	1,368	596	392	43.6%	28.7%	6.0%	(6.8%)	(7.1%)	2.1%	295	2,894	7.4x	
Planet Fitness, Inc.	620	346	263	55.9%	42.5%	11.3%	15.7%	11.5%	22.1%	547	1,778	6.8x	
ServiceMaster Global Holdings, Inc.	2,114	893	374	42.2%	17.7%	11.8%	(3.3%)	3.6%	(7.8%)	185	1,722	4.6x	
Jack in the Box Inc.	967	293	204	30.3%	21.1%	10.9%	(8.6%)	(21.3%)	(6.3%)	132	1,382	6.8x	
Dine Brands Global, Inc.	880	366	238	41.6%	27.1%	6.0%	5.8%	4.4%	(1.3%)	345	1,630	6.8x	
Denny's Corporation	487	186	96	38.1%	19.7%	(22.3%)	0.3%	(5.4%)	2.7%	44	423	4.4x	
				Mean:	44.7%	30.4%	3.2%	2.9%	0.8%	4.0%			5.9x
				Median:	43.6%	28.7%	5.0%	0.3%	3.6%	2.1%			6.3x
Growth Franchisors (LTGR > -15% per annum)													
Wingstop Inc.	\$207	\$109	\$51	52.8%	24.6%	26.4%	24.3%	10.1%	19.1%	\$31	\$326	6.4x	
Papa John's International, Inc.	1,631	475	108	29.1%	6.6%	1.2%	0.0%	6.2%	(7.9%)	36	373	3.4x	
				Mean:	43.7%	26.5%	6.5%	4.7%	0.9%	4.3%			6.0x
				Median:	42.9%	25.9%	8.5%	1.6%	3.6%	2.4%			6.4x
Digital													
Peloton Interactive, Inc.	\$1,442	\$648	(\$193)	44.9%	N/A	80.7%	N/A	N/A	N/A	\$1,433	\$0	N/A	

Sources: Capital IQ and public filings as of June 30, 2020.

SELECTED RECENT MERGERS & ACQUISITIONS

(\$Millions)

Announced	Acquiror	Target	Enterprise Value	LTM Valuation	
				EV / Rev.	EV / EBITDA
Jun-20	Gold's Gym Tennessee (Gold's Gym Franchisee)	Jackson Sport and Fitness	ND	N/A	N/A
Jun-20	Lululemon Athletica	Mirror	\$500	N/A	N/A
Jun-20	Crescent Acquisition Corp	F45 Training	\$845	9.1x	27.5x
Jun-20	Investor Group (Eric Roza)	CrossFit	ND	N/A	N/A
Jun-20	LightBay Capital	Barry's Bootcamp	ND	N/A	N/A
May-20	Inspire Brands Asia (Aura Funds / Exacta Capital / RISA Partners)	Anytime Fitness Asia (Anytime Fitness Franchisee)	ND	N/A	N/A
May-20	SeventySix Capital	Forte	ND	N/A	N/A
Apr-20	Transaction Services Group (Advent International)	PerfectMind and TrueCoach	ND	N/A	N/A
Apr-20	Insight Partners	Aaptiv	ND	N/A	N/A
Mar-20	Advance Publications / Orkila Capital	Ironman Group	\$730	N/A	N/A
Mar-20	Hyperice Inc.	NormaTec	ND	N/A	N/A
Mar-20	Prospect Hill Growth Partners	Fitness Ventures (Crunch Franchisee)	ND	N/A	N/A
Mar-20	CFJ Holdings	Various Gold's Gym Locations (24 Clubs)	ND	N/A	N/A
Feb-20	David Lloyd Leisure	Meridian Spa & Fitness Deutschland GmbH	ND	N/A	N/A
Feb-20	Transaction Services Group (Advent International)	Zingfit and Triib	ND	N/A	N/A
Feb-20	New Heights Capital / Tensile Capital Management	Aspyr Holdings (Orangetheory Franchisee - Area Rep)	ND	N/A	N/A
Feb-20	Silver Lake	Equinox (Minority Investment)	ND	N/A	N/A
Jan-20	Providence Equity	The Studio Director	ND	N/A	N/A
Jan-20	Seacoast Capital, E2 Venture Partners	Fitness Holdings North America (Crunch Franchisee, Minority Investment)	ND	N/A	N/A
Jan-20	Spartan Race	Tough Mudder	\$11	N/A	N/A
Jan-20	Afterburn Holdings (Brentwood Associates)	Tampa Fitness Partners (Orangetheory Franchisee - Area Rep)	ND	N/A	N/A
Jan-20	L Catterton / Apax Partners / Temasek	ClassPass	\$1,000	N/A	N/A
Jan-20	Honors Holdings (Orangetheory Franchisee - Area Rep)	Various Orangetheory Locations	ND	N/A	N/A
Jan-20	American Securities	United PF Partners (Planet Fitness Franchisee)	ND	N/A	N/A
Jan-20	Dyaco International	Fitness Equipment Services	\$28	N/A	N/A
Dec-19	The Halifax Group	Maverick Fitness (Orangetheory Franchisee - Area Rep)	ND	N/A	N/A
Dec-19	Pure Gym (Leonard Green)	Fitness World	£350	2.0x	8.8x
Dec-19	Pamplona	iFit (ICON Health & Fitness) (Minority Investment)	ND	N/A	N/A
Dec-19	One World Fitness (Planet Fitness Franchisee)	San Diego Fitness (7 Clubs)	ND	N/A	N/A
Dec-19	CDM Fitness Holdings (Planet Fitness Franchisee)	KiwiMex Fitness	ND	N/A	N/A
Mean:				5.2x	12.3x
Median:				4.5x	8.8x

SAME STORE SALES

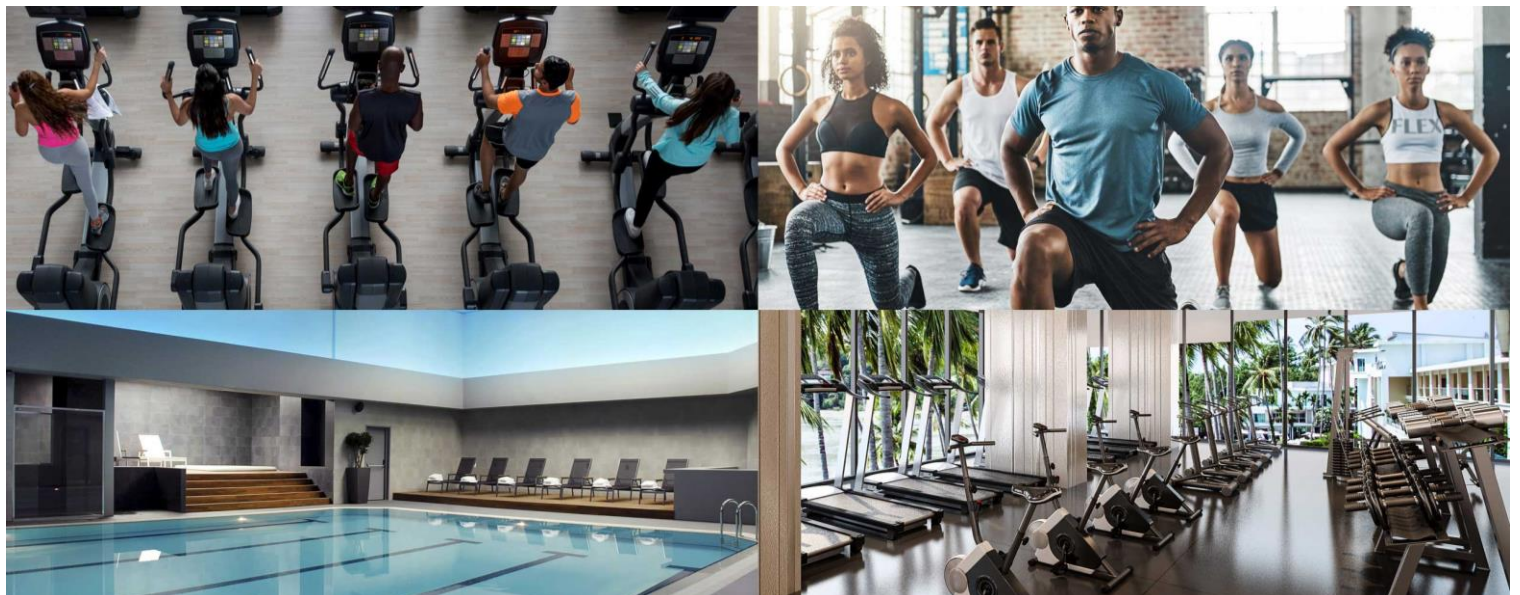
Fitness	Calendar Year Quarter												
	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	
Actic Group AB	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Basic-Fit	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Leejam Sports Company	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Planet Fitness	9.0%	9.3%	11.6%	11.1%	10.2%	9.7%	10.1%	10.2%	8.8%	7.9%	8.6%	9.8%	
The Gym Group plc	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Town Sports International	1.2%	1.8%	2.8%	1.7%	1.8%	1.5%	1.1%	(1.8%)	(3.4%)	(2.9%)	(1.2%)		N/A
Mean:	5.1%	5.6%	7.2%	6.4%	6.0%	5.6%	5.6%	4.2%	2.7%	2.5%	3.7%	9.8%	
Median:	5.1%	5.6%	7.2%	6.4%	6.0%	5.6%	5.6%	4.2%	2.7%	2.5%	3.7%	9.8%	
Unit Growth	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	
Five Below	9.3%	8.5%	5.9%	3.2%	2.7%	4.8%	4.4%	3.1%	1.4%	2.9%	(2.2%)	(51.8%)	
Floor & Decor	14.7%	13.5%	24.4%	15.6%	11.4%	11.1%	8.7%	3.1%	3.0%	4.6%	5.2%	2.4%	
Grocery Outlet	5.9%	5.3%	5.1%	4.5%	2.7%	4.2%	4.1%	4.2%	5.8%	5.8%	5.1%	17.4%	
National Vision	9.1%	7.0%	10.4%	4.6%	8.8%	6.8%	2.9%	6.7%	3.8%	6.2%	8.1%	(10.3%)	
Ollie's Bargain Outlet	4.5%	2.1%	4.4%	1.9%	4.4%	4.6%	5.4%	0.8%	(1.7%)	(1.4%)	(4.9%)	(3.3%)	
Ulta Beauty	11.7%	10.3%	8.8%	8.1%	6.5%	7.8%	9.4%	7.0%	6.2%	3.2%	4.0%	(35.3%)	
Mean:	9.2%	7.8%	9.8%	6.3%	6.1%	6.6%	5.8%	4.2%	3.1%	3.6%	2.6%	(13.5%)	
Median:	9.2%	7.8%	7.4%	4.6%	5.5%	5.8%	4.9%	3.7%	3.4%	3.9%	4.6%	(6.8%)	
Stable Franchisors	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	
Denny's	2.6%	0.6%	2.2%	1.5%	(0.7%)	1.0%	1.4%	1.3%	3.8%	(0.2%)	1.7%	(6.3%)	
Dine Brands Global, Inc. (Applebee's)	(6.2%)	(7.7%)	1.3%	3.3%	5.7%	7.7%	3.5%	1.8%	(3.0%)	(1.6%)	1.0%	(10.6%)	
Dine Brands Global, Inc. (IHOP)	(2.6%)	(3.2%)	(5.3%)	1.0%	0.7%	1.2%	3.0%	1.2%	3.2%	0.3%	4.1%	(14.7%)	
Domino's Pizza	9.5%	8.4%	4.2%	8.3%	6.9%	6.3%	5.6%	3.9%	3.0%	2.4%	1.7%	1.6%	
Dunkin' Brands (Baskin Robbins)	0.9%	(0.4%)	0.0%	(1.0%)	(0.4%)	1.8%	(3.7%)	(2.8%)	(1.4%)	3.6%	4.1%	1.8%	
Dunkin' Brands (Dunkin' Donuts)	0.8%	0.6%	0.6%	(0.5%)	1.4%	1.3%	0.0%	2.4%	1.7%	1.5%	2.8%	(2.0%)	
Jack in the Box	(0.2%)	(1.0%)	(0.2%)	(0.1%)	0.5%	0.5%	(0.1%)	0.2%	2.7%	3.0%	1.7%	(4.2%)	
McDonald's	3.9%	4.1%	4.5%	2.9%	2.6%	2.4%	2.3%	4.5%	5.7%	4.8%	5.1%	(13.4%)	
Planet Fitness	9.0%	9.3%	11.6%	11.1%	10.2%	9.7%	10.1%	10.2%	8.8%	7.9%	8.6%	9.8%	
Restaurant Brands International (BK)	3.9%	3.6%	4.6%	3.8%	1.8%	1.0%	1.7%	2.2%	3.6%	4.8%	2.8%	(3.7%)	
Restaurant Brands International (TH)	(0.8%)	0.3%	0.1%	(0.3%)	0.0%	0.6%	1.9%	(0.6%)	0.5%	(1.4%)	(4.3%)	(10.3%)	
Restaurant Brands International (PLKI)	(2.7%)	(1.8%)	(1.3%)	3.2%	2.9%	0.5%	0.1%	0.6%	3.0%	9.7%	34.4%	26.2%	
ServiceMaster	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wendy's	3.2%	2.0%	1.3%	1.6%	1.9%	(0.2%)	0.2%	1.3%	1.4%	4.4%	4.5%	0.0%	
YUM! Brands (KFC)	3.0%	4.0%	3.0%	2.0%	2.0%	3.0%	3.0%	5.0%	6.0%	3.0%	1.0%	(8.0%)	
YUM! Brands (Pizza Hut)	(1.0%)	1.0%	1.0%	1.0%	(1.0%)	(1.0%)	0.0%	0.0%	2.0%	0.0%	0.0%	(11.0%)	
YUM! Brands (Taco Bell)	4.0%	3.0%	2.0%	1.0%	2.0%	5.0%	6.0%	4.0%	7.0%	4.0%	4.0%	1.0%	
Mean:	1.7%	1.4%	1.9%	2.4%	2.3%	2.6%	2.2%	2.2%	3.0%	2.9%	4.6%	(2.7%)	
Median:	1.8%	0.8%	1.3%	1.6%	1.9%	1.3%	1.8%	1.6%	3.0%	3.0%	2.8%	(4.0%)	
Growth Franchisors	Q2'17	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18	Q4'18	Q1'19	Q2'19	Q3'19	Q4'19	Q1'20	
Papa John's	1.4%	1.0%	(3.9%)	(5.3%)	(6.1%)	(9.8%)	(8.1%)	(6.9%)	(5.7%)	1.0%	3.5%	5.1%	
Wingstop	2.0%	4.1%	5.2%	9.5%	4.3%	6.3%	6.0%	7.1%	12.8%	12.3%	12.2%	9.9%	
Mean:	1.7%	2.6%	0.7%	2.1%	(0.9%)	(1.8%)	(1.1%)	7.1%	3.6%	6.7%	7.9%	9.9%	
Median:	2.0%	4.1%	5.2%	9.5%	4.3%	6.3%	6.0%	7.1%	12.8%	12.3%	12.2%	9.9%	

Sources: Capital IQ, public filings and news articles as of June 30, 2020.

SELECTED DEBT CAPITAL MARKETS COMPARABLES

(\$Millions)

Issuer / Issue	Maturity Date	At Issue Ratings	At Issue			Current		Current Call	Next Call		LTM	LTM	Leverage			
			Size	Coupon	Floor	Price	Yield	Premium	Date	Premium	Revenue	EBITDA	Sec. / 1 st	Total	Adj.	
Fitness																
Bay Club <i>(Private - KKR)</i>																
		B3 / B														
Revolver	Aug-23	NR / NR	\$50	Grid	N/A	DNT	DNT	N/A	N/A			At Issue: \$221	\$72	6.5x	6.5x	6.7x
1st Lien Term Loan (Cov-Lite)	Aug-25	B2 / B+	\$525	L+375 bps	0.00%	86.500	7.354%	N/A	N/A			Current: N/A	N/A	N/A	N/A	N/A
2nd Lien Term Loan (Cov-Lite)	Aug-26	Caa2 / CCC+	\$190	L+775 bps	0.00%	80.333	12.896%	101.000	Aug-20	100.000						
ClubCorp Holdings, Inc. <i>(Private - Apollo)</i>																
		B2 / B														
Revolver	Aug-24	NR / NR	\$175	Grid	N/A	DNT	DNT	N/A	N/A			At Issue: N/A	N/A	N/A	N/A	N/A
Term Loan (Cov-Lite)	Sep-24	B1 / B+	\$1,151	L+275 bps	0.00%	84.104	6.953%	None	N/A			Current: N/A	N/A	N/A	N/A	N/A
Senior Notes	Sep-25	Caa1 / CCC+	\$425	8.500%	N/A	80.000	13.500%	MW	Sep-20	100.000						
Equinox <i>(Private - Related Companies, Silverlake, Leonard Green, L Catterton)</i>																
		Caa2 / CCC														
Revolver	Feb-22	NR / NR	\$150	Grid	N/A	DNT	DNT	N/A	N/A			At Issue: \$1,100	\$238	4.3x	5.1x	6.4x
1st Lien Term Loan (Cov-Lite)	Mar-24	B1 / B+	\$1,021	L+300 bps	0.00%	76.034	9.220%	None	N/A			Current: N/A	N/A	N/A	N/A	N/A
1st Lien Term Loan	Jun-24	NR / NR	\$150	L+900 bps	1.00%	98.500	10.375%	N/A	N/A							
2nd Lien Term Loan (Cov-Lite)	Feb-25	Caa1 / CCC+	\$200	L+700 bps	1.00%	66.688	16.328%	None	N/A							
Excel Fitness (Planet Fitness Franchisee) <i>(Private - Altamont Capital Partners)</i>																
		B3 / B														
Revolver	Oct-24	NR / NR	\$10	N/A	N/A	DNT	DNT	N/A	N/A			At Issue: \$130	\$59	4.4x	4.4x	5.2x
Term Loan (Cov-Lite)	Oct-25	B3 / B	\$260	L+525 bps	1.00%	87.500	9.375%	101.000	Oct-20	100.000		Current: N/A	N/A	N/A	N/A	N/A
LA Fitness <i>(Private - Seidler Equity Partners)</i>																
		B2 / B+														
Revolver	Apr-23	NR / NR	\$138	Grid	N/A	DNT	DNT	N/A	N/A			At Issue: \$2,045	\$490	3.5x	5.0x	5.0x
Term Loan A	Apr-23	NR / NR	\$925	L+350 bps	0.00%	65.000	12.479%	None	N/A			Current: N/A	N/A	N/A	N/A	N/A
Term Loan B (Cov-Lite)	Apr-25	B1 / BB-	\$675	L+325 bps	0.00%	62.078	12.959%	None	N/A							
Life Time Fitness <i>(Private - Leonard Green and TPG)</i>																
		B / B2														
Revolver	Jun-20	NR / NR	\$250	L+325 bps	N/A	DNT	DNT	N/A	N/A			At Issue: \$1,593	\$463	3.7x	4.7x	5.3x
Secrued Loan	Jun-21	NR / NR	\$102	N/A	N/A	DNT	DNT	None	N/A			Current: N/A	N/A	N/A	N/A	N/A
Term Loan B (Cov-Lite)	Jun-22	BB- / B1	\$1,517	L+275 bps	1.00%	88.188	6.703%	None	N/A							
Senior Notes	Jun-23	Caa1 / CCC+	\$450	8.500%	N/A	82.750	13.041%	None	N/A							
PF Growth Partners (Planet Fitness Franchisee) <i>(Private - Alaris, Exeter Street Capital and the Brick Family)</i>																
		NR / NR														
Revolver	Jul-25	NR / NR	\$5	Grid	0.00%	DNT	DNT	N/A	N/A			At Issue: \$116	\$43	4.0x	4.0x	N/A
1st Lien Term Loan	Jul-25	NR / NR	\$200	L+500 bps	0.00%	91.000	7.479%	101.000	Jul-20	100.000		Current: N/A	N/A	N/A	N/A	N/A
Planet Fitness, Inc. <i>(Public - NYSE:PLNT)</i>																
		BB- / B1														
Revolver / Variable Funding Notes	Sep-23	NA / BBB-	\$75	Grid	N/A	DNT	DNT	N/A	N/A			At Issue: \$472	\$199	6.0x	6.0x	6.2x
2018 Class A-2-1 Notes	Sep-22	NA / BBB-	\$575	4.262%	N/A	100.436	4.153%	None	N/A			Current: \$620	\$282	6.3x	6.3x	6.5x
2018 Class A-2-11 Notes	Sep-25	NA / BBB-	\$625	4.666%	N/A	96.849	5.454%	None	N/A							
2019 Class A-2 Notes	Dec-49	NA / BBB	\$550	3.858%	N/A	86.146	7.322%	None	N/A							
Pure Gym <i>(Private - Leonard Green)</i>																
		BB- / B1														
Revolver	Feb-25	NR / NR	€60	Grid	N/A	DNT	DNT	N/A	N/A			At Issue: €228	€95	4.5x	4.6x	N/A
Senior Notes	Feb-25	B / B3	€430	6.375%	N/A	84.460	10.260%	103.188	Jan-21	103.188		Current: N/A	N/A	N/A	N/A	N/A
Town Sports International Holdings, Inc. <i>(Public - Nasdaq:CLUB)</i>																
		B1 / B+														
Revolver	Aug-20	NR / NR	\$15	Grid	N/A	DNT	DNT	N/A	N/A			At Issue: \$471	\$90	3.5x	3.5x	6.0x
Term Loan (Cov-Lite)	Nov-20	B+ / Ba3	\$325	L+350 bps	1.00%	11.725	26.569%	None	N/A			Current: \$467	\$39	4.8x	4.8x	7.3x
United PF Holdings (Planet Fitness Franchisee) <i>(Private - American Securities)</i>																
		Caa1 / CCC+														
Revolver	Feb-25	NR / NR	\$40	Grid	N/A	DNT	DNT	N/A	N/A			At Issue: \$269	\$118	5.5x	6.4x	6.4x
1st Lien Term Loan (Cov-Lite)	Feb-27	B1 / B	\$590	L+400 bps	0.00%	88.167	7.187%	101.000	Feb-21	100.000		Current: N/A	N/A	N/A	N/A	N/A
1st Lien Term Loan (Cov-Lite)	Dec-26	B3 / CCC+	\$100	L+850 bps	1.00%	100.000	9.500%	101.000	Jun-27	100.000						
2nd Lien Term Loan (Cov-Lite)	Feb-28	NR / NR	\$116	N/A	N/A	N/A	N/A	N/A	N/A							
World Triathlon Corporation <i>(Private - Dalian Wanda Group)</i>																
		B2 / B														
Revolver	Aug-24	NR / NR	\$25	Grid	N/A	DNT	DNT	N/A	N/A			At Issue: N/A	N/A	N/A	N/A	N/A
Term Loan (Cov-Lite)	Aug-26	B2 / B	\$275	L+425 bps	1.00%	98.000	5.750%	101.000	Aug-20	100.000		Current: N/A	N/A	N/A	N/A	N/A

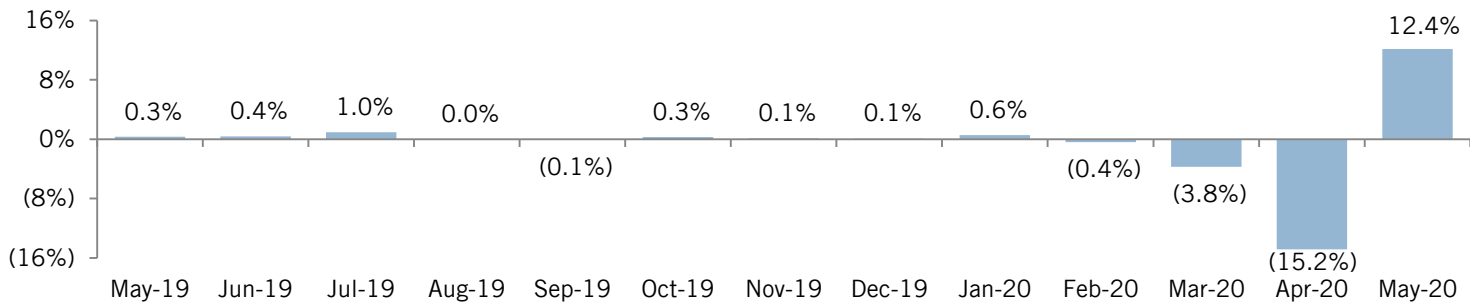


Sources: Capital IQ, LCD News, public filings and Markit Loans as of June 30, 2020.

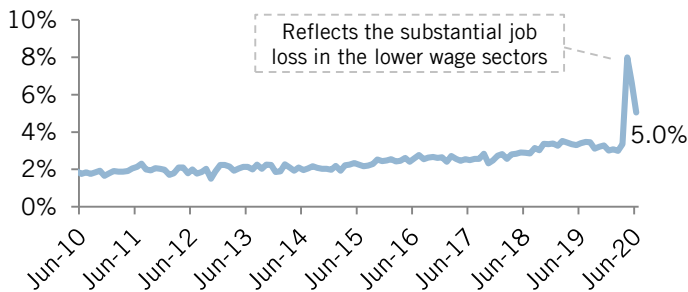
STATE OF THE CONSUMER

- Consumer sentiment rose 6 points in June, its second monthly gain since the April low, but remains well below levels seen before the COVID-19 pandemic
 - Americans cautiously returned to the marketplace in May and June, helping the economy slowly recover from a severe recession; however, a new rise in infections could put a pause on the economic rebound
- Unemployment fell to 11% in June, but remains at a historically high level, as millions of Americans continued to be out of work as a result of the pandemic
- Consumer spending increased 12.4% in May⁽¹⁾, partly erasing record plunges in March and April, fueled by one-time \$1,200 stimulus checks and enhanced unemployment benefits, which are set to expire in July
- The U.S. Federal Reserve lowered its interest rate benchmark to near zero and projected no increases through 2022 amid the unknown severity of the near-term economic contraction and the long-term damage to consumer and business behaviors caused by COVID-19
- Mortgage rates fell to their lowest recorded level at the end of the quarter, potentially aiding a housing market recovery following steep declines in April and May
 - U.S. home-mortgage delinquencies in May climbed to the highest level since November 2011 as the pandemic's toll on personal finances deepened
- Oil prices registered their best quarterly performance in 30 years, partially rebounding from the COVID-19-induced demand shock and a price war between Russia and Saudi Arabia that sent oil prices to record lows in April

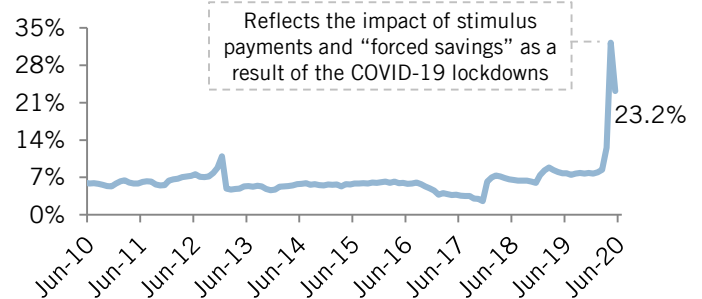
U.S. Retail Sales⁽¹⁾ Month-over-Month % Change



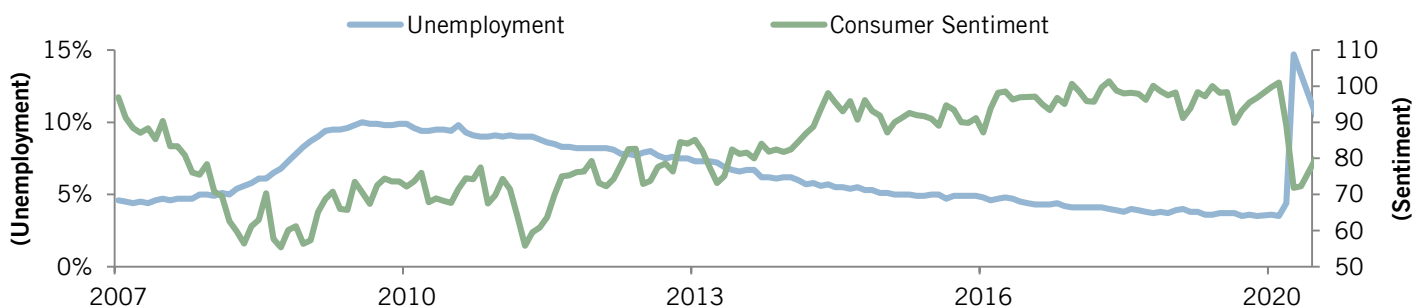
Y-o-Y Growth in Average Hourly Earnings⁽²⁾



Personal Savings % of Disposable Personal Income



U.S. Unemployment and Consumer Sentiment



Sources: Jefferies Equity Research, U.S. Census Bureau and news sources.

1) Reflects seasonally adjusted retail and food services sales excluding motor vehicle and parts sales.

2) Reflects average hourly earnings of all employees, total private, seasonally adjusted.

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SELECTED RECENT JEFFERIES' FITNESS TRANSACTIONS

June 2020

unitedpf
\$100,000,000
 Credit Facility
 Sole Lead Arranger

February 2020

unitedpf
\$746,000,000
 Credit Facility to Finance Acquisition by
American Securities LLC
 Joint Lead Arranger

January 2020

AMERICAN SECURITIES
Undisclosed
 Investment in
United PF
 Sole Financial Advisor

October 2019

EXCELFITNESS
 A portfolio company of
Altamont Capital Partners
\$270,000,000
 Credit Facility
 Joint Lead Arranger

June 2019

unitedpfpartners
\$670,000,000
 Credit Facility
 Joint Lead Arranger

June 2019

abc FINANCIAL
 A portfolio company of
Thoma Bravo
\$115,000,000
 Credit Facility
 Joint Lead Arranger

March 2019

TSG CONSUMER
Undisclosed
 Acquisition of
CorePower Yoga
 Joint Financial Advisor

February 2019

FITNESS CONNECTION
 A portfolio company of
LNK Partners
Undisclosed
 Sale to
Roark Capital Partners
 Joint Financial Advisor

September 2018

Bay Club
\$765,000,000
 Credit Facility to Finance Acquisition by
KKR
 Joint Lead Arranger

March 2018

LIFETIME
 THE HEALTHY WAY OF LIFE COMPANY™
\$200,000,000
 Credit Facility
 Joint Lead Arranger

January 2018

abc FINANCIAL
\$400,000,000
 Credit Facility to Finance Acquisition by
Thoma Bravo
 Joint Lead Arranger

January 2018

PUREGYM
£360,000,000
 Senior Secured Notes Offering
 Joint Bookrunner

January 2018

PUREGYM
£60,000,000
 Credit Facility
 Joint Bookrunner

November 2017

PUREGYM
Undisclosed
 Sale to
Leonard Green & Partners
 Joint Financial Advisor

July 2017

CLUBCORP
 THE WORLD LEADER IN PRIVATE CLUBS®
\$2,190,000,000
 Sale to
Apollo Global Management
 Joint Financial Advisor

August 2016

Bay Club
\$445,000,000
 Credit Facility
 Sole Lead Arranger

June 2016

planet fitness
\$190,000,000
 Common Stock Offering
 Joint Bookrunner

August 2015

planet fitness
\$216,000,000
 Initial Public Offering
 Joint Bookrunner

June 2015

LIFETIME
 THE HEALTHY WAY OF LIFE COMPANY™
\$450,000,000
 Senior Unsecured Notes Offering
 Joint Bookrunner

June 2015

LIFETIME
 THE HEALTHY WAY OF LIFE COMPANY™
\$1,500,000,000
 Credit Facilities to Finance Acquisition
 by **Leonard Green & Partners, L.P.** and
TPG Capital, LLP
 Joint Lead Arranger

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