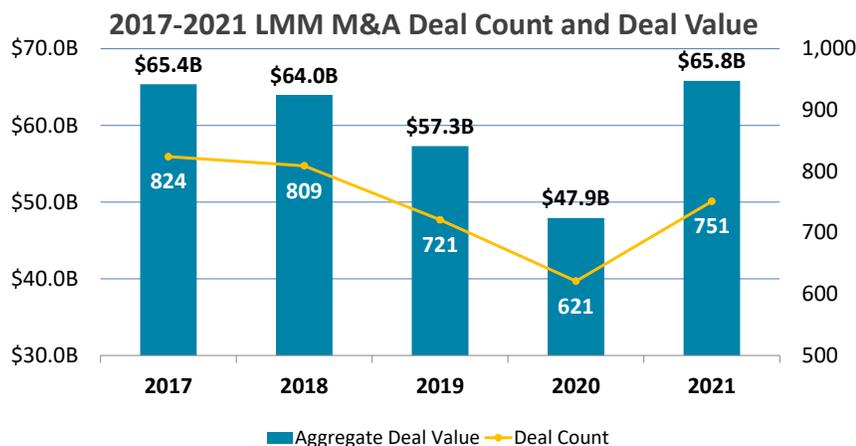


Welcome to our Winter 2022 edition of M&A and Capital Markets Insights for fitness, health and wellness (“FHW”) companies. Included in this report are an overview of lower middle-market (“LMM”) M&A activity; recent key U.S. economic indicators; the outlook for LMM M&A in 2022; recent FHW sector trends; notable M&A and financing deals; and FHW public company statistics.

## Lower Middle-Market M&A Overview

Transaction volume and value across the LMM rebounded significantly in 2021 as deals that were delayed during the pandemic spilled over into 2021. In addition, the perceived tax increases in 2021 incentivized many business owners to expedite their exit timelines in order to maximize the after-tax proceeds of an liquidity event.

As we look to 2022, deal volume is expected to remain robust as transactions that did not close in 2021 spill into the new year and new sellers go to market to capitalize on the dynamic environment. Abundant levels of private equity dry powder, cheap debt, and strong corporate cash holdings are helping to drive competitive deal processes for attractive businesses.



Source: PitchBook  
LMM defined as transaction value between \$5M and \$250M

## Contents

- LMM M&A Overview | 1
- Diamond Capital FHW Team | 2
- Outlook for LMM M&A 2022 | 4
- U.S. Economic Overview | 5
- Fitness IPOs 2021 | 6
- Sector Overview & M&A Activity | 7
- Public Company Statistics | 14

## Firm Overview

Diamond Capital Advisors is an independent investment banking firm that provides M&A, capital raising, corporate valuations and related strategic advisory services to lower middle-market companies in North America.

Our transaction experience covers a broad range of industries, end markets and business models. We have domain expertise in working with companies serving the Fitness, Health, and Wellness industries.

**DIAMOND CAPITAL ADVISORS**  
1875 Century Park East, Suite 1220  
Los Angeles, CA 90067  
www.diamondcapadvisors.com

## Diamond Capital Advisors' Fitness, Health, and Wellness Team

**Kahlil Reid**

Managing Director

kahlil@diamondcapadvisors.com | 323.632.0427

Kahlil has over 20 years of corporate transactional experience. He is currently the Managing Partner of Numa Wayne Capital Advisors, a fitness, health, and wellness-focused investment banking firm. He was formerly a Senior Vice President and Head of the West Coast office for an international middle-market investment bank with offices in North America, Europe, Asia, and Africa.

Kahlil began his career as an M&A and corporate finance attorney for Fried, Frank, Harris, Shriver & Jacobson in New York prior to transitioning into investment banking with Citigroup's media, telecom, and technology investment banking group.

Kahlil graduated with a B.S. from Cornell University, where he was a member of the Cornell Big Red football team. He also holds a J.D. from Georgetown University Law Center, where he served as a staff editor for *The Tax Lawyer*. Kahlil is a member of FINRA, holding Series 7, 79, 24, and 63 securities licenses. He is also a member of the New York Bar (inactive).

**Michael J. Brunelle**

Managing Director

mbrunelle@diamondcapadvisors.com | 310.432.8589

Michael specializes in advising health care and biotechnology companies. Michael's entire career has been focused on the health care sector as an investment banker, entrepreneur and mergers and acquisitions specialist for private and publicly traded pharmaceutical and biotechnology companies.

Prior to joining Diamond, Michael held the position of Vice President for Acquisitions and Development for Nantworks and its formerly affiliated companies – Celgene, Abraxis Bioscience, American Bioscience and American Pharmaceutical Partners. At Dillon, Read & Co. Inc., Michael was a Vice President in the health care investment banking group and completed in excess of \$2 billion of transactions for large multi-hospital systems, academic health centers, financially distressed institutions and long-term care facilities.

Michael graduated with a B.A. from the University of California at San Diego and holds a MBA in Finance from The Wharton School of Business at the University of Pennsylvania.

**Shawn Thompson**

Managing Director

sthompson@diamondcapadvisors.com | 310.432.8584

Shawn has 25 years of investment banking and corporate finance experience. He provides merger and acquisition, valuation, financial advisory and restructuring services for diverse companies, typically those with enterprise values up to \$200 million. He has executed transactions in a range of industries including consumer products, technology, healthcare, manufacturing, distribution, retail and businesses services.

Prior to Diamond, Shawn worked at JP Morgan, Barrington Associates (now Intrepid), Mosaic Capital and other middle market investment banking firms. He has completed over 50 transactions in sell-side advisory, buy-side advisory, leveraged buy-outs, restructuring and valuations.

Shawn graduated Magna Cum Laude with a B.S. Economics from The Wharton School of Business at the University of Pennsylvania. Shawn holds the Series 79 and 63 FINRA securities licenses.

## Diamond Capital’s Fitness, Health, and Wellness Track Record

Diamond Capital’s Fitness, Health, and Wellness practice has represented numerous companies in the FHW industry verticals. Our advisory work has included multiple industries and involved companies of diverse specialties, many of which sell in both the public- and private-sector markets.

 Finger Lakes Clinical Research has been acquired by  ERG Evolution Research Group Advisor to Seller	 <b>GILDA</b> Fitness has been acquired by Best Form Industries Advisor to Seller	 <b>Paradigm</b> Health & Wellness CAPITAL RAISE Advisor to Company	 CLINICAL LABS OF HAWAII has been acquired by Individual Labs Advisor to Seller
Modern Homecare Services and Pharmacy, Inc. has been acquired by  BEVERLY ENTERPRISES Advisor to Seller	 FRONTLINE MEDICAL PRODUCTS VALUATION Advisor to Company	 audacity has been acquired by  H huntsworth health Advisor to Seller	 AXIOM MOBILE IMAGING has been acquired by  Diagnostic Laboratories & Radiology Advisor to Seller
 nexersys FINANCIAL ADVISORY Advisor to Company	 COGNITIVE CLARITY FINANCIAL ADVISORY Advisor to Company	 Gilad & Gilad FINANCIAL ADVISORY Advisor to Company	 smith&nephew has been acquired by Private Investment Group Advisor to Seller
 Neos SURGERY VALUATION Advisor to Company	The Weekend Exercise Company has been acquired by Private Investment Group Advisor to Seller	 sera+care has been acquired by American Plasma Inc. Advisor to Seller	 VIA CAPITAL RAISE Advisor to Company



## Outlook for LMM M&A in 2022

Middle-market companies and private equity firms foresee an extremely strong year for the M&A market in 2022, with bullish forecasts for both deal volumes and for company valuations, according to a survey conducted by Citizens Financial Group of 400 leaders at U.S. middle market companies and private equity firms. Key takeaways in the survey include:

- **Majority of PE firms expect deal flow to increase from 2021's record levels**
  - Among PE firms, the majority (54%) say deal flow will increase from 2021's record levels, while 33% say it will remain the same and 13% say they expect a decrease.
  - The worries of the prior year (tax implications and political changes) have faded from the priority list, while the ongoing pandemic is still clearly a big factor both for operations and for bringing buyers and sellers to the marketplace.
- **Majority of PE firms and middle-market companies expect stable or higher valuations**
  - In terms of valuations, half of middle-market companies expect stable valuations, while 36% anticipate higher prices. PE firms are even more positive, with 42% saying valuations will remain stable and 40% predicting higher multiples in the year ahead.
  - The pandemic is the new normal and companies, PE firms, and advisors have all adjusted to working under these conditions. Amid these dynamics, low interest rates and strong economic growth continue to support high valuations.
- **COVID-19 burnout among top reasons for selling**
  - The impact of COVID-19 on the 12 million Baby Boomer business owners, whether personal or family health scares, has caused a reassessment of life priorities.
  - Expected selling activity is rebounding with the percentage of companies open to a sale increasing after a COVID-related decrease in the last two years' surveys. The most common reason to sell is for strategic growth opportunities, but the second most common is lack of a succession plan along with pandemic weariness. Pandemic burnout among Baby Boomer business owners could also be the key driver behind the jump in owners looking to sell, which rose to 39% from about 24% the prior year.
- **Buyers prefer working with sellers who use an advisor**
  - Two-thirds of buyers said they prefer to work with a seller who uses an advisor. The primary reason being that buyers believe an advisor helps keep negotiations at a professional level (42%, up from 35% in 2021). In addition, buyers see value in the way that advisors speed up the process and help to assess an opportunity.
- **Headwinds for middle-market companies that may affect the M&A market include:**
  - Possible restrictions on economic activity due to new COVID-19 variants
  - Labor market challenges
  - Increasing commodity prices
  - Supply chain disruptions



## U.S. Economic Overview

2021 was an extraordinary year of economic growth and recovery, even though the U.S. continues to face serious economic challenges amid the ongoing global pandemic. The U.S. saw record job gains and an unprecedented drop in unemployment. In 2021, the economy not only regained all pandemic-related GDP losses – it also surpassed pre-pandemic levels. While the economy is currently facing inflation threats and supply chain disruptions, many economists project that these concerns will gradually ease, facilitating stronger consumption growth in the near-term. As we enter 2022, here are some key economic indicators to consider.

- **The Conference Board forecasts moderating yet still strong GDP growth in 2022** — “The Conference Board forecasts GDP growth for Q1 2022 to slow to a relatively healthy 2.2% percent (annualized),” said Ataman Ozyildirim, senior director of economic research at The Conference Board. “Still, for all of 2022, we forecast the U.S. economy will expand by a robust 3.5% – well above the pre-pandemic trend growth.”
- **All three major U.S. stock indexes posted double digit returns in 2021** — The S&P 500 rose 26.9% in 2021, marking the benchmark’s third straight positive year. The Dow and Nasdaq also notched three-year winning streaks, gaining 18.7% and 21.4% for the year, respectively. Strong corporate earnings bolstered U.S. stocks with the markets supported largely by highly accommodative fiscal and monetary policies.
- **The U.S. unemployment rate dropped to 4.2% in November, the lowest since February 2020** — At the start of 2021, a meager 49,000 jobs were added following the prior month’s loss of 140,000 jobs. The unemployment rate stood at 6.7% and 10.7 million Americans were unemployed. Almost one year later, data from the Labor Department shows that 210,000 jobs were added in November, the unemployment rate fell to 4.2% and 6.9 million people were without employment. Initial claims for unemployment benefits averaged about 199,000 a week in December. That’s a fourfold decrease from levels in January 2021 and lower than pre-pandemic levels in December 2019. Job openings are near record highs and there’s high demand for workers.
- **Consumer Confidence Index ends 2021 on a high note** — The Consumer Confidence Index, as reported by the Conference Board, ended 2021 at 115.8, up from a revised 111.9 reported in November 2021. “Expectations about short-term growth prospects improved, setting the stage for continued growth in early 2022. The proportion of consumers planning to purchase homes, automobiles, major appliances, and vacations over the next six months all increased,” said Lyn Franco, senior director of economic indicators at the Conference Board. Franco added that consumer worries about inflation declined after hitting a 13-year high in November, along with concerns about COVID-19.
- **Survey of business owners shows optimism and confidence in the U.S. economy** — The recently released Wilmington Trust’s 2022 Business Owners’ Success Survey found “business owner optimism and confidence in the U.S. economy and their own businesses are almost back to pre-pandemic levels with 77% saying they are very optimistic about their business prospects – approaching the 81% who answered the same just before the pandemic.” “We are optimistic about the economy,” says Luke Tilley, chief economist at Wilmington Trust. “We are optimistic about demand.”

## 2021—The Year of the Fitness IPOs

### Beachbody (NYSE: BODY) Goes Public In \$2.9B SPAC Deal

In June, The Beachbody Company (NYSE: BODY) went public via a three-way merger agreement with special purpose acquisition company (“SPAC”) Forest Road Acquisition Corp. and at-home connected fitness company MYX Fitness Holdings LLC. Beachbody is the creator of some of the world’s most popular fitness programs, including 9 Week Control Freak®, Morning Melt-down 100®, 80 Day Obsession®, #mbf™, LIIFT4®, 21 Day Fix®, Insanity®, and P90X®. MYX is a provider of connected indoor exercise bikes. The merger became final on June 25, and the company began trading on the New York Stock Exchange (NYSE) on June 28. Beachbody ended 2021 trading at \$2.37, down from its IPO price of \$12.00 per share.



### F45 Training (NYSE: FXLV) Goes Public at a \$1.5B Market Cap

In July, F45 Training (NYSE: FXLV) raised \$325 million in an IPO that valued the company at over \$1.5 billion. Founded in 2013 in Australia, F45 Training offers what it calls functional 45-minute studio and home workouts for people across all fitness levels. It has new workouts each day, inspired by a database of over 3,900 high-intensity interval training exercises consisting of both cardio and resistance. The company now has 1,555 studios and 2,801 franchises across 63 countries. F45 Training initially considered going public in 2020 before pulling back due to the COVID-19 pandemic. The company’s stock has struggled since the IPO, ending 2021 trading at \$10.85, well below its IPO price of \$16.00 per share.



### Xponential Fitness (NYSE: XPOF) Raised \$120M in IPO

In July, shares of Xponential Fitness (NYSE: XPOF), the Irvine, California-based franchise owner of several popular fitness brands, debuted on the NYSE at \$12.00 per share, downsizing its IPO price of \$14.00 to \$16.00 per share. Xponential raised a total of \$120 million from the IPO. Xponential is the largest boutique fitness franchisor in the U.S. with more than 1,750 studios. The company served more than 850,000 customers in 2020 via in-studio and streaming workouts during the height of the pandemic. Its portfolio of brands are Club Pilates, CycleBar, StretchLab, Row House, AKT, YogaSix, Pure Barre, STRIDE, and Rumble. The company’s stock ended 2021 trading at \$20.44, up from its IPO price of \$12.00.



### Life Time (NYSE: LTH) Goes Public at a \$3.3B Valuation

Life Time Group Holdings, Inc. (NYSE: LTH), sharply downsized its IPO at pricing on Oct. 6, 2021, to 39 million shares, down from 46.2 million shares, and priced the deal at \$18.00 – the bottom of its \$18.00-to-\$21.00 price range – to raise \$702 million. Life Time, the “Healthy Way of Life Company,” is a leading lifestyle brand offering premium health, fitness and wellness experiences to a community of nearly 1.4 million individual members, who together comprise more than 767,000 memberships, as of July 31, 2021. Life Time previously traded on the NYSE as “LTM” from June 30, 2004, until an investor group, which included Life Time founder and CEO Bahram Akradi as well as private equity firms Leonard Green & Partners and TPG, bought the company in June 2015 in a deal that Life Time valued at \$4 billion. The company’s stock ended 2021 trading at \$17.21, slightly down from its IPO price of \$18.00.





## **FITNESS & SPORTING PRODUCTS**

### **Fitness Equipment**

According to Allied Market Research, the Fitness Equipment market was valued at \$11.6 billion in 2020, and is projected reach \$14.8 billion by 2028, registering a CAGR of 3.3% from 2021 to 2028.

The home fitness equipment segment saw the most growth over the past two years benefiting from consumers' adoption of at-home workout options during COVID-19 lockdowns. However, with most fitness facilities reopened, growth in the home fitness segment has moderated. The stock prices of fitness equipment companies targeting the home segment such as Peloton (NYSE: PTON) and Nautilus (NYSE: NLS) are down significantly from their one-year highs. The commercial fitness equipment should see the most relative growth over the next couple of years due to pent up demand. Peloton is hoping to benefit from this trend by introducing products targeting the hospitality sector.

### **Industry Trends and Growth Drivers**

- The COVID-19 pandemic has highlighted the importance of fitness and wellness. 40% of the general population, according to a survey conducted by McKinsey, now consider fitness and wellness a top priority in daily life.
- Technology has revolutionized the fitness equipment industry. Trends to expect in 2022 include: cutting edge consoles, connected equipment that works well with fitness apps, and innovative in-home technology.
- Growth in the home fitness equipment segment which accounted for more than a 60% share of the fitness equipment market growth in 2020 and part of 2021 has moderated. The commercial fitness equipment segment – fitness facilities, hotels, universities, etc. - will see the most growth over the next several years.
- Industry headwinds include supply chain disruptions impact on inventory availability and the rising cost of fitness equipment.

### **Sporting Goods**

The global market for Sporting Goods, estimated at \$60.2 billion in 2020, is projected to reach \$70.6 billion by 2026, growing at a CAGR of 2.6% over the projection period according to a report by Global Industry Analysts.

### **Industry Trends and Growth Drivers**

- Athleisure, a megatrend prior to COVID-19, has become the new default apparel category as the pandemic furthered blurred the lines between work and leisure. The competitive landscape in this category will remain highly competitive as fashion brands increasingly enter this segment going head-to-head with major sporting goods players.
- Sustainability has become an increasingly urgent consumer priority, and companies have responded by introducing more sustainable products—a trend accelerated by the pandemic. The onus is now on companies to secure sustainable supply chains. Since recycling is likely to be a bottleneck, brands need to engage with innovative concepts, such as direct-to-consumer circularity.
- Continued growth of business-model shift to direct-to-consumer. The successful brands will need to put digital commerce at the center and accelerate direct-to-consumer, and retailers need to deliver seamless and integrated omnichannel experiences.

## FITNESS & SPORTING PRODUCTS (cont'd)

- Marketing shift from assets to influencers. Digital marketing traditionally focused on assets with broad visibility (e.g., club, league, or event sponsorships). With consumers spending even more time online, sporting goods industry players need to shift to digital. Furthermore, to build awareness, credibility, and engagement, brands need to increasingly work directly with individual athletes as influencers, who have a much longer reach than events or associations.
- Continued pressure on retail. To attract consumers back to stores, retail needs to find new purpose, new experiences, and new levels of convenience that cannot be offered digitally.
- Supply chain flexibility and agility. Supply chain disruptions continue to plague the industry. At the end of 2021, recent lockdowns in Vietnam meant that Nike had manufactured as many as 160 million fewer pairs of shoes than expected. Manufacturing facilities for certain sporting goods parts are seeing 12-to-18 month delays. Such problems have put more agile supply chains as a permanent feature on company agendas. In a post-COVID-19 world characterized by shorter demand cycles, e-commerce, and closer direct-to-consumer relationships, it will make sense to both build stronger supply-chain partnerships and explore alternatives such as near-shoring.

## FITNESS & SPORTING GOODS: SELECT M&A TRANSACTIONS (WINTER 2021/2022)

Deal Date	Target	Acquirer	Enterprise Value (\$M)	EV/LTM Rev.	EV/LTM EBITDA
01/05/22			N/A	N/A	N/A
01/04/22			\$810.0	N/A	N/A
12/15/21			N/A	N/A	N/A
11/29/21			414.0	2.7x	N/A

## FITNESS & SPORTING GOODS: SELECT FINANCING TRANSACTIONS (WINTER 2021/2022)

Deal Date	Company	Investor(s)	Amount (\$M)	Deal Type
12/29/21	KATALYST	Undisclosed Investors	\$23.6	Series A
12/14/21			18.5	Series B
12/10/21		Undisclosed Investors	15.6	Series A
12/06/21	FORME	Undisclosed Investors	58.7	Series A

## ORGANIC & NATURAL FOODS

The U.S. organic food market reached \$52.3 billion in 2020 and is projected to reach \$95.1 billion at the end of 2027, growing at a CAGR of 8.7% over the projection period according to a study conducted by BlueWeave Consulting.

### Industry Trends and Growth Drivers

- Sales growth for natural and organic food will slow to more normalized levels as the threat of the pandemic subsides and people begin returning to restaurants and carry-out. However, demand for natural and organic food will remain strong as many people tried natural and organic brands during the pandemic and continue to stick with those brands.
- As consumers are increasingly embracing the food as medicine concept, they are turning to conventional food products for the benefits they once sought in the supplements aisle.
- The plant-based food segment continues to outpace the growth of the overall market.
- The cost differential between natural and organic food products and conventional food products will continue to narrow as natural and organic food producers get better and more competitive leading to more customer adoption.

### NATURAL & ORGANIC FOODS: SELECT M&A TRANSACTIONS (WINTER 2021/2022)

Deal Date	Target	Acquirer	Enterprise Value (\$M)	EV/LTM Rev.	EV/LTM EBITDA
01/04/22			\$6.3	N/A	N/A
12/28/21			259.0	N/A	N/A
12/22/21			18.0	N/A	N/A
12/14/21			56.6	N/A	N/A

### NATURAL & ORGANIC FOODS: SELECT FINANCING TRANSACTIONS (WINTER 2021/2022)

Deal Date	Company	Investor(s)	Amount (\$M)	Deal Type
12/14/21			\$23.0	PE Expansion
12/10/21		Undisclosed Investors	0.6	Later Stage VC
11/30/21		Undisclosed Investors	N/A	Angel
11/23/21			500.0	Later Stage VC



## NUTRITIONAL SUPPLEMENTS & FUNCTIONAL BEVERAGES

### Vitamins & Nutritional Supplements

The North American dietary supplements market size was valued at \$50.1 billion in 2020 and is expected reach \$77.1 billion by 2028, a CAGR of 5.6 % over the projection period according to a report by Grand View Research. This demand is attributed to the growing demand for preventive health products and increasing healthcare costs in the U.S., as well the increased awareness of the health and wellness benefits of dietary supplements throughout the COVID-19 pandemic.

#### Industry Trends and Growth Drivers

- Vertical integration within the value chain has pushed the supply chain to be more compact and efficient.
- In terms of ingredient type, the vitamin segment dominated the market with a revenue share of 31.3% and is likely to remain a key ingredient type by 2028.
- The tablet segment is the largest category followed by capsules, and liquids. The liquid segment is projected to grow at CAGR of 8.7% from 2021 to 2028, twice as fast as the tablet segment. Liquid dietary supplements are largely used in yogurt, water, smoothies, and energy drinks. The ease in usage of this form is a key driver of market growth in this category.
- The retail segment was the most preferred distribution channel in 2020. However, the online distribution channel is expected to grow at a faster pace due to the growing penetration of e-commerce coupled with increasing preference for at-home convenience shopping.

### Functional Beverages

The \$48.4 billion U.S. functional beverage market is forecasted to grow at a CAGR of 6.6% between 2020 and 2025, according to data from Euromonitor. Energy drinks continue to make up the largest share of the U.S. functional beverage market at an estimated \$18.6 billion, followed by sports drinks at \$10.4 billion, and sports protein ready-to-drink/meal replacements at \$5.8 billion.

#### Industry Trends and Growth Drivers

- The fastest-growing segments based on the forecast between 2020 and 2025 are:
  - Dairy alternative beverages (10.8%)
  - Energy drinks (8.8%)
  - Functional carbonates (6.8%)
  - Sports protein RTD/meal replacements (5.7%)
  - Functional RTD coffee and tea (5.7%)
- According to the Plant Based Foods Association, plant-based milk sales grew 20.4% in 2020, up from 5% the prior year, reaching \$2.5 billion. Key purchase drivers for plant-based milk such as health, variety, and taste became even more relevant during the pandemic.
- The top functional benefits (based on consumers' consumption of foods and beverages making a benefit claim) are:
  - Hydration (34%)

## NUTRITIONAL SUPPLEMENTS & FUNCTIONAL BEVERAGES (cont'd)

- Energy-boosting (26%)
- Calming/relaxing (25%)
- Immunity (23%)
- Digestive aid (22%)

### NUTRITIONAL SUPP. & FUNCTIONAL BEVERAGES: SELECT M&A TRANSACTIONS (WINTER 2021/2022)

Deal Date	Target	Acquirer	Enterprise Value (\$M)	EV/LTM Rev.	EV/LTM EBITDA
01/05/22	 BioTRUST NUTRITION	 EU NATURAL	N/A	N/A	N/A
12/30/21	 NUTRACEUTICS™	 BioGaia®	\$9.7	N/A	N/A
12/08/21	 good2grow	 WIND POINT PARTNERS	N/A	N/A	N/A
11/01/21	 Metagenics®	 GRYPHON CAPITAL	600.0	N/A	N/A

### NUTRITIONAL SUPP. & FUNCTIONAL BEVERAGES: SELECT FINANCING TRANSACTIONS (WINTER 2021/2022)

Deal Date	Company	Investor(s)	Amount (\$M)	Deal Type
01/13/22	 Moon Juice	Undisclosed Investors	\$5.1	Later Stage VC
12/29/21	 ROWDY ENERGY	Undisclosed Investors	3.3	Early Stage VC
12/14/21	 koia	Clover Vitality  SPACESTATION INVESTMENTS	8.2	Later Stage VC
11/10/21	 MARY RUTH'S®	 butterfly	162.5	PE Growth

## FITNESS & SPORTS TECHNOLOGY

### Health, Fitness & Wellness Apps & Connected Devices

According to Allied Market Research, in 2020 the global fitness app market reached \$13.8 billion and is projected to reach \$120.4 billion by 2030, a CAGR of 24.3%. Growth in fitness app usage is being spurred by consumer focus on maintaining a healthy lifestyle, increased awareness of diet related diseases, and the proliferation of devices carrying fitness apps.

#### Industry Trends and Growth Drivers

- COVID-19 and the resulting movement towards working remotely has pushed consumer interest towards at-home fitness solutions, spurring significant growth in the fitness app market.
- Smartphones accounted for the largest share of devices used for fitness apps in 2020, but fitness wearables are projected to see the largest growth of all devices.
- To attract more users, leading brands are utilizing machine learning, artificial intelligence, and more creative interfaces. Meta (Facebook) recently unveiled several workout options using the brand's Quest VR headset.
- The expanding network of fitness studios and gyms through online platforms will further drive the adoption of fitness apps.
- The exercise and weight loss segment, the largest segment, is expected continue to garner a significant share of the fitness app segment due to increasing obesity levels.
- According to AdColony Mobile and Fitness Survey conducted in 2021, 42% of the respondents use fitness/health apps at least once a day. In addition, 46% of the respondents felt that fitness/health apps have been moderately or very effective in achieving health goals.

Deal Date	Target	Acquirer	Enterprise Value (\$M)	EV/LTM Rev.	EV/LTM EBITDA
12/24/21	 GYMLAUNCH	 AMERICAN PACIFIC GROUP	N/A	N/A	N/A
12/15/21	 TRAINIAC	 Gympass	N/A	N/A	N/A
10/15/21	 classpass	 MINDBODY®	\$200.0	N/A	N/A

### FITNESS & SPORTS TECHNOLOGY: SELECT M&A TRANSACTIONS (WINTER 2021/2022)

Deal Date	Company	Investor(s)	Amount (\$M)	Deal Type
01/10/22	 myzone™	 BGF	\$17.4	PE Growth
01/03/22	 CoPilot	 HYDE PARK VENTURE PARTNERS  MAVEN VENTURES	5.9	Series A

## FITNESS & WELLNESS FACILITIES

Fitness facilities were initially hit hard by the pandemic in 2020 when some 9,100 gyms – or a quarter of the industry — closed for good. But many were also able to pivot by offering online classes and fitness instruction. The gym, health, and fitness club industry is expected to generate \$33.3 billion in revenue in 2021 according to research data from Statista.

### Industry Trends and Growth Drivers

- In 2021, we saw the fitness and health club market begin to recover from the devastating impact the market suffered due to forced shutdowns caused by the COVID-19 threat. U.S. gym visits for the month of October 2021 were down just 8% from 2019 pre-pandemic levels, according to tracking data from Jeffries.
- Many smaller players went out of business, leading to market consolidation among the larger players. According to IHRSA, 22% of fitness facilities and studios in the U.S. permanently closed their doors since the COVID-19 pandemic began.
- Many fitness and health club operators are embracing digital opportunities to fuel membership growth and retention. Planet Fitness recently collaborated with iFit, a leader in online streaming home workouts. 24 Hour Fitness launched its 24GO Live channel complete with a 24/7 interactive, friendly fitness community offering over 1,500 workouts and health and fitness content.
- Increasing equipment and facility spaces in fitness clubs, such as hot yoga studios, high altitude training rooms, metabolic testing equipment, medical exercise areas, and day spas, are gaining popularity among consumers, which is further supporting market growth.
- The boutique fitness industry expects to add 2,000 new studios around the globe over the next 5 years, according to the Fitt Insider.

### FITNESS & WELLNESS FACILITIES: SELECT M&A TRANSACTIONS (WINTER 2021/2022)

Deal Date	Target	Acquirer	Enterprise Value (\$M)	EV/LTM Rev.	EV/LTM EBITDA
01/11/22	Sunshine Fitness		\$800.0	N/A	N/A
01/10/22	 Norwalk	Fitness Holdings North America	N/A	N/A	N/A
11/18/21	Grand Fitness Partners		N/A	N/A	N/A

### FITNESS & WELLNESS FACILITIES: SELECT FINANCING TRANSACTIONS (WINTER 2021/2022)

Deal Date	Company	Investor(s)	Amount (\$M)	Deal Type
12/14/21	 RESTORE HYPER WELLNESS + CRYOTHERAPY	 GENERAL ATLANTIC	\$140.0	PE Growth
11/10/21		 PRINCETON EQUITY GROUP	3.3	PE Growth

## PUBLICLY TRADED COMPARABLES - FITNESS &amp; SPORTING GOODS &amp; APPAREL

Company Name	Share Price	% of 52 Wk High	Enterprise Value (EV)	LTM Results			LTM Valuation Multiples	
				Revenue	Gross Profit %	EBITDA Margin %	EV/Revenue	EV/EBITDA
ACUSHNET HOLDINGS CORP.	\$49.28	85.2%	\$3,664.9	\$2,147.9	52.8%	15.8%	1.7x	10.8x
	13.92	42.9%	2,195.9	259.5	52.9%	NM	8.5x	NM
	25.92	68.7%	6,941.4	2,796.4	55.5%	22.4%	2.5x	11.1x
	23.70	73.2%	1,056.5	333.6	36.3%	7.3%	3.2x	43.6x
	91.27	79.4%	5,749.6	2,912.3	51.0%	14.6%	2.0x	13.5x
	15.10	58.7%	258.7	314.9	25.0%	11.8%	0.8x	6.9x
	90.84	58.9%	736.2	751.7	44.5%	16.8%	1.0x	5.8x
	328.98	67.7%	42,403.1	5,857.1	57.8%	24.2%	7.2x	30.0x
	5.73	18.3%	202.5	717.9	35.5%	14.0%	0.3x	2.0x
	148.18	82.7%	231,936.3	46,306.0	46.0%	17.3%	5.0x	28.9x
	28.03	50.2%	8,106.0	723.1	58.2%	8.2%	11.2x	NM
	31.33	18.8%	11,055.9	4,069.1	34.1%	NM	2.7x	NM
	43.63	78.1%	7,598.7	5,961.9	49.4%	11.8%	1.3x	10.8x
	18.86	69.1%	8,581.3	5,558.0	50.0%	12.7%	1.5x	12.1x
<b>Mean</b>					<b>46.4%</b>	<b>14.7%</b>	<b>3.5x</b>	<b>16.0x</b>
<b>Median</b>					<b>49.7%</b>	<b>14.3%</b>	<b>2.2x</b>	<b>11.1x</b>
<b>Harmonic Mean</b>					<b>43.8%</b>	<b>13.1%</b>	<b>1.3x</b>	<b>8.1x</b>

Share prices as 01/14/2022

Source: PitchBook

## PUBLICLY TRADED COMPARABLES - FITNESS NUTRITION &amp; SUPPLEMENTS

Company Name	Share Price	% of 52 Wk High	Enterprise Value (EV)	LTM Results			LTM Valuation Multiples	
				Revenue	Gross Profit %	EBITDA Margin %	EV/ Revenue	EV/ EBITDA
 Cyanotech	\$3.01	47.8%	\$25.5	\$34.8	35.3%	13.1%	0.7x	5.6x
 HERBALIFE NUTRITION	45.14	76.5%	7,386.8	5,895.5	78.8%	14.9%	1.3x	8.4x
 LifeVantage	6.54	61.9%	84.4	218.6	82.5%	10.6%	0.4x	3.6x
 Medifast	203.96	60.5%	2,229.0	1,413.2	74.2%	15.3%	1.6x	NM
 Natural Health Trends Corp.	7.33	83.8%	2.6	60.5	75.4%	4.7%	0.0x	NM
 NATURE'S SUNSHINE	18.61	86.6%	319.4	427.9	74.0%	9.3%	0.7x	8.0x
 NU SKIN	54.26	85.0%	2,886.1	2,770.4	74.9%	13.8%	1.0x	7.6x
 Perrigo	39.73	78.1%	6,787.0	5,062.1	34.7%	8.7%	1.3x	15.3x
 USANA HEALTH SCIENCES	101.25	93.9%	1,721.8	1,229.7	81.8%	17.2%	1.4x	8.1x
 unfi united natural foods	45.96	79.4%	6,280.6	27,274.4	14.7%	2.6%	0.2x	8.9x
 weight watchers	14.07	34.2%	2,369.1	1,260.1	58.7%	16.7%	1.9x	11.3x
				<b>Mean</b>	<b>62.3%</b>	<b>11.5%</b>	<b>1.0x</b>	<b>8.5x</b>
				<b>Median</b>	<b>74.2%</b>	<b>13.1%</b>	<b>1.0x</b>	<b>8.1x</b>
				<b>Harmonic Mean</b>	<b>47.3%</b>	<b>8.4%</b>	<b>0.3x</b>	<b>7.4x</b>

Share prices as 01/14/2022

Source: PitchBook

## PUBLICLY TRADED COMPARABLES - ORGANIC &amp; NATURAL FOODS

Company Name	Share Price	% of 52 Wk High	Enterprise Value (EV)	LTM Results			LTM Valuation Multiples	
				Revenue	Gross Profit %	EBITDA Margin %	EV/ Revenue	EV/ EBITDA
	\$40.40	82.7%	\$4,151.4	\$1,926.6	24.8%	7.7%	2.2x	27.9x
 JOHN B. SANFILIPPO & SON, INC.	88.86	93.6%	1,079.7	874.5	22.6%	12.4%	1.2x	10.0x
	5.20	72.3%	78.0	113.7	25.6%	7.9%	0.7x	8.7x
	13.75	73.3%	689.2	1,055.5	27.7%	5.5%	0.7x	11.9x
	0.87	19.0%	144.8	439.5	67.7%	4.2%	0.3x	7.8x
	117.80	99.6%	14,049.5	6,226.7	29.1%	18.2%	2.3x	12.4x
	69.90	99.9%	54,657.2	18,607.5	34.2%	20.1%	2.9x	14.6x
	6.87	53.9%	116.7	69.7	14.7%	NM	1.7x	NM
	29.24	93.4%	4,514.1	6,208.9	36.5%	9.8%	0.7x	7.4x
	26.21	46.6%	3,289.3	302.6	8.5%	NM	10.9x	NM
<b>Mean</b>					<b>29.1%</b>	<b>10.7%</b>	<b>2.4x</b>	<b>12.6x</b>
<b>Median</b>					<b>26.7%</b>	<b>8.8%</b>	<b>1.5x</b>	<b>10.9x</b>
<b>Harmonic Mean</b>					<b>22.2%</b>	<b>8.3%</b>	<b>1.0x</b>	<b>10.7x</b>

Share prices as 01/14/2022

Source: PitchBook

## PUBLICLY TRADED COMPARABLES - FITNESS &amp; SPORTING GOODS &amp; APPAREL RETAILERS

Company Name	Share Price	% of 52 Wk High	Enterprise Value (EV)	LTM Results			LTM Valuation Multiples	
				Revenue	Gross Profit %	EBITDA Margin %	EV/ Revenue	EV/ EBITDA
	\$19.98	41.9%	\$630.1	\$1,179.0	36.9%	13.2%	0.5x	4.0x
	37.08	76.5%	4,163.7	6,670.0	35.2%	12.6%	0.6x	5.0x
	111.61	75.7%	11,348.6	12,066.5	37.3%	18.2%	0.9x	5.2x
	43.38	65.0%	6,578.0	8,806.0	34.4%	16.5%	0.7x	4.5x
	62.36	84.6%	1,279.4	2,331.2	47.9%	7.6%	0.5x	7.2x
	61.91	60.9%	1,084.3	1,684.7	38.7%	16.0%	0.6x	4.0x
	10.56	58.5%	789.7	1,528.0	32.4%	8.6%	0.5x	6.0x
	72.25	79.6%	33,859.3	10,947.0	54.2%	14.5%	3.1x	21.3x
<b>Mean</b>					<b>39.6%</b>	<b>13.4%</b>	<b>1.0x</b>	<b>7.2x</b>
<b>Median</b>					<b>37.1%</b>	<b>13.8%</b>	<b>0.6x</b>	<b>5.1x</b>
<b>Harmonic Mean</b>					<b>38.6%</b>	<b>12.3%</b>	<b>0.7x</b>	<b>5.5x</b>

Share prices as 01/14/2022

Source: PitchBook

## PUBLICLY TRADED COMPARABLES - FITNESS TECHNOLOGY &amp; WEARABLES

Company Name	Share Price	% of 52 Wk High	Enterprise Value (EV)	LTM Results			LTM Valuation Multiples	
				Revenue	Gross Profit %	EBITDA Margin %	EV/Revenue	EV/EBITDA
	\$173.07	94.6%	\$2,889,069.6	\$365,817.0	41.8%	32.9%	7.9x	24.0x
<b>GARMIN</b>	132.38	74.0%	23,546.8	4,942.6	58.9%	28.6%	4.8x	16.7x
<b>Alphabet</b>	2,795.73	92.1%	1,739,444.2	239,210.0	56.5%	40.4%	7.3x	18.0x
	55.70	81.3%	232,200.9	78,474.0	56.3%	46.1%	3.0x	6.4x
<i>iRhythm</i>	141.10	49.3%	4,016.8	319.8	69.0%	NM	12.6x	NM
	10.44	75.7%	1,534.4	1,127.7	40.1%	10.4%	1.4x	13.1x
<b>Mean</b>					<b>53.7%</b>	<b>31.7%</b>	<b>6.1x</b>	<b>15.6x</b>
<b>Median</b>					<b>56.4%</b>	<b>32.9%</b>	<b>6.0x</b>	<b>16.7x</b>
<b>Harmonic Mean</b>					<b>51.8%</b>	<b>24.0%</b>	<b>3.7x</b>	<b>12.8x</b>

Share prices as 01/14/2022

Source: PitchBook

## PUBLICLY TRADED COMPARABLES - FITNESS &amp; WELLNESS FACILITIES &amp; PROGRAMS

Company Name	Share Price	% of 52 Wk High	Enterprise Value (EV)	LTM Results			LTM Valuation Multiples	
				Revenue	Gross Profit %	EBITDA Margin %	EV/Revenue	EV/EBITDA
 BEACHBODY®	\$1.95	17.0%	\$437.4	\$881.7	68.2%	NM	0.5x	NM
	12.39	69.8%	1,069.4	90.3	71.8%	NM	11.8x	NM
	8.09	53.7%	164.6	77.4	87.1%	19.4%	2.1x	11.0x
	343.20	93.7%	99.4	106.6	45.9%	14.0%	0.9x	6.6x
 planet fitness	86.78	87.1%	8,651.9	537.2	54.7%	39.8%	16.1x	40.4x
ONESPACORLD	10.32	82.4%	1,144.0	62.2	NM	NM	18.4x	NM
 XPONENTIAL FITNESS	14.32	57.9%	904.2	133.5	73.6%	6.1%	6.8x	NM
				<b>Mean</b>	66.9%	19.8%	8.1x	19.4x
				<b>Median</b>	70.0%	16.7%	6.8x	11.0x
				<b>Harmonic Mean</b>	64.0%	12.8%	1.8x	11.3x

Share prices as 01/14/2022

Source: PitchBook