

Active Lifestyles & Fitness Update

Q1 2024

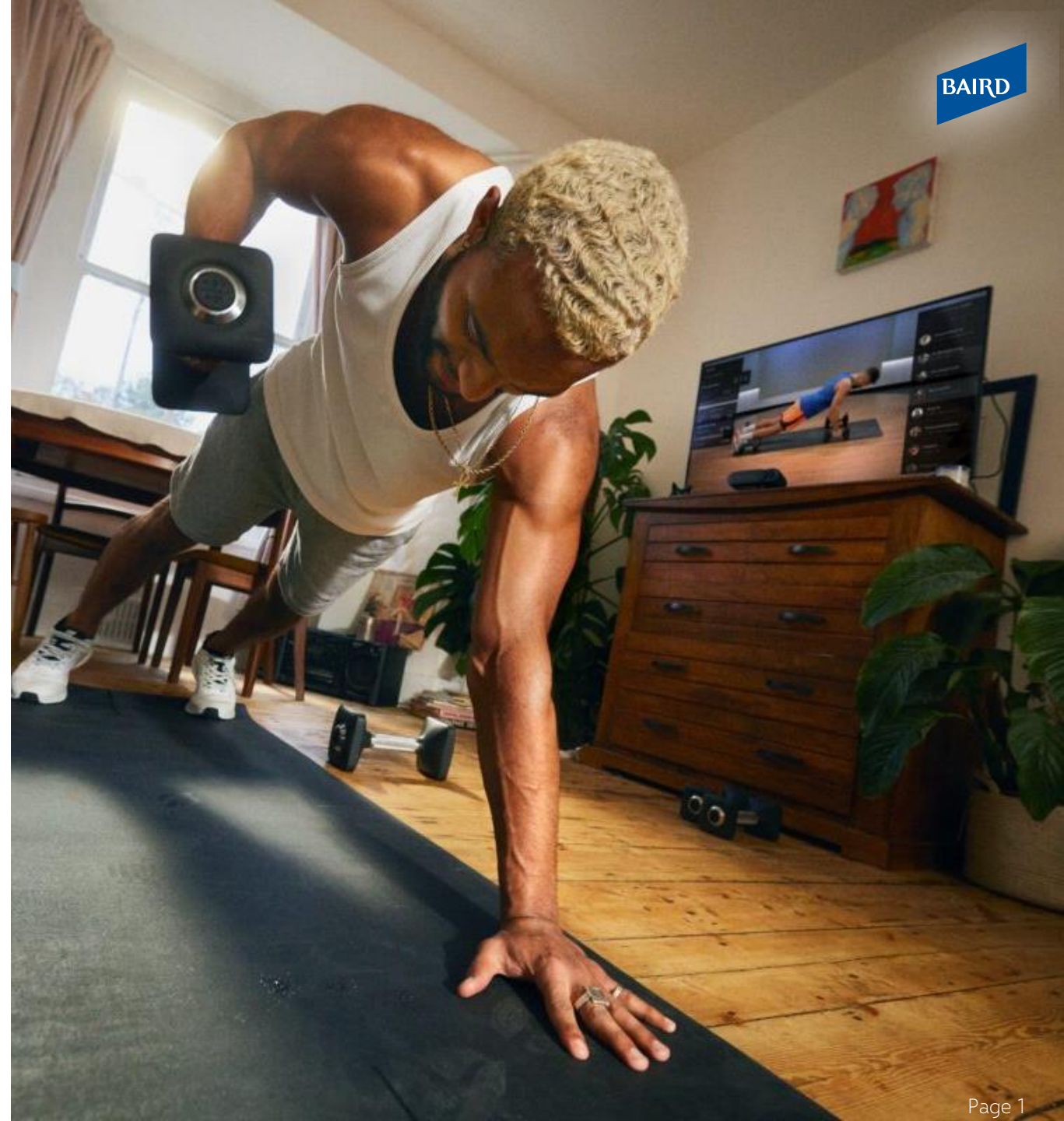
Executive Summary

Active lifestyles throughout the pandemic have undergone serious change, sometimes by choice (e.g., gym lockdowns forcing us into the outdoors) and other times by innovation (e.g., the steep adoption of connected fitness equipment). While many of these trends prior to the pandemic were obvious long-term movements to the industry partners, many consumers trialed new activities in real time. As we exit the pandemic, there are a number of critical trends playing out that will redefine the competitive landscape.

Key factors impacting the active lifestyles industry:

- Part I: Consumers are broadening their definition of wellness, especially with exposure to new concepts
- Part II: Consumers are returning to in-person training
- Part III: Connected products are finding the new 'level' after facing extreme consumer demand over the last 2 years
- Part IV: Technology is driving new opportunities across personalization, tracking and omni-channel wellness
- Part V: The digital world is proving it is not a matter of if but when its concepts reach mainstream

Given the rapid pace of industry and economic change, there will undoubtedly be winners and losers. While it will be difficult to determine how things unfold, several industry actors will likely emerge as big winners.



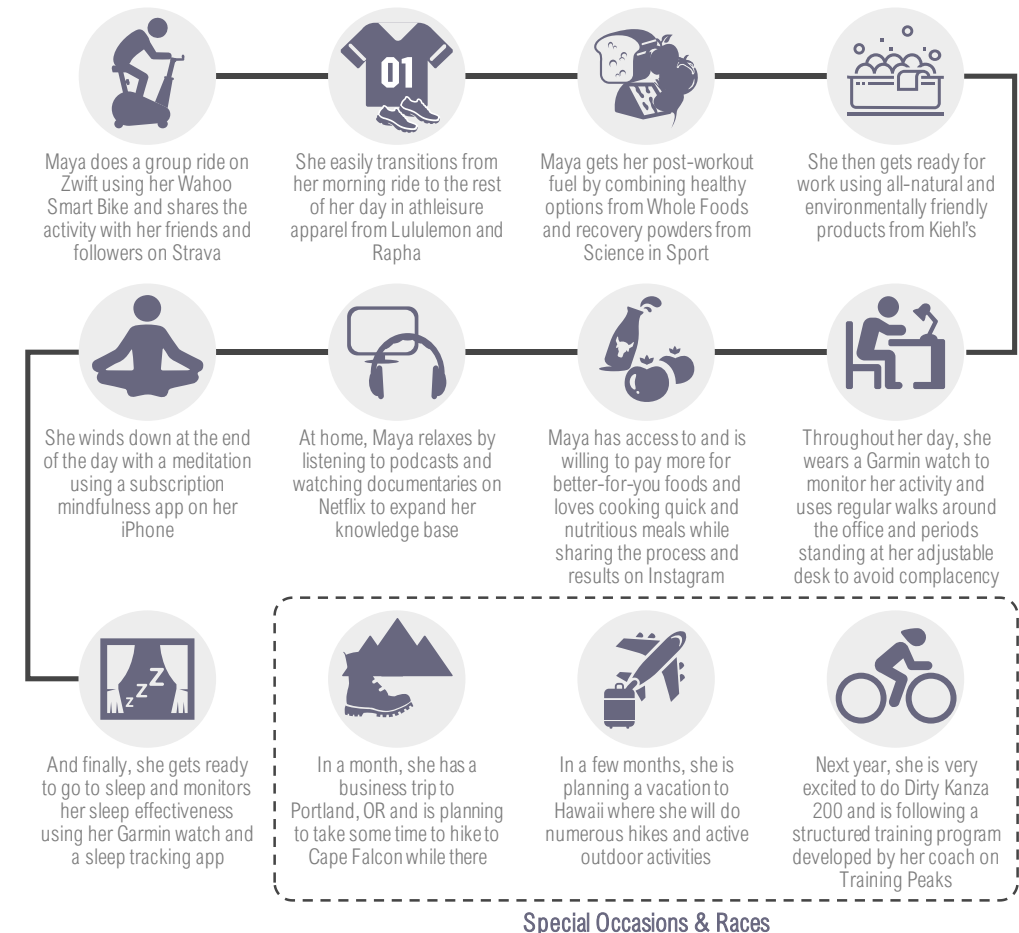
Part I: The Definition of Wellness is Expanding | A Day in the Life of the Modern Wellness Minded

“Even before the pandemic, many people around the U.S. were beginning to dabble in proactive and preventative health and wellness practices. What this pandemic has revealed is that taking care and control of your own health — individual, family, home, etc. — is even more critical than before.” Wendy Liebmann, CEO of WSL Strategic Retail (1)



Modern consumers are placing more value on health and wellness than on material objects, and the definition of health and wellness has evolved. The phrase no longer refers simply to a lack of illness, but to a more holistic state of being, where one’s mental, physical and emotional health are in sync. In an era where so many people continuously catalog and display their lives on social media, looking great, feeling good and sleeping well are the new luxuries that consumers want to enjoy and flaunt.

Exhibit A: Day in the Life of the Wellness Minded



(1) (<https://www.uschamber.com/co/good-company/launch-pad/pandemic-is-changing-wellness-industry>).

Part I: The Definition of Wellness is Expanding | Wellness Spend is Growing and Resilient

\$1.5T+

Global Wellness Market ⁽¹⁾

5-10%

Annual Growth Rate ⁽¹⁾

Wellness is Recession Resilient

Although inflation and recession are top-of-mind for consumers, according to a recent survey by *Restore Hyper Wellness*, a leading multi-unit proactive wellness franchisor, U.S. consumers will change very little in the way they spend on wellness, if at all. **62%** of respondents told the company that “preventative health and wellness activities would be the last thing they cut back on,” with the same percentage saying that they are even willing to cut back on social activities to afford to participate in preventative care. ⁽²⁾

When asked how they would reorganize their budgets, more than half of consumers said they would be willing to forgo store-bought coffee, while a third said they would give up cable and streaming services. ⁽²⁾

COVID has increased awareness and importance of wellness

While this trend was occurring pre-pandemic, the last 2 years have highlighted the importance of a well-rounded approach to wellness and consumers are spending more than they ever have before.

44% of Americans place more focus on health and wellness, compared to pre-pandemic times. ⁽³⁾



(1) (<https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/feeling-good-the-future-of-the-1-5-trillion-wellness-market>).

(2) (<https://finance.yahoo.com/news/despite-financial-stress-wellness-last-152449318.html>).

(3) (https://wwd.com/business-news/business-features/field-notes-trend-wellness-edit-1235236787/?sub_action=logged_in).

Part I: The Definition of Wellness is Expanding | Consumers View Wellness Across Six Dimensions

Six Dimensions of Wellness ⁽¹⁾



Better Health

Extends beyond medicine and supplements to include medical devices, tele-medicine, and remote healthcare services, as well as personal health trackers



Better Fitness

Was steadily increasing over time before experiencing some upheaval over the past year, with many consumers struggling to maintain pre-COVID-19 fitness levels



Better Nutrition

Has always been a part of wellness, but now consumers want food to help them accomplish their wellness goals in addition to tasting good



Better Appearance

Primarily relates to wellness-oriented apparel ("athleisure") and beauty products (skincare and collagen supplements), but also includes service-oriented offerings like nonsurgical aesthetic procedures



Better Sleep

Now goes beyond traditional sleep medication, like melatonin, to app-enabled sleep trackers and other sleep-enhancing products



Better Mindfulness

Has gained mainstream consumer acceptance relatively recently, with meditation-focused apps and meditation-oriented offerings

Forward thinking companies are providing more than one element of wellness and some have chosen to rebrand to convey its importance

THERAGUN → **Therabody**

Companies outside the traditional active lifestyle sector are prioritizing multiple dimensions: Public Hotel in New York City is upgrading its wellness benefits for health-obsessed guests, now offering in-room wellness, beauty and even medical treatments as well as daily complimentary classes on the roof with celebrity trainers leading meditations, sound baths and pilates. ⁽²⁾

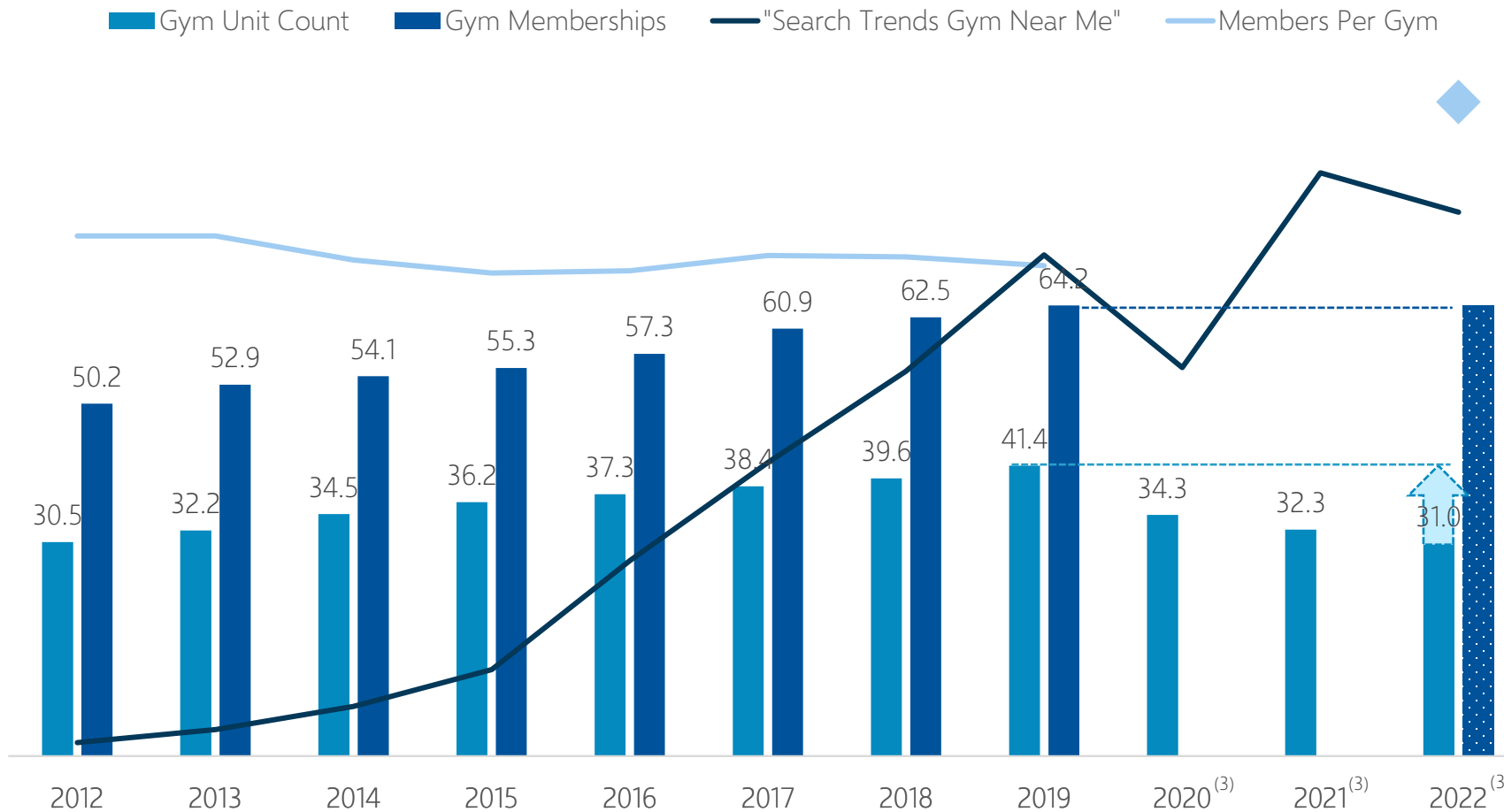
Especially given the underlying tailwinds, we expect to see continued investment across fitness, active lifestyles and wellness concepts as well as industry consolidation and partnerships to build platforms that can service customers across multiple elements of wellness gaining customer insight while increasing wallet share

(1) (<https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/feeling-good-the-future-of-the-1-5-trillion-wellness-market>).

(2) (https://wwd.com/business-news/business-features/field-notes-trend-wellness-edit-1235236787/?sub_action=logged_in).

Part II: The Return to In-Person Training | Inherent Whitespace for Survivors

"The benefits of being in person are priceless, both from a technical perspective in the training and from the sense of community," says Rosa Coletto, owner of Full Circle Fitness in Tustin, CA. "Our demographic generally appreciates and prefers working in person to ensure safety, efficiency, and effectiveness." (1)



In the modern definition of wellness, consumers crave community, getting out of the house and ensuring that their time spent on fitness is effective. Physical gyms represent an ideal environment for advancing wellness and it's no surprise many locations are now approaching pre-COVID membership levels.

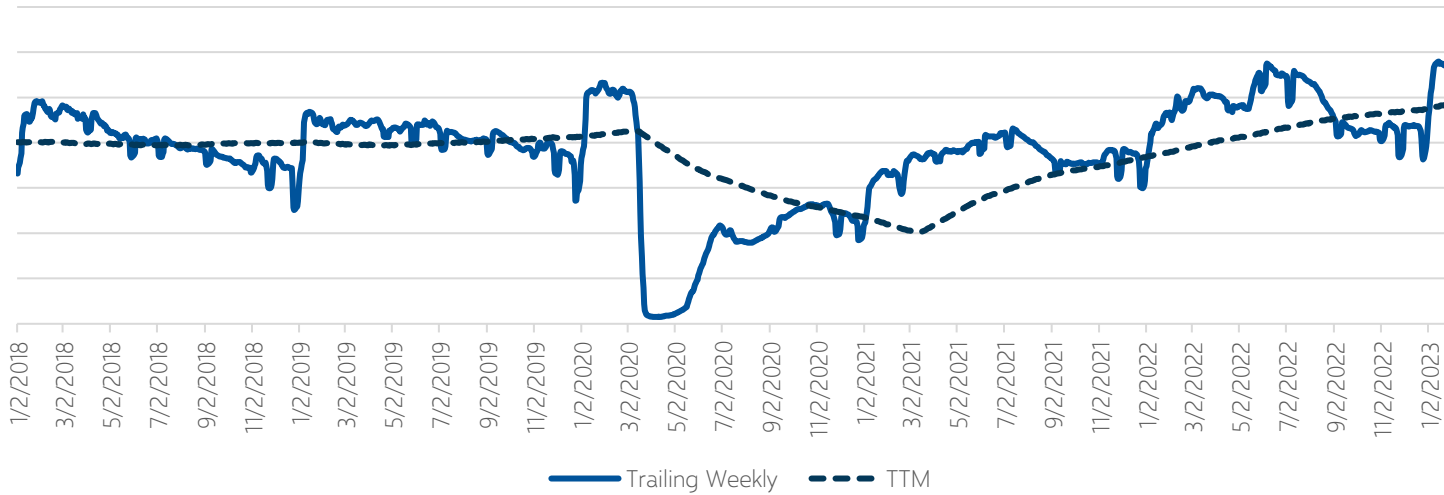
Consumers searching for "Gyms Near Me" are at the highest rates since 2019 further indicating the desire for in-person training as well as a need for more local options given gym closures from the pandemic.

Platforms that have endured the pandemic are especially well positioned with whitespace that was previously locked up. Like most in-person concepts, gyms faced tremendous pressure during the pandemic driving a decline in total gyms from 41k in 2019 to 31k in 2022 (initial analysis suggests most closures were individual units/mom & pops). If one assumes total gym memberships recover to 2019 levels, that would imply units could increase ~33% to normalize membership per gym to pre-pandemic levels.

(1) <https://www.webmd.com/fitness-exercise/news/20220912/fitness-consumers-choices-not-pelotons#:~:text=Gym%20Attendance%20on%20the%20rise,new%20brands%20like%20Pure%20Barre>.
 (2) Source: IHRSA. Google Trends. Gym membership data not available since 2019 due to the pandemic.
 (3) 2020-2022 membership data not available; 2022 units represents the implied potential gym memberships based on 2019 levels.

Part II: The Return to In-Person Training | While Overall Recovery is Strong, Results Have been Mixed

US Gym Traffic Trends ⁽¹⁾



US Gym Traffic vs Jan-31 2020

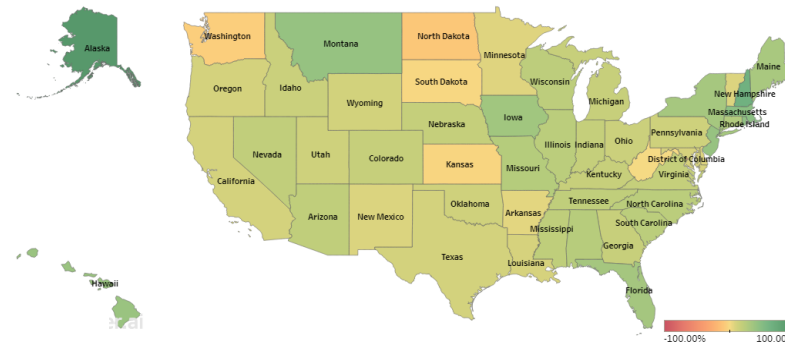
1/31/2021	(48%)
1/31/2022	(10%)
1/31/2023	16%

For investors, it is critical to not only look at total number of locations, but also the visit activity. As seen on the prior page coupled with traffic recovery nationally being ~16% higher than 2020, with more limited locations to visit, existing gyms are likely more crowded than pre-pandemic implying an opportunity for unit growth. However, recovery has been mixed.

Certain geographies have lagged others (e.g., California). Anecdotally, geographic trends so far have been attributed to variance in state mask mandates, population migration and cultural attitudes towards in-person training or broader remote work (generally increasing adoption of at home training) policies among others. The latter two attributions indicate more permanent changes in required four-wall demand. We will be watching the continued trends and traffic coming out of 2023 January resolutions which may begin to resolve or expose the potential longer-term inherent changes in market demand.

"It turns out that people missed their old routines. And this news doesn't just bode well for Planet Fitness. The comeback of gym workouts mark a return to pre-pandemic normalcy. And assuming countless people ... are embracing lost human connectivity at the gym, the success of chains like Planet Fitness could make America a happier place."⁽²⁾

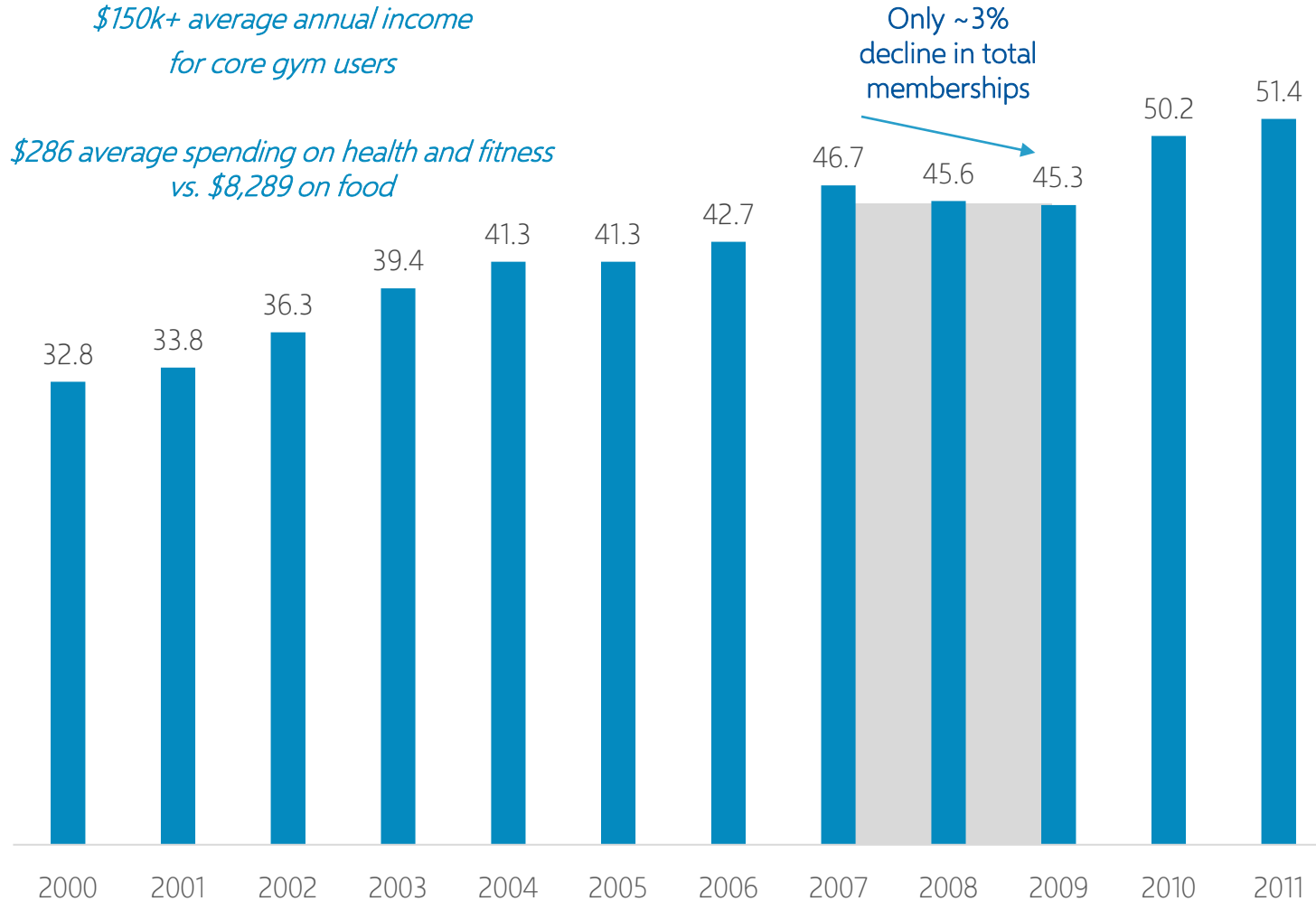
Gym Traffic Trends by State (2022 vs. 2019) ⁽¹⁾



(1) Source: Placer.AI.
 (2) <https://time.com/6116651/gyms-peloton-planet-fitness/>.

Part II: The Return to In-Person Training | Recessions Have Altered Mix but Generally Resilient

Gym Memberships Through '08 Recession ⁽¹⁾



Wellness spend is generally recession proof and gym memberships are no exception. Gym memberships only declined ~3% in the '08 recession.

While memberships only declined ~3% in the '08 recession, gym revenues increased 3%, indicating more fees per consumer, which was primarily attributed to an increase in non-dues-related revenues (e.g., training, nutrition, recovery services, wellness, etc.).

HVLP⁽²⁾ chains like Planet Fitness posted strong results through the last recession indicating resiliency for HVLP 2.0 / more value-oriented gyms in the current environment. Given the profile of average gym goers, commitment to spend on health and wellness and relative size of gym cost vs. other consumer discretionary spend, we see minimal impact on gym revenues during a potential 2022/2023 recession.

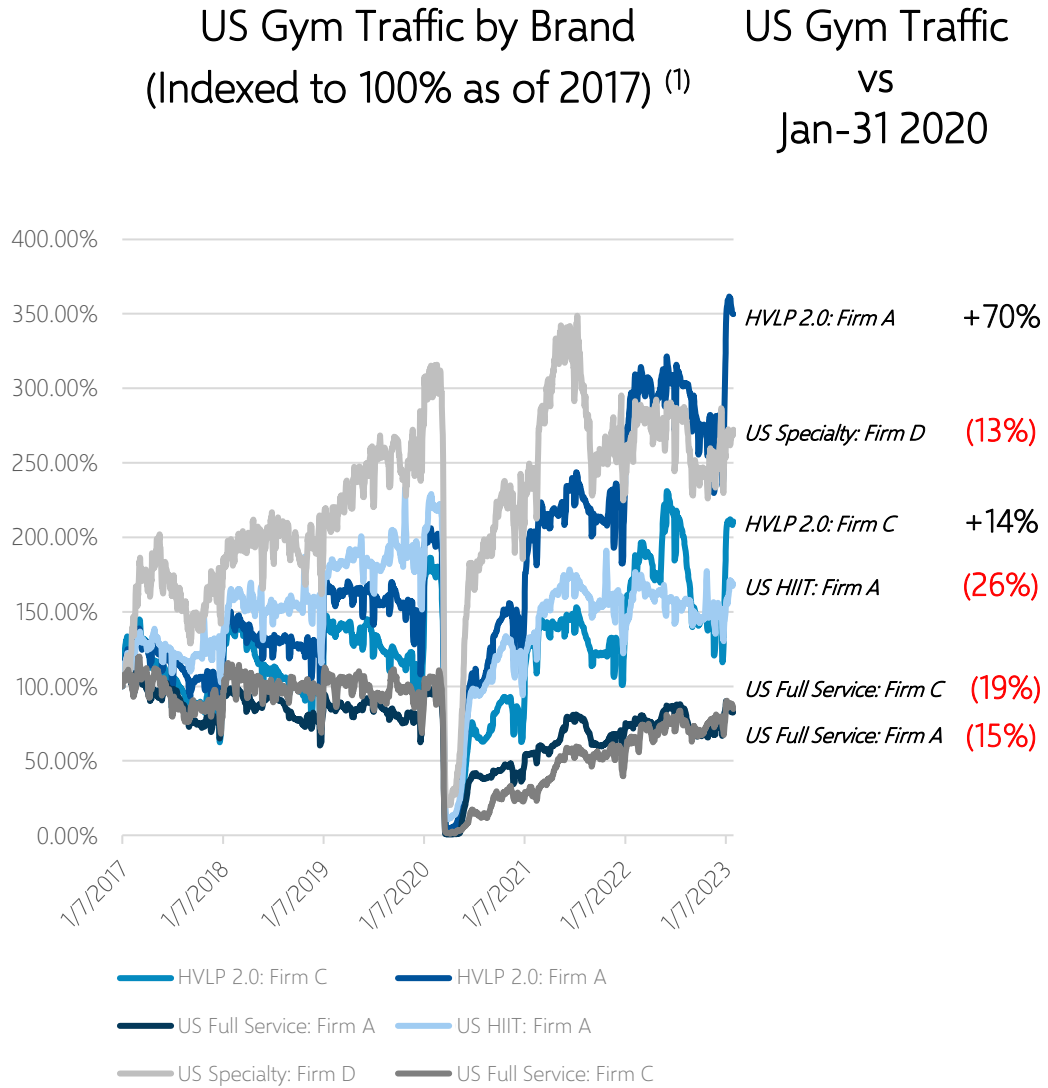
There have been limited data points on boutique concept performance since the last recession given more recent proliferation post 2008; however, we believe app support (e.g., *ClassPass*) and corporate subsidies (e.g., 50%+ corporates plan to expand their annual budget per employee by ~5-25% or \$200-\$600 per employee) can provide flexible/supported options as consumers evaluate spend.

Gyms, as they always have, should continue to diversify revenue streams and increase value to users in order to secure a strong membership base regardless of the environment.

(1) IHRSA.
 (2) High-Value, Low-Price.
 (3) ([https://financesonline.com/gym-membership-statistics/#:~:text=Gym%20members%20who%20are%20classified,higher%20\(IHRSA%2C%202020\).](https://financesonline.com/gym-membership-statistics/#:~:text=Gym%20members%20who%20are%20classified,higher%20(IHRSA%2C%202020).))

Part II: The Return to In-Person Training

While Overall Recovery is Strong, Results Have been Mixed



In addition, Brand and Gym Type (e.g., HVLP⁽²⁾ vs. Boutique) and results have been mixed.

HVLP 2.0 brands have most consistently emerged from the pandemic with the strongest performance, with many now eclipsing prior traffic highs set by pre-pandemic resolutions. We remain bullish on HVLP 2.0 performance as we believe customers will continue to want in-person training but with a lower cost given dual memberships with boutique offerings and at-home gym setups. We're excited for what's to come at *Planet*, *Crunch*, *EōS*, *Vasa*, *Fitness Connection*, *Edge*, etc.

Boutique/Specialty recovery has been more varied than other types. In connection to the prior page, boutique concepts tend to have more concentrated regional exposure, including California. Boutiques have been the most at-risk of overlap with at-home digital fitness offerings that have been heavily adopted during the pandemic (e.g., cycling, yoga, etc.). In addition, as the consumer has expanded their knowledge of wellness and moderation, they've recognized HIIT 5x+ per week may lead to overtraining. The cycling chain, *SoulCycle*, said in August 2022 it would close a quarter of its locations. One could connect the dots that the consumer is either seeking balance or has found a more effective replacement with at home options (e.g., *Peloton* classes, *Wahoo* trainer). However, while a new equilibrium is found, it is clear that boutiques that know and serve their consumers are performing and have an ongoing value to their cult followings (e.g., *Cyclebar* performance > *SoulCycle*). We will be monitoring this market and new entrances like *Barry's RIDE* concept in Chelsea (and eventually beyond).

Finally, full-service fitness remains behind in its recovery versus other concepts. We expect that clever partnerships with other brands that have harnessed strong followings will drive new customers in the larger format doors (e.g., Pickleball tournaments, shared virtual studio classes with centralized instructors).

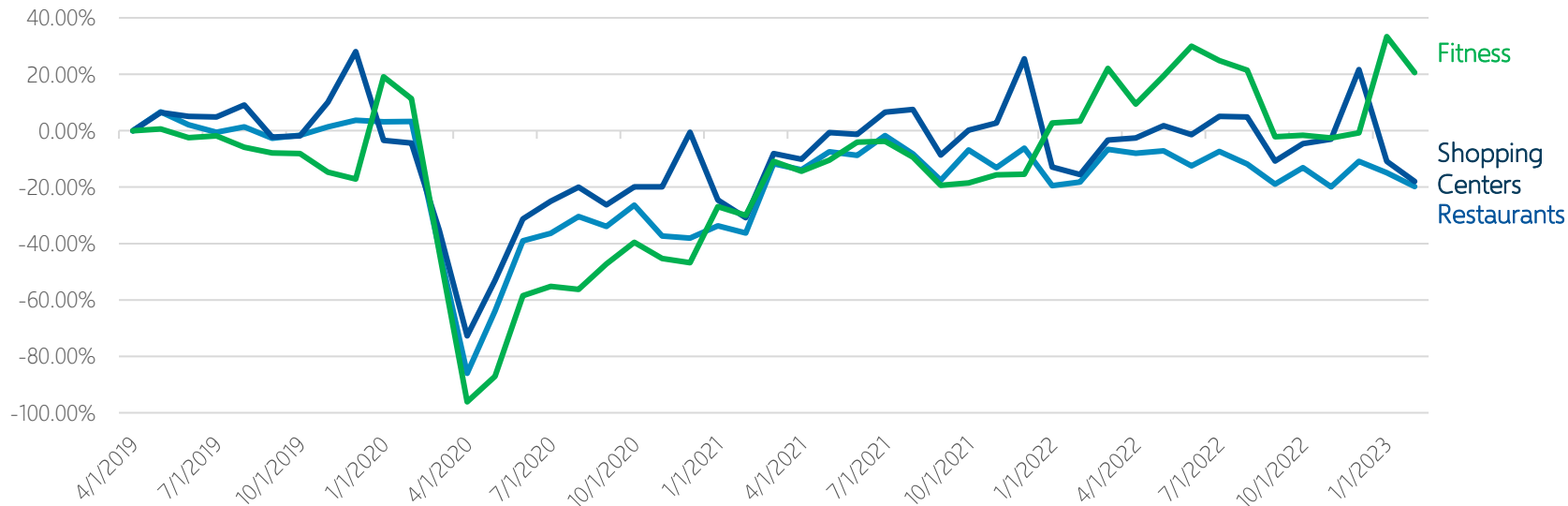
The safest option is that operators should assume things have "changed forever" and aim to engage with their communities in and out of its 4-walls.

(1) Placer.AI
 (2) High-Value, Low-Price.
 (3) (<https://www.webmd.com/fitness-exercise/news/20220912/fitness-consumers-choices-not-pelotons#:~:text=Gym%20Attendance%20on%20the%20Rise,new%20brands%20like%20Pure%20Barre>).

Part II: The Return to In-Person Training | Fitness Remains an Attractive Multi-Unit Investment Category

Attribute	Fitness	Consumer Services	Restaurants	Retail
Predictable Growth	✓	✓	✓	✓
Insulated from Inflation / Commodities	✓	✓		✓
Protected from E-Commerce Disruption	✓	✓	✓	
Recession Resilient	✓	✓		
Built in Growth From COVID Recovery	✓			

US Traffic Trends by Industry
(indexed to 0% as of March 2019)



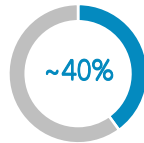
Ultimately, we believe we will continue to see an increased flow of sophisticated investors putting money to work in the 4-wall fitness sector as:

- 4-wall models have always provided a model for projectable organic and acquisitive expansion, assuming no global shutdowns
- Within 4-wall models, fitness is an ideal category in 2023 as it is:
 - Less exposed to rising commodity prices vs. food/restaurants
 - Insulated from e-commerce & Amazon disruption vs. retail
 - Recession resilient
 - Models with “services” mirror the characteristics of pure play consumer services models
 - Built in growth from unit whitespace and traffic
- By comparison to the attributes of consumer services, Fitness also generally presents a more attractive valuation entry point

Part II: The Return to In-Person Training | Expect Sophisticated Capital to Increase Focus on Fitness, Especially Franchisees

Professional Franchisee Ownership By Chain

HVLP 2.0
Firm C



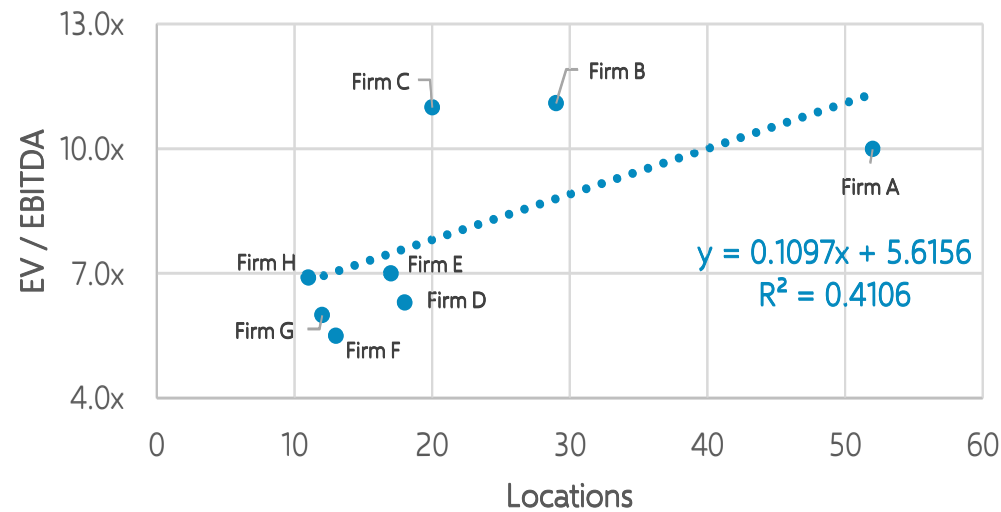
HVLP 2.0
Firm A



US Specialty
Firm A



Scale of Franchisee Base Drives Multiple



Fitness Franchisee Location Count	Avg. EBITDA Multiple
<20	6.3x
20-50	9.0x
50+	10.0x

There are numerous trends driving our view that sophisticated capital will continue to focus on fitness:

- Fitness is attractive vs. other multi-unit sectors (prior page)
- Fitness franchisors have been very supportive of sophisticated capital: until recently, select franchisors in fitness generally limited franchisees to no more than 5% of total units; however, one chain recently increased this threshold to 10% indicating opportunities support from larger sophisticated investors
- Arbitrage from added scale is well suited for a traditional private equity playbook
- Additional sophisticated capital investment provides an increasingly liquid market for existing investors

Part II: The Return to In-Person Training | 4-Wall Unit Economics

US HVLP Concepts

US HIIT Concepts

US Specialty Concepts

	Average	Firm A	Firm B	Firm C	Firm D	Firm E	Average	Firm A	Firm B	Firm C	Firm D	Average	Firm A	Firm B	Firm C
Currency	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
AUV (k)	1,412	1,630	2,530	1,600	998	300	720	826	480	355	1,190	1,147	1,110	500	1,836
4-Wall (k)	426	570	980	650	170	120	247	444	36	105	460	260	370	140	275
% Margin	30%	35%	39%	41%	17%	40%	31%	54%	8%	30%	39%	25%	33%	28%	15%
Capex (k)	2,250	1,220	2,400	1,900	1,681	340	554	456	100	315	1,200	1,004	830	350	1,832
Cash-on-Cash Return	21%	21%	35%	16%	10%	22%	48%	98%	36%	34%	38%	33%	45%	40%	15%

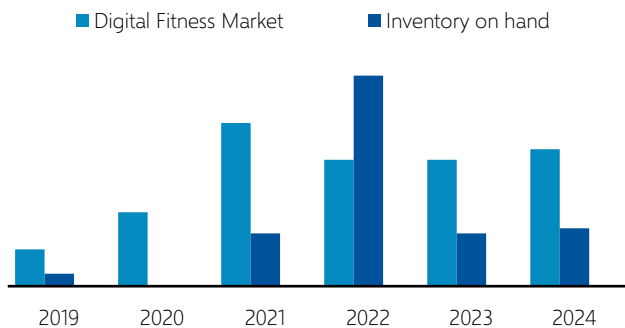
European HVLP Concepts

US Full Service Concepts

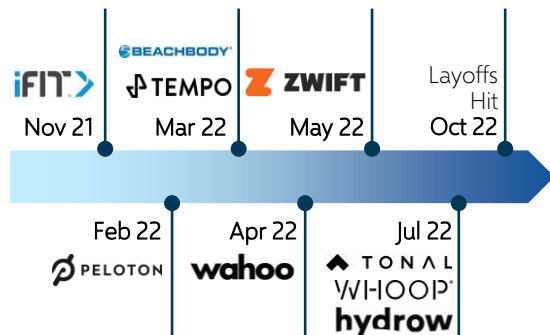
	Average	Firm A	Firm B	Firm C	Firm D	Firm E	Firm F	Firm G	Firm H	Firm I	Firm J	Average	Firm A	Firm B
Currency	USD	EUR	EUR	CHF	EUR	EUR	EUR	EUR	GBP	EUR	GBP	USD	USD	USD
AUV (k)	1,073	960	1,280	1,000	1,000	850	900	900	1,000	2,000	970	6,626	11,253	2,000
4-Wall (k)	410	300	430	400	330	430	340	340	440	600	370	29	(918)	976
% Margin	38%	31%	34%	40%	33%	51%	38%	38%	44%	30%	38%	20%	(8%)	49%
Capex (k)	1,134	830	1,200	900	900	1,200	950	1,000	1,400	2,000	1,300	19,750	35,000	4,500
Cash-on-Cash Return	37%	36%	36%	44%	37%	36%	36%	34%	31%	30%	28%	10%	(3%)	22%

Part III: Connected Products are Finding the New 'Level' | The Bullwhip

Illustrative Fitness Market vs Inventory



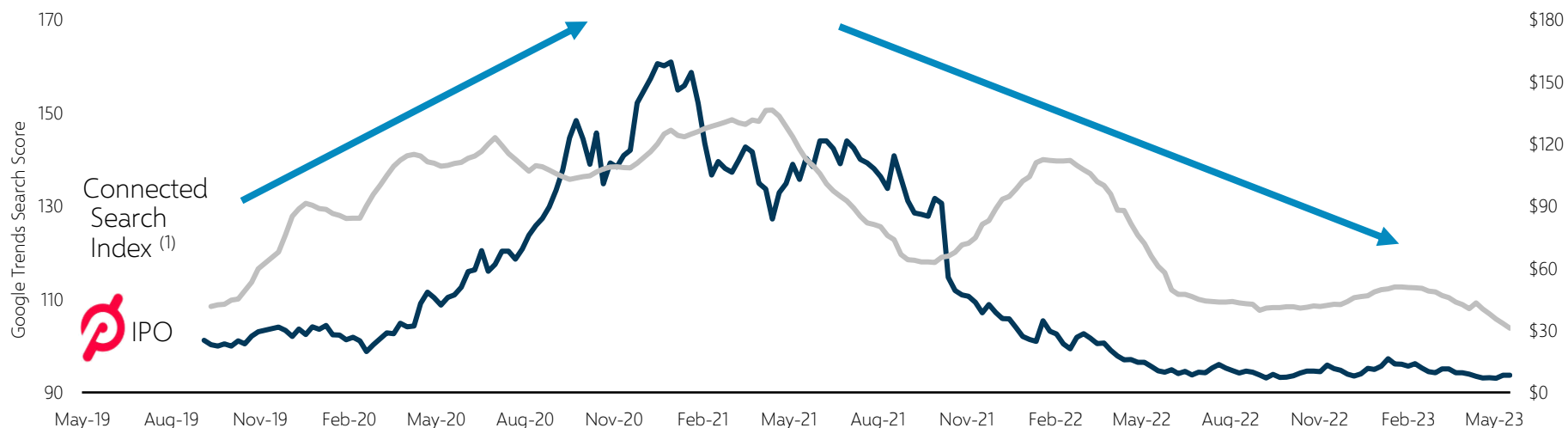
Layoffs Hitting Digital Fitness



Partnerships Moving Inventory



Fitness and Peloton Market Trends

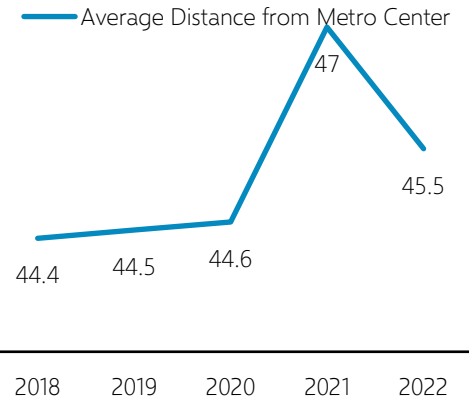


We are bullish on the long-term prospects of connected fitness products; however, the coming quarters will be challenging as the excess inventory manufactured based on bullish predictions hit shelves in Q3 & Q4 2022. In addition, given the era of growth in spite of profitability that yesterday's interest rates enabled, a number of companies are being forced to quickly pivot to conserve cash and restructure organizations.

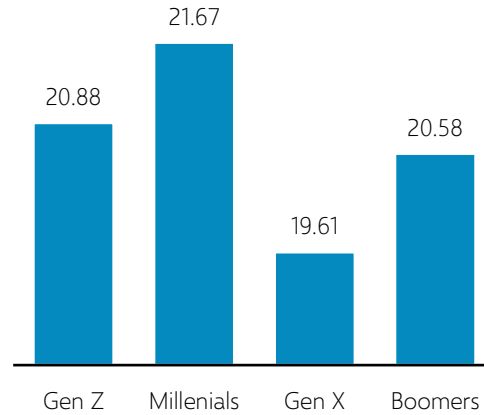
As of October 2022, layoffs hit, almost all connected companies. In addition, companies like Peloton have made major steps to move inventory – inking deals with Amazon and Dick's Sporting Goods.

(1) The Index is 20 day moving average of six search terms in Google Trends: Peloton, Mirror by Lululemon, Halo Amazon, Hydrow Rower, iFit, and Echelon Connect Cycling.
 (2) The Index score was derived through the aggregate score of each of the six search terms, divided by a baseline search score, and then multiplied by 100

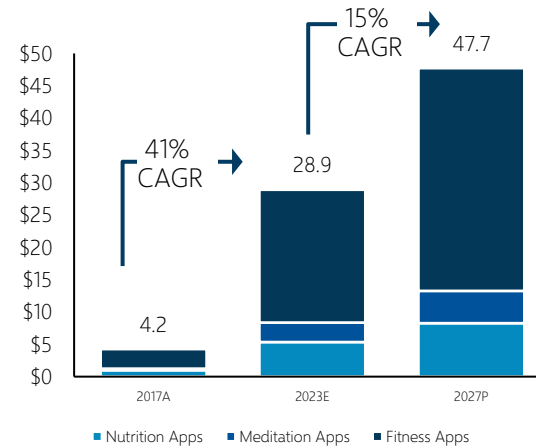
Flight for "More Room"



Youngest Customers Need Flexibility & Prefer Digital



Digital Fitness Market Growth

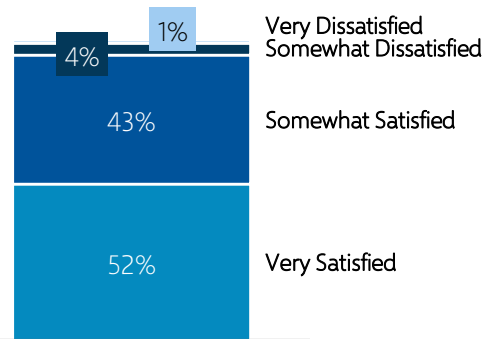


In spite of the noise, we believe companies that are able to weather the storm will certainly find a new level and continue the prior upward trajectory. First, the pandemic has driven a migration out of cities and small apartments to suburbia and into larger homes with more space for home gyms and equipment. Second, the largest population group, millennials, have not only migrated out of cities but are entering their peak earnings and child rearing years (e.g. tough job sneaking out of the house for a work-out with a 1 year old)

Peloton Customer Engagement and Satisfaction Remain Strong Despite Financial Performance

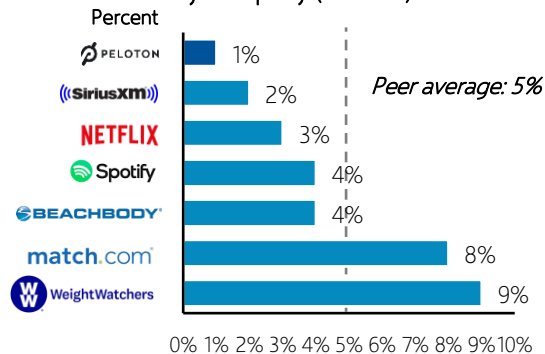
95% of Peloton customers are "Somewhat" or "Very Satisfied"

Peloton subscriber satisfaction (June 22)



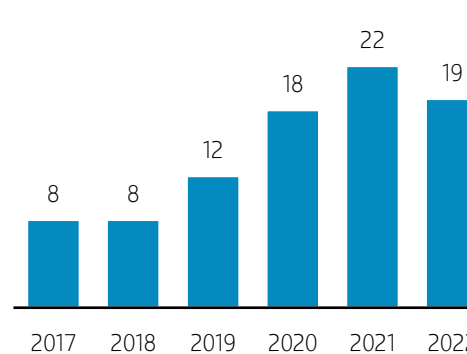
Best-in-class retention

Monthly subscriber churn rate, by company (2021 FY)



Strong engagement despite subscriber growth

Peloton average monthly workouts per Connected Fitness subscriber



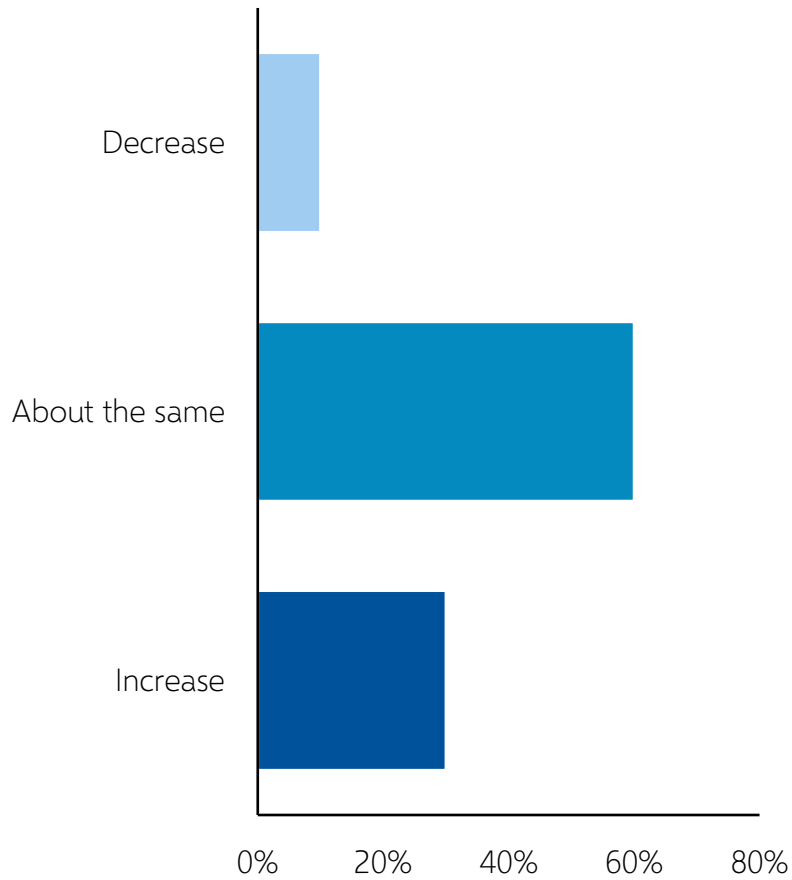
Third, as mentioned in the prior section of the report, consumers are still seeking the hybrid option of working out in-person and at home.

Last, many of the connected companies have acquired or introduced significant technology in the last 24 months to broaden their offerings expanding wellness coverage for their consumers (Peloton/Lanebreak, Wahoo/Sufferfest). We see continued consolidation as the platforms broaden their value for subscription as the benefits of scale increase value for consumers as well as improve the economics for the platform.

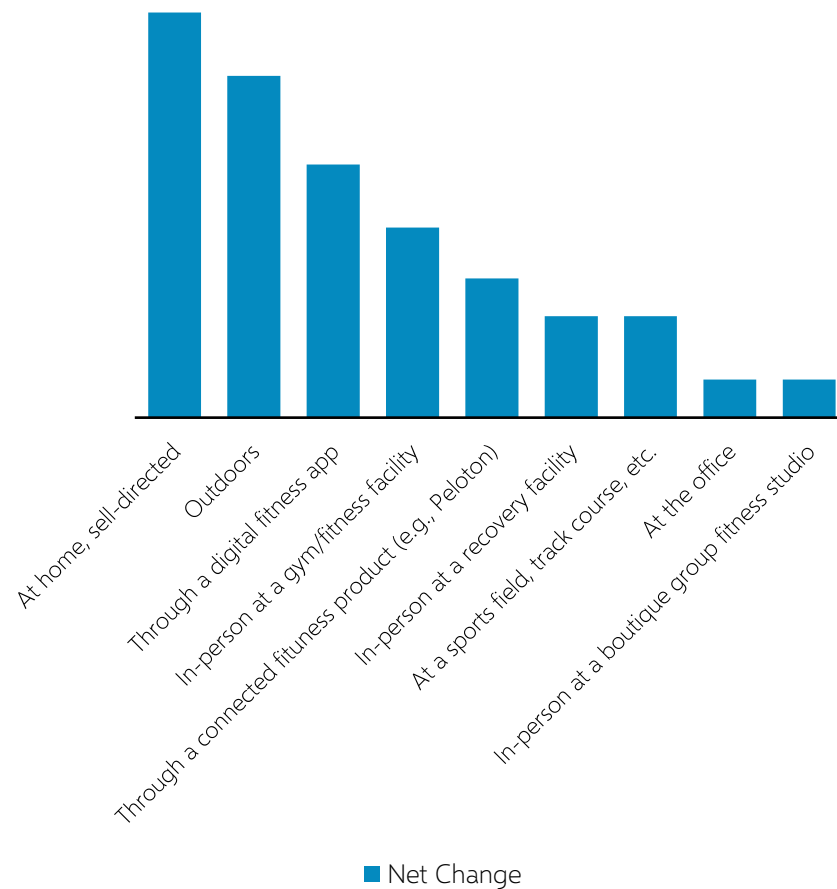
(1) <https://www.businessinsider.com/peloton-former-ceo-john-foley-predicted-1-trillion-company-2022-2>.
 (2) Peloton Case Study: LEK, Company Filings, Evercore, Morgan Stanley.

Part IV: Technology is Driving New Opportunities | Consumers are Rethinking Modalities

Over the next 12 months (as of June 2023), do you plan on changing how much you spend on your fitness and wellness?



In the next 12 months (as of June 2023), do you plan on changing how you work out?



As we exit the pandemic, consumers in general expect to increase frequency of working out in general. Also, when asked, most consumers intend to increase their health and wellness spend over the next 12 months even with lower consumer confidence / recession fears.

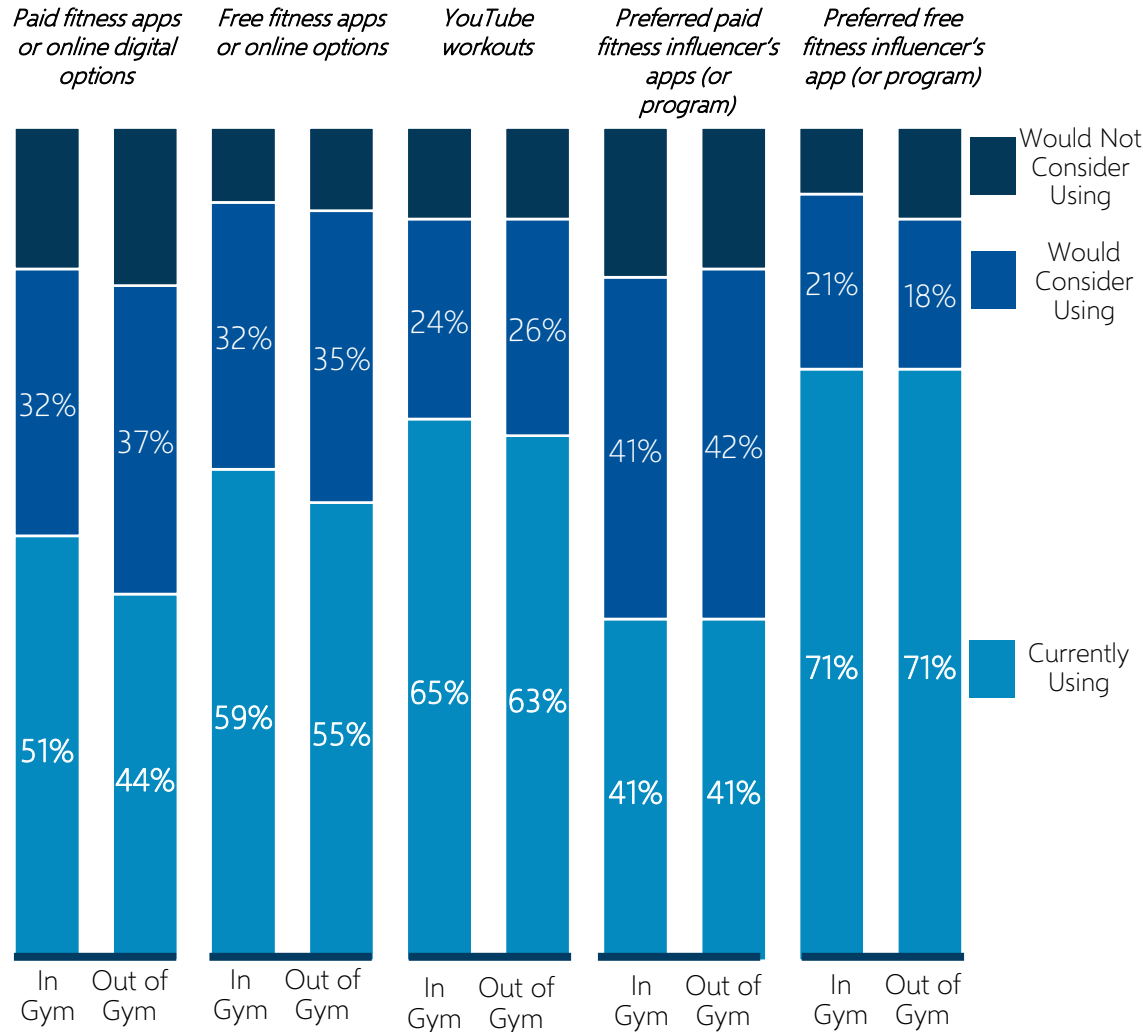
What may be surprising given the headlines regarding inventory issues is the stickiness of working out through connected products and through digital fitness apps. While there has been a reset since lockdowns, it's clear by 2023 that the connected and digital fitness trends are still in their first inning proving COVID as more an acceleration of a long-term trend.

Another interesting trend emerging is that folks are still eyeing the outdoors for their workouts. The outdoor products market is faced with similar bullwhip headlines as the connected fitness market but consumers are still participating in higher than pre-pandemic rates.

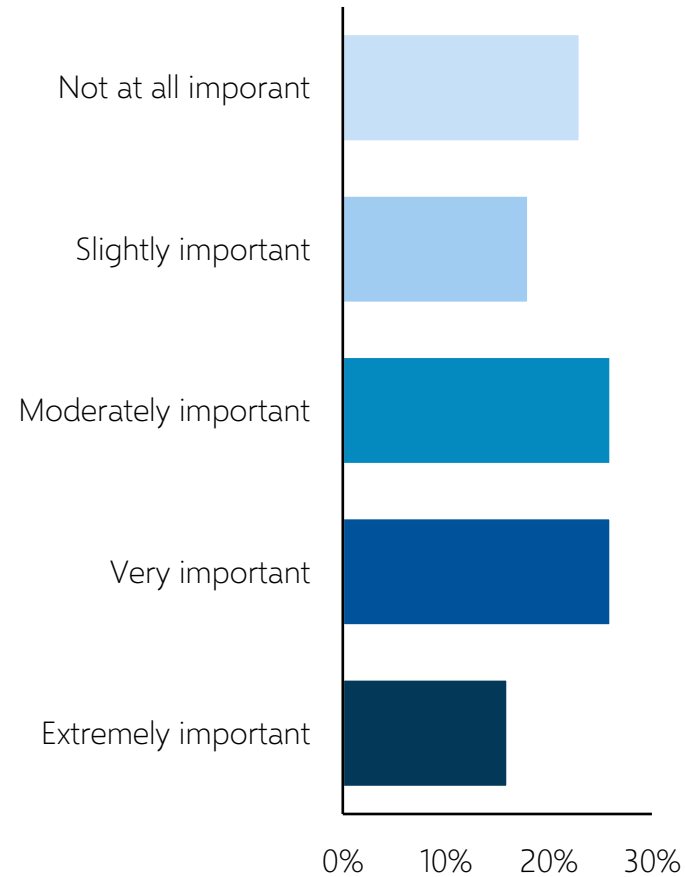
Part IV: Technology is Driving New Opportunities | Consumers are Sharing their Wallet

How willing are you to use apps and digital fitness products in and outside gym workouts?

Les Mills Survey (1)



How important is the flexibility to use a digital fitness app at home AND in the gym?



As consumers increase their spend on health and wellness, many are looking for ways to access work out content while outside and inside the four walls of a gym. An important feature set for digital fitness app providers to consider is the flexibility to use the app at home and in the gym. Many times, this takes the form of offering customized "equipment" features within the workout selections (e.g. do you have access to weights).

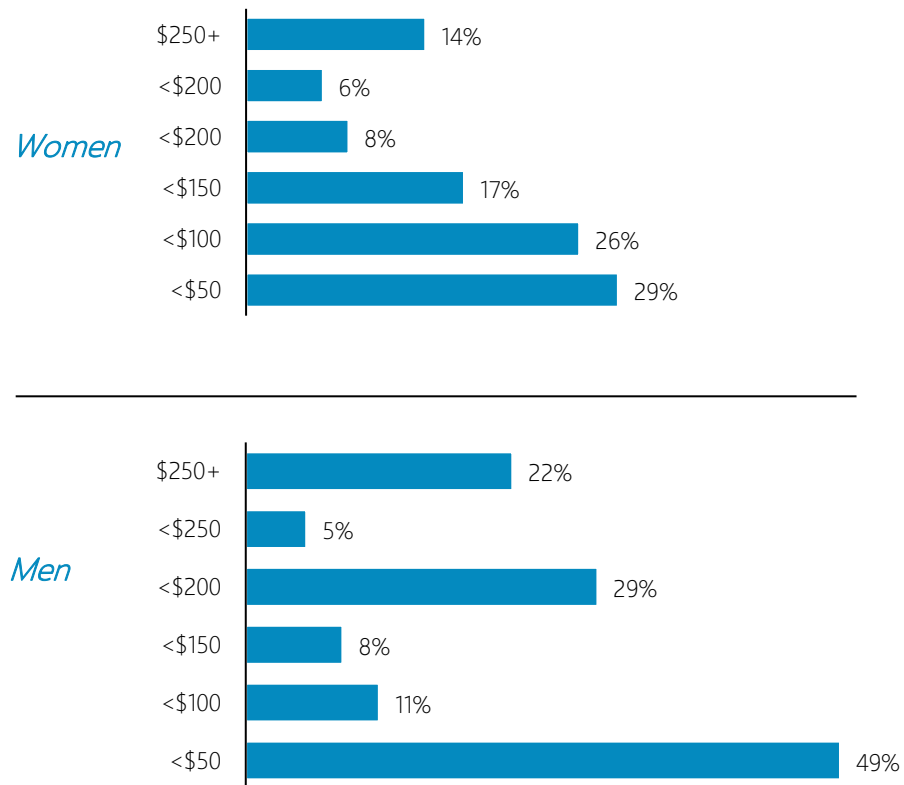
We also believe based on the data, apps that have this functionality will also attract more active / engaged users that are less likely to lapse given in almost all cases when surveyed the percentage of consumers using digital apps in gyms were already using at higher rates.

Part IV: Technology is Driving New Opportunities | Gender and Age Segments Matter

Willingness to pay distributes differently by gender...

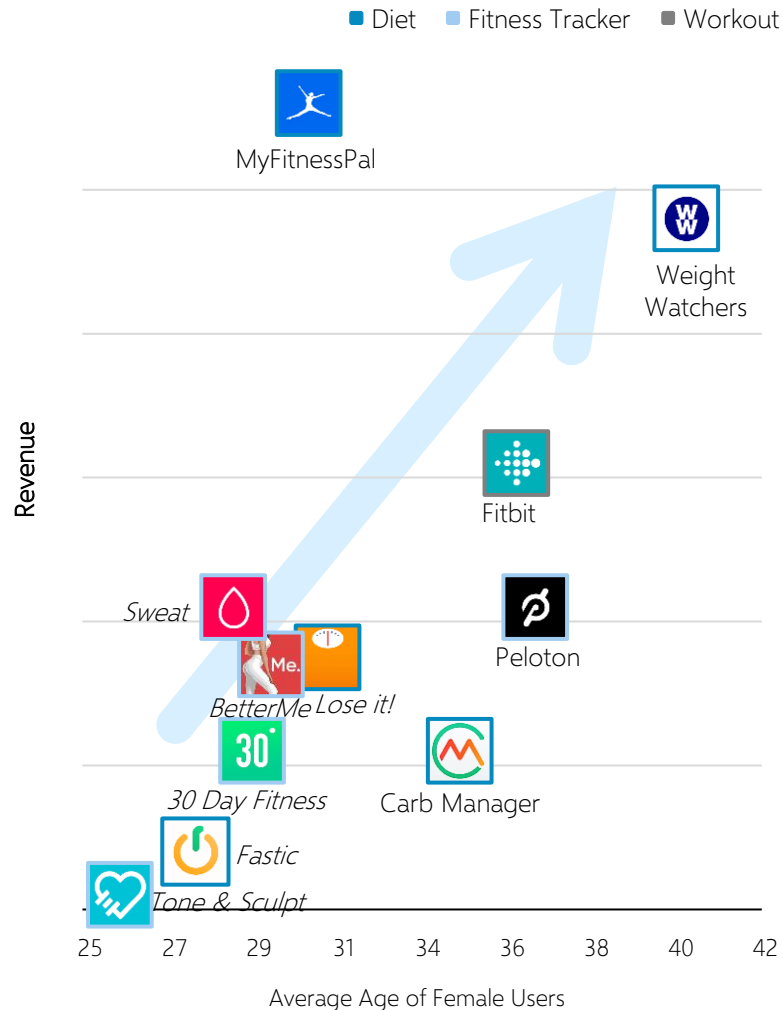
Baird Proprietary Survey (1)

If you subscribed to a digital fitness and wellness app and were very satisfied with your physical results and mental wellness, how much would you be willing to pay per month?



... and especially for older demographics

2020 revenue of top grossing fitness and diet apps vs. average age of female users on iOS

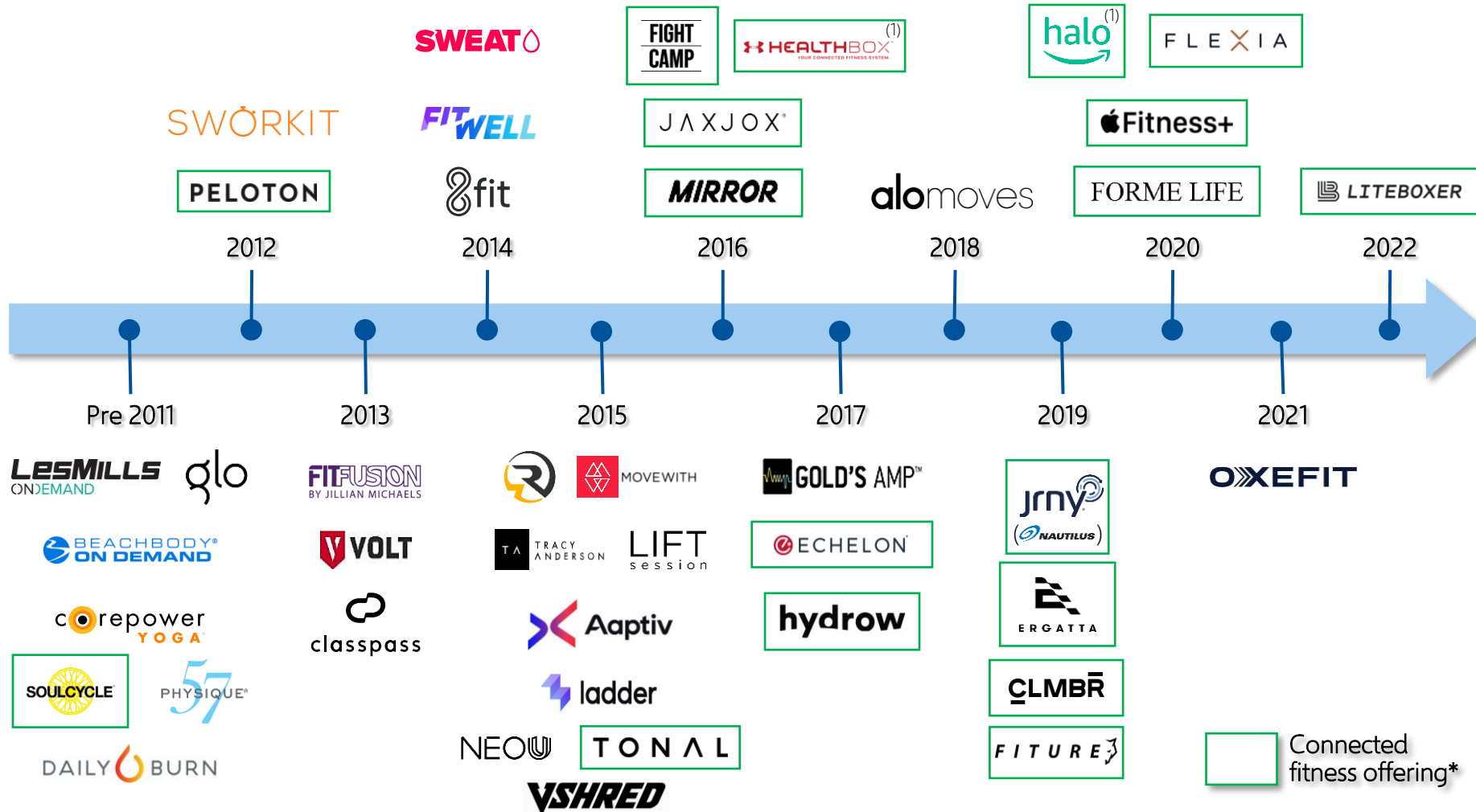


Significant differences emerge when looking at age and demographic trends as well. Men tend to spend significant amounts of money or would rather pay the least possible (e.g. a barbell result) and women's spend tends to be much more evenly distributed.

In addition, apps tend to attract specific demographics. As consolidation continues, we expect some activity to be driven by the ability to acquire (vs. build) a specific and attractive demographic within the industry.

(1) Baird proprietary consumer survey (n=544).
 (2) SensorTower US State of Health and Fitness Apps 2021

Part IV: Technology is Driving New Opportunities | Significant New Entrants in Digital Fitness



Many digital and connected fitness firms have entered the market in the past decade, leading to intense competition in the post-COVID environment.

With all the new entrants, finding a competitive and defensible business model will be critical. Some winners are emerging and we expect continued consolidation 2024+.

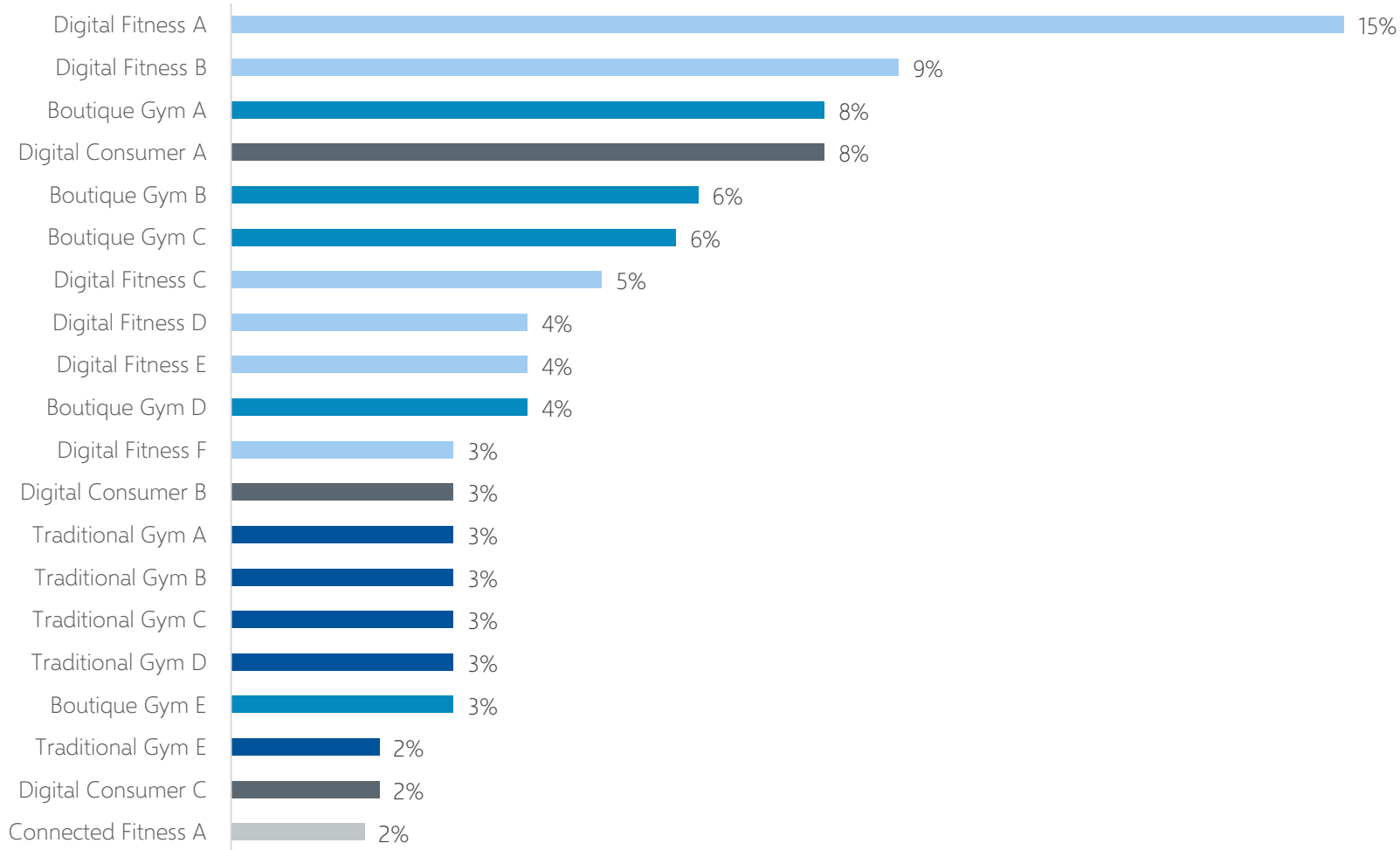
Note: Categorized by funding date; "defined by a "smart" role of hardware, software, and content.

Source: L.E.K. research and analysis.

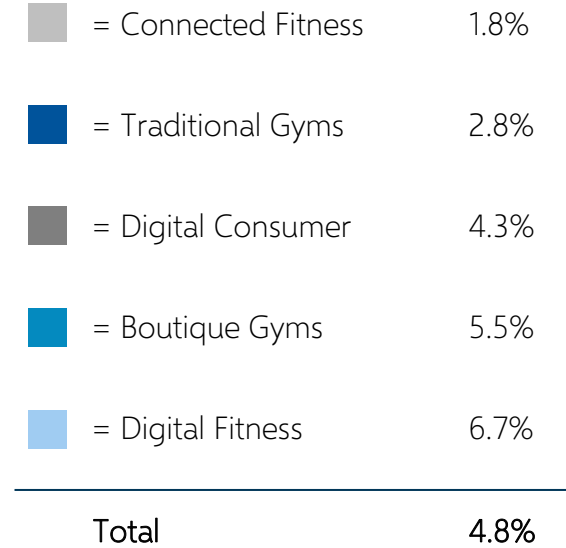
(1) Unsupported: Under Armour Healthcox in 2020 and Amazon halo in 2023.

Part IV: Technology is Driving New Opportunities | Monthly Churn Rates

Monthly Churn Rates by Type

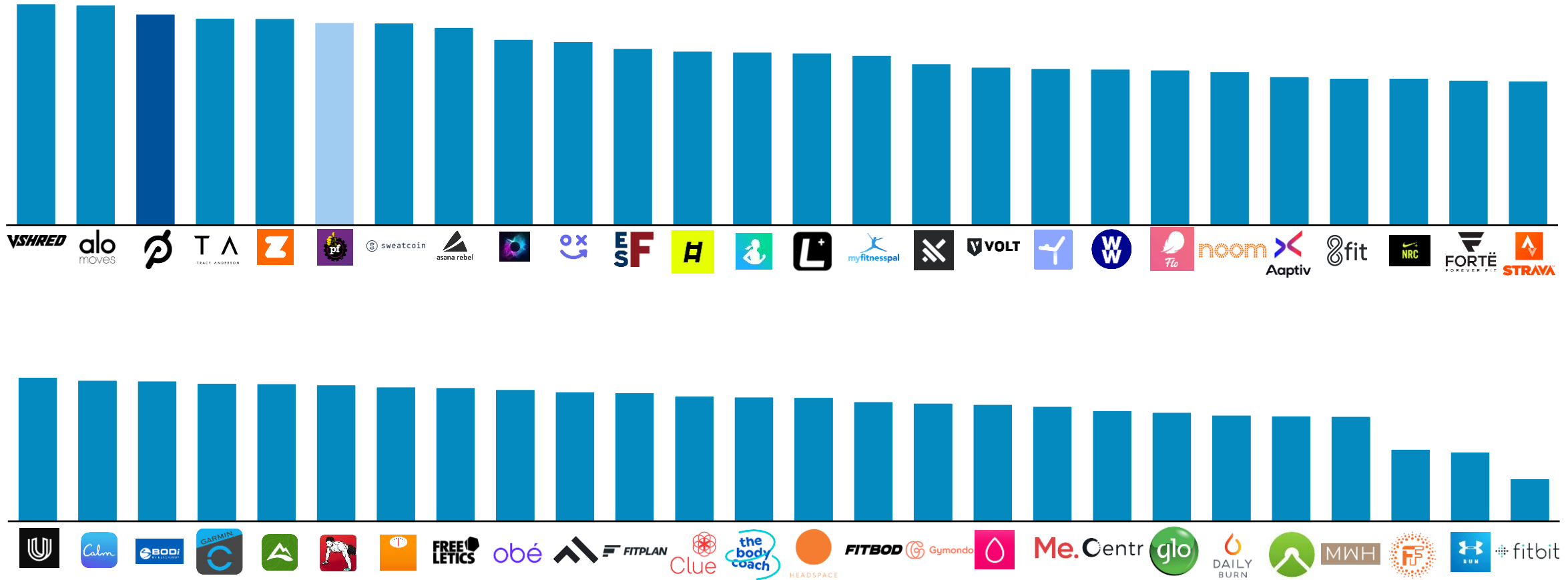


Average Monthly Churn Rates by Type



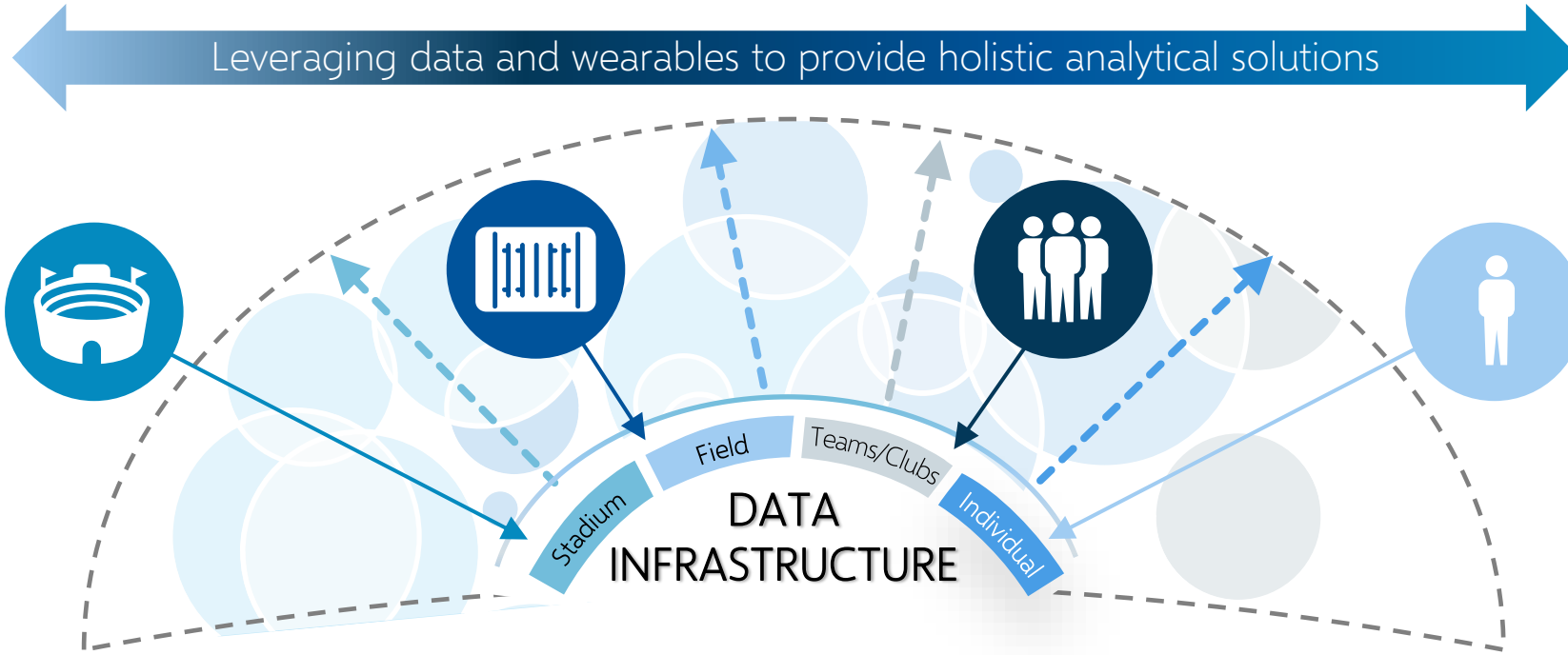
Part V: Technology is Driving New Opportunities | Platforms and NPS ⁽¹⁾

Net Promoter Score



(1) Baird proprietary consumer survey (n=544), NPS calculated as Extremely Likely – Extremely Unlikely when asked “which of the following digital fitness brands would you recommend to friends or family?”

Part V: Emerging Technologies Moving Mainstream | Wide adoption and utility for data and analytics sports



The development of advanced computing capabilities like cloud-based software, big data applications and AI, leagues, teams, broadcasters and sponsors are utilizing data to enhance decision-making, team/player performance and profitability.

Data capture is sourced through myriad of touchpoints from video capture in-stadium/on-field to wireless sensor technologies, RFID tagging and other advanced wearable technology to monitor performance in real-time, allowing for better actionable insights.

Use cases have been deployed across coaching, in-game tactics, player recovery, performance optimization, scouting and player health and safety/injury prevention.

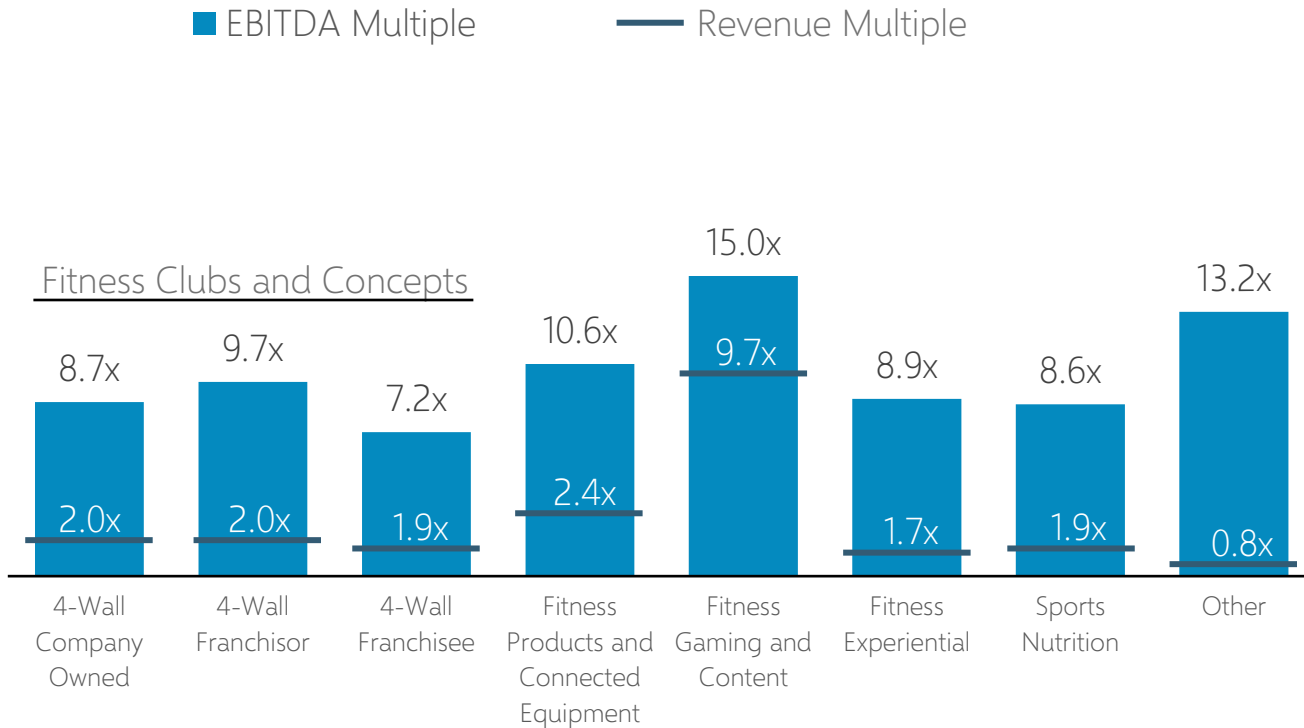
As technology and platforms continue to get "smarter" with the ongoing ingestion of data, customer adoption will not only continue throughout all major leagues/clubs/teams, but also to prosumers/amateur athletes.

Player Performance	Player Health and Safety	Video Analytics / Recruiting
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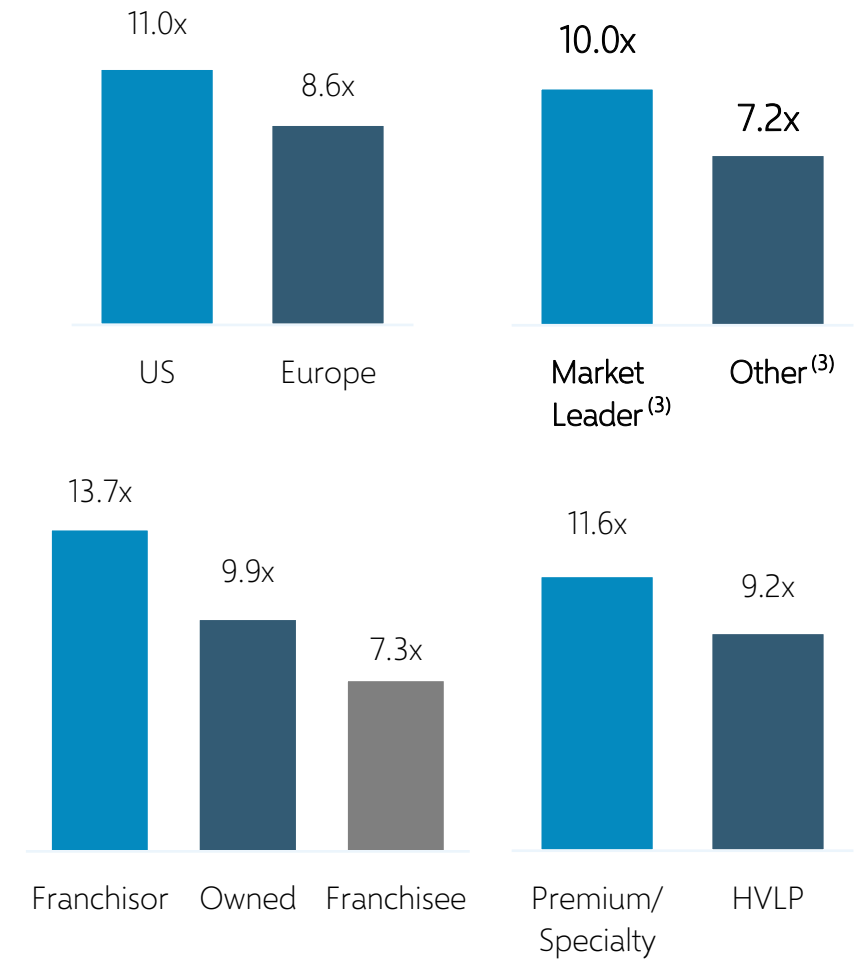
Use Case	Wearable technology leveraged to analyze movement and activity in order to maximize performance and injury prevention	Assessment of player's vitals, contact impact analyses and other attributes to ensure better player health and safety and injury risk management	Video ingestion and analytics around player or game action for performance, scouting and coaching
Notable Companies			

Athletic Lifestyles Transaction Multiples by Sub-Sector

EV / LTM EBITDA
Last ~20 Years Median ⁽¹⁾



EV / LTM EBITDA
Last ~10 Years Average ⁽²⁾

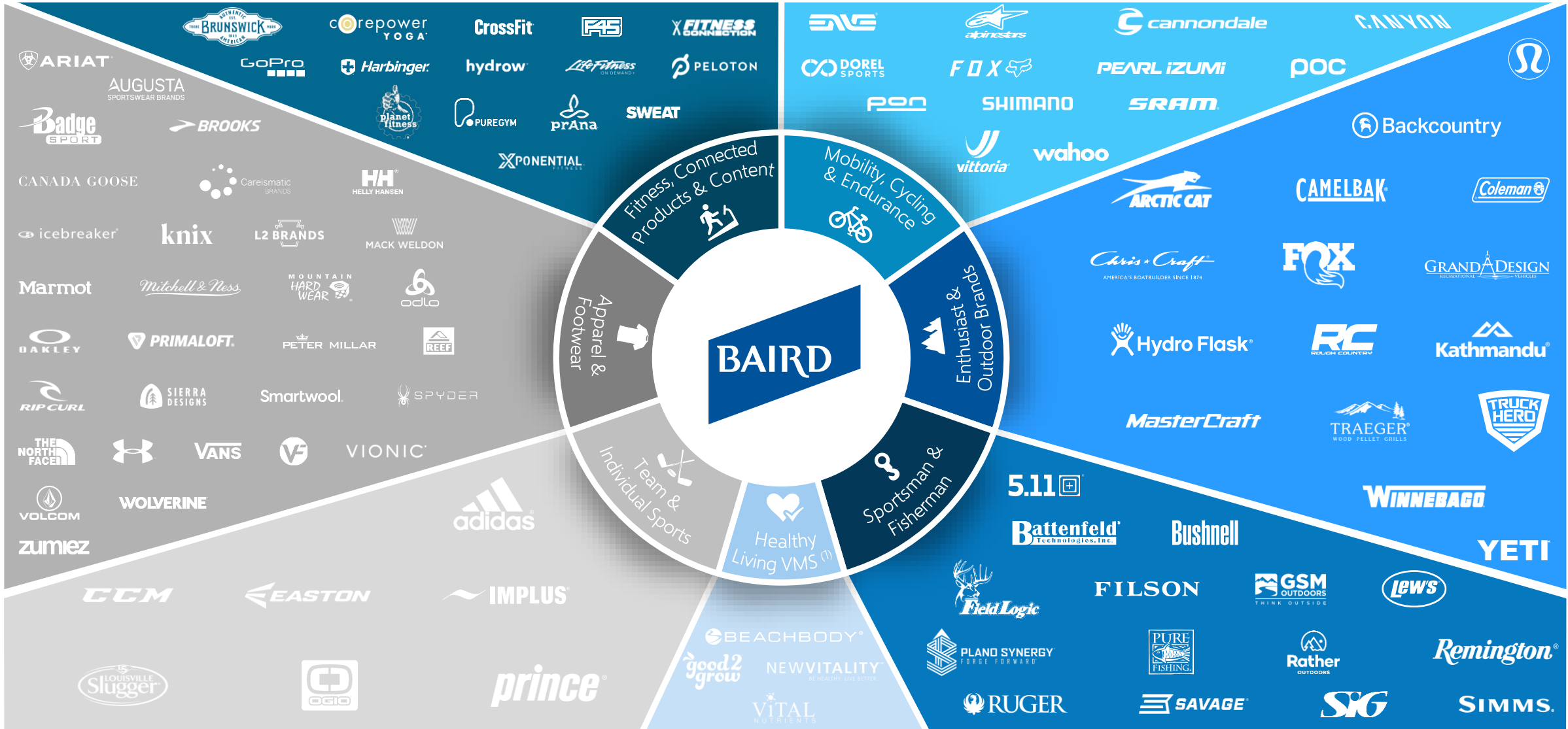


(1) Time Period 12/18/2000 – 2/02/2023. Sourced from CapIQ, Dealogic, Baird Transactions, and Industry Knowledge.
 (2) Time Period 2/01/2012 – 2/01/2023. Sourced from CapIQ, Dealogic, Baird Transactions, and Industry Knowledge.
 (3) European deals only.

Baird's Active Lifestyles & Fitness Practice



We Have Transacted Across All Elements of The Active Lifestyles & Outdoor Market



(1) Vitamins, Minerals, and Supplements
 (2) View all transactions at www.baird.com/transactions

Recent Baird Active Lifestyles & Fitness Success Stories

"Where We Train & Recover in-Person" (Fitness Club and Concepts)

<p>\$349,631,104 Common Stock</p> <p>Initial Public Offering</p>	<p>\$130,848,000 Common Stock</p> <p>Initial Public Offering & Follow On Offerings</p>	<p>Equity Investments</p>	<p>10 Yr. License to</p>	<p>A Portfolio Company of</p> <p>Sale to</p>	<p>\$130,848,000 Common Stock</p> <p>Initial Public Offering & Follow On Offerings</p>	<p>A Portfolio Company of</p> <p>Sale to</p>	<p>Acquisition of</p>	<p>Refinancing</p>	<p>Refinancing</p>	<p>Buyside Advisory</p>	<p>\$207,230,000 Common Stock</p> <p>Initial Public Offering</p>
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"What We Use to Train" (Fitness Equipment and Connected Products)

<p>A Division of</p> <p>A Portfolio Company of</p> <p>Sale to</p>	<p>Equity Investments by</p>	<p>\$1,000,000,000 Convertible Notes</p> <p>Convertible Notes Offering</p>	<p>Equity Investments by</p>	<p>A Portfolio Company of</p> <p>Investment from</p>
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"How We Train Digitally" (Digital Fitness Content and Gaming)

<p>Minority Growth Capital Investment</p> <p>shakelogy</p>	<p>Minority Growth Capital Investment</p>	<p>Merger with</p> <p>mx fitness</p>	<p>Sale to</p>
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"How We Fuel" (Sports Nutrition)

<p>Sale to</p> <p>A Portfolio Company of</p> <p>CHANGE CAPITAL AT WORK</p>	<p>Sale to</p>
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* Denotes transaction of Baird banker while at prior firm.
(1) View all transactions at wbaird.com/transactions

Deep Experience Advising Franchise and Multi-Unit Leaders

<p>A Portfolio Company of RCG Riata Capital Group</p> <p>Sale to Foot Locker</p>	<p>A Portfolio Company of BRS and GOODE</p> <p>Sale to JD</p>	<p>Sale to snipes</p>	<p>A Portfolio Company of WIND RIVER</p> <p>Sale to SYCAMORE PARTNERS</p>	<p>A Portfolio Company of MONOMOY CAPITAL PARTNERS</p> <p>Sale to CATTERTON</p>	<p>A Portfolio Company of LEVINE LEICHTMAN CAPITAL PARTNERS</p> <p>Sale to ROARK CAPITAL GROUP</p>	<p>A Portfolio Company of BIP CAPITAL</p> <p>Sale to LEVINE LEICHTMAN CAPITAL PARTNERS</p>	<p>Strategic Advisory</p>	<p>A Portfolio Company of ROARK CAPITAL GROUP</p> <p>Sale to FS Freeman Spogli & Co.</p>	<p>Equity Investment by ROARK CAPITAL GROUP</p>	<p>A Portfolio Company of ICV PARTNERS</p> <p>Sale to WELLSPRING CAPITAL MANAGEMENT LLC</p>
<p>Sale to WELLSPRING CAPITAL MANAGEMENT LLC</p>	<p>Sale to snipes</p> <p>A Subsidiary of D Coldwell Banker</p>	<p>A Portfolio Company of Sentinel CAPITAL PARTNERS</p> <p>Sale to FRANCHISE GROUP INC.</p>	<p>\$207,230,000 Common Stock</p> <p>Initial Public Offering</p>	<p>\$804,999,998 Common Stock</p> <p>Initial Public Offering</p>	<p>\$466,216,200 Common Stock</p> <p>Initial Public Offering</p>	<p>\$556,842,098 Common Stock</p> <p>Initial Public Offering</p>	<p>\$782,000,000 Common Stock</p> <p>Initial Public Offering</p>	<p>\$993,600,000 Common Stock</p> <p>Initial Public Offering</p>	<p>\$486,200,000 Common Stock</p> <p>Initial Public Offering</p>	<p>\$92,000,004 Common Stock</p> <p>Initial Public Offering</p>

* Denotes transaction of Baird banker while at prior firm.

(1) View all transactions at wbaird.com/transactions

Research Coverage of the Fitness and Active Lifestyles Category

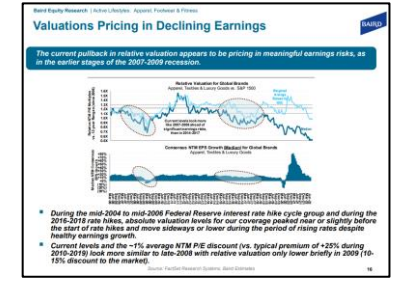
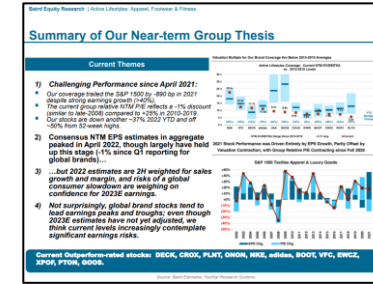
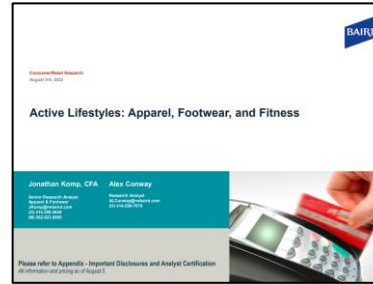
ACTIVE LIFESTYLES RESEARCH TEAM



Jon Komp
Sr. Research Analyst

- 14+ years of experience as a research analyst at Baird
- Previously served as part of the research team covering Restaurants at Baird for seven years
- Jon received a BS from the University of Minnesota and an MBA from the University of Chicago Booth School of Business
- 400+ company notes and industry reports published in the last year

PROPRIETARY RESEARCH



ACTIVE LIFESTYLES COVERAGE

Fitness and Franchised Services



Lifestyle Apparel & Footwear Brands



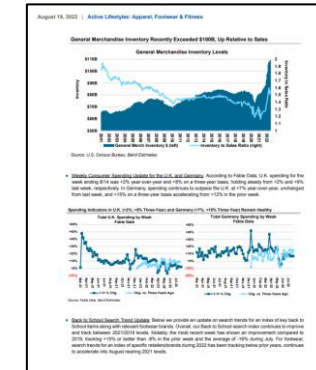
WEEKLY UPDATES AND INDUSTRY NEWS

- Industry backdrop commentary
- Key upcoming events
- Top stock ideas



OTHER PROPRIETARY RESEARCH INSIGHTS

- Consumer/Business Activity Tracker
- Monthly Supply Chain Data from Asia
- Readthroughs and Observations on Retail Sales Data



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John Bastian joined the Consumer Group at Baird in 2014 and has advised on equity offerings, mergers and acquisitions and other financial advisory services. John has advised leading active lifestyle, fitness, mobility and consumer technology focused companies including Beachbody, Careismatic Brands, Dorel Sports (e.g., Cannondale, Schwinn), Enve Wheels, Fox Factory, MasterCraft Boats, New Vitality, POC Sports, Sweat (Kayla Itsines Digital Fitness App), Simms Fishing, Wahoo Fitness, Vital Nutrients, Xponential Fitness and Yeti. Prior to joining Baird, John was a Manager in Grant Thornton's Transaction Services practice where he led M&A Advisory and Financial Due Diligence engagements for private equity and corporate clients. John received a B.S. in finance and a B.S. in accounting from the University of Illinois at Urbana-Champaign. John is a registered Certified Public Accountant. Strava Profile: <http://www.strava.com/athletes/2255045>



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Chris Sciortino has extensive experience advising corporate clients and executing public and private financing and M&A transactions with a focus on the retail, restaurant, multi-unit services and franchise sectors. Select clients include Goddard Schools, Jimmy Jazz, DTLR, WSS, West Marine, Pet Supplies Plus, Petco, Tropical Smoothie Café, Nothing Bundt Cakes, Culver's, Portillo's, Dutch Bros., Batteries + Bulbs, Driven Brands, Boot Barn, Duluth Trading, Wingstop, El Pollo Loco, Zoës Kitchen, Dunkin' Brands, Chuy's, Chipotle, Bad Daddy's and Lucky Strike Entertainment. Mr. Sciortino joined Baird in 2005 and has over 25 years of investment banking experience in the consumer sector. Mr. Sciortino received an MBA from Washington University in St. Louis and a BS in Accounting from Indiana University.



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Robert Foster is a Managing Director on Baird's Global Consumer Investment Banking team. Based in London, Robert leads Baird's European Consumer Banking coverage. He joined Baird in 2021 from Jefferies where he was European Head of Consumer & Retail Investment Banking and led dozens of successful transactions in ecommerce, health & wellness, pet care, home, foodservice, consumer services, retail and luxury goods. He was also a member of Jefferies' Global M&A Review Committee and Global Equity Review and Commitment Committee. Prior to Jefferies, he served as a senior investment banker and EMEA Head of Retail at Morgan Stanley after starting his investment banking career at UBS. Robert received a bachelor's degree with honors from Queen's University in Kingston, Canada and a master's degree from Trinity College in Dublin, Ireland.

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Maria Watts is Co-Head of Baird's Global Consumer Group and a member of Baird's Financial Sponsors Group. She also sits on Baird's Investment Banking Management Committee and M&A Fairness Opinion Committee. Since joining Baird in 2009, Maria has executed numerous mergers, acquisitions and public offerings on behalf of companies and private equity clients across consumer and other sectors. She began her career as an investment banking analyst at Stephens Inc. Maria received her MBA from the Kellogg School of Management at Northwestern University and graduated cum laude from Centenary College of Louisiana with a bachelor of science degree.

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