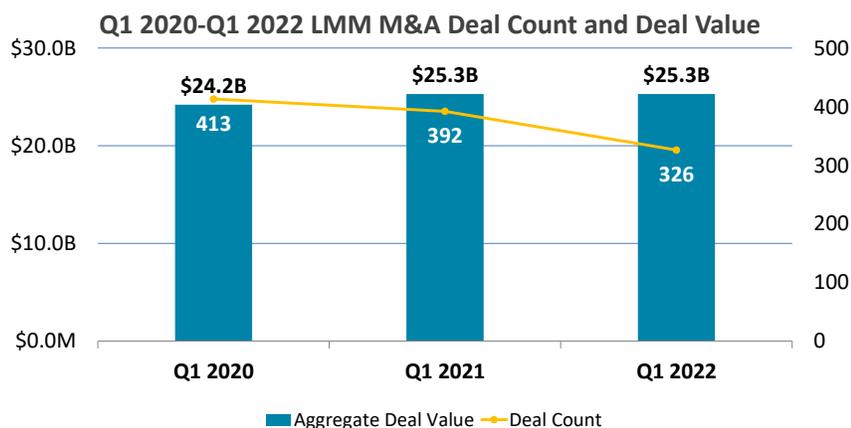


Welcome to our Spring 2022 edition of M&A and Capital Markets Insights for fitness, health, and wellness (“FHW”) companies. Included in this report are an overview of lower middle-market (“LMM”) M&A activity; key U.S. economic indicators; notable Q1 2022 FHW transactions; recent FHW industry observations; select FHW M&A and financing transactions; and FHW public company statistics.

Lower Middle-Market M&A Overview

In Q1 2022, transaction volume declined compared to the prior two years, however, total deal value across the LMM remained at 2021 levels. Dealmakers still found growth opportunities despite market uncertainty stemming from Russia’s invasion of Ukraine, accelerating inflation, and increasing interest rates.

Deal activity is expected to remain at robust levels because of private equity’s appetite for add-on acquisitions, the abundance of capital, and the pressure to adopt new technologies across all industries. However, financial market volatility, macroeconomic headwinds tied to inflation, potential tax increases, and interest rate hikes throughout the year could affect buyers’ ability to pay top dollar, placing more importance on M&A value creation.



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

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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.

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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

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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

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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



Advisor to Seller

GILDA
FO
MAX
FITNESS

has been acquired by

Best Form
Industries

Advisor to Seller

 **Paradigm**
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



Advisor to Seller

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FRONTLINE MEDICAL PRODUCTS™
2000 Commercial Drive, Suite 200
Hoboken, NJ 07030

VALUATION

Advisor to Company

audacity

has been acquired by



Advisor to Seller

 **AXIOM**
MOBILE IMAGING

has been acquired by



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



U.S. Economic Overview

U.S. markets have slipped towards correction territory as the war in Ukraine adds to existing supply chain and inflation problems. Even though a slowing pandemic led to falling unemployment and increased consumer confidence, market volatility has increased due to Federal Reserve interest rate hikes and high inflation. U.S. stock indexes suffered the biggest quarterly losses since the beginning of the pandemic. As we enter Q2, here are some key economic indicators to consider.

- **Russian invasion of Ukraine causes surging commodity prices and market uncertainty** — In Q1 2022, the price of crude oil rose by 32% and reached a peak of \$129.44 per barrel after the U.S. sanctioned Russian oil and gas suppliers. In addition, war disruptions combined with supply chain issues have increased food prices and could cause a global food shortage. Uncertainty about the duration of the war has heavily contributed to market volatility and inflation in these key sectors.
- **The Conference Board forecasts optimistic growth for the remainder of 2022** — The Conference Board forecasts that U.S. Real GDP growth will slow to 1.5% (quarter-over-quarter, annualized rate) in Q1 2022, vs. 6.9% growth in Q4 2021. Annual growth in 2022 is forecasted at 3.0% (year-over-year). Looking further ahead, the Conference Board forecasts that the U.S. economy will grow by 2.2% (year-over-year) in 2023.
- **All three major U.S. stock indexes suffer the biggest quarterly drop in two years** — In Q1 2022, the S&P 500 fell 4.9%, the Dow lost 4.6% and the Nasdaq declined 9.1%. Concerns revolving around the ongoing conflict in Ukraine and its inflationary effect on prices, the Federal Reserve's interest rate hikes, and market uncertainty contributed to this decline.
- **The unemployment rate dropped to 3.6% in March, below consensus expectations** — According to the U.S. Bureau of Labor Statistics, the U.S. economy added 431,000 nonfarm payroll jobs in March 2022, as the unemployment rate dropped to 3.6% and fell continually throughout Q1. Notable job gains continued in leisure and hospitality, professional and business services, retail trade, and manufacturing. Also, job gains in January and February were revised upward by a total of 95,000.
- **Consumer Confidence Index increased slightly in March** — The Consumer Confidence Index, as reported by the Conference Board, ended March at 107.2, a slight increase from 105.7 in February. “Nevertheless, consumer confidence continues to be supported by strong employment growth and thus has been holding up remarkably well despite geopolitical uncertainties,” said Lynn Franco, Senior Director at the Conference Board.
- **U.S. inflation rate accelerates led by soaring gas prices** — The surge in gas prices boosted annual inflation to 8.5%, the highest in 40 years. However, many economic analysts predict this is probably the peak and likely to end the year at a high of 5.5% with expectations that inflation will ease as oil prices come off of their highs as the Federal Reserve continues to raise interest rates.

Q1 2022 — Notable Fitness, Health, & Wellness Transactions

Authentic Brands Group Acquires Reebok for \$2.5 Billion

In March, Authentic Brands Group (ABG) completed the acquisition of Reebok International Ltd. from adidas AG (XTRA:ADS) for \$2.5 billion, with the majority of the consideration paid in cash at closing. This is ABG's largest acquisition since its founding in 2010, and adds Reebok to a portfolio already containing Nautica, *Sports Illustrated*, and Prince, among others. Short term plans include creating the Reebok Design Group in partnership with the ABG-owned SPARC group to design, develop, and innovate footwear and apparel through ABG's operating model. "Through ABG's operating model, Reebok will have the ability to evolve and embrace its iconic creativity, quality and innovation. It's time to let Reebok be Reebok," said Jamie Salter, Founder, Chairman and CEO of ABG.



Fanatics Raises \$1.5 Billion at a \$27 Billion Valuation

In March, Fanatics, Inc. secured funding that pushed its valuation to \$27 billion led by a \$320 million investment from the National Football League, Inc. Notable participation from existing investors also included Major League Baseball Enterprises, Inc., National Football League Players Association, Major League Baseball Players Association, National Hockey League LP, Fidelity Management and Research Co., BlackRock, Inc., and MSD Capital LP. Fanatics plans to use the latest round of funding to expand beyond its core business of providing merchandise and memorabilia for major league sports teams into trading cards and nonfungible tokens ("NFTs"). The fresh interest and investment and the alignment with the leagues and players associations is all part of Fanatics' goal of becoming a "global digital sports platform," the company said.



Planet Fitness (NYSE: PLNT) Acquires Sunshine Fitness for \$800 Million

In February, Planet Fitness, Inc. completed the acquisition of Sunshine Fitness Growth Holdings, LLC from TSG Consumer Partners, LP for \$800 million, including \$425 million in cash consideration and \$375 million in combined Class A and Class B common stock of Planet Fitness. Planet Fitness will add 114 stores operated by Sunshine Fitness in the southeastern U.S., taking its total to more than 200 corporate stores, or about 10% of its total system. According to Planet Fitness CEO, Chris Rondeau, owning more stores and increasing geographic diversity gives "both relevancy and credibility when making decisions that impact the entire system." The deal comes as Planet Fitness exceeded member and new store growth in 2021.



iFit Health and Fitness Withdraws its Planned \$650 Million IPO

In April, iFit Health and Fitness Inc. (iFit), formerly known as ICON Health & Fitness, withdrew its plans for an IPO which the company had already postponed last October. iFit's industry-leading brands – NordicTrack®, ProForm® and Freemotion® – are powered by the iFit integrated health and fitness platform, which seamlessly connects the company's proprietary software, experiential content and interactive hardware. The Company planned to raise \$650 million and establish an initial market cap of \$6.6 billion to rival Peloton. The withdrawal of the filing comes in the midst of a \$300 million lawsuit by an investor in January, a \$355 million capital raise in February at valuation trimmed 60% to \$3 billion, and business challenges and stock market woes faced by competitors Peloton (Nasdaq: PTON) and Beachbody (NYSE: BODY).



FITNESS & SPORTING PRODUCTS

Fitness Equipment

Industry Observations

- According to the Sports and Fitness Industry Association (SFIA) total exercise equipment sales, including home and commercial, jumped 42% from pre-pandemic levels to \$7.9 billion in 2021, with four consumer equipment categories – home gyms, exercise cycles, free weights, and exercise benches – experiencing over 100% growth since 2019.
 - Home exercise equipment sales reached \$6.4 billion, up 15% on a year-over-year basis and 61% on a two-year basis. The most significant gains on a two-year basis came in free weights, up 140%, followed by exercise cycles, 113%, exercise benches, 103%, home gyms, 111%, treadmills, 64%, and rowing machines, 61%.
 - Commercial exercise equipment sales showed some recovery in 2021 as people continue to return to gyms and fitness studios, up 12% year-over-year to \$1.46 billion but were still down 7% from pre-pandemic 2019 levels.
- The “new normal” in the at-home fitness industry is a more predictable baseline of consumer demand that remains above pre-pandemic levels.
 - According to one fitness company CEO - "Actually, the pandemic is going to continue to accelerate demand because nobody is going back to the office five days a week. It's the same for fitness."
 - According to **Hydrow** CEO, Bruce Smith, there is still massive room for growth, in spite of the headwinds that **Peloton** and the industry are facing. He said the overall penetration in connected fitness relative to the total addressable market remains under 10% today.
- Many home fitness equipment companies are experiencing a “hangover” after experiencing rapid COVID-related accelerated growth due to gym closures. These companies are now being forced to control costs – slashing thousands of jobs.
 - **iFit** went through a round of layoffs in December and a second one in February, affecting an undisclosed number of employees. The February layoffs were necessary due to supply chain issues and escalating costs, including costs of manufacturing and development, according to the company.
 - **Peloton** recently announced a restructuring plan that is expected to achieve \$800 million in annual run-rate cost savings.
- Fitness equipment companies continue to incorporate digital offerings into their product lines to keep up with consumer preferences and demand.
 - We are seeing more partnerships to provide original digital fitness content for fitness equipment providers. Recently, **Xponential Fitness** announced it is teaming with **Lululemon** to create digital fitness programming for its MIRROR product.
- Connected fitness equipment companies strive to augment their subscription bases as digital subscription revenue represents a growing and significant part of their revenue stream.
 - **Nautilus** expects its JRNY® digital fitness memberships to cross 300,000 by fiscal year-end.
 - **Hydrow** boasts over 200,000 users of its connected rowing machines
 - **Lululemon’s MIRROR** claims over 600,000 subscribers

FITNESS & SPORTING PRODUCTS (cont'd)

Fitness Apparel and Footwear

Industry Observations

- After seeing a slight decline in 2020 amid the stay-at-home economy, athletic apparel grew 27% in 2021 to \$25.6 billion. On a two-year stack basis, athletic apparel sales were up 25%.
 - Fleece/sweats remained the standout apparel category, up 60% on a year-over-year basis and 83% on a two-year basis, as many called sweatpants the pandemic's wardrobe.
- Athletic footwear, also recovering from a near mid-single-digit decline in 2020, totaled \$19.9 billion in sales in 2021, up 20% to 2020 and 16% to 2019. The gains were led by fitness/workout, up 43% year-over-year and 64% to 2019. Walking was up 28% in 2020 and 33% in 2019. Running footwear sales surged 33% after a drop in 2020 and are now ahead 18% versus 2019.

Sporting Goods

Industry Observations

- Total sports equipment sales grew 10% year-over-year in 2021 to \$30.8 billion and have been up 17% since 2019.
 - According to SFIA's 2022 Manufacturers Sales by Category Report, golf led the gains among sports equipment categories, followed in the Top 5 by camping, snow sports, tennis, and basketball.
- Recent external pressures including recent COVID-related shutdowns in China, geopolitical unrest, escalating inflationary pressures on both businesses and consumers, as well as ongoing supply chain disruptions continue to impact sporting goods and apparel companies.
- Despite these external pressures, many sporting goods and apparel CEOs are seeing strong consumer demand.
 - Demand for outdoor recreation products continues to be strong; managing ongoing supply chain challenges and uncertainties associated with the pandemic remain our focus in the near term as we work hard to fill demand," said Helen Johnson-Leipold, Chairman and Chief Executive Officer of **Johnson Outdoors**
- Companies are adopting several measures to mitigate supply chain disruptions including onshoring; bolstering in-house manufacturing capabilities; and maintaining higher than normal inventory levels.
- Companies are raising prices to keep pace with inflation where price demand elasticity allows.

FITNESS & SPORTING GOODS: SELECT M&A TRANSACTIONS (Q1 2022)

Deal Date	Target	Acquirer	Enterprise Value (\$M)	EV/LTM Rev.	EV/LTM EBITDA
02/28/22			\$2,380.0	N/A	N/A
01/24/22			1,770.0	1.1x	12.0x
01/05/22			N/A	N/A	N/A
01/04/22			810.0	N/A	N/A

FITNESS & SPORTING PRODUCTS (cont'd)

FITNESS & SPORTING GOODS: SELECT FINANCING TRANSACTIONS (Q1 2022)

Deal Date	Company	Investor(s)	Amount (\$M)	Deal Type
03/21/22	 Miim	 IDG Capital 红杉资本	\$100.0	Series A
03/02/22	 Fanatics	 BlackRock  MSD Capital LP	1,500	PE Growth
03/01/22	 ERGATTA	 HBS E VENTURES	N/A	Early Stage VC
02/25/22	 STARTER	 红杉资本  M CAPITAL	40.0	Later Stage VC

ORGANIC & NATURAL FOODS

Industry Observations

- Sales growth of natural and organic products have slowed from early pandemic levels and are expected to drop to less than 4% in 2023 before climbing again slowly to about 5% in 2024 according to an analysis by New Hope's Nutrition Business Journal.
 - Despite this slow down, industry sales are coming off a stronger base compared to pre-pandemic levels and set to surpass \$300 billion by 2024 and \$400 billion by 2030 – up from the 8% increase in 2021 to \$274 billion.
 - Some of this growth represents higher prices to offset rising inflation, rather than increased demand.
- We are seeing the following trends in the natural and organic food industry:
 - The continued popularity and growth of plant-based products as it transforms the food industry. One of the industry leaders in this sector, **Impossible Foods**, has raised over \$2 billion to date to expand in the U.S. and internationally.
 - Sustainable livestock – the products of high welfare, pasture-raised livestock, that are produced by farmers using eco-restorative methods (i.e., helps build soil and sequester carbon, mitigating the effects of greenhouse gas).
 - Sustainable cultured meat – meat produced by applying current cell culture practices and biomanufacturing methods and utilizing mammalian cell lines and cell and gene therapy products to generate tissue or nutritional proteins for human consumption. Recently, cultured meat startup, **Upside Foods**, raised \$400 million to commercialize cultivated meat at scale.
 - Net food zero – Since more than one-third of greenhouse gases come from food production, many food companies are seeking ways to reduce their carbon footprint, including packaging innovation, regenerative agricultural practices, automation, renewable energy and transportation efficiency.

ORGANIC & NATURAL FOODS (cont'd)

- Food-as-medicine - The food-as-medicine movement has been around for decades, but it's making inroads as physicians and medical institutions make food a formal part of treatment, rather than relying solely on medications. This movement was further accelerated by the COVID pandemic as many people sought ways to include immune boosting food into their diets to reduce the risk of infection. Startup **Season Health** recently raised \$59 million to scale up its food-as-medicine platform.
- Fair trade food - Intended to prevent wealthy corporations from disenfranchising poor workers who depend on international interest in regional cash crops for financial prosperity, the "fair trade" certification label is granted by an agency tasked with ensuring that farmers and producers, particularly in developing countries, are fairly compensated for their goods when selling to distributors.

NATURAL & ORGANIC FOODS: SELECT M&A TRANSACTIONS (Q1 2022)

Deal Date	Target	Acquirer	Enterprise Value (\$M)	EV/LTM Rev.	EV/LTM EBITDA
03/11/22			N/A	N/A	N/A
02/02/22			N/A	N/A	N/A
01/07/22			\$7.0	N/A	N/A
01/04/22			6.3	N/A	N/A

NATURAL & ORGANIC FOODS: SELECT FINANCING TRANSACTIONS (Q1 2022)

Deal Date	Company	Investor(s)	Amount (\$M)	Deal Type
03/22/22		 	\$59.1	Series A
03/11/22			17.1	Series A
03/09/22			52.0	Series D
01/31/22			50.0	Series B



NUTRITIONAL SUPPLEMENTS & FUNCTIONAL BEVERAGES

Vitamins & Nutritional Supplements

Industry Observations

- 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.
- Top-line growth industry-wide has been negatively impacted by intensifying global supply chain issues, rampant inflation and the war in the Ukraine. 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 a 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

Industry Observations

- 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.
- 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%)
 - Energy-boosting (26%)
 - Calming/relaxing (25%)

NUTRITIONAL SUPPLEMENTS & FUNCTIONAL BEVERAGES (cont'd)

- Immunity (23%)
- Digestive aid (22%)

NUTRITIONAL SUPP. & FUNCTIONAL BEVERAGES: SELECT M&A TRANSACTIONS (Q1 2022)

Deal Date	Target	Acquirer	Enterprise Value (\$M)	EV/LTM Rev.	EV/LTM EBITDA
03/17/22			N/A	N/A	N/A
03/07/22			N/A	N/A	N/A
03/03/22		LaCore Enterprises	N/A	N/A	N/A
01/13/22			N/A	N/A	N/A

NUTRITIONAL SUPP. & FUNCTIONAL BEVERAGES: SELECT FINANCING TRANSACTIONS (Q1 2022)

Deal Date	Company	Investor(s)	Amount (\$M)	Deal Type
03/14/22			\$30.0	PE Growth
03/01/22			13.0	Series A
02/24/22			7.0	PE Growth
02/16/22			8.1	Seed

FITNESS & SPORTS TECHNOLOGY

Fitness & Sports Apps

Industry Observations

- The fitness app market is estimated to be a \$1.3 billion market in 2022 according to Apptopia. The fastest growing fitness app segment is digital fitness, streaming platforms providing online fitness classes, coaching and training. Online coaching platform, **Future**, raised \$70 million in Q1 2022 at a \$275 million valuation.
- Top 5 Fitness Apps by Revenue (2020) as reported by Apptopia:
 - **MyFitnessPal** (\$43 million)
 - **Strava** (\$34 million)
 - **Sweat** (\$25 million)
 - **Fitbit** (\$21 million)
 - **Workouts by Muscle Booster** (\$20 million)
- Fitness app trends:
 - The expanding network of fitness studios and gyms utilizing digital fitness platforms is further aiding adoption and growth.
 - Digital fitness apps are utilizing machine learning, artificial intelligence, and other technologies to offer personalized fitness plans to their customers.

Wearables and Connected Devices

Industry Observations

- Smartwatches account for the largest segment of fitness wearables market.
- According to Strategy Analytics, **Apple** has 46% of the smartwatch market, **Samsung** has 18% and **Garmin** 7%. The top three brands make up over 70% of the market.
 - **Google** is ramping up its smartwatch capabilities to go head-to-head with **Apple**. Last year **Google** acquired **Fitbit**, and **Fitbit** has said that it intends to eventually build devices that run on **Google's** operating system. In addition, **Google** will soon be releasing its Pixel Watch that will run on Wear OS 3.0, its latest edition of the smartwatch OS.
- Fitness Wearable trends:
 - Smart watches – continued convergence of fitness, health, and wellness.
 - **Google**, which owns **Fitbit**, recently received FDA clearance for passive atrial fibrillation monitoring in late March. This passive feature runs in the background and can now be used on the wider variety of **Fitbit** products listed above — many of which are several years old.
 - We are seeing the incorporation of more health and wellness features in wearable devices—such as the monitoring of sleep, temperature, heart-rate, blood glucose, blood pressure and blood oxygen. **Rockley Photonics**, which provides sensor technology to big consumer and medical-device manufacturers, claims its newest sensor can measure hydration, sugar, alcohol, lactate (reflecting muscle inflammation from exercise) and much more in the blood. The company plans to seek FDA approval for its sensors later this year.

FITNESS & SPORTS TECHNOLOGY (cont'd)

FITNESS & SPORTS TECHNOLOGY: SELECT M&A TRANSACTIONS (Q1 2022)

Deal Date	Target	Acquirer	Enterprise Value (\$M)	EV/LTM Rev.	EV/LTM EBITDA
02/28/22	 Wellbeats	 LIFESPEAK	\$92.5	N/A	N/A
02/02/22	 8fit	 WITHINGS	N/A	N/A	N/A
01/20/22	 Physimax	 DARIO HEALTH	6.0	N/A	N/A
01/13/22	 FITPLAN	 FITLAB	N/A	N/A	N/A

FITNESS & SPORTS TECHNOLOGY: SELECT FINANCING TRANSACTIONS (Q1 2022)

Deal Date	Company	Investor(s)	Amount (\$M)	Deal Type
03/29/22	GoQii	Sumeru Ventures, Mitsui & Co.	\$6.0	Series C
02/15/22	 FITON	 Delta-v Capital	40.0	Series C
02/15/22	Altis	PentaLab	7.0	Seed
02/03/22	 FUTURE	 TRUSTBRIDGE 	75.0	Series C

FITNESS & WELLNESS FACILITIES

Industry Observations

- Gyms and fitness studios continue to rebound and are seeing significant growth as consumers return post-pandemic.
 - **F45** sold over 1,000 franchise licenses in 2021 and opened over 300 franchises. Revenue increased 63% and same store sales in the U.S. increased 42% in 2021. The Company expects to sell over 1,000 new franchises and open over 1,000 new studios in 2022.
 - **Planet Fitness** opened 132 new stores in 2021 and increased revenue by 44% over 2020. The company projects to increase revenue by 50% in 2022.
 - **Xponential Fitness** sold 846 franchise licenses and opened 282 new studios in 2021. For 2022, the company projects 81% growth in new studio openings, 41% growth in system-wide sales, 33% growth in revenue and 153% growth in adjusted EBITDA.

FITNESS & WELLNESS FACILITIES (cont'd)

- Gym members are returning, but also want digital options
 - **Xponential Fitness** recently launched its Xponential+ digital platform offering live and on-demand access to its studio locations. The platform gives subscribers access to Pilates, barre, indoor cycling, stretching, yoga, rowing, dance, running, and boxing.
- Trends indicate that more consumers are turning to health and wellness services like massages, meditation and other spa treatments to help manage stress, anxiety and improve their quality of life.
 - **Planet Fitness** offers the HydroMassage, water massage technology providing a wellness-focused approach to relax and recover, at most of its 2,200 locations.

FITNESS & WELLNESS FACILITIES: SELECT M&A TRANSACTIONS (Q1 2022)

Deal Date	Target	Acquirer	Enterprise Value (\$M)	EV/LTM Rev.	EV/LTM EBITDA
03/31/22			N/A	N/A	N/A
03/08/22	 (Florida)		N/A	N/A	N/A
02/01/22	Sunshine Fitness		\$800.0	N/A	N/A

FITNESS & WELLNESS FACILITIES: SELECT FINANCING TRANSACTIONS (Q1 2022)

Deal Date	Company	Investor(s)	Amount (\$M)	Deal Type
03/21/22		Undisclosed Investors	\$0.1	Later Stage VC
01/26/22		Undisclosed Investors	0.2	Angel

PUBLICLY TRADED COMPARABLES - FITNESS & SPORTING GOODS & 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.	\$40.26	69.6%	\$2,988.0	\$2,147.9	52.1%	13.7%	1.4x	10.1x
	6.01	18.5%	597.1	277.5	52.9%	NM	2.2x	NM
	23.42	62.0%	6,937.6	3,133.4	59.5%	19.9%	2.2x	11.2x
	22.78	70.4%	987.4	375.8	36.4%	8.7%	2.6x	30.3x
	90.53	78.7%	5,330.9	3,126.4	51.6%	16.2%	1.7x	10.5x
	13.20	51.3%	233.5	313.6	24.6%	11.8%	0.7x	6.3x
	77.73	50.4%	670.5	739.5	43.2%	15.5%	0.9x	5.8x
	365.23	75.2%	46,339.0	6,256.6	57.7%	24.9%	7.4x	29.7x
	4.12	22.2%	193.2	675.9	30.6%	6.2%	0.3x	4.6x
	134.56	75.1%	211,969.1	46,306.0	46.0%	17.3%	4.6x	26.4x
	25.24	45.2%	7,361.3	792.6	59.4%	NM	9.3x	NM
	26.42	20.4%	8,825.2	4,138.3	30.0%	NM	2.1x	NM
	40.76	73.0%	7,410.3	6,285.0	49.3%	11.3%	1.2x	10.4x
	17.02	62.4%	7,572.4	5,683.5	50.3%	10.1%	1.3x	13.1x
Mean					46.0%	14.1%	2.7x	14.4x
Median					49.8%	13.7%	1.9x	10.5x
Harmonic Mean					42.7%	12.3%	1.2x	9.9x

Share prices as 03/31/2022

Source: PitchBook

PUBLICLY TRADED COMPARABLES - FITNESS NUTRITION & 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	\$3.37	85.3%	\$27.0	\$37.3	36.1%	11.0%	0.7x	6.6x
 HERBALIFE NUTRITION	30.36	54.4%	5,436.3	5,802.8	78.6%	14.1%	0.9x	6.7x
 LifeVantage	4.76	49.4%	58.3	211.8	82.2%	8.2%	0.3x	3.4x
 Medifast	170.78	50.7%	1,894.2	1,526.1	73.9%	14.6%	1.2x	NM
 Natural Health Trends Corp.	7.08	85.8%	0.2	60.0	75.0%	3.0%	0.0x	NM
 NATURE'S SUNSHINE	16.82	78.2%	267.1	444.1	74.0%	9.6%	0.6x	6.2x
 NU SKIN	47.88	76.4%	2,534.6	2,695.7	75.0%	11.5%	0.9x	8.2x
 Perrigo	38.43	75.5%	6,999.4	4,138.7	34.2%	16.4%	1.7x	10.3x
 USANA HEALTH SCIENCES	79.45	73.7%	1,291.5	1,186.5	81.6%	16.0%	1.1x	6.8x
 unfi united natural foods	41.35	71.4%	5,957.3	27,802.3	14.7%	2.6%	0.2x	8.3x
 weight watchers	10.23	24.9%	2,079.7	1,212.5	59.9%	17.6%	1.7x	9.8x
			Mean		62.3%	11.3%	0.9x	7.3x
			Median		74.0%	11.5%	0.9x	6.8x
			Harmonic Mean		47.3%	7.6%	0.0x	6.7x

Share prices as 03/31/2022

Source: PitchBook

PUBLICLY TRADED COMPARABLES - ORGANIC & 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
	\$34.40	70.4%	\$3,888.1	\$1,875.1	24.8%	11.3%	2.1x	18.3x
 JOHN B. SANFILIPPO & SON, INC.	83.44	87.9%	1,012.6	894.2	22.0%	11.0%	1.1x	10.3x
 Lifeway®	7.22	80.2%	109.2	113.7	25.6%	7.9%	1.0x	12.2x
 NATURAL GROCERS good4u	19.60	89.1%	817.0	1,067.8	27.9%	7.5%	0.8x	10.1x
 NEWAGE	0.58	19.5%	103.0	439.5	67.7%	4.2%	0.2x	5.5x
 Post	69.26	89.5%	10,902.0	6,412.4	27.8%	15.9%	1.7x	10.7x
 General Mills Making Food People Love	67.72	96.8%	52,469.9	18,625.2	33.4%	19.9%	2.8x	14.2x
 Realgood SINCE 1985	7.90	62.0%	50.5	84.1	12.2%	NM	0.6x	NM
 SPROUTS FARMERS MARKET	31.98	91.4%	4,809.9	6,099.9	36.2%	9.3%	0.8x	8.5x
 sweetgreen	31.99	56.9%	3,055.9	339.9	11.9%	NM	9.0x	NM
Mean					29.0%	10.9%	2.0x	11.2x
Median					26.7%	10.2%	1.0x	10.5x
Harmonic Mean					23.0%	8.9%	0.8x	10.1x

Share prices as 03/31/2022

Source: PitchBook

PUBLICLY TRADED COMPARABLES - FITNESS & SPORTING GOODS & 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
	\$17.15	36.0%	\$574.6	\$1,161.8	37.5%	13.3%	0.5x	3.7x
	27.95	57.6%	4,329.7	6,913.8	35.5%	12.5%	0.6x	5.0x
	100.02	67.9%	9,853.6	12,293.4	38.3%	19.3%	0.8x	4.2x
	29.66	44.5%	5,442.0	8,958.0	34.4%	16.2%	0.6x	3.8x
	63.61	86.3%	1,181.7	2,422.1	48.8%	8.2%	0.5x	6.0x
	44.34	43.6%	848.8	1,691.2	38.2%	15.6%	0.5x	3.2x
	10.69	59.2%	755.3	1,506.1	32.6%	11.4%	0.5x	4.4x
	56.86	62.6%	27,125.4	11,599.8	54.6%	15.9%	2.3x	14.7x
Mean					40.0%	14.0%	0.8x	5.6x
Median					37.9%	14.4%	0.6x	4.3x
Harmonic Mean					38.9%	13.2%	0.6x	4.6x

Share prices as 03/31/2022

Source: PitchBook

PUBLICLY TRADED COMPARABLES - FITNESS TECHNOLOGY & 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
	\$174.61	95.4%	\$2,908,422.6	\$378,323.0	43.0%	33.9%	7.7x	22.7x
GARMIN	118.61	66.3%	21,090.5	4,982.8	58.0%	26.8%	4.2x	15.8x
Alphabet	2,792.99	91.8%	1,730,812.6	257,637.0	56.9%	39.6%	6.7x	17.0x
	49.56	72.4%	212,323.8	79,024.0	55.4%	43.0%	2.7x	6.3x
<i>iRhythm</i>	157.47	97.3%	4,526.0	322.8	66.2%	NM	14.0x	NM
	8.53	63.7%	1,082.4	1,161.1	41.1%	10.9%	0.9x	8.5x
Mean					53.4%	30.8%	6.0x	14.1x
Median					56.2%	33.9%	5.5x	15.8x
Harmonic Mean					51.9%	24.1%	3.0x	11.3x

Share prices as 03/31/2022

Source: PitchBook

PUBLICLY TRADED COMPARABLES - FITNESS & WELLNESS FACILITIES & 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®	\$2.27	19.8%	\$607.9	\$873.6	62.4%	NM	0.7x	NM	
	10.70	60.3%	971.9	134.0	74.7%	NM	7.3x	NM	
	4.92	35.4%	104.6	79.6	86.8%	19.0%	1.3x	6.9x	
	14.54	62.2%	6,532.3	1,318.1	36.0%	NM	5.0x	NM	
	84.48	84.8%	8,538.2	587.0	53.8%	33.2%	14.5x	43.7x	
ONESPAWORLD	10.20	81.5%	1,138.6	144.0	NM	NM	7.9x	NM	
	23.44	87.1%	1,391.6	155.1	73.4%	NM	9.0x	NM	
					Mean	64.5%	26.1%	6.5x	25.3x
					Median	67.9%	26.1%	7.3x	25.3x
					Harmonic Mean	59.4%	24.2%	2.5x	11.9x

Share prices as 03/31/2022

Source: PitchBook