



## **24 HOUR FITNESS SETS COURSE FOR THE FUTURE WITH FINANCIAL RESTRUCTURING; NATIONWIDE CLUB REOPENINGS UNDERWAY**

Majority of Footprint Expected to Reopen by End of June

Company Expects to Secure Approximately \$250 Million in DIP Financing

SAN RAMON, CA – June 15, 2020 – 24 Hour Fitness (the “Company”), an industry-leading fitness brand for over 35 years, today announced that, due to the disproportionate impact of the COVID-19 pandemic, the Company has voluntarily filed for relief under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the District of Delaware.

In conjunction with the Chapter 11 filing, the Company expects to secure approximately \$250 million in debtor-in-possession (DIP) financing. Subject to Court approval, the DIP financing, combined with the Company’s cash from operations, is expected to provide sufficient liquidity and allow the Company to continue operations, including club reopenings, without interruption during the Chapter 11 process.

24 Hour Fitness is continuing to reopen clubs in a phased approach and welcome members in locations nationwide, carefully following state and local government and public health agency guidelines. The Company expects to reopen the majority of its footprint by the end of June. During the time of phased club reopenings, all club members will have access to any available 24 Hour Fitness club through the end of 2020, regardless of membership level.

The health and safety of team members, club members and guests remain a top priority. The Company has reimagined its club experience – from a new workout reservation system and touch-free club check-in, to stringent cleaning and social distancing protocols – to support the health and wellness of club communities.

“If it were not for COVID-19 and its devastating effects, we would not be filing for Chapter 11. With that said, we intend to use the process to strengthen the future of 24 Hour Fitness for our team and club members, as well as our stakeholders,” said Chief Executive Officer Tony Ueber. “We expect to have substantial financing with a path to restructuring our balance sheet and operations to ensure a resilient future. The COVID-19 environment has proved that attention to health and fitness are more important now than ever before. As a result of this restructuring, we will gain financial strength and flexibility to accelerate our business transformation plan, which includes reinvestment in our existing clubs, opening new clubs and introducing several new innovative products and services that will enhance the fitness experience for our club members and guests for many years to come.”

Ueber continued, “I want to thank our team members for their unwavering commitment and our club members for their continued loyalty during such an unprecedented period in our lifetime and company history.”

As a routine matter, the Company has asked the Court for authorization to continue paying team members’ wages, salaries and benefits and to continue its various member programs. As a result, the Company’s salaried and hourly team members should continue to be paid on the normal schedule.

Lazard is acting as financial advisor, FTI Consulting is acting as restructuring advisor and Weil, Gotshal & Manges LLP is acting as the Company’s legal counsel in connection with the Company’s Chapter 11 cases. For more information about the Chapter 11 cases, including access to Court documents, please visit: <https://restructuring.primeclerk.com/24hourfitness>. 24 Hour Fitness also has set up a restructuring information line that can be reached at the following number: (877) 606-3612 (toll free in the U.S. and Canada) or +1 (949) 635-4482 (international).

### **About 24 Hour Fitness**

Celebrating over 35 years as an industry leader, 24 Hour Fitness helps to transform lives every day through fitness. Conveniently located clubs, furnished with a wide variety of strength, cardio and functional training equipment, offer a welcoming environment for fitness professionals to deliver dynamic personal and group training programs. Group exercise and cycle rooms feature a popular array of live classes while a multitude of additional offerings engage and inspire every member to lead a full and healthy life both inside and outside of the club. 24 Hour Fitness is headquartered in San Ramon, CA. To learn more about us and to find the club nearest you, visit [www.24hourfitness.com](http://www.24hourfitness.com).