



TPG Partners with Crunch Fitness

July 1, 2019

San Francisco, Fort Worth, Texas, and New York – July 1, 2019 – TPG Growth, the middle market and growth equity platform of alternative asset firm TPG, announced today that it has partnered with company management to acquire Crunch Fitness (Crunch). The transaction includes Crunch's company-owned "Signature" facilities, as well as its global franchising business. Financial terms of the transaction were not disclosed.

"The investment from TPG is a testament to Crunch's distinct brand, great facilities, and strong management and club teams. Under the leadership of Ben Midgley and Keith Worts, we've been able to create a fun, team-focused, and fitness-minded atmosphere that our members, team, and franchise partners embrace and enjoy," said Jim Rowley, CEO of Crunch. "With the support of our new partners at TPG, we're well-positioned to accelerate this offering. We look forward to working together to enhance our capabilities and expand Crunch's footprint across the globe."

Founded in 1989 in New York City, Crunch "The Original No Judgments gym" is a leading health and fitness company. The company owns, operates, and franchises more than 300 fitness centers serving more than 1.3 million members across the United States, Australia, Canada, and Spain. Crunch is led by Mark Mastrov and Jim Rowley, two industry veterans who previously built and ran 24 Hour Fitness. Mastrov and Rowley acquired Crunch with the private equity arm of Angelo Gordon in 2009 and began franchising the brand in 2010.

"At Crunch, we strive to provide our members with more than just a fitness experience. We're a diverse community of real people that seeks to encourage, empower, and entertain," said Mark Mastrov, Chairman of Crunch. "With TPG, we've found a partner who understands our vision and industry. They have a long history of working with companies to build authentic brands, and we're excited to welcome them to the Crunch team."

With a range of membership options available, Crunch's business model focuses on providing its members with a superior fitness offering at a compelling price point. Memberships include access to high-quality cardio and strength equipment, dynamic group classes, and personalized training programs. Crunch Signature, the brand's premier offering, provides members with expanded facilities, upgraded amenities, dedicated RIDE and yoga studios, full-service locker rooms, and more. Since the company launched its fast-growing franchising operation in 2010, it has represented one of the industry's most progressive and competitive models. Crunch is actively pursuing franchise expansion, with several territories still available domestically and internationally.

"We partner with great management teams that drive their industry forward, and Jim, Mark, Ben, and Keith have pioneered a business model that has transformed Crunch into the innovative and inclusive community it is today," said Jonathan Coslet, Chief Investment Officer at TPG. "We're excited to partner with the Crunch team as they look to continue their growth, including their global franchise network."

"Consumers across every age group are prioritizing health and wellness more than ever before. Crunch is capturing that consumer interest by providing a unique, high-quality and affordable gym experience," said Chris Kelly of TPG Growth. "With more than 300 locations, the company has created a strong infrastructure for continued, meaningful growth."

TPG's investment in Crunch builds on the consumer team's strategy of investing in companies that are creating elevated experiences that cater to the unique interests of consumers. In 2015, TPG partnered with Life Time, a comprehensive athletic lifestyle resorts chain focused on healthy living, healthy aging, and healthy entertainment. Other relevant investments include Beautycounter, an advocacy-driven beauty brand, Mendocino Farms, a chef-inspired, farm-to-table restaurant chain, and Philz Coffee, a third-wave coffee house that specializes in custom-blends and handcrafted drip coffee.

Citigroup Global Markets Inc. acted as exclusive financial advisor and Akin Gump Strauss Hauer and Feld LLP served as legal counsel to Crunch. Piper Jaffray & Co. acted as financial advisor and Kirkland & Ellis served as legal counsel to TPG Growth.

About Crunch

Crunch is a gym that believes in making serious exercise fun by fusing fitness and entertainment and pioneering a philosophy of 'No Judgments.' Crunch serves a fitness community for all types of people, with all types of goals, exercising all different ways; working out at the same place together. Crunch is renowned for creating one-of-a-kind group fitness classes and unique programming for our wildly diverse members. Headquartered in New York City, Crunch serves over 1,300,000 members with over 300 gyms worldwide in 29 states, Puerto Rico and 4 countries. Crunch is rapidly expanding across the U.S. and around the globe.

About TPG Growth

TPG Growth is the middle market and growth equity investment platform of TPG, the global alternative asset firm. With approximately \$14 billion of assets under management, TPG Growth targets investments in a broad range of industries and geographies. TPG Growth has the deep sector knowledge, operational resources, and global experience to drive value creation, and help companies reach their full potential. The firm is backed by the resources of TPG, which has more than \$108 billion of assets under management. For more information, visit www.tpg.com.

About Angelo, Gordon & Co., L.P.

Angelo, Gordon & Co., L.P. ("Angelo Gordon") is a privately held limited partnership founded in November 1988. The firm currently manages approximately \$33 billion with a primary focus on credit and real estate strategies. Angelo Gordon has 510 employees, including nearly 210 investment professionals, and is headquartered in New York, with associated offices elsewhere in the U.S., Europe, and Asia. For more information, visit www.angelogordon.com.

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