



Fitness Industry Forecast

Change is here to stay.

2020 has been a disastrous year for fitness centers, both commercial and industrial. Due to mandated COVID-19-related closures, and their resulting financial pressures, many locations closed permanently. While two vaccines are currently being distributed, public health officials agree that the end of the pandemic is still a long way off.

Throughout the fall of 2020, Power Wellness conducted multiple member surveys on the following topics:

- 1 Membership Reactivation**
- 2 COVID-19 Safety Response**



Our survey data found that for those who have returned, the benefits clearly outweigh any concerns. Active members feel extremely safe at their center and are very satisfied with the ongoing “cleaning and screening” practices. In general most look forward to longer hours and expanded group fitness programming.

For inactive members, uncertainty still looms large. More than half of this cohort do not plan on activating their membership until a vaccine is widely available. However, their decision is not unique to fitness center membership and parallels similar decisions with other retail services such as theaters, restaurants, etc.

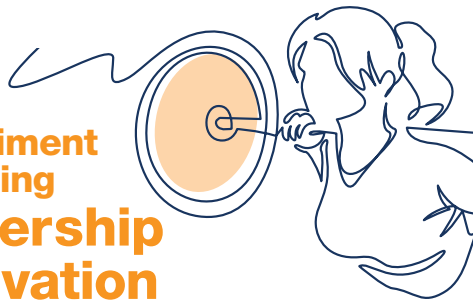
There’s no perfect substitute for their health club.



As gyms closed due to COVID-19, members were forced to change up their routines. While some have gotten creative with at-home workouts, others continue to struggle as nothing quite compares to being in the gym. Health club and gym users look forward to returning to their gym—and the routines and friendly faces they associate with it—as they push to reach their personal fitness goals.



The sentiment surrounding Membership Reactivation



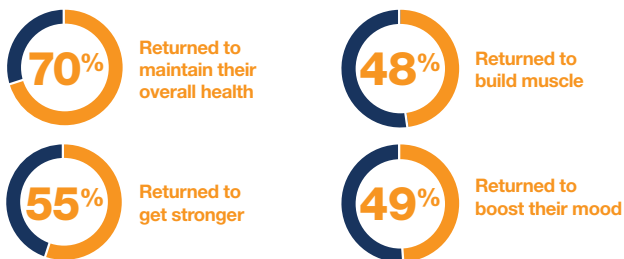
When mandated center closures took place in the spring of 2020, Power Wellness contacted members and offered them the option of bridging or canceling their membership. At the time, 40% selected to freeze. Since then, this has declined by 25% through effective deployment and communication of safety protocols.



Throughout the summer and fall of 2020, as centers continued to reopen albeit with restrictions, 70% reactivated their membership in total, joining those who kept their memberships active during closure.



An IHRSA survey of more than 1,000 gym members found a variety of reasons why people return to their fitness routines at their gym.



To learn more about

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'Source: "The Covid Era Fitness Consumer," IHRSA, October, 2020

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Execution of our centers' COVID-19 Safety Response



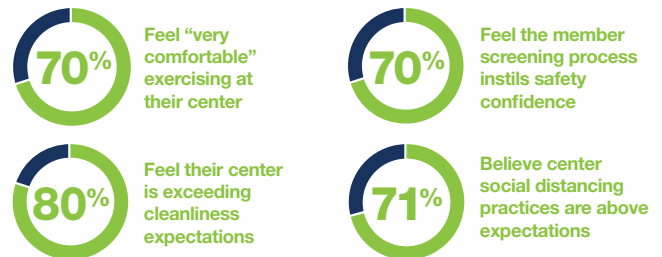
Like membership volumes, utilization is also lower overall. Based on the high safety scores, this is likely attributable to changing work and commuting routines and is fully expected to return to normal levels.

Average Visits/Month/Member

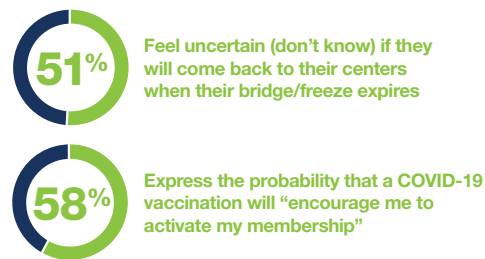


Safety/Cleanliness

Members reported their findings after returning:



In spite of enhanced safety protocols and high safety scores, over 50% of in active members are apprehensive about returning to their medical fitness center until a widely distributed COVID-19 vaccine is available.



Power Wellness will pivot as necessary, to ensure member safety and satisfaction.