

# FLEXIT F

WHEREVER, WHENEVER.

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Spring 2018  
Confidential & Proprietary

# The fitness industry is ripe with opportunity, as the evolving needs of consumers challenge traditional models

**\$21.8B**

Rev/year of the gym and health club industry

**57.25 m**

Members of health clubs in the United States

**67%**

Of people with gym memberships never use them

**\$39**

Per gym membership is wasted due to underutilization

# Consumers value fitness experiences that offer flexibility

## Consumers are...

**Conditioned** to access fitness a-la-carte and pay only for what they use

**Discouraged** by memberships that require long-term commitments and are painful to exit

**Empowered** by variety in options to meet their fitness goals

**Enabled** by convenience to keep up with their busy lifestyles

**Digitally** connected and value seamless integration

**Motivated** by community

# Gyms face significant challenges in meeting their customers' needs while navigating an increasingly competitive landscape

## Gyms face...

**High costs to launch and operate** facilities, making it difficult to attract and retain profitable customers

**Adversity to long term-commitment** requiring alternative revenue streams

**Proliferation of facilities, including boutique studios**, that have stolen market-share

**Transient customer-bases** that require broad-reach to capture the available market

**Demanding customers** that desire personalization that is too costly to provide at scale

**Tech-savvy customers** that expect a digitally connected experience

# The industry is taking notice

“

... People, especially millennials, are searching for **personalized experiences everywhere they go**, and that includes looking for unique fitness and workout experiences with a small group of people they connect with on a personal level. Even if they're traveling or away from home, they expect to be able to keep that routine by **walking into a local boutique gym on a per-session basis** or by using a digital fitness app outside, in a hotel – or almost anywhere for that matter”

Adam Zeitsiff, CIO – Gold's Gym International  
January 2018

# What if...

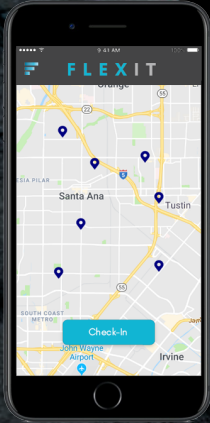
there was solution that offered consumers the flexibility they expect while enabling facilities to deliver profitably?

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# Discover

gyms in your  
community



# Check-in

with a quick and easy  
scan

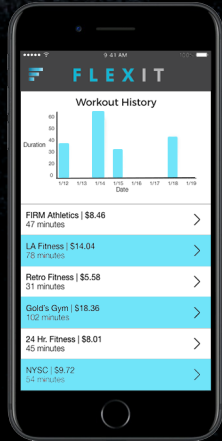


# FLEXIT

THE A-LA-CARTE FITNESS SOLUTION THAT ALLOWS USERS TO WORK-OUT WHERE THEY WANT,  
WHEN THEY WANT AND PAY ONLY FOR THE TIME THEY USE

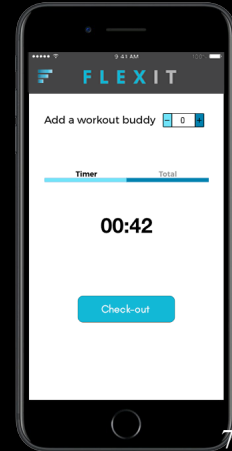
# Review

your activity and  
progress

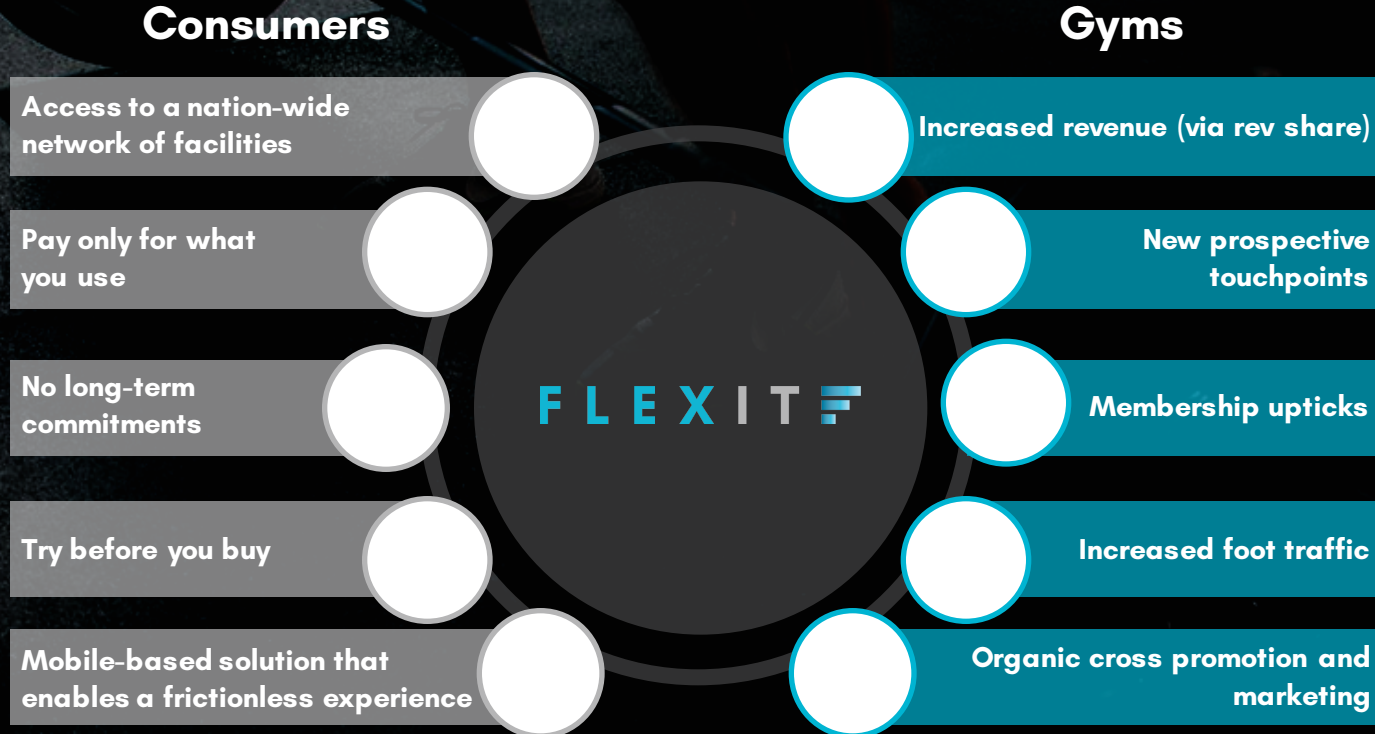


# FLEXIT

using the mobile app



# FLEXIT provides solutions to both



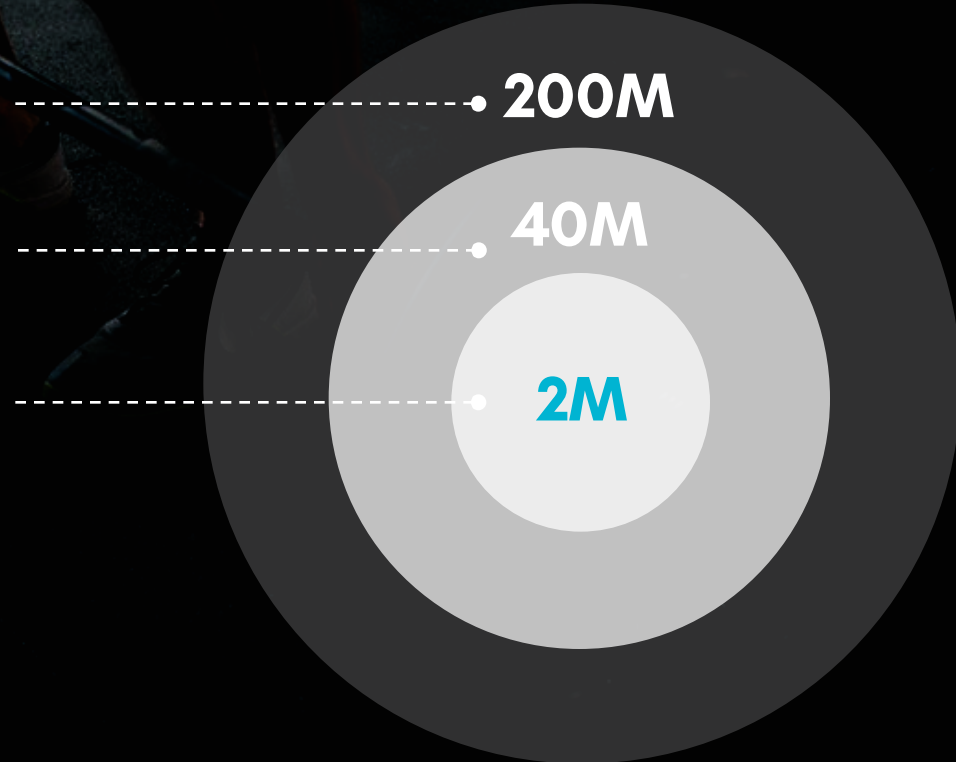


# FLEXIT provides technology to scale for a growing market

Total available market (TAM):  
US Population 18-65

Serviceable addressable market (SAM):  
Adults who work out 2x/week

Serviceable obtainable market (SOM):  
Realistic reach



# FLEXIT has a multifaceted approach to acquiring and retaining customers

Digital

Cost: \$\$\$  
Effectiveness: High

PR

Cost: \$\$\$  
Effectiveness: High

Social Media

Cost: \$  
Effectiveness: Medium

Search Engine

Cost: \$\$  
Effectiveness: Medium

Influencer

Cost: \$\$  
Effectiveness: Medium

Partnerships

Cost: \$\$  
Effectiveness: Low

Email

Cost: \$  
Effectiveness: Medium

Affiliate

Cost: \$  
Effectiveness: Medium

Offline

Cost: \$  
Effectiveness: Low

# FLEXIT is more affordable and experiential than its competition



# What about the platform's risks?

## Risks

Consumer are saturated by other fitness related services and may be resistant to adopt FLEXIT

Gyms are resistant to adopting FLEXIT because it may cannibalize membership-bases

Gyms are resistant to working with a new player in the space

Low barriers to entry increases competition

Increasingly noisy ecosystem

## Mitigants

FLEXIT's customer acquisition strategy is designed to promote its value proposition using a compressive approach

FLEXIT is designed to bring new users and prospective members that will offset losses in membership

FLEXIT's corporate team has deep industry success, expertise and C-level relationships at the biggest national gym chains in the country

FLEXIT's competitive advantage is its deep industry relationships and existing soft commitments and industry knowledge

FLEXIT fills a niche segment of the market and addresses and untapped need

# By the numbers

FLEXIT P&L					
FYE June	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Revenue</b>	<b>\$283,686</b>	<b>\$1,451,549</b>	<b>\$5,029,293</b>	<b>\$10,967,885</b>	<b>\$20,778,342</b>
<i>Yr/Yr Growth</i>		412%	246%	118%	89%
<b>Variable Costs</b>					
Installation Expenses	24,000	60,000	120,000	180,000	240,000
Gym Servicing Expenses	58,000	97,200	288,000	646,800	1,209,600
Credit Card Costs	16,517	59,785	168,404	273,921	515,186
<b>Total Variable Costs</b>	<b>98,517</b>	<b>216,985</b>	<b>576,404</b>	<b>1,100,721</b>	<b>1,964,786</b>
<b>Fixed Costs</b>					
Marketing	137,000	257,050	542,013	1,020,413	1,830,448
Salaries & Benefits	235,750	1,681,300	3,149,333	4,968,437	6,995,059
G&A	69,120	164,640	398,280	976,260	2,420,670
<b>Total Fixed Costs</b>	<b>441,870</b>	<b>2,102,990</b>	<b>4,089,625</b>	<b>6,965,110</b>	<b>11,246,177</b>
<b>EBITDA</b>	<b>-256,701</b>	<b>-868,426</b>	<b>363,264</b>	<b>2,902,054</b>	<b>7,567,379</b>
<i>Margin</i>	-90.5%	-59.8%	7.2%	26.5%	36.4%
D&A	12,707	17,036	20,975	19,344	15,755
<b>Operating Income</b>	<b>-269,408</b>	<b>-885,463</b>	<b>342,289</b>	<b>2,882,710</b>	<b>7,551,623</b>
Taxes	-56,576	-185,947	71,881	605,369	1,585,841
<b>Net Income</b>	<b>-\$212,832</b>	<b>-\$699,515</b>	<b>\$270,408</b>	<b>\$2,277,341</b>	<b>\$5,965,782</b>

FYE JUNE	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Gyms on FlexIt</b>	240	840	2,040	3,840	6,240
<b>Gyms Signed Up</b>	220	600	1,200	1,800	2,400

FYE JUNE	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Beginning Active Users</b>	0	5,171	12,528	21,981	32,696
<b>Net New Users</b>	5,171	7,357	9,453	10,715	11,542
<b>Ending Active Users</b>	5,171	12,528	21,981	32,696	44,239
<b>Average Active Users</b>	3,447	8,352	14,654	21,798	29,493

FYE JUNE	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Entry-Tier</b>	50%	40%	30%	25%	20%
<b>Mid-Tier</b>	25%	35%	40%	40%	40%
<b>Premium-Tier</b>	25%	25%	30%	35%	40%



# Investment Details

## Deal Terms

**Raise**

Up to \$500K

FLEXIT is seeking funding to support the growth of its business. FLEXIT needs \$100K to launch this summer, and an additional \$400K for its first 12 months of operations.

## Uses of Capital

**\$72K**

Technology

Consumer App  
Tablet App/Admin Panel

**\$140K**

PR/Marketing

Launch/Ongoing PR  
Targeted Digital Strategy

**\$53K**

Working Capital

Hardware purchase  
Inventory & Storage

**\$235K**

Personnel/Ops

CTO; COO; Biz Dev  
Hardware Training

**\$500K**



# Mission & Vision

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FLEXIT's mission is to make fitness more accessible. FLEXIT will enable more individuals to workout where they want, when they want. FLEXIT will accrue more minute across its platform than the largest grossing individual gym chain in the country.

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# Team



## **CEO- Austin Cohen**

Extensive consumer venture capital and operating company experience

Columbia Business School (MBA); Columbia University (BA);  
Roslyn High School Valedictorian



## **Head of Biz Dev- Michael Rojas**

Co-Founder and CEO of Iron Grip Barbell Company

Iron Grip is the largest provider of commercial free weight equipment worldwide and the only manufacturer with a line of exclusively American-made free weight equipment

Iron Grip equipment can be found in over 95 countries and in over 10,000 gyms

# WORKOUT WHEREVER, WHENEVER.



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FlexIt, Inc. Is an a-la-carte non-membership solution to access health and fitness clubs wherever, whenever. FlexIt provides on-demand access to gyms so that users can enjoy the privileges of membership without the hassle, and pay solely for the time they use.

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