
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): October 8, 2021

XPONENTIAL FITNESS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-40638
(Commission
File Number)

84-4395129
(I.R.S. Employer
Identification No.)

17877 Von Karman Ave., Suite 100
Irvine, CA 92614
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (949) 346-3000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2, below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.0001 per share	XPOF	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement*Asset Purchase Agreement*

On October 13, 2021, BFT Franchise Holdings, LLC, a Delaware limited liability company (“Buyer”), a subsidiary of Xponential Fitness, Inc. (the “Company”), entered into an Asset Purchase Agreement (“APA”) with GRPX Live Pty Ltd., an Australian corporation, as trustee for GRPX Live Unit Trust (“GRPX Live”), Body Fit Training Company Pty Ltd, an Australian corporation, as trustee for the Body Fit Training Unit (“Body Fit Training”), Body Fit Training USA, Inc., a Delaware corporation (“BFT USA”, and together with GRPX Live and Body Fit Training, the “Sellers”), all of the shareholders and/or equity holders of each of Sellers that are party thereto (the “Shareholders”, and together with the Sellers and representative of the Sellers, the “Seller Parties”). Pursuant to the APA, Buyer (i) acquired from the Sellers certain assets relating to the concept and brand known as Body Fit Training™, BFT™ and certain derivatives thereof, including ownership of all intellectual property rights and the rights to license and franchise the concept and brand globally, including franchise systems (the “Franchise System”) in Australia, New Zealand, Canada, Singapore and the United States (the “Purchased Assets”), and (ii) assumed certain liabilities associated with the Purchased Assets, but excluding certain liabilities such as indebtedness and tax liabilities of the Sellers (the “BFT Acquisition”).

As consideration to acquire the Purchased Assets, the Company paid the Sellers in cash a purchase price of AUD \$60,000,000 or U.S.\$44,322,000 based on the currency exchange rate as of October 13, 2021. In addition, conditioned upon the execution and continued effectiveness of a Master Franchise Agreement (the “MFA”) between an affiliate of Buyer and the Company and Body Fit Training as described more fully in Item 8.01 below, Buyer agreed to pay certain sale bonus payments (the “Sale Bonus Payments”) to the Sellers consisting of quarterly cash payments based on the sales of the Franchise System and equipment packages in the U.S. and Canada, as well as a percentage of royalties collected by Buyer, provided that (i) aggregate minimum Sale Bonus Payments of AUD \$5,000,000, or U.S.\$3,693,500, shall be paid for the two year period ended December 31, 2023 and (ii) in no event shall the aggregate amount of the Sale Bonus Payments exceed AUD \$14,000,000, or U.S.\$10,341,800. The BFT Acquisition was closed on October 13, 2021.

The APA contains customary representations, warranties, and covenants by Buyer and the Seller Parties and customary closing conditions. Buyer and the Company, on the one hand, and the Seller Parties, on the other hand, also agreed to indemnify, subject to certain baskets and thresholds, the other party for losses incurred as a result of specified events, including breaches of representations, warranties and covenants by Buyer or the Seller Parties, as the case may be. In addition, Buyer and the Company agreed to indemnify any Seller (and any other Seller entity) named as a party to certain pending lawsuits specified in the APA (the “Seller Action Indemnitees”) for losses resulting from such lawsuits, provided that Buyer’s indemnification obligations to the Seller Action Indemnitees are limited to the claims made in the current filings as of the date of the APA.

The foregoing is only a summary of the material terms of the APA and does not purport to be a complete description of the rights and obligations of the parties thereunder, and such summary is qualified in its entirety by reference to the APA, which will be filed as an exhibit to the Company’s Annual Report on Form 10-K for the year ended December 31, 2021.

Amendment to Financing Agreement

On October 8, 2021, Xponential Fitness, LLC (the “Borrower”), a subsidiary of the Company, and certain of the Company’s domestic subsidiaries, entered into a second amendment (the “Amendment”) to (i) its existing financing agreement dated as of April 19, 2021, as previously amended by the first amendment thereto dated as of July 27, 2021, with Wilmington Trust, National Association, as administrative agent and collateral agent, and the lenders party thereto, including certain entities affiliated with MSD Partners (together with the Amendment, the “Credit Agreement”) and (ii) its existing pledge and security agreement dated as of April 19, 2021, with Wilmington Trust, National Association, as collateral agent.

The Amendment provides for, among other things, additional term loans in an aggregate principal amount of \$38,000,000 (the “2021 Incremental Term Loan”), the proceeds of which are to be used to fund the BFT Acquisition and the payment of fees, costs and expenses related to the Amendment. The terms of the Amendment require the consummation of the BFT Acquisition within five business days of the effective date of the Amendment. The Amendment also (i) increases the amount of the quarterly principal payments of the loans provided pursuant to the Credit Agreement (including the 2021 Incremental Term Loan) commencing on December 31, 2021 and (ii) amends the amount of the prepayment premium applicable in the event the 2021 Incremental Term Loan is prepaid within two years of the effective date of the Amendment.

The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Amendment to be filed as an exhibit to the Company’s Annual Report on Form 10-K for the year ended December 31, 2021.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

The information contained in Item 1.01 above regarding the Amendment is incorporated by reference herein.

Item 7.01 Regulation FD

On October 13, 2021, the Company issued a press release announcing the BFT Acquisition as disclosed in Item 1.01 above, a copy of which is attached as Exhibit 99.1 to this Current Report on Form 8-K.

Item 8.01 Other Events

In connection with the BFT Acquisition as disclosed above, an affiliate of the Company (the “Franchisor”) is expected to enter into the MFA with Body Fit Training (the “Master Franchisee”), pursuant to which the Franchisor will grant to the Master Franchisee the master franchise rights for the Body Fit Training™ and BFT™ brand in Australia, New Zealand and Singapore, and in exchange the Franchisor will receive certain fees and royalties, including a percentage of the revenue generated by the Master Franchisee under the MFA. In addition, the MFA provides the Franchisor with an opportunity to repurchase the master franchise rights granted under the MFA (the “Repurchase Opportunity”) at a purchase price based on the Master Franchisee’s EBITDA. If the Franchisor declines to repurchase the master franchise rights under the Repurchase Opportunity, the Franchisor may be required to pay a cancellation fee to the Master Franchisee.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 [Press Release dated October 13, 2021](#)

104 Cover Page Interactive Data File - the cover page XBRL tags are embedded within Inline XBRL document

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 13, 2021

XPONENTIAL FITNESS, INC.

By: /s/ Anthony Geisler

Name: Anthony Geisler

Title: Chief Executive Officer



Xponential Fitness, Inc. Acquires Tenth Brand, Body Fit Training, To Deliver Functional Training & Strength-Based Programs

- *Acquires Australia-based fitness franchisor with nearly 130 open locations across four countries and over 150 additional locations obligated to be opened within the next 12 months*
- *Brings total number of Xponential international studios currently open or obligated to open to over 1,000 studios*

IRVINE, Calif., October 13, 2021—Xponential Fitness, Inc. (NYSE: XPOF) (“Xponential” or “the Company”), a curator of leading boutique fitness brands, announced that effective today it has acquired Body Fit Training (“BFT”), an Australia-based fitness franchisor for a total of \$44 million in a combination of cash on the balance sheet and debt from its existing senior secured loan facility. The acquisition is anticipated to be immediately accretive on an EBITDA margin basis. In connection with the transaction, Xponential acquired all of the intellectual property of BFT. Upon close, Xponential is also expected to enter into a Master Franchise Agreement with the BFT founders to provide support to all of its nearly 130 franchised studios across Australia, New Zealand, and Singapore, as well as an additional over 150 BFT studios previously sold and contractually obligated to open across the Asia Pacific region within the next 12 months. Xponential will also be directly servicing BFT studios in the United States and Canada.

Founded in 2017 in Melbourne, Australia, BFT offers community-based 50-minute functional, high-energy strength, cardio, and conditioning-based classes across 13 workout programs, each designed to achieve the unique health goals of its members. BFT uses scientifically proven training techniques aimed at reducing fat and creating lean muscle through a variety of training sessions overseen by highly accredited coaches in a dynamic group environment. In 2020, BFT received the APAC (Asia-Pacific) Franchise of the Year Award, recognizing its continued strong growth during 2020 despite national lockdowns.

“We are thrilled to announce the addition of our tenth brand with our acquisition of BFT,” said Anthony Geisler, Chief Executive Officer of Xponential Fitness, Inc. “Xponential has a proven history of seamlessly integrating brands into our platform. BFT expands our portfolio of boutique fitness offerings in a way that is highly complementary to our existing modalities. As with each of our current brands, we will leverage the Xponential Playbook to provide BFT robust franchisee support and access to best practices to generate synergies across our entire portfolio. We see significant opportunities to expand BFT’s existing studio base both in the U.S. and internationally and look forward to the brand’s continued success.”

“I, together with our Joint-CEO Richard Burnet, am excited for BFT to join the Xponential Fitness portfolio of leading brands,” said Cameron Falloon, Founder and Joint Chief Executive Officer of BFT. “Xponential is a premier fitness franchisor and the perfect partner to expand the BFT experience across the globe. We are confident that our members and franchisees will benefit from Xponential’s industry expertise and best-in-class platform.”



Following this most recent transaction, along with Rumble's brand expansion in Australia, and the Company's global presence across its other brands, Xponential Fitness now has over 1,000 international studios open or obligated to open in 10 countries outside of North America.

For more information on the transaction, please review the Company's most recent [filings](#) with the Securities and Exchange Commission on Form 8-K, which is expected to be filed after close of market today. Additional details will also be discussed on the Company's third quarter 2021 earnings conference call in November, the date for which will be announced in the coming weeks.

Financial Advisors

Jefferies LLC acted as a financial advisor to Xponential Fitness in the acquisition of BFT.

About Xponential Fitness, Inc.

Founded in 2017 and headquartered in Irvine, California, Xponential Fitness, Inc. (NYSE: XPOF) is a curator of leading boutique fitness brands across multiple verticals. Through its mission to make boutique fitness accessible to everyone, the Company has built and curated a diversified platform of ten boutique fitness brands spanning across verticals including Pilates, indoor cycling, barre, stretching, rowing, dancing, boxing, running, functional training and yoga. In partnership with its franchisees, Xponential Fitness offers energetic, accessible, and personalized workout experiences led by highly-qualified instructors in studio locations across the 48 U.S. states and Canada, and through master franchise or international expansion agreements in 10 additional countries as of October 13, 2021. Xponential Fitness' portfolio of brands includes Club Pilates, the nation's largest Pilates brand; CycleBar, the nation's largest indoor cycling brand; StretchLab, a concept offering one-on-one and group stretching services; Row House, a high-energy, low-impact indoor rowing workout; AKT, a dance-based cardio workout combining toning, interval and circuit training; YogaSix, the largest franchised yoga brand; Pure Barre, a total body workout that uses the ballet barre to perform small isometric movements; STRIDE, a treadmill-based cardio and strength training concept; Rumble, a boxing-inspired full-body workout; and Body Fit Training, a functional training and strength-based program. For more information, please visit the Company's website at xponential.com.

About Body Fit Training

Founded in 2017 by fitness industry veteran Cameron Falloon, Body Fit Training ("BFT") is a fitness franchisor offering a community-based functional training and strength-based program through its locations in Australia, New Zealand, Singapore and the United States. Using science and technology to drive positive outcomes for people at all fitness levels, BFT offers 50-minute sessions across its 13 workout programs to help reduce fat and create lean muscle. By combining cardio with genuine resistance programs, members benefit from training a different energy system every day, training different muscle types, and not overloading on the same movement patterns day-in and day-out.



Forward-Looking Statements

This press release contains forward-looking statements that are based on current expectations, estimates, forecasts and projections of future performance based on management's judgment, beliefs, current trends, and anticipated financial performance. These forward-looking statements include, without limitation, statements relating to Xponential's acquisition of BFT; the expected business and financial benefits resulting from the acquisition; and the number of BFT studios that may be opened under the master franchise agreement. Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from those contained in the forward-looking statements. These factors include, but are not limited to, the impact of COVID-19 pandemic on our business and franchisees; difficulties and challenges in opening studios by franchisees; the ability of franchisees to generate sufficient revenues; risks relating to expansion into international market; and loss or reputation and brand awareness; and other risks as described in the filings of Xponential with the Securities and Exchange Commission, including the Quarterly Report on Form 10-Q. Other unknown or unpredictable factors or underlying assumptions subsequently proving to be incorrect could cause actual results to differ materially from those in the forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance, or achievements. You should not place undue reliance on these forward-looking statements. All information provided in this press release is as of today's date, unless otherwise stated, and Xponential undertakes no duty to update such information, except as required under applicable law.

Contact:

Kimberly Esterkin
Addo Investor Relations
investor@xponential.com
(310) 829-5400