

PITTSBURGH - August, 2019

PNC Mezzanine Capital Announces New Investment in Mountainside Fitness

PNC Mezzanine Capital is pleased to announce its recent \$15.0 million preferred stock investment to complete a minority recapitalization of Mountainside Fitness (“Mountainside” or “Company”). PNC Mezzanine Capital and the Mountainside management team, led by Tom Hatten, plan to continue to expand the Company’s leadership position in the Arizona fitness community and beyond through continued reinvestment into the Company’s existing fitness clubs, additional de novo expansion and the selective pursuit of strategic acquisitions.

Tom Hatten, CEO of Mountainside, added, “The management team at Mountainside Fitness is excited to again partner with PNC Mezzanine Capital. They were a responsive, supportive, and value-added investor for the Company to help expedite our growth from 2014 to 2017, and we are confident they will again be a great partner for our Company for years to come.”

Doug Brosius, Partner at PNC Mezzanine Capital, added, “We are thrilled to have the unique opportunity to invest in Mountainside Fitness for a second time; and to partner with Tom Hatten and the rest of the management team to lead the Company into its next stage of growth. We believe our experience over the last decade investing and guiding companies in the fitness industry along with our partnership oriented approach and additional capital will allow us to provide value-added support to Mountainside moving forward.”

ABOUT MOUNTAINSIDE FITNESS

Founded in Tempe, Arizona in 1991 by Tom Hatten, Mountainside is the largest locally owned health club chain in Arizona with 17 fitness centers located across the Phoenix metropolitan area. Mountainside offers a blend of large-format and smaller footprint clubs to best serve the needs of its large customer base. The Company has over 1,300 employees, and offers industry leading amenities that include personalized training classes led by certified personal trainers, free weights, cardio machines, group classes, basketball courts, locker rooms, childcare, and more. Mountainside is pleased to serve nearly 100,000 members through month-to-month or annual membership plans for individuals, couples, and families.

ABOUT PNC MEZZANINE CAPITAL

PNC Mezzanine Capital is a flexible junior capital provider with expertise financing buyouts, recapitalizations and consolidation strategies. PNC Mezzanine Capital invests in companies operating in a wide range of industries, but has particular interest in Niche Manufacturing, Value-Added Distribution, Business Services, and Consumer Services. Since 1989, PNC Mezzanine Capital has been a stable, thoughtful junior capital partner for private equity firms, independent sponsors, entrepreneurs, and management teams. PNC Mezzanine Capital’s approach is to underwrite the long-term business strategy of our portfolio companies, allowing us to respond constructively to the opportunities and challenges of the changing business environment. As a result, PNC Mezzanine Capital has made 172 investments in 89 portfolio companies in support of 321 transactions. We invest \$10 million to \$50 million in custom combinations of subordinated debt and equity in companies with strong management, proven business models, stable cash flows, and a clear plan for growth.

For more information on PNC Mezzanine Capital, please visit www.pnc.com/mezzanine or contact Brian Dandrea at brian.dandrea@pncmezzanine.com.

PNC is a registered mark of The PNC Financial Services Group, Inc. (“PNC”). PNC Mezzanine is a pending service mark of The PNC Financial Services Group, Inc. Direct equity investing and mezzanine financing are conducted by PNC Capital Finance, LLC through its PNC Mezzanine division.

©2019 The PNC Financial Services Group, Inc. All rights reserved.

pncmezzanine.com

