

SPORTS WORLD REPORTS A 20.7% GROWTH IN NET REVENUE, 21.3% IN EBITDA AND 16.1% IN CUSTOMERS

Mexico City, July 25, 2018 – Grupo Sports World, S.A.B. de C.V. (“Sports World”, “SW”, “the Company” or “the Group”) (BMV: SPORT) announced today its consolidated financial and operating results for the second quarter 2018.

(Variations compared to the same period of 2017)

Second Quarter 2018	January - June 2018
<ul style="list-style-type: none"> Sports World closed the second quarter of 2018 with 59¹ clubs under operation. At the end of 2Q18, the number of customers was 90,336, representing a 16.1% increase compared to the end of 2Q17. Average monthly visits were up 26.1%, compared to the same period of the prior year. Net Revenue amounted to \$485.3 million pesos, a 20.7% increase compared to 2Q17. Administrative Cost represented 5.4% of Net Revenue, 0.5 p.p. below 2Q17. EBITDA totaled \$76.9 million pesos, a 21.3% increase compared to 2Q17. EBITDA margin was 15.85%, compared to 15.78% in 2Q17. EBITDA Margin Same Clubs was 17.0%, compared to 16.9% in 2Q17. Net Income increased 98.1% compared to 2Q17, to reach \$12.3 million pesos, representing a 2.5% margin over Net Revenue, compared to 1.5% in 2Q17. 	<ul style="list-style-type: none"> Net Revenue amounted to \$935.3 million pesos, a 23.0% increase compared to the same period of 2017. Administrative Cost represented 5.2% of Net Revenue, compared to 6.2% in the same period of 2017. Adjusted EBITDA² totaled \$142.0 million pesos, a 23.2% increase compared to 2Q17. Adjusted EBITDA margin was 15.2%, in line with the previous year. EBITDA Margin Same Clubs was 17.2%, compared to 16.6% in the same period of 2017. Net Income increased 14.9% to \$8.2 million pesos, representing a 0.9% margin over Net Revenue.

¹ The total number of clubs in operation includes the Tijuana, Luna Parc and Arboledas clubs, all of which have a third-party shared operating agreement and do not operate under the brand Sports World, as well as Coacalco, of which the Company retook operations during 1Q18.

² EBITDA was adjusted by adding non-recurring expenses of \$5.6 million pesos related to the closing of two Upster studios during 1Q18.

MESSAGE FROM THE CEO

In a complex environment during the second quarter of 2018, we managed to continue growing, to close the first half of the year in line with our expectations, opening new clubs and increasing occupancy levels of our clubs in operations.

Our operative metrics evolved positively according to expectations. By the end of the second quarter of 2018 the number of customers increased 16.1% Total Company and 9.2% in clubs with more than 12 months of operations. Also, average monthly visits per customer generated an increase in total average monthly visits of 26.1% Total Company and 17.8% in clubs with more than 12 months of operations. On the other hand, net churn rate decreased by one percentage point compared to 2Q17 to 1.9%, a new record for the Company. Attendance to group classes also increased significantly, thanks to our innovation policy and our dynamic sports content.

Faithful to our promise, we continue to work strongly on improving our service, with the objective of surpassing our customers' expectations. Therefore, we implemented and we continue to strengthen our "Four Service Promises", focused on: cleanliness, maintenance to facilities and equipment, availability from coaches, and solving service requirements in no more than 24 hours.

These solid operating results have allowed us to reflect their evolution in our financial results. During 2Q18 Total Revenues increased 20.7% to reach \$485.3 million pesos, and EBITDA grew 21.3%, in line with the progressive improvement in operating efficiencies. Also, Total Revenue from clubs with more than 12 months of operations reached \$428.1 million pesos, an 8.3% increase vs 2Q17, well above the Same Store Sales growth reported by the ANTAD.

We continue to increase our footprint in the country. During the second quarter of 2018 two new clubs started operations: SW Patio Tlalpan, which opened in the month of April and had a presale process and first months of operations that were above our expectations, and SW Paseo Interlomas, which opened in June. Also, during July we started the construction process and membership presale of four new clubs: SW Tlalnepantla, SW Esfera Querétaro (the third club in this city), SW Torreón and SW Saltillo, which we expect to open during the second half of the year, in line with our 2018 expansion plan. With these openings and one additional that is also scheduled for the second half of this year, we will maintain and strengthen our leadership in the country, expanding to more states of the Mexican Republic.

We are proud of obtaining, by seventh consecutive year, the prize "Empresa Socialmente Responsable" (Socially Responsible Enterprise), and the prize "Great Place to Work" for the third year in a row, showing our commitment to contribute to the improvement of our environment and the quality of life of our collaborators, who hard work every day to make our company grow.

Finally, we would like to thank our customers for their preference and for allowing Sports World to be a part of their lives. Also, thanks to our shareholders for their trust and our collaborators for their effort and professionalism that have allowed the achievement of these results.

Fabián Bifaretti,
CEO

SUMMARY OF OPERATIONS

	Second Quarter			Year to Date		
	2018	2017	% Var	2018	2017	% Var
Customers at the end of the period*	90,336	77,790	16.1%	90,336	77,790	16.1%
Customers at the end of the period - Same Clubs	79,722	73,030	9.2%	79,722	73,030	9.2%
Net Average Churn Rate	1.9%	2.9%	-1.0 pp	3.5%	4.0%	-0.5 pp
Net Average Churn Rate - Same Clubs	1.9%	3.0%	-1.1 pp	3.7%	3.9%	-0.2 pp
Average Monthly Visits*	818,248	648,669	26.1%	777,849	626,602	24.1%
Average Monthly Visits - Same Clubs	716,626	608,398	17.8%	668,860	593,705	12.7%
Average Monthly Visits per Customer**	9.2	8.6	7.4%	9.1	8.5	7.0%
Average Monthly Visits Per Customer - Same Clubs**	9.1	8.5	7.3%	8.9	8.5	5.3%

* Excluding Customers of transferred clubs and Coacalco, of which the Company retook operations during 1Q18.

** Includes visits from daily passes.

CUSTOMERS

- At the end of the period, the total number of **Enrolled Customers**, excluding Customers in shared-operation Clubs and Coacalco, amounted to **90,336**, an increase of **16.1%** compared to the previous year. **Enrolled Customers in Same Clubs** (those with more than twelve months of operations) increased **9.2%**.
- Net Churn Rate** during 2Q18 was **1.9%**, **one** percentage point below the same period of 2017. **Net Churn Rate in Same Clubs** during the quarter was also **1.9%** compared to 3.0% during 2Q17, thanks to our focus on service as well as to the strengthening and permanent renovation of our sports offer.
- Year to date, **Net Churn Rate** was **3.5%**, **0.5** percentage points below the same period of 2017. **Net Churn Rate in Same Clubs** during the first half of the year was **3.7%**, a **0.2** percentage points below the same period of 2017. Our churn rate continues to improve and is well below industry standards.

AVERAGE MONTHLY VISITS

- During 2Q18 the **Average Number of Monthly Visits** was **818,248**, a **26.1%** increase compared to the same period of 2017. Besides being a result of the opening of six new clubs, this increase reflects the actions that the Company is taking to improve its customers' experience and create a Wellness culture, in which Sports World becomes a part of their daily routine. **The Average Number of Monthly Visits in Same Clubs** during 2Q18 was **716,626**, **17.8%** larger than the number registered in 2Q17.
- Year to date, the **Average Number of Monthly Visits** was **777,849**, a **24.1%** increase compared to the same period of 2017. **The Average Number of Monthly Visits in Same Clubs** during this period was **668,860**, an increase of **12.7%** compared to the previous year.

NUMBER OF CLUBS

	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18
Openings	1	1	2	0	0	4 ^b	4	0	0	2
Total Clubs in Operation	47	48	49^a	49	49	53^c	57	57	57	59
Construction and Pre-sale of Memberships	3	2	0	0	6 ^c	4	0	2	2	0
Total Clubs in Operation and Pre-sale	50	50	49	49	55	57	57	59	59	59

a) Includes SW Zona Esmeralda, a club under the third-party operating model.

b) Considers the closing in July of SW Paseo Interlomas because the shopping mall where it is located was remodeled.

c) Includes SW Cabo Norte, a club under the third-party operating model.

Note: The total number of clubs in operation includes the Tijuana, Luna Parc and Arboledas Clubs, all of which have a third-party shared operating agreement and do not operate under the Sports World brand, as well as Coacalco, of which the Company retook operations during 1Q18.

NUMBER OF EMPLOYEES

	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18
Clubs' Operations	1,762	1,955	1,928	1,934	2,137	2,285	2,378	2,381	2,518	2,634
Clubs' Allocation Personnel	62	66	56	59	62	61	60	61	70	75
Headquarters	90	81	71	70	75	81	81	74	83	81
Total	1,914	2,102	2,055	2,063	2,274	2,427	2,519	2,516	2,671	2,790

CONSOLIDATED INCOME STATEMENT

REVENUE

(Thousands of pesos)	Second Quarter				Year to Date			
	2018	2017	\$ Var	% Var	2018	2017	\$ Var	% Var
Revenue from membership sales	20,345	17,687	2,658	15.0%	39,612	34,194	5,418	15.8%
Revenue from monthly dues	386,188	311,999	74,189	23.8%	752,486	601,150	151,336	25.2%
Revenue from memberships and monthly dues	406,533	329,686	76,847	23.3%	792,098	635,344	156,754	24.7%
Sports revenue	35,051	25,407	9,644	38.0%	57,844	45,948	11,896	25.9%
Other business revenue*	28,110	21,923	6,187	28.2%	58,977	43,088	15,889	36.9%
Sponsorships and other commercial activities revenue*	15,560	24,926	(9,366)	(37.6%)	26,357	35,814	(9,457)	(26.4%)
Other revenue, net	78,721	72,256	6,465	8.9%	143,178	124,850	18,328	14.7%
Net revenue	485,254	401,942	83,312	20.7%	935,276	760,194	175,082	23.0%

*During 1Q18, a reclassification was made between accounts, increasing Other business revenue and decreasing revenue from Sponsorships and other Commercial Activities.

- During 2Q18 **Net Revenue** amounted to **\$485.3 million pesos**, a **20.7%** increase compared to the same period of 2017. Revenues were composed as follows:
 - **Revenue from Memberships and Monthly Dues** grew **23.3%** to reach **\$406.5 million pesos**, due to the increase in the number of memberships both in clubs in operation as well as in new clubs.
 - **Sports Revenue** and **Other Business Revenue** increased **33.5%** to reach **\$63.2 million pesos**. During the quarter, there was a higher sale of sports programs, personalized classes, membership reactivations and sales of passes to visit clubs.
 - **Revenue from Sponsorships and other commercial activities** amounted to **\$15.6 million pesos**, a **37.6%** decrease compared to 2Q17. These revenues refer to sponsorships and commercial alliances.
- **Net Revenue** for the first half of 2018 increased **23.0%** compared to the same period of 2017, to reach **\$935.3 million pesos**.

- **Net Revenue in Same Clubs** during the second quarter of 2018 amounted to **\$428.1 million pesos**, an **8.3%** increase compared to the same period of 2017, in line with the increase of Net Revenue for the Company.
- **Net Revenue in Same Clubs** during the first half of 2018 amounted to **\$817.2 million pesos**, a **10.2%** increase compared to the same period of 2017.

EXPENSES

(Thousands of pesos)	Second Quarter				Year to Date			
	2018	2017	\$ Var	% Var	2018	2017	\$ Var	% Var
Operating expenses	357,052	293,909	63,143	21.5%	700,757	555,625	145,132	26.1%
Selling expenses	25,030	20,937	4,093	19.6%	49,196	42,303	6,893	16.3%
Clubs' operating expenses¹	382,082	314,846	67,236	21.4%	749,953	597,928	152,025	25.4%
Gross contribution	103,172	87,096	16,076	18.5%	185,323	162,266	23,057	14.2%
<i>Clubs' gross contribution margin</i>	<i>21.3%</i>	<i>21.7%</i>		<i>-0.4 pp</i>	<i>19.8%</i>	<i>21.3%</i>		<i>-1.5 pp</i>
Administrative cost	26,261	23,671	2,590	10.9%	48,982	47,028	1,954	4.2%
<i>% Administrative cost / Net revenue</i>	<i>5.4%</i>	<i>5.9%</i>		<i>-0.5 pp</i>	<i>5.2%</i>	<i>6.2%</i>		<i>-0.9 pp</i>
Depreciation & Amortization	50,467	43,136	7,331	17.0%	100,764	85,530	15,234	17.8%
<i>% D&A / Net revenue</i>	<i>10.4%</i>	<i>10.7%</i>		<i>-0.3 pp</i>	<i>10.8%</i>	<i>11.3%</i>		<i>-0.5 pp</i>
Total operating expenses	458,811	381,653	77,158	20.2%	899,699	730,486	169,213	23.2%
<i>% Total operating expenses / Net revenue</i>	<i>94.6%</i>	<i>95.0%</i>		<i>-0.4 pp</i>	<i>96.2%</i>	<i>96.1%</i>		<i>0.1 pp</i>

1) Club Operating Expenses do not include Depreciation and Amortization.

- During 2Q18 **Clubs' Operating Expenses** reached **\$382.1 million pesos**, an increase of **21.4%** compared to 2Q17. This increase was mainly due to a higher number of clubs under operation as well as to the increase in personnel expenses (related to commissions for reactivations and sales of sports programs, which were reflected in the revenue increase generated by these concepts), as well as an increase in the operating expense related to a higher number of monthly visits. The **Clubs' Gross Contribution Margin** reached **21.3%** as a percentage of Net Revenue, compared to 21.7% in 2Q17.
- **Administrative Cost** reached **\$26.3 million pesos**, **5.4%** over Net Revenue, which is **0.5** percentage points below 2Q17, showing an improvement in the Company's corporate structure.
- **Depreciation and Amortization** in the quarter reached **\$50.5 million pesos**, an increase of **17.0%** compared to the previous year, mainly due to a higher number of clubs under operation.
- **Total Operating Expenses** reached **\$458.8 million pesos**, an increase of **20.2%** compared to the second quarter of 2017. Year to date, **Total Operating Expenses** grew **23.2%** to reach **\$899.7 million pesos**.

OPERATING INCOME AND EBITDA

(Thousands of pesos)	Second Quarter				Year to Date			
	2018	2017	\$ Var	% Var	2018	2017	\$ Var	% Var
Operating income	26,443	20,289	6,154	30.3%	35,577	29,708	5,869	19.8%
<i>Operating margin</i>	<i>5.4%</i>	<i>5.0%</i>		<i>0.4 pp</i>	<i>3.8%</i>	<i>3.9%</i>		<i>-0.1 pp</i>
EBITDA	76,911	63,425	13,486	21.3%	136,341	115,238	21,103	18.3%
<i>EBITDA margin</i>	<i>15.8%</i>	<i>15.8%</i>		<i>0.1 pp</i>	<i>14.6%</i>	<i>15.2%</i>		<i>-0.6 pp</i>
Non-recurring expenses	NA	NA	NA	NA	5,627	NA	NA	NA
ADJUSTED EBITDA	76,911	63,425	13,486	21.3%	141,968	115,238	26,730	23.2%
<i>Adjusted EBITDA margin</i>	<i>15.85%</i>	<i>15.78%</i>		<i>0.1 pp</i>	<i>15.18%</i>	<i>15.16%</i>		<i>0.0 pp</i>

- **Operating Income** in 2Q18 reached **\$26.4 million pesos**, which represents a margin of **5.4%** over Net Revenue, an increase of **0.4** percentage points compared to 2Q17.
- **EBITDA** amounted to **\$76.9 million pesos** in 2Q18, a **21.3%** increase compared to the previous year. **EBITDA Margin** was **15.85%**, in line with 2Q17.
- Year to date, **Operating Income** was **\$35.6 million pesos**, a **19.8%** increase compared to the same period of 2017, while **Adjusted EBITDA** grew **23.2%** to reach **\$142.0 million pesos**, maintaining a **15.2%** margin.

NET FINANCING INCOME AND NET INCOME

(Thousands of pesos)	Second Quarter				Year to Date			
	2018	2017	\$ Var	% Var	2018	2017	\$ Var	% Var
Interest expense	18,693	13,092	5,601	42.8%	36,083	23,012	13,071	56.8%
Interest income	(1,600)	(1,975)	375	NA	(4,914)	(3,584)	(1,330)	NA
Exchange (gain) loss - Net	(3,075)	469	(3,544)	NA	(3,114)	294	(3,408)	NA
Other financial expenses ¹	219	336	(117)	(34.8%)	455	393	62	15.8%
Net financing cost	14,237	11,922	2,315	19.4%	28,510	20,115	8,395	41.7%
(Loss) Profit before taxes	12,206	8,367	3,839	45.9%	7,067	9,593	(2,526)	(26.3%)
Income tax	(59)	2,176	(2,235)	NA	(1,087)	2,494	(3,581)	NA
Net (loss) profit for the year	12,265	6,191	6,074	98.1%	8,154	7,099	1,055	14.9%
<i>Net Profit Margin</i>	<i>2.5%</i>	<i>1.5%</i>		<i>1.0 pp</i>	<i>0.9%</i>	<i>0.9%</i>		<i>-0.1 pp</i>
Number of shares outstanding	79,455,983	79,555,165	(99,182)	(0.1%)	79,455,983	79,555,165	(99,182)	(0.1%)
EPS ²	0.68	0.40		69.3%	0.68	0.40		69.3%

2) Includes the result of the valuation of the interest rate hedging.

3) Earnings per Share (EPS) is calculated by dividing consolidated Net Income for the last 12 months by the weighted average number of shares outstanding in the period; this number excludes shares in the Share Buyback Program and in the Employees' Trust.

- **Net Financing Cost** for the second quarter of 2018 amounted to **\$14.2 million pesos**, an increase of **19.4%** compared to 2Q17, mainly due to an increase in the TIIE rate as well as to a higher level of debt.
- **Net Income** reached **\$12.3 million pesos**, a **98.1%** increase compared to the previous year. The margin over Net Revenue was **2.5%**, **one** percentage point above 2Q17.
- Year to date, **Net Income** reached **\$8.2 million pesos**, a **14.9%** increase compared to the previous year. Margin over Net Revenue was stable at **0.9%**.

BALANCE SHEET

MAIN BALANCE ACCOUNTS

(Thousands of pesos)	June				December		
	2018	2017	\$ Var	% Var	2017	\$ Var	% Var
Cash and cash equivalents	95,192	98,928	(3,736)	(3.8%)	68,792	26,400	38.4%
Leasehold improvements, construction in progress, machinery, furniture and equipment - Net ¹	1,409,361	1,342,794	66,567	5.0%	1,394,054	15,307	1.1%
Accounts payable to suppliers and other payables	206,138	200,451	5,687	2.8%	189,240	16,898	8.9%

1) Includes payments in advance to suppliers.

CASH AND CASH EQUIVALENTS

- **Cash and Cash Equivalents** at the end of the quarter amounted to **\$95.2 million pesos**, a **\$3.7 million peso** or **3.8%** decrease compared to 2Q17, in line with expectations.

LEASEHOLD IMPROVEMENTS, CONSTRUCTION IN PROGRESS, FURNITURE AND EQUIPMENT

- This line registered **\$1.41 billion pesos**, a **\$66.6 million peso** or **5.0%** increase compared to the previous year, mainly as a result of investments made for adapting and equipping new clubs, in line with our 2018 expansion plan.

SUPPLIERS, CREDITORS AND OTHERS

- The Company registered a balance of **\$206.1 million pesos** in this line, a **\$5.7 million peso** or **2.8%** increase compared to the previous year, related to the construction of new clubs.

FINANCIAL DEBT

(Thousands of pesos)	June				December		
	2018	2017	\$ Var	% Var	2017	\$ Var	% Var
Short-Term financial debt	7,856	116,159	(108,303)	-93.2%	107,300	(99,444)	(92.7%)
Long-Term financial debt	628,139	454,003	174,136	38.4%	447,978	180,161	40.2%
Gross financial debt	635,995	570,162	65,833	11.5%	555,278	80,717	14.5%
Net financial debt	540,803	471,234	69,569	14.8%	486,486	54,317	11.2%
Net financial debt / EBITDA ¹	1.7 x	1.9 x			1.7 x		

1) Last twelve months.

- At the end of June 2018 **Net Financial Debt** amounted to **\$540.8 million pesos**, an increase of **14.8%** compared to June of 2017, mainly due to new long-term credit, which has been utilized for adjustments and equipment of new clubs, as well as to remodel existing units.
- **Net Debt / EBITDA** at the end of 2Q18 was **1.7x**, compared to 1.9x in the same period of 2017. The Company maintains a healthy debt level.

OTHER RELEVANT EVENTS

- In July of this year, the Company started constructing and preselling memberships for the following clubs: SW Tlalnepantla, SW Esfera Querétaro (the third club in this city), SW Torreón and SW Saltillo, which will be starting operations during the second half of this year. With these new clubs the Company continues in line with its 2018 growth plan, expanding its presence to more states of the Mexican Republic.

SHARE BUYBACK PROGRAM

Sports World actively operates a share buyback fund; as of June 30, 2018, it has 2,313,757 repurchased shares.

ANALYST COVERAGE

- **Actinver** José Antonio Cebeira
- **Banorte Ixe** Valentín III Mendoza
- **Signum Research** Cristina Morales

2Q18 CONFERENCE CALL

The conference call to discuss 2Q18 results will be held on Thursday, July 26, 2018 at 11:00 am Mexico City time (12:00 pm Eastern Time). The conference will include a presentation that can be accessed through our website www.sportsworld.com.mx/seccion/inversionistas.

To have access to the audio in Spanish and ask questions, please dial:

From the US: **1-800-599-1786**

From Mexico and other countries: **+1-323-994-2080**

Conference ID: **6652621**

ABOUT GRUPO SPORTS WORLD

Grupo Sports World, S.A.B. de C.V. is the leading operator of family fitness clubs in Mexico. The Company offers several concepts that are specifically designed to enable all family members to practice sports and participate in other health-related activities under the same roof. Sports World has a wide range of fitness and other programs that focus on the specific needs of its members. The Company also offers training, health and nutrition services, which reflect the latest global fitness industry trends. Sports World is listed on the Mexican Stock Exchange (BMV) under the ticker symbol "SPORT" (Bloomberg: SPORTS:MM).

NOTE ON FORWARD-LOOKING STATEMENTS

This report may contain certain forward - looking statements and information relating to Grupo Sports World S.A.B. de C.V. and its subsidiaries that reflect the current views and/or expectations of Sports World and its management with respect to its performance, business and future events. Forward looking statements include, without limitation, any statement that may intend to predict, forecast, indicate or imply future results, performance or achievements, and may contain words like "believe," "anticipate," "expect," "envisage," "will likely result," or any other words or phrases of similar meaning. Such statements are subject to a number of risks, uncertainties and assumptions. We advise you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in this presentation and in oral statements made by authorized officers of Grupo Sports World. Readers are cautioned not to place undue reliance on these or any forward - looking statements, which relate to the company's current situation only as of their dates of publication. Sports World undertakes no obligation.

CONTACT

Investor Relations

inversionistas@sportsworld.com.mx

Tel. +52 (55) 5481-7777 ext. 105

CONSOLIDATED INCOME STATEMENT

GRUPO SPORTS WORLD, S.A.B. DE C.V. & SUBSIDIARIES
As of June 2018, and 2017

(Thousands of pesos)	Second Quarter				Year to Date			
	2018	2017	\$ Var	% Var	2018	2017	\$ Var	% Var
Revenue from membership sales	20,345	17,687	2,658	15.0%	39,612	34,194	5,418	15.8%
Revenue from monthly dues	386,188	311,999	74,189	23.8%	752,486	601,150	151,336	25.2%
Revenue from memberships and monthly dues	406,533	329,686	76,847	23.3%	792,098	635,344	156,754	24.7%
Sports revenue	35,051	25,407	9,644	38.0%	57,844	45,948	11,896	25.9%
Other business revenue*	28,110	21,923	6,187	28.2%	58,977	43,088	15,889	36.9%
Sponsorships and other commercial activities revenue*	15,560	24,926	(9,366)	(37.6%)	26,357	35,814	(9,457)	(26.4%)
Other revenue, net	78,721	72,256	6,465	8.9%	143,178	124,850	18,328	14.7%
Net revenue	485,254	401,942	83,312	20.7%	935,276	760,194	175,082	23.0%
Operating expenses	357,052	293,909	63,143	21.5%	700,757	555,625	145,132	26.1%
Selling expenses	25,030	20,937	4,093	19.6%	49,196	42,303	6,893	16.3%
Clubs' operating expenses¹	382,082	314,846	67,236	21.4%	749,953	597,928	152,025	25.4%
Gross contribution	103,172	87,096	16,076	18.5%	185,323	162,266	23,057	14.2%
<i>Clubs' gross contribution margin</i>	<i>21.3%</i>	<i>21.7%</i>		<i>-0.4 pp</i>	<i>19.8%</i>	<i>21.3%</i>		<i>-1.5 pp</i>
Administrative cost	26,261	23,671	2,590	10.9%	48,982	47,028	1,954	4.2%
<i>% Administrative cost / Net revenue</i>	<i>5.4%</i>	<i>5.9%</i>		<i>-0.5 pp</i>	<i>5.2%</i>	<i>6.2%</i>		<i>-0.9 pp</i>
Depreciation & Amortization	50,467	43,136	7,331	17.0%	100,764	85,530	15,234	17.8%
<i>% D&A / Net revenue</i>	<i>10.4%</i>	<i>10.7%</i>		<i>-0.3 pp</i>	<i>10.8%</i>	<i>11.3%</i>		<i>-0.5 pp</i>
Total operating expenses	458,811	381,653	77,158	20.2%	899,699	730,486	169,213	23.2%
<i>% Total operating expenses / Net revenue</i>	<i>94.6%</i>	<i>95.0%</i>		<i>-0.4 pp</i>	<i>96.2%</i>	<i>96.1%</i>		<i>0.1 pp</i>
Operating income	26,443	20,289	6,154	30.3%	35,577	29,708	5,869	19.8%
<i>Operating margin</i>	<i>5.4%</i>	<i>5.0%</i>		<i>0.4 pp</i>	<i>3.8%</i>	<i>3.9%</i>		<i>-0.1 pp</i>
EBITDA	76,911	63,425	13,486	21.3%	136,341	115,238	21,103	18.3%
<i>EBITDA margin</i>	<i>15.8%</i>	<i>15.8%</i>		<i>0.1 pp</i>	<i>14.6%</i>	<i>15.2%</i>		<i>-0.6 pp</i>
Non-recurring expenses	NA	NA	NA	NA	5,627	NA	NA	NA
ADJUSTED EBITDA²	76,911	63,425	13,486	21.3%	141,968	115,238	26,730	23.2%
<i>Adjusted EBITDA margin</i>	<i>15.85%</i>	<i>15.78%</i>		<i>0.1 pp</i>	<i>15.18%</i>	<i>15.16%</i>		<i>0.0 pp</i>
Interest expense	18,693	13,092	5,601	42.8%	36,083	23,012	13,071	56.8%
Interest income	(1,600)	(1,975)	375	NA	(4,914)	(3,584)	(1,330)	NA
Exchange (gain) loss - Net	(3,075)	469	(3,544)	NA	(3,114)	294	(3,408)	NA
Other financial expenses	219	336	(117)	(34.8%)	455	393	62	15.8%
Net financing cost³	14,237	11,922	2,315	19.4%	28,510	20,115	8,395	41.7%
(Loss) Profit before taxes	12,206	8,367	3,839	45.9%	7,067	9,593	(2,526)	(26.3%)
Income tax	(59)	2,176	(2,235)	NA	(1,087)	2,494	(3,581)	NA
Net (loss) profit for the year	12,265	6,191	6,074	98.1%	8,154	7,099	1,055	14.9%
<i>Net Profit Margin</i>	<i>2.5%</i>	<i>1.5%</i>		<i>1.0 pp</i>	<i>0.9%</i>	<i>0.9%</i>		<i>-0.1 pp</i>
Number of shares outstanding	79,455,983	79,555,165	(99,182)	(0.1%)	79,455,983	79,555,165	(99,182)	(0.1%)
EPS ⁴	0.68	0.40		69.3%	0.68	0.40		69.3%

- 1) Club Operating Expenses do not include Depreciation and Amortization.
- 2) EBITDA was adjusted by adding non-recurring expenses of %5.6 million pesos related to the closing of two Upster studios during 1Q18.
- 3) Includes the result of the valuation of the interest rate hedging.
- 4) Earnings per Share (EPS) is calculated by dividing consolidated Net Income for the last 12 months by the weighted average number of shares outstanding in the period; this number excludes shares in the Share Buyback Program and in the Employees' Trust.

CONSOLIDATED BALANCE SHEET

GRUPO SPORTS WORLD, S.A.B. DE C.V. & SUBSIDIARIES
As of June 30, 2018, & 2017, & December 31, 2017

(Thousands of pesos)	June				December		
	2018	2017	\$ Var	% Var	2017	\$ Var	% Var
Cash and cash equivalents	95,192	98,928	(3,736)	(3.8%)	68,792	26,400	38.4%
Accounts receivable - Net and recoverable taxes	86,934	53,523	33,411	62.4%	79,808	7,126	8.9%
Inventories	1,435	4,508	(3,073)	(68.2%)	5,153	(3,718)	(72.2%)
Prepayments	49,339	56,494	(7,155)	(12.7%)	34,192	15,147	44.3%
Total current assets	232,900	213,453	19,447	9.1%	187,945	44,955	23.9%
Leasehold improvements, construction in progress, machinery, furniture and equipment - Net1	1,409,361	1,342,794	66,567	5.0%	1,394,054	15,307	1.1%
Intangible assets - Net	87,421	79,545	7,876	9.9%	83,602	3,819	4.6%
Other assets	46,298	44,591	1,707	3.8%	45,682	616	1.3%
Derivate financial instruments	759	1,689	(930)	(55.1%)	1,214	(455)	(37.5%)
Deferred tax assets	197,770	147,084	50,686	34.5%	173,357	24,413	14.1%
Total non-current assets	1,741,609	1,615,703	125,906	7.8%	1,697,909	43,700	2.6%
Total assets	1,974,509	1,829,156	145,353	7.9%	1,885,854	88,655	4.7%
	2018	2018	\$ Var	% Var	2018	\$ Var	% Var
Borrowings	5,365	112,573	(107,208)	(95.2%)	104,246	(98,881)	(94.9%)
Leases	2,491	3,586	(1,095)	(30.5%)	3,054	(563)	(18.4%)
Accounts payable to suppliers and other payables	206,138	200,451	5,687	2.8%	189,240	16,898	8.9%
Deferred revenue	172,774	156,996	15,778	10.0%	194,060	(21,286)	(11.0%)
Total current liabilities	386,768	473,606	(86,838)	(18.3%)	490,600	(103,832)	(21.2%)
Borrowings	610,048	432,917	177,131	40.9%	428,542	181,506	42.4%
Leases	18,091	21,086	(2,995)	(14.2%)	19,436	(1,345)	(6.9%)
Other liabilities	16,625	13,924	2,701	19.4%	14,940	1,685	11.3%
Derivate financial instruments	-	-	-	0.0%	-	-	0.0%
Total non-current liabilities	644,764	467,927	176,837	37.8%	462,918	181,846	39.3%
Total liabilities	1,031,532	941,533	89,999	9.6%	953,518	78,014	8.2%
Capital stock and additional paid-in capital	575,603	575,603	-	0.0%	575,603	-	0.0%
Retained earnings	355,109	305,829	49,280	16.1%	303,984	51,125	16.8%
Profit (loss) for the year	12,265	6,191	6,074	98.1%	52,749	(40,484)	(76.7%)
Total stockholders' equity	942,977	887,623	55,354	6.2%	932,336	10,641	1.1%
Total stockholders' equity and liabilities	1,974,509	1,829,156	145,353	7.9%	1,885,854	88,655	4.7%

1) Includes payments in advance to suppliers.

CONSOLIDATES STATEMENT OF CASH FLOWS

GRUPO SPORTS WORLD, S.A.B. DE C. V. & SUBSIDIARIES
Year to date as of June 30, 2018

	2018
Operating activities:	
(Loss) Profit before taxes	7,068
Depreciation & amortization	100,763
Disposal of leasehold improvements, maquinery, furniture and equipment	6,167
Others	33,560
Net cash generated by operating activities before changes on working capital	147,558
Changes on working capital	(39,935)
Net cash generated by operating activities	107,623
Investment activities:	
Acquisitions of leased location improvements, furnishings, equipment and constructions	(125,139)
Acquisitions of intangible assets and other assets	(8,116)
Interest received	4,914
Net cash (used in) generated by investing activities	(128,341)
Cash before financing activities	(20,718)
Financing Activities:	
Share repurchases	2,483
Proceeds and payments of borrowings and leases	77,297
Interest paid	(32,663)
Net cash used in financing activities	47,117
Net (decrease) increase in cash and cash equivalents	26,399
Cash and cash equivalents at the beginning of the period	68,792
Cash and cash equivalents at the end of the period	95,191