

SPORTS WORLD REPORTS A 13.1% GROWTH IN NET REVENUE, 14.8% IN EBITDA AND 8.6% IN CUSTOMERS

Mexico City, October 24, 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 third quarter 2018.

(Variations compared to the same period of 2017)

Third Quarter 2018	January - September 2018
<ul style="list-style-type: none"> • Sports World closed the third quarter of 2018 with 59¹ clubs under operation. • At the end of 3Q18, the number of customers was 90,066 representing an 8.6% increase compared to the end of 3Q17. • Average monthly visits were up 17.4%, compared to the same period of the prior year. • Net Revenue amounted to \$504.9 million pesos, a 13.1% increase compared to 3Q17. • Administrative Cost represented 5.2% of Net Revenue, stood at \$26.3 million pesos. • EBITDA totaled \$97.3 million pesos, a 14.8% increase compared to 3Q17. EBITDA margin was 19.28%, compared to 18.99% in 3Q17. • EBITDA Margin Same Clubs was 19.8%, compared to 19.6% in 3Q17. • Net Income increased 0.8% compared to 3Q17, to reach \$17.8 million pesos. The Net Margin was 3.5%, compared to 4.0% in 3Q17. 	<ul style="list-style-type: none"> • Net Revenue grew 19.4%, going from \$1,206.6 million pesos in 3Q17 to \$1,440.1 million pesos in 3Q18. • Administrative Cost represented 5.4% of Net Revenue, compared to 5.7% in the same period of 2017. • Adjusted EBITDA² was \$239.3 million pesos, an increase of \$39.2 million pesos or 19.6% compared to the same period of the previous year. • Adjusted EBITDA Margin went from 16.58% in 3Q17 to 16.62% in 3Q18. • EBITDA Margin Same Clubs was 17.56%, compared to 17.49% in the same period of 2017. • Net Income reached \$26.0 million pesos, an increase of 4.9% vs 3Q17, which represents a Net Margin of 1.8%.

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

During the third quarter we continued to reinforce our focus on service, the strengthening and permanent renewal of our sports offer, improving the customer experience, were by we continue promoting the Wellness culture in our country.

Furthermore, we observed a lower than expected commercial activity that was compensated with a higher average income per customer derived from higher monthly dues and the good performance of sports revenues. As well, the capacity of our clubs grew 17.4% vs. the third quarter of 2017, as a result of the actions we have undertaken to improve the service and provide the best customer experience. These actions with the innovative sports offer led us to lower the net churn rate at 2.9% vs 3.2% in the third quarter of 2017. Our challenge for the end of the year is to implement complementary actions that allow us to boost the commercial activity maintaining the average income per client.

Regarding to the financial results and thanks to the strength of our operating metrics, Net Revenue and EBITDA in the third quarter of 2018 grew 13.1% and 14.8% respectively, compared to the same period of 2017. This growth is due to higher monthly dues and the good performance of sports revenues, other business revenue and revenue from sponsorships and other commercial activities. Likewise, the EBITDA margin showed an expansion of 0.3 percentage points due to efficiencies in total operating expenses, increasing in a smaller proportion than the Net Revenues even with the significant growth in energy prices and the higher average number of monthly visits. Meanwhile, the Net Revenue from clubs with more than 12 months of operations showed the same positive trend of the company, growing 9.1% to end the quarter in \$482.0 million pesos.

The shutdown of the club that we had contemplated for this quarter will realize in November, maintaining its impact in line with what we had announced at the beginning of the year for 2018.

On the other hand, in line with our expansion plan, we continued with the pre-sale process for SW Tlalnepantla, SW Esfera Querétaro (third club in this city), SW Torreón, SW Saltillo and SW Aguascalientes, we estimate the opening of these clubs mostly in the last quarter of the year. In this way, we continue positioning ourselves as a key player in Wellness, strengthening our leadership in the country and diversifying our geographical position.

According to our technological strategy we have implemented a new version of the app with information about clubs, classes, sports routines, nutritional advice and other services that incorporate the new trends of the sector that will be available for our clients and general public.

Finally, we would like to thank our shareholders for the trust they have placed in us and our clients for their preference. Also, I would like to reiterate my recognition to our collaborators whose work, dedication and effort are the pillars to offer an excellence services and exceed the expectations of our customers every day. We will also continue working in our expansion, maintain our leadership in the market and make Wellness a lifestyle.

Fabián Bifaretti,
CEO

SUMMARY OF OPERATIONS

	Third Quarter			Year to Date		
	2018	2017	% Var	2018	2017	% Var
Customers at the end of the period*	90,066	82,927	8.6%	90,066	82,927	8.6%
Customers at the end of the period - Same Clubs	86,781	82,543	5.1%	86,781	82,543	5.1%
Net Average Churn Rate	2.9%	3.2%	-0.3 pp	3.5%	3.7%	-0.2 pp
Net Average Churn Rate - Same Clubs	3.2%	3.2%	0.0 pp	3.7%	3.9%	-0.3 pp
Average Monthly Visits*	827,534	704,657	17.4%	832,113	661,181	25.9%
Average Monthly Visits - Same Clubs	747,226	691,030	8.1%	722,900	648,413	11.5%
Average Monthly Visits per Customer**	9.2	8.7	5.7%	9.2	8.5	8.7%
Average Monthly Visits Per Customer - Same Clubs**	8.8	8.5	3.9%	8.3	8.5	-2.5%

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

** Includes visits from daily passes.

CUSTOMERS

- The total number of **Enrolled Customers** at the end of the period, excluding Customers in shared-operation Clubs and Coacalco, amounted to **90,066**, an increase of **8.6%** compared to the previous year. **Enrolled Customers in Same Clubs** (those with more than twelve months of operations) increased **5.1%**.
- **Net Churn Rate** during 3Q18 was **2.9%**, a decrease of 0.3 percentage point compare to the same period of 2017. **Net Churn Rate in Same Clubs** during the quarter was **3.2%** in line with 3Q17. The foregoing is the result of the greater focus on the service and the strengthening and permanent renewal of our sports offer, as well as a higher level of stability and satisfaction in the service, in a quarter whose seasonality raises the Net Churn Rate.
- Year to date, **Net Churn Rate** was **3.5%**, **0.2** percentage points below the same period of 2017. **Net Churn Rate in Same Clubs** during the first nine months of the year was **3.7%**, a **0.3** percentage points below the same period of 2017.

AVERAGE MONTHLY VISITS

- During 3Q18 the **Average Number of Monthly Visits** was **827,534**, a **17.4%** increase compared to the same period of 2017. The aforementioned reflects the opening of 2 clubs, as well as the actions of the company to improve its service and provide the best experience to our customers. **The Average Number of Monthly Visits in Same Clubs** during 3Q18 was **747,226**, **8.1%** larger than the number registered in 3Q17.
- Year to date, the **Average Number of Monthly Visits** was **832,113**, a **25.9%** increase compared to the same period of 2017. **The Average Number of Monthly Visits in Same Clubs** during this period was **722,900**, an increase of **11.5%** compared to the previous year.

NUMBER OF CLUBS

	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
Openings	2	0	0	4 ^b	4	0	0	2	0
Total Clubs in Operation	49 ^a	49	49	53 ^c	57	57	57	59	59
Construction and Pre-sale of Memberships	0	0	6 ^c	4	0	2	2	0	5
Total Clubs in Operation and Pre-sale	49	49	55	57	57	59	59	59	64

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

	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18
Clubs' Operations	1,928	1,934	2,137	2,285	2,378	2,381	2,518	2,634	2,572
Clubs' Allocation Personnel	56	59	62	61	60	61	70	75	80
Headquarters	71	70	75	81	81	74	83	81	83
Total	2,055	2,063	2,274	2,427	2,519	2,516	2,671	2,790	2,735

CONSOLIDATED INCOME STATEMENT

REVENUE

(Thousands of pesos)	Third Quarter				Year to Date			
	2018	2017	\$ Var	%Var	2018	2017	\$ Var	%Var
Revenue from membership sales	13,017	23,430	(10,412)	(44.4%)	52,630	57,623	(4,993)	(8.7%)
Revenue from monthly dues	394,551	342,467	52,084	15.2%	1,147,036	943,617	203,419	21.6%
Revenue from memberships and monthly dues	407,568	365,896	41,672	11.4%	1,199,666	1,001,241	198,426	19.8%
Sports revenue	40,912	30,127	10,785	35.8%	98,756	76,154	22,601	29.7%
Other business revenue*	31,302	26,120	5,183	19.8%	90,281	69,196	21,085	30.5%
Sponsorships and other commercial activities revenue*	25,069	24,201	867	3.6%	51,426	60,041	(8,615)	(14.3%)
Other revenue, net	97,283	80,448	16,835	20.9%	240,462	205,391	35,071	17.1%
Net revenue	504,851	446,344	58,507	13.1%	1,440,128	1,206,631	233,497	19.4%

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

- During 3Q18 **Net Revenue** amounted to **\$504.9 million pesos**, a **13.1%** increase compared to the same period of 2017. Revenues were composed as follows:
 - **Revenue from Memberships and Monthly Dues** reached **\$407.6 million pesos**, an increase of **11.4%** over the previous year, driven mainly by revenues from individual memberships monthly dues that managed to offset a decrease in membership sales. Additionally, during 3Q17 4 clubs started operations, with which our comparative base of memberships increased.
 - **Sports Revenue** and **Other Business Revenue** increased **28.4%** to reach **\$72.2 million pesos**. The above due to a higher income from summer courses and personalized classes, as well as higher sales of passes to visits clubs.
 - **Revenue from Sponsorships and other commercial activities** amounted to **\$25.1 million pesos**, a **3.6%** increase compared to 3Q17. These revenues refer to sponsorships and commercial alliances.
- **Net Revenue** for the first nine months of 2018 increased **19.4%** compared to the same period of 2017, to reach **\$1,440.1 million pesos**.

- **Net Revenue in Same Clubs** during the third quarter of 2018 amounted to **\$482.0 million pesos**, an **9.1%** increase compared to the same period of 2017. These indicators are above to the average growth reported by Antad for same stores.
- **Net Revenue in Same Clubs** during the first nine months of 2018 amounted to **\$1,298.5 million pesos**, an **8.9%** increase compared to the same period of 2017.

EXPENSES

(Thousands of pesos)	Third Quarter				Year to Date			
	2018	2017	\$ Var	%Var	2018	2017	\$ Var	%Var
Operating expenses	362,750	317,716	45,034	14.2%	1,061,424	873,149	188,274	21.6%
Selling expenses	18,462	22,786	(4,324)	(19.0%)	67,657	65,121	2,536	3.9%
Clubs' operating expenses¹	381,212	340,502	40,710	12.0%	1,129,081	938,270	190,811	20.3%
Gross contribution	123,639	105,842	17,797	16.8%	311,047	268,361	42,686	15.9%
<i>Clubs' gross contribution margin</i>	<i>24.5%</i>	<i>23.7%</i>		<i>0.8 pp</i>	<i>21.6%</i>	<i>22.2%</i>		<i>-0.6 pp</i>
Administrative cost	26,310	21,084	5,226	24.8%	77,377	68,276	9,101	13.3%
<i>% Administrative cost / Net revenue</i>	<i>5.2%</i>	<i>4.7%</i>		<i>0.5 pp</i>	<i>5.4%</i>	<i>5.7%</i>		<i>-0.3 pp</i>
Depreciation & Amortization	52,183	46,589	5,594	12.0%	152,946	132,084	20,862	15.8%
<i>% D&A / Net revenue</i>	<i>10.3%</i>	<i>10.4%</i>		<i>-0.1 pp</i>	<i>10.6%</i>	<i>10.9%</i>		<i>-0.3 pp</i>
Total operating expenses	459,705	408,176	51,530	12.6%	1,359,404	1,138,630	220,774	19.4%
<i>% Total operating expenses / Net revenue</i>	<i>91.1%</i>	<i>91.4%</i>		<i>-0.4 pp</i>	<i>94.4%</i>	<i>94.4%</i>		<i>0.0 pp</i>

¹ Club Operating Expenses do not include Depreciation and Amortization.

- During 3Q18 **Clubs' Operating Expenses** reached **\$381.2 million pesos**, an increase of **12.0%** compared to 3Q17. This increase was mainly due to a higher number of clubs under operation as well as higher average monthly visits and the increase in operating expenses derived mainly from higher expenses associated with the increase of this average monthly visits particularly in energy costs. The **Clubs' Gross Contribution Margin** reached **24.5%** as a percentage of Net Revenue, compared to 23.7% in 3Q17.
- **Administrative Cost** reached **\$26.3 million pesos**, **5.2%** over Net Revenue, an increase of **0.5** percentage point compare to 3Q17, due to the larger corporate structure.
- **Depreciation and Amortization** in the quarter reached **\$52.2 million pesos**, an increase of **12.0%** compared to the previous year, mainly due to a higher number of clubs under operation.
- **Total Operating Expenses** reached **\$459.7 million pesos**, an increase of **12.6%** compared to the third quarter of 2017. Year to date, **Total Operating Expenses** grew **19.4%** to reach **\$1,359.4 million pesos**.

OPERATING INCOME AND EBITDA

(Thousands of pesos)	Third Quarter				Year to Date			
	2018	2017	\$ Var	%Var	2018	2017	\$ Var	%Var
Operating income	45,146	38,168	6,977	18.3%	80,724	68,001	12,723	18.7%
Operating margin	8.9%	8.6%		0.4 pp	5.6%	5.6%		-0.0 pp
EBITDA	97,329	84,758	12,571	14.8%	233,670	200,085	33,585	16.8%
EBITDA margin	19.3%	19.0%		0.3 pp	16.2%	16.6%		-0.4 pp
Non-recurring expenses	NA	NA	NA	NA	5,627	NA	NA	NA
ADJUSTED EBITDA²	97,329	84,758	12,571	14.8%	239,297	200,085	39,212	19.6%
Adjusted EBITDA margin	19.3%	19.0%		0.3 pp	16.62%	16.58%		0.0 pp

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

- **Operating Income** in 3Q18 reached **\$45.1 million pesos**, which represents an increase of \$6.9 million pesos compare to the same period of 2017. The Net Margin going from 8.6% in 3Q17 to **8.9%** in 3Q18.
- **EBITDA** amounted to **\$97.3 million pesos** in 3Q18, a **14.8%** increase compared to the previous year. **EBITDA Margin** was **19.3%**, growing 0.3 percentage point.
- Year to date, **Operating Income** was **\$80.7 million pesos**, an **18.7%** increase compared to the same period of 2017. Meanwhile, Adjusted EBITDA grew **19.6%**, reaching **\$239.3 million pesos** and a margin of **16.6%**.

NET FINANCING INCOME AND NET INCOME

(Thousands of pesos)	Third Quarter				Year to Date			
	2018	2017	\$ Var	%Var	2018	2017	\$ Var	%Var
Interest expense	21,064	16,892	4,172	24.7%	57,601	40,298	17,303	42.9%
Interest income	(1,534)	(2,575)	1,041	NA	(6,447)	(6,160)	(288)	NA
Exchange (gain) loss - Net	1,338	(129)	1,467	NA	(1,776)	294	(2,070)	NA
Net financing cost	20,868	14,188	6,680	47.1%	49,378	34,433	14,946	43.4%
(Loss) Profit before taxes	24,277	23,980	297	1.2%	31,345	33,568	(2,223)	(6.6%)
Income tax	6,415	6,265	150	NA	5,329	8,759	(3,431)	NA
Net (loss) profit for the year	17,862	17,715	148	0.8%	26,017	24,809	1,208	4.9%
Net Profit Margin	3.5%	4.0%		-0.4 pp	1.8%	2.1%		-0.2 pp
Number of shares outstanding	79,634,316	79,584,517	49,799	0.1%	79,634,316	79,584,517	49,799	0.1%
EPS ³	0.68	0.83		-18.6%	0.68	0.83		-18.6%

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 third quarter of 2018 amounted to **\$20.9 million pesos**, an increase of **47.1%** compared to 3Q17, mainly due to the greater bank loans balance and the increase in the TIIE rate.
- **Net Income** reached **\$17.9 million pesos**, a **0.8%** increase compared to the previous year. The Net Margin was **3.5%**, **0.4** percentage point below 3Q17.
- Year to date, **Net Income** reached **\$26.0 million pesos**, a **4.9%** increase compared to the previous year. Net Margin Revenue was **1.8%**.

BALANCE SHEET

MAIN BALANCE ACCOUNTS

(Thousands of pesos)	September				December		
	2018	2017	\$ Var	% Var	2017	\$ Var	% Var
Cash and cash equivalents	80,325	33,001	47,324	143.4%	68,792	11,533	16.8%
Leasehold improvements, construction in progress, machinery, furniture and equipment - Net ¹	1,426,434	1,389,068	37,366	2.7%	1,394,054	32,380	2.3%
Accounts payable to suppliers and other payables	212,137	227,594	(15,457)	(6.8%)	189,240	22,897	12.1%

¹ Includes payments in advance to suppliers.

CASH AND CASH EQUIVALENTS

- **Cash and Cash Equivalents** at the end of the quarter amounted to **\$80.3 million pesos**, a **\$47.3 million peso** or **143.4%** increase compared to 3Q17.

LEASEHOLD IMPROVEMENTS, CONSTRUCTION IN PROGRESS, FURNITURE AND EQUIPMENT

- This line registered at the end of September **\$1.42 billion pesos**, an **2.7%** increase compared to the same period of the previous year, mainly as a result of investments that have been made for adapting and equipping new clubs, in line with our 2018 expansion plan.

SUPPLIERS, CREDITORS AND OTHERS

- The Company registered a balance of **\$212.1 million pesos** in this line, a decrease of **\$15.5 million peso** or **6.8%**.

FINANCIAL DEBT

(Thousands of pesos)	September				December		
	2018	2017	\$ Var	% Var	2017	\$ Var	% Var
Short-Term financial debt	8,225	104,588	(96,363)	-92.1%	107,300	(99,075)	(92.3%)
Long-Term financial debt	678,498	480,696	197,802	41.1%	447,978	230,520	51.5%
Gross financial debt	686,723	585,284	101,439	17.3%	555,278	131,445	23.7%
Net financial debt	606,398	552,283	54,115	9.8%	486,486	119,912	24.6%
Net financial debt / EBITDA ¹	1.9 x	2.1 x			1.7 x		

¹ Last twelve months.

- At the end of September 2018 **Net Financial Debt** amounted to **\$606.4 million pesos**, an increase of **9.8%** compared to the same period of 2017, mainly due to the hire of the long-term credit that was used for of debt restructuring, as well as for adapting and equipping new clubs together with the remodeling of existing units.
- **Net Debt / EBITDA** at the end of 3Q18 was **1.9x**, compared to 2.1x in the same period of 2017.

OTHER RELEVANT EVENTS

- During the session of the Board of Directors held on July 25, 2018, it was agreed to ratify the KPMG Cárdenas Dosal, S.C., appointment to perform the basic financial statements audit of GSW for 2018, and of the C.P.A. Francisco José Sánchez González, as responsible for issuing the corresponding opinion.

SHARE BUYBACK PROGRAM

Sports World actively operates a share buyback fund; as of September, 30, 2018, it has 1,796,757 repurchased shares.

ANALYST COVERAGE

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

3Q18 CONFERENCE CALL

The conference call to discuss 3Q18 results will be held on Thursday, October 25, 2018 at 10:00 am Mexico City time (11:00 am 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: **1-877-407-9208**

From Mexico and other countries: **+1-201-493-6784**

Conference ID: **13684206**

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.

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CONSOLIDATED INCOME STATEMENT

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

(Thousands of pesos)	Third Quarter				Year to Date			
	2018	2017	\$ Var	%Var	2018	2017	\$ Var	%Var
Revenue from membership sales	13,017	23,430	(10,412)	(44.4%)	52,630	57,623	(4,993)	(8.7%)
Revenue from monthly dues	394,551	342,467	52,084	15.2%	1,147,036	943,617	203,419	21.6%
Revenue from memberships and monthly dues	407,568	365,896	41,672	11.4%	1,199,666	1,001,241	198,426	19.8%
Sports revenue	40,912	30,127	10,785	35.8%	98,756	76,154	22,601	29.7%
Other business revenue*	31,302	26,120	5,183	19.8%	90,281	69,196	21,085	30.5%
Sponsorships and other commercial activities revenue*	25,069	24,201	867	3.6%	51,426	60,041	(8,615)	(14.3%)
Other revenue, net	97,283	80,448	16,835	20.9%	240,462	205,391	35,071	17.1%
Net revenue	504,851	446,344	58,507	13.1%	1,440,128	1,206,631	233,497	19.4%
Operating expenses	362,750	317,716	45,034	14.2%	1,061,424	873,149	188,274	21.6%
Selling expenses	18,462	22,786	(4,324)	(19.0%)	67,657	65,121	2,536	3.9%
Clubs' operating expenses¹	381,212	340,502	40,710	12.0%	1,129,081	938,270	190,811	20.3%
Gross contribution	123,639	105,842	17,797	16.8%	311,047	268,361	42,686	15.9%
<i>Clubs' gross contribution margin</i>	<i>24.5%</i>	<i>23.7%</i>		<i>0.8 pp</i>	<i>21.6%</i>	<i>22.2%</i>		<i>-0.6 pp</i>
Administrative cost	26,310	21,084	5,226	24.8%	77,377	68,276	9,101	13.3%
<i>% Administrative cost / Net revenue</i>	<i>5.2%</i>	<i>4.7%</i>		<i>0.5 pp</i>	<i>5.4%</i>	<i>5.7%</i>		<i>-0.3 pp</i>
Depreciation & Amortization	52,183	46,589	5,594	12.0%	152,946	132,084	20,862	15.8%
<i>% D&A / Net revenue</i>	<i>10.3%</i>	<i>10.4%</i>		<i>-0.1 pp</i>	<i>10.6%</i>	<i>10.9%</i>		<i>-0.3 pp</i>
Total operating expenses	459,705	408,176	51,530	12.6%	1,359,404	1,138,630	220,774	19.4%
<i>% Total operating expenses / Net revenue</i>	<i>91.1%</i>	<i>91.4%</i>		<i>-0.4 pp</i>	<i>94.4%</i>	<i>94.4%</i>		<i>0.0 pp</i>
Operating income	45,146	38,168	6,977	18.3%	80,724	68,001	12,723	18.7%
<i>Operating margin</i>	<i>8.9%</i>	<i>8.6%</i>		<i>0.4 pp</i>	<i>5.6%</i>	<i>5.6%</i>		<i>-0.0 pp</i>
EBITDA	97,329	84,758	12,571	14.8%	233,670	200,085	33,585	16.8%
<i>EBITDA margin</i>	<i>19.3%</i>	<i>19.0%</i>		<i>0.3 pp</i>	<i>16.2%</i>	<i>16.6%</i>		<i>-0.4 pp</i>
Non-recurring expenses	NA	NA	NA	NA	5,627	NA	NA	NA
ADJUSTED EBITDA²	97,329	84,758	12,571	14.8%	239,297	200,085	39,212	19.6%
<i>Adjusted EBITDA margin</i>	<i>19.3%</i>	<i>19.0%</i>		<i>0.3 pp</i>	<i>16.62%</i>	<i>16.58%</i>		<i>0.0 pp</i>
Interest expense	21,064	16,892	4,172	24.7%	57,601	40,298	17,303	42.9%
Interest income	(1,534)	(2,575)	1,041	NA	(6,447)	(6,160)	(288)	NA
Exchange (gain) loss - Net	1,338	(129)	1,467	NA	(1,776)	294	(2,070)	NA
Net financing cost	20,868	14,188	6,680	47.1%	49,378	34,433	14,946	43.4%
(Loss) Profit before taxes	24,277	23,980	297	1.2%	31,345	33,568	(2,223)	(6.6%)
Income tax	6,415	6,265	150	NA	5,329	8,759	(3,431)	NA
Net (loss) profit for the year	17,862	17,715	148	0.8%	26,017	24,809	1,208	4.9%
<i>Net Profit Margin</i>	<i>3.5%</i>	<i>4.0%</i>		<i>-0.4 pp</i>	<i>1.8%</i>	<i>2.1%</i>		<i>-0.2 pp</i>
Number of shares outstanding	79,634,316	79,584,517	49,799	0.1%	79,634,316	79,584,517	49,799	0.1%
EPS ³	0.68	0.83		-18.6%	0.68	0.83		-18.6%

- 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) 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 September 30, 2018, & 2017, & December 31, 2017

(Thousands of pesos)	September				December		
	2018	2017	\$ Var	% Var	2017	\$ Var	% Var
Cash and cash equivalents	80,325	33,001	47,324	143.4%	68,792	11,533	16.8%
Accounts receivable - Net and recoverable taxes	106,625	71,734	34,891	48.6%	79,808	26,817	33.6%
Inventories	408	652	(244)	(37.4%)	5,153	(4,745)	(92.1%)
Prepayments	32,237	46,495	(14,258)	(30.7%)	34,192	(1,955)	(5.7%)
Total current assets	219,595	151,882	67,713	44.6%	187,945	31,650	16.8%
Leasehold improvements, construction in progress, machinery, furniture and equipment - Net ¹	1,426,434	1,389,068	37,366	2.7%	1,394,054	32,380	2.3%
Intangible assets - Net	91,350	81,533	9,817	12.0%	83,602	7,748	9.3%
Other assets	46,337	44,676	1,661	3.7%	45,682	655	1.4%
Derivate financial instruments	759	1,475	(716)	(48.5%)	1,214	(455)	(37.5%)
Deferred tax assets	201,579	147,694	53,885	36.5%	173,357	28,222	16.3%
Total non-current assets	1,766,459	1,664,446	102,013	6.1%	1,697,909	68,550	4.0%
Total assets	1,986,054	1,816,328	169,726	9.3%	1,885,854	100,200	5.3%
	2018	2018	\$ Var	% Var	2018	\$ Var	% Var
Borrowings	5,734	101,216	(95,482)	(94.3%)	104,246	(98,512)	(94.5%)
Leases	2,491	3,372	(881)	(26.1%)	3,054	(563)	(18.4%)
Accounts payable to suppliers and other payables	212,137	227,594	(15,457)	(6.8%)	189,240	22,897	12.1%
Deferred revenue	99,707	84,016	15,691	18.7%	194,060	(94,353)	(48.6%)
Total current liabilities	320,069	416,198	(96,129)	(23.1%)	490,600	(170,531)	(34.8%)
Borrowings	660,916	460,104	200,812	43.6%	428,542	232,374	54.2%
Leases	17,582	20,592	(3,010)	(14.6%)	19,436	(1,854)	(9.5%)
Other liabilities	17,199	14,647	2,552	17.4%	14,940	2,259	15.1%
Derivate financial instruments	-	-	-	0.0%	-	-	0.0%
Total non-current liabilities	695,697	495,343	200,354	40.4%	462,918	232,779	50.3%
Total liabilities	1,015,766	911,541	104,225	11.4%	953,518	62,248	6.5%
Capital stock and additional paid-in capital	575,603	575,603	-	0.0%	575,603	-	0.0%
Retained earnings	376,823	311,469	65,353	21.0%	303,984	72,839	24.0%
Profit (loss) for the year	17,862	17,715	148	0.8%	52,749	(34,887)	(66.1%)
Total stockholders' equity	970,288	904,787	65,501	7.2%	932,336	37,952	4.1%
Total stockholders' equity and liabilities	1,986,054	1,816,328	169,726	9.3%	1,885,854	100,200	5.3%

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 September 30, 2018

September	
(Thousands of Mexican pesos)	2018
Operating activities:	
(Loss) Profit before taxes	31,345
Depreciation & amortization	152,947
Disposal of leasehold improvements, maquinery, furniture and equipment	6,728
Others	53,761
Net cash generated by operating activities before changes on working capital	244,781
Accounts Receivable	(26,443)
Warehouse and Advance Paymente	6,700
Current Accounts Receivable	18,937
Provisions	24,343
Taxes payable	(48,072)
Deferred income	(94,353)
Changes on working capital	(118,888)
Net cash generated by operating activities	125,893
Investment activities:	
Acquisitions of leased location improvements, furnishings, equipment and constructions	(193,126)
Acquisitions of intangible assets and other assets	(13,913)
Interest received	6,447
Net cash (used in) generated by investing activities	(200,592)
Cash before financing activities	(74,699)
Financing Activities:	
Share repurchases	11,935
Proceeds and payments of borrowings and leases	126,788
Interest paid	(52,491)
Net cash used in financing activities	86,232
Net (decrease) increase in cash and cash equivalents	11,533
Cash and cash equivalents at the beginning of the period	68,792
Cash and cash equivalents at the end of the period	80,325