



Nautilus, Inc. Announces A New \$70,000,000 Credit Facility Comprised of a \$55,000,000 Asset-Based Revolver and a \$15,000,000 Term Loan Provided by Wells Fargo

February 4, 2020

New five-year credit facility expected to provide significant incremental liquidity and financial flexibility through January 31, 2025

VANCOUVER, Wash.--(BUSINESS WIRE)--Feb. 4, 2020-- Nautilus, Inc. (NYSE:NLS) today announced the closing of a new five-year \$70,000,000 Senior Secured Credit Facility ("the Credit Facility"), consisting of a new \$55,000,000 asset-based revolver and a \$15,000,000 term loan with Wells Fargo Bank, NA ("Wells Fargo"). Nautilus, Inc. will use proceeds from the Credit Facility to refinance the existing \$40,000,000 asset-based facility, pay transaction expenses, and for general corporate purposes.

Jim Barr, Chief Executive Officer, stated "Our new Credit Facility provides us with additional financial flexibility to capitalize on the strength of our brand portfolio and position us for sustainable profitable growth as a global technology-driven fitness company. Investing in our strategic initiatives, digital platform, connected fitness products, go-to-market capabilities and other market opportunities, will enable us to deliver new and exciting solutions for our customers wherever they are in their fitness journey."

"We are very pleased to have partnered with Wells Fargo which is known for its vast experience in the consumer and retail sectors. Securing this financing package strengthens our balance sheet and provides increased liquidity and greater financial flexibility. This will allow us to strategically allocate capital to facilitate the execution of our long-term growth strategies as we continue to stabilize our business and return it to profitable growth," said Aina Konold, Chief Financial Officer.

The \$70,000,000 Credit Facility does not contain any financial performance covenants for the first two years of the facility except for a minimum liquidity covenant of \$7,500,000. Beginning February 1, 2022, the minimum liquidity covenant shall decrease to \$5,000,000 and only a minimum EBITDA covenant shall apply. Interest on the asset-based revolver shall accrue at LIBOR plus a margin of 1.75% - 2.25% (based on average quarterly availability) and interest on the term loan shall accrue at LIBOR plus 5.00%. The Credit Facility will have a five-year term maturing on January 31, 2025 and the term loan shall contain amortization as scheduled in the credit agreement.

OceanArc Capital Partners LLC acted as the Company's exclusive financial advisor for the transaction.

About Nautilus, Inc.

Headquartered in Vancouver, Washington, Nautilus, Inc. (NYSE:NLS) is a global technology-driven fitness solutions company that believes everyone deserves a fit and healthy life. With a brand portfolio including Bowflex®, Nautilus®, Octane Fitness®, and Schwinn®, Nautilus, Inc. develops innovative products to support healthy living through direct and retail channels as well as in commercial channels. Nautilus, Inc. uses the investor relations page of its website (www.nautilusinc.com/investors) to make information available to its investors and the market.

This press release includes forward-looking statements (statements which are not historical facts) within the meaning of the Private Securities Litigation Reform Act of 1995, including: planned investments and initiatives and the anticipated results of such initiatives. Factors that could cause Nautilus, Inc.'s actual results to differ materially from these forward-looking statements include: our ability to meet borrowing conditions and remain in compliance with the terms of the Credit Facility; changes in the financial markets, including changes in credit markets and interest rates; weaker than expected demand for new or existing products; our ability to timely acquire inventory that meets our quality control standards from sole source foreign manufacturers at acceptable costs; an inability to pass along or otherwise mitigate the impact of raw material price increases and other cost pressures, including unfavorable currency exchange rates; experiencing delays and/or greater than anticipated costs in connection with launch of new products, entry into new markets, or strategic initiatives; our ability to hire, retain and integrate key management personnel, including our new Chief Financial Officer; changes in consumer fitness trends; changes in the media consumption habits of our target consumers or the effectiveness of our media advertising; a decline in consumer spending due to unfavorable economic conditions; and softness in the retail marketplace. Additional assumptions, risks and uncertainties are described in detail in our registration statements, reports and other filings with the Securities and Exchange Commission, including the "Risk Factors" set forth in our Annual Report on Form 10-K, as supplemented by our quarterly reports on Form 10-Q. Such filings are available on our website or at www.sec.gov. You are cautioned that such statements are not guarantees of future performance and that our actual results may differ materially from those set forth in the forward-looking statements. We undertake no obligation to publicly update or revise forward-looking statements to reflect subsequent developments, events or circumstances.

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Source: Nautilus, Inc.

Media:

John Fread
Nautilus, Inc.
360-859-5815
jfread@nautilus.com

Carey Kerns
The Hoffman Agency
503-754-7975
ckerns@hoffman.com

Investor Relations:

John Mills

ICR, LLC

646-277-1254

john.mills@ICRinc.com