



## New site openings and cost control drive strong profit growth in 2023 and lay a solid foundation for significant further expansion.

23 April 2024, London – PureGym, a leading global gym operator (and the UK’s number one operator), today announces its full year results for the 12 months ending 31 December 2023.

PureGym made good financial, operational and strategic progress in 2023. We opened a further 54 gyms across our markets, helping to deliver strong revenue and profit growth. In a tough inflationary environment, which impacts our business and our members, cost management has been a key focus and the team did an excellent job keeping like for like cost inflation below 5% in 2023. Momentum accelerated over the course of the year with fourth quarter profitability exceeding management expectations. The successful refinancing of our £805m Senior Secured Notes was one the largest in the sector’s history, representing a huge vote of confidence in PureGym, our recent trading, management team and strategy.

### Highlights for the 12 months ended 31 December 2023

- Gym expansion continued across the Group with **54** new sites opened in 2023, including 40 in the UK, 3 in Switzerland and 11 under franchise in the Middle East. The Group ended the year with more than **600** gyms across six markets globally.
- Strong growth in membership, which increased by **11%** across the Group and **16%** in the UK compared with 2022.
- Revenue increased by **15%** to **£549m** (2022: £476m), driven by the opening of new gyms, growth in membership at existing gyms and an improvement in average revenue per member.
- Maintained tight control of costs, keeping LFL cost inflation below **5%**. Successfully reduced energy consumption across the business and established a good degree of inflationary protection, with utility contracts largely fixed for 2024 and 2025.
- Revenue growth coupled with cost control delivered significant increase in Adjusted EBITDA up **39%** to **£132m** (2022: £95m)<sup>1</sup>.
- **£42m** spent on maintenance and refurbishment to ensure our gyms remain at the high standards members expect.
- Successful rebranding of Fitness World in Denmark to PureGym.
- Robust financial position with **£140m** of cash on the balance sheet and **£315m** of available liquidity at the year end<sup>2</sup>.
- Successful refinancing of **£805m** Senior Secured Notes during the fourth quarter sets the business up well to deliver its growth plans.
- Good progress made on deleveraging with Senior Secured Net Leverage at **4.4x**<sup>3</sup> for Q4 compared to 5.4x a year earlier.

### Key performance metrics for the 12 months ended 31 December 2023

	2023	2022	Change (%)
Revenue (£m)	549.0	476.4	15.2%
Reported EBITDA (£m)	231.5	183.5	26.2%
<b>Adjusted EBITDA (£m)</b>	<b>132.2</b>	<b>95.1</b>	<b>39.0%</b>
Gyms <sup>4</sup>	601	555	8.3%
Closing members	1,853,000	1,665,000	11.3%

<sup>1</sup> See notes at the end of this release explaining the difference between Reported EBITDA and Adjusted EBITDA

<sup>2</sup> Liquidity defined as cash plus £175.5m available RCF facilities at 31 December 2023

<sup>3</sup> Run-Rate Adjusted EBITDA

<sup>4</sup> Includes 20 franchised sites at 31 December 2023 (2022: 9)

## *PureGym 2023 Full Year Results Announcement*

### **Humphrey Cobbold, CEO of PureGym Group commented:**

“Business conditions in 2023 were once again challenging with inflation rising, high interest rates and energy costs and political uncertainty affecting consumer sentiment and our business directly. Against this backdrop our results and progress are outstanding, demonstrating growth in all key financial metrics, substantial expansion, a highly significant refinancing and meaningful deleveraging.

“Our proposition – providing accessible, flexible and affordable fitness – continues to be extremely attractive given growing awareness of the need to look after physical and mental health and with cost-conscious consumers seeking out the best value. As a result, we have seen robust demand in our core estate, with the volume of gym visits back to pre-pandemic levels. This has been further supported by the phenomenal performance of new site openings where we have successfully identified pockets of underserved demand, particularly in the UK. Above all, I am proud that PureGym has facilitated over 125 million gym visits in 2023, contributing a hard to quantify but significant benefit to the physical and mental wellbeing of millions of people.

“We have started 2024 strongly, reaching the milestone of two million members across the Group by the end of January, and have plans to open 60-70 new gyms this year across our markets. Alongside this ambitious expansion we will continue to target high levels of return on capital and the business maintains a good degree of inflationary protection having fixed interest rates and fixed utility contracts throughout 2024 and 2025. We are well positioned to benefit from changing consumer habits and dynamics in the leisure industry, with younger generations now just as attracted to gyms as they are to bars, pubs and nightclubs.

“Looking further ahead we have a clear set of priorities: ongoing yield management to drive revenue and profit growth, further expansion with the aim of opening an additional 200 gyms across the UK and Switzerland in the next 3-4 years and maximising the potential of the Danish business. We are also, given the success of PureGym in Saudi Arabia and the UAE, seeking to develop new international franchise relationships to scale the PureGym concept in the US and other geographies too.”

ENDS

### **Notes to Editor**

Explanation of differences between Reported EBITDA and Adjusted EBITDA.

- Reported EBITDA is the profitability of the business before tax, depreciation, amortisation and interest costs (it excludes lease “rent” costs as required by the accounting standard IFRS16).
- Adjusted EBITDA is largely the same as Reported EBITDA except cash rent costs are deducted, costs incurred on sites before they are opened are added back, and certain other costs incurred outside the ordinary course of business are added back.

Management is of the view that Adjusted EBITDA provides the most appropriate view on the ongoing cash profitability of the business but provides both measures here for complete transparency.

More detailed financial information (including further explanation of the definitions of the reported numbers) can be found in the reports and updates provided at <https://corporate.puregym.com/investor-relations>. More specifically, we would draw attention to page 26 of the presentation, posted on the website at 7.00am on 23 April 2024, which contains a line by line reconciliation of the different measures of profitability provided in this release.

### **Enquiries**

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## *PureGym 2023 Full Year Results Announcement*

### **About PureGym**

PureGym is a leading global gym operator, with over 2 million members across more than 600 gyms globally. PureGym has corporate owned gyms in the UK, Denmark, Switzerland and the USA (the latter under the Pure Fitness brand) in addition to 20 sites operating with a franchise partner in Saudi Arabia and the UAE (under the PureGym Arabia brand).

PureGym was launched in the UK in 2009 where it pioneered the model for affordable, flexible, high-quality fitness clubs and is the market leader. Typically, its members pay monthly and have no contractual commitment. Many of its gyms are open 24/7 and offer a full range of top of the line equipment, including cardiovascular equipment, fixed-resistance and free weights as well as classes. The group is jointly owned by Leonard Green & Partners, L.P., KKR and key members of the group's management team.

As at 31 December 2023, Pure Gym had 370 gyms in the UK, 164 gyms in Denmark, 44 gyms in Switzerland, 3 gyms in the USA and 20 franchise gyms in the Middle East (18 in Kingdom of Saudi Arabia and 2 in United Arab Emirates).