Full Year Results

12 March 2025

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   Will Orr

2. **Financial Results**
   Luke Tait

3. **Next Chapter Growth Plan – Progress Report**
   Will Orr

4. **Summary & Outlook**
   Will Orr

Overview

Will Orr
Chief Executive Officer

A strong 2024

Membership up 5%
to 891k (2023: 850k)

Yield up 7%
vs 2023

Revenue up 11%
to £226.3m (2023: £204.0m)

LFL[1] up 7%

EBITDA LNR up 24%
to £47.7m (2023: £38.5m)

Mature site ROIC of 25%
up 4ppts vs 2023

Strong cash generation

Free cash flow of £37.5m, up 39% YoY

Net debt reduced by £5.1m since Dec 2023

Accelerated new openings

12 new sites opened – top end of guidance

On track for c.50 sites over 3 years

Strategic progress

Next Chapter growth plan driving mature site ROIC and rollout acceleration

1. Like-for-like revenue vs 2023 includes all sites open as at 31 December 2021

Financial Results

Luke Tait
Chief Financial Officer

Financial summary

Average Members

906k

+4%

+34k vs PY

(2023: 872k)

ARPMM

£20.81

+7%

+£1.31 vs PY

(2023: £19.50)

Revenue

£226.3m

+11%

+£22.3m vs PY

(2023: £204.0m)

Group Adjusted EBITDA Less Normalised Rent[1] (LNR)

£47.7m

+24%

+£9.2m vs PY

(2023: £38.5m)

Statutory Profit before Tax

£2.5m

Increased by £10.8m

vs PY

(2023 : £(8.3)m)

Free Cash Flow[1]

£37.5m

+39%

+£10.5m vs PY

(2023: £27.0m)

Non-Property Net Debt[1]

£(61.3)m

Reduced by £5.1m

vs Dec 2023

(Dec 2023: £(66.4)m)

Leverage Ratio[1]

1.3x

Reduced by 0.4x

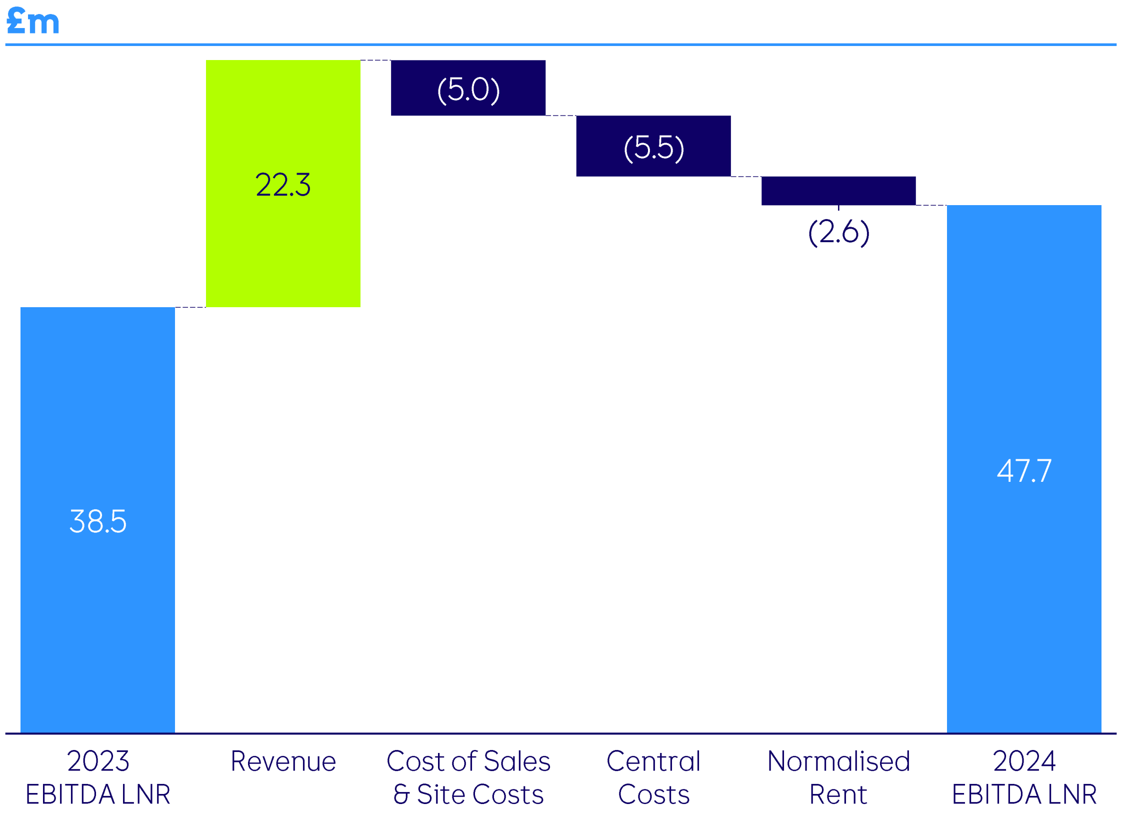
vs Dec 2023

(Dec 2023: 1.7x)

[1]Refer to appendix for definitions of non-statutory measures

Group adj. EBITDA LNR[1] of £47.7m

£m	2024	2023	YoY	%
Revenue	226.3	204.0	22.3	11%
Cost of Sales	(2.9)	(2.8)	(0.1)	(4%)
Gross Profit	**223.4**	**201.2**	**22.2**	**11%**
Site Costs[2] (Excl. Normalised Rent)	(109.6)	(104.7)	(4.9)	(5%)
Central Costs (Excl. Normalised Rent)	(26.5)	(21.0)	(5.5)	(26%)
Normalised Rent[3]	(39.6)	(37.0)	(2.6)	(7%)
Group Adjusted EBITDA LNR	**47.7**	**38.5**	**9.2**	**24%**
EBITDA LNR Margin	*21%*	*19%*	*2pp*	*11%*
Add back Normalised Rent	*39.6*	*37.0*		
Share Based Payments	(3.4)	(2.4)	(1.0)	(42%)
Depreciation & Amortisation	(60.1)	(57.5)	(2.6)	(5%)
Net Financing Costs	(20.2)	(21.1)	0.9	4%
Group Adjusted Profit/(Loss) Before Tax	**3.6**	**(5.5)**	**9.1**	**165%**
Total Non-Underlying Items	(1.1)	(2.8)	1.7	61%
Profit/(Loss) Before Tax	**2.5**	**(8.3)**	**10.8**	**130%**



EBITDA LNR growth of 24% driven by strong LFL revenue performance

the gym group

[1] Refer to appendix for definitions of non-statutory measures
[2] Site Costs includes other income of £0.1m in 2024 (2023: £0.3m)
[3] Normalised Rent includes £0.4m in each period relating to the central office

LFL revenue growth of 7%

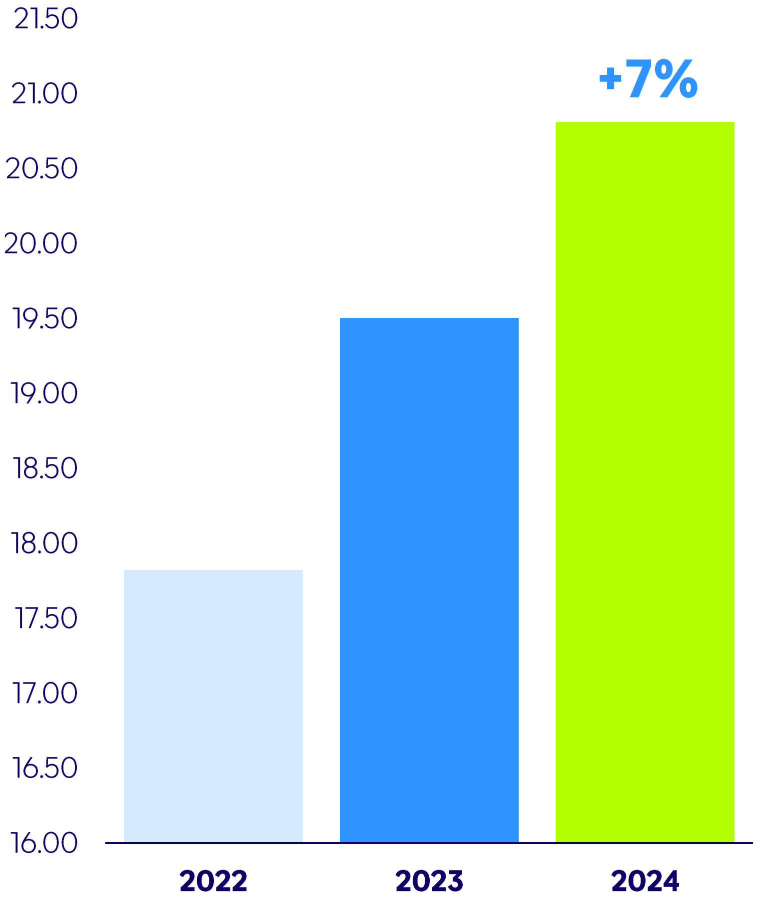
LFL [1]

members
100%

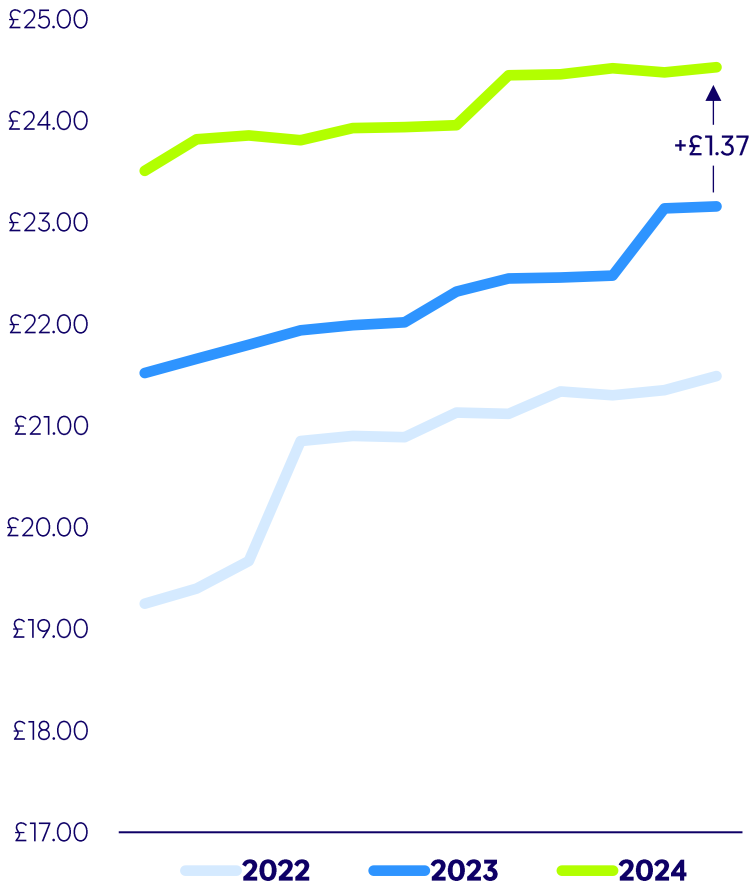
yield
107%

revenue
107%

ARPMM (£)



Average Standard headline rate (£)



1. Like-for-like revenue vs 2023 includes all sites open as at 31 December 2021

Site costs in line with expectation

Site costs inflationary pressures...

National Living Wage – Impacts staff costs and cleaning

Business Rates – New rating period and Uniform Business Rate

Offset by cost optimisation initiatives...

Staff Costs – National Living Wage increase has been offset by efficiencies in staffing model

Business Rates – partially offset by successful rates challenges

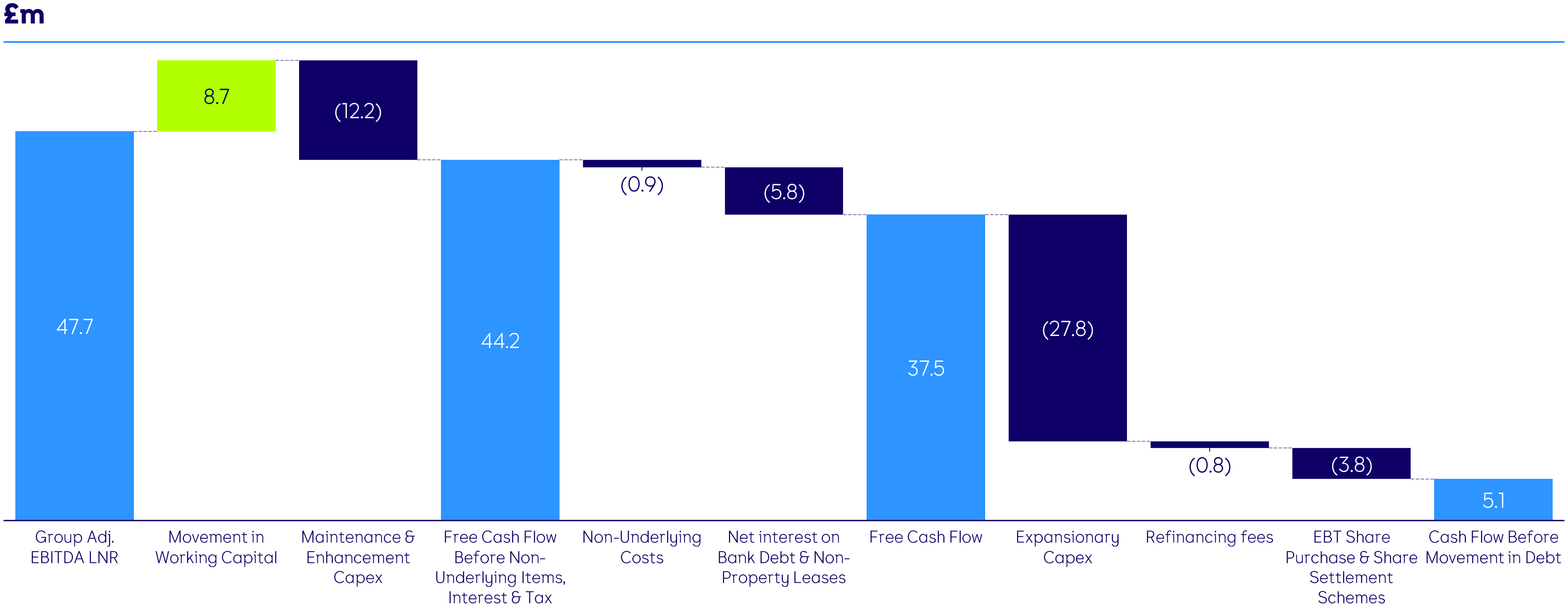
Utilities – commodity rates are starting to normalise, alongside the impact of energy optimisation programmes

Insurance – softening market providing savings

LFL[1] site costs growth of 2.4%[2] in 2024

[1]LFL site costs vs 2023 includes all sites open as at 31 December 2021
[2]Excl. out of year business rates rebates

Strong cash flow generation



Free Cash Flow up 39% vs 2023

Reinvesting Free Cash Flow [1] to drive the business

Expansionary

12 new sites opened in 2024 vs 6 in 2023

High proportion of Greater London sites (8)

Investment in Tech & Data to deliver the Next Chapter growth initiatives

Maintenance & Enhancement

Maintenance & enhancement capex spend of 5% of revenue in 2024 (2023: 5%) as we continue to invest in existing sites

Capital expenditure and additions

£m	2024	2023	YoY
New Sites (including leases)	19.6	10.9	80%
Tech & Data	8.2	5.5	49%
Expansionary Capex[1]	**27.8**	**16.4**	**70%**
Enhancement (including leases)	6.8	6.9	(1%)
Other Maintenance	5.4	3.4	59%
Maintenance & Enhancement Capex[1]	**12.2**	**10.3**	**18%**
Total Cash Flow Capex[2]	**40.0**	**26.7**	**50%**
Movement in Capex Creditor[3]	*2.0*	*(3.8)*	*153%*
Fixed Asset Additions	**42.0**	**22.9**	**83%**

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[1] Refer to appendix for definitions of non-statutory measures
[2] No lease additions in 2024
[3] Includes movement in capex creditors of £1.3m in PPE, £0.2m in ROU assets and £0.1m in Intangibles; plus £0.4m of capitalised interest

Net debt reduced by £5.1m

£m	2024	2023
Bank facility[1]	**90.0**	**80.0**
Bank borrowings	(61.0)	(59.0)
Cash & cash equivalents	3.0	1.5
Bank net debt	**(58.0)**	**(57.5)**
Non-property lease indebtedness	(3.3)	(8.9)
Non-Property Net Debt[2]	**(61.3)**	**(66.4)**
Adjusted Leverage[2]	**1.3x**	**1.7x**
Fixed Charge Cover[2]	**1.9x**	**1.7x**

Leverage significantly reduced over the last 2 years

[1] Under the bank facility, TGG is permitted to enter into finance or capital leases up to a value of £15m
[2] Refer to appendix for definitions of non-statutory measures

New banking agreement signed June 2024

- Combined £90m facility:
  - £45m of Term Loan and £45m of RCF
  - Maturing in June 2027 (plus two 1-year extension options)

- Existing tier 1 banking syndicate remains in place; equal share (HSBC, Barclays, NatWest)

- Improved interest terms – min. annual margin of 2.75% (was 2.85%) above SONIA

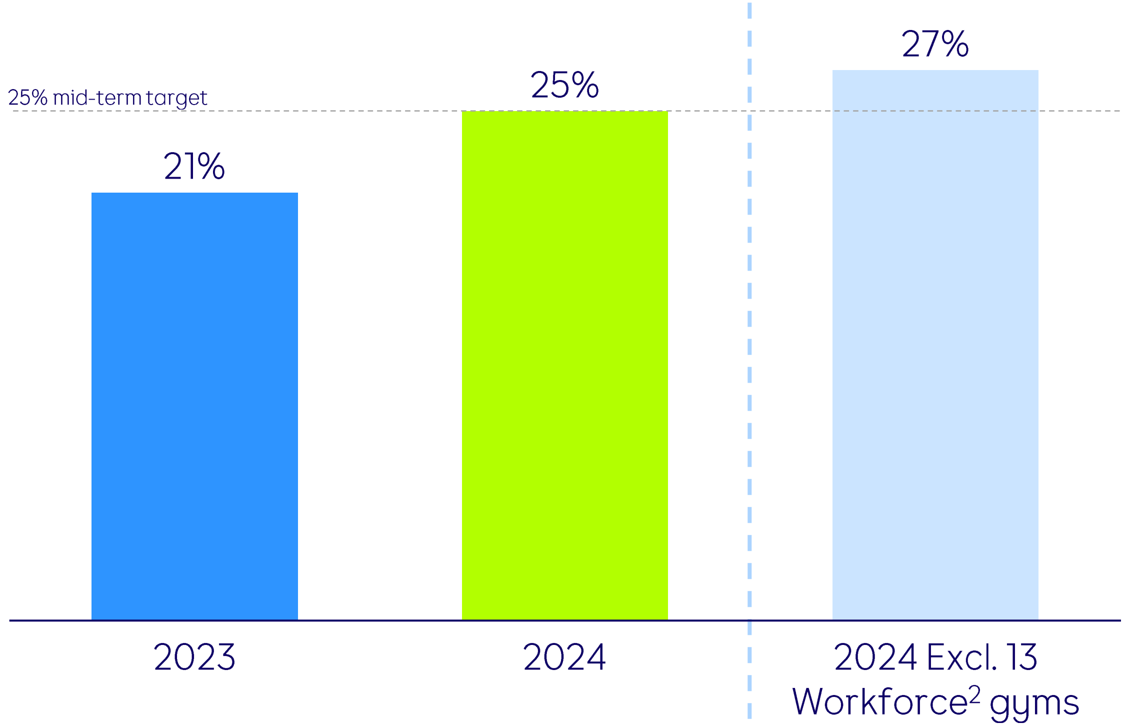
- Quarterly financial covenant tests on Adjusted Leverage[1] and Fixed Charge Cover[1]
  - Adjusted Leverage < 3.0 times
  - Fixed Charge Cover > 1.5 times

- Terms permit distribution of surplus cash flow to shareholders

[1] Refer to appendix for definitions of non-statutory measures

ROIC of mature sites at 25%, delivering mid-term target early

Mature site ROIC[1]



Strong performance in 2024 **increased ROIC by 4pp to 25%** (2023: 21%)

Excluding 13 gyms which are workforce-dependent, the organic mature estate achieved **27% ROIC** (2023: 24%)

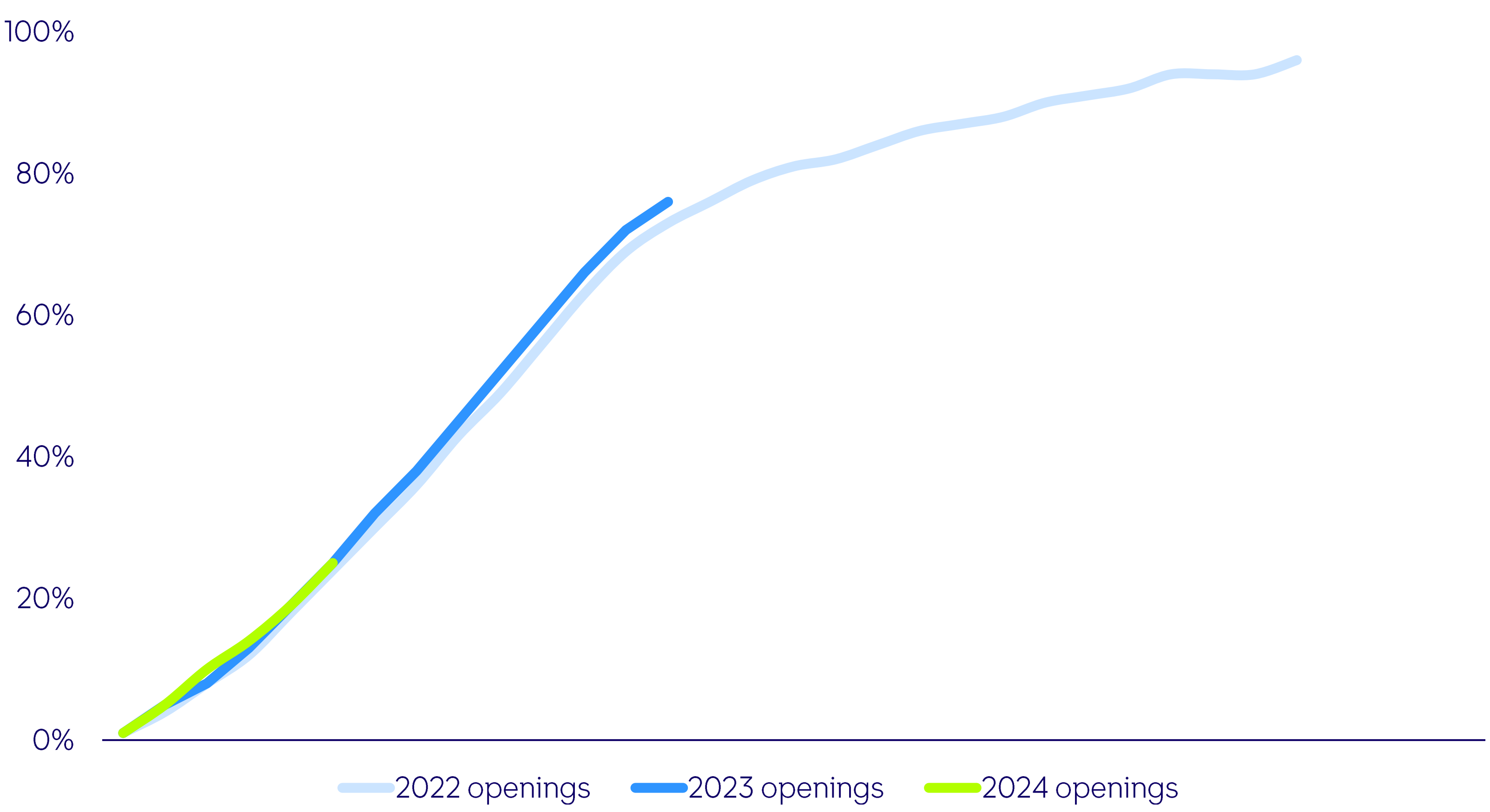
Gyms opened in 2021 are achieving in excess of **30% ROIC target**

Expect further progress on Mature Site ROIC in current year and return to 30% longer term

[1] Refer to appendix for definitions of non-statutory measures
[2] Sites with a workforce index of more than 120 (workforce population / residential adult population *100), without car parking or a significant student population
Estate consists of 197 organic mature gyms, 30 acquired gyms, 18 maturing gyms

New sites performing well

Revenue vs mature target



2022 sites on track to deliver 30% ROIC

2023 sites in line with expectations

2024 sites progressing well with strong initial volume

All averages above include a minimum of five open gyms

Current trading & Outlook

Current trading

- Revenue year to date up 8% vs Feb 2024 – average members up 4% and ARPMM up 4%
- LFL revenue year to date at 3% vs Feb 2024
- 951,000 members as at Feb 2025, up 7% vs Dec 2024

Rollout

- Expect to deliver 14-16 new openings
- Openings weighted to H2

EBITDA LNR guidance

- LFL revenue growth of c.3%, ahead of LFL cost growth c.2%
- Expecting 2025 EBITDA LNR at top end of recently revised analyst forecast range of £49.0m-£50.8m[1]

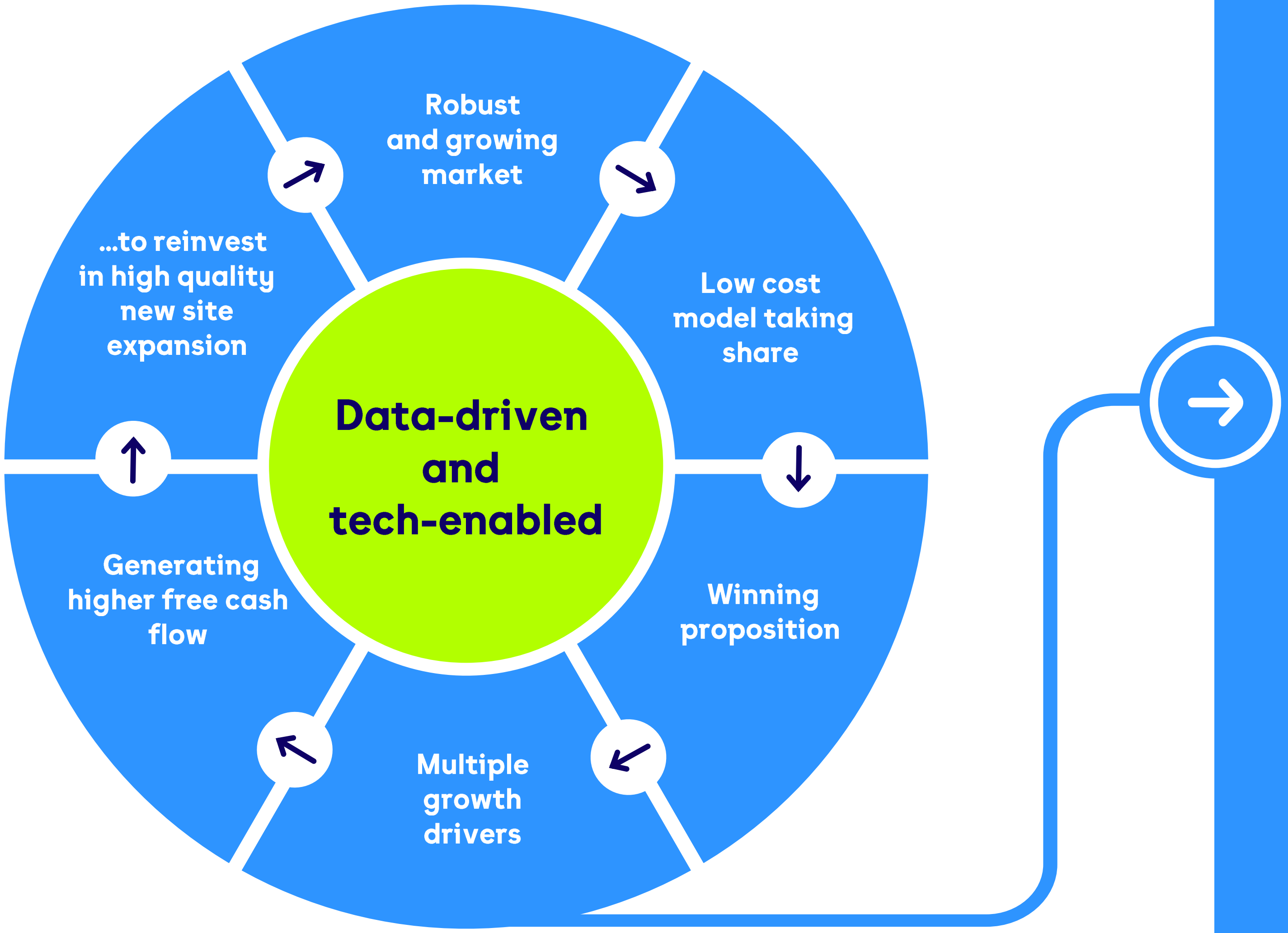
1. Current Company-compiled analyst forecast range

the gym group

Next Chapter Growth Plan – Progress Report

Will Orr
Chief Executive Officer

Investment case: sustained growth from free cash flow



Multiple Growth Drivers:

Price optimisation and yield enhancement

New customer volume around existing sites

Retention of members for longer

Quality new sites in white space

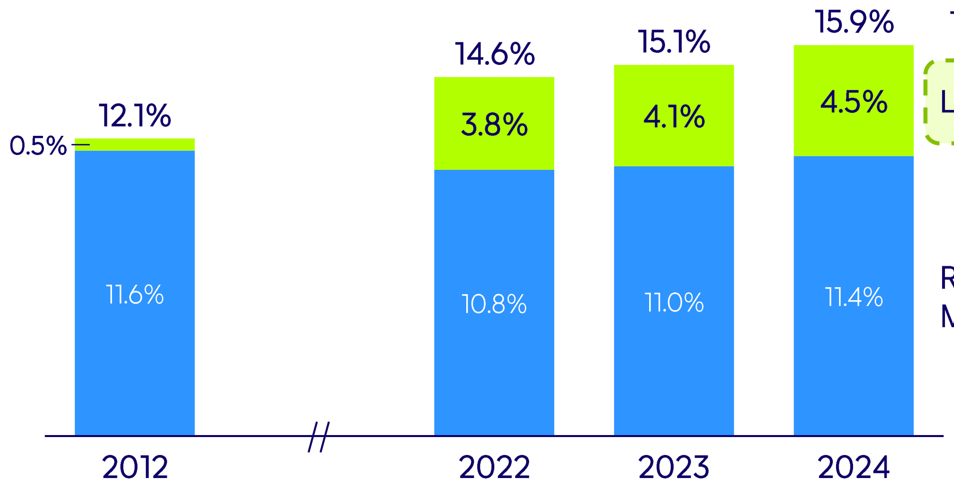
Low cost driving new highs in gym penetration

UK Gym Market

£5.9bn
Market Size
3.5% CAGR 2012-24

10.7m
Gym Members
2.9% CAGR 2012-24

Gym Penetration
(% of Population)



	Change 2012 - 24
Total	+3.8 ppts
Low Cost	+4.0 ppts
Rest of Market	-0.2 ppts

Low Cost Share of Market (% of Members)	2012		2022	2023	2024	Change 2012 - 24
	4%	//	26%	27%	28%	+24 ppts

Top 2 operators – The Gym Group & PureGym - account for **81% of low cost members**

Our growth continues to benefit from macro consumer trends

Fitness IQ

- Ever growing awareness of gym benefits
- Broadens gym equipment usage

Mental Health

- Leading motivator now for our members
- Natural fit with gym benefit

Body Image

- 'Fit not thin' cultural evolution
- Shift from cardio to strength positive for gyms

Social Media

- Amplifies body image trend
- Builds our experiential community

Rise of No Frills

- Strong 'value-for-money' propositions showing sustained resilience
- Squeezing mid-market operators

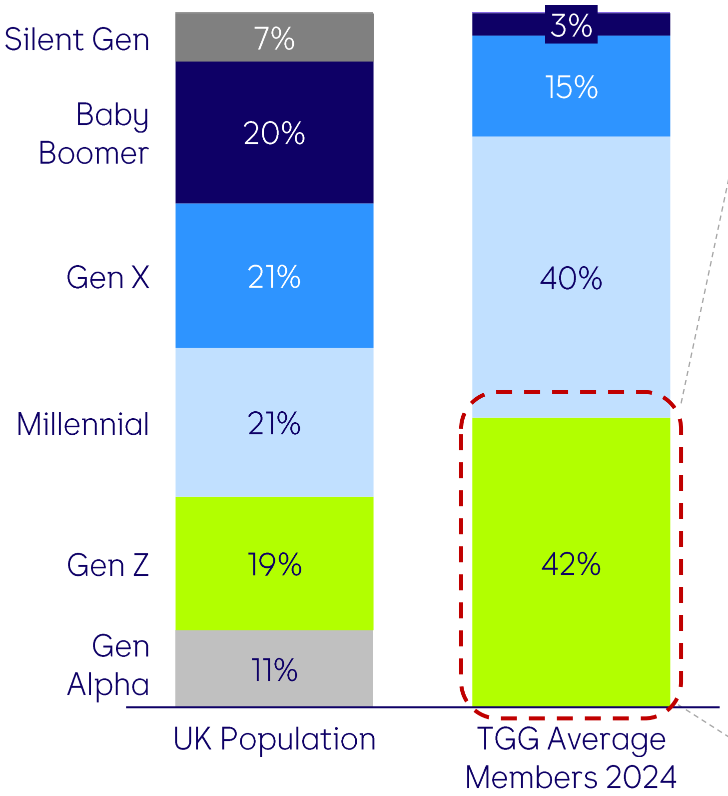
Convenience & Immediacy

- Growing preference for convenient solutions available on-demand
- Amplifies appeal of 24/7 opening hours and no contract model

Increasing influence of Gen Z strengthens our tailwinds

Gen Z is becoming a key part of the gym market, with positive attitudes to fitness

Generation Split: UK Population & TGG Average Members[1]



Highly engaged
(gym visits & frequency)

Prioritise fitness & mental health

Strength training is key

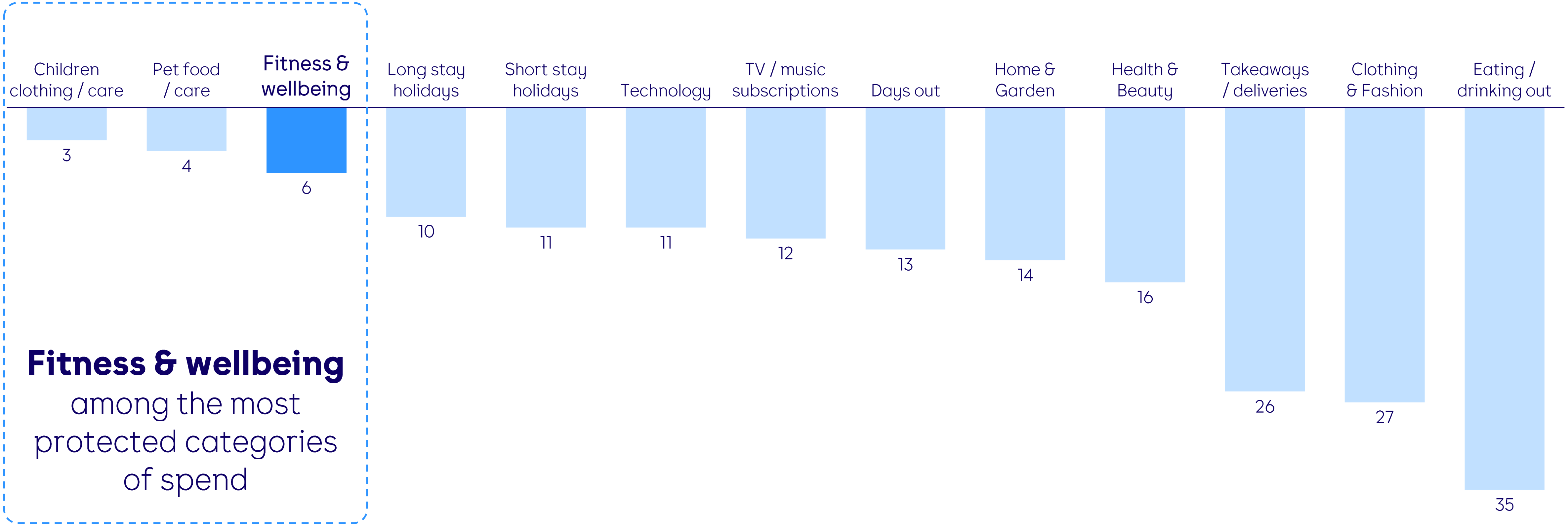
Social media focused

Use gyms to socialise

1. UK Population - Xplor Gym Membership Sales Report 2024 (taken from Statista) - data from most recent year available (2022); & TGG internal data

Fitness increasingly seen as high priority spend

% of consumers looking to cut back in the next 3 months, by category[1]



1. Survey of UK consumers on where they are cutting back, across Leisure time and socialising and Retail and Consumer Products, excluding Retail Big ticket purchases

Source: RSM Consumer Outlook 2025 report

Our winning proposition resonates more than ever

Value

From £14.99/month

High quality kit

Free classes

Convenience

No contract

Local

24/7

Results

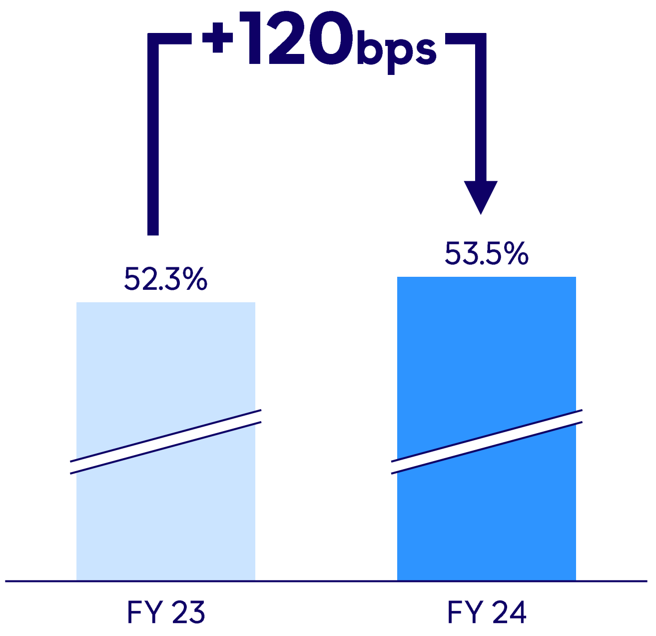
Expert trainers

Highly rated app

Online workouts

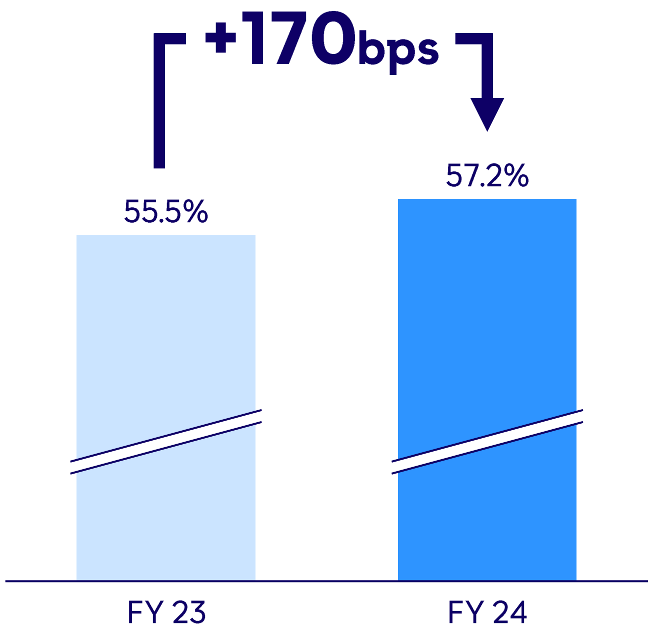
Members visiting more frequently

% Members Visiting 4+ Times per Month[1],
FY 23 vs FY 24



Higher proportion scoring us 5 / 5

% Member Satisfaction Scoring 5 out of 5[2],
FY 23 vs FY 24



1. For comparability, visits data based on LFL sites open at least 2 years before start of reporting year, Standard & Ultimate monthly products only, Excludes freeze and partial month members
2. Member satisfaction based on sites open at least 2 years prior to FY start and remained open for the entirety of the FY

Source: TGG visit data, TGG member satisfaction survey

A clear plan: The Next Chapter

Drive like-for-like revenue and generate cash

Create funds for future growth options

Strengthen the core

Accelerate rollout of quality sites

Broaden our growth

Strengthen the core

2024 Key Initiatives

Pricing & Revenue Management

- Optimise new member prices
- Reduce our existing member price gap
- Drive volume through Off-Peak and Saver products
- Innovate in promotions for profitable volume
- Better monetise features and add-ons

Member Acquisition

- Become the #1 brand locally
- Harness ad-tech to enhance efficiency
- Optimise Cost per Acquisition and Lifetime Value
- Drive conversion rates through A/B testing

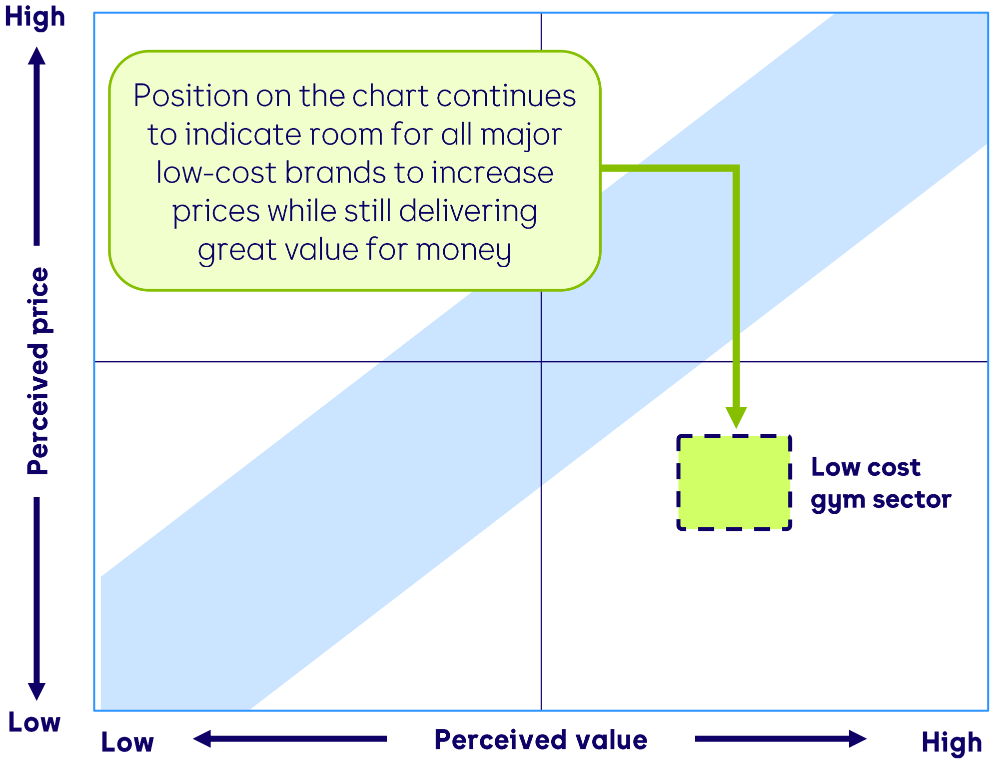
Member Retention

- Step-change early-life engagement and habit formation
- Adapt acquisition mechanics to retain better
- Strengthen CRM toolkit to pre-empt leavers and enhance rejoin
- Upgrade the app to boost member results and experience

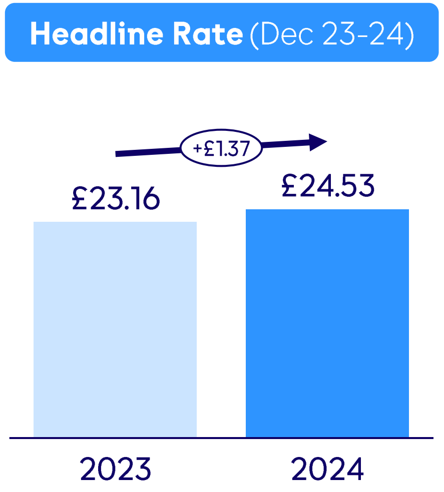
Pricing headroom remains an opportunity

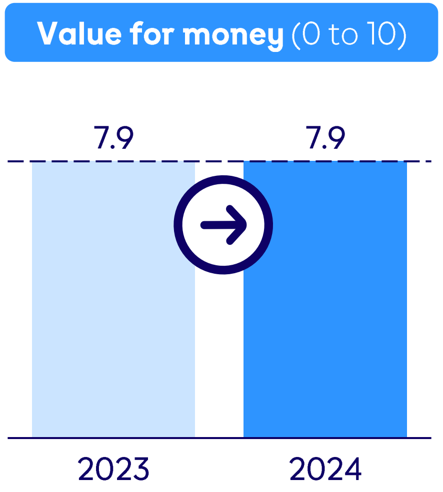
Continued opportunity to price ahead of inflation

Simon-Kucher Price / Value Map (Latest View Aug 2024)



Value for money maintained despite increasing prices





At £24.53, TGG's headline rate remains less than 50% of UK private sector gyms average[1]

1. £24.53 = TGG's average Standard membership monthly headline rate as at end of December 2024
Source: Simon-Kucher, 2024 Customer Survey

Strong gains as we unlock clear opportunity for yield growth

Key Wins in 2024

New Member Pricing

Further narrowed the gap to competition in headline rates and joining fees, supported by 3 tier membership architecture

Member Repricing

Identified profitable new ways to close the gap between new & existing members, with H2 building on H1 success (540k members)

Off-Peak Revenue

Off-peak pricing optimisation added volume and increased incrementality

Promotions Innovation

Mix shifted towards less costly promotions and effectiveness significantly improved within existing and new mechanics

We remain cheaper in competing locations

Average difference to The Gym Group in competing locations

	Dec 2022	Dec 2023	Dec 2024
PUREGYM	+£2.35	+£2.06	+£1.45
JD GYMS	+£2.33	+£2.44	+£2.43

Building momentum in marketing efficiency & effectiveness

Key Wins in 2024

Dynamic Creative
Initial use of real-time ad-tech delivering benefits in marketing effectiveness, volume & revenue through more relevant content

Website Conversion Programme
A/B testing programme established and delivering revenue gains through conversion, product mix and add-ons (20 tests run in 2024)

Marketing Return on Investment
Up-weighting marketing investment towards sites with higher Lifetime Value. Continuing to test returns on incremental marketing

Winning Brand Locally
Local focus in brand message and media strategy driving brand performance and local social (+102k Instagram reach H2 YoY)

Example – Dynamic Creative Optimisation

Tailoring gym and price to viewer location results in lower Cost per Acquisition and additional member volume

DCO Nov / Dec 2024 Campaign KPIs vs Control

Example Standardised Ad

+10.5%
CPA improvement

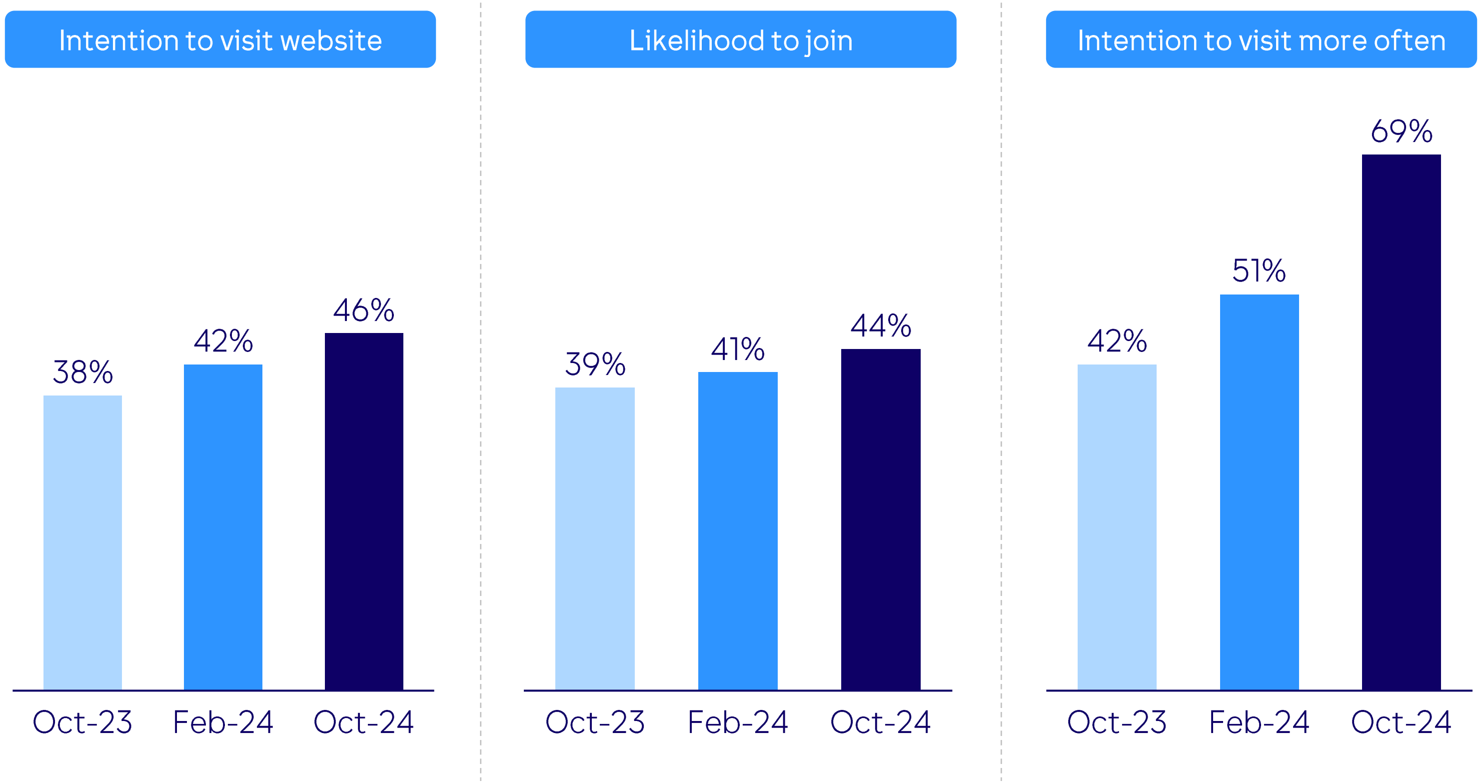
Dynamic Creative Tailored to Location

+11.7%
Volume & Lifetime Value

Marketing focus on 'winning locally' showing progress

Consistency driving improvements in ad campaigns

Response to Advertising Creatives, Campaigns across Sep/Oct 23, Jan/Feb 24, & Sep/Oct 24[1]



Source: The Nursery: 16-49 y/o potential gym goers within 10m of TGG gym

Initial retention initiatives gaining traction

Key Wins in 2024

Early Life CRM
Built on success in initial email engagement with segmented approach by member demographic

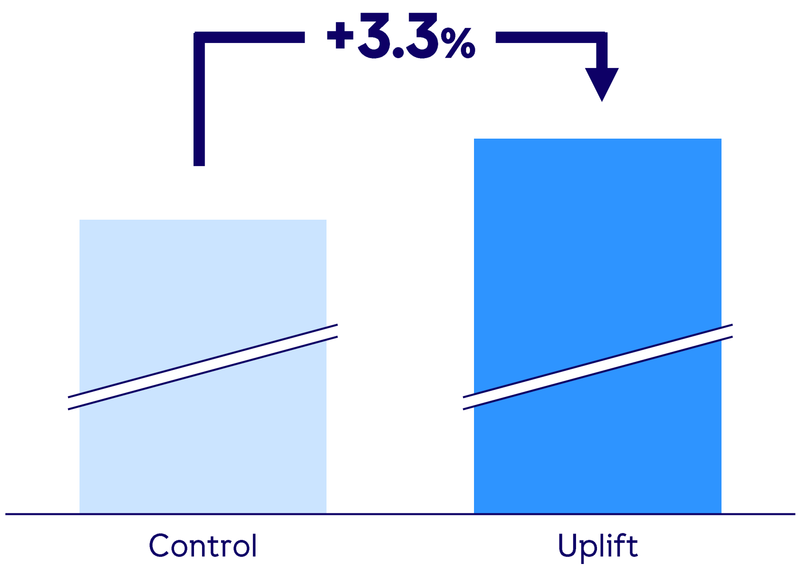
App Upgrade
Range of new app features launched & gaining traction. +159k more members engaged with our Workouts Hub H2 YoY

Acquire to Retain
New promotions to drive retention from the point of acquisition. Growing 'Saver' membership from small base (+2.3x 2024 YoY)

In-Gym Focus on New Joiners
Increased staffing for new joiner peaks and improved availability and quality of inductions (+129% number of inductions 2024 YoY)

Example – Early Life Email Trials

Improvement in day 45 retention rate vs control, 2024



The Next Chapter

Drive like-for-like revenue and generate cash

Create funds for future growth options

Strengthen the core

Accelerate rollout of quality sites

Broaden our growth

Increased rollout to 12 new sites with proven location criteria

Our target locations focus on proven performance criteria

Examples of high ROIC site characteristics

- Greater London and Urban Residential
- Areas with high population density
- Convenient access
- Good visibility / signage opportunities

Orpington

London Euston Road

Manchester Oxford Road

Welwyn Garden City

London Plaistow

Dudley

East Ham Barking Road

London Bromley By Bow

London Surbiton

Gillingham

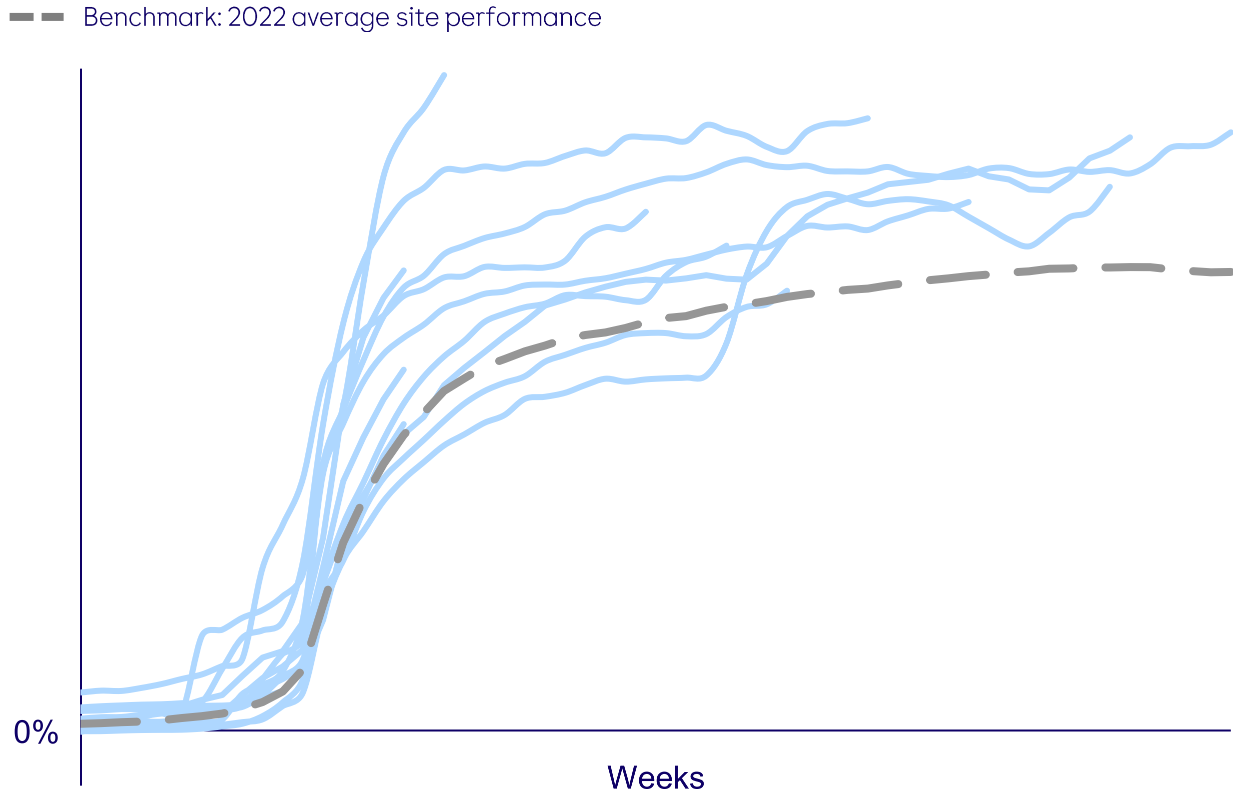
London Shepherd's Bush

London Elephant & Castle

Translating into strong initial performance

2024 sites are performing well ahead of historical average

Member Volume vs 2022 Average Curve, as at 31 Jan



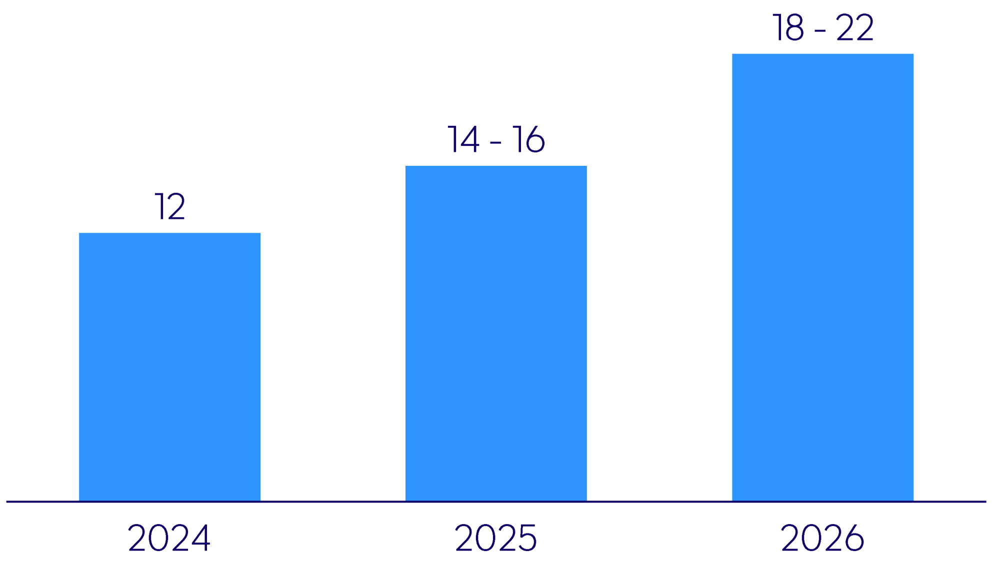
Key Drivers of Out-Performance

- Disciplined focus on strong location types
- Improved launch price & promotions
- Strong local marketing focus
- Continuous improvement in site design

Accelerating new openings with 14-16 in 2025

New Site targets by year, 2024 - 2026

c.50 new sites over 3 years
with an average 30% ROIC



Opportunities to improve performance further in 2025

- Improved economics from Strengthen the Core
- Build cost optimisation
- New generation site design
- Testing new location types & formats
- Enhanced appraisal approach

The Next Chapter 2025 builds on momentum, with more to come

Continuation of **2024 Initiatives**:

- Unlock pricing opportunity for new & existing members
- Support volume through geo-targeted marketing, Off-Peak and Saver
- Marketing ROI optimisation
- Further strengthen early-life engagement & retention
- Disciplined, returns focused site selection
- Continuous cost optimisation

+

New for 2025

- Activate site-level member headroom
- Step-change rejoiner re-activation
- Elevate site interior design
- Fully activate expanded partnership with HYROX
- Enhance member management and payments capabilities

→

Further growth in **mature site ROIC**

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Acceleration of **new site rollout & returns**

Summary & Outlook

Will Orr
Chief Executive Officer

Summary & Outlook

1. Large market with structural growth tailwinds
2. Advantaged business model
3. Multiple LFL growth opportunities and significant white space
4. FY24 EBITDA LNR of +24%; mature site ROIC target of 25% achieved early, further progress expected in 2025
5. Accelerating self-funded rollout, averaging 30% ROIC
6. Expecting 2025 EBITDA LNR at top end of recently revised analyst forecast range of £49.0m-£50.8m[1]

1. Current Company-compiled analyst forecast range

Q&A

Appendix

Business KPIs (5 year)

Financial (£m)	2024	2023	2022	2021	2020	YoY
Revenue	226.3	204.0	172.9	106.0	80.5	11%
Group Adj. EBITDA LNR	47.7	38.5	38.0	5.7	(10.2)	24%
Free Cash Flow	37.5	27.0	16.7	2.0	(16.6)	39%
Expansionary Capital Expenditure	27.8	16.4	43.0	29.0	21.8	70%
Non-Property Net Debt	61.3	66.4	76.0	44.1	47.3	(8)%

Operational						
Gyms in operation	245	233	229	202	183	5%
Members at year end ('000)	891	850	821	718	578	5%
Average members ('000)	906	872	808	681	708	4%
Average revenue per member per month (£) [1]	20.81	19.50	17.82	17.60	17.20	7%

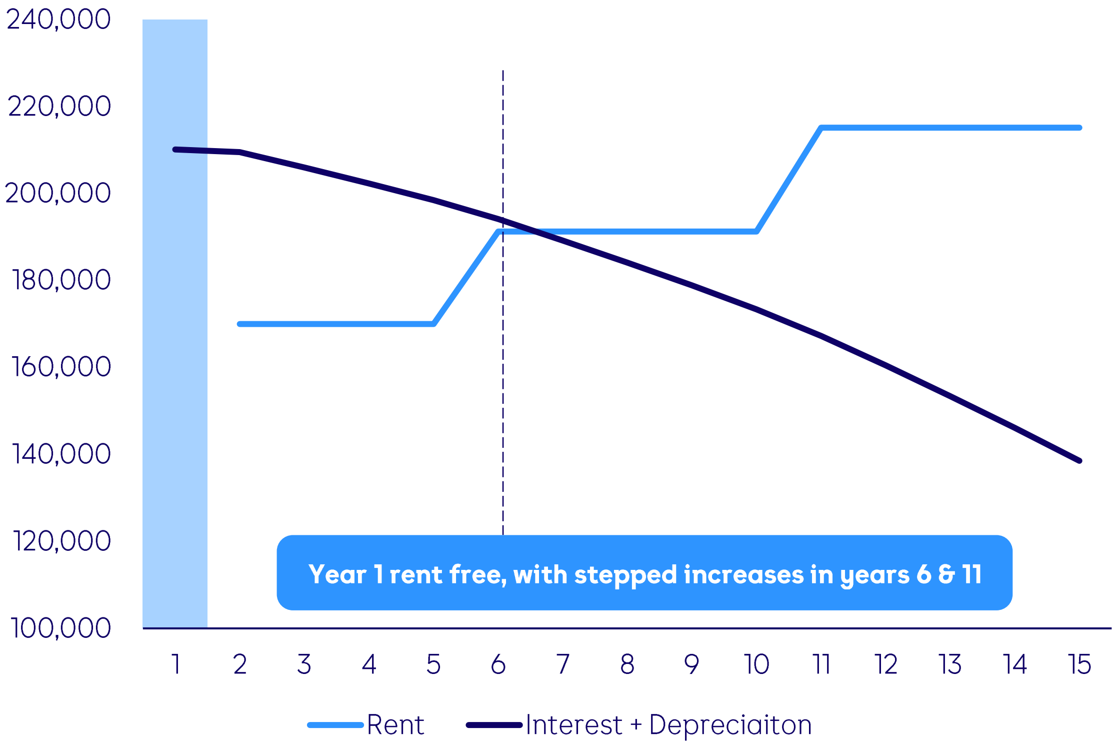
[1] Average revenue per member per month is calculated as revenue divided by the average number of members divided by the number of months in the period

IFRS16 charges are currently £2.4m higher than cash rent

Depreciation & Interest vs Property Payments

FY 2024	£m
Right of use asset depreciation	27.0
Property lease interest	15.0
Total	**42.0**
Property lease payment	**39.6**
Variance	*2.4*

IFRS 16 - Annual Charge



Anticipate IFRS16 charge and cash rent aligning in the next 2 years

Mature site economics

Mature Site ROIC 25% incl. Rent-Free

- Include landlord contributions AND rent-free periods to take right commercial decision
- Rent-free periods previously excluded, equivalent to 200bps on ROIC in FY24

Drive ROIC in the existing estate

- Strengthen the Core presents a significant opportunity to increase ROIC in the existing estate

Disciplined new site roll out

- Strict 30% ROIC hurdle on all new site appraisals
- Focus on quality sites in Urban Residential and Greater London areas

£m	Mature
Number of gyms	197
Revenue	**0.9**
Gross profit	99%
Fixed property costs[1]	(28)%
Other opex	(38)%
EBITDA LNR	**0.3**
EBITDA margin	*33%*
Average capital cost[2]	1.2
Mature site ROIC	**25%**

	New openings
Number of gyms	c.50
Revenue	**1.1**
Gross profit	99%
Fixed property costs[1]	(26)%
Other opex	(34)%
EBITDA LNR	**0.4**
EBITDA margin	*35%*
Average capital cost[2]	1.4
New site ROIC	**30%**

[1] Fixed property costs includes normalised rent
[2] Capital cost net of landlord contribution and/or rent free period savings

Definition of non-statutory measures

Average Revenue Per Member Per Month (‘ARPMM’)
Revenue divided by the average number of members divided by the number of months in the period

Group Adjusted EBITDA LNR
Operating profit before depreciation, amortisation, share based payments and non-underlying items; less Normalised Rent.

Normalised Rent
The contractual rent payable, recognised in the monthly period to which it relates.

Adjusted Profit/Loss before Tax
Profit/Loss before tax before non-underlying items.

Non-Property Net Debt
Bank and non-property lease debt less cash and cash equivalents.

Free Cash Flow
Group Adjusted EBITDA LNR and movement in working capital, less maintenance capital expenditure, cash non-underlying items, bank and non-property lease interest and tax.

Expansionary capital expenditure
Costs of fit-out of new gyms (both organic and acquired), technology projects and other strategic projects. It is stated net of contributions from landlords.

Maintenance & enhancement capital expenditure
Costs of replacement gym equipment and premises refurbishment.

Adjusted Leverage / Leverage Ratio
Non-Property Net Debt divided by Group Adjusted EBITDA LNR.

Fixed Charge Cover
Group Adjusted EBITDA divided by Finance costs (excluding interest costs on property leases) less Finance income plus Normalised Rent.

Return on Invested Capital (‘ROIC’) of mature gym sites
Mature gym site EBITDA Less Normalised Rent divided by total capital initially invested in the mature sites (after capital contributions and rent free amounts).

Mature Gym Site EBITDA Less Normalised Rent
Group Adjusted EBITDA Less Normalised Rent contributed by the mature sites. Mature sites are defined as those sites that have been open for 24 months or more at the period end and exclude acquisition sites.

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