



# Landlord information pack

[thegymgroup.com](http://thegymgroup.com) | [tggplc.com](http://tggplc.com)





# The gym group at a glance

- ✓ Over 230 gyms and still growing
- ✓ £21.49 average monthly membership cost
- ✓ 29.3% low cost gym market share
- ✓ 821,000 members at end of Dec 2022
- ✓ Low levels of net debt
- ✓ Only UK listed fitness operator
- ✓ £172.9m of revenue generated in 2022
- ✓ £38m group adjusted EBITDA less normalised rent
- ✓ Average of £3.3m social value created per gym in 2022
- ✓ UK's first carbon neutral gym chain



# Breaking down barriers to fitness

## Our business model



## What we deliver

**Accessible fitness for all**  
**32%**  
 of gyms located in 20% most deprived areas of the UK

**Social value for communities**  
**£2.85bn**  
 of social value<sup>1</sup> created through member exercise over the last five years

**Sustainable long term growth**  
**22%**  
 membership growth per year for the last ten years with an average of 20 new sites opened per year

**Strong return on capital**  
**20%**  
 delivered in 2022, impacted by Covid-19 and macroeconomics

<sup>1</sup> Social value is a measure of the value we are creating through regular exercise in the communities in which we operate. It is derived using a model created by Sheffield Hallam University and used extensively by Sport England, local authorities and the UK Government.

move



## Our key stakeholders

A successful working relationship with our stakeholders is key to our operating model.

Stakeholders	Why they matter
Shareholders	Our investors provide capital for growth, whilst providing challenge and feedback on our business model and plans for the future.
Employees	Our employees are the driving force behind our purpose and growth. We run a people-first business and consider our unique team and culture to be a vital part of our strategy.
Members	Satisfied members are what make our gyms successful and they inspire us every day with their achievements. They are the best indicator that we are delivering on our purpose of breaking down barriers to fitness for all.
Suppliers	Our partnerships with our suppliers ensure we source the best value goods and services for the benefit of our members. High standards of ethics and business conduct is an important part of being a responsible business.
Communities	Being a valuable part of the communities in which we operate is hugely important to us. Providing safe and affordable facilities to exercise creates social value for the communities we operate in.
Environment	We continually seek out opportunities to improve our environmental performance, including reducing our carbon emissions. Sustainability is at the core of our business.
Lending banks	Our lending banks provide funds for growth and day-to-day working capital to enable us to operate and grow our business to its full potential.

# Strong proposition

As of January 2023 we operated 230 sites in the UK. We are consistently rated 'excellent' on Trustpilot, score highly on member satisfaction and have over 53 million gym visits per annum.

## Member proposition

- Convenient locations**  
52.5% of UK population live within 15 minutes drive of at least one of our gyms
- High quality gym equipment and exercise facilities**
- Friendly, helpful staff and access to personal trainers**
- LIVE IT<sup>1</sup>**  
multi-gym access, fitness tracking, bring a friend and Fiit premium
- 24/7 access and Sunlimited training**
- No contract**
- Free group exercise classes**
- Free Fiit on-demand fitness classes in our app**
- Market-leading low price membership**

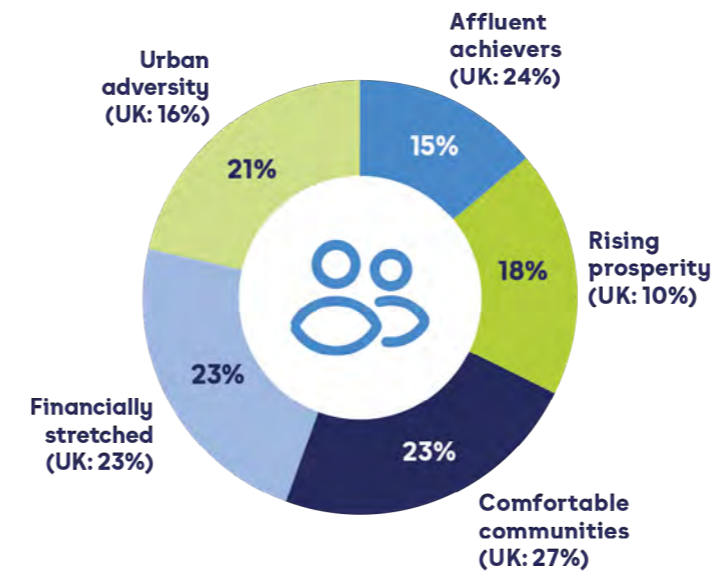
<sup>1</sup> LIVE IT is our premium membership plan which offers additional benefits.



## National gym network

We focus on operating high quality, low cost gyms that have widespread appeal, breaking down barriers to fitness for all. In 2022, we delivered record organic growth, opening a total of 28 new gyms. The economies of scale in our business model enable us to offer a great service at a low cost for our members whilst also delivering a strong financial performance.

## Broad member demographic



- Existing gyms
- 2022 acquired sites
- ▲ 2022 organic openings

**230**  
Number of gyms

**821,000**  
Number of members

**£21.49**  
Average monthly membership cost

Note: All figures stated as at 31 December 2022. Average monthly membership cost relates to 'DO IT' rate. DO IT membership is a membership for one specified gym.

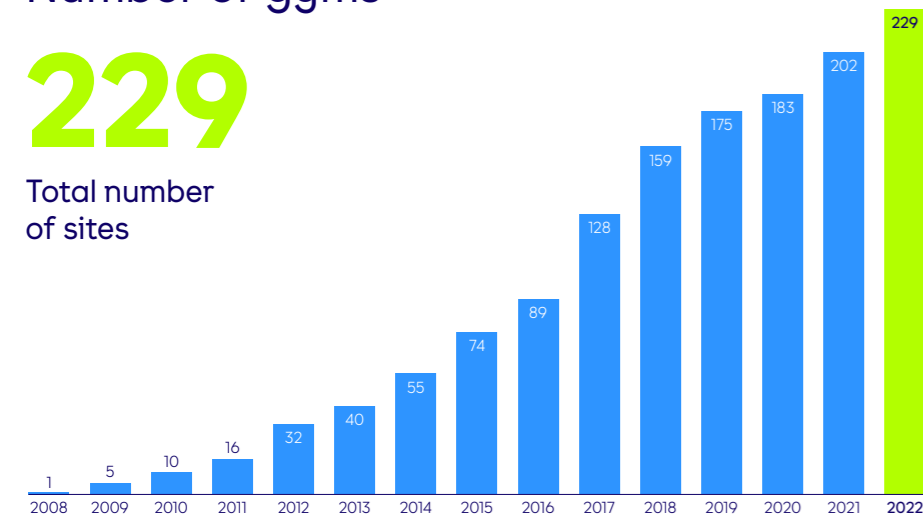
# The story so far



## Number of gyms

**229**

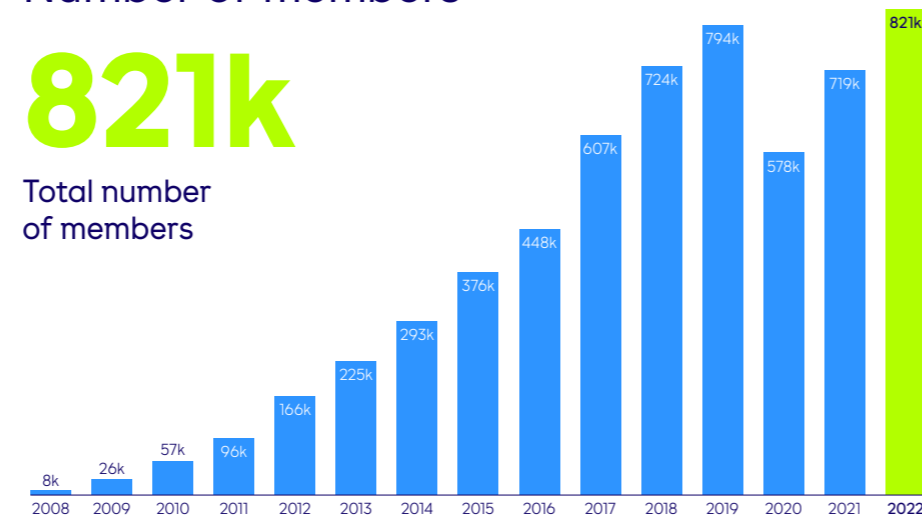
Total number of sites



## Number of members

**821k**

Total number of members



## Adjusted EBITDA £38m<sup>1</sup>

**£38m**

Adjusted EBITDA Less Normalised Rent



<sup>1</sup> Adjusted EBITDA refers to Group Adjusted EBITDA Less Normalised Rent. For 2012 and 2013, the number is presented on an aggregated basis as the Group did not constitute a single legal group until 13 June 2013. Group Adjusted EBITDA Less Normalised Rent for 2012-2014 has not been restated for IFRS 16.

# High quality estate

We delivered record site growth in 2022 with 25 organic openings and the acquisition and conversion of three sites from Fitness First, making a total of 28 new gyms. With sizes ranging from 7,000 to 21,000 square feet, our adaptable model and flexible format has allowed us to deliver exceptional gym facilities in a wide range of locations and building types. Through our rigorous standards and maintenance regimes, we provide a safe environment, deliver an exceptional member experience, and ensure our gyms are highly energy efficient and up to date.

## Targeted locations

We are highly adaptable and able to trade from a variety of new build mixed use developments and conversion opportunities from offices, retail, leisure and other uses.

Retail parks have proved highly attractive and successful locations and 57% of our 2022 cohort has been located within existing parks, with a further 21% in high footfall locations. Easily accessible gyms in highly residential areas have proven the quickest to recover since reopening and with our sophisticated approach to site selection, we have ensured that all sites opened since 2019 have been in predominantly residential areas.

Our strong relationships with landlords and financial covenant continue to enable us to secure strategic prime locations.

  
**28**

new gyms in 2022



**Birmingham Selly Oak**  
City Residential  
Opened August 2022  
Size: 15,145 sq. ft



**Romford**  
Greater London  
Commuter town centre  
Opened November 2022  
Size: 20,839 sq. ft



**Glenrothes Town**  
Retail Park  
Opened August 2022  
Size: 9,074 sq. ft



## Member centric

Our flexible gym format and design continues to evolve, providing facilities closely matched to the member usage patterns, demographics and demands. We continue to work on eliminating 'gymtimidation' and providing comfortable, safe and accessible facilities, delivering on our purpose of breaking down barriers to fitness for all.

We constantly monitor the market trends and member demand to ensure we reflect the latest expectations of our members. We continue to upgrade equipment and adapt our offer to remain current and relevant to all audiences.



Grimsby



## Sustainable development

We remain focused on the cost of delivery of new sites as well as the long term operating cost and sustainability of our gyms. Our ongoing investment in energy efficient design, something that has been ongoing for many years, will deliver significant benefits given the recent increases in utility costs. We continue to evolve and improve the energy and sustainability performance of our gyms.



Corstorphine

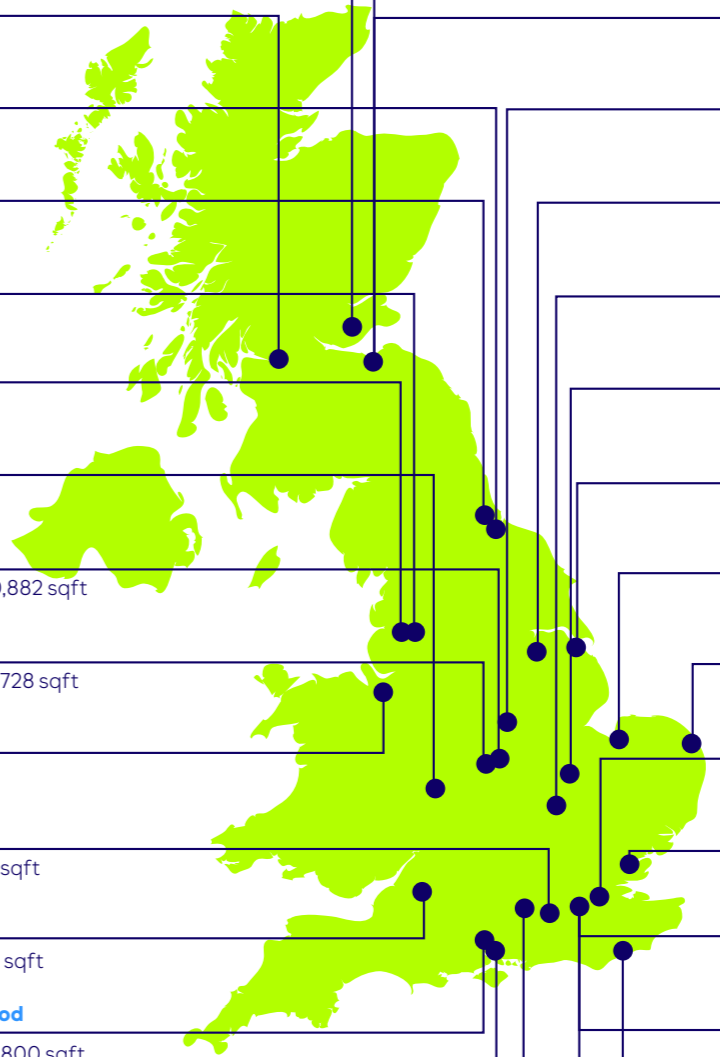




# Recent openings



<b>Glasgow Forge</b> Retail Park 14,000 sqft	<b>Glenrothes</b> Retail Park 9,080 sqft
<b>Middlesbrough</b> Retail Park 12,500 sqft	<b>Edinburgh Corstophine</b> Retail Park 9,400 sqft
<b>Sunderland South</b> Retail Park 10,208 sqft	<b>Edinburgh Station</b> Retail Park 8,751 sqft
<b>Accrington</b> Retail Park 11,026 sqft	<b>Nottingham Chillwell</b> Retail Park 13,000 sqft
<b>Leyland</b> Retail Park 10,000 sqft	<b>Scunthorpe Lakeside</b> Retail Park 10,000 sqft
<b>Birmingham Selly Oak</b> Retail Park 15,000 sqft	<b>Huntingdon</b> Retail Park 10,000 sqft
<b>Oadby</b> Existing Supermarket 10,882 sqft	<b>Northampton Central</b> Car Dealership 12,500 sqft
<b>Hinckley</b> Former Supermarket 10,728 sqft	<b>Grimsby</b> Retail Park 15,000 sqft
<b>Chester</b> Retail Park 15,300 sqft	<b>Kings Lynn</b> Retail Park 8,000 sqft
<b>Woking</b> Shopping Centre 11,500 sqft	<b>Great Yarmouth</b> Retail Park 9,759 sqft
<b>Bath City</b> Shopping Centre 12,300 sqft	<b>Romford</b> Former Gym 20,390 sqft
<b>Southampton Portswood</b> Existing Supermarket 11,800 sqft	<b>Basildon</b> Retail Park 11,750 sqft
<b>Fareham Locks Heath</b> Retail Park 11,000 sqft	<b>London Leyton</b> Retail Park 17,836 sqft
<b>London Norbury</b> High Street 15,150 sqft	<b>London Paddington</b> Former Gym 21,300 sqft
	<b>London Harringay</b> Retail Park 9,505 sqft
	<b>Hastings</b> Shopping Centre 11,300 sqft



# We are proud to be the first carbon neutral gym chain in the UK



CarbonNeutral.com

During the year, our work on carbon reduction and the net zero commitment to the Science Based Target initiative ('SBTi') has intensified. We are now working on verification by SBTi, whilst at the same time implementing energy saving programmes like our recent '20 is Plenty' campaign which has seen us increasing the temperature in our gyms during the summer months from 19°C to 20°C. We are committed to decarbonising our Scope 1 and 2 emissions by 2035 and net zero by 2045.

### Our road to net zero

Our stated commitment to net zero was accepted by Science Based Targets initiative ('SBTi') in March 2022, and this defines our pathway to net zero in compliance with the latest science based standards and guidelines.

### Our carbon reduction commitments

Our wider climate-related targets are outlined adjacent and we will review these over time as we continue to develop our net zero plan.



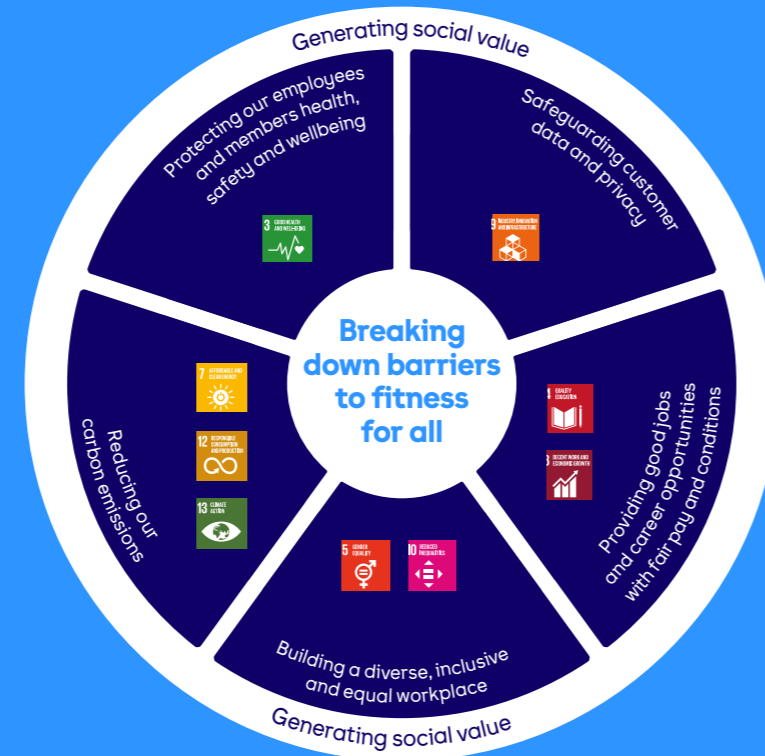
**Suppliers**  
We commit to engaging with all our key suppliers to set their own emission reduction targets, aligned with climate science, by 2028

**Members**  
We commit to developing a member engagement plan by 2025 to drive forwards our net zero ambition

**Renewable energy**  
We commit to increasing and maintaining our annual sourcing of renewable electricity to 100% by 2025

**Abatement**  
We will develop our plan to remove and store carbon from the atmosphere. This will serve to offset the impact of our unabated emissions, which remain once we have achieved our 2045 net zero target

Our sustainability strategy was created to help deliver our purpose and consists of five key pillars, as defined by our 'sustainability wheel'.







# Responsibility to the environment



Purchasing  
**100%**  
Renewable energy<sup>1</sup>

Carbon neutral since  
**2021**

Scope 1 and 2 emissions  
**-11%**  
compared to 2019



## Our carbon reduction target<sup>2,3,4</sup>

We are committed to achieving our near term target of a 50% reduction in Scope 1 and 2 emissions by

**2030**

And decarbonising these emissions by

**2035**

We have committed to a science based target to achieve net zero by

**2045**



Social value generated in 2022

**£756m**  
(vs **£700m** in 2019)

**70%**

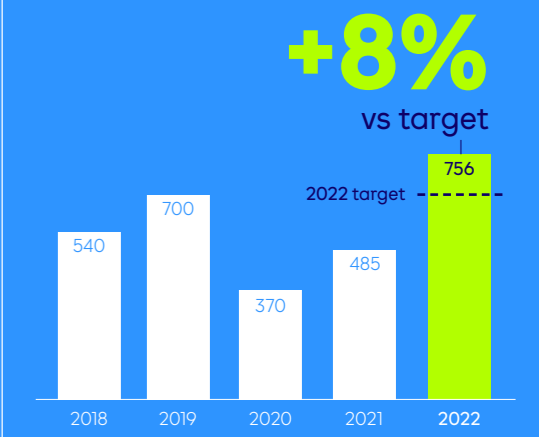
Of social value comes from direct NHS cost savings and mental wellbeing benefits to our members

Our network of 230 gyms affords access to

**52.5%**  
of the UK population

## The social impact of The Gym Group

Growing the positive impact our business has on our members and the communities we serve is central to our purpose. We are proud to have increased the social value generated in 2022, beyond our target by 8% to £756 million.



1 For all sites where The Gym Group controls the purchase of energy.  
2 From a 2019 baseline.  
3 Aligned with the UK governments commitment for grid decarbonisation as published in 2021.  
4 Reduction in Scope 3 emissions by 54% per gym by 2030 and 97% per gym by 2045 to achieve the absolute long term target of 90% reduction for Scope 1, 2, and 3.

# High quality portfolio of landlords

Only UK listed Health & Fitness company in the UK



## Wide range of existing landlords including:



# We are continuing our nationwide expansion

## Requirements

- ↔️ Optimum size c10,000-20,000 sq ft. Maximum of two floors. Lower ground floors and mezzanines considered.
- 👤 Dense residential populations with circa 20k people within a 5 minute drivetime.
- 🏠 Various asset types considered ie Retail Parks, Mixed Use Developments, Car Showrooms, Foods stores etc.
- 📏 Minimum c3m floor to ceiling heights and 5KN floor loadings.
- 🕒 Potential for 24/7 Health and Fitness (Class E) use.
- 🚗 Highly visible locations, easy access to parking or close proximity to major transport hubs.



## Landlord benefits

- ✅ 15 year leases
- ✅ Award-winning, market-leading business
- ✅ Low levels of debt
- ✅ Significant daily footfall driver
- ✅ Proven track record with scalable business model
- ✅ Attractive investment yields



Excellent covenant market sector leader



Only gym operator listed on the london stock exchange



Over 230 gyms



# We have everything you need from a gym and more

## Contacts:

**Oliver Tester**  
Director of Property Acquisitions  
07808 771 745  
oliver.test@thegymgroup.com

**Matthew Wythers**  
Greater London, South East and South West  
07525 816092  
matthew.wythers@thegymgroup.com

**Abbie Scudamore**  
Greater London, Home Counties, Midlands and East Anglia  
07973 983106  
abbie.scudamore@thegymgroup.com

**Michael Hosie**  
Scotland, North Wales & North of England  
07738 788 439  
mike.hosie@thegymgroup.com

**Rona Kelly**  
Head of Estates  
07976 829077  
rona.kelly@thegymgroup.com





the  
gym  
group

adidas



The Gym Ltd, 5th Floor, One Croydon, 12-16  
Addiscombe Road, Croydon CRO 0XT  
Company number: 08528493