PureGym Q3 2026 Results Conference Call

24 November 2026, 10:00am GMT

Alex Wood (CEO):

A very good morning to everybody, and a warm welcome to the presentation of our results for the quarter ended 30 September 2026.

I'm joined today by David Scott, our interim Chief Financial Officer, as well as Rebecca Passmore, our Chief Operating Officer. Today, we'll be running through the presentation that was posted on our website at 7:00am this morning, dated 24 November 2026, and we'll guide you to the page number references as we go through the document as usual. So, let's start over on page 2.

It has been a busy and exciting few months at PureGym since we spoke last!

Run-Rate Adj EBITDA reached a new record of £263 million at the end of Q3.

We are delighted with the progress being made in the US, with a high degree of confidence over our US unit economics in general, and we are very excited about the future new site growth opportunity in this market. The US has just delivered £6m Adj EBITDA in Q3 alone, so approximately £24m annualised, and for reference, that's up from £9m at acquisition.

And as I look across the group as a whole now, PureGym has industry leading unit economics and site level performance and strong growth momentum across all of our geographies.

Why is this important? Well, it is important, because it proves the PureGym operating model works well across multiple global markets. PureGym now has 5 growth runways (when you include our planned entry into the Republic of Ireland early in 2027) and that provides more opportunity for organic and inorganic expansion. PureGym is a compounding business. Each individual site investment delivers a return of 40%, and generates cash at 80% conversion. Cash funds the next new site, and so on and so forth.

We repeat this over and over and it compounds and compounds over time as the business scales and it is therefore a very effective value creation machine.

This compounding effect leads to equity value creation and strong deleveraging as the business grows – as is evidenced at the end of September, when net leverage was down to 3.3x RR Adj EBITDA.

In addition to the strong Q3 business performance, in October we also successfully completed a £1.4 billion refinancing along with an upsize of the revolving credit facility to £216m.

I would like to take this opportunity to thank everyone who invested for your support – we appreciate your trust and confidence in us as a team and enthusiasm for the exciting opportunity ahead of us as a business!

The refinancing was an excellent result for PureGym and all of its stakeholders. In short, it reduces our interest costs significantly to now 7% blended. Raised additional funding to provide a £200m pay down of the KKR preference shares. And released additional funds for growth through M&A.

And then in November, I am delighted that we were able to complete on the acquisition of NonStop Gym in Switzerland.

We are very pleased with this acquisition, further strengthening our positioning in the Swiss market. This deal will take our Swiss estate to over 100 gyms by the end of the year and provides a strong platform for onward growth in that market.

Both Moody's and Fitch upgraded PureGym to B2 & B respectively, reflecting the strong, underlying fundamentals of the business and its long term prospects.

Following the Refinancing, and pro forma adjusting for the Blink transformation, NonStop acquisition and the pending partial repayment of KKR preference shares, RR Adj EBITDA now steps up to £311m and our Senior Secured Net Leverage as at the end of Q3 would be 4.3x on this basis. And that's very much in line with our guidance during the refinancing and well within our medium term guidance of 3.5-4.5x.

Looking ahead, we expect to have opened more than 50 high-quality sites across our markets by the end of 2026. And in 2027 we expect to increase this opening rate to over 75 new sites, with approximately 30 of these coming from outside of the UK.

We remain laser focused on building a very high quality business for the long term. PureGym is now proven to deliver >40% Mature Gym EBITDA margins across the established portfolio and continues to deliver industry leading cost control, which together is a powerful combination.

Overall, 2027 is expected to be another very positive year for PureGym, as we finish the refurbishment investment into the ex Blink sites in the US and continue to grow organically across now 5 market growth horizons.

David Scott (Interim CFO):

Thank you Alex and good morning everyone.

I'd like to start by sharing with you the highlights of our financial results for the period ended 30 September 2026, over on page 4.

The third quarter of 2026 delivered another excellent financial performance for the Group, with continued momentum across all markets. Run-Rate Adjusted EBITDA increased to £263 million, up £47 million compared to the prior year, reflecting underlying strong growth across all parts of the business. This was supported by further development in Adjusted EBITDA, which reached £63 million in the quarter, an increase of £12 million year-on-year. In Q3, we opened 11 new corporate sites, taking our total estate to 737 gyms, and our membership base remained strong at 2.4 million.

Revenue also performed well, increasing to £196 million in the quarter, up 6% year-on-year. As a result of this continued strong performance, I am pleased to highlight that Return on Capital Employed was 43% for our mature UK sites, demonstrating the attractive returns generated by our established operating model.

Finally, our strong earnings performance supported a further reduction in Senior Secured Net Leverage to 3.3x, an improvement of 0.5x compared to September 2025. As Alex mentioned, if we pro forma this

position to take account of the refinancing, acquisition of NonStop Gym and KKR preference share pay down, Senior Secured Net Leverage would be 4.3x, and we will provide a little more colour on that shortly.

So, with those as the headlines, let's move on to page 5 to provide a little more detail.

We are very pleased with the year-on-year progress across all our key financial and operational metrics. LTM Run-Rate Adjusted EBITDA of £263 million was up 22% Year-on-year, with Adjusted EBITDA itself also up 22%. Revenue growth of £11m YoY was supported by continued expansion of our membership base, which increased by 55,000 year-on-year to 2.45 million members, alongside a 4% increase in Average Revenue Per Member to £26.95.

Overall, these results demonstrate our ability to deliver sustained revenue and earnings growth, supported by an expanding estate, a growing membership base and continued cost discipline.

Turning to page 6, we continue to see strong cash flow generation and consistent improvements in our leverage position.

The business generated £58 million of operating cash flow in the quarter, an increase of £18 million compared to Q3 2025. Operating cash flow conversion was strong at 93%, reflecting the benefit of continued earnings growth as well as disciplined cost management. Our cash position stood at £81 million at the end of Q3, compared to £121 million in the prior year, reflecting the investments in new sites and existing estate improvements made over the last 12 months.

The strong underlying EBITDA profile, disciplined capital management and solid cash flow conversion all continue to drive a long run and consistent deleveraging profile, and as management, we fully anticipate this deleveraging track record to reestablish following the October refinancing.

Moving on to page 7 – PureGym's strong performance and continued momentum is evident across all markets, demonstrating our operating model delivers irrespective of geography.

The UK LTM Adjusted EBITDA increased by +19% YoY to £165 million, demonstrating the continued strength and importance of this large market, and importantly, our other international markets are also growing rapidly, with LTM EBITDA for Denmark up 33%, Switzerland up 36% and the US up 65% YoY. All of these other international markets are benefitting from the successful implementation of our operating model.

Looking ahead, we remain confident in the significant growth opportunities across our international markets, as they continue to scale and progressively contribute proportionately more to the Group's overall earnings.

Let's turn now to Capital Expenditure on page 8.

We remain committed to maintaining a high-quality, well-invested estate for the long term, with a disciplined and selective approach to deploying capital across both new and mature sites. As we have highlighted previously, we do not chase growth simply for growth's sake, but instead focus on investments that deliver attractive and sustainable returns. Total capex was £38 million in the quarter, compared to £44 million in Q3 2025. Within that, expansionary capex totalled £25 million. This included: £16 million invested in new sites, with average capex per new site remaining at approximately £1.2 million, £4 million on new CCTV capability in Denmark, £3m invested in the US with the majority being the estate-wide refurbishment programme; and £3m invested in technology infrastructure.

In addition, we invested £13 million in maintenance and refurbishment capex, ensuring we continue to deliver a high-quality experience for our members across the existing estate.

Overall, our approach to capital expenditure remains unchanged, balancing continued expansion with investment in our existing gyms, while all the time maintaining a clear focus on returns and capital discipline.

And finally for this section, I'd like to touch on leverage and interest cover on page 9. In Q3, the business continued to demonstrate a rapid deleveraging trend, supported by strong underlying cash generation and consistent growth in profitability. Senior Secured Net Leverage reduced to 3.3x at the end of Q3 2026, down from 3.8x at December 2025 and 3.5x at the end of Q2. Interest Cover also increased to 3.0x, compared to 2.9x at the end of Q2 and 2.7x at December 2025, reflecting continued earnings growth and strengthening debt servicing capacity.

Overall, this reflects a business that continues to deliver strong growth while maintaining financial discipline and progressively strengthening its balance sheet.

Turning to page 11, let me now also cover off the refinancing.

Shortly after the end of Q3, we successfully raised £1.4 billion of bond debt, securing a substantially reduced effective interest rate and extending our debt maturities to 2032. We have set out the key facts and figures for you on this page for your reference. Approximately £1bn of the funds were used to refinance the existing bond debt (at 7% blended rate, which is 2.2% lower than before – on a LFL basis that is £21m less cash outflow on annual interest than before) £0.2bn will be used to redeem KKR preferential shares, and £0.2bn of additional funds were also raised for growth/M&A.

Moody's and Fitch have upgraded the business, reflecting continued confidence in Managements strategy, the Group's financial performance and longer-term outlook. I'd like to add my personal thanks to all bondholders – it was wonderful to speak to many of you during the process and we all really appreciate your support.

With that, let me hand over to Rebecca, to conclude these corporate developments update section.

Rebecca, over to you!

Rebecca Passmore (COO):

Thank you David and good morning everyone.

Following the refinancing, in November we completed the acquisition of NonStop Gym in Switzerland – representing an important strategic milestone and supporting PureGym's continued growth and long term ambitions in the Swiss market.

NonStop Gym is a very attractive business, which we have admired and tracked for years. PureGym were able to secure a period of exclusivity with Invision, the Private Equity owners of NSG, which gave a window within which to execute an off-market transaction. And a huge thank-you to a specialist PureGym in house team for delivering the transaction so quickly and efficiently. The transaction was executed at a 7.5x multiple of LTM September RR Adj EBITDA.

I will expand on some specifics shortly, but in summary the business is a highly complementary fit with our existing Swiss operations, both in terms of its operating model and customer proposition, providing a strong platform for further organic expansion. Over time, the acquired estate will be rebranded as PureGym, allowing us to further strengthen our presence in the Swiss market.

The acquisition takes our overall footprint in Switzerland to almost 100 gyms and provides a full coverage platform from which to build out the rest of the Swiss market.

Moving on to page 12, let me provide a little bit more detail on NonStop Gym and the strength of the business we have acquired.

As of September 2026, NonStop operated 48 high-quality sites across Switzerland, serving approximately 103,000 members. Run-Rate Adjusted EBITDA was £30 million, driven by systematic high quality new site roll out. NonStop has a proven track record of expansion, demonstrating its ability to continue growing organically having opened four new sites so far in 2026 and with more new sites in the pipeline for the rest of 2026 and beyond.

Overall, there is an extremely high level of complementarity between the two estates and their new site pipelines. We are extremely excited about the future of our Swiss business and we have already started welcoming in our new NSG colleagues into the PureGym family!

Moving on to page 13, NSG has a strong and proven track record of growth, both financially and operationally, with at least a 26% uplift in all key metrics since Dec 2024.

Revenue has increased consistently, from £41 million in 2024 to £48 million in 2025, reaching £52 million for the twelve months ending September 2026.This has been accompanied by strong growth in Adjusted EBITDA, increasing from £19 million in 2024 to £24 million on a last twelve months basis, demonstrating the profitability and scalability of the business. This growth has been supported by continued expansion of the estate, with the number of gyms increasing from 38 at the end of 2024 to 48 by September 2026. And driven by this, the membership base has grown from 79,000 to 103,000 over the same period, reflecting both strong demand and the continued success of the business model.

Overall, like PureGym, NonStop has a proven ability to deliver consistent growth across revenue, profitability and membership, providing a strong foundation for further expansion under our ownership.

Moving on to page 14, we highlight the strategic fit of NonStop Gym with our existing Swiss business.

As the map illustrates, NonStop Gym's estate is highly complementary to our existing footprint.

PureGym's existing estate has a heartland in the German-speaking areas of Switzerland, Non-Stop is particularly focussed in the French-speaking area around Geneva with very limited overlap. The footprints could hardly be more complementary and the acquisition significantly strengthens our presence across all of Switzerland without any cannibalisation or anti-trust concerns. Together, as at now, the business operates 97 gyms, serving over 200,000 members, reinforcing PureGym's position as the leading value gym operator in Switzerland. On a combined basis, the business generates approximately £109 million in revenue and £51 million in Run-Rate Adjusted EBITDA.

Overall, the acquisition provides us with a significantly stronger platform in Switzerland, with further identified opportunities for organic expansion and continued profitable growth.

During the refinancing process we had a number of questions regarding the £200m partial repayment to KKR, and we therefore thought it would be helpful to set this out on page 15.

In January 2022 KKR invested £300m of Preference shares in Pinnacle TopCo, accruing rolled interest at 11% per annum, with no defined redemption period. The principle and any accrued interest is only due in the event of an "exit transaction".

Now standing at almost £500m and the interest compounding each year, management took the opportunity during the refinancing to raise an additional £200m of bond debt, at a much lower rate of interest, to repay a proportion of this.

There was no obligation to do so, nor for KKR to accept, but the transaction works well for both parties. It reduces eventual cost for the company whilst leaving KKR, a highly supportive stakeholder, with a material ongoing investment carrying amount of circa £300m and retaining their seat on the board.

This partial redemption will complete before the year end.

Moving on to page 16, this table shows how the Group's Senior Secured Net Leverage moves from 3.3x before the refinancing, NSG acquisition and KKR pay down, to approximately 4.3x afterwards pro forma for these events.

Importantly, the NSG acquisition adds £30 million in Run-Rate Adjusted EBITDA. We have also included the £18m US pro forma adjustment to reflect the expected contribution from the existing US sites once the impact of the ongoing cost savings and estate investment programme are seen. Those who followed the refinancing process will already be familiar with this adjustment, which uplifts the US Run-Rate Adjusted EBITDA position to £36 million for the existing Blink sites, and you can see that at 4.3x, we are remaining well within our stated medium-term target range of 3.5x to 4.5x.

Overall, the last few months demonstrates our ability to pursue strategic growth opportunities while maintaining a disciplined approach to leverage, supported by our strong track record of cash generation and a clear focus on deleveraging.

I'll now hand you over to Alex to comment on outlook and to conclude.

Alex Wood (CEO):

Thank you, Rebecca. I will now cover our outlook for the remainder of 2026 and our priorities as we look ahead to 2027 as set out on page 18.

Let's start with Q4 2026: We expect to close the year with more than 50 new site openings, plus a further 10 sites expected to open shortly after year-end.

We anticipate continued Adjusted EBITDA growth across all our geographies, reflecting the sustained momentum we are seeing throughout the Group. Importantly, following our refinancing, the acquisition of NonStop Gym and the partial KKR redemption, we expect leverage to remain within our medium-term target range.

Turning to the integration of NonStop Gym: NSG is a very complementary business to ourselves with strong operational controls and underlying financial metrics, and we expect a relatively straightforward integration, with no significant operational restructuring or material post-acquisition capex requirements.

We do plan to rebrand the NonStop Gym estate to PureGym likely in the second half of 2027, due to the permit process across each individual Canton in Switzerland. The combined pipeline will drive an acceleration in openings. We expect to deliver between 10 and 15 new sites next year in Switzerland alone.

And finally, this transaction was very collaborative in nature, and I would like to personally thank the Vendor, Invision, and the founders for their support and trust in us. We share their pride in the NonStop Gym people and business, which is of exceptional quality.

And for the wider Group in 2027: We expect to increase the rate of our organic expansion, with more than 75 new site openings planned across our geographies. This represents a 50% increase year on year.

We are targeting to complete our US investment programme by the end of H1 2027, providing gym members with "the best HVLP proposition in New York and New Jersey".

We are also excited about the planned launch of our first sites in the Republic of Ireland in 2027, unlocking a 5th growth runway with strong medium term growth potential.

Our mature estate is expected to deliver Gym Adjusted EBITDA margins above 40% across all markets, demonstrating the strength and scalability of our operating model.

We anticipate maintenance and refurbishment capex of between £45 million and £55 million, with average new site capex remaining at approximately £1.2 million.

Finally, we will maintain our strong focus on cost control, supported by the benefits of increasing scale and locked-in energy costs. Overall, we enter 2027 with strong momentum, an expanded international platform and a clear opportunity to accelerate growth while maintaining financial discipline and delivering attractive returns.

Turning now to page 19 to conclude and highlight a few key takeaways.

We have delivered another excellent quarter of reliable growth, with Run-Rate Adjusted EBITDA increasing to £263 million. This performance reflects continued strong momentum across all our markets, with particularly encouraging EBITDA growth in Denmark and Switzerland having embedded our operating model there.

In the US, our estate investment programme is progressing well and is already delivering encouraging revenue and EBITDA growth, on track for £36m of EBITDA when the transformation of Blink to PureGym is complete. We are also progressing well with developing an organic new site pipeline for the US, which will start to roll out in 2027.

Since the quarter end, we have successfully completed our refinancing, demonstrating the continued support of investors and providing greater financial flexibility to support our growth ambitions. Alongside this, we completed the acquisition of NonStop Gym, which further strengthens our leading position in the Swiss value gym market.

Looking ahead, we remain confident in our prospects for the remainder of 2026 and into 2027, supported by a strong pipeline of new site openings, continued focus on cost control and a disciplined and skilled approach to capital allocation.

So with that, let me bring the presentation to a close, thank you all for your time today and offer to take any questions if there are any.

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