

Investor Presentation

COVID-19 update &
Results for the full year ended 31 December 2020

21 April 2021

Disclaimer

Forward-looking statements

This presentation may include forward-looking statements. All statements other than statements of historical facts included in this presentation, including those regarding the Group's financial position, business and acquisition strategy, plans and objectives of management for future operations are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Many factors could cause the Group's actual results, performance or achievements to differ materially from those in the forward-looking statements. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this presentation. The Group expressly disclaims any obligations or undertaking, except as required by applicable law and applicable regulations to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Group's expectations with regard thereto or any changes in events, conditions or circumstances on which any such statement is based.

Use of non-IFRS financial information

Certain parts of this report contain non-IFRS measures and ratios. We believe that these measures are useful indicators of our ability to incur and service our indebtedness and can assist certain investors, security analysts and other interested parties in evaluating us. Because all companies do not calculate these measures on a consistent basis, our presentation of these measures may not be comparable to measures under the same or similar names used by other companies. Accordingly, undue reliance should not be placed on these measures in this presentation. In particular, Adjusted EBITDA and Run-Rate Adjusted EBITDA are not measures of our financial performance or liquidity under IFRS and should not be considered as an alternative to (a) net income/(loss) for the period as a measure of our operating performance, (b) cash flows from operating, investing and financing activities as a measure of our ability to meet our cash needs or (c) any other measures of performance under IFRS.

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Introduction & overview

COVID-19 update

- Gyms in England & Switzerland open & early trading is in line with management expectations
- Scotland opens 26 April with Wales, NI & Denmark expected to be open by mid May[1]
- 1.4m members retained as at Mar 2021 (vs. 1.7m at Dec 2019)

Current cash & liquidity position

- £236m available liquidity as at end of December 2020[2]
- £231m available liquidity as at end of Q1 2021, post successful €45m bond raise[2]

FY 2020 financial update

- Results materially impacted by COVID-19, with only 63% of open trading days vs 2019
- Effective navigation of the crisis, cash control & operational management
- Successful £100m equity raise, £50m RCF extension & 3 year+ covenant waiver[3]
- Clean audit opinion with no material uncertainty over going concern[4]

Outlook

- Immediate focus on successful reopening & reflation of the business
- Positive perspective on post COVID-19 market dynamics for PureGym
- 11 new sites opened in April & our high quality new site pipeline remains intact



Notes:
1. Based on our best estimate having considered the latest government guidance in each of the geographies in which we operate
2. Comprising cash & undrawn RCF facilities. Subject to a quarterly £30m minimum liquidity covenant test. £37m of deferred payments outstanding as at 31-Dec 2020. £41m of deferred payments (net) were outstanding at 31-Mar-2021 (comprising £47m of deferred payments outstanding, offset by £6m of Government receipts due)
3. Leverage covenant test waived until August 2024
4. PureGym Group received a clean & unqualified audit opinion. The Directors of many other covid impacted businesses are required to announce that they have a "material uncertainty over their ability to continue as a going concern over the next 12 months". Given PureGym's strong financial position & financial covenant relaxation, there is no material uncertainty over PureGym's ability to continue as a going concern in the opinion of its Directors



COVID-19 Update

56% of the estate is now open, with remaining sites likely to be open by mid-May

Fully open estate across all geographies expected by mid-May[1]

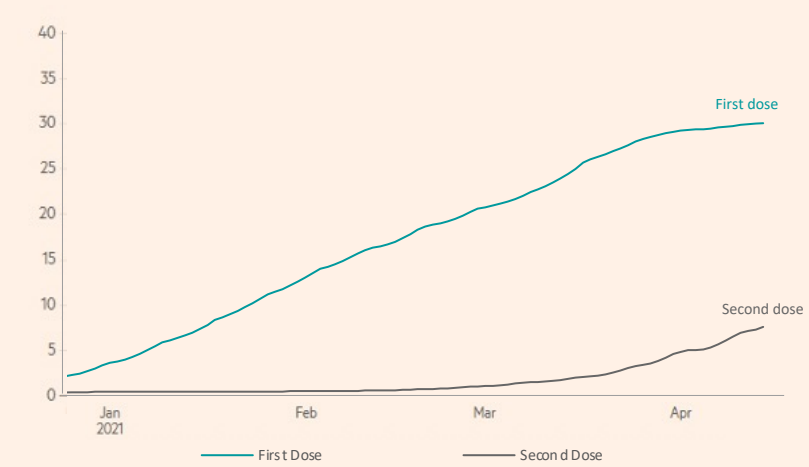
	Status 20th Apr	Jan	Feb	Mar	Apr	May	June
	Sites open/total sites:						
England	240/245				12th		
Scotland	0/25					26th	
Wales	0/5					3rd	
N. Ireland	0/8					10th	
Denmark	0/179					TBC	
Switzerland	40/40				19th		
	280/502	Lockdown / gyms closed			Gyms open[2]		

Notes:
1. Based on our best estimate having considered the latest government guidance in each of the geographies in which we operate
2. Subject to certain reopening restrictions, which differ by geography

In the UK – the Group's key profit engine – vaccination is progressing very well & we are proud that PureGym has played a small part in this

UK vaccination programme is well advanced

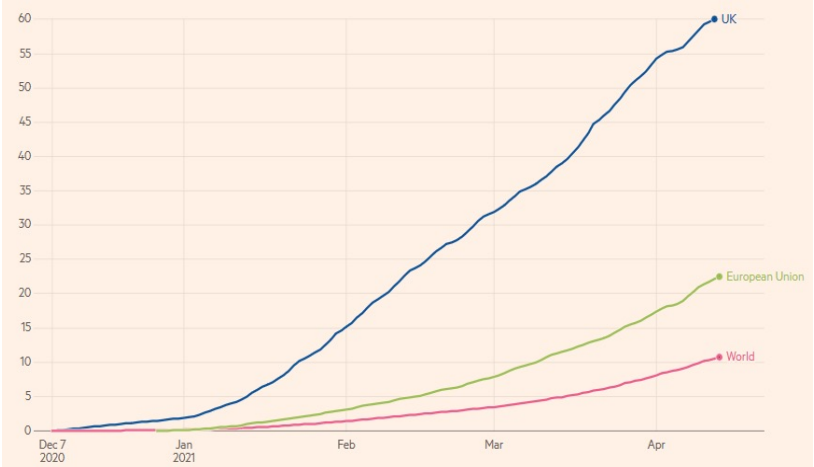
Cumulative vaccination doses administered (million)



Source: Gov.uk analysis

UK is doing better than pretty much all other countries

Cumulative vaccination doses administered per 100 residents (%)



Source: Financial Times analysis

PureGym is proud to be playing its part in the roll out



PureGym Nuneaton: COVID-19 vaccination centre

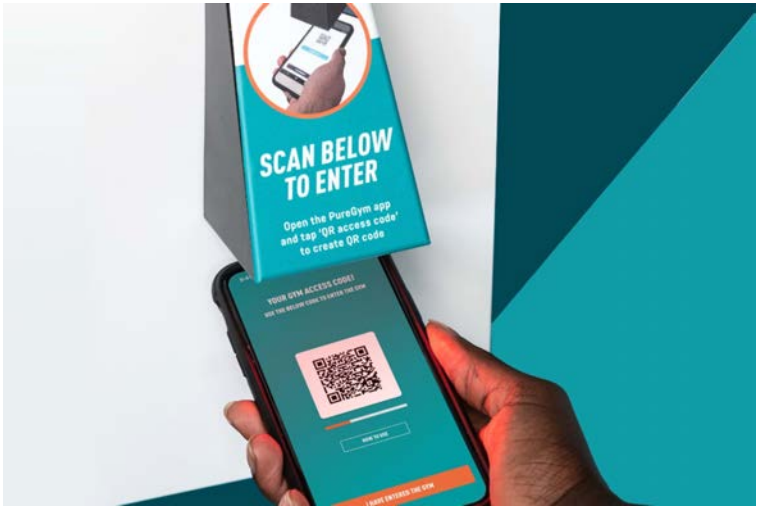
Proven ability to operate within COVID-19 restrictions & manage capacity constraints well



Large facilities, with dedicated workout areas to maintain social distancing

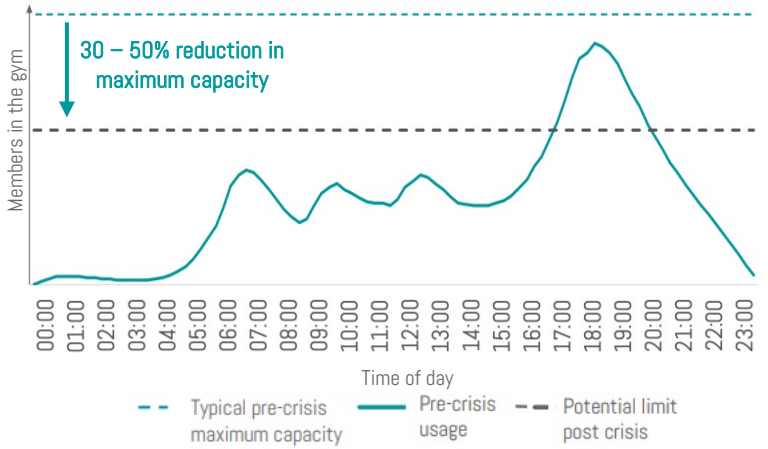


Self cleaning stations coupled with extensive staff cleaning regime



Industry leading technology platform enables contactless entry, slot bookings and variable pricing

Actual usage vs potential limit (average across large box format estate[1])



Proven ability to "flatten the peak" & operate within capacity constraints

Notes:
1. Based on actual member usage data for a typical gym in 2020

Supporting our people

PureGym has worked hard to retain its strong culture & values

- Regular colleague communication & engagement
- Employee assistance helpline for wellbeing & financial advice
- Enhanced e-learning training platform & HR management system
- Virtual awards ceremony to recognise significant colleague achievements
- Significant investment to ensure COVID-19 safe working environment

"Shoot for the Moon" virtual relay during Q1 2021 lockdown

- Exercise based race "to the moon & back"
- 238,855 miles in 48 days
- Improving colleague engagement, activity & mental wellbeing
- Daily posts & personal fitness achievements

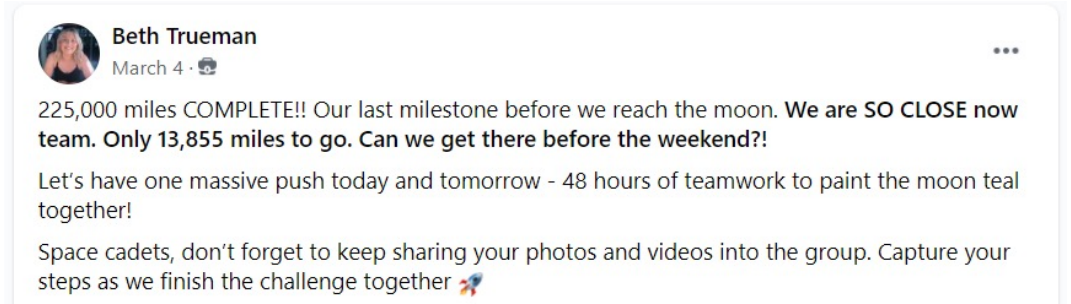
THE PUREGYM TRUST

- Funding provided as a gift by the partners of Leonard Green
- Hardship fund for those struggling financially as a result of the pandemic
- The Trust has supported dozens of colleagues who have faced challenging situations

Virtual relay launch video still:

An example of PureGym colleague engagement during lockdown





Throughout 2020 & 2021 PureGym has been instrumental in leading the presence of the industry in the UK & Europe

Group CEO has featured regularly on National TV & has appeared twice on the BBC's Question Time

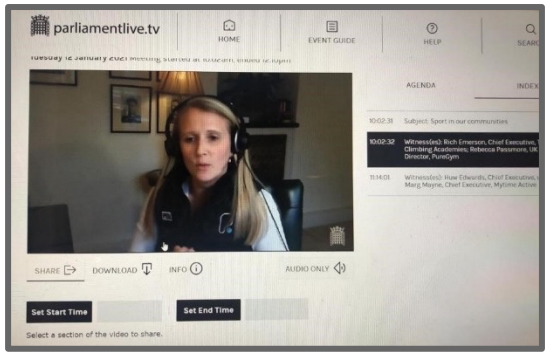




UK MD on Instagram live with Rishi Sunak, Chancellor of the Exchequer....



.... and in front of the DCMS Select Committee & on BBC News





PureGym Group instrumental in UK Active & Europe Active data releases on safety of the industry

"Data from 2,000 operators suggested the prevalence of the virus among visitors who had used facilities remained "extremely low", at an overall rate of 1.7 cases per 100,000 visits, measured from 75 million visits across the UK between 25 July to 27 December"



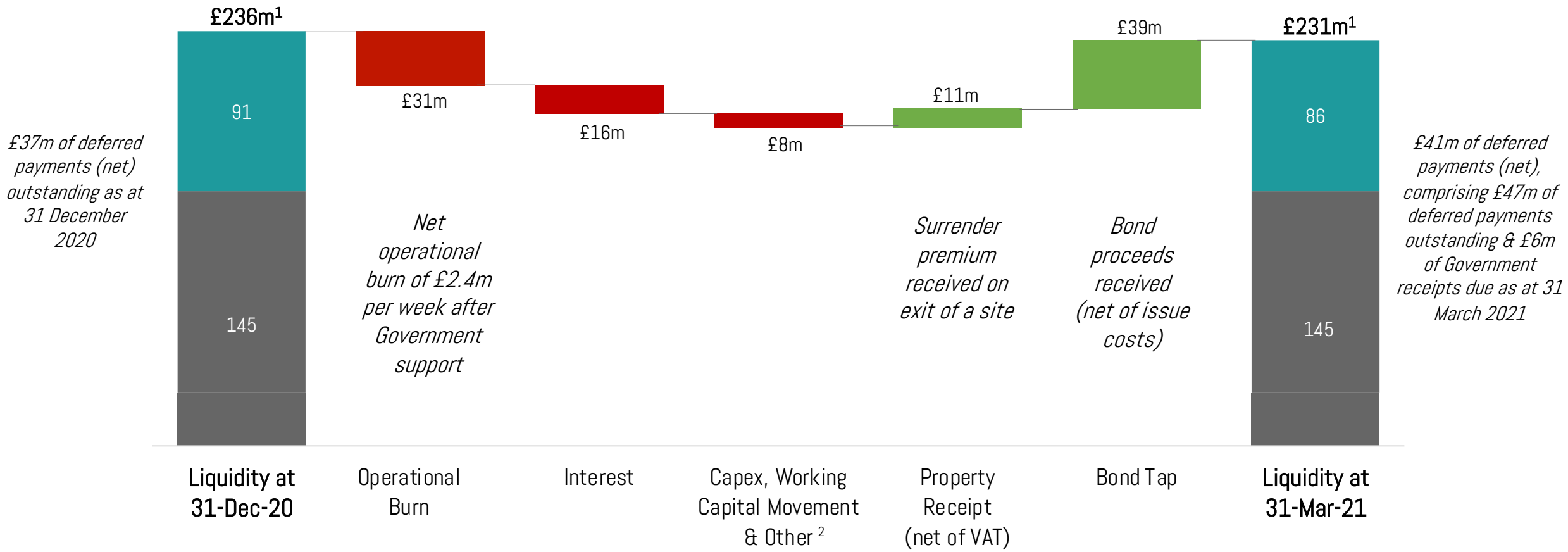


Cash Flow & Liquidity

Ample financial reserves having managed the latest lockdown extremely well

Q1 2021 cash flow & liquidity position

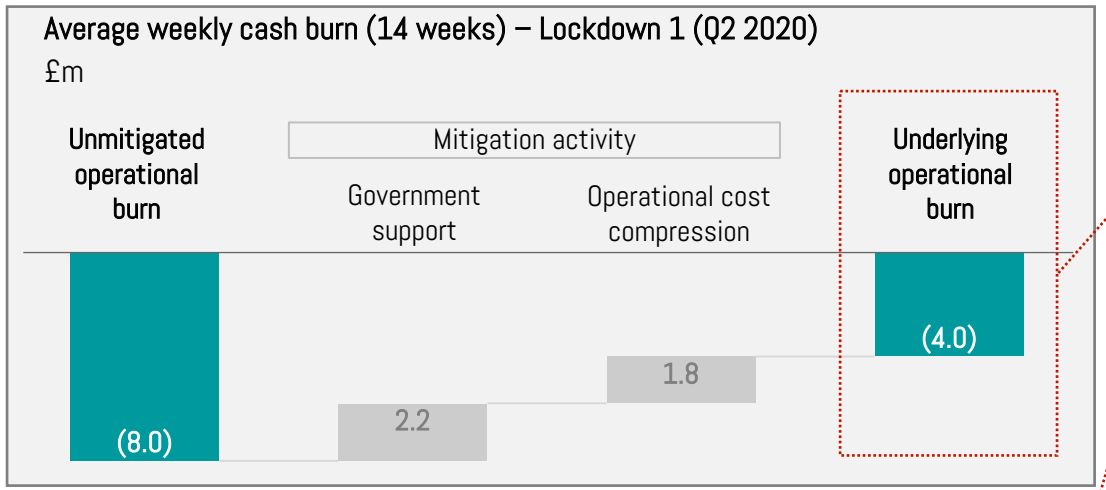
Unaudited liquidity evolution (13 weeks)



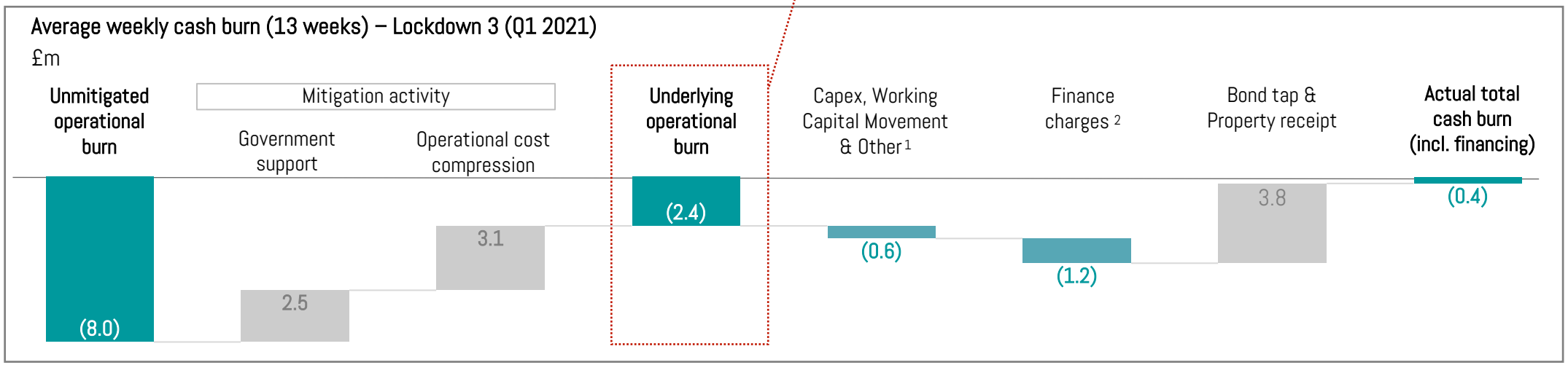
Notes:
1. Liquidity includes Cash, undrawn Revolving Credit Facility commitments (incl £10m overdraft) & is subject to a £30m minimum liquidity test at prescribed intervals
2. Includes committed capex, increase in deferred payments, working capital timings & small revenue collections

Q1 2021 underlying weekly cash burn

Underlying operational cash burn 40% better than lockdown 1



- £2.4m per week underlying operational burn during lockdown 3:
  - 20% better than the Target previously announced
  - 40% better than in lockdown 1
- Capex in Q1 2021 was reduced to preserve liquidity
- Successful bond raise and property receipt reduced overall cash burn to £0.4m per week



Notes:
1. Includes committed Capex, Working Capital timings and small revenue benefits
2. Based on payments falling due in the 13 week lockdown period. Average weekly finance cost across the year is £1.0m per week



2020 Financial Performance Update

Results materially impacted by COVID-19, with just 63% of open trading days vs 2019

Group results FY 2020

Revenue & membership

Closing members

1.5m at Dec 2020

1.7m at Dec 2019

Revenue

£270m FY 2020

£447m FY 2019

Adjusted EBITDA

Adj EBITDA

£11m FY 2020

£132m FY 2019

Run Rate Adj EBITDA

£38m FY 2020

£161m FY 2019

Group estate

Gyms in estate

492 at Dec 2020

504 at Dec 2019

New organic gyms

17 FY 2020

41 FY 2019*

Capex

£64m FY 2020

£92m FY 2019

Cash flow & liquidity

Available liquidity

£236m at Dec 2020

£112m at Dec 2019*

Operating cash flow

£11m FY 2020

£101m FY 2019

Senior Secured Net Debt

SS Net Debt

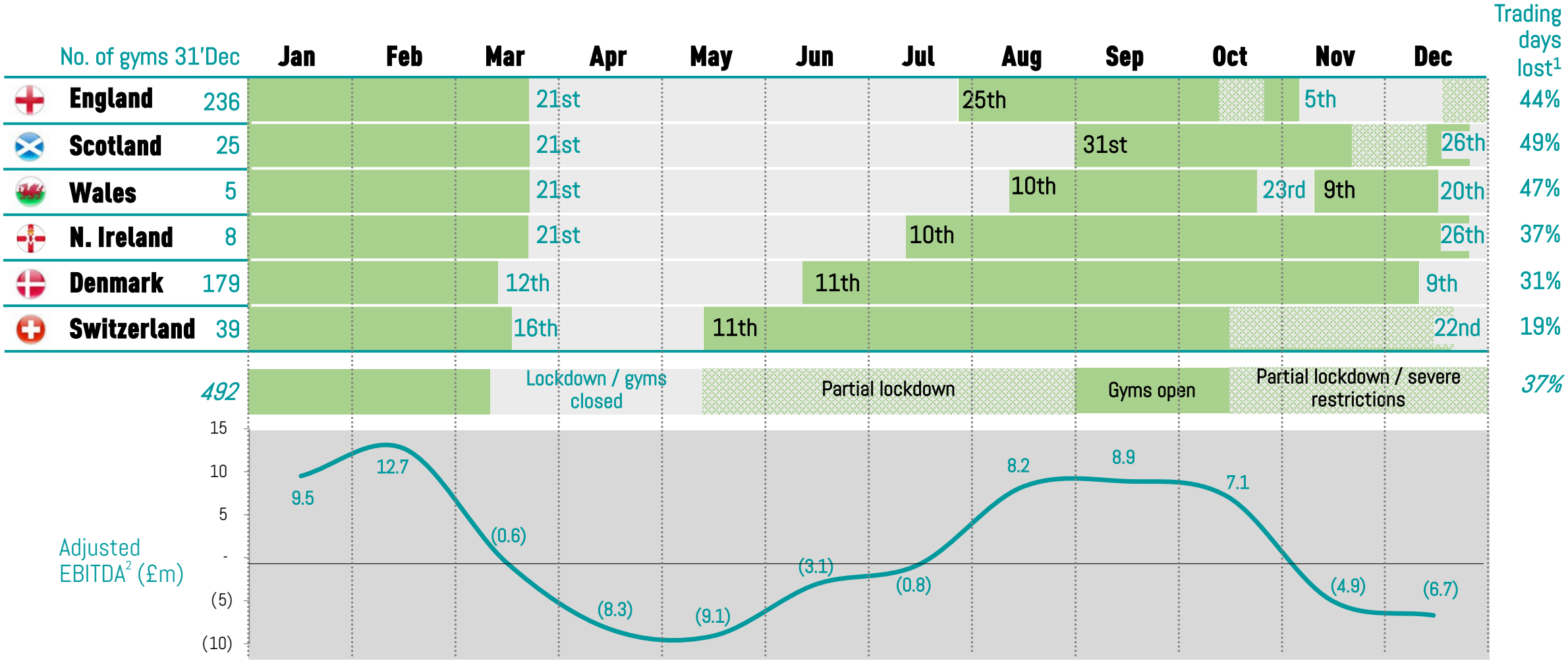
£734m at Dec 2020

£745m at Dec 2019

Notes:
2020 represents the results of the Combined Group, including Fitness World from 14 January 2020
2019 includes the results of Fitness World on a pro forma basis, except for new organic gyms and available liquidity which is based on PureGym UK only (indicated by *)

Strong bounce back when the business was allowed to operate

Government COVID-19 legislation forced the group to close for an average of 37% of the trading days in 2020[1]



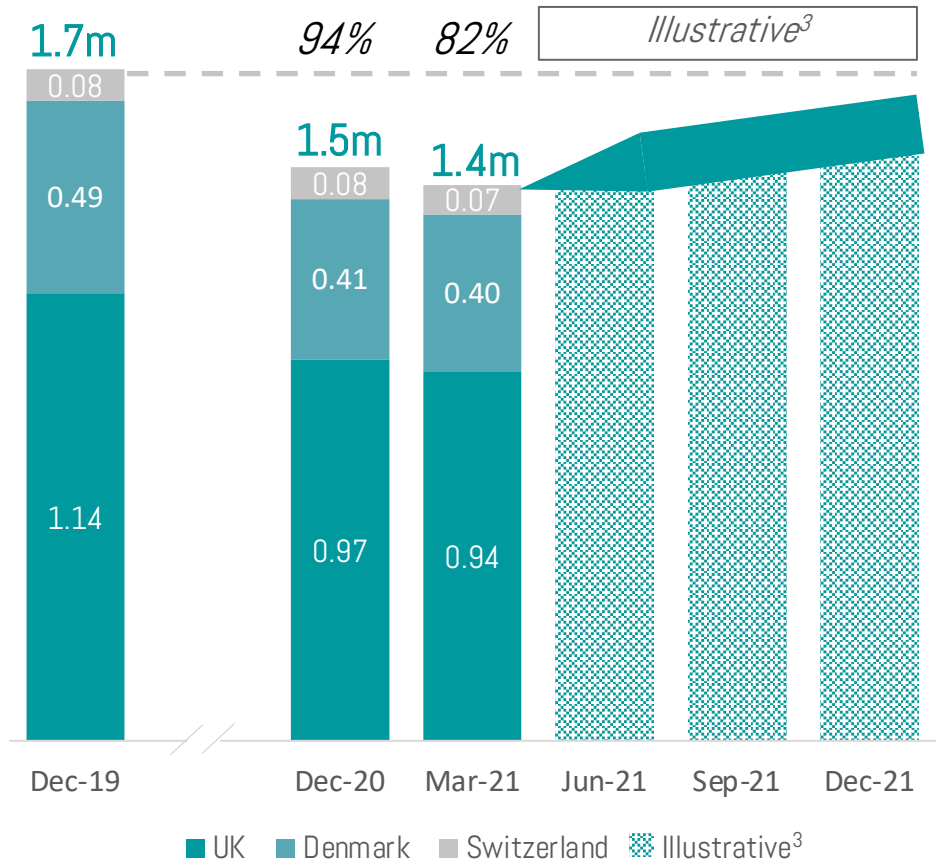
Notes:
1. Weighted average based on the number of trading days lost on a gym by gym basis
2. Adjusted EBITDA is per management accounts and shown for the Combined Group on a proforma basis, as if Fitness World was acquired on 1 January 2020

Strong member retention despite lockdowns

Memberships being switched back on as gyms reopen

- Healthy member retention:
  - Only 87k member reduction since December 2020[1]
- 1.4m total group membership as at 31 March 2021[1]:
  - 82% of December 2019 pre-COVID (on a proforma basis)
  - England reopened at 66% of 2019 on a LFL paying member basis[2]
- Solid member base from which to rebuild:
  - Younger members have a higher propensity to return
  - Median member age is 28 UK, 30 DK & 31 CH
  - New gym openings in 2020 show that underlying demand remains strong
  - Pent up joiner demand due to lockdown
- Revenue "turns back on" when gyms reopen

Total group membership levels



Notes:
1. Total reported Group members (including frozen members)
2. Based on LFL clubs & excluding frozen members
3. By their nature, illustrative projections are forward-looking statements that involve risks and uncertainties because they relate to events, depend on circumstances that may or may not occur in the future and are based on a number of assumptions that are themselves subject to inherent uncertainties and risks

2020 Capex

Significant reduction in capital expenditure to preserve liquidity

- 17 new sites opened in 2020
  - 12 in the UK
  - 5 in Denmark
- 4 major refurbishments in 2020 (1 in Denmark & 3 in UK)
- 11 sites closed in Denmark as part of a planned estate quality improvement programme
- Despite the pandemic we have also continued to invest in our technology team, systems & infrastructure for the long term:
  - Progressed a group wide technology platform
  - Expanded content on our free app with over 400 pre-recorded workouts & classes
  - Launched exclusive live daily classes, workouts, nutrition & wellbeing digital content

Group capital expenditure

£m	2019[1]	2020
Expansionary capital expenditure	59.8	44.1
Maintenance & refurb capital expenditure	32.2	20.1
Total capital expenditure	**92.0**	**64.2**

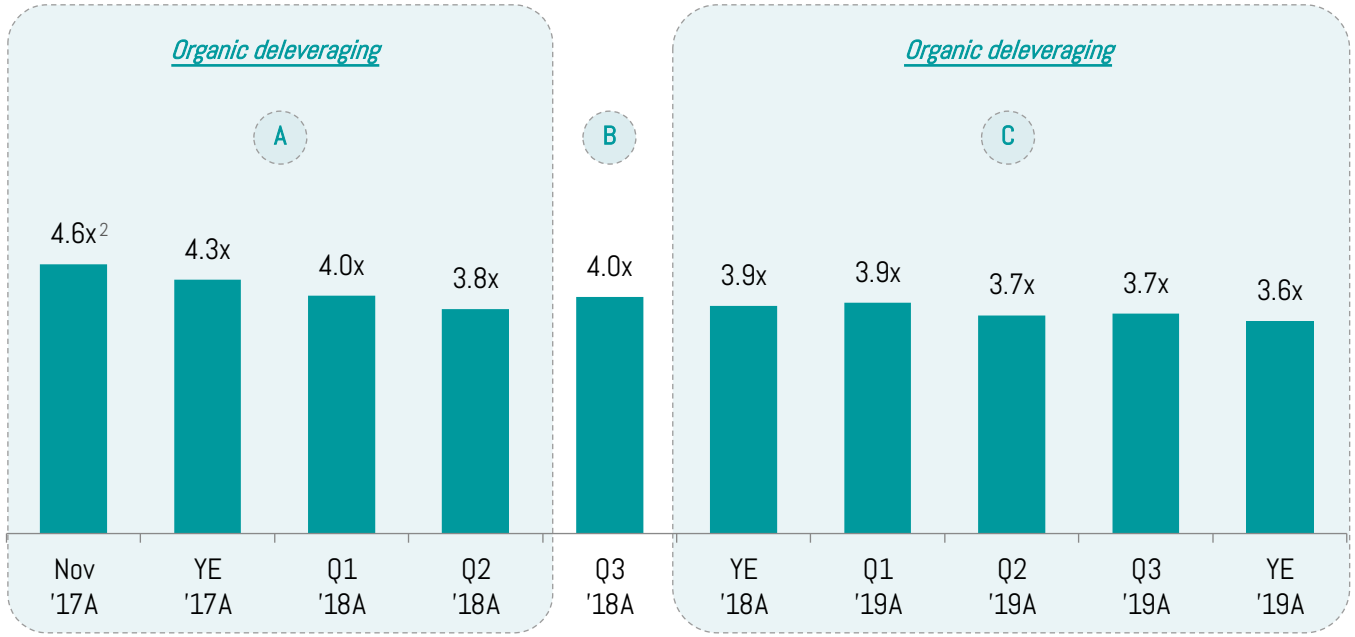
c.30% reduction in capital expenditure across the group in 2020 to preserve liquidity

Notes:
1. FY19 is stated on a proforma basis for the acquisition of Fitness World

Year end Net Debt £734m following a £100m equity injection

Leverage: Senior Secured Net Debt[1] / RR adj. EBITDA

Standalone PureGym: a track record of deleveraging



A *Q1 2018: £360m SSN placing by Leonard Green & Partners for the acquisition of PureGym*

B *Q3 2018: £30m SSN placing to finance the acquisition of Soho Gyms*

C *Q2 2019: £40m bond tap[3]*

Pro Forma (Combined Group)

Illustrative Q4'20A Senior Secured leverage is based on £161m RR Adj. EBITDA as at Dec-19 Pro-Forma



SS Net Debt	£745m	£734m
Liquidity[6]	£160m	£236m

Q4'20 Net Debt (Combined Group)

As at 31 December 2020	£m
Cash	91
Senior Secured Sterling Notes 6.375%	(430)
Senior Secured EUR Notes 5.5%	(395)
Senior Secured Net Debt	**(734)**
Non-property leases	(20)
Total Net Debt	(754)
FY19 Pro Forma RR Adj EBITDA	161
Illustrative leverage[5]	*4.6x*

Notes: All years stated under IFRS; December year end.
1. Senior secured net debt defined as total senior indebtedness (excl. finance leases & supply chain financing) less cash & cash equivalents
2. Net leverage based on LTM Sep-17A Run-rate Adj. EBITDA of £78.6m, pro-forma for the acquisition by LGP
3. Proceeds not used & remained as cash on the balance sheet
4. Based on Dec-19A Senior Secured Net Debt of £745m (consisting of the Sterling Notes (£430m), the Euro Bridge Facility (£380m, converted using FX rate of EUR 1.1711 to £1) less cash (£65m) & including certain adjustments) & Dec-19A Pro-forma Run-Rate Adj. EBITDA of £161m
5. Based on Dec-20A Senior Secured Net Debt of £734m (consisting of the Sterling Notes (£430m), the Euro Notes (£395m, converted using FX rate of EUR 1.1268 to £1) less cash (£91m)) & Dec-19A Pro-forma Run-Rate Adj. EBITDA of £161m
6. Liquidity defined as cash plus available RCF facilities



Outlook

Positive about the post COVID-19 market dynamics for PureGym

Members are keen to get back to the gym & to take advantage of the "sharing economics" of our facilities

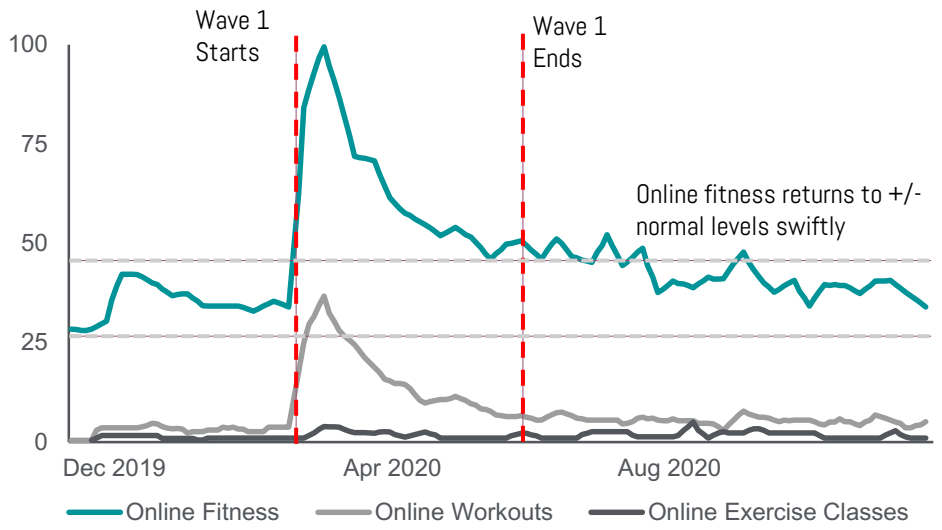
Health & fitness is now more important than ever

- Health is currently at the forefront of consumers' minds
- Increased awareness of the importance of wellness & mindfulness, with fitness a core element
- Gyms help people of all ages to achieve better physical & mental health
- Digitisation of exercise & availability of fitness technology driving higher engagement

Gyms are early players in the "sharing economy"

- Member buys the right to access for a 30-day period
- Typically a member "rents" their space in the gym for 2-8 hours per week / 8-24 hours per month
- Given average price of £20 per month…
- This represents £1-£3 per hour of activity – great value! …and much cheaper than trying to replicate this at home
- Plus the member enjoys the benefit of getting out of home, being in a safe environment, socialising etc

Home fitness is not a long-term replacement for gyms for most people

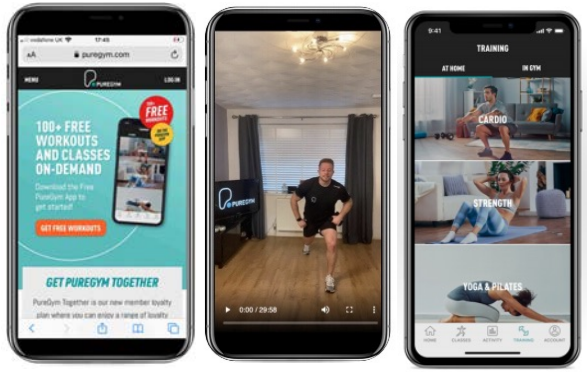


- Whilst google searches for online workouts increased by 300-400% at the height of the pandemic, they are now only 3-4% higher than pre-pandemic levels
- Home fitness equipment is expensive & not accessible to all
- A member might use £15k-£25k worth of kit (treadmill, bike, lifting platform, dumbbells etc) on a visit to a gym

Continued investment in technology sets us up for success

Integrated club & home fitness services

Live & on demand classes

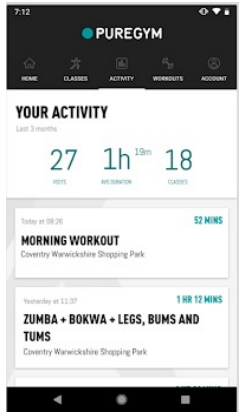


Nutritional advice



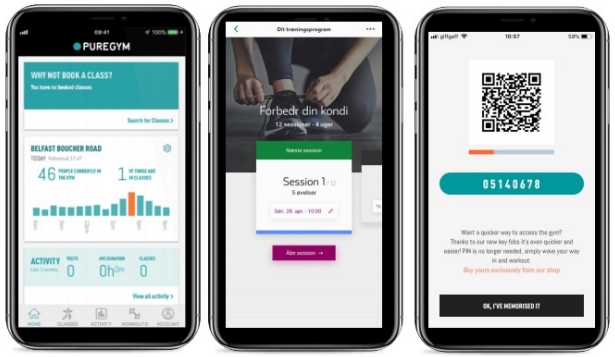


Progress tracking

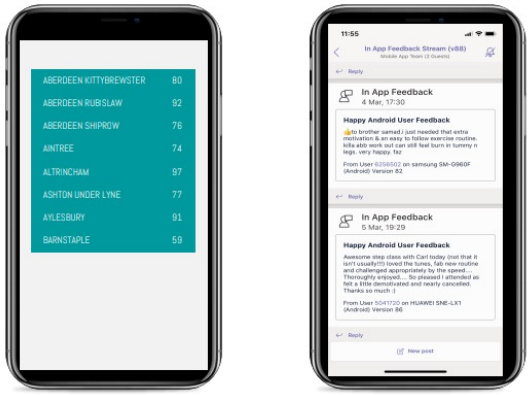


Enhanced capabilities in response to the pandemic

Tools to support members in timing visits, booking slots & contactless entry



"Live" feeds of attendance & member feedback for monitoring & control



Optimised data analytics to enhance the customer experience

1. Best in class reporting

+

2. Performance management

=

- Business insights for commercial value (e.g. pricing, product, marketing)
- Smarter business decision making
- Optimises customer lifetime value
- Extends core competitive advantage

Favourable market dynamics fuel our optimistic outlook

1 Large global gym operators have tackled COVID very effectively

- Operators have held membership through the pandemic
- Recovery in utilisation has been very rapid when gyms have been able to open
- Cost management has reduced cash burn to very low, manageable levels; many landlords have accepted revised lease terms
- Health & safety record has been worthy of note, with very little evidence to suggest COVID transmission in gyms

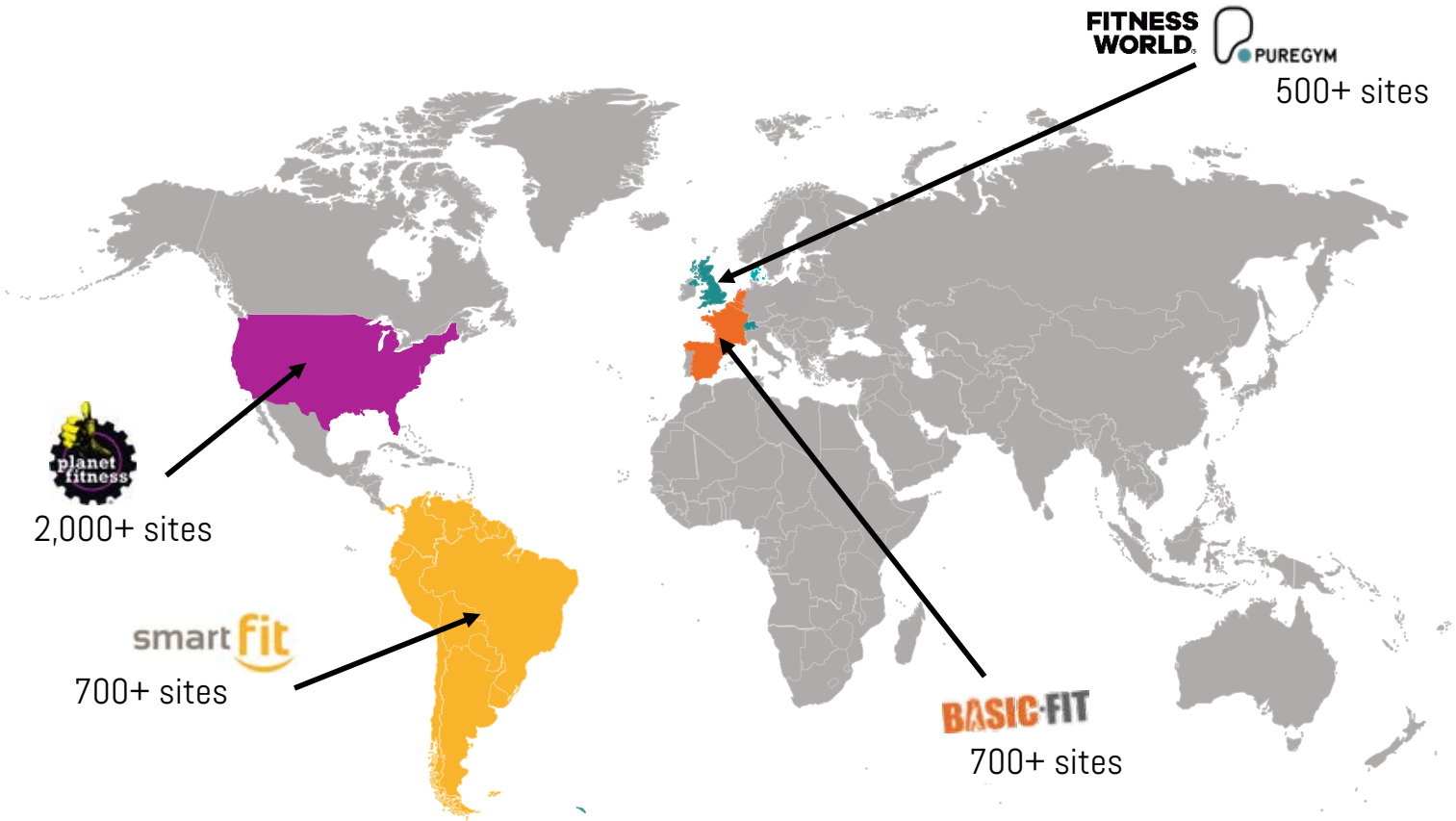
2 Medium to long-term outlook is very strong for strong businesses like PureGym that will survive

- Health & fitness remains a key trend across all age groups & demographics, we believe this will be intensified by COVID
- Propensity to return to the gym when open remains very strong
- Sector has seen some supply rationalisation as smaller, less well capitalised operators have failed
- Significantly improved availability of new units on attractive lease terms as the whole retail sector has weakened
- Challenging economic outlook will favour high volume, low price operators offering flexibility & great value

3 Digital engagement with members is value enhancing & here to stay

- Digital fitness trends have accelerated during the pandemic e.g. live on-demand classes, contactless access, virtual coaching
- Presents an opportunity to extend engagement into new areas e.g. nutrition, mindfulness/meditation
- Members now wanting to connect outside of the gym environment
- Ability for gym operators to control the health & fitness journey represents a huge opportunity
- Only scale players will be able to afford the investments necessary in technology and digital

We continue to see the emergence of a global "Premier League"



*"We expect low **cost** gyms to take share [as a result of the COVID-19 pandemic]"*

*"We expect well invested & well capitalized **low cost gyms to** prosper in a potentially recessionary & less competitive environment"*

*"We believe their **value proposition has become more compelling**, with the hybrid facility & digital model coming to the fore, which could translate into **larger membership bases**"*

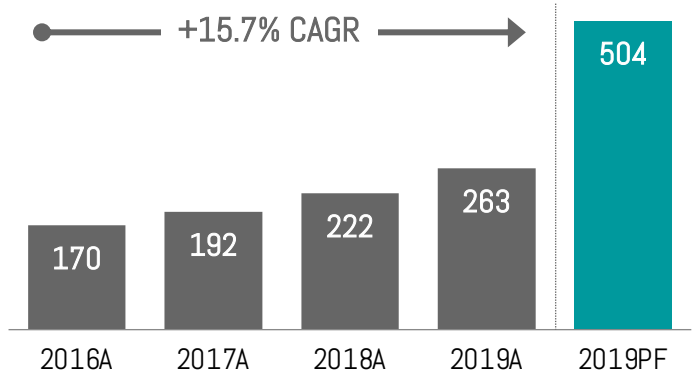
*"In contrast, **premium** facilities we expect to suffer **from down trading** & more limited ancillary services (PT, classes, physio etc.) in the near term"*

*"**Mid-market has been squeezed** in previous years & we expect to feel the balance sheet strain preventing significant investment"*

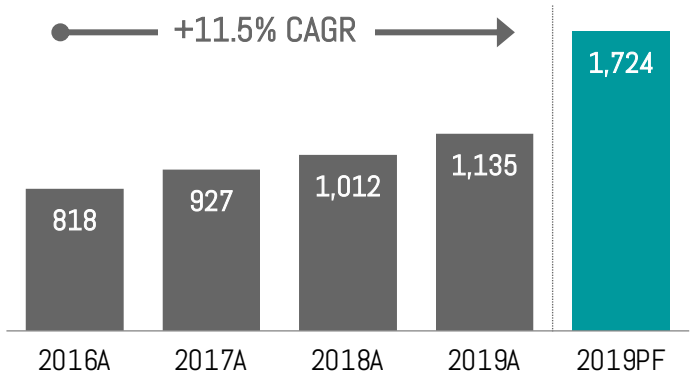
citi **August 2020**

Our pre-COVID track record speaks for itself

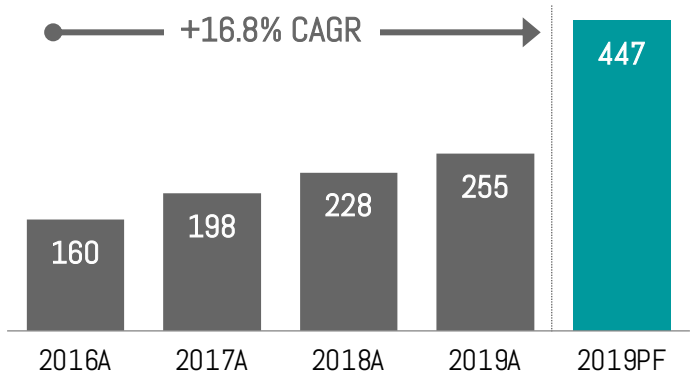
Gyms (number)[1]



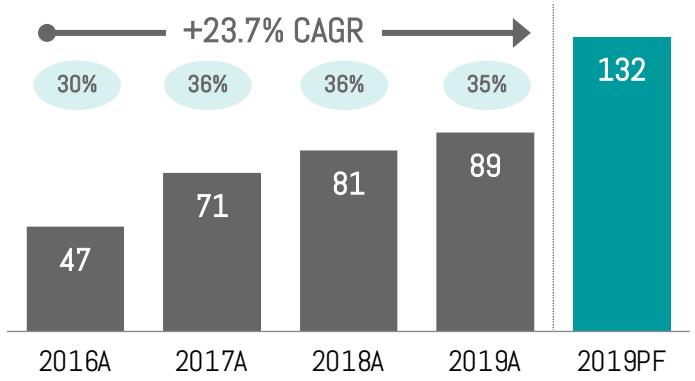
Members (k)[1]



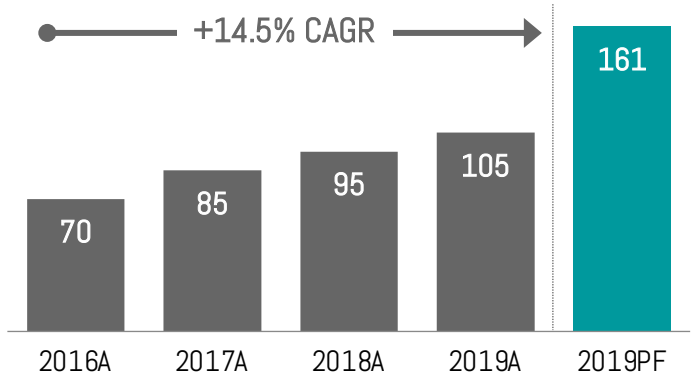
Revenue (£m)



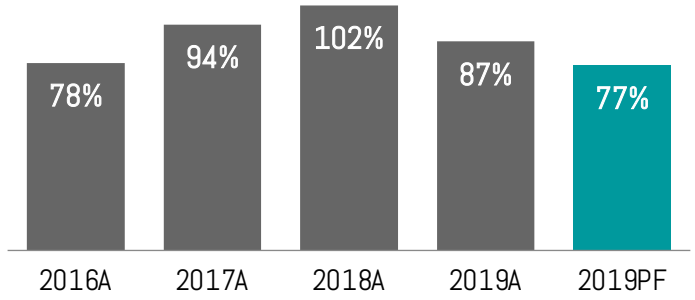
Adjusted EBITDA (£m)[2]



RR Adjusted EBITDA (£m)[3]



Op FCF conversion (%)[4]



Notes: All years stated under IFRS; for 12 months ended 31 December & relate to PureGym only, except where shown as proforma for the acquisition of Fitness World
1 2016A-2019A gyms includes PureGym branded sites at year-end (excludes unconverted LAF and Soho sites). # of members excludes pre-opening members and members at unconverted LAF and Soho gyms
2 Adj. EBITDA is before pre-opening costs & adjusted for non-cash expenses
3 Calculated as Adj. EBITDA plus immature units (open for less than 36 months) EBITDA at maturity less actual contribution of immature units
4 Op. FCF calculated as Adj. EBITDA less maintenance, refurb, & corporate capex & change in NWC, but before expansion capex. Operating cash flow conversion is calculated as operating cash flow divided by Adj. EBITDA


Train Safe
Keep your distance
Wash your hands
Clean down kit
PUREGYM

Conclusion

Conclusion

1. 2020 results materially impacted by COVID-19 with only 63% trading days vs 2019
2. Clean audit opinion for 2020 with no material uncertainty over going concern
3. Excellent liquidity position, £231m available as at 31 March 2021, post successful bond tap
4. 1.4m members retained as at 31 March 2021 with revenue "turning back on" as sites reopen
5. Immediate focus on a successful reopening of the business
6. Encouraging reopening in England & Switzerland, with the rest of the estate expected to open by mid-May
7. Many reasons to be positive about the post COVID-19 outlook for PureGym

Appendix

Q1 2021 lockdown government support

Government support extended (but only covers 31% of PureGym Group operational outgoings[1])

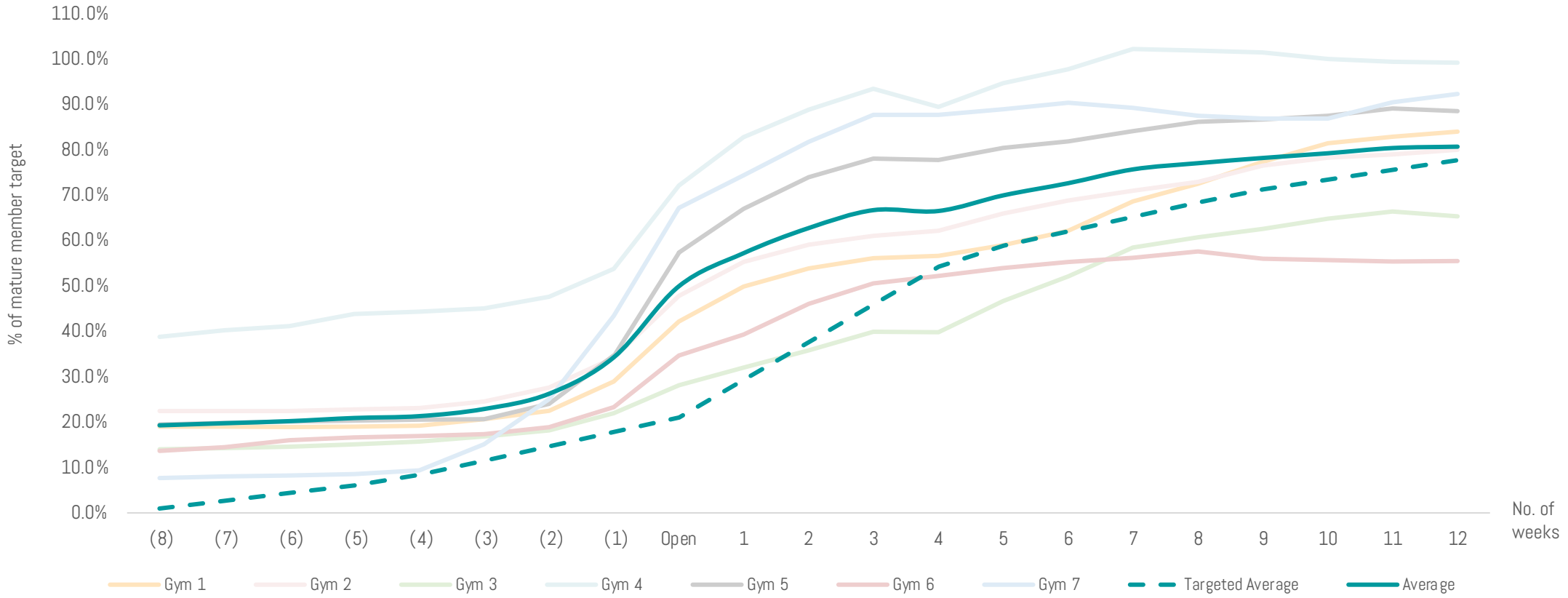
Geography	Support	Mitigation (£m/week)	Total Q1 2021 (£m)	Comments
UK	Furlough	0.4	5.5	Extended at a level in line with prior lockdowns
	Business rates	0.4	4.8	Rates holiday extended, capped at £2m in total post June 2021
	Property grants	0.3	4.0	New Q1 2021 lockdown & reopening grants
Denmark	Furlough	0.5	6.6	Extended at a level in line with prior lockdowns
	Fixed overhead compensation	0.8	10.0	Extended at a level in line with prior lockdowns
Switzerland	Furlough	0.1	1.4	Extended at a level in line with prior lockdowns
	Fixed overhead compensation	0.1	0.6	New Q1 2021 lockdown support
Total		**2.5**	**32.9[2]**	

Notes:
1. Based on £8m of unmitigated operational cost burn, excluding interest
2. As at 31 March 2021, £27m has been received in the quarter, with the remaining £6m due to be received in April / May

New site openings in 2020 show latent demand remains strong & accessible

UK gyms[1] opened since 25 July 2020

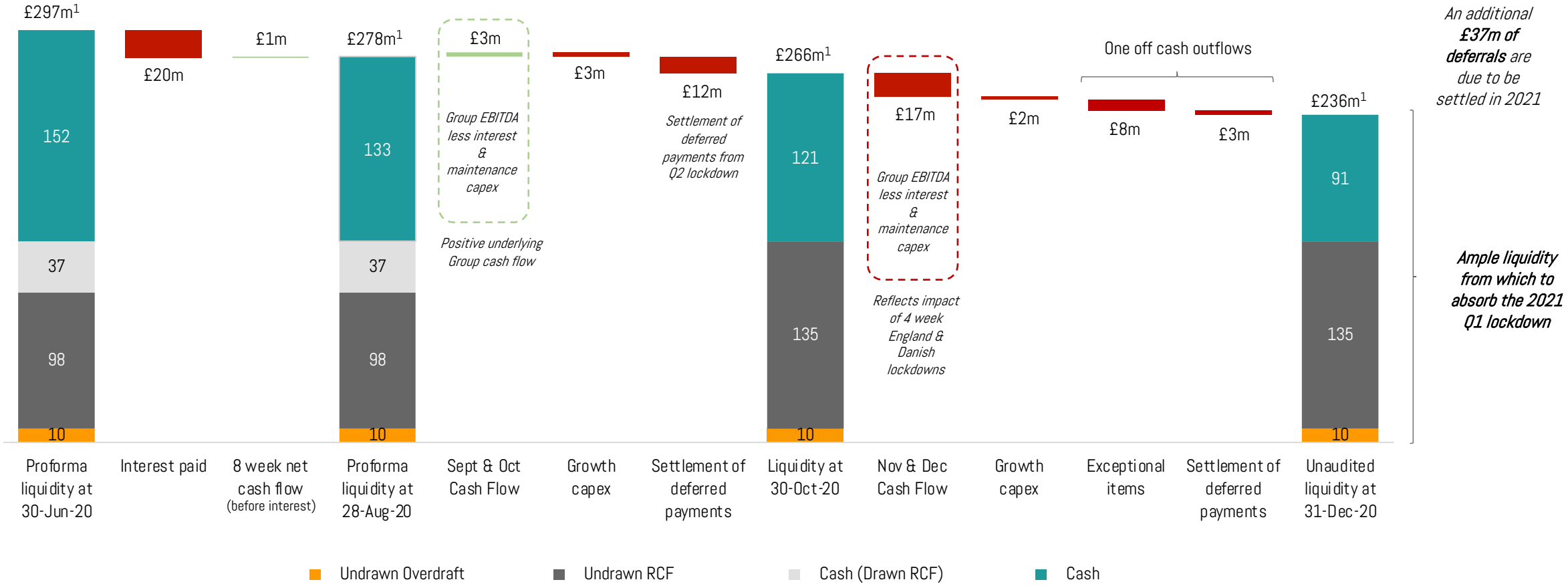
Member levels vs targeted average



Notes:
1. Bank has been excluded as it is a London city centre gym.

£236m of available liquidity to manage ongoing disruption & payment deferrals at end of December 2020

Actual liquidity development & unaudited December 2020 position



Notes:
1. Liquidity includes Cash, undrawn Revolving Credit Facility commitments & undrawn Overdraft commitments & is subject to a £30m minimum liquidity test at prescribed intervals.

Group cash flow FY 2020

Cash flow impacted by COVID-19

- Group Adjusted EBITDA impacted by closure
- Maintenance & refurbishment capital expenditure includes 4 major site refurbishments in 2020
- Operating cash flow conversion optimised through swift management action
- £37m expansionary capex reflects 17 new organic gyms opened in 2020 & relates to a number of partially developed sites ahead of reopening post lockdown 3.0
- Exceptional items comprise mainly transition & integration costs relating to the Fitness World acquisition
- Acquisition financing includes €445m SS bridge loan (c.£381m) received in Q1'20 to finance the acquisition of Fitness World, net of £118m repayment of Fitness World debt
- Net investment in Fitness World represents the cost of investment of £233m, net of £7m cash acquired

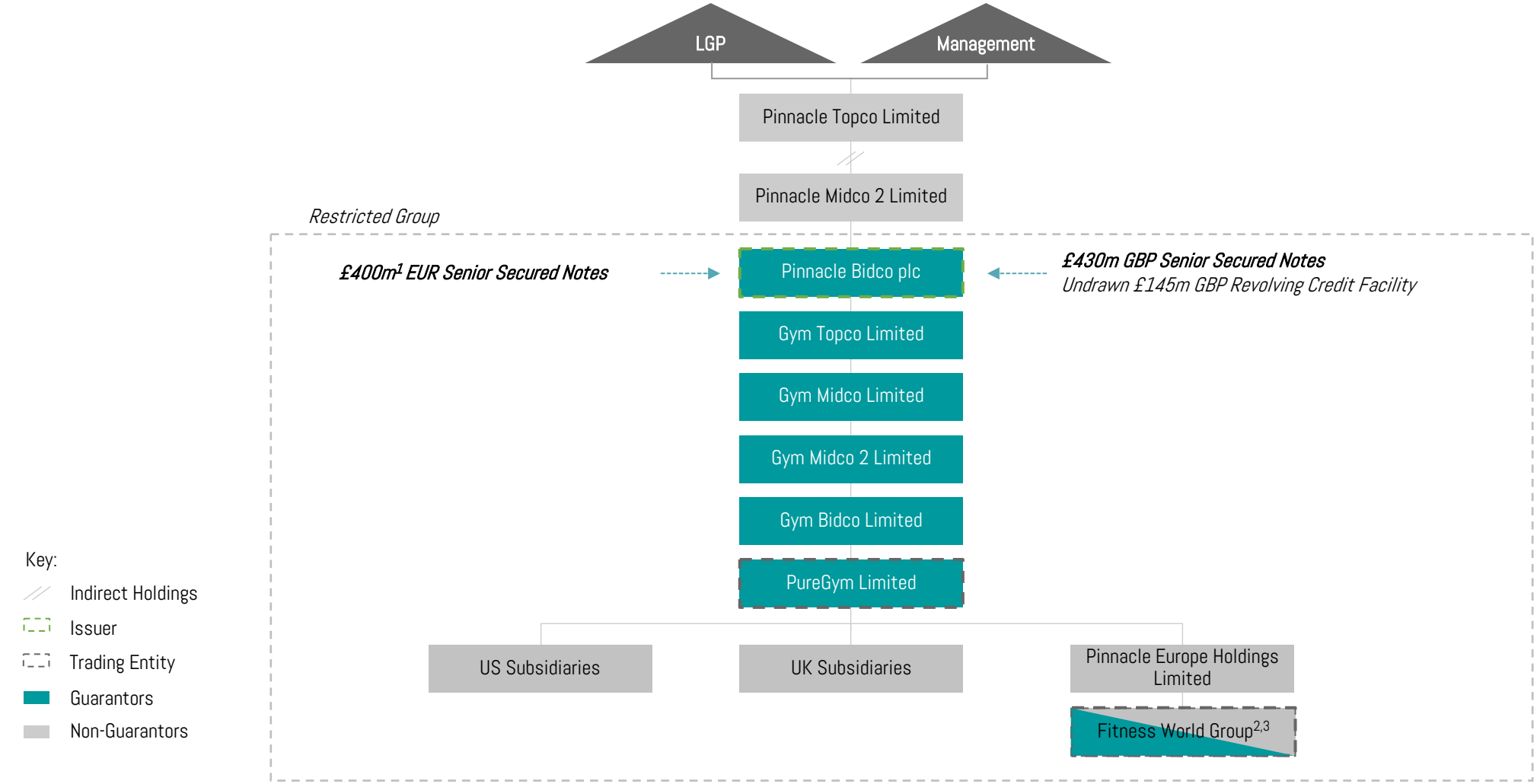
	Quarter ended 31 Dec		12 months ended 31 Dec	
(£m)	**2020**	2019	**2020**	2019
Group Adjusted EBITDA	**(5)**	**23**	**11**	**89**
Movement in working capital	(4)	8	10	4
Maintenance & refurb capital expenditure	4	(7)	(10)	(15)
Group operating cash flow	**(5)**	**24**	**11**	**78**
Operating cash flow conversion	*88%*	*103%*	*103%*	*87%*
Expansionary capital expenditure	(15)	(24)	(37)	(52)
Exceptional items	(1)	(2)	(14)	(4)
Tax, interest, & debt issue costs	(21)	(0)	(70)	(27)
Other	1	(2)	16	(4)
Net cash flow before acquisition & financing	**(41)**	**(4)**	**(93)**	**(9)**
Net investment in Fitness World	-	(3)	(226)	(3)
Acquisition finance	-	-	263	-
RCF (repayment)/borrowing	(37)	-	-	-
Issue of senior secured notes	-	-	-	41
Finance lease capital repayments	(1)	(1)	(6)	(1)
Equity injection	1	0	101	-
Other financing cash flows	(1)	0	(0)	0
Net cash flow	**(78)**	**(8)**	**38**	**28**

Segmental performance

	Pro forma basis (£m)						Reported basis (£m)					
	Quarter ending 31 December			12 months ending 31 December			Quarter ending 31 December			12 months ending 31 December		
	2020	2019	Change %	**2020**	2019	Change %	**2020**	2019	Change %	**2020**	2019	Change %
PureGym UK	**38**	**66**	**(43)%**	**142**	**255**	**(44)%**	**38**	**66**	**(43)%**	**142**	**255**	**(44)%**
Fitness World	**35**	**49**	**(28)%**	**135**	**193**	**(30)%**	**35**	**-**	**n/a**	**128**	**-**	**n/a**
Denmark	29	40	(28)%	109	159	(31)%	29	-	n/a	103	-	**n/a**
Switzerland	7	7	(1)%	25	27	(7)%	7	-	n/a	24	-	**n/a**
Poland	-	2		-	7		-	-	n/a	-	-	**n/a**
Total Revenue	**73**	**115**	**(37)%**	**277**	**447**	**(38)%**	**73**	**66**	**11%**	**270**	**255**	**4%**
PureGym UK	**0**	**23**	**(99)%**	**7**	**89**	**(92)%**	**0**	**23**	**(99)%**	**7**	**89**	**(92)%**
Fitness World	**(6)**	**12**	**(146)%**	**5**	**43**	**(88)%**	**(6)**	**-**	**n/a**	**4**	**-**	**n/a**
Denmark	(5)	11	(149)%	6	38	(85)%	(5)	-	**n/a**	4	-	n/a
Switzerland	(0)	1	(106)%	(0)	3	(105)%	(0)	-	**n/a**	(0)	-	n/a
Poland	-	1		-	1		-	-	**n/a**	-	-	n/a
Total Adjusted EBITDA	**(5)**	**35**	**(115)%**	**12**	**132**	**(91)%**	**(5)**	**23**	**(123)%**	**11**	**89**	**(88)%**
PureGym UK	**1%**	**35%**		**5%**	**35%**		**1%**	**35%**		**5%**	**35%**	
Fitness World	**(16)%**	**25%**		**4%**	**22%**		**(16)%**	**-**		**3%**	**-**	
Denmark	(18)%	26%		5%	24%		(18)%	-		4%	-	
Switzerland	(1)%	14%		(1)%	12%		(1)%	-		0%	-	
Poland	-	24%		-	16%		-	-		-	-	
Adjusted EBITDA margin	**(7)%**	**30%**		**4%**	**29%**		**(7)%**	**35%**		**4%**	**35%**	

Notes:
1. The 2020 results of Poland have been excluded as the business was sold in the year and is treated as a discontinued operation in the Group financial statements

Corporate structure



1. EUR denominated €445 million Senior Secured Notes (converted to pounds sterling at the 31 December 2020 closing rate of €1.1128 to £1.0000)
2. The parent entity of Fitness World Group is Forward TopCo A/S
3. Material Danish and Swiss entities within the Fitness World Group have joined the material UK entities as Guarantors of the Senior Secured Notes and RCF. The Guarantors accounted for 98% of Group Run-Rate Adjusted EBITDA for the year ended 31 December 2020, and substantially all of the Group's total assets as of 31 December 2020

Key performance indicators

£m	Quarter ended 31 December 2020A	2019A	12 months ended 31 December 2020A	2019A	2019PF
Total number of PureGyms	274	263	274	263	263
Total number of Fitness World Group Gyms	218	n/a	218	n/a	241
Total number of gyms	492	263	492	263	504
Total number of members ('000s)	1,451	1,135	1,451	1,135	1,724
Average number of members ('000s)	1,546	1,160	1,629	1,124	n/a
Average number of members per gym	3,052	4,602	3,331	4,710	3,610
Average revenue per member per month (£)	15.77	18.84	13.98	18.90	21.86
Reported EBITDA (£ million)	13.0	31.7	87.9	125.2	209.1
Adjusted EBITDA (£ million)	(5.3)	22.9	10.9	89.1	131.6
Adjusted EBITDA margin	(7.1)%	35.0%	4.0%	34.9%	29.4%
Gym Site Adjusted EBITDA (£ million)	5.5	29.0	49.8	113.0	170.9
Gym Site Adjusted EBITDA margin	7.4%	44.2%	18.4%	44.3%	38.2%
Run-Rate Adjusted EBITDA (LTM) (£ million)[1]	n/a	n/a	37.7	104.5	161.2
Operating Cash Flow (£ million)	(4.6)	23.6	11.3	77.8	101.4
Operating Cash Flow Conversion	88.3%	103.1%	103.2%	87.4%	77.0%
Senior Secured Net Debt (£ million)	733.9	378.4	733.9	378.4	744.6
Ratio of Senior Secured Net Debt to LTM Run-Rate Adjusted EBITDA[1]	n/a	n/a	19.5x	3.6x	4.6x
Ratio of LTM Run-Rate Adjusted EBITDA[1] to Pro Forma Net Interest Expense	n/a	n/a	0.7x	3.7x	3.1x

Note: 2020 figures represent the results of the Combined Group, including Fitness World from 14 January 2020. 2019A figures include the results of PureGym only. 2019PF figures include the combined results of PureGym and Fitness World on a pro forma basis

1. 2020 LTM Run Rate Adjusted EBITDA represents the Combined Group on a pro forma basis. The 2019PF Run Rate Adjusted EBITDA includes £4.5m of synergy benefits. Management still believe that these synergies will be delivered but, in the context of reporting on the COVID-19 impacted year, can no longer be separated out from the underlying operations of the Combined Group

Reconciliation from Loss to Adj EBITDA & Run-Rate Adj EBITDA

£m	Quarter ended 31 December 2020A	2019A	12 months ended 31 December 2020A	2019A	2019PF
Loss for the year/period	(53.5)	(10.6)	(193.8)	(26.9)	(39.6)
Income tax	(9.4)	3.4	(20.8)	3.4	0.1
Net finance cost	13.2	17.5	128.5	83.4	114.9
Operating loss from discontinued operation	(0.4)	-	(1.8)	-	-
Depreciation of property, plant & equipment	30.3	13.5	113.7	53.7	108.9
Amortisation of intangible fixed assets	7.8	0.7	24.5	2.9	18.4
Impairment of property, plant & equipment & intangible fixed assets	27.1	0.3	31.4	0.3	0.3
(Profit) / loss on disposal of property, plant & equipment	2.5	0.4	2.5	0.4	0.2
(Profit) / loss on lease modifications	(0.1)	(0.0)	(0.1)	(0.4)	(0.4)
Exceptional administrative expenses	(4.5)	6.4	3.8	8.3	6.2
Reported EBITDA	13.0	31.7	87.9	125.2	209.1
Other extraordinary items	-	-	-	-	0.8
Share based payment charge	0.1	0.1	0.4	0.3	0.3
Pre-Opening Costs	(0.0)	1.5	1.6	3.5	3.6
Cash Rent Adjustment	(18.4)	(10.4)	(78.9)	(39.9)	(82.1)
Adjusted EBITDA	(5.3)	22.9	10.9	89.1	131.6
Head office costs	10.7	6.1	38.9	23.9	39.3
Gym Site Adjusted EBITDA	5.5	29.0	49.8	113.0	170.9
LTM Adjusted EBITDA[1]	n/a	n/a	12.4	89.1	131.6
Run-Rate Adjustment	n/a	n/a	25.3	15.4	25.1
Adjustment for synergies[2]	n/a	n/a	n/a	n/a	4.5
Run-Rate Adjusted EBITDA (LTM)[2]	n/a	n/a	37.7	104.5	161.2

Note: 2020 figures represent the results of the Combined Group, including Fitness World from 14 January 2020. 2019A figures include the results of PureGym only. 2019PF figures include the combined results of PureGym and Fitness World on a pro forma basis

1. 2020 LTM Adjusted EBITDA represents the Combined Group on a pro forma basis
2. The 2019PF Run Rate Adjusted EBITDA includes £4.5m of synergy benefits. Management still believe that these synergies will be delivered but, in the context of reporting on the COVID-19 impacted year, can no longer be separated out from the underlying operations of the Combined Group

Glossary

Term	Definition
Adjusted EBITDA	The profit or loss for a certain period before income tax expense, net finance cost, depreciation and impairment of property, plant & equipment & right of use assets, amortisation and impairment of intangible fixed assets, profit/loss on disposal of property, plant & equipment, profit/loss on lease modifications, exceptional administrative expenses, & other extraordinary items, after adding back Pre-Opening Costs & share based payment charges, & subtracting the Cash Rent Adjustment.
Adjusted EBITDA Margin	Adjusted EBITDA for that period divided by revenue for that period.
Average Number of Members	The average of the number of members as at the beginning of the first month & the end of every month in that period.
Average Continuous Membership Tenure	The average monthly tenure of all active & paying members, including members who have frozen their membership, as of a given point in time. This includes previous memberships where the gap in membership was 30 days or less but excludes the period(s) of non-membership.
Average Initial Capital Investment for Mature Gyms	The Initial Capital Investment for all Mature Gyms for a certain period divided by the number of Mature Gyms in that period.
Average Gym ROCE	Gym Site Adjusted EBITDA for the relevant portfolio of gyms for that period divided by the Initial Capital Investment attributable to that portfolio of gyms.
Average Mature Gym Adjusted EBITDA	Mature Gym Adjusted EBITDA for a certain period divided by the revenue attributable to Mature Gyms for that period.
Average Mature Gym Adjusted EBITDA Margin	Mature Gym Adjusted EBITDA for a certain period divided by the revenue attributable to Mature Gyms for that period.
Average Mature Gym ROCE	Mature Gym Adjusted EBITDA for a certain portfolio of gyms for a certain period divided by the Initial Capital Investment attributable to that portfolio of gyms.
Average Revenue Per Member Per Month	Revenue for that period divided by the number of months in that period & further divided by the average number of members during that period. The average number of members during that period is calculated as the average of the number of members as of the beginning of the first month & the end of every month in that period.
Basefit	Refers to Basefit.ch AG, the brand that Fitness World operates under in Switzerland.
Cash Rent Adjustment	The deduction of the cash rent payable during the period which otherwise was not reflected in EBITDA (as reported on an IFRS16 basis).
Combined Group	Refers to Pure Gym & Fitness World.

Glossary

Term	Definition
EBITDA	The profit or loss for a certain period before income tax expense, net finance cost, depreciation and impairment of property, plant & equipment & right of use assets, amortisation and impairment of intangible fixed assets, profit/loss on disposal of property, plant & equipment, profit/loss on lease modifications & exceptional administrative expenses.
Expansionary Capital Expenditure	The Initial Capital Investment & the capital costs of expanding gym sites incurred in that period, and the capital costs of investments in technology in that period.
Fitness World or Fitness World Group	Refers to Forward TopCo A/S & its subsidiaries.
Gym Cohorts	Groups of Pure Gym or Fitness World clubs, as applicable, that opened during a specified period.
Gym Site Adjusted EBITDA	Adjusted EBITDA for that period, excluding Head Office Costs.
Gym Site Adjusted EBITDA Margin	Gym Site Adjusted EBITDA divided by revenue for that period.
Head Office Costs	All non-gym specific costs, other than depreciation & amortisation, related to the operation of head office functions in a given period.
Initial Capital Investment	The capital cost of bringing a new gym into operation or extending a gym, including expenditures on site fit out, fixtures, fittings & equipment & excluding the cost of any right of use property assets, ongoing maintenance & refurbishment capex.
Large Box Format (LBF)	Large Box Format (LBF) gyms are gyms that are typically over 12,000 square feet in size.
Maintenance & Refurbishment Capital Expenditures	The total capital expenditure incurred in a period less Expansionary Capital Expenditure incurred in that period.
Mature Gym Adjusted EBITDA	Profit for a certain period before income tax expense, net finance cost, depreciation and impairment of property, plant & equipment & right of use assets, amortisation and impairment of intangible fixed assets, profit/loss on disposal of property, plant & equipment, profit/loss on lease modifications & exceptional administrative expenses for Mature Gyms, after adding back other extraordinary items, Pre-Opening Costs for Mature Gyms & Head Office Costs & subtracting the Cash Rent Adjustment for Mature Gyms.
Mature Gym EBITDA	profit for a certain period before income tax expense, net finance cost, depreciation and impairment of property, plant & equipment & right of use assets, amortisation and impairment of intangible fixed assets, profit/loss on disposal of property, plant & equipment, profit/loss on lease modifications, exceptional administrative expenses & Head Office Costs for Mature Gyms. Mature Gym EBITDA does not include the Cash Rent Adjustment or adjustments for Pre-Opening Costs or other extraordinary items that were added back to Adjusted EBITDA & Gym Site Adjusted EBITDA.

Glossary

Term	Definition
Mature Gyms	The gyms that have been open as Pure Gyms for 24 months or more or as Fitness World clubs open as for 24 months or more as of the end of the relevant reporting period.
Net Debt	Total indebtedness of the group including finance lease liabilities as reported under IAS17 (excluding property lease liabilities recognised under IFRS 16) less cash & cash equivalents.
New Gyms	The gyms that have been open as Pure Gyms for less than 24 months or Fitness World clubs for less than 24 months as of the end of the relevant reporting period.
Number of Gyms	The total number of gyms that are open & trading as of the specified date or the end date of the relevant period.
Operating Cash Flow	Adjusted EBITDA plus Working Capital Cash Flow & less Maintenance & Corporate Capital Expenditure cash flows for that period.
Operating Cash Flow Conversion	The Operating Cash Flow for that period divided by Adjusted EBITDA for that period.
Pre-Opening Costs	The total of all gym site operating costs incurred during the pre-opening periods of gyms in that period. Pre-Opening Costs primarily consist of staff & marketing expenses.
Pro Forma Run Rate Adjusted EBITDA	Run Rate Adjusted EBITDA for the twelve months ended on the reporting date, after giving pro forma effect to the recent acquisition of Fitness World as if the acquisition occurred on the first day of the period & including synergies expected to be realised from the combined group.
Pro Forma Net Interest Expense	The net of interest payable/receivable for the twelve months ended on the reporting date after giving pro forma effect to borrowings as at the balance sheet date, as if those borrowings occurred on the first day of the period.
ROCE	Adjusted EBITDA divided by Initial Capital Investment & refers to return on capital employed.
Run-Rate Adjusted	The adjustment made to those gyms which are less than three years old at the end of the reporting period. These adjustments replace the Adjusted EBITDA earned by these sites in the last twelve month period with the projected Adjusted EBITDA for their third year of operation.
Run-Rate Adjusted EBITDA	The Adjusted EBITDA including any Run Rate Adjustment.
Senior Secured Net Debt	The total senior secured indebtedness of the group (excluding finance lease liabilities as reported under IAS17), less cash & cash equivalents.
Small Box Format (SBF)	Small Box Format (SBF) gyms are gyms that are typically 6,000-9,000 square feet in size.
Working Capital Cash Flow	Cash movements in working capital.

Investor Contact Details

PureGym
Town Centre House
Merrion Centre
Leeds LS2 8LY

Website: corporate.puregym.com
Email: ir@puregym.com