

Investor Presentation

Results for the quarter ended 30 September 2023

30 November 2023

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 & acquisition strategy, plans & objectives of management for future operations are forward-looking statements. Such forward-looking statements involve known & unknown risks, uncertainties & 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 & future business strategies & 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 & 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 & 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 & ratios. We believe that these measures are useful indicators of our ability to incur & service our indebtedness & can assist certain investors, security analysts & 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 & Run-Rate Adjusted EBITDA are not measures of our financial performance or liquidity under IFRS & 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 & financing activities as a measure of our ability to meet our cash needs or (c) any other measures of performance under IFRS.

Introduction & overview

Financial results

- Performance in Q3 was strong & in line with expectations, with Q3 Adj EBITDA of £33m (+£10m vs Q3 2022)
- Continued & accelerating growth quarter-on-quarter with RR Adj EBITDA of £139m (+£11m vs Q2 2023)
- Accelerating momentum driven by ongoing recovery of base membership & revenues, good cost control & robust growth from the predictable maturation of new site openings in 2022 & 2023
- Closing cash of £213m[1] & available liquidity of £358m[1] maintains ample strategic flexibility & allows us to continue with the new site opening programme
- SS net leverage of 4.6x RR Adj EBITDA for Q3 - evidencing quarter-on-quarter deleveraging

Successful refinancing

- Refinancing of the existing SSNs successfully completed on 11 October
- Existing GBP & EUR notes redeemed & £50m of debt repaid
- New issuance of £805m equivalent 5-year SSNs & RCF upsized to £175m
- Management & equity investors very satisfied with the timing & structure of the refinancing

Outlook

- On track to open 43 new sites by the end of 2023
- Robust unit economics & well protected margins
- Whilst the macro-economic environment continues to be challenging, we remain confident that the Group is well placed to further strengthen performance & to pursue the strategy we have laid out previously



Notes:
(1) Includes £31m cash held by parent, Pinnacle Topco Limited. Liquidity defined as cash plus £145m available RCF facilities at 30 September 2023.



Financial results

A strong quarter, with continued & accelerating growth

Q3 2023 highlights

A strong quarter, with continued & accelerating growth in EBITDA underpinned by membership, revenue & ARPM progression

+44%
Adj EBITDA growth vs Q3 2022

+16%
Revenue growth vs Q3 2022

+15%
Member growth vs Q3 2022
(+21% in the UK)

+2%
ARPM growth vs Q3 2022

£139m
RR Adj EBITDA[1]

36%
ROCE[2]

+16
New sites (Incl 3 franchise)

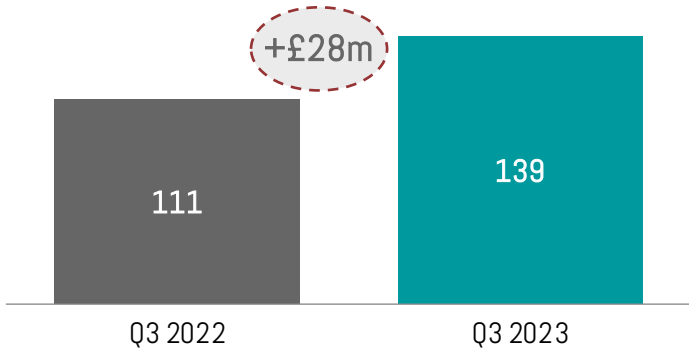
595
Total open sites[3]

Notes: (1) For the 12 months ended 30 September 2023. (2) Represents UK mature gyms, being those opened in 2017 & prior. Newer sites are delivering slightly ahead of this at 37%. Calculated using Adjusted EBITDA. (3) Gyms in estate includes 576 corporate-owned & 19 franchise gyms in the Middle East.

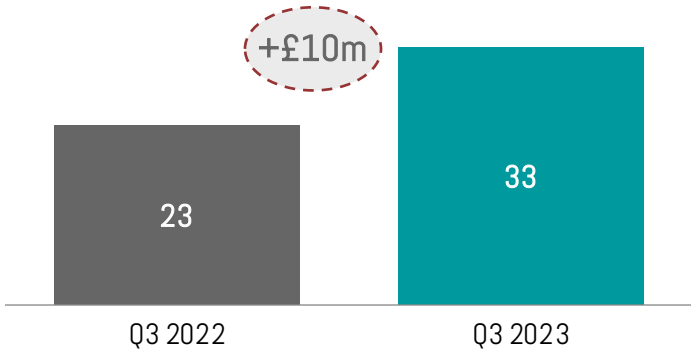
Q3 2023 financial results vs Q3 2022 (1/2)

Q3 2023 performance showed strong progression on all key variables vs Q3 2022...

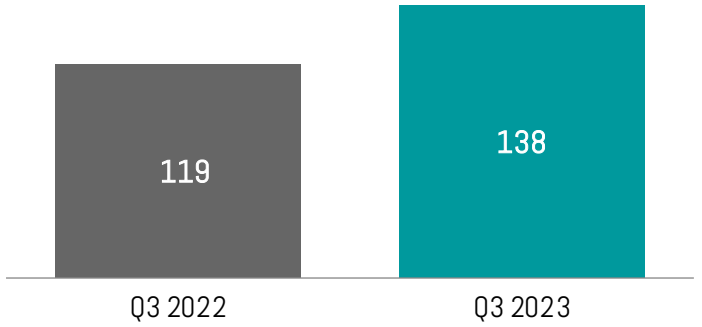
Run-Rate Adj EBITDA (£m)



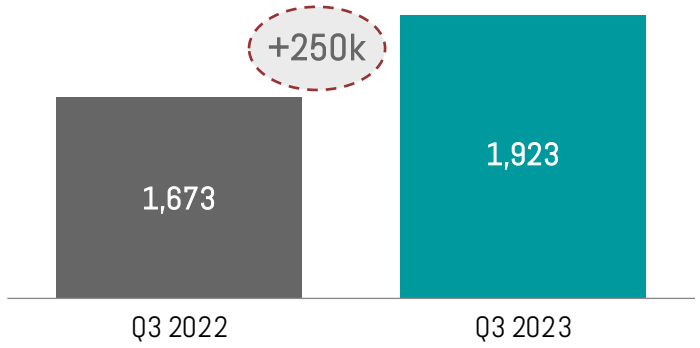
Adj EBITDA (£m)



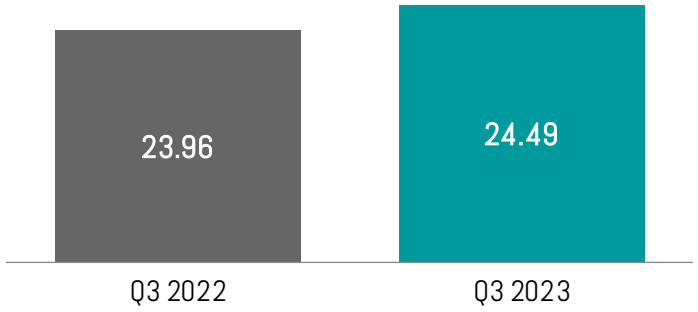
Revenue (£m)



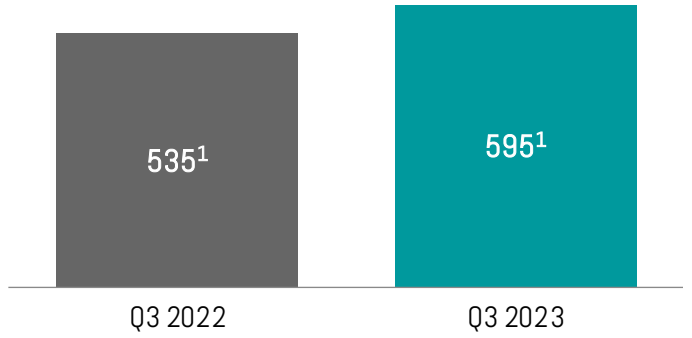
Closing members (k)



ARPM (£)



Gyms in estate

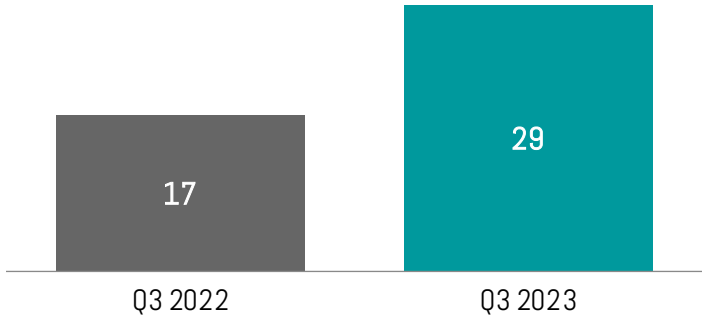


Notes: (1) Q3 2023 Gyms in estate includes 576 corporate-owned & 19 franchise gyms in the Middle East. Q3 2022 Gyms in estate includes 528 corporate-owned & 7 franchise gyms in the Middle East. (2) Q3 2022 as restated, see note 30 of the Pinnacle Bidco plc 2022 Annual Report & Accounts. (3) All financials relate to the Quarter with the exception of RR Adjusted EBITDA which is a last 12 month measure.

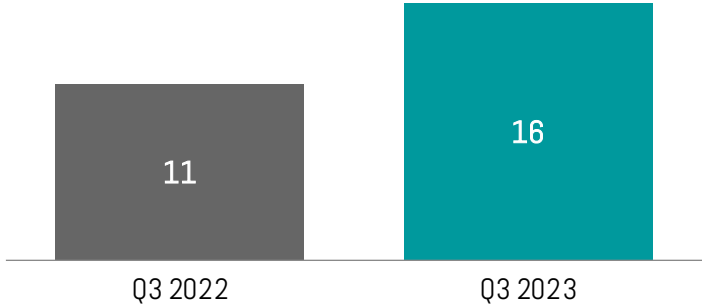
Q3 2023 financial results vs Q3 2022 (2/2)

...which converted to £29m of Operating Cash Flow in the Quarter

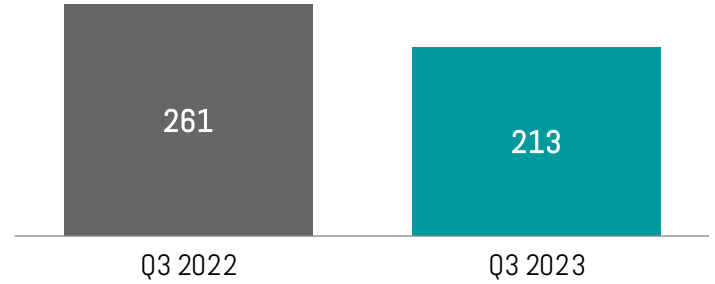
Operating Cash Flow[1] (£m)



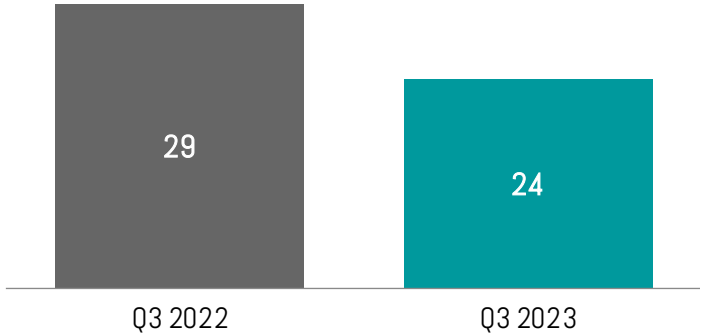
New sites opened[2]



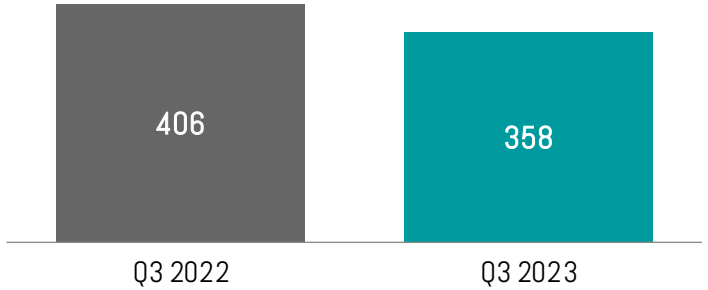
Cash[3] (£m)



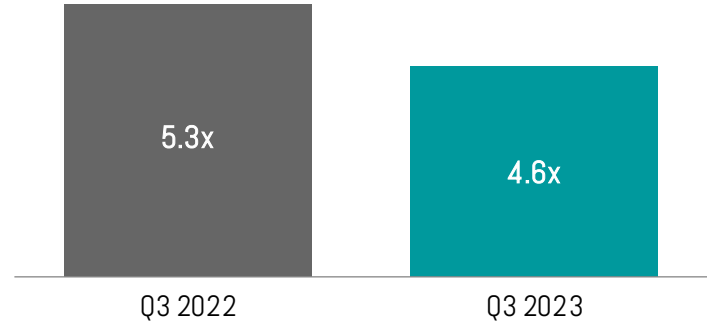
Capex (£m)



Available liquidity[3,4] (£m)



SS Net Leverage[5]



Notes: (1) Operating Cash Flow, stated after maintenance & refurbishment capex but before interest on borrowings or growth capex. (2) Q3 2022 new sites includes 8 corporate-owned sites & 3 franchise gyms in the Middle East. Q3 2023 new sites includes 13 corporate-owned & 3 franchise gyms in the Middle East. (3) Q3 2022 includes £30 million & Q3 2023 includes £31 million cash held by parent, Pinnacle Topco Limited. (4) Liquidity defined as cash plus £145m available RCF facilities at 30 September 2022 & 30 September 2023. (5) SS Net Leverage defined as Senior Secured Net Debt ("SSND") divided by Run-Rate Adjusted EBITDA. SSND defined as total senior indebtedness (excl. finance leases) less cash & cash equivalents. For the purposes of the leverage calculation, SSND uses average rates of exchange for the last 12 month period.

With healthy recovery in base revenue continuing across all geographies

Q3 2023 vs Q3 2022

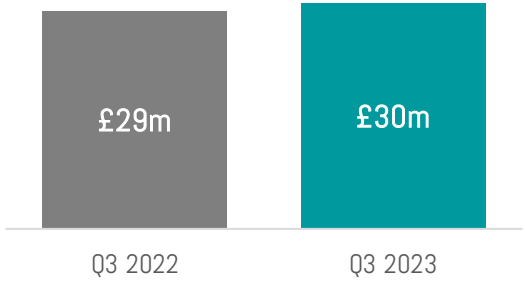
UK LFL Revenue[1]

Up +7%



DK LFL Revenue[1]

Up +4%



CH LFL Revenue[1,2]

Up +10%



Notes: (1) LFL revenue based on gyms open in 2020 & prior. (2) As restated, see note 30 of the 2022 Pinnacle Bidco plc Annual Report & Accounts.

Management continues to deploy capital into high quality new site openings

- £11m of new site capex in Q3 2023[1]
- 13 new corporate owned site openings in Q3 2023[2]
- £11m spend on maintenance & refurbishment works across estate
- Coming out of the pandemic we have carefully scaled our organisational ability to deploy capital wisely in new sites & refurbishments. We intend to use this ability in the coming periods

£m	Q3 2023	Q3 2022
New site capital expenditure[1]	11	19
IT development capital expenditure	2	2
Expansionary capital expenditure	**13**	**21**
Maintenance & refurb capital expenditure	11	9
Total capital expenditure	**24**	**29**
Expansionary capex working capital movement	(1)	(4)
Maintenance & refurb capex working capital movement	-	(3)
Total capital expenditure cash flow	23	23

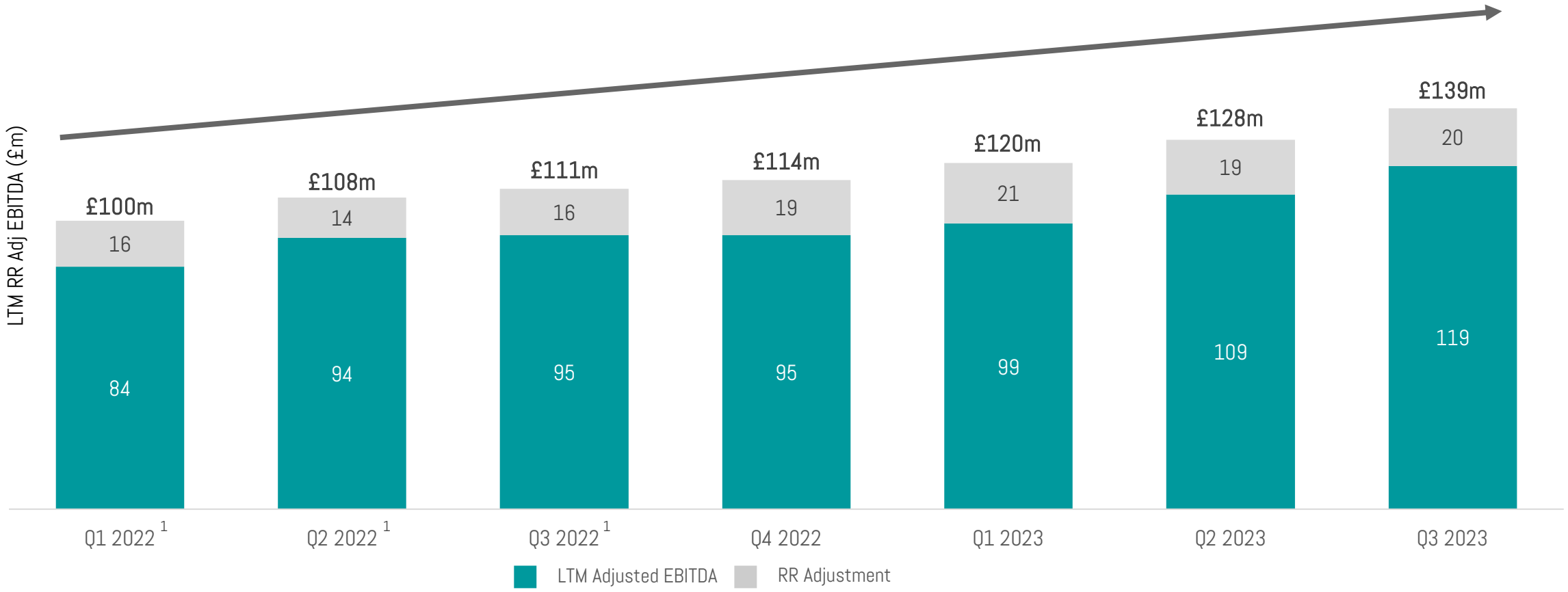


Notes: (1) Reported new site capex in the period may not directly correspond to the number of new sites opened in the period due to construction works spanning multiple periods. Average capex per new corporate gym opening is £1.2m.
(2) Some initial capex on Q3 2023 gyms was incurred in Q2 2023.

The Run-Rate Adjustment reliably converts into Adj EBITDA over a 12-24 month period, as illustrated by recent performance

Corporate owned sites:

+8 new sites	+9 new sites	+8 new sites	+20 new sites	+15 new sites	+7 new sites	+13 new sites

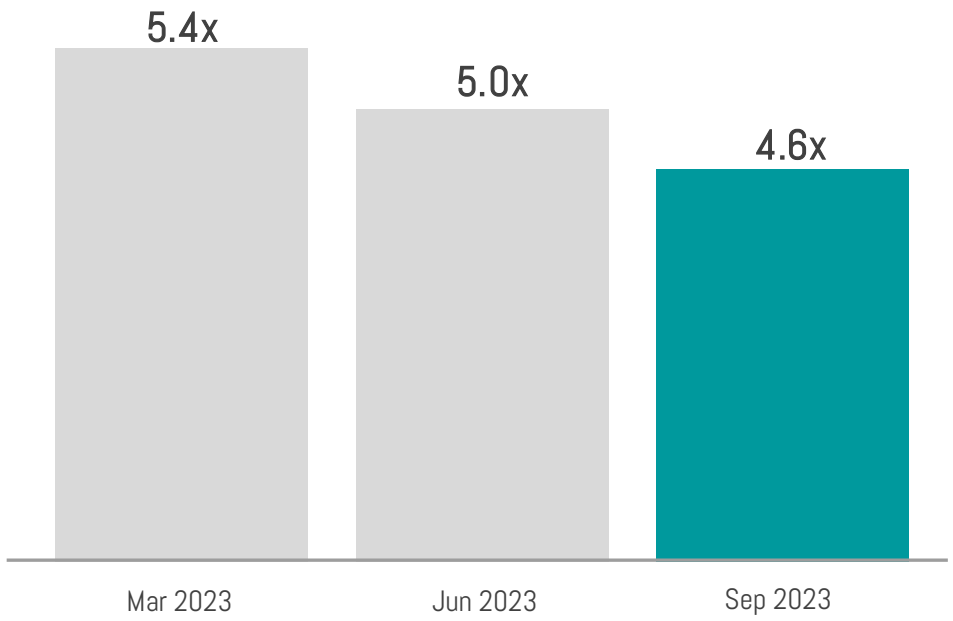


Notes: (1) As adjusted for the restatement of the results of Switzerland. See note 30 of the 2022 Pinnacle Bidco plc Annual Report & Accounts.

Clear & demonstrable deleveraging down to 4.6x RR Adj EBITDA

Proforma leverage

Liquidity[1]	£353m[2]	£356m[2]	£358m[2]
SS Net Debt	£645m[2]	£644m[2]	£643m[2]
RR Adj EBITDA	£120m	£128m	£139m



Proforma Net Debt

As at 30 September 2023	£m
Cash	213[3]
Senior Secured Sterling Notes 6.375%	(430)
Senior Secured EUR Notes 5.5%	(426)
Senior Secured Net Debt	**(643)**
Non-property leases/other	(4)
Total Net Debt	(647)
Q3 2023 RR Adj EBITDA	139
Actual SS Net Leverage	*4.6x*

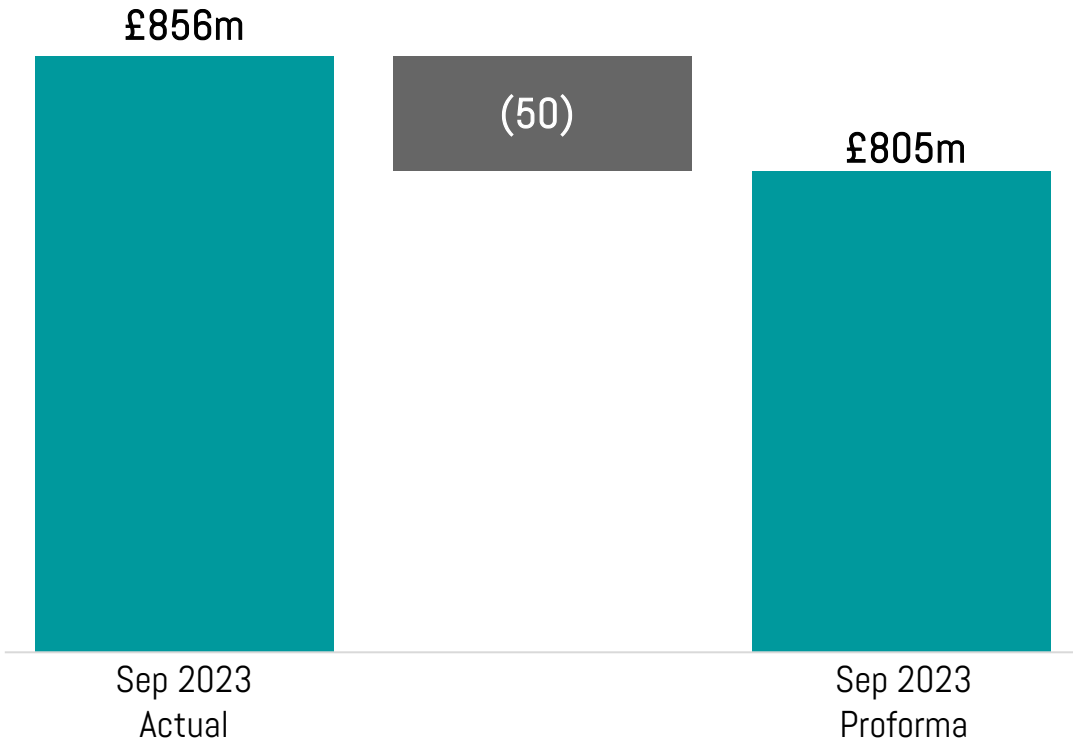
Notes:(1) Liquidity defined as cash plus £145m available RCF facilities at 31 March, 30 June & 30 September 2023. (2) Includes £31m held by parent company, Pinnacle Topco Limited. (3) £213m cash includes non-Sterling balances translated at average exchange rates for the LTM period, in line with banking document definitions. This is equivalent to £213m cash reported on slide 7 where non-Sterling balances are translated at closing exchange rates. Both figures include £31m held by parent company, Pinnacle Topco Limited.

The successful refinancing of our bonds leaves us well placed to deliver our growth plans

Successful refinancing

- Refinancing of the existing SSNs successfully completed on 11 October
- Existing GBP & EUR notes redeemed & £50m of debt repaid
- New issuance of £805m equivalent 5-year SSNs (GBP 475m at 10% & EUR 380m at 8.25%)
- RCF upsized to £175m with 5 strong & supportive banking partners (Barclays, RBC, ING, Deutsche Bank & JP Morgan)
- Timing of refinancing welcomed, especially in light of the subsequent geo-political events
- This refinancing leaves us well placed to deliver on our strategy of strong & consistent growth
- Further details are provided in the Appendix

Reduction in bond debt





Outlook

A clear strategy delivering against a compelling long run opportunity at home & overseas

Outlook

Q4 guidance

- Continued performance momentum in Q4 & still offering great value to consumers
- On track to open 43 new corporate sites in 2023
- Robust unit economics with mature estate averaging 36% ROCE & improving over time with new sites at least matching those levels
- LFL costs very well controlled with only +5% inflation expected vs 2022
- Fixed utility contracts in 2024 & an increase of only £5-8m expected in 2024 vs 2022

Longer term outlook – 2024 and beyond

- Continue to drive revenue growth across the core estate
- Continue to expand through the opening of high quality new sites across the UK & Switzerland
- Ongoing investment & optimisation of the Danish estate
- Ongoing expansion through international franchising relationships





Conclusions

Conclusions

1. Q3 Adj EBITDA of £33m & **RR Adj EBITDA of £139m** (up +£11m vs Q2)
2. **Strong momentum** due to recovery of base revenues, good cost control & new site growth
3. Clear & demonstrable **deleveraging down to 4.6x** RR Adj EBITDA
4. Well on track to deliver **43 new corporate sites** in 2023
5. Both old & newer UK sites delivering **at least 36% ROCE** & continuing to improve
6. A **successful refinancing** in October, including the repayment of £50m of bond debt
7. A clear strategy delivering against a **compelling long run opportunity** at home & overseas



Appendices

Bond refinancing details

Sources & Uses

Sources	£m
New GBP / EUR Senior Secured Notes[3]	805
Cash from Balance Sheet	84
Total	**889**

Uses	£m
Repayment of GBP Senior Secured Notes	430
Repayment of EUR Senior Secured Notes[3]	426
Transaction fees & expenses[1]	21
Accrued but unpaid interest	12
Total	**889**

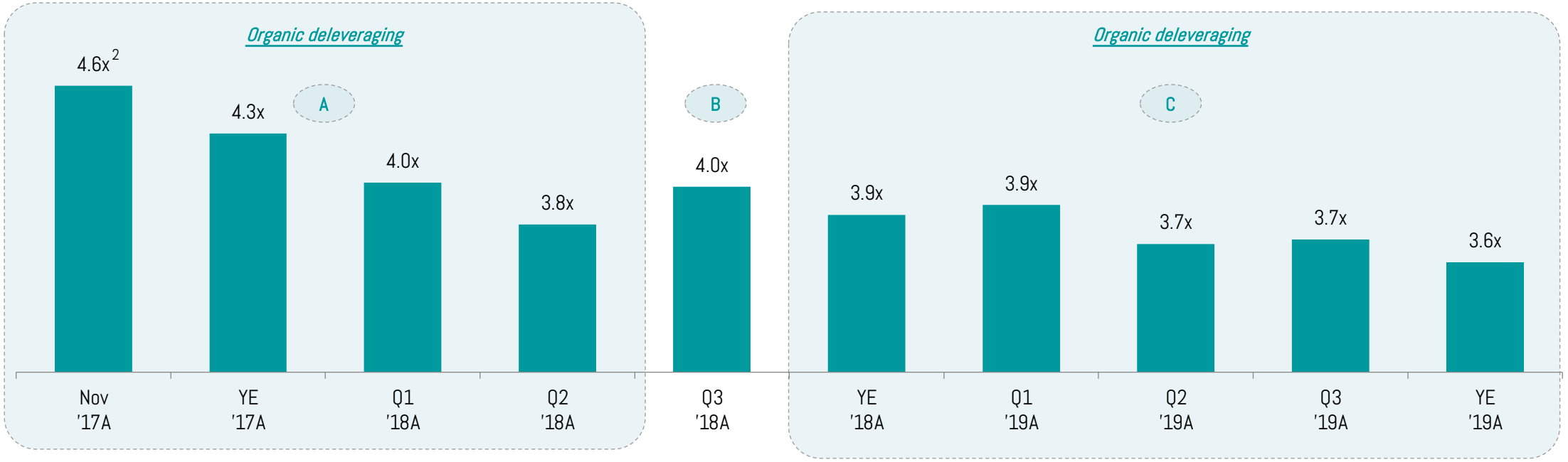
Proforma Capitalisation

	Sep 2023 Actual £m	Adjustments £m	Sep 2023 Proforma £m
Cash[2]	213	(84)	130
GBP / EUR Senior Secured Notes[3]	(856)	50	(805)
Senior Secured Net Debt[3]	(643)	(33)	(676)
Run Rate Adjusted EBITDA	139		139
Senior Secured Net Leverage	**4.6x**		**4.9x**

Notes: (1) Includes new SSRCF fees, redemption premium payable on the EUR Notes & other legal/transaction related costs. (2) Includes £31m held by the parent company Pinnacle Topco Limited. (3) Euro balances converted at an LTM FX rate as of 30 September 2023 of €1.150/£.

A reminder of PureGym's track record of organic deleveraging whilst pursuing organic growth

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



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*

Notes: All years stated under IFRS; December year end. (1) Senior Secured Net Debt ("SSND") defined as total senior indebtedness (excl. finance leases) less cash & cash equivalents. For the purposes of the leverage calculation, SSND uses average rates of exchange for the last 12 month period. (2) Net leverage based on LTM Sep-17A Run-rate Adj. EBITDA of £78.6m, proforma for the acquisition by LGP.

Strong gym cost control: 2019 to 2022 Bridge

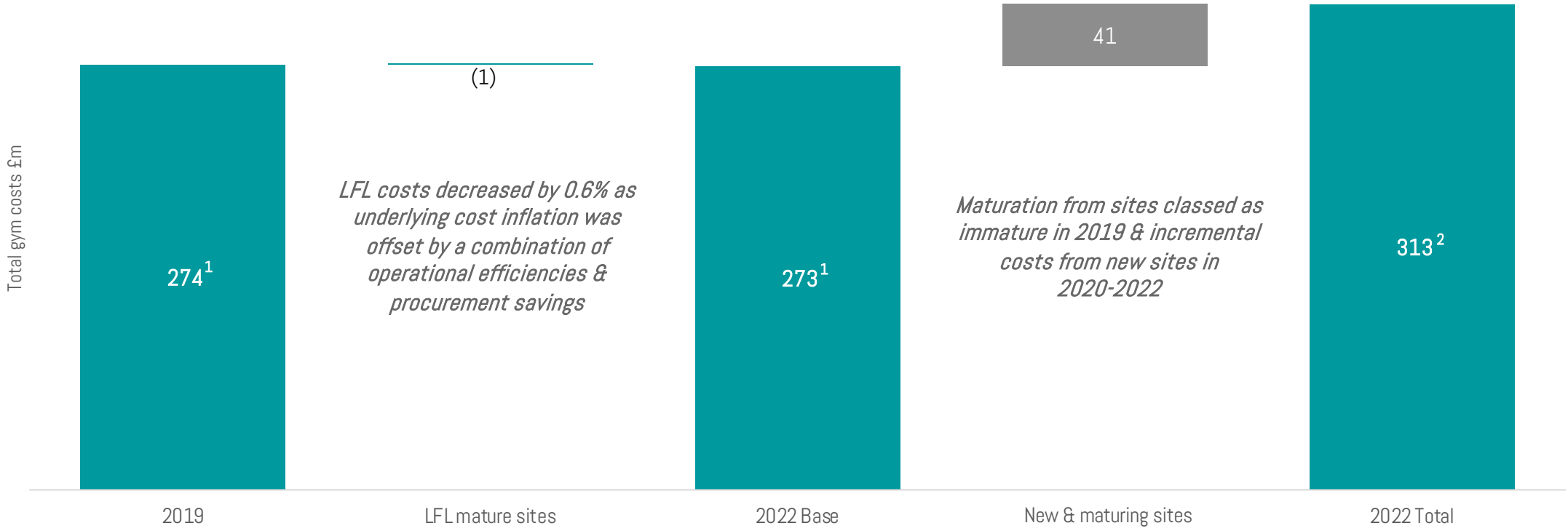
LFL gym costs kept flat across the group in 2022, with absolute costs scaling due to increasing gym numbers

Only **0.5%** cost inflation over 3 years

2019
Closing gyms: 484
Average gyms: 457
Gym cost/av site: £600k

3 Years

2022
Closing gyms: 543[3]
Average gyms: 520
Gym cost/av site: £603k *(+0.5%)*



Notes: (1) 2019 restated for comparability to include £7.7m re PTFC model change which is largely equally offset in revenue uplift in the UK BU. (2) Excludes US gym costs of £3.3m in 2022. (3) Excludes 3 USA gyms.

Management has successfully focused on containing energy/utility costs now & into the future...

Supply side actions

- ✓ The Group has benefited from **fixing energy prices at the bottom of the market**
- ✓ This continues to provide protection for most of 2023
- ✓ Prices have fallen since their peak & the Group has fixed through to the end of 2024 – **removing majority of future price volatility risk**

Conclusion: cost increase in 2024 limited to £5-8m vs 2022 across the whole Group

Demand side actions

- ✓ The Group is deploying significant resources to reduce energy consumption
- ✓ **Targeting 20% consumption reduction** in the near term (12-24 months) & further reduction for the longer term
- ✓ Investing c.£10m of capex to deliver these savings

Operating cost inflation expected to be contained below 5% in 2023

While we expect to see operating cost inflation in 2023 vs 2022, PureGym has a low labour costs model & has worked hard to successfully minimise the increases

LFL average site opex per gym

2022: **£0.6m** pa

- Fixed Property Costs
  - Rent
  - Rates
  - Service charge
- Staff - Management
- Staff – PT/FC
- Cleaning
- Marketing
- Utilities
- Other – R&M, Tech, Insurance, Admin etc.

Inflationary outlook for 2023

Property costs (+4%)
- UK: leases largely index-linked (mostly cap & collar at 1-3%)
- DK: generally out of contract so good negotiating power, working on estate optimisation to reduce costs overall
- CH: 2% inflationary increases

Staff (flat)
- Broadly flat – inflationary increases offset by operational efficiencies:
- UK: Managers: 6-8% increases in Jan 2023
- UK: PT/FC: c.9.7% in Apr 2023 (NMW) with partly offsetting increase in rental revenue

Cleaning (-4%)
- Reducing YoY due to procurement & operational focus

Marketing (+5%)
- UK: Moderating as a % of revenue through economies of scale
- Increase driven by Denmark, due to one-off rebranding project

Utilities (+11%)
- UK & DK: now fixed through to Dec 2024

Other (+2%)

LFL opex costs expected to increase <5%. LFL yield progression offsets this in 2023

Average site capex costs per gym[1]

2022: **£1.2m**

- Main construction
- Mechanical & engineering fit-out
- Gym equipment
- Acquisition costs

Inflationary outlook for 2023

Main construction
- Construction costs include structural work & fit out
- Larger increases in certain material but overall project costs are well controlled

Mechanical & engineering fit-out
- In line with main construction cost increase of c.5%

Gym equipment
- Freight costs returning to normal after inflation in 2021/22

Acquisition costs
- c.2-3% increase

Underlying cost inflation – however fit out costs being managed down through effective value engineering

Notes: (1) Represents the average across the whole Group & reflects mix impact of small & medium box formats as well as large box formats.

Sustainability & ESG are key priorities for us

Our Mission & Purpose

To provide accessible, flexible & affordable fitness & activity to all.

Improving people's health & wellbeing, reducing the risk of non-communicable diseases, such as obesity & heart disease & mental health problems.

Compliance with SFDR Regulations

We believe we are compliant or on a path to compliance with the principles arising from the SFDR Regulations.

Key Focus Areas of Our S-ESG Strategy

Through a materiality assessment with our four main stakeholders: **Employees, Investors, Supply Chain Partners & Members**, we have identified the following focus areas:

1. **Delivering Social Good**
   Supporting as many people as possible to live healthier lives
2. **Empowering People**
   Fostering a thriving, healthy, supportive community & team
3. **Energy & Emissions**
   Reducing our carbon footprint & efficient use of resources
4. **Waste & Circulatory**
   Minimizing waste & embedding circular-by-design principles
5. **Effective Corporate Governance**
   Building an environment of trust, transparency & accountability

We are committed to ensuring **our sustainability agenda is aligned with the UN Sustainable Development Goals** to create meaningful links to broader global sustainably-driven outcomes.

Sources: Company information.

Our ESG performance highlights

Environmental

- Structured implementation program to **fast-track energy reduction & decarbonization** underway across estate throughout 2023, with emphasis on **designing gyms with energy saving & "green" features**
- **Energy efficiency program**, anticipated to **reduce Scope 2 emissions intensity per location by a further ~20% in medium term**
- **Incorporation of Taskforce on Climate-Related Financial Disclosures** into annual reporting process for 2023, including expanded emissions reporting for global operations & reporting on additional categories e.g. supply chain
- **Working towards making a carbon neutral & net zero commitment** by December 2024

Social

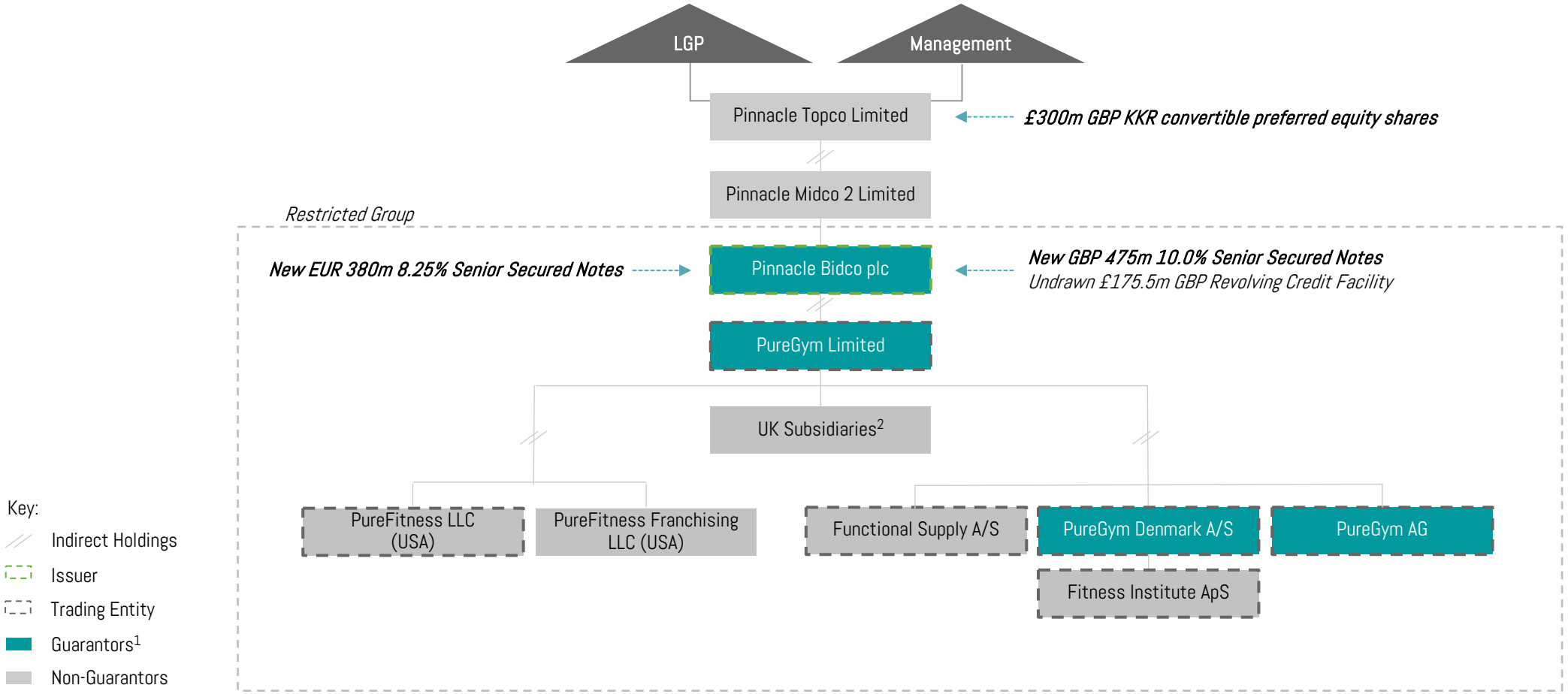
- Goal to **create a safe & positive space** for everyone, so they can enjoy the benefits of fitness & wellbeing
- **Our focus on gender balance** is setting the tone for the gym industry, resulting in a 0% median pay gap & 3.4% mean pay gap for the UK in 2022
- Became the **official gym partner of The British Heart Foundation** in 2022, supporting them in raising awareness for heart & circularity diseases as well as raising £3m over next three years (nearly £1m raised to date)
- **Partnered with Mental Health UK**, & raised over £330,000 for mental health in 2019
- **Set up PureGym Trust** to provide support to financially vulnerable employees
- **Best-in-class emergency response & anti-harassment protocols** as safety is the cornerstone of a positive experience for members & employees

Governance

- **S-ESG strategy overseen by the Risk & Sustainability Action Team** chaired by the CEO with at least four meetings p.a. & reporting through to the Board of Directors
- **Implementation of Enterprise Risk Management Framework** across major geographies & appointing of new key roles in legal & internal audit to **strengthen compliance & control environment**
- Concerted efforts to ensure a **diverse & representative group of decision-makers**, with 45% of Executive Management Board & 43% of senior management boards at country level being female
- **Multiple routes for staff to communicate & raise issues with management team**, including whistle-blowing policy & employee engagement forums to encourage equitable participation

Sources: Company information.

Corporate structure



Notes:
(1) The Guarantors accounted for 98% of Group Run-Rate Adjusted EBITDA for the year ended 31 December 2022, & substantially all of the Group's total assets as of 31 December 2022. (2) Includes LA Leisure Limited & Ovalhouse Limited.

Key performance indicators

£m	For the three months ended 30 September 2023	For the three months ended 30 September 2022[1]	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022[1]
Total number of corporate-owned gyms	576	528	576	528
Total number of franchise gyms	19	7	19	7
Total number of gyms	595	535	595	535
Total number of members ('000s)	1,923	1,673	1,923	1,673
Average number of members ('000s)	1,873	1,654	1,852	1,654
Average number of members per gym	3,284	3,154	3,301	3,200
Average revenue per member per month (£)	24.49	23.96	24.56	23.63
Reported revenue (£ million)	137.7	118.9	409.3	351.7
Reported EBITDA (£ million)	59.0	46.5	169.7	139.3
Adjusted EBITDA (£ million)	33.5	23.2	96.8	72.6
Adjusted EBITDA margin	24.3%	19.5%	23.7%	20.6%
Gym Site Adjusted EBITDA (£ million)	49.3	40.5	145.0	121.8
Gym Site Adjusted EBITDA margin	35.8%	34.0%	35.4%	34.6%
Run-Rate Adjusted EBITDA (£ million)	139.3	111.2	139.3	111.2
Operating Cash Flow (£ million)	28.5	16.6	74.5	49.8
Operating Cash Flow Conversion	85.3%	71.9%	77.0%	68.7%
Senior Secured Net Debt[2] (£ million)	642.8	586.7	642.8	586.7
Ratio of Senior Secured Net Debt to LTM Run-Rate Adjusted EBITDA	4.6x	5.3x	4.6x	5.3x
Ratio of LTM Run-Rate Adjusted EBITDA to Pro Forma Net Interest Expense	3.1x	2.1x	3.1x	2.1x

Notes:.
(1) As adjusted for the restatement of the results of Switzerland. See note 30 of the 2022 Pinnacle Bidco plc Annual Report & Accounts. (2) Senior Secured Net Debt at 30 September 2023 includes £31 million (£30 million at 30 September 2022) cash held by parent, Pinnacle Topco Limited.

Segmental performance

£m	3 months ended 30 September 2023	2022[1]	Change %	9 months ended 30 September 2023	2022[1]	Change %
United Kingdom	93	78	20%	272	229	19%
Denmark	33	33	0%	105	100	5%
Switzerland	10	7	30%	28	21	32%
Other	1	-	194%	4	1	401%
Total Revenue	**138**	**119**	**16%**	**409**	**352**	**16%**
United Kingdom	28	19	45%	80	60	34%
Denmark	5	5	(1)%	16	15	1%
Switzerland	-	(1)	n/a	1	(1)	n/a
Other	-	(1)	n/a	-	(2)	n/a
Total Adjusted EBITDA	**33**	**23**	**44%**	**97**	**73**	**33%**
United Kingdom	30%	25%		29%	26%	
Denmark	15%	16%		15%	15%	
Switzerland	3%	(9)%		4%	(3)%	
Other	4%	n/a		(5)%	n/a	
Adjusted EBITDA margin	**24%**	**19%**		**24%**	**21%**	

Note: (1) As restated, see note 30 of the Pinnacle Bidco plc 2022 Annual Report & Accounts

Group cash flow Q3 2023

- Group Adjusted EBITDA of £33m in Q3 2023 up +44% on Q3 2022, converting to £29m of Operating Cash Flow for the quarter
- Group Operating Cash Flow has increased year on year due to improving profits, plus Q3 2023 benefitting from a more favourable working capital position due to payment timings around the period end. Maintenance expenditure has risen to £11m for the quarter as we continue to invest in our existing estate
- Expansionary capital expenditure for the quarter of £12m reflects investment in the 13 corporate-owned sites opened in Q3 2023. Some expenditure relating to Q3 sites was incurred during Q2
- Tax, interest & debt issue costs for the quarter of £12m mainly relates to £14m interest on senior secured notes offset by £2m of interest earned on the Group's cash deposits
- "Other" cash outflow for the quarter of £1m primarily relates to pre-opening costs & other adjustments excluded from Group Adjusted EBITDA
- The equity injection in the 9 months ended 30 September 2022 reflects the downstream of £270m of the £300m KKR investment, received in January 2022. The remaining £30m sits within parent company, Pinnacle Topco Limited

	3 months ended 30 September		9 months ended 30 September	
£m	2023	2022[1]	2023	2022[1]
Group Adjusted EBITDA	**33.5**	**23.2**	**96.8**	**72.6**
Movement in working capital	5.7	(0.4)	2.8	(7.6)
Maintenance & refurb capital expenditure	(10.6)	(6.1)	(25.1)	(15.1)
Group Operating Cash Flow	**28.5**	**16.6**	**74.5**	**49.8**
Operating Cash Flow conversion	*85.3%*	*71.9%*	*77.0%*	*68.7%*
Expansionary capital expenditure	(12.1)	(16.8)	(49.0)	(42.0)
Exceptional items	(0.5)	(0.3)	(1.6)	(2.1)
Tax, interest, & debt issue costs	(12.5)	(13.1)	(34.5)	(39.2)
Other	(1.2)	(9.5)	(9.2)	(25.9)
Net cash flow before acquisition & financing	**2.3**	**(23.2)**	**(19.7)**	**(59.3)**
Equity injection	-	-	-	270.0
Finance lease capital repayments	(0.8)	(1.5)	(2.8)	(4.8)
Other financing cash flows	-	(0.6)	(0.1)	(10.1)
Net cash flow	**1.5**	**(25.3)**	**(22.6)**	**195.8**

Note: (1) As restated, see note 30 of the Pinnacle Bidco plc 2022 Annual Report & Accounts.

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

£m	For the three months ended 30 September 2023	For the three months ended 30 September 2022[7]	For the nine months ended 30 September 2023	For the nine months ended 30 September 2022[7]
Loss for the period	**(16.7)**	**(19.2)**	**(42.6)**	**(60.5)**
Income tax	(4.0)	(5.1)	(3.6)	(9.1)
Net finance cost	44.3	37.5	109.5	110.6
Operating profit	23.6	13.2	63.4	41.0
Depreciation & impairment of PPE	29.1	27.2	88.5	81.8
Amortisation & impairment of intangible assets	6.3	5.4	16.4	15.9
(Profit) / loss on disposal of property, plant & equipment	(0.1)	0.9	0.9	0.8
Profit on lease modifications	(0.4)	(0.4)	(1.0)	(0.4)
Exceptional administrative expenses	0.5	0.3	1.6	0.3
Group Reported EBITDA[1]	**59.0**	**46.5**	**169.7**	**139.3**
Other adjustments[2]	0.4	1.9	2.7	5.4
Share based payment charge[3]	0.1	0.1	0.2	0.3
Pre-Opening Costs[4]	1.0	1.3	3.3	3.2
Cash Rent Adjustment[5]	(27.0)	(26.6)	(79.1)	(75.7)
Adjusted EBITDA	**33.5**	**23.2**	**96.8**	**72.6**
Head office costs	15.8	17.3	48.2	49.3
Gym Site Adjusted EBITDA	**49.3**	**40.5**	**145.0**	**121.8**
LTM Adjusted EBITDA	119.3	94.4	119.3	94.4
Run-Rate Adjustment[6]	20.0	16.8	20.0	16.8
Run-Rate Adjusted EBITDA (LTM)	**139.3**	**111.2**	**139.3**	**111.2**

Notes: (1) Group Reported EBITDA is defined as earnings before net finance cost, taxation, depreciation, amortisation, profit/loss on sale of property, plant & equipment, impairment, profit/loss on lease modifications & exceptional items. (2) Other adjustments includes the net impact of various one-off items not included in "Exceptional items" but which are not reflective of the underlying trade of the Group. (3) The share based payment charge relates to shares in the ultimate parent company, Pinnacle Topco Limited, issued to directors & certain employees. (4) Pre-opening costs represent the total of all gym site operating costs incurred prior to the opening of a new gym & primarily consist of staff costs & marketing. (5) Under IFRS 16, most lease costs are excluded from Group Reported EBITDA. To produce a comparable & more relevant EBITDA figure, the contractual property rent payments due during the accounting period are deducted & any property rent-related expenses included in Group Reported EBITDA are added back. Management believes that adjusting EBITDA to reflect cash rent is a better reflection of actual earnings. (6) The Run-Rate Adjustment reflects the impact of 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 therefore seeks to reflect the anticipated mature Adjusted EBITDA potential of those gyms which were trading at the end of the relevant period. Management forecasts EBITDA on a gym specific basis & regularly updates forecasts based on current & anticipated performance, taking into account seasonality & location-specific factors. (7) As restated, see note 30 of the Pinnacle Bidco plc 2022 Annual Report & Accounts.

Glossary

Term	Definition
Adjusted EBITDA	The profit or loss for a certain period before income tax expense, net finance cost, depreciation & impairment of property, plant & equipment & right of use assets, amortization & impairment of intangible fixed assets, profit/loss on disposal of property, plant & equipment, profit/loss on lease modifications, exceptional administrative expenses, & other adjustments, 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 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 at during that period. The average number of members during that period is calculated as the average of the number of members at corporate gyms as of the beginning of the first month & the end of every month in that period.
Cash Rent Adjustment	The deduction of the cash rent payable during the period which otherwise was not reflected in EBITDA (as reported on a post-IFRS 16 basis). From 2021 onwards, the Cash Rent Adjustment excludes the cash impact of COVID-19 rent deferments. Therefore, Adjusted EBITDA more closely reflects the underlying trading results of the Group for the period.
EBITDA	The profit or loss for a certain period before income tax expense, net finance cost, depreciation & impairment of property, plant & equipment & right of use assets, amortization & 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 corporate-owned gyms incurred in that period, & the capital costs of investments in technology in that 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.
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 Gyms	Corporate-owned gyms that have been open for two full financial years or more as at the reporting date

Glossary

Term	Definition
Medium Box Format (MBF)	Medium Box Format (MBF) are gyms that are typically 9,000-12,000 square feet in size.
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	Corporate-owned gyms that have been open for less than two full financial years as at the reporting date.
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 & Refurbishment 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.
ROCE	Return on capital employed, calculated as the Initial Capital Investment attributable to that portfolio of gyms divided by Adjusted EBITDA for the relevant portfolio of gyms for that period.
Run-Rate Adjustment	The adjustment made to both corporate-owned & franchise 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.