PureGym Q3 2025 Results Conference Call

25 November 2025, 10:00am UKT

## Clive Chesser (CEO):

A very good morning to everybody and welcome to the presentation of our results for the quarter ended 30 September 2025.

Joining me today are Alex Wood, our Chief Financial Officer, and Rebecca Passmore, our Chief Operating Officer. We'll be running through the presentation that was posted on our website at 7:00am this morning, dated 25 November 2025. As usual, we'll guide you to the page number references as we go through the document. So, let's get started.

On to Page 3 and I shall begin with the highlights of the quarter. Momentum from the first half has continued and we've delivered an excellent Q3 with strong performance across all geographies. We continue to deliver strong growth, with Run-Rate Adjusted EBITDA increasing to £216 million at the quarter end, up £51 million year-on-year. Accelerating momentum is seen through an Adjusted EBITDA of £51 million, up 46% compared to the third quarter of 2024.

At a segmental level, Denmark and Switzerland continued their excellent progress with strong year-on-year growth in EBITDA, up £4 million year-on-year in the quarter combined. The US delivered £4 million of EBITDA in Q3 as we continue the great work in integrating the Blink business, right-sizing the head office, and implementing the PureGym brand and operating model in our New York and New Jersey sites.

We opened 13 new corporate sites in the quarter, primarily in the UK, and continue to maintain a strong pipeline for the future, with recent site openings performing well within our expectations for returns and maturation.

Lastly, our Senior Secured Net Leverage was reduced further to 3.8x Run-Rate Adjusted EBITDA, down from 4.3x at Q4 2024, post the Blink acquisition. Our Interest Cover ratio has increased to 2.5x, up from 2.2x at Q4 last year. Overall, I'm pleased that we've been able to build on a strong first half and deliver another excellent set of performance results.

Looking ahead to the outlook for the rest of the year and into 2026, we're on track to deliver 60 to 65 high-quality, new sites, with around 25 openings expected in Q4, making for a busy and exciting end to the year. The forward pipeline is strong, and we expect to deliver at least that many sites in 2026 as well. We also expect to continue to grow Adjusted EBITDA and Gym EBITDA margin across all key geographies in 2026 while, of course, always maintaining our discipline and keeping Leverage below 4x Run-Rate Adjusted EBITDA.

With that overview, now let me pass over to Alex, who will share with you more details on our third quarter results.

## Alex Wood (CFO):

Thank you, Clive 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 2025, which are all set out on Page 5.

Q3 was an excellent quarter, building on the strengths of the first half, starting with Run-Rate Adjusted EBITDA, which increased year-on-year and quarter-on-quarter to £216 million. This follows sustained growth in Adjusted EBITDA, which increased 46% year-on-year, totalling £51 million for the quarter.

During the quarter, we opened 13 new corporate sites, taking us to a total of 694 sites across the Group. Revenue for the third quarter increased by 28% year-on-year, achieved through a combination of the Blink Fitness acquisition, new site openings across the UK and Switzerland and increases in our like-for-like estate. I'm also very pleased to share that Return On Capital Employed for mature gyms in the UK has increased to over 40% now, at 41%.

If those are the headlines, let's move on to page 6 and I'll provide a little more detail. Overall, we're seeing accelerating momentum, with EBITDA growth across all key geographies. Run-Rate Adjusted EBITDA, which is an LTM measure, increased by £51 million versus the prior year and Adjusted EBITDA increased by £16 million year-on-year in the quarter. Revenue grew by £41 million year-on-year to £185 million for the quarter and this revenue growth was supported by the addition of close to 400,000 members versus the prior year, closing the quarter with over 2.4 million members. This member growth was compounded by continued ARPM growth of 5% year-on-year. Compared to Q3 2024, we've increased the number of gyms by 83 across the Group.

Turning to page 7, the business generated £40 million of operating free cash flow in the quarter, which is representative of our Underlying Operating Free Cash Flow Conversion at 78%. We continue to maintain very good levels of liquidity, with £121 million of cash on hand as at the end of September 2025, as you can see at the top right-hand corner of this page. I should point out that the cash balance at the end of Q3 2024 included £150 million that we raised for the acquisition of Blink and investment into the Blink estate. That cash was used to close the deal in Q4 2024, as you know. So the underlying position year-on-year is relatively consistent.

Capital expenditures for the quarter total £44 million, an increase of £15 million year-on-year, including the funding of 13 new sites during the period, as well as expenditure on sites due to open in Q4.

Lastly, I'd like to call your attention to the bottom corner of this page, which shows Senior Secured Net Leverage has come down to 3.8x Run-Rate Adjusted EBITDA at the quarter end, a reduction of half a turn since the end of 2024, shortly after the Blink acquisition. I'll touch on this in a little more detail shortly.

Let's now move on to capital expenditure over on page 8. During the third quarter we invested £25 million in new corporate-owned site openings. This figure includes expenditure on sites due to open in Q4 2025, with an Average Cost Per Site remaining at approximately £1.2 million.

£3 million was invested into the Danish estate as we near the end of the investment programme there and we are very pleased with the results of this consolidation and reinvestment work stream and you can see the benefits of this work already showing through consistent EBITDA growth in that geography.

Alongside growth Capex we spent £12 million on maintenance and refurbishment during the quarter as we continue to carefully deploy capital across our existing estate and will continue to do so in all of the Group's geographies. This careful investment in maintaining a high-quality estate is, we believe, a key differentiator and is important to drive value for our members over the long term.

Finally for this section, I'd like to touch on Leverage and Interest Cover over on page 9. The first point I'd like to make on this page is that PureGym will have more than doubled Run-Rate Adjusted EBITDA over the timeframe shown on this page from 2023 through to the end of 2025.

The business has shown consistent deleveraging since December 2022, which has been driven by both cash generation on the one hand and this consistent growth in profitability on the other. I'd also like to point out the progress made since the Blink acquisition in Q4 2024, with Leverage falling by half a turn and Interest Cover increasing by 0.3x Run-Rate Adjusted EBITDA since that acquisition.

You should also note that we will be opening 25 new sites in Q4 2025, as well as investment into the US estate, and therefore Leverage may increase a touch at year-end as we make the necessary cash investments in these areas. This is simply due to the phasing of Cash Expenditure and you should rest assured that the underlying deleveraging trend will continue and we will continue to operate well within our target Leverage range of between 3.6x to 4.6x Run-Rate Adjusted EBITDA both now and into 2026.

Interest Cover has also been progressing very well, with this metric rising to 2.5x Run-Rate Adjusted EBITDA at the end of Q3. With all these points in mind, and coupled with the ongoing strong top-line performance of the Group, both Moody's and Fitch, our rating agencies, have upgraded our ratings outlook to positive recently. So, all in all, an excellent third quarter for the business, building on an already strong first half.

With that, I'll now hand you over to Rebecca to talk you through our outlook and conclusions.

Rebecca Passmore (COO):

Thank you, Alex. Let me start with the outlook for the rest of the year and some guidance for 2026 over on Page 11.

We're primed for an excellent Q4 as the team continues to deliver against their plan as we close out the year. As Clive already referenced, it's a busy Q4 for new site openings, with 25 launching, bringing total new sites for the year to between 60 to 65.

The other key activity we expect to complete before the end of the year is the rebrand of our US Blink estate to PureGym. This has already started, and it's going very well so far. Q4 should be another strong quarter, showing ongoing momentum across all of our geographies.

Looking ahead to 2026, we plan to build on an excellent 2025 and make further progress across all of our markets. New openings are expected to be at least in line with 2025, with growth expected in the UK, US and Swiss markets.

EBITDA will continue to grow across all key geographies, including the US, as we finish the integration of Blink and start to operate our model in the US. Our mature estate in Europe is expected to deliver 40% mature gym EBITDA Margin, with the like-for-like operating costs continuing to be well-controlled and the US will be on a trajectory to deliver at the same level.

In terms of Capex, we expect new sites to continue to cost, on average, £1.2 million each and we anticipate spending another £40 million to £50 million through 2026 on maintenance and refurbishment Capex. We're making pleasing returns on refurbishment investments. This is because we carefully deploy refurbishment investment into well thought through improvements, which enhance the consumer proposition. Last, but by no means least, we expect to continue to demonstrate deleveraging as we grow.

Let me now summarise and conclude over on page 12. The business has accelerating momentum, delivering £216 million Run-Rate Adjusted EBITDA in quarter 3, which is a new record high for PureGym. The property teams are doing a phenomenal job across the Group, and we are excited about a strong, high quality pipeline of new sites.

All parts of the business are performing well, with Denmark and Switzerland now showing strong growth year-on-year as the PureGym operating model becomes fully embedded. We expect this momentum to continue into next year, with strong EBITDA growth across all geographies, including the US as the Blink integration progresses.

We are, however, not for a minute being complacent. We have the autumn budget tomorrow here in the UK, and no doubt there could be some surprises in store to manage. But as a reminder, PureGym is very resilient and has a proven track record of robustness whatever the macro cycle. The business is built on very strong foundations and we continue to demonstrate very good discipline in everything that we do.

As we look forward, we're very focused on executing our strategy as we move through quarter 4 '25 and have a high degree of confidence in our planning for 2026 and beyond. With that, let me pass back over to Clive for any final remarks.

Clive Chesser (CEO):

Thank you, Rebecca and Alex, not just for the presentation, but for everything that you do.

That just leaves me to wrap things up for this quarter's presentation. I trust you all found the update useful. As you can see, the business is in rude health and continues to go from strength to strength. I'd like to thank the whole PureGym team for the outstanding work that they do day in, day out. The results are excellent and that doesn't happen by accident.

I'm also tremendously excited about what is to come as we look forward, and I'm very appreciative of you, our bondholders, for supporting us as we continue to deliver on our plans. That brings the formal elements of our announcement to a close. We look forward to talking with you again in the new year.

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