9 September 2026

The Gym Group plc
('The Gym Group', 'the Group' or 'the Company')
2026 Interim Results

Continued strategic delivery underpins strong first half performance

Leading low cost gym operator, The Gym Group, announces its interim results for the six month period ended 30 June 2026.

Key financial metrics[1]

	Six months ended 30 June 2026	**Six months ended 30 June 2025**	**Movement**
Revenue (£m)	133.1	121.0	+10%
Group Adjusted EBITDA (£m)	53.0	48.3	+10%
Group Adjusted EBITDA Less Normalised Rent (£m)	30.8	27.4	+12%
Adjusted Profit before Tax (£m)	6.4	4.9	+31%
Statutory Profit before Tax (£m)	4.9	3.3	+48%
Statutory Profit after Tax (£m)	4.3	3.3	+30%
Adjusted Diluted Earnings Per Share (p)[2]	2.9	2.4	+21%
Statutory Diluted Earnings Per Share (p)	2.3	1.8	+28%
Free Cash Flow (£m)	27.7	25.1	+10%
Non-Property Net Debt (£m) (as at period end)	(58.0)	(51.2)	Increased by £6.8m

Financial Highlights

- Revenue for the period increased by 10%, with average members up 5% to 1 million and average revenue per member per month ('ARPMM') up 5%; like-for-like[3] revenue (including all sites open as at 31 December 2023) grew 3%
- Group Adjusted EBITDA Less Normalised Rent at £30.8m was 12% ahead of the prior year period as revenue growth continues to outpace cost inflation
- Strong free cash flow generated in H1, up 10% to £27.7m, funding new sites, enhancements to existing sites, technology investment and share buyback (£3.8m of the proposed £10m completed in H1)
- Non-Property Net Debt at £58.0m, reduced by £1.3m in the period (Dec 2025: £59.3m); Adjusted Leverage[4] maintained at 1.0x; bank facilities increased to £117m in June 2026 (previously £102m)

Business and Operational Highlights

- Both mature and new sites continue to perform well, reflecting disciplined execution of Next Chapter growth plan, advantaged, labour-light business model and continued appeal of high value, low cost proposition
- Sustained pricing opportunity continues to support yield growth of 5% and underpins further progress towards our 30% ROIC target for the mature estate
- Successfully completed the migration of all members to new member management and payment platforms
- Four new sites opened in H1 and currently on site at a further 11; expect to open at least 20 new sites in 2026, in line with our plan to open c.75 sites over three years, funded from free cashflow
- Elevated site design continues to evolve and be retrofitted into mature estate – 3 sites refurbished in H1; 18 to be completed in H2 (with 12 completed since June); gyms refurbished in 2025 achieving 10% incremental membership
- Continued to build on high levels of member engagement and satisfaction, with 94% of members rating The Gym Group 4 or 5 out of 5 for overall satisfaction; proportion of members visiting 4+ times a month increased by 130bps

Full Year Outlook

- Remain on track to deliver 3% like-for-like revenue growth for the full year, with like-for-like cost growth now expected to be at the lower end of the guided range of 3-4%
- Expect full year Group Adjusted EBITDA Less Normalised Rent to be at the top end of current analysts' forecast range[5]

[1] Refer to the 'Definition of non-statutory measures' section for definitions of non-statutory measures used in the table.
[2] Adjusted Profit After Tax and Adjusted Diluted Earnings Per Share for HY25 have been restated to reflect a reallocation of the tax charge between Underlying and Non-Underlying items, consistent with the presentation adopted in the FY25 financial statements. The restatement has no impact on Statutory Profit After Tax or Statutory Diluted Earnings Per Share.
[3] Like-for-like vs 2025 includes all sites open as at 31 December 2023.
[4] Adjusted Leverage calculated as Non-Property Net Debt divided by LTM Group Adjusted EBITDA Less Normalised Rent.
[5] Current Company-compiled analysts' forecast range for Group Adjusted EBITDA Less Normalised Rent is £60.5m - £62.0m.

Will Orr, CEO of The Gym Group, commented:
"We have delivered another strong set of results, reflecting the continued appeal of our high value, low cost proposition, disciplined execution of our growth strategy and sustained customer demand. Reaching one million members during the period was an encouraging milestone for the Group. I've also been pleased to see our elevated gym design supporting performance gains in both new and refurbished gyms. This continued focus on product excellence is one of the ways we can build on the momentum we have. Our teams remain focused on executing our Next Chapter growth plan, including the acceleration of our rollout programme, and we are confident in delivering full year results at the top end of the current analysts' forecast range[5], while creating further value for both shareholders and members."

A live audio webcast of the analyst presentation will be available at 9:00 a.m. today via the following link:

https://storm-virtual-uk.zoom.us/webinar/register/WN_sngY1YMrRpaxBBQIfh1kvQ

Webinar ID
814 9073 5330

A copy of the presentation and recording of the webcast will be published on the Company's website.

For further information, please contact:

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Forward-Looking Statements
This announcement includes statements that are, or may be deemed to be, 'forward-looking statements'. By their nature, such statements involve risk and uncertainty since they relate to future events and circumstances. Actual results may, and often do, differ materially from any forward-looking statements. Any forward-looking statements in this announcement reflect management's view with respect to future events as at the date of this announcement. Save as required by law or by the Listing Rules of the UK Listing Authority, the Company undertakes no obligation to publicly revise any forward-looking statements in this announcement following any change in its expectations or to reflect subsequent events or circumstances following the date of this announcement.

Notes for Editors
The Gym Group was a pioneer of the low cost gym model and offers 24/7 opening and flexible, no contract memberships. As at 30 June 2026, we operated 264[6] high quality sites across the UK with around 1 million members nationwide. Our gyms have c.70 million visits per annum and score highly on member satisfaction. The Gym Group is the world's first gym operator to have its science-based net-zero emission reduction targets validated by the Science Based Targets initiative (SBTi).

LEI Number: 213800VCU9TBANZIN455

[6] Opened the year with 260 gyms with four new openings in the first half: London Stamford Hill, Lincoln, London Hackney and Leeds Crown Point.

CEO Review

Strategic Delivery Driving Strong Momentum

The Gym Group leadership team is focused on delivering sustained growth. A winning high value, low cost proposition, delivered by an advantaged business model, in a health and fitness market with structural growth tailwinds, means we are well positioned to continue to drive strong momentum in results.

Our first half performance demonstrates further strategic progress under our Next Chapter growth plan. Building on the like-for-like revenue growth of previous years, we have delivered another half of consistent like-for-like progress, in line with our guidance. Group Adjusted EBITDA Less Normalised Rent has grown 12%, reflecting strong performance in our new gyms as well as continuing growth in mature site returns. This has resulted in strong free cashflow which is funding accelerating investment in new and existing gyms, as well as supporting returns to shareholders.

Progress under the Next Chapter Growth Plan

Strengthen the Core

The Next Chapter growth plan has three interrelated elements, the first of which is 'Strengthen the Core'. We have continued to pursue growth in like-for-like revenue to 'Strengthen the Core' of our business and deliver further improvement in mature site returns. We will update on our progress towards a 30% ROIC in our mature sites at full year results in March 2027.

We are driving like-for-like growth through a combination of pricing and revenue management, cost-effective member acquisition and improving member retention.

Optimising Pricing and Revenue Management

We continue to see a strong opportunity when it comes to pricing and yield management. Industry and customer pricing analysis, provided by Simon-Kucher and regularly updated, shows that the value that our members ascribe to their gym subscription continues to be substantially higher than the price they pay. Spending on health and fitness is also an increasing priority, particularly for our Gen Z members, who make up nearly half of our membership. Our Gen Z Fitness Pulse Report survey carried out in July 2026 found that 55% of those surveyed rank health and fitness as either their first or second spending priority, up from 44% last year.

The value gap between low cost gyms and middle and premium market providers remains significant, with the average mid-market competitor at a premium of 55%.

As a result of these factors, we continue to see a sustained opportunity in pricing headroom, without eroding our competitive position.

We have continued to increase headline rates for new members, and the average standard headline rate increased by £1.81 per month, to £26.91, which remains extraordinary value.

Driving Member Acquisition and Improving Retention

Using data analytics, we continue to optimise our promotional activity. For example, in trials conducted earlier in the year, we have demonstrated that we are able to improve revenue from lapsed members through tailoring offers based on their modelled propensity to rejoin.

We have also built on previous activity to broaden further the pricing options available to members. We have been very successful with unbundled 'add-on' offers, such as guest passes and multi-site access, which allow Standard members to pick and choose elements of the Ultimate membership package. This has resulted in a 26% uplift year-on-year in ARPMM from those members that have purchased add-ons.

With new member acquisition measures focused on marketing and web conversion initiatives, we have made good progress in H1. Unprompted awareness increased again by 5ppts and our activity on social media continues to gain traction, with an 11% increase in national and a 7% increase in local followers. Our website optimisation programme also continues to deliver a steady stream of incremental gains in website conversion.

In aggregate, average revenue per member per month was up 5% in the first half, to £22.14, reflecting average yield growth in our mature sites of 3%, as well as more rapid yield progression in our new sites that are not yet fully mature. We have seen good performance from our Wellhub partnership.

The maturing of our off-peak pricing proposition, within the mix of membership options, has helped to support member retention. We are also attracting more members to our fixed term membership options which now account for 10% of our membership base. Changes to our payments management have also improved our overall card payment success rate by 6%; this reduces the risk of failed payments creating unintended churn triggers.

Overall, our average member tenure has increased by 4% in the first half and stands at 18.5 months.

Investing in our Proposition

Customer satisfaction measures show that our proposition continues to deliver for our members, with strong value for money perceptions. As we continue to improve yield, it is equally important that we find new ways to support the value of what we offer to our members. Our elevated site design is delivering tangible improvements in site performance as our new gyms ramp up, as well as in existing sites that have been retrofitted within our existing maintenance programme. The 10 major refurbishments we completed in 2025 are achieving over 10% higher customer satisfaction and 10% incremental membership growth, and are on track to deliver 30% ROIC.

Including the four new sites opened in H1, we currently have 24 maturing gyms trading in the new elevated site design. We have upgraded a further 15 mature gyms to date in 2026, to add to the 10 major refurbishments last year. By the end of the current year, we expect to have around 25% of our total portfolio in this format.

Investing in our Technology
Technology is an important enabler in delivering for our members, and we reached a significant milestone in our technology transformation in August with the successful migration of all members from our legacy member management and payment systems to modern, cloud-native SaaS platforms. These new platforms provide a more scalable and resilient foundation for the business, with enhanced functionality already strengthening our commercial and operational capabilities.

Alongside this major programme, we continue to modernise our wider technology estate. Enhancements to our app and website, including new A/B testing capabilities, are supporting sales conversion, and we are increasingly applying AI to improve productivity, speed and decision-making. At the same time, investment in our cloud, data and network infrastructure, together with strengthened security and monitoring capabilities, is improving resilience and helping to mitigate operational and technology risk.

Together, our investments in member management and payments, digital channels and AI provide further opportunities to enhance revenue and optimise costs through faster innovation, greater member engagement and retention, more sophisticated pricing and promotional capabilities, and increased operational efficiency. Combined with a more resilient and secure technology estate, they provide a strong foundation to support our future growth.

Accelerating Rollout of Quality Sites
We announced in January 2026 that we would accelerate our site rollout, from c.50 to c.75 sites over the coming three years, continuing to target 30% ROIC and funded from free cash flow.

This is a market undergoing structural growth. The number of gym members continues to grow in the UK, with the most recent Leisure DB report, State of the UK Fitness Industry 2026, showing that gym membership penetration has risen a full percentage point to 17.6%. This is driven predominantly by higher engagement from younger generations (16-34 year olds), with 85% currently being, or having been, a member of a gym.

An additional structural opportunity comes from the increasing use of GLP-1s. UK users are forecast to increase to c.7 million in 2027 and PwC's recent report on "Appetite for disruption: What GLP-1 means for consumer markets", found that these consumers spend more on fitness both during and after usage.

Alongside updated projections from PwC showing additional headroom for 600-850 more high value, low cost gyms across the UK, these drivers indicate a runway for site expansion of at least 10 years based on current rates of our own and competitor site openings.

To date in 2026, we have opened four new sites and are currently on site at a further 11. We expect to open at least 20 sites in 2026 and are building a strong pipeline for 2027. We are continuing to refine our site selection model to optimise the location analysis, and to tailor the format for maximum returns in that location.

Our compelling contemporary site design is continuing to evolve and is supported by ongoing cost efficiency projects to refine the operating model, optimise energy usage and innovate on build cost management. Alongside our improved approach to new site launches, our confidence in the returns potential of these new locations is well underpinned. For example, our Loughborough Junction gym, which opened on 30 December 2025, was at over 80% of its appraised membership total by June 2026.

Broaden our Growth
We continue to assess a number of options to broaden sources of growth for our business, across new channels, new formats and new markets. Our criteria for these are that any opportunity should be aligned to our core competencies and meet a high hurdle rate, given the highly attractive returns in our current operations.

Our new partnership with Wellhub, a corporate wellness platform which provides its clients' employees with access to fitness and wellness providers through workplace benefits, is progressing well and delivering results ahead of our expectations.

We are testing new formats in both small catchments and larger "destination" gyms, following the success of early trials at Midsomer Norton and gyms of c20,000 sq. ft in edge of town locations at Norwich (opened September 2025) and Lincoln (opened May 2026).

We are also exploring partnership opportunities in the broader health and fitness ecosystem, for example relating to the continuing expansion of GLP-1 usage.

Board Changes
Following the conclusion of the AGM in May, Wais Shaifta stepped down as a Non-Executive Director after five years of service, and Tamsin Todd assumed the role of Chair of the Remuneration and Sustainability Committees, bringing her extensive leadership and governance experience to these important roles.

Summary and Outlook
The Gym Group has a winning high value, low cost proposition with an advantaged business model, that is well placed to thrive in the growing health and fitness market. Our Next Chapter growth plan continues to deliver excellent progress in profitability. Both our new and mature sites are performing strongly, increasing confidence that we will deliver ROIC of at least 30% across our site portfolio. Our confidence that the Group's business model and strategy is delivering, has

encouraged us to confirm an acceleration of our three year site opening programme, funded from free cashflow, as well as commence a £10m share buyback to return capital to our shareholders.

We remain on track to deliver 3% like-for-like revenue growth for the full year, with like-for-like cost growth now expected to be at the lower end of the guided range of 3-4%. As a result, we expect Group Adjusted EBITDA Less Normalised Rent to be at the top end of the current analysts' forecast range[5].

Financial Review

Presentation of Results
This Financial Review uses a combination of statutory and non-statutory measures to discuss performance in the period. The definitions of the non-statutory key performance indicators can be found in the 'Definition of non-statutory measures' section.

To assist stakeholders in understanding the financial performance of the Group, aid comparability between periods and provide a clearer link between the Financial Review and the consolidated financial statements, we have also adopted a three-column format for presenting the Group income statement in which we separately disclose underlying trading and non-underlying items.

Non-underlying items are income or expenses that are material by their size and/or nature and are not considered to be incurred in the normal course of business. They are classified as non-underlying items on the face of the Group income statement within their relevant category. Further details on non-underlying items are provided later in this report.

Summary Financial Information[1]

	Six months ended 30 June 2026	Six months ended 30 June 2025	Movement
Total Number of Gyms at Period End	264	247	+7%
Total Number of Members at Period End ('000)	991	949	+4%
Revenue (£m)	133.1	121.0	+10%
Group Adjusted EBITDA (£m)	53.0	48.3	+10%
Group Adjusted EBITDA Less Normalised Rent (£m)	30.8	27.4	+12%
Adjusted Profit before Tax (£m)	6.4	4.9	+31%
Statutory Profit before Tax (£m)	4.9	3.3	+48%
Statutory Profit after Tax (£m)	4.3	3.3	+30%
Adjusted Diluted Earnings Per Share (p)[2]	2.9	2.4	+21%
Statutory Diluted Earnings Per Share (p)	2.3	1.8	+28%
Net Cash Inflow from Operating Activities (£m)	59.3	55.5	+7%
Free Cash Flow (£m)	27.7	25.1	+10%
Non-Property Net Debt (£m) (as at period end)	(58.0)	(51.2)	Increased by £6.8m
Adjusted Leverage	1.0	1.0	Unchanged

Results for the period

	Six months ended 30 June 2026			Six months ended 30 June 2025[7]		
	Underlying result	**Non-underlying items**	**Total**	**Underlying result**	**Non-underlying items**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Revenue	133.1	-	133.1	121.0	-	121.0
Cost of sales	(2.1)	-	(2.1)	(1.8)	-	(1.8)
Gross profit	**131.0**	**-**	**131.0**	**119.2**	**-**	**119.2**
Operating expenses (before depreciation, amortisation and impairment)	(81.1)	(1.3)	(82.4)	(73.4)	(0.9)	(74.3)
Depreciation, amortisation and impairment	(32.6)	-	(32.6)	(30.5)	(0.6)	(31.1)
Operating profit	**17.3**	**(1.3)**	**16.0**	**15.3**	**(1.5)**	**13.8**
Finance costs	(11.1)	(0.2)	(11.3)	(10.6)	(0.1)	(10.7)
Finance income	0.2	-	0.2	0.2	-	0.2
Profit before tax	**6.4**	**(1.5)**	**4.9**	**4.9**	**(1.6)**	**3.3**
Tax (charge)/credit	(1.0)	0.4	(0.6)	(0.4)	0.4	-
Profit for the period attributable to shareholders	**5.4**	**(1.1)**	**4.3**	**4.5**	**(1.2)**	**3.3**
Earnings per share						
Basic (p)	**3.1**		**2.5**	**2.6**		**1.9**
Diluted (p)	**2.9**		**2.3**	**2.4**		**1.8**

Revenue

Trading in the first half of 2026 has continued to be robust, with good growth in both membership and yield. Revenue increased by 10% to £133.1m (H1 25: £121.0m), reflecting 5% higher average membership numbers throughout the period and a 5% increase in yield. Like-for-like revenue increased by 3% year on year.

The average membership number in the period was 1,002,000 compared with 953,000 in the six months ended 30 June 2025. We closed the period with 991,000 members which was up 4% on June 2025 and 7% on 31 December 2025. The average headline price of a Standard membership increased to £26.91 in June 2026 compared with £25.10 in June 2025 and £25.64 in December 2025, largely as a result of price increases for new members, and selective repricing of the base membership. As a result, Average Revenue Per Member Per Month ('ARPMM') in the first half of 2026 was up 5% to £22.14 compared with £21.16 in the first half of 2025.

Cost of Sales

Cost of sales, which includes the costs associated with the generation of ancillary income as well as call centre costs and payment processing costs, were broadly in line with the prior year at £2.1m (H1 25[7]: £1.8m).

Underlying Operating Expenses (before Depreciation, Amortisation and Impairment)

	Six months ended 30 June 2026	Six months ended 30 June 2025[6]
	£m	**£m**
Site costs before Normalised Rent	63.7	57.5
Site Normalised Rent	22.0	20.7
Site costs including Normalised Rent	**85.7**	**78.2**
Central Support Office costs before Normalised Rent	14.3	13.4
Central Support Office Normalised Rent	0.2	0.2
Central Support Office costs including Normalised Rent	**14.5**	**13.6**
Share based payments	3.1	2.5
	103.3	**94.3**
Less: Normalised Rent	(22.2)	(20.9)
Underlying operating expenses (before depreciation, amortisation and impairment)	**81.1**	**73.4**

[7]£0.4m of bank transaction fees have been reclassified from Operating expenses to Cost of sales in HY25 to better reflect the nature of these costs and align with the current period presentation. In addition, the tax charge for HY25 has been reallocated between Underlying and Non-Underlying items to make it consistent with the presentation adopted in the FY25 financial statements. The restatement has no impact on Statutory Profit After Tax or Statutory Diluted Earnings Per Share.

Site Costs including Normalised Rent
In the first half of 2026, site costs including Normalised Rent increased by 10% to £85.7m (H1 25[7]: £78.2m), with like-for-like site costs increasing by 3.5%.

The fixed costs associated with running the sites (predominantly building rates and service charges) increased by 6% reflecting the estate growth, with the impact of changes to the Uniform Business Rates multiplier being broadly offset by rates refunds received.

Controllable site costs increased by 12% year on year, again reflecting the larger estate as well as the annualisation of higher employment costs, impacting both staffing and cleaning costs, and increased investment in marketing to build brand awareness. In utilities, the continued normalisation of electricity commodity prices during the period largely offset the impact of the higher non-commodity rates that came into effect in the second half of 2025. We have now fixed electricity commodity prices through to October 2028, securing a further reduction in rates for winter 2027 and summer 2028 compared with winter 2026 and summer 2027.

Site normalised rent, which is defined as the contractual rent payable, recognised in the monthly period to which it relates, increased by 6% and reflects the additional sites and rent reviews in the mature estate.

Central Support Office Costs Including Normalised Rent
Central Support Office costs including normalised rent increased by 7% year on year, largely reflecting inflationary pay increases and headcount growth. Central Support Office costs as a percentage of revenue decreased to 10.9% from 11.2% in the prior year period.

Share Based Payments
The charge for share based payments (including related employer's national insurance) in the period amounted to £3.1m (H1 25: £2.5m). The increase year on year reflects share price growth and strong performance of the 2025 scheme.

During the period, the EBT purchased 1,686,637 shares at a cost of £3.0m (H1 25: 1,433,184 shares at a cost of £2.0m).

Underlying Depreciation and Amortisation
Underlying depreciation and amortisation charges in the period amounted to £32.6m (H1 25: £30.5m), made up of £16.1m (H1 25: £15.5m) on right-of-use assets, £13.4m (H1 25: £11.7m) on property, plant and equipment and £3.1m (H1 25: £3.3m) on intangible assets. The increases year on year reflect the larger estate.

Group Adjusted EBITDA Less Normalised Rent
The Group's key profit metric is Group Adjusted EBITDA Less Normalised Rent as the Directors believe that this measure best reflects the underlying profitability and cash generation of the business. Group Adjusted EBITDA Less Normalised Rent is reconciled to Operating profit as follows:

	Six months ended 30 June 2026	**Six months ended 30 June 2025**
	£m	**£m**
Operating profit	**16.0**	**13.8**
Non-underlying operating items (see below)	1.3	1.5
Share based payments	3.1	2.5
Underlying depreciation and amortisation	32.6	30.5
Group Adjusted EBITDA	**53.0**	**48.3**
Normalised Rent[8]	(22.2)	(20.9)
Group Adjusted EBITDA Less Normalised Rent	**30.8**	**27.4**

Group Adjusted EBITDA Less Normalised Rent at £30.8m was 12% ahead of the prior year period (H1 25: £27.4m), as the strong trading and increased revenue continued to be supported by tight control of operating costs.

Net Financing Costs
Underlying net financing costs increased in the period by £0.5m to £10.9m (H1 25: £10.4m).

The finance costs associated with our bank borrowings (comprising interest payable and fee amortisation less capitalised interest) were unchanged year on year at £2.5m (H1 25: £2.5m), as the impact of higher average debt throughout the period was offset by lower average interest rates. The average interest rate paid in the period on drawn funds was 6.5% (H1 25: 7.4%).

The implied interest relating to the lease liabilities increased by £0.5m to £8.6m (H1 25: £8.1m), reflecting additional property leases due to the larger estate.

[8] Normalised Rent is the contractual rent payable, recognised in the monthly period to which it relates. Property lease payments are higher than Normalised Rent by £0.1m (H1 25: £0.3m lower) due to timing differences and rent refunds.

Non-Underlying Items

Non-underlying items are costs or income which the Directors believe, due to their size or nature, are not the result of normal operating performance. They are therefore separately disclosed on the face of the income statement to allow a more comparable view of underlying trading performance.

	Six months ended 30 June 2026	Six months ended 30 June 2025
	£m	**£m**
Affecting operating expenses (before depreciation, amortisation and impairment)		
Costs of major strategic projects and investments	1.1	1.0
Restructuring and reorganisation costs/(income) (including site closures)	0.2	(0.1)
	1.3	**0.9**
Affecting depreciation, amortisation and impairment		
Impairment of property, plant and equipment, right-of-use assets and intangible assets	-	0.5
Amortisation of business combination intangible assets	-	0.1
	-	**0.6**
Affecting finance costs		
Refinancing costs and remeasurement of borrowings	0.2	0.1
	0.2	**0.1**
Total all non-underlying items before tax	**1.5**	**1.6**
Tax on non-underlying items[7]	(0.4)	(0.4)
Total non-underlying charge in income statement	**1.1**	**1.2**

Non-underlying items affecting operating expenses (before depreciation, amortisation and impairment) in the period amounted to £1.3m (H1 25: £0.9m) and relate predominantly to the non-capitalisable costs (including £0.4m of employee costs) incurred on the implementation of the new member management and payment systems.

Non-underlying items affecting finance costs amounted to £0.2m (H1 25: £0.1m) and relate to the remeasurement of the RCF and Term Loan as a result of the amendment to the Group's banking facilities in the period.

Taxation

The tax charge for the period was £0.6m (H1 25: £nil), comprising tax calculated using the expected effective tax rate for the full year of c.18% (FY25: 0%), partly offset by the impact of discrete tax items recognised in the period.

The net deferred tax asset recognised at 30 June 2026 was £17.6m (31 December 2025 and 30 June 2025: £18.2m). Deferred tax assets are recognised in respect of tax losses and other temporary differences only to the extent it is considered probable that the assets will be recoverable. This involves an assessment of when those assets are likely to be recovered, and a judgement as to whether there will be sufficient taxable profits available to offset the assets.

The financial forecast used in the Going Concern assessment was also used to assess the deferred tax recoverability at 30 June 2026, and the Directors believe that this forecast provides convincing evidence that sufficient future taxable profits will arise to support the continued recognition of the net deferred tax asset at 30 June 2026.

Earnings

As a result of the factors discussed above, the statutory profit before tax in the period was £4.9m (H1 25: £3.3m) and the statutory profit after tax was £4.3m (H1 25: £3.3m).

Adjusted profit before tax is calculated by taking the statutory profit before tax and adding back the non-underlying items. Adjusted profit before tax was £6.4m (H1 25: £4.9m). Adjusted profit after tax was £5.4m (H1 25[7]: £4.5m).

The basic and diluted earnings per share was 2.5p and 2.3p respectively (H1 25: 1.9p and 1.8p respectively), and the basic and diluted adjusted earnings per share was 3.1p and 2.9p respectively (H1 25[7]: 2.6p and 2.4p respectively).

Cash Flow

	Six months ended 30 June 2026 £m	Six months ended 30 June 2025 £m
Group Adjusted EBITDA Less Normalised Rent	**30.8**	**27.4**
Movement in working capital	7.4	8.0
Maintenance capital expenditure	(7.1)	(7.3)
Free cash flow before non-underlying items, interest and tax	**31.1**	**28.1**
Non-underlying items	(1.2)	(0.5)
Net interest paid	(2.2)	(2.5)
Free cash flow[9]	**27.7**	**25.1**
Expansionary capital expenditure	(18.5)	(12.6)
Refinancing fees	(0.1)	(0.3)
Repurchase of Ordinary share capital	(3.8)	-
Purchase of own shares by EBT	(3.0)	(2.0)
Net cost of share schemes settlement	(1.0)	(0.1)
Cash flow before movement in debt	**1.3**	**10.1**
Net decrease in non-property lease indebtedness	(0.3)	(1.8)
Net drawdown/(repayment) of borrowings	5.0	(2.0)
Net cash flow	**6.0**	**6.3**

Free cash flow generated in the period was £27.7m (H1 25: £25.1m). The increase year on year reflects the strong trading performance which resulted in £3.4m additional EBITDA Less Normalised Rent. The working capital inflow was slightly lower year on year but remained strong at £7.4m (H1 25: £8.0m). Maintenance capital expenditure in the period was broadly in line.

Expansionary capital expenditure in the period amounted to £18.5m (H1 25: £12.6m) and relates predominantly to the fit-out of new gyms, as well as continued investment in technology and data, including the new member management and payment capabilities.

Balance Sheet and Net Debt

	At 30 June 2026 £m	At 30 June 2025 £m	At 31 December 2025 £m
Non-current assets	602.8	574.2	602.4
Current assets	15.6	15.0	13.5
Current liabilities	(90.3)	(80.5)	(88.9)
Net current liabilities	(74.7)	(65.5)	(75.4)
Non-current liabilities	(387.4)	(373.9)	(385.3)
Net assets	**140.7**	**134.8**	**141.7**
Non-Property Net Debt	**(58.0)**	**(51.2)**	**(59.3)**

Non-current assets at 30 June 2026 were in line with the position at 31 December 2025, as the impact of assets acquired (in relation to new and refurbished gyms) and investments made in the new member management and payment capabilities was broadly offset by the depreciation charged in the period.

Net current liabilities at 30 June 2026 were also in line with the position at 31 December 2025, as were non-current liabilities, where an increase in drawings under the Group's RCF was broadly offset by a decrease in property lease liabilities.

As at 30 June 2026, the Group had Non-Property Net Debt of £58.0m (31 December 2025: £59.3m; 30 June 2025: £51.2m) comprising drawn facilities of £67.0m less cash of £9.0m. The Directors believe that this measure of net debt best reflects the financial health of the business. In addition, it is a key constituent of the Adjusted Leverage covenant included in the Group's banking agreement. At 30 June 2026, Adjusted Leverage was 1.0 times (31 December 2025 and 30 June 2025: 1.0 times), significantly below the banking covenant threshold of 3.0 times; and Fixed Charge Cover was 2.2 times (31 December 2025 and 30 June 2025: 2.1 times).

[9] A reconciliation of Net cash inflow from operating activities to Free cash flow has been included in Note 11 to the Interim Financial Statements.

Banking Facilities
On 19 June 2026, the Group agreed an increase in the Term Loan of £15m. As a result, the Group now has in place combined bank facilities of £117m, consisting of £60m of Term Loan and £57m of RCF, which are due to mature in June 2028.

Funds borrowed under the facility agreement continue to bear interest at a minimum annual rate of 2.75% above the Sterling Overnight Index Average ('SONIA'); and undrawn funds under the RCF continue to bear interest at a minimum annual rate of 1.1%.

The facilities agreement also continues to be subject to quarterly financial covenant tests on Adjusted Leverage and Fixed Charge Cover (both terms defined on page 13). Adjusted Leverage must not exceed 3.0 times, and the Fixed Charge Cover must be greater than 1.5 times.

Terms permit the distribution of surplus cashflow to shareholders.

Capital Allocation Policy
We continue to deliver against our capital allocation policy which prioritises investment in capital expenditure to enhance and maintain the condition of the estate, with enhancements prioritised by commercial returns. This is followed by investing free cash flow in organic new site growth, whilst maintaining Adjusted Leverage below 2.0 times. We then retain the option to return excess capital to shareholders.

The Directors are not proposing an interim dividend for the current year. However, in January 2026, having established that sufficient distributable reserves existed, the Board determined that there was surplus financing capacity and, in line with our capital allocation policy, commenced a share buyback programme of up to £10m. In the first half of the year, 2.2m shares were purchased under the share buyback programme, with £3.8m of the proposed £10m spent.

Going Concern
The Board has reviewed the financial forecast and downside scenario of the Group and has a reasonable expectation that the Group has adequate resources to continue in operational existence for the period to 31 December 2027. As a result, the Directors continue to adopt the going concern basis in preparing the Interim Financial Statements. In making this assessment, consideration has been given to the current and future expected trading performance; the Group's current and forecast liquidity position; and the mitigating actions that can be deployed in the event of reasonable downside scenarios. Further detail is provided in Note 2 to the Interim Financial Statements.

Full Year Outlook
We remain on track to deliver like-for-like revenue growth for the full year of 3%, with like-for-like cost growth now expected to be at the lower end of the guided range of 3-4%. As a result, we expect full year Group Adjusted EBITDA Less Normalised Rent to be at the top end of the analysts' forecast range[5].

We expect full year capital expenditure to be in the region of £60-65m, as previously guided, as we deliver at least 20 new openings as well as the 21 major refurbishments of our mature estate. Capital expenditure will continue to be financed from free cash flow. We also expect to complete the £10m share buyback by year end (with £5.7m completed as at 8 September).

Principal Risks and Uncertainties

The Directors take very seriously their responsibility for operating a robust risk management and internal controls process, and for reviewing its effectiveness at least annually. The risk management framework is designed to effectively identify, assess and mitigate risks, whilst enabling the Group to deliver its strategic and operational objectives.

During the period, there has been a continued focus on risk management. Key risk indicators are monitored quarterly, and functional risk registers have been updated during the period. We also continue to monitor the ongoing macroeconomic and geopolitical environment and assess the impact this could have on the Group's principal risks.

The principal risks and uncertainties that the Group expects to be exposed to in the second half of the year are the same as those described in the 'Managing Risk' section of the Group's Annual Report and Accounts 2025 (pages 42-49), a summary of which is provided below.

- Operational Gearing
- Member Experience
- Trading Environment
- Our People
- Reputation, Brand and Trust
- IT Dependency
- Cyber and Data Security
- Reliance on Key Suppliers

Climate Change, Artificial Intelligence and Weight Loss Drugs (as described on page 50 of the Group's Annual Report and Accounts 2025) continue to be considered as emerging risks for the Group.

Responsibility Statement

The Directors confirm that, to the best of their knowledge:

- the condensed consolidated financial statements ('Interim Financial Statements') have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the United Kingdom and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group for the period ended 30 June 2026 as required by the Disclosure Guidance and Transparency Rules of the UK Financial Conduct Authority ('DTR') 4.2.4R.
- the half year results announcement includes a fair review of the significant events during the first six months of the financial year and a description of principal risks and uncertainties for the remaining six months of the financial year as required by DTR 4.2.7R.
- the notes to the condensed consolidated financial statements include a fair review of related party transactions and changes thereto as required by DTR 4.2.8R.

The Directors of the Company are listed on pages 56 and 57 of the Group's Annual Report and Accounts 2025. A list of the current Directors is maintained on the Group's website at www.tggplc.com. On 7 May 2026, Wais Shaifta stepped down as a Director of the Company and Tamsin Todd was appointed as Chair of the Remuneration and Sustainability Committees.

On behalf of the Board

Luke Tait
Chief Financial Officer
9 September 2026

Definition of Non-Statutory Measures

- *Group Adjusted EBITDA* – operating profit before depreciation, amortisation, share based payments and non-underlying items.
- *Normalised Rent* – the contractual rent payable, recognised in the monthly period to which it relates.
- *Group Adjusted EBITDA Less Normalised Rent* – Group Adjusted EBITDA after deducting Normalised Rent. A reconciliation of Operating profit to Group Adjusted EBITDA Less Normalised Rent is included below the Consolidated Statement of Comprehensive Income in the Interim Financial Statements.
- *Adjusted Profit Before Tax* – profit before tax before non-underlying items.
- *Adjusted Earnings* – profit for the period before non-underlying items and the related tax.
- *Adjusted Basic/Diluted EPS* – Adjusted Earnings divided by the basic/diluted weighted average number of shares.
- *Free Cash Flow* – Group Adjusted EBITDA Less Normalised Rent and movement in working capital, less maintenance capital expenditure, cash non-underlying items, bank and non-property lease interest and tax. A reconciliation of Net Cash Inflow from Operating Activities to Free Cash Flow is included in Note 11 to the Interim Financial Statements.
- *Non-Property Net Debt* – bank and non-property lease debt less cash and cash equivalents. See Note 9 to the Interim Financial Statements for the breakdown.
- *Maintenance Capital Expenditure* – costs of replacement gym equipment and premises refurbishment and technology maintenance spend.
- *Expansionary Capital Expenditure* – costs of fit-out of new gyms (both organic and acquired), technology projects and other strategic projects. It is stated net of contributions from landlords.
- *Adjusted Leverage* – Non-Property Net Debt divided by LTM Group Adjusted EBITDA Less Normalised Rent.
- *Fixed Charge Cover* – LTM Group Adjusted EBITDA divided by LTM Finance Costs (excluding interest costs on property leases) less LTM Finance Income plus LTM Normalised Rent.

Consolidated Statement of Comprehensive Income

For the period ended 30 June 2026

		6 months ended 30 June 2026			6 months ended 30 June 2025[1]		
		Unaudited			Unaudited		
		Underlying	Non-underlying (Note 4)	Total	Underlying	Non-underlying (Note 4)	Total
	Note	£m	£m	£m	£m	£m	£m
Revenue	3	133.1	-	133.1	121.0	-	121.0
Cost of sales		(2.1)	-	(2.1)	(1.8)	-	(1.8)
Gross profit		**131.0**	**-**	**131.0**	**119.2**	**-**	**119.2**
Operating expenses (before depreciation, amortisation and impairment)		(81.1)	(1.3)	(82.4)	(73.4)	(0.9)	(74.3)
Depreciation, amortisation and impairment		(32.6)	-	(32.6)	(30.5)	(0.6)	(31.1)
Operating profit		**17.3**	**(1.3)**	**16.0**	**15.3**	**(1.5)**	**13.8**
Finance costs		(11.1)	(0.2)	(11.3)	(10.6)	(0.1)	(10.7)
Finance income		0.2	-	0.2	0.2	-	0.2
Profit before tax		**6.4**	**(1.5)**	**4.9**	**4.9**	**(1.6)**	**3.3**
Tax (charge)/credit	5	(1.0)	0.4	(0.6)	(0.4)	0.4	-
Profit for the period attributable to equity shareholders		**5.4**	**(1.1)**	**4.3**	**4.5**	**(1.2)**	**3.3**
Other comprehensive income for the period		-	-	-	-	-	-
Total comprehensive income attributable to equity shareholders		**5.4**	**(1.1)**	**4.3**	**4.5**	**(1.2)**	**3.3**
Earnings per share (p)	6						
Basic		**3.1**		**2.5**	**2.6**		**1.9**
Diluted		**2.9**		**2.3**	**2.4**		**1.8**

1 For the six months ended 30 June 2025, £0.4m of bank transaction fees have been reclassified from Operating expenses to Cost of sales to better reflect the nature of these costs and align with the current period presentation. In addition, the tax charge for the six months ended 30 June 2025 has been reallocated between Underlying and Non-Underlying items to make it consistent with the presentation adopted in the 2025 financial statements. This restatement affects non-statutory measures only and has no impact on Statutory Profit After Tax or Statutory Diluted Earnings Per Share.

Reconciliation of Operating Profit to Group Adjusted EBITDA Less Normalised Rent[2]

			6 months ended 30 June 2026	6 months ended 30 June 2025
			Unaudited	Unaudited
		Note	£m	£m
Operating profit			**16.0**	**13.8**
Add back:	Non-underlying operating items	4	1.3	1.5
	Share based payments (included in Operating expenses)	13	3.1	2.5
	Underlying depreciation and amortisation		32.6	30.5
Group Adjusted EBITDA			**53.0**	**48.3**
Less:	Normalised Rent[3]		(22.2)	(20.9)
Group Adjusted EBITDA Less Normalised Rent[2]			**30.8**	**27.4**

2 Group Adjusted EBITDA Less Normalised Rent is a non-statutory metric used internally by management and externally by investors. It is calculated as operating profit before depreciation, amortisation, share based payments and non-underlying items, and after deducting Normalised Rent.

3 Normalised Rent is the contractual rent payable, recognised in the monthly period to which it relates. Property lease payments are higher than Normalised Rent by £0.1m (H1 25: £0.3m lower) due to timing differences and rent refunds.

Consolidated Statement of Financial Position

As at 30 June 2026

	Note	30 June 2026 Unaudited £m	30 June 2025 Unaudited £m	31 December 2025 Audited £m
Non-current assets				
Intangible assets		17.3	10.0	13.9
Goodwill		81.8	81.8	81.8
Property, plant and equipment	7	204.0	185.2	202.8
Right-of-use assets	8	281.1	278.0	284.7
Investments in financial assets		1.0	1.0	1.0
Deferred tax assets	5	17.6	18.2	18.2
Total non-current assets		**602.8**	**574.2**	**602.4**
Current assets				
Inventories		0.6	0.7	0.6
Trade and other receivables		6.0	5.0	9.9
Cash and cash equivalents		9.0	9.3	3.0
Total current assets		**15.6**	**15.0**	**13.5**
Total assets		**618.4**	**589.2**	**615.9**
Current liabilities				
Trade and other payables		61.5	53.0	61.8
Lease liabilities	8	28.4	27.0	26.7
Dilapidations provision		0.4	0.5	0.4
Total current liabilities		**90.3**	**80.5**	**88.9**
Non-current liabilities				
Borrowings	9	67.4	59.2	62.2
Lease liabilities	8	317.6	312.4	320.8
Dilapidations provision		2.4	2.3	2.3
Total non-current liabilities		**387.4**	**373.9**	**385.3**
Total liabilities		**477.7**	**454.4**	**474.2**
Net assets		**140.7**	**134.8**	**141.7**
Capital and reserves				
Own shares held		0.1	0.1	0.1
Share premium		190.4	189.9	190.1
Own shares reserve - EBT		(6.2)	(4.8)	(4.6)
Merger reserve		39.9	39.9	39.9
Retained deficit		(83.5)	(90.3)	(83.8)
Total equity shareholders’ funds		**140.7**	**134.8**	**141.7**

Consolidated Statement of Changes in Equity

For the period ended 30 June 2026

	Note	Own shares held	Share premium	Own shares reserve - EBT	Merger reserve	Retained deficit	Total
		£m	£m	£m	£m	£m	£m
At 1 January 2026		0.1	190.1	(4.6)	39.9	(83.8)	141.7
Profit for the period		-	-	-	-	4.3	**4.3**
Other comprehensive income for the period		-	-	-	-	-	**-**
Profit for the period and total comprehensive income		**-**	**-**	**-**	**-**	**4.3**	**4.3**
Share based payments	13	-	-	-	-	2.5	**2.5**
Issue of Ordinary share capital		-	0.3	-	-	-	**0.3**
Repurchase of Ordinary share capital		-	-	-	-	(3.8)	**(3.8)**
Purchase of own shares by EBT		-	-	(3.0)	-	-	**(3.0)**
Exercise of share options		-	-	1.4	-	(2.7)	**(1.3)**
At 30 June 2026 (Unaudited)		**0.1**	**190.4**	**(6.2)**	**39.9**	**(83.5)**	**140.7**

Consolidated Statement of Changes in Equity

For the period ended 30 June 2025

	Note	Own shares held	Share premium	Own shares reserve - EBT	Merger reserve	Retained deficit	Total
		£m	£m	£m	£m	£m	£m
At 1 January 2025		0.1	189.9	(3.0)	39.9	(95.3)	**131.6**
Profit for the period		-	-	-	-	3.3	**3.3**
Other comprehensive income for the period		-	-	-	-	-	**-**
Profit for the period and total comprehensive expense		**-**	**-**	**-**	**-**	**3.3**	**3.3**
Share based payments	13	-	-	-	-	2.0	**2.0**
Issue of Ordinary share capital		-	-	-	-	-	**-**
Purchase of own shares by EBT		-	-	(2.0)	-	-	**(2.0)**
Exercise of share options		-	-	0.2	-	(0.3)	**(0.1)**
At 30 June 2025 (Unaudited)		**0.1**	**189.9**	**(4.8)**	**39.9**	**(90.3)**	**134.8**

Consolidated Cash Flow Statement

For the period ended 30 June 2026

	Note	6 months ended 30 June 2026 Unaudited £m	6 months ended 30 June 2025 Unaudited £m
Cash flows from operating activities			
Profit before tax		4.9	3.3
Adjustments for:			
Finance costs		11.3	10.7
Finance income		(0.2)	(0.2)
Non-underlying operating items		1.3	1.5
Underlying depreciation and amortisation	7,8	32.6	30.5
Share based payments and associated NICs	13	3.1	2.5
Decrease in inventories		0.1	0.1
Decrease in trade and other receivables		3.3	3.8
Increase in trade and other payables		4.1	3.8
Cash generated from operations		**60.5**	**56.0**
Tax (paid)/received		-	-
Net cash inflow from operating activities before non-underlying items		**60.5**	**56.0**
Non-underlying operating items	4	(1.2)	(0.5)
Net cash inflow from operating activities	11	**59.3**	**55.5**
Cash flows from investing activities			
Purchase of property, plant and equipment		(19.4)	(16.9)
Purchase of intangible assets		(6.2)	(3.0)
Bank interest received		0.2	0.2
Net cash outflow used in investing activities		**(25.4)**	**(19.7)**
Cash flows from financing activities			
Repayment of lease liability principal		(14.0)	(14.4)
Lease interest paid		(8.6)	(8.1)
Bank interest paid		(2.4)	(2.6)
Repayments of bank loans		(2.0)	(2.0)
Drawdown of bank loans		7.0	-
Payment of financing fees		(0.1)	(0.3)
Repurchase of Ordinary share capital		(3.8)	-
Purchase of own shares by EBT	13	(3.0)	(2.0)
Settlement of share based payments through EBT	13	(1.3)	(0.1)
Proceeds from issue of Ordinary shares		0.3	-
Net cash outflow from financing activities		**(27.9)**	**(29.5)**
Net increase in cash and cash equivalents		**6.0**	**6.3**
Cash and cash equivalents at the start of the period		3.0	3.0
Cash and cash equivalents at the end of the period		**9.0**	**9.3**

Notes to the Interim Financial Statements

1. General Information

The Directors of The Gym Group plc ('the Company') and its subsidiaries ('the Group') present their interim report and unaudited condensed consolidated financial statements ('Interim Financial Statements') for the six months ended 30 June 2026. The Group operates high value, low cost, 24/7, no contract gyms.

The Company is a public limited company whose shares are publicly traded on the London Stock Exchange and is incorporated and domiciled in the United Kingdom. The registered address of the Company is 2nd Floor, Arding & Hobbs, 7 St John's Road, SW11 1QN, United Kingdom.

The Interim Financial Statements were approved by the Board of Directors on 8 September 2026. They have not been audited or formally reviewed by the auditors.

2. Basis of Preparation

The Interim Financial Statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK, and the Listing Rules and the Disclosure Guidance and Transparency Rules of the UK Financial Conduct Authority (where applicable).

The Interim Financial Statements provide comparative information in respect of the previous period. The financial information shown for the half year periods ended 30 June 2026 and 30 June 2025 does not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006. The information shown for the year ended 31 December 2025 has been extracted from the Group's Annual Report and Accounts 2025 and does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The Interim Financial Statements should be read in conjunction with the Group's Annual Report and Accounts 2025. The consolidated financial statements for the year ended 31 December 2025 have been filed with the Registrar of Companies. The independent auditor's report on the Group's Annual Report and Accounts for 2025 was unqualified and did not contain a statement under 498(2) or (3) of the Companies Act 2006.

The functional currency of each entity in the Group is pound sterling. The Interim Financial Statements are presented in pound sterling, and all values are rounded to the nearest one hundred thousand pounds, except where otherwise indicated.

Accounting Policies

The accounting policies adopted in the preparation of the Interim Financial Statements are consistent with those described in the Group's Annual Report and Accounts 2025, except for new standards effective as of 1 January 2026. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Two changes in accounting standards applies for the first time in 2026: Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7, and Annual Improvements to IFRS Accounting Standards - Volume 11.

The adoption of these standards did not have a material impact on the Group's financial statements.

Going Concern

The Interim Financial Statements have been prepared on a going concern basis under the historical cost convention as modified by the recognition of derivative financial instruments, financial assets and other financial liabilities at fair value through the profit and loss and the recognition of financial assets at fair value through other comprehensive income.

In assessing the going concern position of the Group for the period ended 30 June 2026, the Directors have considered the following:

- the Group's trading performance in the first half of 2026 and throughout July and August;
- the future expected trading performance of the Group to December 2027 (the going concern period), including membership levels and behaviours in light of the continued difficult macroeconomic and geopolitical environment; and
- the Group's financing arrangements and relationship with its lenders and shareholders.

In the first half of 2026, we have seen continued strong trading, with membership at 30 June 2026 reaching 991,000, an increase of 7% from the end of 2025. Average Revenue Per Member Per Month ('ARPMM') in the first half of 2026 was up 5% to £22.14 compared with £21.16 in the first half of 2025. As a result, revenue for the period was £133.1m, up 10% on the prior year; and Group Adjusted EBITDA Less Normalised Rent at £30.8m was 12% higher than in the first half of 2025.

The Group also reported strong cash generation in the period, with Free Cash Flow of £27.7m (see Note 11 to the Interim Financial Information for a reconciliation to Net Cash Inflow from Operating Activities) being generated and used to fund new site openings, mature site refurbishment and enhancement projects and significant investment in technology.

2. Basis of Preparation (continued)

On 19 June 2026, the Group agreed an increase in the Term Loan of £15m. As a result, the Group now has in place combined bank facilities of £117m, consisting of £60m of Term Loan and £57m of RCF, which are due to mature in June 2028. Drawings under the facilities continue to be subject to quarterly financial covenant tests on Adjusted Leverage and Fixed Charge Cover (both terms defined on page 13). Adjusted Leverage must not exceed 3.0 times, and the Fixed Charge Cover must be greater than 1.5 times.

As at 30 June 2026, the Group had Non-Property Net Debt of £58.0m (31 December 2025: £59.3m; 30 June 2025: £51.2m) comprising drawn facilities of £67.0m less cash of £9.0m. The Directors believe that this measure of net debt best reflects the financial health of the business. In addition, it is a key constituent of the Adjusted Leverage covenant included in the Group's banking agreement. At 30 June 2026, Adjusted Leverage was 1.0 times (31 December 2025: 1.0 times), significantly below the banking covenant threshold of 3.0 times; and Fixed Charge Cover was 2.2 times (31 December 2025: 2.1 times). Headroom under the banking facilities was £59.0m.

Despite the continued robust trading performance, the Directors have continued to take a cautious approach to planning. The base case forecast for the period to 31 December 2027 anticipates some growth in yields across the whole estate as a result of pricing optimisation actions. Modest increases in membership levels are driven largely by the sites opened in 2026 and 2027, and not by growth in the mature estate.

In addition, whilst the Directors have planned for an acceleration of the new site opening programme throughout the forecast period, all new sites are assumed to be self-financed. Under this scenario, the financial covenants are passed with headroom, and the Group can operate comfortably within its financing facilities.

The Directors have also considered a severe downside scenario in which membership numbers in the mature estate decline by approximately 5%. Yields continue to grow, but at a much more modest rate than in the base case. In this scenario, the number of new site openings is reduced to conserve cash, expenditure on maintenance and marketing is reduced slightly, and discretionary performance-related bonuses are removed. The share buyback programme is also paused. Under this scenario, the financial covenants continue to be passed, and the Group continues to operate within its financing facilities.

Conclusion

The Board has reviewed the financial forecast and downside scenario of the Group and has a reasonable expectation that the Group has adequate resources to continue in operational existence for the period to 31 December 2027. As a result, the Directors continue to adopt the going concern basis in preparing the Interim Financial Statements. In making this assessment, consideration has been given to the current and future expected trading performance; the Group's current and forecast liquidity position; and the mitigating actions that can be deployed in the event of reasonable downside scenarios.

3. Revenue

The principal revenue streams for the Group are membership income, rental income from personal trainers and ancillary income. The majority of revenue is derived from contracts with members, and all revenue arises in the United Kingdom.

Disaggregation of revenue

In the following table, revenue is disaggregated by major products and service lines and timing of revenue recognition.

	6 months ended 30 June 2026 Unaudited £m	6 months ended 30 June 2025 Unaudited £m
Major products/service lines		
Membership income	126.1	115.0
Rental income from personal trainers	4.6	4.2
Ancillary income	2.4	1.8
	133.1	**121.0**
Timing of revenue recognition		
Products transferred at a point in time	2.6	2.2
Products and services transferred over time	130.5	118.8
	133.1	**121.0**

Contract liabilities at 30 June 2026 amounted to £16.2m (H1 25: £15.6m).

Contract liabilities relate to membership fees received at the start of a contract, where the Group has the obligation to provide a gym membership over a period of time, and are included within trade and other payables. The contract liability balance

3. Revenue (continued)

increases as the Group's membership numbers increase. The Group does not receive any consideration greater than 12 months in advance from members.

The Group operates in a market that experiences a small degree of seasonality. The majority of members join during the first quarter of the year as a result of a post-Christmas drive to improve fitness levels and general health. A second wave of new joiners is experienced in September and October as students return to university, with quieter periods experienced during the school holidays. Marketing expenditure is phased towards peak joining periods, particularly the January/February campaign.

4. Non-Underlying Items

	6 months ended 30 June 2026	6 months ended 30 June 2025[1]
	Unaudited	Unaudited
	£m	£m
Affecting operating expenses (before depreciation, amortisation and impairment)		
Costs of major strategic projects and investments	1.1	1.0
Restructuring and reorganisation costs/(income) (including site closures)	0.2	(0.1)
Total affecting operating expenses (before depreciation, amortisation and impairment)	**1.3**	**0.9**
Affecting depreciation, amortisation and impairment		
Impairment of property, plant and equipment, right-of-use assets and intangible assets	-	0.5
Amortisation of business combination intangible assets	-	0.1
Total affecting depreciation, amortisation and impairment	**-**	**0.6**
Total affecting operating expenses	**1.3**	**1.5**
Affecting finance costs		
Refinancing costs and remeasurement of borrowings	0.2	0.1
Total affecting finance costs	**0.2**	**0.1**
Total all non-underlying items before tax	**1.5**	**1.6**
Tax on non-underlying items	(0.4)	(0.4)
Total non-underlying charge in income statement	**1.1**	**1.2**

1 The tax charge for the six months ended 30 June 2025 has been reallocated between Underlying and Non-Underlying items to make it consistent with the presentation adopted in the 2025 financial statements. The restatement has no impact on Statutory Profit After Tax or Statutory Diluted Earnings Per Share.

Non-underlying items affecting operating expenses (before depreciation, amortisation and impairment) relate predominantly to the costs incurred on the implementation of new member management and payment systems to replace legacy technology and introduce market-leading business and member capabilities to further accelerate delivery of our strategic initiatives.

Non-underlying items affecting finance costs relate to the remeasurement of the RCF and Term Loan as a result of the amendment in the period of the Group's banking facilities.

Reconciliation of Non-Underlying Operating Items to Cash Flow

	6 months ended 30 June 2026	6 months ended 30 June 2054
	Unaudited	Unaudited
	£m	£m
Non-underlying items affecting operating expenses	**1.3**	**1.5**
Less: Non-underlying items affecting depreciation, amortisation and impairment	-	(0.6)
Add: opening accruals	0.3	-
Less: closing accruals	(0.4)	(0.4)
Cash outflow from non-underlying operating items	**1.2**	**0.5**

5. Taxation

The income tax charge for the period was £0.6m (H1 2025: £nil). In accordance with IAS 34 Interim Financial Reporting, the tax charge on ordinary activities has been determined by applying management's best estimate of the annual effective income tax rate for the year ending 31 December 2026, being c.18%, to the profit before tax for the six months ended 30 June 2026. The tax charge also includes the effect of discrete tax items recognised in the period, principally those arising on employee share scheme exercises, which are recognised in the interim period in which they occur rather than through the estimated annual effective tax rate.

The net deferred tax asset at 30 June 2026 was £17.6m (31 December 2025: £18.2m; 30 June 2025: £18.2m). Deferred tax assets are recognised in respect of tax losses and other deductible temporary differences only to the extent that it is considered probable that sufficient future taxable profits will be available against which they can be utilised. Determining the amount recognised requires judgement regarding the timing of the reversal of temporary differences and the availability of future taxable profits.

The assessment of deferred tax recoverability at 30 June 2026 was based on the same financial forecast used to underpin the Group's Going Concern assessment. Having considered that forecast and the expected future taxable profits it demonstrates, the Directors concluded that it provides convincing evidence to support the continued recognition of the net deferred tax asset at 30 June 2026.

6. Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to equity shareholders by the weighted average number of Ordinary shares outstanding during the period, excluding unvested shares held pursuant to The Gym Group plc’s share based long term incentive schemes.

Diluted earnings per share is calculated by adjusting the weighted average number of Ordinary shares outstanding to assume conversion of all dilutive potential Ordinary shares. During the period ended 30 June 2026, the Group had potentially dilutive shares in the form of share options and unvested shares issued pursuant to The Gym Group plc’s share based long term incentive schemes.

	6 months ended 30 June 2026	**6 months ended 30 June 2025[1]**
	Unaudited	**Unaudited**
Profit (£m)		
Profit for the period attributable to equity shareholders	**4.3**	**3.3**
Adjustment for non-underlying items	1.1	1.2
Adjusted profit for the period attributable to equity shareholders	**5.4**	**4.5**
Weighted average number of ordinary shares for basic earnings per share	**174,123,058**	**176,335,271**
Effect of dilution from share options	9,978,493	8,503,147
Weighted average number of ordinary shares adjusted for the effect of dilution	**184,101,551**	**184,838,418**
Earnings Per Share (p)		
Basic Earnings Per Share	**2.5**	**1.9**
Diluted Earnings Per Share	**2.3**	**1.8**
Adjusted Basic Earnings Per Share	**3.1**	**2.6**
Adjusted Diluted Earnings Per Share	**2.9**	**2.4**

1 The tax charge for the six months ended 30 June 2025 has been reallocated between Underlying and Non-Underlying items to make it consistent with the presentation adopted in the 2025 financial statements. The restatement has no impact on Statutory Profit After Tax or Statutory Diluted Earnings Per Share.

The weighted average number of ordinary shares excludes the shares that are held by the EBT (see Note 13) as these are classified as Own shares reserve - EBT.

7. Property, Plant and Equipment

For the period ended 30 June 2026

	Assets under construction	Leasehold improvements	Fixtures, fittings and equipment	Gym and other equipment	Computer equipment	Total
	£m	£m	£m	£m	£m	£m
Cost						
At 1 January 2026	1.2	304.0	12.2	99.0	7.8	424.2
Additions	2.4	9.0	0.1	2.4	0.7	14.6
Disposals	-	(0.4)	(0.2)	(0.4)	(0.1)	(1.1)
Transfers	(0.8)	0.5	-	0.3	-	-
At 30 June 2026 (Unaudited)	**2.8**	**313.1**	**12.1**	**101.3**	**8.4**	**437.7**
Accumulated depreciation						
At 1 January 2026	-	(141.1)	(10.3)	(64.1)	(5.9)	(221.4)
Charge for the period	-	(9.4)	(0.2)	(3.1)	(0.7)	(13.4)
Disposals	-	0.4	0.2	0.4	0.1	1.1
At 30 June 2026 (Unaudited)	**-**	**(150.1)**	**(10.3)**	**(66.8)**	**(6.5)**	**(233.7)**
Net book value						
At 30 June 2026 (Unaudited)	**2.8**	**163.0**	**1.8**	**34.5**	**1.9**	**204.0**

For the period ended 30 June 2025

	Assets under construction	Leasehold improvements	Fixtures, fittings and equipment	Gym and other equipment	Computer equipment	Total
	£m	£m	£m	£m	£m	£m
Cost						
At 1 January 2025	0.9	273.5	12.1	92.2	7.8	386.5
Additions	3.1	9.5	0.5	2.2	0.4	15.7
Disposals	-	-	-	(1.4)	-	(1.4)
Transfers	(0.6)	0.6	-	-	-	-
At 30 June 2025 (Unaudited)	**3.4**	**283.6**	**12.6**	**93.0**	**8.2**	**400.8**
Accumulated depreciation						
At 1 January 2025	-	(126.7)	(10.4)	(62.4)	(5.8)	(205.3)
Charge for the period	-	(8.4)	(0.2)	(2.6)	(0.5)	(11.7)
Disposals	-	-	-	1.4	-	1.4
At 30 June 2025 (Unaudited)	**-**	**(135.1)**	**(10.6)**	**(63.6)**	**(6.3)**	**(215.6)**
Net book value						
At 30 June 2025 (Unaudited)	**3.4**	**148.5**	**2.0**	**29.4**	**1.9**	**185.2**

Included within additions for the period is £0.1m of capitalised interest (H1 25: £0.1m) and £5.3m of accrued capital expenditure (H1 25: £1.2m).

The Group had £8.2m of commitments that were contracted but not provided as at 30 June 2026 relating to contracts for the fit-out of new gyms where works have not yet commenced (H1 25: £8.1m).

8. Right-of-Use Assets and Leases

Amounts recognised in the Consolidated Statement of Financial Position in respect of right-of-use assets are as follows:

For the period ended 30 June 2026

	Property leases	Non-property leases	Total
	£m	£m	£m
Cost			
At 1 January 2026	494.4	18.4	512.8
Additions	12.5	-	12.5
At 30 June 2026 (Unaudited)	**506.9**	**18.4**	**525.3**
Accumulated depreciation			
At 1 January 2026	(219.1)	(9.0)	(228.1)
Charge for the period	(15.1)	(1.0)	(16.1)
At 30 June 2026 (Unaudited)	**(234.2)**	**(10.0)**	**(244.2)**
Net book value			
At 30 June 2026 (Unaudited)	**272.7**	**8.4**	**281.1**

For the period ended 30 June 2025

	Property leases	Non-property leases	Total
	£m	£m	£m
Cost			
At 1 January 2025	463.8	18.4	482.2
Additions	14.2	-	14.2
Disposals	(4.5)	-	(4.5)
At 30 June 2025 (Unaudited)	**473.5**	**18.4**	**491.9**
Accumulated depreciation			
At 1 January 2025	(195.1)	(6.6)	(201.7)
Charge for the period	(14.3)	(1.2)	(15.5)
Impairment	(0.5)	-	(0.5)
Disposals	3.8	-	3.8
At 30 June 2025 (Unaudited)	**(206.1)**	**(7.8)**	**(213.9)**
Net book value			
At 30 June 2025 (Unaudited)	**267.4**	**10.6**	**278.0**

The split of lease liabilities between current and non-current is as follows:

	30 June 2026	30 June 2025	31 December 2025
	Unaudited	Unaudited	Audited
	£m	£m	£m
Current	28.4	27.0	26.7
Non-current	317.6	312.4	320.8
Total Lease liabilities	**346.0**	**339.4**	**347.5**

9. Borrowings and Non-Property Net Debt

The carrying value of the Group's bank borrowings at 30 June 2026 was £67.4m (31 December 2025: £62.2m; 30 June 2025: £59.2m).

Up until 19 June 2026, the Group had in place a combined £102m Revolving Credit Facility ('RCF') (H1 25: £102m) which was syndicated to a three-lender panel of NatWest, HSBC and Barclays. The facility is due to mature in June 2028 and funds borrowed under the facility agreement bear interest at a minimum annual rate of 2.75% (H1 25: 2.75%) above the Sterling Overnight Index Average ('SONIA'). Undrawn funds bear interest at a minimum annual rate of 1.1% (H1 25: 1.1%).

On 19 June 2026, the Group agreed an increase in the Term Loan of £15m. As a result, the Group now has in place a combined £117m facility, consisting of £60m of Term Loan and £57m of RCF. All other terms remain unchanged.

Drawings under the facilities are subject to quarterly financial covenant tests on Adjusted Leverage and Fixed Charge Cover (both terms defined on page 13). Adjusted Leverage must not exceed 3.0 times, and the Fixed Charge Cover must be greater than 1.5 times. The average interest rate paid in the period on drawn funds was 6.5% (H1 25: 7.4%).

The Group's borrowings are held at amortised cost using the effective interest method. Each reporting period, the Group reviews its cash flow forecasts and if these have changed since the previous reporting period (other than as a result of changes in floating interest rates), the borrowings are remeasured using the original effective interest rate. Any remeasurement of borrowings is treated as non-underlying and excluded from Adjusted Earnings.

At 30 June 2026, the Group had drawn down £67.0m under the facilities agreement (30 June 2025: £59.0m). Adjusted Leverage was 1.0 times (H1 25: 1.0 times) and Fixed Charge Cover was 2.2 times (H1 25: 2.1 times).

Non-Property Net Debt at the period end was made up as follows:

	30 June 2026 Unaudited £m	30 June 2025 Unaudited £m	31 December 2025 Audited £m
Bank borrowings	67.0	59.0	62.0
Non-property leases (Note 10)	-	1.5	0.3
Less: Cash and cash equivalents	(9.0)	(9.3)	(3.0)
Non-Property Net Debt	**58.0**	**51.2**	**59.3**

10. Financial Liabilities

The table below sets out the changes in liabilities arising from financing activities.

For the period ended 30 June 2026

	Borrowings £m	Non-property lease liabilities £m	Property lease liabilities £m	Total lease liabilities £m
At 1 January 2026	**62.2**	0.3	347.2	**347.5**
Repayments of interest and principal	**(4.4)**	(0.3)	(22.3)	**(22.6)**
Interest expense	**2.5**	-	8.6	**8.6**
Drawdowns	**7.0**	-	-	**-**
New leases and modifications	**-**	-	12.5	**12.5**
Other	0.1	-	-	**-**
At 30 June 2026 (Unaudited)	**67.4**	**-**	**346.0**	**346.0**

10. Financial Liabilities (continued)

For the period ended 30 June 2025

	Borrowings	Non-property lease liabilities	Property lease liabilities	Total lease liabilities
	£m	**£m**	**£m**	**£m**
At 1 January 2025	**61.3**	3.3	337.2	**340.5**
Repayments of interest and principal	**(4.6)**	(1.9)	(20.6)	**(22.5)**
Interest expense	**2.5**	0.1	8.0	**8.1**
New leases and modifications	**-**	-	14.2	**14.2**
Lease disposals	**-**	-	(0.9)	**(0.9)**
At 30 June 2025 (Unaudited)	**59.2**	**1.5**	**337.9**	**339.4**

11. Net Cash Inflow from Operating Activities

The Directors believe that Free Cash Flow is the measure that best reflects the amount of cash available to the Group for investing in new sites and technology, and for enhancing existing sites. As such, Free Cash Flow is included within the Key Performance Indicators section of the Annual Report and Accounts 2025 and referenced in both the Financial Review and the Going Concern note. A reconciliation of Net Cash Inflow from Operating Activities to Free Cash Flow is included below.

Reconciliation of Net Cash Inflow from Operating Activities to Free Cash Flow

	30 June 2026	30 June 2025
	Unaudited	**Unaudited**
	£m	**£m**
Net cash inflow from operating activities	**59.3**	**55.5**
Less: Property lease payments made (Note 10)	(22.3)	(20.6)
Less: Maintenance capital expenditure	(7.1)	(7.3)
Less: Bank and non-property lease interest paid	(2.4)	(2.7)
Add: Bank interest received	0.2	0.2
Free Cash Flow	**27.7**	**25.1**

12. Issued Capital

The total number of Ordinary shares in issue as at 30 June 2026 was 177,696,518 (30 June 2025: 179,335,918).

13. Share Based Payments and Employee Benefit Trust

The Group operates share based compensation arrangements under The Gym Group plc Incentive Plan (‘TGG Incentive Plan’), The Gym Group plc Share Incentive Plan – Matching Shares (‘SIP’), The Gym Group plc Share Incentive Plan – Free Shares (‘SIP – Free Shares’), The Gym Group plc Performance Share Plan (‘PSP’), and The Gym Group plc Save as You Earn Plan (‘SAYE’).

During the period, a total of 3,202,250 (H1 25: 4,277,990) shares were granted under the TGG Incentive Plan, the PSP, the SIP and the SAYE. The PSP and TGG Incentive Plan awards all vest within three years and are subject to continued employment. The TGG Incentive Plan and certain PSP options are also subject to achievement of certain performance targets.

For the period ended 30 June 2026, the Group recognised a total charge of £3.1m (H1 25: £2.5m) in respect of the Group’s share based payment arrangements and related employer’s national insurance.

In January 2024, the Group established an Employee Benefit Trust (‘EBT’) to purchase shares in order to minimise dilution associated with the share based payments. During the period ended 30 June 2026, the EBT purchased 1,686,637 shares at a cost of £3.0m (H1 25: 1,433,184 shares at a cost of £2.0m). As at 30 June 2026, the EBT held 4,587,767 shares at a value of £6.2m (30 June 2025: 3,790,226 shares at a value of £4.8m). The shares held in the EBT have been classified as Own shares reserve - EBT in the Consolidated Statement of Financial Position.

During the period, the Group made income tax payments on behalf of employees of £1.3m (H1 25: £0.1m) in the form of cash as part of a net settlement process on share based payments. The settlement in cash reduced the future funding requirement to the EBT and has accordingly been classified as a financing activity in the Consolidated Cash Flow Statement.

14. Related Party Transactions

The Group's significant related parties are as disclosed in Note 28 on page 134 of the Group's Annual Report and Accounts 2025. There have been no significant changes to the nature of the Group's related parties during the period.