

15 January 2021

## The Gym Group plc

### Pre-Close Trading Update

The Gym Group plc (“the Company”), the no-contract, nationwide operator of 184 low cost gyms, announces its pre-close trading update for the year ended 31 December 2020

#### Financial Highlights

- Total revenue for 2020 was £80.5 million (2019: £153.1 million) with the Company losing 45% of the trading days in the year due to closure as a result of Government restrictions
- Year-end non-property net debt of £47.3 million (Dec 2019: £47.4 million); cash flow positive during post-lockdown trading periods with £3.8m of deferred rents outstanding at the end of 2020
- Monthly cash burn (before expansionary capex) during the current closure period will be c.£5 million; this is lower than the monthly cash burn of c.£6m in the November lockdown as a result of recently announced Government grant support
- We have significant liquidity available under the Company’s £100 million bank facility. Given the ongoing impact from the latest lockdown and its implications for the operational reopening of our gyms, we have started discussions with our lending banks, who continue to be supportive, to review the future covenant tests relating to this facility

#### Operational Update

- Under Tier 1-3 restrictions the Company had all its gyms open. Following the phased introduction of Tier 4 restrictions in a number of regions in December 2020, the Company was required to close 162 of its 183 gyms. On 4 January 2021 all remaining gyms were required to close as the UK Government announced a nationwide lockdown
- Total year-end membership was 578,000 (Dec 2019: 794,000) with no 2019 students remaining. All membership subscriptions have been frozen during the national lockdown so that members do not pay whilst the gym is closed
- The take-up of LIVE IT – our premium pricing product – remains strong with penetration of 22.5% of total membership (Dec 2019: 18.9%)
- The average headline price for monthly membership as at 31 December 2020 was £18.81 (Dec 2019: £18.45)

#### Future Expansion

- The Company recently completed its 184<sup>th</sup> gym in Chichester, having opened 8 gyms in 2020, and is on-site with a further three sites in York, Sydenham and Cambridge
- The Company continues to see an opportunity to access excellent new sites at attractive rents; we are building a strong pipeline for 2021 and beyond and we will continue to progress new leases during this current period of lockdown. We will determine the timing of the rollout programme once there is greater visibility about a reopening date for gyms.

## Non-Executive Director Appointments

- An announcement regarding Non-Executive Director appointments at the Company was also released today and is available at [www.tggplc.com/investors/rns](http://www.tggplc.com/investors/rns)

### Richard Darwin, CEO of The Gym Group, commented:

“2020 has been a challenging year for our business, our members and our colleagues. Through the outstanding work of our team we provided a COVID-secure exercise environment for our members and demonstrated the resilience of our business model by trading profitably when gyms have been open. Our cash management during the pandemic has ensured we ended 2020 with manageable levels of debt and significant liquidity. At a time when health and fitness has never been more important to the nation, we are ready to emerge from the pandemic and take advantage of the many opportunities available us.”

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