11 March 2026

The Gym Group plc
('The Gym Group', 'the Group' or 'the Company')
2025 Full Year Results

Strong progress, strategic delivery and continuing momentum

Leading low cost gym operator, The Gym Group, announces its full year results for the year ended 31 December 2025.

Key Financial Metrics[1]

	Year ended 31 December 2025	Year ended 31 December 2024	Movement
Revenue (£m)	244.9	226.3	+8%
Group Adjusted EBITDA (£m)	98.9	87.3	+13%
Group Adjusted EBITDA Less Normalised Rent (£m)	56.7	47.7	+19%
Adjusted Profit before Tax (£m)	10.6	3.6	+194%
Statutory Profit before Tax (£m)	7.4	2.5	+196%
Statutory Profit after Tax (£m)	7.4	4.4	+68%
Adjusted Diluted Earnings Per Share (p)	5.3	2.9	+83%
Statutory Diluted Earnings Per Share (p)	4.0	2.4	+67%
Free Cash Flow[2] (£m)	38.3	34.9	+10%
Non-Property Net Debt (£m) (as at year end)	(59.3)	(61.3)	Reduced by £2.0m

Financial Highlights

- Revenue for the year up 8%, with average members up 4% and average revenue per member per month ('ARPMM') up 4%; like-for-like[3] revenue grew 3%
- Group Adjusted EBITDA Less Normalised Rent at £56.7m was 19% ahead of the prior year driven by strong delivery of like-for-like growth and new site performance alongside good cost control
- Strong earnings progression, with Adjusted Diluted Earnings Per Share up 83% year on year
- Strong free cash flow generation, up 10% to £38.3m, funding all 16 new site openings, enhancements to existing sites and continued technology investment, including in new member management and payment capabilities
- Non-Property Net Debt at £59.3m reduced by £2.0m (Dec 2024: £61.3m), resulting in reduced Adjusted Leverage[1] to 1.0x; bank facilities increased to £102m (was £90m) and maturity extended to June 2028

Business and Operational Highlights

- Next Chapter growth plan delivering; sustained pricing opportunity supporting yield growth, plus advantaged, labour-light business model, delivering strong growth in site performance
- Continued momentum in Return on Invested Capital ('ROIC') of Mature Gym Sites[1] at 27% (2024: 25%); ROIC increases to 30% after excluding 13 workforce-dependent gyms[4]
- Continued high levels of member engagement and satisfaction sustained, 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 150bps
- 16 new sites opened in 2025, contributing to Run Rate EBITDA Less Normalised Rent[1] of c.£65m. 37 gyms now trading in the new, enhanced format and performing well with positive member feedback
- Employee engagement score maintained at 9 out of 10, with an 88% completion rate; continue to rank in the top 5%[5] of consumer services businesses for overall engagement

[1] Refer to the 'Definition of Non-Statutory Measures' section for definitions of non-statutory measures used in the table.
[2] Free Cash Flow for FY24 has been restated to reallocate £2.6m of Technology and Data spend from Expansionary Capital Expenditure to Maintenance Capital Expenditure to bring it into line with the presentation of Technology and Data spend in FY25.
[3] Like-for-like revenue vs 2024 includes all sites open as at 31 December 2022.
[4] Sites with a workforce index of more than 120 (workforce population/residential adult population *100), without car parking or a significant student population.
[5] Based on companies included in the Peakon benchmark. Peakon is software developed by Workday that is designed to gather, analyse, and improve employee sentiment.

Current Trading and Outlook

- Trading momentum remained strong in our peak recruitment months of January and February; revenue after two months has grown by 9% year on year; like-for-like revenue up 3%
- Accelerating new site openings programme to take full advantage of the available white space and market growth opportunity; expect to deliver c.75 new sites over the next three years funded from free cashflow, with at least 20 new site openings planned in 2026
- Share buyback programme of up to £10m launched in January 2026, consistent with capital allocation policy; leverage expected to remain below 2.0x
- Group Adjusted EBITDA Less Normalised Rent for FY26 expected to be at the top end of the analysts' forecast range[6]

Will Orr, CEO of The Gym Group, commented:
"This has been another year of strong progress for the Group, exceeding both our own and the market's expectations. Our Next Chapter growth plan is delivering, and we see significant opportunities ahead in a market with structural growth tailwinds. The resulting momentum has produced a strong profit outturn in 2025 and we have made a good start to 2026. Group Adjusted EBITDA Less Normalised Rent for FY26 is expected to be at the top end of the analysts' forecast range and we confirmed plans in January to accelerate our expansion, targeting c.75 new, organically funded sites over the next three years, whilst also returning cash to shareholders. These results are a testament to the hard work of our expert teams, who are committed to delivering for our members and our investors."

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_pyiNcr3PSCWwW9JZIInF5A

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 31 December 2025, we operated 260[7] high quality sites across the UK with over 900,000 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).

Sites opened in 2025 are: London Stratford, Stevenage, London Greenford, Edinburgh Meadowbank, Norwich Sweet Briar, Tunbridge Wells, London Swiss Cottage, London Hendon, Sheffield Heeley, London Camberwell, London White City, Manchester Trafford Retail Park, London Old Kent Road, Midsomer Norton, Bradford Great Horton and London Loughborough Junction.

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[6] Current Company-compiled analysts' forecast range is £59.6m to £60.7m. Consensus forecasts are published on The Gym Group corporate website and may be found at https://www.tggplc.com.
[7] Opened the year with 245 gyms with 16 new openings and 1 closure in the year.

CEO Review

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 build on our progress to date.

The second year of our Next Chapter growth plan has resulted in further strong growth in all of our key financial metrics. Group Adjusted EBITDA Less Normalised Rent increased 19% to £56.7m and Free Cash Flow was up 10% to £38.3m, £33.9m of which we reinvested in expansionary capital expenditure to generate further growth.

Next Chapter Recap
Our Next Chapter growth plan is focused on delivering sustained growth from free cash flow in the highly robust market for health and fitness, within which the high value, low cost gym sector is showing particularly strong growth.

The first strategic priority of this growth plan is always to 'Strengthen the Core' of our existing business, driving like-for-like growth to increase returns from the mature estate and deliver our medium term target of 30% ROIC in our mature sites. 'Strengthen the Core' includes pricing and revenue management, cost-effective member acquisition and improving member retention.

The second part of the plan is to 'Accelerate Rollout of Quality Sites'. From our original target of opening 50 high quality, high returning sites over three years, we have upgraded our expansion plan to c.75 sites over the next three years. We will continue to target a hurdle rate of 30% ROIC and fund this programme from free cash flow.

The third part of the plan is to 'Broaden our Growth', which involves using our surplus cash flow to invest for growth in new channels, new adjacencies and/or new markets. We have now rolled out a partnership with leading corporate wellness platform, Wellhub, after a successful trial, giving us access to an incremental source of demand via major corporate employers. We continue to explore new opportunities to drive future growth.

Improving our Already Winning Format
Health and fitness is increasingly prioritised by Gen Z, who rank this category as first or second priority for their discretionary spend according to our Gen Z Fitness Pulse Report. This cohort formed 44% of our average members in 2025 and, according to our report, 73% of them exercise at least twice a week. Our 24/7, high value, conveniently located gyms meet their needs at an average headline rate in December 2025 for a Standard membership of just £25.64.

As at the end of February 2026, we have 999,000 members, up 8% since last year end. The proportion of members visiting 4+ times per month has increased by 150bps. This remains a core KPI as more members visiting more frequently builds habits and improves retention, leading to revenue growth as well as an increase in the Social Value[8] we create. In 2025, we created £1bn of Social Value, up from £962m in 2024.

Customer satisfaction measures show that our proposition continues to deliver for our members. Our value for money score has been maintained at 7.9 and the Simon-Kucher Price/Value map, which plots the perceived value we provide relative to the price members pay, continues to show that our members value our proposition more highly than the price they pay.

We have made significant progress in driving value perception and will make further strides in 2026 as we open more new sites in our elevated, more premium design format, which is receiving very positive customer feedback. By the end of 2025, 37 gyms were trading in this format which includes the 16 new sites opened in the year as well as a number of existing sites which were retrofitted with key elements of the design funded from our maintenance capital expenditure budget.

Investing in Data and Technology
As well as investing in our gyms, we have stepped up investment in our major technology and data platforms to support our proposition. In 2025, we commenced a programme to replace and upgrade our member management and payment systems. This introduces a new set of market-leading business and member capabilities, accelerating the pace of innovation and creating a step change in operational performance, scalability and efficiency when it comes to delivering tech-enabled strategic initiatives. For example, the new systems will enable us to implement innovations such as a member referral programme and new member retention strategies, and improve payment failure rates.

This is a phased programme over 2025 and 2026, using tested technology, and we expect these developments to support the already strong progress we are seeing from the Next Chapter growth plan.

Strengthening the Core Drives Mature Site ROIC
We delivered a key measure of success for the 'Strengthen the Core' programme in FY24, by achieving our original target of a four-point ROIC improvement in mature sites well ahead of time. Accordingly, we increased our medium term target to 30% ROIC and are on track to deliver this. In FY25, Mature Site ROIC was 27% (30% excluding the 13 workforce-dependent gyms[4]); this compares with 25% in FY24 and 21% in FY23.

Our aim was to deliver like-for-like growth ahead of cost inflation, driving yield whilst maintaining like-for-like volume. Yield improvements are driven by higher headline rates for new members, repricing of the existing member base and more cost-effective promotional activity. Our average headline price for a Standard membership in December 2025 was £25.64, up 4%

[8] The Social Value Model created by Sheffield Hallam University focuses on member participation and the health benefits of regular exercise. It calculates the financial value resulting from reduced GP visits, enhanced life satisfaction, personal development and the growth of social and community connections.

year on year, and we also grew average revenue per member per month ('ARPMM') 4% to £21.60.

The headline price gap with key competitors has remained broadly constant while that gap versus the mid-market has continued to widen, as our advantaged business model has enabled us to mitigate site cost pressures.

Across our revenue management and customer acquisition activity, we deploy comprehensive data analysis and rigorous AB testing. This enables us to optimise the pricing opportunity, whilst minimising the natural volume attrition that arises from competition. The maturing of our off-peak pricing proposition has helped to support member retention and, together with other initiatives around member engagement and rejoiner activity, we have seen further progress in average member tenure in 2025. Like-for-like membership volumes have remained stable year on year.

Accelerating Three Year Rollout from 50 to c.75 Sites

Our Next Chapter growth plan targets an accelerating rollout of high quality sites, delivering 30% ROIC and funded from free cash flow. Our analysis confirms that significant white space opportunity exists within the UK as the gym market continues to grow and our stronger site returns open up more potential locations for The Gym Group.

We opened 16 new gyms in 2025, at the top end of our guidance of 14-16 openings, with a busy opening programme in December, ahead of the January trading peak. The Run Rate EBITDA Less Normalised Rent of all sites open at 31 December 2025 is expected to be c.£65m when all sites reach maturity.

In 2025, we developed and refined the new elevated site format, building on our existing format strengths and establishing a fresh, compelling, contemporary design. This has been applied to all new gyms and a scalable, cost-effective model has been developed for refurbishing the existing estate within our existing maintenance capital expenditure budgets.

Our site design activity operates in tandem with ongoing cost efficiency projects to refine the operating model, optimise energy usage and innovate on build cost management. We are also incorporating smart value engineering, such as utilising the exposed shell of the gym and darker paintwork which requires less frequent maintenance. These enhancements further underpin our confidence that new sites will continue to deliver average ROIC of c.30%, in line with our plan.

As well as enhanced site design, we have continued to refine the approach to launching our new gyms. This is resulting in a more rapid ramping up of member volumes, so that these sites could potentially mature more rapidly than previous openings.

In 2026, we expect to open at least 20 new sites and have confirmed our intention to accelerate our expansion plan to c.75 sites over the coming three years, maintaining our hurdle rate of 30% ROIC. We have a strong site pipeline, and although we expect openings to continue to be back-end weighted, we will aim to smooth the opening schedule as much as possible. We expect a good proportion of new sites will open in the Greater London area, where returns remain very attractive, but also see opportunities nationwide to expand into new trade areas. We are also testing new formats that can work in different types of location, such as a smaller format gym in Hendon; a large 20,000 sq ft 'destination' gym in Norwich; and a smaller catchment location in Midsomer Norton.

Alongside our new sites, we will roll out further the refurbishment of our existing sites, prioritising those sites where data analysis has identified the most headroom opportunity on membership. We will use these refurbishments as an opportunity to 're-market' these locations, maximising the local opportunity.

We expect to have at least 70 sites operating in the new format by the end of 2026 and the programme of expansion and investment will continue to be funded from free cash flow.

Broadening our Growth via New Channel

With headroom on both mature site performance and accelerating site rollout, most of our focus has been in those two parts of the Next Chapter growth plan. We have, however, continued to assess a number of options to broaden our medium term sources of growth.

One area we have begun to develop is new channels, with the aim of reaching incremental sources of customer demand. The Gym Group already has a number of corporate partners, providing high value, low cost gym access to their employees, and is growing this revenue stream. To accelerate this, we piloted a partnership with Wellhub, a B2B2C health and fitness channel accessing more than 1.5 million employees across 400+ UK employers. The pilot initially involved 190 of our gyms and demonstrated clear evidence of incremental demand, so has now been rolled out across the estate.

We will continue to assess opportunities for further growth in new channels, new adjacencies and/or new markets.

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. We have a clear strategy and our Next Chapter growth plan is delivering excellent progress in profitability. We have achieved our targeted returns on mature sites well ahead of our expectations and our new sites are performing strongly. The strong trading performance continues to provide confidence that the Group's business model and strategy is delivering, which has encouraged us to accelerate our three year site opening programme.

There remain multiple further opportunities to drive growth within our mature estate through yield and revenue management, customer acquisition and retention. Together with initiatives to support volume through new channels and targeting headroom opportunity in refurbished sites, this activity should allow us to deliver like-for-like revenue growth that will offset inflationary cost pressures. Our accelerated expansion programme and reinvestment in mature sites, as well as our technology platforms, will continue to be funded from free cash flow.

In light of these strong results and outlook for the Group, the Board determined, in January 2026, that there was surplus financing capacity and therefore authorised a share buyback of up to £10m, to be completed by the year end. This is consistent with our capital allocation policy.

The momentum has continued into 2026, with trading in the first two months of the new financial year continuing to be strong. FY26 Group Adjusted EBITDA Less Normalised Rent is expected to be at the top end of the analysts' forecast range[6]. Further details on the FY26 financial guidance can be found in the Financial Review.

Finally, we would not have delivered these excellent results without the efforts of our fantastic team. I am delighted to work with a group of committed, expert people who have worked hard to deliver a great performance in 2025, and a strong start to 2026.

Financial Review

Presentation of Results

This Financial Review uses a combination of statutory and non-statutory measures to discuss performance in the year. 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 years and provide a clearer link between the Financial Review and the Consolidated Financial Statements, we have adopted a three-column format for presenting the Consolidated Statement of Comprehensive Income 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 Consolidated Statement of Comprehensive Income within their relevant category. Further information about what has been included in non-underlying items can be found in Note 5 to the Consolidated Financial Information.

Summary Financial Information[1]

	Year ended 31 December 2025	Year ended 31 December 2024	Movement
Total Number of Gyms at Year End	260	245	+6%
Total Number of Members at Year End ('000)	923	891	+4%
Revenue (£m)	244.9	226.3	+8%
Group Adjusted EBITDA (£m)	98.9	87.3	+13%
Group Adjusted EBITDA Less Normalised Rent (£m)	56.7	47.7	+19%
Adjusted Profit before Tax (£m)	10.6	3.6	+194%
Statutory Profit before Tax (£m)	7.4	2.5	+196%
Statutory Profit after Tax (£m)	7.4	4.4	+68%
Net Cash Inflow from Operating Activities (£m)	102.3	95.1	+8%
Free Cash Flow[2] (£m)	38.3	34.9	+10%
Non-Property Net Debt (£m) (as at year end)	(59.3)	(61.3)	Reduced by £2.0m
Adjusted Leverage	1.0	1.3	Down by 0.3x
Return on Invested Capital ('ROIC') on Mature Sites	27%	25%	+2 ppts

Results for the Year

	Year ended 31 December 2025			Year ended 31 December 2024		
	Underlying result	Non-underlying items	Total	Underlying result	Non-underlying items	Total
	£m	£m	£m	£m	£m	£m
Revenue	244.9	-	244.9	226.3	-	226.3
Cost of sales	(2.9)	-	(2.9)	(2.9)	-	(2.9)
Gross profit	**242.0**	**-**	**242.0**	**223.4**	**-**	**223.4**
Other income	-	-	-	0.1	-	0.1
Operating expenses (before depreciation, amortisation and impairment)	(148.6)	(2.1)	(150.7)	(139.6)	(0.4)	(140.0)
Depreciation, amortisation and impairment	(62.4)	(0.9)	(63.3)	(60.1)	(0.5)	(60.6)
Operating profit	**31.0**	**(3.0)**	**28.0**	**23.8**	**(0.9)**	**22.9**
Finance costs	(20.9)	(0.2)	(21.1)	(20.7)	(0.2)	(20.9)
Finance income	0.5	-	0.5	0.5	-	0.5
Profit before tax	**10.6**	**(3.2)**	**7.4**	**3.6**	**(1.1)**	**2.5**
Tax (charge)/credit	(0.7)	0.7	-	1.8	0.1	1.9
Profit for the year attributable to equity shareholders	**9.9**	**(2.5)**	**7.4**	**5.4**	**(1.0)**	**4.4**
Earnings per share (p)						
Basic	**5.6**		**4.2**	**3.0**		**2.5**
Diluted	**5.3**		**4.0**	**2.9**		**2.4**

Revenue

Trading in 2025 remained strong, demonstrating the continued resilience of the low cost gym model. Revenue increased by 8% to £244.9m (2024: £226.3m), reflecting 4% higher average membership numbers throughout the year and a 4% increase in yield.

The average membership number in the year was 945,000 compared with 906,000 in the prior year; and we closed the year with 923,000 members which was up 4% on 31 December 2024.

The average headline price of a Standard membership increased to £25.64 in December 2025 compared with £24.53 in December 2024, as a result of higher joining fees and price increases for new members, and selective repricing of the base membership. As a result, average revenue per member per month ('ARPMM') in 2025 was up 4% to £21.60 compared with £20.81 in 2024. The proportion of members taking our premium membership was 29% in December 2025 compared with 30% in December 2024.

Like-for-like revenue (based on all sites open as at 31 December 2022) increased by 3% year on year.

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 in line with the prior year at £2.9m (2024: £2.9m).

Underlying Operating Expenses (before Depreciation, Amortisation and Impairment)
Underlying operating expenses (before depreciation, amortisation and impairment) are made up as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
	£m	£m
Site costs before Normalised Rent	115.4	109.7
Site Normalised Rent	42.0	39.2
Site costs including Normalised Rent	**157.4**	**148.9**
Central Support Office costs	27.7	26.5
Central Support Office Normalised Rent	0.2	0.4
Central Support Office costs including Normalised Rent	**27.9**	**26.9**
Share based payments	5.5	3.4
	190.8	**179.2**
Less: Normalised Rent	(42.2)	(39.6)
Underlying operating expenses (before depreciation, amortisation and impairment)	**148.6**	**139.6**

Site Costs Including Normalised Rent
In 2025, site costs including Normalised Rent increased by 6% to £157.4m (2024: £148.9m). Excluding the impact of new sites opened in FY24 and FY25, site costs increased by 1%.

The fixed costs associated with running the sites (predominantly business rates and service charges) increased by £3.1m year on year reflecting the larger estate and increased Uniform Business Rates ('UBRs'), as well as lower refunds from historic business rates challenges.

Controllable site costs increased by £2.6m year on year, reflecting the larger estate, higher National Living Wage and National Insurance costs (impacting both staff costs and cleaning) and a 44% increase in electricity non-commodity rates in the last quarter. These increases were partially offset by the normalisation of electricity commodity prices and cost optimisation across a number of cost lines, most notably marketing, energy efficiency, and repairs and maintenance.

Site Normalised Rent, which is defined as the contractual rent payable, recognised in the monthly period to which it relates, increased by £2.8m in the year, reflecting the larger estate size and rent reviews in the mature estate.

Central Support Office Costs Including Normalised Rent
Central Support Office costs excluding Normalised Rent increased in the year by £1.2m to £27.7m (2024: £26.5m), reflecting inflationary pay increases and higher fixed costs (building rates and service charges) associated with the new head office. However, Central Normalised Rent decreased to £0.2m (2024: £0.4m) as a result of a rent free period on the new head office.

Share Based Payments
The charge for share based payments (including related employer's national insurance) in the year amounted to £5.5m (2024: £3.4m), reflecting continued strong trading performance and share price growth. In addition, the prior year charge was lower due to delays in granting awards under the 2024 schemes.

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 year, the EBT purchased 1,433,184 shares at a cost of £2.0m (2024: 2,834,928 shares at a cost of £3.5m).

Underlying Depreciation and Amortisation
Underlying depreciation and amortisation charges in the year amounted to £62.4m (2024: £60.1m), made up of £24.4m (2024: £24.6m) on property, plant and equipment, £31.3m (2024: £29.4m) on right-of-use assets, and £6.7m (2024: £6.1m) on intangible assets. The increases year on year reflect the larger estate and the continued investment in technology, partly offset by the impact of the revision of the useful economic life of certain gym and other equipment from 1 January 2025 as noted in the Annual Report and Accounts 2024 (page 132).

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 of the business. Group Adjusted EBITDA Less Normalised Rent is reconciled to Operating Profit as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
	£m	£m
Operating Profit	**28.0**	**22.9**
Non-underlying operating items (see below)	3.0	0.9
Share based payments	5.5	3.4
Underlying depreciation and amortisation	62.4	60.1
Group Adjusted EBITDA	**98.9**	**87.3**
Normalised Rent[9]	(42.2)	(39.6)
Group Adjusted EBITDA Less Normalised Rent	**56.7**	**47.7**

Group Adjusted EBITDA Less Normalised Rent was 19% ahead of the prior year at £56.7m (2024: £47.7m), as the strong trading and increased revenue continued to be supported by tight control of operating costs. This in turn drove a two percentage point increase in the Return on Invested Capital ('ROIC') of mature sites, increasing from 25% in FY24 to 27% in FY25 (30% after excluding 13 workforce-dependent gyms[4]).

Underlying Finance Costs

Underlying finance costs increased in the year by £0.2m to £20.9m (2024: £20.7m). The finance costs associated with our bank borrowings (comprising interest payable and fee amortisation less capitalised interest) decreased by £0.7m to £4.5m (2024: £5.2m), reflecting the lower average net debt throughout the year and lower interest rates. The weighted average interest rate applicable to the Group's bank borrowings during 2025 was 7.1% (2024: 8.2%).

The implied interest relating to the lease liabilities was £16.4m (2024: £15.5m) as the impact of additional property leases due to the increased estate was partially offset by a reduction in non-property leases.

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 Consolidated Statement of Comprehensive Income to allow a more comparable view of underlying trading performance.

	Year ended 31 December 2025	Year ended 31 December 2024
	£m	£m
Affecting operating expenses (before depreciation, amortisation and impairment)		
Costs of major strategic projects and investments	2.1	0.2
Restructuring and reorganisation costs (including site closures)	-	0.2
	2.1	**0.4**
Affecting depreciation, amortisation and impairment		
Impairment of property, plant and equipment, right-of-use assets and intangible assets	0.8	0.4
Amortisation of business combination intangible assets	0.1	0.1
	0.9	**0.5**
Affecting finance costs		
Refinancing costs and remeasurement of borrowings	0.2	0.2
	0.2	**0.2**
Total all non-underlying items before tax	**3.2**	**1.1**
Tax on non-underlying items	(0.7)	(0.1)
Total non-underlying charge in the Consolidated Statement of Comprehensive Income	**2.5**	**1.0**

Non-underlying items affecting operating expenses (before depreciation, amortisation and impairment) increased in the year to £2.1m (2024: £0.4m). The £2.1m reflects the non-capitalisable costs (including £1.1m of employee costs) incurred to date

[9] Normalised Rent is the contractual rent payable, recognised in the monthly period to which it relates.

on the implementation of the 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 costs affecting depreciation, amortisation and impairment in the year amounted to £0.9m (2024: £0.5m), of which £0.8m (2024: £0.4m) relates to the partial impairment of four sites (2024: one site). The remaining £0.1m (2024: £0.1m) relates to the amortisation of business combination intangibles acquired as part of the Lifestyle, easyGym and Fitness First acquisitions.

Non-underlying items affecting finance costs amounted to £0.2m (2024: £0.2m) and relates to the remeasurement of the Revolving Credit Facility ('RCF') and Term Loan as a result of the amendment and extension of the Group's banking facilities.

Taxation

The tax charge for the year was £nil (2024: credit of £1.9m). Net deferred tax assets recognised at 31 December 2025 amounted to £18.2m (31 December 2024: £18.2m). Deferred tax assets are recognised in respect of those 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 or not there will be sufficient taxable profits available to offset the assets.

A deferred tax asset of £13.6m (2024: £12.1m) has been recognised in respect of trading losses. The trading losses were incurred as a result of the Covid-19 pandemic and the subsequent cost-of-living crisis, together with the introduction in March 2021 of the temporary enhanced capital allowances regime (the 'super-deduction tax break').

Losses for which no deferred tax asset has been recognised amount to £5.2m (2024: £16.1m), resulting in an unrecognised deferred tax asset of £1.3m (2024: £4.0m) using a 25% tax rate. There is no time limit for utilising trade losses in the UK. We expect the deferred tax assets to start to unwind in 2026.

Earnings

As a result of the factors discussed above, the statutory profit before tax was £7.4m (2024: £2.5m) and the statutory profit after tax was £7.4m (2024: £4.4m).

Adjusted profit before tax is calculated by taking the statutory profit before tax and adding back the non-underlying items. Adjusted profit before tax in 2025 was £10.6m (2024: £3.6m). Adjusted profit after tax was £9.9m (2024: £5.4m).

The basic and diluted earnings per share was 4.2p and 4.0p respectively (2024: 2.5p and 2.4p), and the adjusted basic and diluted earnings per share was 5.6p and 5.3p respectively (2024: 3.0p and 2.9p).

Cash Flow

	Year ended 31 December 2025	Year ended 31 December 2024[2]
	£m	£m
Group Adjusted EBITDA Less Normalised Rent	**56.7**	**47.7**
Movement in working capital	5.3	8.7
Maintenance capital expenditure	(17.3)	(14.8)
Free cash flow before non-underlying items, interest and tax	**44.7**	**41.6**
Non-underlying items	(1.8)	(0.9)
Net interest paid	(4.6)	(5.8)
Taxation	-	-
Free cash flow[10]	**38.3**	**34.9**
Expansionary capital expenditure	(33.9)	(25.2)
Refinancing fees	(0.3)	(0.8)
Purchase of own shares by EBT	(2.0)	(3.5)
Net cost of share schemes settlement	(0.1)	(0.3)
Cash flow before movement in debt	**2.0**	**5.1**
Net decrease in non-property lease indebtedness	(3.0)	(5.6)
Net drawdown of borrowings	1.0	2.0
Net cash flow	**-**	**1.5**

Free cash flow generated in the year was £38.3m (2024: £34.9m). The increase year on year is due to the strong trading performance which resulted in £9.0m additional EBITDA Less Normalised Rent. This was partly offset by a return to more normal levels of working capital inflow. Maintenance capital expenditure also increased in the year by £2.5m to £17.3m, reflecting the larger estate as well as expenditure on kit enhancements and refurbishments in a number of gyms.

[10] A reconciliation of Net Cash Inflow from Operating Activities to Free Cash Flow has been included in Note 12 to the Consolidated Financial Information.

Expansionary capital expenditure in the year amounted to £33.9m (2024: £25.2m) and relates to the fit-out of the 16 new gyms we opened as well as continued investment in technology and data, including the new member management and payment capabilities which are expected to go live in 2026.

Balance Sheet and Net Debt

	At 31 December 2025	At 31 December 2024
	£m	£m
Non-current assets	602.4	573.1
Current assets	13.5	12.5
Current liabilities	(88.9)	(77.6)
Net current liabilities	(75.4)	(65.1)
Non-current liabilities	(385.3)	(376.4)
Net assets	**141.7**	**131.6**
Net debt	**(59.3)**	**(61.3)**

At 31 December 2025, non-current assets increased by £29.3m as a result of higher property, plant and equipment and right-of-use assets predominantly due to the new gyms. Intangible assets also increased as a result of the investments made to date in the new member management and payment capabilities.

Net current liabilities at 31 December 2025 increased by £10.3m, reflecting higher capital expenditure payables at year end due to opening seven gyms in December.

Non-current liabilities increased by £8.9m, as the recognition of lease liabilities in relation to new sites more than offset payments made in relation to existing leases.

As at 31 December 2025, the Group had Non-Property Net Debt of £59.3m (31 December 2024: £61.3m) comprising drawn facilities of £62.0m and non-property leases of £0.3m, less cash of £3.0m. 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 31 December 2025, Adjusted Leverage was 1.0 times (December 2024: 1.3 times), significantly below the banking covenant threshold of 3.0 times; and Fixed Charge Cover was 2.1 times (December 2024: 1.9 times).

Banking Facilities

On 12 June 2025, the Group agreed a one year extension to the existing bank facilities as well as an increase in the available RCF facility of £12m. As a result, the Group now has in place a combined £102m facility, consisting of £45m of Term Loan and £57m of RCF, which is due to mature in June 2028.

Funds borrowed under the facility 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 in the 'Definition of Non-Statutory Measures' section). 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 cash flow 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 a 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. The programme is expected to be completed by the end of 2026 and will allow for sustained purchasing over a number of months, with execution guided by a disciplined, strategic framework in order to maximise returns.

Going Concern

The Board has reviewed the financial plan and downside scenarios of the Group and has a reasonable expectation that the Group has adequate resources to continue in operational existence for the period to 30 June 2027. As a result, the Directors continue to adopt the going concern basis in preparing the Consolidated 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 Consolidated Financial Information.

Current Trading and Outlook

Trading in the first two months of the new financial year has remained strong. Revenue after two months has grown by 9% year on year, reflecting a 4% increase in average members and a 5% increase in ARPMM. Like-for-like revenue for the two months was up 3%, driven largely by price increases implemented in 2025 and early 2026. Membership at the end of February 2026 was 999,000, up 8% versus the end of 2025.

In 2026, we expect to incur £60-65m in capital expenditure to fund the opening of at least 20 new sites as well as the continued refurbishment of our mature estate, with all costs continuing to be financed from free cash flow. The investment in the member management and payment capabilities will also continue in 2026. We have also confirmed our intention to accelerate our expansion plan to c.75 sites over the coming three years, maintaining our hurdle rate of 30% ROIC.

We expect like-for-like revenue in 2026 to increase by c.3% and like-for-like site costs to increase by 3-4%, whilst Central Support Office costs as a % of revenue are expected to fall below 11%. The like-for-like site cost increases reflect the annualisation of higher employment costs and the increased Uniform Business Rates ('UBRs') and electricity non-commodity rates in the second half of 2025. As a result, we expect cost inflation in the first half of 2026 to be higher than in the second half. FY26 Group Adjusted EBITDA Less Normalised Rent is expected to be at the top end of the analysts' forecast range[6].

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 Consolidated Financial Information section.
- *Run Rate EBITDA Less Normalised Rent* - Group Adjusted EBITDA Less Normalised Rent adjusted to include projected mature performance of gyms less than two years old at the end of the period.
- *Adjusted Profit Before Tax* – profit before tax before non-underlying items.
- *Adjusted Earnings* – profit for the year before non-underlying items and the related tax.
- *Basic/Diluted Adjusted 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 12 to the Consolidated Financial Information.
- *Non-Property Net Debt* – bank and non-property lease debt less cash and cash equivalents. See Note 10 to the Consolidated Financial Information for the breakdown.
- *Mature Gym Site EBITDA Less Normalised Rent* – Group Adjusted EBITDA Less Normalised Rent contributed by mature sites. Mature sites are defined as those sites that have been open for 24 months or more at the year end and exclude acquisition sites.
- *Return on Invested Capital ('ROIC') of Mature Gym Sites* – Mature Gym Site EBITDA Less Normalised Rent divided by total capital initially invested in the mature sites (after capital contributions and rent free amounts).
- *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 Finance Income plus Normalised Rent.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

		Year ended 31 December 2025			Year ended 31 December 2024		
		Underlying	Non-underlying (Note 5)	Total	Underlying	Non-underlying (Note 5)	Total
	Note	£m	£m	£m	£m	£m	£m
Revenue	4	244.9	-	244.9	226.3	-	226.3
Cost of sales		(2.9)	-	(2.9)	(2.9)	-	(2.9)
Gross profit		**242.0**	**-**	**242.0**	**223.4**	**-**	**223.4**
Other income		-	-	-	0.1	-	0.1
Operating expenses (before depreciation, amortisation and impairment)		(148.6)	(2.1)	(150.7)	(139.6)	(0.4)	(140.0)
Depreciation, amortisation and impairment		(62.4)	(0.9)	(63.3)	(60.1)	(0.5)	(60.6)
Operating profit		**31.0**	**(3.0)**	**28.0**	**23.8**	**(0.9)**	**22.9**
Finance costs		(20.9)	(0.2)	(21.1)	(20.7)	(0.2)	(20.9)
Finance income		0.5	-	0.5	0.5	-	0.5
Profit before tax		**10.6**	**(3.2)**	**7.4**	**3.6**	**(1.1)**	**2.5**
Tax (charge)/credit	6	(0.7)	0.7	-	1.8	0.1	1.9
Profit for the year attributable to equity shareholders		**9.9**	**(2.5)**	**7.4**	**5.4**	**(1.0)**	**4.4**
Other comprehensive income for the year		-	-	-	-	-	-
Total comprehensive income attributable to equity shareholders		**9.9**	**(2.5)**	**7.4**	**5.4**	**(1.0)**	**4.4**
Earnings per share (p)	7						
Basic				**4.2**			**2.5**
Diluted				**4.0**			**2.4**

Reconciliation of Operating Profit to Group Adjusted EBITDA Less Normalised Rent[1]

			Year ended 31 December 2025	Year ended 31 December 2024
		Note	£m	£m
Operating Profit			**28.0**	**22.9**
Add back:	Non-underlying operating items	5	3.0	0.9
	Share based payments (included in Operating expenses)	14	5.5	3.4
	Underlying depreciation and amortisation		62.4	60.1
Group Adjusted EBITDA			**98.9**	**87.3**
Less:	Normalised Rent[2]		(42.2)	(39.6)
Group Adjusted EBITDA Less Normalised Rent[1]			**56.7**	**47.7**

1 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.

2 Normalised Rent is the contractual rent payable, recognised in the monthly period to which it relates.

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	31 December 2025 £m	31 December 2024 £m
Non-current assets			
Intangible assets		13.9	10.4
Goodwill		81.8	81.8
Property, plant and equipment	8	202.8	181.2
Right-of-use assets	9	284.7	280.5
Investments in financial assets		1.0	1.0
Deferred tax assets	6	18.2	18.2
Total non-current assets		**602.4**	**573.1**
Current assets			
Inventories		0.6	0.7
Trade and other receivables		9.9	8.8
Cash and cash equivalents		3.0	3.0
Total current assets		**13.5**	**12.5**
Total assets		**615.9**	**585.6**
Current liabilities			
Trade and other payables		61.8	49.5
Lease liabilities	9	26.7	27.6
Dilapidations provision		0.4	0.5
Total current liabilities		**88.9**	**77.6**
Non-current liabilities			
Borrowings	10	62.2	61.3
Lease liabilities	9	320.8	312.9
Dilapidations provision		2.3	2.2
Total non-current liabilities		**385.3**	**376.4**
Total liabilities		**474.2**	**454.0**
Net assets		**141.7**	**131.6**
Capital and reserves			
Own shares held		0.1	0.1
Share premium		190.1	189.9
Own shares reserve - EBT		(4.6)	(3.0)
Merger reserve		39.9	39.9
Retained deficit		(83.8)	(95.3)
Total equity shareholders' funds		**141.7**	**131.6**

Consolidated Statement of Changes in Equity

For the year ended 31 December 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 2024		**0.1**	**189.8**	**-**	**39.9**	**(101.8)**	**128.0**
Profit for the year		-	-	-	-	4.4	**4.4**
Other comprehensive income for the year		-	-	-	-	-	**-**
Profit for the year and total comprehensive income		**-**	**-**	**-**	**-**	**4.4**	**4.4**
Share based payments	14	-	-	-	-	2.9	**2.9**
Issue of Ordinary share capital		-	0.1	-	-	-	**0.1**
Purchase of own shares by EBT		-	-	(3.5)	-	-	**(3.5)**
Exercise of share options		-	-	0.5	-	(0.8)	**(0.3)**
At 31 December 2024		**0.1**	**189.9**	**(3.0)**	**39.9**	**(95.3)**	**131.6**
Profit for the year		-	-	-	-	7.4	**7.4**
Other comprehensive income for the year		-	-	-	-	-	**-**
Profit for the year and total comprehensive income		**-**	**-**	**-**	**-**	**7.4**	**7.4**
Share based payments	14	-	-	-	-	4.7	**4.7**
Issue of Ordinary share capital		-	0.2	-	-	-	**0.2**
Purchase of own shares by EBT		-	-	(2.0)	-	-	**(2.0)**
Exercise of share options		-	-	0.4	-	(0.6)	**(0.2)**
At 31 December 2025		**0.1**	**190.1**	**(4.6)**	**39.9**	**(83.8)**	**141.7**

Consolidated Cash Flow Statement

For the year ended 31 December 2025

	Note	Year ended 31 December 2025 £m	Year ended 31 December 2024 £m
Cash flows from operating activities			
Profit before tax		7.4	2.5
Adjustments for:			
Finance costs		21.1	20.9
Finance income		(0.5)	(0.5)
Non-underlying operating items		3.0	0.9
Underlying depreciation and amortisation		62.4	60.1
Share based payments and associated NICs	14	5.5	3.4
Decrease in inventories		0.1	-
(Increase)/decrease in trade and other receivables		(0.5)	2.3
Increase in trade and other payables		5.7	6.1
(Decrease)/increase in provisions		(0.1)	0.3
Cash generated from operations		**104.1**	**96.0**
Tax (paid)/received		-	-
Net cash inflow from operating activities before non-underlying items		**104.1**	**96.0**
Non-underlying operating items	5	(1.8)	(0.9)
Net cash inflow from operating activities	12	**102.3**	**95.1**
Cash flows from investing activities			
Purchase of property, plant and equipment		(41.1)	(33.0)
Purchase of intangible assets		(10.1)	(7.0)
Bank interest received		0.5	0.5
Net cash outflow used in investing activities		**(50.7)**	**(39.5)**
Cash flows from financing activities			
Repayment of lease liability principal		(28.9)	(30.2)
Lease interest paid		(16.4)	(15.5)
Bank interest paid		(4.9)	(5.8)
Repayments of bank loans		(7.0)	(3.0)
Drawdown of bank loans		8.0	5.0
Payment of financing fees		(0.3)	(0.8)
Purchase of own shares by EBT	14	(2.0)	(3.5)
Settlement of share based payments through EBT	14	(0.3)	(0.4)
Proceeds from issue of Ordinary shares		0.2	0.1
Net cash outflow from financing activities		**(51.6)**	**(54.1)**
Net increase in cash and cash equivalents		**-**	**1.5**
Cash and cash equivalents at the start of the year		3.0	1.5
Cash and cash equivalents at the end of the year		**3.0**	**3.0**

Notes to the Consolidated Financial Information

1. General Information

The Gym Group plc ('the Company') and its subsidiaries ('the Group') operate 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, London, SW11 1QN, United Kingdom.

The financial information set out in this report does not constitute statutory accounts for the years ended 31 December 2025 or 2024 within the meaning of sections 435(1) and (2) of the Companies Act 2006, nor does it contain sufficient information to comply with the disclosure requirements of International Financial Reporting Standards.

An unqualified report on the consolidated financial statements for the year ended 2024 was given by the Group's auditor, Ernst & Young LLP. Ernst & Young LLP was appointed as auditor on 28 July 2015 and, by law, the external audit must be put to tender at least every ten years. As a result, a formal and competitive tender process was conducted towards the end of 2024 at the conclusion of which, the Board approved the appointment of Grant Thornton UK LLP as the Group's external auditor for the financial year ending 31 December 2025. An unqualified report on the consolidated financial statements for the year ended 2025 was given by the Group's auditor, Grant Thornton UK LLP. Each year's report did not include a modified opinion and did not contain any statement under section 498(2) or (3) of the Companies Act 2006.

The consolidated financial statements for the year ended 31 December 2024 have been filed with the Registrar of Companies, and those for 2025 will be delivered in due course subject to their approval by the Company's shareholders at the Company's Annual General Meeting on 7 May 2026.

2. Basis of Preparation

The financial statements have been prepared in accordance with the Listing Rules and the Disclosure Guidance and Transparency Rules of the United Kingdom Financial Conduct Authority (where applicable) and United Kingdom adopted international accounting standards. The accounting policies applied are consistent with those described in the Annual Report and Accounts of the Group for the year ended 31 December 2024. The functional currency of each entity in the Group is pound sterling. The consolidated financial statements are presented in pound sterling and all values are rounded to the nearest one hundred thousand pounds, except where otherwise indicated.

The consolidated 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.

The consolidated financial statements provide comparative information in respect of the previous period.

Going Concern
In assessing the going concern position of the Group for the year ended 31 December 2025, the Directors have considered the following:

- the Group's trading performance in 2025 and throughout the traditional January and February 2026 peak period;
- the future expected trading performance of the Group to 30 June 2027 (the going concern period), including membership levels and behaviours in light of the continued difficult macroeconomic environment; and
- the Group's financing arrangements and relationship with its lenders and shareholders.

Trading in 2025 was strong, with membership at the end of December 2025 reaching 923,000, an increase of 4% from the end of December 2024. Average revenue per member per month ('ARPMM') for the year was £21.60, up 4% from £20.81 in the prior year. As a result, revenue increased by 8% to £244.9m (2024: £226.3m), and Group Adjusted EBITDA Less Normalised Rent at £56.7m was 19% better than in 2024.

The Group also reported strong cash generation in the year, with Free Cash Flow of £38.3m (see Note 12 to the Consolidated Financial Information for a reconciliation to Net Cash Inflow from Operating Activities) being generated and used to fund 16 new site openings and major refurbishments and enhancements to the mature sites, as well as significant investment in technology.

On 12 June 2025, the Group agreed a one year extension to the existing bank facilities as well as an increase in the available RCF facility of £12m. As a result, the Group now has in place a combined £102m facility, consisting of £45m of Term Loan and £57m of RCF, which is due to mature in June 2028. Drawings under the facility continue to be subject to quarterly financial covenant tests on Adjusted Leverage (Non-Property Net Debt divided by Group Adjusted EBITDA Less Normalised Rent must not exceed 3.0 times) and Fixed Charge Cover (Adjusted EBITDAR to Net Finance Charges plus Normalised Rent must be greater than 1.5 times).

As at 31 December 2025, the Group had Non-Property Net Debt (including non-property leases) of £59.3m, consisting of £62.0m drawn debt under the RCF, £0.3m of non-property leases and £3.0m of cash. 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 as noted above. Headroom under the bank facilities at 31 December 2025 (drawn debt less cash) was £43.0m. Adjusted Leverage was 1.0 times and Fixed Charge Cover was 2.1 times.

Following the January and February 2026 peak trading period, closing membership at 28 February 2026 was 999,000, an increase of 8% on the position at 31 December 2025, demonstrating that the low cost gym model remains resilient and spend on gym membership continues to be prioritised.

Despite the continued strong trading performance, the Directors have continued to take a cautious approach to planning. The base case forecast for the period to 30 June 2027 anticipates some growth in yields across the whole estate as a result of pricing optimisation actions identified as part of the Next Chapter growth plan. Modest increases in membership levels are driven largely by the sites opened in 2024 and 2025, 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 plan 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 4%. 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 and share based payment funding 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.

The Directors have also considered a reverse stress test scenario to ascertain the extent of the downturn in trading that would be required to breach the Group's banking covenants or liquidity requirements. Mitigating actions assumed in this scenario include moving to a minimum level of maintenance and technology capital expenditure; further reducing controllable operating costs and marketing expenditure; and pausing the new site opening programme in order to preserve cash. In this scenario, membership numbers would need to decline steadily from April 2026 to June 2027 to the point where closing membership at 30 June 2027 was 27% lower than the base case. Under this scenario, the Fixed Charge Cover covenant would be breached in June 2027. The Group would, however, continue to operate within its current level of debt capacity and the Adjusted Leverage ratio would not be breached.

In the event of a reverse stress test scenario, the Directors would introduce additional measures to mitigate the impact on the Group's covenants and liquidity, including: (i) even greater reductions in controllable operating costs, marketing and capital expenditure; (ii) discussions with lenders to secure a covenant waiver; and (iii) deferral of, or reductions in, rent payments to landlords. The Directors consider the reverse stress test scenario to be highly unlikely.

Conclusion

The Board has reviewed the financial plan and downside scenarios of the Group and has a reasonable expectation that the Group has adequate resources to continue in operational existence for the period to 30 June 2027. As a result, the Directors continue to adopt the going concern basis in preparing the consolidated 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 support received to date from our lenders and shareholders; and the mitigating actions that can be deployed in the event of reasonable downside scenarios.

3. New and Amended IFRS Standards

New and Amended IFRS Standards that are Effective for the Current Year
There were no new standards or amendments to standards in the year that had a material impact on the Group's consolidated financial statements for the year ended 31 December 2025.

New and Revised IFRS Standards that are In Issue but not yet Effective

Standard	Effective for periods beginning on or after
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

It is not expected that the adoption of the above new and amended standards will have a material impact on the financial statements of the Group in future periods, with the exception of IFRS 18.

IFRS 18 – Presentation and Disclosure in Financial Statements
IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss;
- provide disclosures on management-defined performance measures (‘MPMs’) in the notes to the financial statements; and
- improve aggregation and disaggregation.

The Group is required to apply IFRS 18 for its financial year beginning on 1 January 2027 and the amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, will become effective at the same time. IFRS 18 requires retrospective application with specific transition provisions.

The Directors are still assessing the impact of the application of these amendments on the presentation of the Group’s consolidated financial statements. Some of the possible impacts have been disclosed below.

IFRS 18 introduces five defined categories in the statement of profit and loss (Operating, Investing, Financing, Income Taxes and Discontinued Operations). It is expected that finance income will move into the ‘Investing’ category. A new subtotal of ‘Profit before financing and tax’ will be introduced, which will include the finance income amount.

IFRS 18 also requires the disclosure of all MPMs within a single note to the financial statements. Some of the current alternative performance measures may constitute MPMs under IFRS 18 and would therefore fall into the scope of these requirements.

4. 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.

	Year ended 31 December 2025	Year ended 31 December 2024
	£m	£m
Major products/service lines		
Membership income	232.6	214.9
Rental income from personal trainers	8.6	8.2
Ancillary income	3.7	3.2
	244.9	**226.3**
Timing of revenue recognition		
Products transferred at a point in time	4.3	3.7
Products and services transferred over time	240.6	222.6
	244.9	**226.3**

Contract liabilities at 31 December 2025 amounted to £17.6m (2024: £15.8m).

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 increases as the Group's membership numbers increase. The Group does not receive any consideration greater than 12 months in advance from members. Hence the total contract liability as at 31 December 2024 of £15.8m has been recognised as revenue during the year ended 31 December 2025.

5. Non-Underlying Items

	Year ended 31 December 2025	Year ended 31 December 2024
	£m	£m
Affecting operating expenses (before depreciation, amortisation and impairment)		
Costs of major strategic projects and investments	2.1	0.2
Restructuring and reorganisation costs (including site closures)	-	0.2
Total affecting operating expenses (before depreciation, amortisation and impairment)	**2.1**	**0.4**
Affecting depreciation, amortisation and impairment		
Impairment of property, plant and equipment, right-of-use assets and intangible assets	0.8	0.4
Amortisation of business combination intangible assets	0.1	0.1
Total affecting depreciation, amortisation and impairment	**0.9**	**0.5**
Total affecting operating expenses	**3.0**	**0.9**
Affecting finance costs		
Refinancing costs and remeasurement of borrowings	0.2	0.2
Total affecting finance costs	**0.2**	**0.2**
Total all non-underlying items before tax	**3.2**	**1.1**
Tax on non-underlying items	(0.7)	(0.1)
Total non-underlying charge in the Consolidated Statement of Comprehensive Income	**2.5**	**1.0**

Non-underlying items affecting operating expenses (before depreciation, amortisation and impairment) increased in the year to £2.1m (2024: £0.4). The £2.1m reflects the non-capitalisable costs (including £1.1m of employee costs) incurred to date on the implementation of the 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 costs affecting depreciation, amortisation and impairment in the year amounted to £0.9m (2024: £0.5m), of which £0.8m (2024: £0.4m) relates to the partial impairment of four sites (2024: one site). The remaining £0.1m (2024: £0.1m) relates to the amortisation of business combination intangibles acquired as part of the Lifestyle, easyGym and Fitness First acquisitions.

Non-underlying items affecting finance costs amounted to £0.2m (2024: £0.2m) and relates to the remeasurement of the RCF and Term Loan as a result of the amendment and extension of the Group's banking facilities.

Tax on non-underlying items represents the tax charge or credit arising on the Group's non-underlying items calculated at the current tax rate.

Reconciliation of Non-Underlying Operating Items to Cash Flow

	Year ended 31 December 2025	Year ended 31 December 2024
	£m	£m
Non-underlying items affecting operating expenses	**3.0**	**0.9**
Less: Non-underlying items affecting depreciation, amortisation and impairment	(0.9)	(0.5)
Add: Opening accruals	-	0.5
Less: Closing accruals	(0.3)	-
Cash outflow from non-underlying operating items	**1.8**	**0.9**

6. Taxation

The tax charge in the Consolidated Statement of Comprehensive Income is broken down as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
	£m	£m
Current income tax		
Current tax on profits for the year	-	-
Total current income tax	**-**	**-**
Deferred tax		
Origination and reversal of temporary differences	-	1.9
Total deferred tax	**-**	**1.9**
Tax (charge)/credit	**-**	**1.9**

Deferred tax assets are recognised in respect of those 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 or not there will be sufficient taxable profits available to offset the assets.

In assessing the probability of recovery, the Directors reviewed the Group's three year plan that underpinned the going concern and viability assessment, and the goodwill and property, plant and equipment impairment testing. However, the cash flows, particularly in the outer years, were then risk-adjusted to reflect the uncertainty inherent to the future.

Under the Base Case assumptions, forecast taxable profits over the planning period would support the recognition of a deferred tax asset of £19.5m. However, forecast profits in the later years of the plan are inherently subject to greater estimation uncertainty, particularly in respect of mature membership levels, pricing and membership growth, margin performance and the pace of new site openings. In light of this uncertainty, the Directors have exercised judgement in limiting the recognised balance to £18.2m, being the amount considered probable of recovery based on the weight of available evidence at the reporting date. The Directors have also considered reasonably possible downside assumptions as part of their broader forecasting and viability assessment process. Under those assumptions, the recoverable amount within the three year plan period would reduce by approximately £1.7m. This sensitivity reflects reasonably possible changes in key assumptions at the reporting date. Any future reduction in the deferred tax asset is expected to arise primarily through the normal utilisation of tax losses against taxable profits rather than from a reassessment of recoverability. The Directors therefore believe that there is convincing evidence to support the recognition of deferred tax assets of £18.2m (2024: £18.2m) in the Group's balance sheet at 31 December 2025, which are forecast to be recovered within three years.

A deferred tax asset of £13.6m (2024: £12.1m) has been recognised in respect of trading losses. The trading losses were incurred as a result of the Covid-19 pandemic and the subsequent cost-of-living crisis, together with the introduction in March 2021 of the temporary enhanced capital allowances regime (the 'super-deduction tax break'). Losses for which no deferred

tax asset has been recognised amount to £5.2m (2024: £16.1m), resulting in an unrecognised deferred tax asset of £1.3m (2024: £4.0m) using a 25% tax rate. There is no time limit for utilising trade losses in the UK.

A deferred tax asset of £1.4m (2024: £3.1m) has arisen on accelerated capital allowances, whereby the tax written-down value is higher than the net book value. No deferred tax asset has arisen on intangible assets (2024: £nil). Other deferred tax assets of £3.2m (2024: £3.0m) include temporary differences on the accounting for the various share schemes and an IFRS 16 adoption adjustment.

The deferred tax assets and liabilities have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

There are no material uncertain tax provisions at 31 December 2025 (2024: £nil). However, judgement has necessarily been applied in estimating the impact and timing of utilisation of capital allowances and tax losses which could give rise to prior period adjustments in future years.

7. 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 year, 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 year ended 31 December 2025, 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.

	Year ended 31 December 2025	Year ended 31 December 2024
Profit (£m)		
Profit for the year attributable to equity shareholders	**7.4**	**4.4**
Adjustment for non-underlying items	2.5	1.0
Adjusted profit for the year attributable to equity shareholders	**9.9**	**5.4**
Weighted average number of Ordinary shares for basic earnings per share	**176,039,282**	**177,153,298**
Effect of dilution from share options	10,045,438	7,503,376
Weighted average number of Ordinary shares adjusted for the effect of dilution	**186,084,720**	**184,656,674**
Earnings per share (p)		
Basic earnings per share	**4.2**	**2.5**
Diluted earnings per share	**4.0**	**2.4**
Adjusted basic earnings per share	**5.6**	**3.0**
Adjusted diluted earnings per share	**5.3**	**2.9**

The weighted average number of Ordinary shares excludes the shares that are held by the EBT (see Note 14) as these are classified as Own shares reserve - EBT.

8. Property, Plant and Equipment

	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 2024	1.8	251.2	11.9	94.3	6.3	365.5
Additions	0.9	23.4	0.3	9.0	1.5	35.1
Disposals	(0.2)	(1.8)	(0.1)	(11.7)	-	(13.8)
Transfers	(1.6)	0.7	-	0.6	-	(0.3)
At 31 December 2024	**0.9**	**273.5**	**12.1**	**92.2**	**7.8**	**386.5**
Additions	1.1	32.9	0.6	10.6	1.0	46.2
Disposals	-	(3.2)	(0.5)	(3.8)	(1.0)	(8.5)
Transfers	(0.8)	0.8	-	-	-	-
At 31 December 2025	**1.2**	**304.0**	**12.2**	**99.0**	**7.8**	**424.2**
Accumulated depreciation						
At 1 January 2024	**-**	**(111.4)**	**(10.1)**	**(67.5)**	**(4.8)**	**(193.8)**
Charge for the year	**-**	(16.5)	(0.4)	(6.7)	(1.0)	(24.6)
Disposals	**-**	1.6	0.1	11.7	-	13.4
Transfers	**-**	-	-	0.1	-	0.1
Impairment	**-**	(0.4)	-	-	-	(0.4)
At 31 December 2024	**-**	**(126.7)**	**(10.4)**	**(62.4)**	**(5.8)**	**(205.3)**
Charge for the year	**-**	(17.4)	(0.4)	(5.5)	(1.1)	(24.4)
Disposals	**-**	3.2	0.5	3.8	1.0	8.5
Impairment	**-**	(0.2)	-	-	-	(0.2)
At 31 December 2025	**-**	**(141.1)**	**(10.3)**	**(64.1)**	**(5.9)**	**(221.4)**
Net book value						
At 31 December 2024	**0.9**	**146.8**	**1.7**	**29.8**	**2.0**	**181.2**
At 31 December 2025	**1.2**	**162.9**	**1.9**	**34.9**	**1.9**	**202.8**

Included within additions for the year is £0.4m of capitalised interest (2024: £0.4m) and a net movement of £4.7m of accrued capital expenditure (2024: £5.5m).

The Group had £3.0m of commitments that were contracted but not provided as at 31 December 2025 relating to contracts for the fit-out of new gyms where works have not yet commenced (2024: £5.9m).

9. 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:

	Property leases	Non-property leases	Total
	£m	£m	£m
Cost			
At 1 January 2024	434.3	18.3	452.6
Additions	32.0	0.2	32.2
Disposals	(2.5)	(0.1)	(2.6)
At 31 December 2024	**463.8**	**18.4**	**482.2**
Additions	36.8	-	36.8
Disposals	(6.2)	-	(6.2)
At 31 December 2025	**494.4**	**18.4**	**512.8**
Accumulated depreciation			
At 1 January 2024	(170.4)	(4.1)	(174.5)
Charge for the year	(27.0)	(2.4)	(29.4)
Disposals	2.3	-	2.3
Transfers	-	(0.1)	(0.1)
At 31 December 2024	**(195.1)**	**(6.6)**	**(201.7)**
Charge for the year	(28.9)	(2.4)	(31.3)
Disposals	5.5	-	5.5
Impairment	(0.6)	-	(0.6)
At 31 December 2025	**(219.1)**	**(9.0)**	**(228.1)**
Net book value			
At 31 December 2024	268.7	11.8	280.5
At 31 December 2025	**275.3**	**9.4**	**284.7**

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

	31 December 2025	31 December 2024
	£m	£m
Current	26.7	27.6
Non-current	320.8	312.9
Total lease liabilities	**347.5**	**340.5**

10. Borrowings and Non-Property Net Debt

The carrying value of the Group's bank borrowings at 31 December 2025 was £62.2m (2024: £61.3m) and the fair value was £62.0m (2024: £61.0m).

During the first half of 2025, the Group had in place a combined £90m Revolving Credit Facility ('RCF') which was syndicated to a three-lender panel of NatWest, HSBC and Barclays. The facility was due to mature in June 2027.

On 12 June 2025, the Group agreed a one year extension to the existing bank facilities, as well as an increase in the available RCF facility of £12m. As a result, the Group now has in place a combined £102m facility, consisting of £45m of Term Loan and £57m of RCF, which is due to mature in June 2028. All other terms remain unchanged.

Funds borrowed under the facility bear interest at a minimum annual rate of 2.75% (2024: 2.75%) above the Sterling Overnight Index Average ('SONIA'); and undrawn funds bear interest at a minimum annual rate of 1.1% (2024: 1.1%). The average interest rate paid in the year on drawn funds was 7.1% (2024: 8.2%).

The facility is subject to quarterly financial covenant tests on Adjusted Leverage and Fixed Charge Cover (both terms defined in the 'Definition of Non-Statutory Measures' section). Adjusted Leverage must not exceed 3.0 times and the Fixed Charge Cover must be greater than 1.5 times.

At 31 December 2025, the Group had drawn down £17.0m under the RCF (2024: £16.0m) and £45.0m under the Term Loan (2024: £45.0m), leaving £40.0m (2024: £29.0m) undrawn and available. The £62.0m is repayable in June 2028. Adjusted Leverage was 1.0 times (2024: 1.3 times) and Fixed Charge Cover was 2.1 times (2024: 1.9 times).

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.

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

	31 December 2025	31 December 2024
	£m	£m
Bank borrowings	62.0	61.0
Non-property leases (Note 11)	0.3	3.3
Less: Cash and cash equivalents	(3.0)	(3.0)
Non-Property Net Debt	**59.3**	**61.3**

11. Financial Liabilities

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

	Borrowings	Non-property lease liabilities	Property lease liabilities	Total lease liabilities
	£m	£m	£m	£m
At 1 January 2024	58.9	8.9	330.3	339.2
Repayments of interest and principal	(8.8)	(6.1)	(39.6)	(45.7)
Interest expense	5.4	0.5	15.0	15.5
Drawdowns	5.0	-	-	-
New leases and modifications	-	-	31.5	31.5
Other	0.8	-	-	-
At 31 December 2024	**61.3**	**3.3**	**337.2**	**340.5**
Repayments of interest and principal	(11.9)	(3.2)	(42.1)	(45.3)
Interest expense	4.9	0.2	16.2	16.4
Drawdowns	8.0	-	-	-
New leases and modifications	-	-	36.8	36.8
Lease disposals	-	-	(0.9)	(0.9)
Other	(0.1)	-	-	-
At 31 December 2025	**62.2**	**0.3**	**347.2**	**347.5**

Included in 'Other' is the effect of changes to amortised cost on borrowings using the effective interest rate method and accrued interest.

12. 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 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

	31 December 2025 £m	31 December 2024 £m
Net Cash Inflow from Operating Activities	102.3	95.1
Less: Property lease payments made (Note 11)	(42.1)	(39.6)
Less: Maintenance capital expenditure[1]	(17.3)	(14.8)
Less: Bank and non-property lease interest paid	(5.1)	(6.3)
Add: Bank interest received	0.5	0.5
Free Cash Flow[1]	**38.3**	**34.9**

1 Free Cash Flow for FY24 has been restated to reallocate £2.6m of Technology and Data spend from Expansionary Capital Expenditure to Maintenance Capital Expenditure to bring it into line with the presentation of Technology and Data spend in FY25.

13. Issued Capital

The total number of shares in issue as at 31 December 2025 was 179,622,261 (2024: 179,287,837).

14. 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 year, a total of 4,645,867 (2024: 4,841,361) 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 year ended 31 December 2025, the Group recognised a total charge of £5.5m (2024: £3.4m) in respect of the Group's share based payment arrangements and related employer's national insurance.

In 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 year ended 31 December 2025, the EBT purchased 1,433,184 shares (2024: 2,834,928) at a cost of £2.0m (2024: £3.5m). As at 31 December 2025, the EBT held 3,659,556 shares (2024: 2,479,863) at a value of £4.6m (2024: £3.0m). The shares held in the EBT at 31 December 2025 have been classified as Own shares reserve - EBT in the Consolidated Statement of Financial Position.

During the year, the Group made income tax payments on behalf of employees of £0.3m (2024: £0.4m) 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.

15. Subsequent Events

Subsequent to the year end, the Group commenced a share buyback programme of up to £10m. As at 10 March 2026, the Group had repurchased 1,103,789 of its shares through the share buyback programme. Further information can be found in the Financial Review.