

STRATEGIC REPORT

**BUSINESS MODEL
AND STRATEGY****FIT FOR THE
FUTURE****WHAT WE DO**

**MARKET-LEADING
LOW COST GYM
EXPERIENCE DRIVES
GROWTH IN
MEMBERSHIP BASE**

**SIGNIFICANT
ADVANTAGES FROM
SCALE-EFFICIENT MODEL:
OPERATIONS,
TECHNOLOGY,
BRAND AND
MARKETING**

DELIVERING VALUE TO ALL OUR STAKEHOLDERS**MARKET SHARE****24.0%**

Market share

Over the past 30 months we have added 69 gyms (net), growing our market share from 16.7% and have substantiated our position as a leading provider of low cost gyms in the UK market.

MEMBERS**794,000**

Our 24/7, no contract, member focused product has continued to attract members across the UK with the number of members in 2019 having increased by 9.7%.

Our unique proposition and proven business model utilises technology and economies of scale to provide a great value member experience, whilst also delivering strong financial returns.

HOW WE DO IT

HIGH QUALITY ESTATE

See pages 20 and 21 for the Strategic Summary

COMPELLING MEMBER EXPERIENCE

See pages 22 and 23 for the Strategic Summary

INNOVATIVE TECHNOLOGY AND MARKETING

See pages 24 and 25 for the Strategic Summary

UNIQUE TEAM AND CULTURE

See pages 26 and 27 for the Strategic Summary

WITH SCALE WE CAN ACHIEVE STRONG FINANCIAL RETURNS WHICH ENABLE REINVESTMENT TO DRIVE FURTHER GROWTH

EMPLOYEES

81%

Employees taking part in our Emerging Talent development programme that have been promoted

Our Emerging Talent programme is aimed at our Assistant General Managers, to develop our future leadership team.

COMMUNITY

£125,000

Raised for Movember in 2019

During the course of 2019 we have had the privilege of working with and supporting national and international charities. This year, we continued to support the Movember Foundation. Our team and members rallied around this worthy cause with innovative initiatives and raised in excess of £125,000.

INVESTORS

31%

Return on Invested Capital of Mature Sites

We continue to deliver excellent returns for shareholders above our target of 30% ROIC.