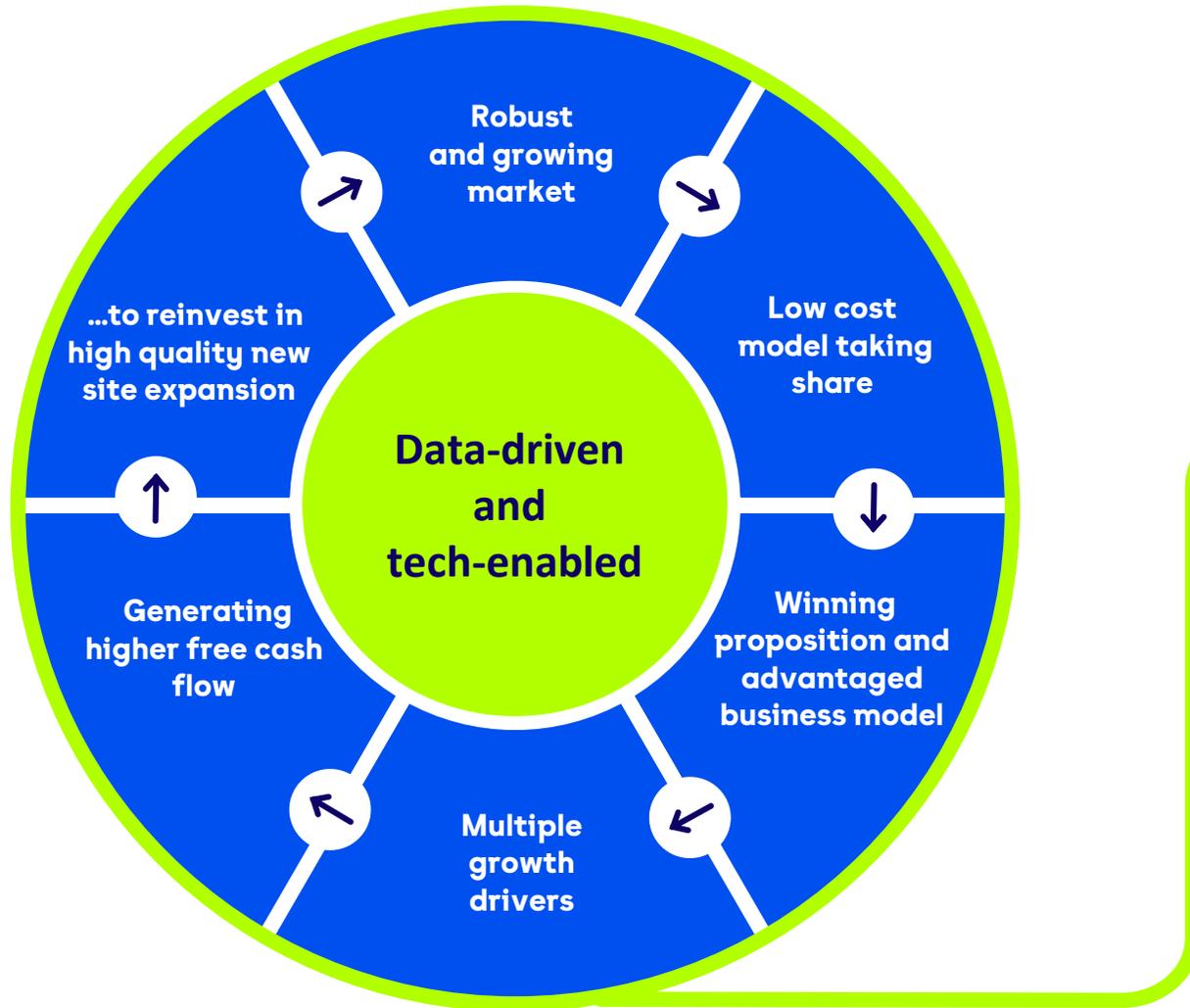


THE GYM GROUP SITE VISIT

11 June 2025



Investment case: sustained growth from free cash flow



Multiple growth drivers

Price optimization and yield enhancement

New customer volume around existing sites

Retention of members for longer

Quality new sites in white space

Low cost driving new highs for population penetration

UK Gym Market

£5.9bn
Market Size

3.5% CAGR 2012-24

10.7m
Gym Members

2.9% CAGR 2012-24



Gym Penetration
(% of Population)



Low Cost Share of Market
(% of Members)

4%

26%

27%

28%

+24 pts

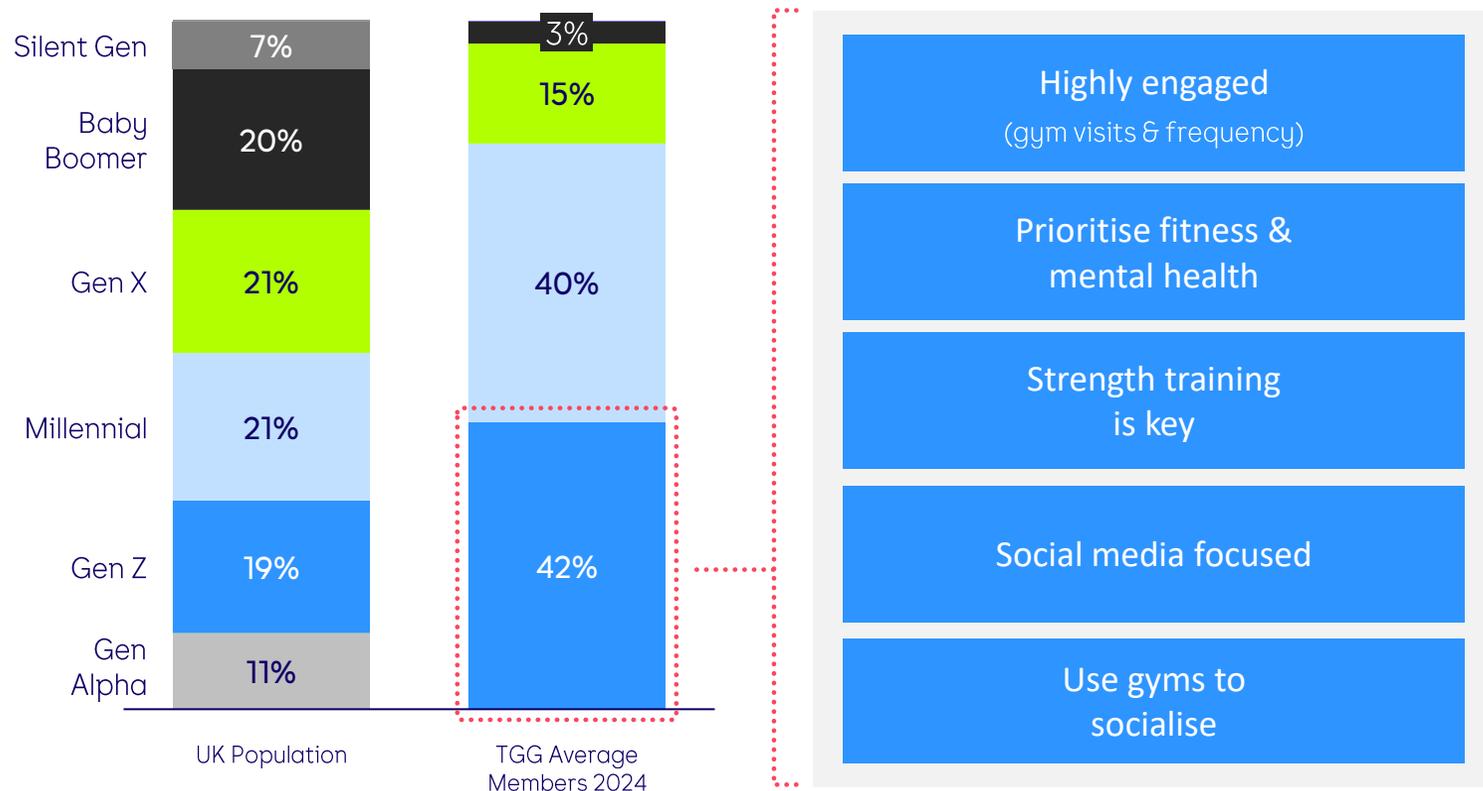


Top 2 operators – The Gym Group & PureGym - account for 81% of low cost members

Increasing influence of Gen Z strengthens our tailwinds

Gen Z is becoming a key part of the gym market, with positive attitudes to fitness

Generation Split: UK Population & TGG Average Members¹



Gen Z: 1997-2012
(13-28 years old)

Our growth continues to benefit from macro consumer trends

Fitness IQ

- Ever growing awareness of gym benefits
- Broadens gym equipment usage

Mental Health

- Leading motivator now for our members
- Natural fit with gym benefit

Body Image

- 'Fit not thin' cultural evolution
- Shift from cardio to strength positive for gyms

Social Media

- Amplifies body image trend
- Builds our experiential community

Rise of No Frills

- Strong 'value-for-money' propositions showing sustained resilience
- Squeezing mid-market operators

Convenience & Immediacy

- Growing preference for convenient solutions available on-demand
- Amplifies appeal of 24/7 opening hours and no contract model

Advantaged business model

Revenue – virtuous circle

- No contract & flexible membership options drives c3x volume of members compared with contract gyms
- High volume (& low-cost model) drives highly competitive headline rates

Kit-led gyms

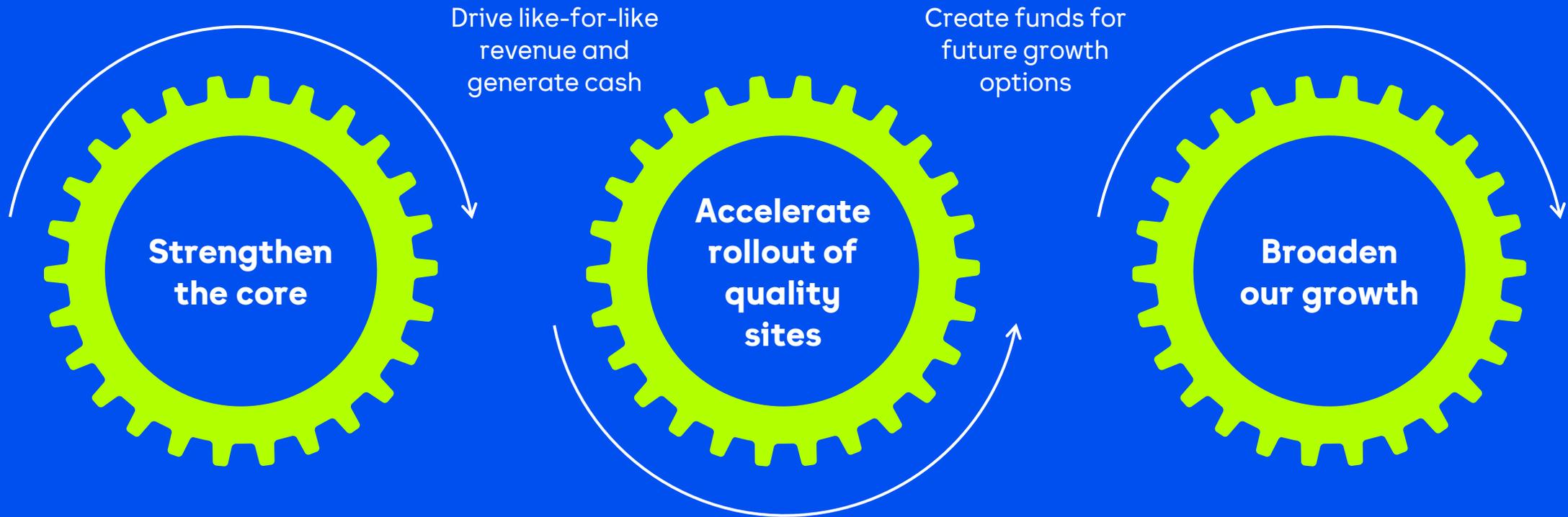
- Gyms are kit-led offer
- No pools – water & heating & rent
- Kit focus reduces gym team size

Labour light model

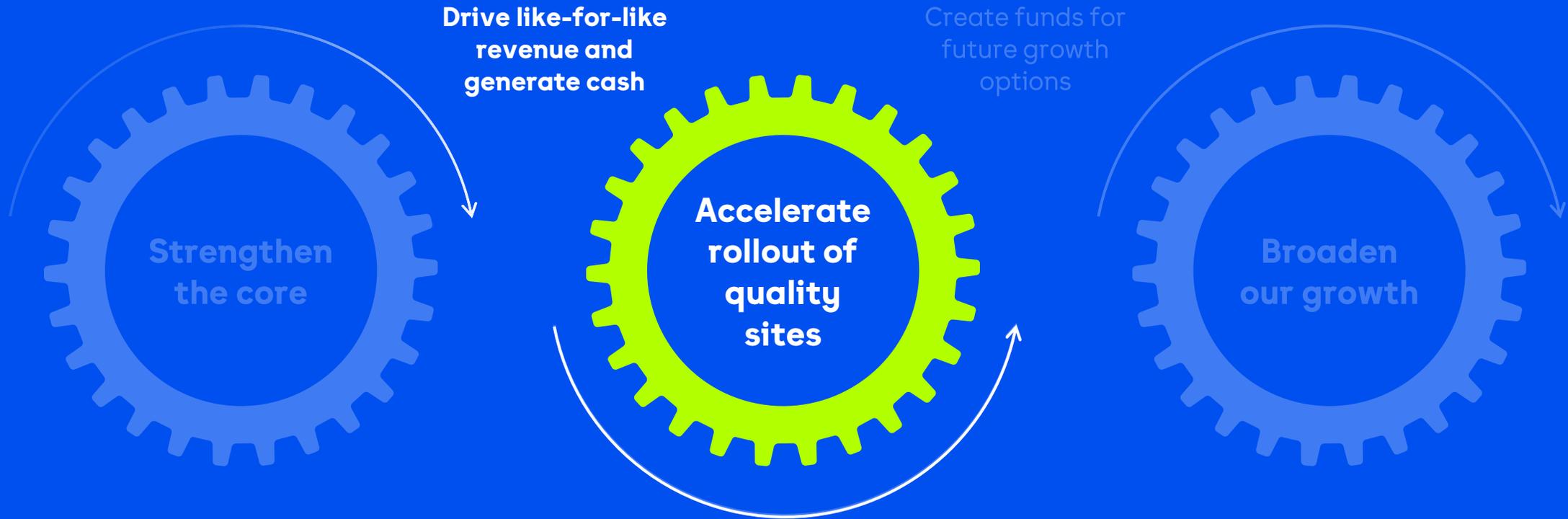
- Digital customer interactions – no sales team / receptionist
- Typically 2 full time employees; 4 fitness trainers c12 hrs per wk
- Rental income for personal training hours offsets FT costs
- Net exposure to NIC changes in 2025 “only” c£1.3m



The Next Chapter growth plan



The Next Chapter





Gradual acceleration of site openings

Self funded opening programme
Six new sites in 2023; 12 in 2024; 14-16 in 2025
Targeting 50 sites over three years
Returns on new openings to deliver ROIC of 30%

New site selection & process

Working with Savills nationally as well as local agents
Building quality pipeline & increasing speed to market
Using analysis tools and prop tech to optimise location searching
Tailoring layout and equipment to catchment

Evolving our proposition

Moving our proposition on; importance of Gen Z cohort
Multi-site testing to identify high-return developments
Aligning format evolution to growth audiences
Retro-fit existing sites as part of planned refurbishments

Increased rollout in 2024 to 12 new sites

Our target locations focus on proven performance criteria

Examples of high ROIC site characteristics



Greater London & Urban Residential



Areas with high population density



Convenient access



Good visibility / signage opportunities

Orpington



London Euston Road



Manchester Oxford Road



Welwyn Garden City



London Plaistow



Dudley



East Ham Barking Road



London Bromley By Bow



London Surbiton



Gillingham



London Shepherd's Bush



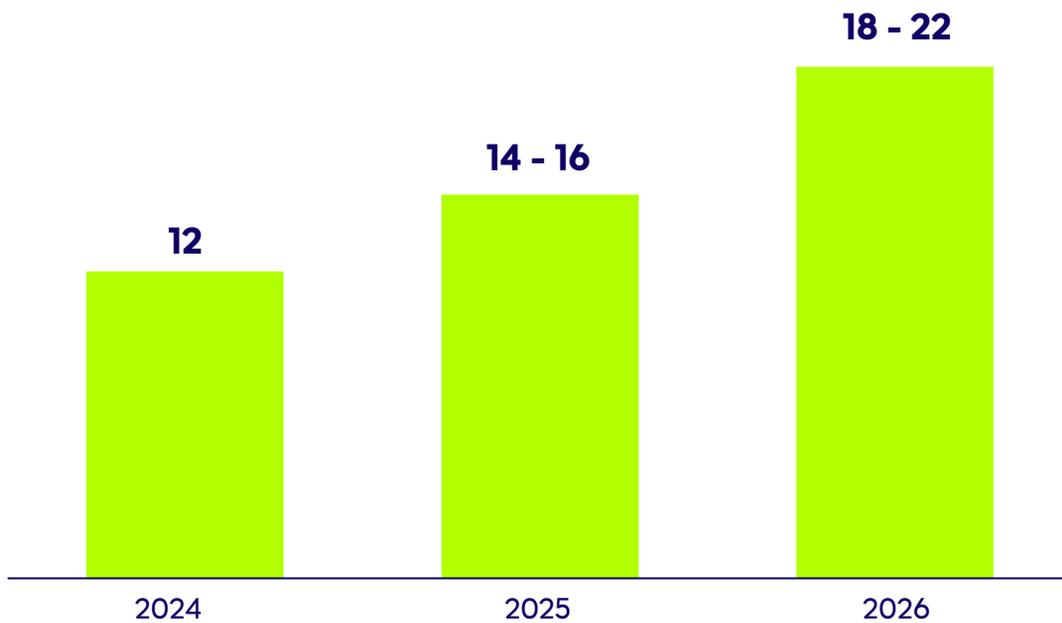
London Elephant & Castle



Accelerating new openings with 14-16 in 2025

New Site targets by year, 2024 - 2026

c.50 new sites over 3 years with an average 30% ROIC



New Site targets by year, 2024 - 2026



Improved economics from Strengthen the Core



Build cost optimisation



New generation site design



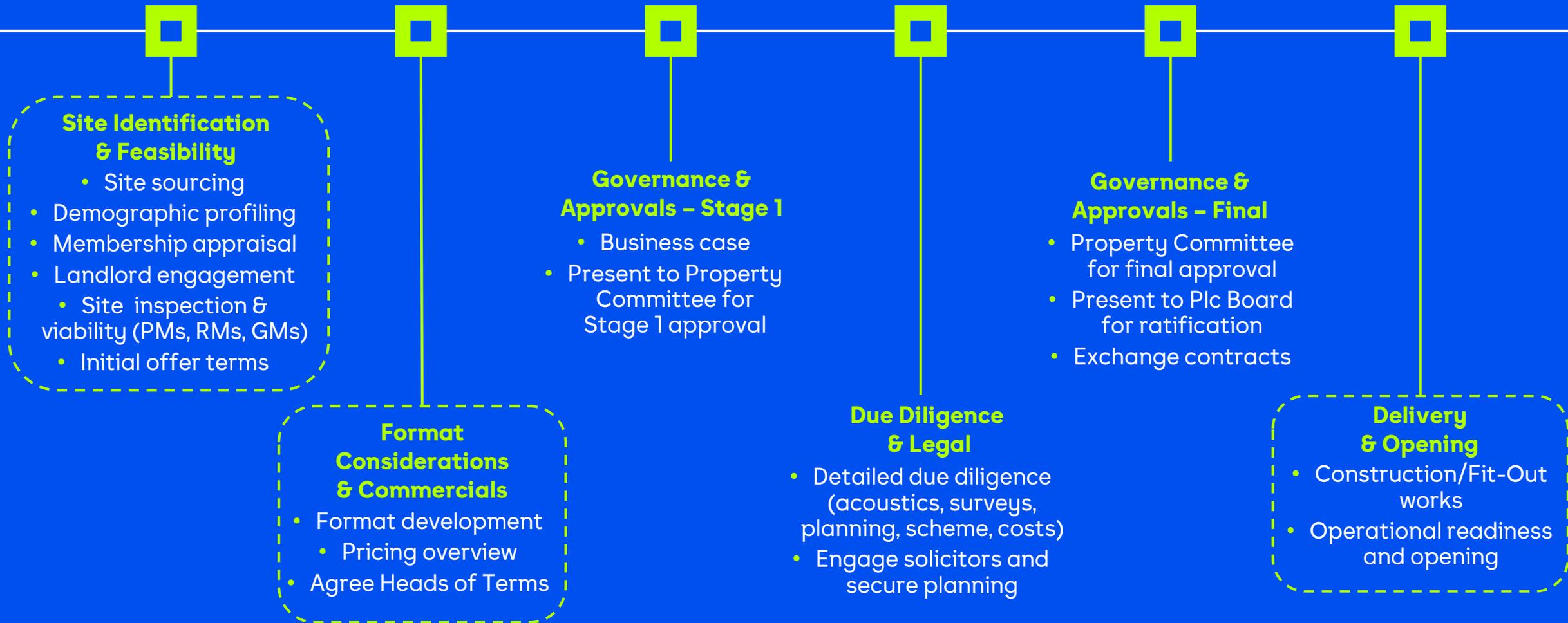
Testing new location types & formats



Enhanced appraisal approach

Site acquisition process

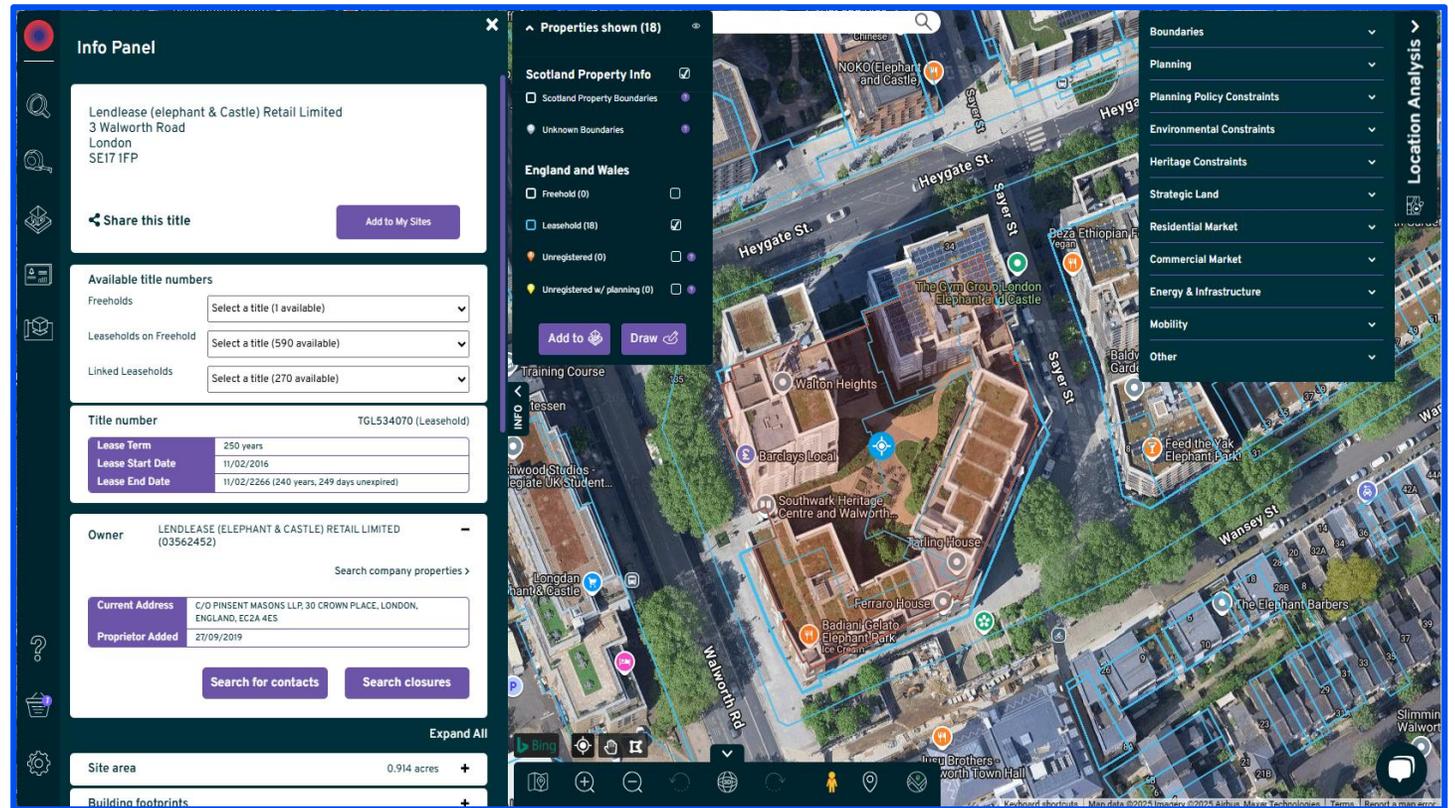
Turning sites into secured deals through structured appraisals and negotiations



Optimising site identification to expand pipeline

Site sourcing opportunities

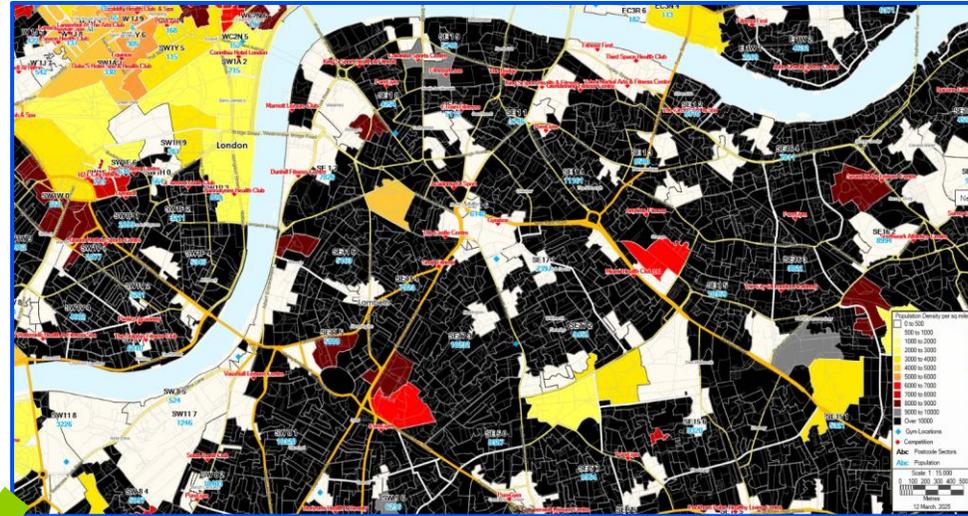
- Agents (local and national)
- Landlords
- Developers
- Local Authorities & Housing Associations
- 'Bigbox' occupiers & Large retailers
- Property Events
- Internal Tools/Trackers
- Proptech.



Example: Nimbus Maps – Offering numerous functionalities that help optimise site identification nationwide such as filtered searches of empty property searches and upcoming lease expiries

Spatial modelling to provide highly accurate site appraisals

Example: CACI Population density map



Forecasted Membership Headroom (Range):	
Low	4200
Medium	4450
High	5060

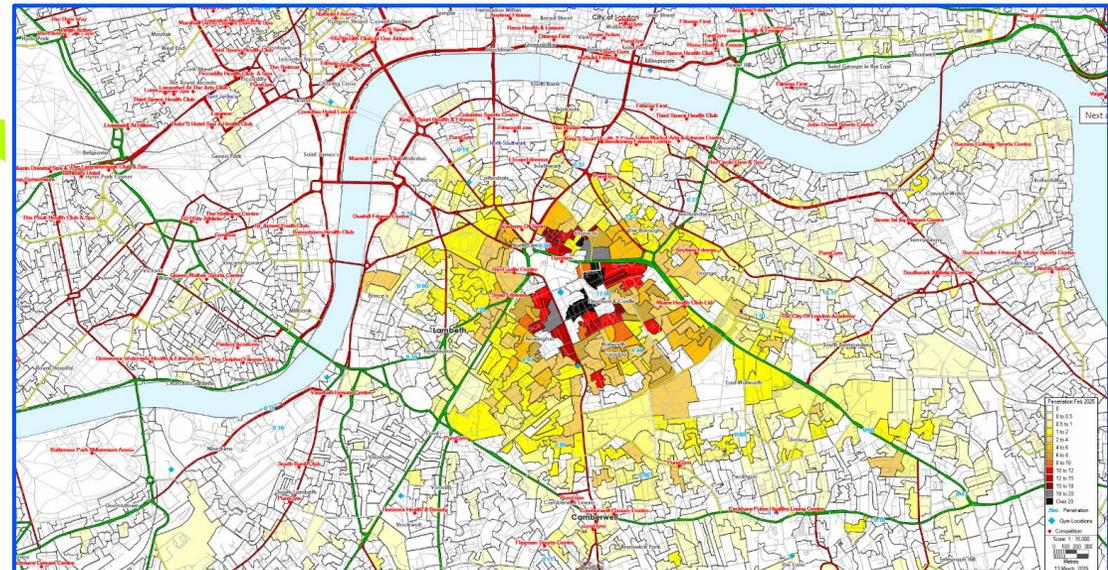
Membership appraisal

Catchment Targeting:

Use CACI or similar software to assess population density, competition, demographics and penetration mapping to determine membership headroom.

Comparable Markets:

Highlighting key features of a prospective site, allowing comparison with our existing portfolio of sites to further improve appraisal accuracy.



Example: CACI penetration mapping

Cross-functional site review to leverage local insight & mitigate risks

Site inspection & viability

Preliminary Modelling:

Estimate CapEx and potential member yield

On-Site Review: Assess layout flexibility, building condition, and surroundings with Project Managers and Operations

Multi-team feedback: Engage Property, Operations, Format, and Finance to determine suitability for next steps

 **the gym group**

RM SITE REVIEW		Elephant & Castle			
Name of RM:	Date and time of visit:	Visit 1	Visit 2	Recommendation:	
Taylor Spencer	19.12.23	-	-	yes	

Location/visibility/signage:
Elephant and Castle (E&C) is a busy residential area with high footfall, strong transport links and a good mix of residential and B2B. The frontage has two possible locations, one facing E&C overground station and one facing a residential blocks. Either entrance would have great footfall to the local resident sites and pop-up restaurants. Its just off the main Walworth Road and has direct bus routes right outside.

Parking:
5 min walk from E&C overground and underground stations with links to Northern, Bakerloo and Thameslink lines. 12 min walk from Kennington underground (Northern Line). 15 min walk from Waterloo underground (Northern, Bakerloo, Jubilee and Waterloo & City lines) and Waterloo overground station. Buses from Walworth Road with links to, Camberwell, Peckham, Vauxhall, Clapham, London Bridge, Liverpool street, Leicester Square, Trafalgar Square and many more. Parking is limited with permits for local residents.

Foot fall:
E&C is very up and coming with high footfall on Walworth Road and E&C. The site location is amongst several new builds in the area all built with units allocated for shops/restaurants/retail units. The area will be highly residential with a very large new mixed use unit opening in 2027 taking over the previous E&C shopping centre. This will bring in tourism which will also increase footfall in the area. Several of the units in the area are already opening restaurants and shops.

Competition:
Competition is limited within the immediate area with a few independent/boutique style studios and two of the three larger operators offering studio based offerings.
•TGG Walworth Road: 0.5m – Off-peak £20.99, Standard £27.99, Ultimate £35.99 / TGG Waterloo: 0.8m – Off-peak £24.99, Standard £30.99, Ultimate £39.99
•Gym Box: 0.6m - £110 3 month, £100 6 month, £90 12 month. £130 no commitment.

Any additional comment:
Due to the local demographic and having a gym within close proximity membership being reviewed around 4,000-4,500 would be a suitable projection. I believe current TGG rates are reasonable for this location. Based on the area and current offering on Walworth road the recommendation would be to focus on weights and functional area along with an added push on class timetable. The location has great potential for success within the upcoming new builds in the area and for early membership growth. The TGG which sits 0.5m (5 min walk) away is tired and warn. Other low-cost competition is very limited and with a diverse demographic the low-cost sector is there for the taking.

Example: Regional Manager (RM) site feedback

Enhancement of proposition through format optimisation

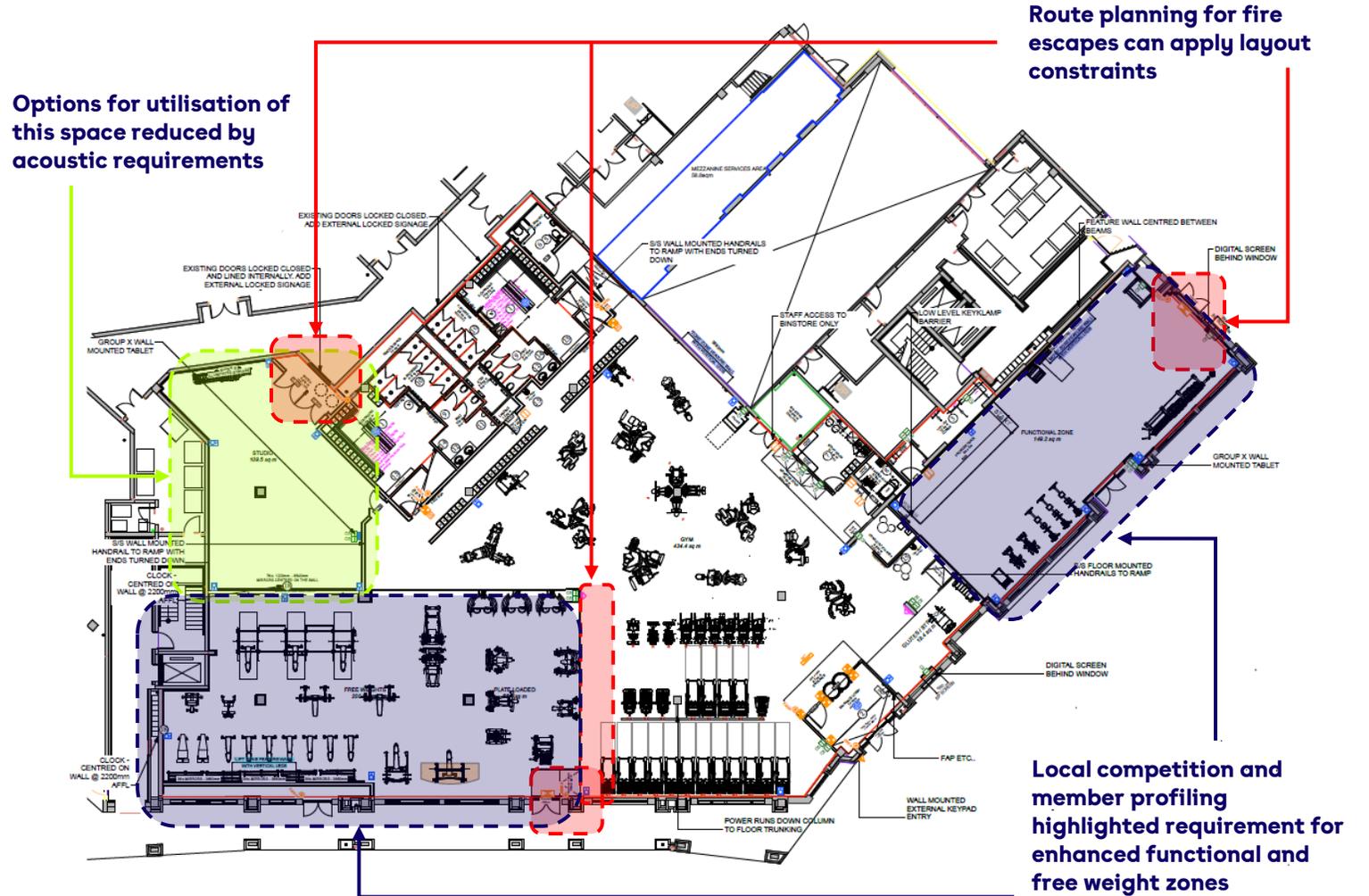
Format Development:

Current Considerations:

- Optimise layout & create zones
- Assess optimum equipment mix & range
- Member profiling
- Local competition
- Size & existing configuration
- Physical restrictions & acoustics
- Safety
- Post-opening reviews to refine layout

Future Improvements:

- Member journey tracking
- Category heroes - premium kit brands and enhanced segmentation



Example: Layout/Kit Strategy Plan for Elephant & Castle

Delivery & opening

Scheduling

- Control of landlord works, where possible
- Seek capital contributions to offset
- Highly structured processes

Project Management

- Lean resourcing - external expertise to fill gaps
- Experienced internal PM's

Energy Saving Initiatives

- Voltage Op. / Adaptable Lighting / Monitoring

Cost Control

- Detailed QS budget from outset
- Tendering by project
- Continuous cost engineering

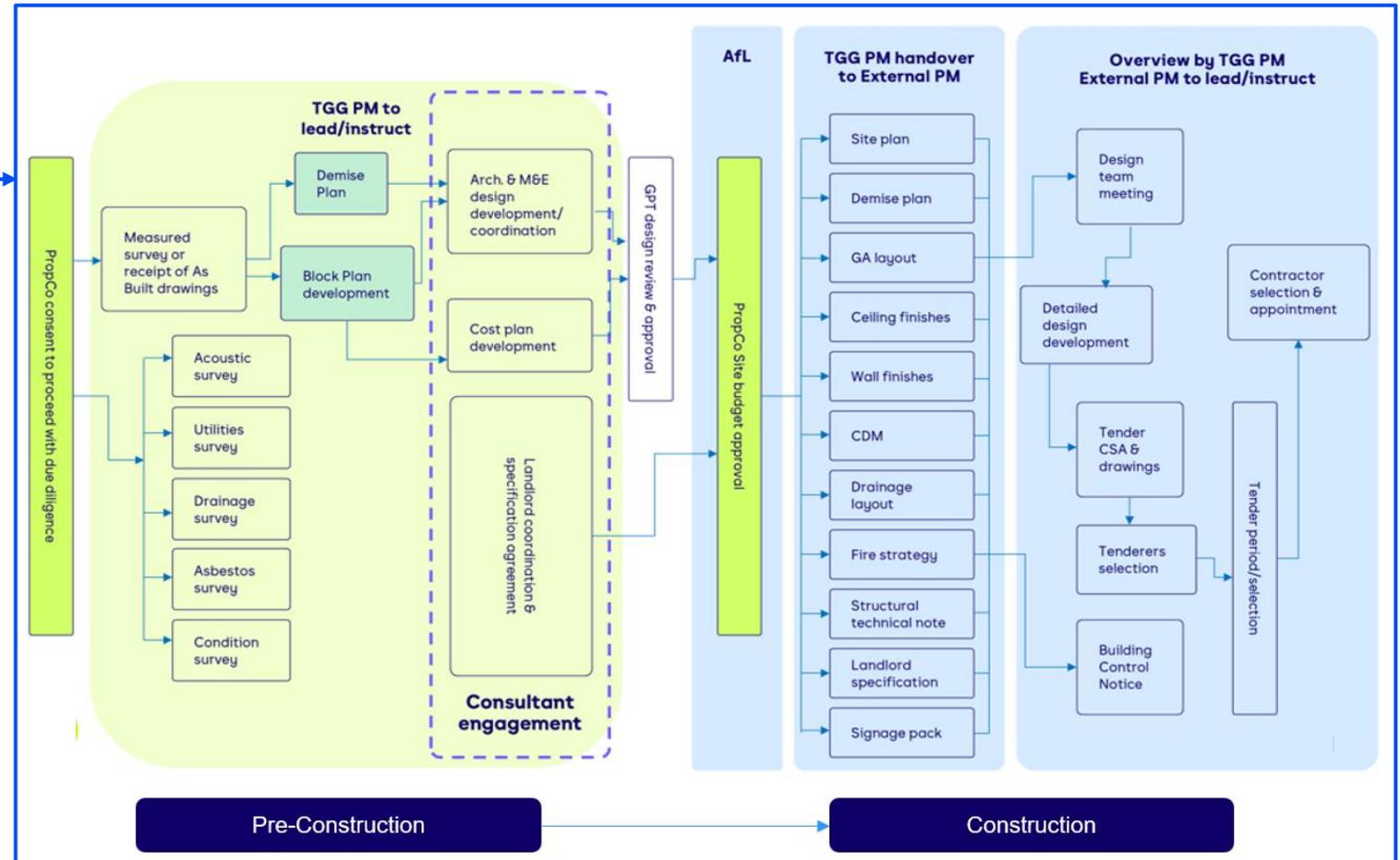
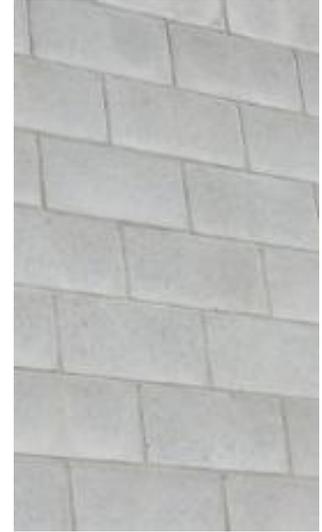
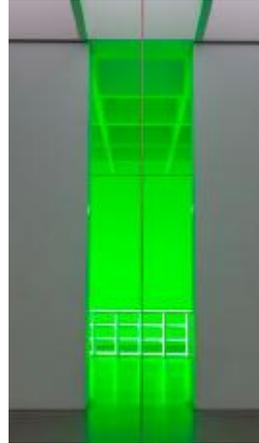


Image: Process flowchart for taking a site from inception through to completion

Evolving our proposition to deliver more perceived value & modernity

Design & development mood board

- 1 Build on current strengths and strong OSAT scores
- 2 Aesthetic with look & feel leaning into Gen Z preferences
- 3 Kit mix evolving in line with trends, eg strength training, booty builder
- 4 Create shared spaces for social activity, eg welcome area
- 5 Instagrammable hero spots to encourage social media content sharing
- 6 Smart value engineering supporting high value, low cost approach



Evolving our proposition: Pre 2024



Stetchford



Chesterfield

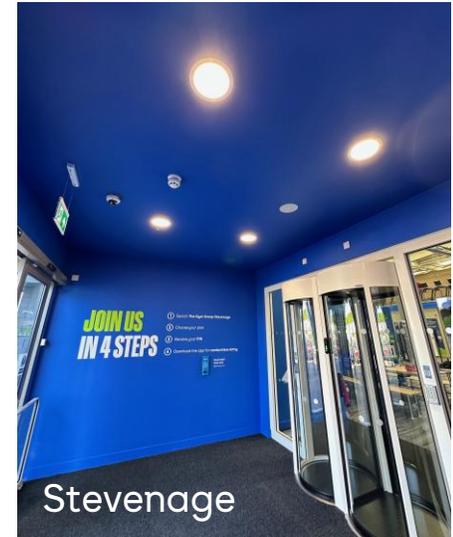
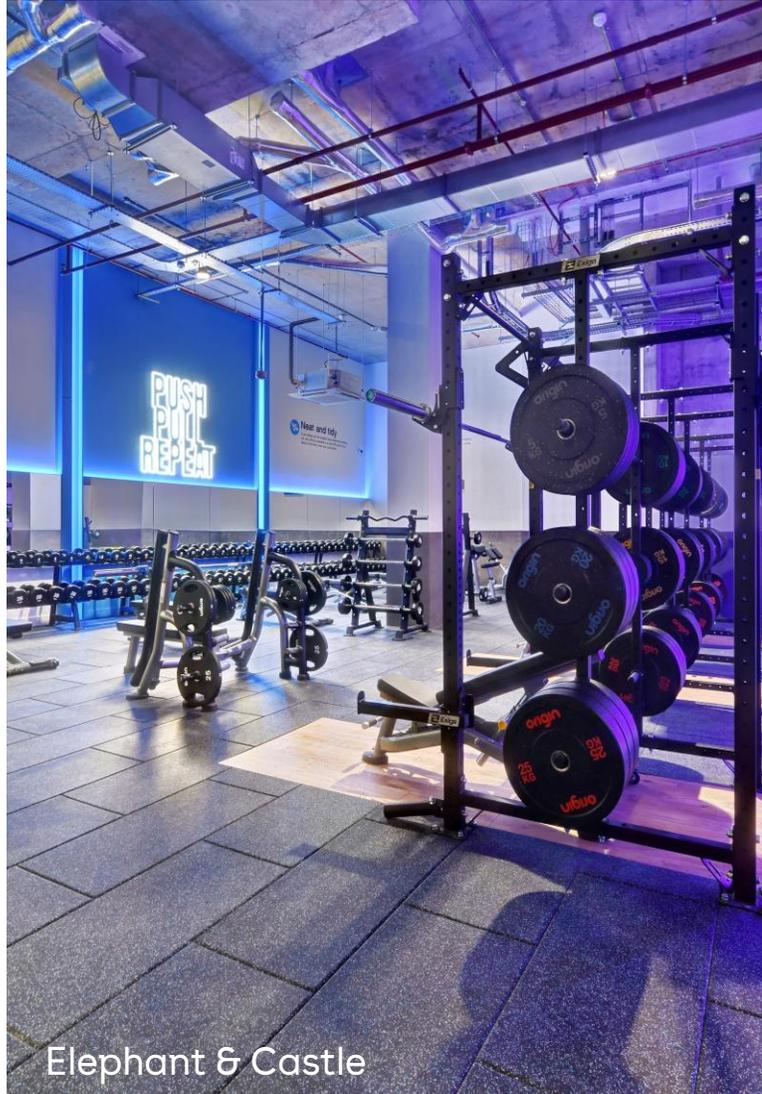


Oldham

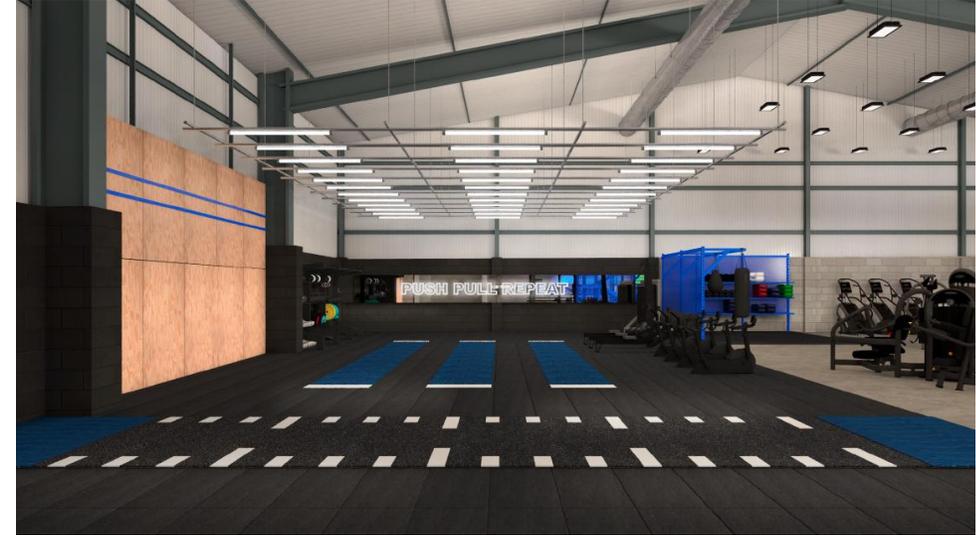


Wolverhampton

Evolving our proposition: 2024/2025



Evolving our proposition : 2025+



End-to-End Marketing Approach Driving Successful Site Launch and Member Growth

1 Market Priming 3+ months pre-launch

- Pre-sale signage
- Web presence launched for members to register
- Local social media account go-live

2 Establishing Local Footprint 2 months pre-launch

- Local manager recruitment
- Engagement with local community
- Gather corporate leads



3 Paid Digital Go-Live 1 month pre-launch

- Geo-targeted ads to local catchment
- Native-style content to boost engagement
- Offer-led creative to drive urgency

4 Broad Reach ATL Activated 2 weeks pre-launch

- Focus on high footfall urban hubs
- Placements on busy commuter routes



5 Open-to-View 1 week pre-launch

- Guided tours for prospective members
- Press release to engage local media

6 Site Opens & Sustained Growth Launch day onwards

- Advocacy and review harvesting
- Close-outs of kicker promotions
- Continued increased media spend during early maturity period



Mature site economics

Mature Site ROIC 27% incl. Rent-Free

- Include landlord contributions AND rent-free periods to take right commercial decision
- Excludes 13 workforce-impacted gyms that reduce 2024 ROIC by c200bp

Drive ROIC in the existing estate

- Strengthen the Core presents a significant opportunity to increase ROIC in the existing estate

Disciplined new site roll out

- Strict 30% ROIC hurdle on all new site appraisals
- Focus on quality sites in Urban Residential and Greater London areas

£m	Mature		New openings
Number of gyms	184	Number of gyms	c.50
Revenue	1.0	Revenue	1.1
Gross profit	99%	Gross profit	99%
Fixed property costs ¹	(27)%	Fixed property costs ¹	(26)%
Other opex	(37)%	Other opex	(34)%
EBITDA LNR	0.3	EBITDA LNR	0.4
<i>EBITDA margin</i>	31%	<i>EBITDA margin</i>	35%
Average capital cost ²	1.2	Average capital cost ²	1.4
Mature site ROIC	27%	New site ROIC	30%

4 pps improvement in ROIC in 2024

¹ Fixed property costs includes normalised rent

² Capital cost net of landlord contribution and/or rent free period savings

Typical site cost breakdown

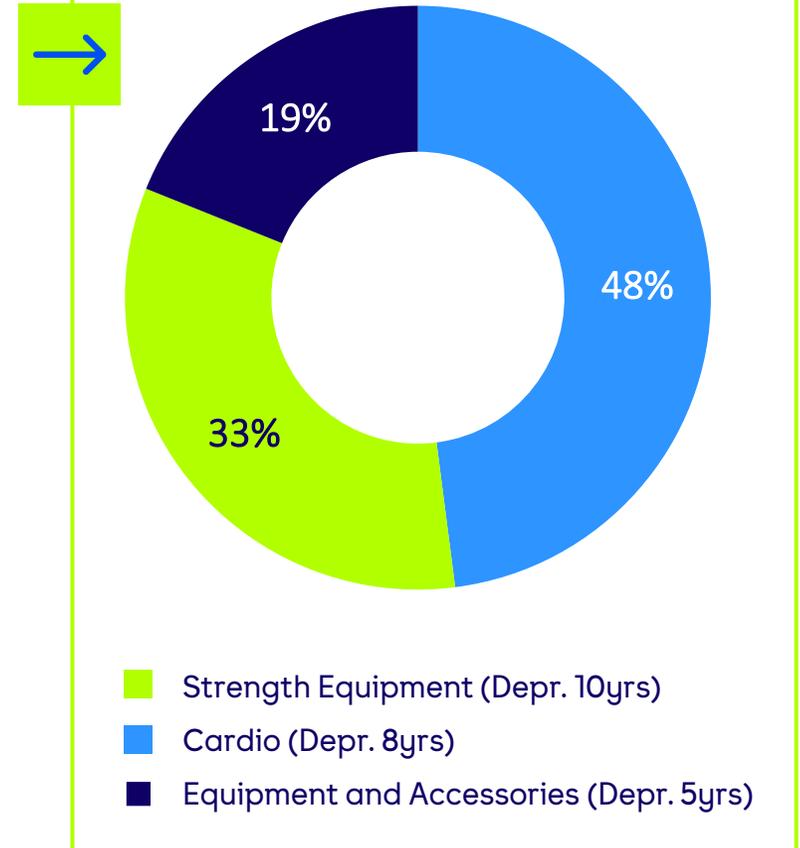
Spend Category	Initial Capex Cost (£k)	%	Policy Depr. Years	Average Depr. Years	Annual Charge (£k)
Building works and related costs	£980	70%	10-15	15	£67
Fixtures and Fittings	£140	10%	5-7	6	£23
Gym Equipment	£280	20%	5-10	7	£39
	£1,400				£129

70% of costs relate to long life assets with relatively low maintenance capex requirements

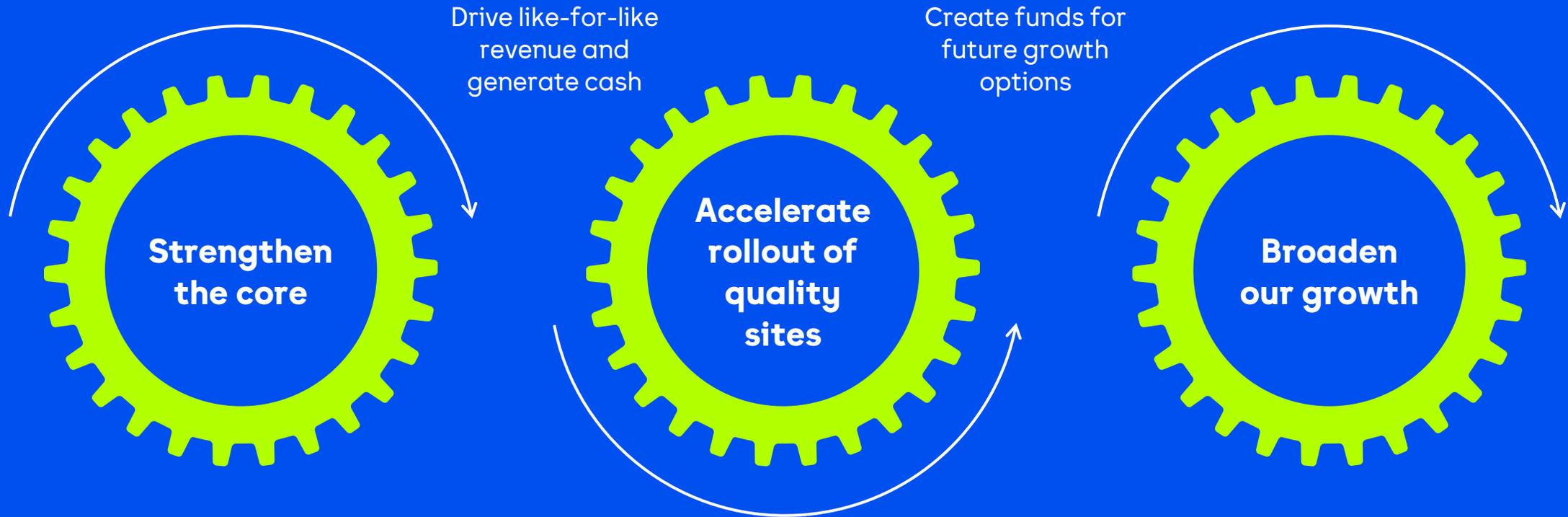
20% of spend is on gym equipment

- All main supplier equipment is now covered by a 15 year service agreement
- Currently depreciated between 7 and 9 years

Gym Equipment



The Next Chapter growth plan



Summary & Outlook

- 1 Large market with structural growth tailwinds
- 2 Advantaged business model
- 3 Multiple LFL growth opportunities and significant white space
- 4 FY24 EBITDA LNR +24% & mature site ROIC improved by 4pps, achieving target early; further progress expected in 2025
- 5 Accelerating self-funded rollout, averaging 30% ROIC
- 6 Raised guidance in March for FY2025 to top end of analyst range; consensus now EBITDA LNR of £51.2m



Q&A



Elephant & Castle Fact Pack

Opening date

31 December 2024

Size of site

13,684 sq ft

Site Build Cost

£1.6m

Lease length

15 years, with 10y break

Member nos - appraisal

4200

Member nos - current

4529

Standard monthly rate

£29.99 (60% of members)

Off peak rate

£23.99 (6% of members)

Ultimate rate

£36.99 (34% of members)

Saver (pay up front)

£179 for 6 months

Nearest TGG sites

Waterloo and Walworth Rd

Nearest competitor sites

Pure Gym/Snap/Gym Box

Definition of non-statutory measures

Average Revenue Per Member Per Month ('ARPM')

Revenue divided by the average number of members divided by the number of months in the period

Group Adjusted EBITDA LNR

Operating profit before depreciation, amortisation, share based payments and non-underlying items; less Normalised Rent.

Normalised Rent

The contractual rent payable, recognised in the monthly period to which it relates.

Adjusted Loss/Profit before Tax

Loss/profit before tax before non-underlying items.

Non-Property Net Debt

Bank and non-property lease debt less cash and cash equivalents.

Brand Metric: Local Consideration

Source: YouGov survey and TGG analysis

Question: When you are next in the market for a gym membership, which of the following brands would you consider?

Base: 4 waves Jan, Feb, Apr, Jun 2024 of 163-185 18-45 year olds living within 3 miles of a TGG gym. Data not collected monthly.

Maintenance capital expenditure

Costs of replacement gym equipment and premises refurbishment.

Free Cash Flow

Group Adjusted EBITDA LNR and movement in working capital, less maintenance capital expenditure, cash non-underlying items, bank and non-property lease interest and tax.

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 / Leverage Ratio

Non-Property Net Debt divided by Group Adjusted EBITDA LNR.

Fixed Charge Cover

Group Adjusted EBITDA divided by Finance costs (excluding interest costs on property leases) less Finance income plus Normalised Rent.

ROIC

Return on invested capital. Site Adjusted EBITDA LNR divided by initial invested capital less capital contribution and rent free.

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