

14 February 2025

DAVID LLOYD LEISURE

**Ongoing strategic investment programme delivering
continued strong growth with very high ROIs**

**Premiumisation driving improved member experience,
increased usage and improved group margin**

Trading update for the 12 months to 31 December 2024

David Lloyd Leisure, Europe's leading premium health and wellness group, is pleased to issue the following trading update for the 12 months to 31 December 2024.

Business highlights

Increase in membership numbers, satisfaction, and average usage.

- Record membership of 785k (FY 2023: 755k), driven by positive like-for-like growth and two new club openings during the period
- Best-ever member experience score of 84%. Team engagement remains the highest ever at 87%
- Continued investment in premiumisation is driving usage and average spend, with member visits up 7.8% and Premium adult package at 85% of new member sales

Financial highlights

Continued execution of group strategy, driving strong growth and sustained high ROIs.

- FY 2024 adjusted EBITDA of £231m (+33% YoY) and a continued margin improvement
- Highly cash generative, with operating cash flows of c.£224m (81% cash conversion¹)
- Track record of delivering strong ROI, supported by the ongoing premiumisation strategy that is achieving an average return on capital of >40%
- Available liquidity at year end of £134m (FY 2023: £133m)

FY25 outlook

- Board remains highly confident in the near- and long-term outlook for the business
- Sustained progress in club expansion with a robust future pipeline, including 4 planned openings for FY 2025
- Making good progress towards our 2030 net zero targets

Commenting on the results, Chief Executive Russell Barnes said:

"I am pleased to report another year of strong financial and operational performance. Momentum has continued to build through the second half as we continue to implement our programme of strategic growth initiatives. The steady increase in the membership base demonstrates the attractiveness of our premium health and wellness facilities, including innovative spas, family-specific classes and facilities and unparalleled racquet sport offering. Our hybrid spaces offer families and individuals the opportunity to work, socialise, exercise and relax together under one-roof; a unique proposition which has driven member and team engagement scores to their highest ever level.

We remain very excited about the growth opportunities ahead, with a well progressed

pipeline of premiumisation and expansion opportunities. We are highly disciplined in our approach to investment, as demonstrated by our track record of delivering excellent ROI, and the Board remains highly confident in the outlook for the business.”

Business update

We have delivered another year of record revenue, member numbers and adjusted EBITDA, with 33% growth in adjusted EBITDA and continued improvement in EBITDA margins.

Membership growth of 3.9% was driven by a combination of LFL growth and two new openings including the acquisition of Shrewsbury and the opening of our new club at Bury St Edmunds.

Our health and wellness offering and customer value proposition continues to evolve and expand, with usage increasing, and attrition decreasing, as a result. Weekly member attendance is up 7.8% year on year, with over 1.1 million club visits per week. This is complemented by strong growth in the take up of our online offer, with 77% app penetration, 180k daily active app users and more than 2.5m online class bookings per week.

The expansion of Padel and Pickleball remains a key driver of premiumisation, along with continued investment in spa retreats and upgrades across the estate. The group is the biggest Padel operator in the UK, with 27 clubs operating 66 courts, and a strong presence in the fast-growing Pickleball space, with facilities at 76 clubs to date. The popularity of both sports is expected to continue to grow exponentially, and we aim to open Padel at an additional 20 clubs in FY 2025 to serve the growing demand. We continue to invest in new spa retreats to support members’ growing focus on their overall wellbeing and physical fitness, with 11 new spa retreats to be completed by the end of FY 2025, taking the overall number in the estate to 49.

Our pipeline of new clubs remains strong, with four new clubs planned for FY 2025, including one completed and awaiting opening. In addition, the longer-term pipeline is the strongest it has been to date.

Following our Science Based Targets initiative approval during the year we have continued to deliver carbon reduction projects across the estate, with 40 solar installations completed at the year end, the commencement of heat pump installations and the trial roll out of EV charging stations at a small number of UK clubs.

Our commitment to delivering our sustainability and ESG agenda underpins our decision-making processes, and we remain confident in meeting our 2030 net zero targets. We continue to support our local communities, raising £2.7m for charity in the period, are proud to be recognised as one of the Times Top Big Companies to work for.

Outlook

The momentum which we saw throughout 2024 has continued into the start of the new year and current trading remains positive.

The group has a clear strategy in place to deliver further growth across the business, whilst maintaining the group’s existing high average ROI. This growth strategy encompasses three key levers for growth organic growth of new clubs in UK, new clubs in Europe delivering above expectations, and premiumisation of existing clubs.

We have a strong future pipeline of new clubs across the UK and Europe and 13 premiumisation projects already identified for 2025, including 8 spa retreats. In addition,

four projects commenced during FY 2024 are due to complete in Q1 2025.

The Board remains confident in the outlook for FY 2025 and beyond.

Full year results for the year ended 31 December 2024 are expected to be released on 29th April.

David Lloyd Clubs – a unique, premium experience

David Lloyd helps members to live life better with a focus on physical and mental wellbeing and a sense of belonging. We are Europe's leading premium health and wellness group operating 133 Clubs across the UK (105) and Europe (28), comprising three brands David Lloyd Clubs, Harbour Clubs and David Lloyd Meridian Spa and Fitness in Germany.

Enquiries

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