

30th September 2024

DAVID LLOYD LEISURE

Record performance across key metrics

Premiumisation delivering exceptional ROI and member experience

David Lloyd Leisure, Europe's leading premium health and wellness group, is pleased to announce its unaudited results for the six months ended 30 June 2024.

Commenting on the results, Chief Executive Russell Barnes said:

"I am delighted to report a record six months for the business, with strong performance across all our key metrics.

We are dedicated to improving the mental and physical wellbeing of our members. Our objective is to create spaces where families and individuals can come together to relax, work and socialise whilst enjoying premium health and wellness facilities.

We have made significant progress to date, with achievements including our truly innovative SPA and wellness offering and our unparalleled range of racquet sports, including padel and pickleball.

We will continue to invest in our clubs and facilities to drive growth, with an ongoing focus on innovation and premiumisation to improve the breadth and quality of our offer. We are excited by the scale of the opportunities ahead and remain confident in the outlook for the full year and the longer term".

Business highlights

- Record member levels, total membership up to 764k versus 733k in H1 2023
- Revenue of £421.9m, up 13% versus £372.9m in H1 2023
- Adjusted EBITDA¹ of £111.3m, up 32% versus £84.1m in H1 2023
- Strong membership experience and retention scores
- Strong pipeline of future club openings
- On track to meet 2030 net zero commitments, with SBTi approval now obtained
- Board outlook remains positive, highly confident in delivering strong EBITDA growth in FY24

David Lloyd Clubs – a unique, premium experience

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

David Lloyd Clubs offer premium facilities, including state-of-the-art gyms, pools, racquet sports, group classes, kids' activities, crèches, and luxurious spas, catering to diverse wellness needs. Beyond fitness, our Clubrooms provide a welcoming space for friends and family to gather or enjoy a meal, while our clubs offer spacious areas for working, relaxing, and socialising.

Business review – record performance and continued investment for growth

We have continued to make strong progress against our growth strategy whilst delivering record performance across our key metrics. We have delivered 13% growth in revenue to £421.9m and 32% growth in adjusted EBITDA.

We have seen a positive trajectory across all member metrics. Member numbers are now at a record 764k, up 4% versus the same period last year, with member experience scores also increasing through the period.

We have a strong foundation for growth and have an ongoing programme of disciplined and focused investment.

A key strategic initiative is for continued innovation and premiumisation across the portfolio, with the aim of further differentiating our offering and catering to a diverse membership base. To date, we've rolled out 130 padel courts across Europe and currently offer pickleball at over 70 UK clubs, responding to the growing popularity of these sports. EGYM smart technology has been introduced in 24 clubs, with 31 spa retreats now open and 8 more set to launch by year-end.

In addition to investing in our existing portfolio, we have a strong pipeline of new clubs. Following the acquisition of the Shrewsbury Club in August, we expect to open a further site in Bury St Edmunds in H2 2024, with four additional clubs already exchanged and expected to open in 2025. A further eight clubs are exchanged, subject to planning. To enhance member experience across the estate, we are also implementing waiting lists to effectively manage demand and ensure a positive experience for all members.

Responsible Business

We have a clear sustainability strategy in place and are committed to becoming net zero by 2030. We will achieve this commitment by reducing water and energy consumption across our clubs, generating our own renewable energy onsite, reducing waste, and reducing indirect emissions across our supply chain. We are making good progress as we install solar PV cells across the estate, with 21 projects completed and 5 currently onsite. We aim to deliver approximately 40 projects by the end of the year. Our net zero target has now been formally approved and signed off by the Science Based Targets Initiatives (SBTi), ensuring the highest level of credibility in our targets.

Outlook

We have strong foundations in place and a clear strategy to drive growth across the group, with a strong future pipeline for expansion and multiple premiumisation opportunities remaining. Our focus remains on investing and evolving our offer to ensure we continue to deliver a truly differentiated, "best in class" experience for our members. With record performance in the first half, and improving momentum across the business, we are excited by the opportunities ahead and remain confident in delivering strong growth in adjusted EBITDA for FY 2024.

Enquiries

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¹ Adjusted EBITDA (pre-IFRS16) represents profit or loss for the financial year, before net finance cost, taxation, depreciation, amortisation, profit/loss on sale of property, plant & equipment, exceptional items (as defined in the financial statements), share based payment charges, pre-opening costs, closed club costs, gains from construction contracts, impairments of non-current assets, costs associated with legal claims, restructuring, integration, acquisition and aborted expenses, monitoring fees and non-executive director fees, foreign exchange differences and after rent expense on a pre-IFRS16 basis.