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The European Health & Fitness Market Report 2023

Karsten Hollasch, Herman Rutgers
Brussels, May 16, 2023

MARKETS

OPERATORS

M&A

CONSUMER SURVEY

ECOSYSTEM

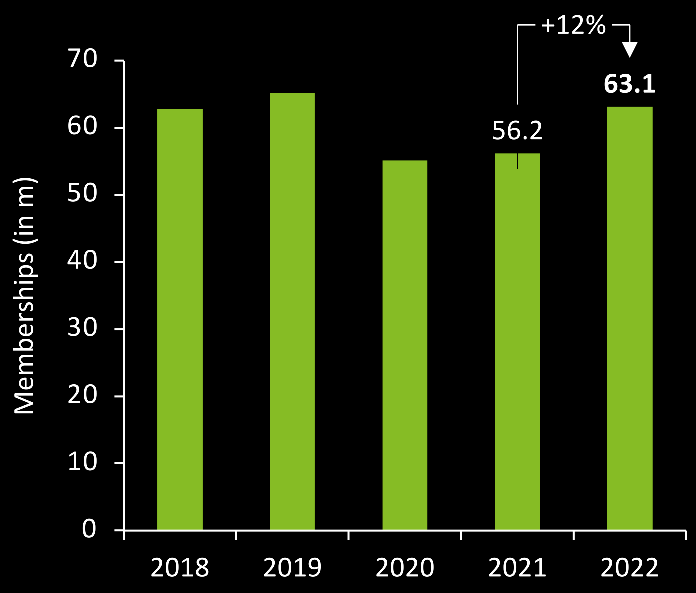
MARKETS

KEY METRICS OF THE EUROPEAN HEALTH & FITNESS MARKET

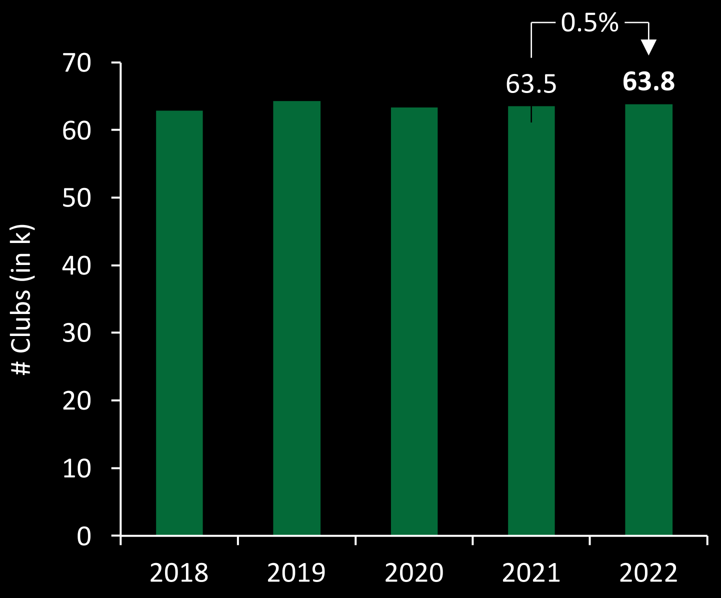
In 2022, the European health & fitness market showed a strong rebound, almost reaching pre-COVID levels in total memberships, number of clubs and revenue

Market development of key European market indicators since 2018[1]

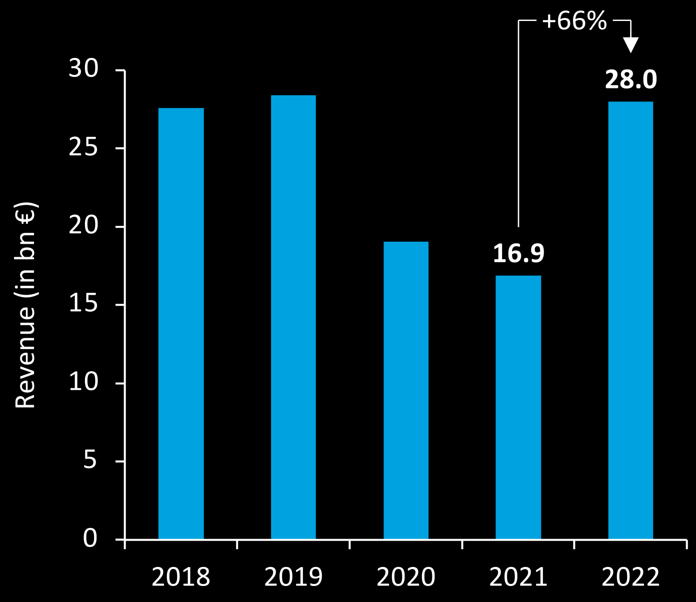
Memberships
(in m)



Clubs
(in k)



Revenue
(in bn €)

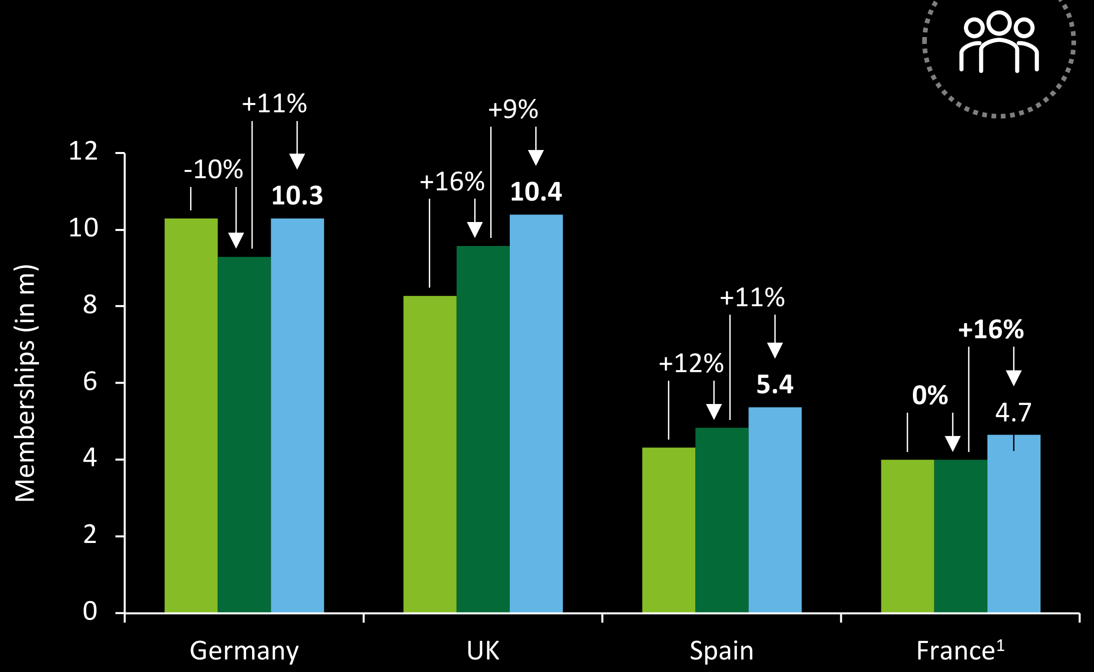


Note: 1) Historic revenue, club and membership figures slightly differ from previous reports as they include restatements.
Sources: EuropeActive, Deloitte.

Driven by market-specific closing periods, contract durations as well as individual operator development, fitness markets across Europe showed a varying development

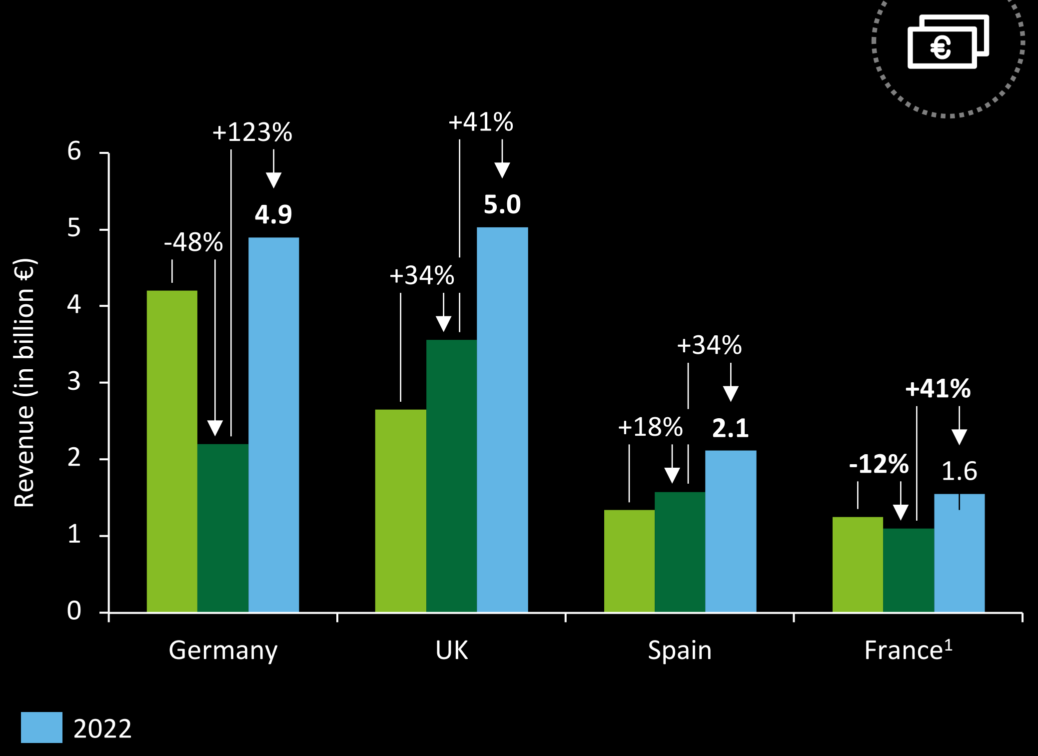
Market development of memberships in selected markets since 2020

Members in m



Market development of revenues in selected markets since 2020

Revenue in billion €



Note: 1) According to a research by Active-FNEAPL in collaboration with CERES. Research methodology slightly differs from the one used in this report.

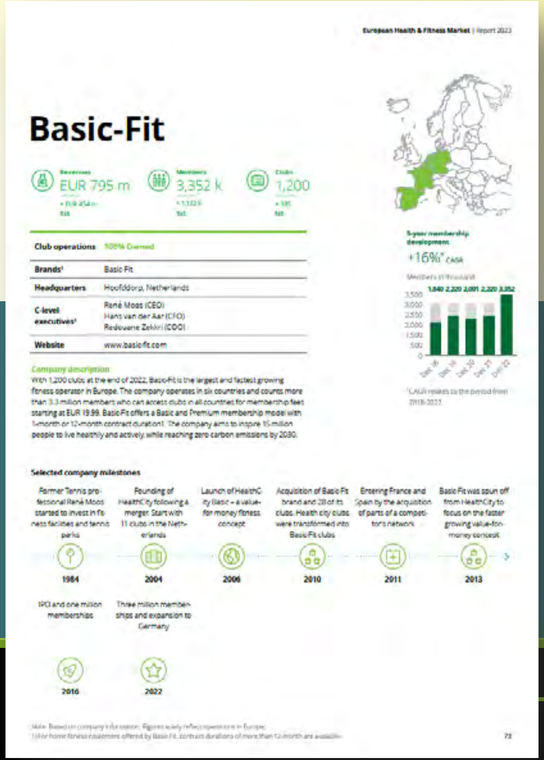
Sources: EuropeActive, national associations, Deloitte.

OPERATORS

Top Operators – Rankings

Fig. 40 – Ranking of major European fitness operators by revenues[1]

		Revenue (€m)		Revenue growth	
Rank	Operator	2021	2022	YoY	vs. 2019
1	Basic-Fit	341	795	+133%	+54%
2	David Lloyd Leisure[1] (DLL)	487	748	+54%	+27%
3	PureGym	352	557	+58%	+91%
4	SATS Group	319	404	+26%	-0%
5	RSG Group[2]	175	371	+112%	+2%
6	Nuffield Health	256	308	+21%	-2%
7	Fitness Park Group	130	224	+72%	n/a
8	Migros Group	189	218	+15%	-40%
9	The Gym Group	123	203	+64%	+11%
10	L'Orange Bleue	130	156	+20%	-13%
11	Kieser	107	140	+31%	-8%
12	LifeFit Group[1]	115	136	+18%	+6%
13	Keep Cool	87	127	+46%	+9%
14	EASYFITNESS	108	113	+5%	+17%
15	Forus	56	102	+82%	+46%
16	Friskis&Svettis[1]	85	100	+17%	-16%
17	VivaGym Group	49	76	+54%	-11%
18	ACISO	n/a	75	n/a	n/a
19	Actic Group	65	75	+15%	-20%
20	GO fit	53	69	+30%	-7%
Sum of Top-15 operators		**3,228**	**4,922**	**+52%**	**n/a**



European Health & Fitness Market | Report 2023

Basic-Fit

EUR 795 m

3,352 k

1,200

Club operations	100% Owned
Brands[1]	Basic Fit
Headquarters	Hoofddorp, Netherlands
C-level executives[1]	René Moos (CEO) Hans van der Aar (CFO) Redouane Zekkri (COO)
Website	www.basic-fit.com

Company description

With 1,200 clubs at the end of 2022, Basic-Fit is the largest and fastest growing fitness operator in Europe. The company operates in six countries and counts more than 3.3 million members who can access clubs in all countries for membership fees starting at EUR 19.99. Basic-Fit offers a Basic and Premium membership model with 1-month or 12-month contract duration1. The company aims to inspire 15 million people to live healthily and actively, while reaching zero carbon emissions by 2030.

Selected company milestones

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OPERATOR RANKINGS BY REVENUES, MEMBERSHIP AND NUMBER OF CLUBS

DETAILED PROFILES OF 26 OPERATORS

Caused by continued club expansion of primarily budget operators, the Top-10 operators generated a double-digit growth after the pandemic, hence, outperforming the market

Top-10 European operators by members in 2022

Rank	Operator	Total members 2021	Total members 2022	Members growth (%) YoY	Members growth (%) vs. 2019[1]	# Clubs Δ 2021 -2022	Key countries[2]
1	Basic-Fit	2,220,000	3,352,000	+51%	+51%	+185	
2	RSG Group[3]	1,691,000	1,805,000	+7%	(12%)	+1	
3	PureGym	1,535,000	1,655,000	+8%	+46%	+34	
4	FitX	716,000	842,000	+18%	+7%	+7	
5	Fitness Park Group	630,000	835,000	+33%	n/a	+23	
6	The Gym Group	718,000	821,000	+14%	+3%	+27	
7	David Lloyd Leisure	703,827	730,000	+4%	+17%	+4	
8	SATS Group	669,000	721,000	+8%	+5%	+11	
9	Friskis&Svettis[4]	463,500	486,000	+5%	(11%)	+5	
10	EASYFITNESS	389,500	434,500	+12%	+14%	+10	
Sum of Top-10 operators		**9,735,827**	**11,681,000**	+20%	+18%	+309	

CAGR	2019-2020	2019-2022	2021-2022
European Market:	(15.4%)	(1.1%)	+12.3%
Top-10:	(3.2%)	+5.6%	+20.0%

In 2022, Top-10 operators collectively account for c. 19% of European memberships.

Notes: Figures include European operations only and may be affected by M&A.; 1) Top 10 growth excl. Fitness Park Group due to lack of information; 2) Clubs with min. 15% of total clubs in the respective country; 3) Based on estimates; 4) Only including facilities that offer resistance training equipment.

Sources: Company information, EuropeActive, Deloitte.

Additionally, Top-10 operators were able to increase their revenues by c. 60%, pretty much in line with the overall market

Top-10 European operators by revenues in 2022

Rank	Operator	Revenue (€m) 2021	Revenue (€m) 2022	Revenue growth (%) YoY	Revenue growth (%) vs. 2019[1]	Key countries[2]
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9	The Gym Group	123	203	+64%	+11%	
10	L'Orange Bleue	130	156	+20%	(13%)	
Sum of Top-10 operators		**2,503**	**3,984**	***+59%***	***+17%***	

CAGR	2019-2020	2019-2022	2021-2022
European Market:	(32.9%)	(0.5%)	+65.9%
Top-10:	n/a	+5.4%	+59%

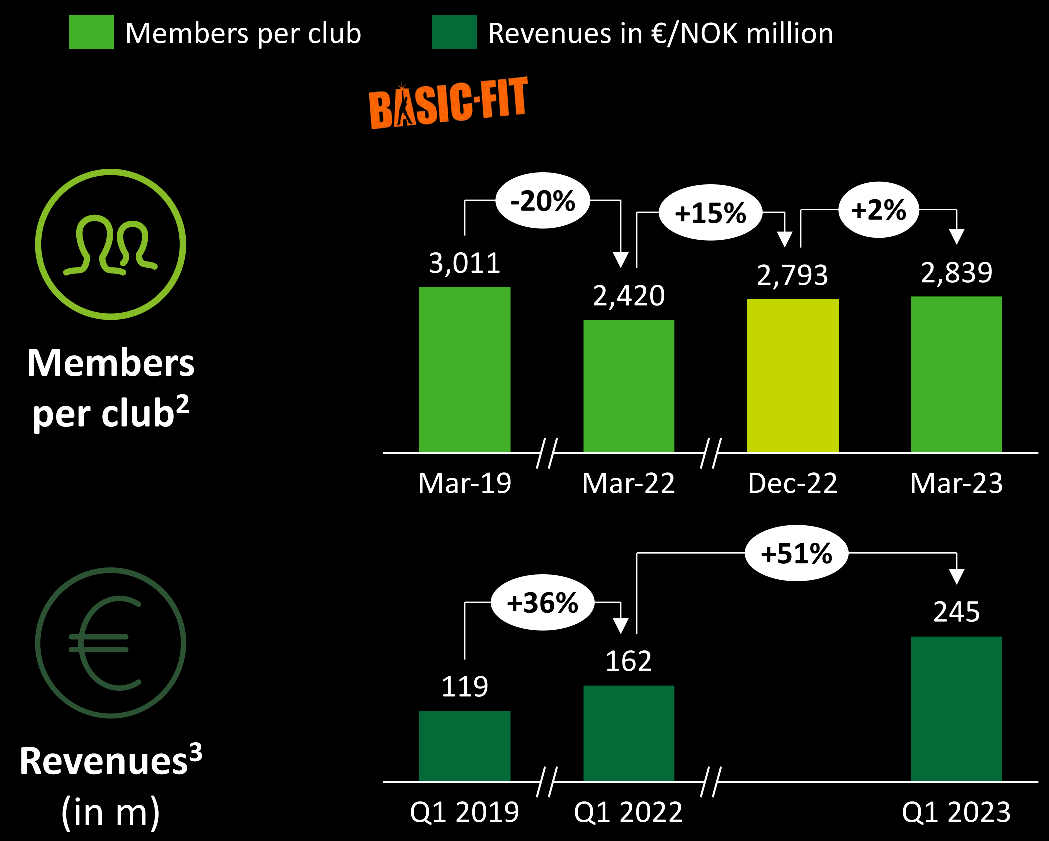
In 2022, Top-10 operators collectively generated c. 14% of European club revenues.

Notes: Figures include European operations only and may be affected by M&A. If necessary, revenues have been converted to Euro at an average exchange rate for the respective year. As a result, revenues might be impacted by exchange rate fluctuations in some cases; 1) Top 10 growth excl. Fitness Park Group due to lack of information; ; 2) Clubs with min. 15% of total clubs in the respective country; 3) Based on estimates.

Sources: Company information, EuropeActive, Deloitte.

Major market players regained or exceeded 2019 levels, with memberships per club still lagging slightly behind pre-COVID-19. However, Q1 2023 figures indicate further growth

Development of major European operator – Members per club and revenues (Q1) since 2019[1]



Note: 1) March = Q1 report; 2) Unless otherwise available, calculations are based on rounded figures; 3) Revenues of Basic-Fit shown in EUR, Revenues of SATS Group shown in NOK.
Sources: Company information, EuropeActive, Deloitte analysis.

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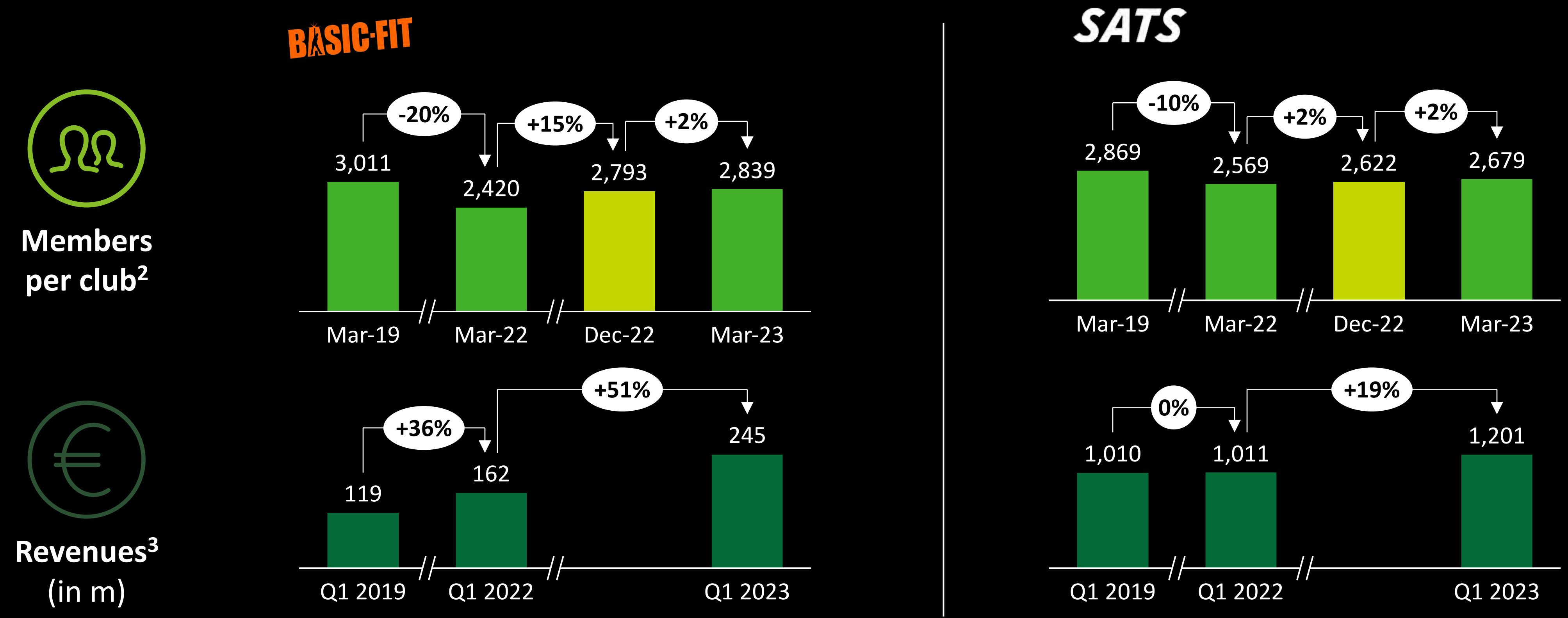
Development of major European operator – Members per club and revenues (Q1) since 2019[1]

Members per club | Revenues in €/NOK million



Note: 1) March = Q1 report; 2) Unless otherwise available, calculations are based on rounded figures; 3) Revenues of Basic-Fit shown in EUR, Revenues of SATS Group shown in NOK.

Sources: Company information, EuropeActive, Deloitte analysis.

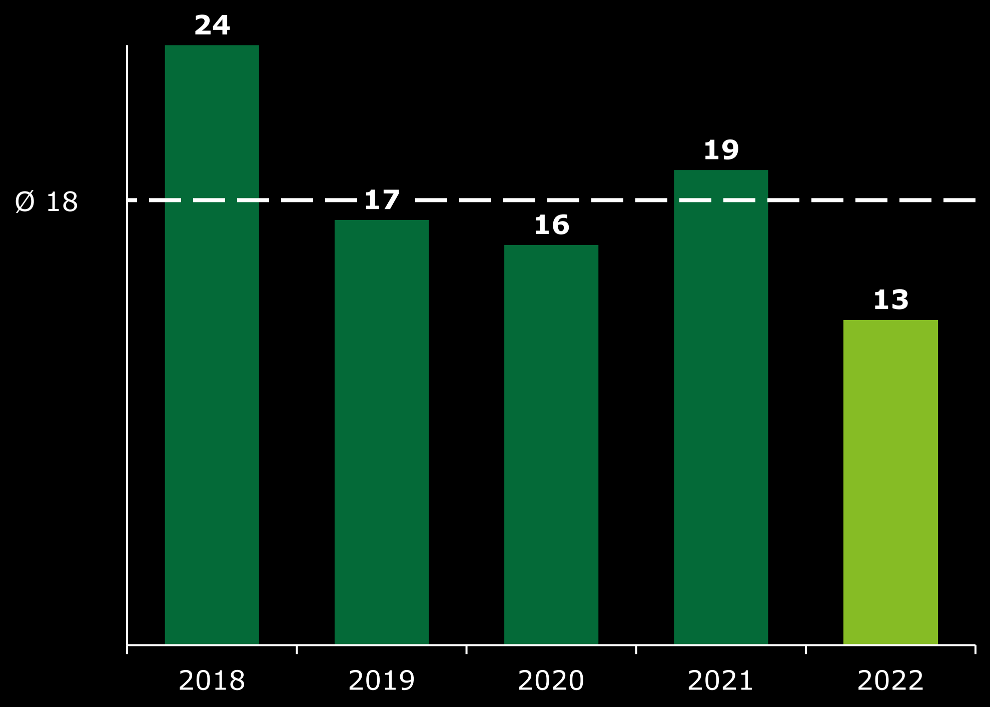
M&A

13 IDENTIFIED M&A TRANSACTIONS

STOCK MARKET DEVELOPMENTS OF SELECTED COMPANIES

Among 13 transactions identified in 2022, 9 represented a sale to a strategic investor, while 4 targets were acquired by a financial investor

Number of M&A deals since 2018[1]



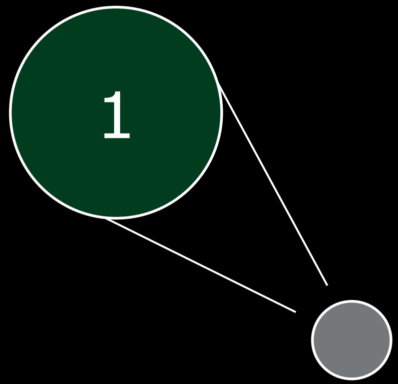
Market consolidation in 2022 by investor type

Note: 1) Includes transactions of European brick-and-mortar fitness companies in which a minimum of four gyms as well as at least 50% of the target's shares were acquired.
Sources: Mergermarket, company information, EuropeActive, Deloitte.

The largest transaction in 2022 was the acquisition of ACISO including the brands INJOY, FT-Club and ELEMENTS by the financial investor Lafayette Mittelstand Capital

Selected M&A transactions in 2022

Target:	ACISO[1]
Countries:	
Number of clubs[1]:	172
Acquirer:	Lafayette Mittelstand Capital



Strategic investment Financial investment

Note: 1) Including franchises.
Sources: Mergermarket, company information, EuropeActive, Deloitte.

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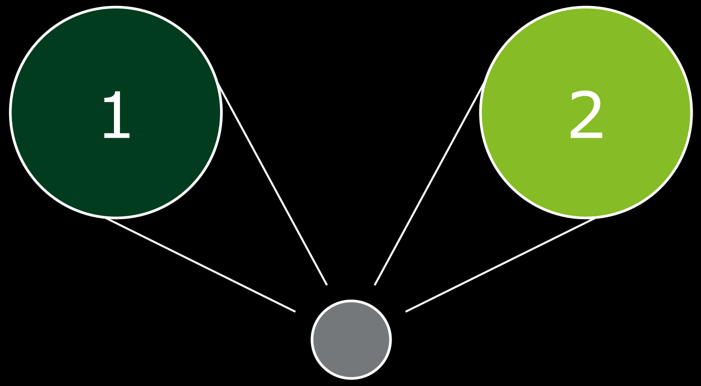

Target: PremiumFitness & Gym and Platinum Fitness & Smart Gym[1] McFIT Poland
Countries:
Number of clubs: 12 / 18 / 14
Acquirer: Medicover

Strategic investment | Financial investment

Note: 1) Including franchises.
Sources: Mergermarket, company information, EuropeActive, Deloitte.

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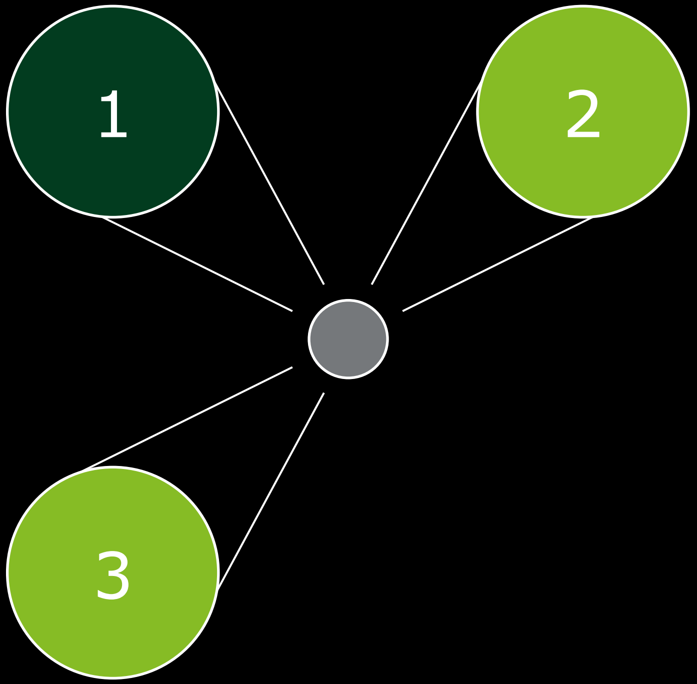

1
- Target: ACISO[1]
- Countries: (Germany, Austria)
- Number of clubs[1]: 172
- Acquirer: Lafayette Mittelstand Capital

2
- Target: PremiumFitness & Gym and Platinum Fitness & Smart Gym[1] McFIT Poland
- Countries: (Poland)
- Number of clubs: 12 / 18 / 14
- Acquirer: Medicover

3
- Target: In Shape / FitnessLOFT
- Countries: (Germany)
- Number of clubs[1]: 13 / 27
- Acquirer: LifeFit Group

Strategic investment | Financial investment

Note: 1) Including franchises.
Sources: Mergermarket, company information, EuropeActive, Deloitte.

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Selected M&A transactions in 2022

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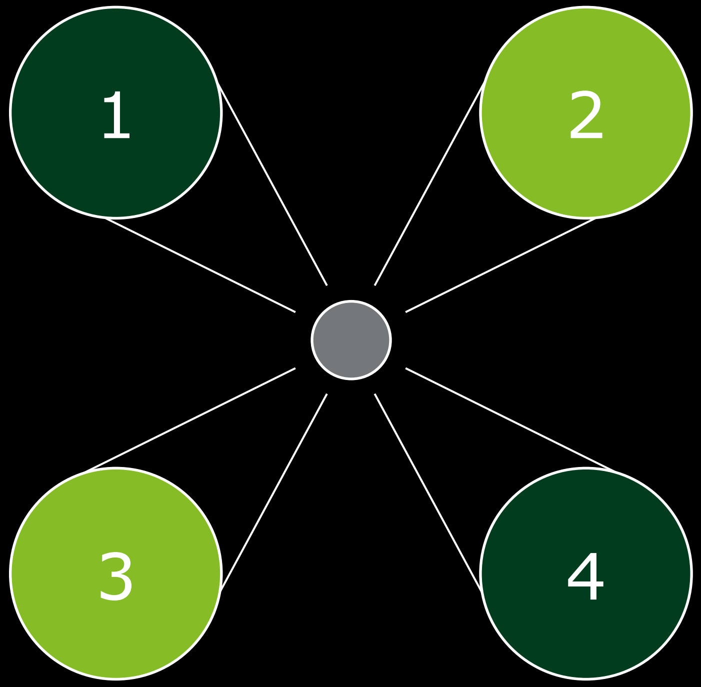
- Number of clubs[1]: 172
- Acquirer: Lafayette Mittelstand Capital

2
- Target: PremiumFitness & Gym and Platinum Fitness & Smart Gym[1] McFIT Poland
- Countries: Poland
- Number of clubs: 12 / 18 / 14
- Acquirer: Medicover



3
- Target: In Shape / FitnessLOFT
- Countries: Germany
- Number of clubs[1]: 13 / 27
- Acquirer: LifeFit Group

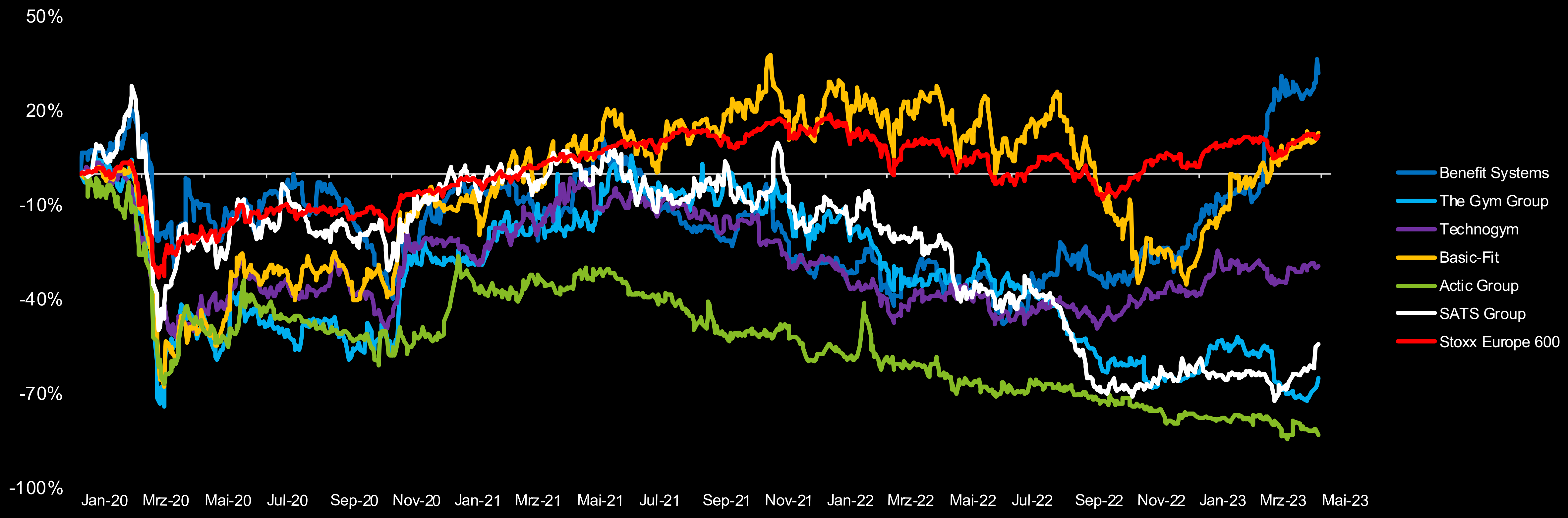
4
- Target: Multiple operators[1]
- Countries: Norway
- Number of clubs[1]: 64
- Acquirer: Credo Partners

Strategic investment (1: financial, 2: strategic, 3: strategic, 4: financial) — Financial investment

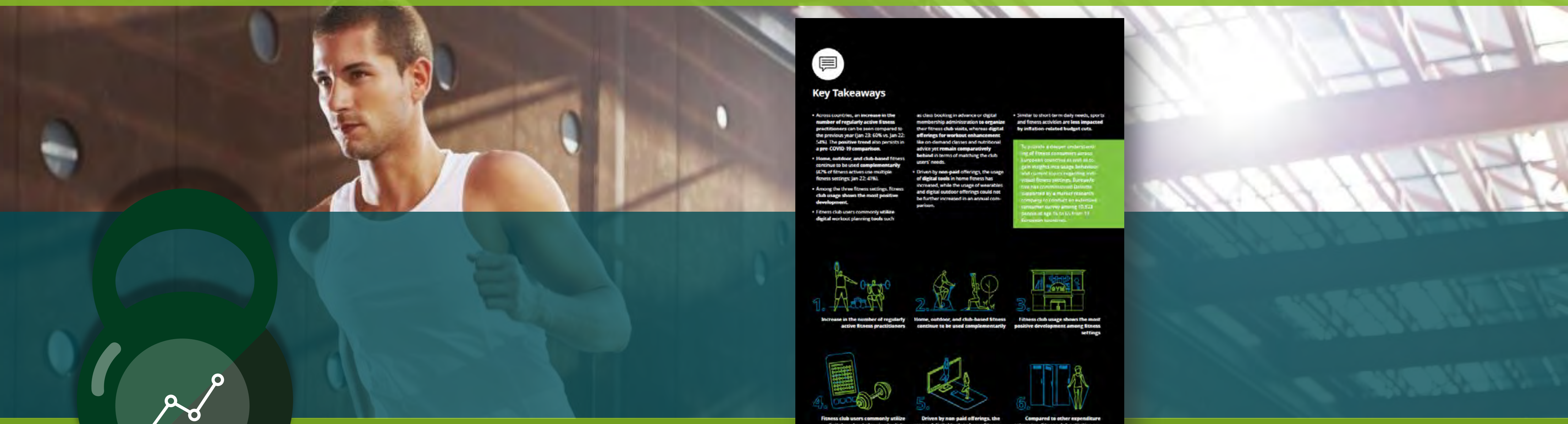
Note: 1) Including franchises.
Sources: Mergermarket, company information, EuropeActive, Deloitte.

Even though considered fitness-related stocks showed a path of recovery after a COVID-19-related decline across the industry, individual stocks have experienced mixed performances

Indexed stock price development of selected companies since January 2020[1]



Note: 1) Index baseline to the respective share price at 01 January 2020.
Sources: Yahoo Finance, The Wall Street Journal, Deloitte analysis.



Key Takeaways

- Across countries, an **increase in the number of regularly active fitness practitioners** can be seen compared to the previous year (Jan 23: 60% vs. Jan 22: 54%). The **positive trend** also persists in **a pre-COVID-19 comparison.**
- **Home, outdoor, and club-based** fitness continue to be used **complementarily** (47% of fitness actives use multiple fitness settings; Jan 22: 41%).
- Among the three fitness settings, fitness **club usage shows the most positive development.**
- Fitness club users commonly **utilize digital** workout planning **tools** such as class booking in advance or digital membership administration **to organize** their fitness **club visits, whereas digital offerings for workout enhancement** like on-demand classes and nutritional advice yet **remain comparatively behind** in terms of matching the club users' needs.
- Driven by **non-paid** offerings, the usage of **digital tools** in home fitness has increased, while the usage of wearables and digital outdoor offerings could not be further increased in an annual comparison.
- Similar to short-term daily needs, sports and fitness activities are **less impacted by inflation-related budget cuts.**

To provide a deeper understanding of fitness consumers across European countries as well as to gain insights into usage behaviour and current topics regarding individual fitness settings, EuropeActive has commissioned Deloitte supported by a market research company to conduct an extensive consumer survey among 10,923 people at age [illegible] from 10 European countries.

1. Increase in the number of regularly active fitness practitioners
2. Home, outdoor, and club-based fitness continue to be used complementarily
3. Fitness club usage shows the most positive development among fitness settings
4. Fitness club users commonly utilize digital workout planning tools to organize their fitness club visits
5. Driven by non-paid offerings, the usage of digital tools in home fitness has increased
6. Compared to other expenditure categories, fitness club activities are less impacted by inflation-related budget cuts

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CONSUMER SURVEY

INSIGHTS OF EUROPEACTIVES' CONSUMER SURVEY

To get a deeper understanding of the European fitness consumers, EuropeActive commissioned Deloitte to conduct a consumer survey with almost 11k participants

Consumer survey methodology:

10,923 participants
(age 16 and above)

19 European countries

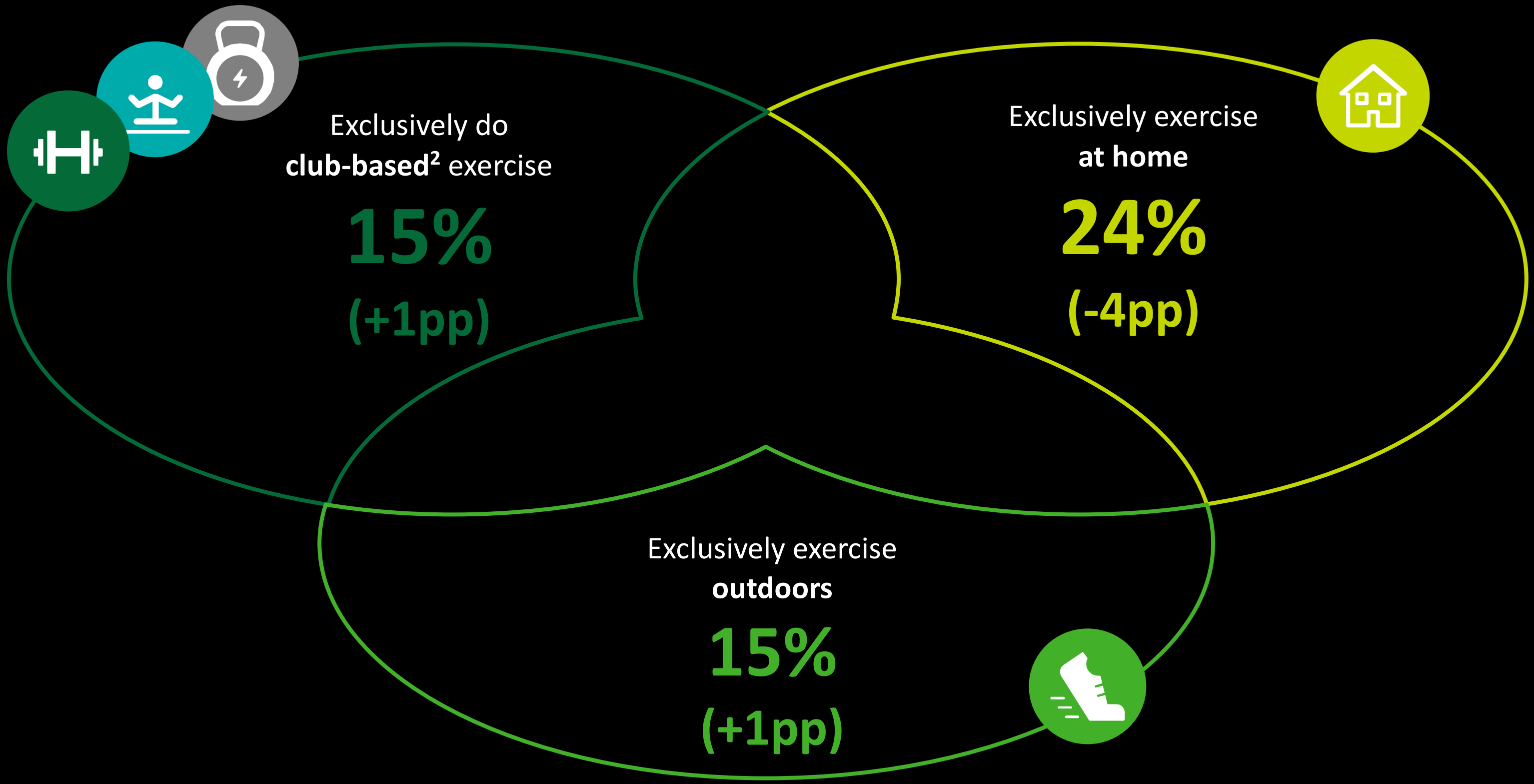
January 2023

Sponsored by the ***2022 President's Council for Operators***

ANYTIME FITNESS, ASPRIA, BASIC-FIT, David Lloyd CLUBS, FITNESS PARK, GO fit, lifefit group, l'Orange bleue, PUREGYM, SATS, the gym group

Home, outdoor, and club-based fitness continue to be used complementarily with fitness club usage showing the most positive development among the settings

Combination of fitness settings by consumers who generally practice fitness[1]:



Note: 1) Corresponding survey question: In which settings do you do fitness? the numbers in the chart relate to the share of consumers who generally practice fitness (2023: N = 9,518/2022: N = 8,964). The sum does not add up to 100% as consumers may use other settings exclusively that are not represented in this figure (e.g. swimming); 2) Club-based: comprises the entirety of fitness clubs, EMS studios, and Yoga studios.

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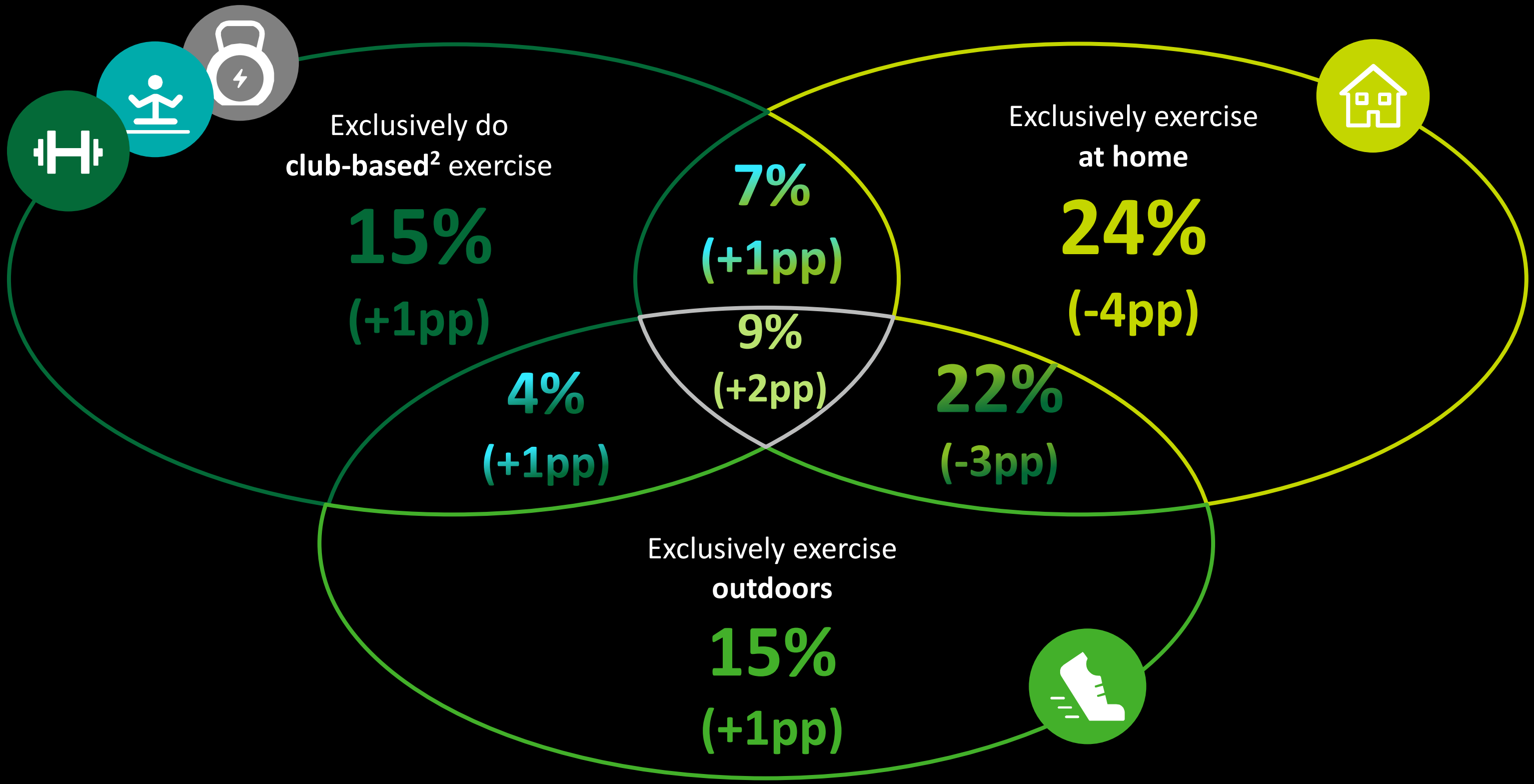

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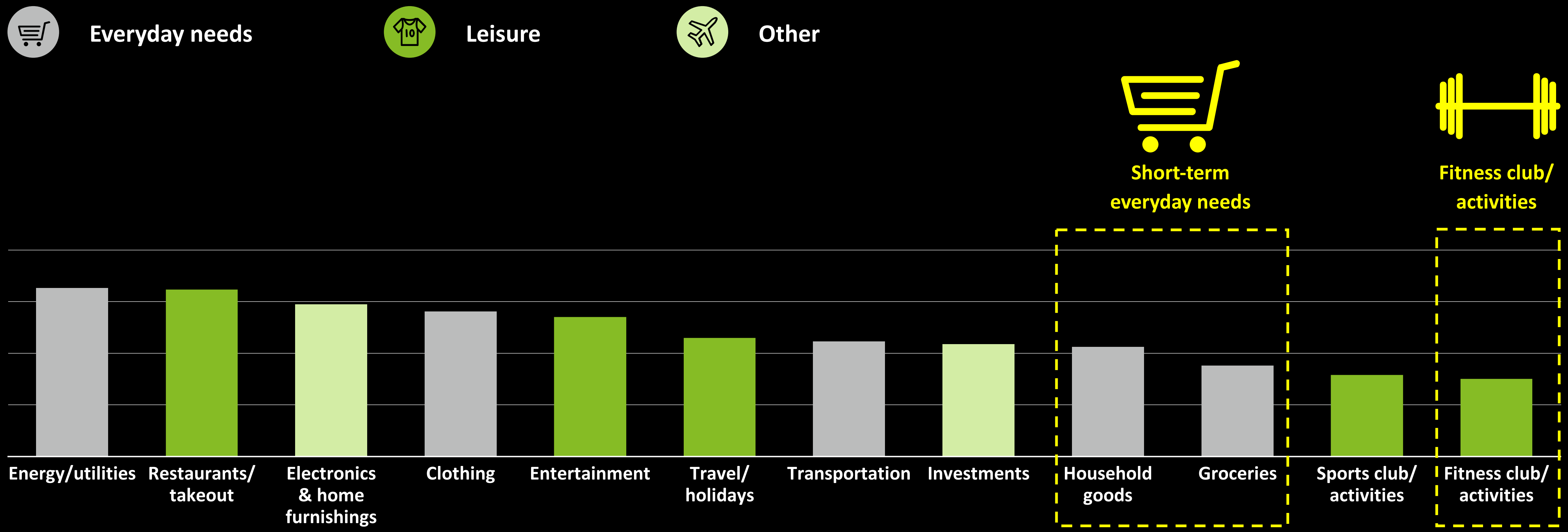
Compared to other expenditure categories, fitness club activities are less impacted by inflation-related budget cuts

Areas of cost savings[1] due to the current inflationary situation (Jan-23):
Due to the current inflationary situation, I am trying to save costs in the area of…



Note: 1) Corresponding survey questions: To what extent do you agree with the following statement: "Due to the current inflationary situation, I am trying to save costs in the area of …; the numbers relate to the share among fitness actives (2023: N = 9,518) less respondents who indicate that the respective area was “not applicable”. The figures show the percentage point differential between fitness actives who (strongly) agreed compared to those who (strongly) disagreed.

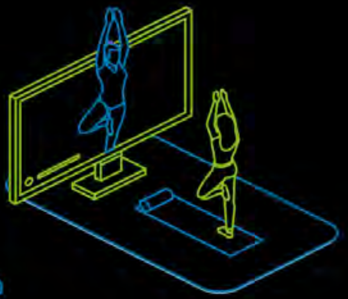
Despite country-specific differences, a number of overarching developments with respect to fitness frequency, fitness settings as well as the usage of digital tools can be identified

1. **Increase** in the number of regularly active **fitness practitioners**

2. **Fitness club** usage shows the **most positive development** among fitness settings

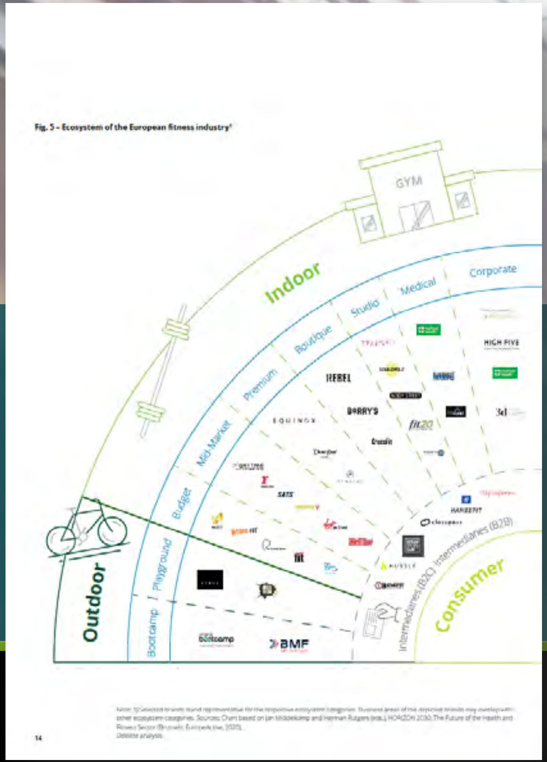
3. **Home, outdoor, and club-based** fitness continue to be used **complementarily**

4. Fitness club users commonly utilize **digital workout planning tools** to organize their fitness club visits



5. **Driven by non-paid offerings**, the usage of **digital tools** in **home fitness** has increased

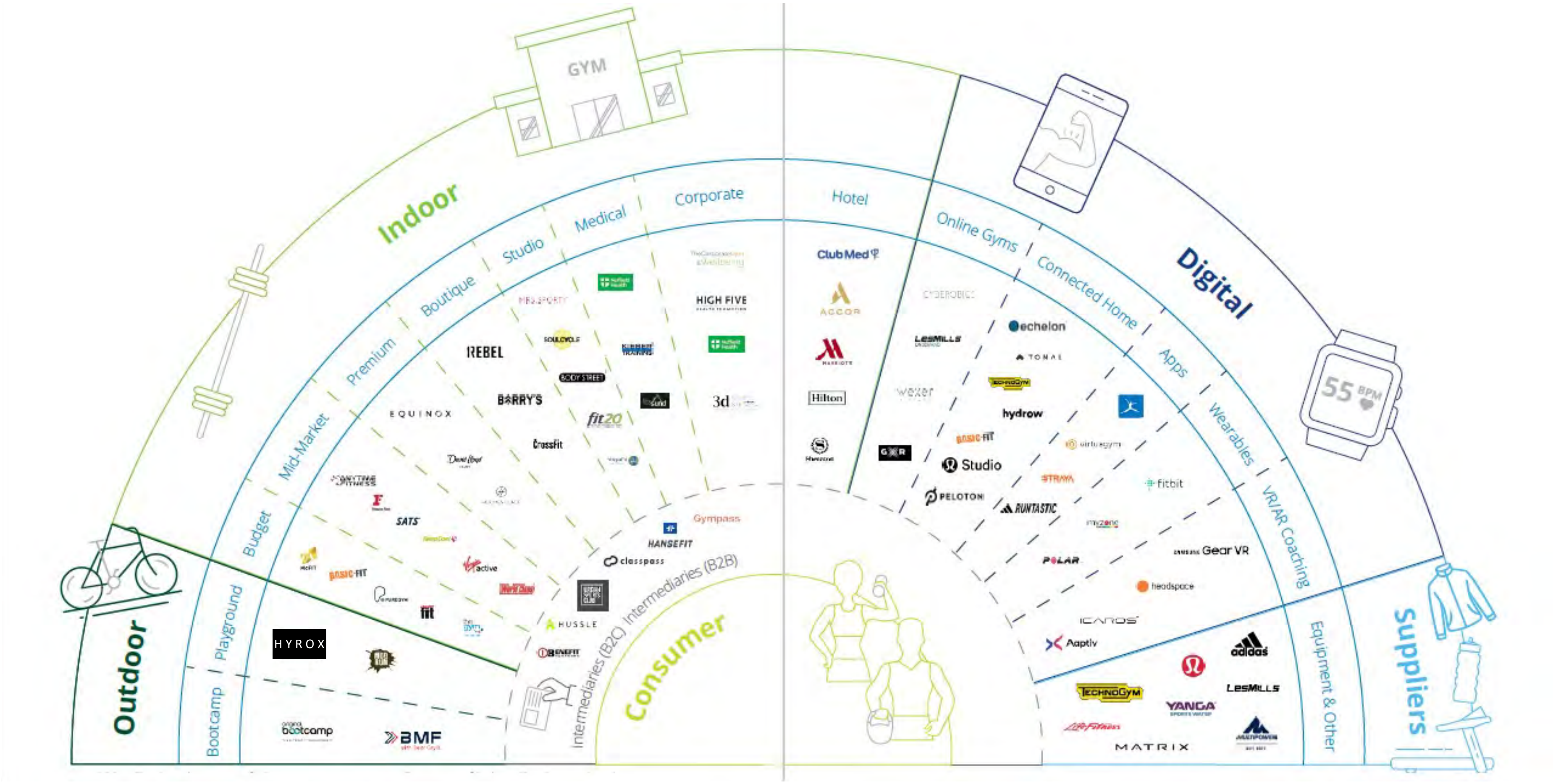
6. Compared to other expenditure categories, **fitness club activities** are **less impacted** by inflation-related **budget cuts**



ECOSYSTEM

RECENT DEVELOPMENTS IN THE FITNESS ECOSYSTEM

Across segments, organizations strive to position themselves for the future, not only by strengthening their core business but also by venturing into new activities



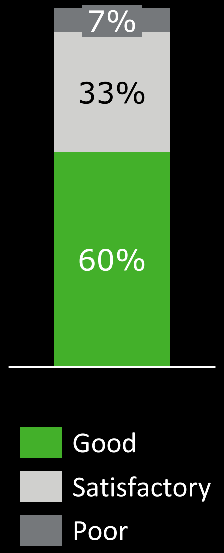
Note: 1) Selected brands stand representative for the respective ecosystem categories. Business areas of the depicted brands may overlap with other ecosystem categories.

Sources: Chart based on Jan Middelkamp and Herman Rutgers (eds.), HORIZON 2030: The Future of the Health and Fitness Sector (Brussels: EuropeActive, 2020), Deloitte analysis

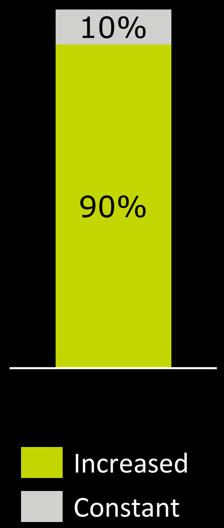
Nearly all operators in the club business have to cope with rising energy costs, which is an important factor on the expense side of the business

Business climate sentiment among European operators[1]

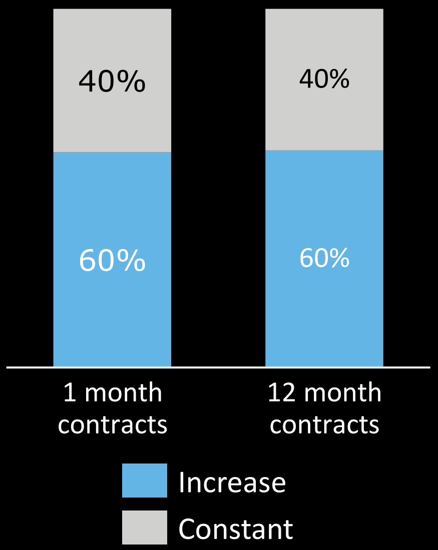
Perception of the business outlook[2]
January 23



Energy cost development[3]
2022 vs. 2021



Price development of membership contracts[4]
2022 vs. 2021

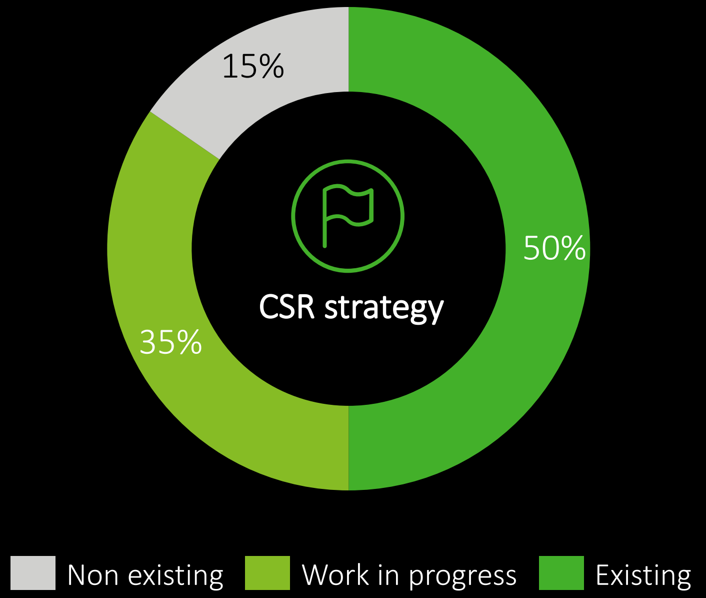


Note: 1) Number of respondents varies among questions; Corresponding survey questions: 2) How do you assess your current business situation? (n = 30); 3) How have energy costs of your company developed (2021 vs. 2022)? (n= 31); 4) Have you raised the price for 1-month/12-month contracts in 2022? (n = 25/28).

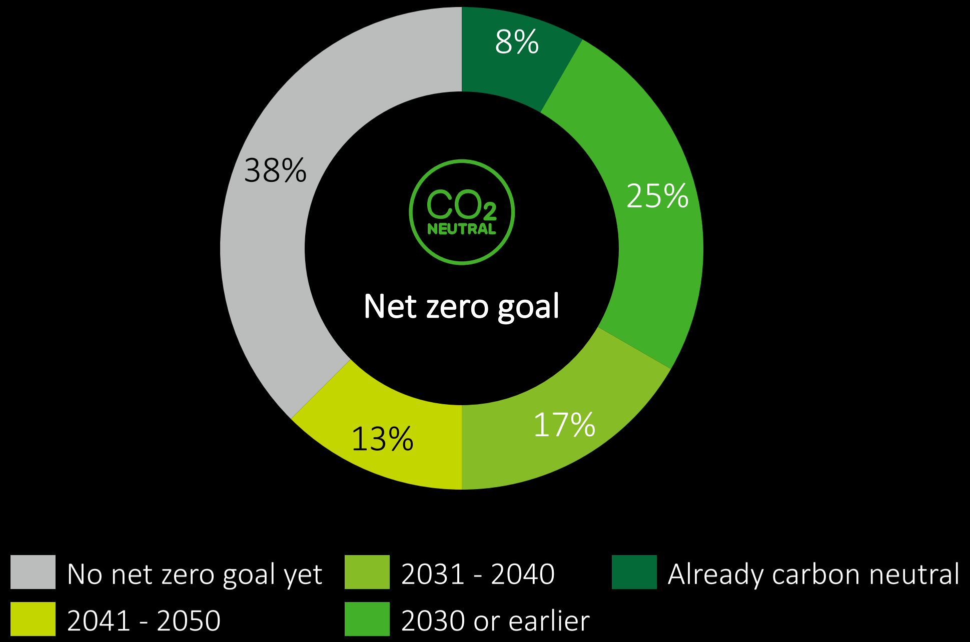
Around half of the operators surveyed report that they have a Corporate Social Responsibility strategy and about 60% have targeted a net zero goal

Sustainability in the European brick-and-mortar sector

Strategic integration of CSR among European operators[1]
Share of European operators with an existing CSR strategy, in %



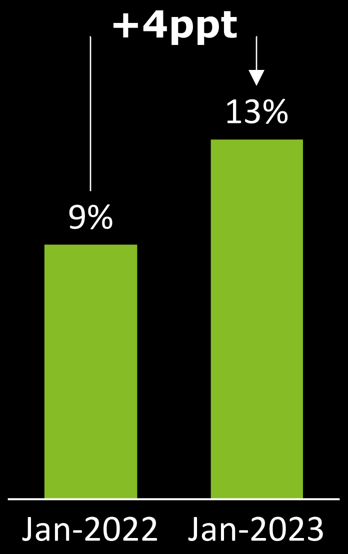
Targets for achieving net zero emissions among European operators[2]



Note: 1) Corresponding survey questions: Does your company have a CSR strategy (e.g. sustainability goals, measures for energy or CO2 reduction? (n = 26); 2) Corresponding survey questions: When does your company plan to become carbon neutral (= net zero goal)? (n = 24).

Across Europe, fitness intermediaries continue to grow partner networks and draw customer attention. In Germany, the market experiences strong uptake post-Covid

Share of regular fitness practitioners using intermediary offerings[1]
across European countries; Jan-2022 vs. Jan-2023



Development of the German intermediary market
Dec-22 vs. Dec-21

Cumulative number of partner locations[2]

27.5k | +10.4%
Dec-2022

Revenue

€240m | +10.4%
Dec-2022

Memberships

540k | +38.5%
Dec-2022

Intermediaries add c. 5% additional members to the German health and fitness market on top of c. 10.3m fitness club members (Dec-22)

Note: 1) Corresponding survey question: Are you a member of a fitness intermediary/aggregator? (2023: N = 10,923/2022: N = 10,888). 2) Please note that one location can have partnerships with several intermediaries. Source: EuropeActive, Company information, Deloitte analysis.

Key takeaways of this year's European Health & Fitness Market report

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Source: EuropeActive, Deloitte analysis

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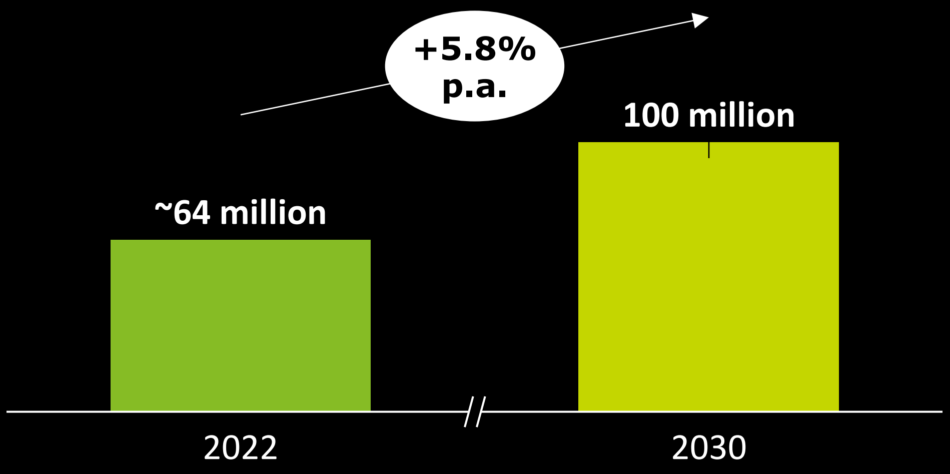
6. European overall **penetration** of fitness membership **grew to 7.9%**

Source: EuropeActive, Deloitte analysis

The COVID-19 pandemic has caused a slump in the fitness sector. But by the end of the decade, around 100 million people could still be working out in Europe's gyms

100 million members by 2030?

EuropeActive's mantra



Source: EuropeActive

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Questions

The European Health & Fitness Market Report 2023

Karsten Hollasch, Herman Rutgers

Deloitte.

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