

23rd January 2024

DAVID LLOYD LEISURE

Performance ahead of expectations with continued growth in revenue and member numbers

Trading update for the 12 months to 31 December 2023

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 2023.

Business highlights

- Membership increased to 755k (December 2022: 730k) fuelled by four new clubs and positive like-for-like growth.
- 158k digital app only members.
- Run-rate adjusted EBITDA is in line with previous guidance at £225m.
- Available liquidity at year end of circa £133m, including £125m undrawn RCF.
- Group remains highly cash generative with approximately 82% cash conversion¹.
- Group expansion continues, with four new clubs opened during the year, and a strong future pipeline.
- Achieved 86% Employee Engagement in the year, the highest ever score attained.
- On track to meet 2030 net zero commitments.
- Board reaffirms strong conviction on the outlook of the business.

Commenting on the results, Chief Executive Russell Barnes said:

"I am pleased to report a strong financial and operational performance for the year, with the trading momentum seen in H1 continuing through H2. The membership base has increased steadily through the year, as families and individuals continue to prioritise their mental and physical well-being.

We have continued to innovate and make disciplined investment across the group. Our focus remains on further improving the member experience, through premiumisation and expansion of our clubs and offering, which is reflected in our membership experience and retention scores.

We remain very excited about the growth opportunities ahead and the Board is confident in the outlook for the business."

Business update

FY 2023 was a year of investment and growth, with strengthening demand driving improving yields and returns.

We have delivered a strong performance over the past 12 months, both operationally and financially, with growth across all key metrics, including membership numbers, revenue and adjusted EBITDA.

Membership growth of 3.5% was driven by a combination of LFL growth, the acquisition of

¹ Cash conversion is defined as RR Adjusted EBITDA/(RR Adjusted EBITDA less Maintenance capex plus Working capital movement)

Wickwoods in Sussex and 3 of our most successful openings ever in the period in Rugby (Warwickshire), Shawfair (Edinburgh) and Sterrebeek (Brussels). Demand was particularly strong for our premium Platinum and Diamond packages and we were pleased to see attrition continuing to reduce. We achieved very positive membership experience scores and robust value for money scores, despite the broader challenges in the macro environment.

Outlook

The momentum which we saw throughout 2023 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, with a focus on innovation, premiumisation and expansion. We have a strong future pipeline of new clubs across the UK and Europe and 11 premiumisation projects already identified for 2024, including 8 spa retreats, the first of which is expected to open in Q1 2024.

The Board remains confident in the outlook for current financial year and the longer term. With the impact of energy costs headwinds now behind us, and with strong positive momentum, we expect to deliver meaningful year-on-year EBITDA growth in 2024.

Full year results for the year ended 31 December 2023 are expected to be released on 29th April 2024

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 (103) and mainland Europe (30), comprising three brands David Lloyd Clubs, Harbour Clubs and David Lloyd Meridian Spa and Fitness in Germany.

Enquiries

Teneo

James Macey White / Louise Male / Victoria Boxall
davidlloyd@teneo.com 0207 353 4200