

London openings help Gym Group beef up annual guidance



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London openings and the growing use of working out as a social activity among younger, customers helped cut-price exercise chain Gym Group beef up its annual guidance today, as it reported buff-looking half-year profits.

CEO Will Orr said the company's expansion had "s strong weighting toward London", after it cut the ribbon on new gyms in Euston, Plaistow and East Ham.

He also told the Standard that "a higher proportion" of the £277 million firm's 905,000 members "visiting four times or more a month", with some eye-catching trends on the timing of visits.

“We’ll often see groups of students and young people in on Saturday night, coming in groups together. It’s become a social activity ... an affordable lifestyle choice.”

The London-listed firm reported a 12% rise in revenue of over £112 million and group adjusted earnings of almost £42 million, up nearly a fifth. It now expects annual revenue growth of between 5% and 6%.

City experts welcomed the numbers. Anna Barnfather, an analyst at Panmure Liberum, said they were “strong”, and:

“We believe there is more to come with a multitude of initiatives driving customer

acquisition and retention, backed by data and behavioural science, and set against an improving consumer backdrop.

The company has used real-time ad-tech to tailor its marketing to specific sites as it launches them, helping sign up customers, most of whom live nearby.

Orr pointed to the increase in member visits, calling it “really important”.

He said: “It shows that people are really engaged on low-cost gyms, they are sticking around for longer, too. It’s a lifestyle thing as well as a fitness thing, people want to feel good and they want to look good.”

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“UK consumers spend £5.9 billion on gyms and our part of the market is growing the fastest,” he added.

He plans to open 10 to 12 new sites in total in 2024, with around 50 coming up over the next three years.

Shares in Gym Group added some muscle today, rising by over 12p to 156p, a gain of over 8%.

