



European Health & Fitness Market Report 2019

Introduction	04
The European Fitness Market at a Glance	06
Executive Summary	08
Top 30 Operators – Rankings	12
Top 30 Operators – Profiles	19
Other Operators – Short Profiles	52
Recent Mergers & Acquisitions	56
Perspectives on the Market	65
Humphrey Cobbold	66
Christophe Collinet	70
Jacob Fatih	74
Sondre Gravir	78
James Hurrell	82
Trends and Drivers in the European Fitness Market	86
The View from Brussels	93
Snapshot of the Equipment Industry	97
Top Markets – Overview	106
Top Markets – Profiles	119
Appendix	158
About EuropeActive	159
EuropeActive Event Calendar	160
About Deloitte Sports Business Group	161
Methodology	162
Glossary	164

The European Fitness Market at a Glance

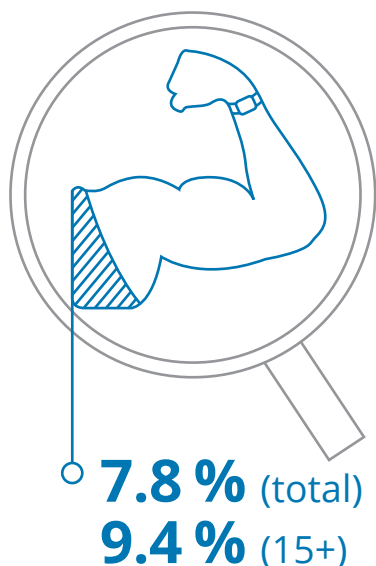
Number of
fitness club
members



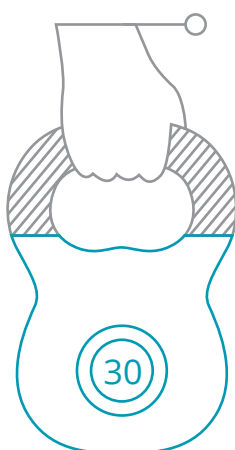
62.2 million



Penetration rate

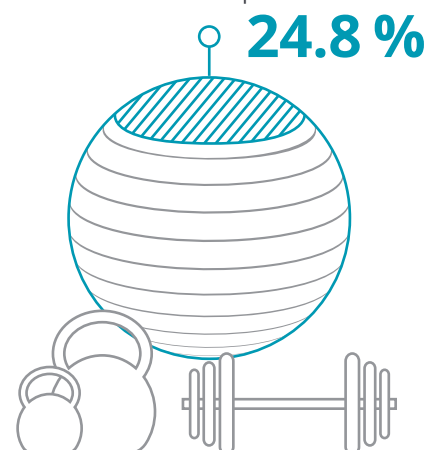


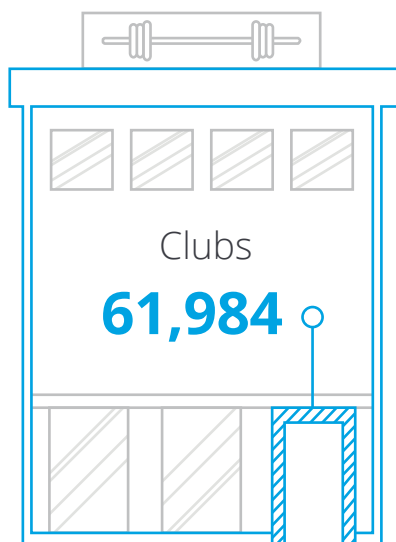
**15.4
million**



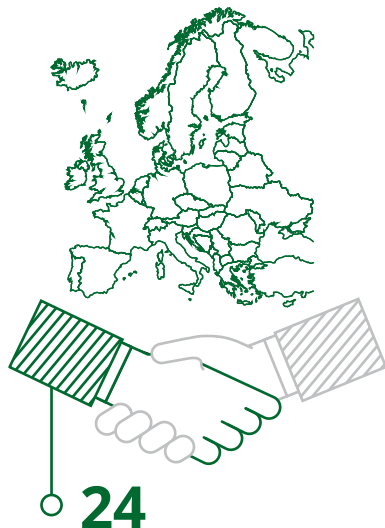
Members of
top 30 operators

Market share of
top 30 operators by
membership

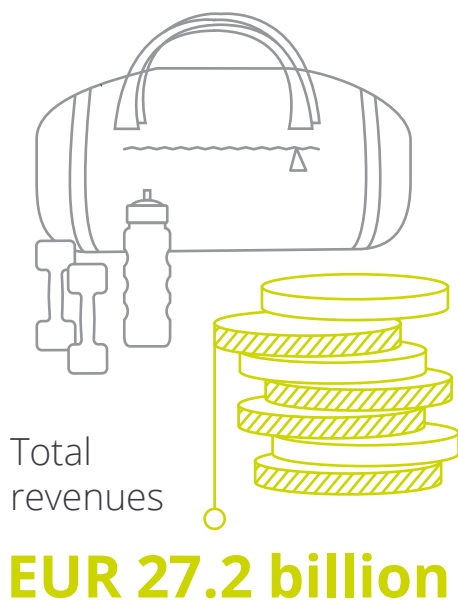
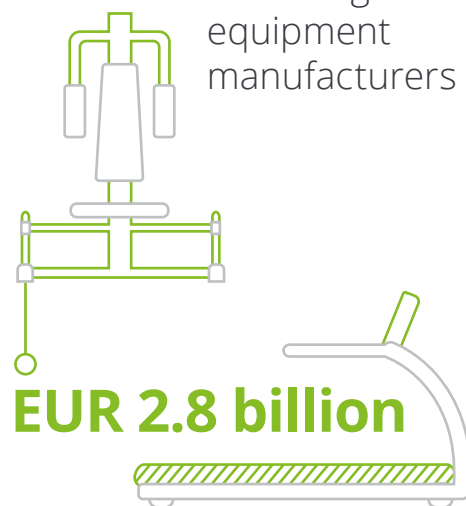




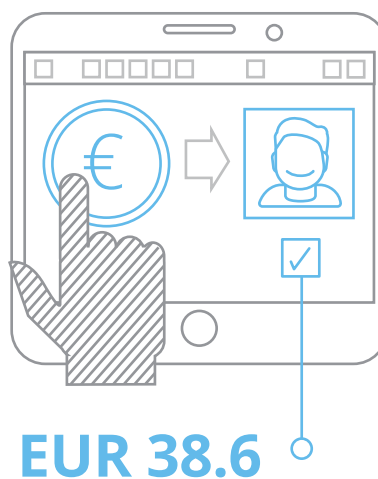
Mergers and
acquisitions



Global net sales
of leading
equipment
manufacturers



Average gross
membership fee per month



Market growth is again primarily driven by a 4.6 % increase in the number of clubs across all countries, driving a total increase in members of 3.5 % to 62.2 million.

Executive Summary

In terms of revenue, the European health and fitness market grew by 1.2 % to EUR 27.2 billion in 2018. In addition to the 28 European Union member countries, this figure also includes Norway, Russia, Switzerland, Turkey and Ukraine. The revenue development was, however, negatively affected by exchange rate effects in Turkey (-27.8 %), Sweden (-6.1 %), Ukraine (-5.8 %), Switzerland (-3.7 %), Norway (-2.8 %), UK (-0.9 %), Denmark (-0.2 %) and Poland (-0.1 %). At constant foreign exchange rates, the year-on-year growth rate was 3.4 %.

Market growth is again primarily driven by a 4.6 % increase in the number of clubs to 61,984 across all countries, driving a total increase in members of 3.5 % to 62.2 million. Thus, 7.8 % of the 796 million people living in the European Union, Norway, Russia, Switzerland, Turkey and Ukraine were members of a health or fitness club, with a penetration rate of 9.4 % for people aged 15 years and older. At the same time, average monthly membership fees remained relatively stable at constant currency across the European market, as price decreases in some countries (driven by the continued expansion of low-cost operators) were offset by increasing membership fees in other markets.

As shown in the chapter on the leading operators, the top 10 European fitness operators, as measured by revenue, achieved total revenues of EUR 3.3 billion in 2018. While their market share increased from 11.7 % to 12.1 %, the European fitness market nonetheless remains relatively

fragmented. With respect to membership, the 30 largest operators increased their combined market share by 1.3 percentage points to 24.8 % and their membership by 1.5 million (+11.2 %) to 15.4 million from 2017 to 2018.

This development was predominantly driven by low-cost operators, as Basic-Fit (+316,000 members), McFIT GLOBAL GROUP (+220,000), VivaGym Group (+142,000), The Gym Group (+117,000), FitX (+100,000), clever fit (+100,000), Fitness World (+88,000), PureGym (+85,000), Keep Cool (+80,000) and EASYFITNESS (+60,000) were the ten fastest-growing companies in terms of absolute membership. The German operator McFIT GLOBAL GROUP (1.95 million members), Netherlands-based Basic-Fit (1.84 million) and British market leader PureGym (1.01 million) thereby also solidified their positions as the top 3 European operators in terms of membership, while The Gym Group (724,000) and FitX (650,000) made leaps to fourth and sixth in the overall ranking.

While these growth figures largely represent organic growth, some companies such as VivaGym Group (acquired Fitness Hut), The Gym Group (easyGym), Fitness World (basefit.ch), PureGym (Soho Gyms) and Keep Cool (Feel Sport) were also involved in M&A transactions as highlighted in the merger and acquisitions section of this report. Overall, health and fitness club operators remained highly attractive to investors from both inside and outside the

industry, as the 24 major M&A transactions in 2018 represent the highest number ever reported in all six annual editions of this report.

In terms of revenue, UK-based premium operator David Lloyd Leisure (DLL) retained first place by a considerable margin with revenue of EUR 545 million in 2018, which represents an increase of almost 13.0 % compared with 2017. DLL further expanded its international presence in 2018 with the addition of its first clubs in France and Germany. Ranking second was Basic Fit (EUR 402 million), driven by 108 club openings in 2018. Switzerland-based Migros Group (383 million) ranked third, followed by McFIT GLOBAL GROUP (EUR 355 million) and Scandinavian market leader SATS Group (EUR 339 million). The top 10 by revenue contain five low-cost operators, namely McFIT GLOBAL GROUP, Basic-Fit, PureGym, Fitness World and clever fit.

In addition to its focus on club operators, this report also provides a snapshot of the global fitness equipment industry, highlighting the position and development of leading fitness equipment suppliers. 2018 was yet another year of strong growth for the global commercial fitness equipment industry, increasing to an estimated global market size of EUR 2.95 billion. Thereof, EUR 0.87 billion are estimated to relate to the European market. The selected leading manufacturers, which account for 75 % of the total commercial equipment market, increased their commercial net sales by 2.9 % to EUR 2.2 billion in 2018.

This report also provides profiles of the largest national fitness markets in Europe. Together, the 18 countries analysed have 56.4 million members (90.8 % of the European market), revenues of EUR 25.6 billion (94.2 %) and 52,630 clubs (84.9 %).

Depending on the development of the US market, which reported revenues of EUR 26.6 billion (USD 30.0 billion) in 2017 according to the 2018 IHRSA Global Report, the European fitness market (EUR 27.2 billion) could again be the largest fitness market in the world.

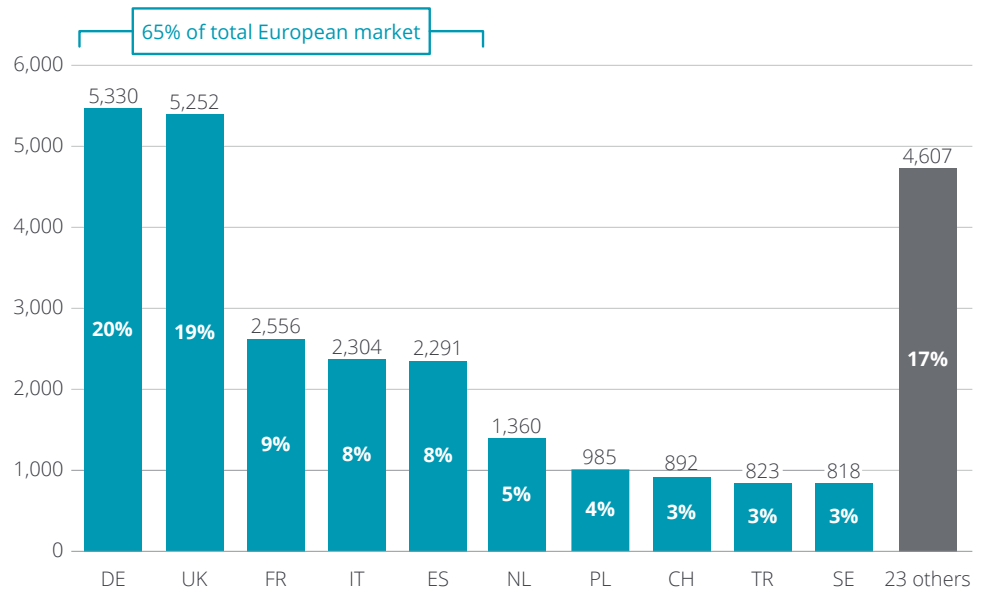
As shown in Figure 1, Germany and the United Kingdom remain the two largest national fitness markets in Europe with total revenues of about EUR 5.3 billion each. While the German market increased by 2.5 % in 2018, the UK market grew by 4.3 % at constant currency and by 3.3 % in Euro. When combined with France (EUR 2.6 billion), Italy (EUR 2.3 billion) and Spain (EUR 2.3 billion), the five leading countries account for 65 % of the total European health and fitness market.

In terms of membership, Germany remains the largest market in Europe with a total of 11.1 million members (+4.5 %), followed by the UK (9.9 million), France (6.0 million), Italy (5.5 million) and Spain (5.3 million). As shown in Figure 2, Germany and France also displayed above-average membership growth rates in 2018, largely driven by the continued expansion of low-cost operators in both countries.

At the same time, considerable differences between the individual markets remain. Markets such as Sweden (21.6 % penetration rate) and the Netherlands (17.1 %) represent medium-sized countries with high membership figures relative to the population, largely due to the high proportion of physically active people, relatively high urbanisation rates and the presence of large fitness operators in these countries. At the same time, markets such as Turkey still display considerable market potential with a penetration rate of 2.6 %.

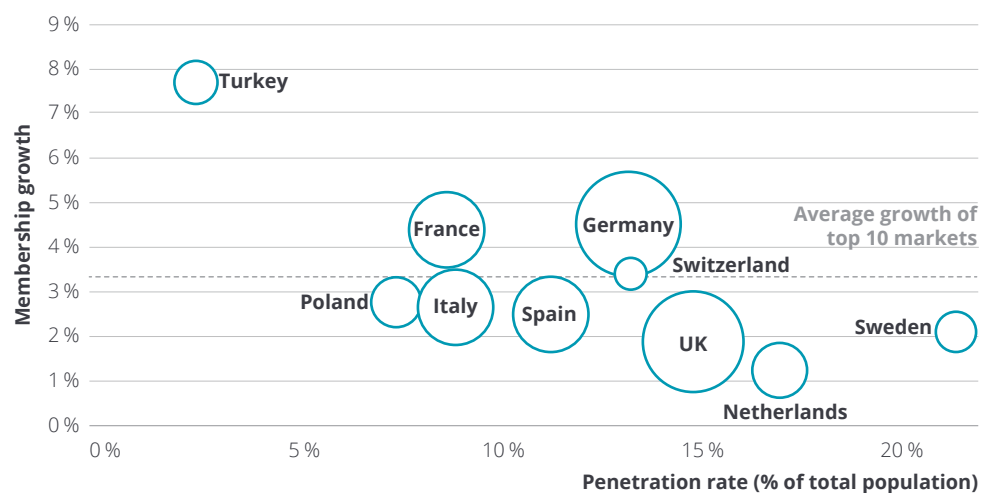
This report is the most comprehensive piece of research on the European health and fitness market to date, but it is still only a step towards more transparency and knowledge in this industry. Obtaining reliable data on the development of individual national markets and leading fitness operators of the European health and fitness industry remains challenging.

Fig. 1 – Top 10 European fitness markets by revenue in million EUR and share of the European market (2018)



Sources: EuropeActive, Deloitte

Fig. 2 – Total membership, membership growth and penetration rate of top 10 European fitness markets (2018)



Note: Bubble size represents total membership as of 2018

Sources: EuropeActive, Deloitte



Spain

Market insights

In Spain, it is estimated that 5,330,000 members exercise at one of 4,650 fitness clubs, which is equivalent to a penetration rate of 11.4 % of the total population.

Leading commercial fitness club operators in the Spanish market include the Spanish low-cost chains Altafit and VivaGym, which both continued to expand in 2018, as well as leading international operators such as Anytime Fitness, McFIT GLOBAL GROUP and Basic-Fit.

A specific feature of the Spanish market are the so-called concession operators, which operate large sports facilities in cooperation with public authorities. According to CMD Sport, the four largest concession operators – Serviocio/BeOne, Supera, Forus and GO fit – account for nearly 680,000 members. GO fit reportedly ranks highest with 205,000 members across its 17 Spanish facilities at the end of 2018. The standard VAT rate in Spain is 21 %, which also applies to fitness.

National association

Fundación España Activa

Jaime Lissavetzky

www.espanaactiva.es/

Fig. 67 – Leading regular operators by number of clubs

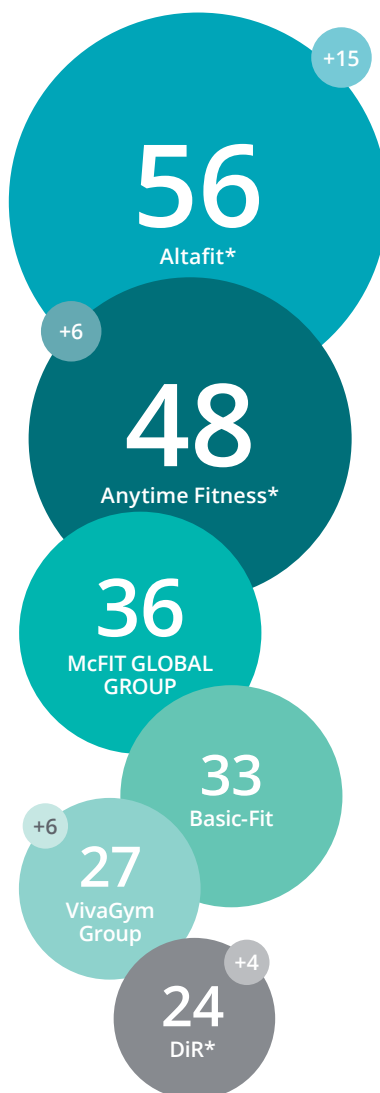


Fig. 68 – Leading concession operators by number of clubs

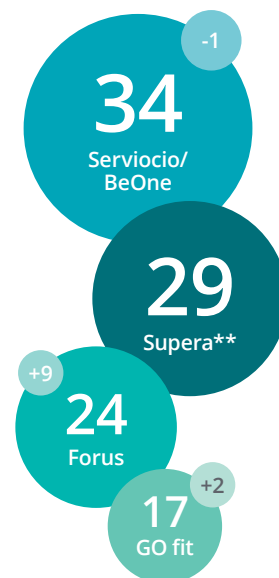
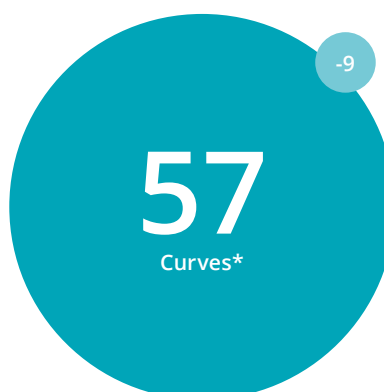


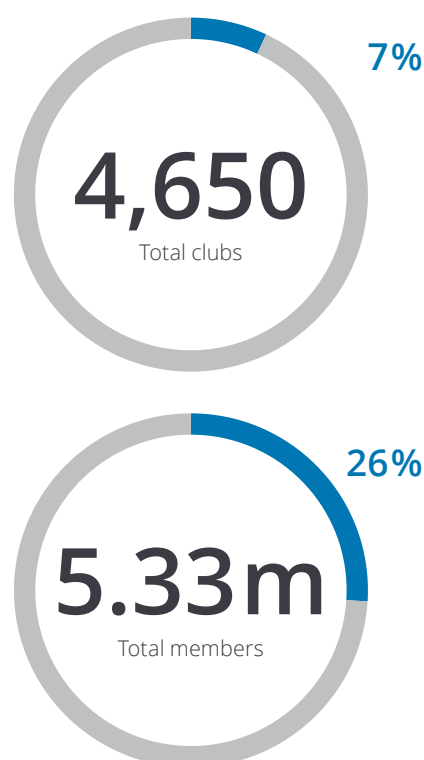
Fig. 69 – Leading micro club operators by number of clubs






* fully or partly a franchise operation

** This figure only includes the company's Supera concession clubs. In addition, Grupo Sidecu also operates regular clubs under the Supera24 Fitness brand.

Fig. 70 – Market share of leading regular operators*



*Include leading regular operators as well as leading concession operators

	2017	2018	
	Total population	46.5m	46.7m
	Population 15+	39.5m	39.6m
	Disposable income / person*	EUR 19,205	EUR 19,336
	% of population engaging in physical activity*	43.0%	43.0%
	% of population with fitness club membership	11.2%	11.4%
	% of 15+ population with fitness club membership	13.2%	13.5%
	Fitness club members	5,200,000	5,330,000
	Number of clubs	4,520	4,650
	Members / club	1,150	1,146
	Physically active people / club	4,426	4,315
	Total revenue (excl. VAT)	EUR 2,235m	EUR 2,291m
	Average membership fee / month (incl. VAT)	EUR 39.4	EUR 39.4
	Average membership fee as % of disposable income	2.5%	2.4%

* Population and disposable income figures relate to the respective prior year periods.

** Physical activity relates to people that are physically active with at least some regularity, according to the EU Eurobarometer "Sport and Physical Activity" in 2018.

External sources: María Ángeles de Santiago (MAS), Juan del Río Nieto (VivaGym Group), Jesús Díaz (GO fit), Manel Valcarce (Valgo), CMD Sport

EuropeActive European Health & Fitness Market Report 2019

Report as of 31.12.2018

Publisher: EuropeActive

Authors: Herman Rutgers, Karsten Hollasch, Stefan Ludwig,
Björn Lehmkuhler, Steffen Gausselmann, Christian Rump

Publication date: April 2019

Price: EUR 299 (for EuropeActive members: EUR 149); prices
including VAT, please order via www.europeactive.eu

All rights reserved. Nothing in this publication may be duplicated,
stored in an automated data file, or made public, in any form,
whether electronic, mechanical, by means of photocopies or in any
other way, without prior written consent from EuropeActive.

Your contacts



Karsten Hollasch

Partner
Head of Consumer Business
khollasch@deloitte.de



Herman Rutgers

Board Member
EuropeActive
herman@hrtutgers.eu



Nathalie Smeeman

Executive Director
EuropeActive
nathalie.smeeman@europeactive.eu



Stefan Ludwig

Partner
Head of Sports Business Group
sludwig@deloitte.de



Björn Lehmkuhler

Senior Consultant
Deloitte Sports Business Group
blehmkuhler@deloitte.de

This communication contains general information only not suitable for addressing the particular circumstances of any individual case and is not intended to be used as a basis for commercial decisions or decisions of any other kind. None of Deloitte GmbH Wirtschaftsprüfungsgesellschaft or Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte network") is, by means of this communication, rendering professional advice or services. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/de/UeberUns for a more detailed description of DTTL and its member firms.

Deloitte provides audit, risk advisory, tax, financial advisory and consulting services to public and private clients spanning multiple industries; legal advisory services in Germany are provided by Deloitte Legal. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's approximately 286,000 professionals are committed to making an impact that matters.

BASIC-FIT

exerp

FIBO GLOBAL FITNESS

Gympass

IHRSA
Success By Association®

TECHNOGYM

The Wellness Company™

YANGA
SPORTS WATER