



European
Health & Fitness Market
Report 2020

This report covers the calendar year 2019, however we would like to address briefly the dramatic developments in relation to the global Coronavirus (COVID-19) disease that is also heavily impacting Europe.

Today, March 18, 2020 we have to finalize this report as it needs to go into final layout and printing in order to be ready for our release as planned on April 2nd.

As you will read in this report, the year 2019 was again an excellent one for the sector and we know from discussions with leaders in the industry that also the 1st quarter of 2020 had started very well.

But in the last weeks we started to see initial effects of the COVID-19 pandemic, which is by now impacting our sector in an unprecedented way.

In many countries health & fitness facilities have been ordered to close temporarily by governments or have closed voluntarily. In some countries, even a complete “lock-down” of society has been imposed and people have to stay at home.

The good news is that our sector has evolved in the digital era and developed many different ways for members beyond the clubs to stay active anywhere and anytime. Many operators are experimenting with “digital fitness” by offering online classes or are encouraging their members to use the possibilities to exercise at home, taking advantage of the many apps and online exercise videos that are available.

We encourage everyone to stay strong and wish you all the very best in these challenging times.

Herman Rutgers & Karsten Hollasch

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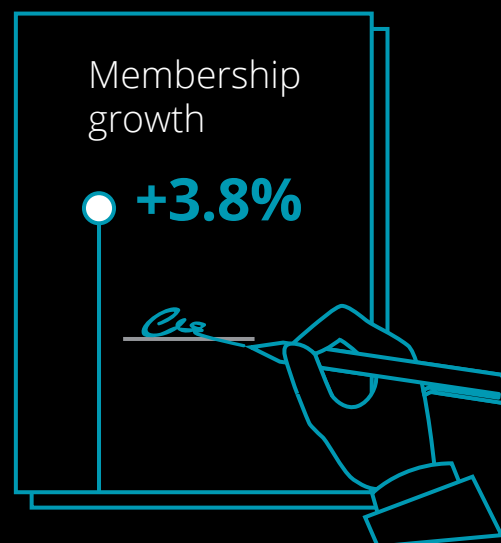
The European Fitness Market at a Glance

Number of fitness club members



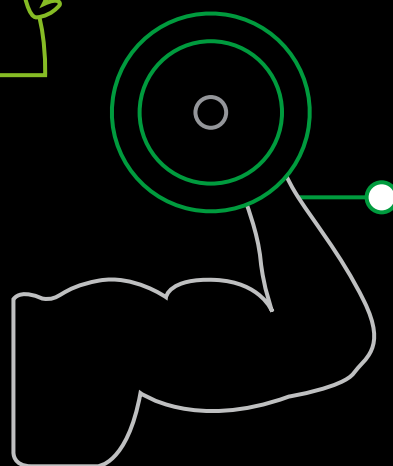
Membership growth

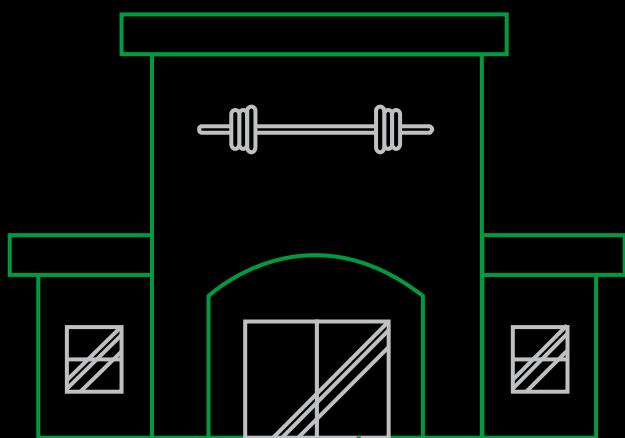
+3.8%



Market share of top 30 operators by membership

26.5%





Clubs
63,644



17.2 million



Members of top 30 operators

8.1% (total)

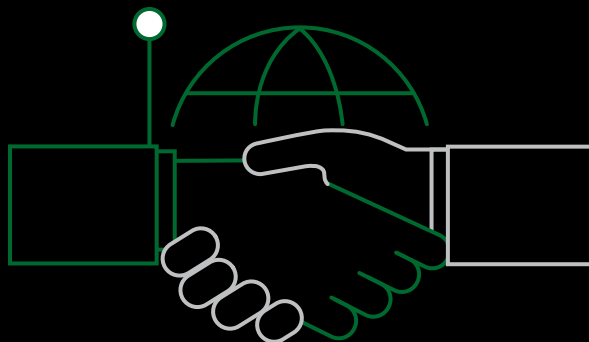
9.7% (15+)

Penetration rate

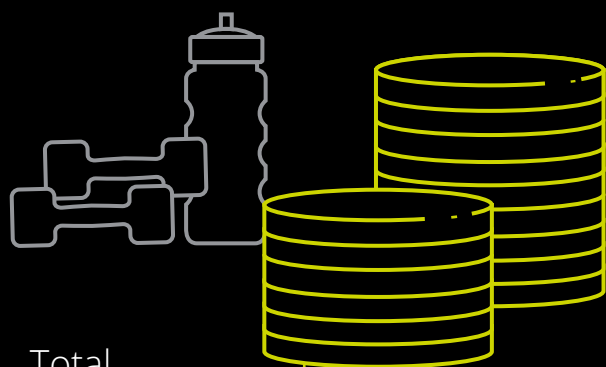


M&A deals

17

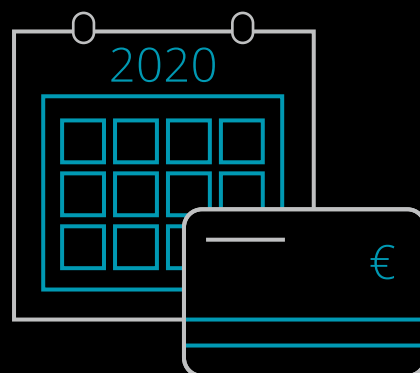


Average gross membership fee per month



Total revenues

EUR 28.2 billion



EUR 38.4

Executive Summary

In its seventh edition, the 2020 Europe Active European Health & Fitness Market Report presents the most comprehensive analysis of the European health and fitness industry to date. The report contains current information on the major European fitness markets and club operators, recent merger and acquisition activities, as well as a chapter on the European fitness ecosystem.

In terms of revenue, the European health and fitness market grew by 3.0% to EUR 28.2 billion in 2019. In addition to the 28 European Union member countries, this figure also includes Norway, Russia, Switzerland, Turkey and Ukraine. The revenue development was, however, slightly negatively affected by exchange rate effects. At constant currency exchange rates, the year-on-year growth rate amounts to 3.1%.

Market growth was again driven by a 2.3% increase in the number of clubs across all countries as well as an increase in average members per club of 1.5%, driving a total increase in members of 3.8% to 64.8 million. At the same time, average monthly membership revenue decreased by 0.8%, pri-

marily driven by the continued expansion of low-cost operators.

As shown in the chapter on the leading operators the top 10 European fitness operators as measured by revenue, achieved total revenues of EUR 3.6 billion in 2019. While their market share increased from 12.1% to 12.9%, the European fitness market nonetheless remains relatively fragmented. With respect to membership, the 30 largest operators increased their combined market share by 1.9 percentage points to 26.5% due to an increase by 1.8 million (+11.9%) to 17.2 million members from 2018 to 2019.

This development was predominantly driven by low-cost operators such as

Basic-Fit (+380,000 members), clever fit (+230,000), FitX (+133,000), PureGym (+123,000), EASYFITNESS (+110,000), RSG Group (+100,000), VivaGym Group (+80,000) and The Gym Group (+70,000), who were among the fastest-growing companies in terms of absolute membership. Basic-Fit (2.2 million), German operator RSG Group (2.1 million members), and British market leader PureGym (1.1 million) also solidified their positions as the top 3 European operators in terms of membership, while clever fit (950,000) and SATS Group (687,000) jumped to fourth and seventh in the overall ranking.

While these growth figures largely represent organic growth, some companies such as Basic-Fit (who acquired Fitland), Fitness Park Group (Fitlane), LifeFit Group (smile X) and VivaGym Group (Duet Fit) 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, with 17 major M&A transactions taking place in 2019 (and already two in early 2020).

In terms of revenue, British premium operator David Lloyd Leisure (DLL) retained first place by a considerable margin with revenues of EUR 587 million in 2019, which represents an increase of 7.7% compared with 2018. Ranking second is Basic-Fit (EUR 515 million), driven by 155 additional clubs in 2019. Norway-based SATS Group (EUR 405 million) ranks third, followed by Switzerland-based Migros Group (EUR 367 million) and German market leader RSG Group (EUR 365 million). The top 10 by revenue contain five low-cost operators, namely Basic-Fit, clever fit, Fitness World, PureGym and RSG Group.

This report also provides profiles of the largest national fitness markets in Europe. Together, the 17 countries analyzed have 55.8 million members (86.2% of the European market), revenues of EUR 24.8 billion (88.3%) and 51,511 clubs (80.9%). With a total market volume of about EUR 28.2 billion, Europe represents the second-largest fitness market in the world, only

slightly surpassed by the US market, which reported revenues of EUR 28.6 billion (USD 32.3 billion) in 2018 according to the 2019 IHRSA Global Report.

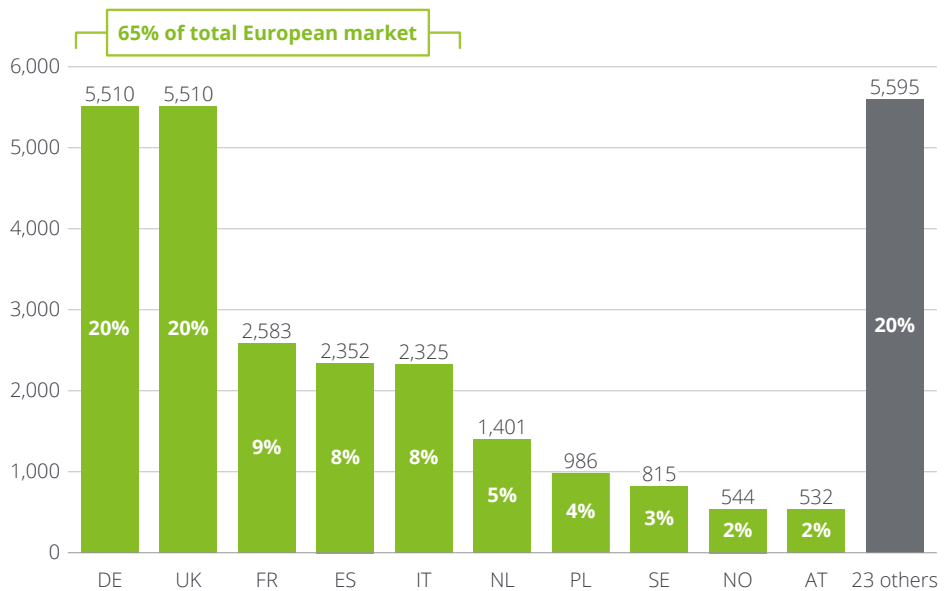
As shown in Figure 1, Germany and the United Kingdom remain the two largest national fitness markets in Europe with total revenues of about EUR 5.51 billion each. While the German market increased by 3.4% in 2019, the UK market grew by 4.1% at constant currency and by 4.9% in euros. When combined with France (EUR 2.6 billion), Spain (EUR 2.4 billion) and Italy (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 11.7 million members (+5.1%), followed by the UK (10.4 million, +4.9%), France (6.2 million, +3.9%), Italy (5.5 million, +0.9%) and Spain (5.5 million, +3.3%). As shown in Figure 2, Germany and the UK also displayed above-average membership growth rates in 2019, largely driven by the continued expansion of low-cost operators in both countries.

Considerable differences between the individual markets remain. Markets such as Sweden (22.0% penetration rate), Norway (22.0%) and the Netherlands (17.4%) represent medium-sized countries with high membership figures relative to the population, largely due to the high proportion of physically active people, relatively high urbanization rates, relatively high level of average income, and the presence of large fitness operators in these countries. At the same time, professional markets such as Poland still display considerable market potential with a penetration rate of 8.0%.

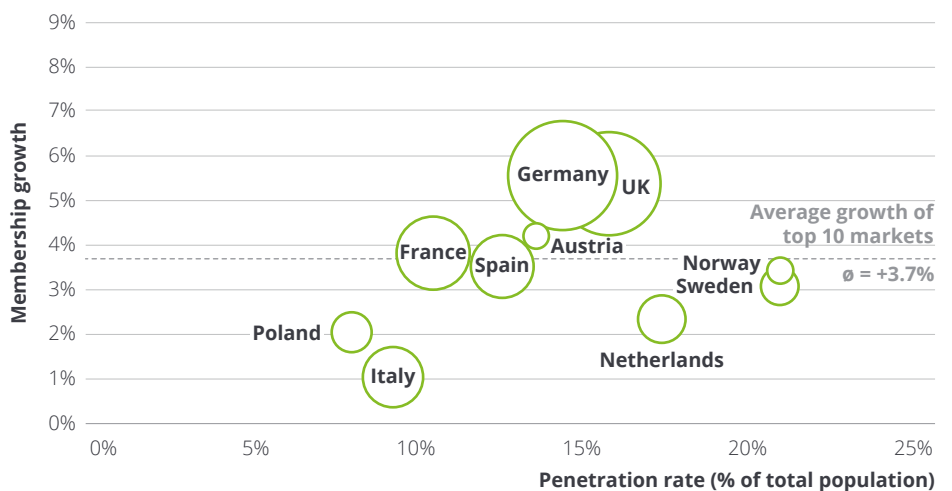
This report is the most comprehensive piece of research on the European health and fitness market to date, but it is still only a step towards more transparency and knowledge in this industry. Obtaining reliable data on the development of some individual national markets and leading fitness operators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

Fig. 1 - Top 10 European Fitness markets by revenue in million EUR and share of the European market



Source: EuropeActive, Deloitte.

Fig. 2 - Penetration, growth and membership of top 10 European fitness markets (2019)



Note: Bubble size represents total membership as of 2019.

Source: EuropeActive, Deloitte.



Germany

Market insights

The German fitness market continued its growth in 2019, increasing its membership to 11,660,000 and total revenues to EUR 5.51 billion. Thus, 14.0% of the total population are members at one of the 9,669 private fitness clubs. It should be noted that the underlying "Eckdatenstudie" (data survey) published by DSSV, DHfPG and Deloitte does not include non-profit sports clubs ("Vereine"), as these typically offer a wide range of sports in addition to fitness and are generally considered less relevant to the total fitness market picture.

The increase in the number of clubs (+3.5%) and membership growth of 5.1% were predominantly driven by chain operators, especially from the low-cost segment. Hence, RSG Group (1.35 million members), clever fit (854,000), FitX (783,000) and EASYFITNESS (370,000) had the highest membership figures and were also the fastest-growing companies in absolute terms with about 506,000 additional members in 2019. Together, the leading operators account for 38% of the total membership base. This list also includes premium and upper mid-market operators such as the franchise operator INJOY (owned by Switzerland-based Migros), Kieser Training and LifeFit Group. The standard VAT rate is 19% with no discount on fitness services.

National Association

DSSV
Arbeitgeberverband deutscher
Fitness- und Gesundheitsanlagen

Birgit Schwarze

www.dssv.de

Fig. 42 – Leading regular operators by number of clubs

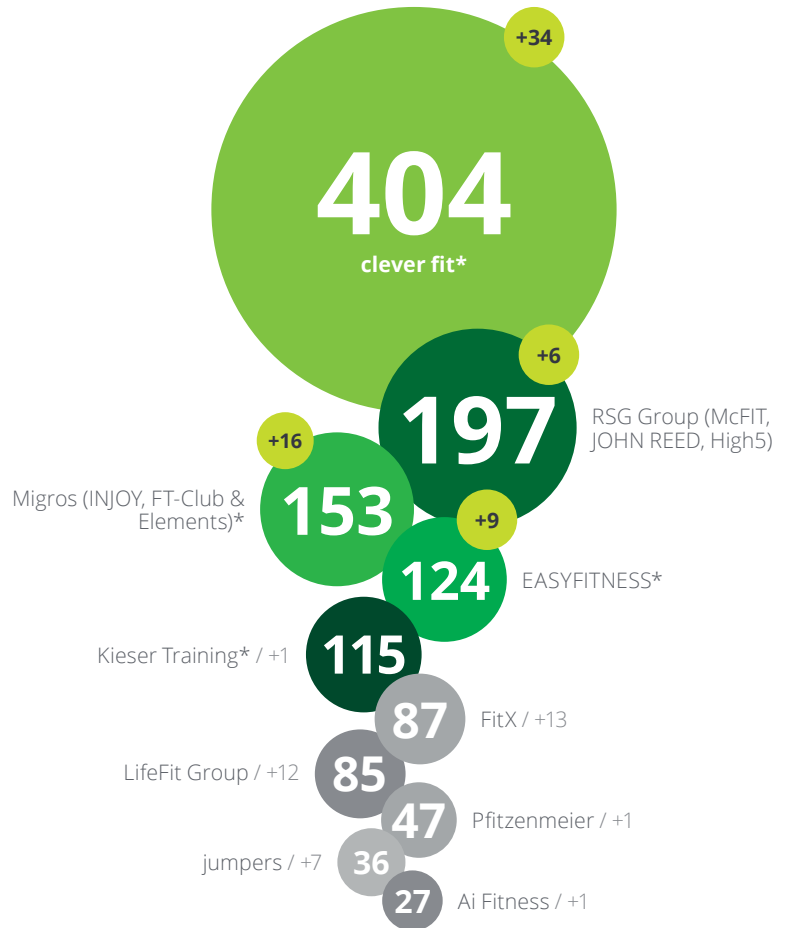
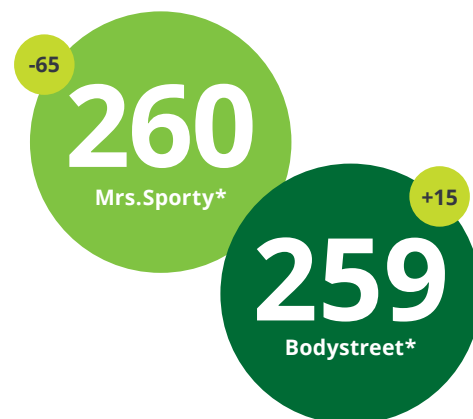
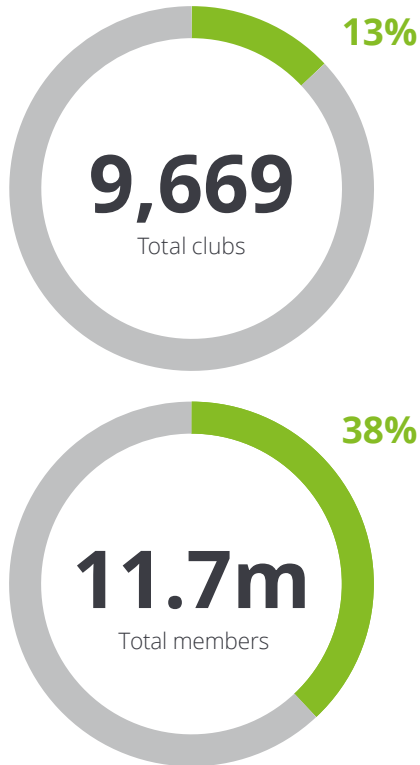





Fig. 43 – Leading micro club operators by number of clubs



* fully or partly a franchise operation.

Fig. 44 – Market share of leading regular operators



	2018	2019	
	Total population	82.8 m	83.0 m
	Population 15+	71.9 m	71.8 m
	Disposable income/person*	EUR 28,473	EUR 29,062
	% of population engaging in physical activity**	48.0%	48.0%
	% of population with fitness club membership	13.4%	14.0%
	% of 15+ population with fitness club membership	15.4%	16.2%
	Fitness club members	11,090,000	11,660,000
	Number of clubs	9,343	9,669
	Members/club	1,187	1,206
	Physically active people/club	4,253	4,121
	Total revenue (excl. VAT)	EUR 5,330 m	EUR 5,510 m
	Average membership fee/month (incl. VAT)	EUR 43.3	EUR 42.6
	Average membership fee as % of disposable income	1.8%	1.8%

* 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: Eckdaten der deutschen Fitness-Wirtschaft 2019 (DSSV/DHfPG/Deloitte).

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