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Executive Summary

In this third edition, the 2016 EuropeActive European Health & Fitness Market Report presents the most comprehensive analysis of the European health and fitness industry to date. The report contains the most important current information on the main European fitness markets, the major club operators in Europe and recent merger and acquisition activities, as well as a snapshot of the leading equipment manufacturers worldwide.

As shown in the first chapter of this report, the top 10 players achieved total revenues of EUR 2.8 billion in 2015. This represents 10.3% of the total European market, which has a market value of EUR 26.7 billion (+4.9%). With respect to membership, the 30 largest operators had a total of almost 11 million members at the end of 2015, an increase of 7.1% compared to the previous year’s top 30. This total accounts for 20.9% of the total European market of 52.4 million health and fitness club members at the end of 2015.

The leading operator in terms of membership remains the German discount chain McFIT/High5 with an estimated total of 1.37 million members. The Dutch low-cost operator Basic-Fit reported a combined total of about one million members at the end of 2015, while the British chain Pure Gym ranks third after increasing its membership by 260,000 to 680,000 in 2015.

The European revenue ranking is led by the British premium operators Virgin Active (EUR 485 million) and David Lloyd Leisure (EUR 460 million). Scandinavian market leader Health & Fitness Nordic (EUR 321 million) ranks third, followed by McFIT/High5 with estimated revenues of EUR 268 million.

Health and fitness club operators remained highly attractive for investors in 2015, from both inside and outside the industry. As presented in the merger and acquisitions section, there were 19 M&A transactions in 2015, the same number as last year and more than twice as many as two years ago. This is another indicator of the high attractiveness of health and fitness companies for both strategic and financial investors.

In addition to its focus on operators, the report also contains a snapshot of the global equipment industry, highlighting the status and development of leading fitness equipment suppliers. The year 2015 was another year of strong growth for the global commercial fitness equipment industry, which has an estimated market size of EUR 2.65 billion. The selected leading manufacturers, which account for 72% of the total commercial market, achieved a growth rate of 14.7% in 2015 (influenced by currency effects because of the strong US dollar).

Furthermore, this report provides detailed profiles of the largest national fitness markets in Europe. Together, the 18 countries analysed have 51.5 million members (98.2% of the European market), revenues of EUR 25.7 billion (96.5%) and 48,217 clubs (94.2%). This underlines the relevance of this report with regard to the entire European health and fitness market.

With a total market volume of almost EUR 26.7 billion, Europe has taken over the leading role as the largest fitness market in the world. In comparison, the United States recorded revenues of EUR 23.5 billion in 2015 according to IHRSA (as stated in Health Club Management). At the same time, the total market volume exceeds that of the European football market, which amounted to EUR 21.3 billion in the 2013/14 season.

As shown in Figure 1, the two largest national fitness markets in Europe are the United Kingdom (EUR 5.6 billion) and Germany (EUR 4.8 billion). When combined with France (EUR 2.4 billion), Italy (EUR 2.2 billion) and Spain (EUR 2.1 billion), the five leading countries account for 64% of the total European health and fitness market. At the same time, Eastern European markets such as Russia, Turkey and Poland have entered the top 10 and despite the fact that these countries have evidenced lower membership growth in the previous years than the other markets, they will likely offer higher growth potential in the medium to long-term.
Based on membership, Germany is the largest market in Europe with a total of 9.5 million. The UK is second with 8.8 million members followed by France (5.2 million), Italy (5.1 million) and Spain (4.9 million). As shown in Figure 2, Turkey and Russia still display considerable market potential with penetration rates of 2.4% and 1.9% respectively. By contrast, Norway is the most mature market with 4,823 inhabitants per club and a penetration rate of 19.4%. Among the top 10 countries, Sweden and the Netherlands are the most mature markets with penetration rates of 16.7% and 16.4%, respectively.

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 exciting industry. More work must be done in the future to obtain reliable data on the development of the individual national markets and leading fitness operators of the European health and fitness industry.

Fig. 1 – Top 10 European fitness markets by revenue in million EUR and share of the total European market (2015)

Fig. 2 – Total membership, membership growth and penetration rate of top 10 European fitness markets (2015)
Health and fitness market

In Germany 9.46 million people were members in one of the 8,332 private health and fitness clubs in 2015. This equates to 11.6% of the total population and 13.3% of the population aged 15 and above. In 2015, the number of members increased by 4.2% compared to the previous year, while the number of clubs grew by 3.8%. Regarding club size, approximately 22.5% or 1,876 of the private clubs have a total area of less than 200 m², and therefore belong to the micro club segment. This marks an increase of 2.4 percentage points compared to last year, underlining the growth of boutique studio concepts. The total number of employees including contract workers in the industry is estimated to be about 206,000, an average of 24.7 per club.

In contrast to other markets, public clubs have been excluded from this market analysis in both 2014 and 2015 as they are not included in the underlying “Eckdatenstudie” published by the DSSV, DHFG and Deloitte, and because public clubs are generally less relevant to the total market picture than in other countries such as the United Kingdom. While the number of comparable public clubs has been estimated at around 500 facilities, it is important to emphasise that the large number of public sports clubs (“Vereine”) also offer a wide range of sports in addition to the commercial fitness and sports providers.

An estimated 26.8% of private clubs belong to a chain, while more than 45% of all members exercise at a chain operation. Moreover, the ten leading operators have a market share in terms of clubs of 18.8% with 1,570 facilities in total – an increase of 115 compared to the previous year’s top 10. While micro club franchise operators Mrs.Sporty (415) remained far ahead in terms of club numbers, clever fit (241), McFIT/High5 (179) and INJOY (158) are the largest regular operators with regard to the number of clubs. It should be noted that, in terms of membership, McFIT/High5 remains by far the leading player with about one million members in Germany alone, approximately 10.6% of the entire market. Even though the international expansion in Spain, Italy and Poland is a main management focus, the company still has the vast majority of its clubs in the domestic German market, including ten “High5” studios opened in 2015.

In 2015, market volume in terms of net membership revenues was EUR 4,280 million, whereas total revenues amounted to EUR 4,830 million including second-
ary spending. The average gross membership fee per member and month amounted to EUR 45.3. The majority of operators in Germany assess their individual economic situation as positive. 87.5% of chain operators evaluate their situation as good or at least rather good, compared to 57.6% of the single club operators. Expectations for the future also paint an optimistic picture for the fitness industry in Germany. 87.1% of chains and 76.5% of single club operators expect that their situation will improve in the next twelve months.

**Eurobarometer**

In Germany, 48% of the population engages in exercise with at least some regularity and 16% visit a fitness club to do so. Exercise in general is viewed by 71% as a way to improve one’s health and 40% view exercise as a fun and relaxing activity. Lack of time dissuades 38% from exercising more regularly. 23% are not interested in exercising and prefer other ways of spending their free time. Almost 90% of Germans are satisfied with the sporting facilities offered by local sports clubs.

**General country information**

In 2015, Germany had a population of approximately 81.2 million, of whom 66.1% were between 15 and 64 years of age. The country’s real GDP per capita amounted to EUR 34,100 in 2015 with a real disposable income of EUR 26,736 per person in 2014. The unemployment rate decreased from 5.0% in 2014 to 4.6% in 2015. Regarding consumer spending, 9.5% went towards leisure and culture and 5.4% towards health in 2014. The standard VAT rate is 19% and there is no discount on fitness services.

**National Association**

DSSV
Arbeitgeberverband deutscher Fitness- und Gesundheitsanlagen
Birgit Schwarze
http://www.dssv.de/

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8,332
in 2014
Clubs

9.46m
in 2014
Members

EUR 45.3
in 2014
Average monthly membership fee

11.6%
Penetration

EUR 4,830m
in 2014
Total revenues

*restated to exclude assumed 500 public clubs
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