



**European
Health & Fitness Market**
Report 2019

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The European Fitness Market at a Glance

Number of fitness club members



62.2 million

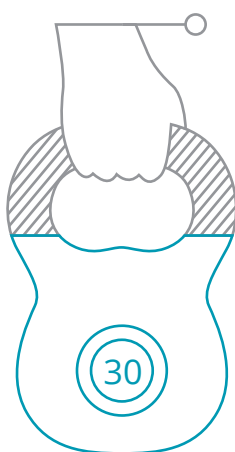


Penetration rate



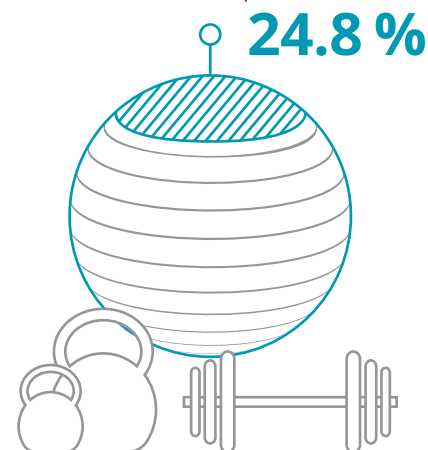
7.8 % (total)
9.4 % (15+)

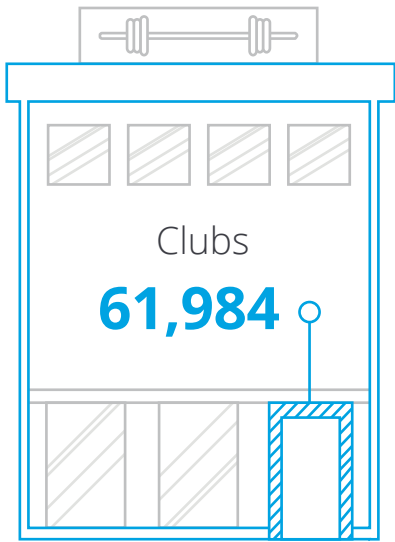
15.4 million



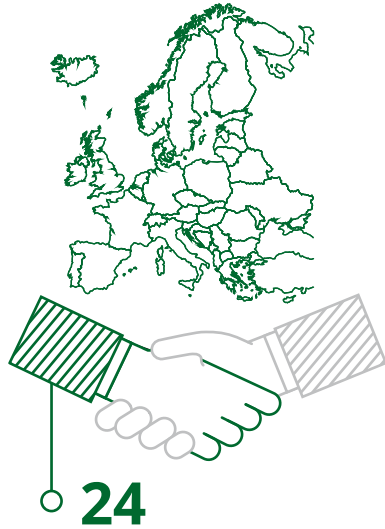
Members of top 30 operators

Market share of top 30 operators by membership

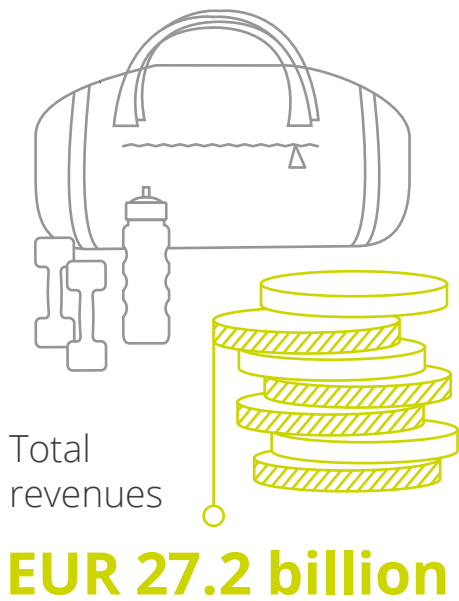
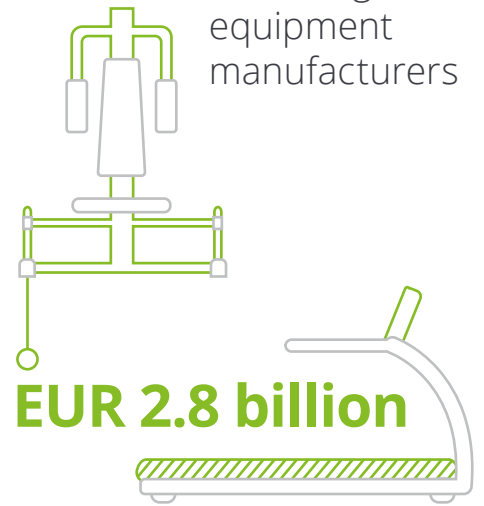




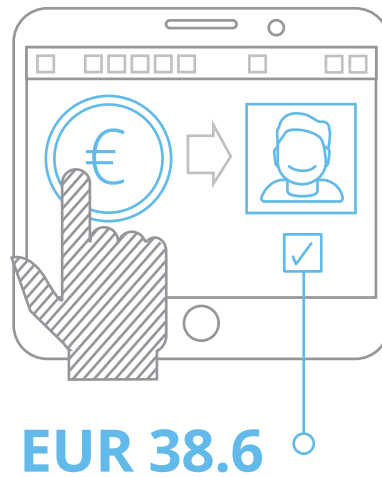
Mergers and acquisitions



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.

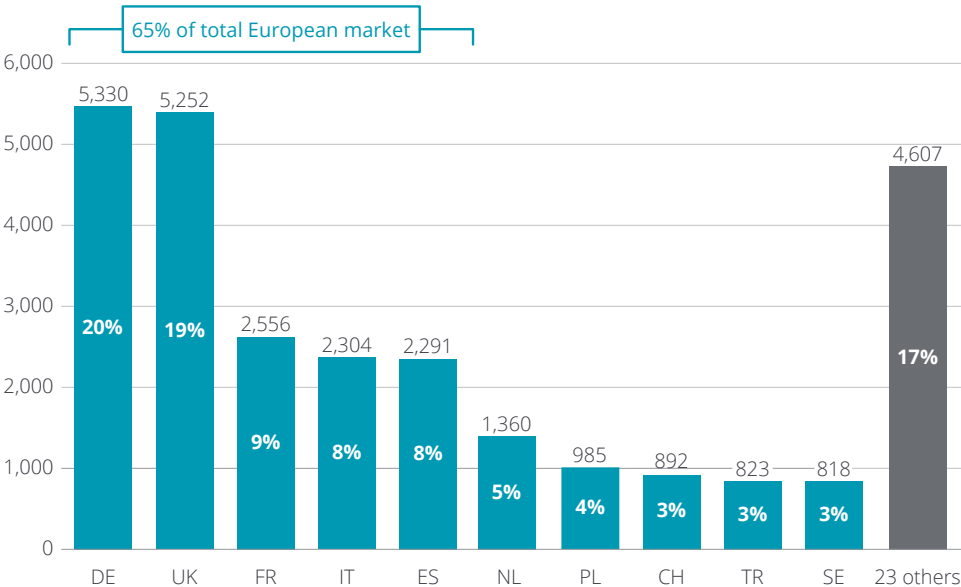
As shown in Figure 1, Germany and the United Kingdom remain the two largest national fitness markets in Europe with total revenues of about EUR 5.3 billion each. While the German market increased by 2.5 % in 2018, the UK market grew by 4.3 % at constant currency and by 3.3 % in Euro. When combined with 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 %.

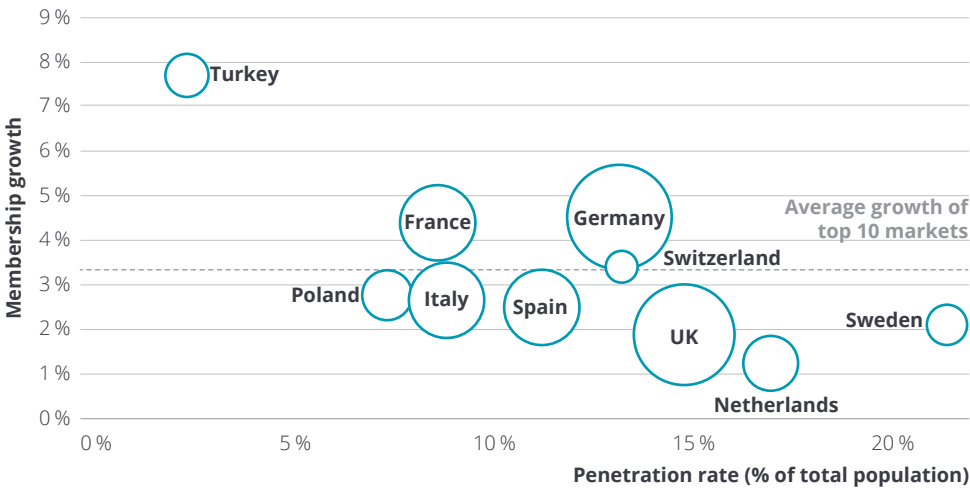
This report is the most comprehensive piece of research on the European health and fitness market to date, but it is still only a step towards more transparency and knowledge in this industry. Obtaining reliable data on the development of individual national markets and leading fitness operators of the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



Poland

Market insights

In Poland, an estimated 2,990,000 people are members of approximately 2,700 fitness clubs. This is the equivalent of 7.9 % of the total population. Average monthly membership fees declined by -3.4 % to EUR 27.0, which ranks as the second lowest among the selected European countries but is at an average level relative to disposable income. According to market experts, group exercise continues to be among the main trends shaping the Polish fitness market. Overall, the leading regular operators presented in this report account for an estimated 11 % of clubs and 16 % of members.

The leading operator is Benefit Systems Group, which reported 113 own clubs as of September 2018 under the brands Zdrofit, Fabryka Formy, Fitness Academy, S4 Fitness Club, Fitness Place and Wesolandia, before acquiring the operator Fit Fabric as well as 14 clubs from Calypso. In addition to a number of Polish operators, leading companies also include international low-cost operators Fitness World, Fitness24Seven and McFIT GLOBAL GROUP. In Pure Jatomi, one of the leading operators has withdrawn from the Polish fitness market in the second quarter of 2018. The standard VAT rate in Poland is 23 %; for some fitness services, a reduced 8 % VAT rate applies which has been used in this report for the purpose of revenue calculations.

Fig. 59 – Leading regular operators by number of clubs

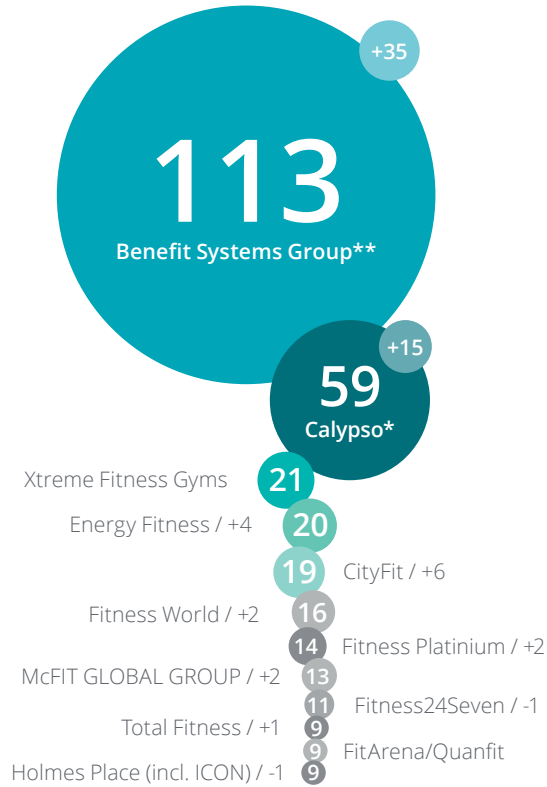
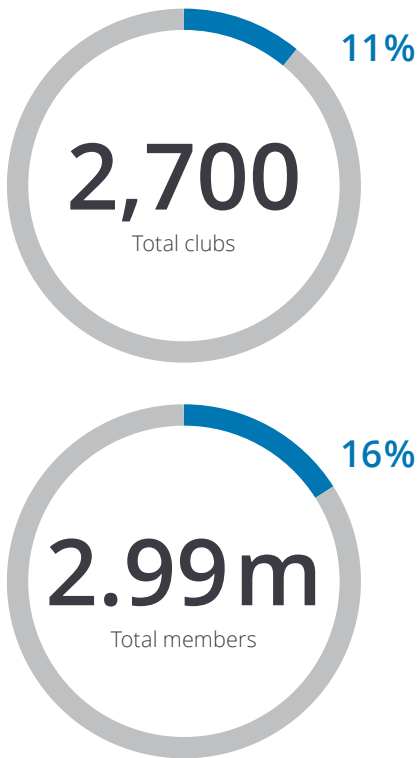


Fig. 60 – Leading micro club operators by number of clubs



* fully or partly a franchise operation
 ** Figures of Benefit Systems are as of Sep18 and exclude acquisitions of Fit Fabric and 14 clubs from Calypso

Fig. 61 – Market share of leading regular operators



	2017	2018	
	Total population	38.0m	38.0m
	Population 15 +	32.3m	32.3m
	Disposable income / person*	EUR 15,400	EUR 15,698
	% of population engaging in physical activity*	28.0 %	28.0 %
	% of population with fitness club membership	7.7 %	7.9 %
	% of 15+ population with fitness club membership	9.0 %	9.3 %
Fitness club members		2,910,000	2,990,000
	Number of clubs	2,600	2,700
	Members / club	1,119	1,107
	Physically active people / club	4,089	3,938
	Total revenue (excl. VAT)	EUR 993m	EUR 985m
	Total revenue (excl. VAT), local currency	PLN 4,226m	PLN 4,197m
	Average membership fee / month (incl. VAT)	EUR 27.9	EUR 27.0
	Average membership fee as % of disposable income	2.2 %	2.1 %

* 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: Łukasz Balicki (eFitness), Łukasz Dojka (Xtreme Fitness Gyms), Damian Ozga (Fit Projekt)

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