

Gymshark secures investment from General Atlantic valuing company at over £1 billion

Gymshark partners with global growth equity investor to turbo-charge further international expansion

Gymshark sets sights on becoming a leading global fitness brand

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Gymshark, the fitness community and apparel brand, has today announced it will enter a strategic partnership with General Atlantic, a leading global growth equity firm, in its first-ever fundraise, valuing the business at over £1 billion. Today's valuation sees Gymshark join an exclusive list of fewer than 25 British companies to have secured 'Unicorn' status since 2001, achieving the feat in just eight years^[1]. It is only the second British company to have reached this milestone without previous support from external investors.^[2]

It is the latest step in Founder Ben Francis' mission to make Gymshark the most successful British fitness brand in the world. In conjunction with General Atlantic's investment, Francis is increasing his stake in the company to over 70 per cent.

The investment will see General Atlantic take a 21 per cent stake in the business, and Melis Kahya Akar, Head of Consumer for EMEA at General Atlantic, will take a seat on the board. This partnership is designed to facilitate further growth and international expansion, specifically into North America, where Gymshark has already established its largest customer base.

Growing interest in health and wellbeing and participation in fitness is driving greater demand for clothes that both assist performance and are stylish and comfortable. As a result, the global sports apparel market generated around 181 billion U.S. dollars in revenue in 2019 and is forecast to reach around 208 billion U.S. dollars in 2025^[3].

Gymshark is a true UK success story. It was set up in 2012 by Ben Francis when he was 19, in his parents' garage, having been taught to sew by his Mom. As the company grew, so too did the leadership team. In early 2015, Steve Hewitt joined as CEO and Paul Richardson as Executive Chairman. Since then, the company has achieved significant momentum, assembling a community of over 12 million followers on social platforms. The company has struck a chord with the 16-24-year-old market with its aspirational fitness apparel as increasing numbers of young people become health conscious. It was recently recognised as the private company with the fastest-growing profits in the UK, with latest revenues of over £250 million^[4].

Ben Francis, Founder of Gymshark, said: "It has been an incredible ride over the last eight years to get to this point, but today signals the next chapter in the Gymshark story. We are nothing without our community, so we will use this new investment partnership to get even closer to them on a truly global scale. I'm incredibly proud of what Gymshark has achieved to date from our roots in Birmingham, but it's all about looking forward. I firmly believe Gymshark has the potential to be to the UK what Nike is to the US and Adidas is to Germany, and today is a significant step to realising that."

Gabriel Caillaux, Co-President, Managing Director and Head of General Atlantic's business in EMEA, commented, "We believe Gymshark is an authentic, disruptive and differentiated brand. Against a backdrop of rising social media usage, rapid growth of e-commerce and increasing focus on health and wellness, Gymshark is positioned to seize the opportunity of further growth."

Melis Kahya Akar added, "Fitness apparel is a large and resilient market with growth potential. Gymshark has managed to create a substantial social community around its products and services, generating brand awareness and loyalty. We are thrilled to be partnering with Ben and the team to build on Gymshark's offering globally."

Despite a global pandemic, Gymshark has continued to succeed. Not only did it report its strongest quarter in Q1 2020 in terms of revenue growth, but it has also given back to the community. Within hours of gyms shutting, it set up a fund that allowed personal trainers to use Gymshark's platforms to carry out paid virtual classes. It also launched its NHS Sweaty Selfie campaign. People were encouraged to work up a sweat and take a selfie with the Gymshark filter. For every selfie uploaded, Gymshark donated five pounds to the NHS in Birmingham. The campaign raised over £180,000.

Ben Francis continued: "We have built a brand we can be proud of, from the products we manufacture through to the community we have grown, to the culture we have built both internally and externally. For me, today's investment just signifies the beginning, but we will be sure to retain the ingredients that have made Gymshark the brand it is today. We look forward to working closely with General Atlantic to build our global footprint and ensure Gymshark becomes one of the global leaders in the fitness industry."

"I'd like to thank Steve Hewitt and Paul Richardson. Since they joined the company, it has grown rapidly. They've played a major role in helping steer the business through the good times and the tough times and have undoubtedly helped me with my own self-development over the last five years. In addition to Paul and Steve's support, I'd also like to thank our senior leadership team for all they do. They've helped develop this business into what we see today, and I'm proud to work alongside such an incredibly ambitious, dynamic and humble group of people. Paul and Steve, with the senior leadership team, will continue to build this into a truly global brand."

"I'd also like to thank everyone who supports the Gymshark vision, both internally and around the world. The support we get from the community is incredible. None of this would be possible without the phenomenal team we have built. It's the most exciting time in Gymshark's history, and I can't wait to create a legacy with this fantastic brand."

Gymshark was advised by PricewaterhouseCoopers Corporate Finance and Gateley Legal. General Atlantic was advised by RBC Capital Markets and Freshfields Bruckhaus Deringer LLP.

The transaction is subject to customary regulatory approvals. Additional terms of the deal were not disclosed.

About Gymshark

Gymshark is a conditioning brand, dedicated to creating functional training apparel, designing innovative performance technologies and building passionate, empowered communities. Formed in 2012 in a garage in Birmingham, UK, Gymshark has emerged as a leading brand in our industry, with a worldwide family from over 180 countries. We exist to unite the conditioning community.

About General Atlantic

General Atlantic is a leading global growth equity firm providing capital and strategic support for growth companies. Established in 1980, General Atlantic combines a collaborative global approach, sector specific expertise, a long-term investment horizon and a deep understanding of growth drivers to partner with great entrepreneurs and management teams to build exceptional businesses worldwide. General Atlantic has more than 150 investment professionals based in New York, Amsterdam, Beijing, Greenwich, Hong Kong, Jakarta, London, Mexico City, Mumbai, Munich, Palo Alto, São Paulo, Shanghai, and Singapore. For more information on General Atlantic, please visit the website: www.generalatlantic.com.

[1] <https://www.beauhurst.com/blog/uk-startup-unicorns/>

[2] Crunchbase 2020

[3] Statista, November 2019 – <https://www.statista.com/statistics/254489/total-revenue-of-the-global-sports-apparel-market/>

[4] <https://www.fasttrack.co.uk/league-tables/international-track-200/league-table/?leagueyear=2019>

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