

New Virgin Active CEO named, as company merges with Kauai parent

Fitness chain Virgin Active has merged with Kauai's parent company The Real Foods Group, by acquiring its nutrition assets, namely Kauai and Nu Health Food Café, for £28.6m (R581m). The pending approval of the deal will see Virgin Active combine the new nutrition assets with its established fitness business to form one enlarged wellness group trading as Virgin Active.



Dean Kowarski, Virgin Active group CEO. Source: Real Foods Group

With the acquisition comes a shake-up in leadership. Dean Kowarski, founder of The Real Foods Group, has been appointed group CEO of Virgin Active with immediate effect. Kowarski succeeds outgoing CEO Matthew Bucknall, who had previously announced his intention to retire 25 years after co-founding the business. Bucknall will remain as a special adviser to the board and as a non-executive director of Virgin Active Italy.

Kowarski started the Real Foods Group in 2013 and acquired the Kauai business in 2015, and has subsequently grown the group from 100 stores to 204 stores. Over the years, the multi-brand food group also listed Nü Health Food Café, Highveld Honey, Schoon, Free Bird and Brother Bee in its portfolio of brands, and today employs 2,500 people across six countries.

Kowarski has been active in the health and wellness space for many years, and has had a close association with the Virgin Active business. Real Foods Group has been operating its store-within-a-store concept throughout Virgin Active's sites in South Africa for 18 years, in addition to its standalone and franchised sites.



Source: Virgin Active

Expanded health offering combining fitness and nutrition

"After implementation of the Real Foods acquisition, Virgin Active and Real Foods will operate with a shared vision, under the guidance of a single leadership group, which will help create opportunities and commercial efficiencies to build a broader well-being offering. It will enable the group to align fitness and nutrition around a single goal and provide shared data and personalised nutrition in concert with curated, accessible exercise programmes," the companies said in a statement.

Since it opened its first club in 1999, Virgin Active has grown to over 230 clubs with close to a million members, and employs over 25,000 people across eight countries.



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Virgin Active raises £88.4m from investors

Virgin Active is 80%-owned by holding company Brait, along with Richard Branson's Virgin Group. Brait and Virgin Group announced that they will be investing an additional £20.2m in the business.

In addition, certain of the members of the investor consortium in Real Foods will invest £18.2m and Titan Premier Investments, an investment vehicle of Christo Wiese, will invest £50m to become new shareholders in Virgin Active.

The new capital will be used to support the business' ongoing recovery following the pandemic and to accelerate future growth. This will include investing in existing physical spaces, developing new product and service offerings, embracing digital and cutting-edge technologies and pioneering new innovations to improve customer experience and increase member engagement.

Primed to support growing demand for healthier lifestyles

Dean Kowarski, new group CEO of Virgin Active, commented: "This is an incredibly exciting moment for Virgin Active and The Real Foods Group. Both brands have been pioneers in their respective wellness fields, building local and international reputations for excellence.

"On the back of today's transaction, we now have the opportunity to combine our skills to deliver a complete health offer around both fitness and nutrition so that our members can meet their health goals more successfully. This, alongside the additional investment in the business, positions Virgin Active strongly to deliver growth over the long term."



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Matthew Bucknall, cofounder and retiring CEO of Virgin Active, added: "It has long been our strategy to complete the virtuous circle of exercise, diet and health for our members. Combining Virgin Active's leadership in exercise experience with Real Foods proven expertise in nutrition creates a very credible and compelling offer. Virgin Active is now ideally placed to support the ever-growing demand for healthier lifestyles. I have worked closely with Dean and the Real Food Group for many years and have every confidence in the success of the combined business."

In addition to Kowarski's CEO appointment, Virgin Active South Africa's managing director Mark Field will become group CFO. He will take up this position once a new MD for Virgin Active South Africa has been appointed.

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