UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-40605

Soho House & Co Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware **(State or other jurisdiction of incorporation or organization)**	**86-3664553** **(I.R.S. Employer Identification No.)**
180 Strand **London, WC2R 1EA** **United Kingdom** **(Address of principal executive offices)**	**WC2R 1EA** **(Zip Code)**

Registrant's telephone number, including area code: +44 (0) 207 8512 300

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value $0.01 per share	**SHCO**	**New York Stock Exchange**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☒		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 7, 2024, the registrant had 196,424,707 shares outstanding, comprised of 54,924,322 Class A common stock, $0.01 par value per share, outstanding and 141,500,385 shares of Class B common stock, $0.01 par value per share, outstanding.

Table of Contents

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) that are based on our beliefs and assumptions and on information currently available to us. Forward-looking statements include information concerning our possible or assumed future results of operations and expenses, business strategies and plans, trends, market sizing, competitive position, industry environment, potential growth opportunities and product capabilities, among other things. Forward-looking statements include all statements that are not historical facts and, in some cases, can be identified by terms such as “aim,” “anticipates,” “believes,” “could,” “estimates,” “expects,” “goal,” “intends,” “may,” “plans,” “potential,” “predicts,” “projects,” “seeks,” “should,” “strive,” “will,” “would,” or similar expressions and the negatives of those terms.

As used in this report, any reference to ‘Soho House & Co Inc.’, ‘Soho House & Co’, ‘SHCO,’ ‘our company,’ ‘the Company,’ ‘us,’ ‘we’ and ‘our’ refers to Soho House & Co Inc., together with its consolidated subsidiaries.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including those described in “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and elsewhere in this report. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

PART I-FINANCIAL INFORMATION

Item 1. Financial Statements.

Soho House & Co Inc.
Condensed Consolidated Balance Sheets
As of March 31, 2024 (Unaudited) and December 31, 2023

(in thousands, except for par value and share data)	As of March 31, 2024	As of December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	$ 142,320	$ 161,656
Restricted cash	2,236	1,951
Accounts receivable, net	58,926	58,158
Inventories	62,137	60,768
Prepaid expenses and other current assets	138,247	112,512
Total current assets	403,866	395,045
Property and equipment, net	617,465	627,035
Operating lease assets	1,147,753	1,150,165
Goodwill	204,150	206,285
Other intangible assets, net	125,363	127,240
Equity method investments	21,775	21,695
Deferred tax assets	733	740
Other non-current assets	2,518	9,597
Total non-current assets	2,119,757	2,142,757
Total assets	$ 2,523,623	$ 2,537,802
Liabilities and Shareholders' Deficit		
Current liabilities		
Accounts payable	$ 86,482	$ 70,316
Accrued liabilities	87,941	84,815
Current portion of deferred revenue	114,415	117,129
Indirect and employee taxes payable	30,349	38,169
Current portion of debt, net of debt issuance costs	34,184	29,290
Current portion of operating lease liabilities - sites trading less than one year	947	1,721
Current portion of operating lease liabilities - sites trading more than one year	50,057	49,436
Other current liabilities	42,439	33,633
Total current liabilities	446,814	424,509
Debt, net of current portion and debt issuance costs	637,519	635,576
Property mortgage loans, net of debt issuance costs	137,170	137,099
Operating lease liabilities, net of current portion - sites trading less than one year	65,279	68,762
Operating lease liabilities, net of current portion - sites trading more than one year	1,235,405	1,234,140
Finance lease liabilities	77,920	78,481
Financing obligation	76,717	76,624
Deferred revenue, net of current portion	25,195	25,787
Deferred tax liabilities	1,776	1,510
Other non-current liabilities	5,222	5,941
Total non-current liabilities	2,262,203	2,263,920
Total liabilities	2,709,017	2,688,429
Commitments and contingencies (Note 15)		

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Soho House & Co Inc.
Condensed Consolidated Balance Sheets
As of March 31, 2024 (Unaudited) and December 31, 2023

	As of	
(in thousands, except for par value and share data)	**March 31, 2024**	**December 31, 2023**
Shareholders' deficit		
Class A common stock, $0.01 par value, 1,000,000,000 shares authorized, 65,272,905 shares issued and 54,805,785 outstanding as of March 31, 2024 and 64,208,851 shares issued and 53,741,731 outstanding as of December 31, 2023; Class B common stock, $0.01 par value, 500,000,000 shares authorized, 141,500,385 shares issued and outstanding as of March 31, 2024 and December 31, 2023.	2,068	2,057
Additional paid-in capital	1,239,266	1,231,941
Accumulated deficit	(1,406,405)	(1,360,365)
Accumulated other comprehensive income	34,088	30,000
Treasury stock, at cost; 10,467,120 shares as of March 31, 2024 and December 31, 2023.	(62,000)	(62,000)
Total shareholders' deficit attributable to Soho House & Co Inc.	(192,983)	(158,367)
Noncontrolling interest	7,589	7,740
Total shareholders' deficit	(185,394)	(150,627)
Total liabilities and shareholders' deficit	$ 2,523,623	$ 2,537,802

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Soho House & Co Inc.
Condensed Consolidated Statements of Operations (Unaudited)
For the 13 Weeks Ended March 31, 2024 and April 2, 2023

	For the 13 Weeks Ended	
(in thousands, except for per share data)	March 31, 2024	April 2, 2023
Revenues		
Membership revenues	$ 100,191	$ 83,248
In-House revenues	110,401	116,078
Other revenues	52,554	55,883
Total revenues	263,146	255,209
Operating expenses		
In-House operating expenses (exclusive of depreciation and amortization of $14,997 and $14,323 for the 13 weeks ended March 31, 2024 and April 2, 2023, respectively)	(151,629)	(143,972)
Other operating expenses (exclusive of depreciation and amortization of $6,716 and $6,715 for the 13 weeks ended March 31, 2024 and April 2, 2023, respectively)	(53,967)	(56,381)
General and administrative expenses (exclusive of depreciation and amortization of $4,031 and $3,426 for the 13 weeks ended March 31, 2024 and April 2, 2023, respectively)	(34,372)	(30,574)
Pre-opening expenses	(5,754)	(4,994)
Depreciation and amortization	(25,744)	(24,464)
Share-based compensation	(8,039)	(5,846)
Foreign exchange gain (loss), net	(5,481)	13,013
Other, net	(3,243)	(1,029)
Total operating expenses	(288,229)	(254,247)
Operating income (loss)	(25,083)	962
Other (expense) income		
Interest expense, net	(21,199)	(18,701)
Gain (loss) on sale of property and other, net	65	681
Share of income (loss) of equity method investments	377	871
Total other expense, net	(20,757)	(17,149)
Income (loss) before income taxes	(45,840)	(16,187)
Income tax (expense) benefit	(499)	171
Net income (loss)	**(46,339)**	**(16,016)**
Net income (loss) attributable to noncontrolling interests	299	64
Net income (loss) attributable to Soho House & Co Inc.	**$ (46,040)**	**$ (15,952)**
Net income (loss) per share attributable to Class A and Class B common stock		
Basic and diluted (Note 14)	$ (0.24)	$ (0.08)
Weighted average shares outstanding		
Basic and diluted (Note 14)	195,711	195,422

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Soho House & Co Inc.
Condensed Consolidated Statements of Comprehensive Loss (Unaudited)
For the 13 Weeks Ended March 31, 2024 and April 2, 2023

	For the 13 Weeks Ended	
(in thousands)	**March 31, 2024**	**April 2, 2023**
Net income (loss)	$ (46,339)	$ (16,016)
Other comprehensive income (loss)		
Foreign currency translation adjustment	4,236	(7,033)
Comprehensive loss	(42,103)	(23,049)
Income attributable to noncontrolling interest	299	64
Foreign currency translation adjustment attributable to non-controlling interest	(148)	8
Total comprehensive income (loss) attributable to Soho House & Co Inc.	$ (41,952)	$ (22,977)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Soho House & Co Inc.
Condensed Consolidated Statements of Changes in Shareholders' Deficit (Unaudited)
For the 13 Weeks Ended April 2, 2023

(in thousands)	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Shareholders' Deficit Attributable to Soho House & Co Inc.	Noncontrolling Interest	Total Shareholders' Deficit
As of January 1, 2023	**$ 2,037**	**$ 1,213,086**	**$ (1,242,412)**	**$ 54,853**	**$ (50,000)**	**$ (22,436)**	**$ 7,060**	**$ (15,376)**
Net income (loss)	—	—	(15,952)	—	—	(15,952)	(64)	(16,016)
Distributions to noncontrolling interests (Note 3)	—	—	—	—	—	—	(390)	(390)
Non-cash share-based compensation (Note 13)	4	5,673	—	—	—	5,677	—	5,677
Net change in cumulative translation adjustment	—	—	—	(7,025)	—	(7,025)	(8)	(7,033)
As of April 2, 2023	**$ 2,041**	**$ 1,218,759**	**$ (1,258,364)**	**$ 47,828**	**$ (50,000)**	**$ (39,736)**	**$ 6,598**	**$ (33,138)**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Soho House & Co Inc.
Condensed Consolidated Statements of Changes in Shareholders' Deficit (Unaudited)
For the 13 Weeks Ended March 31, 2024

(in thousands)	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Shareholders' Deficit Attributable to Soho House & Co Inc.	Noncontrolling Interest	Total Shareholders' Deficit
As of December 31, 2023	**$ 2,057**	**$ 1,231,941**	**$ (1,360,365)**	**$ 30,000**	**$ (62,000)**	**$ (158,367)**	**$ 7,740**	**$ (150,627)**
Net income (loss)	—	—	(46,040)	—	—	(46,040)	(299)	(46,339)
Distributions to noncontrolling interests (Note 3)	—	—	—	—	—	—	—	—
Non-cash share-based compensation (Note 13)	11	7,325	—	—	—	7,336	—	7,336
Net change in cumulative translation adjustment	—	—	—	4,088	—	4,088	148	4,236
As of March 31, 2024	**$ 2,068**	**$ 1,239,266**	**$ (1,406,405)**	**$ 34,088**	**$ (62,000)**	**$ (192,983)**	**$ 7,589**	**$ (185,394)**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Soho House & Co Inc.
Condensed Consolidated Statements of Cash Flows (Unaudited)
For the 13 Weeks Ended March 31, 2024 and April 2, 2023

	For the 13 Weeks Ended	
(in thousands)	**March 31, 2024**	**April 2, 2023**
Cash flows from operating activities		
Net income (loss)	$ (46,339)	$ (16,016)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	25,744	24,464
Non-cash share-based compensation (Note 13)	7,336	5,677
Deferred tax expense (benefit)	(393)	(683)
Gain (loss) on sale of property and other, net	(65)	(681)
Share of (income) loss of equity method investments	(377)	(871)
Amortization of debt issuance costs	703	762
PIK interest (settled), net of non-cash interest	9,614	9,073
Distributions from equity method investees	—	159
Foreign exchange (gain) loss, net	5,481	(13,013)
Changes in assets and liabilities:		
Accounts receivable	(1,046)	(1,612)
Inventories	(1,816)	1,373
Operating leases, net	1,749	(1,125)
Other operating assets	(26,478)	(18,385)
Deferred revenue	(4,747)	297
Accounts payable and accrued and other liabilities	38,122	(1,907)
Net cash provided by (used in) operating activities	7,488	(12,488)
Cash flows from investing activities		
Purchase of property and equipment	(21,004)	(12,010)
Proceeds from sale of assets	—	978
Purchase of intangible assets	(4,587)	(4,674)
Net cash used in investing activities	(25,591)	(15,706)
Cash flows from financing activities		
Repayment of borrowings (Note 11)	(312)	(202)
Proceeds from borrowings (Note 11)	—	—
Payments for debt issuance costs	—	—
Principal payments on finance leases	(67)	(39)
Principal payments on financing obligation	—	—
Distributions to noncontrolling interest	—	(390)
Purchase of treasury stock (Note 14)	—	—
Net cash (used in) provided by financing activities	(379)	(631)
Effect of exchange rate changes on cash and cash equivalents, and restricted cash	(569)	1,002
Net (decrease) increase in cash and cash equivalents, and restricted cash	(19,051)	(27,823)
Cash, cash equivalents and restricted cash		
Beginning of period	163,607	190,043
End of period	**$ 144,556**	**$ 162,220**

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Soho House & Co Inc.
Condensed Consolidated Statements of Cash Flows (Unaudited)
For the 13 Weeks Ended March 31, 2024 and April 2, 2023

	For the 13 Weeks Ended	
(in thousands)	March 31, 2024	April 2, 2023
Cash, cash equivalents and restricted cash are comprised of:		
Cash and cash equivalents	142,320	153,820
Restricted cash	2,236	8,400
Cash, cash equivalents and restricted cash as of March 31, 2024 and April 2, 2023	**$ 144,556**	**$ 162,220**
Supplemental disclosures:		
Cash paid for interest, net of capitalized interest	$ 10,235	$ 8,573
Cash paid for income taxes	1,360	263
Supplemental disclosures of non-cash investing and financing activities:		
Operating lease assets obtained in exchange for new operating lease liabilities	19,450	33,152
Acquisitions of property and equipment under finance leases	198	—
Accrued capital expenditures	7,764	15,354

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

1.Nature of the Business

Soho House & Co Inc. is a global membership platform of physical and digital spaces that connects a vibrant, diverse group of members from across the world. Our members engage with us through our global portfolio of 43 Soho Houses, 9 Soho Works Clubs, The Ned in London, New York and Doha, The Line and Saguaro hotels in North America, Scorpios Beach Club in Mykonos, Soho Home, our interiors and lifestyle retail brand, and our digital channels.

The consolidated entity presented is referred to herein as “SHCO”, “we”, “us”, “our”, or the “Company”, as the context requires and unless otherwise noted.

2.Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) and pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”) for reporting interim information on Form 10-Q. The preparation of the financial statements in conformity with US GAAP requires the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the periods presented. The Company's significant estimates relate to the valuation of financial instruments, equity method investments, the measurement of goodwill and intangible assets, contingent liabilities, income taxes, leases and long-lived assets. Although the estimates have been prepared using management's best judgment and management believes that the estimates used are reasonable, actual results could differ from those estimates and such differences could be material.

We operate on a fiscal year calendar consisting of a 52-or 53-week period ending on the last Sunday in December or the first Sunday in January of the next calendar year. In a 52-week fiscal year, each quarter contains 13 weeks of operations; in a 53-week fiscal year, each of the first, second and third quarters includes 13 weeks of operations and the fourth quarter includes 14 weeks of operations.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with US GAAP have been omitted in accordance with the rules and regulations of the SEC. The year-end condensed consolidated balance sheet data was derived from audited financial statements but does not include all disclosures required by US GAAP. The unaudited condensed consolidated financial statements include normal recurring adjustments, which in the opinion of management are necessary for the fair presentation of the unaudited condensed consolidated balance sheets, unaudited condensed consolidated statements of operations, of comprehensive loss, of changes in redeemable shares and shareholders’ equity (deficit), and of cash flows for the periods presented. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes thereto, included in the Company’s Annual Report on Form 10-K as of and for the fiscal year ended December 31, 2023.

The results of operations for the 13-week periods ended March 31, 2024 and April 2, 2023 are not necessarily indicative of the operating results for the full fiscal year or any future periods.

Recently Adopted Accounting Standards

In June 2020, the FASB issued ASU 2020-06, Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity which simplifies the accounting for certain financial instruments with characteristics of liabilities and equity. The Company adopted ASU 2020-06 effective January 1, 2024 on a prospective basis. The adoption of ASU 2020-06 did not have a material effect on the Company’s consolidated financial statements and related disclosures.

In October 2021, the FASB issued ASU 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers. The ASU requires entities to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with ASC 606, Revenue from Contracts with Customers. The Company adopted ASU 2024-02 effective January 1, 2024 on a prospective basis. The adoption of ASU 2024-02 did not have a material effect on the Company’s consolidated financial statements and related disclosures as no business combination transactions have taken place since the Company adopted ASU 2024-02.

Going Concern

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared assuming the Company will continue as a going concern. The going concern basis of presentation assumes that we will continue in operation for at least a period of 12 months after the date these financial statements are issued, and contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

We have experienced net losses and significant cash outflows from cash used in operating activities over the past years as we develop our Houses. During the 13 weeks ended March 31, 2024 the Company incurred a consolidated net loss of $46 million. During the 13 weeks ended March 31, 2024, the Company had net cash provided by operations of $7 million. As of March 31, 2024 the Company had an accumulated deficit balance of $1,406 million, cash and cash equivalents of $142 million, and a restricted cash balance of $2 million.

In assessing the going concern basis of preparation of the unaudited condensed consolidated financial statements for the 13 weeks ended March 31, 2024, we have taken into consideration detailed cash flow forecasts for the Company, the Company's forecast compliance with bank covenants, and the timing of debt commitments within 12 months of the approval of these financial statements, and the continued availability of committed and accessible working capital to the Company.

We have considered current global economic and political uncertainties, specifically including inflationary pressures on consumables purchased and wages, and the Company has factored these in when it undertook an assessment of the cash flow forecasts covering a period of at least 12 months from the date these financial statements are issued. Cash flow forecasts have been prepared based on a range of scenarios including, but not limited to, no further debt or equity funding, repayment of existing short-term debt, macro-economic dynamics, cost reductions, both limited and extensive, and a combination of these different scenarios.

Based on the above, the consolidated financial statements have been presented on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Accordingly, we continue to adopt the going concern basis in preparing the unaudited condensed consolidated financial statements for the 13 weeks ended March 31, 2024.

Future Accounting Standards

In October 2023, the FASB issued ASU No 2023-06, "Disclosure Agreements – Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative" ("ASU 2023-06"). ASU 2023-06 will align the disclosure and presentation requirements in the FASB Accounting Standards Codification with the SEC's regulations. The amendments in ASU 2023-06 will be applied prospectively and are effective when the SEC removes the related requirements from Regulations S-X or S-K. Any amendments the SEC does not remove by June 30, 2027 will not be effective. The Company's is currently evaluating the impact of this ASU on its consolidated financial statements and related disclosures.

In November 2023, the FASB issued ASU No 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07"). ASU 2023-07 expands disclosures about a public entity's reportable segments and requires more enhanced information about a reportable segment's expenses, interim segment profit or loss, and how a public entity's chief operating decision maker uses reported segment profit or loss information in assessing segment performance and allocating resources. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. ASU 2023-07 should be applied retrospectively to all prior periods presented in the financial statements. The Company's is currently evaluating the impact of this ASU on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU No 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" ("ASU 2023-09"). ASU 2023-09 expands disclosures in the rate reconciliation and requires disclosure of income taxes paid by jurisdiction. ASU 2023-09 is effective for fiscal years beginning after December 15, 2025 or the interim period in which the Company loses emerging growth company status. Early adoption is permitted. ASU 2023-09 should be applied prospectively; however, retrospective application is permitted. The Company's is currently evaluating the impact of this ASU on its consolidated financial statements and related disclosures.

In March 2024, the FASB issued ASU 2024-01, "Compensation - Stock Compensation (Topic 718): Scope application for profits interest and similar awards. This update adds an illustrative example to demonstrate how an entity should apply the scope guidance to determine whether profits interest and similar awards ("profits interest awards") should be accounted for in accordance with Topic 718. ASU 2024-01 is effective for fiscal years beginning after December 15, 2025 or the interim period in which the Company loses emerging growth company status. Early adoption is permitted. ASU 2024-01 should be applied retrospectively to all prior periods presented in the financial statements or prospectively. The Company's is currently evaluating the impact of this ASU on its consolidated financial statements and related disclosures.

In March 2024, the FASB issued ASU No 2024-02, "Codification Improvements - Amendments to Remove References to the Concepts Statements" ("ASU 2024-02"). ASU 2024-02 removes references to various Concepts Statements. In most instances, the references are extraneous and not required to understand or apply the guidance. ASU 2024-02 is effective for fiscal years beginning after December 15, 2025 or the interim period in which the Company loses emerging growth company status. ASU 2024-02 can be applied prospectively or retrospectively. The Company's is currently evaluating the impact of this ASU on its consolidated financial statements and related disclosures.

Comprehensive Loss

The entire balance of accumulated other comprehensive loss, net of income taxes, is related to the cumulative translation adjustment in each of the periods presented. The changes in the balance of accumulated other comprehensive income loss, net of income tax, are attributable solely to the net change in the cumulative translation adjustment in each of the periods presented.

3.Consolidated Variable Interest Entities

The Company determined that it is the primary beneficiary of the following material variable interest entities ("VIEs"):

Ned-Soho House, LLP
The Ned-Soho House, LLP joint venture maintains a management agreement to operate The Ned hotel in London, which is owned by unconsolidated related parties to the Company. Management fees are recognized in other revenues in the consolidated statements of operations. The Company has a greater economic interest in Ned-Soho House, LLP as compared to its related party venture partner and therefore the Company is determined to be the primary

beneficiary.

Soho Works Limited
The Soho Works Limited ("SWL") joint venture develops and operates Soho-branded, membership-based co-working spaces, with four sites currently in operation in the UK. The joint venture agreement relates to the UK only. The joint venture was formed on September 29, 2017 when the Company granted to two unrelated individuals an option to subscribe for 30% of the issued shares of SWL. The option has not yet been exercised and, consequently, the Company has 100% economic interest in SWL. Upon exercise of the option, the Company would have 70% economic interest in SWL. The options carry voting rights such that the Company and other joint venture partners each hold 50% of the voting rights in respect of shareholder resolutions and certain reserved matters as defined in the joint venture agreement. The Company is determined to be the primary beneficiary because it has the power to direct all significant activities of the joint venture.

The following table summarizes the carrying amounts and classification of the consolidated VIEs' assets and liabilities included in the consolidated balance sheets. The obligations of the consolidated VIEs are non-recourse to the Company, and the assets of the VIEs can be used only to settle those obligations.

	As of	
(in thousands)	March 31, 2024	December 31, 2023
Cash and cash equivalents	$ 4,611	$ 6,482
Accounts receivable	3,923	4,530
Inventories	17	15
Prepaid expenses and other current assets	10,810	3,404
Total current assets	**19,361**	**14,431**
Property and equipment, net	28,411	29,001
Operating lease assets	96,990	103,146
Other intangible assets, net	296	314
Other non-current assets	189	7,443
Total assets	**145,247**	**154,335**
Accounts payable	615	1,070
Accrued liabilities	4,394	4,050
Indirect and employee taxes payable	977	1,231
Current portion of debt, net of debt issuance costs	27,482	27,715
Current portion of operating lease liabilities - sites trading more than one year	6,104	6,250
Other current liabilities	7,335	6,770
Total current liabilities	**46,907**	**47,086**
Operating lease liabilities, net of current portion - sites trading more than one year	112,426	116,251
Total liabilities	**159,448**	**163,337**
Net assets (liabilities)	**$ (14,201)**	**$ (9,002)**

4.Equity Method Investments

The Company maintains a portfolio of equity method investments owned through noncontrolling interests in investments with one or more partners. There have been no changes in the Company's equity method investment ownership interests in existing entities and no new equity method investments since December 31, 2023. Under applicable guidance for VIEs, the Company determined that its investments in the following entities are VIEs:

Toronto Joint Venture
On March 28, 2012, the Company and two unrelated investors ("Toronto Partners") formed Soho House Toronto to own and operate a House in Toronto, Canada. The Company is responsible for managing the development and operations of the property with key operating decisions requiring joint approval with the Toronto Partners.

56-60 Redchurch Street, London Joint Venture
On July 6, 2015, the Company and a related party investor ("Raycliff Partner") formed Raycliff Red LLP ("Club Row Rooms") to develop and operate a hotel at 58-60 Redchurch Street intended to provide additional members' accommodation to the nearby Shoreditch House in London. This was later extended to include 56 Redchurch Street under the same terms. The Company is responsible for managing the operations of the property and the Raycliff Partner is responsible for managing the building.

The Company concluded that it is not the primary beneficiary of Soho House Toronto or 56-60 Redchurch Street, London VIEs in any of the periods presented, as its joint venture partners have the power to participate in making decisions related to the majority of significant activities of each investee. Accordingly, the Company concluded that application of the equity method of accounting is appropriate for these investees.

Summarized Financial Information

The following table presents summarized financial information for all unconsolidated equity method investees. The Company's maximum exposure to losses related to its equity method investments is limited to its ownership interests.

(in thousands)	For the 13 Weeks Ended March 31, 2024	For the 13 Weeks Ended April 2, 2023
Revenues	$ 11,963	$ 11,244
Operating income (loss)	2,715	2,592
Net income (loss) [(1)]	653	1,809

(1) The net income (loss) shown above relates entirely to continuing operations.

5. Leases

The Company has entered into various lease agreements for its Houses, hotels, restaurants, spas and other properties across North America, Europe, and Asia, which includes 13 equipment leases. The Company's material leases have reasonably assured lease terms ranging from 1 year to 30 years for operating leases and 50 years for finance leases. Certain operating leases provide the Company with multiple renewal options that generally range from 5 years to 10 years, with rent payments on renewal based on a predetermined annual increase or market rates at the time of exercise of the renewal. The Company has 3 material finance leases with 25 year renewal options, with rent payments on renewal based on upward changes in inflation rates. As of March 31, 2024, the Company recognized right-of-use assets and lease liabilities for 156 operating leases and 3 finance leases. When recognizing right-of-use assets and lease liabilities, the Company includes certain renewal options where the Company is reasonably assured to exercise the renewal option.

The maturity of the Company's operating and finance lease liabilities as of March 31, 2024, is as follows:

(in thousands) **Fiscal year ended**	**Operating Leases**	**Finance Leases**
Undiscounted lease payments		
Remainder of 2024	$ 113,958	$ 4,521
2025	156,123	6,103
2026	157,547	6,098
2027	149,242	6,072
2028	146,953	6,025
Thereafter	1,695,021	220,027
Total undiscounted lease payments	**2,418,844**	**248,846**
Present value adjustment	1,067,156	170,926
Total net lease liabilities	**$ 1,351,688**	**$ 77,920**

Certain lease agreements include variable lease payments that, in the future, will vary based on changes in the local inflation rates, market rate rents, or business revenues of the leased premises.

Straight-line rent expense recognized as part of In-House operating expenses for operating leases was $38 million and $36 million for the 13 weeks ended March 31, 2024 and April 2, 2023, respectively.

For the 13 weeks ended March 31, 2024 and April 2, 2023, the Company recognized amortization expense related to the right-of-use asset for finance leases of less than $1 million and less than $1 million, respectively, and interest expense related to finance leases of $1 million and $1 million, respectively. There were no material variable lease payments for finance leases for the 13 weeks ended March 31, 2024 and April 2, 2023.

New Houses typically have a maturation profile that commences sometime after the lease commencement date used in the determination of the lease accounting in accordance with Topic 842. The unaudited condensed consolidated balance sheets set out the operating lease liabilities split between sites trading less than one year and sites trading more than one year. "Sites trading less than one year" and "sites trading more than one year" reference sites that have been open (as measured from the date the site first accepted a paying guest) for a period less than one year from the balance sheet date and those that have been open for a period longer than one year from the balance sheet date.

The following information represents supplemental disclosure for the statement of cash flows related to operating and finance leases:

	For the 13 Weeks Ended	
(in thousands)	March 31, 2024	April 2, 2023
Cash flows from operating activities:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ (37,428)	$ (34,141)
Interest payments for finance leases	(1,420)	(1,365)
Cash flows from financing activities:		
Principal payments for finance leases	$ (67)	$ (39)
Supplemental disclosures of non-cash investing and financing activities:		
Operating lease assets obtained in exchange for new operating lease liabilities	$ 19,450	$ 33,152
Acquisitions of property and equipment under finance leases	$ 198	$ —

The following summarizes additional information related to operating and finance leases:

	As of	
	March 31, 2024	April 2, 2023
Weighted-average remaining lease term		
Finance leases	42 years	43 years
Operating leases	16 years	16 years
Weighted-average discount rate		
Finance leases	7.29%	7.29%
Operating leases	7.89%	7.87%

As of March 31, 2024, the Company has entered into 15 operating lease agreements that are signed but have not commenced. Of these, 11 relate to Houses, hotels, restaurants, and other properties that are in various stages of construction by the Landlord. The Company will determine the classification as of the lease commencement date, but currently expects these under construction leases to be operating leases. Soho House Design ("SHD") is involved to varying degrees in the design of these leased properties under construction. For certain of these leases, the SHD team is acting as the construction manager on behalf of the landlord. The Company does not control the underlying assets under construction. Pending significant completion of all landlord improvements and final execution of the related lease, the Company expects these leases to commence in fiscal years ending 2024, 2025, 2026 and 2028. The Company estimates the total undiscounted lease payments for the leases commencing in fiscal years 2024, 2025, 2026 and 2028 will be $216 million, $207 million, $432 million and $390 million, respectively, with weighted-average expected lease terms of 22 years, 20 years, 22 years and 15 years for 2024, 2025, 2026 and 2028, respectively.

The following summarizes the Company's estimated future undiscounted lease payments for current leases signed but not commenced, including properties where the SHD team is acting as the construction manager as of March 31, 2024:

(in thousands) **Fiscal year ended**	Operating Leases Under Construction
Estimated total undiscounted lease payments	
Remainder of 2024	$ 1,983
2025	12,184
2026	19,374
2027	26,772
2028	44,815
Thereafter	1,139,934
Total undiscounted lease payments expected for leases signed but not commenced	**$ 1,245,062**

6.Revenue Recognition

Disaggregated revenue disclosures for the 13 weeks ended March 31, 2024 and April 2, 2023 are included in Note 17, Segments.

Revenue from membership fees, legacy one-time registration fees, House Introduction Credits and design & build-out contracts are the primary arrangements for which revenue is recognized over time.

The following table includes estimated revenues expected to be recognized in the future related to performance obligations that were unsatisfied (or partially unsatisfied) at the end of the reporting period ending March 31, 2024.

(in thousands)	Next twelve months from March 31, 2024	Future periods
Membership, registration fees and House Introduction Credits	$ 98,795	$ 25,195
Total future revenues	**$ 98,795**	**$ 25,195**

All consideration from contracts with customers is included in the amounts presented above.

The following table provides information about contract receivables, contract assets and contract liabilities from contracts with customers:

	As of	
(in thousands)	March 31, 2024	December 31, 2023
Contract receivables	$ 58,926	$ 58,158
Contract assets	3,664	3,778
Contract liabilities	160,282	155,356

Contract receivables comprises solely of Accounts receivable, net which comprise amounts due from customers and partners including amounts owed from sites operated under management contracts, amounts billed under design & build-out contracts and amounts due from Retail wholesale partners.

Contract assets consist of accrued unbilled income related to design & build-out contracts and are recognized in prepaid expenses and other current assets on the unaudited condensed consolidated balance sheets.

Contract liabilities include deferred membership revenue, hotel deposits (which are presented in accrued liabilities on the unaudited condensed consolidated balance sheets), and gift vouchers. Revenue recognized that was included in the contract liabilities balance as of the beginning of the period was $32 million and $26 million during the 13 weeks ended March 31, 2024 and April 2, 2023, respectively.

7.Inventories, Prepaid Expenses and Other Current Assets

Inventories consist of raw materials, service stock and supplies (primarily food and beverage) and finished goods (primarily for sale in our Retail business) which are externally sourced. Raw materials and service stock and supplies totaled $23 million and $27 million as of March 31, 2024 and December 31, 2023, respectively. Finished goods totaled $39 million and $34 million as of March 31, 2024 and December 31, 2023, respectively.

The table below presents the components of prepaid expenses and other current assets.

	As of	
(in thousands)	March 31, 2024	December 31, 2023
Amounts owed by equity method investees	$ 1,312	$ 1,323
Prepayments and accrued income	58,988	35,688
Contract assets	3,664	3,778
Inventory supplier advances	16,872	18,656
Other receivables	57,411	53,067
Total prepaid expenses and other current assets	**$ 138,247**	**$ 112,512**

8.Property and Equipment, Net

Additions totaled $15 million and $12 million during the 13 weeks ended March 31, 2024 and April 2, 2023, respectively, and were primarily related to leasehold improvements and fixtures and fittings for existing sites and sites under development.

9.Accrued Liabilities

The table below presents the components of accrued liabilities.

(in thousands)	As of March 31, 2024	As of December 31, 2023
Accrued interest	$ 771	$ 1,309
Hotel deposits	18,711	12,628
Trade and other accruals	68,459	70,878
Total accrued liabilities	**$ 87,941**	**$ 84,815**

10.Debt

Debt balances, net of debt issuance costs, are as follows:

(in thousands)	As of March 31, 2024	As of December 31, 2023
Senior Secured Notes, interest at 8.1764% for the Initial Notes and 8.5% for the Additional Notes, maturing March 2027	$ 623,587	$ 615,718
Soho Works Limited loans, unsecured, 7% interest bearing, maturing September 2025 (see additional description below)	27,482	27,715
Other loans (see additional description below)	20,634	21,433
	671,703	**664,866**
Less: Current portion of long-term debt	(34,184)	(29,290)
Total long-term debt, net of current portion	**$ 637,519**	**$ 635,576**

Property mortgage loans, net of debt issuance costs, are as follows:

(in thousands)	As of March 31, 2024	As of December 31, 2023
Term loan, interest at 6.99%, maturing June 1, 2033	$ 137,170	$ 137,099
Total property mortgage loans	**$ 137,170**	**$ 137,099**

The weighted-average interest rate on fixed rate borrowings was 8% as of March 31, 2024 and 8% as of April 2, 2023 and December 31, 2023. There were no outstanding floating rate borrowings as of March 31, 2024 or December 31, 2023.

Debt

The descriptions below show the financial instrument amounts in the currency of denomination with USD equivalent in parentheses, where applicable, translated using the exchange rates in effect at the time of the respective transaction.

On November 10, 2022, Soho House Bond Limited, a wholly-owned subsidiary of the Company entered into the Third Amended and Restated Revolving Facility Agreement (the "Third Amendment") which further amends and restates the Revolving Credit Facility, originally entered into by the Company on December 5, 2019 (the original and amended facility refer to as the “Revolving Credit Facility”). The Third Amendment amends the Revolving Credit Facility to extend the maturity date from January 25, 2024 to July 25, 2026. In addition, the Third Amendment provides that from March 2023 we are required to maintain certain leverage covenants (as defined in the Revolving Credit Facility) which are applicable when 40% or more of the facility is drawn. As of March 31, 2024 the facility remains undrawn with £71 million ($89 million) available to draw under this facility and £4 million ($5 million) utilized as a letter of guarantee in respect of one of the Company’s lease agreements. The facility is secured on a fixed and floating charge basis over certain assets of the Company. The Company incurred interest expense of less than $1 million and less than $1 million in respect of the Revolving Credit Facility during the 13 weeks ended March 31, 2024 and April 2, 2023, respectively.

In 2017, Soho Works Limited entered into a term loan facility agreement. The SWL loan bears interest at 7% and matures, following the extensions described below, at the earliest of: (a) September 29, 2025; (b) the date of disposal of the whole or substantial part of the Soho Works Limited; (c) the date of sale by the shareholders of the entire issued share capital of Soho Works Limited to a third party; (d) the date of the admission of Soho Works Limited to any recognized investment exchange or multi-lateral trading facility; and (e) any later date that the lenders may determine in their sole discretion. The carrying amount of the term loan was £22 million ($27 million) and £22 million ($28 million) as of March 31, 2024 and December 31, 2023, respectively. The Company incurred interest expense of $1 million and $1 million on this facility during the 13 weeks ended March 31, 2024 and

April 2, 2023, respectively. In March, 2024, this loan was subsequently extended for a further 12 months. The Company has determined a current classification of this loan is appropriate as it best reflects the substance of the agreement with the lenders given that the loan extension period is short-term in nature (12 months).

On March 31, 2021, Soho House Bond Limited issued pursuant to a Notes Purchase Agreement senior secured notes, which were subscribed for by certain funds managed, sponsored or advised by Goldman Sachs & Co. LLC or its affiliates, in aggregate amounts equal to $295 million, €62 million ($73 million) and £53 million ($73 million) (the “Initial Notes”). The Notes Purchase Agreement included an option to issue, and a commitment on the part of the purchasers to subscribe for an aggregate amount of up to $100 million which were issued for the full amount on March 9, 2022 (the “Additional Notes” and, together with the Initial Notes, the “Senior Secured Notes”). The Senior Secured Notes mature on March 31, 2027 and bear interest at a fixed rate equal to a cash margin of 2.0192% per annum for the Initial Notes or 2.125% per annum for any Additional Notes, plus a payment-in-kind (capitalized) margin of 6.1572% per annum for the Initial Notes or 6.375% per annum for any Additional Notes. The Senior Secured Notes issued pursuant to the Notes Purchase Agreement may be redeemed and prepaid for cash, in whole or in part, at any time in accordance with the terms thereof, subject to payment of redemption fees. The Senior Secured Notes are guaranteed and secured on substantially the same basis as our Revolving Credit Facility. The Company incurred interest expense of $12 million and $13 million during the 13 weeks ended March 31, 2024 and April 2, 2023, respectively.

The other loans consist of the following:

	Currency	Maturity date	Principal balance as of March 31, 2024	Applicable interest rate as of March 31, 2024
Dean Street loan	Great Britain pound sterling	March 2040	$ 9,551	6.0 %
Copenhagen loan	Danish krone	November 2033	2,108	8.0 %
Greek Street loan	Great Britain pound sterling	January 2028	2,772	7.5 %
Compagnie de Phalsbourg credit facility	Euro	January 2025	5,595	7.0 %
Greek government loan	Euro	July 2025	608	3.1 %

Property Mortgage Loans

In March 2014, the Company completed a freehold property acquisition of the Soho Beach House Miami Property. In May 2023, the Company refinanced the existing term loan of $55 million, interest at 5.34%, and mezzanine loan of $62 million, interest at 7.25% with a new $140 million loan agreement with JP Morgan Chase Bank, National Association and Citi Real Estate Funding Inc. The new term loan is secured with a recorded and insured first priority mortgage on Soho Beach House Miami Property as well as first priority security interests in all collateral related to the property. The new term loan matures in June 2033 and bears interest at 6.99%.

The Company incurred interest expense of $3 million and $2 million on these property mortgage loans during the 13 weeks ended March 31, 2024 and April 2, 2023, respectively.

Future Principal Payments

The following table presents future principal payments for the Company’s debt and property mortgage loans as of March 31, 2024:

(in thousands)	
Remainder of 2024	$ —
2025	33,688
2026	—
2027	629,925
2028	2,772
Thereafter	151,659
	$ 818,043

11. Fair Value Measurements

Recurring and Non-recurring Fair Value Measurements

There were no assets or liabilities measured at fair value on a recurring or non-recurring basis as of March 31, 2024 or December 31, 2023.

Fair Value of Financial Instruments

The Company believes the carrying values of its financial instruments related to current assets and liabilities approximate fair value due to short-term maturities.

The Company has estimated the fair value of the Senior Secured Notes and the property mortgage loans as of March 31, 2024 and December 31, 2023 using a discounted cash flow analysis. The fair value of the other non-current debt is estimated as of March 31, 2024 and December 31, 2023 using a discounted cash flow analysis, except for the Dean Street Loan and the Copenhagen Loan where fair value is estimated to be equal to the current carrying value of each instrument as of March 31, 2024 based on a comparison of each instrument's contractual terms to current market terms. The Company does not believe that the use of different market inputs would have resulted in a materially different fair value of debt as of March 31, 2024 and December 31, 2023.

The following table presents the estimated fair values (all of which are Level 3 fair value measurements) of the Company's debt instruments with maturity dates in 2025 and thereafter:

(in thousands)	Carrying Value	Fair Value
March 31, 2024		
Senior Secured Notes	$ 623,587	$ 581,392
Property mortgage loans	137,170	119,052
Other loans	20,634	20,340
	$ 781,391	**$ 720,784**

(in thousands)	Carrying Value	Fair Value
December 31, 2023		
Senior Secured Notes	$ 615,718	$ 597,063
Property mortgage loans	137,099	117,488
Other loans	21,433	21,079
	$ 774,250	**$ 735,630**

The carrying values of the Company's other non-current liabilities and non-current assets approximate their fair values.

12.Share-Based Compensation

Equity and incentive plans

The Company operates two equity and incentive plans for the benefit of its employees and directors. In August 2020, the Company established the 2020 Equity and Incentive Plan (the "2020 Plan") under which SHHL Share Appreciation Rights ("SARs") and SHHL Growth Shares were issued to certain employees. In July 2021, the Company established its 2021 Equity and Incentive Plan (the "2021 Plan"). The 2021 Plan allows for grants of nonqualified stock options, SARs, and Restricted Stock Units ("RSUs") and Performance Stock Units ("PSUs"). The PSUs generally vest (i) upon the completion a minimum service period and (ii) the Company's achievement of certain performance goals established at grant. There were 12,107,333 shares initially available for all awards under the 2021 Plan and the shares available is permitted to increase annually on the first day of each calendar year, beginning with the calendar year ended December 31, 2022, subject to approval by the board of directors. As of March 31, 2024, there were 2,296,368 shares available for future awards. The Company granted 885,273 new RSUs and 630,158 new PSUs under the 2021 Plan during the 13 weeks ended March 31, 2024, respectively.

Modifications of awards made under the plans

In March 2024, the Company modified the exercise price for certain outstanding SARs to be $6.05 per share. As a result, the Company accounted for the modification as a Type I modification, resulting in $0.2 million of incremental fair value which was recorded immediately as the awards were fully vested. The assumptions used in valuing SARs modified can be seen in the second table below.

Awards outstanding under the plans

As of March 31, 2024 and December 31, 2023, there were 2,804,323 and 2,327,384 RSUs outstanding under the 2021 Plan, respectively. As of March 31, 2024 and December 31, 2023, there were 6,382,616 and 6,498,915 SARs outstanding under the 2020 Plan and 2021 Plan, respectively. As of March

31, 2024 and December 31, 2023, there were 630,158 and zero PSUs outstanding under the 2021 Plan, respectively. As of March 31, 2024 and December 31, 2023, there were zero restricted stock awards outstanding under the 2020 Plan, respectively.

Share-based compensation during the 13 weeks ended March 31, 2024 and April 2, 2023 was recorded in the consolidated statements of operations within a separate line item as shown in the following table:

	For the 13 Weeks Ended	
(in thousands)	**March 31, 2024**	**April 2, 2023**
SARs	$ 842	$ 3,578
Restricted stock awards (Growth Shares)	—	432
RSUs	6,431	1,667
PSUs	63	—
Employer-related payroll expense(1)	703	169
Total share-based compensation expense	**8,039**	**5,846**
Tax benefit for share-based compensation expense	—	—
Share-based compensation expense, net of tax	**$ 8,039**	**$ 5,846**

(1)Relates to employment related taxes, including employer national insurance tax in the UK. These amounts were settled in cash and are not included in additional paid-in capital or as an adjustment to reconcile net loss to net cash used in operating activities in the consolidated statements of cash flows.

The weighted-average assumptions used in valuing SARs granted or modified during each period are set forth in the following table:

	For the 13 Weeks Ended March 31, 2024	For the Fiscal Year Ended December 31, 2023
Expected average life[1]	3.21 - 4.81 years	1.70 - 5.56 years
Expected volatility[2]	76%	55% - 59%
Risk-free interest rate[3]	4.17 - 4.29%	3.54% - 5.01%
Expected dividend yield[4]	0.00%	0.00%

(1)The expected life assumption is based on the Company's expectation for the period before exercise.

(2)The expected volatility assumption is developed using leverage-adjusted historical volatilities for public peer companies for the period equal to the expected life of the awards.

(3)The risk-free rate is based on the bootstrap adjusted US Treasury Rate Yield Curve Rate as of the valuation date, term matched with expected life of the awards.

(4)The expected dividend yield is 0.0% since the Company does not expect to pay dividends.

As of March 31, 2024, total compensation expense not yet recognized is as follows:

- With respect to the unvested SARs issued under the 2020 Plan and 2021 plans, approximately $2 million, which is expected to be recognized over a weighted-average period of 0.95 years; and
- With respect to the RSUs and PSUs issued under the 2021 Plan, approximately $15 million, which is expected to be recognized over a weighted-average period of 1.40 years.

13.Loss Per Share and Shareholders' Equity (Deficit)

Holders of Class A common stock and Class B common stock are entitled to receive dividends out of legally available funds on a pari passu basis. Holders of Class A common stock are entitled to one vote per share, while holders of Class B common stock are entitled to 10 votes per share. Each holder of Class B common stock has the right to convert its shares of Class B common stock into shares of Class A common stock, at any time, on a one-for-one basis. Additionally, shares of Class B common stock will automatically convert into shares of Class A common stock, on a one-for-one basis, upon transfer to any non-permitted holder of Class B common stock. Holders of Class A and Class B common stock are entitled to liquidation distributions on a pro rata basis, subject to prior satisfaction of all outstanding debt and liabilities and the payment of liquidation preferences, if any.

The tables below present changes in each class of the Company's common stock, as applicable:

	SHCO Common Stock	
	Class A Common Stock	Class B Common Stock
As of January 1, 2023	**53,722,597**	**141,500,385**
Shares issued related to share-based compensation	368,349	—
As of April 2, 2023	**54,090,946**	**141,500,385**

	SHCO Common Stock	
	Class A Common Stock	Class B Common Stock
As of December 31, 2023	**53,741,731**	**141,500,385**
Shares issued related to share-based compensation	1,064,054	—
As of March 31, 2024	**54,805,785**	**141,500,385**

Stock Repurchases

On March 18, 2022, the Company's board and a relevant sub-committee thereof authorized and approved a stock repurchase program for up to $50 million of the currently outstanding shares of the Company's Class A common stock. Under the stock repurchase program, the Company was authorized to repurchase from time-to-time shares of its outstanding Class A common stock on the open market or in privately negotiated transactions in the United States. The timing and amount of stock repurchases will depend on a variety of factors, including market conditions as well as corporate and regulatory considerations. The stock repurchase program could be suspended, modified or discontinued at any time, in accordance with relevant and applicable regulatory requirements, and the Company has no obligation to repurchase any amount of its common stock under the program. The Company intends to make all repurchases in accordance with applicable federal securities laws, including Rule of the Securities Exchange Act of 1934 (the "Exchange Act"), as amended. Under the program, the repurchased shares were returned to the status of authorized, but unissued shares of common stock held in treasury at average cost. During the fiscal year ended January 1, 2023, the Company repurchased a total of 8,467,120 shares of Class A common stock for $50 million including commissions. Because the repurchase plan upper limit of $50 million was met, there was no further stock repurchased under the above plan.

On September 20, 2023, the Company repurchased 2 million shares of its Class A common stock from its Founder and director Nick Jones for $12 million. The privately negotiated transaction was approved by the board of directors. The shares are now held as treasury shares by the Company.

On February 9, 2024, the Company announced that the board had approved a new $50 million share repurchase authorization. There were no repurchases during the 13 weeks ending March 31, 2024.

Loss Per Share

The Company computes loss per share using the two-class method. As the liquidation and dividend rights are identical, the undistributed earnings or losses are allocated on a proportionate basis to each class of common stock, and the resulting basic and diluted loss per share attributable to common stockholders are therefore the same for Class A and Class B common stock.

14. Commitments and Contingencies

Litigation Matters

The Company is not a party to any litigation other than litigation in the ordinary course of business. The Company's management and legal counsel do not expect that the ultimate outcome of any of its currently ongoing legal proceedings, individually or collectively, will have a material adverse effect on the Company's unaudited condensed consolidated financial statements.

15. Income Taxes

For the 13 weeks ended March 31, 2024, there have been no material changes in the Company's estimates or provisions for income taxes recorded in the unaudited condensed consolidated balance sheet. Full valuation allowances have been recorded against the incremental deferred tax assets recognized for tax losses, share-based compensation, and excess interest in the U.K., U.S. and Hong Kong. The Company continues to evaluate all positive and negative evidence to evaluate the realizability of its net deferred tax assets and it is reasonably possible that there may be a change in the valuation allowance within the next twelve months. The gross unrecognized tax benefits has decreased by $1.9 million in the 13 weeks ended March 31, 2024.

The effective tax rate for the 13 weeks ended March 31, 2024 was (1.1)%, compared to 1.0% for the 13 weeks ended April 2, 2023. The effective tax rate for the 13 weeks ended March 31, 2024 differs from the US statutory rate of 21% primarily due to current mix of positive and negative earnings in the various jurisdictions the Company operates in and valuation allowances which reduce the amount of tax benefit recognized on the pretax book loss. As a result, the Company is calculating current tax charges in certain non-U.S. jurisdictions over a consolidated loss for the 13 weeks ended March 31, 2024.

The Organization for Economic Cooperation and Development (OECD) global tax reform initiative introduces a global minimum tax of 15% on country-by-country profits applicable to large multinational corporations. As part of this international initiative, the UK enacted its BEPS Pillar Two Minimum Tax legislation in July 2023 with effect for accounting periods beginning on or after December 31, 2023.

The Company has carried out a preliminary assessment of the impact of this legislation for the 13 weeks ended March 31, 2024 and has concluded that these new rules are not likely to have a material impact on the Company's effective tax rate or tax payments for this period. The Company will undertake this assessment for subsequent reporting periods to monitor its compliance with the GloBE rules for fiscal 24.

16.Segments

The Company’s core operations comprise of Houses, hotels and restaurants across a number of territories, which are managed on a geographical basis. There is a segment managing director for each of the UK, North America, Europe and Rest of the World (“RoW”) who is responsible for Houses, hotels and restaurants in that region. Each operating segment manager reports directly to the Company’s Chief Operating Decision Maker (“CODM”), the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer combined. In addition to Houses, hotels and restaurants, the Company offers other products and services, such as retail, home & beauty products and services, which comprise its Retail operating segment; access to Soho Works collaboration spaces across the UK and North America, which comprise its Soho Works operating segment; and memberships for people who live in cities where physical Houses do not exist, which comprise its Cities Without Houses operating segment. The Retail, Soho Works, and Cities Without Houses operating segments also have segment managers which report directly to the CODM and are managed separately from the Houses, hotels and restaurants in each region.

The Company has identified the following three reportable segments:

- UK,
- North America, and
- Europe and RoW.

The Company analyzed the results of the Retail, Soho Works, Soho Restaurants, and Cities Without Houses operating segments and concluded that they did not warrant separate presentation as reportable segments as they do not provide additional useful information to the readers of the financial statements. Therefore, these segments are included as part of an “All Other” category.

Intercompany revenues and costs among the reportable segments are not material and accounted for as if the sales were to third parties because these items are based on negotiated fees between the segments involved. All intercompany transactions and balances are eliminated in consolidation. Intercompany revenues and costs between entities within a reportable segment are eliminated to arrive at segment totals. Segment revenue includes revenue of certain equity method investments, which are considered stand-alone operating segments, which are therefore not included in revenues as part of these consolidated financial statements. Eliminations between segments are separately presented. Corporate results include amounts related to Corporate functions such as administrative costs and professional fees. Income tax expense is managed by Corporate on a consolidated basis and is not allocated to the reportable segments.

The Company manages and assesses the performance of the reportable segments by Reportable segments EBITDA, which is defined as net income (loss) before depreciation and amortization, interest expense, net, provision (benefit) for income taxes, adjusted to take account of the impact of certain non-cash and other items that the Company does not consider in its evaluation of ongoing operating performance. These other items include, but are not limited to, loss (gain) on sale of property and other, net, share of loss (profit) of equity method investments, foreign exchange, pre-opening expenses, non-cash rent, deferred registration fees, net, share of equity method investments EBITDA, share-based compensation expense, and certain other expenses.

The following tables present disaggregated revenue for the 13 weeks ended March 31, 2024 and April 2, 2023 and the key financial metrics reviewed by the CODM for the Company’s reportable segments:

	For the 13 Weeks Ended March 31, 2024					
(in thousands)	North America	UK	Europe & RoW	Reportable Segment Total	All Other	Total
Membership revenues	$ 48,227	$ 29,068	$ 12,888	$ 90,183	$ 13,400	$ 103,583
In-House revenues	51,191	40,278	23,545	115,014	133	115,147
Other revenues	19,070	13,590	1,142	33,802	22,577	56,379
Total segment revenue	**118,488**	**82,936**	**37,575**	**238,999**	**36,110**	**275,109**
Elimination of equity accounted revenue	(4,333)	(1,635)	(5,995)	(11,963)	—	(11,963)
Consolidated revenue	**$ 114,155**	**$ 81,301**	**$ 31,580**	**$ 227,036**	**$ 36,110**	**$ 263,146**

	For the 13 Weeks Ended April 2, 2023					
(in thousands)	North America	UK	Europe & RoW	Reportable Segment Total	All Other	Total
Membership revenues	$ 41,543	$ 23,697	$ 10,312	$ 75,552	$ 10,797	$ 86,349
In-House revenues	52,052	41,420	27,178	120,650	—	120,650
Other revenues	18,706	15,269	1,117	35,092	24,362	59,454
Total segment revenue	**112,301**	**80,386**	**38,607**	**231,294**	**35,159**	**266,453**
Elimination of equity accounted revenue	(4,209)	(1,656)	(5,379)	(11,244)	—	(11,244)
Consolidated revenue	**$ 108,092**	**$ 78,730**	**$ 33,228**	**$ 220,050**	**$ 35,159**	**$ 255,209**

The following tables present the reconciliation of reportable segment EBITDA to total consolidated segment revenue:

	For the 13 Weeks Ended March 31, 2024					
(in thousands)	**North America**	**UK**	**Europe & RoW**	**Reportable Segment Total**	**All Other**	**Total**
Total consolidated segment revenue	$ 114,155	$ 81,301	$ 31,580	$ 227,036	$ 36,110	$ 263,146
Total segment operating expenses	(92,941)	(60,215)	(36,106)	(189,262)	(39,620)	(228,882)
Share of equity method investments EBITDA	746	145	849	1,740	—	1,740
Reportable segments EBITDA	**21,960**	**21,231**	**(3,677)**	**39,514**	**(3,510)**	**36,004**
Unallocated corporate overhead						(10,622)
Consolidated Segmental EBITDA						**25,382**
Depreciation and amortization						(25,744)
Interest expense, net						(21,199)
Income tax expense						(499)
Gain on sale of property and other, net						65
Share of income of equity method investments						377
Foreign exchange						(5,481)
Pre-opening expenses						(5,754)
Non-cash rent						(833)
Deferred registration fees, net						467
Share of equity method investments EBITDA						(1,740)
Share-based compensation expense						(8,039)
Other expenses, net[1]						(3,341)
Net income (loss)						**$ (46,339)**

(1) Other expenses, net include a $2 million expense related to professional service fees associated with shareholder activism response and $1 million expense related to third party advisory expenses incurred by the company's independent special committee in request of the evaluation of certain strategic transactions.

	For 13 Weeks Ended April 2, 2023					
(in thousands)	North America	UK	Europe & RoW	Reportable Segment Total	All Other	Total
Total consolidated segment revenue	$ 108,092	$ 78,730	$ 33,228	$ 220,050	$ 35,159	$ 255,209
Total segment operating expenses	(83,172)	(63,284)	(33,394)	(179,850)	(38,663)	(218,513)
Share of equity method investments EBITDA	803	180	885	1,868	—	1,868
Reportable segments EBITDA	**25,723**	**15,626**	**719**	**42,068**	**(3,504)**	**38,564**
Unallocated corporate overhead						(10,125)
Consolidated Segmental EBITDA						**28,439**
Depreciation and amortization						(24,464)
Interest expense, net						(18,701)
Income tax benefit						171
Gain on sale of property and other, net						681
Share of income of equity method investments						871
Foreign exchange						13,013
Pre-opening expenses						(4,994)
Non-cash rent						(2,776)
Deferred registration fees, net						461
Share of equity method investments EBITDA						(1,868)
Share-based compensation expense						(5,846)
Other expenses, net						(1,003)
Net income (loss)						**$ (16,016)**

The following table presents long-lived asset information (which includes property and equipment, net, operating lease right-of-use assets and equity method investments) by geographic area as of March 31, 2024 and December 31, 2023. Asset information by segment is not reported internally or otherwise regularly reviewed by the CODM.

	As of	
(in thousands)	March 31, 2024	December 31, 2023
Long-lived assets by geography		
North America	$ 890,959	$ 877,071
United Kingdom	547,531	556,628
Europe	307,376	317,502
Asia	41,127	47,694
Total long-lived assets	**$ 1,786,993**	**$ 1,798,895**

17.Related Party Transactions

The amounts owed by (to) equity method investees due within one year are as follows:

	As of	
(in thousands)	March 31, 2024	December 31, 2023
Soho House Toronto Partnership	$ 532	$ 608
Raycliff Red LLP	(6,263)	(5,669)
Mirador Barcel S.L.	(809)	(784)
Little Beach House Barcelona S.L.	(398)	(406)
Mimea XXI S.L.	780	715
	$ (6,158)	**$ (5,536)**

Amounts owed by equity method investees due within one year are included in prepaid expenses and other current assets on the consolidated balance sheets. Amounts owed to equity method investees due within one year are included in other current liabilities on the consolidated balance sheets.

Through Soho Works 875 Washington, LLC, the Company is a party to a property lease agreement dated April 19, 2019, for 875 Washington Street, New York with 875 Washington Street Owner, LLC, an affiliate of Raycliff Capital, LLC controlled by a member of the SHCO board of directors. The handover of five floors of the leased property occurred on a floor-by-floor basis resulting in multiple lease commencement dates in 2019 and 2020. The various lease contracts run for a term of 15 years until March 31, 2036, with further options to extend. The total operating lease right-of-use asset and liability associated with this property were $34 million and $54 million, respectively, as of March 31, 2024 and $35 million and $54 million, respectively, as of December 31, 2023. The rent expense associated with this lease was $2 million and $2 million during the 13 weeks ended March 31, 2024 and April 2, 2023, respectively.

The Company is party to a property lease arrangement with The Yucaipa Companies LLC for 9100-9110 West Sunset Boulevard, Los Angeles, California. This lease runs for a term of 25 years until March 31, 2040. The operating right-of-use asset and liability associated with this lease are $16 million and $20 million as of March 31, 2024, respectively, and $13 million and $21 million as of December 31, 2023, respectively. Rent expense associated with this lease totaled $1 million for both the 13 weeks ended March 31, 2024 and April 2, 2023.

Through Soho-Ludlow Tenant LLC, the Company is a party to a property lease agreement dated May 3, 2019, for 137 Ludlow Street, New York with 137 Ludlow Gardens LLC, an affiliate of The Yucaipa Companies LLC. This lease runs for a term of 27 years until May 31, 2046, with options to extend for two additional five-year terms. The operating lease right-of-use asset and liability associated with this lease were $8 million and $15 million, respectively, as of March 31, 2024 and $8 million and $15 million, respectively, as of December 31, 2023. The rent expense associated with this lease was less than $1 million for both of the 13 weeks ended March 31, 2024 and April 2, 2023

The Company leases the Little House West Hollywood, 8465 Hollywood Drive, West Hollywood, California, from GHWHI, LLC, an affiliate of The Yucaipa Companies LLC. This lease commenced on October 16, 2021. This lease runs for a term of 25 years (15-year base lease term, including two 5-year renewal options). The operating lease right-of-use asset and liability associated with this lease were $64 million and $68 million, respectively, as of March 31, 2024 and $64 million and $68 million, respectively, as of December 31, 2023. The receivable recognized is $1 million and $1 million as at March 31, 2024 and December 31, 2023. The rent expense associated with this lease was $3 million for both of the 13 weeks ended March 31, 2024 and April 2, 2023.

The Company leases the Tel Aviv House, 27 Yefet Street, Tel Aviv, Israel, from an affiliate of Raycliff Capital, LLC which held a portion of the SHHL redeemable C ordinary shares prior to the IPO and continues to hold Class A common stock of SHCO. This lease commenced on June 1, 2021. This lease runs for a term of 19 years until December 15, 2039. The operating lease right-of-use asset and liability associated with this lease were $21 million and $22 million, respectively, as of March 31, 2024 and $22 million and $22 million, respectively, as of December 31, 2023. The rent expense associated with this lease was $1 million for both of the 13 weeks ended March 31, 2024 and April 2, 2023.

The Company leases a property from GHPSI, LLC, an affiliate of The Yucaipa Companies LLC, in order to operate the Le Vallauris restaurant, 385 West Tahquitz Canyon Way, Palm Springs, California. This lease runs for a term of 15 years until March 16, 2037, with options to extend for two additional five-year terms. The operating lease right-of-use asset and liability associated with this lease were $6 million and $6 million as of March 31, 2024 and $6 million and $7 million, respectively as of March 31, 2024 and December 31, 2023. This has led to a receivable balance of $1 million and $nil as at March 31, 2024 and December 31, 2023. The rent expense associated with this lease was less than $1 million for both of the 13 weeks ended March 31, 2024 and April 2, 2023.

The Company leases a property located at 900 Campagna Lane, Kenwood, California from Kenwood Ranch, LLC, an affiliate of The Yucaipa Companies LLC. This lease runs for a term of 15 years, with options to extend for two additional five-year terms. The lease term, and rent payments under the lease, have not yet commenced as the property is not yet operational. This has led to a receivable balance of less than $1 million as at March 31, 2024 and December 31, 2023.

The Company leases a property located at 27984 Highway 189, Lake Arrowhead, California from RLAHI, LLC, an affiliate of The Yucaipa Companies LLC. This lease runs for a term of 15 years, with options to extend for two additional five-year terms. The lease term, and rent payments under the lease, have not yet commenced as the property is not yet operational. This has a receivable balance of less than $1 million as at March 31, 2024 and December 31, 2023.

The Company leases a property from GHPSI, LLC, an affiliate of The Yucaipa Companies, LLC, in order to operate the Willows Historic Palm Springs Inn, 412 West Tahquitz Canyon Way, Palm Springs, California. This lease commenced on September 15, 2022. This lease runs for a term of 15 years until September 14, 2037, with options to extend for two additional five-year terms. The operating lease right-of-use asset and liability associated with this lease were $14 million and $14 million as of March 31, 2024 and $14 million and $14 million, respectively, as of December 31, 2023. The receivable due to the Company associated with this lease was $1 million and $1 million as at March 31, 2024 and December 31, 2023 respectively. The rent expense associated with this lease was less than $1 million and less than $1 million during the 13 weeks ended March 31, 2024 and April 2, 2023.

The Company leases the Soho House Stockholm property located at Majorsgatan 5, Stockholm, Sweden from Majorsbolaget AB, an affiliate of The Yucaipa Companies LLC, until October 2023 when ownership was transferred to a third party. This lease commenced on December 8, 2022. This lease runs for a term of 15 years. The operating lease right-of-use asset and liability associated with this lease were $28 million and $29 million, respectively, as of March 31, 2024 and $30 million and $31 million, respectively, as of December 31, 2023. The receivable associated with this lease was $3 million and $3 million during the fiscal years ended March 31, 2024 and December 31, 2023, respectively. The revenue recognised regarding development fees totaled $nil and less than $1 million for the 13 weeks ended March 31, 2024 and April 2, 2023, respectively. The rent expense associated with this lease was $1 million for both of the 13 weeks ended March 31, 2024 and April 2, 2023, respectively.

Ned-Soho House, LLP recognized management fees, development fees and cost reimbursements from The Ned London totaling a receivable of $3 million and $3 million and a payable of $2 million and $2 million as at March 31, 2024 and December 31, 2023. Ned-Soho House, LLP also recognized a receivable relating to Retail related revenue from Soho House brands for $2 million and $2 million for the March 31, 2024 and December 31, 2023 and a payable for less than $1 million as at March 31, 2024 and December 31, 2023. The accrued revenue balance for Ned-Soho House LLP associated with the fees was $8 million and $7 million as at March 31, 2024 and December 31, 2023. The revenue recognized from the management fees, development fees and cost reimbursements was $1 million and $1 million during the 13 weeks ended March 31, 2024 and April 2, 2023. The revenue recognized from the Retail related services was less than $1 million during both the 13 weeks ended March 31, 2024 and April 2, 2023.

The Company recognized management fee income from an affiliate of The Yucaipa Companies LLC related to the operations of The Ned New York, which opened in June 2022, leading to a receivable of totaling $4 million and $4 million as at March 31, 2024 and December 31, 2023. The fees totaled less than $1 million during both of the 13 weeks ended March 31, 2024 and 13 weeks ended April 2, 2023. The Ned New York also recognized a receivable relating to Retail related revenue from Soho House brands for less than $1 million for both of the the March 31, 2024 and December 31, 2023.

The Company recognized management fees and cost reimbursements from affiliates of The Yucaipa Companies LLC related to the operations of The Ned Doha, which opened in November 2022, leading to a receivable balance totaling $2 million and $2 million for March 31, 2024 and December 31, 2023 and a payable balance of $1 million and $nil for the March 31, 2024 and December 31, 2023. The Ned Doha had an accrued revenue balance of less than $1 million and $1 million as at March 31, 2024 and December 31, 2023. The fees totaled $1 million and $nil during the 13 weeks ended March 31, 2024 and April 2, 2023.

The Company recognized management fees under our hotel management contract for the operation of The LINE and Saguaro hotels from the owners of such properties, including certain affiliates of The Yucaipa Companies LLC. These fees led to a receivable of $8 million and $6 million as at March 31, 2024 and December 31, 2023. The fees, recorded under Other Revenue, amounted to $3 million and $2 million during the 13 weeks ended March 31, 2024 and April 2, 2023 respectively.

The Company recognized management fees under our studio, hotel and restaurant management contract for the operation of Redchurch Street studio space, hotel and Cecconi's from an affiliate of Raycliff Capital, LLC which is controlled by a member of the SHCO board of directors. These fees amounted to less than $1 million during the 13 weeks ended March 31, 2024 and April 2, 2023.

Fees from the provision of Soho House Design services to affiliates of the Company lead to a receivable totaling $2 million and $1 million as at March 31, 2024 and December 31, 2023. The fees received from affiliates totaled less than $1 million during the 13 weeks ended March 31, 2024 and April 2, 2023. Costs incurred on behalf of affiliates of the Company in connection to the provision of Soho House Design services led to a receivable for $1 million and $2 million and payable of less than $1 million and nil as at March 31, 2024 and December 31, 2023. The Company incurred an accrued revenue balance of less than $1 million as at March 31, 2024 and December 31, 2023. The fees totaled less than $1 million and less than $1 million during the 13 weeks ended March 31, 2024 and April 2, 2023.

Included in current assets on the consolidated balance sheet are amounts due from related parties of $35 million and $32 million for the March 31, 2024 and December 31, 2023. Included in current liabilities on the consolidated balance sheet are amounts due to related parties, excluding the current portion of operating leases liabilities, of $3 million and $2 million for the March 31, 2024 and December 31, 2023.

In September 2023, the Company repurchased 2,000,000 shares of its Class A common stock from its Founder and director Nick Jones in a privately negotiated transaction for $12 million. These shares are held by the Company as Treasury shares by the Company.

18. Subsequent Events

Share issuances

During April and May 2024, the Company issued a total of 118,537 shares of Class A common stock as a result of RSU awards vesting and SAR exercises.

Grant of RSUs

During April 2024, a grant of 19,643 RSUs was made to a new board member, Eric Deardorff, who was appointed in April 2024.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Management’s discussion and analysis of our financial condition and results of operations should be read in conjunction with our audited consolidated financial statements and related notes and other financial information included elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements and notes thereto and the related Management’s Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

In addition to historical financial information, this discussion and other parts of this report contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, based upon current expectations that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth in the “Risk Factors” section in this Quarterly Report on Form 10-Q, and under Part II, Item 1A below. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results and events to differ from those anticipated. These statements are based upon information currently available to us, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements, like all statements in this report, speak only as of their date, and we undertake no obligation to update or revise these statements in light of future developments. These statements are inherently uncertain, and investors are cautioned not to unduly rely upon these statements.

Overview

SHCO is a global membership platform that connects a vibrant, diverse group of members from across the world. These members use the platform to both work and socialize, to connect, create, have fun and drive a positive change. The central pillar of SHCO is Soho House, which drives the majority of our membership and revenue today. A Soho House membership offers access to a network of distinctive and carefully curated Houses, across North America, the United Kingdom, Europe and Asia, which serve as the cornerstone of our member experience. We enhance our member experience through our digital channels, including the Soho House App and our website.

Over the last 29 years, we have expanded our membership expertise and diversified our offerings—both physically and digitally. As of March 31, 2024, we had approximately 261,600 members (including approximately 198,000 Soho House Members) who engage with SHCO through our global portfolio of 43 Soho Houses, 9 Soho Works, Scorpios Beach Club in Mykonos, Soho Home, our interiors and lifestyle retail brand, and our digital channels. The Ned hotels in London, New York and Doha and The LINE and Saguaro hotels in North America also form part of SHCO’s wider portfolio via management agreements to operate the properties.

Our membership expertise, honed through the growth of Soho House, has led to our evolution into Soho House & Co, a home to numerous memberships including Cities Without Houses, Soho Works, Soho Friends, and Ned’s Club. By designing, curating and growing our membership offering, our membership platform can quickly and easily respond to shifting lifestyle trends and the evolution of our members’ needs. Our memberships work together, allowing us to reach new audiences with a set of interconnected offerings.

Our membership has remained resilient through multiple economic cycles and other macroeconomic dislocations, including the recent COVID-19 pandemic. The power of our model is driven by the important role we believe that we play in our members’ lives and the value we consistently provide them for their membership fees. We believe our retention compares favorably to leading consumer subscriptions or memberships—across music, media, fitness, entertainment and commerce—despite, in many cases, their significantly lower price points.

The demand for our membership is also demonstrated by our large and growing SHCO global waitlist, which as of March 31, 2024 stands at over 102,000 applicants. Awareness of our distinct membership offerings and their scarcity is spread by our members organically through word of mouth, social media and press coverage.

Further, we have observed a secular shift in the ways that people live and work—with less time spent in traditional corporate offices and more time in social spaces that encourage creativity and mutual engagement. We believe that these trends will only accelerate, and that the freedom to be able to choose where to live and work will likely have a significant impact on our target market. We believe this will create an even greater demand for curated communities that can grow and thrive in a more deliberate environment.

Membership Revenues are comprised of annual membership fees and one-time initial registration fees paid by members. In-House Revenues include all revenues realized within our Houses, including food and beverage, accommodation, and spa products and treatments. We view Membership Revenues and In-House revenues as interrelated, although there is no minimum spend for any member on our In-House offerings that generate In-House Revenues. In practice the significant majority of In-House Revenues are generated by our members, and the pricing of our In-House offerings reflects that accordingly, with pricing of such In-House offerings being identical for both members and non-members.

Other revenues include all revenues not realized within our Houses, including Scorpios, Soho Works and stand-alone restaurants, design and procurement fees from Soho House Design, Soho Home and Cowshed retail products and other revenues from products and services that we provide outside of our Houses, as well as management fees from hotel management contracts for The Ned Sites and The LINE and Saguaro hotels.

Our Membership Platform

All of our memberships have been built to enrich the lives of their members, as well as expand our membership offering to a broader audience.

Soho House

Soho House remains at the core of our membership platform by creating a foundation upon which additional membership businesses can be built and scaled.

Every House annual membership fee is approximately $4,800, excluding local sales taxes, which provides access to all of our Houses globally. Our Houses attract members from every demographic, with members from "Generation Z" (26 years old and younger) and "Millennials" (27 to 42 year-olds) constituting the fastest-growing cohorts. We believe the pricing of our In-House offerings represents great value to our members because of the level of quality provided, reinforcing the overall membership experience, rewarding their brand loyalty and creating opportunities for future and recurring revenues.

We created the following types of membership under Soho House to reach a broader audience and enhance the experience of our existing members:

- *Cities Without Houses*

  This membership allows us to welcome members to our global community in new geographies where we do not have a physical House. Through this membership we are able to generate additional revenues on our existing base of Houses and gather intelligence for future growth, which we have leveraged to open new Houses in certain locations, including Bangkok, Thailand (February 2023), Mexico City, Mexico (September 2023), Portland, USA (March 2024), and planned future openings in Sao Paulo, Brazil, and Manchester, United Kingdom. As of March 31, 2024, we had 10,816 CWH members across 82 cities.

- *Soho Friends*

  Through this membership we offer access to some physical House spaces, including Soho House bedrooms, and screenings, with additional benefits from our restaurants, spas and online retail brands to an audience who enjoy the Soho House offerings but do not have a Soho House Membership. Soho Friends annual membership is approximately $130 and does not provide full access to our Houses. As of March 31, 2024, we had 57,432 Soho Friends members. We intend to grow this membership brand in a measured way so that our Soho House Members continue to account for the majority of visitors to our Houses and restaurants.

- *Soho Works*

  Soho Works provides its members with the space and resources to work alongside other like-minded individuals and businesses—facilitating connections and providing the tools to flourish. Aimed primarily at existing Soho House and Soho Friends members, with locations in LA, New York and London. Soho Works draws on the same design principles and membership ethos as Soho House, but is a space purposed entirely for work and creative collaboration. As of March 31, 2024, we had 6,118 Soho Works members. Soho Works membership rates vary by location and Soho House membership status. For Adult Paying Members, a US Soho Works membership ranges from $200 to $750 per month, depending on membership type.

Scorpios Beach Club

Set in a cove on the southern tip of Mykonos, Scorpios offers a one of a kind beach experience with a well-established globally recognized brand. With a restaurant, terraces and daybeds, and a distinctive wellness offering, Scorpios enriches the lives of its guests who are looking to escape from their daily lives. We believe the Scorpios concept has significant potential to expand into additional locations as a key part of our platform and we expect to open new sites in Bodrum, Turkey and Tulum, Mexico.

The Ned

The Ned brand seeks to embody a "city within a city" full-service destination, by playing host to multiple restaurants, bedrooms, a range of grooming services, spa, gym and a full-service members' club. The membership offered by The Ned ("Ned's Club") including Ned's Friends is aimed at a broader group of professional people. As of March 31, 2024, Ned's Club London, New York and Doha had approximately 4,500 members. The Ned offers its members The Ned's Club app, which allows members to make bookings, publish benefits, events and club related information. We receive management fees under hotel management contracts for each of the operations of The Ned sites.

The LINE

On June 22, 2021, we acquired the operating agreements relating to the 'The LINE' and 'Saguaro' hotels. The hotels that are currently operational are located in Los Angeles, Washington, Austin, Palm Springs, and San Francisco, and among them offer a variety of food and beverage offerings together with approximately 1,500 hotel rooms. We receive management fees under hotel management contract for the operation of these hotels. The transaction has broadened our geographic reach in North America.

Factors Affecting Our Business

We believe the coveted lifestyle brand we have created has significant and proven growth potential. This potential, combined with the stability of our membership base, we believe will enable us to maintain our position as an industry leader in the future. We expect to grow our member base by growing the number of Soho Houses, continuing to scale our existing membership brands and launching and growing new membership brands. We believe our track record in expanding and growing our platform will position us to achieve significant and sustained growth.

A significant portion of our revenues is derived from House Revenues which consist of Membership Revenues and In-House Revenues. Our Membership Revenues, which are reflective of our steady and growing global brand, help to provide us with a recurring revenue base that limits the impact of fluctuations in regional economic conditions.

Our business and future performance is also affected by a variety of factors, including:

•*The ability to grow our member base:* Long-term member growth is a direct driver of Membership Revenue growth and an important factor in driving In-House Revenue growth. The impact of long-term member growth on Membership Revenues can be particularly impactful to our earnings given the lower direct expenses associated with incremental Membership Revenues relative to our other revenue streams.

•*Our ability to grow In-House Revenues*. In addition to their annual membership fee, our members pay for goods and services that they consume, which we refer to as In-House Revenues. We continue to actively develop the offerings in our Soho Houses and our other membership brands to improve overall experience and capture greater spend on food and beverage, accommodation, spa services, private events and our other goods and services. We believe that the pricing of our In-House offerings, which is reflective of the membership fees we receive from members who consume most of our In-House offerings, represents great value to our members for the level of quality provided, reinforcing the overall membership experience, rewarding brand loyalty and creating the opportunity for future revenue enhancement. Our proven ability to drive long-term member growth at existing Houses is also an important contributing factor in sustaining In-House Revenue growth.

•*Our ability to adjust membership pricing*. As we expand our number of Soho Houses globally and continue to invest in maintaining the quality of our existing Soho Houses, we are able to grow Membership Revenues by periodically reviewing our membership fee rates, as well as migrating members from Local House to Every House membership, which also has the effect of increasing Membership Revenues. Contrary to traditional hospitality companies which may experience brand dilution as they expand, the value of our membership and brand strengthens as we expand into new cities and properties. As we expand globally, the value of an Every House membership becomes more compelling to both new and existing members, enhancing our revenue potential. Historically, our membership price increases have not had a material impact on our retention rates and we believe this provides a strong indication of demand and price inelasticity for our memberships.

•*Our ability to grow our membership brands and products*. We believe the strength of our brand and our culture of creativity and innovation will allow us to continue to capitalize on opportunities in complementary concepts and product lines and that our adjacent lines of business can achieve substantial stand-alone scale. Our expansion into new products and businesses can contribute meaningfully to our revenue in the future as we tap into our existing and growing membership base.

Reportable Segments

Our operations consist of three reportable segments (United Kingdom, North America, Europe and Rest of the World (“RoW”)) and one non-reportable segment that we present as “All Other”. Each of our segments includes all operations in that region including our Houses and all associated facilities, spas and stand-alone restaurants. Refer to Note 17 - Segments in this Quarterly Report on Form 10-Q for more information on reportable segments.

Key Performance, Operating Metrics and Additional Financial Measures and Other Data Evaluated by Management

In assessing the performance of our business, we consider a variety of operating and financial measures and metrics. These measures and metrics include:

NUMBER OF SOHO HOUSES. The number of Soho Houses reflects the total number of Soho Houses in operation in any period, irrespective of whether each House is (i) controlled by us, (ii) operated through a non-controlling interest in a joint venture or (iii) operated under a management contract.

We review the number of members from all Houses to assess new member growth, total House Revenues, and House-Level Contribution.

NUMBER OF SOHO HOUSE MEMBERS. Our Soho House membership model is an integral part of our business and has a significant impact on our profitability and financial performance. Typically, members hold an Every House membership or a Local House membership. Member count is the primary driver of Membership Revenues and is also a critical factor in driving In-House Revenues as members utilize the offerings that are provided within the Houses. Soho House members include all active, frozen and non-paying members.

The extent to which we achieve growth in our membership base, retain existing members and periodically increase our membership fee rates will impact our profitability. We have historically enjoyed strong member loyalty, reflected by very high retention rates. Robust demand for our memberships is also evidenced by considerable wait lists for our Houses.

The year-over-year increase in our total number of Soho House Members is driven by a combination of increases in membership at existing Houses and members from new Houses.

SOHO HOUSE MEMBER RETENTION. Soho House Member Retention is defined as the number of Adult Paying Members (being all Soho House members excluding child members and complimentary members) at the beginning of a period less the number of Adult Paying Members who canceled their membership during that same period (without giving any effect to Adult Paying Members who froze their memberships during such period), as a proportion of total Adult Paying Members at the beginning of such period.

NUMBER OF OTHER MEMBERS. Other members include members of Soho Works and Soho Friends are key to our growth strategy and enhancing our Soho House member experience. Like Adult Paying members, other memberships are an integral part of our business and we believe will have a significant impact on our profitability and financial performance in the future.

FROZEN MEMBERS. Frozen Members refers to Adult Paying Members who have elected to suspend their membership payments on a six, nine- or twelve-month basis during which period the member is not able to gain access to a Soho House site as a member, access our membership Apps, or book bedrooms or Cowshed treatments or products on discounted member rates. Frozen Members are not included in Adult Paying Members, but are included in the total number of Soho House members.

MEMBERSHIP REVENUES. Membership Revenues are comprised of House Membership Revenues (as defined below) and Non-House Membership Revenues (as defined below). House Membership Revenues and Non-House Membership Revenues are each comprised primarily of annual membership fees and one-time registration fees which are amortized over 20 years. The one-time registration fee is no longer applicable to new members admitted from April 4, 2022; see "House Introduction Credits" below. Membership Revenues are a function of the number of members, membership mix, and membership pricing. For GAAP, we report Membership Revenues only from Houses and sites in which we own a controlling interest. Our membership pricing varies by geographic segment and membership offering and, as such, our mix of House and Soho Works club openings can affect our revenue growth and profitability over time. Prices are generally higher in North America and the ROW compared with the UK and Europe. Membership Revenues provide a stable and recurring source of revenues which have few direct costs and, as such, is a reliable and predictable source of cash flow.

HOUSE INTRODUCTION CREDITS. New members admitted from April 4, 2022 have been required to purchase House Introduction Credits as part of their membership, per the House rules. House Introduction Credits are credits of an equivalent value to cash within Houses and are redeemable to purchase food and beverage items, and bedroom stays, at the Houses. House Introduction Credits expire after the first three months from the date of issuance, where legally permitted in the regions we operate, if not utilized or if the Company terminates a member's House membership. House Introduction Credits are recognized upon issuance as deferred revenue on our consolidated balance sheets. Revenue from House Introduction Credits are recognized as In-House revenues when redeemed by members, and as breakage revenue within Membership revenues upon expiration or in the period that we are able to reliably estimate expected breakage to the extent that they are unredeemed, are recognized.

HOUSE MEMBERSHIP REVENUES. House Membership Revenues are comprised primarily of annual membership fees and one-time legacy registration fees from Adult Paying Members which are amortized over 20 years. The one-time registration fee is no longer applicable to new members admitted from April 4, 2022; see "House Introduction Credits" above.

IN-HOUSE REVENUES. In-House Revenues refer to all revenues realized within our Houses, and primarily includes revenues from food and beverage, accommodation, and spa products and treatments.

HOUSE REVENUES. House Revenues is defined as Membership revenues plus In-House revenues less Non-House Membership Revenues. Our management views House Membership Revenues and In-House Revenues as interrelated, and their aggregation as important in tracking House performance. Although there is no minimum spend for any member on In-House offerings, in practice most members consume food and beverage, accommodations and other offerings at our Houses. The pricing of our In-House offerings is reflective of the fact that the significant majority of In-House offerings that generate In-House revenues are consumed by members who also pay a membership fee in relation to that House, with pricing of such In-House offerings being identical for both members and non-members.

OTHER REVENUES. Other revenues are defined as total revenues that are not realized within our Houses, including revenues from Scorpios, Soho Works and our stand-alone restaurants, procurement fees from SHD, Soho Home and Cowshed retail products and other revenues from products and services that we provide outside of our Houses. Additionally, this category also includes management fees from hotel management contracts for The Ned Sites and the LINE and Saguaro hotels.

NON-HOUSE MEMBERSHIP REVENUES. Non-House Membership Revenues are comprised of Soho Works membership revenues and Soho Friends membership revenue.

ACTIVE APP USERS. Active App Users is defined as unique users who have logged into any of our membership Apps within the previous three months.

AVERAGE DAILY RATE ("ADR"). Average Daily Rate represents the average rental income per paid occupied room. We believe this is a meaningful indicator of our performance.

REVENUE PER AVAILABLE ROOM ("RevPAR"). The key industry standard for measuring hotel-operating performance is RevPAR, which is calculated by multiplying the percentage of occupied rooms to available rooms by the ADR realized. We believe RevPAR is a meaningful indicator of our performance because it measures the period-over-period change in room revenues for comparable properties. RevPAR may not be comparable to similarly titled measures, such as revenues, and should not be viewed as necessarily correlating with our revenue. We also believe occupancy and ADR, which are components of calculating RevPAR, are meaningful indicators of our performance. Where this is presented on a like-for like basis, RevPAR is adjusted for new or divested sites, for example Houses that were not open in the comparison period.

Non-GAAP Financial Measures

We refer to Adjusted EBITDA, House-Level Contribution, House-Level Contribution Margin, Other Contribution and Other Contribution Margin throughout this Quarterly Report on Form 10-Q, as we use these measures to evaluate our operating performance and each of these measures is defined in "Non-GAAP Financial Measures." We believe these measures are useful to investors in evaluating our operating performance. Adjusted EBITDA, House-Level Contribution, House-Level Contribution Margin, Other Contribution and Other Contribution Margin are all supplemental measures of our performance that are neither required by, nor presented in accordance with, GAAP. Adjusted EBITDA, House-Level Contribution, House-Level Contribution Margin, Other Contribution and Other Contribution Margin should not be considered as substitutes for GAAP metrics such as Operating Income (Loss) and Net Loss or any other performance measure derived in accordance with GAAP. Some of our financial and operational data that we disclose in this Quarterly Report on Form 10-Q are presented on a 'constant currency' basis to isolate the effect of currency changes during the period. Where we refer to a measure being calculated in 'constant currency', we are calculating the USD change and the percent change as if the exchange rate that is being used in the current period was in effect for the prior period presented. We believe that this calculation provides a more meaningful indication of actual year-over-year performance and eliminates the fluctuations from currency exchange rates.

KEY PERFORMANCE AND OPERATING METRICS

	As of March 31, 2024	As of April 2, 2023
Number of Soho Houses	**43**	**41**
North America	16	14
United Kingdom	13	13
Europe/RoW	14	14
Number of Soho House Members	**198,021**	**168,685**
North America	72,692	61,885
United Kingdom	71,835	63,285
Europe/RoW	42,678	36,031
All Other	10,816	7,484
Number of Other Members	**63,550**	**69,276**
North America	17,037	18,894
United Kingdom	38,114	41,756
Europe/RoW	8,399	8,626
Number of Total Members	**261,571**	**237,961**
Number of Active App Users	**204,405**	**175,323**

	For the 13 Weeks Ended March 31, 2024	For the 13 Weeks Ended April 2, 2023	For the 13 Weeks Ended March 31, 2024	For the 13 Weeks Ended April 2, 2023
	Actuals		Constant Currency[1]	
	(Unaudited, dollar amounts in thousands, except percentages)			
Operating income (loss)	**$ (25,083)**	**$ 962**	**$ (25,083)**	**$ (2,899)**
Operating margin	(10)%	0%	(10)%	0%
House-Level Contribution	**49,444**	**46,718**	**49,444**	**48,401**
House-Level Contribution Margin	25%	24%	25%	24%
Other Contribution	**8,106**	**8,138**	**8,106**	**8,431**
Other Contribution Margin	13%	13%	13%	13%
Adjusted EBITDA	**19,300**	**20,127**	**19,300**	**20,852**
Percentage of total revenues	7%	8%	7%	8%

(1)See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Results of Operations

Comparison of the 13 weeks ended March 31, 2024 and April 2, 2023

The following table summarizes our results of operations for the 13 weeks ended March 31, 2024 and April 2, 2023 (in thousands, except percentages):

	For the 13 Weeks Ended March 31, 2024	For the 13 Weeks Ended April 2, 2023	Change %	April 2, 2023 Constant Currency[1] (Dollar amounts in thousands)	Constant Currency Change %[1]
	Actuals (Dollar amounts in thousands)		(Unaudited)		
Revenues					
Membership revenues	$ 100,191	$ 83,248	20%	$ 84,806	18%
In-House revenues	110,401	116,078	(5)%	118,409	(7)%
Other revenues	52,554	55,883	(6)%	57,291	(8)%
Total revenues	263,146	255,209	3%	260,506	1%
Operating expenses					
In-House operating expenses (exclusive of depreciation and amortization)	(151,629)	(143,972)	(5)%	(149,158)	(2)%
Other operating expenses (exclusive of depreciation and amortization)	(53,967)	(56,381)	4%	(58,412)	8%
General and administrative expenses (exclusive of depreciation and amortization)	(34,372)	(30,574)	(12)%	(31,675)	(9)%
Pre-opening expenses	(5,754)	(4,994)	(15)%	(5,174)	(11)%
Depreciation and amortization	(25,744)	(24,464)	(5)%	(25,345)	(2)%
Share-based compensation	(8,039)	(5,846)	(38)%	(6,057)	(33)%
Foreign exchange gain (loss), net	(5,481)	13,013	n/m	13,482	n/m
Other	(3,243)	(1,029)	n/m	(1,066)	n/m
Total operating expenses	(288,229)	(254,247)	(13)%	(263,405)	(9)%
Operating income (loss)	(25,083)	962	n/m	(2,899)	n/m
Other (expense) income					
Interest expense, net	(21,199)	(18,701)	(13)%	(19,375)	(9)%
Gain on sale of property and other, net	65	681	(90)%	706	(91)%
Share of income of equity method investments	377	871	(57)%	902	(58)%
Total other expense, net	(20,757)	(17,149)	(21)%	(17,767)	(17)%
Income (loss) before income taxes	(45,840)	(16,187)	n/m	(20,666)	n/m
Income tax benefit	(499)	171	n/m	177	n/m
Net income (loss)	(46,339)	(16,016)	n/m	(20,489)	n/m
Net income (loss) attributable to noncontrolling interest	299	64	n/m	66	n/m
Net income (loss) attributable to Soho House & Co Inc.	$ (46,040)	$ (15,952)	n/m	$ (20,423)	n/m

(1)See "Non-GAAP Financial Measures" for an explanation of our constant currency results.

Components of Operating Results

Revenues

Total Revenue

	For the 13 Weeks Ended March 31, 2024	For the 13 Weeks Ended April 2, 2023	Percent Change Actuals	Percent Change Constant Currency[1]
	(Dollar amounts in thousands)		Unaudited	
Total revenues	$ 263,146	$ 255,209	3%	1%
North America	114,155	108,092	6%	6%
United Kingdom	81,301	78,730	3%	(0)%
Europe/RoW	31,580	33,228	(5)%	(8)%
All Other	36,110	35,159	3%	(1)%

(1)See "Non-GAAP Financial Measures" for an explanation of our constant currency results.

Membership Revenues

	For the 13 Weeks Ended		Percent Change	
	March 31, 2024	April 2, 2023	Actuals	Constant Currency(1)
	(Dollar amounts in thousands)			
		Unaudited		
Membership revenues	$ 100,191	$ 83,248	20%	18%
North America	46,652	39,994	17%	17%
United Kingdom	29,068	23,697	23%	18%
Europe/RoW	11,071	8,813	26%	21%
All Other	13,400	10,744	25%	20%

(1)See "Non-GAAP Financial Measures" for an explanation of our constant currency results.

Membership revenues increased by 20% to $100,191 for the 13 weeks ended March 31, 2024 predominantly driven by an increase in Adult Paying Members of 14%, or 19,300 who joined after the end of the first quarter of fiscal 2023. Additionally, all Soho House Adult paying fees were increased at the start of fiscal 2023, impacting members on their renewal date throughout fiscal 2023.

All Soho House Adult paying fees increased in January 2024, with in general a low single-digit price rise for existing members and a mid single-digit increase in price for new members. This increase will impact new members on the date they join and existing members on their renewal date.

There was also an increase in Non-House Membership revenues of $1,849, this was driven by Soho Works as a result of increased membership fees in fiscal 2024. This was offset slightly by a reduction in the number of Soho Friends members in comparison to the end of the first quarter of fiscal 2023.

North America segment saw an increase in membership revenues of $6,658 or 17% due to approximately 7,400, or 14% increase in Adult Paying Soho House members period-on-period, with the opening of Soho House Portland (March, 2024) and Soho House Mexico City (September 2023), as well as growth across all existing Houses. The impact of the House membership fee increases noted above also contributed to the increase in Membership revenues.

Our United Kingdom segment saw an increase in Membership revenues of $5,371 or 23%, due to approximately 5,300, or 9% increase in Adult Paying Soho House members, driven by growth in existing Houses, coupled with the impact of the House membership fee increases as noted above. In constant currency, Membership revenues in the United Kingdom segment increased by $4,517, or 18%.

The Europe/RoW segment saw an increase in Membership revenues of $2,258 or 26% due to approximately 3,900 or 18% increase in Adult paying members, supported by the opening of Soho House Bangkok (February 2023), as well as the revenue impact of the House membership fee increases as noted above. In constant currency, Membership revenues in the Europe/RoW segment increased by $1,941, or 21%.

All Other segment saw an increase in Membership revenues, predominantly driven by approximately 2,700 or 40% more CWH Adult Paying members, partially offset by a decline of approximately 5,700 Non-House members in comparison to the first quarter of fiscal 2023. In constant currency, All Other Membership revenues increased by $2,269, or 20%.

In constant currency, Membership revenues increased by $15,385, or 18%.

In-House Revenues

	For the 13 Weeks Ended		Percent Change	
	March 31, 2024	April 2, 2023	Actuals	Constant Currency(1)
	(Dollar amounts in thousands)			
		(Unaudited)		
In-House revenues	$ 110,401	$ 116,078	(5)%	(7)%
North America	50,756	51,361	(1)%	(1)%
United Kingdom	40,278	41,420	(3)%	(6)%
Europe/RoW	19,367	23,297	(17)%	(20)%

(1)See "Non-GAAP Financial Measures" for an explanation of our constant currency results.

In-House revenues were $110,401 for the 13 weeks ended March 31, 2024, a decrease of $5,677 versus the comparative period in 2023. The decline in revenue was driven by macroeconomic trends adversely impacting all regions. In addition, during the first quarter of fiscal 2023, we recognized approximately $1,800 from the Dutch government related to COVID-19 subsidies and approximately $1,100 from a settlement to recover costs incurred on behalf of a former development partner in connection to a proposed European House opening, which impacts comparatives in Europe. Revenues were supported by three new Houses that opened since the beginning of the first quarter fiscal 2023.

North America In-House revenues were $50,756 for the 13 weeks ended March 31, 2024, a decrease of $605 versus the comparative quarter in 2023. The region in general saw a weaker In-House performance slightly offset by the opening of Soho House Mexico City, Mexico (September 2023).

In-House revenues in our United Kingdom segment saw a decrease of $1,142 versus first quarter 2023 driven by lower like-for-like food and beverage sales and room revenue. White City House was impacted by the closure of its rooftop for 11 weeks in the quarter due to refurbishments, which lessened In-House revenues in this segment. In constant currency, In-House Revenues in the United Kingdom segment decreased by $2,634, or 6%.

The Europe/RoW segment saw decline of In-House revenues period-on-period, the majority of the miss was driven from recognizing approximately $1,800 of subsidies and a $1,100 settlement, as described above, impacting period-on-period trends. External factors also resulted in a reduction in footfall in our Tel Aviv House versus comparative period, alongside room revenue declines across Houses. In constant currency, In-House Revenues in the Europe/RoW segment decreased by $4,769.

In constant currency, In-House Revenues decreased by $8,008 or 7%.

Other Revenues

	For the 13 Weeks Ended		Percent Change	
	March 31, 2024	April 2, 2023	Actuals	Constant Currency[1]
	(Dollar amounts in thousands)			
	(Unaudited)			
Other revenues	$ 52,554	$ 55,883	(6)%	(8)%
North America	16,880	16,791	1%	1%
United Kingdom	11,955	13,613	(12)%	(15)%
Europe/RoW	1,142	1,117	2%	(1)%
All Other	22,577	24,362	(7)%	(11)%

(1)See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Other revenues were $52,554 for the 13 weeks ended March 31, 2024, compared to $55,883 for the 13 weeks ended April 2, 2023, a decrease of $3,329. The decline is predominantly driven by the movement of Cowshed to a brand license deal, closure of unprofitable standalone restaurants, weaker townhouse and standalone restaurant sales, and lower design and development fees.

Other revenues in the North America segment increased by $89 or 1% versus first quarter fiscal 2023 driven by an increase in management fees from the LINE and Saguaro business, higher Soho Works revenue, offset by a decline in standalone restaurant sales period-on-period.

The United Kingdom segment saw a decrease in Other revenues of $1,658 or 12% versus first quarter fiscal 2023 driven by the closure of legacy stand-alone restaurants in 2023, and a decline in sales at a number of our remaining standalone restaurants.

Other revenues in the Europe/RoW segment have increased compared to the first quarter fiscal 2023 driven by higher management fees. In constant currency, Other Revenues in the Europe/RoW segment increase by $15, or 1%.

Other revenues in All Other have reduced period-on-period driven by Cowshed moving to a brand license deal effective January 1, 2024, which results in recognition of royalty income versus revenue in fiscal 2023, offset by growth in Soho Home. In constant currency, Other revenues have decreased by $4,737 or 8%.

In-House Operating Expenses and House-Level Contribution

	For the 13 Weeks Ended		Percent Change	
	March 31, 2024	April 2, 2023	Actuals	Constant Currency[(1)]
	(Dollar amounts in thousands)			
		(Unaudited)		
In-House operating expenses	$ (151,629)	$ (143,972)	(5)%	(2)%
Percentage of total House revenues	(75)%	(76)%		
Operating income (loss)	$ (25,083)	$ 962	n/m	n/m
Operating margin	(10)%	0%		
House-Level Contribution	$ 49,444	$ 46,718	6%	2%
House-Level Contribution Margin	25%	24%	1%	
House-Level Contribution by segment:				
North America	$ 31,308	$ 27,943	12%	12%
United Kingdom	15,949	14,782	8%	4%
Europe/RoW	(1,845)	1,514	n/m	n/m
All Other	4,032	2,479	63%	57%
House-Level Contribution Margin by segment:				
North America	32%	31%		
United Kingdom	23%	23%		
Europe/RoW	(6)%	5%		
All Other	78%	77%		

(1)See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

In-House Operating Expenses were $151,629 for the 13 weeks ended March 31, 2024, an increase of $7,657 compared to the 13 weeks ended April 2, 2023. The increase is a result of the three new Houses opened since the beginning of first quarter 2023, alongside period-on-period wage increases. In constant currency, In-House Operating Expenses increased by $2,471.

House-Level Contribution, which is defined as House Revenues less In-House Operating Expenses, was $49,444 for the 13 weeks ended March 31, 2024, compared to $46,718 for the 13 weeks ended April 2, 2023, an increase of $2,726. The increase in House-Level Contribution predominantly relates to increased Soho House membership revenues period-on-period. Although market conditions were slightly more challenging in the quarter, regions controlled their costs well, resulting in all regions excluding Europe seeing growth in contribution period-on-period. As detailed above, period-on-period growth in Europe was impacted by the grant received relating to Covid-19 subsidies and from a settlement agreement in the first quarter fiscal 2023.

House-Level Contribution Margin was 25% for the 13 weeks ended March 31, 2024, increased by 1% from the comparative period due to increased membership revenues, Furthermore, North America and All Other drove incremental margin points versus the comparative period, however RoW saw a decline.

Other Operating Expenses and Other Contribution

	For the 13 Weeks Ended March 31, 2024	For the 13 Weeks Ended April 2, 2023	Percent Change Actuals	Percent Change Constant Currency[1]
	(Dollar amounts in thousands)	(Unaudited)		
Other operating expenses	$ (53,967)	$ (56,381)	4%	8%
Percentage of total other revenues	(87)%	(87)%		
Operating income (loss)	$ (25,083)	$ 962	n/m	n/m
Operating margin	(10)%	0%		
Other Contribution	$ 8,106	$ 8,138	(0)%	(4)%
Other Contribution Margin	13%	13%	—	
Other Contribution by segment:				
North America	$ 3,721	$ 3,729	(0)%	(0)%
United Kingdom	3,579	4,840	(26)%	(29)%
Europe/RoW	(392)	(627)	37%	40%
All Other	1,198	196	n/m	n/m
Other Contribution Margin by segment:				
North America	22%	22%		
United Kingdom	28%	34%		
Europe/RoW	(30)%	(48)%		
All Other	4%	1%		

(1)See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Other Operating Expenses were $53,967 for the 13 weeks ended March 31, 2024, compared to $56,381 for the 13 weeks ended April 2, 2023, a decrease of $2,414, or 4%. The decrease period-on-period is predominantly driven by the permanent closure of our operations at The Hoxton (July 2023), the reduction in Soho House Design project spend alongside Cowshed moving to a brand licensing deal, partially offset by increased spend ahead of opening new Scorpios sites. In constant currency, Other Operating Expenses increased $4,445, or 8%.

Other Contribution, which we define as Other Revenues plus Non-House Membership Revenues less Other Operating Expenses, was $8,106 for the 13 weeks ended March 31, 2024, compared to $8,138 for the comparative period, a decrease of $32. Other Contribution Margin was 13% for the 13 weeks ended March 31, 2024, inline with the comparative period. Contribution remained flat, as the revenue decline relating to the closure of legacy standalone restaurants was offset by higher Soho Home and Cowshed contribution, alongside growth in Non-House Membership Revenues period-on-period in the first quarter fiscal 2024.

General and Administrative Expenses

	For the 13 Weeks Ended March 31, 2024	For the 13 Weeks Ended April 2, 2023	Percent Change Actual	Percent Change Constant Currency[1]
	(Dollar amounts in thousands)	(Unaudited)		
General and administrative expenses	$ 34,372	$ 30,574	12%	9%
Percentage of total revenues	13%	12%		

(1)See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

General and Administrative Expenses were $34,372 for the 13 weeks ended March 31, 2024, compared with $30,574 for the 13 weeks ended April 2, 2023, an increase of $3,798, or 12%. The increase was driven by the cost of headcount to support business expansion, including three new Soho Houses opened since the comparative period, offset by initiatives to streamline support functions.

In constant currency, General and Administrative Expenses increased by $2,697, or 9%.

Pre-opening Expenses

	For the 13 Weeks Ended		Percent Change	
	March 31, 2024	April 2, 2023	Actual	Constant Currency(1)
	(Dollar amounts in thousands)			
		(Unaudited)		
Pre-opening expenses	$ 5,754	$ 4,994	15%	11%
Percentage of total revenues	2%	2%		

(1)See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Pre-opening expenses were $5,754 for the 13 weeks ended March 31, 2024, driven predominately by the costs associated with the opening of Scorpios Bodrum as well as future House openings such as Sao Paulo. This is compared to $4,994 for the 13 weeks ended April 2, 2023, which is a increase period-on-period driven predominantly by the characteristics and timing of fiscal 2024 in comparison to fiscal 2023.

In constant currency, Pre-opening expenses increased by $580, or 11%.

Depreciation and Amortization

	For the 13 Weeks Ended		Percent Change	
	March 31, 2024	April 2, 2023	Actual	Constant Currency(1)
	(Dollar amounts in thousands)			
		(Unaudited)		
Depreciation and amortization	$ 25,744	$ 24,464	5%	2%
Percentage of total revenues	10%	10%		

(1)See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Depreciation and amortization was $25,744 for the 13 weeks ended March 31, 2024, an increase of $1,280, or 5%, from the 13 weeks ended April 2, 2023. The increase period-on-period was driven predominately by increases from 2023/2024 Houses and spend in IT to support key membership and compliance initiatives. In constant currency, depreciation and amortization expenses increased by $399, or 2%.

Other Expenses

	For the 13 Weeks Ended		Percent Change	
	March 31, 2024	April 2, 2023	Actual	Constant Currency(1)
	(Dollar amounts in thousands)			
		(Unaudited)		
Share-based compensation	$ 8,039	$ 5,846	38%	33%
Percentage of total revenues	3%	2%		
Foreign exchange (gain) loss, net	$ 5,481	$ (13,013)	n/m	n/m
Percentage of total revenues	2%	(5)%		
Other	$ 3,243	$ 1,029	n/m	n/m
Percentage of total revenues	1%	0%		

(1)See "Non-GAAP Financial Measures" for an explanation of our constant currency results.

Share-based compensation expense increased by $2,193 to $8,039 for the 13 weeks ended March 31, 2024, primarily as result of new grants during the 13 weeks ended March 31, 2024. This has been partially offset by the impact of grants made in the 13 weeks ended April 2, 2023, with $2,300 relating to ongoing vesting of awards granted prior to the 13 weeks ended March 31, 2024.

Foreign exchange, net which is unrealized and non-cash in nature, moved from a $(13,013) gain to a loss of $5,481 for the 13 weeks ended March 31, 2024, primarily driven by foreign exchange revaluation of our borrowings.

Other has increased primarily as a result of onetime expenses related to shareholder activism and expenses incurred with respect to the evaluation of certain strategic transactions by the Company's independent Special Committee. These mainly relate to professional service and advisor fees.

Interest Expense, Net

	For the 13 Weeks Ended		Percent Change	
	March 31, 2024	April 2, 2023	Actual	Constant Currency(1)
	(Dollar amounts in thousands)			
		(Unaudited)		
Interest expense, net	$ 21,199	$ 18,701	13%	9%
Percentage of total revenues	8%	7%		

(1)See "Non-GAAP Financial Measures" for an explanation of our constant currency results.

Net Interest Expense was $21,199 for the 13 weeks ended March 31, 2024, an increase of $2,498, or 13%, on the comparative period in 2023. This increase is primarily driven by refinancing Soho Beach House Miami in May 2023 at a higher rate plus the compounding of interest on our senior facility. In constant currency, net interest increased by $1,824, or 9%.

Adjusted EBITDA

	For the 13 Weeks Ended		Percent Change	
	March 31, 2024	April 2, 2023	Actual	Constant Currency(1)
	(Dollar amounts in thousands)			
		(Unaudited)		
Adjusted EBITDA	$ 19,300	$ 20,127	(4)%	(7)%
Percentage of total revenues	7%	8%		

(1)See "Non-GAAP Financial Measures" for an explanation of our constant currency results.

Adjusted EBITDA was $19,300 for the 13 weeks ended March 31, 2024, in comparison to $20,127 for the 13 weeks ended April 2, 2023, a decrease of $827. The period-on-period decline was driven by lower in-house and other revenues, plus increases in General and Administrative and Operating expenses period-on-period. The impact was partially offset by higher membership revenues from both Soho House and Non-House members versus the comparative period. In constant currency, Adjusted EBITDA decreased by $1,552 compared to the comparative period in fiscal 2023.

Non-GAAP Financial Measures

For the 13 weeks ended March 31, 2024 and April 2, 2023

A reconciliation of Net Loss to Adjusted EBITDA is set forth below for the periods specified:

	For the 13 Weeks Ended		Percent Change	
	March 31, 2024 Actuals	April 2, 2023 Actuals	Actuals	Constant Currency[1]
	(Unaudited, dollar amounts in thousands)			
Net income (loss)	$ (46,339)	$ (16,016)	n/m	n/m
Depreciation and amortization	25,744	24,464	5%	2%
Interest expense, net	21,199	18,701	13%	9%
Income tax benefit	499	(171)	n/m	n/m
EBITDA	1,103	26,978	(96)%	(96)%
(Gain) loss on sale of property and other, net	(65)	(681)	90%	91%
Share of income of equity method investments	(377)	(871)	57%	58%
Foreign exchange (gain) loss, net [2]	5,481	(13,013)	n/m	n/m
Share of equity method investments adjusted EBITDA	1,740	1,868	(7)%	(10)%
Share-based compensation expense	8,039	5,846	38%	33%
Expenses related to shareholder activism [3]	1,885	—	n/m	n/m
Expenses related to evaluation of certain strategic transactions [4]	1,494	—	n/m	n/m
Adjusted EBITDA	$ 19,300	$ 20,127	(4)%	(7)%

(1)See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

(2)See “Comparison of the 13 Weeks Ended March 31, 2024 and April 2, 2023 - Other Expenses” for information regarding the increase in foreign exchange and share-based compensation period-on-period.

(3)Primarily relating to professional service fees related to shareholder activism response.

(4)Primarily relating to third party advisory expenses incurred by the Company’s independent special committee in respect of the evaluation of certain strategic transactions.

The computation of House-Level Contribution and Other Contribution is set forth below:

	For the 13 Weeks Ended				
	March 31, 2024	April 2, 2023 Actuals	Change %	April 2, 2023 Constant Currency[1]	Constant Currency Change %[1]
	(Unaudited, dollar amounts in thousands)				
Operating income (loss)	$ (25,083)	$ 962	n/m	$ (2,899)	n/m
General and administrative	34,372	30,574	12%	31,675	9%
Pre-opening expenses	5,754	4,994	15%	5,174	11%
Depreciation and amortization	25,744	24,464	5%	25,345	2%
Share-based compensation	8,039	5,846	38%	6,057	33%
Foreign exchange (gain) loss, net	5,481	(13,013)	n/m	(13,482)	n/m
Other, net	3,243	1,029	n/m	1,066	n/m
Non-House membership revenues	(9,519)	(8,636)	(10)%	(8,947)	(6)%
Other revenues	(52,554)	(55,883)	6%	(57,291)	8%
Other operating expenses	53,967	56,381	(4)%	58,412	(8)%
House-Level Contribution	$ 49,444	$ 46,718	6%	$ 45,110	10%
Operating income (loss) margin	(10)%	0%		0%	
House-Level Contribution Margin	25%	24%		24%	

(1)See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

	For the 13 Weeks Ended				
	March 31, 2024	April 2, 2023 Actuals	Change %	April 2, 2023 Constant Currency[(1)]	Constant Currency Change %[(1)]
	(Unaudited, dollar amounts in thousands)				
Membership revenues	$ 100,191	$ 83,248	20%	$ 84,806	18%
Less: Non-House membership revenues	(9,519)	(8,636)	(10)%	(8,947)	(6)%
Add: In-House revenues	110,401	116,078	(5)%	118,409	(7)%
Total House revenues	201,073	190,690	5%	194,268	4%
Less: in-House operating expenses	151,629	143,972	5%	149,158	2%
House-Level Contribution	$ 49,444	$ 46,718	6%	$ 45,110	10%

(1)See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

	For the 13 Weeks Ended				
	March 31, 2024	April 2, 2023 Actuals	Change %	April 2, 2023 Constant Currency[(1)]	Constant Currency Change %[(1)]
	(Unaudited, dollar amounts in thousands)				
Operating income (loss)	$ (25,083)	$ 962	n/m	$ (2,899)	n/m
General and administrative	34,372	30,574	12%	31,675	9%
Pre-opening expenses	5,754	4,994	15%	5,174	11%
Depreciation and amortization	25,744	24,464	5%	25,345	2%
Share-based compensation	8,039	5,846	38%	6,057	33%
Foreign exchange loss, net	5,481	(13,013)	n/m	(13,482)	n/m
Other, net	3,243	1,029	n/m	1,066	n/m
House membership revenues	(90,672)	(74,612)	(22)%	(75,859)	(20)%
In-House revenues	(110,401)	(116,078)	5%	(118,409)	7%
In-House operating expenses	151,629	143,972	5%	149,158	2%
Total Other Contribution	$ 8,106	$ 8,138	(0)%	$ 7,826	4%
Operating income (loss) margin	(10)%	0%		0%	
Other Contribution Margin	13%	13%		13%	

(1)See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

	For the 13 Weeks Ended				
	March 31, 2024	April 2, 2023 Actuals	Change %	April 2, 2023 Constant Currency[(1)]	Constant Currency Change %[(1)]
	(Unaudited, dollar amounts in thousands)				
Other Contribution					
Non-House membership revenues	$ 9,519	$ 8,636	10%	$ 8,947	6%
Add: other revenues	52,554	55,883	(6)%	57,291	(8)%
Less: other operating expenses	53,967	56,381	(4)%	58,412	(8)%
Other Contribution	$ 8,106	$ 8,138	(0)%	$ 7,826	4%

(1)See “Non-GAAP Financial Measures” for an explanation of our constant currency results.

Liquidity and Capital Resources

Liquidity is the ability to generate sufficient cash flows to meet the cash requirements of our business operations. Our principal sources of liquidity are operating cash flows, holdings of cash and cash equivalents and availability under our Revolving Credit Facility. As of March 31, 2024, we maintained a cash and cash equivalents balance of $142 million and a restricted cash balance of $2 million.

Our primary requirements for liquidity are to fund our working capital needs, operating and finance lease obligations, capital expenditures and general corporate needs. Our ongoing capital expenditures are principally related to opening new Houses, refurbishing and maintaining the existing House portfolio as well as investments in our corporate technology infrastructure to support our digital strategy and technology infrastructure.

In a given year, our primary cash inflows and outflows relate to the following:

(1)from operating activities, our cash inflows include Membership revenues, In-House revenues and Other revenues, such as the sale of retail products. The primary cash outflows from operating activities include general operating expenses and interest payments.

(2)from investing activities, our cash inflows include the proceeds from sale of property and equipment and the sales of subsidiaries. The primary cash outflows from investing activities include the purchase of property and equipment as well as intangibles.

(3)from financing activities, our cash inflows from financing activities include proceeds from borrowings and from the issuance of shares. The primary cash outflows from financing activities include repayments of borrowings and legal and professional fees from debt or equity related transactions as well as, from time to time, the repurchase of shares under board authorized repurchase plans.

In February 2024, we announced that our board of directors had approved a further $50 million share repurchase authorization. We have the flexibility to repurchase shares when opportunities arise. No repurchases were made in the 13 weeks ended March 31, 2024.

We believe our existing cash and marketable securities balances will be sufficient to fund our operating and finance lease obligations, capital expenditures and working capital needs for at least the next 12 months and the foreseeable future.

Cash Flows and Working Capital

The following table provides a summary of cash flow data for the periods presented:

	For the 13 Weeks Ended	
	March 31, 2024	April 2, 2023
	(Unaudited, dollar amounts in thousands)	
Net cash generated by (used in)		
Net cash provided by (used in) operating activities	$ 7,488	$ (12,488)
Net cash used in investing activities	(25,591)	(15,706)
Net cash (used in) provided by financing activities	(379)	(631)
Effect of exchange rates on cash and cash equivalents	(569)	1,002
Net (decrease) increase in cash and cash equivalents	$ (19,051)	$ (27,823)

Net Cash Used in Operating Activities

The primary cash inflows from operating activities include Membership Revenues, In-House Revenues and Other Revenues, such as the sale of retail products. The primary cash outflows from operating activities include general operating expenses and interest payments.

For the 13 weeks ended March 31, 2024, we had a $7,488 inflow of cash from operating activities, which includes a net loss of $46,339, depreciation and amortization of $25,744, and a favorable net working capital change of $5,784.

For the 13 weeks ended April 2, 2023, we had a $12,488 outflow of cash from operating activities, which includes a net loss of $16,016, depreciation and amortization of $24,464, and an unfavorable net working capital change of $21,359.

Net Cash Used in Investing Activities

The primary cash inflows from investing activities include cash proceeds from the sale of assets. The primary cash outflows from investing activities include the purchase of property and equipment and intangibles.

For the 13 weeks ended March 31, 2024, we had a $25,591 outflow of cash from investing activities, primarily due to purchases of property and equipment of $21,004 and purchases of intangible assets of $4,587.

For the 13 weeks ended April 2, 2023, we had a $15,706 outflow of cash from investing activities, primarily due to purchases of property and equipment of $12,010 and purchases of intangible assets of $4,674.

Net Cash Provided by Financing Activities

The primary cash inflows from financing activities include proceeds from borrowings. The primary cash outflows from financing activities include principal payments on borrowings and purchase of treasury stock.

For the 13 weeks ended March 31, 2024, we had a $379 outflow of cash from financing activities, primarily due to the repayment of borrowings.

For the 13 weeks ended April 2, 2023, we had a $631 outflow of cash from financing activities, primarily due to distributions to noncontrolling interest.

Cash Requirements from Contractual and Other Obligations

As of March 31, 2024, there have been no material changes outside the ordinary course of business to our contractual obligations from those disclosed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” as described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Critical Accounting Estimates and Judgments

Management’s discussion and analysis of the financial condition and results of operations is based on the financial statements, which have been prepared in accordance with US GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues and expenses incurred during the reporting periods. The estimates are based on historical experience and on various other factors that are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. There have been no significant changes in our critical accounting policies and estimates as compared to the critical accounting policies and estimates disclosed in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Emerging Growth Company Status

We are an ‘emerging growth company,’ as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not ‘emerging growth companies,’ including, but not limited to: presenting only two years of audited financial statements in addition to any required unaudited interim financial statements with correspondingly reduced “Management’s Discussion and Analysis of Financial Condition and Results of Operations” not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley; having reduced disclosure obligations regarding executive compensation in our periodic reports and proxy or information statements; being exempt from the requirements to hold a non-binding advisory vote on executive compensation or seek stockholder approval of any golden parachute payments not previously approved; and not being required to adopt certain accounting standards until those standards would otherwise apply to private companies. As a result, our financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk has not materially changed from what was previously disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Foreign Exchange Risk

We principally operate in the UK and North America, although we have significant operations in Europe. Therefore, we are exposed to reporting foreign exchange risk in Pound sterling and Euros.

We have not, to date, used any material financial instruments to mitigate our foreign exchange risk. The directors and management will keep this situation under review. As income is received and suppliers paid in respect of the UK and European operation in Pound sterling or Euros, respectively, this acts as a natural hedge against foreign exchange risk.

If the USD had strengthened/weakened by 10% versus the GBP, revenue would have been approximately $13 million lower and approximately $14 million higher, respectively, and Net Loss would have been approximately $4 million lower and approximately $3 million higher, respectively, for the 13 weeks ended April 2, 2023.

If the Euro had strengthened/weakened by 10% versus the GBP, revenue would have been approximately $2 million higher and approximately $2 million lower, respectively, and Net Loss would have been approximately less than $1 million lower and approximately less than $1 million higher, respectively, for the 13 weeks ended April 2, 2023.

Concentration of Credit Risk

Credit risk is the risk of loss from amounts owed by financial counter-parties. Credit risk can occur at multiple levels as a result of broad economic conditions, challenges within specific sectors of the economy, or from issues affecting individual companies. Financial instruments that potentially subject us to credit risk consist of cash equivalents and accounts receivable.

We maintain cash and cash equivalents with major financial institutions. Our cash and cash equivalents consist of bank deposits held with banks, and money market funds that, at times, exceed federally or locally insured limits. We limit our credit risk by dealing with customers, counterparties and institutions that are considered to be of high credit quality and by performing periodic evaluations of accounts receivable and investments and of the relative credit standing of our customers, counterparties and financial institutions as applicable.

Liquidity Risk

We seek to manage our financial risks to ensure that sufficient liquidity is available to meet our foreseeable needs. We believe we have significant flexibility to control our capital expenditure commitments in new House developments through different investment formats. As of March 31, 2024, we had $142 million in cash and cash equivalents on the balance sheet, $2 million of restricted cash and £70.8m undrawn on the Revolving Credit Facility (subject to complying with our covenants) to meet our funding needs.

Cash Flow and Fair Value Interest Rate Risk

We have historically financed our operations through a mixture of bank borrowings and bond notes which are generally fixed, and expect to finance our operations through operating cash flows and availability under our Revolving Credit Facility. We seek to manage exposure to adverse interest rate changes through our normal operating and financing activities.

Inflation Risk

Inflation has an impact on food, utility, labor, rent, and other costs which materially impact operations. Severe increases in inflation could have an adverse impact on our business, financial condition and results of operations. If several of the various costs in our business experience inflation at the same time, we may not be able to adjust prices to sufficiently offset the effect of the various cost increases without negatively impacting consumer demand.

Commodity Price Risks

We are exposed to commodity price risks specially foodstuffs, natural gas and oil. Many of the ingredients we use to prepare our food and beverages are commodities or are affected by the price of other commodities. Factors that affect the price of commodities are generally outside of our control and include foreign currency exchange rates, foreign and domestic supply and demand, inflation, weather, the geopolitical situation, and seasonality.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Management concluded that as of March 31, 2024 our disclosure controls and procedures were not effective at the reasonable assurance level, due to material weaknesses in our internal control over financial reporting, to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As disclosed in our Annual Report in Form 10-K for the fiscal year ended December 31, 2023, based on management's assessment of the effectiveness of our internal controls over financial reporting, management concluded that our internal controls over financial reporting were not effective as of December 31, 2023, because of the identification of two material weaknesses identified in our internal control over financial reporting. The material weaknesses related to (i) our lack of a sufficient number of personnel with an appropriate level of knowledge and experience with the application of US generally accepted accounting principles ("GAAP") and with our financial reporting requirements; and (ii) the fact that policies and procedures with respect to the review, supervision and monitoring of our accounting and reporting functions, including IT general controls, were either not designed and in place, or not operating effectively. These material weaknesses resulted in adjustments to our financial statements and included lease accounting, income tax accounting, impairment of long-lived assets accounting, related party transactions and disclosures and balance sheet reclassifications during the course of the audit process.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during the 13 weeks ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Disclosure Controls and Procedures

In designing and evaluating our disclosure controls and procedures and internal control over financial reporting, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures and internal control over financial reporting must reflect the fact that there are resource constraints and our management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs. The design of any disclosure controls and procedures and internal control over financial reporting also are based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time we are subject to legal proceedings and claims that arise in the ordinary course of business. At present, we are not a party to any litigation other than litigation in the ordinary course of business. We do not expect that the ultimate outcome of any of the currently ongoing legal proceedings, individually or collectively, will have a significant adverse effect on our business, financial condition, results of operations or cash flows.

However, the results of litigation and arbitration are inherently unpredictable and the possibility exists that the ultimate resolution of matters to which we are or could become subject could result in a material adverse effect on our business, financial condition, results of operations and cash flows.

Item 1A. Risk Factors.

You should carefully consider the risk factors discussed in section “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, which could materially affect our business, financial position, or future results of operations. There have been no material changes to the risk factors described in our Annual Report on Form 10-K. The risks described in our Annual Report Form 10-K are not the only risks that we face. Additional risks and uncertainties not precisely known to us, or that we currently deem to be immaterial, may also arise and materially impact our business. If any of these risks occur, our business, results of operations and financial condition could be materially and adversely affected and the trading price of our common stock could decline.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(a) Sales of Unregistered Securities

None.

(b) Use of Proceeds from Public Offering of Common Stock

None.

(c) Issuer Purchases of Equity Securities

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

Exhibit Number	Description
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	The cover page for the Company's Quarterly Report on Form 10-Q has been formatted in Inline XBRL and contained in Exhibit 101

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	Soho House & Co Inc.	
Date: May 10, 2024	By:	/s/ Andrew Carnie
		Andrew Carnie
		Chief Executive Officer
Date: May 10, 2024	By:	/s/ Thomas Allen
		Thomas Allen
		Chief Financial Officer

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Andrew Carnie, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Soho House & Co Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 10, 2024

By: /s/ Andrew Carnie
Andrew Carnie
Chief Executive Officer
(*Principal Executive Officer*)

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas Allen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Soho House & Co Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2024

By: /s/ Thomas Allen
Thomas Allen
Chief Financial Officer
(*Principal Financial Officer*)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Soho House & Co Inc. (the “Company”) on Form 10-Q for the 13-week period ending March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations the Company.

May 10, 2024

By: /s/ Andrew Carnie
Andrew Carnie
Chief Executive Officer
(*Principal Executive Officer*)

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Report and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and it is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Soho House & Co Inc. (the “Company”) on Form 10-Q for the 13-week period ending March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations the Company.

May 10, 2024	By:	/s/ Thomas Allen
		Thomas Allen
		Chief Financial Officer
		(*Principal Financial Officer*)

The foregoing certification is being furnished to the Securities and Exchange Commission as an exhibit to the Report and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and it is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.