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 October 1, 2023

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	**86-3664553**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
180 Strand **London, WC2R 1EA** **United Kingdom**	**WC2R 1EA**
(Address of principal executive offices)	**(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 November 8, 2023, the registrant had 195,017,104 shares outstanding, comprised of 53,516,719 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.

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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 October 1, 2023 (Unaudited) and January 1, 2023

(in thousands, except for par value and share data)	As of October 1, 2023	As of January 1, 2023
Assets		
Current assets		
Cash and cash equivalents	$ 162,540	$ 182,115
Restricted cash	500	7,928
Accounts receivable, net	64,589	42,215
Inventories	55,768	57,848
Prepaid expenses and other current assets	116,998	91,101
Total current assets	400,395	381,207
Property and equipment, net	637,133	647,001
Operating lease assets	1,131,435	1,085,579
Goodwill	199,693	199,646
Other intangible assets, net	124,356	125,968
Equity method investments	25,592	21,629
Deferred tax assets	469	295
Other non-current assets	8,296	6,571
Total non-current assets	2,126,974	2,086,689
Total assets	$ 2,527,369	$ 2,467,896
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	$ 75,598	$ 80,741
Accrued liabilities	94,068	84,112
Current portion of deferred revenue	108,629	91,611
Indirect and employee taxes payable	37,614	38,088
Current portion of debt, net of debt issuance costs	25,887	25,617
Current portion of operating lease liabilities - sites trading less than one year	2,413	4,176
Current portion of operating lease liabilities - sites trading more than one year	44,353	35,436
Other current liabilities	34,317	36,019
Total current liabilities	422,879	395,800
Debt, net of current portion and debt issuance costs	607,609	579,904
Property mortgage loans, net of debt issuance costs	136,991	116,187
Operating lease liabilities, net of current portion - sites trading less than one year	93,117	227,158
Operating lease liabilities, net of current portion - sites trading more than one year	1,161,968	982,306
Finance lease liabilities	77,040	76,638
Financing obligation	76,533	76,239
Deferred revenue, net of current portion	25,772	27,118
Deferred tax liabilities	1,026	1,666
Other non-current liabilities	—	256
Total non-current liabilities	2,180,056	2,087,472
Total liabilities	2,602,935	2,483,272
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 October 1, 2023 (Unaudited) and January 1, 2023

(in thousands, except for par value and share data)	As of October 1, 2023	As of January 1, 2023
Shareholders' equity		
Class A common stock, $0.01 par value, 1,000,000,000 shares authorized, 63,704,578 shares issued and 53,237,458 outstanding as of October 1, 2023 and 62,189,717 issued and 53,722,597 outstanding as of January 1, 2023; Class B common stock, $0.01 par value, 500,000,000 shares authorized, 141,500,385 shares issued and outstanding as of October 1, 2023 and January 1, 2023	2,052	2,037
Additional paid-in capital	1,228,225	1,213,086
Accumulated deficit	(1,303,370)	(1,242,412)
Accumulated other comprehensive income	51,780	54,853
Treasury stock, at cost; 10,467,120 shares as of October 1, 2023 and 8,467,120 shares as of January 1, 2023	(62,000)	(50,000)
Total shareholders' deficit attributable to Soho House & Co Inc.	(83,313)	(22,436)
Noncontrolling interest	7,747	7,060
Total shareholders' deficit	(75,566)	(15,376)
Total liabilities and shareholders' equity	$ 2,527,369	$ 2,467,896

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 and 39 weeks ended October 1, 2023 and October 2, 2022

(in thousands except for per share data)	For the 13 Weeks Ended October 1, 2023	For the 13 Weeks Ended October 2, 2022	For the 39 Weeks Ended October 1, 2023	For the 39 Weeks Ended October 2, 2022
Revenues				
Membership revenues	$ 93,279	$ 71,023	$ 265,720	$ 195,685
In-House revenues	115,288	108,488	356,846	305,928
Other revenues	92,390	86,535	222,523	200,211
Total revenues	300,957	266,046	845,089	701,824
Operating expenses				
In-House operating expenses (exclusive of depreciation and amortization of $15,512 and $14,702 for the 13 weeks ended October 1, 2023 and October 2, 2022, respectively, and of $42,738 and $42,551 for the 39 weeks ended October 1, 2023 and October 2, 2022, respectively)	(146,480)	(139,212)	(442,805)	(380,880)
Other operating expenses (exclusive of depreciation and amortization of $6,963 and $9,763 for the 13 weeks ended October 1, 2023 and October 2, 2022, respectively, and of $20,937 and $22,694 for the 39 weeks ended October 1, 2023 and October 2, 2022, respectively)	(73,709)	(74,482)	(196,316)	(184,873)
General and administrative expenses (exclusive of depreciation and amortization of $2,041 and $2,506 for the 13 weeks ended October 1, 2023 and October 2, 2022, respectively, and of $10,554 and $7,245 for the 39 weeks ended October 1, 2023 and October 2, 2022, respectively)	(35,564)	(30,807)	(103,381)	(86,740)
Pre-opening expenses	(5,093)	(2,555)	(14,293)	(10,328)
Depreciation and amortization	(24,516)	(26,971)	(74,229)	(72,490)
Share-based compensation	(4,683)	(7,778)	(16,186)	(19,855)
Foreign exchange gain (loss), net	(30,698)	(53,910)	3,899	(128,160)
Other, net	(617)	(912)	(1,625)	(1,989)
Total operating expenses	(321,360)	(336,627)	(844,936)	(885,315)
Operating income (loss)	(20,403)	(70,581)	153	(183,491)
Other (expense) income				
Interest expense, net	(18,799)	(18,453)	(59,527)	(52,948)
Gain (loss) on sale of property and other, net	7	(12)	596	1,529
Share of income of equity method investments	1,953	686	4,411	2,426
Total other expense, net	(16,839)	(17,779)	(54,520)	(48,993)
Income (loss) before income taxes	(37,242)	(88,360)	(54,367)	(232,484)
Income tax expense	(4,208)	(3,013)	(5,386)	(3,070)
Net income (loss)	**(41,450)**	**(91,373)**	**(59,753)**	**(235,554)**
Net income (loss) attributable to noncontrolling interests	(912)	(295)	(1,205)	1,448
Net income (loss) attributable to Soho House & Co Inc.	**$ (42,362)**	**$ (91,668)**	**$ (60,958)**	**$ (234,106)**
Net income (loss) per share attributable to Class A and Class B common stock				
Basic and diluted (Note 14)	$ (0.22)	$ (0.46)	$ (0.31)	$ (1.16)
Weighted average shares outstanding:				
Basic and diluted (Note 14)	196,153	199,391	195,746	201,021

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 and 39 weeks ended October 1, 2023 and October 2, 2022

(in thousands)	For the 13 Weeks Ended October 1, 2023	For the 13 Weeks Ended October 2, 2022	For the 39 Weeks Ended October 1, 2023	For the 39 Weeks Ended October 2, 2022
Net income (loss)	$ (41,450)	$ (91,373)	$ (59,753)	$ (235,554)
Other comprehensive income				
Foreign currency translation adjustment	19,591	41,346	(3,201)	89,911
Comprehensive income (loss)	(21,859)	(50,027)	(62,954)	(145,643)
Income (loss) attributable to noncontrolling interests	(912)	(295)	(1,205)	1,448
Foreign currency translation adjustment attributable to noncontrolling interests	302	591	128	1,011
Total comprehensive income (loss) attributable to Soho House & Co Inc.	$ (22,469)	$ (49,731)	$ (64,031)	$ (143,184)

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' Equity (Unaudited)
For the 13 weeks and 39 weeks ended October 2, 2022

(in thousands)	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Shareholders' Equity Attributable to Soho House & Co Inc.	Noncontrolling Interest	Total Shareholders' Equity
As of January 2, 2022	**$ 2,025**	**$ 1,189,044**	**$ (1,021,832)**	**$ 6,897**	**$ —**	**$ 176,134**	**$ 6,058**	**$ 182,192**
Net income (loss)	—	—	(60,479)	—	—	(60,479)	(147)	(60,626)
Purchase of noncontrolling interests in connection with the Soho Restaurants Acquisition	—	(1,884)	—	—	—	(1,884)	1,884	—
Shares repurchased (Note 14)	—	—	—	—	(2,611)	(2,611)	—	(2,611)
Non-cash share-based compensation (Note 13)	—	7,331	—	—	—	7,331	—	7,331
Net change in cumulative translation adjustment	—	—	—	11,210	—	11,210	(79)	11,131
As of April 3, 2022	**$ 2,025**	**$ 1,194,491**	**$ (1,082,311)**	**$ 18,107**	**$ (2,611)**	**$ 129,701**	**$ 7,716**	**$ 137,417**
Net income (loss)	—	—	(81,959)	—	—	(81,959)	(1,596)	(83,555)
Distributions to noncontrolling interests	—	—	—	—	—	—	(364)	(364)
Shares repurchased (Note 14)	—	—	—	—	(16,897)	(16,897)	—	(16,897)
Non-cash share-based compensation (Note 13)	—	4,274	—	—	—	4,274	—	4,274
Additional IPO costs	—	(269)	—	—	—	(269)	—	(269)
Net change in cumulative translation adjustment	—	—	—	37,775	—	37,775	(341)	37,434
As of July 3, 2022	**$ 2,025**	**$ 1,198,496**	**$ (1,164,270)**	**$ 55,882**	**$ (19,508)**	**$ 72,625**	**$ 5,415**	**$ 78,040**
Net income (loss)	—	—	(91,668)	—	—	(91,668)	295	(91,373)
Distributions to noncontrolling interest	—	—	—	—	—	—	(407)	(407)
Shares repurchased (Note 14)	—	—	—	—	(15,294)	(15,294)	—	(15,294)
Non-cash share-based compensation (Note 13)	—	7,260	—	—	—	7,260	—	7,260
Net change in cumulative translation adjustment	—	—	—	41,937	—	41,937	(591)	41,346
As of October 2, 2022	**$ 2,025**	**$ 1,205,756**	**$ (1,255,938)**	**$ 97,819**	**$ (34,802)**	**$ 14,860**	**$ 4,712**	**$ 19,572**

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 and 39 weeks ended October 1, 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	—	—	—	—	—	—	(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)**
Net income (loss)	—	—	(2,644)	—	—	(2,644)	357	(2,287)
Non-cash share-based compensation (Note 13)	3	5,378	—	—	—	5,381	—	5,381
Net change in cumulative translation adjustment	—	—	—	(15,941)	—	(15,941)	182	(15,759)
As of July 2, 2023	**$ 2,044**	**$ 1,224,137**	**$ (1,261,008)**	**$ 31,887**	**$ (50,000)**	**$ (52,940)**	**$ 7,137**	**$ (45,803)**
Net income (loss)	—	—	(42,362)	—	—	(42,362)	912	(41,450)
Shares repurchased (Note 14)	—	—	—	—	(12,000)	(12,000)	—	(12,000)
Non-cash share-based compensation (Note 13)	8	4,088	—	—	—	4,096	—	4,096
Net change in cumulative translation adjustment	—	—	—	19,893	—	19,893	(302)	19,591
As of October 1, 2023	**$ 2,052**	**$ 1,228,225**	**$ (1,303,370)**	**$ 51,780**	**$ (62,000)**	**$ (83,313)**	**$ 7,747**	**$ (75,566)**

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 39 weeks ended October 1, 2023 and October 2, 2022

(in thousands)	For the 39 Weeks Ended October 1, 2023	For the 39 Weeks Ended October 2, 2022
Cash flows from operating activities		
Net income (loss)	$ (59,753)	$ (235,554)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	74,229	72,490
Non-cash share-based compensation (Note 13)	15,154	18,865
Deferred tax benefit	(778)	(299)
Gain on sale of property and other, net	(596)	(1,529)
Share of (income) loss of equity method investments	(4,411)	(2,426)
Amortization of debt issuance costs	2,110	3,471
Loss on debt extinguishment	3,278	—
PIK interest (settled), net of non-cash interest	27,908	25,663
Distributions from equity method investees	162	596
Foreign exchange (gain) loss, net	(3,899)	128,160
Changes in assets and liabilities:		
Accounts receivable	(22,110)	(14,986)
Inventories	2,465	(12,509)
Operating leases, net	5,558	30,283
Other operating assets	(25,212)	(31,670)
Deferred revenue	7,467	26,341
Accounts payable and accrued and other liabilities	8,904	31,210
Net cash provided by operating activities	30,476	38,106
Cash flows from investing activities		
Purchase of property and equipment	(50,440)	(62,989)
Proceeds from sale of assets	1,368	665
Purchase of intangible assets	(13,989)	(17,628)
Property and casualty insurance proceeds received	148	338
Net cash used in investing activities	(62,913)	(79,614)
Cash flows from financing activities		
Repayment of borrowings (Note 11)	(117,350)	(533)
Payment for debt extinguishment costs (Note 11)	(1,686)	—
Issuance of related party loans	—	3,217
Proceeds from borrowings (Note 11)	140,000	105,795
Payments for debt issuance costs	(2,822)	(1,860)
Principal payments on finance leases	(221)	(431)
Principal payments on financing obligation	—	(1,175)
Distributions to noncontrolling interests	(390)	(771)
Purchase of treasury stock (Note 14)	(12,000)	(34,802)
Additional IPO costs	—	(269)
Net cash provided by financing activities	5,531	69,171
Effect of exchange rate changes on cash and cash equivalents, and restricted cash	(97)	(13,224)
Net (decrease) increase in cash and cash equivalents, and restricted cash	(27,003)	14,439
Cash, cash equivalents and restricted cash		
Beginning of period	190,043	220,662
End of period	**$ 163,040**	**$ 235,101**

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 39 weeks ended October 1, 2023 and October 2, 2022

	For the 39 Weeks Ended	
(in thousands)	October 1, 2023	October 2, 2022
Cash, cash equivalents and restricted cash are comprised of:		
Cash and cash equivalents	162,540	227,896
Restricted cash	500	7,205
Cash, cash equivalents and restricted cash as of October 1, 2023 and October 2, 2022	**$ 163,040**	**$ 235,101**
Supplemental disclosures:		
Cash paid for interest	$ 24,004	$ 22,504
Cash paid for income taxes	3,027	138
Supplemental disclosures of non-cash investing and financing activities:		
Operating lease assets obtained in exchange for new operating lease liabilities	79,631	101,640
Acquisitions of property and equipment under finance leases	33	11,357
Accrued capital expenditures	11,736	7,908

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. These members use the Soho House & Co Inc. platform to both work and socialize, to connect, create, have fun and drive a positive change. Our members engage with us through our global portfolio of 42 Soho Houses, 9 Soho Works Clubs, The Ned hotels, 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 “Soho House & Co”, “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, long-lived assets and the expected breakage of house introduction credits. 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 January 1, 2023.

The results of operations for the 13- and 39-week periods ended October 1, 2023 and October 2, 2022 are not necessarily indicative of the operating results for the full fiscal year or any future periods.

The unaudited condensed consolidated statement of operations for the 13 weeks and 39 weeks ended October 2, 2022 include the correction of an error related to the Company’s unaudited condensed consolidated financial statements as of and for the 13 weeks ended April 3, 2022 ("Q1 2022"), and the consolidated financial statements as of and for the 52 weeks ended January 2, 2022 ("Fiscal 2021"), 53 weeks ended January 3, 2021 ("Fiscal 2020"), and 52 weeks ended December 29, 2019 ("Fiscal 2019"). The error relates to the correction of the estimation of the historical operating lease liabilities which resulted in the overstatement of operating lease expenses with a cumulative impact of $6 million for the 13 weeks ended April 3, 2022. The correction of this cumulative error is presented within In-House operating expenses in the unaudited condensed consolidated statement of operations for the 39 weeks ended October 2, 2022.

Recently Adopted Accounting Standards

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (“ASU 2016-13”). The ASU adds to US GAAP an impairment model (known as the current expected credit loss, or “CECL” model) that is based on expected losses rather than incurred losses. Under the new guidance, an entity recognizes as an allowance its estimate of expected credit losses, which is intended to result in the more timely recognition of losses. Under the CECL model, entities will estimate credit losses over the entire contractual term of the instrument from the date of initial recognition of the financial instrument. The Company adopted ASU 2016-13 effective January 2, 2023 and concluded that adoption of this standard update did not have a material impact on either the financial position, results of operations, cash flows, or related disclosures. There was no impact on beginning balance retained earnings upon adoption of this ASU.

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 higher 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 nine 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)	**October 1, 2023**	**January 1, 2023**
Cash and cash equivalents	$ 8,191	$ 7,941
Accounts receivable	598	1,823
Inventories	16	19
Prepaid expenses and other current assets	3,092	3,283
Total current assets	**11,897**	**13,066**
Property and equipment, net	29,101	32,288
Operating lease assets	99,866	99,717
Other intangible assets, net	377	284
Other non-current assets	5,945	181
Total assets	**147,186**	**145,536**
Accounts payable	218	337
Accrued liabilities	6,764	8,131
Indirect and employee taxes payable	1,281	1,548
Current portion of debt, net of debt issuance costs	24,818	24,612
Current portion of operating lease liabilities - sites trading more than one year	5,873	4,362
Other current liabilities	5,639	4,153
Total current liabilities	**44,593**	**43,143**
Operating lease liabilities, net of current portion - sites trading more than one year	112,923	115,182
Total liabilities	**157,516**	**158,325**
Net liabilities	**$ (10,330)**	**$ (12,789)**

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 January 1, 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 the 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.

	For the 13 Weeks Ended		For the 39 Weeks Ended	
(in thousands)	**October 1, 2023**	**October 2, 2022**	**October 1, 2023**	**October 2, 2022**
Revenues	$ 14,180	$ 12,382	$ 39,657	$ 34,300
Operating income (loss)	4,070	3,183	11,527	8,007
Net income (loss)[(1)]	2,581	1,392	8,092	4,207

(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 the Americas, Europe, and Asia, which includes 34 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 October 1, 2023, the Company recognized right-of-use assets and lease liabilities for 139 operating leases and 4 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 such option.

The maturity of the Company's operating and finance lease liabilities as of October 1, 2023 is as follows:

(in thousands) **Fiscal year ended**	**Operating Leases**	**Finance Leases**
Undiscounted lease payments		
Remainder of 2023	$ 34,259	$ 1,440
2024	145,191	5,794
2025	149,167	5,833
2026	150,335	5,756
2027	141,763	5,746
Thereafter	1,726,947	218,348
Total undiscounted lease payments	**2,347,662**	**242,917**
Present value adjustment	(1,045,811)	(165,877)
Total net lease liabilities	**$ 1,301,851**	**$ 77,040**

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 $37 million and $34 million for the 13 weeks ended October 1, 2023 and October 2, 2022, respectively, and $110 million and $99 million for the 39 weeks ended October 1, 2023 and October 2, 2022, respectively.

For the 13 weeks ended October 1, 2023 and October 2, 2022, 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. For the 39 weeks ended October 1, 2023 and October 2, 2022, the Company recognized amortization expense related to the right-of-use asset for finance leases of $1 million and $1 million, respectively, and interest expense related to finance leases of $4 million and $4 million, respectively. There were no material variable lease payments for finance leases for the 13 weeks ended October 1, 2023 and October 2, 2022.

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 39 Weeks Ended	
(in thousands)	October 1, 2023	October 2, 2022
Cash flows from operating activities:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ (103,386)	$ (83,271)
Interest payments for finance leases	(4,159)	(3,656)
Cash flows from financing activities:		
Principal payments for finance leases	$ (221)	$ (431)
Supplemental disclosures of non-cash investing and financing activities:		
Operating lease assets obtained in exchange for new operating lease liabilities	$ 79,631	$ 101,640
Acquisitions of property and equipment under finance leases	$ 33	$ 11,357

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

	As of	
	October 1, 2023	October 2, 2022
Weighted-average remaining lease term		
Finance leases	42 years	43 years
Operating leases	16 years	17 years
Weighted-average discount rate		
Finance leases	7.29%	7.29%
Operating leases	7.87%	7.95%

As of October 1, 2023, the Company has entered into 14 operating lease agreements that are signed but have not commenced. Of these, 10 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. 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 2023, 2024, 2025, 2026 and 2027. The Company estimates the total undiscounted lease payments for the leases commencing in fiscal years ended 2023, 2024, 2025, 2026 and 2027 will be $84 million, $393 million, $63 million, $334 million and $390 million, respectively, with weighted-average expected lease terms of 20 years, 20 years, 21 years, 22 years and 15 years for leases commencing in fiscal years ended 2023, 2024, 2025, 2026 and 2027, respectively.

The following summarizes the Company's estimated future undiscounted lease payments for current leases signed but not commenced:

(in thousands) Fiscal year ended	Operating Leases Under Construction
Estimated total undiscounted lease payments	
Remainder of 2023	$ 262
2024	5,502
2025	19,293
2026	26,402
2027	55,007
Thereafter	1,158,004
Total undiscounted lease payments expected for leases signed but not commenced	**$ 1,264,470**

6. Revenue Recognition

Disaggregated revenue disclosures by reportable segments for the 13 weeks and 39 weeks ended October 1, 2023 and October 2, 2022 are included in Note 17, Segments. Revenue from membership fees, legacy one-time registration fees, house introduction credits and build-out contracts are the only 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 October 1, 2023:

(in thousands)	Next twelve months from October 1, 2023	Future periods
Membership and registration fees	$ 95,274	$ 25,772
Total future revenues	**$ 95,274**	**$ 25,772**

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)	October 1, 2023	January 1, 2023
Contract receivables	$ 64,589	$ 42,215
Contract assets	4,839	9,344
Contract liabilities	151,976	130,975

Contract assets consist of accrued unbilled income related to build-out contracts and are recognized in prepaid expenses and other 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 $30 million and $27 million during the 13 weeks ended October 1, 2023 and October 2, 2022, respectively, and $95 million and $65 million during the 39 weeks ended October 1, 2023 and October 2, 2022, 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 which are externally sourced. Raw materials and service stock and supplies totaled $25 million and $19 million as of October 1, 2023 and January 1, 2023, respectively. Finished goods totaled $31 million and $39 million as of October 1, 2023 and January 1, 2023, respectively.

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

	As of	
(in thousands)	October 1, 2023	January 1, 2023
Amounts owed by equity method investees	$ 1,431	$ 1,492
Prepayments and accrued income	43,434	27,416
Contract assets	4,839	9,344
Other receivables	67,294	52,849
Total prepaid expenses and other current assets	**$ 116,998**	**$ 91,101**

8. Property and Equipment, Net

Additions totaled $18 million and $26 million during the 13 weeks ended October 1, 2023 and October 2, 2022, respectively, and $47 million and $64 million during the 39 weeks ended October 1, 2023 and October 2, 2022, respectively, and were primarily related to leasehold improvements and fixtures and fittings for existing sites and sites under development.

9. Goodwill

A summary of goodwill for each of the Company's applicable reportable segments from January 1, 2023 to October 1, 2023 is as follows:

(in thousands)	UK	North America	Europe and RoW	Total
January 1, 2023	**$ 89,975**	**$ 47,446**	**$ 62,225**	**$ 199,646**
Foreign currency translation adjustment	752	—	(705)	47
October 1, 2023	**$ 90,727**	**$ 47,446**	**$ 61,520**	**$ 199,693**

10. Accrued Liabilities

The table below presents the components of accrued liabilities.

(in thousands)	As of October 1, 2023	As of January 1, 2023
Accrued interest	$ 721	$ 440
Hotel deposits	16,694	11,758
Trade, capital and other accruals	76,653	71,914
Total accrued liabilities	**$ 94,068**	**$ 84,112**

11. Debt

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

(in thousands)	As of October 1, 2023	As of January 1, 2023
Senior Secured Notes, interest at 8.1764% for the Initial Notes and 8.5% for the Additional Notes, maturing March 2027	$ 599,400	$ 570,712
Soho Works Limited loans, unsecured, 7% interest bearing, maturing September 2024 (see additional description below)	24,818	24,612
Other loans (see additional description below)	9,278	10,197
	633,496	**605,521**
Less: Current portion of long-term debt	(25,887)	(25,617)
Total long-term debt, net of current portion	**$ 607,609**	**$ 579,904**

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

(in thousands)	As of October 1, 2023	As of January 1, 2023
Term loan, interest at 5.34%, maturing February 6, 2024	$ —	$ 54,614
Mezzanine loan, interest at 7.25%, maturing February 6, 2024	—	61,573
Term loan, interest at 6.99%, maturing June 1, 2033	136,991	—
Total property mortgage loans	**$ 136,991**	**$ 116,187**

The weighted-average interest rate on fixed rate borrowings was 8% as of October 1, 2023 and 8% as of January 1, 2023. There were no outstanding floating rate borrowings as of October 1, 2023 or as of January 1, 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 October 1, 2023, the facility remains undrawn with £71 million ($86 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 $1 million on this facility during the 13 weeks ended October 1, 2023 and October 2, 2022, respectively, and $1 million and $2 million during the 39 weeks ended October 1, 2023 and October 2, 2022, 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, 2024; (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 two individuals may determine in their sole discretion. The carrying amount of the term loan was £20 million ($25 million) and £20 million ($25 million) as of October 1, 2023 and January 1, 2023, respectively. The Company incurred interest expense of $1 million and $2 million on this facility during the 39 weeks ended October 1, 2023 and October 2, 2022, respectively. On March 3, 2023, this loan was subsequently extended and the maturity date is now September

29, 2024. 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).

In January 2018, the Company entered into leases in connection with its Greek Street properties. As part of these leases, the landlord has funded a principal amount of £5 million ($7 million), which represents costs paid directly by the landlord which will be repaid by the Company. Amounts funded by the landlord prior to the lease inception date were initially reflected as accrued liabilities and subsequently converted into long-term debt upon execution of the respective agreements. The Greek Street loans carry interest of 7.5%, are due for repayment in January 2028 and are unsecured. The Company incurred interest expense of less than $1 million during each of the 39 weeks ended October 1, 2023 and October 2, 2022, respectively.

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 $13 million and $12 million on the Senior Secured Notes during the 13 weeks ended October 1, 2023 and October 2, 2022, respectively, and $38 million and $34 million during the 39 weeks ended October 1, 2023 and October 2, 2022, respectively.

The other loans consist of the following:

	Currency	Maturity date	Principal balance as of October 1, 2023	Applicable interest rate as of October 1, 2023
Greek Street loan	£	January 2028	$ 3,009	7.5 %
Compagnie de Phalsbourg credit facility	€	January 2025	5,479	7 %
Greek government loan	€	July 2025	794	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. As a result of the debt extinguishment of the existing term loan and mezzanine loan, the Company recognized a loss on extinguishment of debt of $3 million which is reported in interest expense, net on the condensed consolidated statements of operations for the 39 weeks ended October 1, 2023. 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 $2 million and $3 million on the new term loan during the 13 weeks and 39 weeks ended October 1, 2023. The Company incurred interest expense of $2 million and $2 million on these property mortgage loans during the 13 weeks ended October 1, 2023 and October 2, 2022, respectively, and $6 million and $6 million during the 39 weeks ended October 1, 2023 and October 2, 2022, respectively.

Future Principal Payments

The following table presents future principal payments for the Company’s debt and property mortgage loans as of October 1, 2023:

(in thousands)	
Remainder of 2023	$ 672
2024	25,534
2025	7,032
2026	803
2027	606,610
Thereafter	140,000
	$ 780,651

12. 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 October 1, 2023 or January 1, 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 debt as of October 1, 2023 and January 1, 2023 using a discounted cash flow analysis, except for the property mortgage loan as of October 1, 2023. 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 October 1, 2023 and January 1, 2023. The Company believes that the carrying value of the property mortgage loan (excluding debt issuance costs of $3 million as of October 1, 2023) closely approximate the fair value of such term loan given the proximity of the initial issuance of the property mortgage loan to the period-end date.

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 2024 and thereafter:

(in thousands)	Carrying Value	Fair Value
October 1, 2023		
Senior Secured Notes	$ 599,400	$ 578,200
Property mortgage loan	136,991	140,000
Other loans	9,278	8,847
	$ 745,669	**$ 727,047**

(in thousands)	Carrying Value	Fair Value
January 1, 2023		
Senior Secured Notes	$ 570,712	$ 545,362
Property mortgage loans	116,187	113,066
Other loans	10,197	9,647
	$ 697,096	**$ 668,075**

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

13. Share-Based Compensation

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. The awards are settled in SHHL ordinary D shares and the Company can grant up to 9,978,143 ordinary D shares of SHHL under the 2020 Plan. In connection with the IPO in July 2021, 25% of the outstanding awards accelerated in accordance with the original plan and all of the outstanding awards were exchanged into awards that will be settled in Class A common stock of SHCO. As a result of the exchange, 7,127,246 SHHL SARs were converted into 6,023,369 SHCO SARs and 2,850,897 SHHL Growth Shares were converted into 781,731 SHCO restricted stock awards. The exchanged awards are subject to the same vesting conditions as the original awards. As of October 1, 2023 and January 1, 2023, there were 4,298,766 and 5,290,719 SARs outstanding under the 2020 Plan, respectively. As of October 1, 2023 and January 1, 2023, there were zero and 146,574 SHCO restricted stock awards outstanding under the 2020 Plan, respectively.

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 RSUs or performance awards. There were 12,107,333 shares initially available for all awards under the 2021 Plan and the shares available will increase annually on the first day of each calendar year, beginning with the calendar year ended December 31, 2022. As of October 1, 2023, there were 3,997,929 shares available for future awards. The Company granted 3,113,109 SARs under the 2021 Plan during the 39 weeks ended October, 1 2023. As of October 1, 2023, there were 2,850,853 SARs outstanding under the 2021 Plan. The Company granted 837,440 RSUs during the 39 weeks ended October 1, 2023. As of October 1, 2023 and January 1, 2023, there were 2,533,718 and 2,998,865 RSUs outstanding under the 2021 Plan, respectively.

In December 2022, the Company modified the exercise prices for certain outstanding SARs to be $4.00 per share. As a result, the Company accounted for the modification as a Type I modification, resulting in $2 million of incremental fair value, of which $1 million was recorded immediately.

In August 2023, in conjunction with the anticipated departure of an employee, the Company modified the employee's outstanding SARs under the 2020 Plan and all outstanding RSUs to be accelerated as of the separation date of December 29, 2023. Management deemed the extension of contractual terms for vested SARs and the acceleration of vesting for SARs and RSUs to be a Type I and Type III modification, respectively, which resulted in $2 million of incremental compensation expense to be recognized through the separation date.

Share-based compensation during the 13 weeks and 39 weeks ended October 1, 2023 and October 2, 2022 was recorded in the consolidated statements of operations within a separate line item as shown in the following table:

	For the 13 Weeks Ended		For the 39 Weeks Ended	
(in thousands)	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
SARs	$ 1,331	$ 1,665	$ 6,798	$ 5,876
Restricted stock awards (Growth Shares)	237	550	1,101	1,853
RSUs	1,762	3,143	6,489	9,234
Type III modification	766	1,902	766	1,902
Employer-related payroll expense(1)	587	518	1,032	990
Total share-based compensation expense	**4,683**	**7,778**	**16,186**	**19,855**
Tax benefit for share-based compensation expense	—	—	—	—
Share-based compensation expense, net of tax	**$ 4,683**	**$ 7,778**	**$ 16,186**	**$ 19,855**

(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 and restricted stock awards (previously zero granted as Growth Shares) granted during each period are set forth in the following table:

	For the 39 Weeks Ended October 1, 2023	For the Fiscal Year Ended January 1, 2023
Expected average life(1)	1.70 - 5.56 years	3.92 - 6.30 years
Expected volatility(2)	55 - 59 %	56 %
Risk-free interest rate(3)	3.54 - 5.14 %	3.78 - 4.25 %
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 October 1, 2023, total compensation expense not yet recognized is as follows:

- With respect to the unvested SARs issued under the 2020 Plan and 2021 plans, approximately $3 million, which is expected to be recognized over a weighted average period of 1.35 years; and
- With respect to the unvested RSUs issued under the 2021 Plan, approximately $14 million, which is expected to be recognized over a weighted-average period of 1.77 years.

14. Loss Per Share and Shareholders' Equity

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 2, 2022	**61,029,730**	**141,500,385**
Shares repurchased	(324,972)	—
RSUs vested	506,990	—
As of April 3, 2022	**61,211,748**	**141,500,385**
Shares repurchased	(2,254,505)	—
As of July 3, 2022	**58,957,243**	**141,500,385**
Shares repurchased	(2,362,083)	—
RSUs vested	502,305	—
As of October 2, 2022	**57,097,465**	**141,500,385**

	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**
Shares issued related to share-based compensation	336,564	—
As of July 2, 2023	**54,427,510**	**141,500,385**
Shares issued related to share-based compensation	809,948	—
Shares repurchased	(2,000,000)	
As of October 1, 2023	**53,237,458**	**141,500,385**

Stock Repurchases

On March 18, 2022, the Company's board of directors and a relevant sub-committee thereof authorized and approved a stock repurchase program for up to $50 million of the then currently outstanding shares of the Company's Class A common stock. The timing and amount of stock repurchases depended on a variety of factors. Under the program, the repurchased shares were returned to the status of authorized, but unissued shares of common stock held in treasury at their average cost of repurchase. During the 13 weeks and 39 weeks ended October 2, 2022, the Company repurchased a total of 2,362,083 and 4,941,560 shares of Class A common stock for $15 million and $35 million, including commissions, respectively. The repurchase plan upper limit of $50 million was met in December 2022 and as such there were no further stock repurchases under the above plan subsequent to December 2022.

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.

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.

	For the 13 Weeks Ended		For the 39 Weeks Ended	
(in thousands except share and per share amounts)	**October 1, 2023**	**October 2, 2022**	**October 1, 2023**	**October 2, 2022**
Net income (loss) attributable to Soho House & Co Inc.	$ (42,362)	$ (91,668)	$ (60,958)	$ (234,106)
Adjusted net loss attributable to Class A and Class B common stockholders	**(42,362)**	**(91,668)**	**(60,958)**	**(234,106)**
Weighted average shares outstanding for basic and diluted loss per share for Class A and Class B common stockholders	196,153,371	199,390,524	195,745,787	201,020,845
Basic and diluted loss per share	**$ (0.22)**	**$ (0.46)**	**$ (0.31)**	**$ (1.16)**

15. 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.

16. Income Taxes

For the 13 weeks and 39 weeks ended October 1, 2023, 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 level of unrecognized tax benefits has increased by $8 million and $23 million in the 13 weeks and 39 weeks ended October 1, 2023, respectively. There is no impact on the Company's effective tax rate for the 13 weeks and 39 weeks ended October 1, 2023 as there is a corresponding reduction in the valuation allowance applied for the period.

The effective tax rate for the 13 weeks ended October 1, 2023 was (11.30)%, compared to (3.41)% for the 13 weeks ended October 2, 2022. The effective tax rate for the 39 weeks ended October 1, 2023 was (9.91)% compared to (1.32)% for the 39 weeks ended October 2, 2022. The effective tax rate for the 13 weeks and 39 weeks ended October 1, 2023 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 the profitable jurisdictions over a consolidated loss for the 13 weeks ended October 1, 2023.

17. Segments

The Company's core operations comprise of Houses and restaurants across a number of territories, which are managed on a geographical basis. There is a segment managing director for each of North America, and the UK, 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"), which is comprised of the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer - Americas combined. In addition to Houses and restaurants, the Company offers other products and services, such as retail, home & beauty products and services, which is 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 and hotels 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 adjusted 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 adjusted EBITDA, share-based compensation expense, and certain other expenses.

The following tables present disaggregated revenue for the 13 weeks and 39 weeks ended October 1, 2023 and October 2, 2022 and the key financial metrics reviewed by the CODM for the Company's reportable segments:

	For the 13 Weeks Ended October 1, 2023					
(in thousands)	North America	UK	Europe & RoW	Reportable Segment Total	All Other	Total
Membership revenues	$ 45,195	$ 27,114	$ 12,019	$ 84,328	$ 12,205	$ 96,533
In-House revenues	44,780	45,539	32,697	123,016	65	123,081
Other revenues	16,222	21,061	29,453	66,736	28,787	95,523
Total segment revenue	**106,197**	**93,714**	**74,169**	**274,080**	**41,057**	**315,137**
Elimination of equity accounted revenue	(3,533)	(2,159)	(8,488)	(14,180)	—	(14,180)
Consolidated revenue	**$ 102,664**	**$ 91,555**	**$ 65,681**	**$ 259,900**	**$ 41,057**	**$ 300,957**

	For the 13 Weeks Ended October 2, 2022					
(in thousands)	North America	UK	Europe & RoW	Reportable Segment Total	All Other	Total
Membership revenues	$ 36,902	$ 19,469	$ 8,239	$ 64,610	$ 9,118	$ 73,728
In-House revenues	47,380	40,313	27,612	115,305	—	115,305
Other revenues	16,703	16,906	25,506	59,115	30,280	89,395
Total segment revenue	**100,985**	**76,688**	**61,357**	**239,030**	**39,398**	**278,428**
Elimination of equity accounted revenue	(3,663)	(1,833)	(6,886)	(12,382)	—	(12,382)
Consolidated revenue	**$ 97,322**	**$ 74,855**	**$ 54,471**	**$ 226,648**	**$ 39,398**	**$ 266,046**

	For the 39 Weeks Ended October 1, 2023					
(in thousands)	North America	UK	Europe & RoW	Reportable Segment Total	All Other	Total
Membership revenues	$ 130,548	$ 76,292	$ 33,527	$ 240,367	$ 34,819	$ 275,186
In-House revenues	148,183	135,137	93,738	377,058	65	377,123
Other revenues	55,192	54,108	42,035	151,335	81,102	232,437
Total segment revenue	**333,923**	**265,537**	**169,300**	**768,760**	**115,986**	**884,746**
Elimination of equity accounted revenue	(11,480)	(5,754)	(22,423)	(39,657)	—	(39,657)
Consolidated revenue	**$ 322,443**	**$ 259,783**	**$ 146,877**	**$ 729,103**	**$ 115,986**	**$ 845,089**

	For the 39 Weeks Ended October 2, 2022					
(in thousands)	North America	UK	Europe & RoW	Reportable Segment Total	All Other	Total
Membership revenues	$ 99,960	$ 55,105	$ 22,632	$ 177,697	$ 25,991	$ 203,688
In-House revenues	138,113	120,003	64,559	322,675	—	322,675
Other revenues	52,095	43,120	36,845	132,060	77,701	209,761
Total segment revenue	**290,168**	**218,228**	**124,036**	**632,432**	**103,692**	**736,124**
Elimination of equity accounted revenue	(10,770)	(5,549)	(17,981)	(34,300)	—	(34,300)
Consolidated revenue	**$ 279,398**	**$ 212,679**	**$ 106,055**	**$ 598,132**	**$ 103,692**	**$ 701,824**

The following tables present the reconciliation of reportable segment adjusted EBITDA to total consolidated segment revenue and the reconciliation of net loss to adjusted EBITDA:

	For the 13 Weeks Ended October 1, 2023					
(in thousands)	**North America**	**UK**	**Europe & RoW**	**Reportable Segment Total**	**All Other**	**Total**
Total consolidated segment revenue	$ 102,664	$ 91,555	$ 65,681	$ 259,900	$ 41,057	$ 300,957
Total segment operating expenses	(75,016)	(78,265)	(49,560)	(202,841)	(43,796)	(246,637)
Share of equity method investments adjusted EBITDA	697	450	1,410	2,557	-	2,557
Reportable segments adjusted EBITDA	**28,345**	**13,740**	**17,531**	**59,616**	**(2,739)**	**56,877**
Unallocated corporate overhead						(8,098)
Consolidated adjusted EBITDA						**48,779**
Depreciation and amortization						(24,516)
Interest expense, net						(18,799)
Income tax expense						(4,208)
Gain on sale of property and other, net						7
Share of income of equity method investments						1,953
Foreign exchange						(30,698)
Pre-opening expenses						(5,093)
Non-cash rent						(1,317)
Deferred registration fees, net						465
Share of equity method investments adjusted EBITDA						(2,557)
Share-based compensation expense						(4,683)
Other expenses, net						(783)
Net loss						**$ (41,450)**

	For 13 Weeks Ended October 2, 2022					
(in thousands)	North America	UK	Europe & RoW	Reportable Segment Total	All Other	Total
Total consolidated segment revenue	$ 97,322	$ 74,855	$ 54,471	$ 226,648	$ 39,398	$ 266,046
Total segment operating expenses	(81,309)	(66,320)	(42,861)	(190,490)	(39,505)	(229,995)
Share of equity method investments adjusted EBITDA	496	187	1,295	1,978	—	1,978
Reportable segments adjusted EBITDA	**16,509**	**8,722**	**12,905**	**38,136**	**(107)**	**38,029**
Unallocated corporate overhead						(10,358)
Consolidated adjusted EBITDA						**27,671**
Depreciation and amortization						(26,971)
Interest expense, net						(18,453)
Income tax expense						(3,013)
Loss on sale of property and other, net						(12)
Share of income of equity method investments						686
Foreign exchange						(53,910)
Pre-opening expenses						(2,555)
Non-cash rent						(4,654)
Deferred registration fees, net						489
Share of equity method investments adjusted EBITDA						(1,978)
Share-based compensation expense (1)						(3,980)
Other expenses, net (1)						(4,693)
Net loss						**$ (91,373)**

(1) Other expenses, net includes a $4 million share-based compensation expense incurred related to the departure of the former Chief Operating Officer of the Company for the 13 weeks and 39 weeks ended October 2, 2022. This balance is reported within Share-based compensation expense in the unaudited condensed consolidated statement of operations for the 13 and 39 weeks ended October 2, 2022.

	For the 39 Weeks Ended October 1, 2023					
(in thousands)	North America	UK	Europe & RoW	Reportable Segment Total	All Other	Total
Total consolidated segment revenue	$ 322,443	$ 259,783	$ 146,877	$ 729,103	$ 115,986	$ 845,089
Total segment operating expenses	(248,332)	(212,048)	(125,880)	(586,260)	(124,742)	(711,002)
Share of equity method investments adjusted EBITDA	2,202	928	4,135	7,265	—	7,265
Reportable segments adjusted EBITDA	**76,313**	**48,663**	**25,132**	**150,108**	**(8,756)**	**141,352**
Unallocated corporate overhead						(26,642)
Consolidated adjusted EBITDA						**114,710**
Depreciation and amortization						(74,229)
Interest expense, net						(59,527)
Income tax expense						(5,386)
Gain on sale of property and other, net						596
Share of income of equity method investments						4,411
Foreign exchange						3,899
Pre-opening expenses						(14,293)
Non-cash rent						(6,198)
Deferred registration fees, net						1,391
Share of equity method investments adjusted EBITDA						(7,265)
Share-based compensation expense						(16,186)
Other expenses, net						(1,676)
Net loss						**$ (59,753)**

	For 39 Weeks Ended October 2, 2022					
(in thousands)	North America	UK	Europe & RoW	Reportable Segment Total	All Other	Total
Total consolidated segment revenue	$ 279,398	$ 212,679	$ 106,055	$ 598,132	$ 103,692	$ 701,824
Total segment operating expenses	(229,118)	(178,043)	(96,715)	(503,876)	(109,338)	(613,214)
Share of equity method investments adjusted EBITDA	1,783	579	3,320	5,682	—	5,682
Reportable segments adjusted EBITDA	**52,063**	**35,215**	**12,660**	**99,938**	**(5,646)**	**94,292**
Unallocated corporate overhead						(32,275)
Consolidated adjusted EBITDA						**62,017**
Depreciation and amortization						(72,490)
Interest expense, net						(52,948)
Income tax expense						(3,070)
Gain on sale of property and other, net						1,529
Share of income of equity method investments						2,426
Foreign exchange						(128,160)
Pre-opening expenses						(10,328)
Non-cash rent[(1)]						(5,644)
Deferred registration fees, net						(1,393)
Share of equity method investments adjusted EBITDA						(5,682)
Share-based compensation expense[(2)]						(16,057)
Other expenses, net[(2)]						(5,754)
Net loss						**$ (235,554)**

(1) Includes the effect of a prior-period error correction, as discussed in Note 2, Summary of Significant Accounting Policies—Basis of Presentation.

(2) Other expenses, net includes a $4 million share-based compensation and severance expense incurred related to the departure of the former Chief Operating Officer of the Company for the 13 weeks and 39 weeks ended October 2, 2022. This balance is reported within Share-based compensation expense in the unaudited condensed consolidated statement of operations for the 13 and 39 weeks ended October 2, 2022.

	For the 13 Weeks Ended		For the 39 Weeks Ended	
(in thousands)	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
Net income (loss)	$ (41,450)	$ (91,373)	$ (59,753)	$ (235,554)
Depreciation and amortization	24,516	26,971	74,229	72,490
Interest expense, net	18,799	18,453	59,527	52,948
Income tax expense (benefit)	4,208	3,013	5,386	3,070
EBITDA	**6,073**	**(42,936)**	**79,389**	**(107,046)**
Loss (gain) on sale of property and other, net	(7)	12	(596)	(1,529)
Share of income of profit method investments	(1,953)	(686)	(4,411)	(2,426)
Foreign exchange (gain) loss, net	30,698	53,910	(3,899)	128,160
Pre-opening expenses (1)	5,093	2,555	14,293	10,328
Non-cash rent (2)	1,317	4,654	6,198	5,644
Deferred registration fees, net	(465)	(489)	(1,391)	1,393
Share of equity method investments adjusted EBITDA	2,557	1,978	7,265	5,682
Share-based compensation expense (3)	4,683	3,980	16,186	16,057
Other expenses, net (3)(4)	783	4,693	1,676	5,754
Adjusted EBITDA	**$ 48,779**	**$ 27,671**	**$ 114,710**	**$ 62,017**

(1) The entire balance of these costs is related to pre-opening activities for our Houses in each of the periods presented.

(2) The non-cash rent balance for the 39 weeks ended October 2, 2022 includes the effect of a prior-period error correction, as discussed in Note 2, Summary of Significant Accounting Policies – Basis of Presentation.

(3) Other expenses, net includes a $4 million share-based compensation and severance expense incurred related to the departure of the former Chief Operating Officer of the Company for the 13 weeks and 39 weeks ended October 2, 2022. This balance is reported within Share-based compensation expense in the unaudited condensed consolidated statement of operations for the 13 and 39 weeks ended October 2, 2022.

(4) Represents other items included in operating expenses, which are outside the normal scope of the Company's ordinary activities or non-cash, including expenses incurred in respect of membership credits of less than $1 million and less than $1 million for the 39 weeks ended October 1, 2023 and October 2, 2022, respectively.

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 October 1, 2023 and January 1, 2023. Asset information by segment is not reported internally or otherwise regularly reviewed by the CODM.

	As of	
(in thousands)	October 1, 2023	January 1, 2023
Long-lived assets by geography		
North America	$ 935,430	$ 901,505
United Kingdom	503,324	509,221
Europe	303,880	297,247
Asia	51,526	46,236
Total long-lived assets	**$ 1,794,160**	**$ 1,754,209**

18. Related Party Transactions

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

	As of	
(in thousands)	**October 1, 2023**	**January 1, 2023**
Soho House Toronto Partnership	$ 720	$ 1,015
Raycliff Red LLP	(5,146)	(4,169)
Mirador Barcel S.L.	(925)	(499)
Little Beach House Barcelona S.L.	(281)	(313)
Mimea XXI S.L.	711	477
	$ (4,921)	**$ (3,489)**

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, we are 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 $43 million and $55 million, respectively, as of October 1, 2023 and $44 million and $56 million, respectively, as of January 1, 2023. The rent expense associated with this lease was $2 million and $2 million in the 13 weeks ended October 1, 2023 and October 2, 2022, respectively, and $5 million and $5 million during the 39 weeks ended October 1, 2023 and October 2, 2022, 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 $17 million and $21 million as of October 1, 2023, respectively, and $17 million and $21 million as of January 1, 2023, respectively. Rent expense associated with this lease totaled $1 million and $1 million for the 13 weeks ended October 1, 2023 and October 2, 2022, respectively, and $2 million and $2 million during the 39 weeks ended October 1, 2023 and October 2, 2022, respectively.

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 October 1, 2023 and $9 million and $15 million, respectively, as of January 1, 2023. The rent expense associated with this lease was less than $1 million and less than $1 million for the 13 weeks ended October 1, 2023 and October 2, 2022, respectively, and $1 million and $1 million during the 39 weeks ended October 1, 2023 and October 2, 2022, respectively.

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 October 1, 2023 and $65 million and $69 million, respectively, as of January 1, 2023. The rent expense associated with this lease was $1 million and $1 million for the 13 weeks ended October 1, 2023 and October 2, 2022, respectively, and $4 million and $4 million during the 39 weeks ended October 1, 2023 and October 2, 2022, respectively.

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 $20 million and $22 million, respectively, as of October 1, 2023 and $21 million and $22 million, respectively, as of January 1, 2023. The rent expense associated with this lease was $1 million and $1 million for the 13 weeks ended October 1, 2023 and October 2, 2022, respectively, and $2 million and $2 million during the 39 weeks ended October 1, 2023 and October 2, 2022, respectively.

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 $7 million, respectively, as of October 1, 2023 and $7 million and $7 million, respectively as of January 1, 2023. The rent expense associated with this lease was less than $1 million and less than $1 million for the 13 weeks ended October 1, 2023 and October 2, 2022, respectively, and $1 million and $1 million during the 39 weeks ended October 1, 2023 and October 2, 2022, respectively.

The Company leases a property from GHPSI, LLC in order to operate the Willows Historic Palm Springs Inn, 412 West Tahquitz Canyon Way, Palm Springs, California. GHPSI's ultimate parent entity is GHREP, LLC, an affiliate of The Yucaipa Companies LLC. 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, respectively, as of October 1, 2023 and $14 million and $14 million, respectively, as of January 1, 2023. The rent expense associated with this lease was less than $1 million and less than $1 million for the 13 weeks ended October 1, 2023 and October 2, 2022, respectively, and $1 million and less than $1 million for the 39 weeks ended October 1, 2023 and October 2, 2022, respectively.

The Company leases the Soho House Stockholm property located at Majorsgatan 5, Stockholm, Sweden from Majorsbolaget AB, an affiliate of The Yucaipa Companies LLC. 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 $26 million and $26 million, respectively, as of October 1, 2023 and $28 million and $28 million, respectively, as of January 1, 2023. The rent expense associated with this lease was $1 million and $2 million for the 13 weeks and 39 weeks ended October 1, 2023, respectively.

Ned-Soho House, LLP received management fees, development fees and cost reimbursements from The Ned totaling $2 million and less than $1 million for the 13 weeks ended October 1, 2023 and October 2, 2022, respectively, and $4 million and $2 million during the 39 weeks ended October 1, 2023 and October 2, 2022, respectively.

The Company received management fees from an affiliate of The Yucaipa Companies LLC related to the operations of The Ned New York, which opened in June 2022, totaling less than $1 million and less than $1 million for the 13 weeks ended October 1, 2023 and October 2, 2022, respectively, and $1 million and less than $1 million for the 39 weeks ended October 1, 2023 and October 2, 2022, respectively. The Company received management fees and cost reimbursements from affiliates of the Company related to the operations of The Ned Doha, which opened in November 2022, totaling $1 million and $2 million for the 13 weeks and 39 weeks ended October 1, 2023, respectively.

The Company received management fees under our hotel management contract for the operation of the LINE and Saguaro hotels from an affiliate of The Yucaipa Companies LLC. These fees amounted to $2 million and $3 million for the 13 weeks ended October 1, 2023 and October 2, 2022, respectively, and $6 million and $7 million during the 39 weeks ended October 1, 2023 and October 2, 2022, respectively.

Fees from the provision of Soho House Design services were received from affiliates of the Company totaled less than $1 million and $3 million for the 13 weeks ended October 1, 2023 and October 2, 2022, respectively, and $1 million and $8 million during the 39 weeks ended October 1, 2023 and October 2, 2022, respectively. Costs incurred on behalf of affiliates of the Company in connection to the provision of Soho House Design services totaled less than $1 million and $2 million for the 13 weeks ended October 1, 2023 and October 2, 2022, respectively, and less than $1 million and $4 million for the 39 weeks ended October 1, 2023 and October 2, 2022, respectively.

As of October 1, 2023, the Company is owed $4.8 million, classified as other receivables within the prepaid expenses and other current assets financial statement line item, from the affiliates of The Yucaipa Companies LLC in respect of certain reimbursable payments for Houses that are under development.

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.

19. Subsequent Events

Temporary Closure of Soho House Tel Aviv

As a result of the ongoing conflict in Israel, which began after the reporting period on October 7, 2023, the Company has temporarily closed its House in Tel Aviv, Jaffa. During the closed period, the Company has continued to pay staff members and all existing Soho House Tel Aviv members are not being charged for their membership fees. The Company continues to monitor the situation closely.

Shares Issued

During October and November 2023, the Company issued a total of 279,261 shares of Class A common stock as a result of RSU awards scheduled vesting and SARs being exercised.

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 January 1, 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

Our Membership Platform

Soho House & Co is a global membership platform of physical and digital spaces that connects a vibrant, diverse group of members from across the world. These members use the Soho House & Co platform to both work and socialize, to connect, create, have fun and drive a positive change.

We began with the opening of the first Soho House in 1995 and remain the only company to have scaled a private membership platform with a global presence. Over the last 28 years, we have significantly expanded our membership expertise and diversified our offerings—both physically and digitally. As of October 1, 2023, we have approximately 255,300 members (including approximately 184,500 Soho House members) who engage with us through our global portfolio of 42 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 Soho House & Co's wider portfolio.

Our central pillar 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. Our vision for the Soho House App has always been for it to be like having a House in your pocket. It's our central destination for members to make bookings, invite guests, make payments, and connect with each other. Annually, we host thousands of member events worldwide, spanning film, fashion, art, food and drink, well-being, work and music—and help our members forge connections to bring them closer together.

Our membership expertise, honed through the growth of Soho House, has led to our evolution into the 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 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.

Everything we do across these memberships begins and ends with our members. The foundation of our member experience has been crafted over our 28-year history and is built on the following pillars:

- *Membership:* We are in the business of forging connections and bringing people together. Our diverse global membership is the soul of our company. It is the people that define our culture and shape the experience – in turn attracting new members.
- *Physical and digital spaces:* We create and operate interconnected spaces. Each of our physical locations is designed to reflect our members and the local community that they serve. Our digital platforms extend our connection with members beyond our physical spaces, in turn significantly enhancing the member experience.
- *Design:* Our design DNA is instantly recognizable across all of our membership models, whether in our Houses, Soho Works, The Ned, Scorpios Beach Club or Soho Home. While each House and property is unique, they each have a consistency in their architectural and interior style that has come to define the Soho House experience. In each new House or site that we develop for our other brands, this style is interpreted for local tastes and preferences, reflecting the culture of the respective city.
- *Services, products and experiences:* Our member-obsessed culture drives us to relentlessly improve the quality of the services, products and experiences we offer to our members. We do not cut corners or compromise on quality, taking the long-term view that there is no substitute for the highest quality services, products and experiences when it comes to fostering loyalty from our members.
- *Innovation:* We have always strived to adapt and evolve by anticipating our members' needs and wants. Innovation has always been part of our culture and approach, and we have used that mindset to create new memberships to serve a wider audience of people who desire personal connection via new channels.

- *House Foundations:* We are committed to integrating the pillars of our social responsibility and sustainability program, House Foundations, into everything we do.

Our membership has remained resilient through multiple economic cycles and the COVID-19 pandemic. When our physical sites were forced to close as a result of the COVID-19 pandemic, there was minimal impact on the retention of Soho House members. 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 very 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 global wait list, which as of October 1, 2023 stands at approximately 98,000. Awareness of our distinct membership offerings and their scarcity is spread by our members organically through word of mouth, social media and press coverage.

There are multiple consumer forces at play that have increased the relevance of our memberships. 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—particularly in light of the COVID-19 pandemic—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. Other Revenues include all revenues not realized within our Houses, including Scorpios, Soho Works and stand-alone restaurants, design and procurement fees from SHD and Soho Home among others. We view Membership Revenues and In-House Revenues as interrelated, insofar as 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.

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. While our physical Houses provide our foundation, the people inside them are the soul of Soho House. As a membership founded for the creative industries, we are proud to have championed members who have gone on to shape our cultural landscape as world class writers, artists, performers, directors, founders, designers, and producers – all reflecting the spirit and energy of Soho House.

The membership of each House is assembled by a select committee of influential creatives and innovators that represent the local area in which the membership is founded. Our members actively engage in creating the culture of each House, helping to shape and localize it by participating in member events and contributing to editorial and digital content. We believe this adds to the value of each House, enriching the membership and enhancing the attractiveness of membership to prospective members worldwide. With a new US Every House annual membership fee of approximately $4,500, providing access to all of our Houses globally, we believe our membership offering provides compelling value to our members that increases as we add new Houses and more members to our global community. 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 also believe that 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 revenue.

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*

  In 2017, we introduced a new type of Soho House membership known as Cities Without Houses ("CWH"), which opens up the Soho House membership to people who live in cities where we do not yet have a physical House. This membership allows us to welcome members to our global community in new geographies, generates additional revenues on our existing base of Houses and provides intelligence for future growth, which we have employed to open new Houses in certain locations, including Copenhagen, Denmark (July 2022), Stockholm, Sweden (December 2022), Bangkok, Thailand (February 2023) and Mexico City, Mexico (September 2023). As of October 1, 2023, we had approximately 9,100 CWH members across 80 cities.

- *Soho Friends*

  There are a significant number of people who enjoy the Soho House way of living and who have already visited our Houses as guests, stayed in our bedrooms, or visited our public restaurants and spas, but do not currently have a Soho House membership. To respond to this audience, we launched Soho Friends in November 2020 for an annual subscription cost of approximately $130. We offer access to physical spaces, including Soho House bedrooms, and screenings, with additional benefits from our restaurants, spas and online retail brands, although Soho Friends do not have full access to our Houses. As of October 1, 2023, we had 64,614 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 Home

Soho Home was created as a result of the consistent requests from our members to recreate the look and feel of the Houses in their own homes. Soho Home is an interiors and lifestyle retail brand that offers handcrafted furniture, lighting, textiles, tableware and accessories mostly through e-commerce. Over the past few years, we have transformed Soho Home into a high growth retail business. At the beginning of August 2022, we merged our SOHO HOME+ membership into Soho Friends.

Soho Works

First launched in 2015, 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, 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.

Beginning with one location in London, we have since opened eight additional sites in London, New York and Los Angeles over the last two years and as of October 1, 2023, we had 6,096 members. Soho Works membership rates vary by location and Soho House membership status. For Soho House members, a US Soho Works membership fee ranges from $400 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 additional sites in Tulum, Mexico and Bodrum, Turkey in 2024-25.

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 October 1, 2023, Ned's Club London had approximately 3,000 members. In June 2022, The Ned NoMad in New York opened which covers 117,000 square feet and includes a Ned's Club, Cecconi's restaurant, as well as 167 bedrooms. As of October 1, 2023, The Ned NoMad had approximately 1,500 members. The Ned in Doha opened in November 2022, which as of October 1, 2023 had approximately 300 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 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 and offering new membership brands to join. 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 and new membership brands. 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 and Operating Metrics Evaluated by Management

In assessing the performance of our business, we consider a variety of operating and financial measures. These key measures 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 noncontrolling interest in a joint venture or (iii) through 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 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-on-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.

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 an 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 Introduction Credits expire three months from the date of issue.

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 House 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, as well as 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, Soho Friends membership revenue and SOHO HOME+ membership revenues, which was merged into Soho Friends membership at the beginning of August 2022.

ACTIVE APP USERS. Active App Users is defined as unique users who have logged into any of our membership Apps within the last 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 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 October 1, 2023	As of October 2, 2022
	(Unaudited)	
Number of Soho Houses	**42**	**38**
North America	15	13
United Kingdom	13	13
Europe/RoW	14	12
Number of Soho House Members	**184,542**	**152,165**
North America	67,664	57,221
United Kingdom	67,931	58,106
Europe/RoW	39,850	30,374
All Other	9,097	6,464
Number of Other Members	**70,710**	**59,186**
North America	19,239	16,200
United Kingdom	42,402	35,969
Europe/RoW	9,069	7,017
Number of Total Members	**255,252**	**211,351**
Number of Active App Users	**187,759**	**156,769**

	For the 13 Weeks Ended		For the 13 Weeks Ended		For the 39 Weeks Ended		For the 39 Weeks Ended	
	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
	Actuals		Constant Currency[(1)]		Actuals		Constant Currency[(1)]	
	(Unaudited, dollar amounts in thousands, except percentages)				(Unaudited, dollar amounts in thousands, except percentages)			
Operating income (loss)	$ (20,403)	$ (70,581)	$ (20,403)	$ (82,788)	$ 153	$ (183,491)	$ 153	$ (181,966)
Operating loss margin	(7)%	(27)%	(7)%	(27)%	0%	(26)%	0%	(26)%
House-Level Contribution	52,773	32,599	52,773	33,726	152,733	98,977	152,733	98,851
House-Level Contribution Margin	26%	19%	26%	19%	26%	21%	26%	21%
Other Contribution	27,995	19,753	27,995	20,845	53,235	37,094	53,235	37,005
Other Contribution Margin	28%	21%	28%	21%	21%	17%	21%	17%
Adjusted EBITDA	42,051	20,260	42,051	21,733	93,934	37,838	93,934	37,713
Percentage of total revenues	14%	8%	14%	8%	11%	5%	11%	5%

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

Results of Operations

Comparison of the 13 weeks ended October 1, 2023 and October 2, 2022

The following table summarizes our results of operations for the 13 weeks ended October 1, 2023 and October 2, 2022 (in thousands, except percentages):

	For the 13 Weeks Ended				
	October 1, 2023	October 2, 2022		October 2, 2022 Constant Currency[1]	
	Actuals				
	(Dollar amounts in thousands)		Change %	(Dollar amounts in thousands)	Constant Currency Change %[1]
			(Unaudited)		
Revenues					
Membership revenues	$ 93,279	$ 71,023	31 %	$ 73,607	27 %
In-House revenues	115,288	108,488	6 %	113,018	2 %
Other revenues	92,390	86,535	7 %	91,686	1 %
Total revenues	300,957	266,046	13 %	278,311	8 %
Operating expenses					
In-House operating expenses (exclusive of depreciation and amortization)	(146,480)	(139,212)	(5)%	(149,332)	2 %
Other operating expenses (exclusive of depreciation and amortization)	(73,709)	(74,482)	1 %	(79,897)	8 %
General and administrative expenses	(35,564)	(30,807)	(15)%	(33,047)	(8)%
Pre-opening expenses	(5,093)	(2,555)	(99)%	(2,741)	(86)%
Depreciation and amortization	(24,516)	(26,971)	9 %	(28,932)	15 %
Share-based compensation	(4,683)	(7,778)	40 %	(8,343)	44 %
Foreign exchange gain (loss), net	(30,698)	(53,910)	43 %	(57,829)	47 %
Other, net	(617)	(912)	32 %	(978)	37 %
Total operating expenses	(321,360)	(336,627)	5 %	(361,099)	11 %
Operating income (loss)	(20,403)	(70,581)	71 %	(82,788)	75 %
Other (expense) income					
Interest expense, net	(18,799)	(18,453)	(2)%	(19,794)	5 %
Gain on sale of property and other, net	7	(12)	n/m	(13)	n/m
Share of income of equity method investments	1,953	686	n/m	736	n/m
Total other expense, net	(16,839)	(17,779)	5 %	(19,071)	12 %
Income (loss) before income taxes	(37,242)	(88,360)	58 %	(101,859)	63 %
Income tax expense	(4,208)	(3,013)	(40)%	(3,232)	(30)%
Net income (loss)	(41,450)	(91,373)	55 %	(105,091)	61 %
Net income (loss) attributable to noncontrolling interest	(912)	(295)	n/m	(316)	n/m
Net income (loss) attributable to Soho House & Co Inc.	$ (42,362)	$ (91,668)	54 %	$ (105,407)	60 %

(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		Percent Change	
	October 1, 2023	October 2, 2022	Actuals	Constant Currency[(1)]
	(Dollar amounts in thousands)			
	(Unaudited)			
Total revenues	$ 300,957	$ 266,046	13 %	8 %
North America	102,664	$ 97,322	5 %	5 %
United Kingdom	91,555	$ 74,855	22 %	14 %
Europe/RoW	65,681	$ 54,471	21 %	12 %
All Other	41,057	$ 39,398	4 %	(3)%

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

*Membership Revenue*s

	For the 13 Weeks Ended		Percent Change	
	October 1, 2023	October 2, 2022	Actuals	Constant Currency[(1)]
	(Dollar amounts in thousands)			
	(Unaudited)			
Membership revenues	$ 93,279	$ 71,023	31 %	27 %
North America	42,618	35,469	20 %	20 %
United Kingdom	25,122	19,469	29 %	20 %
Europe/RoW	9,865	6,967	42 %	32 %
All Other	15,674	9,118	72 %	60 %

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

Membership revenues increased by 31% to $93,279 for the 13 weeks ended October 1, 2023 predominantly driven by an increase in Adult Paying Members of 21%, or 25,700, who joined after the end of the third quarter of fiscal 2022. Additionally, the Soho House Every House membership fee was increased at the start of fiscal 2022 which impacted existing Every House members on their renewal date throughout fiscal 2022. This increased Membership Revenue as compared to the third quarter in fiscal 2022 was driven by membership renewals which took place following this period as these are now at a higher price point in the third quarter of fiscal 2023 versus the comparative period.

All Soho House Adult paying fees were also increased in January 2023, with a mid single-digit price rise generally for existing members and a low double-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 $1,613, following the increase in the number of Soho Friends, with approximately 11,500 additional Non-House members in comparison to the end of the third quarter of fiscal 2022.

North America segment saw an increase in membership revenues of $7,149, or 20%, due to approximately 8,500, or 17% increase in Adult Paying Soho House members year-on-year, with the opening of Soho House Mexico City (September 2023) and Miami Pool House (December 2022), 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 year-on-year.

Our United Kingdom segment saw an increase in Membership revenues of $5,653, or 29% , due to approximately 8,500, or 17% 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 $4,238, or 20%.

The Europe/RoW segment saw an increase in Membership revenues of $2,898, or 42%, due to approximately 7,000, or 38% increase in Adult paying members, predominantly from the opening of two new Houses in the second half of fiscal 2022; Copenhagen (July 2022) and Stockholm (December 2022), and the opening of Soho House Bangkok in 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 $2,392, or 32%.

All Other saw an increase in Membership revenues, predominantly driven by over 2,100, or 36% more CWH Adult Paying Members as well as approximately 11,500 additional Non-House members in comparison to the third quarter of fiscal 2022. In constant currency, All Other Membership revenues increased by $5,893, or 60%.

In constant currency, Membership revenues increased by $19,672, or 27%.

In-House Revenues

	For the 13 Weeks Ended		Percent Change	
	October 1, 2023	October 2, 2022	Actuals	Constant Currency[(1)]
	(Dollar amounts in thousands)			
	(Unaudited)			
In-House revenues	$ 115,288	$ 108,488	6 %	2 %
North America	43,907	46,176	(5)%	(5)%
United Kingdom	45,539	40,313	13 %	5 %
Europe/RoW	25,842	21,999	17 %	10 %

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

In-House revenues were $115,288 for the 13 weeks ended October 1, 2023, an increase of $6,800 versus the comparative period in 2022. The increase was driven by increased footfall year-on-year in existing sites, further boosted by the four new Houses opened since third quarter fiscal 2022.

North America In-House revenues were $43,907 for the 13 weeks ended October 1, 2023, a decrease of $2,269 versus the comparative quarter in 2022. The region was heavily impacted in the quarter by severe and adverse weather conditions limiting the usage of rooftop spaces in our key locations, New York and Los Angeles, alongside Entertainment industry strikes. The region benefited from the opening of Mexico City, Mexico (September 2023).

In-House revenues in our United Kingdom segment saw an increase of $5,226 versus third quarter 2022, driven by growth in existing sites driven by increased footfall and strong accommodation revenues. The region was also impacted by adverse weather, especially heavy rainfall in July. In constant currency, In-House Revenues in the United Kingdom segment an increase by $2,295, or 5%. Electric House was closed for 3 weeks in the third quarter fiscal 2023 due to refurbishment, which lessened In-House revenues in this segment.

The Europe/RoW segment saw significant increase of In-House revenues year-on-year, driven by an increase in visits to existing sites and benefiting from new House openings; Soho House Copenhagen (July 2022), Soho House Stockholm (December 2022) and Soho House Bangkok (February 2023). The region also saw strong revenue growth from accommodation performance versus the comparative quarter in 2022. In constant currency, In-House Revenues in the Europe/RoW segment an increase by $2,244.

In constant currency, In-House Revenues increased by $2,270, or 2%.

Other Revenues

	For the 13 Weeks Ended		Percent Change	
	October 1, 2023	October 2, 2022	Actuals	Constant Currency[(1)]
	(Dollar amounts in thousands)			
	(Unaudited)			
Other revenues	$ 92,390	$ 86,535	7 %	1 %
North America	15,248	15,676	(3)%	(3)%
United Kingdom	18,902	15,073	25 %	17 %
Europe/RoW	29,453	25,506	15 %	8 %
All Other	28,787	30,280	(5)%	(11)%

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

Other revenues were $92,390 for the 13 weeks ended October 1, 2023, compared to $86,535 for the 13 weeks ended October 2, 2022, an increase of $5,855. The increase is predominantly driven by additional revenues from sites that have opened since the end of the comparative quarter, including Ned Doha and, Ned NoMad, New York. This is coupled with an increase in Soho House Festival (a 2-day music festival event in London for Members) ticket sales, receipt of incentive and exclusivity fees and increased partnership revenue.

Other revenues in the North America segment have decreased $428, or 3% versus third quarter fiscal 2022 predominantly driven by year-on-year declines in Cecconi's sites and reduced management fees from the LINE and Saguaro business, offset by additional fees from Ned NoMad, New York which opened in June 2022.

The United Kingdom segment saw an increase in Other revenues of $3,829, or 25% versus third quarter fiscal 2022 driven by an increase in revenue generated from events, Soho House Festival and year-on-year growth in Townhouses from ADR, offset by closures of some standalone restaurants.

Other revenues in the Europe/RoW segment have increased compared to the third quarter fiscal 2022 driven by strong performance at Scorpios, Mykonos, growing year-on-year. In constant currency, Other Revenues in the Europe/RoW segment increased by $2,093, or 8%.

Other revenues in All Other have reduced year-on-year driven by a step back in Retail sales within our Cowshed arm offset by growth in Soho Home driven by strong growth in America e-commerce, alongside an additional retail site in Los Angeles (August 2022). Also included in other revenues are fees of approximately $5,600 relating to the receipt of incentive and exclusivity fees in the Company's Asian region. In the third quarter of fiscal 2022 we recognized approximately $4,000 from landlord in relation to lease promote in our Paris property.

In constant currency, Other Revenues increased by $704, or 1%.

In-House Operating Expenses and House-Level Contribution

	For the 13 Weeks Ended		Percent Change	
	October 1, 2023	October 2, 2022	Actuals	Constant Currency[(1)]
	(Dollar amounts in thousands)			
	(Unaudited)			
In-House operating expenses	$ (146,480)	$ (139,212)	(5)%	2%
Percentage of total House revenues	(74)%	(81)%		
Operating income (loss)	$ (20,403)	$ (70,581)	71%	73%
Operating margin	(7)%	(27)%		
House-Level Contribution	$ 52,773	$ 32,599	62%	56%
House-Level Contribution Margin	26%	19%	7%	
House-Level Contribution by segment:				
North America	$ 25,555	$ 17,093	50%	50%
United Kingdom	20,277	13,399	51%	41%
Europe/RoW	3,564	418	n/m	n/m
All Other	3,377	1,689	100%	86%
House-Level Contribution Margin by segment:				
North America	29%	21%		
United Kingdom	28%	23%		
Europe/RoW	10%	1%		
All Other	82%	64%		

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

In-House Operating Expenses were $146,480 for the 13 weeks ended October 1, 2023, an increase of $7,268. The increase is a result of the four new Houses opened since third quarter 2022. The increase year-on-year was also driven by wage inflation and retention initiatives across all regions in the second half of fiscal 2022. In constant currency, In-House Operating Expenses increased by $2,852.

House-Level Contribution, which is defined as House Revenues less In-House Operating Expenses, was $52,773 for the 13 weeks ended October 1, 2023, compared to $32,599 for the 13 weeks ended October 2, 2022, an increase of $20,174. The increase in House-Level Contribution predominantly relates to increased Soho House membership revenues year-on-year and strong flow through from accommodation revenue. Trading conditions were slightly more challenging in the quarter with increased rainfall year-on-year however regions controlled their costs resulting in all regions seeing a strong improvement in contribution year-on-year.

House-Level Contribution Margin was 26% for the 13 weeks ended October 1, 2023, an increase of 7% from the prior period due to increased membership revenues, all regions drove incremental margin points versus the comparative period.

Other Operating Expenses and Other Contribution

	For the 13 Weeks Ended		Percent Change	
	October 1, 2023	October 2, 2022	Actuals	Constant Currency[(1)]
	(Dollar amounts in thousands)			
	(Unaudited)			
Other operating expenses	$ (73,709)	$ (74,482)	1 %	8 %
Percentage of total other revenues	(72)%	(79)%		
Operating loss	$ (20,403)	$ (70,581)	71 %	73 %
Operating loss margin	(7)%	(27)%		
Other Contribution	$ 27,995	$ 19,753	42 %	34 %
Other Contribution Margin	28 %	21 %	7 %	
Other Contribution by segment:				
North America	$ 3,294	$ 4,718	(30)%	(30)%
United Kingdom	5,995	3,112	93 %	80 %
Europe/RoW	13,110	11,217	17 %	9 %
All Other	5,596	706	n/m	n/m
Other Contribution Margin by segment:				
North America	21 %	30 %		
United Kingdom	31 %	20 %		
Europe/RoW	44 %	44 %		
All Other	15 %	2 %		

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

Other Operating Expenses were $73,709 for the 13 weeks ended October 1, 2023, compared to $74,482 for the 13 weeks ended October 2, 2022, a decrease of $773, or 1%. The decrease year-on-year is predominantly driven by the permanent closure of all but one of our Soho Restaurants sites, which excludes Cecconi's, at the start of fiscal 2023 and the reduction in Soho House Design project spend. This was offset by costs associated to increased trade volumes and range expansion in Soho Home year-on-year and Scorpios growth. In constant currency, Other Operating Expenses increased by $6,188, or 8%.

Other Contribution, which we define as Other Revenues plus Non-House Membership Revenues less Other Operating Expenses, was $27,995 for the 13 weeks ended October 1, 2023, compared to $19,753 for the comparative period, an increase of $8,242. Other Contribution Margin was 28% for the 13 weeks ended October 1, 2023, an increase of 7% compared to the prior period. The increase in both absolute Other Contribution and Margin is predominantly driven by higher Non-House Membership Revenues year-on-year due to an additional 11,500 Non-House members, strong accommodation flow through from townhouses, the removal of non profitable Soho Restaurants, as well as the receipt of incentive and exclusivity fees in the Company's Asian region described above, in the third quarter.

General and Administrative Expenses

	For the 13 Weeks Ended		Percent Change	
	October 1, 2023	October 2, 2022	Actual	Constant Currency[(1)]
	(Dollar amounts in thousands)			
	(Unaudited)			
General and administrative expenses	$ 35,564	$ 30,807	15 %	8 %
Percentage of total revenues	12 %	12 %		

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

General and Administrative Expenses were $35,564 for the 13 weeks ended October 1, 2023, compared with $30,807 for the 13 weeks ended October 2, 2022, an increase of $4,757, or 15%. The increase was driven by cost and headcount to support business expansion, including the four new Soho Houses opened since the comparative period, further increased by a provision release in fiscal 2022, offset by initiatives to streamline support functions including digital, communications and content towards the end of fiscal 2022.

In constant currency, General and Administrative Expenses increased by $2,517, or 8%.

Pre-opening Expenses

	For the 13 Weeks Ended		Percent Change	
	October 1, 2023	October 2, 2022	Actual	Constant Currency(1)
	(Dollar amounts in thousands)			
	(Unaudited)			
Pre-opening expenses	$ 5,093	$ 2,555	99 %	86 %
Percentage of total revenues	2 %	1 %		

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

Pre-opening expenses were $5,093 for the 13 weeks ended October 1, 2023, driven by the costs associated with the opening of Soho House Mexico City which opened in the quarter, as well as costs associated with future House openings. This is compared to $2,555 in the 13 weeks ended October 2, 2022, with the increase year-on-year driven predominantly by the characteristics of fiscal 2023 Houses openings in comparison to fiscal 2022, including size and location. In constant currency, Pre-opening expenses increased by 86%.

Depreciation and Amortization

	For the 13 Weeks Ended		Percent Change	
	October 1, 2023	October 2, 2022	Actual	Constant Currency(1)
	(Dollar amounts in thousands)			
	(Unaudited)			
Depreciation and amortization	$ 24,516	$ 26,971	(9)%	(15)%
Percentage of total revenues	8 %	10 %		

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

Depreciation and amortization were $24,516 for the 13 weeks ended October 1, 2023, a decrease of $2,455, or 9%, from the 13 weeks ended October 2, 2022. This reduction year-on-year was driven by an approximately $3,000 one off charge in the third quarter of fiscal 2022 offset by four new Soho Houses that opened after third quarter 2022 as well as increased spend in IT to support key membership and compliance initiatives. In constant currency, depreciation and amortization expenses increased by $4,416, or 15%.

Other Expenses

	For the 13 Weeks Ended		Percent Change	
	October 1, 2023	October 2, 2022	Actual	Constant Currency(1)
	(Dollar amounts in thousands)			
	(Unaudited)			
Share-based compensation	$ 4,683	$ 7,778	(40)%	(44)%
Percentage of total revenues	2 %	3 %		
Foreign exchange (gain) loss , net	$ 30,698	$ 53,910	(43)%	(47)%
Percentage of total revenues	10 %	20 %		
Other	$ 617	$ 912	(32)%	(37)%
Percentage of total revenues	0 %	0 %		

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

Share-based compensation expense decreased by $3,095 to $4,683 for the 13 weeks ended October 1, 2023, primarily by a one-time expense recognized in the 13 weeks ended October 2, 2022 following award grants and modification as a result of departure of the former Chief Operating Officer of the Company (impact of $3,800). This has been partially offset by the impact of new grants made since this period and the related amortization impact on the 13 weeks ended October 1, 2023.

Foreign exchange, net which is unrealized and non-cash in nature, moved from a $53,910 loss to a loss of $30,698 for the 13 weeks ended October 1, 2023, primarily driven by foreign exchange revaluation of our borrowings.

Interest Expense, Net

	For the 13 Weeks Ended		Percent Change	
	October 1, 2023	October 2, 2022	Actual	Constant Currency[(1)]
	(Dollar amounts in thousands)			
	(Unaudited)			
Interest expense, net	$ 18,799	$ 18,453	2 %	(5)%
Percentage of total revenues	6 %	7 %		

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

Net Interest Expense was $18,799 for the 13 weeks ended October 1, 2023, an increase of $346, or 2%, over the comparative period in fiscal 2022. This increase is primarily due to the loss on extinguishment of debt of $3 million incurred following the refinancing of Soho Beach House Miami in May 2023. In constant currency, net interest decreased by $995.

Adjusted EBITDA

	For the 13 Weeks Ended		Percent Change	
	October 1, 2023	October 2, 2022	Actual	Constant Currency[(1)]
	(Dollar amounts in thousands)			
	(Unaudited)			
Adjusted EBITDA	$ 42,051	$ 20,260	n/m	93 %
Percentage of total revenues	14 %	8 %		

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

Adjusted EBITDA was $42,051 for the 13 weeks ended October 1, 2023, in comparison to $20,260 for the 13 weeks ended October 2, 2022, an increase of $21,791. The increase is driven by higher membership revenues from both Soho House and Non-House members versus the comparative period as well as higher In-House and Other revenues. These were partially offset by an increase in General and Administrative and Operating expenses year-on-year. In constant currency, adjusted EBITDA increased by $20,318 compared to the comparative period in fiscal 2022.

Comparison of the 39 weeks ended October 1, 2023 and October 2, 2022

The following table summarizes our results of operations for the 39 weeks ended October 1, 2023 and October 2, 2022 (in thousands, except percentages):

	For the 39 Weeks Ended October 1, 2023 (Actuals)	For the 39 Weeks Ended October 2, 2022 (Actuals)	Change %	October 2, 2022 Constant Currency[(1)]	Constant Currency Change %[(1)]
	(Dollar amounts in thousands)			(Dollar amounts in thousands)	
			(Unaudited)		
Revenues					
Membership revenues	$ 265,720	$ 195,685	36 %	$ 195,355	36 %
In-House revenues	356,846	305,928	17 %	305,367	17 %
Other revenues	222,523	200,211	11 %	199,710	11 %
Total revenues	845,089	701,824	20 %	700,432	21 %
Operating expenses					
In-House operating expenses (exclusive of depreciation and amortization)	(442,805)	(380,880)	(16)%	(379,625)	(17)%
Other operating expenses (exclusive of depreciation and amortization)	(196,316)	(184,873)	(6)%	(184,264)	(7)%
General and administrative expenses	(103,381)	(86,740)	(19)%	(86,454)	(20)%
Pre-opening expenses	(14,293)	(10,328)	(38)%	(10,294)	(39)%
Depreciation and amortization	(74,229)	(72,490)	(2)%	(72,251)	(3)%
Share-based compensation	(16,186)	(19,855)	18 %	(19,790)	18 %
Foreign exchange gain (loss), net	3,899	(128,160)	n/m	(127,738)	n/m
Other, net	(1,625)	(1,989)	18 %	(1,982)	18 %
Total operating expenses	(844,936)	(885,315)	5 %	(882,398)	4 %
Operating income (loss)	153	(183,491)	n/m	(181,966)	n/m
Other (expense) income					
Interest expense, net	(59,527)	(52,948)	(12)%	(52,774)	(13)%
Gain on sale of property and other, net	596	1,529	(61)%	1,524	(61)%
Share of income of equity method investments	4,411	2,426	82 %	2,418	82 %
Total other expense, net	(54,520)	(48,993)	(11)%	(48,832)	(12)%
Income (loss) before income taxes	(54,367)	(232,484)	77 %	(230,798)	76 %
Income tax expense	(5,386)	(3,070)	(75)%	(3,060)	(76)%
Net income (loss)	(59,753)	(235,554)	75 %	(233,858)	74 %
Net income (loss) attributable to noncontrolling interest	(1,205)	1,448	n/m	1,443	n/m
Net income (loss) attributable to Soho House & Co Inc.	$ (60,958)	$ (234,106)	74 %	$ (232,415)	74 %

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

Components of Operating Results

Revenues

Total Revenue

	For the 39 Weeks Ended October 1, 2023	For the 39 Weeks Ended October 2, 2022	Percent Change: Actuals	Percent Change: Constant Currency[(1)]
	(Dollar amounts in thousands)		Unaudited	
Total revenues	$ 845,089	$ 701,824	20 %	21 %
North America	322,443	279,398	15 %	15 %
United Kingdom	259,783	212,679	22 %	23 %
Europe/RoW	146,877	106,055	38 %	39 %
All Other	115,986	103,692	12 %	12 %

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

Membership Revenues

	For the 39 Weeks Ended		Percent Change	
	October 1, 2023	October 2, 2022	Actuals	Constant Currency[(1)]
	(Dollar amounts in thousands)			
	Unaudited			
Membership revenues	$ 265,720	$ 195,685	36 %	36 %
North America	124,814	95,795	30 %	30 %
United Kingdom	74,300	55,105	35 %	35 %
Europe/RoW	28,318	18,794	51 %	51 %
All Other	38,288	25,991	47 %	48 %

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

Membership revenues increased by 36% (36% constant currency) to $265,720 for the 39 weeks ended October 1, 2023 predominantly driven by an increase of approximately 25,700 Adult Paying Soho House members joining after the end of the third quarter of fiscal 2022. Additionally, the Soho House Every House membership fee was increased at the start of fiscal 2022 which impacted existing Every House members on their renewal date throughout fiscal 2022.

All Soho House Adult paying fees were also increased in January 2023, with a mid single-digit price rise generally for existing members and a low double-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, and did not have had a significant material impact at the end third quarter fiscal 2023.

There was also an increase in Non-House Membership revenues, following the increase in the number of Soho Friends, with approximately 11,500 additional Non-House members in comparison to the end of the third quarter of fiscal 2022.

North America segment saw an increase in revenues of $29,019, or 30% , due to an increase of approximately 8,500, or 17%, Adult Paying Members versus the comparable period, including the opening of Soho House Mexico City, Mexico (September 2023), Soho House Holloway, Los Angeles (May 2022) and Miami Pool House (December 2022), as well as increased membership numbers across all existing Houses versus the comparable period of fiscal 2022.

Our United Kingdom segment saw an increase in Membership revenues of $19,195, or 35% (35% constant currency), due to the opening of Soho House Balham (July 2022) and Brighton Beach House (March 2022), growth in existing Houses, coupled with the increases in Every House membership fees in fiscal year 2022 and 2023.

The Europe/RoW segment saw an increase in Membership revenues of $9,524, or 51% (51% constant currency), due to an increase in Adult Paying Members, predominantly from the opening of new Houses in the second half of fiscal 2022; Copenhagen (July 2022) and Stockholm (December 2022) and Soho House Bangkok (February 2023) in fiscal 2023.

Membership revenue reported under All Other above saw an increase predominantly driven by growth in CWH Adult Paying Members and over 11,500 additional Non-House members in comparison to the comparative period of fiscal 2022.

In constant currency, Membership revenues increased by $70,365, or 36%.

In-House Revenues

	For the 39 Weeks Ended		Percent Change	
	October 1, 2023	October 2, 2022	Actuals	Constant Currency[(1)]
	(Dollar amounts in thousands)			
	(Unaudited)			
In-House revenues	$ 356,846	$ 305,928	17 %	17 %
North America	145,707	135,510	8 %	8 %
United Kingdom	135,137	120,003	13 %	13 %
Europe/RoW	76,002	50,415	51 %	51 %

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

In-House revenues were $356,846 for the 39 weeks ended October 1, 2023, an increase of $50,918 versus the comparative period in 2022. The increase was driven by higher sales volumes year-on-year, with the Omicron variant of COVID-19 impacting the start of fiscal 2022. Additionally, In-House revenues have been boosted by four new Houses openings since the third quarter of fiscal 2022, alongside select price increases across our In-House offerings.

Our North America segment saw an increase in In-House revenues versus the comparative period. We have seen higher sales volumes in fiscal 2023 coupled with select price increases resulting in an increase in In-House revenues year-on-year. Additionally, the opening of Soho House Holloway (May 2022) has further boosted In-House revenues. Little Beach House Malibu was shut for almost seven weeks in the comparative period following a fire at the site.

In-House revenues in our United Kingdom segment increased driven by flow through from additional members, increases in RevPAR across all of our sites and the opening of Little House Balham, London (July 2022) and Brighton Beach House (March 2022).

The Europe/RoW segment saw significant increase of In-House revenues year-on-year driven from new openings, including Soho House Copenhagen (July 2022), Soho House Stockholm (December 2022) and Soho House Bangkok (February 2023) and improved RevPAR year-on-year. In addition to this, within fiscal 2023 we recognized approximately $1,800 from the Dutch government related to COVID-19 subsidies and approximately $1,100 settlement to recover costs incurred on behalf of a former development partner in connection to an upcoming European House opening.

In constant currency, In-House Revenues increased by $51,479, an increase of 17%,

Other Revenues

	For the 39 Weeks Ended		Percent Change	
	October 1, 2023	October 2, 2022	Actuals	Constant Currency(1)
	(Dollar amounts in thousands)			
	(Unaudited)			
Other revenues	$ 222,523	$ 200,211	11 %	11 %
North America	51,032	48,094	6 %	6 %
United Kingdom	48,354	37,571	29 %	29 %
Europe/RoW	42,035	36,845	14 %	14 %
All Other	81,102	77,701	4 %	5 %

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

Other revenues were $222,523 for the 39 weeks ended October 1, 2023, compared to $200,211 for the 39 weeks ended October 2, 2022, an increase of $22,312. The increase is predominantly driven by additional sites that have opened since the end of the comparative period, including Ned Doha, Ned NoMad, New York, Cecconi's, Bicester village. This is also coupled with an increase in Soho Home revenues of 29% versus the comparative period, growth in management fees from Soho House Mumbai and Soho House Istanbul alongside strong performance from Scorpios, Mykonos.

Additionally, we recognized approximately $3,000 in respect of a lease promote in our Rome property from our landlord and $5,600 relating to the receipt of incentive and exclusivity fees in the Company's Asian region. In the comparative period fiscal 2022 we recognized approximately $4,000 for a lease promote in Paris, As part of our lease agreements, we often include a promote clause which entitles the Company to any gain in the value of the property during our tenancy. This is offset slightly by the closure of all but one of our Soho Restaurant properties at the start of fiscal 2023 and The Hoxton, Shoreditch (July 2023), and the reduction in Soho House Design revenue.

In constant currency, Other Revenues increased by $22,813, an increase of 11%.

In-House Operating Expenses and House-Level Contribution

	For the 39 Weeks Ended		Percent Change	
	October 1, 2023	October 2, 2022	Actuals	Constant Currency(1)
	(Dollar amounts in thousands)			
	(Unaudited)			
In-House operating expenses	$ (442,805)	$ (380,880)	(16)%	(17)%
Percentage of total House revenues	(74)%	(79)%		
Operating income (loss)	$ 153	$ (183,491)	n/m	n/m
Operating margin	0 %	(26)%		
House-Level Contribution	$ 152,733	$ 98,977	54 %	55 %
House-Level Contribution Margin	26 %	21 %	5 %	
House-Level Contribution by segment:				
North America	$ 81,625	$ 60,593	35 %	35 %
United Kingdom	54,628	36,532	50 %	50 %
Europe/RoW	7,285	(2,394)	n/m	n/m
All Other	9,195	4,246	n/m	n/m
House-Level Contribution Margin by segment:				
North America	30 %	26 %		
United Kingdom	26 %	21 %		
Europe/RoW	7 %	(3)%		
All Other	81 %	62 %		

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

In-House Operating Expenses were $442,805 for the 39 weeks ended October 1, 2023, an increase of $61,925, driven by four additional House openings and increased wage, energy and rent costs year-on-year. In constant currency, In-House Operating Expenses increased by $63,180.

House-Level Contribution, which is defined as House Revenues less In-House Operating Expenses, was $152,733 for the 39 weeks ended October 1, 2023, compared to $98,977 for the 39 weeks ended October 2, 2022, an increase of $53,756. The increase in House-Level Contribution related to increased Soho House membership revenues and strong flow through of accommodation revenue. This increase is partially offset by the opening of four additional Houses since the third quarter of fiscal 2022, with Houses tending to have negative contribution in their first year as the House matures.

House-Level Contribution Margin was 26% for the 39 weeks ended October 1, 2023, an increase of 5% from the prior period due to increased membership revenues and higher trading in the 39 weeks ended October 2, 2022 compared to the prior period, partially offset by the dilutive impact of four new Houses.

Other Operating Expenses and Other Contribution

	For the 39 Weeks Ended		Percent Change	
	October 1, 2023	October 2, 2022	Actuals	Constant Currency[(1)]
	(Dollar amounts in thousands)			
	(Unaudited)			
Other operating expenses	$ (196,316)	$ (184,873)	(6)%	(7)%
Percentage of total other revenues	(79)%	(83)%		
Operating loss	$ 153	$ (183,491)	n/m	n/m
Operating loss margin	0%	(26)%		
Other Contribution	$ 53,235	$ 37,094	44%	44%
Other Contribution Margin	21%	17%	4%	13%
Other Contribution by segment:				
North America	$ 8,376	$ 10,323	(19)%	(19)%
United Kingdom	17,172	8,798	95%	96%
Europe/RoW	16,124	14,459	12%	12%
All Other	11,563	3,514	n/m	n/m
Other Contribution Margin by segment:				
North America	16%	21%		
United Kingdom	34%	23%		
Europe/RoW	38%	39%		
All Other	11%	4%		

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

Other Operating Expenses were $196,316 for the 39 weeks ended October 1, 2023, compared with $184,873 for the 39 weeks ended October 2, 2022, an increase of $11,443, or 6%. This increase is primarily driven by increased trade volume in Soho Home from additional sites and online year-on-year sales growth. In addition to this, new restaurant and hotel sites in the UK and North America resulted in increased costs. This was offset by a reduction in the Coachella event spend versus comparable period and the permanent closure of all but one of our Soho Restaurants, which excludes Cecconi's, at the start of fiscal 2023 plus The Hoxton, Shoreditch (July 2023). In constant currency, Other Operating Expenses increased by $12,052, or 7%.

Other Contribution, which we define as Other Revenues plus Non-House Membership Revenues less Other Operating Expenses, was $53,235 for the 39 weeks ended October 1, 2023, compared to $37,094 for the comparative period, an increase of $16,141. This was predominately driven by higher Non-House Membership Revenues year-on-year, as well as increase from high margin revenue streams, including partnerships, and management fees from our Ned and Soho House management contracts Additionally, in the first three quarters of fiscal 2023 there was the receipt of a lease promote, detailed above, and development fees for new sites.

Other Contribution Margin was 21% for the 39 weeks ended October 1, 2023, an increase of 4% compared to the prior period, predominately driven by improvements in Home.

General and Administrative Expenses

	For the 39 Weeks Ended		Percent Change	
	October 1, 2023	October 2, 2022	Actual	Constant Currency[(1)]
	(Dollar amounts in thousands)			
	(Unaudited)			
General and administrative expenses	$ 103,381	$ 86,740	19%	20%
Percentage of total revenues	12%	12%		

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

General and Administrative Expenses were $103,381 for the 39 weeks ended October 1, 2023, compared with $86,740 for the 39 weeks ended October 2, 2022, an increase of $16,641, or 19%. The increase was primarily driven by costs to support business expansion and increased Partnership spend.

In constant currency, General and Administrative Expenses had an increase of $16,927, or 20%.

Pre-opening Expenses

	For the 39 Weeks Ended		Percent Change	
	October 1, 2023	October 2, 2022	Actual	Constant Currency(1)
	(Dollar amounts in thousands)			
	(Unaudited)			
Pre-opening expenses	$ 14,293	$ 10,328	38 %	39 %
Percentage of total revenues	2 %	1 %		

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

Pre-opening expenses were $14,293 for the 39 weeks ended October 1, 2023. The increase of $3,965 in comparison to $10,328 for the 39 weeks ended October 2, 2022, is driven by the opening of Mexico City and Soho House Bangkok in the first three quarters of fiscal 2023 and costs associated with the opening of further Houses later in fiscal 2023/2024. In constant currency, Pre-opening expenses increased by 3,999, or 39%.

Depreciation and Amortization

	For the 39 Weeks Ended		Percent Change	
	October 1, 2023	October 2, 2022	Actual	Constant Currency(1)
	(Dollar amounts in thousands)			
	(Unaudited)			
Depreciation and amortization	$ 74,229	$ 72,490	2 %	3 %
Percentage of total revenues	9 %	10 %		

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

Depreciation and amortization were $74,229 for the 39 weeks ended October 1, 2023, an increase of $1,739, or 2%, from the 39 weeks ended October 2, 2022.This increase was primarily driven by amortization of capitalized IT development costs, as well as depreciation associated with four new Soho Houses that opened since third quarter of fiscal 2022, offset by a $3,000 one off charge in the third quarter fiscal 2022. In constant currency, depreciation and amortization expenses increased by $1,978, or 3%.

Other Expenses

	For the 39 Weeks Ended		Percent Change	
	October 1, 2023	October 2, 2022	Actual	Constant Currency(1)
	(Dollar amounts in thousands)			
	(Unaudited)			
Share-based compensation	$ 16,186	$ 19,855	(18)%	(18)%
Percentage of total revenues	2 %	3 %		
Foreign exchange (gain) loss , net	$ (3,899)	$ 128,160	n/m	n/m
Percentage of total revenues	(0)%	18 %		
Other	$ 1,625	$ 1,989	(18)%	(18)%
Percentage of total revenues	0 %	0 %		

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

Share-based compensation expense decreased by $3,669 to $16,186 for the 39 weeks ended October 1, 2023, primarily driven by relatively short vesting RSUs that vested in the first half of fiscal 2022 (impact of $3,195), the lack of vesting of the RSU and Growth Share awards to our former Chief Operating Officer who departed the Company in the fourth quarter 2022 (impact of $700) and a one-time expense recognized following award grants and modification as a result of departure of the former Chief Operating Officer of the Company (impact of $3,800). This was partially offset by new grants of SARs and the continued impact of the fourth quarter 2022 repricing of previously granted SARs (total impact of $1,500) as well as the grant and vesting impact of RSU awards to senior leaders.

Foreign exchange (gain) loss, net, which is unrealized and non-cash in nature, moved by $132,059 to $(3,899) for the 39 weeks ended October 1, 2023, primarily driven by foreign exchange revaluation of our borrowings, which have increased since the preceding period. Decreased foreign exchange volatility during the period has also contributed to this most notably on our dollar borrowings held by non-dollar Group undertakings. While the majority of our external borrowings are denominated in dollars, the foreign exchange impact primarily reflects the revaluation of our non-dollar denominated intra-group debt where we have lent dollars to non-dollar operating companies outside of the United States as well as our dollar denominated external borrowing held in non-dollar companies in our Group.

Other expenses decreased by $364 to $1,625 for the 39 weeks ended October 1, 2023, which is not materially significant.

Interest Expense, Net

	For the 39 Weeks Ended		Percent Change	
	October 1, 2023	October 2, 2022	Actual	Constant Currency(1)
	(Dollar amounts in thousands)			
		(Unaudited)		
Interest expense, net	$ 59,527	$ 52,948	12 %	13 %
Percentage of total revenues	7 %	8 %		

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

Net Interest Expense was $59,527 for the 39 weeks ended October 1, 2023, an increase of $6,579, or 12%, on the comparative period in 2022. This increase is driven by the incremental interest expense incurred following issuance of $100 million additional notes in March 2022 under the Goldman Sachs Senior Secured Note facility and the incremental interest expense incurred following the refinancing of mortgage debt on Soho Beach House Miami in May 2023, including a $3 million loss on extinguishment of debt. In constant currency, net interest increased by $6,753, or 13%.

Adjusted EBITDA

	For the 39 Weeks Ended		Percent Change	
	October 1, 2023	October 2, 2022	Actual	Constant Currency(1)
	(Dollar amounts in thousands)			
		(Unaudited)		
Adjusted EBITDA	$ 93,934	$ 37,838	n/m	n/m
Percentage of total revenues	11 %	5 %		

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

Adjusted EBITDA was $93,934 for the 39 weeks ended October 1, 2023, in comparison to $37,838 for the 39 weeks ended October 2, 2022, an increase of $56,096. The increase is driven by higher membership revenues from both Soho House and Non-House members versus the comparative period as well as increased operations following the removal of COVID-19 related restrictions especially in Europe and Hong Kong in the comparative period. Additionally, the Company recognized a Dutch government grant related to COVID-19 subsidies, which we only became eligible for in the 39 weeks ended October 1, 2023, a lease promote in our Rome property from our landlord and fees associated with opening new Houses. This increase was partially offset by increased General and administrative costs in contrast to the 39 weeks ended October 2, 2022. In constant currency, adjusted EBITDA increased by $56,221.

Non-GAAP Financial Measures

For the 13 weeks ended October 1, 2023 and October 2, 2022

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

	For the 13 Weeks Ended		Percent Change	
	October 1, 2023 Actuals	October 2, 2022 Actuals	Actuals	Constant Currency[(1)]
	(Unaudited, dollar amounts in thousands)			
Net income (loss)	$ (41,450)	$ (91,373)	55 %	58 %
Depreciation and amortization	24,516	26,971	(9)%	(15)%
Interest expense, net	18,799	18,453	2 %	(5)%
Income tax benefit	4,208	3,013	40 %	30 %
EBITDA	6,073	(42,936)	n/m	n/m
(Gain) loss on sale of property and other, net	(7)	12	n/m	n/m
Share of income of equity method investments	(1,953)	(686)	n/m	n/m
Foreign exchange (gain) loss, net[(2)]	30,698	53,910	(43)%	(47)%
Share of equity method investments adjusted EBITDA	2,557	1,978	29 %	20 %
Adjusted share-based compensation expense[(2)(3)]	4,683	3,980	18 %	10 %
Operational reorganization and severance expense[(4)]	—	4,046	n/m	n/m
Membership credits rebate[(5)]	—	(44)	n/m	n/m
Adjusted EBITDA	$ 42,051	$ 20,260	n/m	93 %

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

(2) See "Comparison of the 13 Weeks Ended October 1, 2023 and October 2, 2022—Other Expenses" for information regarding the increase in foreign exchange and share-based compensation period-on-period.

(3) This excludes a $4 million non-cash expense for the 13 weeks ended October 2, 2022, which is included within Share-based compensation expense in the Condensed Consolidated Statements of Operations for the 13 weeks ended October 2, 2022, separately presented within Operational reorganization and severance expense below.

(4) Represents expenses incurred with respect to an internal reorganization program of the Company's operations team. In the 13 weeks ended October 2, 2022, this includes a non-cash share-based compensation expense of $4 million and cash severance related to the departure of the former Chief Operating Officer of the Company. The non-cash share-based compensation expense is reported within Share-based compensation expense in the unaudited condensed consolidated statement of operations for the 13 weeks ended October 2, 2022.

(5) Beginning on March 14, 2020, due to the COVID-19 pandemic, we issued membership credits to active members of our closed Houses to be redeemed for certain Soho Home products and services. Membership credits were a one-time goodwill gesture, issued as a marketing offer to active members. The expense represents our best estimate of the cost in fulfilling the membership credits.

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

	For the 13 Weeks Ended				
	October 1, 2023	October 2, 2022	Change %	October 2, 2022 Constant Currency[(1)]	Constant Currency Change %[(1)]
	Actuals				
	(Unaudited, dollar amounts in thousands)				
Operating income (loss)	$ (20,403)	$ (70,581)	71 %	$ (82,788)	75 %
General and administrative	35,564	30,807	15 %	33,047	8 %
Pre-opening expenses	5,093	2,555	99 %	2,741	86 %
Depreciation and amortization	24,516	26,971	(9)%	28,932	(15)%
Share-based compensation	4,683	7,778	(40)%	8,343	(44)%
Foreign exchange (gain) loss, net	30,698	53,910	(43)%	57,829	(47)%
Other, net	617	912	(32)%	978	(37)%
Non-House membership revenues	(9,314)	(7,700)	(21)%	(8,260)	(13)%
Other revenues	(92,390)	(86,535)	(7)%	(91,686)	(1)%
Other operating expenses	73,709	74,482	(1)%	79,897	(8)%
House-Level Contribution	$ 52,773	$ 32,599	62 %	$ 29,033	82 %
Operating income (loss) margin	(7)%	(27)%		(27)%	
House-Level Contribution Margin	26 %	19 %		19 %	

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

	For the 13 Weeks Ended				
	October 1, 2023	October 2, 2022	Change %	October 2, 2022 Constant Currency(1)	Constant Currency Change %(1)
	Actuals				
	(Unaudited, dollar amounts in thousands)				
Membership revenues	$ 93,279	$ 71,023	31 %	$ 73,607	27 %
Less: Non-House membership revenues	(9,314)	(7,700)	(21)%	(8,260)	(13)%
Add: In-House revenues	115,288	108,488	6 %	113,018	2 %
Total House revenues	199,253	171,811	16 %	178,365	12 %
Less: In-House operating expenses	146,480	139,212	5 %	149,332	(2)%
House-Level Contribution	$ 52,773	$ 32,599	62 %	$ 29,033	82 %

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

	For the 13 Weeks Ended				
	October 1, 2023	October 2, 2022	Change %	October 2, 2022 Constant Currency(1)	Constant Currency Change %(1)
	Actuals				
	(Unaudited, dollar amounts in thousands)				
Operating income (loss)	$ (20,403)	$ (70,581)	71 %	$ (82,788)	75 %
General and administrative	35,564	30,807	15 %	33,047	8 %
Pre-opening expenses	5,093	2,555	99 %	2,741	86 %
Depreciation and amortization	24,516	26,971	(9)%	28,932	(15)%
Share-based compensation	4,683	7,778	(40)%	8,343	(44)%
Foreign exchange loss, net	30,698	53,910	(43)%	57,829	(47)%
Other, net	617	912	(32)%	978	(37)%
House membership revenues	(83,965)	(63,323)	33 %	(65,347)	(28)%
In-House revenues	(115,288)	(108,488)	(6)%	(113,018)	(2)%
In-House operating expenses	146,480	139,212	5 %	149,332	(2)%
Total Other Contribution	$ 27,995	$ 19,753	42 %	$ 20,049	40 %
Operating income (loss) margin	(7)%	(27)%		(27)%	
Other Contribution Margin	28 %	21 %		21 %	

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

	For the 13 Weeks Ended				
	October 1, 2023	October 2, 2022	Change %	October 2, 2022 Constant Currency(1)	Constant Currency Change %(1)
	Actuals				
	(Unaudited, dollar amounts in thousands)				
Other Contribution					
Non-House membership revenues	$ 9,314	$ 7,700	21 %	$ 8,260	13 %
Add: other revenues	92,390	86,535	7 %	91,686	1 %
Less: other operating expenses	73,709	74,482	(1)%	79,897	(8)%
Other Contribution	$ 27,995	$ 19,753	42 %	$ 20,049	40 %

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

For the 39 weeks ended October 1, 2023 and October 2, 2022

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

	For the 39 Weeks Ended		Percent Change	
	October 1, 2023 Actuals	October 2, 2022 Actuals	Actuals	Constant Currency[1]
	(Unaudited, dollar amounts in thousands)			
Net income (loss)	$ (59,753)	$ (235,554)	75 %	75 %
Depreciation and amortization	74,229	72,490	2 %	3 %
Interest expense, net	59,527	52,948	12 %	13 %
Income tax expense	5,386	3,070	75 %	76 %
EBITDA	79,389	(107,046)	n/m	n/m
Gain on sale of property and other, net	(596)	(1,529)	61 %	61 %
Share of income of equity method investments	(4,411)	(2,426)	(82)%	(82)%
Foreign exchange (gain) loss, net[2]	(3,899)	128,160	n/m	n/m
Share of equity method investments adjusted EBITDA	7,265	5,682	28 %	28 %
Adjusted share-based compensation expense[2][3]	16,186	16,057	1 %	1 %
Operational reorganization and severance expense[4]	—	4,046	n/m	n/m
Membership credits expense[5]	—	1,216	n/m	n/m
Out of period operating lease liability adjustment[6]	—	(6,322)	n/m	n/m
Adjusted EBITDA	$ 93,934	$ 37,838	n/m	n/m

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

(2) See “Comparison of the 13 Weeks Ended October 1, 2023 and October 2, 2022—Other Expenses” for information regarding the increase in foreign exchange and share-based compensation period-on-period.

(3) This excludes a $4 million non-cash expense for the 39 weeks ended October 2, 2022, which is included within Share-based compensation expense in the Condensed Consolidated Statements of Operations for the 39 weeks ended October 2, 2022, separately presented within Operational reorganization and severance expense below.

(4) Represents expenses incurred with respect to an internal reorganization program of the Company's operations team. In the 39 weeks ended October 2, 2022, this includes a non-cash share-based compensation expense of $4 million and cash severance related to the departure of the former Chief Operating Officer of the Company. The non-cash share-based compensation expense is reported within Share-based compensation expense in the unaudited condensed consolidated statement of operations for the 39 weeks ended October 2, 2022.

(5) Beginning on March 14, 2020, due to the COVID-19 pandemic, we issued membership credits to active members of our closed Houses to be redeemed for certain Soho Home products and services. Membership credits were a one-time goodwill gesture, issued as a marketing offer to active members. The expense represents our best estimate of the cost in fulfilling the membership credits.

(6) Represents an out-of-period adjustment correcting an error with respect to the estimation of the operating lease liability identified during the 39 weeks ended October 2, 2022 but relating to fiscal years 2022, 2020 and 2019. There is no material impact from the correction of this error to previously reported periods. Refer to Note 2, Summary of Significant Accounting Policies—Basis of Presentation for further information.

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

	For the 39 Weeks Ended				
	October 1, 2023	October 2, 2022	Change %	October 2, 2022 Constant Currency(1)	Constant Currency Change %(1)
	Actuals				
	(Unaudited, dollar amounts in thousands)				
Operating income (loss)	$ 153	$ (183,491)	n/m	$ (181,966)	n/m
General and administrative	103,381	86,740	19%	86,454	20%
Pre-opening expenses	14,293	10,328	38%	10,294	39%
Depreciation and amortization	74,229	72,490	2%	72,251	3%
Share-based compensation	16,186	19,855	(18)%	19,790	(18)%
Foreign exchange (gain) loss, net	(3,899)	128,160	n/m	127,738	n/m
Other, net	1,625	1,989	(18)%	1,982	(18)%
Non-House membership revenues	(27,028)	(21,756)	(24)%	(21,684)	(25)%
Other revenues	(222,523)	(200,211)	(11)%	(199,710)	(11)%
Other operating expenses	196,316	184,873	6%	184,264	7%
House-Level Contribution	$ 152,733	$ 98,977	54%	$ 99,413	54%
Operating income (loss) margin	0%	(26)%		(26)%	
House-Level Contribution Margin	26%	21%		21%	

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

	For the 39 Weeks Ended				
	October 1, 2023	October 2, 2022	Change %	October 2, 2022 Constant Currency(1)	Constant Currency Change %(1)
	Actuals				
	(Unaudited, dollar amounts in thousands)				
Membership revenues	$ 265,720	$ 195,685	36%	$ 195,355	36%
Less: Non-House membership revenues	(27,028)	(21,756)	(24)%	(21,684)	(25)%
Add: In-House revenues	356,846	305,928	17%	305,367	17%
Total House revenues	595,538	479,857	24%	479,038	24%
Less: In-House operating expenses	442,805	380,880	16%	379,625	17%
House-Level Contribution	$ 152,733	$ 98,977	54%	$ 99,413	54%

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

	For the 39 Weeks Ended				
	October 1, 2023	October 2, 2022	Change %	October 2, 2022 Constant Currency(1)	Constant Currency Change %(1)
	Actuals				
	(Unaudited, dollar amounts in thousands)				
Operating income (loss)	$ 153	$ (183,491)	n/m	$ (181,966)	n/m
General and administrative	103,381	86,740	19%	86,454	20%
Pre-opening expenses	14,293	10,328	38%	10,294	39%
Depreciation and amortization	74,229	72,490	2%	72,251	3%
Share-based compensation	16,186	19,855	(18)%	19,790	(18)%
Foreign exchange loss, net	(3,899)	128,160	n/m	127,738	n/m
Other, net	1,625	1,989	(18)%	1,982	(18)%
House membership revenues	(238,692)	(173,929)	(37)%	(173,671)	(37)%
In-House revenues	(356,846)	(305,928)	(17)%	(305,367)	(17)%
In-House operating expenses	442,805	380,880	16%	379,625	17%
Total Other Contribution	$ 53,235	$ 37,094	44%	$ 37,130	43%
Operating income (loss) margin	0%	(26)%		(26)%	
Other Contribution Margin	21%	17%		17%	

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

	For the 39 Weeks Ended				
	October 1, 2023	October 2, 2022	Change %	October 2, 2022 Constant Currency[(1)]	Constant Currency Change %[(1)]
	Actuals				
	(Unaudited, dollar amounts in thousands)				
Other Contribution					
Non-House membership revenues	$ 27,028	$ 21,756	24 %	$ 21,684	25 %
Add: other revenues	222,523	200,211	11 %	199,710	11 %
Less: other operating expenses	196,316	184,873	6 %	184,264	7 %
Other Contribution	$ 53,235	$ 37,094	44 %	$ 37,130	43 %

(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 October 1, 2023, we maintained a cash and cash equivalents balance of $163 million and a restricted cash balance of $1 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.

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 39 Weeks Ended	
	October 1, 2023	October 2, 2022
	(Unaudited, dollar amounts in thousands)	
Net cash provided by (used in)		
Net cash provided by operating activities	$ 30,476	$ 38,106
Net cash used in investing activities	(62,913)	(79,614)
Net cash provided by financing activities	5,531	69,171
Effect of exchange rates on cash and cash equivalents	(97)	(13,224)
Net (decrease) increase in cash and cash equivalents	$ (27,003)	$ 14,439

Net Cash Provided by 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 39 weeks ended October 1, 2023, we had a $30,476 inflow of cash from operating activities, which includes a net loss of $59,753, depreciation and amortization of $74,229, and an unfavorable net working capital change of $22,928.

For the 39 weeks ended October 2, 2022, we had a $38,106 inflow of cash from operating activities, which includes a net loss of $235,554, depreciation and amortization of $72,490, and a favorable net working capital change of $28,669.

Net Cash Used in Investing Activities

The primary cash inflows from investing activities include the 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 39 weeks ended October 1, 2023, we had a $62,913 outflow of cash from investing activities, primarily due to purchases of property and equipment of $50,440 and purchases of intangible assets of $13,989.

For the 39 weeks ended October 2, 2022, we had a $79,614 outflow of cash from investing activities, primarily due to purchases of property and equipment of $62,989 and purchases of intangible assets of $17,628.

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 39 weeks ended October 1, 2023, we had a $5,531 inflow of cash from financing activities, primarily due to the additional amount borrowed following the refinancing of the Miami Property mortgage. This provided a net inflow of $18,290. Refer to Note 11, Debt in this Quarterly Report on Form 10-Q for additional information. Partially offsetting this was a $12,000 outflow as a result of the privately negotiated stock repurchase. Refer to Item 2(c) for further detail.

For the 39 weeks ended October 2, 2022, we had a $69,171 inflow of cash from financing activities, primarily due to the proceeds from borrowings, net of debt issuance costs of $1 million, of $99 million related to the Goldman Sachs Senior Secured Note Purchase Agreement. Refer to Note 11, Debt in this Quarterly Report on Form 10-Q for additional information.

Cash Requirements from Contractual and Other Obligations

As of October 1, 2023, other than the refinancing of the existing term loan and mezzanine loan, as described above, with a new $140 million loan maturing in ten years' time (refer to Note 11, Debt in this Quarterly Report on Form 10-Q for additional information), there have been no further 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 January 1, 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 January 1, 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 January 1, 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 $5 million lower and approximately $6 million higher, respectively, and Net Loss would have been approximately $2 million lower and approximately $2 million higher, respectively, for the 13 weeks ended October 1, 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 October 1, 2023.

If the USD had strengthened/weakened by 10% versus the GBP, revenue would have been approximately $42 million lower and approximately $46 million higher, respectively, and Net Loss would have been approximately $4 million lower and approximately $4 million higher, respectively, for the 39 weeks ended October 1, 2023.

If the Euro had strengthened/weakened by 10% versus the GBP, revenue would have been approximately $12 million higher and approximately $11 million lower, respectively, and Net Loss would have been approximately $2 million lower and approximately $2 million higher, respectively, for the 39 weeks ended October 1, 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 counterparties that are considered to be of high credit quality and by performing periodic evaluations of investments and of the relative credit standing of these financial institutions.

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 October 1, 2023, we had $163 million in cash and cash equivalents on the balance sheet, less than $1 million of restricted cash and £71 million ($86 million) 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 October 1, 2023 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 January 1, 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 January 1, 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, including lease accounting; 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. As a result, adjustments to our financial reporting were identified and made 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 39 weeks ended October 1, 2023 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 January 1, 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

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.

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
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* 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: November 13, 2023	By:	/s/ Andrew Carnie
		Andrew Carnie
		Chief Executive Officer
Date: November 13, 2023	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: November 13, 2023

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: November 13, 2023

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 October 1, 2023, 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.

November 13, 2023

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 October 1, 2023, 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 her 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.

November 13, 2023

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.