



Planet Fitness (NYSE: PLNT)

Pershing Square Challenge

April 2023

Long PLNT

Current Price (as of 04/25): \$78.65

4-year Target Price: \$163

IRR: 20%

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Executive Summary

We recommend a long position in Planet Fitness (NYSE: PLNT) with a 4-year target price of \$163/share, representing a 20% IRR

Context

- **Planet Fitness** franchises and operates gyms in the U.S and in 5 other countries (Canada, Mexico, Australia, Puerto Rico, and Panama). As of 2022, the company had **2,410+ units** (~90% franchises and ~10% corporate owned units)
- Price: ~\$79 / Market Cap: \$7.1BN / Net Debt: \$1.5BN (4.1x EBITDA) / EV: \$8.6BN

Investment Thesis

1

Competitive advantages will last longer than the market expects:

- Economies of scale with strong marketing expenditure create a **moat that should expand over time** (contrary to what market thinks), **enhancing the value proposition to customers and franchisees** while **maintaining great unit economics**

2

Planet Fitness can easily reach 5,000 units without significant cannibalization until 2032 (vs. street's 4,300)

- Planet Fitness was responsible for **87% of all new gym members since 2011**, and gym member penetration is still **20%**
- **COVID** resulted in the closure of ~10k gyms (~25% of total gyms in the U.S.). Planet Fitness is the best player to capture this rebound opportunity
- International markets are an opportunity of **at least 600+ gyms**, with similar trends to those of US
- **We spoke to franchisees and analyzed all unit locations**: there is **no sign of cannibalization** (and large whitespace)

Valuation

- Planet Fitness is trading at the **same price level as the end of 2019**, even with ~20% more units and 2.5M more members
- Stock is trading at **36x P/E NTM (vs. 50x 5y avg. or 40x ex-COVID)**, trading at **1 standard deviation below average**
- **DCF supports a high multiple** due to i) high growth, ii) high cashflow conversion, iii) strong ROIC and iv) low cost of debt

Returns

(4-year holding period)

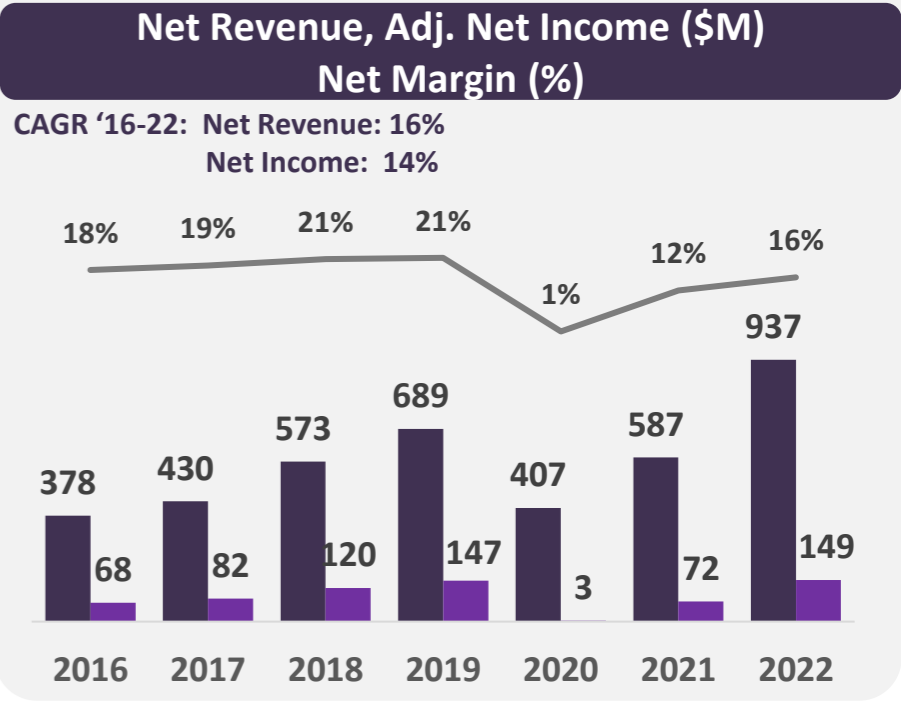
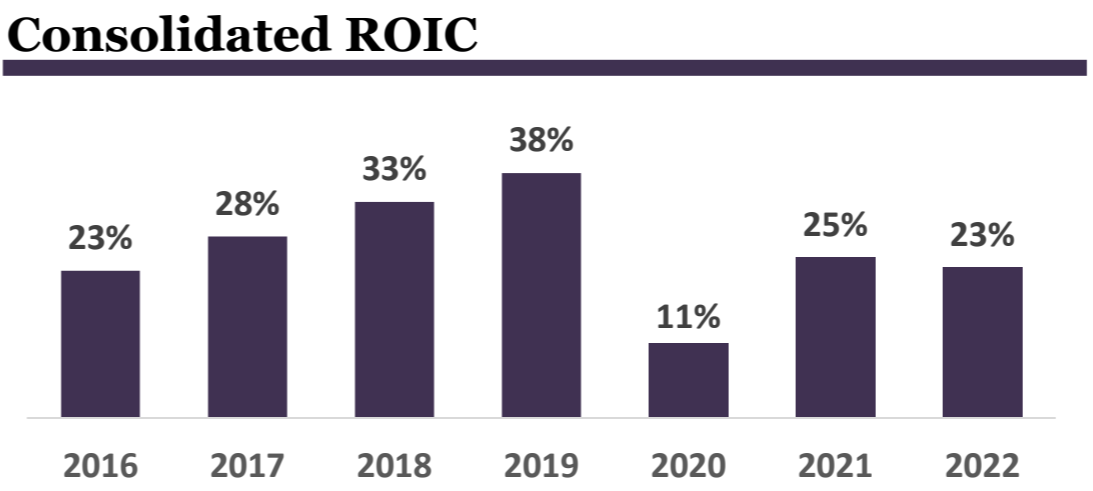
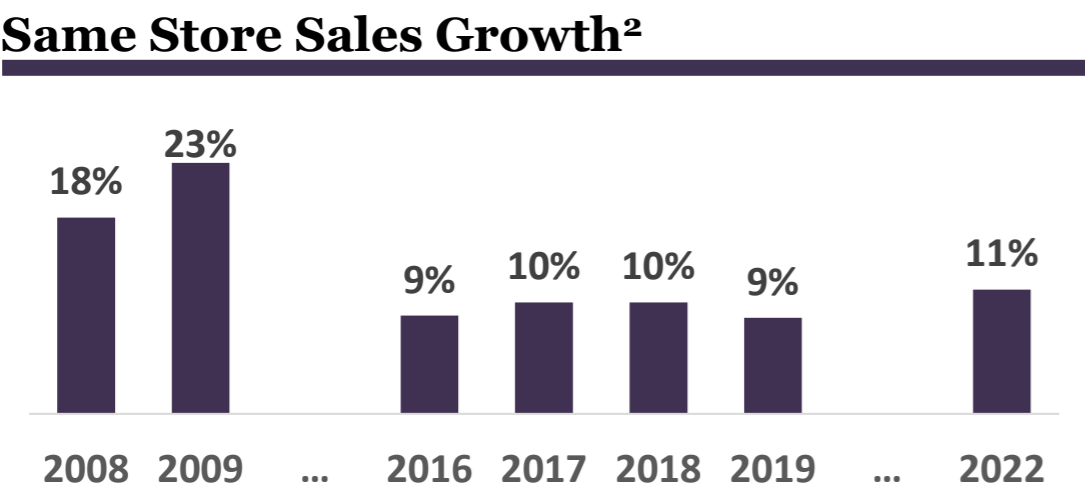
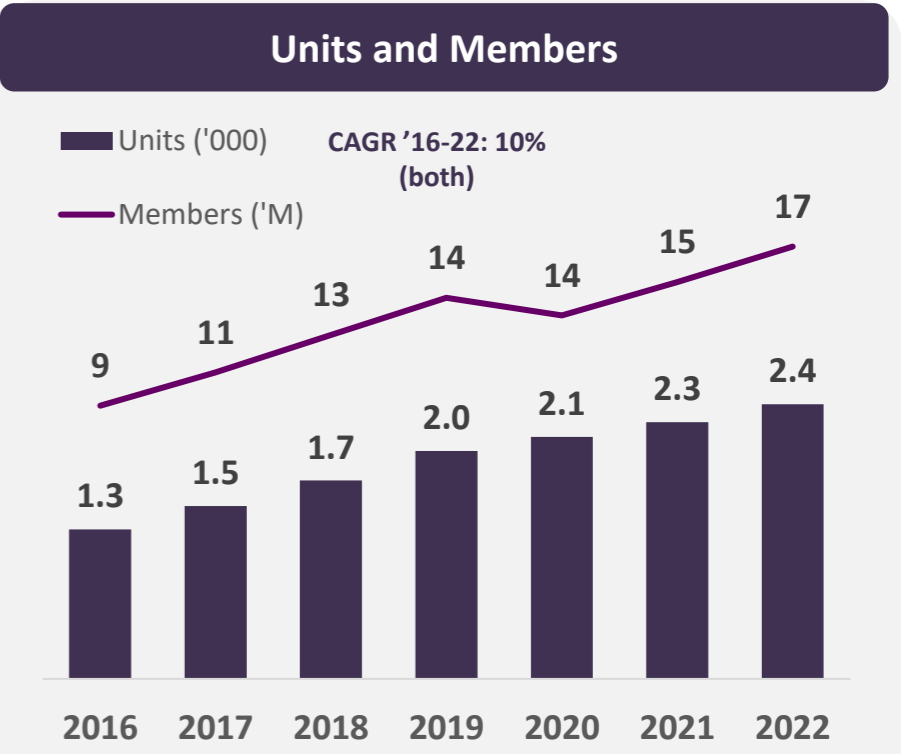
- **Base case**: target price of **\$163** per share / **total upside of 107%** and an **IRR: 20%**
 - **Bear**: target price of \$72 per share / total downside of -9% (holding until 2024) and IRR: -2%
 - **Bull**: target price of \$214 per share / total upside of 172% and IRR of 28%

Planet Fitness at a Glance

Planet Fitness is the largest gym franchisor in the world, with >2,410¹ units (~90% franchises + 10% corporate owned units)



- Founded in **1992** in Dover, New Hampshire
- **Chris Rondeau** started working at the front desk of the first ever Planet Fitness and became **CEO** in 2013
- Price Model: Basic – **\$10** / Black Card – **\$25**
- Present in the **U.S (all 50 states)** and started to expand to **Canada** (~60 units), **Mexico** (14), **Australia** (13), **Panama** (6) and **Puerto Rico** (13)
- U.S. and international represent **97%** and **3%** of net revenue, respectively
- PLNT has a **market share of ~8%** in the U.S. (in terms of number of gyms)



Source: Company's filings.

Note (1): Official data from last 10K. However, by web scraping their website, we found that the company ended 1Q23 with 2,450 (vs. 2,442 from consensus). This data was not released yet.

Note (2): 2020 and 2021 SSS are not available due to COVID disruption.

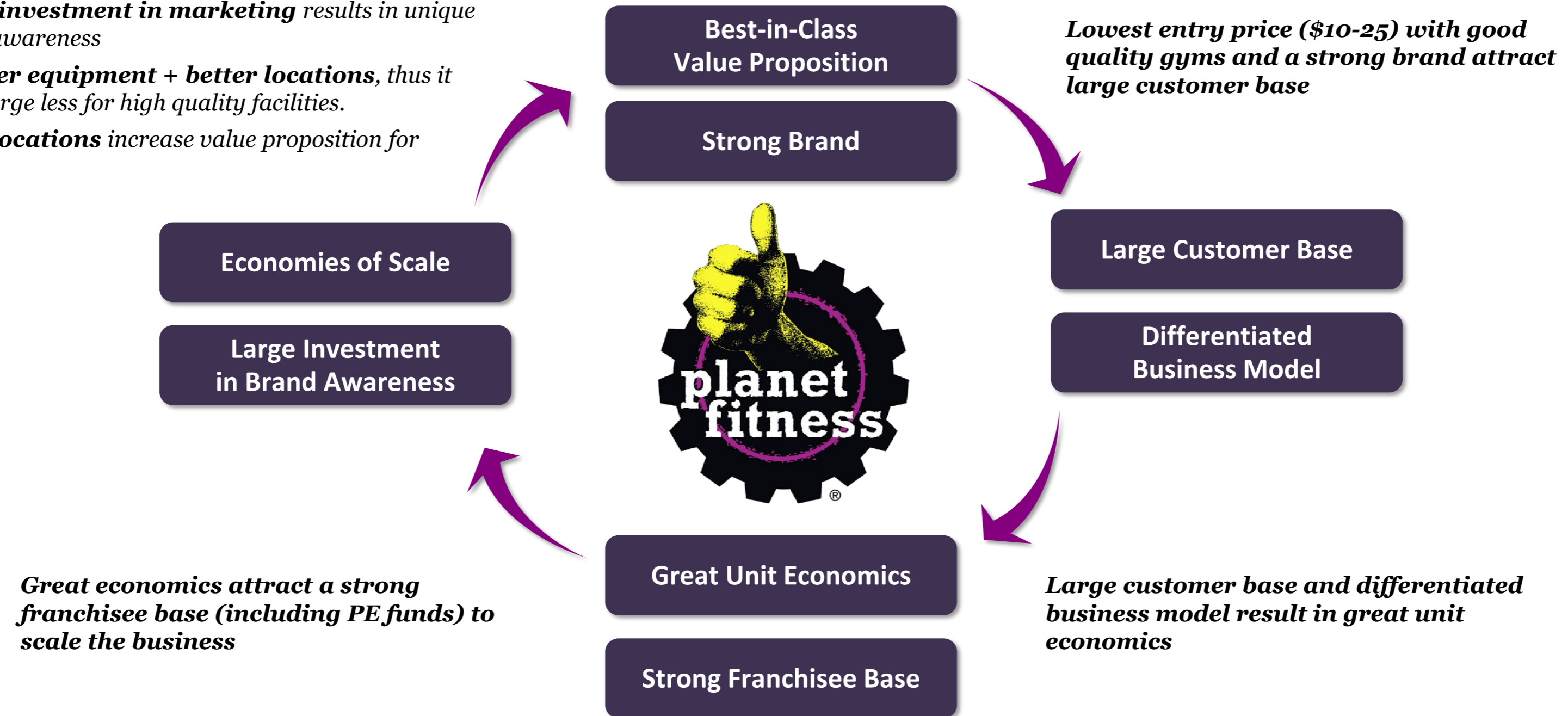


Growth Flywheel: Planet Fitness' Winning Value Proposition

Planet Fitness offers the best value proposition for clients and franchisees

Scale:

- **Large investment in marketing** results in unique brand awareness
- **Cheaper equipment + better locations**, thus it can charge less for high quality facilities.
- **More locations** increase value proposition for clients



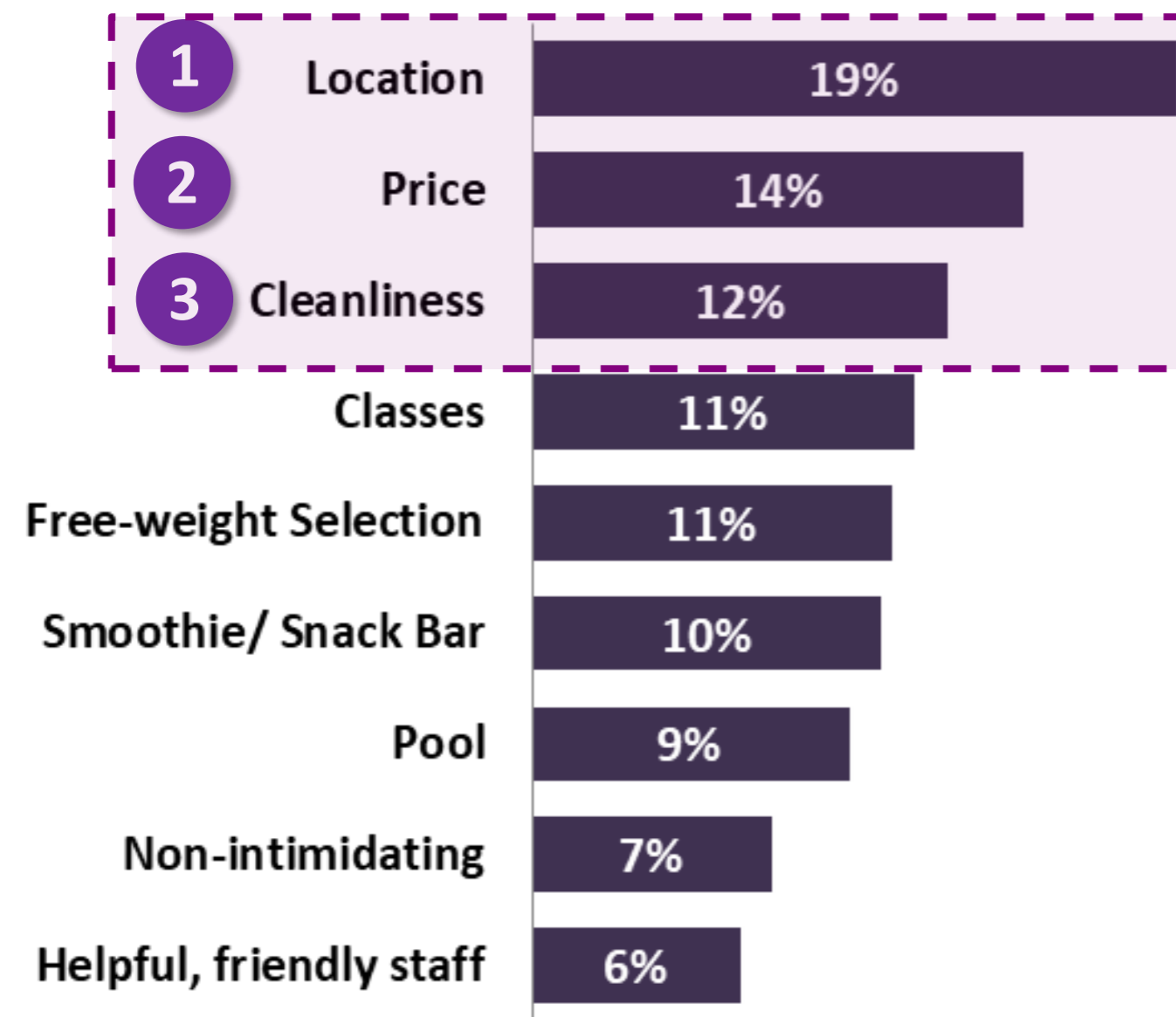


Thesis 1

Thesis 1: Value Proposition for Clients

Planet Fitness offers a high value for a low price, with an extensive footprint

What Do Clients Want?¹



Planet Fitness' Value Proposition



Sources: Company's filings and presentations.
Note (1): Survey of 120 adults from 18-56 years old from across the United States. Credit Suisse made a similar survey in 2015 with similar results.
Note (2): Black Card gives you access to all locations, to bring a guest, massage chairs, tanning, among other perks.

Thesis 1: Value Proposition for Franchisees

Planet Fitness has a strong value proposition to franchisees that aligns interest for expansion

Attractiveness of the Business

Recurring Revenue	<ul style="list-style-type: none">Low monthly fee and low churn guarantees a steady stream of recurring revenue
Easy to Operate	<ul style="list-style-type: none">12 FTEs to run a 20K feet gym (~15 if 24-hour gym)Billing done automaticallyHigh cash conversion
Low Risk	<ul style="list-style-type: none">Strong Planet Fitness brand assures inflow of members when a new gym is opened

“When Planet goes into a market or as they penetrate a market, they’re not having to explain who they are.”
SVP and CFO of Blink Fitness (Tegus Transcript)

Quality of Franchisees

“Trust me, **every employee** asks whether they would be better off just becoming a franchisee.
(...) (But,) there’s more than enough of **well-capitalized players** and really zero appetite to add because with **private equity being such a significant player** in the franchisee space.”

Former Chief Commercial Officer of Planet Fitness (Tegus Transcript)

Unit Economics (unleveraged)

Unit Economics @ Maturity (US\$ M)	Year 3
Average Unit Net Revenue	2.0
(-) Franchise (7%)	(0.1)
(-) Local Ads (7%)	(0.1)
(-) National Advertising (2%)	(0.0)
(-) Other fixed costs	(0.9)
Unit EBITDA	0.8
Unit EBITDA Margin	40%
(-) Depreciation	(0.1)
EBIT	0.7
Taxes	(0.2)
NOPAT	0.5
Average Invested Capital	2.75
ROIC	18%

“Although higher interest rates hurt, it is not an impediment to build new units”

CFO at a Big US’ PLNT Franchise





“Higher interest rates are an issue, **but returns in the industry are still attractive**”

Board Member at a Crunch Fitness Franchise



Thesis 1: Economics of Competition

Among the competing gym franchises, Planet Fitness has the most attractive return profile (even after spending 9% in marketing)

Key Financial Metrics per Unit				
Revenue (\$ 000')	2,000	1,800	2,000	420
Members per 1,000 Sq. Ft.	350	268	136	180
EBITDA (\$ 000')	800	450	220	69
Margin (%)	40%	25%	11%	16.5%
Invested Capital (\$ 000')	2,750	2,078	4,044	583
Pretax ROI (%) ¹	29%	22%	5%	12%

Planet Fitness has **more members per sq. ft.** due to its focus on “casual gym goers”. This enables better unit economics.

Even with **9% marketing expenditures** and **7% royalties** of net revenue, **Planet Fitness has much better economics**

Sources: FranchiseChatter (FDDs and Surveys).
Note: (1) Calculated as EBITDA / Invested Capital.



Thesis 1: Sustainable Competitive Advantages from Scale and Brand

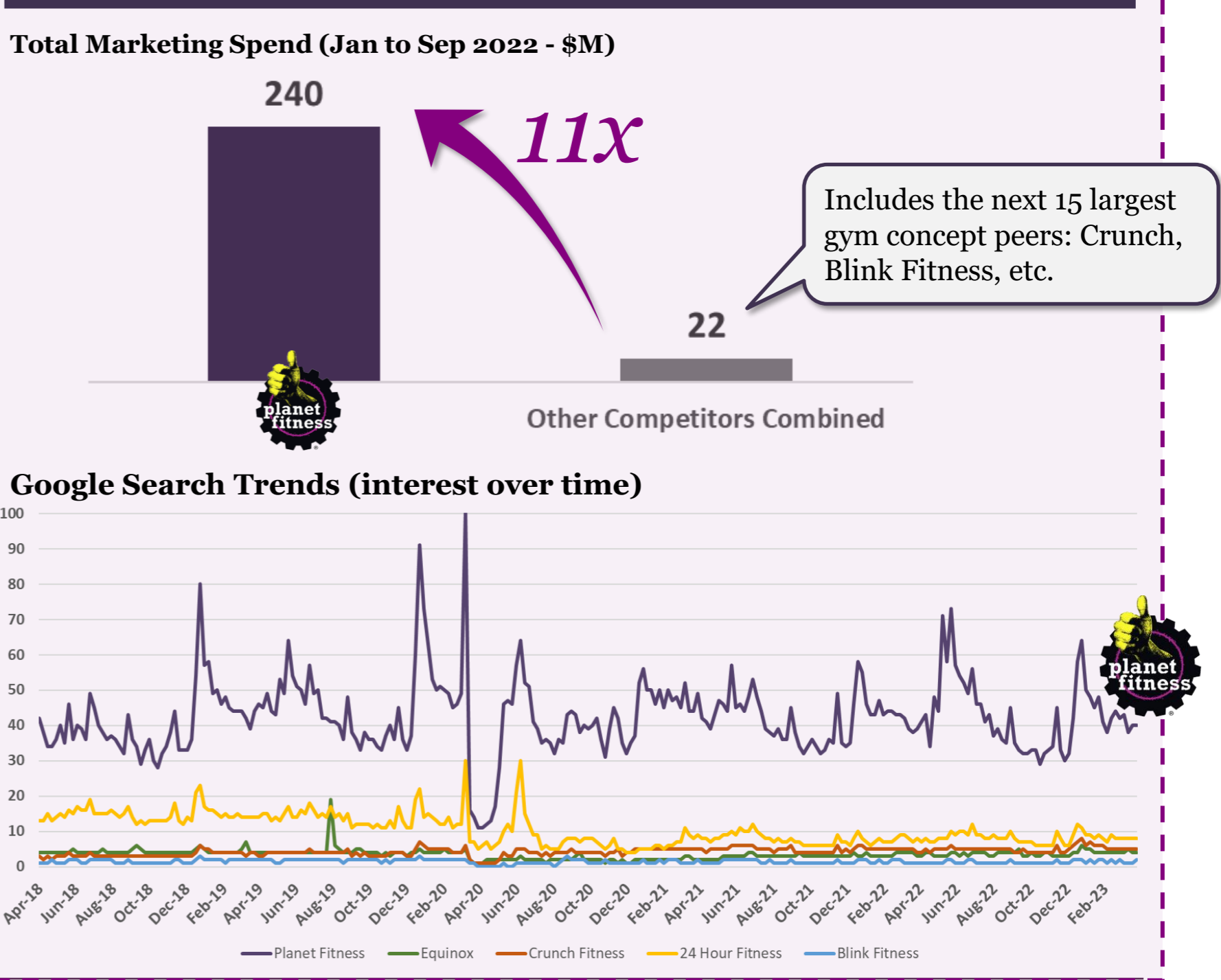
Planet Fitness’ scale provides great competitive advantages which differentiates the company from competitors

Scale Advantages

Marketing Power	Planet fitness invests in marketing at a national level , and brand awareness is much stronger than that of competitors
Bulk Equipment Purchase	Planet Fitness is able to purchase equipment at a 30%-40% discount¹
Real Estate	Strong relationship with real estate agents drive advantageous new site selection
Network Effects	Black Card value is increased with each added gym (and this also helps to increase black card price)

“It’s **hard to get the same buying power and same marketing power.**
If I opened an **ABC Fitness**, people wouldn’t exactly just show up.
I know this from my experience with **Youfit and Crunch**. They just **don’t come at the same rate.**”
Former Board Observer for Franchisee at PF HQ (Tegus Transcript)

Brand awareness is much higher than that of competitors



Sources: Company’s 10k and Investor Day Presentation; Tegus Transcripts; Google Trends; Own analysis.
Note (1): According to Former Director of Matrix Fitness (supplier) from a Tegus Transcript.



Thesis 2

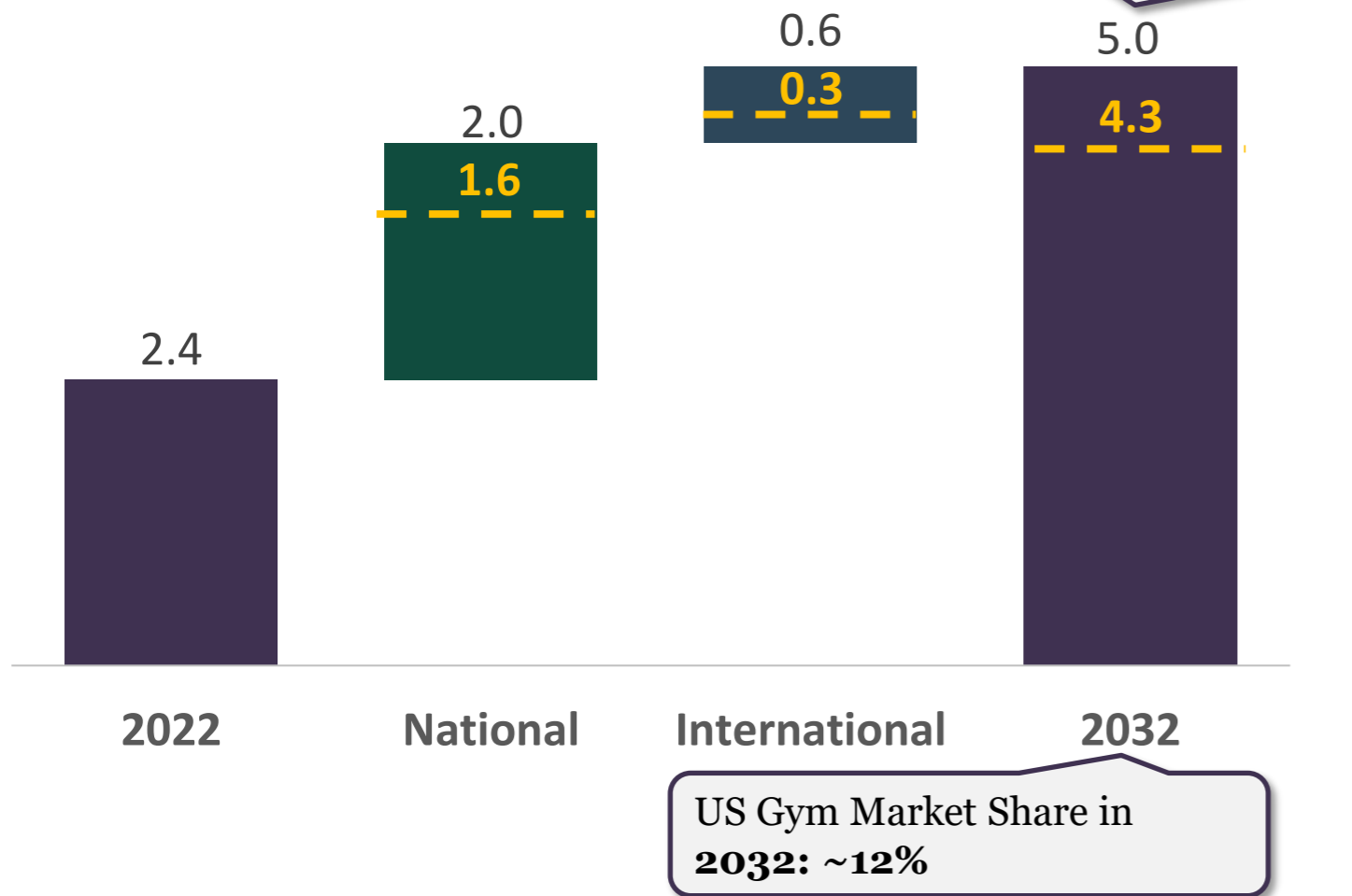
Thesis 2: PF Can Easily Reach 5k Units (vs. street's 4.3k)

Planet Fitness has the potential to achieve 5.0k units by 2032

Planet Fitness 10-year potential

of PLNT gyms
(value in '000)

Our estimates
Consensus

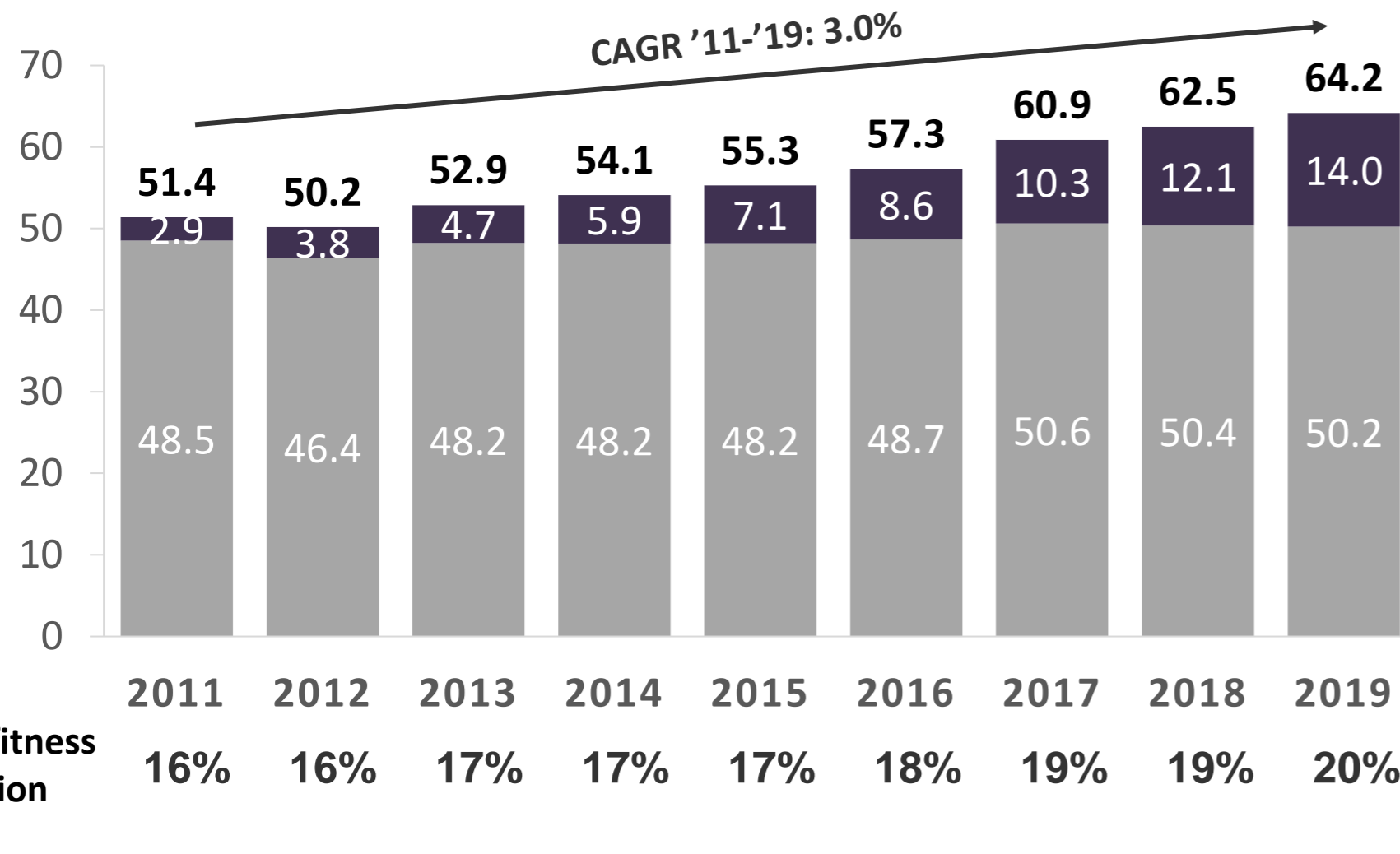


- A Planet Fitness **drives gym adoption**
- B **COVID** created **additional whitespace**
- C PLNT can **increase their presence in several U.S. states**
- D **Cannibalization risk is limited**
- E **Big opportunity in international markets**

A PLNT Drives Gym Adoption

PLNT's value proposition attracted new users to the industry, driving single-handedly ~87% of the industry growth (11.1M of the 12.8M)

Number of gym/fitness members in the US
(value in M)



	CAGR '11-'19	Change '11-'19
Total	3%	12.8
PLNT	22%	11.1
Others	1%	1.7

87%
of the growth was driven by Planet Fitness new members

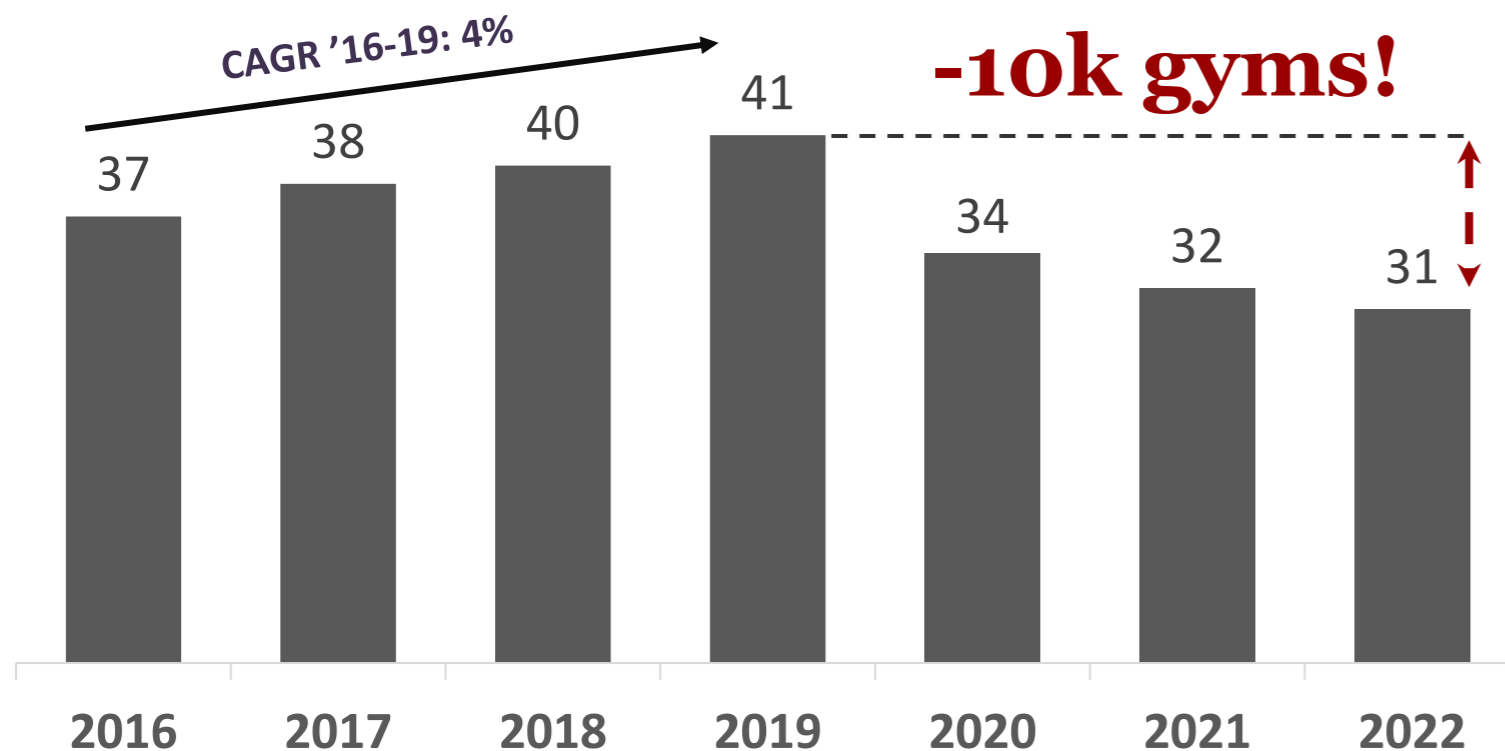
B COVID Created Additional Whitespace

Covid created a unique opportunity for PLNT to capture more market share

~10k gyms permanently closed doors after COVID-19...

Number of gyms in the US
(value in '000)

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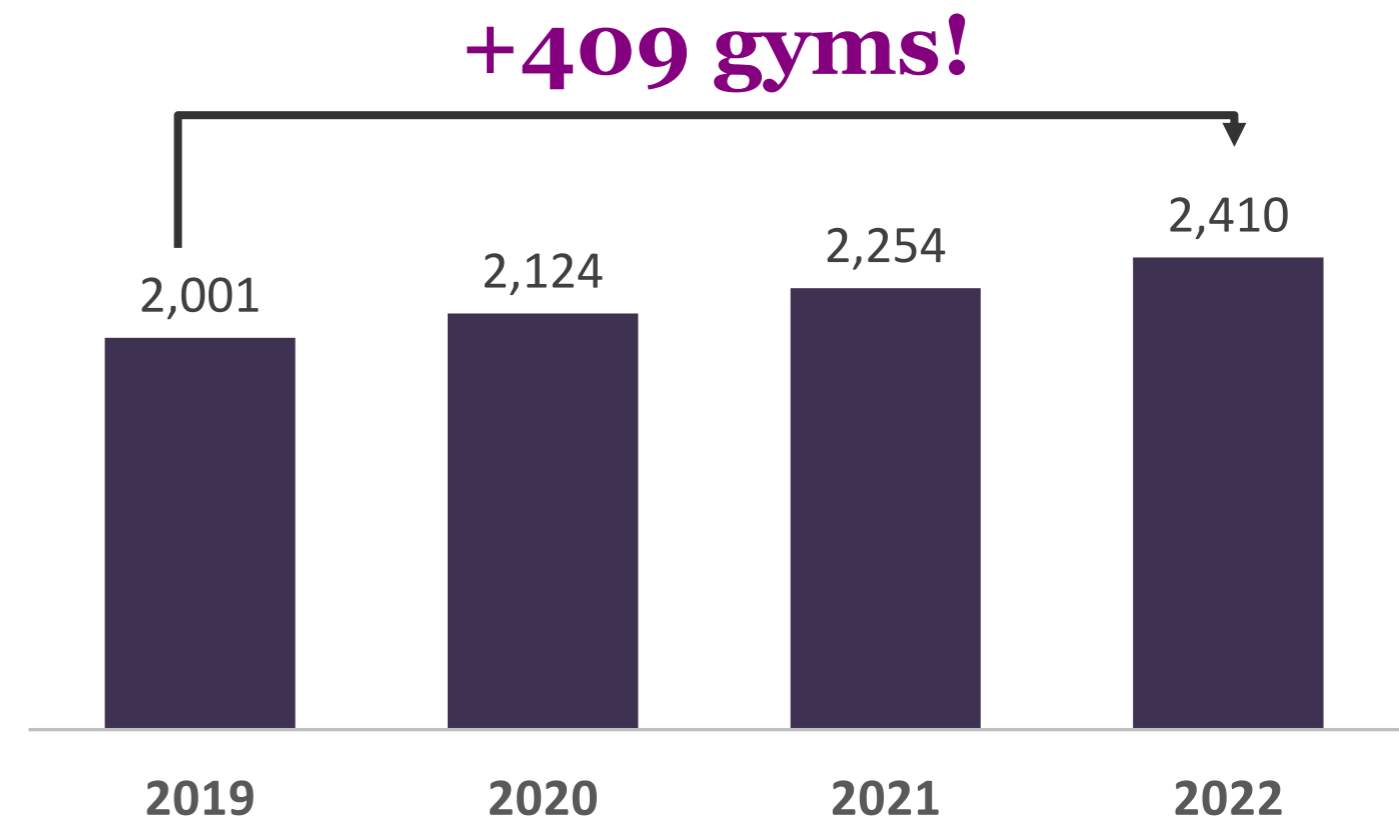


"I don't see a decline in demand after covid (in the owned PF's units), it even seems people are working out more."

CFO at a Big US' PLNT Franchise

...meanwhile PLNT opened >400 units since 2019

Number of PLNT's gyms



"I was skeptical about 4k units before COVID. But I do think they (Planet Fitness) can do it."

Board Member at a Crunch Fitness Franchise

C PLNT Can Increase Their Presence in Several U.S. States

PLNT can increase gym adoption and market share in underpenetrated States

US Gym Distribution per State

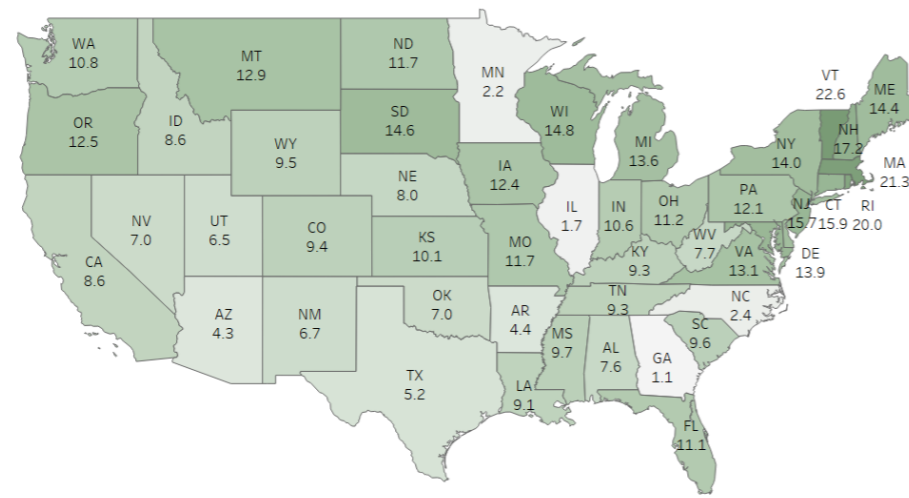
Gym density
(# of gym per 100k pop.)



9.6

(US average)

Number of gyms units per 100k people

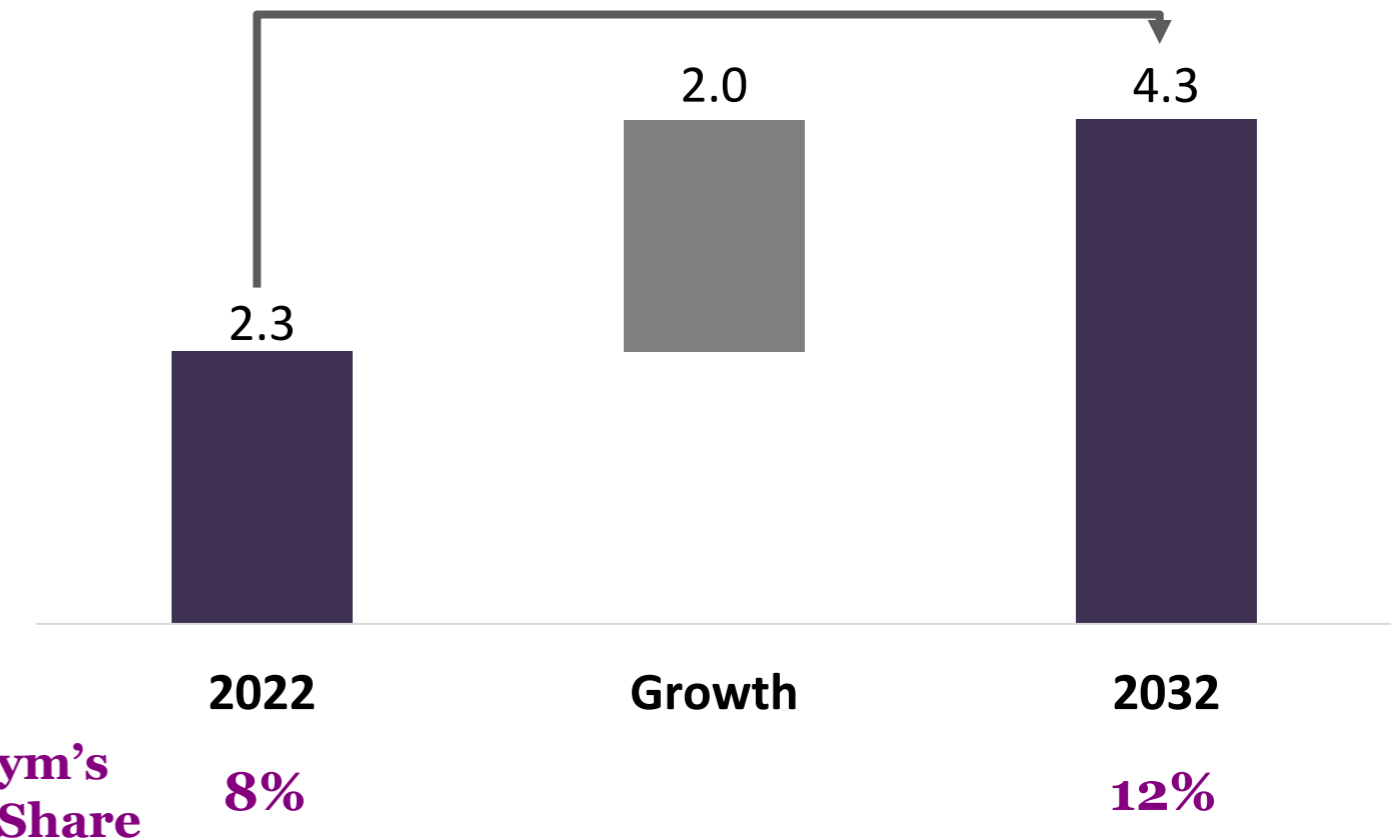


PLNT share of the growth

of Gyms growth
(Values in '000)

Historic CAGR ('17-'22) of ~10%

CAGR '22-32: 6%



PLNT Gym Distribution per State

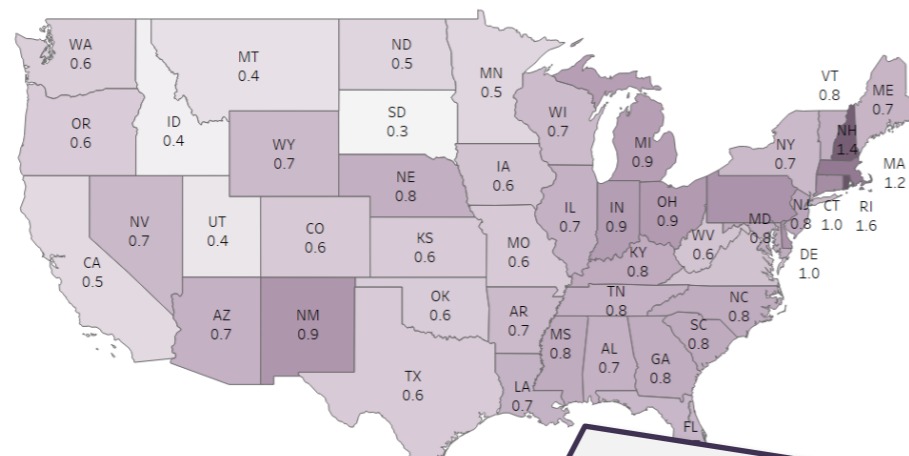
PLNT density
(# of PLNT units per 100k pop.)



0.7

(US average)

Number of PLNT's units per 100k people



For example:

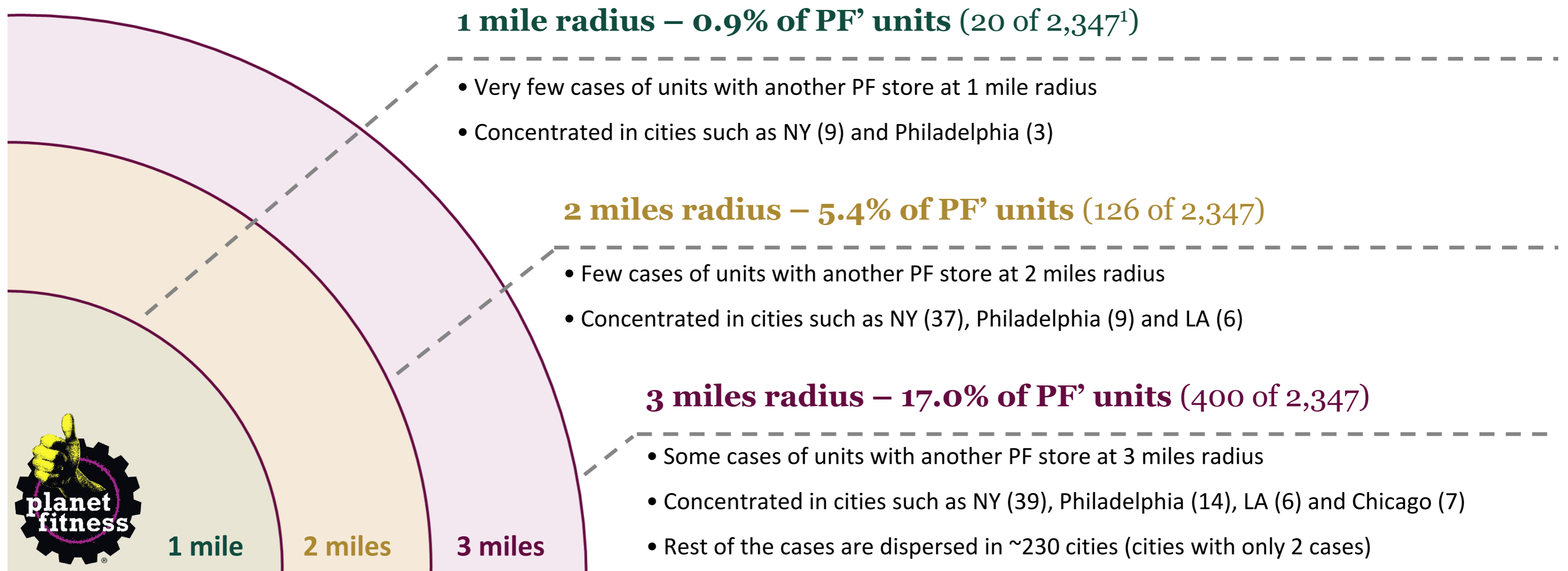
- CA has 8.6 gym density and 0.5 PLNT's Unit density
- TX has 5.2 gym density and 0.6 PLNT's Unit density

D Cannibalization Risk is Limited

Few cases of units close to each other, and concentrated in dense cities

“My units are mainly focused on NY and LA, currently I don’t see any signs of cannibalization.”

CFO at a Big US’ PLNT Franchise



Sources: Company Data (website) and analysis from the team.





Note (1): 2,347 is the number of gyms as of today in the U.S. only (higher than 2022 EoP). The company ended 1Q23 with total units of 2,450 ahead of consensus of 2,442 (not released yet).

E Big Opportunity in International Markets

Planet Fitness can create the same effect that happened in the U.S. internationally, driving gym adoption growth

"In Mexico, we are able to open a unit with 3.5k members! In maturity, an average gym can achieve up to 8.5k members."

CFO of PF Mexican Franchise

Country	Population	Gym Members	Gym Penetration	Number of Gyms	Avg. Gym Size (members)	Potential new members	Pot. New Units ³
 US ¹	330M	64M	20%	31k	2,000	-	-
 Mexico ²	127M	4M	3%	13k	330	3.2M	~372
 Canada ²	38M	6M	17%	7k	940	1.3M	~170
 Australia ²	26M	4M	15%	6k	1,000	0.8M	~102
Total ex-US	190M	14M	7%	23k	610	5.2M	~644

Doesn't include other potential expansion targets: Panama, Puerto Rico, New Zealand, etc...

Sources: IBISWorld, IHRSA, Statista, Company's Filings.

Note: (1) Data from 2022; (2) Data from 2020; (3) Assumed avg. 7.5k members per gym in Canada and Australia, and 8.5k in Mexico.

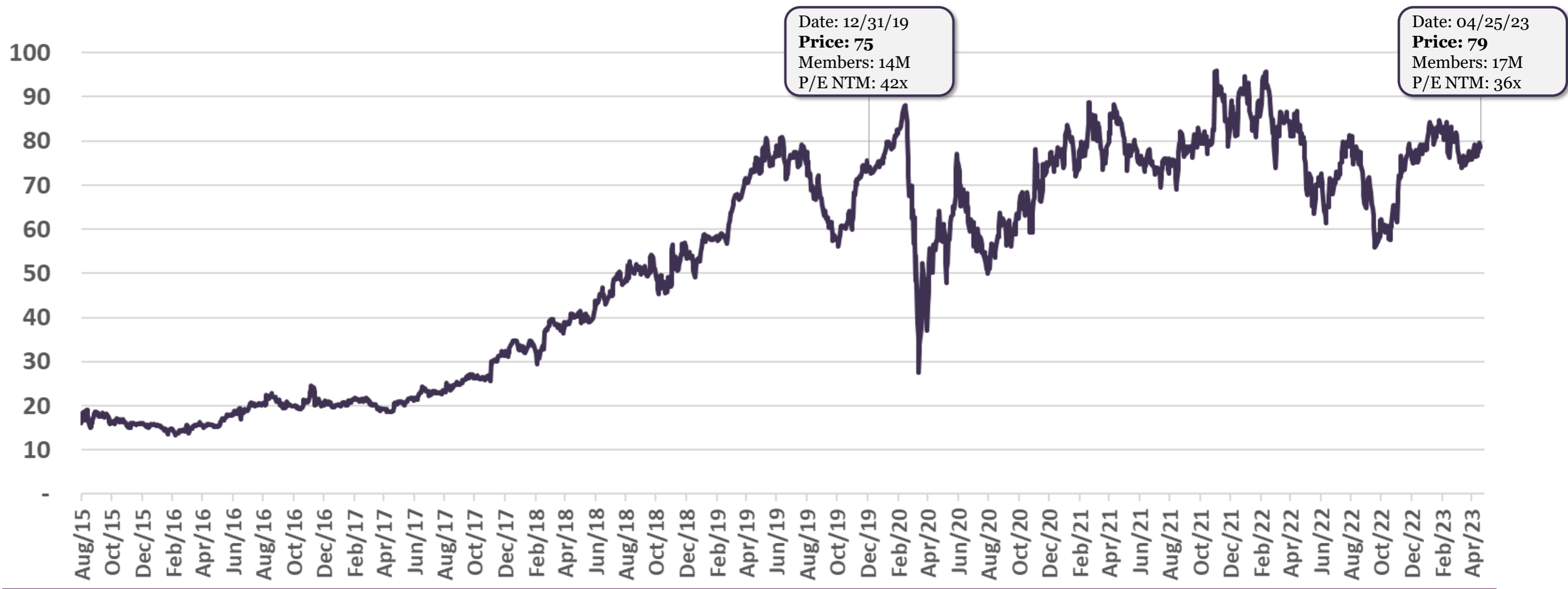




Valuation and Returns

Price History

PLNT had a solid run until COVID, and now is trading at the same price as the end of 2019, but with ~20% more members (+higher earnings power)



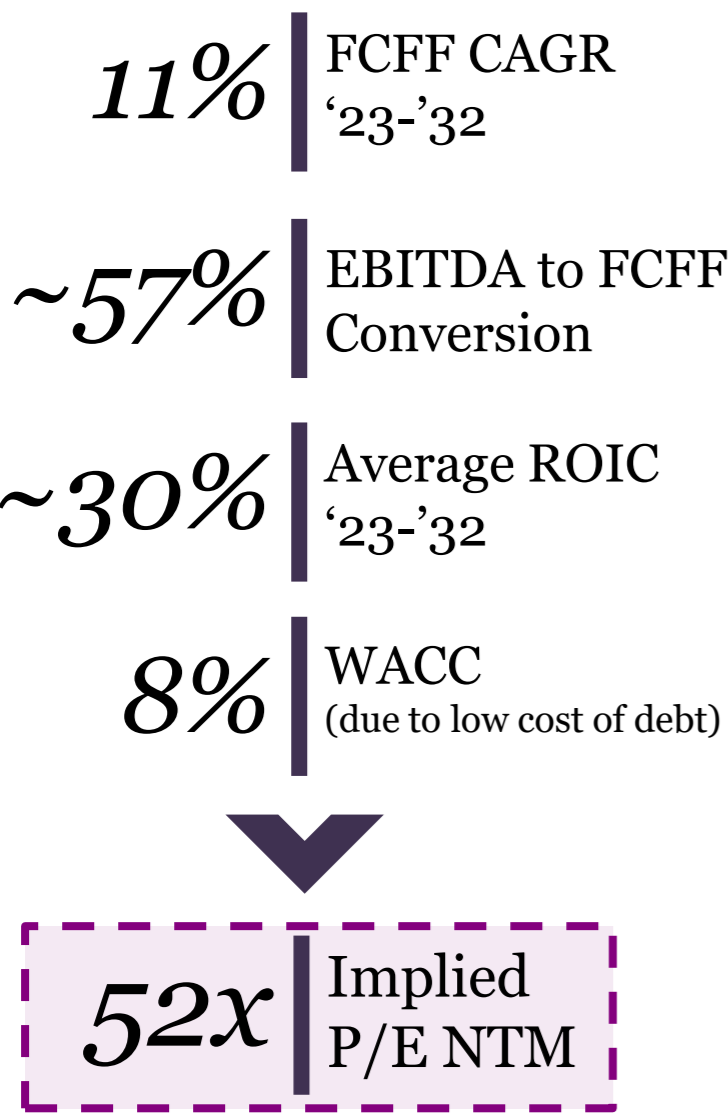
Sources: Capital IQ, Company Filings and own analysis.



Attractive Valuation with Improved Long-Term Fundamentals

This is a great entry point to buy a compounder, as the stock is trading at attractive levels and long-term fundamentals have only improved




DCF¹



Historical P/E NTM



Peer Comps Table²

			
		Fitness / Gyms	Franchises / Restaurants
P/E NTM	36x	40x	31x
P/E NTM (5Y Avg.) Upside/downside to average	50x +39%	50x +25%	33x +6%
Est. Revenue CAGR (next 2y)	14%	23%	8%
SSS (LTM)	11%	n.a.	6%
Net Margin 23E	18%	4%	13%
ROIC (LTM)	23%	2%	16%

Sources: own analysis, Capital IQ, Company Filings.

Note (1): For more details, please see DCF slide in Appendix. All assumptions are in line with historical averages.

Note (2) Gyms and Franchises/Restaurants indexes are composites created using weighted averages. Created in Capital IQ.

What You Need To Believe (street's expectations vs. our base case)

Expectations at current price are reasonable and we see a great upside

		2019	2022		Street 2027E (reverse DCF at current price)	Base Case 2027E
1	Price	\$75	\$79		\$113 (2026 EoP)	\$163 (2026 EoP)
2	# of Units and Members	<ul style="list-style-type: none"> Units: 2.0k Members per Unit: 7.4k Members: 14M 	<ul style="list-style-type: none"> Units: 2.4k Members per Unit: 7.0k¹ Members: 17M 		<ul style="list-style-type: none"> Units: 3.5k (+220/year)² Members per Unit: 7.4k Members: 26M 	<ul style="list-style-type: none"> Units: 3.7k (+260/year) Members per Unit: 7.4k Members: 28M
3	Revenue per Member	\$50	\$58		\$63 (increase in royalties fee to 7%, slight rebound for equipment sales)	\$69 Variant view: higher equipment sales per franchise (to pre-COVID level)
4	Net Margin	21%	16%		21%	20% (slightly lower due to lower margin of equipment segment)
5	Shares Outstanding / EPS	92M / \$1.6	90M / \$1.6		79M / \$4.2	78M / \$4.8
	Exit P/E NTM	42x	36x (Current P/E NTM)		28x (exit in 2026 with P/E 2027E)	34x Variant view (from our DCF): higher growth and ROIC until 2032

Note (1): Still compressed after COVID-19 (1Q22 - the most important from the year - was affected due to Omicron). Average 2017-2019 is 7.4k members / unit.

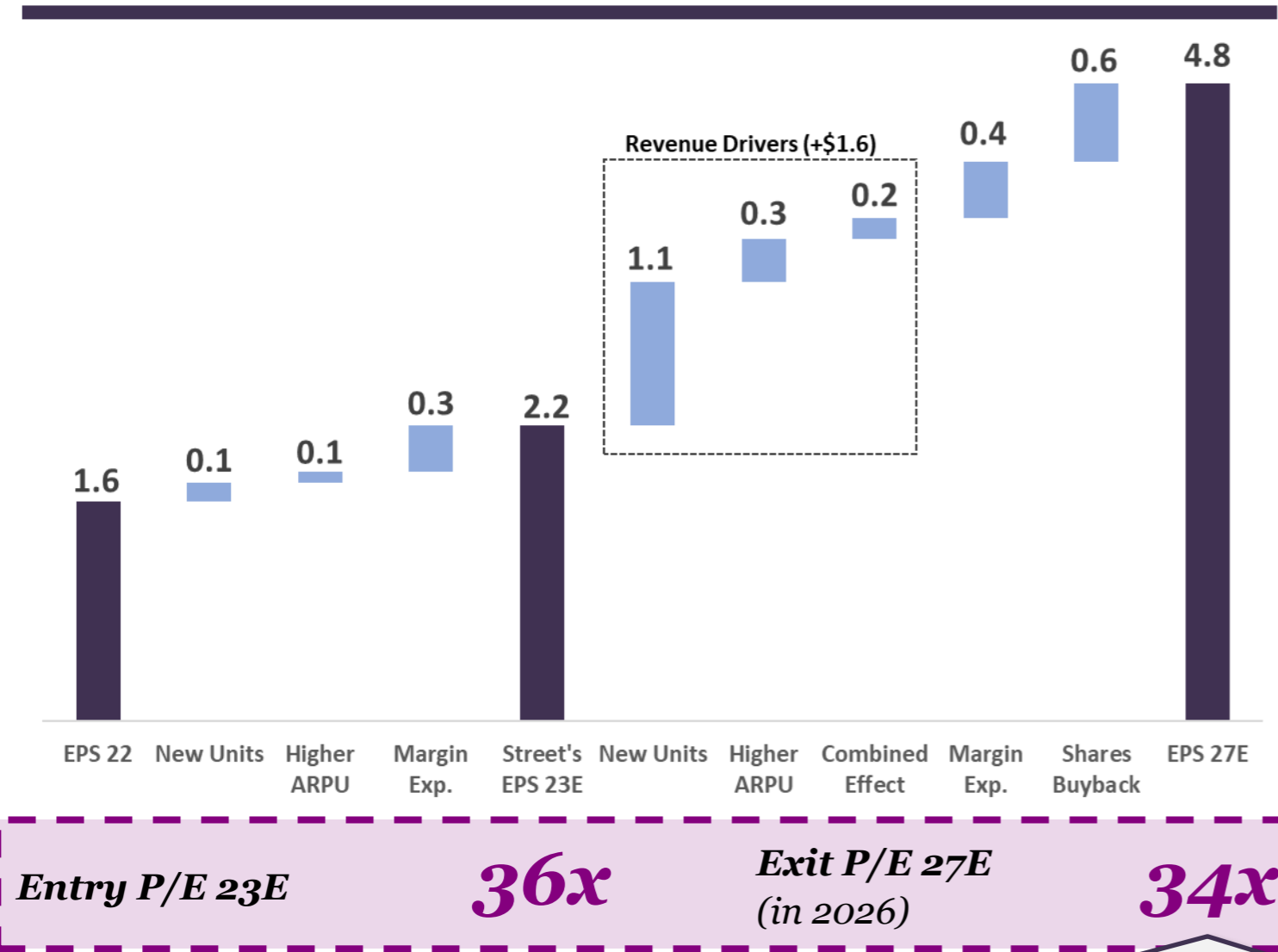
Note (2): Planet Fitness added ~260 units in 2019.

Note (3): Although we are exiting in 2026, we are presenting 2027 figures because we exit with P/E NTM.

Valuation: Asymmetric Returns

We recommend long PLNT with a 4-year target price of \$163/share and an IRR of 20% (total upside of 107%)

EPS Bridge (Base Case) - \$



Scenarios and Returns

Scenarios	Street	Bear	Base	Bull			
Number of Stores in 2027	3.5	3.1	3.7	4.0			
CAGR 22-27	8%	5%	9%	10%			
Number of Stores in 2032	4.3	3.4	5.0	5.5			
CAGR 22-32	6%	4%	8%	9%			
Members in 2027 (M)	26	22	28	29			
Net Revenue (\$M)	1,582	1,354	1,815	1,966			
Net Revenue per Member	63	63	69	70			
Net Income (\$M)	335	273	371	419			
Net Margin	21%	20%	20%	21%			
# of Shares in 2027	79	83	78	78			
EPS 2027E	4.2	3.6	4.8	5.4			
Exit in 2026 (P/E 2027E)	28x	20x	34x	40x			
Current Price	79	79	79	79			
4-Year Target Price	113	72	163	214			
Total Upside / (Downside)	43%	(9%)	107%	172%			
IRR	10%	(2%)	20%	28%			
Sensitivity Table							
Exit P/E NTM (in 2026)	20x	28x	30x	34x	36x	40x	45x
IRR (Base Case)	8%	15%	17%	20%	21%	24%	27%

Source: Own analysis.

Note (1): Exit multiple was an output from DCF in year 2026 (please see appendix DCF slide).

Note (2): Average P/E NTM with COVID Period: 50x – ex-COVID:40x.



Risks and Mitigation

Cannibalization

- If Planet Fitness opens too many units, one unit can steal members from the other. Thus, number of members would be lower per unit, which can hurt growth and margins
 - **Mitigant:** Planet Fitness still has a vast opportunity to expand nationally and internationally. We also analyzed units in risk and asked franchisees about this, and they mentioned there is no sign of cannibalization.

Competition

- If other fitness competitors start to aggressively enter Planet Fitness markets, the number of members per gym would be affected and returns would be lower. Also, pricing competition could hurt Planet Fitness margins.
 - **Mitigant:** Planet Fitness has the best value proposition among current competitors and sustainable competitive advantages.

Cancellation

- Regulation or consumer pressure could make PF change its cancellation policy, which, could increase churn rate
 - **Mitigant:**
 - Cancellation Policy is an industry standard for low price gyms, and PF has a reasonable policy compared to competitors (e.g. Crunch Fitness has a fine for cancelling before 1 year).
 - Recently, 30-35% of users that churn from Planet Fitness come back as clients (rejoins)

Expansion

- In case of a recession and/or high interest rates, people could stop spending and franchisees could halt expansion due to the high cost of debt.
 - **Mitigant:** Planet Fitness has the cheapest product in the market, so people would be attracted to it. Fitness is not discretionary, and PF performed well during the financial crisis in 2007-2009 and during COVID, whereas other gyms did not. This could create even more opportunities for Planet Fitness. Lastly, Planet Fitness unit economics are already attractive even without leverage, and franchisees still think the return attractive (18% ROIC).
- If Planet Fitness or its franchisees are not able to continue to expand, our thesis would be broken.
 - **Mitigant:** Planet Fitness already signed ADA to expand +1,000 units with its current franchisees (more than 500 in the next 3 years). Also, COVID-19 created a great opportunity for expansion and international is a real opportunity

Pricing Power

- Long period of high inflation can put pressure on the PF' value proposition of low price.
- Planet Fitness is not be able to return equipment sales to pre-pandemic levels
 - **Mitigants:**
 - Planet Fitness recently increased its Black Card price from \$23 to \$25 but didn't see churn increase. Also, Black card penetration is still ramping-up, so this would increase ARPU
 - Planet Fitness has increased the value of the black card (with more gyms, partnerships with Amazon, etc) to drive these price increases and avoid churn
 - Franchisees are obliged by contract to renew their equipment every 5-7 years. This was postponed due to COVID but is returning to normal levels
 - Contracts of franchisees are converging to new 7% royalties fee (from 6.5% 2022), so this will increase ARPU over time.

Disruption

- Work-out at home companies (such as Peloton or GymPass) could steal members from Planet Fitness and decrease PLNT's growth.
 - **Mitigant:** Planet Fitness targets a different population from traditional fitness centers and has a much lower pricing point. Also, the value proposition of Planet Fitness is attractive due to the low price, and members can have both subscriptions (avg. memberships per gym member is higher than 1 in U.S.).





Appendix

Primary Survey – Sources and Quotes

Interviews

- CFO of PLNT Mexican Franchise Group
- CFO at a Big US' PLNT Franchise
- Board member at a Crunch Fitness Franchise

Primary Survey

- Gym Users (n=120)

Relevant Quotes

- [Management]: “**No one knows this business like him** (Chris the CEO). He led the company through the GFC and COVID”
- [Price] "There are other things to do to bring the avg. price up without changing the entry price. **They have been increasing the value** for the client as they increase the price"
- [Price] “I think is **still possible to continue growing price there** (Black Card).”
- [Market] “**Younger generation seem to work out more**, even more worried about health”
- [Market] “1 mile in NY may be equivalent to 5 miles in Ithaca”
- [Market] “I **still see a really good runaway ahead** (in terms of new units)”
- [Economics] “Marketing fee is almost like reinvestment. Lowering this fee it would be not good, it would affect sales.”
- [Economics] “Although higher interest rates hurt, **it is not an impediment to build new units**”
- [Economics] “Higher interest rates are an issue, **but returns in the industry are still attractive**”
- [Operation] “**My group didn’t have any major disruption because of that (HVAC disruption)**. I know there is some disruption in the market. The lead time is longer, but you just have to be better in planning. “
- [International Economics] “Although topline is a little bit weaker in Mexico due to higher collection loss, **the bottom line is the same, because of cheaper real estate and labor.**”
- [International Markets] “We have a **differentiated relationship with REITS/ real estate agents** because our partner from our JV in Mexico has many other retail businesses in the country”
- [International Markets] “I see at **least 400 units** as potential in Mexico”
- [International Markets] “We have **only 1 real competitor in Mexico**, but **our price is much more competitive**”

Photos From Our Visits

Harlem (125th Street)



Harlem (3799 Broadway)



Midtown (55th Street)



Chigago (240 E Illinois St)





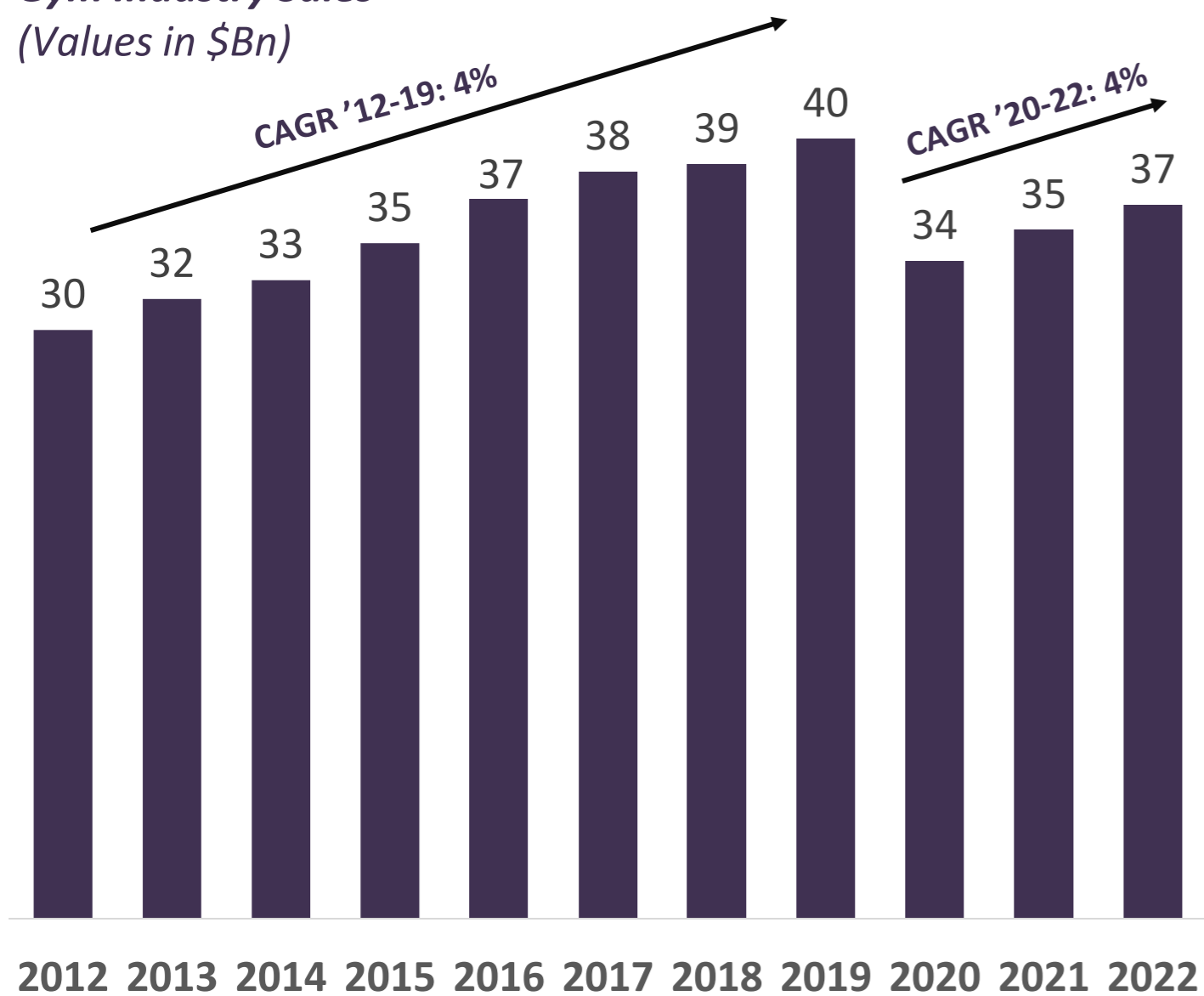
Market

1. United States Gym Industry Overview

The U.S. Gym industry is large, and it is growing even after COVID

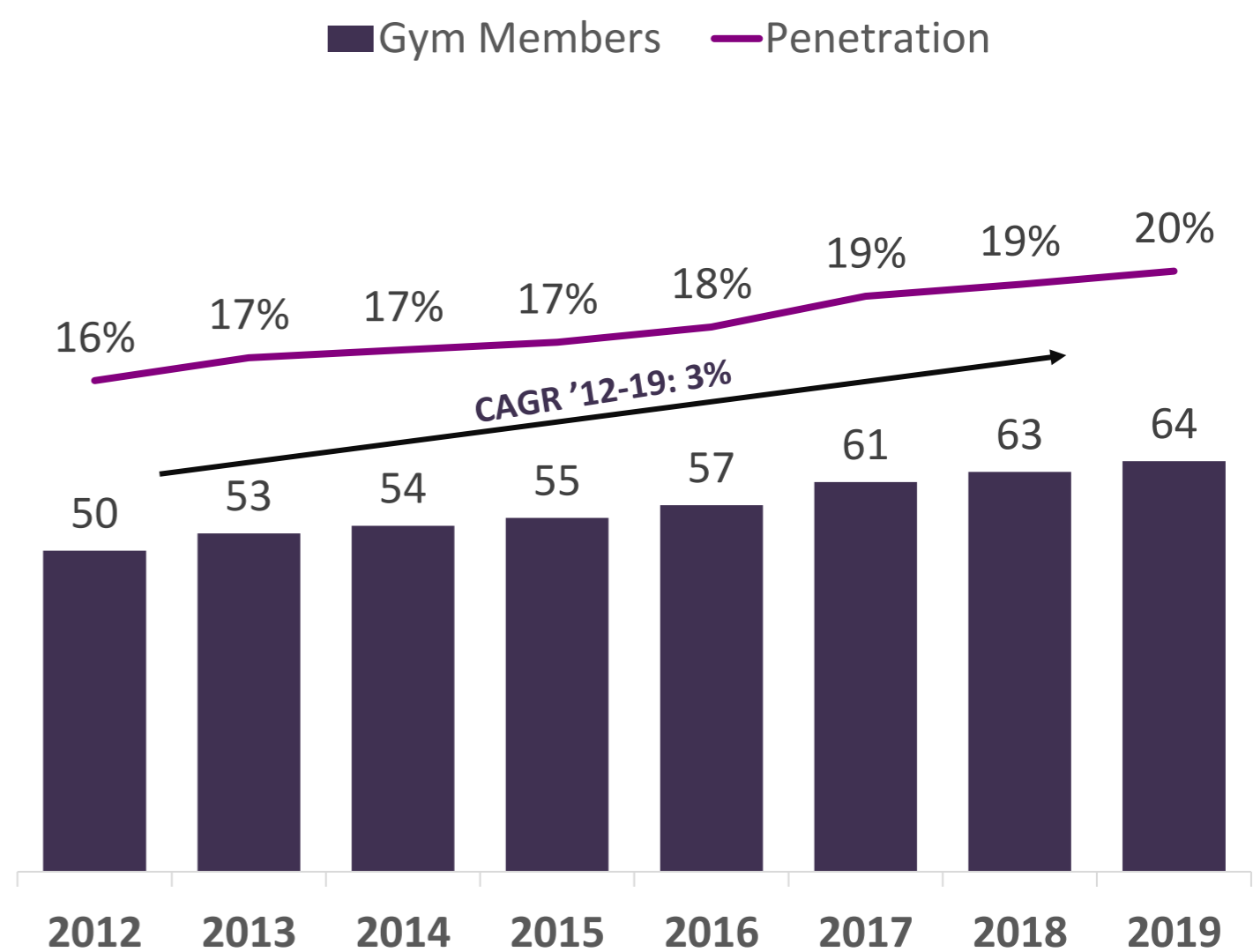
Gym industry sales growth have already recovered

Gym Industry Sales
(Values in \$Bn)



Strong volume growth and penetration increase

Gym industry members and penetration(*)
(value in M)

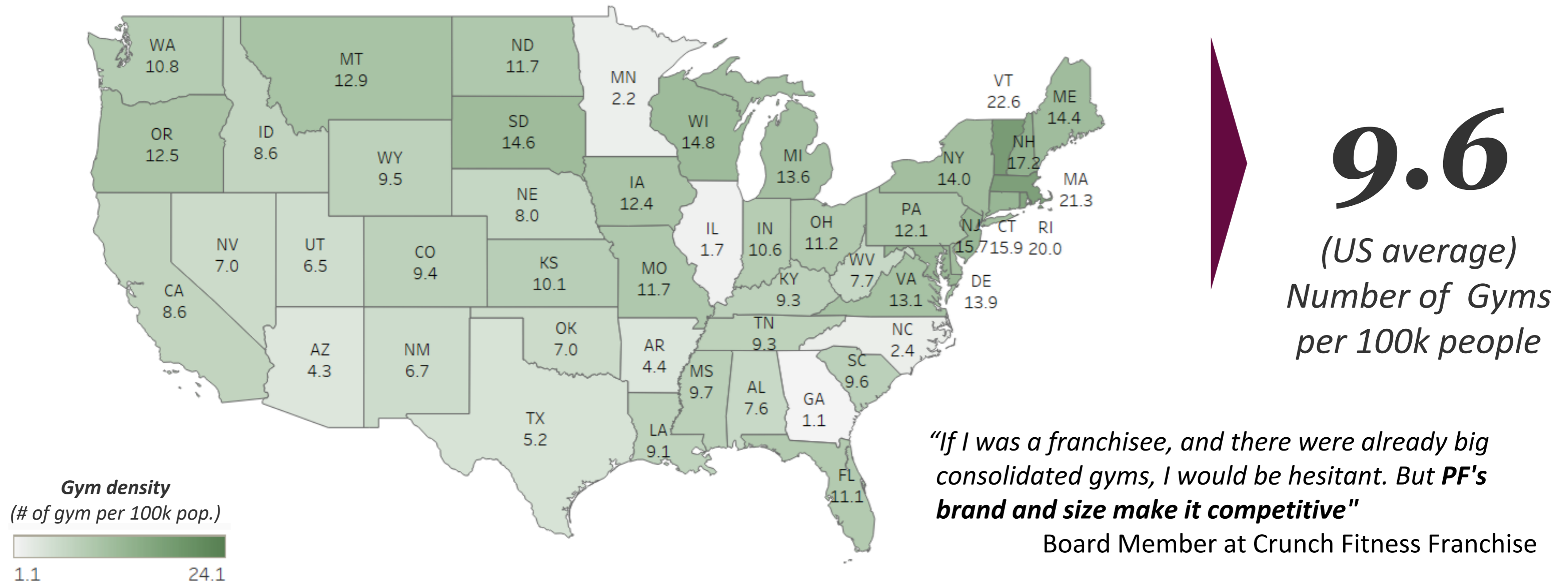


Sources: IBIS World, Statista, OECD, Company's 10K, IHRSA.
Note: Penetration vs. US population.



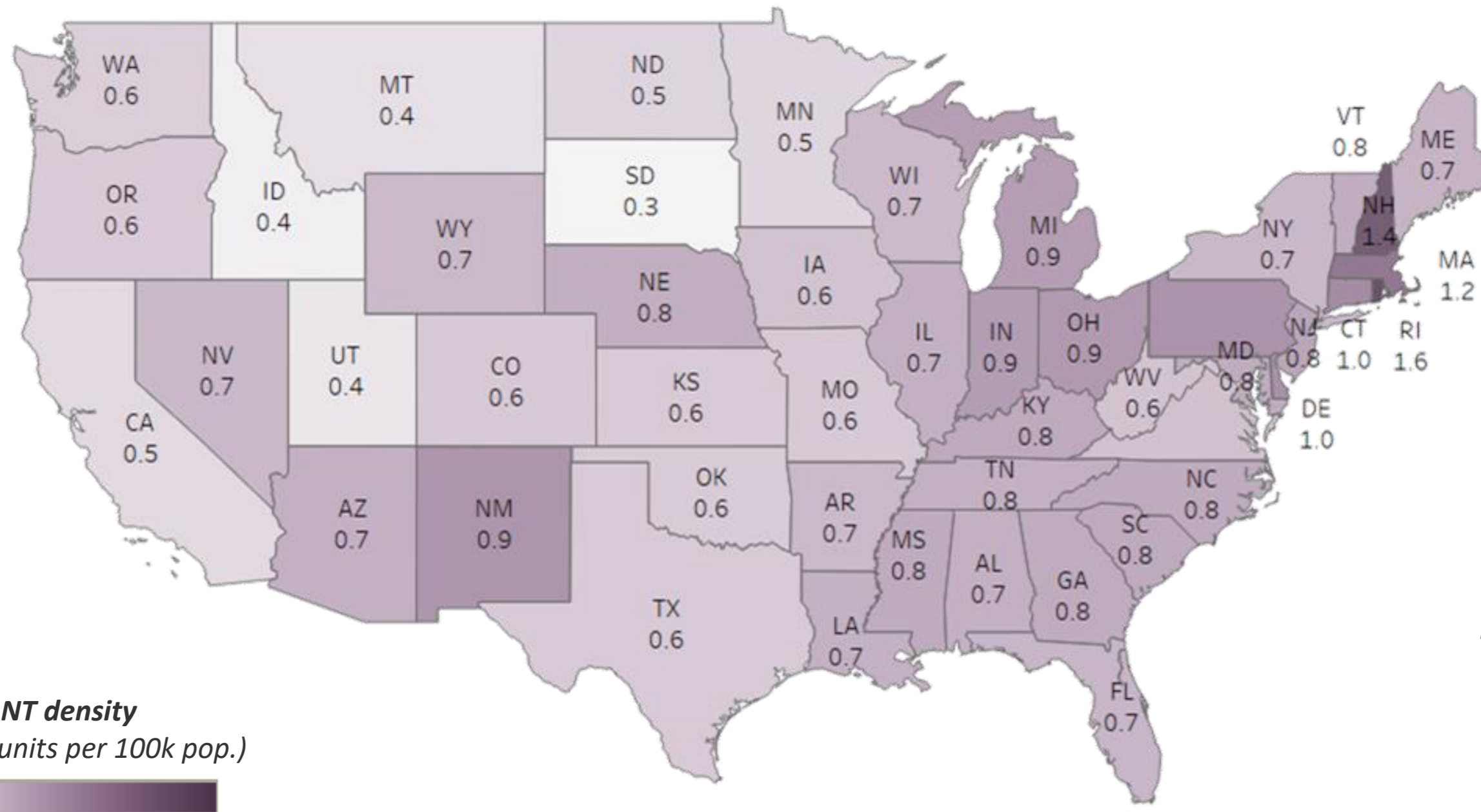
B Room to grow PLNT's penetration

There are many states with low penetration in term of numbers of gyms



© Room to grow PLNT's penetration

When we look into PLNT's unit penetration we see opportunities to expand market share and also drive State's penetration



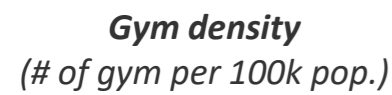
0.7
(US average)
Number of PLNT's units
per 100k people

"People still gravitate to places like NY and LA, because there is where work opportunities are"

CFO at a Big US' PLNT Franchise

© PLNT Can Increase Penetration in U.S. States

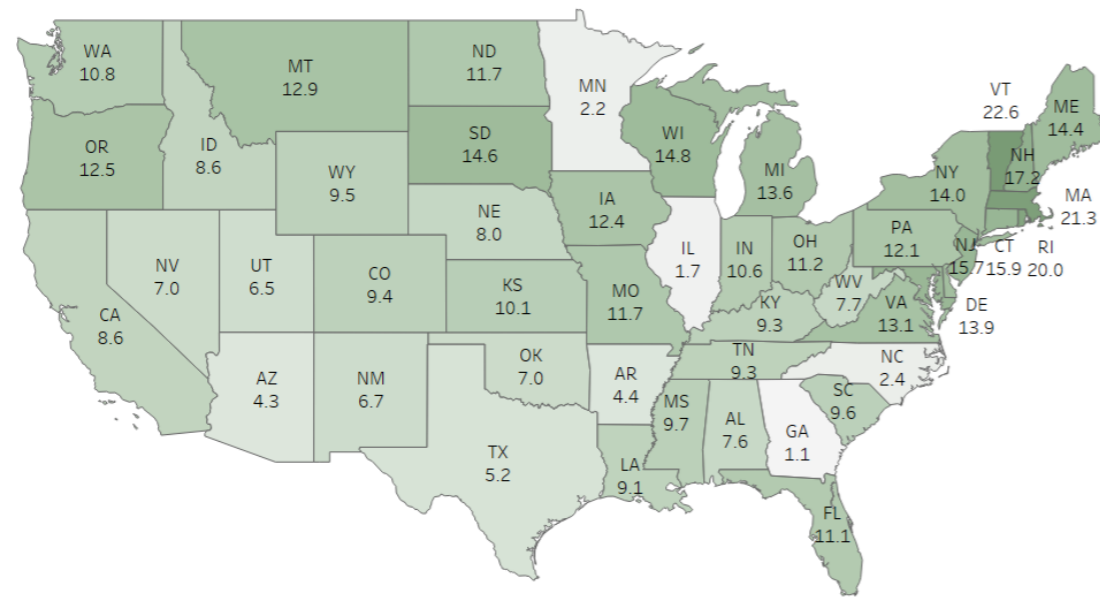
US Gym Distribution per State



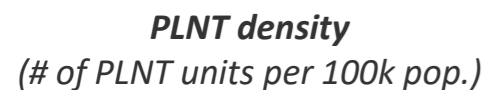
9.6

(US average)

*Number of gyms units
per 100k people*



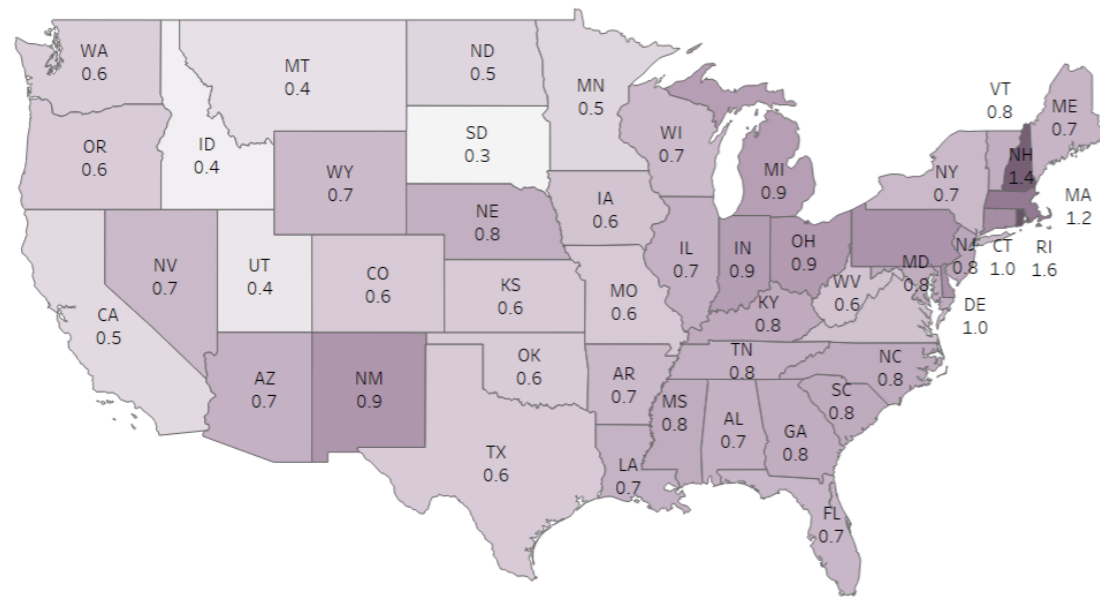
PLNT Gym Distribution per State



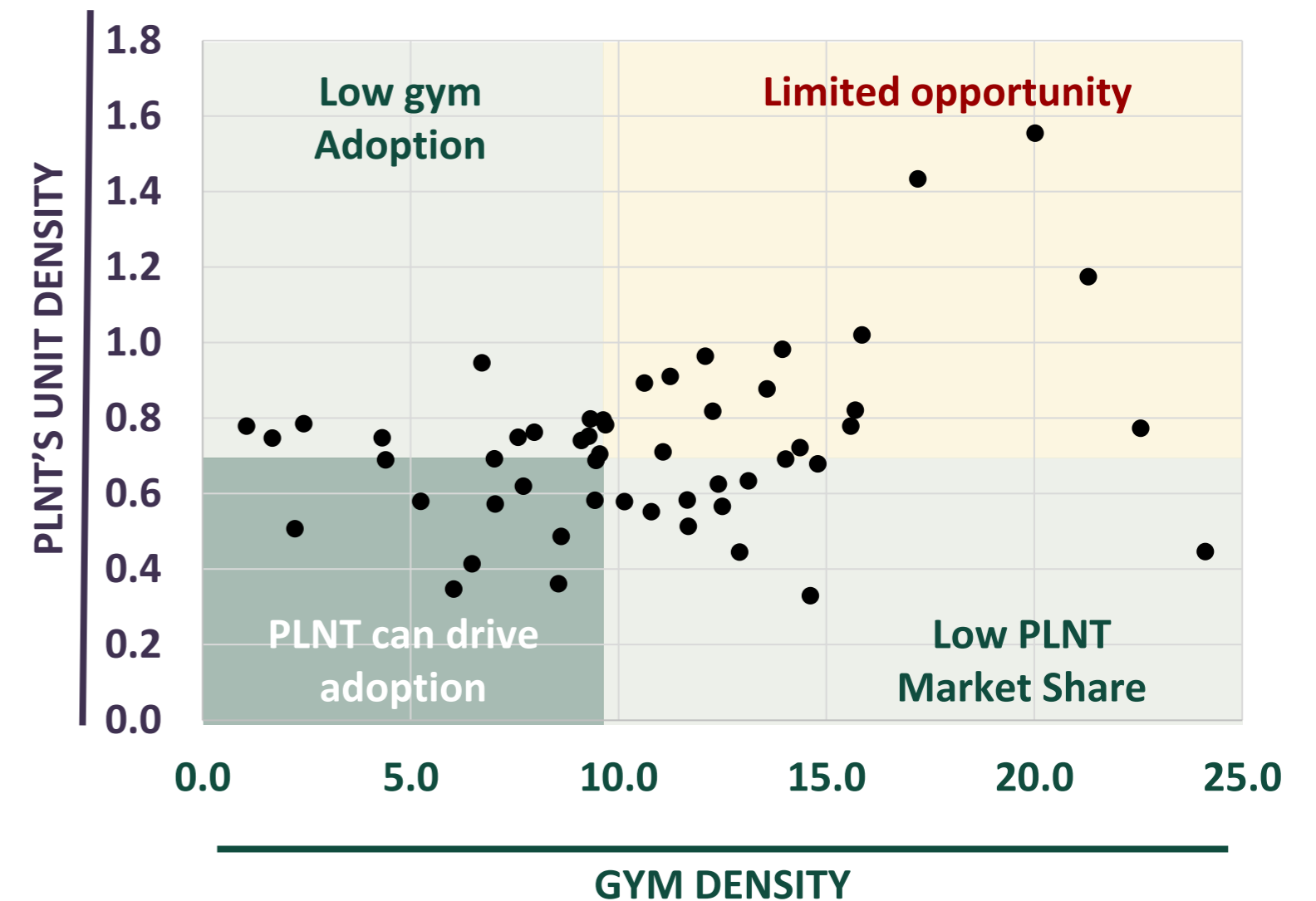
0.7

(US average)

Number of PLNT's units
per 100k people



There are States with opportunities to increase gym adoption and increase PLNT market share



For example:

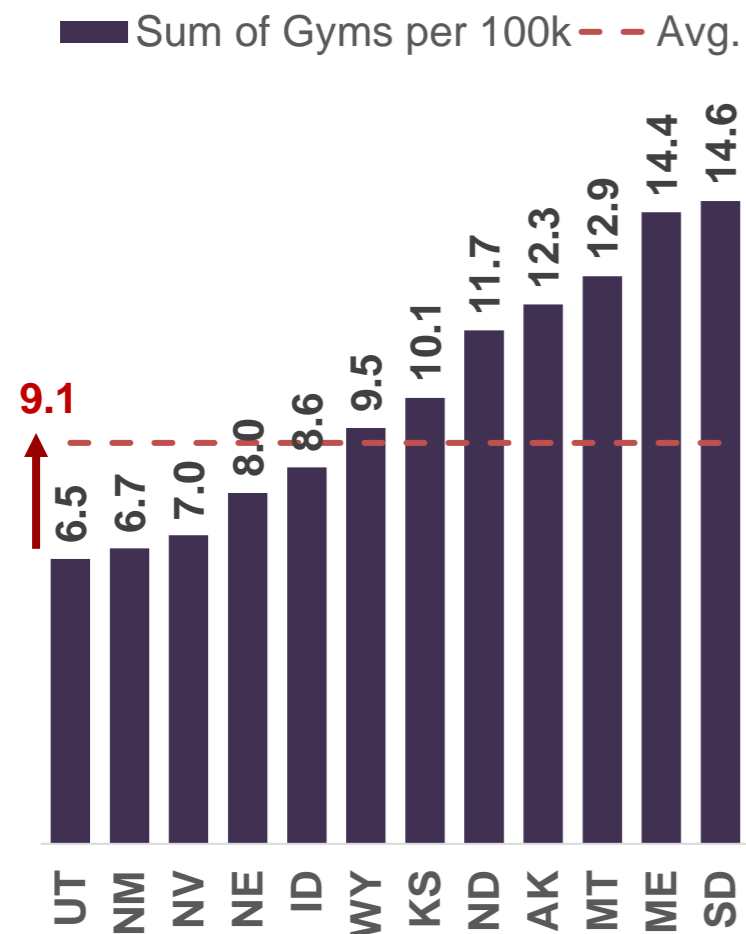
- CA has 8.6 gym density and 0.5 PLNT's Unit density
- TX has 5.2 gym density and 0.6 PLNT's Unit density

C Room to grow PLNT's penetration

There is a lot of potential if underpenetrated states can grow to at least the current group average gym density

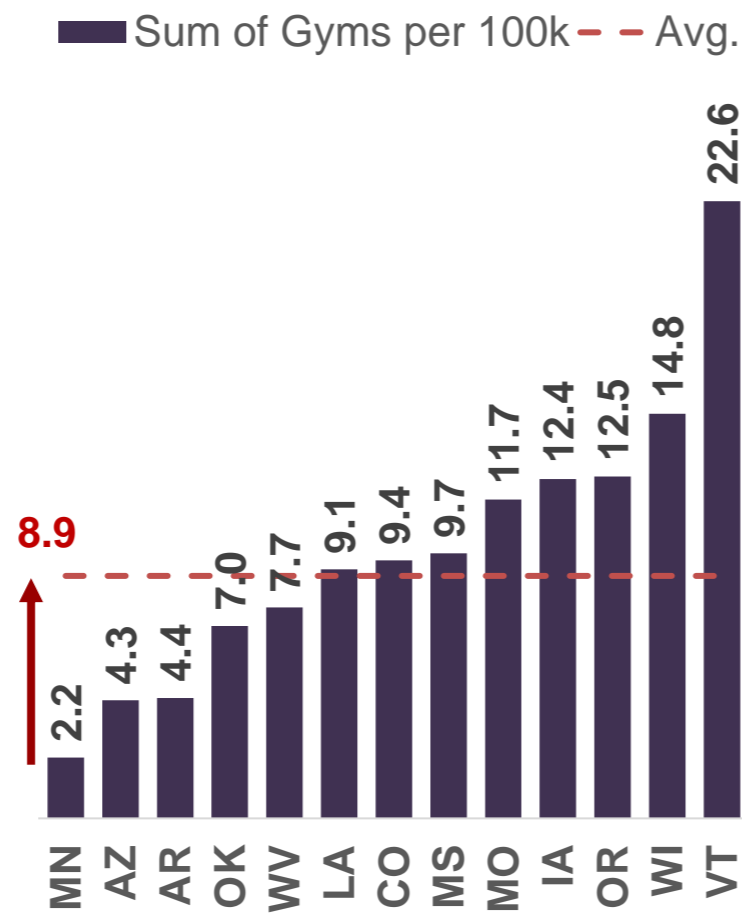
1st Quartile: Low Density States

State's Pop. Density : <~43



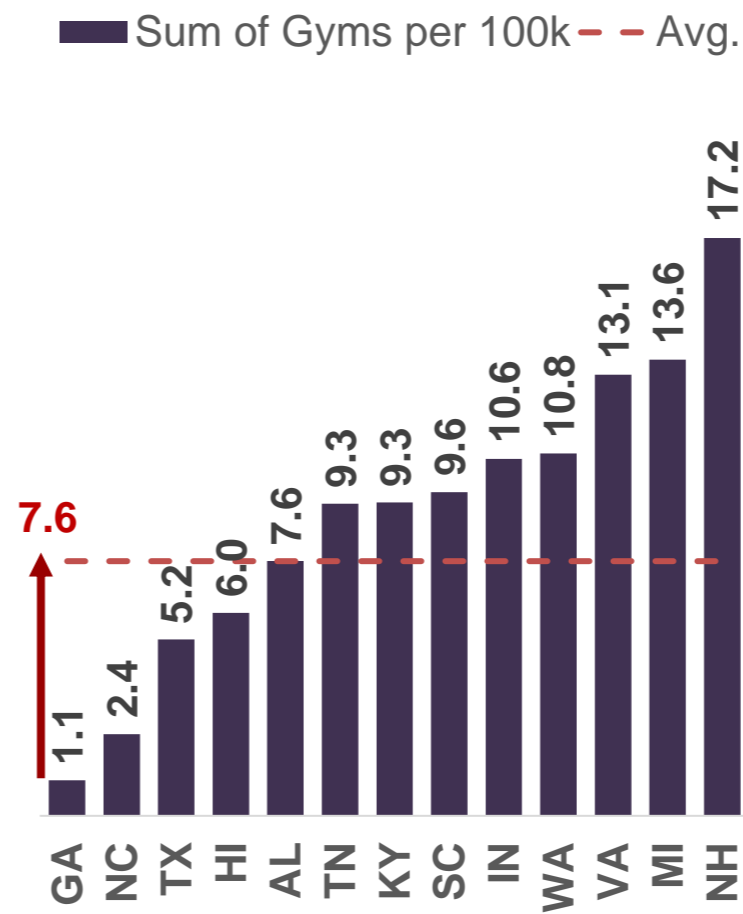
2nd Quartile: Medium Density States

State's Pop. Density : 43-97



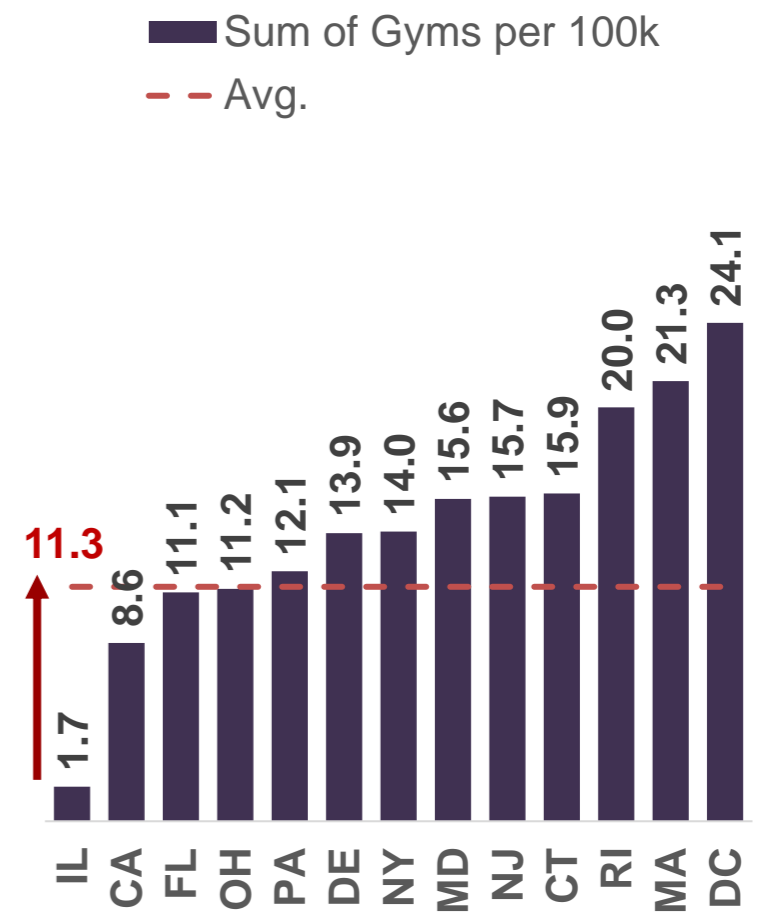
3rd Quartile: High Density States

State's Pop. Density : 97-217



4th Quartile: Highest Density States

State's Pop. Density: >217

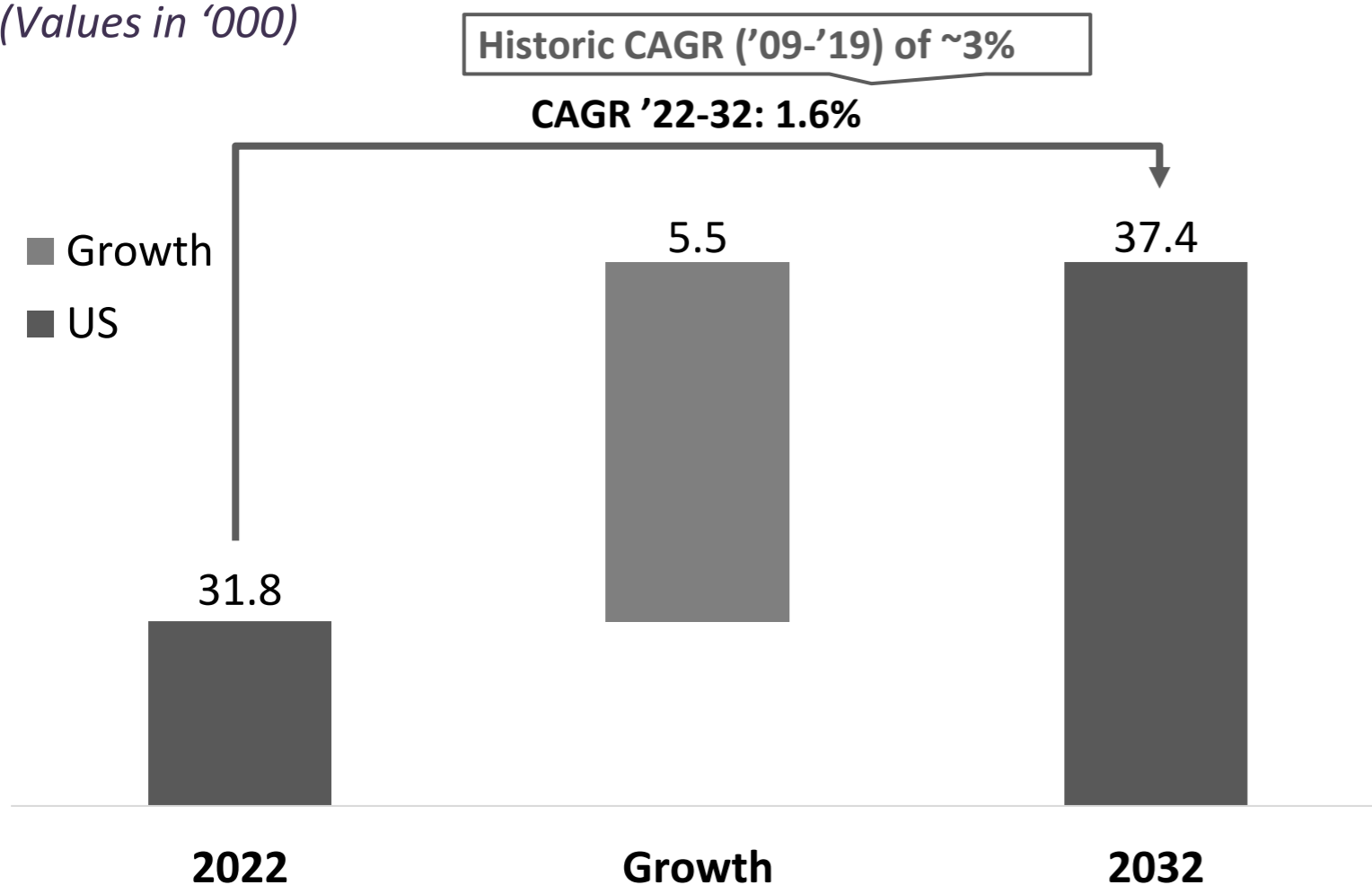


C PLNT Can Increase Penetration in U.S. States

PLNT can achieve at least 2k additional units in the U.S. in 10 years

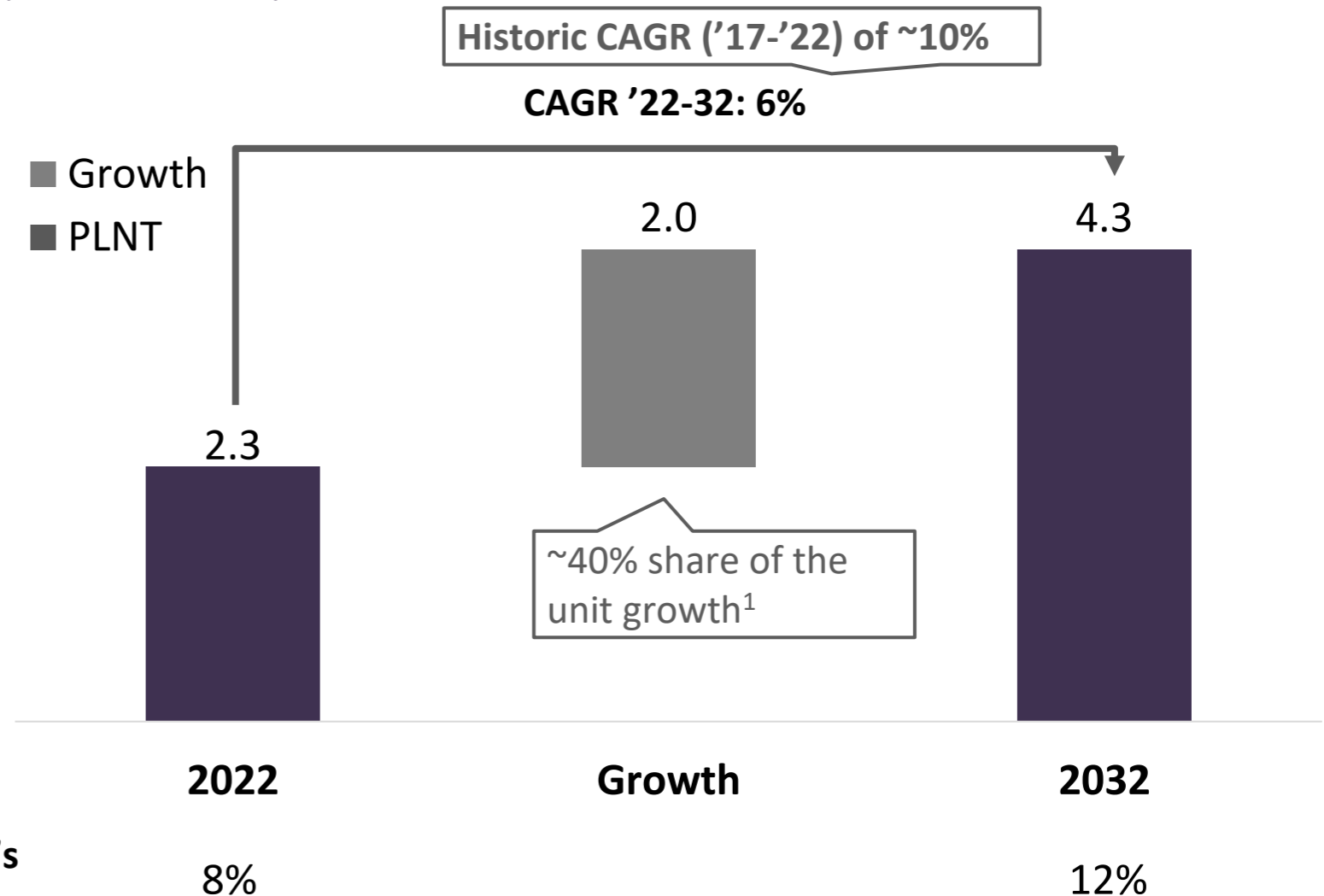
US gym growth

of Gyms growth
(Values in '000)



PLNT share of the growth

of Gyms growth
(Values in '000)



PLNT Gym's
Market Share

8%

12%

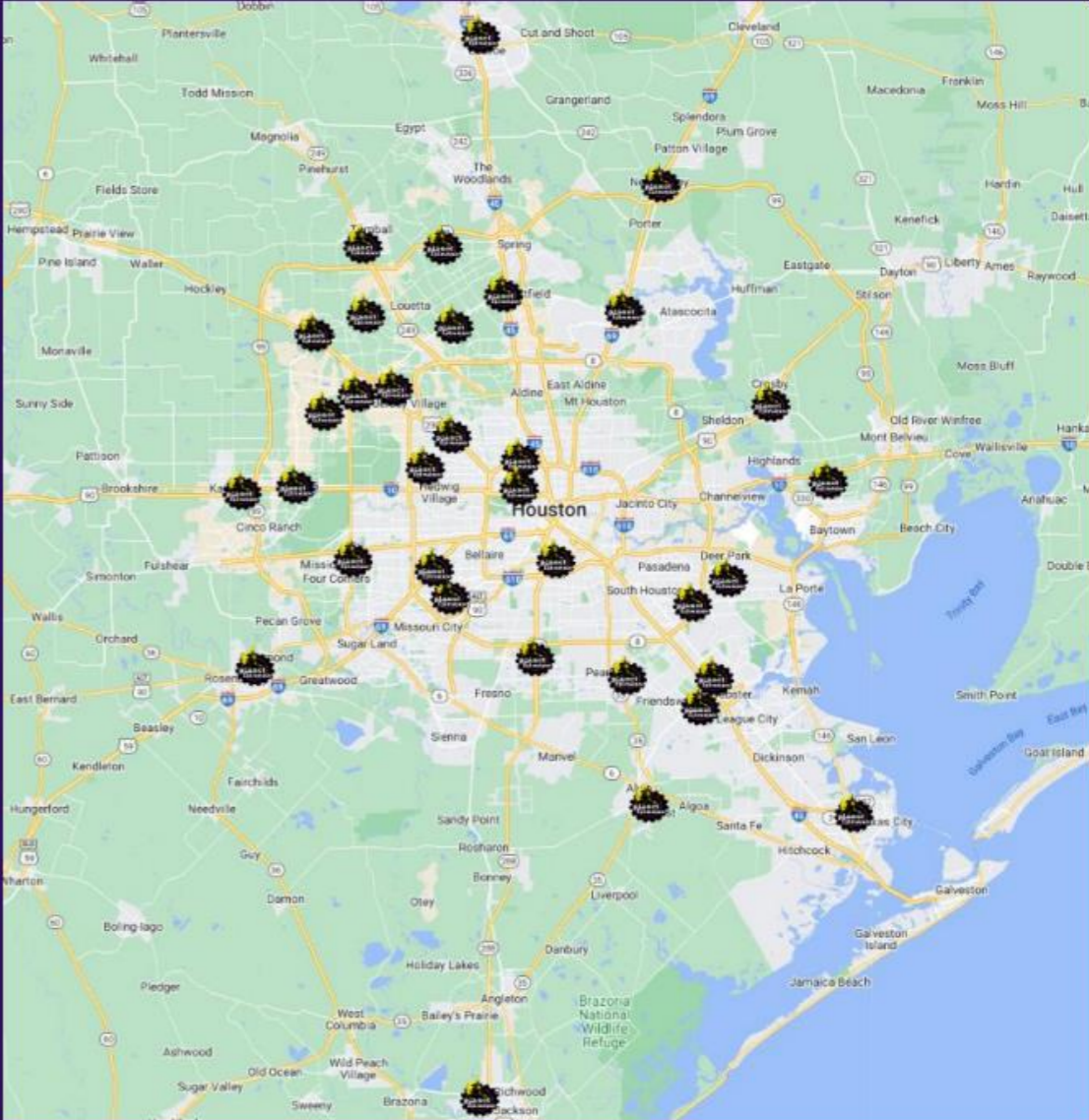
Sources: Company Data; Own analysis

Note (1): Scenario considers the average between bull and bear scenario: Bull Scenario: PLNT can have half the share it had in its members growth (87%/2=43%) | Bear scenario: PLNT can have 1/3 the performance it had had in its members growth (87%/3=29%)

Case Study for Expansion: Houston

Houston over time

Year	Open Clubs	Additional Targets	Total Units ¹	AUV ²	Average Member Count ²	Projected Market Penetration ³
2007	0	12	12	N/A	N/A	1.3%
2015	10	26	36	\$ 1.3m	6.1k	3.8%
2019	23	22	45	\$ 2.2m	8.5k	4.8%
2021	28	39	67	\$ 2.2m	8.0k	7.1%
2022	34	45	79	\$ 2.3m	8.5k	8.4%



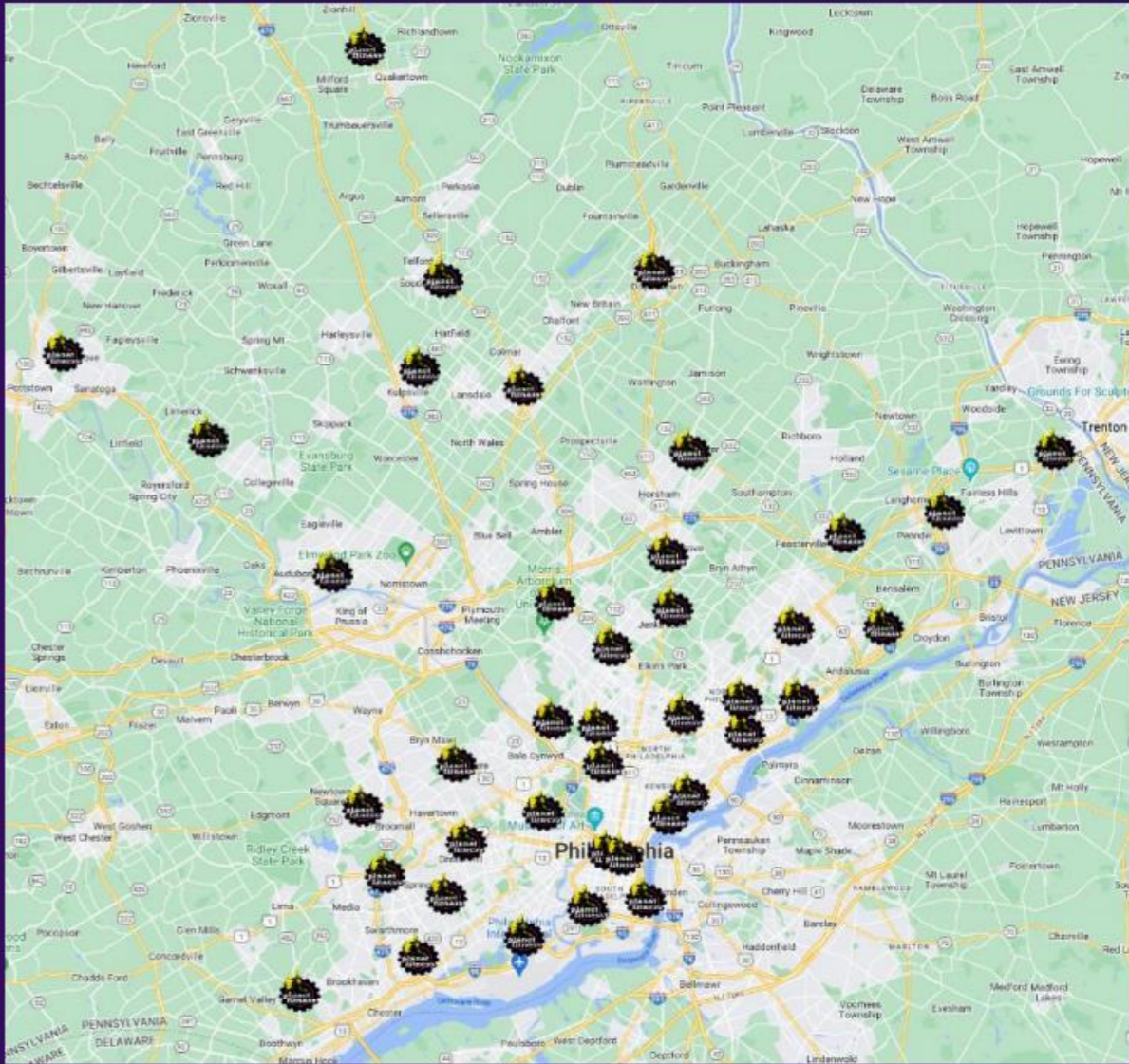
1: Total Units refers to the projected number of clubs at completion. 2: Avg. AUV and Avg. Member Count calculated on mature stores only (3+ years). 3: Projected market penetration assumes an average of 7,500 members per unit and is calculated using 2020 census population numbers.



Case Study for Expansion: Philadelphia

Philadelphia over time

Year	Open Clubs	Additional Targets	Total Units ¹	AUV ²	Average Member Count ²	Projected Market Penetration ³
2008	3	39	42	N/A	N/A	8.5%
2017	27	16	43	\$ 1.9m	8.8k	8.7%
2019	28	27	55	\$ 2.1m	9.4k	11.2%
2022	40	19	59	\$ 1.9m	7.5k	12.0%



1: Total Units refers to the projected number of clubs at completion. 2: Avg. AUV and Avg. Member Count calculated on mature stores only (3+ years). 3: Projected market penetration assumes an average of 7,500 members per unit and is calculated using 2020 census population numbers.



D Big opportunity in international markets

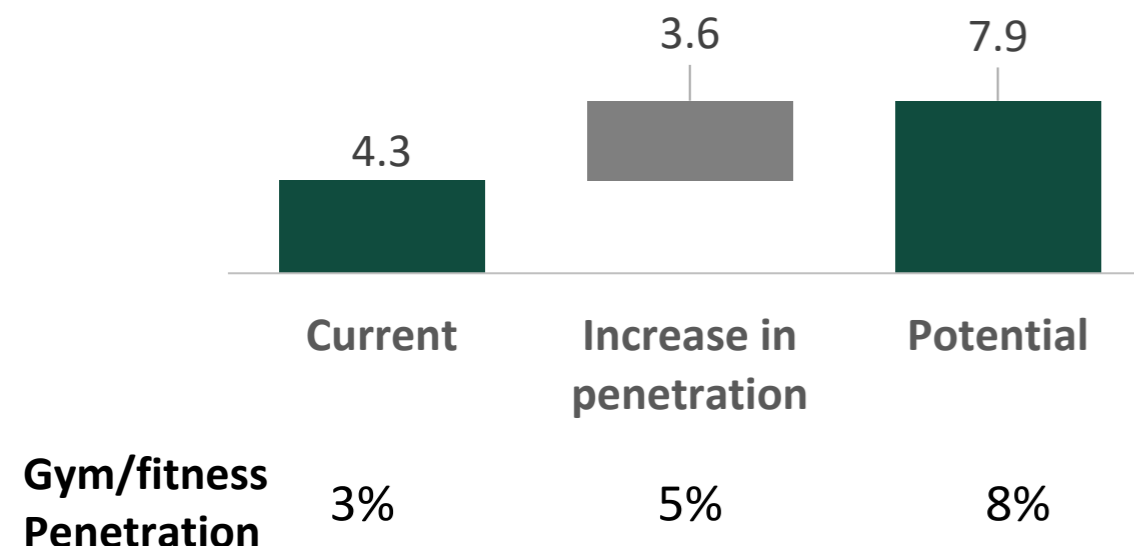
PLNT have a potential to capture 5.2M additional members if it can replicate the effect created in the US' gym industry. (87%¹ of 6.0M potential market)



Mexico

Mexico have potential additional 3.6M in 10 years if the country grows 1.5x the US penetration CAGR growth

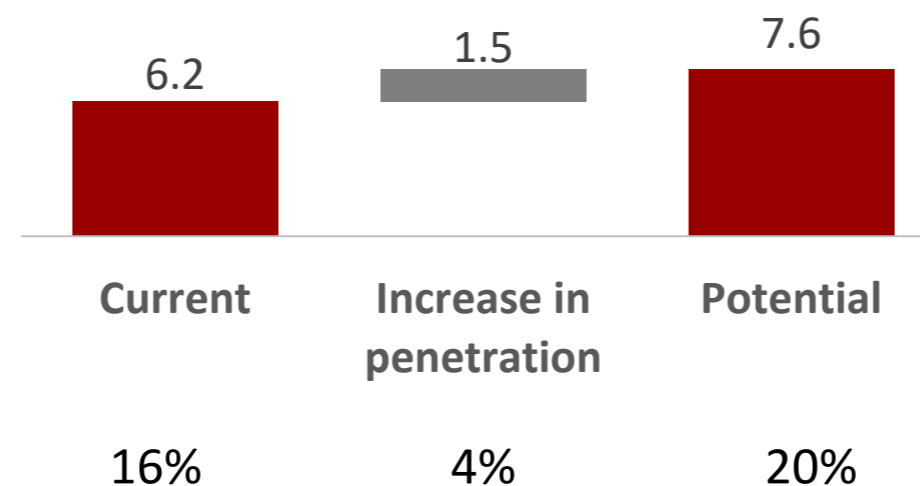
*# of gym/fitness members
(value in M)*



Canada

Canada have potential additional 1.5M in 10 years if the country grows at the same pace of US penetration growth

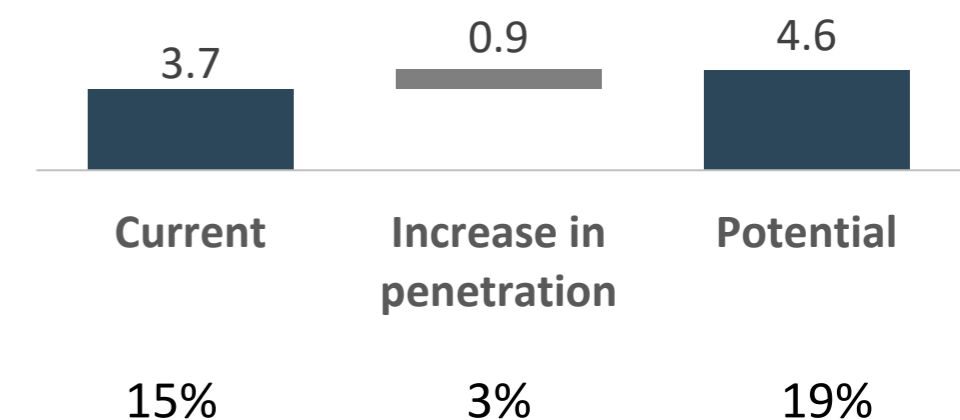
*# of gym/fitness members
(value in M)*



Australia

Australia have potential additional 0.9M in 10 years if the country grows at the same pace of US penetration growth

*# of gym/fitness members
(value in M)*



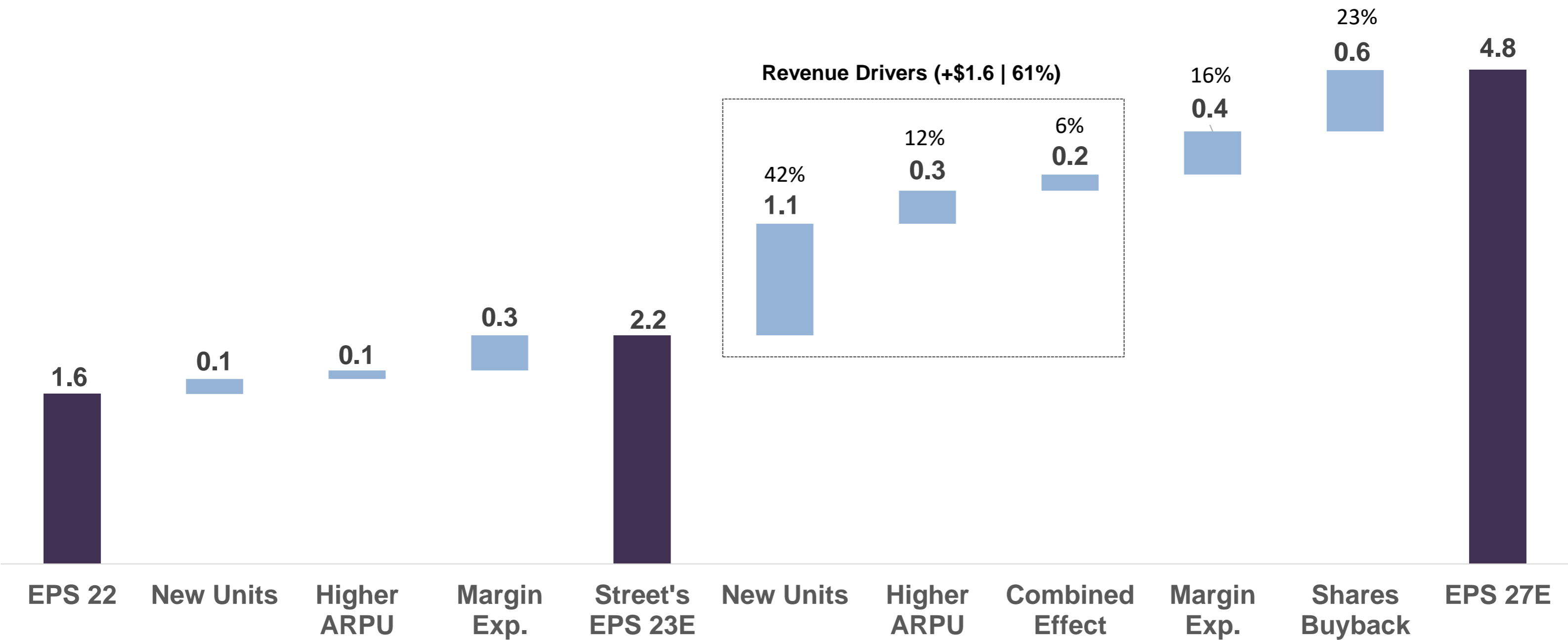
Note(1): This value represents the share (%) of planet fitness of the US' gym members growth from 2013-2019



Financials

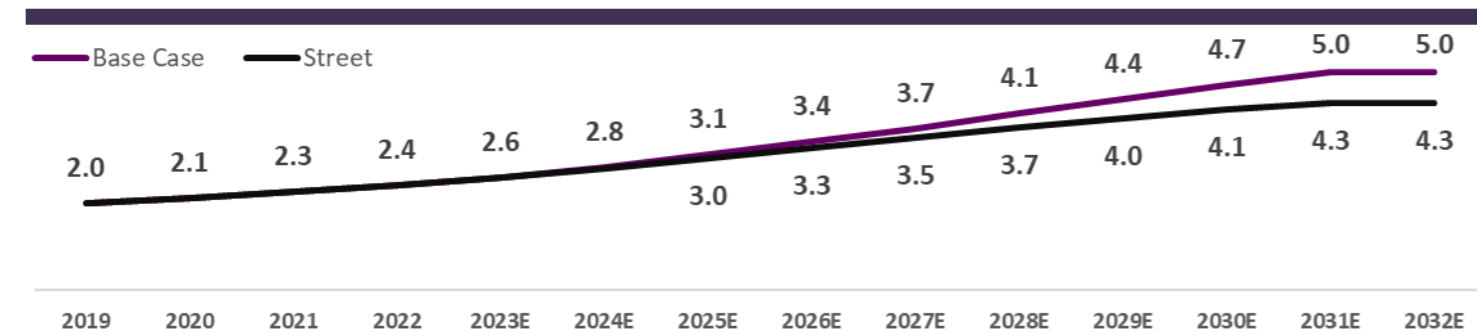
Detailed Bridge

EPS
(Values in \$)



Variant Views (Base Case Vs. Street)

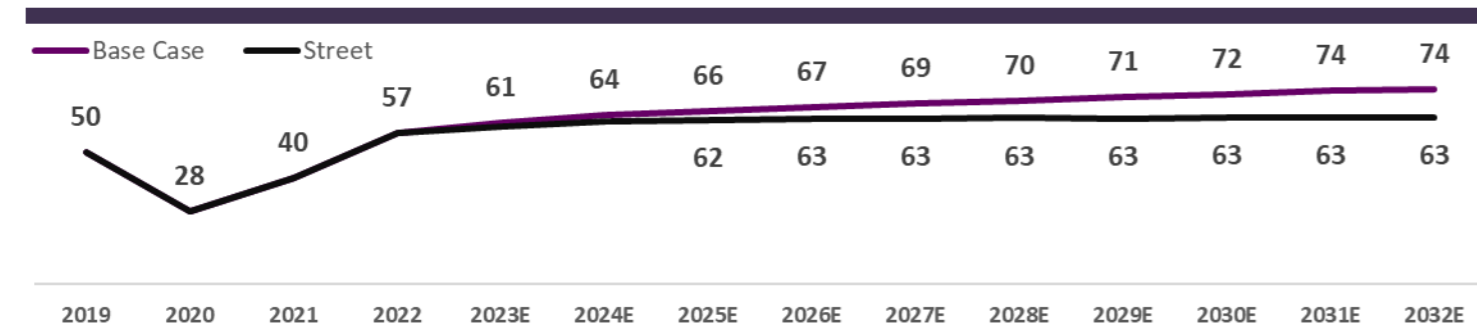
Number of Units ('000)



Assumptions

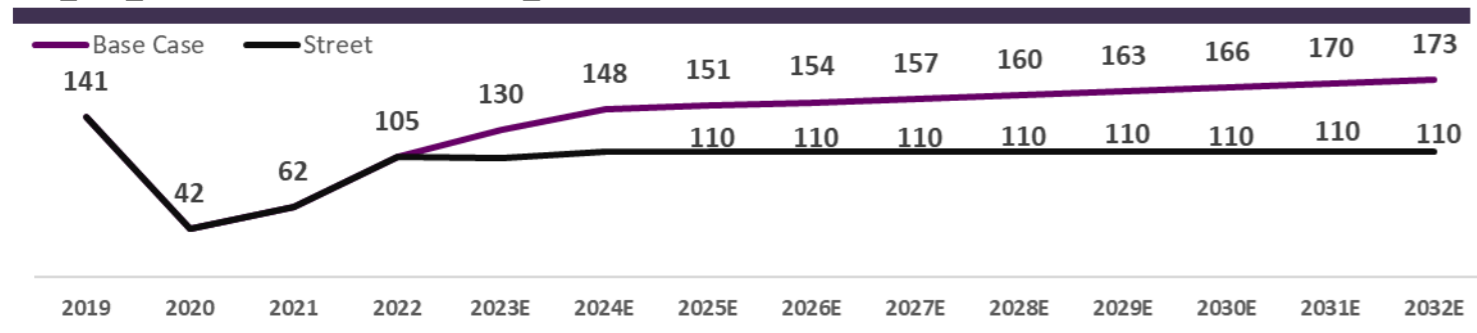
- Higher number of units due to the points discussed in thesis 2 (driving higher penetration, large opportunity created after COVID-19 (~10k gyms closed), Planet Fitness strong value proposition and franchisee base) and International opportunity.

ARPU (\$)



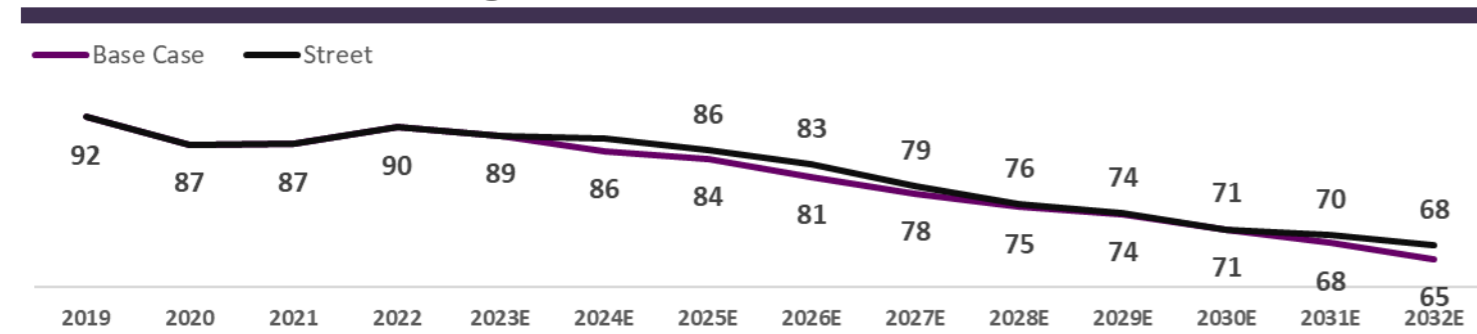
- ARPU increases further to account for the rebound of equipment sales (detailed below)
- After 2024, increases 2% per year.

Equipment Revenue per Franchise (\$'000)



- Equipment per Franchise returns to normal levels in 2024E and grows 2% per year after
- Franchisees are obliged to renovate their equipment every 5-7 years. Due to COVID, this was postponed. Our VAR contacts told us this should go back to normal too.
- Street projects normalization at slightly better than current numbers (still compressed).

Shares Outstanding (M)

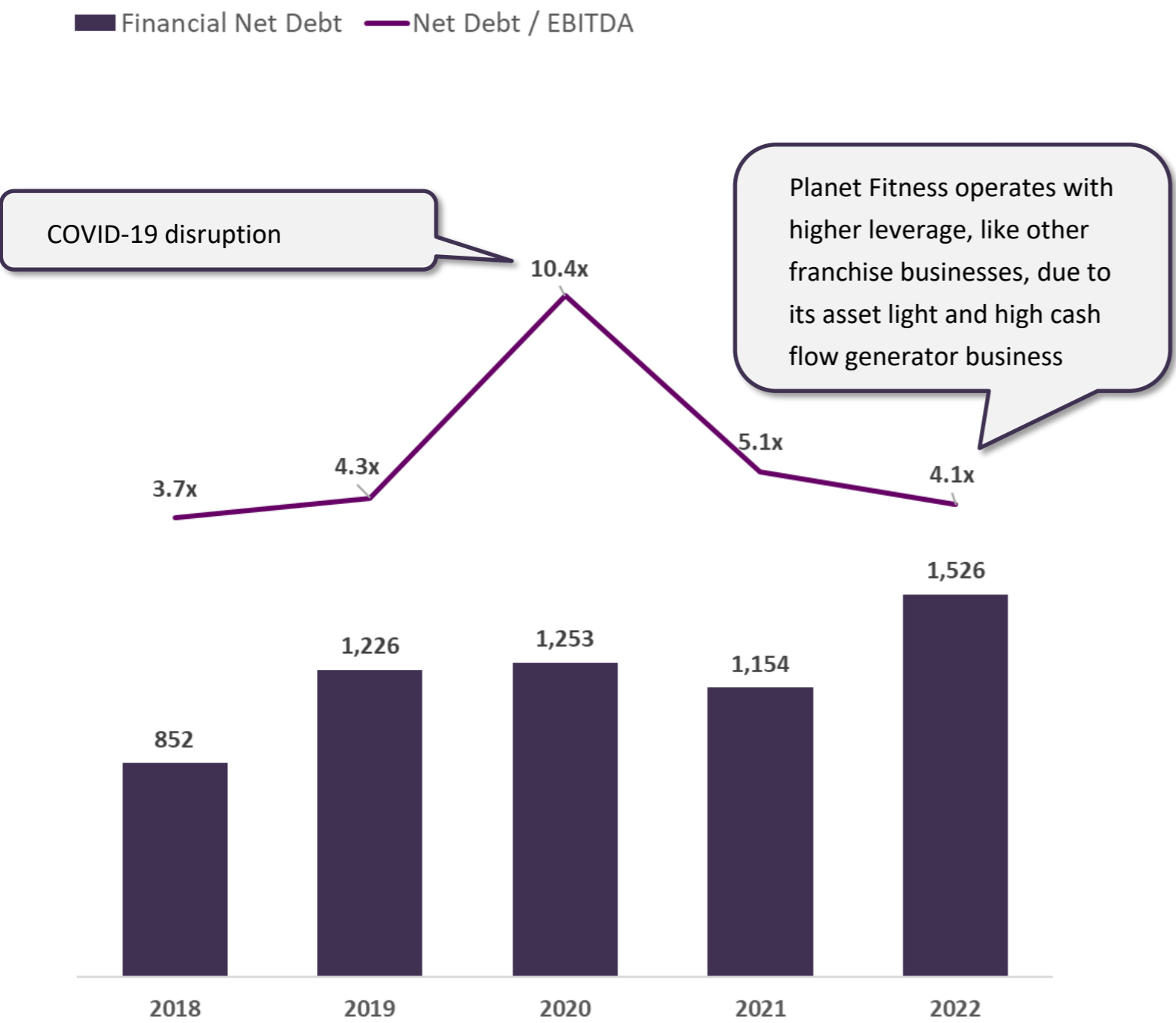


- Slightly better number of shares outstanding due to higher cash flow allocated to this.
- In 2018-2019, PLNT repurchased \$800M in shares.
- For each case, we assumed the stocks are repurchased at the fair price of the stock on that given year (so in our base case, price is higher).

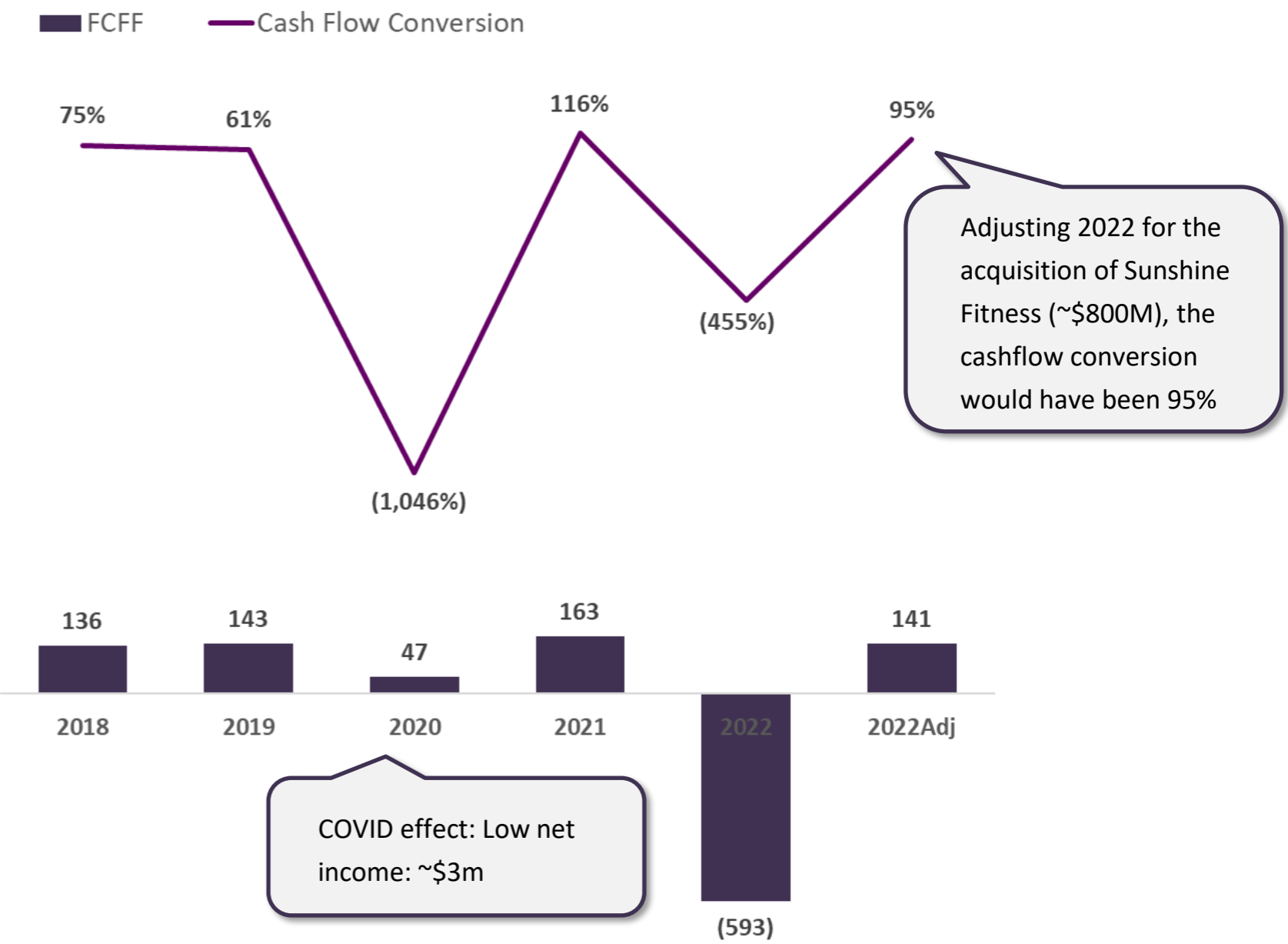


Other Financial Highlights

Net Debt and Net Debt / EBITDA

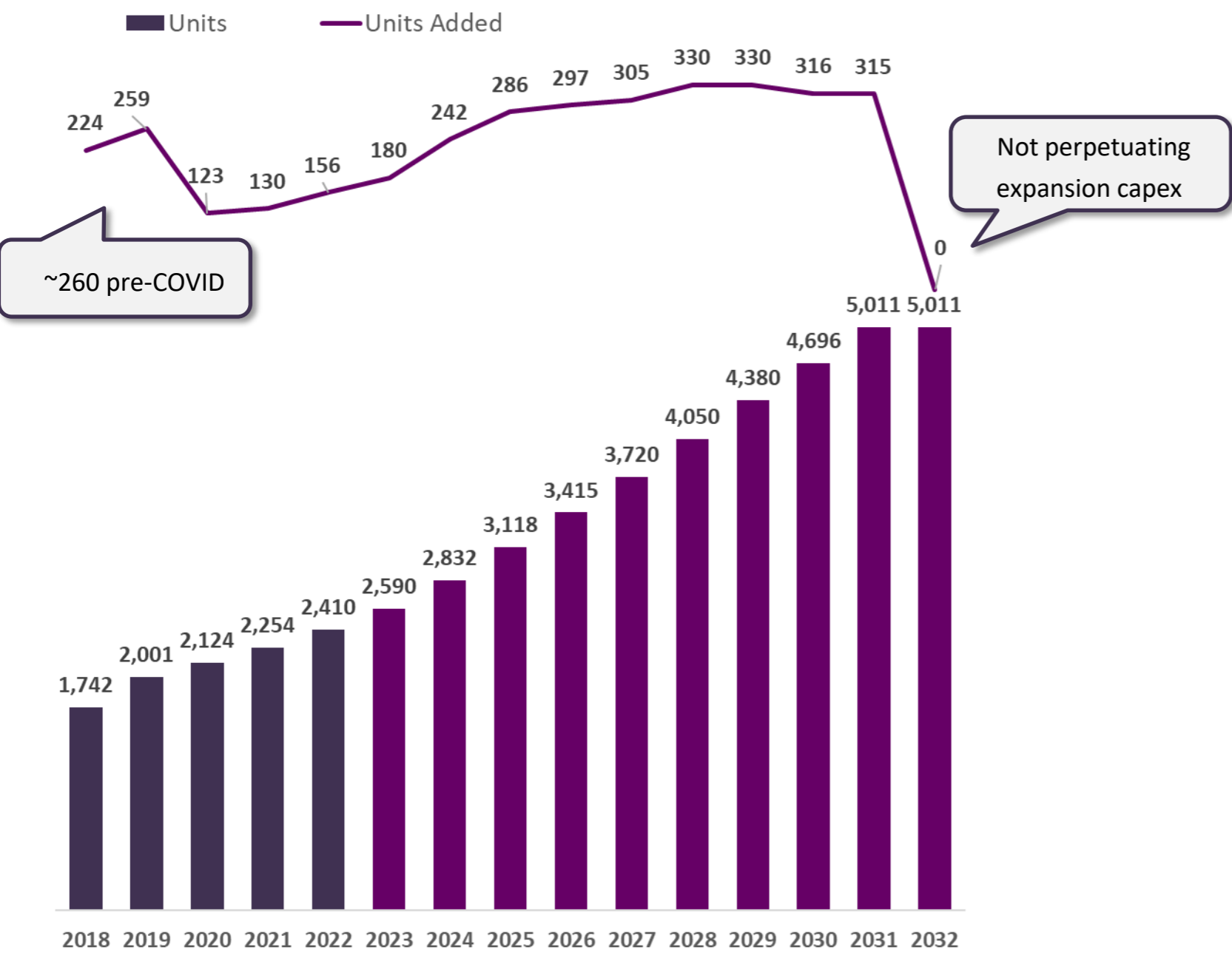


FCF and Conversion (FCFF – Interest / Adjusted Net Income)

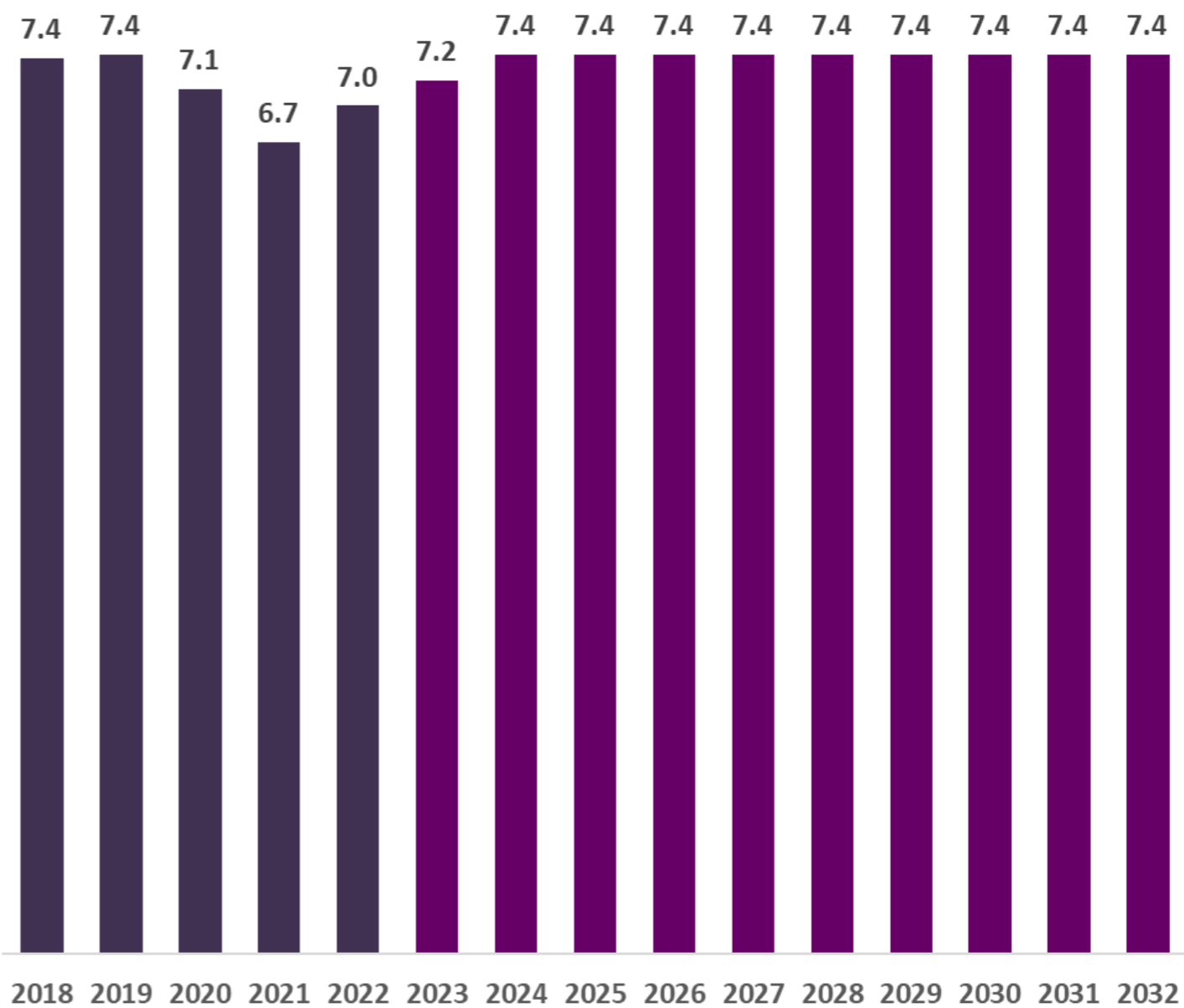


Financial Model Projections

Number of units and Units Addition



Members per Unit (‘000)



Income Statement

Income Statement (Adjusted)	FY2018	FY2019	FY2020	FY2021	FY2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Net Revenue	573	689	407	587	937	1,096	1,278	1,456	1,633	1,815	2,014	2,224	2,436	2,654	2,761
Growth	33%	20%	(41%)	44%	60%	17%	17%	14%	12%	11%	11%	10%	10%	9%	4%
Franchise	224	278	206	291	330	372	435	506	570	633	702	774	845	919	933
Corporate-owned stores	139	160	117	167	379	431	480	544	607	675	748	827	907	988	1,041
Equipment	210	252	83	129	228	293	363	406	455	507	563	624	685	747	787
Adjusted EBITDA	228	282	120	225	368	444	516	593	675	765	850	940	1,031	1,124	1,163
EBITDA Margin	40%	41%	30%	38%	39%	40%	40%	41%	41%	42%	42%	42%	42%	42%	42%
Depreciation And Amortization	(20)	(28)	(37)	(46)	(83)	(90)	(114)	(147)	(143)	(161)	(193)	(234)	(256)	(276)	(285)
Adjusted EBIT	208	254	83	178	285	353	402	447	532	604	657	706	775	849	878
EBIT Margin	36%	37%	21%	30%	30%	32%	31%	31%	33%	33%	33%	32%	32%	32%	32%
(+/-) Financial Results	(46)	(54)	(79)	(80)	(84)	(79)	(70)	(77)	(97)	(103)	(115)	(121)	(124)	(131)	(147)
Adjusted EBT	162	200	4	98	201	274	332	369	435	501	542	585	651	718	730
EBIT Margin	28%	29%	1%	17%	21%	25%	26%	25%	27%	28%	27%	26%	27%	27%	26%
Provision for income taxes	(43)	(54)	(1)	(26)	(52)	(71)	(86)	(96)	(113)	(130)	(141)	(152)	(169)	(187)	(190)
Adjusted Net Income	120	147	3	72	149	203	246	273	322	371	401	433	482	531	541
Net Margin	21%	21%	1%	12%	16%	19%	19%	19%	20%	20%	20%	19%	20%	20%	20%
Asset Turnover	1.2	1.4	0.8	1.1	1.0	0.8	0.9	1.0	1.1	1.2	1.3	1.3	1.4	1.5	1.6
Nopat Margin	27%	27%	15%	22%	23%	24%	23%	23%	24%	25%	24%	23%	24%	24%	24%
ROIC	33%	38%	11%	25%	23%	20%	22%	24%	27%	29%	30%	31%	33%	35%	37%



Adjustments in GAAP Net Income

GAAP Net Income to Adjusted Net Income (\$M)						Comments	
	2018	2019	2020	2021	2022		
Net Income	103	135	(15)	46	110	1	When Planet Fitness acquires a franchise, part of the value is allocated to an intangible account (instead of goodwill), and this is amortized over time. So, similarly to Goodwill (which is not amortized), this is excluded as it doesn't make economic sense to include at adjusted net income)
Provision for income taxes as reported	29	38	1	6	51		
1 Purchase accounting amortization	16	16	17	17	41		
2 Tax benefit arrangement remeasurement	5	6	(6)	12	(14)	2	Planet Fitness has a tax benefit generated from the conversion of units from some shareholders into class A shares, but they must pay 85% of the savings from this benefit. So, the accounting includes some remeasurement that goes into the Income Statement and should be adjusted accordingly.
3 Legal matters	-	-	6	-	10		
Transaction fees	0	-	-	-	5		
4 Credit loss expense on held-to-maturity investments	-	-	-	17	(3)		
Dividend income on held-to-maturity investments	-	-	-	(1)	(2)		
Pre-opening costs	1	2	2	2	-	3	One time settlement of a legal case. Nonrecurring
Loss on extinguishment of debt	5	-	-	-	2		
Other	4	3	0	(0)	0	4	Adjustment because of a HTM investment they have on the balance sheet (non-cash). This will mature in 2026 as can be seen in the Cash Flow statement
Adjusted income taxes	(43)	(54)	(1)	(26)	(52)		
Adjusted Net Income	120	147	3	72	149		
(FCFF - Interest) / Adjusted Net Income						75%	61%
						(1,046%)	116%
						(455%)	
						Includes the acquisition of Sunshine Fitness (~\$818M). Excluding this acquisition, the conversion would be 95%	

Cash Flow Statement

PLNT has a high cash flow conversion due to its asset light business model

Cash Flow Statement (\$M)	2018	2019	2020	2021	2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Adjusted EBITDA	228	282	120	225	368	444	516	593	675	765	850	940	1,031	1,124	1,163
(-) Tax Paid	(35)	(41)	(20)	(5)	(21)	(57)	(71)	(85)	(94)	(102)	(109)	(116)	(125)	(149)	(190)
(-) Var. WK	35	12	1	38	(23)	29	29	31	26	26	30	32	33	26	22
(+) Others	(4)	(7)	(2)	2	(15)	-	-	-	-	-	-	-	-	-	-
Cash Flow from Operations	223	246	99	260	309	415	473	539	607	688	771	856	938	1,001	995
<i>As % of Adjusted EBITDA</i>	<i>98%</i>	<i>87%</i>	<i>82%</i>	<i>116%</i>	<i>84%</i>	<i>94%</i>	<i>92%</i>	<i>91%</i>	<i>90%</i>	<i>90%</i>	<i>91%</i>	<i>91%</i>	<i>91%</i>	<i>89%</i>	<i>86%</i>
(-) Capex (own stores / maintenance)	(65)	(75)	(52)	(60)	(80)	(126)	(198)	(228)	(249)	(271)	(299)	(320)	(337)	(358)	(250)
(-) Other Investments	(23)	(28)	-	(37)	(4)	-	-	-	25	-	-	-	-	-	-
(-) Acquisition of Sunshine	-	-	-	-	(818)	-	-	-	-	-	-	-	-	-	-
FCFF	136	143	47	163	(593)	290	275	311	384	417	473	537	602	643	745
<i>As % of Adjusted EBITDA</i>	<i>60%</i>	<i>51%</i>	<i>39%</i>	<i>73%</i>	<i>(161%)</i>	<i>65%</i>	<i>53%</i>	<i>52%</i>	<i>57%</i>	<i>55%</i>	<i>56%</i>	<i>57%</i>	<i>58%</i>	<i>57%</i>	<i>64%</i>
(-) Financial Results (cash)	(46)	(54)	(79)	(80)	(84)	(79)	(70)	(77)	(97)	(103)	(115)	(121)	(124)	(131)	(147)
(+/-) Debt Issuance / Amortization	471	533	64	(11)	241	186	379	105	485	490	290	(0)	499	367	500
FCFE	561	622	32	72	(435)	397	585	339	771	804	647	415	977	878	1,098
(-) Repurchases	(352)	(458)	-	-	(93)	(278)	(409)	(237)	(540)	(563)	(453)	(291)	(684)	(615)	(769)
(-) Dividends	(9)	(8)	(2)	(1)	(5)	-	-	-	-	-	-	-	-	-	-
(+) SBC	5	5	5	9	8	9	10	12	13	14	15	16	17	19	19
(+) Equity Issuance / Others	1	3	3	8	394	-	-	-	-	-	-	-	-	-	-
(+) Other Change in Equity	-	(5)	-	-	-	-	-	-	-	-	-	-	-	-	-
FCF	207	159	37	88	(131)	128	186	113	244	255	209	141	311	282	349
<i>(FCFF - Interest) / Adjusted Net Income</i>	<i>75%</i>	<i>61%</i>	<i>(1,046%)</i>	<i>116%</i>	<i>(455%)</i>	<i>104%</i>	<i>84%</i>	<i>86%</i>	<i>89%</i>	<i>85%</i>	<i>89%</i>	<i>96%</i>	<i>99%</i>	<i>96%</i>	<i>111%</i>

Planet has negative WK as they generate cash as they grow (with franchise placement fees and deferred revenue from annuity membership fees)

Includes the acquisition of Sunshine Fitness (\$818M). Excluding this acquisition, the conversion would be **95%**

Last year projected doesn't include expansion capex, in order to not perpetuate an expansion growth



Balance Sheet

BS (USD M)	FY2019	FY2020	FY2021	FY2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Total Assets	1,717	1,850	2,016	2,855	3,034	3,331	3,543	3,890	4,275	4,611	4,859	5,272	5,667	5,987
Total Current Assets	540	567	662	556	701	914	1,045	1,311	1,586	1,816	1,978	2,311	2,623	2,979
Cash and cash equivalents	436	439	546	410	538	724	837	1,081	1,336	1,546	1,686	1,997	2,279	2,628
Restricted Cash	43	76	58	63	63	63	63	63	63	63	63	63	63	63
Accounts receivable	42	16	27	46	75	98	112	130	149	166	183	200	225	234
Inventory	1	0	1	5	6	7	8	9	10	11	13	14	15	16
Prepaid expenses	8	12	13	11	13	15	17	19	17	19	21	23	25	22
Other receivables	9	17	14	15	-	-	-	-	-	-	-	-	-	-
Other current assets and income tax receivc	1	5	4	5	6	7	9	10	11	12	13	14	16	16
Total Non-Current Assets	1,177	1,283	1,354	2,299	2,333	2,417	2,498	2,579	2,689	2,795	2,880	2,961	3,044	3,009
Property and equipment	145	161	174	349	384	468	549	655	765	871	957	1,037	1,120	1,085
Investments	-	-	19	25	25	25	25	-	-	-	-	-	-	-
Right of use assets, net	156	164	190	347	347	347	347	347	347	347	347	347	347	347
Intangible assets, net	234	217	201	417	417	417	417	417	417	417	417	417	417	417
Goodwill	228	228	229	703	703	703	703	703	703	703	703	703	703	703
Deferred income taxes	412	511	539	455	453	453	453	453	453	453	453	453	453	453
Other assets, net	2	2	2	4	4	4	4	4	4	4	4	4	4	4
Total Liabilities & SE	1,717	1,850	2,016	2,855	3,034	3,331	3,543	3,890	4,275	4,611	4,859	5,272	5,667	5,987
Total Liabilities	2,425	2,555	2,659	3,066	3,297	3,732	3,886	4,419	4,955	5,296	5,349	5,903	6,326	6,855
Total Current Liabilities	145	112	177	245	324	959	827	466	512	1,058	611	1,094	717	746
Current maturities of long-term debt	18	18	18	21	21	600	419	10	10	505	5	433	-	-
Accounts payable	21	19	28	21	45	63	76	89	101	112	123	135	147	153
Accrued expenses	32	22	52	67	76	89	101	112	123	136	150	165	179	187
Equipment deposits	3	1	6	8	-	-	-	-	-	-	-	-	-	-
Deferred revenue, current	28	27	28	54	105	123	140	157	174	193	213	234	255	265
Payable to related parties for tax benefit, cu	26	-	20	32	32	32	32	32	32	32	32	32	32	32
Other current liabilities	18	25	25	42	45	52	59	65	72	79	88	96	104	109
Total Non-Current liabilities	2,279	2,444	2,482	2,822	2,973	2,773	3,060	3,953	4,443	4,238	4,738	4,809	5,609	6,109
Long-term debt, net of current maturities	1,688	1,676	1,665	1,978	2,064	1,664	2,251	3,144	3,634	3,429	3,929	4,000	4,800	5,300
Borrowings under Variable Funding Notes	-	75	75	-	100	300	-	-	-	-	-	-	-	-
Lease liabilities, net of current portion	153	168	198	342	342	342	342	342	342	342	342	342	342	342
Deferred revenue, net of current portion	34	33	33	33	-	-	-	-	-	-	-	-	-	-
Payable to related parties for tax benefit, ne	401	488	508	463	463	463	463	463	463	463	463	463	463	463
Other liabilities	4	3	3	6	4	4	4	4	4	4	4	4	4	4
Shareholders' Equity	(708)	(706)	(643)	(212)	(263)	(401)	(343)	(529)	(680)	(685)	(491)	(631)	(659)	(868)
Additional paid in capital	30	46	63	505	251	(133)	(348)	(856)	(1,378)	(1,784)	(2,023)	(2,645)	(3,204)	(3,953)
Accumulated deficit	(737)	(752)	(709)	(704)	(511)	(277)	(18)	288	640	1,021	1,433	1,890	2,395	2,908
NCI	(1)	0	3	(13)	(2)	10	23	40	58	78	100	124	150	177

Debt and Amortization Schedule

\$M

Current Debt (\$M)	2022	Maturity	Actual Pmt	Coupon
2018 Class A-2-II Notes	598	Sep-48	Sep-25	4.7%
2019 Class A-2 Notes	534	Dec-49	Dec-29	3.9%
2022 Class A-I Notes	422	Dec-52	Dec-26	3.3%
2022 Class A-II Notes	471	Dec-52	Dec-31	4.0%
Total	2,025			

Low cost of debt due to
royalties / assets as collateral

Debt Schedule	FY2022	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
Current Long Term Debt BoP	1,700	2,025	2,004	1,984	1,383	964	954	943	438	433	-
Amortization	(575)	(21)	(21)	(600)	(419)	(10)	(10)	(505)	(5)	(433)	-
Issuance	900	-	-	-	-	-	-	-	-	-	-
Current Long Term Debt EoP	2,025	2,004	1,984	1,383	964	954	943	438	433	-	-
New Debt EoP (raised after 2022)		100	300	1,300	2,200	2,700	3,000	3,500	4,000	4,800	5,300
Total Debt EoP	2,025	2,104	2,284	2,683	3,164	3,654	3,943	3,938	4,433	4,800	5,300
Cash EoP	472	601	787	900	1,144	1,399	1,608	1,749	2,060	2,342	2,691
Financial Net Debt ex Lease	1,526	1,584	1,778	1,770	2,011	2,246	2,326	2,185	2,374	2,458	2,609
<i>Net Debt / EBITDA</i>	<i>4.1x</i>	<i>3.6x</i>	<i>3.4x</i>	<i>3.0x</i>	<i>3.0x</i>	<i>2.9x</i>	<i>2.7x</i>	<i>2.3x</i>	<i>2.3x</i>	<i>2.2x</i>	<i>2.2x</i>

Comps Table

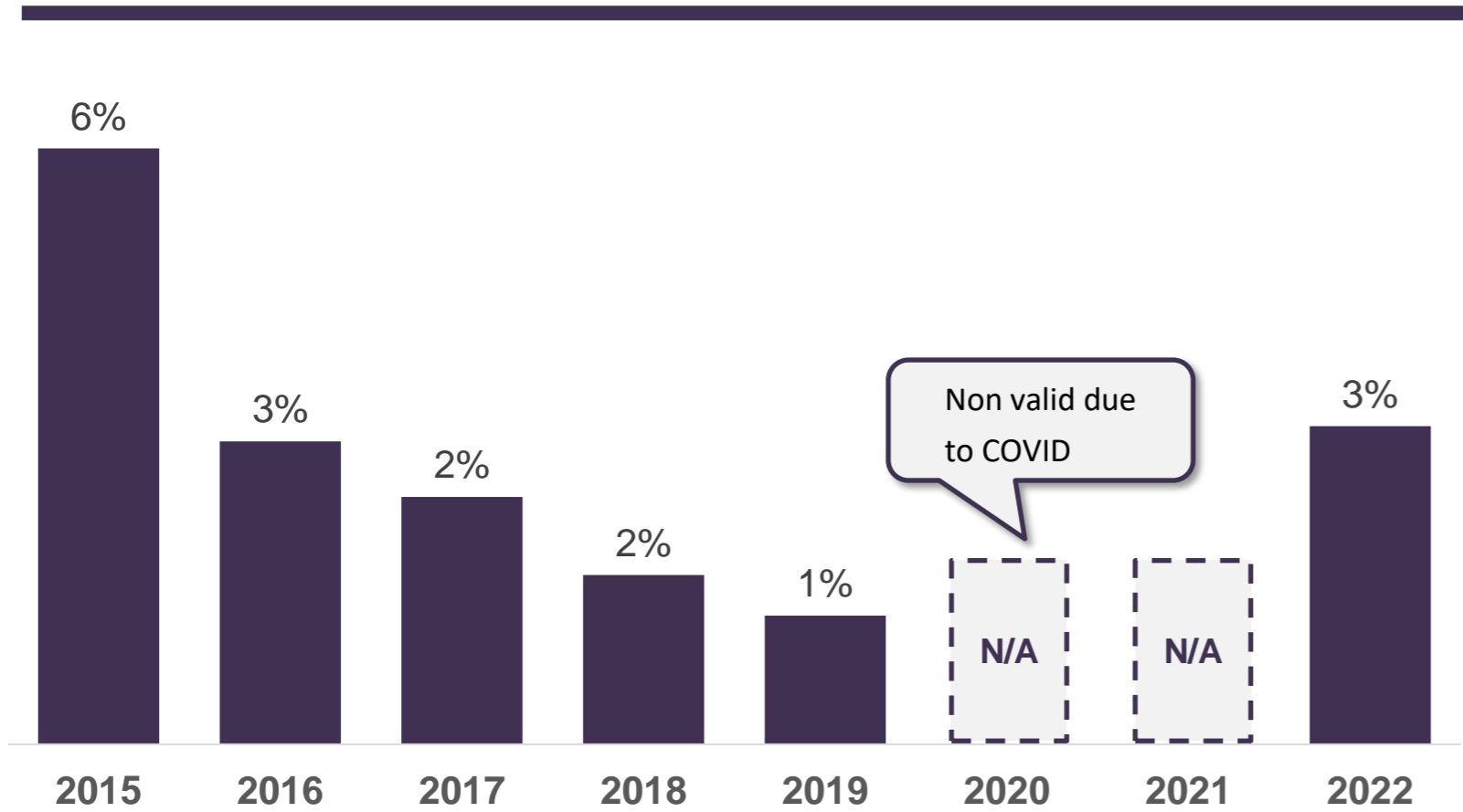
Company Name	Market Cap (\$M)	NTM P/E	NTM EV/EBIT	LTM ROIC %	2023E Net Margin	LTM Net Debt/EBITDA	Est. Growth - 2Y	SSS LTM
Planet Fitness, Inc. (NYSE:PLNT)	7,062	36x	28x	23%	18%	4x	14%	11%
Basic-Fit N.V. (ENXTAM:BFIT)	2,718	36x	35x	4%	8%	6x	28%	-
Smartfit (SMFT3)	1,676	32x	21x	4%	6%	3x	36%	-
Life Time Group Holdings, Inc. (NYSE:LTH)	3,426	57x	38x	1%	3%	8x	18%	-
Xponential Fitness, Inc. (NYSE:XPOF)	1,080	33x	23x	11%	4%	3x	18%	-
Weighted Average Fitness / Gyms	-	40x	33x	2%	4%	5x	23%	-
Chipotle Mexican Grill, Inc. (NYSE:CMG)	49,149	41x	33x	65%	12%	1x	13%	8%
Restaurant Brands International Inc. (NYSE:QSR)	21,693	23x	17x	10%	20%	6x	6%	8%
Domino's Pizza, Inc. (NYSE:DPZ)	11,699	25x	21x	86%	10%	6x	4%	1%
The Wendy's Company (NasdaqGS:WEN)	4,784	23x	21x	10%	10%	7x	5%	5%
Papa John's International, Inc. (NasdaqGS:PZZA)	2,579	26x	20x	44%	5%	3x	4%	(1%)
Weighted Average Franchises / Restaurants	-	31x	25x	16%	13%	5x	8%	6%
Total Weighted Average	-	34x	28x	13%	11%	5x	10%	6%

In line with our exit P/E 2027E multiple (in 2026)

Realized' EPS vs. Consensus' EPS over time

Planet Fitness has historically delivered higher EPS than street expectation

Realized EPS vs. Consensus' EPS



~3% Average EPS delivered over street estimate

US\$4.2 Consensus view on '27 EPS
vs.
US\$4.8 Our view on '27 EPS

~14% Above consensus estimate

~3.4% Above consensus estimate per year



DCF

Cash Flow Statement		2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
EBITDA		444	516	593	675	765	850	940	1,031	1,124	1,163
(-) Tax Paid		(57)	(71)	(85)	(94)	(102)	(109)	(116)	(125)	(149)	(190)
(-) Var. WK		29	29	31	26	26	30	32	33	26	22
Cash Flow from Operations		415	473	539	607	688	771	856	938	1,001	995
As % of EBITDA		94%	92%	91%	90%	90%	91%	91%	91%	89%	86%
(-) Capex (own stores / maintenance)		(126)	(198)	(228)	(249)	(271)	(299)	(320)	(337)	(358)	(250)
(-) Other Investments		-	-	-	25	-	-	-	-	-	-
FCFF		290	275	311	384	417	473	537	602	643	745
FCFF		290	275	311	384	417	473	537	602	643	745
Growth YoY %		-	(5%)	13%	23%	9%	13%	14%	12%	7%	16%
Period		0.5	1.5	2.5	3.5	4.5	5.5	6.5	7.5	8.5	9.5
Discount Factor		0.96	0.89	0.82	0.76	0.71	0.65	0.60	0.56	0.52	0.48
Discounted FCFF		279	245	256	293	294	309	324	337	333	357
											9,174
EV	12,202										
Net Debt	(1,526)										
Minority Interest	(13)										
Intrinsic Value	10,663										
Intrinsic Value Per share		119									
Shares Outstanding (M)		89	86	84	81	78	75	74	71	68	65
(-) Repurchases		(278)	(409)	(237)	(540)	(563)	(453)	(291)	(684)	(615)	(769)

Discount Factors and Equity per Year	EV	Equity	Price	P/E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E
2022E	12,202	10,663	119	52x	0.96	0.89	0.82	0.76	0.71	0.65	0.60	0.56	0.52	0.48
2023E	12,883	11,298	127	44x		0.96	0.89	0.82	0.76	0.71	0.65	0.60	0.56	0.52
2024E	13,634	11,856	138	43x			0.96	0.89	0.82	0.76	0.71	0.65	0.60	0.56
2025E	14,408	12,638	150	38x				0.96	0.89	0.82	0.76	0.71	0.65	0.60
2026E	15,169	13,158	163	34x					0.96	0.89	0.82	0.76	0.71	0.65
2027E	15,956	13,711	176	33x						0.96	0.89	0.82	0.76	0.71
2028E	16,750	14,423	191	33x							0.96	0.89	0.82	0.76
2029E	17,540	15,355	208	31x								0.96	0.89	0.82
2030E	18,327	15,953	225	29x									0.96	0.89
2031E	19,133	16,675	244	29x										0.96
2032E	19,143	16,534	253	29x										

Perpetuity multiple similar to more matured franchises stocks

Cost of Capital		
Risk Free Rate	3.40%	
Beta	1.2	
Equity Risk Premium	5.5%	
Ke	10%	70%
Debt Cost	4.7%	
Kd After Tax	3%	30%
WACC	8%	100%

- 30% debt in capital structure similar to franchise businesses.
- Low cost of debt due to royalties / assets as collateral





Company Overview

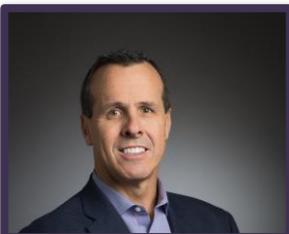
Management Team

Fresh perspectives combine with deep company history



Chris Rondeau, CHIEF EXECUTIVE OFFICER

- Appointed January 2013, started out in 1993 working the front desk at the very first Planet Fitness in Dover, NH.
- Plays a critical role in developing and refining the unique, low-cost/high-value business model and lean operating system of Planet Fitness.



Bill Bode, CHIEF OPERATION OFFICER

- Joined Planet Fitness in 2016 as the Senior Vice President of Franchise Operations, appointed COO in December 2020.
- Prior, he was Regional Vice President of Dunkin Donuts Northeast where he was responsible for overseeing the operations of more than 2,600 restaurants.



Tom Fitzgerald, CHIEF FINANCIAL OFFICER

- Joined Planet Fitness in 2020, responsible for all aspects of financial strategy and management.
- 30 years of leadership experience in financial management in the retail industry, most recently serving as Chief Financial Officer and Senior Vice President at Potbelly Sandwich Works.



Kathy Gentilozzi, CHIEF PEOPLE OFFICER

- Since 2019, oversees general HR operations, talent acquisition, leadership development, business partner support, culture.
- Served as Senior Vice President of Human Resources at Aéropostale, supporting over 25,000 employees in 1,000 retail locations throughout the U.S., Canada, and Puerto Rico.



Jamie Medeiros, CHIEF BRAND OFFICER

- Has been with Planet Fitness for 22 years, most recently serving as VP of national marketing.
- Jamie started the front desk and joined the brand working at the third location.
- Extensive brand knowledge and strong relationships with franchisees.



Sherrill Kaplan, CHIEF DIGITAL OFFICER

- Joined Planet Fitness in 2021, responsible for driving the digital vision and strategy, including leading the continuous enhancement of the Planet Fitness mobile app.
- Over 20 years of experience, most recently serving as Global Marketing Operations Advisor for Advent International, a global private equity firm.



Executive Compensation

“No one knows this business like him (Chris the CEO). He led the company through the GFC and COVID”
 CFO of Large PF Franchise

- Based on performance of:
- Adjusted EBITDA
 - Same Stores Sales
 - Total Franchise Store Placements
 - Other individual performance goals

Executive	Position	Base Salary	2022 Bonus Payment	2022 Long-term incentive awards		
				Options	RSUs	PSUs
Chris Rondeau	Chief Executive Officer	\$950,000	\$1,119,018	\$1,162,167	\$1,162,167	\$1,162,167
Tom Fitzgerald	Chief Financial Officer	\$555,000	\$419,899	\$277,500	\$277,500	\$277,500
Bill Bode	Chief Operations Officer	\$415,000	\$251,939	\$123,333	\$123,333	\$123,333
Jennifer Simmons	Division President, Corporate Clubs	\$400,000	\$135,512	\$80,000	\$80,000	\$80,000
Dorvin Lively	Former President	\$565,000	\$0	\$0	\$0	\$0
Jeremy Tucker	Former Chief Marketing Officer	\$400,000	\$84,822	\$133,333	\$133,333	\$133,333

“When you buy a business, you have to think if management loves Money or the Business”
 Warren Buffett

A significant percentage of the total compensation depends on the stock increasing in price.



Price and Cancellation Terms

										
Terms ¹	Classic	No Commitment	Black Card	Base	Peak	Peak Results	Access	Fitness	12-Month	24-Month
Monthly fee	\$10	\$15	\$24.99	\$10-20	\$24.99	\$34.99	\$39	\$49	\$40	\$36
Annual Fee	\$49	\$49	\$49	\$40-70	\$60	\$50	\$49	\$49	-	-
Startup Fee	\$1-49	\$1-59	\$1	\$35-70	\$70	\$70	\$39	\$49	-	-
Commitment	No commitment or 12 months ²	No Commitment	No Commitment	12 months	12 months	12 months	No Commitment	No Commitment	12 months	24 months

Sources: Company’s websites
 Note: (1) Pricing varies between locations. Pricing based on Brooklyn and New Jersey units.
 Note (2): It depends on the location



E Big opportunity in international markets

PLNT maintained its value proposition as the most attractive price in every geography



Classic

Black



14 units

U\$13.8 U\$26.5



217 units

U\$19.3 U\$27.6



~60 units

-

U\$27.6



60 units

U\$11.0 U\$18.4



236 units

-

U\$44.6



450 units

U\$47.7 U\$63.7



13 units

U\$14.6 U\$29.1



500 units

-

U\$ 55.5



674 units

U\$xx

U\$xx

Pricing Power

Pricing Power

Increased Penetration

More Value

- PF Black Card monthly membership costs have risen from \$19.99 in 2016 to \$22.99 in 2021. June 2022 price increase to \$24.99 for new members.
- PF Black Card membership has increased as a percentage of total membership from 58.2% in 2016 to 62.5% in 2022, even with price hikes.
- PF has increased the value proposition with more units, SPA, and even partnerships (such as Amazon)



Princing Increases	2015	2016	2017	2018	2019	2020	2021	2022	CAGR 15-22
Avg Monthly Fee	15.72	15.86	16.10	16.52	16.91	17.01	17.63	18.01	2.0%
Growth		0.9%	1.5%	2.6%	2.4%	0.6%	3.6%	2.2%	

Source: 10k

• Considered in our model

“Black card in the beginning didn’t have many benefits. They (PF) have been increasing the value offered together with the price.”
CFO at a Big US’ PLNT Franchise

IHFSA Study 2022:

Average Monthly Health Club Fees from 2019-2021 by Facility Type

Facility type	2019	2021	Per annum growth
All Facilities	\$52	\$58	6.0%
Studios	\$88	\$99	6.1%
Fitness-only	\$42	\$47	6.5%
Other non-profits	\$51	\$61	9.3%
Multipurpose	\$75	\$91	10.3%
YMCA/YWCA/JCC	\$53	\$56	3.0%
Business/Corporate	\$64	\$66	1.5%

**The average monthly fee for studios is a weighted average of the six types of boutique studios*



Word Cloud (from 50 random unit reviews on google)

Source: Google (web scraping)

Methodology: Randomly selected 50 Planet Fitness; Collected the most recent 5 reviews with text



High School Summer Pass

3.5M *Teens reached by the High School Summer Pass in 2022*

~1.0M *Teens reached by the High School Summer Pass in 2019*

~ 67% *of participating teens* had never been in a fitness club before in*



Access to Fitness

~77% *of Americans live within 10 miles of a Planet Fitness club*

~20% *of the clubs are located in areas that the U.S. government deems “low income”*

~40% *of new members are first-time gym-goers*



Shareholder Structure

Shareholder	%
BlackRock, Inc. (NYSE:BLK)	10%
The Vanguard Group, Inc.	9%
SRS Investment Management, LLC	8%
AllianceBernstein L.P.	3%
J.P. Morgan Asset Management, Inc.	3%
Amundi Asset Management	3%
William Blair Investment Management, LLC	3%
Columbia Management Investment Advisers, LLC	3%
Bares Capital Management, Inc.	2%
TSG Consumer Partners, LP	2%
Others	53%
Total	100%

