

Planet Fitness, Inc.
Form S-1/A
July 27, 2015
Table of Contents

As filed with the Securities and Exchange Commission on July 27, 2015

Registration No. 333-205141

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AMENDMENT NO. 2
TO
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Planet Fitness, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

7997
(Primary Standard Industrial
Classification Code Number)
26 Fox Run Road

Newington, NH 03801

(603) 750-0001

38-3942097
(I.R.S. Employer Identification Number)

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Edgar Filing: Planet Fitness, Inc. - Form S-1/A

Chris Rondeau

Chief Executive Officer

Planet Fitness, Inc.

26 Fox Run Road

Newington, NH 03801

(603) 750-0001

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

David A. Fine

Dorvin Lively

D. Rhett Brandon

Ropes & Gray LLP

Chief Financial Officer

John C. Ericson

Prudential Tower

Planet Fitness, Inc.

Simpson Thacher & Bartlett LLP

800 Boylston Street

26 Fox Run Road

425 Lexington Avenue

Boston, MA 02199

Newington, NH 03801

New York, NY 10017

(617) 951-7000

(603) 750-0001

(212) 455-2000

Approximate date of commencement of proposed sale to public: As soon as practicable after this Registration Statement is declared effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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

Edgar Filing: Planet Fitness, Inc. - Form S-1/A

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a

smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to Be Registered ⁽¹⁾	Proposed Maximum Offering Price per Share ⁽²⁾	Proposed Maximum Aggregate Offering Price ⁽¹⁾⁽²⁾	Amount of Registration Fee ⁽³⁾
Class A common stock, \$0.0001 par value per share	15,525,000	\$16.00	\$248,400,000	\$28,864.08

- (1) Includes 2,025,000 shares of Class A common stock that may be sold if the underwriters' option to purchase additional shares granted by the Registrant is exercised.
- (2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(a) under the Securities Act of 1933, as amended.
- (3) The Registrant previously paid \$11,620.00 in connection with a prior filing of this Registration Statement on June 22, 2015 and the additional amount of \$17,244.08 is being paid herewith.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

Table of Contents

Table of Contents

Table of Contents

Table of Contents

Table of Contents

Table of Contents**Table of contents**

	Page
<u>Prospectus summary</u>	1
<u>Risk factors</u>	20
<u>Cautionary note regarding forward-looking statements</u>	47
<u>The recapitalization transactions</u>	48
<u>Use of proceeds</u>	53
<u>Dividend policy</u>	54
<u>Capitalization</u>	55
<u>Dilution</u>	56
<u>Unaudited pro forma consolidated financial information</u>	58
<u>Selected consolidated financial and other data</u>	72
<u>Management's discussion and analysis of financial condition and results of operations</u>	76
<u>Letter from Chief Executive Officer Chris Rondeau</u>	108
<u>Business</u>	109
<u>Management</u>	128
<u>Executive compensation</u>	135
<u>Certain relationships and related party transactions</u>	146
<u>Principal and selling stockholders</u>	154
<u>Description of certain indebtedness</u>	158
<u>Description of capital stock</u>	161
<u>Shares eligible for future sale</u>	165
<u>Material U.S. federal income tax considerations for Non-U.S. Holders</u>	168
<u>Underwriting</u>	173
<u>Legal matters</u>	181
<u>Experts</u>	181
<u>Where you can find more information</u>	181
<u>Index to consolidated financial statements</u>	F-1

We are responsible for the information contained in this prospectus and in any free writing prospectus we prepare or authorize. Neither we nor the selling stockholders nor the underwriters have authorized anyone to provide you with different information, and neither we nor the selling stockholders nor the underwriters take responsibility for any other information others may give you. Neither we nor the selling stockholders nor the underwriters are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than its date.

Table of Contents

Industry and market data

This prospectus includes market data with respect to the health club industry. Although we are responsible for all of the disclosure contained in this prospectus, in some cases we rely on and refer to market data and certain industry forecasts that were obtained from third-party surveys, market research, consultant surveys, publicly available information and industry publications and surveys, including the International Health, Racquet & Sportsclub Association, which we believe to be reliable. In some cases, the information has been developed by us for purposes of this offering based on our existing data and is believed by us to have been prepared in a reasonable manner. Other industry and market data included in this prospectus are from internal analyses based upon data available from known sources or other proprietary research and analysis. We believe this data to be accurate as of the date of this prospectus. However, this information may prove to be inaccurate because it cannot always be verified with complete certainty due to the limitations on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. As a result, you should be aware that market and other similar industry data included in this prospectus, and estimates and beliefs based on that data, may not be reliable.

Trademarks, trade names and service marks

We own or have rights to trademarks, trade names and service marks that we use in connection with the operation of our business, including Planet Fitness, Judgement Free Zone, We re Not a Gym. We re Planet Fitness., PE@PF, No Lunks, PF Black Card, No Gymtimidation, Belong and various other marks. Solely for convenience, the trademarks, trade names and service marks referred to in this prospectus are listed without the ®, SM and TM symbols, but we will assert our rights to our trademarks, trade names and service marks to the fullest extent under applicable law.

Table of Contents

Prospectus summary

This summary highlights information contained in other parts of this prospectus. Because it is only a summary, it does not contain all of the information that you should consider before investing in shares of our Class A common stock, and it is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this prospectus. You should read the entire prospectus carefully, especially Risk factors and our financial statements and the related notes, before deciding to purchase shares of our Class A common stock. Unless the context requires otherwise, references in this prospectus to the Company, we, us and our refer to Pla-Fit Holdings, LLC and its consolidated subsidiaries prior to the recapitalization transactions described in this prospectus and to Planet Fitness, Inc. and its consolidated subsidiaries following the recapitalization transactions.

Our Company

Fitness for everyone

We are one of the largest and fastest-growing franchisors and operators of fitness centers in the United States by number of members and locations, with a highly recognized national brand. Our mission is to enhance people's lives by providing a high-quality fitness experience in a welcoming, non-intimidating environment, which we call the Judgement Free Zone, where anyone and we mean anyone can feel they belong. Our bright, clean locations (which we refer to as stores) are typically 20,000 square feet, with a large selection of high-quality, purple and yellow Planet Fitness-branded cardio, circuit- and weight-training equipment and friendly staff trainers who offer unlimited free fitness instruction to all our members in small groups through our PE@PF program. We offer this differentiated fitness experience at only \$10 per month for our standard membership. This exceptional value proposition is designed to appeal to a broad population, including occasional gym users and the approximately 80% of the U.S. and Canadian populations over age 14 who are not gym members, particularly those who find the traditional fitness club setting intimidating and expensive. We and our franchisees fiercely protect Planet Fitness' community atmosphere—a place where you do not need to be fit before joining and where progress toward achieving your fitness goals (big or small) is supported and applauded by our staff and fellow members.

Our judgement-free approach to fitness and exceptional value proposition have enabled us to grow our revenues to \$279.8 million in 2014 and to become an industry leader with \$1.2 billion in system-wide sales during 2014 (which we define as monthly dues and annual fees billed by us and our franchisees), and more than 7.1 million members and 976 stores in 47 states, Puerto Rico and Canada as of March 31, 2015. In June 2015, we announced the opening of our 1,000th store. System-wide sales for 2014 include \$1.1 billion attributable to franchisee-owned stores, from which we generate royalty revenue, and \$82.0 million attributable to our corporate-owned stores. Of our 976 stores, 919 are franchised and 57 are corporate-owned. Our stores are successful in a wide range of geographies and demographics. According to internal and third-party analysis, we believe we have the opportunity to more than quadruple our store count to over 4,000 stores in the United States alone. Under signed area development agreements (ADAs) as of March 31, 2015, our franchisees have committed to open more than 1,000 additional stores.

In 2014, our corporate-owned stores had segment EBITDA margin of 37.3% and had average unit volumes (AUVs) of approximately \$1.6 million with four-wall EBITDA margins (an assessment of store-level profitability which includes local and national advertising expense) of approximately 41%, or approximately 36% after applying the 5% royalty rate under our current franchise agreement. Based on a survey of franchisees, we believe that our franchise stores achieve four-wall EBITDA margins in line with these corporate-owned store EBITDA margins. Our strong member value proposition has also driven growth throughout a variety of economic cycles and conditions. For a reconciliation of segment EBITDA margin to four-wall EBITDA margin for

Table of Contents

corporate-owned stores, see Management's discussion and analysis of results of operations and financial condition Non-GAAP measures.

Our significant growth is reflected in:

918 stores as of December 31, 2014, compared to 389 as of December 31, 2010, reflecting a compound annual growth rate (CAGR) of 23.9%;

6.1 million members as of December 31, 2014, compared to 2.3 million as of December 31, 2010, reflecting a CAGR of 27.6%;

2014 system-wide sales of \$1.2 billion, reflecting a CAGR of 30.1%, or increase of \$774.3 million, since 2010;

2014 total revenue of \$279.8 million, reflecting a CAGR of 32.0%, or increase of \$187.5 million, since 2010, of which 3.6% is attributable to revenues from corporate-owned stores acquired from or sold to franchisees since 2010;

33 consecutive quarters of system-wide same store sales growth (which we define as year-over-year growth solely of monthly dues from stores that have been open and for which membership dues have been billed for longer than 12 months);

2014 Adjusted EBITDA of \$100.6 million, reflecting a CAGR of 45.3%, or increase of \$78.0 million, since 2010; and

2014 net income of \$37.3 million, reflecting a CAGR of 22.6%, or increase of \$20.8 million, since 2010. Our historical results benefit from insignificant income taxes due to our status as a pass-through entity for U.S. federal income tax purposes, and we anticipate future results will not be consistent as our income will be subject to U.S. federal and state taxes.

Table of Contents

For a discussion of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income, see Selected consolidated financial and other data. For a discussion of same store sales and the expected effect of our new point-of-sale and billing system, see Management's discussion and analysis of financial condition and results of operations How we assess the performance of our business.

We're not a gym. We're Planet Fitness.

We believe our approach to fitness is revolutionizing the industry by bringing fitness to a large, previously underserved segment of the population. Our differentiated member experience is driven by three key elements:

Judgement Free Zone: We believe every member should feel accepted and respected when they walk into a Planet Fitness. Our stores provide a Judgement Free Zone where members of all fitness levels can enjoy a non-intimidating environment. Our "come as you are" approach has fostered a strong sense of community among our members, allowing them not only to feel comfortable as they work toward their fitness goals but also to encourage others to do the same. The removal of heavy free weights reinforces our Judgement Free Zone by discouraging what we call "Lunkhead" behavior, such as dropping weights and grunting, that can be intimidating to new and occasional gym users. In addition, to help maintain our welcoming, judgement-free environment, each store has a purple and yellow branded "Lunk" alarm on the wall that staff occasionally rings as a light-hearted reminder of our policies.

Distinct store experience: Our bright, clean, large-format stores offer our members a selection of high-quality, purple and yellow Planet Fitness-branded cardio, circuit- and weight-training equipment that is commonly used by first-time and occasional gym users. Because our stores are typically 20,000 square feet and we do not offer non-essential amenities such as group exercise classes, pools, day care centers and juice bars, we have more space for the equipment our members do use, and we have not needed to impose time limits on our cardio machines.

Exceptional value for members: Both our standard and PF Black Card memberships are priced significantly below the industry average of \$46 per month and still provide our members with a high-quality fitness experience. For only \$10 per month, our standard membership includes unlimited access to one Planet Fitness location and unlimited free fitness instruction to all members in small groups through our PE@PF program. For \$19.99 per month, our PF Black Card members have access to all of our stores system-wide and can bring a guest on each visit, which provides an additional opportunity to attract new members. Our PF Black Card members also have access to exclusive areas in our stores that provide amenities such as water massage beds, massage chairs, tanning equipment and more.

Our differentiated approach to fitness has allowed us to create an attractive franchise model that is both profitable and scalable. We recognize that our success depends on a shared passion with our franchisees for providing a distinctive store experience based on a judgement-free environment and an exceptional value for our members. We enhance the attractiveness of our streamlined, easy-to-operate franchise model by providing franchisees with extensive operational support relating to site selection and development, marketing and training. We also take a highly collaborative, teamwork approach to our relationship with franchisees, as captured by our motto "One Team, One Planet." The strength of our brand and the attractiveness of our franchise model are evidenced by the fact that 87% of our new stores in 2014 were opened by our existing franchisee base and 22 new franchisee groups opened their first store in 2014.

Table of Contents

Our competitive strengths

We attribute our success to the following strengths:

Market leader with differentiated member experience, nationally recognized brand and scale advantage. We believe we are the largest operator of fitness centers in the United States by number of members, with more than 7.1 million members as of March 31, 2015. Our franchisee-owned and corporate-owned stores generated \$1.2 billion in system-wide sales during 2014. Through our differentiated member experience, nationally recognized brand and scale advantage, we will continue to deliver a compelling value proposition to our members and our franchisees and, we believe, grow our store and total membership base.

Differentiated member experience. We seek to provide our members with a high-quality fitness experience in a non-intimidating, judgement-free environment at an exceptional value. We have a dedicated Brand Excellence team that seeks to ensure that all our franchise stores uphold our brand standards and deliver a consistent Planet Fitness member experience in every store.

Nationally recognized brand. We have developed a highly relatable and recognized brand that emphasizes our focus on providing our members with a judgement-free environment. We do so through fun and memorable marketing campaigns and in-store signage that often poke fun at Lunk behavior. As a result, we have among the highest aided and unaided brand awareness scores in the U.S. fitness industry, according to a third-party consumer study that we commissioned in the fall of 2014. Our brand strength also helps our franchisees attract members, with new stores in 2014 signing up an average of approximately 1,300 members even before opening their doors.

Scale advantage. Our scale provides several competitive advantages, including enhanced purchasing power with our fitness equipment and other suppliers and the ability to attract high-quality franchisee partners. In addition, we estimate that our large national advertising fund, funded by franchisees and us, together with our requirement that franchisees generally spend 5 to 7% of their monthly membership dues on local advertising, have enabled us and our franchisees to spend over \$150 million since 2011 on marketing to drive consumer brand awareness.

Exceptional value proposition that appeals to a broad member demographic. We offer a high-quality and consistent fitness experience throughout our entire store base at low monthly membership dues. Combined with our non-intimidating and welcoming environment, we are able to attract a broad member demographic based on age, household income, gender and ethnicity. Our member base is over 50% female and our members come from both high- and low-income households. Our broad appeal and ability to attract occasional and first-time gym users enable us to continue to target a large segment of the population in a variety of markets and geographies across the United States and Canada.

Strong store-level economics. Our store model is designed to generate attractive four-wall EBITDA margins, strong free cash flow and high returns on invested capital for both our corporate-owned and franchise stores. Average four-wall EBITDA margins for our corporate-owned stores have increased significantly since 2010, driven by higher average members per store as well as a higher percentage of PF Black Card members, which leverage our relatively fixed costs. In 2014, our corporate-owned stores had segment EBITDA margin of 37.3% and had AUVs of approximately \$1.6 million with four-wall EBITDA margins of approximately 41%, or approximately 36% after applying the 5% royalty rate under our current franchise agreement. Based on a survey of franchisees, we believe that our franchise stores achieve four-wall EBITDA margins in line with these corporate-owned store EBITDA margins. We believe that our strong store-level economics are important to our ability to attract and retain successful franchisees and grow our store base.

Table of Contents

Highly attractive franchise system built for growth. Our easy-to-operate model, strong store-level economics and brand strength have enabled us to attract a team of professional, successful franchisees from a variety of industries. We believe that our franchise model enables us to scale more rapidly than a company-owned model. Our streamlined model features relatively fixed labor costs, minimal inventory, automatic billing and limited cash transactions. Our franchisees enjoy recurring monthly member dues, regardless of member use, weather or other factors. Based on survey data and management estimates, we believe our franchisees can earn, in their second year of operations, on average, a cash-on-cash return on initial investment greater than 25% after royalties and advertising, which is in line with our corporate-owned stores. The attractiveness of our franchise model is further evidenced by the fact that our franchisees re-invest their capital with us, with 87% of our new stores in 2014 opened by our existing franchisee base. We have received numerous accolades, including #4 among Franchise Times' Smartest Growing Brands for 2015 and #3 among Forbes Magazine's America's Best Franchises in 2014 (in which we also received an A rating for franchisee support). We view our franchisees as strategic partners in expanding the Planet Fitness store base and brand.

Predictable and recurring revenue streams with high cash flow conversion. Our business model provides us with predictable and recurring revenue streams. In 2014, approximately 80% of our franchise revenues and over 90% of our corporate-owned store revenues consisted of recurring revenue streams, which include royalties, vendor commissions, monthly dues and annual fees. In addition, our franchisees are obligated to purchase fitness equipment from us for their new stores and to replace this equipment every four to seven years. As a result, these equip and re-equip requirements create a predictable and growing revenue stream as our franchisees open new stores under their ADAs. By re-investing in stores, we and our franchisees maintain and enhance our member experience. Our predictable and recurring revenue streams, combined with our attractive margins and minimal capital requirements, result in high cash flow conversion and increased capacity to invest in future growth initiatives.

Proven, experienced management team driving a strong culture. Our strategic vision and unique culture have been developed and fostered by our senior management team under the stewardship of Chief Executive Officer Chris Rondeau. Mr. Rondeau has been with Planet Fitness for over 20 years and helped develop the Planet Fitness business model and brand elements that give us our distinct personality and spirited culture. Dorvin Lively, our Chief Financial Officer, brings valuable expertise from his 30 years of corporate finance experience with companies such as RadioShack and Ace Hardware, and from the initial public offering of Maidenform. We have assembled a management team that shares our passion for fitness for everyone and has extensive experience across a broad range of disciplines, including retail, franchising, finance, consumer marketing, brand development and information technology. We believe our senior management team is a key driver of our success and has positioned us well to execute our long-term growth strategy.

Our growth strategies

We believe there are significant opportunities to grow our brand awareness, increase our revenues and profitability and deliver shareholder value by executing on the following strategies:

Continue to grow our store base across a broad range of markets. We have more than tripled our store count over the last five years, expanding from 302 stores as of December 31, 2009 to 918 stores as of December 31, 2014. As of March 31, 2015, our franchisees have signed ADAs to open more than 1,000 additional stores over the next seven years, including approximately 500 over the next three years. In June 2015, we announced the opening of our 1,000th store. Because our stores are successful across a wide range of geographies and demographics with varying population densities, we believe that our high level of brand awareness and low per capita penetration outside of our original Northeast market create a significant

Table of Contents

opportunity to open new Planet Fitness stores across the United States and Canada. Based on our internal and third-party analysis, we believe we have the potential to more than quadruple our store base to over 4,000 stores in the United States alone.

Drive revenue growth and system-wide same store sales. Because we provide a high-quality, affordable, non-intimidating fitness experience that is designed for first-time and occasional gym users, we have achieved positive system-wide same store sales growth in each of the past 33 quarters. We expect to continue to grow system-wide same store sales primarily by:

Attracting new members to existing Planet Fitness stores. As the U.S. and Canadian populations continue to focus on health and wellness, we believe we are well-positioned to capture a disproportionate share of the population given our appeal to first-time and occasional gym users. In addition, because our stores offer a large, focused selection of equipment geared toward first-time and occasional gym users, we are able to service higher member volumes without sacrificing the member experience. We also have continued to evolve our offerings to appeal to our target member base, such as the introduction of 12-minute abdominal circuits and 30-minute express workout areas.

Increasing mix of PF Black Card memberships by enhancing value and member experience. We expect to drive sales by converting our existing members with standard membership dues at \$10 per month to our premium PF Black Card membership with dues at \$19.99 per month as well as attracting new members to join at the PF Black Card level. We encourage this upgrade by continuing to enhance the value of our PF Black Card benefits through additional in-store amenities and affinity partnerships with national retail brands for discounts and promotions. Since 2010, our PF Black Card members as a percentage of total membership has increased from 38% in 2010 to 55% in 2014, and our average monthly dues per member have increased from \$14.22 to \$15.45 over the same period.

We may also explore other future revenue opportunities, such as optimizing member pricing and fees, offering new merchandise and services inside and outside our stores, and securing affinity and other corporate partnerships.

Increase brand awareness to drive growth. We plan to continue to increase our strong national brand awareness by leveraging significant marketing expenditures by our franchisees and us, which we believe will result in increasing membership in new and existing stores and continue to attract high-quality franchisee partners. Under our current franchise agreement, franchisees are required to contribute 2% of their monthly membership dues to our National Advertising Fund (NAF), from which we spent over \$21 million in 2014 alone to support our national marketing campaigns, our social media platforms and the development of local advertising materials. Under our current franchise agreement, franchisees are also required to spend 7% of their monthly membership dues on local advertising. We expect both our NAF and local advertising spending to grow as our membership grows.

Continue to expand royalties from increases in average royalty rate and new franchisees. While our current franchise agreement stipulates monthly royalty rates of 5% of monthly dues and annual fees, only 30% of our stores are paying royalties at the current franchise agreement rate, primarily due to lower rates in historical agreements. As new franchisees enter our system and, generally, as current franchisees open new stores or renew their existing franchise agreements at the current royalty rate, our average system-wide royalty rate will increase. In 2014, our average monthly royalty rate was 2.95% compared to 1.39% in 2010. In addition to rising average royalty rates, total royalty revenue will continue to grow as we expand our franchise store base and increase franchise same store sales.

Table of Contents

Grow sales from fitness equipment and related services. Our franchisees are contractually obligated to purchase fitness equipment from us and, due to our scale and negotiating power, we believe we offer competitive pricing for high-quality, purple and yellow Planet Fitness-branded fitness equipment. We expect our equipment sales to grow as our franchisees open new stores. Additionally, franchisees are required to replace their existing equipment with new equipment every four to seven years. As the number of franchise stores continues to increase and existing franchise stores continue to mature, we anticipate incremental growth in revenue related to the sale of equipment. In addition, we believe that regularly refreshing equipment helps our franchise stores maintain a consistent, high-quality fitness experience and drives new member growth.

Recent developments

The estimated ranges of certain of our financial results below as of and for the quarter ended June 30, 2015 are preliminary, based upon our estimates and subject to completion of financial and operating closing procedures for the quarter ended June 30, 2015. We have begun our normal quarterly closing and review procedures for the quarter ended June 30, 2015; however, given the timing of these estimates, final results as of and for the quarter ended June 30, 2015 may differ materially from our estimated results, including as a result of our quarter-end closing procedures, review adjustments and other developments that may arise between now and the time our financial results for the quarter ended June 30, 2015 are finalized. The summary information below is not a comprehensive statement of our financial results for this period, and our actual results may differ materially from the estimated ranges due to the factors specified above. Accordingly, these results may change, and the changes may be material. Therefore, you should not place undue reliance on these estimates. The estimated ranges of certain of our financial results as of and for the quarter ended June 30, 2015 have been prepared by, and are the responsibility of, our management and have not been reviewed or audited or subject to any other procedures by our independent registered public accounting firm. Accordingly, our independent registered public accounting firm does not express an opinion or any other form of assurance with respect to these estimates. These estimates should not be viewed as a substitute for interim financial statements prepared in accordance with GAAP. In addition, these estimates as of and for the quarter ended June 30, 2015 are not necessarily indicative of the results to be achieved for the remainder of the 2015 fiscal year or any future period.

The following are our preliminary estimates as of and for the quarter ended June 30, 2015:

our system-wide store count as of June 30, 2015 was 1,014, consisting of 58 corporate-owned stores and 956 franchisee-owned stores, compared to a system-wide store count of 818 as of June 30, 2014, consisting of 54 corporate-owned stores and 764 franchisee-owned stores. During the quarter ended June 30, 2015, we and our franchisees opened 38 new stores, consisting of one new corporate-owned store and 37 new franchisee-owned stores;

the increase in our system-wide same store sales is estimated to be approximately 7.3%, corporate-owned same store sales growth is estimated to be approximately 0.9% and franchisee-owned same store sales growth is estimated to be approximately 7.8%;

our total revenues are estimated to be approximately \$78 million, representing an increase of 24.4% compared to \$62.7 million for the quarter ended June 30, 2014, primarily due to higher equipment sales, new store openings and same store sales growth at our corporate-owned and franchisee-owned stores as well as a higher average royalty rate; and

our Adjusted EBITDA is estimated to be approximately \$29.5 million to \$30.5 million, representing an increase of 21.3% to 25.4% compared to \$24.3 million for the quarter ended June 30, 2014, primarily due to higher total revenues, offset by higher operating expenses.

Table of Contents

The following table presents a reconciliation of the high and low end of the range of our preliminary Adjusted EBITDA for the quarter ended June 30, 2015 to net income:

(unaudited, in millions)	Quarter ended June 30, 2015	
	Low (Estimated)	High (Estimated)
Net income	\$ 10.0	\$ 11.0
Interest expense, net	6.6	6.6
Provision for income taxes	0.4	0.4
Depreciation and amortization	8.0	8.0
EBITDA	25.0	26.0
Purchase accounting adjustments	0.3	0.3
Management fees	0.3	0.3
IT system upgrade costs	0.4	0.4
IPO-related costs	3.4	3.4
Pre-opening costs	0.1	0.1
Adjusted EBITDA	\$ 29.5	\$ 30.5

There can be no assurance that these estimates will be realized, and estimates are subject to risks and uncertainties, many of which are not within our control. See Risk factors and Cautionary note regarding forward-looking statements included elsewhere in this prospectus. For a discussion of the expected impact of our new point-of-sale and billing system on same store sales, see Management's discussion and analysis of results of operations and financial condition How we assess the performance of our business.

Summary risk factors

An investment in our Class A common stock involves a high degree of risk. Any of the factors set forth under Risk factors may limit our ability to successfully execute our business strategy. You should carefully consider all of the information set forth in this prospectus, and, in particular, you should evaluate the specific factors set forth under Risk factors in deciding whether to invest in our Class A common stock. Among these important risks are the following:

our dependence on the operational and financial results of, and our relationships with, our franchisees and the success of their new and existing stores;

risks relating to damage to our brand and reputation;

our ability to successfully implement our growth strategy;

technical, operational and regulatory risks related to our third-party providers' systems and our own information systems;

our and our franchisees' ability to attract and retain members;

the high level of competition in the health club industry generally;

our reliance on a limited number of vendors, suppliers and other third-party service providers; and

the substantial indebtedness of our subsidiary, Planet Fitness Holdings, LLC, which totaled \$506.4 million as of March 31, 2015, including capital leases.

Table of Contents

Implications of being an emerging growth company

As a company with less than \$1.0 billion in revenues during our most recently completed fiscal year, we qualify as an emerging growth company as defined in Section 2(a) of the Securities Act of 1933, as amended (the Securities Act), as modified by the Jumpstart Our Business Startups Act of 2012 (the JOBS Act). As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies that are not emerging growth companies. These provisions include:

reduced disclosure about our executive compensation arrangements;

no non-binding shareholder advisory votes on executive compensation or golden parachute arrangements; and

exemption from the auditor attestation requirement of our internal control over financial reporting.

We may take advantage of these exemptions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company if we have more than \$1.0 billion in annual revenues as of the end of our fiscal year, we have more than \$700.0 million in market value of our stock held by non-affiliates as of the end of our second fiscal quarter or we issue more than \$1.0 billion of non-convertible debt over a three-year period. We may choose to take advantage of some or all of these reduced disclosure obligations.

The JOBS Act permits an emerging growth company such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We are choosing to opt out of this provision and, as a result, we will comply with new or revised accounting standards as required for public companies that are not emerging growth companies. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

Our structure

Our business is conducted through Pla-Fit Holdings, LLC and its subsidiaries. In connection with the recapitalization transactions described under the heading The recapitalization transactions elsewhere in this prospectus, Planet Fitness, Inc. will become the sole managing member of Pla-Fit Holdings, LLC. Our existing equity owners consist of holders of interests in Pla-Fit Holdings, LLC, which we refer to as the Continuing LLC Owners, and holders of interests in a predecessor entity to Planet Fitness, Inc., which we refer to as the Direct TSG Investors.

In connection with the recapitalization transactions, the interests held by the Direct TSG Investors in Planet Fitness, Inc. will be converted into shares of our Class A common stock. In addition, the limited liability company agreement of Pla-Fit Holdings, LLC will be amended and restated to, among other things, modify its capital structure to create a single new class of units, which we refer to as Holdings Units, held by the Continuing LLC Owners and Planet Fitness, Inc. Planet Fitness, Inc. will then issue to the Continuing LLC Owners one share of our Class B common stock for each Holdings Unit that they hold. The shares of Class B common stock have no rights to dividends or distributions, whether in cash or stock, but entitle the holder to one vote per share on matters presented to stockholders of Planet Fitness, Inc. See Description of capital stock. Our Continuing LLC Owners consist of investment funds affiliated with TSG Consumer Partners, LLC, which we refer to, together with its affiliates, as TSG or our Sponsor, and certain employees and directors. The Direct TSG Investors consist of investment funds affiliated with TSG.

We and the Continuing LLC Owners will also enter into an exchange agreement under which they will have the right, from time to time and subject to the terms of the exchange agreement, to exchange their Holdings Units, together with the corresponding shares of Class B common stock, for shares of our Class A common stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends, reclassifications and other similar transactions.

Immediately following this offering, after giving effect to the recapitalization transactions, Planet Fitness, Inc. will be a holding company, and its sole material asset will be an equity interest, indirectly held through its wholly owned

Table of Contents

subsidiaries, in Pla-Fit Holdings, LLC. As the sole managing member of Pla-Fit Holdings, LLC, Planet Fitness, Inc. will operate and control all of the business and affairs of Pla-Fit Holdings, LLC and, through Pla-Fit Holdings, LLC and its subsidiaries, conduct our business. Accordingly, although we will have a minority economic interest in Pla-Fit Holdings, LLC, we will have the sole voting interest in, and control the management of, Pla-Fit Holdings, LLC. As a result, Planet Fitness, Inc. will consolidate Pla-Fit Holdings, LLC in its consolidated financial statements and will report a noncontrolling interest related to the Holdings Units held by the Continuing LLC Owners in our consolidated financial statements.

The diagram below depicts our organizational structure immediately following this offering, after giving effect to the recapitalization transactions, assuming no exercise by the underwriters of their option to purchase additional shares of Class A common stock.

See The recapitalization transactions elsewhere in this prospectus for a description of our structure and the recapitalization transactions.

Table of Contents

Our sponsor

TSG Consumer Partners is a leading private equity firm focused exclusively on the branded consumer sector. TSG manages \$2.7 billion of institutional equity capital and has invested in over 70 consumer brands since its founding in 1987. TSG utilizes its extensive industry expertise across verticals, such as food, beverage, beauty, apparel, accessories, restaurants, retail and franchisors, and works closely with its partner companies to implement fundamental improvements in sales, marketing, operations and financial controls.

Following the completion of this offering, investment funds affiliated with TSG will own approximately 61.7% of our Class A common stock, or 57.6% if the underwriters exercise in full their option to purchase additional shares of our Class A common stock, and 71.4% of our outstanding Class B common stock, or 70.7% if the underwriters exercise in full their option to purchase additional shares of our Class A common stock, which, combined with their holdings of our Class A common stock, aggregates to 67.9% of our voting power, or 65.9% of our voting power if the underwriters exercise in full their option to purchase additional shares of our Class A common stock, and 45.9% of the outstanding Holdings Units, or 44.5% of the outstanding Holdings Units if the underwriters exercise in full their option to purchase additional shares of our Class A common stock. As a result, we expect to be a controlled company within the meaning of the corporate governance standards of the New York Stock Exchange (the NYSE) and TSG will continue to have significant influence over us and decisions made by stockholders and may have interests that differ from yours. See Risk factors Risks related to our Class A common stock and this offering TSG will continue to have significant influence over us after this offering, including control over decisions that require the approval of stockholders, which could limit your ability to influence the outcome of matters submitted to stockholders for a vote.

In connection with this offering, we intend to enter into a stockholders agreement with investment funds affiliated with TSG. Pursuant to the stockholders agreement, we will be required to take all necessary action to cause the board of directors and its committees to include individuals designated by TSG and to include such individuals in the slate of nominees recommended by the board of directors for election by our stockholders. These nomination rights are described in this prospectus in the sections titled Management Board composition and director independence and Management Board committees. In addition, our certificate of incorporation provides that we renounce any interest or expectancy in the business opportunities of TSG and of its officers, directors, agents, stockholders, members, partners, affiliates and subsidiaries, and each such party will have no obligation to offer us those opportunities unless presented to one of our directors or officers in his or her capacity as a director or officer. Our TSG-affiliated directors have fiduciary duties to us and, in addition, have duties to TSG. As a result, these directors may face real or apparent conflicts of interest with respect to matters affecting both us and TSG, whose interests may be adverse to ours in some circumstances.

Corporate information

Planet Fitness, Inc. was incorporated in Delaware in March 2015. Our principal executive offices are located at 26 Fox Run Road, Newington, New Hampshire 03801, and our telephone number is (603) 750-0001. Our Internet website is www.planetfitness.com. The information on, or that can be accessed through, this website and the other Internet websites that we present in this prospectus is not part of this prospectus, and you should not rely on any such information in making the decision whether to purchase shares of our Class A common stock.

Table of Contents

The offering

Issuer in this offering Planet Fitness, Inc.

Class A common stock offered by us 9,122,657 shares

**Class A common stock offered by
the selling stockholders** 4,377,343 shares

**Underwriters option to purchase
additional shares of Class A
common stock from us and the
selling stockholders** 2,025,000 shares