FITNESSNAV RESEARCH REPORT

# Fitness Chain Profitability

## What Financial Statements Really Reveal

An analysis of EBITDA margins, rent accounting, business models and financial disclosure across major fitness operators.

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FitnessNav

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# Executive Summary

The Gym Group reported FY2025 Group Adjusted EBITDA of £98.9m and Group Adjusted EBITDA Less Normalised Rent of £56.7m, against revenue of £244.9m. The resulting margins are 40.38% and 23.15% respectively. Both are published by the company. One deducts £42.2m of normalised rent; the other does not.

The gap between them is the subject of this report. Adjusted EBITDA is not a defined term under IFRS. Each company constructs it from its own reconciling items, so two figures carrying the same label can measure different things — and the same company can publish two.

**Rent accounting changes the measure.**Six operators use six treatments: a named rent deduction, invoiced rent costs, a cash-rent adjustment, rent left inside operating costs, a restatement to IAS 17 lease expense, and an IFRS 16 exclusion without that restatement. None is restated onto a common basis, and no company publishes a reconciliation to another's.

**Business model changes what the margin describes.**Planet Fitness earns 41.66% consolidated after blending a franchise business at 71.9%, company-owned clubs at 37.8% and an equipment business at 30.5%, less $85.8m of unallocated corporate costs. Xponential earns 35.50% as a franchisor with no material club estate. Neither figure describes the economics of running a gym.

**Adjustment policy can outweigh the metric.**Xponential's adjusted figure is 19.8 times its reported EBITDA, built on $106.1m of adjustments — the largest three an impairment, litigation and a debt-extinguishment loss, with litigation recurring in both prior years. Whether an adjustment is appropriate is the company's judgement; its size is a matter for the reader to assess.

**Disclosure limits what can be answered.**Eight chains publish group-level figures usable for this study. For the other seven of the original fifteen, no usable group-level profit disclosure was identified within the scope searched — which does not establish that none exists elsewhere.

The report therefore offers reading rules, not a ranking. A ranking is not supported by the disclosures available; the differences documented here are why.

1

# Why Fitness Chain Profitability Is Difficult to Compare

The Gym Group published two profit figures for the same year, and they are both correct.

For the year ended 31 December 2025, the company reported revenue of £244.9m. Against that revenue it also reported two measures of earnings, reconciled to the same operating profit:

| | £m |
|---|---|
| Operating profit | 28.0 |
| Non-underlying operating items | 3.0 |
| Share-based payments | 5.5 |
| Underlying depreciation and amortisation | 62.4 |
| Group Adjusted EBITDA | 98.9 |
| Less: Normalised Rent | (42.2) |
| Group Adjusted EBITDA Less Normalised Rent | 56.7 |

Source: The Gym Group plc, FY2025 results announcement, reconciliation of operating profit to Group Adjusted EBITDA Less Normalised Rent.
Open source

Divide each by the same £244.9m revenue and the margin is either 40.38% or 23.15%. The gap is 17.2 percentage points, and it corresponds to the £42.2m of rent that one measure deducts and the other does not.

The company presents both measures, and it explicitly identifies the lower, rent-adjusted figure as its key profit metric:

> *"The Group's key profit metric is Group Adjusted EBITDA Less Normalised Rent as the Directors believe that this measure best reflects the underlying profitability of the business."*

A reader encountering the first figure alone might interpret it as a 40% operating margin. A reader encountering the second might see a business operating at closer to 23%. Both figures are presented in the company's FY2025 results announcement, but they measure different things: one is before the deduction of normalised rent, the other is after it.

This is not an unusual case. The ambiguity persists in a company that publishes both reconciliations in full, because "adjusted EBITDA" is not a defined term under IFRS. Each company constructs it from its own reconciling items, and rent is only one of the choices available.

What follows examines eight fitness chains that report FY2025 figures publicly: The Gym Group, Basic-Fit, Life Time, PureGym, SATS ASA, Smart Fit, Planet Fitness and Xponential Fitness. For each, the profit measure is quoted in the company's own terms, with the reconciling items left in view. The purpose is not to establish which chain is most profitable — the measures are not built on a common basis, and the final section sets out why a single ranking would not be meaningful. The purpose is to show what these figures do and do not measure, so that a comparison made with them is made deliberately rather than by accident.

2

# What Public Financial Disclosures Show

Eight chains published group-level FY2025 figures that can be traced to their own filings. They are set out below in the company's own metric names, because those names are part of the evidence. Four of the eight depart from a plain "Adjusted EBITDA" label: The Gym Group publishes one standard figure and one modified figure, and Basic-Fit, SATS and Smart Fit each modify the name. In all four cases the modified name signals how rent or lease accounting is treated, although the labels do not describe an identical adjustment. Basic-Fit and The Gym Group explicitly refer to rent deductions; SATS and Smart Fit identify their treatment of IFRS 16.

All figures are for the year ended 31 December 2025 unless stated. Margins marked † are our arithmetic on the company's own revenue and profit figures; margins without a mark are stated by the company.

## Club operators

| Company | Revenue | Metric as published | Value | Margin |
|---|---|---|---|---|
| The Gym Group (GBP m) | 244.9 | Group Adjusted EBITDA | 98.9 | 40.38%† |
| | | Group Adjusted EBITDA Less Normalised Rent | 56.7 | 23.15%† |
| Basic-Fit (EUR m) | 1,420 | Underlying EBITDA less rent | 348 | 24.51%† |
| Life Time (USD m) | 2,995.3 | Adjusted EBITDA | 825.2 | 27.5% |
| PureGym (GBP m) | 742.4 | Group Adjusted EBITDA | 208.7 | 28.11%† |
| SATS ASA (NOK m) | 5,509 | EBITDA before IFRS 16 | 871 | 15.81%† |

Sources: The Gym Group FY2025 results announcement; Basic-Fit Annual Report 2025; Life Time Form 10-K (CIK 0001869198); Pure Gym Limited statutory accounts to 31 December 2025 (Companies House 06690189); SATS ASA Annual Report 2025.
Open source

## Operator-led mixed model

| Company | Revenue | Metric as published | Value | Margin |
|---|---|---|---|---|
| Smart Fit (BRL m) | 7,241.7 | Adjusted EBITDA (excluding IFRS 16) | 2,292.1 | 31.7% |
| Planet Fitness (USD m) | 1,324.1 | Adjusted EBITDA | 551.6 | 41.66%† |

Sources: Smart Fit 4Q25/FY2025 results release; Planet Fitness Form 10-K (CIK 0001637207).
Open source

## Franchise platform

| Company | Revenue | Metric as published | Value | Margin |
|---|---|---|---|---|
| Xponential Fitness (USD m) | 314.9 | Adjusted EBITDA | 111.8 | 35.50%† |

Source: Xponential Fitness Form 10-K (CIK 0001802156).
Open source

Three things are visible in these tables before any interpretation.

**The metric names differ, and the differences are substantive.**Basic-Fit's measure deducts invoiced rent costs. The Gym Group reports both Group Adjusted EBITDA before normalised rent and a second measure after deducting £42.2m. PureGym's Group Adjusted EBITDA incorporates a cash rent adjustment. SATS reports EBITDA before IFRS 16, using lease expenses applying IAS 17, while Smart Fit excludes IFRS 16 effects from its operating metrics, leaving rent reflected in operating costs. These are not stylistic variations on a single measure.

**Two of the eight margins are the company's own number.**Life Time states 27.5% and Smart Fit states 31.7%. The remaining six companies' margins are calculated here by dividing the disclosed profit figure by the disclosed revenue — seven rows carry the mark rather than six because The Gym Group appears twice. That is arithmetic, not interpretation, but it is a different provenance and is marked as such.

**The spans are not comparable across the three tables.**The eight margins run from 15.81% to 41.66%. Within the club operators, the reported margins range from 15.81% to 40.38%. The Gym Group alone spans 23.15% to 40.38%, depending on which of its two measures is used. A reader looking for a ranking will find a column of numbers that appears to supply one. §5 explains why it does not.

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# How Rent Accounting Changes EBITDA Margins

Rent is a major recurring cost for fitness operators, but the six club operators in §2 reflect four broad patterns in how rent and lease costs enter their reported profit measures. The differences are not merely presentational. They change what each margin measures.

## Two companies that name rent in the metric

The Gym Group's two figures, shown in §1, differ by one line: £42.2m of normalised rent. The company defines the term narrowly:

> *"Normalised Rent – the contractual rent payable, recognised in the monthly period to which it relates."*

That is a timing convention, not an estimate or an adjustment for unusual leases. It is the rent the company owes, recorded in the month it falls due. Group Adjusted EBITDA is before that line; Group Adjusted EBITDA Less Normalised Rent is after it. The same revenue, the same operating profit, and a 17.2 percentage point gap in the resulting margin.

Basic-Fit does something similar but names it differently. Its metric is "underlying EBITDA less rent, which is EBITDA adjusted for exceptional items and minus **invoiced rent costs**". The wording is a deduction, and the resulting €348m is stated after rent has been taken out.

The two labels are not interchangeable. "Normalised" and "invoiced" are different words that may well mean similar things in practice, but neither filing reconciles one to the other, and this article does not assume they are equivalent. What can be said is that both companies publish a headline profit figure that is stated after a rent deduction, and both name that fact.

## A company where the adjustment runs the other way

PureGym's accounts present Group Reported EBITDA of £336.9m and Group Adjusted EBITDA of £208.7m. The adjusted figure is £128.2m lower than the reported figure, a reduction of 38.1% calculated against Group Reported EBITDA. Unlike several of the adjusted measures discussed in §2, PureGym's adjustment moves the reported figure downward.

The definition explains why:

> *"Group Adjusted EBITDA is defined as Group Reported EBITDA less Share Based Payments, Pre-Opening Expenses, Other Adjustments and the Cash Rent Adjustment."*

Every item in that list is subtracted. A reader who assumed "adjusted" meant "adjusted upward" — as it does at Life Time, Planet Fitness and Xponential — would read this figure backwards.

**The cash rent adjustment is one of four deductions in the reconciliation; the £128.2m difference reflects the combined effect of all four, not the cash rent adjustment alone.**The accounts do not disclose the size of the cash rent adjustment on its own, so its individual contribution cannot be quoted.

PureGym also reports at two levels. The £742.4m revenue and £208.7m adjusted EBITDA are group figures covering 714 clubs. The UK statutory entity, Pure Gym Limited, reports turnover of £463.6m and reported EBITDA of £214.2m. Both appear in filings; they are not the same entity.

## Two companies where IFRS 16, not rent, is the variable

SATS and Smart Fit both present metrics excluding IFRS 16, and both leave rent in operating costs. The mechanism differs.

SATS defines its measure as EBITDA adjusted for lease expenses applying IAS 17 Leases. In other words, its metric reflects lease expenses on an IAS 17 basis rather than the IFRS 16 treatment.

Smart Fit's operating metrics exclude the effects of IFRS 16, with rent remaining in operating costs. Its disclosure does not describe the same IAS 17-based adjustment used by SATS.

Both arrive at a profit figure that bears rent. Neither describes the same calculation. A margin computed for SATS and a margin computed for Smart Fit are therefore both rent-inclusive, but not constructed on a common basis.

## A company where rent remains in operating costs

Life Time is the simplest case and the hardest to compare. Its Adjusted EBITDA definition begins from net income and adds back interest, taxes, depreciation and amortisation, then excludes share-based compensation, sale-leaseback gains and losses, capital transaction costs, legal settlements, impairments and severance. **Rent is not among the add-backs.**

The 10-K lists rent of $339,170k for FY2025 inside centre operations expense of $1,568,611k. Rent is inside the operating cost base, and the Adjusted EBITDA reconciliation contains no separate rent add-back: the company does not remove it when calculating this measure.

4

# Why Business Models Produce Different Margins

Rent is not the only reason a group margin can mislead. Two of the eight companies are organised in ways that make their consolidated profit figure something other than a club margin, for reasons that have nothing to do with lease accounting.

## Planet Fitness: three businesses inside one number

Planet Fitness reported FY2025 revenue of $1,324.1m and Adjusted EBITDA of $551.6m, a margin of 41.66%. The company also discloses both figures by segment:

| Segment | Revenue ($000) | Segment Adjusted EBITDA ($000) | Margin |
|---|---|---|---|
| Franchise | 467,958 | 336,592 | 71.9%† |
| Corporate-owned clubs | 546,097 | 206,347 | 37.8%† |
| Equipment | 310,089 | 94,478 | 30.5%† |
| Segment total | 1,324,144 | 637,417 | — |
| Corporate and other | — | (85,773) | — |
| Consolidated | 1,324,144 | 551,644 | 41.66%† |

Source: Planet Fitness Form 10-K (CIK 0001637207), segment results. † calculated here from the disclosed figures.
Open source

The three segments run at margins of 71.9%, 37.8% and 30.5%. They are not variations on one business — they are a franchisor collecting royalties and fees, a club operator paying rent and wages, and an equipment supplier selling products into the fitness network. Franchise accounts for 35.3% of revenue, company-owned clubs 41.2%, equipment 23.4%.

The three segments contribute $637.4m of Adjusted EBITDA before $85.8m in negative Corporate and other adjustments, leaving consolidated Adjusted EBITDA of $551.6m. That is why the group margin sits below the Franchise segment's 71.9%: the royalty business carries the number up, and unallocated corporate costs bring it back down.

The consolidated 41.66% describes the enterprise. It does not describe what a Planet Fitness club earns, and it is not comparable with a margin reported by a company that only operates clubs.

This is not an argument that the figure is misleading — the segment disclosure makes the composition visible. It is an argument that reading the consolidated margin as an operating margin would be a category error.

## Xponential: when the adjustment outweighs the metric

Xponential reported FY2025 revenue of $314.9m. Its EBITDA was $5.7m, and its Adjusted EBITDA was $111.8m. The $106.1m net adjustment is 18.8 times reported EBITDA of $5.655m. Adjusted EBITDA of $111.778m is 19.8 times that same reported EBITDA.

The reconciliation, in full:

| Item | $000 |
|---|---|
| EBITDA | 5,655 |

| Item | $000 |
|---|---|
| Equity-based compensation | 12,908 |
| Employer payroll taxes on equity-based compensation | 290 |
| Acquisition and transaction expenses | (6,948) |
| Litigation expenses | 30,097 |
| Financial transaction fees | 408 |
| TRA remeasurement | (11) |
| Impairment of goodwill and other noncurrent assets | 32,718 |
| Loss and expenses due to brand divestitures and wind-down | 5,570 |
| Executive transition costs | 7 |
| Transformation initiative costs | 874 |
| Other income | (1,096) |
| Loss on debt extinguishment | 27,327 |
| Restructuring and related charges | 3,979 |
| Adjusted EBITDA | 111,778 |

Source: Xponential Fitness Form 10-K (CIK 0001802156), reconciliation of net loss to Adjusted EBITDA.
Open source

The three largest items are an impairment ($32.7m), litigation expenses ($30.1m) and a loss on debt extinguishment ($27.3m). Together they account for 84.9% of the net adjustment.

The impairment and debt-extinguishment loss are associated with specific events in the reporting period. Litigation expenses, however, also appear in the prior-year figures: $32.6m in 2024 and $6.8m in 2023. Their recurrence makes it harder to treat the entire litigation category as an isolated event.

At 19.8 times the metric it adjusts, the adjustment is no longer a refinement of EBITDA — it is the substance of the number. A reader who takes 35.50% as a description of Xponential's profitability is reading a figure constructed almost entirely from items excluded from profit.

Xponential operates no material club estate. Its consolidated margin therefore describes a franchise platform rather than the economics of running fitness clubs. Franchise revenue was $192.6m, 61% of the total, with equipment, merchandise, marketing fund and other services making up the rest.

5

# What Can and Cannot Be Compared

The eight figures in §2 are accurate. Every one traces to a filed document, and every margin can be reproduced by dividing two disclosed numbers. What follows is not a caution about data quality. It is a statement about what the figures are: eight company-defined measures, each constructed from its own set of choices, and therefore not interchangeable.

Four boundaries limit comparison here. They are listed in order of how easily they are overlooked.

## First: the adjustment policies are not the same

Rent accounting was the subject of §3. It is not the only adjustable item. The six companies that report a conventional adjusted EBITDA each exclude a different set of costs:

| Company | What its adjusted measure excludes |
|---|---|
| Life Time | Share-based compensation, sale-leaseback gains and losses, capital transaction costs, legal settlements, asset impairments, severance |
| PureGym | Share-based payments, pre-opening expenses, other adjustments, cash rent adjustment |
| The Gym Group | Non-underlying operating items, share-based payments, normalised rent |
| Basic-Fit | Exceptional items as the company defines them, plus invoiced rent |
| Planet Fitness | ss allowance adjustment, asset impairment, interest income, insurance recovery, lease closure expenses, tax benefit arrangement remeasurement, gain on club sales, equity-method basis amortisation, other |
| Xponential | Thirteen items, itemised in §4 |

SATS and Smart Fit are excluded from that table because their measures are not conventional adjusted EBITDA. Both are constructed on a lease-accounting basis rather than by excluding a list of costs:

| Company | Basis of the reported measure |
|---|---|
| SATS | EBITDA adjusted for lease expenses applying IAS 17 Leases |
| Smart Fit | Operating metrics excluding the effects of IFRS 16, with rent remaining in operating costs |

The two tables answer different questions. The first asks which costs a company chose to leave out. The second asks which lease-accounting framework the measure is computed on. Treating them as one category would obscure that SATS and Smart Fit are not simply excluding more or fewer items.

What the disclosures show is that the companies use different adjustment policies. Some recurring categories appear across several reconciliations — share-based payments in four, impairments and litigation in two each — but the scope and treatment are not identical, and none of the companies publishes a reconciliation to another's basis.

## Second: the reporting layer matters as much as the company

PureGym reports at two levels. The group figures are £742.4m revenue and £208.7m Adjusted EBITDA across 714 clubs. The UK statutory entity, Pure Gym Limited, reports £463.6m turnover and £214.2m Reported EBITDA. The revenue figures differ by 60%.

Planet Fitness reports at three levels within one filing: three segments with margins of 71.9%, 37.8% and 30.5%, and a consolidated figure of 41.66% after unallocated corporate costs.

Quoting "PureGym's margin" or "Planet Fitness's margin" without naming the layer is therefore incomplete, not wrong. The same company can supply several defensible percentages and they will not agree.

## Third: consolidated revenue is not operating revenue

Planet Fitness earns 23.4% of its revenue from equipment sales and 35.3% from franchise royalties. Xponential earns 61% from franchise revenue and operates no material club estate.

For both, the consolidated margin describes an enterprise composed of several income streams. A company that only operates clubs earns from memberships and ancillary services, and its margin describes that. Putting the two in a single ordered column would compare a blended enterprise margin against a club operating margin, and call the difference performance.

## Fourth: some comparisons cannot be made at all

Three specific forms of comparison are not available in the disclosures reviewed here. Careful reading cannot recover them, because the underlying figures are not disclosed: the missing comparisons cannot be reconstructed from the published group-level data alone.

**A profitability ranking across the eight.**The four boundaries above each independently prevent it. Even among the five companies classified as club operators in §2, rent treatment does not establish a common basis: their reported measures reflect different rent deductions or lease-accounting treatments, and their other EBITDA adjustments differ as well. The filings reviewed do not provide the reconciliations needed to restate these measures onto a common basis.

**A rent cost comparison.**The Gym Group discloses £42.2m of normalised rent and Life Time discloses $339,170k. Basic-Fit, PureGym, Smart Fit and SATS do not isolate rent in a form that allows the same treatment. A rent table would have two entries and four blanks.

**Store-level economics.**Group profit divided by club count is not a club-level measure. It includes head office costs, multiple countries, franchise revenue and, at Planet Fitness, equipment sales.

Dividing Life Time's Group Adjusted EBITDA of $825.2m by its 189 centres at 31 December 2025 produces approximately $4.37m per location. Dividing PureGym's Group Adjusted EBITDA of £208.7m by its 714 gyms produces approximately £0.29m per location. Both counts are year-end figures from the respective filings, and both cover the whole reporting group, not a single country or format.

These are two arithmetic results describing two different kinds of property. The numerator is a group-level profit measure in both cases, built on different cost structures and revenue mixes; the denominator is a location count defined by each company for its own reporting. Converting to a single currency would not change that. The ratio between the two results is not a finding.

## What the boundaries do not prevent

They do not prevent describing each company's position accurately. They do not prevent comparing like with like where two companies happen to use similar definitions. And they do not prevent noticing that The Gym Group's own two figures differ by 17.2 percentage points, which requires no comparison between companies at all.

The distinction that matters is between a comparison that is stated and one that is implied. Eight margins in a table imply a ranking whether or not the text claims one. §2 grouped the companies by business model and stated that the order carries no signal, for that reason.

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# The Private Company Disclosure Gap

The eight companies in §2 are the ones for which this review identified usable group-level financial data. They are the result of screening the original fifteen-company list, not a ranked selection.

## The seven

| Company | Disclosure context | What was found |
|---|---|---|
| Anytime Fitness | Franchise system; Self Esteem Brands identifies itself as a Purpose Brand in advertising | Corporate site and marketing pages; no investor relations section; no financial statements |
| Equinox | No SEC-registered issuer; no investor relations section on the corporate site | Member-facing site only |
| Orangetheory Fitness | No SEC-registered issuer | Member and franchisee site |
| Crunch Fitness | No SEC-registered issuer | Corporate site with an about page |
| Gold's Gym | No SEC-registered issuer; brand part of RSG Group (Germany) | Member site |
| 24 Hour Fitness | No SEC-registered issuer; reorganised through Chapter 11 in 2020 | Site returned an access error during this review |
| LA Fitness | No SEC-registered issuer | Member site |

Anytime Fitness' ownership has changed. The pages reviewed for Self Esteem Brands and Purpose Brands contain brand and franchise information, but did not provide group-level financial reporting. The article's earlier reference to Self Esteem Brands as the current parent is out of date.

## What was checked

The review covered four types of publicly accessible source, where applicable:

- the corporate website and any investor relations section on it - SEC EDGAR company search - publicly indexed annual reports and investor presentations - the identified parent group's website, where a parent could be established

For most of the seven, the corporate site exists and carries franchise or membership information. The materials retrieved from these sources did not provide a consolidated income statement, an EBITDA reconciliation or a segment table usable for this study. SEC EDGAR returned no matching registered issuer for Gold's Gym, 24 Hour Fitness or LA Fitness.

Two limits on what this establishes. A marketing website with no investor section is not evidence that the company publishes no financial information — it is evidence that this study did not find it there. And no SEC registration only tells us the company is not a US registered issuer. It says nothing about filings in other jurisdictions.

## What remains unverified

Four channels were identified and not pursued. Any of them could change the picture for an individual company:

- **Debt offering documents and bondholder reporting.**Where a private group has issued debt, offering documents and subsequent bondholder disclosures may contain financial information not available on its corporate website. - **Parent-jurisdiction filings.**RSG Group is German-registered; German company filings are obtainable but were not retrieved here. - **UK and EU subsidiary filings.**Groups with UK or EU entities may have statutory filings in those jurisdictions. Whether those filings contain usable group-level financial information would need to be checked individually. - **Restructuring court records.**24 Hour Fitness filed Chapter 11 in 2020. Bankruptcy dockets are public, though the financial detail typically predates any current period.

None of these was checked in this pass.

## What the evidence supports

Eight companies had group-level financial data usable for this study. For the remaining seven, no usable group-level profit disclosure was identified within the scope searched. This does not establish that no financial information exists elsewhere.

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# How to Read Fitness Chain Profitability

The figures in §2 are accurate and unequally comparable. What follows turns that into reading rules for three groups who use these numbers for different purposes. Each section follows the same pattern: what the filings let you establish, how to read it, and what it will not tell you.

## For investors

Four checks, in the order that most often changes the conclusion.

**Establish the metric before reading the percentage.**A margin is only meaningful alongside the definition behind it. Six of the eight companies use a different construction, and four name the rent treatment in the metric itself. Comparing Planet Fitness's 41.66% Adjusted EBITDA margin with The Gym Group's 23.15% Group Adjusted EBITDA Less Normalised Rent margin, without accounting for their different rent treatments, compares two different quantities.

**Look at the size and character of the adjustments.**Xponential's adjusted figure exceeds its reported EBITDA by a factor of 19.8, and $106.1m of adjustments sit between the two. The three largest are an impairment, litigation expenses and a debt-extinguishment loss — and litigation recurred in both prior years. A large adjustment warrants reading the reconciliation line by line before accepting the resulting margin.

**Confirm whether rent has already been deducted.**The six operators use different approaches. The Gym Group deducts normalised rent; Basic-Fit deducts invoiced rent costs; PureGym uses a cash-rent adjustment; Life Time leaves rent within operating costs; SATS reports EBITDA before IFRS 16 using IAS 17 lease expenses; and Smart Fit excludes IFRS 16 effects without presenting the same IAS 17 restatement. Two margins reflecting different rent treatments are not two data points on one scale.

**Break out the segments where they are disclosed.**Planet Fitness's consolidated 41.66% blends a 71.9% franchise business, a 37.8% company-owned club business and a 30.5% equipment business, after $85.8m of unallocated corporate costs. The consolidated figure describes the enterprise. It does not describe a club.

What these checks do not deliver is a ranking. No company publishes a reconciliation to another's basis, and the filings reviewed do not supply the figures needed to construct one.

## For manufacturers

**Revenue composition identifies the kind of customer.**Planet Fitness earns 35.3% of revenue from franchise royalties, 41.2% from company-owned clubs and 23.4% from equipment. Xponential earns 61% from franchise revenue. A group whose revenue is mostly royalties has a different relationship to equipment than one that operates its own estate, because the buying decision sits with different parties.

**Club count gives scale and expansion context.**Life Time reported 189 centres at 31 December 2025 and PureGym reported 714 gyms. Both are year-end counts covering the whole reporting group, and both filings also give the prior-year count, so the direction of travel is visible. They establish the size of a network and whether it is expanding or contracting.

**These figures do not establish purchasing capacity.**Planet Fitness's equipment segment revenue comes from selling equipment — principally to franchisees — and says nothing about what Planet Fitness buys or from whom. In that segment the company is closer to a supplier than a customer. Club counts do not translate into equipment budgets. Group revenue and group EBITDA do not translate into procurement capacity.

The disclosures reviewed contain no purchasing cycle, supplier concentration, refresh schedule, capital-expenditure breakdown by category or order volume. Financial statements can tell a manufacturer what kind of company it is looking at, how large its network is and whether it is growing. They cannot tell it how much equipment that company will buy, or from whom. Any estimate of purchasing capacity has to come from somewhere other than the annual report.

## For operators

**A platform's margin is not a franchisee's margin.**Xponential operates no material club estate and earns 61% of revenue from royalties. Its 35.50% describes the economics of the franchisor's consolidated business, not the profitability of the studios operating under its brands. Those operators have their own premises, staffing and equipment economics, which are not represented by the franchisor's margin.

**Group profit is not store profit.**Life Time's Group Adjusted EBITDA of $825.2m divided by 189 centres gives $4.37m per location. PureGym's £208.7m divided by 714 gyms gives £0.29m. The arithmetic is correct and the results are not store-level figures. The numerator is a group profit measure containing head office costs, multiple markets and, for some companies, franchise and equipment revenue. The denominator is a location count each company defines for its own reporting. The resulting ratio is neither single-store EBITDA nor an estimate of it, and it should not be used as a rough comparison between operators.

**Rent treatment has to be aligned before operating performance is compared, and aligning the currency does not align the treatment.**Converting two margins to one currency leaves the definitions untouched. Five rent treatments across six operators means five different questions are being answered.

A useful example of single-company analysis comes from The Gym Group. It publishes both measures, reconciled to the same operating profit, with a £42.2m difference attributable to normalised rent. An operator can perform the same exercise on its own disclosures. Assessing a competitor is harder unless that competitor publishes an equivalent reconciliation — and most do not.

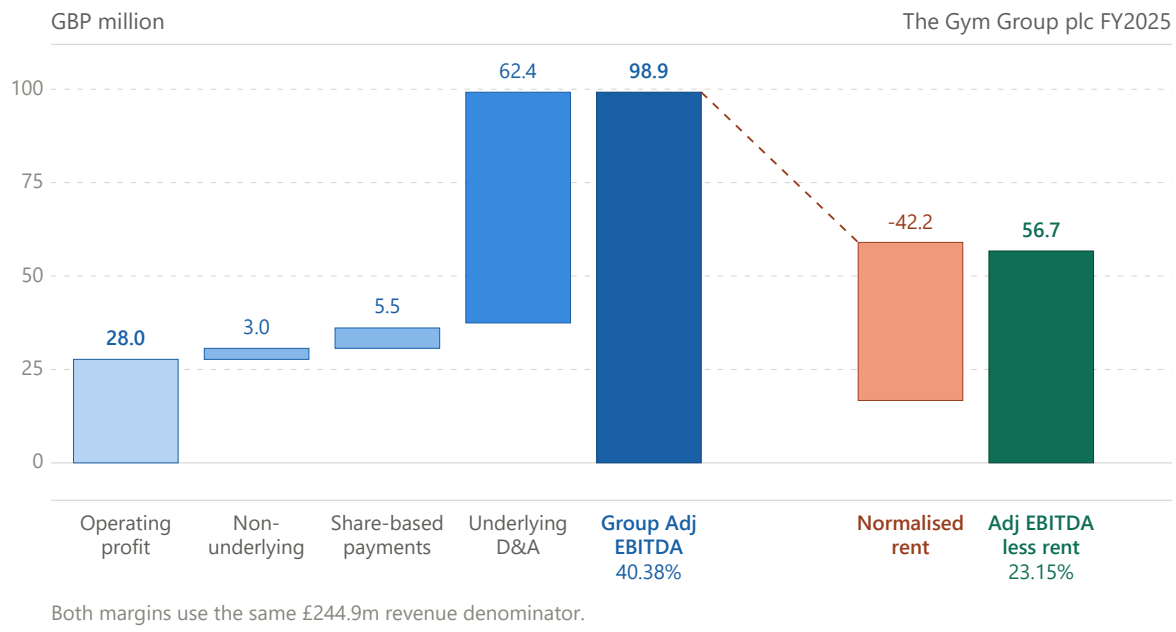



Figure 1. The Gym Group FY2025: operating profit to Adjusted EBITDA less normalised rent. Source: C-02, FY2025 results announcement. Margins calculated here from disclosed amounts.

Planet Fitness Inc. FY2025 — Form 10-K, USD 000s

| | Revenue | Segment Adj EBITDA | Margin | Share of revenue |
|---|---|---|---|---|
| **Franchise** | 467,958 | 336,592 | **71.9%** | 35.3% |
| **Corporate-owned clubs** | 546,097 | 206,347 | **37.8%** | 41.2% |
| **Equipment** | 310,089 | 94,478 | **30.5%** | 23.4% |

**Corporate and other** — Segment Adj EBITDA: **-85,773**

Adjusted corporate overhead costs, such as payroll and related benefits and professional services, not directly attributable to any segment (10-K segment note, footnote 1).

| | Revenue | Adjusted EBITDA | Margin |
|---|---|---|---|
| **Consolidated** | 1,324,144 | 551,644 | **41.66%** |

| | |
|---|---|
| Three segment Adjusted EBITDA | 637,417 |
| Less Corporate and other | (85,773) |
| **Consolidated Adjusted EBITDA** | **551,644** |

Segment margins range from 30.5% to 71.9%. The consolidated margin of 41.66% is calculated after deducting Corporate and other.

Segment margins and share-of-revenue figures are calculated here from disclosed amounts; the 10-K reports revenue and segment Adjusted EBITDA only.

Figure 2. Planet Fitness FY2025: three segments and the consolidated figure. Source: C-01, Form 10-K FY2025. Segment margins and share-of-revenue calculated here from disclosed amounts.

# Appendix A — Company Financial Data

Every figure below is reproduced from the section it supports. Margins marked † are calculated here by dividing the disclosed profit figure by the disclosed revenue; unmarked margins are stated by the company.

| Company | Currency | Revenue | Metric as published | Value | Margin | Src |
|---|---|---|---|---|---|---|
| The Gym Group | GBP m | 244.9 | Group Adjusted EBITDA | 98.9 | 40.38%† | C-02 |
| | | | Group Adj EBITDA Less Normalised Rent | 56.7 | 23.15%† | C-02 |
| Basic-Fit | EUR m | 1,420 | Underlying EBITDA less rent | 348 | 24.51%† | C-03 |
| Life Time | USD m | 2,995.3 | Adjusted EBITDA | 825.2 | 27.5% | C-04 |
| PureGym | GBP m | 742.4 | Group Adjusted EBITDA | 208.7 | 28.11%† | C-05 |
| PureGym (UK entity) | GBP m | 463.6 | Reported EBITDA | 214.2 | 46.21%† | C-05 |
| SATS ASA | NOK m | 5,509 | EBITDA before IFRS 16 | 871 | 15.81%† | C-06 |
| Smart Fit | BRL m | 7,241.7 | Adjusted EBITDA (excl. IFRS 16) | 2,292.1 | 31.7% | C-08 |
| Planet Fitness | USD m | 1,324.1 | Adjusted EBITDA | 551.6 | 41.66%† | C-01 |
| Xponential | USD m | 314.9 | Adjusted EBITDA | 111.8 | 35.50%† | C-07 |

Two of the ten rows carry a company-stated margin: Life Time (27.5%) and Smart Fit (31.7%). The other eight are calculated here. The Gym Group and PureGym each appear twice because they publish more than one measure.

# Appendix B — Rent Treatment Comparison

Six operators, six treatments. The table records how each company's headline measure treats rent, in the company's own terms.

| Company | Metric as published | Rent treatment | Src |
|---|---|---|---|
| The Gym Group | Group Adj EBITDA Less Normalised Rent | Deducts normalised rent (£42.2m) | C-02 |
| Basic-Fit | Underlying EBITDA less rent | Deducts invoiced rent costs | C-03 |
| PureGym | Group Adjusted EBITDA | Subtracts a Cash Rent Adjustment among four deductions | C-05 |
| Life Time | Adjusted EBITDA | Rent inside centre operations; no add-back | C-04 |
| SATS ASA | EBITDA before IFRS 16 | Lease expense on an IAS 17 basis | C-06 |
| Smart Fit | Adjusted EBITDA (excl. IFRS 16) | Excludes IFRS 16 effects; no IAS 17 restatement | C-08 |

No rent amount column is provided. Only The Gym Group and Life Time separately quantify a rent-related amount in the disclosures used here, and those amounts are not directly comparable: The Gym Group reports normalised rent, Life Time reports rent within its centre operating expenses. A column would have two entries, four blanks, and two figures that do not measure the same thing.

**Rent-cost-inclusive**is this report's grouping label, not a term any company uses, and the six companies do not share a common accounting treatment.

# Appendix C — Source Register

Eight documents, one per company. Verification status is recorded for each: seven were read in full; C-08's page locators were supplied with the company materials and were not independently opened against the file in this study.

| Ref | Company | Document | Registry | Status |
|---|---|---|---|---|
| C-01 | Planet Fitness | Form 10-K FY2025 | SEC CIK 1637207 | Read in full |
| C-02 | The Gym Group | FY2025 results announcement | LSE: GYM | Read in full |
| C-03 | Basic-Fit | Annual Report 2025 | AMS: BFIT | Read in full |
| C-04 | Life Time | Form 10-K FY2025 | SEC CIK 1869198 | Read in full |
| C-05 | PureGym | Pure Gym Ltd statutory accounts FY2025 | Companies House 06690189 | Read in full (OCR) |
| C-06 | SATS ASA | Annual Report 2025 | OSE: SATS | Read in full |
| C-07 | Xponential | Form 10-K FY2025 | SEC CIK 1802156 | Read in full |
| C-08 | Smart Fit | 4Q25/FY2025 results release | B3: SMFT3 | Locators not re-verified |

**C-08 carries a different verification status and must not be read as equivalent to the other seven.** Its figures were supplied with page references, but the source file was not opened in this study to confirm the locators. A reader who follows C-08 and finds a different page number should conclude that the locator was second-hand, not that the figure is wrong.

## Document links

Each reference above resolves to the source below. Where the exact filing could not be addressed directly, the official disclosure channel is given and marked as a proxy.

| | | | | |
|---|---|---|---|---|
| C-01 | **Planet Fitness** | Form 10-K FY2025, SEC EDGAR | www.sec.gov | |
| C-02 | **The Gym Group** | FY2025 results announcement | www.tggplc.com | |
| C-03 | **Basic-Fit** | Annual Report 2025 | corporate.basic-fit.com | |
| C-04 | **Life Time** | Form 10-K FY2025, SEC EDGAR | www.sec.gov | |
| C-05 | **PureGym** | Companies House filing history for Pure Gym Limited | find-and-update.company-information.service.gov.uk | |
| C-06 | **SATS ASA** | Oslo Børs NewsWeb disclosure feed; sats.no returned 403 to this build | | |
| C-06 | **SATS ASA** | Oslo Børs NewsWeb disclosure feed; sats.no returned 403 to this build | newsweb.oslobors.no | proxy |
| C-07 | **Xponential** | Form 10-K FY2025, SEC EDGAR | www.sec.gov | |
| C-08 | **Smart Fit** | B3 listed-company portal; ri.smartfit.com.br did not respond during this build | | |
| C-08 | **Smart Fit** | B3 listed-company portal; ri.smartfit.com.br did not respond during this build | www.b3.com.br | proxy |

# Appendix D — Disclosure Scope and Method

## Evidence codes

Four codes mark the status of every claim in this report. They are method, not editorial record: the conclusions depend on the distinction between them.

| Code | Meaning | Example |
|---|---|---|
| P | Primary disclosure: the company's own filing | TGG's £42.2m normalised rent line |
| C | Calculation from disclosed figures | 98.9 ÷ 244.9 = 40.38% |
| J | Analytical judgement | The adjustment is the substance of the number |
| G | Gap: not disclosed | No purchasing cycle in any filing reviewed |

## The seven companies without usable data

| Company | Disclosure context |
|---|---|
| Anytime Fitness | Self Esteem Brands identifies itself as a Purpose Brands company |
| Equinox | No SEC-registered issuer; no investor relations section |
| Orangetheory | No SEC-registered issuer |
| Crunch Fitness | No SEC-registered issuer |
| Gold's Gym | No SEC-registered issuer; brand part of RSG Group (Germany) |
| 24 Hour Fitness | No SEC-registered issuer; Chapter 11 reorganisation 2020 |
| LA Fitness | No SEC-registered issuer |

## Search scope and untried channels

Four types of source were checked, where applicable: the corporate website and any investor relations section; SEC EDGAR company search; publicly indexed annual reports and investor presentations; the identified parent group's website. Four channels were identified and **not** pursued:

— Debt offering documents and bondholder reporting
— Parent-jurisdiction filings (RSG Group is German-registered)
— UK and EU subsidiary filings, where entities exist
— Restructuring court records (24 Hour Fitness, 2020)

## Statement of limits

Eight companies had group-level financial data usable for this study. For the remaining seven, no usable group-level profit disclosure was identified within the scope searched. This does not establish that no financial information exists elsewhere.

No SEC registration says nothing about filings in other jurisdictions. No investor relations page is not evidence that a company publishes no financial information. Untried channels are not evidence that usable data sits inside them.

# Version History

| Version | Date | Change |
|---|---|---|
| v1.0 | 7 November 2026 | First publication. FY2025 data for eight companies. |

**Policy for future versions.** A new financial year produces v1.1 where the data update leaves conclusions unchanged, or v2.0 where conclusions change. Prior versions are not overwritten; this table records which fiscal years and which conclusions moved. The report's value is partly in its method, which outlives any single year's figures.