

Planet Fitness, Inc.
Form S-1/A
August 05, 2015
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As filed with the Securities and Exchange Commission on August 5, 2015

Registration No. 333-205141

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

AMENDMENT NO. 3
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)

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

26 Fox Run Road
Newington, NH 03801

(603) 750-0001

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

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Chris Rondeau

Chief Executive Officer

Planet Fitness, Inc.

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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.

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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) Previously paid.

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.

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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.

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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.

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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

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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.

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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.

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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.

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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

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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.

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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.

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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.

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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

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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.

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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.

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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

Class A common stock to be outstanding after this offering 35,235,491 shares (or 36,603,889 shares if the underwriters exercise in full their option to purchase additional shares of Class A common stock)

Class B common stock to be outstanding after this offering 63,474,249 shares (or 62,105,851 shares if the underwriters exercise in full their option to purchase additional shares of Class A common stock), all of which will be owned by the Continuing LLC Owners.

Voting rights Holders of our Class A common stock and Class B common stock will vote together as a single class on all matters presented to stockholders for their vote or approval, except as otherwise required by law or as otherwise provided by our certificate of incorporation. Each share of Class A common stock and Class B common stock will entitle its holder to one vote per share on all such matters. See Description of capital stock.

Ratio of shares of Class A common stock to Holdings Units The amended and restated limited liability company agreement of Pla-Fit Holdings, LLC (the New LLC Agreement) will require that we at all times maintain (x) a one-to-one ratio between the number of shares of Class A common stock issued by us and the number of Holdings Units owned by us and (y) a one-to-one ratio between the number of shares of Class B common stock owned by the Continuing LLC Owners and the number of Holdings Units owned by the Continuing LLC Owners. This construct is intended to result in the Continuing LLC Owners having a voting interest in Planet Fitness, Inc. that is identical to the Continuing LLC Owners percentage economic interest in Pla-Fit Holdings, LLC. The Continuing LLC Owners will own all of our outstanding Class B common stock.

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Use of proceeds

We estimate that the net proceeds to us from this offering will be approximately \$128.3 million, or approximately \$147.5 million if the underwriters exercise in full their option to purchase additional shares of Class A common stock, at an assumed initial public offering price of \$15.00 per share, the midpoint of the price range set forth on the cover of this prospectus, after deducting the estimated underwriting discounts and commissions.

We intend to use the net proceeds of this offering to purchase 9,122,657 issued and outstanding Holdings Units from certain Continuing LLC Owners consisting of investment funds affiliated with TSG (or 10,491,055 Holdings Units if the underwriters exercise in full their option to purchase additional shares of Class A common stock), at a purchase price per unit equal to the initial public offering price per share of Class A common stock, less underwriting discounts and commissions. Pla-Fit Holdings, LLC will not receive any proceeds that we use to purchase Holdings Units from Continuing LLC Owners, and we will not receive any of the proceeds from the sale of shares of our Class A common stock by the selling stockholders. Pla-Fit Holdings, LLC will bear or reimburse Planet Fitness, Inc. and the selling stockholders for all of the expenses of this offering. See Use of proceeds.

Exchange and redemption rights of holders of Holdings Units

The Continuing LLC Owners, from time to time following the offering, may require us to exchange all or a portion of their Holdings Units for newly issued shares of our Class A common stock on a one-for-one basis or, at our discretion, cash. Shares of our Class B common stock will be cancelled on a one-for-one basis if we, at the election of a Continuing LLC Owner, redeem or exchange Holdings Units of such Continuing LLC Owner pursuant to the terms of the exchange agreement. The decision whether to tender Holdings Units to us will be made solely at the discretion of the Continuing LLC Owners. We will exercise discretion regarding the form of consideration in a redemption or exchange. Pursuant to the exchange agreement, any such decisions will be made on our behalf by a majority of the disinterested members of our board of directors. We may not elect to pay cash if a registration statement under the Securities Act of 1933, as amended, is available for the issuance in connection with the exchange or the subsequent resale. Also pursuant to the exchange agreement, to the extent an exchange results in a Company liability relating to the New Hampshire business profits tax, the Continuing LLC Owners have agreed that they will contribute to Pla-Fit Holdings, LLC an amount sufficient to pay such tax liability (up to 3.5% of the value received upon exchange). If and when we subsequently realize a related tax benefit, Pla-Fit Holdings, LLC will distribute the amount of any such tax benefit to the relevant Continuing LLC Owner in respect of its contribution. We have agreed in the exchange agreement that we will use commercially reasonable efforts to reduce or eliminate this tax liability, provided it does not materially and adversely impact our net income, including by pursuing a change in the applicable law or by relocating our corporate headquarters to a different state and franchising some or all of our 14 corporate-owned stores located in the State of New Hampshire.

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Tax receivable agreements

Our acquisition of Holdings Units in connection with this offering and future and certain past exchanges of Holdings Units for shares of our Class A common stock (or cash) are expected to produce and have produced favorable tax attributes for us. Upon the completion of this offering, we will be a party to two tax receivable agreements. Under the first of those agreements, we generally will be required to pay to our Continuing LLC Owners 85% of the applicable cash savings, if any, in U.S. federal and state income tax that we are deemed to realize as a result of certain tax attributes of their Holdings Units sold to us (or exchanged in a

taxable sale) and that are created as a result of (i) the sales of their Holdings Units for shares of our Class A common stock and (ii) tax benefits attributable to payments made under the tax receivable agreement (including imputed interest). Under the second tax receivable agreement, we generally will be required to pay to the Direct TSG Investors 85% of the amount of cash savings, if any, that we are deemed to realize as a result of the tax attributes of the Holdings Units that we hold in respect of the Direct TSG Investors' interest in us, which resulted from the Direct TSG Investors' purchase of interests in our 2012 acquisition by investment funds affiliated with TSG (the 2012 Acquisition), and certain other tax benefits. Under both agreements, we generally will retain the benefit of the remaining 15% of the applicable tax savings. See Certain relationships and related party transactions Recapitalization transactions in connection with this offering Tax receivable agreements.

Directed share program

At our request, the underwriters have reserved up to 675,000 shares of Class A common stock, or approximately 5% of the shares being offered by this prospectus, for sale, at the initial public offering price, to our employees and franchisees. Shares of Class A common stock purchased by any of such parties will not be subject to the 180-day lockup restriction described in the Underwriting section of this prospectus. The number of shares of Class A common stock available for sale to the general public will be reduced to the extent these parties purchase any of these reserved shares. Any reserved shares of Class A common stock that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus.

Controlled company

Following this offering we will be a controlled company within the meaning of the corporate governance rules of the NYSE. See Management Board composition and director independence.

Dividend policy

We do not currently intend to pay dividends on our Class A common stock. Holders of our Class B common stock are not entitled to participate in any dividends declared by our board of directors. Any future determination to pay dividends to holders of Class A common stock will be at the sole discretion of our board of directors and will depend upon many factors, including general economic conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions, the implications of the payment of dividends by us

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to our stockholders or by our subsidiaries to us and any other factors that our board of directors may deem relevant. See Dividend policy.

Risk factors

You should read the Risk factors section of this prospectus for a discussion of factors to consider carefully before deciding to invest in shares of our Class A common stock.

NYSE symbol

PLNT

The number of shares of Class A common stock to be outstanding after this offering is based on 35,235,491 shares of Class A common stock outstanding immediately following the recapitalization transactions and excludes the following:

63,474,249 shares of Class A common stock issuable upon exchange or redemption of Holdings Units, together with corresponding shares of Class B common stock; and

7,896,800 shares of Class A common stock reserved for future issuance under our equity incentive plans. Unless otherwise indicated, this prospectus reflects and assumes the following:

the consummation of the recapitalization transactions;

the adoption of our certificate of incorporation and our bylaws to be effective upon the completion of this offering; and

no exercise by the underwriters of their option to purchase up to 2,025,000 additional shares of our Class A common stock in this offering. Unless otherwise indicated, this prospectus also assumes the shares of Class A common stock are offered at \$15.00 per share (the midpoint of the price range listed on the cover page of this prospectus). Although the number of shares being offered hereby to the public and the total combined number of shares of Class A common stock and Class B common stock outstanding after the offering will remain fixed regardless of the initial public offering price in this offering, certain share information presented in this prospectus will vary depending on the initial public offering price in this offering. For example, an increase in the assumed initial public offering price would result in a decrease in the amount of shares of Class A common stock issued to the Direct TSG Investors (and a corresponding decrease in the amount of Holdings Units held by Planet Fitness, Inc.), an increase in the amount of shares of Class B common stock and Holdings Units issued to the Continuing LLC Owners on an aggregate basis, and a reallocation of the shares of Class B common stock and Holdings Units issued to the Continuing LLC Owners among the various Continuing LLC Owners. A decrease in the assumed initial public offering price would result in an increase in the amount of shares of Class A common stock issued to the Direct TSG Investors (and a corresponding increase in the amount of Holdings Units held by Planet Fitness, Inc.), a decrease in the amount of shares of Class B common stock and Holdings Units issued to the Continuing LLC Owners on an aggregate basis, and a reallocation of the shares of Class B common stock and Holdings Units issued to the Continuing LLC Owners among the various Continuing LLC Owners. Any such adjustments will not affect the voting power of investors in this offering nor their economic interest in Pla-Fit Holdings, LLC held through Planet Fitness, Inc.

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Summary consolidated financial and other data

The following table sets forth the summary consolidated financial and other data of Pla-Fit Holdings, LLC for the periods presented and at the dates indicated below. The following information should be read in conjunction with The recapitalization transactions, Use of proceeds, Capitalization, Management's discussion and analysis of financial condition and results of operations and our audited and unaudited consolidated financial statements and the related notes included elsewhere in this prospectus. Following this offering, Pla-Fit Holdings, LLC will be considered our predecessor for accounting purposes, and its consolidated financial statements will be our historical financial statements. The terms Predecessor and Successor used below and throughout this prospectus refer to the periods prior and subsequent to the 2012 Acquisition, respectively.

The summary consolidated financial data as of December 31, 2013 and 2014 and for the periods from January 1, 2012 to November 7, 2012 (Predecessor) and November 8, 2012 to December 31, 2012 (Successor) and for the years ended December 31, 2013 and 2014 (Successor) are derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary consolidated financial data as of March 31, 2015 and for the quarters ended March 31, 2014 and 2015 are derived from our unaudited condensed consolidated financial statements included elsewhere in this prospectus. The summary consolidated financial data as of March 31, 2014 is derived from our unaudited balance sheet not included in this prospectus. In the opinion of our management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the results for those periods have been reflected.

The unaudited combined results of operations and cash flows for the year ended December 31, 2012 represents the mathematical addition of our Predecessor's results of operations from January 1, 2012 to November 7, 2012, and the Successor's results of operations from November 8, 2012 to December 31, 2012. We have included the unaudited combined financial information in order to facilitate a comparison with our other years.

Summary consolidated financial data for Planet Fitness, Inc. has not been provided, as Planet Fitness, Inc. is a newly incorporated entity and has had no business transactions or other activities to date and no assets or liabilities during the periods presented below.

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| (in millions, except per share data) | Period from January 1, 2012 through November 7, 2012 (Predecessor) | Period from November 8, 2012 through December 31, 2012 (Successor) | Combined year ended December 31, 2012 (Unaudited) ⁽¹⁾ | 2013 (Successor) | Years ended December 31, 2014 (Successor) | 2014 (Successor, Unaudited) | Quarters ended March 31, 2015 (Successor, Unaudited) |
|---|--|---|---|-------------------------|--|---------------------------------------|--|
| | Consolidated statement of operations data: | | | | | | |
| Revenue: | | | | | | | |
| Franchise revenue | \$ 21.3 | \$ 4.4 | \$ 25.7 | \$ 33.7 | \$ 58.0 | \$ 12.5 | \$ 17.0 |
| Commission income | 7.1 | 1.9 | 9.0 | 10.4 | 13.9 | 4.0 | 4.8 |
| Franchise segment | 28.4 | 6.3 | 34.7 | 44.1 | 71.9 | 16.5 | 21.8 |
| Corporate-owned stores segment | 40.4 | 8.8 | 49.2 | 67.4 | 85.0 | 17.7 | 23.5 |
| Equipment segment | 49.1 | 26.7 | 75.8 | 99.5 | 122.9 | 23.4 | 31.6 |
| Total revenue | 117.9 | 41.8 | 159.7 | 211.0 | 279.8 | 57.6 | 76.9 |
| Operating costs and expenses: | | | | | | | |
| Cost of revenue | 41.0 | 21.5 | 62.5 | 81.4 | 100.3 | 19.2 | 26.0 |
| Store operations | 28.4 | 5.9 | 34.3 | 41.7 | 49.5 | 10.5 | 14.3 |
| Selling, general and administrative | 19.5 | 2.6 | 22.1 | 23.1 | 35.1 | 6.6 | 14.1 |
| Depreciation and amortization | 5.7 | 7.0 | 12.7 | 28.8 | 32.3 | 6.5 | 8.2 |
| Other (gains) losses | (1.9) | | (1.9) | | 1.0 | 1.3 | |
| Total operating costs and expenses | 92.7 | 37.0 | 129.7 | 175.0 | 218.2 | 44.1 | 62.6 |
| Income from operations | 25.2 | 4.8 | 30.0 | 36.0 | 61.6 | 13.5 | 14.3 |
| Other income (expense), net: | | | | | | | |
| Interest income | 0.9 | 0.1 | 1.0 | 0.5 | 0.4 | 0.1 | 0.2 |
| Interest expense ⁽²⁾ | (2.3) | (2.5) | (4.8) | (9.4) | (22.2) | (6.6) | (5.0) |
| Other income (expense) | | (0.1) | (0.1) | (0.7) | (1.3) | (0.4) | (0.7) |
| Total other expense, net | (1.4) | (2.5) | (3.9) | (9.6) | (23.1) | (6.9) | (5.5) |
| Income before provision for income taxes | 23.8 | 2.3 | 26.1 | 26.4 | 38.5 | 6.6 | 8.8 |
| Provision for income taxes | 0.6 | 0.1 | 0.7 | 0.6 | 1.2 | 0.3 | 0.3 |
| Net income | 23.2 | 2.2 | 25.4 | 25.8 | 37.3 | 6.3 | 8.5 |
| Less net income attributable to noncontrolling interests | 1.0 | | 1.0 | 0.4 | 0.5 | 0.2 | 0.1 |
| Net income attributable to members of Pla-Fit Holdings, LLC | \$ 22.2 | \$ 2.2 | \$ 24.4 | \$ 25.4 | \$ 36.8 | \$ 6.1 | \$ 8.4 |
| Pro forma net income per share data (unaudited):⁽³⁾ | | | | | | | |

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Pro forma net income per share:

| | | | | |
|---------|----|------|----|------|
| Basic | \$ | 0.24 | \$ | 0.06 |
| Diluted | \$ | 0.24 | \$ | 0.06 |

Pro forma weighted average shares of
Class A common stock outstanding:

| | | |
|---------|------------|------------|
| Basic | 35,235,491 | 35,235,491 |
| Diluted | 98,709,740 | 98,709,740 |

**Consolidated statement of cash flows
data:**

| | | | | | | | | | | | | | | |
|---|----|--------|----|---------|----|---------|----|--------|----|--------|----|--------|----|--------|
| Net cash provided by operating activities | \$ | 30.6 | \$ | 12.5 | \$ | 43.1 | \$ | 66.9 | \$ | 79.4 | \$ | 8.2 | \$ | 12.0 |
| Net cash used in investing activities | | (16.7) | | (216.2) | | (232.9) | | (7.1) | | (54.4) | | (39.5) | | (5.3) |
| Net cash used in financing activities | | (5.8) | | 192.4 | | 186.6 | | (38.0) | | (13.0) | | 15.0 | | (22.5) |

Consolidated balance sheet data:

| | | | | | | | | | | | | |
|--|-----|----|-------|-----|----|-------|----|-------|----|-------|----|-------|
| Cash and cash equivalents | n/a | \$ | 9.5 | n/a | \$ | 31.3 | \$ | 43.3 | \$ | 15.0 | \$ | 27.5 |
| Property and equipment, net | n/a | | 32.7 | n/a | | 33.8 | | 49.6 | | 40.6 | | 51.6 |
| Total assets | n/a | | 559.7 | n/a | | 562.1 | | 609.3 | | 579.4 | | 579.6 |
| Total debt and capital lease obligations | n/a | | 201.8 | n/a | | 184.5 | | 387.5 | | 391.1 | | 506.4 |
| Total equity | n/a | | 316.6 | n/a | | 321.9 | | 151.7 | | 144.3 | | 12.4 |

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- (1) The table above sets forth our results of operations for the period from January 1, 2012 to November 7, 2012 (Predecessor), and the period November 8, 2012 to December 31, 2012 (Successor). The unaudited combined results of operations and cash flows for the year ended December 31, 2012 represents the mathematical addition of our Predecessor's results of operations from January 1, 2012 to November 7, 2012, and the Successor's results of operations from November 8, 2012 to December 31, 2012. We have included the unaudited combined financial information in order to facilitate a comparison with our other years. Each of the Predecessor and Successor results for the period from January 1, 2012 to November 7, 2012, and the period from November 8, 2012 to December 31, 2012, respectively, have been audited and are consistent with United States Generally Accepted Accounting Principles (GAAP). However, the presentation of unaudited combined financial information for the year ended December 31, 2012 is not consistent with GAAP or with the pro forma requirements of Article 11 of Regulation S-X, and may yield results that are not comparable on a period-to-period basis primarily due to (i) the impact of required purchase accounting adjustments and (ii) the new basis of accounting established in connection with the 2012 Acquisition. Such results are not necessarily indicative of what the results for the respective periods would have been had the 2012 Acquisition not occurred. All references to the year ended December 31, 2012 in this prospectus are based on this unaudited combined information.
- (2) Interest expense in 2014 includes \$4.7 million for the loss on extinguishment of debt.
- (3) Basic net income per share is computed by dividing the net income available to common stockholders by the weighted-average shares of common stock outstanding during the period. Diluted net income per share is computed by dividing the net income available to common stockholders by the weighted-average shares of common stock outstanding adjusted to give effect to potentially dilutive securities. For more information regarding the pro forma presentation of these measures, see Unaudited pro forma consolidated financial information.

| | Years ended December 31, | | | Quarters ended | |
|---|--------------------------|-------------|-------------|----------------|-------------|
| | 2012 | 2013 | 2014 | 2014 | March 31, |
| | (Combined) | (Successor) | (Successor) | (Successor) | (Successor) |
| Other Operating Data: (Unaudited)⁽¹⁾ | | | | | |
| Number of stores at end of period:⁽²⁾ | | | | | |
| Franchisee-owned | 562 | 704 | 863 | 732 | 919 |
| Corporate-owned | 44 | 45 | 55 | 53 | 57 |
| System-wide | 606 | 749 | 918 | 785 | 976 |
| Same store sales growth:⁽³⁾ | | | | | |
| Franchisee-owned | 8.7% | 9.1% | 11.5% | 13.6% | 11.7% |
| Corporate-owned | 4.8% | 6.1% | 5.4% | 6.1% | 4.6% |
| System-wide | 8.1% | 8.4% | 10.8% | 13.0% | 10.9% |
| (In millions) | | | | | |
| System-wide membership data: | | | | | |
| Number of members at end of period ⁽⁴⁾ | 3.7 | 4.8 | 6.1 | 5.7 | 7.1 |
| System-wide sales ⁽⁵⁾ | \$ 693.7 | \$ 891.0 | \$ 1,189.9 | \$ 228.0 | \$ 328.0 |
| EBITDA ⁽⁶⁾ | \$ 42.6 | \$ 64.1 | \$ 92.6 | \$ 19.6 | \$ 21.8 |
| Adjusted EBITDA ⁽⁶⁾ | \$ 51.3 | \$ 71.1 | \$ 100.6 | \$ 22.0 | \$ 28.5 |

- (1) For the other operating data shown in the table above, we have combined the Predecessor and the Successor periods to present 2012 on a combined basis only.
- (2) We classify a store as open on the date the store receives its occupancy certificate, which is typically the date the store is first available for use by its members.

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- (3) Same store sales refers to year-over-year sales comparisons for the same store sales base. We define the same store sales base to include those stores that have been open and for which membership dues have been billed for longer than 12 months. We measure same store sales based solely on monthly dues billed to members of our corporate-owned stores and franchisee-owned stores.

- (4) We define members as all active members, which includes monthly billing members, prepay members and all pre-sale members. Pre-sale members include those that have joined a store prior to the store opening. This data is system-wide, which includes members of both corporate-owned and franchisee-owned stores.

- (5) We define system-wide sales as the monthly dues and annual fees from members of both corporate-owned and franchisee-owned stores.

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- (6) EBITDA is defined as net income before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as net income before interest, taxes, depreciation and amortization, adjusted for the impact of certain non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include certain purchase accounting adjustments, management fees, certain IT system upgrade costs, acquisition transaction fees, IPO-related costs, pre-opening costs and certain other charges and gains that we do not believe reflect our underlying business performance. EBITDA and Adjusted EBITDA as presented in this prospectus are supplemental measures of our performance that are neither required by, nor presented in accordance with, GAAP. EBITDA and Adjusted EBITDA should not be considered as substitutes for GAAP metrics such as net income or any other performance measures derived in accordance with GAAP. Also, in the future we may incur expenses or charges such as those added back to calculate Adjusted EBITDA. Our presentation of EBITDA and Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items. See Management's discussion and analysis of financial condition and results of operations Non-GAAP financial measures.

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Risk factors

This offering and investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below together with all of the other information contained in this prospectus, including our consolidated financial statements and the related notes appearing at the end of this prospectus, before deciding to invest in our Class A common stock. If any of the following risks actually occurs, our business, prospects, operating results and financial condition could suffer materially, the trading price of our Class A common stock could decline and you could lose all or part of your investment.

Risks related to our business and industry

Our financial results are affected by the operating and financial results of and our relationships with our franchisees.

A substantial portion of our revenues come from royalties, which are generally based on a percentage of monthly membership dues and annual fees at our franchise stores, other fees and commissions generated from activities associated with our franchisees and equipment sales to our franchisees. As a result, our financial results are largely dependent upon the operational and financial results of our franchisees. As of March 31, 2015, we had 187 franchisee groups operating 919 stores. Negative economic conditions, including inflation, increased unemployment levels and the effect of decreased consumer confidence or changes in consumer behavior, could materially harm our franchisees' financial condition, which would cause our royalty and other revenues to decline and materially and adversely affect our results of operations and financial condition as a result. In addition, if our franchisees fail to renew their franchise agreements, these revenues may decrease, which in turn could materially and adversely affect our results of operations and financial condition.

Our franchisees could take actions that harm our business.

Our franchisees are contractually obligated to operate their stores in accordance with the operational, safety and health standards set forth in our agreements with them. However, franchisees are independent third parties and their actions are outside of our control. In addition, we cannot be certain that our franchisees will have the business acumen or financial resources necessary to operate successful franchises in their approved locations, and certain state franchise laws may limit our ability to terminate or modify these franchise agreements. The franchisees own, operate and oversee the daily operations of their stores. As a result, the ultimate success and quality of any franchise store rests with the franchisee. If franchisees do not successfully operate stores in a manner consistent with required standards and comply with local laws and regulations, franchise fees and royalties paid to us may be adversely affected and our brand image and reputation could be harmed, which in turn could adversely affect our results of operations and financial condition.

Moreover, although we believe we generally maintain positive working relationships with our franchisees, disputes with franchisees could damage our brand image and reputation and our relationships with our franchisees, generally.

Our success depends substantially on the value of our brand.

Our success is dependent in large part upon our ability to maintain and enhance the value of our brand, our store members' connection to our brand and a positive relationship with our franchisees. Brand value can be severely damaged even by isolated incidents, particularly if the incidents receive considerable negative publicity or result in litigation. Some of these incidents may relate to the way we manage our relationships with our franchisees, our growth strategies, our development efforts or the ordinary course of our, or our

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franchisees, businesses. Other incidents that could be damaging to our brand may arise from events that are or may be beyond our ability to control, such as:

actions taken (or not taken) by one or more franchisees or their employees relating to health, safety, welfare or otherwise;

data security breaches or fraudulent activities associated with our and our franchisees' electronic payment systems;

litigation and legal claims;

third-party misappropriation, dilution or infringement of our intellectual property;

regulatory, investigative or other actions relating to our and our franchisees' provision of indoor tanning services; and

illegal activity targeted at us or others.

Consumer demand for our stores and our brand's value could diminish significantly if any such incidents or other matters erode consumer confidence in us or our stores, which would likely result in fewer memberships sold or renewed and, ultimately, lower royalty revenue, which in turn could materially and adversely affect our results of operations and financial condition.

If we fail to successfully implement our growth strategy, which includes new store development by existing and new franchisees, our ability to increase our revenues and operating profits could be adversely affected.

Our growth strategy relies in large part upon new store development by existing and new franchisees. Our franchisees face many challenges in opening new stores, including:

availability and cost of financing;

selection and availability of suitable store locations;

competition for store sites;

negotiation of acceptable lease and financing terms;

securing required domestic or foreign governmental permits and approvals;

health and fitness trends in new geographic regions and acceptance of our offerings;

employment, training and retention of qualified personnel;

ability to open new stores during the timeframes we and our franchisees expect; and

general economic and business conditions.

In particular, because the majority of our new store development is funded by franchisee investment, our growth strategy is dependent on our franchisees (or prospective franchisees) ability to access funds to finance such development. If our franchisees (or prospective franchisees) are not able to obtain financing at commercially reasonable rates, or at all, they may be unwilling or unable to invest in the development of new stores, and our future growth could be adversely affected.

Our growth strategy also relies on our ability to identify, recruit and enter into agreements with a sufficient number of franchisees. In addition, our ability and the ability of our franchisees to successfully open and operate new stores in new markets may be adversely affected by a lack of awareness or acceptance of our

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brand as well as a lack of existing marketing efforts and operational execution in these new markets. To the extent that we are unable to implement effective marketing and promotional programs and foster recognition and affinity for our brand in new markets, our and our franchisees' new stores may not perform as expected and our growth may be significantly delayed or impaired. In addition, franchisees of new stores may have difficulty securing adequate financing, particularly in new markets, where there may be a lack of adequate history and brand familiarity. New stores may not be successful or our average store membership sales may not increase at historical rates, which could materially and adversely affect our business, results of operations and financial condition.

To the extent our franchisees are unable to open new stores as we anticipate, we will not realize the revenue growth that we hope or expect. Our failure to add a significant number of new stores would adversely affect our ability to increase our revenues and operating income and could materially and adversely affect our business, results of operations and financial condition.

Our planned growth could place strains on our management, employees, information systems and internal controls, which may adversely impact our business.

Over the past several years, we have experienced growth in our business activities and operations, including a significant increase in the number of system-wide stores. Our past expansion has placed, and our planned future expansion may place, significant demands on our administrative, operational, financial and other resources. Any failure to manage growth effectively could seriously harm our business. To be successful, we will need to continue to implement management information systems and improve our operating, administrative, financial and accounting systems and controls. We will also need to train new employees and maintain close coordination among our executive, accounting, finance, legal, human resources, risk management, marketing, technology, sales and operations functions. These processes are time-consuming and expensive, increase management responsibilities and divert management attention, and we may not realize a return on our investment in these processes. In addition, we believe the culture we foster at our and our franchisees' stores is an important contributor to our success. However, as we expand we may have difficulty maintaining our culture or adapting it sufficiently to meet the needs of our operations. These risks may be heightened as our growth accelerates. In 2014, our franchisees opened 169 stores, compared to 148 stores in 2013 and 118 stores in 2012. Our failure to successfully execute on our planned expansion of stores could materially and adversely affect our results of operations and financial condition.

We and our franchisees rely heavily on information systems, and any material failure, interruption or weakness may prevent us from effectively operating our business and damage our reputation.

We and our franchisees increasingly rely on information systems, including our point-of-sale processing systems in our stores and other information systems managed by third parties, to interact with our franchisees and members and collect, maintain and store member information and other personally identifiable information, including for the operation of stores, collection of cash, management of our supply chain, accounting, staffing, payment of obligations, Automated Clearing House (ACH) transactions, credit and debit card transactions and other processes and procedures. Furthermore, we have recently migrated our point-of-sale system from a proprietary, third-party hosted system to a commercially available, third-party hosted system. In connection with the migration, there may be issues, bugs, data inconsistencies, outages and interruptions that could impact our business. Our ability to efficiently and effectively manage our franchisee and corporate-owned stores depends significantly on the reliability and capacity of these systems, and any potential failure of these third parties to provide quality uninterrupted service is beyond our control.

Our and our franchisees' operations depend upon our ability, and the ability of our franchisees and third-party service providers, to protect our computer equipment and systems against damage from physical theft, fire,

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power loss, telecommunications failure or other catastrophic events, as well as from internal and external security breaches, viruses, denial-of-service attacks and other disruptive problems. The failure of these systems to operate effectively, maintenance problems, upgrading or transitioning to new platforms, expanding our systems as we grow, a breach in security of these systems or other unanticipated problems could result in interruptions to or delays in our business and member service and reduce efficiency in our operations. In addition, the implementation of technology changes and upgrades to maintain current and integrate new systems, as well as transitions from one service provider to another, may also cause service interruptions, operational delays due to the learning curve associated with using a new system, transaction processing errors and system conversion delays and may cause us to fail to comply with applicable laws. If our information systems, or those of our franchisees and third-party service providers, fail and our or our partners' third-party back-up or disaster recovery plans are not adequate to address such failures, our revenues and profits could be reduced and the reputation of our brand and our business could be materially adversely affected. If we need to move to a different third-party system, our operations, including electronic funds transfer (EFT) drafting, could be interrupted. In addition, remediation of such problems could result in significant, unplanned operating or capital expenditures.

If we fail to properly maintain the confidentiality and integrity of our data, including member credit, debit card and bank account information, our reputation and business could be materially and adversely affected.

In the ordinary course of business, we and our franchisees collect, transmit and store member and employee data, including credit and debit card numbers, bank account information, drivers license numbers, dates of birth and other highly sensitive personally identifiable information, in information systems that we maintain and in those maintained by franchisees and third parties with whom we contract to provide services. Some of this data is sensitive and could be an attractive target of criminal attack by malicious third parties with a wide range of motives and expertise, including organized criminal groups, hactivists, disgruntled current or former employees, and others. The integrity and protection of that member and employee data is critical to us.

Despite the security measures we have in place to comply with applicable laws and rules, our facilities and systems, and those of our franchisees and third-party service providers, may be vulnerable to security breaches, acts of cyber terrorism or sabotage, vandalism or theft, computer viruses, misplaced, corrupted or lost data, programming or human errors or other similar events. Furthermore, the size and complexity of our information systems, and those of our franchisees and our third-party vendors, make such systems potentially vulnerable to security breaches from inadvertent or intentional actions by our employees, franchisees or vendors, or from attacks by malicious third parties. Because such attacks are increasing in sophistication and change frequently in nature, we, our franchisees and our third-party service providers may be unable to anticipate these attacks or implement adequate preventative measures, and any compromise of our systems, or those of our franchisees and third-party vendors, may not be discovered promptly.

Additionally, the collection, maintenance, use, disclosure and disposal of personally identifiable information by our, or our franchisees', businesses are regulated at the federal, state and provincial levels as well as by certain industry groups, such as the Payment Card Industry organization and the National Automated Clearing House Association (NACHA). Federal, state, provincial and industry groups may also consider and implement from time to time new privacy and security requirements that apply to our businesses. Compliance with evolving privacy and security laws, requirements and regulations may result in cost increases due to necessary systems changes, new limitations or constraints on our business models and the development of new administrative processes. They also may impose further restrictions on our collection, disclosure and use of personally identifiable information that are housed in one or more of our franchisees' databases or those of our third-party service providers. Noncompliance with privacy laws, industry group requirements or a security breach involving the misappropriation, loss or other unauthorized disclosure of personal, sensitive or confidential information, whether by us or by one of our franchisees or vendors, could have material adverse effects on our and our franchisees

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business, operations, brand, reputation and financial condition, including decreased revenue, material fines and penalties, litigation, increased financial processing fees, compensatory, statutory, punitive or other damages, adverse actions against our licenses to do business and injunctive relief by court or consent order. We maintain and we require our franchisees to maintain cyber risk insurance, but in the event of a significant data security breach, this insurance may not cover all of the losses that we would be likely to suffer.

Changes in legislation or requirements related to electronic fund transfer, or our failure to comply with existing or future regulations, may adversely impact our business.

We primarily accept payments for our memberships through electronic fund transfers from members' bank accounts and, therefore, we are subject to federal, state and provincial legislation and certification requirements governing EFT, including the Electronic Funds Transfer Act. Some states, such as New York and Tennessee, have passed or have considered legislation requiring gyms and health clubs to offer a prepaid membership option at all times and/or limit the duration for which gym memberships can auto-renew through EFT payments, if at all. Our business relies heavily on the fact that our memberships continue on a month-to-month basis after the completion of any initial term requirements, and compliance with these laws and regulations and similar requirements may be onerous and expensive. In addition, variances and inconsistencies from jurisdiction to jurisdiction may further increase the cost of compliance and doing business. States that have such health club statutes provide harsh penalties for violations, including membership contracts being void or voidable. Our failure to comply fully with these rules or requirements may subject us to fines, higher transaction fees, penalties, damages and civil liability and may result in the loss of our ability to accept EFT payments, which would have a material adverse effect on our business, results of operations and financial condition. In addition, any such costs, which may arise in the future as a result of changes to the legislation and regulations or in their interpretation, could individually or in the aggregate cause us to change or limit our business practice, which may make our business model less attractive to our franchisees and our and their members.

We are subject to a number of risks related to ACH, credit card and debit card payments we accept.

We accept payments through ACH, credit card and debit card transactions. For ACH, credit card and debit card payments, we pay interchange and other fees, which may increase over time. An increase in those fees would require us to either increase the prices we charge for our memberships, which could cause us to lose members or suffer an increase in our operating expenses, either of which could harm our operating results.

If we or any of our processing vendors have problems with our billing software, or the billing software malfunctions, it could have an adverse effect on our member satisfaction and could cause one or more of the major credit card companies to disallow our continued use of their payment products. In addition, if our billing software fails to work properly and, as a result, we do not automatically charge our members' credit cards, debit cards or bank accounts on a timely basis or at all, we could lose membership revenue, which would harm our operating results.

If we fail to adequately control fraudulent ACH, credit card and debit card transactions, we may face civil liability, diminished public perception of our security measures and significantly higher ACH, credit card and debit card related costs, each of which could adversely affect our business, financial condition and results of operations. The termination of our ability to process payments through ACH transactions or on any major credit or debit card would significantly impair our ability to operate our business.

Our and our franchisees' stores may be unable to attract and retain members, which would materially and adversely affect our business, results of operations and financial condition.

Our target market is average people seeking regular exercise and people who are new to fitness. The success of our business depends on our and our franchisees' ability to attract and retain members. Our and our

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franchisees' marketing efforts may not be successful in attracting members to stores, and membership levels may materially decline over time, especially at stores in operation for an extended period of time. Members may cancel their memberships at any time after giving proper advance written notice, subject to an initial minimum term applicable to certain memberships. We may also cancel or suspend memberships if a member fails to provide payment for an extended period of time. In addition, we experience attrition and must continually engage existing members and attract new members in order to maintain membership levels. A portion of our member base does not regularly use our stores and may be more likely to cancel their membership. Some of the factors that could lead to a decline in membership levels include changing desires and behaviors of consumers or their perception of our brand, changes in discretionary spending trends and general economic conditions, market maturity or saturation, a decline in our ability to deliver quality service at a competitive price, an increase in monthly membership dues due to inflation, direct and indirect competition in our industry, and a decline in the public's interest in health and fitness, among other factors. In order to increase membership levels, we may from time to time offer promotions or lower monthly dues or annual fees. If we and our franchisees are not successful in optimizing price or in adding new memberships in new and existing stores, growth in monthly membership dues or annual fees may suffer. Any decrease in our average dues or fees or higher membership costs may adversely impact our results of operation and financial condition.

If we and our franchisees are unable to identify and secure suitable sites for new franchise stores, our revenue growth rate and profits may be negatively impacted.

To successfully expand our business, we and our franchisees must identify and secure sites for new franchise stores and, to a lesser extent, new corporate-owned stores that meet our established criteria. In addition to finding sites with the right demographic and other measures we employ in our selection process, we also need to evaluate the penetration of our competitors in the market. We face significant competition for sites that meet our criteria, and as a result we may lose those sites, our competitors could copy our format or we could be forced to pay significantly higher prices for those sites. If we and our franchisees are unable to identify and secure sites for new stores, our revenue growth rate and profits may be negatively impacted. Additionally, if our or our franchisees' analysis of the suitability of a store site is incorrect, we or our franchisees may not be able to recover the capital investment in developing and building the new store.

As we increase our number of stores, we and our franchisees may also open stores in higher-cost geographies, which could entail greater lease payments and construction costs, among others. The higher level of invested capital at these stores may require higher operating margins and higher net income per store to produce the level of return we or our franchisees and potential franchisees expect. Failure to provide this level of return could adversely affect our results of operations and financial condition.

Opening new stores in close proximity may negatively impact our existing stores' revenues and profitability.

We and our franchisees currently operate stores in 47 states, Puerto Rico and Canada, and we and our franchisees plan to open many new stores in the future, some of which will be in existing markets. We intend to continue opening new franchise stores in our existing markets as part of our growth strategy, some of which may be located in close proximity to stores already in those markets. Opening new stores in close proximity to existing stores may attract some memberships away from those existing stores, which may lead to diminished revenues and profitability for us and our franchisees rather than increased market share. In addition, as a result of new stores opening in existing markets and because older stores will represent an increasing proportion of our store base over time, our same store sales increases may be lower in future periods than they have been historically.

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We are subject to a variety of additional risks associated with our franchisees.

Our franchise business model subjects us to a number of risks, any one of which may impact our royalty revenues collected from our franchisees, may harm the goodwill associated with our brand, and may materially and adversely impact our business and results of operations.

Bankruptcy of franchisees. A franchisee bankruptcy could have a substantial negative impact on our ability to collect payments due under such franchisee's franchise agreement(s). In a franchisee bankruptcy, the bankruptcy trustee may reject its franchise agreement(s), ADA(s) and/or franchisee lease/sublease pursuant to Section 365 under the U.S. bankruptcy code, in which case there would be no further royalty payments from such franchisee, and we may not ultimately recover those payments in a bankruptcy proceeding of such franchisee in connection with a damage claim resulting from such rejection.

Franchisee changes in control. Our franchises are operated by independent business owners. Although we have the right to approve franchise owners, and any transferee owners, it can be difficult to predict in advance whether a particular franchise owner will be successful. If an individual franchise owner is unable to successfully establish, manage and operate the store, the performance and quality of service of the store could be adversely affected, which could reduce memberships and negatively affect our royalty revenues and brand image. Although our agreements prohibit changes in control of a franchisee without our prior consent as the franchisor, a franchise owner may desire to transfer a store to a transferee franchisee. In addition, in the event of the death or disability of a franchisee (if a natural person) or a principal of a franchisee entity, the executors and representatives of the franchisee are required to transfer the relevant franchise agreements to a successor franchisee approved by the franchisor. In any transfer situation, the transferee may not be able to perform the former franchisee's obligations under such franchise agreements and successfully operate the store. In such a case the performance and quality of service of the store could be adversely affected, which could also reduce memberships and negatively affect our royalty revenues and brand image.

Franchisee insurance. Our franchise agreements require each franchisee to maintain certain insurance types and levels. Losses arising from certain extraordinary hazards, however, may not be covered, and insurance may not be available (or may be available only at prohibitively expensive rates) with respect to many other risks. Moreover, any loss incurred could exceed policy limits and policy payments made to franchisees may not be made on a timely basis. Any such loss or delay in payment could have a material adverse effect on a franchisee's ability to satisfy its obligations under its franchise agreement or other contractual obligations, which could cause a franchisee to terminate its franchise agreement and, in turn, negatively affect our operating and financial results.

Some of our franchisees are operating entities. Franchisees may be natural persons or legal entities. Our franchisees that are operating companies (as opposed to limited purpose entities) are subject to business, credit, financial and other risks, which may be unrelated to the operation of their stores. These unrelated risks could materially and adversely affect a franchisee that is an operating company and its ability to service its members and maintain store operations while making royalty payments, which in turn may materially and adversely affect our business and operating results.

Franchise agreement termination; nonrenewal. Each franchise agreement is subject to termination by us as the franchisor in the event of a default, generally after expiration of applicable cure periods, although under certain circumstances a franchise agreement may be terminated by us upon notice without an opportunity to cure. The default provisions under the franchise agreements are drafted broadly and include, among other things, any failure to meet operating standards and actions that may threaten the licensed intellectual property. Moreover, a franchisee may have a right to terminate its franchise agreement in certain circumstances.

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In addition, each franchise agreement has an expiration date. Upon the expiration of a franchise agreement, we or the franchisee may, or may not, elect to renew the franchise agreement. If the franchise agreement is renewed, the franchisee will receive a successor franchise agreement for an additional term. Such option, however, is contingent on the franchisee's execution of the then-current form of franchise agreement (which may include increased royalty revenues, advertising fees and other fees and costs), the satisfaction of certain conditions (including re-equipment and remodeling of the store and other requirements) and the payment of a renewal fee. If a franchisee is unable or unwilling to satisfy any of the foregoing conditions, the expiring franchise agreement will terminate upon expiration of its term.

Franchisee litigation; effects of regulatory efforts. We and our franchisees are subject to a variety of litigation risks, including, but not limited to, member claims, personal injury claims, vicarious liability claims, litigation with or involving our relationship with franchisees, litigation alleging that the franchisees are our employees or that we are the co-employer of our franchisees' employees, employee allegations against the franchisee or us of improper termination and discrimination, landlord/tenant disputes and intellectual property claims, among others. Each of these claims may increase costs, reduce the execution of new franchise agreements and affect the scope and terms of insurance or indemnifications we and our franchisees may have. In addition, we and our franchisees are subject to various regulatory efforts to enforce employment laws, such as efforts to categorize franchisors as the co-employers of their franchisees' employees; legislation to categorize individual franchised businesses at large employers for the purposes of various employment benefits; and other legislation or regulations that may have a disproportionate impact on franchisors and/or franchised businesses. These changes may impose greater costs and regulatory burdens on franchising, and negatively affect our ability to sell new franchises.

Franchise agreements and franchisee relationships. Our franchisees develop and operate their stores under terms set forth in our ADAs and franchise agreements, respectively. These agreements give rise to long-term relationships that involve a complex set of mutual obligations and mutual cooperation. We have a standard set of agreements that we typically use with our franchisees, but various franchisees have negotiated specific terms in these agreements. Furthermore, we may from time to time negotiate terms of our franchise agreements with individual franchisees or groups of franchisees (e.g., a franchisee association). We seek to have positive relationships with our franchisees, based in part on our common understanding of our mutual rights and obligations under our agreements, to enable both the franchisees' business and our business to be successful. However, we and our franchisees may not always maintain a positive relationship or always interpret our agreements in the same way. Our failure to have positive relationships with our franchisees could individually or in the aggregate cause us to change or limit our business practices, which may make our business model less attractive to our franchisees or our members.

While our franchisee revenues are not concentrated among one or a small number of parties, the success of our business does depend in large part on our ability to maintain contractual relationships with franchisees in profitable stores. A typical franchise agreement has a ten-year term. While our largest franchisee group accounts for less than 6% of our total stores, certain of our franchisee groups account for 5%, or close to 5%, of our total stores. If we fail to maintain or renew our contractual relationships on acceptable terms, or if one or more of these significant franchisees were to become insolvent or otherwise were unwilling to pay amounts due to us, our business, reputation, financial condition and results of operations could be materially adversely affected.

The high level of competition in the health and fitness industry could materially and adversely affect our business.

We compete with the following industry participants: other health and fitness clubs; physical fitness and recreational facilities established by non-profit organizations and businesses for their employees; private

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studios and other boutique fitness offerings; racquet, tennis and other athletic clubs; amenity and condominium/apartment clubs; country clubs; online personal training and fitness coaching; the home-use fitness equipment industry; local tanning salons; businesses offering similar services; and other businesses that rely on consumer discretionary spending. We may not be able to compete effectively in the markets in which we operate in the future. Competitors may attempt to copy our business model, or portions thereof, which could erode our market share and brand recognition and impair our growth rate and profitability. Competitors, including companies that are larger and have greater resources than us, may compete with us to attract members in our markets. Non-profit organizations in our markets may be able to obtain land and construct stores at a lower cost and collect membership dues and fees without paying taxes, thereby allowing them to charge lower prices. Luxury fitness companies may attempt to enter our market by lowering prices or creating lower price brand alternatives. Furthermore, due to the increased number of low-cost health and fitness club alternatives, we may face increased competition if we increase our price or if discretionary spending declines. This competition may limit our ability to attract and retain existing members and our ability to attract new members, which in each case could materially and adversely affect our results of operation and financial condition.

Our dependence on a limited number of suppliers for equipment and certain products and services could result in disruptions to our business and could adversely affect our revenues and gross profit.

Equipment and certain products and services used in our stores, including our exercise equipment and point-of-sale software and hardware, are sourced from third-party suppliers. In addition, we rely on third-party suppliers to manage and maintain both our domestic and Canadian websites, and in 2014 over 20% of our new members joined online through our websites. Although we believe that adequate substitutes are currently available, we depend on these third-party suppliers to operate our business efficiently and consistently meet our business requirements. The ability of these third-party suppliers to successfully provide reliable and high-quality services is subject to technical and operational uncertainties that are beyond our control, including, for our overseas suppliers, vessel availability and port delays or congestion. Any disruption to our suppliers' operations could impact our supply chain and our ability to service our existing stores and open new stores on time or at all and thereby generate revenue. If we lose such suppliers or our suppliers encounter financial hardships unrelated to the demand for our equipment or other products or services, we may not be able to identify or enter into agreements with alternative suppliers on a timely basis on acceptable terms, if at all. Transitioning to new suppliers would be time consuming and expensive and may result in interruptions in our operations. If we should encounter delays or difficulties in securing the quantity of equipment we or our franchisees require to open new and refurbish existing stores, our suppliers encounter difficulties meeting our and our franchisees' demands for products or services, our websites experience delays or become impaired due to errors in the third-party technology or there is a deficiency, lack or poor quality of products or services provided, our ability to serve our members and grow our brand would be interrupted. If any of these events occur, it could have a material adverse effect on our business and operating results.

Our franchisees may incur rising costs related to construction of new stores and maintenance of existing stores, which could adversely affect the attractiveness of our franchise model, and in turn our business, results of operations and financial condition.

Our stores require significant upfront and ongoing investment, including periodic remodels and equipment replacement. If our franchisees' costs are greater than expected, franchisees may need to outperform their operational plan to achieve their targeted return. In addition, increased costs may result in lower profits to the franchisees, which may cause them to terminate their franchise agreement or make it harder for us to attract new franchisees, which in turn could materially and adversely affect our business, results of operations and financial condition.

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In addition, if a franchisee is unwilling or unable to acquire the necessary financing to invest in the maintenance and upkeep of its stores, including periodic remodeling and replacement of equipment, the quality of its stores could deteriorate, which may have a negative impact on our brand image and our ability to attract and maintain members, which in turn may have a negative impact on our revenues.

We and our franchisees could be subject to claims related to health and safety risks to members that arise while at both our corporate-owned and franchise stores.

Use of our and our franchisees' stores poses some potential health and safety risks to members or guests through physical exertion and use of our services and facilities, including exercise and tanning equipment. Claims might be asserted against us and our franchisees for injuries suffered by or death of members or guests while exercising and using the facilities at a store. We may not be able to successfully defend such claims. We also may not be able to maintain our general liability insurance on acceptable terms in the future or maintain a level of insurance that would provide adequate coverage against potential claims. Depending upon the outcome, these matters may have a material adverse effect on our results of operations, financial condition and cash flows.

If we cannot retain our key employees and hire additional highly qualified employees, we may not be able to successfully manage our businesses and pursue our strategic objectives.

We are highly dependent on the services of our senior management team and other key employees at our corporate headquarters and our corporate-owned stores, and on our and our franchisees' ability to recruit, retain and motivate key employees. Competition for such employees can be intense, and the inability to attract and retain the additional qualified employees required to expand our activities, or the loss of current key employees, could adversely affect our and our franchisees' operating efficiency and financial condition.

Our intellectual property rights, including trademarks and trade names, may be infringed, misappropriated or challenged by others.

We believe our brand and related intellectual property are important to our continued success. We seek to protect our trademarks, trade names, copyrights and other intellectual property by exercising our rights under applicable state and federal laws. If we were to fail to successfully protect our intellectual property rights for any reason, or if any third party misappropriates, dilutes or infringes our intellectual property, the value of our brands may be harmed, which could have an adverse effect on our business, results of operations and financial condition. Any damage to our reputation could cause membership levels to decline or make it more difficult to attract new members.

We may also from time to time be required to initiate litigation to enforce our trademarks, service marks and other intellectual property. Third parties may also assert that we have infringed, misappropriated or otherwise violated their intellectual property rights, which could lead to litigation against us. Litigation is inherently uncertain and could divert the attention of management, result in substantial costs and diversion of resources and could negatively affect our membership sales and profitability regardless of whether we are able to successfully enforce or defend our rights.

Use of social media may adversely impact our reputation or subject us to fines or other penalties.

There has been a substantial increase in the use of social media platforms, including blogs, social media websites and other forms of internet-based communication, which allow individuals access to a broad audience of consumers and other interested persons. Negative commentary about us may be posted on social media platforms or similar devices at any time and may harm our reputation or business. Consumers value readily available information about health clubs and often act on such information without further investigation and

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without regard to its accuracy. The harm may be immediate without affording us an opportunity for redress or correction. In addition, social media platforms provide users with access to such a broad audience that collective action against our stores, such as boycotts, can be more easily organized. If such actions were organized, we could suffer reputational damage as well as physical damage to our stores.

We also use social medial platforms as marketing tools. For example, we maintain Facebook and Twitter accounts. As laws and regulations rapidly evolve to govern the use of these platforms and devices, the failure by us, our employees, our franchisees or third parties acting at our direction to abide by applicable laws and regulations in the use of these platforms and devices could adversely impact our and our franchisees business, financial condition and results of operations or subject us to fines or other penalties.

If we fail to obtain and retain high-profile strategic partnership arrangements, or if the reputation of any of our partners is impaired, our business may suffer.

A principal component of our marketing program has been to partner with high-profile marketing partners, such as NBC's *The Biggest Loser* and our sponsorship of ABC's *Dick Clark's New Year's Rockin' Eve with Ryan Seacrest 2015*, to help us extend the reach of our brand. Although we have partnered with several well-known partners in this manner, we may not be able to attract and partner with new marketing partners in the future. In addition, if the actions of our partners were to damage their reputation, our partnerships may be less attractive to our current or prospective members. Any of these failures by us or our partners could adversely affect our business and revenues.

We are subject to risks associated with leasing property subject to long-term non-cancelable leases.

We do not own any real property, and all of our corporate-owned stores are located on leased premises. The leases for our stores generally have initial terms of 10 years and typically provide for two renewal options in five-year increments as well as for rent escalations.

Generally, our leases are net leases that require us to pay our share of the costs of real estate taxes, utilities, building operating expenses, insurance and other charges in addition to rent. We generally cannot terminate these leases before the end of the initial lease term. Additional sites that we lease are likely to be subject to similar long-term, non-terminable leases. If we close a store, we nonetheless may be obligated to perform our monetary obligations under the applicable lease, including, among other things, payment of the base rent for the balance of the lease term. In addition, if we fail to negotiate renewals, either on commercially acceptable terms or at all, as each of our leases expire we could be forced to close stores in desirable locations. We depend on cash flows from operations to pay our lease expenses and to fulfill our other cash needs. If our business does not generate sufficient cash flow from operating activities, and sufficient funds are not otherwise available to us from borrowings under our senior secured credit facility or other sources, we may not be able to service our lease expenses or fund our other liquidity and capital needs, which would materially affect our business.

Our business is subject to various laws and regulations and changes in such laws and regulations, or failure to comply with existing or future laws and regulations, could adversely affect our business.

We are subject to a trade regulation rule on franchising (*FTC Franchise Rule*) promulgated by the Federal Trade Commission (the *FTC*) that regulates the offer and sale of franchises in the United States and that requires us to provide to all prospective franchisees certain mandatory disclosure in a franchise disclosure document (*FDD*). In addition, we are subject to state franchise sales laws in approximately 14 states that regulate the offer and sale of franchises by requiring us to make a franchise filing or obtain franchise registration prior to our making any offer or sale of a franchise in those states and to provide a FDD to prospective franchisees in accordance with such laws. We are subject to franchise sales laws in five provinces in Canada that regulate the offer and sale of franchises by requiring us to provide a FDD in a prescribed format to prospective franchisees in accordance with such laws, and

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that regulate certain aspects of the franchise relationship. Failure to comply with such laws may result in a franchisee's right to rescind its franchise agreement and damages, and may result in investigations or actions from federal or state franchise authorities, civil fines or penalties, and stop orders, among other remedies. We are also subject to franchise relationship laws in over 20 states that regulate many aspects of the franchisor-franchisee relationship, including renewals and terminations of franchise agreements, franchise transfers, the applicable law and venue in which franchise disputes must be resolved, discrimination and franchisees' right to associate, among others. Our failure to comply with such franchise relationship laws could result in fines, damages, and our inability to enforce franchise agreements where we have violated such laws. Although we believe that our FDDs, franchise sales practices and franchise activities comply with such franchise sales laws and franchise relationship laws, our non-compliance could result in liability to franchisees and regulatory authorities (as described above), inability to enforce our franchise agreements and a reduction in our anticipated royalty revenue, which in turn may materially and adversely affect our business and results of operating.

We and our franchisees are also subject to the Fair Labor Standards Act of 1938, as amended, and various other laws in the United States and Canada governing such matters as minimum-wage requirements, overtime and other working conditions. A significant number of our and our franchisees' employees are paid at rates related to the U.S. federal minimum wage, and past increases in the U.S. federal minimum wage have increased labor costs, as would future increases. Any increases in labor costs might result in our and our franchisees inadequately staffing stores. Such increases in labor costs and other changes in labor laws could affect store performance and quality of service, decrease royalty revenues and adversely affect our brand.

Our and our franchisees' operations and properties are subject to extensive U.S. and Canadian federal, state, provincial and local laws and regulations, including those relating to environmental, building and zoning requirements. Our and our franchisees' development of properties depends to a significant extent on the selection and acquisition of suitable sites, which are subject to zoning, land use, environmental, traffic and other regulations and requirements. Failure to comply with these legal requirements could result in, among other things, revocation of required licenses, administrative enforcement actions, fines and civil and criminal liability, which could adversely affect our business.

We and our franchisees are responsible at stores we each operate for compliance with state and provincial laws that regulate the relationship between stores and their members. Many states and provinces have consumer protection regulations that may limit the collection of membership dues or fees prior to opening, require certain disclosures of pricing information, mandate the maximum length of contracts and cooling off periods for members (after the purchase of a membership), set escrow and bond requirements for stores, govern member rights in the event of a member relocation or disability, provide for specific member rights when a store closes or relocates, or preclude automatic membership renewals. Our or our franchisees' failure to comply fully with these rules or requirements may subject us or our franchisees to fines, penalties, damages, and civil liability, or result in membership contracts being void or voidable. In addition, states may update these laws and regulations. Any additional costs which may arise in the future as a result of changes to the legislation and regulations or in their interpretation could individually or in the aggregate cause us to change or limit our business practices, which may make our business model less attractive to our franchisees or our members.

Regulatory restrictions placed on indoor tanning services and negative opinions about the health effects of indoor tanning services could harm our reputation and our business.

Although our business model does not place an emphasis on indoor tanning, the vast majority of our corporate-owned and franchise stores offer indoor tanning services. We offer tanning services as one of many amenities available to our PF Black Card members. Many states and provinces where we and our franchisees operate have health and safety regulations that apply to health clubs and other facilities that offer indoor tanning services. In addition to regulations imposed on the indoor tanning industry, medical opinions and opinions of

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commentators in the general public regarding negative health effects of indoor tanning services could adversely impact the value of our PF Black Card memberships and our future revenues and profitability. Although the tanning industry is regulated by U.S. and Canadian federal, state and provincial government agencies, negative publicity regarding the potentially harmful health effects of the tanning services we offer at our stores could lead to additional legislation or further regulation of the industry. The potential increase in cost of complying with these regulations could have a negative impact on our profit margins.

The continuation of our tanning services is dependent upon the public's sustained belief that the benefits of utilizing tanning services outweigh the risks of exposure to ultraviolet light. Any significant change in public perception of tanning equipment or any investigative or regulatory action by a government agency or other regulatory authority could impact the appeal of indoor tanning services to our PF Black Card members, and could in turn have an adverse effect on our and our franchisees' reputation, business, results of operations and financial condition as well as our ability to profit from sales of tanning equipment to our franchisees.

In addition, from time to time, government agencies and other regulatory authorities have shown an interest in taking investigative or regulatory action with respect to tanning services. For example, we recently received notice from the Office of the Attorney General of New York (OAG) that they are considering filing an action against us with respect to alleged minor violations of tanning regulations at certain franchisee stores in New York. Although we understand that the OAG's investigation is part of a larger initiative with respect to tanning salons and other providers of tanning services and do not believe that any OAG action would have a direct adverse effect on us, publicity regarding the OAG's initiative could influence public perception of the tanning services we offer and of the benefits of our PF Black Card membership.

Risks related to our indebtedness

As of March 31, 2015, we had total indebtedness of \$506.4 million, including capital leases, and our substantial indebtedness could adversely affect our financial condition and limit our ability to pursue our growth strategy.

We have a substantial amount of debt, which requires significant interest payments. As of March 31, 2015, we had total indebtedness of \$506.4 million, including capital leases. Subject to the restrictions contained in our senior secured credit facility applicable to our subsidiary Planet Fitness Holdings, LLC, as borrower, and its restricted subsidiaries and its parent Planet Intermediate, LLC, as guarantors, we may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. These restrictions will not prevent us from incurring obligations that do not constitute indebtedness, may be waived by certain votes of debt holders and, if we refinance our existing indebtedness, such refinancing indebtedness may contain fewer restrictions on our activities. To the extent new indebtedness or other financial obligations are added to our and our subsidiaries' currently anticipated indebtedness levels, the related risks that we and our subsidiaries face could intensify.

Our substantial level of indebtedness could adversely affect our financial condition and increase the possibility that we may be unable to generate cash sufficient to pay, when due, the principal of, interest on or other amounts due in respect of our indebtedness. Our substantial indebtedness, combined with our other existing and any future financial obligations and contractual commitments, could have important consequences. For example, it could:

make it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations under our senior secured credit facility, including restrictive covenants, could result in an event of default under such facilities;

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require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing funds available for working capital, capital expenditures, acquisitions, selling and marketing efforts, research and development and other purposes;

increase our vulnerability to adverse economic and industry conditions, which could place us at a competitive disadvantage compared to our competitors that have proportionately less indebtedness;

increase our cost of borrowing and cause us to incur substantial fees from time to time in connection with debt amendments or refinancings;

increase our exposure to rising interest rates because a portion of our borrowings is at variable interest rates;

limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate; and

limit our ability to borrow additional funds, or to dispose of assets to raise funds, if needed, for working capital, capital expenditures, acquisitions, selling and marketing efforts, research and development and other corporate purposes.

By the nature of their relationship to our enterprise, debt holders may have different points of view on the use of company resources as compared to our management. The financial and contractual obligations related to our debt also represent a natural constraint on any intended use of company resources.

Restrictions imposed by our outstanding indebtedness and any future indebtedness may limit our ability to operate our business and to finance our future operations or capital needs or to engage in other business activities.

The terms of our outstanding indebtedness restrict us from engaging in specified types of transactions. These covenants restrict our ability, among other things, to:

incur indebtedness or guarantees or engage in sale-leaseback transactions;

incur liens;

engage in mergers, acquisitions and asset sales;

alter the business conducted by Planet Intermediate, LLC, Planet Fitness Holdings, LLC and its restricted subsidiaries;

make investments and loans;

declare dividends or other distributions;

enter into agreements limiting restricted subsidiary distributions; and

engage in certain transactions with affiliates.

In addition, the credit agreement governing our senior secured credit facility requires us to comply with a financial maintenance covenant, which covenant is solely for the benefit of the revolving credit facility. Our ability to comply with this financial covenant can be affected by events beyond our control, and we may not be able to satisfy it. See Description of certain indebtedness.

A breach of any of the restrictive covenants in the credit agreement governing our senior secured credit facility could result in an event of default, which could trigger acceleration of our indebtedness and may result in the acceleration of or default under any other debt we may incur in the future to which a cross-acceleration or

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cross-default provision applies, which could have a material adverse effect on our business, results of operations and financial condition. In the event of any default under our credit facilities, the applicable lenders could elect to terminate borrowing commitments and declare all borrowings and loans outstanding, together with accrued and unpaid interest and any fees and other obligations, to be due and payable. In addition, or in the alternative, the applicable lenders could exercise their rights under the security documents entered into in connection with our credit facilities. We have pledged a significant portion of our assets as collateral under our senior secured credit facility.

If we were unable to repay or otherwise refinance these borrowings and loans when due, the applicable lenders could proceed against the collateral granted to them to secure that indebtedness, which could force us into bankruptcy or liquidation. In the event the applicable lenders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness. Any acceleration of amounts due under the agreements governing our credit facilities or the exercise by the applicable lenders of their rights under the security documents would likely have a material adverse effect on our business. As a result of these restrictions, we may be:

limited in how we conduct our business;

unable to raise additional debt or equity financing to operate during general economic or business downturns; or

unable to compete effectively or to take advantage of new business opportunities.

These restrictions may affect our ability to grow in accordance with our strategy.

We will require a significant amount of cash to service our indebtedness. The ability to generate cash or refinance our indebtedness as it becomes due depends on many factors, some of which are beyond our control.

We are a holding company, and as such have no independent operations or material assets other than our ownership of equity interests in our subsidiaries, and our subsidiaries' contractual arrangements with customers, and we will depend on our subsidiaries to distribute funds to us so that we may pay our obligations and expenses. Our ability to make scheduled payments on, or to refinance our respective obligations under, our indebtedness and to fund planned capital expenditures and other corporate expenses will depend on the ability of our subsidiaries to make distributions, dividends or advances to us, which in turn will depend on our subsidiaries' future operating performance and on economic, financial, competitive, legislative, regulatory and other factors and any legal and regulatory restrictions on the payment of distributions and dividends to which they may be subject. Many of these factors are beyond our control. We can provide no assurance that our business will generate sufficient cash flow from operations, that currently anticipated cost savings and operating improvements will be realized or that future borrowings will be available to us in an amount sufficient to enable us to satisfy our respective obligations under our indebtedness or to fund our other needs. In order for us to satisfy our obligations under our indebtedness and fund planned capital expenditures, we must continue to execute our business strategy. If we are unable to do so, we may need to reduce or delay our planned capital expenditures or refinance all or a portion of our indebtedness on or before maturity. Significant delays in our planned capital expenditures may materially and adversely affect our future revenue prospects. In addition, we can provide no assurance that we will be able to refinance any of our indebtedness on commercially reasonable terms or at all.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our indebtedness service obligations to increase significantly.

Borrowings under our senior secured credit facility are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on variable rate indebtedness would increase

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even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, would correspondingly decrease.

Our senior secured credit facility includes a London Inter-Bank Offered Rates (LIBOR) floor of 1.00%, which at March 31, 2015 was in excess of LIBOR. If the three-month LIBOR spot rate were to increase or decrease by 0.125% from current rates, interest expense would not change due to application of the 1.00% floor previously mentioned. If the specified LIBOR rate were to increase above 1.00%, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, would correspondingly decrease. An increase of 0.125% over the 1.00% floor previously mentioned would result in an approximate increase of \$0.6 million in our annual interest expense associated with our senior secured credit facilities.

We have entered into and may continue to enter into interest rate swaps, caps or other derivative financial instruments that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may not maintain derivative financial instruments with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.

Risks related to our organizational structure

We will be required to pay certain of our existing owners for certain tax benefits we may claim, and we expect that the payments we will be required to make will be substantial.

Our acquisition of Holdings Units in connection with this offering and future and certain past exchanges of Holdings Units for shares of our Class A common stock (or cash) are expected to produce and have produced favorable tax attributes for us. Upon the completion of this offering, we will be a party to two tax receivable agreements. Under the first of those agreements, we generally will be required to pay to our Continuing LLC Owners 85% of the applicable cash savings, if any, in U.S. federal and state income tax that we are deemed to realize as a result of certain tax attributes of their Holdings Units sold to us (or exchanged in a taxable sale) and that are created as a result of (i) the sales of their Holdings Units for shares of our Class A common stock and (ii) tax benefits attributable to payments made under the tax receivable agreement (including imputed interest). Under the second tax receivable agreement, we generally will be required to pay to the Direct TSG Investors 85% of the amount of cash savings, if any, that we are deemed to realize as a result of the tax attributes of the Holdings Units that we hold in respect of the Direct TSG Investors' interest in us, which resulted from the Direct TSG Investors' purchase of interests in the 2012 Acquisition, and certain other tax benefits. Under both agreements, we generally will retain the benefit of the remaining 15% of the applicable tax savings.

The payment obligations under the tax receivable agreements are obligations of Planet Fitness, Inc., and we expect that the payments we will be required to make under the tax receivable agreements will be substantial. Assuming no material changes in the relevant tax law and that we earn sufficient taxable income to realize all tax benefits that are subject to the tax receivable agreements, we expect that the reduction in tax payments for us associated with sales of the corresponding Holdings Units as described above would aggregate to approximately \$843.3 million over 23 years from the date of this offering based on an initial public offering price of \$15.00 per share of our Class A common stock, which is the midpoint of the price range set forth on the front cover of this prospectus, and assuming all future sales would occur one year after this offering. Under such scenario, we would be required to pay the other parties to the tax receivable agreements 85% of such amount, or \$716.8 million, over the 23-year period from the date of this offering. The actual amounts may materially differ from these hypothetical amounts, as potential future reductions in tax payments for us, and tax receivable agreement payments by us, will be calculated using the market value of our Class A common stock at the time of the sale and the prevailing tax rates applicable to us over the life of the tax receivable agreements and will be dependent on us generating sufficient future taxable income to realize the benefit. See

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Certain relationships and related party transactions Recapitalization transactions in connection with this offering Tax receivable agreements. Payments under the tax receivable agreements are not conditioned on the Continuing LLC Owners' ownership of our shares after this offering.

The actual increase in tax basis, as well as the amount and timing of any payments under these agreements, will vary depending upon a number of factors, including the timing of sales by the Continuing LLC Owners, the price of our Class A common stock at the time of the sales, whether such sales are taxable, the amount and timing of the taxable income we generate in the future, the tax rate then applicable and the portion of our payments under the tax receivable agreements constituting imputed interest. Payments under the tax receivable agreements are expected to give rise to certain additional tax benefits attributable to either further increases in basis or in the form of deductions for imputed interest (generally calculated using one-year LIBOR), depending on the tax receivable agreements and the circumstances. Any such benefits are covered by the tax receivable agreements and will increase the amounts due thereunder. The tax receivable agreements will provide for interest, at a rate equal to one-year LIBOR, accrued from the due date (without extensions) of the corresponding tax return to the date of payment specified by the tax receivable agreements. In addition, under certain circumstances where we are unable to make timely payments under the tax receivable agreements, the tax receivable agreements will provide for interest to accrue on unpaid payments, at a rate equal to one-year LIBOR plus 500 basis points.

Payments under the tax receivable agreements will be based on the tax reporting positions that we determine. Although we are not aware of any issue that would cause the IRS to challenge a tax basis increase or other tax attributes subject to the tax receivable agreements, we will not be reimbursed for any payments previously made under the tax receivable agreements if such basis increases or other benefits are subsequently disallowed. As a result, in certain circumstances, payments could be made under the tax receivable agreements in excess of the benefits that we are deemed to realize in respect of the attributes to which the tax receivable agreements relate.

Our ability to pay taxes and expenses, including payments under the tax receivable agreements, may be limited by our structure.

Upon the consummation of this offering, we will have no material assets other than our ownership of Holdings Units of Pla-Fit Holdings, LLC. As such, we will have no independent means of generating revenue. Pla-Fit Holdings, LLC will be treated as a partnership for U.S. federal income tax purposes and, as such, will not be subject to U.S. federal income tax. Instead, taxable income will be allocated to holders of its Holdings Units, including us. Accordingly, we will incur income taxes on our allocable share of any taxable income of Pla-Fit Holdings, LLC, and will also incur expenses related to our operations. Pursuant to the amended and restated limit liability company agreement of Pla-Fit Holdings, LLC (the "New LLC Agreement"), Pla-Fit Holdings, LLC will make cash distributions to the owners of Holdings Units for purposes of funding their tax obligations in respect of the income of Pla-Fit Holdings, LLC that is allocated to them, to the extent other distributions from Pla-Fit Holdings, LLC have been insufficient. In addition to tax expenses, we also will incur expenses related to our operations, including payment obligations under the tax receivable agreements, which we expect will be significant. We intend to cause Pla-Fit Holdings, LLC to make distributions in an amount sufficient to allow us to pay our taxes and operating expenses, including any ordinary course payments due under the tax receivable agreements. However, its ability to make such distributions will be subject to various limitations and restrictions, including contractual restrictions under our senior secured credit facility. If, as a consequence of these various limitations and restrictions, we do not have sufficient funds to pay tax or other liabilities or to fund our operations (including as a result of an acceleration of our obligations under the tax receivable agreements), we may have to borrow funds and thus our liquidity and financial condition could be materially

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adversely affected. To the extent that we are unable to make payments under the tax receivable agreements for any reason, such payments will be deferred and will accrue interest at a rate equal to one-year LIBOR plus 500 basis points until paid.

In certain cases, payments under the tax receivable agreements to our existing owners may be accelerated and/or significantly exceed the actual benefits we realize in respect of the tax attributes subject to the tax receivable agreements.

The tax receivable agreements provide that (i) in the event that we materially breach such tax receivable agreements, (ii) if, at any time, we elect an early termination of the tax receivable agreements, or (iii) upon certain mergers, asset sales, other forms of business combinations or other changes of control, our (or our successor's) obligations under the tax receivable agreements (with respect to all Holdings Units, whether or not they have been sold before or after such transaction) would accelerate and become payable in a lump sum amount equal to the present value of the anticipated future tax benefits calculated based on certain assumptions, including that we would have sufficient taxable income to fully utilize the deductions arising from the tax deductions, tax basis and other tax attributes subject to the tax receivable agreements.

As a result of the foregoing, (i) we could be required to make payments under the tax receivable agreements that are greater than or less than the specified percentage of the actual tax savings we realize in respect of the tax attributes subject to the agreements and (ii) we may be required to make an immediate lump sum payment equal to the present value of the anticipated tax savings, which payment may be made years in advance of the actual realization of such future benefits, if any such benefits are ever realized. In these situations, our obligations under the tax receivable agreements could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. There can be no assurance that we will be able to finance our obligations under the tax receivable agreements in a manner that does not adversely affect our working capital and growth requirements. For example, if we were to elect to terminate the tax receivable agreements immediately after this offering, based on the initial public offering price of \$15.00 per share of our Class A common stock and a discount rate equal to 5.8%, we estimate that we would be required to pay \$418.3 million in the aggregate under the tax receivable agreements. See Certain relationships and related party transactions Recapitalization transactions in connection with this offering Tax receivable agreements.

In certain circumstances, Pla-Fit Holdings, LLC will be required to make distributions to us and the Continuing LLC Owners, and the distributions that Pla-Fit Holdings, LLC will be required to make may be substantial.

Funds used by Pla-Fit Holdings, LLC to satisfy its tax distribution obligations will not be available for reinvestment in our business. Moreover, the tax distributions that Pla-Fit Holdings, LLC will be required to make may be substantial, and will likely exceed (as a percentage of Pla-Fit Holdings, LLC's net income) the overall effective tax rate applicable to a similarly situated corporate taxpayer.

As a result of potential differences in the amount of net taxable income allocable to us and to the Continuing LLC Owners, as well as the use of an assumed tax rate in calculating Pla-Fit Holdings, LLC's distribution obligations, we may receive distributions significantly in excess of our tax liabilities and obligations to make payments under the tax receivable agreements. To the extent, as currently expected, we do not distribute such cash balances as dividends on our Class A common stock and instead, for example, hold such cash balances or lend them to Pla-Fit Holdings, LLC, the Continuing LLC Owners would benefit from any value attributable to such accumulated cash balances as a result of their ownership of Class A common stock following an exchange of their Holdings Units.

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We will not be reimbursed for any payments made to the Continuing LLC Owners or the Direct TSG Investors under the tax receivable agreements in the event that any tax benefits are disallowed.

If the IRS or a state or local taxing authority challenges the tax basis adjustments and/or deductions that give rise to payments under the tax receivable agreements and the tax basis adjustments and/or deductions are subsequently disallowed, the recipients of payments under the agreements will not reimburse us for any payments we previously made to them. Any such disallowance would be taken into account in determining future payments under the tax receivable agreements and would, therefore, reduce the amount of any such future payments. Nevertheless, if the claimed tax benefits from the tax basis adjustments and/or deductions are disallowed, our payments under the tax receivable agreements could exceed our actual tax savings, and we may not be able to recoup payments under the tax receivable agreements that were calculated on the assumption that the disallowed tax savings were available.

Unanticipated changes in effective tax rates or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our financial condition and results of operations.

We will be subject to income taxes in the United States and Canada, and our domestic and foreign tax liabilities will be subject to the allocation of expenses in differing jurisdictions. Our future effective tax rates could be subject to volatility or adversely affected by a number of factors, including:

changes in the valuation of our deferred tax assets and liabilities;

expected timing and amount of the release of any tax valuation allowances;

tax effects of stock-based compensation;

costs related to intercompany restructurings;

changes in tax laws, regulations or interpretations thereof; or

lower than anticipated future earnings in jurisdictions where we have lower statutory tax rates and higher than anticipated future earnings in jurisdictions where we have higher statutory tax rates.

In addition, we may be subject to audits of our income, sales and other transaction taxes by U.S. federal and state and foreign authorities. Outcomes from these audits could have an adverse effect on our financial condition and results of operations.

Risks related to our Class A common stock and this offering

We are eligible to be treated as an emerging growth company, and we cannot be certain that the reduced disclosure requirements applicable to emerging growth companies will not make our ordinary shares less attractive to investors.

We are an emerging growth company, as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including (1) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), (2) reduced disclosure obligations regarding executive compensation in this prospectus and our periodic reports and proxy statements and (3) exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our Class A common stock held by non-affiliates exceeds \$700.0 million as of the end of the second fiscal quarter in any fiscal year before that time or if we have total annual gross revenues of \$1.0 billion or more during any fiscal year before

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that time, in which case we would no longer be an emerging growth company as of the following fiscal year end, or if we issue more than \$1.0 billion in non-convertible debt during any three-year period before that time we would cease to be an emerging growth company immediately. We cannot predict if investors will find our shares of Class A common stock less attractive because we may rely on these exemptions. If some investors find our Class A common stock less attractive as a result, there may be a less active trading market for our Class A common stock and our share price may be more volatile.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption related to the adoption of new or revised accounting standards and, therefore, will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

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.

We are currently controlled, and after this offering is completed will continue to be controlled, by investment funds affiliated with TSG. Upon completion of this offering, investment funds affiliated with TSG will control 67.9% of the voting power of our common stock (or 65.9% if the underwriters exercise in full their option to purchase additional shares). As long as TSG owns or controls at least a majority of our outstanding voting power, it will have the ability to exercise substantial control over all corporate actions requiring stockholder approval, irrespective of how our other stockholders may vote, including the election and removal of directors and the size of our board, any amendment of our certificate of incorporation or bylaws, or the approval of any merger or other significant corporate transaction, including a sale of substantially all of our assets. Even if its ownership falls below 50%, TSG will continue to be able to strongly influence or effectively control our decisions.

Additionally, TSG's interests may not align with the interests of our other stockholders. TSG is in the business of making investments in companies and may acquire and hold interests in businesses that compete directly or indirectly with us. TSG may also pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us.

Certain of our directors have relationships with TSG, which may cause conflicts of interest with respect to our business.

Following this offering, four of our seven directors will be affiliated with TSG. 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.

Upon the listing of our shares, we will be a controlled company under NYSE rules and, as a result, will qualify for, and intend to rely on, exemptions from certain corporate governance requirements; you will not have the same protections afforded to stockholders of companies that are subject to such requirements.

Because TSG will continue to control a majority of the voting power of our outstanding Class A common stock after completion of this offering, we will be a controlled company within the meaning of the NYSE corporate governance standards. Under these rules, a company of which more than 50% of the voting power for the election of directors is held by an individual, group or another company is a controlled company and may elect not to comply with certain corporate governance requirements, including the requirements that, within one year of the date of the listing of our Class A common stock:

we have a board that is composed of a majority of independent directors, as defined under rules;

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we have a compensation committee that is composed entirely of independent directors; and

we have a nominating and corporate governance committee that is composed entirely of independent directors. Following this offering, we intend to utilize all of these exemptions. Accordingly, for so long as we are a controlled company, you will not have the same protections afforded to stockholders of companies that are subject to all of the NYSE corporate governance requirements. Our status as a controlled company could make our Class A common stock less attractive to some investors or otherwise harm our stock price.

Provisions of our corporate governance documents could make an acquisition of our Company more difficult and may prevent attempts by our stockholders to replace or remove our current management, even if beneficial to our stockholders.

In addition to TSG's beneficial ownership of a controlling percentage of our common stock, our certificate of incorporation and bylaws and the Delaware General Corporation Law (the DGCL) contain provisions that could make it more difficult for a third party to acquire us, even if doing so might be beneficial to our stockholders. These provisions include:

the division of our board of directors into three classes and the election of each class for three-year terms;

advance notice requirements for stockholder proposals and director nominations;

the ability of the board of directors to fill a vacancy created by the expansion of the board of directors;

the ability of our board of directors to issue new series of, and designate the terms of, preferred stock, without stockholder approval, which could be used to, among other things, institute a rights plan that would have the effect of significantly diluting the stock ownership of a potential hostile acquirer, likely preventing acquisitions that have not been approved by our board of directors;

limitations on the ability of stockholders to call special meetings and to take action by written consent following the date that the TSG Funds no longer beneficially own a majority of our common stock; and

the required approval of holders of at least 75% of the voting power of the outstanding shares of our capital stock to adopt, amend or repeal certain provisions of our certificate of incorporation and bylaws or remove directors for cause, in each case following the date that the TSG Funds no longer beneficially own a majority of our common stock.

In addition, Section 203 of the DGCL may affect the ability of an interested stockholder to engage in certain business combinations, for a period of three years following the time that the stockholder becomes an interested stockholder. While we have elected in our certificate of incorporation not to be subject to Section 203 of the DGCL, our certificate of incorporation contains provisions that have the same effect as Section 203 of the DGCL, except that they provide that investment funds affiliated with TSG will not be deemed to be an interested stockholder, and accordingly will not be subject to such restrictions.

Because our board is responsible for appointing the members of our management team, these provisions could in turn affect any attempt to replace current members of our management team. As a result, you may lose your ability to sell your stock for a price in excess of the prevailing market price due to these protective measures, and efforts by stockholders to change the direction or management of the Company may be unsuccessful. See Description of capital stock.

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Our organizational structure, including the tax receivable agreements, confers certain benefits upon the Continuing LLC Owners that will not benefit Class A common stockholders to the same extent as it will benefit the Continuing LLC Owners.

Our organizational structure, including the tax receivable agreements, confers certain benefits upon the Continuing LLC Owners that will not benefit the holders of our Class A common stock to the same extent as it will benefit the Continuing LLC Owners. The tax receivable agreement with the Direct TSG Investors also confers benefits upon the Direct TSG Investors that are not shared with other holders of Class A common stock. See Risks related to our organizational structure. Although we will retain 15% of the amount of tax benefits conferred under the tax receivable agreements, this and other aspects of our organizational structure may adversely impact the future trading market for the Class A common stock.

We have identified a material weakness in our internal control over financial reporting. While we have taken steps to remediate this material weakness and no new material weaknesses have been identified to date, we cannot provide assurance that the measures we have taken to date, or any measures we may take in the future, will be sufficient to remediate the material weakness we have identified or that additional material weaknesses or significant deficiencies will not occur in the future. If our internal control over financial reporting or our disclosure controls and procedures are not effective, we may not be able to accurately report our financial results, prevent fraud or file our periodic reports in a timely manner, which may cause investors to lose confidence in our reported financial information and may lead to a decline in our stock price. In addition, because of our status as an emerging growth company, you will not be able to depend on any attestation from our independent registered public accountants as to our internal control over financial reporting for the foreseeable future.

We are not currently required to comply with the rules of the Securities and Exchange Commission (SEC) implementing Section 404 of the Sarbanes-Oxley Act and are therefore not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. Upon becoming a public company, we will be required to comply with the SEC s rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which will require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of internal control over financial reporting. Although we will be required to disclose significant changes made in our internal controls and procedures on a quarterly basis, we will not be required to make our first annual assessment of our internal control over financial reporting pursuant to Section 404 until the year following our first annual report required to be filed with the SEC. However, as an emerging growth company, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 until the later of our second annual report or the first annual report required to be filed with the SEC following the date we are no longer an emerging growth company. At such time, if our independent registered public accounting firm concluded that our internal control over financial reporting was not effective due to the existence of one or more material weaknesses in internal control, it would issue an adverse opinion on the effectiveness of our internal control over financial reporting.

To comply with the requirements of being a public company, we may need to undertake various actions, such as implementing new internal controls and procedures and hiring internal audit or additional accounting staff. Testing and maintaining internal controls can divert our management s attention from other matters related to the operation of our business. In addition, when evaluating our internal control over financial reporting, we may identify material weaknesses that we may not be able to remediate in time to meet the applicable deadline imposed upon us for compliance with the requirements of Section 404.

We recently determined that a material weakness in internal control over financial reporting existed relating to our controls over the authorization of IT hardware purchases and processing of related invoices. We have implemented processes and controls designed to remediate this material weakness by revising existing, and

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implementing new procedures and systems regarding (i) authorizing purchases, (ii) receiving invoices, (iii) receiving IT hardware products and (iv) processing invoices. However, we cannot assure you that the measures we have taken to date, or any measures we may take in the future, will be sufficient to remediate the material weakness we have identified or avoid potential future material weaknesses.

If we identify additional material weaknesses in our internal control over financial reporting or are unable to comply with the requirements of Section 404 in a timely manner or assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an unqualified opinion as to the effectiveness of our internal control over financial reporting in future periods, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our Class A common stock could be negatively affected, and we could become subject to investigations by the NYSE, on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources.

If you purchase shares of Class A common stock in this offering, you will suffer immediate and substantial dilution of your investment.

The initial public offering price of our Class A common stock is substantially higher than the net tangible book deficit per share of our common stock. Therefore, if you purchase shares of our Class A common stock in this offering, you will pay a price per share that substantially exceeds our net tangible book deficit per share after this offering. Based on an assumed initial public offering price of \$15.00 per share, the midpoint of the range set forth on the cover page of this prospectus, you will experience immediate dilution of \$20.40 per share, representing the difference between our pro forma net tangible book deficit per share after giving effect to this offering and the initial public offering price. In addition, purchasers of Class A common stock in this offering will have contributed 30.3% of the aggregate price paid by all purchasers of our stock but will own only approximately 9.2% of our common stock outstanding after this offering. See [Dilution](#) for more detail.

Your percentage ownership in us may be diluted by future issuances of capital stock, which could reduce your influence over matters on which stockholders vote.

Pursuant to our certificate of incorporation and bylaws, our board of directors has the authority, without action or vote of our stockholders, to issue all or any part of our authorized but unissued shares of common stock, including shares issuable upon the exercise of options, or shares of our authorized but unissued preferred stock. Issuances of Class A common stock or voting preferred stock would reduce your influence over matters on which our stockholders vote and, in the case of issuances of preferred stock, would likely result in your interest in us being subject to the prior rights of holders of that preferred stock.

An active, liquid trading market for our Class A common stock may not develop, which may limit your ability to sell your shares.

Prior to this offering, there was no public market for our Class A common stock. Although we intend to list shares of our Class A common stock on the NYSE under the symbol `PLNT`, an active trading market for our Class A shares may never develop or be sustained following this offering. The initial public offering price will be determined by negotiations among us, the selling stockholders and the underwriters and may not be indicative of market prices of our Class A common stock that will prevail in the open market after the offering. A public trading market having the desirable characteristics of depth, liquidity and orderliness depends upon the existence of willing buyers and sellers at any given time, such existence being dependent upon the individual decisions of buyers and sellers over which neither we nor any market maker has control. The failure of an active and liquid trading market to develop and continue would likely have a material adverse effect on the value of our Class A common stock. The market price of our Class A common stock may decline below the initial public offering price, and you may not be able to sell your shares of our Class A common stock at or above the price

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you paid in this offering, or at all. An inactive market may also impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration.

As a public company, we will become subject to additional laws, regulations and stock exchange listing standards, which will impose additional costs on us and may strain our resources and divert our management's attention.

Prior to this offering, we operated on a private basis. After this offering, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act), the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the listing requirements of the NYSE and other applicable securities laws and regulations. Compliance with these laws and regulations will increase our legal and financial compliance costs and make some activities more difficult, time-consuming or costly. We also expect that being a public company and being subject to new rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. We estimate that we will incur between \$3 million and \$4 million annually in expenses related to incremental insurance costs and other expenses associated with being a public company, including listing, printer, audit and XBRL fees and investor relations costs. However, the incremental costs that we incur as a result of becoming a public company could exceed our estimate. These factors may therefore strain our resources, divert management's attention and affect our ability to attract and retain qualified board members.

Our operating results and share price may be volatile, and the market price of our Class A common stock after this offering may drop below the price you pay.

Our quarterly operating results are likely to fluctuate in the future as a publicly traded company. In addition, securities markets worldwide have experienced, and are likely to continue to experience, significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could subject the market price of our shares to wide price fluctuations regardless of our operating performance. We and the underwriters will negotiate to determine the initial public offering price. You may not be able to resell your shares at or above the initial public offering price or at all. Our operating results and the trading price of our shares may fluctuate in response to various factors, including:

market conditions in the broader stock market;

actual or anticipated fluctuations in our quarterly financial and operating results;

introduction of new products or services by us or our competitors;

issuance of new or changed securities analysts' reports or recommendations;

results of operations that vary from expectations of securities analysis and investors;

guidance, if any, that we provide to the public, any changes in this guidance or our failure to meet this guidance;

strategic actions by us or our competitors;

announcement by us, our competitors or our vendors of significant contracts or acquisitions;

sales, or anticipated sales, of large blocks of our stock;

additions or departures of key personnel;

regulatory, legal or political developments;

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public response to press releases or other public announcements by us or third parties, including our filings with the SEC;

litigation and governmental investigations;

changing economic conditions;

changes in accounting principles;

default under agreements governing our indebtedness;

exchange rate fluctuations; and

other events or factors, including those from natural disasters, war, acts of terrorism or responses to these events.

These and other factors, many of which are beyond our control, may cause our operating results and the market price and demand for our shares to fluctuate substantially. While we believe that operating results for any particular quarter are not necessarily a meaningful indication of future results, fluctuations in our quarterly operating results could limit or prevent investors from readily selling their shares and may otherwise negatively affect the market price and liquidity of our shares. In addition, in the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the company that issued the stock. If any of our stockholders brought a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the time and attention of our management from our business, which could significantly harm our profitability and reputation.

A significant portion of our total outstanding shares are restricted from immediate resale but may be sold into the market in the near future. This could cause the market price of our Class A common stock to drop significantly, even if our business is doing well.

Sales of a substantial number of shares of our Class A common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our Class A common stock. After this offering, we will have outstanding 35,235,491 shares of Class A common stock based on the number of shares outstanding immediately following the recapitalization transactions. This includes 9,122,657 shares that we are selling in this offering, as well as the 4,377,343 shares that the selling stockholders are selling and the shares held by our existing stockholders, which may be resold in the public market immediately, and assumes no exercises of outstanding options. Substantially all of the shares that are not being sold in this offering will be subject to a 180-day lock-up period provided under agreements executed in connection with this offering. These shares will, however, be able to be resold after the expiration of the lock-up agreement as described in the *Shares eligible for future sale* section of this prospectus. We also intend to file a Form S-8 under the Securities Act to register all shares of Class A common stock that we may issue under our equity compensation plans. In addition, TSG has certain demand registration rights that could require us in the future to file registration statements in connection with sales of our stock by TSG. See *Certain relationships and related party transactions* *Recapitalization transactions in connection with this offering* *Registration rights agreement*. Such sales by TSG could be significant. Once we register these shares, they can be freely sold in the public market upon issuance, subject to the lock-up agreements described in the *Underwriting* section of this prospectus. As restrictions on resale end, the market price of our stock could decline if the holders of currently restricted shares sell them or are perceived by the market as intending to sell them.

Since we have no current plans to pay regular cash dividends on our Class A common stock following this offering, you may not receive any return on investment unless you sell your Class A common stock for a price greater than that which you paid for it.

Although we have previously declared dividends to our equityholders, we do not anticipate paying any regular cash dividends on our Class A common stock following this offering. Any decision to declare and pay dividends

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in the future will be made at the discretion of our board and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions and other factors that our board may deem relevant. In addition, our ability to pay dividends is, and may be, limited by covenants of existing and any future outstanding indebtedness we or our subsidiaries incur. Therefore, any return on investment in our Class A common stock is solely dependent upon the appreciation of the price of our Class A common stock on the open market, which may not occur. See [Dividend policy](#) for more detail.

If securities or industry analysts do not publish research or reports about our business, if they adversely change their recommendations regarding our shares or if our results of operations do not meet their expectations, our share price and trading volume could decline.

The trading market for our shares will be influenced by the research and reports that industry or securities analysts publish about us or our business. We do not have any control over these analysts. Securities and industry analysts do not currently, and may never, publish research on our Company. If no securities or industry analysts commence coverage of our Company, the trading price of our shares would likely be negatively impacted. In the event securities or industry analysts initiated coverage, and one or more of these analysts cease coverage of our Company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our share price or trading volume to decline. Moreover, if one or more of the analysts who cover us downgrade our stock, or if our results of operations do not meet their expectations, our share price could decline.

A credit ratings downgrade or other negative action by a credit ratings organization could adversely affect the trading price of the shares of our Class A common stock.

Credit rating agencies continually revise their ratings for companies they follow. The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. In addition, developments in our business and operations could lead to a ratings downgrade for us or our subsidiaries. Any such fluctuation in the rating of us or our subsidiaries may impact our ability to access debt markets in the future or increase our cost of future debt which could have a material adverse effect on our operations and financial condition, which in return may adversely affect the trading price of shares of our Class A common stock.

Our certificate of incorporation designates courts in the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our certificate of incorporation provides that, subject to limited exceptions, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for:

any derivative action or proceeding brought on our behalf;

any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders;

any action asserting a claim against us arising pursuant to any provision of the DGCL, our certificate of incorporation or our bylaws;

any action to interpret, apply, enforce or determine the validity of our certificate of incorporation or bylaws; or

any other action asserting a claim against us that is governed by the internal affairs doctrine (each, a [Covered Proceeding](#)).

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In addition, our certificate of incorporation provides that if any action the subject matter of which is a Covered Proceeding is filed in a court other than the specified Delaware courts without the approval of our board of directors (each, a Foreign Action), the claiming party will be deemed to have consented to (i) the personal jurisdiction of the specified Delaware courts in connection with any action brought in any such courts to enforce the exclusive forum provision described above and (ii) having service of process made upon such claiming party in any such enforcement action by service upon such claiming party s counsel in the Foreign Action as agent for such claiming party.

Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to these provisions. These provisions may limit a stockholder s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition.

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Cautionary note regarding forward-looking statements

This prospectus contains forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies and other future conditions. Forward-looking statements can be identified by words such as anticipate, believe, estimate, expect, intend, may, plan, predict, project, target, potential, will, would, could, should, continue, contemplate and other similar words. All forward-looking statements contain these identifying words.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place significant reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. Important factors that could cause actual results and events to differ materially from those indicated in the forward-looking statements include, among others, 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;

our ability to protect our brand and reputation;

our ability to execute our growth strategy, including through development of new stores by new and existing franchisees;

our ability to manage our growth and associated strain on our resources;

our ability to successfully identify and secure appropriate franchisees and sites, and timely develop and expand our operations;

data security and the vulnerability of our information systems;

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

the high level of competition in the health and fitness industry;

our dependence on a small number of equipment suppliers;

our ability to maintain sufficient levels of cash flow, or access to capital, to meet growth expectations;

our dependence on key executive management;

our ability to identify qualified individuals for our workforce;

our ability to adequately protect our intellectual property;

risks related to franchisees generally;

our business model being susceptible to litigation;

the substantial indebtedness of our subsidiary, Planet Fitness Holdings, LLC;

TSG's significant influence over us and our status as a controlled company under the rules of the NYSE;

risks relating to our corporate structure and tax receivable agreements; and

the other factors identified under the heading "Risk factors" elsewhere in this prospectus.

The forward-looking statements in this prospectus represent our views as of the date of this prospectus. We undertake no obligation to publicly update any forward-looking statements whether as a result of new information, future developments or otherwise.

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The recapitalization transactions

Organizational structure following this offering

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.

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 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

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financial statements and will report a noncontrolling interest related to the Holdings Units held by the Continuing LLC Owners in our consolidated financial statements. Planet Fitness, Inc. will have a board of directors and executive officers but no employees. The functions of all our employees are expected to reside at Pla-Fit Holdings, LLC and its subsidiaries.

Our organizational structure will allow the Continuing LLC Owners to retain their equity ownership in Pla-Fit Holdings, LLC, an entity that is classified as a partnership for U.S. federal income tax purposes, in the form of Holdings Units. Investors participating in this offering will, by contrast, hold equity in Planet Fitness, Inc., a Delaware corporation that is a domestic corporation for U.S. federal income tax purposes, in the form of shares of our Class A common stock, along with the Direct TSG Investors. We believe that the Continuing LLC Owners generally find it advantageous to hold their equity interests in an entity that is not taxable as a corporation for U.S. federal income tax purposes. The Continuing LLC Owners and Planet Fitness, Inc. will incur U.S. federal, state, provincial and local income taxes on their allocable share of any taxable income of Pla-Fit Holdings, LLC (as calculated pursuant to the New LLC Agreement as it will be in effect at the time of this offering). We do not believe that our organizational structure gives rise to any significant benefit or detriment to our business or operations.

The recapitalization transactions

We refer to the Merger, Reclassification and entry into the exchange agreement, each as described below, as the recapitalization transactions. The Merger will be effected pursuant to a merger agreement by and among Planet Fitness, Inc. and Planet Fitness Holdings, L.P. and the recapitalization transactions will be effected pursuant to a recapitalization agreement by and among Planet Fitness, Inc., Pla-Fit Holdings, LLC, the Continuing LLC Owners and the Direct TSG Investors.

Merger

Prior to this offering, the Direct TSG Investors held interests in Planet Fitness Holdings, L.P., a predecessor entity to Planet Fitness, Inc. that holds indirect interests in Pla-Fit Holdings, LLC. Planet Fitness Holdings, L.P. was formed in October 2014 and has no material assets, liabilities or operations, other than as a holding company owning indirect interests in Pla-Fit Holdings, LLC. The Direct TSG Investors consist of investment funds affiliated with TSG. Pursuant to a merger agreement dated June 22, 2015, upon the earlier of (1) the time of pricing of this offering and (2) March 31, 2016, Planet Fitness Holdings, L.P. will merge with and into Planet Fitness, Inc., and the interests in Planet Fitness Holdings, L.P. held by the Direct TSG Investors will be converted into Class A shares of common stock of Planet Fitness, Inc. We refer to this as the Merger. Shares of Class A common stock will have both voting and economic rights in Planet Fitness, Inc. See Description of capital stock.

The Merger will be effected prior to the time our Class A common stock is registered under the Exchange Act and prior to the completion of this offering.

Reclassification

The equity interests of Pla-Fit Holdings, LLC currently consist of three different classes of limited liability company units (Class M, Class T and Class O). Prior to the completion of this offering, 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, the Holdings Units. We refer to this capital structure modification as the Reclassification.

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The Direct TSG Investors' indirect interest in Pla-Fit Holdings, LLC is currently held through wholly owned subsidiaries of Planet Fitness Holdings, L.P. Such wholly owned subsidiaries have no material assets, liabilities or operations other than as holding companies owning direct interests in Pla-Fit Holdings, LLC. As a result, following the Merger, in which Planet Fitness Holdings, L.P. merges with and into Planet Fitness, Inc., the Direct TSG Investors' indirect interests in Pla-Fit Holdings, LLC will be held through wholly owned subsidiaries of Planet Fitness, Inc. Therefore, the Holding Units to be received in the Reclassification will be allocated to: (1) the Continuing LLC Owners based on their existing interest in Pla-Fit Holdings, LLC; and (2) wholly owned subsidiaries of Planet Fitness, Inc. to the extent of the Direct TSG Investors' indirect interest in Pla-Fit Holdings, LLC. The number of Holdings Units to be allocated to wholly owned subsidiaries of Planet Fitness, Inc. in the Reclassification will be equal to the number of shares of Class A common stock that the Direct TSG Investors receive in the Merger (on a one-for-one basis).

The Reclassification will be effected prior to the time our Class A common stock is registered under the Exchange Act and prior to the completion of this offering.

Following the Merger and the Reclassification, Planet Fitness, Inc. will issue to Continuing LLC Owners one share of Class B common stock for each Holdings Unit 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. Holdings Units will be held by the Continuing LLC Owners and by Planet Fitness, Inc., which will hold its interests indirectly through wholly owned subsidiaries. The Continuing LLC Owners consist of investment funds affiliated with TSG and certain employees and directors. All of the shares of Class A common stock that will be outstanding following the Merger and the Reclassification but prior to completion of this offering will be held by the Direct TSG Investors.

Pursuant to the New LLC Agreement, Planet Fitness, Inc. will be designated as the sole managing member of Pla-Fit Holdings, LLC. Accordingly, Planet Fitness, Inc. will have the right to determine when distributions will be made by Pla-Fit Holdings, LLC to its members and the amount of any such distributions (subject to the requirements with respect to the tax distributions described below). If Planet Fitness, Inc. authorizes a distribution by Pla-Fit Holdings, LLC, the distribution will be made to the members of Pla-Fit Holdings, LLC pro rata in accordance with the percentages of their respective Holdings Units.

The holders of Holdings Units will incur U.S. federal, state and local income taxes on their allocable share of any taxable income of Pla-Fit Holdings, LLC (as calculated pursuant to the New LLC Agreement). Net profits and net losses of Pla-Fit Holdings, LLC will generally be allocated to its members pursuant to the New LLC Agreement pro rata in accordance with the percentages of their respective Holdings Units. The New LLC Agreement will provide for cash distributions to the holders of Holdings Units for purposes of funding their tax obligations in respect of the income of Pla-Fit Holdings, LLC that is allocated to them, to the extent other distributions from Pla-Fit Holdings, LLC for the relevant year have been insufficient to cover such liability. Generally, these tax distributions will be computed based on the taxable income of Pla-Fit Holdings, LLC allocable to the holders of Holdings Units multiplied by an assumed, combined tax rate equal to the maximum rate applicable to an individual or corporation resident in San Francisco, California (taking into account the non-deductibility of certain expenses and the character of our income). See *Certain relationships and related party transactions* Recapitalization transactions in connection with this offering Pla-Fit Holdings, LLC amended and restated limited liability company agreement.

Exchange agreement

Following the Merger and the Reclassification, we and the Continuing LLC Owners will enter into an exchange agreement at the time of this offering under which Continuing LLC Owners (or certain permitted transferees thereof) will have the right, from time to time and subject to the terms of the exchange agreement, to exchange

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their Holdings Units, along with a corresponding number of shares of our 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 similar transactions. As a Continuing LLC Owner exchanges Holdings Units, along with a corresponding number of shares of our Class B common stock, for shares of Class A common stock, the number of Holdings Units held by Planet Fitness, Inc. will be correspondingly increased as it acquires the exchanged Holdings Units and cancels a corresponding number of shares of Class B common stock. See Certain relationships and related party transactions Recapitalization transactions in connection with this offering Exchange agreement.

Offering transactions

In connection with the completion of this offering, in order to facilitate the disposition of equity interests in Pla-Fit Holdings, LLC held by Continuing LLC Owners affiliated with TSG, we intend to use the net proceeds we receive to purchase issued and outstanding Holdings Units from these Continuing LLC Owners that they will have received in the Reclassification. Assuming that the shares of Class A common stock to be sold in this offering are sold at \$15.00 per share, which is the midpoint of the price range on the front cover of this prospectus, at the time of this offering, we will purchase 9,122,657 issued and outstanding Holdings Units from these Continuing LLC Owners for an aggregate of \$128.3 million (or 10,491,055 Holdings Units for an aggregate of \$147.5 million if the underwriters exercise in full their option to purchase additional shares of Class A common stock). As such, we will acquire a minority equity percentage of the Holdings Units held by the Continuing LLC Owners issued to them in the Reclassification, which is in addition to the Holdings Units that we acquire in the Reclassification on a one-for-one basis in relation to the number of shares of Class A common stock issued to the Direct TSG Investors in the Merger. Accordingly, following this offering, we will hold a number of Holdings Units that is equal to the number of shares of Class A common stock that it has issued to the Direct TSG Investors and investors in this offering. The Direct TSG Investors, who will not have received Holdings Units in the Reclassification but rather will have received shares of Class A common stock in the Merger, will sell a portion of those shares of Class A common stock in this offering as selling stockholders. Pla-Fit Holdings, LLC will bear or reimburse Planet Fitness, Inc. for all of the expenses of this offering.

As a result of the recapitalization transactions and the offering transactions, upon completion of this offering:

the investors in this offering will collectively own 13,500,000 shares of our Class A common stock (or 15,525,000 shares of Class A common stock if the underwriters exercise in full their option to purchase additional shares of Class A common stock), representing 13.7% of the voting power in Planet Fitness, Inc. (or 15.7% if the underwriters exercise in full their option to purchase additional shares of Class A common stock) and, through Planet Fitness, Inc., 13.7% of the economic interest in Pla-Fit Holdings, LLC (or 15.7% if the underwriters exercise in full their option to purchase additional shares of Class A common stock);

The Direct TSG Investors will collectively own 21,735,491 shares of our Class A common stock (or 21,078,889 shares of Class A common stock if the underwriters exercise in full their option to purchase additional shares of Class A common stock), representing 22.0% of the voting power in Planet Fitness, Inc. (or 21.4% if the underwriters exercise in full their option to purchase additional shares of Class A common stock) and, through Planet Fitness, Inc., 22.0% of the economic interest in Pla-Fit Holdings, LLC (or 21.4% if the underwriters exercise in full their option to purchase additional shares of Class A common stock); and

the Continuing LLC Owners will collectively hold 63,474,249 Holdings Units, representing 64.3% of the economic interest in Pla-Fit Holdings, LLC (or 62.9% if the underwriters exercise in full their over-allotment option to purchase additional shares of Class A common stock) and 63,474,249 shares of our Class B common stock (or 62,105,851 shares of our Class B common stock if the underwriters exercise in full their option to

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