

REFINITIV

# DELTA REPORT

## 10-Q

PLNT - PLANET FITNESS, INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

|              |      |
|--------------|------|
| TOTAL DELTAS | 2846 |
|--------------|------|

|         |     |
|---------|-----|
| CHANGES | 205 |
|---------|-----|

|           |      |
|-----------|------|
| DELETIONS | 1468 |
|-----------|------|

|           |      |
|-----------|------|
| ADDITIONS | 1173 |
|-----------|------|

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549  
**FORM 10-Q**

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **September 30, 2023** **March 31, 2024**

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 001-37534

**PLANET FITNESS, INC.**

(Exact Name of Registrant as Specified in Its Charter)

Delaware

38-3942097

(State or Other Jurisdiction of Incorporation or Organization)

(I.R.S. Employer Identification No.)

4 Liberty Lane West, Hampton, NH 03842

(Address of Principal Executive Offices and Zip Code)

(603) 750-0001

(Registrant's Telephone Number, Including Area Code)

**Securities registered pursuant to Section 12(b) of the Act:**

| Title of each class                      | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Class A common stock, \$0.0001 Par Value | PLNT              | New York Stock Exchange                   |

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

|                         |                                     |                           |                          |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large accelerated filer | <input checked="" type="checkbox"/> | Accelerated filer         | <input type="checkbox"/> |
| Non-accelerated filer   | <input type="checkbox"/>            | Smaller reporting company | <input type="checkbox"/> |
| Emerging growth company | <input type="checkbox"/>            |                           |                          |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

As of **November 2, 2023** **May 2, 2024** there were **85,438,502** **87,528,804** shares of the Registrant's Class A Common Stock, par value \$0.0001 per share, outstanding and **2,708,410** **650,531** shares of the Registrant's Class B Common Stock, par value \$0.0001 per share, outstanding.

PLANET FITNESS, INC.

## TABLE OF CONTENTS

|   | Page                                  |
|---|---------------------------------------|
| <a href="#">Cautionary Note Regarding Forward-Looking Statements</a>  | <a href="#">3</a>                     |
| <a href="#">PART I – FINANCIAL INFORMATION</a>  | <a href="#">5</a>                     |
| <a href="#">ITEM 1. Condensed Consolidated Financial Statements</a>   | <a href="#">5</a>                     |
| <a href="#">Condensed Consolidated Balance Sheets(Unaudited) as of March 31, 2024 and December 31, 2023</a>                             | <a href="#">5</a>                     |
| <a href="#">Condensed Consolidated Statements of Operations (Unaudited)for the Three Months Ended March 31, 2024 and 2023</a>           | <a href="#">6</a>                     |
| <a href="#">Condensed Consolidated Statements of Comprehensive Income (Unaudited)for the Three Months Ended March 31, 2024 and 2023</a> | <a href="#">7</a>                     |
| <a href="#">Condensed Consolidated Statements of Cash Flows (Unaudited)for the Three Months Ended March 31, 2024 and 2023</a>           | <a href="#">8</a>                     |
| <a href="#">Condensed Consolidated Statements of Changes in Equity (Unaudited)for the Three Months Ended March 31, 2024 and 2023</a>    | <a href="#">9</a>                     |
| <a href="#">Notes to Condensed Consolidated Financial Statements (Unaudited)</a>  | <a href="#">10</a>                    |
| <a href="#">ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</a>                           | <a href="#">29</a> <a href="#">28</a> |
| <a href="#">ITEM 3. Quantitative and Qualitative Disclosures About Market Risk</a>  | <a href="#">46</a> <a href="#">39</a> |
| <a href="#">ITEM 4. Controls and Procedures</a>   | <a href="#">47</a> <a href="#">39</a> |
| <a href="#">PART II – OTHER INFORMATION</a>   | <a href="#">48</a> <a href="#">39</a> |
| <a href="#">ITEM 1. Legal Proceedings</a>   | <a href="#">48</a> <a href="#">39</a> |
| <a href="#">ITEM 1A. Risk Factors</a>   | <a href="#">48</a> <a href="#">39</a> |
| <a href="#">ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds</a>   | <a href="#">48</a> <a href="#">40</a> |
| <a href="#">ITEM 3. Defaults Upon Senior Securities</a>   | <a href="#">49</a> <a href="#">40</a> |
| <a href="#">ITEM 4. Mine Safety Disclosures</a>   | <a href="#">49</a> <a href="#">40</a> |
| <a href="#">ITEM 5. Other Information</a>   | <a href="#">49</a> <a href="#">40</a> |
| <a href="#">ITEM 6. Exhibits</a>  | <a href="#">50</a> <a href="#">41</a> |
| <a href="#">Signatures</a>  | <a href="#">51</a> <a href="#">42</a> |

### Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q, as well as information included in oral statements or other written statements made or to be made by us, contain statements that constitute “forward-looking statements” within the meaning of Section 27A of the Private Securities Litigation Reform Act of 1995, 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). 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,” “envision,” “estimate,” “expect,” “intend,” “may,” “goal,” “plan,” “prospect,” “predict,” “project,” “target,” “potential,” “will,” “would,” “could,” “should,” “continue,” “ongoing,” “contemplate,” “contemplate,” “future,” “strategy” and the negative thereof and other similar words or expressions, although not all forward-looking statements contain these identifying words. Examples of forward-looking statements include, among others, statements we make regarding:

- future financial position;
- business strategy;
- budgets, projected costs and plans;
- future industry growth;
- financing sources;
- potential return of capital initiatives;
- the impact of litigation, government inquiries and investigations; and
- all other statements regarding our intent, plans, beliefs or expectations or those of our directors or officers.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue 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, risks and uncertainties associated with the following:

- Our success depends substantially on the value of our brand, which could be materially and adversely affected by the high level of competition in the health and fitness industry, our ability to anticipate and satisfy consumer preferences, shifting views of health and fitness and our ability to obtain and retain high-profile strategic partnership arrangements.
- 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 intellectual property rights, including trademarks, trade names, copyrights and trade dress, may be infringed, misappropriated or challenged by others.
- We and our franchisees rely heavily on information systems, including the use of email marketing, mobile application and social media, and any material failure, interruption or weakness may prevent us from effectively operating our business, damage our reputation or subject us to potential fines or other penalties.
- If we fail to properly maintain the confidentiality and integrity of our data, including member credit card, debit card, bank account information and other personally identifiable information, our reputation and business could be materially and adversely affected.

- The occurrence of cyber incidents, or a deficiency in cybersecurity, could negatively impact our business by causing a disruption to our operations, a compromise or corruption of confidential information, and/or damage to our employee and business relationships and reputation, all of which could harm our brand and our business.
  - 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 planned growth and changes in the industry could place strains on our management, employees, information systems and internal controls, which may adversely impact our business.
  - 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.
  - Economic, political and other risks associated with our international operations could adversely affect our profitability and international growth prospects.
  - Our financial results are affected by the operating and financial results of, our relationships with and actions taken by our franchisees.
  - We are subject to a variety of additional risks associated with our franchisees, such as potential franchisee bankruptcies, franchisee changes in control, franchisee turnover, rising costs related to construction of new stores and maintenance of existing stores, including rising costs due to inflation and supply chain disruptions, which could adversely affect the attractiveness of our franchise model, and in turn our business, results of operations and financial condition.
  - 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.
- 
- Our business is subject to various laws and regulations including, among others, those governing indoor tanning, electronic funds transfer, ACH, credit card, debit card, digital payment options, auto-renewal contracts, membership cancellation rights and consumer protection more generally, and changes in such laws and regulations, failure to comply with existing or future laws and regulations or failure to adjust to consumer sentiment regarding these matters, could harm our reputation and adversely affect our business.
  - Our failure to address evolving environmental, social and governance ("ESG") issues may have an adverse effect on our business, financial condition and results of operations.
  - We are subject to risks associated with leasing property subject to long-term non-cancelable leases.
  - 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.
  - Opening new stores in close proximity may negatively impact our existing stores' revenues and profitability.
  - Our franchisees may incur rising costs related to construction of new stores and maintenance of existing stores, including rising costs due to inflation, supply chain disruptions and other market conditions, which could adversely affect the attractiveness of our franchise model, and in turn our business, results of operations 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.
  - The other factors identified under the heading "Risk Factors" in our annual report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023 filed with the Securities and Exchange Commission.

The forward-looking statements in this Quarterly Report on Form 10-Q represent our views as of the date of this Report. We Unless legally required, we undertake no obligation to publicly update any forward-looking statements whether as a result of new information, future developments or otherwise.

## PART I-FINANCIAL INFORMATION

### ITEM 1. Financial Statements

Planet Fitness, Inc. and subsidiaries Subsidiaries  
Condensed consolidated balance sheets Consolidated Balance Sheets (Unaudited)  
(Amounts in thousands, except per share amounts)

|   | September 30, 2023 | December 31, 2022 |
|---|--------------------|-------------------|
| <b>Assets</b>   |                    |                   |
| Current assets:   |                    |                   |
| Cash and cash equivalents   | \$ 308,970         | \$ 409,840        |
| Restricted cash   | 46,381             | 62,659            |
| Short-term marketable securities  | 108,460            | —                 |
| Accounts receivable, net of allowances for uncollectible amounts of \$0 and \$0 as of September 30, 2023 and December 31, 2022, respectively    | 36,362             | 46,242            |
| Inventory   | 7,536              | 5,266             |
| Prepaid expenses  | 18,073             | 11,078            |
| Other receivables   | 8,678              | 14,975            |
| Income tax receivables  | 5,659              | 5,471             |
| Total current assets  | 540,119            | 555,531           |
| Long-term marketable securities   | 10,252             | —                 |
| Property and equipment, net of accumulated depreciation of \$296,677 and \$227,869 as of September 30, 2023 and December 31, 2022, respectively | 366,780            | 348,820           |
| Investments, net of allowances for expected credit losses of \$14,951 and \$14,957 as of September 30, 2023 and December 31, 2022, respectively | 46,037             | 25,122            |

|  |                     |                     |
|--|---------------------|---------------------|
| Right-of-use assets, net   | 381,819             | 346,937             |
| Intangible assets, net   | 385,462             | 417,067             |
| Goodwill   | 717,502             | 702,690             |
| Deferred income taxes  | 492,965             | 454,565             |
| Other assets, net  | 3,911               | 3,857               |
| Total assets   | <u>\$ 2,944,847</u> | <u>\$ 2,854,589</u> |
| <b>Liabilities and stockholders' deficit</b>   |                     |                     |
| Current liabilities:   |                     |                     |
| Current maturities of long-term debt   | \$ 20,750           | \$ 20,750           |
| Accounts payable   | 28,364              | 20,578              |
| Accrued expenses   | 56,430              | 66,993              |
| Equipment deposits   | 13,933              | 8,443               |
| Restricted liabilities – national advertising fund   | 805                 | —                   |
| Deferred revenue, current  | 64,352              | 53,759              |
| Payable pursuant to tax benefit arrangements, current  | 38,193              | 31,940              |
| Other current liabilities  | 50,019              | 42,067              |
| Total current liabilities  | <u>272,846</u>      | <u>244,530</u>      |
| Long-term debt, net of current maturities  | 1,966,682           | 1,978,131           |
| Lease liabilities, net of current portion  | 379,810             | 341,843             |
| Deferred revenue, net of current portion   | 32,670              | 33,152              |
| Deferred tax liabilities   | 1,397               | 1,471               |
| Payable pursuant to tax benefit arrangements, net of current portion   | 451,569             | 462,525             |
| Other liabilities  | 4,803               | 4,498               |
| Total noncurrent liabilities   | <u>2,836,931</u>    | <u>2,821,620</u>    |
| Commitments and contingencies (Note 14)  |                     |                     |
| Stockholders' equity (deficit):  |                     |                     |
| Class A common stock, \$.0001 par value - 300,000 authorized, 85,410 and 83,430 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively | 9                   | 8                   |
| Class B common stock, \$.0001 par value - 100,000 authorized, 2,733 and 6,146 shares issued and outstanding as of September 30, 2023 and December 31, 2022, respectively   | —                   | 1                   |
| Accumulated other comprehensive loss   | (684)               | (448)               |
| Additional paid in capital   | 570,397             | 505,144             |
| Accumulated deficit  | (726,800)           | (703,717)           |
| Total stockholders' deficit attributable to Planet Fitness Inc.  | <u>(157,078)</u>    | <u>(199,012)</u>    |
| Non-controlling interests  | (7,852)             | (12,549)            |
| Total stockholders' deficit  | <u>(164,930)</u>    | <u>(211,561)</u>    |
| Total liabilities and stockholders' deficit  | <u>\$ 2,944,847</u> | <u>\$ 2,854,589</u> |

See accompanying notes to condensed consolidated financial statements

**Planet Fitness, Inc. and subsidiaries**  
**Condensed consolidated statements of operations (Unaudited)**  
**(Amounts in thousands, except per share amounts)**

|                                   | For the three months ended |                | For the nine months ended |                |
|-----------------------------------|----------------------------|----------------|---------------------------|----------------|
|                                   | September 30,              |                | September 30,             |                |
|                                   | 2023                       | 2022           | 2023                      | 2022           |
| Revenue:                          |                            |                |                           |                |
| Franchise                         | \$ 80,587                  | \$ 66,168      | \$ 237,313                | \$ 200,243     |
| National advertising fund revenue | 17,578                     | 14,578         | 52,378                    | 43,130         |
| Corporate-owned stores            | 113,245                    | 101,330        | 332,885                   | 278,940        |
| Equipment                         | 66,141                     | 62,310         | 163,664                   | 133,191        |
| Total revenue                     | <u>277,551</u>             | <u>244,386</u> | <u>786,240</u>            | <u>655,504</u> |
| Operating costs and expenses:     |                            |                |                           |                |

|  |           |           |          |           |
|--|-----------|-----------|----------|-----------|
| Cost of revenue  | 53,751    | 48,531    | 132,561  | 103,436   |
| Store operations   | 63,120    | 57,892    | 188,011  | 161,789   |
| Selling, general and administrative                          | 33,290    | 27,148    | 93,705   | 86,176    |
| National advertising fund expense                            | 17,618    | 17,009    | 52,496   | 50,445    |
| Depreciation and amortization                                | 37,477    | 32,572    | 110,254  | 90,427    |
| Other (gains) losses, net                                    | (56)      | (700)     | 7,705    | (2,452)   |
| Total operating costs and expenses                           | 205,200   | 182,452   | 584,732  | 489,821   |
| Income from operations                                       | 72,351    | 61,934    | 201,508  | 165,683   |
| Other expense, net:  |           |           |          |           |
| Interest income  | 4,245     | 1,561     | 12,339   | 2,244     |
| Interest expense   | (21,704)  | (21,917)  | (64,771) | (66,527)  |
| Other income, net  | 148       | 4,762     | 631      | 9,000     |
| Total other expense, net                                     | (17,311)  | (15,594)  | (51,801) | (55,283)  |
| Income before income taxes                                   | 55,040    | 46,340    | 149,707  | 110,400   |
| Equity losses of unconsolidated entities, net of tax         | (242)     | (2)       | (580)    | (334)     |
| Provision for income taxes                                   | 13,474    | 15,661    | 38,855   | 35,942    |
| Net income   | 41,324    | 30,677    | 110,272  | 74,124    |
| Less net income attributable to non-controlling interests    | 2,190     | 3,764     | 7,299    | 8,405     |
| Net income attributable to Planet Fitness, Inc.              | \$ 39,134 | \$ 26,913 | 102,973  | \$ 65,719 |
| Net income per share of Class A common stock:                |           |           |          |           |
| Basic  | \$ 0.46   | \$ 0.32   | \$ 1.22  | \$ 0.78   |
| Diluted  | \$ 0.46   | \$ 0.32   | \$ 1.21  | \$ 0.78   |
| Weighted-average shares of Class A common stock outstanding: |           |           |          |           |
| Basic  | 84,610    | 84,156    | 84,558   | 84,377    |
| Diluted  | 84,886    | 84,547    | 84,870   | 84,798    |

| (in thousands, except per share amounts)   | March 31, 2024 | December 31, 2023 |
|--|----------------|-------------------|
| <b>Assets</b>  |                |                   |
| Current assets:  |                |                   |
| Cash and cash equivalents  | \$ 301,707     | \$ 275,842        |
| Restricted cash  | 46,190         | 46,279            |
| Short-term marketable securities   | 93,362         | 74,901            |
| Accounts receivable, net of allowances for uncollectible amounts of \$0 and \$0 as of March 31, 2024 and December 31, 2023, respectively     | 23,837         | 41,890            |
| Inventory  | 4,959          | 4,677             |
| Restricted assets - national advertising fund  | 17,945         | —                 |
| Prepaid expenses   | 18,945         | 13,842            |
| Other receivables  | 12,513         | 11,072            |
| Income tax receivable  | 1,324          | 3,314             |
| Total current assets   | 520,782        | 471,817           |
| Long-term marketable securities  | 45,165         | 50,886            |
| Investments, net of allowance for expected credit losses of \$18,164 and \$17,689 as of March 31, 2024 and December 31, 2023, respectively   | 76,360         | 77,507            |
| Property and equipment, net of accumulated depreciation of \$349,068 and \$322,958, as of March 31, 2024 and December 31, 2023, respectively | 382,019        | 390,405           |
| Right-of-use assets, net   | 385,796        | 381,010           |
| Intangible assets, net   | 359,750        | 372,507           |
| Goodwill   | 719,074        | 717,502           |
| Deferred income taxes  | 499,839        | 504,188           |
| Other assets, net  | 3,993          | 3,871             |
| Total assets   | \$ 2,992,778   | \$ 2,969,693      |
| <b>Liabilities and stockholders' deficit</b>   |                |                   |
| Current liabilities:   |                |                   |
| Current maturities of long-term debt   | \$ 20,750      | \$ 20,750         |

|   |              |              |
|---|--------------|--------------|
| Accounts payable  | 20,560       | 23,788       |
| Accrued expenses  | 43,709       | 66,299       |
| Equipment deposits  | 7,594        | 4,506        |
| Deferred revenue, current   | 77,263       | 59,591       |
| Payable pursuant to tax benefit arrangements, current   | 41,294       | 41,294       |
| Other current liabilities   | 35,331       | 35,101       |
| Total current liabilities   | 246,501      | 251,329      |
| Long-term debt, net of current maturities   | 1,959,032    | 1,962,874    |
| Lease liabilities, net of current portion   | 390,399      | 381,589      |
| Deferred revenue, net of current portion  | 33,820       | 32,047       |
| Deferred tax liabilities  | 1,666        | 1,644        |
| Payable pursuant to tax benefit arrangements, net of current portion  | 456,700      | 454,368      |
| Other liabilities   | 3,891        | 4,833        |
| Total noncurrent liabilities  | 2,845,508    | 2,837,355    |
| Commitments and contingencies (Note 13)   |              |              |
| Stockholders' equity (deficit):   |              |              |
| Class A common stock, \$0.0001 par value, 300,000 shares authorized, 86,832 and 86,760 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively | 9            | 9            |
| Class B common stock, \$0.0001 par value, 100,000 shares authorized, 1,071 and 1,397 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively   | —            | —            |
| Accumulated other comprehensive (loss) income   | (435)        | 172          |
| Additional paid in capital  | 581,332      | 575,631      |
| Accumulated deficit   | (677,321)    | (691,461)    |
| Total stockholders' deficit attributable to Planet Fitness, Inc.  | (96,415)     | (115,649)    |
| Non-controlling interests   | (2,816)      | (3,342)      |
| Total stockholders' deficit   | (99,231)     | (118,991)    |
| Total liabilities and stockholders' deficit   | \$ 2,992,778 | \$ 2,969,693 |

See accompanying notes to condensed consolidated financial statements. statements

**Planet Fitness, Inc. and subsidiaries Subsidiaries**  
**Condensed consolidated statements Consolidated Statements of comprehensive income Operations (Unaudited)**  
**(Amounts in thousands)**

|  | For the three months ended |           | For the nine months ended |           |
|--|----------------------------|-----------|---------------------------|-----------|
|  | September 30,              |           | September 30,             |           |
|  | 2023                       | 2022      | 2023                      | 2022      |
| Net income including non-controlling interests                             | \$ 41,324                  | \$ 30,677 | \$ 110,272                | \$ 74,124 |
| Other comprehensive (loss) income, net:                                    |                            |           |                           |           |
| Foreign currency translation adjustments                                   | (393)                      | (516)     | 17                        | (638)     |
| Change in unrealized gain (loss) on marketable securities, net of tax      | 42                         | —         | (253)                     | —         |
| Total other comprehensive (loss) income, net                               | (351)                      | (516)     | (236)                     | (638)     |
| Total comprehensive income including non-controlling interests             | 40,973                     | 30,161    | 110,036                   | 73,486    |
| Less: total comprehensive income attributable to non-controlling interests | 2,190                      | 3,764     | 7,299                     | 8,405     |
| Total comprehensive income attributable to Planet Fitness, Inc.            | \$ 38,783                  | \$ 26,397 | \$ 102,737                | \$ 65,081 |

See accompanying notes to condensed consolidated financial statements.

**Planet Fitness, Inc. and subsidiaries**  
**Condensed consolidated statements of cash flows (Unaudited)**  
**(Amounts in thousands)**

|                                       | For the nine months ended September 30, |           |
|---------------------------------------|---|-----------|
|                                       | 2023                                    | 2022      |
| Cash flows from operating activities: |   |           |
| Net income                            | \$ 110,272                              | \$ 74,124 |

|   |            |            |
|---|------------|------------|
| Adjustments to reconcile net income to net cash provided by operating activities: |            |            |
| Depreciation and amortization   | 110,254    | 90,427     |
| Amortization of deferred financing costs  | 4,114      | 4,129      |
| Write-off of deferred financing costs   | —          | 1,583      |
| Accretion of marketable securities discount                                       | (2,224)    | —          |
| Dividends accrued on investment   | (1,490)    | (1,391)    |
| Deferred tax expense  | 34,884     | 35,026     |
| Equity losses of unconsolidated entities, net of tax                              | 580        | 334        |
| Gain on adjustment of allowance for credit losses on held-to-maturity investment  | (6)        | (1,572)    |
| Gain on re-measurement of tax benefit arrangement                                 | —          | (8,381)    |
| Loss on reacquired franchise rights   | 110        | 1,160      |
| Gain on sale of corporate-owned stores  | —          | (1,324)    |
| Equity-based compensation   | 6,326      | 6,942      |
| Other   | 133        | 267        |
| Changes in operating assets and liabilities, excluding effects of acquisitions:   |            |            |
| Accounts receivable   | 10,086     | (7,477)    |
| Inventory   | (2,270)    | (3,071)    |
| Other assets and other current assets   | (1,722)    | (567)      |
| Restricted liabilities (assets) - national advertising fund                       | 805        | (1,773)    |
| Accounts payable and accrued expenses   | (7,488)    | (22,521)   |
| Other liabilities and other current liabilities                                   | 6,855      | 1,728      |
| Income taxes  | (104)      | (2,111)    |
| Payable pursuant to tax benefit arrangements                                      | (21,780)   | (14,211)   |
| Equipment deposits  | 5,495      | 26,049     |
| Deferred revenue  | 9,428      | 11,506     |
| Leases  | 4,662      | 1,550      |
| Net cash provided by operating activities   | 266,920    | 190,426    |
| Cash flows from investing activities:   |            |            |
| Additions to property and equipment   | (84,636)   | (65,138)   |
| Acquisition of franchisees, net of cash acquired                                  | (26,264)   | (424,940)  |
| Proceeds from sale of corporate-owned stores                                      | —          | 20,820     |
| Proceeds from sale of property and equipment                                      | 2          | 60         |
| Purchases of marketable securities  | (155,007)  | —          |
| Maturities of marketable securities   | 37,990     | —          |
| Other investments   | (20,000)   | —          |
| Net cash used in investing activities   | (247,915)  | (469,198)  |
| Cash flows from financing activities:   |            |            |
| Principal payments on capital lease obligations                                   | (152)      | (207)      |
| Proceeds from issuance of long-term debt  | —          | 900,000    |
| Proceeds from issuance of Variable Funding Notes                                  | —          | 75,000     |
| Repayment of long-term debt and Variable Funding Notes                            | (15,563)   | (719,625)  |
| Payment of financing and other debt-related costs                                 | —          | (15,951)   |
| Proceeds from issuance of Class A common stock                                    | 8,575      | 779        |
| Repurchase and retirement of Class A common stock                                 | (125,030)  | (94,314)   |
| Distributions paid to members of Pla-Fit Holdings                                 | (4,216)    | (2,945)    |
| Net cash (used in) provided by financing activities                               | (136,386)  | 142,737    |
| Effects of exchange rate changes on cash and cash equivalents                     | 233        | (729)      |
| Net decrease in cash, cash equivalents and restricted cash                        | (117,148)  | (136,764)  |
| Cash, cash equivalents and restricted cash, beginning of period                   | 472,499    | 603,941    |
| Cash, cash equivalents and restricted cash, end of period                         | \$ 355,351 | \$ 467,177 |



|  |    |        |            |
|--|----|--------|------------|
| Supplemental cash flow information:                                |    |        |            |
| Net cash paid for income taxes                                     | \$ | 4,394  | \$ 3,072   |
| Cash paid for interest   | \$ | 60,964 | \$ 60,535  |
| Non-cash investing & financing activities:                         |    |        |            |
| Non-cash additions to property and equipment                       | \$ | 20,590 | \$ 11,566  |
| Accrued taxes on share repurchases                                 | \$ | 1,048  | \$ —       |
| Fair value of common stock issued as consideration for acquisition | \$ | —      | \$ 393,730 |

| (in thousands, except per share amounts)                     | Three Months Ended March 31, |           |
|--|------------------------------|-----------|
|  | 2024                         | 2023      |
| Revenue:   |                              |           |
| Franchise  | \$ 84,234                    | \$ 75,878 |
| National advertising fund revenue                            | 19,786                       | 16,804    |
| Corporate-owned stores                                       | 122,378                      | 105,882   |
| Equipment  | 21,619                       | 23,661    |
| Total revenue  | 248,017                      | 222,225   |
| Operating costs and expenses:                                |                              |           |
| Cost of revenue  | 18,993                       | 19,354    |
| Store operations   | 74,353                       | 66,015    |
| Selling, general and administrative                          | 29,193                       | 27,767    |
| National advertising fund expense                            | 19,792                       | 16,987    |
| Depreciation and amortization                                | 39,380                       | 36,010    |
| Other losses, net  | 484                          | 3,936     |
| Total operating costs and expenses                           | 182,195                      | 170,069   |
| Income from operations                                       | 65,822                       | 52,156    |
| Other income (expense), net:                                 |                              |           |
| Interest income  | 5,461                        | 3,931     |
| Interest expense   | (21,433)                     | (21,599)  |
| Other income, net  | 647                          | 113       |
| Total other expense, net                                     | (15,325)                     | (17,555)  |
| Income before income taxes                                   | 50,497                       | 34,601    |
| Provision for income taxes                                   | 14,324                       | 9,567     |
| Losses from equity-method investments, net of tax            | (1,200)                      | (265)     |
| Net income   | 34,973                       | 24,769    |
| Less net income attributable to non-controlling interests    | 664                          | 2,064     |
| Net income attributable to Planet Fitness, Inc.              | \$ 34,309                    | \$ 22,705 |
| Net income per share of Class A common stock:                |                              |           |
| Basic  | \$ 0.39                      | \$ 0.27   |
| Diluted  | \$ 0.39                      | \$ 0.27   |
| Weighted-average shares of Class A common stock outstanding: |                              |           |
| Basic  | 86,909                       | 84,444    |
| Diluted  | 87,222                       | 84,787    |

See accompanying notes to condensed consolidated financial statements.

Planet Fitness, Inc. and subsidiaries  
Condensed consolidated statements Consolidated Statements of changes in equity (deficit) Comprehensive Income (Unaudited)  
(Amounts in thousands)

|   | Class A<br>common stock |        | Class B<br>common stock |        | Accumulated<br>other | Additional paid-<br>in capital | Accumulated<br>deficit | Non-controlling<br>interests | Total (deficit)<br>equity |
|---|-------------------------|--------|-------------------------|--------|----------------------|--------------------------------|------------------------|------------------------------|---------------------------|
|   | Shares                  | Amount | Shares                  | Amount | comprehensive loss   |                                |                        |                              |                           |
|   |                         |        |                         |        |                      |                                |                        |                              |                           |
| Balance at December 31, 2022  | 83,430                  | \$ 8   | 6,146                   | \$ 1   | \$ (448)             | \$ 505,144                     | \$ (703,717)           | \$ (12,549)                  | \$ (211,561)              |
| Net income  | —                       | —      | —                       | —      | —                    | —                              | 102,973                | 7,299                        | 110,272                   |
| Equity-based compensation expense   | —                       | —      | —                       | —      | —                    | 6,326                          | —                      | —                            | 6,326                     |
| Exchanges of Class B common stock and other adjustments   | 3,413                   | 1      | (3,413)                 | (1)    | —                    | (9,096)                        | —                      | 9,096                        | —                         |
| Repurchase and retirement of Class A common stock   | (1,699)                 | —      | —                       | —      | —                    | 3,117                          | (126,078)              | (3,117)                      | (126,078)                 |
| Exercise of stock options, vesting of restricted share units and ESPP share purchase                                      | 266                     | —      | —                       | —      | —                    | 8,611                          | —                      | —                            | 8,611                     |
| Tax benefit arrangement liability and deferred taxes arising from exchanges of Class B common stock and other adjustments | —                       | —      | —                       | —      | —                    | 56,295                         | —                      | —                            | 56,295                    |
| Non-cash adjustments to VIEs  | —                       | —      | —                       | —      | —                    | —                              | —                      | (389)                        | (389)                     |
| Deconsolidation of VIEs   | —                       | —      | —                       | —      | —                    | —                              | 22                     | (3,976)                      | (3,954)                   |
| Distributions paid to members of Pla-Fit Holdings   | —                       | —      | —                       | —      | —                    | —                              | —                      | (4,216)                      | (4,216)                   |
| Other comprehensive loss  | —                       | —      | —                       | —      | (236)                | —                              | —                      | —                            | (236)                     |
| Balance at September 30, 2023   | 85,410                  | \$ 9   | 2,733                   | \$ —   | \$ (684)             | \$ 570,397                     | \$ (726,800)           | \$ (7,852)                   | \$ (164,930)              |

|   | Class A<br>common stock |        | Class B<br>common stock |        | Accumulated<br>other        | Additional paid-<br>in capital | Accumulated<br>deficit | Non-controlling<br>interests | Total (deficit)<br>equity |
|---|-------------------------|--------|-------------------------|--------|-----------------------------|--------------------------------|------------------------|------------------------------|---------------------------|
|   | Shares                  | Amount | Shares                  | Amount | comprehensive income (loss) |                                |                        |                              |                           |
|   |                         |        |                         |        |                             |                                |                        |                              |                           |
| Balance at December 31, 2021  | 83,804                  | \$ 8   | 3,056                   | \$ 1   | \$ 12                       | \$ 63,428                      | \$ (708,804)           | \$ 2,510                     | \$ (642,845)              |
| Net income  | —                       | —      | —                       | —      | —                           | —                              | 65,719                 | 8,405                        | 74,124                    |
| Equity-based compensation expense   | —                       | —      | —                       | —      | —                           | 6,942                          | —                      | —                            | 6,942                     |
| Exchanges of Class B common stock and other adjustments   | 548                     | —      | (548)                   | —      | —                           | 22,534                         | —                      | (22,534)                     | —                         |
| Repurchase and retirement of Class A common stock   | (1,528)                 | —      | —                       | —      | —                           | 6,426                          | (94,314)               | (6,426)                      | (94,314)                  |
| Exercise of stock options, vesting of restricted share units and ESPP share purchase                                      | 73                      | —      | —                       | —      | —                           | 998                            | —                      | —                            | 998                       |
| Issuance of common stock for acquisition  | 517                     | —      | 3,638                   | —      | —                           | 416,509                        | —                      | (22,779)                     | 393,730                   |
| Tax benefit arrangement liability and deferred taxes arising from exchanges of Class B common stock and other adjustments | —                       | —      | —                       | —      | —                           | 17,528                         | —                      | —                            | 17,528                    |
| Non-cash adjustments to VIEs  | —                       | —      | —                       | —      | —                           | —                              | —                      | (686)                        | (686)                     |
| Distributions paid to members of Pla-Fit Holdings   | —                       | —      | —                       | —      | —                           | —                              | —                      | (2,945)                      | (2,945)                   |
| Other comprehensive loss  | —                       | —      | —                       | —      | (638)                       | —                              | —                      | —                            | (638)                     |
| Balance at September 30, 2022   | 83,414                  | \$ 8   | 6,146                   | \$ 1   | \$ (626)                    | \$ 534,365                     | \$ (737,399)           | \$ (44,455)                  | \$ (248,106)              |

| (in thousands)                                       | Three Months Ended March 31, |           |
|--|------------------------------|-----------|
|  | 2024                         | 2023      |
|  |                              |           |
| Net income including non-controlling interests       | \$ 34,973                    | \$ 24,769 |
| Other comprehensive income, net:                     |                              |           |
| Foreign currency translation adjustments             | (212)                        | 81        |
| Unrealized loss on marketable securities, net of tax | (395)                        | —         |

|  |           |           |
|--|-----------|-----------|
| Total other comprehensive (loss) income, net                               | (607)     | 81        |
| Total comprehensive income including non-controlling interests             | 34,366    | 24,850    |
| Less: total comprehensive income attributable to non-controlling interests | 664       | 2,064     |
| Total comprehensive income attributable to Planet Fitness, Inc.            | \$ 33,702 | \$ 22,786 |

See accompanying notes to condensed consolidated financial statements.

|   | Class A<br>common stock |        | Class B<br>common stock |        | Accumulated<br>other<br>comprehensive<br>loss | Additional paid-<br>in capital | Accumulated<br>deficit | Non-controlling<br>interests | Total (deficit)<br>equity |
|---|-------------------------|--------|-------------------------|--------|---|--------------------------------|------------------------|------------------------------|---------------------------|
|   | Shares                  | Amount | Shares                  | Amount |   |                                |                        |                              |                           |
| Balance at June 30, 2023  | 83,980                  | \$ 9   | 4,151                   | \$ —   | \$ (333)                                      | \$ 564,170                     | \$ (765,815)           | \$ (13,992)                  | \$ (215,961)              |
| Net income  | —                       | —      | —                       | —      | —   | —                              | 39,134                 | 2,190                        | 41,324                    |
| Equity-based compensation expense   | —                       | —      | —                       | —      | —   | 1,533                          | —                      | —                            | 1,533                     |
| Exchanges of Class B common stock   | 1,418                   | —      | (1,418)                 | —      | —   | (4,430)                        | —                      | 4,430                        | —                         |
| Exercise of stock options, vesting of restricted share units and ESPP share purchase                | 12                      | —      | —                       | —      | —   | 591                            | —                      | —                            | 591                       |
| Tax benefit arrangement liability and deferred taxes arising from exchanges of Class B common stock | —                       | —      | —                       | —      | —   | 8,533                          | —                      | —                            | 8,533                     |
| Deconsolidation of VIEs   | —                       | —      | —                       | —      | —   | —                              | (119)                  | —                            | (119)                     |
| Distributions paid to members of Pla-Fit Holdings   | —                       | —      | —                       | —      | —   | —                              | —                      | (480)                        | (480)                     |
| Other comprehensive loss  | —                       | —      | —                       | —      | (351)   | —                              | —                      | —                            | (351)                     |
| Balance at September 30, 2023   | 85,410                  | \$ 9   | 2,733                   | \$ —   | \$ (684)                                      | \$ 570,397                     | \$ (726,800)           | \$ (7,852)                   | \$ (164,930)              |

**Planet Fitness, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Cash Flows (Unaudited)**

| (in thousands)  | Three Months Ended March 31, |           |
|---|------------------------------|-----------|
|   | 2024                         | 2023      |
| Cash flows from operating activities:   |                              |           |
| Net income  | \$ 34,973                    | \$ 24,769 |
| Adjustments to reconcile net income to net cash provided by operating activities: |                              |           |
| Depreciation and amortization   | 39,380                       | 36,010    |
| Amortization of deferred financing costs  | 1,346                        | 1,360     |
| Accretion of marketable securities discount                                       | (871)                        | —         |
| Losses from equity-method investments, net of tax                                 | 1,200                        | 265       |
| Dividends accrued on held-to-maturity investment                                  | (528)                        | (483)     |
| Credit loss on held-to-maturity investment  | 475                          | 255       |
| Deferred tax expense  | 11,367                       | 8,082     |
| Gain on re-measurement of tax benefit arrangement liability                       | (362)                        | —         |
| Loss on disposal of property and equipment  | 867                          | —         |
| Equity-based compensation expense   | 975                          | 2,049     |
| Other   | (41)                         | (44)      |
| Changes in operating assets and liabilities, net of acquisitions:                 |                              |           |
| Accounts receivable   | 18,084                       | 25,619    |
| Inventory   | (287)                        | 266       |
| Other assets and other current assets   | (6,444)                      | 2,010     |
| Restricted assets - national advertising fund                                     | (17,945)                     | (13,387)  |
| Accounts payable and accrued expenses   | (18,530)                     | (19,928)  |

|  |            |            |
|--|------------|------------|
| Other liabilities and other current liabilities  | (548)      | 4,907      |
| Income taxes   | 1,943      | 2,736      |
| Equipment deposits   | 3,088      | 4,408      |
| Deferred revenue   | 19,519     | 19,395     |
| Leases   | 2,071      | (379)      |
| Net cash provided by operating activities  | 89,732     | 97,910     |
| Cash flows from investing activities:  |            |            |
| Additions to property and equipment  | (26,311)   | (22,997)   |
| Purchases of marketable securities   | (34,922)   | —          |
| Maturities of marketable securities  | 22,589     | —          |
| Net cash used in investing activities  | (38,644)   | (22,997)   |
| Cash flows from financing activities:  |            |            |
| Proceeds from issuance of Class A common stock   | 450        | 6,748      |
| Principal payments on capital lease obligations  | (36)       | (56)       |
| Repayment of long-term debt and variable funding notes   | (5,188)    | (5,188)    |
| Repurchase and retirement of Class A common stock  | (20,005)   | (25,005)   |
| Distributions paid to members of Pla-Fit Holdings  | (218)      | (1,106)    |
| Net cash used in financing activities  | (24,997)   | (24,607)   |
| Effects of exchange rate changes on cash and cash equivalents                                  | (315)      | 198        |
| Net increase in cash, cash equivalents and restricted cash                                     | 25,776     | 50,504     |
| Cash, cash equivalents and restricted cash, beginning of period                                | 322,121    | 472,499    |
| Cash, cash equivalents and restricted cash, end of period                                      | \$ 347,897 | \$ 523,003 |
| Supplemental cash flow information:  |            |            |
| Cash paid for interest   | \$ 20,165  | \$ 20,373  |
| Net cash paid for (refund received) income taxes   | \$ 1,013   | \$ (1,016) |
| Non-cash investing activities:   |            |            |
| Non-cash additions to property and equipment included in accounts payable and accrued expenses | \$ 11,400  | \$ 11,682  |

See accompanying notes to condensed consolidated financial statements.

**Planet Fitness, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Changes in Equity (Deficit) (Unaudited)**

|   |   |        |                         |        |                                |                                   |                        |                                  |                              |             | Class A<br>common<br>stock | Class B<br>common<br>stock | Accumulated<br>other<br>comprehensive<br>income (loss) | Additional<br>paid-<br>in capital | Accumulated<br>deficit | Non-<br>controlling<br>interests | Total<br>(deficit)<br>equity |
|---|---|--------|-------------------------|--------|--------------------------------|-----------------------------------|------------------------|----------------------------------|------------------------------|-------------|----------------------------|----------------------------|--|-----------------------------------|------------------------|----------------------------------|------------------------------|
|   | Class A<br>common stock                           |        | Class B<br>common stock |        | other<br>comprehensive<br>loss | Additional<br>paid-<br>in capital | Accumulated<br>deficit | Non-<br>controlling<br>interests | Total<br>(deficit)<br>equity |             |                            |                            |  |                                   |                        |                                  |                              |
|   | Shares  | Amount | Shares                  | Amount |                                |                                   |                        |                                  |                              |             |                            |                            |  |                                   |                        |                                  |                              |
|   |   |        |                         |        |                                |                                   |                        |                                  |                              |             |                            |                            |  |                                   |                        |                                  |                              |
| Balance at June 30, 2022                          |   | 84,230 | \$ 8                    | 6,146  | \$ 1                           | \$ (110)                          | \$529,026              | \$ (714,297)                     | \$(43,636)                   | \$(229,008) |                            |                            |  |                                   |                        |                                  |                              |
| (In thousands)                                    |   |        |                         |        |                                |                                   |                        |                                  |                              |             |                            |                            |  |                                   |                        |                                  |                              |
| Balance at December 31, 2023                      |   |        |                         |        |                                |                                   |                        |                                  |                              |             |                            |                            |  |                                   |                        |                                  |                              |
| Balance at December 31, 2023                      |   |        |                         |        |                                |                                   |                        |                                  |                              |             |                            |                            |  |                                   |                        |                                  |                              |
| Balance at December 31, 2023                      |   |        |                         |        |                                |                                   |                        |                                  |                              |             |                            |                            |  |                                   |                        |                                  |                              |
| Net income  | Net income  | —      | —                       | —      | —                              | —                                 | —                      | 26,913                           | 3,764                        | 30,677      |                            |                            |  |                                   |                        |                                  |                              |
| Equity-based compensation expense                 | Equity-based compensation expense                 | —      | —                       | —      | —                              | —                                 | 1,341                  | —                                | —                            | 1,341       |                            |                            |  |                                   |                        |                                  |                              |
| Repurchase and retirement of Class A common stock | Repurchase and retirement of Class A common stock | (831)  | —                       | —      | —                              | —                                 | 3,432                  | (50,015)                         | (3,432)                      | (50,015)    |                            |                            |  |                                   |                        |                                  |                              |

|   |        |      |       |      |          |           |              |             |              |
|---|--------|------|-------|------|----------|-----------|--------------|-------------|--------------|
| Exercise of stock options, vesting of restricted share units and ESPP share purchase                                      | 15     | —    | —     | —    | —        | 624       | —            | —           | 624          |
| Tax benefit arrangement liability and deferred taxes arising from exchanges of Class B common stock and other adjustments | —      | —    | —     | —    | —        | (58)      | —            | —           | (58)         |
| Non-cash adjustments to VIEs  | —      | —    | —     | —    | —        | —         | —            | (229)       | (229)        |
| Exchanges of Class B common stock and other adjustments   |        |      |       |      |          |           |              |             |              |
| Vesting of restricted share units and ESPP share purchase   |        |      |       |      |          |           |              |             |              |
| Tax benefit arrangement liability and deferred taxes arising from exchanges of Class B common stock                       |        |      |       |      |          |           |              |             |              |
| Distributions paid to members of Pla-Fit Holdings   | —      | —    | —     | —    | —        | —         | —            | (922)       | (922)        |
| Other comprehensive loss  | —      | —    | —     | —    | (516)    | —         | —            | —           | (516)        |
| Balance at September 30, 2022   | 83,414 | \$ 8 | 6,146 | \$ 1 | \$ (626) | \$534,365 | \$ (737,399) | \$ (44,455) | \$ (248,106) |
| Balance at March 31, 2024   |        |      |       |      |          |           |              |             |              |

| (In thousands)  | Class A<br>common stock |        | Class B<br>common stock |        | Accumulated<br>other<br>comprehensive (loss)<br>income | Additional paid-<br>in capital | Accumulated<br>deficit | Non-controlling<br>interests | Total (deficit)<br>equity |
|---|-------------------------|--------|-------------------------|--------|--|--------------------------------|------------------------|------------------------------|---------------------------|
|   | Shares                  | Amount | Shares                  | Amount |  |                                |                        |                              |                           |
| Balance at December 31, 2022  | 83,430                  | \$ 8   | 6,146                   | \$ 1   | \$ (448)   | \$ 505,144                     | \$ (703,717)           | \$ (12,549)                  | \$ (211,561)              |
| Net income  | —                       | —      | —                       | —      | —  | —                              | 22,705                 | 2,064                        | 24,769                    |
| Equity-based compensation expense   | —                       | —      | —                       | —      | —  | 2,049                          | —                      | —                            | 2,049                     |
| Repurchase and retirement of Class A common stock   | (318)                   | —      | —                       | —      | —  | —                              | (25,005)               | —                            | (25,005)                  |
| Exchanges of Class B common stock and other adjustments   | 1,901                   | 1      | (1,901)                 | (1)    | —  | (4,353)                        | —                      | 4,353                        | —                         |
| Exercise of stock options, vesting of restricted share units and ESPP share purchase                | 217                     | —      | —                       | —      | —  | 6,524                          | —                      | —                            | 6,524                     |
| Tax benefit arrangement liability and deferred taxes arising from exchanges of Class B common stock | —                       | —      | —                       | —      | —  | 45,903                         | —                      | —                            | 45,903                    |
| Non-cash adjustments to VIEs  | —                       | —      | —                       | —      | —  | —                              | —                      | (233)                        | (233)                     |

|  |        |      |       |      |          |            |              |            |              |
|--|--------|------|-------|------|----------|------------|--------------|------------|--------------|
| Distributions paid to members of Pla-Fit |        |      |       |      |          |            |              |            |              |
| Holdings                                 | —      | —    | —     | —    | —        | —          | —            | (1,106)    | (1,106)      |
| Other comprehensive income               | —      | —    | —     | —    | 81       | —          | —            | —          | 81           |
| Balance at March 31, 2023                | 85,230 | \$ 9 | 4,245 | \$ — | \$ (367) | \$ 555,267 | \$ (706,017) | \$ (7,471) | \$ (158,579) |

See accompanying notes to condensed consolidated financial statements.

**Planet Fitness, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated financial statements Financial Statements (Unaudited)**  
(Amounts in thousands, except share and per share amounts)

**(1) Business organization**

Planet Fitness, Inc. (the "Company"), through its subsidiaries, is a franchisor and operator of fitness centers, with more than 18.5 million approximately 19.6 million members and 2,498 2,599 owned and franchised locations (referred to as stores) in all 50 states, the District of Columbia, Puerto Rico, Canada, Panama, Mexico and Australia as of September 30, 2023 March 31, 2024.

The Company serves as the reporting entity for its various subsidiaries that operate three distinct lines of business:

- Licensing and selling franchises under the Planet Fitness trade name;
- Owning and operating fitness centers under the Planet Fitness trade name; and
- Selling fitness-related equipment to franchisee-owned stores.

In 2012 investment funds affiliated with TSG Consumer Partners, LLC ("TSG"), purchased interests in Pla-Fit Holdings.

The Company was formed as a Delaware corporation on March 16, 2015 for the purpose of facilitating an initial public offering (the "IPO") and related transactions in order to carry on the business of Pla-Fit Holdings, LLC and its subsidiaries ("Pla-Fit Holdings"). As of August 5, 2015, in connection with the recapitalization transactions, the Company became the sole managing member and holder of 100% of the voting power of Pla-Fit Holdings. Pla-Fit Holdings owns 100% of Planet Intermediate, LLC, which has no operations but is the 100% owner of Planet Fitness Holdings, LLC, a franchisor and operator of fitness centers. With respect to the Company, Pla-Fit Holdings and Planet Intermediate, LLC, each entity owns nothing other than the respective entity below it in the corporate structure and each entity has no other material operations.

The Company is a holding company whose principal asset is a controlling equity interest in the membership units ("Holdings Units") in Pla-Fit Holdings. As the sole managing member of Pla-Fit Holdings, the Company operates and controls all of the business and affairs of Pla-Fit Holdings, and through Pla-Fit Holdings, conducts its business. As a result, the Company consolidates Pla-Fit Holdings' financial results and reports a non-controlling interest related to the portion of Holdings Units not owned by the Company.

As of September 30, 2023 March 31, 2024, the Company held 100.0% of the voting interest and approximately 96.9% 98.8% of the economic interest in Pla-Fit Holdings and the owners of Holdings Units other than the Company (the "Continuing LLC Owners") held the remaining 3.1% 1.2% economic interest in Pla-Fit Holdings. As future exchanges of Holdings Units occur, the economic interest in Pla-Fit Holdings held by Planet Fitness, Inc. will increase.

**(2) Summary of significant accounting policies**

**(a) Basis of presentation and consolidation**

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC"). Accordingly, these interim financial statements do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the results of operations, financial position and cash flows for the periods presented have been reflected. All significant intercompany balances and transactions have been eliminated in consolidation.

The condensed consolidated financial statements as of and for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 are unaudited. The condensed consolidated balance sheet as of December 31, 2022 December 31, 2023 has been derived from the audited financial statements at that date but does not include all of the disclosures required by U.S. GAAP. These interim condensed consolidated financial statements should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2022 (the "Annual Report") December 31, 2023 filed with the SEC on March 1, 2023, as amended on March 2, 2023 February 29, 2024. The Company's significant interim accounting policies include the proportional recognition of national advertising fund expenses within interim periods. Operating results for the interim periods are not necessarily indicative of the results that may be expected for the full year. year ending December 31, 2024.

**Planet Fitness, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated financial statements Financial Statements (Unaudited)**  
(Amounts in thousands, except share and per share amounts)

**(b) Use of estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may

undertake in the future, they may ultimately differ from actual results. Significant areas where estimates and judgments are relied upon by management in the preparation of the condensed consolidated financial statements include revenue recognition, valuation of equity-based compensation awards, valuation of assets and liabilities acquired in business combinations, valuation of certain investments and other financial instruments including valuation of investments without readily determinable fair values, the evaluation of the recoverability of goodwill and long-lived assets, including intangible assets, allowance for expected credit losses, contingent liabilities, the present value of lease liabilities, income taxes, including deferred tax assets and liabilities, and the liability for the Company's tax benefit arrangements.

#### (c) Marketable securities

Marketable securities primarily consist of commercial paper, corporate debt securities, U.S. treasury securities, and U.S. government agency securities. We classify our marketable securities as available-for-sale at the time of purchase and reevaluate such classification at each balance sheet date. We may sell these securities at any time for use in current operations even if they have not yet reached maturity. The Company invests in a diversified portfolio of marketable securities and limits the concentration of its investment in any particular security. Securities with maturities greater than three months, but less than one year, are included in current assets and securities with maturities greater than one year are included within investments in non-current assets on the consolidated balance sheets. All marketable securities classified as available-for-sale are reported at fair value.

If the estimated fair value of an available-for-sale debt security is below its amortized cost basis, then the Company evaluates the security for impairment. The Company considers its intent to sell the security or whether it is more likely than not that it will be required to sell the security before recovery of its amortized basis. If either of these criteria are met, the debt security's amortized cost basis is written down to fair value through other income (expense), net in the consolidated statements of operations. If neither of these criteria are met, the Company evaluates whether unrealized losses have resulted from a credit loss or other factors. The factors considered in determining whether a credit loss exists can include the extent to which fair value is less than the amortized cost basis, changes to the rating of the security by a rating agency, any adverse conditions specifically related to the security, as well as other factors. An impairment relating to credit losses is recorded through an allowance for credit losses reported in other income (expense), net in the consolidated statements of operations. The allowance is limited by the amount that the fair value of the debt security is below its amortized cost basis. When a credit loss exists, the Company compares the present value of cash flows expected to be collected from the debt security with the amortized cost basis of the security to determine what allowance amount, if any, should be recorded. Unrealized gains or losses not resulting from credit losses are recorded through accumulated other comprehensive income (loss). Realized gains and losses from the sale of marketable securities are determined based on the specific identification method. Realized gains and losses are reported in other income (expense), net in the consolidated statements of operations. Interest income from marketable securities is recognized as earned within the condensed consolidated statement of operations.

#### (d) Fair value Value

ASC 820, *Fair Value Measurements and Disclosures*, establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. Categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows:

Level 1—Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2—Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3—Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

### Planet Fitness, Inc. Certain of the Company's financial instruments, including cash and subsidiaries

#### Notes to Condensed Consolidated financial statements (Unaudited)

(Amounts in thousands, except share cash equivalents, restricted cash, accounts receivable, accounts payable, accrued expenses and per share amounts)

The other current liabilities are carried at cost, which approximates their fair value measurements and levels because of marketable securities their short-term nature. See Note 3 for investments that are included in Note 3, measured at fair value on a recurring basis.

The carrying value and estimated fair value of certain liabilities as of September 30, 2023 and December 31, 2022 long-term debt were as follows:

|                               |                               | September 30, 2023 |                      | December 31, 2022 |                      |
|-------------------------------|-------------------------------|--------------------|----------------------|-------------------|----------------------|
|                               |                               | Carrying value     | Estimated fair value | Carrying value    | Estimated fair value |
| Liabilities                   |                               |                    |                      |                   |                      |
|                               |                               | March 31, 2024     |                      | March 31, 2024    |                      |
|                               |                               | Carrying value     | Estimated fair value | Carrying value    | Estimated fair value |
| Long-term debt <sup>(1)</sup> | Long-term debt <sup>(1)</sup> | \$ 2,009,625       | \$1,763,500          | \$2,025,188       | \$1,730,634          |

<sup>(1)</sup> The estimated fair value of the Company's fixed rate long-term debt is estimated primarily based on current bid prices for the long-term debt. Judgment is required to develop these estimates. As such, the fair value of long-term debt is classified within Level 2, as defined under U.S. GAAP.

#### (e) (d) Recent accounting pronouncements

There are no recentThe FASB issued ASU No. 2023-05, *Business Combinations-Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement*, in August 2023. The standard addresses the accounting pronouncements for contributions made to a joint venture, upon formation, in a joint venture's separate financial statements. The new standard is effective prospectively for all joint ventures with a formation date on or after January 1, 2025. The Company will apply the standard to any relevant transactions subsequent to the adoption date.

The FASB issued ASU No. 2023-07, *Improvements to Reportable Segment Disclosures*, in November 2023. The standard expands reportable segment disclosures by requiring disclosure of significant segment expenses that are expected regularly provided to have the Chief Operating Decision Maker ("CODM") and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a material reportable segment's profit or loss and assets. The new standard is effective for annual periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company is currently evaluating the impact of adoption on the Company's our financial position or results of operations, disclosures.

**Planet Fitness, Inc. and subsidiaries Subsidiaries**  
**Notes to Condensed Consolidated financial statements Financial Statements (Unaudited)**  
**(Amounts in thousands, except share and per share amounts)**

The FASB issued ASU No. 2023-09, *Improvements to Income Tax Disclosures*, in December 2023. The standard requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions and applies to all entities subject to income taxes. The new standard is effective for annual periods beginning after December 15, 2024. The Company is currently evaluating the impact of adoption on our financial disclosures.

**(3) Investments**

**Investments - Marketable securities**

The following table summarizes tables summarize the amortized cost, gross net unrealized gains (losses), and losses, fair value, and the level in the fair value hierarchy of the Company's cash equivalents and available-for-sale investments in marketable securities:

| September 30, 2023                |                |                  |                   |            |                  |                       |
|-----------------------------------|----------------|------------------|-------------------|------------|------------------|-----------------------|
|                                   | Amortized Cost | Unrealized Gains | Unrealized Losses | Fair Value | Cash Equivalents | Marketable Securities |
| Level 1                           |                |                  |                   |            |                  |                       |
| Money market funds                | \$ 981         | \$ —             | \$ —              | \$ 981     | \$ 981           | \$ —                  |
| Level 2                           |                |                  |                   |            |                  |                       |
| Commercial paper                  | 74,471         | —                | (86)              | 74,385     | 7,955            | 66,430                |
| Corporate debt securities         | 44,252         | —                | (157)             | 44,095     | —                | 44,095                |
| U.S. treasury securities          | 4,988          | —                | (5)               | 4,983      | —                | 4,983                 |
| U.S. government agency securities | 3,209          | —                | (5)               | 3,204      | —                | 3,204                 |
| Total level 2                     | 126,920        | —                | (253)             | 126,667    | 7,955            | 118,712               |
| Total                             | \$ 127,901     | \$ —             | \$ (253)          | \$ 127,648 | \$ 8,936         | \$ 118,712            |

The Company held no marketable securities as of December 31, 2022. The Company primarily invests in current marketable debt securities with a maximum weighted average duration of up to twelve months. securities. As of September 30, 2023 March 31, 2024, the fair value of non-current marketable debt securities with a maturity beyond twelve months from the end of the period was \$10,252, which are included within long-term marketable securities in the consolidated balance sheet. The remainder of the marketable securities are classified as current. had maturity dates that range from less than 1 month to approximately 24 months. Realized gains and losses were insignificant for the three months ended March 31, 2024 and 2023.

|                                  | Amortized Cost | Unrealized Gains | Unrealized Losses | Fair Value <sup>(1)</sup> | Level 1 | Level 2 |
|----------------------------------|----------------|------------------|-------------------|---------------------------|---------|---------|
| <b>March 31, 2024</b>            |                |                  |                   |                           |         |         |
| Cash equivalents                 |                |                  |                   |                           |         |         |
| Money market funds               | \$ 863         | \$ —             | \$ —              | \$ 863                    | \$ 863  | \$ —    |
| U.S. treasury securities         | 10,922         | —                | —                 | 10,922                    | —       | 10,922  |
| Commercial paper                 | 10,460         | —                | (8)               | 10,452                    | —       | 10,452  |
| Total cash equivalents           | 22,245         | —                | (8)               | 22,237                    | 863     | 21,374  |
| Short-term marketable securities |                |                  |                   |                           |         |         |
| Commercial paper                 | 44,100         | —                | (29)              | 44,071                    | —       | 44,071  |
| Corporate debt securities        | 42,917         | —                | (28)              | 42,889                    | —       | 42,889  |



|  |            |       |         |            |        |            |
|--|------------|-------|---------|------------|--------|------------|
| U.S. government agency securities      | 6,394      | 8     | —       | 6,402      | —      | 6,402      |
| Total short-term marketable securities | 93,411     | 8     | (57)    | 93,362     | —      | 93,362     |
| Long-term marketable securities        |            |       |         |            |        |            |
| Corporate debt securities              | 41,659     | 10    | —       | 41,669     | —      | 41,669     |
| U.S. government agency securities      | 3,500      | —     | (4)     | 3,496      | —      | 3,496      |
| Total long-term marketable securities  | 45,159     | 10    | (4)     | 45,165     | —      | 45,165     |
| Total marketable securities            | \$ 160,815 | \$ 18 | \$ (69) | \$ 160,764 | \$ 863 | \$ 159,901 |

**Planet Fitness, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**  
**(Amounts in thousands, except share and per share amounts)**

|  | Amortized Cost | Unrealized Gains | Unrealized Losses | Fair Value <sup>(1)</sup> | Level 1 | Level 2    |
|--|----------------|------------------|-------------------|---------------------------|---------|------------|
| <b>December 31, 2023</b>               |                |                  |                   |                           |         |            |
| Cash equivalents                       |                |                  |                   |                           |         |            |
| Money market funds                     | \$ 761         | \$ —             | \$ —              | \$ 761                    | \$ 761  | \$ —       |
| U.S. treasury securities               | 2,997          | 1                | —                 | 2,998                     | —       | 2,998      |
| Total cash equivalents                 | 3,758          | 1                | —                 | 3,759                     | 761     | 2,998      |
| Short-term marketable securities       |                |                  |                   |                           |         |            |
| Commercial paper                       | 37,063         | 24               | —                 | 37,087                    | —       | 37,087     |
| Corporate debt securities              | 34,632         | —                | (38)              | 34,594                    | —       | 34,594     |
| U.S. government agency securities      | 3,210          | 10               | —                 | 3,220                     | —       | 3,220      |
| Total short-term marketable securities | 74,905         | 34               | (38)              | 74,901                    | —       | 74,901     |
| Long-term marketable securities        |                |                  |                   |                           |         |            |
| Corporate debt securities              | 47,388         | 328              | —                 | 47,716                    | —       | 47,716     |
| U.S. government agency securities      | 3,151          | 19               | —                 | 3,170                     | —       | 3,170      |
| Total long-term marketable securities  | 50,539         | 347              | —                 | 50,886                    | —       | 50,886     |
| Total marketable securities            | \$ 129,202     | \$ 382           | \$ (38)           | \$ 129,546                | \$ 761  | \$ 128,785 |

<sup>(1)</sup> Fair values were determined using market prices obtained from third-party pricing sources.

For marketable securities with unrealized loss positions, the Company does not intend to sell these securities and it is more likely than not that the Company will hold these securities until maturity or a recovery of the cost basis and they are therefore all categorized as available for sale. No allowance for credit losses was recorded for these securities as of September 30, 2023 March 31, 2024.

**Investments - Held-to-maturity debt securities security**

As of September 30, 2023 March 31, 2024, the Company's debt security investment consists of redeemable preferred shares that are accounted for as a held-to-maturity investment, with a contractual maturity in 2026. investment. The Company's investment is measured at amortized cost within investments in the condensed consolidated balance sheets. The Company reviews its held-to-maturity securities for expected credit losses under ASC Topic 326, Financial Instruments – Credit Impairment Losses, on an ongoing basis.

During the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company's review of the investee's operations and financial position investment indicated that an adjustment to its allowance for expected credit losses was necessary. A roll forward of The Company utilized probability-of-default ("PD") and loss-given-default ("LGD") methodologies to calculate the Company's allowance for expected credit losses. The Company derived its estimates using historical lifetime loss information for assets with similar risk characteristics, adjusted for management's expectations. Adjustments for management's expectations were based on the investee's recent financial results, current financial position, and forward-looking financial forecasts. Based upon its analysis, the Company recorded a credit loss expense of \$475 and \$255 for the three months ended March 31, 2024 and 2023, respectively, on the adjustment of its allowance for credit losses within other (income) expense, net on held-to-maturity investments is as follows:

|   | Three months ended September 30, |           | Nine months ended September 30, |           |
|---|----------------------------------|-----------|---------------------------------|-----------|
|   | 2023                             | 2022      | 2023                            | 2022      |
| Beginning allowance for expected credit losses                    | \$ 15,052                        | \$ 15,617 | \$ 14,957                       | \$ 17,462 |
| (Gain) loss on adjustment of allowance for expected credit losses | (101)                            | 273       | (6)                             | (1,572)   |
| Write-offs, net of recoveries                                     | —                                | —         | —                               | —         |
| Ending allowance for expected credit losses                       | \$ 14,951                        | \$ 15,890 | \$ 14,951                       | \$ 15,890 |

the condensed consolidated statements of operations.

The amortized cost, including accrued dividends, of the Company's held-to-maturity debt security investments investment was \$29,767 \$30,871 and \$28,277 \$30,343 and the allowance for expected credit losses was \$14,951 \$18,164 and \$14,957, \$17,689, as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. During The amortized cost, net of the three months ended September 30, 2023 and 2022, the allowance for expected credit losses, approximates fair value. The Company recognized dividend income of \$511 \$528 and \$477, respectively, and \$483 during the nine three months ended September 30, 2023 March 31, 2024 and 2022, of \$1,490 and \$1,391, 2023, respectively, within other income (expense), net on the condensed consolidated statements of operations.

As of March 31, 2024, the Company's held-to-maturity investment had a contractual maturity in 2026.

A roll forward of the Company's allowance for expected credit losses on its held-to-maturity investment is as follows:

**Planet Fitness, Inc. and Subsidiaries Subsidiaries**  
**Notes to Condensed Consolidated financial statements Financial Statements (Unaudited)**  
(Amounts in thousands, except share and per share amounts)

|  | Three Months Ended March 31, |           |
|--|------------------------------|-----------|
|  | 2024                         | 2023      |
| Beginning allowance for expected credit losses             | \$ 17,689                    | \$ 14,957 |
| Loss on adjustment of allowance for expected credit losses | 475                          | 255       |
| Write-offs, net of recoveries                              | —                            | —         |
| Ending allowance for expected credit losses                | \$ 18,164                    | \$ 15,212 |

*Equity method investments*

On April 9, 2021 For the following investments, the Company recorded its proportionate share of the investees' earnings, prepared in accordance with GAAP, on a one-month lag, with an adjustment to eliminate unrealized profits on intra-entity sales, if any, and the amortization of basis differences, within losses from equity-method investments, net of tax on the condensed consolidated statements of operations. As of March 31, 2024, the Company acquired determined that no impairment of its equity method investments existed.

As of March 31, 2024 and December 31, 2023, the Company held a 21% 21.8% ownership interest in Bravo Fit Holdings Pty Ltd, a franchisee of the Company's franchisee Company and store operator in Australia, which is deemed to be a related party, for \$10,000. In a total investment carrying value of \$12,912 and \$13,220, respectively. The difference between the fourth quarter carrying amount of 2022, the Company invested an additional \$2,449 in Bravo Fit Holdings Pty Ltd. Following such additional investment, the Company's ownership remained at 21% investment and the underlying amount of equity in net assets of the investment was \$6,326 and \$6,812 as of March 31, 2024 and December 31, 2023, respectively. These basis differences are attributable to intangible assets, which are being amortized on a straight-line basis over a weighted-average life of 9 years, and equity method goodwill. For the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company's proportionate share of the earnings in accordance with the equity method was a loss of \$94 \$308 and \$2, \$265, respectively, which included amortization of basis difference of \$66 and for the nine months ended September 30, 2023 and 2022, the Company's proportionate share of the earnings was a loss of \$432 and \$334, respectively, recorded within equity earnings of unconsolidated entities on the condensed consolidated statement of operations. The adjusted carrying value of the equity method investment was \$11,370 and \$11,802 as of September 30, 2023 and December 31, 2022, \$65, respectively.

On June 23, 2023 As of March 31, 2024 and December 31, 2023, the Company acquired held a 12.5% 33.2% ownership interest for \$10,000 in Planet Fitmex, LLC, a franchisee of the Company and store operator in Mexico, which is deemed to be a related party and classified as an equity method investment as a result of its organizational structure. In August 2023, the Company invested an additional \$10,000 in Planet Fitmex, LLC. Following such additional investment, the Company's ownership stake increased to 22.2% with structure, for a total investment carrying value of \$20,000. Planet Fitmex, LLC, is a franchisee \$50,741 and \$51,633, respectively. The difference between the carrying amount of the Company, store operator Company's investment and the underlying amount of equity in Mexico, net assets of the investment was \$16,390 and \$17,458 as of March 31, 2024 and December 31, 2023, respectively. This basis difference is deemed attributable to be intangible assets, which are being amortized on a related party, straight-line basis over a weighted-average life of 9 years, and equity method goodwill. For both the three and nine months ended September 30, 2023 March 31, 2024, the Company's proportionate share of the earnings in accordance with the equity method was a loss of \$148 recorded within equity earnings \$892, which included amortization of unconsolidated entities on the condensed consolidated statement basis difference of operations. The adjusted carrying value of the equity method investment was \$19,852 as of September 30, 2023.

Subsequent to quarter end, in November 2023, the Company invested an additional \$15,596 in Planet Fitmex, LLC, and following such additional investment, the Company's ownership stake increased to 25.2%.

\$163.

**(4) Acquisitions**

**Sunshine Fitness acquisition**

On February 10, 2022, the Company and Pla-Fit Holdings (together with the Company, the "Buyers"), acquired 100% of the equity interests ("Sunshine Acquisition") of Sunshine Fitness Growth Holdings, LLC, a Delaware limited liability company and Planet Fitness franchisee ("Sunshine Fitness"). The Company acquired 114 stores in Alabama, Florida, Georgia, North Carolina, and South Carolina from Sunshine Fitness.

The following pro forma financial information for the nine months ended September 30, 2022 summarizes the combined results of operations for the Company and Sunshine Fitness, as though the companies were combined as of the beginning of 2021. The three and nine months ended September 30, 2023 and the three months ended September

30, 2022 total revenues, income before taxes, and net income are included within the condensed consolidated statements of operations.

|                     | For the nine months ended<br>September 30, 2022 |         |
|---------------------|---|---------|
| Total revenues      | \$  | 675,954 |
| Income before taxes |   | 110,246 |
| Net income          |   | 74,008  |

**Planet Fitness, Inc. and subsidiaries**  
**Notes to Condensed Consolidated financial statements (Unaudited)**  
**(Amounts in thousands, except share and per share amounts)**

## Acquisition

### Florida acquisition Acquisition

On April 16, 2023, the Company purchased from one of its franchisees a majority of the assets associated with four franchisee stores operating in Florida (the "Florida Acquisition") for approximately cash consideration of \$26,264. As a result of the transaction, the Company incurred a loss on unfavorable reacquired franchise rights of \$110, which is included in other losses, (gains), net on the condensed consolidated statement of operations. The loss incurred reduced the net purchase price to \$26,154. The Company financed the purchase through cash on hand. The acquired stores are included in the Corporate-owned stores segment.

**Planet Fitness, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**  
**(Amounts in thousands, except share and per share amounts)**

The preliminary allocation of the purchase consideration was as follows:

|                           | Amount |         |
|---------------------------|--------|---------|
| Property and equipment    | \$     | 3,851   |
| Right of use assets       |        | 5,424   |
| Other long-term assets    |        | 95      |
| Intangible assets         |        | 6,880   |
| Goodwill                  |        | 14,812  |
| Deferred revenue          |        | (687)   |
| Other current liabilities |        | (17)    |
| Lease liabilities         |        | (4,204) |
| Total                     | \$     | 26,154  |

The goodwill created through the purchase is attributable to the assumed future value of the cash flows from the stores acquired. The goodwill is amortizable and deductible for tax purposes over 15 years. years.

The following table sets forth the components of identifiable intangible assets acquired in the Florida Acquisition and their estimated useful lives in years as of the date of the acquisition:

|   | Preliminary Fair Value | Preliminary Useful Life |
|---|------------------------|-------------------------|
| Reacquired franchise rights <sup>(1)</sup>      | \$ 6,650               | 6.8                     |
| Customer relationships <sup>(2)</sup>           | 230                    | 6.0                     |
| Total intangible assets subject to amortization | \$ 6,880               |                         |

|   | Fair value | Useful life |
|---|------------|-------------|
| Reacquired franchise rights <sup>(1)</sup>      | \$ 6,650   | 6.8         |
| Customer relationships <sup>(2)</sup>           | 230        | 6.0         |
| Total intangible assets subject to amortization | \$ 6,880   |             |

<sup>(1)</sup> Reacquired franchise rights represent the fair value of the reacquired franchise agreements using the income approach, specifically, the multi-period excess earnings method.

<sup>(2)</sup> Customer relationships represent the fair value of the existing contractual customer relationships using the income approach, specifically, the multi-period excess earnings method.

The acquisition did not have a material effect on the results of operations of the Company.  
 Certain estimated values for the Florida Acquisition, including goodwill

**(5) Goodwill and intangible assets are not yet finalized**

Goodwill and are subject to revision related changes in its carrying amount were as additional information becomes available and more detailed analyses are completed, follows:

|                               | Amount     |
|-------------------------------|------------|
| Goodwill at December 31, 2023 | \$ 717,502 |
| Acquisition                   | 1,572      |
| Goodwill at March 31, 2024    | \$ 719,074 |

**(5) Sale The Company completed an immaterial acquisition of corporate-owned stores**

On August 31, 2022, an operating entity in Spain during the Company sold 6 corporate-owned stores located in Colorado to a franchisee for \$20,820. The net value first quarter of assets derecognized in connection with the sale amounted to \$19,496, which included goodwill of \$14,423, intangible assets of \$2,629, and net tangible assets of \$2,444, fiscal 2024, which resulted in a gain on sale the addition of \$1,572 in the carrying value of goodwill. The Company intends to open corporate-owned stores of \$1,324 during the three months ended September 30, 2022, through this entity.

**Planet Fitness, Inc. and Subsidiaries Subsidiaries**  
**Notes to Condensed Consolidated financial statements Financial Statements (Unaudited)**  
 (Amounts in thousands, except share and per share amounts)

**(6) Goodwill and intangible assets**

A summary of goodwill and intangible assets at September 30, 2023 and December 31, 2022 is as follows:

|  | Gross carrying amount | Accumulated amortization | Net carrying Amount |
|--|-----------------------|--------------------------|---------------------|
| <b>September 30, 2023</b>                        |                       |                          |                     |
| Customer relationships                           | \$ 199,043            | \$ (165,174)             | \$ 33,869           |
| Reacquired franchise and area development rights | 274,708               | (69,715)                 | 204,993             |
|  | 473,751               | (234,889)                | 238,862             |
| Indefinite-lived intangible:                     |                       |                          |                     |
| Trade and brand names                            | 146,600               | —                        | 146,600             |
| Total intangible assets                          | \$ 620,351            | \$ (234,889)             | \$ 385,462          |
| Goodwill   | \$ 717,502            | \$ —                     | \$ 717,502          |
| <b>December 31, 2022</b>                         |                       |                          |                     |
| Customer relationships                           | \$ 198,813            | \$ (153,243)             | \$ 45,570           |
| Reacquired franchise and area development rights | 268,058               | (43,161)                 | 224,897             |
|  | 466,871               | (196,404)                | 270,467             |
| Indefinite-lived intangible:                     |                       |                          |                     |
| Trade and brand names                            | 146,600               | —                        | 146,600             |
| Total intangible assets                          | \$ 613,471            | \$ (196,404)             | \$ 417,067          |
| Goodwill   | \$ 702,690            | \$ —                     | \$ 702,690          |

A roll forward of goodwill between December 31, 2022 and September 30, 2023 is as follows:

|  | Franchise | Corporate-owned stores | Equipment | Total      |
|--|-----------|------------------------|-----------|------------|
| As of December 31, 2022                | \$ 16,938 | \$ 593,086             | \$ 92,666 | \$ 702,690 |
| Acquisition of franchisee-owned stores | —         | 14,812                 | —         | 14,812     |
| As of September 30, 2023               | \$ 16,938 | \$ 607,898             | \$ 92,666 | \$ 717,502 |

|                                      | March 31, 2024        |                          |                     | December 31, 2023     |                          |                     |
|--------------------------------------|-----------------------|--------------------------|---------------------|-----------------------|--------------------------|---------------------|
|                                      | Gross carrying amount | Accumulated amortization | Net carrying Amount | Gross carrying amount | Accumulated amortization | Net carrying Amount |
| Finite-lived intangible assets:      |                       |                          |                     |                       |                          |                     |
| Customer relationships               | \$ 199,043            | \$ (173,087)             | \$ 25,956           | \$ 199,043            | \$ (169,155)             | \$ 29,888           |
| Reacquired franchise rights          | 274,708               | (87,514)                 | 187,194             | 274,708               | (78,689)                 | 196,019             |
| Total finite-lived intangible assets | 473,751               | (260,601)                | 213,150             | 473,751               | (247,844)                | 225,907             |
| Indefinite-lived intangible assets:  |                       |                          |                     |                       |                          |                     |
| Trade and brand names                | 146,600               | —                        | 146,600             | 146,600               | —                        | 146,600             |
| Total intangible assets              | \$ 620,351            | \$ (260,601)             | \$ 359,750          | \$ 620,351            | \$ (247,844)             | \$ 372,507          |

The Company determined that no impairment charges were required during any periods presented.

Amortization expense related to the finite-lived intangible assets totaled \$12,965, \$12,768 and \$10,611, \$12,587 for the three months ended September 30, 2023, March 31, 2024 and 2022, 2023, respectively and \$38,517 and \$29,644 for the nine months ended September 30, 2023 and 2022, respectively. The anticipated annual amortization expense related to intangible assets to be recognized in future years periods as of September 30, 2023, March 31, 2024 is as follows:

|                   | Amount    | Amount |
|-------------------|-----------|--------|
| Remainder of 2023 | \$ 12,954 |        |
| 2024              | 49,190    |        |
| Remainder of 2024 |           |        |
| 2025              | 36,713    |        |
| 2026              | 32,079    |        |
| 2027              | 27,956    |        |
| 2028              |           |        |
| Thereafter        | 79,970    |        |
| Total             | \$238,862 |        |

#### (6) Long-term debt

Long-term debt consists of the following:

|   | March 31, 2024 | December 31, 2023 |
|---|----------------|-------------------|
| 2018-1 Class A-2-II notes                                 | \$ 590,625     | \$ 592,187        |
| 2019-1 Class A-2 notes                                    | 526,625        | 528,000           |
| 2022-1 Class A-2-I notes                                  | 416,500        | 417,563           |
| 2022-1 Class A-2-II notes                                 | 465,500        | 466,688           |
| Total debt, excluding deferred financing costs            | 1,999,250      | 2,004,438         |
| Deferred financing costs, net of accumulated amortization | (19,468)       | (20,814)          |
| Total debt, net   | 1,979,782      | 1,983,624         |
| Current portion of long-term debt                         | 20,750         | 20,750            |
| Long-term debt, net of current portion                    | \$ 1,959,032   | \$ 1,962,874      |

Planet Fitness, Inc. and subsidiaries  
Notes to Condensed Consolidated financial statements (Unaudited)  
(Amounts in thousands, except share and per share amounts)

#### (7) Long-term debt

Long-term debt as of September 30, 2023 and December 31, 2022 consists of the following:

|                           | September 30, 2023 | December 31, 2022 |
|---------------------------|--------------------|-------------------|
| 2018-1 Class A-2-II notes | \$ 593,750         | \$ 598,438        |

|   |              |              |
|---|--------------|--------------|
| 2019-1 Class A-2 notes                                    | 529,375      | 533,500      |
| 2022-1 Class A-2-I notes                                  | 418,625      | 421,812      |
| 2022-1 Class A-2-II notes                                 | 467,875      | 471,437      |
| Total debt, excluding deferred financing costs            | 2,009,625    | 2,025,187    |
| Deferred financing costs, net of accumulated amortization | (22,193)     | (26,306)     |
| Total debt  | 1,987,432    | 1,998,881    |
| Current portion of long-term debt                         | 20,750       | 20,750       |
| Long-term debt, net of current portion                    | \$ 1,966,682 | \$ 1,978,131 |

Future annual principal payments of long-term debt as of **September 30, 2023** **March 31, 2024** are as follows:

|                   | Amount     | Amount      |
|-------------------|------------|-------------|
| Remainder of 2023 | \$ 5,188   |             |
| 2024              | 20,750     |             |
| Remainder of 2024 |            |             |
| 2025              | 2025       | 600,438     |
| 2026              | 2026       | 419,312     |
| 2027              | 2027       | 10,250      |
| 2028              |            |             |
| Thereafter        | Thereafter | 953,687     |
| Total             | Total      | \$2,009,625 |

On August 1, 2018, Planet Fitness Master Issuer LLC (the "Master Issuer"), a limited-purpose, bankruptcy remote, wholly-owned indirect subsidiary of Pla-Fit Holdings, LLC, entered into a base indenture and a related supplemental indenture (collectively, the "2018 Indenture") under which the Master Issuer may issue multiple series of notes. On the same date, the Master Issuer issued Series 2018-1 4.262% Fixed Rate Senior Secured Notes, Class A-2-I (the "2018 Class A-2-I Notes") with an initial principal amount of \$575,000 and Series 2018-1 4.666% Fixed Rate Senior Secured Notes, Class A-2-II (the "2018 Class A-2-II Notes" and, together with the 2018 Class A-2-I Notes, the "2018 Notes") with an initial principal amount of \$625,000. In connection with the issuance of the 2018 Notes, the Master Issuer also entered into a revolving financing facility that allows for the incurrence of up to \$75,000 in revolving loans and/or certain letters of credit (the "Letters of Credit") under the Master Issuer's Series 2018-1 Variable Funding Senior Notes, Class A-1 (the "2018 Variable Funding Notes"). The Company fully drew down on the 2018 Variable Funding Notes on March 20, 2020. On December 3, 2019, the Master Issuer issued Series 2019-1 3.858% Fixed Rate Senior Secured Notes, Class A-2 (the "2019 Notes" and, together with the 2018 Notes, the "Notes") with an initial principal amount of \$550,000. The 2019 Notes were issued under the 2018 Indenture and a related supplemental indenture dated December 3, 2019 (together, the "2019 Indenture"). On February 10, 2022, the Company completed a prepayment in full of its 2018 Class A-2-I Notes and an issuance of Series 2022-1 3.251% Fixed Rate Senior Secured Notes, Class A-2-I with an initial principal amount of \$425,000 and Series 2022-1 4.008% Fixed Rate Senior Secured Notes, Class A-2-II with an initial principal amount of \$475,000 (the "2022 Notes" and, together with the 2018 Notes and 2019 Notes, the "Notes"), and also entered into a new revolving financing facility that allows for the issuance of up to \$75,000 in Variable Funding Notes ("2022 Variable Funding Notes") and certain Letters of Credit (the issuance of such notes, the "Series 2022-I Issuance"). The 2022 Notes were issued under the 2018 Indenture and a related supplemental indenture dated February 10, 2022 (together, with the 2019 Indenture, the "Indenture"). Together, the Notes, 2018 Variable Funding Notes and 2022 Variable Funding Notes will be referred to as the "Securitized Senior Notes". **On February 10, 2022, the Company borrowed the full amount of the \$75,000 2022 Variable Funding Notes and used such proceeds to repay the outstanding principal amount (together with all accrued and unpaid interest thereon) of the 2018 Variable Funding Notes in full. On May 9, 2022, the Company repaid in full its \$75,000 of borrowings under the 2022 Variable Funding Notes using cash on hand.**

The Notes were issued in securitization transactions pursuant to which most of the Company's domestic revenue-generating assets, consisting principally of franchise-related agreements, certain corporate-owned store assets, equipment supply agreements and intellectual property and license agreements for the use of intellectual property, were assigned to the Master

**Planet Fitness, Inc. and subsidiaries**  
**Notes to Condensed Consolidated financial statements (Unaudited)**  
**(Amounts in thousands, except share and per share amounts)**

Issuer and certain other limited-purpose, bankruptcy remote, wholly-owned indirect subsidiaries of the Company that act as guarantors of the Securitized Senior Notes and that have pledged substantially all of their assets to secure the Securitized Senior Notes.

Interest and principal payments on the Notes are payable on a quarterly basis. The requirement to make such quarterly principal payments on the Notes is subject to certain financial conditions set forth in the Indenture. The legal final maturity date of the 2018 Class A-2-II Notes is in September 2048, but it is anticipated that, unless earlier prepaid to the extent permitted under the Indenture, the 2018 Class A-2-II Notes will be repaid in or prior to September 2025. The legal final maturity date of the 2019 Notes is in December 2049, but it is anticipated that, unless earlier prepaid to the extent permitted under the Indenture, the 2019 Notes will be repaid in or prior to December 2029. The legal final maturity date of the 2022 Notes is in February 2052, but it is anticipated that, unless earlier prepaid to the extent permitted under the Indenture, the 2022 Class A-2-I Notes will be repaid in or prior to December 2026 and the 2022 Class A-2-II Notes will be repaid in or prior to December 2031 (together, the "Anticipated Repayment Dates"). If the Master Issuer has not repaid or refinanced the Notes prior to the respective Anticipated Repayment Dates, additional interest will accrue pursuant to the Indenture.

As noted above, the Company borrowed the full \$75,000 in 2022 Variable Funding Notes on February 10, 2022, which was repaid in full using cash on hand on May 9, 2022. If outstanding, the 2022 Variable Funding Notes will accrue interest at a variable interest rate based on (i) the prime rate, (ii) overnight federal funds rates, (iii) the secured overnight financing rate for U.S. Dollars, or (iv) with respect to advances made by conduit investors, the weighted average cost of, or related to, the issuance of commercial paper allocated to fund or maintain such advances, in each case plus any applicable margin and as specified in the 2022 Variable Funding Notes. There is a commitment fee on the unused portion of the 2022 Variable Funding Notes of 0.5% based on utilization. It is anticipated that

**Planet Fitness, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**  
**(Amounts in thousands, except share and per share amounts)**

the principal and interest on the 2022 Variable Funding Notes, if any, will be repaid in full on or prior to December 2026, subject to two additional one-year extension options. Following the anticipated repayment date (and any extensions thereof), additional interest will accrue on the 2022 Variable Funding Notes equal to 5.0% per year.

In connection with the issuance of the 2018 Notes, 2019 Notes, and 2022 Notes, the Company incurred debt issuance costs of \$27,133, \$10,577, and \$16,193 respectively. The debt issuance costs are being amortized to interest expense through the Anticipated Repayment Dates of the Notes utilizing the effective interest rate method. As a result of the repayment of the 2018 Class A-2-I Notes prior to the Anticipated Repayment Date, the Company recorded a loss on early extinguishment of debt of \$1,583 within interest expense on the Consolidated statements of operations during the nine months ended September 30, 2022, consisting of the write-off of remaining unamortized deferred financing costs related to the issuance of the 2018 Class A-2-I Notes.

The Securitized Senior Notes are subject to covenants and restrictions customary for transactions of this type, including (i) that the Master Issuer maintains specified reserve accounts to be used to make required payments in respect of the Securitized Senior Notes, (ii) provisions relating to optional and mandatory prepayments and the related payment of specified amounts, including specified make-whole payments in the case of the Notes under certain circumstances, (iii) certain indemnification payments in the event, among other things, the assets pledged as collateral for the Securitized Senior Notes are in stated ways defective or ineffective, (iv) a cap on non-securitized indebtedness of \$50,000 (provided that the Company may incur non-securitized indebtedness in excess of such amount, subject to the leverage ratio cap described below, under certain conditions, including if the relevant lenders execute a non-disturbance agreement that acknowledges the bankruptcy-remote status of the Master Issuer and its subsidiaries and of their respective assets), (v) a leverage ratio cap incurrence test on the Company of 7.0x (calculated without regard for any indebtedness subject to the \$50,000 cap) and (vi) covenants relating to recordkeeping, access to information and similar matters.

Pursuant to a parent company support agreement, the Company has agreed to cause its subsidiary to perform each of its obligations (including any indemnity obligations) and duties under the Management Agreement and under the contribution agreements entered into in connection with the securitized financing facility, in each case as and when due. To the extent that such subsidiary has not performed any such obligation or duty within the prescribed time frame after such obligation or duty was required to be performed, the Company has agreed to either (i) perform such obligation or duty or (ii) cause such obligations or duties to be performed on the Company's behalf.

The Securitized Senior Notes are also subject to customary rapid amortization events provided for in the Indenture, including events tied to failure to maintain stated debt service coverage ratios, certain manager termination events, an event of default, and the failure to repay or refinance the Notes on the applicable scheduled Anticipated Repayment Dates. The Securitized Senior Notes are also subject to certain customary events of default, including events relating to non-payment of required interest, principal, or other amounts due on or with respect to the Securitized Senior Notes, failure to comply with covenants

**Planet Fitness, Inc. and subsidiaries**  
**Notes to Condensed Consolidated financial statements (Unaudited)**  
**(Amounts in thousands, except share and per share amounts)**

within certain time frames, certain bankruptcy events, breaches of specified representations and warranties, failure of security interests to be effective, and certain judgments.

In accordance with the Indenture, certain cash accounts have been established with the Indenture trustee (the "Trustee") for the benefit of the trustee and the noteholders, and are restricted in their use. The Company holds restricted cash which primarily represents cash collections held by the Trustee, interest, principal, and commitment fee reserves held by the Trustee related to the Securitized Senior Notes. As of September 30, 2023 March 31, 2024, the Company had restricted cash held by the Trustee of \$46,381.

**(8) Leases**

| Leases                     | Classification              | September 30, 2023 | December 31, 2022 |
|----------------------------|-----------------------------|--------------------|-------------------|
| <b>Assets</b>              |                             |                    |                   |
| Operating lease ROU assets | Right of use asset, net     | \$ 381,819         | \$ 346,937        |
| Finance lease assets       | Property and equipment, net | 219                | 370               |
| Total lease assets         |                             | <u>\$ 382,038</u>  | <u>\$ 347,307</u> |
| <b>Liabilities</b>         |                             |                    |                   |
| Current:                   |                             |                    |                   |
| Operating                  | Other current liabilities   | \$ 33,589          | \$ 33,233         |
| Financing                  | Other current liabilities   | 140                | 38                |
| Noncurrent:                |                             |                    |                   |

\$46,190.

**Planet Fitness, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**  
 (Amounts in thousands, except share and per share amounts)

The right-of-use assets and lease liabilities for operating and finance leases, including their classification in the three and nine months ended September 30, 2023 and 2022, the condensed consolidated balance sheets, were as follows:

The components of lease cost were as follows:

Supplemental disclosures of cash flow information related to leases were as follows:



|   | Three months ended September 30, |           | Nine months ended September 30, |            |
|---|----------------------------------|-----------|---------------------------------|------------|
|   | 2023                             | 2022      | 2023                            | 2022       |
| Cash paid for lease liabilities   | \$ 13,877                        | \$ 14,172 | \$ 41,985                       | \$ 40,405  |
| Operating lease ROU assets obtained in exchange for operating lease liabilities, excluding acquisitions | \$ 38,683                        | \$ 6,073  | \$ 59,410                       | \$ 29,234  |
| Operating lease ROU assets obtained in exchange for operating lease liabilities through acquisitions    | \$ —                             | \$ —      | \$ 4,204                        | \$ 162,827 |

|   | Three Months Ended March 31, |           |
|---|------------------------------|-----------|
|   | 2024                         | 2023      |
| Cash paid for lease liabilities   | \$ 15,303                    | \$ 13,302 |
| Operating lease ROU assets obtained in exchange for operating lease liabilities | \$ 16,064                    | \$ 4,661  |

**Planet Fitness, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated financial statements Financial Statements (Unaudited)**  
(Amounts in thousands, except share and per share amounts)

As of September 30, 2023, maturities of lease liabilities as of March 31, 2024 were as follows:

|                                    | Amount                             |           |
|------------------------------------|------------------------------------|-----------|
| Remainder of 2023                  | \$ 9,506                           |           |
| 2024                               | 60,149                             |           |
| Amount                             |                                    | Amount    |
| Remainder of 2024                  |                                    |           |
| 2025                               | 2025                               | 68,800    |
| 2026                               | 2026                               | 69,264    |
| 2027                               | 2027                               | 66,584    |
| 2028                               |                                    |           |
| Thereafter                         | Thereafter                         | 242,152   |
| Total lease payments               | Total lease payments               | \$516,455 |
| Less: imputed interest             | Less: imputed interest             | 102,828   |
| Present value of lease liabilities | Present value of lease liabilities | \$413,627 |

As of September 30, 2023 March 31, 2024, future operating lease payments exclude approximately \$29,938 \$32,239 of legally binding minimum lease payments for leases signed but not yet commenced.

**(9) (8) Revenue recognition**

**Contract Liabilities from contracts with customers**

Contract liabilities consist primarily of deferred revenue resulting from initial and renewal franchise fees and area development agreement ("ADA") fees paid by franchisees, as well as transfer fees, which are generally recognized on a straight-line basis over the term of the underlying franchise agreement, and national advertising fund ("NAF") revenue billed collected in advance of satisfaction of the Company's performance obligation. Also included are corporate-owned store enrollment fees, annual fees and monthly fees as well as deferred equipment rebates relating to its equipment business. The Company classifies these contract liabilities as deferred revenue in its condensed consolidated balance sheets.

The following table reflects the change in contract liabilities between December 31, 2022 December 31, 2023 and September 30, 2023 March 31, 2024:

|   | Amount               |
|---|----------------------|
|   | Contract liabilities |
| Balance at December 31, 2022December 31, 2023   | \$ 86,911 91,638     |
| Revenue recognized that was included in the contract liability at the beginning of the year | (50,443) (34,438)    |
| Increase, excluding amounts recognized as revenue during the period                         | 60,554 53,883        |
| Balance at September 30, 2023March 31, 2024   | \$ 97,022 111,083    |

The following table illustrates estimated revenues expected to be recognized in the future related to performance obligations that are unsatisfied, (or or partially unsatisfied) unsatisfied, as of September 30, 2023March 31, 2024. The Company has elected to exclude short-term contracts, sales and usage-based royalties and any other variable consideration recognized on an "as invoiced" basis.

| Contract liabilities to be recognized in: | Contract liabilities to be recognized in: | Amount   | Contract liabilities to be recognized in: | Amount |
|---|---|----------|---|--------|
| Remainder of 2023                         |   | \$40,424 |   |        |
| 2024                                      |   | 25,559   |   |        |
| Remainder of 2024                         |   |          |   |        |
| 2025                                      | 2025                                      | 4,967    |   |        |
| 2026                                      | 2026                                      | 3,894    |   |        |
| 2027                                      | 2027                                      | 3,417    |   |        |
| 2028                                      |   |          |   |        |
| Thereafter                                | Thereafter                                | 18,761   |   |        |
| Total                                     | Total                                     | \$97,022 |   |        |

Equipment deposits received in advance of delivery as of September 30, 2023 and December 31, 2022March 31, 2024 were \$13,933 and \$8,443, respectively, \$7,594 and are expected to be recognized as revenue in within the next twelve 12 months.

Planet Fitness, Inc. and subsidiariesSubsidiaries  
Notes to Condensed Consolidated financial statementsFinancial Statements (Unaudited)  
(Amounts in thousands, except share and per share amounts)

**(10) (9) Related party transactions**

Activity with franchisees considered to be related parties is summarized below:

|                             |                             | For the three months ended September 30, |        | For the nine months ended September 30, |         | Three Months Ended March 31, |      |
|-----------------------------|-----------------------------|--|--------|---|---------|------------------------------|------|
|                             |                             | 2023                                     | 2022   | 2023                                    | 2022    | 2024                         | 2023 |
| Franchise revenue - interim | Franchise revenue - interim |  |        |   |         |                              |      |
| CEO                         | CEO                         | \$ 958                                   | \$ 729 | \$2,882                                 | \$2,461 |                              |      |
| Franchise revenue - other   | Franchise revenue - other   | 656                                      | 233    | 1,206                                   | 434     |                              |      |
| Equipment revenue - interim | Equipment revenue - interim |  |        |   |         |                              |      |
| CEO                         | CEO                         | 1,294                                    | 1,648  | 2,305                                   | 1,661   |                              |      |
| Equipment revenue - other   | Equipment revenue - other   | 1,641                                    | —      | 1,641                                   | —       |                              |      |

|                                    |                                    |         |         |         |         |
|------------------------------------|------------------------------------|---------|---------|---------|---------|
| Total revenue from related parties | Total revenue from related parties | \$4,549 | \$2,610 | \$8,034 | \$4,556 |
|------------------------------------|------------------------------------|---------|---------|---------|---------|

The Company had \$5,247 and \$2,916 of accounts receivable attributable to a related party as of March 31, 2024 and December 31, 2023, respectively.

Additionally, the Company had deferred ADA and franchise agreement revenue from related parties of \$722 \$695 and \$467 \$719 as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. Of this amount \$146 respectively, of which \$140 and \$138 \$142 is from a franchisee in which the Company's interim CEO has a financial interest.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company had \$81,687 \$81,474 and \$80,717, \$98,494, respectively, payable to related parties pursuant to tax benefit arrangements. See Note 13. 12 for further discussion of these arrangements.

The Company provides administrative services to the NAF and typically charges the NAF a fee for providing these services. The services provided, which include accounting, information technology, data processing, product development, legal and administrative support, and other operating expenses, which amounted to \$893 \$1,461 and \$651 \$917 for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$2,679 and \$1,955 2023, respectively.

The Company incurred approximately \$181 for the nine months ended September 30, 2023 and 2022, respectively.

For the three months ended September 30, 2023 and 2022, the Company incurred approximately \$63 and \$71, respectively, and \$427 and \$246 March 31, 2023 for the nine months ended September 30, 2023 and 2022, respectively, corporate travel to a third-party company which is affiliated with our former Chief Executive Officer, which is included within selling, general and administrative expense on the condensed consolidated statements of operations, for corporate travel to a third-party company which is affiliated with the former Chief Executive Officer. operations.

A member of the Company's board of directors, who is also the Company's interim Chief Executive Officer and a franchisee, holds an approximate 10.5% ownership of a company that sells amenity tracking compliance software to Planet Fitness stores to which the Company made payments of approximately \$101 \$65 and \$109, \$91 during the three months ended September 30, March 31, 2024 and 2023, and 2022, respectively, and \$270 and \$198 during the nine months ended September 30, 2023 and 2022, respectively.

#### (11) (10) Stockholders' equity

Pursuant to the exchange agreement between the Company and the Continuing LLC Owners, the Continuing LLC Owners (or certain permitted transferees thereof) have the right, from time to time and subject to the terms of the exchange agreement, to exchange their Holdings Units, along with a corresponding number of shares of Class B common stock, for shares of Class A common stock (or cash at the option of the Company) on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends, reclassifications and similar transactions. In connection with any exchange of Holdings Units for shares of Class A common stock by a Continuing LLC Owner, the number of Holdings Units held by the Company is correspondingly increased as it acquires the exchanged Holdings Units, and a corresponding number of shares of Class B common stock are canceled.

During the nine months ended September 30, 2022, in connection with the Sunshine Acquisition, the Company issued 517,348 shares of Class A Common Stock and 3,637,678 membership units of Pla-Fit Holdings, LLC, together with shares of Class B Common Stock. See Note 4.

During the three and nine months ended September 30, 2023 March 31, 2024, respectively, certain existing holders of Holdings Units exercised their exchange rights and exchanged 1,417,603 and 3,412,312 326,073 Holdings Units for 1,417,603 and 3,412,312 326,073 newly-issued shares of Class A common stock. Simultaneously, and in connection with these exchanges, 1,417,603 and 3,412,312 326,073 shares of Class B common stock were surrendered by the holders of Holdings Units that exercised their exchange rights and canceled. Additionally, in connection with these exchanges, Planet Fitness, Inc. received 1,417,603 and 3,412,312 326,073 Holdings Units, increasing its total ownership interest in Pla-Fit Holdings.

As a result of the above transactions, as of March 31, 2024:

- Holders of Class A common stock owned 86,831,728 shares of Class A common stock, representing 98.8% of the voting power in the Company and, through the Company, 86,831,728 Holdings Units representing 98.8% of the economic interest in Pla-Fit Holdings; and

#### Planet Fitness, Inc. and Subsidiaries Subsidiaries Notes to Condensed Consolidated financial statements Financial Statements (Unaudited) (Amounts in thousands, except share and per share amounts)

As a result of the above transactions, as of September 30, 2023:

- Holders of Class A common stock owned 85,410,391 shares of Class A common stock, representing 96.9% of the voting power in the Company and, through the Company, 85,410,391 Holdings Units representing 96.9% of the economic interest in Pla-Fit Holdings; and
- the Continuing LLC Owners collectively owned 2,733,410 1,071,094 Holdings Units, representing 3.1% 1.2% of the economic interest in Pla-Fit Holdings, and 2,733,410 1,071,094 shares of Class B common stock, representing 3.1% 1.2% of the voting power in the Company.

#### Share repurchase program

2022 share repurchase program

On November 4, 2022, the Company's board of directors approved a share repurchase program of up to \$500,000, which replaced the 2019 share repurchase program. During the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, the Company repurchased **1,698,753** and **retired 313,834** shares of Class A common stock for a total cost of **\$125,030**. **\$20,005**. A **one percent** share repurchase excise tax of **\$1.048** **\$163** was also **incurred as a result** **incurred**. As of **new legislation that went into effect beginning in 2023**. All repurchased shares were retired. Subsequent to these repurchases, **March 31, 2024**, there is **\$374,970** **\$354,965** remaining under the 2022 share repurchase program.

The timing of purchases and amount of stock repurchased are subject to the Company's discretion and dependent upon market and business conditions, the Company's general working capital needs, stock price, applicable legal requirements and other factors. The ability to repurchase shares at any particular time is also subject to the terms of the Indenture governing the Securitized Senior Notes. Purchases may be effected through one or more open market transactions, privately negotiated transactions, transactions structured through investment banking institutions, or a combination of the foregoing.

#### Preferred stock

The Company had 50,000,000 shares of preferred stock authorized and none issued or outstanding as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**.

#### **(12)** **(11)** Earnings per share

Basic earnings per share of Class A common stock is computed by dividing net income attributable to Planet Fitness, Inc. by the weighted-average number of shares of Class A common stock **outstanding during the same period**. **outstanding**. Diluted earnings per share of Class A common stock is computed by dividing net income attributable to Planet Fitness, Inc. by the weighted-average number of shares of Class A common stock outstanding adjusted to give effect to potentially dilutive securities.

Shares of the Company's Class B common stock do not share in the earnings **or losses** attributable to Planet Fitness, Inc. and are therefore not participating securities. As such, separate presentation of basic and diluted earnings per share of Class B common stock under the two-class method has not been presented. Shares of the Company's Class B common stock are, however, considered potentially dilutive shares of Class A common stock because shares of Class B common stock, together with the related Holdings Units, are exchangeable into shares of Class A common stock on a one-for-one basis.

**Planet Fitness, Inc. and subsidiaries**  
**Notes to Condensed Consolidated financial statements (Unaudited)**  
**(Amounts in thousands, except share and per share amounts)**

The following table sets forth reconciliations **of the numerators and denominators** used to compute basic and diluted earnings per share of Class A common stock:

|   |   | Three months ended |            | Nine months ended |            |           |      |                              |
|---|---|--------------------|------------|-------------------|------------|-----------|------|------------------------------|
|   |   | September 30,      |            | September 30,     |            |           |      | Three Months Ended March 31, |
|   |   | 2023               | 2022       | 2023              | 2022       |           | 2024 | 2023                         |
| Numerator   | Numerator   |                    |            |                   |            | Numerator |      |                              |
| Net income  | Net income  | \$ 41,324          | \$ 30,677  | \$ 110,272        | \$ 74,124  |           |      |                              |
| Less: net income attributable to non-controlling interests          | Less: net income attributable to non-controlling interests          | 2,190              | 3,764      | 7,299             | 8,405      |           |      |                              |
| Net income attributable to Planet Fitness, Inc.                     | Net income attributable to Planet Fitness, Inc.                     | \$ 39,134          | \$ 26,913  | \$ 102,973        | \$ 65,719  |           |      |                              |
| Denominator   | Denominator   |                    |            |                   |            |           |      |                              |
| Weighted-average shares of Class A common stock outstanding - basic | Weighted-average shares of Class A common stock outstanding - basic | 84,609,522         | 84,156,488 | 84,557,902        | 84,377,324 |           |      |                              |
| Weighted-average shares of Class A common stock outstanding - basic |   |                    |            |                   |            |           |      |                              |
| Weighted-average shares of Class A common stock outstanding - basic |   |                    |            |                   |            |           |      |                              |

|   |   |            |            |            |            |
|---|---|------------|------------|------------|------------|
| Effect of dilutive securities:  | Effect of dilutive securities:  |            |            |            |            |
| Stock options   | Stock options   |            |            |            |            |
| Stock options   | Stock options   | 212,953    | 338,981    | 239,709    | 357,315    |
| Restricted stock units  | Restricted stock units  | 48,282     | 50,854     | 64,347     | 62,050     |
| Performance stock units   | Performance stock units   | 15,562     | 290        | 8,354      | 1,235      |
| Weighted-average shares of Class A common stock outstanding - diluted | Weighted-average shares of Class A common stock outstanding - diluted | 84,886,319 | 84,546,613 | 84,870,312 | 84,797,924 |
| Earnings per share of Class A common stock - basic                    | Earnings per share of Class A common stock - basic                    | \$ 0.46    | \$ 0.32    | \$ 1.22    | \$ 0.78    |
| Earnings per share of Class A common stock - diluted                  | Earnings per share of Class A common stock - diluted                  | \$ 0.46    | \$ 0.32    | \$ 1.21    | \$ 0.78    |

Weighted average shares The number of Class B weighted-average common stock equivalents excluded from the computation of 3,533,885 diluted net income per share because either the effect would have been anti-dilutive, or the performance criteria related to the units had not yet been met, were as follows:

**Planet Fitness, Inc. and 6,145,722 for the three months ended September 30, 2023 Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**

(Amounts in thousands, except share and 2022, respectively, and 4,236,271 and 5,773,562 for the nine months ended September 30, 2023 and 2022, respectively, were evaluated under the if-converted method for potential dilutive effects and were determined to be anti-dilutive. Weighted average stock options outstanding of 307,606 and 258,093 for the three months ended September 30, 2023 and 2022, respectively, and 250,595 and 243,507 for the nine months ended September 30, 2023 and 2022, were evaluated under the treasury stock method for potential dilutive effects and were determined to be anti-dilutive. Weighted average restricted stock units outstanding of 968 and 705 for the three months ended September 30, 2023 and 2022, respectively, and 5,684 and 323 for the nine months ended September 30, 2023 and 2022, respectively, were evaluated under the treasury stock method for potential dilutive effects and were determined to be anti-dilutive. Weighted average performance stock units outstanding of 36,717 and 1,058 for the three months ended September 30, 2023 and 2022, respectively, and 1,981 and 281 for the nine months ended September 30, 2023 and 2022, respectively, were evaluated under the treasury stock method for potential dilutive effects and were determined to be anti-dilutive. per share amounts)

|                         | Three Months Ended March 31, |           |
|-------------------------|------------------------------|-----------|
|                         | 2024                         | 2023      |
| Class B common stock    | 1,176,568                    | 5,007,448 |
| Stock options           | 554                          | 196,209   |
| Restricted stock units  | 2                            | —         |
| Performance stock units | —                            | 53        |
| Total                   | 1,177,124                    | 5,203,710 |

**(13) (12) Income taxes**

The Company is the sole managing member of Pla-Fit Holdings, which is treated as a partnership for U.S. federal and certain state and local income taxes. As a partnership, Pla-Fit Holdings is not subject to U.S. federal and certain state and local income taxes. Any taxable income or loss generated by Pla-Fit Holdings is passed through to and included in the taxable income or loss of its members, including the Company, on a pro-rata basis.

Planet Fitness, Inc. is subject to U.S. federal income taxes, in addition to state and local income taxes with respect to the allocable share of any taxable income of Pla-Fit Holdings. The Company's effective tax rate was 24.5% 28.4% and 33.8% 27.6% for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively. The effective tax rate for the three months ended September 30, 2023 differed from the U.S. federal statutory rate of 21% primarily due to state and local taxes, partially offset by income attributable to non-controlling interests. The Company's effective tax rate was 26.0% and 32.6% for the nine months ended September 30, 2023 and 2022, respectively.

The effective tax rate for the nine months ended September 30, 2023 2023, respectively, which differed from the U.S. federal statutory rate of 21% primarily due to state and local taxes, partially offset by income attributable to non-controlling interests. The Company was is also subject to taxes in foreign jurisdictions.

Net deferred tax assets of \$491,568 \$498,173 and \$453,094 \$502,544 as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, relate primarily to the tax effects of temporary differences in the book basis as compared to the tax basis of the investment in Pla-Fit Holdings as a result of the secondary offerings, other exchanges, recapitalization transactions and the IPO.

Planet Fitness, Inc. and subsidiaries  
Notes to Condensed Consolidated financial statements (Unaudited)  
(Amounts in thousands, except share and per share amounts)

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the total liability related to uncertain tax positions was \$328 \$242 and \$328, \$273, respectively. The Company recognizes accrued interest and penalties, if applicable, related to unrecognized tax benefits in income tax expense. Interest and penalties for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 were not material.

Tax benefit arrangements

The Company's acquisition of Holdings Units in connection with the IPO and future and certain past exchanges of Holdings Units for shares of the Company's Class A common stock (or cash at the option of the Company) are expected to produce and have produced favorable tax attributes. In connection with the IPO, the Company entered into two tax receivable agreements. agreements, pursuant to which, the Company is required to make payments to certain holders of equity interests or their successors-in-interest ("TRA Holders"). Under the first of those agreements, arrangements, the Company generally is required to pay to certain existing and previous equity owners of Pla-Fit Holdings, (the "TRA Holders") LLC 85% of the applicable tax savings, if any, in U.S. federal and state income tax that the Company is deemed to realize as a result of certain tax attributes of their Holdings Units sold to the Company (or exchanged in a taxable sale) and that are created as a result of (i) the exchanges sales of their Holdings Units for shares of 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, the Company generally is required to pay to TSG AIV II-A L.P. and TSG PF Co-Investors A L.P. (the "Direct TSG Investors") 85% of the amount of tax savings, if any, that the Company is deemed to realize as a result of the tax attributes of the Holdings Units certain equity interests previously held in respect by affiliates of the Direct TSG Investors' interest in the Company, which that resulted from the Direct TSG Investors' TSG's purchase of interests in Pla-Fit Holdings in 2012, and certain other tax benefits. Under both agreements, the Company generally retains the benefit of the remaining 15% benefit of the applicable tax savings.

As of September 30, 2023 and December 31, 2022, In connection with the Company had a liability of \$489,762 and \$494,465, respectively, related to its projected obligations under the tax benefit arrangements. Projected future payments under the tax benefit arrangements are as follows:

|                   | Amount     |
|-------------------|------------|
| Remainder of 2023 | \$ 11,129  |
| 2024              | 38,397     |
| 2025              | 47,379     |
| 2026              | 49,868     |
| 2027              | 52,515     |
| Thereafter        | 290,474    |
| Total             | \$ 489,762 |

During exchanges that occurred during the three and nine months ended September 30, 2023, 1,417,603 March 31, 2024 and 3,412,312 Holdings 2023, 326,073 and 1,900,309 Holding Units, respectively, were exchanged redeemed by the Continuing LLC Owners for newly issued newly-issued shares of Class A common stock, resulting in an increase in the tax basis of the net assets of Pla-Fit Holdings. As a result of the change in Planet Fitness, Inc.'s the Company's ownership percentage of Pla-Fit Holdings that occurred in conjunction with the exchanges and issuance of Holding Units, the Company recorded a \$1,704 decrease of \$400 and \$4,358 decrease \$2,605 to net deferred tax assets, during the three and nine months ended September 30, 2023, March 31, 2024 and 2023, respectively. As a result of these exchanges and other activity during the three and nine months ended September 30, 2023, March 31, 2024 and 2023, the Company also recognized deferred tax assets in the amount of \$24,999 \$7,519 and \$77,730, \$50,823, respectively, as a result of the increase in tax basis. A portion of these exchanges were not made by TRA Holders, which did not result in an increase in the and corresponding tax benefit arrangement liability. Of liabilities of \$2,694 and \$2,315, respectively, representing approximately 85% of the exchanges tax benefits due to the TRA Holders for shares exchanged that were made by TRA Holders, they resulted in an increase in the subject to tax benefit arrangement liability of \$14,762 and \$17,077 in the three and nine months ended September 30, 2023, respectively. arrangements. The offset to the entries recorded in connection with exchanges was to additional paid in capital within stockholders' deficit.

The Company had a liability of \$497,994 and \$495,662 as of March 31, 2024 and December 31, 2023, respectively, related to its projected obligations under the tax benefit arrangements.

(14)

Planet Fitness, Inc. and Subsidiaries  
Notes to Condensed Consolidated Financial Statements (Unaudited)  
(Amounts in thousands, except share and per share amounts)

Projected future payments under the tax benefit arrangements were as follows:

| Amount |
|--------|
|--------|

|                   |    |         |
|-------------------|----|---------|
| Remainder of 2024 | \$ | 41,135  |
| 2025              |    | 50,385  |
| 2026              |    | 52,814  |
| 2027              |    | 48,624  |
| 2028              |    | 41,973  |
| Thereafter        |    | 263,063 |
| Total             | \$ | 497,994 |

### (13) Commitments and contingencies

From time to time, and in the ordinary course of business, the Company is subject to various claims, charges, and litigation, such as employment-related claims and slip and fall cases.

On May 27, 2022, the Company and other defendants, including an officer of the Company who is a related party, received a final judgment after appeal to the joint and several judgment against them in a civil action brought by a former employee. In connection with the 2012 acquisition of Pla-Fit Holdings on November 8, 2012, the sellers are obligated to indemnify the Company related to this specific matter. The Company has incurred legal costs on behalf of the defendants in the case, which include a related party. These costs have historically not been material. During the fourth quarter of 2022, the Company and other defendants, as applicable, paid the final judgment in full, of which the Company paid \$3,414.

**Planet Fitness, Inc. and subsidiaries**  
**Notes to Condensed Consolidated financial statements (Unaudited)**  
**(Amounts in thousands, except share and per share amounts)**

### Mexico Acquisition

On March 19, 2020, a franchisee in Mexico exercised a put option that requires required the Company to acquire their franchisee-owned stores in Mexico. In February 2023, the Company and the franchisee agreed on a summary of terms for a settlement agreement ("Preliminary Settlement Agreement"), which will include the Company's acquisition of the franchisee-owned stores and a release of all claims by all parties. In connection with the Preliminary Settlement Agreement, settlement agreement, the Company recorded an update to its estimated liability for the legal settlement of \$8,550 as of December 31, 2022, \$3,300, inclusive of estimated future legal fees through paid, within other loss losses, net on the condensed consolidated statement of operations. The Company revised its estimate of the legal settlement and recorded an increase to the liability of \$6,250 operations during the ninethree months ended September 30, 2023 March 31, 2023. The remaining liability as of September 30, 2023 is \$14,500, after utilization of the accrual for estimated legal fees during 2023.

Subsequent to quarter end, on On October 20, 2023, the Company finalized its settlement with the franchisee in Mexico for \$31,619, which included the acquisition by the Company of five stores in Mexico and the settlement of all claims.

The Company is not currently aware of any other legal proceedings or claims that the Company believes will have, individually or in the aggregate, a material adverse effect on the Company's financial position or result of operations.

### (15) (14) Segments

The Company has three reportable segments: (i) Franchise; (ii) Corporate-owned stores; and (iii) Equipment.

The Company's operations are organized and managed by type of products and services and segment information is reported accordingly. The Company's chief operating decision maker (the "CODM") is its interim Chief Executive Officer. The CODM reviews financial performance and allocates resources by reportable segment. There have been no operating segments aggregated to arrive at the Company's reportable segments.

The Franchise segment includes operations related to the Company's franchising business in the United States, Puerto Rico, Canada, Panama, Mexico and Australia, including Australia. The Company records all revenues and expenses from of the NAF, NAF within the franchise segment. The Corporate-owned stores segment includes operations with respect to all corporate-owned stores throughout the United States and Canada. The Equipment segment primarily includes the sale of equipment to franchisee-owned stores.

The accounting policies of the reportable segments are the same as those described in Note 2. The Company evaluates the performance of its segments and allocates resources to them based on revenue and earnings before interest, taxes, depreciation, and amortization, referred to as Segment EBITDA. Revenues for all operating segments include only transactions with unaffiliated customers and include no intersegment revenues.

The tables below summarize the financial information for the Company's reportable segments segments.

**Planet Fitness, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**  
**(Amounts in thousands, except share and per share amounts)**

|  | Three Months Ended March 31, |      |
|--|------------------------------|------|
|  | 2024                         | 2023 |

|  |            |            |
|--|------------|------------|
| Revenue  |            |            |
| Franchise segment revenue - U.S.               | \$ 100,528 | \$ 90,288  |
| Franchise segment revenue - International      | 3,492      | 2,394      |
| Franchise segment total                        | 104,020    | 92,682     |
| Corporate-owned stores segment - U.S.          | 121,158    | 104,808    |
| Corporate-owned stores segment - International | 1,220      | 1,074      |
| Corporate-owned stores segment total           | 122,378    | 105,882    |
| Equipment segment - U.S.                       | 16,417     | 23,105     |
| Equipment segment - International              | 5,202      | 556        |
| Equipment segment total                        | 21,619     | 23,661     |
| Total revenue                                  | \$ 248,017 | \$ 222,225 |

Franchise revenue includes revenue generated from placement services of \$1,837 and \$1,613 for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. The "Corporate" 2023, respectively.

|                                    | Three Months Ended March 31, |           |
|------------------------------------|------------------------------|-----------|
|                                    | 2024                         | 2023      |
| Segment EBITDA                     |                              |           |
| Franchise                          | \$ 76,311                    | \$ 64,735 |
| Corporate-owned stores             | 42,104                       | 33,530    |
| Equipment                          | 4,760                        | 5,571     |
| Corporate and other <sup>(1)</sup> | (18,526)                     | (15,822)  |
| Total Segment EBITDA               | \$ 104,649                   | \$ 88,014 |

<sup>(1)</sup> Corporate and other" category, as it relates to Segment EBITDA, other primarily includes corporate overhead costs, such as payroll and related benefit costs and professional services which are not directly attributable to any individual segment.

|   | Three months ended |            | Nine months ended |            |
|---|--------------------|------------|-------------------|------------|
|   | September 30,      |            | September 30,     |            |
|   | 2023               | 2022       | 2023              | 2022       |
| Revenue                                   |                    |            |                   |            |
| Franchise segment revenue - U.S.          | \$ 95,209          | \$ 78,873  | \$ 281,836        | \$ 237,612 |
| Franchise segment revenue - International | 2,956              | 1,873      | 7,855             | 5,761      |
| Franchise segment total                   | 98,165             | 80,746     | 289,691           | 243,373    |
| Corporate-owned stores - U.S.             | 112,080            | 100,247    | 329,505           | 275,962    |
| Corporate-owned stores - International    | 1,165              | 1,083      | 3,380             | 2,978      |
| Corporate-owned stores total              | 113,245            | 101,330    | 332,885           | 278,940    |
| Equipment segment - U.S.                  | 62,605             | 60,952     | 158,335           | 124,781    |
| Equipment segment - International         | 3,536              | 1,358      | 5,329             | 8,410      |
| Equipment segment total                   | 66,141             | 62,310     | 163,664           | 133,191    |
| Total revenue                             | \$ 277,551         | \$ 244,386 | \$ 786,240        | \$ 655,504 |

**Planet Fitness, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated financial statements Financial Statements (Unaudited)**  
(Amounts in thousands, except share and per share amounts)

Franchise revenue includes revenue generated from placement services of \$5,884 and \$4,376 for the three months ended September 30, 2023 and 2022, respectively, and \$13,760 and \$10,102 for the nine months ended September 30, 2023 and 2022, respectively.

|  | Three months ended |      | Nine months ended |      |
|--|--------------------|------|-------------------|------|
|  | September 30,      |      | September 30,     |      |
|  | 2023               | 2022 | 2023              | 2022 |



|                        |    |          |    |          |                       |
|------------------------|----|----------|----|----------|-----------------------|
| Segment EBITDA         |    |          |    |          |                       |
| Franchise              | \$ | 67,583   | \$ | 53,475   | \$ 198,418 \$ 167,910 |
| Corporate-owned stores |    | 44,264   |    | 40,446   | 126,499 103,287       |
| Equipment              |    | 16,434   |    | 15,803   | 39,134 34,638         |
| Corporate and other    |    | (18,547) |    | (10,458) | (52,238) (41,059)     |
| Total Segment EBITDA   | \$ | 109,734  | \$ | 99,266   | \$ 311,813 \$ 264,776 |

The following table reconciles total Segment EBITDA to income before taxes:

|  |                               | Three months ended<br>September 30, |          | Nine months ended<br>September 30, |           | Three Months Ended March 31, |      |
|--|-------------------------------|-------------------------------------|----------|------------------------------------|-----------|------------------------------|------|
|  |                               | 2023                                | 2022     | 2023                               | 2022      | 2024                         | 2023 |
| Total Segment EBITDA                                 | Total Segment EBITDA          | \$109,734                           | \$99,266 | \$311,813                          | \$264,776 |                              |      |
| Less:  | Less:                         |                                     |          |                                    |           |                              |      |
| Depreciation and amortization                        | Depreciation and amortization | 37,477                              | 32,572   | 110,254                            | 90,427    |                              |      |
| Depreciation and amortization                        |                               |                                     |          |                                    |           |                              |      |
| Other income   | Other income                  | 148                                 | 4,762    | 631                                | 9,000     |                              |      |
| Equity losses of unconsolidated entities, net of tax |                               | (242)                               | (2)      | (580)                              | (334)     |                              |      |
| Losses from equity-method investments, net of tax    |                               |                                     |          |                                    |           |                              |      |
| Income from operations                               | Income from operations        | 72,351                              | 61,934   | 201,508                            | 165,683   |                              |      |
| Interest income                                      | Interest income               | 4,245                               | 1,561    | 12,339                             | 2,244     |                              |      |
| Interest expense                                     | Interest expense              | (21,704)                            | (21,917) | (64,771)                           | (66,527)  |                              |      |
| Other income   |                               | 148                                 | 4,762    | 631                                | 9,000     |                              |      |
| Other income, net                                    |                               |                                     |          |                                    |           |                              |      |
| Income before income taxes                           | Income before income taxes    | \$ 55,040                           | \$46,340 | \$149,707                          | \$110,400 |                              |      |

The following table summarizes the Company's assets by reportable segment:

|                           |                           | September<br>30, 2023 | December 31,<br>2022 | March 31, 2024 | December 31, 2023 |
|---------------------------|---------------------------|-----------------------|----------------------|----------------|-------------------|
|                           |                           |                       |                      |                |                   |
| Franchise                 | Franchise                 | \$ 177,045            | \$ 161,355           |                |                   |
| Corporate-owned stores    | Corporate-owned stores    | 1,624,489             | 1,559,985            |                |                   |
| Equipment                 | Equipment                 | 187,899               | 200,020              |                |                   |
| Unallocated               | Unallocated               | 955,414               | 933,229              |                |                   |
| Total consolidated assets | Total consolidated assets | \$2,944,847           | \$2,854,589          |                |                   |

The table above includes \$721,556 and \$916,369 of long-lived assets located in the Company's international corporate-owned stores as of September 30, 2023, March 31, 2024 and December 31, 2022, December 31, 2023, respectively. All other assets are located in the U.S.

The following table summarizes the Company's goodwill by reportable segment:

|                            |                            | September<br>30, 2023 | December<br>31, 2022 | March 31, 2024 | December 31, 2023 |
|----------------------------|----------------------------|-----------------------|----------------------|----------------|-------------------|
| Franchise                  | Franchise                  | \$ 16,938             | \$ 16,938            |                |                   |
| Corporate-<br>owned stores | Corporate-<br>owned stores | 607,898               | 593,086              |                |                   |
| Equipment                  | Equipment                  | 92,666                | 92,666               |                |                   |
| Consolidated<br>goodwill   | Consolidated<br>goodwill   | <u>\$717,502</u>      | <u>\$702,690</u>     |                |                   |

**Planet Fitness, Inc. and Subsidiaries**  
**Notes to Condensed Consolidated Financial Statements (Unaudited)**  
(Amounts in thousands, except share and per share amounts)

**(16) (15) Corporate-owned and franchisee-owned stores**

The following table shows changes in corporate-owned and franchisee-owned stores for the three and nine months ended September 30, 2023 and 2022; stores:

|  |   | For the three<br>months ended<br>September 30, |       | For the nine<br>months ended<br>September 30, |       | Three Months Ended March 31, |  |      |
|--|---|--|-------|---|-------|------------------------------|--|------|
|  |   | 2023   | 2022  | 2023  | 2022  | 2024                         |  | 2023 |
| Franchisee-<br>owned<br>stores:                                  | Franchisee-<br>owned<br>stores:                 |  |       |   |       |                              |  |      |
| Stores<br>operated at<br>beginning of<br>period                  | Stores<br>operated at<br>beginning of<br>period | 2,230  | 2,091 | 2,176   | 2,142 |                              |  |      |
| Stores operated at<br>beginning of period                        |   |  |       |   |       |                              |  |      |
| Stores operated at<br>beginning of period                        |   |  |       |   |       |                              |  |      |
| New stores<br>opened   | New stores<br>opened                            | 24   | 25    | 82  | 89    |                              |  |      |
| Stores acquired from the<br>Company                              |   | —  | 6     | —   | 6     |                              |  |      |
| Stores debranded, sold, or<br>consolidated <sup>(1)</sup>        |   | —  | —     | (4)   | (115) |                              |  |      |
| Stores debranded, sold,<br>closed or consolidated <sup>(1)</sup> |   |  |       |   |       |                              |  |      |
| Stores debranded, sold,<br>closed or consolidated <sup>(1)</sup> |   |  |       |   |       |                              |  |      |
| Stores debranded, sold,<br>closed or consolidated <sup>(1)</sup> |   |  |       |   |       |                              |  |      |
| Stores<br>operated at<br>end of period                           |   |  |       |   |       |                              |  |      |
| <b>Corporate-<br/>owned<br/>stores:</b>                          |   |  |       |   |       |                              |  |      |
| Stores operated at<br>beginning of period                        |   |  |       |   |       |                              |  |      |
| Stores operated at<br>beginning of period                        |   |  |       |   |       |                              |  |      |

|   |  |       |       |       |       |
|---|--|-------|-------|-------|-------|
| Stores operated at beginning of period                          |  |       |       |       |       |
| New stores opened   |  |       |       |       |       |
| Stores operated at end of period                                | Stores operated at end of period       | 2,254 | 2,122 | 2,254 | 2,122 |
| <b>Corporate-owned stores:</b>                                  |  |       |       |       |       |
| Stores operated at end of period                                |  |       |       |       |       |
| Stores operated at end of period                                |  |       |       |       |       |
| <b>Total stores:</b>  |  |       |       |       |       |
| Stores operated at beginning of period                          |  |       |       |       |       |
| Stores operated at beginning of period                          |  |       |       |       |       |
| Stores operated at beginning of period                          | Stores operated at beginning of period | 242   | 233   | 234   | 112   |
| New stores opened   | New stores opened                      | 2     | 4     | 6     | 11    |
| Stores sold to franchisees                                      |  | —     | (6)   | —     | (6)   |
| Stores acquired from franchisees                                |  | —     | —     | 4     | 114   |
| Stores debranded, sold, closed or consolidated <sup>(1)</sup>   |  |       |       |       |       |
| Stores operated at end of period                                | Stores operated at end of period       | 244   | 231   | 244   | 231   |
| <b>Total stores:</b>  |  |       |       |       |       |
| Stores operated at beginning of period                          |  | 2,472 | 2,324 | 2,410 | 2,254 |
| New stores opened   |  | 26    | 29    | 88    | 100   |
| Stores acquired, debranded, sold or consolidated <sup>(1)</sup> |  | —     | —     | —     | (1)   |
| Stores operated at end of period                                |  | 2,498 | 2,353 | 2,498 | 2,353 |

<sup>(1)</sup> The term "debrand" "debranded" refers to a franchisee-owned store whose right to use the Planet Fitness brand and marks has been terminated in accordance with the franchise agreement. The Company retains We retain the right to prevent debranded stores from continuing to operate as fitness centers. The term "consolidated" refers to the combination of a franchisee's store with another store located in close proximity with our prior approval. This often coincides with an enlargement, re-equipment and/or refurbishment of the remaining store.

#### (17) VIE deconsolidation

During 2023, a triggering event occurred that resulted in the Company analyzing the PF Melville LLC and Matthew Michael Realty LLC VIEs to determine if they still met the criteria for consolidation. As a result of the analysis, the Company determined these entities no longer qualify for consolidation as VIEs as the Company no longer qualifies as the primary beneficiary of the VIEs and therefore deconsolidated the entities. The deconsolidation removed the net assets and non-controlling interest from the VIEs and did not impact the Company's condensed consolidated statements of operations.

## ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the accompanying unaudited interim condensed consolidated financial statements as of and for the three months ended March 31, 2024 and the related notes included in this Quarterly Report on Form 10-Q and our audited consolidated financial statements as of and for the year ended December 31, 2023 and the related notes contained in the Company's Annual Report on Form 10-K filed with the SEC on February 29, 2024. Unless the context requires otherwise, references in this report to the "Company," "we," "us" and "our" refer to Planet Fitness, Inc. and its consolidated subsidiaries.

### Overview

We are one of the largest and fastest-growing franchisors and operators of fitness centers in the world by number of members and locations, with a highly recognized international national brand. Our mission is to enhance people's lives and democratize fitness by providing a high-quality fitness experience in a welcoming, non-intimidating environment, which we call the Judgement Free Zone. Zone, where anyone—and we mean anyone—can feel they belong. Our bright, clean stores are typically 20,000 square feet, with a large selection of high-quality, purple and yellow Planet Fitness-branded cardio, circuit 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 primarily at only as low as \$10 per month for our standard Classic Card membership. This attractive 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 do are not belong to a gym members, particularly those who find the traditional fitness club setting intimidating and expensive. We and our franchisees fiercely protect Planet Fitness's 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.

As of September 30, 2023 March 31, 2024, we had more than 18.5 million approximately 19.6 million members and 2,498 2,599 stores in all 50 states, the District of Columbia, Puerto Rico, Canada, Panama, Mexico and Australia. Of our 2,498 2,599 stores, 2,254 2,341 are franchised and 244 258 are corporate-owned.

As of September 30, 2023 March 31, 2024, we had contractual commitments to open more than approximately 1,000 new stores under existing ADAs stores.

### Our segments



We operate and manage our business in three business segments: Franchise, Corporate-owned stores and Equipment. Our Franchise segment includes operations related to our franchising business in the United States, U.S., Puerto Rico, Canada, Panama, Mexico and Australia, including as well as revenues and expenses from of the NAF. Our Corporate-owned stores segment includes operations with respect to all corporate-owned stores throughout the United States U.S. and Canada. The Equipment segment primarily includes the sale of equipment to our United States franchisee-owned stores, stores in the U.S., Canada, and Mexico. We evaluate the performance of our segments and allocate resources to them based on revenue and earnings before interest, taxes, depreciation and amortization, referred to as Segment EBITDA. Revenue and Segment EBITDA for all operating segments include only transactions with unaffiliated customers and do not include intersegment transactions. The following tables below summarize the financial information for our segments for the three and nine months ended September 30, 2023 and September 30, 2022. segments:

| (in thousands)                      | Three Months Ended March 31, |                   |
|-------------------------------------|------------------------------|-------------------|
|                                     | 2024                         | 2023              |
| Revenue                             |                              |                   |
| Franchise segment                   | \$ 104,020                   | \$ 92,682         |
| Corporate-owned stores segment      | 122,378                      | 105,882           |
| Equipment segment                   | 21,619                       | 23,661            |
| Total revenue                       | <u>\$ 248,017</u>            | <u>\$ 222,225</u> |
| Segment EBITDA                      |                              |                   |
| Franchise segment                   | \$ 76,311                    | \$ 64,735         |
| Corporate-owned stores segment      | 42,104                       | 33,530            |
| Equipment segment                   | 4,760                        | 5,571             |
| Corporate and other <sup>(1)</sup>  | (18,526)                     | (15,822)          |
| Total Segment EBITDA <sup>(2)</sup> | <u>\$ 104,649</u>            | <u>\$ 88,014</u>  |

(1) "Corporate and other," as it relates to Segment EBITDA, other" primarily includes corporate overhead costs, such as payroll and related benefit costs and professional services that are not directly attributable to any individual segment.

| (in thousands)                 | Three months ended |                   | Nine months ended |                   |
|--------------------------------|--------------------|-------------------|-------------------|-------------------|
|                                | September 30,      |                   | September 30,     |                   |
|                                | 2023               | 2022              | 2023              | 2022              |
| Revenue                        |                    |                   |                   |                   |
| Franchise segment              | \$ 98,165          | \$ 80,746         | \$ 289,691        | \$ 243,373        |
| Corporate-owned stores segment | 113,245            | 101,330           | 332,885           | 278,940           |
| Equipment segment              | 66,141             | 62,310            | 163,664           | 133,191           |
| Total revenue                  | <u>\$ 277,551</u>  | <u>\$ 244,386</u> | <u>\$ 786,240</u> | <u>\$ 655,504</u> |

| Segment EBITDA                      |    |          |    |          |    |          |    |          |
|-------------------------------------|----|----------|----|----------|----|----------|----|----------|
| Franchise                           | \$ | 67,583   | \$ | 53,475   | \$ | 198,418  | \$ | 167,910  |
| Corporate-owned stores              |    | 44,264   |    | 40,446   |    | 126,499  |    | 103,287  |
| Equipment                           |    | 16,434   |    | 15,803   |    | 39,134   |    | 34,638   |
| Corporate and other                 |    | (18,547) |    | (10,458) |    | (52,238) |    | (41,059) |
| Total Segment EBITDA <sub>(1)</sub> | \$ | 109,734  | \$ | 99,266   | \$ | 311,813  | \$ | 264,776  |

  Total Segment EBITDA is equal to EBITDA, which is a metric that is not presented in accordance with U.S. GAAP. Refer to "—Non-GAAP financial measures" **Financial Measures** for a definition of EBITDA and a reconciliation to net income, the most directly comparable U.S. GAAP measure.

A reconciliation of income from operations to Segment EBITDA is set forth below:

|  | Corporate-owned stores        |           |                        |           |                     |            | Franchise                         |           | Corporate-owned stores | Equipment | Corporate and other | Total |
|--|-------------------------------|-----------|------------------------|-----------|---------------------|------------|-----------------------------------|-----------|------------------------|-----------|---------------------|-------|
| (in thousands)                                       | (in thousands)                | Franchise | Corporate-owned stores | Equipment | Corporate and other | Total      | (in thousands)                    | Franchise | Corporate-owned stores | Equipment | Corporate and other | Total |
| Three months ended September 30, 2023                |                               |           |                        |           |                     |            |                                   |           |                        |           |                     |       |
| Three Months Ended March 31, 2024                    |                               |           |                        |           |                     |            | Three Months Ended March 31, 2024 |           |                        |           |                     |       |
| Income (loss) from operations                        | Income (loss) from operations | \$ 65,949 | \$ 14,811              | \$ 15,172 | \$ (23,581)         | \$ 72,351  |                                   |           |                        |           |                     |       |
| Depreciation and amortization                        | Depreciation and amortization | 1,845     | 29,484                 | 1,262     | 4,886               | 37,477     |                                   |           |                        |           |                     |       |
| Other (expense) income                               | Other (expense) income        | (211)     | (31)                   | —         | 390                 | 148        |                                   |           |                        |           |                     |       |
| Equity losses of unconsolidated entities, net of tax |                               | —         | —                      | —         | (242)               | (242)      |                                   |           |                        |           |                     |       |
| Losses from equity-method investments, net of tax    |                               |           |                        |           |                     |            |                                   |           |                        |           |                     |       |
| Segment EBITDA <sub>(1)</sub>                        | Segment EBITDA <sub>(1)</sub> | \$ 67,583 | \$ 44,264              | \$ 16,434 | \$ (18,547)         | \$ 109,734 |                                   |           |                        |           |                     |       |
| Three months ended September 30, 2022                |                               |           |                        |           |                     |            |                                   |           |                        |           |                     |       |
| Income (loss) from operations                        |                               | \$ 51,442 | \$ 15,187              | \$ 14,543 | \$ (19,238)         | \$ 61,934  |                                   |           |                        |           |                     |       |
| Depreciation and amortization                        |                               | 1,852     | 25,350                 | 1,260     | 4,110               | 32,572     |                                   |           |                        |           |                     |       |
| Other income (expense)                               |                               | 181       | (91)                   | —         | 4,672               | 4,762      |                                   |           |                        |           |                     |       |
| Equity losses of unconsolidated entities, net of tax |                               | —         | —                      | —         | (2)                 | (2)        |                                   |           |                        |           |                     |       |
| Segment EBITDA <sub>(1)</sub>                        |                               | \$ 53,475 | \$ 40,446              | \$ 15,803 | \$ (10,458)         | \$ 99,266  |                                   |           |                        |           |                     |       |
| Nine months ended September 30, 2023                 |                               |           |                        |           |                     |            |                                   |           |                        |           |                     |       |

| Three Months Ended March 31, 2023                    |                               |           |           |          |             |           | Three Months Ended March 31, 2023 |  |  |  |  |  |  |
|--|-------------------------------|-----------|-----------|----------|-------------|-----------|-----------------------------------|--|--|--|--|--|--|
| Income (loss) from operations                        | Income (loss) from operations | \$193,134 | \$ 39,406 | \$35,344 | \$ (66,376) | \$201,508 |                                   |  |  |  |  |  |  |
| Depreciation and amortization                        | Depreciation and amortization | 5,534     | 87,179    | 3,788    | 13,753      | 110,254   |                                   |  |  |  |  |  |  |
| Other (expense) income                               | Other (expense) income        | (250)     | (86)      | 2        | 965         | 631       |                                   |  |  |  |  |  |  |
| Equity losses of unconsolidated entities, net of tax |                               | —         | —         | —        | (580)       | (580)     |                                   |  |  |  |  |  |  |
| Losses from equity-method investments, net of tax    |                               |           |           |          |             |           |                                   |  |  |  |  |  |  |
| Segment EBITDA <sup>(1)</sup>                        | Segment EBITDA <sup>(1)</sup> | \$198,418 | \$126,499 | \$39,134 | \$ (52,238) | \$311,813 |                                   |  |  |  |  |  |  |
| <b>Nine months ended September 30, 2022</b>          |                               |           |           |          |             |           |                                   |  |  |  |  |  |  |
| Income (loss) from operations                        |                               | \$162,216 | \$ 34,828 | \$30,859 | \$ (62,220) | \$165,683 |                                   |  |  |  |  |  |  |
| Depreciation and amortization                        |                               | 5,561     | 68,590    | 3,781    | 12,495      | 90,427    |                                   |  |  |  |  |  |  |
| Other income (expense)                               |                               | 133       | (131)     | (2)      | 9,000       | 9,000     |                                   |  |  |  |  |  |  |
| Equity losses of unconsolidated entities, net of tax |                               | —         | —         | —        | (334)       | (334)     |                                   |  |  |  |  |  |  |
| Segment EBITDA <sup>(1)</sup>                        |                               | \$167,910 | \$103,287 | \$34,638 | \$ (41,059) | \$264,776 |                                   |  |  |  |  |  |  |

<sup>(1)</sup>Total Segment EBITDA is equal to EBITDA, which is a metric that is not presented in accordance with U.S. GAAP. Refer to “—Non-GAAP Financial Measures” for a definition of EBITDA and a reconciliation to net income, the most directly comparable U.S. GAAP measure.

#### How we assess the performance of our business

In assessing the performance of our business, we consider a variety of performance and financial measures. The key measures for determining how our business is performing include total monthly dues and annual fees billed to members (which we refer to as system-wide sales), the number of new store openings, same store sales for both corporate-owned and franchisee-owned stores, system-wide sales, EBITDA, Adjusted EBITDA, Segment EBITDA, Adjusted net income and Adjusted net income per share, diluted. See “—Non-GAAP financial measures” below for our definition of EBITDA, Adjusted EBITDA, Adjusted net income, and Adjusted net income per share, diluted and why we present EBITDA, Adjusted EBITDA, Adjusted net income, and Adjusted net income per share, diluted, and for a reconciliation of our EBITDA, Adjusted EBITDA, and Adjusted net income to net income, the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP, and a reconciliation of Adjusted net income per share, diluted to net income per share, diluted, the most directly comparable financial measure calculated and presented in accordance with U.S. GAAP.

#### Number of new store openings

The number of new store openings reflects stores opened during a particular reporting period for both corporate-owned and franchisee-owned stores. Opening new stores is an important part of our growth strategy and we expect the majority of our future new stores will be franchisee-owned. Before we obtain the certificate of occupancy or report any revenue for new corporate-owned stores, we incur pre-opening costs, such as rent expense, labor expense and other operating expenses. Some of our Our stores open with an initial start-up period of higher than normal marketing and operating expenses, particularly as a percentage of monthly revenue. New stores may not be profitable and their revenue may not follow historical patterns.

The following table shows the change growth in our corporate-owned and franchisee-owned store base for the three and nine months ended September 30, 2023 and 2022:base:

|  | Three months ended September 30, | Nine months ended September 30, |
|--|----------------------------------|---------------------------------|
|  |                                  |                                 |

|   | 2023  | 2022  | 2023  | 2022  |
|---|-------|-------|-------|-------|
| <b>Franchisee-owned stores:</b>                                 |       |       |       |       |
| Stores operated at beginning of period                          | 2,230 | 2,091 | 2,176 | 2,142 |
| New stores opened   | 24    | 25    | 82    | 89    |
| Stores acquired from the Company                                | —     | 6     | —     | 6     |
| Stores debranded, sold, or consolidated <sup>(1)</sup>          | —     | —     | (4)   | (115) |
| Stores operated at end of period                                | 2,254 | 2,122 | 2,254 | 2,122 |
| <b>Corporate-owned stores:</b>                                  |       |       |       |       |
| Stores operated at beginning of period                          | 242   | 233   | 234   | 112   |
| New stores opened   | 2     | 4     | 6     | 11    |
| Stores sold to franchisees                                      | —     | (6)   | —     | (6)   |
| Stores acquired from franchisees                                | —     | —     | 4     | 114   |
| Stores operated at end of period                                | 244   | 231   | 244   | 231   |
| <b>Total stores:</b>  |       |       |       |       |
| Stores operated at beginning of period                          | 2,472 | 2,324 | 2,410 | 2,254 |
| New stores opened   | 26    | 29    | 88    | 100   |
| Stores acquired, debranded, sold or consolidated <sup>(1)</sup> | —     | —     | —     | (1)   |
| Stores operated at end of period                                | 2,498 | 2,353 | 2,498 | 2,353 |

|   | Three Months Ended March 31, |       |
|---|------------------------------|-------|
|   | 2024                         | 2023  |
| <b>Franchisee-owned stores:</b>                               |                              |       |
| Stores operated at beginning of period                        | 2,319                        | 2,176 |
| New stores opened   | 23                           | 35    |
| Stores debranded, sold, closed or consolidated <sup>(1)</sup> | (1)                          | —     |
| Stores operated at end of period                              | 2,341                        | 2,211 |
| <b>Corporate-owned stores:</b>                                |                              |       |
| Stores operated at beginning of period                        | 256                          | 234   |
| New stores opened   | 2                            | 1     |
| Stores operated at end of period                              | 258                          | 235   |
| <b>Total stores:</b>  |                              |       |
| Stores operated at beginning of period                        | 2,575                        | 2,410 |
| New stores opened   | 25                           | 36    |
| Stores debranded, sold or consolidated <sup>(1)</sup>         | (1)                          | —     |
| Stores operated at end of period                              | 2,599                        | 2,446 |

<sup>(1)</sup>The term "debrand" "debranded" refers to a franchisee-owned store whose right to use the Planet Fitness brand and marks has been terminated in accordance with the franchise agreement. We retain the right to prevent debranded stores from continuing to operate as fitness centers. The term "consolidated" refers to the combination of a franchisee's store with another store located in close proximity with our prior approval. This often coincides with an enlargement, re-equipment and/or refurbishment of the remaining store.

#### Same store sales

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

Several factors affect our same store sales in any given period, including the following:

- the number of stores that have been in operation for more than 12 months;
- the percentage mix and pricing of PF Black Card and standard Classic Card memberships in any period;

- growth in total net memberships per store;
- consumer recognition of our brand and our ability to respond to changing consumer preferences;
- overall economic trends, particularly those related to consumer spending;
- our ability and our franchisees' ability to operate stores effectively and efficiently to meet consumer expectations;
- marketing and promotional efforts;
- local competition;
- trade area dynamics; and
- opening of new stores in the vicinity of existing locations.

Consistent with common industry practice, we present same store sales as compared to the same period in the prior year and which is calculated for a given period by including only sales from all stores that had sales in have been open and for which monthly membership dues have been billed for longer than 12 months, beginning with the comparable months of both years, 13<sup>th</sup> month and thereafter, as applicable. Same store sales of our international stores are calculated on a constant currency basis, meaning that we translate the current year's same store sales of our international stores at the same exchange rates used in the prior year. Since opening new stores will be is a significant component of our revenue growth, same store sales is only one measure of how we evaluate our performance.

Stores acquired from or sold to franchisees are removed from the franchisee-owned or corporate-owned same store sales base, as applicable, upon the ownership change and for the 12 months following the date of the ownership change. These stores are included in the corporate-owned or franchisee-owned same store sales base, as applicable, following the 12<sup>th</sup> 12<sup>th</sup> month after the acquisition or sale. These stores remain in the system-wide same store sales base in all periods. During the nine months ended September 30, 2023, the stores acquired in the Sunshine Acquisition came into the corporate-owned same store sales base.

The following table presents shows our same store sales data for the three and nine months ended September 30, 2023 and 2022: sales:

|  | Three months ended September 30, |       | Nine months ended September 30, |        |
|--|----------------------------------|-------|---------------------------------|--------|
|  | 2023                             | 2022  | 2023                            | 2022   |
| Same store sales growth:                   |                                  |       |                                 |        |
| Franchisee-owned stores                    | 8.2 %                            | 8.1 % | 8.8 %                           | 12.1 % |
| Corporate-owned stores                     | 10.1 %                           | 9.7 % | 10.7 %                          | 13.9 % |
| Total stores                               | 8.4 %                            | 8.2 % | 9.0 %                           | 12.2 % |
| Number of stores in same store sales base: |                                  |       |                                 |        |
| Franchisee-owned stores                    | 2,116                            | 1,962 | 2,116                           | 1,962  |
| Corporate-owned stores                     | 230                              | 100   | 231                             | 100    |
| Total stores                               | 2,350                            | 2,180 | 2,351                           | 2,180  |

|  | Three Months Ended March 31, |        |
|--|------------------------------|--------|
|  | 2024                         | 2023   |
| Same store sales growth:                   |                              |        |
| Franchisee-owned stores                    | 6.3 %                        | 9.7 %  |
| Corporate-owned stores                     | 6.2 %                        | 12.1 % |
| System-wide stores                         | 6.2 %                        | 9.9 %  |
| Number of stores in same store sales base: |                              |        |
| Franchisee-owned stores                    | 2,199                        | 2,052  |
| Corporate-owned stores                     | 235                          | 222    |
| System-wide stores                         | 2,443                        | 2,280  |

Total monthly dues and annual fees from members (system-wide sales)

We define system-wide sales as total monthly dues and annual fees billed by us and our franchisees. System-wide sales is an operating measure that includes sales by franchisees that are not revenue realized by the Company in accordance with GAAP, as well as sales by our corporate-owned stores. While we do not record sales by franchisees as revenue, and such sales are not included in our consolidated financial statements, we believe that this operating measure aids in understanding how we derive royalty revenue and is important in evaluating our performance. We review the total amount of dues billed to we collect from our members on a monthly basis, which allows us to assess changes in the performance of our corporate-owned and franchisee-owned stores from period to period, any competitive pressures, local or regional membership traffic



patterns and general market conditions that might impact our store performance. We System-wide sales is an operating measure that includes monthly membership dues and annual fee billings by franchisees that are not revenue realized by the Company in accordance with GAAP, as well as monthly membership dues and annual fee billings by our corporate-owned stores. While we do not record sales by franchisees as revenue, and such sales are not included in our condensed consolidated financial statements, we believe that this operating measure aids in understanding how we derive royalty revenue and is important in evaluating our performance. Provided our stores are open, we bill monthly dues on or around the 17<sup>th</sup> of every month in the US and Canada. We bill annual fees once per year from each member based upon when the member signed his or her membership agreement. During System-wide sales were \$1.2 billion and \$1.1 billion, during the three months September 30, 2023 ended March 31, 2024 and 2022, system-wide sales were \$1,092.9 million and \$968.1 million, 2023, respectively. During the nine months ended September 30, 2023 and 2022, system-wide sales were \$3,348.4 million and \$2,948.1 million, respectively.

#### Non-GAAP financial measures

We refer to EBITDA and Adjusted EBITDA as we use these measures to evaluate our operating performance and we believe these measures provide are useful information to investors in evaluating our performance. EBITDA and Adjusted EBITDA as presented in this Quarterly Report on Form 10-Q are supplemental measures of our performance that are neither required by, nor presented in accordance with U.S. GAAP. EBITDA and Adjusted EBITDA should not be considered as substitutes for U.S. GAAP metrics such as net income or any other performance measures derived in accordance with U.S. GAAP.

Also, in the future we may incur expenses or charges such as those used 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. We have also disclosed Segment EBITDA as an important financial metric utilized by the Company to evaluate performance and allocate resources to segments in accordance with ASC 280, *Segment Reporting*. As part of such disclosure in "Our Segments" within Management's Discussion and Analysis of Financial Condition and Results of Operations, the Company has provided a reconciliation from income from operations to Total Segment EBITDA, which is equal to the Non-GAAP financial metric EBITDA.

We define EBITDA as net income before interest, taxes, depreciation and amortization. We believe that EBITDA, which eliminates the impact of certain expenses that we do not believe reflect our underlying business performance, provides useful information to investors to assess the performance of our segments as well as the business as a whole. Our board Board of directors Directors also uses EBITDA as a key metric to assess the performance of management. We define Adjusted EBITDA as net income before interest, taxes, depreciation and amortization, EBITDA, adjusted for the impact of certain additional non-cash and other items that we do not consider in our evaluation of ongoing performance of the Company's core operations. We believe that Adjusted EBITDA is an appropriate measure of operating performance in addition to EBITDA because it eliminates the impact of other items that we believe reduce the comparability of our underlying core business performance from period to period and is therefore useful to our investors in comparing the core performance of our business from period to period. investors.

A reconciliation of net income to EBITDA and Adjusted EBITDA is set forth below for the three and nine months ended September 30, 2023 and 2022: below:

| (in thousands)  | Three months ended September 30, |           | Nine months ended September 30, |            |
|---|----------------------------------|-----------|---------------------------------|------------|
|   | 2023                             | 2022      | 2023                            | 2022       |
| Net income  | \$ 41,324                        | \$ 30,677 | \$ 110,272                      | \$ 74,124  |
| Interest income   | (4,245)                          | (1,561)   | (12,339)                        | (2,244)    |
| Interest expense <sup>(1)</sup>   | 21,704                           | 21,917    | 64,771                          | 66,527     |
| Provision for income taxes  | 13,474                           | 15,661    | 38,855                          | 35,942     |
| Depreciation and amortization   | 37,477                           | 32,572    | 110,254                         | 90,427     |
| EBITDA  | \$ 109,734                       | \$ 99,266 | \$ 311,813                      | \$ 264,776 |
| Purchase accounting adjustments-revenue <sup>(2)</sup>  | 45                               | 84        | 378                             | 213        |
| Purchase accounting adjustments-rent <sup>(3)</sup>   | 173                              | 109       | 461                             | 328        |
| Loss on reacquired franchise rights <sup>(4)</sup>  | —                                | —         | 110                             | 1,160      |
| Gain on settlement of preexisting contract with acquiree <sup>(5)</sup>                                 | —                                | —         | —                               | (2,059)    |
| Transaction fees and acquisition-related costs <sup>(6)</sup>   | —                                | 396       | 394                             | 5,344      |
| (Gain) loss on adjustment of allowance for credit losses on held-to-maturity investments <sup>(7)</sup> | (101)                            | 273       | (6)                             | (1,572)    |
| Dividend income on held-to-maturity investments <sup>(8)</sup>  | (511)                            | (477)     | (1,490)                         | (1,391)    |
| Legal matters <sup>(9)</sup>  | —                                | 238       | 6,250                           | 1,189      |
| Tax benefit arrangement remeasurement <sup>(10)</sup>   | —                                | (4,510)   | —                               | (8,381)    |
| Gain on sale of corporate-owned stores <sup>(11)</sup>  | —                                | (1,324)   | —                               | (1,324)    |
| Executive transition costs <sup>(12)</sup>  | 2,502                            | —         | 3,722                           | —          |
| Other <sup>(13)</sup>   | 50                               | (153)     | (590)                           | 1,447      |
| Adjusted EBITDA   | \$ 111,892                       | \$ 93,902 | \$ 321,042                      | \$ 259,730 |

| (in thousands)  | Three Months Ended March 31, |           |
|---|------------------------------|-----------|
|   | 2024                         | 2023      |
| Net income  | \$ 34,973                    | \$ 24,769 |
| Interest income   | (5,461)                      | (3,931)   |
| Interest expense  | 21,433                       | 21,599    |
| Provision for income taxes  | 14,324                       | 9,567     |
| Depreciation and amortization   | 39,380                       | 36,010    |
| EBITDA  | 104,649                      | 88,014    |
| Purchase accounting adjustments-revenue <sup>(1)</sup>  | 20                           | 86        |
| Purchase accounting adjustments-rent <sup>(2)</sup>   | 171                          | 104       |
| Transaction fees and acquisition-related costs <sup>(3)</sup>                                   | —                            | 394       |
| Severance costs <sup>(4)</sup>  | 1,602                        | —         |
| Executive transition costs <sup>(5)</sup>   | 283                          | —         |
| Legal matters <sup>(6)</sup>  | —                            | 3,300     |
| Loss on adjustment of allowance for credit losses on held-to-maturity investment <sup>(7)</sup> | 475                          | 255       |
| Dividend income on held-to-maturity investment <sup>(8)</sup>                                   | (528)                        | (483)     |
| Tax benefit arrangement remeasurement <sup>(9)</sup>  | (362)                        | —         |
| Amortization of basis difference of equity-method investments <sup>(10)</sup>                   | 229                          | —         |
| Other <sup>(11)</sup>   | (228)                        | (1,459)   |
| Adjusted EBITDA   | \$ 106,311                   | \$ 90,211 |

<sup>(1)</sup> Includes a \$1,583 loss on extinguishment of debt in the nine months ended September 30, 2022.

<sup>(2)</sup> Represents the impact of revenue-related purchase accounting adjustments associated with the acquisition of Pla-Fit Holdings on November 8, 2012 by TSG (the "2012 Acquisition"). At the time of the 2012 Acquisition, the Company maintained a deferred revenue account, which consisted of deferred area development agreement fees, deferred franchise fees, and deferred enrollment fees that the Company billed and collected **up-front** but recognizes for U.S. GAAP purposes at a later date. In connection with the 2012 Acquisition, it was determined that the carrying amount of deferred revenue was greater than the fair value assessed in accordance with ASC 805 – Business Combinations, which resulted in a write-down of the carrying value of the deferred revenue balance upon application of acquisition push-down accounting under ASC 805. These amounts represent the additional revenue that would have been recognized **in these periods** if the write-down to deferred revenue had not occurred in connection with the application of acquisition pushdown accounting.

<sup>(3)</sup> Represents the impact of **rent-related** purchase accounting adjustments. In accordance with guidance in ASC 805 – Business Combinations, in connection with the 2012 Acquisition, the Company's deferred rent liability was required to be written off as of the acquisition date and rent was recorded on a straight-line basis from the acquisition date through the end of the lease term. This resulted in higher overall **recorded** rent expense each period than would have otherwise been recorded had the deferred rent liability not been written off as a result of the acquisition push down accounting applied in accordance with ASC 805. **Adjustments of \$41, \$45, \$123, and \$135 in An immaterial adjustment for both the three and nine months ended September 30, 2023 March 31, 2024 and 2022, respectively, 2023** reflect the difference between the higher rent expense recorded in accordance with U.S. GAAP since the acquisition and the rent expense that would have been recorded had the 2012 Acquisition not occurred. **Adjustments of \$138, \$65, \$338, and \$194 in \$0.1 million for both the three and nine months ended September 30, 2023 March 31, 2024 and 2022, respectively, 2023** are due to the amortization of favorable and unfavorable **leases, lease intangible assets**. All of the rent related purchase accounting adjustments are adjustments to rent expense which is included in store operations on our **condensed** consolidated statements of operations.

<sup>(4)</sup> Represents the impact of a non-cash loss recorded in accordance with ASC 805 – Business Combinations related to our acquisition of franchisee-owned stores. The loss recorded under U.S. GAAP represents the difference between the fair value and the contractual terms of the reacquired franchise rights and is included in other losses (gains), net on our consolidated statement of operations.

<sup>(5)</sup> Represents a gain on settlement of deferred revenue from existing contracts with acquired franchisee-stores recorded in accordance with ASC 805 – Business Combinations, and is included in other losses (gains), net on our consolidated statement of operations.

<sup>(6)</sup> Represents transaction fees and acquisition-related costs incurred in connection with our acquisition of franchisee-owned stores.

<sup>(4)</sup> Represents severance related expenses recorded in connection with a reduction in force during the three months ended March 31, 2024.

<sup>(5)</sup> Represents certain expenses recorded in connection with the departure of the Chief Executive Officer including costs associated with the search for a new Chief Executive Officer and retention payments for certain key employees through the Chief Executive Officer transition.

<sup>(6)</sup> Represents costs associated with legal matters in which the Company was a defendant. In 2023, this represents an increase in the legal reserve related to preliminary terms of a settlement agreement (the "Preliminary Settlement Agreement"). The legal reserve liability was subsequently paid in 2023.

<sup>(7)</sup> Represents a **(gain)** loss on the adjustment of the allowance for credit losses on the Company's held-to-maturity **investments, investment**.

<sup>(8)</sup> Represents dividend income **recognized on a held-to-maturity investments, investment**.

(9) Represents costs associated with legal matters in which the Company is a defendant. In connection with the Preliminary Settlement Agreement between the Company and a franchisee in Mexico, the Company recorded an estimated liability for the legal settlement of \$8,550 as of December 31, 2022, inclusive of estimated future legal fees. During the second quarter of 2023, the Company revised its estimate of the legal settlement and recorded an increase to the liability of \$6,250 during the nine months ended September 30, 2023 to \$14,500, net of legal fees paid. In the three and nine months ended September 30, 2022, the amounts represent a reserve against an indemnification receivable related to a legal matter.

(10) Represents gains related to the adjustment of our tax benefit arrangements primarily due to changes in our deferred state tax rate.

(11) (10) Represents a gain the amortization expense of the Company's pro-rata portion of the basis difference in its equity method investees, which is included within losses from equity-method investments, net of tax on the sale our condensed consolidated statements of corporate-owned stores, operations.

(12) (11) Represents certain severance and related expenses in the three and nine months ended September 30, 2023 recorded in connection with the departure of the Chief Executive Officer and in the nine months ended September 30, 2023, also includes severance expenses recorded in connection with the elimination of the President and Chief Operating Officer position.

(13) Represents certain other charges gains and gains charges that we do not believe reflect our underlying business performance.

Our presentation of Adjusted net income and Adjusted net income per share, diluted, assumes that all net income is attributable to Planet Fitness, Inc., which assumes the full exchange of all outstanding Holdings Units for shares of Class A common stock of Planet Fitness, Inc., adjusted for certain non-recurring non-cash and other items that we do not believe directly reflect our core operations. Adjusted net income per share, diluted, is calculated by dividing Adjusted net income by the total weighted-average shares of Class A common stock outstanding plus any dilutive options and restricted stock units awards granted under the 2015 Omnibus Incentive Plan as calculated in accordance with U.S. GAAP and assuming the full exchange of all outstanding Holdings Units and corresponding Class B common stock as of the beginning of each period presented. Adjusted net income and Adjusted net income per share, diluted, are supplemental measures of operating performance that do not represent, and should not be considered, alternatives to net income and earnings per share, as calculated in accordance with U.S. GAAP. We believe Adjusted net income and Adjusted net income per share, diluted, supplement U.S. GAAP measures and enable us to more effectively evaluate our performance period-over-period. A reconciliation of Adjusted net income to net income, the most directly comparable U.S. GAAP measure, to Adjusted net income, and the computation of Adjusted net income per share, diluted, are set forth below.

| (in thousands, except per share amounts)  | Three months ended September 30, |           | Nine months ended September 30, |            |
|---|----------------------------------|-----------|---------------------------------|------------|
|   | 2023                             | 2022      | 2023                            | 2022       |
| Net income  | \$ 41,324                        | \$ 30,677 | \$ 110,272                      | \$ 74,124  |
| Provision for income taxes, as reported   | 13,474                           | 15,661    | 38,855                          | 35,942     |
| Purchase accounting adjustments-revenue <sup>(1)</sup>  | 45                               | 84        | 378                             | 213        |
| Purchase accounting adjustments-rent <sup>(2)</sup>   | 173                              | 109       | 461                             | 328        |
| Loss on reacquired franchise rights <sup>(3)</sup>  | —                                | —         | 110                             | 1,160      |
| Gain on settlement of preexisting contract with acquiree <sup>(4)</sup>                                 | —                                | —         | —                               | (2,059)    |
| Transaction fees and acquisition-related costs <sup>(5)</sup>   | —                                | 396       | 394                             | 5,344      |
| Loss on extinguishment of debt <sup>(6)</sup>   | —                                | —         | —                               | 1,583      |
| (Gain) loss on adjustment of allowance for credit losses on held-to-maturity investments <sup>(7)</sup> | (101)                            | 273       | (6)                             | (1,572)    |
| Dividend income on held-to-maturity investments <sup>(8)</sup>  | (511)                            | (477)     | (1,490)                         | (1,391)    |
| Legal matters <sup>(9)</sup>  | —                                | 238       | 6,250                           | 1,189      |
| Tax benefit arrangement remeasurement <sup>(10)</sup>   | —                                | (4,510)   | —                               | (8,381)    |
| Gain on sale of corporate-owned stores <sup>(11)</sup>  | —                                | (1,324)   | —                               | (1,324)    |
| Executive transition costs <sup>(12)</sup>  | 2,502                            | —         | 3,722                           | —          |
| Other <sup>(13)</sup>   | 50                               | (153)     | (590)                           | 1,447      |
| Purchase accounting amortization <sup>(14)</sup>  | 12,954                           | 10,611    | 38,485                          | 29,644     |
| Adjusted income before income taxes   | \$ 69,910                        | \$ 51,585 | \$ 196,841                      | \$ 136,247 |
| Adjusted income tax expense <sup>(15)</sup>   | 18,107                           | 13,361    | 50,982                          | 35,288     |
| Adjusted net income <sup>(16)</sup>   | \$ 51,803                        | \$ 38,224 | \$ 145,859                      | \$ 100,959 |
| Adjusted net income per share, diluted  | \$ 0.59                          | \$ 0.42   | \$ 1.64                         | \$ 1.11    |
| Adjusted weighted-average shares outstanding  | 88,420                           | 90,692    | 89,107                          | 90,571     |

| (in thousands, except per share amounts) | Three Months Ended March 31, |           |
|--|------------------------------|-----------|
|  | 2024                         | 2023      |
| Net income                               | \$ 34,973                    | \$ 24,769 |
| Provision for income taxes               | 14,324                       | 9,567     |

|   |           |           |
|---|-----------|-----------|
| Purchase accounting adjustments-revenue <sup>(1)</sup>  | 20        | 86        |
| Purchase accounting adjustments-rent <sup>(2)</sup>   | 171       | 104       |
| Transaction fees and acquisition-related costs <sup>(3)</sup>                                   | —         | 394       |
| Severance costs <sup>(4)</sup>  | 1,602     | —         |
| Executive transition costs <sup>(5)</sup>   | 283       | —         |
| Legal matters <sup>(6)</sup>  | —         | 3,300     |
| Loss on adjustment of allowance for credit losses on held-to-maturity investment <sup>(7)</sup> | 475       | 255       |
| Dividend income on held-to-maturity investment <sup>(8)</sup>                                   | (528)     | (483)     |
| Tax benefit arrangement remeasurement <sup>(9)</sup>  | (362)     | —         |
| Amortization of basis difference of equity-method investments <sup>(10)</sup>                   | 229       | —         |
| Other <sup>(11)</sup>   | (228)     | (1,459)   |
| Purchase accounting amortization <sup>(12)</sup>  | 12,757    | 12,577    |
| Adjusted income before income taxes   | 63,716    | 49,110    |
| Adjusted income taxes <sup>(13)</sup>   | 16,439    | 12,719    |
| Adjusted net income   | \$ 47,277 | \$ 36,391 |
| Adjusted net income per share, diluted  | \$ 0.53   | \$ 0.41   |
| Adjusted weighted-average shares outstanding, diluted <sup>(14)</sup>                           | 88,399    | 89,794    |

<sup>(1)</sup>Represents the impact of revenue-related purchase accounting adjustments associated with the 2012 Acquisition. At the time of the 2012 Acquisition, the Company maintained a deferred revenue account, which consisted of deferred area development agreement fees, deferred franchise fees, and deferred enrollment fees that the Company billed and collected **up-front up front** but recognizes for **U.S. GAAP** purposes at a later date. In connection with the 2012 Acquisition, it was determined that the carrying amount of deferred revenue was greater than the fair value assessed in accordance with ASC 805 – 805—Business Combinations, which resulted in a write-down of the carrying value of the deferred revenue balance upon application of acquisition push-down accounting under ASC 805. These amounts represent the additional revenue that would have been recognized **in these periods** if the write-down to deferred revenue had not occurred in connection with the application of acquisition pushdown accounting.

<sup>(2)</sup>Represents the impact of **rent-related rent related** purchase accounting adjustments. In accordance with guidance in ASC 805 – 805—Business Combinations, in connection with the 2012 Acquisition, the Company's deferred rent liability was required to be written off as of the acquisition date and rent was recorded on a straight-line basis from the acquisition date through the end of the lease term. This resulted in higher overall **recorded rent** expense each period than would have otherwise been recorded had the deferred rent liability not been written off as a result of the acquisition push down accounting

applied in accordance with ASC 805. Adjustments of \$41, \$45, \$123, and \$135 in **An immaterial adjustment for both** the three and nine months ended **September 30, 2023 March 31, 2024** and **2022, respectively, 2023** reflect the difference between the higher rent expense recorded in accordance with U.S. GAAP since the acquisition and the rent expense that would have been recorded had the 2012 Acquisition not occurred. Adjustments of \$138, \$65, \$338, and \$194 in **\$0.1 million for both** the three and nine months ended **September 30, 2023 March 31, 2024** and **2022, respectively, 2023** are due to the amortization of favorable and unfavorable **leases, lease intangible assets**. All of the rent related purchase accounting adjustments are adjustments to rent expense which is included in store operations on our **condensed consolidated statements of operations**.

<sup>(3)</sup>Represents the impact of a non-cash loss recorded in accordance with ASC 805 – Business Combinations related to our acquisition of franchisee-owned stores. The loss recorded under U.S. GAAP represents the difference between the fair value and the contractual terms of the reacquired franchise rights and is included in other losses (gains), net on our consolidated statement of operations.

(4) Represents a gain on settlement of deferred revenue from existing contracts with acquired franchisee-stores recorded in accordance with ASC 805 – Business Combinations, and is included in other losses (gains), net on our consolidated statement of operations.

(5) Represents transaction fees and acquisition-related costs incurred in connection with our acquisition of franchisee-owned stores.

<sup>(4)</sup> Represents severance related expenses recorded in connection with a reduction in force during the three months ended March 31, 2024.

<sup>(5)</sup> Represents certain expenses recorded in connection with the departure of the Chief Executive Officer including costs associated with the search for a new Chief Executive Officer and retention payments for certain key employees through the Chief Executive Officer transition.

<sup>(6)</sup>Represents costs associated with legal matters in which the Company was a **loss on extinguishment of debt** defendant. In 2023, this represents an increase in the **nine months ended September 30, 2022**, legal reserve, net of legal fees paid, related to the Preliminary Settlement Agreement. The legal reserve liability was subsequently paid in 2023.

<sup>(7)</sup>Represents a **(gain)** loss on the adjustment of the allowance for credit losses on the Company's held-to-maturity **investments, investment**.

<sup>(8)</sup>Represents dividend income **recognized on a held-to-maturity investments, investment**.

(9) Represents costs associated with legal matters in which the Company is a defendant. In connection with the Preliminary Settlement Agreement between the Company and a franchisee in Mexico, the Company recorded an estimated liability for the legal settlement of \$8,550 as of December 31, 2022, inclusive of estimated future legal fees. During the second quarter of 2023, the Company revised its estimate of the legal settlement and recorded an increase to the liability of \$6,250 during the nine months ended September 30, 2023 to \$14,500, net of legal fees paid. In the three and nine months ended September 30, 2022, the amounts represent a reserve against an indemnification receivable related to a legal matter.

(10) Represents gains related to the adjustment of our tax benefit arrangements primarily due to changes in our deferred state tax rate.

(11) (10) Represents a gain on the sale of corporate-owned stores.

(12) Represents certain severance and related expenses in the three and nine months ended September 30, 2023 recorded in connection with the departure amortization expense of the Company's Chief Executive Officer and in the nine months ended September 30, 2023, also includes severance expenses recorded in connection with the elimination pro-rata portion of the President and Chief Operating Officer position, basis difference in its equity method investees, which is included within losses from equity-method investments, net of tax on our condensed consolidated statements of operations.

(13) (11) Represents certain other charges gains and gains charges that we do not believe reflect our underlying business performance.

(14) (12) Includes \$3,096, \$3,096, \$9,288 and \$9,288 \$3.1 million of amortization of intangible assets for the three and nine months ended September 30, 2023 and 2022, recorded in connection with the 2012 Acquisition, other than favorable leases, for each of the three months ended March 31, 2024 and \$9,858, \$7,515, \$29,197 2023, and \$20,357 \$9.7 million and \$9.5 million of amortization of intangible assets for the three and nine months ended September 30, 2023 and 2022, respectively, recorded created in connection with historical acquisitions of franchisee-owned stores. stores for the three months ended March 31, 2024 and 2023, respectively. The adjustment represents the amount of actual non-cash amortization expense recorded, in accordance with U.S. GAAP, in each period.

(15) (13) Represents corporate income taxes at an assumed blended effective tax rate of 25.8% and 25.9% for the three and nine months ended September 30, 2023 March 31, 2024 and September 30, 2022, 2023, respectively, applied to adjusted income before income taxes.

(16) (14) Assumes the full exchange of all outstanding Holdings Units and corresponding shares of Class B common stock for shares of Class A common stock of Planet Fitness, Inc.

A reconciliation of net income per share, diluted, to Adjusted net income per share, diluted is set forth below for the three and nine months ended September 30, 2023 and 2022:

|   |   | For the three months ended<br>September 30, 2023 |                |                             | For the three months ended<br>September 30, 2022 |                |                             |  |            |                                      |                             |            |                                      |                             |            |
|---|---|--|----------------|-----------------------------|--|----------------|-----------------------------|--|------------|--------------------------------------|-----------------------------|------------|--------------------------------------|-----------------------------|------------|
|   |   | Three Months Ended March 31, 2024                |                |                             |  |                |                             |  |            | Three Months Ended<br>March 31, 2024 |                             |            | Three Months Ended<br>March 31, 2023 |                             |            |
|   |   | Net income                                       |                |                             | Net income                                       |                |                             |  |            |                                      |                             |            |                                      |                             |            |
| (in thousands, except per share amounts)                        | (in thousands, except per share amounts)                        | Net income                                       | Average Shares | Weighted per share, diluted | Net income                                       | Average Shares | Weighted per share, diluted | (in thousands, except per share amounts) | Net income | Average Shares                       | Weighted per share, diluted | Net income | Average Shares                       | Weighted per share, diluted | Net income |
| Net income attributable to Planet Fitness, Inc.(1)              | Net income attributable to Planet Fitness, Inc.(1)              | \$39,134   | 84,886         | \$ 0.46                     | \$26,913   | 84,547         | \$ 0.32                     |  |            |                                      |                             |            |                                      |                             |            |
| Assumed exchange of shares(2)                                   | Assumed exchange of shares(2)                                   | 2,190  | 3,534          |                             | 3,764  | 6,145          |                             |  |            |                                      |                             |            |                                      |                             |            |
| Net income  | Net income  | 41,324   |                |                             | 30,677   |                |                             |  |            |                                      |                             |            |                                      |                             |            |
| Net income  | Net income  |  |                |                             |  |                |                             |  |            |                                      |                             |            |                                      |                             |            |
| Adjustments to arrive at adjusted income before income taxes(3) | Adjustments to arrive at adjusted income before income taxes(3) |  |                |                             |  |                |                             |  |            |                                      |                             |            |                                      |                             |            |
| Adjustments to arrive at adjusted income before income taxes(3) | Adjustments to arrive at adjusted income before income taxes(3) |  |                |                             |  |                |                             |  |            |                                      |                             |            |                                      |                             |            |
| Adjustments to arrive at adjusted income before income taxes(3) | Adjustments to arrive at adjusted income before income taxes(3) | 28,586   |                |                             | 20,908   |                |                             |  |            |                                      |                             |            |                                      |                             |            |

|  |                                     |                 |               |                |                 |               |                |
|--|-------------------------------------|-----------------|---------------|----------------|-----------------|---------------|----------------|
| Adjusted income before income taxes        | Adjusted income before income taxes | 69,910          |               |                | 51,585          |               |                |
| Adjusted income tax expense <sup>(4)</sup> |                                     | 18,107          |               |                | 13,361          |               |                |
| Adjusted income before income taxes        |                                     |                 |               |                |                 |               |                |
| Adjusted income before income taxes        |                                     |                 |               |                |                 |               |                |
| Adjusted income taxes <sup>(4)</sup>       |                                     |                 |               |                |                 |               |                |
| Adjusted income taxes <sup>(4)</sup>       |                                     |                 |               |                |                 |               |                |
| Adjusted income taxes <sup>(4)</sup>       |                                     |                 |               |                |                 |               |                |
| Adjusted net income                        | Adjusted net income                 | <u>\$51,803</u> | <u>88,420</u> | <u>\$ 0.59</u> | <u>\$38,224</u> | <u>90,692</u> | <u>\$ 0.42</u> |
| Adjusted net income                        |                                     |                 |               |                |                 |               |                |
| Adjusted net income                        |                                     |                 |               |                |                 |               |                |

<sup>(1)</sup>Represents net income attributable to Planet Fitness, Inc. and the associated weighted average shares diluted, of Class A common stock outstanding, outstanding (see Note 10 to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q).

<sup>(2)</sup>Assumes the full exchange of all outstanding Holdings Units and corresponding shares of Class B common stock for shares of Class A common stock of Planet Fitness, Inc. as of the beginning of the period presented. Also assumes the addition of net income attributable to non-controlling interests corresponding with the assumed exchange of Holdings Units and shares of Class B common shares stock for shares of Class A common stock.

<sup>(3)</sup>Represents the total impact of all adjustments identified in the adjusted net income table above to arrive at adjusted income before income taxes.

<sup>(4)</sup>Represents corporate income taxes at an assumed blended effective tax rate of 25.8% and 25.9% for the three months ended September 30, March 31, 2024 and 2023, and 2022, applied to adjusted income before income taxes.

| (in thousands, except per share amounts)                                    | For the nine months ended<br>September 30, 2023 |                |                | For the nine months ended<br>September 30, 2022 |                |                |
|---|---|----------------|----------------|---|----------------|----------------|
|   | Net income                                      | Weighted       | Net income per | Net income                                      | Weighted       | Net income per |
|   |   | Average Shares | share, diluted |   | Average Shares | share, diluted |
| Net income attributable to Planet Fitness, Inc. <sup>(1)</sup>              | \$ 102,973                                      | 84,870         | \$ 1.21        | \$ 65,719                                       | 84,798         | \$ 0.78        |
| Assumed exchange of shares <sup>(2)</sup>                                   | 7,299   | 4,237          |                | 8,405   | 5,773          |                |
| Net income  | 110,272   |                |                | 74,124  |                |                |
| Adjustments to arrive at adjusted income before income taxes <sup>(3)</sup> | 86,569  |                |                | 62,123  |                |                |
| Adjusted income before income taxes   | 196,841   |                |                | 136,247   |                |                |
| Adjusted income tax expense <sup>(4)</sup>                                  | 50,982  |                |                | 35,288  |                |                |
| Adjusted net income   | \$ 145,859                                      | 89,107         | \$ 1.64        | \$ 100,959                                      | 90,571         | \$ 1.11        |

(1) Represents net income attributable to Planet Fitness, Inc. and the associated weighted average shares, diluted, of Class A common stock outstanding.

(2) Assumes the full exchange of all outstanding Holdings Units and corresponding shares of Class B common stock for shares of Class A common stock of Planet Fitness, Inc. Also assumes the addition of net income attributable to non-controlling interests corresponding with the assumed exchange of Holdings Units and Class B common shares for shares of Class A common stock.

(3) Represents the total impact of all adjustments identified in the adjusted net income table above to arrive at adjusted income before income taxes.

(4) Represents corporate income taxes at an assumed blended tax rate of 25.9% for the nine months ended September 30, 2023 and 2022, respectively, applied to adjusted income before income taxes.

## Results of operations

The following table sets forth our condensed consolidated statements of operations as a percentage of total revenue for the three and nine months ended September 30, 2023 and 2022:

|          | Three months ended September 30, |      | Nine months ended September 30, |      |
|----------|----------------------------------|------|---------------------------------|------|
|          | 2023                             | 2022 | 2023                            | 2022 |
| Revenue: |                                  |      |                                 |      |

|   |         |         |         |         |
|---|---------|---------|---------|---------|
| Franchise revenue   | 29.0 %  | 27.1 %  | 30.2 %  | 30.5 %  |
| National advertising fund revenue                         | 6.3 %   | 5.9 %   | 6.7 %   | 6.5 %   |
| Franchise segment   | 35.4 %  | 33.0 %  | 36.9 %  | 37.0 %  |
| Corporate-owned stores                                    | 40.8 %  | 41.5 %  | 42.3 %  | 42.7 %  |
| Equipment   | 23.8 %  | 25.5 %  | 20.8 %  | 20.3 %  |
| Total revenue   | 100.0 % | 100.0 % | 100.0 % | 100.0 % |
| Operating costs and expenses:                             |         |         |         |         |
| Cost of revenue   | 19.4 %  | 19.9 %  | 16.9 %  | 15.8 %  |
| Store operations  | 22.7 %  | 23.7 %  | 23.9 %  | 24.7 %  |
| Selling, general and administrative                       | 12.0 %  | 11.1 %  | 11.9 %  | 13.1 %  |
| National advertising fund expense                         | 6.3 %   | 7.0 %   | 6.7 %   | 7.7 %   |
| Depreciation and amortization                             | 13.5 %  | 13.3 %  | 14.0 %  | 13.8 %  |
| Other (gains) losses, net                                 | — %     | (0.3)%  | 1.0 %   | (0.4)%  |
| Total operating costs and expenses                        | 73.9 %  | 74.7 %  | 74.4 %  | 74.7 %  |
| Income from operations                                    | 26.1 %  | 25.3 %  | 25.6 %  | 25.3 %  |
| Other income (expense), net:                              |         |         |         |         |
| Interest income   | 1.5 %   | 0.6 %   | 1.6 %   | 0.3 %   |
| Interest expense  | (7.8)%  | (9.0)%  | (8.2)%  | (10.1)% |
| Other income  | 0.1 %   | 1.9 %   | 0.1 %   | 1.4 %   |
| Total other expense, net                                  | (6.2)%  | (6.5)%  | (6.5)%  | (8.4)%  |
| Income before income taxes                                | 19.9 %  | 18.8 %  | 19.1 %  | 16.9 %  |
| Equity losses of unconsolidated entities, net of tax      | (0.1)%  | — %     | (0.1)%  | (0.1)%  |
| Provision for income taxes                                | 4.9 %   | 6.4 %   | 4.9 %   | 5.5 %   |
| Net income  | 14.9 %  | 12.4 %  | 14.1 %  | 11.3 %  |
| Less net income attributable to non-controlling interests | 0.8 %   | 1.5 %   | 0.9 %   | 1.3 %   |
| Net income attributable to Planet Fitness, Inc.           | 14.1 %  | 10.9 %  | 13.2 %  | 10.0 %  |

The following table sets forth a comparison of our condensed consolidated statements of operations for the three in dollars and nine months ended September 30, 2023 and 2022: as a percentage of total revenue:

|   |   | Three months ended<br>September 30, |          | Nine months ended<br>September 30, |           | Three Months Ended March 31,            |          |                        |       |          |         |                        |  |
|---|---|-------------------------------------|----------|------------------------------------|-----------|---|----------|------------------------|-------|----------|---------|------------------------|--|
|   |   | 2023                                | 2022     | 2023                               | 2022      |   |          |                        |       |          |         |                        |  |
|   | 2024                                    |                                     |          |                                    |           | 2024                                    |          |                        |       | 2023     |         |                        |  |
| (in thousands)                          | (in thousands)                          |                                     |          |                                    |           | (in thousands)                          | Amount   | % of Total<br>Revenues |       | Amount   |         | % of Total<br>Revenues |  |
| Revenue:                                | Revenue:                                |                                     |          |                                    |           |   |          |                        |       |          |         |                        |  |
| Franchise revenue                       |   | \$80,587                            | \$66,168 | \$237,313                          | \$200,243 |   |          |                        |       |          |         |                        |  |
| Franchise                               |   |                                     |          |                                    |           |   |          |                        |       |          |         |                        |  |
| Franchise                               |   |                                     |          |                                    |           |   |          |                        |       |          |         |                        |  |
| Franchise                               |   |                                     |          |                                    |           |   | \$84,234 | 34.0%                  |       | \$75,878 |         | 34.1%                  |  |
| National<br>advertising fund<br>revenue | National<br>advertising fund<br>revenue | 17,578                              | 14,578   | 52,378                             | 43,130    | National<br>advertising fund<br>revenue | 19,786   | 8.0%                   | 8.0%  |          | 16,804  | 7.7%                   |  |
| Franchise<br>segment                    | Franchise<br>segment                    | 98,165                              | 80,746   | 289,691                            | 243,373   | Franchise<br>segment                    | 104,020  | 42.0%                  | 42.0% |          | 92,682  | 41.8%                  |  |
| Corporate-<br>owned stores              | Corporate-<br>owned stores              | 113,245                             | 101,330  | 332,885                            | 278,940   | Corporate-<br>owned stores              | 122,378  | 49.3%                  | 49.3% |          | 105,882 | 47.6%                  |  |
| Equipment                               | Equipment                               | 66,141                              | 62,310   | 163,664                            | 133,191   | Equipment                               | 21,619   | 8.7%                   | 8.7%  |          | 23,661  | 10.6%                  |  |

|  |                                     |          |          |          |          |   |          |        |        |  |          |        |        |        |
|--|-------------------------------------|----------|----------|----------|----------|---|----------|--------|--------|--|----------|--------|--------|--------|
| Total revenue  | Total revenue                       | 277,551  | 244,386  | 786,240  | 655,504  | Total revenue                                     | 248,017  | 100.0% | 100.0% |  | 222,225  | 100.0% |        | 100.0% |
| Operating costs and expenses:                        | Operating costs and expenses:       |          |          |          |          |   |          |        |        |  |          |        |        |        |
| Cost of revenue                                      | Cost of revenue                     | 53,751   | 48,531   | 132,561  | 103,436  |   |          |        |        |  |          |        |        |        |
| Cost of revenue                                      |                                     |          |          |          |          |   |          |        |        |  |          |        |        |        |
| Cost of revenue                                      |                                     |          |          |          |          |   | 18,993   |        | 7.7%   |  | 19,354   |        | 8.7%   |        |
| Store operations                                     | Store operations                    | 63,120   | 57,892   | 188,011  | 161,789  | Store operations                                  | 74,353   | 30.0%  | 30.0%  |  | 66,015   | 29.7%  |        | 29.7%  |
| Selling, general and administrative                  | Selling, general and administrative | 33,290   | 27,148   | 93,705   | 86,176   | Selling, general and administrative               | 29,193   | 11.8%  | 11.8%  |  | 27,767   | 12.5%  |        | 12.5%  |
| National advertising fund expense                    | National advertising fund expense   | 17,618   | 17,009   | 52,496   | 50,445   | National advertising fund expense                 | 19,792   | 8.0%   | 8.0%   |  | 16,987   | 7.6%   |        | 7.6%   |
| Depreciation and amortization                        | Depreciation and amortization       | 37,477   | 32,572   | 110,254  | 90,427   | Depreciation and amortization                     | 39,380   | 15.9%  | 15.9%  |  | 36,010   | 16.2%  |        | 16.2%  |
| Other (gains) losses, net                            |                                     | (56)     | (700)    | 7,705    | (2,452)  |   |          |        |        |  |          |        |        |        |
| Other losses, net                                    |                                     |          |          |          |          | Other losses, net                                 | 484      |        | 0.2%   |  | 3,936    |        | 1.8%   |        |
| Total operating costs and expenses                   | Total operating costs and expenses  | 205,200  | 182,452  | 584,732  | 489,821  | Total operating costs and expenses                | 182,195  | 73.6%  | 73.6%  |  | 170,069  | 76.5%  |        | 76.5%  |
| Income from operations                               | Income from operations              | 72,351   | 61,934   | 201,508  | 165,683  | Income from operations                            | 65,822   | 26.4%  | 26.4%  |  | 52,156   | 23.5%  |        | 23.5%  |
| Other income (expense), net:                         | Other income (expense), net:        |          |          |          |          |   |          |        |        |  |          |        |        |        |
| Interest income                                      | Interest income                     | 4,245    | 1,561    | 12,339   | 2,244    |   |          |        |        |  |          |        |        |        |
| Interest income                                      |                                     |          |          |          |          |   | 5,461    |        | 2.2%   |  | 3,931    |        | 1.8%   |        |
| Interest expense                                     | Interest expense                    | (21,704) | (21,917) | (64,771) | (66,527) | Interest expense                                  | (21,433) | (8.6)% | (8.6)% |  | (21,599) | (9.7)% |        | (9.7)% |
| Other income   |                                     | 148      | 4,762    | 631      | 9,000    |   |          |        |        |  |          |        |        |        |
| Other income, net                                    |                                     |          |          |          |          | Other income, net                                 | 647      |        | 0.3%   |  | 113      |        | 0.1%   |        |
| Total other expense, net                             | Total other expense, net            | (17,311) | (15,594) | (51,801) | (55,283) | Total other expense, net                          | (15,325) | (6.1)% | (6.1)% |  | (17,555) | (7.8)% |        | (7.8)% |
| Income before income taxes                           | Income before income taxes          | 55,040   | 46,340   | 149,707  | 110,400  | Income before income taxes                        | 50,497   | 20.3%  | 20.3%  |  | 34,601   | 15.7%  |        | 15.7%  |
| Equity losses of unconsolidated entities, net of tax |                                     | (242)    | (2)      | (580)    | (334)    |   |          |        |        |  |          |        |        |        |
| Provision for income taxes                           | Provision for income taxes          | 13,474   | 15,661   | 38,855   | 35,942   | Provision for income taxes                        | 14,324   | 5.8%   | 5.8%   |  | 9,567    | 4.3%   |        | 4.3%   |
| Losses from equity-method investments, net of tax    |                                     |          |          |          |          | Losses from equity-method investments, net of tax | (1,200)  |        | (0.5)% |  | (265)    |        | (0.1)% |        |
| Net income   | Net income                          | 41,324   | 30,677   | 110,272  | 74,124   | Net income  | 34,973   | 14.0%  | 14.0%  |  | 24,769   | 11.3%  |        | 11.3%  |



|   |   |          |          |           |           |   |          |       |       |  |          |       |  |       |
|---|---|----------|----------|-----------|-----------|---|----------|-------|-------|--|----------|-------|--|-------|
| Less net income attributable to non-controlling interests | Less net income attributable to non-controlling interests | 2,190    | 3,764    | 7,299     | 8,405     | Less net income attributable to non-controlling interests | 664      | 0.3%  | 0.3%  |  | 2,064    | 0.9%  |  | 0.9%  |
| Net income attributable to Planet Fitness, Inc.           | Net income attributable to Planet Fitness, Inc.           | \$39,134 | \$26,913 | \$102,973 | \$ 65,719 | Net income attributable to Planet Fitness, Inc.           | \$34,309 | 13.7% | 13.7% |  | \$22,705 | 10.4% |  | 10.4% |

**Comparison of the three months ended September 30, 2023 March 31, 2024 and three months ended September 30, 2022 March 31, 2023**

**Revenue**

Total revenues were \$277.6 million in revenue was \$248.0 million for the three months ended September 30, 2023 March 31, 2024, compared to \$244.4 million in the \$222.2 million for three months ended September 30, 2022 March 31, 2023, an increase of \$33.2 million \$25.8 million, or 13.6% 11.6%.

Franchise segment revenue was \$98.2 million in \$104.0 million for the three months ended September 30, 2023 March 31, 2024, compared to \$80.7 million in \$92.7 million for three months ended March 31, 2023, an increase of \$11.3 million, or 12.2%.

Franchise revenue was \$84.2 million for the three months ended September 30, 2022 March 31, 2024, compared to \$75.9 million for the three months ended March 31, 2023, an increase of \$17.4 million \$8.4 million, or 21.6%.

Franchise revenue was \$80.6 million in the three months ended September 30, 2023 compared to \$66.2 million in the three months ended September 30, 2022, an increase of \$14.4 million or 21.8% 11.0%. Included in franchise revenue is royalty revenue of \$64.0 million \$72.3 million, franchise and other fees of \$9.5 million, and placement revenue of \$1.8 million for the three months ended March 31, 2024, compared to royalty revenue of \$64.5 million, franchise and other fees of \$9.4 million, and placement revenue of \$5.9 million \$1.6 million for the three months ended September 30, 2023, compared to royalty revenue of \$55.9 million, franchise and other fees of \$5.9 million, and placement revenue of \$4.4 million for the three months ended September 30, 2022 March 31, 2023. Of the \$8.0 million \$7.8 million increase in royalty revenue, \$4.4 million \$4.0 million was attributable to a franchise same store sales increase of 8.2% in franchisee-owned stores, \$1.7 million was attributable to higher royalties on annual fees and 6.3%, \$1.6 million was attributable to new stores opened since July 1, 2022. The \$3.5 million increase in franchise January 1, 2023 and other fees \$2.2 million was primarily attributable to from higher online join royalties on annual fees. The \$1.5 million increase in placement revenue was driven by higher existing equipment placements in the three months ended September 30, 2023 compared to the three months ended September 30, 2022. Also included in franchise revenue in the three months ended September 30, 2023 was \$1.3 million of revenue associated with the sale of HVAC units to franchisees.

National advertising fund revenue was \$17.6 million in \$19.8 million for the three months ended September 30, 2023 March 31, 2024, compared to \$14.6 million in \$16.8 million for the three months ended September 30, 2022 March 31, 2023, an increase of \$3.0 million, or 17.7%. The \$3.0 million This increase in national advertising fund revenue was primarily due attributable to the \$2.8 million from higher same store sales increase noted above, and new stores and the collection of national advertising fund revenue on annual fees billed to new members, which began in 2023. opened since January 1, 2023.

Revenue from our corporate-owned stores segment was \$113.2 million in \$122.4 million for the three months ended September 30, 2023 March 31, 2024, compared to \$101.3 million in \$105.9 million for the three months ended September 30, 2022 March 31, 2023, an increase of \$11.9 million \$16.5 million, or 11.8% 15.6%. Of the This increase \$6.8 million was primarily attributable to \$10.6 million from the corporate-owned store same store sales increase of 10.1% 6.2%, and \$5.1 million \$3.5 million was from new store openings stores opened since July 1, 2022 January 1, 2023 and \$2.4 million was from the April 16, 2023 acquisition of 4 four stores in Florida. Florida (the "Florida Acquisition") in the prior year.

Equipment segment revenue was \$66.1 million in \$21.6 million for the three months ended September 30, 2023 March 31, 2024, compared to \$62.3 million in \$23.7 million for the three months ended September 30, 2022 March 31, 2023, an increase a decrease of \$3.8 million \$2.0 million, or 6.1% 8.6%. The increase This decrease was driven by \$5.6 million in higher primarily attributable to \$1.1 million of lower revenue from equipment sales to new franchisee-owned stores and \$0.9 million of lower revenue from equipment sales to existing franchisee-owned stores in stores. In the three months ended September 30, 2023 March 31, 2024, compared to the three months ended September 30, 2022. We we had equipment sales to 22 and 27 14 new franchisee-owned stores compared to 18 in the three months ended September 30, 2023 and September 30, 2022, respectively. same period last year.

**Cost of revenue**

Cost of revenue, was \$53.8 million in the three months ended September 30, 2023 compared to \$48.5 million in the three months ended September 30, 2022, an increase of \$5.2 million, or 10.8%. Of the increase, \$4.9 million which primarily relates to our equipment segment, was \$19.0 million for the three months ended March 31, 2024, compared to \$19.4 million for the three months ended March 31, 2023, a decrease of \$0.4 million, or 1.9%. This decrease was primarily attributable to lower equipment sales to new and existing franchisee-owned stores, as described above.

**Store operations**

Store operations expense, which increased relates to our Corporate-owned stores segment, was \$74.4 million for the three months ended March 31, 2024, compared to \$66.0 million for the three months ended March 31, 2023, an increase of \$8.3 million, or 12.6%. This increase was primarily attributable to \$4.6 million from new stores opened since

January 1, 2023, \$2.5 million from stores included in our same store sales base as a result of higher equipment sales to existing franchisee-owned rent, occupancy, and payroll expense, and \$1.2 million from the stores acquired in the three months ended September 30, 2023 compared to the three months ended September 30, 2022, as described above. The remaining increase of \$1.3 million was due to costs of HVAC units sold to franchisees.

#### Store operations

Store operation expenses, which relate to our corporate-owned stores segment, were \$63.1 million in the three months ended September 30, 2023 compared to \$57.9 million in the three months ended September 30, 2022, an increase of \$5.2 million, or 9.0%. The increase was primarily due to higher rent and occupancy expense and higher payroll as a result of new stores opened or acquired since July 1, 2022, Florida Acquisition.

#### Selling, general and administrative

Selling, general and administrative expenses were \$33.3 million in \$29.2 million for the three months ended September 30, 2023 March 31, 2024, compared to \$27.1 million in \$27.8 million for the three months ended September 30, 2022 March 31, 2023, an increase of \$6.1 million \$1.4 million, or 22.6% 5.1%. This increase was primarily due attributable to \$2.5 million in higher consulting costs and higher severance related expense, \$2.0 million costs from a headcount reduction in higher operational the current year period, which were partially offset by lower expenses from marketing and administrative expenses, including higher information technology and professional services costs, and \$1.5 million in higher compensation related expense, travel expenses.

#### National advertising fund expense

National advertising fund expense was \$17.6 million in \$19.8 million for the three months ended September 30, 2023 March 31, 2024, compared to \$17.0 million in for the three months ended September 30, 2022 March 31, 2023, due to an increase of \$2.8 million, or 16.5%. This increase was primarily a result of higher advertising and marketing expenditures in the current year period, due to higher national advertising revenue as described above.

#### Depreciation and amortization

Depreciation and amortization expense consists of the depreciation of property and equipment, including leasehold and building improvements and equipment. Amortization expense consists of amortization related to our intangible assets, including customer relationships and reacquired franchise rights.

Depreciation and amortization expense was \$37.5 million in \$39.4 million for the three months ended September 30, 2023 March 31, 2024, compared to \$32.6 million in \$36.0 million for the three months ended September 30, 2022 March 31, 2023, an increase of \$4.9 million \$3.4 million, or 15.1% 9.4%. The This increase was primarily attributable to corporate the assets acquired in the Florida Acquisition as well as new stores opened or acquired since July 1, 2022 January 1, 2023.

#### Other gains, losses, net

Other gains, losses, net was a gain of \$0.1 million in \$0.5 million for the three months ended September 30, 2023 March 31, 2024, compared to a gain of \$0.7 million in \$3.9 million for the three months ended September 30, 2022 March 31, 2023, a decrease of \$3.5 million, or 87.7%. The decrease was primarily the result of a legal reserve recorded in the prior year period.

#### Interest income

Interest income was \$4.2 million in \$5.5 million for the three months ended September 30, 2023 March 31, 2024, compared to \$1.6 million in \$3.9 million for the three months ended September 30, 2022 March 31, 2023, an increase of \$1.5 million, or 38.9%. This increase was primarily as due to a result greater allocation of cash on hand into higher yielding marketable securities and due to higher interest rates on our cash, cash equivalents and investments in marketable securities in the three months ended September 30, 2023 current period compared to the three months ended September 30, 2022 same period last year.

#### Interest expense

Interest expense primarily consists of interest on long-term debt as well as the amortization of deferred financing costs.

Interest expense was \$21.7 million in \$21.4 million for the three months ended September 30, 2023 and \$21.9 million in March 31, 2024, compared to \$21.6 million for the three months ended September 30, 2022 March 31, 2023, a decrease of \$0.2 million, or 0.8%.

#### Other income

Other income This decrease was \$0.1 million in primarily from a lower principal balance on our indebtedness during the three months ended September 30, 2023 compared to March 31, 2024.

#### Other income, of \$4.8 million in net

Other income, net was \$0.6 million for the three months ended September 30, 2022. In March 31, 2024, compared to \$0.1 million for the three months ended September 30, 2022, other income March 31, 2023. This increase was primarily attributable to a gain \$0.4 million on the remeasurement of our tax benefit arrangements due to changes in our effective tax rate.

#### Provision for income taxes

Provision Income tax expense was \$14.3 million for income taxes was \$13.5 million in the three months ended September 30, 2023 March 31, 2024, compared to \$15.7 million in \$9.6 million for the three months ended September 30, 2022 March 31, 2023, an decrease increase of \$2.2 million \$4.8 million, or 49.7%. The decrease in the provision for income taxes was This increase is primarily attributable to a \$4.5 million remeasurement of deferred our higher income before taxes in the three months ended September 30, 2022, March 31, 2024 as compared to the three months ended September 30, 2023 March 31, 2023.

The Company's effective tax rate was 28.4% for the three months ended March 31, 2024, compared to 27.6% in the prior year period. The increase in the effective income tax rate was primarily due to remeasurement of deferred tax assets.

## Segment results

### Franchise

Segment Franchise segment EBITDA for the franchise segment was \$67.6 million in \$76.3 million for the three months ended September 30, 2023 March 31, 2024, compared to \$53.5 million in \$64.7 million for the three months ended September 30, 2022 March 31, 2023, an increase of \$14.1 million. The franchise segment EBITDA increase was primarily attributable to the franchise revenue increases as described above of \$14.4 million, higher national advertising fund revenue of \$3.0 million, partially offset by \$1.3 million of higher cost of goods sold from HVAC units sold to franchisees, \$0.8 million of higher selling, general, and administrative expenses, and higher national advertising fund expenses of \$0.6 million.

### Corporate-owned stores

Segment EBITDA for the corporate-owned stores segment was \$44.3 million in the three months ended September 30, 2023 compared to \$40.4 million in the three months ended September 30, 2022, an increase of \$3.8 million. Of the increase, \$3.9 million was attributable to the stores in the same store sales base and \$2.2 million was from new store openings since July 1, 2022 and the April 16, 2023 acquisition of 4 stores in Florida, partially offset by \$1.0 million of higher corporate store selling, general, and administrative expenses in the three months ended September 30, 2023 and a \$1.3 million gain in the prior year related to the sale of corporate-owned stores.

### Equipment

Segment EBITDA for the equipment segment was \$16.4 million in the three months ended September 30, 2023 compared to \$15.8 million in the three months ended September 30, 2022, an increase of \$0.6 million. The increase was primarily driven by higher equipment sales to existing franchisee-owned stores in the three months ended September 30, 2023 compared to the three months ended September 30, 2022, as described above.

## Comparison of the nine months ended September 30, 2023 and nine months ended September 30, 2022

### Revenue

Total revenues were \$786.2 million in the nine months ended September 30, 2023, compared to \$655.5 million in the nine months ended September 30, 2022, an increase of \$130.7 million \$11.6 million, or 19.9%.

Franchise segment revenue was \$289.7 million in the nine months ended September 30, 2023, compared to \$243.4 million in the nine months ended September 30, 2022, an increase of \$46.3 million, or 19.0%.

Franchise revenue was \$237.3 million in the nine months ended September 30, 2023 compared to \$200.2 million in the nine months ended September 30, 2022, an increase of \$37.1 million, or 18.5% 17.9%. Included in franchise revenue is royalty revenue of \$195.3 million, franchise and other fees of \$26.1 million, and placement revenue of \$13.8 million for the nine months ended September 30, 2023, compared to royalty revenue of \$171.1 million, franchise and other fees of \$19.0 million, and placement revenue of \$10.1 million for the nine months ended September 30, 2022. Of the \$24.2 million This increase in royalty revenue, \$13.8 million was attributable to a same store sales increase of 8.8% in franchisee-owned stores, \$5.0 million was attributable to new stores opened since January 1, 2022, and \$5.8 million was from higher royalties on annual fees, partially offset by \$0.8 million of lower royalty revenue primarily as a result of the stores acquired in the Sunshine Acquisition no longer being franchisee-owned stores. The \$7.1 million increase in franchise and other fees was primarily attributable to higher online join fees, and the \$3.7 million increase in placement revenue was primarily driven by higher replacement equipment placements. Also included in franchise revenue in the nine months ended September 30, 2023 was \$2.1 million of revenue associated with the sale of HVAC units to franchisees.

National advertising fund revenue was \$52.4 million in the nine months ended September 30, 2023, compared to \$43.1 million in the nine months ended September 30, 2022. The increase in national advertising fund revenue in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 was primarily due to higher same store sales, new stores opened since January 1, 2022 franchise and the collection NAF revenue of national advertising fund revenue on annual fees billed to new members, which began in 2023.

Revenue from our corporate-owned stores segment was \$332.9 million in the nine months ended September 30, 2023 \$8.4 million and \$3.0 million, compared to \$278.9 million in the nine months ended September 30, 2022, an increase respectively, as described above, \$3.1 million of \$53.9 million, or 19.3%. Of the increase, \$32.2 million was attributable to the acquisition of 114 stores in the Sunshine Acquisition in February 2022, \$15.0 million was from new stores opened since January 1, 2022 and the April 16, 2023 acquisition of 4 stores in Florida, and \$6.8 million was lower other losses, net primarily from the corporate-owned store same store sales increase of 10.7%.

Equipment segment revenue was \$163.7 million in the nine months ended September 30, 2023, compared to \$133.2 million in the nine months ended September 30, 2022, an increase of \$30.5 million, or 22.9%. Of the increase, \$41.2 million was driven by higher equipment sales to existing franchisee-owned stores, partially offset by \$9.7 million of lower equipment sales to new franchisee-owned stores in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. In the nine months ended September 30, 2023, we had equipment sales to 64 new franchisee-owned stores compared to 82 in the prior year period.

### Cost of revenue

Cost of revenue was \$132.6 million in the nine months ended September 30, 2023 compared to \$103.4 million in the nine months ended September 30, 2022, an increase of \$29.1 million, or 28.2%. Cost of revenue, which primarily relates to our equipment segment, increased primarily as a result of higher equipment sales to existing franchisee-owned stores, partially offset by lower equipment sales to existing franchisee-owned stores in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, as described above. The remaining increase of \$2.1 million was due to costs of HVAC units sold to franchisees.

### Store operations

Store operation expenses, which relate to our corporate-owned stores segment, were \$188.0 million in the nine months ended September 30, 2023 compared to \$161.8 million in the nine months ended September 30, 2022, an increase of \$26.2 million, or 16.2%. Of the increase, \$9.5 million was attributable to rent and occupancy expense, \$6.6 million

was from higher marketing expense, \$6.8 million was from higher payroll related expense, and \$3.4 million repairs and maintenance expense, primarily as a result of new stores opened or acquired since January 1, 2022.

#### *Selling, general and administrative*

Selling, general and administrative expenses were \$93.7 million in the nine months ended September 30, 2023 compared to \$86.2 million in the nine months ended September 30, 2022, an increase of \$7.5 million, or 8.7%. Of the \$7.5 million increase, \$7.6 million was related to payroll and severance expense and \$2.0 million was from higher technology expense, which were partially offset by lower advisory fees as a result of the Sunshine Acquisition in the prior year.

#### *National advertising fund expense*

National advertising fund expense was \$52.5 million in the nine months ended September 30, 2023 compared to \$50.4 million in the nine months ended September 30, 2022, with the increase due to higher national advertising and marketing expenditures in 2023 as compared to 2022 as a result of higher national advertising fund revenue.

#### *Depreciation and amortization*

Depreciation and amortization expense consists of the depreciation of property and equipment, including leasehold and building improvements and equipment. Amortization expense consists of amortization related to our intangible assets, including customer relationships and reacquired franchise rights.

Depreciation and amortization expense was \$110.3 million in the nine months ended September 30, 2023 compared to \$90.4 million in the nine months ended September 30, 2022, an increase of \$19.8 million, or 21.9%. The increase was primarily attributable to depreciation and amortization of the assets acquired in the Sunshine Acquisition and Florida Acquisition as well as new stores opened since January 1, 2022.

#### *Other losses (gains), net*

Other losses (gains), net was a loss of \$7.7 million in the nine months ended September 30, 2023 compared to a gain of \$2.5 million in the nine months ended September 30, 2022. In the nine months ended September 30, 2023, the \$7.7 million loss was primarily related to a \$6.3 million increase in an estimated legal reserve for a legal matter. In the nine months ended September 30, 2022, the \$2.5 million gain includes a \$1.3 million gain on the sale of corporate-owned stores and a \$2.1 million gain from the settlement of preexisting contracts in connection with the Sunshine Acquisition, partially offset by the \$1.2 million loss on unfavorable reacquired franchise rights in connection with the Sunshine Acquisition and a \$1.2 million reserve against an indemnification receivable related to a legal matter.

#### *Interest income*

Interest income was \$12.3 million in the nine months ended September 30, 2023 compared to \$2.2 million in the nine months ended September 30, 2022, primarily as a result of higher interest rates in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022.

#### *Interest expense*

Interest expense primarily consists of interest on long-term debt as well as the amortization of deferred financing costs.

Interest expense was \$64.8 million in the nine months ended September 30, 2023 compared to \$66.5 million in the nine months ended September 30, 2022. The decrease in interest expense is due to a \$1.6 million loss on extinguishment of debt from the write-off of remaining deferred financing costs in the prior year period and \$0.5 million of lower interest expense from the repayment of the variable funding notes in May 2022. Partially offsetting these decreases is higher interest expense in the nine months ended September 30, 2023 from the increased principal balance as a result of the debt refinancing completed on February 10, 2022.

#### *Other income*

Other income was \$0.6 million in the nine months ended September 30, 2023 and \$9.0 million in the nine months ended September 30, 2022. During the nine months ended September 30, 2022, other income was primarily attributable to a gain on the remeasurement of our tax benefit arrangements due to changes in our effective tax rate which did not impact the nine months ended September 30, 2023.

#### *Provision for income taxes*

The provision for income taxes was \$38.9 million in the nine months ended September 30, 2023, compared to \$35.9 million in the nine months ended September 30, 2022. The increase was attributable to higher income before income taxes in the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022.

### **Segment results**

#### *Franchise*

Segment EBITDA for the franchise segment was \$198.4 million in the nine months ended September 30, 2023 compared to \$167.9 million in the nine months ended September 30, 2022, an increase of \$30.5 million, or 18.2%. The franchise segment EBITDA increase in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 was primarily due to the \$46.3 million of higher franchise segment revenue, partially offset by \$2.1 million of higher NAF expenses, \$2.2 million of higher selling, general and administrative expense and \$1.1 million of higher equipment placement expenses. Also offsetting the revenue increase was a \$6.3 million increase in an estimated reserve for a legal matter in the current year period as compared to a \$2.1 million gain recorded in the prior year period, as described in other losses (gains), net above. Depreciation above, and amortization was \$5.5 million and \$5.6 million in the nine months ended September 30, 2023 and 2022, respectively.

#### *Corporate-owned stores*

Segment EBITDA for the corporate-owned stores segment was \$126.5 million in the nine months ended September 30, 2023 compared to \$103.3 million in the nine months ended September 30, 2022, an increase \$0.7 million of \$23.2 million, or 22.5%. Of the Segment EBITDA increase, \$15.0 million was attributable to corporate-owned stores acquired in the Sunshine Acquisition, \$6.6 million was attributable to the stores included in the same store sales base, and \$5.0 million was from new stores opened or acquired since January 1, 2022, partially offset by higher lower selling, general and administrative expense, partially offset by \$2.8 million of \$1.8 million higher NAF expense.

#### *Corporate-owned stores*

Corporate-owned stores segment EBITDA was \$42.1 million for the three months ended March 31, 2024, compared to \$33.5 million for the three months ended March 31, 2023, an increase of \$8.6 million, or 25.6%. This increase was primarily attributable to \$8.0 million from the corporate-owned same store sales increase of 6.2% and \$1.2 million from the stores acquired in the Florida Acquisition, partially offset by lower EBITDA of \$1.1 million from new stores opened since January 1, 2023. Depreciation and amortization was \$87.2 million and \$68.6 million increased \$2.5 million for the nine three months ended September 30, 2023 March 31, 2024, compared to the three months ended March 31, 2023, and 2022, respectively. The increase in depreciation and amortization was primarily attributable to the Sunshine Florida Acquisition and Florida Acquisition.

new stores opened since January 1, 2023.

Equipment

Segment Equipment segment EBITDA was \$4.8 million for the equipment segment was \$39.1 million in the nine three months ended September 30, 2023 March 31, 2024, compared to \$34.6 million in \$5.6 million for the nine three months ended September 30, 2022 March 31, 2023, an increase a decrease of \$4.5 million \$0.8 million, or 13.0%, 14.6%. This decrease was primarily driven by higher equipment sales to existing franchisee-owned stores, partially offset by lower equipment sales to new and existing franchisee-owned stores, in the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022. Depreciation and amortization was \$3.8 million for both the nine months ended September 30, 2023 and 2022. as described above.

Liquidity and capital resources

As of September 30, 2023 March 31, 2024, we had \$309.0 million \$301.7 million of cash and cash equivalents, \$108.5 million \$93.4 million of short-term marketable securities, \$10.3 million \$45.2 million of long-term marketable securities and \$46.4 million \$46.2 million of restricted cash.

We require cash principally to fund day-to-day operations, to finance capital investments, to service our outstanding debt and tax benefit arrangements and to address our working capital needs. Based on our current level of operations, we believe the that with our available cash cash equivalents, marketable securities, balance, the cash generated from our operations, and amounts available under our 2022 Variable Funding Notes will be adequate to meet our anticipated debt service requirements and obligations under the our tax benefit arrangements, capital expenditures and working capital needs for at least the next 12 months. Our ability to continue to fund these items and continue to reduce debt could be adversely affected by the occurrence of any of the events described under "Risk Factors" in the Annual Report. Report on Form 10-K for the year ended December 31, 2023. There can be no assurance that our business will generate sufficient cash flows from operations or otherwise to enable us to service our indebtedness, including our Securitized Senior Notes, or to make anticipated capital expenditures. Our future operating performance and our ability to service, extend or refinance our indebtedness will be subject to future economic conditions and to financial, business and other factors, many of which are beyond our control.

The following table presents summary cash flow information for the nine months ended September 30, 2023 and 2022:

| (in thousands)                           | Nine months ended September 30, |              |
|--|---------------------------------|--------------|
|  | 2023                            | 2022         |
| Net cash provided by (used in):          |                                 |              |
| Operating activities                     | \$ 266,920                      | \$ 190,426   |
| Investing activities                     | (247,915)                       | (469,198)    |
| Financing activities                     | (136,386)                       | 142,737      |
| Effect of foreign exchange rates on cash | 233                             | (729)        |
| Net decrease in cash                     | \$ (117,148)                    | \$ (136,764) |

Summary of Cash Flows

| (in thousands)   | Three Months Ended March 31, |           |
|--|------------------------------|-----------|
|  | 2024                         | 2023      |
| Net cash provided by (used in):                            |                              |           |
| Operating activities                                       | \$ 89,732                    | \$ 97,910 |
| Investing activities                                       | (38,644)                     | (22,997)  |
| Financing activities                                       | (24,997)                     | (24,607)  |
| Effect of foreign exchange rates on cash                   | (315)                        | 198       |
| Net increase in cash, cash equivalents and restricted cash | \$ 25,776                    | \$ 50,504 |

Operating activities

For the nine three months ended September 30, 2023 March 31, 2024, net cash provided by operating activities was \$266.9 million \$89.7 million compared to \$190.4 million \$97.9 million in the nine three months ended September 30, 2022 March 31, 2023, an increase a decrease of \$76.5 million \$8.2 million, or 8.4%. Of the increase, \$61.6 million is decrease, \$24.7 million was due to unfavorable changes in working capital primarily attributable to accounts receivable and other assets and other current assets and a lower relative increase in other liabilities and other current liabilities. This decrease was partially offset by \$16.5 million of higher net income after adjustments to reconcile net income to net cash provided by operating activities in the nine months ended September 30, 2023 as compared to the nine months ended September 30, 2022, and \$14.9 million is due to favorable changes in working capital primarily as a result of more favorable changes in accounts receivable, accrued expenses and accounts payable, partially offset by lower equipment deposits and a higher payment pursuant to tax benefit arrangements.

activities.



## Investing activities

For the **nine three** months ended **September 30, 2023** **March 31, 2024**, net cash used in investing activities was **\$247.9 million** **\$38.6 million** compared to **\$469.2 million** **\$23.0 million** in the **nine three** months ended **September 30, 2022** **March 31, 2023**, a decrease an increase of **\$221.3 million** **\$15.6 million**. The primary drivers of the increase were **\$12.3 million of cash used** for the cash used in investing activities in the nine months ended **September 30, 2023** were investments in purchase of marketable securities, net of maturities and **\$3.3 million** of **\$117.0 million**, **\$26.3 million** used for the Florida Acquisition, and **\$20.0 million** equity method investment. The primary drivers for the cash used in investing activities in the nine months ended **September 30, 2022** were **\$424.9 million** of net cash used for the Sunshine Acquisition in the prior year period, partially offset by **\$20.8 million** of cash received on the sale of corporate-owned stores, higher capital expenditures.

Capital expenditures for the nine months ended **September 30, 2023** and **2022** were as follows:

|  |                                 | Nine months ended<br>September 30, |          | Three Months Ended March 31, |      |
|--|---------------------------------|------------------------------------|----------|------------------------------|------|
| (in thousands)   |                                 | 2023                               | 2022     |                              |      |
| New corporate-owned stores and corporate-owned stores not yet opened |                                 | \$29,540                           | \$29,661 |                              |      |
| (in thousands)   |                                 | (in thousands)                     |          | 2024                         | 2023 |
| New corporate-owned stores   |                                 |                                    |          |                              |      |
| Existing corporate-owned stores                                      | Existing corporate-owned stores | 38,044                             | 23,587   |                              |      |
| Information systems  | Information systems             | 16,953                             | 11,890   |                              |      |
| Corporate and all other  | Corporate and all other         | 99                                 | —        |                              |      |
| Total capital expenditures   | Total capital expenditures      | \$84,636                           | \$65,138 |                              |      |

## Financing activities

For the **nine three** months ended **September 30, 2023** **March 31, 2024**, net cash used in financing activities was **\$136.4 million** **\$25.0 million** compared to net cash provided by financing activities of **\$142.7 million** **\$24.6 million** in the **nine three** months ended **September 30, 2022** **March 31, 2023**, an increase of **\$0.4 million**. The primary drivers driver of the net cash used increase was a **\$6.3 million decrease** in financing activities in the nine months ended **September 30, 2023**, were share repurchases of **\$125.0 million** and the repayment of long-term debt of **\$15.6 million**, partially offset by proceeds from issuance of Class A common stock, of **\$8.6 million**. The primary drivers of the net partially offset by a **\$5.0 million decrease** in cash provided by financing activities in the nine months ended **September 30, 2022**, was **\$239.4 million** of net cash provided from long-term debt, consisting of **\$975 million** of borrowings, **\$719.6 million** of principal payments and **\$16.2 million** of deferred financing costs incurred, in addition to used for share repurchases of **\$94.3 million**, in 2024.

## Securitized Financing Facility

Planet Fitness Master Issuer LLC (the "Master Issuer"), a limited-purpose, bankruptcy remote, wholly-owned indirect subsidiary of Pla-Fit Holdings, LLC, is the master issuer of outstanding senior secured notes under a securitized financing facility that was entered into in August 2018.

In February 2022, the Master Issuer completed a refinancing transaction with respect to this facility under which the Master Issuer issued the Series 2022-1 Class A-2 Notes with initial principal amounts totaling \$900 million. The net proceeds from the sale of the Series 2022-1 Class A-2 Notes were used to repay in full the Master Issuer's outstanding Series 2018 Class A-2-I Notes, including the payment of transaction costs. The remaining funds were used for the Sunshine Acquisition and other general corporate purposes.

In connection with the issuance of the Series 2022-1 Class A-2 Notes, the Master Issuer also issued the Series 2022-1 Class A-1 Notes, which allow for the drawing of up to \$75 million of 2022 Variable Funding Notes, including a letter of credit facility, which was used to repay the 2018-1 Class A-1 Notes. facility. The 2022 Variable Funding Notes are undrawn as of **September 30, 2023** due to repayment in full on May 9, 2022 using cash on hand. **March 31, 2024**.

Except as described above, there There were no material changes to the terms of any debt obligations since **December 31, 2022** in the three months ended **March 31, 2024**. The Company was in compliance with its debt covenants as of **September 30, 2023** **March 31, 2024**. See Note 7 6 to the Condensed Consolidated Financial Statements contained in Item 1 herein for further information related to our long-term debt obligations.

## Off-balance sheet arrangements

As of **September 30, 2023** **March 31, 2024**, our off-balance sheet arrangements consisted of guarantees of lease agreements for certain franchisees up to a maximum period of ten years with earlier expiration dates possible if certain conditions are met. Our maximum total obligation under these lease guarantee agreements is approximately **\$5.6 million** **\$5.0 million** and would require payment only upon default by the primary obligor. The estimated fair value of these guarantees as of **September 30, 2023** **March 31, 2024** was not material, and no accrual has been recorded for our potential obligation under these arrangements.

## Critical accounting policies and use of estimates

There have been no material changes to our critical accounting policies and use of estimates from those described under "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report, Report on Form 10-K for the year ended December 31, 2023.

## ITEM 3. Quantitative and Qualitative Disclosure about Market Risk

**Interest rate** There have been no significant changes to the Company's market risk

The securitized financing facility includes during the Series 2018-1 Senior Class A-2-II Notes three months ended March 31, 2024. Refer to "Part II. Item 7A. Quantitative and the Series 2022-1 Senior Class A-2 Notes, which are comprised of fixed interest rate notes, and the 2022 Variable Funding Notes, which allow Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the incurrence year ended December 31, 2023 for a discussion of up to \$75.0 million in revolving loans and/or Letters of Credit under the 2022 Variable Funding Notes. The issuance of the fixed-rate Class A-2 Notes has reduced the Company's exposure to interest rate increases that could adversely affect its earnings and cash flows. However, the Company would be exposed to interest rate increases on any borrowings under the 2022 Variable Funding Notes. An increase in the effective interest rate applied to borrowings under the 2022 Variable Funding Notes of 100 basis points would result in a \$0.8 million increase in pre-tax interest expense on an annualized basis. There are no current borrowings under the 2022 Variable Funding Notes.

### Foreign exchange risk

We are exposed to fluctuations in exchange rates, primarily those of the Canadian dollar, Mexican peso, and Australian dollar, which are the functional currencies of our Canadian, Mexican, and Australian entities, respectively. Our sales, costs and expenses of our foreign subsidiaries, when translated into U.S. dollars, can fluctuate due to exchange rate movement. As of September 30, 2023, a 10% increase or decrease in the exchange rate of the U.S. and foreign currencies to which we are exposed would increase or decrease net income by a negligible amount.

### Inflation risk

Given the recent rise in inflation rates, there have been and may continue to be increases in shipping, labor and equipment costs, which could impact our profitability and that of our franchisees. Although we do not believe that inflation has had a material effect on our income from continuing operations, we have a substantial number of hourly employees in our corporate-owned stores that are paid wage rates at or based on the applicable federal or state minimum wage. Any increases in these minimum wages will subsequently increase our labor costs. We may or may not be able to offset cost increases in the future.

### market risk.

## ITEM 4. Controls and Procedures

### Evaluation of disclosure controls and procedures

Our management, with the participation of our interim Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this Quarterly Report on Form 10-Q.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their control objectives.

Based on that evaluation, our interim Chief Executive Officer and Chief Financial Officer concluded that as of September 30, 2023 March 31, 2024, our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in the reports it files or submits with the Securities and Exchange Commission is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms and is accumulated and communicated to our management, including the principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

### Changes in internal control over financial reporting

There have been no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II-OTHER INFORMATION

## ITEM 1. Legal Proceedings

We are currently involved in various claims and legal actions that arise in the ordinary course of business, most of which are covered by insurance. We do not believe that the ultimate resolution of these actions will have a material adverse effect on our business, financial condition, results of operations, liquidity or capital resources nor do we believe that there is a reasonable possibility that we will incur material loss as a result of such actions. However, a significant increase in the number of these claims or an increase in amounts owing under successful claims could have a material adverse effect on our business, financial condition and results of operations.

### ITEM 1A. Risk Factors. Factors

Our marketable debt securities portfolio is subject Refer to credit, liquidity, market, and interest rate risks that could cause its value to decline and materially adversely affect our financial condition.

We maintain a portfolio of marketable debt securities through professional investment advisors. The investments the "Risks Factors" section in our portfolio Annual Report on Form 10-K for the year ended December 31, 2023 for a discussion of risks to which our business, financial condition, results of operations and cash flows are subject subject. There have been no material changes to our corporate investment policy, which focuses on the preservation of principal and avoiding speculative investments, maintaining adequate liquidity to meet our cash flow requirements, complying with our applicable debt covenants, minimizing risk through diversification, delivering competitive returns.

providing fiduciary control over our cash and investments and complying with applicable laws. These investments are subject to general credit, liquidity, market, and interest rate risks. In particular, the value of our portfolio may decline due to changes in interest rates, instability factors disclosed in the global financial markets that reduces the liquidity of securities in our portfolio, and other factors, including unexpected or unprecedented events. As a result, we may experience a decline in value or loss of liquidity of our investments, which could materially adversely affect our financial condition. We attempt to mitigate these risks through diversification of our investments and continuous monitoring of our portfolio's overall risk profile, but the value of our investments may nevertheless decline. To the extent that we increase the amount of these investments in the future, these risks could be exacerbated. [aforementioned Annual Report](#).

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, or our ability to successfully identify and engage a highly qualified permanent CEO could adversely affect our and our franchisees' operating efficiency and financial condition.

## ITEM 2. Unregistered Sales of Equity Securities and Use of ~~Proceeds~~. [Proceeds](#)

The following table provides information regarding purchases of shares of our Class A common stock by us and our "affiliated purchasers" (as defined in Rule 10b-18(a)(3) under the Exchange Act) during the three months ended [September 30, 2023](#) [March 31, 2024](#).

| Issuer Purchases of Equity Securities |                                  |                              |   |   |
|---------------------------------------|----------------------------------|------------------------------|---|---|
| Period                                | Total Number of Shares Purchased | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(1)</sup> | Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs <sup>(1)</sup> |
| 07/01/23 - 07/31/23                   | —                                | \$ —                         | —   | \$ 374,970,426  |
| 08/01/23 - 08/31/23                   | —                                | —                            | —   | 374,970,426   |
| 09/01/23 - 09/30/23                   | —                                | —                            | —   | 374,970,426   |
| Total                                 | —                                | \$ —                         | —   |   |

| Issuer Purchases of Equity Securities |                                  |                              |   |   |
|---------------------------------------|----------------------------------|------------------------------|---|---|
| Month Ending                          | Total Number of Shares Purchased | Average Price Paid Per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(1)</sup> | Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs <sup>(1)</sup> |
| 1/31/2024                             | —                                | —                            | —   | \$ 374,970,426  |
| 2/29/2024                             | —                                | —                            | —   | \$ 374,970,426  |
| 3/31/2024                             | 313,834                          | 63.85                        | 313,834   | \$ 354,964,974  |
| Total                                 | 313,834                          | \$ 63.85                     | 313,834   |   |

<sup>(1)</sup> On November 4, 2022, our board of directors approved a share repurchase program of up to \$500,000,000, which replaced the previously approved November 5, 2019 share repurchase program. [Purchases may be effected through one or more open market transactions, privately negotiated transactions, transactions structured through investment banking institutions, or a combination of the foregoing. The Company may terminate the program at any time.](#)

In connection with our IPO, we and the existing holders of Holdings Units entered into an exchange agreement under which they (or certain permitted transferees) have the right, from time to time and subject to the terms of the exchange agreement, to exchange their Holdings Units, together with a corresponding number of 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. As an existing holder of Holdings Units exchanges Holdings Units

for shares of Class A common stock, the number of Holdings Units held by Planet Fitness, Inc. is correspondingly increased, and a corresponding number of shares of Class B common stock are canceled.

## ITEM 3. Defaults Upon Senior ~~Securities~~. [Securities](#)

None.

## ITEM 4. Mine Safety ~~Disclosures~~. [Disclosures](#)

[None.](#)



Not applicable.

**ITEM 5. Other Information.**

None.

**ITEM 6. Exhibits**

| Exhibit<br>Number | Exhibit Description   | Filed<br>Herewith | Description of Exhibit<br>Incorporated Herein by Reference |           |             |  | Exhibit<br>Number |
|-------------------|---|-------------------|--|-----------|-------------|--|-------------------|
|                   |   |                   | Form   | File No.  | Filing Date |  |                   |
|                   |   |                   |  |           |             |  |                   |
| 10.1              | <a href="#">Separation Agreement, dated as of September 15, 2023, between Planet Fitness, Inc. and Chris Rondeau.</a>   |                   | 8-K  | 001-37534 | 09/15/23    |  | 10.1              |
| 10.2              | <a href="#">Employment Offer Letter dated as of September 15, 2023 between Planet Fitness, Inc. and Craig R. Benson.</a>  | X                 |  |           |             |  |                   |
| 10.3              | <a href="#">Employment Offer Letter, originally dated as of September 15, 2023 and as amended by the Addendum on October 31, 2023, between Planet Fitness, Inc. and Craig R. Benson.</a>  |                   | 8-K  | 001-37534 | 11/01/23    |  | 10.1              |
| 10.4              | <a href="#">Amended and Restated Planet Fitness, Inc. 2015 Omnibus Incentive Plan.</a>  | X                 |  |           |             |  |                   |
| 10.5              | <a href="#">Amended and Restated Planet Fitness, Inc. Long-Term Cash Incentive Program.</a>   | X                 |  |           |             |  |                   |
| 10.6              | <a href="#">Amended and Restated Planet Fitness, Inc. Non-Employee Director Compensation Program.</a>   | X                 |  |           |             |  |                   |
| 31.1              | <a href="#">Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>  | X                 |  |           |             |  |                   |
| 31.2              | <a href="#">Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>  | X                 |  |           |             |  |                   |
| 32.1              | <a href="#">Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>  | X                 |  |           |             |  |                   |
| 32.2              | <a href="#">Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>  | X                 |  |           |             |  |                   |
| 101               | The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 formatted in Inline XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income (Loss), (iv) Consolidated Statements of Cash Flows, (v) Consolidated Statements of Changes in' Equity (Deficit), and (vi) Notes to Consolidated Financial Statements tagged as blocks of text and including detailed tags | X                 |  |           |             |  |                   |
| 104               | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)  | X                 |  |           |             |  |                   |

| Exhibit<br>number | Exhibit Description | Filed herewith | Incorporated by Reference |          |         |             |
|-------------------|---------------------|----------------|---------------------------|----------|---------|-------------|
|                   |                     |                | Form                      | File No. | Exhibit | Filing date |

|      |   |   |     |           |      |         |
|------|---|---|-----|-----------|------|---------|
| 10.1 | <a href="#">Employment Offer Letter with Colleen Keating</a>  |   | 8-K | 001-37534 | 10.1 | 4/16/24 |
| 10.2 | <a href="#">Executive Severance &amp; Change in Control Policy as Amended and Restated</a>  | X |     |           |      |         |
| 31.1 | <a href="#">Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>  | X |     |           |      |         |
| 31.2 | <a href="#">Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>  | X |     |           |      |         |
| 32.1 | <a href="#">Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>  | X |     |           |      |         |
| 32.2 | <a href="#">Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>  | X |     |           |      |         |
| 101  | The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 formatted in iXBRL (Inline eXtensible Business Reporting Language) tagged as blocks of text and including detailed tags, as follows:<br>(i) Condensed Consolidated Balance Sheets (Unaudited)<br>(ii) Condensed Consolidated Statements of Operations (Unaudited)<br>(iii) Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited)<br>(iv) Condensed Consolidated Statements of Cash Flows (Unaudited)<br>(v) Condensed Consolidated Statements of Changes in Equity (Deficit) (Unaudited)<br>(vi) Condensed Notes (Unaudited) to Condensed Consolidated Financial Statements | X |     |           |      |         |
| 104  | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)  | X |     |           |      |         |

### Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Planet Fitness, Inc.

(Registrant)

Date: **November 9, 2023** May 9, 2024

/s/ Thomas Fitzgerald

Thomas Fitzgerald

Chief Financial Officer

(On behalf of the Registrant and as Principal Financial Officer)

51 42

Ex.

**PLANET FITNESS, INC.**  
**EXECUTIVE SEVERANCE & CHANGE IN CONTROL POLICY**  
**(AS AMENDED AND RESTATED)**

**September 15, 2023**

**Introduction**

Governor Craig R. Benson

**Via Email**

Re: Appointment as Interim Chief Executive Officer

Dear Governor Benson:

This letter will confirm your appointment. The purpose of the Plan is to provide separation pay and agreement other benefits to serve as Interim Chief Executive Officer ("Interim CEO") certain executive and key employees of Planet Fitness, Inc. (the "Company"), effective September 15, 2023 (the "Effective Date").

During your period and its Affiliates upon a separation of employment as Interim CEO (your "Employment Period"), you will report directly to service in connection with an Involuntary Termination, including in connection with a Change in Control. Accordingly, the Board of Directors of the Company (the "Board") and perform such duties as may be reasonably assigned to you by, with the Board. The Company expects that your Employment Period will continue until such time as the Company appoints a new Chief Executive Officer; however, your employment as Interim CEO is "at-will," meaning it may be terminated by either you or the Company at any time, for any reason. Your employment as Interim CEO will not affect your status as a member approval of the Board.

**Compensation and Benefits**

Compensation arrangements with respect to your employment as Interim CEO will be agreed upon and provided to you separately.

You will be eligible to participate in the employee benefit plans generally available to the Company's salaried employees, subject to the eligibility and other terms of those plans in effect from time to time, except you will not be entitled to any severance compensation or other benefits (including under the Planet Fitness, Inc. Executive Severance & Change in Control Policy, effective July 1, 2021) upon the cessation Committee of the Employment Period. Board (the "Compensation Committee"), has adopted the Plan, effective on the Effective Date and has approved this amendment and restatement of the Plan as of April 30, 2024.

The Company will reimburse you for Unless otherwise provided herein, the Plan supersedes any and all reasonable business-related expenses incurred plans, policies and/or paid by you in the performance practices of your duties and responsibilities for the Company, subject to policies established by the Company.

You are eligible for a vacation benefit of three (3) weeks of vacation time per calendar year, prorated per your date of hire and accrued on a bi-weekly basis. In addition, you will receive two floating holidays for the current year. Beginning January 1, 2024, you are eligible for five floating holidays per calendar year. The company's Paid Time-Off Policy is available upon request.

**Confidential Information and Restricted Activities**

The Company believes in the protection of confidential and proprietary information. Consequently, you will be required, as a condition of your employment with the Company, to sign the Company's standard Confidentiality, Non-Competition and Inventions Agreement upon hire.

-1-

This letter agreement represents the entire agreement between the Company and you regarding your service as Interim CEO (other than its Affiliates in effect for Eligible Employees that provide for severance payments under the circumstances described herein, including offer letters or employment contracts that provide for the payment and provision of severance compensation arrangements) in connection therewith, and it merges and supersedes all prior and contemporaneous discussions, agreements and understandings of every nature related to that subject matter. This letter agreement may be modified or amended only in a writing signed by you and the Company. This letter agreement shall be binding upon and inure benefits to the benefit of the parties and their respective heirs, legal representatives, successors, and permitted assigns.

This letter agreement will be governed by, and enforced in accordance with, the laws of the State of New Hampshire, without regard to the application of the principles of conflicts or choice of laws. By executing this letter agreement, you and the Company are waiving any right to trial by jury in connection with any suit, action or proceeding under or in connection with this letter agreement.

To acknowledge your agreement with the foregoing, please execute and date this letter in the space provided below and return the executed original to me.

-2-

PLANET FITNESS, INC

By: /s/ Stephen Spinelli, Jr.

Name: Stephen Spinelli, Jr. (Ph.D.)

Title: Chairman of the Board

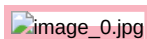
Accepted and Agreed:

/s/ Craig Benson

Craig R. Benson

-3-

Ex. 10.4



**PLANET FITNESS, INC.  
AMENDED AND RESTATED  
2015 OMNIBUS INCENTIVE PLAN**

**1. DEFINED TERMS**

Exhibit A, which is incorporated by reference, defines the terms used in the Plan and sets forth certain operational rules related to those terms.

## 2. PURPOSE

**Eligible Employee.** The Plan has been established to advance the interests of the Company by providing for the grant to Participants of Stock, Stock-based and other incentive Awards.

## 3. ADMINISTRATION

The Administrator has discretionary authority to interpret the Plan; determine eligibility for and grant Awards; determine, modify or waive the terms and conditions of any Award; determine the form of settlement of Awards (whether in cash, shares of Stock or other property); prescribe forms, rules and procedures relating to the Plan; and otherwise do all things necessary or appropriate to carry out the purposes of the Plan. Determinations of the Administrator made under the Plan will be conclusive and will bind all parties.

## 4. LIMITS ON AWARDS UNDER THE PLAN

**(a) Number of Shares.** Subject to adjustment as provided in Section 7, the maximum number of shares of Stock that may be delivered in satisfaction of Awards under the Plan is 7,896,800 shares. Up to the total number of shares available for Awards to employee Participants may be issued in satisfaction of ISOs, but nothing in this Section 4(a) will be construed as requiring that any, or any fixed number of, ISOs be awarded under the Plan. The limits set forth in this Section 4(a) shall be construed to comply with Section 422. For purposes of this Section 4(a), the number of shares of Stock delivered in satisfaction of Awards will be determined net of shares of Stock withheld by the Company in payment of the exercise price or purchase price of the Award or in satisfaction of tax withholding requirements with respect to the Award and, for the avoidance of doubt, without including any shares of Stock underlying Awards settled in cash or that otherwise expire or become unexercisable without having been exercised or that are forfeited to or repurchased by the Company due to failure to vest. To the extent consistent with the requirements of Section 422 and the regulations thereunder, and with other applicable legal requirements (including applicable stock exchange requirements), Stock issued under awards of an acquired company that are converted, replaced or adjusted in

-1-

connection with the acquisition shall not reduce the number of shares of Stock available for Awards under the Plan.

**(b) Type of Shares.** Stock delivered by the Company under the Plan may be authorized but unissued Stock or previously issued Stock acquired by the Company. No fractional shares of Stock will be delivered under the Plan.

**(c) Individual Limits.** The following additional limits will apply to Awards of the specified type granted or, in the case of Cash Awards, **Severance Benefits** payable to any person in any calendar year:

- (1)** Stock Options: 1,000,000 shares of Stock.
- (2)** SARs: 1,000,000 shares of Stock.
- (3)** Awards other than Stock Options, SARs or Cash Awards: 800,000 shares of Stock.
- (4)** Cash Awards: \$5,000,000.

In applying the foregoing limits, (i) all Awards of the specified type granted to the same person in the same calendar year will be aggregated and made subject to one limit; (ii) the limits applicable to Stock Options and SARs refer to the number of shares of Stock subject to those Awards; (iii) the share limit under clause (3) refers to the maximum number of shares of Stock that may be delivered, or the value of which could be paid in cash or other property, under an Award or Awards of the type specified in clause (3) assuming a maximum payout; and (iv) the dollar limit under clause (4) refers to the maximum dollar amount payable under an Award or Awards of the type specified in clause (4) assuming a maximum payout.

**(d) Non-Employee Director Limits.** In the case of a Director, additional limits shall apply such that the maximum grant-date fair value of Stock-denominated Awards granted in any calendar year during any part of which the Director is then eligible under the Plan shall be \$500,000, except that such limit for a non-employee Chairman of the Board or lead Director shall be \$700,000, in each case, computed in accordance with FASB ASC Topic 718 (or any successor provision). The foregoing additional limits related to Directors shall not apply to any Award or shares of Stock granted pursuant to a Director's election to receive an Award or shares of Stock in lieu of cash retainers or other fees (to **Involuntary Terminations on and after** the extent such Award or shares of Stock have a fair value equal to the value of such cash retainers or other fees).

## 5. ELIGIBILITY AND PARTICIPATION

The Administrator will select Participants from among key Employees and directors of, and consultants and advisors to, the Company and its Affiliates. Eligibility for ISOs is limited to individuals described in the first sentence of this Section 5 who are employees of the Company

-2-

---

or of a "parent corporation" or "subsidiary corporation" of the Company as those terms are defined in Section 424 of the Code. Eligibility for Cash Awards is limited to individuals who are Employees. Eligibility for Stock Options, other than ISOs, and SARs is limited to individuals described in the first sentence of this Section 5 who are providing direct services on the date of grant of the Award to the Company or to a subsidiary of the Company that would be described in the first sentence of Section 1.409A-1(b)(5)(iii)(E) of the Treasury Regulations.

## 6. RULES APPLICABLE TO AWARDS

### (a) All Awards.

**(1) Award Provisions.** The Administrator will determine the terms of all Awards, subject to the limitations provided herein. By accepting (or, under such rules as the Administrator may prescribe, being deemed to have accepted) an Award, the Participant will be deemed to have agreed to the terms of the Award and the Plan. Notwithstanding any provision of the Plan to the contrary, awards of an acquired company that are converted, replaced or adjusted in connection with the acquisition may contain terms and conditions that are inconsistent with the terms and conditions specified herein, as determined by the Administrator.

**(2) Term of Plan.** No Awards may be made after ten years from the Date of Adoption, but previously granted Awards may continue beyond that date in accordance with their terms.

**(3) Transferability.** Neither ISOs nor, except as the Administrator otherwise expressly provides in accordance with the last sentence of this Section 6(a)(3), other Awards may be transferred other than by will or by the laws of descent and distribution. During a Participant's lifetime, ISOs (and, except as the Administrator otherwise expressly provides in accordance with the last sentence of this Section 6(a)(3), SARs and NSOs) may be exercised only by the Participant. The Administrator may permit the gratuitous transfer (*i.e.*, transfer not for value) of Awards other than ISOs to any transferee eligible to be covered by the provisions of Form S-8 (under the Securities Act of 1933, as amended), subject to such limitations as the Administrator may impose.

**(4) Vesting, etc.** The Administrator will determine the time or times at which an Award will vest or become exercisable and the terms on which a Stock Option or SAR will remain exercisable. Without limiting the foregoing, the Administrator may at any time accelerate the vesting or exercisability of an Award, regardless of any adverse or potentially adverse tax or other consequences resulting from such acceleration. Unless the Administrator expressly provides otherwise, however, the following rules will apply if a Participant's Employment ceases:

**(A)** Immediately upon the cessation of the Participant's Employment and except as provided in (B) and (C) below, each Stock Option and SAR that is then held by the Participant or by the Participant's permitted transferees, if any,

-3-

will cease to be exercisable and will terminate and all other Awards that are then held by the Participant or by the Participant's permitted transferees, if any, to the extent not already vested, will be forfeited.

(B) Subject to (C) and (D) below, all Stock Options and SARs held by the Participant or the Participant's permitted transferees, if any, immediately prior to the cessation of the Participant's Employment, to the extent then exercisable, will remain exercisable for the lesser of (i) a period of three months or (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 6(a)(4), and will thereupon immediately terminate.

(C) Subject to (D) below, all Stock Options and SARs held by Effective Date. In no event shall a Participant or the Participant's permitted transferees, if any, immediately prior to the cessation of the Participant's Employment due to his or her death or due to the termination of the Participant's Employment by the Company due to his or her Disability, to the extent then exercisable, will remain exercisable for the lesser of (i) a period of twelve (12) months or (ii) the period ending on the latest date on which such Stock Option or SAR could have been exercised without regard to this Section 6(a)(4), receive severance compensation and will thereupon immediately terminate.

(D) All Awards (whether or not vested or exercisable) held by a Participant or the Participant's permitted transferees, if any, immediately prior to the cessation of the Participant's Employment will immediately terminate upon such cessation of Employment if the termination is for Cause or occurs in circumstances that in the sole determination of the Administrator would have constituted grounds for the Participant's Employment to be terminated for Cause.

(5) **Additional Restrictions.** The Administrator may cancel, rescind, withhold or otherwise limit or restrict any Award at any time, and may provide that any proceeds from the exercise or disposition of any Award or Stock acquired under any Award, and any other amounts received in respect of any Award or Stock acquired under any Award will be subject to forfeiture and disgorgement to the Company, with interest and other related earnings, if the Participant is not in compliance with all applicable provisions of the Award agreement and the Plan, or if the Participant breaches any agreement with the Company or its Affiliates with respect to noncompetition, non-solicitation, no-hire, non-disparagement, invention assignment, confidentiality or other restrictive covenant by which the Participant is bound. Without limiting the generality of the foregoing, the Administrator may recover Awards made benefits under the Plan and payments under any other severance plan, policy or shares practice of Stock delivered the Company or any Affiliate or under or gain any employment, severance-benefit, change in respect of any Award in accordance with any applicable Company clawback, recoupment control or similar policy or policies, as such policy or policies may be amended and in effect from time to time, or as otherwise required by applicable law or applicable stock exchange listing standards, including, without limitation, Section 10D of the Securities Exchange Act of 1934, as amended. In

-4-

addition, each Award will be subject to any policy of agreement with the Company or any of its subsidiaries that relates Affiliates. The Severance Benefits are intended to trading on non-public information be supplemental unemployment benefits and permitted transactions with respect are not intended to shares of Stock, including limitations on hedging and pledging. Each Participant, by accepting or being deemed be deferred compensation.

The Company, as the Plan sponsor, has the sole discretion to have accepted determine whether an Award employee may be considered eligible for Severance Benefits under the Plan. The Plan agrees (or will be deemed is unfunded, has no trustee, and is administered by the Compensation Committee.

All capitalized terms in this Introduction not otherwise defined shall have the meaning ascribed to have agreed) to the terms of this Section 6(a)(5) them in Article 2 below.

## Article I. Establishment, Term and to any clawback, recoupment or similar policy Purpose

**1.1. Establishment of the Plan.** The Company or any of its subsidiaries and further agrees (or will be deemed to have further agreed) to cooperate fully with has established the Administrator, and to cause any and all permitted transferees Plan, effective as of the Participant Effective Date. The Plan is intended to cooperate fully with be an "employee welfare benefit plan" (within the Administrator, to effectuate any forfeiture meaning of section 3(1) of ERISA) maintained for the purpose of providing benefits for a select group of management or disgorgement described in this Section 6(a)(5). Neither the Administrator nor the Company nor any other person, other than the Participant highly compensated employees and his or her permitted transferees, if any, will it shall be responsible for any adverse tax or other consequences to a Participant or his or her permitted transferees, if any, that may arise in connection with this Section 6(a)(5). administered and construed accordingly.

**(6) Taxes 1.2. Term of the Plan.** The Plan, as set forth herein, is effective as of the Effective Date and will continue until terminated or amended by action of the Board or the Compensation Committee in accordance with Section 12.8.

**1.3. Purpose of the Plan.** The grant purpose of the Plan is to provide Severance Benefits to Eligible Employees in the event of an Award Involuntary Termination.

## Article II. Definitions

When used in the Plan, the following terms shall have the meanings set forth below and, when the issuance, delivery, vesting meaning is intended, the initial letter of the word is capitalized.

**2.1 "Accrued Compensation"** means (i) an Eligible Employee's Base Salary earned or accrued but unpaid through the Eligible Employee's Separation Date; (ii) reimbursement for reasonable business expenses incurred in the ordinary course of the Eligible Employee's duties and retention of Stock, cash or other property under an Award are conditioned upon full satisfaction by the Participant of all tax and other withholding requirements with respect unreimbursed prior to the Award. The Administrator will prescribe Eligible Employee's Separation Date and payable in accordance with Company policies as in effect from time to time; provided, however, that claims for such rules for the withholding of taxes and other amounts with respect to any Award as it deems necessary. Each Participant agrees to promptly remit reimbursement are submitted to the Company or an Affiliate in cash, the full amount of all taxes required to be withheld in connection with an Award unless the Administrator, in its sole discretion, provides alternative means for satisfying the Company's tax withholding requirements. The Administrator may, but need not, hold back shares of Stock from an Award or permit a Participant to tender previously owned shares of Stock in satisfaction of tax or other withholding requirements (but not in excess of the minimum withholding required by law or such greater amount that would not result in adverse accounting consequences to the Company in the discretion of the Administrator). Any amounts withheld pursuant to this Section 6(a)(6) will be treated as though such amounts had been paid directly to the Participant. In addition, the Company may, to the extent permitted by law, deduct any such tax and other withholding amounts from any payment of any kind otherwise due to a Participant from the Company or any parent or subsidiary of the Company.

**(7) Dividend Equivalents, etc.** The Administrator may provide for the payment of amounts (on terms and subject to conditions established by the Administrator) in lieu of cash dividends or other cash distributions with respect to Stock subject to an Award whether or not the holder of such Award is otherwise entitled to share in the actual dividend or distribution in respect of such Award. Dividends or dividend equivalent amounts payable in respect of Awards that are subject to restrictions may be subject to such limits or restrictions as the Administrator may impose. Any entitlement to dividend equivalents or similar entitlements will be established and administered either consistent with an exemption from, or in compliance with, the applicable requirements of Section 409A.



**(8) Rights Limited.** Nothing in the Plan or any Award will be construed as giving any person the right to be granted an Award or to continued employment or service with the Company or its Affiliates, or any rights as a stockholder except as to shares of Stock actually issued under the Plan. The loss of existing or potential profit in Awards will not constitute an element of damages in the event of a termination of Employment for any reason, even if the termination is in violation of an obligation of the Company or any Affiliate to the Participant.

**(9) Coordination with Other Plans.** Awards under the Plan may be granted in tandem with, or in satisfaction of or substitution for, other Awards under the Plan or awards made under other compensatory plans or programs of the Company or its Affiliates. For example, but without limiting the generality of the foregoing, awards under other compensatory plans or programs of the Company or its Affiliates may be settled in Stock (including, without limitation, Unrestricted Stock) if the Administrator so determines, in which case the shares delivered will be treated as awarded under the Plan (and will reduce the number of shares thereafter available under the Plan in accordance with the rules set forth in Section 4).

**(10) Section 409A.**

**(A)** Without limiting the generality of Section 11(b) hereof, each Award will contain such terms as the Administrator determines, and will be construed and administered, such that the Award either qualifies for an exemption from the requirements of Section 409A or satisfies such requirements.

**(B)** Notwithstanding anything to the contrary in the Plan or any Award agreement, the Administrator may unilaterally amend, modify or terminate the Plan or any outstanding Award, including, without limitation, changing the form of the Award, if the Administrator determines that such amendment, modification or termination is necessary or desirable to avoid the imposition of an additional tax, interest or penalty under Section 409A.

**(C)** If a Participant is determined on the date of the Participant's termination of Employment to be a "specified employee" within the meaning of that term under Section 409A(a)(2)(B) of the Code, then, with regard to any payment that is considered nonqualified deferred compensation under Section 409A, to the extent applicable, payable on account of a "separation from service", such payment will be made or provided on the date that is the earlier of (i) the first business day 30 days following the expiration of the six-month period measured from the date of such "separation from service" and (ii) the date of the Participant's death (the "Delay Period"). Upon the expiration of the Delay Period, all payments delayed pursuant to this Section 6(a)(10)(C) (whether they would have otherwise been payable in a single lump sum or in installments in the absence of such delay) will be paid, without interest, on the first business day following the expiration of the Delay Period in a lump sum and any

-6-

remaining payments due under the Award will be paid in accordance with the normal payment dates specified for them in the applicable Award agreement.

**(D)** For purposes of Section 409A, each payment made under the Plan or any Award will be treated as a separate payment.

**(E)** With regard to any payment considered to be nonqualified deferred compensation under Section 409A, to the extent applicable, that is payable upon a change in control of the Company or other similar event, to the extent required to avoid the

imposition of an additional tax, interest or penalty under Section 409A, no amount will be payable unless such change in control constitutes a “change in control event” within the meaning of Section 1.409A-3(i)(5) of the Treasury Regulations.

**(b) Stock Options and SARs.**

**(1) Time and Manner of Exercise.** Unless the Administrator expressly provides otherwise, no Stock Option or SAR will be deemed to have been exercised until the Administrator receives a notice of exercise (in form acceptable to the Administrator), which if the Administrator so determines may be an electronic notice, signed (including electronic signature in form acceptable to the Administrator) by the appropriate person and accompanied by any payment required under the Award. A Stock Option or SAR exercised by any person other than the Participant will not be deemed to have been exercised until the Administrator has received such evidence as it may require that the person exercising the Award has the right to do so. The Administrator may impose conditions on the exercisability of Awards, including limitations on the time periods during which Awards may be exercised or settled.

**(2) Exercise Price.** The exercise price (or the base value from which appreciation is to be measured) of each Stock Option or SAR will be no less than 100% (or in the case of an ISO granted to a ten-percent shareholder within the meaning of subsection (b)(6) of Section 422, 110%) of the Fair Market Value of the Stock subject to the Award, determined as of the date of grant, or such higher amount as the Administrator may determine in connection with the grant. Except in connection with a corporate transaction involving the Company (which term shall include, without limitation, any stock dividend, stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, or exchange of shares) or as otherwise contemplated by Section 7 of the Plan, the terms of outstanding Stock Options or SARs, as applicable, may not be amended to reduce the exercise prices of such Stock Options or the base values from which appreciation under such SARs are to be measured other than in accordance with the stockholder approval requirements of the New York Stock Exchange.

**(3) Payment of Exercise Price.** Where the exercise of an Award is to be accompanied by payment, payment of the exercise price will be by cash or check

-7-

acceptable to the Administrator or by such other legally permissible means, if any, as may be acceptable to the Administrator.

**(4) Maximum Term.** Stock Options and SARs will have a maximum term not to exceed ten (10) years from the date of grant (or five (5) years from the date of grant in the case of an ISO granted to a ten-percent shareholder described in Section 6(b)(2) above).

## **7. EFFECT OF CERTAIN TRANSACTIONS**

**(a) Mergers, etc.** Except as otherwise provided in an Award agreement, the following provisions will apply in the event of a Covered Transaction:

**(1) Assumption or Substitution.** If the Covered Transaction is one in which there is an acquiring or surviving entity, the Administrator may (but, for the avoidance of doubt, need not) provide (i) for the assumption or continuation of some or all outstanding Awards or any portion thereof or (ii) for the grant of new awards in substitution therefor by the acquiror or survivor or an affiliate of the acquiror or survivor.

**(2) Cash-Out of Awards.** Subject to Section 7(a)(5) below, the Administrator may (but, for the avoidance of doubt, need not) provide for payment (a “cash-out”), with respect to some or all Awards or any portion thereof, equal in the case of each affected Award or portion thereof to the excess, if any, of (A) the fair market value of one share of Stock times the number of shares of Stock subject to the Award or such portion, over (B) the aggregate exercise or purchase price, if any, under the Award or such portion (in the case of an SAR, the aggregate base value above which appreciation is measured), in each case on such payment terms (which need not be the same as the terms of payment to holders of Stock) and other terms, and subject to such conditions, as the Administrator determines; it being understood that if the exercise or purchase price (or base value) of an Award is equal to or greater than the fair market value of one share of Stock, the Award may be cancelled with no payment due hereunder.

**(3) Acceleration of Certain Awards.** Subject to Section 7(a)(5) below, the Administrator may (but, for the avoidance of doubt, need not) provide that any Award requiring exercise will become exercisable, in full or in part and/or that the delivery of any shares of Stock remaining deliverable under any outstanding Award of Stock Units (including Restricted Stock Units and Performance Awards to the extent consisting of Stock Units) will be accelerated in full or in part, in each case on a basis that gives the holder of the Award a reasonable opportunity, as determined by the Administrator, following exercise of the Award or the delivery of the shares, as the case may be, to participate as a stockholder in the Covered Transaction.

**(4) Termination of Awards Upon Consummation of Covered Transaction.** Except as the Administrator may otherwise determine in any case, each

-8-

---

Award will automatically terminate (and in the case of outstanding shares of Restricted Stock, will automatically be forfeited) upon consummation of the Covered Transaction, other than Awards assumed pursuant to Section 7(a)(1) above.

**(5) Additional Limitations.** Any share of Stock and any cash or other property delivered pursuant to Section 7(a)(1), Section 7(a)(2) or Section 7(a)(3) above with respect to an Award may, in the discretion of the Administrator, contain such restrictions, if any, as the Administrator deems appropriate, including to reflect any performance or other vesting conditions to which the Award was subject and that did not lapse (and were not satisfied) in connection with the Covered Transaction. For purposes of the immediately preceding sentence, a cash-out under Section 7(a)(2) above or acceleration under Section 7(a)(3) above will not, in and of itself, be treated as the lapsing (or satisfaction) of a performance or other vesting condition. In the case of Restricted Stock that does not vest and is not forfeited in connection with the Covered Transaction, the Administrator may require that any amounts delivered, exchanged or otherwise paid in respect of such Stock in connection with the Covered Transaction be placed in escrow or otherwise made subject to such restrictions as the Administrator deems appropriate to carry out the intent of the Plan.

**(b) Changes in and Distributions with Respect to Stock.**

**(1) Basic Adjustment Provisions.** In the event of a stock dividend, stock split or combination of shares (including a reverse stock split), recapitalization or other change in the Company's capital structure that constitutes an equity restructuring within the meaning of FASB ASC Topic 718 (or any successor provision), the Administrator will make appropriate adjustments to the maximum number of shares of Stock that may be delivered under the Plan and to the maximum limits described in Section 4(c) and will also make appropriate adjustments to the number and kind of shares of stock or securities subject to Awards then outstanding or subsequently granted, any exercise or purchase prices (or base values) relating to Awards and any other provision of Awards affected by such change.

**(2) Certain Other Adjustments.** The Administrator may also make adjustments of the type described in Section 7(b)(1) above to take into account distributions to stockholders other than those provided for in Section 7(a) and 7(b)(1), or any other event, if the Administrator determines that adjustments are appropriate to avoid distortion in the operation of the Plan, having due regard for the qualification of ISOs under Section 422 and the requirements of Section 409A, where applicable.

**(3) Continuing Application of Plan Terms.** References in the Plan to shares of Stock will be construed to include any stock or securities resulting from an adjustment pursuant to this Section 7.

-9-

## 8. LEGAL CONDITIONS ON DELIVERY OF STOCK

The Company will not be obligated to deliver any shares of Stock pursuant to the Plan or to remove any restriction from shares of Stock previously delivered under the Plan until: (i) the Company is satisfied that all legal matters in connection with the issuance and delivery of such shares have been addressed and resolved; (ii) if the outstanding Stock is at the time of delivery listed on any stock exchange or national market system, the shares to be delivered have been listed or authorized to be listed on such exchange or system upon official notice of issuance; **Eligible Employee's Separation Date**; and (iii) **payment for** all conditions of the Award have been satisfied or waived. The Company may require, as a condition to exercise of the Award, such representations or agreements as counsel for the Company may consider appropriate to avoid violation of the Securities Act of 1933, as amended, or any applicable state or non-U.S. securities law. Any Stock required to be issued to Participants under the Plan will be evidenced in such manner as the Administrator may deem appropriate, including book-entry registration or delivery of stock certificates. In the event that the Administrator determines that Stock certificates will be issued to Participants under the Plan, the Administrator may require that certificates evidencing Stock issued under the Plan bear an appropriate legend reflecting any restriction on transfer applicable to such Stock, and the Company may hold the certificates pending lapse of the applicable restrictions.

## 9. AMENDMENT AND TERMINATION

The Administrator may at any time or times amend the Plan or any outstanding Award for any purpose which may at the time be permitted by law, and may at any time terminate the Plan as to any future grants of Awards; provided, that, except as otherwise expressly provided in the Plan, the Administrator may not, without the Participant's consent, alter the terms of an Award so as to affect materially and adversely the Participant's rights under the Award, unless the Administrator expressly reserved the right to do so at the time the Award was granted. Any amendments to the Plan will be conditioned upon stockholder approval only to the extent, if any, such approval is required by law (including the Code and applicable stock exchange requirements), as determined by the Administrator. For the avoidance of doubt, without limiting the Administrator's rights hereunder, no adjustment to any Award **vested benefits** pursuant to the terms of Section 7 or Section 12 hereof will be treated **any applicable benefit plans and programs** as an amendment requiring a Participant's consent.

## 10. OTHER COMPENSATION ARRANGEMENTS

The existence of the Plan or the grant of any Award will not in any way affect the Company's right to award a person bonuses or other compensation in addition to Awards under the Plan.

## 11. MISCELLANEOUS

(a) **Waiver of Jury Trial.** By accepting or being deemed to have accepted an Award under the Plan, to the maximum extent permitted by law, each Participant waives (or will be deemed to have waived) any right to a trial by jury in any action, proceeding or counterclaim concerning any rights under the Plan **effect**, and any Award, or under any amendment, waiver, consent, instrument, document or other agreement delivered or which in the future may be delivered in

-10-

connection therewith, and agrees (or will be deemed to have agreed) that any such action, proceedings or counterclaim will be tried before a court and not before a jury. By accepting (or being deemed to have accepted) an Award under the Plan, each Participant certifies that no officer, representative, or attorney of the Company has represented, expressly or otherwise, that the Company would not, in the event of any action, proceeding or counterclaim, seek to enforce the foregoing waivers. Notwithstanding anything to the contrary in the Plan, nothing herein is to be construed as limiting the ability of the Company and a Participant to agree to submit disputes arising under the terms of the Plan or any Award made hereunder to binding arbitration or as limiting the ability of the Company to require any eligible individual to agree to submit such disputes to binding arbitration as a condition of receiving an Award hereunder.

**(b) Limitation of Liability.** Notwithstanding anything to the contrary in the Plan, neither the Company, nor any Affiliate, nor the Administrator, nor any person acting on behalf of the Company, any Affiliate, or the Administrator, will be liable to any Participant or to the estate or beneficiary of any Participant or to any other holder of an Award by reason of any acceleration of income, or any additional tax (including any interest and penalties), asserted by reason of the failure of an Award to satisfy the requirements of Section 422 or Section 409A or by reason of Section 4999 of the Code, or otherwise asserted with respect to the Award.

## **12. ESTABLISHMENT OF SUB-PLANS**

The Administrator may amended from time to time, establish one or more sub-plans under the Plan for purposes of satisfying applicable blue sky, securities or tax laws of various jurisdictions. The Administrator will establish such sub-plans by adopting supplements to the Plan setting forth (i) such limitations on the Administrator's discretion under the Plan as it deems necessary or desirable and (ii) such additional terms and conditions not otherwise inconsistent with the Plan as it deems necessary or desirable. All supplements so established will be deemed to be part of the Plan, but each supplement will apply only to Participants within the affected jurisdiction (as determined by the Administrator). Separation Date.

## **13. GOVERNING LAW**

**(a) Certain Requirements of Corporate Law.** 2.2. "Administrator" Awards will be granted and administered consistent with means the requirements of applicable Delaware law relating to the issuance of stock and the consideration to be received therefor, and with the applicable requirements of the stock exchanges or other trading systems on which the Stock is listed or entered for trading, in each case, as determined by the Administrator.

**(b) Other Matters.** Except as otherwise provided by the express terms of an Award agreement, under a sub-plan described in Section 12 or as provided in Section 13(a) above, the provisions of the Plan and of Awards under the Plan and all claims or disputes arising out of or based upon the Plan or any Award under the Plan or relating to the subject matter hereof or thereof will be governed by and construed in accordance with the domestic substantive laws of the State of New Hampshire without giving effect to any choice or conflict of laws provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

-11-

**(c) Jurisdiction.** Subject to Section 11(a) above, by accepting (or being deemed to have accepted) an Award, each Participant agrees or will be deemed to have agreed to (a) submit irrevocably and unconditionally to the jurisdiction of the federal and state courts located within the geographic boundaries of the United States District Court for the District of New Hampshire for the purpose of any suit, action or other proceeding arising out of or based upon the Plan or any Award; (b) not commence any suit, action or other proceeding arising out of or based upon the Plan or an Award, except in the federal and state courts located within the geographic boundaries of the United States District Court for the District of New Hampshire; and (c) waive, and not assert, by way of motion as a defense or otherwise, in any such suit, action or proceeding, any claim that he or she is not subject personally to the jurisdiction of the above-named courts that his or her property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that the Plan or an Award or the subject matter thereof may not be enforced in or by such court.

-12-

## **EXHIBIT A**

### **Definition of Terms**

The following terms, when used in the Plan, will have the meanings and be subject to the provisions set forth below:

**“Administrator”:** The Compensation Committee, except that the Compensation Committee may delegate (i) to one or more of its members (or one or more other members of the Board, (including including the full Board)) such of its duties, powers and responsibilities as it may determine; (ii) to one or more persons or bodies officers of the Company the power to grant Awards to exercise some or all of its authority in administering the extent permitted by Section 152(b) or Section 157(c) Plan in accordance with the terms of the Delaware General Corporate Law; Plan; and (iii) to such Employees employees or other persons as it determines such ministerial tasks as it deems appropriate. In the event of any delegation described in the preceding sentence, the term “Administrator” will shall include the person or persons so delegated to the extent of such delegation.

**“Affiliate”:** 2.3. “Affiliates” Any means any corporation or other entity that stands in a relationship to the Company that would result in the Company and such corporation or other entity being treated as one employer under Section 414(b) or and Section 414(c) of the Code, Code.

**provided 2.4. “Base Salary”** means an Eligible Employee’s annual base salary at the rate in effect on the Separation Date (or in the event that for purposes of determining treatment an Eligible Employee terminates his or her employment with Good Reason as a single employer under Section 414(b) result of a material reduction in Base Salary, the annual base salary at the rate in effect immediately prior to such reduction).

**2.5. “Beneficiary”** means the Participant’s estate.

**2.6. “Cause”** means: (i) a material breach by the Eligible Employee of his or Section 414(c) of the Code, “20%” shall replace “80%” in the applicable stock or other equity ownership requirements under such sections of the Code and the regulations thereunder.

**“Award”:** Any or a combination of the following:

- (i) Stock Options.
- (ii) SARs.
- (iii) Restricted Stock.
- (iv) Unrestricted Stock.
- (v) Stock Units, including Restricted Stock Units.
- (vi) Performance Awards.
- (vii) Awards (other than Awards described in (i) through (vi) above) that are convertible into or otherwise based on Stock.
- (viii) Cash Awards.

**“Board”:** The Board of Directors of the Company.

**“Cash Award”:** An Award denominated in cash.

-13-

**“Cause”:** In the case of any Participant who is party to an effective her employment or severance-benefit agreement with the Company or an Affiliate of the Company, that contains a definition of “Cause,” the definition set forth in such agreement will apply with respect to such Participant under the Plan for so long as such agreement is in effect. In the case of any other Participant, “Cause” will mean, as determined by the Administrator in its reasonable judgment, (i) a substantial failure of the Participant to perform the Participant’s duties and responsibilities to the Company or Affiliates or substantial negligence in the performance of such duties and

responsibilities; (ii) the commission by the Participant of a felony or a crime involving moral turpitude; (iii) the commission by the Participant of theft, fraud, embezzlement, material breach of trust or any material act of dishonesty involving the Company or any of its Affiliates; (iv) a significant violation by the Participant of the Code of Ethics or Code of Ethics for Senior Financial & Executive Officers of the Company or its Affiliates, of any other material written policy of the Company or its Affiliates or generally applicable to similarly situated employees of any statutory or common law duty of loyalty to the Company or its Affiliates; (ii) the material failure by the Eligible Employee to reasonably and substantially perform his or her duties to the Company or any of its Affiliates, other than by reason of death, Disability, illness or incapacity; (iii) the Eligible Employee's willful misconduct or gross negligence that could reasonably be expected to be injurious to the Company or an Affiliate of the Company; (iv) an act or omission by the Eligible Employee that involves fraud, material dishonesty, or moral turpitude, in each case to the detriment of the Company or an Affiliate; or (v) material the Eligible Employee commits, is indicted or convicted of, pleads guilty or nolo contendere to a felony or to another serious crime involving moral turpitude. In the case of clauses (i), (ii) and (iii) above, the Company shall permit the Eligible Employee no less than 30 days to cure such breach or failure if reasonably susceptible to cure.

**2.7. "Change in Control"** means the first to occur of any of the terms following events:

(a) an event in which any "person" as such term is used in Sections 13(d) and 14(d) of the Plan Exchange Act (other than (i) the Company, (ii) any subsidiary of the Company, (iii) any employee benefit plan of the Company or a subsidiary of the Company or any Award made trustee or other fiduciary holding securities under an employee benefit plan of the Company or of any subsidiary of the Company, and (iv) any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company), is or becomes the "beneficial owner" (as defined in Section 13(d) of the Exchange Act), together with all affiliates and associates (as such terms are used in Rule 12b-2 of the General Rules and Regulations under the Exchange Act) of such person, directly or indirectly, of securities of the Company representing 40% or more of the combined voting power of the Company's then outstanding securities;

(b) the consummation of the merger or consolidation of the Company with any other company, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity), in combination with the ownership of any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any subsidiary of the Company, more than 60% of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation and (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) after which no "person" "beneficially owns" (with the determination of such "beneficial ownership" on the same basis as set forth in clause (a) of this definition) securities of the Company or the surviving entity of such merger or consolidation representing 40% or more of the combined voting power of the securities of the Company or the surviving entity of such merger or consolidation;

(c) if during any period of two consecutive years (not including any period prior to the date the Plan was initially adopted), individuals who at the beginning of such period constitute the Board, and any new director (other than a director designated by a person who has conducted or threatened a proxy contest, or has entered into an agreement with the Company to effect a transaction described in clause (a), (b) or (d) of this definition) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office, who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof; or

(d) the complete liquidation of the Company or the sale or disposition by the Company of all or substantially all of the Company's assets.

Notwithstanding the foregoing, to the extent any amount constituting "nonqualified deferred compensation" subject to Code Section 409A would become payable under the Plan, or the time or form of payment under the terms Plan would be affected, by reason of any other agreement between the Company a Change in Control or Affiliates and the Participant; or (vi) other conduct by the Participant that could be expected to be harmful a termination of employment following a Change in Control, to the business, interests extent necessary to avoid adverse tax consequences under Code Section 409A, a Change in Control shall not be deemed to have occurred unless the event or reputation circumstances constituting the Change in Control would also constitute a change in the ownership or effective control of the Company, or its Affiliates, a change in the ownership of a substantial



---

portion of the Company's assets, within the meaning of subsection Code Section 409A(a)(2)(A)(v) and the Treasury Regulations thereunder.

## 2.8. RESERVED

**"Code": 2.9.** "Code" means the U.S. Internal Revenue Code of 1986, as from time to time amended and in effect, or any successor statute as from time to time in effect.

**"Company": 2.10. "Confidential Information"** Planet Fitness, Inc.

**"Compensation Committee":** The Compensation Committee of the Board.

**"Covered Transaction":** Any of (i) a consolidation, merger, or similar transaction or series of related transactions, including a sale or other disposition of stock, in which the Company is not the surviving corporation or that results in the acquisition of means all or substantially all of the Company's then outstanding common stock by a single person or entity or by a group of persons and/or entities acting in concert, (ii) a sale or transfer of all or substantially all the Company's assets, or (iii) a dissolution or liquidation of the Company. Where a Covered Transaction involves a tender offer pursuant to which at least a majority of the Company's then outstanding common stock is purchased by a single person or entity or by a group of persons and/or entities acting in concert that is reasonably expected to be followed by a merger described in clause (i) (as determined by the Administrator), the Covered Transaction shall be deemed to have occurred upon consummation of the tender offer.

**"Date of Adoption":** The date the Plan was initially approved by the Board.

**"Director":** A member of the Board who is not an Employee.

**"Disability":** In the case of any Participant who is party to an effective employment or severance-benefit agreement with the Company or an Affiliate non-public information, trade secrets, and proprietary information of the Company that contains a

-14-

---

definition of "Disability," the definition set forth in such agreement will apply with respect to such Participant under the Plan for so long as such agreement is in effect. In the case of and its Affiliates, including financial information, plans and strategy, research, franchisee, consumer and marketing information, and any other Participant, a permanent disability as defined in the long-term disability plan maintained by such information the Company or one of its Affiliates, or as defined deems confidential from time to time by time.

**2.11. "Disability"** means a physical or mental incapacity or disability of an Eligible Employee that renders the Company in its sole discretion. Notwithstanding the foregoing, in any case in which a benefit that constitutes Eligible Employee unable to substantially perform his or includes "nonqualified deferred compensation" subject to Section 409A would be payable by reason of Disability, the term "Disability" will mean a disability described in Section 1.409A-3(i)(4)(i)(A) of the Treasury Regulations.

**"Employee":** Any person who is employed by the Company or an Affiliate.

**"Employment":** A Participant's employment or other service relationship with the Company or an Affiliate. Employment will be deemed to continue, unless the Administrator expressly provides otherwise, so long as the Participant is employed by, or otherwise is providing services in a capacity described in Section 5 her duties and responsibilities to the Company and its Affiliates (with or without any reasonable accommodation) (i) for 120 days in any 12-month period or (ii) for a period of 90 consecutive days in any 12-month period. If any question arises as to whether an Affiliate. Eligible Employee has a Disability, then at the request of the Administrator the Eligible Employee shall submit to a medical examination by a qualified third-party health care provider selected by the Administrator to whom the Eligible Employee or his or her duly appointed guardian, if any, has no reasonable objection to determine whether the Eligible Employee has a Disability and such determination shall be conclusive of the issue for



the purposes of the Plan. If a Participant's employment or other service relationship is with an Affiliate and that entity ceases to be an Affiliate, the Participant's Employment will be deemed to have terminated when the entity ceases to be an Affiliate unless the Participant transfers Employment to the Company or its remaining Affiliates. Notwithstanding the foregoing such question shall arise and the definition of "Affiliate" above, in construing Eligible Employee shall fail to submit to such medical examination, the provisions of any Award relating to the payment of "nonqualified deferred compensation" (subject to Section 409A) upon a termination or cessation of Employment, references to termination or cessation of employment, separation from service, retirement or similar or correlative terms will be construed to require a "separation from service" (as that term is defined in Section 1.409A-1(h) Administrator's determination of the Treasury Regulations, after giving effect to the presumptions contained therein) from the Company and from all other corporations and trades or businesses, if any, that would issue shall be treated as a single "service recipient" with the Company under Section 1.409A-1(h)(3) conclusive of the Treasury Regulations. The Company may, but need not, elect in writing, subject to issue for the applicable limitations under Section 409A, any of the special elective rules prescribed in Section 1.409A-1(h) of the Treasury Regulations for purposes of determining whether a "separation from service" has occurred. Any such written election will be deemed a part of the Plan.

**"Fair Market Value": 2.12. "Effective Date"** As of a particular date, (i) the closing price for a share of Stock reported on the New York Stock Exchange (or any other national securities exchange on which the Stock is then listed) for that date or, if no closing price is reported for that date, the closing price on the immediately preceding date on which a closing price was reported or (ii) in the event that the Stock is not traded on a national securities exchange, the fair market value of a share of Stock determined by the Administrator consistent with the rules of Section 422 and Section 409A to the extent applicable. means July 1, 2021.

**"ISO": 2.13. "Eligible Employee"** A Stock Option intended to be an "incentive stock option" within the meaning of Section 422. Each Stock Option granted pursuant to the Plan will be treated as providing by its terms that it is to be an NSO unless, as means each senior executive of the date of grant, it is expressly Company in a position designated as an ISO.

**"NSO":** A Stock Option that is not intended to be an "incentive stock option" within Senior Vice President or above who meets the meaning eligibility requirements of Section 422. Article 3.

-15-

---

**"Participant":** A person who is granted an Award under the Plan.

**"Performance Award": 2.14. "ERISA"** An Award subject to performance vesting conditions, which may include Performance Criteria.

**"Performance Criteria":** Specified criteria, other than means the mere continuation Employee Retirement Income Security Act of Employment or the mere passage of time, the satisfaction of which is a condition for the grant, exercisability, vesting or full enjoyment of an Award. Except as otherwise determined by the Administrator, a Performance Criterion and any targets with respect thereto may relate to any or any combination of the following (measured either absolutely or comparatively (including, without limitation, by reference to an index or indices or a specified peer group) and determined either on a consolidated basis or, as the context permits, on a divisional, subsidiary, line of business, project or geographical basis or in combinations thereof and subject to such adjustments, if any, as the Administrator specifies): sales; revenues; assets; expenses; earnings before or after deduction for all or any portion of interest, taxes, depreciation, amortization or equity expense, whether or not on a continuing operations or an aggregate or per share basis; return on equity, investment, capital, capital employed or assets; one or more operating ratios; operating income or profit, including on an after tax basis; borrowing levels, leverage ratios or credit rating; market share; capital expenditures; cash flow; stock price; stockholder return; sales of particular products or services; same store sales; customer satisfaction; gross or net store openings, including timing of openings and achievement of growth targets with respect thereto; new store first year sales; customer acquisition or retention; acquisitions and divestitures (in whole or in part); joint ventures and strategic alliances; spin-offs, split-ups and the like; reorganizations; or recapitalizations, restructurings, financings (issuance of debt or equity) or refinancings. A Performance Criterion and any targets with respect thereto determined by the Administrator need not be based upon an increase, a positive or improved result or avoidance of loss. The Administrator may provide that one or more of the Performance Criteria applicable to such Award will be adjusted in an objectively determinable manner to reflect events (for example, the impact of charges for restructurings, discontinued operations, mergers, acquisitions, and other unusual or infrequently occurring items, including the cumulative effects of tax or accounting changes) occurring during the performance period that affect the applicable Performance Criterion or Criteria.

**"Plan":** The Planet Fitness, Inc. Amended and Restated 2015 Omnibus Incentive Plan, 1974, as from time to time amended and in effect.

**"Restricted Stock": 2.15.** "Exchange Act" Stock subject means the Securities Exchange Act of 1934, as from time to time amended and in effect.

**2.16. "Good Reason"** means the occurrence, without the Eligible Employee's express written consent, of any of the events or conditions described herein, provided that, it be redelivered or offered for sale the Eligible Employee shall deliver written notice to the Company if specified conditions are not satisfied.

**"Restricted Stock Unit":** A Stock Unit that is, or as to the employing Affiliate of the occurrence of Good Reason within 90 days following the date on which the Eligible Employee first knew of such occurrence and the Company or applicable Affiliate shall not have fully corrected the situation within 30 days following delivery of Stock or cash in lieu of Stock is, subject to the satisfaction of specified performance or other vesting conditions.

**"SAR":** A right entitling the holder upon exercise to receive an amount (payable in cash or in shares of Stock of equivalent value) equal to the excess such notice. The following occurrences shall constitute Good Reason for purposes of the Fair Market Value Plan: (i) a material reduction in the Eligible Employee's Base Salary or target annual cash bonus opportunity, (ii) a material diminution in the nature and scope of the shares Eligible Employee's responsibilities, duties, authority or status or (iii) a relocation that would result in the Eligible Employee's principal location of Stock subject employment being moved 60 miles or more away from the Eligible Employee's principal location of employment as in effect immediately prior to such relocation; provided, however, that "Good Reason" shall cease to exist for an event (a) on the right over 90<sup>th</sup> day following the base value from date on which appreciation under the SAR is to be measured. Eligible Employee knew or reasonably should have known of such

-16-

**"Section 409A":** event and failed to give notice as described above, or (b) on the 30<sup>th</sup> day following the expiration of the Code.

**"Section 422":** Section 422 of the Code.

**"Stock":** Class A common stock of 30-day cure period if the Company par value \$0.0001 per share.

**"Stock Option":** An option entitling or the holder applicable Affiliate failed to acquire shares correct the event or condition and the Eligible Employee has not terminated his or her employment as of Stock upon payment of the exercise price, such date.

**"Stock Unit":** An unfunded and unsecured promise, denominated in shares of Stock, to deliver Stock or cash measured by the value of Stock in the future.

**"Unrestricted Stock":** Stock not subject to any restrictions under the terms of the Award.

-17-

Ex. 10.5

PLANET FITNESS, INC. AMENDED AND RESTATED  
LONG-TERM CASH INCENTIVE PLAN

1. PURPOSE

**This Amended 2.17. "Involuntary Termination"** means the termination of an Eligible Employee's employment (i) by the Company or an Affiliate for any reason other than death, Disability or Cause or (ii) by the Eligible Employee with Good Reason. An Eligible Employee shall not be treated as having an Involuntary Termination if his or her employment with the Company or an Affiliate terminates solely by reason of a sale, spin-off, transfer of business, or other

disposition, including a sale of assets; provided that he or she continues employment, or is otherwise offered continued employment, with his or her employer or a successor thereto immediately after such sale, spin-off, or other disposition occurs, under terms that are materially comparable in the aggregate to the terms in effect immediately before such sale, spin-off, or other disposition.

**2.18. "Participant"** means an Eligible Employee who has satisfied and Restated Long-Term Cash Incentive Plan (as continues to satisfy the conditions for participation in Article 3 and thereby becomes and continues to be eligible to receive and retain Severance Benefits under the Plan.

**2.19. "Person"** means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its Affiliates.

**2.20. "Plan"** means this Executive Severance & Change in Control Policy, as amended and restated effective April 30, 2024, and as further amended from time to time (to the extent permitted herein).

**2.21. "Separation Agreement"** Plan means a separation agreement in a form acceptable to the Company.

**2.22. "Separation Date"** has been established to advance means the interests later of Planet Fitness, Inc. (the "Company") by providing for the grant of Cash Incentive Awards an Eligible Employee's "separation from service" (as defined below) in Treasury regulation section 1.409A-1(h)) or the date the Eligible Employee's right to eligible employees Severance Benefits under this Plan ceases to be subject to a substantial risk of forfeiture (generally the Eligible Employee's last active day of employment with the Company and its subsidiaries. Affiliates (or any successor thereto), as specified by the Company in the Separation Agreement).

**2. ADMINISTRATION 2.23. "Severance Benefits"** means the payment and provision of severance compensation and benefits as provided in Section 4.1 and Section 4.2 herein.

**2.24. "Severance Period"** means the number of months equal to 12 times the percentage of Base Salary that the Participant is eligible to receive under Section 4.1(a) or 4.2(a), as applicable.

**2.25. "Voluntary Resignation"** means any retirement or resignation of employment that is initiated by the Eligible Employee without Good Reason.

### Article III. Participation and Eligibility

**3.1. Participant.** Each Eligible Employee who (i) experiences an Involuntary Termination, (ii) complies with the conditions set forth in Article 6, (iii) satisfies the conditions of Section 3.2 regarding the execution and nonrevocation of the Separation Agreement, and (iv) complies in all respects with the terms and conditions set forth in the Separation Agreement, shall be a Participant and shall be entitled to receive and retain the Severance Benefits described in the Plan.

**3.2. Separation Agreement.** As a condition of receiving benefits hereunder, an Eligible Employee who otherwise meets the requirements for participation under Section 3.1 shall be required to enter into an effective and irrevocable Separation Agreement with the Company or the employing Affiliate, which agreement shall include a release of all claims against the Company, its Affiliates, and its and their subsidiaries, employees, officers, directors, agents, and representatives. The Plan will Separation Agreement must be administered executed within the time period requested by the Company or Affiliate, and its delegates (the Company must become effective and its delegates, to irrevocable not later than the extent eighth day following the date of such delegation, are referred to herein as execution. Provided that the "Administrator"); provided, that if any executive officers Eligible Employee complies in all respects with the terms and conditions of the Company participate in Separation Agreement and the Plan, the Plan will be administered by the Compensation Committee (the "Compensation Committee") of the Board of Directors of Eligible Employee shall become and remain a Participant and the Company and all references to or an Affiliate shall provide the Administrator herein shall instead be deemed to be references to Participant with the Compensation Committee. The Administrator has the authority to interpret the Plan and Cash Incentive Awards, to determine eligibility for Cash Incentive Awards; to grant Cash Incentive Awards; to determine, modify Severance Benefits set forth in Section 4.1 or waive the terms of and Section 4.2, as applicable. An Eligible Employee's continued compliance with the conditions applicable to any Cash Incentive Award; to

determine the amount payable under Cash Incentive Awards; to prescribe forms, rules and procedures relating to the Plan and Cash Incentive Awards; and generally to do all things necessary to administer the Plan. Any interpretation or decision by the Administrator with respect to the Plan or any Cash Incentive Award will be final and conclusive as to all parties. Each year, the Compensation Committee shall approve the maximum amount of Cash Incentive Awards that may be granted under this Plan with respect to the Performance Period (as defined below) beginning contained in such year.

### 3. ELIGIBILITY; PARTICIPANTS

The Administrator will select from among key employees of the Company and its subsidiaries those employees who will from time to time participate in the Plan (each, a "Participant"). Participation with respect to one Cash Incentive Award under the Plan will not entitle an individual to participate with respect to a subsequent Cash Incentive Award or Cash Incentive Awards, if any, and will not entitle a Participant to continued employment or constitute the basis for any claim of damages in connection with a termination of employment or otherwise.

### 4. GRANT OF AWARDS

The term "Cash Incentive Award" as used in the Plan means an award opportunity that is payable in cash and is granted to a Participant with respect to a specified performance period (consisting of the Company's fiscal year or such other period as the Administrator may determine, each a "Performance Period"). A Participant who is granted a Cash Incentive Award will be entitled to a payment, if any, under the Cash Incentive Award only if all conditions to payment have been satisfied in accordance the Plan and with the terms and conditions set forth in the Separation Agreement shall be an express condition to the Eligible Employee's status as a Participant and to his or her right to receive and retain the Severance Benefits provided in Section 4.1 or 4.2, as applicable.

#### Article IV. Severance and Change of Control Benefits

**4.1. Severance Benefits.** An Eligible Employee who becomes a Participant due to an Involuntary Termination that does not occur upon or within 24 months after the consummation of a Change in Control shall be entitled to receive from the Company or an Affiliate, in addition to the Accrued Compensation, the following Severance Benefits:

(a) Base Salary:

- (i) for the Chief Executive Officer an amount equal to 200% of the Cash Incentive Award. By accepting Participant's Base Salary;
- (ii) for the President an amount equal to 150% of the Participant's Base Salary; and
- (iii) for all other Eligible Employees an amount equal to 100% of the Participant's Base Salary;

(b) an amount equal to the prorated portion of the Participant's annual cash bonus (or being deemed in the event that an Eligible Employee terminates his or her employment with Good Reason as a result of a material reduction in Base Salary or a material reduction in target annual cash bonus opportunity, the annual cash bonus at the rate in effect immediately prior to such reduction), in all cases as determined pursuant to the Company's annual bonus plan or any successor or similar plan, for the calendar year in which the Involuntary Termination occurs. If the Involuntary Termination occurs on or after January 1, but before the payment date of the annual cash bonus for the immediately preceding year, the Eligible employee shall also receive 100% of the annual cash bonus he or she would have accepted) a Cash Incentive Award, received had the Involuntary Termination occurred on or after the payment date for the annual cash bonus;

(c) provided the Participant agrees (or will be deemed to have agreed) was eligible for and properly enrolled in a Company sponsored health and welfare plan, an amount equal to the terms Company's monthly portion of the Cash Incentive Award and premium for each such enrollment multiplied by 12; provided, however, that if the Plan.

For each Cash Incentive Award, payments or benefits to be provided pursuant to this Section 4.1(c) would subject the Administrator Company (or an Affiliate) or the Participant to adverse penalties or excise taxes, the Company or an Affiliate shall establish arrange to provide the following:

- (a) Participant (or his or her qualified beneficiaries) with an alternative payment or benefit that avoids the vesting conditions (as defined in Section 5 below) applicable to the Cash

Incentive Award;

penalty or excise tax;

-1-

#### Ex. 10.5

(b)(d) the amount or amounts that will be payable (subject Participant's unvested time-based equity awards shall continue to adjustment in accordance with Section 5) if vest for 12 additional months following the vesting conditions are achieved; and

(c) such other terms and conditions as the Administrator deems appropriate, Participant's Involuntary Termination, subject in each case to the terms Participant's complying with all obligations under such awards except for the requirement to continue working for such 12 additional months. All unvested time-based equity awards that are not eligible to become vested as a result of the Plan.

#### 5. VESTING CONDITIONS

As used in the Plan, "vesting conditions" means specified criteria, other than the mere continuation of employment or the mere passage of time, the satisfaction of which is a condition for the vesting, payment or full enjoyment of a Cash Incentive Award. A vesting condition and any targets with respect thereto need not be based upon an increase, a positive or improved result or avoidance of loss, may consist of individual and/or Company-related goals and may be applied to a Participant or Participants on an individual basis or with respect to a business unit or division or the Company as a whole.

The Administrator may provide that a Cash Incentive Award, and any related vesting condition or conditions, will be altered or adjusted in any manner prescribed by the Administrator.

#### 6. PAYMENT OF AWARDS; AMOUNTS PAYABLE UNDER AWARDS

The payment terms applicable to Cash Incentive Awards will be determined by the Administrator and specified by the terms of the Cash Incentive Award. Notwithstanding anything to the contrary in a Cash Incentive Award, the Administrator may, in its sole and absolute discretion and with or without specifying its reasons for doing so, after determining the amount that would otherwise be payable under any Cash Incentive Award, adjust the actual payment (including to zero), if any, to be made under such Cash Incentive Award. The Administrator may exercise the discretion 12 additional months described in the immediately preceding sentence either shall be forfeited upon the Participant's Involuntary Termination. Any post-employment exercise period applicable to the Participant's stock options, as set forth in individual cases the applicable award agreement, shall commence on the 12-month anniversary of the Participant's Involuntary Termination (but in no event following the original expiration date of such stock options). All performance-based equity awards shall be forfeited immediately upon the Separation Date; provided, however, that if the Separation Date is after the end of the performance period associated with such performance-based equity award, but before the performance-based equity award is paid, then the Participant shall retain the right to receive shares, that have vested or will vest within 12 months following the termination date, under such award in ways that affect more than one Participant. In each case, accordance with the Administrator's discretionary determination, which may affect different Cash Incentive Awards and Participants differently, will be binding on terms of the award as if the Participant had remained employed through the vesting date of such award, subject to the Participant's complying with all parties.

#### 7. PAYMENT UNDER AWARDS

obligations under such awards except for the requirement to continue working through the date the award is paid. Except as otherwise determined expressly provided herein, the treatment of equity awards shall be governed by the Administrator terms of the applicable equity incentive plan and award agreement under which the award was granted. Without limiting the generality of the foregoing, all equity awards that become vested shall be paid at the time prescribed by the applicable award agreement; and

(e) Except as expressly noted, participation in all Company employee benefit plans will end as of the Separation Date.

**4.2. Change In Control Severance Benefits.** An Eligible Employee who becomes a Participant due to an Involuntary Termination that occurs upon or within 24 months after the consummation of a Change in Control shall be entitled to receive from the Company or an Affiliate, in addition to the Accrued Compensation, the following Severance Benefits:

(a) Base Salary:

- (i) for the Chief Executive Officer an amount equal to 300% of the Participant's Base Salary;
- (ii) for the President an amount equal to 200% of the Participant's Base Salary; and
- (iii) for all other Eligible Employees an amount equal to 150% of the Participant's Base Salary;

(b) an amount equal to 100% of the Participant's target annual cash bonus (or in the event that an Eligible Employee terminates his or her employment with Good Reason as a result of a material reduction in Base Salary or a material reduction in target annual cash bonus opportunity, the target annual cash bonus at the rate in effect immediately prior to such reduction, in all cases as determined pursuant to the Company's annual bonus plan or any successor or similar plan), for the year in which the Change in Control occurs. If the Involuntary Termination occurs on or after January 1, but before the payment date of the annual cash bonus for the immediately preceding year, the Eligible employee shall also receive 100% of the annual cash bonus he or she would have received had the Involuntary Termination occurred on or after the payment date for the annual cash bonus;

(c) provided the Participant was eligible for and properly enrolled in a Company sponsored health and welfare plan, an amount equal to the Company's monthly portion of the premium for each such enrollment multiplied by 12; *provided, however*, that if the payments or benefits to be provided pursuant to this Section 4.2(c) would subject the Company (or an Affiliate) or the Participant to adverse penalties or excise taxes, the Company or an Affiliate shall arrange to provide the Participant (or his or her qualified beneficiaries) with a substantially similar benefit;

(d) All unvested time-based equity awards shall vest immediately upon the Separation Date. All performance-based equity awards shall vest at target immediately upon the Separation Date; *provided, however*, that if the Separation Date is after the end of the performance period associated with such performance-based equity award, but before the performance-based equity award is paid, then the Participant shall instead be paid in accordance with the terms of the award, notwithstanding the Participant's Involuntary Termination. Except as expressly provided herein, the treatment of equity awards shall be governed by the terms of the applicable equity incentive plan and award agreement under which the award was granted. Without limiting the generality of the foregoing, all equity awards that become vested shall be paid at the time prescribed by the applicable award agreement; and

(e) Except as expressly noted, participation in all Company employee benefit plans will end as of the Separation Date.

**4.3. Timing of Payments.** Except as otherwise provided in this Article 9 (Code Section 7, all payments under 409A) or elsewhere herein, and provided that the Participant has complied with the terms and conditions of the Separation Agreement and the Plan, will any payments due to the Participant shall be paid as follows:

(a) Payments due under Section 4.1(a), shall be payable as a salary continuation in accordance with the Company's normal payroll practices applicable to the Participant as of the date of the Involuntary Termination, with each payment being due and payable on each scheduled payroll date, beginning within 60 days following the Separation Date, as soon as administratively practicable following the date on which the Separation Agreement becomes effective, with the first payment to include any payments that would have been paid during such period had payment started on the first scheduled payroll date after the Separation Date. Notwithstanding the foregoing, if the Separation Date occurs in one taxable year and the date that is 60 days following the Separation Date occurs in a second taxable year, to the extent required by Code Section 409A, such payments shall not be made if at all, not prior to the first day of the second taxable year.

(b) Payments due pursuant to Sections 4.1(b) and 4.2(b) shall be paid in a lump sum no later than March 15<sup>th</sup> of the calendar year following payment date for the calendar annual cash bonus to the Company's employees for the year in which the Performance Period ends; *provided*, Involuntary Termination occurs. To the extent that the Administrator may authorize elective deferrals Involuntary Termination occurs after the payment date for the annual cash bonus, any payments due pursuant to Sections 4.1(b) and 4.2(b) shall be made within 60 days following the Separation Date.

(c) Payments due pursuant to Sections 4.1(c), 4.2(a) and 4.2(c) shall be paid in a lump sum no later than 30 days from the Separation Date.

(d) For the avoidance of doubt, if an Eligible Employee does not execute a Separation Agreement within the period specified in Section 3.2 or if an Eligible Employee or Participant subsequently revokes or breaches an executed Separation Agreement, the Eligible



Employee shall not become a Participant, shall not be entitled to any Severance Benefits, and neither the Company nor any of its Affiliates shall have any further obligations to the Eligible Employee under the Plan. To the extent such breach occurs after an Eligible Employee becomes a Participant, the payment of Severance Benefits shall immediately cease and any Severance Benefits already paid shall be subject to clawback by the Administrator. Unless otherwise subject to clawback pursuant to the Company's Executive Compensation Recoupment Policy, regardless of whether the Eligible Employee executes or revokes the Separation Agreement, the Eligible Employee is entitled to receive the Accrued Compensation.

**4.4. Voluntary Resignation; Termination for Death or Disability.** If an Eligible Employee's employment terminates for any reason other than an Involuntary Termination, then the Eligible Employee shall not be entitled to receive Severance Benefits under the Plan and shall be entitled only to receive his or her Accrued Compensation. Except as described in this Section 4.4, neither the Company nor any of its Affiliates shall have any further obligations to the Eligible Employee under the Plan.

**4.5. Termination for Cause.** If an Eligible Employee's employment terminates on account of termination by the Company or an Affiliate for Cause, or if after an Involuntary Termination, circumstances that would have given rise to termination for Cause are discovered, the Eligible Employee shall not be entitled to receive Severance Benefits and shall be entitled only to receive his or her Accrued Compensation. Except as described in this Section 4.5, neither the Company nor any of its Affiliates shall have any further obligations to such Eligible Employee or Participant as applicable under the Plan. Nothing in this Plan shall limit the Company's and Affiliates' rights to damages and other remedies in the event of misconduct that constitutes Cause.

**4.6. Severance Benefits in the Event of Post-Involuntary Termination Death of a Participant.** If a Participant dies following an Involuntary Termination and while any amount would still be payable to him or her hereunder had he or she continued to live, all such amounts, unless otherwise provided herein, shall be paid to the Participant's Beneficiary within the time period provided for under Section 4.3.

**4.7. Non-Duplication.**

(a) No provision of this Plan shall require (or be interpreted to require) the Company or any Affiliate to duplicate any payment or other compensation or benefit that a Participant is entitled to receive under any employment agreement or other plan, program, policy or other arrangement (each an "Other Arrangement").

(b) The amount of any Cash Incentive Award payments salary continuation or bonus payment that is required by the Plan for a pay period shall be reduced dollar-for-dollar (but not below zero) by the amount of any severance or similar payment that the Participant is entitled to receive for such period pursuant to an Other Arrangement. If the Plan or an Other Arrangement provides for payment of an amount in a form other than installments over the Severance Period, in accordance with the deferral rules schedule contemplated by Section 4.3(a), such amount shall be expressed for purposes of applying this Section 409A of 4.7 as an equivalent benefit payable in installments over the Internal Revenue Code of 1986, Severance Period in accordance with Section 4.3(a). For example, a lump-sum severance payment equal to 12 months' base salary shall be treated as amended (the "Code"). Unless otherwise determined by the Administrator, if it were paid in installments over 12 months, with a Cash Incentive Award payment will not be made unless a Participant has remained employed with the Company pro-rated amount payable on each scheduled payroll date.

-2-

---

**Ex. 10.5**

and its subsidiaries through the date (c) The amount payable in respect of payment. Except as determined benefits under Section 4.1(c) or 4.2(c) shall be reduced dollar-for-dollar (but not below zero) by the Administrator, Cash Incentive Awards amount of any reimbursement or allowance for comparable benefits, or the value of Company-subsidized benefits for the applicable period.

(d) Unless otherwise expressly provided, no Other Arrangement involving a Participant that is executed after the Participant becomes covered by the Plan shall be interpreted to change the form or time of payment of any benefits that such Participant had a legally binding right to receive under the Plan are intended before execution of such Other Arrangement.

Subject to qualify for exemption from this Section 409A of 4, the Code Severance Benefits (after reduction pursuant to subsections (b) and (c) above) shall be construed and administered accordingly.

## 8. TAX WITHHOLDING; LIMITATION ON LIABILITY

All payments in addition to any compensation or benefits the Participant is eligible to receive under an Other Arrangement. Benefits under the Plan will shall in all cases be subject calculated consistently with the intent that the aggregate amount payable under the Plan and all Other Arrangements equals the amount payable under this Plan.

### Article V. Code Section 4999 Excise Tax.

Anything in the Plan to reduction for applicable tax and other legally the contrary notwithstanding, in the event that it shall be determined that any payment or contractually required withholdings benefit made or other taxes.

Neither provided, or to be made or provided, by the Company nor or any affiliate, nor of its Affiliates (or any successor thereto) to or for the Administrator, nor any person acting on behalf benefit of a Participant, whether pursuant to the terms of the Company, any affiliate, or the Administrator, will be liable for any adverse tax or other consequences to any Participant or to the estate or beneficiary of any Participant or to Plan, any other holder agreement, plan, program or arrangement of a Cash Incentive Award or otherwise that may arise or otherwise be asserted with respect to a Cash Incentive Award, including, but not limited to, by reason of the application of Section 9 below, or any acceleration of income, or any additional tax (including any interest and penalties) asserted by reason of the failure of a Cash Incentive Award to satisfy the requirements of Section 409A of the Code or by reason of Section 4999 of the Code, or otherwise asserted with respect to the Cash Incentive Award or the Plan.

## 9. FORFEITURE; RECOUPMENT

The Company may provide that Cash Incentive Awards will be subject to forfeiture, termination or rescission, and that a Participant will be obligated to return to the Company payments received with respect to a Cash Incentive Award, in connection with a breach by the Participant of an agreement evidencing a Cash Incentive Award or the Plan, or any non-competition, non-solicitation, confidentiality or similar covenant or agreement with the Company or any of its affiliates. Without limiting Affiliates (or any successor thereto) or otherwise (any such payment or benefit, individually, the generality "Payment" and collectively, the "Payments"), will be subject to the excise tax imposed by Code Section 4999 or any comparable tax imposed by any replacement or successor provision of United States tax law (the "Excise Tax"), then such Participant shall be entitled to receive (a) the amount of such Payments, reduced such that no portion thereof shall fail to be tax deductible under Code Section 280G (the "Limited Amount"), or (b) the full Payments, whichever results in the greatest after-tax proceeds to the Participant. Any amount paid under this Article 5 shall be subject to normal federal, state and local tax withholding requirements. In the event that it is determined that the aggregate amount of the foregoing, the Administrator may recover Cash Incentive Awards and payments under any Cash Incentive Award Payments will be reduced in accordance with this Article 5, the Payments shall be reduced on a nondiscretionary basis in such a way as to minimize the reduction in the economic value deliverable to the Participant. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Code Section 409A, and where more than one payment has the same value for this purpose and they are payable at different times, they will be reduced on a pro-rata basis. All determinations to be made under this Article 5 shall be made by the nationally recognized independent public accounting firm or valuation firm selected by the Company in its reasonable discretion ("Accounting Firm"), which Accounting Firm shall provide its determinations and any supporting calculations to the Administrator and the Participant within 10 days of the Separation Date. Any such determination by the Accounting Firm shall be binding upon the Company, its Affiliates and the Participant. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this Article 5 shall be borne solely by the Company or an Affiliate.

### Article VI. Conditions to Receipt and Retention of Severance Benefits

Receipt and retention of Severance Benefits is expressly conditioned upon each Eligible Employee's continued compliance with all non-competition, non-solicitation, confidentiality and/or other restrictive covenant obligations contained in this policy and any other applicable agreement between the Eligible Employee and the Company clawback, recoupment and/or similar policy any of its Affiliates or policies, their respective subsidiaries, both before and after becoming a Participant. In the event such an individual fails to comply with any of these conditions: (i) the individual shall cease to be entitled to receive any



Severance Benefits, (ii) the individual shall return any Severance Benefits previously paid to or for him or her, and (iii) the Company shall be entitled to recover any such Severance Benefits not returned by the individual.

**6.1. Non-Competition.** During an Eligible Employee's employment with the Company or an Affiliate, and for the Severance Period following his or her Separation Date, such Eligible Employee shall not, without prior written consent from the Company, directly or indirectly, whether as owner, partner, investor, consultant, agent, employee, co-venturer or otherwise, compete with the Company or its Affiliates in any markets where the Company or its Affiliates do business, or plan to do business, as of the Separation Date. Competitors include any entity in the business of owning, operating or franchising high value low-cost fitness centers, digital fitness subscriptions or the sale and distribution of fitness equipment (other than a Planet Fitness business). The foregoing shall not prevent the Eligible Employee from owning up to five percent (5%) of the outstanding securities of a publicly held corporation that may compete with the Company.

**6.2. Non-Solicitation.**

(a) During an Eligible Employee's employment with the Company or an Affiliate, and for the Severance Period following his or her Separation Date, such **policy** Eligible Employee shall not, directly or **policies** indirectly (a) solicit or encourage any franchisee of the Company or its Affiliates to terminate or diminish its relationship with it or them; or (b) seek to persuade any such franchisee or prospective franchisee of the Company or its Affiliates to conduct with anyone else any business or activity which such franchisee or prospective franchisee conducts with the Company or its Affiliates.

(b) During an Eligible Employee's employment with the Company or an Affiliate, and for the Severance Period following his or her Separation Date, such Eligible Employee may **be amended** not, and will not assist any other party to, (a) hire or solicit for hiring any employee of the Company or its Affiliates or seek to persuade any employee of the Company or its Affiliates to discontinue employment or (b) solicit or encourage any independent contractor or vendor providing services to the Company or its Affiliates to terminate or diminish its relationship with them. For purposes hereof, general solicitations not directed at a particular person or advertising in **effect** media directed at the general public shall not provide the basis for a claim by the Company that a Participant violated this provision.

(c) For avoidance of doubt, this Section 6.2 shall not apply to any period following separation from **time** service with the Company or an Affiliate with respect to **time**, any Eligible Employee who declines to enter into a Separation Agreement unless they have otherwise executed a Non-Compete/Non-Solicitation/Confidentiality Agreement.

**6.3. Non-Disparagement.** During an Eligible Employee's employment with the Company or an Affiliate, and continuing after the Separation Date shall not, directly or indirectly, by any manner or means, in public or in private, disparage orally or in writing the Company or its affiliates' business, management, products or services, and will not otherwise do or say anything that could disrupt the good morale of employees of the Company or any of its Affiliates or harm the interests or reputation of the Company or any of its Affiliates. Nothing in this paragraph shall prohibit an Eligible Employee from providing truthful information in response to a legal proceeding.

**6.4. Confidentiality.** Other than **as otherwise** required by applicable law or for the proper performance of his or her duties and responsibilities to the Company or any of its Affiliates during his or her employment with the Company or any of its Affiliates, no Eligible Employee shall disclose to any Person or use any Confidential Information obtained by such individual incident to his or her employment or other association with the Company or any of its Affiliates. As of the Separation Date,

---

Eligible Employees must return all such Confidential Information to the Company, materials that incorporate or reference such Confidential Information, and all copies thereof. The confidentiality condition under this Section 6.4 shall not apply to information which is generally known or readily available to the public at the time of disclosure or becomes generally known through no wrongful act on the part of the Eligible Employee or any other Person having an obligation of confidentiality to the Company or any of its Affiliates. Notwithstanding the foregoing, nothing in the Plan limits, restricts or in any other way affects an Eligible Employee's communicating with any governmental agency or entity, or communicating with any official or staff person of a governmental agency or entity, concerning matters relevant to the governmental agency or entity, or requires an

Eligible Employee to provide prior notice to the Company of the same. An Eligible Employee cannot be held criminally or civilly liable under any federal or state trade secret law for disclosing a trade secret (a) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law, or (b) in a complaint or other document filed under seal in a lawsuit or other proceeding. Notwithstanding this immunity from liability, an Eligible Employee may be held liable if he or she unlawfully accesses trade secrets by unauthorized means.

#### **Article VII. Withholding of Taxes; Funding**

**7.1. Withholding of Taxes; Taxes.** The Company and any Affiliate shall be entitled to withhold from any amounts payable under the Plan all taxes as legally shall be required (including, without limitation, any United States federal taxes, and any other state, city, or local taxes). Regardless of the amount withheld or reported, each Eligible Employee shall be solely responsible for the payment of all taxes that become due as a result of a payment or other rights (including imputed income) to the Participant under the Plan.

**7.2. Funding.** The Plan shall be funded out of the general assets of the Company or an Affiliate as and when Severance Benefits are payable under the Plan. All Participants shall be solely general creditors of the Company and Affiliates.

#### **Article VIII. Successors and Assignment**

**8.1. Successors to the Company.** The Company or an Affiliate will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) of all or substantially all of the business and/or assets of the Company or an Affiliate or of any division or subsidiary thereof to expressly assume and agree to perform the Company's or an Affiliate's obligations under the Plan in the same manner and to the same extent that the Company or the Affiliate would be required to perform them if no such succession had taken place.

**8.2. Assignment by Eligible Employee or Participant.** Except in the event of death, an Eligible Employee or Participant does not have the power to transfer, assign, anticipate, mortgage or otherwise encumber any rights or any amounts payable under the Plan; nor will any such rights or amounts payable under the Plan be subject to seizure, attachment, execution, garnishment or other legal or equitable process, or for the payment of any debts, judgments, alimony, or separate maintenance, or be transferable by operation of law in the event of bankruptcy, insolvency, or otherwise. In the event an Eligible Employee or Participant attempts to assign, transfer or dispose of such right, or if an attempt is made to subject such right to such process, such assignment, transfer or disposition will be null and void.

---

#### **Article IX. Code Section 409A**

**9.1.** The Plan is intended to comply with the requirements of Code Section 409A, to the extent applicable, and this Plan shall be interpreted consistently with the intent to avoid any tax under Code Section 409A. For the avoidance of doubt, however, no provision of this Plan shall transfer liability for taxes under Code Section 409A from the Eligible Employee or Participant to the Company, any Affiliate, or any other Person.

Accordingly, all provisions herein, or incorporated by reference, shall be construed and interpreted to comply with Code Section 409A and, if necessary, any such provision shall be deemed amended to comply with Code Section 409A and the regulations thereunder. If any payment or benefit cannot be provided or made at the time specified herein without incurring any accelerated or additional tax under Code Section 409A, then such benefit or payment shall be provided in full at the earliest time thereafter when such accelerated or additional tax will not be imposed, and vice versa. All payments to be made upon a separation, termination of employment, or similar event under the Plan may only be made upon a "separation from service" (as defined in Treasury regulation section 1.409A-1(h), after giving effect to the presumptions contained therein) to the extent required under Code Section 409A. For purposes of Code Section 409A, each payment made under the Plan shall be treated as a separate payment. In no event may an Eligible Employee or Participant, directly or indirectly, designate the calendar year of payment of any severance benefit payable hereunder.

**9.2.** Reimbursements provided under the Plan, if any, shall be made or provided in accordance with the requirements of Code Section 409A including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during a limited period of time specified in the Plan; (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year; (iii) the

reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred; and (iv) the right to reimbursement is not subject to liquidation or exchange for another benefit.

**9.3.** To the maximum extent permitted under Code Section 409A, the Severance Benefits payable under the Plan are intended to comply with the "short-term deferral exception" under Treas. Reg. §1.409A-1(b)(4), and any remaining amount is intended to comply with the "separation pay exception" under Treas. Reg. §1.409A-1(b)(9)(iii). Any portion of the Severance Benefits that are payable under the Plan to a Participant during the six-month period following the Participant's Separation Date that does not qualify within either of the foregoing exceptions and constitutes deferred compensation subject to the requirements of Code Section 409A shall hereinafter be referred to as the "**Excess Amount**". If at the time of the Participant's separation from service, the Company's (or any entity required to be aggregated with the Company under Code Section 409A) stock **exchange listing standards**, is publicly traded on an established securities market or otherwise and the Participant is a "specified employee" (as defined in Code Section 409A and determined in the sole discretion of the Company (or any successor thereto) in accordance with the Company's (or any successor thereto) "specified employee" determination policy), then the Company shall postpone the commencement of the payment of the portion of the Excess Amount that is payable within the six-month period following the Participant's Separation Date for six months following the Participant's Separation Date. The delayed Excess Amount shall be paid in a lump sum to the Participant within 10 days following the date that is six months following the Participant's Separation Date and any remaining installments shall continue to be paid to the Participant in accordance with the original schedule provided herein. If the Participant dies during such six-month period and prior to the payment of the portion of the Excess Amount that is required to be delayed on account of Code Section 409A, such Excess Amount shall be paid to the personal representative of the Participant's Beneficiary within 60 days after the Participant's death.

---

## Article X. Claims Procedures

**10.1. Claims.** (a) Any request or claim for benefits under the Plan shall be deemed to be filed when a written request is made by the claimant or the claimant's authorized representative which is reasonably calculated to bring the claim to the attention of the Administrator.

(a) The Administrator, or its designee, shall advise the claimant, or such claimant's representative, in writing or in electronic form, of its decision within 90 days of receipt of the claim for Severance Benefits under the Plan, unless special circumstances require an extension of such 90-day period for not more than an additional 90 days. Where such extension is necessary, the claimant shall be given written notice of the delay before the expiration of the initial 90-day period, which notice shall set forth the reasons for the delay and the date the Administrator expects to render its decision.

(b) The Administrator's response to a claim shall (i) be in writing or in electronic form; and (ii) in the case of an adverse benefit determination: (A) set forth the reason(s) for the denial of benefits; (B) contain references to Plan provisions on which the denial is based; (C) describe the additional material and information, if any, necessary for the claim for benefits to be perfected and an explanation of why such material or information is necessary; and (D) describe the Plan's review procedures and the time limits applicable to such procedures, including a statement of the claimant's right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on review.

**10.2. Appeals.** (a) If the claimant or the claimant's authorized representative fails to appeal the Administrator's adverse benefit determination, in writing, within 60 days after its receipt by the claimant, the Administrator's determination shall become final and conclusive.

(a) If the claimant or the claimant's authorized representative appeals the Administrator's adverse benefit determination in a timely fashion, the Administrator shall reexamine all issues relevant to the original denial of benefits. Any such claimant or his or her duly authorized representative may review any relevant documents, records and other information, free of charge, including documents and records that were relied upon in making the benefit determination, documents submitted, considered or generated in the course of making the benefit determination (even if such documents were not relied upon in making the benefit determination), and documents that demonstrate compliance, in making the benefit determination, with the Plan's required administrative processes and safeguards. In addition, the claimant or his or her duly authorized representative may submit written comments, documents, records and other information relating to such claim for benefits. In the course of the review, the Administrator shall take into account all comments, documents, records and other information submitted by the claimant or his or her duly authorized representative relating to such claim, regardless of whether it was submitted or considered as part of the initial benefit determination.

(b) The Administrator shall advise the claimant or such claimant's representative, in writing or in electronic form, of its decision within 60 days of receipt of the written appeal, unless special circumstances require an extension of such 60-day period for not more than an additional 60 days. Where such extension is necessary, the claimant shall be given written notice of the delay before the expiration of the initial 60-day period, which notice shall set forth the reasons for the delay and the date the Administrator expects to render its decision. If the extension is necessary because the claimant has failed to submit the information necessary to decide the claim, the Administrator's period for responding to such claim shall be tolled from the date on which the notification of the extension is sent to the claimant until the date on which the claimant responds to the request for additional information. In the event of an adverse benefit determination on appeal, the Administrator shall advise the claimant, in a manner calculated to be understood by the claimant of: (i) the reason(s) for the adverse benefit determination; (ii) the Plan provisions on which the decision was based; (iii) the

---

claimant's right to receive, upon request and free of charge, and have reasonable access to, copies of all documents, records and other information relevant to such claim; and (iv) a statement describing any voluntary appeals procedures offered by the Plan, the claimant's right to obtain information about such procedures, and a statement of the claimant's right to bring an action under section 502(a) of ERISA.

**10.3. Exhaustion.** No person may bring an action for any alleged wrongful denial of Plan benefits in a court of law unless the claims procedures set forth above are exhausted and a final determination is made by the Administrator. If a Participant or other interested person challenges a decision of the Administrator, such challenge must be filed in the court of law no later than within one year after the earliest of (i) the date the first payment under the Plan was made, (ii) the date the first payment under the Plan was allegedly due, or (iii) the date the Company or an Affiliate first repudiated the alleged obligation to provide such benefit. Following the denial of the appeal described in Section 10.2(c), and if the one-year period expires during the time that a request for review of the claim pursuant to this Article 10 is pending, such period shall be extended until the 60<sup>th</sup> calendar day following final denial (including a deemed denial) of such claim on administrative review (but the period for filing a new claim or requesting administrative review shall not be extended). The foregoing limitations period shall supersede and replace any limitations period that might otherwise be deemed applicable under state or federal law in the absence of this Section 10.3. Before a Change in Control, (I) a review by the court of law will be limited to the facts, evidence and issues presented to the Administrator during the claims procedure set forth above, and shall be subject to an abuse of discretion standard of review; (II) facts and evidence that become known to the Participant or other interested person after having exhausted the claims procedure shall not be taken into account unless timely must be brought to the attention of the Administrator for reconsideration of the claims determination; and (III) issues not raised with the Administrator will be deemed waived. After a Change in Control, the standard of review by a court shall be de novo and shall take into account all facts presented.

#### Article XI. Administration

**11.1** The Compensation Committee will be the administrator of the Plan. The Compensation Committee may, however, delegate to any person, committee or entity any of its power or duties under the Plan. The Administrator will be the sole judge of the application and interpretation of the Plan, and will have the discretionary authority to construe the provisions of the Plan and to resolve disputed issues of fact. The Administrator will have the sole authority to make determinations regarding eligibility for benefits. Subject to Section 10.3, the decisions of the Administrator in all matters relating to the Plan that are within the scope of its authority (including, but not limited to, eligibility for benefits, Plan interpretations, and disputed issues of fact) will be final and binding on all parties. The Administrator will have such powers as may be necessary to discharge its duties, including but not limited to, the following:

- (a) To construe and interpret the Plan, decide all questions of eligibility and determine the amount, manner and time of payment of any benefits under the Plan;
- (b) To prescribe procedures to be followed by claimants filing applications for benefits;
- (c) To prepare and distribute, in such manner as the Administrator determines to be appropriate, information explaining the Plan;
- (d) To receive from the Company and from Participants and employees such information as will be necessary for the proper administration of the Plan;

- 
- (e) To furnish the Company, upon request, such reports with respect to the administration of the Plan as are reasonable and appropriate;
  - (f) To receive, review and keep on file (as it deems convenient and proper) reports of benefit payments by the Company and reports for disbursements of expenses directed by the Administrator;
  - (g) To appoint and compensate persons to assist in the administration of the Plan and any other agents it deems advisable, including legal counsel; and
  - (h) To make all appropriate filings with governmental agencies on behalf of the Plan.

## Article XII. Miscellaneous

**12.1. Employment Status.** Except as may be provided under any other agreement between an Eligible Employee and the Company or an Affiliate, all employment with the Company and its Affiliates is "at will", and may be terminated by either the Eligible Employee or the Company or an Affiliate at any time, subject to applicable law. Nothing contained herein shall constitute an employment contract or guarantee of employment or confer any other rights except as set forth herein. Nothing in the Plan will be construed to create any right to employment or re-employment with the Company.

**12.2. Other Payments.** Except as otherwise provided in the Plan, no Eligible Employee shall be entitled to any cash payments or other severance benefits under any of the Company's or any Affiliate's then current severance pay policies or under any individual employment, severance or similar agreement for a termination that is covered by the Plan for the Eligible Employee. Except as otherwise provided in the Plan, acceptance of benefits under the Plan constitutes a waiver of any other separation or severance benefits from the Company, including without limitation **Section 10D** any separation or severance benefits offered under a Participant's employment agreement or offer letter. In the event a Participant receives a judgment for or relating to any other separation benefits from the Company, the amounts paid out under the Plan will be reduced by such judgment.

**12.3. No Mitigation.** Participants shall not be required to mitigate the amount of any Severance Benefit provided for in the Plan by seeking other employment or otherwise, nor shall the amount of any Severance Benefit provided for herein be reduced by any compensation earned by other employment or otherwise, except in the event the Participant is re-employed by the Company or an Affiliate, in which case Severance Benefits shall cease upon the date of reemployment.

**12.4. Overpayments.** If a Participant receives payments in excess of the **Securities Exchange Act** amounts specified in Section 4, the Company, at its sole discretion, may elect to deduct such overpayments from any future payments to the Participant. If all payments have been made to the Participant, the Participant will be obligated to repay any overpayments upon demand from the Company.

**12.5. Conflicts.** The Plan document is the sole authority for any disputes regarding the Plan. In the event there is any conflict between the terms of **1934, as amended. Each Participant, by accepting a Cash Incentive Award pursuant** the Plan and any other document or oral statements describing the terms of the Plan, the Plan document will control.

**12.6. No Oral Promises.** No person has the authority to modify or waive or vary the terms of the Plan. No oral promise of benefits or payments under or relating to the Plan **agrees** will create a right in favor of any employee or impose any obligation on the Company or the Plan. Any interpretation of the Plan or obligation under or relating to **return** the **full amount required under this Section 9**, Plan must be in writing and signed by the Administrator or **under** its designee to be binding.

**12.7. Gender and Number.** Except where otherwise indicated by the context, any **clawback** masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

**12.8. Amendment or recoupment policy, as applicable, Termination.** The Board or the Compensation Committee may, in their sole discretion, amend or terminate the Plan, in whole or in part, at **such** any time and for any reason or no reason without the consent of Participants; provided that the Plan may not be amended or terminated during the period commencing on the Change in Control and ending on the 24-month anniversary of such Change in Control, except for amendments that are required to comply with any changes in applicable law, and provided further that no amendment to the Plan may discontinue or change any payments to a Participant who has entered into an effective Separation Agreement under the Plan prior to the effective date of the amendment or termination of the Plan. If the Plan is terminated, no Severance Benefits will be payable under the Plan to any Eligible Employee who has not entered into an effective Separation Agreement under the Plan prior to the effective date of such termination. For the avoidance of doubt, any Separation Agreement that took effect prior to the date the Plan is amended or terminated shall remain in full force and effect in accordance with its terms.

**12.9. Governing Law.** To the extent not preempted by the laws of the United States, the Plan shall be construed and enforced under and be governed in all respects by the laws of the State of New Hampshire, without regard to the conflict of laws principles thereof. The sole and exclusive jurisdiction for any dispute or claim arising from this Agreement shall be the United States Federal District Court for the District of New Hampshire.

**12.10. Liability.** No member of the Compensation Committee, no Administrator, and no officer, director or employee of the Company or any Affiliate shall be personally liable for any inaction with respect to his or her functions under the Plan unless such action or inaction is adjudged to be due to gross negligence, willful misconduct or fraud. Further, no member of the Compensation Committee and no Administrator shall be personally liable merely by virtue of any instrument executed by him or her or on his or her behalf as a member of the Compensation Committee or as an Administrator.

**12.11. Indemnification.** The Company shall indemnify, to the fullest extent permitted by law and its Certificate of Incorporation and By-laws (but only to the extent not covered by insurance) its officers and directors (and any employee involved in carrying out the functions of the Company under the Plan), each member of the Compensation Committee and each Administrator against any expenses, including amounts paid in settlement of a liability, which are reasonably incurred in connection with any legal action to which such person is a party by reason of his or her duties or responsibilities with respect to the Plan, except with regard to matters as to which he or she shall be adjudged in such action to be liable for gross negligence, willful misconduct or fraud in the performance of his or her duties.

**12.12. Headings.** The headings of the Plan are inserted for convenience of reference only and shall have no effect upon the meaning of provisions hereof.

**12.13. Incompetency.** In the event that the Administrator finds that a Participant is unable to care for his or her affairs because of illness or accident, then benefits payable hereunder, unless claim has been made therefor by a duly appointed guardian, committee, or other legal representative, may be paid in such manner as the Administrator shall determine, **in its sole discretion, consistent with applicable law.**

## 10. TRANSFERABILITY

Cash Incentive Awards may not be transferred, pledged, hypothecated, assigned or otherwise disposed of other than by will or by the laws of descent and distribution, and any attempt to do so will result in immediate termination of the Cash Incentive Award.

## 11. GOVERNING LAW

The Plan and all claims or disputes arising out of or based upon the Plan or relating to the subject matter hereof will be governed by and construed in accordance with the domestic substantive laws of the State of New Hampshire without giving effect to any choice or conflict of laws provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction.

-3-

Ex. 10.5

## 12. AMENDMENT AND TERMINATION

The Company may amend the Plan or any Cash Incentive Award at any time and from time to time, and may terminate the Plan or any Cash Incentive Award at any time. This Amended and Restated Cash Incentive Plan shall become effective with respect to Cash Incentive Awards with respect to fiscal years

beginning on and after January 1, 2023.

-4-

Ex. 10.6

Planet Fitness, Inc.  
Amended and Restated Non-Employee Director Compensation Program  
Effective as of April 1, 2022

Each individual who provides services to Planet Fitness, Inc. (the “Company”) as a director, other than a director who is employed by the Company or a subsidiary (a “Non-Employee Director”), thereof shall be a complete discharge of all liability for any payments or benefits to which such Participant was or would have been otherwise entitled to receive under the following amounts of compensation, subject to the limitations on annual Non-Employee Director compensation set forth in the Company’s Amended and Restated 2015 Omnibus Incentive Plan (as it may be amended from time to time, the “2015 Plan”): Plan.

| Type of Compensation  | Amount and Form of Payment  |
|---|---|
| Annual cash retainer  | \$70,000  |
| Equity retainer   | <p>Annual grant of restricted stock units (“RSUs”) with a grant date fair value of \$115,000 (with the number of RSUs to be granted based on the closing price of the Company’s Class A common stock on the NYSE on the grant date or, if the grant date is not a trading day, the last preceding date on which the Company’s Class A common stock was traded, rounded down to the nearest whole share); such RSUs to be granted on the date of the Company’s annual meeting of stockholders and to vest in full on the earlier of (i) the first anniversary of the grant date or (ii) the next annual meeting of shareholders, in each case, subject to the director’s continued service as a member of the board of directors of the Company through such date.</p> <p>A Non-Employee Director whose appointment or election to the board of directors of the Company is effective at a time other than the Company’s annual meeting of stockholders may be eligible to receive a grant of RSUs upon his or her appointment or election, as applicable, as determined, and on such terms and conditions established, by the board of directors of the Company or the compensation committee of the board of directors of the Company, in its respective discretion.</p> |
| Additional annual cash retainer for board of directors chair  | \$55,000  |
| Additional annual cash retainer for audit committee chair and members                               | \$25,000 (chair); \$12,500 (members)  |
| Additional annual cash retainer for compensation committee chair and members                        | \$20,000 (chair); \$10,000 (members)  |
| Additional annual cash retainer for nominating and corporate governance committee chair and members | \$15,000 (chair); \$7,500 (member)  |

-1-



With respect to a fiscal year, Non-Employee Directors may elect to receive fully vested shares of the Company's Class A common stock in lieu of cash retainers. Such election shall be made at the beginning of the applicable fiscal year, except that newly appointed Non-Employee Directors may elect to receive equity in lieu of cash retainers at the time of appointment. Equity granted in lieu of cash retainers will be granted in arrears on a quarterly basis on the first business day following the end of such quarter, with a fair value equal to the amount of the applicable cash retainers that would have been paid and the number of shares of the Company's Class A common stock granted based upon the closing price of the Company's Class A common stock on the NYSE on the grant date or, if the grant date is not a trading day, the last preceding date on which the Company's Class A common stock was traded, rounded down to the nearest whole share.

In addition, Non-Employee Directors will be reimbursed by the Company for reasonable and customary expenses incurred in connection with attendance at board of director and committee meetings, in accordance with the Company's policies as in effect from time to time.

All cash fees shall be payable in arrears on a quarterly basis. Any cash and/or shares of the Company's Class A common stock that become payable or deliverable to a Non-Employee Director pursuant to this Non-Employee Director Compensation Program (this "Policy") are subject to the Non-Employee Director's continued service as a member of the board of directors of the Company through the date of payment. Non-Employee Directors who resign or are removed prior to completion of the full term of their appointment shall forfeit any and all payments of, or entitlements to, cash and/or shares of the Company's Class A common stock that he or she would otherwise be entitled to receive, including, for the avoidance of doubt, those that would otherwise have been paid or delivered at the end of the quarter of such resignation or removal.

For the avoidance of doubt, directors who are employees of the Company or one of its subsidiaries will not receive compensation for their service as a director, other than reimbursement for reasonable and customary expenses incurred in connection with attendance at board of director and committee meetings, in accordance with the Company's policies as in effect from time to time.

The cash retainers, any equity retainers and any shares of the Company's Class A common stock described in this Policy shall be paid or granted, as applicable, to each Non-Employee Director who is then in service on the applicable payment or grant date automatically and without further action of the board of directors of the Company (or any committee thereof), unless such Non-Employee Director declines the receipt of such cash or equity compensation by prior written notice to the Company. For the avoidance of doubt, the initial grant of any equity retainer to a Non-Employee Director whose appointment or election to the board of directors of the Company is effective at a time other than the Company's annual meeting of stockholders shall be made in the discretion of the board of directors of the Company or the compensation committee of the board of directors of the Company and shall not be automatic.

The board of directors of the Company (or the compensation committee thereof) may amend this Policy at any time.

-2-

Exhibit 31.1

# CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Craig Benson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Planet Fitness, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;



4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **November 9, 2023** **May 9, 2024**

/s/ Craig Benson

Craig Benson

**Interim** Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002

I, Thomas Fitzgerald, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Planet Fitness, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2023 May 9, 2024

/s/ Thomas Fitzgerald

Thomas Fitzgerald

Chief Financial Officer

(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Planet Fitness, Inc. (the "Company") on Form 10-Q for the fiscal quarter ended September 30, 2023 March 31, 2024 filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Craig Benson, Interim Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: November 9, 2023 May 9, 2024

/s/ Craig Benson

Craig Benson

Interim Chief Executive Officer

(Principal Executive Officer)

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Planet Fitness, Inc. (the "Company") on Form 10-Q for the fiscal quarter ended **September 30, 2023** **March 31, 2024** filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Thomas Fitzgerald, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: **November 9, 2023** **May 9, 2024**

/s/ Thomas Fitzgerald

---

Thomas Fitzgerald

*Chief Financial Officer*

(Principal Financial Officer)

#### DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.