

FranCompareTM

FITNESS INDUSTRY 2019 FDD SURVEY & IN-DEPTH ANALYSIS

ANYTIME FITNESS

Legal Name: Anytime Fitness, LLC

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Summary

Franchised Units	2,423
Company-Owned Units	<u>28</u>
Total Operatng Units	2,451
Average Total Investment Per Unit (\$000)	\$299,725
Average Franchise Fee	\$42,500
Royalty	2.0%
Term of Initial Contract (Years)	6
In Business Since	2002
IFA Member	Yes

Weighting for Primary FDD Variables (300 Points)	Item #	Actual FDD Data	FC Score	Your Score	Max. Score
Key Unit Investment Variables					
Year-End Total Franchised Units	20	2,423			
Year-End Total Company-Owned Units	20	28			
Year-End Total Operating Units	Calculated	2,451	50		50
% of Franchised Units	Calculated	98.9%			
% of Company-Owned Units	Calculated	1.1%	5		10
U.S. Footprint (# of U.S. States)	20	50	35		35
Total Low Investment	Page 1	\$78,012			
Total High Investment	Page 1	\$521,437			
Average Total Investment Per Unit	Calculated	\$299,725			
Low Unit Size Estimate (Square Feet)	7	5,100			
High Unit Size Estimate (Square Feet)	7	5,100			
Average Unit Size (Square Feet)	Calculated	5,100			
Average Total Investment Per Square Feet	Calculated	\$59			
Average Franchise Fee (Single Unit)	5	\$42,500	18		40
Average Annual Royalty Fee (On-Going After Trial Period) *	6 (See Footnote 4)	2.0%	90		90
Term of Initial Contract (Years)	17	6	10		35
Term of First Contract Renewal (Years)	17	5	6		20
Average Transfer Fee (Single Unit)	6	\$7,500	9		10
Year Incorporated	1	2002	9		10
Franchising Since	1	2002			
Issuance Date of FDD (Issue Date)	Page 1	3/29/2019			

Weighting for Primary FDD Variables (250 Points)	Item #	Actual FDD Data	FC Score	Your Score	Max. Score
Real Unit Growth - Item 20 Performance Analytics					
Base-Year Beginning Franchised Units	20	2,090			
New Franchised Units Over Following 3 Years	Calculated	455			
Total Franchised Units at the End of Year 3	20	2,423			
% of New Units Over Base Year Units	Calculated	21.8%	10		40
3-Year Compound Annual Unit Growth	Calculated	5.1%	25		70
3-Year Average Continuity Rate	Calculated	105.1%	115		140

Weighting for Primary FDD Variables (350 Points)	Item #	Actual FDD Data	FC Score	Your Score	Max. Score
Real Unit Performance - Item 19 Unit Financial Analytics					
Company-Wide Average Gross Sales or Revenue *	19 (See Footnote 5)	\$418,633			
Period Operated	19	At Least 12 Months			
Calculation Based on # of Units Evaluated	19	2,235 of 2,423			
Calculation Based on Franchised Units or Company-Owned Units	19	Franchised (Projection)			
% Adjustment *	(See Footnote 1)	100.00%			
Adjusted Average Gross Sales or Revenue	Calculated	\$418,633			
Adjusted Unit Gross Sales Return / Average Total Investment	Calculated	139.7%	125		175
Cumulative 10-Year Gross Sales (Compound at 5% Growth Per Year)	Calculated	\$5,528,801			
10-Year Sales / Average Total Investment	Calculated	18.4	45		75
10-Year Total Royalty Payments	Calculated	\$110,779			
10-Year Royalties / Average Total Investment	Calculated	37.0%	50		50
Detailed Income Statement (EBITDA Is Optimal)		100.0%	50		50

Weighting for Primary FDD Variables (100 Points)	Item #	Actual FDD Data	FC Score	Your Score	Max. Score
Real Financial Strength - Key Balance Sheet Ratios (\$000)					
Ending Date for Financials (Closing Date on Balance Sheet)	Balance Sheet	12/31/2018			
Current Assets	Balance Sheet	\$14,852			
Intangibles & Goodwill *	Balance Sheet (See Footnote 2)	\$525			
Other Assets	Balance Sheet	\$7,883			
Total Assets	Balance Sheet	\$23,260			
Current Liabilities	Balance Sheet	\$7,528			
Long-Term Liabilities	Balance Sheet	\$70			
Total Liabilities	Balance Sheet	\$7,598			
Total Shareholders' Equity	Balance Sheet	\$15,662			
Total Liabilities & Shareholders' Equity	Balance Sheet	\$23,260			
Current Ratio (or Working Capital Ratio)	Calculated	197.3%	24		25
Intangibles & Goodwill As % of Total Assets	Calculated	2.3%	19		20
Total Liabilities as % of Total Assets Ratio	Calculated	32.7%	33		35
Long-Term Liabilities as % of Shareholders' Equity Ratio	Calculated	0.4%	20		20

Weighting for Primary FDD Variables (200 Points)	Item #	Actual FDD Data	FC Score	Your Score	Max. Score
Additional Analysis on Real Unit Growth - Item 20 Performance Analytics					
3-Year Total Closures		122			
Cumulative Closures as % of Start of the Year Units	Calculated	5.8%	38		45
Cumulative Closures As % of Total New Units Over 3 Years	Calculated	26.8%	16		45
3-Year Total Transfers		712			
Cumulative Transfers As % of Start of the Year Units	Calculated	34.1%	7		25
Cumulative Transfers As % of Total New Units Over 3 Years	Calculated	156.5%	0		25
3-Year Total Turnovers		834			
Cumulative Turnovers As % of Start of the Year Units	Calculated	39.9%	5		30
Cumulative Turnovers As % of Total New Units Over 3 Years	Calculated	183.3%	0		30

Total Score (With Item 19)	814		1200
Total Score (Without Item 19)	544		850

Footnotes:

1. Please refer to the [General Footnotes](#) with regard to Determining Adjusted Average Gross Sales or Revenue. To compensate for the widely differing periods considered in presenting Average Unit Gross Sales, we have assumed that revenues for companies in business for 12 Months are the standard. Depending upon the **Period Operated** noted above, the following multipliers were applied against the Company-Wide Average Gross Sales or Revenue published by the franchisor in Item 19.

Period of Operating Experience	Multiplier Used
12 Months of Operating Experience	100%
24 Months of Operating Experience	95%
36 Months of Operating Experience	90%
48 Months of Operating Experience	85%
60 Months of Operating Experience	80%

2. Goodwill & Intangibles include Trademarks.
3. All the data used applies to a Standard Anytime Fitness Center.

4. The Standard Royalty for a single center is \$699 per month, or \$8,388 per year.

To determine a percentage royalty, we divided the \$8,388 by the Average Annual Sales or Revenue of \$418,633.

This resulted in an Annual Royalty of 2.0%

5. Gross Sales or Revenue is based on the average of 3 different scenarios in terms of the number of members.

Members	Total Revenue
500	\$250,200
860	\$430,300
1,150	\$575,400
Average Revenue	\$418,633