Life Time Group Holdings (NYSE: LTH)

An Investment of a Life Time

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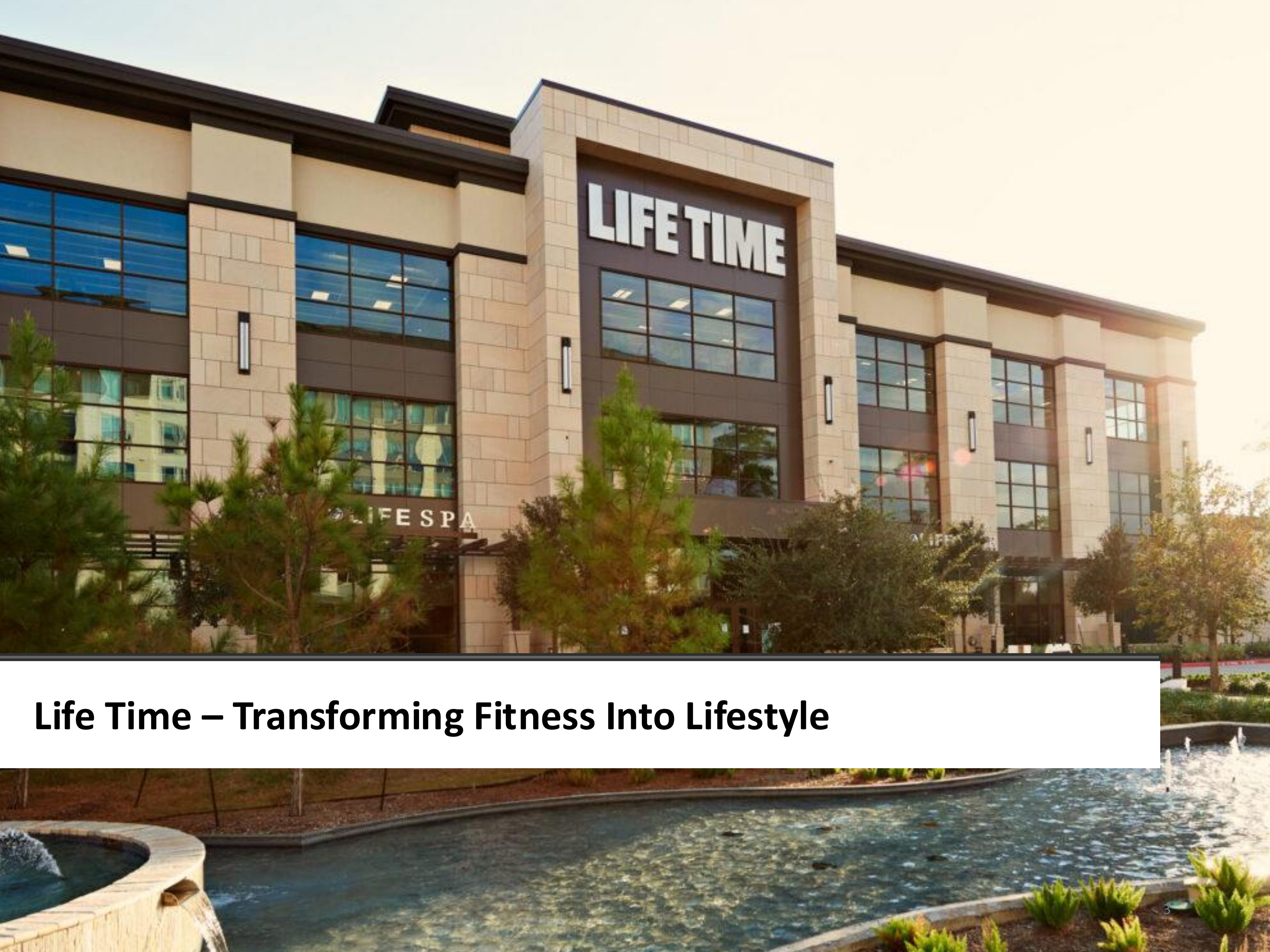


Life Time – Transforming Fitness Into Lifestyle

Life Time – Executive Summary

A premier lifestyle and leisure brand offering premium health, fitness and wellness

"We're building a community - not just a gym." - Bahram Akradi's (CEO)

Life Time (NYSE: LTH) is a premium healthy lifestyle brand offering resort-style fitness, wellness, and community living through an integrated physical and digital ecosystem

- Founded in 1992, Life Time operates over 180 athletic resort locations across U.S. & Canada, serving suburban and urban markets
- Core business includes; Membership-based clubs, Life Time Work, Life Time Living, and Life Time Digital
- The company's platform blends fitness, wellness, social connection, and lifestyle services into one cohesive member experience

From real estate, they have established a community and created "A Healthy Way of Life"

Building Communities, Not Just Clubs
By owning, developing and operating its resort-style athletic clubs, Life Time ensures consistent quality, brand control and premium member experience

Premium Lifestyle Brand in High Demand
Life Time drives a diversified revenue model through rapid expansion and growing waitlists in key metropolitan markets, reflecting strong brand demand

180+	**143**	**12-14**	**$2.3B**	**20+**	**70%+**
Athletic Country Clubs	Average Annual Visits	Targeted New Locations Per Year	Net Proceeds on Sale-Leaseback Transactions	Year Tenure	Recurring Subscription Revenue-

Sources: Company Filings

Intersection of Well-Established Segments

Elevating the fitness experience into a connected lifestyle community

Foundational Fitness & Community

- Indoor/Outdoor Pools
- Group Fitness
- Cycle/Yoga Studios
- Free Weight Equipment
- Basketball/Volleyball Courts
- 44,100+ events
- Social Events
- ARORA Community
- Kids Academy
- Life Time Work
- Life Time Living

High-Yield Professional Services

- Dynamic Personal Training
- Dynamic Stretch
- Weight Loss
- Nutrition Coaching
- Sport Specific Coaching
- Assessments and Lab
- Swim Lessons
- Leagues and Tournaments
- Marathon Training
- Group Trainings
- Outdoor Group Runs

Wellness Specialties

- LifeSpa
- Medi-Spa
- Physical Therapy
- Chiropractic
- Steam Room and Sauna
- Locker Rooms
- Massage Therapy
- Cold Plunge
- Whirlpools
- Towel Service
- Nutritional Supplements

Digital & Engagement Platform

- Life Time Mobile App
- Lap Lane/Studio Reservation
- LifeCafe
- Bar and Lounge
- LifeShop
- Experience Life Magazine
- Summer Camps
- Kid’s Birthday Parties

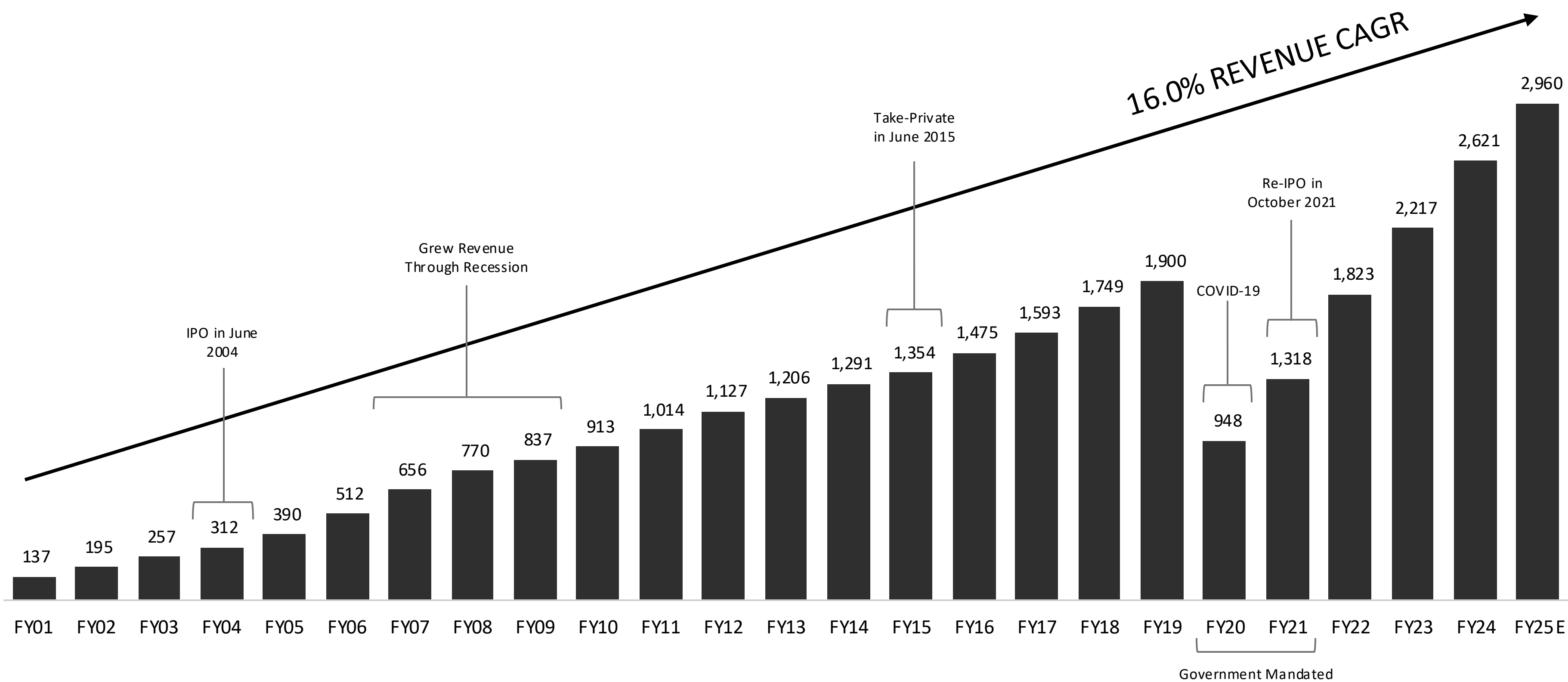
Sources: Company Filings

Strong Track Record of Revenue Growth

Life Time has shown reliable revenue growth through multiple market cycles

Refinement of Resort-Like Format → Elevation of Brand to Higher-Level with Focus on Top Tier Markets → Life Time as a Lifestyle, brand & transition to Asset-Light Model → Reposition to High-End Leisure Brand

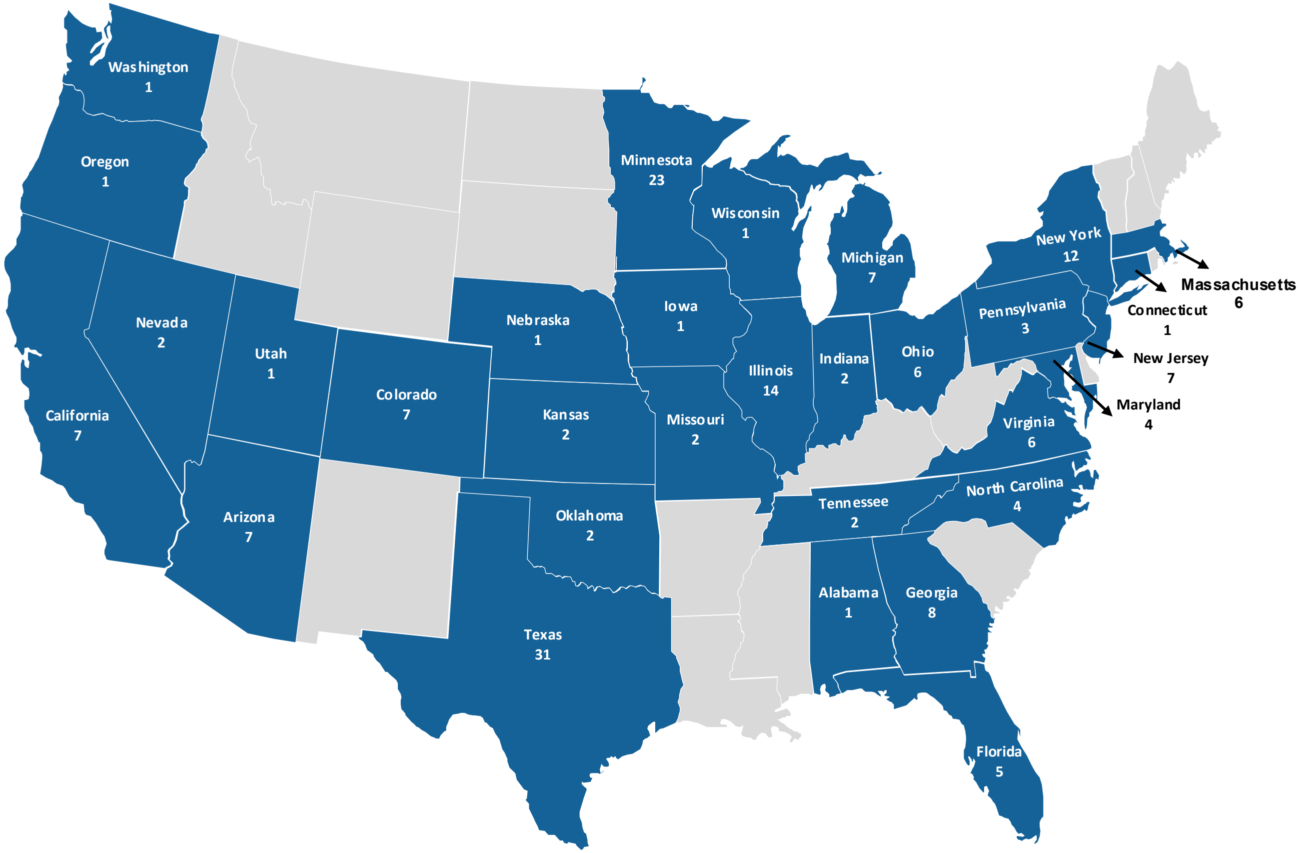
Total Revenue
($ in Millions)



Sources: Company Filings

Diversified Portfolio Across High End Markets

180-club platform across key North American markets with a strong pipeline for continued expansion [(1)]



180
Club Platform

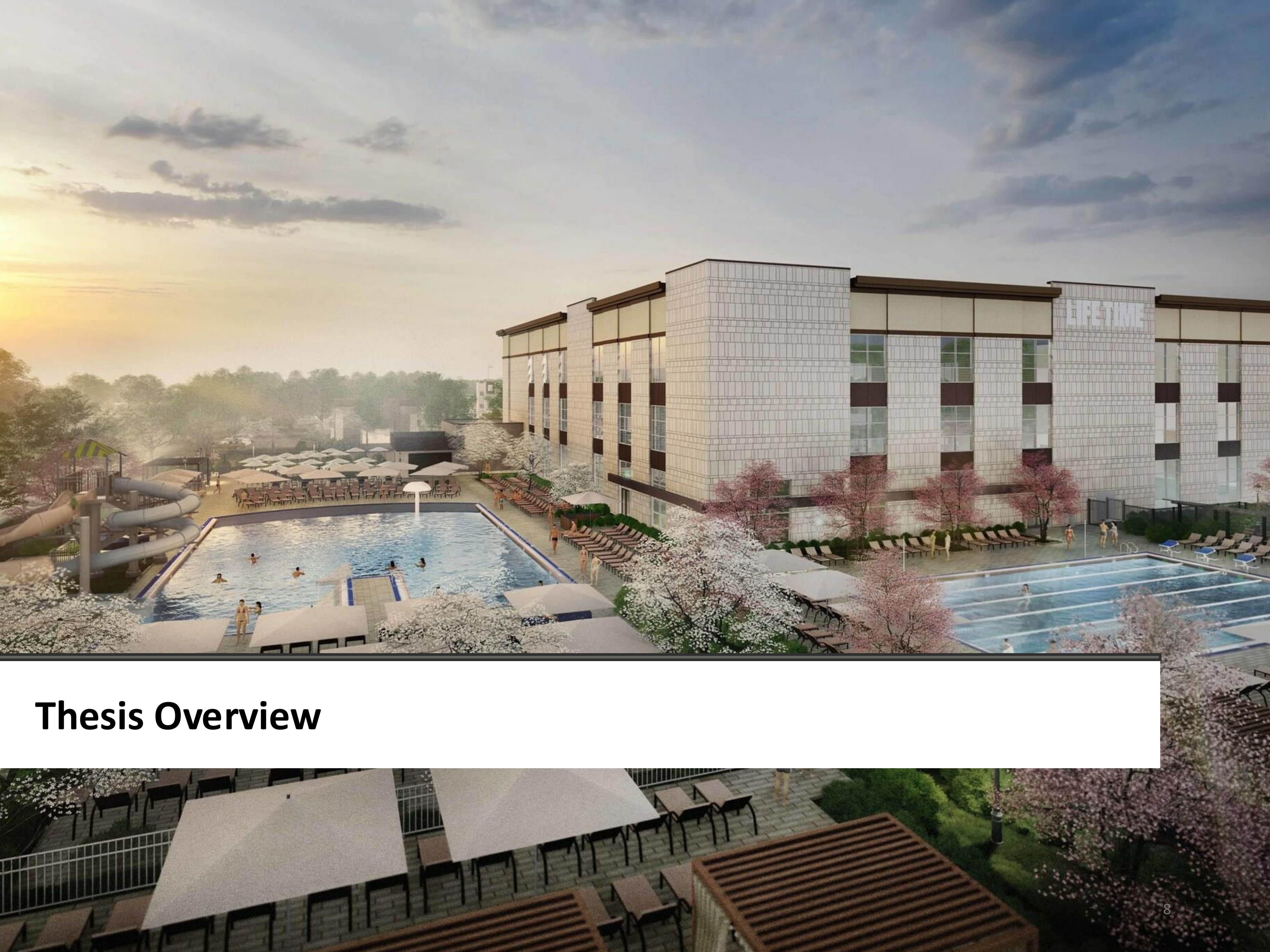
17mm+ sq ft
Total Club Footprint

~100k sq ft
Average Club Size

$2.5bn
Gross Book Value of Owned Real Estate

Life Time is strategically positioned for continued growth with **12 – 14** new club openings annually

Note: (1) As of March 31, 2025; map excludes 3 Ontario locations.



Thesis Overview

Why Life Time?

A premium brand trading at a discount

LIFE TIME

Differentiated Premium Model

- Life Time's unique value proposition as an "Athletic Country Club" positions it far above traditional gyms, creating a moat through service breadth, customer loyalty, and lifestyle integration
- Offers a full-suite wellness experience (fitness, spa, dining, co-working, childcare, events), making it a lifestyle destination, not a gym

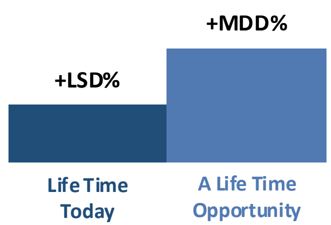
Real Estate Strategy Driving Capital Efficiency

- Operates over 180+ premium locations with strategic ownership in top-tier real estate markets
- Completed $600M+ in sale-leasebacks, releasing capital for new developments while maintaining operational control through long-term leases
- Transition to an asset-light model enhances ROIC and free cash flow generation

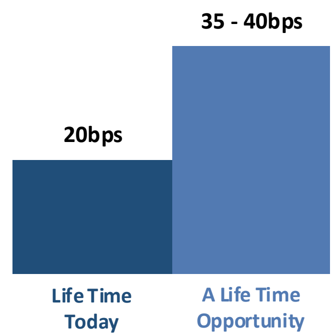
Long Runway for Growth

- Targeting 200+ locations by 2026, with new clubs delivering strong payback periods and margins
- New formats: urban vertical clubs combining co-working, fitness, and wellness in dense markets
- Launching Life Time Living (wellness residential communities) and Life Time Work (co-working spaces), both with multi-billion-dollar TAMs

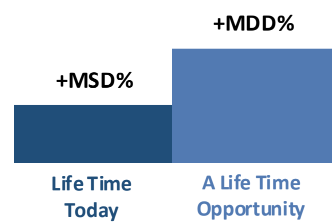
Center Growth



EBITDA Margin Expansion



EPS Growth



Clear Reasons for Underperformance

- The market still associates Life Time with COVID-era debt loads, even though refinancing and sale-leasebacks unlocked significant liquidity
- Life Time remains mispriced as a traditional gym, even though it operates a premium hospitality-wellness platform with higher ARPU, retention, and monetization than fitness peers
- The market has not priced in self-funded growth and rising free cash flow now supports 12–14 new center openings annually without incremental leverage

Why Buy Now

Life Time has completed its turnaround which is evolving from survival to self-sustaining growth

2020 – 2022
Resilient through Downturn

- Navigated COVID closures while maintaining brand and loyalty
- Continued growing memberships despite recessionary pressures
- Proved model durability across cycles

2023 – 2024
Financial Reset

- Focused on margin recovery and disciplined cost management
- Strengthened balance sheet through sale-leaseback activity
- Demonstrated strong recovery across club network

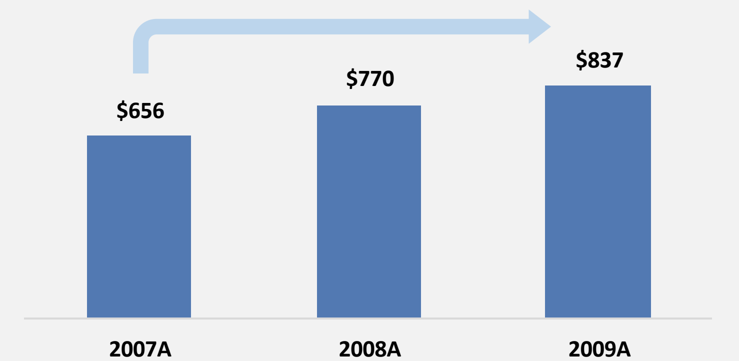
2025
Inflection to Cash Fueled Growth

- Transitioned into a consistently cash-generative model
- Expanded new club openings in top-tier markets
- Shifted from recovery to scalable expansion

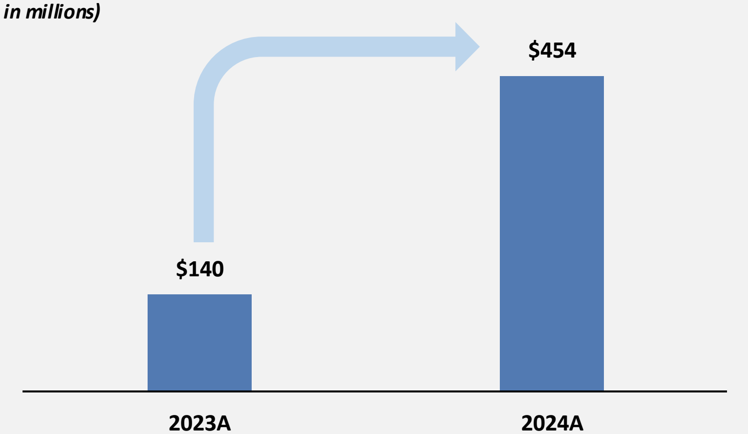
Now is the Perfect Time

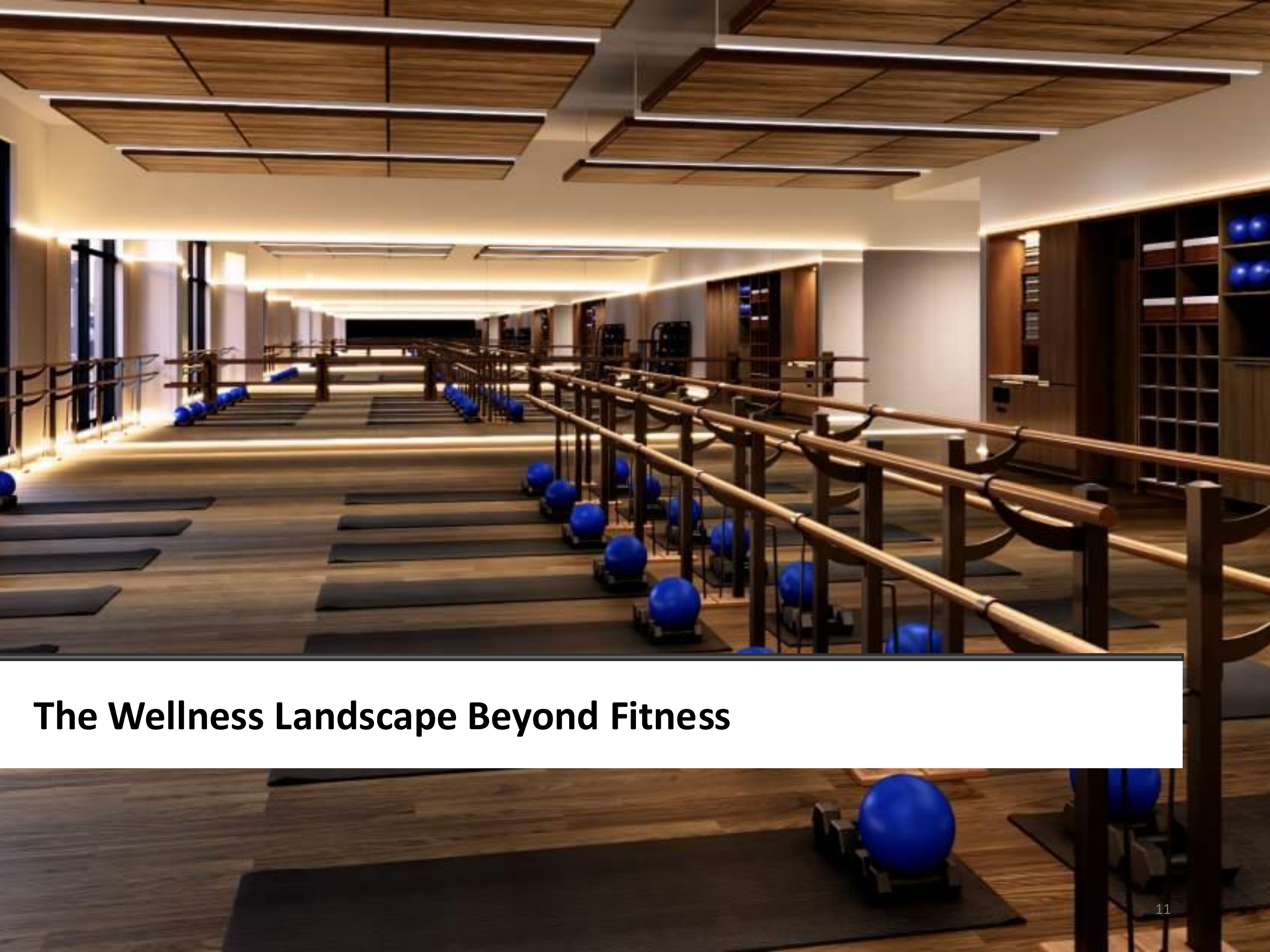
- ✓ **Unlevered free cash flow rose 224% YoY**
- ✓ **With accelerating growth, the stock still trades below peers**
- ✓ **Net debt leverage improved to 1.6x as of Sep 2025**
- ✓ **Transitioned from debt-dependent to cash-driven expansion**
- ✓ **Life Time has just completed its turnaround**

Growth through Recession
($ in millions)



Improved UFCF
($ in millions)





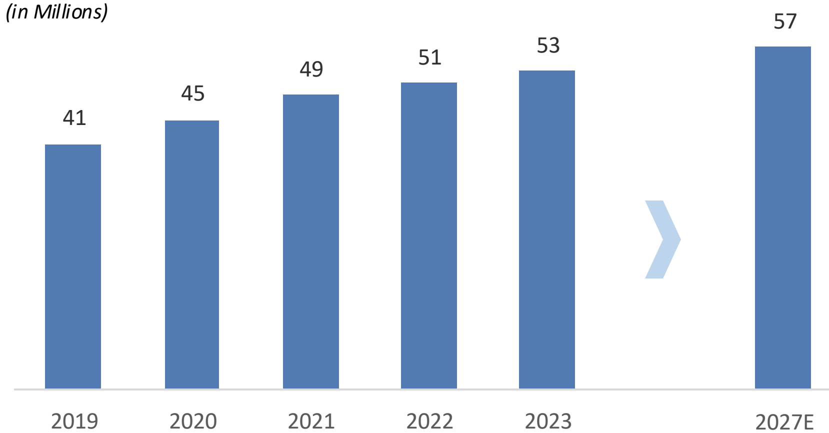
The Wellness Landscape Beyond Fitness

Fitness Industry Outlook

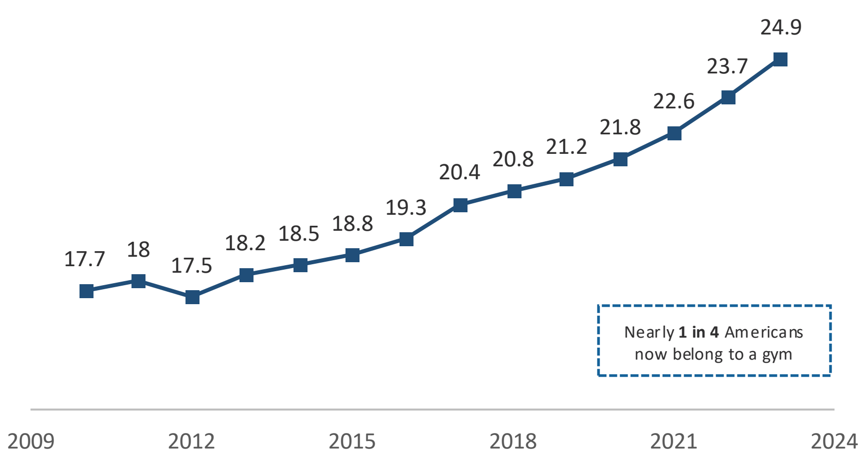
The outlook for 2025 and beyond remains strong, with the industry benefiting from several tailwinds

- Consumer health trends toward fitness participation and holistic wellness
- Strength training and recovery are becoming core gym offerings amid rising demand and GLP-1 adoption
- Wearables, AI and personalized training expanding the ecosystem beyond traditional gym setting

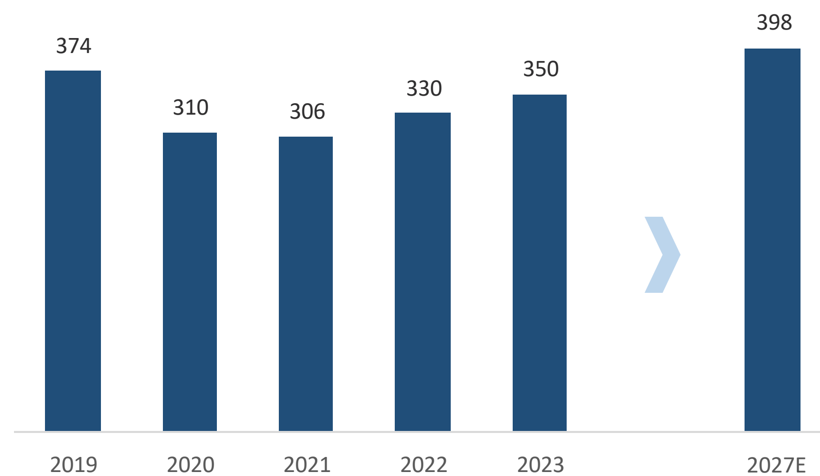
US Fitness Brand Users
(in Millions)



US Fitness Club Membership Penetration
(% of Population with Health Club Membership)



US Exercise Trainers & Group Fitness Instructors
(in Thousands)



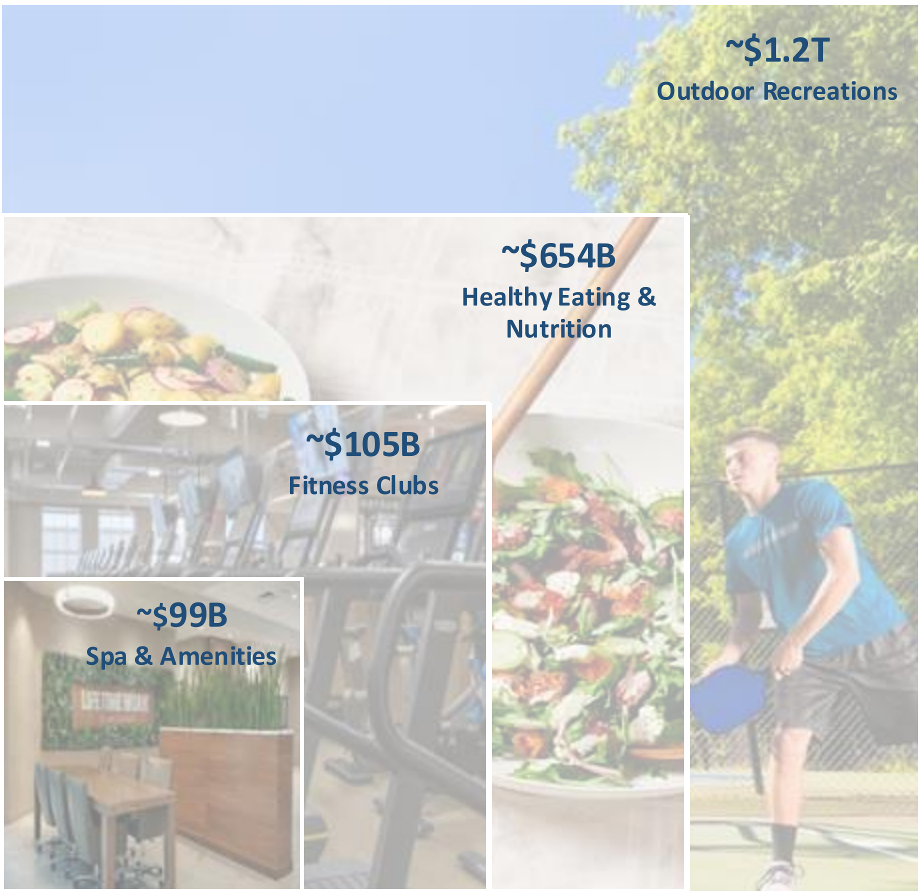
Sources: Lincoln International, William Blair's Consumer Equity Research Team – Lifestyle and Leisure Brands

Life Time Monetizes a $6.3T Global Wellness Economy

LIFE TIME

Diversified offerings across fitness, nutrition, and recovery align with health & wellness tailwinds

Rapid Growth In Large Industries…



Life Time Directly Captures Value

Fitness & Performance

- Participation in outdoor recreational activities covers over 57% of Americans age 6+
- Through Life Time Athletic Events (marathons, cycling, triathlons, pickleball) and community-driven wellness programming, the company monetizes outdoor participation

Nutrition & Healthy Eating

- Life Time captures the nutrition and longevity movement through LifeCafe, in-club restaurants, and personalized nutrition and supplement offerings

Holistic wellness rather than just a "gym membership"

- Memberships are supported by in-house recovery, coworking, childcare, and spa amenities, which drive higher ARPU
- The company's urban and mixed-use expansion aligns with lifestyle trends toward community and integrated health

Shift to performance recovery

- Consumers are viewing spas less as luxury indulgences and more as part of a holistic wellness or recovery routine
- Shifts perception from "gym" to "wellness destination"

Sources: outdoorindustry.org

Shifting Business Models and Competitive Landscape

Life Time captures the shift from gyms to holistic wellness

Why is Life Time's Model Superior?

Lifetime Fitness was the first to pivot from a traditional gym to a comprehensive "Athletic Country Club" model, establishing dedicated real estate assets designed for family, work, and wellness integration

Premium Model

- Target the highest-income class, looking for full lifestyle integration
- Business Model Advantages: Most resilient to price competition, stronger brand loyalty and customer retention, protection against economic downturns via high discretionary spending client base

High Value Model

- Target the broad middle-income consumer space
- Attempt to balance affordability with luxury amenities
- Challenges: Struggles with clear differentiation, middle income client base creates vulnerability in economic downturns

Low-Price Model

- HVLP ("High-Value Low Price")
- Affordable Pricing
- Focus on Simplicity and ease of access for a large consumer base
- Challenges: Market oversaturation, minimal diversification, price competition erodes profitability

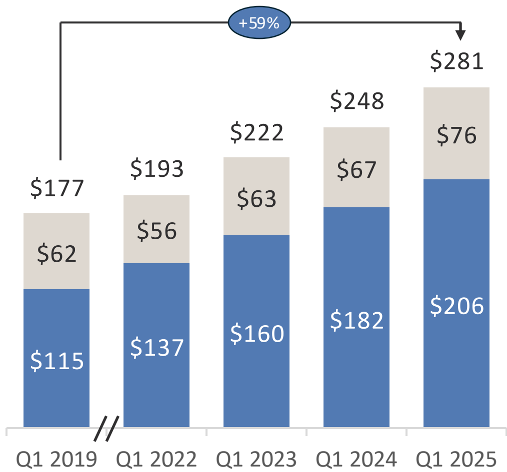
Sources: Houlihan Lokey Fitness and Wellness Market Update

Built to Retain, Designed to Grow

Life Time Retention

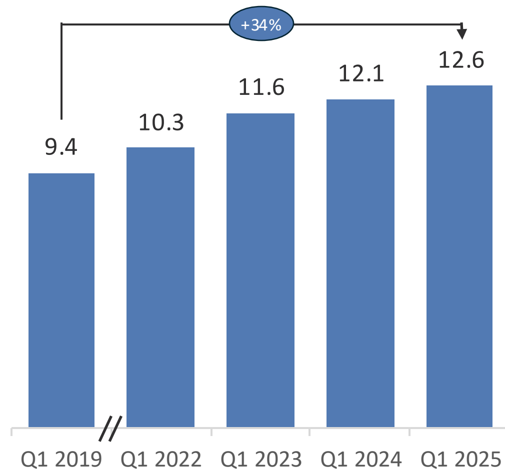
Highly engaged membership base with continuous growth

REVENUE PER MEMBERSHIP IS GROWING



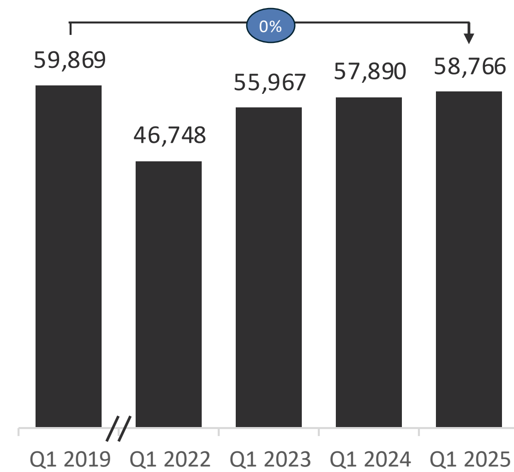
Average Center Revenue Per Center Membership Per Month

MEMBER VISITS CONTINUE TO INCREASE



Average Visits Per Center Membership Per Month

MANY CLUBS ARE BEING FULLY UTILIZED



Average Monthly Visits Per Mature Center

Key Strategic Initiatives Post Pandemic

Athletic Country Club Model

- Increase in Country-Club Style Amenities (Spas, Pools, Cafes)
- Capped Membership Numbers per Location and increased dues
- Introduced Life Time Work and Life Time Living to broaden brand exposure

Membership Retention Initiatives

- Introduced tiered memberships with different added perks
- Improved Hygiene, Safety & Cleanliness Protocols
- Enhanced Member Engagement and Community Buildings Programs ("30-Strong" Challenge)

Club Expansion Strategy

- Focus on expanding to affluent metropolitan statistical areas
- Targeting wealthier demographics as a method to increase dues
- Creation of Premium Specialized Spaces (Off-Site Pickleball Courts)

Sources: Company Investor Presentation, Earnings Transcript, 10-K

Shifting Membership Mix

Revenue continues to grow as family memberships increase

Change in Membership Philosophy

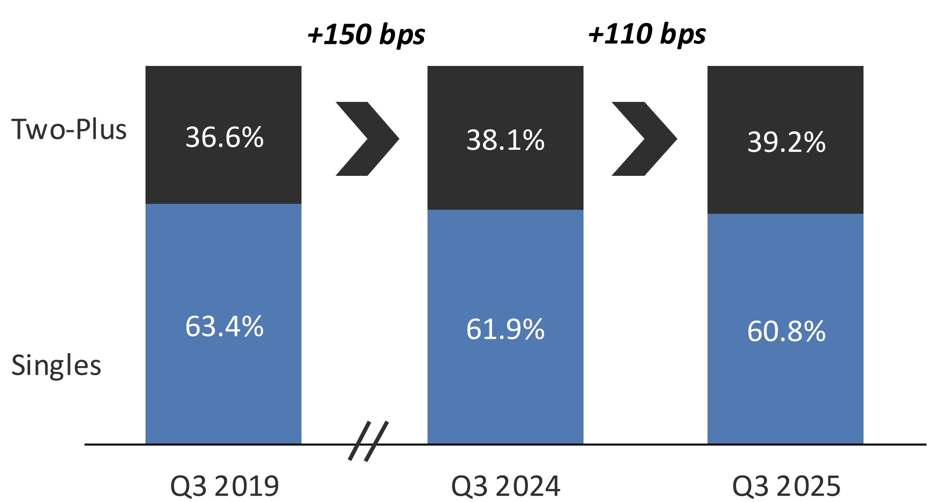
As Life Time has progressed past the recession, it shifted from a higher volume model to a more exclusive membership program focused on a strong membership base centered around loyalty and retention

- Limiting "qualified" memberships which have significantly lower dues
  - Newer clubs have virtually zero
- New clubs increasingly reaching desired revenue and utilization with fewer memberships
- Allows for fully mature clubs to contribute to revenue growth with flat total membership growth

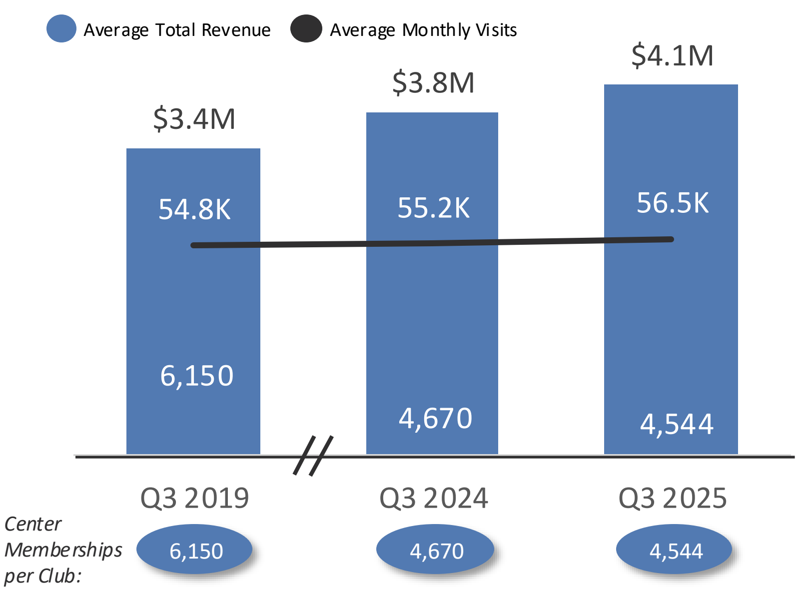
Multi-Person vs Single Memberships

- Increasingly strengthening membership mix with a shift toward multi-person versus single memberships
  - Multi-person memberships often result in higher retention with nearly 2x average monthly dues
- Center membership growth of 1.7% compared to a 3.2% increase in all members for Q3 2025
- Visits per Membership up 5.9% and total visits up 7% YoY for Q3 2025

Total Center Membership Mix



Average Revenue and Monthly Memberships per Club



Sources: Life Time Q3 Earnings Supplement

Life Time Brand Image

LIFE TIME

An ecosystem built on quality, community, and real estate making it impossible to replicate

Life Time Brand Drivers

Community is Key

- ✓ CEO, Bahram Akradi, does not believe in salespeople; members join because of the experience and not a one-time sales pitch
- ✓ Focused on personalized service and support, including wellness programming designed to foster connection

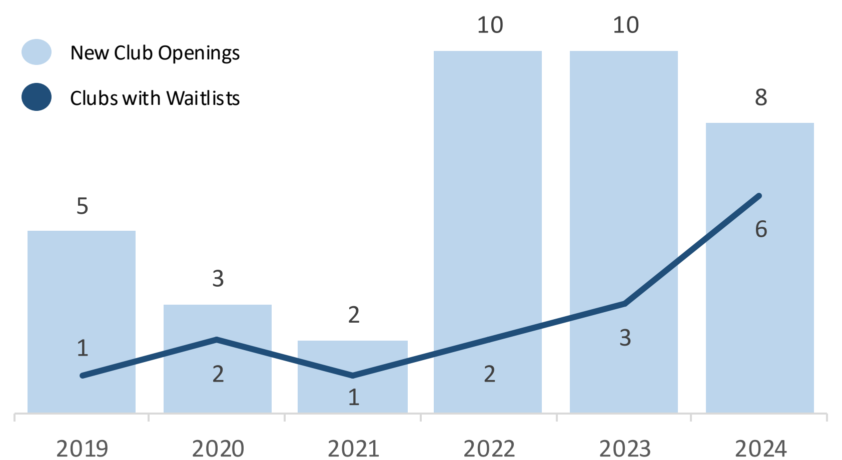
Design with a Purpose

- ✓ Life Time's brand shift to an athletic country club came with a purposeful design to enhance customer experience at every touchpoint
- ✓ Attention to Detail: Thoughtful use of lighting, textures, and finishes within branding and facilities, creating a welcoming and energizing country club atmosphere

Significant Growth Opportunities

- ✓ Life Time is creating entire neighborhoods centered around a *Healthy Way of Life*
- ✓ New Revenue Streams: Expansion into the residential real estate space and lifestyle services expands revenue stream diversification and potential for top-line growth
- ✓ Strong Brand Value: Increasing membership demand and community reputation create advantageous real estate and development terms, enabling cost-efficient expansion

Life Time Club Openings vs Waitlist Increases



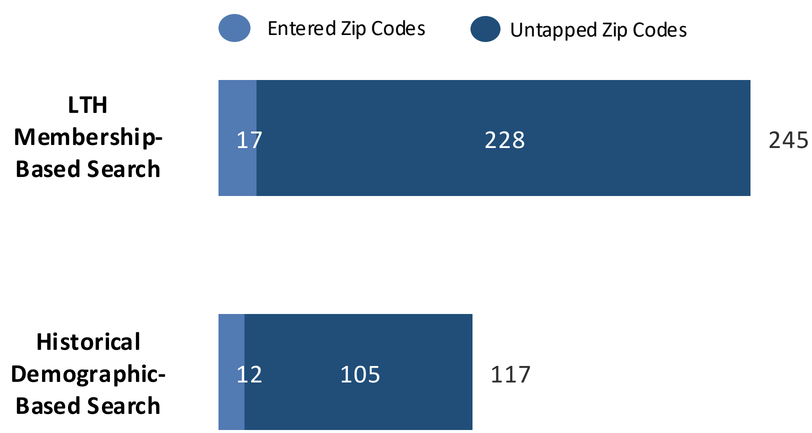
"*We believe that the presence of a Life Time center benefits landlords and property developers and the value of the underlying property and surrounding neighborhoods. We seek to leverage this halo effect … to support our asset-light expansion (Life Time Group Holdings, Inc., 2024)*"

Sources: Company Filings, ExperienceLifeTime

Life Time Whitespace Analysis

Mapping Growth Opportunities Across Communities

Potential Unentered Markets



Commentary

- Analysis done by choosing demographic data as criteria and searching for Zip Codes across the US matching the criteria
- Membership-Based Search Range: .85x and 1.15x demographic membership data from 2025 Investor Presentation
- Historical Search Range: 25th to 75th percentile of demographic data based on current center locations
- The vast number of untapped ZIP codes underscores how far their market is from saturation, reinforcing that Life Time remains in the early stages of its growth curve with substantial whitespace for continued expansion

Target Market Entrance Criteria

~$114,000
Median Household Income

~61%
Attained at least a College Education

~44%
Under 35 Years of Age

~77%
Under 55 Years of Age

~73%
Home Ownership

~59%
Married Couples

Investment Key Metrics

~3-4 Year Ramp Up Period

~40-45M Avg. Initial Investment

>30% Target ROIC

Sources: Company Filings

Flexible Asset-Light Real Estate Model

Life Time can gain attractive returns on capital through its flexible asset-light real estate model [1]

	Pre Sale-Leaseback Strategy Prior Public Company (Pre-2015)	Post Sale-Leaseback Strategy Today (Post-2015)
Center Growth Types	Traditional Suburban Locations	Suburban Locations Traditional; Living / Residential Development; Mall / Retail Development; Urban Locations
Center Ownership Structure [2]	74% Owned; 26% Leased	32% Owned; 68% Leased
Centers Open 3+ Years Cash on Cash Target	Mid-Teens	Over 30%

- Unlocks capital and strengthens liquidity: Life Time has recouped ~$2.3B with over 75% of gross invested capital recovered through sale-leasebacks since 2015, freeing cash to fund expansion and reduce debt
- Transforms into an asset-light operator: Leasing rather than owning new clubs' lower capital intensity, improves returns on invested capital, and supports consistent positive free cash flow

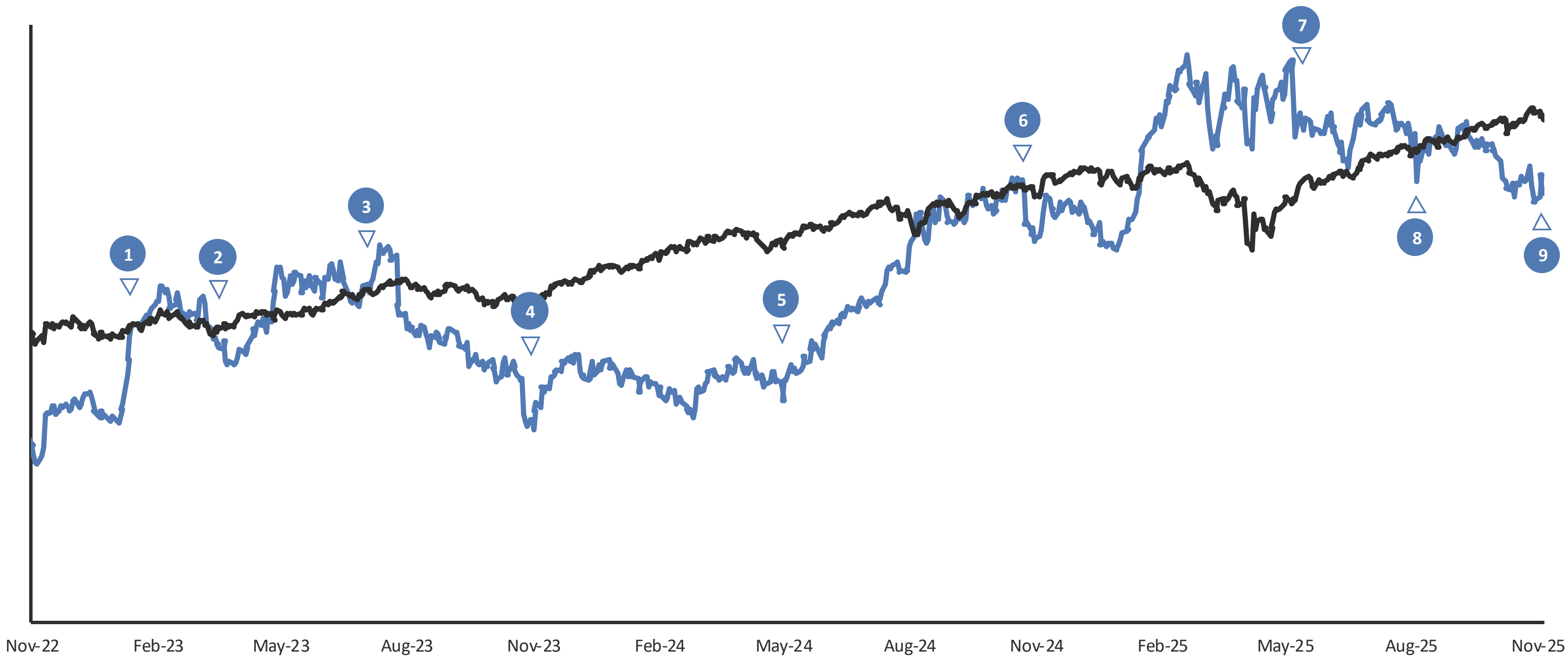
Sources: Company Investor Presentation
Notes: 1. Sale-leaseback strategy pertains to traditional suburban locations. 2.Pre-2015 data as of December 31, 2024. Post-2015 data as of March 31, 2025. "Leased" excludes properties with ground leases.

Attractive Valuation

LTH Annotated Stock Chart

Life Time's 3-year stock performance against the S&P 500

LIFE TIME



1 **January 9, 2023** — 13.11% Preliminary Q4 2022 and FY22 results

2 **March 8, 2023** —6.47% Q4 2022 and FY22 results, EPS and revenue beat Wall Street estimates

3 **July 25, 2023** — 13.56% Q2 2023 results, EPS and revenue beat Wall Street estimates

4 **October 25, 2023** — 15.24% Earnings drop; Q3 2023 results, EPS & Revenue miss Wall Street Estimates

5 **May 1, 2024** — 4.83% Q1 2024 results, EPS misses & revenue beat Wall Street Estimates

6 **October 24, 2024** — 8.10% Earnings drop; Q3 2024 results, EPS & Revenue beat Wall Street Estimates

7 **May 8, 2025** — 6.70% Q1 2025 results, EPS beat Wall Street Estimates

8 **August 5, 2025** — 9.65% Q2 2025 results, EPS and revenue beat Wall Street Estimates; raised 2025 outlook

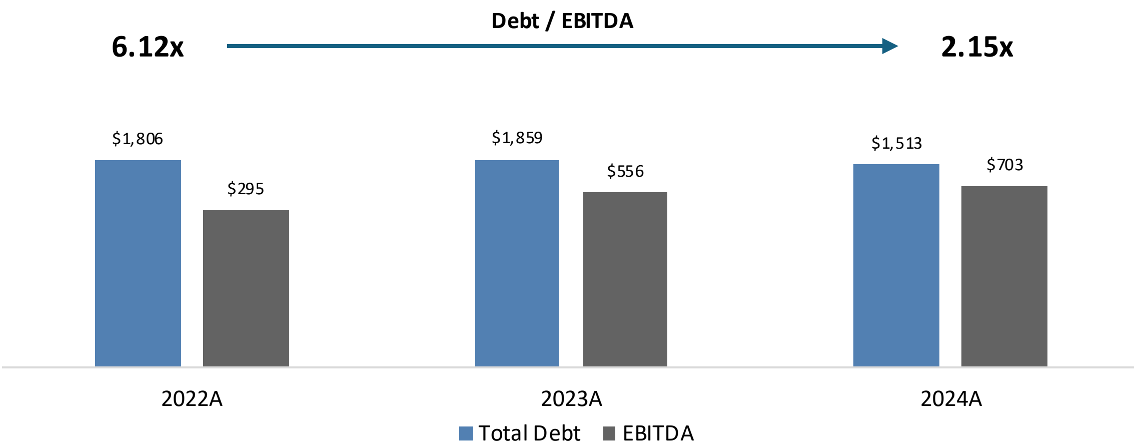
9 **November 4, 2025** — 5.27% Q3 2025 results, EPS and revenue beat Wall Street Estimates

Note: As of November 6, 2025

Deleveraging for Self-Funded Growth

Life Time has transitioned from recovery to reinvestment

Historical Debt / EBITDA



Leverage Expected to Remain < 2.0x

Life Time can reinvest from a position of strength - funding new growth directly from cash flow while preserving balance-sheet flexibility

Opportunities with a Growing Cash Balance

Reinvestment in High-Return Projects

With leverage down and cash flow rising, Life Time can now open new centers using internal cash rather than incremental debt, allowing expansion to continue without balance-sheet strain

Sale-Leaseback Flexibility

Cash proceeds from sale-leasebacks (~$200–250M annually) are used to retire debt and finance new projects, converting real-estate equity into liquid capital that fuels continued expansion

Return to Shareholders

With leverage below 2× and a growing cash balance, Life Time gains capacity to initiate share repurchases or future dividends, signaling confidence in cash flow durability

Club Modernization

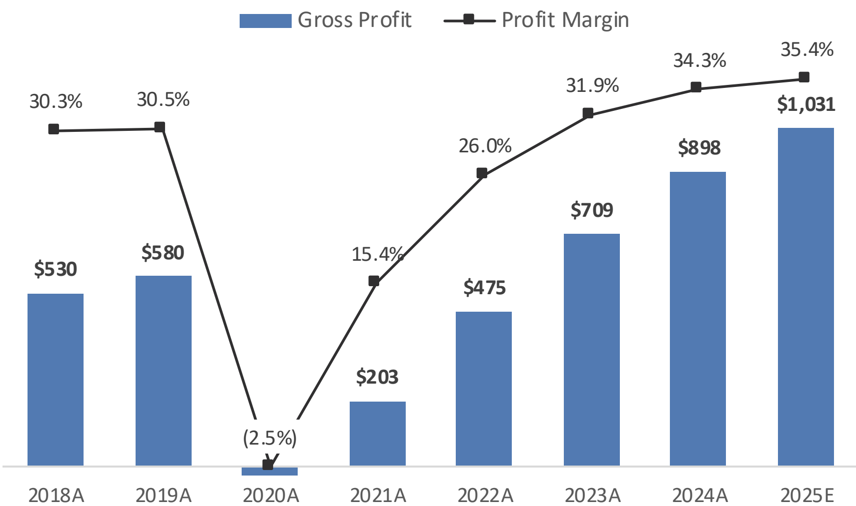
Surplus cash is reinvested into high-ROI remodels, digital enhancements, and amenity upgrades, improving retention, pricing power, and long-term member value

Clear Path to Margin Expansion

Scale, maturity, and lower rent intensity position Life Time for sustained profit growth

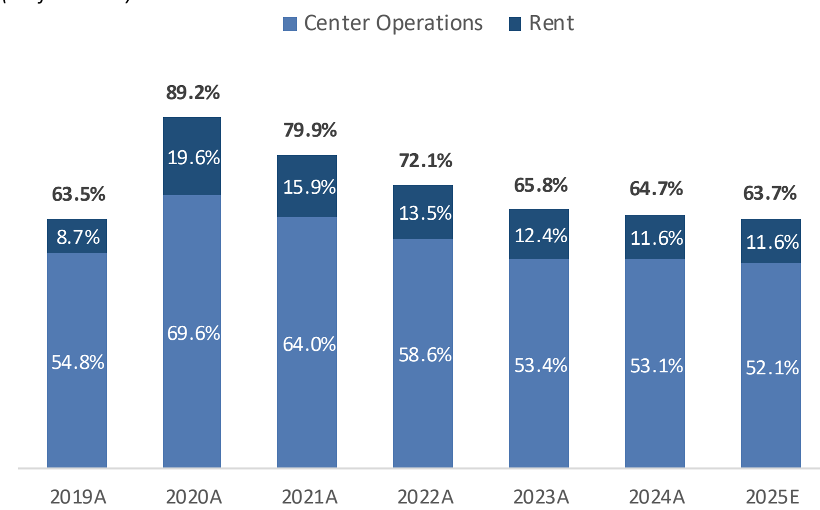
Gross Profit and Margin

($ in millions)



Cost of Sales Breakdown

(% of Revenue)



Commentary

- Gross profit and margin expand materially as centers mature, rising from mid-20% in 2022 to mid-30%+ by 2025, driven by higher membership utilization and a diversified revenue mix
- Higher utilization and improved cost discipline drive structural margin improvement across the portfolio
- Post-COVID headwinds are fully behind the company, with the gross margin now exceeding pre-pandemic levels and accelerating

Commentary

- Center operations as a % of revenue steadily decline as Life Time benefits from higher utilization, better labor efficiency, and scale-driven cost leverage
- Rent remains stable as a % of revenue, demonstrating the predictability of Life Time's long-term lease structure and supporting margin consistency as revenue grows
- Operational efficiency is improving, with labor, utilities, and maintenance leverage increasing as club traffic normalizes

Discounted Cash Flow Analysis – Base Case

LIFE TIME

Base Case DCF implies $44.53 per share

Commentary

1. **Revenue Growth:**
   Driven by 12-14 new center openings per year and ramp of recently opened clubs reaching mature utilization

2. **Margin Expansion:**
   EBITDA margin expands ~140 bps by 2028, reflecting operating leverage from scale and continued SG&A efficiency

3. **Capex Strategy:**
   Capex increases through 2027 to fund 12-14 new clubs, then normalizes near 16-17% of revenue

4. **Working Capital & D&A:**
   Projected in line with historical levels

Illustrative Unlevered Free Cash Flow

	Projected Fiscal Year Ending 12/31					
$ in millions	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Total Revenue	2,959	3,329	3,731	4,168	4,656	5,171
% Growth	12.9%	12.5%	12.1%	11.7%	11.7%	11.0%
Gross Profit	**1,068**	**1,213**	**1,370**	**1,528**	**1,706**	**1,884**
% Margin	*36.1%*	*36.4%*	*36.7%*	*36.7%*	*36.6%*	*36.4%*
(-) Operating Expenses	(241)	(263)	(286)	(312)	(340)	(371)
EBIT	**827**	**950**	**1,083**	**1,216**	**1,366**	**1,513**
(-) Taxes	(24)	(22)	(21)	(22)	(23)	(23)
(+) D&A	297	328	361	397	438	482
(+) SBC	59	67	75	83	93	103
(-) NWC	2	26	33	35	40	45
(-) Capex	(548)	(581)	(616)	(713)	(756)	(801)
Unlevered Free Cash Flow	**613**	**768**	**916**	**997**	**1,158**	**1,319**
% Margin	*20.7%*	*23.1%*	*24.5%*	*23.9%*	*24.9%*	*25.5%*
% Growth	*35.1%*	*25.3%*	*19.3%*	*8.8%*	*16.2%*	*13.9%*

Valuation Output

Using a WACC of 9.3% and a terminal growth rate of 2.5%, the base case implies an equity value of $44.53 per share, representing ~80.2% upside from current trading levels

Present Value of Cash Flows	829
Present Value of Terminal Value	7,461
Present Value of Enterprise	**11,766**
Less: Net Debt & Cash	(1,488)
Present Value of Equity	**10,278**
Shares	230.8
Price Per Share	**$44.53**

WACC	Exit Multiple				
	7.50x	**7.75x**	**8.00x**	**8.25x**	**8.50x**
9.1%	$52.47	$51.14	$51.14	$52.47	$55.15
9.2%	$52.22	$50.89	$50.89	$52.22	$54.88
9.3%	$52.22	$50.89	$50.89	$52.22	$54.88
9.4%	$51.71	$50.39	$50.39	$51.71	$54.35
9.5%	$51.46	$50.15	$50.15	$51.46	$54.08

Sources: Consumer Discretionary Model

Football Field

Valuations result in an implied 56.9% undervaluation of LTH

LIFE TIME

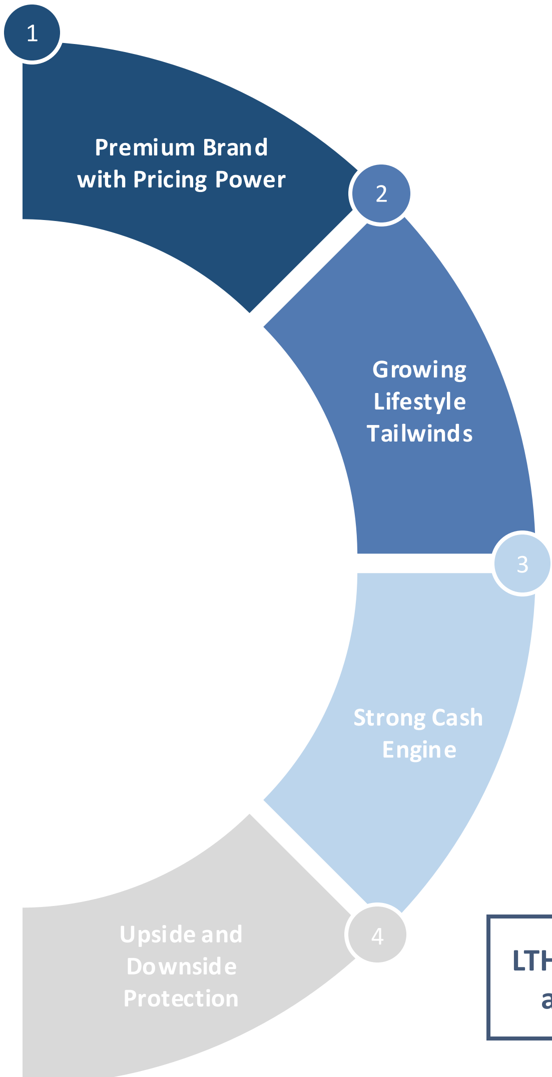
Current Share Price: $25.59 | **Analyses Avg: $40.14 (+56.9%)**

	Valuation Methodology	Illustrative Price Per Share	Methodology Commentary
Financial Analysis	Discounted Cash Flow Downside	$30.38 – $36.41	• Takes a conservative on membership growth rates and delayed center openings to reflect worst-case • 9.3% WACC, 2.5% growth rate, and 7.0x exit multiple
Financial Analysis	Discounted Cash Flow Base	$44.53 – $50.89	• Assumes a base rate of 12-14 center openings alongside management projections • 9.3% WACC, 2.5% growth rate, and 8.0x exit multiple
Financial Analysis	Discounted Cash Flow Upside	$48.93 – $57.48	• Takes an optimistic approach with consistent 14 center openings annually derived from management • 9.3% WACC, 2.5% growth rate, and 8.5x exit multiple
Financial Analysis	Comparable Companies	$11.79 – $63.73	• Comparable Companies: Planet Fitness, Basic-Fit, SATS, Xponential, Peloton and Vail Resorts • 25th and 75th EV/EBITDA multiples of 5.0x and 19.5x respectively
References	Analyst Price Targets	$36.00 – $45.00	• Analyst High and Low-price targets sourced from 11/4 FactSet Analyst Ratings • Average Target Price: $39.92 • Rating: “Buy”
References	52 – Week Trading History	$21.49 – $34.99	• Low Point: December 30th ‘24 • High Point: February 19th ‘25

The Opportunity of a Life Time

A premium brand entering a new era of cash-driven growth

LIFE TIME



1 Premium Brand with Pricing Power

- Life Time's "Athletic Country Club" model drives superior ARPU, retention, and engagement
- Membership mix shifting toward high-value multi-person plans, reinforcing sustainability

2 Growing Wellness and Lifestyle Tailwinds

- Life Time monetizes fitness, recovery, childcare, and coworking in one ecosystem
- Lifestyle shifts toward integrated, experience-driven spaces position LTH as the category winner in the premium segment

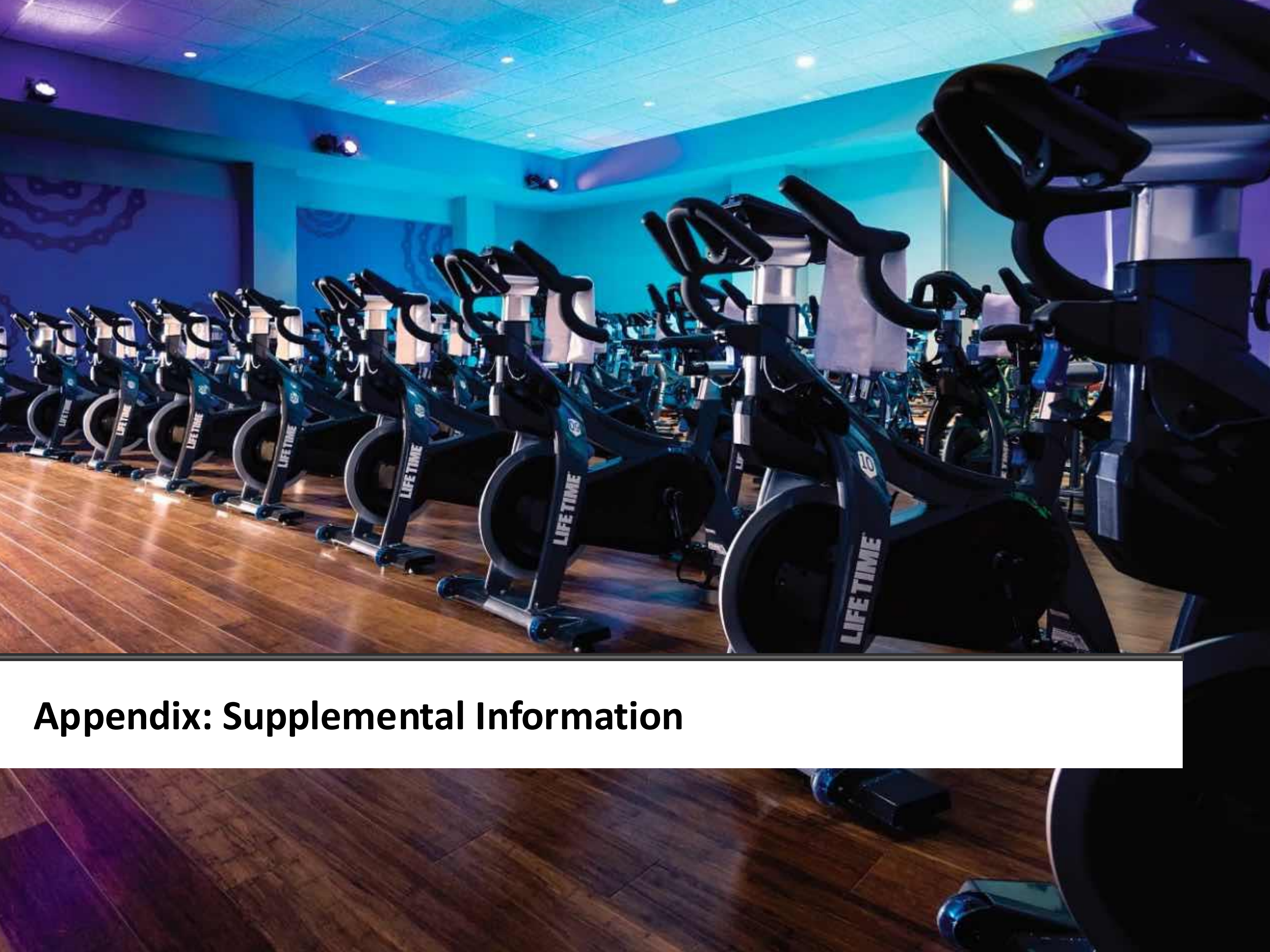
3 Strong Cash Engine

- Leverage improved from 6.1x to 1.6x, allowing future funding without incremental debt
- Life Time is now a cash-funded model, generating the liquidity to fuel rapid expansion and margin gains

4 Upside and Downside Protection

- 70%+ recurring subscription revenue creates predictable, recession-resilient cash flow
- Premium member base remains resilient through economic cycles; visits and engagement continue to rise

LTH represents the strongest opportunity to capitalize on wellness tailwinds, rising cash flows, and premium brand demand; with meaningful upside and structural downside protection



Appendix: Supplemental Information

Specialized and Experienced Management

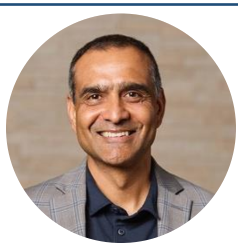
Blending institutional knowledge with modern execution

Bahram Akradi
Founder, Chairman, and Chief Executive Officer

- Over 35 years of experience spanning real estate development and broader life initiatives
- As Chairman, he overseas governance and long-term vision, ensuring alignment between executive and shareholder interests
- Mr. Arkadi is known for embedding purpose into the business model, integrating wellness, lifestyle, and community impact into the company

Erik Weaver
Executive Vice President and Chief Financial Officer

- Joined in 2004 and advanced through multiple finance roles including VP, Controller, and Sr. VP of Finance
- Brings two decades of knowledge, having shaped the company's financial infrastructure, reporting systems, and internal controls
- As CFO, he plays a critical role in capital allocation, risk management, and financial strategy, supporting organic and potential inorganic growth



RJ Singh
Executive Vice President and Chief Digital Officer

- Joined in 2021 with over 25 years of experience in enterprise technology leadership and digital transformation
- Previously VP of IT at Lifetouch, where he led modernization efforts across legacy systems and customer-facing platforms
- At Life Time, he drives digital strategy, data architecture, and innovation initiatives, positioning the company for scalable tech adoption

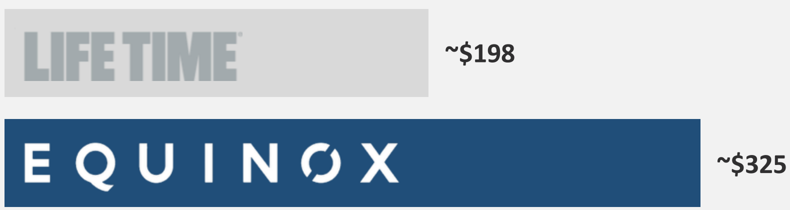
Parham Javaheri
Executive Vice President, President Club Operations, and Chief Property Development Officer

- Joined in 2004 with a background In civil engineering and real estate development
- Progressed through key roles including VP and Sr. VP of Development, Sr. VP of Operations, and Chief Development Officer
- Overseas both physical expansion and operational performance, integrating development strategy with frontline execution

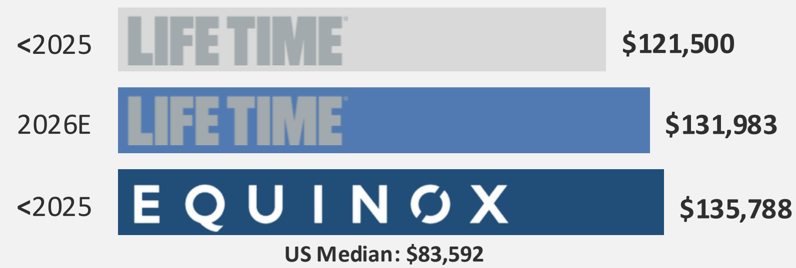
Strategic Positioning for the Higher-Income Class

Life Time vs Equinox Analysis

Average Monthly Membership Dues



Average Household Income per Gym Location



Life Time: "Scalable Luxury for the Mass Affluent"

A premium, family-oriented athletic resort offering a full-scale fitness, wellness, and lifestyle amenities – providing value, flexibility and scale for a broader market

- Targets Upper-Middle Income Consumers (**66th** percentile)
- Broader club footprint and family-friendly amenities
- Positioned as an **"affordable luxury"** brand embedded within a healthy lifestyle
- Tiered Membership Pricing:
  - Monthly Dues: $159 - $450
  - Initiation Fees: $49 - $170

VS

Equinox: "Exclusivity at the Expense of Accessibility"

A luxury fitness brand focused on exclusivity, boutique experiences, and high-end design – less competitive due to their high prices, limited reach and narrower target audience

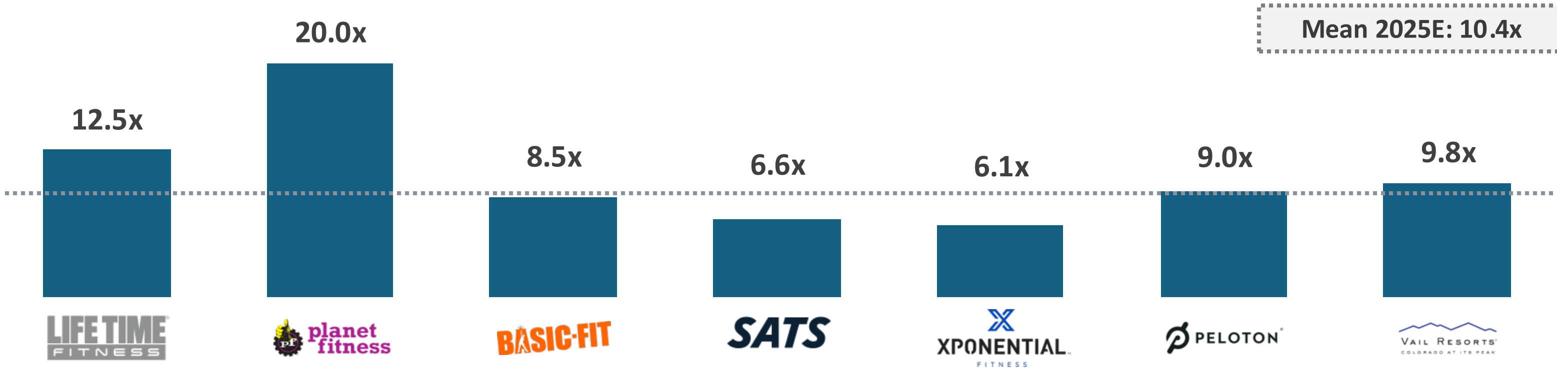
- Targets Upper-Income Consumers (**70th** percentile)
- Focus on urban ultra-luxury: high-end design, personal training and wellness branding
- Positioning: **"Luxury as Status"**
- Tiered Membership Pricing:
  - Monthly Dues: $210 - $415
  - Premium Options: $40k yearly
  - Initiation Fees: $100 - $500

Summary Insight: Equinox monetizes exclusivity; Life Time scales luxury
Effectively same income class targeted; Life Time provides "affordable luxury" — a superior business model providing more resilience in economic downturns and a larger market for expansion

Select Gym Operator Trading Multiples

Life Time provides services that the market overlooks against comparable companies

CY EV/EBITDA (2025E)



	Life Time	Planet Fitness	Basic-Fit	SATS	Xponential	Peloton	Vail Resorts
HQ							
Enterprise Value ($M)	7,773	10,060	3,026	908	841	4,442	8,046
Market Cap ($M)	6,454	8,406	2,042	803	407	4,332	5,490
CY 2025E Revenue ($M)	2,976	1,304	1,663	557	306	2,491	2,966
CY 2025E Revenue Growth	13.6%	10.4%	16%	10.2%	(4.6%)	(7.8%)	2.8%
CY 2025E EBITDA Margin	27.3%	41.5%	38.9%	38.5%	35.4%	16.2%	29.1%

Sources: FactSet

Revenue Growth Algorithm

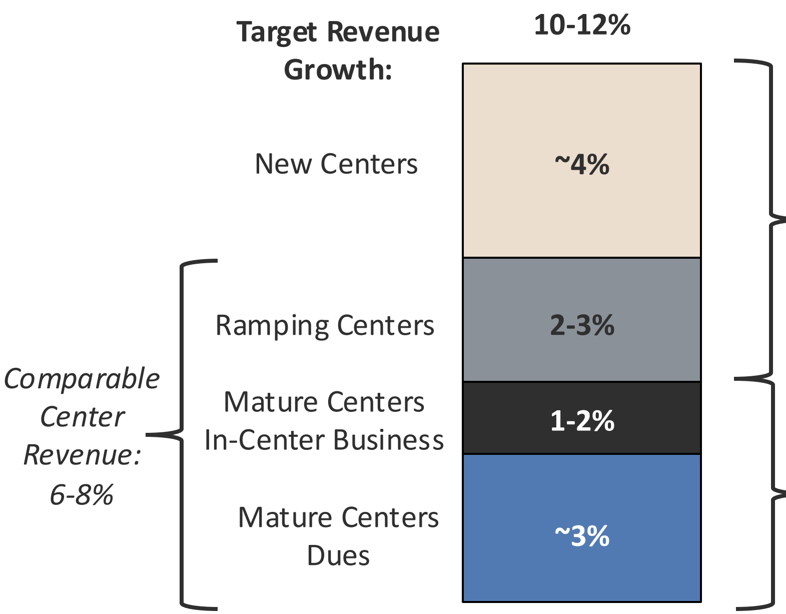
Breaking down the future growth of Life Time

LIFE TIME

Life Time's revenue growth strategy remains the same:

- ✓ Open New Clubs
- ✓ Increase member engagement
- ✓ Optimize memberships and increase revenue per center membership

Revenue Growth Algorithm



New & Ramping Centers (6 - 7%)

- Largely driven by new memberships
- Newer clubs have higher average dues and a higher mix of two-plus members per membership, requiring fewer memberships to reach desired utilization
- New and ramping clubs have virtually no qualified memberships

Mature Centers (4 – 5%)

- *In-Center Businesses:* Driven by continued programming expansion / enhancement and member engagement
- *Membership Dues:* Driven by legacy price increases, churn of lower average dues memberships, and enhanced membership mix with flat total mature membership growth

Sources: Life Time Q3 Earnings Supplement

Per Center Revenue Build

Base Case

LIFE TIME

$ in millions	2025E	2026E	2027E	2028E	2029E	2030E
Revenue Data						
1 Membership dues and fees	72.5%	72.2%	71.8%	71.4%	70.9%	70.3%
In-center revenue	27.5%	27.8%	28.2%	28.6%	29.1%	29.7%
2 Membership dues and fees	2,086	2,336	2,605	2,891	3,209	3,530
In-center revenue	790	900	1,022	1,160	1,316	1,494
Total Center Revenue	2,875	3,236	3,626	4,051	4,525	5,024
Center Count						
3 New Center Openings	12	12	12	14	14	14
Total Centers	191	203	215	229	243	257
Comparable Centers	179	191	203	215	229	243
Membership Data (in thousands)						
4 Center memberships	861	912	967	1,025	1,087	1,152
On-hold memberships	56	57	59	61	63	65
Total Memberships	916	970	1,026	1,086	1,149	1,216
5 Average Members Per Center	4,507	4,495	4,499	4,477	4,472	4,482
Average Revenue Per Member	$638	$720	$806	$905	$1,012	$1,121
Total Center Revenue	2,875	3,236	3,626	4,051	4,525	5,024
Total Other Revenue	83	93	104	117	131	147
Total Revenue	**$2,959**	**$3,329**	**$3,731**	**$4,168**	**$4,656**	**$5,171**

1 Membership dues is easing from 72% to 70% to reflect the transition from pure membership growth to higher engagement in center

2 Membership dues and enrollment fees were driven by a 12% growth rate that tapers down to 10% as the business matures

3 Modeled at 12–14 center openings annually, driving total centers from 191 in 2025E to 257 by 2030E

4 Total memberships are projected to grow at a 6% annual rate which is consistent with historical trends and show a steady expansion

5 **Average members per center** = total center memberships / total centers

Average revenue per member = total center revenue / average members per center

This is linking directly to the top-line revenue build, confirming that member spending and engagement are scaling consistently

Sources: Consumer Discretionary Model

Per Center Revenue Build

Upside Case

$ in millions	2025E	2026E	2027E	2028E	2029E	2030E
Revenue Data						
1 Membership dues and fees	72.6%	72.3%	71.8%	71.4%	70.8%	70.3%
In-center revenue	27.4%	27.7%	28.2%	28.6%	29.2%	29.7%
2 Membership dues and fees	2,095	2,346	2,616	2,917	3,238	3,594
In-center revenue	790	900	1,026	1,170	1,334	1,520
Total Center Revenue	2,885	3,247	3,642	4,087	4,572	5,115
Center Count						
3 New Center Openings	12	14	14	14	14	14
Total Centers	191	205	219	233	247	261
Comparable Centers	179	191	205	219	233	247
Membership Data (in thousands)						
4 Center memberships	869	930	995	1,064	1,139	1,219
On-hold memberships	56	58	60	63	65	68
Total Memberships	925	988	1,055	1,127	1,204	1,287
5 Average Members Per Center	4,549	4,535	4,543	4,568	4,611	4,669
Average Revenue Per Member	$634	$716	$802	$895	$991	$1,095
Total Center Revenue	2,885	3,247	3,642	4,087	4,572	5,115
Total Other Revenue	83	93	105	120	137	156
Total Revenue	**$2,968**	**$3,340**	**$3,748**	**$4,207**	**$4,709**	**$5,271**

1 Membership dues is easing from 72% to 70% to reflect the transition from pure membership growth to higher engagement in center

2 Membership dues and enrollment fees were driven by a 10% growth rate that tapers down to 8% as the business matures

3 Modeled at 14 center openings annually, driving total centers from 191 in 2025E to 261 by 2030E

4 Total memberships are projected to grow at a 6-7% annual rate which is consistent with historical trends and show a steady expansion

5 **Average members per center** = total center memberships / total centers

Average revenue per member = total center revenue / average members per center

This is linking directly to the top-line revenue build, confirming that member spending and engagement are scaling consistently

Sources: Consumer Discretionary Model

Per Center Revenue Build

Downside Case

LIFE TIME

$ in millions	2025E	2026E	2027E	2028E	2029E	2030E
Revenue Data						
1 Membership dues and fees	72.6%	72.4%	72.0%	71.5%	71.1%	70.3%
In-center revenue	27.4%	27.6%	28.0%	28.5%	28.9%	29.7%
2 Membership dues and fees	2,058	2,274	2,501	2,739	2,999	3,239
In-center revenue	776	869	973	1,090	1,221	1,367
Total Center Revenue	2,834	3,143	3,475	3,829	4,220	4,606
Center Count						
3 New Center Openings	12	11	11	10	10	10
Total Centers	191	202	213	223	233	243
Comparable Centers	179	191	202	213	223	233
Membership Data (in thousands)						
4 Center memberships	853	895	940	987	1,036	1,088
On-hold memberships	55	56	57	58	60	61
Total Memberships	908	952	997	1,046	1,096	1,149
5 Average Members Per Center	4,464	4,432	4,413	4,426	4,448	4,478
Average Revenue Per Member	$635	$709	$787	$865	$949	$1,029
Total Center Revenue	2,834	3,143	3,475	3,829	4,220	4,606
Total Other Revenue	82	90	99	109	120	132
Total Revenue	**$2,915**	**$3,233**	**$3,574**	**$3,938**	**$4,340**	**$4,738**

1 Membership dues is easing from 72% to 70% to reflect the transition from pure membership growth to higher engagement in center

2 Membership dues and enrollment fees were driven by a 10% growth rate that tapers down to 8% as the business matures

3 Modeled at 10-11 center openings annually, driving total centers from 191 in 2025E to 243 by 2030E

4 Total memberships are projected to grow at a 3% annual rate which is consistent with historical trends and show a steady expansion

5 **Average members per center** = total center memberships / total centers

Average revenue per member = total center revenue / average members per center

This is linking directly to the top-line revenue build, confirming that member spending and engagement are scaling consistently

Sources: Consumer Discretionary Model

Capital Expenditures Projections

		2025E	2026E	2027E	2028E	2029E	2030E
	New Centers	12	12	12	14	14	14
	Capex Per New Center	27.5	28.3	29.2	30.0	31.0	31.9
	Growth %		3%	3%	3%	3%	3%
1	**New Center Capex**	(330)	(340)	(350)	(421)	(433)	(446)
	Annual Maintenance Capex Per Sq Foot	6.0	6.2	6.3	6.5	6.6	6.8
	Growth %		2.5%	2.5%	2.5%	2.5%	2.5%
	Total Sq Feet	18,189,944	19,369,832	20,549,721	21,827,933	23,204,469	24,581,006
	Raw Capex	109,139,665	119,124,469	129,540,302	141,037,778	153,680,354	166,866,910
2	**Divided Annual Maintenance Capex**	(109)	(119)	(130)	(141)	(154)	(167)
	Annual Modernization Capex Per Sq Foot	6.0	6.3	6.6	6.9	7.3	7.7
	Growth %		5%	5%	5%	5%	5%
	Total Sq Feet	18,189,944	19,369,832	20,549,721	21,827,933	23,204,469	24,581,006
	Raw Capex	109,139,665	122,029,944	135,936,402	151,611,365	169,231,065	188,233,705
3	**Divided Annual Modernization Capex**	(109)	(122)	(136)	(152)	(169)	(188)
	Total Capex	**(548)**	**(581)**	**(616)**	**(713)**	**(756)**	**(801)**

1

Assumes **10–14** new openings annually with CapEx per center based on the midpoint of management's range. Grows **~3% per year** to reflect inflation and rising construction costs.

2

Calculated by multiplying annual CapEx per sq. ft. by total sq. ft., grown **~2.5%** annually (below inflation) to reflect routine upkeep and equipment replacement

3

Based on CapEx per sq. ft. × total sq. ft., grown **~5%** annually to reflect higher-cost upgrades and club enhancements (e.g., pickleball, MIORA/ARORA, spa)

Sources: Consumer Discretionary Model

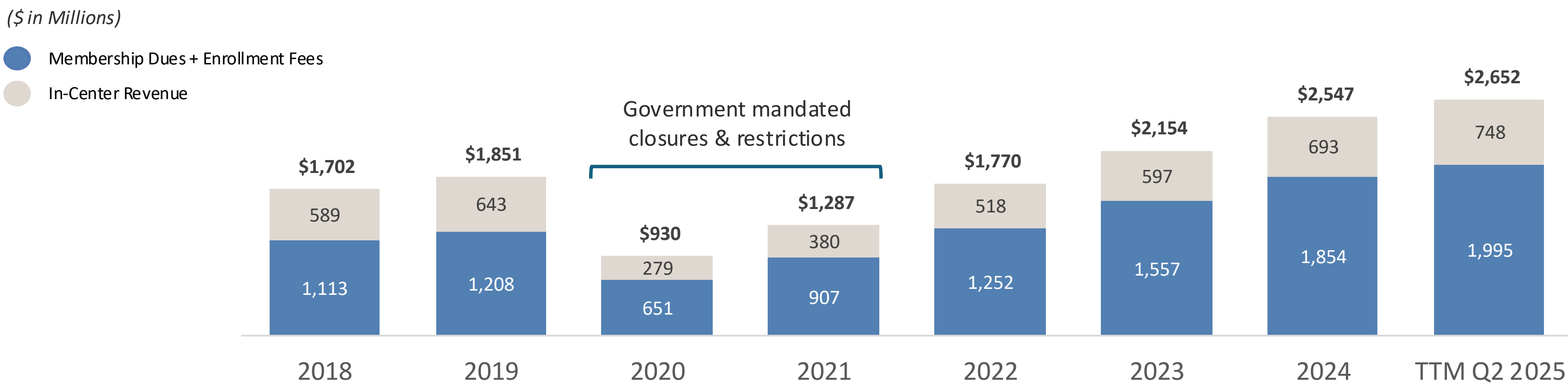
Life Time Weighted Average Cost of Capital Analysis

Cost of Equity		Source
Risk-Free Rate	3.99%	Ten year U.S. Government bond yield as of March 24, 2025
Levered Beta	1.42	Beta taken from FactSet due to skewed comparable companies
Equity Risk Premium	4.62%	Equity risk premium relative to ten-year U.S. Government bond yield
Cost of Equity	**8.47%**	

Cost of Debt	
Pre-tax Cost of Debt	5.67%
Marginal Tax Rate	25.00%
After-tax Cost of Debt	**0.84%**
Net Debt / Equity	24.5%
Weighted Average Cost of Capital	**9.31%**

Center Revenue Breakdown

Membership dues remain the core revenue driver, contributing over 70% of total center revenue



	2018	2019	2020	2021	2022	2023	2024	TTM Q2 2025
% In-Center Revenue	35%	35%	30%	29%	29%	28%	27%	27%
% Membership Dues + Enrollment Fees	65%	65%	70%	71%	71%	72%	73%	73%

In-Center Revenue Drivers

DPT (Dynamic Personal Training)
- Personal Training
- Pilates
- Diet Coaching
- Supplements

LIFE CAFE
- Food
- Beverage
- Retail
- Event Catering

LIFE SPA
- Massage
- Hair
- Nails
- Medi Spa

LIFE TIME Swim
- Personal Lessons
- Swim Teams

LIFE TIME KIDS
- Summer/Day Camps
- Birthdays
- Events

PICKLEBALL TENNIS SQUASH
- Court Times
- Clinics
- Coaching
- Leagues/ Tournaments

Revenue Model

Life Time generates recurring revenue mainly through membership dues

73%

27%

Membership Dues

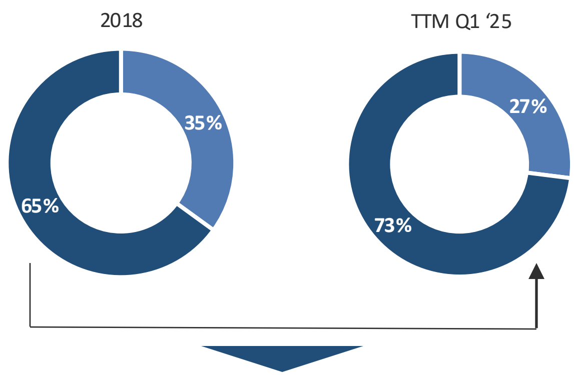
Membership dues are recurring monthly payments from members. These dues vary based on location, membership tier, and included services. As the largest revenue source, they offer predictable cash flow and reflect strong member retention.

Enrollment Fees

Enrollment fees are one-time charges for new or returning members that cover setup and onboarding. Though smaller than dues, they provide upfront revenue and help offset member acquisition costs.

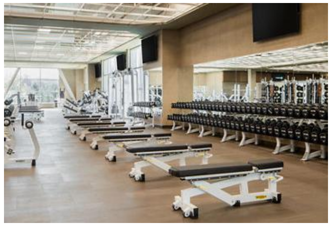
In-center Revenue

In-center revenue comes from services and products sold inside Life Time clubs—like personal training, spa treatments, kids' programs, and café or retail purchases—designed to boost member engagement and spending.



- Life Time has seen strides of revenue breakdown improvement through recent years
- The greater share of membership revenue improves visibility into future cash flows and reduces dependence on in-center spending

Memberships come with access to the entire gym floor and more



In-center offerings include various luxury amenities and conveniences

New and Old Tailwinds Converge, Creating Sustained Growth

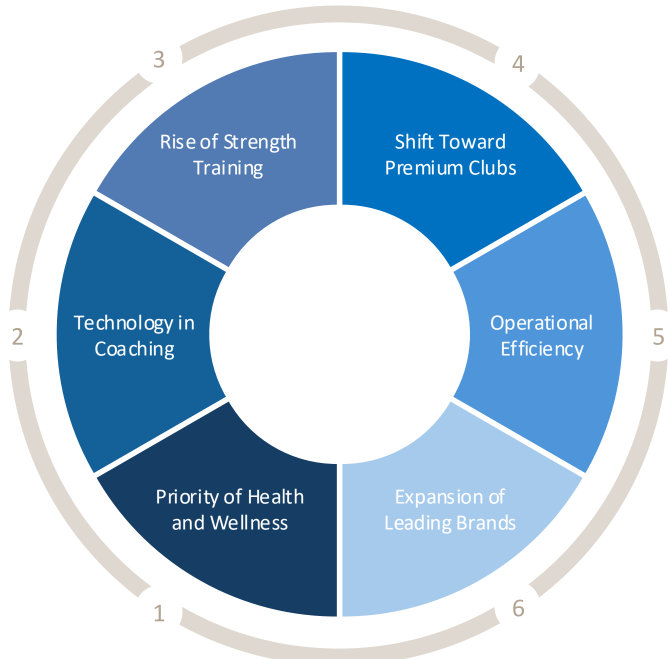
Key themes impacting the fitness industry

Established Secular Tailwinds

1. **Priority of Health and Wellness**
   Fitness has evolved into a broader wellness ecosystem, with recovery and mental health now integral to member experience. Gyms and wellness programs to meet demand for full-body health solutions

2. **Technology in Coaching**
   Wearables, AI tools, and connected fitness platforms are reshaping the member journey through personalized, data-driven training experiences

3. **Rise of Strength Training**
   Strength and resistance training have overtaken cardio as the dominant workout format, reflecting consumer focus on longevity and performance



Post-Pandemic Tailwinds

4. **Shift Toward Premium Clubs**
   The market is splitting between budget gyms and premium wellness clubs, with value brands scaling through accessibility and reach while premium operators grow through bundled fitness and lifestyle experiences

5. **Operational Efficiency**
   Rising labor, utility, and real estate costs are pushing operators to prioritize efficiency, automation, and disciplined expansion strategies

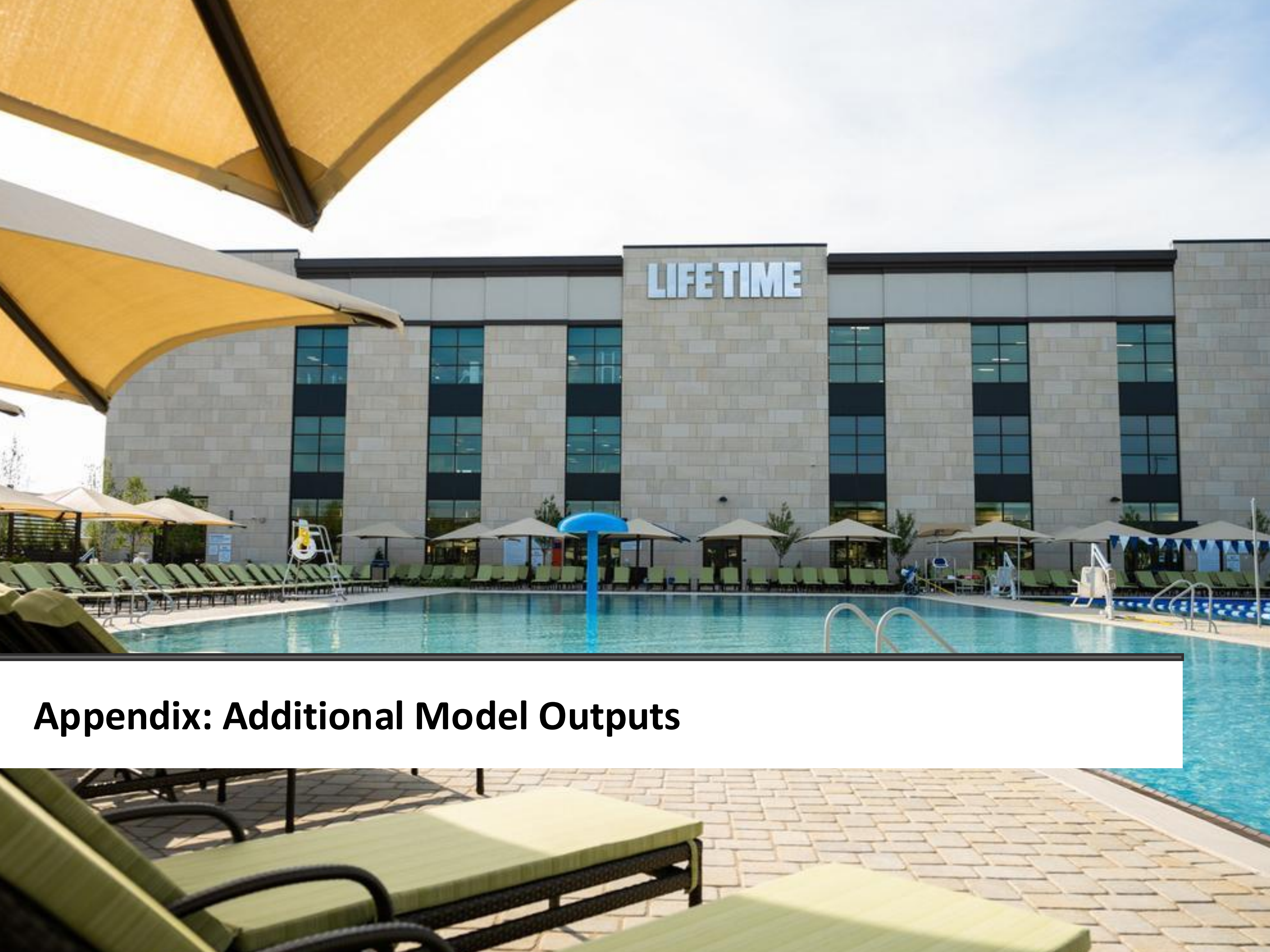
6. **Expansion of Leading Brands**
   Scale advantages in technology, marketing, and real estate are enabling leading brands to drive higher margins and capture long-term market share

Risks and Mitigants

Overview of key risks and corresponding mitigants

Discretionary Spending Exposure	**Recession or slowdown in discretionary spending may soften premium membership demand** • **M:** $159K average household income with 1.4x median surrounding trade areas, catering to a higher-income consumer with durable spending in downturns • **M:** Clubs operate with 70%+ recurring subscription revenue, creating predictable cash flow even in softer macro environments • **M:** Historical performance shows the Life Time grew revenue during the Great Recession
New Club Ramp Risk	**New clubs may ramp slower than expected due to variability in early demand and market conditions** • **M:** Higher two-plus-member mix up +150 bps YoY(1) strengthens early dues and reduces the number of memberships needed to reach utilization • **M:** Engagement continues to rise, with monthly visits increasing from 9.4 to 12.6, helping new locations retain members as they stabilize toward mature performance • **M:** Rising membership waitlists alongside new openings highlight durable demand that supports early ramp
Capital Intensity of New Builds	**High development costs may pressure returns and limit flexibility as Life Time continues to expand its footprint** • **M:** Sale-leasebacks have returned ~$2.3B and recovered 75%+ of gross invested capital, supporting capital efficiency and funds ongoing development through sale-leaseback proceeds • **M:** Asset-light real estate strategy reduces owned centers from 74% to 32%, improving ROIC and strengthening free cash flow generation • **M:** Post-sale-leaseback centers deliver 30% cash-on-cash returns, improving unit economics for new development
Competitive Market Pressure	**Increasing competition from premium fitness operators may challenge membership growth in select markets** • **M:** Life Time's differentiated athletic-country-club model combines fitness, recovery, childcare, workspace, and dining, offering a value proposition competitors cannot replicate • **M:** Broader club footprint and family-friendly amenities expand Life Time's audience beyond boutique competitors in ultra-luxury urban markets • **M:** Tiered membership pricing enhances competitiveness across premium segments

Notes: Ad of Q3 2025 Earnings Supplement



Appendix: Additional Model Outputs

Discounted Cash Flow Analysis – Downside Case

LIFE TIME

Downside Case DCF implies $30.38 share

Commentary

1. **Revenue Growth:** Driven by the slower top line growth of 10.5% and the delayed ramp of recently opened centers
2. **Margin Expansion:** EBITDA margin contracts ~200 bps by 2028, driven by lower utilization and limited SG&A leverage
3. **Capex Strategy:** Growth remains elevated through 2027 to support expansion at 16-18% of revenue
4. **Working Capital & D&A:** Projected in line with historical levels

Illustrative Unlevered Free Cash Flow

	Projected Fiscal Year Ending 12/31					
$ in millions	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Total Revenue	2,915	3,233	3,574	3,938	4,340	4,738
% Growth	11.2%	10.9%	10.5%	10.2%	10.2%	9.2%
Gross Profit	**1,007**	**1,082**	**1,163**	**1,250**	**1,355**	**1,431**
% Margin	*34.5%*	*33.5%*	*32.5%*	*31.7%*	*31.2%*	*30.2%*
(-) Operating Expenses	(248)	(277)	(311)	(348)	(390)	(436)
EBIT	**759**	**805**	**852**	**902**	**966**	**994**
(-) Taxes	(24)	(22)	(21)	(22)	(23)	(23)
(+) D&A	297	328	360	393	427	463
(+) SBC	58	65	71	79	87	95
(-) NWC	2	25	32	29	31	34
(-) Capex	(548)	(552)	(584)	(588)	(621)	(657)
Unlevered Free Cash Flow	**544**	**648**	**709**	**794**	**867**	**906**
% Margin	*18.7%*	*20.0%*	*19.8%*	*20.2%*	*20.0%*	*19.1%*
% Growth	*20.0%*	*19.1%*	*9.4%*	*12.0%*	*9.2%*	*4.6%*

Valuation Output

Using a WACC of 9.3% and a terminal growth rate of 2.5%, the base case implies an equity value of $30.38 per share, representing ~23.0% upside from current trading levels

Present Value of Cash Flows	570
Present Value of Terminal Value	5,127
Present Value of Enterprise	**8,501**
Less: Net Debt & Cash	(1,488)
Present Value of Equity	**7,013**
Shares	230.8
Price Per Share	**$30.38**

	Exit Multiple				
WACC	**7.00x**	**7.25x**	**7.50x**	**7.75x**	**8.00x**
9.1%	$35.62	$36.60	$36.60	$38.55	$39.53
9.2%	$35.44	$36.41	$36.41	$38.36	$39.33
9.3%	$35.44	$36.41	**$36.41**	$38.36	$39.33
9.4%	$35.09	$36.05	$36.05	$37.98	$38.94
9.5%	$34.91	$35.87	$35.87	$37.79	$38.74

Sources: Consumer Discretionary Model

Discounted Cash Flow Analysis – Upside Case

LIFE TIME

Upside Case DCF implies $48.93 per share

Commentary

1. **Revenue Growth:**
   Driven by a consistent 14 new center openings per year and increased membership penetration
2. **Margin Expansion:**
   EBITDA margin expands ~275 bps by 2028, reflecting greater operating leverage and strong pricing powers, and shift towards premium offerings
3. **Capex Strategy:**
   Growth remains elevated through 2027 to support expansion, maintaining ~18% of revenue
4. **Working Capital & D&A:**
   Projected in line with historical levels

Valuation Output

Using a WACC of 9.3% and a terminal growth rate of 2.5%, the base case implies an equity value of $48.93 per share, representing ~98.0% upside from current trading levels

Illustrative Unlevered Free Cash Flow

	Projected Fiscal Year Ending 12/31					
$ in millions	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Total Revenue	2,968	3,340	3,748	4,207	4,709	5,271
% Growth	13.2%	12.5%	12.2%	12.3%	11.9%	11.9%
Gross Profit	**1,086**	**1,231**	**1,385**	**1,571**	**1,779**	**2,026**
% Margin	*36.6%*	*36.9%*	*36.9%*	*37.3%*	*37.8%*	*38.4%*
(-) Operating Expenses	(240)	(260)	(282)	(306)	(332)	(361)
EBIT	**847**	**971**	**1,102**	**1,265**	**1,447**	**1,665**
(-) Taxes	(24)	(22)	(21)	(22)	(23)	(23)
(+) D&A	297	328	365	404	446	490
(+) SBC	59	67	75	84	94	105
(-) NWC	1	27	36	36	39	43
(-) Capex	(548)	(639)	(678)	(719)	(762)	(807)
Unlevered Free Cash Flow	**632**	**732**	**879**	**1,048**	**1,241**	**1,473**
% Margin	*21.3%*	*21.9%*	*23.5%*	*24.9%*	*26.3%*	*27.9%*
% Growth	*39.3%*	*15.8%*	*20.2%*	*19.2%*	*18.4%*	*18.7%*

Present Value of Cash Flows	925
Present Value of Terminal Value	8,331
Present Value of Enterprise	**12,781**
Less: Net Debt & Cash	(1,488)
Present Value of Equity	**11,293**
Shares	230.8
Price Per Share	**$48.93**

	Exit Multiple				
WACC	**8.00x**	**8.25x**	**8.50x**	**8.75x**	**9.00x**
9.1%	$59.21	$57.77	$57.77	$59.21	$62.10
9.2%	$58.92	$57.48	$57.48	$58.92	$61.80
9.3%	$58.92	$57.48	**$57.48**	$58.92	$61.80
9.4%	$58.35	$56.92	$56.92	$58.35	$61.19
9.5%	$58.06	$56.64	$56.64	$58.06	$60.89

Sources: Consumer Discretionary Model

Income Statement

	2025E	2026E	2027E	2028E	2029E	2030E
Revenue	**$2,959**	**$3,329**	**$3,731**	**$4,168**	**$4,656**	**$5,171**
% Growth	*13%*	*13%*	*12%*	*12%*	*12%*	*11%*
Center revenue	2,875	3,236	3,626	4,051	4,525	5,024
Other revenue	83	93	104	117	131	147
Operating Expenses	(1,890)	(2,117)	(2,361)	(2,640)	(2,951)	(3,287)
Center operations	(1,546)	(1,728)	(1,925)	(2,147)	(2,397)	(2,666)
Rent	(345)	(389)	(436)	(493)	(554)	(621)
Gross Profit	**1,068**	**1,213**	**1,370**	**1,528**	**1,706**	**1,884**
Gross Margin	*36%*	*36%*	*37%*	*37%*	*37%*	*36%*
General, administrative and marketing	(241)	(263)	(286)	(312)	(340)	(371)
EBITDA	**827**	**950**	**1,083**	**1,216**	**1,366**	**1,513**
EBITDA Margin	*28.0%*	*28.5%*	*29.0%*	*29.2%*	*29.3%*	*29.3%*
Depreciation and amortization	(297)	(328)	(361)	(397)	(438)	(482)
Other operating expenses / income	(73)	(76)	(79)	(82)	(86)	(89)
EBIT	**457**	**546**	**643**	**737**	**842**	**942**
Interest expense	(96)	(88)	(85)	(87)	(91)	(91)
Equity in earnings / loss of affiliate	-	-	-	-	-	-
Total other expense	(96)	(88)	(85)	(87)	(91)	(91)
EBT	**361**	**457**	**558**	**650**	**751**	**851**
Income / loss before income taxes	361	457	558	650	751	851
Provision for / benefit from income taxes	(24)	(22)	(21)	(22)	(23)	(23)
Net Income / Loss	**337**	**435**	**537**	**629**	**729**	**828**
% Growth	*116%*	*29%*	*23%*	*17%*	*16%*	*14%*
% Margin	*11.4%*	*13.1%*	*14.4%*	*15.1%*	*15.6%*	*16.0%*

Sources: Consumer Discretionary Model

Cash Flow Statement

	2025E	2026E	2027E	2028E	2029E	2030E
Net income / loss	337	435	537	629	729	828
Adjustments to reconcile net income	358	421	469	516	571	630
Depreciation and amortization	297	328	361	397	438	482
Deferred income taxes	-	-	-	-	-	-
Stock-based compensation	59	67	75	83	93	103
Changes in operating assets and liabilities	2	26	33	35	40	45
Other	-	-	-	-	-	-
Net Cash Provided by / used in Operating Activities	**695**	**856**	**1,006**	**1,144**	**1,300**	**1,458**
Capital expenditures	(548)	(581)	(616)	(713)	(756)	(801)
Acquisitions, net of cash acquired	-	-	-	-	-	-
Proceeds from sale-leaseback transactions	-	-	-	-	-	-
Proceeds from the sale of land held for sale	-	-	-	-	-	-
Other	-	-	-	-	-	-
Net Cash used in Investing Activities	**(548)**	**(581)**	**(616)**	**(713)**	**(756)**	**(801)**
Proceeds from borrowings	32	-	-	94	-	-
Repayments of debt	-	(6)	(28)	-	-	-
Proceeds from revolving credit facility	-	-	-	-	-	-
Repayments on revolving credit facility	(10)	-	-	-	-	-
Purchases of stock options	-	-	-	-	-	-
Proceeds from the issuance of common stock	-	-	-	-	-	-
Proceeds from stock option exercises	30	34	38	42	47	53
Proceeds from issuances of common stock	-	-	-	-	-	-
Other	-	-	-	-	-	-
Net Cash Provided by / used in Financing Activities	**52**	**28**	**10**	**136**	**47**	**53**
Increase / decrease in cash and cash equivalents	**199**	**303**	**400**	**567**	**591**	**709**
Cash and cash equivalents - beginning of period	28	227	530	930	1,498	2,089
Cash and cash equivalents - end of period	227	530	930	1,498	2,089	2,798

Sources: Consumer Discretionary Model

Balance Sheet

	2025E	2026E	2027E	2028E	2029E	2030E
Current Assets	380	701	1,117	1,705	2,318	3,050
Cash and Cash Equivalents	227	530	930	1,498	2,089	2,798
Accounts receivable, net	28	31	35	39	44	48
Center operating supplies and inventories	63	71	79	88	98	109
Prepaid expenses and other current assets	59	68	71	78	86	93
Income tax receivable	2	2	2	2	2	2
Property and equipment, net	3,445	3,698	3,952	4,269	4,587	4,906
Goodwill	1,235	1,235	1,235	1,235	1,235	1,235
Operating lease right-of-use assets	2,313	2,313	2,313	2,313	2,313	2,313
Intangible assets, net	172	172	172	172	172	172
Other assets	68	68	68	68	68	68
Total Assets	**7,613**	**8,187**	**8,857**	**9,761**	**10,693**	**11,744**
Current liabilities	532	576	625	681	743	811
Accounts payable	94	105	117	130	145	162
Construction accounts payable	103	104	107	111	115	120
Deferred revenue	66	74	83	93	103	115
Accrued expenses and other current liabilities	199	223	248	277	309	344
Current maturities of operating lease liabilities	70	70	70	70	70	70
Long-term debt, net of current portion	1,535	1,529	1,501	1,595	1,595	1,595
Operating lease liabilities, net of current portion	2,381	2,381	2,381	2,381	2,381	2,381
Deferred income taxes	85	85	85	85	85	85
Other liabilities	43	43	43	43	43	43
Total Liabilities	**4,576**	**4,614**	**4,635**	**4,785**	**4,847**	**4,915**
Common stock	2	2	2	2	2	2
Additional paid-in capital	3,131	3,231	3,344	3,470	3,610	3,766
Accumulated deficit	(83)	352	889	1,518	2,246	3,074
Accumulated other comprehensive loss	(13)	(13)	(13)	(13)	(13)	(13)
Stockholders' Equity	**3,037**	**3,573**	**4,222**	**4,976**	**5,845**	**6,829**
Total Liabilities and Stockholders' Equity	**7,613**	**8,187**	**8,857**	**9,761**	**10,693**	**11,744**

Sources: Consumer Discretionary Model

Debt Schedule

SOFR Schedule		2024A	2025E	2026E	2027E	2028E	2029E	2030E
3-Month SOFR Curve December		4.62%	3.60%	3.22%	3.05%	3.22%	3.36%	3.36%
Average			**4.11%**	**3.41%**	**3.14%**	**3.14%**	**3.29%**	**3.36%**
Term Loan Rate	S + 225							
Min Cash Balance	25							
New term loan								
Beginning Balance		$1,000	1,000	1,000	1,000	1,000	1,000	1,000
Principal Repayment Rate			20%	20%	20%	20%	20%	20%
Ending Balance		1,000	1,000	1,000	1,000	1,000	1,000	1,000
Interest Rate			6.4%	5.7%	5.4%	5.4%	5.5%	5.6%
Interest Expense			**64**	**57**	**54**	**54**	**55**	**56**
6.000% Secured Notes								
Beginning Balance		500	500	500	500	500	500	500
Ending balance		500	500	500	500	500	500	500
Interest Rate			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Interest Expense			**30**	**30**	**30**	**30**	**30**	**30**
Revolver (avg. balance)								
Beginning Balance		10	10	-	-	-	-	-
Principal Payment			(10)	-	-	-	-	-
Ending balance		10	-	-	-	-	-	-
Interest Rate			6.4%	5.7%	5.4%	5.4%	5.5%	5.6%
Interest Expense			**0.3**	**-**	**-**	**-**	**-**	**-**
Mortgage Notes								
Beginning Balance		42	42	35	29	1	95	95
Principal Payment			7	6	28			
Ending Balance		42	35	29	1	95	95	95
Interest Rate			5.6%	5.6%	5.6%	5.6%	5.6%	5.6%
Interest Expense			**2.14**	**1.78**	**0.83**	**2.67**	**5.28**	**5.28**
(+) Amort of Debt Discounts		(20)	-	-	-	-	-	-
Total Debt Balance		**$1,513**	**1,535**	**1,529**	**1,501**	**1,595**	**1,595**	**1,595**
Total Interest Expense			**96**	**88**	**85**	**87**	**91**	**91**

Sources: Consumer Discretionary Model

PP&E Build

	2025E	2026E	2027E	2028E	2029E	2030E
Land	368	405	448	494	547	603
% of PP&E	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%
(+) Capex	(37)	(43)	(46)	(53)	(56)	(60)
(-) Depreciation	0	0	0	0	0	0
Ending Balance	**405**	**448**	**494**	**547**	**603**	**663**
Building and Related Fixtures	2,175	2,439	2,718	3,013	3,351	3,709
% of PP&E	44.1%	44.1%	44.1%	44.1%	44.1%	44.1%
(+) Capex	(242)	(256)	(272)	(315)	(334)	(354)
(-) Depreciation	62	70	78	86	96	106
Ending Balance	**2,439**	**2,718**	**3,013**	**3,351**	**3,709**	**4,088**
Leasehold Improvents	1,012	1,125	1,244	1,370	1,517	1,672
% of PP&E	20.5%	20.5%	20.5%	20.5%	20.5%	20.5%
(+) Capex	(113)	(119)	(126)	(146)	(155)	(165)
(-) Depreciation	84	94	104	114	126	139
Ending Balance	**1,125**	**1,244**	**1,370**	**1,517**	**1,672**	**1,837**
Construction in Progress	224	227	230	235	244	254
% of PP&E	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
(+) Capex	(25)	(26)	(28)	(32)	(34)	(36)
(-) Completed	22	23	23	24	24	25
Ending Balance	**227**	**230**	**235**	**244**	**254**	**265**
Equipment and Other	1,150	1,278	1,414	1,558	1,724	1,901
% of PP&E	23.3%	23.3%	23.3%	23.3%	23.3%	23.3%
(+) Capex	(128)	(136)	(144)	(166)	(176)	(187)
(-) Depreciation	128	142	157	173	192	211
Ending Balance	**1,278**	**1,414**	**1,558**	**1,724**	**1,901**	**2,088**
Property and Equipment, gross	5,478	6,059	6,675	7,388	8,144	8,946
Less accumulated depreciation	(2,033)	(2,361)	(2,722)	(3,119)	(3,557)	(4,039)
Property and Equipment, net	**3,445**	**3,698**	**3,952**	**4,269**	**4,587**	**4,906**

Sources: Consumer Discretionary Model