

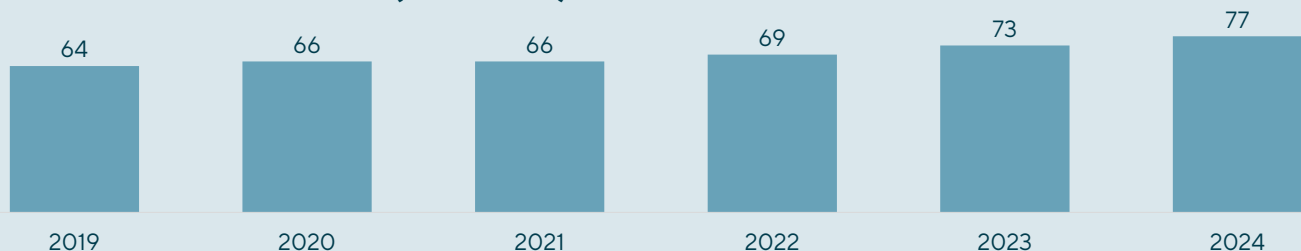
# State of the Fitness Market: 2025 Edition

## 2025 Fitness Market Update

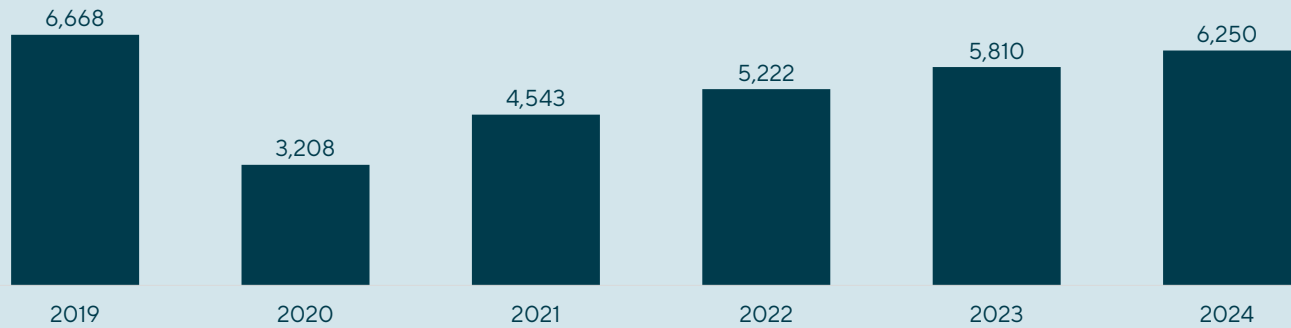
The fitness industry enters 2025 with strong tailwinds, building on multiple years of sustained growth and transformation. Following the pandemic-era disruptions and inflationary headwinds, 2024 marked a year of operational normalization and strategic evolution. Rather than reverting to old habits, consumers are redefining what fitness means—embracing a broader vision of health that blends physical training with mental well-being, recovery and lifestyle optimization.

Health club membership grew to approximately 77 million members in 2024, a 6% increase year-over-year, while club visits rose by 8%, underscoring growing consumer commitment to wellness. Even as individual usage patterns continue to evolve and potentially indicate a new post-pandemic baseline, overall member engagement and participation are trending upward.

**Total Health Club Members (in millions)**



## Total Health Club Visits<sup>1</sup> (in millions)



Source: Health & Fitness Association

1) Total health club visits include non-member visits

This renewed momentum is powered by shifting demographics and priorities. Gen Z and Millennials are leading the charge, exercising more frequently and seeking personalized, purpose-driven fitness experiences. At the same time, an increased focus on preventative health, performance longevity and strength training has expanded the industry's relevance far beyond traditional gym offerings. As a result, the fitness industry is not only growing, but evolving and poised to play a central role in the broader health & wellness ecosystem.

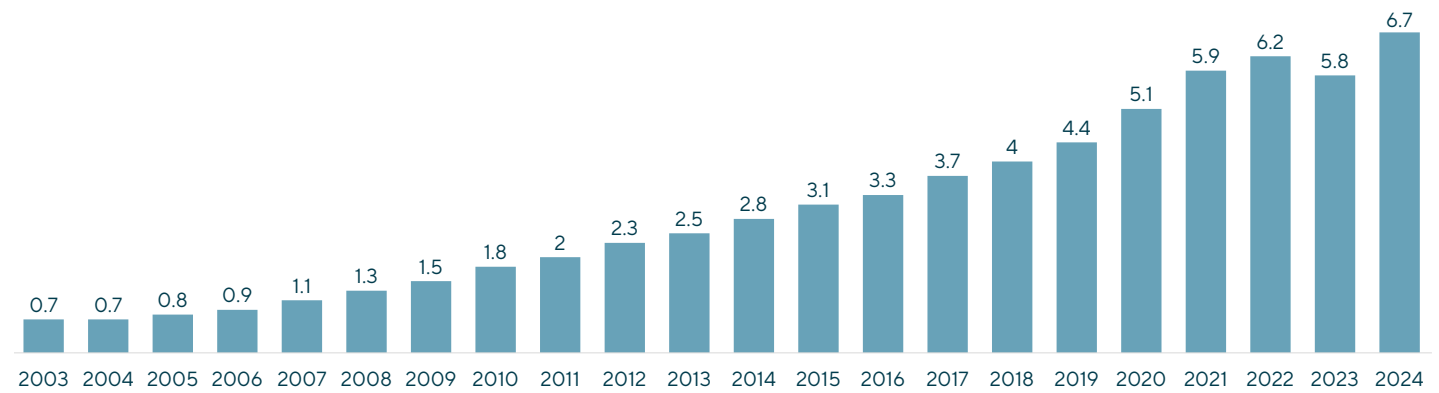
## Strength Training & Holistic Wellness Take Center Stage

### 1. The Continued Rise of Strength Training

Strength training has emerged as the dominant fitness trend, particularly among younger demographics. As published research and consumer dialogue on strength training increase, fitness operators have undergone strategic realignment, with many gyms reallocating space to free weights and functional training zones.

- Gyms are investing heavily in expanding strength training equipment, reducing reliance on traditional cardio-focused layouts. Planet Fitness, Orangetheory and boutique operators have all adjusted their offerings to cater to the increasing demand for resistance training and functional movement-based workouts.
- Women and younger demographics are fueling this trend, with record-high participation rates in weightlifting and strength-based classes.
- Health & wellness companies are preparing for GLP-1 impacts by offering weight management programs to educate individuals, collaborate with health partners and promote strength training as a recommended way to preserve lean muscle mass.

## Results for 'Strength Training' on PubMed (thousands of results)



Source: American College of Sports Medicine; PubMed

1) In 2023, over 10,000 research papers were removed, including 8,000+ from one publisher, due to issues with fake reviews, reducing overall publication counts, including PubMed's

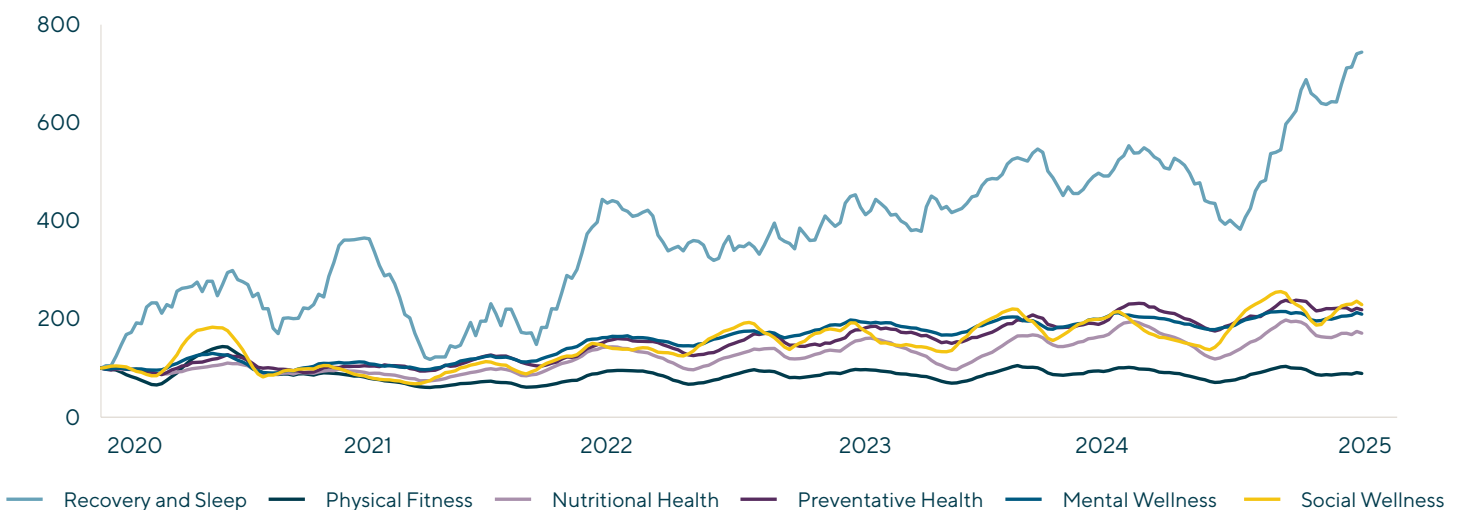
## 2. Holistic Health Becomes a Core Consumer Priority

Fitness is no longer just about physical exercise, as mental wellness, recovery and social connection have become critical pillars of the modern fitness experience.

Recovery services such as cold plunges, red light therapy and compression therapy are increasingly being adopted by gyms, with Crunch Fitness, Life Time and boutique chains rolling out dedicated relax and recover zones. Wearable technology and AI-driven personalization have further blurred the lines between fitness and health optimization, with consumers increasingly using data-driven insights to tailor their wellness journey.

As interest in holistic health and wellness rises due to general consumer health trends and increased awareness of weight management options (e.g., GLP-1s), fitness businesses have expanded their value proposition beyond memberships to create new revenue opportunities in wellness-driven services.

## Search Interest (U.S.) of Holistic Health and Wellness Terms<sup>1</sup>



Source: Google Trends

1) 3 month rolling average of search interest (index, 100 = maximum interest for the term in the period)

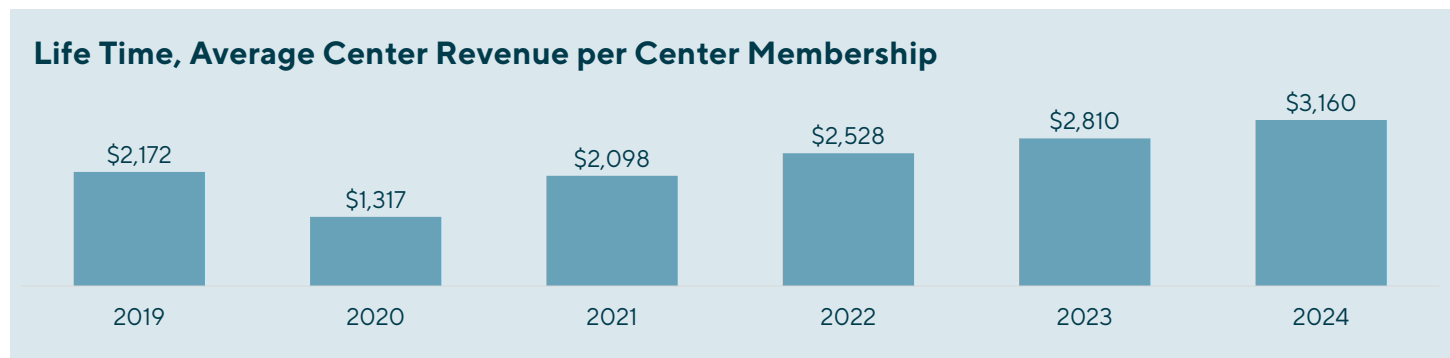
# Shifting Business Models and Competitive Landscape

## 1. The Strength of High-Value, Low-Price (HVLP) and Premium Models

Two business models continue to outperform the market:

- HVLP gyms (e.g., Planet Fitness, Crunch Fitness) continue to attract members with affordable pricing and tiered memberships.
- Premium operators (e.g., Equinox, Life Time) focus on higher-value memberships, bundling recovery, nutrition and concierge wellness services to drive higher per-member revenue.

While these models continue to enhance metric performance, the bifurcation in the market has left mid-tier operators struggling, with many shifting toward specialization to maintain relevance.

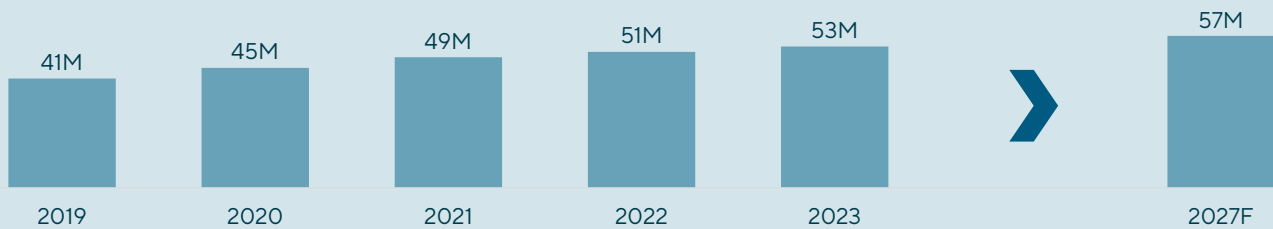


## 2. Increased Personalization Through Digital Integration, AI and Fitness Instructors

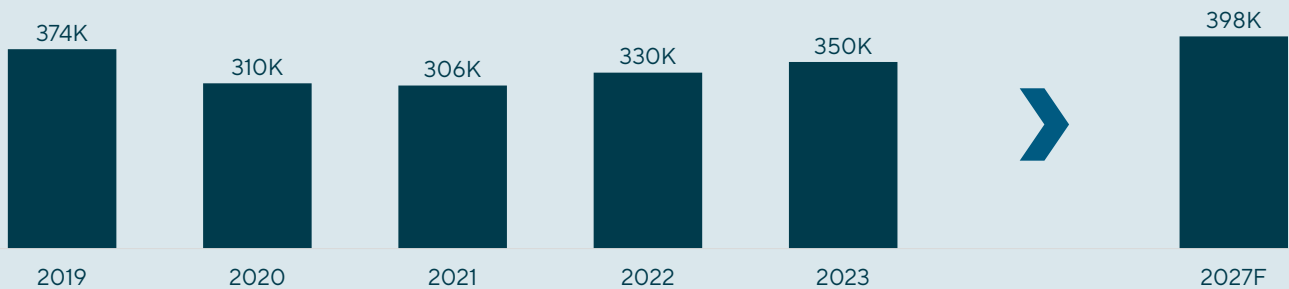
While technology continues to reshape the fitness landscape with wearable integration and AI-powered coaching, fitness instructors remain important to the personalized fitness experience. As consumer expectations evolve, fitness operators must embrace digital transformation and personalization to remain competitive.

- Peloton, Apple Fitness+ and Strava are deepening integration with gyms, allowing seamless tracking between at-home and in-club workouts.
- AI-driven fitness assistants and adaptive workout plans are increasingly used to enhance engagement and retention.
- Fitness instructors are forecast to remain crucial to the wellness experience, providing personalized coaching and lifestyle maintenance to help individuals meet their goals.

### U.S. Fitness Band Users<sup>1</sup>



### U.S. Exercise Trainers & Group Fitness Instructors<sup>2</sup>



Source: eMarketer; U.S. Bureau of Labor Statistics; NASM

1) Ages 18+ individuals who wear a single-purpose wrist-worn electronic device with limited functionality solely for tracking health and fitness activities (e.g., steps taken, heart rate, distance, speed, calories burned) at least once per month

2) Includes both self employed and wage & salary earners as reported in the annual BLS employment projection series

## Fitness Industry Poised for Continued Expansion

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

- 1 Consumer health trends toward fitness participation and holistic wellness.
- 2 Strength training and recovery services becoming essential components of gym offerings, driven by consumer demand as well as increased adoption of GLP-1s.
- 3 Wearables, AI and personalized training expanding the ecosystem beyond traditional gym settings.

While the fitness industry has several years of strong performance under its belt, the opportunities for innovation and expansion are greater than ever. Operators who successfully integrate technology, prioritize strength and recovery and foster strong communities will be best positioned for long-term success.

The fitness industry's next phase of growth will be defined by adaptation, personalization and expansion into holistic health experiences, offering consumers more than just a place to work out, but a true health and wellness hub.

## The Fitness Investment Landscape in 2025

2024 was a banner year for the fitness sector, with global mergers and acquisitions (M&A) recording over 70 completed transactions. The category continues to experience significant momentum, driving increased investor optimism across most ecosystems and concepts—both from legacy investors and new entrants focusing on the space. Although much of the fitness sector saw growth, certain ecosystems failed to regain pre-pandemic membership levels, forcing some groups to delay transactions or transfer ownership to lenders.

Navigating the evolving M&A landscape remains a priority for industry executives and investment professionals. With 2025 poised to match 2024's record-setting activity, Lincoln International's team of dedicated bankers is prepared to help fitness sector leaders capitalize on emerging trends and navigate the shifts shaping the market this year.

### Key M&A Investor Themes

#### M&A Activity is Robust; More Investor Groups Enter the Category

While many of the 70+ M&A transactions involved consolidation by established platforms or experienced investment firms, a significant number of investment groups entered the fitness category for the first time. Within the Crunch ecosystem alone, [Trive Capital](#), [CapitalSpring](#) and [Meaningful Partners](#) each made significant investments in fast-growing franchisee platforms. Within the Planet Fitness franchise [Mayfair Capital](#) acquired Baseline Fitness with plans to grow unit count both organically and through M&A. As the fitness sector gains recognition as a key area for investment, this influx of new participants will continue to reshape the competitive landscape and accelerate consolidation across the industry.

#### Member Visits at HVLP Locations Outpace Other Concepts in the Industry

Crunch Fitness annual visits across the ecosystem are up over 150% since pre-COVID, and Planet Fitness visits are up 65%. In contrast, higher-end gym visits remain flat or slightly down. The key driver here relates to the investment in new, larger HVLP locations across the country along with consumer trends impacting per membership visits.

#### Out of the Box Strategies are Actively Participating in Processes, But Not Making It Across the Finish Line, Yet

In late 2023, the [Flynn Group](#) made its first non-restaurant acquisition by purchasing a Planet Fitness franchisee. This transaction sparked anticipation that a new class of nontraditional strategic buyers could emerge as prolific acquirers and drive up valuations. Despite the initial splash, this buyer type has remained on the sidelines. That said, interest from this buyer-type has remained strong during several recent processes and it is only a matter of time before this out of the box strategic buyers makes it across the finish line.

## The Regional HVLP M&A Market is Off to the Races

It was widely known last year that [Mountainside Fitness](#) would be just the start of many M&A opportunities within the regional HVLP landscape. In 2025, preparation is underway to finally liquidate long-held positions of concepts that have carved their niche in specific regions or within a specific consumer segment of the HVLP ecosystem. Although multiple assets hitting the trading block simultaneously might result in certain opportunities garnering more attention than others, demand for high-quality opportunities remains at an all-time high, and it is expected that most of these assets will attract a strong hand of initial bids.

## International Markets are Key Growth Avenues for Select Ecosystems

For fitness concepts that have successfully built out large U.S. platforms, a clear strategy for 2025 includes mapping out international markets to drive accelerated growth and clear differentiation. As part of the strategy, platforms are seeking international acquisition prospects to either lock up select territories or find additional avenues of growth. Investors should be ready to see significant cross-border activity over the coming months and years.

## Following Barry's and Solidcore Transactions, Eyes Turn to the Next M&A Opportunities within Boutique Fitness

Barry's and Solidcore were key topics of interest in 2024 for investors looking at where to deploy capital within boutique fitness. When these M&A processes crossed the finish line (in arguably very different ways from each other), the groundwork was set for shareholders of other boutique brands to look ahead towards potential liquidity events. CrossFit will be the most prevalent name to transact in 2025, but given the significant interest in leading Pilates, yoga and strength training concepts, several other platforms will likely test the market as well in the near term. On the flip side, ecosystems facing challenges, such as OrangeTheory, are seeing conversations shift toward lenders rather than acquirers in the near term.

## Buy-Side Strategy is Critical to Winning a Process, Given Investor Funnel Trends

Following trends first established in Europe, the U.S. market is beginning to recognize the significant value of buy-side M&A guidance in helping buyers position themselves to succeed in evolving M&A strategies. In the fitness sector specifically, the initial bid deadline generates elevated expectations both in terms of valuation and total quantity of bids. This leads to many groups dropping out of the process due to valuation expectations or failing to secure an invitation to the second round. Sellers then see higher than expected attrition in the later stages of the transaction which increases the probability of a busted process. While A+ quality M&A opportunities find a simple path to the finish line, strategic buy-side guidance and insights can be a game-changer for navigating more complex transactions. Lincoln has seen a significant uptick in U.S. demand for buy-side advice, as buyers seek to increase the probability of a successful outcome. Across the pond, Europe is watching and saying, "It's about time."



## Fitness Products Continues to See Near Term Headwinds with Long Term Visions of a Fully Connected Ecosystem

Given geopolitical unknowns, tariff implications and decreasing consumer sentiment, the fitness products sector continues to see earnings choppiness. While select companies, especially those focused on developing innovative products or over-indexed on commercial markets, are starting to gain market momentum, the vast majority of players are heads down improving operational efficiencies and identifying new avenues for growth. Despite these near-term challenges, the industry anticipates a potential revolution over the next decade, driven by increasing consumer demand for fitness data tracking. The growing need for innovation will create significant opportunities for fitness product companies to connect the broader ecosystem, enabling consumers to track workout metrics across brand ecosystems and workout modalities. Over the next five to ten years, many incumbent brands risk irrelevancy as new entrants redefine the connected ecosystem environment.

### HVLP 3.0 is Officially Here! Great—Now What Do You Do With the 1.0s?

As fitness concepts evolve their offerings to provide additional value to their consumers—and improve cost efficiencies for shareholders—the investment landscape becomes further focused on a platform's mix of newer versus older locations. The 1.0 versions of the gyms may not necessarily command premium valuation multiples given the perceived future capex requirements and limitations in unit economics, but these locations can still hold value for cash flow or real estate lock-up investment strategies.

Prior to future transactions, current shareholders need to assess whether to A) go to market with a mix of older and newer locations, accepting that new investors will discount the value of older locations; B) spend capex to bring older locations up to the quality of the newer locations; or C) split up the platform, selling the newer locations at a premium while finding a separate buyer for the older locations. While concepts A and B have been tested many times, concept C could be the path to achieving outlier valuations for select operators. For investors, this underscores the importance of factoring in location mix when evaluating which platforms to back. Platforms with a proven ability to optimize location performance are clearly well-positioned to attract attention and capital in today's market.

### Are you Tired of Talking About GLP Implications Yet?

Us too - let's keep it brief. Over 90% of industry executives interviewed by Lincoln believe GLPs are a net positive for the industry, both positioning more people to beginning exercising and also revenue generation for clubs that lean into the concept of the "gym as a clinic." For more insights, check out our perspective with [Athletech News](#), where we delved into this topic.



## Celebrity and Athlete Endorsements Create Perception of Differentiation

2024 was the year of athlete endorsements of traditional HVLP systems. James Harden followed in the footsteps of Dak Prescott and Cristiano Ronaldo by launching three Crunch Fitness franchisee gyms in Texas with special “HIIT Like Harden” classes. Athletes becoming a part of the gym’s cap table isn’t anything new (e.g., NFL MVP Steve Young’s 2021 Planet Fitness acquisition), but amidst continued consolidation, the strategy is taking on renewed importance in the HVLP ecosystem as investors try to differentiate their platforms. Based on the unit metrics for specific locations, this strategy seems to be working and is a net positive for both the industry and platforms preparing to trade hands in the coming years.

### The M&A Takeaway

The M&A fitness landscape remains dynamic and multifaceted, with trends varying across subsegment. However, the industry will likely see a continued, heightened level of M&A activity. Investor appetite for fitness businesses remains strong relative to other consumer categories, which will drive a robust M&A environment for the foreseeable future.

From a fitness club perspective, traditional HVLP systems will continue consolidating their ecosystems, ultimately trading hands to an ever-evolving buyer landscape. Meanwhile, regional HVLP systems may look to test if large funds will step up to the plate for a nationwide brand rollup strategy. For fitness product manufacturers navigating the broader consumer discretionary landscape, success will favor companies with a clear multi-channel strategy, strong product differentiation and healthy balance sheets—key attributes for thriving in the ‘new normal.’

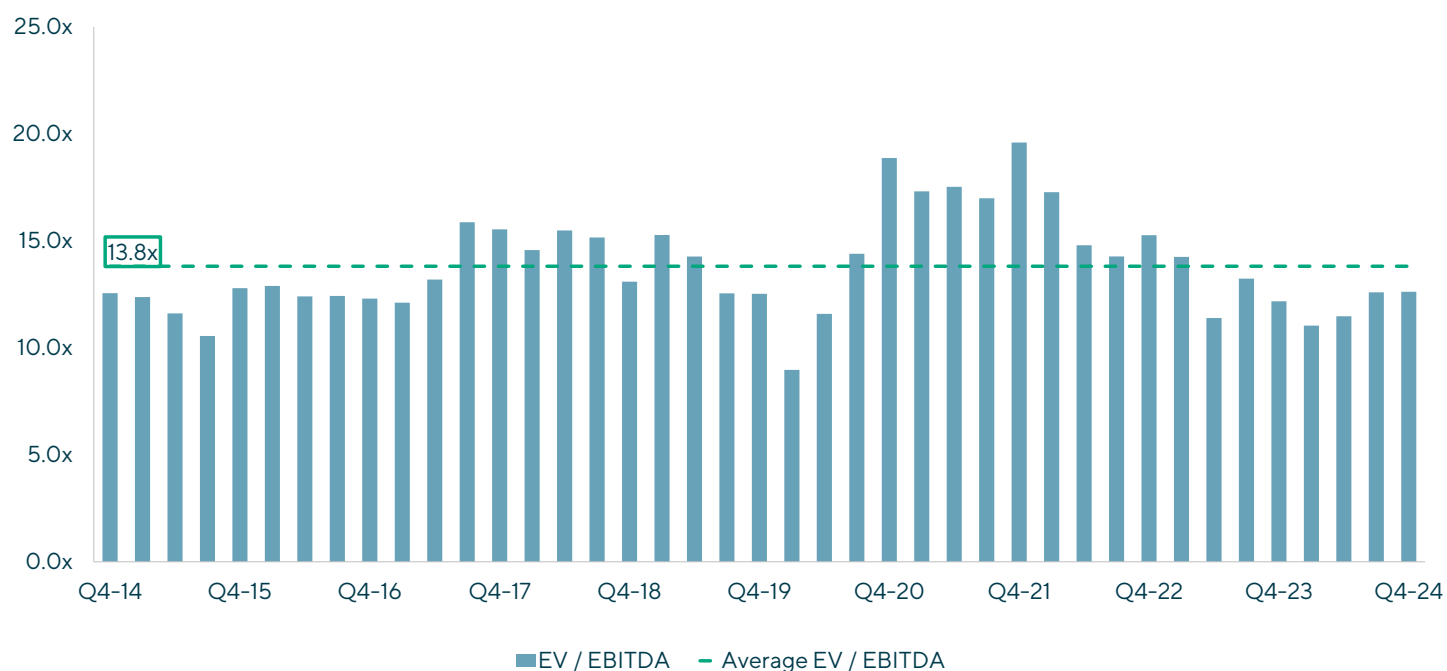
Ultimately, as the industry adapts to evolving buyer and consumer dynamics, M&A activity will remain a driving force in shaping the future of the fitness sector. Connect with Lincoln’s team of dedicated bankers today to learn more about our sector insights through 2025 and beyond.

## M&A and Public Markets Exhibits

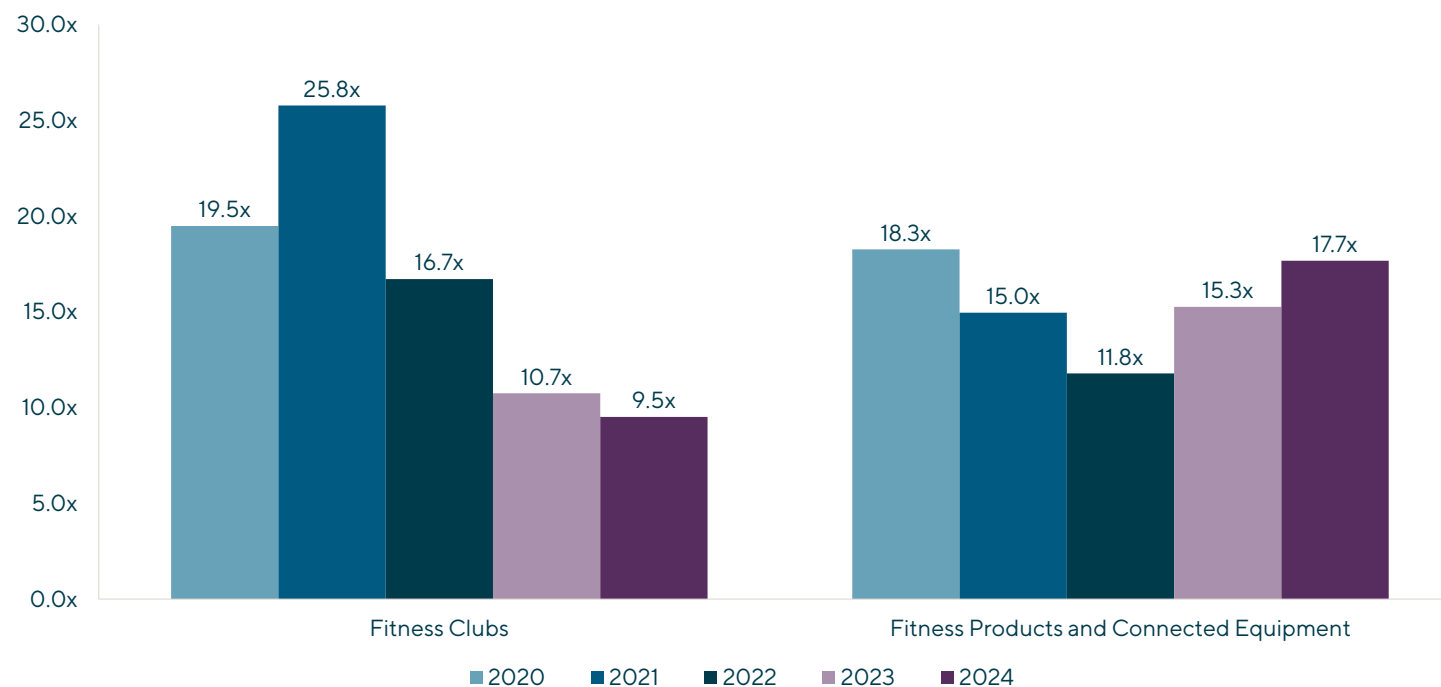
### Lincoln Valuations Group Market Data for Fitness Sector

Valuation Year	Valuation Quarter	EV/LTM EBITDA Avg	# of Deals
2020	Qtr 1	7.5x	17
	Qtr 2	6.9x	13
	Qtr 3	11.8x	9
	Qtr 4	15.0x	6
2021	Qtr 1	n/a	3
	Qtr 2	14.7x	8
	Qtr 3	14.3x	9
	Qtr 4	9.5x	7
2022	Qtr 1	12.3x	6
	Qtr 2	8.9x	5
	Qtr 3	10.3x	7
	Qtr 4	10.0x	8
2023	Qtr 1	11.0x	12
	Qtr 2	10.4x	12
	Qtr 3	10.8x	15
	Qtr 4	9.8x	17
2024	Qtr 1	10.4x	12
	Qtr 2	10.6x	14
	Qtr 3	11.5x	14
	Qtr 4	10.0x	16

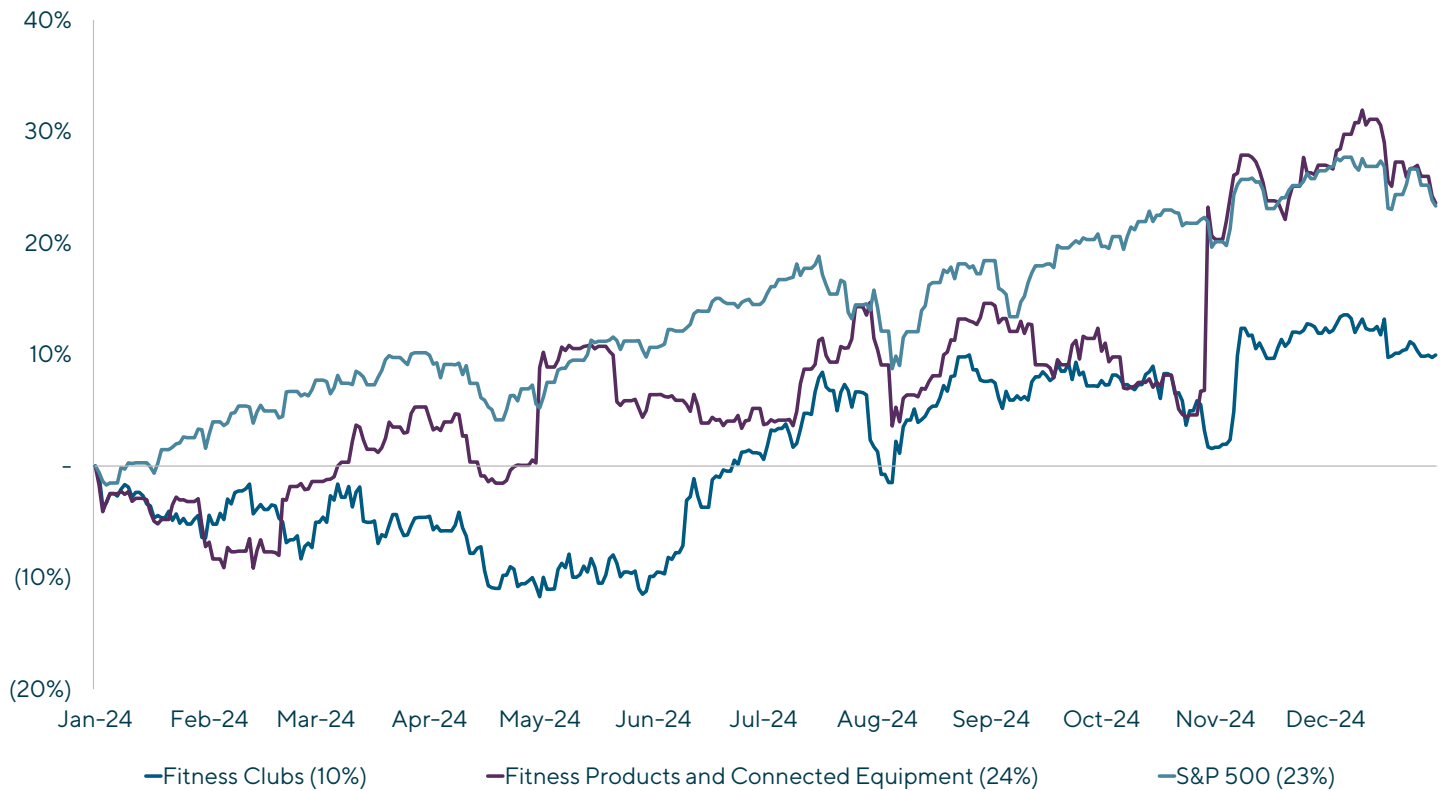
## Fitness Index (EV / EBITDA Multiples)



## EV/LTM EBITDA by Sub-Sector



## 1-Year Stock Performance by Sub-Sector



Ready to discuss the opportunities ahead for you?

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