

TOWN SPORTS INTERNATIONAL HOLDINGS INC

Form 10-K

February 22, 2017

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-K

Annual Report pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2016

Transition Report pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

For the transition period from

Commission file number: 001-36803

Town Sports International Holdings, Inc.

(Exact name of Registrant as specified in its charter)

DELAWARE 20-0640002

(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

5 PENN PLAZA —~~T~~TH FLOOR 10001

NEW YORK, NEW YORK (Zip code)

(Address of principal executive offices)

(212) 246-6700

(Registrant's telephone number,
including area code)

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

Title of Each Class Name of Each Exchange on Which Registered

Common Stock, \$0.001 par value The NASDAQ Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

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 requirement for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part IV of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

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

The aggregate market value of the voting common stock held by non-affiliates of the registrant as of June 30, 2016 (the last business day of the registrant's most recently completed second fiscal quarter) was approximately \$33.9 million (computed by reference to the last reported sale price on The Nasdaq National Market on that date). The registrant does not have any non-voting common stock outstanding.

As of February 17, 2017, there were 26,609,737 shares of Common Stock of the Registrant outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement for the 2017 Annual Meeting of Stockholders, to be filed not later than April 30, 2017 are incorporated by reference into Items 10, 11, 12, 13 and 14 of Part III of this Form 10-K.

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TOWN SPORTS INTERNATIONAL HOLDINGS, INC.
PART I

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (this “Annual Report”) contains disclosures which are “forward-looking” statements within the meaning of Private Securities Litigation Reform Act of 1995, including, without limitation, statements regarding future financial results and performance, potential sales revenue, potential club closures, results of cost savings initiatives, legal contingencies and tax benefits and contingencies, future declarations and payments of dividends, and the existence of adverse litigation and other risks, uncertainties and factors set forth under Item 1A., entitled “Risk Factors,” of this Annual Report and in our other reports and documents filed with the Securities and Exchange Commission (“SEC”). You can identify these forward-looking statements by the use of words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “predicts,” “intends,” “estimates,” “anticipates,” “target,” “could” or the negative version of these words or other comparable words. These statements are subject to various risks and uncertainties, many of which are outside our control, including, among others, the level of market demand for our services, economic conditions affecting our business, the success of our pricing model, the geographic concentration of our clubs, competitive pressure, the ability to achieve reductions in operating costs and to continue to integrate acquisitions, outsourcing of certain aspects of our business, environmental matters, the application of federal and state tax laws and regulations, any security and privacy breaches involving customer data, the levels and terms of the Company’s indebtedness, and other specific factors discussed herein and in other SEC filings made by us. We believe that all forward-looking statements are based on reasonable assumptions when made; however, we caution that it is impossible to predict actual results or outcomes or the effects of risks, uncertainties or other factors on anticipated results or outcomes and that, accordingly, one should not place undue reliance on these statements. Forward-looking statements speak only as of the date when made, and we undertake no obligation to update these statements in light of subsequent events or developments. Actual results may differ materially from anticipated results or outcomes discussed in any forward-looking statement.

Item 1. Business

In this Annual Report, unless otherwise stated or the context otherwise indicates, references to “Town Sports”, “TSI”, “the Company”, “we”, “our” and similar references refer to Town Sports International Holdings, Inc. and its subsidiaries, references to “TSI Holdings” refers to Town Sports International Holdings, Inc., and references to “TSI, LLC” refer to Town Sports International, LLC, our wholly-owned operating subsidiary.

General

Based on the number of clubs, we are one of the leading owners and operators of fitness clubs in the Northeast and Mid-Atlantic regions of the United States (“U.S.”) and one of the largest fitness club owners and operators in the U.S. As of December 31, 2016, the Company, through its subsidiaries, operated 150 fitness clubs (“clubs”). Our clubs collectively served approximately 544,000 members as of December 31, 2016. We owned and operated a total of 102 clubs under the “New York Sports Clubs” (“NYSC”) brand name within a 120-mile radius of New York City as of December 31, 2016, including 35 locations in Manhattan where we are the largest fitness club owner and operator. We owned and operated 28 clubs in the Boston region under our “Boston Sports Clubs” (“BSC”) brand name, 12 clubs (one of which is partly-owned) in the Washington, D.C. region under our “Washington Sports Clubs” (“WSC”) brand name and five clubs in the Philadelphia region under our “Philadelphia Sports Clubs” (“PSC”) brand name as of December 31, 2016. In addition, as of December 31, 2016, we owned and operated three clubs in Switzerland and partly-owned one club that operated under a different brand name in Washington, D.C., We employ localized brand names for our clubs to create an image and atmosphere consistent with the local community and to foster recognition as a local network of quality fitness clubs rather than a national chain.

We develop clusters of clubs to serve densely populated major metropolitan regions and we service such populations by clustering clubs near the highest concentrations of our target customers’ areas of both employment and residence. Our clubs are located for maximum convenience to our members in urban or suburban areas, close to transportation hubs or office or retail centers. Our members include a wide age demographic covering the student market to the

active mature market. In each of our markets, we have developed clusters by initially opening or acquiring clubs located in the more central urban markets of the region and then branching out from these urban centers to suburbs and neighboring communities.

Over our 43-year history, since incorporating in 1973, we have developed and refined our club formats, which allows us to cost-effectively construct and efficiently operate our fitness clubs in the different real estate environments in which we operate. Our fitness-only clubs average approximately 20,000 square feet, while our multi-recreational clubs average

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approximately 38,000 square feet. The aggregate average size of our clubs is approximately 27,000 square feet. Our clubs typically have an open fitness area to accommodate cardiovascular and strength-training equipment, as well as special purpose rooms for group fitness classes and other exercise programs. We seek to provide a broad array of high-quality exercise programs and equipment that are popular and effective, promoting a quality exercise experience for our members. When developing clubs, we carefully examine the potential membership base and the likely demand for supplemental offerings such as swimming, basketball, children's programs, tennis or squash and, provided suitable real estate is available, we will add one or more of these offerings to our fitness-only format. For example, a multi-recreational club in a family market may include Sports Clubs for Kids programs, which can include swim lessons and sports camps for children.

Reportable Segments

During the first quarter of 2016, we began managing and reporting operating results through one reportable segment. Previously, we managed and reported results through two reportable segments: clubs and BFX Studio. Beginning in early 2016, our chief operating decision maker discontinued the review of BFX Studio financial information separately for purposes of making operating decisions and assessing financial performance. Also, in the second half of 2016, all BFX Studio locations were converted to clubs, discontinuing the BFX Studio brand. Accordingly, we now manage and report results through one reportable segment.

Industry Overview

According to the most recent information released by the International Health, Racquet and Sportsclub Association ("IHRSA"), total U.S. fitness club industry revenues increased at a compound annual growth rate of 4.8% from \$21.4 billion in 2011 to \$25.8 billion in 2015, with a 6.6% increase from 2014 to 2015. According to IHRSA, participation in health clubs has been growing steadily with total U.S. fitness club memberships increasing at a compound annual growth rate of 1.8% from 51.4 million in 2011 to an all-time high of 55.3 million in 2015, with a 2.2% increase from 2014 to 2015. According to the IHRSA, the health club industry is witnessing a shift in the preferences of health club members. The club landscape extends beyond traditional, full-service fitness centers that serve local communities and all age groups as well as affordable fitness centers with basic amenities. Studio concepts, including boxing, yoga, Pilates, group cycling, barre, boot camps, and sports-specific training, also shape the club market.

According to the IHRSA, demographic trends have helped drive the growth experienced by the fitness industry over the past decade. The average age of a health club member in 2015 was 39 years old and more than one-fourth of health club members were between the ages of 18 and 34 years old. The greatest membership growth in the past few years has been in the under-18 age group, which has grown 43.9% from 2011 to 2015 and in the over-55 age group, where membership grew 27.5% from 2011 to 2015. These two age groups made up approximately 40% of total U.S. health club members in 2015. The industry has benefited from the "millennials," and aging "baby boomer" and "Eisenhower" generations as they place greater emphasis on their health, including a focus on fitness.

According to the Centers for Disease Control and Prevention, state prevalence of obesity continued to remain high across the country in 2015, with no state with a prevalence of obesity less than 20%. In 2015, 44 states had a prevalence of obesity of 25% or more and 25 of these states had a prevalence of obesity 30% or more. As healthcare costs continue to rise in the U.S., some of the focus on combating obesity and other diseases is being directed at prevention. Both government and medical research has shown that exercise and other physical activity plays a critical role in preventing obesity and other health conditions, thereby reducing healthcare costs for treating obesity related sicknesses.

As the focus on exercise and overall healthy lifestyles continue to impact the health club industry, we believe that we are well positioned to benefit from these dynamics as a large operator with recognized brand names, leading regional market shares and an established operating history.

Competitive Strengths

We believe the following competitive strengths are instrumental to our success:

Strong market position with leading brands. Based on number of clubs, we are one of the leading owners and operators of fitness clubs in the Northeast and Mid-Atlantic regions of the U.S. and one of the largest fitness club owners and operators in the United States. Our strong real estate presence in the New York, Boston, Washington,

D.C., and Philadelphia metropolitan regions enhances convenience to our members. We attribute our positions in these markets in part to the strength of our localized owner and operator brand names, which foster recognition as a local network of quality fitness clubs.

Regional clustering strategy provides significant benefits to members and corporations. By operating a network of clubs in a concentrated geographic area, the value of our memberships is enhanced by our ability to offer members access to any of

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our clubs, which provides the convenience of having fitness clubs near a member's workplace and home. This is also a benefit to our corporate members, as many corporations have employees that will take advantage of multiple gym locations. Approximately 243,000, or 45%, of our members currently have a passport membership, which includes Regional Passport, Passport, and Elite Membership, as well as our corporate and group Passport Memberships, and because these memberships offer enhanced privileges and greater convenience, they typically generate higher monthly dues than our single club memberships in each respective region. Regional clustering also allows us to provide special facilities to all of our members within a local area, such as swimming pools and squash, tennis and basketball courts, without offering them at every location. In the year ended December 31, 2016, 28% of all club usage was by members visiting clubs other than their home clubs.

Regional clustering strategy designed to enhance revenues and achieve economies of scale. We believe our regional clustering strategy allows us to enhance revenue and earnings growth by providing high-quality, conveniently located fitness facilities on a cost-effective basis. We believe that potential new entrants would need to establish or acquire a large number of clubs in a market to compete effectively with us. Our clustering strategy also enables us to achieve economies of scale with regard to sales, marketing, purchasing, general operations and corporate administrative expenses and reduces our capital spending needs. Regional clustering also provides the opportunity for members who relocate within a region to remain members of our clubs, thus aiding in member retention.

Expertise in site selection and development process. We believe that our expertise in site selection and development provides an advantage over our competitors given the complex real estate markets in the metropolitan areas in which we operate and the relative scarcity of suitable sites. Before opening or acquiring a new club, we undertake a rigorous process involving demographic and competitive analysis, financial modeling, site selection and negotiation of lease and acquisition terms to ensure that a potential location meets our criteria for a model club. We believe our flexible club formats are well suited to the challenging real estate environments in our markets.

Business Strategy

In the long-term, we seek to maximize our net member growth, revenues, earnings and cash flows using the following strategies:

Grow membership revenues. We seek to grow our membership revenues in existing clubs through driving membership growth and optimizing dues through price and member retention. We believe our offerings are compelling because we include group exercise classes, top of the line equipment, pools and courts in the price of certain memberships, when available. Our member count increased by 3,000 members for a total member count of 544,000 in 2016 and we will continue to consider and make pricing adjustments in order to increase revenue while also driving membership growth.

Grow ancillary and other non-membership revenues. We intend to grow our ancillary and other non-membership revenues through a continued focus on increasing the additional value-added services that we provide to our members. We offer a multi-session personal training membership product and fee-based Small Group Training classes to generate additional revenue. In 2016, under our Small Group Training classes, we introduced FlexPass and FlexSystem programs at certain clubs. FlexPass allows members to book a wide variety of small group classes in any of our available clubs. These small group classes include offerings such as Ultimate Fitness Experience ("UXF"), Kettle Bells and Circuit Training, etc. FlexSystem programs are designed to help members develop lean muscle mass, increase endurance and build strength. FlexSystem also offers unlimited monthly class membership, which allows members to craft a training program that fits their schedule. In addition, we offer Sports Clubs for Kids programs at select clubs.

Non-membership revenues have decreased from \$101.3 million, or 21.2% of revenues for the year ended December 31, 2012, to \$92.5 million, or 23.3% of revenues for the year ended December 31, 2016. Although we experienced a decrease in non-membership revenues, we plan to remain focused on increasing our ancillary programs in 2017 with continued improvements in training and hiring and building on ancillary programs such as our fee-based class offerings. In January 2017, we teamed up with the Gronkowski family to launch the Gronk Fitness Program. This program, available exclusively at Boston Sports Clubs, introduces "Practical Sports Interval Training", which is a system created by the Gronkowski family and inspired by the proven techniques of National Football League trainers.

This Gronk Fitness Program is designed to help people stay strong, toned, healthy, fit, and focused while committed to their long term goals. In 2017, we will also continue to remain focused on improving our personal training membership products. Personal training revenue increased 1.3% over this five-year period and increased as a percentage of total revenue from 13.7% in 2012 to 16.8% in 2016. These sources of ancillary and other non-membership revenues generate incremental profits with minimal capital investment and assist in attracting and retaining members.

Enter into arrangements with revenue generating partnerships. We intend to utilize our valuable real estate to form partnerships with premium boutique fitness providers, some of which will utilize a “shop-in-shop” concept. Our partnerships

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utilizing the “shop-in-shop” concept are Tone House Fitness, LLC and Cyc Fitness Partners, LLC. We believe this “shop-in-shop” model will lead to benefits for both parties, which includes, but is not limited to, leveraging co-location public relations and marketing, mutually beneficial foot traffic, member conversion opportunities, merchandise sales, ride and personal training packages.

Optimization of our clubs. We remain committed to optimizing our existing club base, including through club closures when appropriate. During 2016, we opened one club, converted two BFX Studio locations to clubs and closed five clubs. We are also considering the sale of clubs or groups of clubs. In the event we build and acquire new clubs, the club expansion is expected to be funded with cash on hand or through internally generated cash flows. Retain members by focusing on the member experience. Our Company’s mission has evolved into “Bring the best out of every body.” We enact our mission through our “Clubhouse Rules,” which provide a clear road map for how we want our clubs to look and how we want to serve our members. This is the core of our member experience strategy and allows us to crystallize how we engage our staff to deliver a superior member experience. We tailor the hours of each club to the needs of the specific member demographic utilizing each club and offer a variety of ancillary services, including personal training, group classes, Small Group Training, Sports Clubs for Kids programs. We offer a variety of different sports facilities in each regional cluster of clubs; modern, varied and well-maintained exercise and fitness equipment; and an assortment of additional amenities including access to babysitting. Through hiring, developing and training a qualified and diverse team that is passionate about fitness and health; maintaining and enhancing our programs and services; continually increasing our attention to individual member needs; and investing in our digital ecosystem, we expect to demonstrate our commitment to increase the quality of the member experience, and thereby increase net membership. To better measure the member experience, we utilize member surveys, website feedback and social media to help analyze the areas we can improve upon as well as the areas in which the members are satisfied overall.

Provide fitness experiences and services. We help educate our members to best practices in their pursuit of fitness, wellness and healthy lifestyles and each of our clubs has an array of cardiovascular machines, resistance training equipment, free weights and functional training zones. We have technicians who service and maintain our equipment on a timely basis. In addition, we have personal viewing television screens on most pieces of cardiovascular equipment which accommodate individual preferences and viewing, and many cardio machines now include embedded technology that offers both entertainment and tracking features that record workout results and communicate with many mobile technologies. Most clubs have between one and three studios used for exercise classes, including at least one large studio used for most group exercise classes, a cycling studio and a mind and body studio used for yoga and Pilates classes. We further offer a large variety of group fitness classes at each club and these classes are accessible to all members. The volume and variety of activities at each club allow each member to enjoy the club, whether customizing their own workout or participating in group activities and classes.

In addition, as part of our efforts to provide fitness equipment and services, our club formats are flexible and can easily adapt and respond to the changing demands of our customers. This flexibility allows us to compete against private studios with unique specialty offerings by adapting the space and formats in our own clubs to match the offerings provided by these private studios. We have a functional training zone within our clubs that features an array of innovative equipment designed to maximize the member’s workout. The functional training zone is approximately 800 to 1,200 square feet with AstroTurf flooring, a Total Body Resistance Exercise (“TRX”) suspension training frame and a variety of functional training equipment including Kettle Bells, Battling Ropes and Power Sleds. In 2017, we will focus on creating a second functional training zone in certain clubs. This new functional training zone will feature a variety of functional training equipment, which will include, but is not limited to, a rig, lifting platforms, performance treadmills, sand bags, dumbbells and kettle bells. Our functional training zones are open to members for free self-guided workouts, personal training sessions and fee-based programs.

Marketing

Our in-house marketing team is responsible for brand positioning, brand strategy, and product innovation for all of TSI’s regional brands. The primary objective is to ensure that our regional brands seize market share and opportunities through well-defined and coordinated go-to-market strategies that focus on being a premier network of fitness clubs.

We are organized to enable close collaboration between our marketing, sales, fitness and operations staff, which helps to align efforts around operational objectives and new product development. We seek to inspire brand experiences and in doing so, drive sustainable and quality growth, while building a strong reputation and loyalty with members. In order to have credible and authentic connections to create such desirability with our members, we utilize a market segmentation strategy which includes targeted marketing in addition to mass marketing. We seek to identify and understand consumers' individual motivations and goals for exercising in an effort to create meaningful products, services and experiences that build a lasting impression and brand loyalty.

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Sales

We sell our memberships primarily through three channels: direct sales at the club level; through corporate and group sales; and through our online website. We employ approximately 400 “in-club” membership sales consultants who are responsible for new membership sales in and around their designated club locations. Each club generally has two to three membership sales consultants. These consultants report directly to the club general manager, who, in turn, reports to a business director. Membership sales consultants complete a classroom based sales training followed by ongoing training within the club environment. Training includes hands on experience of the entire sales process (from prospecting to after care) and product knowledge in what we consider a live but supervised environment. Through our corporate and group sales approach we concentrate on building long-term relationships with local and regional companies, organizations and other large groups. We also manage private fitness centers for both large and small corporations, colleges and universities, and private clubs. As of December 31, 2016, these managed sites include three managed university locations, and eight managed sites.

We also sell individual memberships online at www.mysportsclubs.com for our standard membership types and the website also enables us to sell memberships for pre-established corporate and group programs. The website also allows our members to give us direct feedback about our service levels and enables prospective members to sign up for a free one-day pass or purchase a 30 day guest pass. The online sales channel offers a high degree of convenience for customers who know and trust our brand and do not require up-front interaction with a membership sales consultant to make their decision. In addition, selling online significantly reduces our cost of sale. The web site also provides information about club locations, program offerings, exercise class schedules and sales promotions. Job seekers can also begin the employment application process through the site and investors can access financial information and resources.

Memberships

We believe that clustering clubs allows us to sell memberships based upon the opportunity for members to utilize multiple club locations near their workplace and their home. As of December 31, 2016, we offered the following types of memberships at our clubs:

The Neighborhood Membership (previously named Premier Membership) allow members unlimited use of a single “home club.” Membership dues for the Neighborhood Membership generally sold in the range of \$19.99 to \$59.99 per month.

The Neighborhood Plus Membership entitles members to use certain defined clubs within a region. Membership dues for the Neighborhood Plus Membership generally sold in the range of \$29.99 to \$44.99 per month.

The Regional Passport Membership entitles members to use any of our clubs within a region. Membership dues for the Regional Passport Membership generally sold in the range of \$59.99 to \$74.99 per month.

The Passport Membership entitles members to use any of our clubs in any region, except for Elite clubs, as described below. Membership dues for the Passport Membership generally sold in the range of \$69.99 to \$79.99 per month.

The Elite Membership (previously named as Premium Membership), available at five of our clubs that have a greater array of member services and facilities. Similar to the Passport Membership, the Elite Membership also entitles members to use any of our clubs in any region. Membership dues for the Elite Memberships generally sold in the range of \$84.99 and \$189.99 per month.

The membership prices above are dependent on club location and whether the member joins under a “month-to-month” or a “commit” contract. A member may cancel a commit membership at any time for a fee. Under the commit model, new members commit to a one year membership, generally at a lower monthly rate than a month-to-month membership. When the members’ commit period is over, they retain membership as a month-to-month member until they choose to cancel. As of December 31, 2016, approximately 90% of our total members were on a month-to-month basis.

In joining a club, a new member signs a membership agreement that typically obligates the member to pay fees (“Joining Fees”) including a one-time initiation fee and the first annual fee. Initiation fees generally range between \$0 and \$29 while the annual fee generally charged between \$59.99 and \$69.99 for all memberships. These one-time Joining Fees averaged \$61, \$72 and \$75 per sale for the years ended December 31, 2016, 2015 and 2014, respectively.

The annual fee is also charged on each anniversary of the enrollment date, however is no longer considered a joining fee after the first payment.

Monthly electronic fund transfers (“EFT”) of individual membership dues on a per-member basis, including the effect of promotions, averaged approximately \$45, \$50 and \$59 per month for the years ended December 31, 2016, 2015 and 2014, respectively. Currently, approximately 99% of our members pay their membership dues the first of each month through EFT,

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with EFT membership revenue constituting approximately 72.9% of total consolidated revenue for the year ended December 31, 2016.

Usage

Our total club usage, based on the number of member visits, was 31.7 million and 30.8 million member visits for the years ended December 31, 2016 and 2015, respectively. In the year ended December 31, 2016, approximately 28% of total usage or club visits was to members' non-home clubs, indicating that our members take advantage of our network of clubs.

Our membership plans allow for club members to elect to pay a per visit fee of \$12.95 to use clubs that are not defined in their membership plan. In the aggregate, approximately \$1.0 million and \$719,000 of usage fees were generated in 2016 and 2015, respectively. The increase in usage fees was primarily due to a decline in the number of Passport members. Consequently, more club members elected to pay for a per visit fee when using a club that is not defined in their membership plan. Usage fees are reported in membership dues in our consolidated statements of operations.

Non-Membership Revenue

The table below presents non-membership revenue components as a percentage of total revenue for the years ended December 31, 2012 through 2016.

	For the Years Ended December 31, (\$ in thousands)									
	2016	%	2015	%	2014	%	2013	%	2012	%
Total revenue	\$396,921	100.0%	\$424,323	100.0%	\$453,842	100.0%	\$470,225	100.0%	\$478,981	100.0%
Non-Membership Revenue:										
Personal training revenue	66,487	16.8 %	73,191	17.3 %	70,338	15.5 %	66,367	14.1 %	65,641	13.7 %
Other ancillary club revenue(1)	19,642	4.9 %	22,138	5.2 %	22,304	4.9				