



FIRST RESEARCH

INDUSTRY PROFILE

# Fitness Equipment Manufacturing

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## About First Research

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## Industry Overview

Companies in this industry manufacture exercise equipment such as treadmills, exercise bicycles, resistance machinery, and weights and weightlifting equipment. Major companies include: Cybex International and Life Fitness, iFit, Nautilus, and Peloton Interactive (all based in the US); as well as Amer Sports (Finland); Dyaco International and Johnson Health Tech (both based in Taiwan); Nantong Yida Sports (China); Northern Lights (Canada); and Schnell Trainingsgeräte (Germany).

Worldwide, the rise of obesity and incidence of weight-related health problems such as diabetes, hypertension, and heart disease increase the concern about health and drives use of fitness equipment. Global sales of at-home fitness equipment are expected to have a compound annual growth rate of 5.8% by 2032, according to the Fortune Business Insights. Besides North America, markets such as the Asia/Pacific region, Latin America, and the Middle East drive growth.

The US fitness equipment manufacturing industry, a subset of the sporting goods manufacturing industry, includes about 1,600 establishments (single-location companies or units of multi-location companies) with combined annual revenue of about \$10 billion.

## Competitive Landscape

Demand is driven by consumer income and demographic trends. The profitability of individual companies depends on unique product designs and effective marketing. Large companies have some advantages in **brand recognition**, but small companies can compete effectively by building unique products.

The US sporting and athletic goods manufacturing industry, which includes makers of fitness equipment, is concentrated: the top 50 companies account for about 70% of revenue.

## Products, Operations & Technology

Major products include athletic goods, which account for about 30% of the industry's revenue, followed by gymnasium and exercise equipment (20%). Other products include golf equipment (about 15%).

Products for **home use** are mainly treadmills and exercise bikes. **Cost** is a primary consideration, so home equipment is generally built with lighter materials, as it is rarely used more than one hour per day. Products sold to **fitness clubs** include a wide range of equipment, with treadmills, exercise bikes, and ellipticals being among the most popular. Weightlifting machines and free weights tend to appeal more to men. Since a typical club owns dozens of pieces of fitness equipment, initial cost is a major consideration, but since equipment in a club is used very intensively, **durability** is even more important. A club treadmill or exercise bike may be used more than 12 hours per day, seven days a week. Accordingly, equipment sold to clubs is more sturdily built and costs more than that sold to the home market. However, consumers are beginning to demand equipment that is similar in feel to the sturdier equipment in use at commercial gyms.

Most fitness equipment consists of a mechanical portion that provides resistance to a muscular activity, and an electronic portion that interfaces with the user that allows resistance adjustment and provides a wide variety of information about the amount of exercise the user gets. **Treadmills** consist basically of a motor and a wide belt stretched between two rollers and supported by a deck. Because they absorb greater force from individuals running on them, treadmills must be built more sturdily than bikes and stair steppers. Exercise bikes, ellipticals, and stair climbers use sprocket chains, pulleys, ratchets, and a variety of resistance mechanisms. Weightlifting machines consist mainly of levers, pulleys, and weights.

Although large companies may have more than one production facility, most manufacturers have a single production plant that includes metal fabrication, plastics molding, and welding and painting operations. Handling metals, plastics, and paints means that environmental issues have to be addressed. Manufacturers hold patents on various features of their equipment, and new fitness equipment is constantly being developed to build more efficient machines that produce better results or desirable features. Product **innovation** is important because users, especially in clubs, can become bored with equipment and want new workout metrics. Styling and various electronics allow users to customize their workouts by setting the time, pace, and resistance, and can also provide information on heart rate and calories burned. Such features are an important way for manufacturers to differentiate their products.

## Technology

Many companies have increased their focus on IT security. With sophisticated criminals making data breaches a more common event, fitness equipment manufacturers have invested in security measures to protect sensitive customer, employee, and vendor information. A security breach may cause customers to lose confidence in the

company and subject the firm to financial liability. Also, fitness equipment manufacturers need to safeguard technological innovation with patent and trademark protection, particularly with products made with embedded technology that helps users improve training and performance.

Wearables, such as wrist activity trackers, posture enhancers, watches, eyewear and tech clothing, are being used extensively by gyms, personal trainers and their clients. The industry of wearable technology is huge and estimated to reach about \$493 billion by 2029, according to Mordor Intelligence. The new generation of smart gym equipment includes Bluetooth connectivity equipped spin cycles, treadmills and step machines and even virtual reality. Drones integrated into outdoor fitness and exercise programs are now being used in the gym to capture a 360 view of training programs and performance constantly reviewing, adjusting and pushing the boundaries to achieve certain results.

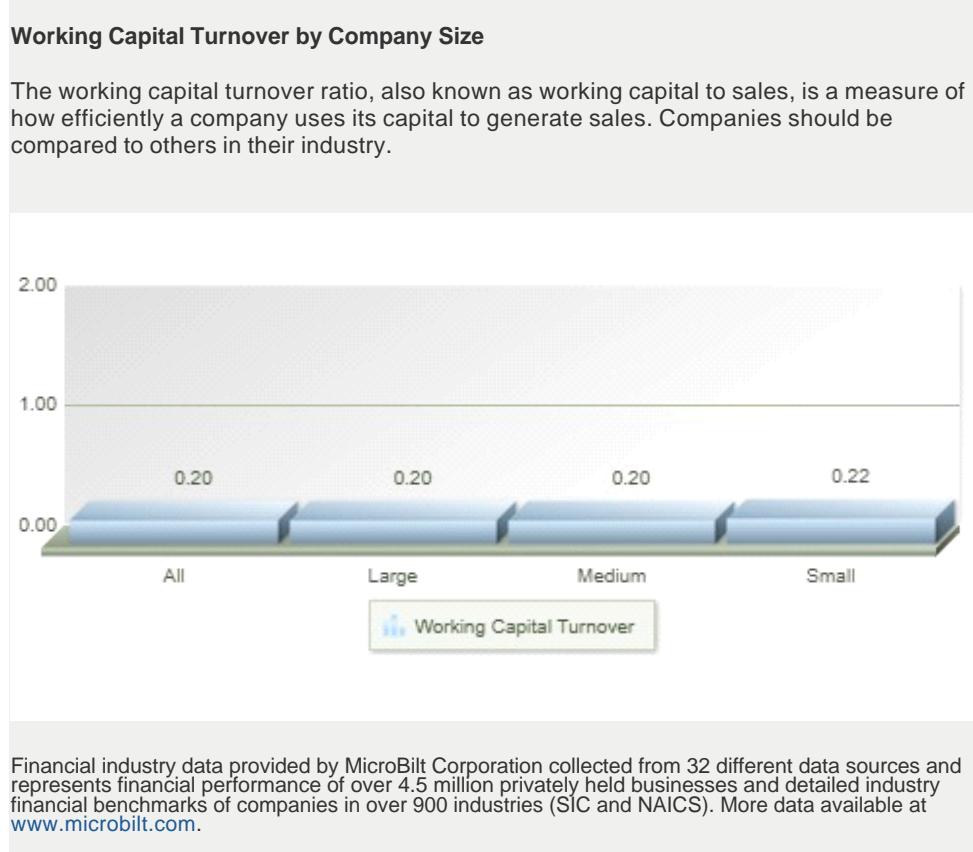
## Sales & Marketing

Sales to the home market are primarily through mass merchants. Manufacturers may sell directly to retailers or through distributors. Most of the large manufacturers also offer direct sales over the internet. Amazon accounts for roughly 10% of sales for Nautilus. Some products are heavily advertised on TV and in health and fitness magazines. Prices for home treadmills generally have an average cost of about \$600. Some consumers who put in a home gym want equipment similar to the machines they use at a health club and are willing to pay much higher prices for top-of-the-line equipment.

Sales to the club market are either by direct sales or through distributors. Because club equipment is expensive, some manufacturers offer purchase and lease financing, either directly or through arrangements with a third party. Warranties and service contracts are an important feature of sales to clubs. Manufacturers train dealer personnel to provide maintenance and repair service to dealer customers.

## Finance & Regulation

Revenue is seasonal, typically rising in fourth quarter as retailers and clubs gear up for holiday sales and a spurt of indoor exercise inspired by New Year's resolutions. Some companies arrange sales financing for commercial customers. Insurance is an important consideration, because end-users may injure themselves using the equipment.



## Regulation

US manufacturers of fitness equipment are subject to various federal regulations concerning workplace safety by the Occupational Safety and Health Administration (OSHA) and environmental pollution by the Environmental Protection Agency (EPA). Fitness equipment manufacturers also must comply with rules issued by the Consumer Product Safety Commission (CPSC) and the Federal Trade Commission (FTC).

## International Insights

Worldwide, the rise of obesity and incidence of weight-related health problems such as diabetes, hypertension, and heart disease increase the concern about health and drives use of fitness equipment. Global sales of at-home fitness equipment are expected to have a compound annual growth rate of 5.8% by 2032, according to the Fortune Business Insights. Besides North America, markets such as the Asia/Pacific region, Latin America, and the Middle East drive growth. Major companies based outside the US include Amer Sports (the Finland-based owner of Precor), Dyaco International (Taiwan), Johnson Health Tech (Taiwan); Nantong Yida Sports (China), Northern Lights (Canada), and Schnell Trainingsgeräte (Germany).

Around the world, the rise of obesity, diabetes, and heart disease drives concern for health. Awareness of the benefits of healthy living, in turn, drives sales of fitness equipment.

Because the manufacture of fitness equipment often has a large labor input, many manufacturers use factories located in low-wage countries like China. Large manufacturers typically utilize distribution networks that span dozens of countries.

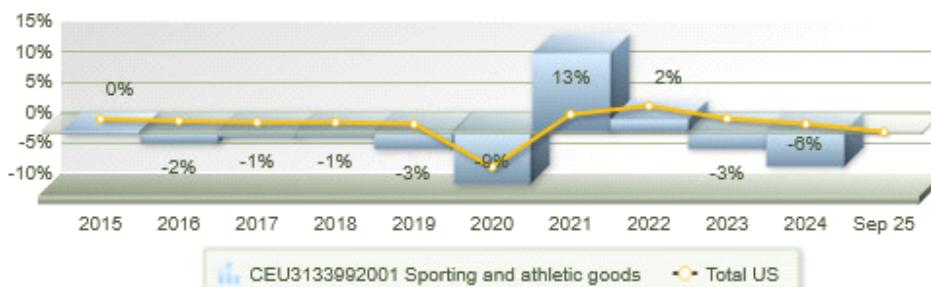
## Regional Highlights

In the US, fitness equipment manufacturers tend to be located in areas with strong manufacturing labor pools and low construction costs. The largest US companies are headquartered in [Illinois](#) (Brunswick), [Washington](#) (Precor and Nautilus), and [Utah](#) (ICON Health & Fitness). Major fitness equipment manufacturing establishments are located in [California](#), [Florida](#), and [Texas](#). Some fitness equipment makers have regional offices that oversee installation and maintenance services for commercial fitness customers, which are mostly located in large cities and suburbs with dense, growing populations.

## Human Resources

Precision assemblers, who work for manufacturers of more sophisticated fitness equipment, are skilled workers who put together a wide range of finished products from manufactured parts or subassemblies. Other skilled employees include mechanical and electrical engineers and CAD (computer-aided design) operators. Average hourly wages for production workers in the US sporting and athletic goods manufacturing industry, which includes makers of fitness equipment, are slightly lower than the national average. Injury rates for the US sporting and athletic goods manufacturing industry are moderately higher than the national average.

Industry Employment Growth  
Bureau of Labor Statistics



## Industry Growth Rating



Demand: Tied to consumer income and demographics  
Need unique product designs  
Risk: Changing consumer fitness preferences and fads

## Industry Indicators

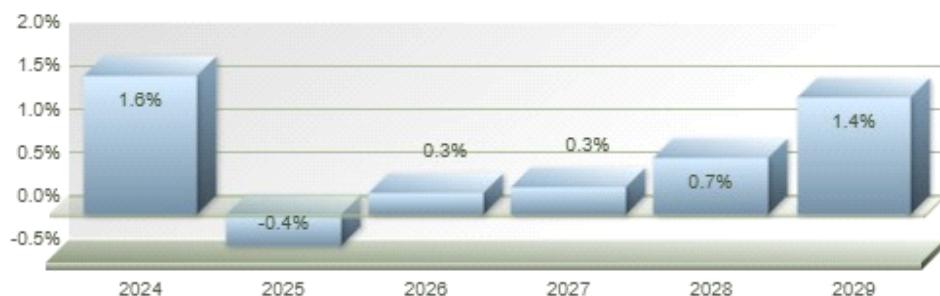
US corporate profits, an indicator of the ability of corporations to purchase fitness equipment for employees, rose 4.30% in the second quarter of 2025 compared to the same period in 2024.

US manufacturers' shipments of miscellaneous durable goods, an indicator of demand for fitness equipment, rose 2.10% year-to-date in July 2025 compared to the same period in 2024.

US retail sales for sporting goods, hobby, book, and music stores, a potential measure of fitness equipment demand, increased 0.50% in the first nine months of 2025 compared to the same period in 2024.

## Industry Forecast

Revenue (in current dollars) for US sporting goods and toys, which includes fitness equipment, are forecast to flatten at an annual compounded rate of 0% between 2024 and 2029, based on changes in physical volume and unit prices. Data Published: July 2025



First Research forecasts are based on INFORUM forecasts that are licensed from the Interindustry Economic Research Fund, Inc. (IERF) in College Park, MD. INFORUM's "interindustry-macro" approach to modeling the economy captures the links between industries and the aggregate economy. [Forecast FAQs](#)

## Industry Drivers

Changes in the economic environment that may positively or negatively affect industry growth.

Data provided by First Research analysts and reviewed annually



**Energy Prices** Change in crude oil and related energy prices



**Consumer Spending** Change in overall level of consumer spending on goods and services

## Critical Issues

**Health Pandemic Impact** - The effects of health epidemics or pandemics such as COVID-19 may disrupt production for certain products. These include the ability to deliver products to customers on a timely basis, reducing demand for products or forcing them to incur remediation costs, any of which may have a material adverse effect on results of operations and financial condition. The fitness industry has experienced its fair share of turmoil as governments mandate the closure of all non-essential public places, including gyms.

**Demand Subject to Fashion** - Fitness equipment manufacturers compete and typically have challenges in connection with the rapid changes in consumer preferences. The popularity of various equipment types has changed over the years: exercise bikes were once the most popular aerobic fitness equipment, followed by rowing machines. Now treadmills and elliptical trainers are the mainstays of most gyms. Manufacturers must combat workout boredom with new features and new designs and develop products that fit many lifestyles.

## Business Challenges

**Advances in Technology** - Fitness equipment manufacturers must innovate products as sales are reliant on the development of new technology. Consumers demand enhancements through systems that reduce impact, monitor heart rate, deliver better performance metrics, and feature interconnectivity. While mechanical expertise is necessary, new experiential and operations technologies will drive future growth. Large companies have more resources to allocate to R&D, which leads to quicker and more dramatic improvements in product design. Smaller companies, including startups, can hone in on innovating a single product type.

**Liability Concerns** - Fitness equipment manufacturers must carry significant insurance against liability claims. Because the risk of expensive damages can be quite high, liability insurance can be expensive or difficult to obtain. Companies may also set aside reserves to cover unexpected costs associated with litigation and product recalls.

**Dependence on Access to Fitness Clubs** - While the retail at-home equipment market is an important demand driver for fitness equipment, new products are frequently introduced first into fitness clubs. New technology is frequently tested in the commercial marketplace, providing critical information about popularity and effectiveness. It then often migrates into the consumer retail market at a more affordable price point.

## Business Trends

**Specialized Equipment** - Fitness equipment manufacturers are producing more specialized equipment for separate fitness market segments. Manufacturers often produce models for distinct market segments: commercial health clubs, low-supervision facilities, and home use. Some homeowners with home gyms are providing a market for heavy-duty equipment that mimics commercial gym equipment.

**Older Population Growing Rapidly** - More physically active than their parents, baby boomers are turning to fitness equipment that is less stressful on their bodies than running or playing tennis. Older members tend to gravitate toward machines and classes that are easier on knees and hips, such as the treadmill, recumbent bike, free weights, yoga, Pilates, and low-impact aerobics. Manufacturers must start targeting special equipment that provides a safe exercise program to prevent falls for elderly Americans.

**Used Equipment Sales** - To capitalize on the vast numbers of Americans who buy new fitness equipment according to the latest exercise trends and end up not using it, fitness equipment retailers are offering buybacks, trade-ins, and

consignments of older equipment. Some retailers also offer commercial trade-ins, allowing fitness centers to keep their equipment up-to-date. The impact of this trend on manufacturers is uncertain, as those selling used equipment are also most likely to continue to buy the newest equipment, while those who buy used equipment are less likely to buy high-end new equipment.

## Industry Opportunities

**Improved Metrics and Connectivity** - To differentiate their products among competitors, manufacturers have added personalized electronic and connectivity features that engage the user. With prices already in the thousands, adding a few hundred dollars to add cutting-edge electronics can only help sales of treadmills and exercise bikes. Most aerobic fitness products like treadmills, exercise bikes, and stair climbers now provide personalized exercise metrics. New models have internet connections, built-in audio guides, and display screens. Some companies such as high-tech exercise bike maker Peloton have found success streaming live workouts to their equipment.

**Increasing Obesity Worldwide** - With rising rates of obesity worldwide, demand for fitness equipment should stay high during the next decade. Treadmills are the equipment of choice for many people trying to lose weight, because the exercise can be started at a low level and performed indoors. Manufacturers can reach out to sedentary adults by using advertising images and equipment designs appealing specifically to them.

**Private Communities Offer Fitness Amenities** - Upscale apartment complexes and gated communities offer high-tech workout equipment and wellness centers complete with professional staff. The square footage allotted to fitness amenities is a selling point to residents, with more communities offering indoor and outdoor spas, aquatic centers, and sports facilities. Community planners are positioning their communities for youthful-minded residents pursuing an active lifestyle.

**Boutique Fitness Studios** - The growing popularity of indoor cycling, kickboxing, and other small-group classes at high-end fitness studios is creating opportunities for fitness equipment makers to increase sales of specialized workout equipment. Boutique studio chains like SoulCycle, Equinox, and Orangetheory Fitness are rapidly opening new locations as demand continues to rise. Companies that supply products such as stationary bikes, kickboxing gear, and suspension training systems to boutique studios could benefit from the sector's strong growth and wide profit margins.

## Executive Insight

### Chief Executive Officer - CEO

#### Achieving Leadership in Key Products

In a largely fragmented industry, many companies strive to differentiate themselves. Companies generally specialize in an area such as cardiovascular equipment, weight machines, cycles, home gyms, or aerobic equipment. Companies invest in developing features such as electronic monitoring and displays to differentiate their products, and spend heavily to tout the benefits of that training and machine. Once a brand has been established, the company uses the brand to pull through other equipment.

#### Creating Strategies to Focus on New Fitness Demographics

New demographic groups are interested in exercise and fitness that the industry historically hasn't serviced. As Americans become more concerned about obesity and health issues, such as heart problems and diabetes, physicians are recommending increased activity and fitness levels as part of the treatment for these and many other health concerns. Companies offer an increased number of products for women who increasingly are interested in fitness and good health, and equipment designed for older consumers who want to maintain a fit and active lifestyle.

### Chief Financial Officer - CFO

#### Financing Acquisitions

Because fitness equipment companies find it difficult to expand into new product lines, they often branch out via acquisition. Consolidation among fitness equipment manufacturers had been considerable as companies expanded their market or product base or improved their distribution efficiencies. For example, Life Fitness owner Brunswick added to its fitness equipment holdings by acquiring Cybex International in 2016. Mergers are typically

completed through exchanges of stock; acquisitions are typically financed with debt.

#### **Financing Club Purchases**

Fitness centers generally finance the more durable expensive exercise equipment made for clubs. Fitness centers depend on serving the changing demographics of their locale, but because of heavy debt loads many banks won't finance additional club fitness equipment. Some manufacturers offer purchase and lease financing programs to health clubs for either new or used equipment. Sales financing is either directly by the manufacturer or the manufacturer arranges it through a third party.

### **Chief Information Officer - CIO**

#### **Supply Chain Management**

CIOs must manage the raw materials that go into the manufacture of their fitness equipment. Steel, plastic, foam, and other products must be sourced and delivered to the factory as efficiently as possible to avoid waste and to ensure that the right materials are available during the manufacturing process. Supply chain management operations are also responsible for quality, productivity, and other measurements that affect a company's productivity.

#### **Slashing Costs While Building Infrastructure**

IT departments are not recession-proof. Companies cut budgets and fire workers, and CIOs must continue to build technology infrastructure with fewer resources. CIOs must educate themselves on the latest technology that can help them maximize their services at a minimal cost.

### **Human Resources - HR**

#### **Recruiting Specialized Personnel**

With computerization and customization of much fitness equipment, manufacturers have specific engineering and consulting needs that never before existed. Companies hire software engineers to design the computer screens and graphics now embedded in many machines. Firms hire fitness consultants to train retail store personnel and large fitness center staffs on the machines' operation and minor maintenance. Companies offer specialized workers complete benefit packages including wellness evaluations and monitoring.

#### **Administering Employee Performance-Driven Compensation Plans**

Many companies have established performance-driven bonus plans based on both company and individual performance standards and objectives. Salespeople and product development engineers who are critical to companies' success may be motivated by opportunities to win bonuses. HR professionals set realistic goals, so that bonuses are neither out-of-reach nor automatic.

### **VP Sales/Marketing - Sales**

#### **Innovating Products with Style**

Users become bored with fitness equipment and their exercise preferences change. Fitness customers demand that stylistic features be added to equipment, including different machine controls and monitoring functions. Companies add such innovations as a way to differentiate themselves. Product and design innovation are key to growth.

#### **Offering Specialized Equipment**

Because many companies have the same product offerings, the main differentiators are price and features. Many fitness equipment manufacturers are making more specialized equipment for particular segments as a way to command brand presence and dominance. Cybex introduced separate treadmills for distinct markets in hopes of further promoting the product line in both the home and fitness club segments. Other manufacturers design equipment for older adults, children, or overweight users.

### **Executive Conversation Starters**

### **Chief Executive Officer - CEO**

### **How does the company differentiate itself?**

Companies invest in developing such features as electronic monitoring and displays.

### **What strategies does the company have to adapt to changing demographics?**

The aging population and increasing obesity provide new product possibilities.

## **Chief Financial Officer - CFO**

### **How might the company be impacted by more acquisitions in the industry?**

Consolidation of fitness equipment manufacturers has been considerable as fitness equipment makers find it difficult to expand within their specialty.

### **How does the company help customers finance purchases?**

Many manufacturers help customers arrange third-party financing.

## **Chief Information Officer - CIO**

### **How does the company incorporate supply chain management in its operations?**

Supply chain management allows IT departments to manage raw materials, avoid waste, and measure quality and productivity.

### **How does the company maintain IT services when business is slow?**

CIOs try to stay on top of technology trends that allow them to work more efficiently while keeping costs low.

## **Human Resources - HR**

### **How important are software engineers to the company's plans?**

Experienced software engineers may be difficult to find.

### **How much is individual performance built into compensation formulas?**

Engineering and sales staff often have specific performance goals.

## **VP Sales/Marketing - Sales**

### **What modified versions of existing equipment is the company planning?**

Users prefer a steady stream of new equipment, even if the basic operation is the same.

### **How does fitness market segmentation impact the company?**

Many companies make specialized equipment for segments such as professionals or children.

## **Call Prep Questions**

## **Conversation Starters**

### **How does health epidemic or pandemic affect fitness equipment manufacturers?**

The effects of health epidemics or pandemics such as COVID-19 may disrupt production for certain products.

### **How does the company identify and design equipment for the latest exercise trends?**

Fitness equipment manufacturers compete and typically have challenges in connection with the rapid changes in consumer preferences.

### **How does the company maintain technology leadership?**

Fitness equipment manufacturers must innovate products as sales are reliant on the development of new technology.

### **What are the company's plans for incorporating more technology and connectivity in its equipment?**

To differentiate their products among competitors, manufacturers have added personalized electronic and

connectivity features that engage the user.

**How can the company benefit from global concern over obesity?**

With rising rates of obesity worldwide, demand for fitness equipment should stay high during the next decade.

**How can the company take advantage of the growth of fitness facilities in private residential communities?**

Upscale apartment complexes and gated communities offer high-tech workout equipment and wellness centers complete with professional staff.

## Operations, Products, and Facilities

**What types of equipment does the company produce?**

Major products are treadmills, exercise bikes, stair climbers, and rowing and weightlifting machines.

**How many production facilities does the company operate?**

Many producers are small companies with just one facility.

**How does the company mitigate the risk of product liability?**

Product liability is a real concern for manufacturers and distributors.

**How does the company adjust to seasonal demand cycles?**

Manufacturer sales are generally higher in fourth quarter.

## Customers, Marketing, Pricing, Competition

**Does the company produce for the home or club segment of the market?**

Although the products are similar, most companies produce for one segment or the other.

**Who are the major customers? Mass merchandisers, health clubs, sporting goods distributors?**

Most companies sell to the consumer through retailers and to commercial customers through their own sales force or distributors.

**Does the company target a specific market?**

Some companies specialize in the commercial market, others the consumer sector.

**Does the manufacturer produce different versions of equipment for different markets?**

Fitness equipment manufacturers now produce more specialized equipment for separate fitness market segments.

**What advertising does the company do?**

Advertising in trade journals is common. Consumer advertising is on TV and in magazines.

## Regulations, R&D, Imports and Exports

**How does the company incorporate overseas markets into its strategy?**

This is most likely for premium products.

**What role does foreign manufacturing play in the company's operations?**

Some companies use foreign manufacturers.

**How much is the company spending to research new equipment designs?**

Many companies allocate funds toward R&D, since innovation is highly prized in the industry.

**How often does the company introduce models?**

Product cycles are typically short, sometimes only a few years.

**How does the company identify and design equipment for the latest exercise trends?**

Consumers are constantly looking for new exercise equipment features.

**How does the company manage compliance with OSHA and EPA requirements?**

Manufacturers are subject to a wide range of regulations.

## Organization and Management

**Is the company privately or publicly owned, or a division of a larger company?**

Most companies in the industry are privately owned.

**How many employees does the company have?**

The manufacturing process for these products is fairly labor-intensive.

**Does the company have an in-house sales force or use independent manufacturers representatives?**

Large companies may have both; smaller ones are more likely to use representatives.

## Financial Analysis

**How does the company manage a seasonal cash flow?**

Sales of fitness equipment are greatest around Christmas.

**What effect do short production cycles have on the company's inventory and manufacturing process?**

Short product cycles can leave manufacturers stuck with older items.

**Does the company provide purchase or lease financing?**

Financing can be an important part of sales to the health club market segment.

**What sort of warranties do the company's products have?**

A three-year warranty is often given on treadmills, bikes, and stair climbers.

## Business and Technology Strategies

**How will demographic trends impact the use of fitness equipment?**

Aging baby boomers want to stay in good health by exercising more.

**What plans does the company have to produce other types of fitness equipment?**

Lateral product expansion allows companies to take advantage of existing sales channels.

**What opportunities does the company see in other market segments?**

Currently, many companies sell to the home or club market segments, but not to both.

**How important is e-commerce to the company's sales growth strategy?**

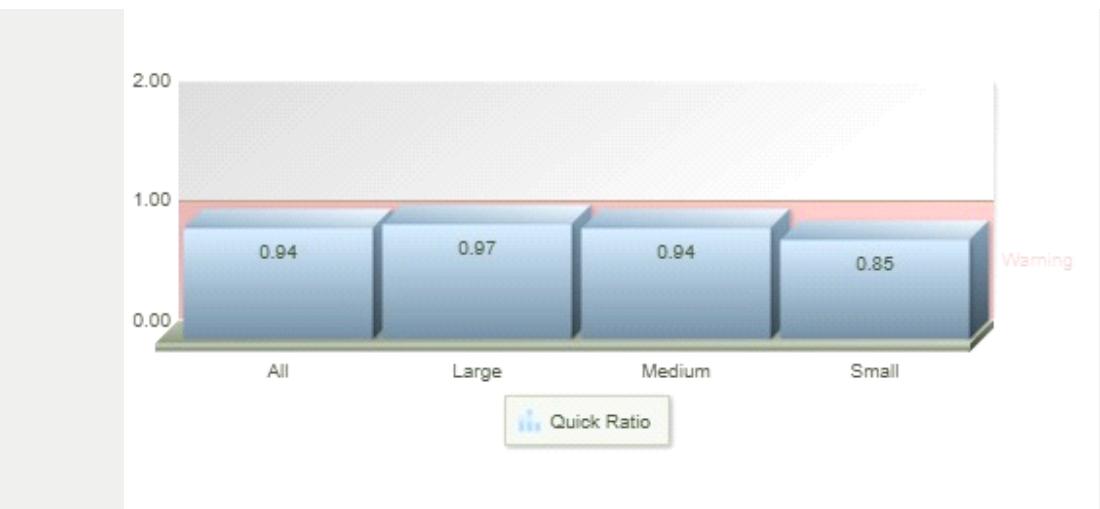
Many companies sell over their websites, though typically not in large volume.

## Financial Information

### COMPANY BENCHMARK TRENDS

#### Quick Ratio by Company Size

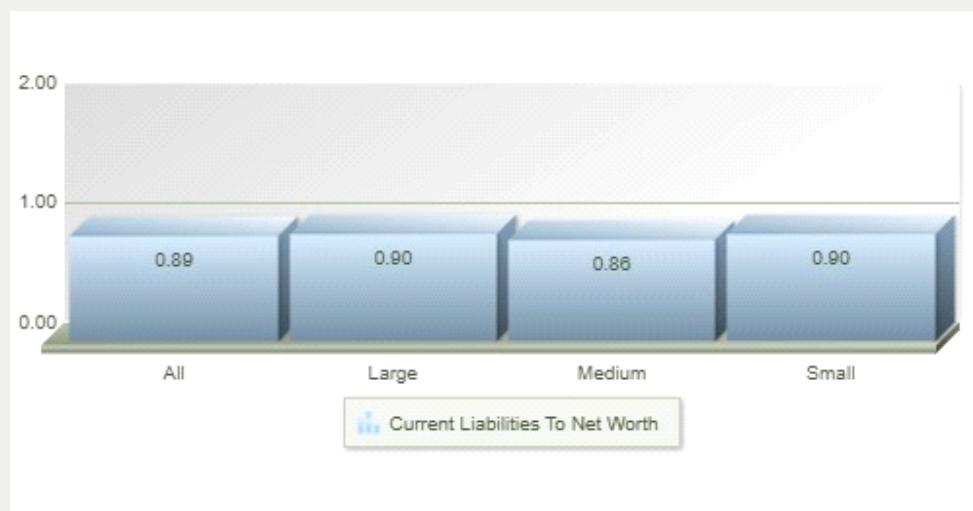
The quick ratio, also known as the acid test ratio, measures a company's ability to meet short-term obligations with liquid assets. The higher the ratio, the better; a number below 1 signals financial distress. Use the quick ratio to determine if companies in an industry are typically able to pay off their current liabilities.



Financial industry data provided by MicroBilt Corporation collected from 32 different data sources and represents financial performance of over 4.5 million privately held businesses and detailed industry financial benchmarks of companies in over 900 industries (SIC and NAICS). More data available at [www.microbilt.com](http://www.microbilt.com).

### Current Liabilities to Net Worth by Company Size

The ratio of current liabilities to net worth, also called current liabilities to equity, indicates the amount due creditors within a year as a percentage of stockholders' equity in a company. A high ratio (above 80 percent) can indicate trouble.



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## COMPANY BENCHMARK INFORMATION

**NAICS: 33992**

**Data Period: 2024**

Last Update October 2025

**Table Data Format**

Mean

**Company Size**

	All	Large	Medium	Small
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Size by Revenue	Over \$50M	\$5M - \$50M	Under \$5M
Company Count	2317	33	252
			2032

### Income Statement

<b>Net Sales</b>	100%	100%	100%	100%
<b>Gross Margin</b>	29.8%	28.8%	30.8%	31.2%
<b>Officer Compensation</b>	2.0%	1.8%	1.6%	3.1%
<b>Advertising &amp; Sales</b>	1.3%	1.3%	1.5%	1.3%
<b>Other Operating Expenses</b>	21.7%	21.2%	22.8%	21.2%
<b>Operating Expenses</b>	25.0%	24.3%	25.9%	25.5%
<b>Operating Income</b>	4.8%	4.5%	4.9%	5.6%
<b>Net Income</b>	2.5%	2.3%	2.5%	2.9%

### Balance Sheet

<b>Cash</b>	6.3%	5.9%	6.9%	6.4%
<b>Accounts Receivable</b>	25.7%	27.6%	24.5%	22.5%
<b>Inventory</b>	23.1%	22.0%	23.0%	26.3%
<b>Total Current Assets</b>	63.2%	63.8%	62.1%	63.2%
<b>Property, Plant &amp; Equipment</b>	12.9%	12.9%	12.9%	12.7%
<b>Other Non-Current Assets</b>	23.9%	23.3%	24.9%	24.1%
<b>Total Assets</b>	100.0%	100.0%	100.0%	100.0%
<b>Accounts Payable</b>	7.9%	7.6%	8.1%	8.6%
<b>Total Current Liabilities</b>	34.8%	35.4%	33.9%	34.6%
<b>Total Long Term Liabilities</b>	26.1%	25.4%	26.8%	27.0%
<b>Net Worth</b>	39.1%	39.3%	39.3%	38.3%

### Financial Ratios

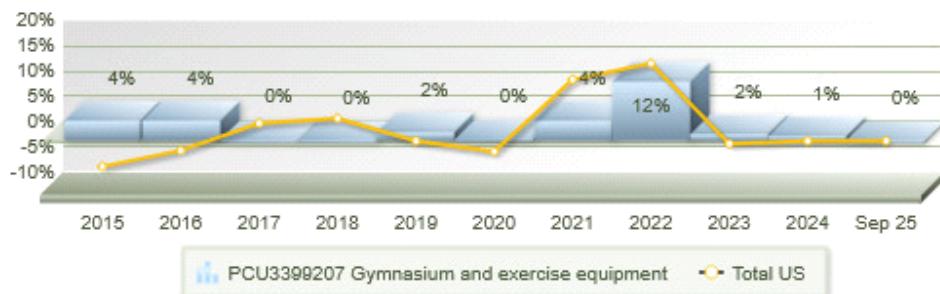
<b>Quick Ratio</b>	0.94	0.97	0.94	0.85
<b>Current Ratio</b>	1.81	1.80	1.83	1.83
<b>Current Liabilities to Net Worth</b>	89.1%	90.1%	86.4%	90.3%
<b>Current Liabilities to Inventory</b>	x1.51	x1.61	x1.47	x1.32
<b>Total Debt to Net Worth</b>	x1.56	x1.55	x1.55	x1.61
<b>Fixed Assets to Net Worth</b>	x0.33	x0.33	x0.33	x0.33
<b>Days Accounts Receivable</b>	67	70	63	62
<b>Inventory Turnover</b>	x4.28	x4.63	x4.25	x3.49
<b>Total Assets to Sales</b>	71.4%	70.3%	71.1%	75.5%

<b>Working Capital to Sales</b>	20.3%	20.0%	20.0%	21.6%
<b>Accounts Payable to Sales</b>	5.6%	5.3%	5.8%	6.5%
<b>Pre-Tax Return on Sales</b>	4.0%	3.7%	4.0%	4.7%
<b>Pre-Tax Return on Assets</b>	5.5%	5.2%	5.7%	6.2%
<b>Pre-Tax Return on Net Worth</b>	14.2%	13.3%	14.4%	16.2%
<b>Interest Coverage</b>	x5.16	x5.14	x5.01	x5.41
<b>EBITDA to Sales</b>	7.8%	7.5%	7.8%	8.6%
<b>Capital Expenditures to Sales</b>	3.3%	3.4%	3.1%	3.2%

Financial industry data provided by MicroBilt Corporation collected from 32 different data sources and represents financial performance of over 4.5 million privately held businesses and detailed industry financial benchmarks of companies in over 900 industries (SIC and NAICS). More data available at [www.microbilt.com](http://www.microbilt.com).

## ECONOMIC STATISTICS AND INFORMATION

### Change in Producer Prices - Bureau of Labor Statistics



## VALUATION MULTIPLES

### Fitness Equipment Manufacturing

Acquisition multiples below are calculated medians using at least 3 US private industry transactions completed between 1/2011 and 12/2022 and are based on middle-market transactions where the market value of invested capital (the selling price) was less than \$1B. Data updated annually. Last updated: January 2023.

Valuation Multiple	MVIC/Net Sales	MVIC/Gross Profit	MVIC/EBIT	MVIC/EBITDA
Median Value	0.82	1.54	5.83	5.24

**MVIC (Market Value of Invested Capital)** = Also known as the selling price, the MVIC is the total consideration paid to the seller and includes any cash, notes and/or securities that were used as a form of payment plus any interest-bearing liabilities assumed by the buyer.

**Net Sales** = Annual Gross Sales, net of returns and discounts allowed, if any.

**Gross Profit** = Net Sales - Cost of Goods Sold

**EBIT** = Operating Profit

**EBITDA** = Operating Profit + Noncash Charges



SOURCE: DealStats (formerly Pratt's Stats), 2024 (Portland, OR: Business Valuation Resources, LLC). Used with permission. DealStats is available at <https://www.bvresources.com/learn/dealstats>

## Industry Websites

### **Club Industry**

Fitness industry news, trends, and rankings.

### **Fitness Industry Council of Canada (FIC)**

Media, reports, and industry resources.

### **IDEA Health & Fitness Association**

Publications, events, and news.

### **International Health, Racquet & Sportsclub Association (IHRSA)**

Industry statistics, Club Business International Magazine.

### **National Fitness Trade Journal**

Industry publication spotlighting latest in technology and equipment.

### **SGB Media**

Sporting goods industry information.

### **Sports & Fitness Industry Association (SFIA)**

Market reports, some sporting goods news.

## Glossary of Acronyms

**BPM** - beats per minute

**CAD** - computer-aided design

**CPSC** - Consumer Product Safety Commission

**HIIT** - high-intensity interval training

**HRM** - heart rate monitor

**IHRSA** - International Health, Racquet and Sportsclub Association

**LCD** - liquid-crystal display

**NSGA** - National Sporting Goods Association

**PHIT** - Personal Health Investment Today Act

**SFIA** - Sports & Fitness Industry Association

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