

# BEYOU. BEMORE. AT PARAGON.

### PARAGON

(NOUN)

A person or thing regarded as a perfect example of a particular quality.



**Z-BELIEF.SEI NITY.WELL** 

# PARAGON

IT'S A LIFESTYLE.

## INTRODUCING OUR MANAGING DIRECTOR

# TY CLARKE

My passion for fitness first started from a very young age, I started training because I suffered a lot with my self-confidence as throughout my adolescent years, I was a lot smaller than most of my contemporaries. I became obsessed with bettering myself which came from having a sporting background. I was often told I was 'too weak' or 'too small' to play my chosen sport.

After many setbacks I found solace in training and it really improved my physical and mental wellbeing, I also started to gain a real passion for body building and aesthetics. As I continued pursuing my passion for fitness, I managed to start a career within the modelling industry, working for brands such as Gymking, ASOS, BooHooMan, Adidas, Nike & Gillette. My hobby soon became my profession, and I also developed a social image that I needed to maintain.

The social media influencer space is an area that I networked in very successfully. However, I did not find it fulfilling. In 2020, during the Pandemic, I had the opportunity to purchase Paragon Gym and I have not looked back since. The chance to become a business owner and build my own brand was too appealing to turn down and I have no regrets about making the transition.

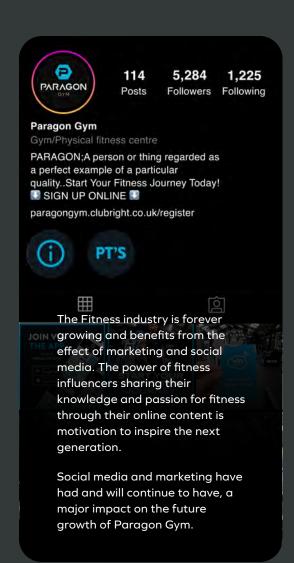
We have an amazing brand and business concept and I hope that you would wish to find out more about how I could assist you to become a Paragon Gym owner. I look forward to speaking to you.





## A NEW ERA, A DIFFERENT GYM

- Paragon Gym commenced trading in 2015.
- Current owners purchased the business in 2020.
- Gym underwent a complete overhaul and re-positioned as an 'aesthetics gym (See our Business Model Section)
- First Class equipment was installed.
- Customer Service levels improved.
- Membership grew by 800% during 2021/2022
- Now has 1,000+ regular member users.
- Through Increased Social Media exposure Paragon has gained thousands of followers
- To our members, Paragon is a 'destination choice' and not just a place for an occasional session.
- Ongoing reinvestment in technology and equipment to improve the user experience.





The Paragon Gym brand is perfectly positioned to fill the gap that exists in the market between the 'commercial' gyms and the 'backstreet' gyms.

Commercial gyms base their success around volume of membership and membership retention tends to fluctuate, so there is always the pressure to sign new members often to minimum term contracts.

Commercial gyms often occupy a large building/retail unit, equipment is often of inferior quality and the concentration is on cardio equipment. These gyms attract casual users who are simply trying to keep active.

Backstreet gyms are the polar opposite, smaller square footage, often with lack of facilities such as showers, poor hygiene and extremely poor health and safety practices. Gym users however get that originality and true fitness workout.

Backstreet gym's equipment is mainly geared towards strength training and muscle building and their main clientele are males with an interest in bodybuilding, The atmosphere can be hostile and very intimidating, especially for new users.







At Paragon Gym we bring standards, safety, atmosphere and an overall a great gym experience for all users and our model has seen significant growth over the years. Paragon Gym is a true hybrid; our expertise and knowledge of the fitness industry allows us to understand what equipment and environment is needed to cater for all our member's needs.

We have all diverse types of clientele, ranging from those who simply wish to increase their fitness to others who wish to build strength and muscle. As an Aesthetics Gym Paragon offers its members access to all aspects of fitness not just lifting weights. We promote a more balanced more active lifestyle offering a wide range of training backgrounds including, bodybuilding, cardiovascular, mobility, strength & conditioning, HIIT/CrossFit/Combat Sports (MMA / BOXING).

Our gyms are fitted out with the highest quality equipment and most importantly are tailored to assist members to achieve that aesthetics physique.

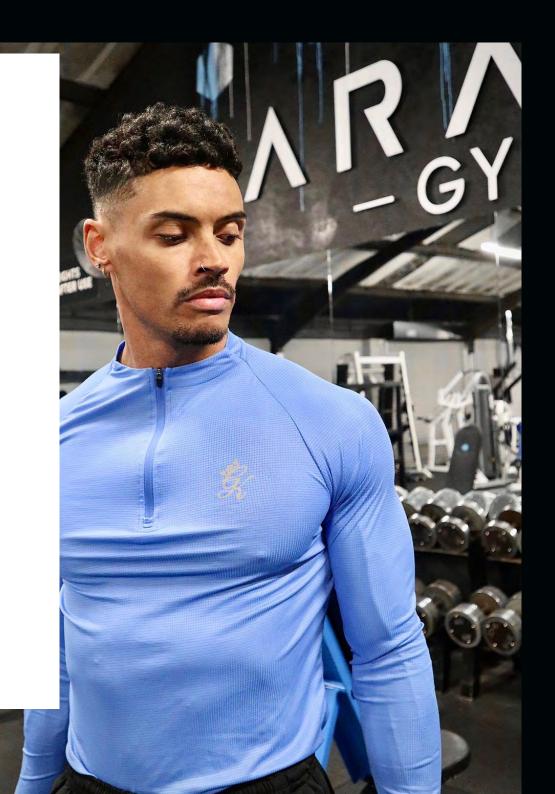


# A GYM IS MORE THAN JUST GREAT EQUIPMENT!

A gym's atmosphere is the number one factor that owners fail to pay attention to and at Paragon, we keep it simple and consistent. Top quality equipment, a variety of training facilities under one roof, good shower facilities, open 24 hours, affordable membership prices, higher standards, less space – better community. We also play great music, encourage users to engage with our gym socially, and create a real fitness community.

We want to know how your day went, we want you to make friends and ask for any tips, support or advice from members or staff. We all have the same goal and that is to be the best version of ourselves, and we all support each other in achieving that goal.

We also provide tasty meals, supplements, and PT services to support with all fitness goals.



# WHAT TO EXPECT FROM US

- Marketing Support Leveraging Ty Clarke's network and expertise to bring members to your Paragon gym.
- An Exclusive Territory under a 5-year renewable license to operate as a Paragon gym.
- A comprehensive launch package of equipment
- A product range for re-sale
- A comprehensive franchisee training programme
- A full suite of operating manuals.
- Inclusion on all Paragon social channels.
- Ongoing support within our network.
- A Paragon site to be proud of, designed within our brand guidelines ready to be enjoyed by hundreds of members locally.









The franchise industry is worth £17.2 billion to the UK economy

There are over 900 franchise systems in operation in the UK

This accounts for over 48,000 individual franchise units

Over 700,000 people are employed by franchised businesses

All interesting facts but do they explain why you should buy a franchise? Well possibly not, but there are a couple of compelling reasons why franchising represents an excellent opportunity to own your own business.

- 93% of franchised businesses reported profitability
- The percentage of franchises suffering commercial failure is 0.9% far lower than independent start ups

The above facts from the latest survey by NatWest Bank and the British Franchise Association illustrate why the major High Street Banks support franchises and may lend up to 50% of the required capital to help you start your Paragon Gym

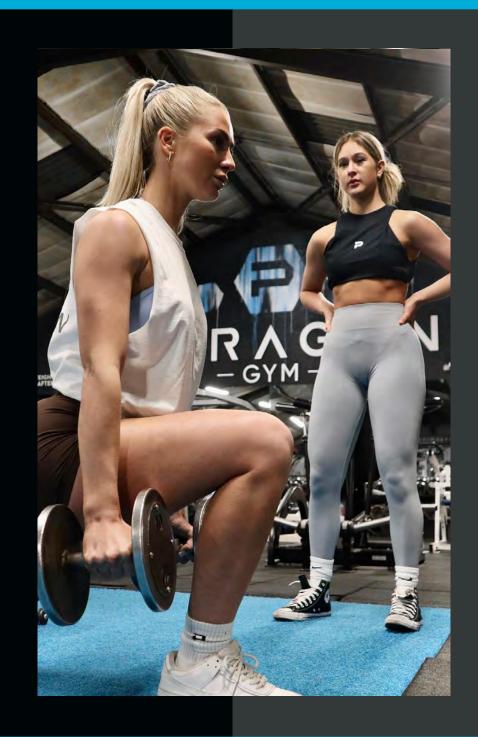
## GETTING SERIOUS, THE FINANCIALS

We work with our banking partners to develop and create our business forecasting models and planning templates to ensure the projection figures detailed through your franchisee journey are both realistic and achievable.

#### **Fee Structure**

- Licence Fee £14,950 covering 3 X 5 year terms
- Launch Package and Training £250,000
- Management Service Fees £450 per month plus £0.99 per member
- Marketing Levy £150 per month (must be used to help develop the brand)
- NB For the initial 3 months the management fee will be £225 per month and the Marketing Levy £125 per month.

All fees are subject to VAT





#### **FINANCIAL PROJECTIONS**



	YEAR 1	YEAR 2	YEAR 3
TURNOVER	£189,450	£247,967	£294,598
COST OF SALES	£18,298 (10%)	£28,790 (12%)	£36,987 (12%)
GROSS PROFIT	£171,152 (90%)	£219,117 (88%)	£257,809 (88%)
RENT & RATES	£28,790	£28,790	£28,790
SALARIES/DIRECT WAGES	£34,394 (18%)	£34,395 (14%)	£42,384 (14%)
UTILITIES	£28,480	£32,789	£32,480
OTHER ADMINISTRITIVE COSTS	£12,983	£16,983	£21,363
PARAGON ROYALTIES & MARKETING FEE	£13,459	£16,774	£21,672
NET PROFIT (EBITDA)	£53,046 (38%)	£89,446 (36%)	£111,120 (38%)

The above figures are projections only and are not intended to be, nor should they be taken as, guarantees of future sales or profits.

# KEY POINTS

- LOW STAFF MODEL
- THIS MODEL CAN BE OWNER OPERATED OR MANAGEMENT TEAM LED
- FIXED FRANCHISE FEE
- SROAD MEMBER DEMOGRAPHIC
- MENTORING SUPPORT
- O DIGITAL SYSTEMS AND MANAGEMENT SYSTEMS
- HIGH EARNING POTENTIAL

£5.1B

IN TOTAL HEALTH CLUB REVENUE IN THE UK

15.6%

**UK MARKET PENETRATION** 

300K+

PEOPLE JOIN HEALTH CLUBS EACH YEAR

#### FREQUENTLY ASKED QUESTIONS

#### **HOW QUICKLY CAN I GET STARTED?**

Each Franchise launch is unique and individual, we will work with you to get you setup up and running as quickly as possible. All our initial training is done on a one-to-one basis, and this enables you to get your Paragon Gym off the ground.

#### **HOW MUCH CAN I EARN?**

As soon as we have met, you will be provided with a confidential Franchise Information Memorandum amongst many other important pieces of information. The FIM comprises of a detailed three-year franchise business plan that provides full revenue, expenditure, and profit and loss information

#### **WORK/LIFE BALANCE?**

You can put as much time into your Paragon Gym franchise as you want. Hard work and long hours will be required at times, it's a huge part of owning your own business and guaranteeing its success! All the time you do invest into your Paragon Gym franchise will be extremely financially rewarding making it a worthwhile investment and career move.

#### **CAN I SELL MY GYM IN THE FUTURE?**

Yes, you can (on the terms set out in our Franchise Agreement including our approval of the purchaser as a new franchisee). This is generally why most of us start a business in the first place. Should you decide at some point to retire or move on, our franchise agreement is for five years; you therefore have an asset that is resaleable at a premium price.

#### FREQUENTLY ASKED QUESTIONS

#### **HOW CAN I FINANCE MY FRANCHISE?**

We have built some excellent relationships with the major lenders who will support potential franchisees with their initial franchise fee subject to their normal lending criteria. We are more than happy to put you in touch with our contacts at the banks who will be happy to answer any of your questions.

Of particular importance to those establishing a Paragon Gym franchise, we have a loan facility in place with The Start Up Loans Company, a UK government lending initiative where new start franchises can borrow unsecured and at a low rate of interest up to £25,000 for the purchase and establishment of the business. Additional funding is available as required.

# ENQUIRE TODAY FRANCHISE@PARAGON-GYM.COM