



Investing in Health and Wellness Services

OC&C Perspectives

May 2025



OC&C
Strategy consultants



The US Health and Wellness Services market presents a prime opportunity for investment, with rapid-growth and attractive economics

- The Health and Wellness (H&W) Services market in the US is **experiencing rapid growth**, accelerated by **demand for self-care, recovery and longevity** and an explosion of supply through predominantly **franchise-led rollout**
- Spanning a wide-range of verticals including medspas, contrast therapy, IV drips, longevity services, boutique fitness disciplines and hormone and weight-loss, the **market accounts for ~\$40-45bn of consumer spend in the US** with site rollout as high as **70-90% pa** across key segments
- Given the early stage of development, it is a **highly attractive time to consider investment**:
 - Segments are exposed to **rapid growth and attractive economics**; site revenues are typically ~\$1m with **EBITDA of 15-30%**
 - There are demonstrable **benefits to scale**, with few established brands and a long tail of accelerating players **ripe for consolidation**
 - There is meaningful upside from **operational improvements**, effective **GTM/marketing** approach, **revenue management** opportunities through optimized rates and pricing models, as well as improving sophistication of techniques to **drive loyalty and LTV** in an increasingly competitive environment
- **Investors are starting to pay attention**, with deal activity increasing in recent years, and with many largely-private and scaling assets to watch
 - Key considerations in this space include the ability to **scale and level of density achievable**, ability to **sustain margin** as the market matures, level of **regulatory** exposure, **labor-intensity, talent proposition and retention risk**, as well as how to continue **driving customer recruitment, value and retention**





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**Introduction to the US
Health and Wellness
Services Market**

02

**The Investment
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**Interesting Assets to
Watch**

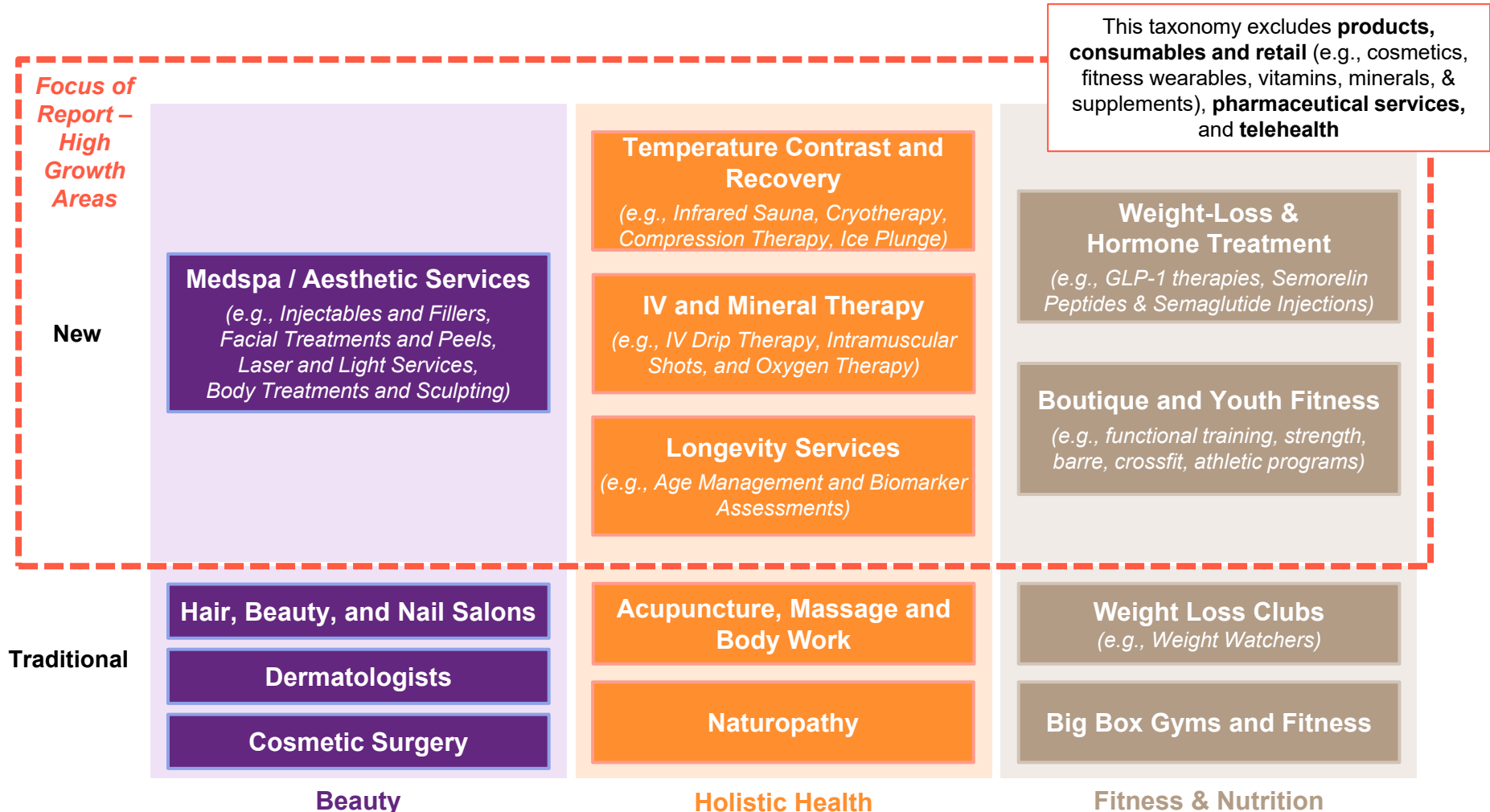
04

**Introduction to OC&C
and the Team**

The US Health and Wellness Services landscape has seen an injection of new services that are rapidly expanding and increasing in popularity

Taxonomy of Health and Wellness Services

Physical Service-Oriented Categories Only



Backup: New Health and Wellness services comprises a complex set of services ranging from high-tech treatments to non-invasive therapies

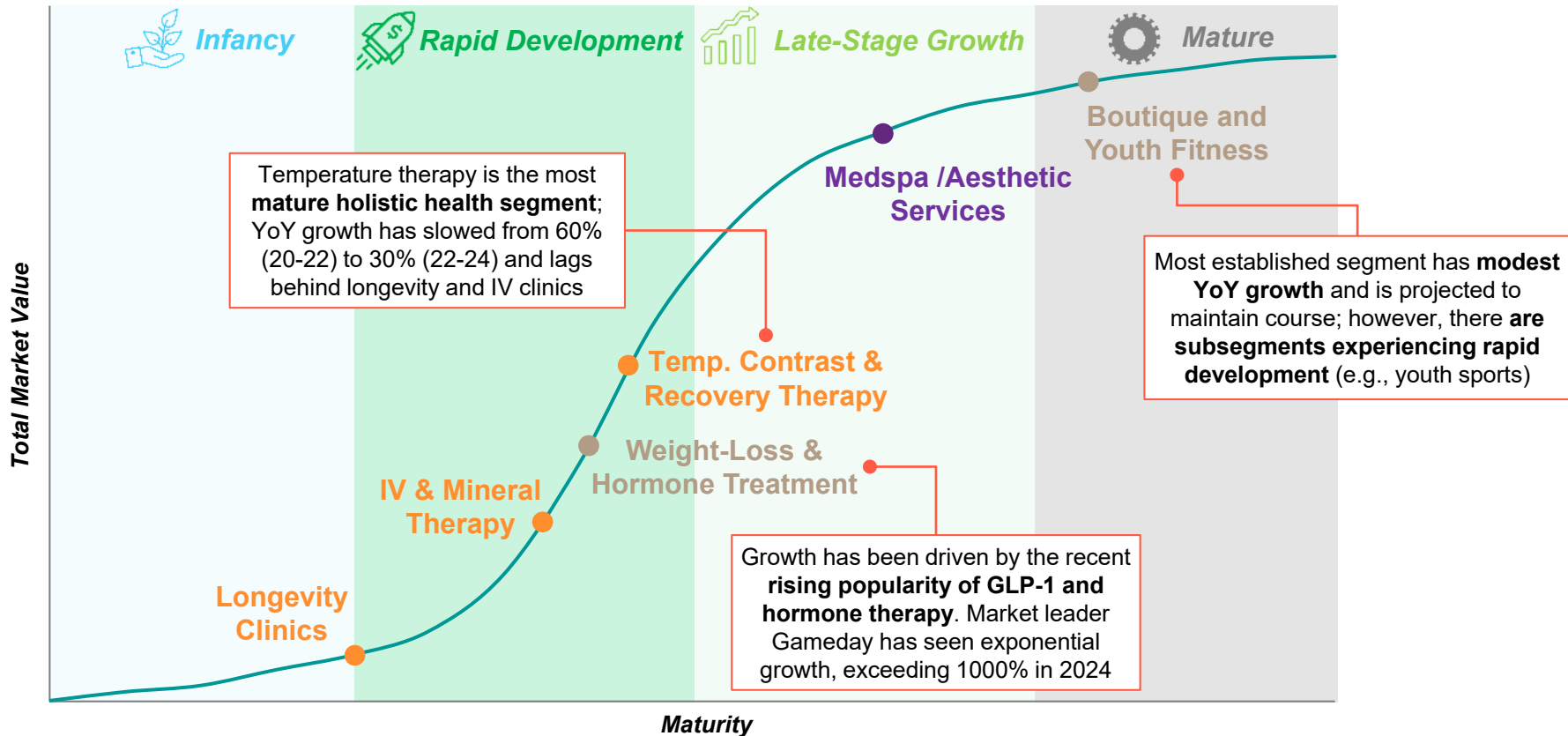
New Health and Wellness Services – Descriptions

Category	Service		Description
Beauty (Medspa / Aesthetic Services)	Injectables and Fillers		Cosmetic treatments to enhance facial contours, reduce wrinkles, and restore volume
	Facial Treatments and Peels		High-tech skin treatments using microdermabrasion, microneedling and chemical peels
	Laser and Light Services		Use of lasers and LEDs to rejuvenate and resurface skin, and for permanent hair removal
	Body Treatments and Sculpting		Non/minimally-invasive procedures to contour the body by reducing fat and tightening skin
Holistic Health	Temp. Contrast & Recovery	Contrast Therapy, Saunas and Plunge	Offer detoxification, relaxation, and skin health benefits through heat and ice exposure
		Cryotherapy	Use extreme cold temperatures for rapid muscle recovery and improved circulation
		Compression	Improve circulation, reduce swelling, and enhance muscle recovery with targeted compression
	IV and Mineral Therapy	Oxygen Therapy	Enhance recovery and cellular health by increasing oxygen levels in the body
		IV Drip Therapy	Deliver nutrients directly into the bloodstream to boost hydration, energy, and overall wellness
		Intramuscular Shots	Provide targeted supplement injections for immediate and efficient absorption
	Longevity	Age Management	Focus on preventative healthcare and age-management strategies to extend quality of life
		Biomarker Assessment	Use cutting-edge diagnostic tools to monitor and optimize individual health metrics
Fitness & Nutrition	Weight-Loss & Hormone Treatment		Offer sustainable weight management services including GLP-1 therapies
	Boutique and Youth Fitness		Offer specialized, high-end, and personalized fitness experiences in smaller studio settings

Most of these segments are in an accelerated stage of growth, attracting high demand, investment and rollout

Maturity and Growth of Market Segments

Conceptual S Curve



Segments—like temperature therapy, medspas, and fitness centers—scale quickly due to minimal regulation and less specialized staffing requirements. In contrast, **more regulated sectors requiring trained professionals**, such as doctors, are earlier on the growth curve

Beyond high growth, new Health and Wellness services account for a significant amount of value and have attractive site economics

New Health and Wellness Market Growth in the US

Indicative

		Locations (#) ¹ 2024	Site Growth (%) ¹ 2022–24 CAGR ¹	Market Size (\$) ^{1,2} 2024	Avg. Revenue per Site (\$) ¹ , 2024	EBITDA Margins (%) 2024
Holistic Health	Longevity Clinics	~250	~70%	~\$500-750m	~\$2.5m	15-30%
	IV and Mineral Therapy	~750	~70%	~\$500-700m	~\$700k	15-25%
	Temperature Contrast & Recovery	~1,550	~30%	~\$700-900m	~\$500k	15-30%
Beauty	Medspas	~10k	~18%	~\$15bn	~\$1.4m	15-25%
Fitness & Nutrition	Weight-Loss & Hormone Treatment	~950	~90%	\$650-900m	~\$800k	20-35%
	Boutique and Youth Fitness	~19k	~5%	\$20-25bn	~\$1.1m	10-25%

Total: \$40-45bn

1. Volume, Market Size, Site Growth, and Avg. Revenue per Site based off publicly available data of top 5-15 brands per segment; Triangulated with city-level scrapes to test degree of consolidation; Average rev data also reflects publicly available data on franchise economics for select brands where available.

2. Market Size triangulated with 3P sources and estimates of avg. revenue per site

Source: OC&C analysis

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Part of the growth has been enabled by rapid development of franchise-led brands in the past few years

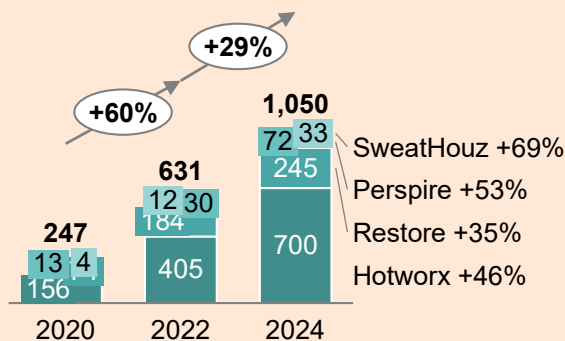
Growth of Key Players by Segment¹
(# of Locations, 2020–2024)

All Brands Listed are Franchise Models

Temperature Contrast & Recovery

Locations (2024): ~1550

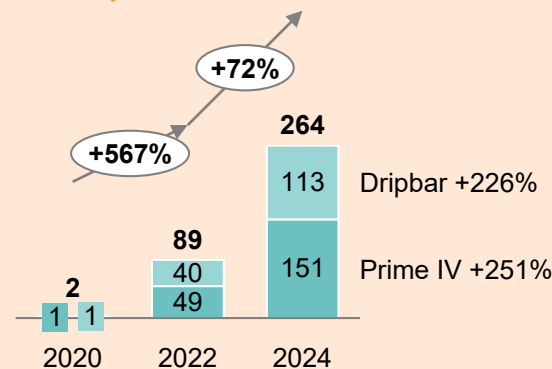
Select Players account for ~70% of market



IV and Mineral Therapy

Locations (2024): ~750

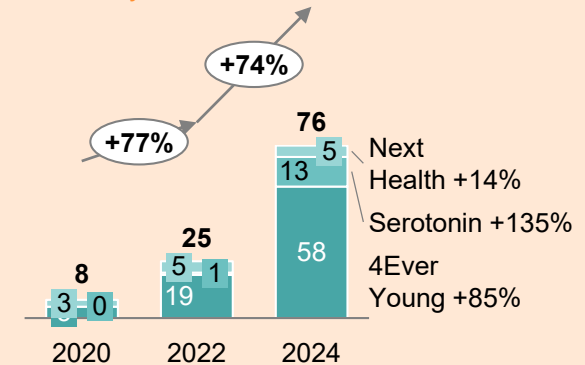
Select Players account for ~35% of market



Longevity Clinics

Locations (2024): ~250

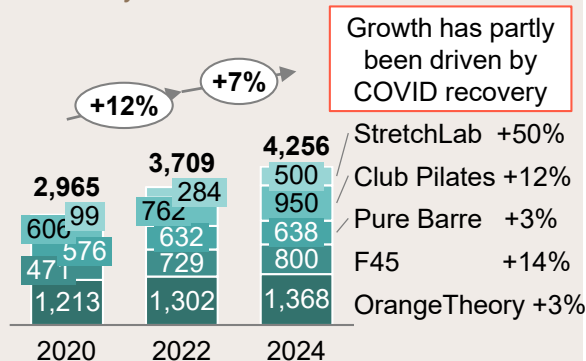
Select Players account for ~30% of market



Boutique & Youth Fitness

Locations (2024): ~20k

Select Players account for ~20% of market

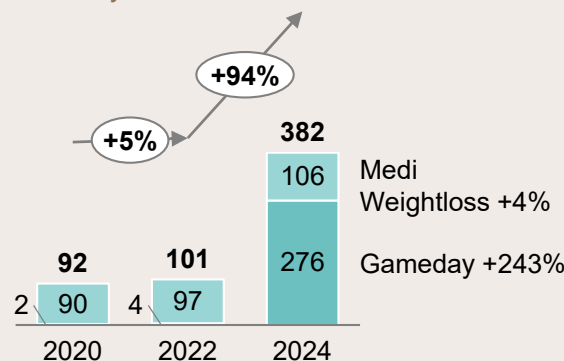


Growth has partly been driven by COVID recovery

Weight-Loss & Hormone Treatment

Locations (2023): ~950

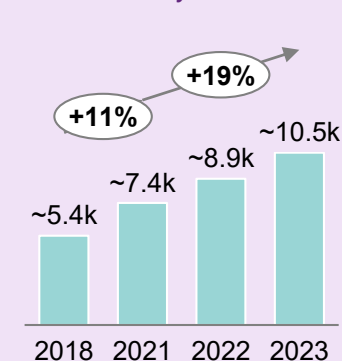
Select Players account for ~40% of market



Medspa / Aesthetic Services

Locations (2023): ~10.5k

Multi-Dest Players account for ~19% of market



The Medspa market is the least consolidated (19%) with fewer scale / franchising brands; top 5 brands account for ~8% of the market

1. Based on Franchise Disclosure Documents (FDD) and scrapes of company websites; Orange Theory's 2024 # of locations are based on 2023 FDD estimates
Source: Desk Research, OC&C analysis

Backup: These scaling players are operating in the context of a diverse and highly fragmented brand landscape

Provider Landscape Health and Wellness Services

Select Brands, Not Exhaustive





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There are several reasons to be excited about investing in this space, which offers attractive fundamentals and meaningful operating upside

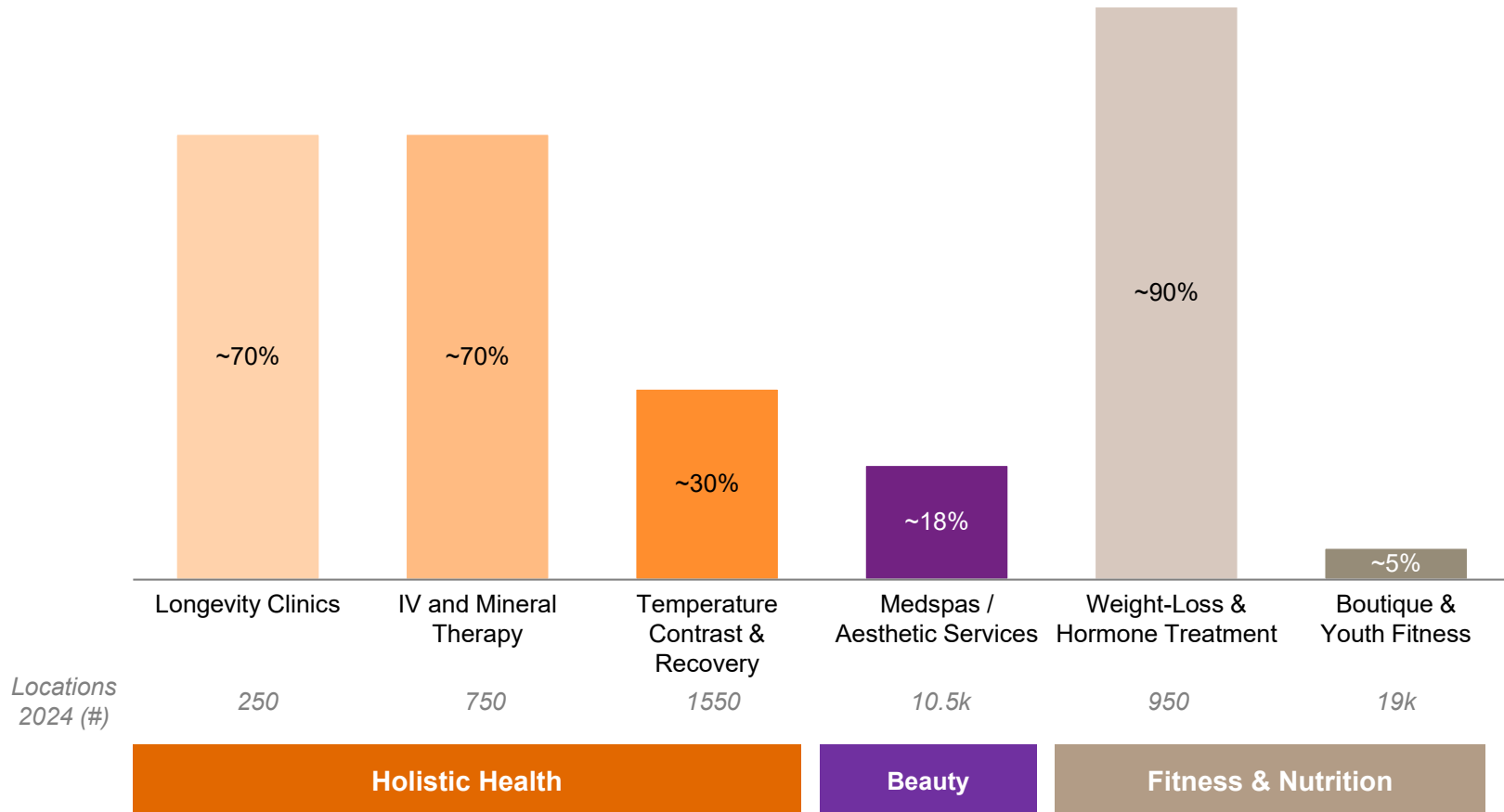
Investment Themes Overview

Attractive Foundation		High Growth Innovative Market	Strong market demand has generated double digit growth , with rapid site rollout and brand franchising , as well as membership and spend growth. Growth is enabled by awareness and availability , increased focus on preventative health and self-care and ongoing innovation
		Attractive Underlying Profitability	These specialist services with high ticket prices drive high average revenues per site and lucrative EBITDA margins , typically ranging from 10-40%. This enables a payback period of typically 2-4 years
Scale and Operating Upsides		Unlock Scale Benefits	Many of these segments are highly fragmented , particularly Medspas where 80% of locations are single-unit. Scale benefits to brand, talent, training, technologies and back office are clearly demonstrable , therefore consolidation activity is starting to happen across segments
		Improve GTM and Marketing Sophistication	As the scale and number of small-mid sized chains continues to grow, there will be increasing pressure on the need to formalize marketing efforts to compete for share of voice , awareness and recruitment; historical reliance on word of mouth and referral will be challenged
		Optimizing Revenue Mgmt. and Pricing	New H&W segments are less advanced on revenue management capabilities, with lots of opportunity to adjust subscriptions and pricing to optimize revenue . Particularly for larger chains / franchises, optimized local pricing will improve competitiveness and performance
		Improving Customer Loyalty and Tenure	Customer loyalty and retention strategies are an underutilized lever, aside from Boutique and Youth Fitness there is limited evidence of loyalty being used to improve customer value and tenures

Investment Themes

Since 2022 rapid site rollout has fuelled the growing market demand, particularly in less mature segments which exhibit +50% YoY growth

Historic Site Growth (# of Locations, %)
2022–2024 CAGR

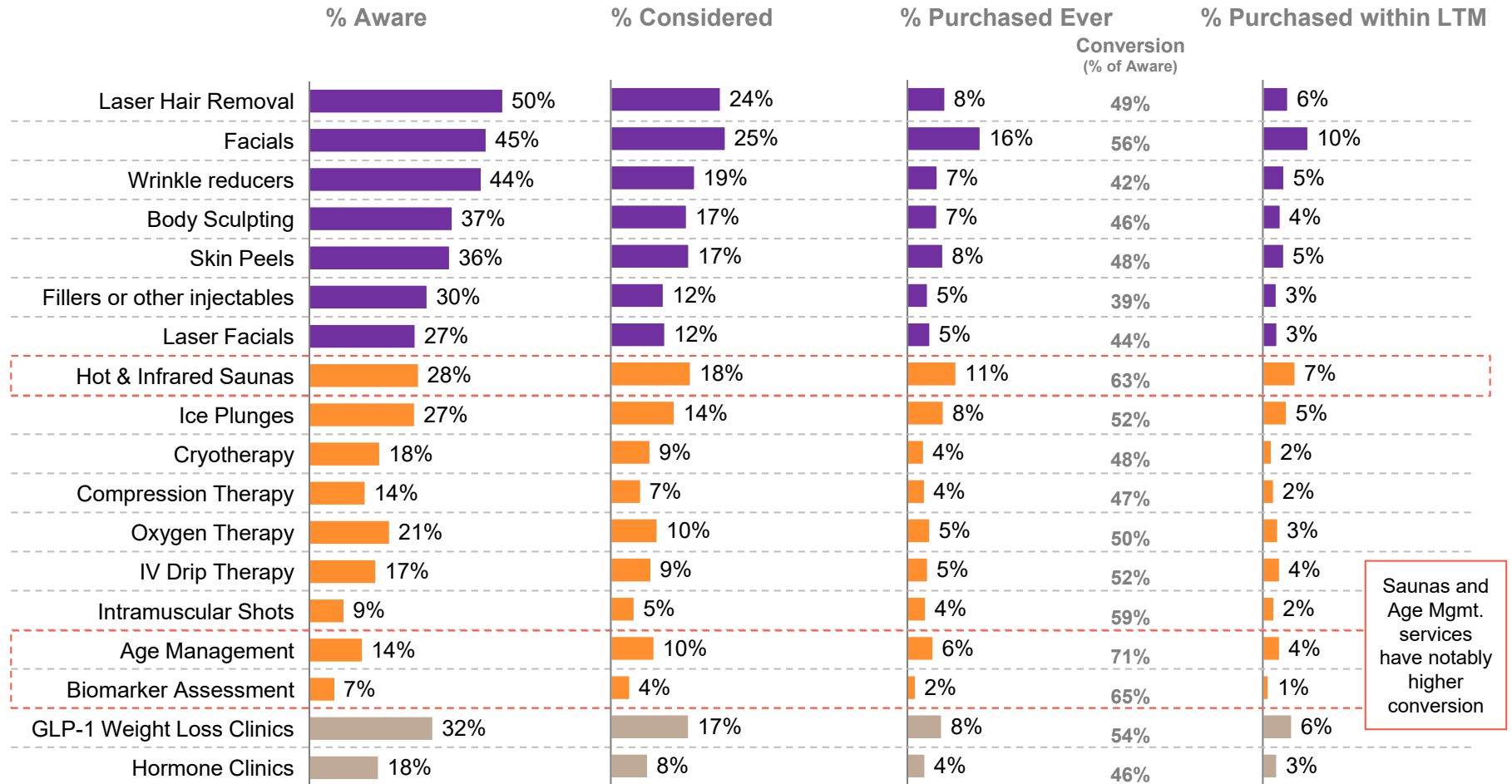


Investment Themes

While awareness of some categories is still low, there is a notable surge of consumers engaging recently, particularly Saunas and GLP-1

H&W Services Awareness Funnel by Category (% of Respondents)^{1,2}

N=2,030



1. Which of the following health, beauty and wellness services are you aware of?

2. Have you used any of the following services? Not considered, Considered, but not used, Used over a year ago, Used in the past year, Used in the past 6 months

Source: Consumer Survey, OC&C analysis

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Investment Themes

Market growth is underpinned by several consumer megatrends, including accessibility, shifts in preference, & new customer adoption







New Health and Wellness Market Drivers

Increased Accessibility	Increased Awareness		<ul style="list-style-type: none"> Awareness of and participation in wellness-led services has stemmed from increasing focus on self-care, well-being and preventative care since the pandemic The rapid development of supply, alongside increased socialization and information flow, eg on through social media, has amplified the level of information and awareness
	Growth of Affordable Options		<ul style="list-style-type: none"> Compared to traditional single-unit and medical-oriented services, the boom of mid-market brands offerings effective no-frills treatments with transparent costs has broken down barriers for consumers and accelerated the ability for a wider audience to participate. Examples include brands like Peachy, Perspire, Prime IV, and Gameday Men's Health
	Improved Education		<ul style="list-style-type: none"> The level of attention from brands, media and scientific research has tracked growth of these markets. Better access to clinical efficacy data and results helps educate consumers on the value of services, eg contrast therapy and aesthetic treatments. Alongside word of mouth, this enables consumers to be more informed and more trusting of the benefits
Shifts in Preference	Increasing Spend on Self-Care		<ul style="list-style-type: none"> The rise of self-care trends and preventative health is proliferating across a range of verticals, spanning short-term feel-good activities through to aging healthily and driving longevity. This has driven significant increases in individual spending across wellness categories, including physical, mental and biological wellbeing
	Innovation / Increased Choice		<ul style="list-style-type: none"> Advanced technologies, such as customized IV cocktails and hyperbaric oxygen therapy, have greatly improved the efficacy of wellness services, while constant innovation in aesthetics drives newness into medspa services. These all contribute to the ability to upsell and cross-sell consumers into an increasingly broad range of wellness services
New Customer Adoption	Young Adult Adoption		<ul style="list-style-type: none"> Young adults are increasingly adopting Health & Wellness services, driven by trends in preventative care, recovery therapies, and performance enhancement. This includes a rise spanning from youth fitness through to aesthetic treatments (eg, share of 18-34yo patients at Medspa clinics increased +6% and +3% for men and women respectively 2019-22)
	Male Adoption		<ul style="list-style-type: none"> Male customers are increasingly engaging in services such as weight loss and hormone management, IV drips for hydration and athletic recovery, and personalized fitness programs Male Botox use has tripled between 2000 and 2020 (though they are still a small share)

Investment Themes

Much of the growth has been enabled by franchise rollout; there are various advantages to this model, but brand control can be challenging





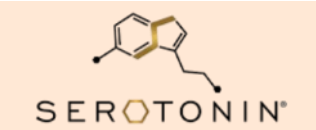

Strategic Implications of Franchise vs. Corporate Model

	 Franchisor Model	 Corporate Model	Preferred Model for Franchisor / Corporate Owner
Growth and Scalability	<p><i>Allows for rapid expansion as franchisees open new locations; they are responsible for significant upfront investment</i></p>	<p><i>Corporate owner is responsible for all upfront investment thus limiting the pace of growth</i></p>	 <p>The <u>franchisor model</u> is easier to scale and tends to have higher and faster growth</p>
Margin	<p><i>Typically has a lower margin % as it earns revenue through royalty and fees; however, given an expanded topline and significant scale can enjoy margin benefits</i></p>	<p><i>Corporate owners likely benefit from a higher margin % and can leverage synergies in central and shared functions</i></p>	 <p><u>Mixed impact</u> – margin profile varies significantly by scale and segment</p>
CapEx and Risk Profile	<p><i>Low CapEx requirements for corporate owners; risk profile varies based on agreement but typically royalty and fee revenue</i></p>	<p><i>High intensity CapEx requirements and corporate owners solely bear the risk</i></p>	 <p>The <u>franchisor model</u> tends to have lower risk burden and CapEx requirements</p>
Control of Brand and Proposition	<p><i>It is difficult for franchisors to ensure compliance with processes and requirements; this can result in lack of consistency and brand dilution</i></p>	<p><i>It can be easier to maintain high levels of consistency; Corporate owners can easily implement new strategies, products, and services</i></p>	 <p>In the <u>corporate model</u>, owners have more oversight and flexibility to maintain and refine the brand and proposition</p>

Investment Themes

Market outlook remains strong, with leading franchises forecasting significant continued site growth

Site Growth Outlook for Select Players

	# of Locations 2024 Year End	# Locations "Coming Soon" ¹	Projected Increase in Locations (%) ²	3P Reports / Verbatim ²
	72	17 (200+ franchises sold)	~25%	"Perspire has awarded over 200 franchise licenses across the US" International Franchise Association (2024)
	33	50 (100+ franchises sold)	~145%	"We have sold over a 100 licenses across the country; in 2024 and 2024 you will start seeing SweatHouz locations pop up everywhere" Founder, SweatHouz (2023)
	151	118 (250 franchises sold)	~75%	"We have sold 250 franchises and expect to sell 400 by the end of the year" Prime IV Publication (2024)
	58	61	~105%	"We are set to end 2024 with ~60 locations and have an impressive 135 locations in the pipeline" 4EverYoung News Report (2024)
	13	7 (100 franchises sold)	~55%	"We already have 100 franchises open or under development currently" Founder, Serotonin (2024)
	276	173	~60%	"In 2024 we are set to open 264 locations and have signed agreements but are yet to open 166 further locations" Franchise Disclosure Document (2024)

1. As listed on brand websites 2. Prime IV: Prime IV Publication (Apr 2024); Perspire: International Franchise Association Report (2024 Issue); SWTHZ: Athletech News (June 2023); 4EverYoung: News Report (Sep 2024); Serotonin: Athletech News (March 2024); Gameday: Franchise Disclosure Document (2024)

2. Based on 'Coming Soon' Locations

Source: Desk Research, OC&C analysis



Investment Themes

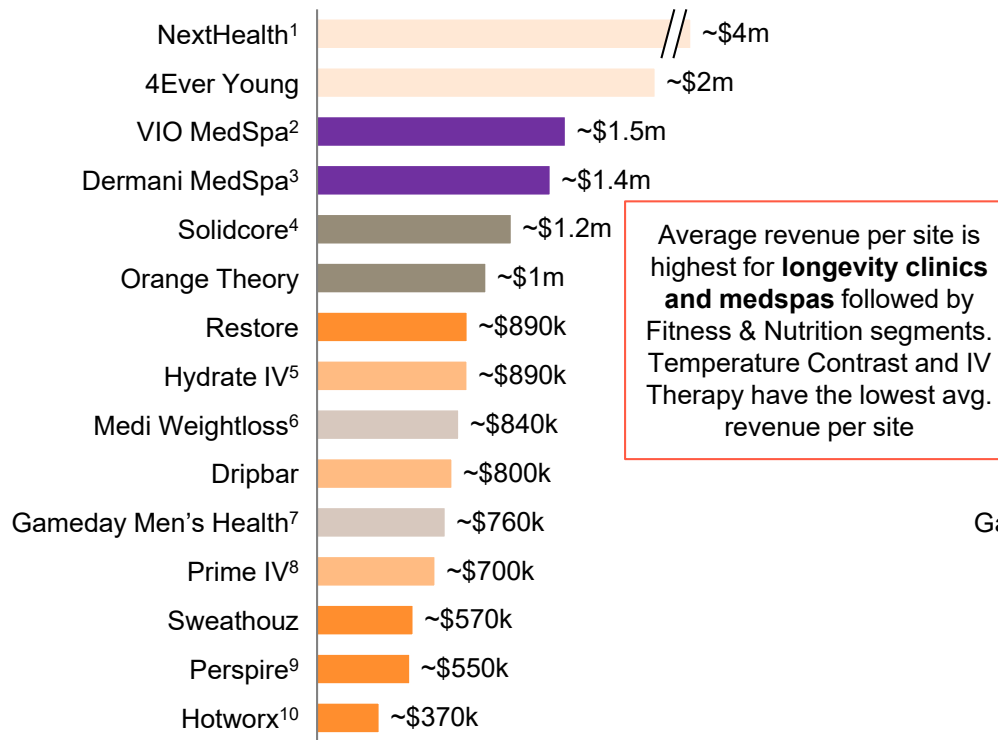
Underlying economics are highly attractive, with players achieving \$400k-4m avg. revenue per site and typically 20-30% margins

Avg. Revenue per Site (\$) and EBITDA Margins (%)

Indicative, Based on Select Locations Published in FDD

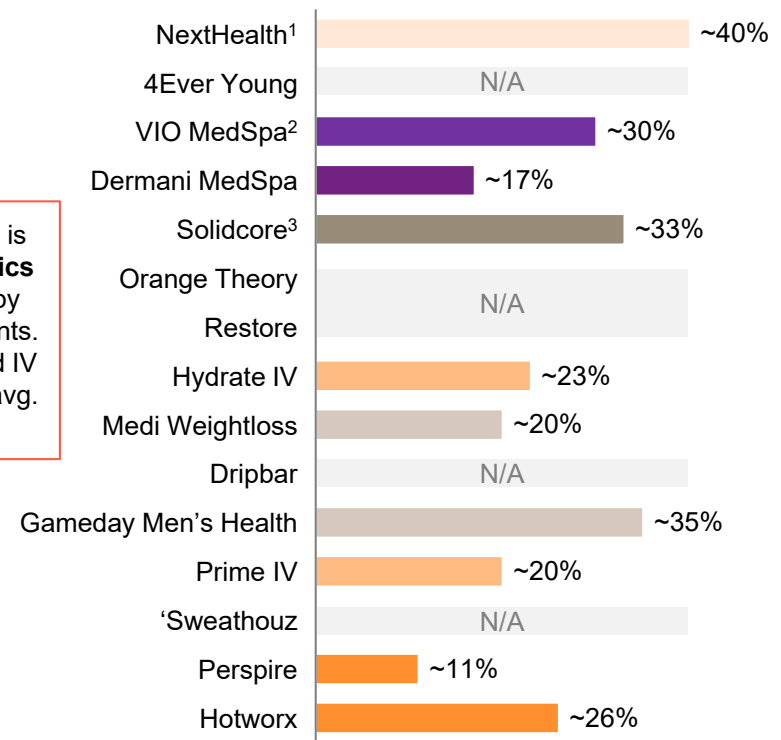
Avg. Revenue Per Site (\$), 2023

Based on select sites published in FDDs



EBITDA Margins (%), 2023

Based on select sites published in FDDs



(1) Given Gross Profit (%) of 75%, EBITDA assumed to be 25-55; (2) Avg. Medspa Net Profit Margin is 20-25% extrapolated to 30% EBITDA; (3) From FDD, for company outlets;

(4) Avg. Revenue assumed given \$150m revenue and 130 locations; (5) Average of 6 affiliate and franchise businesses, FDD 2023 (6) Based on FDD 2023, all reporting businesses

(7) Based on 4 reporting locations in FDD 2024; (8) From April 2024, PrimeIV Report; (9) Weighted Avg. Based on 7 reported locations in 2024 FDD; (10) Average of all 1Y and 2Y franchises (251 locations)

Source: Desk Research, OC&C analysis

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Investment Themes

Startup costs highly vary given differing tech-intensity, but sites are typically able to scale quickly and pay back costs in 2-3 years

Average Payback Time for Select Brands

Revenue and EBITDA Estimates Account for Revenue Maturity Curve¹

Franchise Businesses

	Avg, Estimated Startup Costs (\$k) ²		Avg. Annual EBITDA (\$k)		Time to Payback (based on revenue maturity curves)		Avg. Annual Revenue and EBITDA (%)
Medi Weightloss	\$322k	÷	\$181k	=	~2 years		$\frac{\$900k \text{ (Annual Revenue)}}{\sim 20\% \text{ (EBITDA)}} \approx 4.5 \text{ years}$
VIO Medspa ³	\$1,088k	÷	\$390k	=	~3 years		$\frac{\$1.7m \text{ (Annual Revenue)}}{\sim 20-25\% \text{ (EBITDA)}} \approx 6.8 \text{ years}$
Prime IV ⁴	\$387k	÷	\$123k	=	~3 years		$\frac{\$615k \text{ (Annual Revenue)}}{\sim 20\% \text{ (EBITDA)}} \approx 3.1 \text{ years}$
Hotworx ⁵	\$432k	÷	\$110k	=	~4 years		$\frac{\$400k \text{ (Annual Revenue)}}{\sim 25-30\% \text{ (EBITDA)}} \approx 1.3 \text{ years}$

1. We have used tiered annual revenue (i.e., different revenue for Y1, Y2, Y3, and Y4) as reported in the FDD; data available for all assets except MEDI Weightloss

2. Franchise Disclosure Documents used; Avg. Startup Costs assumed to be midpoint of min and max range

3. Based on AMSPA Report, avg. EBITDA of 20-25% assumed for VIO Medspa

4. Avg. Annual EBITDA assumed to be 20% based on Prime IV 2024 Publication

5. Avg. Startup Costs estimated from range provided in FDD, assumed to be 75% of midpoint (Avg. Revenue for Hotworx locations is 75% of midpoint between min and max revenue)

Source: Desk Research, OC&C analysis

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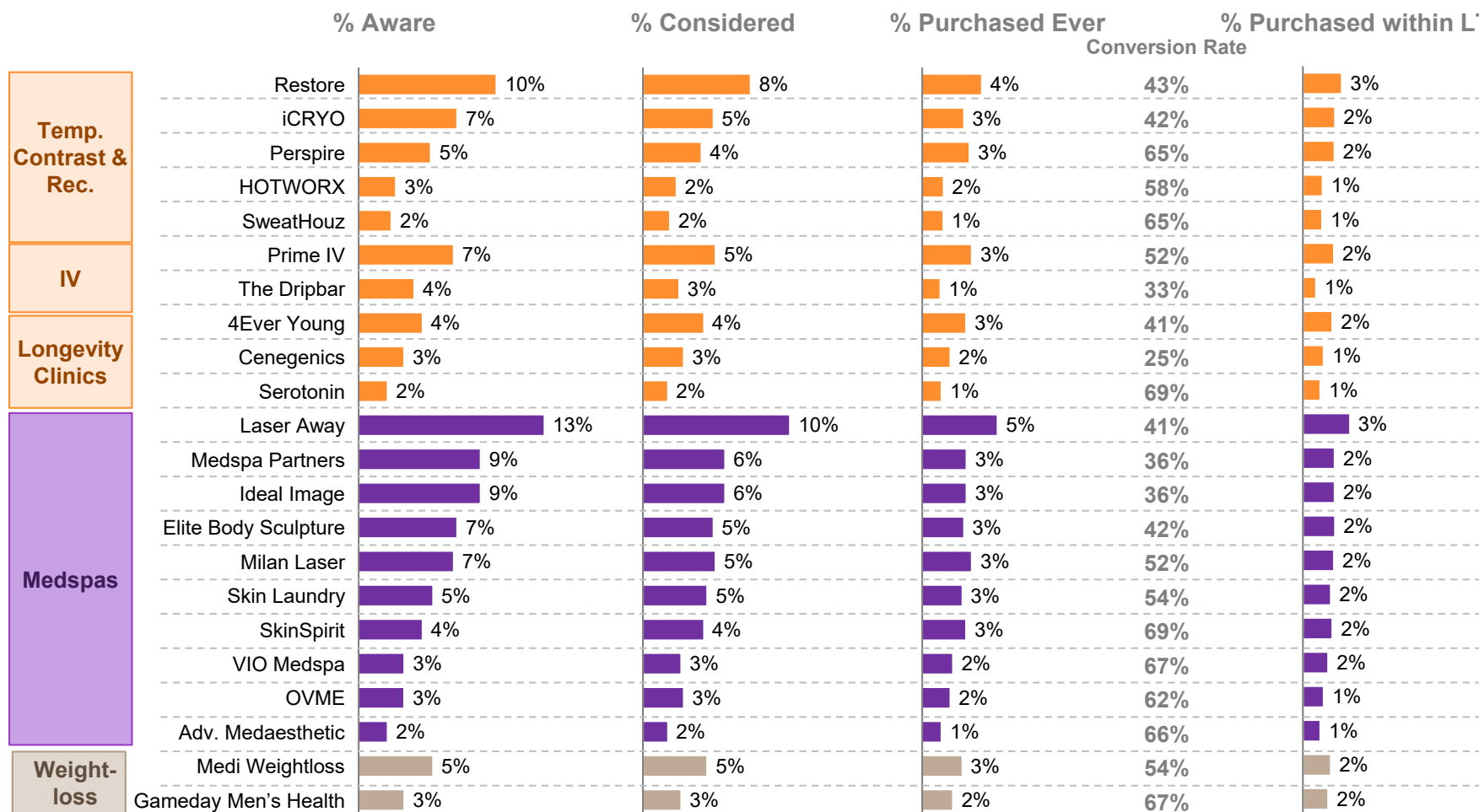


Investment Themes

There are few brands with widespread recognition, beyond Laser Away and Restore, but certain small brands have highly positive conversion

Awareness of Wellness Brands (% of Respondents)^{1,2}

N=2,030



1. Which of the following wellness brands are you aware of?

2. Have you bought from any of the below wellness brands? Not considered, Considered, but not used, Used over a year ago, Used in the past year, Used in the past 6 months

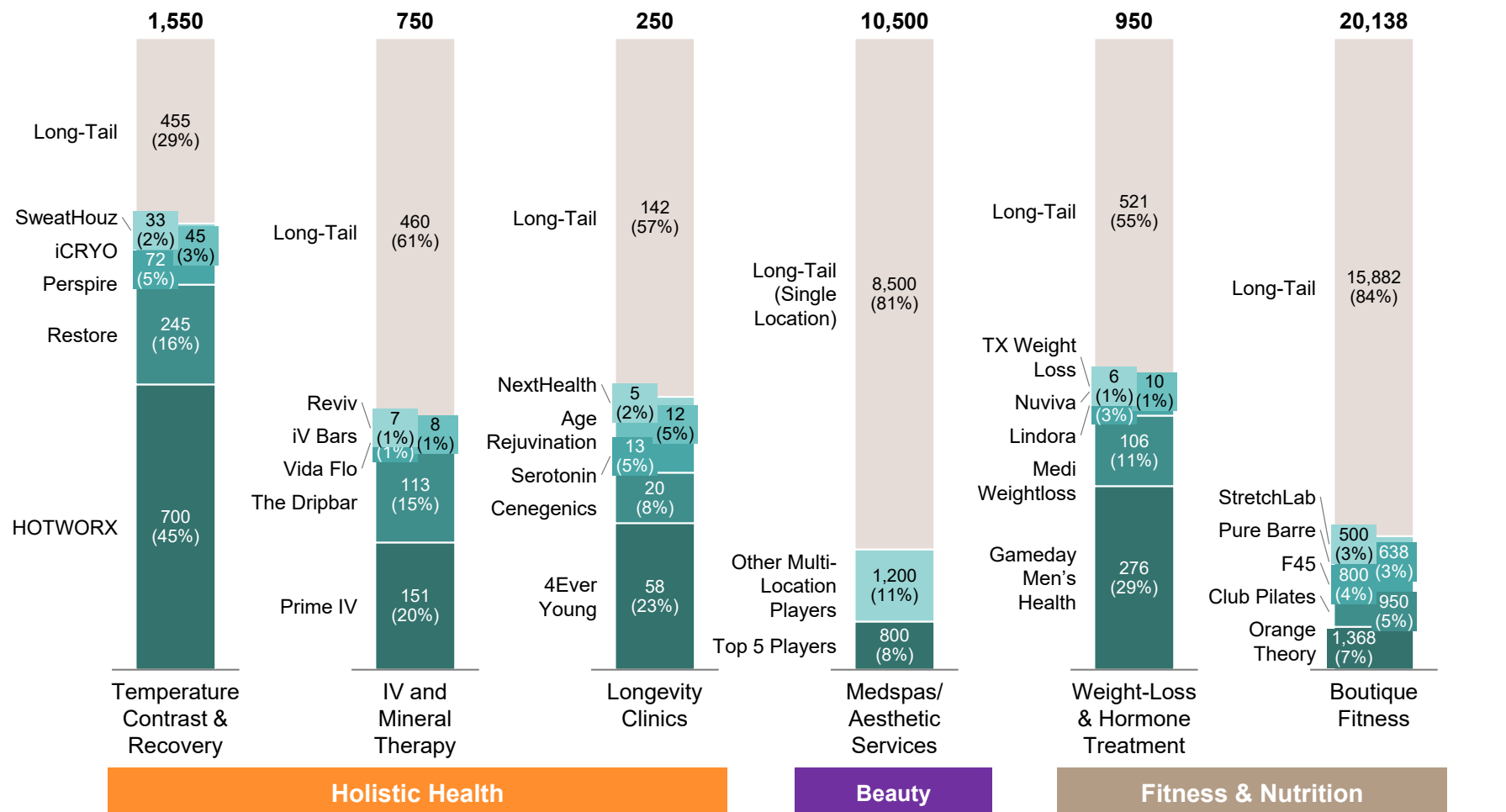
Source: Consumer Survey, OC&C analysis

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Investment Themes

As a result, the landscape is still highly fragmented, with single-unit operators commanding between 30-80% across most segments

Location Count for Top Players by Segment (#), 2024¹

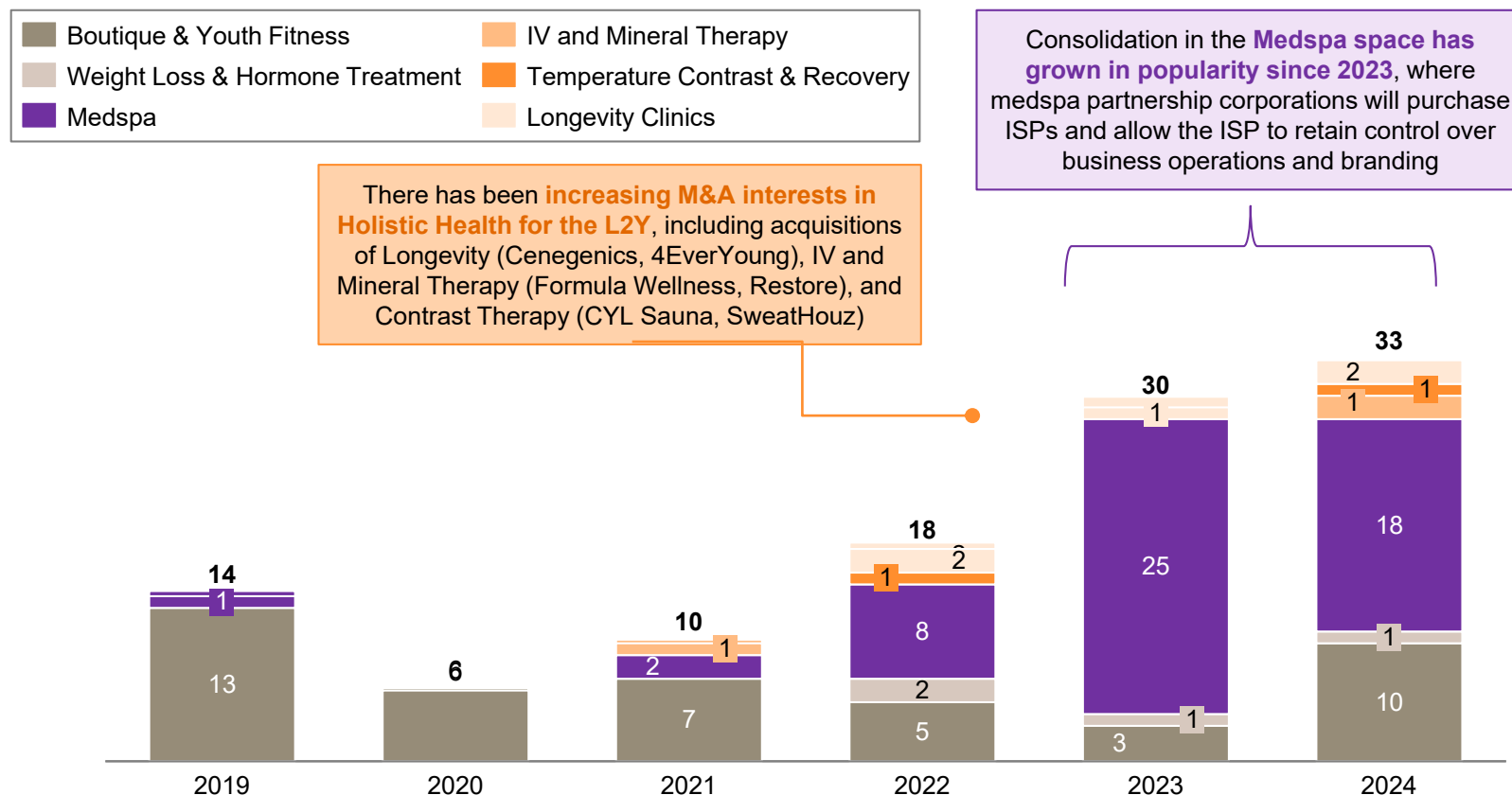
1. Sourced from Franchise Disclosure Documents (FDD) and Brand Websites; Boutique Fitness Brand locations are best approximate count as of Dec 2024; top players for Medspa include Milan Laser, Ideal Image, Laser Away, Skin Laundry, and Medspa Partners
Source: Desk Research, OC&C analysis



Investment Themes

Consolidation rates have been picking up, particularly in the Medspa in recent years, with holistic health beginning to receive more attention

US M&A Activity by Segment, 2019-24

Sourced from MergerMarket
Not Exhaustive

There has been **consistent interest in the Boutique and Youth Fitness space** for L5Y (Orange Theory, SolidCore, Row House, Barry's, local studios); **new weight loss clinics came into radar** in 2022 with acquisitions of Medi-Weightloss, Lindora, and Inshape Medical 2022-24



Investment Themes

Backup: In the last 5 years, there has been a surge of deal activity in the US health & wellness space

US Health & Wellness Services Market M&A Activity

Boutique & Youth Fitness	Temperature Contrast & Recovery	Medspa
Weight Loss & Hormone Tx.	IV & Mineral Therapy	Longevity Clinics

According to Mergermarket – Selective Deals, Non-Exhaustive

	Target Company	# Locations	Deal Type	Target Company Description	Bidding Company	Deal Date
Increasing Recent Deals	Solidcore	130	PE Acquisition	Full-Body Pilates workout with 130+ locations	L Catterton	Sep, 2024
	Fountain Life	4	VC Investment	AI-Driven Longevity Service	Eos Venture Partners	Sep, 2024
	Orangetheory / Ultimate Fitness	18	Brand Consolidation	Operator of 18 Orangetheory studios in the Orlando and South Florida markets	Bluegrass Fitness	Jul. 2024
	Formula Wellness Management	5	PE Acquisition	Dallas-based provider of health, medical-based wellness, and aesthetics services with a focus on longevity science	Trive Capital Management	Mar. 2024
	8 Medspa ISPs	8 ISPs	Partnership Model Activity	Medspa clinics offering services across aesthetics, plastic surgery & treatments, and anti-aging	Advanced Medaesthetic Partners	2023 - 2024
	6 Medspa ISPs	6 ISPs	Partnership Model Activity	A spectrum of medspa clinics focusing on skin and detox, non-surgical body care, and anti-aging	MedSpa Partners (Acquired by Persistence Capital in Nov-23)	2022- 2024
	Lindora	31	Brand Consolidation	Medically supervised weight loss programs in CA and WA	Xponential Fitness ¹	Jan. 2024
	4Ever Young	58	PE Acquisition	Leading provider of age management services	Highmount Madison	Nov, 2023
	Medi-Weightloss	106	PE Acquisition	Leading operator of science-based, physician-supervised weight-loss and wellness clinics with 106 locations	Audax Management Buzz Franchise Brands	Nov. 2022
	SkinSpirit	45	PE Investment	Provider of medical aesthetic skin and body care services.	KKR & Co	Oct. 2022
	SweatHouz	33	PE Acquisition	Temperature & contrast wellness center offering infrared sauna and cold plunge with 33 locations	Legacy Franchise Concept	Mar. 2022
	Restore	245	PE Investment	Leading provider of one-stop shop holistic wellness solutions	General Atlantic	Dec. 2021
	D1 Training	153	PE Investment	Athletic-based training programs for youth and adults	Princeton Equity Group	Nov. 2021
	CorePower Yoga	220	PE Acquisition	The largest yoga studio chain in the U.S	TSG Consumer Partners	March. 2019

1. Xponential is a public company with 10+ major institutional investors; It has 9 brands spanning boutique fitness, including Club Pilates, Cycle Bar, StretchLab, AKT, YogaSix, PureBarre, Rumble, BFT, and Lindora
Source: MergerMarket, OC&C analysis



Investment Themes

Consolidation is an attractive option in the health & wellness space, allowing chains to offer a more competitive business model than ISPs

Key Reasons for Consolidation



Most of the **benefits for consolidation** are available in in both a **centralized** and **franchise-led** model; partnership models may benefit less on brand and recruitment synergies

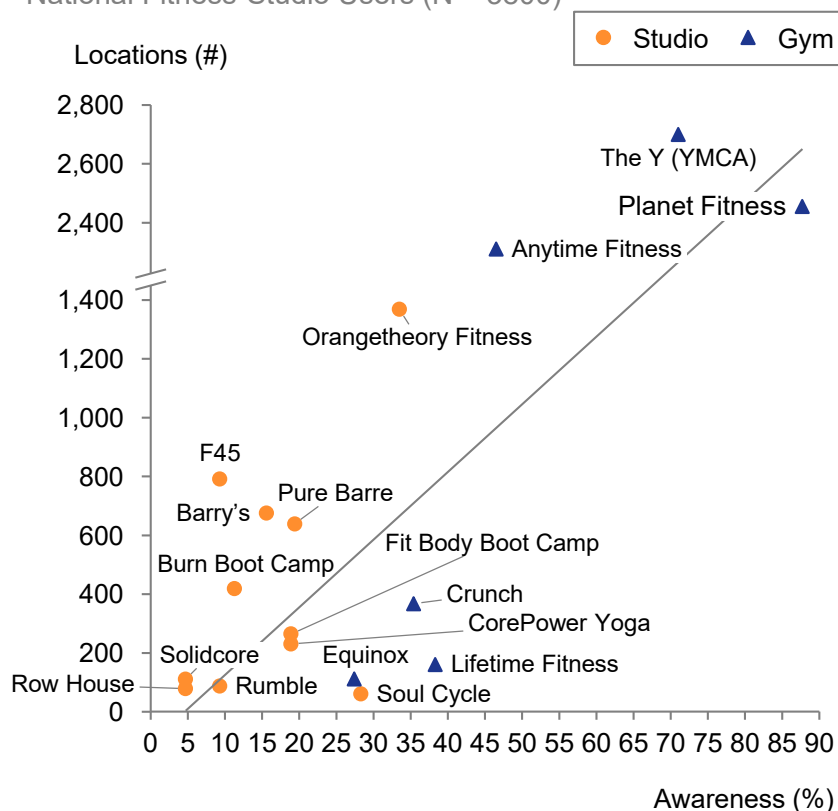
Investment Themes

The long list of fragmented brands largely rely on referrals to generate awareness, indicating meaningful upside from more mature marketing

Marketing Sophistication Overview

Brand awareness typically corresponds to scale, eg boutique fitness brands lag behind traditional brands

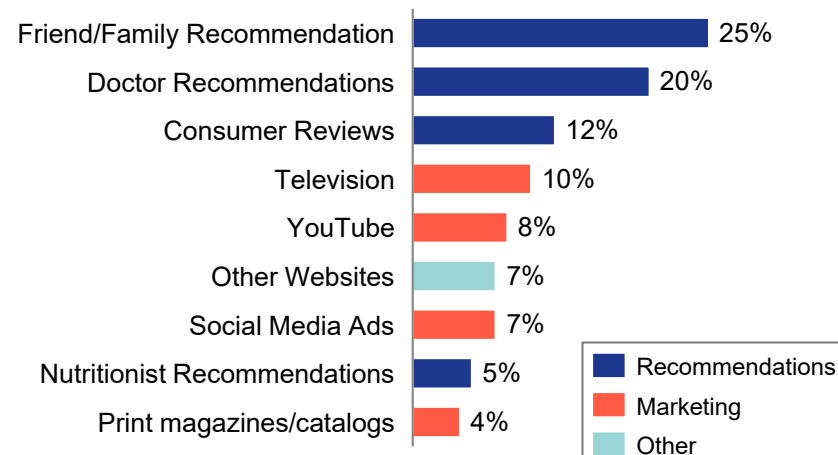
Awareness of Brands vs Number of US Locations
National Fitness-Studio Users (N = 3800)



Beyond scale, referrals are a key source of awareness for consumers, while marketing appears under-utilized

- **Referrals** are currently the main source of influence for health and wellness consumers.
- **Discovery through active marketing efforts appears to trail behind** suggesting scope to increase marketing and leverage more sophisticated strategies...
- ...part of this will be enabled by **scale** and brand development, though many sources are still **untapped**

Sources of Influence for US Consumers when Purchasing Health and Wellness Products and Services¹



1. McKinsey Global Wellness Survey

2. Zenoti Medspa Customer Survey

Source: Desk Research, OC&C Experience, OC&C analysis



Investment Themes

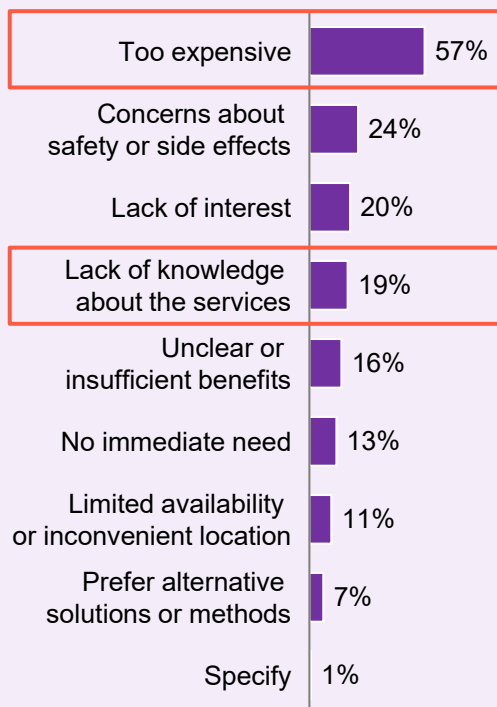
For those who are aware, marketing needs to better communicate the value and reduce information barriers to potential customers

Top 3 Reasons for Not Purchasing By Wellness Category
(% Respondents Aware But Not Purchased)

Selection of 3x Categories

Laser Hair Removal

N= 184



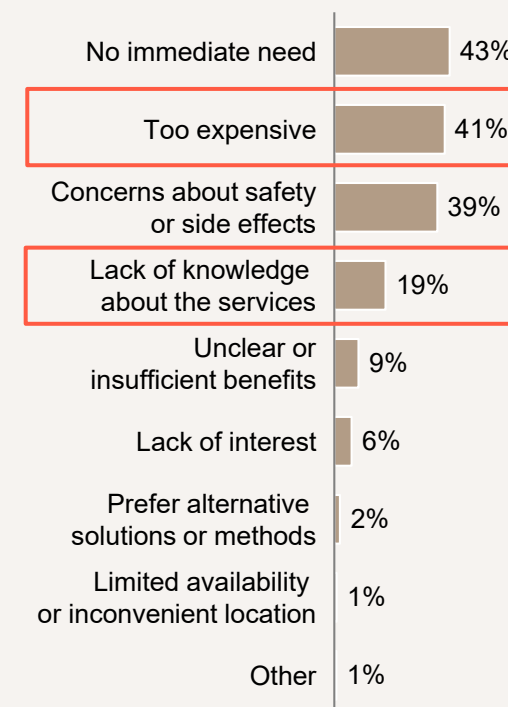
IV Drip Therapy

N= 57



GLP-1 Clinics

N= 75



1. You mentioned you are aware of [category aware of but never purchased] but have not used them. What are the main reasons for this? (select up to 3)

Source: Consumer Survey, OC&C analysis

OC&C Template | © OC&C Strategy Consultants 2024



The infancy of many of these operators means there are untapped opportunities across rates and pricing to better optimize revenue

Overview of Revenue Management and Pricing

Select Examples of Rate Opportunities

Description

Impact

1	Commitment Rates	Develop commitment rates to lock customers in for longer time periods in exchange for a discount , typically 6-month or annual memberships	<i>Drive Uplift in Retention / Tenure and Customer LTV</i>
2	Unlimited Packages	Offer curated unlimited packages to trade up members; within unlimited packages there is significant optionality spanning what services are included , added perks and reduced restrictions vs standard member access	<i>Improve Value Perception and Trade Up</i>
3	Multi-Site Access Terms	Multi-studio access can be a lucrative way to trade customers up , particularly for larger franchises with growing footprints ; while in reality most do not truly exploit the benefits so it can be a higher margin product	<i>Drive Trade Up and Monetize Scale</i>
4	Demographic Rates (e.g., Student)	Develop demographic-specific rates to drive up share with underpenetrated customer groups , for example students or buddy/couple plans, which can also boost retention and enhance future loyalty	<i>Increase Penetration of Unserved Segments</i>
5	Localized Pricing	Optimize local pricing through a rule-based approach that considers demand and supply factors, including site performance, local demographics, competitive intensity and rates, enabling franchises to make better decisions	<i>Drive Local Competitiveness and Franchisee Revenue</i>

Investment Themes

Currently, while monthly and commitment rates are relatively well penetrated, there are fewer instances of more diverse rate types

Rate Package Overview

Boutique & Youth Fitness	Temperature Contrast & Recovery	Medspa
Weight Loss & Hormone Tx.	IV & Mineral Therapy	Longevity Clinics

		Individual Services		Standard Memberships			Group / Demographic Rates				Other Access Rates		
		Single Item	Multi-Pack	Monthly	Unlimited	Commitment	Couples' rates	Buddy	Shared	Student	Goal-Oriented ¹	Concierge ²	Class Pass
Chains	Restore	✓	✓	✓									✓
	Hotworx	✓		✓	✓	✓	✓		✓	✓			
	Perspire	✓	✓	✓	✓		✓	✓					✓
	Prime IV	✓	✓	✓									✓
	Dripbar	✓		✓	✓								✓
	4EverYoung	✓				✓							✓
	NextHealth	✓	✓	✓								✓	✓
	Ideal Image	✓				✓							
	Skin Laundry	✓	✓	✓					✓				✓
	Gameday	✓									✓		
	Lindora				✓	✓					✓		
	Orange Theory	✓	✓	✓	✓	✓							
Indies	Solidcore	✓	✓	✓	✓	✓				✓			✓
	Remedy PL	✓	✓	✓		✓						✓	
	Arctic Elevation	✓	✓	✓					✓				
	Formula Wellness	✓	✓	✓	✓	✓					✓	✓	✓
	Fountain Life	✓	✓			✓						✓	
	JECT	✓	✓			✓			✓				
Rate Prevalence		high		high	medium	medium	low				low	low	medium

1. Goal-oriented memberships largely applies to weight loss and hormone treatment, with the membership duration correlated to goals like short-term goal of losing 25 lbs, or long-term routine of maintaining healthy lifestyle
 2. Concierge membership provides tailored wellness plans with premium services; Formula Wellness' personalized concierge program combines 24/7 phone access to physician, customized exercise, nutrition, and overall wellness plans with discounts on supplements and IV therapy

Source: Desk Research, OC&C analysis



Investment Themes

Commitment Rates can be an effective way to improve tenure and life time value of members

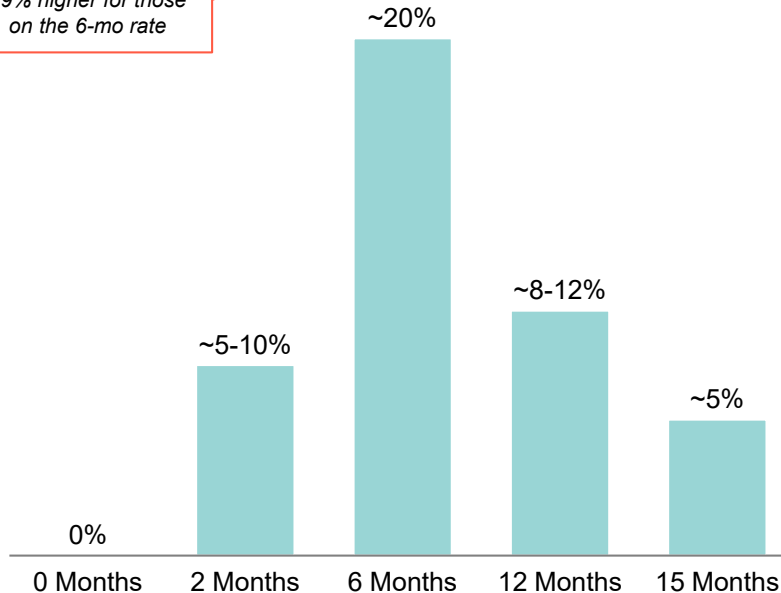
Commitment Rates

Based on OC&C Experience

Commitment rates can drive meaningful uplift in retention (e.g., ~20% higher retention by month 6 based on experience) and can be more valuable despite receiving a discount

Delta in Retention Rates for Commitment vs. Standard over Time
Wellness Brand with 6 Month Commitment Rate

Read as: retention rate
19% higher for those
on the 6-mo rate



Commitment rates work to drive **improved retention rates and better overall customer value** despite including discounting

It is particularly **effective for higher frequency segments** with simple products (i.e., weekly/monthly temperature therapy and IV therapy) where the benefit of commitment can more easily be communicated

More invasive and infrequent categories (e.g., medspas) can offer commitment rates but may need to **broaden the package of services** included (e.g., a year of botox alongside other benefits) to lock-in value and encourage frequency

Investment Themes

Unlimited Rates can also be an effective way to trade up and drive stickiness, but the definition of unlimited need curating

Unlimited Rates Deep Dive

Unlimited rates today focus on offering unlimited access to core services, but brands can further premiumize membership by stretching tiers and perks

	Unlimited Features	Pricing ¹
	Unlimited access to infrared sauna in all locations	\$179/mo
	24/7 Unlimited access to infrared sauna workouts	\$59/mo, \$79/mo (VIP tier has access to all locations with extra perks)
	3 tiers: Unlimited temperature & contrast therapy + discounts off lifestyle services + 1 or 2 drips	\$99/159/299/mo
	Unlimited classes	\$179/mo (with commitment discounts)
	Unlimited access to weight loss consultation, with monthly wellness shots & fitness classes	\$149/mo

	Boutique & Youth Fitness		Temperature Contrast & Recovery
	Weight Loss & Hormone Tx.		IV & Mineral Therapy

Unlimited is a good way to **trade-up members**, there needs to be **some control** (e.g. Barry's has max 30 a month) and **members often don't fully utilize**

It **works really well in low-variable cost models** (when there's extra capacity), e.g. fitness, contrast therapy, laser and light services)

Rates don't need to stop at unlimited, brands can **premiumize unlimited with super-unlimited tiers**, or restrict with off-peak variations

Brands can also **make lower tiers seem more unlimited** to improve perceived value, e.g. with rollovers

1. Rates availability and price vary by locations; prices here are based on stores in metropolitan Texas (exp. Lindora,) 2. Based on membership information from 5 Massage Envy stores in Tier 3 locations 3. Upon cancellation, members have 60 days to use accrued sessions before expiration 4. Credits to classes conversion varies by product, and with demand—converted here using average cost of Rumble class in Houston 5. Upon cancellation, all remaining credits are forfeited on last membership day

Source: OC&C analysis

OC&C Template | © OC&C Strategy Consultants 2024



Investment Themes

Multi-Site Access for top tier members can be an effective trade-up, generating high levels of interest despite typically low uptake

Multi-Site Access Proposition

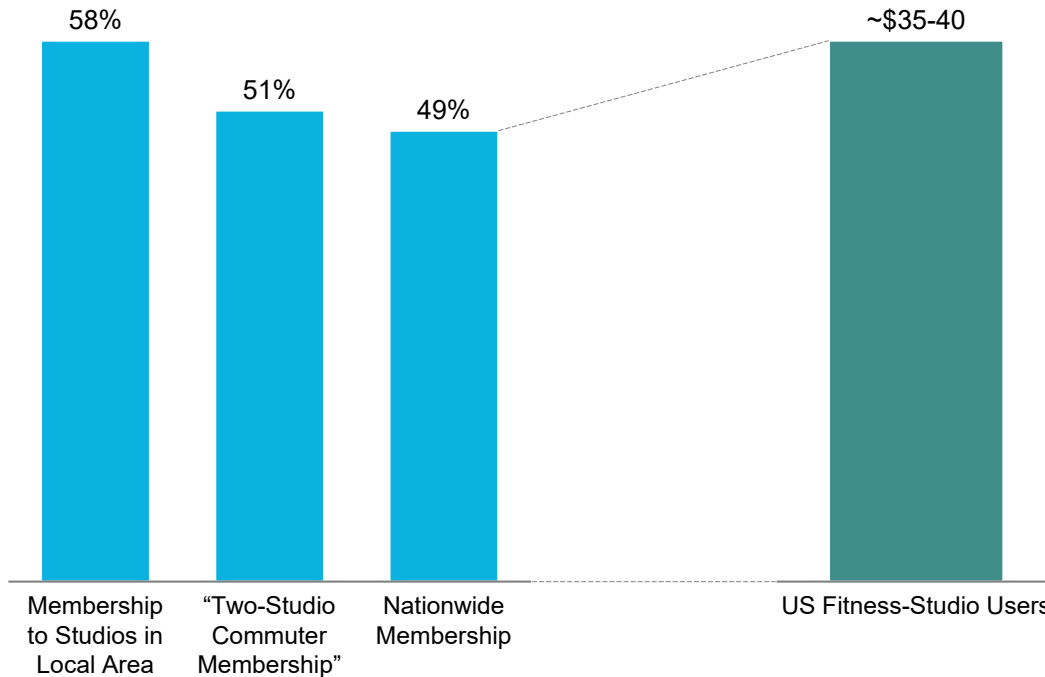
Users are typically highly interested in multi studio access...

..and they are willing to pay extra for the flexibility...

...but in reality they don't exploit the benefits

Interest in Multi Studio Access Options
US Fitness-Studio Users

Average Willingness to Pay Extra for
Nationwide Access (\$)













75-80%

Of US fitness studio users typically only use a single studio of a multi-site brand

Investment Themes

Accountability plans are another effective way to drive up retention, boosting sign-ups and engagement

Accountability Plan Opportunity

		Secondary Discount (% of base rate)	Total discount for all members vs full price	Type of Accountability Package	Description
		30%		Family / Household	Discounted membership for all family members
		30%			
		67%	33%		Primary member pays full price, discounts for additional members
		22%	11%		
		15%	7.5%		
		10%	5%		
		36%	18%	Couple / Spouse	Primary member pays full price, discounts for spouse or domestic partner
		19%			Discounted membership for both members
		10%	5%	Any secondary account, e.g., friend or family member	Primary member pays full price, discounts for additional members
		10%	5%		
Average Family Discount – All		~25%	~16%	N/A	
Average – Studios Only		~16%	~8%		

65-70%

Of fitness studio users are Less Likely to Cancel a Membership if joined by Family and Friends



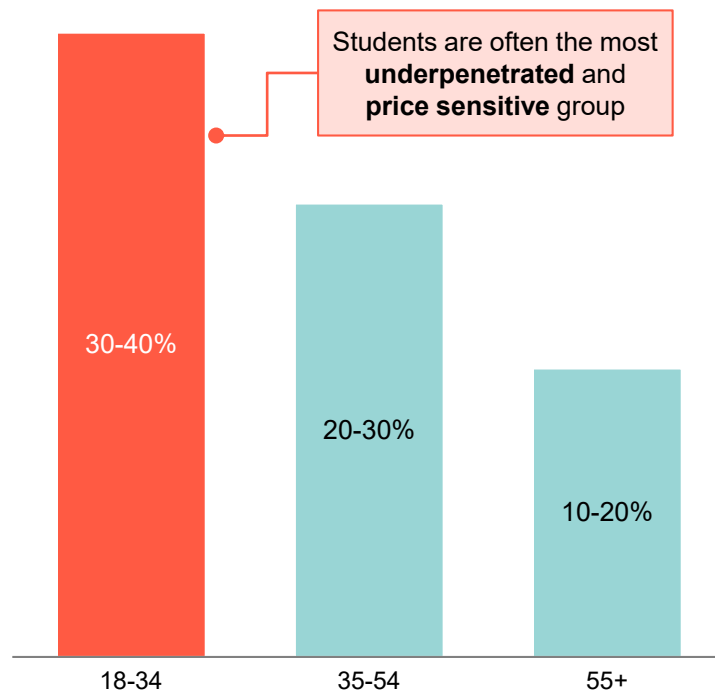
Investment Themes

Student rates, particularly multi-geo or temporary ones, can drive up share with an underpenetrated customer group

Student Rate Proposition

Students are underpenetrated, have higher price sensitivity and higher churn rates

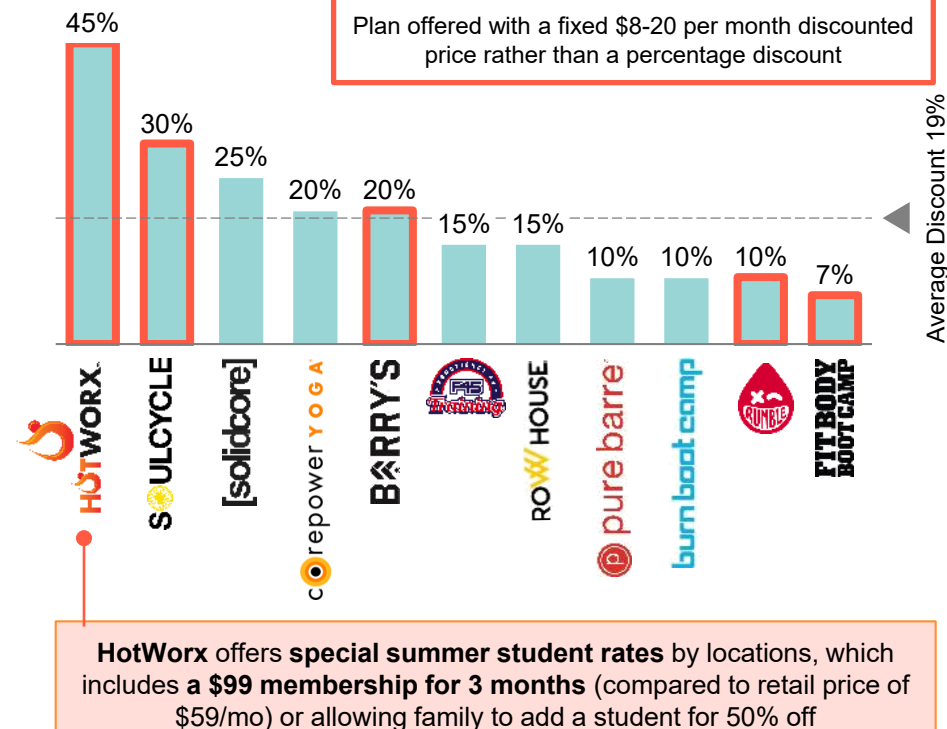
% Respondents Considering Price when Choosing Fitness Memberships and Classes, N=3k



Currently Boutique Fitness brands and Hotworx offer student rates, which could be good incentives to introduce young people to Health & Wellness offerings

Additional Discounting Benchmarking

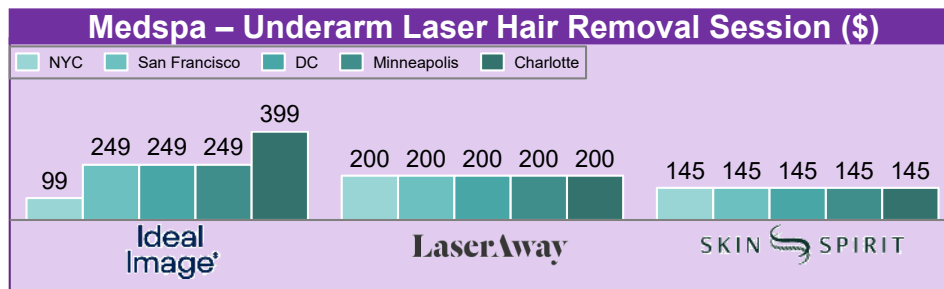
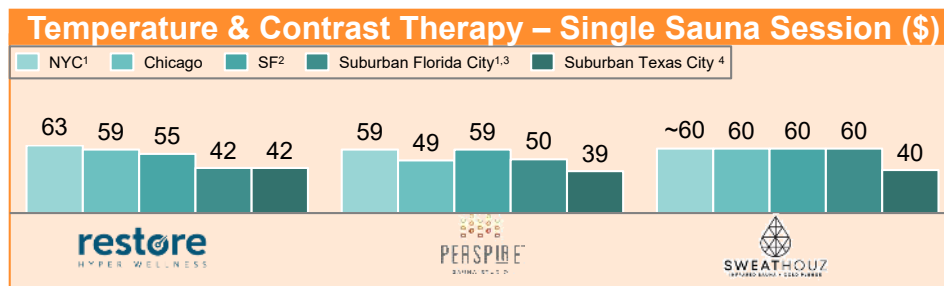
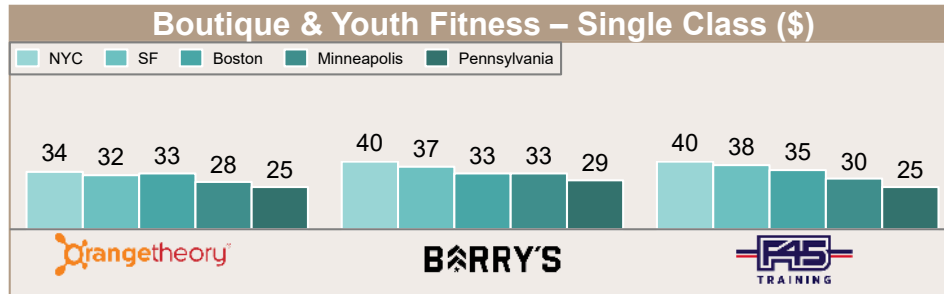
(% Discount on Monthly Rate of Basic Membership Tier)



Investment Themes

Local Pricing optimization can help to drive better consistency across operator footprints, improving competitiveness and franchisee revenue

Local Pricing Benchmarking and Optimization



Today there is wide **discrepancy across brands on pricing tiers and rates** used across store footprints, highlighting the **need for reevaluation and optimization** of a **rule-based local pricing approach**

To properly determine local pricing guidelines, various **demand and supply factors much be considered** including individual site performance, local demographics and competitive intensity, local pricing, internal brand density

Once evaluated, a tool needs to be available to local franchisees to help **inform them on how to make better and more competitive pricing decisions**, and needs to be **refreshed on a regular basis**

1. SweatHouz's Garwood, NJ & Chicago location so far only offers combined experience of sauna + cold plunge at \$80, and plunge at major metros are priced at \$20

2. Perspire: Berkeley, SweatHouz: Assembly Row, Boston (no CA location available), Restore: Pleasant Hill

Source: OC&C Knowledge, Company Websites, OC&C analysis

3. Perspire & Restore: Winter Park, SweatHouz: West Boca

4. Perspire: Dominion, SweatHouz: Preston Royal, Restore: Frisco

OC&C Template | © OC&C Strategy Consultants 2024

Investment Themes

Loyalty is an underutilized lever across new H&W offerings, brands might be missing out opportunities to boost retention and engagement

Loyalty Program Proposition

Apart from Boutique & Youth Fitness, there are limited loyalty rewards program in other new H&W Services Segments

Selective Loyalty System Benchmarking

HotWorx & Restore only offer rewards for selective stores, and they are advertised sporadically on social media, not featured on websites

Rewards System



The HOTWORX app tracks calories burned and rewards members with gift cards, discounts on retail items, or discounts on the next month's membership



Earn points by purchasing services, referring friends, and sharing on social media; rewards are in the form of service of choice



4-Tiered rewards system with quarterly cadence, based on Class attendance, Membership renewal, Merch purchases, Referrals

Many **Boutique & Youth Fitness** brands have **sophisticated, tiered rewards system** that **incentivize attendance and renewal**, whereas other **H&W brands** don't often feature loyalty as core offering

+4 months

Retention is on average 4 months longer for those who feel a sense of loyalty to the brand



01

**Introduction to the US
Health and Wellness
Services Market**

02

**The Investment
Opportunity**

03

**Interesting Assets to
Watch**

04

**Introduction to OC&C
and the Team**

When considering investing in the Health & Wellness Services space, there are various key questions to consider about potential assets

Example Investment Questions

Market and Rollout opportunity

- What is the total addressable market and growth trajectory, how well exposed is it to customer trends?
- How much headroom is there for site rollout without cannibalization? What is the rollout strategy?
- What level of innovation is available on top of the core product? What are the relevant adjacencies?
- What level of regulation does the market have? What are the legal risks?

Proposition distinctiveness

- What is the strength of the brand's proposition, NPS and customer loyalty metrics?
- How defensible is the USP, does the brand have a unique service model, proprietary tech or customer experience?
- What are the barriers to entry for new competitors?
- How strong is the customer perception, how well developed is brand equity with consumers?

Customer Target and Economics

- Who are the target customer segments? Where are the pockets of growth, are there underserved segments?
- Are there opportunities for cross-sell and trade-up? What is the opportunity for subscription models, loyalty?
- What does the customer lifecycle look like? How are customers recruited? How are satisfaction, retention and LTV metrics performing?
- How exposed are the target customers to economic slowdown? How price conscious are they?

Model Economics and Financial Performance

- How do site economics and payback benchmark? How does this impact the potential value prop for franchisees?
- What is the balance of site growth vs same store sales?
- How have costs and margins been performing over time? What is the margin dilution risk from competition?
- How labor-intensive is the model? What is the risk of practitioner churn or loss of quality?
- How strong is the franchisee network and how does this impact the proposition and ability to grow?

The medspa market is heavily fragmented with only a few small to mid-sized scale players with opportunities for continued consolidation

Selection of Medspa Players

Non-Exhaustive

	Ownership	HQ	Year Founded	Location Count (2024 Year End)	Geos	Services Offered				
						Laser and Light Services	Injectables and Fillers	Facial Treatments and Peels	Body Treatments and Sculpting	Cosmetic Surgery
Milan Laser	PE (LGP, 2019)	NE	2012	390+	Nationwide	✓	✗	✗	✗	✗
Ideal Image	PE (L Catterton, 2015)	FL	2001	150+	Nationwide	✓	✓	✓	✓	✗
Laser Away	PE (Ares Management, 2021)	CA	2006	140+	Nationwide	✓	✓	✓	✓	✗
Advanced Medaesthetic Partners	PE (Leon Capital Group, 2022)	TX	2022	58 clinics (24 partners)	Nationwide	✓	✓	✓	✓	✓
SkinSpirit	PE (KKR, 2022 & GreyLion Capital, 2018)	CA	2003	52	Nationwide	✓	✓	✓	✓	✗
VIO Medspa	PE (Freeman Spogli & Co, 2024)	OH	2017	47	Midwest, South, East Coast	✓	✓	✓	✓	✗
Skin Laundry	PE (Burch Creative Capital, 2018)	CA	2012	46	CA, AZ, TX, MA, NY, CT	✗	✗	✓	✗	✗
Medspa Partners	PE (Persistence Capital, 2019)	CAN	2019	37 clinics (32 partners)	CAN, AZ, FL, IL, NC, NY, WA	✓	✓	✓	✓	✓
Elite Body Sculpture	PE (Vesey Street, 2019)	FL	2012	31	Nationwide	✗	✗	✗	✓	✓
OVME	PE (VMG, 2021)	GA	2017	29	Nationwide	✗	✓	✓	✓	✗
Beverly Hills Rejuv. Center	Private	CA	2005	26	CA, TX, NJ, AZ, NV	✓	✓	✓	✓	✗
Chapter	Private	IL	2005	22	Northeast / Midwest	✓	✓	✓	✓	✗
LaserMD	PE (Potomac Equity Partners, 2019)	MA	2012	15	MA & PA	✓	✓	✓	✓	✗
Princeton Medspa Partners	PE (BC Partners LLP, 2024)	CT	2022	14	Nationwide	✓	✓	✓	✓	✓
Ever/body	VC Funded (\$55.5M in June 2022)	NY	2019	12	NY, DC, TX	✓	✓	✓	✓	✗
Peachy	VC Funded (\$25.1m in July 2022)	NY	2019	12	NY, DC, IL, TX	✗	✓	✗	✗	✗
The Skin Center	PE (Bridgeway Mgmt, 2021)	PA	1981	10	PA, OH	✓	✓	✓	✓	✓
Alchemy 43	PE (Claritas, 2021)	CA	2014	10	TX, CA, NY	✗	✓	✓	✗	✗
Sona Medspa	PE (Pharos Capital, 2015)	NC/MD	1982	9	Northeast & South	✓	✓	✓	✓	✗
Skin Spa	Private	NY	2005	9	NY, MA, FL	✓	✓	✓	✓	✗
Lexington	Private	NY	2008	7	NY, DC, GA, FL, TX, CA, NJ	✓	✓	✓	✓	✓
Ject	Private	NY	2019	6	NY, CA, FL	✗	✓	✓	✓	✗

VC Backed PE Backed/Owned Private

Alongside a set of scaled franchise brands in the holistic health market, there is a long tail of a small and mid-size players

Selection of Holistic Health Players

Non-Exhaustive

		Ownership	HQ	Year Found ed	Location Count (2024 Year End)	Geos	Services Offered					
							Infrared Sauna	Cryo-therapy	Compres sion	IV / Shots	Oxygen Therapy	Age Mgmt.
Temperature Contrast and Recovery Specialists	HotWorx	Private (Hired Houlihan Lokey for capital raise)	LA	2014	700	Nationwide	✓	✗	✗	✗	✗	✗
	Restore	PE (General Atlantic, 2021)	TX	2015	245	Nationwide	✓	✓	✓	✓	✓	✓
	Perspire	Private	TN	2010	72	Nationwide	✓	✗	✗	✗	✗	✗
	iCRYO	Private	TX	2015	45	Nationwide	✓	✓	✓	✓	✓	✓
	SweatHouz	PE (Prospect Hill Growth Partners, 2022)	GA	2020	33	Nationwide	✓	✗	✗	✗	✗	✗
	Pause	Private	CA	2018	7	CA, TN	✓	✓	✓	✓	✗	✗
	Arctic Elevation	Private	WA	2023	4	CA, WA	✓	✓	✗	✓	✗	✗
	Remedy PL	Private	CA	2019	3	CA, NY	✓	✓	✓	✓	✗	✗
IV and Oxygen Therapy Specialists	Prime IV	Private	CO	2017	151	Nationwide	✗	✗	✗	✓	✗	✗
	The Dripbar	VC (Kevin Harrington, 2022)	RI	2016	113	Nationwide	✗	✗	✗	✓	✗	✗
	Vidaflo	Private	GA	2012	11	GA, NC, TN	✗	✗	✗	✓	✗	✗
	iVBars	Private	TX	2015	8	TX, NY, FL, IN	✗	✗	✗	✓	✗	✗
	NutriDrip	Private	NY	2014	7	NY, NV	✗	✗	✗	✓	✗	✗
	Reviv	VC (Cardone Ventures, 2024)	UK	2013	7	NV, NY, FL	✗	✗	✗	✓	✗	✗
	Hyperbaric Medical Solutions	Private	NY	2011	5	NY, FL, MA	✗	✗	✗	✓	✓	✗
Longevity Clinic Specialists ¹	4EverYoung	PE (Highmount Madison, 2023)	FL	2014	58	Nationwide	✗	✗	✗	✓	✗	✓
	Cenegenics	PE (BestLife Holdings, 2022)	NV	1997	20	Nationwide	✗	✗	✗	✓	✗	✓
	Serotonin	Private	FL	2019	13	FL, VA, NJ, TN, MO	✓	✗	✗	✓	✓	✓
	Age Rejuvenation	Private	FL	2007	6	FL	✗	✗	✗	✓	✗	✓
	Next Health	Private	CA	2015	5	CA, NY, HI	✗	✗	✗	✓	✓	✓
	Fountain Life	VC (EoS Venture, 2024)	NY	2019	4	FL, NY, TX	✗	✗	✗	✓	✗	✓

1. Most longevity clinics also provide weight loss & hormone treatment and aesthetic services
Source: Mergermarket, CapitalIQ, Brand Websites, OC&C analysis

VC Backed PE Backed/Owned Private



In Weight Loss & Hormone Treatment, Gameday is the most scaled; Boutique & Youth Fitness offers a longer set of established brands

Selection of Boutique & Youth Fitness and Weight Loss & Hormone Treatment Players

Non-Exhaustive

		Ownership	HQ	Year Founded	Location Count (2024 Year End)	Description
Weight Loss & Hormone Treatment	Gameday Men's Health	Private	CA	2018	276	Men's health-focused with testosterone replacement therapy, medical weight loss, and hormone optimization
	Medi Weightloss	PE (Audax Management, 2022)	FL	2005	106	Physician-supervised medical weight loss program
	Renew Vitality Clinic	Private	NY	2017	50	Men's health clinic on testosterone replacement therapy, hormone optimization, and anti-aging treatments
	Lindora	Xponential	CA	1971	30	West-Coast-based holistic medical weight loss program
	Nuviva	Private	FL	2011	10	Florida-based holistic medical weight loss program
	Texas Weight Loss	Private	TX	2006	6	Texas-based holistic medical weight loss program
Boutique & Youth Fitness	Orange Theory	PE (Roark Capital, merged with Self Esteem Brands in 2024)	FL	2010	1368	Heart rate-monitored interval training with cardio and strength
	Club Pilates	Xponential	CA	2007	950	Full-body, low-impact Pilates reformer workouts
	F45	PE (Mark Wahlberg Investment Group & FOD Capital, 2019)	TX	2013	800	Functional 45-minute HIIT (high-intensity interval training) group workouts
	Pure Barre	Xponential	CO	2001	638	Ballet-inspired, low-impact, high-intensity barre workout
	Stretch Lab	Xponential	CA	2015	500	Assisted stretch sessions with certified stretch practitioners
	Burn Boot Camp	Private	NC	2012	418	45-minute group workouts for strength and conditioning
	9Round	Private	SC	2008	300	Kickboxing-themed 30-minute circuit workouts
	CycleBar	Xponential	OH	2004	265	Indoor cycling studio offering high-energy spin classes with performance tracking and community focus
	Fit Body Boot Camp	Private	CA	2009	264	30-minute fat-burning HIIT-style boot camp workouts
	CorePower Yoga	PE (TSG Consumer Partners, 2019)	CO	2002	220	Yoga with strength-building, high-energy flows
	Yoga Six	Xponential	CA	2012	200	Diverse yoga workouts from hot yoga to power yoga
	D1 Training	Private	TN	2001	153	Sports training and fitness programs for youth, adults, and professional athletes
	Solidcore	PE (L Catterton, 2024)	DC	2013	130	Pilates-inspired training using customized reformers.
	Parisi Speed School	Private	NJ	1992	100	Athletic performance training for youth and adults
	Rumble	Xponential	NY	2017	87	Boxing-inspired high-energy, full-body workouts
	SoulCycle	Equinox Group	NY	2006	60	Rhythm-based indoor cycling workout

Brand Consolidation PE Backed/Owned Private

We have profiled select assets across new H&W segments that are potential 'ones to watch'

Taxonomy of Health and Wellness Services



AMP acquired ISPs then allowed them to retain autonomy; this model aims to grow each ISP brand and reap the benefits of centralization

Advanced Medaesthetic Partners (AMP) Overview

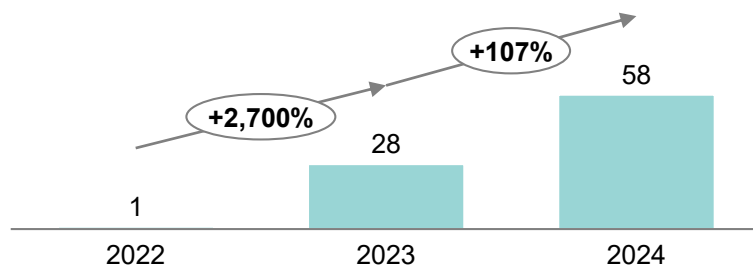
Market Segment		Medspa / Aesthetic Services
Current Ownership		PE-backed (Leon Capital Group)
Location Coverage		Bicoastal
# Locations		58 clinics (24 partners)
Location CAGR (%)		650% + (22-24)
Startup Costs		unknown
Monthly Web Visits		c. 1k (most traffic is direct to partners)
Financials	Revenue (est.)	c.\$50~150m (2024)
	Avg. Site Rev.	Industry avg. – \$1.5~2m ¹
	Margins	unknown

Services Offered: A wide portfolio of medspa services

Strategy & Differentiation

- Since its founding in Oct. 2022, AMP has entered into **partnership with 24 medspa brands**, purchasing **58 clinics** in total across the US
- AMP's partnership model allows for ISPs to **reap the benefits of larger corporations** (i.e. centralized business services, training, and technological access) while **retaining control over their own brand, customer relationships, and products**
- AMP pitch themselves as an alternative to traditional PE, marketing themselves as focused on **growing the brand of each ISP** and letting each owner have control of their "legacy"

Location Count, 2022 – 2024 (#)



AMP highlights the **benefits of centralization**, including **back-office synergy, growth support, and access to the latest medspa technologies**

1. Based on American Medspa Associations
Source: Similarweb, Desk Research, OC&C analysis

SkinSpirit offers luxury aesthetic services with advanced products and highly trained professionals; it received investment by KKR in 2022

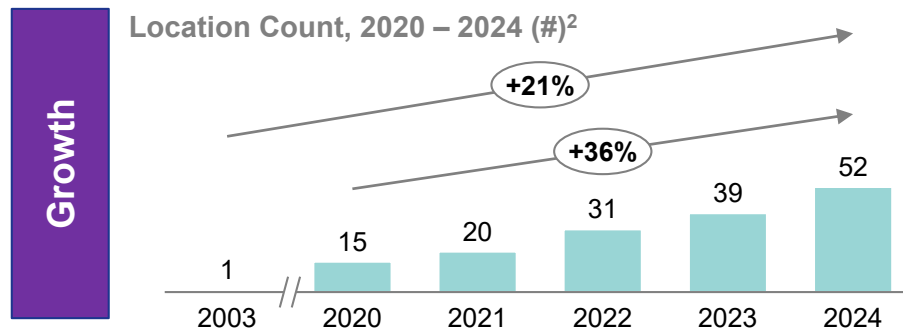
SkinSpirit Overview

Market Segment		Medspa / Aesthetic Services
Current Ownership		PE-backed (KKR & GreyLion Capital own minority stakes)
Location Coverage		US National
# Locations		52 (100% company-owned)
Location CAGR (%)		35% + (20-24)
Startup Costs		unknown
Monthly Web Visits		c. 65k
Financials	Revenue (est.)	c.\$50~150m (2024)
	Avg. Site Rev.	Industry avg. – \$1.5~2m ¹
	Margins	unknown

Services Offered: Botox & Dermal Fillers, Laser & Light Services, Facial Treatments, and Body Sculpting

Strategy & Differentiation

- SkinSpirit hyper-focuses on **botox & dermal fillers** through a team of highly experienced practitioners
- The luxury medspa is known for providing **premium medical grade** services in a **highly curated, people-centered** ambiance
- The chain has enlarged its footprint with a **combination of organic growth and strategic acquisitions**
- SkinSpirit **prioritizes client education**, debunking common myths about Botox and fillers to foster trust and uptake



Peachy distinguishes itself through affordable botox treatment, along with emphasis on customer education and service

Peachy Overview

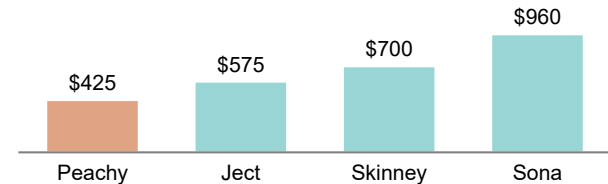
Market Segment		Medspa / Aesthetic Services
Current Ownership		VC-backed
Location Coverage		NY, DC, Chicago, Austin
# Locations		12
Location CAGR (%)		60% + (20-24)
Startup Costs		unknown
Monthly Web Visits		c. 25k
Financials	Revenue (ets.)	c.\$20~50m (2024)
	Avg. Site Rev.	Industry avg. – \$1.5~2m ¹
	Margins	unknown

Services Offered: Preventive wrinkle relaxers (Botox®, Jeuveau®, Dysport®, and Xeomin®)

Strategy & Differentiation

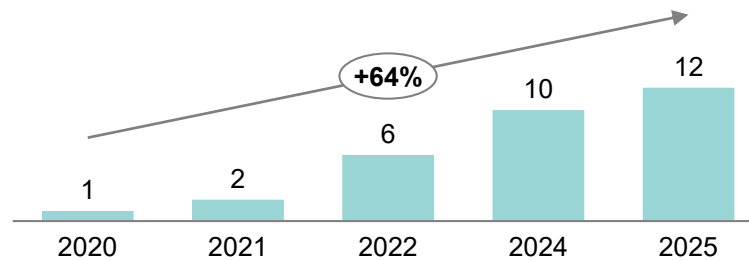
- Peachy offers a **flat \$425 price tag** for each available treatment, **far cheaper** than its more **premium medspa peers**

Price of Standard Botox Treatment, for Two Areas (\$)²



- It emphasizes **customer education** on the **value and science** behind preventative Botox
- Based on Yelp reviews, Peachy **outperforms peer brands**, indicating that lower pricing is **not at the expense of quality or customer experience**

Location Count, 2020 – 2024 (#)



Growth

1. Based on American Medspa Associations

2. Standard Botox Treatment refers to either average price provided by a provider for the cost of treating two areas

Source: Similarweb, Desk Research, OC&C analysis



What exactly does \$425 cover?

In a word, everything! At Peachy, you pay \$425 for our total treatment. No catches. We focus exclusively on all three FDA-approved muscle groups, where botox has been rigorously tested for safety and effectiveness.

Accessible Pricing and Transparent Messaging

Customer Education

Restore offers a one-stop-shop for recovery and wellness needs across ~250 locations nationwide, with a focus on cryo and IV

Restore Overview

Market Segment	Temperature Contrast and Recovery	
Current Ownership	Private (General Atlantic invested \$140m in 2021)	
Location Coverage	US National	
# Locations	245 (14 company-owned outlets) ¹	
Location CAGR (%)	48% + (19-24)	
Startup Costs	c. \$1m	
Monthly Web Visits	c. 190k	
Financials	Revenue (est.)	c.\$200–300m (2024)
	Avg. Site Rev.	c. \$886k
	Margins	unknown

M&A History

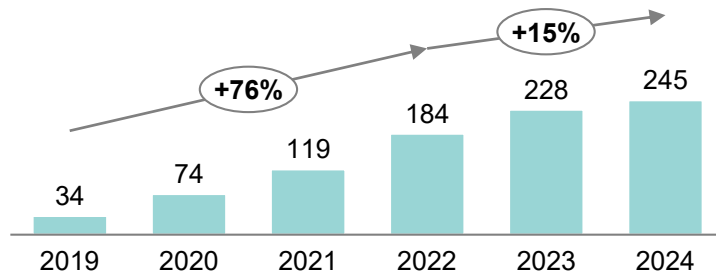
- **2015:** Founded as a cryotherapy clinic in TX
- **2020:** Raised \$8m from Level 5 Capital Partners
- **2021:** Raised \$150m from General Atlantic
- **2024:** Strategic Partnership with MECOTEC, a cryotherapy manufacture, after divesting Zimno Tech, Restore's cryo-chamber manufacturer

Strategy & Differentiation

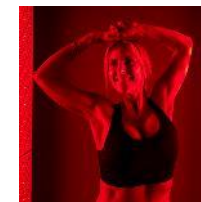
- Compared to other non-invasive wellness therapy and service providers, Restore offers a **more comprehensive range of services**
- Approach is to position as a **holistic solution**, providing solutions to a complete range of H&W needs
- Membership pricing aligns with **super premium gyms**, varying by location

Level Up Includes: 8 Core Services. 4 credits can be exchanged for 1 Base IV \$249	Elevate Includes: 14 Core Services. 4 credits can be exchanged for 1 Base IV \$390	Core Includes: 31 Core Services \$449
-----------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------	--------------------------------------------------------------

Location Count, 2019 – 2024 (#)



Cryotherapy



Red Light Therapy



IV Drip Therapy

1. As of 2023 Year End; There were no projected company owned outlet openings in 2024 calendar year
Source: Similarweb, Desk Research, OC&C analysis

Perspire offers a convenient yet premium experience that elevates the traditional health benefits of saunas

Perspire Overview

Market Segment		Temperature Contrast and Recovery
Current Ownership		Private (founded in 2010)
Location Coverage		22 States (incl. CA, GA, FL, TX)
# Locations		72 (44 company-owned outlets) ¹
Location CAGR (%)		64% + (19-24)
Startup Costs		c. \$650k
Monthly Web Visits		c. 120k
Financials	Revenue (est.)	c. \$25–40m (2024)
	Avg. Site Rev.	c. \$550k
	Margins	c. 10-15%

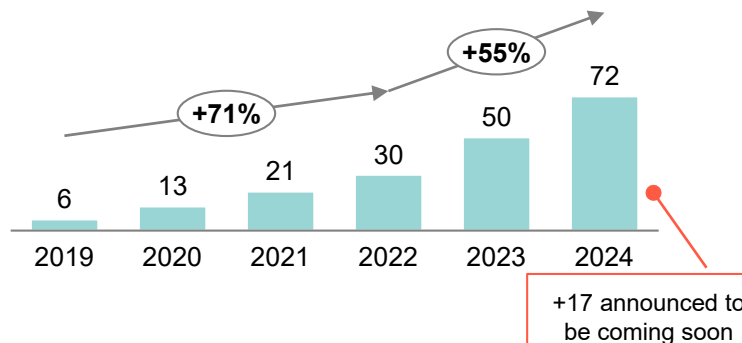
Services Offered: Infrared Sauna, Red Light Therapy, Color Light Therapy

Strategy & Differentiation

- Perspire is **hyper-focused on IR saunas**, which claim benefits beyond traditional saunas, including:
 - Detoxification, relaxation, pain relief, improved circulation and dermatological benefits
- The brand positions itself as a **premium, wellness led, sauna experience**
- The studio offers personal sauna rooms and operates on a **low-labor model**, which **boosts margins, streamlines operations, and enhances scalability**
- Franchises offer membership packages priced in line with **premium gyms**

FOUNDING MEMBERS EXCLUSIVE RATE	FOUNDING MEMBERS EXCLUSIVE RATE
IRitual UNLIMITED SESSIONS \$295 \$245 RESERVE MEMBERSHIP	IRedcover 8 SESSIONS / MONTH \$295 \$195 RESERVE MEMBERSHIP

Location Count, 2019 – 2024 (#)



1. As of 2023 Year End; There were no projected company owned outlet openings in 2024 calendar year
Source: Similarweb, Desk Research, OC&C analysis

Prime IV has scaled to ~150 sites with a simple but elevated menu of customizable drips, delivered ad-hoc and through tiered memberships

Prime IV Overview

Market Segment	IV and Oxygen Therapy	
Current Ownership	Private	
Location Coverage	US National	
# Locations	151 (1 company-owned outlet)	
Location CAGR (%)	250% + (20-24)	
Startup Costs	\$100~400k	
Monthly Web Visits	c. 100k	
Financials	Revenue (est.)	c. \$50–150m (2024)
	Avg. Site Rev.	c. \$700k
	Margins	c. 20% EBITDA

Services Offered: A wide selection of IV Therapy & Drip Infusions

Strategy & Differentiation

- Prime IV focuses on **hydration therapy** and **highly customized IV drips** to address growing needs of holistic wellness, recovery, and energy
- Positioned as a **premium, medically-supervised service** that delivers **fast and tangible health benefits**
- It has a **tiered membership-driven model** to encourage recurring visits and build long-term customer relationships

PRIME
FLEX

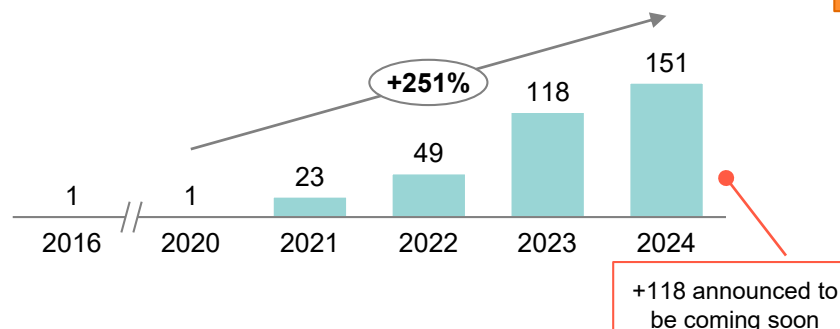
PRIME
SELECT

PRIME
ESSENTIALS

PRIME
TRANSFORMATION

Location Count, 2020 – 2024 (#)

Growth



4EverYoung takes a whole-body age management approach that personalizes a full-spectrum health & wellness experience

4EverYoung Overview

Market Segment	Longevity Clinic	
Current Ownership	Highmount Madison (acquired in 2023)	
Location Coverage	14 states (incl. NY, PA, TX, FL)	
# Locations	58 (3 company-owned outlets)	
Location CAGR (%)	85% + (20-24)	
Startup Costs	c. \$650k ¹	
Monthly Web Visits	c. 30k	
Financials	Revenue (est.)	c. \$50–150m (2024)
	Avg. Site Rev.	c. \$2m
	Margins	unknown

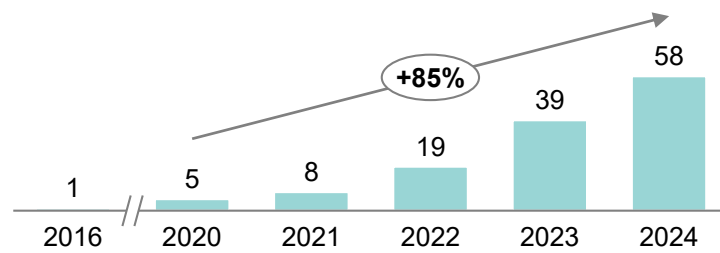
Services Offered: Age Assessment & Management, Hormone Replacement Therapy, Medical Weight Loss, Cosmetic Services, IV Therapy

Strategy & Differentiation

- Positioned as a **comprehensive anti-aging clinic**, with a **whole-body approach to aging**, targeting both **internal health** and **external appearance** to help clients feel and look their best
- Differentiates itself with **personalized, science-backed treatments**, attracting both **men and women seeking longevity**
- Focuses on **education** and encourages clients to **manage age-related changes proactively**

A Whole-body approach:
Feel Your Best & Look Your Best Memberships

Location Count, 2020 – 2024 (#)



+61 announced to be coming soon



1. Based on 2024 FDD: Startup cost estimated as \$429500 - \$903000
Source: Similarweb, Desk Research, OC&C analysis

Gameday Men’s Health is a private franchise model weight-loss and hormone treatment player; it has grown exponentially in 2024

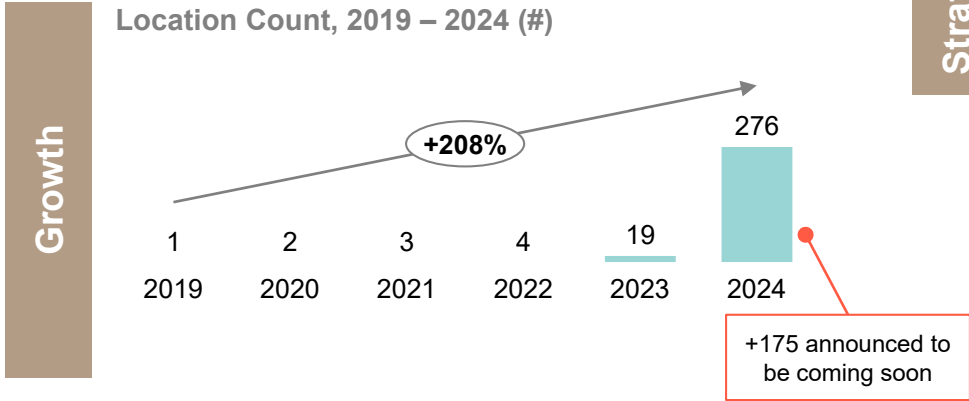
Gameday Overview

Market Segment		Weight Loss & Hormone Treatment
Current Ownership		Private (founded in 2018)
Location Coverage		North America
# Locations		276 (4 company-owned outlets) ¹
Location CAGR (%)		200% + (19-24)
Startup Costs		c. \$300k
Monthly Web Visits		c. 50k
Financials	Revenue (est.)	c.\$100–250m (2024)
	Avg. Site Rev.	unknown
	Margins	c. 15-20% EBITDA ²

Services Offered: Weight Loss, Vitamin Injections, Testosterone Health, and Erectile Dysfunction

Strategy & Differentiation

- A franchise model of **250+ brick-and-mortar clinics** in US and expanding into Canada (*first location opened Nov 2024*)
- Treats conditions related to **testosterone deficiency**, offering a more white-glove, supervised experience for clients who want in-person interaction
- Broad range of **hormonal therapies** that go **beyond offerings of online-only providers** (through at-home treatment plans or 15-minute injection appointments) targeting weight loss, sexual health, energy and fertility
- Targets **middle-aged men** who may be less comfortable with the online-only model, offering a convenient and friendly in-person experience



1. As of 2023 Year End; There were no projected company owned outlet openings in 2024 calendar year
2. Average of 4 reporting company locations. Excluding MSO revenue and costs. EBITDA including MSO revenue and costs is ~35%
3. According to FDD 2024 projected locations
Source: Similarweb, Desk Research, OC&C analysis



D1 Training is a high-growth fitness franchise with ~120 locations offering athletic-based training programs with a focus on youth

D1 Training Overview

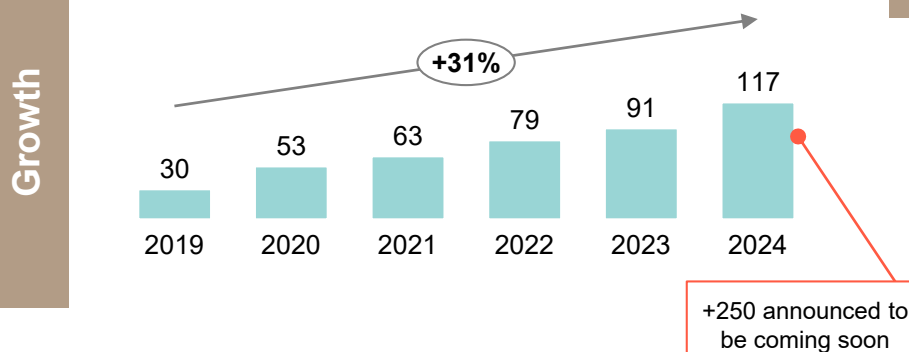
Market Segment		Boutique & Youth Fitness
Current Ownership		PE-Backed (Princeton Equity Group)
Location Coverage		United States
# Locations		117 (1 company-owned outlet)
Location CAGR (%)		30% + (19-24)
Startup Costs		c. \$500K
Monthly Web Visits		c. \$65k
Financials	Total System Value (est.)	~\$67M
	Avg. Site Rev.	\$808K ¹
	Margins	~17%

Services Offered: Group sessions or 1:1 training for scholastic athletes, adults, and pros

Strategy & Differentiation

- D1 was **founded in 2001** by former NFL player Will Bartholomew in Nashville, TN, with a mission to **support athletes in achieving their fitness goals**, offering D1 level training outside D1
- Focuses on athletic-based, **science-backed training for youth** (aged 7-18 is 61% revenue) and **adults** (39%), with members working closely with qualified trainers through guided **small group and 1:1 sessions**
- Reached ~30 corporate-owned locations before pivoting to **franchise model for rapid expansion in 2018**
- Now serving **~30K active customers across ~120 locations spanning 36 states**, with plans/signed agreements to open **252 more**

Location Count, 2019 – 2024 (#)



1. Average revenue of 2+ yo established franchise
Source: Similarweb, Apr '24 FDD, Desk Research, OC&C analysis



01

**Introduction to the US
Health and Wellness
Services Market**

02

**The Investment
Opportunity**

03

**Interesting Assets to
Watch**

04

**Introduction to OC&C
and the Team**

OC&C is a global sector specialist strategy consulting firm of c. 800 consultants

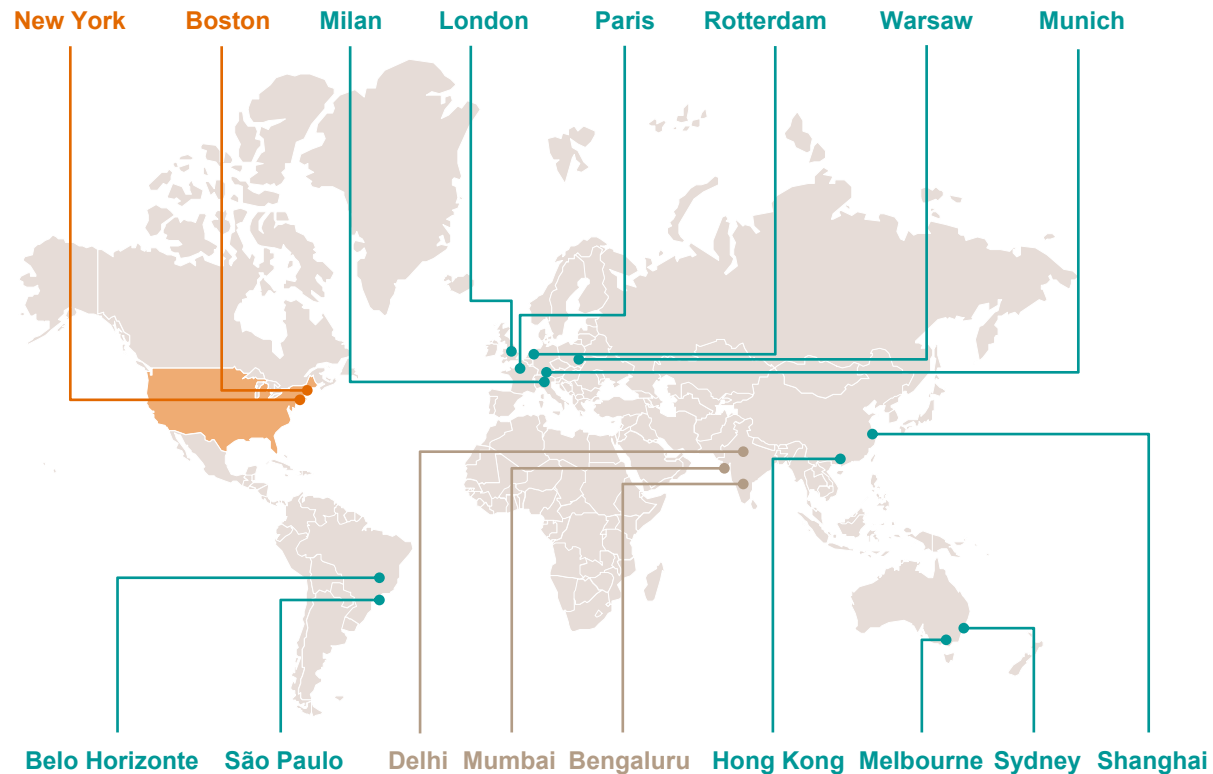
- Founded in 1987
- 17 offices worldwide
- Global coverage through our hubs
- Client roster includes some of the largest corporations and most innovative challengers in the world
- Our core consumer & leisure team operate across our offices globally



OC&C
Strategy consultants



OC&C's Global Reach



1. Affiliate offices in India



We work with a wide-range of players across industries; consumer / leisure strategy is ~50% of our work

OC&C's Industry Coverage

Consumer Goods

- Sport & Outdoor Equipment
- Food & Drink
- Beauty & Luxury
- Beer, Wine & Spirits

Retail

- Grocery
- Apparel
- Multi-category
- Specialty & Luxury
- Disruptive Digital Models

Hospitality & Leisure

- Travel & Hospitality
- Food & Beverage
- Health & Fitness
- Entertainment
- Gambling & Gaming

TMT

- Communications & Technology
- Business Information
- Media Entertainment & Consumer Media

B2B Products & Services

- Construction & Infrastructure Services
- Industrial Products
- Automotive & Mobility
- Insurance
- Outsourcing
- Testing, Inspection & Certification

Our Clients



Private equity and investors



Leading multinationals



National champions



Challengers and disruptors

Our Credentials: We have highly relevant experience in health and wellness markets to support you on your transactions

Deep understanding across Professional Beauty and Personal Care

- Our team has experience working with major beauty, personal care and aesthetic brands, including on many transactions
- We are experts on beauty having worked across categories with global brands, service-providers, retailers, D2C and direct sellers



Broad expertise across Health and Fitness Operators

- We understand the wider health, wellness and fitness landscape, and trends shaping demand for these services...
- ...And have supported a number of transactions and strategy development with wellness operators across global regions



Extensive experience with Practitioner-Based Services

- As retail and consumer experts, we bring vast experience in supporting the brands whose model is built on a salesforce and practitioner basis
- ...this means we know what investors are looking for



Expertise with a wide-range of Franchise-Based operating models

- We have deep experience working with many international and high growth branded franchise operators
- ... and we understand what it takes to scale franchise businesses and optimize proposition, while balancing communications and terms with owners



Contact Details



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「Thank you!」



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Strategy consultants

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