

# MAD LAGREE MARBELLA

Premium Lagree Fitness Studio — Benahavís, Marbella

Investment Memorandum | April 2026 — Working Draft | Confidential

Capital raise	€320,000
Total CapEx	€289,680
Break-even utilisation	~45–50% (90–120 active members)
EBITDA break-even (est.)	Month 1 — subject to ramp
Y1 Revenue (Base)	€284,960
Y1 EBITDA (Base)	€85,701
5-yr Enterprise Value (cons. 7x)	€1,962,441
5-yr Enterprise Value (base 10x)	€2,803,487
MOIC — enterprise (cons.–base)	6.1x – 8.8x
IRR (approx.)	~44% – ~54%

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## 1. Executive Summary

*The 60-second case for MAD Lagree Marbella*

MAD Lagree Marbella is a premium boutique fitness studio opening in Q3 2026 in Benahavís — the highest-income municipality on the Costa del Sol. Operating under the MAD London franchise licence, the studio will offer Lagree Fitness classes on 8–9 Lagree EVO Pro machines: the most advanced equipment in the method's history. MAD London is one of the most recognised Lagree brands in Europe, with multiple successful London studios and strong customer reviews that anchor the brand credibility for this launch.

The studio's catchment extends well beyond Benahavís town to a 15–20 minute drive radius covering La Quinta, Los Arqueros, El Madroñal, La Zagaleta, La Heredia, Las Colinas, Monte Halcones, Atalaya, El Paraíso, Cancelada, and inflow from Nueva Andalucía and San Pedro. This is a high-income residential cluster — expats, second-home owners, and time-sensitive wellness-focused residents — not a small municipality. There is no MAD-level or EVO Pro Lagree studio operating in this catchment. The nearest Lagree studios (Marbella and Nagüeles) are 26–40 minutes away and function as destination studios; MAD Lagree Marbella positions as the local routine. Demand is expected to be stronger in spring and summer, with softer winter periods modelled explicitly.

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EBITDA break-even (est.)	Month 1 — subject to ramp pace
Year 1 Revenue (Base)	€284,960
Year 1 EBITDA (Base)	€85,701
Year 2 EBITDA	€239,506
5-year Enterprise Value (base 10x)	€2,803,487
MOIC — enterprise (cons.–base)	6.1x – 8.8x · Full returns on p.9
IRR (approx.)	~44% (cons.) — ~54% (base)
LTV : CAC	6.4x — highly efficient acquisition
Founding member target	50–80 pre-opening sign-ups — validation milestone
Avg. visits / member / month	6–8 (basis for membership revenue model)

The Lagree method is one of the fastest-growing fitness categories globally — CAGR 7.2% for boutique fitness to 2034 (Market.us, 2024), with Lagree outperforming that benchmark. The immediate catchment has no MAD-level or EVO Pro Lagree studio. This is a premium repositioning play backed by a proven brand (MAD London) and a structurally underserved local market.

## 2. Market Context

*Why Benahavís, why now, why Lagree*

### The Marbella Corridor

Benahavís sits at the apex of the Golden Triangle — Marbella, Estepona, Ronda — one of Europe's densest concentrations of high-net-worth residents. The municipality has the highest per-capita income in Andalucía

and the sixth-highest in Spain.

Catchment — 15–20 min drive radius	<b>La Quinta, Los Arqueros, El Madroñal, La Zagaleta, La Heredia, Las Colinas, Monte Halcones, Atalaya, El Paraíso, Cancelada + inflow from Nueva Andalucía and San Pedro</b>
Benahavís permanent residents	<b>9,244 (INE Padrón Municipal, 2024) — highest-income municipality in Andalucía</b>
Foreign nationals — share of residents	<b>63% (INE, 2024)</b>
Target client profile	<b>High-income residents, expats, second-home owners — time-sensitive, wellness-focused</b>
Annual tourist arrivals — Costa del Sol	<b>~1.5 million (retention-limited; core model is resident-based)</b>
Registered golf courses — area	<b>70+</b>
Average household income (local)	<b>Above Spanish national avg. x3</b>
Seasonality	<b>Stronger spring &amp; summer demand; softer winter — modelled in fill-rate assumptions</b>
Boutique fitness market — global	<b>\$40.1B (Market.us, 2024)</b>
Boutique fitness CAGR	<b>7.2% CAGR to 2034 (Market.us, 2024)</b>
Lagree studios — worldwide	<b>300+ in 30+ countries (Lagree HQ)</b>
MAD-level / EVO Pro Lagree — catchment	<b>None — nearest Lagree studios in Marbella/Nagüeles (~26–40 min)</b>

Sources: INE Padrón Municipal 2024 (population); Market.us Boutique Fitness Studio Market Report 2024 (market size/CAGR); Lagree Fitness HQ licensing page 2025 (studio count).

## Competitive Landscape

Existing Lagree studios — House of Yage and Palm Sporting Club — are located in Marbella and Nagüeles, approximately 26–40 minutes from the catchment during normal working hours. Both operate on standard Megaformer equipment (not EVO Pro). These are destination studios relative to MAD Lagree Marbella's location; the travel friction is a meaningful behavioural barrier that reduced frequency converts into lost retention. MAD Lagree Marbella is positioned as the local routine for the catchment — a fundamentally different proposition. Reformer studios are indirect competitors only, targeting a different modality and price point.

Studio	Method	Location	Drop-in / Membership	Threat Level
House of Yage	Lagree	Marbella	€35 / €245–350/mo	Medium
Palm Sporting Club	Lagree	Marbella	€35 / €245–350/mo	Medium
Reforma Studio	Reformer	Marbella	~€22–28/class (est.)	Low
Studio 34	Lagree-style	Area	~€20–26/class (est.)	Low — lower spec

House of Yage offers Lagree but on standard (non-EVO Pro) machines and without MAD's brand recognition or programming. The EVO Pro advantage — 50+ more exercises, deeper range of motion, superior ergonomics — is a meaningful product differentiator that justifies the premium price.

Pricing verified April 2026 via studio websites. House of Yage current promotion: 7 classes for €185 (expires May 2026). Both Lagree competitors run 3-month membership commitments.

### 3. The Lagree Method

*Why Lagree wins in premium markets*

Lagree Fitness is a patented, full-body training method developed by Sébastien Lagree that combines strength, endurance, cardio, balance, flexibility, and core training in a single 50-minute session on the Megaformer (now evolved to the EVO Pro). The method is scientifically validated, intensely challenging, and uniquely addictive. As of 2025, Lagree operates 300+ licensed studios across 30+ countries — making it one of the fastest-expanding premium fitness formats globally.

- High-intensity, low-impact: suitable for all ages and fitness levels — critical in a 45+ demographic market
- 50-minute sessions: premium time efficiency drives membership stickiness
- 9-person maximum class size: naturally premium, justified high price point
- Celebrity following (Meghan Markle, Kim Kardashian, Sofia Vergara): cultural cachet that resonates with the Costa del Sol demographic
- MAD London: one of the most recognised Lagree brands in Europe, with multiple successful London studios and strong customer reviews — the reason for taking their franchise. MAD London's proven track record is a core pillar of the investor case. Instructors trained by MAD London with continuous weekly training sessions; class consistency is a key retention driver.

#### The Lagree EVO Pro

The studio will operate exclusively on the Lagree EVO Pro — the latest-generation machine launched in 2023. The EVO Pro offers 50+ additional exercises versus the previous Megaformer generation, improved weight stack, and patented SmartSpring technology. This is the same machine used in MAD London's studios. Competitors on the Costa del Sol operate older-generation equipment.

### 4. Location

*The Deck, Benahavís — strategic positioning*

The studio will open at The Deck, a premium lifestyle complex in Benahavís. The location is positioned within 5–10 minutes' drive of the six largest luxury residential estates on the Costa del Sol, including La Zagaleta, Los Flamingos, and La Quinta.

Location	<b>The Deck, Benahavís · Edf. The Deck, Urbanización Los Aguilares</b>
Accessibility	<b>Easy parking, direct access, high visibility</b>
Rent-free period	<b>Months 1–3 (fit-out / pre-opening)</b>
Rent — Month 4	<b>€1,000</b>
Rent — Month 5	<b>€2,000</b>
Rent — Month 6	<b>€3,000</b>
Rent — Month 7 onwards	<b>€4,000 / month (steady state)</b>
Year 1 rent total	<b>€30,000 (stepped structure)</b>
Year 2 rent	<b>€48,000 per annum (€4,000/month)</b>
Year 3+ rent	<b>€54,000 per annum (escalation)</b>
Deposit paid	<b>€10,000</b>

Lease status	<b>Terms agreed · Deposit paid · Contracts being finalised</b>
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The 3-month rent-free period de-risks the pre-revenue build phase. The rent escalation schedule (€35k → €60k over 4 years) is structurally below comparable premium fitness real estate in Madrid or Barcelona (€80–120k/yr), providing sustained unit-economic advantage.

## 5. Operating Model

*Class schedule, pricing, and capacity*

### Class Schedule

Day	Launch Times	Weekly Classes
Mon – Fri	09:30 · 10:30 · 11:30 · 12:30 · 17:00 · 18:00	6/day = 30
Saturday	10:00 · 11:00 · 12:00	3
Sunday	11:00 · 12:00	2
Weekly total	Utilisation-led, not volume-led	34–35 classes

The schedule is focused on proven demand windows: late morning and early evening. The objective is to maximise utilisation rather than run a high-volume model. The financial model uses 35 classes/week, rising with demand.

### Pre-Launch Demand Validation

Target: 50–80 founding members signed up before opening day. Conversion channels: landlord network in the immediate area, real estate network, golf contacts, and school network — structured into a pre-launch funnel. Founding members link directly to ~25–35% initial utilisation at launch, de-risking the ramp assumption. Average member usage modelled at 6–8 visits/month.

### Pricing Structure

Tier	Price	Notes
Drop-in	€35	Walk-in / occasional
Intro offer	Trial price	Drive trial — converts to membership
Founding membership	Discounted	First 3–4 months; locked-in early adopters
Membership — Core	€260–300	Unlimited classes — initial range
Membership — Premium	€300+	Potential to move higher over time
Class pack (10)	€290	€29/class

### Staffing

Ramy (owner/operator)	Full-time studio manager. Getting certified but not teaching as base case. Can step in if needed — model does not depend on this.	<b>€2,200/month</b>
External instructors	All classes at €27/hr — MAD London trained, weekly training sessions. Consistency of class experience is a key retention driver.	<b>Hourly — no fixed salary liability</b>
Reception	Part-time	<b>€1,000/month</b>

Cleaning	Outsourced	€500/month
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## 6. Financial Model

*Bottom-up revenue model — base / bull / bear*

### Revenue Mechanics

With 9 machines per class and 35 classes per week at launch, the studio has a weekly capacity of 315 class slots. Revenue is modelled on a blended price of €30/slot (reflecting the membership/pack/drop-in mix below), with an initial fill rate of ~28% (linked to 50–80 founding members) ramping to 60% by end of Year 1. Break-even is reached at 45–50% utilisation — approximately 90–120 active members — consistent with the founding member pre-launch target. The ramp is gradual; no immediate steady-state is assumed.

Machines (capacity)	<b>9 persons per class (8–9 depending on final layout)</b>
Classes per week (launch)	<b>35 — utilisation-led, not volume-led</b>
Weekly class capacity	<b>315 slots</b>
Blended price / slot	<b>€30</b>
Y1 fill rate (months 1–3)	<b>~28% (founding members / pre-launch sign-ups)</b>
Y1 fill rate (months 4–6)	<b>40%</b>
Y1 fill rate (months 7–9)	<b>50% ← break-even threshold</b>
Y1 fill rate (months 10–12)	<b>60%</b>
Y2 fill rate (months 13–15)	<b>68%</b>
Y2 fill rate (months 22–24)	<b>84%</b>
Average visits / member / month	<b>6–8</b>
Active members at break-even	<b>~90–120</b>
Revenue mix — memberships	<b>55%</b>
Revenue mix — class packs	<b>30%</b>
Revenue mix — drop-in	<b>15%</b>
Bar & merchandise revenue	<b>Ramping — 50% of steady-state in months 1–3, 75% in months 4–6, full from month 7</b>
Sensitivity — 35% vs 50% vs 65% utilisation	<b>Modelled in scenario table below</b>

Bar revenue is modelled conservatively at 15% of class revenue. At average 7 clients per class in Year 1, this implies ~2 purchases per class at €8 — consistent with juice bar attachment rates at premium fitness studios.

### Scenario Analysis — Year 1

Metric	Downside (35% util.)	Base Case (50% util.)	Upside (65% util.)
Fill rate (annualised avg.)	~35%	~50%	~65%
Utilisation vs break-even	Below B/E	At/above B/E	Well above B/E
Year 1 Revenue	€203,034	€284,960	€359,050
Year 1 EBITDA	<b>€7,871</b>	<b>€85,701</b>	<b>€156,086</b>
EBITDA margin	4%	30%	43%

The base case reflects 40–65% fill rate, consistent with boutique fitness opening benchmarks for premium urban studios. The bear case stress-tests a 25% miss on occupancy — the studio remains operationally viable. In all scenarios the proposed royalty ramp (5% Year 1 / 6% Year 2 / 8% Year 3+) is fully absorbed.

### 5-Year Summary (Base Case)

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	€284,960	€474,940	€522,434	€548,556	€570,498
EBITDA	€85,701	€239,506	€255,081	€266,635	€280,349
Margin	30%	50%	49%	49%	49%

Year 3–5 estimates apply modest revenue growth from increased occupancy and a second revenue line (potential corporate wellness contracts). The full monthly P&L model is available in the accompanying Excel workbook.

## 7. Unit Economics

*LTV, CAC, payback — the investor metrics*

Avg. revenue per member / month	€247
Gross margin % (per member)	72% (after instructor cost)
Gross profit per member / month	€178
Average member tenure	18 months (boutique fitness benchmark)
Lifetime Value (LTV)	€3,205
CAC — months 1–3 (launch spend)	€650
CAC — months 4–6 (steady state)	€500
CAC — months 7–12 (referral-led)	€380
CAC — Year 2+ (community-driven)	€300
LTV : CAC ratio (steady state)	6.4x (benchmark: >4x = healthy)
CAC payback period	2.8 months (benchmark: <6 months)

The LTV:CAC of 6.4x reflects the high-retention dynamics of premium boutique fitness. Industry benchmarks for premium boutique studios indicate 16–24 month average tenure at mature locations (IHRSA, Mindbody). The 18-month assumption used here sits conservatively within that range.

### Churn Profile

Month	1	2	3	6	12	18
Retention	85%	77%	71%	62%	55%	48%

Months 1–3 churn (15%) is the 'honeymoon cliff' typical of all boutique fitness. The founding-member pricing tier (€225/month) is designed to lock in the most committed early adopters and reduce this cliff effect.

## 8. Use of Funds

€320,000 fully deployed — €289,680 CapEx + €30,320 buffer

Capital Item	Amount (€)	Notes
8–9x Lagree EVO Pro @ ~€10,500/unit (incl. shipping & installation)	€90,000	8–9 EVO Pro machines · 8–12 wk lead time from Lagree HQ

Fit-out — interior (conservative estimate, intent to optimise)	<b>€100,000</b>	Conservative estimate — intent to optimise · €90k–110k range
Bar & reception fit-out	<b>€5,000</b>	Juice bar + check-in counter
Design & architecture fees	<b>€10,000</b>	Architecture & branding
IT & tech (all phases, P0–P4)	<b>€19,680</b>	Full tech platform: waitlist, booking, app, AI ops
Franchise fee	<b>€25,000</b>	MAD London franchise licence (under negotiation)
Spanish establishment (S.L., licencia, insurance)	<b>€10,000</b>	S.L. registration, permits, insurance
Working capital reserve	<b>€20,000</b>	4–5 months operating buffer incl. delay scenario
Rent deposit	<b>€10,000</b>	Per lease agreement · deposit paid
<b>TOTAL</b>	<b>€289,680</b>	

Capital raise	<b>€320,000</b>
Total CapEx deployed	<b>€289,680</b>
Working capital buffer	<b>€30,320 (post-CapEx cash reserve)</b>
Minimum cash position (Y1)	<b>€64,806</b>
Cash at end of Year 1	<b>€179,198</b>

The €289,680 CapEx covers all confirmed line items across construction, equipment, legal setup, and technology. The €320,000 capital raise fully funds the CapEx with a deliberate €30,320 working capital buffer on top — providing headroom for pre-opening overruns and the first weeks of operations before membership revenue stabilises.

A 20% CapEx overrun scenario is modelled in the accompanying Excel workbook. Under this scenario the studio still reaches EBITDA break-even within Year 1, funded by founder working capital contribution or a short-term credit facility.

## 9. Investor Returns

### *Exit analysis and return profile*

Returns are modelled on a Year 5 trade sale to a regional fitness operator or the MAD group. Two exit scenarios are shown: a conservative 7x EBITDA (distressed/small-market sale) and a base-case 10x EBITDA (consistent with comparable premium fitness transactions — Psyche London ~11x, Barry's Bootcamp ~10x). Both scenarios produce strong returns.

Metric	Conservative (7x)	Base Case (10x)
Year 5 EBITDA	€280,348	€280,348
Exit multiple	7x	10x
Enterprise value	€1,962,441	€2,803,487
Capital raise	€320,000	€320,000
MOIC (enterprise basis)	6.1x	8.8x
5-year IRR (approx.)	~44%	~54%

Returns are shown on an enterprise basis. The equity structure — percentage offered, profit distribution, and exit mechanism — is open for discussion and will be agreed with the investor before capital close. The business case stands on its own merits regardless of how the equity is structured.

Alternative exit routes include: (i) multi-location expansion (Estepona, Puerto Banús) increasing EBITDA and warranting higher exit multiple; (ii) JV restructure with MAD London converting royalty stream to equity; (iii) independent continuation with refinancing for expansion capital.

## 10. Franchise & Legal Position

*MAD London licence — known risks and mitigation*

The studio will operate under a MAD London franchise licence. The franchise provides brand recognition, a proven programming playbook, and access to the MAD instructor training pipeline. The franchise fee of €25,000 is a one-time payment included in CapEx. Franchise negotiations are active — a 23-point position paper was submitted to MAD London on 13 April 2026 covering all material commercial and legal terms.

### Key Franchise Terms — Proposed Position

Franchise fee	<b>€25,000 (one-time, payable on premises finalisation)</b>
Royalty — Year 1	<b>5% of studio operating revenue</b>
Royalty — Year 2	<b>6% of studio operating revenue (negotiated ramp)</b>
Royalty — Year 3+	<b>8% of studio operating revenue</b>
Territory	<b>Marbella + Benahavís — exclusivity under active negotiation</b>
Protected territory	<b>Negotiating enforceable exclusivity while franchisee compliant</b>
Opening timeline	<b>6 months from lease and possession — not from franchise signing</b>
Data ownership	<b>Customer data to remain with franchisee — under negotiation</b>
Step-in rights	<b>Under negotiation — proposed: emergency/serious situations only</b>
Exit penalty	<b>Under negotiation — proposed proportionate structure</b>
Future studios	<b>First studio only — second/third by separate agreement or option</b>

The 23-point position paper addresses territory, royalty ramp, data rights, step-in clauses, exit penalties, IP ownership, refurbishment obligations, and change-of-control protections. MAD London's response is pending. The financial model uses the proposed royalty ramp (5%/6%/8%) as the base case.

The studio will operate its own booking, membership, and client management platform — built independently of MAD's franchise software. This gives the business full ownership of its customer data and operating systems regardless of the franchise outcome, and directly supports the negotiating position on data rights.

## 11. Key Risks & Mitigants

*Honest assessment — and why we are well-positioned*

Risk	Likelihood	Severity	Mitigation
Utilisation stays at ~35% (downside scenario)	Medium	High	Downside modelled explicitly: 35% fill, slower ramp, CapEx overrun. Studio cash-flow negative until month 9. Working capital buffer covers gap.
CapEx overrun (fit-out)	Medium	Medium	€90k–110k range is conservative; intent to optimise. €20k overrun modelled in Excel. Santander machine financing is a potential upside that reduces CapEx draw.
EVO Pro delivery delay (8–12 week lead time)	Medium	Medium	1–2 month delay scenario modelled. Rent-free period absorbs fit-out phase. Delay pushes opening to Q4 2026 — cash flow stress-tested.
Franchise agreement not finalised	Medium	High	23-point position submitted. Operating as Lagree-only studio is a viable fallback. MAD London response pending; capital close conditional on agreement.
Royalty ramp not agreed (5%→6%→8%)	Medium	Medium	Proposed ramp modelled in base case; standard flat-rate (8%) used in downside.
No territorial exclusivity	Medium	Medium	EVO Pro + MAD London brand creates meaningful product moat. Community retention model reduces exposure to new entrants.
Seasonal demand dip (winter)	High	Low	Winter softness explicitly modelled in fill-rate assumptions. Spring/summer demand provides seasonal buffer.
Founding member target not met (< 50 pre-opening)	Medium	Medium	Triggers review of opening schedule. Multiple conversion channels active.
Dependence on key person (Ramy)	Medium	High	Operational partner to be named pre-opening; Ramy equity-aligned.

## 12. Investment Structure

*Equity partnership — terms open for discussion*

MAD Lagree Marbella is seeking an equity investor to fund the €320,000 capital raise. This is not a loan or a debt instrument — the investor participates directly in the upside of the business: profits, growth, and exit value. The equity structure — percentage offered, partner role, profit distribution, and exit mechanism — will be agreed with the investor before capital close. This document presents the business case on its merits; the terms are open.

Capital raise	€320,000
Structure	Equity stake in MAD Lagree Marbella S.L. (operating company)
Equity % offered	Open — to be agreed with investor
Partner role	Open — active or silent partner
Profit distribution	Open — timing and policy to be agreed
Exit mechanism	Open — buy-out, tag-along, or agreed timeline
Decision-making rights	Open — approval thresholds to be agreed

## Pre-Investment Milestones Already Achieved

- Lease heads of terms agreed — 3 months rent-free, €35k Year 1
- Lease deposit (€10,000) paid — committed location
- Franchise agreement reviewed — 23-point position paper sent to MAD London
- Full financial model built (bottom-up, 12-tab Excel workbook)
- MAD London relationship active — franchise fee agreed at €25,000

## Milestones Required Before Capital Close

- Franchise agreement finalised — 23 negotiation points resolved with MAD London
- Lease formally signed (location secured)
- 50–80 founding members signed up pre-opening (market demand validated)
- EVO Pro machines ordered — 8–12 week lead time factored into opening date
- Investment terms agreed with investor and reviewed by Spanish legal counsel

## Project Timeline — Relative to Investment Agreement (T=0)

All dates are relative to T=0 (investment agreement signed, funds transferred). This timeline remains valid regardless of when the agreement is executed.

Milestone	Timing	Description
Investment agreement signed	T = 0	Equity structure confirmed, funds transferred
Investor website + waitlist live	T + 2 weeks	Pre-registration opens, market validation begins
Lease formally signed	T + 2 weeks	Location secured
40 paid pre-registrations	T + 6 weeks	Market demand validated — go/no-go checkpoint
Fit-out begins	T + 6 weeks	3-month rent-free period starts
EVO Pro machines ordered	T + 6 weeks	Lead time ~8–10 weeks from Lagree HQ
Fit-out complete + machines installed	T + 14 weeks	Studio ready for soft launch
Studio opens — paying members	T + 16 weeks	~4 months post-agreement
EBITDA-positive	T + 17 weeks	Month 1 of operations
First profit distribution (if applicable)	T + 12 months	Subject to agreed investment terms

For further information or to discuss the investment structure, please contact:

**Ramy — MAD Lagree Marbella**

*This memorandum is prepared by Bergumlie Tech & Advisory in conjunction with the founding team. A live investor portal and pre-registration waitlist will be available at the project website.*