Franchise With Heyday

Expanding The Future Of Facials
Welcome To Heyday!

We started this adventure in 2015 with the goal to make facials and personalized skincare available to more people. Throughout the journey, we’ve been thrilled at how clients have responded to having an expert partner in their skincare routines and the potential we have to create the best possible home for expert estheticians.

In today’s world, customers understand the importance of skincare like never before — this is proven by the rapid pace at which the category continues to grow. By putting expertise front and center in this often confusing category, we have the opportunity to play an essential role in our clients everyday skincare. Heyday is primed to bring skincare expertise to the masses to tell people not just what, but why — equipping consumers with the knowledge to care for their skin.

Our next stage of growth is focused on you. We are excited to create a partnership with amazing operators who are interested in opening Heyday shops in the local markets they know so well. We believe that you can recruit and nurture the best estheticians to create amazing experiences for Heyday clients.

This Franchise Guidebook gives you a snapshot into where we came from and where we’re headed together. Now, soak in all of the information that we will provide during this discovery process.

We’ll see you in the shops soon,

Adam & Michael,
Heyday Co-Founders
The Backstory
We started when we realized facials needed to be freed from the luxury spa to help more people discover their skin’s potential.

**Consumers need guidance for their skincare routine**

Estheticians have an unbelievable wealth of knowledge, but unfortunately, many clients don’t know the value of building a relationship with one. Our estheticians are front and center at Heyday, because that’s what will make a difference in our clients’ lives, and a difference in your career.

**The skincare industry is crowded**

Consumers are confused. No matter where you turn, skincare advice is both constant and conflicting—from friends, to social media, to a new brand launching every day. Our clients crave expertise and clarity from a truly knowledgeable source that knows there’s no such thing as one-size-fits-all skincare.

**Facials needed to be more accessible**

Until recently, facials were available in two places: spas and dermatologists. Facials are most effective when frequent, but routine facials weren’t possible or enjoyable in a spa or doctor setting. At Heyday, we offer a new kind of experience—one that’s more educational than a dermatologist, and more ‘every day’ than a spa.
There is a massive opportunity to capture shares in the growing $103B product market and $7B skincare service category.

MASSIVE SERVICE & PRODUCT MARKET

$103B
Online Skincare Products

$7B
Skincare Service

WHY WE STARTED

Consumers have been looking for a brand that can assist them in their pursuit of supporting their daily skincare routine with personalized products, facial services, and advice.

**WHY WE STARTED**

**Skincare Remains Daily And Important**
- 92% take care of their skin every day, 63% doing it twice daily, 28% once daily
- 93% call their skincare routine important, 19% saying ‘more important’ since COVID-19

**The Routine Is The Biggest Opportunity**
- 86% want product recommendations and feel they don’t have the right products in their routine
- 66% want to revise their skincare routine with 44% wanting to add, 22% wanting to simplify

6 OUT OF 10 confidence level of customers that their skincare routine is the right one

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Despite the category size, significant structural challenges exist, failing to solve consumer needs.

**Why We Started**

**What Exists Today**
- Expensive/cheap treatments
- Few expert brands
- Non-existent online services

**What Customers Want**
- Accessible and affordable skincare
- Estheticians who are true skincare experts
- Help creating the best skincare routine

**Franchise With Heyday The Backstory**
Heyday is a skincare company that makes sense of skincare—with personalized **facials**, coveted **products**, and expert **guidance**.
Before we dive in, why 'heyday'? It’s a word that gets to the core of why we exist as a brand — to be our best selves and help others do the same.

Skincare is about more than the health of your body’s largest organ. It’s about having the skin that instills the confidence to give a big presentation, put yourself out there, or feel like the truest version of yourself.

We believe that you can live your best life everyday. That reaching your skin’s potential can make you feel like this very happy lady to the right. That’s why we chose to name our business Heyday.
We're here to create a positive impact on our clients' skin — whether they're in our hands in the shop or in their own hands at home. Deeper than skin, we impact our clients' sense of self. We make skincare trusted, personal, and accessible to help people look and feel their best.

For Our Clients
We’re here to create a positive impact on our clients’ skin — whether they’re in our hands in the shop or in their own hands at home. Deeper than skin, we impact our clients’ sense of self.

“Heyday is revolutionizing the skincare industry to make skin care knowledge more accessible, convenient, and easy to understand. I wanted to be part of this movement, and in the four years I’ve been on this journey, I’ve seen that come to life in ways unimaginable! Being a part of this team has not only given me the opportunity for personal growth as a Skin Therapist, but also see this growth happen for my peers—it’s been a beautiful thing.”

ALEX S.
ESTHETICIAN + REGIONAL TRAINER

For Our Team
We’re here to create a positive impact on our team, through meaningful work that unlocks personal and professional potential.

“I love your brand and everything you all stand for. You’ve made a difference in my life in a very meaningful way. Taking the small step of adding a facial to my regular routine has been a way to increase my awareness of the other things in my life I need to tend to—nutrition, physical activity, and most importantly, self love. Thank you.”

BRITTANY C.
CLIENT
2012

The Lightbulb

It’s brunch, and Adam’s having Bloody Mary’s with friends. Someone wants a facial. No one knows where to go or who to trust. The lightbulb goes off. Business modeling, customer surveying, and testing ensues.

2014

‘The Facial Idea’ Gets A Name

After a bazillion options, we think “What’s the feeling you leave with?” It’s feeling great instantly and knowing you’re investing in yourself long term. That’s when we stumble across the word ‘heyday.’

2015

Heyday Opens!

It’s a rainy day, but that’s good fortune right? We open our doors. Well+Good announces who we are, 150 appointments come through in minutes. And we’re off!

2016

Named ‘Best Facial’ By NYMAG

Nine months after we opened, we’re named Best Facial by New York Magazine.

2017

New York Expansion

By the end of 2017, we’ve expanded across Manhattan earning the attention and hearts of New Yorkers.

2018

We’re Going To Hollywood!

Westward, we go! We heed the call of the sunnier coast. NY + LA = a powerhouse brand that lets us expand elsewhere, including online.

2020

Reinvesting In Our Shops

The Pandemic shut down allows Heyday to pause and reinvest in the shop operations, to launch new software tools, and create a digital experience to clients who don’t have a Heyday nearby.

2021

The Future Looks Bright

We’re excited to roll out our franchise growth strategy, while continuing to enhance our digital experience for our clients.

OUR TIMELINE

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Franchise With Heyday

The Backstory
Along the journey, the national press has taken note of how we’re transforming an industry.

“Seriously cool with incredibly personalized facial options, as well as a curated shop. The estheticians are warm and really committed to educating clients about their skin.”

“Gentle, non-pushy Skin Therapists... hip décor and impressive blackhead elimination.”

“Consistent quality and a reasonable price; no hard sell, clean and bright...”

goop

New York

The New York Times
The People
Our clients are not yesterday’s spa-goer — they’re today and tomorrow’s self-care purveyors. We’ve turned infrequent facial-goers into dedicated clients with healthy at-home routines.

Our clients are not regular facial-goers...

- **25%** have never had a facial
- **27%** have had facials, but not regularly
- **11%** got regular facials prior to Heyday

...but we turn them into loyal clients.
Redefining existing behavior and creating engagement with the category.

The Existing Spa Customer

- Describes facials as "beauty, pampering, indulgence, secretive, exclusive"
- Primary: older female consumer
- Secondary: younger consumer (through discounts and deals)
- Has time and money
- Believes pain equals efficacy with treatments
- Believes in brand names and "price equals quality" approach for products
- Private about personal rituals

The Heyday Client

- Describes Heyday as "wellness, self-care, healthy lifestyle, unintimidating, accessible, convenient"
- Primary: younger female and male consumers
- Secondary: older affluent customer
- Drawn to and appreciates great design
- Time constrained
- Seeks brands with soul and meaningful engagement
- Reads ingredient statements
- Digitally adept and constantly sharing
- Forming lifestyle/lifetime habits

1. Based on discussions with Heyday clients since June 1 opening
We’ve built the largest, most diverse team of expert Licensed Estheticians. In our shops, we cultivate a culture of education and excellence.

<table>
<thead>
<tr>
<th>The Heyday Way</th>
<th>Common Industry Practice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>Hourly rate commissions as an employee</td>
</tr>
<tr>
<td></td>
<td>Most estheticians are paid on a services-based commission.</td>
</tr>
<tr>
<td>Focus</td>
<td>We only provide facials—making them the star of the show</td>
</tr>
<tr>
<td></td>
<td>Most estheticians work in a larger salon with many service offerings.</td>
</tr>
<tr>
<td>Education</td>
<td>Ten day foundations training followed up with monthly continuing education</td>
</tr>
<tr>
<td></td>
<td>Since the aestheticians work in a larger salon atmosphere they are not supported with education or a peer to peer support system to help them be better estheticians.</td>
</tr>
<tr>
<td>Data</td>
<td>Owning over 7 million data points, we know more about a client’s skin, which provides our the best asset to create a personalized experience.</td>
</tr>
<tr>
<td></td>
<td>Very little cumulative data is compiled on customers to assist with seasonal or monthly issues that appear with every client.</td>
</tr>
</tbody>
</table>

**Franchise With Heyday**

**The People**

- **Number of State-Licensed Estheticians**: 230+
- **Acceptance Rate of Applicants**: 17%
- **Employee Turnover vs. Industry Standard**: 15% vs 35%–50%
The Experience
Our facials are customized by our expert estheticians. This customization directly relates to proprietary data that grows with every client visit.

**The Heyday Facial**

- It starts with a skin analysis to understand what your skin needs
- The treatment blends custom protocols to target your current skin conditions
- We set you up with a skincare routine so you can work on your goals from home
Our shelves and treatment rooms are stocked with expertly-curated products that blend the power of nature with the smarts of science — and get results.

In fact, 70% of our product line will not be found in an Ulta or Sephora.
Our shops are a new kind of space for skincare — welcoming, inclusive, and educational.

Goodbye hush-hush and whale sounds. Hello conversation and playlists people ask for.
Our digital platform — our world-class client database, industry-leading website, and proprietary technology + algorithms — deliver personalized skincare and product recommendations to our clients 365 days a year.
The Opportunity
We are seeking entrepreneurs with passion and drive to empower incredible estheticians to deliver world-class skincare.

Can you execute our mission?

We’re on a mission to create a personalized experience for our clients, and education will be the foundation for our success. You will equip your estheticians with the right tools and training to be their best. Your team will teach your clients the best personalized approach.

Where are we going and growing?

The short answer is ... anywhere that people have skincare needs. We have identified 60 cities that should have at least one Heyday shop. We are taking a very conservative approach to growth so that we can support your initial operations.
Based on calendar year 2020.

This information appears in Item 7 in our Franchise Disclosure Document. The amounts provided in the investment range are based on estimated costs for the development of an eight and twelve bed shops. Your results may differ based upon quality of space, size of space, local costs of labor, and landlord tenant allowance contributions.

This financial performance representation discloses (a) historical information regarding the average revenue (before discounts) and EBITDA of six shops that were opened prior to August of 2018. All six shops are owned by our affiliate Heyday Wellness, LLC and five shops are located in New York City while one is located in Los Angeles, CA. Your individual results may differ. There is no assurance that you will earn as much. Please see Item 19 of the Heyday FDD issued January 8, 2021 for explanatory notes and details.

### Estimated Total Investment

<table>
<thead>
<tr>
<th>Start Up Costs</th>
<th>Low Estimate</th>
<th>High Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Franchise Fee</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>Training Costs</td>
<td>$3,000</td>
<td>$6,000</td>
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<tr>
<td>Leasehold Improvements</td>
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<td>$344,000</td>
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<tr>
<td>Architect &amp; Engineer</td>
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<tr>
<td>Legal &amp; Professional Fees</td>
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<td>$6,000</td>
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<tr>
<td>Rent Security Deposit</td>
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<tr>
<td>Insurance Deposit</td>
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<tr>
<td>Signage</td>
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<td>$30,000</td>
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<tr>
<td>Furniture, Fixtures &amp; Equipment</td>
<td>$90,000</td>
<td>$110,000</td>
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<tr>
<td>Pre-Opening Staff Training</td>
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<td>$12,000</td>
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<tr>
<td>Pre-Opening Marketing Plan</td>
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<td>$50,000</td>
</tr>
<tr>
<td>Business Licenses &amp; Permits</td>
<td>$500</td>
<td>$1,500</td>
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<tr>
<td>Opening Inventory</td>
<td>$35,000</td>
<td>$50,000</td>
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<tr>
<td>Working Capital</td>
<td>$30,000</td>
<td>$50,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$574,000</strong></td>
<td><strong>$755,500</strong></td>
</tr>
</tbody>
</table>

### START UP COSTS

- **Average First Year Revenue**: $1,602,819
- **Average First Year Product Sales**: $416,551
- **Average First Year EBITDA**: $80,360

Based on calendar year 2020.

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Opening Your Shop

We’ve created a road map to support your site selection and construction process. We will use our historical success with site identification, our national broker system, and uniform design specifications to be utilized to open your Heyday shop. Your shop will look and feel like every shop that we’ve opened.

Highly Curated Skincare Brands

We’ve attracted world class brands across key skincare categories. Our estheticians create outsized value in the consultation and recommendation of products. We are quickly becoming the premier retailer for up-and-coming brands.

Our Skincare Database

Having collected more than seven million data points, we know more about a client’s skin, skincare issues, and goals than anyone else. The more information that we gather on a monthly basis will increase our goals to personalization for each client that visits you.

Heyday University

Nothing is more vital that educating and empowering the Heyday team. We’ve established a ten day foundations training for all of your estheticians. Our on-going education will be focused on innovative products and services that are best-in-class so that you can recruit and retain the best estheticians.

Our Digital Service Supports Your Clients Daily Routine

Heyday has launched a unique service that delivers a personalized skincare routine and helps our clients stay on track. Clients that commit to a routine are ore likely to become members and frequent visitors to our shops.
There are multiple opportunities for growth when you franchise with Heyday.

**Service Revenue**
Attractive, reoccurring revenue dollars per client through service that builds trust and loyalty.

**Product Sales**
Trust built with service provides platform to drive significant product sales.

**Women & Men**
An inclusive category with a huge opportunity to grow and expand female market and unlock male market.

**Wellness Positioning**
Instant gratification paired with long-term skin health benefits. Spending on self-care, not indulgence.
Franchise With Heyday

The Opportunity

01 Fill Out The Form To Get In Touch

02 Set Up A 15-Minute Call

03 Learn About The Opportunity

04 Talk To the Executive Team

05 Spend The Day In Our Shops

06 Start Opening Your First Heyday!
Franchise With Heyday

The Skincare Experience Your Routine Is Missing