

STANCE

More Information

Settings

15th June

Bicep Strength
28 - 44 kg

STANCE

EXECUTIVE SUMMARY

Welcome Back

Background

The market for home gym equipment has surged during the pandemic, supercharging preexisting growth trends. Research from GlobalData states that "Half of UK consumers purchased home workout products during the pandemic...and three quarters claimed they will continue doing home workouts when restrictions end".

Lockdown measures and widespread working from home have sent fitness equipment sales skyrocketing over the past few months. A report commissioned by eBay found that between March and April of this year, home gym sales in some segments increased up to 20 times year-on-year. NPD Group reported that, in March alone, fitness equipment sales rose 130% year-on-year, with weight benches up a whopping 259%.

Primary research has uncovered that busy schedules and long working hours mean that consumers are leaning towards home workouts with high-tech smart home fitness equipment, changing the future of the home gym. The IoD reports that 74% of businesses will continue to run hybrid remote working practices after lockdown, keeping people at home more often. In a world that values experience and community, consumers are looking for immersive experiences, AI-enabled technology, merging of fitness and wellness, and home gym experiences. The future of home gym equipment is intelligent, AI driven and personalised, across the spectrum of fitness experiences. Stance is addressing these issues with technology to bring intelligent resistance training into the home.

Company

Based in Imperial College London, Stance Fitness Ltd was established in 2020 to solve the range of issues with current available home strength training equipment are expressed by users. Having developed electromagnetic equipment in a previous startup, the founders realised there was an opportunity to revolutionise the home strength training market. Stance has now built together a team to build a new digital gym designed for the home.

Opportunity

Digital fitness has exploded over the last 5 years,

growing at an astonishing pace and proving the benefits to consumers as an alternative to maintaining a healthy active lifestyle. Peloton for example has transformed the market for cardiovascular training by bringing fun, aspirational technologies to the user. Lululemon, have recently bought start-up Mirror for \$500 million - on track to generating \$100 million turnover. Globally, the sector is on the cusp of following the US lead in this market.

Despite this digital at-home fitness trend, there are a range of issues with current available home strength training equipment. Interviews have uncovered three big problems:

- space-consuming, heavy and difficult to manoeuvre equipment;
- a lack of versatility (and inability to achieve a full body workout); and
- a lack of accountability with strength training at home.

Product & Technology

Stance is the Peloton of resistance training. Stance couples an electromagnetic motor with a system of cables, pulleys and "smart" handles, providing over 100 different exercises in a compact and lightweight device. The solution replaces the need for traditional heavy weights, enabling users to accurately track their progress and improve their performance optimally. Stance can also carry out an assessment to analyse a user's strength and recommend weights and programmes to meet their goals. Safer than traditional gym equipment, Stance's intelligent system can understand when a user is struggling and instantaneously decrease the weight. Stance's integrated platform connects users with fitness professionals, increasing motivation and commitment.

Management Team

The Company brings together a diverse group of engineers, MBAs and experienced startup directors into a dynamic management team with startup, R&D, commercial and management skillsets. The three directors have either completed or are completing full-time MBAs.

Founder **Alex Freeman** heads up the commercial and operational side of the business. He is a former Army Officer with ten years experience

managing large projects and operational management of startups and SMEs.

Jayshan Ratnakumar heads the hardware and software technology development. He is a highly qualified mechanical engineer, with over 6 years experience developing electromagnetic technologies in startup and corporate environments within the defence and renewable industries.

Ben Harrison is responsible for the marketing and sales elements of the business, having delivered multi-million pound contracts. He has also worked in an early stage fin-tech start up where he led the development and delivery of a SaaS model.

Thilina Lalitharatne is Head of R&D. He is a Post Doctorate Research Assistant, a roboticist and academic with a strong background in mechanical & electronics engineering and developing cutting-edge technologies.

The directors have developed a powerful network of partners, including The Manufacturing Technology Centre, Warracle Ltd. and The University of Nottingham Sports and Exercise Medicine Research Group.

Market Overview

The global market for home gym equipment is expected to reach \$31 billion global by 2025, while the market for global health club and fitness is expected to reach \$100 billion in the same period. Every geography in this sector is growing rapidly and looks set to continue to do so. Initially, the Company will address the UK market, targeting home gym users, gym and leisure facilities, public sector organisations, hotels and physiotherapists. The Total Accessible Market in the UK alone is calculated at 750,000 units. LOI for £250,000 have been secured.

Business & Revenue Model

The business model is grounded in an ARR Direct-to-Customer model driven by user and platform subscriptions allowing users to purchase the hardware and the subscription as a monthly payment. Third party content licensed on the platform (Personal Trainers) will also drive ARR.

Competition & Unique

The market space has traditionally been filled by

traditional weight/resistance equipment, which are heavy, not designed for the home, take up a lot of space and are neither digitised nor connected. Some players have attempted to bring technology into this market (Nordictrack for example), but the UK and European markets are completely untapped.

Funding Requirement and Use of Funds

Our first milestone (MS) is the production of the first MVP (by Q2 2022).

We are seeking £350k as an EIS investment to reach MS01.

Y1 costs will be: Hardware development 43%, software development 29%, marketing 17% & operational costs 11%.

Q1 2023 we will be seeking a Series 'A' raise of £1.5 million to launch the product, transfer to manufacture and sell Stance.

Growth Strategy

There are several key drivers for growth - the business must be able to deliver Apple quality products and experiences. We must create consumer-relevant innovation and conduct carefully targeted marketing. And we must ensure the right product-mix and supply chain. Key to rapid growth is an export strategy for 2024.

Forecasts

	Revenue	EBITDA	Net Profit	Opening Cash
2022	0	-176,000	-176,000	350,000
2023	4,300,000	-546,000	-546,000	1,056,000
2024	15,500,000	-490,000	-490,000	140,000
2025	37,000,000	60,000	60,000	980,000
2026	78,900,000	2,336,000	2,100,000	4,300,000





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