



## **MYTH #2: Opening a Hand & Stone spa costs \$1,000,000 or more**

**The Reality:** We've strategically lowered costs to make ownership more accessible than ever.  
This is unheard of in today's market!

While many franchise brands continue to see rising opening costs, Hand & Stone has taken a different approach. Our Design and Construction Team has worked diligently to evaluate every aspect of the build-out process, identifying opportunities to reduce expenses without compromising quality.

- **Lower General Contractor Bids:** For the first time in years, we've successfully driven down construction costs by streamlining bids and strengthening vendor relationships.
- **Smarter Design Choices:** By removing "nice-to-have" elements that don't directly impact guest experience, we've created a cost-efficient build that still delivers the premium Hand & Stone look and feel.
- **Optimized Inventory & Equipment Orders:** Instead of requiring every spa to purchase full inventory upfront, we've structured initial orders so franchisees can add devices and supplies as the business grows.

The result? A more efficient, cost-conscious opening process that better positions new openings for stronger performance from day one.

Below is a snapshot of the initial investment costs that of item 7

BREAKDOWN OF INITIAL INVESTMENT	TYPE OF EXPENDITURE	LOW	HIGH
	Franchise Fee	\$26,000	\$49,500
	Connectivity Fee	\$2,500	\$2,500
	Leasehold Improvements	\$335,388	\$416,605
	Furniture, Fixtures & Equipment	\$45,841	\$78,613
	Office Equipment and Supplies	\$3,447	\$10,268
	Camera/Music System	\$9,281	\$17,255
	Signage	\$12,816	\$25,311
	Licenses, Permits & Architectural Fees	\$13,555	\$25,677
	Computer/POS System	\$7,726	\$18,783
	<b>TOTAL CAPITAL INVESTMENT</b>	<b>\$456,553</b>	<b>\$644,512</b>
	Initial Inventory	\$12,317	\$25,847
	Legal & Accounting	\$2,275	\$9,879
	Insurance	\$5,623	\$14,375
	Additional Funds (9 months)	\$77,500	\$144,429
	Deposits (Rent, Utilities)	\$8,793	\$18,820
	Other Pre-Opening Expenses (Travel, Grand Opening)	\$19,662	\$24,521
	<b>TOTAL DEPOSITS &amp; OTHER INITIAL OPENING COSTS</b>	<b>\$126,169</b>	<b>\$237,870</b>
	<b>TOTAL INVESTMENT</b>	<b>\$582,722</b>	<b>\$882,382</b>
*Please refer to Item 7 of the 2025 Hand & Stone FDD for more detailed disclosures and footnotes on the estimated initial investment			