

Padel Spot

Your Local Padel Club™

**Business
Plan**

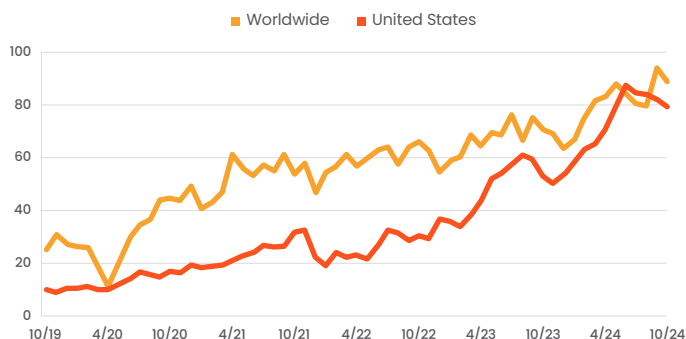


Padel Spot Executive Summary

The Opportunity

Padel has surged to 30 million players worldwide—a 2.5x increase in popularity over the past ten years reflected in a 400% increase in google trends for Padel over the past 5 years. In the US, there are approximately 90,000 padel players—up 50% in three years—projected to grow to 15 million by 2030. U.S. Google trends for “padel” is up 800% in 5 years.

Google Trends for “Padel”



The Problem

The current demographics of U.S. padel players—affluent jet-setters—and economics of full-service padel clubs offering amenities besides court rentals, have forced clubs to offer a larger number of courts to cover overhead expenses. Given the lack of existing supply and the cost of building large facilities with >26' ceiling height, this has largely limited U.S. clubs to opening in urban areas offering outdoor clubs.

The Solution: Padel Spot

Padel Spot is disrupting the current model of large, downtown, full-service, outdoor padel clubs in the U.S. We provide local access to professional-caliber indoor padel courts in two-court microclubs capable of being remotely operated by Regional Managers and strategically placed in 15-minute travel “micromarkets” not served by existing larger clubs or outdoor courts. Each Regional Manager will operate at least 10 Padel Spots, with the first Spot being managed on-site by the Founder. Our innovative technology-enabled model gives us a powerful first-mover advantage in the suburbs and near outdoor clubs—and the opportunity to become the dominant padel club brand in the U.S.

Our innovative microclub model with low overhead and a smaller number of daily players needed to attain profitability gives us a powerful first-mover advantage in the suburbs and near outdoor clubs—and the opportunity to become the dominant padel club brand in the U.S.

Additionally, as Padel Spot’s model is to acquire land and develop its own clubs, it is a real estate play that will develop substantial equity value as it establishes a national presence.

Pilot Location: Padel Spot Prime

Padel Spot Prime will be located in Round Rock, Texas, an affluent Austin suburb with over 250,000 residents, 15 minutes from the upscale Domain shopping area and residences, and 17 minutes from twenty outdoor padel courts—and no indoor courts. It will be managed on-site by Padel Spot’s Founder.

Development and Financing

The projected \$1,630,145 required to develop the facility will be funded via an SBA 504 loan, with the first year’s operating expense shortfall financed by an SBA 7(a) loan, which will be collateralized through the added equity value created by developing the facility.

Total Project Cost	\$1,481,950
Contingency	\$148,195
Total Loan Application with Contingency	\$1,630,145
Down Payment	\$163,015
Total Loan Minus Down Payment	\$1,467,131
Total Anticipated Loan Draw	\$1,318,936

Padel Spot Prime P&L

Profit & Loss	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$289,915	\$675,209	\$751,104	\$759,744	\$759,744
Expenses	\$292,338	\$291,202	\$289,032	\$281,762	\$279,742
Net Profit	-\$2,423	\$384,007	\$385,755	\$385,401	\$387,506
Net Margin	-1%	57%	51%	51%	51%

Padel Spot: Your Local Padel Club™

One year after opening Padel Spot Prime, Padel Spot will be able to open two clubs per year without raising any equity capital, accumulating 9 clubs by the end of year 5—more with the aid of venture capital. This will enable it to rapidly establish footprint both regionally and nationally.

Chain Financials

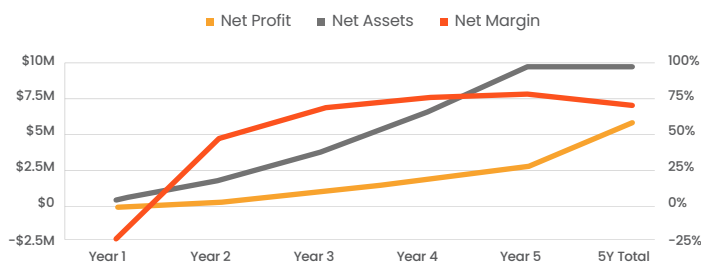




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Introduction



What is Padel?

Padel is a rapidly growing racket sport that combines elements of tennis and squash, played on an enclosed court that's roughly one-third the size of a tennis court.

Originating in Mexico before gaining a foothold in Spain, padel has become one of Europe's most popular sports in recent years, attracting a diverse player base due to its accessible gameplay and emphasis on strategy over power.

However, despite its booming popularity overseas, padel is still relatively unknown in the United States, where it remains overshadowed by traditional racquet sports like tennis and

pickleball. But while Pickleball gained early popularity in the U.S., the rest of the world is increasingly crazy for padel. Padel shares the easy learning curve of pickleball, but it is much harder to master, involves substantially more athleticism and aerobic activity, and as a result is extremely exciting to watch at the professional level. As a result, it is experiencing explosive growth worldwide.

The Problem

Pickleball enjoyed an early mover advantage in the U.S., but everywhere else in the world they are playing Padel. In Spain, it is the **#2** sport in the country after soccer, played by **6 million players** on over **22,000 courts**. In the U.S., there are at present only **90,000 players** and only **600 courts**. But that is changing rapidly. The number of players in the U.S. is up **50% in three years**, and the number of courts increased **26%** in 2023. There is a shortage of courts to meet the growing demand,

and indoor courts for year-round, weather-insulated play are in especially short supply given the **26' ceiling height** requirement for optimal play and the economics of larger clubs. This combination of factors has made large indoor clubs in populated areas essentially economically impossible. Growing padel in the U.S. is thus both a strategic and real estate problem.



The Solution: Padel Spot™

Padel Spot is a chain of padel clubs disrupting the current model of larger, downtown, full-service, outdoor Padel clubs in the U.S. Our innovative model gives us a powerful first mover advantage in the suburbs and near outdoor clubs.

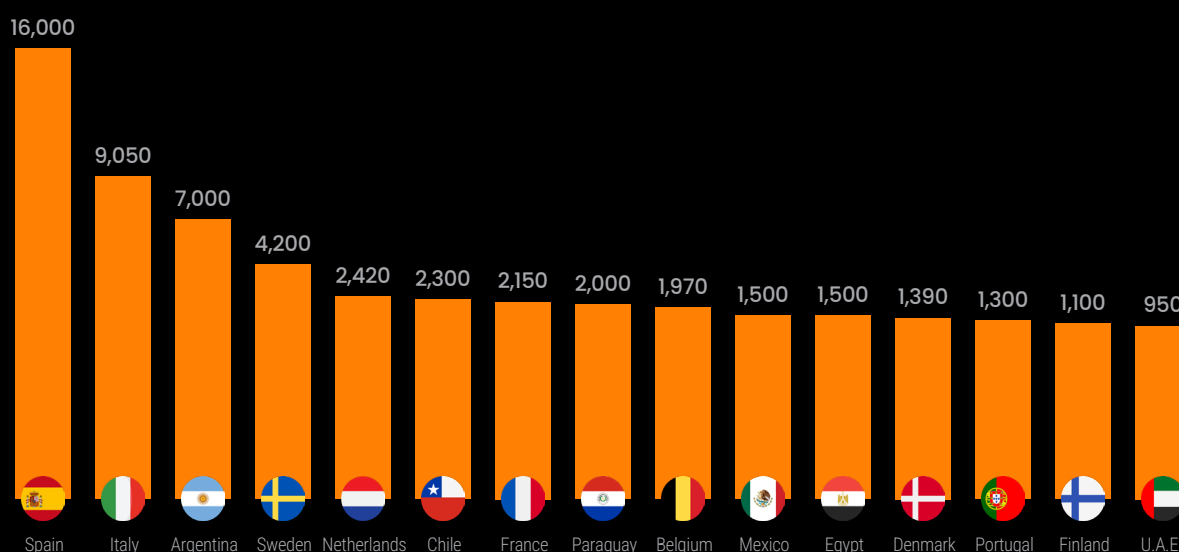
Padel Spot provides local access to professional-caliber indoor padel courts in two-court microclubs capable of being remotely operated by Regional Managers and strategically placed in 15-minute travel “micromarkets” not served by existing larger clubs or outdoor courts. Each Regional Manager will operate at least 10 Padel Spots and can provide personal service to players, with the first Spot being managed on-site by the Founder. Our innovative technology-enabled microclub model gives us a powerful first-mover advantage in the suburbs and near outdoor clubs—and the opportunity to become the dominant padel club brand in the U.S.

The pilot location will be in Round Rock Texas, an affluent Austin suburb, with one Regional Manager also being able to serve Dallas, Houston, and San Antonio – all within a 3-hour radius. the five-year plan involves launching two additional clubs per year beginning Month 13 after launch.



The Opportunity

Courts by Country (Top 15)

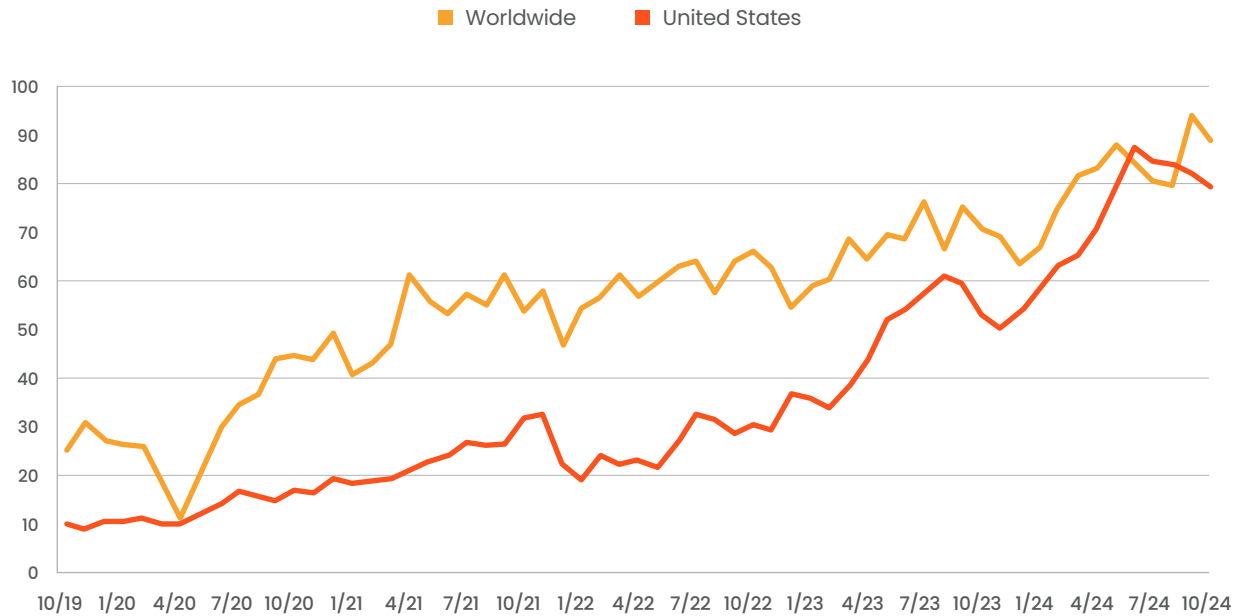


Global Growth Statistics

Padel has surged to **30 million players** worldwide, up from 12 million a decade ago—a **2.5x increase** in popularity over the past ten years. **6 million** of these players are in Spain, where it is the **#2 sport** after soccer, played on over **22,000 courts**. Globally, there are now over **20,000 padel clubs**

and more than **63,000 courts**. This expansion reflects a growing infrastructure supporting the sport in 130 countries, showcasing its international appeal and reach. For a detailed report on padel growth, [see here](#).

Google Trends for “Padel”



Growth in the United States

Players: The U.S. has approximately **90,000 padel players**—up **50%** in three years—projected to grow to **15 million** by **2030**. Google trends in the U.S. is up **800%** in 5 years.

Clubs and Facilities: There are currently about **71** padel clubs and facilities across the country, with ongoing developments expected to increase this number significantly.

Courts: Based on the most recently available data, the U.S. has around **600** padel courts, but this number is anticipated to **double** by next year as new facilities are being constructed rapidly. Estimates suggest that by **2030**, there could be over **30,000 courts** in the U.S.

Recent Trends

Players: The growth rate of padel is accelerating, with a reported **50%** increase in players over the last three years in the U.S.

Courts: A notable **26%** increase in courts was recorded in **2023** alone, reflecting heightened interest and investment in the sport.

Demographic: Padel is gaining traction among younger demographics, particularly **Gen Z**, which will further drive its popularity and growth in the coming years.

Market Dynamics

The padel industry is experiencing rapid growth both globally and within the United States, presenting significant potential for Padel Spot, particularly given its microclub strategy. Key components of this promising landscape include:

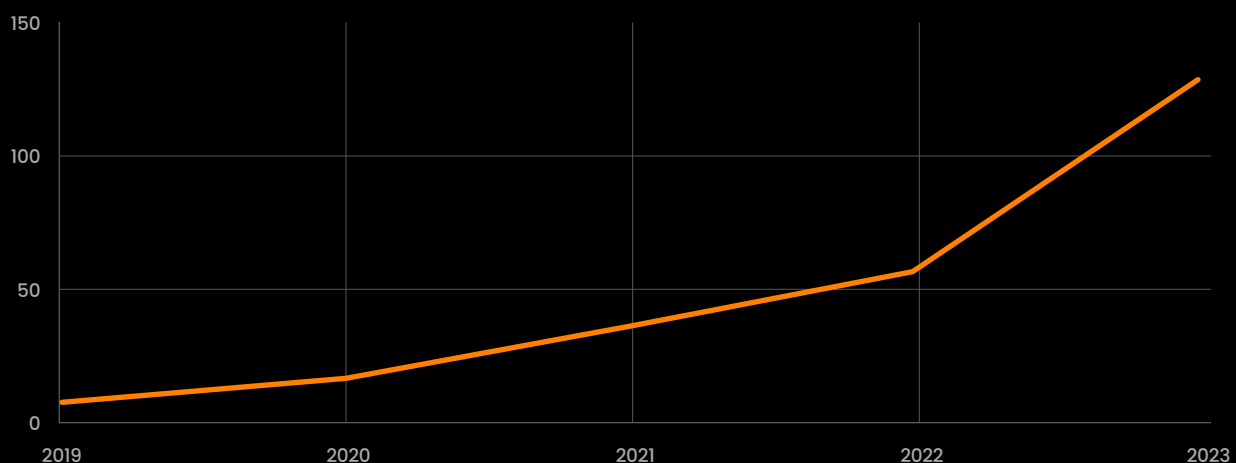
Rapid Growth and Popularity: Padel has become increasingly popular, with participation rates and infrastructure development all suggesting a bright future for the sport.

Demographics and Trends: Padel is popular among younger demographics like Gen Z, which will fuel further growth and adoption. This audience ensures long-term business sustainability.

Global Market Interest: The padel club market is set for substantial growth, potentially **tripling** in value by **2026**. Data on padel company formation in the UK, the most comparable market to the U.S. and most indicative of likely future trends here, shows surging market interest in the sport. The google trends data cited above support that the same rapid growth is underway in the U.S.

Austin as a Strategic Entry Point: Austin currently hosts key padel facilities with a total of **31 courts – all outdoors** – indicating a well-established interest in the area and a good opportunity to offer indoor courts given Austin's seasonal climate. Austin's vibrant community and expanding infrastructure make it an ideal starting point for a nationwide chain.

No. of UK 'Padel' Companies Registered





Investment Thesis

Padel in the US is supply- constrained by court access

The current padel landscape faces several challenges and unique characteristics. Firstly, there is a significant lack of supply of available courts, making it difficult for enthusiasts to find places to play regularly. This scarcity has led to a system where memberships are often required to ensure consistent access to padel facilities, creating a barrier to entry for players.

A country club market

The affluent, worldly U.S. early-adopter market demographic (including Padel Spot's founder, who discovered padel in Medellin) that currently comprises the U.S. market value an extended leisure experience beyond just playing the sport and are heavily centralized in downtown urban areas. As a result, clubs often focus heavily on providing additional amenities to cater to this demand in these regions, leaving the suburbs underserved.

LIFESTYLE **EXCLUSIVE**

Padel club catches on with NYC billionaires and athletes: 'You can't get a court'

FASHION & BEAUTY **ALEXA**

Making a Racquet: Hamptonites' favorite clubs for tennis, padel and pickleball

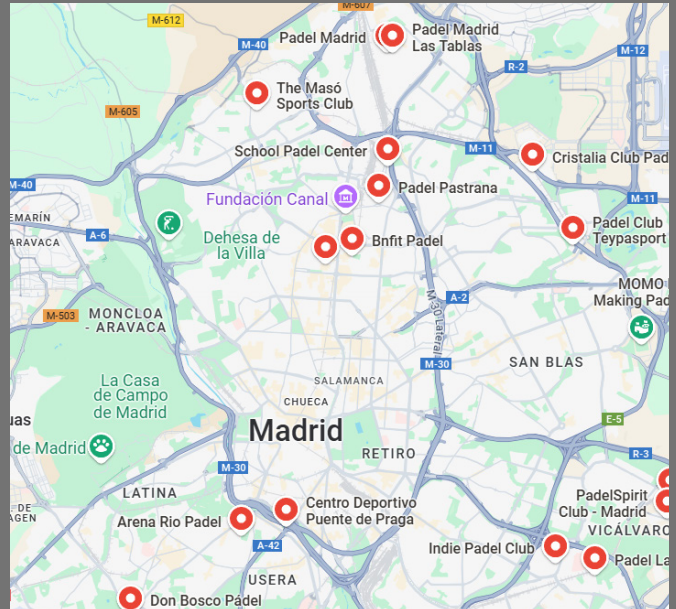
An urban, outdoor affair

As a result of these dynamics and the high costs of that country club model, the padel club business model in the US is characterized by high capital expenditure (CapEx) and operational expenses (OpEx), requiring a larger number of courts per club to amortize their fixed costs. With still limited demand outside of urban centers where affluent globetrotters live, this means that 6+ court clubs in the suburbs are not yet feasible. And because minimum ceiling height for padel courts is **26'**, and facilities with that height large enough for **6+ courts** in urban centers are nonexistent, the U.S. market is almost exclusively comprised of a small number of larger clubs concentrated in urban areas. These clubs can better absorb the high costs associated with building and maintaining padel facilities with a large number of courts and added amenities..

The growing popularity of padel is also impacting existing tennis infrastructure. Many tennis clubs are recognizing the trend and adapting by converting some of their tennis courts into padel courts to meet the increasing demand for the sport. This shows the traction of the sport, but it does not meet the unmet need for more regionally accessible clubs for a market that is growing faster than the current model can support.

As US padel grows, location will become a differentiator

Data from Spain indicates that players do not want to travel more than 15 minutes to play, which becomes a determining factor in where especially regular (3x/week) players play. And whereas now the market is a limited demographic of affluent jet-setters who want a leisure experience, as it expands from **90,000** to **15 million** U.S. players, that will change. Rather than seeking to extend leisure time, people will want efficient access to nearby courts—pop in, play a match, and pop out to get home and feed the kids—no need for additional amenities besides maybe a seating area and some vending machines. Having quality courts nearby will be more important than having a big membership-model club with amenities 20 minutes away. This means there is an early-mover opportunity in the suburbs—as well as specifically for indoor courts nearby large outdoor courts that have extreme seasons and inclement weather—like Texas.

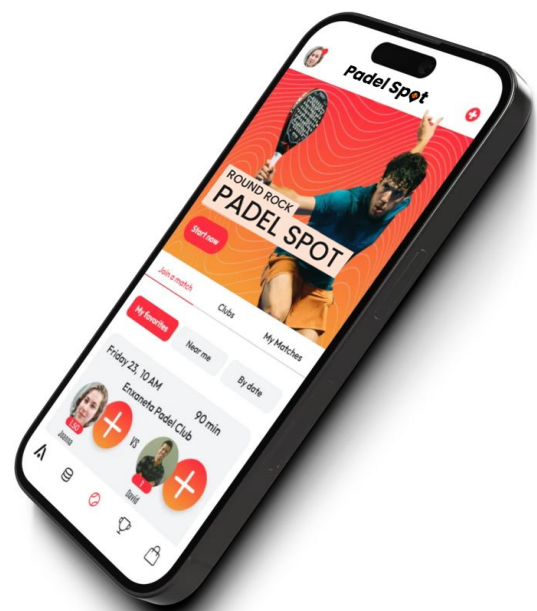


An Opportunity

There is an early-mover opportunity to build a national brand and capture suburban markets suburban regions.

But the current market dynamics and club economics make the model of large full-service clubs not feasible yet outside of trendy urban centers. To gain a footprint beyond there requires achieving profitability on a smaller number of courts per club. How will Padel Spot accomplish this?

By building unstaffed 100% remotely operated, technology-enabled, two-court “microclubs.”





Micromarkets: Your local padel club™

Padel Spot will launch with two-court microclubs offering top-quality courts conveniently located in currently underserved micromarkets (15-min travel). We will also leverage the microclub model to offer indoor playing courts near larger clubs with only outdoor courts, as well as single-court outdoor locations in high-profile locations for brand awareness. This strategy allows Padel Spot to enter micromarkets with microclubs that only need minimal occupancy to break even.

Once a microclub hits a certain occupancy level, Padel Spot will seek another location 15–30 minutes away and/or seek to place a single outdoor court in a high-profile location nearby or next to its own existing microclub. The pilot location will be in Round Rock, Texas, **17 minutes** from **20 outdoor padel courts**—and no indoor courts. As it expands, Padel Spot will target high-traffic suburban regions with nearby food and leisure activities, as well as near existing larger outdoor-only clubs in variable-weather regions. Padel Spot microclubs will be managed by a Regional Manager, who can support 10 clubs with 20 courts—at least.

Technology: Remotely-operable microclubs

Each Padel Spot will feature fully automated access and management, enabling them to be remotely-operated during off-peak hours. They will be powered by a smartphone and web app, remote lighting control, and vending machines. They will exclusively offer padel court rentals and lessons—no other services or amenities besides vending machines for balls, remote padel rental, and drinks, etc. Bookings and customer service will all be handled through the web and a mobile app. And the Regional Manager can also always be reached directly via messaging and voice. While capable of being remotely operated, the pilot location will be managed on-site by Padel Spot's founder.

Real estate: If you build it, they will come

Padel Spot's microclubs are also made possible by a very particular real estate strategy given the minimum 26' high ceiling requirement for optimal play. It has developed a tailored SBA financing strategy to implement this approach by purchasing SBA 504-financed lots in high-growth suburban areas and building two indoor courts in a steel frame building, supplemented by an SBA 7(a) loan for initial operational expenses. Padel Spot building its own facilities is both a necessity, given that facilities with sufficient clearance are extremely rare, and an opportunity to acquire and develop a portfolio of unique multi-use properties.





Go-To-Market Strategy

As detailed below, the pilot location is in Round Rock, TX near **20** outdoor courts—and no indoor courts. Thereafter, we will expand with locations near high-traffic suburban shopping centers with nearby food and leisure activities, and near existing larger outdoor-only clubs in variable-weather regions. Padel Spot will target high-population Texas suburbs 20 minutes outside of Austin, Dallas, San Antonio, and Houston. The founder will serve as the first Regional Manager, driving occupancy growth in the first location and the expansion strategy for subsequent locations.

Making markets

Padel Spot is intentionally entering micromarkets early using the microclubs' low revenue requirements for profitability to enable us to gain early foothold in areas that can't support a larger club. This means that to the extent early occupancy is low—as is projected in the model detailed below—Padel Spot will be able to give away free group classes and free in promotion with local schools, community colleges, universities, and fitness in order to grow the regional market.

Target Market

Since it is a high-growth emerging market, it is a broad market, from introducing new players via free clinics to offering professional-grade indoor courts to established players. The sport appeals broadly to health-conscious individuals seeking new fitness options; young professionals looking for social activities; families wanting to learn a new sport they can play together at differing ability; school-age children who historically would have gravitated to tennis; and local Local businesses interested in team-building activities.

Sales Strategy

Sales and Promotions

Credit Subscriptions

Unlike the other clubs operating in the area, Padel Spot will not use a membership model, which creates a barrier to entry and complicates the economics for players. Instead, Padel Spot will encourage recurring revenue by incentivising monthly booking credit subscriptions that do not expire, with larger monthly subscriptions allowing more advance booking. This model ensures players are not penalized if they are unable to use a membership any given month while providing Padel Spot with predictable recurring revenue.

Subscription Packages	Credits	Advance Booking
Single Booker	N/A	3
Monthly Player	\$70 / Month	5
Weekly Warrior	\$125 / Month	8
Daily Driver	\$300 / Month	15
Founding Member	\$3K / Year commit	365

Subscriptions can be cancelled at any time and the credits retained, but the advance booking rights only apply to active subscriptions, and thus credits purchased on subscription would revert to single booking 3-day advance window rights.

The Founding Member package will be offered for a limited time as the club ramps up, with the right to renew. If not renewed, any remaining credits at the end of the year will convert to enabling 14-day advance booking, retaining booking benefits commensurate to the Daily Driver subscription. While the Founding Member subscription is an annual commitment, players will be able to pay in \$250 monthly installments.

Other Promotional Strategies

Free Beginner Clinics: Introduce free beginner clinics to draw in new players, increasing club engagement and occupancy.

Corporate Partnerships: Build relationships with local businesses to offer corporate discounts and team-building events, growing Padel Spot's player base and enhancing its community presence. We will also drive brand awareness through a corporate sponsorship with international tennis and padel brand Head and our padel court brand Sky Padel..

Local Events and Tournaments: Host regular tournaments and community events to engage players and promote happiness in the sport while increasing visibility and attracting new members.

Distribution Channels

Online Booking System: Padel spot will utilize an online platform enabling members to easily book courts, sign up for lessons, and purchase subscription packages, making for a seamless customer experience.

Mobile App: We will also use a mobile app to enable users to engage with the club effortlessly, check availability, participate in challenges, and receive updates on events.

Partnerships with Fitness Centers: Collaborate with local gyms and wellness centers to expand our customer reach via cross-promotion, creating opportunities for shared memberships.

Partnerships with nearby Schools: Padel Spot will promote and offer special discounts for off-peak hours to local students, including those from the half dozen college and University campuses in the Round Rock area.

As we refine this sales and distribution plan, Padel Spot will strategically position itself to penetrate the market successfully, ensuring sustainable growth and community integration in the Austin Metro area and beyond.



Full Scenic Head Branded model court from Sky Padel, distributed in the U.S. by Padel ONE

Partnerships

US Padel Association: National governing body for padel in the United States.

Padel ONE: A Florida-based distributor for Sky Padel out of Spain, supplier of pro-quality padel courts used by the World Padel Tour.

Padel brands: Head offers a sponsorship opportunity on co-branded courts through Sky Padel.

New Life Construction: A General Contractor based in Houston that has experience building padel clubs. It is also serving as Padel Spot's real estate agent.

Amet International: a padel consultancy run by a professional U.S. padel player with experience owning and operating a padel club, with an emphasis on padel club automation.

Marketing

Instagram: We will promote the gym through our Instagram page organically and through paid ads.

Influencers: Partnering with Instagram and TikTok influencers will amplify our social media strategy.

Brochures and flyers: Making flyers and giving them out to people on the street at events and in the downtown areas of Georgetown and Round Rock..

Facebook: Using Facebook to promote the gym both organically and through targeted advertising will help create brand and club awareness..

Google Adwords: Targeting users near Round Rock, Cedar Park, the Domain and nearby outdoor-only clubs.



Padel Spot Prime

The Plan

Padel Spot will disrupt the established U.S. padel club model by introducing indoor, all-season microclubs to the Austin area, which currently has no indoor courts given the economics of full-service clubs. Specifically, we will launch the pilot location, **Padel Spot Prime**, in Round Rock, Texas, a highly-populated suburban market 30-minutes north of downtown Austin. We will use an SBA 504 loan to purchase land and develop a 9,000-square-foot steel-frame building with a minimum 30' playing clearance, making it one of the highest playing-height clubs in the country. In short, Padel Spot Prime will ideally suited to house two professional-caliber courts. While capable of being remotely operated, it will be managed on-site by Padel Spot's founder. What follows is a detailed proposal and pro forma financial model for the first location.

The Austin Market

There are currently 19 padel courts in Austin, with another club with a dozen courts launching soon. All are in Austin proper. All are outdoors. And all are country club style.

Padel Club Austin offers outdoor courts and amenities like locker rooms and showers. They use a membership structure with Prime and Early Bird options, both of which enable more advance booking ability than available to non-members.

Padel39 offers a sports bar and lounge. It likewise requires a membership in order to book regular weekly games.

Sensa Padel, set to open soon in Cedar Park, offers the most extensive facilities with over 12 padel courts and additional pickleball courts. It likewise offers memberships that enable more advance booking than is available to non-members.

	Padel Club Austin	Padel39	Sensa Padel
Location	511 Industrial Blvd, Austin, TX (downtown Austin)	2510 Rutland Dr, Austin, TX (20 mins from downtown Austin)	1501 E New Hope Dr, Cedar Park, TX (25 mins from downtown Austin)
Number of Courts	9 outdoor courts	10 outdoor courts	12+ outdoor padel courts and 3 pickleball courts
Amenities	Lounge, viewing area, professional coaching; food truck on-site; locker rooms and showers coming soon	Sports bar, lounge for remote work	Wilson Pro Shop, food and beverage service, juice station
Membership Options	Prime: \$250/mo for 12 matches / month (\$300 value) Early Bird: \$199/mo (unlimited matches 6AM-3:30PM)	Padel: \$89/mo or \$890/year + \$199 setup, 30% Peak Discount, 60% Off-Peak Elite: \$149/mo or \$1490/year + \$149 setup, 30% Peak Discount, 80% Off-Peak	Monthly: \$200/mo + \$250 setup, 10 Peak hours included, unlimited Off-Peak, Annual: \$2K/year + \$500 setup, same playing perks Founding: \$5K/2-years + \$1K, unlimited play
Non-Member Court Rental Cost (90-Min)	Peak: \$100 Off-peak: \$60	Peak: \$120 Off-Peak: \$120	Peak: \$120 Off-Peak: \$90
Advance Booking Window	Members: 7 days Non-members: 5 days	Elite members (\$149/mo): 12 days Padel members (\$89/mo): 7 days Non-members: 4 days	Monthly & Annual: 10 day Founding: 15 days Non-members: 5 days

Padel Spot Prime

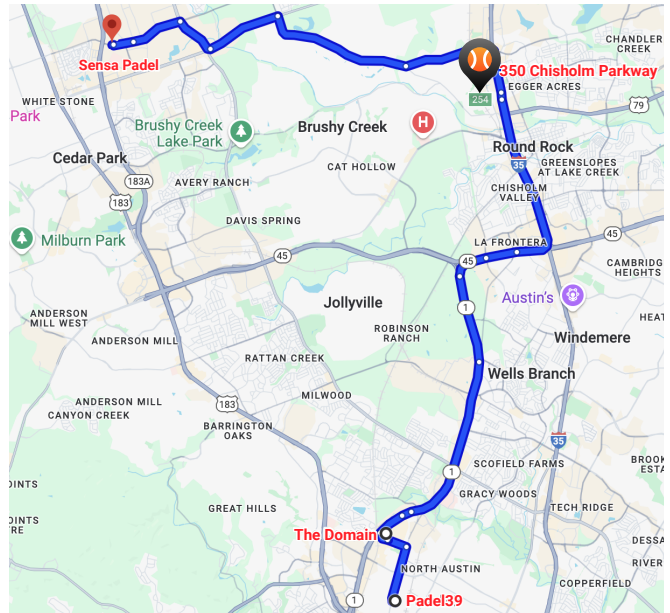
Padel Spot has secured an ideal location to develop the first Padel Spot: 350 Chisholm Parkway, a 1-acre parcel off IH-35 in Round Rock, Texas, the largest highway in the region.



With utilities readily available and zoned for commercial use, this site is perfect for a padel club, requiring minimal site preparation, enabling Padel Spot to rapidly develop and open the pilot location by summer 2025, just in time for Austin's 106+ degree temperatures.. There is also potential for a shared parking agreement with La Quinta, which would reduce development costs. Padel Spot expects to be in contract soon for under \$800,000.

Location, Location, Location

350 Chisholm Parkway is ideally located given Padel Spot's thesis of providing an indoor-court alternative to outdoor clubs while being the most accessible club to high-population suburban markets. It will be the closest club to the over **250,000** residents of Georgetown and Round Rock, **15 minutes** from the Domain shopping center and residences, which cater to padel's current demographic, and only **17 minutes** from a total of **20 outdoor padel courts**—and no indoor courts.



Round Rock / Georgetown

- **Population:**
 - Round Rock: estimated at 136,585 as of December 2024, growing 6% per year.
 - Georgetown: estimated at 92,000 as of 2023, with 10% annual growth due to new housing developments, making it one of the fastest-growing towns in the U.S.
 - Combined Population: Approximately 228,585.
- **Ethnic Composition (Round Rock):**
 - White (Non-Hispanic): 50.1%
 - Hispanic (of any race): 28% (Note: padel at present remains very Latin-centric)
 - African American: 11%
 - Asian: 7%.
- **Income:**
 - Median household income in Round Rock: \$91,888, 10% above the national median.
 - Georgetown's median income is higher at \$106,665

- **15 minutes / 12.3 miles** from The Domain (North Austin)
 - Home of an upscale outdoor shopping mall featuring Nordstrom, Whole Foods, mid-level and designer brand stores and retailers, and residential housing targeting Padel Spot's target demographic
- **17 minutes / 13 miles** from Padel39 with **8** outdoor padel courts and no indoor courts
- **17 minutes / 8.8 miles** (or 16 minutes / 10.1 miles) from the soon-opening Sensa Padel which will feature **12** outdoor padel courts and no indoor courts

Facility: Custom Steel Frame Building

Development Plan

Padel Spot is partnering with New Life Construction and Amet International, which specializes in padel club automation, to build the first fully-automated Padel Spot location. Given their experience with padel club development and automation, with a professional U.S. padel player on the team, they are a perfect development partner. They are also licensed real estate agents in Texas and will be representing Padel Spot in the acquisition of 350 Chisholm Parkway.

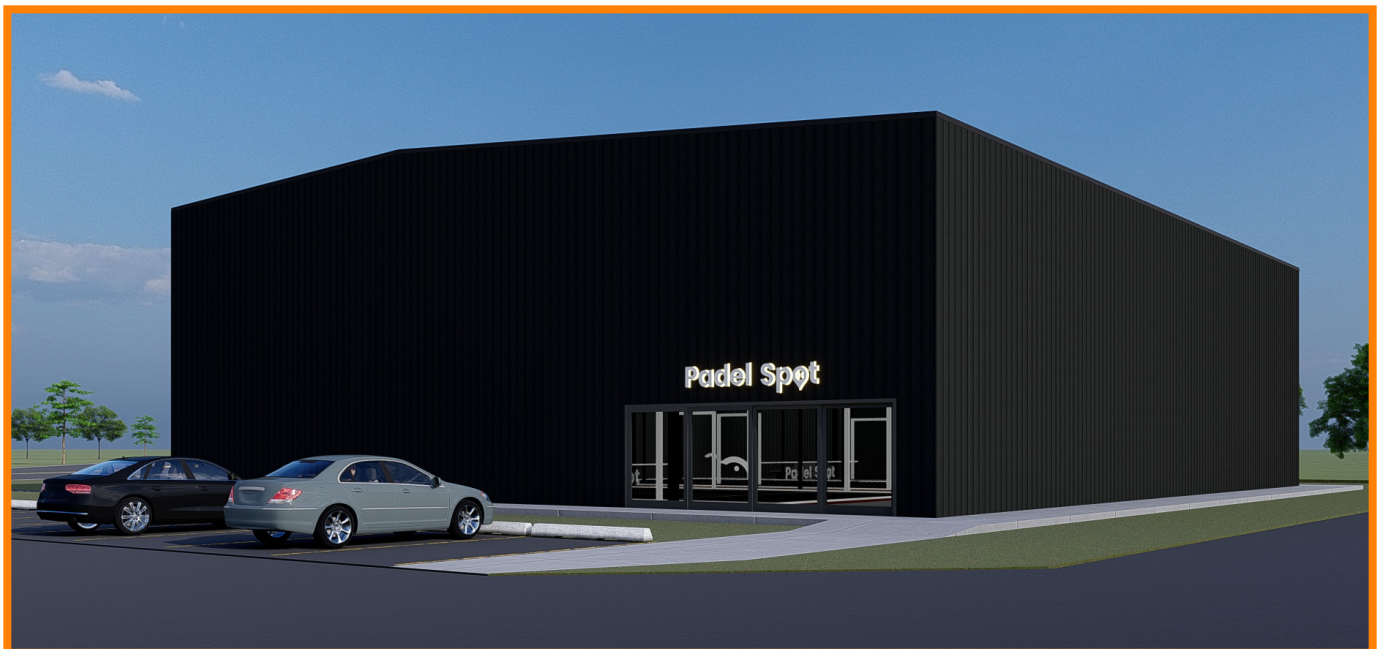
The building will be a pre-engineered steel frame building with insulated metal panels for comfort and energy efficiency. The aesthetic for the project and for Padel Spot is “industrial chic.” The floors will be matte polished concrete, a look common in high-end residential lofts and commercial spaces. The playing surfaces will be black astroturf, surrounded by orange astroturf, consistent with Padel Spot’s brand colors.

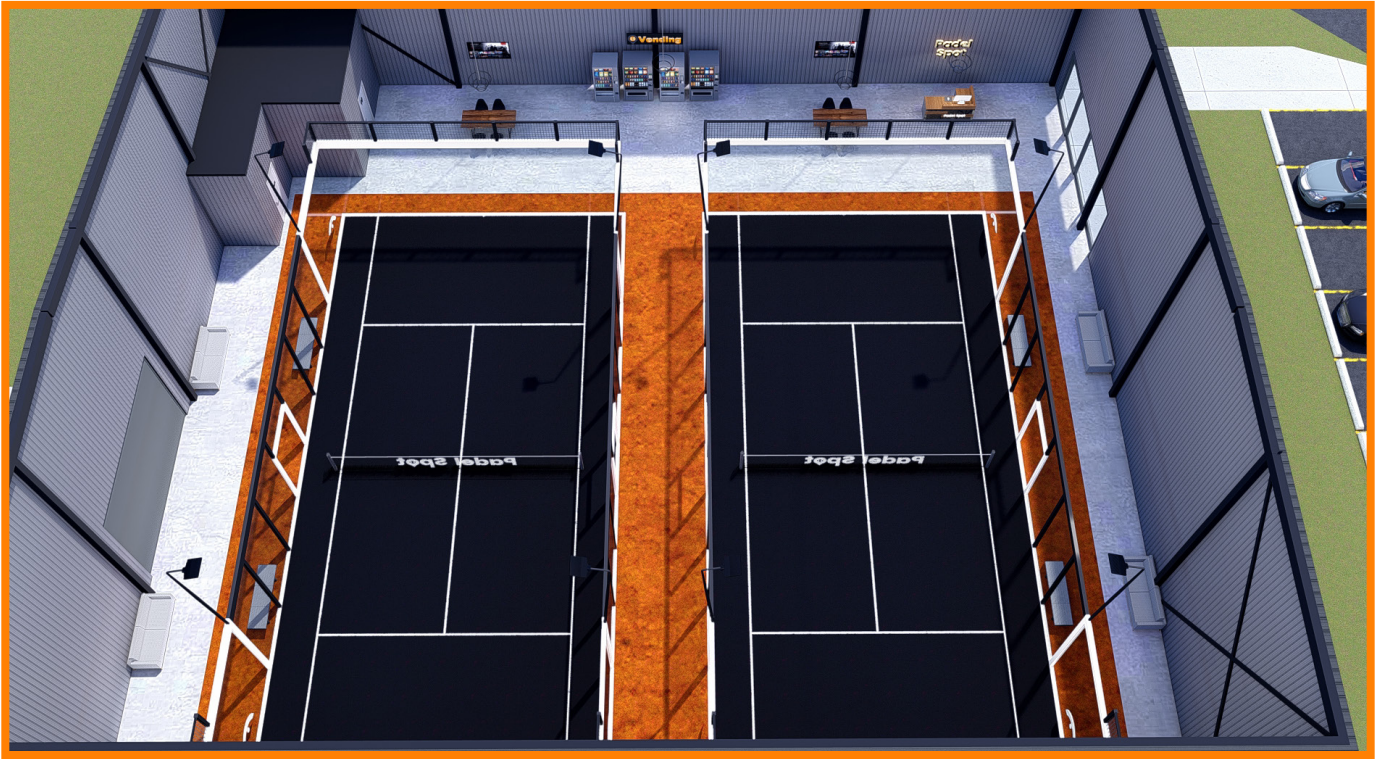
There will be a single unisex bathroom with changing area and shower, which can be separately locked so that someone can shower and change without restricting access to the bathroom and sink. There will also be ample seating in the form of two couches, two benches, and one table with chairs per court, as well as one 65” TV per court.

Healthy snacks, drinks, and padel accessories will be available through vending machines, as will padel racket rentals.

Architectural Renderings

For a simulated drone flight in and around Padel Spot Prime, [click here](#).







Development Costs

Building Development	Estimate	\$/sqft
Architectural and Engineering Services	\$60,000	\$6.67
Concrete Slab (100'x90')	\$76,500	\$8.50
Pre-Engineered Building	\$180,000	\$19.56
Sliding Glass Door (12')	\$10,850	\$1.21
HVAC System	\$80,000	\$8.89
Restroom/Utility Room	\$21,700	\$2.19
Automation Package	\$19,200	\$2.13
Chemical Polish Concrete	\$8,200	\$0.91
Asphalt Parking	\$9,000	\$1.00
Fire System	\$10,000	\$1.11
Orange Turf	\$13,500	\$1.17
New Life Construction Fee	\$55,000	\$7.11
Subtotal:	\$543,950	\$52
Ancillary CapEx		
Permitting	\$12,000	\$1.33
Legal	\$10,000	\$1.11
Padel Courts	\$96,000	\$10.67
Furniture & Fixtures	\$20,000	\$2.22
Total:	\$681,950	\$75.77
Land	\$800,000	
Total Project Cost	\$1,481,950	\$164.66
Contingency	\$148,195	\$16.47
Total Loan Application with Contingency	\$1,630,145	
Down Payment	\$163,015	
Total Loan Minus Down Payment	\$1,467,131	
Total Anticipated Loan Draw	\$1,318,936	



Sky Padel Full Scenic court installation

Financing

As detailed in the Development Cost section, the total projected CapEx requirement for Padel Spot Prime is **\$1,481,950**. Adding in a 10% contingency allowance brings the total potential capital required to **\$1,630,145**.

Padel Spot will use an SBA 504 loan to finance this. We are applying for a total available loan amount of **\$1,467,131** 504 loan to cover the acquisition and development of the first location, supplemented by the required 10% downpayment of **\$163,015** from Padel Spot required to borrow that amount under the 504 program. This generously covers the starting required capital expenditures, with a 10% development cost cushion for unexpected costs.

A combination of equity capital potentially 7(a) loan will be used to cover startup and operational expenses prior to the first location attaining profitability. For the 7(a) loan, we will apply for up to **\$300,000** in financing, but we do not anticipate needing to draw all of that and possibly none at all, depending on the amount of equity capital raised. As detailed below, the financial model assumes no equity capital beyond the downpayment, with a starting draw of **\$25,000** on the 7(a) loan.

While the model assumes this starting draw on the 7(a) loan and subsequent draws thereon through the first year of operation, Padel Spot anticipates that this will not be necessary given the company's plan to raise up to **\$500,000** in equity capital, as detailed below. This is an additional layer of conservative modeling, as the equity capital raised will supplant the need for any 7(a) financing, reducing initial expenses by **up to \$1,261.95** per month through the ramp-up period.



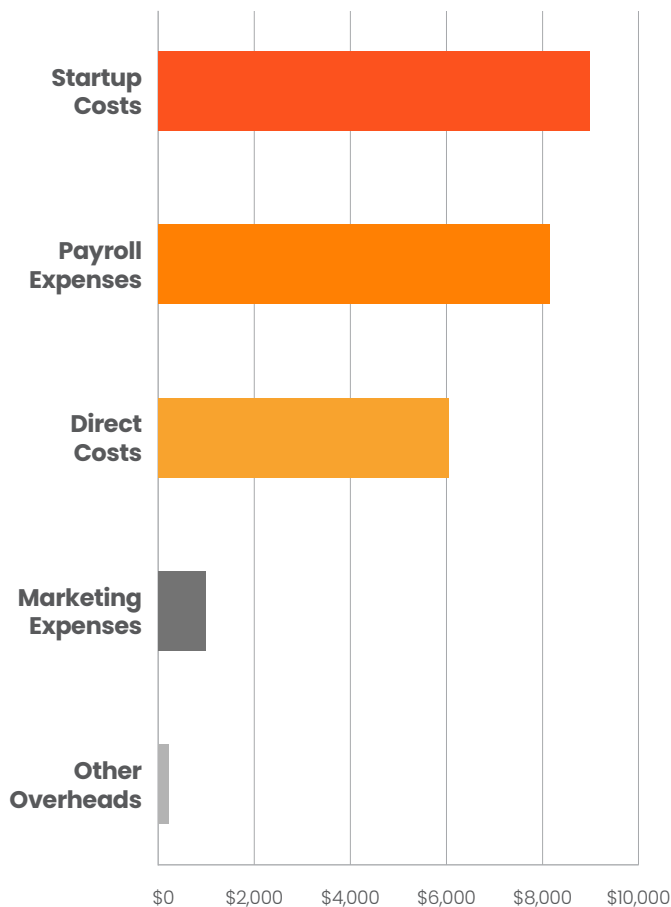
Financial Model

Padel Spot has developed a detailed financial model for the Padel Spot Prime as well as for the 5-year chain expansion plan. The full financial model can be accessed [here](#). The model projects revenue using **Bear**, **Base**, and **Bull** case scenarios, each of which assume different starting occupancies, growth rates, and maximum terminal occupancies for **Peak**, **Midday** and **Night Owl** booking windows, as detailed below. Expenses do not vary by scenario.

Padel Spot Prime Projections

Expenses

Monthly and Startup Costs



Startup Costs	\$9,000
Corporate setup	\$5,000
Branding	\$2,000
Technology	\$2,000
Payroll Expenses	\$8,333
Regional Manager	\$8,333
Direct Costs	\$6,008
Janitorial	\$800
Equipment Maintenance	\$200
Court Maintenance	\$300
Utilities	\$2,000
Landscaping	\$200
Insurance	\$500
Property Taxes	\$1,808
Marketing Expenses	\$1,000
Events	\$500
Marketing	\$500
Other Overheads	\$400
Legal	\$100
Accounting	\$100
Subscriptions	\$200

Payroll Expenses

The clubs will be remotely managed by a Regional Manager, initially Padel Spot founder Eli M. Blatt. One regional manager will manage a projected 10 clubs / 20 courts in a 3-hour driving distance radius from Austin, covering Dallas, Houston, and San Antonio. So the first location absorbs the full cost of the Regional Manager. Padel Spot's court rental revenue thus becomes increasingly profitable as the Manager's salary is amortized across the 10 locations.

Revenue

Given its unstaffed, remotely operated nature, Padel Spot will be open **24-hours** a day, **365 days** a year. Revenue projections are based on differing percent occupancy assumptions for **Peak**, **Midday**, and **Night Owl** windows. Pricing is in line with outdoor courts in the region, with a **90-minute** rental costing **\$124** during Peak hours, **\$80** Midday, and **\$40** for Night Owl bookings, costs shared among four players. It is worth noting also that, as a general rule, indoor courts rent for a premium compared to outdoor courts; that said, Padel Spot's rates are commensurate with the two closest outdoor clubs.

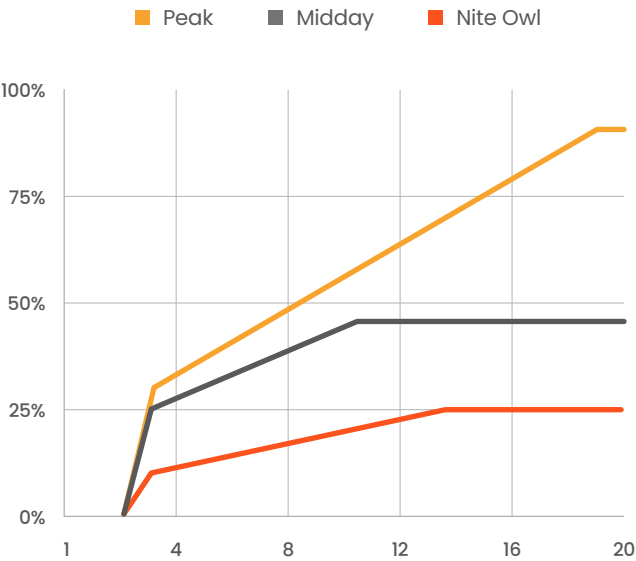
Occupancy

The model includes **Bear**, **Base**, and **Bull** scenarios, which differ by their **starting occupancy**, the **growth rate**, and the final assumed **maximum occupancy**, as detailed below. These assumptions have been vetted by Padel Spot's padel industry consultants, Padel ONE and Amet International, both of which have substantial padel club operations and consulting expertise.

	Starting Occupancy			Growth Rate			Ending Occupancy		
	Bear	Base	Bull	Bear	Base	Bull	Bear	Base	Bull
Peak	20%	25%	30%	2%	3%	4%	75%	85%	90%
Midday	15%	20%	25%	2%	3%	3%	35%	40%	45%
Night Owl	10%	10%	10%	0.5%	1%	1.5%	15%	20%	25%

The Bull case starts at the highest starting occupancy, grows the fastest, and plateaus at the highest occupancy level. The Base and Bear cases each respectively start at lower occupancy levels, grow occupancy more slowly, and peak at lower occupancy levels. The model has intentionally assumed very conservative starting occupancy rates for each booking period, even for the Bull case scenario, which starts at just one-third occupancy for peak rentals (note that the three zero-revenue months will involve heavy grass-roots community outreach and promotion to ensure strong starting occupancy). For the purposes of the remainder of this analysis, unless otherwise noted, the Base case will be detailed and used exclusively when modelling the 5-year chain financials.

Bull Case Occupancy by Month



Rental Revenue

Given the occupancy assumptions and court rental rates, court rental revenue is projected as follows:

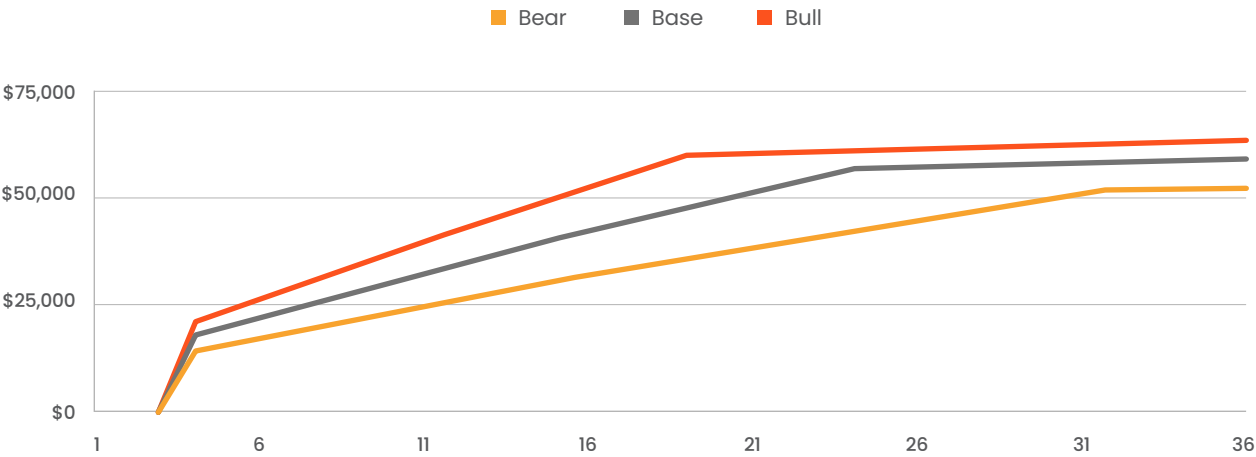
Did you Know?

In mature padel markets like Buenos Aires, where Padel Spot's founder conducted methodical court availability research within a 15 minute drive from a downtown location, there were no fewer than 10 clubs, all of which were completely booked during Peak hours.

Even in developing markets like Curacao, which has four clubs with 12 courts serving the population of 185,000 and at any given time on the order of 15,000 tourist, many of them Dutch who play padel while on the island, it is virtually impossible to book a court before 10AM or after 4:30PM.

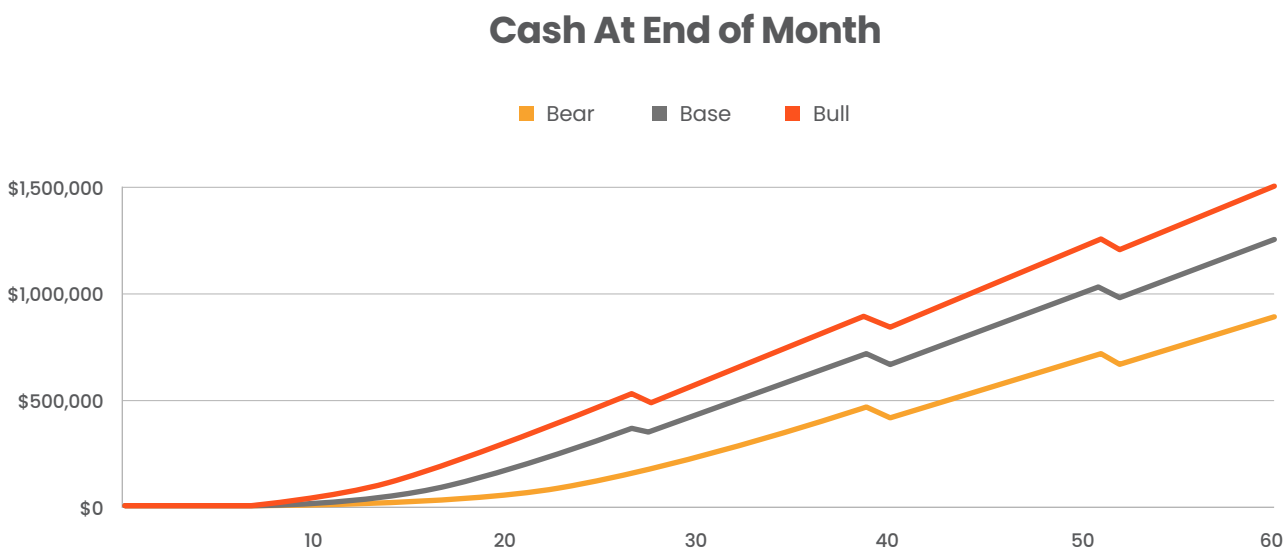
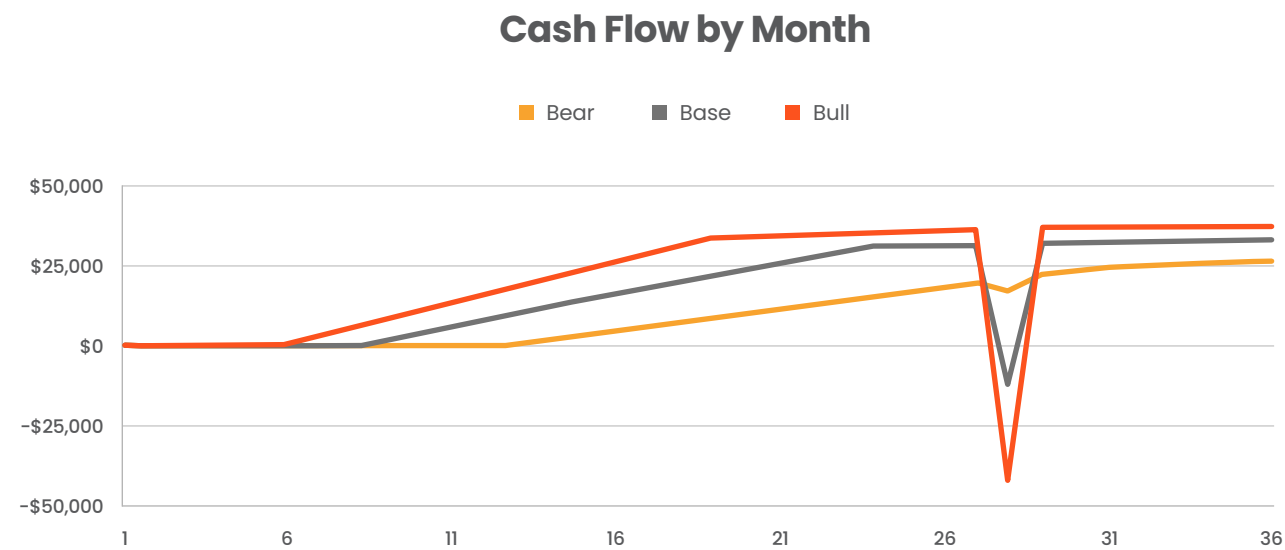
Applying this to Padel Club's two courts in the Round Rock suburban region, the Bull case scenario is arguably conservative, and occupancy rates could reach 90%+ in Peak hours much sooner than modeled.

Court Rental Revenue by Month



Additionally, there will be sponsorship revenue and vending machine revenue, which has not been modelled, adding to the model's conservative nature.

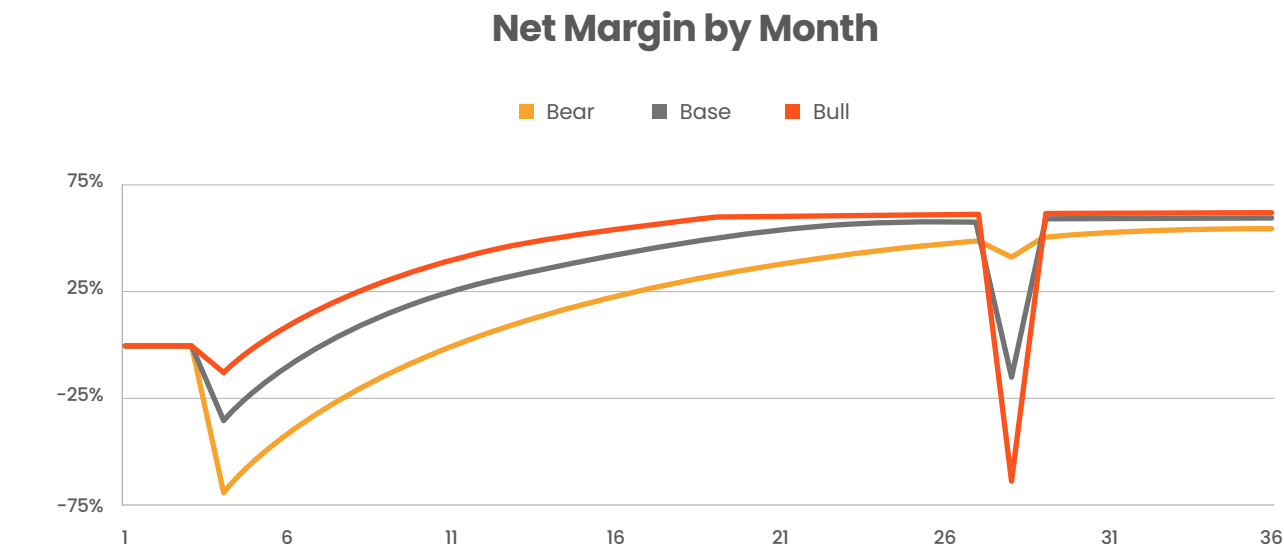
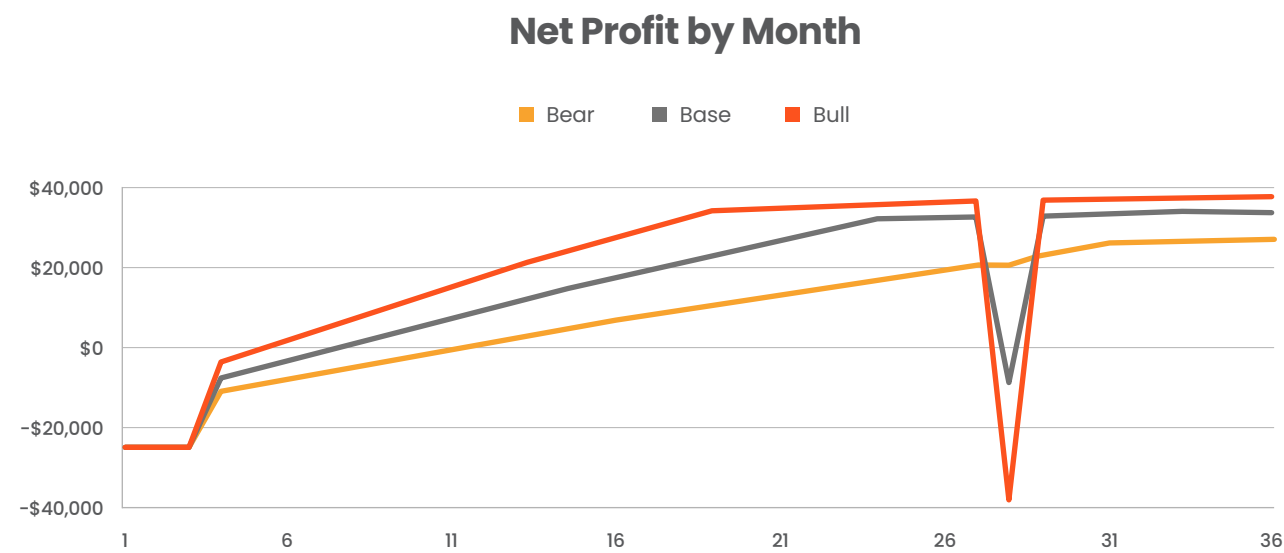
Cash Flow Projections



Profit and Loss

The launch of the first location involves significant initial investment, particularly in the first year, largely to cover the purchase of land, development of the club, and other startup-related costs.

Given the conservative starting occupancy assumptions, compounded by absorbing the Regional Manager compensation, the first location starts off at a net operating loss in all three scenarios, necessitating either financing via the 7(a) SBA loan or equity capital to sustain operations during the startup phase. Note that subsequent clubs will not bear the \$8,333/mo Regional Manager salary and so will not face this situation.



Note: the dip in profit at month 28 is a result of income tax.

Years 1-2

Revenue is projected to start in **Month 4**. The business reaches profitability in **Month 6** in the Bull case, **Month 8** in the Base case, and **Month 11** in the Bear case. Total draw on the SBA 7(a) loan to sustain operational expenses during this period is **\$130,394.11** in the Bear case, **\$96,613.47** in the Base case, and **\$82,677.54** in the Bull case.

Profit & Loss	Year 1			Year 2		
	Bear	Base	Bull	Bear	Base	Bull
Total Revenue	\$183,946	\$236,930	\$289,915	\$425,402	\$565,930	\$675,209
Total Expenses	\$294,571	\$293,160	\$292,338	\$296,021	\$292,609	\$291,202
Net Profit	-\$110,626	-\$56,230	-\$2,423	\$129,382	\$273,320	\$384,007
Net Margin	-60%	-24%	-1%	30%	48%	57%

By Year 2, the strategy starts showing positive results in all three scenarios, with occupancy rates improving due to marketing efforts and operational efficiencies, almost doubling revenue year over year as a result.

Years 3+

All three scenarios reach maximum occupancy before the end of Year 3—also a conservative assumption. At that point, the only changes in the model result from the amortization of the loan. Final steady-state monthly projections and year-end cash position for the pilot in the three scenarios look as follows:

Profit & Loss	Year 3			Year 4			Year 5		
	Bear	Base	Bull	Bear	Base	Bull	Bear	Base	Bull
Total Revenue	\$594,401	\$701,136	\$751,104	\$628,560	\$709,776	\$759,744	\$628,560	\$709,776	\$759,744
Total Expenses	\$293,495	\$290,335	\$289,032	\$281,762	\$281,762	\$281,762	\$279,742	\$279,742	\$279,742
Net Profit	\$297,154	\$367,383	\$385,755	\$275,481	\$339,843	\$385,401	\$282,702	\$348,472	\$387,506
Net Margin	50%	52%	51%	44%	48%	51%	45%	49%	51%

Five-Year Projections

Profit and Loss

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Revenue	\$289,915	\$675,209	\$751,104	\$759,744	\$759,744
Total Expenses	\$292,338	\$291,202	\$289,032	\$281,762	\$279,742
Net Profit	-\$2,423	\$384,007	\$385,755	\$385,401	\$387,506
Net Margin	-1%	57%	51%	51%	51%

Cashflow

	Year 1	Year 2	Year 3	Year 4	Year 5
Net Change in Cash	\$60,486	\$360,888	\$360,896	\$358,667	\$358,752
Cash at the End of Year	\$60,486	\$421,374	\$782,270	\$1,140,937	\$1,499,689

Balance Sheet

	Year 1	Year 2	Year 3	Year 4	Year 5
Assets	\$1,542,436	\$1,903,324	\$2,264,220	\$2,622,887	\$2,981,639
Liabilities	-\$1,381,845	-\$1,358,726	-\$1,333,867	-\$1,307,132	-\$1,278,379
Net Asset Balance	\$160,592	\$544,598	\$930,354	\$1,315,755	\$1,703,260

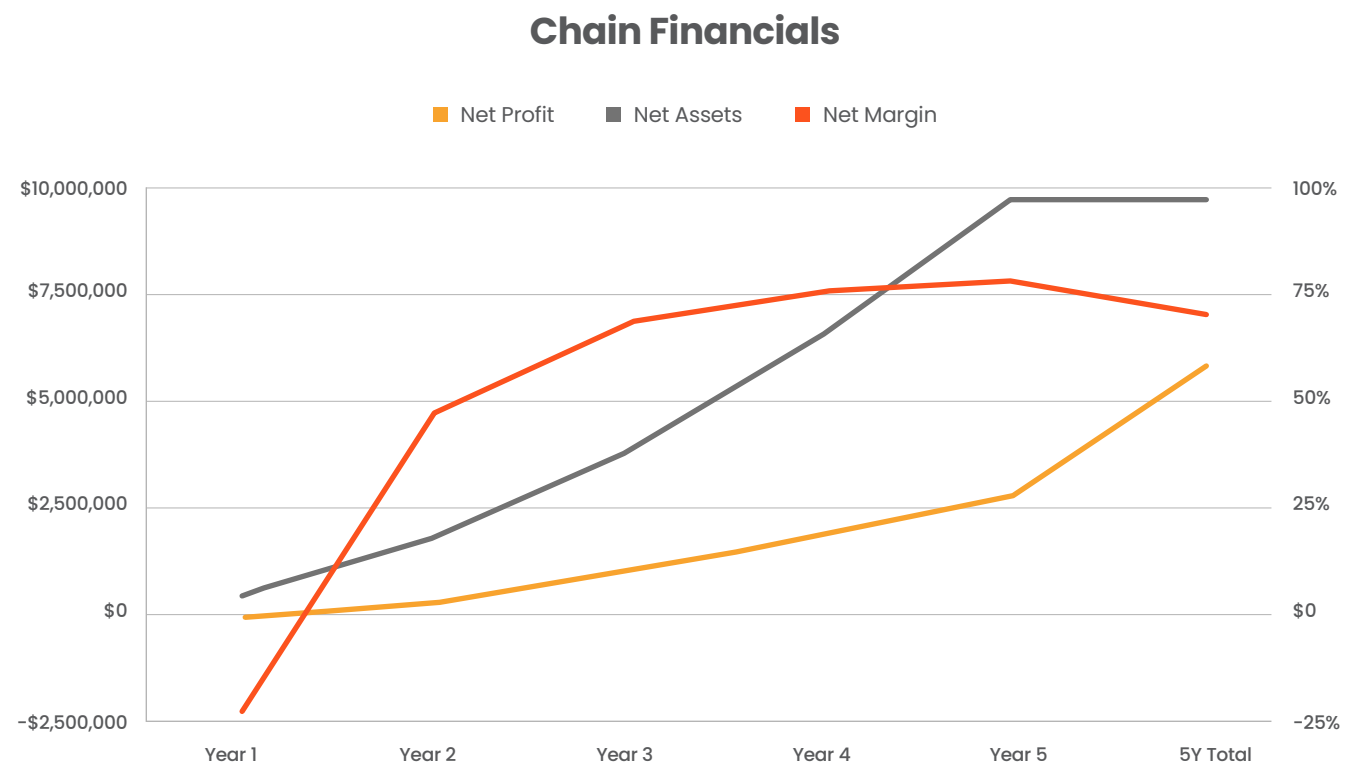
Padel Spot Chain Projections

Padel Spot Prime is being developed as the proof of concept for a mass market, nationwide padel club chain. There is a plan in place to support growth entirely organically, which is what has been modeled here. That said, realistically, once Padel Spot Prime is successful, we may seek to support growth not just with additional SBA loans but also with venture capital to help support more rapid growth into new markets. That said, what is modeled here is an entirely organic growth plan.

Key Assumptions

- 1. Year 1 assumes only Padel Spot Prime.
- 2. The second Padel Spot opens and commences revenue in month 16 using the same assumptions as Spot 1, except no \$100K annual salary for the Regional Manager.
- 3. Thereafter, one new opens every 6 months after month 16.
- 4. 7(a) financing ceases year 3 when cash reserves are sufficient to support growth (though given the plan to raise equity capital, this loan and the added financing expenses will likely be unnecessary).

Net Profits and Assets



Expenses

	1H1	1H2	2H1	2H2	3H1	3H2	4H1	4H2	5H1	5H2
Club 1	\$146K	\$147K	\$147K	\$146K	\$189K	\$145K	\$229K	\$141K	\$222K	\$140K
Club 2			\$96K	\$97K	\$97K	\$96K	\$139K	\$95K	\$179K	\$91K
Club 3				\$96K	\$97K	\$97K	\$96K	\$139K	\$95K	\$179K
Club 4					\$92K	\$97K	\$97K	\$96K	\$139K	\$95K
Club 5						\$92K	\$97K	\$97K	\$96K	\$139K
Club 6							\$92K	\$97K	\$97K	\$96K
Club 7								\$92K	\$97K	\$97K
Club 8									\$92K	\$97K
Club 9										\$92K

Revenue

	1H1	1H2	2H1	2H2	3H1	3H2	4H1	4H2	5H1	5H2
Club 1	\$60K	\$177K	\$249K	\$316K	\$347K	\$354K	\$355K	\$355K	\$355K	\$355K
Club 2			\$60K	\$177K	\$249K	\$316K	\$347K	\$354K	\$355K	\$355K
Club 3			\$K	\$60K	\$177K	\$249K	\$316K	\$347K	\$354K	\$355K
Club 4					\$65K	\$177K	\$249K	\$316K	\$347K	\$354K
Club 5						\$65K	\$177K	\$249K	\$316K	\$347K
Club 6							\$65K	\$177K	\$249K	\$316K
Club 7								\$65K	\$177K	\$249K
Club 8									\$65K	\$177K
Club 9										\$65K

Profit and Loss

	Year 1	Year 2	Year 3	Year 4	Year 5	5Y Total
Total Revenue	\$236,930	\$863,239	\$1,998,645	\$3,372,297	\$4,790,697	\$11,261,809
Total Expenses	\$293,160	\$581,848	\$4,073,667	\$1,505,843	\$2,041,315	\$8,495,833
Net Profit	-\$56,230	\$281,391	-\$2,075,022	\$1,866,454	\$2,749,382	\$2,765,976
Net Margin	-24%	33%	-104%	55%	57%	25%

Balance Sheet

	Year 1	Year 2	Year 3	Year 4	Year 5
Assets	\$1,873,053	\$5,998,745	\$2,198,645	\$3,572,297	\$4,990,697
Liabilities	-\$1,395,780	-\$4,184,382	\$1,150,996	\$1,855,843	\$2,549,369
Net Assets	\$477,272	\$1,814,362	\$3,844,498	\$6,493,326	\$9,771,184

*Note: Land and Improvements factors in a 25% value increase for the completed project and appreciation over 5 years

Equity Financing

Padel Spot is seeking to raise up to **\$500,000** in equity capital from investors to decrease reliance on 7(a) financing, accelerating Padel Spot's path to profitability, as well as to support more rapid growth.

Investor capital will be secured by the property, and investors will be first position in the capital stack after the SBA lenders in the event of a liquidation, making this effectively a secured investment, given that the completed project should be worth ~25% more than the cost of the land and improvements. Additionally, beginning Year 3, investors will receive pro-rata distributions of **10%** of net profit until a full return of capital. Thereafter, once in a mature state, Padel Spot will pay dividends to all shareholders at a rate to be decided by the Board of Directors. Given this structure and the nature of the investment, it is essentially a hybrid of a real estate investment and a venture investment, since it has the security and cashflow of a secured real estate investment and upside in line with the lower end of a venture capital return (offset by a much lower probability of loss of capital) given its scalable business model.

Valuation Analysis

An illustrative exercise to understand the long-term value proposition of an organically growing Padel Spot over five years, valuation analysis of the 5-year base case chain financials has been conducted using Perplexity Pro powered by ChatGPT 4o using four different approaches: **EBITDA Multiple**, **Discounted Cash Flow (DCF)**, **Capitalization (Cap Rate)**, and **Net Asset Value (NAV)**.

Valuation Assumptions

- The **Net Profit** reported is **after an average blended tax rate tax of 24%** but excludes depreciation or amortization.
- The **Depreciation** is assumed to be **straight-line over 20** years for land improvements.
- The DCF analysis uses a **3% perpetual growth rate after Year 5**.
- The **discount rate** is **12%** due to industry risk.
- The industry **EBITDA** multiple is estimated at a conservative **6x**.
- A generous **15% cap** rate is used in the income (cap-rate).

Results

Method	Valuation	Notes
EBITDA Multiple	\$27,433,039	Reflects industry growth potential; assumes a moderate multiple of 6x EBITDA
DCF	\$25,118,745	Accounts for future cash flows and terminal value; sensitive to discount rate
Cap Rate	\$24,923,840	Based on pre-tax NOI; assumes a high cap rate of 15%
NAV	\$9,771,184	Conservative approach based on book value, ignores enterprise value

Analysis

The Earnings Multiple method yields the highest valuation (**\$27.4M**), reflecting optimism about industry growth and profitability potential. The DCF and Cap Rate methods provide similar valuations (**~\$25M**), balancing future cash flow potential with current income levels. The NAV valuation is significantly lower (**\$9.8M**), as it excludes intangible growth prospects and the Padel Spot business itself, only valuing the physical assets minus liabilities..

Given the rapid growth of padel as a sport and strong revenue growth projections for Padel Spot, the Earnings Multiple or DCF methods are arguably the most appropriate for valuation purposes in this context.

This analysis notwithstanding, as the saying goes, “all models are wrong, some are useful”. The purpose of valuation exercise is not to determine a fair investment valuation for Padel Spot; that is not a useful application of the analysis. Instead, the purpose is to demonstrate the scale of the opportunity at hand. Many things can and will happen between now and the end of Year 5. For example, the Bear case scenario could turn out to be optimistic, with occupancy taking longer to hit its maximum and potentially not reaching the projected maximum. Conversely (and more likely), if the Bull case comes to pass, Padel Spot will likely seek to raise venture capital on the basis of real rather than pro forma financials in order to support much more rapid expansion than is projected in the 5-year chain financial model.

A More Conservative Approach

Ignoring the future prospects of Padel Spot as a chain and assessing just its near-term projected performance involves looking at the financial performance of just Padel Spot Prime as a pure real estate play. Looking conservatively at the **Bear** case for Year 3, when it has reached full occupancy, Net Profit (after tax) is **\$297,145**. Assuming a more reasonable **8% cap rate**, the value works out to **\$3.7M**. For the **Base** case, with a projected **\$367,383** in Net Profit, the valuation reaches **\$4.6M**. And for the **Bull** case, with **\$385,755** in Net Profit, the valuation exceeds **\$4.8M**. Ultimately, the most reasonable approach to valuation of Padel Spot at this stage, as effectively a pre-development real estate play and pre-seed venture play, would be a present valuation based on the single club projections, which represents a secured investment in cash-flowing real estate asset, with upside in the **>5x** range over 5 years.

Investment Terms

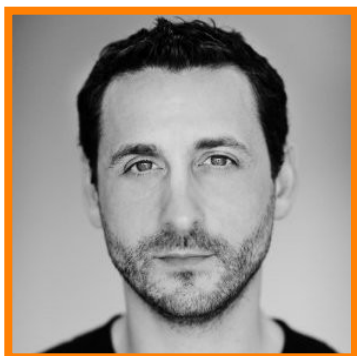
Given the above analysis, and the fact that both the enterprise and investment risk go down substantially as more capital is raised, as this will enable Padel Spot to easily weather a case worse still than the Bear case by making it less reliant on debt while extending its runway, Padel Spot is seeking to raise up to **\$500,000** in equity capital at a tiered valuation as follows:

Capital Raised	Valuation	Equity Purchased	Fully Diluted
\$1-\$100,000	\$4,000,000	2.50%	2.35%
\$100,001- \$200,000	\$5,000,000	2.00%	1.92%
\$200,001- \$300,000	\$6,000,000	1.67%	1.63%
\$300,001- \$400,000	\$8,000,000	1.25%	1.24%
\$400,001- \$500,000	\$10,000,000	1.00%	1.00%

Investors will receive pari passu pro-rata first position in the capital stack after the SBA lenders, with their investment secured by the finished real estate development. The projected increase in value for the completed development over the base land and improvement costs should secure most of the equity investors' capital. Additionally, beginning Year 3, investors will receive pro-rata distributions of **10%** of net profit until a full return of capital. Thereafter, once in a mature state, Padel Spot will pay dividends to all shareholders at a rate to be decided by the Board of Directors.



Management Team



e@padelspot.com

Eli M Blatt, MBA, PhD

Stanford PhD, **TRIUM** (NYU, LSE, HEC) MBA, **Brown** BA, **Wharton** CIMA Certification, and **Harvard** Alternative Asset Certification

Raised >\$10M for own ventures:

- Deep Tech AI CEO (\$250K raised, MVP built)
- Blockchain FinTech CEO (\$1M raised, MVP)
- Digital health tech (Accelerator, MVP)
- Consumer accessory brand (Global Big Box Distrib)
- General Partner of late-stage startup SPVs (>\$9.5M raised)

Totally obsessed with padel



celina@padelspot.com

Celina Moreno

- Over 10 years of experience working with startups, entrepreneurs and small businesses
- Account Management and Client Services Specialist
- Operations Management, Finance, and Bookkeeping experience
- Bachelors in International Marketing
- Eli's trusted operations partner in all his ventures for a decade