

**ITEM 19  
FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

As of December 31, 2025 there were 47 franchises operating a total of 96 territories in the USA Insulation franchise system. These numbers do not include 13 franchises who operated a total of 21 territories that permanently closed as USA Insulation franchised businesses in 2025. One of these franchises operated for less than 12 months before closing.

The information in the tables below is derived from 37 USA Insulation franchises operating a total of 74 territories. The first of these Franchised Businesses opened in 2008 and the latest opened in 2024. Excluded are 8 franchises operating 14 territories that did not provide us with data for 2025. We also excluded 2 franchises operating 8 territories that were not operating for the entire 12-month period ended December 31, 2025.

This Item sets forth certain historical financial data derived from data reported to us for the calendar year ended December 31, 2025 in three tables:

- The first table provides 2024 average Gross Sales information for all 37 franchises.
- The second table provides this same information and certain cost information for these same 37 franchisees, but we have placed them in quartiles in descending order based on their individual Gross Sales for 2025.

**2025 Gross Sales<sup>1</sup> Information**

<b>Average Gross Sales</b>	<b>High/Low Gross Sales:</b>	<b>Median Gross Sales:</b>	<b>Number/% that Met/ Exceeded Average Gross Sales:</b>
\$1,588,037	\$4,650,231 / \$174,348	\$1,491,238	17/ 46%

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### First Quartile

Franchise	No. of Territories	Gross Sales <sup>1</sup>	Cost of Proprietary Foam Products as a % of Gross Sales <sup>2</sup>	Cost of Goods as a % of Gross Sales <sup>2</sup>	Cost of sales commissions as a % of Gross Sales <sup>2</sup>	Cost of Labor as a % of Gross Sales <sup>2</sup>
Franchise #1	1	\$4,650,231	4%	17%	9%	19%
Franchise #2	4	\$4,235,520	3%	8%	1%	32%
Franchise #3	5	\$3,845,373	4%	9%	14%	12%
Franchise #4	1	\$3,275,629	3%	18%	8%	15%
Franchise #5	1	\$2,569,903	9%	7%	12%	10%
Franchise #6	7	\$2,447,238	N/A	N/A	8%	14%
Franchise #7	3	\$2,247,158	3%	51%	9%	14%
Franchise #8	1	\$2,171,441	9%	4%	17%	7%
Franchise #9	2	\$2,100,000	6%	5%	10%	14%
Average Gross Sales: \$3,060,277						
Median Gross Sales: \$2,569,903						
No./% that Met or Exceeded Average Gross Sales: 4 / 44%						
High/Low Gross Sales: \$4,650,231/ \$2,100,00						

### Second Quartile

Franchise	No. of Territories	Gross Sales <sup>1</sup>	Cost of Proprietary Foam Products as a % of Gross Sales <sup>2</sup>	Cost of Goods as a % of Gross Sales <sup>2</sup>	Cost of sales commissions as a % of Gross Sales <sup>2</sup>	Cost of Labor as a % of Gross Sales <sup>2</sup>
Franchise #10	3	\$1,998,892	4%	29%	9%	9%
Franchise #11	3	\$1,961,088	11%	0%	13%	22%
Franchise #12	3	\$1,953,981	3%	12%	10%	11%
Franchise #13	1	\$1,937,000	6%	12%	12%	17%
Franchise #14	2	\$1,782,912	4%	29%	9%	4%
Franchise #15	1	\$1,736,729	4%	9%	7%	16%
Franchise #16	3	\$1,676,394	4%	9%	14%	12%
Franchise #17	1	\$1,549,200	9%	7%	6%	19%
Franchise #18	2	\$1,507,955	4%	29%	9%	9%
Franchise #19	5	\$1,491,238	5%	13%	10%	14%
Average Gross Sales:						
\$1,759,539						
Median Gross Sales:						
\$1,759,821						
No./% that Met or Exceeded Average Gross Sales:						
5 / 50%						
High/Low Gross Sales:						
\$1,998,892/ \$1,491,238						

**Third Quartile**

<b>Franchise</b>	<b>No. of Territories</b>	<b>Gross Sales <sup>1</sup></b>	<b>Cost of Proprietary Foam Products as a % of Gross Sales <sup>2</sup></b>	<b>Cost of Goods as a % of Gross Sales <sup>2</sup></b>	<b>Cost of sales commissions as a % of Gross Sales <sup>2</sup></b>	<b>Cost of Labor as a % of Gross Sales <sup>2</sup></b>
Franchise #20	3	\$1,316,987	4%	7%	9%	15%
Franchise #21	1	\$1,196,392	4%	9%	14%	12%
Franchise #22	1	\$1,179,229	4%	14%	9%	18%
Franchise #23	1	\$1,134,886	6%	7%	10%	15%
Franchise #24	1	\$1,083,431	9%	12%	10%	5%
Franchise #25	2	\$1,083,202	4%	9%	14%	12%
Franchise #26	1	\$894,069	3%	51%	10%	11%
Franchise #27	2	\$886,331	3%	20%	0%	13%
Franchise #28	2	\$741,936	4%	18%	9%	10%
Average Gross Sales: \$1,057,385						
Median Gross Sales: \$1,083,431						
No./% that Met or Exceeded Average Gross Sales: 6 / 66%						
High/Low Gross Sales: \$1,316,987/ \$741,936						

### Fourth Quartile

Franchise	No. of Territories	Gross Sales <sup>1</sup>	Cost of Proprietary Foam Products as a % of Gross Sales <sup>2</sup>	Cost of Goods as a % of Gross Sales <sup>2</sup>	Cost of sales commissions as a % of Gross Sales <sup>2</sup>	Cost of Labor as a % of Gross Sales <sup>2</sup>
Franchise #29	2	\$709,595	4%	9%	14%	12%
Franchise #30	1	\$628,535	3%	18%	6%	28%
Franchise #31	1	\$565,981	4%	7%	9%	15%
Franchise #32	1	\$436,122	2%	23%	6%	19%
Franchise #33	1	\$432,204	7%	11%	4%	29%
Franchise #34	1	\$427,122	3%	9%	7%	10%
Franchise #35	1	\$397,189	4%	10%	8%	10%
Franchise #36	1	\$331,926	3%	10%	7%	25%
Franchise #37	2	\$174,348	4%	29%	9%	9%
Average Gross Sales: \$455,891						
Median Gross Sales: \$432,204						
No./% that Met or Exceeded Average Gross Sales: 3 / 33%						
High/Low Gross Sales: \$709,595/ \$174,348						

**NOTES:**

1. “Gross Sales” as used in this Item 19 has the same meaning as “Gross Sales” in the Franchise Agreement. “Costs of Goods” includes all insulation products other than our Proprietary Foam Insulation products that a franchisee would ordinarily purchase. “Cost of Sales Commissions” is the amounts paid to sales personnel on client sales. “Cost of Labor” is the amounts for payroll for installation

technicians (excluding benefits). These costs have been reported to us by the franchises from whom the financial information in this Item 19 has been derived. The items in the chart above related to percentage of Gross Sales were determined by taking the total amount of the applicable cost for that franchise and dividing it against the Gross Sales for that franchise.

2. The information in this Item 19 does not reflect all costs of sales, operating expenses or other costs or expenses that must be deducted from the sales figures to calculate net income or profit.

3. The dollar amounts shown in this Item 19 have been rounded to the nearest dollar and the percentages have been rounded to the nearest full percentage point.

Written substantiation of the data used in preparing this information will be made available upon reasonable request. Except for the corporate-owned location, the information contained in this Item was reported to us by our franchisees.

**Some outlets have sold/earned these amounts. Your individual results may differ. There is no assurance you'll sell/earn as much.**

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Kelli Schroeder at 17700 Saint Clair Avenue, Cleveland, Ohio 44110, telephone (617) 997-4729, the Federal Trade Commission and the appropriate state regulatory agencies.

## ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1  
System-wide Outlet Summary For Years 2023 through 2025<sup>1</sup>**

(Column 1) Outlet Type	(Column 2) Year	(Column 3) Outlets at the Start of the Year	(Column 4) Outlets at the End of the Year	(Column 5) Net Change
<b>Franchised</b>	2023	91	102	+11
	2024	102	109	+7
	2025	109	96	-13
<b>Company- Owned</b>	2023	1	1	0
	2024	1	1	0
	2025	1	1	0
<b>Total Outlets</b>	2023	92	103	+11
	2024	103	110	+7
	2025	110	97	-13

<sup>1</sup> For purposes of this Table each franchisee's Designated Territory under a Franchise Agreement is considered a "Franchised Outlet".