

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.

Fiscal Year 2023							
	Total Salon Count	Average Sales	Median Sales	Max	Min	Number of Salons Exceeding Average	Percentage of Salons Exceeding Avg
Top	150	\$404,817	\$369,867	\$1,188,831	\$293,890	56	37.33%
Mid	150	\$244,850	\$247,024	\$292,708	\$198,226	77	51.33%
Bottom	151	\$142,058	\$147,241	\$197,185	\$11,342	82	54.30%
TOTALS	451	\$263,638⁽¹⁾	\$246,912	\$1,188,831	\$11,342	192	42.57%⁽¹⁾

(1) This is an average of the numbers presented above.

The Average, Median, and Max/Min Salon Gross Revenues Information for the Fiscal-Year Period from July 1, 2023, through June 30, 2024, for franchised Cost Cutters Salons that were open during that period (“Fiscal Year 2024”) and located throughout the United States with sales in all 12 months as shown in Item 20 of this Disclosure Document. There were 463 franchised outlets in the system during the period from July 1, 2023, through June 30, 2024. The data includes only those salons that reported sales in each month of the 12-month period July 1, 2023, through June 30, 2024 (excludes 12 salons that did not have sales in each of the 12 months).

The products and services offered by each franchised Salon covered in this financial performance representation are essentially the same, and the franchised Salons whose gross sales numbers appear in this financial performance representation are substantially similar to the franchises that we currently offer in all states. These Salons receive substantially the same services from us. However, we do not provide services to franchisees that a Salon’s owner normally provides, such as financing, accounting, legal, personnel, construction, and management services.

This financial performance representation does not reflect the cost of sales, operating expenses, or other costs or expenses that must be deducted from gross revenue or gross sales figures to obtain your net income or profit. “Gross Sales” includes all sales whether made for cash or on credit or by the redemption of gift certificates or gift cards including, but not limited to, those sales charged or made for orders placed or deliveries from the franchised Salon, including orders placed or filled, or services provided at a location other than the franchised Salon, including mail order. “Gross Sales” does not include any sales, use, or gross receipts tax imposed by any federal, state, municipal or governmental authority directly upon sales, if: (A) the amount of the tax is added to the selling price and is expressly charged to the customer; (B) a specific record is made at the time of each sale of the amount of such tax; and (C) the amount thereof is paid over to the appropriate taxing authority by you. You should independently investigate the costs and expenses you will incur in operating your Cost Cutters Salon. Franchisees or former franchisees, listed in the disclosure document, may be one source of this information.

Some Cost Cutters Salons have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.