

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 about possible performance at a particular location or under particular circumstances.

The chart below contains an unaudited statement of average annual Gross Revenues, expenses and profit information for 63 franchisee-owned Woodcraft Retail Stores that were open for the entire 12-month period ended December 31, 2023. The information is derived from financial reports submitted to us by our franchisees as part of our reporting requirements. There were 63 Stores open as of December 31, 2023. We have not included the performance of one franchisee-owned Woodcraft Retail Store that opened in 2023 and one franchisee-owned Woodcraft Retail Store that closed in 2023. We have not included the performance of our affiliate-owned Woodcraft Stores.

In the following table, we have classified the franchisee-owned Woodcraft Retail Stores as being Low, Medium or High based on the Store's annual Gross Revenues for 2023.

AVERAGE GROSS REVENUE, EXPENSE AND PROFIT OF 63 FRANCHISEE-OWNED WOODCRAFT RETAIL STORES¹ For the Period January 1 - December 31, 2023			
Gross Revenue Category	Low <\$1.5 Mil	Medium \$1.5 - \$2.3 mil	High >\$2.3 mil
Number and Percentage of Stores	13 / 20.63%	34 / 53.97%	16 / 25.40%
Average Gross Revenues²	\$1,316,451	\$1,932,793	\$2,845,239
Range of Gross Revenues	\$965,255 - \$1,463,798	\$1,504,646 - \$2,299,413	\$2,330,068 - \$3,991,009
Median Gross Revenues	\$1,397,414	\$2,018,233	\$2,654,135
Average Cost of Goods Sold	\$800,779	\$1,196,634	\$1,760,128
Range of Costs Goods Sold	\$580,393 - \$908,225	\$936,729 - \$1,456,059	\$1,389,053 - \$2,534,300
Median Costs of Goods Sold	\$858,337	\$1,192,593	\$1,647,805
Average Gross Profit	\$515,672	\$736,159	\$1,085,111
Range of Gross Profit	\$384,862 - \$587,984	\$539,962 - \$965,867	\$799,595 - \$1,597,794
Median Gross Profit	\$528,687	\$720,704	\$997,102
Average Operating Expenses³	\$521,765	\$670,341	\$980,228
Range of Operating Expenses	\$383,849 - \$717,848	\$411,981 - \$1,064,460	\$692,286 - \$1,495,340
Median Operating Expenses	\$514,664	\$648,328	\$939,227
Average Store Profit	(\$6,093)	\$65,818	\$104,883
Range of Store Profit	(\$142,919) - \$106,077	(\$98,593) - \$311,716	(\$101,929) - \$280,743
Median Store Profit	\$1,013	\$61,200	\$104,529
Number and Percentage of Stores that Met or Exceeded the Average Store Profit Above	48 / 76.19%	27 / 42.86%	16 - 25.40%

NOTES

1. The Statement provides revenue and expense information based on the following calculation:
Average Gross Revenues - Cost of Goods Sold = Gross Profit – Operating Expenses = Average Store Profit.
2. “Gross Revenues” means the total of all sales (not including taxes collected) related to or arising from the operation of your Woodcraft Retail Store including, without limitation, all revenue from the sale of all products and services, including Branded Products. Gross Revenues shall be deemed to include cash, checks, drafts, money orders, credit card payments and other forms of payments. Gross Revenues shall not include the amount of any refunds and adjustments that you give in good faith to customers of the Retail Store which were previously included in calculating Gross Revenues or any applicable sales, use or service taxes.
3. We included general types of expenses that you will likely incur in Operating Expenses including wages, rent, utilities, office supplies, equipment maintenance, royalty fees, etc. In determining Operating Expenses, we did not include costs for travel and entertainment, professional services, or depreciation.

Some stores have sold and earned this amount. Your individual results may differ. There is no assurance that you'll sell or earn as much. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, Woodcraft Franchise, LLC does 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 the franchisor's management by contacting Andrew Bondi at 1177 Rosemar Road, Parkersburg, West Virginia 26105, (304) 422-5412, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
Systemwide Outlet Summary
For Years 2021 to 2023
(As of December 31 of each year)

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	63	65	+2
	2022	65	64	-1
	2023	64	64	0
Affiliate-Owned ¹	2021	11	10	-1
	2022	10	10	0
	2023	10	10	0
Total Outlets	2021	74	75	+1
	2022	75	74	- 1
	2023	74	74	0

¹All company-owned outlets are owned by our affiliate Woodcraft Supply, LLC.