

## **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.

We use historical financial information submitted by our franchisees to compile the information contained in these Tables. The financial information submitted by our franchisees is also used for calculating the Royalty described in Item 6. Franchised Businesses did not typically submit copies of all of the invoices for each customer or list each customer in their period reports to us. The information contained in these Tables is based upon the financial information and other data entered by each Franchised Business into the software system described in Item 11.

<b>INDEPENDENT FRANCHISE OWNERS – COST AND GROSS PROFIT MARGIN</b>			
<b>Table A</b>			
<b>Statement of Gross Profit Margin Results as a Percentage of Gross Sales for Franchised Businesses in Operation 1 Full Year or More<sup>(1)(6)</sup></b>			
<b>Line Item</b>	<b>Average</b>	<b>Median</b>	<b>Number and Percentage of Franchised Businesses that Attained or Surpassed the Average<sup>(8)</sup></b>
<b>Year</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
Material Costs (See Note 2)	12.8%	12.6%	32 of 62 (52%) had lower than average Material Costs
Direct Labor Costs (See Note 3)	19.1%	18.2%	35 of 62 (56%) had lower than average Direct Labor Costs
Cost of Sales (See Note 4)	31.9%	30.8%	33 of 62 (53%) had lower than average Cost of Sales
Gross Profit Margin (See Note 5)	68.1%	69.2%	33 of 62 (53%) had higher than average Gross Profit Margin

#### **Notes to Table A:**

(1) Table A shows 2024 results for 62 Franchised Businesses that operated for at least the full 2024 calendar year under the same ownership for the entire 2024 fiscal year. As of December 31, 2024, there were 126 franchised Territories in operation, 119 of which had been in

operation for at least the full 2024 calendar year under the same ownership for the entire year. These 119 Territories were owned by 71 Franchised Businesses. We did not receive sufficient information from franchisees of 5 Franchised Business, so those have been excluded from Table A above. We do not know whether the inclusion of such data, if available, would have a material effect on the gross profit margin percentages. We included data from 62 Franchised Businesses of the 71 Franchised Businesses that were in operation for at least the full calendar year as of December 31, 2024. These 62 Franchised Businesses operated 113 of the 126 Territories that were operational during the entire 2024 calendar year under the same ownership.

(In some cases, a franchised Territory is “split” during the middle of a calendar year, for instance in connection with a renewal, and in this case, each of the “split” Territories is counted as having been operated for the entire year.) For reporting purposes, we consolidated the financial information for all Territories operated by such Franchised Businesses. Certain franchisees also own multiple Territories but aggregate the reporting of their financial information as one Franchised Business.

(2) We attribute variances in material costs to franchisee variances in pricing of lawn care applications. Additionally, we believe that inconsistency in the manner in which franchisees account for their inventory purchases may contribute to the variances. Some franchisees use the “last in first out” method of accounting for inventory, and others use the “first in first out” method.

(3) Direct Labor includes compensation (excluding payroll taxes, medical insurance, and fringe benefits) for employees who perform lawn care services and excludes compensation for franchisee and other administrative and office personnel. We attribute the variance in Direct Labor primarily to the extent to which franchisees employed others to perform application services. Franchisees who performed all application services themselves incurred no direct labor costs and franchisees that employ others to perform some or all of the application services incurred higher Direct Labor cost. We also believe that some franchisees may have employees who perform administrative functions as well as application functions, but charged those employees’ entire payroll to Direct Labor rather than splitting out that portion more appropriately charged to administration.

(4) Cost of Sales is the Sum of Material Costs and Direct Labor Costs.

(5) We obtained the stated Gross Profit Margin percentages by subtracting the Cost of Sales from 100% (Gross Sales).

(6) Franchised Businesses typically use the accrual method of accounting.

(7) With respect to Material Costs, Direct Labor Costs, and Cost of Sales, because these are expense categories, attaining or surpassing the average means that the Franchised Business reported lower expense for that category than the average.

**INDEPENDENT FRANCHISE OWNERS**  
**Table B**  
**Statement of Annual Gross Sales Results for**  
**Franchised Businesses in Operation for 1 Full Calendar Year or More<sup>(1)</sup>**

	<b>Average</b>	<b>Median</b>	<b>Number and Percentage that Attained or Surpassed the Average:</b>
	<b>2024</b>	<b>2024</b>	<b>2024</b>
Average Gross Sales Per Franchised Business <sup>(2)(7)</sup>	\$1,093,544	\$886,680	28 of 71 Franchised Businesses (39%)
Average Gross Sales Per Franchised Business – Single Territory <sup>(3)(7)</sup>	\$743,598	\$614,679	14 of 36 Franchised Businesses (39%)
Average Gross Sales Per Franchised Business – Multiple Territories <sup>(4)(7)</sup>	\$1,554,728	\$1,321,291	12 of 32 Franchised Businesses (38%)
Average Revenue Per Customer <sup>(5)</sup>	\$556	\$549	35 of 71 Franchised Businesses (49%)
Average Gross Sales Per Full-Time Production Vehicle <sup>(6)</sup>	\$201,144	\$203,395	173 of 386 Full-Time Production Vehicles (45%)

**Notes to Table B:**

(1) Table B shows 2024 results for those Franchised Businesses that operated for 1 full calendar year or more as of December 31, 2024. These 71 Franchised Businesses operate with a total of 386 full-time production vehicles.

Each Franchised Business reports annual Gross Sales on an aggregate basis for all Territories. Due to various demographic factors such as population changes, differences in climate, and the need for the services in the Territory, the Gross Sales among Territories will vary. Further, the number of Territories within a Franchised Business does not necessarily correlate with the Gross Sales of that Franchised Business.

Gross Sales of the Franchised Business means the amount billed by the Franchised Business on the sales of the services and products authorized to be sold by the Franchised Business under the Franchise Agreement, whether or not sold at or from or under the auspices of the Franchised Business, including the fair market value of any services or products received by the Franchised Business in barter or exchange for services or products, but deducting: (1) customer discounts and credits; and (2) the amount of any sales, use, service, excise, or gross receipts taxes leveled directly on such sales, collected from the purchaser billed on such sales, and paid to the appropriate taxing authorities.

(2) The Gross Sales per Franchised Business for the 71 Franchised Businesses ranged from \$167,570 (72,173 SFDUs in the applicable Territory) to \$4,979,139 (281,257 SFDUs in the applicable Territories). For the 28 of 71 Franchised Businesses that met or exceeded the average

Gross Sales per Franchised Business, the average SFDU count in the applicable Territory(ies) was 177,023 and the median SFDU count was 150,135. Of those 28 Franchised Businesses, 14 Franchised Businesses met or exceeded 177,023 SFDUs.

(3) 36 of the 71 Franchised Businesses operated in only 1 Territory consisting of fewer than 130,000 SFDUs. The Gross Sales per Franchised Business for the 36 Franchised Businesses ranged from \$167,570 (72,173 SFDUs in the applicable Territory) to \$1,925,473 (98,104 SFDUs in the applicable Territory). For the 14 of 36 Franchised Businesses that met or exceeded the average Gross Sales per Franchised Business, the average SFDU count in the applicable Territory was 92,053 and the median SFDU count was 89,571. Of those 14 Franchised Businesses, 6 Franchised Businesses met or exceeded 89,571 SFDUs. Within this subset of 36 Franchised Businesses, 5 Franchised Businesses operated in 1 Territory of 60,000 or fewer SFDUs. Of these 5 Franchised Businesses, the Gross Sales per Franchised Business ranged from \$264,238 to \$886,680, with an average of \$587,457 and a median of \$569,577. 2 of those 5 (40%) Franchised Businesses met or exceeded the average of \$587,457. Of the 2 that met or exceeded the average, the average SFDU count in the Territory was 54,968 and the median SFDU count in the Territory was 54,968. Of those 2 Franchised Businesses, 1 (50%) Franchised Businesses met or exceeded 54,968 SFDUs.

As described in Item 12, your Territory will include up to 60,000 SFDUs. However, if you wish to obtain a geographic territory of more than 60,000 SFDUs, and we approve, you will pay us an additional fee of \$0.50 for each SFDU over 60,000 SFDUs. In addition, Territories can also increase beyond 60,000 SFDUs during the term of a franchise agreement as population counts in the Territories increase or with changes to census tract maps.

(4) 32 of the 71 Franchised Businesses operated a Franchised Business in more than 1 Territory (consisting of a range of 139,194 to 281,257 SFDUs). For the 12 of 32 Franchised Businesses that met or exceeded the average Gross Sales per Franchised Business, the average SFDU count in the applicable Territory(ies) was 210,562 and the median SFDU count was 181,127. Of those 12 Franchised Businesses, 5 (42%) Franchised Businesses met or exceeded 210,562 SFDUs. The Gross Sales per Franchised Business for the 32 Franchised Businesses ranged from \$295,606 (139,194 SFDUs in the applicable Territories) to \$4,979,139 (281,257 SFDUs in the applicable Territories).

(5) The Revenue per Customer per Franchised Business for the 71 Franchised Businesses measured as of December 31, 2024, ranged from \$393 to \$957. To compute the average Revenue per Customer, we totaled all invoices for all services for each Franchised Business in Table B for the 2024 calendar year, as applicable, and divided by the number of Customers invoiced during that same calendar year for a spring lawn care service application, not by the total number of Customers served in the entire year.

(6) The Gross Sales per Full-Time Production Vehicle for the 71 Franchised Businesses with a total of 386 full-time production vehicles ranged from \$118,183 to \$404,919. To compute the Average Gross Sales per full-time production vehicle, we totaled the Gross Sales for all 71 Franchised Businesses and divided it by the 386 full-time production vehicles used by such businesses.

(7) To compute Average Gross Sales per Franchised Business, we totaled the Gross Sales for all Franchised Businesses measured and divided it by the number of Franchised Businesses. To compute the Average Gross Sales for the Franchised Businesses that operate in only 1 Territory consisting of fewer than 130,000 SFDUs, we totaled the Gross Sales for all such Franchised Businesses and divided it by the number of such Franchised Businesses. To compute the Average Gross Sales for the Franchised Businesses that operate in more than 1 Territory, we totaled the Gross Sales for all such Franchised Businesses and divided it by the number of such Franchised Businesses.

[Remainder of page intentionally blank.]

**MARKETING INVESTMENT, NEW SERVICES SALES REVENUE, AND CUSTOMER RETENTION – INDEPENDENT FRANCHISE OWNERS**

**Table C**

**Statement of Average Marketing Investment, New Services Revenue Generated from Marketing Investment, and Customer Retention during the 2024 Calendar Year <sup>(1)</sup>**

<b>Franchised Businesses That Operated in 1 or More Territories</b>				
	<b>Average</b>	<b>Median</b>	<b>Number and Percentage of Franchised Businesses That Attained or Surpassed the Average</b>	<b>Range</b>
	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
Marketing Investment – Percentage of Revenue <sup>(2)</sup>	7.4%	7.9%	29 of the 66 (44%) had lower than average marketing investment percentage.	2.0% to 20.6%
Revenue from New Services Sold and Billed to Customers <sup>(3)</sup>	\$221,485	\$174,013	25 of the 66 (38%) had higher than average of new services sold and billed to customers.	\$39,474 to \$934,797
Return on each \$1 Invested in Marketing <sup>(4)</sup>	\$2.62	\$2.48	31 of the 66 (47%) had higher than average return on each \$1 invested in marketing.	\$1.07 to \$9.14
Retention of Customers <sup>(5)</sup>	81.3%	81.3%	34 of the 66 (52%) had higher than average retention of customers.	72.5% to 90.1%

[Remainder of page intentionally blank.]

<b>Franchised Businesses That Operated in Only 1 Territory</b>				
	<b>Average</b>	<b>Median</b>	<b>Number and Percentage of Franchised Businesses That Attained or Surpassed the Average</b>	<b>Range</b>
	<b>2024</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
Marketing Investment – Percentage of Revenue <sup>(2)</sup>	7.5%	8.3%	15 of the 36 (42%) had lower than average marketing investment percentage.	2.0% to 20.6%
Revenue from New Services Sold and Billed to Customers <sup>(3)</sup>	\$143,964	\$123,212	14 of the 36 (39%) had higher than average of new services sold and billed to customers.	\$39,474 to \$463,666
Return on each \$1 Invested in Marketing <sup>(4)</sup>	\$2.54	\$2.61	19 of the 36 (53%) had higher than average return on each \$1 invested in marketing.	\$1.07 to \$7.41
Retention of Customers <sup>(5)</sup>	81.9%	81.9%	18 of the 36 (50%) had higher than average retention of customers.	72.5% to 89.8%

[Remainder of page intentionally blank.]

**Notes to Table C:**

(1) Table C shows 2024 results for those Franchised Businesses that operated for at least one full year as of December 31, 2024, and participated in a marketing campaign approved by us. We compiled information from 66 of the 71 Franchised Businesses that operated for at least one full year as of December 31, 2024, and participated in a marketing campaign approved by us. In addition to the 71 Franchised Businesses, we also included results for a subset of 36 of the 71 Franchised Businesses that operated in only 1 Territory in.

Data concerning the remaining 5 Franchised Businesses that operated for at least one full year as of December 31, 2024, and participated in a marketing campaign approved by us, was not included in Table C due to insufficient information from the franchisees that owned them. We do not know whether the inclusion of such data, if available, would have a material effect on the figures shown in Table C. We are not aware of any unique characteristics of the Franchised Businesses described in Table C that would materially differ from the franchise being offered in this disclosure document.

(2) Table C includes information regarding the average percentage of total gross sales invested in approved marketing campaigns by these Franchised Businesses. These figures reflect local marketing expenditures, not a franchisee's contribution to the Fund. With respect to the marketing investment, because this is an expense, attaining or surpassing the average means that the Franchised Business reported a lower expense than the average.

(3) Table C includes information regarding the average amount of revenue derived from new services sold and billed to customers by these Franchised Businesses in calendar year 2024. This includes revenue from customers who have not previously used the Franchised Business's services and revenue from existing customers who sign up for additional services they had not requested in the previous calendar year ("New Services Revenue"). Accordingly, this category does not include revenue derived from an existing customer who has renewed the same services he or she requested in the previous calendar year.

(4) Table C includes the average return in New Services Revenue from customers sold in calendar year 2024 for each \$1 invested in approved marketing campaigns. We calculated this figure by dividing a Franchised Business's New Services Revenue by its total investment in approved marketing campaigns.

(5) Table C includes the average rate of retention of all customers by these Franchised Businesses. Rate of retention is calculated by taking a Franchised Business's customer count at the beginning of the year and adding the number of new customer sales during the calendar year and then subtracting the number of customers who cancelled during the calendar year. This sum is then divided by the sum of the customer count at the beginning of the year plus new customer sales.

**Some Franchised Businesses have earned these amounts. Your individual results may differ. There is no assurance that you'll earn as much.**

Written substantiation for the financial performance representation will be made available to you upon reasonable request.

Other than the preceding financial performance representations, 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 the franchisor's management by contacting Theodore T. Hofer, Chief Executive Officer, 11909 Spaulding School Drive, Plainfield, Illinois 60585, (800) 777-8608, the Federal Trade Commission, and the appropriate state regulatory agencies.

### Item 20

#### OUTLETS AND FRANCHISEE INFORMATION

**TABLE NO. 1  
SYSTEMWIDE FRANCHISE TERRITORY SUMMARY FOR  
YEARS 2022 to 2024<sup>(1)</sup>**

<b>Outlet Type</b>	<b>Year</b>	<b>Franchise Territories at the Start of the Year</b>	<b>Franchise Territories at the End of the Year</b>	<b>Net Change</b>
Franchised <sup>(2)</sup>	2022	126	128	+2
	2023	128	124	-4
	2024	124	126	+2
Affiliate- Owned <sup>(3)</sup>	2022	26	26	0
	2023	26	28	+2
	2024	28	30	+2
<b>Total Outlets</b>	<b>2022</b>	<b>152</b>	<b>154</b>	<b>+2</b>
	<b>2023</b>	<b>154</b>	<b>152</b>	<b>-2</b>
	<b>2024</b>	<b>152</b>	<b>156</b>	<b>+4</b>

1/ The numbers are as of December 31 of each year.

2/ The numbers in the table above represent the number of Territories. Franchisees sign a Franchise Agreement for each Territory they operate. As of December 31, 2024, there were 72 Franchised Businesses (not affiliate-owned) that operated the 126 Territories.

3/ As of December 31, 2024, our affiliate, Superior Lawns, operated its 30 territories from 6 locations.