

## **ITEM 18. PUBLIC FIGURES**

We do not currently use any public figure to promote our System.

## **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.

### **Background**

The following is historical financial data and other information submitted by our franchisees. The franchisees included in this Item 19 operate franchised businesses substantially similar to the business being offered in this Disclosure Document.

Franchisees operate either single territories or multiple territories collectively as one AdvantaClean Business. Franchisees who operate multiple territories do not operate, account for or report each territory individually and the historical data reflected in this Item 19 is based on the totals for all territories owned in conjunction with their AdvantaClean Business. The following is historical financial information concerning the reported annual sales of a subset of our existing outlets, namely: (1) those franchisees who reported gross sales and who were open for business for all of calendar year 2024 (15 single territory franchisees and 19 multiple territory franchisees, representing a total of 67 territories, or 79% of the territories open for all of 2024, with 18 territories excluded because the franchisees did not submit their data); and (2) those franchisees who reported gross sales and who were open for business for all of calendar year 2023 (25 single territory franchisees and 24 multiple territory franchisees, representing a total of 95 territories, or 94% of the territories open for all of 2023, with 1 territory excluded because the franchisee did not submit its data).

#### **A. Annual Sales Levels**

The following table shows annual gross sales reported by franchisees with a single territory and with multiple territories that were in business throughout calendar year 2024 and 2023 who reported sales for the full year. Figures for franchisees that had multiple territories are total sales for all territories – not average per territory – and if a franchisee's additional territory opened during the year, the total sales do not represent a full year of sales for the additional territory. All gross sales figures are presented without regard to the size of the territory. Although we currently grant territories with an approximate population of 200,000, not all territories are that size. These variations in size arise both because we formerly sold territories of differing sizes and because territories can experience either growth or contraction after a franchise is sold. The population of territories in this Item 19 generally range in size from 208,000 to 496,000 (average is 310,000 and median is 309,000).

During 2024 there were 15 reporting franchisees who operated a single territory throughout the year, and 19 franchisees who operated multiple territories each throughout the year. During 2023 there

were 25 reporting franchisees who operated a single territory throughout the year, and 24 franchisees who operated multiple territories each throughout the year.

These sales results are based upon sales reported to us by the franchisees.

<b>MEASURE</b>	<b>2024</b>	<b>2023</b>	<b>NUMBER OF OUTLETS REPRESENTED</b>	<b>EXPLANATION</b>
Average Sales – One Territory	\$404,425	\$365,801	15 single territory franchisees/15 territories in 2024; 25 single territory franchisees/25 territories in 2023	Equals total sales by all franchisees owning one or multiple territories, divided by the number of franchisees with that number of territories.  5 or 45% of the single territory franchisees and 6 or 54% of the multiple territory franchisees attained or surpassed the stated average results for 2024.
Average Sales – Multiple Territories	\$780,217	\$850,824	19 multiple territory franchisees/52 territories in 2024; 24 multiple territory franchisees/70 territories in 2023.	10 or 40% of the single territory franchisees and 6 or 25% of the multiple territory franchisees attained or surpassed the stated average results for 2023.  The lowest amount reported for a single territory franchisee in 2024 was \$176,430 and the highest was \$1989,054.  The lowest amount reported for a multiple territory franchisee in 2024 was \$719,955 and the highest was \$3,395,542.  The lowest amount reported for a single territory franchisee in 2023 was \$77,018 and the highest was \$1,359,999.  The lowest amount reported for a multiple territory franchisee in 2023 was \$215,668 and the highest was \$3,326,572.

MEASURE	2024	2023	NUMBER OF OUTLETS REPRESENTED	EXPLANATION
Median Sales – One Territory	\$ 326,527	\$ 253,241		Shows mid-point of annual sales by franchisees with indicated number of territories.
Median Sales – Multiple Territories	\$ 677,928	\$ 605,097		8 or 44% of the single territory franchisees attained or surpassed the stated median results for 2024.
				13 or 52% of the single territory franchisees attained or surpassed the stated median results for 2023.
				10 or 56% of the multiple territory franchisees attained or surpassed the stated median results for 2023.
				12 or 50% of the multiple territory franchisees attained or surpassed the stated median results for 2023
75 <sup>th</sup> Percentile – One Territory	\$550,150	\$493,304		Reported sales by the 75 <sup>th</sup> percentile of franchisees; only 25% of franchisees reported sales higher than this level.
75 <sup>th</sup> Percentile – Two or More Territories <sup>1</sup>	\$805,314	\$855,455		
Average Sales of Middle 50% - One Territory	\$ 348,635	\$305,055		Equals the mean (average) annual gross sales of those franchisees whose reported sales fell between the top 25% and the bottom 25%.
Average Sales of Middle 50% - Two or More Territories	\$ 622,516	\$ 649,047		
25 <sup>th</sup> Percentile – One Territory	\$222,267	\$194,680		Reported sales by the 25 <sup>th</sup> percentile of franchisees; only 25% of franchisees reported sales lower than this level.
25 <sup>th</sup> Percentile – Two or More Territories	\$515,304	\$538,538		

## B. Cost of Goods Sold

The average cost of goods sold (that is, the cost to franchisees to perform services) as a percentage of the price at which the franchisees sold those services to their customers was 15% of the gross (retail) sales price for franchisees open a full 12 months in 2024. The lowest cost of goods sold was 2% and the highest was 27%. 20 or 91% of franchisees had a cost of goods that met or was less than the

average cost of goods. The median cost of goods was 10%. 11 or 50% of franchisees had a cost of goods that met or was less than the median cost of goods.

<b><u>Measure</u></b>	<b><u>2024</u></b>
Cost of Goods Sold – Reporting Franchisees with a Full Year in Operation	15%

### **C. Gross Profit**

The average gross profit (that is, the revenue less direct expenses to perform the services) as a percentage of the price at which the franchisees sold those services to their customers was 85% of the gross (retail) sales price for franchisees open a full 12 months in 2024. The lowest gross profit was 73% and the highest was 98%. 20 or 91% of franchisees had a gross profit that met or exceeded the average gross profit. The median gross profit was 90%. 11 or 50% of franchisees had a median gross profit that met or exceeded the median gross profit.

<b><u>Measure</u></b>	<b><u>2024</u></b>
Gross Profit – Reporting Franchisees with a Full Year in Operation	85%

### **D. Labor Cost**

The average labor cost as a percentage of the price at which the franchisees sold those services to their customers was 30% of the gross (retail) sales price for franchisees open a full 12 months in 2024. The lowest percentage was 0% and the highest was 76%. 9 or 41% of franchisees had labor costs that met or were lower than the average labor cost. The median labor cost was 33% of gross sales. 11 or 50% of franchisees had a median labor cost that met or was less than the median labor cost.

<b><u>Measure</u></b>	<b><u>2024</u></b>
Labor Cost – Reporting Franchisees with a Full Year in Operation	30%

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

We will make written substantiation for these Financial Performance Representations available to you on your reasonable request.

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 Paul Ebert at AdvantaClean Systems, LLC, c/o Home Franchise Concepts, LLC, at 19000 MacArthur Blvd., Suite 100, Irvine California 92612, telephone (949) 404-1100, the Federal Trade Commission,

and the appropriate state regulatory agencies.

## **ITEM 20. OUTLETS AND FRANCHISEE INFORMATION**

### **ITEM 20. TABLE NO. 1 SYSTEMWIDE OUTLET SUMMARY FOR YEARS ENDING DECEMBER 31, 2022, 2023 AND 2024**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2022	174	142	-32
	2023	142	101	-41
	2024	101	85	-16
Company-Owned	2022	1	0	-1
	2023	0	0	0
	2024	0	0	0
Total Outlets	<b>2022</b>	<b>175</b>	<b>142</b>	<b>-33</b>
	<b>2023</b>	<b>142</b>	<b>101</b>	<b>-41</b>
	<b>2024</b>	<b>101</b>	<b>85</b>	<b>-16</b>

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