

## 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

As of December 31, 2024, there were 59 franchisees (each, a "Franchisee") operating in 161 Territories, and three affiliate-owned locations (each, an "Affiliate-Owned Location") operating in five Territories. This Item sets forth certain historical data submitted to us by our Franchisees and Affiliate-Owned Locations.

Part I of this Item discloses the average, median, high, and low monthly Gross Sales generated by 15 Franchisees operating in 47 Territories over the 2024 calendar year that have been operating for less than 12 months, split into thirds.

Part II of this Item discloses the average, median, high, and low annual Gross Sales generated by 21 Franchisees operating in 66 Territories over the 2024 calendar year that have been operating between 12 to 24 months, split into thirds.

Part III of this Item discloses the average, median, high, and low annual Gross Sales generated by 16 Franchisees operating in 36 Territories over the 2024 calendar year that have been operating for more than 24 months, split into thirds.

Part IV of this Item discloses the total Gross Sales generated during the 2022, 2023, and 2024 calendar years by the Franchisees and Affiliate-Owned Locations.

Part V of this Item discloses the (i) average, median, high, and low Gross Sales per job by the Franchisees over the 2024 calendar year, split into thirds, (ii) average, median, high, and low Gross Sales per job by Affiliate-Owned Locations over the 2024 calendar year, and (iii) average, median, high, and low Gross Sales per job by Franchisees and Affiliate-Owned Locations over the 2024 calendar year

Part VI of this Item discloses the total gross sales, total cost of goods sold, gross profit, estimated royalty fees, total operating expenses and estimated earnings generated by the three (3) Affiliate-Owned Locations (operating in a total of five (5) Territories) during the 2024 Calendar Year. Part VI of this Item excludes the Franchisees.

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**PART I: AVERAGE, MEDIAN, HIGH, AND LOW MONTHLY GROSS SALES GENERATED BY FRANCHISEES OPERATING LESS THAN 12 MONTHS OVER THE 2024 CALENDAR YEAR**

	Number of Franchisees (Territories)	Average Monthly Gross Sales	Median Monthly Gross Sales	High Average Monthly Gross Sales	Low Average Monthly Gross Sales	Number of Franchisees That Met or Exceeded Average Gross Sales
<b>Top Third</b>	5 (20 Territories)	\$43,997	\$37,898	\$61,398	\$32,741	1 (20%)
<b>Middle Third</b>	5 (14 Territories)	\$24,805	\$22,789	\$29,888	\$22,402	2 (40%)
<b>Bottom Third</b>	5 (13 Territories)	\$13,898	\$13,525	\$18,359	\$5,586	2 (40%)

**Notes to Part I:**

1. **Gross Sales.** The term “Gross Sales” means the total amount of all sales of products and services sold from, though, or in connection with the Franchised Business, whether for cash, on credit, barter or otherwise, exclusive of applicable sales, use or service taxes.
2. **Average.** Average is also known as the “mean,” and means the sum of all data points in a set, divided by the number of data points in that set.
3. **Median.** Median means the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing by two.
4. **High.** High means the largest or highest number in a data set.
5. **Low.** Low means the smallest or lowest number in a data set.
6. In Part I, if a Franchisee opened in the middle of a month, that month was excluded from the calculations set forth in Part I. For example, if a Franchisee opened on February 15, then February was excluded from the calculations. Part I excludes one franchisee that opened in mid-December 2024 since that franchisee only operated for approximately two weeks during the 2024 calendar year as well as any franchisee that was terminated, reacquired, or ceased operations in 2024.
7. Of the Franchisees set forth in Part I, the Franchisees operated in Territories ranging from 2-5 with populations ranging from 604,714 – 1,700,191.

**PART II: AVERAGE, MEDIAN, HIGH, AND LOW ANNUAL GROSS SALES GENERATED BY FRANCHISEES OPERATING BETWEEN 12 TO 24 MONTHS OVER THE 2024 CALENDAR YEAR**

	<b>Number of Franchisees (Territories)</b>	<b>Average Annual Gross Sales</b>	<b>Median Annual Gross Sales</b>	<b>High Average Annual Gross Sales</b>	<b>Low Average Annual Gross Sales</b>	<b>Number of Franchisees That Met or Exceeded Average Gross Sales</b>
<b>Top Third</b>	7 (27 Territories)	\$1,021,172	\$1,098,705	\$1,488,520	\$610,599	4 (57%)
<b>Middle Third</b>	7 (22 Territories)	\$484,862	\$461,310	\$601,718	\$407,394	3 (43%)
<b>Bottom Third</b>	7 (17 Territories)	\$271,727	\$261,154	\$367,717	\$170,275	3 (43%)

**Notes to Part II:**

1. **Gross Sales.** The term “Gross Sales” means the total amount of all sales of products and services sold from, though, or in connection with the Franchised Business, whether for cash, on credit, barter or otherwise, exclusive of applicable sales, use or service taxes.
2. **Average.** Average is also known as the “mean,” and means the sum of all data points in a set, divided by the number of data points in that set.
3. **Median.** Median means the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing it by two.
4. **High.** High means the largest or highest number in a data set.
5. **Low.** Low means the smallest or lowest number in a data set.
8. Of the Franchisees set forth in Part II, the Franchisees operated in Territories ranging from 1-7 with populations ranging from 408,786 – 2,222,627. Part II excludes any franchisee that was terminated, reacquired, or ceased operations in 2024.

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**PART III: AVERAGE, MEDIAN, HIGH, AND LOW ANNUAL GROSS SALES  
GENERATED BY FRANCHISEES OPERATING MORE THAN 24  
MONTHS OVER THE 2024 CALENDAR YEAR**

	<b>Number of Franchisees (Territories)</b>	<b>Average Annual Gross Sales</b>	<b>Median Annual Gross Sales</b>	<b>High Average Annual Gross Sales</b>	<b>Low Average Annual Gross Sales</b>	<b>Number of Franchisees That Met or Exceeded Average Gross Sales</b>
<b>Top Third</b>	5 (6 Territories)	\$2,890,307	\$2,022,695	\$6,716,341	\$1,828,832	1 (20%)
<b>Middle Third</b>	6 (15 Territories)	\$1,074,759	\$1,050,778	\$1,457,499	\$763,459	3 (50%)
<b>Bottom Third</b>	5 (15 Territories)	\$485,460	\$518,781	\$671,270	\$343,837	3 (60%)

**Notes to Part III:**

1. **Gross Sales.** The term “Gross Sales” means the total amount of all sales of products and services sold from, though, or in connection with the Franchised Business, whether for cash, on credit, barter or otherwise, exclusive of applicable sales, use or service taxes.
2. **Average.** Average is also known as the “mean,” and means the sum of all data points in a set, divided by the number of data points in that set.
3. **Median.** Median means the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing by two.
4. **High.** High means the largest or highest number in a data set.
5. **Low.** Low means the smallest or lowest number in a data set.
9. Of the Franchisees set forth in Part III, the Franchisees operated in Territories ranging from 1-5 with populations ranging from 902,565 – 4,905,592. Part III excludes any franchisee that was terminated, reacquired, or ceased operations in 2024.

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**PART IV: TOTAL GROSS SALES GENERATED BY FRANCHISEES AND AFFILIATE-OWNED LOCATIONS OVER THE 2022, 2023, AND 2024 CALENDAR YEARS**

	Calendar Year		
	2022	2023	2024
<b>Affiliate-Owned Territories</b>	3	3	5
<b>Franchisee Territories</b>	51	123	161
<b>Total Territories</b>	<b>54</b>	<b>126</b>	<b>166</b>
<b>Affiliate-Owned Locations</b>			
Gross Sales	<b>\$14,201,915</b>	<b>\$13,912,014</b>	<b>\$15,510,868</b>
Franchisee Gross Sales	<b>\$26,674,212</b>	<b>\$32,865,148</b>	<b>\$39,856,239</b>
Total Gross Sales	<b>\$40,876,127</b>	<b>\$46,777,162</b>	<b>\$55,367,107</b>

**Notes to Part IV:**

1. **Gross Sales.** The term “Gross Sales” means the total amount of all sales of products and services sold from, though, or in connection with the Franchised Business, whether for cash, on credit, barter or otherwise, exclusive of applicable sales, use or service taxes. Gross Sales includes all franchisee sales data, regardless of whether they transferred, ceased operations, or were terminated during the applicable calendar year.

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**PART V: AVERAGE, MEDIAN, HIGH, AND LOW AVERAGE GROSS SALES PER JOB GENERATED BY THE FRANCHISEES AND AFFILIATE-OWNED LOCATIONS OVER THE 2024 CALENDAR YEAR**

	Number of Franchisees	Average Gross Sales Per Job	Median Gross Sales Per Job	High Gross Sales Per Job	Low Gross Sales Per Job	Number That Met or Exceeded Average Gross Sales Per Job
<b>Top Third</b>	18	\$1,083	\$927	\$3,249	\$832	5 (28%)
<b>Middle Third</b>	18	\$721	\$692	\$821	\$610	9 (50%)
<b>Bottom Third</b>	18	\$469	\$572	\$600	\$392	12 (67%)
<b>All Franchisees</b>	54	\$806	\$749	\$3,249	\$392	21 (39%)
	Number of Affiliate-Owned Locations	Average Gross Sales Per Job	Median Gross Sales Per Job	High Gross Sales Per Job	Low Gross Sales Per Job	Number That Met or Exceeded Average Gross Sales Per Job
<b>Affiliate-Owned Locations</b>	3	\$1,037	\$793	\$1,057	\$793	1 (33%)
	Franchisees and Affiliate-Owned Locations	Average Gross Sales Per Job	Median Gross Sales Per Job	High Gross Sales Per Job	Low Gross Sales Per Job	Number That Met or Exceeded Average Gross Sales Per Job
<b>All Franchisees and Affiliate-Owned Locations</b>	57	\$860	\$766	\$3,249	\$392	18 (32%)

**Notes to Part V:**

- Gross Sales Per Job.** Gross Sales Per Job is calculated by taking the total Gross Sales generated by each Franchisee or Affiliate-Owned Location (as applicable) and dividing that number by the Total Jobs completed by that Franchisee or Affiliate-Owned Location (as applicable). Gross Sales Per Job includes installation work and service work.
- Franchisees in the Top Third operated in 1-7 Territories with populations ranging from 619,197 – 3,869,382. Franchisees in the Middle Third operated in 1-5 Territories with populations ranging from 408,786 - 4,905,592. Franchisees in the Bottom Third operating in 1-5 Territories with populations ranging from 629,784 – 3,008,592.
- Part I excludes one franchisee that opened in mid-December 2024 since that franchisee only operated for approximately two weeks during the 2024 calendar year as well as any franchisee that was terminated, reacquired, or ceased operations in 2024.

**PART VI: TOTAL GROSS SALES, COSTS OF GOODS SOLD, GROSS PROFIT, OPERATING EXPENSES, AND EARNINGS FOR THE AFFILIATE-OWNED LOCATIONS (5 TERRITORIES) DURING THE 2024 CALENDAR YEAR**

2024 Calendar Year		
Expense/Category	Total	% of Gross Sales
<b>Gross Sales</b>		
Sales	\$15,350,582	100.0%
<b>Total Gross Sales<sup>1</sup></b>	<b>\$15,350,582</b>	<b>100.0%</b>
<b>Costs of Goods Sold</b>		
Labor	\$3,855,541	25.1%
Materials	\$853,908	5.6%
Other COGS	\$296,035	1.9%
<b>Total Costs of Goods Sold<sup>2</sup></b>	<b>\$5,005,484</b>	<b>32.6%</b>
<b>Gross Profit<sup>3</sup></b>	<b>\$10,345,098</b>	<b>67.4%</b>
<b>Operating Expenses</b>		
Office & Sales Personnel Wages <sup>4</sup>	\$1,358,476	8.8%
Employee Payroll Taxes, Insurance & Benefits	\$800,969	5.2%
Employee Recruiting, Payroll Admin Fees	\$71,957	0.5%
Advertising & Marketing	\$999,931	6.5%
Brand Fund Contribution <sup>5</sup>	\$307,306	2.0%
Royalty Fee <sup>6</sup>	\$921,417	6.0%
Technology Expenses	\$373,203	2.4%
Building Expenses	\$491,945	3.2%
Vehicle & Equipment Expenses	\$1,202,322	7.8%
Other SG&A	\$1,001,665	6.5%
<b>Total Operating Expenses<sup>7</sup></b>	<b>\$7,529,191</b>	<b>49.0%</b>
<b>Estimated Earnings<sup>8</sup></b>	<b>\$2,815,907</b>	<b>18.3%</b>

**Notes to Part VI:**

- Total Gross Sales.** The term “Total Gross Sales” means the total amount of all sales of products and services sold from, though, or in connection with the Affiliate-Owned Locations, whether for cash, on credit, barter or otherwise, exclusive of applicable sales, use or service taxes.
- Total Costs of Goods Sold.** The term “Total Costs of Goods Sold” is calculated by taking the total amount the Affiliate-Owned Locations expended on labor, materials, subcontractors, and other items.
- Gross Profit.** The term “Gross Profit” is calculated by taking the Total Gross Sales and subtracting the Total Costs of Goods Sold.

4. **Office and Sales Personnel Wages.** Office and Sales Personnel Wages excludes the salary, wages, and medical benefits paid to Director of Operations or General Manager for the Affiliate-Owned Locations.
5. **Brand Fund Contribution.** This amount includes the Brand Fund Contribution of 2% of Gross Sales, calculated by multiplying the Total Gross Sales by .02 to account for the Brand Fund Contribution of 2% set forth and required under our current form of Franchise Agreement.
6. **Royalty Fee.** The term “Royalty Fee” means the Royalty Fee that the Affiliate-Owned Locations paid us over the 2024 Calendar Year. We calculated the Royalty Fees by multiplying the Total Gross Sales by .06 to account for the Royalty Fee of 6% set forth and required under our current form of Franchise Agreement.
7. **Total Operating Expenses.** The term “Total Operating Expenses” is calculated by adding up all the line items set forth under the “Operating Expenses” category.
8. **Estimated Earnings.** The term “Estimated Earnings” is calculated by taking the Gross Profit and subtracting the Total Operating Expenses. Estimated Earnings is defined as earnings before interest, taxes, depreciation, and amortization.
9. Operating costs and expenses may vary substantially from business to business. The above figures exclude start-up expenses; advertising; costs of goods sold; insurance, payroll costs, taxes, administrative expenses as well as the cost of labor; owner compensation/salary; healthcare and employee benefits costs; utilities expenses; the cost of equipment, inventory, and supplies; travel and entertainment expenses; license and permit fees and professional services expenses; taxes; financing expenses, interest expense, interest income, depreciation, and amortization expenses; and related expenses which you will incur as a franchisee.

#### **GENERAL NOTES TO ITEM 19**

1. **Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**
2. We have not audited this information. Written substantiation of the data used in preparing this information will be made available upon reasonable request.
3. 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 ZOOM DRAIN business, however, we may provide you with the actual records of that particular business. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Jim Foley at 500 Davis Drive, Plymouth Meeting, PA 19462 or at 215-645-2176, the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1**  
**Systemwide Outlet Summary for Years 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	17	51	+34
	2023	51	123	+72
	2024	123	161	+38
Company-Owned±	2022	3	3	0
	2023	3	3	0
	2024	3	5	+2
<b>Total Outlets</b>	<b>2022</b>	<b>20</b>	<b>54</b>	<b>+34</b>
	<b>2023</b>	<b>54</b>	<b>126</b>	<b>+72</b>
	<b>2024</b>	<b>126</b>	<b>166</b>	<b>+40</b>

± We do not own any ZOOM DRAIN Businesses. These outlets are owned and operated by our affiliates Zoom Drain Philadelphia, LLC and Zoom Drain Charlotte, LLC.

\*For purposes of this Item 20, Outlet is defined as a Territory. If a franchisee is able to operate in multiple Territories under a single franchise agreement, the franchisee is considered open in all Territories once it begins servicing a Territory.

**Table No. 2**  
**Transfer of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For years 2022, 2023, and 2024**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
California	2022	0
	2023	0
	2024	2
Florida	2022	0
	2023	3
	2024	10
Michigan	2022	0
	2023	3
	2024	0
Washington	2022	0
	2023	0
	2024	2
<b>Total</b>	<b>2022</b>	<b>0</b>
	<b>2023</b>	<b>6</b>
	<b>2024</b>	<b>14</b>

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