

## Item 19

### FINANCIAL PERFORMANCE REPRESENTATION

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 any reasonable basis for the information, and if the information is included in the Disclosure Document. Financial information that differs from that included in Item 19 may only be given 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 circumstances.

The figures below represent the median and average occupancy and net profit reported in accordance with the typical monthly royalty and occupancy reporting procedure for 2024 by My Salon Suite franchise locations that satisfied the Reporting Criteria. Written substantiation for the financial performance representation will be made available to prospective franchisees on reasonable request.

The following chart includes information regarding the total number of My Salon Suite franchise locations in the United States that met or exceeded all of the following criteria as of December 31, 2024 ("**Reporting Criteria**"): (a) operated in the United States under a Franchise Agreement; (b) had been open and continuously operating for at least 12 full months as of December 31, 2024; (c) is at least 3,000 square feet; (d) submitted all required reports under the Franchise Agreement during 2024; and (e) was not under contract for purchase at any time during 2024.

As of December 31, 2024, there were 303 My Salon Suite franchised locations open and operating in the United States under a Franchise Agreement ("**Franchise Group**"). Of this total, 244 locations met the Reporting Criteria and represent the reporting group for 2024 ("**Reporting Group**").

The median and average information was prepared from the records and reports, as reported by Franchisees of each of the franchise locations satisfying the Reporting Criteria. Franchisor has relied solely on the information reported to Franchisor by Franchisees. We do not know of an instance, nor do we have reason to believe, that any Franchisee would misstate its information. However, these reports have not been audited and we have not independently verified these numbers.

**Some My Salon Suite Businesses have earned this amount. Your individual results may differ. There is no assurance you'll earn as much.**

## FINANCIAL RESULTS

The following Tables provide information regarding the average occupancy, square footage, number of suites, income, certain expenses, and net profit, as defined below. Also shown are the percentage of locations that meet or exceed the average for each category. All such information has not been audited and has not necessarily been prepared on a basis consistent with generally accepted accounting principles.

In addition to the average Gross Revenues analysis, certain expenses expressed as a percentage of Gross Revenues have been provided based on the experience of certain of the foregoing My Salon Suite Franchised Businesses described below. The expense figures were extracted from the 2024 financial statements submitted by the My Salon Suite Franchisees included in our 2024 Financial Benchmark Survey. As of the date of this Disclosure Document, we have not been provided with expense data from 29 of the 273 My Salon Suite Franchised Businesses open and in continuous operation during 2024). This was primarily due to the proximity of year-end to the time of compilation of these numbers and 29 My Salon Suite Franchised Businesses were not included in the expense figures provided herein. You should note that with respect to the 244 My Salon Suite Franchised Businesses included in the compilation of the expense figures, the expense data relates to operations conducted during the calendar year 2024.

Each percentage given on this analysis reflects the mean average or the median of the total percentages for the applicable expense item provided by the reporting My Salon Suite Franchised Businesses (i.e., the aggregate sum of the expense percentages of all reporting My Salon Suite Franchised Businesses divided by the number of reporting My Salon Suite Franchised Businesses). The expense percentages for the various expense items provided by each reporting My Salon Suite Franchised Business reflect My Salon Suite Franchised Business's expenses as a percentage of its Gross Sales. No percentage given in this analysis is the actual expenses percentage experienced by any one My Salon Suite Franchised Business and the actual expense percentages for the reporting My Salon Suite Franchised Business on any expense item may vary significantly.

The following Tables provide information regarding the average occupancy, square footage, number of suites, income, certain expenses, and net profit, as defined below. Also shown are the percentage of locations that meet or exceed the average for each category.

**Table 1**

The following is the average P&L for all 244 reporting My Salon Suite Franchised Businesses.

Location Details	All Centers (244 locations)					Number / % that met or exceeded average	
	High	Low	Median	Average			
% of Total Occupancy	100%	28.6%	91.1%	86.8%		156	63.9%
Square footage	13,172	2,880	5,654	5,922		103	42.2%
# of Suites	70	15	30	30.8		103	42.2%
Gross Revenue	\$1,360,038	\$20,962	\$439,608	\$455,642	100.0%	106	43.4%
General Operating Expense	\$233,636	\$24,710	\$84,399	\$87,518	19.2%	109	44.7%
Rent Expense	\$404,971	\$6,793	\$137,971	\$148,251	32.5%	104	42.6%
Royalties	\$74,805	\$1,153	\$24,178	\$25,060	5.5%	106	43.4%
EBITDA*	\$708,655	-\$115,147	\$191,547	\$194,813	42.8%	115	47.1%

**Table 2**

The following is the average P&L for the Top 25% My Salon Suite Franchised Businesses of the 244 reporting My Salon Suite Franchised Businesses based on profitability.

Location Details			Top Quartile by Revenue (61 locations)				
	High	Low	Median	Average		Number / % that met or exceeded average	
% of Total Occupancy	100%	55.2%	95.7%	91.3%		39	63.9%
Square footage	13,172	3,870	5,689	6,014		21	34.4%
# of Suites	70	21	31	31.7		24	39.3%
Gross Revenue	\$1,360,038	\$229,659	\$490,399	\$535,509	100.0%	26	42.6%
General Operating Expense	\$183,305	\$24,710	\$74,661	\$78,120	14.6%	26	42.6%
Rent Expense	\$393,319	\$6,793	\$121,734	\$125,841	23.5%	28	45.9%
Royalties	\$74,805	\$12,631	\$26,792	\$29,453	5.5%	26	42.6%
EBITDA*	\$708,655	\$124,687	\$278,794	\$302,095	56.4%	28	45.9%

**Table 3**

The following is the average P&L for the Lowest 25% My Salon Suite Franchised Businesses of the 244 reporting Centers based on profitability.

Location Details			Bottom Quartile by Revenue (61 locations)				
	High	Low	Median	Average		Number / % that met or exceeded average	
% of Total Occupancy	100%	28.6%	82.8%	78.3%		37	60.7%
Square footage	9,732	2,880	5,320	5,421		30	49.2%
# of Suites	51	15	27	28.1		26	42.6%
Gross Revenue	\$653,215	\$20,962	\$340,337	\$343,322	100.0%	29	47.5%
General Operating Expense	\$165,265	-\$28,215	\$84,777	\$89,003	25.9%	27	44.3%
Rent Expense	\$303,534	\$50,463	\$142,253	\$157,882	46.0%	22	36.1%
Royalties	\$35,927	\$1,153	\$18,719	\$18,883	5.5%	29	47.5%
EBITDA*	\$192,623	-\$115,147	\$84,528	\$77,554	22.6%	38	62.3%

**Notes to the Tables:**

1. Occupancy is calculated by dividing the number of suites occupied by the total number of available suites. Occupancy shown is based on reported occupancy as of December 31, 2024.
2. Square Feet is the square footage of the Franchised Business.
3. Gross Revenues means the total selling price of all services and products sold and accrued at, from, or through the Franchised Business, whether or not sold or performed at or from the Franchised Business, and all income and revenue of every other kind and nature related to the Franchised Business operation, whether for cash, check, debit, credit, barter, exchange, trade credit, items of financial or non-financial benefit to franchisee, or other credit transactions, and regardless of collection in the case of credit. Gross Revenues does not include the amount of any applicable sales tax imposed by any federal, state, municipal or other governmental authority if such taxes are stated separately when the customer is charged, and the franchisee pays such amounts as and when due to the appropriate taxing authority. Also excluded from Gross Revenues are the amount of any documented refunds, chargebacks, credits, and allowances given to customers in good faith pursuant to Franchisor's standard procedures for issuing such refunds. All barter and exchange transactions for which the franchisee furnishes services or products in exchange for goods or services to be provided to the franchisee by a vendor, or customer will be valued at the full retail value of the goods or services provided to Franchisee.

4. General Operating Expenses include professional fees, repair and maintenance, insurance, permit and fees, telephone, water and sewer, garbage, electricity, gas, internet, office expenses, advertising and marketing, technology fee, and security system. You may incur other expenses not included in this definition. General operating expenses are cash expenses only. General operating expenses do not include noncash expenses, such as amortizing equipment.
5. Rent Expense includes the base rent plus an NNN, or CAM expenses being paid to the landlord.
6. EBITDA is defined as Earnings Before Interest, Taxes, Depreciation and Amortization. It is calculated by subtracting the General Operating Expense and Rent Expense from Income. The EBITDA number excludes any debt service and interest payments.
7. Percentage (%) that met or exceeded the average is calculated by dividing the number of locations that met or exceeded the average for each category by the total number of locations for that category.

### AVERAGE OCCUPANCY Table 4

#### The Franchise Group, Company-Owned Locations, and Affiliate Locations

Table 4 shows the average Occupancy for December 2024 by maturity, of the Franchise Group, and company-owned locations that were open and operating as of December 31, 2024.

Unit Maturity	Avg. Occupancy of Franchised Businesses	Number of Units	Avg. Occupancy of Company-Owned Locations	Number of Units	Total Avg. Occupancy	Number of Units
Open 0-6 Months	52.6%	14	36.1%	2	50.6%	16
Open 12+ Months	86.8%	244	89.7%	43	87.3%	287
Open 24+ Months	88.4%	203	88.7%	31	88.5%	234

**The Franchisor is unable to verify the accuracy of the expense information provided by My Salon Suite franchisees and makes no representations or warranties regarding the same.**

The amount of gross sales realized, and expenses incurred will vary from unit to unit. Gross sales and expenses at Franchisee's My Salon Suite Franchised Business will be directly affected by many additional factors not noted above, including, without limitation, the Center's geographic location, competition in the market, the presence of other My Salon Suite businesses, the quality of management, the effectiveness of sales and marketing and the prices charged for

products and services sold at the Franchised Business. Further, the franchise agreement to which each franchisee included in this analysis is subject is different from the Franchise Agreement attached to this Franchise Disclosure Document as **Exhibit C**. Among other terms, the Franchise Agreement attached to this Franchise Disclosure Document requires an initial franchise fee of \$50,000 and a continuing Service Fee of 5.5%. This analysis, therefore, should only be used as a reference for you to use in conducting its own analysis.

Finally, you should particularly note the following:

**You are urged to consult with appropriate financial, business and legal advisors in connection with the information set forth in this analysis.**

**Some My Salon Suite Franchised Businesses have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.**

**Substantiation of the data used in preparing this analysis will be made available upon reasonable request.**

Except for the representations above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. 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 the Franchise Development Department at 2542 Highlander Way, Carrollton, Texas 75006, 214-346-5600, the Federal Trade Commission, and the appropriate state regulatory agencies.

**Item 20**

**OUTLETS AND FRANCHISEE INFORMATION**

**MY SALON SUITES**

**Table No. 1: Franchise System-Wide Outlet Summary Years 2022 to 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>
<b>Franchises</b>	2022	193	232	+39
	2023	232	275	+43
	2024	275	304	+29
<b>Company-Owned and Affiliates</b>	2022	31	33	+2
	2023	33	48	+15
	2024	48	51	+3
<b>Total Outlets</b>	2022	224	265	+41
	2023	265	323	+58
	2024	323	355	+32