

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) 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.

- (a) Adjusted Profit – means Direct Gross Profit less Disclosed Expenses. Adjusted Profit is not equal to net profit or income and, except as to Direct Cost of Goods and Services Sold and Disclosed Expenses, does not include the deduction of all other expenses incurred by a Brothers Gutters Business including, but not limited to, other operating expenses, interest, taxes, depreciation, and amortization.
- (b) Average – means the sum of all data points in a set, divided by the number of data points in that set.
- (c) Calendar Year – means, as to each respective year, the 12-month period commencing on January 1 and ending on December 31.
- (d) Company Owned Outlet – means an Outlet owned either directly or indirectly by us, our affiliate or any person identified in Item 2 of this Disclosure Document. A Company Owned Outlet also includes any Outlet that is operated as a joint venture owned in part by us, our affiliate or any person identified in Item 2 of this Disclosure Document, or that is managed by us, our affiliate or any person identified in Item 2.
- (e) Direct Cost of Goods and Services Sold – means the direct non-managerial and non-administrative cost of goods sold and labor incurred by an Outlet in directly performing and/or installing Approved Services and Products resulting in Gross Sales, comprised of the following categories: direct labor gross wages and taxes, direct labor workers' compensation and general liability, job materials and sundries, and equipment, small tools, and rentals. Direct Cost of Goods and Services Sold does not include managerial expenses, including field management, administrative expenses, Disclosed Expenses, operating expenses, or general expenses including, but not limited to credit card processing and bank fees.
- (f) Direct Gross Profit – means Gross Sales less Direct Cost of Goods and Services Sold. Direct Gross Profit is not net profit or income and, except as to Direct Cost of Goods and Services Sold, does not include the deduction of all other expenses incurred by a Brothers Gutters Business including, but not limited to, Disclosed Expenses, operating expenses, labor and employment expenses (except for direct labor in performing and/or installing the Approved Services and Products as disclosed in Direct Costs of Goods and Services Sold), interest, taxes, depreciation, and amortization.
- (g) Disclosed Expenses – refers to a limited selection of expenses as disclosed in the tables to this Item 19, comprised of the following select expense categories: rent, utilities, facility maintenance, marketing, office supplies, service vehicle, and franchisor related charges for Royalty Fees, Brand Development Fund Fees, Technology Fees, and Contact Center Fees.
- (h) Estimate – refers to an estimate outlining proposed pricing and scope of services that is provided by a Brothers Gutters Business to a prospective customer for the performance of Approved Services and Products following an on-site visit.
- (i) Franchise Outlet – refers to a Brothers Gutters Business operated under a Franchise Agreement that is not a Company Owned Outlet.

- (j) Gross Sales – means the total revenue derived by each Outlet less sales tax, discounts, allowances, and returns.
- (k) Lead – refers to a prospective customer of a Brothers Gutters Business that contacts the official Contact Center designated by us for the purpose of inquiring about Approved Services and Products.
- (l) Lead to Estimate Conversions – refers to the percentage of Leads that request a formal Estimate for the potential sale and performance of Approved Services and Products.
- (m) 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.
- (n) Multi-Territory Franchise Outlet – means an Operational Franchise Outlet that operates within the equivalent of two or more Territories or two or more Territories that have been supplemented with additional Qualified Single-Family Households.
- (o) New Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that for the first time opened and commenced operations during the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2023, as to the 2023 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet and not as an Operational Franchise Outlet (see definition below). If this Franchise Outlet remained in operation throughout the 2024 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2024 Calendar Year.
- (p) Operational Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that was open and in operation prior to the commencement of the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2023, as to the 2023 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet (see definition above) and not as an Operational Franchise Outlet. If this Franchise Outlet remained in operation throughout the 2024 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2024 Calendar Year.
- (q) Outlet – refers to either a Company Owned Outlet or Franchise Outlet, as the context requires.
- (r) Qualified Single-Family Household – refers to and means a single-family household where the estimated annual household income exceeds \$60,000.
- (s) Repeat Customer – refers to a customer of a Brothers Gutters Business that engages the Brothers Gutters Business for the performance of Approved Services and Products through two or more Work Orders over a period of time whether within the same Calendar Year or occurring months or years later.
- (t) Single Territory Franchise Outlet – means an Operational Franchise Outlet that operates within the equivalent of one Base Territory or one Base Territory that has been supplemented with additional Qualified Single-Family Households.
- (u) Territory(ies) – means a territory of 75,000 Qualified Single-Family Households. An Outlet can operate in multiple Territories and/or can supplement its Territory or Territories with additional Qualified Single-Family Households.
- (v) Work Order – refers to each unique work order requested by a customer and performed by our Company Owned Outlet, an Operational Franchise Outlet, or a New Franchise Outlet for the performance of Approved Services and Products.

(w) YOY Sales Growth – refers to the year over year calculation of the percentage of growth for Gross Sales for each Outlet. YOY Sales Growth is calculated by comparing the Gross Sales of a particular Calendar Year with the Gross Sales for the next Calendar Year.

BASES AND ASSUMPTIONS

The financial information was not prepared on a basis consistent with generally accepted accounting principles. Data for our Company Owned Outlet is based on information reported to us by our affiliate. Data for the Franchise Outlets is based on financial information reported to us by our franchisees. The information in this analysis has not been audited, is based on historical financial data, and is not a forecast or projection of future financial performance.

COMPANY OWNED OUTLET

We have one Company Owned Outlet operated by our affiliate, Brothers Parsons HV LLC, operating from Poughkeepsie, New York. Our Company Owned Outlet has been in operation since 1999 and operates in a market where The Brothers that just do Gutters brand maintains significant awareness among consumers and a significant market presence for over 20 years. The Operating Territory in which our Company Owned Outlet operates includes approximately 320,174 Qualified Single-Family Households, which is the equivalent of four Territories that have been supplemented with additional Qualified Single-Family Households. Below we report select financial performance data for our Company Owned Outlet for the 2022, 2023, and 2024 Calendar Years.

Material financial and operational characteristics that are reasonably anticipated to differ from future operational franchise outlets include: (a) managerial skill and efficiency experienced by our Company Owned Outlet as a result of our extensively experienced management team; (b) brand recognition within the local market in which our Company Owned Outlet operates; and (c) no obligation to pay ongoing fees that a franchisee will pay to us, such as Royalty Fees and Brand Development Fund Fees.

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Table 1

Company Owned Outlet: Poughkeepsie, New York Gross Sales and Disclosed Expenses Data 2022, 2023, and 2024 Calendar Years 2022-2023 YOY Sales Growth: -1.5% 2023-2024 YOY Sales Growth: 1.1%						
	2022 Calendar Year		2023 Calendar Year		2024 Calendar Year	
	Total	%¹	Total	%¹	Total	%¹
Gross Sales	\$4,586,679	100.0%	\$4,518,709	100.0%	\$4,567,117	100.0%
Less: Direct Cost of Goods and Services Sold						
Direct Labor Gross Wages and Taxes	(\$1,029,293)	22.4%	(\$1,134,830)	25.1%	(\$1,035,703)	22.7%
Direct Labor Workers' Comp/General Liability	(\$98,123)	2.1%	(\$88,866)	2.0%	(\$106,397)	2.3%
Job Materials and Sundries	(\$1,167,849)	25.5%	(\$981,823)	21.7%	(\$884,194)	19.4%
Equipment, Small Tools, and Rentals	(\$16,056)	0.4%	(\$28,437)	0.6%	(\$12,320)	0.3%
Total Direct Cost of Goods and Services Sold	(\$2,311,321)	50.4%	(\$2,233,956)	49.4%	(\$2,038,614)	44.6%
Direct Gross Profit	\$2,275,358	49.6%	\$2,284,753	50.6%	\$2,528,504	55.4%
Less: Disclosed Expenses						
Rent, Utility, and Facility Maintenance	(\$56,672)	1.2%	(\$76,914)	1.7%	(\$65,378)	1.4%
Marketing	(\$276,379)	6.0%	(\$313,197)	6.9%	(\$304,012)	6.7%
Office Supplies	(\$34,076)	0.7%	(\$32,146)	0.7%	(\$37,510)	0.8%
Service Vehicle	(\$253,430)	5.5%	(\$216,996)	4.8%	(\$229,193)	5.0%
Less: Adjustment for Disclosed Expenses Not Paid by Company Owned Outlet but Charged to Franchise Outlets						
Royalty Fee ²	(\$275,201)	6.0%	(\$271,123)	6.0%	(\$274,027)	6.0%
Technology Fee ³	(\$2,400)	0.1%	(\$2,400)	0.1%	(\$2,400)	0.1%
Brand Development Fund Fee ⁴	(\$91,734)	2.0%	(\$90,374)	2.0%	(\$91,342)	2.0%
Contact Center Fees ⁵	(\$137,600)	3.0%	(\$135,561)	3.0%	(\$137,014)	3.0%
Total Disclosed Expenses	(\$1,127,492)	24.6%	(\$1,138,711)	25.3%	(\$1,140,876)	25.0%
Adjusted Profit	\$1,147,866	25.0%	\$1,146,042	25.3%	\$1,387,627	30.4%

Notes to Table:

¹ “%” represents the percentage of total Gross Sales.

² The Royalty Fee is equal to 6% of Gross Sales, subject to a Minimum Weekly Royalty Fee Requirement as set forth in Item 6 of this Disclosure Document. The Minimum Weekly Royalty Fee Requirement for a four Territory Outlet is equal to \$500 per week.

³ The Technology Fee is currently \$200 per month but we reserve the right to increase the Technology Fee to up to \$500 per month.

⁴ The Brand Development Fund Fee is equal to 2% of Gross Sales.

⁵ The Contact Center Fee is equal to 3% of Gross Sales.

FRANCHISE OUTLETS

During the 2022 Calendar Year we had a total of 37 Operational Franchise Outlets and 59 New Franchise Outlets. We do not include financial data in this Item 19 for five Operational Franchise Outlets that did not maintain accurate and reliable financial records, failed to provide us with financial records, or were closed for a portion of the 2022 Calendar Year. Of the 32 Operational Franchise Outlets disclosed for the 2022 Calendar Year, 27 qualify as Multi-Territory Franchise Outlets and five qualify as Single Territory Franchise Outlets.

During the 2023 Calendar Year we had a total of 74 Operational Franchise Outlets and 33 New Franchise Outlets. We do not include financial data in this Item 19 for 13 Operational Franchise Outlets that did not maintain accurate and reliable financial records, failed to provide us with financial records, or were closed for a portion of the 2023 Calendar Year. Of the 61 Operational Franchise Outlets disclosed for the 2023 Calendar Year, 56 qualify as Multi-Territory Franchise Outlets and five qualify as Single Territory Franchise Outlets.

During the 2024 Calendar Year we had a total of 87 Operational Franchise Outlets and 18 New Franchise Outlets. We do not include financial data in this Item 19 for 21 Operational Franchise Outlets that did not maintain accurate and reliable financial records, failed to provide us with financial records, or were closed for a portion of the 2024 Calendar Year. Of the 66 Operational Franchise Outlets disclosed for the 2023 Calendar Year, 60 qualify as Multi-Territory Franchise Outlets and six qualify as Single Territory Franchise Outlets.

We do not include financial data for New Franchise Outlets that were not open for the full reporting Calendar Year. All Operational Franchise Outlets operate within the equivalent of a single Base Territory or multiple Territories with each Operational Franchise Outlet's aggregate territory size ranging from 75,000 to 900,000 Qualified Single-Family Households. Below we report select financial performance data for our Operational Franchise Outlets for the 2022, 2023, and 2024 Calendar Years.

Table 2

**All Operational Franchise Outlets
Gross Sales and Territory Data
2022, 2023, and 2024 Calendar Years**

Franchise Outlet	Approximate Number of Territories in Operating Territory as of December 31, 2024	2022 Calendar Year Gross Sales	2023 Calendar Year Gross Sales	2024 Calendar Year Gross Sales	2022 - 2023 YOY Sales Growth	2023 - 2024 YOY Sales Growth
Lynchburg, VA	3	\$1,422,863	\$1,006,549	\$1,020,393	-29.3%	1.4%
Monmouth, NJ	4	\$1,536,193	\$1,088,343	\$1,071,920	-29.2%	-1.5%
Lehigh Valley, PA	6 ¹	\$3,810,446	\$2,592,227	\$2,237,090	-32.0%	-13.7%
Richmond, VA	4	\$1,431,307	\$1,320,282	\$898,239	-7.8%	-32.0%
Jacksonville, FL	2	\$2,230,014	\$2,285,387	\$1,654,415	2.5%	-27.6%
San Antonio, TX	8 ²	\$3,059,234	\$3,018,916	\$3,003,318	-1.3%	-0.5%
Charlotte, NC	5 ³	\$1,105,242	\$1,201,686	\$1,090,971	8.7%	-9.2%
Columbus, GA	3	\$1,584,957	\$1,441,714	\$1,459,800	-9.0%	1.3%
NE Atlanta, GA	8	\$1,126,137	\$1,586,520	\$1,810,452	40.9%	14.1%
NW Atlanta, GA	6	\$1,521,535	\$1,695,851	N/A	11.5%	N/A
Knoxville, TN	2	N/A	\$860,370	\$1,419,632	N/A	65.0%
Akron/Canton, OH	2	N/A	N/A	\$552,903	N/A	N/A
Omaha/Lincoln, NE	3	N/A	N/A	\$728,565	N/A	N/A
Rhode Island	3	\$731,309	\$1,247,006	\$1,337,707	70.5%	7.3%
Tyler, TX	1	\$985,162	\$959,169	\$1,080,388	-2.6%	12.6%
Charleston, SC	2	\$578,678	\$643,053	\$544,294	11.1%	-15.4%
East Birmingham, AL	1	\$467,927	\$442,505	\$397,229	-5.4%	-10.2%
Fort Myers, FL	4	\$767,842	\$1,580,284	N/A	105.8%	N/A
North Philadelphia, PA	3	\$421,017	\$801,530	\$870,777	90.4%	8.6%
Nashville, TN	4	\$883,408	\$1,483,839	\$1,597,876	68.0%	7.7%
Clermont, FL	3	\$1,372,292	\$1,931,598	\$2,058,823	40.8%	6.6%
Little Elm, TX	2	\$268,387	\$511,139	\$430,503	90.4%	-15.8%
West Orlando, FL	3	\$768,448	\$1,011,594	N/A	31.6%	N/A
Austin, TX	7 ⁴	\$1,442,725	\$2,407,111	\$3,008,235	66.8%	25.0%
Augusta, GA	1	\$828,090	\$1,286,676	N/A	55.4%	N/A
Hartford, CT	3	\$375,352	\$550,382	N/A	46.6%	N/A
St. Louis, MO	6 ⁵	\$1,394,059	\$2,471,931	\$2,941,771	77.3%	19.0%
Tri Cities, TN	1	\$1,094,633	\$1,709,645	\$1,914,000	56.2%	12.0%
Douglas County, CO	8 ⁶	\$495,596	\$1,184,131	\$1,498,639	138.9%	26.6%
Bradenton/Sarasota, FL	3	\$820,078	\$1,782,478	\$1,630,842	117.4%	-8.5%

The Miami Valley, OH	3	\$705,378	N/A	N/A	N/A	N/A
Oklahoma City Metro, OK	3	\$657,051	\$1,108,805	\$800,053	68.8%	-27.8%
North Dallas, TX	4	\$772,603	\$1,257,562	\$1,255,692	62.8%	-0.1%
Chattanooga, TN	1	\$498,821	\$877,130	\$1,296,901	75.8%	47.9%
North Jacksonville, FL	2	\$909,983	N/A	N/A	N/A	N/A
Buckhead W Atlanta, GA	6	N/A	\$672,410	\$978,388	N/A	45.5%
McKinney/East Dallas, TX	3	N/A	\$409,334	N/A	N/A	N/A
Raleigh/Winston Salem, NC	8	N/A	\$814,030	\$837,720	N/A	2.9%
North Houston, TX	4	N/A	\$1,290,730	\$1,226,983	N/A	-4.9%
Baton Rouge/Northshore, LA	3	N/A	\$949,897	N/A	N/A	N/A
Cleveland West, OH	4	N/A	\$929,781	\$974,101	N/A	4.8%
West Houston, TX	3	N/A	\$413,501	\$548,842	N/A	32.7%
Indianapolis, IN	5	N/A	\$1,130,496	\$1,265,441	N/A	11.9%
Fredericksburg/Woodbridge, VA	2	N/A	\$724,110	\$739,916	N/A	2.2%
Pittsburgh/Tri-State, PA	4	N/A	\$1,156,719	\$1,447,203	N/A	25.1%
Grand Rapids, MI	3	N/A	\$1,340,235	\$1,975,187	N/A	47.4%
Metro Detroit, MI	12	N/A	\$1,412,815	\$2,389,867	N/A	69.2%
Jupiter/West Palm Beach, FL	3	N/A	\$933,725	N/A	N/A	N/A
Twin Cities North, MN	5	N/A	\$2,042,587	\$1,965,167	N/A	-3.8%
Columbus, OH	4	N/A	\$1,031,855	\$1,524,737	N/A	47.8%
Minneapolis, MN	6	N/A	\$1,653,011	\$1,293,749	N/A	-21.7%
Southwest Houston, TX	4	N/A	\$354,175	\$439,145	N/A	24.0%
South Jersey, NJ	6	N/A	\$795,553	N/A	N/A	N/A
Central PA	4	N/A	\$719,925	N/A	N/A	N/A
Metro West Boston, MA	3	N/A	\$759,636	N/A	N/A	N/A
Columbia, SC	5 ⁷	N/A	\$1,204,999	\$1,320,099	N/A	9.6%
East Houston, TX	3	N/A	\$361,356	\$530,258	N/A	46.7%
West Broward, FL	3	N/A	\$851,171	\$1,072,309	N/A	26.0%
Merrimack Valley, NH/MA	2	N/A	\$738,927	N/A	N/A	N/A
Central Dallas Fort Worth, TX	12 ⁸	N/A	\$1,108,420	\$1,813,762	N/A	63.6%
Portland South, OR	5	N/A	\$703,777	\$1,165,729	N/A	65.6%
Treasure Coast, FL	2	N/A	\$824,088	\$1,124,750	N/A	36.5%
Salt Lake City, UT	3	N/A	\$1,357,986	\$1,842,603	N/A	35.7%
Ft. Lauderdale/Boca Raton, FL	3	N/A	\$757,435	\$953,915	N/A	25.9%
North Tampa Bay, FL	3	N/A	\$354,739	\$715,663	N/A	101.7%
Shoreline, CT	7 ⁹	N/A	N/A	\$861,993	N/A	N/A
Huntington, NY	3 ¹⁰	N/A	N/A	\$511,194	N/A	N/A
South Shore, MA	8 ¹¹	N/A	N/A	\$1,466,903	N/A	N/A
Huntsville, AL	2	N/A	N/A	\$978,893	N/A	N/A
Morristown, NJ	8	N/A	N/A	\$497,467	N/A	N/A
Central, FL	4	N/A	N/A	\$1,044,427	N/A	N/A
Utah County, UT	2	N/A	N/A	\$680,084	N/A	N/A
Tinley Park, IL	5	N/A	N/A	\$625,644	N/A	N/A
Merrick, NY	2	N/A	N/A	\$870,777	N/A	N/A
Arlington, VA	3	N/A	N/A	\$352,883	N/A	N/A
Lancaster, PA	1	N/A	N/A	\$325,513	N/A	N/A
Inland-Northwest WA/ID	2	N/A	N/A	\$973,378	N/A	N/A
Owensboro, KY	2	N/A	N/A	\$687,467	N/A	N/A
Green Bay, WI	3	N/A	N/A	\$585,560	N/A	N/A
Coastal North, CA	1	N/A	N/A	\$1,804,612	N/A	N/A

Notes to Table:

¹ As of January 1, 2022, the Lehigh Valley, PA Outlet operated in an Operating Territory comprised of four Territories. This Outlet added two Territories to its Operating Territory in October of 2023. As of December 31, 2024, the Lehigh Valley, PA Outlet operated in an Operating Territory comprised of six Territories.

² As of January 1, 2022, the San Antonio, TX Outlet operated in an Operating Territory comprised of seven Territories. This Outlet added one Territory to its Operating Territory in June of 2022. As of December 31, 2024, the San Antonio, TX Outlet operated in an Operating Territory comprised of eight Territories.

³ As of January 1, 2022, the Charlotte, NC Outlet operated in an Operating Territory comprised of three Territories. This Outlet added two Territories to its Operating Territory in May of 2023. As of December 31, 2024, the Charlotte, NC Outlet operated in an Operating Territory comprised of five Territories.

⁴ As of January 1, 2022, the Austin, TX Outlet operated in an Operating Territory comprised of four Territories. This Outlet added three Territories to its Operating Territory in March of 2022 and one Territory to its Operating Territory in May of 2022. As of December 31, 2024, the Austin, TX Outlet operated in an Operating Territory comprised of eight Territories.

⁵ As of January 1, 2022, the St. Louis, MO Outlet operated in an Operating Territory comprised of four Territories. This Outlet added two Territories to its Operating Territory in February of 2023. As of December 31, 2024, the St. Louis, MO Outlet operated in an Operating Territory comprised of six Territories.

⁶ As of January 1, 2022, the Douglas County, CO Outlet operated in an Operating Territory comprised of two Territories. This Outlet added four Territories to its Operating Territory in July of 2022 and two Territory to its Operating Territory in January of 2023. As of December 31, 2024, the Douglas County, CO Outlet operated in an Operating Territory comprised of eight Territories.

⁷ As of January 1, 2022, the Columbia, SC Outlet operated in an Operating Territory comprised of four Territories. This Outlet added one Territory to its Operating Territory in April of 2024. As of December 31, 2024, the Columbia, SC Outlet operated in an Operating Territory comprised of five Territories.

⁸ As of January 1, 2022, the Central Dallas Fort Worth, TX Outlet operated in an Operating Territory comprised of four Territories. This Outlet added three Territories to its Operating Territory in January of 2024 and added five Territories to its Operating Territory in June of 2024. As of December 31, 2024, the Central Dallas Fort Worth, TX Outlet operated in an Operating Territory comprised of 12 Territories.

⁹ As of January 1, 2022, the Shoreline, CT Outlet operated in an Operating Territory comprised of four Territories. This Outlet added three Territories to its Operating Territory in September of 2024. As of December 31, 2024, the Shoreline, CT Outlet operated in an Operating Territory comprised of seven Territories.

¹⁰ As of January 1, 2022, the Huntington, NY Outlet operated in an Operating Territory comprised of two Territories. This Outlet added one Territory to its Operating Territory in November of 2024. As of December 31, 2024, the Huntington, NY Outlet operated in an Operating Territory comprised of three Territories.

¹¹ As of January 1, 2022, the South Shore, MA Outlet operated in an Operating Territory comprised of five Territories. This Outlet added three Territories to its Operating Territory in November of 2024. As of December 31, 2024, the South Shore, MA Outlet operated in an Operating Territory comprised of eight Territories.

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Table 3

All Operational Franchise Outlets
Average, Median, High and Low Gross Sales and Disclosed Expenses Data
2022 Calendar Year¹

	Average	Number of Outlets Above/Below Average	Median	High	Low
Gross Sales	\$1,127,086	21 (66%) / 11 (34%)	\$896,696	\$3,810,446²	\$268,387³
Direct Labor Gross Wages and Taxes	\$223,902	20 (63%) / 12 (37%)	\$188,136	\$700,938	\$60,638
Direct Labor Workers' Comp/General Liability	\$21,927	22 (69%) / 10 (31%)	\$13,351	\$193,259	\$1,702
Job Materials and Sundries	\$286,778	20 (63%) / 12 (38%)	\$251,333	\$919,304	\$70,582
Equipment, Small Tools, and Rentals	\$10,347	19 (59%) / 13 (41%)	\$6,657	\$35,419	\$0
Total Direct Cost of Goods and Services Sold	\$542,954	20 (63%) / 12 (38%)	\$463,337	\$1,847,544⁴	\$149,914⁵
Direct Gross Profit	\$584,133	20 (63%) / 12 (38%)	\$476,223	\$1,962,903⁶	\$118,473⁷
Rent, Utility, and Facility Maintenance Expenses	\$31,555	16 (50%) / 16 (50%)	\$30,987	\$107,905	\$479
Marketing Expenses	\$105,010	21 (66%) / 11 (34%)	\$89,930	\$263,415	\$54,074
Office Supplies Expenses	\$12,498	20 (63%) / 12 (38%)	\$7,831	\$45,018	\$684
Service Vehicle Expenses	\$52,427	20 (63%) / 12 (38%)	\$37,690	\$180,364	\$11,438
Royalty Fees	\$64,675	20 (63%) / 12 (38%)	\$49,276	\$228,549	\$16,047
Technology Fees	\$2,400	0 (0%) / 0 (0%)	\$2,400	\$2,400	\$2,400
Brand Development Fund Fees	\$15,389	19 (59%) / 13 (41%)	\$14,509	\$37,536	\$4,679
Contact Center Fees	\$27,879	20 (63%) / 12 (38%)	\$24,734	\$71,846	\$7,960
Total Disclosed Expenses	\$311,833	20 (63%) / 12 (38%)	\$263,111	\$897,285⁸	\$133,086⁹
Adjusted Profit	\$272,300	19 (59%) / 13 (41%)	\$183,328	\$1,065,618¹⁰	(\$57,873)¹¹

Notes to Table:

¹ The data represented in this table is for all Outlets that were Operational Franchise Outlets during the 2022 Calendar Year. We had a total of 37 Operational Franchise Outlets, but we exclude financial data for five Operational Franchise Outlets that did not maintain accurate and reliable financial records, failed to provide us with financial records, or were closed for a portion of the 2022 Calendar Year. The number of Territories that the 32 Operational Franchise Outlets in this table operate in range from a low of one to a high of eight Territories. Some Outlets have Territories that have been supplemented with additional Qualified Single-Family Households.

² The high Gross Sales data is for the Lehigh Valley, PA Outlet, which operated in an Operating Territory comprised of approximately four Territories as of December 31, 2022.

³ The low Gross Sales data is for the Little Elm, TX Outlet, which operated in an Operating Territory comprised of approximately two Territories as of December 31, 2022.

⁴ The high total Direct Cost of Goods and Services Sold data is for the Lehigh Valley, PA Outlet, which operated in an Operating Territory comprised of approximately four Territories as of December 31, 2022.

⁵ The low total Direct Cost of Goods and Services Sold data is for the Little Elm, TX Outlet, which operated in an Operating Territory comprised of approximately two Territories as of December 31, 2022.

⁶ The high Direct Gross Profit data is for the Lehigh Valley, PA Outlet, which operated in an Operating Territory comprised of approximately four Territories as of December 31, 2022.

⁷ The low Direct Gross Profit data is for the Little Elm, TX Outlet, which operated in an Operating Territory comprised of approximately two Territories as of December 31, 2022.

⁸ The high total Disclosed Expenses data is for the Lehigh Valley, PA Outlet, which operated in an Operating Territory comprised of approximately four Territories as of December 31, 2022.

⁹ The low total Disclosed Expenses data is for the East Birmingham, AL Outlet, which operated in an Operating Territory comprised of approximately one Territory as of December 31, 2022.

¹⁰ The high Adjusted Profit data is for the Lehigh Valley, PA Outlet, which operated in an Operating Territory comprised of approximately four Territories as of December 31, 2022.

¹¹ The low Adjusted Profit data is for the Little Elm, TX Outlet, which operated in an Operating Territory comprised of approximately two Territories as of December 31, 2022.

Table 4

All Operational Franchise Outlets
Average, Median, High and Low Gross Sales and Disclosed Expenses Data
2023 Calendar Year¹

	Average	Number of Outlets Above/Below Average	Median	High	Low
Gross Sales	\$1,166,277	35 (57%) / 26 (43%)	\$1,088,343	\$3,018,916²	\$354,175³
Direct Labor Gross Wages and Taxes	\$257,353	35 (57%) / 26 (43%)	\$235,447	\$592,963	\$75,066
Direct Labor Workers' Comp/General Liability	\$19,355	38 (62%) / 23 (38%)	\$16,416	\$110,846	\$0
Job Materials and Sundries	\$275,125	35 (57%) / 26 (43%)	\$246,719	\$625,621	\$79,073
Equipment, Small Tools, and Rentals	\$9,304	38 (62%) / 23 (38%)	\$6,779	\$32,727	\$0
Total Direct Cost of Goods and Services Sold	\$561,138	39 (64%) / 22 (36%)	\$509,752	\$1,232,752⁴	\$159,977⁵
Direct Gross Profit	\$605,139	38 (62%) / 23 (38%)	\$535,715	\$1,802,920⁶	\$142,847⁷
Rent, Utility, and Facility Maintenance Expenses	\$34,875	34 (56%) / 27 (44%)	\$33,346	\$96,741	\$0
Marketing Expenses	\$98,151	40 (66%) / 21 (34%)	\$87,166	\$275,736	\$39,048
Office Supplies Expenses	\$11,583	41 (67%) / 20 (33%)	\$8,371	\$54,156	\$1,877
Service Vehicle Expenses	\$52,167	41 (67%) / 20 (33%)	\$43,770	\$157,966	\$10,975
Royalty Fees	\$68,900	34 (56%) / 27 (44%)	\$62,234	\$181,436	\$21,164
Technology Fees	\$2,400	0 (0%) / 0 (0%)	\$2,400	\$2,400	\$2,400
Brand Development Fund Fees	\$19,720	36 (59%) / 25 (41%)	\$17,262	\$48,586	\$4,566
Contact Center Fees	\$31,741	35 (57%) / 26 (43%)	\$28,144	\$72,506	\$10,598
Total Disclosed Expenses	\$319,498	36 (59%) / 25 (41%)	\$286,567	\$841,340⁸	\$107,142⁹
Adjusted Profit	\$285,641	37 (61%) / 24 (39%)	\$245,759	\$961,580¹⁰	(\$83,343)¹¹

Notes to Table:

¹ The data represented in this table is for all Outlets that were Operational Franchise Outlets during the 2023 Calendar Year. We had a total of 74 Operational Franchise Outlets, but we exclude financial data for 13 Operational Franchise Outlets that did not maintain accurate and reliable financial records, failed to provide us with financial records, or were closed for a portion of the 2023 Calendar Year. The number of Territories that the 61 Operational Franchise Outlets in this table operate in range from a low of one to a high of 12 Territories. Some Outlets have Territories that have been supplemented with additional Qualified Single-Family Households.

² The high Gross Sales data is for the San Antonio, TX Outlet, which operated in an Operating Territory comprised of approximately eight Territories as of December 31, 2023.

³ The low Gross Sales data is for the Southwest Houston, TX Outlet, which operated in an Operating Territory comprised of approximately four Territories as of December 31, 2023.

⁴ The high total Direct Cost of Goods and Services Sold data is for the St. Louis, MO Outlet, which operated in an Operating Territory comprised of approximately six Territories as of December 31, 2023.

⁵ The low total Direct Cost of Goods and Services Sold data is for the Southwest Houston, TX Outlet, which operated in an Operating Territory comprised of approximately four Territories as of December 31, 2023.

⁶ The high Direct Gross Profit data is for the San Antonio, TX Outlet, which operated in an Operating Territory comprised of approximately eight Territories as of December 31, 2023.

⁷ The low Direct Gross Profit data is for the McKinney/East Dallas, TX Outlet, which operated in an Operating Territory comprised of approximately three Territories as of December 31, 2023.

⁸ The high total Disclosed Expenses data is for the San Antonio, TX Outlet, which operated in an Operating Territory comprised of approximately eight Territories as of December 31, 2023.

⁹ The low total Disclosed Expenses data is for the East Birmingham, AL Outlet, which operated in an Operating Territory comprised of approximately one Territory as of December 31, 2023.

¹⁰ The high Adjusted Profit data is for the San Antonio, TX Outlet, which operated in an Operating Territory comprised of approximately eight Territories as of December 31, 2023.

¹¹ The low Adjusted Profit data is for the McKinney/East Dallas, TX Outlet, which operated in an Operating Territory comprised of approximately three Territories as of December 31, 2023.

Table 5

All Operational Franchise Outlets
Average, Median, High and Low Gross Sales and Disclosed Expenses Data
2024 Calendar Year¹

	Average	Number of Outlets Above/Below Average	Median	High	Low
Gross Sales	\$1,212,481	37 (56%) / 29 (44%)	\$1,076,348	\$3,008,235²	\$325,513³
Direct Labor Gross Wages and Taxes	\$259,855	37 (56%) / 29 (44%)	\$223,874	\$672,620	\$24,075
Direct Labor Workers' Comp/General Liability	\$21,268	42 (64%) / 24 (36%)	\$17,957	\$90,232	\$950
Job Materials and Sundries	\$268,562	39 (59%) / 27 (41%)	\$225,758	\$673,370	\$67,244
Equipment, Small Tools, and Rentals	\$7,581	40 (61%) / 26 (39%)	\$4,695	\$42,763	\$0
Total Direct Cost of Goods and Services Sold	\$557,267	38 (58%) / 28 (42%)	\$497,162	\$1,454,017⁴	\$105,386⁵
Direct Gross Profit	\$655,214	40 (61%) / 26 (39%)	\$563,116	\$1,778,316⁶	\$170,874⁷
Rent, Utility, and Facility Maintenance Expenses	\$35,979	41 (62%) / 25 (38%)	\$32,037	\$111,328	\$0
Marketing Expenses	\$99,143	39 (59%) / 27 (41%)	\$84,851	\$263,462	\$12,937
Office Supplies Expenses	\$11,975	43 (65%) / 23 (35%)	\$9,704	\$51,206	\$1,592
Service Vehicle Expenses	\$52,027	44 (67%) / 22 (33%)	\$40,659	\$175,655	\$11,354
Royalty Fees	\$71,840	37 (56%) / 29 (44%)	\$64,611	\$180,412	\$19,644
Technology Fees	\$2,400	0 (0%) / 0 (0%)	\$2,400	\$2,400	\$2,400
Brand Development Fund Fees	\$21,412	40 (61%) / 26 (39%)	\$18,350	\$59,655	\$4,122
Contact Center Fees	\$34,043	39 (59%) / 27 (41%)	\$29,449	\$89,710	\$9,771
Total Disclosed Expenses	\$328,819	40 (61%) / 26 (39%)	\$297,666	\$833,650⁸	\$92,350⁹
Adjusted Profit	\$326,396	39 (59%) / 27 (41%)	\$271,251	\$958,060¹⁰	\$38,449¹¹

Notes to Table:

¹ The data represented in this table is for all Outlets that were Operational Franchise Outlets during the 2024 Calendar Year. We had a total of 87 Operational Franchise Outlets, but we exclude financial data for 21 Operational Franchise Outlets that did not maintain accurate and reliable financial records, failed to provide us with financial records, or were closed for a portion of the 2024 Calendar Year. The number of Territories that the 66 Operational Franchise Outlets in this table operate in range from a low of one to a high of 12 Territories. Some Outlets have Territories that have been supplemented with additional Qualified Single-Family Households.

² The high Gross Sales data is for the Austin, TX Outlet, which operated in an Operating Territory comprised of approximately seven Territories as of December 31, 2024.

³ The low Gross Sales data is for the Lancaster, PA Outlet, which operated in an Operating Territory comprised of approximately one Territory as of December 31, 2024.

⁴ The high total Direct Cost of Goods and Services Sold data is for the St. Louis, MO Outlet, which operated in an Operating Territory comprised of approximately six Territories as of December 31, 2024.

⁵ The low total Direct Cost of Goods and Services Sold data is for the Lancaster, PA Outlet, which operated in an Operating Territory comprised of approximately one Territory as of December 31, 2024.

⁶ The high Direct Gross Profit data is for the Austin, TX Outlet, which operated in an Operating Territory comprised of approximately seven Territories as of December 31, 2024.

⁷ The low Direct Gross Profit data is for the Arlington, VA Outlet, which operated in an Operating Territory comprised of approximately three Territories as of December 31, 2024.

⁸ The high total Disclosed Expenses data is for the San Antonio, TX Outlet, which operated in an Operating Territory comprised of approximately eight Territories as of December 31, 2024.

⁹ The low total Disclosed Expenses data is for the Lancaster, PA Outlet, which operated in an Operating Territory comprised of approximately one Territory as of December 31, 2024.

¹⁰ The high Adjusted Profit data is for the Austin, TX Outlet, which operated in an Operating Territory comprised of approximately seven Territories as of December 31, 2024.

¹¹ The low Adjusted Profit data is for the Arlington, VA Outlet, which operated in an Operating Territory comprised of approximately three Territories as of December 31, 2024.