

Item 18. Public Figures

We do not use any public figure to promote our franchise.

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 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.

For the purposes of this Item 19, "Gross Revenue" means all received and accrued revenue, including cash, cash equivalents, and credit, derived directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, from all business conducted with the use of the Marks or System or upon, from, or with, Huntington Services, eTutoring, or Contract Services, whether evidenced by check, cash, credit, charge, exchange, or otherwise (including the proceeds of any business interruption insurance policies) and whether for services or products provided or to be provided and whether such services or products are permitted or not permitted under the Franchise Agreement. Gross Revenue includes the fair market value of any goods or services received by you, directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, in the event consideration other than cash is received. Gross Revenue must not be offset by any expense; however, Gross Revenue excludes (a) all sales or similar taxes that, by law, are chargeable to customers (if such taxes are separately stated and charged to the customer, paid by the customer, and paid to the appropriate taxing authority by you) and (b) any documented refund given to customers by you in good faith.

A "mature HLC" is a HLC that is open at least a year. There were 248 mature HLCs open all of 2024. Their average revenue was \$589,575. A total of 32 of these HLCs achieved Gross Revenue of \$1,000,000 or more; and they averaged \$1,321,555 in revenue; and 11 or 34% of them were greater than average. Their median revenue was \$1,200,964 and 16 or 50% of them were greater than the median.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you will earn as much. Table A summarizes our financial performance averages.

Table A summarizes our financial performance representations and presents their averages.

Table A			
Financial performance averages			
Table	Description	Item	Average
19-1	Average Gross Revenue of the Open Franchise Centers	All services	\$589,575
19-2	Average Gross Revenue of the Open Franchise Centers by quartile"	Bottom 25%. There are 61 such HLCs	\$231,144
		Mid-lower 25%. There are 62 such HLCs	\$410,096
		Mid-upper 25%. There are 62 such HLCs	\$623,319
		Top 25%. There are 63 such HLCs	\$1,080,051

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Table A			
Financial performance averages			
Table	Description	Item	Average
19-3	Average Gross Revenue of the Open Franchise Centers by halves"	Bottom half. There are 123 such HLCs	\$312,770
		Top half. There are 125 such HLCs	\$788,049
19-4	Sales by service. Average ratio of sales to Gross Revenue of the Open Franchise Centers	Learning Center	60%
		Test Prep	22%
		Subject Tutoring	7%
		Other	11%
19-5	AE Rates. Average Academic Evaluation Rates of the Open Franchise Centers	Learning Center	58%
		Test Prep	64%
19-6	Learning Center Enroll Rates. Average Enroll Rates of the Open Franchise Centers	System	64%
		Using Coaching	71%
		Using Virtual Conferencing	69%
19-7	Exam Prep Enroll Rates. Average Enroll Rates of the Open Franchise Centers	System	61%
		Using Coaching	78%
		Using Virtual Conferencing	75%
19-8	Hourly Tuition. Hourly tuition at the Open Franchise Centers	Learning Center	\$61
		Test Prep	\$82
19-9	Length of Stay. Length of Stay at the Open Franchise Centers	Learning Center	95 hours
		Test Prep	40 hours
19-10	Average Monthly Fees at the franchised HLCs that used the Call Center or Conference Services (i.e., Coaching or Virtual Conferencing)	Call Center	\$1,088 per month
		Conference Services	\$931
19-11	Average premises monthly rent and square footage at the 11 new franchised HLCs that opened during 2022-2024	Rent	\$3,937 per month
		Square footage	1,735 square feet
19-12	2024 average salaries at the Company-Owned Centers open all or part of this year	Teacher pay as a percent of gross revenue	26%
		Assistant Director base salary	\$41,518
		Center Director or Center Manager base salary	\$49,273

Table 19-1 presents the Gross Revenue of the Open Franchise Centers, which are those Centers open all of 2024. The Gross Revenue at these Centers during 2024 averaged \$589,575.

Table 19-1										
Gross Revenue of franchised Huntington Learning Center® businesses open all of 2024										
# centers open the entire year	Average					Median				
	Average Gross Revenue	Number greater than average	Percent greater than average	Lowest Gross Revenue	Highest Gross Revenue	Median Gross Revenue	Number greater than median	Percent greater than median	Lowest Gross Revenue	Highest Gross Revenue
248	\$589,575	95	38%	\$86,373	\$3,249,778	\$516,683	124	50%	\$86,373	\$3,249,778

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Table 19-2 presents the Gross Revenue by quartile for the Open Franchised Centers. For example, the Gross Revenue of the 63 centers that comprised the top quartile averaged \$1,080,051.

Table 19-2											
Gross Revenue by quartiles of the 248 Open Franchise Centers											
Quartile	Number of franchised HLCs in this quartile	Average					Median				
		Average Gross Revenue	Number greater than average	Percent greater than average	Lowest Gross Revenue	Highest Gross Revenue	Median Gross Revenue	Number greater than median	Percent greater than median	Lowest Gross Revenue	Highest Gross Revenue
Bottom 25%	61	\$231,144	31	51%	\$86,373	\$310,061	\$227,778	31	51%	\$86,373	\$310,061
Mid-lower 25%	62	\$410,096	32	52%	\$312,770	\$509,224	\$416,958	30	48%	\$312,770	\$509,224
Mid-upper 25%	62	\$623,319	24	39%	\$515,764	\$777,807	\$592,897	30	48%	\$515,764	\$777,807
Top 25%	63	\$1,080,051	19	30%	\$788,049	\$3,249,778	\$957,433	31	49%	\$788,049	\$3,249,778
All	248	\$589,575	95	38%	\$86,373	\$3,249,778	\$517,601	123	50%	\$86,373	\$3,249,778

Table 19-3 presents the Gross Revenue by half for the Open Franchised Centers. For example, the Gross Revenue of the 125 centers that comprised the top half averaged \$853,512.

Table 19-3											
Gross Revenue by halves of the 248 Open Franchise Centers											
Quartile	Number of franchised HLCs in this half	Average					Median				
		Average Gross Revenue	Number greater than average	Percent greater than average	Lowest Gross Revenue	Highest Gross Revenue	Median Gross Revenue	Number greater than median	Percent greater than median	Lowest Gross Revenue	Highest Gross Revenue
Bottom half	123	\$321,347	58	47%	\$86,373	\$509,224	\$312,770	61	50%	\$86,373	\$509,224
Top half	125	\$853,512	49	39%	\$515,764	\$3,249,778	\$788,049	62	50%	\$515,764	\$3,249,778
All	248	\$589,575	95	38%	\$86,373	\$3,249,778	\$517,601	123	50%	\$86,373	\$3,249,778

Table 19-4 presents the ratio of sales to Gross Revenue for Learning Center, Test Prep, Subject Tutoring, and Other services at the Open Franchised Centers. Percents may not total to 100% due to rounding. Other sales consist of Academic Evaluation fees, registration fees, and miscellaneous sales. For example, Learning Center Service averaged 60% of center sales at the Open Franchise Centers.

Table 19-4						
Sales by service of the Open Franchise Centers						
	Average			Median		
Service	Average ratio of sales to Gross Revenue	Number greater than average	Percent greater than average	Median ratio of sales to Gross Revenue	Number greater than median	Percent greater than median
Learning Center	60%	129	52%	62%	124	50%
Test Prep	22%	118	48%	21%	124	50%
Subject Tutoring	7%	94	38%	6%	124	50%
Other	11%	86	35%	8%	124	50%

Table 19-5 presents the Academic Evaluation ("AE") Rates at the Open Franchised Centers. The AE Rate is the ratio of the number of AEs to the number of inquiries. For example, the Learning Center AE Rate averaged 58%.

Table 19-5						
Academic Evaluation Rates of the Open Franchise Centers						
	Average			Median		
Service	Average AE Rate	Number greater than average	Percent greater than average	Median AE Rate	Number greater than median	Percent greater than median
Learning Center	58%	118	48%	57%	124	50%
Test Prep	64%	143	58%	66%	124	50%

Table 19-6 presents Learning Center Enroll Rates at the Open Franchised Centers. The Enroll Rate is the ratio of the number of enrollments to the number of AEs. For example, the System's Learning Center Enroll Rate averaged 64%. For HLCs that used Coaching, the rate averaged 72% and at the HLCs that used Virtual Conferencing, the rate averaged 71%.

Table 19-6							
Learning Center Enroll Rates at the Open Franchise Centers							
Group	Number of participating HLCs	Average			Median		
		Average Enroll Rate	Number greater than average	Percent greater than average	Median Enroll Rate	Number greater than median	Percent greater than median
System	248	64%	129	52%	64%	124	50%
Using Coaching	116	71%	57	49%	71%	57	49%
Using Virtual Conferencing	137	69%	69	50%	70%	59	43%

Table 19-7 presents Exam Prep Enroll Rates at the Open Franchised Centers. The Enroll Rate is the ratio of the number of enrollees to the number of AEs. For example, the System's Exam Prep Enroll Rate averaged 61%. For HLCs that used Coaching, the rate averaged 0%; and at the HLCs that used Virtual Conferencing, the rate averaged 0%.

Table 19-7							
Exam Prep Enroll Rates at the Open Franchise Centers							

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Group	Number of participating HLCs	Average			Median		
		Average Enroll Rate	Number greater than average	Percent greater than average	Median Enroll Rate	Number greater than median	Percent greater than median
System	248	61%	137	55%	64%	124	50%
Using Coaching	100	78%	56	56%	82%	49	49%
Using Virtual Conferencing	109	75%	53	48%	75%	53	48%

Table 19-8 presents the hourly tuition rates from the Open Franchised Centers. For example, their Learning Center tuition rate averaged \$61 per hour and their Exam Prep tuition rate averaged \$82 per hour.

Table 19-8						
Hourly Tuition by service at the Open Franchise Centers						
Service	Average hourly tuition	Average		Median		
		Number greater than average	Percent greater than average	Median hourly tuition	Number greater than median	Percent greater than median
Learning Center	\$61	98	40%	\$59	124	50%
Test Prep	\$82	118	48%	\$81	123	50%

Table 19-9 presents the Length of Stay at the Open Franchised Centers. Length of Stay or "LOS" is the number of hours a student uses before ceasing instruction. For example, Learning Center Length of Stay averaged 95 hours.

Table 19-9						
Length of Stay of the Open Franchise Centers						
Service	Average LOS	Average		Median		
		Number greater than average	Percent greater than average	Median LOS	Number greater than median	Percent greater than median
Learning Center	95	109	44%	92	123	50%
Test Prep	40	119	49%	39	122	50%

Table 19-10 presents the monthly fees that HLCs that used the Call Center paid for its services and the monthly fees that the HLCs that used Conference Services (i.e., Coaching and Virtual Conferencing) paid for its services. For example, monthly Call Center fees averaged \$1,088; and monthly Conference Services fees averaged \$931.

Table 19-10							
Average Monthly Fees Paid by Franchised HLCs Using Call Center Services, Coaching Services, and Virtual Conferencing Services in 2024							
Service	Number of participating franchised HLCs	Average			Median		
		Average fee per month	Number greater than average	Percent greater than average	Median fee per month	Number greater than median	Percent greater than median
Call Center	186	\$1,088	67	36%	\$971	93	50%
Coaching & Virtual Conferencing	184	\$931	72	39%	\$677	92	50%

Table 19-11 presents the monthly rent and square footage of the 11 new franchised HLCs that opened during 2022-2024. Rent is the first year's base rent plus common area maintenance (CAM) charges.

Generally, rent increases in subsequent years due to negotiated rent increases. These HLCs are located in AL, AR, CT, FL, GA, IN, NC, TN, TX, UT, and VA. For example, their base rent and CAM averaged \$3,937 per month and they averaged 1,735 square feet in size.

Table 19-11						
Premises Rent and Square Footage at new franchised HLCs during 2022-2024						
Category	Average			Median		
	Average	Number greater than average	Percent greater than average	Median	Number greater than median	Percent greater than median
Rent	\$3,937	4	36%	\$3,603	5	45%
Square footage	1,735	4	36%	\$1,550	5	45%

Table 19-12 presents information about salaries (excluding bonus, taxes, and benefits) for the teachers, Center Directors/Center Managers, and Assistant Directors who Company-Owned Centers employed in 2024. We calculated the number greater than average, percent greater than average, number greater than median, and percent greater than median based on the number of centers in which teachers worked. We calculated these statistics for Assistant Directors and Center Directors/Center Managers based on the number of individuals who worked at these centers. In addition to salaries, Huntington Learning Corporation pays bonuses to its Assistant Directors and Center Directors/Center Managers. Teacher pay as a percent of revenue and teacher, Assistant Director, and Center Director/Center Manager salaries may differ substantially at franchised HLCs.

Table 19-12						
Salaries at the Company-Owned Centers open all or part of 2024						
Category	Average			Median		
	Average	Number greater than average	Percent greater than average	Median	Number greater than median	Percent greater than median
Teacher pay as a percent of gross revenue	26%	69	38%	26%	69	50%
Assistant Director base salary	\$41,518	6	75%	\$42,006	3	38%
Center Director /Manager base salary	\$49,273	7	88%	\$53,813	4	50%

Gross Margin

This section estimates that the Open Franchise Centers achieved a 2024 Gross Margin of \$224,240 and a Gross Margin Percent of 38%. Gross Margin is Gross Revenue (\$589,575) less Principal Expenses (\$365,335) and Gross Margin Percent is the ratio of Gross Margin to Gross Revenue.

"Principal Fixed Expenses" are rent, advertising, full-time payroll, Call Center fees, Coaching and Virtual Conferencing fees, and Training and Technology fees. You may consider other expenses to be Principal Fixed Expenses. We excluded Virtual Testing, since we did not offer it in 2024. Fixed expenses are the expenses you can forecast with some confidence, because they typically do not change significantly from month to month. (Note that Call Center fees and Coaching and Virtual Conferencing fees vary from month to month. However, over the course of a year, they tend to total to the figures used in this section). From Table A, these annual expenses average \$47,245 (for rent), \$57,000 (for minimum advertising), and \$49,273 (for full-time payroll for one Center Manager - excluding bonus, payroll tax, and benefits). Using the averages from Table A we estimate these annual expenses as \$11,527 (for Call Center fees), \$9,862 (for Coaching and Virtual Conferencing fees). Training and Technology Fees are \$15,600. Using these figures, 2024 Principal Fixed

Expenses totaled \$143,262.

"Principal Variable Expenses" are teacher pay, royalty, and Huntington Ad Fund payments. Variable expenses are expenses that vary depending on many factors, including revenue. You may consider other expenses to be Principal Variable Expenses. Using the average 2024 Open Franchise Center revenue of \$589,575 from Table A, these annual expenses averaged \$154,272 (teacher pay at 26.2% times revenue), \$56,010 (royalty at 9.5% times revenue), and \$11,792 (Huntington Ad Fund at 2% times revenue). Your revenue may be lower than the average revenue in Table A, especially during your start-up period. Using these figures, 2024 Principal Variable Expenses totaled \$222,073.

"Principal Expenses" is the sum of Principal Fixed Expenses and Principal Variable Expenses. Using the above figures, these were \$143,262 and \$222,073, respectively, and totaled \$365,335. Your results may differ. You may have other or different principal fixed or principal variable expenses, especially during your start-up period. These other expenses include those in the following table, which includes some of the expense items that franchisees present on their end-of-year profit and loss statements; your profit and loss statement may contain additional or different items. Some outlets have earned this amount and had expenses of these amounts. Your individual results may differ. There is no assurance that your results will be similar.

Expenses Listed on the End-of-Year P&L Statement that Franchisees Must Submit to Us	
Gross payroll – Franchisee	Training and Technology Fee
Gross payroll – Teacher Supervisor, Program Administrator	Supplies
Gross payroll – part-time teachers	Professional fees (accounting, legal, etc.)
Gross payroll – any other part-time staff	Telephone & internet service provider
Commissions and bonuses	Accounting & payroll expenses
Payroll taxes (Employer FICA, FUTA, etc.)	Travel and entertainment
Employee benefits	Royalty
Advertising (TV, radio, direct mail, print, internet, etc.)	Huntington Advertising Fund Fee
Payment to CoOp	Contract Services Advertising Fund Fee
Building (rent, utilities, janitor, maintenance, etc.)	Insurance (property, liability, health, workman's comp, etc.)
Repairs and maintenance	Depreciation and amortization
Utilities (gas, water, electric)	Debt service
Call Center fees	Training (travel, food, lodging, etc.) & convention
Conference Services fees	Taxes, other than payroll
Virtual Testing fees	Other expenses

States in which franchised HLCs operated during 2024					
AL	FL	KY	MS	NY	TX
AZ	GA	LA	MT	OH	UT
AR	IA	MA	NC	OK	VA
CA	ID	MD	NE	OR	WA
CO	IL	MI	NJ	PA	WI
CT	IN	MN	NM	SC	
DE	KS	MO	NV	TN	

How we calculated the financial performance representations in this Item 19

Except for full-time payroll, rent, Call Center fees, Virtual Testing fees, and Coaching Service fees, we calculated the financial performance representations in this item from data franchisees entered into our Software. We calculated rent from reports franchisees submitted to us. We calculated Call Center and

Coaching Service fees from amounts franchisees paid us. We believe operational data are accurate, because franchisees use the data they enter into the Software to operate and manage their franchised businesses. We believe the sales data are accurate, because franchisees pay us Royalty and Huntington Advertising Fund Fees calculated as a percentage of sales. We have neither audited nor in any other manner substantiated truthfulness, accuracy, or completeness of any data franchisees supplied to us.

Notes

Many factors influence sales, expenses, and operating results, including economic, social, and demographic factors, like local economic conditions, the local market for your services, the number of nearby school-age children, and average household income. These factors include present and future federal, state, and municipal laws and regulations.

Revenue, Academic Evaluation Rates, Enrollment Rates, Length of Stay, and other key operating statistics vary widely among franchised HLCs and depend on many factors, like quality of customer service, timeliness of the Academic Evaluation and enrollment conference and the quality of these experiences, quality of your instruction and customer service, and other factors. Some outlets were able to obtain the results in this Item 19. Your results may differ. There is no assurance that you will obtain these results.

If you estimate *revenue per inquiry* as the product of Academic Evaluation Rate, Enrollment Rate, Length of Stay, and hourly tuition, then your estimate may differ significantly from the actual *revenue per inquiry* you achieve. If you estimate your *revenue* as the product of *number of inquiries* and *revenue per inquiry*, then your estimate may differ significantly from the actual *revenue* you achieve.

This Item 19 presents information about square footage and rent for a small number of franchised HLCs from a limited geographic area during a limited period of time. Your rent may be higher. Rent typically is higher for retail space than non-retail or professional space. Rent typically is higher in higher density or urban areas or in certain areas of the country.

Franchised HLCs differ from each other in many important ways, including the personnel they employ, the training they provide to their personnel, their management of their personnel, their market area and geographic location, the number of children and population contained thereabout, and the economic and financial circumstances of this population. The economic and demographic factors that exist at and about your HLC likely will not remain constant. Franchised HLCs also differ from each other in their physical, marketing, employee, and Owner's characteristics and in many other factors that may or may not exist or be similar to the factors that exist at your HLC or in any other location or geographic area or market area that you may consider.

You should conduct an independent investigation of the costs and expenses you will incur in operating the Franchised Business. We encourage you to contact our current and former franchisees, who are listed in Exhibit G, and to consult with financial, business, and legal advisors about this Item 19.

Written substantiation for the financial and operational performance representation will be made available to prospective franchisees upon reasonable request.

Other than the preceding financial performance representations, the Franchisor does not make any financial performance representations. We 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 our Chairman, Raymond J. Huntington, at 496 Kinderkamack Road, Oradell, New Jersey 07649 and telephone (800) 653-8400, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20. Outlets and Franchisee Information

All numbers in the charts in this Item 20 are as of our fiscal year end, which is December 31.

Table 20.1 System Wide Center Summary For years 2022 to 2024				
Col. 1	Col. 2	Col. 3	Col. 4	Col. 5
Center Type	Year	Centers at the Start of the Year	Centers at the End of the Year	Net Change
Franchised Businesses	2022	277	276	-1
	2023	276	269	-7
	2024	269	255	-14
Company-Owned Centers	2022	13	10	-3
	2023	10	6	-4
	2024	6	4	-2
Total Centers	2022	290	286	-4
	2023	286	275	-11
	2024	275	259	-16

Table 20.2 Transfer of Centers from Franchisees to New Owners (other than the Franchisor) For years 2022 to 2024		
State	Year	Number of Transfers
Alabama	2022	0
	2023	1
	2024	0
Arkansas	2022	0
	2023	0
	2024	0
California	2022	2
	2023	1
	2024	2
Colorado	2022	0
	2023	0
	2024	0
Connecticut	2022	0
	2023	0
	2024	0
Delaware	2022	0
	2023	0
	2024	0
Florida	2022	1
	2023	3
	2024	3
Georgia	2022	0