

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about 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 franchise 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 of a particular unit or within a particular territory, or under particular circumstances.

BACKGROUND

The financial performance representation information in this Item 19 includes certain financial performance information relating to our Mr. Transmission Centers and Milex Centers "Repair Brand Centers" relating to information for the period of operation from January 1, 2024 to December 31, 2024 ("Measurement Period"). Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

In this Item 19, we disclose the Average Gross Sales, Average Costs of Goods, and Average Gross Profit Margin for the single-brand Mr. Transmission or Milex Centers that were open for more than one year as of December 31, 2024, and were open for the entire Measurement Period. We have excluded from Table 2-A all those Mr. Transmission or Milex Centers that did not provide us with their profit and loss statements. We refer to the Centers presented as the "Representative Repair Brand Centers". These also include Centers operating under the Multistate Transmission and the Dr. Nick's marks – as described in Item 1 of this disclosure document, we no longer offer new franchises under these marks, but our existing franchises operating under these marks are otherwise substantially similar to the Mr. Transmission Centers offered in this disclosure document.

SOURCE OF DATA

For Table 1 of Item 19, we have obtained the Gross Sales data from our franchisees, either through weekly sales reports, or other sales reports or profit and loss statements.

For Table 2 of Item 19, we obtained the sales and expense information from profit and loss statements for the Measurement Period submitted to us by the Representative Mr. Transmission and Milex Service Centers "Repair Brand Centers". Not all franchisees submitted profit and loss statements. There are 106 operational repair brand service center franchisees. There are 72 operational repair brand service center franchisees that did not submit a profit and loss statement and are excluded from these tables.

DEFINED TERMS

"Gross Sales" is defined as all sales generated of any kind whatsoever, regardless of whether cash payment is actually received at the time of the transaction, including credit card sales, redemption of System gift cards and accounts receivable sales, in connection with the operation of the applicable Center including, but not limited to, sales of automotive supplies, accessories, gas, oil, repair parts and/or any service or product sold within or without the applicable Center premises, but excluding intra-company warranty repairs. Gross Sales will not include sales tax,

excise tax or other tax with respect to such sales, or revenue you derive from selling or issuing System gift cards, but will include “business interruption” insurance payments.

The “Cost of Goods” for our franchisees is comprised of (1) parts, (2) fluids, and (3) technician labor. Please note that “Average Gross Profit Margin” for each subset presented below is equal to the Average Gross Sales for that subset minus the Average Cost of Goods for that subset. All other expenses, including, but not limited to, rent, royalty fees, advertising, taxes, start-up costs and insurance will impact your operating profit and are not included in the Average Cost of Goods figures.

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REPRESENTATIVE REPAIR BRAND CENTERS

We disclose the: (i) the Average Gross Sales earned by the Representative Mr. Transmission and Milex Service Centers during the Measurement Period, segmented into ranges based on Gross Sales; and (ii) the Average Costs of Goods and Average Gross Profit Margin for Representative Mr. Transmission and Milex Service Centers during the Measurement Period, also segmented into ranges.

Representative Mr. Transmission and Milex Service Centers Calendar Year 2024 Sales Table 1-A

Sales Range	Number of Centers	Average Gross Sales	High Gross Sales	Low Gross Sales	# of Centers Above Average	% of Centers Above Average	Median Gross Sales
Range 1 - \$1,000,000 and above	23	\$1,501,454.01	\$2,727,928.00	\$1,003,755.31	8	34.78%	\$1,370,653.30
Range 2 - \$600,000- 999,999	22	\$764,461.81	\$992,363.27	\$604,023.62	10	45.45%	\$749,575.84
Range 3 - \$599,999 and below	26	\$388,854.55	\$567,163.00	\$140,720.75	14	53.85%	\$413,114.73
TOTAL	71	\$884,923.46	\$1,429,151.42	\$582,833.23	32	45.07%	\$844,447.96

For purposes of the financial performance representation in Table 1-A above, we have divided the Representative Mr. Transmission and Milex Service Centers into three ranges based on their Gross Sales for the Measurement Period.

In GPM Table 2-A below, you will find disclosures of Average Gross Sales, Average Cost of Goods and Average Gross Profit Margin for the Representative Mr. Transmission and Milex Service Centers during the Measurement Period, segmented into the same three ranges based on Gross Sales during the Measurement Period.

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Representative Mr. Transmission and Milex Service Centers
Calendar Year 2024
GPM Table 2-A

Sales Range	Number of Centers	Average # Years Opened	Average Gross Sales	Average COGS	COGS %	Average Gross Profit Margin	Average Gross Profit Margin %
Range 1 - \$1,200,000 and above	11	16	\$1,898,566.71	\$1,009,421.32	53.2%	\$889,145.39	46.8%
Range 2 - \$800,000-1,199,999	12	15	\$1,025,078.22	\$544,605.53	53.1%	\$480,472.69	46.9%
Range 3 - \$799,999 and below	11	19	\$587,164.36	\$295,922.38	50.4%	\$291,241.98	49.6%
TOTAL	34	16	\$1,170,269.76	\$616,649.74	52.7%	\$553,620.02	47.3%

Of the 34 Representative Mr. Transmission and Milex Service Centers profiled in Table 2-A, 5 Centers, or 14.7% exceeded the Average Gross Sales, and 6 Centers, or 17.65%, exceeded the Average Gross Profit Margin of 51%.

Some outlets have earned these amounts. Your individual results may differ. There is no assurance that you will earn as much.

Other than the preceding financial performance representation, Moran Industries, Inc. does 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 the franchisor's management by contacting Peter Baldine, Moran Industries, Inc., 11524 West 183rd Place, Suite 100, Orland Park, Illinois 60467, (800) 377-9247, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For Years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	116	111	-5
	2023	111	107	-4
	2024	107	106	-1
Company Owned*	2022	2	2	0
	2023	2	3	+1
	2024	3	5	+2
Total Outlets (United States)	2022	118	113	-5
	2023	113	110	-3
	2024	110	111	+1
Outside United States (Franchised Only)	2022	2	2	0
	2023	2	2	0
	2024	2	2	0
Total Outlets	2022	120	115	-5
	2023	115	112	-3
	2024	112	113	+1

Our Fiscal Year End is December 31.

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