

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 that 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.

Gross Sales of Franchised Stores for the Years 2023 Through 2024

At the end of calendar year 2024, there were 1,754 franchised Sport Clips stores. The Statements of Gross Sales below do not include 83 Company-owned stores located in Central Texas, Southern Nevada, Oklahoma, Arkansas, and New York. All stores included in the Statements of Gross Sales did not receive any services that were not generally available to other Sport Clips stores, and each store offered similar products and services as would generally be offered by a typical Sport Clips store.

STATEMENT OF GROSS SALES YEAR 2024 GROSS SALES AS REPORTED TO THE COMPANY (1,669 mature stores (with more than 2 years in operations) that were operational at December 31, 2024)		
Gross Sales	Number of Stores	Percentage of Stores/Cumulative % of stores at each level or higher
Over \$1,000,000	4	<1% / 1%
\$800,001 - \$1,000,000	28	2% / 2%
\$600,001 - \$800,000	151	9% / 11%
\$500,001 - \$600,000	257	15% / 27%
\$400,001 - \$500,000	435	26% / 52%
\$300,001 - \$400,000	450	28% / 80%
\$250,001 - \$300,000	171	10% / 89%
Less than \$250,000	173	10% / 100%
Total	1,669	100%

These 1,669 stores had average sales of \$419,485 for the entire year of 2024. 788 stores had sales above this average, and 881 stores had sales lower than the average. The median sales for these 1,645 stores were \$409,206 for the entire year of 2024.

Expense Reports for Company-Owned Stores During 2024

We owned and operated 83 stores in Central Texas, Southern Nevada, Oklahoma Arkansas, and New York markets during 2024. We are not offering franchises in these markets. The table below does not include 4 non-mature Company-owned stores that have opened since Q4 2023. 1 Company-owned store has temporarily closed due to weather-related incident and is not included. 5 Company-owned stores in New York are also not included.

The managers of the Company-owned stores included in the Expense Reports did not receive any services that were not generally available to other Sport Clips stores. Each store offered similar products and services as would generally be offered by a typical Sport Clips store, except for limited tests of procedures, products and/or services that may or may not be eventually incorporated into the system, depending on the success of the tests.

The Expense Reports below show the average expenses at each sales level and those expenses as a percentage of total revenue in each column.

2024 Average by Sales Band

Total Stores					
	Sales Less Than \$400000	Sales Between \$400001 And \$500000	Sales Between \$500001 And \$600000	Sales Greater Than \$600000	Average of All Stores
Number of Stores	19	16	16	22	73
Net Sales	\$329,623 100%	\$444,101 100%	\$544,869 100%	\$766,141 100%	\$533,445 100%
Variable Costs (Note 1)	\$23,997 7%	\$29,626 7%	\$33,643 6%	\$48,659 6%	\$34,778 7%
Payroll (Note 2)	\$179,772 55%	\$216,748 49%	\$263,531 48%	\$358,439 47%	\$260,079 49%
Occupancy (Note 3)	\$76,724 23%	\$74,360 17%	\$70,609 13%	\$78,379 10%	\$75,364 14%
Advertising (Note 4)	\$17,686 5%	\$23,953 5%	\$28,807 5%	\$32,820 4%	\$26,058 5%
Miscellaneous (Note 5)	\$11,827 4%	\$12,785 3%	\$13,416 2%	\$14,434 2%	\$13,171 2%
Operating Profit (Note 6)	\$19,617 6%	\$86,628 20%	\$134,863 25%	\$233,411 30%	\$123,995 23%

The Expense Reports below show the expenses at each sales level using the median value methodology.

2024 Median by Sales Band

Total Stores					
	Sales Less Than \$400000	Sales Between \$400001 And \$500000	Sales Between \$500001 And \$600000	Sales Greater Than \$600000	Median of All Stores
Number of Stores	19	16	16	22	73
Net Sales	\$318,723 100%	\$435,683 100%	\$539,304 100%	\$734,325 100%	\$513,410 100%
Variable Costs (Note 1)	\$23,927 8%	\$29,531 7%	\$33,279 6%	\$45,937 6%	\$31,695 6%
Payroll (Note 2)	\$177,208 56%	\$217,151 50%	\$262,514 49%	\$344,019 47%	\$245,394 48%
Occupancy (Note 3)	\$75,502 24%	\$72,792 17%	\$68,701 13%	\$77,489 11%	\$74,309 14%
Advertising (Note 4)	\$16,664 5%	\$23,255 5%	\$28,394 5%	\$32,997 4%	\$27,366 5%
Miscellaneous (Note 5)	\$11,555 4%	\$12,554 3%	\$12,808 2%	\$13,548 2%	\$12,562 2%
Operating Profit (Note 6)	\$13,867 4%	\$80,401 18%	\$133,609 25%	\$220,337 30%	\$122,084 24%

Note 1. Variable Costs include operating supplies, cost of goods sold, bank service charges, credit card discounts, and advertising to recruit Stylists.

Note 2. Payroll includes direct payroll, including payroll for an on-site full-time manager, payroll taxes, payroll processing, and fringe benefits except for 401K, disability, and medical insurance costs.

Note 3. Occupancy includes rent, pass-through expenses from the landlord, utilities, phone charges, and repairs and maintenance.

Note 4. Advertising includes the weekly payments to the Ad Fund plus other advertising and marketing expenses for the store.

Note 5. Miscellaneous expense includes magazine subscriptions, store insurance, awards, contributions to the Technology Fund, the Recruitment Fund, the Sport Clips Wayne McGlone Memorial Relief Fund, and overages and/or shortages from the cash drawer.

Note 6. Operating Profit does not include an amount paid for royalties or weekly training fees. The numbers in the Expense Report are unaudited, but we believe that these numbers are substantially correct.

Written substantiation for the financial performance representation will be made available to the prospective franchisee at the Company's office at 110 Sport Clips Way, Georgetown, Texas 78628.

Other than the preceding financial performance representation, Sport Clips, 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 Edward Logan, 110 Sport Clips Way, Georgetown, Texas, 78628, telephone (512) 869-1201, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

System Wide Outlet Summary For Years 2022 To 2024

Table No. 1

Franchised and Company-Owned Stores

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	1,778	1,781	3
	2023	1,781	1,785	4
	2024	1,785	1,754	-31
Company-Owned	2022	72	74	2
	2023	74	75	1
	2024	75	83	8
Total	2022	1,850	1,855	5
	2023	1,855	1,860	5
	2024	1,860	1,837	-23

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) For Years 2022 to 2024

	Year	Number of Transfers
Alabama	2022	1
	2023	0
	2024	13
Alaska	2022	0
	2023	0
	2024	2
Arizona	2022	0
	2023	0
	2024	0