

(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) 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.

Presented below in Sections 19-A and 19-B are certain operating and sales results from 1,502 Distributors during the period from January 1, 2024 through December 31, 2024. The four different charts in each Section display this data for the three different types of Matco Distributorships that a Distributor may operate: (1) the “standard” Distributorship, (2) the 225, and (3) the ETD. The other (first) chart in each Section displays this data for all Distributors in the system, including standard Distributorships, 225s, and ETDs. For the purposes of this Item 19, a standard Distributorship has between 325 and 349 Potential Customers, a 225 has fewer than 325 Potential Customers, and an ETD has 350 or more Potential Customers. In 2024, there were 1,268 standard Distributors, 31 225s, and 203 ETDs.

This Item 19 only includes operating data for Matco Distributors in the United States that operated pursuant to Distributorship Agreements with Matco and were in business for all of 2024. Matco is not providing, and this Item 19 does not reflect, information regarding Distributors who started during 2024, or those who left the system or stopped selling Products during 2024.

Section 19-A reflects the average gross revenue figures, referred to as “Average Total Completed Business,” for the Matco Distributors, which includes the revenue from the sales of Products and any other items that were sold by the Mobile Store. Section 19-A also includes the Median, and the Highest and Lowest gross revenue figures. The information is segregated into thirds, based on Total Completed Business. Section 19-B reflects the average weekly sales figures for the Matco Distributors in 2024. Section 19-B also includes the Median, and the Highest and Lowest weekly sales figures. The information in Section 19-A and Section 19-B is explained below. Please read carefully all of the information in this Item 19, and all of the notes following the data, in conjunction with your review of the historical data.

Section 19-A:

Average, Median, and Highest and Lowest Numbers in the Range of Total Completed Business – 2024

CHART 1

All Reporting Distributorships		
<u>Top 1/3</u>	<u>Middle 1/3</u>	<u>Bottom 1/3</u>
Average: \$766,817	Average: \$489,391	Average: \$303,872
No. of Distributors Above Average: 191 (37%)	No. of Distributors Above Average: 255 (50%)	No. of Distributors Above Average: 305 (59%)
Median: \$717,524	Median: \$487,544	Median: \$3324,948

All Reporting Distributorships		
<u>Top 1/3</u>	<u>Middle 1/3</u>	<u>Bottom 1/3</u>
Highest: \$1,966,672	Highest: \$577,768	Highest: \$410,768
Lowest: \$579,613	Lowest: \$411,030	Lowest: \$16,995

CHART 2

Standard Distributorships		
<u>Top 1/3</u>	<u>Middle 1/3</u>	<u>Bottom 1/3</u>
Average: \$726,149	Average: \$477,882	Average: \$300,408
No. of Distributors Above Average: 167 (39%)	No. of Distributors Above Average: 210 (50.7%)	No. of Distributors Above Average: 250 (59.2%)
Median: \$687,626	Median: \$477,521	Median: \$318,327
Highest: \$1,483,674	Highest: \$557,851	Highest: \$404,452
Lowest: \$558,615	Lowest: \$404,737	Lowest: \$5,032

CHART 3

225 Distributorships		
<u>Top 1/3</u>	<u>Middle 1/3</u>	<u>Bottom 1/3</u>
Average: \$676,092	Average: \$409,093	Average: \$186,583
No. of Distributors Above Average: 6 (37.5%)	No. of Distributors Above Average: 7 (43.8%)	No. of Distributors Above Average: 8 (53.3%)
Median: \$638,952	Median: \$395,866	Median: \$227,159
Highest: \$987,608	Highest: \$532,232	Highest: \$288,784
Lowest: \$540,785	Lowest: \$325,193	Lowest: \$7,159

CHART 4

Enhanced Territory Distributorships (ETDs)		
<u>Top 1/3</u>	<u>Middle 1/3</u>	<u>Bottom 1/3</u>
Average: \$964,951	Average: \$600,479	Average: \$365,323
No. of Distributors Above Average: 30 (44.1%)	No. of Distributors Above Average: 34 (50%)	No. of Distributors Above Average: 35 (52.2%)
Median: \$924,951	Median: \$599,528	Median: \$371,652
Highest: \$1,966,672	Highest: \$718,832	Highest: \$5483,477
Lowest: \$718,853	Lowest: \$485,192	Lowest: \$16,995

Notes for Section 19-A:

1. Chart 1 – *All Distributors*: Chart 1 chart reflects the operating data for 1,502 total Matco Distributors in the United States operating pursuant to Distributorship Agreements with Matco that were in business for all of 2024 and who reported sales for at least 48 weeks during 2024. The three groupings of Distributors in Chart 1 (Top 1/3, Middle 1/3 and Bottom 1/3) included 515 Distributors in the Top 1/3 group, 515 Distributors in the Middle 1/3 group, and 515 Distributors in the Bottom 1/3 group.
2. Chart 2 – *Standard Distributorships*: Chart 2 reflects the operating data for 1,268 standard Matco Distributors in the United States operating pursuant to Distributorship Agreements with Matco that were in business for all of 2024, who had between 325 and 349 Potential Customers, and who reported sales for at least 48 weeks during 2024. The three groupings of Distributors (Top 1/3, Middle 1/3 and Bottom 1/3) included 423 Distributors in the Top 1/3 group, 423 Distributors in the Middle 1/3 group, and 422 Distributors in the Bottom 1/3 group.
3. Chart 3 – *225s*: Chart 3 reflects the operating data for 31 total Matco Distributors in the United States operating pursuant to Distributorship Agreements with Matco that were in business for all of 2024, who had fewer than 325 Potential Customers, and who reported sales for at least 48 weeks during 2024. The three groupings of Distributors (Top 1/3, Middle 1/3 and Bottom 1/3) included 16 Distributors in the Top 1/3 group, 16 Distributors in the Middle 1/3 group, and 15 Distributors in the Bottom 1/3 group.
4. Chart 4 – *ETDs*: Chart 4 reflects the operating data for 203 total Matco Distributors in the United States operating pursuant to Distributorship Agreements with Matco that were in business for all of 2024, who had more than 350 Potential Customers, and who reported sales for at least 48 weeks during 2024. The three groupings of Distributors (Top 1/3, Middle 1/3 and Bottom 1/3) included 68 Distributors in the Top 1/3 group, 68 Distributors in the Middle 1/3 group, and 67 Distributors in the Bottom 1/3 group.
5. The term “Total Completed Business,” as used in Section 19-A, means the total cash or revenue a Distributor received during 2024 including sales tax collected, from the sale of all products and services. This includes revenue from the sale of Products and any other items that were sold by the Mobile Store. The revenue received by the Distributors is comprised of cash sales, Time Payment collections from previous sales, credits received by the Distributor from the sale of PSA (Purchase Security Agreements,

which are installment contracts; see Item 10 above), and cash received based on monthly invoices and customers (usually products sold to a shop or business, and not an individual). This does not include any Volume Payment to Terms bonus, or rebate payments.

6. The “Average” is calculated by adding the total business for all Distributors in the group, and dividing that number by the number of Distributors in the group.

7. The term “Median” means the data point that is in the center of all data points used. For example, in the “Top 1/3” group in Chart 1 (all Distributorships) there were 515 Matco Distributors. The “median” Total Completed Business of \$717,524 means that 191 of the 515 Distributors in the group had Total Completed Business greater than \$766,817 of the 515 Distributors with group had Total Completed Business of less than that figure, and one Distributor had Total Completed Business of exactly that figure.

8. The term “Highest” and “Lowest,” as used in Section 19-A, refers to the highest and lowest numbers in the range.

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Section 19-B

Weekly National Distributor Sales Average – 2024

CHART 5

All Reporting Distributorships	
National Distributor Sales Average:	\$9,693
Distributors Reporting:	1,502
Distributors At or Above Average:	666 (43.1%)
Median:	\$9,074
Highest:	\$38,133
Lowest:	\$(1,819)

CHART 6

Standard Distributorships	
National Distributor Sales Average:	\$9,391
Distributors Reporting:	1,268
Distributors At or Above Average:	555 (43.8%)
Median:	\$8,871
Highest:	\$26,285
Lowest:	\$(1,819)

CHART 7

225 Distributorships	
National Distributor Sales Average:	\$8,603
Distributors Reporting:	31
Distributors At or Above Average:	14 (45.2%)
Median:	\$8,125
Highest:	\$19,562
Lowest:	\$686

CHART 8

Enhanced Territory Distributorships (ETDs)	
National Distributor Sales Average:	\$11,936
Distributors Reporting:	203
Distributors At or Above Average:	93 (45.9%)
Median:	\$11,062
Highest:	\$38,133
Lowest:	\$181

Notes for Section 19-B:

1. Chart 5 – *All Distributors*: Chart 5 reflects the operating data for 1,502 total Matco Distributors in the United States operating pursuant to Distributorship Agreements with Matco that were in business for all of 2024 and who reported sales for at least 48 weeks during 2024.
2. Chart 6 – *Standard Distributorships*: Chart 6 reflects the operating data for 1,268 standard Matco Distributors in the United States operating pursuant to Distributorship Agreements with Matco that were in business for all of 2024, who had between 325 and 349 Potential Customers, and who reported sales for at least 48 weeks during 2024.
3. Chart 7 – *225s*: Chart 7 reflects the operating data for 31 total Matco Distributors in the United States operating pursuant to Distributorship Agreements with Matco that were in business for all of 2024, who had fewer than 325 Potential Customers, and who reported sales for at least 48 weeks during 2024.
4. Chart 8 – *ETDs*: Chart 8 reflects the operating data for 203 total Matco Distributors in the United States operating pursuant to Distributorship Agreements with Matco that were in business for all of 2024, who had more than 350 Potential Customers, and who reported sales for at least 48 weeks during 2024.
5. The terminology “National Distributor Sales Average” as used in Section 19-B means the total reported sales of all Products by the reporting Distributors in 2024 in each group, divided by the

number of weekly “close-outs” of those same Distributors. Each week the Distributors are required to report their sales of Products which are the gross selling price of all Products, whether or not the sale is for cash, for credit, or partial cash and partial credit, or trade-in. When a Distributor closes out its sales for the week, it triggers a report. The total sales for a year may not be reported for each of 52 weeks, as Distributors may not close out sales each week. Therefore, the annual National Sales Average may not represent 52 weeks of sales.

6. The terminology, “Median” means the data point that is in the center of all data points used. The Median amount of weekly Product sales in 2024 was \$9,074. This means that of the 1,502 Distributors reporting, 666 had weekly sales greater than \$9,074, and 879 had weekly sales less than \$9,217.
7. The terminology “Highest” and “Lowest,” as used in Section 19-B refers to the highest and lowest numbers in the range. The Highest amount of Product sales reported in a week during 2024 was \$38,133 and the Lowest amount was \$(1819).
8. The number of Distributors reporting sales in 2024 was 1,502. The 1,502 Distributors were Matco Distributors in the United States who (i) were in business at the beginning of 2024, (ii) were operating at the end of 2024, and (iii) reported sales close-outs at least 48 weeks during 2024.
9. One of the differences between the “Total Completed Business” and “Sales” is that “Sales” (Section 19-B) reflects all sales, even if some of the payments have not been received, and “Total Completed Business” (Section 19-A) reflects sales only based on cash collected and PSA credits collected. Therefore, there is a difference due to timing and collections. Another difference between “Total Completed Business” and “Sales,” is that the figures reported by Distributors for Total Completed Business includes sales tax collected, and that the figures for Sales do not include sales tax.
10. The National Distributor Sales Average will be utilized in connection with the performance criteria discussed in Items 8 and 12. Also, as discussed in Items 8 and 12, Matco may utilize a “District” Distributor Sales Average to evaluate performance (but those figures are not reflected in this Item 19).

Notes for both Sections 19-A and 19-B, and this entire Item 19:

1. The data in the charts are obtained from the Distributors through the MDBS system (see Item 11). As Distributors purchase Products from Matco, they also report on sales made and revenue received. A weekly sales report is generated if the Distributor places an order to purchase Products in a given week. Therefore, the information in the charts is based solely on data received from the Distributors through MDBS. These figures have not been reviewed or audited by Matco.
2. During the time period covered by this financial performance representation—the 2024 calendar year—265 Distributors closed or ceased operations. Of these, 12 were open for less than 12 months, including 10 that closed or ceased operations pursuant to the Test Drive program that is described in Item 5.
3. Substantiation of the data used in preparing the materials in this Item 19 chart will be made available to you upon reasonable request.
4. Your sales, revenue and income will be affected by a variety of factors, including the sales and marketing skills of your Principal Owner; your Principal Owner’s or Operator’s frequency of visits to actual and Potential Customers; efforts to collect on unpaid invoices or installment contracts;

retail prices you charge for products; discounts you may offer; prevailing economic or market conditions; demographics; interest rates; your capitalization level; the amount and terms of any financing that you may secure; and your Principal Owner's business and management skills.

- 5. Some distributors have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.**
6. Other than revenue figures above, the charts do not include any estimate of, or specific or historic data regarding, costs, expenses or debts that a Distributor has incurred, or may in the future incur. We cannot predict or project your costs and expenses. The following is a list of the types of expenses that a Matco Distributor may incur:
 - Labor costs, including payroll, taxes and benefits (which may include health and/or life insurance, vacation, and pension plan contributions) for your Principal Owner or any other employee.
 - Cost of goods sold, which includes wholesale cost of products that may be offered.
 - Mobile Store costs, including lease or purchase payments, maintenance, gas, and similar costs.
 - Insurance.
 - Marketing and promotional costs.
 - Freight costs incurred with tool returns and warranty repairs, as well as those incurred for receiving shipments of certain items from Matco.

The types of expenses, and the amount of costs and expenses, are likely to vary from Matco Distributor to Matco Distributor and from list of calls to list of calls. These may not be all of the expenses that you may incur.

7. Prospective distributors should be aware that in evaluating a financial performance representation or an earnings claim that includes revenue or sales figures only, or does not include all costs of goods sold, operating expenses, and other expenses, that costs and expenses must be deducted from the gross revenue or gross sales figures to obtain net income or profit. This Item 19 financial performance representation does not include net income or profit.
8. The Matco Distributors whose results are reflected in Sections 19-A and 19-B have been operating a Matco Distributorship during 2024. Some of the Distributors have been operating their Matco Distributorship for many years, and may have developed a large and loyal customer base.
9. The information in this Item 19 reflects the historical aggregate results of 1,502 Matco Distributors in 2024. You are strongly advised to conduct an independent investigation of this opportunity to evaluate the expected or potential costs and expenses you will incur as a Matco Distributor. You should consult your attorney, accountant, and other professional advisors. Also, current and former Distributors listed in this Disclosure Document may be one source of information.
10. Other than the preceding financial performance representations in this Item 19, Matco 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 distributorship, however, we may provide you with the actual records of that business. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Nick Ridgway, Matco's Director of Franchise and Compliance, at Matco Tools Corporation, 4403 Allen Road, Stow, Ohio, 44224, 330-929-4949, the Federal Trade Commission and the appropriate state regulatory agencies.

(20) OUTLETS AND FRANCHISEE INFORMATION

As of December 31, 2024, Matco had 1,811 operational Matco® Distributorships and 18 company-owned Matco® Distributorships. The following tables provide information concerning the Matco® Distributorships by state:

Table 1
Systemwide Outlet Summary
For years 2022, 2023, and 2024 (Note 1)

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	1854	1809	-45
	2023	1809	1841	32
	2024	1841	1811	-30
Company-Owned	2022	1	6	5
	2023	6	11	5
	2024	11	18	7
Total Outlets	2022	1855	1815	-40
	2023	1815	1852	37
	2024	1852	1829	-23

Notes:

(1) All numbers are as of the fiscal year end. Each fiscal year ends on December 31.

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years, 2022, 2023, and 2024 (Note 1)

State (Note 2)	Year	Number of Transfers
California	2022	0
	2023	2
	2024	0

State (Note 2)	Year	Number of Transfers
Colorado	2022	0
	2023	0
	2024	1
Iowa	2022	0
	2023	1
	2024	0
Maryland	2022	0
	2023	1
	2024	0
Montana	2022	0
	2023	1
	2024	0
New Jersey	2022	0
	2023	1
	2024	0
Utah	2022	0
	2023	1
	2024	0
Total	2022	0
	2023	7
	2024	1

Notes:

(1) All numbers are as of the fiscal year end. Each fiscal year ends on December 31.
 (2) States not listed above did not have any activity or distributorships during these three years.

Table 3
Status of Franchised Outlets
For years 2022, 2023, and 2024 (Note 1)

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Alabama	2022	33	2	0	0	0	4	31
	2023	31	4	0	0	0	3	32
	2024	32	5	0	0	0	2	35

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Alaska	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
Arizona	2022	50	11	0	1	0	10	50
	2023	50	8	2	1	0	7	48
	2024	48	8	1	0	0	7	48
Arkansas	2022	22	6	0	0	0	5	23
	2023	23	2	0	0	0	3	22
	2024	22	3	0	0	0	3	22
California	2022	186	8	4	0	0	17	173
	2023	173	17	4	2	0	19	165
	2024	165	10	7	1	0	19	148
Connecticut	2022	25	1	1	0	0	1	24
	2023	24	6	0	0	0	5	25
	2024	25	0	0	0	0	5	20
Colorado	2022	37	5	0	0	0	5	37
	2023	37	10	1	0	0	6	40
	2024	40	8	0	0	0	5	43
Delaware	2022	6	2	0	1	0	0	7
	2023	7	1	0	0	0	0	8
	2024	8	1	0	0	0	0	9
Florida	2022	100	17	1	0	0	11	105
	2023	105	18	3	0	0	14	106
	2024	106	20	1	0	0	16	109
Georgia	2022	71	10	1	0	0	7	73
	2023	73	11	0	0	0	5	79
	2024	79	14	0	0	0	12	81
Hawaii	2022	7	0	0	0	0	3	4
	2023	4	1	0	0	0	0	5
	2024	5	1	0	0	0	1	5
Idaho	2022	15	0	0	0	0	0	15
	2023	15	2	0	0	0	4	13
	2024	13	3	0	0	0	1	15