

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 Year 2025

At the end of calendar year 2025, there were 1,732 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 2025 GROSS SALES AS REPORTED TO THE COMPANY (1,645 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	5	<1% / 1%
\$800,001 - \$1,000,000	32	2% / 2%
\$600,001 - \$800,000	168	9% / 11%
\$500,001 - \$600,000	270	15% / 27%
\$400,001 - \$500,000	439	26% / 52%
\$300,001 - \$400,000	456	28% / 80%
\$250,001 - \$300,000	177	10% / 89%
Less than \$250,000	198	10% / 100%
Total	1,645	100%

These 1,645 stores had average sales of \$419,485 for the entire year of 2025. 726 stores had sales above this average, and 919 stores had sales lower than the average. The median sales for these 1,645 were \$416,189 for the entire year of 2025. The numbers in the Gross Sales Report are unaudited, but we believe that these numbers are substantially correct.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

Expense Report for Company-Owned Stores for the Year 2025

We owned and operated 86 stores in Central Texas, Southern Nevada, Oklahoma Arkansas, and New York markets during 2025. We are not offering franchises in these markets. The table below does not include 6 non-mature Company-owned stores that have opened since Q4 2024. Two Company-owned store have temporarily closed and are not included. Five 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.

	Sales Less than \$400,000	Sales Between \$400,001 - \$500,000	Sales Between \$500,001 - \$600,000	Sales Greater than \$600,000	Average of All Stores
Number of Stores	22	14	15	22	73
Net Sales	\$351,468 100%	\$471,676 100%	\$537,090 100%	\$748,679 100%	\$528,535 100%
Variable Costs (Note 1)	\$22,379 6%	\$26,082 6%	\$30,527 6%	\$43,305 6%	\$31,070 6%
Payroll (Note 2)	\$179,654 51%	\$205,414 45%	\$241,909 45%	\$329,561 44%	\$242,564 46%
Occupancy (Note 3)	\$79,083 23%	\$71,546 16%	\$75,663 14%	\$75,623 10%	\$75,892 14%
Advertising (Note 4)	\$18,770 5%	\$24,383 5%	\$28,713 5%	\$34,683 5%	\$26,685 5%
Miscellaneous (Note 5)	\$12,047 3%	\$12,445 3%	\$12,207 2%	\$12,862 2%	\$12,404 2%
Operating Profit (Note 6)	\$39,535 11%	\$111,796 25%	\$148,071 28%	\$252,646 34%	\$139,920 26%

2025 Average by Sales Band

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

	Sales Less than \$400,000	Sales Between \$400,001 - \$500,000	Sales Between \$500,001 - \$600,000	Sales Greater than \$600,000	Median of All Stores
Number of Stores	22	14	15	22	73
Net Sales	\$350,982 100%	\$452,660 100%	\$529,524 100%	\$704,688 100%	\$473,197 100%
Variable Costs (Note 1)	\$21,353 6%	\$26,763 6%	\$30,951 6%	\$42,173 6%	\$27,603 6%
Payroll (Note 2)	\$178,610 51%	\$206,979 45%	\$236,663 45%	\$312,525 44%	\$212,108 46%
Occupancy (Note 3)	\$74,855 21%	\$70,443 16%	\$76,731 14%	\$76,272 11%	\$70,965 15%
Advertising (Note 4)	\$18,221 5%	\$24,252 5%	\$27,833 5%	\$34,353 5%	\$24,602 5%
Miscellaneous (Note 5)	\$11,234 3%	\$12,032 3%	\$11,881 2%	\$12,127 2%	\$11,638 2%
Operating Profit (Note 6)	\$46,710 13%	\$112,193 25%	\$145,825 28%	\$227,239 32%	\$126,281 27%

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

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 2023 To 2025**

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	2023	1,781	1,785	4
	2024	1,785	1,732	-53
	2025	1,732	1702	-30
Company-Owned	2023	74	75	1
	2024	75	83	8
	2025	83	86	3
Total	2023	1,855	1,860	5
	2024	1,860	1,815	-45
	2025	1,815	1,788	-27

Table No. 2

**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2023 to 2025**

State	Year	Number of Transfers
Alabama	2023	0
	2024	13
	2025	0
Alaska	2023	0
	2024	2
	2025	0
Arizona	2023	0
	2024	0
	2025	0
Arkansas	2023	0
	2024	0
	2025	0