

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 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.

BACKGROUND

This Item sets forth certain historical information for franchisee-owned outlets for the 2025 fiscal year. As of December 31, 2025, there were 60 franchisees operating in 142 Territories. Franchisees operate either in a single territory or multiple Territories collectively as one Franchised Business. Franchisees who operate multiple territories do not operate, account or report each territory individually and the historical data reflected in this Item 19 is based on the totals for all Territories owned in conjunction with their Monster Tree Service Franchised Businesses. The data in this Item from the period prior to May 14, 2021, was collected by our predecessor.

TABLE 1
SYSTEMWIDE SALES

Table 1 sets forth the aggregate Gross Revenue (“Systemwide Sales”) reported to us and our predecessor for all franchisees whose franchised businesses were operational for any part of the year. See Note 1 to this table for the definition of “Gross Revenue.”

Year	2021	2022	2023	2024	2025
Total Systemwide Sales	\$75,187,811	\$89,685,571	\$86,927,754	\$84,989,931	\$83,845,069
Year-over-Year Growth	N/A	19%	-3%	-2%	-1%
Systemwide Sales Territory Count	257	259	265	225	177

Note to Table 1:

- (1) The term “**Gross Revenue**” is generally defined in the applicable forms of franchise agreement as all revenue from the sale of products and services and all other income of every kind related to the Franchised Business, whether for cash, credit, trade, barter or other value and regardless of collection in the case of credit and even if you have contracted with third parties to provide certain of the services, less any bona fide refunds given to customers in the ordinary course of business. Gross Revenue also includes amounts billed to insurance or government programs. Further, Gross Revenue includes all revenue related to the sale of any products and the performance of any services (whether or not the products or services are approved by us) that are provided using any portion of the Franchised Business in any manner, including the Marks (such as service vehicles, invoices, and uniforms bearing the Marks), the System, Confidential Information, any of the employees of the Franchised Business, or the telephone number of the Franchised Business. Gross Revenue is not reduced on account of any fees or commissions you pay to third parties who refer customers. The Gross Revenue data for a franchisee may include sales in “open” Territory, that is, territory that had not been awarded to a franchisee.

TABLE 2
GROSS REVENUE PER TERRITORY, BY QUARTILE

Table 2 below reports on 142 Territories that were in operation for the entire 2025 fiscal year, ranked by quartile in order of highest Average Gross Revenue per Territory to lowest Average Gross Revenue per Territory. See Note 1 to Table 1 for the definition of “Gross Revenue.” Excluded from the Table are 15 franchisees (representing 27 Territories) that ceased operation during the 2025 fiscal year (all of which operated for more than 12 months prior to ceasing operations). Additionally, 6 franchisees (representing 8 Territories) ceased operation in one or more Territories during the 2025 fiscal year but continued operating in other Territories and are included in Table 1 below.

Quartile	Number of Territories in the Quartile	Aggregate Gross Revenue of Territories in Quartile	Average Gross Revenue of Territories in Quartile	Median Gross Revenue of Territories in Quartile	Highest Gross Revenue within Quartile	Lowest Gross Revenue within Quartile	Number of Territories that Attained or Exceeded Average Gross Revenue	Percentage of Territories that Attained or Exceeded Average Gross Revenue
Top 25%	35	\$33,273,660	\$950,676	\$891,693	\$1,874,987	\$734,530	11	31%
2nd Quartile	36	\$22,959,383	\$637,761	\$636,099	\$718,947	\$553,782	14	39%
3rd Quartile	35	\$16,687,515	\$476,786	\$477,372	\$544,934	\$387,228	19	54%
Bottom 25%	36	\$8,715,711	\$242,103	\$271,680	\$374,236	\$67,196	23	64%
Total System	142	\$81,636,268	\$574,903	\$549,358	\$1,874,987	\$67,196	63	44%

TABLE 3
GROSS REVENUE, OPERATING EXPENSE RATIOS, AND EBITDA MARGINS
FOR THE FISCAL YEAR ENDED 2025

The table below reports the Gross Revenue and certain Operating Expenses based on the averages for 40 franchisees (representing 102 Territories) that reported Gross Revenue during the entire 2025 fiscal year. Excluded from this Table 3 are 1 franchisees (representing 1 Territory) that opened during the 2025 fiscal year, 17 franchisees (representing 31 Territories) that ceased operations during the 2025 fiscal year (all of which operated for more than 12 months prior to ceasing operations), and 2 franchisees (representing 4 Territories) that were in operation for the entire 2025 fiscal year but did not submit a P&L using standard accounting methods or failed to provide complete financial records utilizing the standard accounting software, QuickBooks. Additionally, 4 franchisees (representing 4 Territories) each closed 1 Territory but continued operating other Territories throughout 2025, and these 4 franchisees are included in the table below. See Note 1 to Part One-A for the definition of “Gross Revenue.”

Quartile (by Revenue)	Quartile 1	Quartile 2	Quartile 3	Quartile 4	Total Group
<i>Number of Franchisees</i>	10	10	10	10	40
<i>Number of Territories</i>	38	21	23	20	102
Average Gross Revenue Per Franchisee in Group	\$2,764,884	\$1,599,628	\$1,092,493	\$735,010	\$1,548,004
Average Cost of Goods Sold Per Franchisee in Group	\$1,300,160	\$726,747	\$470,175	\$381,671	\$719,688

Average Gross Profit Per Franchisee in Group	\$1,469,421	\$873,141	\$622,867	\$352,843	\$829,568
Average Gross Margin Per Franchisee in Group	53%	55%	57%	48%	54%
Average Total Operating Expenses Per Franchisee in Group	\$1,014,753	\$654,925	\$549,994	\$294,994	\$628,666
Average EBITDA Per Franchisee in Group	\$533,735	\$304,389	\$159,954	\$101,961	\$275,010
Average EBITDA Margin Per Franchisee in Group	19%	19%	15%	14%	18%

Quartile (by Revenue)	Quartile 1	Quartile 2	Quartile 3	Quartile 4	Total Group
Highest Revenue of Franchisees in Group	\$4,849,850	\$1,898,090	\$1,283,702	\$951,130	\$4,849,850
Lowest Revenue of Franchisees in Group	\$1,903,701	\$1,286,141	\$963,406	\$481,683	\$481,683
Median Revenue of Franchisees in Group	\$2,406,980	\$1,558,332	\$1,045,309	\$746,870	\$1,284,922
Number of Franchisees that Exceeded Average Revenue in Group	4	5	4	6	15
% of Franchisees that Exceeded Average Revenue in Group	40%	50%	40%	60%	38%
Highest Gross Profit Margin of Franchisees in Group	64%	59%	84%	83%	64%
Lowest Gross Profit Margin of Franchisees in Group	37%	46%	39%	24%	24%
Median Gross Profit Margin of Franchisees in Group	54%	55%	55%	46%	54%
Number of Franchisees that Exceeded Average Gross Profit Margin in Group	6	5	4	7	21
% of Franchisees that Exceeded Average Gross Profit Margin in Group	60%	50%	40%	70%	53%
Highest EBITDA of Franchisees in Group	\$1,031,635	\$450,514	\$253,893	\$329,609	\$1,031,635
Lowest EBITDA of Franchisees in Group	\$221,641	\$220,077	\$8,169	(\$189,232)	(\$189,232)
Median EBITDA of Franchisees in Group	\$444,165	\$296,812	\$173,002	\$109,218	\$1,061,521
Number of Franchisees that Exceeded Average EBITDA in Group	4	4	5	5	16
% of Franchisees that Exceeded Average EBITDA in Group	40%	40%	50%	50%	40%

Notes to Table 3:

- (1) **“Average Cost of Goods Sold”** is defined as the sum of the Cost of Goods sold for each franchisee in the quartile and divided by the total number of franchisees in the respective quartile. “Cost of Goods Sold” includes:
 - a. *Cost of Production Expenses.* Cost of Production Expenses includes the expenses of Dumping and Hauling Fees, Equipment Rentals, Materials and Supplies, Subcontractors, Customer Repairs and Work Apparel.
 - b. *Cost of Production Labor.* Cost of Production Labor is defined as employee compensation for tree care and plant healthcare production, computed and paid on an hourly basis, including overtime. It also includes the cost of Workers Compensation Insurance.
 - c. *Cost of Equipment & Vehicles.* Cost of Equipment & Vehicles is defined as the cost of equipment and vehicle fuels, equipment and vehicle repairs, parking & tolls for production vehicles, and the cost of Fleet Management Software.
- (2) **“Average Gross Profit”** is defined as the sum of Gross Profit for each franchisee in the quartile and divided by the total number of franchisees in the respective quartile. **“Gross Profit”** is defined as Gross Revenue minus Cost of Goods Sold, and **“Gross Margin”** is Gross Profit expressed as a percentage of Gross Revenue.
- (3) **“Average Operating Expenses”** is defined as the sum of certain expenses defined below (**“Operating Expenses”**) for each franchisee in the quartile and then divided the total number of franchisees in the respective quartile. Operating Expenses detailed in this section exclude all other costs and expenses necessary to operate the business, including taxes, finance charges, and owner compensation/salary and benefits, which you may incur as a franchisee. The expenses included in the definition of “Operating Expenses” are:
 - a. *Marketing Expenses.* “Marketing Expenses” are defined as all payments on behalf of advertising and marketing endeavors. This expense category also includes the cost of the website, monthly expenditure for SEO and monthly expenditure for digital advertising.
 - b. *Non-Production Payroll.* “Non-Production Payroll” is defined as employee compensation for office staff and sales arborists, including commissions paid. This category does not include any Owner compensation, which has been eliminated from these results.
 - c. *Employee Benefits.* “Employee Benefits” is defined as all costs related to health insurance, dental insurance and any 401(k) or other retirement plan offered to employees.
 - d. *Insurance Expenses.* “Insurance Expenses” is defined as general liability insurance, property insurance and any other types of insurance.
 - e. *Selling Expenses.* “Selling Expenses” is defined as salesperson’s automobile, parking, tolls, travel, and other selling expenses.
 - f. *Bank & Merchant Fees.* “Bank & Merchant Fees” is defined as credit card (sales) processing fees and charges, as well as banking charges and fees.
 - g. *Administrative Expenses.* “Administrative Expenses” is defined as spending for Recruiting, Computer Supplies and Expense, Dues & Subscriptions, Education & Training, Business Meals, General Office Supplies, Postage, Rent (equipment facility and storage), Telephone, Travel, and Utilities.
 - h. *Professional Fees.* “Professional Fees” is defined as expenses for legal advice, accounting services, and other professional services.

- i. *Franchise Obligations*. “Franchise Obligations” is defined as Royalty Fee payments and Brand Fund Contributions payable under a franchisee’s franchise agreement.
- (4) “*EBITDA*” is defined as Gross Revenue minus Total Expenses, and “*EBITDA Margin*” is EBITDA expressed as a percentage of Gross Revenue.

TABLE 4
TOTAL ESTIMATES, AVERAGE JOB SIZE, AND CLOSE RATIO

The table below sets forth the average total job estimates, average close ratio and average job size of 51 Franchisees (representing 124 Territories) that were in operation for the entire 2025 fiscal year and used the required CRM/Estimating/Job Costing software to report the information.

	Average Performance of Franchisees in Group	Median Performance of Franchisees in Group	Highest Performance of Franchisees in Group	Lowest Performance of Franchisees in Group	Number of Franchises Exceeding Average	Percent of Franchisees Exceeding Average
Total Estimates	1,508	1,134	6,748	259	14	27%
Close Ratio	54%	52%	77%	35%	23	45%
Average Job Size	1,998	1,923	3,641	1,106	22	43%

Notes to Table 4:

- (1) “*Total Estimates*” is defined as Total Paid Jobs divided by close rate. This includes all estimates completed for customers in 2025.
- (2) “*Close Ratio*” is defined as Completed and Accepted Sales Orders divided by Total Estimates prepared during the 2025 fiscal year.
- (3) “*Average Job Size*” is defined as the total Gross Revenue of Completed and Accepted Sales Orders divided by the number of Completed and Accepted Sales Orders. “**Completed Sales Orders**” are defined as the transactions upon which a customer(s) has been issued a final sales invoice for a job in which no additional labor or material costs will be expended. “**Accepted Sales Orders**” are defined as the transactions upon which a customer(s) has committed to the work but work has not been completed and an invoice has not been issued.

TABLE 5
PLANT HEALTHCARE GROSS REVENUE

The tables below set forth the Gross Revenue generated from Plant Healthcare (“**PHC Gross Revenue**”) jobs for the fiscal year ending December 31, 2024, and the fiscal year ending December 31, 2025. The table includes 43 franchisees that reported PHC Gross Revenue for the 2024 fiscal year and 52 franchisees that reported PHC Gross Revenue for the 2025 fiscal year and used the required CRM/Estimating/Job Costing software to report the information. “**Plant Healthcare**” is defined as the care of plants, trees and shrubs by developing and maintaining overall health and includes fertilization, suppression of diseases or reduction and/or elimination of insect populations causing decline or death of tree, shrubs or plants and does not include tree removal, pruning, and stump grinding services.

Year	Aggregate PHC Gross Revenue for Franchisees in Group	Average PHC Gross Revenue for Franchisees in Group
2024	\$2,522,715	\$48,514
2025	\$4,101,550	\$78,876

Notes to Table 5:

- (1) The averages reported in the table are per franchisee, not per Territory.
- (2) The “Average PHC Gross Revenue” was calculated by dividing the Aggregate PHC Gross Revenue by the number of franchisees included in each group.
- (3) The median PHC Gross Revenue for the 43 franchisees included in the table for the 2024 fiscal year was \$14,092. The median PHC Gross Revenue for the 52 franchisees included in the table for the 2025 fiscal year was \$29,356.
- (4) The highest PHC Gross Revenue for the 43 franchisees included in the table for the 2024 fiscal year was \$492,161. The highest PHC Gross Revenue for the 52 franchisees included in the table for the 2025 fiscal year was \$799,251.
- (5) The lowest PHC Gross Revenue for the 43 franchisees included in the table for the 2024 fiscal year was \$50. The lowest PHC Gross Revenue for the 52 franchisees included in the table for the 2025 fiscal year was \$100.
- (6) The number of franchisees meeting or exceeding the Average PHC Gross Revenue for the 2024 fiscal year was 11. The number of franchisees meeting or exceeding the Average PHC Gross Revenue for the 2025 fiscal year was 14.
- (7) The percentage of franchisees meeting or exceeding the Average PHC Gross Revenue for the 2024 fiscal year was 26%. The percentage of franchisees meeting or exceeding the Average PHC Gross Revenue for the 2025 fiscal year was 27%.

TABLE 6
REPEAT CUSTOMER REVENUE

The table below sets forth Gross Revenue and Repeat Customer Revenue for the fiscal year ending December 31, 2025. “Repeat Customer Revenue” in this table is defined as revenue in the form of jobs from repeat clients serviced between the fiscal years ending December 31, 2022 through December 31, 2024. The tables include 47 franchisees (representing 125 Territories) that were in operation for the entire 2025 fiscal year and used the required CRM/Estimating/Job Costing software to report the information.

Year	Gross Revenue	Repeat Customer Revenue	Percentage of Repeat Customer Revenue
2025	\$69,349,757	\$22,464,064	32.4%

* * *

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

The financial information we utilized in preparing the preceding financial performance representations was based entirely upon information reported to us by franchisees.

Written substantiation for these financial performance representations will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, Monster Franchising SPE LLC does not make any financial performance representations. 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 Jordan Wilson, Monster Franchising SPE LLC, 7120 Samuel Morse Drive, Suite 300, Columbia, Maryland 21046, (410) 740-1900, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
Systemwide Outlet Summary
For Years 2023 to 2025⁽¹⁾⁽²⁾⁽³⁾

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	247	214	-33
	2024	214	176	-38
	2025	176	134	-42
Company-Owned	2023	3	3	0
	2024	3	0	-3
	2025	0	0	0
TOTALS	2023	250	217	-33
	2024	217	176	-41
	2025	176	134	-42

Notes to all Item 20 Tables:

- (1) Our fiscal year ends December 31. The figures in the tables are as of our fiscal year end each year.
- (2) The figures are for the number of territories in operation at year-end. Each franchise Territory has a separate Franchise Agreement.