

These 1,645 stores had average sales of \$423,055 for the entire year of 2023. 747 stores had sales above this average, and 898 stores had sales lower than the average. The median sales for these 1,645 stores were \$406,876 for the entire year of 2023.

Average Weekly Franchised Store Gross Sales by Month the Calendar Years 2022 and 2023 Sales as Reported to the Company

The tables below do not include 4 stores in Rochester, New York, which are not typical Sport Clips stores and operate under a special limited services license agreement that is not offered to new franchisees. We know that the gross sales of the stores in Rochester, New York are, on average, less than other stores in the Sport Clips System. The row entitled “Open and Operating Stores” includes franchised stores that were open and operating for the entire calendar month. The Statements of Gross Sales below do not include 75 Company-owned stores located in Central Texas, Southern Nevada, Oklahoma, and Arkansas, or 7 stores in Tennessee owned for part of 2023 by a limited liability company in which SCI was a member.

2022 Average Weekly Sales by Month (Stores open prior to January 1, 2020)													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2022 Average
Average Weekly Sales	\$ 7,107	\$ 7,663	\$ 7,912	\$ 7,893	\$ 7,930	\$ 7,936	\$ 7,826	\$ 8,526	\$ 7,893	\$ 7,898	\$ 7,709	\$ 7,814	\$ 7,842
Operating Stores Count	1,566	1,571	1,577	1,578	1,580	1,594	1,592	1,594	1,598	1,597	1,599	1,602	1,587
% Above Average Sales	43%	45%	45%	46%	46%	46%	46%	45%	45%	45%	46%	45%	45%

2023 Average Weekly Sales by Month (Stores open prior to January 1, 2021)													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2023 Average
Average Weekly Sales	\$ 7,837	\$ 8,041	\$ 8,258	\$ 8,267	\$ 8,345	\$ 8,348	\$ 8,182	\$ 8,791	\$ 8,108	\$ 8,039	\$ 7,704	\$ 8,128	\$ 8,171
Operating Stores Count	1,654	1,652	1,647	1,641	1,641	1,637	1,636	1,633	1,632	1,632	1,631	1,632	1,639
% Above Average Sales	45%	46%	45%	45%	45%	46%	44%	45%	45%	45%	45%	46%	45%

2022 Median Weekly Sales by Month (Stores open prior to January 1, 2020)													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2022 Median
Median Weekly Sales	\$ 6,723	\$ 7,268	\$ 7,574	\$ 7,564	\$ 7,652	\$ 7,595	\$ 7,523	\$ 8,124	\$ 7,546	\$ 7,576	\$ 7,418	\$ 7,487	\$ 7,555
Operating Stores Count	1,566	1,571	1,577	1,578	1,580	1,594	1,592	1,594	1,598	1,597	1,599	1,602	1,587
% Above Median Sales	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
% Below Median Sales	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%

2023 Median Weekly Sales by Month (Stores open prior to January 1, 2021)													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	2023 Median
Median Weekly Sales	\$ 7,507	\$ 7,737	\$ 7,922	\$ 7,894	\$ 7,976	\$ 7,984	\$ 7,836	\$ 8,356	\$ 7,771	\$ 7,704	\$ 7,411	\$ 7,745	\$ 7,820
Operating Stores Count	1,654	1,652	1,647	1,641	1,641	1,637	1,636	1,633	1,632	1,632	1,631	1,632	1,639
% Above Median Sales	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
% Below Median Sales	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%

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

	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	18	18	19	19	74
Net Sales	\$ 319,854 100%	\$ 430,280 100%	\$ 541,783 100%	\$ 705,615 100%	\$ 501,759 100%
Variable Costs (Note 1)	\$ 23,481 7%	\$ 29,523 7%	\$ 36,226 7%	\$ 46,627 7%	\$ 32,085 6%
Payroll (Note 2)	\$ 168,639 53%	\$ 212,839 49%	\$ 250,162 46%	\$ 341,267 48%	\$ 235,795 47%
Occupancy (Note 3)	\$ 68,250 21%	\$ 71,409 17%	\$ 70,554 13%	\$ 76,334 11%	\$ 70,826 14%
Advertising (Note 4)	\$ 17,761 6%	\$ 22,269 5%	\$ 28,044 5%	\$ 31,899 5%	\$ 26,324 5%
Miscellaneous (Note 5)	\$ 11,970 4%	\$ 12,547 3%	\$ 12,891 2%	\$ 13,391 2%	\$ 12,774 3%
Operating Profit (Note 6)	\$ 29,754 9%	\$ 81,695 19%	\$ 143,906 27%	\$ 196,097 28%	\$ 123,956 25%

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 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.

A NEW FRANCHISEE'S INDIVIDUAL FINANCIAL RESULTS ARE LIKELY TO DIFFER FROM THE RESULTS STATED IN THE STATEMENTS OF GROSS SALES AND THE EXPENSE REPORT.

LIST OF STATE ADMINISTRATORS

STATE OF CALIFORNIA, Corporations Commissioner, Department of Financial Protection and Innovation, 320 West 4th Street, Los Angeles, California 90013-1105; Telephone: (213) 576-7500.

STATE OF CONNECTICUT, Banking Commissioner, 44 Capitol Avenue, Hartford, Connecticut 06106; Telephone: (203) 566-4560.

STATE OF HAWAII, Commissioner of Securities, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813; Telephone: (808) 586-2722.

STATE OF ILLINOIS, Illinois Attorney General, 500 South Second Street, Springfield, Illinois 62706; Telephone: (217) 782-4465.

STATE OF INDIANA, Chief Deputy Commissioner, Securities Division, 302 West Washington Street, Room E111, Indianapolis, Indiana 46204; Telephone: (317) 232-6681.

STATE OF MARYLAND, Office of the Attorney General, Securities Division, 200 St. Paul Place, Baltimore, Maryland 21202; Telephone: (410) 576-6360.

STATE OF MICHIGAN, Franchise Administrator, 670 Law Building, Lansing, Michigan 48913; Telephone: (517) 373-7177.

STATE OF MINNESOTA, Deputy Commissioner, Minnesota Department of Commerce, 85 7th Place East, Suite 500, St. Paul, Minnesota 55101-2198; Telephone: ~~(612) 296-6325~~ (651) 539-1600.

STATE OF NEW YORK, New York State Department of Law, Investor Protection Bureau, 28 Liberty Street, 21st Floor, New York, N.Y. 10005; Telephone: (212) 416-8236.

STATE OF NORTH DAKOTA, Securities Commissioner, North Dakota Securities Department, 600 East Boulevard Avenue, State Capitol -- 5th Floor, Department 414, Bismarck, North Dakota 58505-0510; Telephone: (701) 328-4712.

STATE OF RHODE ISLAND, Division of Securities, Department of Business Regulation, John O. Pastore Complex, 1511 Pontiac Avenue, Building 69-1, Cranston, Rhode Island 02910; Telephone: (401) 462-9587.

STATE OF SOUTH DAKOTA, Franchise Administrator, Division of Securities, 124 S. Euclid, Suite 104, Pierre, South Dakota 57501; Telephone: (605) 773-4823.

STATE OF VIRGINIA, Securities and Retail Franchising Division, 1300 E. Main Street, 1st Floor, Richmond, Virginia 23219; Telephone: (804) 371-9051.

STATE OF WASHINGTON, Department of Financial Institutions, Securities Division, P.O. Box 31200, Olympia, Washington 98507-1200; Telephone: (206) 753-6928.

STATE OF WISCONSIN, Commissioner of Securities, Franchise Administrator, 345 W. Washington Avenue, 4th Floor, P.O. Box 1768, Madison, Wisconsin 53701-1768; Telephone: (608) 261-9555.