

INDEPENDENT FRANCHISE OWNERS – COST AND GROSS PROFIT MARGIN**Table A****Statement of Gross Profit Margin Results as a Percentage of Gross Sales for Franchised Businesses in Operation 1 Full Year or More^{(1) (2) (7)}**

Line Item	Average		Median		Number and Percentage of Franchised Businesses that Attained or Surpassed the Average ⁽⁸⁾	
	2021	2020	2021	2020	2021	2020
Material Costs (See Note 3)	15.4%	13.9%	14.6%	14.6%	36 of 65 (55%) had lower than average Material Costs	28 of 64 (44%) had lower than average Material Costs
Direct Labor Costs (See Note 4)	18.9%	18.5%	18.2%	18.1%	37 of 65 (57%) had lower than average Direct Labor Costs	36 of 64 (52%) had lower than average Direct Labor Costs
Cost of Sales (See Note 5)	34.3%	32.4%	33.7%	32.9%	34 of 65 (52%) had lower than average Cost of Sales	31 of 64 (48%) had lower than average Cost of Sales
Gross Profit Margin (See Note 6)	65.7%	67.6%	66.3%	67.2%	34 of 65 (52%) had higher than average Gross Profit Margin	31 of 64 (48%) had higher than average Gross Profit Margin