



AMAZING[®]
Lash
 STUDIO

9383 E. Bahia Drive, Suite 100
 Scottsdale, Arizona 85260
 (855) 527-4872
www.amazinglashstudio.com

Franchised Units:	172	In Business Since:	2010	Royalty:	6%
Company-Owned Units:	0	Average Franchise Fee:	\$39K	IFA Member:	Yes
Total Operating Units:	172	Total Investment Range:	\$223.7 – 537.5K	Term of Initial Contract:	10 Years

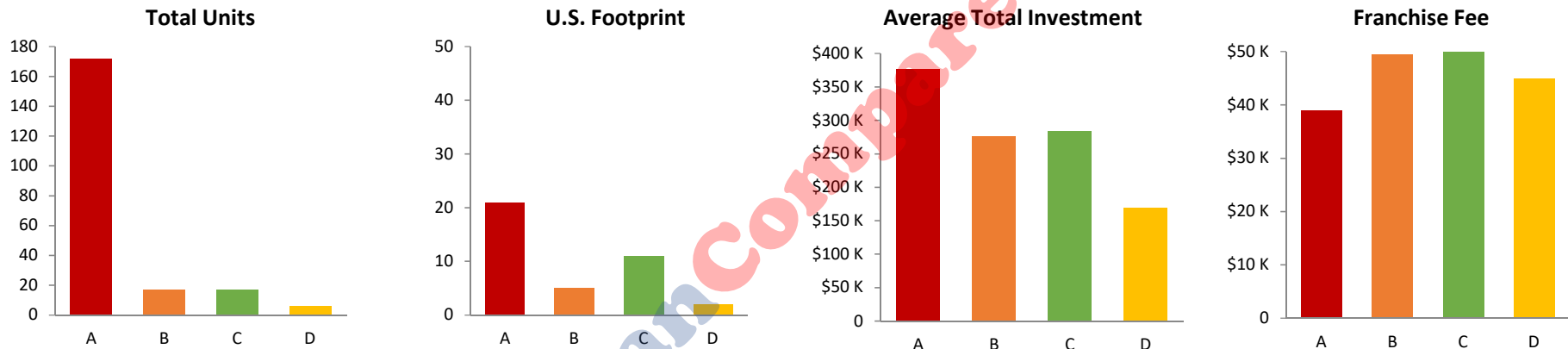
COMPANY'S DESCRIPTION HERE
(MAX. 600 WORDS & 2 IMAGES)

Brows & Lashes Industry

	Company Name (DBA)	Legal Name	Final Score
A	Amazing Lash Studio	Amazing Lash Studio Franchise, LLC	802
B	The Lash Lounge	The Lash Lounge Franchise, LLC	707
C	Deka Lash	MJ MK Enterprises, LLC	665
D	Idolize Brows and Beauty	Idolize Franchising, LLC	510

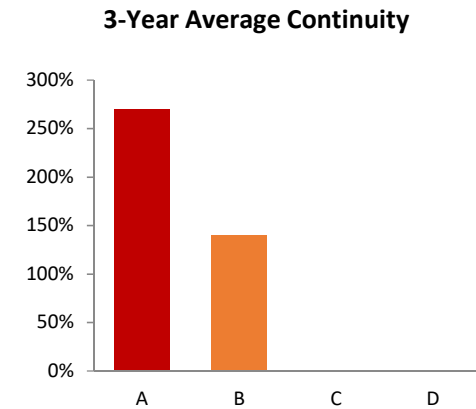
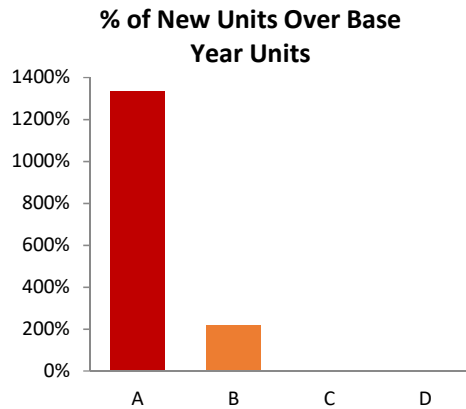
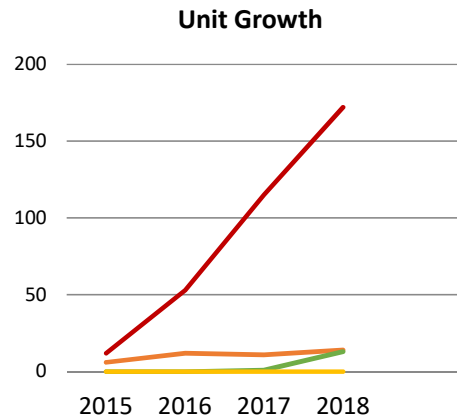
Key Unit Investment Variables

30%



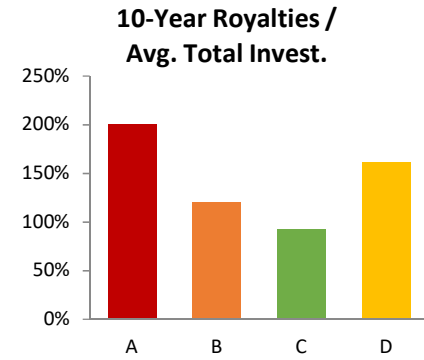
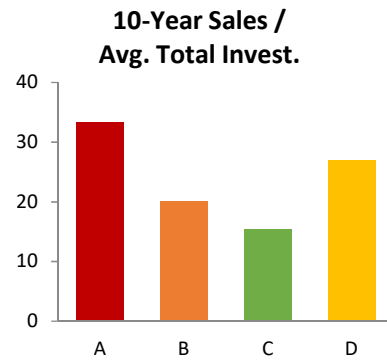
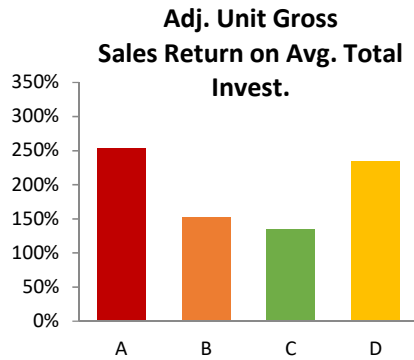
- **Total Units** is a valuable measure if recent growth was accompanied by proper support. Meteoric growth, however, with the help of third parties, frequently means franchisees are left to fend for themselves while management focuses on growth for its own sake.
- The greater the **Footprint/Geographical Coverage**, the better all franchisees are served. Only U.S. states are included.
- For the purpose of the Franchise Matrix™ analysis, the **Average Total Investment** is used in all cases.
- The **Franchise Fee** should not significantly exceed the franchise fee of its primary competitors.

	Amazing Lash Studio		The Lash Lounge		Deka Lash		Idolize Brows and Beauty		
Weighting for Primary FDD Variables (300 Points)	Data	Score	Data	Score	Data	Score	Data	Score	Max. Score
Year-End Total Franchised Units	172		14		13		0		
Year-End Total Company-Owned Units	0		3		4		6		
Year-End Total Units	172	45	17	20	17	20	6	15	50
% of Franchised Units	100.0%		82.4%		76.5%		0.0%		
% of Company-Owned Units	0.0%	0	17.6%	10	23.5%	10	100.0%	0	10
U.S. Footprint (# of U.S. States)	21	32	5	8	11	26	2	4	35
Total Low Investment	\$251,075		\$175,029		\$190,175		\$86,400		
Total High Investment	\$504,100		\$377,025		\$377,923		\$251,520		
Average Total Investment Per Unit	\$377,588		\$276,027		\$284,049		\$168,960		
Low Unit Size Estimate (Square Feet)	1,500		800		1,000		1,000		
High Unit Size Estimate (Square Feet)	2,100		1,200		1,500		1,600		
Average Unit Size (Square Feet)	1,800		1,000		1,250		1,300		
Average Total Investment Per Square Feet	\$210		\$276		\$227		\$130		
Average Franchise Fee (Single Unit)	\$39,000	21	\$49,500	12	\$49,900	12	\$45,000	15	40
Average Annual Royalty Fee (On-Going After Trial Period)	6.0%	80	6.0%	80	6.0%	80	6.0%	80	90
Term of Initial Contract (Years)	10	20	10	20	10	20	10	20	35
Term of First Contract Renewal (Years)	10	11	5+5	11	10	11	10+10	20	20
Average Transfer Fee (Single Unit)	\$9,750	8	\$5,000	10	\$10,000	8	\$22,500	2	10
Year Incorporated	2010	5	2009	5	2015	4	2009	5	10
Franchising Since	2013		2010		2016		2017		
Issuance Date of FDD (Issue Date)	9/13/2018		5/11/2018		4/11/2018		3/15/2018		



- **3-Year Compound Annual Unit Growth** measures the unit growth from base year to end of 2017. Assuming proper support on the part of the franchisor, higher growth is rewarded. Steady and controlled **Unit Growth** are preferred over meteoric growth. Negative unit growth raises red flags.
- **% of New Units Over Base Year Units** is the Total End of 2017 Units divided by Base Year Beginning Units.
- **3-Year Average Continuity Rate** is an important and commonly used metric within the franchising industry that measures the success of a franchise system over its most recent past. Continuity rate is determined for each year by dividing end-of-year total units by beginning-of-year total units and dividing the 3 annual rates by 3 to arrive at an average. If there are a high number of closures or non-renewals within a franchise, the continuity rate will generally result in a rate of less than 100%, as will a system that cannot support its growth and, accordingly, its franchisees are failing. A high continuity rate is evidence of strong support systems. Continuity rates of over 100% were rewarded and ones with less than 100% were penalized.

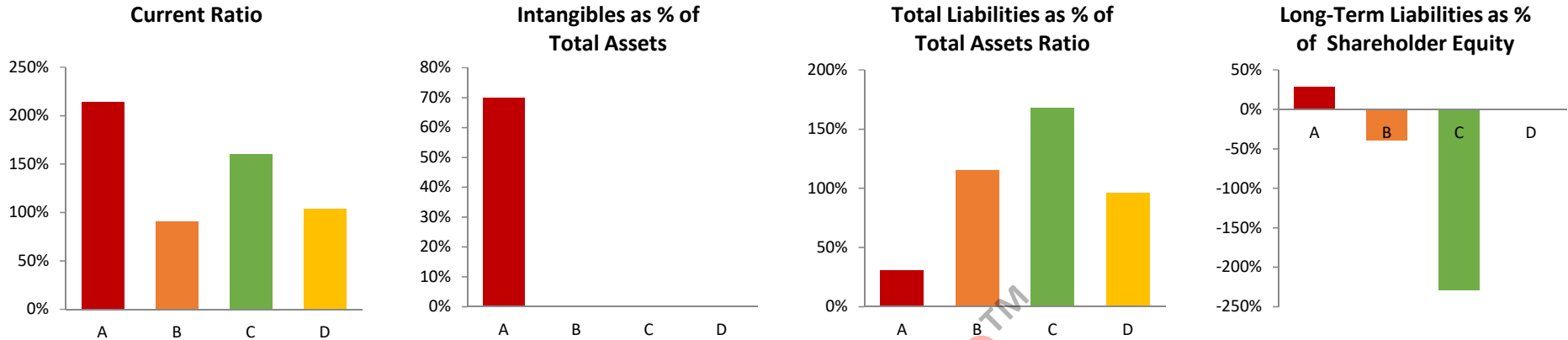
	Amazing Lash Studio		The Lash Lounge		Deka Lash		Idolize Brows and Beauty		
Weighting for Primary FDD Variables (250 Points)	Data	Score	Data	Score	Data	Score	Data	Score	Max. Score
Base-Year Beginning Franchised Units	12		6		0		0		
New Franchised Units Over Following 3 Years	160		13		13		0		
Total Franchised Units at the End of Year 3	172		14		13		0		
% of New Units Over Base Year Units	1333.3%	40	216.7%	40	N/A	27	N/A	0	40
3-Year Compound Annual Unit Growth	142.9%	70	32.6%	53	N/A	48	N/A	0	70
3-Year Average Continuity Rate	269.4%	140	139.6%	140	N/A	95	N/A	0	140



- Adjusted Unit Gross Sales by itself is not as important as **Adjusted Unit Gross Sales as percentage of the Average Total Investment**. Sales and profits must be evaluated as a function of the total investment.
- Whereas a modest difference in year 1 sales as a function of the average investment might be considered of minor importance, a 10-year time horizon puts these differences into perspective.
- Similarly, while a modest difference in year 1 royalty rates between franchisors might be considered of minor importance, cumulative **Royalty** payments over a 10-year time frame as a percentage of Average Total Investment put these differences into perspective.

	Amazing Lash Studio		The Lash Lounge		Deka Lash		Idolize Brows and Beauty		
Weighting for Primary FDD Variables (350 Points)	Data	Score	Data	Score	Data	Score	Data	Score	Max. Score
Company-Wide Average Gross Sales or Revenue	\$954,469		\$420,000		\$331,009		\$344,339		
Period Operated	At Least 24 Months		At Least 2 Years		At Least 12 Months		1 Year		
Calculation Based on # of Units Evaluated	14 of 172		7 of 14		5 of 17		5 of 6		
Calculation Based on Franchised or Company-Owned Units	Franchised		Franchised		Both		Company-Owned		
% Adjustment*	100%		100%		115%		115%		
Adjusted Average Gross Sales or Revenue	\$954,469		\$420,000		\$380,660		\$395,990		
Adjusted Unit Gross Sales Return on Avg. Total Investment	252.8%	167	152.2%	135	134.0%	125	234.4%	162	175
Cum. 10-Year Gross Sales (Compounded at 5% Growth / Year)	\$12,605,469		\$5,546,847		\$4,371,565		\$4,547,612		
10-Year Sales / Average Total Investment	33.4	75	20.1	55	15.4	35	26.9	65	75
10-Year Total Royalty Payments	\$756,328		\$332,811		\$262,294		\$272,857		
10-Year Royalties / Average Total Investment	200.3%	9	120.6%	40	92.3%	50	161.5%	17	50
Detailed Income Statement (EBITDA All Units Optimal)	0%	0	80%	40	100%	50	100%	50	50

* To adjust stated Average Gross Sales to a "standard" of greater than 2 years, the following adjustments were applied:
 Over 1 Year = 115%; Over 2 Years = 100%; Over 3 Years = 95%; Over 4 Years = 90%; Over 5 Years = 85%.



- The **Current Ratio (or Working Capital Ratio)** is a liquidity ratio that reflects the franchisor's ability to pay back its short-term liabilities. A ratio of less than 1 raises a red flag as to whether a franchisor can pay its short-term obligations when due.
- **Intangibles**, including **Goodwill**, are long-term assets represented by non-physical assets. Franchisors whose brands are household names may justify a higher value for intangibles than a relatively new brand with limited experience in the marketplace.
- **Total Liabilities as percentage of Total Assets Ratio** reflects the long-term strength of the franchisor's balance sheet. Over time, one would expect the percentage to decrease. A lower percentage is preferred over a higher percentage.
- **Long-term Liabilities as percentage of Shareholder Equity** reflects the franchisor's long-term capital structure. Over time, one would expect the percentage to decrease. A lower percentage is preferred over a higher percentage.

Balance Sheet Items (\$000)	Amazing Lash Studio		The Lash Lounge		Deka Lash		Idolize Brows and Beauty		Max. Score
	Data	Score	Data	Score	Data	Score	Data	Score	
Weighting for Primary FDD Variables (100 Points)	Data	Score	Data	Score	Data	Score	Data	Score	Max. Score
Ending Date for Financials (Closing Date on Balance Sheet)	12/31/2017		3/31/2018		12/31/2017		12/31/2017		
Current Assets	\$9,658		\$7,373		\$354		\$132		
Intangibles & Goodwill	\$28,821		\$0		\$7		\$0		
Other Assets	\$2,759		\$38		\$1,323		\$0		
Total Assets	\$41,238		\$7,411		\$1,684		\$132		
Current Liabilities	\$4,512		\$8,108		\$221		\$127		
Long-Term Liabilities	\$8,085		\$445		\$2,603		\$0		
Total Liabilities	\$12,597		\$8,553		\$2,824		\$127		
Shareholders' Equity	\$28,641		-\$1,142		-\$1,140		\$5		
Total Liabilities & Shareholders' Equity	\$41,238		\$7,411		\$1,684		\$132		

Key Financial Ratio (%)s	Amazing Lash Studio		The Lash Lounge		Deka Lash		Idolize Brows and Beauty		Max. Score
	Data	Score	Data	Score	Data	Score	Data	Score	
Weighting for Primary FDD Variables (100 Points)									
Current Ratio (or Working Capital Ratio)	214.1%	25	90.9%	8	160.2%	24	103.9%	10	25
Intangibles & Goodwill as % of Total Assets	69.9%	2	0.0%	20	0.4%	20	0.0%	20	20
Total Liabilities as % of Total Assets Ratio	30.5%	35	115.4%	0	167.7%	0	96.2%	5	35
Long-Term Liabilities as % of Shareholders' Equity Ratio	28.2%	17	-39.0%	0	-228.3%	0	0.0%	20	20

Total Score	802	707	665	510	/1000
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FranCompare™

FranCompare™ and the World Franchising Network have been in the franchising business for over 30 years. During that period, we have gained some meaningful insights into what separates great franchise systems from mediocre ones. The FranCompare™ Franchise Recognition Program is the result of those decades of experience. The underlying analysis relies upon a unique template called Franchise Matrix™. The Franchise Matrix™ allows a prospective investor, analyst or lender to prioritize which objective factors in each franchisor's FDD are most important in analyzing competing systems and to compare systems side-by-side. Keep in mind that the methodology and results of the Franchise Recognition Program are solely the opinions of FranCompare™ and are based solely on what we consider to be the key factors taken from each franchisor's 2018 FDD. If you want to modify the weighting of the variables or change the variables themselves, please [click here](#) for a customizable worksheet that can accommodate your personal priorities.

FranCompare™ also provides custom side-by-side analyses for clients. You can choose from over 2,100 2018 FDDs and over 2,300 2017 FDDs listed on www.FranchiseDisclosures.com. If you have an interest in a custom FranCompare™ analysis, please give us a call at (888) 612-9908. The minimum charge for 4 companies is \$600 and each additional company is \$150.

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Feel free to contact us at:

FranCompare™

1814 Franklin Street, Suite 800

Oakland, CA 94612

(888) 612-9908