



BrightStar Care[®]
 HOME CARE | MEDICAL STAFFING
A Higher Standard

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Franchised Units:	319	In Business Since:	2002	Average Royalty:	5.8%
Company-Owned Units:	13	Average Franchise Fee:	\$50K	IFA Member:	Yes
Total Operating Units:	332	Total Investment Range:	\$94.6 – 153.3K	Term of Initial Contract:	10 Years

With franchisees servicing over 300 locations nationwide, BrightStar Care® can provide every service that is available at a nursing facility, but in the comfort of your loved one's home. From companionship, toileting and hygiene assistance to in-home blood draws and complex infusions, our services are available around the clock to meet our clients' every need.

Nearly 70% of seniors will require assistance in their daily lives, whether it's unskilled or skilled care, according to a [Washington Post opinion piece](#). That assistance typically falls into one of three main segments in the industry's continuum of care: companion care, which includes helping clients get to appointments and assisting with their general well-being; personal care, which includes dressing, grooming, and help with mobility issues; and skilled home care, which includes nursing and medical services.

Most of BrightStar's competition only offers the first two types of care: companion and personal. BrightStar Care sets itself apart from the home care competition by offering services in all three segments, providing clients the ability to adjust their levels of care based on their changing needs without the need to change service providers. Other home care franchises that offer only personal and companion care must turn their patients over to another provider once skilled care is needed. By providing skilled care, BrightStar Care franchisees are able to keep clients for a longer period of time, maximizing revenue potential.



Multiple revenue streams

In addition to delivering care to patients one-on-one in their home, we also provide care in other settings. Other healthcare businesses frequently reach out to BrightStar Care for help with staffing needs. We provide personnel to hospitals, nursing homes, doctors' offices, labs and anywhere healthcare staff is needed. These relationships not only bring in extra revenue for franchisees — they also provide extra income opportunities for caregivers, which helps make BrightStar Care the employer of choice for caregivers.

BrightStar Care franchisees also benefit from patients referred by our network of national account partners. Many healthcare providers are looking for skilled providers to serve patients in their homes, and BrightStar Care is an ideal partner thanks to our nationwide footprint and our franchisees' accreditations. National account services range from insurance assessments and IV infusion therapy to home health, in addition to delivering flu clinic services to corporate, commercial and retail clients.

BrightStar Care franchisees earn Joint Commission Accreditation, which ensures that the highest level of health care standards are met. The care we provide empowers our clients to live well at every stage of life and in every setting. At BrightStar Care, our mission is to go above and beyond to truly deliver *A Higher Standard of Care* and nothing less.

BrightStar Care's business model is designed to help professionals without prior healthcare experience deliver *A Higher Standard of Care*. Our franchise support team includes a nurse practitioner who specializes in geriatric care providing coaching and training programs for caregivers; business coaches to help franchisees continually improve their businesses; IT professionals who are continually improving a proprietary technology platform that streamlines business functions and provides robust data to guide care and track patient outcomes.

These support systems help franchisees build a business that can scale up to meet the growing demand for home health care, and help our franchisees generate the highest average revenue among home health care franchises that publish financial performance data.

Ultimately, the systems help our franchisees build a business that improves lives. For us, helping people is more than our work, it's our passion. Knowing that we're making a real difference by bringing more to the lives of others every day is very rewarding.

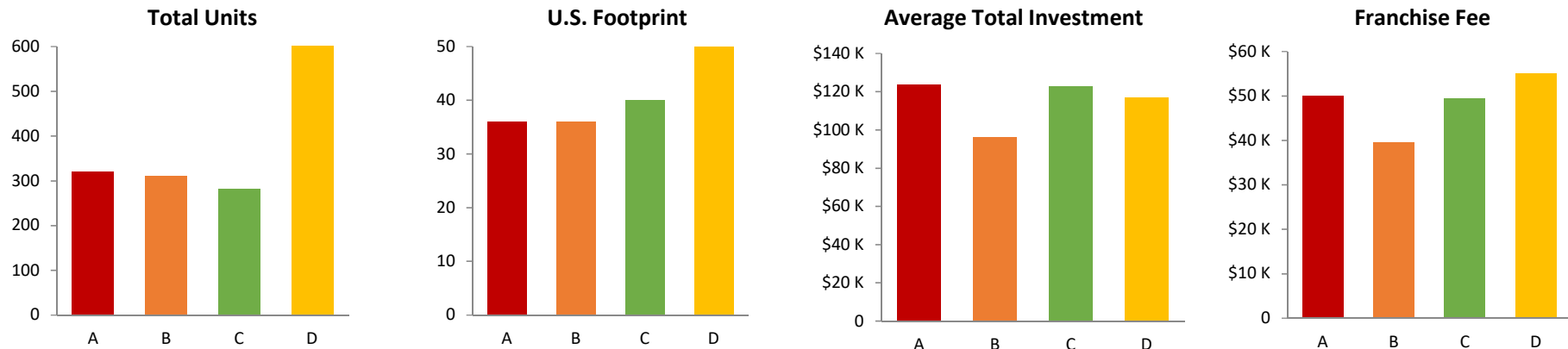
FranCompare™ Franchise Recognition Program 2019

Senior-Focused Services Industry

	Company Name (DBA)	Legal Name	Final Score
A	BrightStar Care	BrightStar Franchising, LLC	744
B	Synergy HomeCare	Synergy HomeCare Franchising, LLC	742
C	Senior Helpers	SH Franchising, LLC	671
D	Home Instead Senior Care	Home Instead, Inc.	646

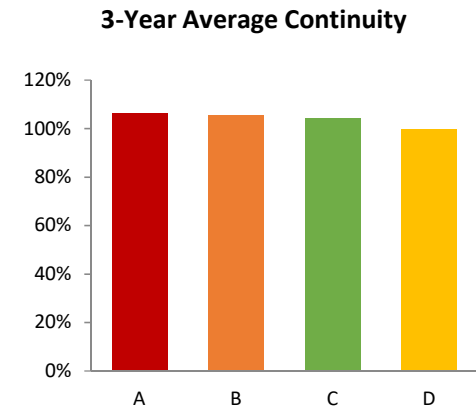
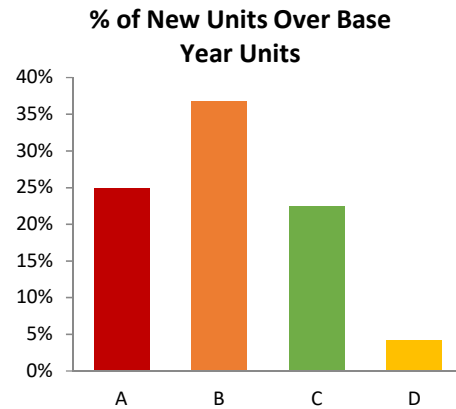
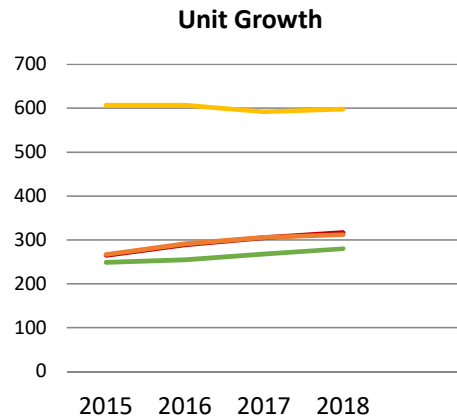
Key Unit Investment Variables

30%



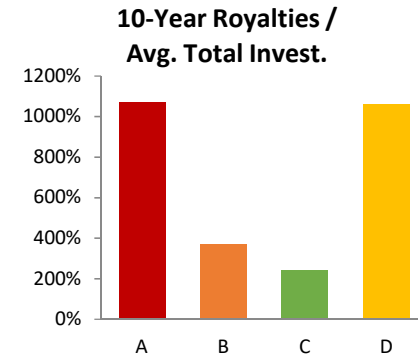
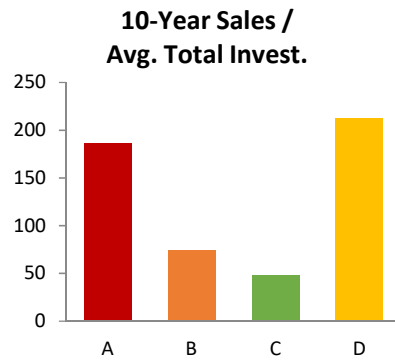
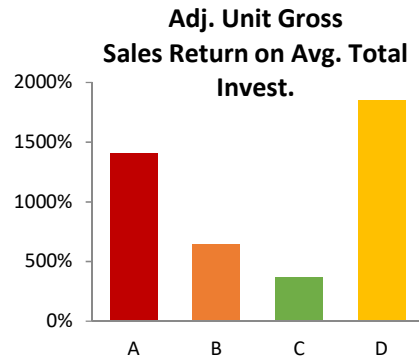
- **Total Units** is a valuable measure if recent growth was accompanied by proper support. Meteoric growth, however, with the help of third parties, frequently means franchisees are left to fend for themselves while management focuses on growth for its own sake.
- The greater the **Footprint/Geographical 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.

	BrightStar Care		Synergy HomeCare		Senior Helpers		Home Instead Senior Care		
Weighting for Primary FDD Variables (300 Points)	Data	Score	Data	Score	Data	Score	Data	Score	Max. Score
Year-End Total Franchised Units	317		312		280		598		
Year-End Total Company-Owned Units	4		0		3		5		
Year-End Total Units	321	50	312	50	283	50	603	50	50
% of Franchised Units	98.8%		100.0%		98.9%		99.2%		
% of Company-Owned Units	1.2%	5	0.0%	0	1.1%	5	0.8%	3	10
U.S. Footprint (# of U.S. States)	36	35	36	35	40	35	50	35	35
Total Low Investment	\$94,618		\$37,750		\$103,300		\$108,900		
Total High Investment	\$153,263		\$155,150		\$142,300		\$124,910		
Average Total Investment Per Unit	\$123,941		\$96,450		\$122,800		\$116,905		
Low Unit Size Estimate (Square Feet)	No Data		200		1,000		500		
High Unit Size Estimate (Square Feet)	No Data		250		1,000		800		
Average Unit Size (Square Feet)	N/A		225		1,000		650		
Average Total Investment Per Square Feet	N/A		\$429		\$123		\$180		
Average Franchise Fee (Single Unit)	\$50,000	12	\$39,500	20	\$49,500	12	\$55,000	11	40
Average Annual Royalty Fee (On-Going After Trial Period)	5.8%	84	5.0%	85	5.0%	85	5.0%	85	90
Term of Initial Contract (Years)	10	20	5	10	10	20	10	20	35
Term of First Contract Renewal (Years)	10+5	18	5+5+5+5+5	20	5+5+5+5	20	10	11	20
Average Transfer Fee (Single Unit)	\$15,000	5	\$14,833	5	\$24,750	2	\$15,000	5	10
Year Incorporated	2002	9	1999	10	2002	9	1994	10	10
Franchising Since	2005		2005		2005		1995		
Issuance Date of FDD (Issue Date)	3/31/2018		4/25/2018		4/9/2018		5/15/2018		



- **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.

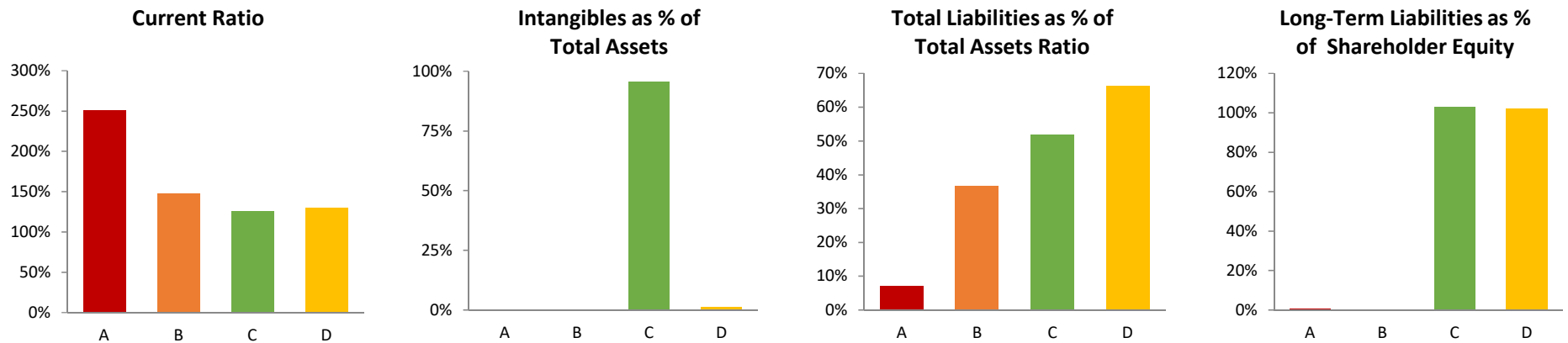
Weighting for Primary FDD Variables (250 Points)	BrightStar Care		Synergy HomeCare		Senior Helpers		Home Instead Senior Care		Max. Score
	Data	Score	Data	Score	Data	Score	Data	Score	
Base-Year Beginning Franchised Units	265		267		249		607		
New Franchised Units Over Following 3 Years	66		98		56		25		
Total Franchised Units at the End of Year 3	317		312		280		598		
% of New Units Over Base Year Units	24.9%	10	36.7%	17	22.5%	10	4.1%	0	40
3-Year Compound Annual Unit Growth	6.2%	26	5.3%	25	4.0%	10	-0.5%	0	70
3-Year Average Continuity Rate	106.2%	115	105.4%	115	104.0%	110	99.5%	100	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.

	BrightStar Care		Synergy HomeCare		Senior Helpers		Home Instead Senior Care		
Weighting for Primary FDD Variables (350 Points)	Data	Score	Data	Score	Data	Score	Data	Score	Max. Score
Company-Wide Average Gross Sales or Revenue	\$1,747,035		\$541,334		\$451,478		\$1,877,016		
Period Operated	Over 24 Months		1 to 5 Years		24 to 35 Months		Over 1 Year		
Calculation Based on # of Units Evaluated	164 of 317		26 of 312		11 of 280		587 of 598		
Calculation Based on Franchised or Company-Owned Units	Franchised		Franchised		Franchised		Franchised		
% Adjustment*	100%		115%		100%		115%		
Adjusted Average Gross Sales or Revenue	\$1,747,035		\$622,534		\$451,478		\$2,158,568		
Adjusted Unit Gross Sales Return on Avg. Total Investment	1409.6%	175	645.4%	175	367.7%	175	1846.4%	175	175
Cum.10-Year Gross Sales (Compounded at 5% Growth / Year)	\$23,072,719		\$7,149,283		\$5,962,574		\$24,789,351		
10-Year Sales / Average Total Investment	186.2	75	74.1	75	48.6	75	212.0	75	75
10-Year Total Royalty Payments	\$1,326,681		\$357,464		\$298,129		\$1,239,468		
10-Year Royalties / Average Total Investment	1070.4%	0	370.6%	0	242.8%	1	1060.2%	0	50
Detailed Income Statement (EBITDA All Units Optimal)	10%	5	10%	5	0%	0	0%	0	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)	BrightStar Care		Synergy HomeCare		Senior Helpers		Home Instead Senior Care		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		12/31/2017		12/31/2017		12/31/2017		
Current Assets	\$4,988		\$4,388		\$3,983		\$12,809		
Intangibles & Goodwill	\$0		\$0		\$130,091		\$383		
Other Assets	\$26,442		\$3,708		\$1,854		\$17,767		
Total Assets	\$31,430		\$8,096		\$135,928		\$30,959		
Current Liabilities	\$1,988		\$2,972		\$3,173		\$9,882		
Long-Term Liabilities	\$229		\$0		\$67,455		\$10,645		
Total Liabilities	\$2,217		\$2,972		\$70,628		\$20,527		
Shareholders' Equity	\$29,213		\$5,124		\$65,300		\$10,432		
Total Liabilities & Shareholders' Equity	\$31,430		\$8,096		\$135,928		\$30,959		

Key Financial Ratio (%)s	BrightStar Care		Synergy HomeCare		Senior Helpers		Home Instead Senior Care		Max. Score
	Data	Score	Data	Score	Data	Score	Data	Score	
Weighting for Primary FDD Variables (100 Points)									
Current Ratio (or Working Capital Ratio)	250.9%	25	147.6%	22	125.5%	22	129.6%	22	25
Intangibles & Goodwill as % of Total Assets	0.0%	20	0.0%	20	95.7%	0	1.2%	19	20
Total Liabilities as % of Total Assets Ratio	7.1%	35	36.7%	33	52.0%	30	66.3%	25	35
Long-Term Liabilities as % of Shareholders' Equity Ratio	0.8%	20	0.0%	20	103.3%	0	102.0%	0	20

Total Score	744	742	671	646	/1000
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In addition to the detailed metrics noted above, the most essential unknown from a prospective franchisee’s viewpoint is how the franchisor is viewed by its actual franchisees. No matter how good the metrics look, if franchisees are generally unhappy with the franchisor, prospective franchisees should go no further.

Franchisee satisfaction can only be determined by an experienced third party who attempts to canvass all current franchisees with probing questions that licit truthful responses. To ensure integrity, franchisee confidentiality is paramount in any such survey. The only firm that currently does this is the [Franchise Research Institute](#). They have conducted a thorough review of BrightStar’s franchisees and awarded them World-Class Franchise status. The results of their research is noted below:

OVERALL QUALITY



Q: *In general, how would you rate the overall quality of your franchisor?*

Excellent - Very Good - Good - Acceptable - Poor



LOCAL COMPETITION



Q: *How would you rate your franchise business compared to the local competition?*

Excellent - Very Good - Good - Acceptable - Poor



PRODUCT/SERVICE QUALITY



Q: *How would you rate the quality of products and/or services received from your franchisor?*

Excellent - Very Good - Good - Acceptable - Poor



PERFORMANCE STANDARDS



Q: *BrightStar Care encourages high standards of quality performance throughout the organization.*

Strongly Agree - Agree - Disagree - Strongly Disagree



GROWTH POTENTIAL



Q: *How would you rate the long-term growth potential for your franchise business?*

Excellent - Very Good - Good - Acceptable - Poor



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.

Source: All information in the FranCompare™ Franchise Recognition Program, the Franchise Matrix™ and related charts and graphs was compiled from publicly available Franchise Disclosure Documents (FDDs). FranCompare™ permits no reproduction, electronic transmission or other distribution of the FranCompare™ Franchise Recognition Program or Franchise Matrix™, in whole or in part, except as authorized by separate signed Agreement.

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