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Franchised Units:	322	In Business Since:	1934	Royalty:	3.3%
Company-Owned Units:	0	Average Franchise Fee:	\$30K	IFA Member:	Yes
Total Operating Units:	322	Total Investment Range:	\$250.6-415.5K	Term of Initial Contract:	20 Years

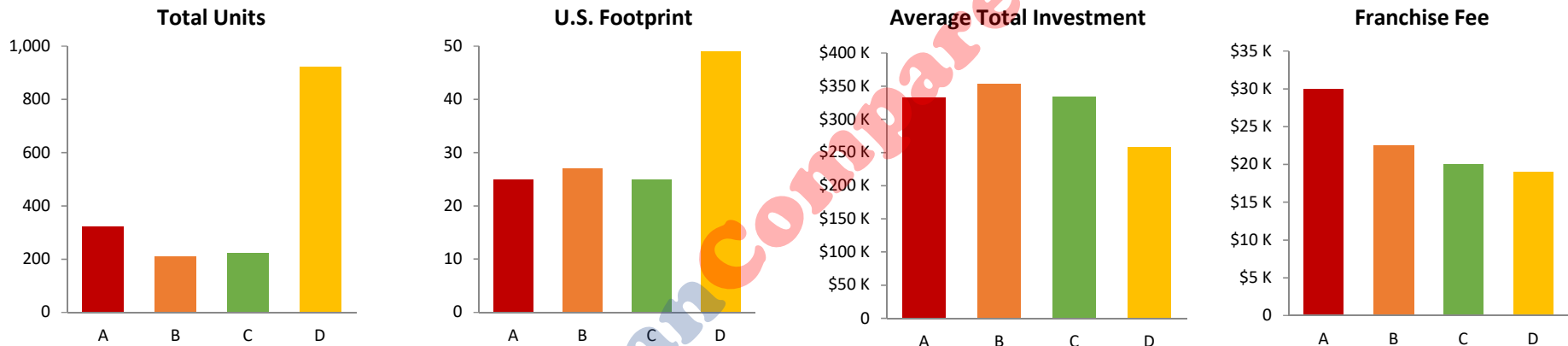
COMPANY'S DESCRIPTION HERE
(MAX. 600 WORDS & 2 IMAGES)

Ice Cream Shops (\$300-500K Investment) Industry

	Company Name (DBA)	Legal Name	Final Score
A	Carvel	Carvel Franchisor SPV, LLC	709
B	Haagen-Dazs	The Haagen-Dazs Shoppe Company, Inc.	702
C	Marble Slab Creamery	Marble Slab Franchising, LLC	604
D	Cold Stone Creamery	Kahala Franchising, LLC	602

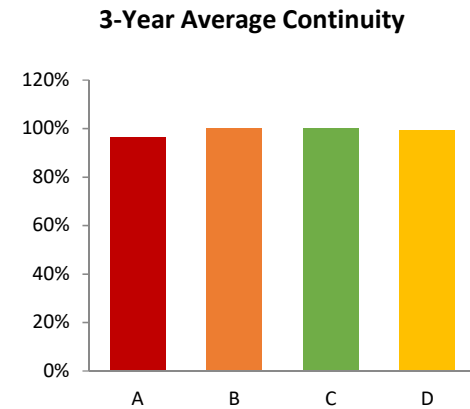
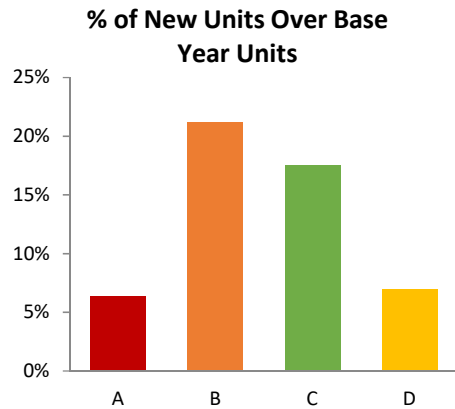
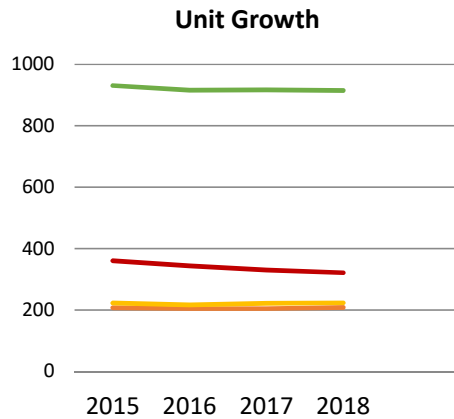
Key Unit Investment Variables

30%



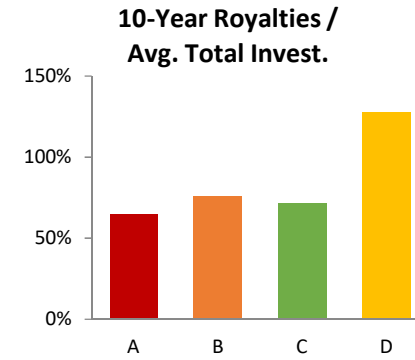
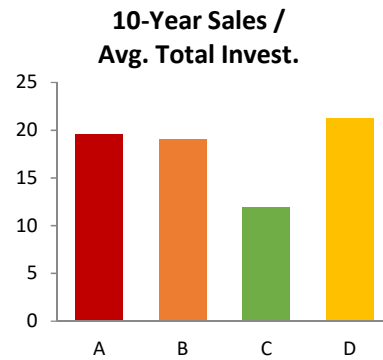
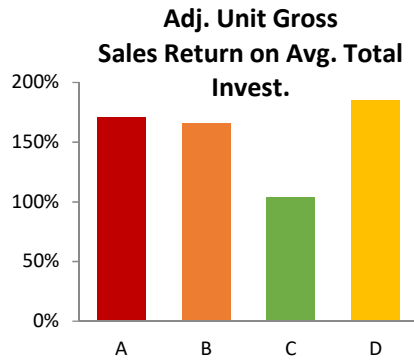
- **Total Units** is a valuable measure if recent growth was accompanied by proper support. Meteoric growth, however, with the help of third parties, frequently means franchisees are left to fend for themselves while management focuses on growth for its own sake.
- The greater the **Footprint/Geographical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

	Carvel		Haagen-Dazs		Marble Slab Creamery		Cold Stone Creamery		
Weighting for Primary FDD Variables (300 Points)	Data	Score	Data	Score	Data	Score	Data	Score	Max. Score
Year-End Total Franchised Units	322		209		224		915		
Year-End Total Company-Owned Units	0		0		0		8		
Year-End Total Units	322	50	209	48	224	48	923	50	50
% of Franchised Units	100.0%		100.0%		100.0%		99.1%		
% of Company-Owned Units	0.0%	0	0.0%	0	0.0%	0	0.9%	3	10
U.S. Footprint (# of U.S. States)	25	32	27	32	25	32	49	35	35
Total Low Investment	\$250,600		\$164,518		\$293,085		\$50,200		
Total High Investment	\$415,500		\$542,738		\$376,135		\$467,525		
Average Total Investment Per Unit	\$333,050		\$353,628		\$334,610		\$258,863		
Low Unit Size Estimate (Square Feet)	800		200		400		100		
High Unit Size Estimate (Square Feet)	1,600		1,800		1,400		1,400		
Average Unit Size (Square Feet)	1,200		1,000		900		750		
Average Total Investment Per Square Feet	\$278		\$354		\$372		\$345		
Average Franchise Fee (Single Unit)	\$30,000	30	\$22,500	35	\$20,000	37	\$19,000	37	40
Average Annual Royalty Fee (On-Going After Trial Period)	3.3%	90	4.0%	90	6.0%	80	6.0%	80	90
Term of Initial Contract (Years)	20	35	10	20	10	20	10	20	35
Term of First Contract Renewal (Years)	20	20	10	11	10	11	5	6	20
Average Transfer Fee (Single Unit)	\$15,000	5	\$7,500	9	\$10,000	8	\$11,250	5	10
Year Incorporated	1934	10	1961	10	1983	10	1988	10	10
Franchising Since	1947		1976		1986		1994		
Issuance Date of FDD (Issue Date)	4/1/2018		4/1/2018		11/21/2018		3/1/2018		



- **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.

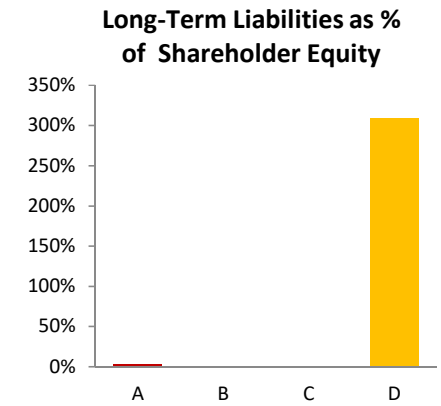
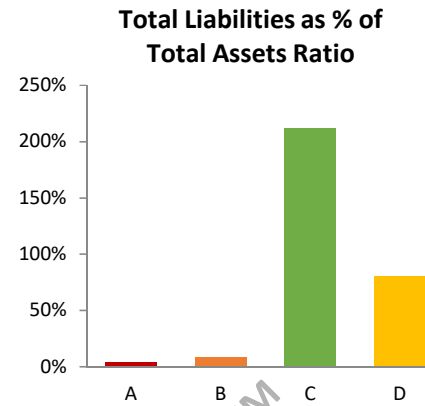
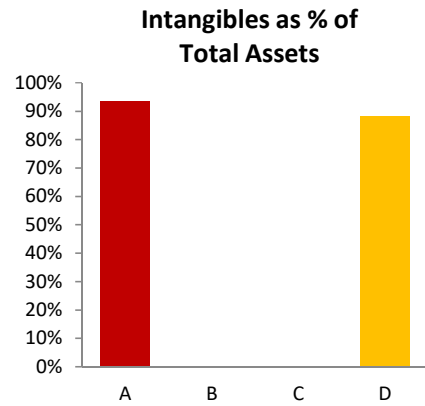
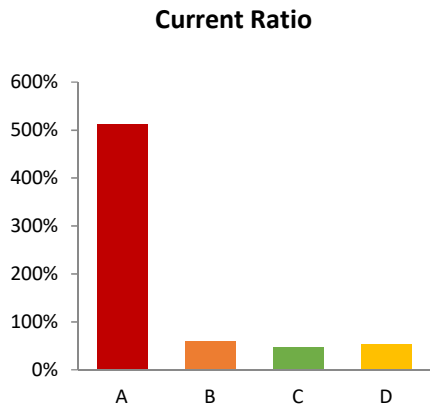
	Carvel		Haagen-Dazs		Marble Slab Creamery		Cold Stone Creamery		
Weighting for Primary FDD Variables (250 Points)	Data	Score	Data	Score	Data	Score	Data	Score	Max. Score
Base-Year Beginning Franchised Units	361		208		223		931		
New Franchised Units Over Following 3 Years	23		44		39		65		
Total Franchised Units at the End of Year 3	322		209		224		915		
% of New Units Over Base Year Units	6.4%	4	21.2%	10	17.5%	8	7.0%	4	40
3-Year Compound Annual Unit Growth	-3.7%	0	0.2%	10	0.1%	10	-0.6%	0	70
3-Year Average Continuity Rate	96.3%	93	100.2%	105	100.2%	105	99.4%	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.

	Carvel		Haagen-Dazs		Marble Slab Creamery		Cold Stone Creamery		
Weighting for Primary FDD Variables (350 Points)	Data	Score	Data	Score	Data	Score	Data	Score	Max. Score
Company-Wide Average Gross Sales or Revenue	\$494,570		\$509,291		\$302,518		\$416,855		
Period Operated	Over 1 Year		Over 1 Year		Over 1 Year		Over 1 Year		
Calculation Based on # of Units Evaluated	18 of 322		172 of 209		133 of 224		872 of 923		
Calculation Based on Franchised or Company-Owned Units	Franchised		Franchised		Franchised		Both		
% Adjustment*	115%		115%		115%		115%		
Adjusted Average Gross Sales or Revenue	\$568,756		\$585,685		\$347,896		\$479,383		
Adjusted Unit Gross Sales Return on Avg. Total Investment	170.8%	140	165.6%	140	104.0%	100	185.2%	150	175
Cum.10-Year Gross Sales (Compounded at 5% Growth / Year)	\$6,531,681		\$6,726,098		\$3,995,291		\$5,505,315		
10-Year Sales / Average Total Investment	19.6	55	19.0	55	11.9	25	21.3	55	75
10-Year Total Royalty Payments	\$215,545		\$269,044		\$239,717		\$330,319		
10-Year Royalties / Average Total Investment	64.7%	50	76.1%	50	71.6%	50	127.6%	35	50
Detailed Income Statement (EBITDA All Units Optimal)	30%	15	0%	0	36%	18	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)	Carvel		Haagen-Dazs		Marble Slab Creamery		Cold Stone Creamery		Max. Score
	Data	Score	Data	Score	Data	Score	Data	Score	
Weighting for Primary FDD Variables (100 Points)									
Ending Date for Financials (Closing Date on Balance Sheet)	12/31/2017		12/31/2017		12/31/2017		11/30/2017		
Current Assets	\$16,798		\$878		\$206		\$54,074		
Intangibles & Goodwill	\$272,189		\$0		\$0		\$429,012		
Other Assets	\$1,404		\$15,515		\$0		\$3,148		
Total Assets	\$290,391		\$16,393		\$206		\$486,234		
Current Liabilities	\$3,276		\$1,465		\$436		\$102,174		
Long-Team Liabilities	\$8,582		\$0		\$0		\$290,188		
Total Liabilities	\$11,858		\$1,465		\$436		\$392,362		
Shareholders' Equity	\$278,533		\$14,928		-\$230		\$93,872		
Total Liabilities & Shareholders' Equity	\$290,391		\$16,393		\$206		\$486,234		

Key Financial Ratio (%)s	Carvel		Haagen-Dazs		Marble Slab Creamery		Cold Stone Creamery		Max. Score
	Data	Score	Data	Score	Data	Score	Data	Score	
Weighting for Primary FDD Variables (100 Points)									
Current Ratio (or Working Capital Ratio)	512.8%	25	59.9%	2	47.2%	2	52.9%	2	25
Intangibles & Goodwill as % of Total Assets	93.7%	0	0.0%	20	0.0%	20	88.2%	0	20
Total Liabilities as % of Total Assets Ratio	4.1%	35	8.9%	35	211.7%	0	80.7%	10	35
Long-Term Liabilities as % of Shareholders' Equity Ratio	3.1%	20	0.0%	20	0.0%	20	309.1%	0	20

Total Score	709	702	604	602	/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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