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Franchised Units:	51	In Business Since:	2010	Royalty:	6%
Company-Owned Units:	49	Average Franchise Fee:	\$35K	IFA Member:	Yes
Total Operating Units:	100	Total Investment Range:	\$211.5 – 462.6K	Term of Initial Contract:	10 Years

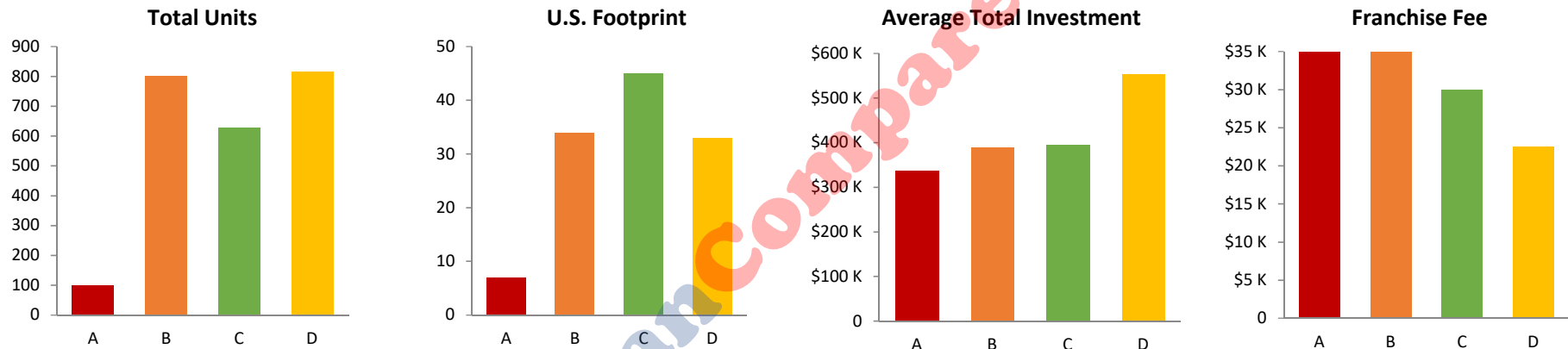
COMPANY'S DESCRIPTION HERE
(MAX. 600 WORDS & 2 IMAGES)

Juice Bars & Smoothies Industry

	Company Name (DBA)	Legal Name	Final Score
A	Nekter Juice Bar	Nekter Franchise, Inc.	810
B	Jamba Juice (Traditional)	Jamba Juice Franchisor SPV, LLC	781
C	Tropical Smoothie Café	Tropical Smoothie Café, LLC	707
D	Smoothie King	Smoothie King Franchises, Inc.	694

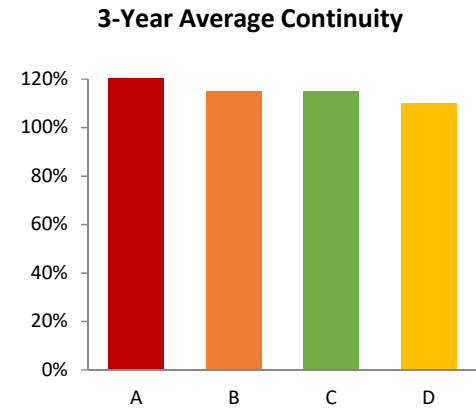
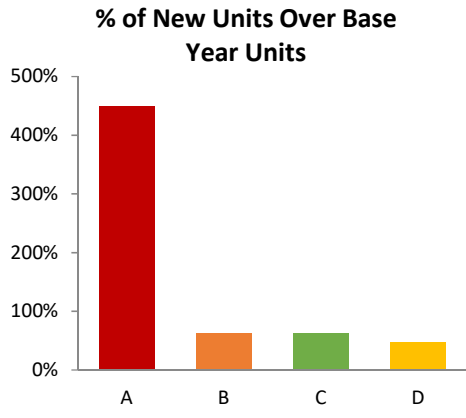
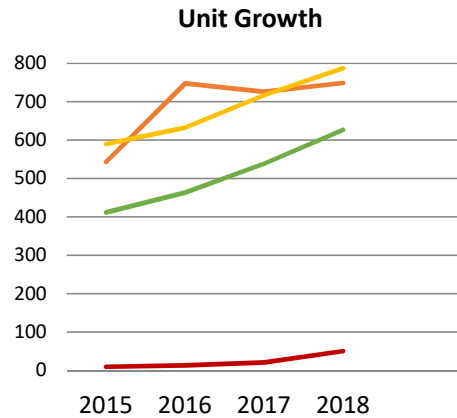
Key Unit Investment Variables

30%



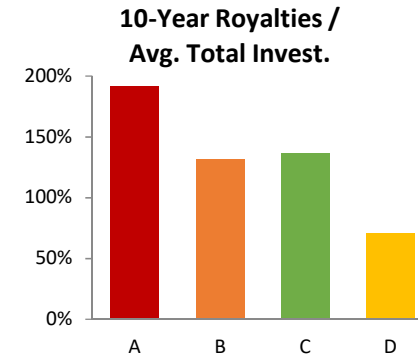
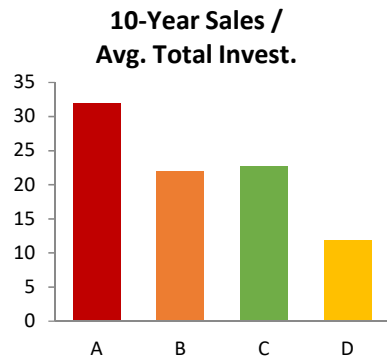
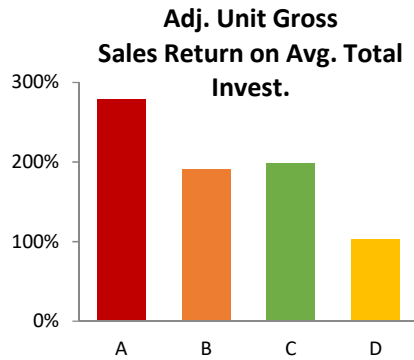
- **Total Units** is a valuable measure if recent growth was accompanied by proper support. Meteoric growth, however, with the help of third parties, frequently means franchisees are left to fend for themselves while management focuses on growth for its own sake.
- The greater the **Footprint/Geographical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

	Nekter Juice Bar		Jamba Juice (Traditional)		Tropical Smoothie Café		Smoothie King		
Weighting for Primary FDD Variables (300 Points)	Data	Score	Data	Score	Data	Score	Data	Score	Max. Score
Year-End Total Franchised Units	51		749		627		787		
Year-End Total Company-Owned Units	49		53		1		28		
Year-End Total Units	100	35	802	50	628	50	815	50	50
% of Franchised Units	51.0%		93.4%		99.8%		96.6%		
% of Company-Owned Units	49.0%	7	6.6%	10	0.2%	0	3.4%	7	10
U.S. Footprint (# of U.S. States)	7	15	34	35	45	35	33	35	35
Total Low Investment	\$211,500		\$273,600		\$222,095		\$263,550		
Total High Investment	\$462,600		\$504,300		\$569,335		\$844,485		
Average Total Investment Per Unit	\$337,050		\$388,950		\$395,715		\$554,018		
Low Unit Size Estimate (Square Feet)	800		1,000		1,300		200		
High Unit Size Estimate (Square Feet)	1,700		1,500		2,000		1,600		
Average Unit Size (Square Feet)	1,250		1,250		1,650		900		
Average Total Investment Per Square Feet	\$270		\$311		\$240		\$616		
Average Franchise Fee (Single Unit)	\$35,000	24	\$35,000	24	\$30,000	30	\$22,500	35	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	20	35	15	30	10	20	35
Term of First Contract Renewal (Years)	5+5	11	20	20	10	11	10+10+10	20	20
Average Transfer Fee (Single Unit)	\$21,875	2	\$10,500	5	\$10,000	8	\$10,000	8	10
Year Incorporated	2010	5	1991	10	1993	10	1973	10	10
Franchising Since	2012		1991		1997		1988		
Issuance Date of FDD (Issue Date)	4/18/2018		10/30/2018		10/23/2018		4/26/2018		



- **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.

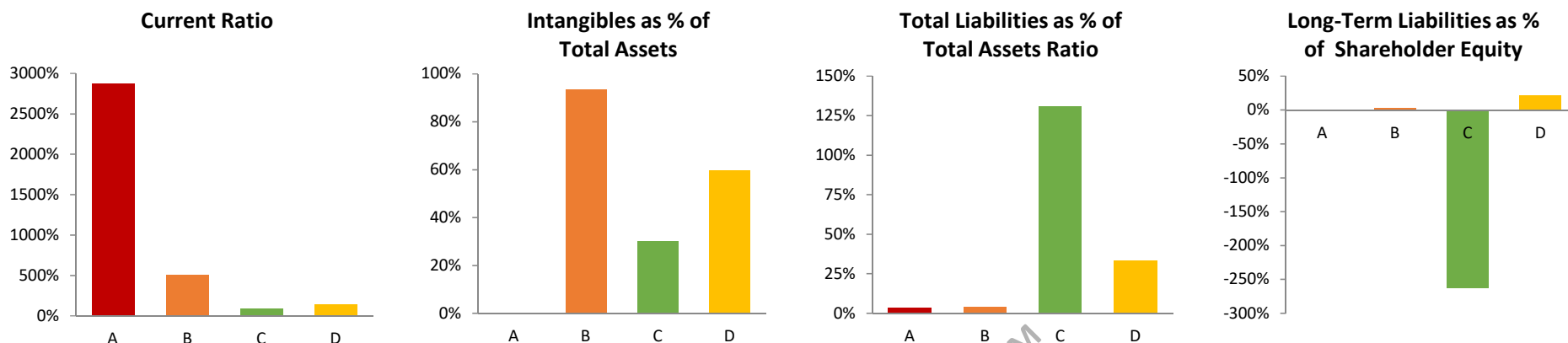
Weighting for Primary FDD Variables (250 Points)	Nekter Juice Bar		Jamba Juice (Traditional)		Tropical Smoothie Café		Smoothie King		Max. Score
	Data	Score	Data	Score	Data	Score	Data	Score	
Base-Year Beginning Franchised Units	10		543		412		590		
New Franchised Units Over Following 3 Years	45		337		255		277		
Total Franchised Units at the End of Year 3	51		749		627		787		
% of New Units Over Base Year Units	450.0%	40	62.1%	30	61.9%	30	46.9%	22	40
3-Year Compound Annual Unit Growth	72.1%	70	11.3%	30	15.0%	33	10.1%	30	70
3-Year Average Continuity Rate	177.6%	140	114.8%	130	115.0%	130	110.1%	125	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.

Weighting for Primary FDD Variables (350 Points)	Nekter Juice Bar		Jamba Juice (Traditional)		Tropical Smoothie Café		Smoothie King		Max. Score
	Data	Score	Data	Score	Data	Score	Data	Score	
Company-Wide Average Gross Sales or Revenue	\$816,741		\$646,482		\$681,291		\$495,257		
Period Operated	Over 1 Year		1 Year		Over 1 Year		Over 13 Months		
Calculation Based on # of Units Evaluated	17 of 51		531 of 569		485 of 627		660 of 787		
Calculation Based on Franchised or Company-Owned Units	Franchised		Franchised		Franchised		Franchised		
% Adjustment*	115%		115%		115%		115%		
Adjusted Average Gross Sales or Revenue	\$939,252		\$743,454		\$783,485		\$569,546		
Adjusted Unit Gross Sales Return on Avg. Total Investment	278.7%	172	191.1%	152	198.0%	152	102.8%	100	175
Cum.10-Year Gross Sales (Compounded at 5% Growth / Year)	\$10,786,525		\$8,537,950		\$8,997,665		\$6,540,754		
10-Year Sales / Average Total Investment	32.0	75	22.0	60	22.7	60	11.8	25	75
10-Year Total Royalty Payments	\$647,191		\$512,277		\$539,860		\$392,445		
10-Year Royalties / Average Total Investment	192.0%	9	131.7%	30	136.4%	30	70.8%	50	50
Detailed Income Statement (EBITDA All Units Optimal)	10%	5	0%	0	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)	Nekter Juice Bar		Jamba Juice (Traditional)		Tropical Smoothie Café		Smoothie King		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	\$3,395		\$16,798		\$10,679		\$22,223		
Intangibles & Goodwill	\$0		\$272,189		\$7,076		\$48,536		
Other Assets	\$25		\$1,404		\$5,604		\$10,438		
Total Assets	\$3,420		\$290,391		\$23,359		\$81,197		
Current Liabilities	\$118		\$3,276		\$11,587		\$15,466		
Long-Term Liabilities	\$0		\$8,582		\$19,020		\$11,617		
Total Liabilities	\$118		\$11,858		\$30,607		\$27,083		
Shareholders' Equity	\$3,302		\$278,533		-\$7,248		\$54,115		
Total Liabilities & Shareholders' Equity	\$3,420		\$290,391		\$23,359		\$81,197		

Key Financial Ratio (%)s	Nekter Juice Bar		Jamba Juice (Traditional)		Tropical Smoothie Café		Smoothie King		Max. Score
	Data	Score	Data	Score	Data	Score	Data	Score	
Weighting for Primary FDD Variables (100 Points)									
Current Ratio (or Working Capital Ratio)	2877.1%	25	512.8%	25	92.2%	8	143.7%	22	25
Intangibles & Goodwill as % of Total Assets	0.0%	20	93.7%	0	30.3%	10	59.8%	4	20
Total Liabilities as % of Total Assets Ratio	3.5%	35	4.1%	35	131.0%	0	33.4%	33	35
Long-Term Liabilities as % of Shareholders' Equity Ratio	0.0%	20	3.1%	20	-262.4%	0	21.5%	18	20

Total Score	810	781	707	694	/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.

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