



The Maids®

Referred for a reason.

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Franchised Units:	1,255	In Business Since:	1979	Average Royalty:	5.4%
Company-Owned Units:	<u>142</u>	Average Franchise Fee:	\$12.5K	IFA Member:	Yes
Total Operating Units:	1,397	Total Investment Range:	\$63.3 – 141.2K	Term of Initial Contract:	20 Years

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

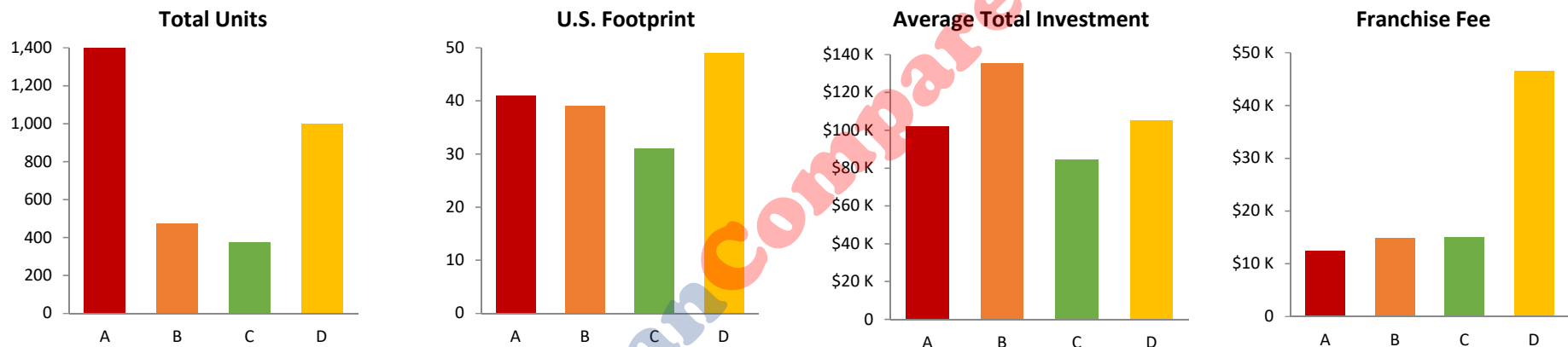
Maid Services Industry

Franchise Matrix™

	Company Name (DBA)	Legal Name	Final Score
A	The Maids	The Maids International, Inc.	768
B	Molly Maid	Molly Maid, LLC	703
C	Maid Brigade	Maid Brigade, Inc.	682
D	Merry Maids	Merry Maids Limited Partnership	655

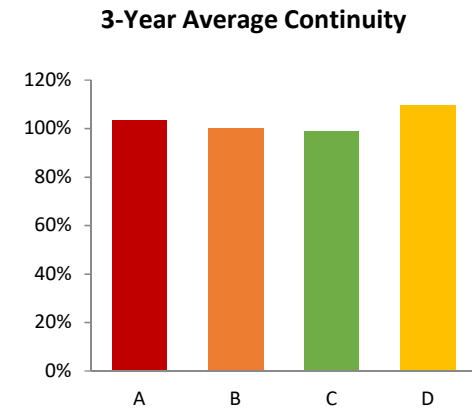
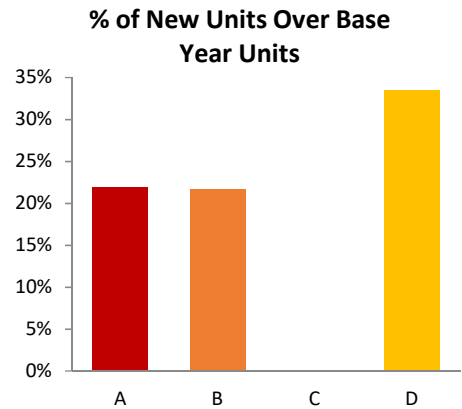
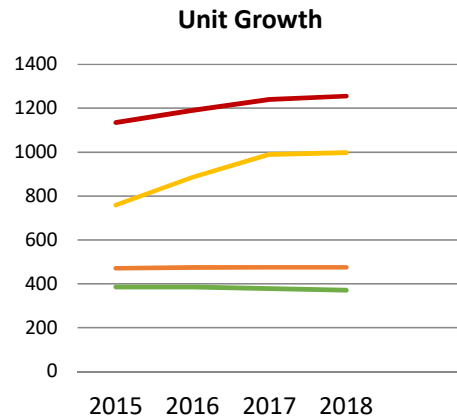
Key Unit Investment Variables

30%



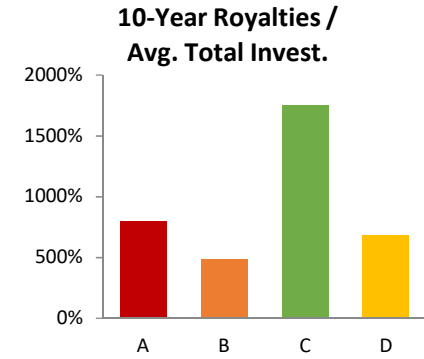
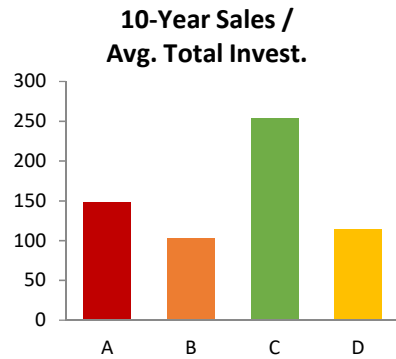
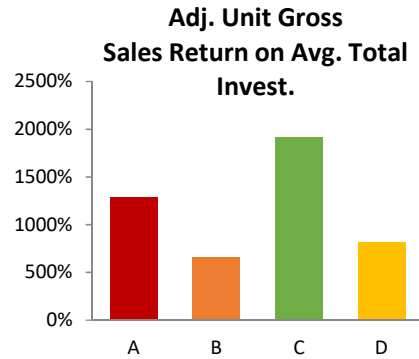
- **Total Units** is a valuable measure if recent growth was accompanied by proper support. Meteoric growth, however, with the help of third parties, frequently means franchisees are left to fend for themselves while management focuses on growth for its own sake.
- The greater the **Footprint/Geographical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

	The Maids		Molly Maid		Maid Brigade		Merry Maids		
Weighting for Primary FDD Variables (300 Points)	Data	Score	Data	Score	Data	Score	Data	Score	Max. Score
Year-End Total Franchised Units	1,255		475		371		998		
Year-End Total Company-Owned Units	142		0		6		3		
Year-End Total Units	1,397	50	475	50	377	50	1,001	50	50
% of Franchised Units	89.8%		100.0%		98.4%		99.7%		
% of Company-Owned Units	10.2%	10	0.0%	0	1.6%	5	0.3%	2	10
U.S. Footprint (# of U.S. States)	41	35	39	35	31	35	49	35	35
Total Low Investment	\$63,300		\$114,200		\$73,500		\$86,750		
Total High Investment	\$141,200		\$157,200		\$95,500		\$123,750		
Average Total Investment Per Unit	\$102,250		\$135,700		\$84,500		\$105,250		
Low Unit Size Estimate (Square Feet)	10,000		45,000		25,000		15,000		
High Unit Size Estimate (Square Feet)	70,000		65,000		25,000		35,000		
Average Unit Size (Square Feet)	40,000		55,000		25,000		25,000		
Average Total Investment Per Square Feet	\$3		\$2		\$3		\$4		
Average Franchise Fee (Single Unit)	\$12,500	40	\$14,900	39	\$15,000	39	\$46,500	12	40
Average Annual Royalty Fee (On-Going After Trial Period)	5.4%	85	4.8%	88	6.9%	70	6.0%	80	90
Term of Initial Contract (Years)	20	35	10	20	10	20	5	10	35
Term of First Contract Renewal (Years)	20	20	10	11	10	11	5	6	20
Average Transfer Fee (Single Unit)	\$15,000	5	\$4,133	10	\$9,500	8	\$3,500	10	10
Year Incorporated	1979	10	1984	10	1982	10	1980	10	10
Franchising Since	1980		1984		1984		1980		
Issuance Date of FDD (Issue Date)	12/6/2018		3/29/2018		3/15/2018		4/2/2018		



- **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.

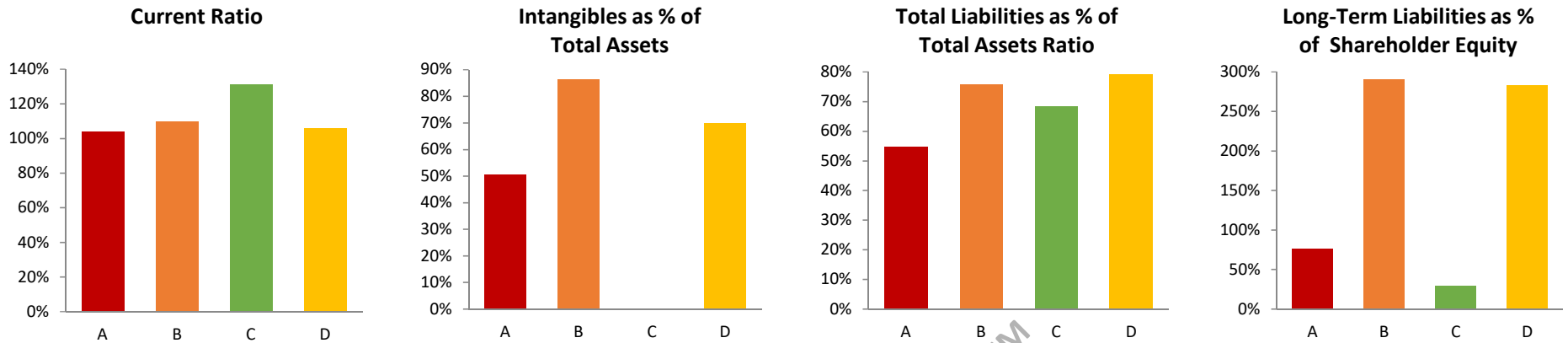
	The Maids		Molly Maid		Maid Brigade		Merry Maids		
Weighting for Primary FDD Variables (250 Points)	Data	Score	Data	Score	Data	Score	Data	Score	Max. Score
Base-Year Beginning Franchised Units	1,135		471		386		759		
New Franchised Units Over Following 3 Years	249		102		0		254		
Total Franchised Units at the End of Year 3	1,255		475		371		998		
% of New Units Over Base Year Units	21.9%	10	21.7%	10	0.0%	0	33.5%	15	40
3-Year Compound Annual Unit Growth	3.4%	10	0.3%	10	-1.3%	0	9.6%	28	70
3-Year Average Continuity Rate	103.4%	110	100.3%	105	98.7%	100	109.8%	120	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.

	The Maids		Molly Maid		Maid Brigade		Merry Maids		
Weighting for Primary FDD Variables (350 Points)	Data	Score	Data	Score	Data	Score	Data	Score	Max. Score
Company-Wide Average Gross Sales or Revenue	\$1,143,920		\$1,056,952		\$1,622,284		\$905,722		
Period Operated	Over 1 Year		Over 5 Years		Over 2 Years		Over 3 Years		
Calculation Based on # of Units Evaluated	106 of 116		208 of 221		79 of 79		303 of 319		
Calculation Based on Franchised or Company-Owned Units	Franchisees		Franchisees		Franchisees		Franchisees		
% Adjustment*	115%		85%		100%		95%		
Adjusted Average Gross Sales or Revenue	\$1,315,508		\$898,409		\$1,622,284		\$860,436		
Adjusted Unit Gross Sales Return on Avg. Total Investment	1286.6%	175	662.1%	175	1919.9%	175	817.5%	175	175
Cum.10-Year Gross Sales (Compounded at 5% Growth / Year)	\$15,107,508		\$13,958,940		\$21,425,162		\$11,961,678		
10-Year Sales / Average Total Investment	147.8	75	102.9	75	253.6	75	113.7	75	75
10-Year Total Royalty Payments	\$815,805		\$663,050		\$1,478,336		\$717,701		
10-Year Royalties / Average Total Investment	797.9%	0	488.6%	0	1749.5%	0	681.9%	0	50
Detailed Income Statement (EBITDA All Units Optimal)	90%	45	80%	40	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)	The Maids		Molly Maid		Maid Brigade		Merry Maids		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)	9/30/2018		12/31/2017		12/31/2016		12/31/2017		
Current Assets	\$1,750		\$36,051		\$575		\$1,242,000		
Intangibles & Goodwill	\$4,098		\$496,562		\$0		\$3,948,000		
Other Assets	\$2,273		\$41,410		\$167		\$456,000		
Total Assets	\$8,121		\$574,023		\$742		\$5,646,000		
Current Liabilities	\$1,683		\$32,824		\$438		\$1,174,000		
Long-Team Liabilities	\$2,779		\$402,932		\$69		\$3,305,000		
Total Liabilities	\$4,463		\$435,756		\$507		\$4,479,000		
Shareholders' Equity	\$3,658		\$138,269		\$235		\$1,167,000		
Total Liabilities & Shareholders' Equity	\$8,121		\$574,025		\$742		\$5,646,000		

Key Financial Ratio (%)s	The Maids		Molly Maid		Maid Brigade		Merry Maids		Max. Score
	Data	Score	Data	Score	Data	Score	Data	Score	
Weighting for Primary FDD Variables (100 Points)									
Current Ratio (or Working Capital Ratio)	104.0%	10	109.8%	10	131.3%	22	105.8%	10	25
Intangibles & Goodwill as % of Total Assets	50.5%	6	86.5%	0	0.0%	20	69.9%	2	20
Total Liabilities as % of Total Assets Ratio	55.0%	30	75.9%	15	68.3%	25	79.3%	15	35
Long-Term Liabilities as % of Shareholders' Equity Ratio	76.0%	7	291.4%	0	29.4%	17	283.2%	0	20

Total Score	768	703	682	655	/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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