

# How Much Money Can You Make?

Understanding the Key Drivers of  
Any Franchise Investment



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**\$93,254**



advertising & sales

cleaning & maintenance

**child services**

automotive

health & beauty

education

home services

business services

travel & hospitality

pet services

**food & beverages**

finance & tax

**senior care**

technology

**retail**

real estate

sports & recreation

**services**

# why?



job vs investment



read the fine print!

# CUSTOM BUILT. FAST-FIRE'D.<sup>®</sup>

FAST CASUAL ARTISAN PIZZA.  
ASSEMBLY LINE FORMAT.


**\$25,636\***

AVERAGE WEEKLY NET SALES



FAST-FIRE'D.<sup>®</sup>

**FRANCHISES AVAILABLE**

**(626) 584-5880**  **franchise@blazepizza.com**

Blaze Pizza, LLC • 530 S. Lake Ave., Suite 280 • Pasadena, CA 91101

\*This reflects the average gross sales (net of sales taxes and discounts) of our two company-owned restaurants in Irvine and Pasadena, California, from their respective initial opening through March 17, 2013, but excluding each restaurant's first week of operations, as published in Item 19 of our March 2013 Franchise Disclosure Document (FDD). The reporting period is 33 weeks (8/13/12 - 5/10/13) for Irvine, and 21 weeks (10/22/12 - 5/10/13) for Pasadena. The FDD also includes the restaurants' average food costs and certain labor costs (not all costs or operating expenses), during the same periods. These were our only operational restaurants during the stated periods and half met or exceeded the reported average. A new franchisee's results may differ from the reported figure. We are not offering franchises to residents of any state where we are not currently registered. Item File #F-7088. Offering is made by prospectus only.

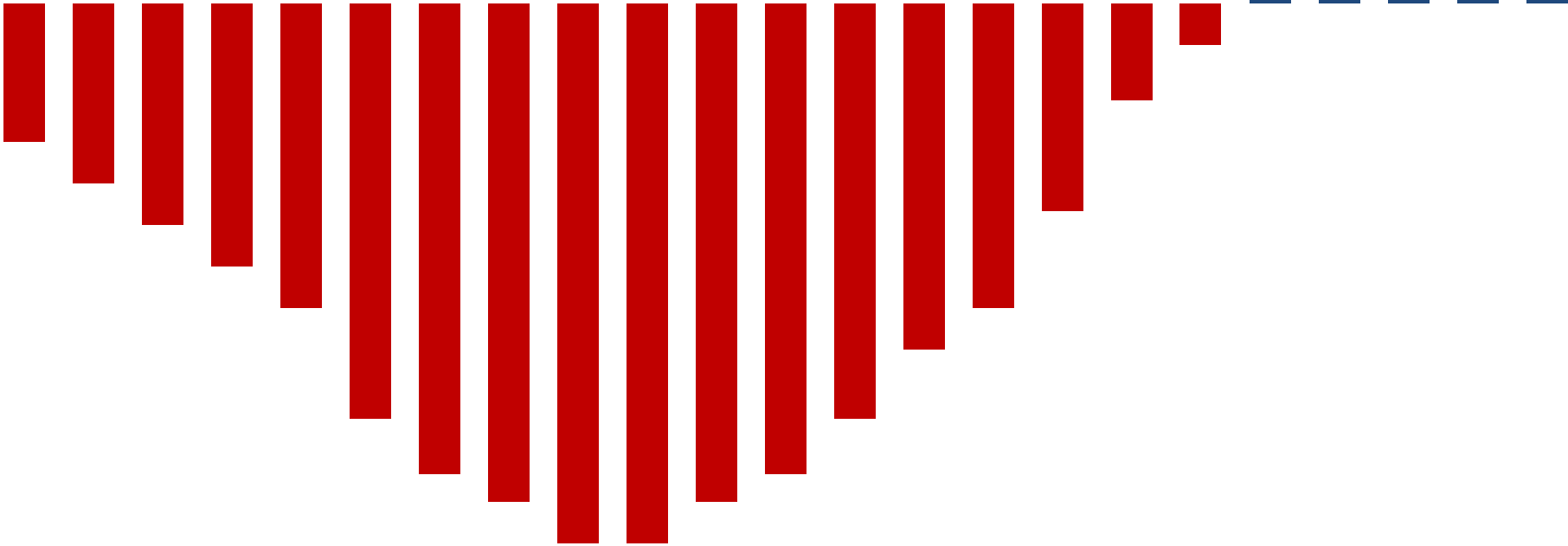
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**Avg sales**



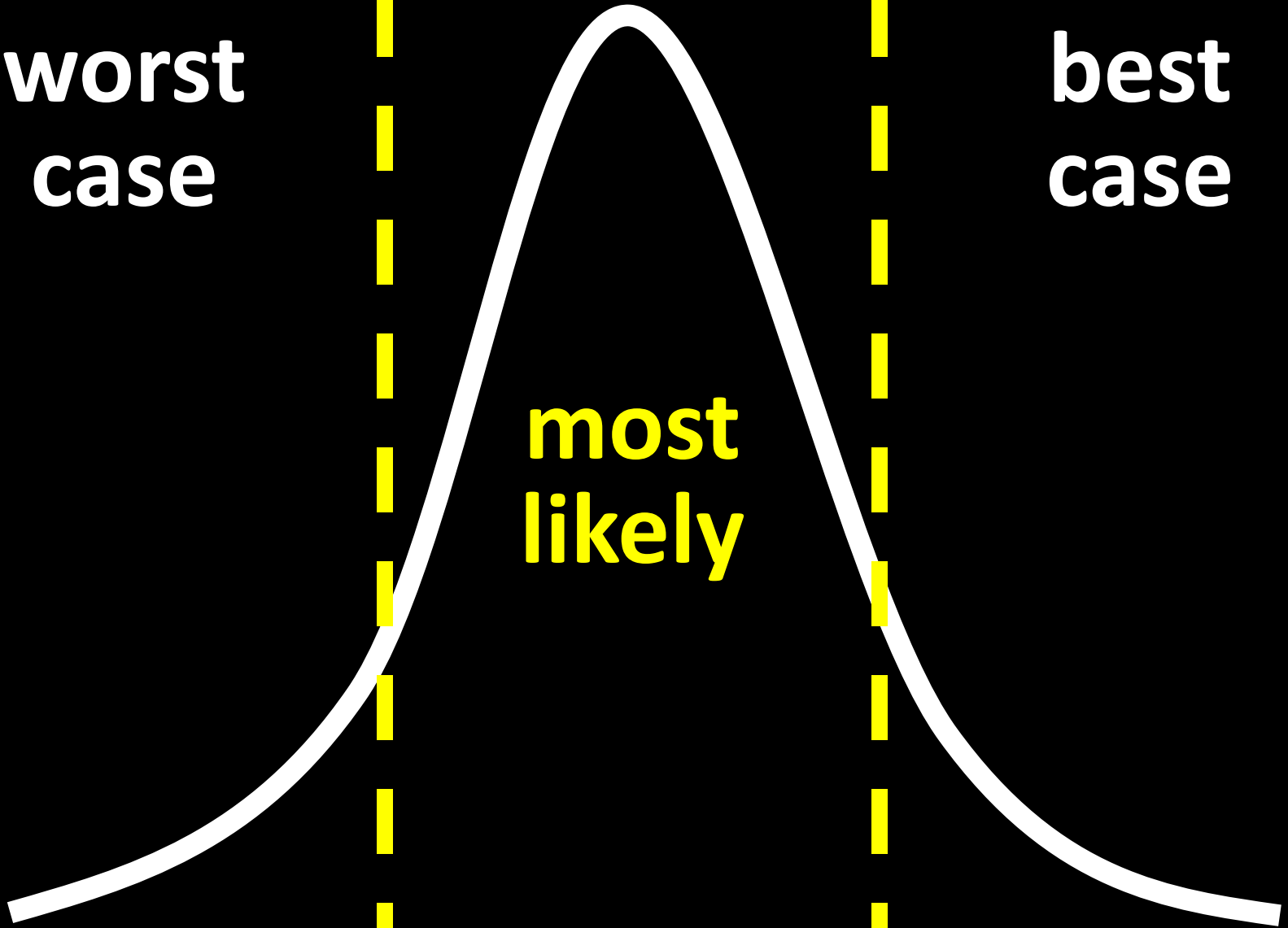
**Initial investment**



**worst  
case**

**best  
case**

**most  
likely**



**\$600,000**

or

**\$112,000**

or

**\$47,000**

**Gross sales**

(Cost of goods sold)

**Gross profit**

(Operating Expenses & Royalties)

**EBITDA**

(Depreciation & amortization)

**EBIT**

(Interest expense)

**EBT**

(Tax expense)

**Net income**

(business reinvestment & repay debt)

**“Take home”**

<b>Sales</b>	<b>\$600,000</b>	
COGS	(\$200,000)	
Expenses	(\$250,000)	
Royalties	(\$37,500)	6.25%
<hr/>		
<b>Net Income</b>	<b>\$112,500</b>	<b>33%</b>
Taxes	(\$28,000)	
Loans	(\$17,500)	
Biz Reinvest	(\$20,000)	
<hr/>		
<b>Take Home</b>	<b>\$47,000</b>	<b>8%</b>

# Income Statement (P&L)

# Balance Sheet

Sales  
↓  
Profits

Assets

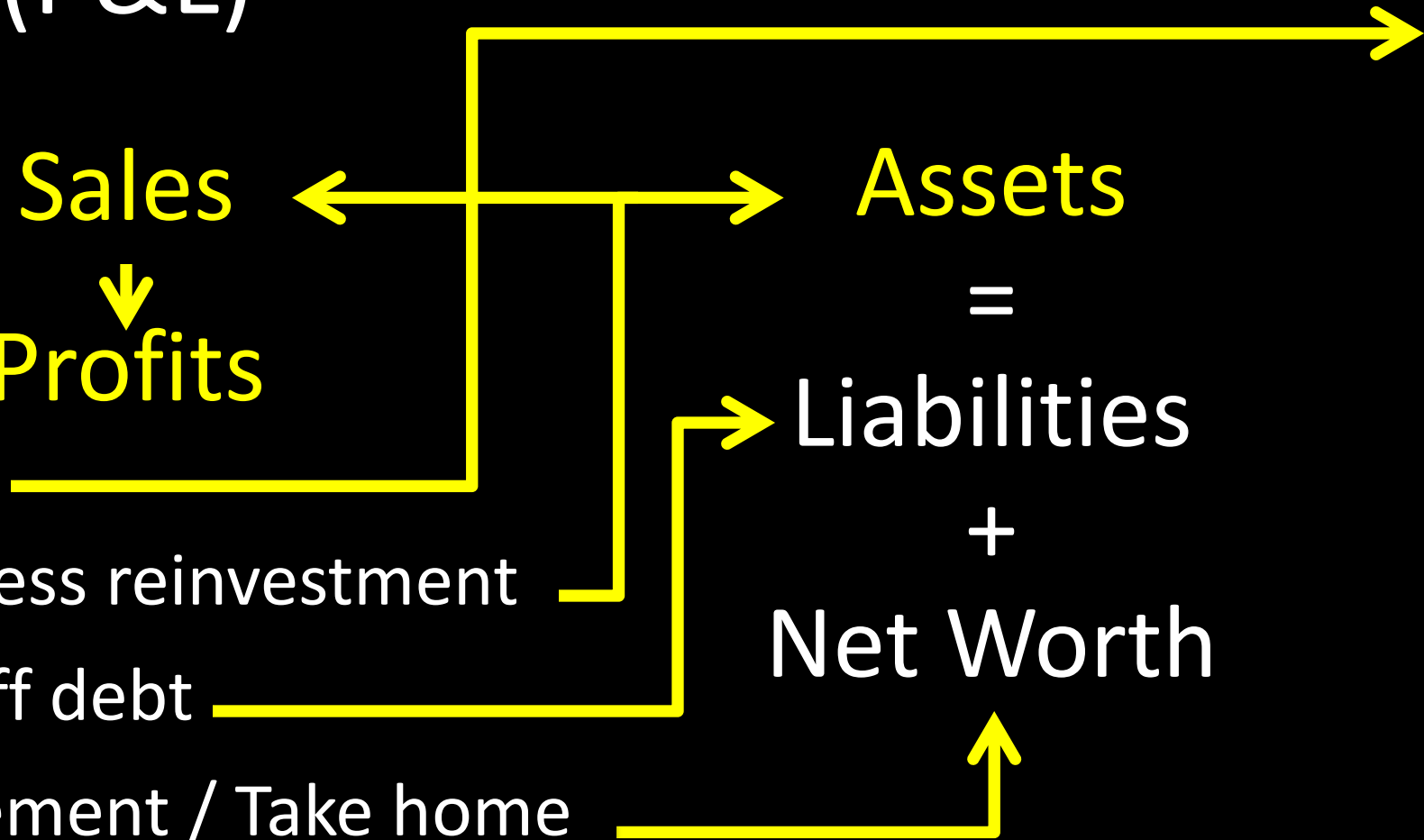
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Liabilities

+

Net Worth

- Taxes
- Business reinvestment
- Pay off debt
- Retirement / Take home



**out**

**-**

**in**

**=**

**ROI**

**your franchise**

**L.I.F.E.**



**liabilities**

**income**

**financial wealth**

**equity**

# My Franchise LIFE Plan™ (Sample 10-Year Plan)

Initial Franchise Investment:	\$ 150,000 (Assumption: \$150K total investment, with \$100K cash down, and a \$50K bank loan)									
	Base Year									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>Sales / Gross Revenue</b>	\$ 475,000	\$ 550,000	\$ 646,250	\$ 678,563	\$ 712,491	\$ 748,115	\$ 785,521	\$ 824,797	\$ 845,234	\$ 875,645
<b>Cost of Goods Sold (COGS)</b>	\$ 190,000	\$ 192,500	\$ 193,875	\$ 199,691	\$ 205,682	\$ 211,852	\$ 218,208	\$ 224,754	\$ 231,497	\$ 238,442
COGS %	40%	35%	30%	29%	29%	28%	28%	27%	27%	27%
<b>Gross Profit</b>	\$ 285,000	\$ 357,500	\$ 452,375	\$ 478,871	\$ 506,809	\$ 536,263	\$ 567,313	\$ 600,043	\$ 613,737	\$ 637,203
Gross Profit %	60%	65%	70%	71%	71%	72%	72%	73%	73%	73%
<b>Operating Expenses</b>	\$ 308,750	\$ 291,500	\$ 323,125	\$ 339,281	\$ 356,245	\$ 374,058	\$ 382,760	\$ 402,398	\$ 413,018	\$ 424,669
Operating Expenses %	65%	53%	50%	50%	50%	50%	49%	49%	49%	48%
<b>Royalties (6%)</b>	\$ 28,500	\$ 33,000	\$ 38,775	\$ 40,714	\$ 42,749	\$ 44,887	\$ 47,131	\$ 49,488	\$ 50,714	\$ 52,539
<b>Net Operating Income (NOI)</b>	\$ (52,250)	\$ 33,000	\$ 90,475	\$ 98,876	\$ 107,814	\$ 117,318	\$ 137,421	\$ 148,156	\$ 150,005	\$ 159,995
NOI %	-11%	6%	14%	15%	15%	16%	17%	18%	18%	18%
<b>Assets</b> (real estate, equipment, etc.)										
-Estimated value (with depreciation)										
<b>Liabilities</b>										
-Taxes	\$ -	\$ 8,250	\$ 22,619	\$ 24,719	\$ 26,953	\$ 29,330	\$ 34,355	\$ 37,039	\$ 37,501	\$ 39,999
-New Debt (Assumption: \$50K loan)	\$ 63,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-Total Debt (Principal & Interest balance)	\$ 54,000	\$ 45,000	\$ 36,000	\$ 27,000	\$ 18,000	\$ 9,000	\$ -	\$ -	\$ -	\$ -
<b>Income</b>										
-After Tax Net Operating Income (NOI)	\$ (52,250)	\$ 24,750	\$ 67,856	\$ 74,157	\$ 80,860	\$ 87,989	\$ 103,066	\$ 111,117	\$ 112,504	\$ 119,996
-Debt Contribution	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ -	\$ -	\$ -
-Business Reinvestment	\$ -	\$ 7,500	\$ 10,000	\$ 12,500	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
-Wealth Contribution	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
<b>Take-Home Income</b>	\$ (61,250)	\$ 8,250	\$ 38,856	\$ 42,657	\$ 46,860	\$ 53,989	\$ 69,066	\$ 86,117	\$ 87,504	\$ 94,996
<b>Financial Wealth</b>										
-Starting Wealth Balance	\$ -	\$ 50,000	\$ 40,000	\$ 40,400	\$ 46,150	\$ 107,250	\$ 108,600	\$ 120,100	\$ 156,750	\$ 166,050
-Retirement Contribution (401k, IRA, etc)	\$ -	\$ -	\$ 10,000	\$ 15,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
-Investment Interest	\$ -	\$ -	\$ 400	\$ 750	\$ 1,100	\$ 1,350	\$ 1,500	\$ 1,650	\$ 1,800	\$ 2,100
-Biz Assets Acquired (real estate, equipment, etc.)	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 25,000	\$ -	\$ -
-Depreciation on Biz Assets	\$ -	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (20,000)	\$ (10,000)	\$ (10,000)	\$ (12,500)	\$ (12,500)
-Appreciation on Biz Assets (real estate, etc.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Wealth Total</b>	\$ 50,000	\$ 40,000	\$ 40,400	\$ 46,150	\$ 107,250	\$ 108,600	\$ 120,100	\$ 156,750	\$ 166,050	\$ 175,650
<b>Equity</b>										
Multiplier (X NOI)	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Estimated Business Value	\$ -	\$ 99,000	\$ 271,425	\$ 296,629	\$ 323,442	\$ 351,955	\$ 412,264	\$ 444,469	\$ 450,014	\$ 479,986
<b>Business ROI Analysis (Pre-Tax)</b>										
-Estimated Asset Value	\$ 50,000	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 25,000	\$ -	\$ -
-Estimated Business Value	\$ -	\$ 99,000	\$ 271,425	\$ 296,629	\$ 323,442	\$ 351,955	\$ 412,264	\$ 444,469	\$ 450,014	\$ 479,986
-Accumulated Take-Home Income	\$ (61,250)	\$ (53,000)	\$ (14,144)	\$ 28,513	\$ 75,374	\$ 129,363	\$ 198,428	\$ 284,546	\$ 372,049	\$ 467,046
-Accumulated Wealth	\$ 50,000	\$ 40,000	\$ 40,400	\$ 46,150	\$ 107,250	\$ 108,600	\$ 120,100	\$ 156,750	\$ 166,050	\$ 175,650
-Less Initial Franchise Investment	\$ (150,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)	\$ (150,000)
-Less Total Business Reinvestment	\$ -	\$ (7,500)	\$ (17,500)	\$ (30,000)	\$ (45,000)	\$ (60,000)	\$ (75,000)	\$ (90,000)	\$ (105,000)	\$ (120,000)
<b>Total Estimated Return</b>	\$ (111,250)	\$ (71,500)	\$ 130,181	\$ 191,292	\$ 361,066	\$ 379,917	\$ 505,792	\$ 670,765	\$ 733,113	\$ 852,681
Estimated Return %	-74%	-45%	78%	106%	185%	181%	225%	279%	287%	316%

# Critical FDD Items

**Item 5 – Initial Fees**

**Item 6 – Other Fees**

**Item 7 – Initial Investment**

**Item 19 – FPR (unit-level)**

**Item 20 – Status of Outlets**

**Item 21 – Zor Financials**

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