

bluefrog[®]
PLUMBING+DRAIN



FRANCHISE INFORMATION REPORT



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WHAT IS BLUEFROG PLUMBING + DRAIN?

Fast-growing plumbing franchise is a wise investment for entrepreneurs looking to flourish in business

Plumbing might be the best kept secret in the home services industry. The industry is booming, with \$110 billion in annual revenues, and the fact that plumbing is a need, not a want, for every homeowner makes plumbing entirely recession-resistant. For far too long, plumbing has been the butt of lame jokes (pun intended!) and stereotypes, and overlooked by entrepreneurs who are interested in the home services space. It might surprise you that plumbing is high-margin, highly sophisticated business to own. It can also be incredibly rewarding, both personally and financially. There's something that bluefrog Plumbing + Drain owners know that you don't:

We're not in the plumbing business, we're in the people business.

"I've been in franchising for a long time, and I know that the only businesses that are truly worthy investments are recession-resistant, offer high margins and are an immediate need for a large population," says Gary Findley, CEO of bluefrog Plumbing + Drain. "If you have a problem in your home, whether it's a leak, a clogged toilet, or roots growing in your yard that bust your pipes, that has to be fixed. People for a long time thought they had to be a plumber, or have a license. No. This is a true business. We offer advice on helping you find a qualified plumber, we help you master the business model, and that's why we're attracting business-minded entrepreneurs. There's nothing sexy about being a plumber, but if you want to be in business, if you want to grow, if you want to earn a great living, this is the business for you."

You may not know plumbing, but we do

Plumbing may seem complicated, and it is, but entrepreneurs don't franchise with bluefrog Plumbing + Drain to become plumbers — they join the bluefrog family because they want to thrive in business. This is why bluefrog Plumbing + Drain coaches you through the process of hiring the best plumbers in the industry to work for you. In fact, we have an entire team dedicated to researching the most qualified plumbers in every market, and we teach a consistent process to produce consistent results in regards to hiring.

We want you to focus on growing your business. This is why we've designed our business model to help maximize profitability and provide the most exceptional customer service in the plumbing industry. Beginning with



our low investment, bluefrog Plumbing + Drain franchise is one of the most affordable franchise opportunities in the home services industry. Because we don't require a brick and mortar location, and it only takes one van and a minimal number of employees to begin operations, franchisees can begin generating revenue extremely quickly.

Our support takes care of the rest. We offer world-class support, with a special emphasis on financial awareness. We help you develop a business plan, provide a full suite of marketing services, and offer ongoing coaching and mentoring to ensure that your business continues to grow over the long term.

"We're the new kid on the block," Findley says. "It's all about creating a business that can thrive over the long term. People are coming to us — they're changing careers, they're investing their savings and they trust us to do right by them. We take that very seriously. It's our main focus to help our franchisees succeed. I have to look them in the face, and I have to know that we've done right by them, that we've helped them achieve their goals."

For Alan Soukup, owner of a bluefrog Plumbing + Drain in Plano, Texas, this business has helped achieve not only his dreams, but also the dreams of his children.

"We've been the number one franchise in the system for several months," he says. "I got into this business to do well, not only for me, but

also for my children, who will someday take this business over. It's been extremely financially rewarding, and we're not slowing down; we've been continuously growing in double-digits ever since I started."

WHY IS A PLUMBING FRANCHISE A SMART INVESTMENT?

A plumbing franchise is a recession-resistant business model that is can be far more lucrative than you might realize

Until something goes wrong, we tend to take our plumbing systems for granted. In reality,

plumbing is directly responsible for our quality of life — and if our plumbing system fails, life can become pretty miserable very quickly.

The fact that plumbing is a necessity makes it one of the

fastest-growing industries in the United States. The Bureau of Labor Statistics reports that in 2024, the plumbing industry will have grown by 24% over 10 years. In 2019, the plumbing industry generates more than \$110 billion annually. Unlike other home services industries, carpet cleaning, flooring, home remodeling, and yard maintenance — to name a few examples — the plumbing industry is directly



Own A Business That Is RECESSION-RESISTANT

When a homeowner calls a plumber, there is a problem that needs to be solved.

Plumbing is a must, not a need.

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tied to the fundamental quality of life that every homeowner expects and deserves. This is why the plumbing industry is recession-resistant: it is a need, not a want.

“The reality is, when you think about the home services industry, plumbing is the best opportunity there is,” says Thomas Dougherty, President of bluefrog Plumbing + Drain. “It’s a necessity for homeowners, which makes it incredibly recession-resistant. The plumbing industry is also vastly underserved. There’s a belief system about plumbing — we all know the stereotypes of the plumber with his butt crack exposed — but these people are highly trained, licensed professionals. Plumbing is the No. 1 investment we have in our homes. There’s simply nothing else in the home that can cost as much as our plumbing systems do, and we rely on our systems working every day. This makes investing in the plumbing industry a no-brainer.”

What makes a plumbing franchise such a lucrative business?

There’s an extremely advantageous phenomenon that those in the plumbing business know well: aging infrastructure and booming housing markets throughout the United States are increasing the demand for plumbers.

According to IBIS World, there are more than 120,000 plumbing businesses in the United States. While that may seem like a big number, a simple Google search will reveal that there’s a tremendous shortage of plumbers. For bluefrog Plumbing + Drain, one of the fastest-growing plumbing franchises in the United States, this is an enormous opportunity to capitalize on the growing demand.

But why is there a demand for plumbers when the margins for plumbing work are so high? According to Home Advisor, most homeowners spend up to \$452 on average when they call a plumber, and that price reflects that this is

for a routine, non-emergency situation. Most plumbing companies are there for the quick payout and may not alert the homeowner to what really is the root of the problem. When the problem is revealed, the price to fix the problem can go up exponentially. For example, Home Advisor reports that while a clogged toilet might cost \$200, if the problem is a septic tank or sewer issue, the cost to fix it can go up to \$3,000.

Changing the stereotypes about plumbing: It’s about people

bluefrog Plumbing + Drain is setting the gold standard for customer service in the plumbing industry. Our franchisees are available 24/7, 365 days a year, so their customers have a trustworthy plumber when disaster strikes. Our mission is to provide the right fix for the right price. We guarantee our work and we are not happy until the client is happy.

Our franchisees are able to offer their customers a wide range of services, which helps drive business, win new customers and provides access to multiple revenue



streams. These are the lists of services that our franchisees provide to their customers day-in and day-out:

- Emergency calls
- Clogged drains
- Water heaters (including tankless water heaters)
- Toilets, faucets and sinks
- Sewer and water line repair or replacement
- Garbage disposal
- Hydro-jetting
- Tree removal
- Gas leak detection and repair
- And more!

“We educate our customers,” Dougherty says. “When we show up to a customer’s home because something went wrong, our goal is to turn them into lifelong customers.” By offering a membership service, we can be more proactive, catching problems before they become bigger issues. This is a tremendous benefit for the client, who becomes like our family, and creates more consistency in call volume for our franchisees.

HOW MUCH DOES IT COST?

Fast-growing plumbing franchise is a low-cost investment with the potential for high returns

The visionary executive team at bluefrog Plumbing + Drain shares one fundamental belief: the best way to participate in the market at your full value is to go into business for yourself. At bluefrog Plumbing + Drain, our passion is to help as many entrepreneurs become successful business owners as possible.

Because of our strong belief in entrepreneurship,

bluefrog Plumbing + Drain is one of the most affordable business opportunities in the \$110 billion industry. The total investment to open a bluefrog Plumbing + Drain franchise ranges from \$100,430 to \$351,015. Unlike other brands in the plumbing industry or home services industries, bluefrog Plumbing + Drain franchise owners benefit from a straightforward business model that is quick to scale.

We Offer a BIG Discount to Military Veterans

If you’re a military veteran, franchising with us is even more affordable. Because we know that veterans have the leadership skills, ability to follow a business model and an endless drive to succeed, we believe that the path to business ownership for veterans should be easy. For all qualified U.S. veterans, bluefrog Plumbing + Drain offers 7% off the franchise fee to help you find a meaningful life in business after your exemplary service to our country. We cannot thank you enough!

For a detailed overview of all of the costs and fees associated with owning a bluefrog Plumbing + Drain, please review Item 7 from our most recent FDD on the next page:



Standard Franchise

TYPE OF EXPENDITURE	LOW AMOUNT	HIGH AMOUNT
Franchise Fee	\$47,500	\$135,000
Travel and Living Expenses During Training	\$1,000	\$2,000
Lease, Utility and Security Deposits	\$0	\$3,000
Insurance Premium, 3 months	\$2,000	\$6,000
Business License and Permits	\$2,000	\$4,000
Rent (3-month period after opening)	\$0	\$6,000
Vehicle(s)	\$3,500	\$40,000
Vehicle(s) "Wrap" Advertising	\$2,200	\$2,200
Signage and Graphics	\$0	\$1,500
Furniture, Fixtures and Equipment	\$14,500	\$62,500
Startup Costs	\$1,600	\$3,000
Computer Setup and Annual Database Access	\$400	\$2,000
Operating System Software Fee (3-month period after opening)	\$930	\$1,515
Internet (3-month period after opening)	\$100	\$300
Initial Inventory and Operating Supplies (3-month period after opening)	\$3,000	\$6,000
Initial Advertising and Grand Previous (3-month period after opening)	\$6,000	\$10,000
Professional Fees	\$0	\$1,000
Additional Funds, 3 Months	\$25,000	\$75,000
TOTAL	\$109,730	\$361,015

Conversion Franchise

TYPE OF EXPENDITURE	LOW AMOUNT	HIGH AMOUNT
Franchise Fee	\$22,500	\$135,000
Travel and Living Expenses During Training	\$1,000	\$2,000
Lease, Utility and Security Deposits	\$0	\$3,000
Insurance Premium, 3 months	\$0	\$6,000
Business License and Permits	\$0	\$4,000
Rent (3-month period after opening)	\$0	\$6,000
Vehicle(s)	\$0	\$40,000
Vehicle(s) "Wrap" Advertising	\$2,200	\$2,200
Signage and Graphics	\$0	\$1,500
Furniture, Fixtures and Equipment	\$0	\$62,500
Startup Costs	\$1,600	\$3,000
Computer Setup and Annual Database Access	\$0	\$2,000
Operating System Software Fee (3-month period after opening)	\$930	\$1,515
Internet (3-month period after opening)	\$0	\$300
Initial Inventory and Operating Supplies (3-month period after opening)	\$3,000	\$6,000
Initial Advertising and Grand Previous (3-month period after opening)	\$6,000	\$10,000
Professional Fees	\$0	\$1,000
Additional Funds, 3 Months	\$0	\$25,000
TOTAL	\$37,230	\$203,515

HOW MUCH MONEY CAN I MAKE?

Rising plumbing franchise focuses on maximizing profitability for franchisees

Plumbing is big business. According to IBIS World, the plumbing industry generates more than \$110 billion annually. With the shortage of plumbers becoming a national crisis as aging infrastructure and the acceleration of new housing construction continues, Americans are going to need to turn to a plumbing company they can trust. Fortunately, bluefrog Plumbing + Drain is quickly emerging as the nation's premier plumbing franchise.

By focusing on providing the best customer experience in the plumbing industry, bluefrog Plumbing + Drain capitalizes on the tremendous need for plumbing services — and the majority of plumbing jobs offer exceptionally high

margins, far beyond other home services industries. Our franchisees benefit not only from the potential for high returns, but also because our proven business model emphasizes financial performance above all else.

Our low costs of ownership and our commitment to help you keep costs low means you will be able to keep more of the money you earn going forward.

“There aren't very many businesses in the home services segment that offer as much potential to do well as our franchise owners do,” says Thomas Dougherty, President of bluefrog Plumbing + Drain. “For starters, you can begin operations quickly, without the need for a brick and mortar location at the beginning and with only a minimal number of employees. This allows you to scale up your business efficiently. As a franchise system, we focus on financial performance. We help you establish a business plan, and we work with you to help you exceed your goals. Our sole focus in this organization is to help you thrive in business.”

ITEM 19	Franchised Businesses in Operation 36+ Months	Franchised Businesses in Operation 24 to 36 Months	Franchised Businesses in Operation 12 to 24 Months	Franchised Businesses in Operation Full Calendar Year
Average	\$311,706	\$0	\$425,198	\$344,132
High	\$627,338	\$0	\$471,588	\$627,338
Low	\$132,093	\$0	\$378,809	\$132,093
Number of Reporting Franchisees	5	0	2	7
Number of Franchisees that Attained or Surpassed Stated Average	1	0	1	3
Percentage of Franchised Businesses that Attained or Surpassed Stated Average	20%	0%	50%	42.86%

HOW DO WE SUPPORT YOU?

Plumber franchise excels in helping entrepreneurs thrive in business

The decision to join bluefrog Plumbing + Drain means that you're joining a brand that has experience in helping entrepreneurs thrive in business. From the first moment you sign your franchise agreement, and every day after, bluefrog Plumbing + Drain will be there to support you.

"This is a very results-focused culture," says Thomas Dougherty, President of bluefrog Plumbing + Drain. "As an organization, it's

our job to ensure that our franchisees flourish. From the get-go, we look for entrepreneurs with leadership skills, the ability to grow an organization, the desire to scale and the commitment to providing the best experience for the customer. We can teach you the rest, but it's vitally important that our franchisees come to us with the expectation that they're going to be running this business as a CEO. If our franchisees aren't profitable, neither are we, and this is how it should be. We win when our franchise partners win."

In order to help you to achieve your goals and exceed them, bluefrog Plumbing + Drain has developed one of the most comprehensive training and support platforms in the entire industry.

The American Plumbing Shortage is Real



bluefrog plumbing + draining franchise owners stand to capitalize as the demand for plumbers continues to increase.

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This is how we do it:

Initial training

You will travel to our state-of-the-art campus in Waco, Texas, for a weeklong training session. This week will be packed with classes about how to master our proven business model. We will teach everything from how to effectively market in your territory, how to sell the services we provide, how to deliver an exceptional customer experience, how to hire qualified plumbers, how to be an effective leader of your organization, and so much more.

Online training

When you leave the first week of training, the education doesn't stop there. We offer an extensive resource of online training modules to help you ensure that the information you learned at training is available. We also offer resources

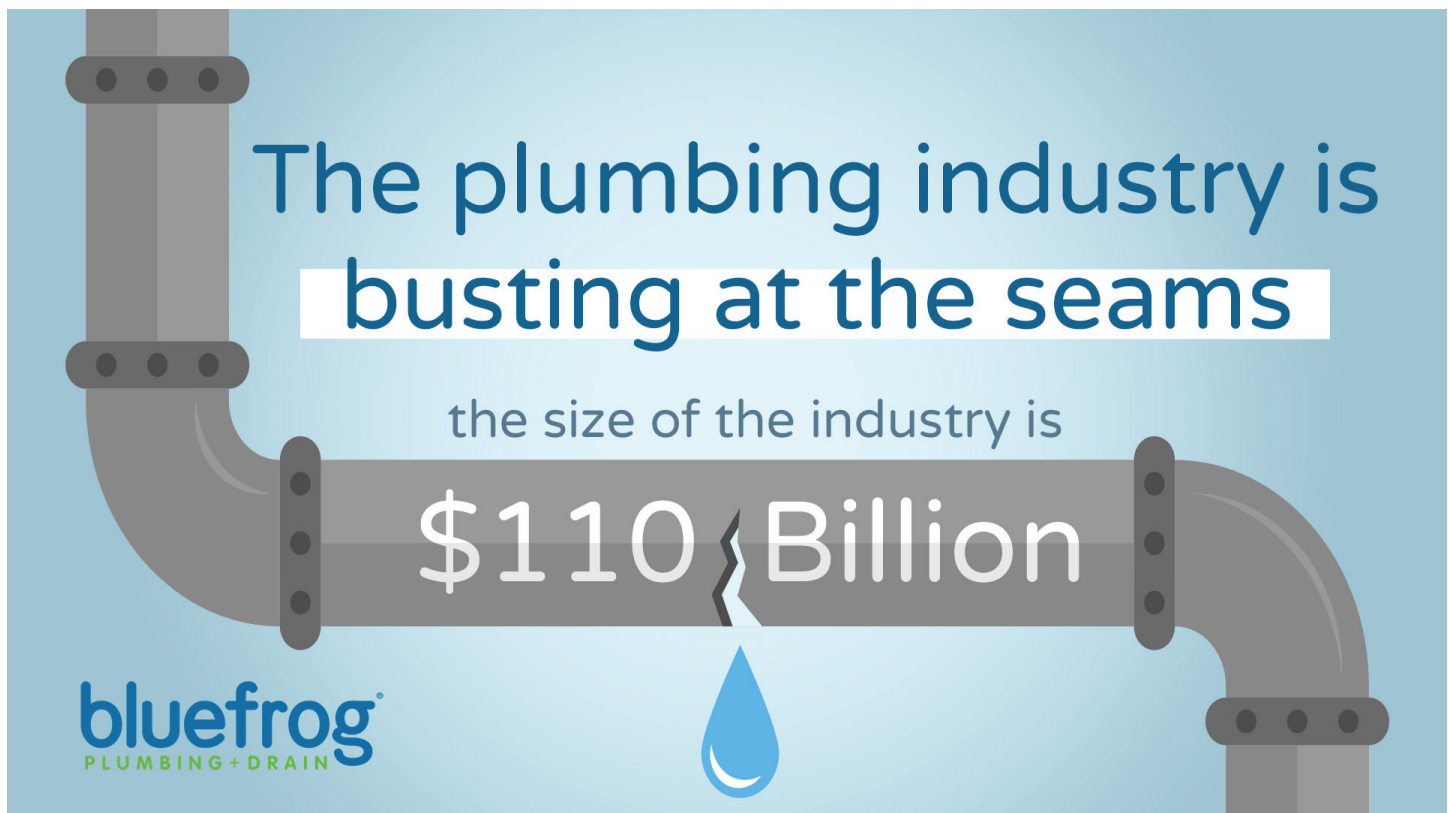
for your plumbers to access to ensure that they know how to answer questions if they come up on a job site.

Financial coaching

This is the most important part of the bluefrog Plumbing + Drain franchise. We teach you how to build a business plan that is achievable, how to benchmark goals, and how to continually take your business to the next level. We will speak to you on a regular basis about your performance to hold you accountable to your goals, answer any questions you have and ensure that your business is always on the right foot.

Ongoing training

We provide an enormous amount of ongoing resources to help you going forward. We provide a full suite of marketing support, financial coaching, mentorship and more, in order to allow you to stay focused on growing your business.



NEXT STEPS

Ready to open a bluefrog Plumbing + Drain franchise in your community?

Expect to hear from a member of the bluefrog Plumbing + Drain franchising staff, who will reach out to you by phone. This will be a short conversation, and it will give us a chance to learn a little bit about each other and answer any initial questions you may have.

After we determine that you're financially qualified, are a great fit for our culture and are passionate about both our brand and the size of the opportunity, we will hit the ground running! You will get a chance to review our Franchise Disclosure Document, which unpacks our opportunity in detail.

Once you sign your franchise agreement, we'll get the ball rolling for your initial training session at our headquarters in Waco, Texas, where we will cover everything you need to master our business model, including marketing, financial performance, how to hire, train and retain plumbers, and more. By the end of our training, you will be ready to go back to your market and begin operations with confidence.

From the time you sign a franchise agreement with bluefrog Plumbing + Drain, we estimate that your location can be open in a matter of months.

We are looking forward to hearing from you and are excited that you're interested in the industry-leading plumbing franchise. We hope we can help you realize your own dreams of successful business ownership.

