

SCISSORS
& SCOTCH



WHY SCISSORS & SCOTCH

Notice the glaring lack of a question mark following the 'why' in that headline. That's because there's no question about why you'd want to get in on this, the sanctum sanctorum of today's proper gent. It's part old-school barbershop, part favorite neighborhood pub. And we're looking for just the right type of franchisee to be part of it all. Sharp minds driven to delivering a great experience while building solid relationships.

Be your own boss without all that pesky 'coming up with a great idea and figuring out how to market it'. I mean, feel free to do that stuff, but when it comes to our franchises, that heavy lifting has already been done. And with proper form.

SCISSORS & SCOTCH

EST. 2015

WE BUILT A BETTER MOUSETRAP.

Six employees. One location. That was then. This is now, 17 shops in nine states. All because one night, our intrepid founders found themselves armed with the tools that have fueled great American success stories for centuries: good bourbon, bar napkins and an idea. That "idea" session turned into a concept that is changing men's grooming in America. Is it just me, or is your arm hair standing up right now?

This isn't your father's barbershop. Unless your dad was old-school cool. In that case, it's the barbershop your dad wished was around decades ago.

This is Scissors & Scotch. And you're going to want to be a part of it.

FINANCIAL OVERVIEW

FRANCHISE FEE

SINGLE SHOP:

\$50K

ADDITIONAL SHOPS:

\$40K each

INVESTMENT & REQUIREMENT

INVESTMENT RANGE:

\$512K - \$746K

LIQUID CAPITAL:

\$300K (MULTI-UNIT)

ANNUAL APPOINTMENTS:

2021 - 258,000

2022 - 550,000+

2023 - 1,000,000+

TOTAL MEMBERS:

2021 - 10,250

2022 - 17,500+

2023 - 30,000+

OPEN LOCATIONS:

2021 - 17

2022 - 30

2023 - 50+

UNIT ECONOMICS CASE STUDY - OVERLAND PARK

DEER CREEK WOODS

7100 W. 135th Street
Overland Park, KS 66223

CALENDAR YEAR

2021

TOTAL REVENUE

\$1,593,702

TOTAL EBITDA

\$283,629

TOTAL APPOINTMENTS

30,694

REVENUE PER APPOINTMENT

\$51.92

YOY REVENUE GROWTH

46%

**SCISSORS
& SCOTCH**



**MONEY. WE
LIKE IT, TOO.**

Look good. Feel great.

Let's be honest – you're not looking at us just because you like a great haircut and an equally great cocktail. No, you're looking at us with a healthy dose of 'prove it'. No worries. We've been growing faster than our client's hair, and the overall men's grooming industry is one of high-potential and high-demand. So, let's get to the lowdown on just what makes us so attractive. Other than the spiffy haircuts, of course.

**INDIVIDUAL SHOP PERFORMANCE
TOTAL GROSS SALES AND APPOINTMENTS**

	2021 GROSS SALES	2021 APPOINTMENTS	GROSS SALES PER APPT.
HIGH	\$1,710,335	32,443	\$55.75
MEDIAN	\$1,071,889	21,659	\$51.92
LOW	\$515,423	9,580	\$44.53

APPOINTMENT METRICS

	YEAR TWO	YEAR THREE +
AVG. DAILY APPTS.	64	72
MEDIAN DAILY APPTS.	61	70
AVG. MONTHLY APPTS.	1,877	2,129
MEDIAN MONTHLY APPTS.	1,802	2,067

2021 BY THE NUMBERS*

\$1.34M top 25% avg shop revenue

90% revenue from repeat clients

64% shops > \$1M 2021 revenue

47% avg recurring revenue

*Includes all shops opened prior to Jan. 1, 2021

MARKET ANALYSIS

Statistics are vital to growing our franchise model. That's why we work with a highly experienced customer analytics firm to research your market's size, demographics and competition.

SITE SELECTION

We don't believe in guessing games; we believe in strategy. We've partnered with a real estate firm that provides information on landlord reputation, co-tenant strength, traffic patterns and other factors that will increase your likelihood of success.

PROJECT MANAGEMENT

Our team will guide you through the entire new shop experience, from signing to opening – coordinating architecture design, leading plan approvals, soliciting general contractor bids and providing step-by-step instructions for every buildout, procurement and more along the way.

HANDS-ON TRAINING

Maximized team efficiency starts with fully-prepared employees and operators. Our industry-leading employee training results in top-notch talent and high retention rates, while our operator training is streamlined, collaborative and customized to your contract.

MARKETING PLAYBOOK

Our marketing materials are polished and turnkey – you will have access to a library of branded assets starting on day one. Plus, our strategy is consistently optimized by a professional agency so we can provide you with best practices.

SYSTEMS AND SUPPORT

The moment your shop's doors open is just the start of a thriving partnership. From the get-go, we'll provide you with a live, searchable operations manual, complete with templates, tools and programs for every area of the business. Our ongoing assistance will help ensure your investment flourishes.

For additional information, please refer to Item 19 of our Franchise Disclosure Document. A new franchisee's results may differ from the represented performance. This is not intended as an offer to sell, or the solicitation of an offer to buy, a franchise. Offerings made by prospectus only and in compliance with the applicable pre-sale registration and requirements in your state. Copyright Scissors & Scotch®. All rights reserved.



The best damn part of your day.



GROWTH: IT'S LITERALLY OUR BUSINESS MODEL.

The hair grows out, the appointments come in. It's self-sustaining. But it's just part of what makes this such an attractive opportunity.

Our goal from day one was to develop a better haircut experience for guys. We've built on that to create a badass investment for people like you, so more guys across the country can enjoy the haircut experience they deserve. From the Rocky Mountains to the nation's Capitol, we're steadily building a kingdom. And there's room at this round table for more. Like you?

Just how sustainable is this business? Well, if having zip, zero, zilch, nada in the way of permanent shop closures during a global pandemic isn't proof, maybe these numbers will convince you.

90% of appointments at mature locations are repeat customers

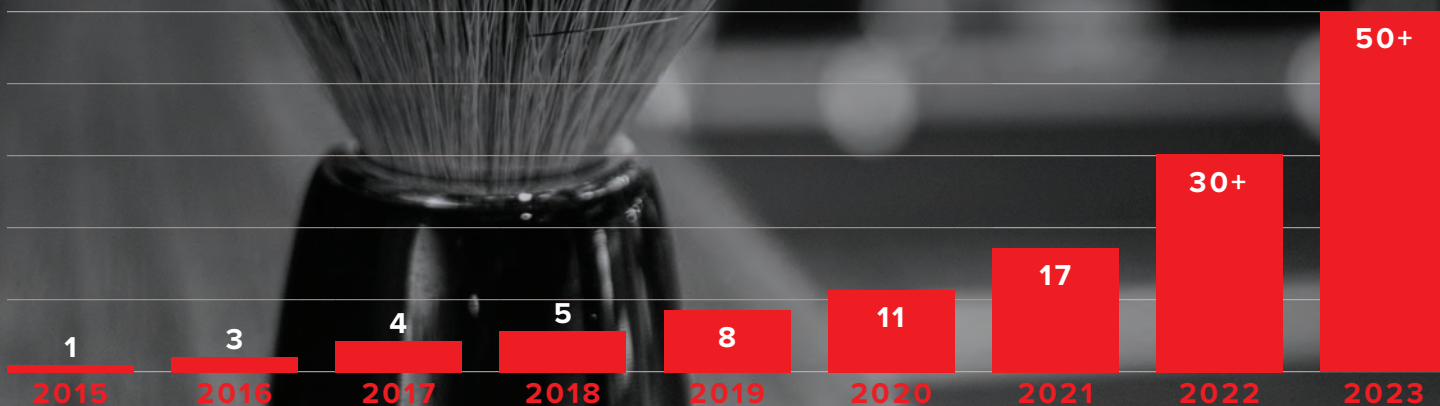
38% average annual sales increase*

*Based on avg. annual sales for shops open 12+ months in 2019 (\$970k) vs 2021 (\$1.34M).

ONE LAST, VERY IMPORTANT THING: YOU.

Yep. This is where you come in. We're looking to expand, and we have multi-shop opportunities available nationwide. Anywhere there's a man who wants to look and feel his best, that's where Scissors & Scotch wants to be. And we don't want to do it alone.

OUR GROWTH: SHOP OPENINGS YEAR-OVER-YEAR



BE A PART OF SOMETHING BIG. THAT'S GETTING BIGGER.

What's up? I'll tell you what's up. Memberships are up. By a crazy 319,000% from 2015 to 2019. And appointments are up, too. By the same crazy percentage. Now, we're no math wizards, but that seems like healthy growth. And that's just part of the story – we're growing across the country, with locations sprouting up like, well, like incredibly attractive franchise opportunities. Crazy. Incredible. Attractive. How do you say no to that?

SINGLE-UNIT

Looking to lead your own team at YOUR own business? Our concept provides you that opportunity and a single-unit is a great way to get started.

MULTI-UNIT

Our most common form of ownership. Every franchisee in our system has two or more shops open. If you're able to delegate and release the reins a bit, our concept scales and effective owners can oversee several shops at once.

REGIONAL DEVELOPERS

Been doing this franchising thing for a minute or two? Regional Development is now available in several major metros.

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Badassery on a whole new level.



IF YOU BUILD IT, THEY WILL COME.

A businessman named John Wannamaker once famously said, “Half the money I spend on advertising is wasted. The problem is, I don’t know which half.” With all due respect, what a tool. In fairness, that was 1930, but in today’s age of big data and precise metrics, knowing your customer cuts out the wasted half.

With dozens of data points from hundreds of thousands of clients, we’ve developed a sophisticated targeted marketing engine that’s getting smarter by the minute. We know which customers to target and when to hit them with our timely pre-designed ads, building brand awareness, converting interest into bookings, and turning bookings into recurring clients.

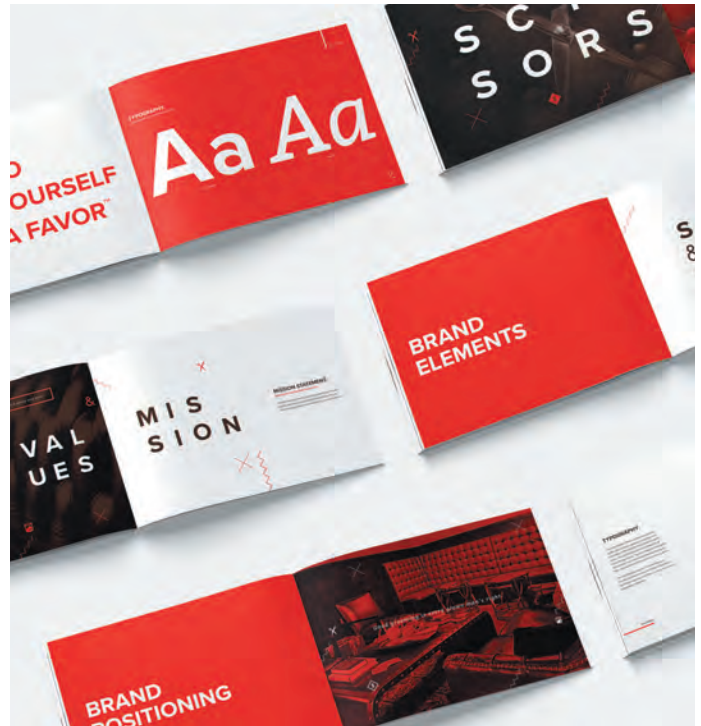
So while our automated marketing engine is maximizing your marketing dollars...
you can focus on delivering on the experience.

**WE'RE PRETTY DAMNED GOOD AT
LOOKING PRETTY DAMNED GOOD.**

Well, at least knowing what looks pretty damned good. Like our marketing materials. We didn't make 'em. But we approved the hell out of 'em. And we know you (and your customers) will approve of 'em, too. Because another thing we know is this: If you want guys to sign up for a badass grooming experience, the invitation better be badass as well. Our brand book helps you to stay looking well-coiffed from a marketing standpoint. And our professionally-designed materials make it easy to trot out that baddasery whenever you damn well please.

“We live in an age where if technology is harnessed appropriately and not seen as invasive to the customer, it can be a tremendous advantage to client experience, client communication, and client retention. S&S's approach here is the gold standard.”

— Phillip Stewart, Kansas City



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TRAINING:
NO FRANCHISEE
IS AN ISLAND.

Let us guess, you don't know the first thing about cutting hair? Neither do our founders - well, at least not when they started. This is precisely why we don't cut you loose and leave you on your own, trying to figure out the best ways to run your business. Nor does it mean that we're all up in your business. Our resident experts have built an industry-leading grooming training program that allows you to focus on running the business and providing a great experience for your clients and staff.

But the S&S experience goes beyond a great haircut. After all, the great fade is a minimum expectation, am I right? What keeps our clients coming back every 3-4 weeks is the first class hospitality they receive from everyone at S&S. Starting with you, we have several layers of training to make sure you deliver the S&S experience our clients deserve.



ROBUST ONLINE LEARNING

First, there's an exhaustive digital training library. Digital, 'cause we like trees. Exhaustive, because we want you to succeed. So, we supply you with our continuously growing database of best practices, operational resources, templates and guides.

OPERATOR TRAINING

We've developed our operations around technology and specialization, allowing you to focus your energy on developing and growing your team, which will ensure your clients receive a first class experience at your shop. Our tech systems will provide you with visibility into key business metrics and our strategic partners will assist you with marketing and staffing.

INDUSTRY-LEADING GROOMING TRAINING

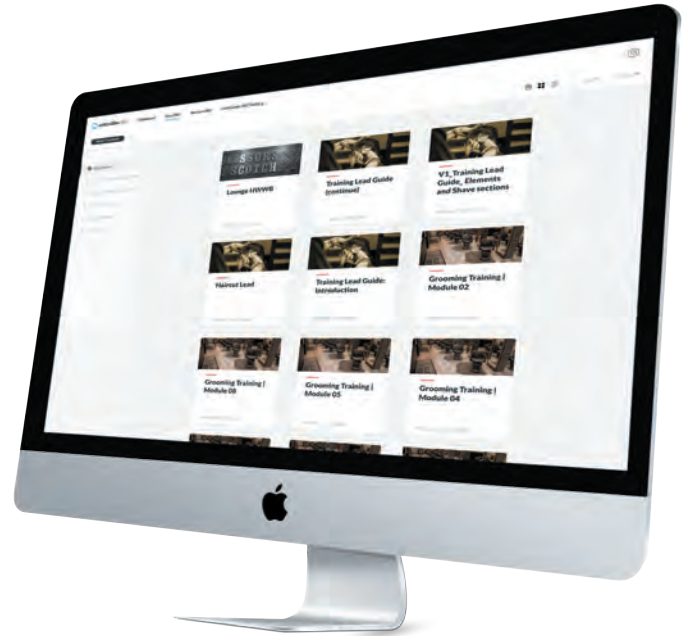
To start out, we'll provide two weeks of barbershop boot camp at your shop from one of our nationwide grooming educators. This intensive training will prepare your team to be the best in the area, hands down. And the education doesn't stop there: we continue to offer monthly and quarterly training opportunities so your team continues to grow well into the future.

RECRUITING ASSISTANCE

Finally, we'll bring the heat. In the form of a partnership with Hueman - a premier recruiting and talent agency. What do they do? Kick ass. In the form of:

- **4X** the number of applicants for open positions
- **2X** the number of quality new hires
- **30%** reductions in time-to-fill open positions
- **75%** reduction in hiring manager's efforts

This adds up to a well-oiled machine, ready to pour, shampoo, cut, style and trim to your customer's delight. Not to mention your bottom line.



“Even in a tight labor market, we continue to see good applications because stylists want to “move up” from other concepts into a more elevated experience. S&S provides that elevated employee experience through exceptional compensation, great benefits, and an atmosphere that lends itself to a long career rather than just a temporary job.”

— Bryan Frnka, San Antonio