

## **Contact Information:**

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**Brand Benefits:**

- Recession resistant
- Emergency Services
- Large protected marketing territories
- Multiple revenue streams supported by the \$210B homeowners insurance industry

**Financial Qualifications:**

- \$75,000 liquid capital required

**Ongoing Fees:**

- *Royalties sliding scale:* 7% up to \$1M, 6% from \$1M to \$5M, 5% over \$5M
- Brand fund: 1.5%

## **The Numbers**

**Ongoing Fees:**

Franchise Fee: **\$45,000**

Royalty Fee: **5-7%**

Brand Fund: **1.5%**

**Estimated Initial Investment:**

**\$133,500 - \$317,000**

**Financials Highlights**

- Top 25% of franchise owners average \$3.3M gross revenue
  - \$1.03M average systemwide sales
  - Top franchisee grossed \$8.5M+
- \*EBITDA on Mitigation Services: 26.2%

## **Business Basics:**

<b>Industry</b>	Home Services Restoration Services	<b>Total Units</b>	30
<b>Year business started</b>	2014	<b>Franchise Units Open</b>	26
<b>Number of Company units open</b>	4	<b>Franchise Owners</b>	26
<b>Franchise fee \$</b>	\$45,000	<b>Investment Range \$</b>	\$133,500 - \$317,000
<b>Industry size \$</b>	\$210 Billion	<b>Royalty</b>	Sliding Scale 5%-7% As revenue increases, royalty decreases.
<b>SBA Registry?</b>	Yes	<b>Available in Canada/ Internationally</b>	No
<b>VetFran</b>	30%	<b>State Registrations</b>	All Registration States
<b>In House Financing?</b>	No	<b>Minority and Female Discount</b>	\$5,000

## **Business Description:**

DRYmedic combines proven business and marketing systems with high-level technical training in a profitable, scalable, recession-resistant industry. Their hybrid mix of insurance-paid and non-insurance-paid services lays the foundation for DRYmedic's unmatched work ethic and a desire to help others.

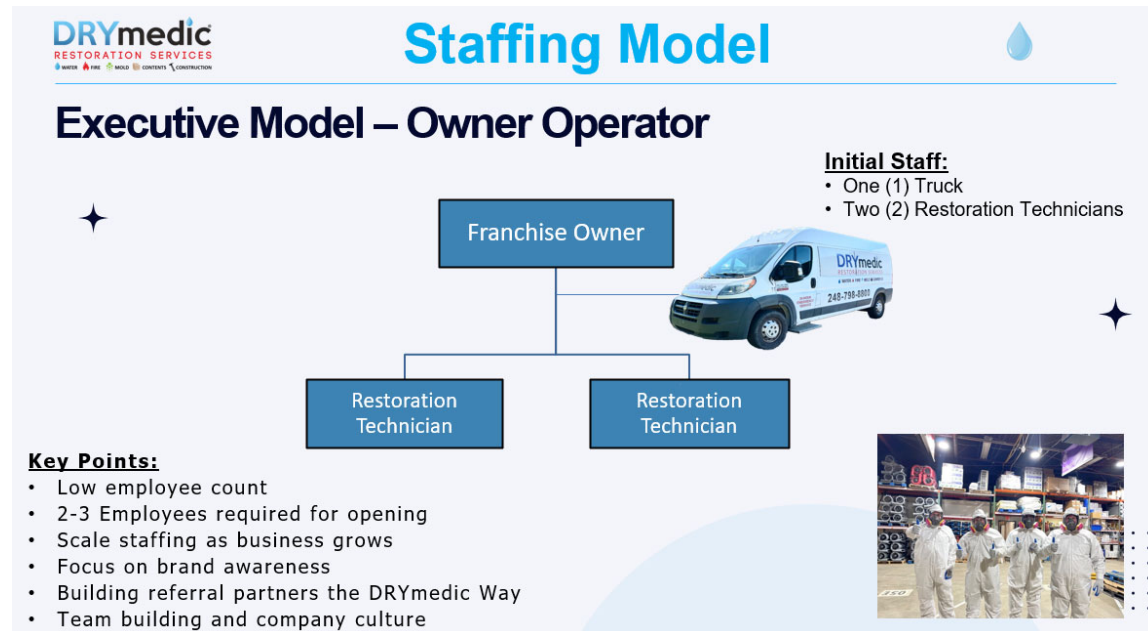
DRYmedic is led by Carlos Hesano and his team of business professionals who build a 50 Truck / 75 Employee / \$13.8M is under eight (8) years.

DRYMEDIC helps home and business owners with water damage and flood restoration, fire and smoke restoration, mold remediation, asbestos, and biohazard clean-up. Instead of seeing each property owner as a "job", DRYmedic franchisees meet owners where they're at and becomes part of the process of getting their life back to normal after a catastrophic event.

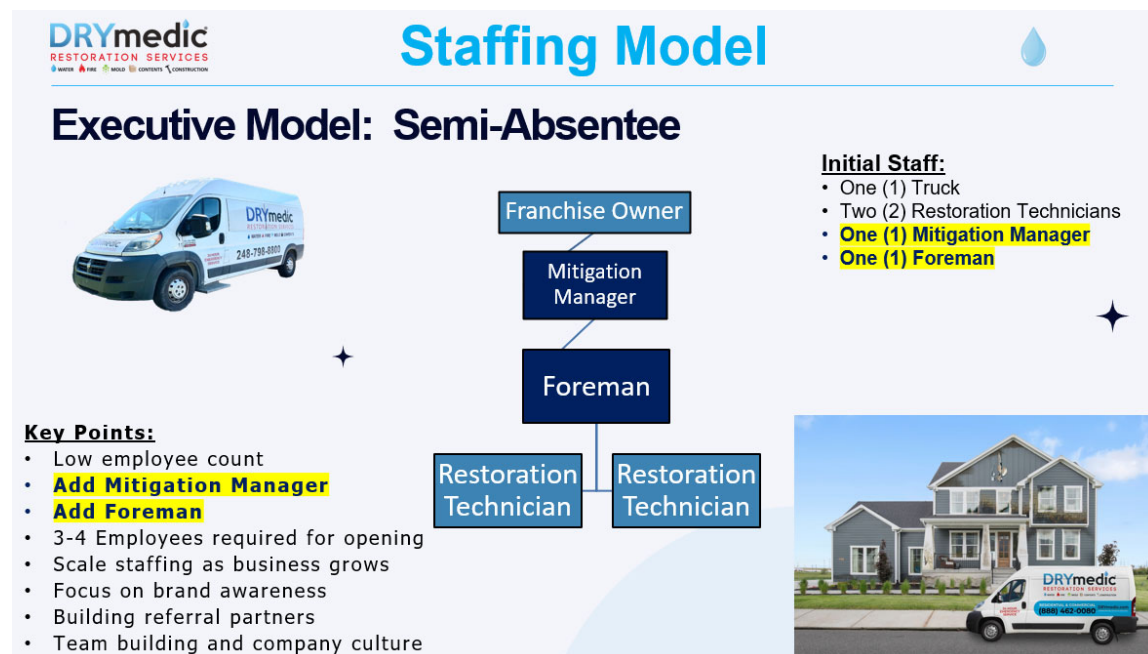
## Business Model:

DRYmedic offers an **Executive Business Model** with the opportunity for **Semi-Absentee Ownership** for the right candidates. See the two staffing models below:

### Owner Model



### Semi-Absentee Model



## Business Features:

Experienced and inexperienced business owners alike have to develop systems that facilitate their business's growth. Without clear practices, proven strategies and efficient systems, business can stagnate and possibly fail. One of the best resources an owner can ask for is a proven, tested, and fully integrated system for long-term growth. That's exactly what DRYmedic provides.

1. **Start Simple and Grow Big:** This is one of our core philosophies. By offering a variety of service offerings, our unique business model gives Franchise Owners the option to choose which services to offer when they get started. As they become comfortable, they build from there. Whether they simply want to provide water, mold, and cleaning services, or to include smoke, fire, and biohazard clean up, the choice is theirs. This method not only allows our owners to experience sustained and controlled growth, but also reduces initial overhead cost while paving the path to higher revenue.

**Packout and Reconstruction services are also part of our core offerings under the same franchise license.**

2. **Training:** At DRYmedic, we offer a world-class training program designed to help every one of our restoration Franchise Owners succeed. We make it our goal to ensure that you are fully equipped to begin running your own business. We provide ongoing support to help our Franchise Owners continue to succeed. In addition to our first-year training program and annual conventions, we also offer our franchisees unlimited support via on-call consulting.
3. **Variety of Work Sources:** We target a hybrid of insurance and non-insurance paid work. This allows us to capture the benefits of the recession-proof nature of insurance work while keeping other, often higher-profit, sources of work in your crosshairs.
4. **Essential Business:** Crisis and destruction have no concern for current economic trends. When flood or fire damage occurs, the top priority is to mitigate damage and to get repairs underway as quickly as possible. Much of our work addresses indoor air quality. A wide array of challenges in building structures and related mechanical systems open up markets for DRYMEDIC franchisees to serve. Therefore, it is safe to say that the restoration industry is recession resistant.

## Item 19 Highlights:

Description	Value
<b>Average Systemwide Revenue</b>	\$1.03M
<b>Top 25% Performers</b>	\$3.3M
<b>Highest Performing Franchisee</b>	\$8.5M
<b>Highest Performing Unit</b> (Company Owned)	\$13.8M
<b>EBIDTA on Mitigation Services</b>	26.2% (after paying royalties, vehicle related costs (insurance, gas, lease payments and repairs) and Call Center Fees.

- Full P&L is provided in our Item 19 of of 2023 FDD

## DRYmedic 30 Second Elevator Pitch:

**Point 1:** DRYmedic is a Recession Proof business where it is insulated from things like Pandemics, Economic Downturns, Inflation and Raising Costs of Employees or Trucks and Equipment Associated with the jobs because we are paid by the insurance companies.

**Point 2:** DRYmedic is a franchise that offers premium water, smoke, fire, mold, asbestos and biohazard remediation services. Our franchisees are backed by 40+ years of industry expertise and training. By always acting with the utmost integrity, we have built a solid and reliable reputation in the restoration industry.

## Brand Differentiators and Competitive Advantages of our Product/Service:

1. **Customer Experience.** Unlike other restoration companies, DRYMEDIC Franchise Owners are trained to see and interact with their property owners as individual people caught in a moment of crisis. While mitigation and repair of property damage is an obvious goal, we also understand the immediate emotional stress that comes with damage to one's home or business. Through top notch training and by recognizing people first, DRYmedic brings the kind of confidence that eases the minds of our customers after disaster events.
2. **Reliability.** Reputation is king in the restoration industry. When people are in crisis, they are vulnerable to unscrupulous repair companies. While this may benefit those companies in the short term, word inevitably gets around. The DRYmedic leadership team has a zero-tolerance policy on any sort of ethically questionable behavior. By performing to the highest standards, property owners and insurance adjusters can rest easy knowing they are in good hands.
3. **Efficient.** Our clearly defined processes promote efficiency and ensure tasks are done right the first time. DRYmedic Franchise Owners use a system and a process for everything. This begins on the very first call with a 15-point screening check. Franchise Owners arrive at the job with the correct equipment and tools in hand ready to deliver efficient service. Continued communication protocols throughout the project prevent delays and confusion for all parties.

## **Current Industry Conditions, Advantages, and Projections:**

One of the primary reasons DRYMEDIC is different from other franchise opportunities is our industry. Unlike many discretionary services, the restoration industry is recession-resistant and essential. Regardless of economic swings, accidental water damage, fire, mold, and other specialty cleaning needs arise.

There are numerous factors that predict continued growth in the restoration industry including the aging of existing properties, and errors in new construction that cause water leaks, mold, and even fires.

From 2016 to 2021, consumer spending on restoration has increased by 1.8% annually. Restoration is now estimated to be a \$210 billion industry. As this industry is still very fragmented and generally short on sophistication, DRYMEDIC Franchise Owners can pounce on opportunities through expertise and proper management.

## **Our Target Customer:**

While the end user of our services is the property or business owner, the bulk of work is earned through referral sources such as insurance reps, property managers, and the other potential streams of business. Cultivating strong B2B relationships, following DRYMEDIC's comprehensive training and systems, is the key to growth in this business model. We've perfected restoration marketing whereby one need not be a "salesperson" to succeed. In fact, introverts and "non-salesy" owners can be great candidates for this industry.

## **Average Ticket Price:**

The average ticket price of a job varies widely depending on the extent of damage done and the type of material impacted.

In order to test the reliability and competence of new restoration professionals, most insurance companies will begin by passing along "small water loss" jobs. These jobs range between \$3,000 and \$5,000 and comprise the bulk of the initial work performed by most new DRYmedic Franchise Owners.

As the Franchise Owner establishes a solid service reputation and cultivates deeper relationships with referral sources, average ticket size increase. Larger jobs can reach into the tens of thousands of dollars... and beyond.

## **Top Three Expenses a Franchise Owner Should Expect:**

The top three (3) expenses are typically: 1) Labor, 2) Vehicle fleet costs and 3) Equipment.

## **Estimated Ramp-Up Time:**

DRYmedic offers an onboarding plan which will guide new franchisees to open their doors within 90 days of signing the Franchise Agreement.

## **Our Ideal Franchise Owner:**

Here at DRYmedic, we build executives—not technicians. Therefore, construction industry experience is not a quality that we seek out in a candidate.

Instead, we are looking for outgoing Franchise Owners that have a passion for helping others during a time of need, enjoy continued learning, and the ability to follow a process. We have found these qualities among our largest Franchise Owners and to fit with our company culture.

Past Franchise Owners with the following characteristics have also proven to be successful with our business model:

- Competitive
- Collaborative
- Friendly and mature
- Comfortable directing and managing others
- Directive decision makers: fair, timely and based on facts as presented
- Natural problem solvers

## **Ownership Options:**

DRYmedic is an executive model. We do not recommend passive ownership.

While some Franchise Owners may bring on a General Manager to support them as their business grows beyond the \$1 million mark, this role is not recommended for the day-to-day operation of a new DRYMEDIC franchise.



## **Typical Day of a Franchise Owner:**

Primary daily activities consist of marketing, project management, and staff development. Much of the Franchise Owner's time is spent reaching out to and building relationships with key referral sources.

## **Average Number and Type of Employees Needed:**

The average number and type of employees needed varies greatly as a DRYmedic business grows.

New Franchise Owners can expect to hire 1-2 unskilled laborers during the initial launch of their franchise.

A \$1 million operation will typically require 6-8 technicians, 1-2 support staff, and an involved owner.

Our Operations team is highly knowledgeable in the recruiting, hiring, and retention process and will guide Franchise Owners in the timing and type of employee to hire.

## **Typical Hours of Operation:**

DRYmedic Franchise Owners work a standard 8 am to 5 pm workday. Technicians are on-call outside of these hours.

## **Site Specs & Description:**

DRYMEDIC Franchisees may initially run their business from a residential location. As their franchise grows, they will need to transition to a light industrial space.

## **Territory Size:**

We offer large, protected marketing territories up to approximately 250,000 in population. (This is much larger than most other national brands who either don't offer a territory at all or offer a 100,000 in population)

## **Available Territories:**

We have many territories available across the country. Please send your territory checks to [FranDev@DRYmedic.com](mailto:FranDev@DRYmedic.com).

## **Registration States:**

We will be registering in all registration states.

## **Expansion Outside the U.S. or Canada:**

Not currently available.

## **Top 10 “Hot Markets” within the U.S.:**

### **Hot Open Territories:**

- Grand Rapids, MI
- Traverse City, MI
- Fort Wayne, IN
- Cleveland, OH
- Columbus, OH
- Pittsburg, PA
- Tampa, FL
- Miami, FL
- Atlanta, GA
- Charleston, SC

## **Franchise Business Review Awards Received:**

- 2020 Top Franchise Satisfaction
- 2020 Top Low-Cost Franchise
- 2019 Top Franchise Satisfaction Award
- 2019 Most Innovative Franchises
- 2018 Top 50 Franchises
- 2018 Top 80 Low Cost Franchise
- 2018 Top 100 Innovative Franchises
- 2017 Top Low-Cost Franchise Under 100k
- 2016 Top Low-Cost Franchise Under 100k
- 2016 Owner Satisfaction and Performance
- 2015 Top Low-Cost Franchise Under 100k
- 2015 Owner Satisfaction and Performance

## Multiple Unit/Area Developer Agreements:

We offer 3 packs and Area Developer Agreements.

## Franchisor Support:

<b>Initial Training</b>	<p>We offer a very robust training program:</p> <p>Initial DRYMEDIC Training:</p> <ul style="list-style-type: none"> <li>• 2 Weeks in our Bloomfield Hills, MI office <ul style="list-style-type: none"> <li>◦ This is where we have our 50 truck / 75 employee location where candidates get to see how a live operation and how it works</li> </ul> </li> <li>• 1 Week of Classroom Training on how to start, build, ramp and maintain a successful restoration business</li> <li>• 1 Week Field Based Training on our trucks with the Restoration Technicians on various type of restoration jobs using the equipment and tools in real live jobs.</li> </ul> <p>Advanced Technical Training:</p> <ul style="list-style-type: none"> <li>• Certification through with the IICRC (the governing body for the restoration industry)</li> </ul> <p>Industry Standard Software Estimating Course:</p> <ul style="list-style-type: none"> <li>• Training on our End-to-End System Training</li> </ul> <p>Franchise Owners also have ongoing access to business management consultants and technical advisors.</p>
<b>On-Going Support</b>	<p>Franchise Owners have daily access to the Operations team by phone, webinar, and ongoing training conventions. Operations consultants works closely with Franchise Owners from Day 1 and continue to be available to drive focus and help develop each Franchise Owner as a restoration executive.</p>
<b>Marketing</b>	<p>Marketing in the restoration industry is different from traditional marketing.</p> <p>DRYMEDIC's comprehensive marketing programs target B2B relationship building and modern digital marketing (including website, SEO, social, etc.). Initially, a significant portion of the Franchise Owner's day is spent building referral network connections.</p> <p>The Operations team train and develop your expertise in relationship marketing and consistently coach your DRYMEDIC marketing program.</p>
<b>Annual Convention</b>	<p>Authority Brands Annual Conference and DRYmedic Annual Conference. Various conferences through out the year.</p>

## **Franchise Candidate Education Process:**

Our discovery process is thorough and efficient. You will be kept fully up-to-date as your candidate moves through the steps.

The process can be completed in roughly 6-8 weeks if the candidate can meet with us for at least 1 hour per week. We guide candidates through an interactive education process via online presentations, pre-recorded webinars, and by phone. We get to know the candidate personally, including their motivations for starting a business and understanding their long-term objectives.

### **Here's a brief outline:**

1. Introductory Call
2. Educational Webinar
3. FDD & Territory Review
4. Validation •
5. Meet Your Team Day
6. Executive Interview
7. Franchise Awarded
8. Start Training
9. Sure Start Program
10. Grand Opening – Franchise is in Business in 90 days •

## Frequently Asked Questions:

### **What is DRYmedic?**

- A home services franchise that provides restoration and remediation services to homes and businesses across the US providing multiple revenue stream opportunities
- With a robust training program, all-star support, and a network of experienced existing owners, DRYmedic Restoration is offering a lucrative business ownership opportunity to like-minded entrepreneurs

### **How does it make money?**

- By offering a wide range of services for everyday property damage such as water and fire restoration, mold remediation, basement flood cleanup, disaster recovery, and much more
- By providing these essential services to homeowners, property managers, and businesses typically aligned through insurance payments

### **Who is it for?**

- Entrepreneurs who are interested in investing in a recession-resistant industry
- Current home service business owners who want to expand their offerings and diversify their income streams or portfolio
- Those who qualify and are interested in taking advantage of the discounts and benefits offered by the International Franchise Association's VetFran and DiversityFran program

### **What would you do as a franchisee?**

- Overseeing the day-to-day operations of the business to ensure that all aspects of the business are running smoothly and are supported in making informed decisions
- Creating relationships with your local community and networking to grow the DRYmedic Restoration brand and attract new customers in your market
- Hiring, training, and managing a team of restoration technicians to provide top-notch services to customers
- Giving back to your community in their great times of need!