

Snip-its[®]

Haircuts for Kids

FRANCHISE INFORMATION REPORT

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WHAT IS SNIP-ITS FRANCHISE?

Iconic Children's Haircut Franchise Is A Leader In A \$5 Billion Industry

There were over 3.6 million babies born in the United States in 2021. There are millions of babies born every year - and all of these babies have something in common. All of them will eventually have their first haircut, and after that milestone is reached, all of them will need haircuts on a regular basis.

Snip-its was founded to be the place where parents take their children for their first haircut and for all of the haircuts that they will get throughout their childhood. Since 1995, Snip-its has given millions of haircuts, and in that time, we've earned a glowing reputation for being the brand that parents trust and that children love coming back to time and time again.

"Snip-its was created to take away the fear that children have about getting their haircut, and instead, make it a fun, memorable experience," says Jason Bakker, CEO of Snip-its. "We've stayed true to our roots and have concentrated on delivering an incredible, positive experience for our young customers and their families. We have kid-focused training for stylists, an in-store look and feel that makes coming to us a memorable experience, and franchise owners who are passionate about owning a business that makes a real, lasting impact on children's lives and their local community. Snip-its is really a special brand to be a part of."

We Blow Away The Competition

In the \$5 billion children's hair salon industry, you would think that Snip-its would face significant competition, but you would be wrong. While there are a few brands that focus on children's haircuts, the reason why Snip-its has become a predominant leader in our category is because there's nothing quite like us in most markets.

Walk into a Snip-its location and you will be blown away by the look and feel of our stores. Our stores are designed to make the ordinary act of getting a haircut into an extraordinary adventure. Our young customers get to know our proprietary cartoon characters, who guide them through their "Haircut Adventure." At the end of their service, kids get excited about receiving a prize from our "Magic Box" to go along with their fresh look.

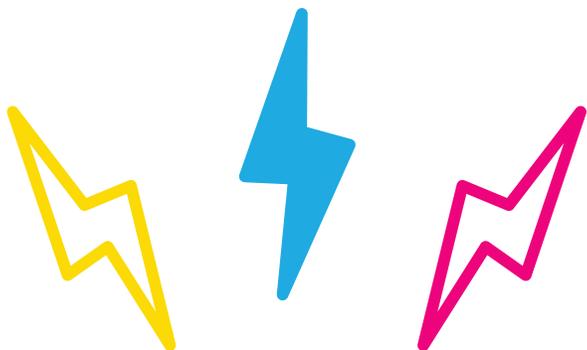
"No other brand offers an interactive experience in the way that we do," Bakker says. "Our stores are wildly unique and are designed to get the kids excited about their haircuts from the moment they walk through our doors. We have our own cartoon characters, which they love, and they go absolutely bonkers for our Magic Box, which provides a toy delivered through a prize chute. We've been experts in delivering children's haircuts for more than 25 years, which has built a lot of trust between Snip-its and our customers. There's a real sense of family in our stores."

Our Proven Business Model Is Designed To Help You Scale

Snip-its is a stronger brand than ever before. Historically, the salon industry has shown to be recession-resistant, essential, and built for long-term growth and stability. This is by design. Our business model offers multiple unique revenue streams that help our franchise owners maximize profitability while ensuring their customers get the best possible experience. Our revenue streams include haircuts, proprietary hair care products, retail toy and hair accessory sales, as well as many other services such as ear piercing, spa services, and more!

Our business model is as straightforward as it gets. As the owner of a Snip-its, your primary role will be to hire talented people who can manage your stores and perform the services that your customers expect. You will create a culture that top hair stylists, barbers, and professional salon managers will want to be a part of, so that you can retain top talent while you focus on growing your business.

“We’re looking for people who want to be involved in their stores,” Bakker says. “You don’t have to know anything about cutting hair to succeed with us. If you know how to recruit and manage people, how to create a positive culture, network in your community, and have the commitment to follow our business model, the sky’s the limit as far as how big you can take this.”



WHY DO OUR CUSTOMERS LOVE US?

Iconic Children's Haircut Franchise Delivers An Unbeatable Experience For Our Young Customers

You probably don't remember your first haircut, but I guarantee your parents do. If you have children, you know it can be a scary experience for a baby to get their first haircut.

Snip-its was founded to be THE place that parents take their children to not only get their first haircuts, but all haircuts throughout their childhood. Snip-its specializes in cutting children's hair, but even more, we specialize in making children feel safe, welcomed, and excited about their haircut.

Here is how one parent from Charlotte, North Carolina, described their experience in a five-star Google review.

"The stylist was very patient with our 3-year-old son," she writes. "He had never had a haircut outside of me butchering his hair, so we were not sure how it would go. She was so great with him. You could tell she deals with little kids often. It was \$22 plus tip, but well worth it for no tears. We will be back."



We Speak Kid™

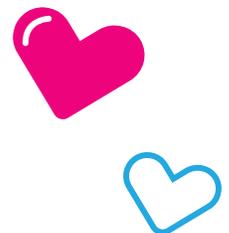
Snip-its excels at providing the latest and greatest with children haircuts and styles, because that is what we specialize in. We go above and beyond to make sure that every time a child walks through our doors that they are entering a world that is fun, safe, exciting, and adventurous.

Beginning with the experience, there's simply nothing that compares to Snip-its. Our young customers enter a whole new world that is filled with interactive cartoon characters, entertainment, and prizes. We really take the time to make it feel like this is an adventure.

But it's really our hair stylists who deliver the heart of the experience. Our hair stylists and barbers are trained specifically to cut children's hair, and they work at our locations because they have a true love of children. Their love is what keeps our young customers calm and happy, and helps keep parents at ease.

Here is how one mom in Oklahoma City, Oklahoma, describes her visit to a Snip-its franchise in a five-star Google review.

"I took my 2-year-old to get his haircut here yesterday, and I am SO glad we came in! I was having pretty bad anxiety knowing he has hated having his haircut in the past, but Rebecca was so kind and patient with both of us while he got his haircut. She provided him with a Dinosaur show and plenty of lollipops to keep him occupied. And she gave a great and quick cut! We had an all around amazing experience, I highly recommend Rebecca and Snip-its!"





Special Needs Children Get Special Attention

One of the things that makes Snip-its truly stand out is our commitment to special needs children. Our stylists are specifically trained to ensure that kids with sensory sensitivities and autism are welcomed and cared for during their haircut.

Parents with special needs children often have a challenging time finding a hair salon with the proper training and expertise to cut their children's hair. When they bring their children to Snip-its, they can be sure their child will get caring, compassionate service in an environment that allows them to experience our awesome haircut adventure.

Here is how one mom from Akron, Ohio, put it in a five-star Google review:

“My daughter is on the spectrum and had her first haircut here. Her hairdresser followed her around the whole establishment while cutting her hair in spurts. She was very patient with her, and we had her first haircut done!”



HOW MUCH DOES IT COST?

Snip-Its Is One Of The Most Affordable Franchise Opportunities In The Booming \$5 Billion Children's Hair Salon Industry

Going into business for yourself doesn't have to break the bank. If you're looking for a recession-resistant investment opportunity that offers scalability and profit-potential - without any of the sticker shock - look no further than Snip-its.

Snip-its is committed to helping as many entrepreneurs as possible realize their dreams of business ownership. We've worked to keep our costs of ownership low, by removing as many barriers to entry as possible.



The total cost to invest in a Snip-its franchise ranges from \$200,470 – \$360,825, which makes Snip-its one of the most affordable opportunities in the \$5 billion children's hair salon franchise category. The costs include everything from build-out, initial marketing campaigns, grand opening expenses, inventory and other expenses, as well as working capital to get your business started on the right track.

“Investing in a Snip-its franchise is an attractive choice because the model is incredibly straightforward,” says Jason Bakker, CEO of Snip-its. “From an operational standpoint, there can be low overhead. Our straightforward business model means you can master this business very quickly, and because your costs are going to be relatively fixed every month, scaling up to multi-unit ownership becomes much more feasible. This is by design. We want our franchise owners to reap the benefits of being a business owner, and we’ve built a business that is quick to scale.”

Do You Offer Financing?

Snip-its does not offer direct access to financing; however, we can provide resources outlining the types of franchise funding available that can help you make a decision that's right for you.

Want A Deeper Dive Into Our Costs & Fees?

For a comprehensive overview of the costs & fees associated with ownership of a Snip-its franchise, please view item 7 from our current franchise disclosure document below:

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Initial Franchise Fee ⁽¹⁾	\$35,000	\$35,000	Lump Sum	Upon signing Franchise Agreement	Us
Security Deposit and Rent ⁽²⁾	\$7,500	\$20,000	As incurred	As incurred	Third parties
Staff Recruiting	\$500	\$3,500	As incurred	During training	Third parties
Initial Training ⁽³⁾	\$1,000	\$3,000	As incurred	As incurred	Third parties
Staff Wages During Training ⁽⁴⁾	\$2,500	\$3,000	As incurred	As incurred	Your employees
Construction Project Management ⁽⁵⁾	\$0	\$27,500	As incurred	As incurred	Contractors or our preferred approved contractor
Base Construction and Leasehold Improvements ⁽⁶⁾	\$47,975	\$100,775	As incurred	As incurred	Contractors
Millwork ⁽⁷⁾	\$35,200	\$52,000	As incurred	Half upon order and the remainder upon shipping	Approved millwork suppliers
“Snipification” of Salon ⁽⁸⁾	\$20,700	\$23,100	As incurred	As incurred	Approved suppliers
Computer Hardware/POS System ⁽⁹⁾	\$2,600	\$4,000	Lump sum	As incurred	Suppliers
POS Software System Fee ⁽⁹⁾	\$165	\$250	As incurred	As incurred	Us, parent or any affiliate
Exterior Signage ⁽¹⁰⁾	\$4,300	\$6,450	Lump sum	At time order is placed	Suppliers

Furniture, Fixtures, Equipment and Decor ⁽¹¹⁾	\$8,300	\$10,000	Lump sum	As incurred	Suppliers
Audio visual equipment ⁽¹²⁾	\$2,000	\$2,900	Installments	As incurred	Suppliers
Proprietary Products ⁽¹³⁾	\$1,830	\$3,225	Lump Sum	Upon delivery	Us, parent or any affiliate
Other Initial Inventory and Salon Supplies ⁽¹⁴⁾	\$3,550	\$7,525	As incurred	As incurred	Us, suppliers or carriers
Shipping ⁽¹⁵⁾	\$4,900	\$14,000	As incurred	As incurred	Suppliers or carriers
Insurance ⁽¹⁶⁾	\$1,500	\$2,500	As incurred	As incurred	Insurance carrier(s)
Professional Fees ⁽¹⁷⁾	\$500	\$6,500	As incurred	As incurred	Attorneys, accountants and other professionals
Grand Opening Program ⁽¹⁸⁾	\$15,000	\$15,000	As incurred	As incurred	Advertising suppliers
Additional Funds (3 Months) ⁽¹⁹⁾	\$5,450	\$20,600	As incurred	As incurred	Suppliers, employees and other creditors
TOTAL ESTIMATED INITIAL INVESTMENT⁽²⁰⁾	\$200,470	\$360,825			
Multi-3 Franchise	If you purchase a Multi-3 franchise, you will incur all of the costs listed above for each Snip-its Salon Business you open except that the Initial Franchise Fee will total \$75,000 and allow you to open up to three Snip-its Salon Businesses. If you were to open three Snip-its Salon Businesses, using the same estimated initial expenses above, we estimate this total cost to range between \$571,410 and \$1,052,475.				
Multi-5 Franchise	If you purchase a Multi-5 franchise, you will incur all of the costs listed above for each Snip-its Salon Business you open except that the Initial Franchise Fee will total \$100,000 and allow you to open up to five Snip-its Salon Businesses. If you were to open five Snip-its Salon Businesses, using the same estimated initial expenses above, we estimate this total cost to range between \$927,350 and \$1,729,125.				
Multi-5 Plus Franchise	If you purchase a Multi-5 Plus franchise, you will incur all of the costs listed above for each Snip-its Salon Business you open except that the Initial Franchise Fee will total \$100,000 plus an additional \$10,000 per each Snip-its Salon Business beyond the first five.				

SNIP-ITS FRANCHISE REVIEWS

Our Top Performers Open Up About What They Love About Owning Children's Hair Salon Franchises

Snip-its is home to some of the most passionate entrepreneurs in the franchise industry. While all of them come from different backgrounds and professional experiences, they're united in their commitment to our brand, delivering exceptional customer service, and providing meaningful careers to their teams of hair-care professionals.

We're proud to have so many exceptional entrepreneurs be a part of our franchise family, as day-in and day-out they own businesses that make a real impact in their communities.

This is what our owners have to say about why they love owning Snip-its franchises:

"I always tell people how incredibly lucky I am to be a part of this business. I'm in my seventh store now, and every time I open another one, people ask me how I'm able to do it. The secret to growing is building a team of people who are talented and loyal. I have incredible managers of my stores, and I have an incredible regional manager. They make it easy for me to focus on growing. I love this business because working with kids is so special. We create this environment where kids feel safe, where they can have fun, and where their parents can feel safe, too. It's such a rewarding feeling to be a part of."

Jill, owner of seven Snip-its franchise locations

"I came across Snip-its as a customer several years ago. At the time, I had three small boys, and I was looking for a place where they could get their first haircuts. We went to a Snip-its that I actually own now. I fell in love with the concept and the experience, and I decided to become an owner. This is a business that makes my heart feel good - as I know, as a parent, how important it is to choose the right place for your child to get their haircut. Parents take their kids to us and for 20-30 minutes, they are happy, their kids are happy, and we get to deliver a great experience. What is better than that?"

Jason Porter, owner of 8 Snip-its franchise locations.

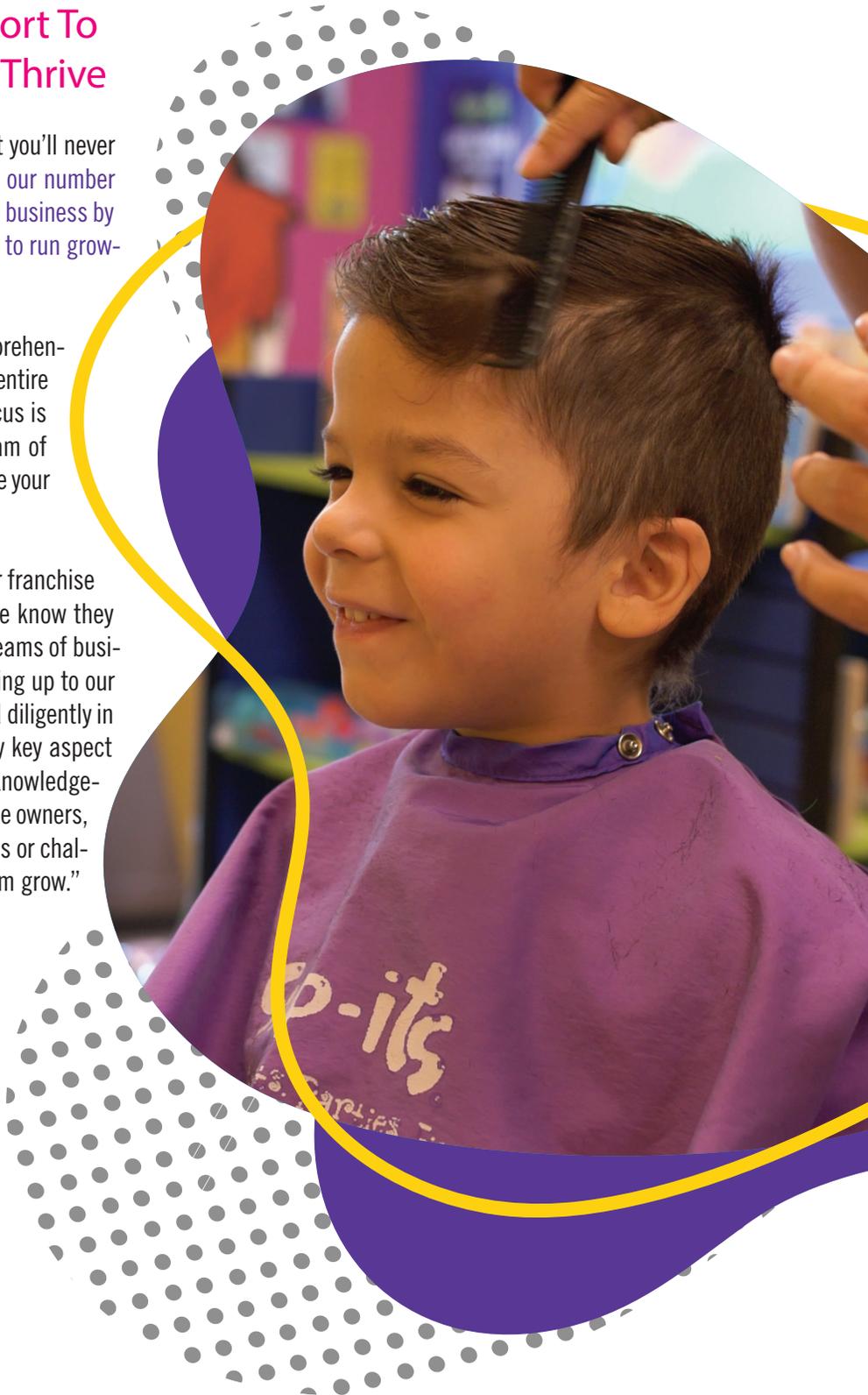
HOW WILL YOU SUPPORT ME?

Snip-Its Provides Exceptional Training And Ongoing Support To Help Our Franchise Owners Thrive

The decision to franchise with Snip-its means that you'll never be alone in your business. As a franchise system, our number one priority is to help our franchise owners thrive in business by providing them with all of the resources they need to run growing, profitable stores.

To do that, we've developed one of the most comprehensive training and ongoing-support platforms in the entire industry. From day one and every day after, our focus is on helping you grow your business, build your team of hair stylists, take care of your customers, and realize your own goals as an entrepreneur.

"Our entire team is committed to the success of our franchise owners," says Jason Bakker, CEO of Snip-its. "We know they invested real time and money into making their dreams of business ownership a reality, and we honor that by living up to our commitments as a franchise system. We've worked diligently in building comprehensive training that covers every key aspect of the business model. Our team is accessible, knowledgeable, and ready to jump in to work with our franchise owners, answer their questions, and help resolve any issues or challenges they may face. Our sole focus is to help them grow."



What Does Our Support Look Like?

In-person training: The first step to launching your new business is attending our in-person training where we will cover every aspect of the business model. We will teach you how to implement our marketing plan, how to recruit and train stylists, how to deliver an exceptional experience for your customers, and much more!

Site selection and build-out: Choosing the perfect location is crucial to the success of your new business. This is why you won't do it alone. You will work with our team and your commercial real estate representative to find the ideal location for your new business. We will also help you through entire construction build-out process, ensuring that everything stays on track for your grand opening.

Marketing support: Marketing can be one of the most challenging aspects of owning a new business, but not with Snip-its. We make it easy for you to develop and implement a best-practice marketing strategy to get you ramped up quickly. We provide you with the plans, materials and knowledge to effectively engage with your community throughout the year.

Ongoing training for your stylists: Your hair stylists and barbers are the heart and soul of your business, and it's important that you retain your top talent. This is why Snip-its has developed ongoing training for your team to advance their salon careers and develop their skill sets.

Ongoing professional development: We want to help you become the entrepreneur you know you can be. This is why we provide you with ongoing training, coaching and mentoring to help guide you through the process of reaching your goals as an entrepreneur.



WHERE ARE WE GROWING?

Snip-Its Is Ready For A Rapid Nationwide Expansion

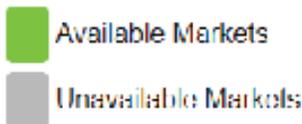
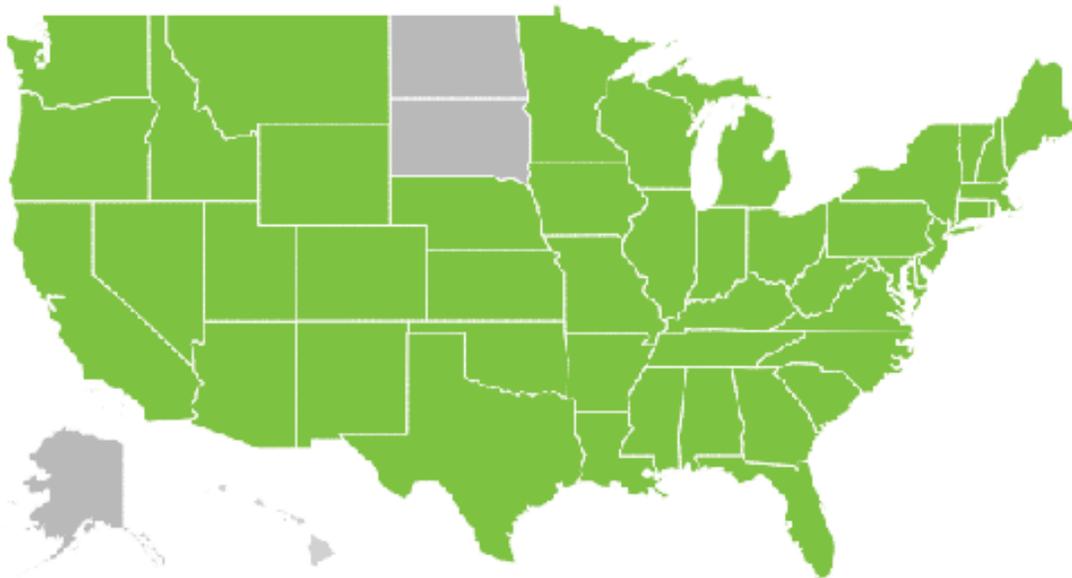
Snip-its is actively seeking entrepreneurs who are ready to grow our brand across the country. With wide-open territory in prime markets, Snip-its is a rare, proven franchise opportunity with a long runway for growth.

Since 1995, Snip-its has helped dozens of entrepreneurs realize their dreams of owning a business that is capable of not only financial rewards, but personal ones, too. The reason for our nearly three-decade-long track record of continued growth and success is the fact that our business model is designed to empower our franchise owners to realize their goals of financial freedom, growth, and the ability to make an impact in people's lives.

“Now is such an exciting time to be a part of Snip-its,” says Jason Bakker, CEO of Snip-its. “We’re the strongest brand that we’ve ever been. There is enthusiastic, continued demand for new stores, and we’ve proven that our business model truly works. We’re excited to welcome new entrepreneurs into our franchise family as we continue to grow in the years to come.”

Snip-its has prime territory available in many markets across the United States. We are looking for new communities to serve nationwide!

Contact us today to tell us where you think our next salon should open!



SNIP-ITS FRANCHISE FAQs

Common Questions About The Snip-Its Franchise Opportunity

What is Snip-its franchise?

Snip-its is a leading children's hair salon franchise in the United States. Founded in 1995, Snip-its pioneered the children's haircut industry by creating a haircut experience that is a fun adventure for our young customers. 30 years later, Snip-its has helped millions of children look their best, and has cultivated a large, growing customer base of parents who love our approach to cutting children's hair. We even have customers who used to get their haircut at Snip-its as children and are now bringing their own children in to get haircuts. Now how many can claim that?!

As a franchise opportunity, Snip-its is a proven business model that offers both unlimited profit-potential and scalability. With multiple revenue streams, world class training and support, and an experience that the competition cannot match, Snip-its is a worthy investment for entrepreneurs who want to build a business that truly makes a difference in the lives of their customers.

How much does a Snip-its cost?

The total costs to invest in a Snip-its franchise ranges from \$200,470 – \$360,825. The costs include everything from build-out, initial marketing campaigns, grand opening expenses, inventory, as well as working capital to get your business started on the right track.

How much is the franchise fee?

The franchise fee for a single unit location is \$35,000.

What are the royalty fees?

Snip-its royalty fees are 5% of gross sales for the first year, and 6% of gross sales for the remainder of your franchise agreement.

Do you provide training and support?

Yes! Snip-its believes that the benefit of investing in a franchise model is the fact that you will never be alone in business. This is why we've invested so much in training and ongoing support. Our support infrastructure assists with every aspect of the business model, including:

- Site selection and build-out
- Marketing and advertising
- Education on how to recruit and retain top stylists
- Ongoing technical and leadership training for hair stylists
- How to deliver world-class customer service
- How to effectively scale up to multi-unit ownership
- Ongoing professional development
- And much, much more!

Will you help me find the right location?

Yes! Choosing the right location is crucial to ensuring that your new Snip-its franchise can realize its full potential. This is why you will get access to knowledge experts, who will help you through the process of site selection, lease reviews, build-out and grand openings!

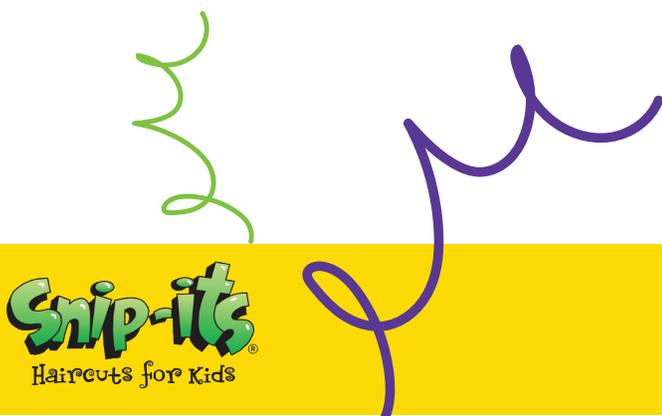
Will you help me recruit stylists?

We take a lot of pride in the fact that professional hair stylists love to work for Snip-its. We offer hair stylists exceptional technical training, leadership development opportunities, and the ability to work for franchise owners who treat them with the kind of respect they deserve! This not only helps recruit the most talented stylists in any market, but it also helps to retain them, too. While we don't provide direct recruiting of hair stylists today, we do assist with getting an effective talent attraction strategy off the ground.

Can I scale up to multi-unit ownership?

Yes! Snip-its is a straightforward business model that is designed for multi-unit ownership. In fact, the majority of our franchise owners own more than one location.

Ready To Learn More About



NEXT STEPS

The Snip-Its Franchise Opportunity?

Thank you for your interest in the Snip-its franchise opportunity. We're excited to help you begin your journey into small business ownership and start taking control of your financial future.

Getting started is easy. Shortly after receiving this report, a member of our team will reach out to you for an introductory phone call. We want to get to know you, understand your goals, and answer any questions you may have.

Once we determine if you're a good cultural fit and are financially qualified for ownership, we will begin our discovery process in earnest. We will provide opportunities for you to speak to our franchise owners, where you can ask any questions you may have about what life as a Snip-its franchise owner is really like. We will also send you our Franchise Disclosure Document (FDD) to review.

The FDD will include comprehensive information regarding:

- Financial performance of our franchise stores
- A complete breakdown of fees and estimated costs
- Information about the executive team
- And more!

You'll be invited to our Discovery Day event virtually or in-person at our headquarters in Burnsville, Minnesota. You'll get to meet our leadership team, take a deep dive into our franchise opportunity, our culture, and our vision for the future. You will also get to ask our leadership team any additional questions you may have.

At the end of Discovery Day, you can sign a franchise agreement and congratulations! You're now a member of the Snip-its franchise family! We will get started on scheduling your training and our real estate team will begin the process of helping you find the ideal location for your new salon business.