



Franchise

INFORMATION SUMMARY



INTRODUCTION

Thank you for your interest in Alloy Wheel Repair Specialists

Please take some time to read about the details of our franchise opportunity. We look to accomplish the following objectives:

1. To provide you with enough high-level detail to fully understand what makes this business unique, profitable, valuable to the customer, defensible in the marketplace, scalable, and a wise place to put time, money, and effort for the right person;
2. To help you determine if the business is in alignment with your goals and objectives;
3. To help ensure you meet our minimum qualifications as a franchisee; and
4. If we successfully complete objectives 1-3, to engage you in a meaningful dialogue and conduct a "Getting to Know You" introductory conversation.

Among other things, we will answer many frequently asked questions, such as:

- What is the brand and repair services?
- What makes this product/service unique?
- What are the start up costs?
- What are average unit sales?
- How do I make money?
- And most importantly, what is the profile of a successful existing franchisee?

We look forward to you learning more and to the opportunity to speak further and answer any additional questions this information creates.

Thank you for investing your time. We don't take such an investment lightly.

Your Alloy Wheel Repair Specialists Team



ABOUT ALLOY WHEEL REPAIR SPECIALISTS

We are a leader in a niche mobile automotive repair business that specializes in on-site repairing or replacement of wheels and rims.

With \$110M+ in system-wide sales and 100+ franchised and corporately-owned territories operating in over 45 states, we have an interesting, profitable, and scalable business model.

According to the Kauffman Foundation Research Fund, less than 1% of all businesses grow to \$100-million in sales, proving our business is:

- Unique in the marketplace;
- Defensible and difficult for new competitors to copy;
- Profitable for new and existing franchisees; and
- With a 20+ year track record, our model has proven to be sustainable for the long-term.



BRAND HISTORY

- Alloy Wheel Repair Specialists (AWRS), started in 2001; 20+ year track record of success;
- We began franchising in 2004 and have since helped over 70 franchisees start businesses, many expanding into multiple territories operating a large fleet and employing multiple technicians;
- 2024 Revenues exceeded \$110-million; and
- Over 100 territories operating in more than 45 states, including multiple corporate territories.

TOP REASONS

WHY FRANCHISEES INVEST IN ALLOY WHEEL REPAIR SPECIALISTS

1. **Low entry cost:** Investment starts as low as \$110,000 and financing is available.
2. **Mobile:** Franchisees have a competitive advantage by bringing their work to the partner's place of business.
3. **Recurring revenue:** Most of our revenue comes from other businesses such as auto dealers, auto body shops, auto repair shops, and through insurance claims.
4. **Unique:** Repairing alloy wheels is a specialty service that many car dealers, auto body shops, repair shops and garages, and auto insurance companies do not have.
5. **Cost effective:** Repairing wheels costs approximately \$150 per wheel. Replacing the wheel can be \$600 or more. By following our unique process, franchisees and their technicians can restore wheels close to factory new, saving customers hundreds of dollars per wheel.
6. **Long term sustainability:** There are more cars on the road today than any other time in American history. Due to the high cost of new automobiles, people are keeping their vehicles longer or buying used and reconditioned cars. Alloy franchisees help used auto dealers recondition their fleet to get ready to be sold to the public.
7. **High margins:** There is little product cost for franchisees who hire technicians, labor cost is usually under 40%. The labor cost for typical service businesses is often 50% or higher.
8. **Repeat customers:** Most of your clientele are auto body shops, large used car dealers, and other automotive repair shops who send their customers to you.
9. **Easy to find new business:** Auto dealers, auto body shops, and other auto service and repair businesses have the need for a business like yours.
10. **Easy to learn:** Alloy Wheel Repair Specialists will have you expertly repairing wheels within months.
11. **Little competition:** We operate in a unique specialized niche with high demand and little direct competition. This keeps our prices and margins high and our business ramps up quickly.
12. **Protected territories:** We offer protected territory with protected accounts.
13. **Excellent training and support:** We will have you open, running, and satisfying your clientele within months of investing in your franchise.
14. **High growth potential:** Because franchisees ramp up quickly and the business model is profitable, franchisees expand into other mobile units manned by technicians and open new territories.

ABOUT THE AUTOMOBILE INDUSTRY

- Used car sales are projected to grow at 9% per year. Auto dealers often repair and recondition wheels before they show the car to capture a higher price (Auto Repair Statistics 2024);
- There are 284 million vehicles and over 255 million drivers on the road in the United States (S & P Mobility 2023); and
- \$1.6 Billion was spent on outsourced wheel repair (services Alloy Wheel Repair Specialists provides) and the industry is expected to grow at 7% per year (L.E.K. Consulting).

As a market leader Alloy Wheel Repair Specialists has at least 8% of the total market and is growing.

Every car has 4 wheels! And our business is unaffected by sales of hybrid or electric vehicles!



SERVICES WE PROVIDE TO OUR CUSTOMERS

1. Wheel Repair and Refinishing
2. Wheel Straightening
3. Wheel Customization including Custom Colors
4. Wheel Remanufacturing/Wheel Powder Coating (Not a mobile service)
5. Wheel Replacement (Not a mobile service)



WHAT ARE THE STARTUP COSTS?

STANDARD LEVEL

Initial Franchise Fee	\$40,000
Travel and Living Expenses while Training	\$1,000 - \$5,000 estimated
Truck	\$0 - \$40,000 each
Mobile Reconditioning Facility (MRF) -Tandem Axle Trailer or Box Truck or Express MRF Van	\$35,000 - \$80,000 Trailer; \$110,000 - \$140,000 Box Truck; \$90,000 - \$120,000 Express MRF Van
Start-up Kit, Sign and Equipment package per MRF	\$8,000 - \$12,000 each
Wheel Straightening equipment per MRF	\$5,000 - \$8,000 each
Insurance	\$500 - \$4,500
Professional Fee	\$2,500 - \$5,000
Construction, Deposits, Rent	\$0 - \$5,000
Computer software and hardware	\$2,000 - \$4,000
Additional Funds, 3 months	\$5,000 - \$15,000
Optional Grand Opening Advertising	\$5,000 - \$10,000
Total with Truck/Trailer	\$99,000 - \$213,500 (excluding rent)
Total with Box Truck	\$174,000 - \$233,500 (excluding rent)
Total with Express MRF Van	\$154,000 - \$213,500 (excluding rent)

MEDIUM MARKET STARTUP COSTS

Initial Franchise Fee	\$75,000
Travel and Living Expenses while Training	\$2,000 - \$5,000 estimated
Truck	\$0 - \$80,000 for two
Mobile Reconditioning Facility (MRF) -Tandem Axle Trailer or Box Truck or Express MRF Van (two)	\$70,000 - \$160,000 Trailer; \$220,000 - \$280,000 Box Truck; \$180,000 - \$240,000 Express MRF Van
Start-up Kit, Sign and Equipment package per MRF	\$16,000 - \$24,000 for two
Wheel Straightening equipment per MRF	\$10,000 - \$16,000 for two
Insurance	\$500 - \$4,500
Professional Fee	\$2,500 - \$5,000
Construction, Deposits, Rent	\$0 - \$5,000
Computer software and hardware	\$2,000 - \$4,000
Additional Funds, 3 months	\$5,000 - \$15,000
Optional Grand Opening Advertising	\$5,000 - \$10,000
Total with Truck/Trailer	\$183,000 - \$388,500 (excluding rent)
Total with Box Truck	\$333,000 - \$428,500 (excluding rent)
Total with Express MRF Van	\$293,000 - \$388,500 (excluding rent)

LARGE MARKET STARTUP COSTS

Initial Franchise Fee	\$110,000
Travel and Living Expenses while Training	\$2,000 - \$5,000 estimated
Truck	\$0 - \$120,000 for three
Mobile Reconditioning Facility (MRF) -Tandem Axle Trailer or Box Truck or Express MRF Van (two)	\$105,000 - \$240,000 Trailer; \$330,000 - \$420,000 Box Truck; \$270,000 - \$360,000 Express MRF Van
Start-up Kit, Sign and Equipment package per MRF	\$24,000 - \$36,000 for three
Wheel Straightening equipment per MRF	\$15,000 - \$24,000 for three
Insurance	\$500 - \$4,500
Professional Fee	\$2,500 - \$5,000
Construction, Deposits, Rent	\$0 - \$5,000
Computer software and hardware	\$2,000 - \$4,000
Additional Funds, 3 months	\$10,000 - \$30,000
Optional Grand Opening Advertising	\$5,000 - \$10,000
Total with Truck/Trailer	\$271,000 - \$578,500 (excluding rent)
Total with Box Truck	\$496,000 - \$638,500 (excluding rent)
Total with Express MRF Van	\$436,000 - \$578,500 (excluding rent)

IS FINANCING AVAILABLE?

Yes. We work with third party financing providers such as SBA, leasing companies, and banks. You will need a credit score of 660 or better

- Clean criminal record
- No bankruptcies for at least 7 years

You can finance your business a number of ways, including

- HELOC (home equity lines of credit)
- SBA guaranteed loans
- ROBS (401K Rollovers)
- Fleet financing

SALES PERFORMANCE

The following table reflects the average and median sales for all franchisees operating on a mobile-only basis, outsourcing any requests for remanufacturing work, broken down into thirds (top, middle, and lowest). The table also breaks down these results by population greater and less than 1,000,000 persons or less than 1,000,000 persons.

2024 REVENUE	TOTAL	>1 MILLION POP.	<1 MILLION POP.
System Average	\$390,675	\$499,122	\$240,053
System Median	\$252,548	\$366,490	\$208,453
Top Third Average	\$772,823	\$939,013	\$409,427
Middle Third Average	\$267,501	\$381,677	\$214,733
Bottom Third Average	\$104,403	\$121,690	\$95,998

The table below reflects the profit and loss statement for our location in Chicago, Illinois for 2024, which has operated for 20 years. The table's left column displays gross revenues for mobile sales only, with 6 total technicians operating on a mobile basis, and also includes operating costs and the gross margins generated from these sales. The middle column breaks down gross revenues and expenses by truck. Some outlets have generated sales in these amounts. Your individual results may differ.

TRUCK ECONOMICS (based on fiscal year 2024 (AWRS-IL))	GROSS REVENUE ¹	PER TECH (6)	
MOBILE REPAIR REVENUE	\$1,203,093	\$200,516	
Materials	\$47,686	\$7,948	4.0%
Tech Labor	\$360,928	\$60,155	30.0%
Benefits	\$54,878	\$9,146	4.6%
Fuel	\$40,409	\$6,735	3.4%
Registration, R&M	\$12,855	\$2,143	1.1%
Marketing Fee (Flat fee, not dependent on # of techs)	\$1,200	\$1,200	0.6%
Royalty (6%)	\$72,186	\$12,031	6.0%
Gross Margin	\$612,951	\$101,159	50.4%

¹ Mobile sales only

* See FDD for more details

WHO ARE OUR CLIENTS?

Alloy Wheel Repair Specialists are primarily hired by other businesses such as:

- Auto dealers (new and pre-owned)
- Auto auctions
- Auto body repair and paint shops
- Collision shops
- Rental car agencies
- Tire retailers
- Auto aftermarket retailers and others These clients offer franchisees repeat business.

Additionally, franchisees work with car owners needing such repairs.



WHY DO AUTO DEALERS, COLLISION REPAIR SHOPS, AND AUTO REPAIR SHOPS REFER BUSINESS TO **ALLOY WHEEL REPAIR SPECIALISTS?**

1. Wheel repair is a specialized service many shops are not equipped with the technology and space required to make such repairs;
2. Alloy Wheel Repair Specialists possess a great reputation with customers and auto repair specialists for quality, reliability, dependability, and cost effectiveness; and
3. Auto repair specialists mark up our services to their customers without having to tie up resources to make repairs. We give them new revenues with no costs attached.



WHY DO CUSTOMERS DO BUSINESS WITH ALLOY WHEEL REPAIR SPECIALISTS?

1. **Convenience:** We go to them.
2. **Dependability:** We show up and finish on time.
3. **Cost effectiveness:** On average, we charge a customer \$150 to repair a wheel and bring it back to almost factory new. To replace a wheel is \$600 or more.
4. **Need:** They don't often have the necessary equipment or expertise to do the work we do, requiring them to outsource it to companies like ours.
5. **Value:** Cars will sell at a higher price with reconditioned wheels than with damaged wheels.
6. **We specialize:** With our specialized equipment and technical training and expertise, we do the work which is difficult, disruptive, and time consuming for automotive body shops, car dealers, or auto repair generalists to do.



HOW DO I FIND CLIENTS?

You will go to auto body repair shops, car dealers, auto service repair shops, and auto-related businesses, introduce yourself, and leave information about Alloy Wheel Repair Specialists behind.

Remember, it's the job of whoever is running the auto-related repair business to know who you are and what services you offer so they can call you when their customers have a need.

Also, your truck or trailer is a mobile billboard.

Additionally, franchisees benefit from servicing national accounts with such companies as national auto body chains and auto dealership chains.



WHAT ARE AUTO OWNERS SAYING ABOUT US?

Alex B.



Outstanding service, Had a BMW wheel with very noticeable curb rash on it. Quick response w/ reasonable quote from team. (Other area services either did not respond or wanted me to coordinate a future on-site to review/quote for even later repairs).

Easily coordinated while-waiting service. Completely fixed the curb rash in under 1.5 hours and the wheel looks like new. The crew jumped on my care within 5 min of my arriving. Great service - Strongly recommend!! Kudos to Negasi and the whole team there!!

Craig S.



I had some cosmetic wheel damage caused by a tire shop on my BMW X5. Alloy Wheel did a great job repairing this. Fast and easy, dropped car in the morning and it was ready the same day. A great shop like this is hard to find.

Mitchell C.



Great experience, dropped of a 22" GMC Denali rim that had two bends. They fixed it perfectly. Can't event tell there was a bend and no more bouncing when driving. Great price and a timely fix of only a few hours. Would highly recommend.

Laurie H.



Today Negasi and his team fixed my wheel, it looks like brand new and I couldn't be happier. The service, price and end results were great!

Deirdre R.



Awesome job. Saved 1500 on a new wheel.

WHAT ARE EMPLOYEES (TECHNICIANS) SAYING ABOUT US?

Great place to work

It's a fast paced industry but we receive all of the support and tools needed to be successful. They promote from within, compensation is good as well as other perks offered to encourage employee retention.

Employee from St. Louis, MO

Fast pace, good pay, great people

I worked for Alloy wheel repair specialists for about 3 years and they were great. It pays well, you drive around to different locations, you're working with your hands and the management was great. Everyone was very friendly and accommodating and the pay fit the job.

Employee from Delaware



Amazing job experience and training

Alloy Wheel Repair Specialists taught me to weld, shape and bend metal like I never thought possible, crew is amazing and managers are reliable, dependable and very responsive to everyone that wants to learn, do and try!

Employee from Shoreview, MN

Fun and a good pace

Work by yourself and just do minimal customer service. Great company and I love working here. Definitely recommend it. Work at your own pace and fix, repair and paint rims.

Employee from San Tan Valley, AZ



HOW WILL I BE TRAINED?

There is a total of 13 days of classroom and on the job training broken out as follows:

- 10 Days of Technical/Service Training;
- 3 Days of Classroom and Field Training

It takes only months (not years) to be an effective wheel repair technician who can satisfy your client's needs.

POST-TRAINING SUPPORT

Our ongoing support includes the following and more:

- Designated support person to contact;
- Technical support hotline;
- Product and service research and development;
- National account development, such as CarMax;
- National Franchise Council (a team of franchisees who meets with our leadership to voice the concerns and needs of franchisees);
- Insurance claims team to help you with claims or wheels to be repaired;
- Profitability coaching; and
- Ongoing technical training and support.

HOW DO I GROW?

There are three ways to grow and make money.

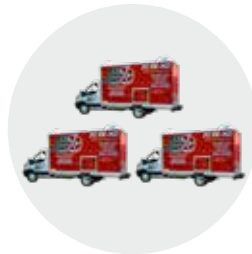
01

One franchise, one mobile repair truck. No employees. You do the work and keep the money.



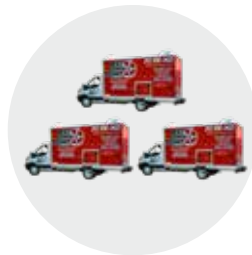
02

Multiple Territories. A fleet of vehicles and one hired technician per vehicle.



03

Multiple Territories. A fleet of vehicles, a team of technicians and a fixed location.



WHAT IS THE LABOR MODEL?

Each mobile repair unit will have one technician. The franchisee can start as a technician.

Technicians earn 30-40% of revenue. Franchisees who operate as their own technicians receive 100% of the revenue they generate minus expenses.



WHAT IS MY TERRITORY?

Alloy Wheel Repair Specialists is a local business. We would like you to start by opening a territory near where you live.

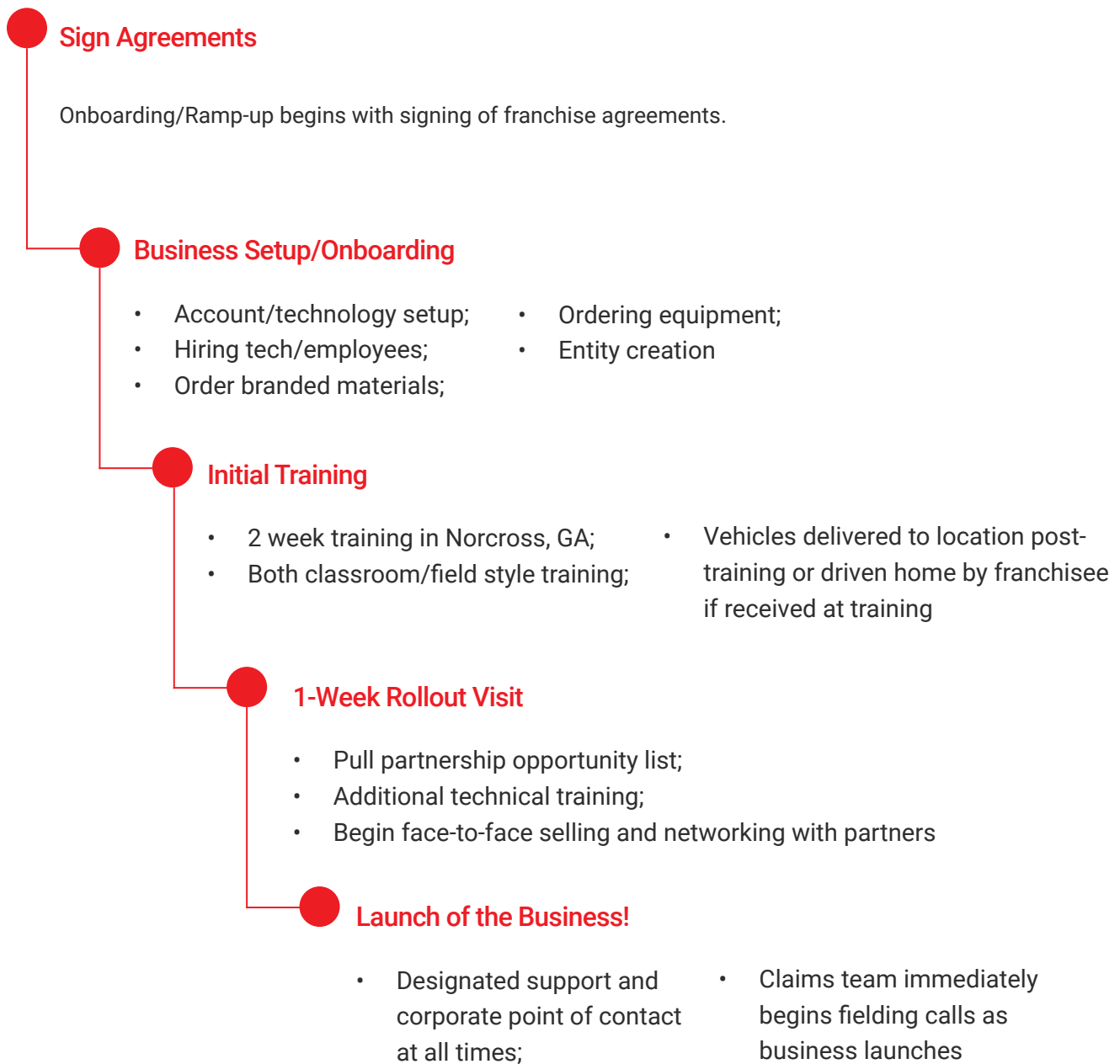
Territories are defined by one or multiple counties, and the total population within each county of your defined market. You will be offered a large, protected territory with protected accounts, typically encompassing the following based on market size and total population:

- **Standard Level** Mobile Franchise: up to 500,000 total population
- **Medium Market** Mobile Franchise: between 500,001 - 1,000,000 total population
- **Large Market** Mobile Franchise: over 1,000,000 total population



THE TIMELINE TO OPEN

It takes **60-90 days to open** once you decide to join Alloy Wheel Repair Specialists as a franchisee to the time you are in your market generating revenue.



WHO MAKES A SUCCESSFUL FRANCHISEE?

- Service oriented
- Enjoys cars
- Enjoys technical work
- Would rather be on the road than in an office
- Enjoys work-life balance
- Likes to hustle
- Dependable
- Growth oriented
- Financeable
- 660 or better credit
- No criminal record
- No bankruptcies over the last 7 years
- Standard Level Franchise: Minimum of \$60,000 in liquid assets to invest with a \$150,000 minimum net worth
- Medium Market Franchise: Minimum of \$120,000 in liquid assets to invest with a \$300,000 minimum net worth
- Large Market Franchise: Minimum of \$250,000 in liquid assets to invest with a \$500,000 minimum net worth



WHAT IS THE CORPORATE CULTURE?

Alloy Wheel Repair Specialists possess five core values:

- 1. Be here:** Always be on time and committed when working with partners, customers, or corporate. Be present at all times in your work. Focus is key to productivity and quality service for customers. Minimize distractions.
- 2. Be safe:** A top priority for anyone servicing wheels. Following safety guidelines is crucial for all our technicians so that their well-being is taken care of while simultaneously completing quality service on wheels.
- 3. Be honest:** Honesty extends across all aspects of the franchise system: between corporate and franchisees/ their employees, relationships with partners and their customers for service, pricing, and quality, and with preferred national partners. Our whole system acting in good faith only increases our reliability across the board.
- 4. Set Goals:** Franchisees should always be inspiring to improve. Whether that's in the quality of work, increased partner relationships, scaling your business with more vehicles and technicians, or long term plans to create a family generational opportunity out of your franchise, setting and working towards goals is always ongoing in this business.
- 5. Let go and Move on:** Each day of work is a new reset from the previous. No matter the previous outcome or surrounding distractions, move forward to the next day and be open to setting daily goals to stay focused on the task(s) at hand.



DESIRED FRANCHISEE-FRANCHISOR RELATIONSHIP

W= Win together.

Franchisees and franchisors both have to make money for our brand to be successful.

H = Hard Work.

Franchisees must go to work each day to ensure they are maximizing revenue within their territory. AWRS corporate team must go to work every day to ensure franchisees have the tools and support they need to succeed

E = Empowered Franchisees.

Franchisees are entrepreneurs, not employees. They will be treated as valued stakeholders of the brand.

E = Exceed expectations.

Franchisees need to exceed customer expectations. AWRS will exceed your expectations as a franchisee.

L= Love it!

We want you to love your customers and your relationships with our team at AWRS.



NEXT STEPS

Tell us about you.

Reach out to **Bryce McGlothlin - Franchise Recruitment Manager**

bryce@franchiseperformancegroup.com

Call or Text: (434) 305-2896

SCHEDULE A CALL





Franchise

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