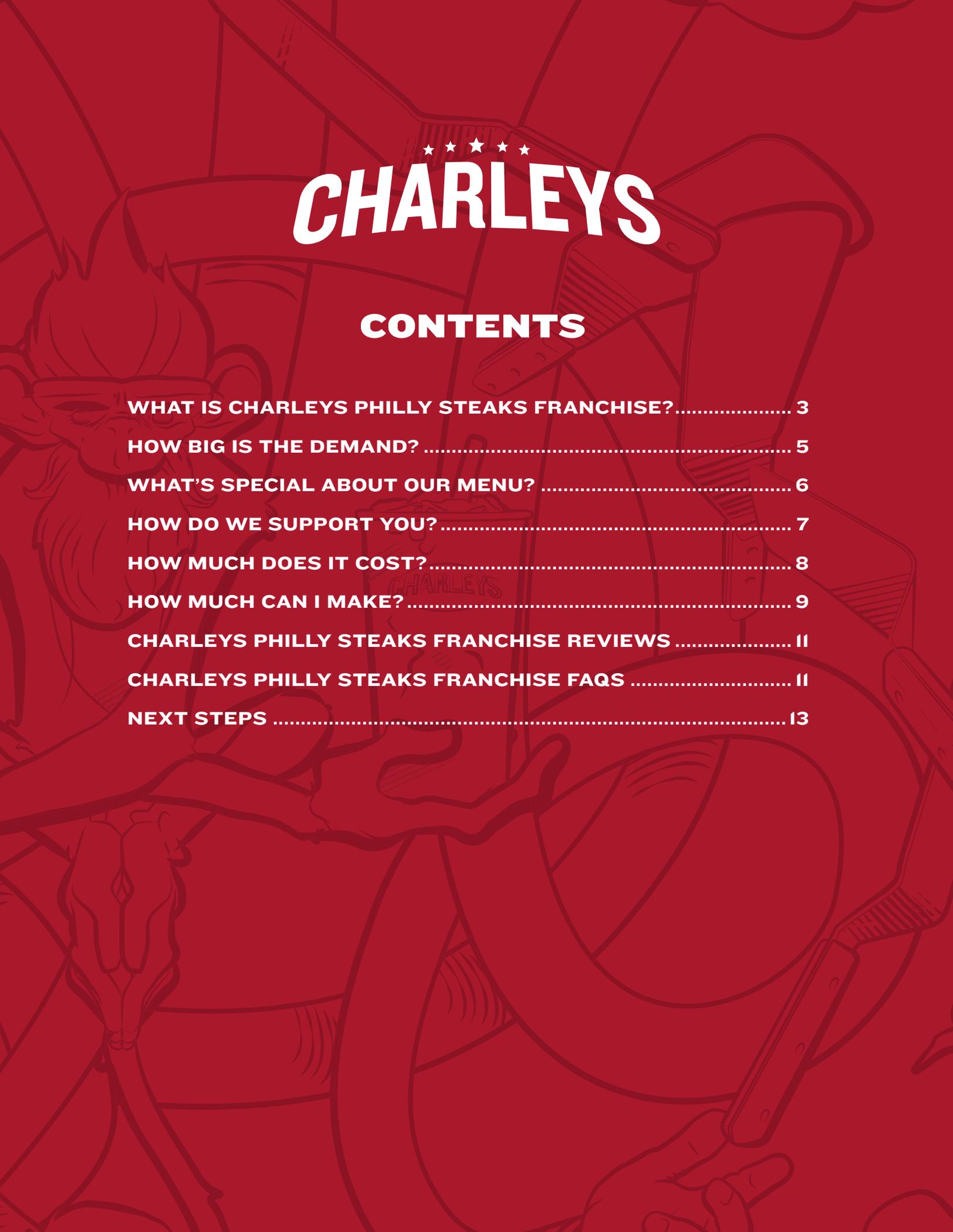


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CHARLEYS



FRANCHISE INFORMATION REPORT



★★★★★ **CHARLEYS**

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CHARLEYS

#1 CHEESESTEAK IN THE WORLD



WHAT IS CHARLEYS PHILLY STEAKS FRANCHISE?

Iconic Philly Cheesesteak Franchise is Ready For National Expansion

When Charley Shin opened the first Charleys Philly Steaks location in 1986 directly across from the Ohio State University campus, he had no idea that three decades later his brand would become the largest cheesesteak franchise in the world.

Today, Charleys is not only the largest cheesesteak franchise in the world, it is also one of the fastest growing franchise systems in the QSR and Fast Casual segments.

“At the time, no one really knew what Philly cheesesteaks were – I just knew that I loved them and I believed they would be a hit,” Shin says. “Today, everyone knows what Philly cheesesteaks are and we have millions of people who love our food. It all really started with a dream that I had, and now that dream continues every time a new franchise owner comes on board. It’s such a rewarding experience to be able to help entrepreneurs do well for themselves – it makes their families stronger, their communities stronger, and that’s what this brand is all about.”

In 2022, Charleys Philly Steaks is a stronger brand than ever before, with more than 700 locations in more than 16 countries around the world.

We Deliver a Philly Cheesesteak Experience That Can’t Be Beat

Charleys Philly Steaks offers something completely unique in the QSR and Fast Casual industries. We offer delicious, made-to-order food that is affordable without sacrificing quality. This is why, after more than 35 years in business, Charleys has grown to over 700 locations around the world.

And we’re still growing. In fact, while cheesesteaks and wings are two of the most popular food items, they are still vastly under-represented in a landscape that is saturated with Deli Subs, burgers, pizza and Mexican food. This means that there is ample opportunity for entrepreneurs to own a business that immediately stands out in their communities.

Our 35+ years of experience in franchising means that we have significant experience in helping our franchise owners select successful locations. This is why we have developed several restaurant models to offer our franchise owners flexibility and versatility. Our business model can work in freestanding units with drive-thrus, end caps, in-line locations in strip malls, food courts in malls and airports, as well as non-traditional locations such as travel plazas, office complexes and co-branding opportunities in convenience and gas station locations. Our

CHARLEYS



proven site selection process is an ingredient to our success pie and why we're the largest cheesesteak franchise in the world.

"I tell our franchisees that the only thing they need to do is remember three words: make customers happy," Shin says. "Customer service is the most important aspect of owning a restaurant – and if you deliver both good food and good service, they will come back."

We've Added Wings & Third-Party Delivery to Drive Sales

To make Charleys Philly Steaks more of a destination, we've recently added wings to our menu. By keeping our menu limited to wings, cheesesteaks and fries, our business model is simple to operate and that makes us an easy brand for customers to connect with for lunch and dinner.

"Adding wings to our menu has been a key driver in same-store sales," Shin says. "We want to broaden our appeal and increase customer frequency. It's made us a much stronger brand as a result."

Another key driver in same-store sales growth is adding third-party delivery to our restaurants. One of the silver linings of the recent pandemic is that consumers completely embraced third-party delivery, and now getting food delivered to our

homes and offices is a part of daily life for millions of people.

For this reason, it's becoming one of the most important revenue streams for the QSR industry. According to Business of Apps, mobile delivery is expected to reach \$43 billion by 2025.

"We look at all the trends, and we know that more people are ordering food from their couches than ever before," Shin says. "We live in a Netflix culture now, and we're evolving to stay ahead of what the customer wants."

You Don't Need to Know How to Make a Cheesesteak to Franchise With Us

In fact, the majority of our franchise owners came to us with zero experience in the restaurant industry before joining our franchise family. When you franchise with Charleys Philly Steaks, you will have the full support of the world's largest cheesesteak franchise behind you, and we've developed a comprehensive training and support platform designed to help you master our business model from the moment you sign your franchise agreement.

Here is What We Will Help You With:

- Real estate and site selection
- Initial training
- Ongoing support, including performance coaching
- Marketing support
- Operational support
- Securing low food costs
- Ongoing business development
- And much, much more!

"Our only priority is to ensure that our franchisees are profitable," Shin says. "We have developed a strong culture of support that helps our franchisees in every aspect of running their businesses, and we're enormously proud of their achievements. We can't wait to welcome more entrepreneurs into our franchise family as we continue to expand across the United States."

HOW BIG IS THE DEMAND?

Iconic Cheesesteak Franchise Offers a Highly Differentiated Menu in the Booming QSR Segment

Now is a great time to invest in the QSR franchise industry.

We're currently in an era of record-breaking growth. Valued at over \$256 billion, the QSR industry is expected to reach over \$300 billion in the coming years.

While the industry was rapidly growing before 2020, the pandemic accelerated changing consumer behavior in ways that are advantageous for QSR brands. In fact, QSR Magazine reports that "The Golden Age of Fast Food," is yet to come.

The magazine states in the five years before the pandemic, "Quick service and fast casuals were consistently gobbling up shares from their full-service peers. The pandemic accelerated that pace as consumers flocked to quick serves—with their drive-thrus, mobile apps, and bundle deals—for safe, convenient, value-driven offerings."

The bigger brands continue to get bigger - as they continue to adapt to consumer trends and successfully navigate the challenges a post-pandemic economy poses to the industry.

All of this is exceptional news for Charleys Philly Steaks, the largest cheesesteak franchise in the world.

Charleys Philly Steaks Franchise Stands Out In A Crowded Segment

While the QSR industry is booming - the segment is a world of sameness. The industry is packed with Deli Subs, burgers, pizza, and Mexican concepts that offer varying degrees of the same thing.

By focusing on cheesesteaks, Charleys Philly Steaks is a franchise that not only stands out in a crowded segment, it also doesn't compete with the rest of the category. By elevating the cheesesteak to the star of the menu, with a total of eight different cheesesteak sandwiches to choose from, Charleys Philly Steaks is a highly differentiated concept.

This is a tremendous advantage for both multi-unit

entrepreneurs seeking to diversify their portfolio and first-time entrepreneurs looking to bring something unique to their markets.

And the demand is incredibly strong. This is why Charleys has been growing so rapidly across the United States. Consumers are craving an authentic cheesesteak experience, and with every new location that Charleys Philly Steaks opens up, the enthusiasm for our brand continues to grow.

"Reaching 700 locations is just the beginning," says Charleys President, Candra Alisiswanto. "Our fans are craving more locations, and our franchisees are excited about growth. We're looking forward to our next big milestone of 1,000 locations."

Our Expansion Into Walmart is Proof of Concept

In 2021, Charleys Philly Steaks inked an attractive deal to expand into Walmart locations across the country, the nation's largest big box retailer.

The results have been incredible. In less than two years, we've opened new Charleys Philly Steak franchise locations in numerous Walmarts, and we've signed additional leases in total. Not only are we winning over a tremendous amount of new customers, but we've also significantly expanded the growth potential of our brand and profit-potential of our franchise owners. We are on our way of becoming a household name.

"We're thrilled about the response that we've been getting in our Walmart locations," says Charleys President, Candra Alisiswanto. "Our fans are craving more locations, and our franchisees are excited about growth. We're looking forward to our next big milestone of 1,000 locations."

WE'RE A BIG HIT IN WALMART

60 OPEN

100+ MORE IN DEVELOPMENT

CHARLEYS

WHAT'S SPECIAL ABOUT OUR MENU?

Charleys Philly Steaks is Elevating the Cheesesteak to the Star of The Show

For far too long, the cheesesteak was the sole property of Philadelphia, Pennsylvania. If you wanted to have one, you had to take a visit to the City of Brotherly Love. Otherwise, you were out of luck.

Today, the cheesesteak is everywhere. And we can thank Charleys Philly Steaks for that.

Founded in 1985, Charleys Philly Steaks was way ahead of its time. By taking a regional sandwich and bringing it to the rest of the country, Charleys Philly Steaks has introduced the cheesesteak to millions of people.

And 35+ years later, we are still doing exactly that. Our commitment to innovation while staying true to what we do best is why we've recently celebrated the milestone of opening our 700th location and plan to open 200 locations in 2022.



A Tried-And-True Menu That Continues to Look Ahead

Charleys Philly Steaks offers one of the most unique menus in the QSR and Fast Casual industries. With cheesesteak variations on the menu, Charleys Philly Steaks proudly celebrates the iconic sandwich while also adding innovative flavor profiles to push the sandwich forward.

In addition to a traditional cheesesteak, which features USDA choice steak, grilled and seasoned to perfection, we also feature Limited Time-Offers (LTO's) with plays on our Beef and Chicken to include Chicken Buffalo Cheesesteak, the Chicken Teriyaki Cheesesteak, and the Fiesta Cheesesteak, which satisfies our customers on all level!

But while we look ahead, we also stay true to what makes our model great.

In addition to cheesesteaks, we also offer a wide-variety of wings, side-items, frozen treats such as shakes and sundaes.

Not only does this expand our ability to meet our customers' cravings, but it also expands the profit-potential of our franchise owners.

We Live By Three Words: Make Customers Happy

Ever since Charley Shin persuaded his mother to invest her savings in a relatively unknown cheesesteak restaurant right across the street from The Ohio State University campus in 1986, he's lived by three words: Make Customers Happy.

At the time, the cheesesteak was relatively unknown outside of Philadelphia, and Charley grew his business one cheesesteak at a time. Today the cheesesteak is a wildly popular sandwich, appearing on menus from pizza chains to chic, high-end restaurants. Charleys Philly Steaks is the largest cheesesteak franchise in the world, largely because of Charley's commitment to delivering an exceptional customer experience.

"We know that customers want an experience," Charley says. "We're always working on ways to increase our customer base, and by adding wings to our menu, we get to broaden our appeal. Our cheesesteaks are already head and shoulders above anything found in Philadelphia, and we're just going to continue to treat our customers as individuals and ensure that they're happy when they leave our restaurants. This has been the secret to our success."



HOW DO WE SUPPORT YOU?

Iconic Cheesesteak Franchise is Committed to Helping Entrepreneurs Thrive

Franchising with Charleys Philly Steaks means that you will never be alone in business. Since our founding in 1985, Charleys Philly Steaks has been passionate about entrepreneurship. And in the 35+ years since we first opened our doors, we've helped dozens and dozens of entrepreneurs realize their full potential as business owners.

This is why we've made significant investments in training, support and technology to ensure that our franchise owners have all the resources they need to run thriving, growing businesses. Our track record speaks for itself. Charleys Philly Steaks has experienced record breaking expansion, and an estimated 70% of that growth comes from existing franchisees reinvesting in the brand

"We exist to help our franchisees become successful in business, and we want to help as many entrepreneurs as we can," says Charley Shin, CEO, and founder of Charleys Philly Steaks. "This brand has never been more successful than it is today, and we've never been more excited about the future."

What Does Our Training & Support Look Like?

Real-estate support: Choosing the right location is absolutely critical to ensuring that your new Charleys Philly Steaks location has the potential to thrive over the long-term. This is why you don't do it alone. Our real-estate team will guide you through the process of site selection, and help oversee the buildout process to ensure you stay on track for your grand opening celebration.

In-person training: You will visit Charleys Philly Steaks franchise location for three weeks where you learn every aspect of the business model. You will learn how to prepare our cheesesteaks to perfection, how to manage inventory, how to use our POS system, how to interact with customers, lead a team, and much, much more.

Marketing support: One of the best parts about franchising with a brand like Charleys Philly Steaks is the fact that we offer cutting edge marketing support. We provide you with a comprehensive marketing plan, including materials, to effectively engage with your customers. One of the ways that we effectively market to your guests is through our loyalty program, which has experienced a tremendous increase in new users over the last several years.

Menu innovation: While Charleys Philly Steaks has an iconic menu that millions of people love, we're always looking for ways to innovate and generate excitement amongst our cult-like following. This is why we roll out several LTOs a year. We always remain on the cutting edge of trends and seek out exciting flavor profiles to appeal to our guests.

Ongoing support: Charleys Philly Steaks offers comprehensive ongoing training & support. From field visits to your location, to ongoing marketing support and professional development, we provide all the support you need to develop into the entrepreneur you know you can be.

"We've been growing ever since our Grand Opening," says Kevyn Scott, Charleys Philly Steaks franchise owner. "Usually, numbers start to go down a little bit after a Grand Opening and the initial hype, but our numbers are continuously increasing. We're about 10% higher in sales than when we opened. With Charleys, the support is phenomenal. You feel like you're part of a family. That's one of the major things that drew me – feeling part of a family and feeling valued."

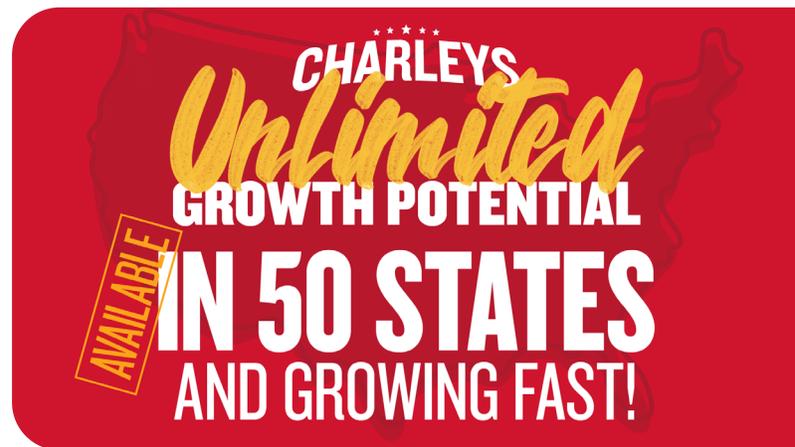
HOW MUCH DOES IT COST?

Charleys Philly Steaks Franchise is a Low-Cost Investment Opportunity with the Potential for High Returns

Going into business for yourself is one of the most important decisions you'll ever have to make – but it doesn't have to break the bank. Charleys Philly Steaks is committed to helping as many entrepreneurs thrive in business as possible by keeping the barriers to entry low. In fact, Charleys Philly Steaks is one of the most affordable business opportunities in the booming QSR segment.

The total cost to invest in a franchise ranges from \$251,637 to \$1,002,700.

“We're in business to help our franchisees thrive in their restaurants,” says Charley Shin, CEO and founder of Charleys Philly Steaks. “We've worked hard to make our business model efficient, profitable and deliver a product and customer experience that leads to long-term growth. The success that we're having is evident in how many of our existing franchisees are investing in new restaurants. In fact, 70% of our current growth comes from our existing franchisees scaling up to multi-unit ownership, which tells us that we're on the right track – and that's incredibly exciting for us.”



What Makes Charleys Philly Steaks So Affordable?

When you franchise with Charleys Philly Steaks, you're investing in a brand with more than three decades of experience in helping franchise owners thrive in business.

Here are Some of the Reasons Why Charleys Philly Steaks is an Affordable Business to Own:

- Our restaurants require a small footprint, which reduces rent costs
- Our streamlined business model reduces labor and maximizes productivity
- Highly efficient inventory management leads to minimal food waste
- Strong buying power assures franchisees benefit from low food costs
- Strong brand recognition and national advertising attract new customers

Financing Can Make Investing in a Charleys Philly Steaks Franchise More Affordable

Financing is a great way to secure the funds necessary to realize your dream of owning your own business. While Charleys Philly Steaks doesn't offer direct access to financing, we do have relationships with third-party lenders. The best part? Because Charleys Philly Steaks is a proven, time-tested brand, lenders are more likely to grant financing with a brand that has a long track record of success.

HOW MUCH CAN I MAKE?

Strong Unit Economics and Streamlined Business Models Make the Iconic Philly Steak Franchise a Wise Investment

“How much can I make?” This is the most common question entrepreneurs have about a new business opportunity – and it makes sense. If you’re going to leave

CHARLEYS
 CHARLEY'S ON COURSE TO OPEN
150 locations
IN 2023

your career and make a significant investment to realize your dream of owning a small business, you’re going to want to know if the business has the potential to exceed your expectations.

Charleys Philly Steaks takes this matter very seriously. We recognize that our franchise owners make a significant investment to franchise with us. This is why, after three decades in business, we’ve continued to refine our proven business model to emphasize profitability and the ability to scale up to multi-unit ownership.

“We exist to help our franchise owners become successful in business,” says Charley Shin, CEO of Charleys Philly Steaks. “One of the best ways entrepreneurs investigating a franchise opportunity can gauge if the brand is worth the investment is to look at how many existing franchise owners are reinvesting. We’re proud to say that more than half of our growth comes from franchise owners reinvesting in new locations. This means that we’re doing something right, and we honor their commitment to us by providing them with the resources they need to thrive in business.”

TYPE OF EXPENDITURE	AMOUNT
Initial Franchise Fee	\$24,500
Leasehold Improvements	\$80,000 - \$580,000
Equipment / Furniture / Fixtures	\$60,931 - \$180,000
POS System	\$5,206 - \$18,000
Signage	\$5,000 - \$65,000
Architect	\$8,000 - \$30,000
Travel and Living Expenses Associated with Initial Training	\$4,000 - \$6,000
Insurance	\$3,500 - \$10,000
Misc. Deposits	\$1,000 - \$8,000
Additional Funds (3 month period)	\$20,000 - \$40,000
TOTAL	\$251,637 to \$1,002,700 (Does not include rental estate purchase costs)



700+ LOCATIONS OPEN...

Next stop 1000!

The Numbers Tell the Story

According to the Item 19 in our most recent Franchise Disclosure Document, **our franchise locations generated more than \$852,000 in gross sales on average for 2021, and our top-performing locations generated more than \$2.9 million.** Because Charleys Philly Steaks has a business model perfect for any location, including strip centers, airports, military bases and shopping malls, there is ample opportunity for entrepreneurs to bring Charleys to their communities.

“What motivates me is that I can take care of my family,” says Julie Vulcain, owner of multiple Charleys Philly Steaks franchise

locations in Florida. “I’ve put three of my children through college, and now, my son is joining me in the business. He’s going to take it over after I retire — if I ever retire! We opened our first one 13 years ago, and we’re still growing – in fact, I’m getting ready to open a new store in the next few months. I’m so happy I pushed myself because the investment was worth it. I was able to give my kids a great life.”

For more information as to how well our franchise owners do in their locations, please review Item 19 of our most recent Franchise Disclosure Document below:

Average Gross Sales for Franchised Restaurants

TYPE OF RESTAURANT	AVERAGE GROSS SALES	MEDIAN SALES	RANGE OF GROSS SALES	NO. OF RESTAURANTS	NO. OF FRANCHISED RESTAURANTS THAT MET OR EXCEEDED AVERAGE
Military Bases	\$520,573	\$486,961	\$88,556 – 1,345,555	79	36 (45.57%)
Airport	\$631,684	\$570,000	\$501,623 – 823,428	3	1 (33.33%)
Mall Food Court	\$918,827	\$856,693	\$35,734 – 2,854,398	339	145 (42.77%)
Strip Center	\$926,468	\$818,143	\$323,049 – 2,025,579	56	23 (41.07%)
All Restaurants	\$851,960	\$786,233	\$35,734 – 2,854,398	477	204 (42.77%)



CHARLEYS PHILLY STEAKS FRANCHISE REVIEWS

Owners of the Iconic Philly Cheesesteak Franchise Open Up About What They Love About Their Businesses

The Charleys Philly Steaks franchise has been helping entrepreneurs thrive in business for more than three decades. While the majority of our franchise owners had no prior experience making cheesesteaks before franchising with us, our longevity speaks volumes about their commitment to the brand, their fellow owners and their communities.

We're constantly inspired by how passionate our franchise owners are about their businesses and delivering the best cheesesteak experience to their customers, and we want to share some of their stories with you.

CHARLEYS PHILLY STEAKS FRANCHISE FAQs

Answers to Common Questions About the Charleys Philly Steaks Franchise Opportunity

Below are several answers to common questions about the Charleys Philly Steaks franchise opportunity.



“I can’t believe how many people love Charleys Philly Steaks!”

– Amgad Attalla
Multi-Unit Owner in FL, VA and DE

“Charleys is the best franchise! We receive so much support and guidance!”

– Eddy Chan
Multi-Unit Owner in NY, NJ, MD, MA and VA

What is Charleys Philly Steaks?

Charleys Philly Steaks was founded in 1986 by our CEO, Charley Shin, and has since become the world’s largest Philly cheesesteak franchise. With more than 700 locations open throughout the nation and around the world, Charleys Philly Steaks has helped hundreds of entrepreneurs thrive in a business that emphasizes exceptional food, exceptional customer service, and community. Our brand is stronger than ever. With streamlined operations that maximize profitability and a restaurant model for any location, Charleys Philly Steaks is ready for nationwide growth.

How Much Money Can I Make?

Charleys Philly steaks exist to ensure our franchise owners are successful in business. Our business model is perfect for any location, including strip centers, airports, military bases and shopping malls, there is ample opportunity for entrepreneurs to bring Charleys to their communities.

How Much Does Charleys Philly Steaks Cost?



Charleys Philly Steaks is one of the most affordable investment opportunities in the booming QSR segment. The total investment to open a new Charley's Philly Steaks franchise ranges from \$251,637 - \$1,002,700

How Much is the Franchise Fee?

Our franchise fee is \$24,500 (1st unit. \$15,000 for each additional unit).

How Much is the Ongoing Royalty Fee?

Our ongoing royalty fees are 6% of gross sales.

Do You Offer Financing?

No. However, we do have relationships with third-party lenders who can help secure access to financing.

Is a Philly Cheesesteak Franchise a Wise Investment?

Charleys Philly Steaks has thrived for more than three decades, and the cheesesteak has never been more popular than it is today. Every market is flooded with deli subs, burgers, salads, pizza and Mexican food, and as popular as the cheesesteak has become, it still is a vastly underserved segment. Our millions of fans love us because we emphasize quality ingredients, cook every meal to order right in front of the customer, and deliver

an unforgettable experience that involves all the 5 senses! Our franchise owners love us because they get to serve a product they can be proud of and operate a business that is designed for long-term growth. Owning a cheesesteak franchise is a win for your community and a win for our franchise owners.

Where Are We Growing?

Charleys Philly Steaks has wide open territory in prime markets throughout the nation. If you think your market would be a good fit for Charleys Philly Steaks, fill out the information request form on this site and we'll reach out to you shortly.

Do You Offer Training and Support?

Yes! Franchising with Charleys Philly Steaks means you'll never be alone in your business. Our three decades of experience in helping franchise owners thrive in business has led us to create one of the most comprehensive training and ongoing support platforms in the entire QSR industry.

Do I Need Restaurant Experience?

No. While restaurant experience is preferred, it's not required to franchise with us. Our training platform is designed to help first-time entrepreneurs master our business model and realize their dreams of owning a restaurant. A strong business acumen is required.

NEXT STEPS

Are You Ready to Open a Charleys Philly Steaks Franchise in Your Community?

If you're excited about the prospect of opening a new Charleys Philly Steaks franchise in your community and joining a brand that is committed to your long-term success, simply fill out the information request form on this site and get the ball rolling!

Once you fill out the application, we will begin our franchise inquiry process to determine if you're the right fit for us and if we're the right fit for you.

Here is What the Path to Ownership Will Look Like:

1. Initial Phone Call

This will be a short call which will allow you to field questions about the Charleys Philly Steaks franchise opportunity and allow us to learn more about you.

2. Meet Criteria

We will review your information to determine if you're financially qualified to open a new Charleys Philly Steaks franchise in your community.

3. Identify Market of Interest

Once we determine you're financially qualified, we begin the process of determining if your market is a good match for a new Charleys Philly Steaks location, and if it is, we begin the process of looking for good real-estate opportunities based on our proven criteria.

4. Review Franchise Disclosure Document (FDD):

By reviewing our FDD, you will gain insight into the full picture of franchising with us, including costs & fees, financial performance, and much more.

5. Complete Application Package

Provide your full application, financial validation and streamlined business plan.

6. Discovery Day

Complete Discovery Day with our Executive. Once you have been awarded an approval as a Charleys franchisee, you can execute your Franchise Agreement and join the Charleys franchise family!

7. Secure Real Estate

Once you've signed your franchise agreement, our real estate team will help you secure your franchise location.

8. Start Training

You will attend our comprehensive training at our headquarters, where you will learn everything you need to know to master our business model.

9. Open Store

Congratulations! You are ready to celebrate your Grand Opening, begin operations and deliver the best Philly cheesesteak experience in your community.