

FOR IMMEDIATE RELEASE  
December 22, 2020

## Cintas Corporation Announces Fiscal 2021 Second Quarter Results

**CINCINNATI, December 22, 2020 -- Cintas Corporation** (Nasdaq: CTAS) today reported results for its fiscal 2021 second quarter ended November 30, 2020. Revenue for the second quarter of fiscal 2021 was \$1.76 billion compared to \$1.84 billion in last year's second quarter. Earnings per diluted share from continuing operations (EPS) were \$2.62 in the second quarter of fiscal 2021, an increase of 15.4% from last year's second quarter EPS.

Organic revenue for the second quarter of fiscal 2021, which is adjusted for the impacts of acquisitions, divestitures and foreign currency exchange rate fluctuations, declined 4.4% from last year's second quarter. Organic revenue for the Uniform Rental and Facility Services operating segment declined 3.6%. Organic revenue for the First Aid and Safety Services operating segment increased 14.5%.

Gross margin for the second quarter of fiscal 2021 was \$819.9 million compared to \$852.4 million in last year's second quarter. Gross margin as a percentage of revenue increased 50 basis points to 46.7% for the second quarter of fiscal 2021 compared to 46.2% in the second quarter of fiscal 2020.

Operating income for the second quarter of fiscal 2021 of \$352.9 million increased 5.5% from last year's second quarter operating income of \$334.5 million. Operating income as a percentage of revenue was 20.1% in the second quarter of fiscal 2021 compared to 18.1% in the second quarter of fiscal 2020.

Net income from continuing operations was \$284.9 million for the second quarter of fiscal 2021, an increase of 15.6% from last year's second quarter net income from continuing operations of \$246.4 million. Second quarter of fiscal 2021 EPS were \$2.62, an increase of 15.4% from last year's second quarter EPS of \$2.27.

In the second quarter of fiscal 2021, certain Uniform Rental and Facility Services operating assets were sold. The pre-tax gain on sale of \$18.0 million was recorded in selling and administrative expenses and impacted operating margin by 100 basis points. The pre-tax gain and the related tax benefit impacted EPS by 25 cents.

Scott D. Farmer, Cintas' Chairman and Chief Executive Officer, stated, "During our second quarter of fiscal 2021, Cintas declared its annual dividend and also announced that the Board of Directors approved a change in dividend policy from an annual dividend to quarterly dividends. Earlier this month, we paid the annual dividend of \$2.81 per share, an increase of 10.2% over last year's annual dividend. We have increased the annual dividend for 37 consecutive years. In addition, we paid a quarterly dividend of \$0.70 per share. We remain committed to delivering shareholder value, even in this difficult environment."

Mr. Farmer added, "I am pleased with our second quarter financial performance. The COVID-19 coronavirus pandemic remained a significant disruption to the economy, and the recovery slowed in November as the number of coronavirus cases increased. However, our employee-partners have not wavered in their passion for getting businesses **Ready for the Workday**®."

Mr. Farmer concluded, "We find ourselves at a time of increasing uncertainty regarding the next 90 days. A number of states and municipalities have reinstituted temporary economic restrictions in response to rising COVID-19 coronavirus cases, and others are considering them. On the other hand, vaccines are being distributed and the U.S. government continues to discuss additional stimulus. The uncertainty of the resolutions of these impactful events makes providing third quarter guidance very difficult. As a result, we are not providing guidance at this time. Despite the near-term uncertainty, I remain confident in the long-term opportunity of Cintas to provide essential, unparalleled image, safety, cleanliness and compliance to a society focused on health, readiness and the outsourcing of non-core activities."

## **About Cintas**

Cintas Corporation helps more than one million businesses of all types and sizes get **READY™** to open their doors with confidence every day by providing a wide range of products and services that enhance our customers' image and help keep their facilities and employees clean, safe and looking their best. With products and services including uniforms, floor care, restroom supplies, first aid and safety products, fire extinguishers and testing, and safety and compliance training, Cintas helps customers get **Ready for the Workday®**. Headquartered in Cincinnati, Cintas is a publicly held Fortune 500 company traded over the Nasdaq Global Select Market under the symbol CTAS and is a component of both the Standard & Poor's 500 Index and the Nasdaq-100 Index.

Cintas will host a live webcast to review the fiscal 2021 second quarter results today at 10:00 a.m., Eastern Time. The webcast will be available to the public on Cintas' website at [www.Cintas.com](http://www.Cintas.com). A replay of the webcast will be available approximately two hours after the completion of the live call and will remain available for two weeks.

## **CAUTION CONCERNING FORWARD-LOOKING STATEMENTS**

*The Private Securities Litigation Reform Act of 1995 provides a safe harbor from civil litigation for forward-looking statements. Forward-looking statements may be identified by words such as "estimates," "anticipates," "predicts," "projects," "plans," "expects," "intends," "target," "forecast," "believes," "seeks," "could," "should," "may" and "will" or the negative versions thereof and similar words, terms and expressions and by the context in which they are used. Such statements are based upon current expectations of Cintas and speak only as of the date made. You should not place undue reliance on any forward-looking statement. We cannot guarantee that any forward-looking statement will be realized. These statements are subject to various risks, uncertainties, potentially inaccurate assumptions and other factors that could cause actual results to differ from those set forth in or implied by this Press Release. Factors that might cause such a difference include, but are not limited to, the possibility of greater than anticipated operating costs including energy and fuel costs; lower sales volumes; loss of customers due to outsourcing trends; the performance and costs of integration of acquisitions; fluctuations in costs of materials and labor including increased medical costs; costs and possible effects of union organizing activities; failure to comply with government regulations concerning employment discrimination, employee pay and benefits and employee health and safety; the effect on operations of exchange rate fluctuations, tariffs and other political, economic and regulatory risks; uncertainties regarding any existing or newly-discovered expenses and liabilities related to environmental compliance and remediation; the cost, results and ongoing assessment of internal controls for financial reporting required by the Sarbanes-Oxley Act of 2002; the effect of new accounting pronouncements; disruptions caused by the inaccessibility of computer systems data, including cybersecurity risks; the initiation or outcome of litigation, investigations or other proceedings; higher assumed sourcing or distribution costs of products; the disruption of operations from catastrophic or extraordinary events including viral pandemics such as the COVID-19 coronavirus; the amount and timing of repurchases of our common stock, if any; changes in federal and state tax and labor laws; and the reactions of competitors in terms of price and service. Cintas undertakes no obligation to publicly release any revisions to any forward-looking statements or to otherwise update any forward-looking statements whether as a result of new information or to reflect events, circumstances or any other unanticipated developments arising after the date on which such statements are made. A further list and description of risks, uncertainties and other matters can be found in our Annual Report on Form 10-K for the year ended May 31, 2020 and in our reports on Forms 10-Q and 8-K. The risks and uncertainties described herein are not the only ones we may face. Additional risks and uncertainties presently not known to us, or that we currently believe to be immaterial, may also harm our business.*

### **For additional information, contact:**

J. Michael Hansen, Executive Vice President and Chief Financial Officer - 513-972-2079

Paul F. Adler, Vice President - Treasurer & Investor Relations - 513-972-4195

**Cintas Corporation**  
**Consolidated Condensed Balance Sheets**  
(In thousands except per share data)

|                                                                                                                                                                                    | November 30,<br>2020 | May 31,<br>2020     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------|
|                                                                                                                                                                                    | (Unaudited)          |                     |
| <b>ASSETS</b>                                                                                                                                                                      |                      |                     |
| Current assets:                                                                                                                                                                    |                      |                     |
| Cash and cash equivalents                                                                                                                                                          | \$ 703,175           | \$ 145,402          |
| Accounts receivable, net                                                                                                                                                           | 910,266              | 870,369             |
| Inventories, net                                                                                                                                                                   | 534,128              | 408,898             |
| Uniforms and other rental items in service                                                                                                                                         | 772,937              | 770,411             |
| Income taxes, current                                                                                                                                                              | 56,802               | —                   |
| Prepaid expenses and other current assets                                                                                                                                          | 125,465              | 114,619             |
| Total current assets                                                                                                                                                               | 3,102,773            | 2,309,699           |
| Property and equipment, net                                                                                                                                                        | 1,344,333            | 1,403,065           |
| Investments                                                                                                                                                                        | 252,454              | 214,847             |
| Goodwill                                                                                                                                                                           | 2,889,754            | 2,870,020           |
| Service contracts, net                                                                                                                                                             | 430,923              | 451,529             |
| Operating lease right-of-use assets, net                                                                                                                                           | 154,022              | 159,967             |
| Other assets, net                                                                                                                                                                  | 280,494              | 260,758             |
|                                                                                                                                                                                    | <u>\$ 8,454,753</u>  | <u>\$ 7,669,885</u> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                                                                                                                                        |                      |                     |
| Current liabilities:                                                                                                                                                               |                      |                     |
| Accounts payable                                                                                                                                                                   | \$ 274,021           | \$ 230,995          |
| Accrued compensation and related liabilities                                                                                                                                       | 150,739              | 127,417             |
| Accrued liabilities                                                                                                                                                                | 791,158              | 456,653             |
| Income taxes, current                                                                                                                                                              | —                    | 27,099              |
| Operating lease liabilities, current                                                                                                                                               | 42,682               | 43,031              |
| Debt due within one year                                                                                                                                                           | 249,872              | —                   |
| Total current liabilities                                                                                                                                                          | 1,508,472            | 885,195             |
| Long-term liabilities:                                                                                                                                                             |                      |                     |
| Debt due after one year                                                                                                                                                            | 2,290,932            | 2,539,705           |
| Deferred income taxes                                                                                                                                                              | 376,414              | 388,579             |
| Operating lease liabilities                                                                                                                                                        | 117,494              | 122,695             |
| Accrued liabilities                                                                                                                                                                | 563,481              | 498,509             |
| Total long-term liabilities                                                                                                                                                        | 3,348,321            | 3,549,488           |
| Shareholders' equity:                                                                                                                                                              |                      |                     |
| Preferred stock, no par value:<br>100,000 shares authorized, none outstanding                                                                                                      | —                    | —                   |
| Common stock, no par value:<br>425,000,000 shares authorized<br>FY 2021: 188,600,745 issued and 104,985,732 outstanding<br>FY 2020: 186,793,207 issued and 103,415,368 outstanding | 1,387,734            | 1,102,689           |
| Paid-in capital                                                                                                                                                                    | 51,608               | 171,521             |
| Retained earnings                                                                                                                                                                  | 7,509,544            | 7,296,509           |
| Treasury stock:<br>FY 2021: 83,615,013 shares<br>FY 2020: 83,377,839 shares                                                                                                        | (5,253,519)          | (5,182,137)         |
| Accumulated other comprehensive loss                                                                                                                                               | (97,407)             | (153,380)           |
| Total shareholders' equity                                                                                                                                                         | 3,597,960            | 3,235,202           |
|                                                                                                                                                                                    | <u>\$ 8,454,753</u>  | <u>\$ 7,669,885</u> |

**Cintas Corporation**  
**Consolidated Condensed Statements of Cash Flows**  
(Unaudited)  
(In thousands)

|                                                                                   | Six Months Ended     |                      |
|-----------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                   | November 30,<br>2020 | November 30,<br>2019 |
| <b>Cash flows from operating activities:</b>                                      |                      |                      |
| Net income                                                                        | \$ 584,862           | \$ 496,932           |
| Adjustments to reconcile net income to net cash provided by operating activities: |                      |                      |
| Depreciation                                                                      | 121,096              | 115,367              |
| Amortization of intangible assets and capitalized contract costs                  | 71,558               | 70,963               |
| Stock-based compensation                                                          | 57,602               | 69,398               |
| Gain on sale of operating assets                                                  | (17,963)             | —                    |
| Deferred income taxes                                                             | (23,099)             | 7,632                |
| Change in current assets and liabilities, net of acquisitions of businesses:      |                      |                      |
| Accounts receivable, net                                                          | (39,892)             | (37,940)             |
| Inventories, net                                                                  | (124,949)            | (13,402)             |
| Uniforms and other rental items in service                                        | (2,914)              | (32,744)             |
| Prepaid expenses and other current assets and capitalized contract costs          | (57,295)             | (68,409)             |
| Accounts payable                                                                  | 42,228               | 28,055               |
| Accrued compensation and related liabilities                                      | 23,809               | (29,326)             |
| Accrued liabilities and other                                                     | 21,570               | (17,883)             |
| Income taxes, current                                                             | (83,649)             | (17,292)             |
| Net cash provided by operating activities                                         | 572,964              | 571,351              |
| <b>Cash flows from investing activities:</b>                                      |                      |                      |
| Capital expenditures                                                              | (57,659)             | (126,167)            |
| Purchases of investments                                                          | (7,205)              | (10,121)             |
| Proceeds from sale of operating assets, net of cash disposed                      | 23,426               | 13,300               |
| Acquisitions of businesses, net of cash acquired                                  | (6,932)              | (6,582)              |
| Other, net                                                                        | (2,872)              | (2,103)              |
| Net cash used in investing activities                                             | (51,242)             | (131,673)            |
| <b>Cash flows from financing activities:</b>                                      |                      |                      |
| Payments of commercial paper, net                                                 | —                    | (112,500)            |
| Proceeds from exercise of stock-based compensation awards                         | 107,530              | 63,201               |
| Repurchase of common stock                                                        | (71,382)             | (258,741)            |
| Other, net                                                                        | (1,687)              | (1,952)              |
| Net cash provided by (used in) financing activities                               | 34,461               | (309,992)            |
| Effect of exchange rate changes on cash and cash equivalents                      | 1,590                | 204                  |
| Net increase in cash and cash equivalents                                         | 557,773              | 129,890              |
| Cash and cash equivalents at beginning of period                                  | 145,402              | 96,645               |
| Cash and cash equivalents at end of period                                        | \$ 703,175           | \$ 226,535           |

**Cintas Corporation**  
**Consolidated Condensed Statements of Income**  
(Unaudited)  
(In thousands except per share data)

|                                                    | Three Months Ended   |                      |             |
|----------------------------------------------------|----------------------|----------------------|-------------|
|                                                    | November 30,<br>2020 | November 30,<br>2019 | %<br>Change |
| Revenue:                                           |                      |                      |             |
| Uniform rental and facility services               | \$ 1,410,488         | \$ 1,469,976         | (4.0)%      |
| Other                                              | 346,560              | 373,773              | (7.3)%      |
| Total revenue                                      | 1,757,048            | 1,843,749            | (4.7)%      |
| Costs and expenses:                                |                      |                      |             |
| Cost of uniform rental and facility services       | 739,811              | 784,937              | (5.7)%      |
| Cost of other                                      | 197,353              | 206,421              | (4.4)%      |
| Selling and administrative expenses                | 467,012              | 517,927              | (9.8)%      |
| Operating income                                   | 352,872              | 334,464              | 5.5%        |
| Interest income                                    | (218)                | (283)                | (23.0)%     |
| Interest expense                                   | 24,557               | 26,177               | (6.2)%      |
| Income before income taxes                         | 328,533              | 308,570              | 6.5%        |
| Income taxes                                       | 43,676               | 62,127               | (29.7)%     |
| Income from continuing operations                  | 284,857              | 246,443              | 15.6%       |
| Loss from discontinued operations, net of tax      | —                    | (323)                | (100.0)%    |
| Net income                                         | \$ 284,857           | \$ 246,120           | 15.7%       |
| Basic earnings per share:                          |                      |                      |             |
| Continuing operations                              | \$ 2.69              | \$ 2.35              | 14.5%       |
| Discontinued operations                            | 0.00                 | 0.00                 | —%          |
| Basic earnings per share                           | \$ 2.69              | \$ 2.35              | 14.5%       |
| Diluted earnings per share:                        |                      |                      |             |
| Continuing operations                              | \$ 2.62              | \$ 2.27              | 15.4%       |
| Discontinued operations                            | 0.00                 | 0.00                 | —%          |
| Diluted earnings per share                         | \$ 2.62              | \$ 2.27              | 15.4%       |
| Basic weighted average common shares outstanding   | 104,999              | 103,959              |             |
| Diluted weighted average common shares outstanding | 107,981              | 107,335              |             |

**Cintas Corporation**  
**Consolidated Condensed Statements of Income**  
(Unaudited)  
(In thousands except per share data)

|                                                    | Six Months Ended     |                      |             |
|----------------------------------------------------|----------------------|----------------------|-------------|
|                                                    | November 30,<br>2020 | November 30,<br>2019 | %<br>Change |
| Revenue:                                           |                      |                      |             |
| Uniform rental and facility services               | \$ 2,804,899         | \$ 2,924,503         | (4.1)%      |
| Other                                              | 698,723              | 730,385              | (4.3)%      |
| Total revenue                                      | 3,503,622            | 3,654,888            | (4.1)%      |
| Costs and expenses:                                |                      |                      |             |
| Cost of uniform rental and facility services       | 1,455,223            | 1,553,613            | (6.3)%      |
| Cost of other                                      | 402,314              | 399,742              | 0.6%        |
| Selling and administrative expenses                | 943,507              | 1,060,923            | (11.1)%     |
| Operating income                                   | 702,578              | 640,610              | 9.7%        |
| Interest income                                    | (282)                | (445)                | (36.6)%     |
| Interest expense                                   | 49,107               | 53,498               | (8.2)%      |
| Income before income taxes                         | 653,753              | 587,557              | 11.3%       |
| Income taxes                                       | 68,891               | 90,302               | (23.7)%     |
| Income from continuing operations                  | 584,862              | 497,255              | 17.6%       |
| Loss from discontinued operations, net of tax      | —                    | (323)                | (100.0)%    |
| Net income                                         | \$ 584,862           | \$ 496,932           | 17.7%       |
| Basic earnings per share:                          |                      |                      |             |
| Continuing operations                              | \$ 5.55              | \$ 4.75              | 16.8%       |
| Discontinued operations                            | 0.00                 | 0.00                 | —%          |
| Basic earnings per share                           | \$ 5.55              | \$ 4.75              | 16.8%       |
| Diluted earnings per share:                        |                      |                      |             |
| Continuing operations                              | \$ 5.40              | \$ 4.60              | 17.4%       |
| Discontinued operations                            | 0.00                 | 0.00                 | —%          |
| Diluted earnings per share                         | \$ 5.40              | \$ 4.60              | 17.4%       |
| Basic weighted average common shares outstanding   | 104,546              | 103,638              |             |
| Diluted weighted average common shares outstanding | 107,556              | 107,114              |             |

## CINTAS CORPORATION SUPPLEMENTAL DATA

### Gross Margin and Net Income Margin Results

|                                                   | Three Months Ended |                   |
|---------------------------------------------------|--------------------|-------------------|
|                                                   | November 30, 2020  | November 30, 2019 |
| Uniform rental and facility services gross margin | 47.5%              | 46.6%             |
| Other gross margin                                | 43.1%              | 44.8%             |
| Total gross margin                                | 46.7%              | 46.2%             |
| Net income margin                                 | 16.2%              | 13.4%             |

|                                                   | Six Months Ended  |                   |
|---------------------------------------------------|-------------------|-------------------|
|                                                   | November 30, 2020 | November 30, 2019 |
| Uniform rental and facility services gross margin | 48.1%             | 46.9%             |
| Other gross margin                                | 42.4%             | 45.3%             |
| Total gross margin                                | 47.0%             | 46.6%             |
| Net income margin, continuing operations          | 16.7%             | 13.6%             |

### Reconciliation of Non-GAAP Financial Measures and Regulation G Disclosure

The press release contains non-GAAP financial measures within the meaning of Regulation G promulgated by the Securities and Exchange Commission. To supplement its consolidated condensed financial statements presented in accordance with U.S. generally accepted accounting principles (GAAP), the Company provides the additional non-GAAP financial measures of cash flow and workday adjusted revenue growth. The Company believes that these non-GAAP financial measures are appropriate to enhance understanding of its past performance as well as prospects for future performance. A reconciliation of the differences between these non-GAAP financial measures with the most directly comparable financial measures calculated in accordance with GAAP are shown in the tables within the narrative of the press release or below.

### Computation of Free Cash Flow

|                                 | Six Months Ended  |                   |
|---------------------------------|-------------------|-------------------|
|                                 | November 30, 2020 | November 30, 2019 |
| Net cash provided by operations | \$ 572,964        | \$ 571,351        |
| Capital expenditures            | (57,659)          | (126,167)         |
| Free cash flow                  | \$ 515,305        | \$ 445,184        |

Management uses free cash flow to assess the financial performance of the Company. Management believes that free cash flow is useful to investors because it relates the operating cash flow of the Company to the capital that is spent to continue, improve and grow business operations.

### Computation of Growth on a Constant Workday Basis

|                                                                           | Three Months Ended   |                      |             | Six Months Ended     |                      |             |
|---------------------------------------------------------------------------|----------------------|----------------------|-------------|----------------------|----------------------|-------------|
|                                                                           | November 30,<br>2020 | November 30,<br>2019 | Growth<br>% | November 30,<br>2020 | November 30,<br>2019 | Growth<br>% |
|                                                                           | A                    | B                    | G           | I                    | J                    | O           |
| Revenue                                                                   | \$ 1,757,048         | \$ 1,843,749         | (4.7)%      | \$ 3,503,622         | \$ 3,654,888         | (4.1)%      |
|                                                                           | $G=(A-B)/B$          |                      |             | $O=(I-J)/J$          |                      |             |
|                                                                           | C                    | D                    |             | K                    | L                    |             |
| Workdays in the period                                                    | 65                   | 65                   |             | 131                  | 130                  |             |
|                                                                           | E                    | F                    | H           | M                    | N                    | P           |
| Workday adjusted<br>revenue growth                                        | \$ 1,757,048         | \$ 1,843,749         | (4.7)%      | \$ 3,476,877         | \$ 3,654,888         | (4.9)%      |
|                                                                           | $E=(A/C)*D$          | $F=(B/D)*D$          | $H=(E-F)/F$ | $M=(I/K)*L$          | $N=(J/L)*L$          | $P=(M-N)/N$ |
| Acquisition, divestitures<br>and foreign currency<br>exchange impact, net |                      |                      | 0.3%        |                      |                      | 0.2%        |
| Organic growth                                                            |                      |                      | (4.4)%      |                      |                      | (4.7)%      |

Management believes that organic revenue growth is valuable to investors because it reflects the revenue performance compared to a prior period with the same number of revenue generating days and excludes the impact from acquisitions, divestitures and foreign currency exchange rate fluctuations.



## SUPPLEMENTAL SEGMENT DATA

|                                                     | Uniform Rental<br>and Facility<br>Services | First Aid<br>and Safety<br>Services | All<br>Other | Corporate   | Total        |
|-----------------------------------------------------|--------------------------------------------|-------------------------------------|--------------|-------------|--------------|
| <b>For the three months ended November 30, 2020</b> |                                            |                                     |              |             |              |
| Revenue                                             | \$ 1,410,488                               | \$ 194,419                          | \$ 152,141   | \$ —        | \$ 1,757,048 |
| Gross margin                                        | \$ 670,677                                 | \$ 83,597                           | \$ 65,610    | \$ —        | \$ 819,884   |
| Selling and administrative expenses                 | \$ 355,068                                 | \$ 62,091                           | \$ 49,853    | \$ —        | \$ 467,012   |
| Interest income                                     | \$ —                                       | \$ —                                | \$ —         | \$ (218)    | \$ (218)     |
| Interest expense                                    | \$ —                                       | \$ —                                | \$ —         | \$ 24,557   | \$ 24,557    |
| Income (loss) before income taxes                   | \$ 315,609                                 | \$ 21,506                           | \$ 15,757    | \$ (24,339) | \$ 328,533   |

|                                                     |              |            |            |             |              |
|-----------------------------------------------------|--------------|------------|------------|-------------|--------------|
| <b>For the three months ended November 30, 2019</b> |              |            |            |             |              |
| Revenue                                             | \$ 1,469,976 | \$ 169,668 | \$ 204,105 | \$ —        | \$ 1,843,749 |
| Gross margin                                        | \$ 685,040   | \$ 82,074  | \$ 85,277  | \$ —        | \$ 852,391   |
| Selling and administrative expenses                 | \$ 398,680   | \$ 57,434  | \$ 61,813  | \$ —        | \$ 517,927   |
| Interest income                                     | \$ —         | \$ —       | \$ —       | \$ (283)    | \$ (283)     |
| Interest expense                                    | \$ —         | \$ —       | \$ —       | \$ 26,177   | \$ 26,177    |
| Income (loss) before income taxes                   | \$ 286,360   | \$ 24,640  | \$ 23,464  | \$ (25,894) | \$ 308,570   |

|                                                   |              |            |            |             |              |
|---------------------------------------------------|--------------|------------|------------|-------------|--------------|
| <b>For the six months ended November 30, 2020</b> |              |            |            |             |              |
| Revenue                                           | \$ 2,804,899 | \$ 398,899 | \$ 299,824 | \$ —        | \$ 3,503,622 |
| Gross margin                                      | \$ 1,349,676 | \$ 165,701 | \$ 130,708 | \$ —        | \$ 1,646,085 |
| Selling and administrative expenses               | \$ 719,039   | \$ 125,668 | \$ 98,800  | \$ —        | \$ 943,507   |
| Interest income                                   | \$ —         | \$ —       | \$ —       | \$ (282)    | \$ (282)     |
| Interest expense                                  | \$ —         | \$ —       | \$ —       | \$ 49,107   | \$ 49,107    |
| Income (loss) before income taxes                 | \$ 630,637   | \$ 40,033  | \$ 31,908  | \$ (48,825) | \$ 653,753   |

|                                                   |              |            |            |             |              |
|---------------------------------------------------|--------------|------------|------------|-------------|--------------|
| <b>For the six months ended November 30, 2019</b> |              |            |            |             |              |
| Revenue                                           | \$ 2,924,503 | \$ 341,758 | \$ 388,627 | \$ —        | \$ 3,654,888 |
| Gross margin                                      | \$ 1,370,891 | \$ 166,361 | \$ 164,281 | \$ —        | \$ 1,701,533 |
| Selling and administrative expenses               | \$ 815,520   | \$ 116,952 | \$ 128,451 | \$ —        | \$ 1,060,923 |
| Interest income                                   | \$ —         | \$ —       | \$ —       | \$ (445)    | \$ (445)     |
| Interest expense                                  | \$ —         | \$ —       | \$ —       | \$ 53,498   | \$ 53,498    |
| Income (loss) before income taxes                 | \$ 555,371   | \$ 49,409  | \$ 35,830  | \$ (53,053) | \$ 587,557   |