

FOR IMMEDIATE RELEASE  
March 23, 2022

## Cintas Corporation Announces Fiscal 2022 Third Quarter Results

**CINCINNATI, March 23, 2022 -- Cintas Corporation** (Nasdaq: CTAS) today reported results for its fiscal 2022 third quarter ended February 28, 2022. Revenue for the third quarter of fiscal 2022 was \$1.96 billion compared to \$1.78 billion in last year's third quarter, an increase of 10.3%. The organic revenue growth rate for the third quarter of fiscal 2022, which adjusts for the impacts of acquisitions, divestitures and foreign currency exchange rate fluctuations, was 10.0%.

Gross margin for the third quarter of fiscal 2022 was \$898.2 million compared to \$809.5 million in last year's third quarter. Gross margin as a percentage of revenue was 45.8% for the third quarter of fiscal 2022 compared to 45.6% in last year's third quarter. Energy expenses comprised of gasoline, natural gas and electricity were 45 basis points higher during the third quarter of fiscal 2022 compared to last year's third quarter.

Operating income for the third quarter of fiscal 2022 was \$407.6 million compared to \$326.5 million in last year's third quarter. Operating income as a percentage of revenue was 20.8% in the third quarter of fiscal 2022 compared to 18.4% in last year's third quarter. Fiscal 2022 third quarter operating income included a \$30.2 million gain on an equity method investment transaction. The gain was recorded in selling and administrative expenses. Excluding this gain, fiscal 2022 third quarter operating income as a percentage of revenue was 19.3%, an increase of 90 basis points from last year's third quarter.

Net income was \$315.4 million for the third quarter of fiscal 2022 compared to \$258.4 million in last year's third quarter. Third quarter of fiscal 2022 diluted earnings per share (EPS) was \$2.97 compared to \$2.37 in last year's third quarter. Fiscal 2022 third quarter diluted EPS contained \$0.28 from the gain on an equity method investment transaction, which included a related \$0.07 tax rate benefit. Excluding this gain and the related tax impact, fiscal 2022 third quarter diluted EPS was \$2.69 compared to \$2.37 in last year's third quarter, a 13.5% increase from last year's diluted EPS.

Fiscal 2022 third quarter net cash provided by operating activities was \$393.3 million compared to \$331.9 million in last year's third quarter, an increase of 18.5%. During the third quarter of fiscal 2022 and through March 22, 2022, Cintas purchased \$584.2 million of Cintas common stock under its buyback program. On March 15, 2022, Cintas paid shareholders an aggregate of \$99.0 million in quarterly dividends.

Todd M. Schneider, Cintas' President and Chief Executive Officer, stated, "We are pleased with our third quarter financial results, led by a revenue increase of 10.3%. Excluding the gain previously mentioned, operating income and diluted EPS increased significantly despite inflation. Our financial results are indicative of our strong value proposition. Businesses prioritize image, cleanliness, safety and compliance and, challenged with labor scarcity and rising costs, increasingly count on Cintas to help get them **Ready for the Workday®**."

Mr. Schneider concluded, "We are increasing our financial guidance. We expect our fiscal 2022 fourth quarter revenue to be in the range of \$1.96 billion to \$2.02 billion and diluted EPS to be in the range of \$2.54 to \$2.74. Our fourth quarter fiscal 2022 effective tax rate is expected to be approximately 23.2% compared to a rate of 19.4% for last year's fourth quarter. The expected higher effective tax rate is anticipated to negatively impact fiscal 2022 fourth quarter diluted EPS guidance by approximately \$0.14 and diluted EPS growth by approximately 560 basis points. Our financial guidance includes share buybacks through March 22, 2022 but does not include the impact of any future share buybacks."

## **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 products and services that help keep their customers' facilities and employees clean, safe and looking their best. With offerings including uniforms, mats, mops, restroom supplies, first aid and safety products, fire extinguishers and testing, and safety training, Cintas helps customers get **Ready for the Workday®**. The Company is also the creator of the Total Clean Program™ — a first-of-its-kind service that includes scheduled delivery of essential cleaning supplies, hygienically clean laundering, and sanitizing and disinfecting products and services. 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 Nasdaq-100 Index.

Cintas will host a live webcast to review the fiscal 2022 third 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; 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, 2021 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:**

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

|                                                                                                                                                                                                         | February 28,<br>2022 | May 31,<br>2021     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|---------------------|
|                                                                                                                                                                                                         | (Unaudited)          |                     |
| <b>ASSETS</b>                                                                                                                                                                                           |                      |                     |
| Current assets:                                                                                                                                                                                         |                      |                     |
| Cash and cash equivalents                                                                                                                                                                               | \$ 84,136            | \$ 493,640          |
| Accounts receivable, net                                                                                                                                                                                | 1,004,632            | 901,710             |
| Inventories, net                                                                                                                                                                                        | 486,750              | 481,797             |
| Uniforms and other rental items in service                                                                                                                                                              | 881,734              | 810,104             |
| Income taxes, current                                                                                                                                                                                   | 66,047               | 22,282              |
| Prepaid expenses and other current assets                                                                                                                                                               | 163,442              | 133,776             |
| Total current assets                                                                                                                                                                                    | 2,686,741            | 2,843,309           |
| Property and equipment, net                                                                                                                                                                             | 1,312,176            | 1,318,438           |
| Investments                                                                                                                                                                                             | 259,930              | 274,616             |
| Goodwill                                                                                                                                                                                                | 3,032,738            | 2,913,069           |
| Service contracts, net                                                                                                                                                                                  | 402,366              | 408,445             |
| Operating lease right-of-use assets, net                                                                                                                                                                | 167,995              | 168,532             |
| Other assets, net                                                                                                                                                                                       | 306,654              | 310,414             |
|                                                                                                                                                                                                         | <u>\$ 8,168,600</u>  | <u>\$ 8,236,823</u> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                                                                                                                                                             |                      |                     |
| Current liabilities:                                                                                                                                                                                    |                      |                     |
| Accounts payable                                                                                                                                                                                        | \$ 235,051           | \$ 230,786          |
| Accrued compensation and related liabilities                                                                                                                                                            | 212,481              | 241,469             |
| Accrued liabilities                                                                                                                                                                                     | 622,797              | 518,910             |
| Operating lease liabilities, current                                                                                                                                                                    | 44,105               | 43,850              |
| Debt due within one year                                                                                                                                                                                | 1,509,056            | 899,070             |
| Total current liabilities                                                                                                                                                                               | 2,623,490            | 1,934,085           |
| Long-term liabilities:                                                                                                                                                                                  |                      |                     |
| Debt due after one year                                                                                                                                                                                 | 1,343,513            | 1,642,833           |
| Deferred income taxes                                                                                                                                                                                   | 430,695              | 386,647             |
| Operating lease liabilities                                                                                                                                                                             | 131,224              | 130,774             |
| Accrued liabilities                                                                                                                                                                                     | 345,778              | 454,637             |
| Total long-term liabilities                                                                                                                                                                             | 2,251,210            | 2,614,891           |
| Shareholders' equity:                                                                                                                                                                                   |                      |                     |
| Preferred stock, no par value:<br>100,000 shares authorized, none outstanding                                                                                                                           | —                    | —                   |
| Common stock, no par value, and paid-in capital:<br>425,000,000 shares authorized<br>FY 2022: 190,693,424 issued and 102,415,971 outstanding<br>FY 2021: 189,071,185 issued and 104,061,391 outstanding | 1,729,525            | 1,516,202           |
| Retained earnings                                                                                                                                                                                       | 8,522,327            | 7,877,015           |
| Treasury stock:<br>FY 2022: 88,277,453 shares<br>FY 2021: 85,009,794 shares                                                                                                                             | (6,970,099)          | (5,736,258)         |
| Accumulated other comprehensive income                                                                                                                                                                  | 12,147               | 30,888              |
| Total shareholders' equity                                                                                                                                                                              | 3,293,900            | 3,687,847           |
|                                                                                                                                                                                                         | <u>\$ 8,168,600</u>  | <u>\$ 8,236,823</u> |

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

|                                                                                   | Nine Months Ended    |                      |
|-----------------------------------------------------------------------------------|----------------------|----------------------|
|                                                                                   | February 28,<br>2022 | February 28,<br>2021 |
| <b>Cash flows from operating activities:</b>                                      |                      |                      |
| Net income                                                                        | \$ 941,296           | \$ 843,246           |
| Adjustments to reconcile net income to net cash provided by operating activities: |                      |                      |
| Depreciation                                                                      | 184,464              | 182,132              |
| Amortization of intangible assets and capitalized contract costs                  | 112,859              | 107,689              |
| Stock-based compensation                                                          | 83,687               | 83,421               |
| Gain on equity method investment transaction                                      | (30,151)             | —                    |
| Gain on sale of operating assets                                                  | (12,129)             | (21,861)             |
| Deferred income taxes                                                             | 42,652               | (36,259)             |
| Change in current assets and liabilities, net of acquisitions of businesses:      |                      |                      |
| Accounts receivable, net                                                          | (99,223)             | (63,178)             |
| Inventories, net                                                                  | 2,311                | (123,678)            |
| Uniforms and other rental items in service                                        | (77,584)             | (6,269)              |
| Prepaid expenses and other current assets and capitalized contract costs          | (77,450)             | (76,971)             |
| Accounts payable                                                                  | 6,168                | 5,113                |
| Accrued compensation and related liabilities                                      | (28,400)             | 97,474               |
| Accrued liabilities and other                                                     | (17,717)             | (1,357)              |
| Income taxes, current                                                             | (43,728)             | (84,687)             |
| Net cash provided by operating activities                                         | 987,055              | 904,815              |
| <b>Cash flows from investing activities:</b>                                      |                      |                      |
| Capital expenditures                                                              | (165,851)            | (100,410)            |
| Purchases of investments                                                          | (6,024)              | (7,873)              |
| Proceeds from sale of operating assets, net of cash disposed                      | 15,347               | 32,490               |
| Acquisitions of businesses, net of cash acquired                                  | (150,844)            | (7,570)              |
| Other, net                                                                        | (8,939)              | (5,301)              |
| Net cash used in investing activities                                             | (316,311)            | (88,664)             |
| <b>Cash flows from financing activities:</b>                                      |                      |                      |
| Issuance of commercial paper, net                                                 | 559,210              | —                    |
| Repayment of debt                                                                 | (250,000)            | —                    |
| Proceeds from exercise of stock-based compensation awards                         | 117,636              | 120,049              |
| Dividends paid                                                                    | (276,922)            | (371,818)            |
| Repurchase of common stock                                                        | (1,221,841)          | (154,490)            |
| Other, net                                                                        | (6,657)              | (3,836)              |
| Net cash used in financing activities                                             | (1,078,574)          | (410,095)            |
| Effect of exchange rate changes on cash and cash equivalents                      | (1,674)              | 2,153                |
| Net (decrease) increase in cash and cash equivalents                              | (409,504)            | 408,209              |
| Cash and cash equivalents at beginning of period                                  | 493,640              | 145,402              |
| Cash and cash equivalents at end of period                                        | \$ 84,136            | \$ 553,611           |

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

|                                                    | Three Months Ended   |                      |             |
|----------------------------------------------------|----------------------|----------------------|-------------|
|                                                    | February 28,<br>2022 | February 28,<br>2021 | %<br>Change |
| Revenue:                                           |                      |                      |             |
| Uniform rental and facility services               | \$ 1,553,320         | \$ 1,417,865         | 9.6%        |
| Other                                              | 407,222              | 359,191              | 13.4%       |
| Total revenue                                      | 1,960,542            | 1,777,056            | 10.3%       |
| Costs and expenses:                                |                      |                      |             |
| Cost of uniform rental and facility services       | 834,082              | 761,850              | 9.5%        |
| Cost of other                                      | 228,306              | 205,690              | 11.0%       |
| Selling and administrative expenses                | 490,549              | 483,048              | 1.6%        |
| Operating income                                   | 407,605              | 326,468              | 24.9%       |
| Interest income                                    | (56)                 | (87)                 | (35.6)%     |
| Interest expense                                   | 22,030               | 24,552               | (10.3)%     |
| Income before income taxes                         | 385,631              | 302,003              | 27.7%       |
| Income taxes                                       | 70,183               | 43,619               | 60.9%       |
| Net income                                         | <u>\$ 315,448</u>    | <u>\$ 258,384</u>    | 22.1%       |
| Basic earnings per share                           | <u>\$ 3.04</u>       | <u>\$ 2.44</u>       | 24.6%       |
| Diluted earnings per share                         | <u>\$ 2.97</u>       | <u>\$ 2.37</u>       | 25.3%       |
| Basic weighted average common shares outstanding   | 103,388              | 105,264              |             |
| Diluted weighted average common shares outstanding | 105,641              | 107,996              |             |

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

|                                                    | Nine Months Ended    |                      |             |
|----------------------------------------------------|----------------------|----------------------|-------------|
|                                                    | February 28,<br>2022 | February 28,<br>2021 | %<br>Change |
| Revenue:                                           |                      |                      |             |
| Uniform rental and facility services               | \$ 4,596,767         | \$ 4,222,764         | 8.9%        |
| Other                                              | 1,183,006            | 1,057,914            | 11.8%       |
| Total revenue                                      | 5,779,773            | 5,280,678            | 9.5%        |
| Costs and expenses:                                |                      |                      |             |
| Cost of uniform rental and facility services       | 2,430,644            | 2,217,073            | 9.6%        |
| Cost of other                                      | 663,078              | 608,004              | 9.1%        |
| Selling and administrative expenses                | 1,503,117            | 1,426,555            | 5.4%        |
| Operating income                                   | 1,182,934            | 1,029,046            | 15.0%       |
| Interest income                                    | (168)                | (369)                | (54.5)%     |
| Interest expense                                   | 65,786               | 73,659               | (10.7)%     |
| Income before income taxes                         | 1,117,316            | 955,756              | 16.9%       |
| Income taxes                                       | 176,020              | 112,510              | 56.4%       |
| Net income                                         | \$ 941,296           | \$ 843,246           | 11.6%       |
| Basic earnings per share                           | \$ 9.05              | \$ 7.99              | 13.3%       |
| Diluted earnings per share                         | \$ 8.84              | \$ 7.78              | 13.6%       |
| Basic weighted average common shares outstanding   | 103,438              | 104,782              |             |
| Diluted weighted average common shares outstanding | 105,896              | 107,696              |             |

## CINTAS CORPORATION SUPPLEMENTAL DATA

### Gross Margin and Net Income Margin Results

|                                                   | Three Months Ended |                   | Nine Months Ended |                   |
|---------------------------------------------------|--------------------|-------------------|-------------------|-------------------|
|                                                   | February 28, 2022  | February 28, 2021 | February 28, 2022 | February 28, 2021 |
| Uniform rental and facility services gross margin | 46.3%              | 46.3%             | 47.1%             | 47.5%             |
| Other gross margin                                | 43.9%              | 42.7%             | 43.9%             | 42.5%             |
| Total gross margin                                | 45.8%              | 45.6%             | 46.5%             | 46.5%             |
| Net income margin                                 | 16.1%              | 14.5%             | 16.3%             | 16.0%             |

### 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 operating income, earnings per diluted share and cash flow. 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 measure calculated in accordance with GAAP are shown in the tables below.

### Operating Income Results

| (In thousands)                                              | Three Months Ended |              |
|-------------------------------------------------------------|--------------------|--------------|
|                                                             | February 28, 2022  | % of Revenue |
| Operating income                                            | \$ 407,605         | 20.8%        |
| Gain on equity method investment transaction <sup>(1)</sup> | (30,151)           |              |
| Operating income excluding above item                       | \$ 377,454         | 19.3%        |

<sup>(1)</sup> In connection with the acquisition of the remaining interest in an equity method investment during the third quarter of fiscal 2022, the Company was required by U.S. GAAP to remeasure its existing interest in the equity method investment at its acquisition-date fair value and recognize the resulting gain in operating income.

### Earnings Per Share Results

|                                                                    | Three Months Ended |                        |
|--------------------------------------------------------------------|--------------------|------------------------|
|                                                                    | February 28, 2022  | Growth vs. Fiscal 2021 |
| Diluted EPS                                                        | \$ 2.97            | 25.3%                  |
| Gain on equity method investment transaction <sup>(1)</sup>        | (0.21)             |                        |
| Tax benefit on equity method investment transaction <sup>(1)</sup> | (0.07)             |                        |
| Diluted EPS excluding above item                                   | \$ 2.69            | 13.5%                  |

<sup>(1)</sup> In connection with the acquisition of the remaining interest in an equity method investment during the third quarter of fiscal 2022, the Company was required by U.S. GAAP to remeasure its existing interest in the equity method investment at its acquisition-date fair value and recognize the resulting gain in operating income. The gain taxed at the statutory tax rate resulted in an earnings per share benefit of \$0.21. However, the actual tax rate associated with the transaction was significantly lower than the statutory tax rate resulting in an additional earnings per share benefit of \$0.07.

## Computation of Free Cash Flow

|                                 | Nine Months Ended    |                      |
|---------------------------------|----------------------|----------------------|
|                                 | February 28,<br>2022 | February 28,<br>2021 |
| Net cash provided by operations | \$ 987,055           | \$ 904,815           |
| Capital expenditures            | (165,851)            | (100,410)            |
| Free cash flow                  | <u>\$ 821,204</u>    | <u>\$ 804,405</u>    |

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.

## 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 February 28, 2022</b> |                                            |                                     |              |             |              |
| Revenue                                             | \$ 1,553,320                               | \$ 212,958                          | \$ 194,264   | \$ —        | \$ 1,960,542 |
| Gross margin                                        | \$ 719,238                                 | \$ 94,204                           | \$ 84,712    | \$ —        | \$ 898,154   |
| Selling and administrative expenses                 | \$ 363,248                                 | \$ 67,900                           | \$ 59,401    | \$ —        | \$ 490,549   |
| Interest income                                     | \$ —                                       | \$ —                                | \$ —         | \$ (56)     | \$ (56)      |
| Interest expense                                    | \$ —                                       | \$ —                                | \$ —         | \$ 22,030   | \$ 22,030    |
| Income (loss) before income taxes                   | \$ 355,990                                 | \$ 26,304                           | \$ 25,311    | \$ (21,974) | \$ 385,631   |

|                                                     |              |            |            |             |              |
|-----------------------------------------------------|--------------|------------|------------|-------------|--------------|
| <b>For the three months ended February 28, 2021</b> |              |            |            |             |              |
| Revenue                                             | \$ 1,417,865 | \$ 198,474 | \$ 160,717 | \$ —        | \$ 1,777,056 |
| Gross margin                                        | \$ 656,015   | \$ 86,341  | \$ 67,160  | \$ —        | \$ 809,516   |
| Selling and administrative expenses                 | \$ 372,612   | \$ 60,521  | \$ 49,915  | \$ —        | \$ 483,048   |
| Interest income                                     | \$ —         | \$ —       | \$ —       | \$ (87)     | \$ (87)      |
| Interest expense                                    | \$ —         | \$ —       | \$ —       | \$ 24,552   | \$ 24,552    |
| Income (loss) before income taxes                   | \$ 283,403   | \$ 25,820  | \$ 17,245  | \$ (24,465) | \$ 302,003   |

|                                                    |              |            |            |             |              |
|----------------------------------------------------|--------------|------------|------------|-------------|--------------|
| <b>For the nine months ended February 28, 2022</b> |              |            |            |             |              |
| Revenue                                            | \$ 4,596,767 | \$ 614,234 | \$ 568,772 | \$ —        | \$ 5,779,773 |
| Gross margin                                       | \$ 2,166,123 | \$ 271,513 | \$ 248,415 | \$ —        | \$ 2,686,051 |
| Selling and administrative expenses                | \$ 1,143,136 | \$ 197,404 | \$ 162,577 | \$ —        | \$ 1,503,117 |
| Interest income                                    | \$ —         | \$ —       | \$ —       | \$ (168)    | \$ (168)     |
| Interest expense                                   | \$ —         | \$ —       | \$ —       | \$ 65,786   | \$ 65,786    |
| Income (loss) before income taxes                  | \$ 1,022,987 | \$ 74,109  | \$ 85,838  | \$ (65,618) | \$ 1,117,316 |

|                                                    |              |            |            |             |              |
|----------------------------------------------------|--------------|------------|------------|-------------|--------------|
| <b>For the nine months ended February 28, 2021</b> |              |            |            |             |              |
| Revenue                                            | \$ 4,222,764 | \$ 597,373 | \$ 460,541 | \$ —        | \$ 5,280,678 |
| Gross margin                                       | \$ 2,005,691 | \$ 252,042 | \$ 197,868 | \$ —        | \$ 2,455,601 |
| Selling and administrative expenses                | \$ 1,091,651 | \$ 186,189 | \$ 148,715 | \$ —        | \$ 1,426,555 |
| Interest income                                    | \$ —         | \$ —       | \$ —       | \$ (369)    | \$ (369)     |
| Interest expense                                   | \$ —         | \$ —       | \$ —       | \$ 73,659   | \$ 73,659    |
| Income (loss) before income taxes                  | \$ 914,040   | \$ 65,853  | \$ 49,153  | \$ (73,290) | \$ 955,756   |