



# EMPOWERING FRANCHISEES

Annual Results  
Presentation 2021



Our purpose

# BUILDING MARKET-LEADING BRANDS

Our purpose is to build market-leading businesses primarily via a franchise model.

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# Presenters



**STEPHEN HEMSLEY**  
Executive Chairman

- Stephen co-founded Franchise Brands in 2008 and has led the development of the business, including the IPO and external growth. A Chartered Accountant by training, he spent nearly ten years with 3i as Investment Director.
- He joined Domino's Pizza as Finance Director progressing to CEO, Executive Chairman and Non-executive Chairman before retiring in 2019 after 21 years with the business to focus exclusively on Franchise Brands. During this time, he took Domino's from private ownership to a market capitalisation of almost £1.5 bn.



**CHRIS DENT**  
Chief Financial Officer

- Chris was appointed as Chief Financial Officer in 2017. He began his career at Deloitte LLP where he spent ten years within audit, corporate finance and transactional accounting services. He subsequently spent four years as Finance Director of AIM quoted 7digital Group plc.
- On 7 December, Chris informed the Board of his intention to leave the Company following the announcement of the Group's final results for the year ending 31 December 2021, in order to take up the role of Chief Financial Officer at a fully listed company.



**JULIA CHOUDHURY**  
Corporate Development Director

- Julia has over 30 years of commercial, finance and investment experience. Julia joined the Group in 2008 and has a particular focus on corporate development, which includes acquisitions.
- Between 1997 and 2005, Julia held a number of senior management roles at AXA Investment Managers including Managing Director of the UK operation. Her early career was spent in corporate finance and investment management with BZW.



# AN INTRODUCTION TO FRANCHISE BRANDS PLC



Established in 2008 by Stephen Hemsley (Executive Chairman) and Nigel Wray (Non-executive Director).

Focused on building market-leading businesses in selected customer segments, primarily via a franchise model. 430 franchisees across five principal franchise brands.

Admitted to AIM in August 2016 at a market capitalisation of £12m, now approximately £140m.

Highly experienced Board and senior management team who are significant shareholders (57%).

Significant potential to grow our business through organic growth and earnings-enhancing acquisitions.

Announced, on 16 February 2022, a recommended all-share offer for Filta Group Holdings plc, a transformational acquisition that expands the Group into North America and Europe.

## Our Highlights

# STRONG REVENUE RECOVERY AND RECORD PROFIT GROWTH

### REVENUE

**£57.7m**

**+17%**

2020: £49.3m

### ADJUSTED EARNINGS PER SHARE\*\*

**5.55p**

**+27%**

2020: 4.35p

### ADJUSTED EBITDA\*

**£8.5m**

**+28%**

2020: £6.6m

### DIVIDEND PER SHARE

**1.50p**

**+36%**

2020: 1.10p

### PROFIT BEFORE TAX

**£5.8m**

**+57%**

2020: £3.7m

### NET CASH\*\*\*

**£6.5m**

2020: £4.9m

A strong recovery across the Group, despite the 2021 Q1 lockdown.

Metro Rod and Metro Plumb system sales increased by 24% to a record £50.4m

- Metro Rod won a significant £1m contract with Peel Ports, delivered directly.
- Pump sales by Metro Rod franchisees increased 103% to £1.5m, facilitated by Willow Pumps.

Acquisition of Azura Group, a leading franchise management software system developer, which gives the Group ownership of its core IT systems.

Willow Pumps' sales growth of 7% driven by a 33% rise in the higher-margin service work and the development of the Metro Rod corporate franchise areas.

A strong recovery by the B2C division, underpinned by franchisees returning to full fees for the year and a steady level of recruitment with 57 new franchisees (2020: 58)

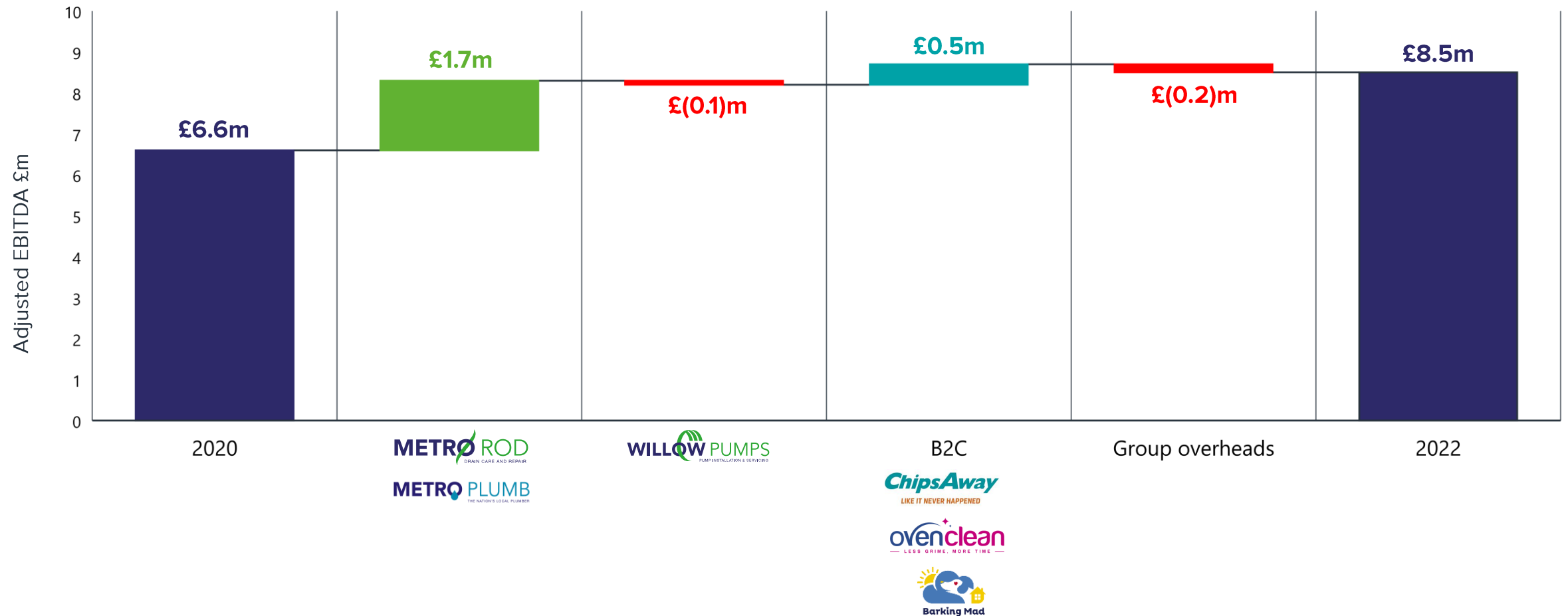
\*Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation and share-based payment expense and non-recurring items.

\*\*Adjusted EPS is earnings per share before amortisation of acquired intangibles, share-based payment expense and non-recurring items.

\*\*\* Net Cash is cash less loans, borrowings and obligations under leases.

## The 2021 Results

# AT A GLANCE



## Our Leading Brands

# FRANCHISE BRANDS: GROUP AT A GLANCE



B2B



Metro Rod is a commercial drainage expert. Its 42 franchisees provide full national coverage via the B2B division's network of over 50 depots and 470 highly trained engineers.



Metro Plumb provides specialist plumbing services. It has 33 franchisees of which 7 are stand-alone and 3 are operated corporately. It also provides specialist services to several water utilities. Metro Plumb has over 90 plumbers.



Willow Pumps is a leading pump design, installation and servicing business, which was acquired by Franchise Brands in 2019 to facilitate the growth of pump-related work at Metro Rod.

Willow Pumps also manages the Metro Rod corporate franchises in Kent & Sussex and Exeter.

B2B-ADJUSTED EBITDA\*

**£7.1m** (+27%)



B2C



ChipsAway is the UK's leading mobile car paintwork repair specialist. Established in 1994 it has 213 franchisees.



OvenClean is the UK's leading and longest established domestic oven cleaning company. Established in 1994 it has 105 franchisees.



Barking Mad is a leading provider of dog home boarding services. Established in 2000 it has 63 franchisees.

In total, this division has 381 franchisees and typically recruits approximately 60 new franchisees a year.

ADJUSTED EBITDA\*

**£2.6m** (+24%)



# BUSINESS PERFORMANCE



METRO ROD

CAUTION  
HIGH PRESSURE  
WATER JETTING  
IN PROGRESS



# STRONG OVERALL PERFORMANCE BY METRO ROD



A strong recovery with system sales for Metro Rod and Metro Plumb growing by 24% to a record £50.4m in the period (2020: £40.6m).

New contracts won with a wide range of local and national customers.

Investment by franchisees in tankers and pumps enables “one-stop shop” service:

- Tanker fleet grown from 24 vehicles in 2018 to 57 by 2021.
- Pump servicing by franchisees grew by 103% to £1.5m facilitated by further training.

Total of 49 Metro Rod and Metro Plumb franchisees in the system:

- 47 grew their sales in 2021, with 32 growing by over 20%.
- 24 franchisees now have sales of over £1m (2020: 17).

Completion of £1m contract for Peel Ports on a direct labour basis.

The investment in the digital transformation of the business is driving significant operational gearing. Since 2017:

- Almost every business function has benefited from some level of digital automation.
- System sales per Support Centre employee increased 75% to £450k since we acquired the business in 2017.

SYSTEM SALES

**£50.4m**

INCREASE IN ADJUSTED EBITDA

**45%**

# METRO PLUMB GAINING TRACTION AS A STAND-ALONE FRANCHISE



Our objective is to develop Metro Plumb as a stand-alone franchise, serving the commercial, insurance-based and domestic sectors.

- Two new franchisees were recruited in 2021, bringing the total number of stand-alone franchisees to seven.
- In addition, 23 Metro Rod franchisees operate a Metro Plumb franchise, and three in the south-east are operated corporately.

- Metro Plumb sales in 2021 were £6.9m, a 26% increase.
- A high proportion of the work is currently servicing insurance-based home emergency insurance claims, but as the business grows we are seeking to broaden the customer base.
- We have aggressive recruitment targets for 2022.

GROWTH IN SALES

**26%**

PLUMBING SALES  
IN 2021

**£6.9m**

**METRO PLUMB**  
THE NATION'S LOCAL PLUMBER



# A MIXED PERFORMANCE FROM WILLOW PUMPS



Willow Pumps, which is a direct labour organisation, had a mixed year.

Service revenue from the reactive and planned maintenance of pumps and drainage grew by 33% due to new contracts and the developing relationship with Metro Rod.

The gross profit contribution increased, however, GM% declined slightly due to tighter margin on work sub-contracted to Metro Rod.

S&I sales declined 30% during the year:

- activity relies on house building new-starts which were disrupted by labour and material shortages.
- Compounded by a reduction in GM due to much of the work being early-stage material supply.

The Metro Rod corporate franchises of Kent & Sussex and Exeter grew sales by 12% and showed strong growth in profitability, albeit from a small base.

Willow Pumps has helped train 65 Metro Rod engineers to a level that allows them to carry out both PPM and reactive work.

As a result, 67% of the £1.5m Metro Rod pump work in 2021 was delivered without assistance from Willow Pumps.

The EBITDA contribution from Willow Pumps declined by 9% in 2021.

GROWTH IN  
SERVICE REVENUE

**33%**

METRO ROD TRAINED  
PUMP ENGINEERS

**65**



# DIGITAL TRANSFORMATION PROGRESSED AT PACE



The digital transformation of the business has progressed at pace in 2021, culminating in the acquisition of Azura in November 2021.

The 'Vision' works management system (which is built on Azura's core system) was further optimised during the year to enhance functionality.

An increasing number of processes (such as job logging, invoicing) have been automated:

- reduces costs for both us and our franchisees,
- improves efficiency,
- enhances customer service.

'Connect', our customer portal which provides real-time visibility of every job, has grown in popularity with 23,000 log-ins.



Provides customers with faster and more comprehensive information on a self-serve basis. Functionality is currently being extended (job logging and invoice review).

Acquisition of Azura (in November 2021) allows us to consolidate and secure our software development and key IP.

In addition, considerable scope to develop and grow Azura's business and offer the enhanced package as a SaaS platform to other franchisees.

REDUCTION IN  
CONTACT CENTRE  
TRAFFIC

**14%**

JOBS LOGGED BY  
ROBOTS IN 2021

**10%**



# ANNOUNCEMENT OF FILTA ACQUISITION



Announcement, on 16 February 2022, of a recommended all-share offer for Filta Group Holdings plc, a transformational acquisition for the Group.

The merger will create a franchise business with an international reach in North America, UK and mainland Europe, which will facilitate both organic growth and further acquisitions.

Jason Sayers (CEO) and Brian Hogan (CFO) to join Franchise Brands plc board.

The combined management team is complementary and has significant franchising experience which will drive future growth.

In the UK the complementary DLOs will provide significant opportunities to progress our “Water in, Waste out” strategy in a broader customer base, including:

- use of the over 50 Metro Rod/Metro Plumb depot network to re-introduce reactive service to Filta customer base.
- benefiting from Willow Pumps to enhance pump services to Filta customers.
- in-sourcing of services Filta currently sub-contracts.
- cross-selling of Filta commercial kitchen services to Metro Rod customer base.



# STRONG RECOVERY BY B2C



**ChipsAway**  
LIKE IT NEVER HAPPENED

**ovenclean**  
— LESS GRIME. MORE TIME —



The B2C division recovered strongly in 2021 from the three-month shutdown at the start of the Covid-19 pandemic in 2020.

Recovery in revenue as almost all franchisees paid full fees for the year.

Overheads grew by only 3% as a result of careful re-introduction of costs and closure of Barking Mad office in 2020

The brands performed slightly differently in terms of franchise recruitment:

- ChipsAway: 38 new recruits (2020: 45). However, still second-highest level achieved over the past 5 years.
- Ovensclean: a strong year with 13 new recruits (2020: 8).

- Barking Mad increased recruitment to 6 (2020: 5) in a challenging year for the brand.

Overall, the B2C Division recruited 57 new franchisees (2020: 58) but lost 62, resulting in a year-end total for the network of 381 – considered an excellent result given the environment.

Adjusted EBITDA increased by 24%.

ChipsAway accounted for 84% of B2C EBITDA.

TOTAL FRANCHISEES  
RECRUITED

**57**

INCREASE IN  
ADJUSTED EBITDA

**24%**



# FINANCIAL PERFORMANCE



## Summary of Group Results

Year ended 31 December	2021 £'000	2020 £'000	Change £'000	Change %
<b>Statutory revenue</b>	<b>57,690</b>	49,287	8,403	17%
Cost of sales	<b>(35,764)</b>	(30,307)	(5,457)	(18)%
<b>Gross profit</b>	<b>21,926</b>	18,980	2,946	16%
Administrative expenses	<b>(13,452)</b>	(12,341)	(1,112)	9%
<b>Adjusted EBITDA</b>	<b>8,474</b>	6,640	1,834	28%
Depreciation and amortisation of software	<b>(1,717)</b>	(1,357)	(359)	26%
Finance expense	<b>(292)</b>	(446)	154	(34)%
<b>Adjusted profit before tax</b>	<b>6,465</b>	4,836	1,629	34%
Tax expense	<b>(1,154)</b>	(899)	(255)	28%
<b>Adjusted profit after tax</b>	<b>5,311</b>	3,937	1,373	35%
Amortisation of acquired intangibles	<b>(393)</b>	(393)	0	
Share-based payment expense	<b>(334)</b>	(205)	(129)	
Non-recurring costs	<b>(187)</b>	(706)	520	
Other gains and losses	<b>223</b>	151	72	
Tax on adjusting items	<b>(387)</b>	9	(397)	
<b>Statutory profit</b>	<b>4,233</b>	2,793	1,440	52%

Statutory consolidated revenue increased by 17% to £57.7m (2020: £49.3m), driven by the increase in demand for the Group's services following the continued lifting of COVID-19 lockdown restrictions.

Gross profit up 16% as GM% fell to 38% (2020: 39%), as sales growth weighted towards Metro Rod which has a GM% of 31%.

Adjusted EBITDA increased by 28% to £8.5m, due to tight cost control and operational efficiencies.

Depreciation increased to £1.7m due to the purchase of equipment at Metro Rod corporate for Peel Ports contract, and our continued digital investment.

Finance charge of £0.3m decreased 34%, reflecting decrease in overall level of debt.

Overall, adjusted profit after tax increased by 35% to £5.3m.

## Divisional Trading Results

Year ended 31 December	Metro Rod £'000	Willow Pumps £'000	B2C £'000	2021 £'000	Metro Rod £'000	Willow Pumps £'000	B2C £'000	2020 £'000
<b>Statutory revenue</b>	<b>36,201</b>	<b>15,061</b>	<b>6,428</b>	<b>57,690</b>	<b>29,324</b>	<b>14,128</b>	<b>5,835</b>	<b>49,287</b>
Cost of sales	(25,027)	(9,369)	(1,368)	(35,764)	(20,326)	(8,636)	(1,345)	(30,307)
<b>Gross profit</b>	<b>11,174</b>	<b>5,692</b>	<b>5,060</b>	<b>21,926</b>	<b>8,998</b>	<b>5,492</b>	<b>4,490</b>	<b>18,980</b>
<i>GM%</i>	31%	38%	79%	38%	31%	39%	77%	39%
Administrative expenses	(5,790)	(4,007)	(2,422)	(12,218)	(5,276)	(3,648)	(2,359)	(11,283)
<b>Divisional EBITDA</b>	<b>5,385</b>	<b>1,686</b>	<b>2,638</b>	<b>9,708</b>	<b>3,722</b>	<b>1,844</b>	<b>2,131</b>	<b>7,697</b>
Group overheads				(1,234)				(1,058)
<b>Adjusted EBITDA</b>				<b>8,474</b>				<b>6,640</b>



## Metro Rod

Year ended 31 December	2021 £'000	2020 £'000	Change £'000	Change %
<b>Revenue</b>	<b>36,201</b>	<b>29,234</b>	<b>6,876</b>	<b>23%</b>
Cost of sales	(25,027)	(20,326)	(4,700)	23%
<b>Gross profit</b>	<b>11,174</b>	<b>8,998</b>	<b>2,176</b>	<b>24%</b>
<i>GM%</i>	31%	31%	0%	
Administrative expenses	(5,790)	(5,276)	(514)	10%
<b>Adjusted EBITDA</b>	<b>5,385</b>	<b>3,722</b>	<b>1,662</b>	<b>45%</b>

	2021 £'000	2020 £'000	Change £'000	Change %
<b>System sales</b>	<b>50,361</b>	<b>40,631</b>	<b>9,730</b>	<b>24%</b>
<b>MSF income</b>	<b>9,411</b>	<b>7,807</b>	<b>1,604</b>	<b>21%</b>
<i>Effective MSF %</i>	18.7%	19.2%		
Other gross profit	1,763	1,192	572	48%
<b>Gross profit</b>	<b>11,174</b>	<b>8,998</b>	<b>2,176</b>	<b>24%</b>

Statutory revenue is not a KPI at Metro Rod due to different accounting for national and local sales.

System sales up 24% accelerating throughout the period to a record of £50.4m.

Reduction in effective MSF rate to 18.7% due to the effects of incentives on tankers and pumps designed to encourage system sales growth.

Good performance from Kemac and contribution from Peel Ports contract saw other gross profit rise to £1.8m.

The modest 10% increase in administrative expenses reflects the benefits of IT developments and new ways of working.

Adjusted EBITDA increased strongly by 45% to £5.4m due to the operational gearing of a franchise business.

## Willow Pumps

Year ended 31 December	2021 £'000	2020 £'000	Change £'000	Change %
<b>Revenue</b>	<b>15,061</b>	<b>14,128</b>	<b>934</b>	<b>7%</b>
Cost of sales	(9,369)	(8,636)	(733)	8%
<b>Gross profit</b>	<b>5,692</b>	<b>5,492</b>	<b>201</b>	<b>4%</b>
<i>GM%</i>	38%	39%	(1)%	
Administrative expenses	(4,007)	(3,648)	(359)	10%
<b>Adjusted EBITDA</b>	<b>1,686</b>	<b>1,844</b>	<b>(158)</b>	<b>(9)%</b>

Overall revenue at Willow Pumps up by 7%:

- Service revenue up by 33%
- Corporate franchises up by 13%
- S&I lower by 30%

Service work continues to be the driver of growth at Willow Pumps.

S&I work weighted towards supply element in the current year, meaning GM% was only 16%, compared to 30% in PY.

Administration expenses up 10% as temporary cost savings achieved during lock-downs were reversed.

Whilst EBITDA was up on Service work, the reduced GM and fixed overhead at S&I weighed heavily on overall profitability.

Willow Pumps continues to support Metro Rod franchisees in the development of their pump capabilities, enhancing system sales growth at Metro Rod.

## B2C Division

Year ended 31 December	2021 £'000	2020 £'000	Change £'000	Change %
<b>Revenue</b>	<b>6,428</b>	<b>5,835</b>	<b>592</b>	<b>10%</b>
Cost of sales	(1,368)	(1,345)	(23)	2%
<b>Gross profit</b>	<b>5,060</b>	<b>4,490</b>	<b>570</b>	<b>13%</b>
<i>GM%</i>	79%	77%	2%	
Administrative expenses	(2,422)	(2,359)	(62)	3%
<b>Adjusted EBITDA</b>	<b>2,638</b>	<b>2,131</b>	<b>507</b>	<b>24%</b>

B2C division was most impacted by Spring 2020 lockdown, with trading suspended for almost three months.

10% increase in revenue to £6.4m due to:

- Full fees charged throughout the period.
- Resilient recruitment of 57 new franchisees (2020: 58).

Administration expenses up by only 3% reflecting the benefit of the decision to close the Barking Mad office in June 2020.

Strong operational gearing results in adjusted EBITDA increasing by 24% to £2.6m.



## Adjusted and Statutory Profit

Year ended 31 December	2021 £'000	2020 £'000	Change £'000	Change %
<b>Adjusted EBITA</b>	<b>8,474</b>	<b>6,640</b>	<b>1,834</b>	<b>28%</b>
Depreciation & amortisation	(1,716)	(1,357)	(359)	26%
Finance charge	(292)	(446)	154	(34)%
<b>Adjusted profit before tax</b>	<b>6,464</b>	<b>4,836</b>	<b>1,629</b>	<b>34%</b>
Tax expense	(1,154)	(899)	(255)	28%
<b>Adjusted profit after tax</b>	<b>5,311</b>	<b>3,937</b>	<b>1,374</b>	<b>35%</b>
Amortisation of acquired intangibles	(393)	(393)	-	
Share-based payment charge	(334)	(205)	(129)	
Non-recurring costs	(187)	(706)	520	
Other gains and losses	223	151	72	
Tax	(387)	9	(397)	
<b>Statutory profit after tax</b>	<b>4,233</b>	<b>2,793</b>	<b>1,440</b>	<b>52%</b>

Adjusted EBITDA increased by 28% to £8.5m.

Finance charge reduced by 34% due to lower net debt position as bank facilities have been paid back, leaving the Group free of bank debt at the end of the year.

High statutory tax charge, when compared to statutory profit after tax, is due to the revaluation of the deferred tax liability on acquired intangibles resulting from the increase in the future corporation tax rate to 25%

Adjusted profit after tax up 35% to £5.3m

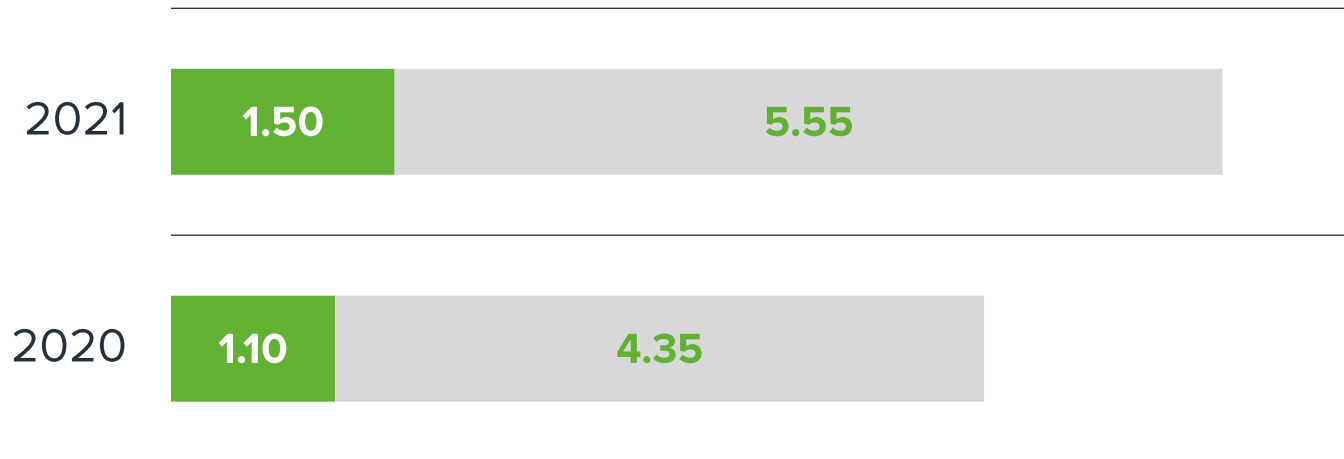
Non-recurring costs relate to professional fees incurred on completed and aborted acquisitions (£114k) and the write-off of capitalised bank fees following early repayment of the loan (£66k).

Other gain relates to the revaluation of the Willow Pumps contingent deferred consideration required by IFRS 9.

Overall statutory profit after tax up 52% to £4.2m.

## Adjusted EPS and Dividend

### GROWTH IN ADJUSTED EPS AND DIVIDEND (PENCE PER SHARE)



Adjusted EPS increased 27% to 5.55p :

- Adjusted earnings after tax grew by 35% but the weighted average number of Ordinary Shares increased 6% from 90.4m to 95.8m as a result of the April 2020 placing.

The board is recommending a final dividend of 0.9p per share taking the total dividend for the year to 1.5p per share, an increase of 36%.

The dividend is covered 3.7 times (2020: 4.0 times) by adjusted earnings after tax.

It is the Board's intention to continue with a progressive dividend policy.

## Balance Sheet

At 31 December	2021 £'000	2020 £'000	Change £'000	Change %
<b>Property, plant and equipment</b>	<b>5,331</b>	<b>4,651</b>	<b>680</b>	<b>15%</b>
Intangible assets	35,278	34,754		
Deferred tax liability	(2,139)	(1,752)		
<b>Accounting assets</b>	<b>33,139</b>	<b>33,002</b>	<b>137</b>	<b>0%</b>
Inventories	908	712		
Trade and other receivables	16,696	15,227		
Trade and other payables	(12,144)	(10,788)		
<b>Operating working capital</b>	<b>5,460</b>	<b>5,151</b>	<b>309</b>	<b>6%</b>
Current tax liability	(213)	(445)		
Provisions	(2,912)	(3,456)		
<b>Net working capital</b>	<b>2,335</b>	<b>1,250</b>	<b>1,085</b>	<b>87%</b>
Gross debt	(2,534)	(8,265)		
Cash	9,054	13,203		
<b>Statutory net cash/debt</b>	<b>6,520</b>	<b>4,938</b>	<b>1,582</b>	<b>32%</b>
<b>Net Assets</b>	<b>47,325</b>	<b>43,841</b>	<b>3,484</b>	<b>8%</b>

15% increase in PPE due to investment in assets for servicing the Peel Ports contract, and the continued investment in our digital infrastructure.

Operating working capital investment of £0.3m.

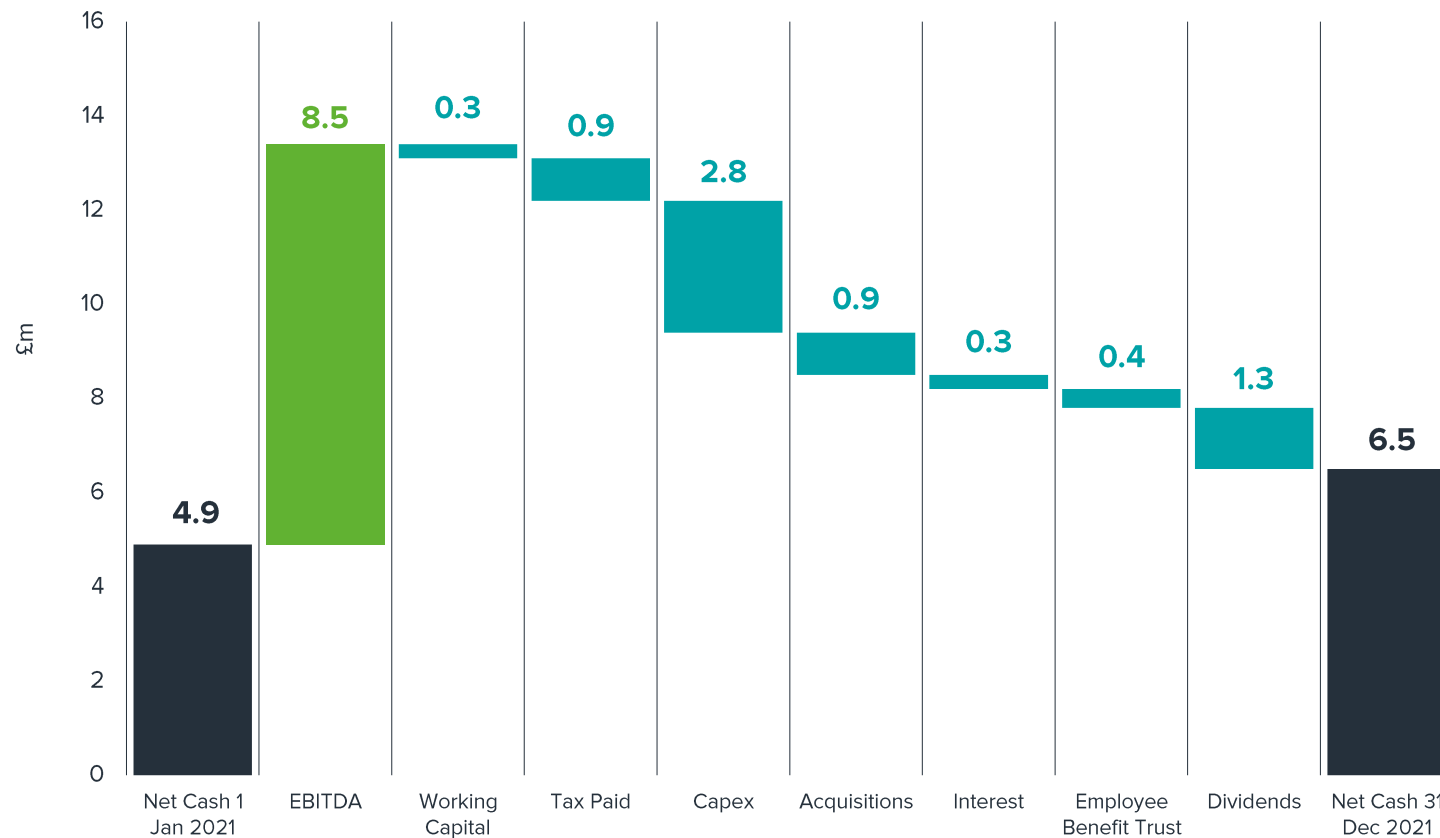
The provision of £2.9m represents our current estimate of the level of the further deferred consideration which we will pay over the next three years in respect of the Willow Pumps acquisition.

Strong year-end cash position with cash of £9.1m and unused facilities of £5m provide opportunities for further earnings-enhancing acquisitions.

Net assets of £47.3m and an ungeared balance sheet also provide a good platforms for further significant corporate activity.



## Cash Flow



Net cash of £6.5m at 31 December 2021.  
(31 December 2020: £4.9m).

Cash from operations of £8.2m:

- EBITDA of £8.5m, less £0.3m of working capital investment.
- 97% cash conversion, up significantly from prior year.

Significant Capex representing Metro Rod investment for the new Peel Ports contract (£1m) and continuing investment in our digital infrastructure

£0.9m on acquisitions, being £0.6m for the acquisition of Azura Group, and £0.3m of deferred consideration for the Willow Pumps earn-out.

## Summary and Outlook



2021 saw a strong recovery in our business as the continued lifting of the Covid-19 restrictions led to an increase in the demand for the Group's services, particularly at Metro Rod.

The anticipated acquisition of Filta will be transformational for the business, taking us from a UK-focused business to one with international scale and an expanded management team capable of developing the group in North America, UK and Europe.

In the UK Willow Pumps and the Filta DLO businesses are complementary and will provide significant opportunities to progress our "Water in, Waste out" strategy in a broader customer base.

The acquisition of Azura secures full ownership of the IP created in partnership with Azura and facilitates

our accelerated digital transformation. It also provides the opportunity to offer a SaaS solution to other franchise businesses in the UK and overseas.

Our key priority for 2022 will be:

- the integration of Filta in the UK and the accelerated development of its businesses in North America and Europe.
- the continued expansion of the range of services provided by Metro Rod, particularly pump servicing.
- the acquisitions of further franchise business to expand our B2C division, which given their relatively small size, will be mostly cash/debt-funded.

We look forward with confidence to the year ahead.





# APPENDIX





## The Group's Franchise Systems\* as at 31 December 2021

	Network size 31 December, 2020	New franchisees recruited in 2021		Franchisees leaving the system in 2021		Net new franchisees in 2021	Network size 31 December, 2021
B2C	386	57	+	(62)	=	(5)	381
Metro Rod	42	1	+	(1)	=	0	42
Metro Plumb**	5	2	+	-	=	2	7
<b>Total</b>	<b>433</b>	<b>60</b>	<b>+</b>	<b>(63)</b>	<b>=</b>	<b>(3)</b>	<b>430</b>

\*All figures relate to UK franchisees \*\* Stand-alone Metro Plumb franchisees

# WORKING RESPONSIBLY



# Introduction

## OUR APPROACH TO ESG

- Working responsibly is an imperative and we want to do what we can to contribute to a more sustainable future.
- We made good progress on our ESG journey in 2021 and initiated a process to determine what matters most and what we should focus on.
- This involved engaging with our customers, shareholders and employees to understand what is important to them.
- We have developed a framework around 4 ESG pillars: people, planet, communities and governance.
- We also considered how we can link our ESG strategy to the UN Sustainable Development Goals.



### UN GOAL:

### HOW WE CONTRIBUTE:



#### GOOD HEALTH AND WELLBEING

- Mental Health First Aiders training.
- Employee assistance programme for all staff.
- Highly developed health and safety processes and training.



#### GENDER EQUALITY

- High proportion of females in Support Centres: 61% in Metro Rod and 65% in B2C.
- Dedicated leadership training and mentoring for women managers.



#### DECENT WORK AND ECONOMIC GROWTH

- Development opportunities, rewards and recognition. Share options for 100% of qualifying employees.
- Create local employment in the community.
- Opportunities through apprenticeship scheme.



#### SUSTAINABLE CITIES AND COMMUNITIES

- High standards of quality and sustainability
- Manage and commitment to reduce environmental impact
- Accreditations and certifications

## OUR ESG PILLARS

We have developed a framework around 4 ESG pillars:

### 1. ENVIRONMENT

- Reduce, Re-Use, Recycle
- High quality and sustainable service delivery
- Education and training

### 2. PEOPLE

- Rewarding opportunities for our people to develop and thrive
- Wellbeing and keeping people safe
- Diversity and inclusion

### 3. COMMUNITIES

- Creating local employment
- Apprenticeships and work experience
- Contribution to community projects, charities and activities

### 4. GOVERNANCE

- Upholding high standards
- Being transparent
- Being accountable



## Working Responsibly

# A GREAT WORK ENVIRONMENT

	Total number of employees*	% of male employees	% of female employees
Metro Rod Support Centre	100	39%	61%
B2C Support Centre	20	35%	65%
Willow Pumps	92	78%	22%
Metro Rod DLOs	69	90%	10%
Franchise Brands plc	10	90%	10%
<b>Total</b>	<b>291</b>	<b>65%</b>	<b>35%</b>

\* As at 31 December 2021

### OUR COMMITMENT TO DIVERSITY AND INCLUSION

- Importance of creating and maintaining a diverse and inclusive working environment where team members feel welcome and can be themselves.
- Committed to promoting equality of opportunity for all our people and those seeking to join the Franchise Brands family.
- We aim to create a working environment in which all individuals are able to make best use of their skills, free from discrimination or harassment.

### GENDER PAY GAP

- We reward our people fairly. This includes upholding equal pay. As part of our commitment to be an Employer of Choice, we have chosen this year to start to report on Gender Pay Gap on a voluntary basis.
- Our gender pay gap is 27%. This is largely due to the nature of our business with predominantly male engineers who command a higher salary than office workers, and the fact we have fewer women in senior management.
- The ratio between our top salary and bottom salary is 8x.

### SHARE OWNERSHIP

- Our strong ownership culture is one of the keys to our success and we offer share options to everyone in the Group.
- This principle is extended to businesses we acquire.

### WOMEN IN THE BUSINESS

- We are proud of the number of women we have in the business, in particularly in our Support Centres which provide valuable services and support to our franchisees.
- We also have a growing number of women in management positions and we are pioneering our Developing Inspiring Leaders programme with high potential women from across the business.

## Working Responsibly

# METRO ROD IN THE COMMUNITY

### METRO ROD WALKING BUS SPONSORSHIP

- Part of our commitment to supporting local schools. Will see hi-vis jackets provided to over 900 children, encouraging them to “Be Bright, Be Green, Be Seen”.
- Walking to school helps reduce carbon emissions and the adverse environmental impact as well as having health benefits.
- We have produced an interactive education leaflet for distribution to schools to help educate children on how small changes can make a big difference to reduce their carbon footprint.



### METRO ROD SUPPORTING FOODCYCLE

- Food poverty and loneliness are growing issues which have been heightened by the recent pandemic.
- Metro Rod is supporting FoodCycle, a national charity that provides delicious meals and great company using food that would otherwise go to waste.
- We will be helping recruit and train volunteers, purchase kitchen equipment to create community meals.
- We have provided over 3, 496 meals so far to FoodCycle guests.



## Working Responsibly

# HELPING OUR CUSTOMERS UNDERSTAND THEIR ENVIRONMENTAL OBLIGATIONS

### HARNESSING TECHNOLOGY

- Our commitment to innovation and technology helps empower our customers to understand their assets and accurately identify any potential risk their drainage systems may pose on the environment.
- The data collected from CCTV surveys and mapping services is supplied to customers in the form of an in-depth report, including schematic drawings, an asset register, images of access points and an interactive Google Maps overlay.



### DRAIN MAPPING

- Drain mapping is a vital tool for reducing the risk of environmental damage. Knowing the exact position of pipework and assets safeguards against upsetting any existing drainage systems, prevents pollution and allows for management of flood risk.
- This is why drain mapping is an essential part of compliance for regulated sites. Our expertise allows us to support site owners in ensuring that the dispose of waste correctly and safely, fulfilling a responsibility to support and protect the local environment.



## HELPING OUR FRANCHISEES AND EMPLOYEES WORK MORE RESPONSIBLY

### ENVIRONMENT AND SAFETY

In 2021 we launched an Environmental Manual to help Metro Rod franchisees give a higher priority to environmental issues in all aspects of their work.

We continued to run training programmes for ChipsAway franchisees in electric and hybrid vehicles.

Willow Pumps acquired four electric vans and three hybrid company cars to replace diesel vehicles.

### COMMUNITY ENGAGEMENT INITIATIVES

Walking Bus Sponsorship and Food Cycle initiatives.

### OVERHAUL OF ALL GROUP POLICIES

We reviewed and updated all group policies to ensure they reflected our position as a responsible business.

### FB SUSTAIN

To give our people a voice in putting forward their ESG views, feedback and suggestions, and helping drive new initiatives, we are in the process of setting up FB Sustain, a new group from across all of our brands.



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