



Building an international business

Annual Results Presentation 2022



When they grow, we grow

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 £1.5bn.



Peter Molloy **Managing Director, B2B Division**

Peter has over 35 years of management and commercial experience. He has led the growth of Metro Rod and Metro Plumb since 2017 as Managing Director of the business. Prior to that he was Commercial Director, having joined Metro Rod in 2003.

Following the acquisition of Filta, Peter was promoted to Managing Director of the B2B Division, with additional responsibility for Willow Pumps and Filta UK.

Prior to joining Metro Rod, Peter was Management Director of Solaglas Replacement Glazing, part of the Saint-Gobain Group.

Overview



WHO WE ARE

Multi-brand international franchisor, focused on B2B van-based, reactive and planned services.

Defensive growth company.

Operations in UK, North America and Europe.

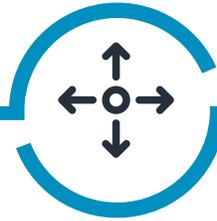


FOCUS

Focused on building market-leading businesses primarily via a franchise model.

If our franchisees grow, we grow.

Capital light with strong cashflow.



SCALE

586 franchisees across six principal brands who employ a total of c.2,000 people in 6 countries.

415 direct employees.

1,400 service vehicles.



HOW

Enabling franchisees to grow their businesses.

Use DLOs selectively where:

- need for corporate franchises.
- develops franchise channel more rapidly.
- specialist complementary services.

Our Highlights

Another significant and highly successful year



STATUTORY REVENUE

£99.2m

+72%

2021: £57.7m

ADJUSTED EPS**

8.38p

+51%

2021: 5.55p

ADJUSTED EBITDA*

£15.3m

+80%

2021: £8.5m

DIVIDEND PER SHARE

2.0p

+33%

2021: 1.50p

STATUTORY PBT

£10.3m

+78%

2021: £5.8m

NET CASH***

£8.0m

2021: £6.5m

Operational highlights

Another significant and highly successful year for the Group.

Transformational acquisition of Filta, establishing an international footprint, a broader range of complementary services and considerably enhanced scale.

Filta International has delivered strong results, ahead of our expectations.

Excellent performance of the newly-created B2B division with revenue growing 34%.

- Metro Rod and Metro Plumb system sales increased by 19% to a record £60m.
- Willow Pumps sales increased 16% and accelerated its cross selling strategy.
- Significant turnaround in productivity at Filta UK which has been integrated at pace

B2C division affected by unusual post Covid labour market and being offered for sale, so disclosed as discontinued.

Continuing to leverage efficiency-enhancing technology

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

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

*** Net Cash is cash less HP and obligations under leases.

Our Leading Brands

Franchise Brands: at a glance



B2B



Commercial drainage experts providing a full range of services via 42 franchisees with over 50 depots nationwide.



Specialist plumbing services, including those to water utilities. 13 stand-alone franchisees.



A leading pump design, installation and servicing business (DLO) which also manages 2 Metro Rod franchises.



Services to commercial kitchens. GRUs, fridge seal replacement, vent cleaning. DLO & 22 Filta Environmental franchisees.

ADJUSTED EBITDA*

£9.2m

TOTAL FRANCHISEES

77



Filta International



Cooking oil filtration and fryer management services to commercial customers through the FiltaFry service. Franchisees also supply cooking oil to customers and collect used oil, which they sell to be recycled into biodiesel.

133 franchisees in North America, most of which are multi-van operators. A business of significant scale.

27 franchisees in Europe including 9 in Germany and 18 under the Benelex master franchise.

ADJUSTED EBITDA*

£5.2m

TOTAL FRANCHISEES

160



B2C & Azura



Leading mobile car paintwork repair specialist. 191 franchisees including 33 car care centres.



Largest domestic oven cleaning company. 100 franchisees.



Leading provider of dog home boarding services. 58 franchisees.

ADJUSTED EBITDA*

£2.6m

TOTAL FRANCHISEES

349



A leading franchise software system developer.

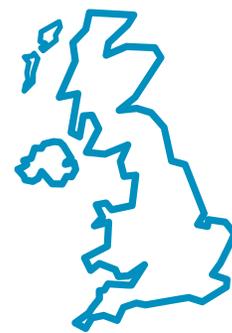
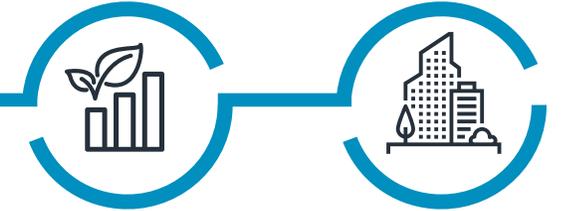
ADJUSTED EBITDA*

£0.2m

Over 30 franchise customers.

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

Our growing international footprint



NORTH AMERICA

£67m **133**
total sales* franchisees

UNITED KINGDOM

£116m **426**
total sales* franchisees

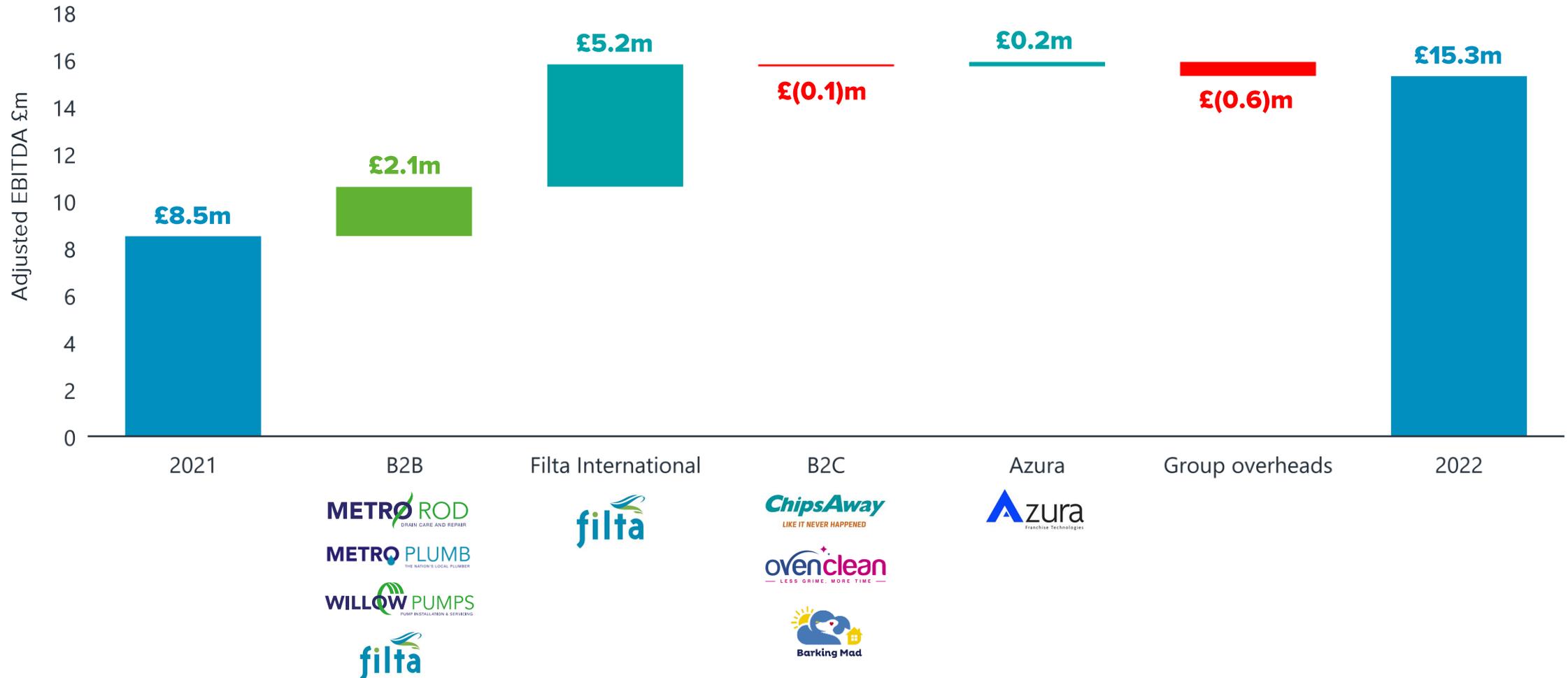
EUROPE

£3m **27**
total sales* franchisees

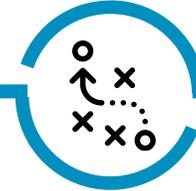
* Filta North America and Europe is for ten months of ownership only. This is not statutory revenue but sales to customers by franchisees, corporate and DLOs

The 2022 results

At a glance



Corporate activity and strategic review



2022 corporate activity

- Recommended all-share offer for Filta completed on 1 June 2022.
- Settled the Willow Pumps earn-out early, in May 2022.

Strategic review of the B2C division (16.7% of Group EBITDA in 2022)

- Factors that depressed franchise recruitment and retention in the B2C Division were transitory; expect to see a significant recovery in franchise recruitment in the current year.
- Greater opportunities for the Group within the B2B franchise segment.
- Focus on efficient van-based delivery of reactive and planned essential services:
 - Commercial customers typically have a regular recurring need for these services.
 - Franchise Brands has a strong competitive advantage in these sectors.
 - The Group's operational structure is best suited to developing B2B businesses.
 - B2B franchise businesses tend to be larger, royalty-based, international businesses.
- Appointed finnCap Cavendish to seek a buyer for the B2C division.
- Continue to operate this division as normal, pending a sale.

Business Performance



Continued strong growth momentum

METRO ROD
DRAIN CARE AND REPAIR

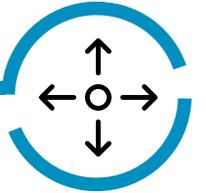


- System sales increased 19% to £60m.
- Progress with broadening range of services:
 - 80% increase in pump sales; average order value approximately 5x drainage.
 - Tanker and pump sales now a record 22% of system sales.
- Strong franchisee growth across the network:
 - 1 exceeded £3m sales for the first time.
 - 5 exceeded £2m in sales (2021: 1).
 - 27 exceeded £1m (2021: 24).
 - 48 of 55 Metro Rod and Metro Plumb franchisees grew (2021: 47 out of 49).
 - 27 franchisees grew by more than 20% y-o-y.

METRO PLUMB
THE NATION'S LOCAL PLUMBER



- Continues to expand; six new stand-alone franchisees brings total to 13.
- System sales, including Kemac, grew 23%.
- Continued focus on broadening the customer base.
 - Local sales: 20% of total (2021: 8%).
 - 781 clients used our plumbing service; up 28% on 2021.
- 8 Metro Plumb businesses achieved over £150,000 in sales.
- 1 achieved sales of over £800,000.



Willow Pumps & Filta UK integrated into B2B Division



- Increased contribution in 2022; total sales grew 14% to £18.2m.
- Strong recovery in supply and installation work, up 43%.
- 8% increase in service work.
- Early earn-out settlement enabled expansion of pump services within Metro Rod.
- 18.4% of total revenue was delivered by Metro Rod.
- Nearly 50% of Metro Rod now offers a full pump servicing capability.



- Filta UK businesses acquired in March 2022.
- Delivers complementary services, primarily to commercial kitchens via direct labour and franchisees.
- Significant turnaround in productivity through integration at pace:
 - Streamlining of management
 - Sharing of central services
 - Optimising service delivery
- Profitability improved considerably.
- Substantial potential to grow sub-scale businesses by expanding their capacity and enhancing service delivery through our B2B franchise networks.



Cross selling opportunities

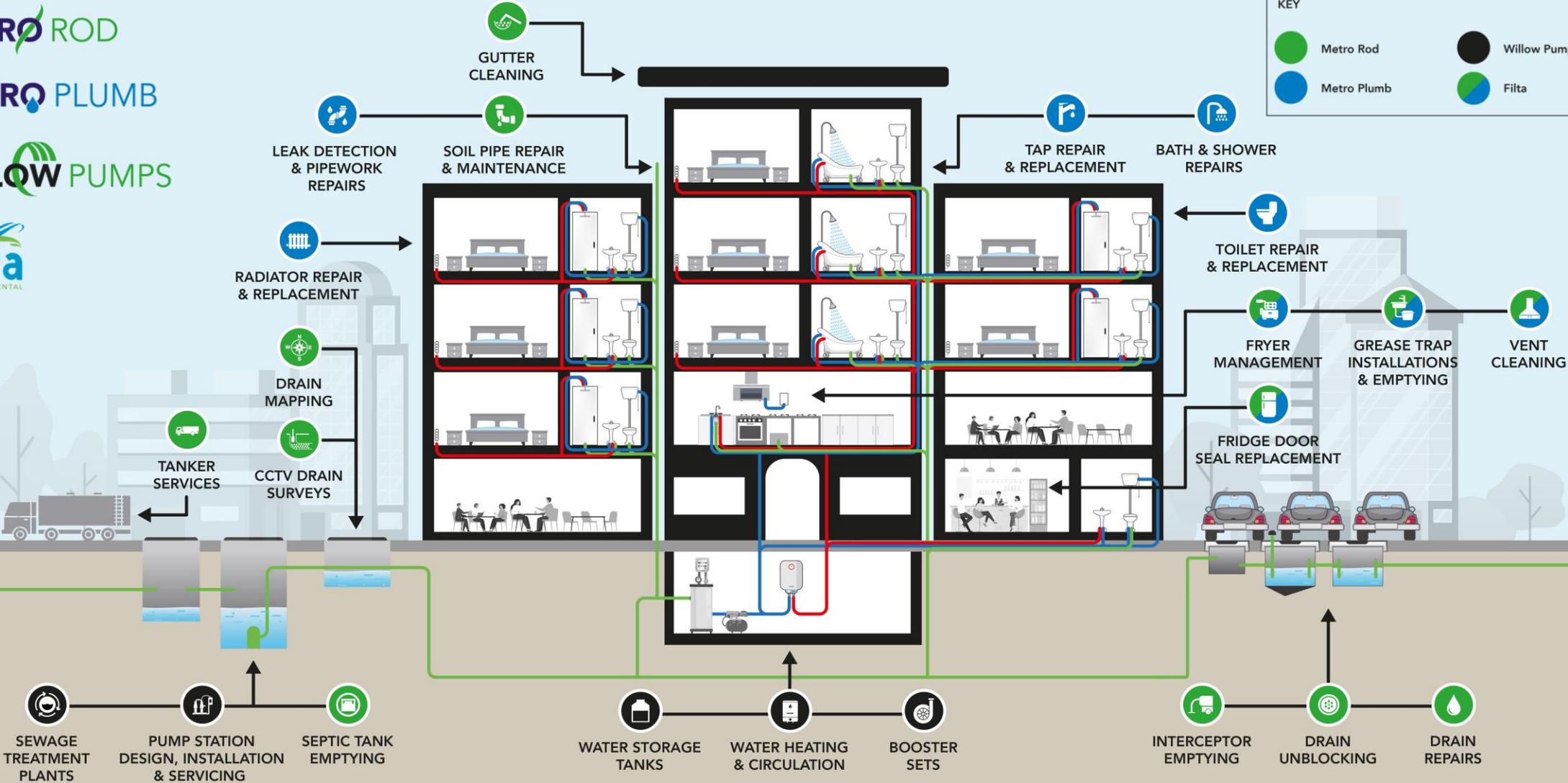
METRO ROD

METRO PLUMB

WILLOW PUMPS

filta
ENVIRONMENTAL

KEY	
	Metro Rod
	Metro Plumb
	Willow Pumps
	Filta



Filta North America performed strongly



- Performed strongly, ahead of our expectations
- Full recovery of key customers post Covid and elevated price of cooking oil.
- Driven the value of used cooking oil collected from customers and sold for reprocessing into biodiesel.
- System sales increased 51% to \$92m with an exit run-rate of \$100m per annum*.
- Franchisees have used additional income to invest in new mobile filtration units (“MFUs”) which embeds future growth into the system.
- Customers increasingly valuing the ESG benefits of the Environmental Impact Reports we provide.

Filta’s market penetration is very low and our “maximum potential model” indicates a potential market size of approaching \$1bn. We have developed an accelerated expansion plan called “Filta Max” to seek to capture more of this market.

CURRENTLY

Filta US Customer Base
8,500 sites

Total Potential Sites
1.1m

Less than 1%
of the market

MAXIMUM POTENTIAL MODEL WORKINGS

Existing Franchisees with more than **50** customers

Highest Market Penetration **3.9%**

Highest Average Revenue per site **\$21,963**

1/3 of addressable market in territories unsold

\$920m
Maximum potential

* Franchise Brands only owned the business for ten months of 2022

Working responsibly

Filta's Environmental Impact Reports



Increasing importance of ESG to Filta's corporate customers

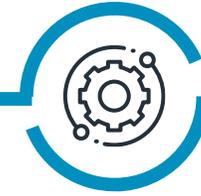
Environmental Impact Reports, quantify the environmental savings of:

- reusing (rather than discarding) the cooking oil
- the additional savings of replacing diesel with biodiesel at the end of its life.

Help our customers demonstrate their own ESG credentials to their own stakeholders.



B2C division



ChipsAway
LIKE IT NEVER HAPPENED

ovenclean
— LESS GRIME. MORE TIME —



Total of 39 recruits (2021: 57), markedly lower than the 5-year average of 55:

- Satisfactory level of franchisee recruitment in the first six months of the year.
- Recruitment in the second half was weak with 10 new recruits (H2 2021: 28), as anticipated.
- Attributed to high levels of employment and wages which made self-employment less attractive, combined with a low level of redundancies during 2022.

Recovery in enquiries since the year end is feeding through in improved recruitment in Q1 2023.

Reduced recruitment compounded by slightly higher attrition which abated in the second half.

- 69 leavers in 2022 (2021: 64), slightly higher than the five-year average of 65.
- Attrition driven by a combination of return to employment given the high salary levels on offer in specific sectors, compounded by the post-Covid trends of work-life balance and the “great resignation”.

As a result, the total number of B2C franchisees at the year-end was 349 (2021: 379).

Technology-enablement continues to deliver



Azura acquisition helped increase the pace at which functionality can be added to our Vision platform:

- new customer quotations system
- additional self-service features for our “Connect” customer portal
- and several invoicing features

Continue to automate an increasing number of processes, using our own robotics platform:

- 31% of all jobs logged
- 13% of all invoices raised
- 26% of all emails

Over the past five years, system sales per Support Centre employee have more than doubled demonstrating how technology is driving operational gearing.

Progressing advanced scheduling tool to improve engineer utilisation and efficiency.

Ongoing trials indicate initial reduction of unproductive/unbillable, time of 23 minutes per engineer per day; significant additional potential capacity given engineer base of >500.

Reviewing Filta’s IT platforms and how they might further improve our existing systems.

Particularly in UK DLO to identify opportunities to automate operational processes



Financial Performance



Summary of group results



	2022			2021			Change
	Continuing Operations	Discontinuing Operations		Continuing Operations	Discontinuing Operations		
	£'000	£'000	£'000	£'000	£'000	£'000	%
System Sales	160,580	25,773	186,353	69,978	23,593	93,571	99%
Revenue	92,729	6,423	99,152	51,262	6,427	57,690	72%
Cost of sales	(61,936)	(1,252)	(63,187)	(34,396)	(1,368)	(35,763)	77%
Gross profit	30,793	5,171	35,965	16,867	5,060	21,926	64%
Administrative expenses	(18,066)	(2,618)	(20,684)	(11,031)	(2,422)	(13,452)	54%
Adjusted EBITDA	12,727	2,554	15,281	5,836	2,638	8,474	80%
Depreciation & amortisation of software	(2,093)	(187)	(2,281)	(1,554)	(162)	(1,716)	33%
Finance expense	(221)	(14)	(235)	(283)	(10)	(292)	(20)%
Foreign exchange	28	-	28				100%
Adjusted profit before tax	10,442	2,352	12,794	3,999	2,466	6,465	98%
Tax expense	(2,156)	(405)	(2,561)	(791)	(363)	(1,154)	122%
Adjusted profit after tax	8,286	1,948	10,233	3,208	2,103	5,311	93%

Consolidated Group revenue increased by 72% to £99.2m (2021: £57.7m).

Overheads increased by 54%; initial cost savings from the integration of Filta and continued efficiency gains arising from digital enablement of the business.

This has driven an 80% increase in adjusted EBITDA.

Depreciation and amortisation of software increased 33% to £2.3m (2021: £1.7m) primarily as a result of the impact of the acquisitions.

Finance charge has decreased by 20% reflecting repayment of all bank loans in June 2022.

Tax charge at 20% (2021: 18%) was higher than the statutory rate of 19% in the UK, reflecting the additional pre-tax profit contribution from Filta North America where the corporate tax rate is 26%.

Overall, adjusted profit after tax increased by 93% to £10.2m.

Divisional trading results

	2022					2021						
	B2B £'000	Filta Int'l £'000	B2C £'000	Azura £'000	Inter- company elimination* £'000	2022 £'000	B2B £'000	Filta Int'l £'000	B2C £'000	Azura £'000	Inter- company elimination* £'000	2021 £'000
System sales	90,223	69,560	25,773	797		186,353	69,919		23,593	59		93,571
Statutory revenue	71,376	23,874	6,423	797	(3,318)	99,152	53,309	-	6,427	59	(2,106)	57,690
Cost of sales	(49,086)	(15,784)	(1,252)	(1)	2,935	(63,187)	(36,501)	-	(1,368)	-	2,106	(35,763)
Gross profit	22,290	8,091	5,171	796	(383)	35,965	16,808	-	5,060	59	-	21,926
GM%	31%	34%	81%	100%	12%	36%	32%		79%	100%	0%	38%
Administrative expenses	(13,112)	(2,877)	(2,618)	(625)	383	(18,849)	(9,740)	-	(2,422)	(56)	-	(12,218)
Divisional EBITDA	9,177	5,214	2,554	171	-	17,116	7,067	-	2,638	3	-	9,708
Group Overheads						(1,835)						(1,234)
Adjusted EBITDA						15,281						8,474

*In order to reconcile the Group's statutory revenues, gross profit and administrative expenses to the underlying entities certain inter-company revenues and costs are eliminated on consolidation. These include the work undertaken by Metro Rod on behalf of Willow Pumps and the IT development work undertaken by Azura on behalf of Metro Rod. The net effect to EBITDA is zero.

B2B division



	2022				2021			
	Metro Rod £'000	Willow Pumps £'000	Filta UK £'000	2022 £'000	Metro Rod £'000	Willow Pumps £'000	Filta UK £'000	2021 £'000
System Sales	62,917	18,175	9,132	90,223	54,001	15,918		69,919
Statutory revenue	44,069	18,175	9,132	71,376	37,391	15,918	-	53,309
Cost of sales	(31,247)	(12,196)	(5,643)	(49,086)	(26,276)	(10,226)	-	(36,501)
Gross profit	12,822	5,979	3,489	22,290	11,115	5,692	-	16,808
GM%	29%	33%	38%	31%	30%	36%		32%
Administrative expenses	(6,557)	(4,134)	(2,421)	(13,112)	(5,734)	(4,007)	-	(9,740)
Adjusted EBITDA	6,265	1,845	1,067	9,177	5,381	1,686	-	7,067

Metro Rod accounted for 68% of B2B division's Adjusted EBITDA.

Metro Rod adjusted EBITDA increased by 16% to £6.3m. System sales increased 18% and administrative expenses increased 14% as a result of digital enablement efficiencies offset by return to more normal working practices following Covid and a prudent bad debt provision.

Willow Pumps core sales increased by 14%. Reduction in GM as a result of the planned subcontracting of service work to Metro Rod (which has led to additional MSF at Metro Rod).

Willow Pumps controlled overheads effectively which resulted in adjusted EBITDA growth of 9%.

Filta UK improved revenue and EBITDA growth post-Covid, but lower than expected due to a slower roll-out of the Cyclone Grease Recovery Unit.

Filta UK administrative expenses lower than expected due to elimination of duplicated overhead and other savings.

Filta reorganisation and review well underway to establish how the enlarged Group can best deliver all services for the mutual benefit of the customer, the franchisees and the DLOs.

Filta International



	North America £'000	Europe £'000	2022 £'000
System Sales	66,699	2,861	69,560
Revenue	23,273	602	23,874
Cost of sales	(15,398)	(386)	(15,784)
Gross profit	7,875	216	8,091
GM%	34%	36%	34%
Administrative expenses	(2,516)	(360)	(2,877)
Divisional EBITDA	5,358	(145)	5,214

NORTH AMERICA KEY REVENUE AND PROFIT STREAMS

	Revenue £'000	Gross Profit £'000	Gross Margin £'000
MSF	2,294	2,294	100%
Equipment and Supply	2,500	799	32%
Waste Oil	16,293	2,934	18%
Area Sales	958	753	79%
NCA, Marketing and IT	1,227	1,095	89%
Total	23,273	7,875	34%

FILTA INTERNATIONAL:

- **MSF:** monthly charge paid by franchisees for each MFU.
 - **Equipment and supply:** revenue from sale of new MFUs, replacement parts and supplies sold to franchisees.
 - These revenue streams bounced-back strongly as hospitality sector recovered post Covid and demand for FiltaFry's service increased.
 - Franchisees have expanded their operations with 39 new MFUs added.
 - **Waste oil:** revenue from the sale of used cooking oil for biodiesel production.
 - Filta retains an average 18% margin.
 - Increased 76% from prior year; approximately one-third of the increase volume-related and two-thirds price-related.
 - Combination of franchisees investments in additional MFUs and used oil storage will grow volumes in 2023 to a level that allows revenues and margin to be maintained.
 - **Area sales:** revenue from the sale and resale of franchise territories. 5 new franchise sales and 14 resales completed during the period.
 - **NCA, Marketing and IT:** fees charged to franchisees for generating and administering national accounts and providing marketing and IT.
- ## FILTA EUROPE:
- Improved revenue and gross profit growth post-Covid but slower recovery compounded by hold-ups in GRU roll out. Additional sales resource to accelerate growth, but additional overhead resulted in a small loss in 2022.

B2C division

	2022 £'000	2021 £'000	Change £'000	Change %
System Sales	25,773	23,593	2,180	9%
Revenue	6,423	6,427	(4)	0%
Cost of sales	(1,252)	(1,368)	116	-8%
Gross profit	5,171	5,060	111	2%
GM%	81%	79%	2%	
Admin expenses	(2,618)	(2,422)	(196)	8%
Adjusted EBITDA	2,554	2,638	(85)	(3)%



Revenue was flat in the period:

- MSF income was flat in the period, due to the reduced recruitment and higher network churn.
- Area Sales income was lower due to lower recruitment, particularly at ChipsAway.
- Revenue benefited from the one-off sale of the MyHome domain name for £0.1m.

Cost of sales declined due to change in recruitment mix towards Ovenclean and Barking Mad and away from the higher-cost ChipsAway franchise.

Overheads increased by 8% following resumption of costs suspended during the Covid period, e.g. the annual ChipsAway conference.

Overall, adjusted EBITDA fell by 3% when compared to the buoyant post-recovery trading of 2021.

Following the conclusion of the strategic review, the B2C Division is being offered for sale.

Adjusted and statutory profit



	2022 £'000	2021 £'000	Change £'000	Change %
Adjusted EBITDA	15,281	8,474	6,807	80%
Depreciation & amortisation of software	(2,281)	(1,716)	(564)	33%
Finance expense	(235)	(292)	57	(20%)
Foreign exchange	28	-	28	100%
Adjusted profit before tax	12,794	6,465	6,329	98%
Tax expense	(2,561)	(1,154)	(1,406)	122%
Adjusted profit after tax	10,233	5,311	4,922	93%
Amortisation of acquired intangibles	(1,504)	(393)	(1,111)	
Share-based payment expense	(535)	(334)	(201)	
Non-recurring costs	(1,708)	(187)	(1,521)	
Other gains and losses	1,232	223	1,009	
Tax on adjusting items	599	(387)	986	
Statutory profit	8,318	4,233	4,085	96%

Adjusted profit after tax increased by 93%.

Increase in amortisation of acquired intangibles a result of the Filta acquisition.

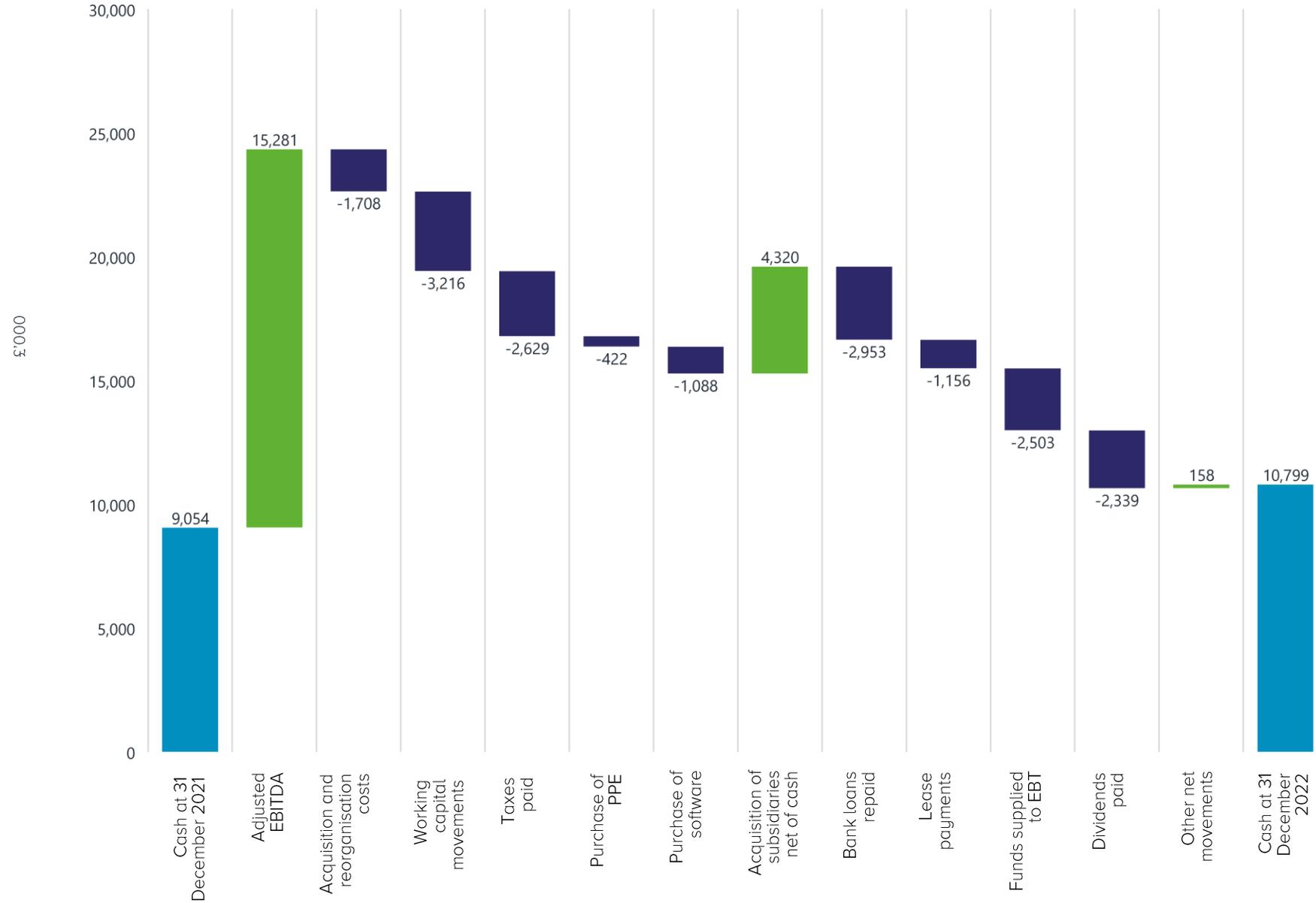
Increase in share-based payment expense principally reflects the grant of 3.5 million share options and stock appreciation rights, a third of which were made to Filta employees.

Non-recurring costs of £1.7m reflect the Filta acquisition costs and the subsequent one-off reorganisation costs.

Other gains and losses reflect the write-back of the IFRS13 contingent consideration provision made in respect of the Willow Pumps earn-out following the early settlement of this potential liability.

Statutory profit after tax increased by 96% to £8.3m (2021: £4.2m).

Cash flow



Balance sheet

At 31 December	2022 £'000	2021 £'000
Property, plant and equipment	6,149	5,331
Intangible assets	87,082	35,278
Deferred tax liability	(4,444)	(2,139)
Accounting assets	82,638	33,139
Inventories	2,753	908
Trade and other receivables	23,417	16,696
Trade and other payables	(19,960)	(12,144)
Operating working capital	6,210	5,460
Current tax liability	(170)	(213)
Provisions	-	(2,912)
Net working capital	6,040	2,335
Gross debt	(2,756)	(2,534)
Cash	10,799	9,054
Statutory net cash/debt	8,043	6,520
Net Assets	103,040	47,325

Increase in intangible assets from £35m to £87m reflects the additional intangible assets acquired as a result of the Filta acquisition.

Strong period-end cash position with net cash of £8m and an unutilised RCF of £5m giving the Group £13m of cash and available facilities.

Net assets of £103m and an ungeared balance sheet provides a strong platform to take advantage of future organic growth and acquisition opportunities.



Summary and outlook



- Excellent momentum in the B2B businesses has continued in 2023 without noticeable impact from slowing economic growth or the rising cost of living.
- Capturing the defensive growth opportunities afforded by the Group's mostly essential services, strong leadership positions in its chosen markets, and reputation for high quality, reliable services among its diversified client base.
- We look forward with confidence to expanding the business organically and by seeking further earnings-enhancing acquisitions.
- Clear, multiple opportunities to grow our franchise businesses through further investment in sales and marketing, supporting franchisees to expand their services, and leveraging efficiency-enhancing technology.
- Focus on B2B franchise businesses provides a strong platform from which to selectively acquire van-based businesses that provide essential services, as we seek to expand our international footprint.
- Longer-term objective of having a group of franchise businesses that generate their income equally from the UK, North America and continental Europe.

Appendix



Analysis of gross profit on sources of revenue

Year ended 31 December 2022

	System sales*	Statutory revenue	Gross margin	GM as a % of system sales	GM as a % of statutory revenue	Explanation
MSF on B2C business	25,773	2,831	2,831	11.0%	100.0%	B2C: fixed monthly fees
MSF on B2B franchise business	59,814	40,102	11,196	18.7%	27.9%	Metro Rod MSF: £35.5m @18.5% + £4.6m @100%
MSF on Filta International	53,509	3,492	3,492	6.5%	100.0%	Filta Int: average of 458.5 MFUs at £535pm for 10 months + 5% of national account sales
MSF generating income	139,097	46,424	17,518	12.6%	37.7%	
Other income						
Direct labour operations turnover	30,409	30,620	10,442	34.3%	34.1%	DLO: statutory gross profit
Used oil sales	16,050	16,050	2,889	18.0%	18.0%	Filta Int'l: 18% of used oil sales
Product sales to franchisees		3,817	1,145		30.0%	GP on sales
Franchise recruitment		1,978	979		49.5%	Material cost in COS, labour in overheads
Software sales	797	797	789	99.0%	99.0%	All costs included in overheads
Other fees from franchisees		642	443		69.0%	Costs split between COS and overheads
Other income		696	696		100.0%	All costs included in overheads
National Advertising fund		1,446	1,446		100.0%	All costs included in overheads
Other income	47,256	56,046	18,828	39.8%	33.6%	
Total	186,353	102,470	36,347	19.5%	35.5%	
Inter-company eliminations		(3,318)	(382)			Willow Pumps & Azura intra-group sales
Statutory revenue/gross profit		99,152	35,965			
Overheads			(20,684)			
EBITDA			15,281			

* System sales are sales to third parties (excluding franchisees)

Reconciliation of system sales to EBITDA

	B2B		B2C	Filta Int	Azura	Group	Total
	Metro Rod	DLO				Overheads & Consolidation	
System sales*	59,814	30,409	25,773	69,560	797		186,353
Statutory sales							
MSF-generating	40,102	0	2,831	3,492	0		46,424
Direct labour operations turnover	18	30,409	194	0	0		30,620
Used oil sales	0	0	0	16,050	0		16,050
Product sales to franchisees	0	0	734	3,083	0		3,817
Franchise recruitment	289	0	888	801	0		1,978
Software sales	0	0	0	0	797		797
Other fees from franchisees	0	0	593	49	0		642
Other income	0	0	436	260	0		696
National Advertising Fund	558	0	749	139	0		1,446
Total	40,967	30,409	6,423	23,874	797	(3,318)	99,152
Gross profit	11,912	10,378	5,171	8,091	796	(383)	35,965
Overheads	(6,020)	(7,092)	(2,618)	(2,877)	(625)	(1,472)	(20,684)
EBITDA	5,892	3,286	2,554	5,214	171	(1,835)	15,261

* System sales are sales to third parties (excluding franchisees)

The Group's franchise systems*

as at 31 December 2022



	Network size 31 December, 2021	New franchisees recruited/added in 1H 2022	Franchisees leaving the system in H1 2022	Net new franchisees in 1H 2022	Network size 30 June 2022		
Metro Rod	42	2	+	2	=	0	42
Metro Plumb**	7	6	+	-	=	6	13
B2C	379	39	+	(69)	=	(11)	349
Filta North America							133
Filta Europe							27
Filta UK							22
Total							586

* Stand-alone Metro Plumb franchisees. 19 Metro Rod franchisees also operate a Metro Plumb franchise

Working responsibly



Working responsibly

Introduction

Our approach to ESG

- In 2022, we made good progress on our ESG journey.
- We refined our framework around 3 pillars: environment, social and governance to help drive and measure progress and embed sustainability considerations into our decision making.
- In March 2022, we acquired Filta, a business fully committed to sustainability. Filta’s services are intrinsically environmentally positive, providing benefits to their customers through reducing their carbon footprint and reducing their waste.
- We have also identified additional UN Sustainable Development Goals to contribute to from our extended range of services.

UN goal:	How we principally contribute:
 Good health and wellbeing	<ul style="list-style-type: none"> - Mental Health First Aiders training. - Employee assistance programme for all staff. - Highly developed health and safety processes and training. - Flexible working arrangements.
 Gender equality	<ul style="list-style-type: none"> - High proportion of females in our Support Centres: 62% in Metro Rod and 63% in B2C. - Leadership development opportunities for female managers.
 Decent work and economic	<ul style="list-style-type: none"> - 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	<ul style="list-style-type: none"> - High standards of quality and sustainability, enhanced by Filta Environmental services. - Manage and commitment to reduce environmental impact. - Accreditations and certifications.



Helping our franchisees and employees work more responsibly

Environment

- Reduce, Re-Use, Recycle
- High quality and sustainable service delivery
- Environmental Impact Reports for Filta customers
- Education and training

Social

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

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	97	40%	60%
B2B DLO and corporate franchises	242	79%	21%
B2C Division Support Centre	18	38%	62%
Filta International	30	76%	24%
Azura	17	85%	15%
Franchise Brands plc	10	90%	10%
Total	414	69%	31%

* Full time equivalents as at 31 December 2021

OUR COMMITMENT TO DIVERSITY AND INCLUSION

We believe in the importance of creating and maintaining a diverse and inclusive working environment where team members feel welcome and can be themselves. We are 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, and in which all decisions are based on merit.

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 report on our Gender Pay Gap. Our gender pay gap in 2022 was 28% (2021: 27%) in 2021. Our gender pay gap is due largely to the nature of our business with predominantly male engineers who command a higher salary than office workers, the fact we have fewer women in senior management. The ratio between our top salary and bottom salary is 11x and this compares to (2021: 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 all the businesses we acquire.

WOMEN IN THE BUSINESS

We continue to be proud of the number of women we have in the business, particularly in our Support Centres. We also have a growing number of women in management positions across the business.

Helping our customers meet their environmental obligations

Metro Plumb

Specialist plumbing services

Specialist plumbing services Metro Plumb contributes by installing units which increase water pressure to sinks and reduce water usage. Tankless water heaters and the insulation of hot water pipes can improve energy efficiency and reduce emissions. Metro Plumb is also able to reactively repair leaks on pipework to reduce water leakage and waste.



Filta Vent

Automated extraction cleaning system

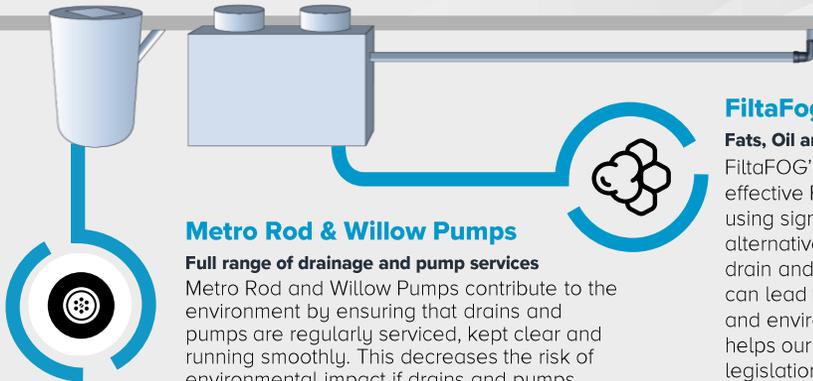
FiltaVent contributes to keeping kitchen ductwork clean to TR19 standards. Biological enzymes are sprayed directly into the ventilation system by specially installed nozzles. FiltaVent helps meet health and safety standards by significantly reducing the accumulation of waste FOG cost effectively.



Filta Seal

Fridge and freezer seal replacement service

FiltaSeal is an on-site supply and fitting service for any commercial fridge and freezer door seal at a competitive price. FiltaSeal delivers health and safety compliance and energy efficiency (and therefore carbon) savings.



FiltaFog

Fats, Oil and Grease management

FiltaFOG's Cyclone delivers effective FOG management whilst using significantly less energy than alternative GRUs. It helps prevent drain and sewer blockages which can lead to wastewater flooding and environmental harm. FiltaFOG helps our customers comply with legislation.



Metro Rod & Willow Pumps

Full range of drainage and pump services

Metro Rod and Willow Pumps contribute to the environment by ensuring that drains and pumps are regularly serviced, kept clear and running smoothly. This decreases the risk of environmental impact if drains and pumps become clogged and over spill. The servicing of the pumps also ensures that they are running at full capacity to derive maximum energy efficiency



Filta Environmental

Cooking oil filtration and fryer management

FiltaFry helps our customers prolong the life of the cooking oil by micro-filtering impurities out of the oil thus saving money and reducing waste. Employee safety is increased and food quality improves. Filta then collects waste oil, which is then sold to be recycled into biodiesel, a low carbon fuel. In 2022, Filta recycled 5m gallons of waste oil into biodiesel.



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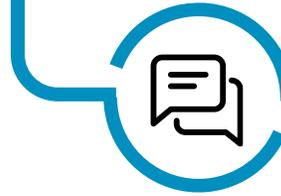


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