



# Capital Markets Day

25 January 2023





# Disclaimer

The information contained in this document ("Presentation") and the presentation made to you verbally has been prepared by Franchise Brands plc (the "Company"). Franchise Brands plc is a UK company quoted on AIM, a market operated by London Stock Exchange plc. This Presentation has not been fully verified and is subject to material updating, revision and further verification and amendment without notice. This Presentation has not been approved by an authorised person in accordance with Section 21 of the Financial Services and Markets Act 2000 (as amended) ("FSMA") and therefore it is being provided for information purposes only.

While the information contained herein has been prepared in good faith, neither the Company nor any of its directors, officers, agents, employees or advisers give, have given or have authority to give, any representations or warranties (express or implied) as to, or in relation to, the accuracy, reliability or completeness of the information in this Presentation, or any revision thereof, or of any other written or oral information made or to be made available to any interested party or its advisers (all such information being referred to as "Information") and liability therefore is expressly disclaimed. Accordingly, neither the Company nor any of its directors, officers, agents, employees or advisers take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the Information or for any of the opinions contained herein or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this Presentation.

The views of the Company's management/directors and/or its partners set out in this document could ultimately prove to be incorrect. No warranty, express or implied, is given by the presentation of these figures herein and investors should place no reliance on the Company's estimates cited in this document.

This Presentation may contain "forward-looking statements" that involve substantial risks and uncertainties, and actual results and developments may differ materially from those expressed or implied by these statements. These forward-looking statements are statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, performance, financial condition, prospects, growth, strategies and the industry in which the Company operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future.

These forward-looking statements are not guarantees of future performance of the Company and reflect assumptions and subjective judgements by the Company that are difficult to predict, qualify and/or quantify. These forward-looking statements speak only

as of the date of this Presentation and the Company does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Presentation.

This Presentation should not be considered as the giving of investment advice by the Company or any of its directors, officers, agents, employees or advisers. In particular, this Presentation does not constitute or form part of any offer or invitation to subscribe for or purchase any securities and neither this Presentation nor anything contained herein shall form the basis of any contract or commitment whatsoever. No reliance may be placed for any purpose whatsoever on the information or opinions contained in these slides or the Presentation or on the completeness, accuracy or fairness thereof. In particular, any estimates or projections or opinions contained herein necessarily involve significant elements of subjective judgment, analysis and assumptions and each recipient should satisfy itself in relation to such matters.

The distribution of this document in or to persons subject to jurisdictions outside the UK may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of the relevant jurisdiction.

Allenby Capital Limited ("Allenby Capital"), which is authorised and regulated by the Financial Conduct Authority, is acting as the nominated adviser and broker to the Company. Accordingly, the recipients should note that Allenby Capital is neither advising nor treating as a client any other person and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Allenby Capital and nor for providing advice in relation to the matters contained in this Presentation.

Dowgate Capital Limited ("Dowgate Capital"), which is authorised and regulated by the Financial Conduct Authority, is acting as broker to the Company. Accordingly, the recipients should note that Dowgate Capital is neither advising nor treating as a client any other person and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Dowgate Capital and nor for providing advice in relation to the matters contained in this Presentation.

# Strategy in action 2

## Filta Environmental Kitchen Solutions

**Jason Sayers**

Managing Director,  
Filta International



**filta**

# Filta North America Overview

Filta services **commercial kitchens**, specialising in Fryer Management

Established in 1996 in the UK.  
Launched in the US in 2003

Strategy based upon securing **repeat revenue** through **franchised operations**

Franchisees

**131**

MFUs / Vans

**477**

Weekly Services

**8,000**

System sales (run rate)

**\$100m**

Oil volume Gal

**5m**

# Staff

**24**



# Key strengths



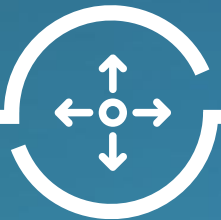
**LONG TRADING  
HISTORY**



**LITTLE OR NO  
COMPETITION**



**HIGH LEVEL OF  
REPEAT REVENUES**



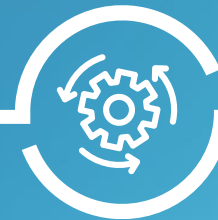
**SIGNIFICANT  
GROWTH POTENTIAL**

Large potential market



**FINANCIAL STRENGTH**

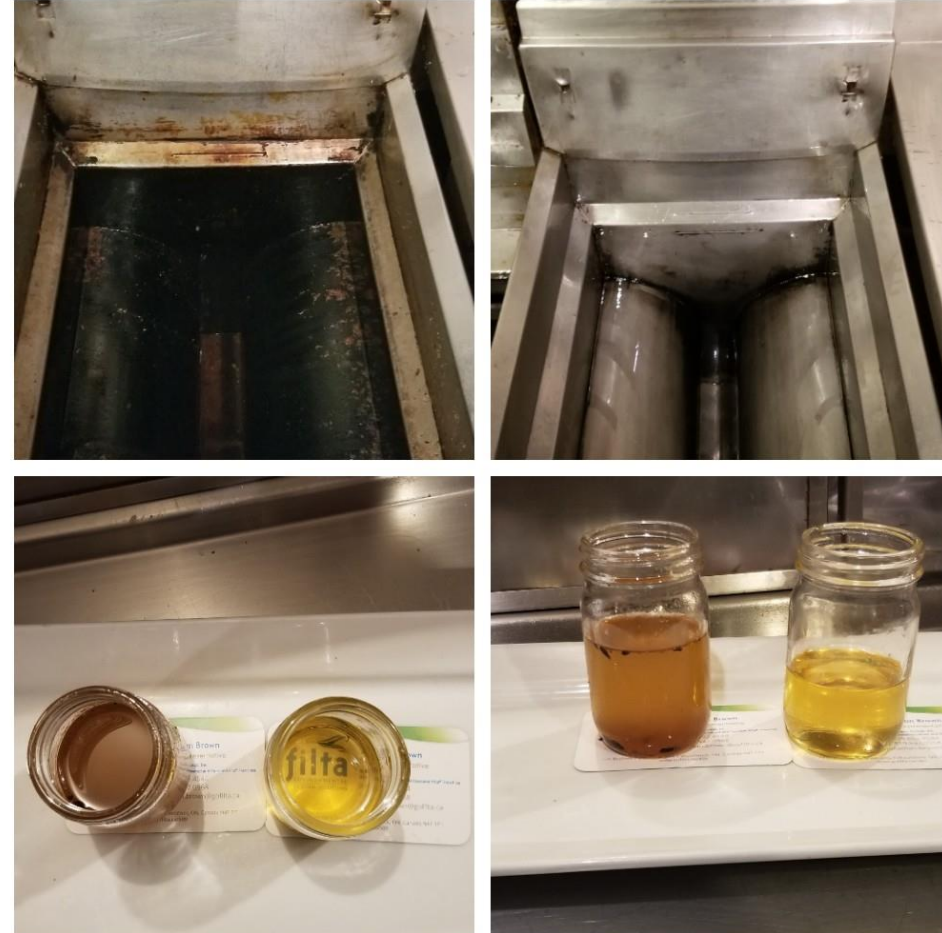
Profitable and  
cash generative



**HIGH  
OPERATIONAL  
GEARING**



# Fryer Management Video





# Customer Benefits



**Cooking oil savings**



**Clean fryers... always**



**Increased food quality**



**Increased employee safety**



**ESG benefits**

Environmental impact reports



# Customer – Fenway Park

**Aramark - Home of Boston Red Sox, MLB**  
**68 FRYERS IN 26 CONCESSION STANDS**

## BEFORE FILTA

Using over 4,000 boxes of cooking oil per year.

Primarily staffed by volunteers which caused hiring, training, and liability concerns around the fryers.

Concerned with measuring sustainability efforts and environmental impact.

## AFTER FILTA

Using 2,150 boxes of cooking oil. 46% saving.

Reduced oil costs by \$76,000.

Reduced labour costs by outsourcing fryer management.

Reduced liability to its employees by providing a safer work environment.

Improved food quality.

Quantifying sustainability measures with Environmental Impact Reports.

Filta service charge \$74,000.



# Revenue Model



Waste oil  
collection & sales

**Margin**

**~18%**

**WASTE OIL**



Fixed royalties per MFU  
parts & supplies  
National Account Fees

**Margin**

**~70%**

**MSF, EQUIPMENT  
& SUPPLIES**



10-year  
agreement

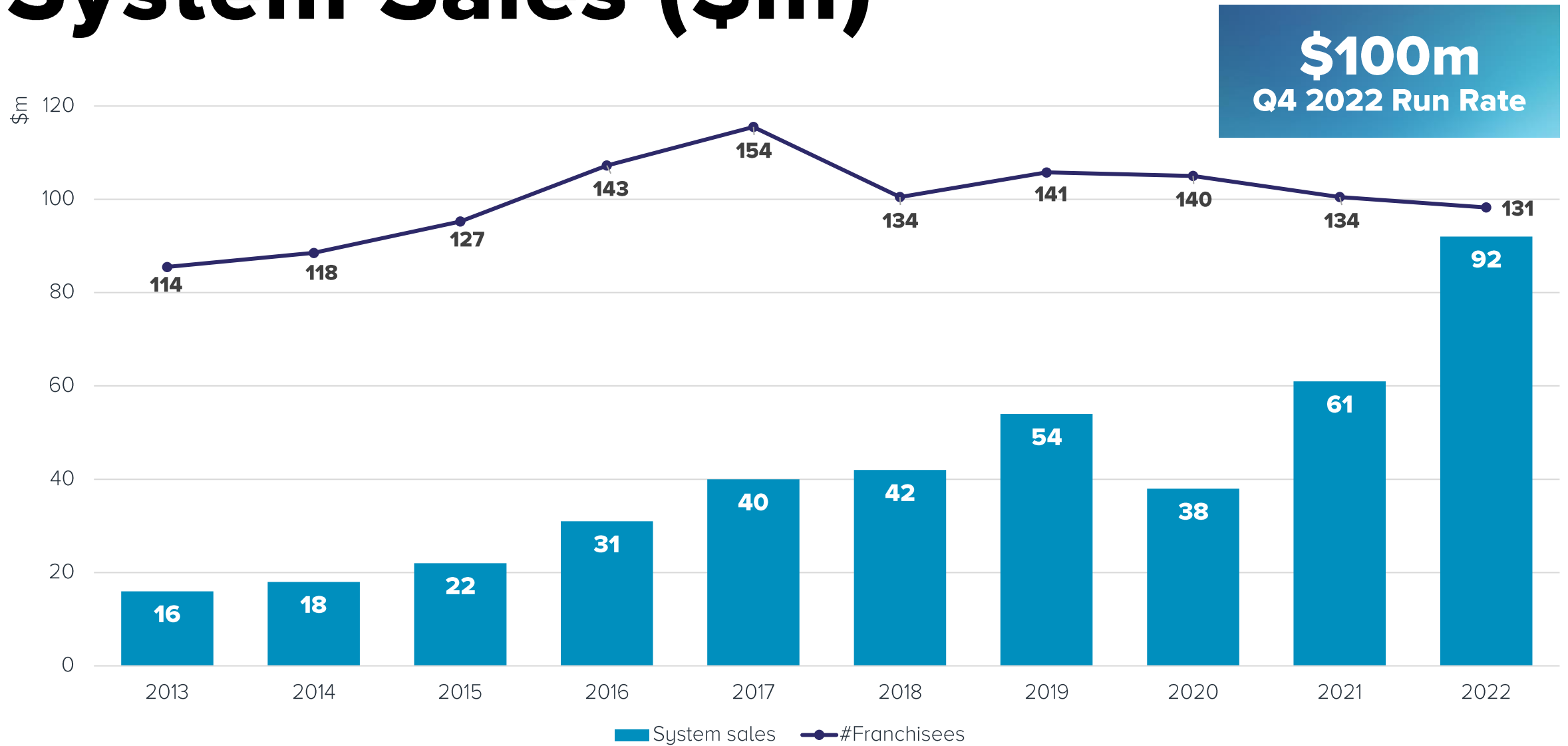
**Margin**

**~75%**

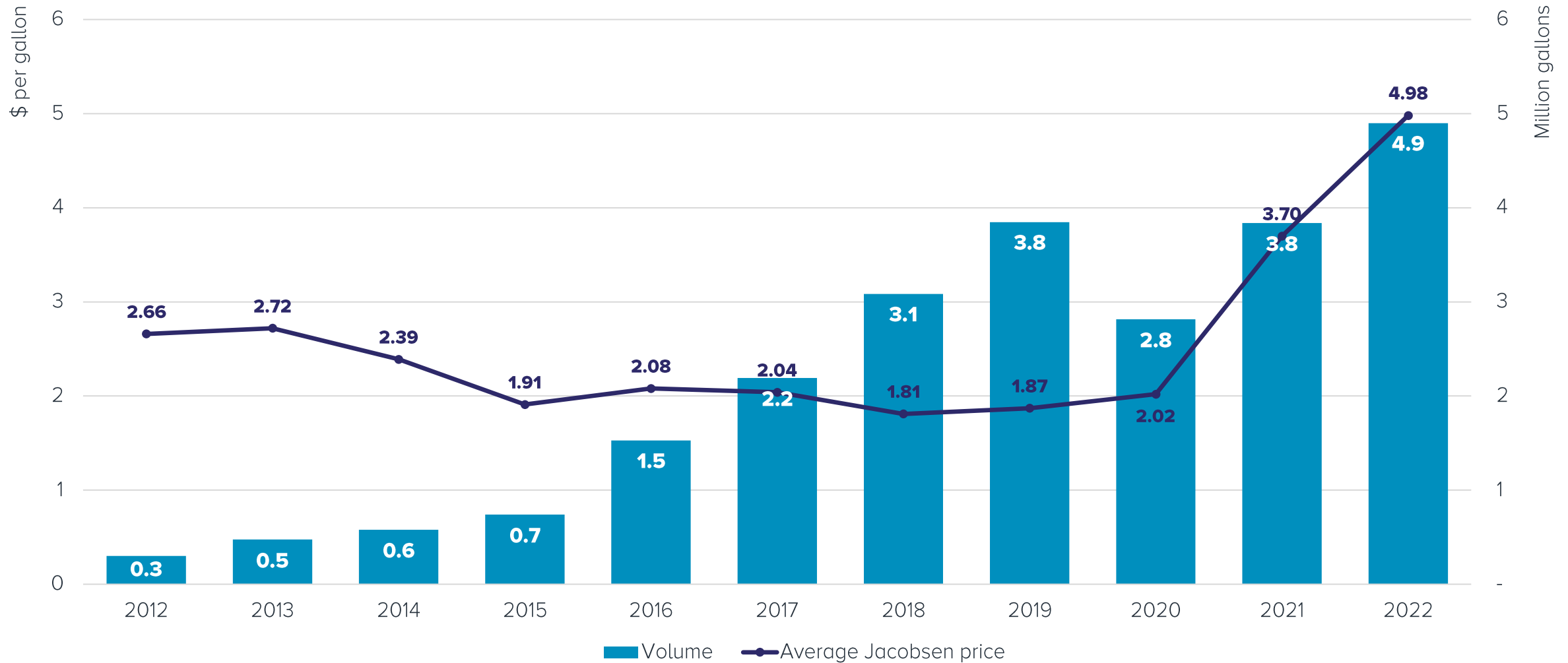
**AREA SALES**

**90%+**  
**recurring income**

# System Sales (\$m)



# Waste Oil: volume & price

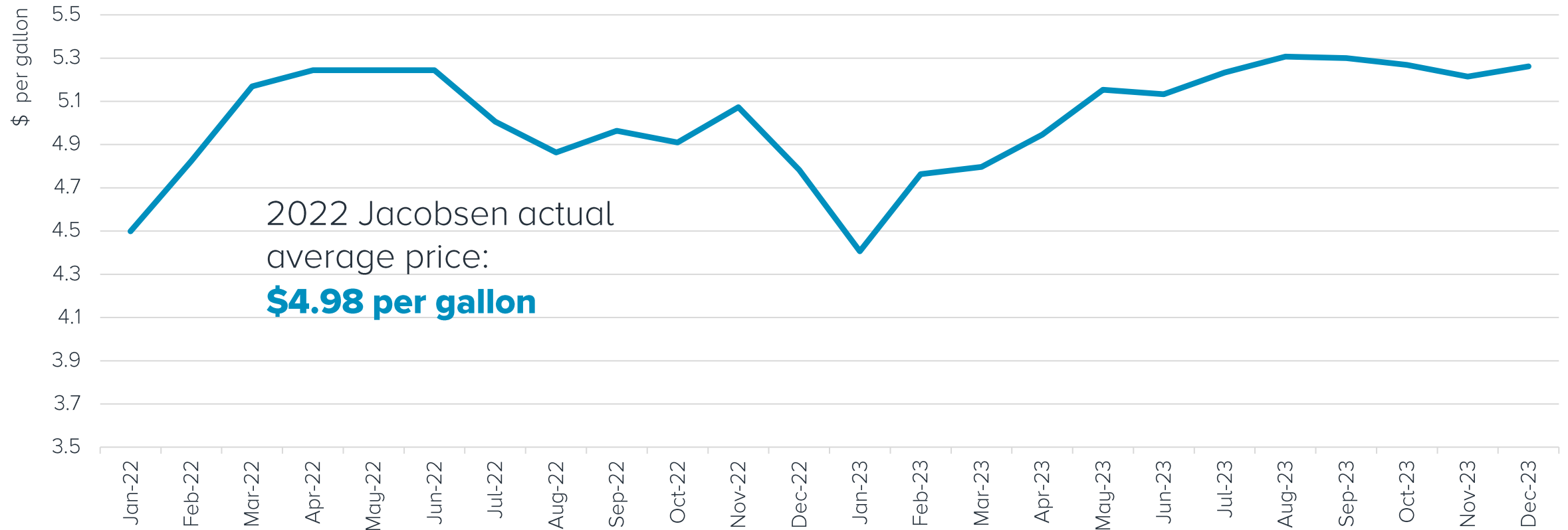




# Used cooking oil price forecast

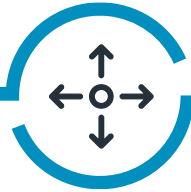


2023 Jacobsen forecast average price:  
**\$5.06 per gallon**



Source: Jacobsen Index

# Technology Systems & Symphony



## **BUILT TO SCALE**

Symphony developed over last 15 years.  
Grow the business without adding staff.



## **KEY ACCOUNT INVOICING**

Auto matching payments to invoices, auto statements to franchisees.  
285,000 invoices per year handled by 1 person.



## **WASTE OIL COLLECTIONS**

Volumes from each site collected. Collector logins. Truck Scheduling.  
5 million gallons of oil logistics handled by 1 person.



## **ESG REPORTS DIRECTLY TO CUSTOMER**

Each month, Environmental Impact Reports sent to customers.  
site, region or National Account levels.



## **INSIDE SALES SYSTEM**

Telesales team engine room of growth for past ten years.  
Improving efficiencies with call queuing system, already trebled.  
efficiency of sales team. Transferable throughout Franchise Brands.

# Maximum Potential Model



## 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 Ave Revenue per  
site **\$21,963**

**1/3** of addressable market  
in territories unsold



**\$925m**  
**Max**  
**Potential**  
**Revenue**

# FiltaMax

## Levers for growth



### KEY DRIVERS

Increase market penetration  
Increase revenue per customer



### MORE FRANCHISEES LIKE CURRENT TOP 5

Filta has a \$9m and a \$7m franchisee



### UPGRADE UNDERPERFORMING FRANCHISEES

Better existing franchisees buying out underperforming  
Attract quality new franchisees to buy into network



### PROCUREMENT OF CENTRALISED FUNDING FOR EXPANSION

Leverage the investment in franchisees with more bulk oil facilities and equipment financing



### EXPAND CORPORATE TEAM

Grow and strengthen our Corporate Team, particularly with National Account and local sales teams



# Summary



- 01** A business of scale with a number of key strengths: \$100m system sales run rate with strong operational gearing.
- 02** Significant growth potential: almost \$1bn maximum potential market.
- 03** Focusing on delivering the key levers of growth in FiltaMax growth strategy.
- 04** Attracting high calibre of new franchisees.
- 05** Increasing attractiveness of ESG credentials.