

Franchise Brands plc

Dowgate Digital Transformation Conference

September 12th



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.



Colin Rees
Chief Information Officer

Colin Rees joined Franchise Brands in April 2017 as Chief Information Officer to accelerate the digital transformation of the business following the acquisition of Metro Rod. Colin previously worked at Domino's where he was Director of IT, responsible for all IT systems. He previously held a number of senior IT roles, including Head of Software Delivery at EasyJet.

Franchise Brands: an overview



The Group: at a glance



WHO WE ARE

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

Principal franchise brands: Metro Rod, Filta, Pirtek.

Providers of essential services.

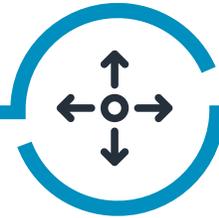
Presence in 10 countries across UK, North America and Europe.



FOCUS

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

If our franchisees grow, we grow.



SCALE

Annualised system sales of £400m, and and pro forma EBITDA of £33.5m FY23*

650 franchisees across seven franchise brands who employ a total of c.5,000 people.

715 direct employees.

Over 2,200 service vehicles.



HOW

Enabling franchisees to grow their businesses.

Selective use of DLOs**.

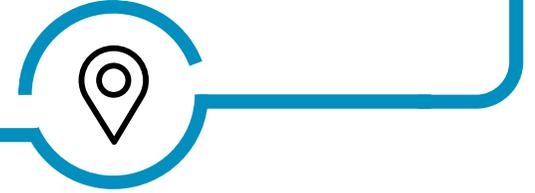
Leverage shared services across the Group:

- Technology
- Marketing
- Finance

*Last twelve months ("LTM") pro forma Adjusted EBITDA to 31 December 2023 of £33.5m (as set out by the Company in its announcement of 3 April 2023 regarding the acquisition of Pirtek)

** Direct Labour Organisations

Investment Rationale



- Highly resilient economically with seven market leading brands across 10 countries with c650 franchisees, the vast majority in B2B.
- Provider of essential services – a defensive play.
- Long established brands with a successful trading history through economic cycles.
- Low market share in all key growth businesses (Filta, Metro Rod and Pirtek), some with few competitors.
- Experienced management team with history of working together with injections of fresh thinking into the team.
- Track record of successfully acquiring B2B franchise businesses, integrating well and creating value.
- High margin and high return on capital associated with a franchise business.
- Cash generative - Fully leveraged but de-leveraging quickly with goal to have net debt <1x EBITDA by 2025.
- Management and Board own c40% so fully invested – share culture very broad.
- Operational gearing a significant growth driver enabled by technology.
- Corporate Governance improvements announced.

Digital transformation of Franchise Brands



Our Technology Vision



Our investment in digital technology delivers tools that enable our business to:

Enhance the customer experience.

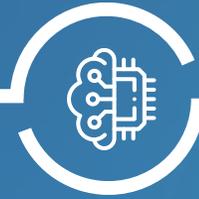
Increase sales and improve retention of existing business.

Drive efficiency and productivity of our customers, the Support Centre and our franchisees.

Assist engineers in satisfying ever more demanding customer requirements.

Help make people's jobs more rewarding.

What have we done - Robotic Automation



USED TO AUTOMATE REPETITIVE AND TIME SENSITIVE TASKS SUCH AS JOB LOGGING, INVOICING, CONTACT CENTRE CONTACTS.

BENEFITS:

Allows team to focus on more interesting and complex work.

Works 24x7x365.

No breaks, sickness, holidays.

No scheduling issues.

Allows head start on SLA.

30%

of all jobs logged

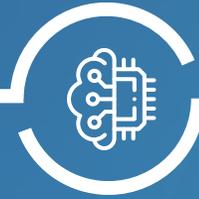
14%

of all invoices raised

26%

of all emails

What have we done - Advanced scheduling



IMPROVING THE WAY IN WHICH WE ALLOCATE JOBS TO ENGINEERS IS AN OPPORTUNITY TO INCREASE OUR EFFICIENCY

BENEFITS:

1 billable hour per day is approx. £8m of additional network revenue.

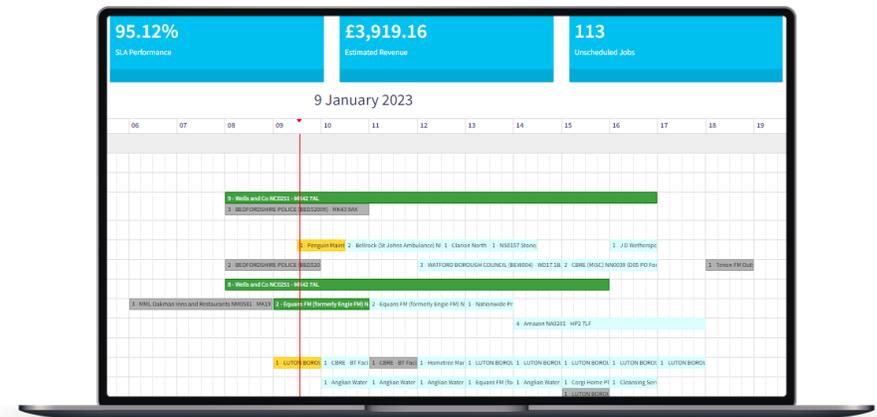
Having sufficient engineers is a key driver of competitive advantage.

Allows us to improve the work-life 'balance' for both our engineers and office teams.

Environmental benefit from reduced drive times.

Increased efficiency of local office and reduced fuel costs.

SLA improvement and hence the service we provide to our customers.



EARLY RESULTS:

30 mins
per engineer /
per day saving

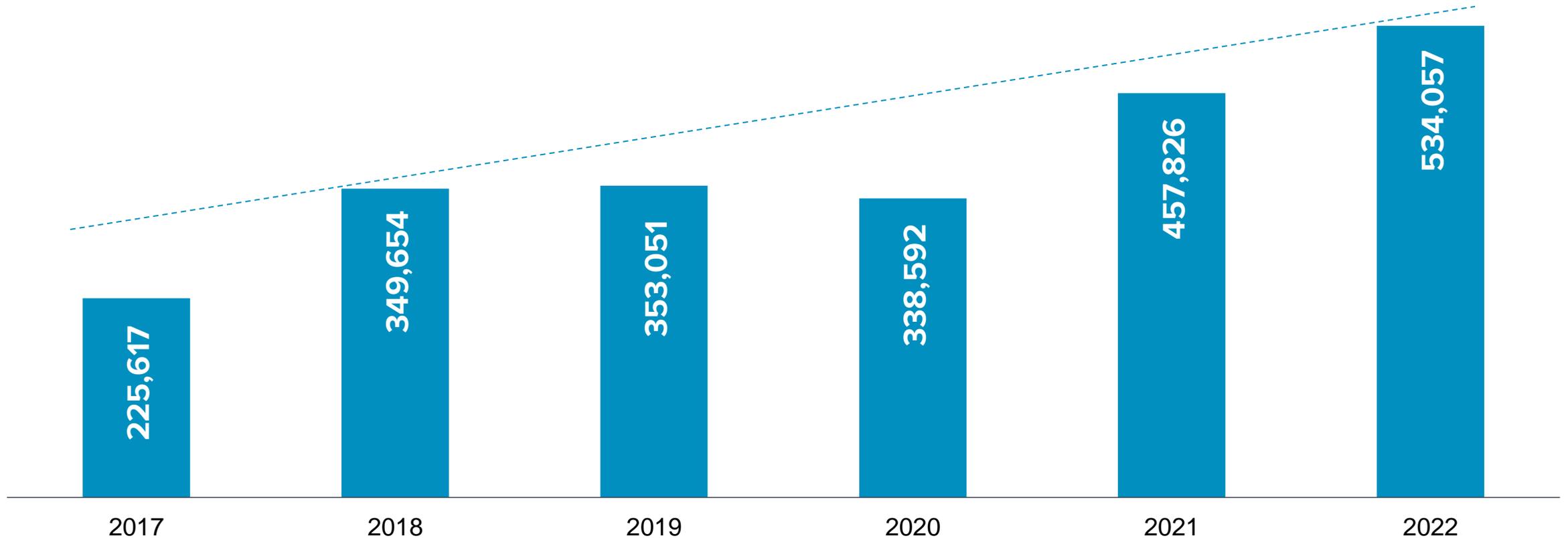
10pts
SLA
improvement

Shorter
working
day



Operational gearing in action

METRO ROD SYSTEM SALES PER EMPLOYEE, 2017-2022 (£)



What are we working on ?



DAY TO DAY ACTIVITIES

Rollout of properly conformed Works Management System to other Group brands

Rollout of advanced scheduling in progress

Continue to expand automation

Customer Portal

Cyber Security



INNOVATIONS

Artificial intelligence to support call centre automation.

Fully automated real time engineer scheduling

Machine Learning equipment audits

Any
questions?

