FRANCHISE BRANDS

Building an international business

Presentation to Investors, November 2023

Stephen Hemsley, Executive Chairman / Mark Fryer, Chief Financial Officer

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.

Mark Fryer

Chief Financial Officer

Mark Fryer is an experienced CFO with 25 years of public company and private equity experience as CFO in global manufacturing and business service companies. He has been CFO of FTSE Small Cap and FTSE 250 companies, as well as companies quoted on the AIM market.

Mark's recent roles include Group CFO of Augean plc, Dialight plc and Manganese Bronze Holdings plc, and he worked overseas in several of these roles. Prior to that he spent 11 years in finance and corporate finance roles with GKN plc and Cable and Wireless plc. Mark began his career with EY and is a Member of the Institute of Chartered Accountants of England and Wales.

The Group: at a glance

WHO WE ARE

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

Principal brands: Metro Rod, Filta, Pirtek.

Provider 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.

Strategy to grow franchisees' businesses.

If our franchisees grow, we grow.

SCALE

Annualised system sales of c.£400m, and adjusted EBITDA of £29.7m FY23*.

Over 625 franchisees across seven franchise brands who employ a total of c.5,000 people.

Over 700 direct employees.

Over 2,200 service vehicles.

HOW

Maximum potential model allows us to estimate market size.

Leverage shared services across the Group:

- Technology
- Marketing
- Finance

* Consensus market expectations for the financial year ending 31 December 2023 is adjusted EBITDA of £29.7m based on Dowgate Capital, Allenby Capital and Stifel Nicolas Europe updated forecasts following the Q3 Trading Update
** Direct Labour Organisations

The Group
(Pre-Q3 Trading Update)

B2B

Adjusted EBITDA [1]
£10.6m

Total franchisees [5]
81

METRO ROD DRAIN CARE AND REPAIR

Commercial drainage

42 franchisees, >50 depots nationwide.

WILLOW PUMPS DESIGN, INSTALLATION & MAINTENANCE

Pump design, installation and servicing business (DLO).

METRO PLUMB THE NATION'S LOCAL PLUMBER

Specialist plumbing services
15 stand-alone franchisees.
19 Metro Rod franchisees.

filta

Services to commercial kitchens. DLO & 24 Filta Environmental franchisees.

Pirtek [2]

Adjusted EBITDA 2023 [1] **/ LTM** [3]
£12.7m/ £16.9m

Total franchisees [5]
69

PIRTEK

Leading European provider of on-site hydraulic hose replacement services.

Acquired April 21st 2023.

Operates in eight countries via 217 service centres and 843 mobile service vehicles.

System sales are largely derived from franchising.

Master agreement enables trade in a further eight countries.

Filta International

filta

Adjusted EBITDA [1]
£6.2m

Total franchisees [5]
159

Cooking oil filtration and fryer management services to commercial kitchens through the FiltaFry service.

Recycling of used oil into biodiesel.

131 franchisees in North America.

28 franchisees in Europe.

B2C

Adjusted EBITDA [1]
£2.3m

Total franchisees [5]
339

ChipsAway LIKE IT NEVER HAPPENED

ovenclean LESS GRIME. MORE TIME

Barking Mad

Leading home service brands.

Group overheads

£2.7m

TOTAL GROUP [4]

Adjusted EBITDA 2023 [1] **/ LTM** [3]
£29.3m/ £33.5m

Total franchisees [5]
648

FRANCHISE BRANDS

[1] FY23 Dowgate Capital divisional estimates. FY23 Group is consensus analysts' forecasts based on Dowgate Capital, Allenby Capital and Stifel Nicolas Europe before the Q3 Trading Update on 25 October 2023.
[2] Assumes 8 months of ownership.
[3] Last Twelve Months (LTM) to 31 December 2023 as set out by the Company in its announcement of 3 April 2023 regarding the acquisition of Pirtek.
[4] Group EBITDA also includes Azura £0.2m.
[5] Franchisee numbers as at 30 June 2023.

The Group's business building strategy

Our business-building strategy has five engines of growth.

EXPANDING AND DEVELOPING OUR SERVICES

Widen and deepen our range of services to increase system sales, and drive customer acquisition and retention. Low market share in all key growth businesses.

DEVELOPING A TECHNOLOGY PLATFORM

Our digital platform helps enhance customer service and increase sales, thereby facilitating strong operational gearing.

DEVELOP SYNERGIES THROUGH SHARED CENTRAL SERVICES

Leverage the investment in technology and other central services such as marketing and finance to optimise the effectiveness of the business. Cross functional and cross geographic.

OPTIMISING OUR SERVICE DELIVERY

Strategy is to grow franchise channels. We use Direct Labour Organisations (DLO's) to develop franchise businesses more rapidly and provide specialist services.

DEVELOPING OUR BUSINESSES

Ability to launch brands of existing group into new markets, and benefit from cross selling opportunities across brands.

The Maximum Potential Model: Filta US

THE BUSINESS (2022)

System sales of $100m (Q4 2022 run rate).

Use SIC codes of existing customers to estimate potential.

Filta US Customer Base
8,500 sites

Total Potential Sites
1.1m

Market penetration
Less than 1%

MAXIMUM POTENTIAL MODEL WORKINGS

Existing Franchisees with more than **50** customers

Highest Market Penetration **3.9%**

Highest Ave Revenue per site
$21,973

1/3 of addressable market in territories unsold

$925m
Max Potential Revenue

(Based on 2022 services)

Source: Industry databroker, Filta network statistics. 2022 data. Excludes FiltaGold and FiltaClean services.

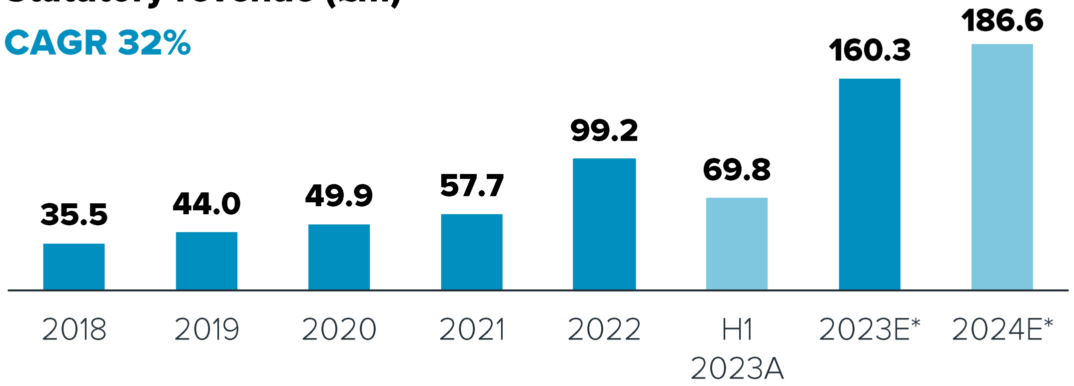
The “Max” model in action

- MAP POTENTIAL BY FRANCHISE TERRITORY
- HOT SPOT AND THEREFORE “NOT-SPOT” TERRITORY
- USE IT OR LOSE IT! OBJECTIVE DATA
- LONG TERM TERRITORY DEVELOPMENT PLAN FOR INCREASING PENETRATION AND SPEND PER CUSTOMER

Group financials

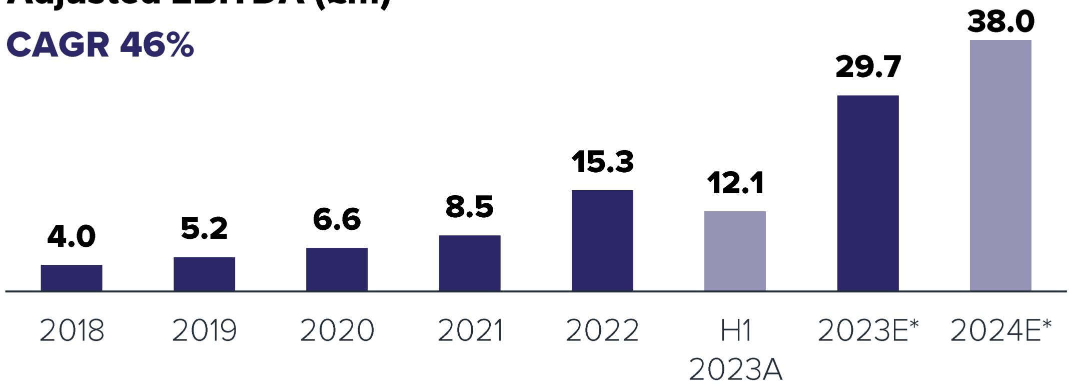
Statutory revenue (£m)

CAGR 32%



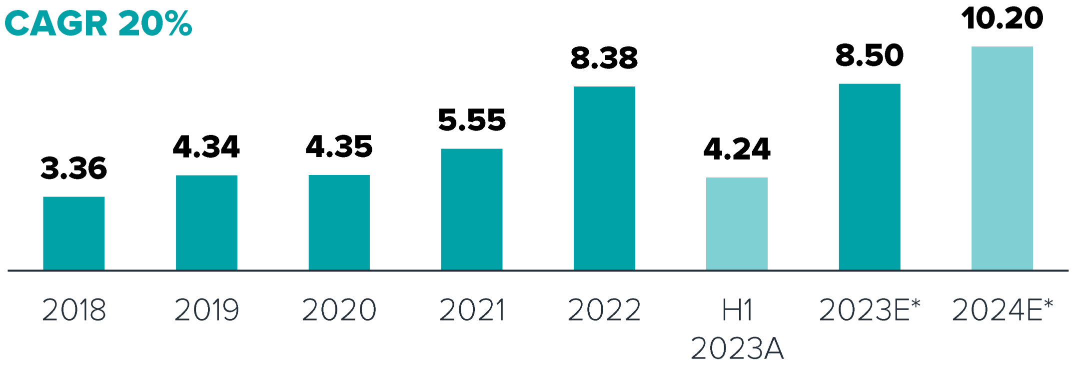
Adjusted EBITDA (£m)

CAGR 46%



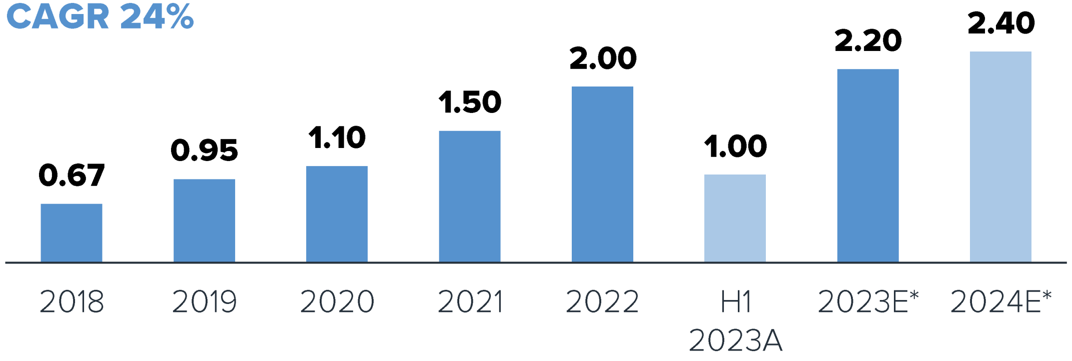
Adjusted earnings per share (p)

CAGR 20%



Dividend per share (p)

CAGR 24%



* Consensus market expectations for the financial year ending 31 December 2023 and 2024 is based on Dowgate Capital, Allenby Capital and Stifel Nicolas Europe updated forecasts following the Q3 Trading Update which include adjusted EBITDA of £38.0m for 2024 (prepared in accordance with IFRS 16)
CAGR is 2018 to FY2024E

Capital allocation

Strategic focus is integrating Pirtek into the Group, promoting operational synergies and repaying acquisition debt.

Capital allocation decisions will balance debt reduction, a progressive dividend policy and organic investment.

We fully expect the Pirtek acquisition facilities to be repaid within 5 years.

The Board has set a target leverage range corridor of 1.0-1.5x Adjusted EBITDA before it will consider any further acquisitions of scale.

Investment rationale

- Highly resilient with seven market leading franchise brands across 10 countries with over 625 franchisees, the vast majority in B2B.
- Long established brands with a successful trading history through economic cycles.
- Provider of essential services – a defensive play.
- Low market share in all key growth businesses (Filta, Metro Rod and Pirtek), with “manageable“ competition.
- 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 c30% so fully invested – share culture very broad.
- Operational gearing a significant growth driver enabled by technology.
- Corporate Governance improvements announced.

Appendix

Strategic developments

Acquisition of Pirtek Europe, the leading European provider of on-site hydraulic hose replacement and associated services which operates in eight countries. Revenues largely derived through franchising.

On 21 April the Group completed the acquisition of Hydraulic Authority I Limited, the owner of Pirtek, from PNC Capital Finance, LLC, for a total consideration of £200m plus a cash and working capital adjustment of £10.3m.

This was funded by £114m equity placing (£96.7m fundraise, £17.5m consideration shares) and new debt facilities of £100m.

Pirtek Europe

- Established provider of on-site hydraulic hose replacement and associated services.
- Operates via 217 service centres and 843 mobile service units (“MSUs”).
- Revenues primarily derived from franchising:
  - UK, Germany & Austria, Benelux and ROI mainly operated by a total of 69 franchisees. More developed markets with leadership position and national coverage are highly profitable.
  - Sweden and France corporately operated. Sub-scale start-up corporate markets make a marginal contribution.
- The business has multiple growth opportunities.
- Perpetual, royalty-free master agreement enables future expansion in a further eight countries.

	FRANCHISEES	CENTRES	VANS
UK & Ireland	37	86	330
Germany	19	92	324
Austria	3	6	20
Netherlands	9	16	75
Belgium	1	8	28
Sweden	-	1	22
France	-	8	44
TOTAL	69	217	843

Pirtek's value-added service offering to diverse customers

Typically, a hydraulic hose will fail when equipment is in use and needs replacing on site.

Pirtek targets a one-hour response time, 24/7/365.

Demand for time-sensitive service solutions key in sectors with high labour costs, well evolved customer service standards and high downtime costs. High level of resilience.

Comprehensive range of other value-added services underpinned by c2,500 core products supplied by Pirtek.

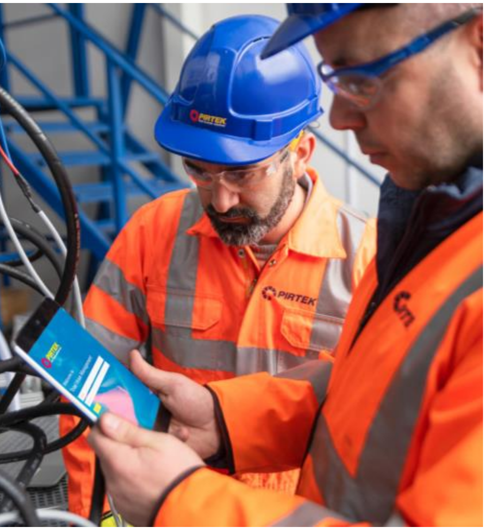
Diverse portfolio of thousands of customers across a number of end markets with no customer concentration. Largest customer <1% revenues.

Sales consist of national accounts, regional accounts and local accounts.

Approximately 500,000 jobs per year are carried out.

- Emergency on-site hydraulic service
- Non-urgent hose replacement
- Trade counter service and support
- Hose flushing, testing and fluid analysis
- Ram repair and manufacture
- Oil spill products
- Planned maintenance and servicing
- Total hose management
- Systems design and bespoke solutions
- Training courses
- Pneumatic products and service

Pirtek operating model



FRANCHISED MARKETS

- Strong, proven franchise model
- Management Service Fees (MSF) ranging from 15% in Germany to 19.5% in UK.
- Product sales charged at cost plus handling fee.
- Some costs recharged to franchisees, as follows:
  - IT & Systems
  - Marketing
  - Training (some countries)
  - Central invoicing services

OWNED MARKETS

- Operate direct labour operations in Sweden, France, part of Belgium.

FRANCHISE LICENSE AGREEMENT

- Master agreement between Pirtek Australia and Pirtek Europe.
- Trademark license agreement alongside the Master Agreement.
- Exclusive license in effect allowing Pirtek Europe and its subsidiaries to grant franchises and use the Pirtek name, system and related trademarks within 16 European countries
- Rights are granted on a perpetual, royalty-free basis.

Strategic rationale for the acquisition

Multiple growth opportunities for Pirtek

AIM: TO CREATE A MARKET-LEADING INTERNATIONAL B2B MULTI-BRAND FRANCHISOR IN UK, EUROPE, NORTH AMERICA

DRIVE OPERATING LEVERAGE FROM CENTRAL SERVICES, IN PARTICULAR TECHNOLOGY AND MARKETING

COMBINED FRANCHISING EXPERIENCE OF ENLARGED GROUP WILL ACCELERATE GROWTH OF COMBINED BUSINESS

ABILITY TO LAUNCH BRANDS OF EXISTING GROUP INTO NEW MARKETS

Pirtek growth levers

GROW SYSTEM SALES

Increase capacity, capability and franchisee performance. Optimise territory utilisation and franchisee performance. Recruitment and retention of Mobile Service Technicians, increase Mobile Service Vehicles and service centres. Significant opportunity to leverage Group marketing capabilities. Multiple levers from CRM, outbound sales capability, targeted marketing campaigns.

EXPAND RANGE OF SERVICES

Opportunity to grow total hose management, which includes full preventative maintenance proposition. Grow technically-driven sales which helps franchisees deliver more specialist, high value work. Increase share of wallet.

LEVERAGE TECHNOLOGY

Significant opportunity to leverage Group technology systems and expertise to create single, consolidated platform with all countries, centrally managed. Roll out of robotics, analytics and reporting, advanced scheduling tool, portal. Leverage AI.

MEDIUM-TERM POTENTIAL FOR GEOGRAPHICAL EXPANSION

Pirtek operates in only 8 European markets but has rights to an additional 8 countries (Denmark, Spain, Italy, Portugal, Norway, Finland, Iceland and Luxembourg).

Corporate Governance

Board and management changes effective 2 October

The Group has implemented changes to its board and management structure and introducing two-tier organisation: plc and management board.

- PLC board streamlined to five directors: Executive Chairman and CFO, one non-independent NED and two independent NEDs.
- Management Board created for day-to-day management comprising divisional CEOs and directors of key central support functions.

Peter Kear joined the Board as Senior Non-Executive Director. Highly experienced PLC director with substantial business building and technology experience. Founder and CEO, D4t4 Solutions PLC.

Mark Fryer joined the Board as CFO. Has 25 years of public & private equity company experience in global manufacturing and business service companies. Recent roles include Group CFO of Augean plc, Dialight plc and Manganese Bronze Holdings plc. Prior to that he spent 11 years in finance and corporate finance roles with GKN plc and Cable and Wireless plc.

Rob Bellhouse, independent NED since 2016 appointed full-time Company Secretary. Highly experienced CoSec (formerly Lonmin, Greene King, Domino's Pizza, De La Rue).

David Poutney, independent NED retired from the PLC Board.

Intention to have three independent NEDs, and will therefore appoint an additional independent NED as soon as practicable.

Chris Stuckey, MD of Pirtek UK since 2017, appointed as CEO of Pirtek Europe appointed following decision to accelerate integration of Pirtek into the Group.

Adam Burrows, previously Sales Director of Pirtek UK, appointed as Managing Director of Pirtek UK and will be responsible for delivering substantial growth in sales and building strong relationships with franchisees and customers.

Q3 Trading Update

- Divisional performance:-
  - The B2B businesses, are all trading at record levels despite some softening in demand over the summer period.
  - Whilst the type of reactive services provided have resilient underlying demand whatever the macroeconomic conditions, demand naturally reduces when customers' equipment or facilities are not being used as intensively.
  - Pirtek is integrating well and has met expectations at the time of its acquisition.
    - Continue to work on expanding the range of services and growing the customer base by identifying cross-selling opportunities within the Group.
    - Also launched several initiatives to integrate technology, finance and marketing into our central functions, with the initial focus being on technology.
  - Metro Rod has experienced continued strong momentum in the year-to-date in the growth of system sales due to the continuing initiatives to widen and deepen the services offered, particularly in the area of pump service and maintenance.
  - Metro Plumb continues to grow strongly as new independent franchisees are recruited and the range of services offered improves.
  - Filta's North American business has benefited from robust activity across all key customer sectors, with used oil volumes and revenues up strongly.
  - The B2C division continues to operate in a challenging environment, although profitability is being maintained in line with expectations.
- Balance Sheet:-
  - Group net debt (excluding leases) on 30 September 2023 reduced to £76.0m (30 June 2023: £79.1m) and is trading comfortably within key banking covenants.
  - interest charge is averaging c.8% on the gross debt, which is higher than projected at the time of the Pirtek acquisition due to increases in SONIA.
- Outlook:-
  - Despite challenging macro-economic conditions, the resilient nature of our services means that the Group continues to perform well and expand. As a result, the Board expects the Group's adjusted EBITDA for the year ending 31 December 2023 to be in line with current consensus market expectations*.

* Consensus market expectations for the financial year ending 31 December 2023 is adjusted EBITDA of £29.7m based on Dowgate Capital, Allenby Capital and Stifel Nicolas Europe updated forecasts following the Q3 Trading Update

Summary of group results

	H1 2023* £'000	H1 2022** £'000	Change £'000	Change %
System Sales	**146,060**	**80,642**	**65,418**	**81%**
Statutory revenue	**69,751**	**44,508**	**25,243**	**57%**
Cost of sales	(40,795)	(27,891)	(12,904)	46%
Gross profit	**28,956**	**16,617**	**12,339**	**74%**
Administrative expenses	(16,839)	(9,352)	(7,487)	80%
Adjusted EBITDA	**12,117**	**7,265**	**4,852**	**67%**
Depreciation and amortisation of software	(1,840)	(1,097)	(743)	68%
Finance expense	(1,611)	(176)	(1,435)	814%
Foreign exchange	(69)	(77)	8	-11%
Adjusted profit before tax	**8,597**	**5,915**	**2,682**	**45%**
Tax expense	**(2,077)**	**(1,193)**	**(884)**	**74%**
Adjusted profit after tax	**6,520**	**4,722**	**1,797**	**38%**

*The results for the 6 months ended 30 June 2023 include a contribution from Pirtek which was acquired on 21 April 2023 and a 6 month contribution from Filta.
**The results for the six months ended 30 June 2022 include a contribution from Filta for the four-month period since acquisition (in March 2022).

System sales, main driver of MSF income and DLO margin, increased by 81% to £146.0m.

Administration expenses up by 80% to £16.8m partly as a result of the inclusion of Pirtek overheads for the first time and the full 6M of Filta's overheads compared to 4M in the prior period. Underlying increase of £1.3m or 13%. Main drivers: salary costs, professional fees.

Adjusted EBITDA, key KPI, increased 67% to a record £12.1m (H1 2022: £7.3m), driven by Pirtek and Filta acquisitions and growing contribution from Metro Rod and the decline in the contribution of B2C.

Depreciation and amortisation of software and finance charge all rose as a result of the acquisitions of Pirtek and Filta.

Adjusted tax charge at 24% (H1 2022: 20%) reflects the change in UK rates from 19% to 25% from April 2023 and the generally higher overseas rates now applicable.

Divisional trading results

H1 2023

	B2B £'000s	Filta International £'000s	Pirtek £'000s	B2C £'000s	Azura £'000s	Inter-co elimination £'000s	H1 2023 £'000s
System sales	**52,644**	**42,998**	**37,168**	**12,881**	**369**	**-**	**146,060**
Statutory revenue	**41,803**	**13,670**	**12,352**	**3,281**	**369**	**(1,724)**	**69,751**
Cost of sales	(29,345)	(8,757)	(3,421)	(803)	-	1,531	(40,795)
Gross profit	**12,458**	**4,913**	**8,931**	**2,478**	**369**	**(193)**	**28,956**
GM%	30%	36%	72%	76%	100%	11%	42%
Administrative expenses	**(7,386)**	**(1,807)**	**(5,113)**	**(1,317)**	**(270)**	**193**	**(15,700)**
Divisional EBITDA	**5,072**	**3,106**	**3,818**	**1,161**	**99**	**-**	**13,256**
Administrative expenses							**(1,139)**
Adjusted EBITDA							**12,117**

H1 2022

	B2B £'000s	Filta International £'000s	B2C £'000s	Azura £'000s	Inter-co elimination £'000s	H1 2022 £'000s
System sales	**42,446**	**24,885**	**12,900**	**411**	**-**	**80,642**
Statutory revenue	**33,373**	**8,823**	**3,432**	**411**	**(1,531)**	**44,508**
Cost of sales	(22,807)	(5,775)	(662)	-	1,353	(27,891)
Gross profit	**10,566**	**3,048**	**2,770**	**411**	**(178)**	**16,617**
GM%	32%	35%	81%	100%	12%	37%
Administrative expenses	**(6,199)**	**(1,039)**	**(1,265)**	**(313)**	**178**	**(8,638)**
Divisional EBITDA	**4,367**	**2,009**	**1,505**	**98**	**-**	**7,979**
Administrative expenses						**(714)**
Adjusted EBITDA						**7,265**

B2B division

	2023				2022			
	Metro Rod	Willow Pumps	Filta UK	H1 2023	Metro Rod	Willow Pumps	Filta UK	H1 2022
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
System sales	**37,348**	**9,683**	**5,613**	**52,644**	**30,110**	**8,773**	**3,563**	**42,446**
Statutory revenue	**26,507**	**9,683**	**5,613**	**41,803**	**21,037**	**8,773**	**3,563**	**33,373**
Cost of sales	(19,117)	(6,634)	(3,594)	(29,345)	(14,739)	(5,840)	(2,228)	(22,807)
Gross profit	**7,390**	**3,049**	**2,019**	**12,458**	**6,298**	**2,933**	**1,335**	**10,566**
GM%	28%	31%	36%	30%	30%	33%	37%	32%
Administrative expenses	(3,804)	(2,132)	(1,450)	(7,386)	(3,131)	(2,041)	(1,027)	(6,199)
Adjusted EBITDA	**3,585**	**917**	**569**	**5,072**	**3,167**	**892**	**308**	**4,367**

Metro Rod accounted for 71% of B2B division's Adjusted EBITDA. Increased by 13% to £3.6m

- Metro Rod and Metro Plumb system sales increased 24% to record £35.3m.
- Gross profit grew 17%, impacted by non-recurring events in each period (21% growth with adjustments).
- 21% increase in administrative expenses (elevated staff costs and full return to post Covid work practices).
- Return of operational gearing expected in H2.

Willow Pumps sales increased by 11%. Reduction in GM as more work sub-contracted, particularly to Metro Rod. 4% increase in admin expenses as a result of management reorganisation helped achieve 3% increase in Adjusted EBITDA.

Filta UK grew revenue 58% to £5.6m, with slightly disappointing like-for-like ("LFL") growth rate of 5%. Disruption of GRU supply a factor. Management reorganisation and streamlining allowed admin expenses to decline 7% LFL and operational gearing led to 23% LFL growth in Adjusted EBITDA.

Filta International

	North America £'000	Europe £'000	6M H1 2023 £'000	North America £'000	Europe £'000	4M H1 2022 £'000
System sales	**41,281**	**1,717**	**42,998**	**23,741**	**1,144**	**24,885**
Revenue	**13,178**	**492**	**13,670**	**8,603**	**220**	**8,823**
Cost of sales	(8,416)	(341)	(8,757)	(5,647)	(128)	(5,775)
Gross profit	**4,762**	**151**	**4,913**	**2,956**	**92**	**3,048**
GM%	*36%*	*31%*	36%	*34%*	*42%*	35%
Administrative expenses	(1,538)	(269)	(1,807)	(925)	(114)	(1,039)
Divisional EBITDA	**3,224**	**(118)**	**3,106**	**2,032**	**(22)**	**2,009**

The results for the period are for a full six months compared to four months in H1 2022.

System sales in North America increased by 74% to £41.3m and 16% on a LFL basis (LFL increase of 23% in local currency):

- Additional investment in automated outbound telesales activity led to acquisition of new national accounts.
- Many franchisees continued to expand their businesses by investing in new equipment (23 MFUs).
- Waste oil volume increased; sales held back by reduced market prices.

Admin expenses grew 66%, and 11% on a LFL basis driven by the investment made in expanding the sales team.

Adjusted EBITDA increased 59% to £3.2m, and 6% on a LFL basis.

Filta Europe not progressing as hoped with flat LFL sales. Group's European platform now allows optimisation of management, with focus on cost reduction and new business development.

Pirtek Europe

	UK & Republic of Ireland £'000	Germany & Austria £'000	Benelux £'000	Sweden £'000	France £'000	Other £'000	H1 2023 (10 weeks) £'000
System sales	**17,060**	**13,237**	**4,794**	**541**	**1,536**	**-**	**37,168**
Revenue	**4,825**	**3,133**	**2,340**	**539**	**1,536**	**(21)**	**12,352**
Cost of sales	(1,546)	(994)	(525)	(64)	(313)	21	(3,421)
Gross profit	**3,279**	**2,139**	**1,815**	**475**	**1,223**	**0**	**8,931**
GM%	68%	68%	78%	88%	80%	0%	72%
Administrative expenses	(1,426)	(962)	(1,039)	(444)	(1,225)	(17)	(5,113)
Divisional EBITDA	**1,853**	**1,177**	**776**	**31**	**(2)**	**(17)**	**3,818**

Pirtek has operations in eight countries but is managed as five business units.

The UK business is the largest in the division: 46% (£17.1m) of system sales and 49% (£1.9m) of Adjusted EBITDA.

Germany and Austria: 36% (£13.2m) of system sales and 31% of Adjusted EBITDA of £1.2m.

Benelux: 13% (£4.8m) of system sales and 20% (£0.8m) of Adjusted EBITDA.

Sweden: Growth to come from rolling out further MSUs. Bridgehead for rollout of Pirtek in Scandinavia.

France: Presence mainly in the Île-de-France and Lyon/Grenoble. Limited geographical reach, hence sub-scale. New depots and MSUs to drive growth. Exciting opportunity given size of overall market.

B2C division

Current environment of high employment, high wages and elevated inflation, more risk aversion and reduced attractiveness of self-employment. Reduction in leavers but anticipated recruitment more challenging.

Pleased to have fully achieved H1 recruitment budget of 24 new franchisees (H1 2022: 30).

As per strategic review announced in January, the division has been marketed for sale and while offers have been received, they have not met our expectations.

Board has therefore decided to suspend the marketing activity until further notice. Division now reincorporated into Group's results as sale is now not reasonably foreseeable.

	H1 2023 £'000	H1 2022 £'000	Change £'000	Change %
System sales	**12,881**	**12,900**	(19)	0%
Revenue	**3,281**	**3,432**	(151)	(4)%
Cost of sales	(803)	(662)	(141)	21%
Gross profit	**2,478**	**2,770**	(292)	(11)%
GM%	76%	81%	(5)	(6)%
Admin expenses	(1,317)	(1,265)	(52)	4%
Adjusted EBITDA	**1,161**	**1,505**	(344)	(23)%

Adjusted and statutory profit

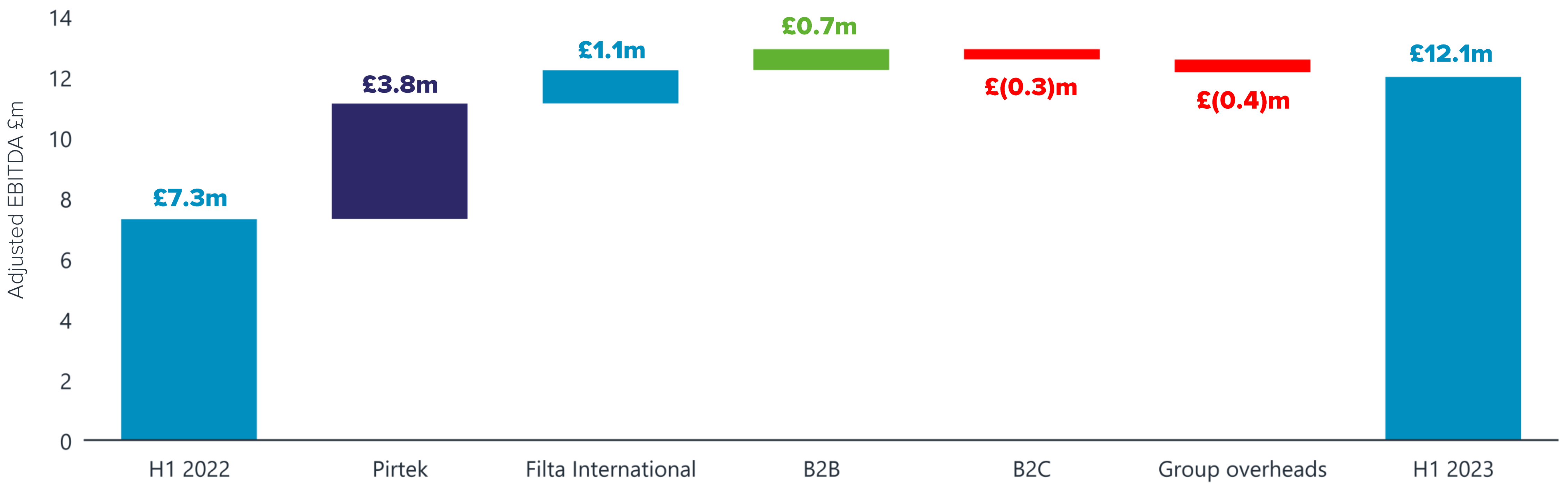
	H1 2023 £'000	H1 2022 £'000	Change £'000	Change %
Adjusted profit after tax	**6,520**	**4,722**	**1,798**	**38%**
Amortisation of acquired intangibles	(4,476)	(669)	(3,806)	
Share-based payment charge	(411)	(351)	(59)	
Non-recurring costs	(2,991)	(1,282)	(1,709)	
Other gains and losses	-	1,232	(1,232)	
Tax on adjusting items	145	(83)	(83)	
Statutory profit after tax	**(1,213)**	**3,570**	**(4,782)**	**(134)%**

Increase in amortisation of acquired intangibles, share-based charge and non-recurring costs relate to acquisition of Filta and Pirtek.

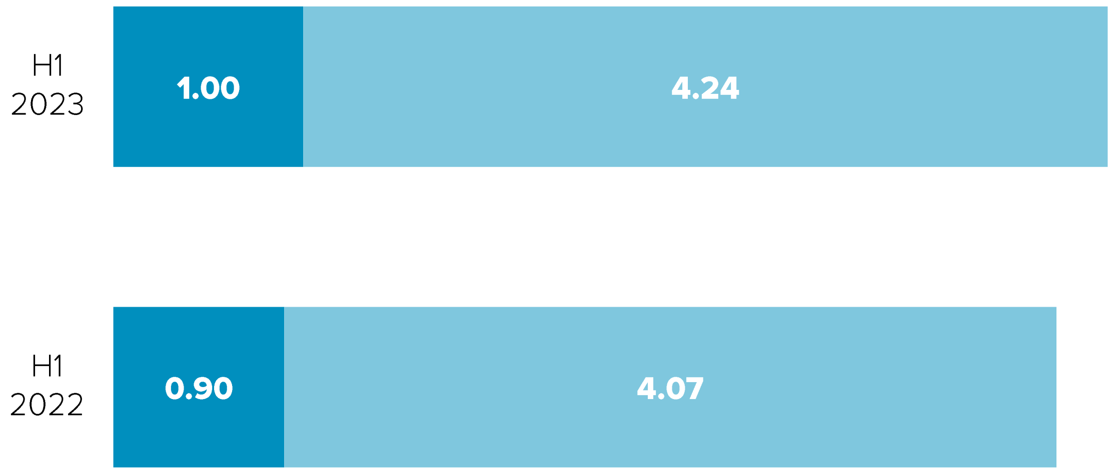
Other gains and losses reflect the write-back of the IFRS13 contingent consideration provision made in respect of the Willow Pumps earn-out following the early settlement of this potential liability.

Statutory profit after tax was a loss of £1.2m (profit of £3.6m).

H1 EBITDA bridge



Adjusted EPS and dividend (p)



Adjusted EPS increased 4% to 4.24p (H1 2022: 4.07p). This modest increase results from;

- The issue of shares for the Pirtek acquisition.
- 4% increase in the tax rate (at consistent tax rate, EPS increased by 10%).
- Budgeted reduced profits at B2C division.
- Reduced LFL growth at Filta due to used oil price movement.

Confidence in the growth prospects for the enlarged Group results in a 11% increase in the interim dividend to 1.0p per share (interim 2022: 0.90p per share).

Cash flow and leverage

	£m
Acquisition cost of Pirtek (net of cash acquired)	200.6
Acquisition costs	(6.3)
Proceeds from issue of shares	114.3
Term loan and RCF drawdown	100.0
Net cash flow from operations	2.6
Cash increase in period	**10.0**
Net cash at beginning of period	10.8
Net cash at end of period	**20.8**

Adjusted debt*

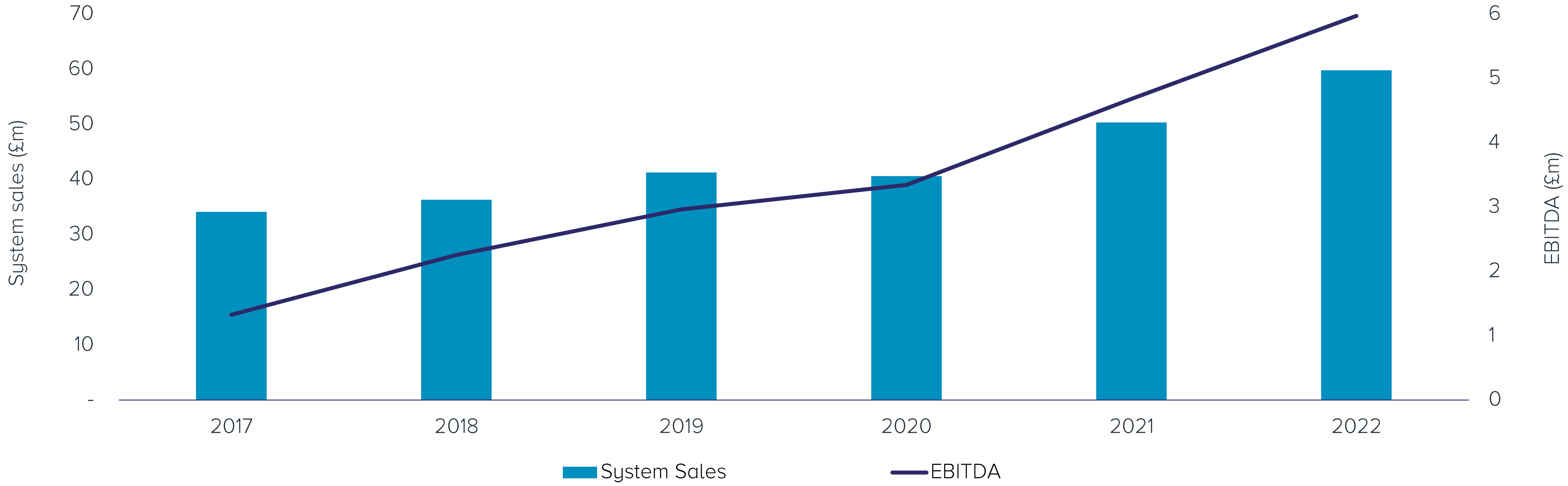
Cash	20.8
Term loan	(55.0)
RCF net of loan fee	(44.0)
Hire purchase debt	(0.9)
Adjusted net debt at period end	**(79.1)**

LTM EBITDA**	
To 30 June 2023	£31.9m
To 31 December 2023	£33.5m
Debt multiple**	
To 30 June 2023	2.48x
To 31 December 2023	2.36x

* Adjusted net debt is the key debt measure used for testing bank covenants and excludes debt on right-of-use assets of £7.2m.
** This leverage is calculated using Adjusted net debt at 30 June 2023 and last twelve months ("LTM") pro forma Adjusted EBITDA to 30 June 2023 of £31.9m and LTM 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) which is one of metrics used for testing bank covenants.

Sales growth & EBITDA

METRO ROD AND METRO PLUMB SALES GROWTH, EBITDA AND MARGIN

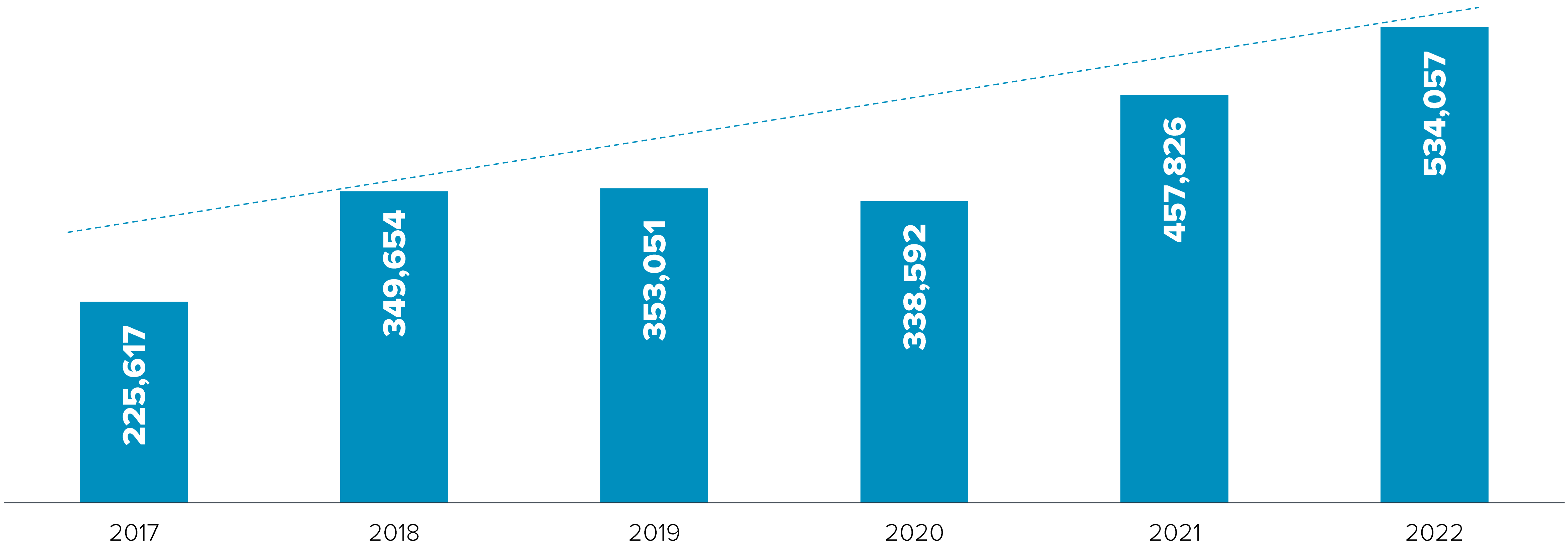


EBITDA margin:	3.9%	6.2%	7.2%	8.2%	9.3%	10.0%

* 2022 EBITDA estimate is consensus analyst's forecasts, Dowgate Capital and Allenby Capital

Operational leverage in action

METRO ROD SYSTEM SALES PER EMPLOYEE (£)



FiltaMax growth levers

SCALING OF 55 METRO MARKETS ACROSS THE US

These metro areas provide opportunities to build businesses of scale.

REPLICATE SUCCESS OF LARGEST FRANCHISEES

The top 5 franchisees have businesses of scale, with three turning over more than $5m and the largest with revenues of over $9m.

EXPAND RANGE OF SERVICES

FiltaGold (bulk new virgin oil supply) and FiltaClean (kitchen cleaning services) are important new royalty-based services being rolled out to help increase penetration, revenue per customer and grow market share.

UPGRADE FRANCHISEES

Encourage top performing franchisees to buy out underperforming franchisees. Attract new quality franchisees.

EXPAND CORPORATE TEAM

Grow, and strengthen the corporate team to attract, support and grow a network of larger franchisees.

B2B division growth levers

CONTINUE TO WIDEN AND DEEPEN RANGE OF SERVICES

Opportunity to drive customer acquisition and retention, and market share, by providing more higher value services such as tankers and pumps.

CROSS SELLING OPPORTUNITIES

The majority of our customers require all of our services. Additional cross selling opportunity with Pirtek customers.

ENHANCE FRANCHISE DELIVERY

Continue to reduce the dependency on direct labour by expanding services franchisees can deliver, ie, FOG install and servicing transferred to Metro Plumb and Filta Environmental franchisees.

OPTIMISE TERRITORY UTILISATION

Enhance the penetration of territories that currently have sub-optimal utilisation. Sell corporate territories to new ambitious franchisees.

GROW SHARE OF UNDER-PENETRATED SECTORS AND MARKETS

Significant opportunity to build out Metro Plumb to create a national, local plumbing business. Opportunity to increase Metro Rods’ market share of attractive sectors eg, health care and education.

The Group's franchise systems

as at 30 June 2023

	Network size 31 December, 2022	**New franchisees recruited** in 1H 2023 +	**Franchisees leaving the system** in H1 2023 -	**Net new franchisees** in 1H 2023 =	**Network size** 30 June 2023
Metro Rod	42	-	-	-	42
Metro Plumb*	13	3	(1)	2	15
B2C	349	24	(34)	(10)	339
Filta North America	133	5	(7)	(2)	131
Filta Europe	27	1	-	1	28
Filta Environmental, UK	22	4	(2)	2	24
Pirtek**	-	70	(1)	69	69
Total	586	107	45	62	**648**

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

** Pirtek franchisees from 21 April

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