



# 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.

# Presenters



**Stephen Hemsley**  
**Executive Chairman**

Stephen is Executive Chairman of Franchise Brands, which he co-founded with Nigel Wray in 2008, following a ten-year association at Domino's Pizza. He joined Domino's Pizza as Finance Director 1998 progressing to CEO, Executive Chairman and Non-executive Chairman. During this time, he led Domino's from private ownership to a market capitalisation of around £1.5bn. Stephen retired from Domino's in 2019 after 21 years to focus exclusively on the development Franchise Brands.



**Peter Molloy**  
**Managing Director, B2B**

Peter Molloy is Managing Director of the B2B Division which includes Metro Rod, Metro Plumb, Willow Pumps and Filta UK. Peter joined Metro Rod in 2003 and was promoted to the position of Commercial Director in 2005 and to Managing Director in 2017 following the Franchise Brands acquisition. Prior to joining Metro Rod, he was Managing Director of Solaglas Replacement Glazing, part of the Saint-Gobain Group, with national responsibility for the network branches, field engineers, call centre and sales and marketing.

# Presenters



**Jason Sayers**  
**Managing Director,**  
**Filta International**

Jason Sayers founded Filta in 1996 and took the business to the US in 2003. Prior to the merger with Franchise Brands he was Group CEO. He is now Managing Director of Filta International with responsibility for growing the Filta businesses in the US and Europe.



**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 and 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.



**Robin Auld**  
**Group Marketing Director**

Robin Auld is Group Marketing Director. He joined Franchise Brands shortly after the business was founded to lead the team responsible for all our consumer, trade and franchise recruitment marketing activity. Robin has a successful track record of marketing success with companies such as Carlsberg, but he is probably best known for his work at Domino's Pizza as Sales & Marketing Director where he oversaw a period of rapid growth in system sales.

# Agenda



- 2.30pm** **Maximising Business Potential, & Financials**  
Stephen Hemsley, Executive Chairman, Franchise Brands
- 2.50pm** **Strategy in Action 1**  
Peter Molloy, Managing Director, B2B Division
- 3.15pm** **Q&A on first two sessions**
- 3.30pm** **Coffee break**
- 3.50pm** **Strategy in Action 2**  
Jason Sayers, Managing Director, Filta International
- 4.15pm** **Operational Gearing Through Technology**  
Colin Rees, Chief Information Officer
- 4.35pm** **Realising Market Opportunity**  
Robin Auld, Group Marketing Director
- 4.50pm** **Q&A**
- 5.05pm** **Drinks**



# Maximising Business Potential & Financials

**Stephen Hemsley**  
Executive Chairman  
Franchise Brands





# 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.

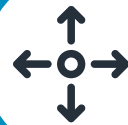


## FOCUS

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

If our franchisees grow, we grow.

Capital light with strong cashflow.



## SCALE

570 franchisees across six principal brands who employ a total of c.2,000 people in 8 countries.

420 direct employees.

1,000 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.

# Key strengths



## MARKET LEADING BRANDS

with a long trading history.



## TECHNOLOGY ENABLED BUSINESS

facilitating strong operational gearing.



## SIGNIFICANT OPPORTUNITIES

for organic growth and growth via accretive acquisitions.



## HIGHLY EXPERIENCED TEAM

who have worked together for many years in the franchise sector.



## FINANCIAL STRENGTH

strong record of earnings growth and large ungeared balance sheet.



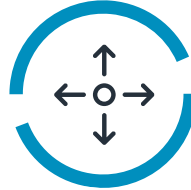
# Business building strategy

We build market-leading businesses primarily via a franchise model and our business-building strategy has five engines of growth.



## SUPPORTING OUR FRANCHISEES

Support our franchisees to grow their businesses. If they grow, we grow, provided the income model is right.



## EXPANDING AND DEVELOPING OUR SERVICES

Widen and deepen our range of services to increase system sales, and drive customer acquisition and retention.



## OPTIMISING OUR SERVICE DELIVERY

Optimise service delivery through the right channels.



## DEVELOPING A TECHNOLOGY PLATFORM

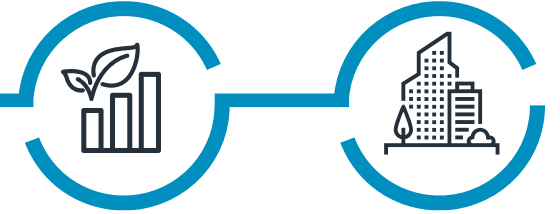
Leverage the investment in technology and other central services.



## GROWING OUR PORTFOLIO

Grow our portfolio by acquiring additional B2B brands. Develop our international footprint.

# Our international footprint



## NORTH AMERICA

**\$92m** **131**  
total sales franchisees



## UNITED KINGDOM

**£108m** **426**  
total sales franchisees



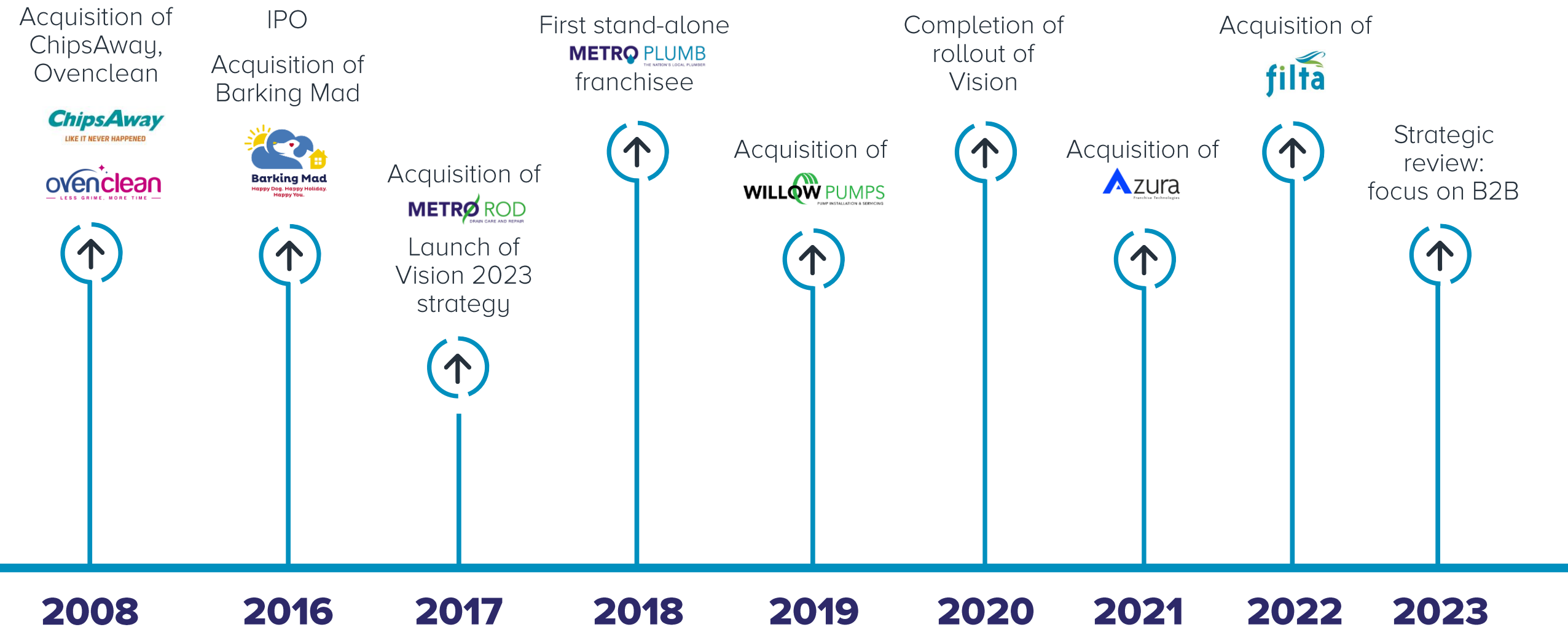
## EUROPE

**€4m** **17**  
total sales franchisees

Sales to customers by franchisees, corporate and DLOs



# Key milestones

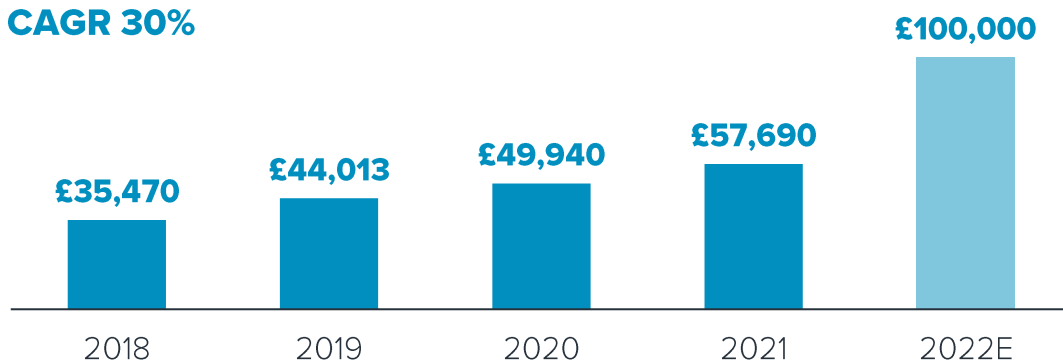


# Financials



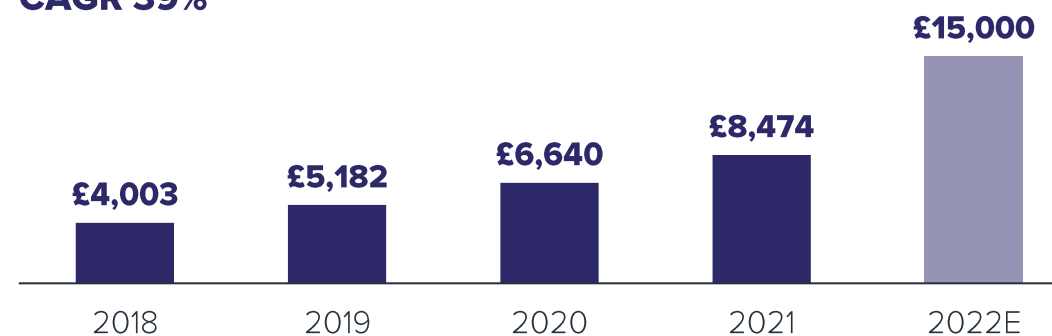
## Statutory revenue (£'000)

**CAGR 30%**



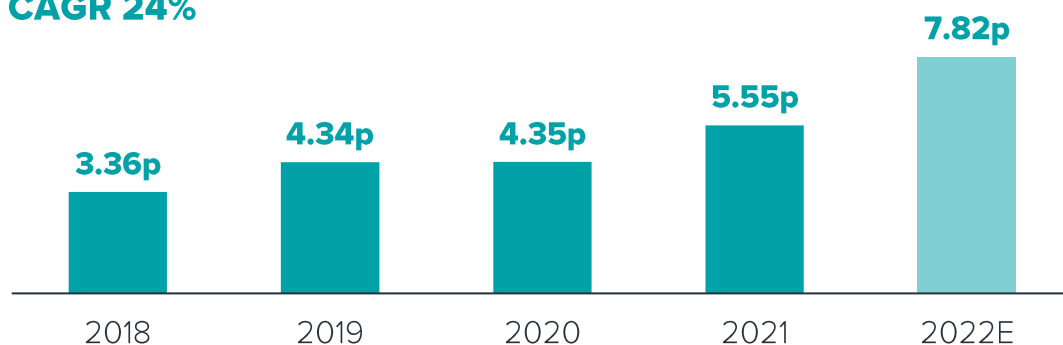
## Adjusted EBITDA (£'000)

**CAGR 39%**



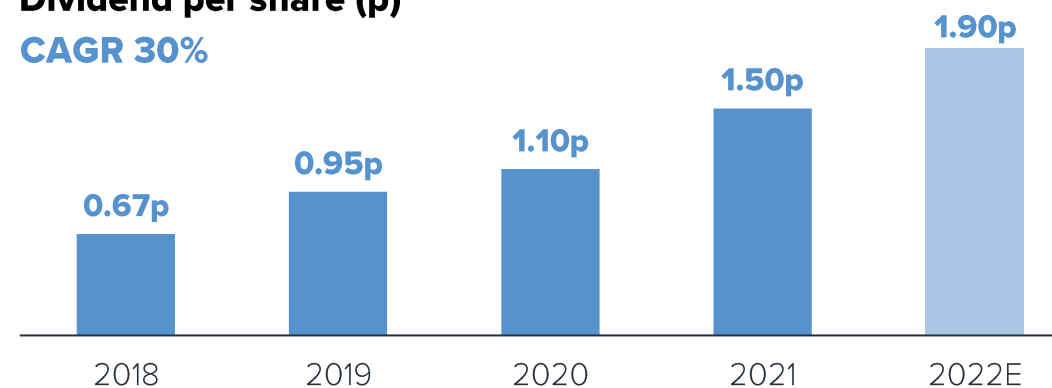
## Adjusted earnings per share (p)

**CAGR 24%**



## Dividend per share (p)

**CAGR 30%**



\* 2022E is consensus analysts' forecasts, Dowgate Capital and Allenby



# Focus on B2B franchise market

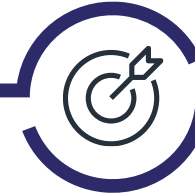


## STRATEGIC ATTRACTIVENESS

Greater opportunities for organic growth in B2B businesses providing van-based services.

Typically royalty-based, high quality income. If franchisees grow, we grow.

Greater opportunities for accretive acquisitions both domestically and internationally.



## AREAS OF COMPETITIVE ADVANTAGE

Complementary customer base providing cross selling opportunities.

IT systems in place and expandable.

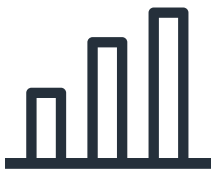
Focus on van-based service provides synergy opportunities.

Marketing synergies.



# Levers for growth

Considerable headroom for future revenue and profit growth



## INCREASE MARKET SHARE

We only have a small share of our chosen markets and in some very little competition.



## INCREASE COVERAGE

We do not have national coverage for most of our brands, limiting our ability to serve existing national customers.



## EXPAND RANGE OF SERVICES

The range of services offered can be expanded to increase services to existing customers and enter new markets.



## DRIVE DIGITAL TRANSFORMATION

Use technology to enhance the customer experience, increase sales, improve retention and drive operational gearing.



## ACQUIRE FURTHER B2B FRANCHISE SYSTEMS

Providing both sector and geographical diversification.



## MAINTAIN MOMENTUM

Franchise Brands has enjoyed rapid growth, let's keep it going!