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Franchise Brands PLC
27 March 2025

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FRANCHISE BRANDS PLC

("Franchise Brands", the "Group" or the "Company")

Final results for the year ended 31 December 2024

Key divisions achieved record System sales despite challenging environment

Full-year Adjusted EBITDA[2] in line with current market expectations

Franchise Brands plc (AIM: FRAN), an international multi-brand franchise business, is pleased to announce its audited results for the year ended 31 December 2024.

Financial highlights

- System sales increased by 20% to £418.5m (2023: £350.1m).
- Statutory revenue increased by 15% to £139.2m (2023: £121.0m[1]).
- Adjusted EBITDA[2] increased by 16% to £35.1m (2023: £30.2m[1]).
- Adjusted profit before tax increased 8% to £21.3m (2023: £19.7m[1]).
- Profit before tax increased 86% to £9.2m (2023: £5.0m[1]).
- Adjusted EPS[3] increased by 2% to 8.59p (2023: 8.39p[1]).
- Basic EPS increased by 119% to 3.78p (2023: 1.73p[1]).
- Adjusted net debt[4] reduced to £65.1m at 31 December 2024 (31 December 2023: £74.7m), representing reduced leverage of 1.9x[5] (31 December 2023: 2.5x).
- Cash conversion rate increased to 94% (2023: 80%) demonstrating the strong cashflow performance of the Group's franchise businesses.
- Final dividend of 1.3p per share proposed (2023: 1.2p) an increase of 8%, giving an increase in the total dividend for the year of 9% to 2.4p per share (2023: 2.2p).

Operational highlights

A creditable performance as we accelerate integration, and a strengthened team in place to drive the execution of the Group's strategy.

- Resilient underlying demand for the Group's essential services resulted in record System sales in all key divisions despite challenging macroeconomic conditions.
- Launch of the One Franchise Brands strategic initiative to accelerate the integration of the Group into a unified, connected business with the objective of enhancing sales, creating an efficient overhead structure and driving operational gearing.
- Appointment of CEO (a new role) and separation of responsibilities with Executive Chairman.
- New appointments (including post year-end) of CFO, COO, Group FD and independent Non-executive Director to strengthen the Group's leadership team and Board.

Outlook

- Resilient demand for essential reactive services. Discretionary spend remains held-back in subdued markets, similar to the latter part of 2024.
- Well placed to benefit from the expected pick up in discretionary spend in several international markets, although the timing of this remains uncertain.
- Controlling the controllables by spending smartly, driving cost efficiencies and creating an efficient overhead structure operating on a single, secure and effective IT platform.
- Deleveraging a strategic priority: strong cash generation expected to enable leverage to be below 1.5x by 31 December 2025.
- The realisation of Group-wide efficiencies for the full year and the anticipated pick up in higher value work expected in certain markets allows us to remain optimistic that a performance in line with current market expectations for the year ending 31 December 2025[6] is achievable.

[1]*The results include a number of prior year adjustments which are set out in Note 1 in the Annual Report & Accounts, the overall of which is to reduce Adjusted EBITDA in the year ended 31 December 2023 by £0.1m.*

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

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

[4]*Adjusted net debt is the key debt measure used for testing bank covenants and excludes debt of £10m on right-of-use assets.*

[5]*Leverage is calculated using Adjusted net debt at 31 December 2024 of £65.1m and Adjusted EBITDA for the financial year ended 31 December 2024 of £35.1m.*

[6]*Range of current market expectations for the financial year ending 31 December 2025 are: Revenue of £145.2m to £157.0m; Adjusted*

Range of current market expectations for the financial year ending 31 December 2025 are: Revenue of £[illegible] to £[illegible], Adjusted EBITDA of £39.3m to £40.0m and Adjusted EPS from 10.34p to 10.70p.

Stephen Hemsley, Executive Chairman, commented:

"The Group achieved record System sales in all key divisions and a creditable Adjusted EBITDA outturn for the year, despite ongoing challenging macroeconomic conditions in many of our key markets. This is a testament to the strength and resilience of the Franchise Brands business model and international diversification of our market-leading brands.

"Our essential services and diverse geographies provide a resilient base from which we are driving opportunities through our 'One Franchise Brands' strategic initiative, whilst growing our small share of large, fragmented, markets to position us well for recovery in our markets.

"As we accelerate the pace of integration of the Group's businesses, we will drive operational gearing by maximising sales opportunities whilst leveraging an efficient structure, on an enhanced IT platform. We are confident that we have the strengthened leadership team in place to unlock the significant opportunities ahead."

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About Franchise Brands plc

Franchise Brands is an international, multi-brand franchisor focused on B2B van-based service with seven franchise brands and a presence in 10 countries across the UK, North America and Europe. The Group is focused on building market-leading businesses primarily via a franchise model and has a combined network of over 600 franchisees.

The Company owns several market-leading brands with long trading histories, including Pirtek in Europe, Filta, Metro Rod and Metro Plumb, all of which benefit from the Group's central support services, particularly technology, marketing, and finance. At the heart of Franchise Brands' business-building strategy is helping its franchisees grow their businesses: "as they grow, we grow".

Franchise Brands employs almost 650 people across the Group and there are over 3,000 people in the franchise community.

For further information, visit www.franchisebrands.co.uk

CHAIRMAN'S STATEMENT

Introduction

2024 saw resilient underlying demand for the Group's essential reactive and planned services, resulting in record system sales in all key divisions, in challenging macroeconomic conditions in most key markets. Against this background, we focused on what we could control, maintaining a strong emphasis on cost management, supporting a creditable outturn for the year, with Adjusted EBITDA of £35.1m.

The integration of the businesses acquired over the previous three years is progressing well. Our new CEO, Peter Molloy, is providing new focus and is connecting the Group through the launch of the *One* Franchise Brands initiative to accelerate the pace of integrating the Group to enhance sales, create an efficient overhead structure and drive operational gearing.

The cash-generative nature of our predominantly franchised business has allowed us to reduce Adjusted net debt from £74.7m to £65.1m and leverage from 2.5x to 1.9x times Adjusted EBITDA, which was in line with management's expectations and comfortably within our banking covenants.

Overview

A particular highlight of trading in 2024 was the record system sales achieved in the Pirtek, Water & Waste Services and Filta International divisions. System sales were particularly strong in the US, helped by robust economic growth, while the rate of growth in the UK and most European markets was more moderated than in previous years.

Lower European economic growth marginally impacted demand for reactive services in certain sectors, such as construction and plant hire, as equipment was not being as intensively used. There was a more significant slowdown in preventative maintenance and project work where, in certain sectors, larger projects were held back. The contrast between the performance of the US and UK and European businesses suggests that our geographic diversification strategy, including the acquisition of Filta, has helped to balance regional variations in market conditions.

Appointment of new CEO and separation of responsibilities with Executive Chairman

In October, the Group announced the appointment of Peter Molloy, CEO of the Water & Waste Services division, to the new role as CEO, and as a Director on the Board of the Company. The Group has grown rapidly over the past two years and had reached a scale where the timing was right for the appointment of a CEO to separate my responsibilities and provide greater focus on the strategic and commercial development of the business to support our ambitious growth plans.

As CEO, Peter Molloy is responsible for the day-to-day leadership of the Group across its four principal divisions and shared central functions, and will drive the implementation of the strategy, business performance and accelerate integration. As Executive Chairman, my focus is on the strategic and corporate development of the Company, including Group finance and future acquisitions.

Peter has been a key part of the Franchise Brands team since 2017 and has made an exceptional contribution in leading the substantial growth of Metro Rod and in the successful formation and integration of the Water & Waste Services division. The Board is confident that he will successfully drive the implementation of our strategic priorities, which includes an increased focus on digitally-enabled integration through *One* Franchise Brands, enabling the Group to realise its significant growth potential.

Management team

We have also recently announced a number of new appointments to strengthen the Group's leadership team and drive the execution of our strategy.

In June 2024, Mark Boxall joined us as Chief Operating Officer, a newly created position on the Group's Management Board. Mark was previously Chief Operating Officer at D4t4 Solutions plc (now Celebrus Technologies plc), a software and data platform provider. Mark is driving integration across the Group, with a particular focus in the short term on the rollout of standardised Group-wide IT systems, managed centrally.

Post year-end, we developed a new finance structure following Peter's appointment as CEO and the launch of the *One* Franchise Brands strategic initiative. Having conducted a comprehensive search for a new CFO in Q4 2024, the Board concluded that an enhanced finance team providing both commercial and financial support was the optimal structure to meet the needs of the business in this focused period of integration. We therefore combined the roles of CFO and Commercial Director under the role of the CFO and created a new non-Board position of Group Finance Director.

Andrew Mallows, our interim CFO, was appointed CFO on a permanent basis, reflecting his experience as CFO and Commercial Director in the eight years he has been with the business. Beth Peace, who has been with the business since 2019 and was a Finance Director in the Water & Waste Services division, was appointed Group Finance Director. The new finance team is working closely with Peter Molloy and Mark Boxall to deliver the *One* Franchise Brands strategy.

Board

Post year-end, we were pleased to welcome Louise George who has joined the board as an independent Non-Executive Director. She was also appointed as Chair of the Audit Committee and a member of the Nomination and Remuneration Committees.

Louise is a highly experienced CFO with over 20 years' board-level experience with AIM-quoted companies including substantial experience of franchised businesses. With the appointment of Louise, the plc Board now comprises three Executive Directors, and four non-Executive Directors, of whom three are considered by the Board to be independent. Louise will also be supporting the strengthened Group finance team.

Capital allocation

The Group's clear strategic focus is to accelerate the pace of integration, drive operational gearing and deleverage. The Board does not anticipate making any further significant acquisitions until the outstanding debt is substantially repaid which we now expect to be in 2028. The Board may also consider the disposal of non-core businesses and non-franchise activities which no longer support the growth of the franchise businesses, which would accelerate de-leveraging. Capital allocation decisions will balance debt reduction, maintaining a progressive dividend policy and investment in the organic expansion of the Group.

In October 2024, we announced that our Employee Benefit Trust ("EBT") would restart its share purchase programme up to an aggregate value of £5,000,000. This programme aims to mitigate the dilutive impact of share option awards and improve overall shareholder return. As the rate of our deleveraging accelerates, we hope to announce a regular and consistent share purchase programme.

Dividend

The Board is pleased to propose a final dividend of 1.3 pence per share (2023: 1.2 pence per share), giving a total dividend for the year of 2.4p (2023: 2.2p), an increase of 9%. Subject to shareholder approval at the AGM on 7 May 2025, the final dividend will be paid on 23 May 2025 to those shareholders on the register at the close of business on 9 May 2025.

Consideration of Main Market Listing

Given the scale and growth ambitions of the Group, in 2024 the Board started to consider moving its share quote from the AIM market to the Official List and Main Market of the London Stock Exchange. These considerations remain at an early stage and the Board will make appropriate announcements in due course.

Outlook

With a resilient and geographically diversified base, we are well positioned to manage and mitigate macroeconomic and political uncertainty affecting our customers in many of our markets. We also remain focused on the opportunities and factors within our control.

The underlying demand for our essential services remains strong, albeit it continues to be subdued in a range of sectors which are experiencing lower activity levels, including construction and plant hire. This is leading to current trading remaining constrained, similar to the latter part of 2024. While we expect continued resilient demand for our essential reactive services, project work and discretionary spending will continue to be held back until demand recovers in key markets.

To further increase our resilience and reduce our dependence on cyclical markets, we have embarked on a strategy to open up new and under-represented growth sectors in each of our businesses. Our geographic diversification strategy, including having Filta International, a business of scale in the US, will also help to balance regional variations in market conditions.

Our clear focus in 2025 is to accelerate the pace of the integration of all the Group's businesses following a period of rapid expansion. Our aim is to create one connected group with an efficient overhead structure, operating on a secure and effective IT platform, that enhances System sales through maximising Group-wide sales opportunities, including cross selling and driving Group-wide efficiencies. The '*One* Franchise Brands' strategic initiative is key to unlocking and maximising these opportunities.

With the realisation of Group-wide efficiencies for the full year and the anticipated pick-up in higher value work expected in certain markets, we remain optimistic that the current market expectation range for the financial year ending 31 December 2025 is achievable.

Reducing leverage remains a strategic priority. Together with the tailwind we anticipate from continuing reductions in interest rates, this should allow us to drive earnings per share at a faster pace than over the last couple of years. With no acquisitions planned and limited capital expenditure, we expect to generate a strong cash flow, which will be used to reduce debt, continue our progressive dividend policy and restart a regular share purchase programme. We expect year-end leverage to be below 1.5x Adjusted EBITDA.

Conclusion

The record System sales achieved in 2024 are a testament to the resilience of our underlying businesses, our experienced management teams, our entrepreneurial franchisees and our dedicated Support Centre teams and I would like to personally thank them for this excellent achievement.

Notwithstanding the economic and political uncertainties facing us in many markets in 2025, under the leadership of our new CEO, Peter Molloy and our strengthened Board and management team, I look forward to 2025 with cautious optimism.

Stephen Hemsley

Executive Chairman

26 March 2025

OPERATIONAL REVIEW

I am pleased to be providing my first Operational Review since being appointed CEO in October 2024 and for more of an introduction, please click on the link. The focus of my Operational Review is the financial and business performance from System sales to Adjusted EBITDA.

Divisional performance

The Group's results for the year ended 31 December 2024 comprise a full-year contribution from all divisions. The comparative results for the prior year include just over eight months of contribution from Pirtek, which was acquired on 20 April 2023. Where reference is made to like-for-like or proforma results, this will compare 2024 with 2023 as if Pirtek had been owned for the full 2023 year.

The Group's divisional trading results may be summarised as follows:

Year to 31 December 2024:

	Pirtek	Water & Waste Services	Filta Intl	B2C	Azura	Inter-company elimination	2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
System sales	**183,582**	**110,270**	**97,826**	**25,972**	**808**		**418,458**
Statutory revenue	**63,913**	**46,054**	**25,597**	**5,752**	**808**	**(2,918)**	**139,206**
Cost of sales	(22,010)	(19,661)	(15,691)	(1,001)	(0)	2,476	(55,887)
Gross profit	**41,903**	**26,393**	**9,906**	**4,751**	**808**	**(442)**	**83,319**
GP%	66%	57%	39%	83%	100%	15%	60%
Administrative expenses	(21,978)	(15,282)	(3,913)	(2,546)	(764)	442	(44,041)
Divisional EBITDA	**19,925**	**11,111**	**5,993**	**2,205**	**44**	**-**	**39,278**
Group Overheads	-	-	-	-	-	-	(4,157)
Adjusted EBITDA	-	-	-	-	-	-	**35,121**
Adjusted EBITDA/ System sales							**8.4%**

Year to 31 December 2023:

	Pirtek	Water & Waste Services	Filta Int'l	B2C	Azura	Inter-company elimination	2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
System sales	**125,976**	**106,661**	**90,482**	**26,189**	**745**		**350,053**
Statutory revenue	43,774	46,807	27,117	6,106	745	(3,530)	121,019
Cost of sales	**(16,174)**	**(21,247)**	**(17,349)**	**(1,207)**	**(0)**	**3,187**	**(52,790)**
Gross profit	27,600	25,560	9,768	4,899	745	(343)	68,229
GP%	*63%*	*55%*	*36%*	*80%*	*100%*	*10%*	56%
Administrative expenses	(14,097)	(14,690)	(3,671)	(2,583)	(531)	343	(35,229)
Divisional EBITDA	**13,503**	**10,870**	**6,097**	**2,316**	**214**	**-**	**33,000**
Group Overheads	-	-	-	-	-	-	(2,847)
Adjusted EBITDA	-	-	-	-	-	-	**30,153**
Adjusted EBITDA/ System sales							**8.6%**

System sales are a KPI of the Group and are considered a good indicator of Group performance as it allows total sales to end customers to be visible on a comparable basis across all businesses within the Group as they comprise the underlying sales of our franchisees and the statutory revenue of our Direct Labour Operations ("DLO"). System sales increased by 20% to £418.5m in the period (2023: £350.1m), and by 4% on a like-for-like basis. Although the rate of System sales growth was slower in 2024 than in previous years, it still represents a record performance for the three B2B divisions (Pirtek, Water & Waste Services division and Filta International).

Statutory revenue increased by 15% to £139.2m (2023: £121.0m). On a like-for-like basis, statutory revenue was flat. Statutory revenue comprises many different types of revenue on different basis and is not a KPI used in the operational management of the Group.

Adjusted EBITDA, which is the main KPI of the business, increased 16% to a record £35.1m (2023: £30.2m). On a like-for-like basis, Adjusted EBITDA was flat. Overall, the Adjusted EBITDA to System sales ratio, another important KPI as it indicates the progress we are making driving operational gearing, reduced marginally to 8.4% (2023: 8.6%). This resulted from several exceptional factors, including the significantly lower price of used cooking oil ("UCO") and the exchange rates at which local currency results were translated into sterling. Where constant exchange rates were used, and the 2023 price of UCO maintained, Adjusted EBITDA to System sales would have increased to 8.7%, demonstrating continued progress.

Pirtek Europe

Pirtek operates in eight European countries: the UK and Ireland, Germany and Austria, the Netherlands and Belgium (Benelux), and France and Sweden. In the major markets of the UK and Ireland, Germany and Austria, and Benelux, the business is mostly franchised, whereas the operations in the early-stage markets of France and Sweden are corporately operated. The franchised operations account for 94% of divisional Adjusted EBITDA.

The sterling results in 2024, the comparative eight months in 2023, and the proforma 12 months results, may be summarised as follows:

Pirtek	2024 Actual £'000	2023 Actual £'000	2023 Proforma £'000	Actual Change %	Proforma Change %
System sales	183,582	125,976	180,168	**46%**	**2%**
Statutory revenue	63,913	43,774	62,618	**46%**	**2%**
Cost of sales	(22,010)	(16,174)	(20,125)	36%	9%
Gross profit	41,903	27,600	42,493	**52%**	**(1%)**
GM%	*66%*	*63%*	*68%*	*3%*	*(2%)*
Administrative expenses	(21,978)	(14,097)	(24,028)	56%	(9%)
Adjusted EBITDA	**19,925**	**13,503**	**18,465**	**48%**	**8%**
Adjusted EBITDA/System sales	10.9%	10.7%	10.2%		

Actual performance from an 8-month contribution in 2023

Proforma assuming a full year contribution in 2023

The Pirtek Europe division generated total System sales of £183.6m, an increase of 46% (2023: 8 months: £126.0m). On a like-for-like basis, System sales grew by 2% (2023 full year: £180.2m).

The underlying local currency like-for-like System sales growth may be analysed as follows:

System sales	2024 Actual Local Currency	2023 Actual Local Currency	2023 Proforma Local Currency	Actual Change %	Proforma Change %
UK GBP	81,931	55,769	80,039	47%	2%
Germany & Austria €	79,352	53,909	76,779	47%	3%
Benelux €	28,542	19,007	26,431	50%	8%
France €	9,201	6,292	8,902	46%	3%
Sweden SEK	36,482	24,962	37,190	46%	(2%)

Actual performance from an 8-month contribution in 2023

Proforma assuming a full-year contribution in 2023

Pirtek's record system sales reflected a like-for-like increase of 2% in the UK & Ireland and 4% in the Continental European markets, in local currency. This reflected continued good demand for essential reactive services in most sectors despite continued subdued demand for project work and discretionary spending in most of the eight countries in which Pirtek operates.

In the UK there was a slowdown in the construction and plant hire sectors in particular, whilst in Germany activity was impacted by a significant slowdown in the manufacturing sector. Benelux, France and Sweden faced similar headwinds to the UK and Germany.

However, despite the subdued market, the UK and Ireland (which account for 45% of System sales) achieved record system sales with the business demonstrating a high level of resilience in terms of customer retention. It has also been reducing its sector dependency by targeting waste management, rail, manufacturing and maintenance, repair & operations. Technical sales experienced good growth, driven by an increase in smaller, recurring works.

Germany and Austria (which account for 37% of System sales) also grew to record levels of System sales and diversified by targeting under-represented sectors, particularly waste management and food and beverage. Austria saw good growth of 13% although it remains an early-stage market.

Benelux (which accounts for 13% of System sales) achieved 8% growth in system sales in local currency, as it was quick to successfully diversify into markets such as waste management and marine, had good growth in Total Hose Management (+16%), and undertook a number of major projects for customers in the marine, offshore contracting, elevator & escalator, and equipment rental sectors.

The performance of the early-stage DLO operations of France and Sweden (which account for 5% of System sales) was disappointing, with sales volumes failing to materialise. In France, our geographic expansion had limited traction as customers minimised discretionary spend and competitor activity increased. Sweden's sales performance was held back albeit progress was made in reducing its sector dependency. The fixed cost base of these DLOs is more difficult to adjust when sales are reduced, which does serve to highlight the benefits of our predominantly franchised model.

Adjusted EBITDA on a country basis and the like-for-like comparison may be summarised as follows:

Adjusted EBITDA	2024 Actual	2023 Actual	2023 Proforma	Actual Change	Proforma Change
£	£'000	£'000	£'000	%	%
UK & Ireland	10,098	6,872	9,678	47%	4%
Germany & Austria	6,212	4,271	6,048	45%	3%
Benelux	3,942	2,632	3,648	50%	8%
France	177	165	(82)	7%	316%
Sweden	313	301	460	4%	(32%)
Divisional overheads	(817)	(738)	(1,338)	(11%)	39%
Total	**19,925**	**13,503**	**18,415**	**48%**	**8%**

Overall, Adjusted EBITDA increased by 48% to £19.9m (2023: £13.5m) and 8% on a like-for-like basis, which is considered a satisfactory performance in challenging market conditions.

The ratio of Adjusted EBITDA to System sales increased to 10.9% from 10.2% on a like-for-like basis, which was driven by the elimination of the losses in Austria and France and the reduction in divisional overheads resulting from integrating Pirtek into the Group.

The underlying performance of each country in local currency and on a like-for-like basis can be analysed as follows:

Adjusted EBITDA	2024 Actual	2023 Actual	2023 Proforma	Actual Change	Proforma Change
Local currencies				%	%
UK GBP	10,098	6,872	9,678	47%	4%
Germany & Austria €	7,341	4,886	6,972	50%	5%
Benelux €	4,666	3,034	4,208	54%	11%
France €	206	192	(94)	7%	319%
Sweden SEK	4,240	4,020	6,078	5%	(30%)
Group overheads GBP	(817)	(738)	(1,338)	(11%)	(39%)

In our larger businesses, in local currency, Adjusted EBITDA in Germany and Austria, on a proforma basis, increased by 5% and in Benelux by a creditable 11%.

Pirtek has a significant opportunity to expand into eight additional European countries under the terms of its master licence agreement, which gives it perpetual, royalty-free use of the brand in 16 European countries in total. However, our priority is to achieve improved profitability in the early-stage markets of Sweden, France and Austria before developing new markets.

Water & Waste Services division

The results of the Water & Waste Services division may be summarised as follows:

	Metro Rod £'000	Willow Pumps £'000	Filta UK £'000	2024 £'000	Metro Rod £'000	Willow Pumps £'000	Filta UK £'000	2023 £'000	Change £'000	Change %
System sales	**79,410**	**18,296**	**12,564**	**110,270**	**75,671**	**18,659**	**12,331**	**106,661**	**3,609**	**3%**
Statutory revenue	**18,408**	**18,296**	**9,350**	**46,054**	**18,086**	**18,659**	**10,062**	**46,807**	**(753)**	**(2%)**
Cost of sales	(2,353)	(11,911)	(5,397)	(19,661)	(2,939)	(12,399)	(5,909)	(21,247)	1,586	(8%)
Gross profit	**16,055**	**6,385**	**3,953**	**26,393**	**15,147**	**6,260**	**4,153**	**25,560**	**833**	**3%**
GP%	*87%*	*35%*	*42%*	57%	*84%*	*34%*	*41%*	55%	*2%*	*4%*
Administrative expenses	(8,023)	(4,424)	(2,835)	(15,282)	(7,596)	(4,406)	(2,688)	(14,690)	(592)	4%
Adjusted EBITDA	**8,032**	**1,961**	**1,118**	**11,111**	**7,551**	**1,854**	**1,465**	**10,870**	**241**	**2%**
Adjusted EBITDA/System sales	**10.1%**	**10.7%**	**8.9%**	**10.1%**	**10.0%**	**9.9%**	**11.9%**	**10.2%**		

The Water & Waste Services division continues to become more integrated and grow its franchise focus by expanding its franchise networks and reducing DLO operations. This has slightly reduced the critical Adjusted EBITDA/System sales ratio as profits are transferred to franchisees. In the longer term, this will benefit the business as it will be able to expand its coverage and range of services more quickly.

Metro Rod

The results for Metro Rod may be summarised as follows:

	2024 £'000	2023 £'000	Change £'000	Change %
System sales	**79,410**	**75,671**	**3,739**	**5%**
Statutory revenue	**18,408**	**18,086**	**322**	**2%**
Cost of sales	(2,353)	(2,939)	586	(20%)
Gross profit	**16,055**	**15,147**	**908**	**6%**
GP%	*87%*	*84%*	*3%*	*4%*

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Administrative expenses	(8,023)	(7,596)	(427)	6%
Adjusted EBITDA	**8,032**	**7,551**	**481**	**6%**
EBITDA/System sales	**10.1%**	**10.0%**		

Metro Rod includes Metro Plumb, Kemac, and the corporate franchise in North East Scotland. Overall, System sales increased by 5% to £79.4m (2023: £75.7m). Gross profit increased 6% as a result of a 3% improvement in the gross profit percentage to 87% (2023: 84%). Administrative expenses grew by 6% due to inflationary pressures on wages and other fixed costs. Adjusted EBITDA increased by 6% to £8.0m (2023: £7.6m), driving a marginal improvement in the key KPI of Adjusted EBITDA/System sales by 14 basis points to 10.1%.

Metro Plumb saw robust System sales growth of 16% in 2024. The business benefited from expanding its range of services into gas and air source heat pumps, diversifying into other sectors such as social housing, and reducing reliance on lower-value insurance work.

Willow Pumps

The results for Willow Pumps may be summarised as follows:

	2024	2023	Change	Change
	£'000	£'000	£'000	%
System Sales	**18,296**	**18,659**	**(363)**	**(2%)**
Cost of sales	(11,911)	(12,399)	488	(4%)
Gross profit	**6,385**	**6,260**	**125**	**2%**
GP%	*35%*	*34%*	*1%*	*4%*
Administrative expenses	(4,424)	(4,406)	(18)	0%
Adjusted EBITDA	**1,961**	**1,854**	**107**	**6%**

The business has three distinct revenue streams: service revenue, supply and installation revenue, and a third, more recent revenue stream with the establishment of the Special Project Division.

Overall System sales (the same as Statutory revenue as all the businesses are DLOs) declined by 2% to £18.3m (2023: £18.7m). This was entirely due to the sale in late 2023 of the Kent and Sussex corporate franchise previously managed by Willow Pumps. The underlying sales of the core Willow Pumps business grew by 4%.

Overall, the gross profit percentage improved from 34% to 35% due to the focus away from high-volume, low margin work. The Special Projects division is engaged in larger, longer-term projects and is beginning to win work, but it did not significantly contribute in 2024 as some customers delayed the start of projects.

Adjusted EBITDA increased by 6% to £2.0m (2023: £1.9m), as the business benefitted from higher gross margins and tightly controlled overheads.

Filta UK

The results of Filta UK may be summarised as follows:

	2024	2023	Change	Change
	£'000	£'000	£'000	%
System sales	**12,564**	**12,331**	**233**	**2%**
Statutory revenue	**9,350**	**10,062**	**(712)**	**(7%)**
Cost of sales	(5,397)	(5,909)	512	(9%)
Gross profit	**3,953**	**4,153**	**(200)**	**(5%)**
GP%	*42%*	*41%*	*1%*	*2%*
Administrative expenses	(2,835)	(2,688)	(147)	5%
Adjusted EBITDA	**1,118**	**1,465**	**(347)**	**(24%)**

In 2024, Filta UK initially comprised the Filta Seal fridge seal replacement business, Filta Pumps and the Filta Environmental business, which operated as a franchise as well as a DLO network.

During the year, this business was reorganised with the transfer of all the remaining Filta Environmental work from a direct labour workforce to the expanded franchise network. The expanded network is now delivering all Fats, Oil and Grease ("FOG") servicing work. While this has reduced short-term profits generated for the Group from this activity during this transition phase, in the long term, the overhead savings and the royalties generated from an expanded franchise business will more than compensate.

As part of our integration strategy, Filta's pump business was transferred to Willow Pumps towards the end of the year. This will allow better use of the DLO labour, drive efficiencies by reducing duplication, and improve the customer experience.

The loss of margin resulting from the transfer of the Filta Environmental work resulted in a decline in the gross profit. Administrative expenses grew by 5% as a result of the prior year benefitting from an R&D tax credit on the development of the Cyclone Grease Recovery Unit, which was not repeated in 2024.

Filta International

The results for Filta International may be summarised as follows:

	North America	Europe	2024	North America	Europe	2023	Change	Change
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%
System sales	**94,446**	**3,380**	**97,826**	**87,004**	**3,478**	**90,482**	**7,344**	**8%**
Statutory revenue	**25,029**	**568**	**25,597**	**26,506**	**611**	**27,117**	**(1,520)**	**(6%)**

Cost of sales	(15,419)	(272)	(15,691)	(17,011)	(338)	(17,349)	1,658	(10%)
Gross profit	**9,610**	**296**	**9,906**	**9,495**	**273**	**9,768**	**138**	**1%**
GP%	*38%*	*52%*	39%	*36%*	*45%*	36%	*3%*	*7%*
Administrative expenses	(3,601)	(312)	(3,913)	(3,171)	(500)	(3,671)	(242)	7%
Adjusted EBITDA	**6,009**	**(16)**	**5,993**	**6,324**	**(227)**	**6,097**	**(104)**	**(2%)**
Adjusted EBITDA/ System sales	6.4%		6.1%	7.3%		6.7%		

Filta International comprises the Filta franchise networks in North America and Europe.

System sales in North America increased by 8% to £94.4m (2023: £90.5m) and in local currency by 12% to 120.9m (2023: 108.2m), benefiting from a supportive macroenvironment and good traction with the FiltaMax strategic growth initiative. Excluding used cooking oil ("UCO") sales, underlying systems sales grew by 14% to £79.6m (2023: £69.8m) and in local currency by 17% to 101.9m (2023: 86.8m).

Good progress was made driving penetration in the 55 metro markets where the range of services is being expanded and franchisees upgraded. Strong momentum was generated in growing the royalty based FiltaGold and FiltaClean services, which now account for over 20% of System Sales.

Progress is also being made in converting the franchisees onto a royalty-only model and away from the historic fixed monthly fee on each Mobile Filtration Unit ("MFU") in service. 25% of franchisees who contribute 50% of the system sales have transitioned to the royalty model in 2024.

Sales of UCO in 2024 declined by 14% to £14.8m (2023: £17.2m) and in local currency by 11% to 19.0m (2023: 21.4m). This resulted from a fall in the price of UCO of 23% in local currency despite a 15% increase in volume. The reduction in the value of UCO resulted in a decline in the year-on-year contribution from this activity of £0.6m.

Administrative expenses in North America increased by 14% in the period due to the cost of strengthening the senior management team with the appointment of a new COO and additional software development costs.

Adjusted EBITDA in North America was flat at 7.7m, on a local currency basis, but declined by 5% to £6m (2023: £6.3m) on a reported basis. Excluding the contribution from UCO, Adjusted EBITDA grew by 10% to £3.7m (2023: £3.4m) and in local currency by 19% to 4.8m (2023: 4.0m).

System sales in Europe are generated from fryer management, seal replacement and GRU installations. Overall, System sales declined by 3%. This sub-scale activity was scaled back in 2024, virtually eliminating the losses, and we anticipate it will be sold to a Master Franchisee in 2025.

B2C Division

The results of the B2C division may be summarised as follows:

	2024 £'000	2023 £'000	Change £'000	Change %
System sales	**25,972**	**26,189**	**(217)**	**(1%)**
Statutory revenue	**5,752**	**6,106**	**(354)**	**(6%)**
Cost of sales	(1,001)	(1,207)	206	(17%)
Gross profit	**4,751**	**4,899**	**(148)**	**(3%)**
GP%	*83%*	*80%*	*3%*	*3%*
Administrative expenses	(2,546)	(2,583)	37	(1%)
Adjusted EBITDA	**2,205**	**2,316**	**(111)**	**(5%)**

The B2C division is a B2C franchise business that includes ChipsAway, Ovenclean, and Barking Mad consumer brands. Its income is derived mainly from monthly fees paid by franchisees for using the brands and from the fees generated on recruiting new franchisees. Given the difference in the income model between this business and the B2B businesses, it operates as an autonomous division of the Group from its headquarters in Kidderminster.

2024 was a challenging year for franchisee recruitment and retention. 24 new franchisees were recruited in 2024 (2023: 41), and 53 franchisees left the system (2023: 63), resulting in a net decline of 29 franchisees (2023: 22). As a result, System sales declined very marginally in 2024, which represents 74% of divisional System sales.

Gross profit declined by 3% due to lower monthly fee income on the reduced franchise base and the lower income from franchise recruitment. Strict cost control resulted in overhead being 1% lower than the previous year. As a result, Adjusted EBITDA declined by only 5% to £2.2m (2023: £2.3m), which we consider a solid result given the challenging environment.

Azura

Azura is a SaaS supplier of franchise management software to the Group and over 30 other franchise businesses. The results for the period may be summarised as follows:

	2024 £'000	2023 £'000	Change £'000	Change %
System sales	808	745	**63**	**8%**
Statutory revenue	808	745	**63**	**8%**
Cost of sales	0	0	0	0%
Gross profit	808	745	**63**	**8%**
GP%	*100%*	*100%*	-	-
Administrative expenses	(764)	(531)	(233)	44%
Adjusted EBITDA	44	214	**(170)**	**(79%)**

Statutory revenue is comprised of third-party income of £0.4m (2023: £0.4m) and charges to Group companies of £0.4m (2023: £0.4m), which are eliminated on consolidation. During the year, Azura invested substantially in its internal resources to support the rollout of the Vision works-management platform throughout the Group, which has resulted in a significant increase in overheads and reduced Adjusted EBITDA.

***One* Franchise Brands**

The *One* Franchise Brands strategy was launched at the Group's Growth Summit in Q4 2024. The objective is to create one integrated, efficient and connected Group by the achievement of the following three key objectives:

1. Increasing our system sales - this will be achieved by expanding the range of services offered to customers; maximising Group-wide sales opportunities, including cross-selling; and the expansion of the franchise network, particularly Metro Plumb and Filta Environmental.
2. Spending our money smartly - this will focus on creating an efficient overhead structure operating on a single secure and effective IT platform.
3. Collecting our cash - to accelerate our deleveraging and put us in a position to grow by acquisition as soon as possible.

These objectives are inter-linked as the integration of systems and harmonisation of processes, will deliver an efficient overhead structure, and connecting the wider Group, utilising the expertise and knowledge across all our businesses, will open up new markets and sales opportunities. Progress continues to be made on integrating all the Group's businesses and the opportunities remain significant.

Peter Molloy

Chief Executive Officer

26 March 2025

FINANCIAL REVIEW

The Group's results for the year ended 31 December 2024 comprise a full-year contribution from all divisions. The comparative results for the prior year include just over eight months of contribution from Pirtek, which was acquired on 20 April 2023.

Summary statement of income

	2024	2023 restated	**Change**	**Change**
	£'000	£'000	**£'000**	**%**
System sales	**418,458**	350,053	68,405	20%
Statutory revenue	**139,206**	121,019	18,187	15%
Cost of sales	(55,887)	(52,790)	(3,097)	6%
Gross profit	**83,319**	68,229	15,090	22%
Administrative expenses	(48,198)	(38,076)	(10,122)	27%
Adjusted EBITDA	**35,121**	30,153	4,968	16%
Depreciation & amortisation of software	**(6,072)**	(4,598)	(1,474)	32%
Finance expense	**(7,378)**	(5,734)	(1,644)	29%
Foreign Exchange	**(386)**	(146)	(240)	164%
Adjusted profit before tax	**21,285**	19,675	1,610	8%
Tax expense	**(4,743)**	(5,147)	404	(8%)
Adjusted profit after tax	**16,542**	14,528	2,014	14%
Amortisation of acquired intangibles	**(10,156)**	(7,718)	(2,438)	
Share-based payment expense	**(1,480)**	(838)	(642)	
Non-recurring items	**(444)**	(6,159)	5,715	
Tax on adjusting items	**2,822**	3,174	(352)	
Statutory profit	**7,284**	2,987	4,297	144%
Other Comprehensive Income	**349**	(68)	417	
Total Profit and Other Comprehensive Income	**7,633**	2,919	4,714	162%

Adjusted EBITDA grew by 16%, primarily as a result of Pirtek's full-year contribution in 2024 versus almost eight months of trading in 2023. The underlying like-for-like Adjusted EBITDA was flat.

Depreciation and amortisation of software increased 32% to £6.1m (2023: £4.6m), principally due to the full twelve-month impact of the Pirtek acquisition.

The finance expense increased by 29% due to the full twelve-month impact of the Pirtek acquisition. The average interest rate payable on the bank loans reduced to 7.6% (2023: 7.7%). The interest margin also reduced from 2.75% at the completion of the Pirtek acquisition to a current margin of 2.5%, reflecting the reduction in total debt and the ratio of total debt to Adjusted EBITDA.

Foreign exchange differences reflect the realised and unrealised losses primarily associated with internal and external debt funding arrangements for both the Pirtek acquisition and the Pirtek intercompany loans.

The overall effective tax rate has fallen to 22.3% (2023: 26.1%) as a result of adjustments to the prior year's estimate and the recognition of a deferred tax asset not previously recognised in relation to the Pirtek acquisition.

The increase in the amortisation of acquired intangibles reflects the full twelve-month impact of the Pirtek acquisition and the final valuation of these assets.

The increase in the share-based payment expense principally reflects additional grants made to the Pirtek team and other new employees who joined the Group during 2023/4.

Statutory profit after tax rose by 144% to £7.3m (2023: £3.0m) due to the significant reduction in non-recurring items which, in 2023, included the Pirtek acquisition costs.

Prior Year Adjustments

During the year, the implementation of IRFS accounting standards was reviewed with our new auditors, giving rise to a restatement of the prior year accounts. The overall impact of the adjustments is to reduce Adjusted EBITDA in the year ended 31 December 2023 by £0.1m. Full details are provided in Note 1 of the Annual Report and Accounts.

Earnings per share

The Adjusted and basic EPS are shown in the table below:

	2024	**EPS**	**2023**	**EPS**
	£'000	**p**	**£'000**	**p**

Adjusted profit after tax	**16,542**	**8.59**	**14,528**	**8.39**
Amortisation of acquired intangibles	(10,156)	(5.28)	(7,718)	(4.46)
Share based payment	(1,480)	(0.77)	(838)	(0.48)
Non-recurring costs	(444)	(0.23)	(6,159)	(3.56)
Tax on adjusting items	2,822	1.47	3,174	1.84
Statutory profit after tax	**7,284**	**3.78**	**2,987**	**1.73**

The total number of ordinary shares in issue as at 31 December 2023 was 193,784,080 (31 December 2023: 193,784,080).

The EBT started the year holding 1,562,685 ordinary shares, purchased 326,112 and disposed of 641,675 ordinary shares in respect of the exercise of employee shares options and therefore ended the period holding 1,247,122 ordinary shares. On 31 December 2024, there were 14,815,191 shares under option (7.7% of the total number of ordinary shares), of which 2,514,509 have vested and are capable of exercise.

The total number of ordinary shares in issue as at 31 December 2024 net of the EBT holding was 192,536,958 (31 December 2023: 192,221,395), and the basic weighted average number of ordinary shares in issue for was 192,221,395 (2023: 173,090,691).

Adjusted basic EPS increased by 2% to 8.59p (2023: 8.39p as restated), and basic earnings per share increased by 118% to 3.78p (2023: 1.73p as restated).

Cash flow and working capital

A summary of the Group cash flow for the period is set out in the table below.

	2024 £'000	Restated 2023 £'000
Adjusted EBITDA	**35,121**	**30,153**
Non-recurring costs	(444)	(6,159)
Working capital movements	(1,577)	2
Adjusted cash generated from operations	**33,100**	**23,996**
Taxes paid	(3,991)	(4,498)
Purchases of property, plant and equipment (net of proceeds)	(1,222)	(986)
Purchase of software	(1,657)	(1,350)
Purchase of IP	(9)	(522)
Acquisition of subsidiaries including debt repaid	-	(48,894)
Acquired debt repaid	-	(136,747)
Funds raised via debt	-	100,012
Funds raised via equity	-	94,106
Net bank loans repaid	(9,250)	(13,000)
Interest paid bank and other loan	(6,704)	(5,374)
Lease payments	(4,264)	(2,897)
Funds supplied to the EBT	(77)	192
Dividends paid	(4,429)	(3,371)
Other net movements	(776)	954
Net cash movement	**721**	**1,621**
Net cash at beginning of year	12,278	10,935
Exchange differences on cash and cash equivalents	(78)	(278)
Net cash at end year	**12,921**	**12,278**

The Group generated Adjusted cash from operating activities of £33.1m (2023: £24.0m) resulting in a cash conversion rate of 94% (2023: 80%).

Taxes paid reduced slightly due to an overpayment in the previous year.

Property, plant and equipment purchases were £1.2m (2023: £1.0m) and related mostly to plant and equipment additions in the DLO businesses. The software purchases represent the continued investment in our IT infrastructure as we develop the global group platforms.

Bank loans repaid represent the continued repayment of the loans taken out to fund the Pirtek acquisition. Interest paid reflects the cost of servicing this debt. Lease payments have increased due to the full-year cost of the leases acquired with the Pirtek acquisition.

Dividends paid reflect the combined cash cost of the final 2023 dividend and the 2024 interim dividend paid in 2024.

The net debt of the Group may be summarised as follows:

	31 December 2024 **£'000**	31 December 2023 £'000	Change £'000
Cash	**12,921**	12,278	643
Term loan	**(40,000)**	(50,000)	10,000
RCF	**(37,431)**	(36,908)	(523)
Loan fee	**689**	749	(60)
Hire purchase debt	**(1,266)**	(837)	(429)
Adjusted (net debt)/net cash	**(65,087)**	**(74,718)**	**9,631**
Other lease debt	**(9,975)**	(7,567)	(2,408)
(Net Debt) / Net cash	**(75,062)**	**(82,285)**	**7,223**

During the year the term loan balance was reduced by £10m (2023: £5m) in accordance with the banking agreement. Adjusted net debt, the metric used in calculating compliance with our banking covenants, reduced to £65.1m (2023: £74.8m) and leverage from 2.5x to 1.9x times Adjusted EBITDA, which was in line with management's expectations and comfortably within our banking covenants.

Andrew Mallows

Chief Financial Officer

26 March 2025

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	Note	2024 Total £'000	Restated* 2023 Total £'000
Revenue	4	**139,206**	121,019
Cost of sales		**(55,887)**	(52,790)
Gross profit		**83,319**	68,229
Adjusted earnings before interest, tax, depreciation, amortisation, share-based payments & non-recurring items ("Adjusted EBITDA")		**35,121**	30,153
Depreciation	5	**(4,837)**	(3,673)
Amortisation of software	5	**(1,235)**	(925)
Amortisation of acquired intangibles		**(10,156)**	(7,718)
Share-based payment expense		**(1,480)**	(838)
Non-recurring items	5	**(444)**	(6,159)
Total administrative expenses		**(65,858)**	(57,293)
Net impairment losses on financial assets		**(492)**	(96)
Operating profit		**16,969**	10,840
Foreign exchange losses		**(386)**	(146)
Finance expense		**(7,378)**	(5,734)
Profit before tax		**9,205**	4,960
Tax expense		**(1,921)**	(1,973)
Profit for the year attributable to equity holders of the Parent Company		**7,284**	2,987
Other comprehensive (expense)/income			
Actuarial gains		**12**	63
Exchange differences on translation of foreign operations		**337**	(131)
Total comprehensive (expense)/income attributable to equity holders of the Parent Company		**349**	(68)
Total Profit and other comprehensive income for the year attributable to equity holders of the Parent Company		**7,633**	2,919
Earnings per share			
Basic	6	**3.78p**	1.73p
Diluted	6	**3.74p**	1.70p

* See Note 2 for details.

Consolidated Statement of Financial Position

At 31 December 2024

	2024 £'000	Restated* 2023 £'000	Restated* 2022 £'000
Assets			
Non-current assets			
Intangible assets	**295,536**	305,328	84,664
Property, plant and equipment	**4,667**	4,418	3,208
Right-of-use assets	**11,106**	9,338	2,568

Contract acquisition costs	**454**	427	402
Trade and other receivables	**333**	641	811
Total non-current assets	**312,096**	320,152	91,653
Assets in disposal groups classified as held for sale	-	-	5,455
Current assets			
Inventories	**7,577**	7,062	1,989
Trade and other receivables	**40,217**	41,000	23,485
Contract acquisition costs	**98**	79	92
Current tax asset	**390**	1,104	220
Cash and cash equivalents	**12,921**	12,278	10,935
Total current assets	**61,203**	61,523	36,721
Total assets	**373,299**	381,675	133,829
Liabilities			
Current liabilities			
Trade and other payables	**31,018**	33,358	19,579
Loans and borrowings	**9,311**	9,251	-
Obligations under leases	**3,062**	2,862	831
Deferred income	**2,237**	1,318	873
Current tax liability	**778**	603	-
Total current liabilities	**46,406**	47,392	21,283
Liabilities directly associated with assets in Disposal groups classified as held for sale	-	-	2,561
Non-current liabilities			
Loans and borrowings	**67,431**	76,908	-
Obligations under leases	**8,179**	6,526	1,626
Deferred income	**1,892**	2,894	1,848
Deferred tax liability	**30,828**	33,919	4,134
Total non-current liabilities	**108,330**	120,247	7,608
Total liabilities	**154,736**	167,639	31,452
Total net assets	**218,563**	214,036	102,377
Issued capital and reserves attributable to owners of the Company			
Share capital	**969**	969	652
Share premium	**131,131**	131,131	37,293
Share-based payment reserve	**3,213**	1,936	1,217
Merger reserve	**69,754**	69,754	52,212
Translation reserve	**361**	24	155
EBT reserve	**(2,756)**	(2,679)	(2,871)
Retained earnings	**15,891**	12,901	13,719
Total equity attributable to equity holders	**218,563**	214,036	102,377

* See Note 2 for details.

Company Statement of Financial Position

At 31 December 2024

	2024	2023
	£'000	£'000
Assets		
Non-current assets		
Investment in group companies	**208,905**	207,830
Property, plant and equipment	**7**	-
Total non-current assets	**208,912**	207,830
Current assets		
Trade and other receivables	**102,459**	103,177
Cash and cash equivalents	**1,585**	875
Total current assets	**104,044**	104,052
Total assets	**312,956**	311,882
Liabilities		
Current liabilities		
Trade and other payables	**27,945**	16,311
Loans and borrowings	**9,311**	9,251
Total current liabilities	**37,256**	25,562
Non-current liabilities		
Loans and borrowings	**67,431**	76,908
Total non-current liabilities	**67,431**	76,908
Total liabilities	**104,687**	102,470
Net assets	**208,269**	209,412
Issued capital and reserves attributable to owners of the Company		
Share capital	**969**	969
Share premium	**131,131**	131,131
Share-based payment reserve	**3,213**	1,936
Merger reserve	**69,634**	69,634

EBT reserve	**(2,756)**	(2,679)
Retained earnings	**6,078**	8,421
Total equity attributable to equity holders	**208,269**	209,412

Consolidated Statement of Cash Flows
For the year ended 31 December 2024

	Note	**2024 £'000**	Restated* 2023 £'000
Cash flows from operating activities			
Profit for the year		**7,284**	2,987
Adjustments for:			
Depreciation of property, plant and equipment		**1,122**	1,066
Depreciation of right-of-use assets		**3,715**	2,608
Amortisation of software & other intangibles		**1,235**	925
Amortisation of acquired intangibles		**10,156**	7,718
Stock provision adjustment		**(313)**	-
Non-recurring costs		**(491)**	786
Share-based payment expense		**1,480**	838
Gain on disposal of property, plant and equipment		**(102)**	(55)
Current service cost - DBO		**(18)**	-
Finance expense		**7,378**	5,734
Exchange differences on translation of foreign operations		**357**	76
Tax expense		**1,921**	1,973
Operating cash flow before movements in working capital		**33,724**	24,656
Decrease/(Increase) in trade and other receivables		**421**	(3,591)
(Increase)/decrease in inventories		**(344)**	338
Increase/(decrease) in trade and other payables		**(1,654)**	3,255
Cash generated/(absorbed) from operations		**32,147**	24,658
Corporation taxes paid		**(3,991)**	(4,498)
Net cash generated from operating activities		**28,156**	20,160
Cash flows from investing activities			
Purchases of property, plant and equipment		**(1,470)**	(1,183)
Proceeds from the sale of property, plant and equipment		**248**	251
Purchase of software		**(1,657)**	(1,350)
Purchase of Intellectual Property		**(9)**	(522)
Loans to franchisees		**(164)**	(149)
Loans to franchisees repaid		**341**	412
Acquisition of subsidiaries including costs, net of cash acquired		**-**	(48,894)
Net cash used in investing activities		**(2,711)**	(51,435)
Cash flows from financing activities			
Bank loans - received		**2,000**	100,012
Bank loans - repaid		**(11,250)**	(62,097)
Loan notes - repaid		**-**	(29,155)
Preference shares - repaid		**-**	(58,520)
Capital element of lease liability repaid		**(3,666)**	(2,549)
Interest paid - bank and other loan		**(6,704)**	(5,374)
Interest paid - leases		**(598)**	(348)
Proceed from issue of shares		**-**	94,106
Proceeds from sale/(purchase) of shares by the Employee Benefit Trust		**(77)**	192
Dividends paid	7	**(4,429)**	(3,371)
Net cash generated/(absorbed) from financing activities		**(24,724)**	32,896
Net increase/(decreased) in cash and cash equivalents		**721**	1,621
Cash and cash equivalents at beginning of year		**12,278**	10,935
Exchange differences on cash and cash equivalents		**(78)**	(278)
Cash and cash equivalents at end of year		**12,921**	12,278

* See Note 2 for details.

RECONCILIATION OF CASH FLOW TO THE GROUP NET DEBT POSITION

Group	**Term Loan £'000**	**Revolving credit facility £'000**	**Loans & borrowings £'000**	**Preference shares £'000**	**Restated* Lease liabilities £'000**	**Restated* Total liabilities from financing activities £'000**	**Cash £'000**	**Restated* Total net cash / (net debt) £'000**
At 1 January 2023	-	-	-	-	(2,756)	(2,756)	10,935	8,179
Financing cash inflows	(55,000)	(45,012)	-	-	-	(100,012)	-	(100,012)
Financing cash outflows	5,000	8,000	78,227	58,520	2,897	152,644	-	152,644
Leases interest expense	-	-	-	-	(348)	(348)	-	(348)
Other cash flows	-	-	-	-	-	-	(5,421)	(5,421)
Acquired through business combination	-	-	(78,227)	(58,520)	(6,553)	(143,300)	7,042	(136,258)
Cash items	**(50,000)**	**(37,012)**	**-**	**-**	**(4,004)**	**(91,016)**	**1,621**	**(89,395)**
Non-cash items								
Amortised loan fees	749	-	-	-	-	749	-	749
Foreign exchange movements	-	104	-	-	(63)	41	(278)	(237)
Additions to new leases	-	-	-	-	(2,689)	(2,689)	-	(2,689)
Disposals	-	-	-	-	124	124	-	124
At 1 January 2024	(49,251)	(36,908)	-	-	(9,388)	(95,547)	12,278	(83,269)
Financing cash inflows	-	(2,000)	-	-	-	(2,000)	-	(2,000)
Financing cash outflows	10,000	1,250	-	-	4,264	15,514	-	15,514
Leases interest expense	-	-	-	-	(598)	(598)	-	(598)

Other cash flows	-	-	-	-	-	-	721	721
Cash items	**10,000**	**(750)**	**-**	**-**	**3,666**	**12,916**	**721**	**13,637**
Non-cash items								
Amortised loan fees	(60)	-	-	-	-	(60)	-	(60)
Foreign exchange movements	-	227	-	-	304	531	(78)	453
Additions to new leases	-	-	-	-	(5,948)	(5,948)	-	(5,948)
Disposals	-	-	-	-	125	125	-	125
At 31 December 2024	**(39,311)**	**(37,431)**	**-**	**-**	**(11,241)**	**(87,983)**	**12,921**	**(75,062)**

Company Statement of Cash Flows

For the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
Cash flows from operating activities			
Profit for the year		**2,064**	5,000
Adjustments for:			
Depreciation of property, plant and equipment	15	**2**	-
Non-recurring costs		-	130
Management charges		**(4,428)**	(2,834)
Finance expenses		**6,761**	5,384
Tax expense		**(1,584)**	(1,377)
Exchange differences on translation of foreign operations		**(230)**	(105)
Share-based payment expense		**203**	211
Operating cash flow before movements in working capital		**2,788**	6,409
Decrease/(Increase) in trade and other receivables	19	**919**	3,373
Increase in trade and other payables	20	**17,519**	11,071
Cash (absorbed)/generated from operations		**21,226**	20,853
Corporation taxes paid		**(50)**	(1,345)
Net cash generated from operating activities		**21,176**	19,508
Cash flows from investing activities			
Purchases of property, plant and equipment	15	(9)	-
Investment in subsidiary		-	(36,826)
Loan to subsidiary		-	(99,925)
Acquisition of subsidiaries including costs		-	(57,855)
Net cash used in investing activities		**(9)**	(194,606)
Cash flows from financing activities			
Bank loans - received		**2,000**	100,012
Bank loans - repaid		**(11,250)**	(13,000)
Interest paid - bank and other loans		**(6,701)**	(5,384)
Proceed from issue of shares (net of costs)		-	94,106
Proceeds from sale/(purchase) of shares by the Employee Benefit Trust		**(77)**	192
Dividends paid	28	**(4,429)**	(3,371)
Net cash flows (absorbed)/generated by financing activities		**(20,457)**	172,555
Net (decrease) in cash and cash equivalents		**710**	(2,543)
Cash and cash equivalents at beginning of year		**875**	3,418
Cash and cash equivalents at end of year		**1,585**	875

RECONCILIATION OF CASH FLOW TO THE COMPANY NET DEBT POSITION

Group	Term Loan £'000	Revolving credit facility £'000	Total liabilities from financing activities £'000	Cash £'000	Total net cash/(net debt) £'000
At 1 January 2023	-	-	-	3,418	3,418
Financing cash inflows	(55,000)	(45,012)	(100,012)	-	(100,012)
Financing cash outflows	5,000	8,000	13,000	-	13,000
Other cash flows	-	-	-	(2,543)	(2,543)
Cash items	**(50,000)**	**(37,012)**	**(87,012)**	**(2,543)**	**(89,555)**
Non-cash items					
Amortised Loan Fees	749	-	749	-	749
Foreign exchange movements	-	104	104	-	104
At 1 January 2024	(49,251)	(36,908)	(86,159)	875	(85,284)
Financing cash inflows	-	(2,000)	(2,000)	-	(2,000)
Financing cash outflows	10,000	1,250	11,250	-	11,250
Cash items	**10,000**	**(750)**	**9,250**	**710**	**9,960**

Cash items	**10,000**	**(750)**	**9,250**	**710**	**9,960**
Non-cash items					
Other cash flows	-	-	-	710	710
Amortised Loan Fees	(60)	-	(60)	-	(60)
Foreign exchange movements	-	227	227	-	227
At 31 December 2024	**(39,311)**	**(37,431)**	**(76,742)**	**1,585**	**(75,157)**

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

Group	Share capital £'000	Share premium account £'000	Share-based payment reserve £'000	Merger reserve £'000	Translation reserve £'000	EBT reserve £'000	*Restated Retained earnings £'000	Total £'000
At 1 January 2023	652	37,293	1,217	52,212	155	(2,871)	14,026	102,684
Correction of errors	-	-	-	-	-	-	(307)	(307)
***Restated At 1 January 2023**	652	37,293	1,217	52,212	155	(2,871)	13,719	102,377
Profit for the year	-	-	-	-	-	-	2,987	2,987
Actuarial gain	-	-	-	-	-	-	63	63
Foreign exchange translation differences	-	-	-	-	(131)	-	-	(131)
Profit for the year and total comprehensive income	-	-	-	-	(131)	-	3,050	2,919
Contributions by and distributions to owners								
Shares issued	317	96,392	-	17,542	-	-	-	114,251
Share Placing costs charged to Share Premium	-	(2,554)	-	-	-	-	-	(2,554)
Dividend paid	-	-	-	-	-	-	(3,371)	(3,371)
Contributions to Employee Benefit Trust	-	-	-	-	-	192	-	192
Share-based payment	-	-	719	-	-	-	-	719
Tax on share-based payment expense	-	-	-	-	-	-	(496)	(496)
At 1 January 2024	**969**	**131,131**	**1,936**	**69,754**	**24**	**(2,679)**	**12,901**	**214,036**
Profit for the year	-	-	-	-	-	-	7,284	**7,284**
Actuarial gain	-	-	-	-	-	-	12	12
Foreign exchange translation differences	-	-	-	-	337	-	-	337
Profit for the year and total comprehensive income	-	-	-	-	337	-	7,296	7,633
Contributions by and distributions to owners								
Shares issued	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(4,429)	(4,429)
Contributions to Employee Benefit Trust	-	-	-	-	-	(77)	-	(77)
Share-based payment	-	-	1,277	-	-	-	-	1,277
Tax on share-based payment expense	-	-	-	-	-	-	123	123
At 31 December 2024	**969**	**131,131**	**3,213**	**69,754**	**361**	**(2,756)**	**15,891**	**218,563**

* See Note 2 for details.

Company Statement of Changes in Equity

For the year ended 31 December 2024

Company	Share capital £'000	Share premium account £'000	Share-based payment reserve £'000	Merger reserve £'000	EBT reserve £'000	Retained earnings £'000	Total £'000
At 1 January 2023	652	37,293	1,217	52,092	(2,871)	6,850	95,233
Profit for the year and total comprehensive income	-	-	-	-	-	5,000	5,000
Contributions by and distributions to owners							
Shares issued	317	96,392	-	17,542	-	-	114,251
Share Placing costs charged to Share Premium	-	(2,554)	-	-	-	-	(2,554)
Dividend paid	-	-	-	-	-	(3,371)	(3,371)
Contributions to Employee Benefit Trust	-	-	-	-	192	-	192
Share-based payment	-	-	719	-	-	-	719
Tax on share-based payment expense	-	-	-	-	-	(58)	(58)
At 1 January 2024	**969**	**131,131**	**1,936**	**69,634**	**(2,679)**	**8,421**	**209,412**
Profit for the year and total comprehensive income	-	-	-	-	-	2,064	2,064
Contributions by and distributions to owners							
Shares issued	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	(4,429)	(4,429)
Contributions to Employee Benefit Trust	-	-	-	-	(77)	-	(77)

Share-based payment	-	-	1,277	-	-	-	1,277
Tax on share-based payment expense	-	-	-	-	-	22	22
At 31 December 2024	**969**	**131,131**	**3,213**	**69,634**	**(2,756)**	**6,078**	**208,269**

Notes forming part of the Financial Statements

For the year ended 31 December 2024

1 Basis of preparation

The Group's financial statements have been prepared in accordance with UK-adopted international accounting standards, in accordance with the Companies Act 2006 as they apply to the financial statements of the Group for the year ended 31 December 2024. The Group's consolidated financial statements are prepared under the historical cost convention. The principal accounting policies adopted are set out below and have been consistently applied to all the years presented. The Group's financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000s) except where indicated.

The consolidated financial statements incorporate the results and net assets of the Company and its subsidiary undertakings. Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date control ceases. All inter-company transactions and balances between Group entities are eliminated upon consolidation.

2 Restatements

During the year we have identified a number of errors that have given rise to a restatement of the prior year accounts.

1. We have identified errors that certain transactions in the Group's Metro Rod Limited subsidiary have been treated incorrectly in respect of IFRS 15. National account revenue was recognised at the point of passing the work order to the franchisee, as this was considered to be our performance obligation. Having reconsidered IFRS 15 we believe that this sales-based royalty should be recognised at the later of the performance obligation being met or when the subsequent sale occurs. As the subsequent sale to the end customer by the franchisee is always after our performance obligation is met, it is at this point that our sales-based royalty revenue should be recognised, which is at the point of job completion. The impact of this is to increase revenue and profit before tax in the year ended 31 December 2023 by £0.0m. In the Consolidated Statement of Financial Position this adjustment decreases Trade and Other Receivables for Accrued Income by £1.7m (2022: £1.5m), decreases Trade and Other Payables for Accruals by £1.4m (2022: £1.2m) and decreases Retained Earnings by £0.3m (2022: £0.3m). In the Consolidated Statement of Cashflows the impact is a decrease in profit of £0.0m, a £0.2m reduction in cash flows from trade and other receivables and a £0.2m reduction in cash flows to trade and other payables. This affects Note 2a, 2b and 2c.
2. We have identified errors that certain transactions in the Group's The Filta Group Limited subsidiary have been treated incorrectly in respect of IFRS 15. National account revenue where the franchise operates outside of its franchise territory was treated gross, or on a principal basis. We are now treating this revenue net, as following consideration of the underlying contracts, facts and circumstances, we consider Filta to be acting as a commission agent for its franchisees. The business only has momentary control of the incoming order following acceptance of the job ahead of passing it to the incumbent franchise in a back-to-back arrangement where local franchisees have a right of first refusal on the order received. Operational fulfilment also rests with the franchisee. The impact of this is to reduce revenue in the year ended 31 December 2023 by £1.0m, with an equivalent reduction in cost of sales; there is no profit impact of this change. This affects Note 2a.
3. Certain transactions in the Group's Pirtek subsidiaries have been presented incorrectly between revenue, cost of sales and administration expenses. Where a franchise is charged for use of a service, this is now treated as revenue, to bring in line with the Group's revenue recognition policies on NAF, IT and central billing. Where a cost is directly attributable to revenue, it is treated as a cost of sales; in the past certain costs have been treated as administrative expenses. The impact on the Consolidated Statement of Comprehensive Income in the year ended 31 December 2023 is to increase revenue by £1.8m, increase cost of sales by £4.8m, and reduce administrative expenses by £3.0m. There is no overall impact on operating profit. This affects Note 2a.
4. We have identified inconsistencies within the Group with relation to the treatment of MSF on input costs that franchisees incur and can reclaim from the franchisor. Within the Metro Rod subsidiary these allowable costs should be shown as a rebate against revenue. The impact on the Consolidated Statement of Comprehensive Income in the year ended 31 December 2023 is to decrease revenue and cost of sales by £1.1m. There is no overall impact on operating profit. This affects Note 2a.
5. The calculation in relation to IFRS 16 for the Group's Pirtek subsidiaries was incomplete at 31 December 2023. The impact of including all leases is to increase revenue by £0.0m, adjusted EBITDA by £0.2m, and profit before tax in the year ended 31 December 2023 by £0.0m. In the Consolidated Statement of Financial Position this adjustment increases Right of use assets by £0.9m, with an equivalent increase in Obligations under leases. In the Consolidated Statement of Cashflows the impact is a decrease in profit of £0.0m, a £0.2m increase in operating cashflows before movements in working capital, and a £0.2m increase in net cash absorbed from financing activities. This affects Note 2a, 2b and 2c.
6. Within the Consolidated Statement of Comprehensive Income impairment loss arising from expected credit losses on trade receivables has been reclassified to be an administrative expense rather than an adjusting item. As such, this reduces adjusted EBITDA in the year ended 31 December 2023 by £0.1m, but has no impact on Gross Profit or Operating Profit. This affects Note 2a.

2a Consolidated Statement of Comprehensive Income (restated)
For the year ended 31 December 2023

	Restatement number	As previously reported 31 December 2023	Correction of errors	(Restated) 31 December 2023
		£'000	£'000	£'000
Revenue	1,2,3,4,5	121,265	(246)	121,019

Cost of sales	2,3,4	**(50,060)**	(2,730)	**(52,790)**
Gross profit		**71,205**	(2,976)	**68,229**
Adjusted earnings before interest, tax, depreciation, amortisation, share-based payments, impairment loss & non-recurring items ("Adjusted EBITDA")		**30,101**	52	**30,153**
Depreciation	5	**(3,492)**	(181)	**(3,673)**
Amortisation of software		**(925)**	-	**(925)**
Amortisation of acquired intangibles		**(7,718)**	-	**(7,718)**
Impairment loss	6	**(96)**	96	-
Share-based payment expense		**(838)**	-	**(838)**
Non-recurring items		**(6,159)**	-	**(6,159)**
Total administrative expenses		**(60,332)**	3,039	**(57,293)**
Net impairment losses on financial assets	6	-	(96)	(96)
Operating profit		**10,873**	(33)	**10,840**
Foreign exchange losses		**(146)**	-	**(146)**
Finance expense	5	**(5,711)**	(23)	**(5,734)**
Profit before tax		**5,016**	(56)	**4,960**
Tax expense	5	**(1,979)**	6	**(1,973)**
Profit for the year attributable to equity holders of the Parent Company		**3,037**	(50)	**2,987**
Other comprehensive (expense)/income				
Actuarial gains		**63**	-	**63**
Exchange differences on translation of foreign operations		**(131)**	-	**(131)**
Total comprehensive income attributable to equity holders of the Parent Company		**2,969**	(49)	**2,919**
Earnings per share				
Basic		**1.75p**	(0.02p)	**1.73p**
Diluted		**1.73p**	(0.03p)	**1.70p**

2b Consolidated Statement of Financial Position (restated)

	Restatement number	As previously reported 31 December 2023 £'000	Correction of errors £'000	As at 31 December 2023 (restated) £'000	As previously reported 1 January 2023 £'000	Correction of errors £'000	As at 1 January 2023 (restated) £'000
Assets							
Non-current assets							
Intangible assets		305,328	-	305,328	84,664	-	84,664
Property, plant and equipment		4,418	-	4,418	3,208	-	3,208
Right-of-use assets	5	8,404	934	9,338	2,568	-	2,568
Contract acquisition costs		427	-	427	402	-	402
Trade and other receivables		641	-	641	811	-	811
Total non-current assets		319,218	934	320,152	91,653	-	91,653
Assets in disposal groups classified as held for sale		-	-	-	5,455	-	5,455
Current assets							
Inventories		7,062	-	7,062	1,989	-	1,989
Trade and other receivables	1,5	42,701	(1,701)	41,000	24,991	(1,506)	23,485
Contract acquisition costs		79	-	79	92	-	92
Current tax asset		1,104	-	1,104	220	-	220
Cash and cash equivalents		12,278	-	12,278	10,935	-	10,935
Total current assets		63,224	(1,701)	61,523	38,227	(1,506)	36,721
Total assets		382,442	(767)	381,675	135,335	(1,506)	133,829
Liabilities							
Current liabilities							
Trade and other payables	1,5	34,746	(1,388)	33,358	20,778	(1,199)	19,579
Loans and borrowings		9,251	-	9,251	-	-	-
Obligations under leases		2,617	245	2,862	831	-	831
Deferred income		1,318	-	1,318	873	-	873
Current tax liability		603	-	603	-	-	-
Total current liabilities		48,535	(1,143)	47,392	22,482	(1,199)	21,283
Liabilities directly associated with assets in Disposal groups classified as held for sale		-	-	-	2,561	-	2,561
Non-current liabilities							
Loans and borrowings		76,908	-	76,908	-	-	-
Obligations under leases	5	5,787	739	6,526	1,626	-	1,626
Deferred income		2,894	-	2,894	1,848	-	1,848
Contingent consideration		-	-	-	-	-	-
Deferred tax liability	5	33,925	(6)	33,919	4,134	-	4,134
Total non-current liabilities		119,514	733	120,247	7,608	-	7,608
Total liabilities		168,049	(410)	167,639	32,651	(1,199)	31,452
Total net assets		214,393	(357)	214,036	102,684	(307)	102,377
Issued capital and reserves attributable to owners of the Company							
Share capital		969	-	969	652	-	652
Share premium		131,131	-	131,131	37,293	-	37,293
Share-based payment reserve		1,936	-	1,936	1,217	-	1,217
Merger reserve		69,754	-	69,754	52,212	-	52,212

Translation reserve		24	-	24	155	-	155
EBT reserve		(2,679)	-	(2,679)	(2,871)	-	(2,871)
Retained earnings	1,5	13,258	(357)	12,901	14,026	(307)	13,719
Total equity attributable to equity holders		214,393	(357)	214,036	102,684	(307)	102,377

As at 1 January 2023 and 31 December 2023

2c Consolidated Statement of Cash Flows (Restated)

For the year ended 31 December 2023

	Restatement number	As previously reported 31 December 2023 £'000	Correction of errors £'000	(Restated) 31 December 2023 £'000
Cash flows from operating activities				
Profit for the year	1,5	3,037	(50)	2,987
Adjustments for:				
Depreciation of property, plant and equipment	5	1,066	-	1,066
Depreciation of right-of-use assets		2,427	181	2,608
Amortisation of software & other intangibles		925	-	925
Amortisation of acquired intangibles		7,718	-	7,718
Non-recurring costs		786	-	786
Share-based payment expense		838	-	838
Gain on disposal of PPE		(54)	(1)	(55)
Finance expense	5	5,711	23	5,734
Exchange differences on translation of foreign operations		76	-	76
Tax expense	5	1,979	(6)	1,973
Operating cash flow before movements in working capital		24,509	147	24,656
(Increase) in trade and other receivables	1	(3,767)	176	(3,591)
(Increase)/decrease in inventories		338	-	338
Increase/(decrease) in trade and other payables	1	3,368	(113)	3,255
Cash generated/(absorbed) from operations		24,448	210	24,658
Corporation taxes paid		(4,498)	-	(4,498)
Net cash generated from operating activities		19,950	210	20,160
Cash flows from investing activities				
Purchases of property, plant and equipment		(1,183)	-	(1,183)
Proceeds from the sale of property, plant and equipment		251	-	251
Purchase of software		(1,350)	-	(1,350)
Purchase of Intellectual Property		(522)	-	(522)
Loans to franchisees		(149)	-	(149)
Loans to franchisees repaid		412	-	412
Acquisition of subsidiaries including costs, net of cash acquired		(48,894)	-	(48,894)
Net cash used in investing activities		(51,435)	-	(51,435)
Cash flows from financing activities				
Bank loans - received		100,012	-	100,012
Bank loans - repaid		(62,097)	-	(62,097)
Loan notes - repaid		(29,155)	-	(29,155)
Preference shares - repaid		(58,520)	-	(58,520)
Capital element of lease liability repaid	5	(2,362)	(187)	(2,549)
Interest paid - bank and other loan		(5,374)	-	(5,374)
Interest paid - leases	5	(325)	(23)	(348)
Proceed from issue of shares		94,106	-	94,106
Proceeds from sale/(purchase) of shares by the Employee Benefit Trust		192	-	192
Dividends paid		(3,371)	-	(3,371)
Net cash generated/(absorbed) from financing activities		33,106	(210)	32,896
Net increase/(decreased) in cash and cash equivalents		1,621	-	1,621
Cash and cash equivalents at beginning of year		10,935	-	10,935
Exchange differences on cash and cash equivalents		(278)	-	(278)
Cash and cash equivalents at end of year		12,278	-	12,278

3 OPERATING SEGMENTS

The Group's operating segments are determined based on the Group's internal reporting to the Chief Operating Decision Maker ("CODM"). The CODM has been determined to be the Chief Executive Officer, with support from the Board of Directors, as the function primarily responsible for the allocation of resources to segments and assessment of performance of the segments. The business is organised along the lines of our Pirtek, Water & Waste Services, Filta International and B2C businesses.

Therefore, the Board has determined that we have six different operating segments:

- Pirtek Europe, the franchise and direct labour operations of Pirtek across eight European countries;
- Water & Waste Services, which is made up of Metro Rod and Metro Plumb, Willow Pumps and Filta UK;
- Filta International, which is made up of Filta US and Filta Europe;
- B2C, which is made up of ChipsAway, Ovenclean and Barking Mad;
- Azura, which is made up of the software business of Azura; and
- Unallocated assets includes results from central administration and non-trading companies; elimination of inter-company trading; and assets and liabilities that are not directly attributable to a segment, or are not able to be allocated on a reasonable basis. This includes intangible assets generated as part of business acquisitions.

The CODM uses Adjusted EBITDA, as reviewed at Board meetings and as part of the Managing Directors' and Chief Financial

Officer's weekly report to the senior management team, as the key measure of segments' results as it reflects the underlying performance for the financial year under evaluation.

2024	**Pirtek £'000**	**Water & Waste Services £'000**	**Filta International £'000**	**B2C £'000**	**Azura £'000**	**Unallocated assets £'000**	**Total £'000**
Revenue from external customers	63,913	43,577	25,597	5,752	367	-	139,206
Revenue from internal customers	-	2,477	-	-	441	(2,918)	-
Segment revenue	63,913	46,054	25,597	5,752	808	(2,918)	139,206
Gross profit	41,903	26,393	9,906	4,751	808	(442)	83,319
Adjusted EBITDA*	**19,925**	**11,111**	**5,993**	**2,205**	**44**	**(4,157)**	**35,121**
Depreciation & amortisation of software	(3,241)	(2,120)	(267)	(226)	(183)	(35)	(6,072)
Amortisation of acquired intangibles	(7,867)	(33)	-	-	-	(2,256)	(10,156)
Share based payment expense	(499)	(437)	(143)	(55)	(33)	(313)	(1,480)
Non-recurring costs	(638)	-	-	-	-	194	(444)
Finance expense	(1,022)	(122)	(57)	(9)	(8)	(6,546)	(7,764)
Profit before tax*	**6,658**	**8,399**	**5,526**	**1,915**	**(180)**	**(13,113)**	**9,205**
Tax expense	(1,928)	(1,888)	(1,355)	(290)	48	3,492	(1,921)
Profit after tax*	**4,730**	**6,511**	**4,171**	**1,625**	**(132)**	**(9,621)**	**7,284**
Additions to non-current assets	1,142	1,099	252	63	573	9	3,138
Reportable segment assets	84,258	45,651	8,881	4,295	1,195	229,019	373,299
Reportable segment liabilities	(109,134)	(25,114)	(6,941)	(1,953)	(1,024)	(10,570)	(154,736)

* Operating segments presented before inter-company management recharges which eliminate on consolidation.

2023 (restated)**	**Pirtek £'000**	**Water & Waste Services £'000**	**Filta International £'000**	**B2C £'000**	**Azura £'000**	**Unallocated assets £'000**	**Total £'000**
Revenue from external customers	43,774	43,619	27,117	6,106	403	-	121,019
Revenue from internal customers	-	3,188	-	-	342	(3,530)	-
Segment revenue	**43,774**	**46,807**	**27,117**	**6,106**	**745**	**(3,530)**	**121,019**
Gross profit	27,600	25,560	9,768	4,899	745	(343)	68,229
Adjusted EBITDA*	13,503	10,870	6,097	2,316	214	(2,847)	30,153
Depreciation & amortisation of software	(1,989)	(2,147)	(222)	(178)	(89)	27	(4,598)
Amortisation of acquired intangibles	(5,468)	-	(35)	-	-	(2,215)	(7,718)
Share based payment expense	(290)	(329)	(86)	(28)	(4)	(101)	(838)
Non-recurring costs	(1,864)	(1,189)	(98)	(16)	(43)	(2,949)	(6,159)
Finance expense	(426)	(54)	(93)	(12)	(2)	(5,293)	(5,880)
Profit before tax*	3,466	7,151	5,563	2,082	76	(13,378)	4,960
Tax expense	(1,036)	(1,315)	(1,605)	(409)	(20)	2,412	(1,973)
Profit after tax*	2,430	5,836	3,958	1,673	56	(10,966)	2,987
Additions to non-current assets	2,573	1,928	319	136	270	223,539	228,765
Reportable segment assets	89,080	47,616	8,013	3,836	545	232,585	381,675
Reportable segment liabilities	(116,484)	(28,810)	(6,910)	(2,322)	(206)	(12,907)	(167,639)

* Operating segments presented before inter-company management recharges which eliminate on consolidation.

** See Note 2 for further information.

4 REVENUE

	2024 £'000	Restated* 2023 £'000
Management service fee income - commission agent revenue	6,407	5,724
Management service fee income - royalty fee income	44,110	32,426
Franchise sales and resales - licence fees - recognised over time	1,464	1,754
Franchise sales and resales - termination fees and immediate sales - recognised at point in time	989	1,030
Product sales	23,001	18,415
Waste Oil	14,837	17,469
Direct labour income	41,710	39,165
IT Contribution SAAS	2,544	1,769
National advertising funds	2,707	2,106
Central billing fee	364	248
Training facility income	353	304
Other income	720	609
	139,206	**121,019**

* See Note 2 for further information.

The table shows revenue from contracts disaggregated into major classes of revenue and reconciled to the Group revenue reported.

Revenue and non-current assets by origin of geographical segment for all entities in the Group are as follows:

Revenue	2024 £'000	Restated* 2023 £'000
North America	25,029	26,507
United Kingdom & Ireland	74,410	67,072
Continental Europe	39,767	27,440
	139,206	121,019

* See Note 2 for further information.

Non-current assets	2024 £'000	Restated* 2023 £'000
North America	42,532	43,836
United Kingdom & Ireland	159,155	163,869
Continental Europe	110,409	112,447
	312,096	320,152

* See Note 2 for further information.

5 OPERATING PROFIT

Operating profit is stated after charging:	2024 £'000	Restated* 2023 £'000
Depreciation	4,837	3,673
Amortisation	11,391	8,643
Share-based payment expense	1,480	838
Auditors' remuneration:		
Fees for audit of the Company	47	44
Fees for the audit of the Group	477	618
Fees for non-audit services:		
Taxation services	-	113
Corporate finance services	-	726
Other services	3	66

* See Note 2 for further information.

Of the total fee for the audit of the Group, £524,000 (2023: £662,000) was paid to the Group statutory auditors PKF Littlejohn LLP (2023: BDO LLP). No non-audit services were provided on a contingent fee basis.

The following costs have been drawn to the attention of the users of the accounts due to their nature and materiality within the accounts.

	2024 £'000	2023 £'000
Exceptional Income	(409)	-
Reorganisation expense	792	1,496
Other exceptional costs	61	319
Acquisition related-costs	-	3,514
Intellectual property dispute	-	516
Write-off software intangibles	-	314
	444	6,159

A summary of the separately disclosed items for the current year is as follows:

Exceptional Income

This exceptional income was in relation to our DLO operations in mainland Europe and were compensation for costs incurred as part of prior acquisitions and Joint Ventures.

Reorganisation expense

Expenses incurred in relation to management changes in Pirtek Europe, Pirtek Germany and Pirtek France.

Other costs

Other exceptional costs relate to costs associated with the appointment of an interim CFO.

6 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the year attributable to Ordinary equity holders of the Parent Company by the weighted average number of Ordinary Shares outstanding during the year.

Diluted earnings per share are calculated by dividing the profit attributable to Ordinary equity holders of the Parent Company by the weighted average number of Ordinary Shares outstanding during the year plus the weighted average number of Ordinary Shares that would have been issued on the conversion of all dilutive share options at the start of the period or, if later, the date of issue.

	2024 £'000	Restated*2023 £'000

Profit attributable to owners of the Parent Company	7,284	2,987
Non-recurring costs	444	6,159
Amortisation of acquired intangibles	10,156	7,718
Share-based payment expense	1,480	838
Tax on adjusting items	(2,822)	(3,174)
Adjusted profit attributable to owners of the Parent Company	16,542	14,528

	2024	2023
	Number	Number
Basic weighted average number of shares	192,471,897	173,090,691
Dilutive effect of share options	2,231,135	2,241,161
Diluted weighted average number of shares	194,703,032	175,331,852

	Pence	Restated* Pence
Basic earnings per share	3.78	1.73
Diluted earnings per share	3.74	1.70
Adjusted earnings per share	8.59	8.39
Adjusted diluted earnings per share	8.50	8.29

* See Note 2 for further information.

7 DIVIDENDS

	2024 £'000	2023 £'000
Final 2023 dividend of 1.2p per Ordinary Share paid and declared (2023: Final 2022 dividend of 1.1p)	**2,325**	1,433
Interim dividend of 1.1p per Ordinary Share paid and declared (2023: 1.0p)	**2,132**	1,938
	4,457	3,371

A final dividend of 1.3 pence per share is proposed.

Shares held by the Employee Benefit Trust have a dividend waiver applied to them; as such they are exempt from receiving a dividend, resulting in a difference between the total dividend calculated above and the dividend cash paid in the Consolidated Statement of Cash Flows.

6. Annual Report and Accounts

The annual report and accounts for the year ended 31 December 2024 will be available on the Company's website at https://www.franchisebrands.co.uk/investor-information/ as soon as practicable in the week commencing 31 March 2025, notice of which will be sent to shareholders on the register.

7. Annual General Meeting

The Annual General Meeting of Franchise Brands plc will be held on 7 May 2025, notice of which will be sent to shareholders as soon as practicable in the week commencing 31 March 2025.