RNS Number : 6265Q
Franchise Brands PLC
28 January 2026

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FRANCHISE BRANDS PLC

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

Year-end Trading Update

Adjusted EBITDA[1] for the full year expected to be in line with market expectations[2]

Share buy-back programme of up to £10m

Franchise Brands plc (AIM: FRAN), an international multi-brand franchise business, provides the following trading update ahead of its audited results for the year ended 31 December 2025 and announces a share buy-back programme.

Despite the challenging macroeconomic backdrop, the Group achieved record System sales in 2025, growing by 2%, reflective of the resilient underlying demand for the Group's essential reactive and planned services. The Group also benefited from international diversification across its portfolio of market-leading franchise brands, with Filta International in the US performing particularly strongly.

The Group's robust cash flow generation continues to support the planned deleveraging alongside ongoing investment for growth. Reflecting the Board's confidence in the future prospects of the Group, the Company announces its intention to launch a share buy-back programme of up to £10m.

Good progress was made with the *One* Franchise Brands initiatives to enhance sales and drive efficiencies, including the Group-wide IT initiatives.

The Board expects that the Group's Adjusted EBITDA[1] for the year ended 31 December 2025 will be in line with market expectations[2].

Divisional performance

System sales at Pirtek grew by 1%, with reactive sales holding up well as a result of the successful diversification of the sectors serviced. Project work and other discretionary spending continued to be subdued.

In the Water & Waste Services division, System sales also grew by 1% as demand for reactive service and planned work remained resilient. Project work, as with Pirtek, continued to be challenging.

Filta International's North American core franchise business performed strongly, with System sales increasing by 7%. Used cooking oil sales increased by 20%, driven by an 11% increase in volume and an 8% increase in price. Good progress continues to be made with the FiltaMax strategic growth initiative and expanding the range of services.

The B2C division traded in line with management's expectations despite the challenging franchisee recruitment and retention environment.

Balance Sheet

The strong cash generation of the Group in 2025 resulted in a £15.5m repayment of the term loan and RCF, resulting in adjusted net debt at 31 December 2025 reducing to £55.2m (31 December 2024: £65.1m). Adjusted net debt is the measure used for testing bank covenants and the Group is trading comfortably within these.

Capital allocation policy and share buy-back programme

Having considered the strong cash flow generation of the Company in the context of its current capital allocation policy and the Board's confidence in the future prospects of the Group, the Company announces its intention to launch a share buy-back programme of up to £10m subject to obtaining certain consents. This will be implemented through a mix of on-market purchases by the Company and the Employee Benefit Trust ("EBT") which seeks to mitigate the dilutive impact of share option awards.

This new programme will replace the share purchase programme through the EBT, which restarted in 2024 up to an aggregate value of £5m, of which circa £2.6m has been invested to date.

Outlook

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The macroeconomic uncertainty that characterised 2025 in many of the markets in which we operate continues, particularly in the UK. We anticipate continued resilient demand for our essential reactive and planned services, but retain a more cautious view on the timing of the recovery in project and other discretionary work. We anticipate that confidence may finally return to the German market in H2 2026 as a result of the expected infrastructure spending. The US market currently continues to be supportive.

Stephen Hemsley, Executive Chairman, commented:

"Despite the macroeconomic headwinds in 2025, I am pleased to report Franchise Brands achieved record System sales, reflecting the quality of our business and essential nature of our core services.

"Our experienced management team remains focused on the integration of the Group and controlling costs in the face of subdued demand. We have made good progress with the *One* Franchise Brands initiatives, including the Group wide IT systems.

"We remain focused on maximising the potential of our brands as they grow their modest shares of large, fragmented, markets by broadening our customer base and the range of services offered. The inherent operational gearing in our franchise business model, with a strengthened and integrated platform, means we are well positioned to deliver a more robust trading performance as macroeconomic conditions improve".

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

[2] *Current market expectations of Adjusted EBITDA for the financial year ended 31 December 2025 are £33.8m to £35.3m.*

Enquiries:

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About Franchise Brands plc

Franchise Brands (FTSE AIM UK 50) 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 c600 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 over 625 people across the Group and there are over 3,000 people in the franchise community.

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

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