

Franchise Brands PLC

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Franchise Brands ready to add to network as Metro Rod beds in

- Franchise Brands PLC (LON:FRAN) comprises four main brands - drains specialist Metro Rod, car body repairer ChipsAway, dog groomer Barking Mad and Ovensclean.
- 2019 trading year has started strongly company said at its AGM
- Company looking for more acquisitions after integration of Metro Rod
- At 84p, company is worth £65mln

How it is it doing

In May, Stephen Hemsley, chairman and founder of the AIM-listed firm, said the franchise network had grown sales by 12% in the first quarter compared to 10.4% growth in the whole of its 2018 fiscal year.

Twelve of the group's franchisees as reported year-on-year growth of over 30% as its strategy of providing them with sales and marketing support and new IT systems paid off.

Metro Rod is a B2B operation but the company's customer brands, car scratch repairer ChipsAway, oven cleaner Ovensclean, and dog-sitting franchise Barking Mad, had made "a positive start" to the year while recruitment among franchisees had also improved.

For the rest of the year, Hemsley said the group was currently "trading well" overall and was looking forward "with confidence".

Strong 2018

In 2018, Franchise Brands reported a 43% increase in revenue to £35.5mln from £24.9mln in 2017.

Franchise fee income increased by 41% to £17.9mln from £12.7mln the year before.

Statutory profit before tax turned positive at £2.3mln versus a loss in 2017 of £0.1mln, while cash generated from operations shot up to £2.9mln from £0.7mln in 2017.

Shareholders were rewarded with a 34% increase in the total dividend for the year (0.67p, up from 0.5p the year before)

What the boss says: Stephen Hemsley, executive chairman

Price: 89.5p

Market Cap: £69.24M

1 Year Share Price Graph



Share Information

Code: FRAN

Listing: AIM

52 week High Low
92.00p 64.00p

Sector: General Retailers [T3]

Website: www.franchisebrands.co.uk

Company Synopsis:

Franchise Brands PLC

Franchise Brands PLC was founded in September 2008 by Stephen Hemsley (Executive Chairman) and Nigel Wray (Non-executive Director) and is an international multi-brand franchisor with a combined network of over 450 franchisees in 12 countries across four brands.

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"We will consider the selective acquisition of reasonably valued and earnings enhancing franchise businesses that can leverage our core functions, and complementary drainage and plumbing businesses which expand our scope of works."

Latest video

Inflexion points

- At MetroRod, Franchise Brands has a five-year plan to boost franchisee fee income four-fold by 2023
- Company has spent heavily overhauling IT infrastructure and central support function
- More acquisitions likely to utilise this franchise network infrastructure

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