

THE FULHAM SHORE PLC

PRESENTATION

NOVEMBER 2021



FRANCO MANCA

SOURDOUGH PIZZA

DOUGH MADE FRESH ON SITE DAILY, PROVED FOR 24 HOURS

CHECK THE BOARD FOR OUR

BEER & CIDER

No. 1 Leo Lager or Pale Ale

WINE

All our wines are Italian, vegan, organic and/or biodynamic, drawn from Piedmont, Abruzzo and Sicily follow a natural fermentation process.

POST FIX

Affogato
Lemon almond
Chocolate & hazelnut
Tiramisu
Sfogliatella
ICE
Vanilla or
Single £2.05

BITES TO START

10 VG

Organic tomato,

Organic

750ml

500ml

750ml

500ml

750ml

500ml

750ml

500ml

750ml

500ml

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INTRODUCTION

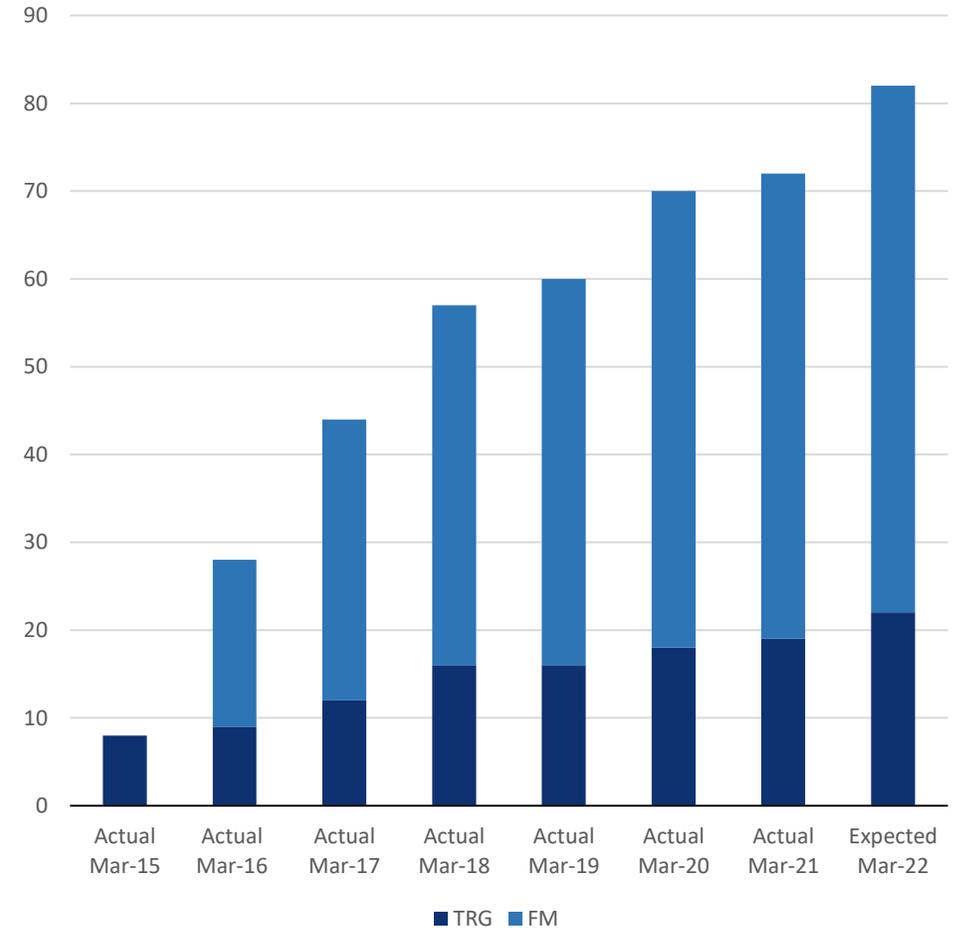
- Established in 2012 to discover, develop and expand one or more restaurant concepts
 - Franco Manca – 56 pizzeria
 - The Real Greek – 20 restaurants
- Group brands have scalable business models that combine great quality, high restaurant volumes and value price points (typically £10 to £16 per head)
- Fulham Shore is capitalized at around £110m
- Highly experienced Board and Management Team



FULHAM SHORE: STRATEGY

- Develop a group of distinct, growth restaurant businesses operating in the UK
- Grow shareholder value by increasing both the profit and the value of each individual restaurant business
- Encourage management and investors to think of the restaurants we own not as a group, but as individual businesses that need nurturing
- Increase shareholder value by adding to the number of restaurant investments we hold, whilst also increasing the number of sites within each brand
- Reinvest profits into maintaining the value propositions we invest in, opening new restaurants and incentivising staff through profit sharing schemes

Number of Restaurants





THE INVESTMENT PROPOSITION

- Fulham Shore now has two proven cash generative businesses
- Both provide a rapid roll-out opportunity
- Successful management team with over 40 years experience
- Management Team are significant shareholders in the business thus their interest aligned with shareholders
- Plans for a dividend policy have been restarted
- Sector history shows when a restaurant business reaches a certain size it precipitates interest from trade and VC/PE buyers

FRANCO MANCA

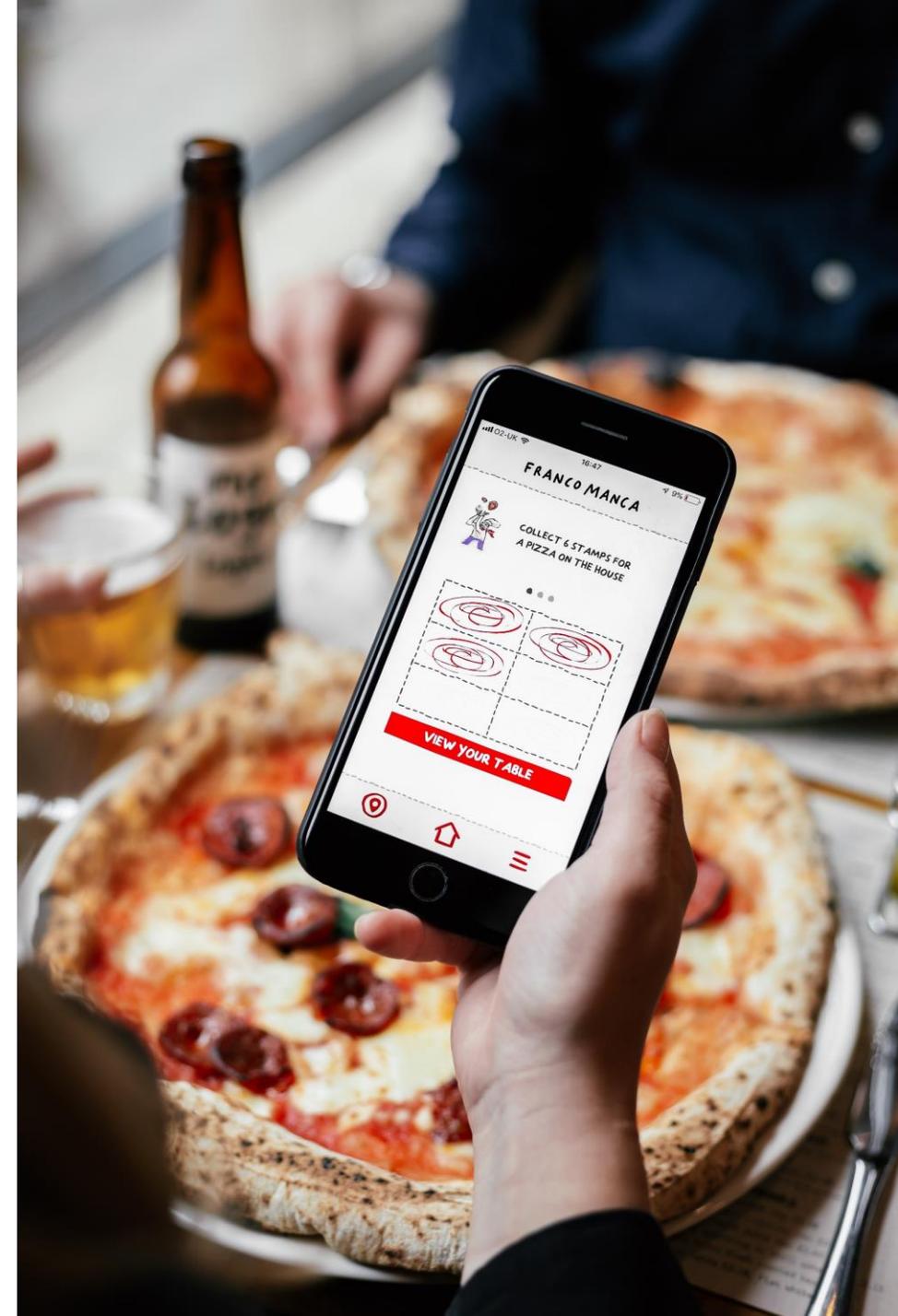
SOURDOUGH PIZZA



- Award winning Neapolitan sourdough pizza with a focus on value for money, fresh ingredients and keeping it simple
- 56 Franco Manca pizzeria (53 at March 2021 year end) currently in the UK. Long term ambition to operate over 180 Franco Manca pizzeria
- Fulham Shore has grown the business from 11 to 56 sites in six years
- 2020 Casual Dining Awards Winner - 'Best Family Dining Experience'
- Growing customer base, with many favourable reviews from customers and food critics alike. Serving over 100,000 pizzas per week and selling £1m worth of dips every year
- London suburbs and regional town pizzerias trading especially well whilst commuters work from home
- 1 new Franco Manca pizzeria in build in Baker Street
- Plans to franchise internationally

FRANCO MANCA (continued)

- Engagement with over 250,000 customers through its loyalty app, up from 110,000 pre pandemic. Simple mechanic allowing customers to earn stamps from all sales channels
- Website traffic has increased +20% over the past 2 years, driven by increased activity e.g. pizza kits, gift cards, recipes, virtual queue and openings
- A bespoke virtual queuing system was used throughout the pandemic in all restaurants to allow social distancing. Customers could join the virtual queue from their desk/within 500m of a restaurant and receive an SMS when their table is ready
- Together, feeding into our Single Customer View system, the data gives the business insight into our regular customers allowing us to:
 - Better cater to our customers needs
 - Personalise promotions
 - Target and reactivate lapsed customers





THE REAL GREEK

EAT. TOGETHER.

- Atmosphere of the eastern Mediterranean
- Operational strategy: good food, at the right price, in enjoyable surroundings - menu developed by celebrity chef Tonia Buxton. Standalone vegan menu launched in 2018 to great acclaim
- Fulham Shore has grown the business from 6 to 20 restaurants in seven years
- 20 The Real Greek Restaurants (19 at March 2021 year end) currently operating in the UK
- 2 new The Real Greek restaurants in build in Bluewater, Kent and Corn Exchange, Manchester
- Long term ambition to operate 50 The Real Greek restaurants
- Expansion outside of London with pipeline building outside M25
- Benefits from significant covered outdoor terraces/seating
- Grocery Webshop launched in February 2021



AN INCENTIVISED AND COMMITTED TEAM

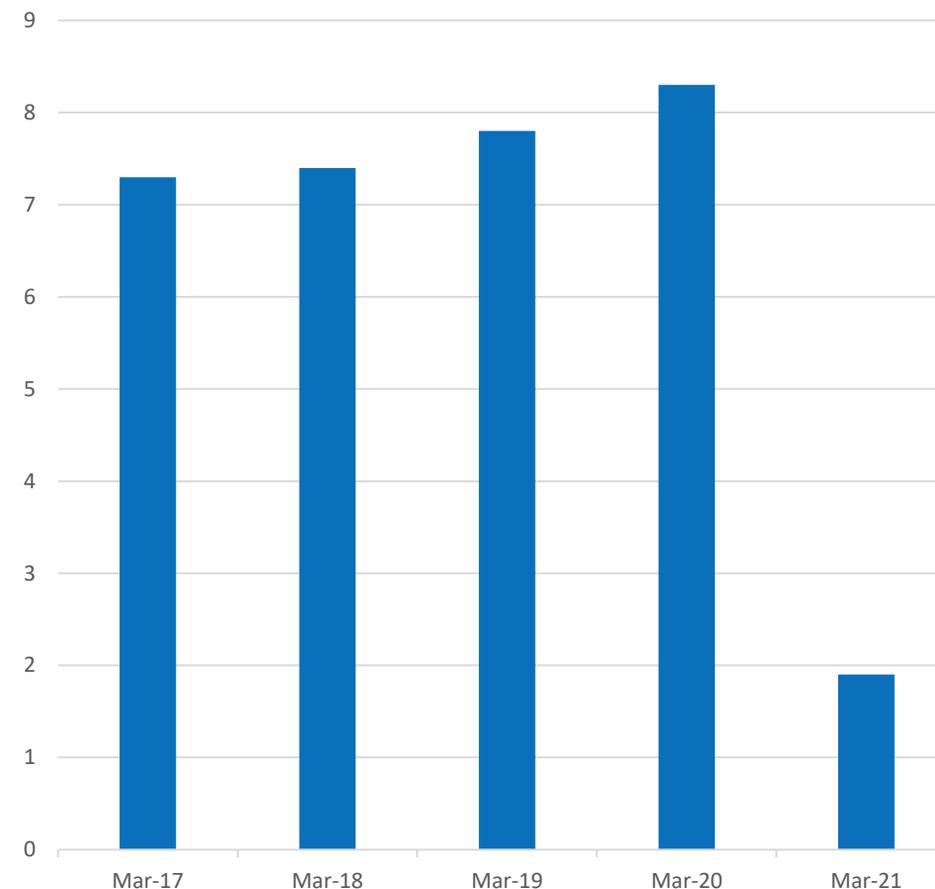
- Recruiting and retaining the right team members is essential to growing our business
- Employees (including the Board) are incentivised via a combination of short-term and long-term schemes
- All regional/central management have bonus plans based on profitability *and* non-financial performance
- Up to 750,000 shares gifted by 5 major shareholders to employees on the acquisition of Franco Manca
- Further opportunities to incentivise staff under investigation
- Option schemes ceiling:
 - 15% allowable
 - 11% granted
 - 4% available

FULL YEAR FY2021 HIGHLIGHTS

- Net debt (excl. IFRS16 leases) of £3.6m (2020: £9.5m)
- Trading impacted by Lockdown/Restrictions throughout year
- Opened 2 new Franco Manca pizzeria
- Opened 1 new The Real Greek restaurant
- Post the period end:
 - 3 further Franco Manca opened in Blackheath, Glasgow and Holborn
 - 1 The Real Greek restaurant opened in Norwich
 - Net cash £3.5m as at 15 August 2021

	Year ended 28 March 2021	Year ended 29 March 2020	Variance %
	Audited £m	Audited £m	Audited %
Revenue	40.3	68.6	(41.3%)
Headline EBITDA	9.0	15.2	(40.8%)
Adjusted Headline EBITDA	1.9	8.3	(77.1%)
EBITDA	8.7	14.3	(47.7%)
Operating (loss)/profit	(2.2)	1.8	
(Loss)/Profit before taxation	(7.5)	(0.8)	
(Loss)/Profit after taxation	(6.3)	(1.2)	
Operating cash inflow	9.7	14.8	(34.5%)
Net Assets	35.5	38.8	(8.5%)

Adjusted Headline EBITDA £m





FUNDING

- Bank facilities of £17.75m
 - RCF £17.0m (3 year term, recently extended)
 - Overdraft £0.75m
- Covenants (pre IFRS16) (waived till Sept 2021):

FY2021	Actual	Target
Net Debt/Headline EBITDA	1.8x	2.5x
Headline EBITDA/Net Finance Charges	4.4x	4.0x
Fixed Charge Cover	1.2x	1.3x

- June 2021, all covenants passed even though a waiver was in place
- Net debt (excl IFRS16) eliminated over last 3 years (from FY19: net debt of £9.4m to today's net funds of 5.0m)
- Cash generative so a slow down of openings during pandemic has built up cash balance
- As at 3 November 2021, net cash (excl IFRS16) at £4.3m
- Group continues to look to fund future openings largely with internally generated cash flow

PROPERTY

- Better value rent post COVID-19 lockdowns
- Some rents at 50% of 2018 levels
- Premiums for sites have almost disappeared
- Landlord contributions and significant rent free readily available
- 5 year opportunity for group growth plans
- Extended RCF now in place to aid increased expansion plans to 110 restaurants by March 2025
- Example:-
 - One The Real Greek restaurants opened for £0 in cash terms, this restaurant is now taking over £30k revenues per week
- Average capital costs per site:-
 - £650k for Franco Manca
 - £750k for The Real Greek (larger units)
- 3 year cash payback target
- Payback targets improved by landlord contributions





INTERNATIONAL FRANCHISING

- Franco Manca franchise agreement signed in Greece
- 6 restaurants to open over 3 years with first in Athens
- Investing in an experienced team to franchise both businesses internationally
- In discussions on various territories in EMEA
- Opportunity for growth in financial contribution in the medium term

CURRENT TRADING & OUTLOOK

- All of our restaurants have reopened post COVID-19 lockdowns
- Revenues from restaurants located in city centre and London's West End now over 2019 levels
- Half year (6 months to 26 Sept 2021) revenues were £39m compared to £36m in 2019
 - This is despite trading without restrictions for only 10 out of 26 weeks
- 57th Franco Manca being fitted out on Baker Street, London
- 2 The Real Greek restaurants being fitted out in Bluewater Shopping Centre, Kent and Corn Exchange, Manchester



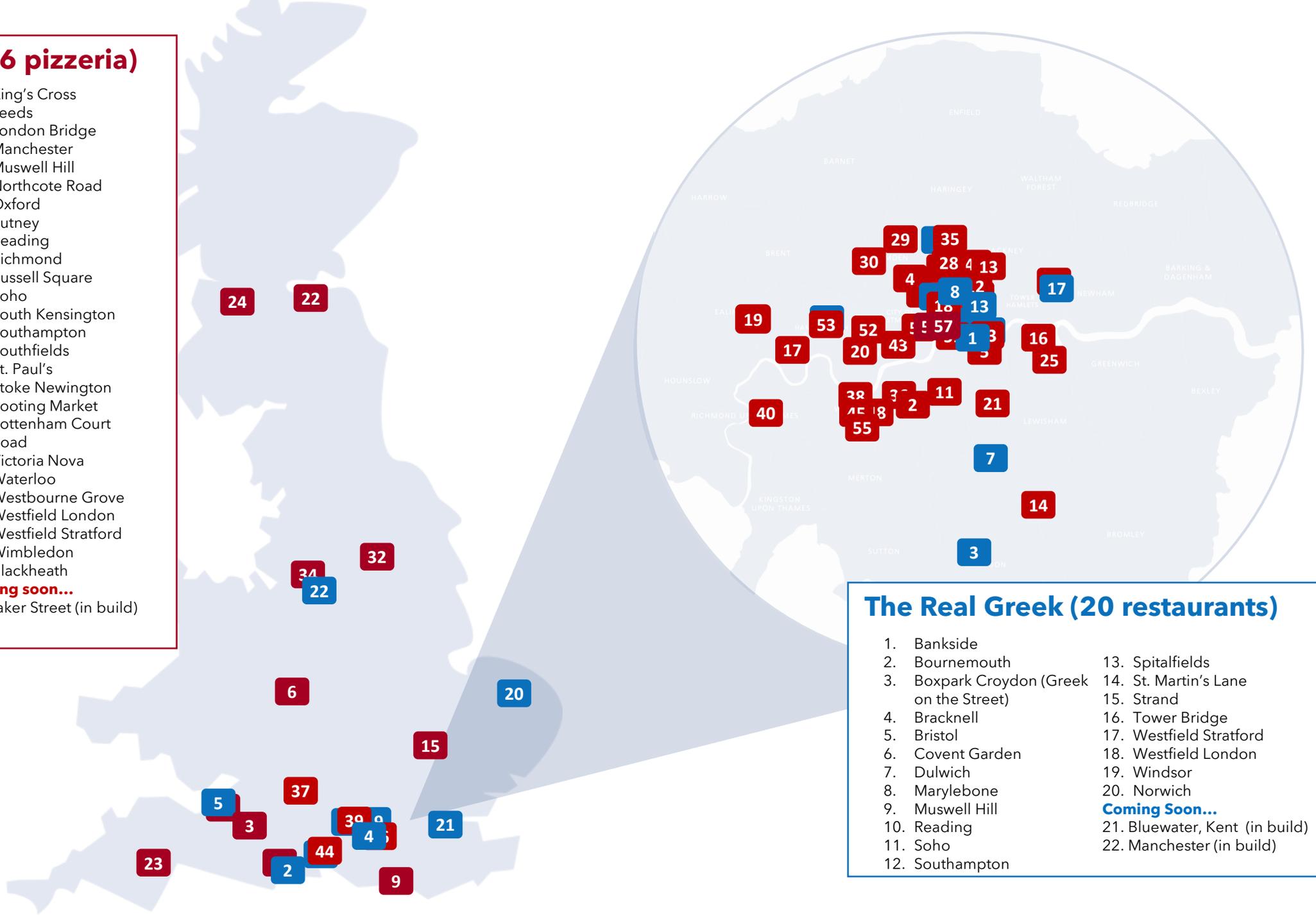
CURRENT TRADING & OUTLOOK (continued)

- Further 20 potential sites in solicitors' hands
- Net cash of over £4m as of 3 November 2021
- CLIBL loan repaid. New RCF of £17m
- Well funded with combined Group financial headroom of over £20m
- Trading strongly in both brands
- Restaurants opening internationally under franchise
- As a well funded company a dividend policy is currently being formulated
- The board views the future with enthusiasm and commitment



Franco Manca (56 pizzeria)

1. Aldwych
2. Balham
3. Bath
4. Belsize Park
5. Bermondsey
6. Birmingham
7. Bishopsgate
8. Bournemouth
9. Brighton
10. Bristol
11. Brixton
12. Broadgate Circle
13. Broadway Market
14. Bromley
15. Cambridge
16. Canary Wharf
17. Chiswick
18. Covent Garden
19. Ealing
20. Earl's Court
21. East Dulwich
22. Edinburgh
23. Exeter
24. Glasgow
25. Greenwich
26. Guildford
27. Holborn
28. Islington
29. Kentish Town
30. Kilburn
31. King's Cross
32. Leeds
33. London Bridge
34. Manchester
35. Muswell Hill
36. Northcote Road
37. Oxford
38. Putney
39. Reading
40. Richmond
41. Russell Square
42. Soho
43. South Kensington
44. Southampton
45. Southfields
46. St. Paul's
47. Stoke Newington
48. Tooting Market
49. Tottenham Court Road
50. Victoria Nova
51. Waterloo
52. Westbourne Grove
53. Westfield London
54. Westfield Stratford
55. Wimbledon
56. Blackheath
57. Baker Street (in build)



The Real Greek (20 restaurants)

1. Bankside
2. Bournemouth
3. Boxpark Croydon (Greek on the Street)
4. Bracknell
5. Bristol
6. Covent Garden
7. Dulwich
8. Marylebone
9. Muswell Hill
10. Reading
11. Soho
12. Southampton
13. Spitalfields
14. St. Martin's Lane
15. Strand
16. Tower Bridge
17. Westfield Stratford
18. Westfield London
19. Windsor
20. Norwich
- Coming Soon...**
21. Bluewater, Kent (in build)
22. Manchester (in build)