

BUSINESS MODEL

Creating sustainable value through our six capitals

Famous Brands is a branded food services business operating franchised, master license and Company-owned restaurants. Our vertically integrated business model comprises three core pillars, Brands, Manufacturing and Logistics. Our purpose is to deliver innovative branded food services solutions and unique consumer experiences to drive sustainable like-for-like growth and create value for the benefit of our stakeholders.

Value is created through our franchise partners, employees, intellectual property, technology, financial resources, manufacturing equipment and fleet to build aspirational market-leading brands for the enjoyment of our customers, and manufacture and distribute licensed products for sale by our restaurant network and retail operation. By re-investing this value in our capitals, we maintain our capacity to create sustainable value in the future.

Key factors that impact on our ability to deliver value		
Within our control	Beyond our control	Key enablers that help us drive value creation
<ul style="list-style-type: none"> Operational efficiencies Brand offering (appeal, service, value) Product quality Cost management Stakeholder relationships 	<ul style="list-style-type: none"> Commodity prices (food inflation) Macro-economic factors (consumer spend) Demand for products Market and demographic dynamics affecting site viability Country-specific risks (load shedding, socio-political instability) 	<ul style="list-style-type: none"> Our strategically positioned, market-leading brands and strong customer loyalty The mutually beneficial relationships we share with our franchise partners The experience and expertise of our leadership teams The skill set and innovation of our Human capital Our rigorous maintenance of Manufactured capital and strict compliance with health and safety regulations

Inputs

The capital inputs which create value in the Group's business activities are **Financial, Manufactured, Intellectual and Human**, as well as the **Social and Relationship capital** evident in our relationships and partnerships with key stakeholders. In our supply chain, which manufactures and distributes products to franchise partners and third-party customers, the Group utilises **Natural capital** in the form of raw materials including food, as well as water and carbon-depleting energy resources. To a lesser extent water and carbon-depleting energy resources are also used in our head office and restaurants. [16](#) to [27](#)

- Financial capital**
 Funds generated by operations and equity and debt funding available for deployment.
- Manufactured capital**
 The land and buildings we operate out of, our manufacturing equipment, logistics fleet and IT infrastructure.
- Intellectual capital**
 Our collective experience and know-how, specifically our franchise, operational, marketing, brand building, design, development and procurement skills; as well as our proprietary systems and licensed trademarks.
- Natural capital**
 Renewable and non-renewable environmental resources we use to create economic value including food products for preparation, processing and sale; clean air and water; electricity; gas and fuel.
- Human capital**
 The expertise, wellbeing, attitude and innovation of our employees, franchise partners, suppliers and business partners.
- Social and Relationship capital**
 Relationships and engagement with stakeholders, our corporate reputation and values, and our impact on the communities in which we trade and the customers we serve.



Outputs

Our brands and products in the food services sector offer a compelling business proposition to our franchise partners and a quality solution to our wide range of customers.

These include 2 898 branded restaurants across the Group's network, extensive menu offerings across the brand portfolio and products manufactured for our restaurant network and third-party customers.

Carbon-depleting packaging, food wastage and irresponsible farming practices are a feature of the food services industry. We are mindful of this and committed to growing our business in a sustainable manner. Our brands and manufacturing operations have embarked on a journey of best practice activities including eliminating food wastage, conversion to biodegradable and other alternative catering items, and responsible sourcing of raw materials. Policies and implementation timeframes have been developed to hold us accountable.

[Our sustainability journey](#)
[Environmental report](#)

Capital outcomes

Impact of business activities on our capitals

- » Despite the extremely challenging trading conditions experienced over the past year, value has been created for stakeholders
- » Confidence in our business from the financial market (lenders) and investors resulted in continued access to **Financial capital** for growth in the business
- » Ongoing investment in our restaurants, manufacturing and logistics network and e-commerce platform strengthened our **Manufactured capital**
- » We added value to our **Intellectual capital** through investing in and developing our e-commerce capability, through improving our business processes and systems and expanding our intellectual property expertise
- » Environmental resources have been depleted by our operations primarily in our supply chain and to a lesser extent in our Brands business. We continue to implement measures to mitigate against the negative impact on our **Natural capital**
- » Our focus on and investment in skills development, training and transformation enriched our **Human capital** resource
- » **Social and Relationship capital** was enhanced by building on our positive relationships with stakeholders and investing in the wellbeing of communities through the CSI initiatives of our franchise partners
- » [Creating value using our capitals](#) provides detailed information regarding inputs, outputs and trade-offs for each capital

