

## **Frenkel Topping Group plc**

**("Frenkel Topping", the "Company" or the "Group")**

### **Trading Update for the Year to 31 Dec 2021**

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### **Notice of Results**

Frenkel Topping (AIM: FEN), a specialist professional and financial services firm focused on asset protection for clients, is pleased to provide the following update on trading for the year ended 31 December 2021 and an outlook for the current financial year.

The Company made excellent progress in the year, driven by organic growth, high levels of new business and complementary strategic acquisitions. Assets Under Management ("AUM") has grown by 16% to £1,174m (2020: £1,012m) and assets on a DFM Mandate increased 28% to £676m (2020: £527m). Both demonstrating enhanced growth rates to the previous year. In addition, the Company is also pleased to see continued high client retention rates at 99%.

The Board therefore expects that the Company's trading for the full year will be in line with management expectations, reporting approximate revenues of £18m (2020: £10m) and adjusted EBITDA of £4.5m<sup>(1)</sup> (2020: £2.5m). The Company had £8.6m of net cash at the year end.

Coupled with stellar organic growth in the year, the Company has made significant progress delivering against its strategy of consolidating the pre-settlement professional services marketplace in the Personal Injury (PI) and Clinical Negligence (CN) space, positioning Frenkel Topping as a market leader in its sector. Having raised £13m in July 2020, the team has executed the buy-and-build strategy, expanding the Group's reach and efficiently and effectively integrating key commercial divisions across the expanded Group.

Since the fundraising, the Group has acquired 5 key complementary businesses, expanding the Group's reach and creating multiple touch points in the PI and CN space, generating a real momentum and engagement with legal and other service providers in the sector and enabling the Group to provide excellent service to its clients.

The Board is delighted with the acquisitions within the financial year of Partners in Costs Limited ("PIC"), A & M Bacon Limited ("A & M Bacon"), Bidwell Henderson Costs Consultants Ltd ("Bidwell Henderson") in addition to acquiring Forths Associates in 2020. These acquisitions have added £7m of revenue & £1.8m EBITDA this financial year with all being immediately earnings enhancing.

The Company's leadership teams have focused on the technological and cultural integration of its acquired firms, investing in the development of a comprehensive Customer Relationship Management (CRM) system that allows for the measurement and management of cross-group commercial opportunities, capturing prospects and managing conversion into clients and driving growth in AUM.

The Company's 'Working in Partnership' programme has nurtured strong relationships with law firms, Pattinson Brewer and Ralli Ltd in recent years and 2021 saw the successful launch of two new joint ventures with both firms, increasing the total joint ventures to six in the PI and CN space. 2021 continued to demonstrate the value of joint ventures to the Company's overall strategic plan. In the year, £21m of AUM added came from Joint Venture partners, highlighting the continued value of those commercial relationships.

## **Outlook**

Trading in 2022 has started positively benefitting from the continued momentum built in 2021 and the Group has had a strong start to the year with a solid pipeline of new business opportunities. Post period end the Company acquired Cardinal Management Limited ("Cardinal"), a truly transformational deal for the Group and one which fits perfectly with the Group's previous acquisitions.

The acquisition of Cardinal provides a clear and direct link to claimants, and their professional representatives, at the earliest stage possible after injury, introducing the portfolio of Frenkel Topping services in a relevant and timely way to its professional clients in the PI space as well as claimants themselves. To date, Cardinal's legal panels have settled compensation claims of over £123m in damages from patients referred via its seven Major Trauma Centres.

Acquiring Cardinal has also already led to several national law firms engaging with the Group, bolstering an already healthy pipeline within the Company's 'Working in Partnership' programme providing further opportunities for joint ventures.

The Directors believe the acquisitions made to date have given the Group visibility and oversight of the Group's future business pipeline in a way that no other professional services group in the PI and CN space can compete with and also drives revenue across the Group's entire claims management systems.

*1-The financial expectations noted above are preliminary, and subject to year-end financial close and audit review processes.*

## **Notice of Results**

A comprehensive update and review of the year will be provided with the Company's annual results, which are expected to be announced on 25 April 2022.

### **Richard Fraser, Chief Executive Officer of Frenkel Topping Group plc, said:**

*"We are delighted to report a strong performance for the year in line with our expectations. Following the strategy that was outlined in 2020 of consolidating the Personal Injury and Clinical Negligence space, we have acquired a number of highly complementary businesses that have not only contributed to the financial performance of the Company but have given us considerable visibility and significantly enhanced our touchpoints within the Personal Injury and Clinical Negligence space. The Company now provides a market leading platform from which to offer excellent services and care to people who have suffered significant and often life-changing injuries.*

*Our strategy to consolidate the professional services market in Personal Injury and Clinical Negligence gives us greater access to clients - both directly to the injured party and via their professional representatives - and allows for a greater customisation of their care, delivering an end-to-end service, making Frenkel Topping a one-stop solution and a stand out player in its space.*

*The Cardinal acquisition, along with the continued integration of acquisitions in 2021, have accelerated the Company's momentum as it moves into 2022, and strengthened an already compelling proposition.*

*The Board continues to assess further strategic acquisitions however the Group's primary focus going forward is the bedding in our recent acquisitions, and growing the enlarged group organically to drive strong and sustainable returns for our shareholders and building shareholder value."*

-ENDS-

**For further information:**

**Frenkel Topping Group plc**

Richard Fraser, Chief Executive Officer

Tel: 0161 886 8000

[www.frenkeltopping.co.uk](http://www.frenkeltopping.co.uk)

**finnCap Ltd**

Carl Holmes/James Thompson/Milesh Hindocha (Corporate Finance)

Tim Redfern / Richard Chambers (ECM)

Tel: 020 7220 0500

*This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (596/2014/EU) as it forms part of UK domestic law by virtue of the European Union (withdrawal) act 2018 ("MAR").*

**About Frenkel Topping Group:**

The financial services firm consists of Frenkel Topping Limited, Ascencia Investment Management, Obiter Wealth Management, Equatas Accountants, Forth Associates, A & M Bacon Limited, Partners in Costs Limited, Bidwell Henderson and Cardinal Management Ltd.

The group of companies specialises in providing financial advice and asset protection services to clients at times of financial vulnerability, with particular expertise in the field of personal injury and clinical negligence.

With more than 30 years' experience in the industry, Frenkel Topping has earned a reputation for commercial astuteness underpinned by a strong moral obligation to its clients, employees and wider society, with a continued focus on its Environmental, Social and Governance (ESG) impact.

Through its core business, Frenkel Topping Limited, the firm supports litigators pre-settlement in achieving maximum damages, by providing expert witness services, and post-settlement to achieve the best long-term financial outcomes for clients after injury. It boasts a client retention rate of 99%.

The Group's discretionary fund manager, Ascencia, provides financial portfolios for clients in unique circumstances. In recent years Ascencia has diversified its portfolios to include a Sharia-law-compliant portfolio and a number of ESG portfolios in response to increased interest in socially responsible investing (SRI).

Obiter provides a generalist wealth management service - including advice on Savings and Investments; Tax planning; Life Insurance; Critical Illness and Income protection; Endowment advice and Keyman Insurance, with a particular specialism in financial advice on pensions and pension sharing orders for the clients of divorce and family lawyers. Obiter applies the same core principles of honesty, transparency, responsibility and reliability to individuals, regardless of background or situation.

In 2019, Frenkel Topping launched its accountancy arm, Equatas, to assist clients with tax planning and move closer to providing a full end-to-end service under the Group brand, improving the experience for clients and maintaining the Group's standards throughout the client journey.

In 2020 Frenkel Topping acquired Forth Associates, a specialist forensic accounting services business which assists in financial and legal disputes. The acquisition makes Frenkel Topping the largest independent provider of financial expert witness reports to the claimant marketplace.

Earlier in 2021 Frenkel Topping acquired A & M Bacon Limited, a leading costs specialist in local government and Court of Protection, and Partners in Costs Limited who specialise in civil litigation claims, including personal injury (ranging from catastrophic injury to clinical negligence), professional negligence, commercial claims and court of protection costs.

Later in 2021, costs consultants, Bidwell Henderson. joined the Frenkel Topping Group of businesses. One of the UK's largest professional legal services companies specialising in both legal aid and inter partes law costs drafting, legal cashing and costs training services, Bidwell Henderson are the go-to legal aid costs agency for drafting cost case plans where significant high-costs are involved in large scale and complex legal cases.

In January 2022, the Group acquired Cardinal Management Limited - a firm founded in 2015 by Andrew Pemberton who worked with St. George's Hospital London to develop the Major Trauma Signposting Partnership service. The company has now successfully implemented the MTSP at seven NHS Major Trauma Centres and has provided bedside support to more than 2,000 severely injured patients.

For more information visit: [www.frenkeltoppinggroup.co.uk](http://www.frenkeltoppinggroup.co.uk) \_