*The information contained within this announcement was deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 as amended.  With the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.*

**Frenkel Topping Group plc**

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

**Trading Update for the year ended 31 December 2022**

**&**

**Notice of Results**

*Strong financial performance and delivery against strategy in FY2022*

*Positive start to FY2023, trading in line with expectations*

Frenkel Topping (AIM: FEN), a specialist financial and professional services firm operating within the personal injury and clinical negligence marketplace, is pleased to provide the following trading update for the financial year ended 31 December 2022 (“FY2022”) and an outlook for the current financial year (“FY2023”).

The Board expects to report revenues in line with expectations of c.£24.8m (2021: £18.4m) and adjusted EBITDA of c.£6.1m\* (2021: £4.6m) for FY2022. Pleasingly, EBITDA margin has been stable year on year at c25%. The Company had £5.0m of net cash at the year end and remains debt free. Assets Under Management ("AUM") has grown to £1,187m (2021: £1,174m) during the year £129m of new AUM was added within the advisory business.

This performance demonstrates the Company’s resilience in a challenging financial market, as well as the progress made by the Company in diversifying revenue streams via its focused acquisition strategy and consolidation of the Personal Injury (PI) and Clinical Negligence (CN) space.

Of note is the performance of the Group’s discretionary fund manager, Ascencia Investment Management (“Ascencia”), where assets on a DFM Mandate increased to £715m (2021: £676m).

Comparing Ascencia’s positive performance against a backdrop of wider market contraction and material outflows further demonstrates Ascencia’s success in managing multi-asset investment solutions that are positioned to capture the upside of market fluctuations, while aiming to reduce the negative impact of market turbulence on client assets.

Ascencia’s strong performance in the previous financial year continued last year, with the core risk-rated strategies outperforming their respective Private Client Indices/ARC indices. It is testament to the Group’s in-house strategy and approach to risk management and something the Board is justifiably proud of. The Company views the Ascencia platform as a clear growth opportunity in the coming years and a key tool to winning future business. Ascencia portfolios are currently defensively positioned given the uncertain and opaque investment outlook, with cash ready to be deployed should the opportunity arise.

The Company has of course not been entirely immune to challenging market conditions during the year. However, the modest impact on the Group’s recurring revenue, has been replaced by transactional revenue delivered by the Group’s businesses acquired during the last 3 years, proving out the strategy of diversifying revenue streams. By their nature the margin profile is a little different on the transaction revenue and certain essential staff costs and wage inflation has had a modest impact in the latter part of the year, as well as funding the start-up of Keystone Case Management.

The Company is also pleased to again report its outstanding client retention rates at 99%.

The Company continued to make significant progress delivering against its strategy of consolidating the pre-settlement professional services marketplace in the PI and CN space, positioning Frenkel Topping as a market leader in its sector. During the first part of the year the Company acquired Cardinal Management Limited, which is performing to plan, and it raised a further £10m in July 2022 to support the M&A strategy, completing two further acquisitions of Somek and Associates Ltd and N-Able Services Ltd in September 2022, both of which have performed to plan and in line with management’s expectations.

**Outlook**

The new financial year has started well and the Board is confident that the acquisitions made to date will continue to contribute revenue and profitable growth to the Group. In January 2023, subsidiaries Forths Forensics and Bidwell Henderson Cost Consultants (BH) both delivered record revenues and BH surpassed its previous highest recorded number of files received by 20%. During the year the Board also expects Keystone Case Management to start contributing. Expectations for the year to FY2023 therefore remain unchanged as a result to of the solid start to the financial year.

Where appropriate the Company will endeavour to migrate AUM onto the Ascencia platform to be managed internally in order to mitigate, as far as possible, the impact of any future abnormal market movements which Ascencia has demonstrably been able to do during the year. It will also look to drive further synergies from the acquisitions made and integrate them further into a unified platform and offering by the Group. Finally, the Company is planning some investment in data analytics in order to better capture and optimise business development opportunities across the platform.

**Notice of results and update on strategy**

A comprehensive update and review of the year will be provided with the Company's annual results, as well as the presentation of an ambitious growth plan.

Final results for the year ended 31 December 2022 are expected to be announced on 24th April 2023.

*\* The financial expectations noted above are preliminary, and subject to year-end financial close and audit review processes. Adj. EBITDA defined as before share based compensation, M&A strategy and re-organisation costs.*

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

“We are pleased to report on another year of delivery despite challenging market conditions. A backdrop of market volatility served to highlight the strength of the DFM subsidiary in the Company’s portfolio as well as our strategy of diversifying revenue streams. We have executed the buy and build strategy outlined ahead of our capital raise and we are in a strong position to accelerate growth through the group in the coming years and to capitalise on a significant opportunity in the personal injury and clinical negligence space. I am incredibly proud of the teams efforts and look forward to updating shareholders on progress at the time of our results in April”

**For further information:** 

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| **Frenkel Topping Group plc** | [www.frenkeltoppinggroup.co.uk](http://www.frenkeltoppinggroup.co.uk/) |
| Richard Fraser, Chief Executive Officer | Tel: 0161 886 8000 |
|  |  |
| **finnCap Ltd (Nominated Advisor & Broker)** | Tel: 020 7220 0500 |
| Carl Holmes/Abigail Kelly/Milesh Hindocha (Corporate Finance)  Tim Redfern / Charlotte Sutcliffe (ECM) |  |

**About Frenkel Topping Group**

The Frenkel Topping 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 (PI) and clinical negligence (CN).

For more than 30 years the Group has worked with legal professionals and injured clients themselves to provide pre-settlement, at-settlement and post-settlement services to help achieve the best long-term outcomes for clients after injury. It boasts a client retention rate of 99%.

Frenkel Topping Group is focused on consolidating the fragmented PI and CN space in order to provide the most comprehensive suite of services to clients and deliver a best-in-class service offering from immediately after injury or illness and for the rest of their lives.

The group's services include the Major Trauma Signposting Partnership service inside NHS Major Trauma Centres, expert witness, costs, tax and forensic accountancy, independent financial advice, investment management, and care and case management.

The Group's discretionary fund manager, Ascencia, manages financial portfolios for clients in unique circumstances, often who have received a financial settlement after litigation. 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).

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.

For more information visit:      [www.frenkeltoppinggroup.co.uk](https://protect-eu.mimecast.com/s/WNCMCR1EKSxDwoTNKWD-?domain=frenkeltoppinggroup.co.uk)