

13 May 2024

FRP ADVISORY GROUP PLC
("FRP", the "Group" or the "Company")

Acquisition of Hilton-Baird Group

FRP Advisory Group plc, a leading national specialist business advisory firm, is pleased to announce the acquisition of commercial finance and risk management specialists Hilton-Baird Group* for a consideration of £7 million plus an amount for the net assets acquired on completion which we estimate to be c. £1.4 million and a three-year performance based earn-out linked to profit in excess of a hurdle (the "Acquisition"). The total consideration is split between cash of c. £5.6 million, the issue of new ordinary shares worth a value of £2.8 million and the performance based earn-out.

The Hilton-Baird Group* is based in Southampton and operates nationally. The business provides commercial finance and credit insurance brokerage, outsourced risk and receivables audit, as well as credit management and commercial debt collection services.

Hilton-Baird clients include independent lenders, banks, SME and corporate businesses as well as Insolvency Practitioners from across the UK and Europe. For over 25 years, Hilton-Baird has built trusted relationships with a notable FRP client group, Asset-Based Lenders (ABLs). As a trusted partner for many leading ABLs, Hilton-Baird will now be able to add additional value through its existing service lines by supporting complementary FRP service pillars, including restructuring advisory and debt advisory. This is especially relevant in the current economic climate as many ABL client portfolios experience greater risk pressures.

The Company will continue to operate under the Hilton-Baird brand and sit within FRP's Debt Advisory pillar. Four of the firm's Directors, Alex Hilton-Baird, Evette Orams, Graham Bird, and Ian Tramaseur will join FRP as Partners, with the rest of the Hilton-Baird team comprising 36 colleagues also joining FRP.

For the year to 31 December 2023, Hilton-Baird's consolidated unaudited revenues were £4.9 million and unaudited reported EBITDA was £1.3 million. It is expected that Hilton-Baird's underlying incremental contribution to FRP in the Group's current financial year ending 30 April 2025 will be revenue of £5.2 million and adjusted¹ EBITDA of £1.4 million.

Geoff Rowley, CEO of FRP Advisory said:

"I have worked with Alex and the team for over 15 years and know they share our values. Their reputation in the market is for hard work, honesty and integrity in providing the highest level of service to clients. With a track record of over 25 years, they have built an impressive client base which is testament to the quality of their team and dynamic business model. We are delighted to welcome new FRP Partners Alex, Evette, Graham and Ian together with all other Hilton-Baird colleagues to FRP."

"This is our ninth acquisition since admission to AIM in March 2020, demonstrating the continued delivery of our strategy to generate sustainable profitable growth by combining a focus on organic growth with acquisitions that meet the Group's selective criteria. The combination with Hilton-Baird provides opportunities to support growth across several of FRP's service pillars and I have no doubt they will make a strong contribution to the Group, as we continue to grow profitably."

Alex Hilton-Baird, founder of Hilton-Baird, said: "We are delighted to join FRP Advisory and are excited to embark on a shared journey, alongside likeminded professionals, who share our passion and drive in delivering the best possible outcomes for clients, colleagues and shareholders."

"Building on the strength of our fantastic team, joining FRP will enable us to continue to attract and grow the talent necessary to deliver our market leading brokerage, ABL audit and commercial debt collection services on a national basis, while continuing to grow our direct services to SME, corporate and advisory clients."

2,310,557 new ordinary shares (the "Consideration Shares") are to be issued as part of the Acquisition with application to be made to trading on the AIM market of the London Stock Exchange ("Admission"). The Consideration Shares will rank pari passu with the Company's existing ordinary shares. It is expected that Admission will become effective and that dealings will commence at 8.00 a.m. on 16 May 2024. Following Admission, the Company will have 253,687,592 ordinary shares in issue with each ordinary share carrying the right to one vote and no ordinary shares held in treasury. The above figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

*The Hilton-Baird Group acquired comprises Hilton-Baird Audit and Survey Limited, Hilton-Baird Collection Services Limited, Hilton-Baird Financial Solutions Limited, Hilton-Baird Management Services Limited, Loxbear Advisory Limited and Pitch! Marketing Limited.

¹ Adjusted to reflect Partner compensation under the FRP model, exceptional costs and share based payment charges arising from deemed remuneration or share options funded on IPO.

Enquiries:

FRP Advisory Group plc

Geoff Rowley, CEO

Jeremy French, COO

Gavin Jones, CFO

Enquiries via MHP

Cavendish Capital Markets Limited (Nominated Adviser and Joint Broker)

Katy Birkin/Stephen Keys/George Lawson (Corporate Finance)

Tel: +44 (0) 207 220 0500

Investec Bank plc (Joint Broker)

Carlton Nelson / James Rudd (Corporate Broking)

Tel: +44 (0) 207 597 4000

MHP (Financial Public Relations)

Oliver Hughes

Charlie Barker

Catherine Chapman

Tel: +44 (0) 783 462 3818

FRP@mhpgroup.com

Notes to Editors

FRP is a leading national specialist business advisory firm established in 2010. It offers a range of advisory services to companies, lenders, investors and other stakeholders, as well as individuals. These services include:

- Restructuring advisory: corporate financial advisory, formal insolvency appointments, informal restructuring advisory, personal insolvency and general advice to all stakeholders.
- Corporate finance: mergers & acquisitions (M&A), strategic advisory and valuations, financial due diligence, capital raising, special situations M&A and partial exits.
- Debt advisory: raising and refinancing debt, debt amendments and extensions, restructuring debt, asset based lending and corporate and leveraged debt advisory.
- Forensic services: forensic investigations, compliance and risk advisory, dispute services and forensic technology.
- Financial advisory: transaction services including financial due diligence, lender services, financial modelling, valuations, pensions and company-side advisory services.

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