

FRP Advisory Group plc
("FRP" or the "Group")

Half Year Trading Update

FRP Advisory Group plc, a leading national specialist business advisory firm, announces a trading update for the half year ended 31 October 2024 ("H1 2025").

Strong first half performance

The Group's performance was strong during the first half, with continued growth in revenues and profits, and further investment in the team.

The Group expects to report revenue for H1 2025 of £77.6m, up 32% on the prior year (H1 2024: £58.7m), and underlying adjusted EBITDA* of £22.3m, up 44% on the prior year (H1 2024: £15.5m).

Revenue growth comprised 23% of organic growth and 9% of inorganic, the latter defined as an acquisition's first 12 months' contribution to the Group. During the half, four acquisitions were completed across three service pillars.

Restructuring

The first half began well with the completion of a number of notable projects, including The Body Shop.

The UK general election in July 2024 was followed by a three-month period of economic stagnation in the UK, with uncertainty in advance of the new government's budget delaying decision making. During this pre-budget period, there was a spike in the number of solvent liquidations.

The increase in employers' National Insurance Contributions announced in the recent budget is likely to put further pressure on businesses with large workforces and lower margins. The retail and hospitality sectors in particular, which were already navigating post-Covid debt service and other inflationary cost pressures, are expected to face additional financial challenges.

Corporate Finance and Debt Advisory

FRP Corporate Finance has continued to invest in both external and internal talent. It expanded its geographical footprint in the period with the acquisitions of Lexington Corporate Finance (based in Cardiff) and Williams Ali (based in Newcastle). Both businesses will trade as FRP Corporate Finance.

Moving into H2 2025, the pipeline of new opportunities remains solid, as uncertainty moderates and sentiment stabilises following the budget. We continue to see good levels of activity with signs of an increase in debt refinancing and restructuring related M&A activity.

Early in the first half FRP also acquired The Hilton-Baird Group, which sits within the Debt Advisory Pillar. Based in Southampton it operates nationally and provides commercial finance brokerage, outsourced risk and receivables audit, as well as credit management and commercial debt collection services; a key client group is Asset-Based Lenders (ABLS). Trading is as expected.

Forensic Services

The Forensic Services market has been relatively buoyant in the period, especially in litigation and contentious insolvency related matters. The Group has continued to expand its service offering by bolstering the team, including with the hire of a Forensic Services Partner in our new Belfast office.

Anticipation of the new government's budget drove an increase in activity in the transaction services market, which FRP's Financial Advisory pillar was well-placed to support. This principally resulted in an increase in buy-side Financial Due Diligence (FDD) mandates, business valuations and pre-lending mandates.

Financial Advisory continues to support cross-pillar initiatives and increase its national coverage. The valuation team doubled following the Globalview acquisition in October 2024 and FRP now offers a broader range of valuation services to clients.

**Underlying adjusted EBITDA removes exceptional costs and non-cash costs including share based payments relating to deemed remuneration arising on acquisitions that is subject to continuing employment and the Employee Incentive Plan established on IPO and funded by partners, resulting in no dilution to existing shareholders.*

Balance sheet strength

The Group's balance sheet remains strong with an unaudited net cash balance as at 31 October 2024 of £13.3m** (31 October 2024: £11.7m). The Group also has an undrawn RCF of £10 million and an accordion acquisition facility with Barclays Bank.

***£22.2 gross cash less £8.9m of structured debt (31 October 2024: £15.7m less £4m), repayable over approximately three years.*

Continued investment in enhancing the team

FRP's offices routinely collaborate, deploying the right team of specialists for each assignment to deliver optimum solutions.

To ensure capacity and expertise aligns with demand, the Group has selectively expanded its headcount during the half, with the total number of Colleagues growing by 18% over H1 2025 (25% year-on-year) including acquired colleagues.

Outlook

Trading since 1 May 2024 has been positive, including a strong contribution from The Body Shop case and the completion of a large Corporate Finance project. The pipeline remains encouraging, and assuming current activity levels continue, the Board remains confident of achieving full year expectations.***

****The Company believes consensus market expectations for FY 2025 to be revenue of £146.7m and adjusted EBITDA of £39.5m.*

Geoff Rowley, Chief Executive Officer of FRP Advisory Group plc, said:

"FRP has delivered another strong performance in the first half of the year, reporting increased revenue and profits. In line with our proven strategy, we continued to be acquisitive, strengthening the Group with four acquisitions across three of our service pillars. In doing so, we have enhanced our offering and are even better positioned to provide optimum solutions for our clients.

"I am confident that we will make further progress in the remainder of the year, as we support corporates through the entire business cycle."

Notice of results

The Group expects to report its unaudited results for the half year ended 31 October 2024 on 17 December 2024.

The information contained within this announcement is deemed by the Group to constitute inside information under the Market Abuse Regulation No. 596/2014.

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
Eleni Menikou
Lexi Iles
Tel: +44 (0) 7701 308 818
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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