RNS Number : 4744B
Frenkel Topping Group PLC
30 September 2025

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.

30 September 2025

Frenkel Topping Group plc

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

Interim Results for the six months ended 30 June 2025

Frenkel Topping (AIM: FEN), a specialist financial and professional services firm operating within the personal injury and clinical negligence marketplace (PI and CN), is pleased to announce its interim results for the six months ended 30 June 2025.

Financial Highlights

	H1 2025* (£m)	**H1 2024* (£m)**	**% change**	**FY2024 Full year (£m)**
Revenue	20.9	17.9	17%	37.4
Recurring revenue	7.5	6.5	15%	13.4
Non-recurring revenue	13.4	11.4	18%	24.0
Gross profit	7.6	6.9	10%	14.4
Adjusted EBITDA**	4.1	3.6	14%	8.0
Adjusted EPS (basic)	2.0 pence	1.8 pence	11%	3.9 pence
Cash & cash equivalents	3.4	4.1	(17%)	3.1
Net cash/(debt)	(3.5)	(1.3)	(169%)	(3.8)
Cash generated from operations (pre-tax)	2.5	0.9	178%	3.4
Funds Under Management ("FUM")	1,633	1,455	12%	1,560
Assets on a discretionary mandate	1,085	935	16%	1,031

*Unaudited

**EBITDA before share based compensation, acquisition strategy, integration, reorganisation and exceptional costs

Operational Highlights

- FUM growth in the period up 12% (H124: up 15%) with confidence of continued growth in the remainder of the year
- Ascencia Investment Management Limited ("Ascencia") won the Defaqto Defensive Comparator Sector award for its Sharia Compliant Solution 4
- Ascencia also received Highly Commended status from Defaqto for three further investment solutions
- Major Trauma Support Partnership ("MTSP", formerly Cardinal Management) agreed a new partnership with the NHS Major Trauma Centre ("MTC") at Royal Stoke University Hospital, taking the total number of sites at which MTSP provides services to twelve
- Client retention within our IFA business remains strong at 99%
- 16% increase in number of Medico-Legal Expert Witnesses from December 2024 - a key focus for growth for the Board

Possible Offer from Harwood Private Equity LLP ("Harwood")

On 2 June 2025, it was announced that Harwood and the Independent Directors of the Group were in discussions with respect to a possible cash offer to be made by Harwood for the entire issued and to be issued ordinary share capital of the Group.

Discussions remain ongoing and a further announcement(s) will be made in due course as and when appropriate.

As stated in the announcement released on the 22 September 2025, and in accordance with Rule 2.6(a) of the Code, Harwood is required either to announce a firm intention to make an offer for the Company in accordance with Rule 2.7 of the Code or to announce that it does not intend to make an offer, in which case the announcement would be treated as a statement to which Rule 2.8 of the Code applies. Such announcement must be made by no later than 5.00 p.m. on 20 October 2025. This deadline can be further extended with the agreement of the Independent Directors and the consent of the Panel in accordance with Rule 2.6(c) of the Code.

The Company remains in an 'offer period' in accordance with the rules of the Code and the attention of the Company's shareholders is drawn to the continuing disclosure requirements of Rule 8 of the Code.

For further information:

Frenkel Topping Group plc Richard Fraser, Chief Executive Officer	www.frenkeltoppinggroup.co.uk Tel: 0161 886 8000
Cavendish Capital Markets Limited (Nominated Advisor & Broker) Henrik Persson Marc Milmo Finn Gordon Isaac Hooper	Tel: 020 7220 0500

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

CEO's statement

The Board is pleased to present the results for the first half of 2025 as we continue with the execution of our strategy to enable continued medium to long term growth and meet our objective of providing more clients with a better quality of life.

As previously announced, the Company continues to navigate a challenging backdrop with continued economic uncertainty, including rising employer's national insurance and National Minimum Wage. Against this, we were pleased to have been able to deliver interim numbers showing year on year growth of 17% in revenue and 14% in Adjusted EBITDA.

Within our Financial Services segment, growth in FUM of 12% did not quite keep pace with the prior year (15%) however it remains a positive indicator. This continued growth is a testament to the work of our sales team and the careful management of investment solutions by our investment managers in Ascencia, led by CIO Simon Callow.

The Board was delighted that Ascencia has once again been recognised by Defaqto. Having had two portfolios recognised as highly commended in H1 2024, we were thrilled to take home the top prize this year in the Defensive Comparator Sector award, with a further three portfolios being highly commended. Based on 5 years of discrete risk-adjusted performance measures, the Defaqto MPS Comparator awards recognise the most consistent MPS solutions within the Defensive comparator sector.

Our Costs segment saw a challenging year in 2024 within Partners in Costs ("PIC"). It is therefore particularly pleasing to see the impact of the actions taken by the board, and PIC's management team, result in a much improved start to 2025 by PIC. This has been aided by the launch of a new product, Total Timeline+, which helps solicitors to improve cash flow and cost management by moving cost discussions and processes from the end of a case to the beginning and throughout its life.

In addition, during the period, our Costs segment launched Resolution Costs, a new brand aimed at developing new relationships within the Defendant and Commercial legal spheres.

Within our Other Professional Services segment, Somek & Associates continues to make good progress, having increased its number of Medico-Legal expert witnesses by 16% since December 2024, enabling us to handle an increased number of instructions in an area of high demand. This remains a key focus area and opportunity for future growth.

As mentioned within the Operational Highlights above, MTSP was successful in its tender for the MTC at Royal Stoke University Hospital, increasing the total number of sites at which MTSP provides services to those who need it most at the earliest stage after they have had an accident. MTSP has continued to show its success as a transformational acquisition, both in terms of the business itself and the support it provides in the flow of work to other parts of the Group.

We continue to focus on organically developing our offering within Care and Case Management. Having invested in this part of the Group to increase our headcount and geographical reach, the focus is now on business development in order to grow our customer base.

Within our Accountancy business, we have begun the process of rebranding from "Forths" to "Forte". This brand will be the single brand that we plan to use within our general market IFA offering in order to provide simplified messaging. This rebrand coincides with investment within our general practice accountancy department, following the appointment of Lee Jones as our business lead in this area during H2 2024.

This investment within our Care and Case Management and Accountancy businesses has led to a modest fall in Adjusted EBITDA from our Other Professional Services segment in H1 2025 when compared to the prior period. However, as a board we are confident that this investment will be a springboard for growth over the medium to long term.

<u>Outlook</u>

The business is encouraged by the first half performance of the Group. The Board recognises that the economic backdrop still provides headwinds that the Group continues to navigate through but the Board believes that the Group is well positioned to continue to deliver against its strategic objectives over the medium to long term. The Board is pleased with the continued progress made by the Group since the period end with overall trading in that period in line with management's expectations.

CFO's statement:

Recurring revenue in the period has grown by 15% from H1 2024 due to the record levels of FUM added in FY24 and the continued growth in FUM that has been delivered during the first half of this year.

Over the last 18 months the Group successfully launched its Money Market Solution ("MMS") which was successful in attracting new funds under advice during volatile equity market conditions. The MMS solutions were designed to appeal to clients who were looking for a solution that benefited from the higher interest rate environment that has existed over the last few years. Whilst the solution has been successful in growing the assets under management with total funds being £130m as at 31 December 2024, it does offer a reduced fee rate in comparison to our other equity capital market solutions and strategies. With the performance of equity capital markets being more positive during H1 2025, we have seen client appetite return towards those higher margin products with AUM in our MMS solution as at 30 June 2025 being £123m as allocations moved to our equity capital market solutions and 84% of new mandates won being fully invested into our equity capital market solutions and strategies compared to only 43% in the same period last year.

The growth in non-recurring revenue compared to H1 2024 shows considerable organic growth (£1.5m) across our transactional businesses, driven in large part by the continued growth in our Medico-Legal expert witness function and an improved performance within our Costs segment. This is aided by the full period impact of the acquisition of Northwest Law Services (£0.5m) which was acquired in mid-April 2024.

As has been previously announced, as a business we have had to try and absorb the impact of rising employer's national insurance rates and National Minimum Wage which has affected Group EBITDA margins. Notwithstanding this, we are pleased that improved revenues has also improved the overall outturn of the Group which remains in line with the Board's expectations.

We show a credit of £0.8m within share-based compensation during the period and a corresponding charge of £0.2m in corporation tax. This primarily relates to LTIP options granted to directors in 2021 where KPIs relating to share price were not met and as such the options have lapsed.

The corporation tax charge in the period contains £0.3m relating to repayments to HMRC around historic returns regarding the treatment of unwinding discounting on deferred consideration payments.

The period saw pre-tax cash generated from operations of £2.5m, a significant increase on the prior year, as the Group benefited from a considerably increased contribution from our Financial Services segment where increased profits have flowed through straight to cash. This was helped further by marginal gains made in the working capital cycles across all profit-generating operating segments. Despite this, we still face challenges, particularly in our Costs segment, due to delays in both the County Court system and, for our Court of Protection team, in the Senior Courts Costs Office, although the latter has begun to show small signs of improvement.

Despite the improvement in our working capital cycle, our net debt position has grown from £1.3m in June 2024 to £3.5m in June 2025 as a result of deferred and contingent payments relating to acquisitions made in previous years.

Frenkel Topping Group plc **Group income statement for the period:**		**6 Months ended 30-Jun-25 Unaudited**	**6 Months ended 30-Jun-24 Unaudited**	**Year ended 31-Dec-24 Audited**
	Notes	**£'000**	**£'000**	**£'000**
REVENUE		**20,929**	**17,870**	**37,401**
Direct staff costs		(13,370)	(10,977)	(23,025)
Gross Profit		**7,559**	**6,893**	**14,376**
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Administrative expenses	2	(3,527)	(4,815)	(9,706)
Adjusted profit from operations		**3,649**	**3,197**	**7,153**
- share based compensation		790	(40)	(133)
- acquisition strategy, integration, reorganisation and exceptional costs		(407)	(1,079)	(2,350)
PROFIT FROM OPERATIONS		**4,032**	**2,078**	**4,670**
Finance and other income/ (fair value losses on investments)		9	11	21
Finance costs	3	(410)	(348)	(744)
Revaluation of contingent consideration		-	-	204
PROFIT BEFORE TAX		**3,631**	**1,741**	**4,151**
Income tax expense		(1,208)	(528)	(1,120)
PROFIT FOR THE PERIOD		**2,423**	**1,213**	**3,031**
Gains on property revaluation arising net of tax		-	-	30
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**2,423**	**1,213**	**3,061**
PROFIT ATTRIBUTABLE TO:				
Owners of parent undertakings		2,325	1,073	2,795
Non-controlling interest		98	140	236
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of parent undertakings		2,325	1,073	2,825
Non-controlling interest		98	140	236
			0.	
Earnings per share - basic (pence)		1.9	0.9	2.3
Earnings per share - diluted (pence)		1.8	0.8	2.1
Adjusted earnings per share - basic (pence)		2.0	1.8	3.9
Adjusted earnings per share - diluted (pence)		2.0	1.7	3.7

The results for the period are derived from continuing activities.

Frenkel Topping Group plc

Group Statement of Financial Position as at:	**30-Jun-25 Unaudited £'000**	**30-Jun-24 Unaudited £'000**	**31-Dec-24 Audited £'000**
ASSETS			
NON CURRENT ASSETS			
Goodwill and other intangibles	30,602	30,546	30,602
Plant, property and equipment	3,603	3,289	3,450
Loans receivable	51	149	101
	34,256	33,984	34,153
CURRENT ASSETS			
Accrued income	9,720	8,180	9,057
Trade receivables	13,091	12,031	12,480
Other receivables	1,631	1,364	911
Investments	117	111	114
Cash and cash equivalents	3,418	4,122	3,138
	27,977	25,808	25,700
TOTAL ASSETS	**62,233**	**59,792**	**59,853**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	640	640	640
Share premium	22,705	22,706	22,706
Merger reserve	6,039	6,492	6,155
Revaluation reserve	589	559	589
Own share reserve	(2,129)	(2,134)	(2,130)
Other reserve	(341)	(341)	(341)

Retained earnings	16,241	14,178	14,324
Equity attributable to owners of the parent company	43,744	42,100	41,943
Non-controlling interests	333	312	308
TOTAL EQUITY	**44,077**	**42,412**	**42,251**
CURRENT LIABILITIES			
Current taxation	1,559	1,222	1,015
Trade and other payables	7,790	7,092	6,306
	9,349	8,314	7,321
LONG TERM LIABILITIES	8,807	9,066	10,281
TOTAL EQUITY AND LIABILITIES	**62,233**	**59,792**	**59,853**

Frenkel Topping Group plc **Group Cash Flow Statement** **For the period:**	**6 Months ended 30-Jun-25 Unaudited £'000**	**6 Months ended 30-Jun-24 Unaudited £'000**	**Year ended 31-Dec-24 Audited £'000**
Profit before tax	**3,631**	**1,741**	**4,151**
Adjustments to reconcile profit for the period to cash generated from operating activities:			
Finance income	(9)	(11)	(21)
Finance costs	410	348	744
Revaluation of contingent consideration	-	-	(204)
Share based compensation	(693)	121	234
Depreciation	438	389	852
(Increase)/decrease in accrued income, trade and other receivables	(1,939)	(1,694)	(2,547)
(Decrease)/increase in trade and other payables	670	53	192
Cash generated from operations	**2,508**	**947**	**3,401**
Income Tax paid	(480)	(648)	(1,430)
Cash generated from operating activities	**2,028**	**299**	**1,971**
Investing Activities			
Acquisition of plant, property and equipment	(158)	(160)	(238)
Acquisition and deferred consideration payments	(1,167)	(3,277)	(5,115)
Cash acquired on acquisition of subsidiaries	-	232	232
Cash (used) / generated in investing activities	**(1,325)**	**(3,205)**	**(5,121)**
Financing activities			
Exercise of share options	-	-	-
Dividend paid	(50)	(172)	(1,903)
Receivable loans repaid	50	-	-
Repayment of borrowing	(121)	(71)	(257)
Loans received	333	5,400	7,179
Interest received	9	6	13
Interest element of lease payments	(48)	(24)	(59)
Principal element of lease payments	(329)	(266)	(578)
Other interest paid	(267)	(270)	(532)
Cash used in financing	**(423)**	**4,603**	**3,863**
(Decrease)/ increase in cash	**280**	**1,697**	**713**
Opening cash	3,138	2,425	2,425
Closing cash	**3,418**	**4,122**	**3,138**

Notes to the Interim Financial Statements

1. Revenue and Segmental Reporting

All of the Group's revenue arises from activities within the UK.
Revenue arising from recurring and non-recurring sources is as follows:

	6 Months ended 30-Jun-25 £'000	6 Months ended 30-Jun-24 £'000	Year ended 31-Dec- 24 £'000
Recurring	7,532	6,451	13,405
Non-recurring	13,397	11,419	23,996
Total revenue	20,929	17,870	37,401

Operating Segments

The Group's chief operating decision maker is deemed to be the CEO. The CEO has identified the following operating segments:

Financial Services
This segment includes our independent financial advisory, discretionary fund management and financial services businesses.

Costs Law
This segment includes each of our costs law services businesses.

Other Professional Services
This segment includes our major trauma signposting, forensic accountancy, care and case management and medico-legal reporting businesses.

Central Services
This is predominantly a cost centre for managing Group related activities or other costs not specifically related to a product.

6 Months ended June 2025	Financial services £'000	Costs Law £'000	Other Professional Services £'000	Central Services £'000	Total £'000
Revenue	7,915	5,573	7,383	58	20,929
Adjusted EBITDA	3,358	1,344	1,480	(2,095)	4,087

6 Months ended June 2024	Financial services £'000	Costs Law £'000	Other Professional Services £'000	Central Services £'000	Total £'000
Revenue	6,826	4,607	6,375	62	17,870
Adjusted EBITDA	2,546	1,036	1,600	(1,597)	3,585

Year ended December 2024	Financial services £'000	Costs Law £'000	Other Professional Services £'000	Central Services £'000	Total £'000
Revenue	14,207	9,852	13,206	136	37,401
Adjusted EBITDA	5,542	2,616	3,195	(3,348)	8,005

2. Administrative Expenses

The following table analyses the nature of expenses:

	6 Months ended 30-Jun-25 £'000	6 Months ended 30-Jun-24 £'000	Year ended 31-Dec-24 £'000
Depreciation	438	389	852
Share based compensation	(790)	40	133
Acquisition strategy, integration, reorganisation and exceptional costs	407	1,079	2,350
Other administrative expenses	3,472	3,307	6,371
Total administrative expenses	3,527	4,815	9,706

3. Interest and similar items

	6 Months ended 30-Jun-25 £'000	6 Months ended 30-Jun-24 £'000	Year ended 31-Dec-24 £'000
Interest on lease liabilities	48	24	59
Loan and other interest charges	271	166	407
Unwinding discount - deferred and contingent consideration	91	158	278
Total finance costs	410	348	744