

Filta Group Holdings plc
(“Filta”, the “Company” or the “Group”)

Trading Update

Filta Group Holdings PLC (AIM: FLTA), a provider of fryer management and other services to commercial kitchens, issues a trading update for the financial year ended 31 December 2020.

As well documented in Filta’s previous updates, the impact of Covid-19 on the restaurant and leisure sector saw the Company focus on its cash position in order to navigate an unexpectedly challenging period. This focus produced the desired results and we are pleased to say that net debt (excluding lease obligations) has been reduced by 42% to £0.5m. Cash and cash equivalents at the year-end was £4.2m (2019: £2.9m), up 45%, with the Company’s bank facility of £400k unutilised.

The Company delivered a much stronger performance in second half of the year, with an increasing number of customers opening up during the summer period. The Company also adapted to new customer requirements resulting from Covid-19, introducing a new revenue line, its FiltaShield service, in May. As a consequence of the rise in service demand in the second half, margins have returned to the levels achieved in Q1 2020 following the operational improvements delivered at the end of 2019.

In the US, demand for our services in the second half came back quicker than initially expected, helped by the acquisition of new customers. With stadia, corporate dining and universities, all major contributors in the past, still in lockdown, there remains some significant future upside to trading revenues.

In the UK, the opening of restaurants in the summer also led to a resurgence in demand from customers. Whilst social restrictions were increased again in the autumn, demand for Filta’s services has remained resilient in the circumstances, with many customers still operating food take-away and delivery, so requiring regular kitchen servicing.

In Europe, which accounts for around 1% of revenue and is predominantly weighted to Germany, activity continues to be heavily restricted by lockdown, but costs have been cut to shield the business until the market improves.

The pipeline of new sales, both services and franchises, is certainly promising. We were encouraged by the pick-up in franchise enquiries in H2 2020, with six franchises sold (making a total of 12 in 2020). This gives us the confidence that we will see improved volume as and when the market restrictions are lifted, alongside greater access to credit and higher unemployment, which has historically led to a rise in demand for new franchises.

In terms of services, in the UK, the new *GreaseMaster Cyclone* grease interceptor has been extremely well received by the market, whilst in the US, our Fryer Management service has been rolled out further to healthcare and supermarket customers. At the same time, our FiltaShield offering has continued to register sales in each market and this is complementing the existing services and providing additional revenues.

Despite the further lockdown restrictions, particularly in the UK and Europe, our stronger cash position and continued demand from our major customers does provide more certainty than at any time over the last twelve months. The actions that we have taken have meant that the Company is well placed to perform strongly and thrive, once more normal trading conditions return. Whilst it is not yet possible to predict with certainty when that will be, the vaccine roll-out and the pent-up demand for our customers’ services give us cause for optimism. We will continue to monitor all aspects of our markets closely and will provide more detailed guidance as soon as practicable. We intend to report our full year results in April, and will certainly provide a further update at that time, if not before.

CEO of Filta Group, Jason Sayers said: *“The business has worked hard to put itself in a much stronger position for when restrictions are eased across all our territories. Importantly, our cash position has improved and we have an encouraging sales pipeline. Despite the difficult circumstances, we have*

won new contracts, launched new services and sold new franchises, all of which gives us a stronger platform for growth.”

Contacts:

Filta Group Holdings plc

Jason Sayers, Chief Executive Officer
Brian Hogan, Chief Financial Officer

+1 407 996 5550

Cenkos Securities

Stephen Keys, Camilla Hume

+44 20 7397 8900

Yellow Jersey PR

Charles Goodwin
Joe Burgess
Henry Wilkinson

+44 7747 788 221

About Filta Group

Filta Group is a market-leading, commercial kitchen services business, servicing restaurants, supermarkets, stadiums, healthcare, education, hotels and amusement parks. Trusted by many global brands, we specialise in Fryer Management and Grease & Drain Management, servicing businesses that require regular maintenance. For more information visit our website: <https://filtapl.com>