

5 November 2019

**Filta Group Holdings plc**  
("Filta" or the "Company")

**Trading Update**

Filta Group Holdings plc (AIM: FLTA), a leading commercial kitchen services provider, provides the following update on trading for the year ending 31 December 2019.

Trading in both North America and mainland Europe through the third quarter has continued in line with the board's expectations. With an encouraging level of interest from potential new franchisees, as well as a growing MFU base, we are confident of achieving further revenue and profit growth through the final quarter of the year in these areas. In the UK, order intake and regular maintenance work has continued to strengthen, ensuring that the UK revenues for 2019 will be broadly in line with market expectations.

The acquisition of Watbio at the end of 2018 has greatly strengthened Filta's market position, helping us to gain some major national accounts. As reported in our interim results announcement dated 9 September, its integration into our UK Fat, Oils and Grease (FOG) activities is largely complete, and we continue to work to implement the cost-savings and operational improvements identified at the time of the acquisition.

We remain confident of fully realising the planned efficiencies in FOG in 2020 and delivering against our expectations for that financial year, but progress in the second half of 2019 has been slower than was, at first, anticipated. It has been necessary to divert resource to catch up on an order backlog in our FOG businesses and a small amount of installation work, which had been expected in the fourth quarter, has been delayed into 2020. Additionally, over the last 3 months we have invested in additional personnel to maximise the opportunities in the UK. As a consequence of these delays and additional costs, the Board now believes that the Group's adjusted EBITDA\* for the second half of 2019 is likely to be similar to that reported for the first half of the year.

The order backlog noted above has now been eliminated, and we continue to focus on cost-reduction measures, which are anticipated, by the end of this year, to deliver savings of approximately a further £100,000 per month and should, therefore, contribute to a significant uplift in the UK operating margin in 2020. Accordingly, with both the North American and mainland Europe operations performing strongly and continued revenue growth in the UK, the Board remains confident in the outlook for 2020.

**Commenting on the update, Jason Sayers, CEO, said:** *"With completion of the Watbio integration in sight and our franchise operations performing well across all territories, 2020 is set to be a year of significant progress for the business. We shall update the market further in due course."*

\* Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortisation, acquisition related costs and share based payment expense

*This announcement contains inside information*

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