

13 February 2020

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

PRE-CLOSE TRADING UPDATE

Filta Group Holdings plc (AIM: FLTA), a provider of fryer management and other services to commercial kitchens, provides its trading update (unaudited) for the financial year ended 31 December 2019.

The Company expects to report adjusted EBITDA* for the full year in the order of £3.2 million on turnover of approximately £25 million. The Group intends to report its 2019 results on 21 April 2020.

Both the North American and mainland Europe operations have delivered results in line with expectations and, in the UK, we have taken the actions referred to in the announcement of 5 November 2019 to deliver cost savings in the UK business of some £0.1 million per month. We are also pleased to report that the new scheduling software introduced in 2019 is now delivering improvements in productivity, which will continue over the coming months and further increase both revenues and margins.

Although still early in the new year, we are seeing strong interest from potential franchisees in North America, where we have added two new franchises and completed one resale, and in Europe we have added one new franchise each in Germany and Switzerland, which will drive higher revenues in the year ahead. This, together with the good progress made in the final quarter of 2019 in both reducing costs and improving productivity in the UK, gives the Board confidence that Filta will deliver a much-improved performance in 2020.

Jason Sayers, Chief Executive Officer, commented:

“The acquisition of Watbio in December 2018 was a significant transaction for the Group, given that it is a well-established company with a high-quality customer base and was almost twice the size of Filta’s existing UK business. The rationale and opportunities presented by the acquisition remain compelling but we did encounter some challenges in 2019 as we sought to integrate Watbio with our existing FOG and Seal business. However, following a number of management changes, new hires and investment in software systems, it is pleasing to report that these difficulties have now been addressed, and we look forward to delivering the higher margins of which we know the business is capable.

At the same time, Filta’s North America business continues to grow through our focus on helping franchisees to improve and expand their own operations, which is increasing the level of reoccurring royalty revenues flowing to the Company”.

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

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