



Full year results presentation

Year ended 30 April 2022 (FY 2022)

July 2022

Updated for PY headcount and Cashflow presentation.
Aligned to the FY 2022 Annual Report & Accounts

FRP

frpadvisory.com

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Presentation team



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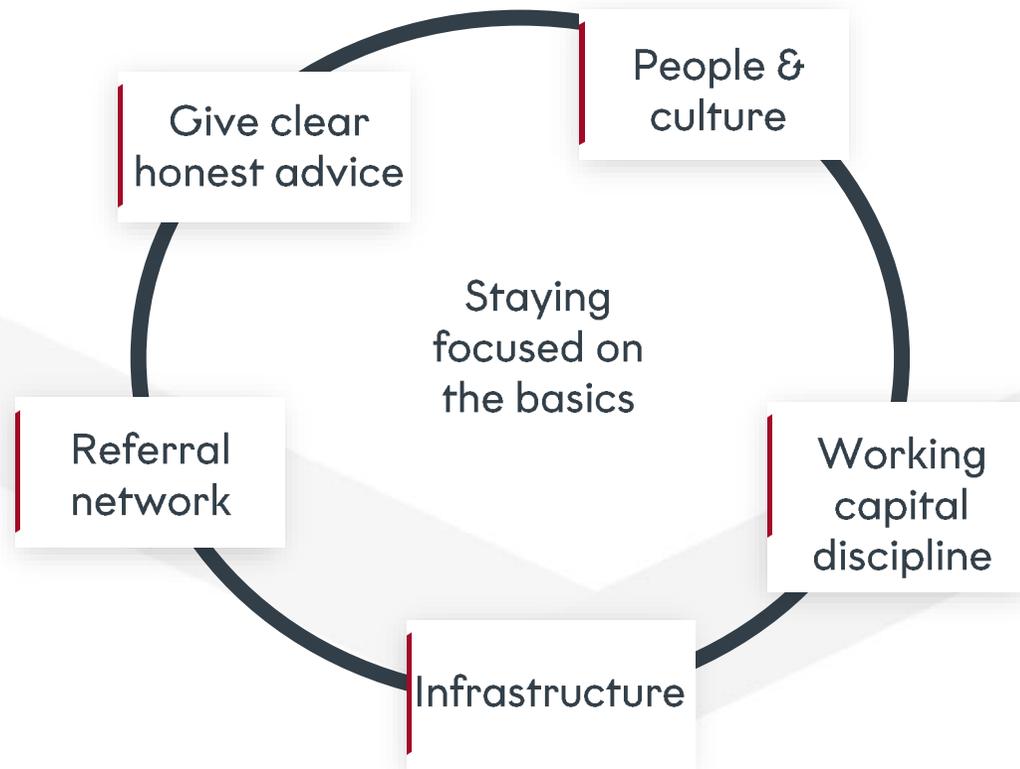
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Highlights & Strategy

A woman with blonde hair and glasses, wearing a white lab coat, is seated at a desk in a dimly lit office. She is looking at a large computer monitor on the left, which displays a document with a grid. Her right hand is resting on her chin in a thoughtful pose. In the foreground on the left, there is a small potted plant. The overall atmosphere is professional and focused.

Our Strategy – unchanged from IPO

Sustainable profitable growth, with a focus on organic growth and supplemented by selective acquisitions



FY 2022 Financial highlights

21%

Revenue growth
11% organic

FY 22: £95.2m
FY 21: £79.0m

12%

Adjusted* EBITDA
growth

FY 22: £25.7m
FY 21: £23.0m

10%

Team growth yoy
(excluding consultants)

FY 22: 504
FY 21: 457

£18.1m

Net cash

FY 21: £16.4m

In May 2022 all liabilities to
Partners (inc HMRC) on
IPO have been paid

7.57p

Adjusted total EPS

FY21: 7.11p

Basic EPS
FY 22: 5.35p
FY 21: 6.06p

1.9p

Proposed final
dividend

Dividends relating to:
FY 22: 4.3p
FY 21: 4.1p

FY 2022 Operational highlights

Achievements

Restructuring team again the most active in the administration appointment market. Consistent underlying market share at 13% (Financial year to Apr 22)

12th most active Corporate Finance adviser in the UK (including debt advisory transactions)

ISO 31000 certification (risk management) in July 2022

Operational efficiency progress (New CRM, Upgrading Time recording system, Document Management System, HR system)

People

Continued growth of colleagues YOY of 10%

Learning and development investment

New ESG committee established

New and expanded referral relationships with FRP colleagues (i.e. Government panels and FCA regulated projects)

Acquisitions

One acquisition: Bridgeshield Asset Management in April 22

Expanding FRP's Service offering to cover Property Asset Management services to specialist lenders.

FRP's specialist services

Restructuring Advisory

54 Partners

- > Corporate restructuring
- > Corporate advisory
- > Contentious insolvency
- > Personal insolvency
- > Solvent restructuring
- > Creditor services
- > Property Asset Management

Corporate Finance

14 Partners

- > M&A Advisory
- > Strategic advisory and valuations
- > Raising capital
- > Special situations M&A
- > Partial exit
- > Finance due diligence

Debt Advisory

6 Partners

- > Raising and refinancing debt
- > Debt amendments and extensions
- > Restructuring debt
- > Corporate and leveraged debt advisory
- > Asset based lending

Forensic Services

4 Partners

- > Forensic investigations
- > Dispute services
- > Compliance and risk advisory
- > Forensic technology

Pensions Advisory

2 Partners

- > Covenant advisory
- > Corporate governance
- > Pension scheme transaction advisory
- > Pension scheme restructuring advisory

National coverage local contacts

80

Partners
nationwide

525

Team
members
(inc Partners &
consultants)

26

UK
locations

- > Member of the International Association of Corporate Advisers (IACA)
- > Corporate member of the IFT
- > 8 International member

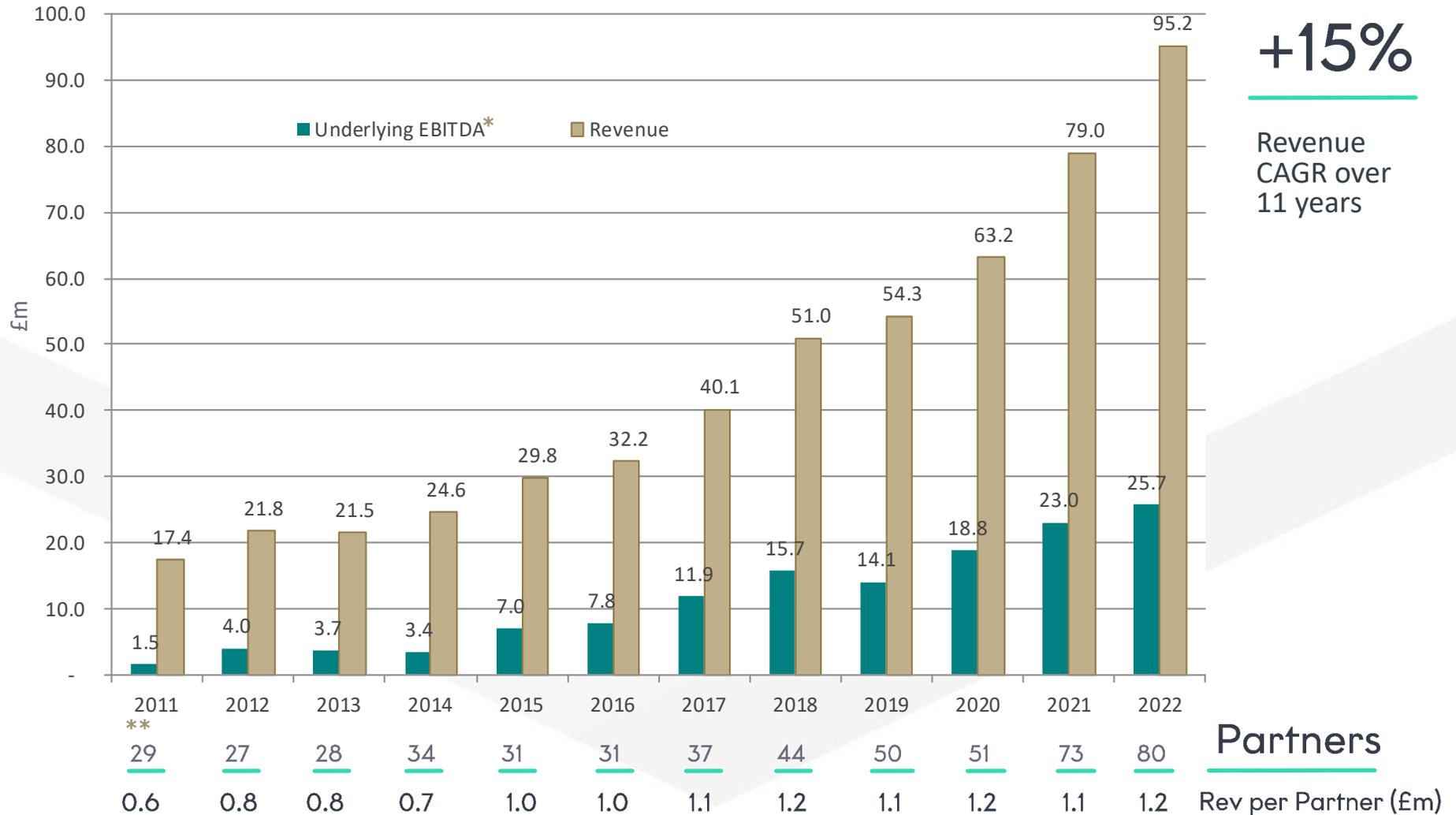


8 EIGHT INTERNATIONAL

As at 30 April 2022



Strong track record of resilient growth



* Adjusted for share based payments, including deemed remuneration and normalising historic partner compensation under the post IPO model.

** 2011 is 10.5 months.

Market and Team growth

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Restructuring market overview

UK Businesses are facing disruption and headwinds due to:

- Input cost increases (energy, raw materials, wage inflation)
- Supply chain issues
- Brexit impacts
- The removal of pandemic related government support
- Other disruptive forces (i.e. pace of technological change, pandemic impacts on operations i.e. staff absenteeism)

Administration market still considered artificial:

- Liquidity / balance sheet (cheap debt and Government backed loans) supporting troubled companies
- Many institutional lenders not addressing non-performing loans
- Recent HMRC leniency on over-due taxes

In light of the above challenges facing UK corporates, the Group has seen an increase in the level of enquiries for restructuring services in recent months.

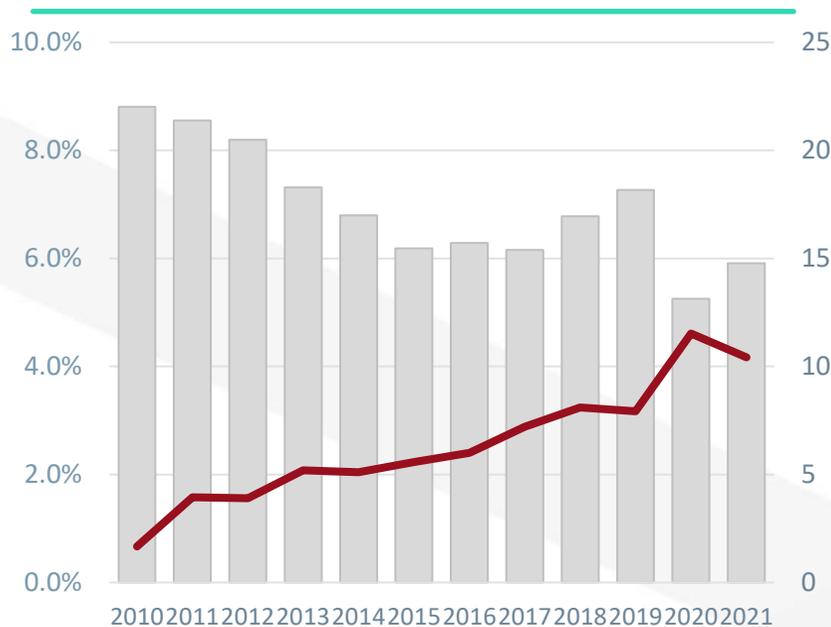


Gaining market share

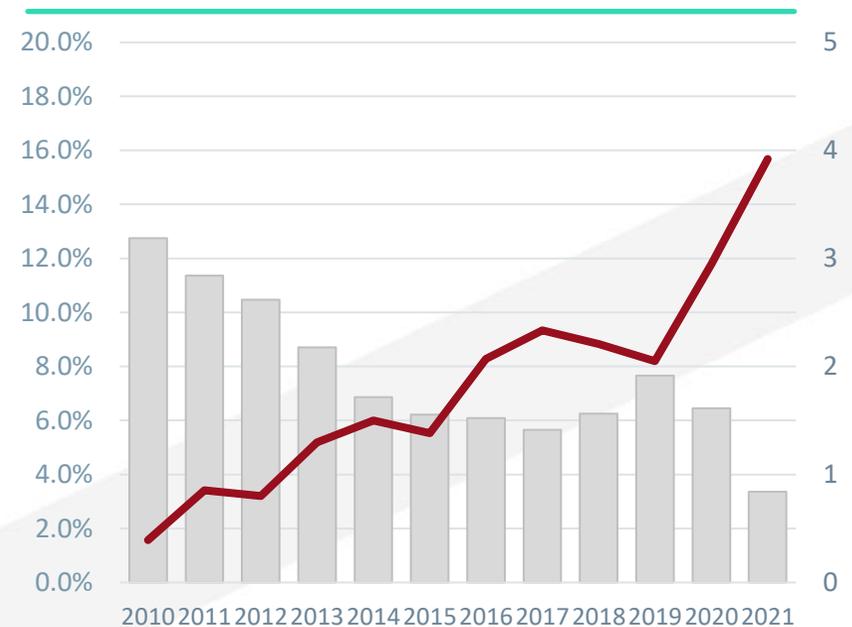
Increased appointments in a decreasing market environment.

Insolvencies were increasing again during 2017-2019 in a rising interest rates environment, pre-COVID.

Insolvency Appointments¹



Administration Only Appointments



— = FRP Mkt Share (LHS) █ = UK total appointments ('000)

FRP market share in administrations has grown from 1% in 2010 to over 15% in calendar 2021

Strong Corporate Finance progress

- Now c. 20% of FRP revenue (Corporate Finance and Debt Advisory combined)
- FRP Corporate Finance represents the integration of acquired businesses JDC + Spectrum with the existing team
- In FY 2022, 99 successful transactions with an aggregate deal value of £3 billion and £1.3 billion of debt raised
- 12th most active adviser in the UK (including debt advisory transactions)
- Commitment to the PE community
- Our UK SME / mid-market, still very active (public market softened)
- Deal size of typically £3m-£150m, average deal size c. £30m

Growing the team

Targeted demand-led lateral hiring continued

Team	FY 2022	FY 2021
Partners	80	73
Colleagues – fee earners	317	288
Total fee earners	397	361
Colleagues - support	107	96
Total (exc Consultants)	504	457

Growth strategy

ORGANIC

- Positive market fundamentals, both restructuring and mid-market CF activity
- Continue growing market share (across all pillars)
- Retain and attract talent
- Business development focus

INORGANIC

- Selective - subject to Cultural fit, Strategic fit and Economic fit
- 5 acquisitions since March 2020 IPO

Selective acquisition

- > Criteria: Cultural fit, Strategic fit, Economic fit
- > Structured with retention, similar Lock-in to IPO partners

	Bridgeshield
Type + team	Share, 2 Partners + 5
Pillars	Restructuring
Rationale	Broaden our service offering to cover property asset management services to specialist lenders
Opportunities	Expanded relationships and additional property services

Prior year acquisitions

- > Contributed 20% of FY22 revenue
- > Criteria: Cultural fit, Strategic fit, Economic fit
- > Structured with retention, similar Lock-in to IPO partners

	Newcastle	East Anglia	Kent	Reading
Type + team	WIP, 2 Partners + 13	Share, 4 Partners +12	WIP, 1 Partner + 10	Share. 7 Partners + 20
Pillars	Restructuring	Corporate Finance & Forensics	Restructuring	Corporate Finance & Debt Advisory
Rationale	Combine 2 strongest teams dominate mid-market Little team over-lap Market expert Allan Kelly / CVA	Bolster 2 pillars Target region / need EA presence to win local business	Target region / need Kent presence to win local business Kent has European links (Brexit)	Lead Advisory UK mid-cap M&A Reading & South Strong Private Equity relationships
Opportunities	Hub has critical mass to support the North and Scotland	Add EA restructuring Help the team to grow faster (CF & Forensics)	Increase appointment takers. Director transferred to Sidcup. Join FRP panel status	Gives FRP a stronger position in the UK mid cap transactional market, helping clients to address their strategic ambitions

Financials

A woman with blonde hair and glasses, wearing a white button-down shirt, is sitting at a desk in a dimly lit office. She is looking at a large computer monitor on the left, which displays a financial chart or spreadsheet. Her right hand is resting on her chin in a thoughtful pose. In the foreground on the left, there is a small potted plant. The overall atmosphere is professional and focused.

Underlying adjusted EBITDA +12%

£m	2022	2021
Reported profit before tax (PBT)	15.1	16.6
Add back depreciation, amortisation and interest	2.6	1.8
Reported EBITDA	17.7	18.4
Add share based payment expense relating to the Employee Incentive Plan (EIP)	5.4	3.7
Add share based payment expense - Deemed remuneration	2.6	0.9
Underlying adjusted EBITDA	25.7	23.0

Adjusted for

- Employee Incentive Plan (plan) used to grant options that vest, 3 years after granting. Non-cash expense, scheme funded on IPO by the partners. Backed by shares that are held in a trust and part of the existing share capital. (IFRS 2)
- Deemed remuneration – non-cash item, arises on acquisitions due to shares subject to a lock-in period / continuing service (IFRS 3)

Not adjusted for

- Employers National Insurance due on the Employee Incentive Plan (EIP) awards when the options vest in 2023, £1.3m accrued in FY22
- Acquisition costs

Comprehensive income

	Notes	Year Ended 30 April 2022 £'000	Year Ended 30 April 2021 £'000
Revenue		95,156	78,987
Personnell costs	7	(58,796)	(46,572)
Depreciation and amortisation		(2,131)	(1,551)
Other operating expenses		(18,618)	(14,027)
Operating profit	6	15,611	16,836
Finance costs	9	(495)	(233)
Profit before tax		15,116	16,604
Taxation	10	(3,205)	(2,993)
Profit and total comprehensive income for the year		11,911	13,611
Earnings per share (in pence)			
Total	11	4.90	5.69
Basic	11	5.35	6.06
Diluted	11	5.04	5.81

Financial position remains strong

	Notes	Year Ended 2022 £'000	Year Ended 2021 (restated) £'000
Non-current assets			
Goodwill	12	10,200	9,600
Other intangible assets	12	727	794
Property, plant and equipment	13	2,847	2,241
Right of use asset	13	6,279	3,527
Deferred tax asset	18	2,431	925
Total non-current assets		22,484	17,087
Current assets			
Trade and other receivables	14	46,063	42,373
Cash and cash equivalents	15	24,924	24,383
Total current assets		70,987	66,756
Total assets		93,471	83,843
Current liabilities			
Trade and other payables	16	30,159	32,888
Loans and borrowings	17	2,000	1,600
Lease liabilities	17	1,365	872
Total current liabilities		33,524	35,360
Non-current liabilities			
Other creditors	16	5,716	5,531
Loans and borrowings	17	4,800	6,400
Lease liabilities	17	4,913	2,768
Deferred tax liabilities	18	-	-
Total non-current liabilities		15,429	14,698
Total liabilities		48,953	50,059
Net assets		44,518	33,784
Equity			
Share capital	20	243	243
Share premium	25	23,730	23,730
Treasury shares reserve	25	(23)	(19)
Share based payment reserve	25	(1,139)	(4,135)
Merger reserve	25	1,287	1,287
Retained earnings	25	20,420	12,678
Shareholders equity		44,518	33,785

Cashflow

	Year Ended 30 April 2022 £'000	Year Ended 30 April 2021 £'000
Cash flows from operating activities		
Profit before taxation	15,116	16,604
Depreciation, amortisation and impairment (non cash)	2,131	1,551
Share based payments: employee options	5,402	3,700
Share based payments: deemed remuneration	2,594	943
Net finance expenses	495	232
Increase in trade and other receivables	(3,571)	(2,833)
Increase / (decrease) in trade and other payables	1,585	(4,982)
Tax paid	(5,462)	(4,447)
Net cash from operating activities	18,290	10,768
Cash flows from investing activities		
Purchase of tangible assets	(1,398)	(1,114)
Acquisition of subsidiaries less cash acquired	(4,381)	(10,599)
Acquisition of trade and assets	-	(1,610)
Net cash used in investing activities	(5,779)	(13,322)
Cash flows from financing activities		
Proceeds from share sales	-	3,760
Dividend	(9,173)	(4,990)
Principal elements of lease payments	(1,165)	(911)
Drawdown of new loans	-	8,000
Repayment of loans and borrowings	(1,200)	-
Interest paid	(432)	(233)
Net cash (used in) / generated from financing activities	(11,970)	5,626
Net increase in cash and cash equivalents	541	3,072
Cash and cash equivalents at the beginning of the year	24,383	21,311
Cash and cash equivalents at the end of the year	24,924	24,383

Outlook



Outlook



- FRP is a resilient business, with a track record of growth and a strong balance sheet
- Uncertainties still remain over how long troubled businesses can continue in their current form or how proactive key creditors like HMRC and institutional lenders will be on addressing over-due debts. Following the removal of UK government support measures and ongoing headwinds and disruption facing UK corporates, the Group has seen an increase in the level of enquiries for restructuring services in recent months.
- The UK M&A mid-market continues to remain buoyant despite economic and inflationary headwinds affecting UK corporates. Banks, debt funds and private equity businesses remain well financed with significant capital to deploy.
- Our teams across the UK are able to support each other to service an expected increase in demand for FRP's broad range of specialist services.
- The Board believes the medium-term outlook for all the Group's markets is positive and current year trading to date is in line with Board expectations

Q&A



Appendices

Recent appointments



Corporate Finance

Babble

£90 million

FRP teams advise LDC and tech firm Babble on the company's secondary MBO, funded by Graphite Capital.



Corporate Finance

Brentwood Communications II

Undisclosed

FRP's teams advise Brentwood Communications on expansion through the successful acquisition of Radio Links.



Restructuring Advisory

Cleveland Bridge UK

£71.5 million

FRP administrators ensure construction company can complete projects and repay funder.



Corporate Finance

Mr Fothergill's Seeds

£100+ million

FRP's Corporate Finance team manage £100 million+ buyout of Mr Fothergill's Seeds to support continued growth.



Restructuring Advisory

WooHa

£1.1 million

FRP's Restructuring Advisory team secure sale of Scotland's WooHa craft brewery following successful AMA.



Restructuring Advisory

Project Hamburg

£11 million

FRP sells five German supermarkets as administrators, securing full repayment for the lender after a multi-year hold and asset management period.

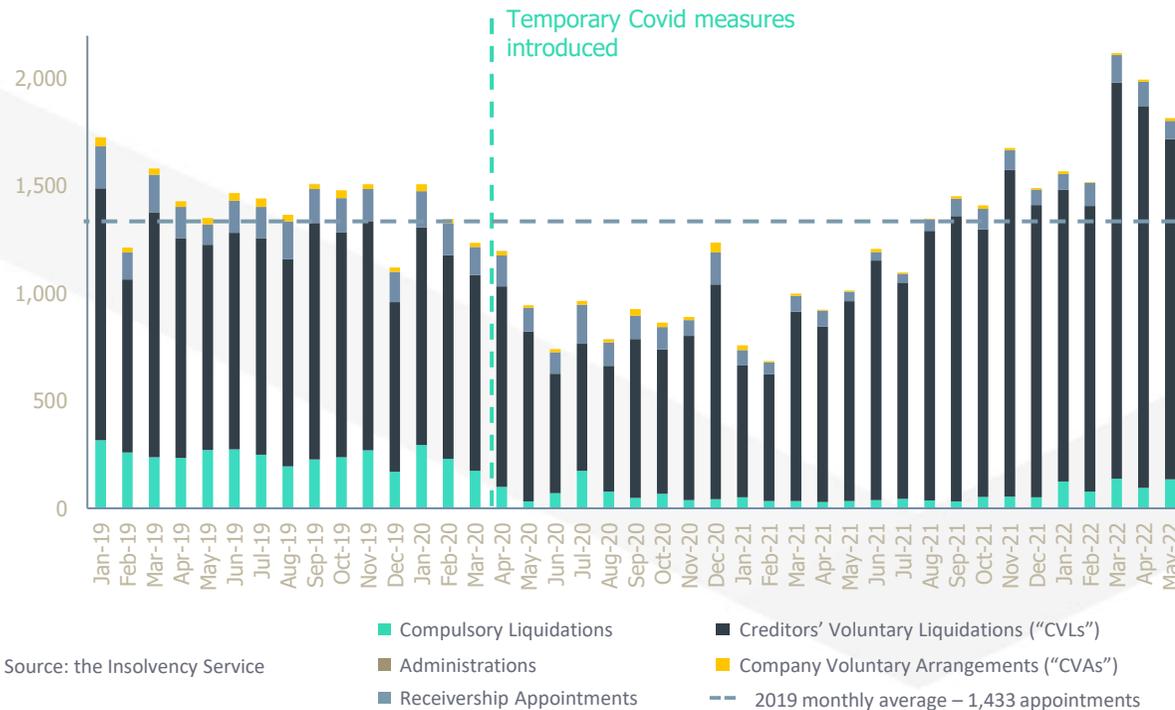
Other previous assignments



Corporate insolvency trends

May-22 insolvency appointments are down again this month, but are still 27% higher than the 2019 pre-pandemic monthly average

Monthly Insolvency Statistics



Source: the Insolvency Service

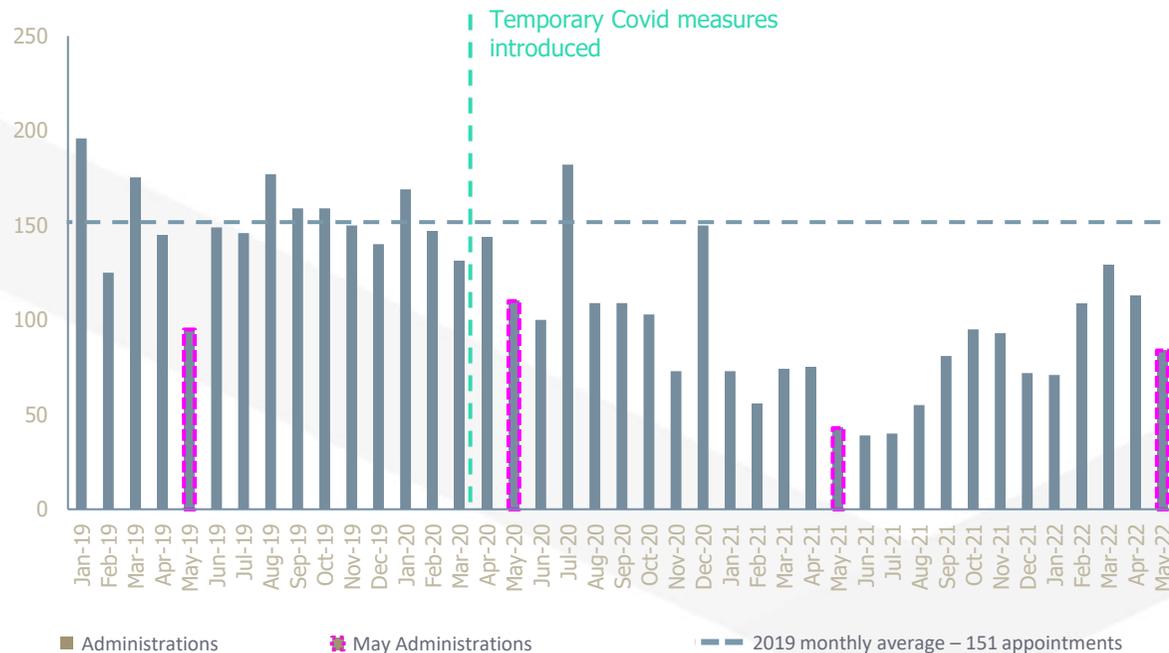
Key trends – insolvency appointments:

- Insolvency appointments in May-22 (1,817) are 9% lower than in Apr-22 (1,995), but are still well above pre-pandemic levels.
- The overall increase in insolvency appointments is driven by CVLs; typically smaller companies with minimal assets.
- Other types of corporate insolvency are still below pre-pandemic levels.
- May-22 appointments (1,817) are 79% higher than May-21 (1,014), and 34% higher than in May-19 (1,352).

Corporate insolvency trends

Administration appointments have fallen again this month and remain significantly down on pre-pandemic levels

Monthly Administration Statistics



Key trends – administration appointments:

- May-22 (84) administration appointments are well below the 2019 pre-pandemic average (151).
- There were 95% more administration appointments in May-22 (84) than in May-21 (43), but levels are still somewhat lower than in both May-20 (24%, 110) and May-19 (12%, 95).
- There is an increasing trend of administration appointments from the second half of 2021 and into 2022.
- This increase may indicate that medium/larger sized businesses are starting to struggle to deal with the inflationary/cost pressures and ending of pandemic-related support too.

Source: the Insolvency Service

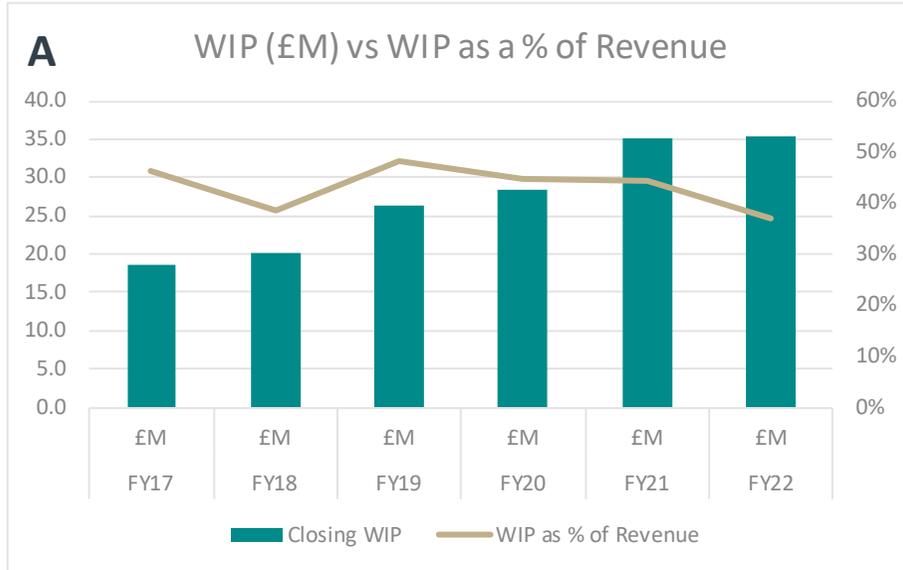
Cash conversion

Year Ended
30 April 2022
£'000

Net cash from operating activities	18,290
Net cash used in investing activities	(5,779)
Net cash (used in) / generated from financing activities	(11,970) *
Net increase in cash and cash equivalents	541
Cash and cash equivalents at the beginning of the year	24,383
Cash and cash equivalents at the end of the year	24,924
Add back IPO liabilities paid to partners	5,260
Net cash after adding back IPO liabilities paid	30,184
Operating cash/Underlying EBITDA %	71%
Operating cash (excluding partner repayments)/Underlying EBITDA %	92%

- Pre-admission profits owed to partners have been fully repaid as of May 22, after a final payment of £1.3M.
- * Includes £9.2M of dividends paid

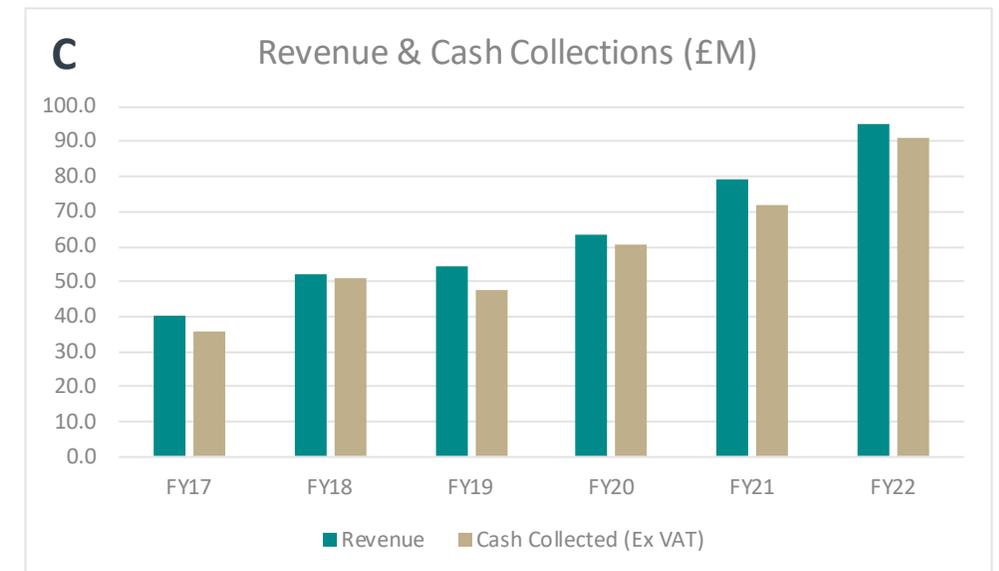
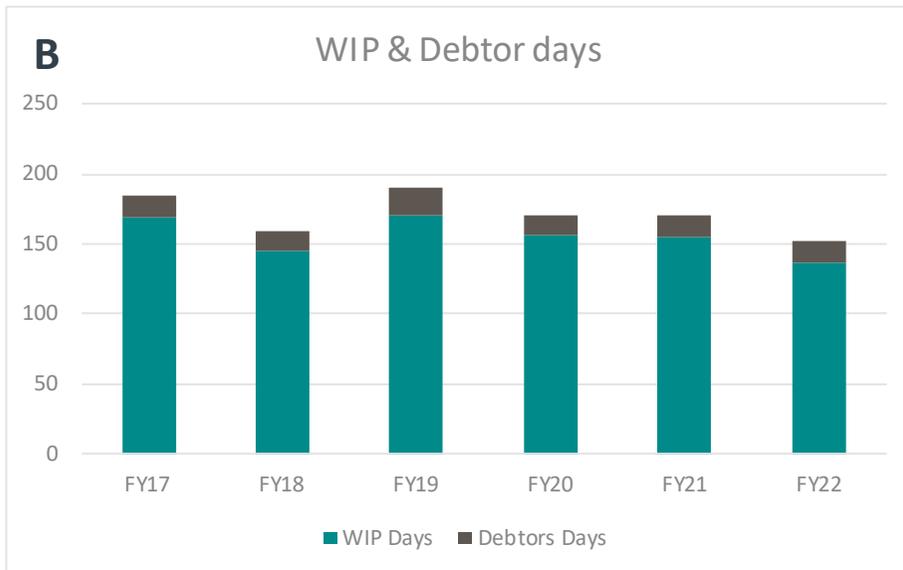
Work in Progress (WIP, unbilled)



FRP provides services on credit and mandates take on average five to seven months to complete, leading to a large unbilled revenue (work in progress) balances.

Larger, more complex administration appointments are more remunerative but can also extend the working capital cycle.

- > **A.** Despite significant revenue growth, WIP as a percentage of sales has reduced.
- > **B.** Debtor days are small, once creditors approve fees invoices are settled quickly.
- > **C.** FRP have a history of appropriate WIP valuations as evidenced by the strong correlation of revenue with cash collections (net of VAT, prudently assumed all 20%)



Acquisition history

Acquisition/vendor	Asset acquired	Month of purchase	No. of partners added	No. of non-partner staff added
Baker Tilly (formerly Tenon)	Purchase of Scottish Restructuring business	Nov 2013	2	25
Litmus Advisory Ltd	Debt Advisory business	Jan 2016	3	0
BWC	Restructuring partnership with offices in Leeds and Stockton on Tees	July 2017	3	13
Tait Walker	Restructuring business in Newcastle	Jan 2018	1	7
Newcastle	Restructuring team and WIP	Jun 2020	2	13
JDC Group	Corporate Finance and Forensics in East of England	Sep 2020	4	10
Abbott Fielding	Trade and assets (WIP) of a restructuring business in Kent	Sep 2020	1	8
Spectrum Corporate Finance	Corporate Finance and Debt Advisory boutique to UK mid-market clients and their funders	Feb 2021	7	20
BridgeShield Asset Management	Property Asset Management advisory services to specialist lenders nationally	Apr 2022	2	5

Investment case



Why Invest

- Strong financial track record-sustainable profitable growth demonstrated highly cash generative and profitable
- Experienced management team and strong reputation/brand
- Collaborative, entrepreneurial and meritocratic culture
- Positive market dynamics and well positioned for future growth
- Continuing to gain market share
- Diversified and growing referral client base – by both geography and sector
- Dividend – Highly cash generative and profitable, supports dividend policy of reported profit after tax pay-out ratio c. 70%, paid quarterly