



Interim results presentation

H1 2021, 6 months to 31 October 2020

16 December 2020

FRP

frpadvisory.com

Contents

Presentation team	3
Strategy	4
Financial highlights	7
Operations	8
Strategic update	13
Financials	15
Outlook	22
Q&A	24
Appendices	25

Presentation team



Geoff Rowley
Chief Executive Officer

→ +44 (0)20 3005 4289
→ geoff.rowley@frpadvisory.com



Jeremy French
Chief Operating Officer

→ +44 (0)1277 503 333
→ jeremy.french@frpadvisory.com



Gavin Jones
Chief Financial Officer

→ +44 (0)1277 503 333
→ gavin.jones@frpadvisory.com

Strategy

Continue delivering a high-quality service to achieve the best possible outcomes for stakeholders, enabling us to grow profitably and remain highly cash generative

- Focus is organic growth including attracting talented lateral hires at all levels who bring new skillsets and referral relationships
- Inorganic growth is via selective acquisitions, mainly via small partner-led teams where there is a (i) a cultural fit, (ii) a strategic fit within our five pillars and a region with growth potential and (iii) mutually acceptable economics

Protect and enhance our reputation and brand. Effective risk management and investment in marketing

Preserve the existing FRP culture within a plc framework – one of collegiate entrepreneurial behaviour

Retain and develop existing colleagues and referral relationships



Our expertise

Restructuring Advisory

48 Partners

- > Corporate restructuring
- > Corporate advisory
- > Contentious insolvency
- > Personal insolvency
- > Solvent restructuring
- > Creditor services

Corporate Finance

7 Partners

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

Debt Advisory

4 Partners

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

Forensic Services

3 Partners

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

Pensions Advisory

1 Partner

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

Updated Dec 2020

Corporate lifecycle



Our integrated advisory services allow us to provide creative solutions throughout the entire corporate lifecycle.



Start Up

Growth

- Raising finance
- Management buyout/buy-in
- Company valuations
- Business sales
- Company acquisition
- Due diligence
- Refinancing and recapitalisation

Upturn

- Pre-lending reviews
- Raising finance
- Management buyout/buy-in
- Company valuations
- Business sales
- Company acquisition
- Due diligence
- Refinancing and recapitalisation

Downturn

Stressed

- Independent business reviews
- Contingency planning
- Company valuations
- Special situation M&A
- Strategic options review
- Exit strategy reviews
- Refinancing and recapitalisation

Distressed

Insolvent

- Administrations
- Corporate restructuring
- Contentious insolvency
- Voluntary arrangements
- Receiverships
- Liquidations
- Bankruptcy

Financial highlights

+14%

Revenue

2021 H1 - £35.9m
2020 H1 - £31.4m

+7%

Underlying
adjusted EBITDA*

2021 H1 - £9.7m
2020 H1 - £9.1m

1.6p

Dividend

Interim dividend for H1
2021

+1%

Administration
appointments

2021 H1 - 85
(National statistics down 19%)
2020 H1 - 84

+23%

Fee earners

2021 H1 - 331
2020 H1 - 270

£0.6m

Revenue per
partner
(six months)

2020 H1 - £0.6m

Operational highlights

Clients

- > High profile administration appointments – Debenhams and EWM
- > Utilisation at 64% (up 2%)

Talent

- > New Partners and fee earners +23% year-on-year
- > Two new Board members CFO and NED

Acquisitions

- > Newcastle
- > East Anglia
- > Kent

COVID-19

- > Safety and well-being of staff
- > Seamless delivery of client service
- > No colleagues furloughed and no Government support

National coverage local contacts

63

Partners
nationwide

430

Team
members

19

UK
locations

> Member of PrimeGlobal, International network

> Corporate member of the IFT



FRP

Updated December 2020



Building the team

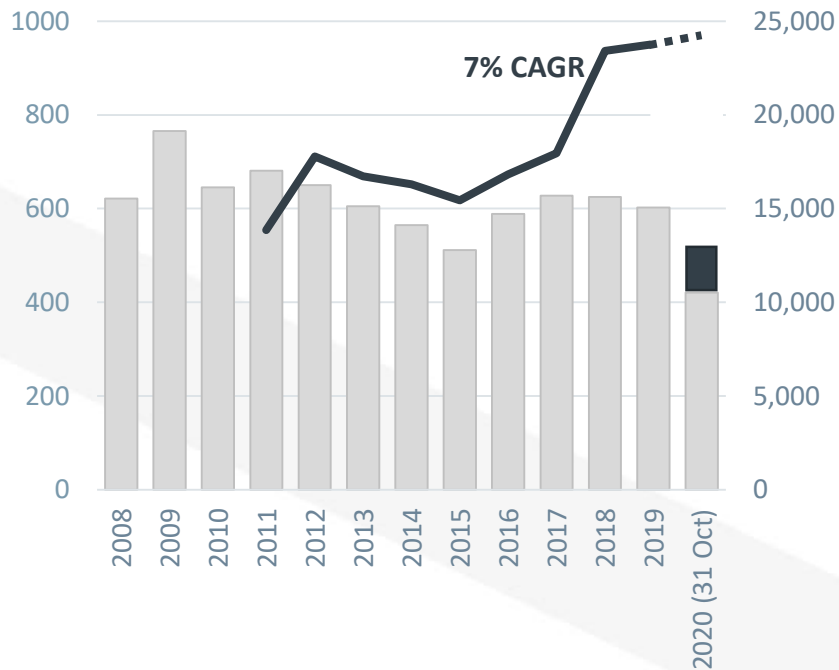
Acquisitions and demand-led lateral hires

Team	31/10/2020	30/04/2020	31/10/2019
Partners	61	51	52
Colleagues – fee earners	270	230	218
Colleagues - support	81	70	69
Colleagues – sub-total	351	300	287
Total	412	351	339
Total fee earners	331*	281	270

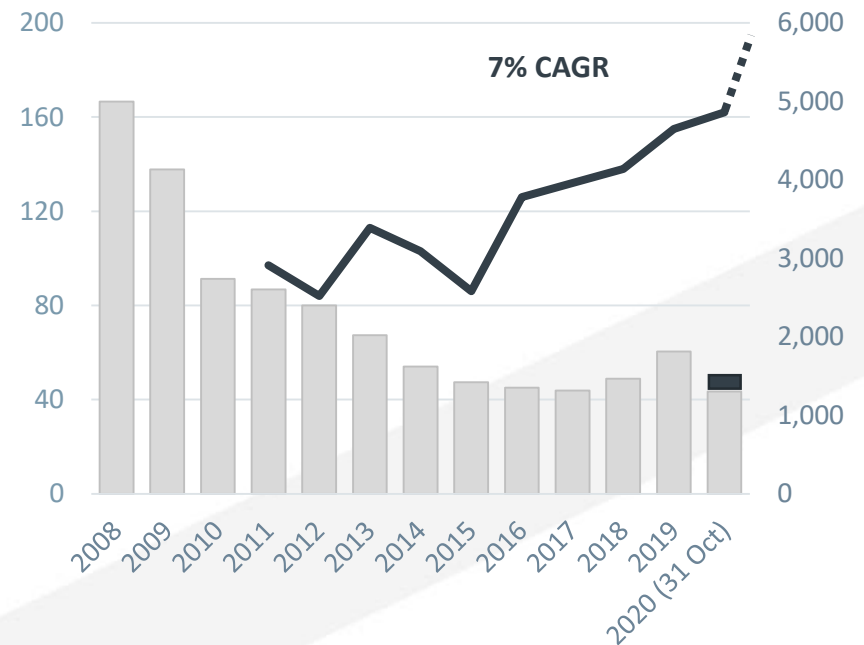
*A majority of the hiring happened at the end of the first half i.e. 27 staff joined with the two September 2020 acquisitions. These staff have not yet significantly contributed towards full year revenue.

Gaining market share

Insolvency Appointments*



Administration Only Appointments*



= FRP
 = England & Wales ('000)
 = Extrapolate 10 months to full year

FRP market share in administrations has grown from 4% to over 10% since 2011
 Administration cases increasing in complexity and size – benefitting specialists like FRP

2020 – A subdued market

The Covid-19 pandemic and related government support measures have had a significant impact on the UK insolvency market.

Support via

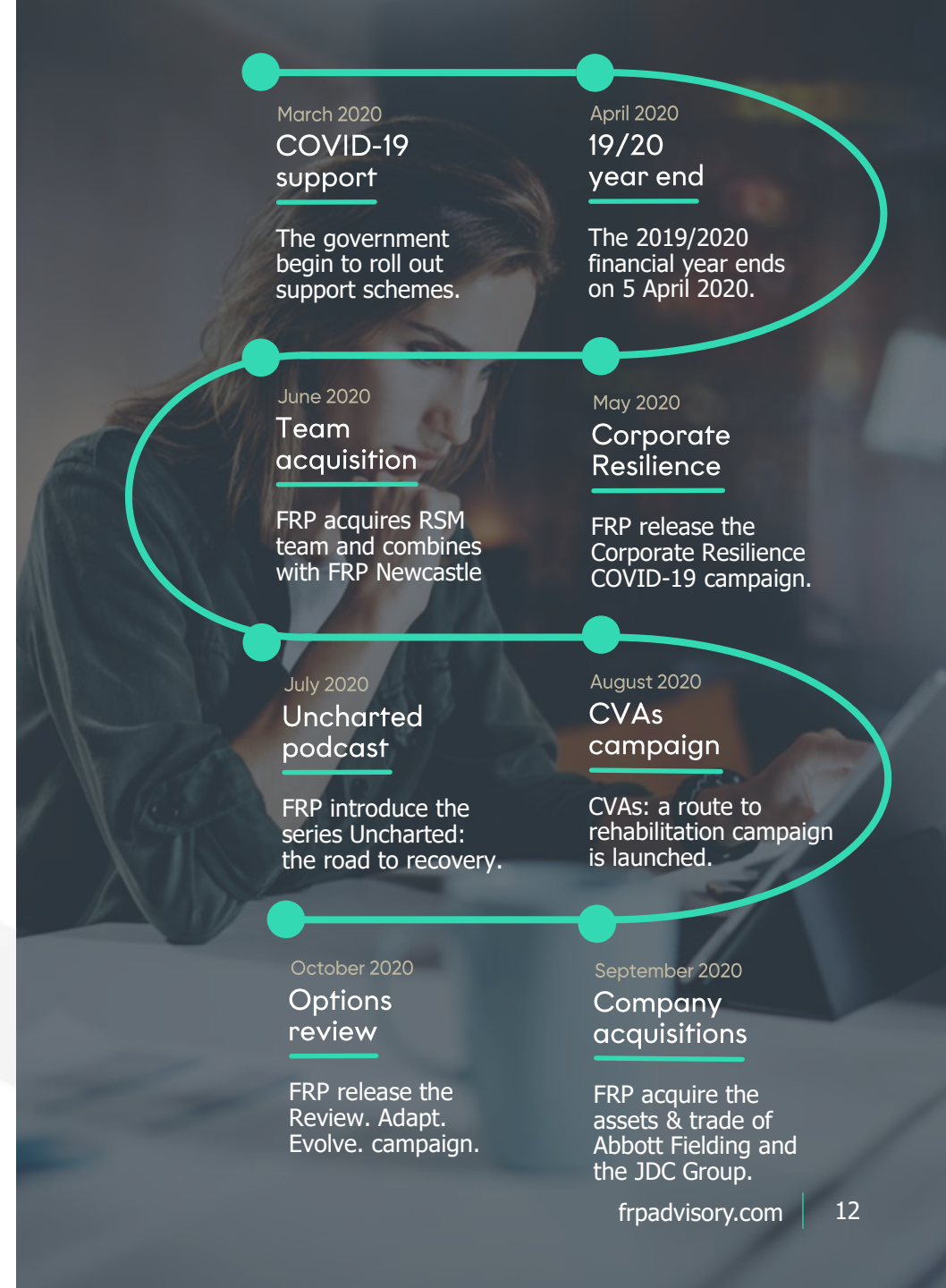
- Government backed loan schemes (bounce-back, CBILS, CLBILS, CCFF)
- HMRC tax settlement delays,
- Landlord eviction moratorium
- Furlough scheme

There has also been a slower (when open) court system delaying appointments.

In H1, FRP has marginally grown the number of administration appointments year-on-year against a subdued backdrop. Administrations appointments are down 19%, from 885 to 714*.

In H1, FRP's formal insolvency appointments are 390, down 24% compared to prior year at 515. Formal company insolvencies 40% decline during the 6 months to 31 October 2020, from 8,641 to 5,218*.

*Per the Insolvency Service within England and Wales



March 2020
COVID-19 support

The government begin to roll out support schemes.

April 2020
19/20 year end

The 2019/2020 financial year ends on 5 April 2020.

June 2020
Team acquisition

FRP acquires RSM team and combines with FRP Newcastle

May 2020
Corporate Resilience

FRP release the Corporate Resilience COVID-19 campaign.

July 2020
Uncharted podcast

FRP introduce the series Uncharted: the road to recovery.

August 2020
CVAs campaign

CVAs: a route to rehabilitation campaign is launched.

October 2020
Options review

FRP release the Review. Adapt. Evolve. campaign.

September 2020
Company acquisitions

FRP acquire the assets & trade of Abbott Fielding and the JDC Group.

Strategic initiatives



Acquisitions - Rationale

- > All bring a new referral network into FRP
- > Cultural fit important
- > Structured with retention, similar Lock-in to IPO partners

	Newcastle	East Anglia	Kent
Pillars	Restructuring	Corporate Finance & Forensics	Restructuring
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)
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

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.

Financials

Background

The group, now headed by FRP Advisory Group plc was formed through a re-organisation on 6 March 2020 (IPO AIM listing).

The Financial Statements have been prepared under the principles of merger accounting, to reflect the Group as if it had been headed by FRP Advisory Group plc continuously through the current and prior year.

Pre-IPO for the first c.10 months of 2020 and prior, the business was a full distribution partnership.

Partners compensation, both pre-IPO full distribution and go-forward since IPO model have been treated as an expense in the Financial Statements.

These Interim accounts are unaudited.



Financial overview – Six months to Oct 2020

£35.9m

+14% Revenue
+9% Organic

£8.8m

Adjusted* PBT

2.96p

Adjusted EPS
Basic EPS 2.48p

£9.7m

+7% Adjusted*
underlying
EBITDA

£15.4m

Net cash

1.6p

Interim dividend
declared

Underlying Adjusted EBITDA

£m	H1 2021	H1 2020	FY 2020
Reported EBITDA	8.0	0.9	3.1
Add Exceptional IPO costs incurred since listed			0.4
Add 10 months EBITDA and exceptional IPO costs incurred before listing by partners			2.9
Add full distribution partner compensation		15.2	23
Deduct post IPO partner compensation		(7)	(10.9)
Add share based payment expense relating to the EIP	1.6		0.3
Add share based payments – Deemed remuneration	0.1		
Underlying Adjusted EBITDA	9.7	9.1	18.8

All profits for the prior year under the partnership model prior to IPO were allocated to the partners of the business and shown as a staff cost. In illustrating the prior year underlying EBITDA these profits of circa. £15.2m have been added back so as to show on a like for like basis with current ongoing PLC model. To create a comparative for the current plc model, go-forward partner compensation has been deducted and shown as a staff cost of Circa (£7m).

At present we have expensed in H1 2021 but not adjusted underlying EBITDA for:

- › Transaction costs incurred during three acquisitions £0.2m
- › Employers National Insurance due on the Employee Incentive Plan (EIP) awards when the options vest in 2023, £0.4m accrued

Comprehensive income

	Unaudited 6 months ended 31 Oct 20 £'000	Unaudited 6 months ended 31 Oct 19 £'000	Audited Year Ended 30 Apr 20 £'000
Revenue	35,874	31,358	63,187
Personnel Costs	(21,226)	(24,960)	(42,692)
Depreciation and amortisation	(764)	(735)	(1,359)
Other operating expenses	(6,625)	(5,507)	(14,086)
Exceptional costs	-	-	(1,974)
Operating profit	7,260	155	3,076
Finance income	(0)	4	7
Finance costs	(129)	(159)	(177)
Net finance costs	(129)	(155)	(170)
Profit before tax	7,131	-	2,906
Taxation	(1,187)	-	(829)
Profit for the year	5,944	-	2,077
Other comprehensive income	-	-	-
Total comprehensive income for the year	5,944	-	2,077
Earnings per share (in pence)			
Basic and diluted	2.48	n/a	0.87

Financial position

		Unaudited 6 months ended 31 Oct 20 £'000	Unaudited 6 months ended 31 Oct 19 £'000	Audited Year Ended 30 Apr 20 £'000
	Notes			
Non-current assets				
Goodwill		3,960	750	750
Other intangible assets		828	1	-
Property, plant and equipment		2,188	1,766	1,994
Right of use asset		4,162	4,467	3,995
Total non-current assets		11,138	6,984	6,739
Current assets				
Trade and other receivables	5	42,145	29,376	33,576
Cash and cash equivalents		15,361	7,783	21,311
Total current assets		57,506	37,159	54,887
Total assets		68,644	44,143	61,626
Current liabilities				
Trade and other payables	6	25,580	25,246	27,276
Loans and borrowings		-	-	-
Lease liabilities		479	418	925
Total current liabilities		26,059	25,664	28,201
Non-current liabilities				
Other creditors		8,549	13,750	9,528
Loans and borrowings		-	1,464	-
Lease liabilities		3,871	4,202	3,271
Deferred tax liabilities		(278)	-	124
Total non-current liabilities		12,142	19,416	12,923
Total liabilities		38,201	45,080	41,124
Net assets/(liabilities)		30,442	(937)	20,502
Equity				
Share capital		240	-	238
Share premium		19,973	-	18,975
Treasury shares reserve		(19)	-	(19)
Share based payment reserve		1,960	-	361
Merger reserve		1,289	-	(90)
Retained earnings		7,000	(937)	1,037
Shareholders equity		30,442	(937)	20,502

Cashflow

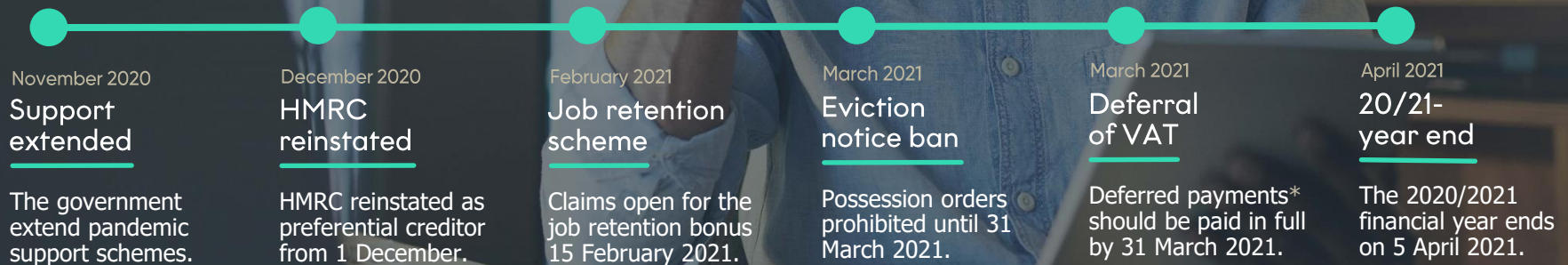
	Unaudited 6 months ended 31 Oct 20 £'000	Unaudited 6 months ended 31 Oct 19 £'000	Audited Year Ended 30 Apr 20 £'000
Cash flows from operating activities			
Profit before taxation	7,131	-	2,906
Depreciation, amortisation and impairment	764	583	1,359
Share based payments	1,599	-	361
Net finance expenses	129	155	170
Increase in trade and other receivables	(8,473)	(1,693)	(2,510)
Increase in deemed remuneration	2,284	-	-
Increase/(decrease) in trade and other payables	(4,193)	6,726	360
Tax paid	(1,708)	-	(18)
Net cash from operating activities	(2,467)	5,771	2,628
Cash flows from investing activities			
Purchase of tangible assets	(519)	(176)	(707)
Acquisition of businesses	(2,382)	-	-
Interest received	-	4	7
Net cash used in investing activities	(2,901)	(172)	(700)
Cash flows from financing activities			
Proceeds from share sales	-	-	20,106
Less issues costs	-	-	(1,000)
Principal elements of lease payments	(453)	(425)	(850)
Repayment of loans and borrowings	-	(2,178)	(3,642)
Interest paid	(129)	(159)	(177)
Net cash used in financing activities	(582)	(2,762)	14,437
Net increase/(decrease) in cash and cash equivalents	(5,950)	2,837	16,365
Cash and cash equivalents at the beginning of the year	21,311	4,946	4,946
Cash and cash equivalents at the end of the year	15,361	7,783	21,311

Outlook



Outlook

- Track record of growth regardless of the macro-economic conditions in the UK
- Flexibility in our internal capacity - well positioned for an increase in demand for our services
- Steady growth and utilisation rates maintained by continuing to win larger projects and market share, while sharing specialist resource effectively across our office network
- Strong balance sheet
- In active dialogue on further acquisition opportunities
- Unwind of government stimulus and support is likely to lead to corporate financial distress
- Significant uncertainty around shape and scale of an economic recovery with potential additional pressure from Brexit
- Current trading is on track to comfortably achieve full year expectations



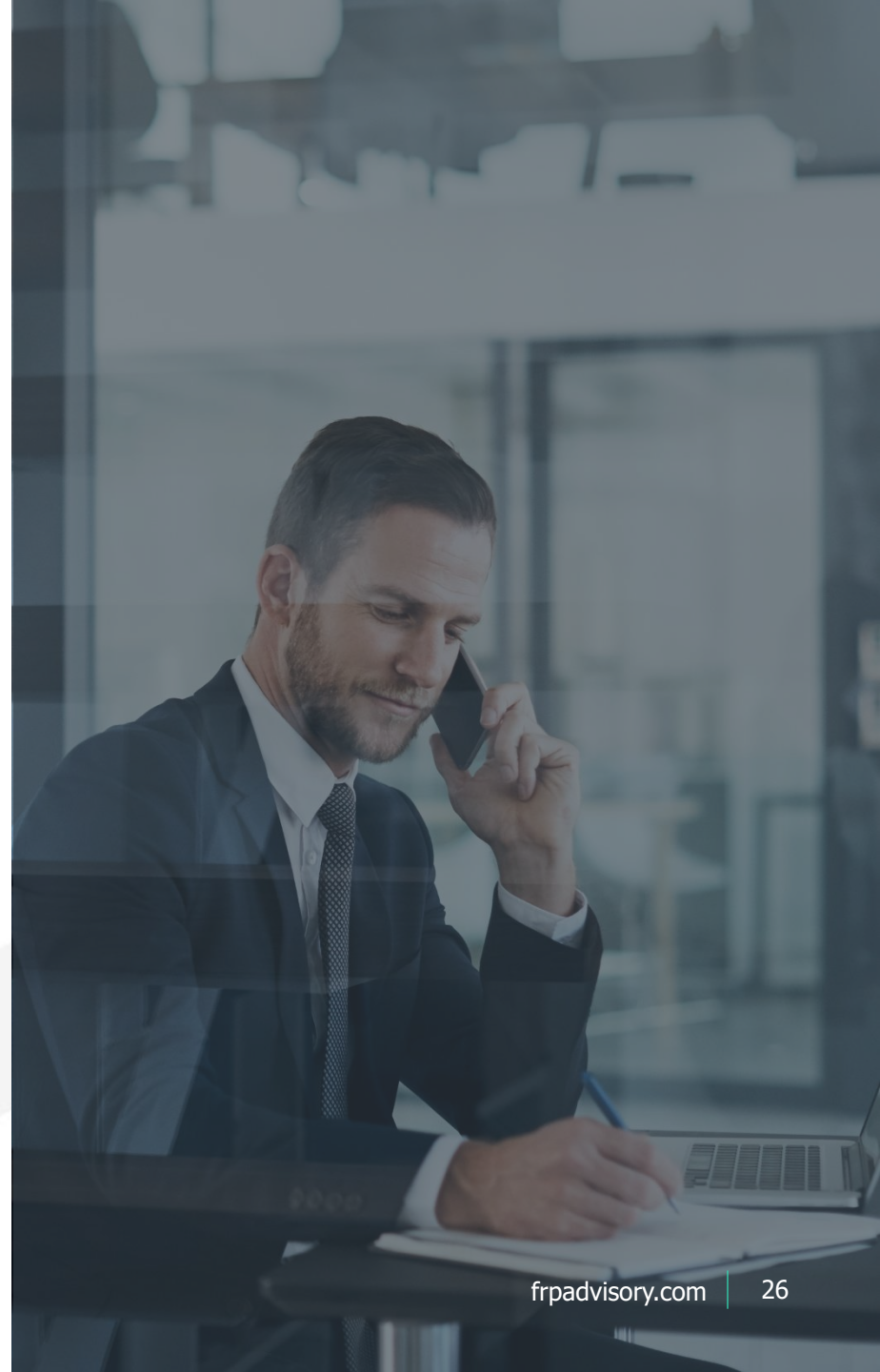
Q&A



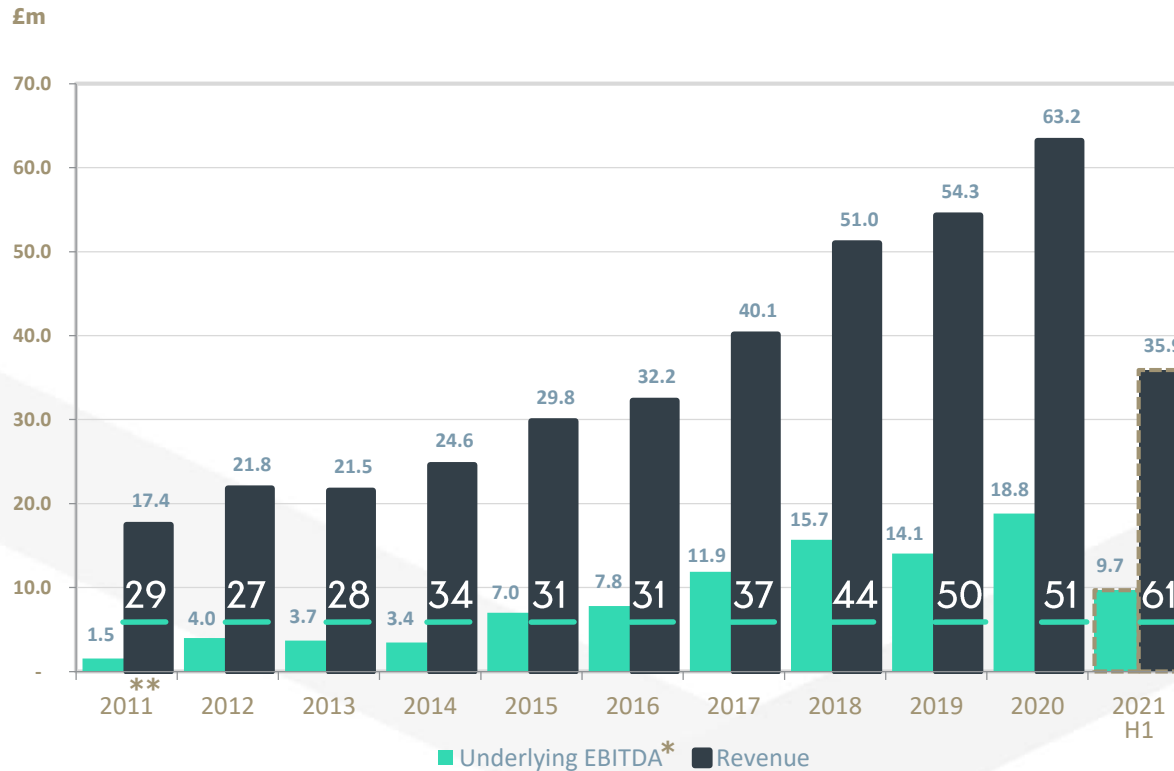
Appendices

Why invest in FRP?

- Consistent, profitable growth; highly cash generative with a strong balance sheet and planned high dividend payout ratio.
- Resilient business; a strong track record of growth regardless of the macro-economic conditions. In addition, multiple panel statuses secured, including pension protection funds and banks; barriers to entry for smaller firms.
- Established network; longstanding and growing referral network giving access to a diverse client base. Mid-market focus, with volume of high-profile appointments steadily increasing.
- Strong brand; reputation built upon providing solutions to create, preserve and recover value across a range of complex situations, securing the best possible outcome for all stakeholders.
- Entrepreneurial-spirited; Partners and colleagues are highly motivated. Internal ownership via shares (Partners c.50%) and colleague options (c.8%) respectively in addition to performance related pay structure.
- Collaborative, collegiate culture; five complementary pillars allow our specialists to work together, providing support for clients throughout their corporate lifecycle.
- Strategic national footprint; UK office network offers national coverage and local expertise, with fewer conflicts of interest than full-service 'Big Six' firms.



Strong track record of growth



+14%

CAGR over
9 years

Partners

Financials

Share based payments – Long Term Incentive Plan (LTIP)

At IPO the partners gifted £15m worth of FRP shares to an Employee Benefit Trust (EBT). At the 80p float price this was 18.75m shares. This represented 7.8% of the issued share capital at the time. Nil cost options were awarded to staff depending on service / their contribution to the firm. These options vest after three years.

Accounting for these options involves using the Black-Scholes model and results in a material annual P&L charge > £3m/year. However, as the shares already exist no future fulfilment is required. The nil cost option share based payment P&L charge (within staff costs) creates a share based payment reserve that can be released to the P&L reserve and is distributable. Hence, a non-cash item and does not impact distributable reserves.

Employers National Insurance will also be payable upon vesting. H1 share based payment charge is £1.6m. A smaller LTIP scheme (c.£0.14m) for Non-Executive Directors was also created on IPO, this does need to be fulfilled and there will be minor dilution.



Financials

Share based payments – Deemed remuneration

Acquiring people businesses with referral relationships requires retaining these key people for a period post acquisition.

Consideration which is “deemed remuneration” to be expensed through the P&L during the period of contractual service. IFRS 3 deems upfront consideration subject to a lock-in or future deferred consideration as “deemed remuneration.”

This is a non-cash item arising due to equity consideration given to partners subject to a lock-in (similar to IPO partners). The charge will impact retained profit. This impacts two H1 acquisitions. P&L Impact for H1 2021 is £0.1m.



Our board



Geoff Rowley

Partner
Restructuring Advisory
London

→ +44 (0)20 3005 4289

→ geoff.rowley@frpadvisory.com

Meet Geoff

Geoff is the Group Chief Executive Officer and is a Certified Accountant and Licensed Insolvency Practitioner with 30 years' experience including at firms RSM Robson Rhodes and PKF. Geoff is a Partner in the London Restructuring Advisory team and was joint founder of the business in 2010. Outside of management responsibilities his focus is on dealing with corporate restructuring assignments acting for a range of stakeholders including boards, lenders and investors.

Recent UK and international assignments have included BHS, Force India Formula One Team, Patisserie Valerie, London Capital & Finance, a significant PFI project arising from the failure of Carillion and most recently Koovs plc.

Meet Jeremy

Jeremy is the Chief Operating Officer of the Group. Jeremy is a Chartered Accountant and Licensed Insolvency Practitioner with more than 35 years' experience.

Jeremy is a joint founder of the business in 2010 and has been the Group's Managing Partner since inception.

While Jeremy manages the operations of the Group, a proportion of his time is spent on restructuring engagements and dealing with stakeholders.



Jeremy French

Chief Operating Officer
Management Board
Brentwood

→ +44 (0)1277 503 333

→ jeremy.french@frpadvisory.com

Our board



Gavin Jones

Chief Financial Officer

Brentwood

→ +44 (0)1277 503 333

→ gavin.jones@frpadvisory.com



Nigel Guy

Non-Executive Chairman

London

→ +44 (0)203 005 4000

→ nigel.guy@frpadvisory.com

Meet Gavin

Gavin joined as Chief Financial Officer in 2020 and is part of the Group's Management Board.

He is responsible for all finance activities, investor relations and supporting the Partners and staff to deliver FRP's growth strategy. He also oversees a number of the Group's shared service functions.

Gavin previously held executive roles within financial services, including a Divisional CFO at Marsh, Regional Financial Controller at Aon and an Executive Director at ABN AMRO's Investment Banking division. He is a Chartered Accountant and member of the Chartered Institute for Securities and Investment.

Meet Nigel

Nigel Guy is a Chartered Accountant and has spent the majority of his executive career in private equity where he has over 20 years' experience.

During this time he held leadership positions both in the UK regions and in London, with firms including 3i plc and Baird Capital Partners Europe Limited. Subsequent to this he has developed a portfolio career and has sat on a number of private and public company boards either as Non-Executive Director or Chairman, often representing strategic financial investors.

He joined the Management Board of the Partnership as Chairman in 2010.

Our board



David Adams

Non-Executive Director
Management Board
London

→ +44 (0)7774 137 587

→ david.adams@frpadvisory.com

Meet David

David has been a Non-Executive Director of the Group since 2010.

David spent the majority of his career as a partner in the corporate law team at Travers Smith LLP. Since then, David has run his own corporate advisory business and held a number of Non-Executive directorships of private and listed companies.

David helped establish the Group's corporate finance division.



Claire Balmforth

Non-Executive Director

→ +44 (0)20 3005 4000

→ claire.balmforth@frpadvisory.com

Meet Claire

Claire joined FRP as a Non-Executive Director in 2020 and is part of the Group's Management Board.

She has extensive operational experience and significant knowledge of leadership and human resources, having worked in FTSE 250 companies including Carpetright, RAC and Tesco. She is currently an independent Non-Executive Director and Remuneration committee chair at both Safestore Holdings plc and Trifast plc, and also sits on the Retail and Remuneration committees for the British Heart Foundation.

Our board



David Chubb
Non-Executive Director
Management Board
London

→ +44 (0)7973 412 304

→ david.chubb@frpadvisory.com

Meet David

David is a Chartered Accountant and Insolvency Practitioner with experience across a range of sectors.

David joined the Group as a Non-Executive Director in 2019 following a career in banking at Standard Chartered and Hambros, and as a restructuring Partner at PwC. Spanning a period of over 20 years with PwC, he covered a wide range of insolvency and restructuring cases, with one of his final appointments being as a Special Manager of Carillion. Following retirement as a Partner at PwC, David has undertaken consulting roles and project work for both boards and shareholders of businesses in financial distress.

Restructuring Advisory

When businesses face challenges, we unravel the complexities, solve problems and aim to protect value.

Our Partner-led team gives clear and honest advice. It's what we're known for. Our highly skilled experts have hands-on experience handling the difficulties you face. So, whatever the situation, we can address issues efficiently and sensitively.

Wherever you are in the restructuring process, our team-approach draws on our breadth of services to manage risk, preserve and recover value. With a range of expertise at hand, we have the right people for every step and see matters through from start to finish.



→ Corporate restructuring

→ Contentious insolvency

→ Accelerated M&A

→ Corporate advisory

→ Personal insolvency

→ Solvent restructuring

→ Creditor services

Corporate Finance

Our advice creates value. Whatever opportunities and challenges lay ahead, our independence and objectivity build solutions and gets results.

Your business evolves over time. As you grow and become more established, your aims, strategies and challenges change. You need advice that can guide you through every stage of your journey.

Whatever your business goals, FRP has the corporate finance expertise to help you. Every business is unique, and so is our approach to helping each of our clients execute strategic change. Our advice is always independent, objective and based on your needs. We bring expertise, experience and insight to help you unlock opportunities and drive value.



→ M&A Advisory

→ Strategic advisory and valuations

→ Raising capital

→ Special situations M&A

→ Financial due diligence

→ Partial exit

Debt Advisory

No matter how complex the situation, our experience and expertise delivers straight answers and clear strategies.

At FRP, our partner-led approach helps private companies and private equity-backed businesses raise and refinance the debt capital they need. Our broad-based advisory services underpins our exceptional track record of success across all debt types and structures.

Our lender network spans the entire market, covering corporate and leveraged debt as well as asset-based lending. We provide mezzanine, unitranche and senior debt financing solutions to asset-based lending and special situations across banks, institutional funds and private capital providers.



→ Raising and financing debt

→ Debt amendments and extensions

→ Restructuring debt

Forensic Services

You can't plan for every event, but we can help you react to the unexpected.

Very few businesses operate without having to deal with some unexpected and potentially disruptive events at some point. The right advice can help you minimise disruption and start moving forward.

FRP's forensic accounting expertise and innovative forensic technology solutions create constructive resolutions. We've worked on a wide range of disputes, investigations and advisory assignments across multiple industries. FRP's team includes members of the Academy of Experts, Chartered Institute of Arbitrators and RCA qualified forensic technology specialists.



→ Forensic investigations

→ Dispute services

→ Compliance and risk advisory

→ Forensic technology

Pensions Advisory

We take a straightforward approach to providing solutions that preserve and improve the strength of support for a company's pension scheme.

We don't overcomplicate matters or overwhelm you with bulky reports. Instead, we give you advice tailored to your pension scheme and your situation. So you have all the information you need to make decisions with confidence.

We use our financial review, restructuring and corporate finance experience to recommend and implement practical solutions. Our flexible approach means you decide how involved we are – from fitting seamlessly into your current team of advisers or leading a project on your behalf.



→ Covenant advisory

→ Corporate governance

→ Pension scheme transaction advisory

→ Pension scheme restructuring advisory