

**Frenkel Topping Group plc**  
**(“Frenkel Topping” or “the Company”)**  
**Business and trading update**

Frenkel Topping, a specialist independent financial advisor and asset manager focussed on asset protection for vulnerable clients, today issues the following business and trading update in respect of the year ending 31 December 2018.

At the time of announcing the Company’s last annual results in April 2018, the Board set out a strategy to drive shareholder value over the next three to five years with 2018 being a year of investment into the Company. This growth strategy is focused on both organic and inorganic opportunities, including an expansion of the Company’s business into adjacent target markets through its new business Obitier Wealth.

The Company has made good progress on its strategic objectives, albeit against a softer trading background than anticipated. Largely due to the changes in the Ogden rate, which has resulted in larger amounts paid out in personal injury and clinical negligence cases, an increasing level of new business opportunities require competitive tender processes rather than direct client onboarding. The average mainstream case size is now more than £600,000.

This increase in case sizes, has resulted in both the Company’s sales cycles taking longer and the fee structures being altered. In many cases, there are smaller upfront payments to Frenkel Topping on appointment. Despite these alterations, the Board believes the Company is outperforming most of its direct peers and continues to win a steady stream of new mandates. However, these have been slightly offset by the loss of certain clients following consultants having left the business.

As a result the level of AuM at 30 June 2018 is £760m, with assets on a discretionary mandate of £313m. In addition, the Company’s expert witness revenue is ahead of the same period for 2017, which is a key barometer to gathering increased AuM in future years and the Company is also ahead of its H1 2018 target for new AuM added. In the first half, overall revenues are expected to be approximately £3.6m, with recurring revenues of £2.9m, both in-line with last year on an ongoing basis. The Board expects the second half to show the usual second half weighting for the business, especially as AuM continues to increase.

In addition, as a result of the above changes in the marketplace, the Company has taken action to both maintain its market share and position itself more efficiently for future mandates. This has happened both through increased marketing expenditure to retain existing and win new lines of business, as well as an additional focus on expert witness work. These additional expenditure increases will exacerbate the Company’s second half profit weighting and, as a result, it is expected that operating profit during the period will be approximately half of those generated in the comparable period during 2017, and which is expected to lead to profits for the full year being below market expectations.

The Board believes that its efforts to increase its marketing and efforts in expert witness work will result in an acceleration of AuM, potentially on better terms than currently being achieved, in the second half of the current year and beyond. The Company also remains highly focused on attracting new consultants and staff that can make an immediate impact and it is expected that new consultants will be employed by the Company prior to publication of the half-year results.

In addition to the above update on the core business, the Board remains encouraged by the reception it has received for its new Obitier platform and has now appointed a head of division, as well as progress being made on engaging with potential inorganic opportunities. Whilst the costs of investment are obviously being carried upfront, the Board continues to look forward to the second half of 2018 and beyond with great enthusiasm to build upon the strong, cash generative business that is currently in place.

**Half year Results**

The results for the half-year ending 30 June 2018 will be announced on 5 September 2018.

Paul Richardson, Executive Chairman, commented: “We remain very excited by the opportunities that exist for the Company as the market leader in its sector. Whilst trading conditions have been tougher than anticipated in the first half of the year; the Company continues to operate with healthy margins and cashflow with continued AuM growth. The investments made in the Company and its staff will accelerate the growth profile of the business; both in terms of the core proposition and diversification into adjacent, highly relevant markets. We expect the second half to be significantly stronger and I look forward to updating further on the Company’s progress at time of publication of half-year results.”

*The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014.*

For further information:

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**About Frenkel Topping:** [www.frenkeltopping.co.uk](http://www.frenkeltopping.co.uk)

Frenkel Topping provides specialist independent financial advice focussed on asset protection for clients. The specialist independent financial adviser has a market leading position providing advice and fund management services for personal injury trusts and clinical negligence awards and is well placed to provide services to a wider customer base.

The Company provides a range of wealth management services including bespoke investment portfolios, financial and tax planning. It is focused on increasing its assets under management by growing the number of fee earners who are qualified to provide benefits protection for a variety of needs as the Company adds to its personal injury and clinical negligence specialism.

It has a national presence with offices in Manchester, Birmingham, Cardiff, London and Leeds and has relationships and infrastructure in place to further grow its reach and target markets.