

22 August 2017

FILTA GROUP HOLDINGS PLC
(“Filta” or “the Group”)

Acquisition of Grease Management Ltd

Filta Group Holdings plc (AIM: FLTA), the provider of fryer management and other services to commercial kitchens, is pleased to announce the acquisition of Grease Management Ltd (“GMG”) for a total consideration of up to £1.11 million in cash, being £1.0 million of initial consideration plus an amount of up to £110,000 in cash, representing the value of the net assets on the date of close, 21 August 2017.

GMG is a long-established, UK-wide provider of drain-related services including live bacteria drain dosing and the installation and servicing of Grease Recovery Units. Over 75% of GMG’s revenue is recurring in nature, with work typically being carried out quarterly under scheduled maintenance programmes. GMG’s customer base, which includes restaurants, supermarkets and airports, is similar to Filta’s.

The acquisition will broaden the product offering of Filta’s specialist grease and drain management business, FiltaDrain, and provide additional sales opportunities by the cross-selling of its services into GMG’s customer base and vice versa. Because of the practical similarities between the two businesses, the integration of staff and operations is expected to be straightforward. GMG founder, Mike Goodbourn, has entered into a consultancy agreement with Filta which will continue in his role with business development.

In its most recent unaudited annual accounts, for the year ended 31 May 2017, GMG reported a profit before tax of £135,000 from revenue of £1.28 million. Net assets were £0.2 million. It is estimated that following the acquisition immediate savings of approximately £100,000 per annum will be achieved relating to costs specific to the previous ownership and which will not be incurred following the acquisition. Filta also believes that the introduction of more efficient scheduling systems and use of the Group’s existing knowledge and resources, provides scope for increasing GMG’s business capacity by up to 30% on substantially the same underlying cost base.

Jason Sayers, CEO of Filta, said:

“The acquisition of GMG is consistent with our strategy of seeking out complementary businesses that strengthen our product offering and expand our customer base. I’m delighted to welcome Mike, an industry veteran who is highly regarded for his knowledge and innovation, to Filta and look forward to working closely with him in the coming months as we grow the business and drive value for the Group’s shareholders.”

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

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About Filta Group Holdings plc:

Filta Group Holdings plc (AIM: FLTA) is a provider of services to commercial kitchens, primarily operating in the UK and US.

The cornerstone of the Company's offering is FiltaFry, the complete fryer management service incorporating on-site micro-filtration as well as the removal and replacement of cooking oil.

The Company also replaces damaged or perished refrigerator and freezer door seals through its Fita-Seal brand; installs and maintains refrigeration units through its Filta Refrigeration brand; and prevents the build-up of fats, oil and grease through its FiltaDrain brand.

The Group has over 180 Franchise Owners, and teams of corporate vans, providing services to over 5,000 restaurants and other commercial kitchens every week.