7 September 2017

Filta Group Holdings plc

("Filta" or the "Company" or the "Group")

Interim Results for the 6 months ended 30 June 2017

Filta Group Holdings plc (AIM: FLTA), a provider of fryer management and other services to commercial kitchens, is pleased to announce its unaudited Interim Results for the six-month period ended 30 June 2017.

Financial Highlights

- Revenues increased 39% to £6.6 million (H1 2016: £4.7 million)
- Gross profit margins improved to 46% (H1 2016: £43%)
- Underlying Operating Profit up 62% to £1.0 million (H1 2016: £0.6 million)
- Basic EPS of 2.59p (H1 2016: .18p loss)
- Board has approved an interim dividend of 0.65p per ordinary share

Operational Highlights

- 12 new Franchise sales in the period resulting in a period end total franchise count of 182
- 30 new Mobile Filtration Units ("MFU's") added in the period increasing the total to 371
- Significant increase in number of seals fitted, up 46% over the same period last year to 14,869
- Major new Fryer Management accounts include a major US Contract Caterer and several large University and Stadium accounts
- Major new FiltaDrain and Fita-Seal customers, including one of the largest operators of restaurants, pubs and bars in the UK
- Established Filta in Canada with first franchisee appointed June 2017 (started trading in August 2017)
- New global accounting software adopted, which went live in the U.S. on 1 March 2017 and in the U.K. and Canada on 1 May 2017
- Acquisition of Grease Management Group Ltd ("GMG") post the period end (Note 8) adds to service offering and will have an immediate impact on profitability

Jason Sayers, CEO of Filta, commented:

"We are very pleased to report on a solid performance for the first half of the financial year, which saw strong revenue growth across our principal service platforms, good interest from potential new franchisees and an encouraging pick-up in the volumes of business in our non-fryer activities."

"We continue to invest in people and systems as we develop a group infrastructure capable of supporting our growing franchise and customer base. We also continue to seek and invest in new and complimentary products and services to offer to our customers, all of which strengthen the business and improve its prospects."

For further information please contact:

Filta Group Holdings plc Jason Sayers, Chief Executive Officer	**Tel:**	**01788 550100**
Cenkos Securities (Nomad and Broker) Bobbie Hilliam	**Tel:**	**020 7397 8900**
Redleaf Communications (Financial Public Relations) Elisabeth Cowell David Ison	**Tel:**	**020 7382 4747**

Chief Executive's and Chairman's Statement

Overview

We are pleased to report on a successful first half of the financial year for Filta. Strong performances across all our business platforms have resulted in profit before tax for the half year ended 30 June 2017 of £957,620 (H1 2016: loss of £210,548, profit of £597,929 after adjustment for non-recurring costs) and revenues up 39% at £6.6 million (H1 2016: £4.7 million).

Although we have seen an increase in costs, principally associated with the change in our status to a publicly quoted company and investment in people and systems, the significant growth in revenues has allowed us to deliver a profit before tax in line with expectations. We have also seen a growth in our core deferred revenue balance (the amounts relating to territory fees which will be released over 10 years in the US and, 5 years in the UK) of £200,000 as a result of £400,000 added and £200,000 utilised, before the adverse effect of the Sterling: Dollar exchange rate which occurred during the period. However, the impact of the weakening USD through the period also resulted in an increase in our deferred tax asset which moves in relation to the change in deferred revenue.

Cash, net of borrowings, at the period end was £3.0 million (31 December 2016: £3.2 million). The primary reasons for the reduction in cash, outside of normal working capital changes, include the payment of our 2016 corporate tax liability (£200,000), 2017 U.S. estimated tax payments (£100,000), the exit from the Royal Bank of Scotland financing facility (£200,000) in the U.K. and, lastly, the dividend payment (£51,000) earlier in the year.

Operating Review

The Group has enjoyed strong trading in each of its operating divisions with the performances of FiltaFry and Fita-Seal being particularly noteworthy.

Franchise Development

Twelve new franchise agreements and three franchise resales contributed to franchise development income of £1.0 million, up 56% on the first half of last year. This included £0.2 million carried forward from 2016 relating to franchises which were secured in 2016 but which did not commence trading until the current year (Nil from 2015 into 2016) and £0.2 million of territory fees released from deferred income. Additionally, we added £0.4 million of territory fees to deferred income, where payment has been received but will not be recognised as income until future periods. We signed our first franchise agreement in Canada in June and the franchisee began trading in August. We have experienced strong interest from potential, additional, Canadian franchisees, and we expect that several such appointments will be made in 2018.

Fryer Management

Royalties and other revenue, most of which is recurring in nature, from our fryer management services increased by 42% over the same period last year to £4.0 million and the addition of 30 MFU's during the period will ensure further revenue growth over the second half and into future periods. We have also upgraded an additional 12 U.S. franchisees to 6,000-gallon (25 metric tonnes) waste oil storage sites, taking the total number of sites to 40.

Seals and Refrigeration

Our commercial refrigerator and freezer seal business, Fita-Seal, has benefitted from major client wins at the end of last year giving us a 46% uplift in the number of seals fitted in the first half over the same period last year generating revenue of £0.7 million up by 47%.

Our refrigeration business grew 12% year on year but with margins of 22% it had only a small impact on overall profitability in the first half year. Although, we do see a strong order book going into the second half, we anticipate that this business will continue to be a marginal contributor to group profits.

Drains and Grease Management
Although revenues are not yet material to the group, we are seeing increasing interest in our drains service as customers must comply with ever-growing regulations and are attracted by the regular servicing which helps to maintain kitchen efficiency. The recent acquisition of GMG in the U.K. not only broadens the scope of our offering, by adding grease trap maintenance, but also increases our customer base to whom we can cross sell the full range of Filta services.

Infrastructure
The Company has continued to invest in and expand its customer support capacity with 5 additional staff hired to boost the accounts, administration, marketing and sales support teams. This will enable us to handle the continued growth that we are experiencing. In addition to people, the Company increased its marketing investment to accelerate growth and increased its investment in its Annual Conference, which is an important event that continues to attract more attendees each year.

We implemented a new global accounting platform during the period, at a cost of approximately £0.1 million. The additional ongoing cost will be in the order of £16,500 per year. New field service scheduling software for our Company owned businesses is planned to come on line during the final quarter of the year at a cost of £6,000, with additional ongoing costs of £18,000 per year. Both investments will allow for increased, real-time, visibility over our business and provide improved efficiencies, which will be essential to support our growth.

Dividends
We paid a first interim dividend of 0.19 pence per share to shareholders on 31 May 2017 in lieu of a final dividend for the year ended 31 December 2016. We are now pleased to announce the payment of a secondary interim dividend, being the first dividend in respect of the year ending 31 December 2017, of 0.65 pence per share. This will be paid on 29 September 2017 to shareholders on the register on 15 September 2017 and the shares will become ex-dividend on 14 September 2017.

Outlook
The second half of the year has started well with growth on plan across all business sectors. Moreover, the recent acquisition of GMG will have a modest beneficial effect in the current year but a greater impact in the following year from both the extra revenue and the higher profit margins that it delivers.

With the additional royalties that will be generated from the already enlarged franchisee base, the growing revenues being delivered by the non-fryer activities and the investment in infrastructure that has been made during the year, your Board believes that the Group is well placed for further progress in the second half of this year and, more particularly, in future years as our recurring revenues continue to grow.

Tim Worlledge
Non-executive Chairman
6 September 2017

Jason Sayers
Chief Executive Officer
6 September 2017

Filta Group Holdings plc

Condensed consolidated statement of comprehensive income

for the six months ended 30 June 2017

	Notes	Unaudited 6 months ended 30 June 2017 £	Unaudited 6 months ended 30 June 2016 £	Audited year ended 31 December 2016 £
Revenue	3	6,587,653	4,741,358	10,075,239
Cost of sales		(3,589,869)	(2,718,109)	(5,668,787)
Gross profit		2,997,784	2,023,249	4,406,452
Other income		4,513	4,103	25,186
Distribution costs		(59,969)	(51,432)	(80,283)
Administrative expenses	6	(1,946,914)	(2,168,851)	(4,464,771)
Underlying operating profit		**995,414**	**615,546**	**1,147,123**
Costs of IPO		-	(180,106)	(580,603)
Pre-IPO bonus to shareholders		-	(628,371)	(679,936)
Profit/(loss) from operations		995,414	(192,931)	(113,416)
Finance costs		(37,794)	(17,617)	(104,828)
Profit/(loss) before tax		957,620	(210,548)	(218,244)
Income tax expense		(258,518)	170,334	(124,337)
Net profit/(loss) attributable to owners		699,102	(40,214)	(342,581)
Other comprehensive income				
Exchange differences on translation of foreign operations		143,433	(77,884)	(185,557)
Total other comprehensive income		143,433	(77,884)	(185,557)
Profit/(loss) and total comprehensive income		842,535	(118,098)	(528,138)
Basic earnings/(loss) per share – pence	2	**2.59**	**(0.18)**	**(1.51)**
Diluted earnings/(loss) per share – pence	2	**2.56**	**(0.18)**	**(1.51)**

Filta Group Holdings plc

Condensed consolidated statement of financial position

for the six months ended 30 June 2017

	Notes	Unaudited 30 June 2017 £	Audited 31 December 2016 £
Non-current assets			
Property, plant and equipment		1,175,310	1,190,651
Deferred tax assets		874,088	755,965
Intangible assets		145,453	166,624
Deposits		7,320	2,572
Trade receivables		348,282	379,405
		2,550,453	2,495,217
Current assets			
Trade and other receivables	4	2,818,064	1,960,693
Inventories		415,340	376,015
Cash and cash equivalents		4,124,009	4,392,350
		7,357,413	6,729,058
Total assets		9,907,866	9,224,275
Current liabilities			
Trade and other payables	5	2,015,080	1,989,885
Borrowings		112,337	103,812
Deferred income		384,210	400,881
		2,511,627	2,494,578
Non-current liabilities			
Borrowings		1,002,364	1,050,992
Deferred income		2,227,678	2,310,477
		3,230,042	3,361,469
Total liabilities		5,741,669	5,856,047
Equity			
Share capital		2,695,266	2,695,266
Share premium		-	3,480,191
Other reserves		49,400	49,400
Merger reserve		(339,687)	(339,687)
Retained earnings	2	1,878,188	(2,256,539)
Foreign exchange reserve		(116,970)	(260,403)
Total equity		4,166,197	3,368,228
Total equity and liabilities		9,907,866	9,224,275

Filta Group Holdings plc
Condensed consolidated statement of changes in equity
for the six months ended 30 June 2017

	Share Capital £	Share Premium £	Other Reserves £	Merger Reserve £	Foreign Exchange Reserve £	Retained Earnings £	Total Equity £
Balance at 31 December 2016	2,695,266	3,480,191	49,400	(339,687)	(260,403)	(2,256,539)	3,368,228
Profit for the period						699,102	699,102
Other comprehensive income	-	-	-	-	143,433	-	143,433
Total comprehensive income					143,433	699,102	842,535
Transactions with owners:							
Cancellation of share premium	-	(3,480,191)	-	-	-	3,480,191	-
Dividends Paid	-	-	-	-	-	(51,210)	(51,210)
Share payment expense	-	-	-	-	-	6,644	6,644
Balance at 30 June 2017	**2,695,266**	**-**	**49,400**	**(339,687)**	**(116,970)**	**1,878,188**	**4,166,197**

	Share Capital £	Share Premium £	Other Reserves £	Merger Reserve £	Foreign Exchange Reserve £	Retained Earnings £	Total Equity £
Balance at 31 December 2015	-	-	-	380,100	(74,846)	(1,913,958)	(1,608,704)
Loss for the year	-	-	-	-	-	(342,581)	(342,581)
Other comprehensive income	-	-	-	-	(185,557)		(185,557)
Total comprehensive income	-	-	-	-	(185,557)	(342,581)	(528,138)
Transactions with owners:							
Issue of share capital	519,050	3,789,064	-	-	-	-	4,308,114
Share issue expenses	-	(308,873)	-	-	-	-	(308,873)
Share based payments	-		49,400	-	-	-	49,400
Group reconstruction	2,176,216	-	-	(719,787)	-	-	1,456,429
Balance at 31 December 2016	**2,695,266**	**3,480,191**	**49,400**	**(339,687)**	**(260,403)**	**(2,256,539)**	**3,368,228**

Filta Group Holdings plc
Condensed consolidated cash flow statement
for the six months ended 30 June 2017

	Unaudited 6 months ended 30 June 2017 £	Unaudited 6 months ended 30 June 2016 £	Audited year ended 31 December £
Operating activities			
Profit / (loss) before tax	957,620	(210,548)	(218,244)
Adjustments for non-cash operating transactions:			
Finance costs	37,794	24,728	104,828
Depreciation	18,611	17,947	118,855
Amortisation	26,638	20,905	63,177
Share based payment charge	17,687	-	49,400
	1,058,350	**(146,968)**	**118,016**
Movements in working capital:			
(Increase) in trade and other receivables	(662,830)	(562,848)	(964,536)
Increase in trade and other payables	71,598	949,101	134,951
(Increase) in inventories	(39,325)	(161,646)	(76,636)
(Decrease)/increase in deferred revenue	(99,470)	-	827,962
Taxes paid	(344,177)	-	-
Net cash flow from operations	**(15,854)**	**77,639**	**39,757**
Investing activities			
Purchase of property, plant and equipment	(49,277)	(34,251)	(43,269)
Purchase of other intangible assets	(13,775)	-	(153,716)
Net cash used in investing activities	**(63,052)**	**(34,251)**	**(196,985)**
Financing activities			
Proceeds / (repayments) of borrowings	(37,357)	106,791	(146,065)
Net proceeds from issue of share capital	-	-	3,999,241
Dividends paid	(51,210)	-	-
Interest paid	(37,794)	(24,728)	(104,828)
Net cash from financing activities	**(126,361)**	**82,063**	**3,748,348**
Net change in cash and cash equivalents	**(205,267)**	**125,451**	**3,591,120**
Cash and cash equivalents, beginning of period	**4,392,350**	**978,939**	**978,939**
Exchange differences on cash and cash equivalents	(63,074)	71,273	(177,709)
Cash and cash equivalents at end of period	**4,124,009**	**1,175,663**	**4,392,350**

Filta Group Holdings plc
Notes to the financial information
for the six months ended 30 June 2017

1. Basis of preparation

The Company is a public limited company limited by shares and incorporated under the UK Companies Act. The Company is domiciled in the United Kingdom and the registered office and principal place of business is The Locks, Hillmorton, Rugby, Warwickshire, CV21 4PP.

The Company acts as the holding company of a group of subsidiaries that are involved in the franchising of on-site environmental kitchen solutions to restaurants, catering establishments and institutional kitchens. The services include microfiltration of cooking oil, fryer cleaning, temperature calibration, waste oil disposal and specially designed filters for refrigeration units and coolers.

The interim financial information has been prepared in accordance with the basis of the accounting policies set out in the annual report and accounts for the year ended 31 December 2016, which have been prepared in accordance with International Financial Reporting Standards as adopted for use by the European Union. The interim accounts are unaudited and do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006.

The same accounting policies, presentation and methods of computation have been followed in this unaudited interim financial information as those which were applied in the preparation of the Group's annual statements for the year ended 31 December 2016, upon which the auditors issued an unqualified opinion, and which have been delivered to the registrar of companies.

The interim financial information has been drawn up using accounting policies and presentation expected to be adopted in the Group's full financial statements for the year ended 31 December 2017. Any new standards that will be adopted in full for the first time in the year-end financial statements did not have a material impact on this interim financial information.

The interim financial information for the six months ended 30 June 2017 was approved by the Board on 6 September 2017.

2. Earnings per share

The calculation of earnings per share is based on the following earnings and number of shares:

	Unaudited 6 months ended 30 June 2017 £	Unaudited 6 months ended 30 June 2016 £	Audited year ended 31 December 2016 £
Profit/(loss) after tax attributable to owners of the Company	699,102	(40,214)	(342,581)
Weighted average number of shares			
Basic	26,952,659	21,726,160	22,700,716
Fully diluted	27,267,259	21,726,160	22,700,716
Earnings/(loss) per share			
Basic earnings/(loss) per share	2.59 pence	(0.18) pence	(1.51) pence
Fully diluted earnings/(loss) per share	2.56 pence	(0.18) pence	(1.51) pence

3. Segmental Analysis

Operating segments have been identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (which takes the form of the Board of Directors), in order to allocate resources to the segment and to assess its performance.

The Directors consider that the Group currently has four reportable segments: the marketing and execution related to Franchise Development; provision of services and supplies to the fryer management sector; servicing the refrigerator seal replacement market; and the provision of design, installation and services to the refrigeration and cold stores market. The Group also has two geographic segments: United Kingdom and North America.

Revenue and non-current assets by origin of geographical segment for all entities in the Group is as follows:

Revenue

	Unaudited 6 months ended 30 June 2017 £	Unaudited 6 months ended 30 June 2016 £	Audited year ended 31 December 2016 £
United Kingdom	2,332,392	2,113,723	4,187,226
North America	4,255,261	2,627,635	5,888,013
Total	**6,587,653**	**4,741,358**	**10,075,239**

Non-current assets

	Unaudited 6 months ended 30 June 2017 £	Audited year ended 31 December 2016 £
United Kingdom	539,308	510,854
North America	2,011,145	1,984,363
Total	**2,550,453**	**2,495,217**

Product and services revenue analysis

Revenue

	Unaudited 6 months ended 30 June 2017 £	Unaudited 6 months ended 30 June 2016 £	Audited year ended 31 December 2016 £
Franchise Development	969,213	622,107	1,235,983
Fryer Management	4,025,934	2,842,740	6,217,772
Fita-Seal	699,400	475,520	1,014,932
Filta Refrigeration	893,106	800,991	1,606,552
Total	**6,587,653**	**4,741,358**	**10,075,239**

No customer has accounted for more than 10% of total revenue during the periods presented.

4. Trade and other receivables

Trade and other receivables consist of the following:

Group	Unaudited 6 months ended 30 June 2017 £	Audited year ended 31 December 2016 £
Trade receivables	2,220,867	1,647,665
Prepayments and other receivables	597,197	313,028
	2,818,064	**1,960,693**

Accounts receivable include amounts that the Filta Group has agreed may be settled over extended repayment terms. Accounts receivable subject to these extended repayment terms totaled £174,940 and £227,727 respectively, at 30 June 2017 and 31 December 2016.

5. Trade and other payables

Group	Unaudited 6 months ended 30 June 2017 £	Audited year ended 31 December 2016 £
Trade payables	965,459	1,178,105
Taxes and social security	568,095	360,120
Accruals and other payables	481,526	451,660
	2,015,080	**1,989,885**

Analysis of trade and other payables
These are classified as short term and are expected to be settled within 12 months from the reporting date.

6. Share option scheme

The Company has, on 5 May 2017 ("Grant Date"), introduced a Share Option Scheme to incentivise executives and employees of Filta Group Holdings and its subsidiaries. For U.K. employees, Options have been awarded over a total of 330,000 ordinary shares, equivalent to 1.2% of the Company's current issued share capital. The options may vest, subject to the satisfaction of certain conditions, over a period of 3 years between 2019 and 2021 and are exercisable at any time after vesting and within 10 years from the grant date.

Additionally, all qualifying U.S. employees have been awarded share acquisition rights (SAR's). The SAR's are conditional bonuses whose value will be calculated by reference to the amount by which the price of the Company's ordinary shares has risen above the base price at the date of exercise, thus providing holders of SAR's the same reward value as if the SAR's were share options. The qualifying conditions and timing of vesting are identical to those within the share option scheme for UK employees. A total of 360,000 SAR's has been awarded at a base price of 97p or £341,925.

In the ordinary course of business, an option will normally only be exercisable to the extent it has fully vested and any applicable non-market performance conditions have been satisfied or waived. Options shall lapse to the extent unexercised on the tenth anniversary of the date of grant or such earlier date as specified by the Board at the date of grant.

Movement in the number of share options outstanding during the year was as follows:

	Share options	Stock appreciation rights	Total
Outstanding at 1 January 2017	-	-	
Granted during the period	330,000	360,000	690,000
Forfeited/lapsed during the period	(60,000)	(7,500)	(67,500)
Outstanding at 30 June 2017	270,000	352,500	622,500
Exercisable at 30 June 2017	-	-	-

During the period ended 30 June 2017 the Company recognised expense of £17,687 related to the fair value of the share based payment arrangements (30 June 2016: Nil).

7. Dividends

A second interim dividend of 0.65p per share will be paid, out of the Company's available distributable reserves, on 29 September 2017, to shareholders on the register at 15 September 2017. In accordance with IAS 1, dividends are recorded only when paid and are shown as a movement in equity rather than as a charge to the Income Statement.

8. Events after the reporting date

Acquisition of Grease Management Group Ltd

On 21 August 2017 Filta acquired 100% of Grease Management Ltd ("GMG"), a privately-owned company based in Leamington Spa, for an initial cash consideration of £1 million. Deferred consideration, equivalent to the Net Current Asset balance at the acquisition date, is payable in cash upon the finalisation of the Completion Accounts. This amount is not anticipated to exceed £110,000. The entire consideration will be paid from cash in hand.

GMG supplies, installs, maintains and repairs a broad range of grease management systems. GMG has been providing grease management solutions to commercial customers for over 15 years and now maintains over 3,500 sites in the U.K.

In its statutory unaudited accounts for the year to 31 May 2017, GMG reported turnover of £1.3 million, profit before tax of £135,229 and a net asset value of £179,330.

9. Date of approval of interim financial statements

The unaudited interim financial statements were approved by the Board on 6 September 2017. Electronic copies are available on the Filta Group Holdings plc website, www.filtaplc.com.