Slater and Gordon Ltd

Annual General Meeting

20 October 2014

Andrew Grech –
Group Managing Director

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FY14: Strong Financial Result

Delivering well managed growth and improving operational effectiveness

Group revenue up 40.4% to A$418.5m

Normalised EBITDA margin[1] of 24.6%

Cash flow from operations 89.7% of NPAT

Australian Personal Injury Law (PIL) practice remains strong

UK underlying business and acquisitions on track

Continuing strong growth opportunities in both Australia and UK

Announced 12 August – two acquisitions with annual revenue of A$39m

1. Normalised for acquisition costs A$4.1m, one off WIP adjustment relating to the acquisition of Fentons A$7.4m and an onerous lease provision for existing Manchester premises A$6.1m. Refer Appendix 5.

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UK Integration Update

Integration well progressed

+ Transitioning acquired brands to S&G

Slater & Gordon Lawyers
Fentons Solicitors Part of Slater & Gordon
PANNONE Part of Slater & Gordon

July 2014

Slater & Gordon Lawyers
PANNONE Part of Slater & Gordon

October 2014

Slater Gordon Lawyers

March 2015

+ New Practice Management System implementation
+ Manchester property consolidation

Acquisitions

	AUSTRALIA	UK
STRATEGIC FOCUS	Strengthen and protect core markets and accelerate practice area diversification	Fill geographic gaps or under-weight pockets in terms of specialist practice groups
PIPELINE	Nowicki Carbone[1] – Victoria. Revenue A$26m Schultz Toomey O'Brien[2] – Queensland. Revenue A$13m	Strong with good prospects of further acquisitions being completed in FY15
OPERATIONAL CAPABILITY & CAPACITY	M&A Co-ordination and integration teams now in place in Australia & UK Well tested and disciplined due diligence, transaction structure and integration methodology	
FUNDING	On average acquisitions delivered within pricing range of 3.5 – 4.5 x EBITDA multiple, with consideration comprised of cash paid on completion, the issue of ordinary S&G shares, deferred consideration subject to conditions being achieved and deferred consideration. Acquisitions to be funded from existing debt facility and the issue of equity to vendors Net Bank Debt/Equity ratio target range of 30% – 40% post acquisitions	

1. *Subject to completion of formal due diligence.*
2. *Formal due diligence substantially completed. Subject to formal transaction documentation being agreed and executed.*

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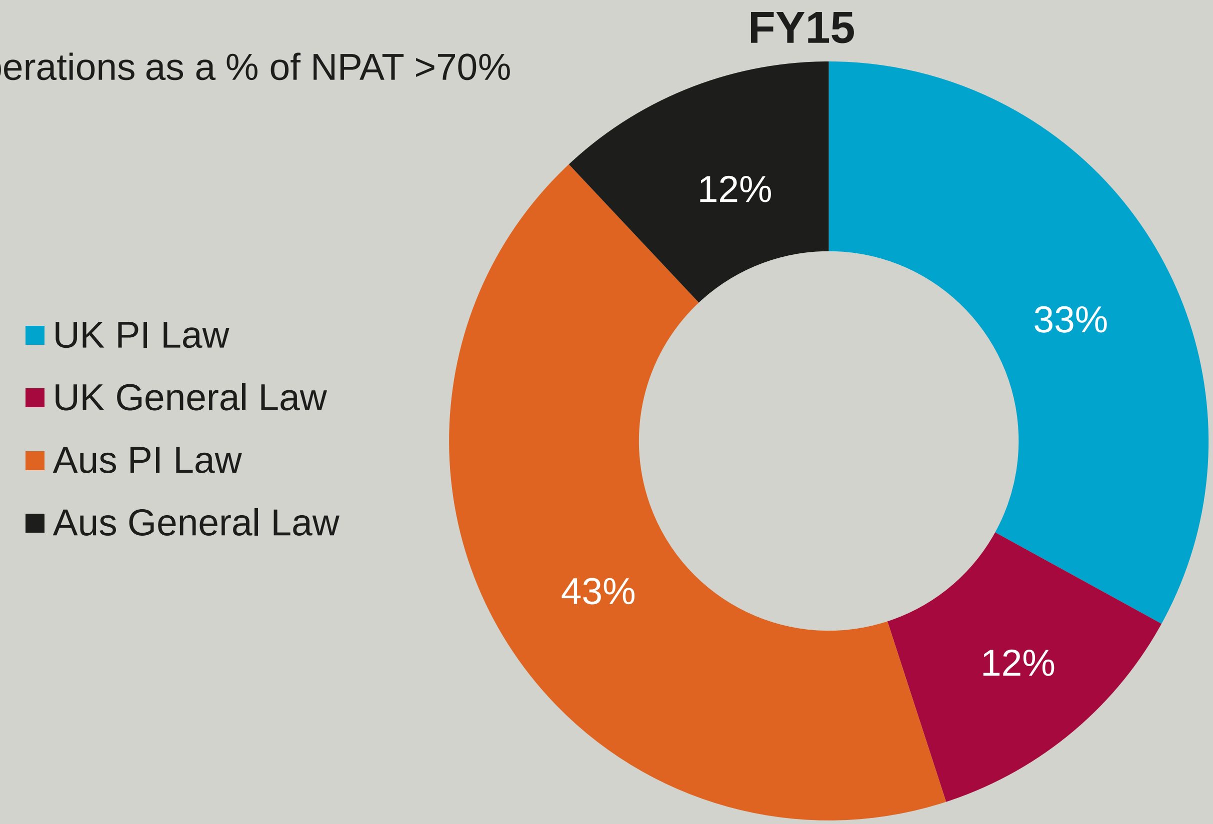
Outlook For FY15

+ Group revenue target of A$500m[1, 2]
+ EBITDA margin of 23% – 24%
+ Cash flow from Operations as a % of NPAT >70%



1. Includes contribution of A$25.6 m from acquisitions announced and to be completed in FY15, subject to final due diligence and formal documentation execution.
2. Assumes GBP:AUD exchange rate of £0.54.