

ASX Announcement

25 February 2021

Slater & Gordon Ltd FY21 Half-Year Financial Results and Business Update

Slater & Gordon Ltd (“Slater & Gordon” or “the Company”) (ASX: SGH) today lodged its half-year results to 31 December 2020.

The results demonstrate the Company’s continued growth, reporting a net profit after tax of \$3.1m. This compares to a net loss after tax for half year ended 31 December 2019 (“PCP”) of (\$0.6m).

The company also reported EBITDA before specified items¹ of \$18.8m, compared to \$15.3m in the PCP. Revenue increased to \$99.3m from \$89.2m in the PCP.

The results largely reflect the benefits of the Company’s transformation which is delivering growth in the personal injury business as well as progression in the class actions portfolio.

The Company has benefited from further management of its working capital and a strengthened balance sheet.

The Company neither sought nor received Jobkeeper assistance at any time.

Business Highlights

The half-year results reflect continued improvements and growth by the Company during the first half of FY21.

Business highlights include:

- 16% growth in enquiries, with a 6% rise in active files.
- Growth in the value of work in progress (WIP) driven by a combination of increasing enquiry levels, active file growth, improved case mix, file progression and a slow-down in some parts of the legal process caused by COVID-19 restrictions.
- Delivered approx. \$360m in compensation to everyday Australians.
- Continued focus on the firm’s ethos of social justice, including delivery, on a pro bono basis, of compensation for more than 1,300 asylum seekers whose personal information was leaked online.
- The support provided by our people to our clients during the COVID-19 lock down which particularly impacted our Victorian team for much of the first half of FY21.
- Repaid a total of \$5m to Super Senior Facility (“SSF”) lenders reducing the amount outstanding under the SSF by approximately \$5.4m.
- Refinanced the Disbursement Asset Backed Facility with new working capital facility on more favourable terms, improving liquidity.

¹ Adjusted for Specified items are certain cash and non-cash items relating to transformation and normalisation of the company.

Statutory Results

The Company's Financial Report for the half-year to 31 December 2020 also shows:

- Net profit after tax from continuing operations of \$2.8m, compared to a net loss after tax from continuing operations of (\$0.9m) in the PCP.
- Operating cashflow generated from continuing operations of \$6.1m (PCP \$7.0m), largely due to higher payments to suppliers and employees offset by higher receipts from customers and lower borrowing costs.
- An improved net asset position of \$167.8m (30 June 2020: \$162.3m) largely due to growth in WIP, a reduction in cash and receivables and lower borrowing and lease liabilities.

COVID-19

The Company's performance has remained resilient during the Covid-19 pandemic. Despite this, the Board and management remain cautious about the social, health and economic environment in which the Company operates, particularly as courts, government bodies and medico-legal practitioners work through backlogs arising from last year's shutdowns.

The Company credits the strength of its performance, in particular the progression of clients' matters and ongoing client care to the remarkable efforts of its people.

The four principles that have guided the Company through its entire COVID-19 response are:

- the health and wellbeing of its people;
- the health and wellbeing of its clients and progress of their matters;
- protecting Slater & Gordon jobs; and
- business resilience.

Chair James MacKenzie said the continued growth and transformation of the Company was pleasing.

"The investment that we are making in our business, in innovation and in our people is delivering the growth evident in our results.

"Pleasingly, despite the challenges of COVID-19, we have continued to progress matters on behalf of the thousands of Australians who need our help to access justice.

"I particularly want to thank our people, whose care, dedication and commitment to our clients and our values is core to our success and to ensuring our clients' tomorrow starts today.

"We are especially pleased that we were able to achieve the results that we have reported today without Jobkeeper support."

ENDS

Contact:

Media

Kate Van Poelgeest – Head of Media and Communications

(07) 3331 9720 or kate.vanpoelgeest@slatergordon.com.au

Investors

Hany Messieh – Head of Business Partnering and Investor Relations

(03) 9602 6947 or hany.messieh@slatergordon.com.au