



Tomorrow **starts today**

Results Announcement

August 2022

John Somerville
Chief Executive Officer

Kate Malone
Chief Financial Officer

Disclaimer

This document has been prepared by Slater & Gordon Ltd. (Slater & Gordon) & comprises written materials/slides for a presentation concerning Slater & Gordon.

This presentation is for information purposes only & does not constitute or form part of any offer or invitation to acquire, sell or otherwise dispose of, or issue, or any solicitation of any offer to sell or otherwise dispose of, purchase or subscribe for, any securities, nor does it constitute investment advice, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision.

Investors should be aware that certain financial measures included in this presentation are “non-IFRS financial information” under ASIC Regulatory Guide 230, & is not audited. Non-IFRS financial information in this presentation includes EBITDA, EBITDA excluding specified items, net debt, net gearing, interest coverage. Such non-IFRS financial information does not have a standardised meaning prescribed by AAS or IFRS.

Certain statements in this presentation are forward looking statements. You can identify these statements by the fact that they use words such as “anticipate”, “estimate”, “expect”, “project”, “intend”, “plan”, “believe”, “target”, “may”, “assume” & words

of similar import. These forward looking statements speak only forward as at the date of this presentation.

These statements are based on current expectations & beliefs &, by their nature, are subject to a number of known & unknown risks & uncertainties that could cause the actual results, performance & achievements to differ materially from any expected future results, performance or achievements expressed or implied by such forward looking statements

No representation, warranty or assurance (express or implied) is given or made by Slater & Gordon that the forward looking statements contained in this presentation are accurate, complete, reliable or adequate or that they will be achieved or prove to be correct.

Except for any statutory liability which cannot be excluded, Slater & Gordon & its respective officers, employees & advisers expressly disclaim any responsibility for the accuracy or completeness of the forward looking statements & exclude all liability whatsoever (including negligence) for any direct or indirect loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission therefrom.

Subject to any continuing obligation under applicable law or any relevant listing rules of the ASX, Slater & Gordon disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in these materials to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any statement is based.

Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of Slater & Gordon since the date of this presentation.

This presentation does not contain forecasts, forward looking statements or guidance in relation to Slater & Gordon’s results beyond the year ended 30 June 2022.

All financial performance analysis in this presentation is based on publicly available information up to & including the Slater & Gordon’s results for the year ended 30 June 2022.

Slater & Gordon will not be providing any forecasts, forward looking statements or guidance in relation to its results beyond the period ended 30 June 2022.

1

Summary
& Progress

2

Financial
Results

3

Appendix

Business highlights

Positive NPAT despite first half being impacted by lockdowns

- + Delivered year on year PIL¹ fee revenue increase of 6% despite impact of prolonged lockdowns on enquiries & matter progression
- + PIL enquires were 11% higher in the 2nd half²
- + Leading & growing national market share³
- + Maintained highest prompted brand awareness in all our key markets⁴
- + Five new class actions commenced during the year
- + GOCF⁵ was negative for the year primarily due to continued investment in growth areas of the business including Class Actions & Abuse practices
- + Super Senior Facility maturity extended to 31 October 2024

¹ Personal Injury Law

² 2nd half FY22 compared to 1st half FY22

³ Personal Injury Law

⁴ Nature: November 2021 – No 1 in all Vic, NSW, WA & No 2 in Qld

⁵ Gross Operating Cashflow

FY22 performance – Strong recovery in 2nd half

Prolonged lockdowns in 2020 & 2021 impacted PIL market, less activity resulting in lower enquiries

- 10%
\$182.0m
Net revenue ¹

- 40%
\$29.3m
EBITDA ²

- 85%
\$2.2m
Net Profit after Tax ¹

- 139%
\$(6.0m)
Gross Operating
Cashflow

21.0%
Net gearing ³

- 12%
PIL enquiries

Flat
Net PIL matter
growth

+ 2 net
20
Active Class
Actions

+6
29
NPS ⁴

Note: Variance is to PCP

¹ Statutory basis




² EBITDA excluding specified items as set out on p 22

³ Debt excluding lease liabilities – cash / Total assets

⁴ Net Promoter Score - Source - Kantar April 2022

Well positioned in an attractive market

Iconic brand, focused business model

	Personal Injury Law ¹	Class Actions ²
 Revenue pool	~\$1.8b ³	~\$240m ⁴
 Growth	~3% ³ Forecast 2022-2027	~10% ⁵ Historical 2012-2021
 Market structure	~2,200 ³ firms Leading market share	~77% ⁵ Top 3 firm share

- 
Deep physical networks staffed by skilled, diverse team
 - + ~60 ⁶ sites in VIC, NSW, ACT, QLD & WA
 - + Well represented in chosen markets
 - + Unions & other referral relationships
- 
Iconic & trusted brand
 - + 87+ years of caring for Australians' rights
 - + Maintained #1 prompted & unprompted recall ⁷
 - + Net Promoter Score of 29 ⁸
- 
Highly focused business model
 - + Personal Injury – 87% of revenue ⁹
 - + Class Actions – 11% of revenue
 - + Emerging Services ¹⁰ – 2% of revenue
- 
Market leading digital assets
 - + Online claim assessment tool
 - + Outbound digital capability
 - + Advanced analytics supporting business decisions

¹ Personal Injury includes Motor Vehicle Accidents, Workers Compensation & Civil (made up of Medical Negligence, Public Liability, & Asbestos) & Emerging Practice (made up of Superannuation/TPD, Military Compensation & Abuse)

² Includes shareholder mass tort, consumer protection, product liability, & employee rights

³ IBIS World Industry Report OD5519 March 2022, forecast growth

⁴ Australian Law Reform Commission – Report 134

⁵ Allens – Australian Class Actions Trends: 2021 Update – based on number of claims files 2012-2021

⁶ Includes permanent, visiting & virtual offices

⁷ Source – Nature, November 2021. #1 Prompted & Unprompted brand awareness across Personal Injury law firms in VIC, NSW & WA

⁸ Source – Kantar April 2022

⁹ – Based on FY22 Revenue

¹⁰ Includes Compulsory Acquisition, Industrial & Employment. These business units individually account for no more than 2% of revenue

Note: Class Actions data based only on Federal Court actions from 2013 -18

Delivering on our strategy

Aligned to our clients & values

Differentiate through our care



- + Garden Point indigenous abuse survivors receive apology & compensation
- + In a ground breaking case, successfully pursued compensation & recognition as an employee for a gig economy worker
- + 73 colleagues across the firm volunteered to support Afghan refugees with immigration applications

Passionate & skilled, acting as one team



- + National practice groups were established across the firm delivering clear career paths for our people
- + 36 accredited specialist lawyers & 37 lawyers named in *Doyle's* List across our practice groups
- + Recognised by the Bar Association of Victoria as one of only 14 law firms, & one of only 2 plaintiff firms, in the State to have reached the Australian Law Council's Equitable Briefing Policy target of briefing women barristers
- + Signed the Charters on the Advancement of Women in the Legal Profession in Victoria & NSW

Simplify & digitalise our processes



- + Partnered with digital supplier to accelerate matter investigations
- + Implemented a standardised & digitised document storage platform
- + Delivered a new client portal to facilitate class actions settlement & distribution process
- + More clients opting to initially engage with us digitally
- + Invested further into technology to enable hybrid working & support of client
- + Improved our client experience materially through our digitally enabled centralised settlement roll out

Explore & grow into our opportunities



- + Obtained first ever Group Costs Order in a Class Action in Australia
- + Expanded our Abuse practice
- + Continue to expand our referral partners

1

Summary
& Progress

2

Financial
Results

3

Appendix

Earnings overview

First half impacted by lockdowns, strong matter progression in second half

(\$m)	1H22	2H22	FY22	FY21	Var
Fee Revenue	78.1	77.3	155.4	154.2	0.8%
Change in WIP	6.9	19.7	26.6	48.1	(44.7%)
Bad & Doubtful Debts	(4.8)	(0.3)	(5.1)	(5.0)	1.8%
Net operating revenue before specified items	80.2	96.7	177.0	197.4	(10.3%)
Labour	(56.0)	(52.0)	(108.0)	(106.8)	1.1%
Non-labour costs	(20.2)	(19.4)	(39.6)	(41.9)	(5.5%)
EBITDA before specified items	4.0	25.3	29.3	48.6	(39.7%)
Specified items ¹	(4.2)	(1.3)	(5.5)	(8.7)	(36.2%)
EBITDA	(0.2)	24.0	23.8	39.9	(40.4%)
NPAT including other income from continuing operations	(7.7)	9.6	1.9	14.2	Large
NPAT including other income & discontinued operations	(7.5)	9.7	2.2	14.5	Large

Revenue impacted by slowing WIP growth

- + PIL WIP ² in the 1st half impacted by slowing enquiries & new matter growth as a result of prolonged lockdowns, partly offset by solid PIL fee revenue growth
- + Strong growth in WIP in 2nd half reflects improving PIL market environment & progression of several firm funded class actions
- + Class Actions fee revenue lower arising from timing of settlements

Continued focus on cost

- + Higher labour costs arising from increased FTE in growth practice groups offset by benefits from ongoing transformation activities & lower short term bonus accrual
- + \$2.3m decrease in non-labour costs, driven primarily by lower IT & admin costs & continued focus on discretionary spend
- + Specified items are \$3.1m lower due to lower long term incentive plan payments & transformation costs

¹ Specified items as set out on p 22
² Work In Progress

Earnings movement

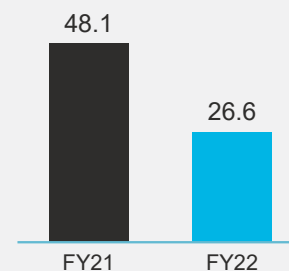
EBITDA primarily impacted by WIP movement

Net Fees (\$m)



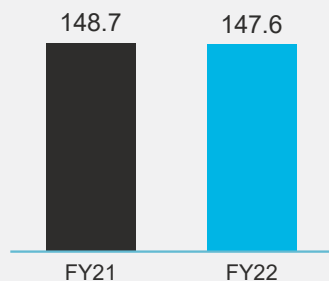
- + PIL fees up \$7.7m, driven by higher settlements, partially offset by lower average fees per settlement due to case mix.
- + Class Actions fees \$(6.5m) lower due to lower settlements

Change in WIP (\$m)



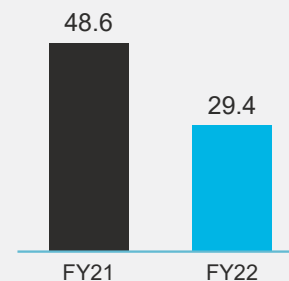
- + PIL WIP movement was lower than FY21 due to slowing enquiries & new matter growth – primarily in 1st half of year
- + Class Actions WIP growth driven by increase in NWNF² / GCO³ matters

Expenses (\$m)¹



- + Increase in labour cost driven by investment in targeted practice groups such as Emerging Practice & Class Actions
- + Partially offset by reduction in bonus accrual
- + Incremental reduction in admin expenses

EBITDA (\$m)¹



- + Key driver of EBITDA movement is attributable to change in WIP
- + Strong 2nd half, led by 21% improvement in revenue (2H22 v 1H22)

¹ Expenses & EBITDA excluding specified items as set out on p 22

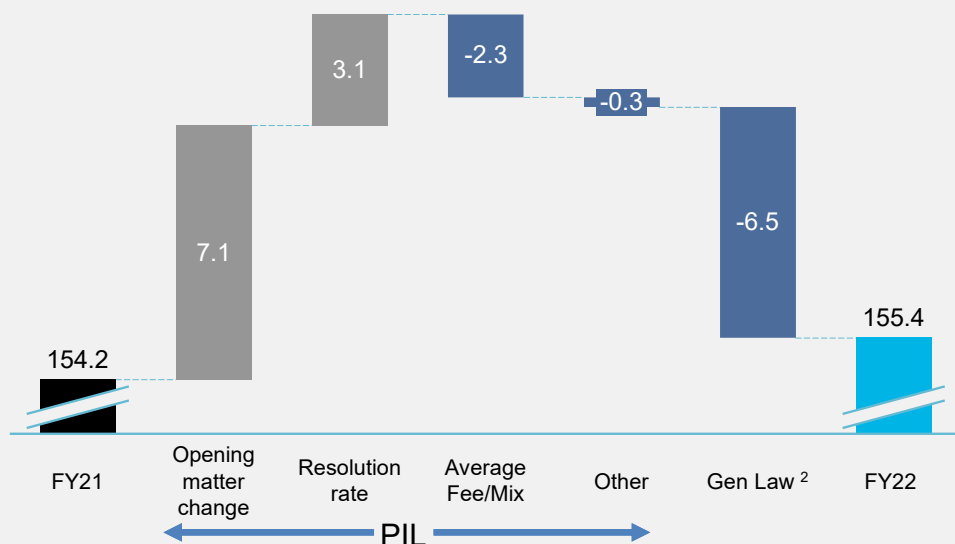
² No Win No Fee

³ Group Cost Order

Fees & WIP Waterfalls

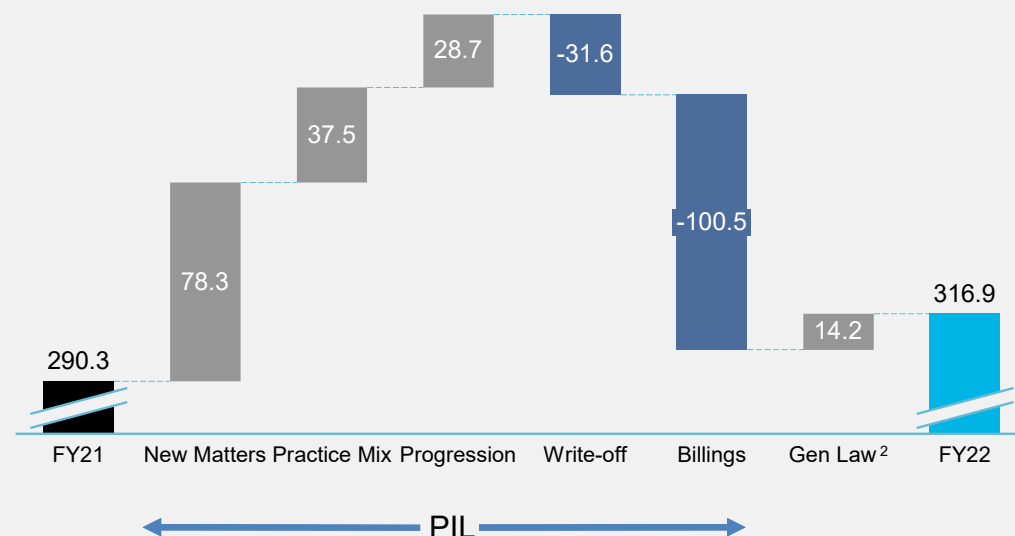
Fees steady & continued growth of WIP

Fees Billed FY22 v FY21 (\$m)



- + Successful settlements for the year were 399 higher due to higher opening active matters of 927 and a 2% improvement in resolution rate
- + Average Fee/Mix decreased by 4.6%
- + General Law ² down by \$6.5m due to lower settlements

WIP Balance FY22 v FY21 (\$m) ¹



- + PIL WIP movement of \$12.4m was \$26.2m lower than FY21, primarily due to settlements exceeding new matters
- + 7,140 new matters for FY22
- + 8,059 matters settled, with success rates & write-offs remaining stable
- + General Law WIP movement of \$14.2m higher than FY21 driven by strong matter progression & lower settlements
- + Improvement in matter mix resulting in higher average WIP per matter

¹ WIP before ECL

² General Law includes Class Actions, Land Acquisition & General Litigation (LAGL), Industrial & Employment Law (I&E)

Balance Sheet

Net Assets increasing primarily due to WIP growth

As reported (\$m)	30 Jun-22	30 Jun-21	FY22 v FY21
Assets			
Cash	15.6	20.7	(5.1)
Receivables	88.7	80.2	8.5
Net WIP	313.7	286.1	27.6
PPE	2.1	2.7	(0.6)
Right of use asset	13.7	15.6	(1.9)
Other	10.0	13.3	(3.3)
Total	443.8	418.6	25.2
Liabilities			
Payables	76.4	74.1	2.3
Borrowings	108.7	89.2	19.5
Leases	21.1	23.1	(2.0)
Deferred tax	24.0	22.4	1.6
Provisions	29.6	29.3	0.3
Total	259.8	238.1	21.7
Net assets	184.0	180.5	3.5

Assets increased by 6% due to WIP & receivables

- + \$5.1m decrease in cash primarily due to continued growth in WIP and higher disbursements in Class Actions; offset by higher financing activities of \$8.2m relating to Term Loan increase
- + \$27.6m WIP increase from matter mix & matter progression across PIL & Class Actions
- + \$1.9m decrease in Right of Use asset offset by lease liabilities

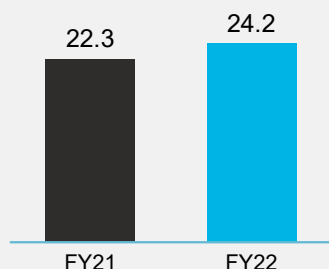
Liabilities increased due to restructured term borrowings

- + \$2.3m higher payables due to \$9.6m increase in 3rd Party funding for disbursements; offset by a reduction in Legal Creditors, trade payables & accruals
- + \$19.5m increase in borrowings due to \$15.0m increase in Term Loan & accrued interest on Super Senior Facility

Working capital

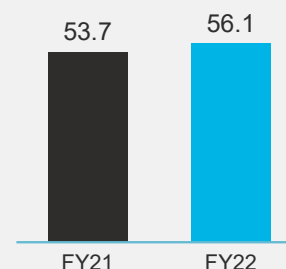
Trends remain broadly stable

WIP turnover (months) ¹



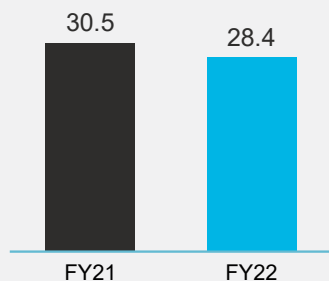
- + PIL WIP increasing due to matter duration offset by settlements outweighing new matters
- + GL WIP increasing due to a higher portion of GCO cases and longer duration matters
- + Court delays impacted settlements particularly in GL ⁵

Debtor Turns (days) ²



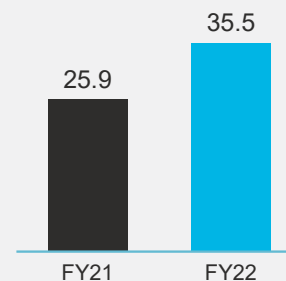
- + PIL - Continued improvement around centralised settlements & collections
- + GL – impacted by lower billings in FY22

Average 90+ day debtors ratio (%) ³



- + 90+ day debtors reduced by 11% in FY22
- + Continued focus on debtor collections

Third Party Funded Disbursements (\$m) ⁴



- + Continued improvement on uptake of third party funded disbursements

¹ Average WIP / Gross Fees x12 for full year

² Ending Total Debtors / Rolling 12 months Total Billings x 365 where Total Debtors & Total Billings include Fee, Disbursement, GST.

³ Average of daily ratios for each year

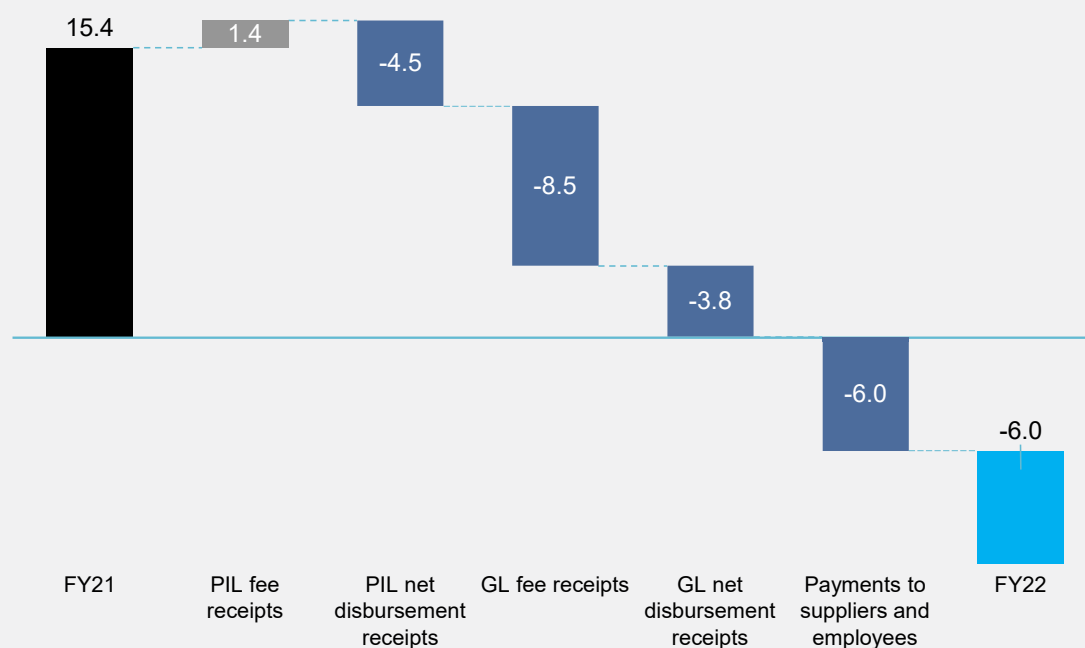
⁴ Period close third party funding balance – PIL practice groups only

⁵ GL = General Law, which includes Class Actions, Land Acquisition & General Litigation (LAGL), Industrial & Employment Law (I&E)

Gross Operating Cashflow

Impacted by investment in growth areas & prolonged lockdowns

Gross Operating Cash Flow movement (\$m)



Fee Receipts higher in PIL, offset by Class Actions

- + PIL fee receipts were higher driven by a mix of higher number of settlements and higher average fees due to small shift in portfolio mix
- + GL receipts were lower due to lower Fees Billed primarily within Class Actions with minimal fee billings as cases progress to be settled in coming periods

Disbursements reflect investment in growth practices

- + Higher direct funding of disbursements where transition to third party funding is slower (Abuse practice)
- + Lower net disbursement receipts from other practices as a result of more clients who have settled cases in the year, funding disbursements with a third party
- + Lower GL net disbursements driven by continued build of class actions portfolio and focus on GCO cases

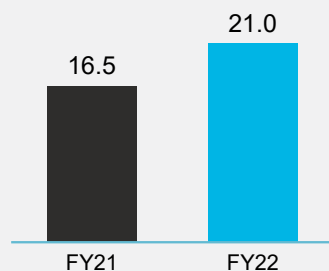
Operating Payments

- + Payments to employees higher due to an increased headcount in investment areas, offset by lower bonus payments
- + Payments to suppliers flat with prior year

Balance sheet structure

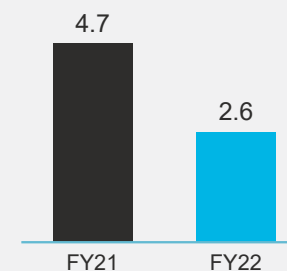
Balance sheet measures impacted by operating performance

Net Gearing (%) ¹



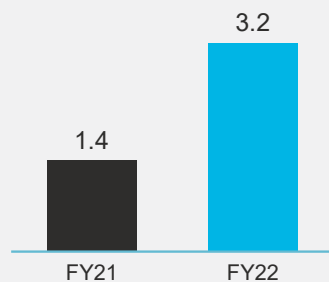
- + Net gearing impacted by increased Term Loan facility & by operating performance

Interest Coverage (x) ²



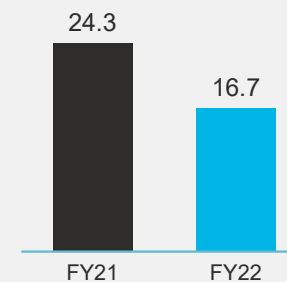
- + FY22 impacted by operating performance especially in 1st half

Net Debt / EBITDA (x) ³



- + Term loan increased during the year
- + Lower EBITDA especially in 1st half

Weighted Average Time to Maturity (Months) ⁴



- + Term Loan maturity extended

¹ Total interest bearing debt excluding lease liabilities – cash / Total assets

² EBITDA excluding specified items / Finance charges excluding imputed lease interest

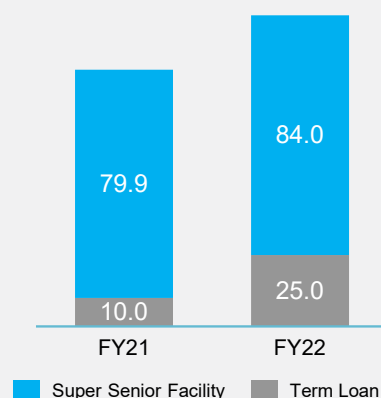
³ Total interest bearing debt excluding lease liabilities – cash / EBITDA excluding specified items

⁴ Based on time to contractual maturity from balance date, weighted by value of debt. Excludes lease liabilities

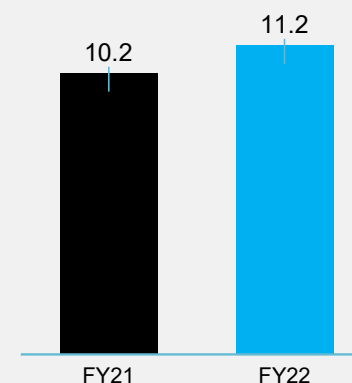
Funding summary - Ongoing activity to optimise funding structure

Super Senior Facility maturity extended to October 2024

Debt profile (\$m)



Finance charges excl. lease interest (\$m)



- + Refinanced 3-year Term Loan facility with \$30m limit (\$25m drawn)
- + Repaid previous \$10m Term Loan
- + Increase in SSF attributable to capitalised interest

- + Lower interest expense in FY21 due to partial debt paydown
- + FY22 finance charge costs also capture funding facility termination expense
- + Additional interest from the additional loan drawdown on new facility

1

Summary
& Progress

2

Financial
Results

3

Appendix

Clear strategy

Aligned to our clients & values

What we do		We access justice for all people. We champion voices struggling to be heard				
How we work		We unite to treat every client with care & commitment				
Why we do it		We make tomorrow start today for our clients				
How we will win		Differentiate through our care	Passionate & skilled, acting as one team	Simplify & digitise our processes	Explore & Grow into our opportunities	
How we see success		Client advocacy	Engaged team	Leading reputation	Growing share of target markets	Sustainable, investing in our communities
Our non-negotiables		Client focus in all we do	Live our values – take the lead, do it right, work well with others	Digitally powered	Sound governance & risk management	Strong balance sheet & cashflows

Proud legacy, focused for the future

Establishment 1930's - 40's



Firm founded in 1935
by Bill Slater &
Hugh Gordon

Deep & enduring links to
the labour movement forged



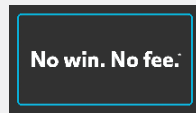
Leader in Victorian Workers
Compensation reform



Ok Tedi



Wittenoom



First to offer
'No Win No Fee'



WA office opened



HIV actions



First to use TV

Listing & Expansion 2007 - 2017



World's first listed law firm



QLD expansion



NSW build out



General Law growth



UK Expansion










Recapitalisation & turnaround 2017 +

- + Bank debt acquired by hedge funds led by Anchorage Capital
- + S&G Australia separated from UK business
- + New Board & management team appointed
- + Prioritising investment & capital to support refined business model
- + 2017 - achieved a \$70M settlement on behalf of 1,923 detainees who were held at the Manus Island Detention Centre
- + 2018 - Launched Get Your Super Back Campaign - a series of class actions on behalf of millions of Australians
- + 2021 - In an Australian first, led by S&G & the RACS¹ on a pro bono basis, the Federal Government was ordered to pay almost 1300 refugees compensation after accidentally leaking their personal data
- + 2022 - Move to National Practice Lines across the firm
- + SSF maturity date extended to 2024

¹ Refugee Advice and Casework Service (RACS)

Our Services

Personal Injury Law - Diversified national practice lines

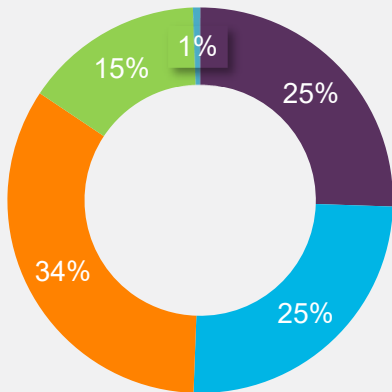
	Road Traffic & WC			Civil			Emerging Practices		
Practice	Motor Vehicle Accident 	Work Cover 	Comcare 	Public Liability 	Medical Negligence 	Dust Disease 	Abuse 	Disability Insurance 	Military Comp 
Overview	<ul style="list-style-type: none"> + Motor vehicle accident claims + State by State regulation + Counterparty either personal insurance company or State insurance scheme (TAC in Victoria) + Impacted by population growth and overall long-term trend towards improvement in road safety 	<ul style="list-style-type: none"> + Accidents / illness arising from the workplace + State by State regulation, with some states offering a government owned and run system, others are run through licensed insurers + Impacted by population growth and overall long-term trend towards improvement in workplace safety 	<ul style="list-style-type: none"> + Accidents / illness arising from the workplace in Commonwealth workers + Commonwealth's workers' compensation scheme under the Safety, Rehabilitation and Compensation Act; and the Work Health and Safety Act 2011 (WHS Act) 	<ul style="list-style-type: none"> + Claims caused by the fault of an individual or organisation that do not fall within the other PIL compensation schemes + Generally low consumer awareness of potential public liability claims within Australia 	<ul style="list-style-type: none"> + Legal claims arising from harm caused in the provision of healthcare + State by state regulation but principles are broadly similar nationwide 	<ul style="list-style-type: none"> + Claims arising from disease and illness due to exposure to asbestos + State by state regulation but principles are broadly similar nationwide + Decline in asbestos and mesothelioma claims offset by emerging areas including silicosis 	<ul style="list-style-type: none"> + Claims arising from cases of sexual or physical abuse at institutions, schools (and other educational settings), sporting clubs, prisons and other correctional facilities, public places, workplaces, in medical care etc. + State by state regulation but principles are broadly similar nationwide + Increasing claims due to consumer awareness 	<ul style="list-style-type: none"> + Claims where plaintiffs are entitled to additional compensation through their superannuation policies + Governed by a national legislative framework + Tightening of TPD definitions and removal of multiple claims impacting claims + Targeting non-injury claims and maximising internal referrals represents growth potential 	<ul style="list-style-type: none"> + Claims arising due to injury or illness while serving in the Australian Defence Force, the individual and relevant dependants will be entitled to a range of benefits and entitlements + Governed by a national legislative framework + Stable market with shifting injury mix towards PTSD claims

Consumer facing business with AAA debtors (insurers, governments etc.)

Our services

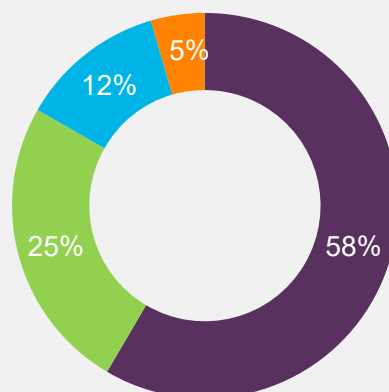
Diversified portfolio of matters

Share of FY22 PIL
WIP by Practice¹



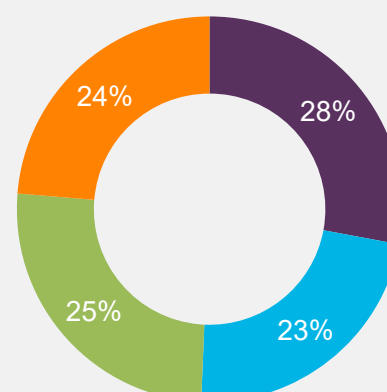
■ Motor Vehicle Accident
■ Workers Compensation
■ Civil
■ Emerging Practice
■ Other

Share of FY22 PIL
WIP by locations



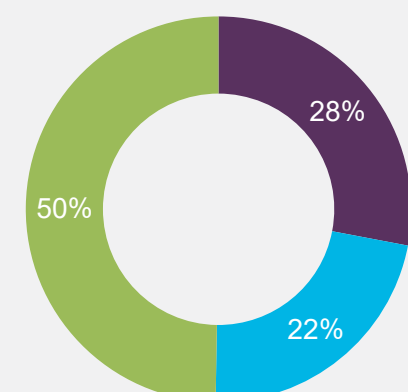
■ VIC
■ NSW/ACT
■ QLD
■ WA

Share of FY22 Class
Actions
WIP by action type



■ Shareholder
■ Consumer Protection
■ Superannuation
■ Tort/Product Liability

Share of FY22 Class
Actions
WIP by funding source²



■ Litigation Funded
■ GCO
■ No Win No Fee

¹ PIL WIP – Civil includes, Asbestos, Medical Negligence, Public Liability. Emerging Practice includes Abuse, Military Comp & Super TPD

² No Win No Fee includes one matter which is seeking Lit Service Fee approval and GCO includes all matters that are seeking GCO approval

Reconciliation of PBT to EBITDA & EBITDA before specified items

First half impacted by lockdowns, strong bounce back in 2nd half

Profit before tax (PBT) of \$3.5m for FY22

- + PBT was \$(17.8)m lower than FY21 due to prolonged lockdowns impacting 1st half performance
- + EBITDA of \$29.3m was \$(19.3)m lower than prior year
- + Strong EBITDA of \$26.4m in second half
- + Finance charges were \$1.2m higher due to higher facility funding costs
- + Specified items were \$3.1m lower primarily due to lower long term incentive plan, retention bonuses & transformation expenditure

\$'000	1H22	2H22	FY22	FY21	FY22 v FY21
Profit before tax – excluding discontinued operations	(10,706)	14,165	3,459	21,263	(17,804)
Add: Depreciation & amortisation	4,123	3,469	7,592	7,978	(386)
Add: Finance charges	6,618	6,704	13,322	12,149	1,173
Deduct: Other income	(191)	(385)	(576)	(1,460)	884
EBITDA	(156)	23,953	23,797	39,930	(16,133)
Add: Specified items					
Retention bonuses & LTIP	763	865	1,628	3,963	(2,335)
Redundancy costs	306	10	316	769	(453)
Transformation expenditure	1,710	792	2,502	3,951	(1,449)
Other non core expenditure	1,348	(256)	1,092	-	1,092
Total specified items	4,127	1,411	5,538	8,683	(3,145)
Total EBITDA excluding specified items	3,971	25,364	29,335	48,613	(19,278)



Media

Kate Van Poelgeest – Head of Media & Communications

kate.vanpoelgeest@slatergordon.com.au

(07) 3331 9720

Investors

Kate Malone – CFO

kate.malone@slatergordon.com.au

(03) 9602 6889