

ASX Announcement

17 November 2022

Annual General Meeting – Chair’s Address

Slater & Gordon Ltd (“Slater & Gordon” or “the Company”)(ASX: SGH) provides below the Chair’s Address to the 2022 Annual General Meeting to be held today at 11.30am at RACV Club, 501 Bourke Street, Melbourne.

James MacKenzie, Chair:

I want to begin my address today by thanking our people for their commitment to our clients and the care and compassion they have shown over the past 12 months. Unfortunately, COVID remained an ominous threat throughout the financial year. The prolonged lockdowns in the first half of the financial year across Melbourne, Sydney and Canberra, as well as border closures in Western Australia and Queensland were challenging for our people and our clients. The resilience of our people shone through in the compassion and commitment they showed to our clients and to each other.

The lockdowns in the first half of the financial year clearly impacted business performance and our FY22 result. Lockdowns and ongoing restrictions meant limited mobility amongst large parts of the population resulting in fewer work and road injuries and consequently lower file openings and slower progression of files in the first half of the Financial Year.

With the lockdowns and other restrictions being relaxed toward the end of the first half and into the second half and with people returning to the road and workplace, enquiry levels returned to pre-pandemic levels. The barriers to claims progression were reduced.

As a result, we were able to report a full year net profit after tax of \$2.2 million, This was a good turn-around from the \$7.5 million loss reported at the half year. However, compared to the net profit after tax in the prior year of \$14.5 million, the adverse impacts of the COVID lockdowns are apparent.

Net Revenue for the year was down 10 per cent on the prior year to \$182 million, reflecting the slowdown in the first half. Pleasingly, fee revenue was up on the prior year, at \$155.4 million.

Personal Injury enquiries were down 12 per cent and new Personal Injury matter growth remained flat, impacted by COVID lockdowns and restrictions and a slow-down in file progression, with Work in Progress or “WIP” growth of \$26.6 million declining against the prior year.

The business consumed cash in FY22 with a Gross Operating Cash Outflow of \$6 million reflecting our ongoing investment in the business, as well as the slow-down in Personal Injury enquiries and progression, and a slow- down in Class Action settlements.

The firm did not settle any class actions in FY22, due in part to COVID slow-downs, in part to defendants taking a much more adversarial approach and in part the maturity level of our portfolio.

However, earlier this week we announced the settlement of three Consumer Credit Insurance class actions against CBA, ANZ and Westpac meaning up to a million customers will be eligible to get some of get their money back for Consumer Credit Insurance they were sold. All these settlements are subject to Court approval.

As I previously mentioned, we saw a turn-around in Personal Injury enquiries, new file openings and matter progression in the second half of FY22 as lockdowns and restrictions eased, returning to pre-pandemic levels.

Thanks to the efforts of the whole S&G team, we have begun FY23 with significant momentum, building upon the strong recovery we experienced in the second half of FY22. Revenue performance for the four months

through to the end of October 2022 is above revenue performance for the prior corresponding period in 2021 and has continued the trend of improved revenue performance achieved in the second half of FY22.

We have continued to be disciplined in controlling costs while ensuring our team is well supported and resourced to deliver outstanding client outcomes, leading to what we believe is a healthy operating margin.

We expect these trends to continue should the macro environment remain supportive, noting that our business, like many others, is facing challenges of retaining and attracting appropriate staff.

Pleasingly, during the last financial year, we continued to strengthen our legacy of providing access to justice for Australians and advocating for voices struggling to be heard.

Following the Taliban's return to power in Afghanistan in August 2021, 73 Slater & Gordon staff volunteered to work with the Refugee Advice and Casework Service (RACS) to assist with a large number of urgent visa applications for Afghan refugees.

Our Abuse Law team achieved a settlement and formal apology on behalf of 42 First Nations survivors of abuse at Garden Point Catholic Church Mission on Melville Island.

And in a ground-breaking case, Slater & Gordon successfully pursued a workers death benefit claim on behalf of the family of a delivery driver who was killed on the job. To our knowledge this is the first case where there has been an admission that a gig economy driver has been considered a worker.

Our CEO, John Somerville joined with the President of the Victorian Court of Appeal, Justice Chris Maxwell, the CEO of the Law Institute of Victoria, Adam Awty, and the CEO of Lander & Rogers, Genevieve Collins, to co-convene *Advocates for Change* - a group of Victorian legal professionals committed to taking action in their individual organisations to eliminate sexual harassment in the profession. In February, the group launched the document *Sexual Harassment in the Legal Profession: What can we do about it?*, which records the commitment of the group to collaborative engagement and working as advocates for change in the legal profession.

Earlier this year and after two years of delays, we were pleased to finally come together in person to celebrate Slater & Gordon's 85-year anniversary. It was a wonderful opportunity to meet and celebrate the past as we work to shape our future. It was a very special celebration. I am very proud to be a part of such a wonderful community.

It is our people and our clients who make Slater & Gordon. From Bill Slater and Hugh Gordon and the workers of the RTBU in the beginning, to the many people and clients who have walked our hallways and through our doors over the past 87 years, to our people who work here today and our current clients.

I acknowledge and am grateful for the terrific support and hard work of my colleagues on the Board, the Company's leadership team and importantly, all our people. It is the commitment and care they show today that continues the legacy started by Bill Slater more than 87 years ago.

The fabric of Australian society would be very different without Slater & Gordon and our people, and we were proud to have the opportunity to recognise and celebrate that.

Our friends within the union movement and within the legal profession, our regulators, industry bodies, our business partners and stakeholders are a core part of our success and I want to thank them all for their ongoing support.

There is no doubt that the past two years have been challenging for all, but these results demonstrate that the Company's strategy is continuing to deliver transformation and growth. Most importantly our commitment to our clients is unwavering.

ENDS

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