

## ASX Announcement

24 February 2023

### Slater & Gordon Ltd FY23 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 2022.

The Company’s half-year result showed an increase in Net Revenue of \$110.0m resulting in \$16.7m Net Profit After Tax (NPAT) compared to a \$(7.7)m Net Loss After Tax in the prior corresponding period (PCP).

The NPAT increase was driven by higher Personal Injury Law (PIL) fee revenue attributable to stronger resolution rates particularly in the firm’s Emerging and Civil practices and strong and broad growth in Work in Progress (WIP). Matter velocity improved, in part due to post COVID normalisation.

The Company reported a Gross Operating Cashflow of \$5.5m compared to \$(1.0)m in the PCP, driven by stronger receipts in PIL.

The Company also reported EBITDA before specified items<sup>1</sup> of \$35.7m compared to \$3.9m in the PCP, driven by improved WIP growth and higher fee revenue.

#### Business Highlights

- Settled five class actions including three consumer credit insurance class actions on behalf of customers of ANZ, CBA and Westpac.
- Continued to strongly advocate for the rights of our clients and supported hundreds of clients through our free, in-house social work service.
- Achieved a ground-breaking decision in the High Court on behalf of West Australians affected by the 2014 Perth Hills bushfires.
- Maintained highest prompted brand awareness in the Company’s key markets<sup>2</sup>.
- PIL enquiries increased 14%, returning to pre-pandemic levels.

#### Statutory Results

The Company’s Financial Report for the half-year to 31 December 2022 also shows:

- Strong growth in WIP (\$24.8m compared to \$6.9m in the PCP)
- Operating cashflow generated from continuing operations of \$0.8m compared to cash used in continuing operations of \$(4.9)m in the PCP
- A net asset position of \$200.7m compared to \$184.0 at 30 June 2022, generated by the NPAT result.

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<sup>1</sup> Earnings Before Interest, Taxes, Depreciation, and Amortisation (EBITDA) adjusted for certain cash and non-cash items relating to transformation and normalisation of the Company (i.e. specified items).

<sup>2</sup> Nature: November 2022 – No 1 in all Vic, NSW, WA & No 2 in Qld

## CEO Quotes

CEO John Somerville said:

"These are a positive set of results today and they reflect the ongoing rebound from the impacts on our business from COVID, the hard work of our people on behalf of our clients, and the improvements that we are continuing to make to how we operate.

"Over the past five years we have made good progress, however we still have more work to do to continue to improve and deliver on our strategy.

"Pleasingly we have seen our ability to progress our clients' claims return to pre-pandemic levels following the challenges of lockdowns.

"I want to thank our people for their ongoing commitment and care they have provided to our clients and to each other, and for the terrific outcomes they achieve for the thousands of Australians each year who need our help."

ENDS

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