



27 February 2026

AF Legal Group Revenue and Profit growth accelerates in H1 FY26

- **Normalised NPBT attributable to owners:** \$1.263 million - 125% growth on prior corresponding period (pcp) and 91% of full year FY25, also up 54% on previous half year (H2 FY25: \$0.821m)
- **EBITDA:** \$2.75 million (15.4%) is up \$1.03m (60%) on pcp (H1 FY25: \$1.72m), also up \$1.21m (70%) on previous half year (H2 FY25: \$1.54m)
- **Revenue growth:** up 40% on pcp, with H1 average weekly revenue of \$686k (Q2: \$680k v Q1: \$692k, reflecting seasonality)
- **Operating Cash inflow:** \$2.385 million demonstrating healthy cash conversion

Table 1: Financial Performance H1 FY26 and prior financial years

\$'000	H1 FY26	FY25	H2 FY25	H1 FY25	FY24	FY23	FY22	FY21
Revenue	17,828	27,602	14,896	12,706	21,661	18,881	16,983	11,009
Average Weekly Revenue [AWR]	686	531	573	489	417	363	327	212
<i>AWR Growth on prior Qtr</i>	20%		17%	16%				
<i>AWR Growth on pcp</i>	40%		36%	19%				
NPBT	1,465	896	261	635	1,476	(7,556)	295	(495)
NPBT attributable to the owners of AF Legal Group Limited	774	64	(143)	207	607	(8,256)	(43)	(495)
Normalisation adjustments	494	1,501	1,054	447	174	8,415	31	584
Normalisation adjustments (Attributable)	488	1,318	964	354	174			
Normalised NPBT	1,959	2,397	1,315	1,082	1,650	859	326	89
Normalised NPBT attributable to the owners of AF Legal Group Limited	1,263	1,382	821	561	781	159	(13)	89

Profitability & Revenue

The Group achieved a record half-year revenue of \$17.8 million and its highest Normalised NPBT attributable to the owners of \$1.263 million in H1 FY26. Profit attributable to shareholders increased at a higher rate than revenue, reflecting the continued success of our growth strategy and the operating leverage inherent in our relatively fixed cost base.

Revenue growth relative to both the previous half (H2 FY25) and pcp (H1 FY25) was strong across all divisions and brands:

- Family Law: up \$2.0m (17%) v previous half; up \$3.4m (31%) on pcp
- Contested Wills & Estates: up \$0.5m (26%) v previous half; up \$0.6m (41%) on pcp
- Criminal Law: up \$0.4m (37%) v previous half; pcp not comparable due to late Oct-24 acquisition

The first half of financial year 2026 saw normalising adjustments of \$0.494 million relating almost entirely to Project Titan which we flagged in earlier announcements. These adjustments are reflected in the Normalised NPBT attributable to the owners of the Group result.

Project Titan	\$0.482 million
Legal defence fees	\$0.012 million
Total Normalising Adjustments	\$0.494 million

CEO Chris McFadden said:

“The first half of financial year 2026 delivered strong revenue growth, with normalised net profit attributable to shareholders increasing at an even higher rate. This is consistent with our growth strategy to take advantage of our ability to increase gross margin at the legal services level faster than head office and administrative costs.

With solid revenue growth across all brands and divisions, and continued success in attracting and retaining high-quality lawyers, we are well placed to further build upon our growth story. We currently expect FY26 to deliver a significantly stronger underlying profit result than FY25.”

Other Achievements

Our people-first, practice-led culture is emerging as a meaningful competitive advantage, supporting both attraction and retention of high-quality legal talent. Our third Great Place to Work (GPTW) survey maintained the significant uplift achieved in the prior year, delivering an overall satisfaction score of 85% (2024: 84%, 2023: 53%).

Across H1 FY26, our Lawyer and Legal Support team grew by 32% relative to H1 FY25.

Among our Q2 starters was a Family Law Accredited Specialist, bringing the total number of Accredited Specialists in our family law practices to 11. We have already signed a further three Family Law Accredited Specialists in early calendar 2026 and remain in active discussions with others. We expect the total to exceed 15 in the near term. We also have six Accredited Specialists across Wills & Estates and Criminal Law.

New senior hires require time to reach full productivity, and these appointments represent an investment that will deliver over time as workloads build. Fully utilised senior practitioners also drive increased activity for support staff, creating additional operating leverage.

We are implementing several enhancements to our non-fee earner support functions, scheduled for completion during Q3. These changes reflect the need for our support infrastructure to keep pace with a business that has more than doubled revenue in three years. The focus is on strengthening business partnering so that practice leaders work more closely with support teams to drive productivity and efficiency.

Marketing, Digital & Client Onboarding

During H1, the Group continued to diversify lead generation channels to support growth and improve marketing efficiency. Key outcomes included:

- Engagement of a specialist to review the client onboarding process, improving conversion rates and maximising marketing return
- Digital-driven family law brands delivered a 23% increase in file openings v pcp, with 12% greater efficiency (cost per digital file)
- Armstrong Legal achieved a 40% increase in digital file openings v H2 FY25, supported by increased team capacity

The onboarding review delivered a material uplift in lead-to-appointment conversion through redesigned telephony configuration and intake workflow:

- Phone conversion rates doubled
- 87% of callers now speak to an agent within 60 seconds
- Overflow service usage reduced by 60%
- Expected to support approximately \$0.8 million in incremental revenue by year-end.

Additional initiatives included:

- Transformation of the New Client Team model and Salesforce redesign
- Appointment of an additional Armstrong Legal triage lawyer
- Strengthened phone capability across paralegals
- Targeted automation and business intelligence reporting to improve lead prioritisation, data integrity and conversion visibility

Brand & Reputation

We have strengthened our position as national thought leaders, with regular commentary in The Australian, major metropolitan mastheads and the Australian Financial Review. Our Millie Film sponsorship events attracted more than 270 aligned professionals across Perth, Gold Coast, Melbourne and Brisbane, reinforcing referral networks. Client satisfaction remains strong with above-benchmark Net Promoter Scores and a 73% increase in 5-star reviews v pcp.

Project Titan

Project Titan, our initiative to replace multiple practice and document management systems with a single modern cloud-based platform, continues to progress well. The new system will improve access to emerging technologies, including AI-enabled tools, and deliver efficiency, time and cost benefits. It will enhance the user experience for our legal teams and support our positioning as an employer of choice, while improving the client experience. The project remains on track and on budget for go-live in late FY26. We expect final costs associated with Project Titan will be expensed and normalised in H2 FY26.

Cash Flow

Our operating cash flow for the half-year period recorded a pleasing inflow of \$2.4 million reflecting healthy cash conversion. This compares favourably with the full-year inflow of \$2.9 million for financial year 2025. This is reflective of the revenue performance, up \$2.9 million (20%) on H2 FY25 revenue with Trade and other receivables up by just \$0.8m (7%) since end of FY25.

The overall net increase in operating cash was used in part for \$1.6 million in financing activities (\$0.4m reduction in borrowings, \$0.8m reduction in lease liabilities and \$0.4 million dividends paid out to non-controlling interests). Investing activities used \$0.2 million predominantly for the payments for fixed assets.

This announcement was approved for release to the ASX by AFL's Board of Directors.

-ENDS-

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