

Final Results  
2024



2024

# Introduction



## Agenda

1. Highlights
2. Financial Review
3. Business Review
4. Summary and Outlook
5. Appendices



### **James Saralis – Group CEO**

James is Chief Executive Officer of the Group, which he joined in January 2018. His responsibilities include implementing the strategy agreed by the Board and managing the day-to-day operations of the Group.

### **Chris Higham – Group CFO**

Chris is Chief Financial Officer of the Group, having joined in 2006. His responsibilities include management of the finance function and liaising with the Group's investors and banks.



# Highlights

# Financial Highlights for 2024



## Revenue

**£38.8m**

(2023: £42.2m)

## Underlying PBT

**£1.4m**

(2023: £0.6m)

## Basic Underlying EPS<sup>1</sup>

**2.5p**

(2023: 0.8p)

## Cash from Settlements

**£8.5m**

(2023: £6.0m)

## Free Cash Flow

**£2.6m**

(2023: £3.6m)

## Net Debt at 31 Dec

**£7.1m**

(2023: £9.7m)

# Operational Highlights



## Consumer Legal Services

- National Accident Law (NAL) grew processing revenues by 20%
- NAL settled over 3,500 claims and increased cash from settlements by 43% to £8.5m
- National Accident Helpline (NAH) generated 19,744 new enquiries in a challenging marketing environment
- NAH reduced the cost per enquiry by 30% in Q4 and is preparing to relaunch its Underdog brand in the coming weeks
- Searches UK grew revenues by 29%

## Critical Care

- Double digit growth in profits to £4.9m
- 45% of revenues are recurring
- Operating profit margin strengthened to 30.6%
- Expert witness revenues increased by 19%
- Award-winning Care proposition (launched in 2021) grew revenues by 37%
- Investments in associate recruitment are paying off, with 75 new associates onboard in the year
- Remain in productive conversations regarding potential sale of Bush & Co.



# NAHL Group plc



A leader in the consumer legal services and catastrophic injury markets

## Consumer Legal Services



### What we do

Delivering marketing services, personal injury claim processing and property searches to UK consumers and businesses

- Highly productive marketing engine, powered by one of the sector's most trusted brands, National Accident Helpline
- Integrated claim processing engine, National Accident Law

### Our strategy

Create a higher margin, integrated law firm, underpinned by a flexible placement model

## Critical Care



### What we do

Delivering a range of specialist services to claimants and defendants in the catastrophic and serious injury market

- A valued and essential service
- Bush & Co - the standout brand in a consolidating market

### Our strategy

Broaden our customer base, extend our competencies and specialisms and be more efficient through the use of technology

## How we do it



Passionate



Driven



Unified



Curious

- Values driven culture
- Award-winning employee engagement

- Highly experienced and trusted leadership team
- 279 employees (31 Dec)

The background of the slide is a solid pink color. It is decorated with several sets of wavy, concentric lines in a darker pink or purple hue. These lines are arranged in four main groups: one in the top-left corner, one in the top-right corner, one in the bottom-left corner, and one in the bottom-right corner. Each group consists of multiple parallel lines that curve together, creating a sense of movement and depth.

# Financial Review

# Financial Performance

## Strong growth in underlying profit before tax



£m	2024	2023	+/-	%
Consumer Legal Services	22.9	27.6	(4.7)	-17%
Critical Care	15.9	14.6	1.3	9%
Revenue	38.8	42.2	(3.4)	-8%
Consumer Legal Services	2.0	2.8	(0.8)	-29%
Critical Care	4.9	4.4	0.4	10%
Shared Services	(1.7)	(1.9)	0.3	-14%
Other items	(1.3)	(1.2)	(0.1)	7%
Underlying operating profit	3.9	4.1	(0.2)	-4%
<i>Underlying operating profit margin</i>	<i>10.2%</i>	<i>9.8%</i>	<i>0.4%</i>	
Exceptional costs	(0.6)	-	(0.6)	
Impairment of goodwill	(39.9)	-	(39.9)	
Statutory operating profit	(36.5)	4.1	(40.1)	
Non-controlling interests	(1.9)	(2.5)	0.7	-26%
Net interest	(0.7)	(1.0)	0.3	-26%
Underlying profit before tax	1.4	0.6	0.7	113%
Statutory profit before tax	(39.1)	0.6	(39.2)	
Taxation	(0.2)	(0.3)	0.1	-26%
Profit for the period	(39.3)	0.4	(39.1)	
Underlying EPS	2.5p	0.8p	1.7p	213%

(Roundings exist)

Final Results 2024

- **Group revenue decreased by 8% to £38.8m**
- **Underlying operating profit reduced by £0.2m to £3.9m**
  - Net of £3.0m investment of new enquiries into NAL
  - Includes £0.8m of amortisation of intangibles relating to business combinations (now fully amortised)
- **Exceptional items of £40.5m expensed in the year**
  - Non-cash impairment of £39.9m to write off historical goodwill in the personal injury business
  - £0.6m of costs relating to the potential disposal of the Critical Care division and restructuring costs in the Personal Injury business
- **26% reduction in profits paid to non-controlling interests**
- **113% growth in underlying PBT at £1.4m, with underlying EPS increasing to 2.5p**



# Cash Generation

Strong operating cash results in significant reduction to net debt



## Cash flow

£m	2024	2023	+/-	%
Personal Injury	2.7	4.9	(2.2)	-45%
Residential Property	0.4	0.5	(0.1)	-28%
Consumer Legal Services	3.1	5.4	(2.3)	-43%
Critical Care	5.4	4.9	0.5	11%
Shared Services	(1.7)	(1.4)	(0.3)	20%
<b>Cash generated from operations</b>	<b>6.8</b>	<b>8.9</b>	<b>(2.1)</b>	<b>-23%</b>
<i>Operating cash conversion</i>	<i>173%</i>	<i>217%</i>	<i>-43%</i>	
Exceptional costs	(0.2)	-	(0.2)	
Interest paid	(0.7)	(1.1)	0.4	-38%
Tax paid	(0.8)	(0.4)	(0.4)	103%
Drawings paid to LLP members	(2.1)	(3.3)	1.3	-38%
Capex, lease and other	(0.5)	(0.5)	0.0	-9%
Free cash flow	2.6	3.6	(1.0)	-28%
Net debt - on 1 January	(9.7)	(13.3)	3.6	-27%
<b>Net debt - on 31 December</b>	<b>(7.1)</b>	<b>(9.7)</b>	<b>2.6</b>	<b>-27%</b>

(Roundings exist)

- **Cash generation exceeded expectations, with free cash flow of £2.6m**
- Operating cash conversion of 173%, representing payback on previous strategic investments
- **Personal Injury business remained cash generative, delivering £0.7m of cash after drawings paid to LLP members**
  - Cash from settlements increased by 43% to £8.5m (2023: £6.0m)
- **Critical Care generated £5.4m** with 112% operating cash conversion (2023: £4.9m, 111%)
- **Net debt reduced by 27% in the year, to £7.1m** (2023: £9.7m)
- Since year end, the Group's banking facilities have been extended to 31 December 2026, with the facility reduced from £15m to £11m to save costs



# Business Review

## - Consumer Legal Services

# Consumer Legal Services

Mature, efficient personal injury law firm delivering results



## Our Strategy

Our strategy is to grow the number of accident victims that we support and grow the value of enquiries that we process in our consumer-focused law firm, National Accident Law. In doing so, we will create a more profitable, sustainable firm in the medium term and generate more profit per enquiry.

## Financial Highlights

- Revenue of £22.9m (2023: £27.6m)
- Underlying operating profit of £2.0m (2023: £2.8m)
- Cash from operations £1.1m (2023: £2.1m)

## Strategic Progress

- Investments in marketing tactics and capability resulted in **30% reduction in average cost per enquiry** in Q4 compared to peak in September 2024
- **Processing revenues in NAL +20% to £8.4m**
- **Value of NAL book at end of year upgraded by £2.8m** reflecting enhanced processing performance, inflationary increases in damages, and benefits from landmark small claims hybrid case (Rabot, March 2024)
- Cost saving measures, including a restructure of the Personal Injury management team resulted in annualised cost savings of £1.2m

# National Accident Helpline

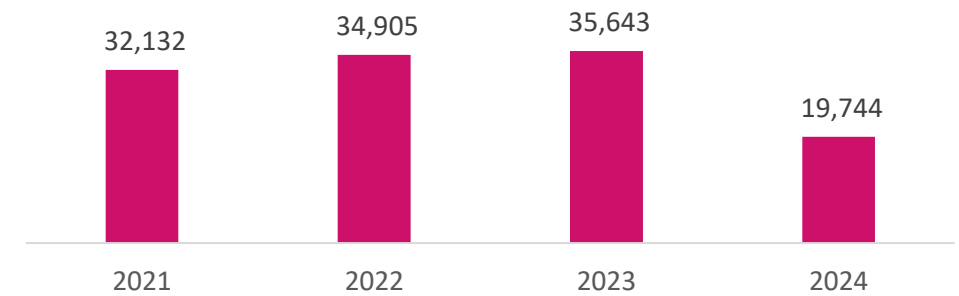
## Responding to a challenging marketing environment



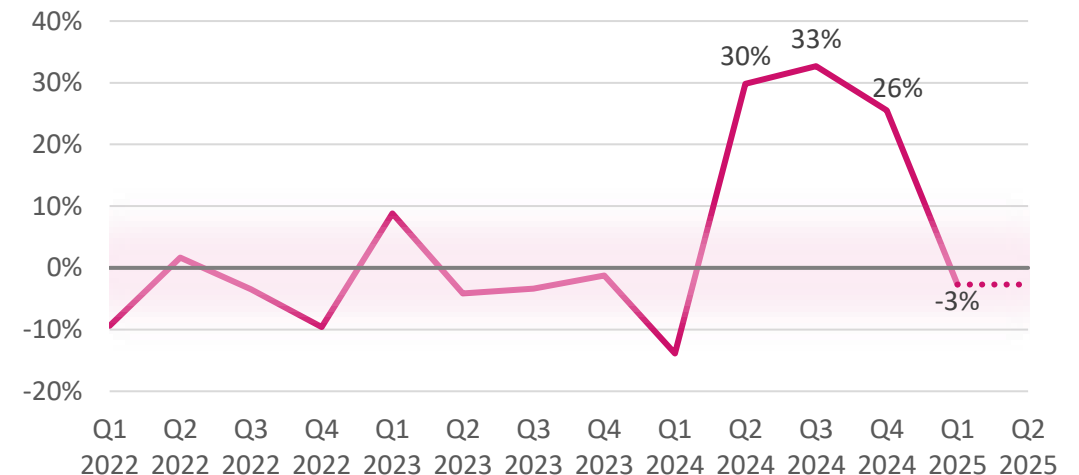
- The number of new claims registered in the PI market<sup>1</sup> fell further in 2023/24, and RTA (73% of the market) was down 5% yoy
- In Q2, Google made significant changes to its search algorithms, predominately related to the launch of AI Overviews
  - NAH fared well and held search ranking positions, but several competitors responded by aggressively investing in paid search
  - This led to an extremely competitive paid search environment, allied to inflated acquisition costs with certain lead provider partners, which made enquiry acquisition disproportionately expensive
  - As a result, NAH acquired fewer enquiries and experienced significantly elevated enquiry acquisition costs.
- NAH experienced weak demand from its panel and placed 70% fewer enquiries with third-party law firms, impacting in-year revenue and cash flow

<sup>1</sup> According to the Compensation Recovery Unit

Number of enquiries generated



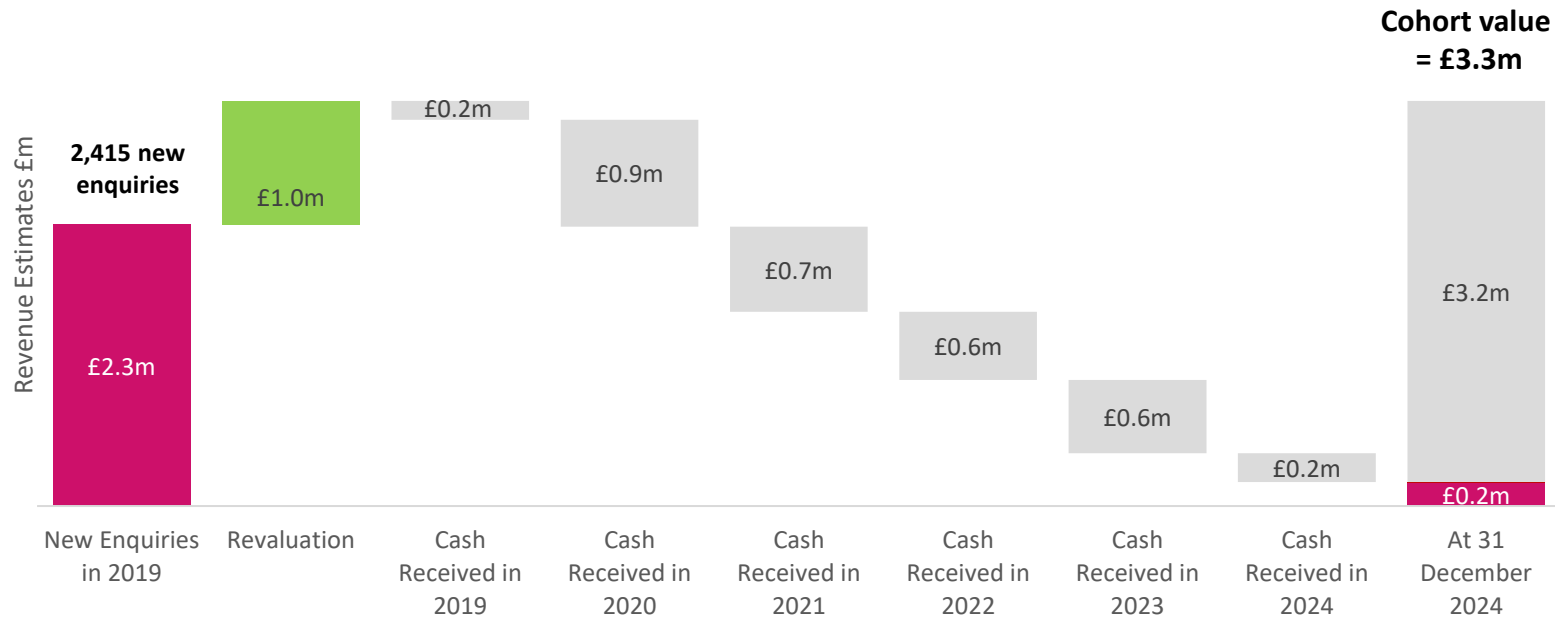
Enquiry acquisition cost (indexed to 2023 average)



# National Accident Law



2019 cohort of claims continues to outperform original expectations



## £3.2m cash collected

- 1,217 claims won
- Further £0.2m revaluation in the year taking the total over deliver to £1.0m
- 150 ongoing claims expected to generate a further £0.2m

(Roundings exist)

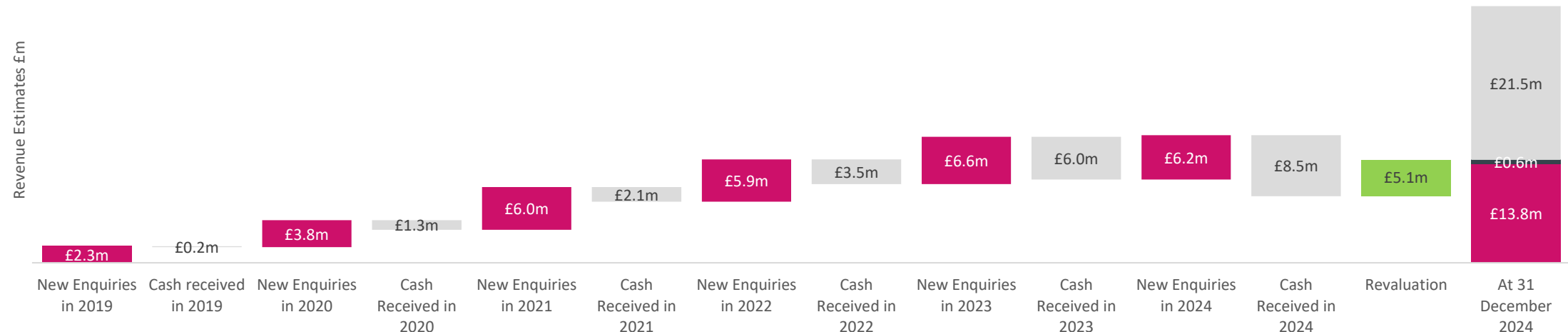


# National Accident Law

Delivering efficient, profitable growth through our mature law firm



- **Increased the total value of claims in all cohorts since inception by £9.0m in the year to £35.9m**
  - £2.8m revaluation of previous estimates (cumulative revaluation £5.1m), as a result of processing efficiencies, the Small Claims hybrid ruling (Rabot vs Hassam), and multi year inflationary increases to damages
- 11,331 claims won since NAL launched in 2019, generating £21.5m of cash from settlements in NAL
  - 3,558 claims settled in the year, generating 42% more cash than last year (2024: £8.5m)
- At 31 December 2024, NAL was processing 8,473 ongoing claims (2023: 9,983) with an estimated embedded value of £14.4m of future cash, of which £10.5m is yet to be recognised



(Roundings exist)

Final Results 2024

# Consumer Legal Services

Delivering efficiency gains and improved customer experience



Enhanced Processing Performance and Productivity	Delivered Marketing Efficiencies	Improved Customer Service
<ul style="list-style-type: none"><li>Improved submission processes, resulting in a 31% improvement in sign up rates for non-RTA claims and 51% for higher value claims.</li><li>Developed litigation tactics and processes, resulting in a 34% increase in proceedings issued.</li><li>Implemented new incentive schemes for fee earners to accelerate case progression.</li></ul>	<ul style="list-style-type: none"><li>Insourced more marketing processes to increase control over paid search activity and reduce agency costs.</li><li>Using AI tools to block fraudulent clicks and IP-addresses, and bot traffic to reduce inefficient paid search costs.</li></ul>	<ul style="list-style-type: none"><li>Created Client Support Team to improve responsiveness to customer queries.</li></ul>

**Captured £1.2m of annualised cost savings by “right-sizing” NAH and restructuring PI Management Team**



# Business Review - Critical Care

# Critical Care



A leading player in the serious and catastrophic injury market

## Our Strategy

Our strategy is to grow share in the catastrophic, serious injury and care markets by appealing to a broader customer base, extending our competencies and specialisms and to be more efficient at what we do.

## Financial Highlights

- **Revenue +9%** to £15.9m
- **Operating profit +10%** to £4.9m
- **Operating profit margin +30bps** to 30.6%
- **Cash from operations +10%** to £5.4m

## Strategic Progress

- Strategic investment in recruitment yielding results, with 75 new associates in 2024 to support future growth
- Bush & Co. Care Solutions won Supporting the Industry at the PI Awards
- Remain in productive conversations regarding potential sale of Bush & Co.

# Expert Witness

Strong market demand fuels further growth



- **Expert witness services grew revenues by 19%**
- 1,335 reports issued in the year, an increase of 18%
- Continued growth in average revenue per report and more follow up work requested by customers
- 18% growth in the number of new instructions – a strong pipeline of future work

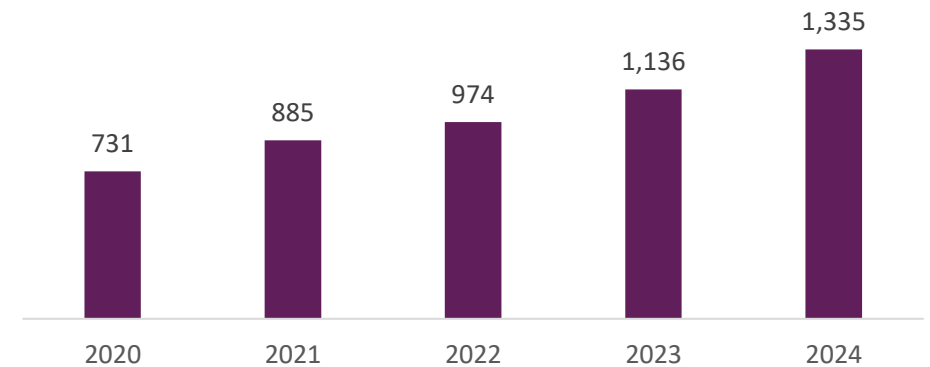
## Very strong customer advocacy metrics



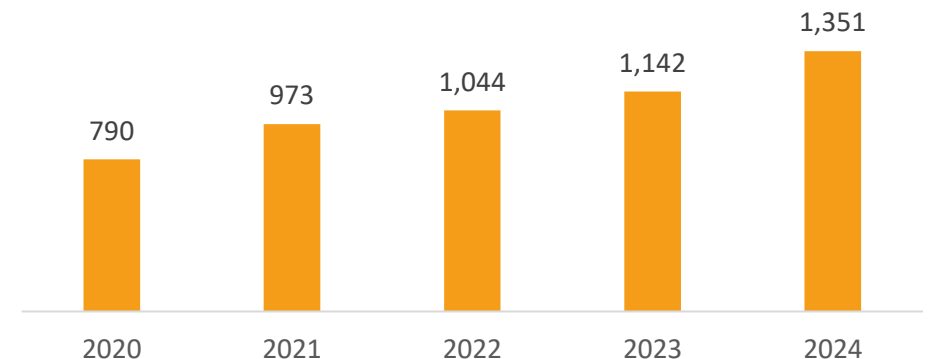
**96%** Would instruct us again

**98%** Overall satisfaction

Number of expert witness reports issued +18% yoy



Number of expert witness instructions +18% yoy





# Case Management

Delivering a first-class service for over 1,300 clients



- Revenues were 1% lower than last year
- 490 Initial Needs Assessments reports delivered, 9% fewer than last year
- 460 new instructions generated
- 1,335 ongoing clients serviced, that generate recurring revenue through a mix of claimant, defendant and insurer relationships

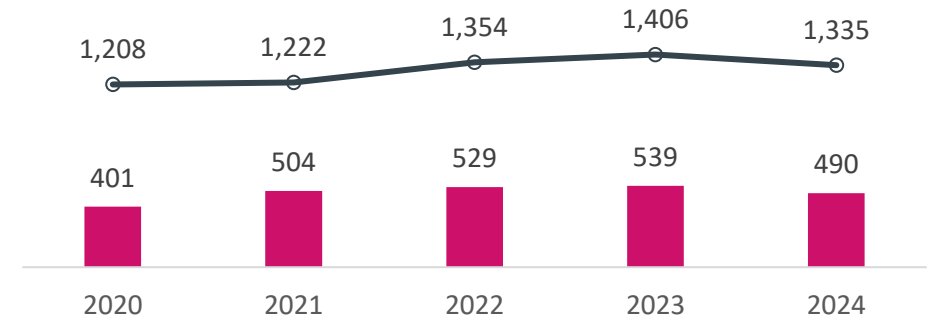
## Very strong customer advocacy metrics



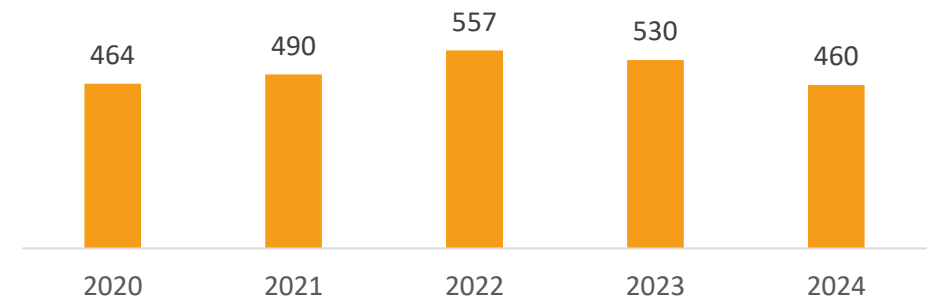
**96%** Would instruct us again

**94%** Overall satisfaction

Number of INA reports issued -9% yoy; number of ongoing clients -5%



Number of INA report instructions -13% yoy



# Bush & Co. Care Solutions

Peace of mind for direct employment and nurse led packages



- Revenues increased by 37% to £0.7m, all of which is recurring
- Winner of *Supporting the Industry* at the 2024 PI Awards
- Delivering a comprehensive range of services including employment support (recruitment and payroll), care management (care planning, nursing and medication management), and clinical governance (training and competency, risk assessments and case audits, and safeguarding)



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# Outlook

# Outlook

The Group finished 2024 strongly and has started 2025 well



## Consumer Legal Services

In Q1 2025:

- The Group generated over 3,500 new enquiries, in line with the previous quarter. 37% of new enquiries were placed into NAL
- Average acquisition cost was reduced by 22% from Q4, and by 34% from the peak in September 2024
- To support volume growth, NAHL is re-launching its Underdog brand in the coming weeks
- NAL settled 950 claims, 10% more than in Q4, which generated £2.8m cash from settlements

## Critical Care

In Q1 2025:

- Demand for Expert Witness services remain very strong, with 10% more reports issued
- Recruitment levels of new Expert Witness associates was particularly strong, which will support further growth
- Case Management remained more challenging. 10% fewer INAs were issued, although this was 7% higher than Q4
- The Care proposition has continued its strong growth



**Continued strong cash generation in Q1 further reduced net debt to £6.0m at 31 March (31 Dec: £7.1m)**

The background is a solid magenta color. In each of the four corners, there is a decorative element consisting of several concentric, curved lines that form a partial arc, resembling a stylized corner or a segment of a circle. These lines are a slightly darker shade of magenta than the background.

# Appendices



# NAL – Claims Processing

## 2020 cohort of claims



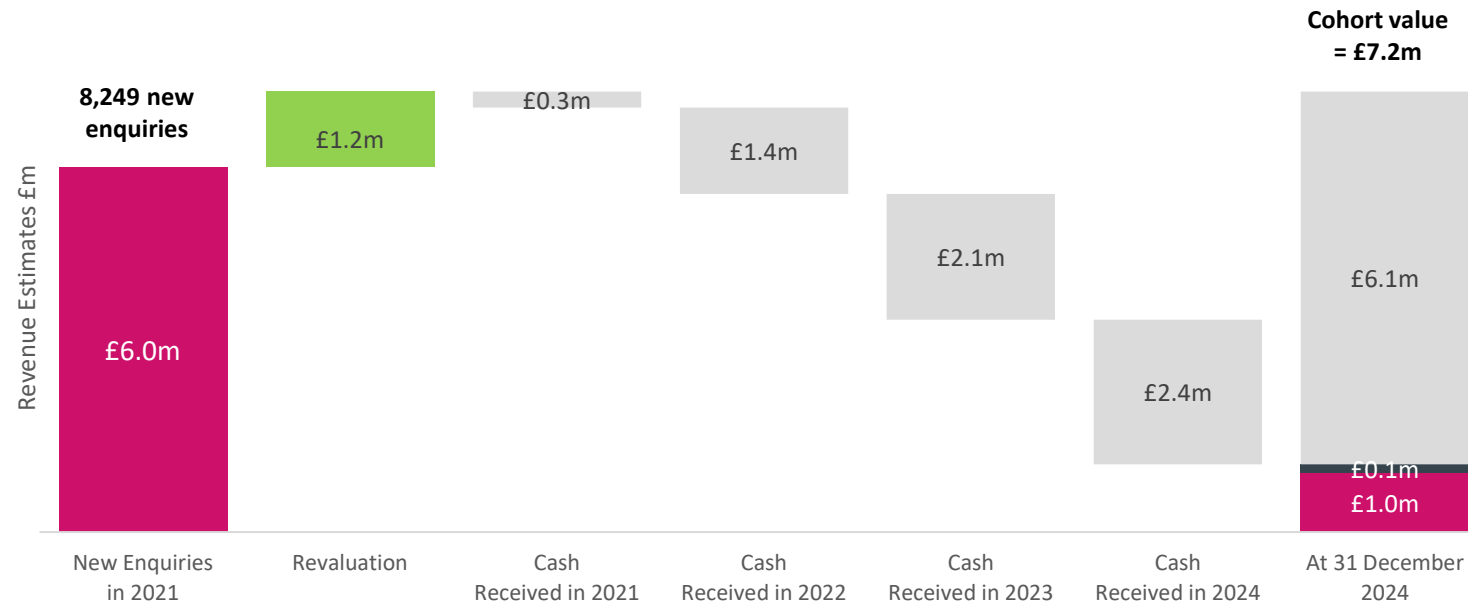
(Roundings exist)

### £4.4m cash collected

- 1,753 claims won
- Further £0.2m revaluation in the year taking the total expected over delivery to £0.8m
- 282 ongoing claims expected to generate a further £0.2m

# NAL – Claims Processing

## 2021 cohort of claims



### £6.1m cash collected

- 3,130 claims won
- Further £0.7m revaluation in the year taking the total expected over delivery to £1.2m
- 1,065 ongoing claims expected to generate a further £1.0m of revenue.

(Roundings exist)

# NAL – Claims Processing

## 2022 cohort of claims



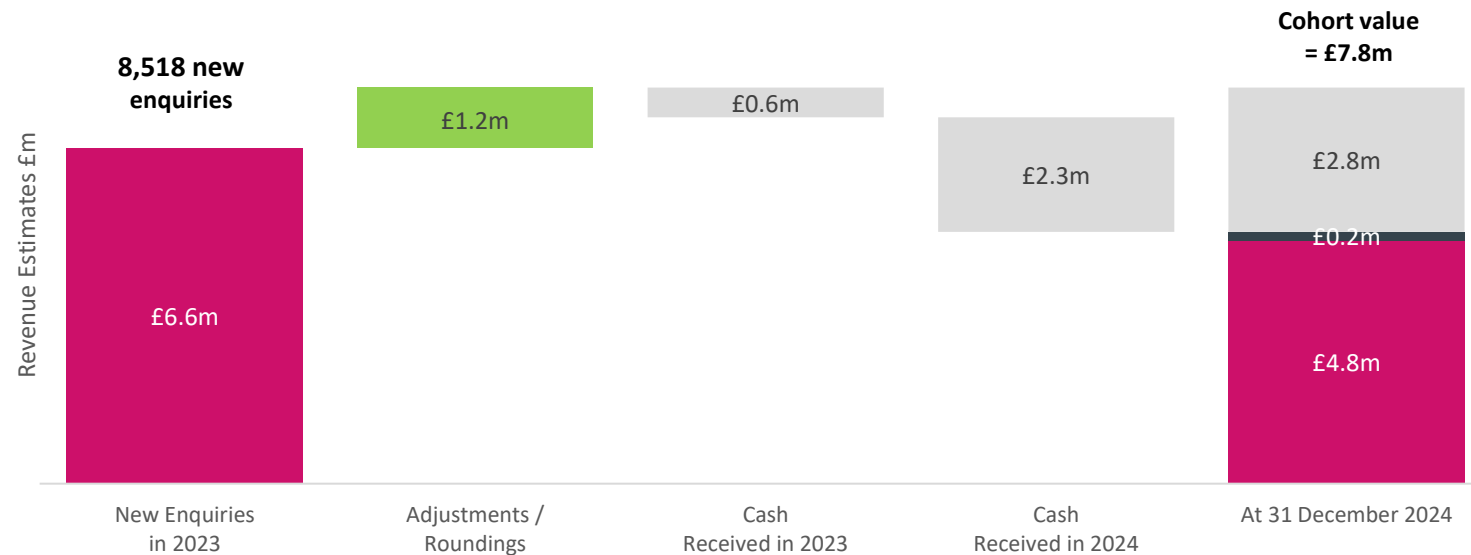
(Roundings exist)

### £4.4m cash collected

- 2,479 claims won
- Further £0.4m revaluation in the year taking the total expected over delivery to £0.8m
- 1,500 ongoing claims expected to generate a further £2.1m of revenue.

# NAL – Claims Processing

## 2023 cohort of claims



### £2.8m cash collected

- 2,241 claims won
- £1.2m revaluation in the year
- 2,257 ongoing claims expected to generate a further £4.8m of revenue.

(Roundings exist)

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