

NAHL Group plc

Presentation to AIM Investor Focus

April 2015



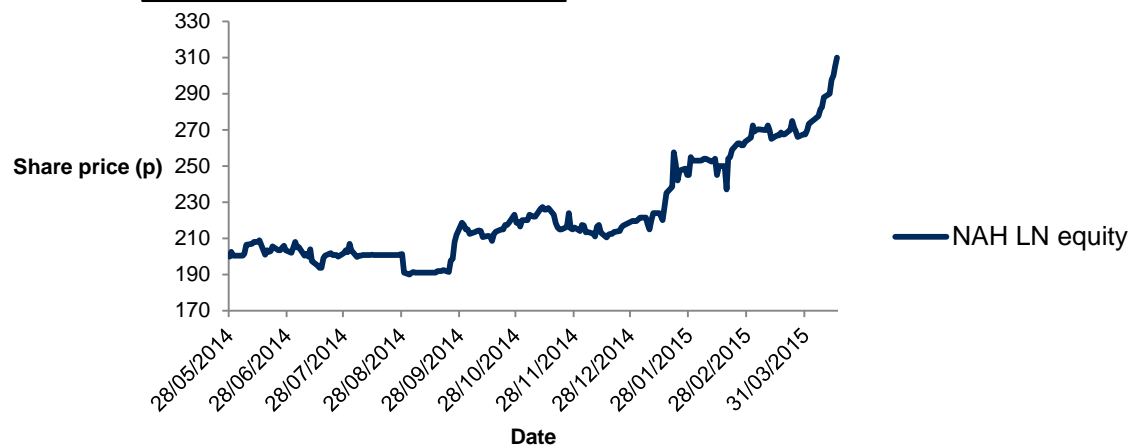
- Business Overview
- 2014 Financial and Operational Performance
- Growth strategy
- Questions

Business Overview



NAHL at a glance

Twelve month share price



Industry data & sector

Current index	FTSE AIM All-Share
Sector	Media
Market capitalisation	£ 127.56m
Shares in issue	41.15m
Free float	31.61m
Share Price High (Moving 52W)	311.50p (07/04/15)
Share Price Low (Moving 52W)	190.00p (15/07/14)
Total 2014 Dividend	15.7p

Significant shareholders

Name	Holding (%)
Schroder Investment Management	13.6
AXA Investment Managers UK Limited	9.9
Investec Asset Management	7.8
Old Mutual Asset Managers (UK) Limited	7.5
SFM UK Management	6.2
River & Mercantile Asset Management	5.7
Hargreave Hale Limited	5.6
Artemis Fund Managers Ltd	5.2
Polar Capital Partners	4.2
JP Morgan Asset Management	3.3

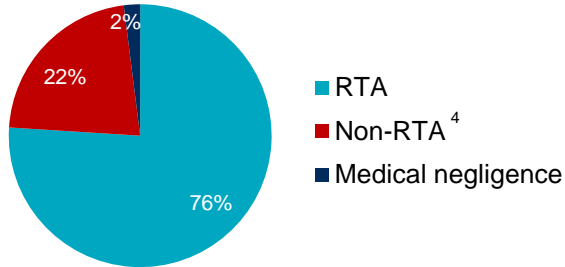
The Board

Russell Atkinson	CEO
Steve Dolton	CFO
Steve Halbert	Non-executive Chairman
Samantha Porteous	Non-executive Director
Gillian Kent	Independent Non-executive Director

The UK PI litigation market and how we operate

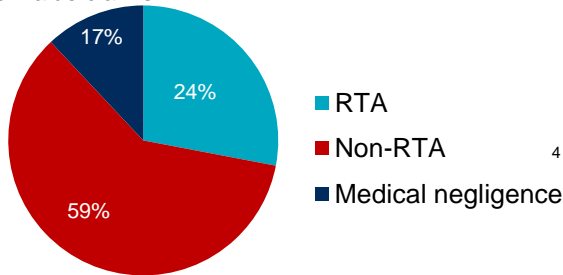
Segmental breakdown of the market¹

- Circa 1 million claims per annum
- Lower value road traffic accident (RTA) represents 76% of the market



NAH's breakdown of enquiries³

- RTA represents only 24% (2013: 25%) of NAH's enquiries passed to Panel Law Firms
- Focus on higher value claims



Segment	Description	NAH market share ²	Market 11-14 CAGR ¹
RTA	Road Traffic Accident	1.9%	-0.8%
Non RTA	Includes employer and public liability	11.6%	7.1%
Med. Neg.	Clinical negligence or misconduct	5.8%	12.4%

NAHL focus

1. CRU analysis 2014 (by number of claims)

2. CRU analysis 2014 and Management estimates 2014

3. For the year to 31 December 2014 – company values

4. Non RTA includes specialist enquires



NAH Group marketing spend c.£23m per annum

Consumer (claimant)



Consumer contacts NAH



The NAH platform

Lead generation

Gross leads (247,890 – 12.7% increase)

Clean leads (110,148 – 10.5% increase)

Enquiries (82,893 – 15.3% increase)

Enquiries passed onto law firms

PI panel

Medical Negligence panel

Specialist panel

Associate panel

Product revenue to NAH

Compensation

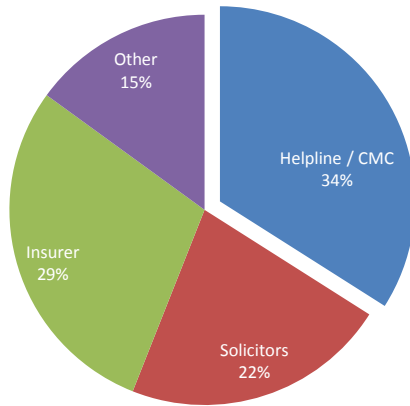
Solicitor income to NAH

Defendant



Most trusted and recognised brand¹






- Research shows that more people would prefer to choose a helpline when making a claim¹



- Within the UK personal injury litigation market NAHL is regarded as:

- ✓ **The most trusted PI brand²**
- ✓ **The most searched for PI brand by name³**
- ✓ **The highest PI brand awareness¹**
- ✓ **The best association of brand to adverts²**



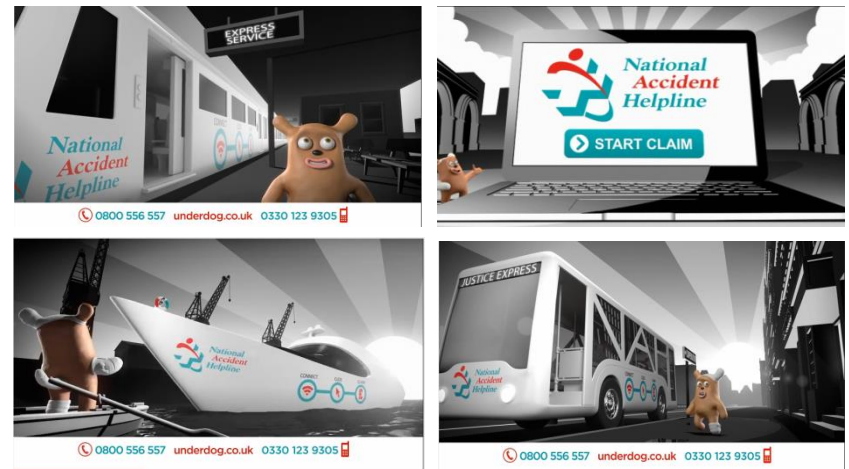
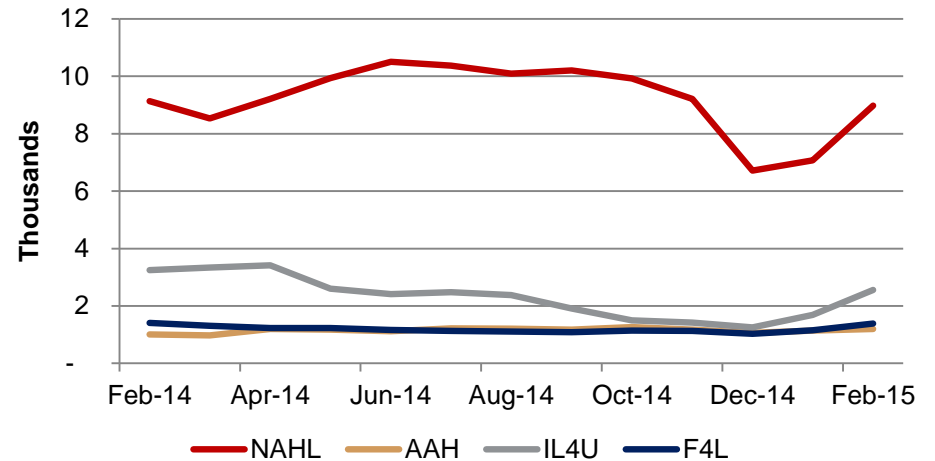
	Brand Awareness ¹	Brand Attribution ²
	85%	64%
	68%	39%
	*	19%
	51%	8%
	*	7%

* Not a PI brand and therefore not included in brand awareness test sample

1. Independent research The Nursery 2014
 2. Independent Brand Tracking 'The Nursery' 2014
 3. Google, Dec 2014

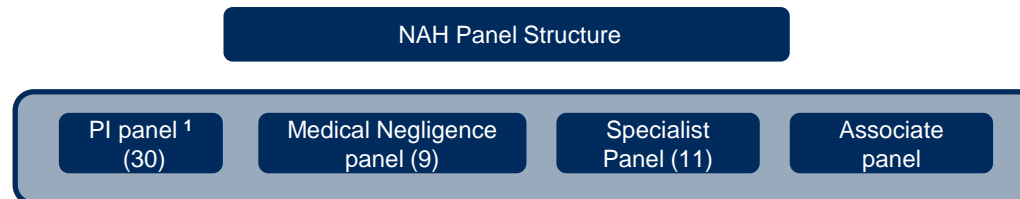
- NAH remains first choice when searching online
- Over £23 million marketing spend – a significant barrier to entry
- Biggest daytime TV spend¹ and highest internet spend² in PI
- New “White Knight” campaign rolled out across media channels in March 2015
- Continued enquiry growth driven by ongoing migration from offline to online searches – 86% of claimants go online
- Strong growth in SEO enquiries (77% increase on 2013)
- Launched our “Stop Nuisance Calls” campaign to drive out unsolicited texts and calls from the sector

Online Brand Impressions



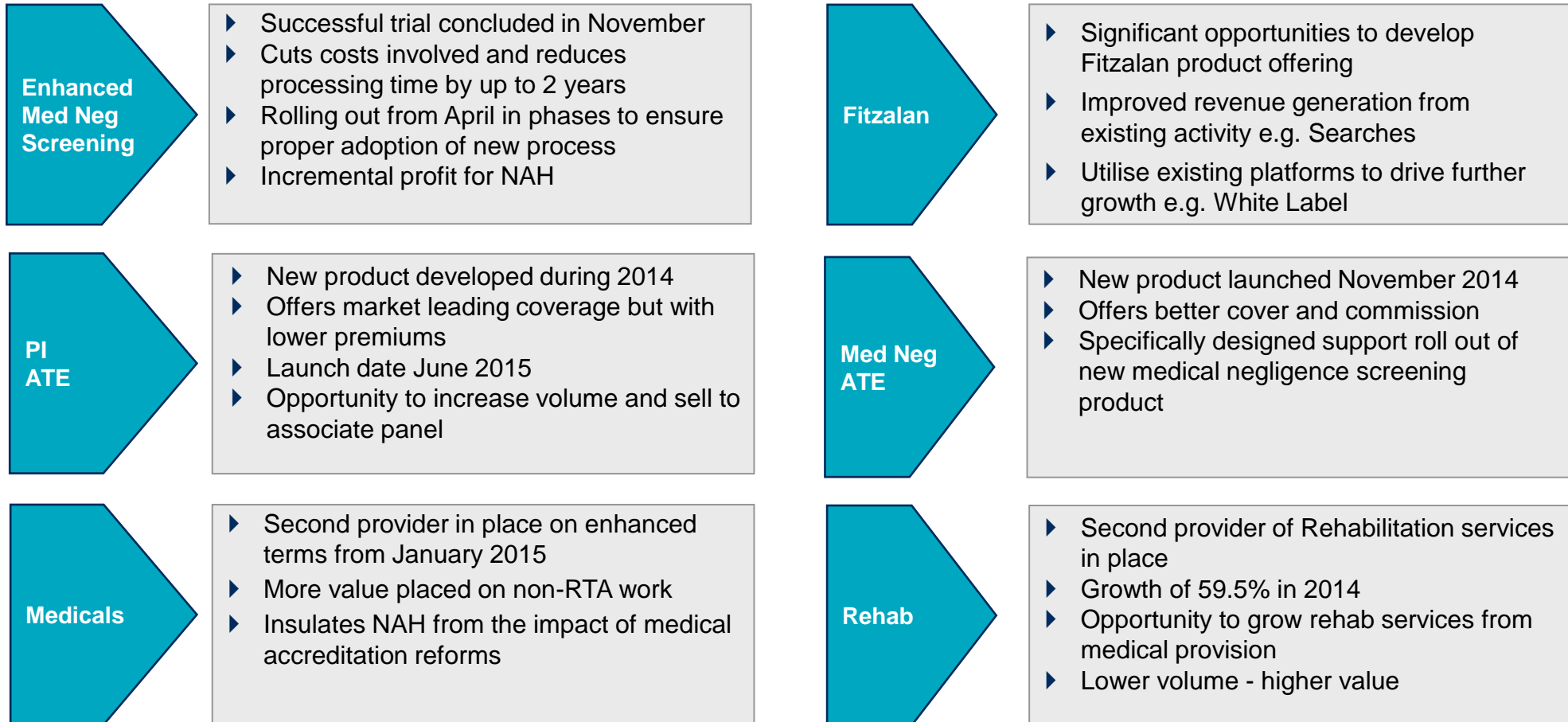
1. Nielsen Media Research 2014
 2. Adthema tracking 2014

- Continued strategy of working with larger more efficient firms
- Panel has reduced from 110 to 50 in the last 24 months
- Places on NAH’s panels remain in demand as PLFs receive:
 - a predictable and regular volume of enquiries
 - a high quality and profitable mix of enquiries
 - a comprehensive range of legal services products
- Continued focus on data sharing and consultancy to improve Panel Law Firm (“PLF”) profitability
- NAH exploring new partnering arrangements to better support our volume growth
- Trials arising out of these new arrangements commenced



1. Included in this total are 7 PLF’s who also take Med Neg enquiries

Products & Services – further development, new opportunities ⁸



2014 Financial and Operational performance



- Good revenue growth – 10.4% to £43.8m (2013: £39.7m)
- Significant improvement in profitability
 - Operating Profit – £12.7m (2013: £9.8m) – up 29.3%
 - Operating Profit margin – 29% (2013: 25%)
- Strong enquiry growth of 15.3% delivered from increased market share in all areas
- Excellent cash generation – 97.6% Operating Cash conversion
- Robust balance sheet – Net cash of £1.2m, an improvement of £5.9m from 2013
- Final dividend of 10.7p, giving total dividend of 15.7p

Post Period End

- Acquisition of Fitzalan Partners
- Positive start to 2015

Enquiries

- Enquiry growth accelerated in H2, overall +15.3% vs 2013
- Double digit growth in Medical Negligence and non-RTA, our key focus areas
- RTA growth fuelled by market consolidation

Conversion

- Conversion remains above target of 70% and shows continued improvement on 2013
- Achieved through better quality of leads, additional training of LSAs and enhanced data capture
- Conversion also improved at PLF level due to positive impact of electronic data call transfer – increases PLF profitability

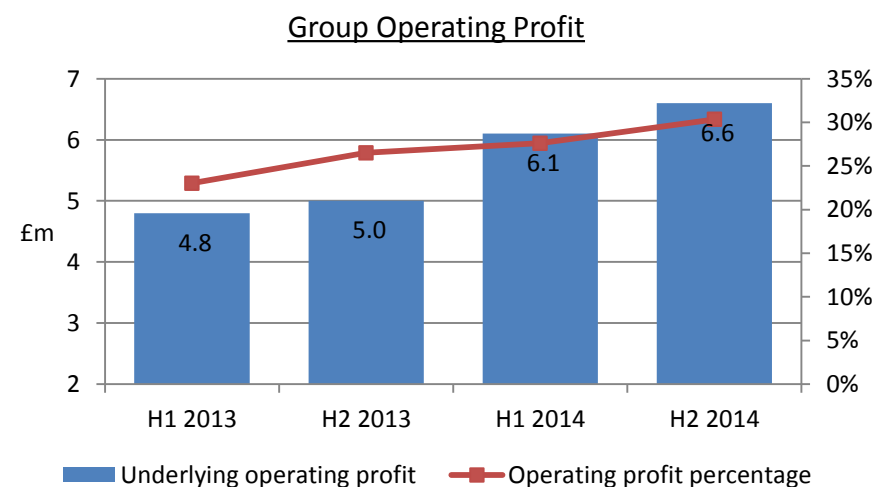
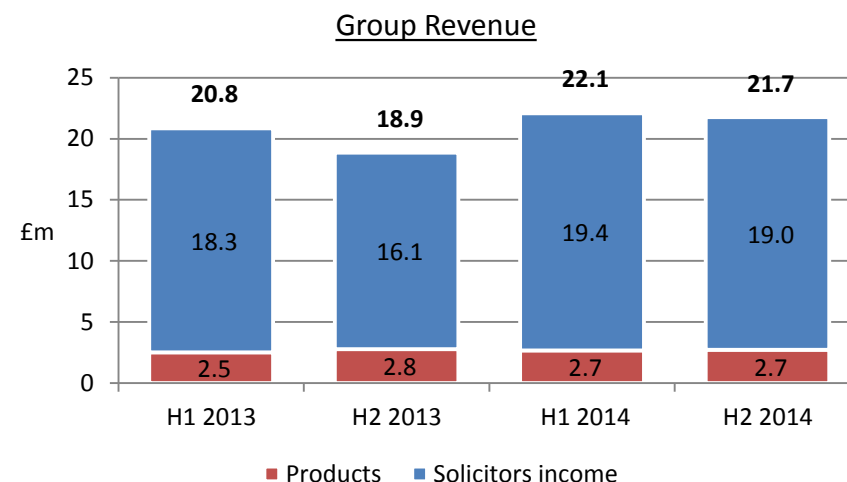
Enquiries	% change	Year to 31 Dec 2014	Year to 31 Dec 2013
RTA	15.1%	20,114	17,480
Non-RTA	15.0%	44,544	38,720
Specialist	12.4%	4,615	4,107
Medical Negligence	17.8%	13,620	11,561
Total	15.3%	82,893	71,868

Conversion (%)

Gross leads to clean leads	44.4%	45.3%
Clean leads to Enquiries	75.3%	72.1%

Continued profit growth

£'000	% change	Year to 31 Dec 2014	Year to 31 Dec 2013*
Revenue			
<i>Solicitor Income</i>	11.7%	38,445	34,423
<i>Ongoing Products</i>	11.2%	4,342	3,904
<i>Declining Products</i>	-23.7%	1,061	1,390
Total	10.4%	43,848	39,717
Cost of sales		(23,885)	(23,090)
Gross Profit	20.1%	19,963	16,627
<i>Gross margin</i>		46%	42%
Administrative expenses**	6.6%	(7,250)	(6,798)
Underlying operating profit */**	29.3%	12,713	9,829
<i>Operating profit margin</i>		29%	25%



* Excluding pre-LASPO ATE (£9,406,000) for the year to 31 December 2013

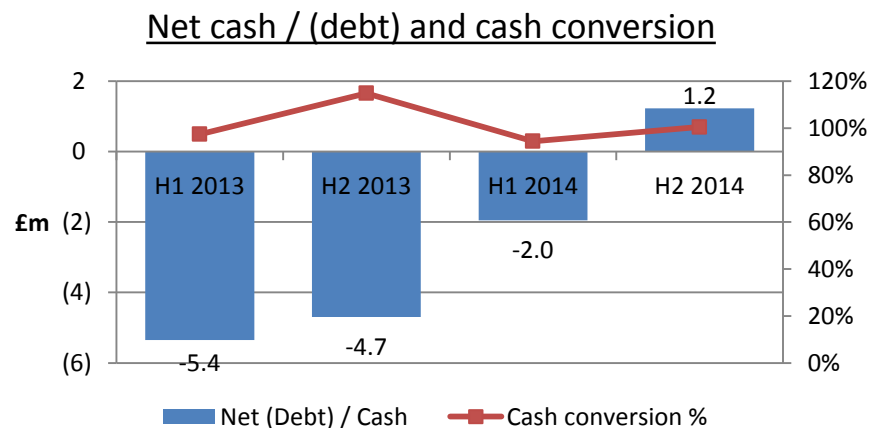
** Excluding share based payments (£288,000) and one-off items (£652,000) for the year to 31 December 2014

Robust balance sheet

£'000	31 Dec 2014	31 Dec 2013
Fixed assets	186	371
Goodwill	39,897	39,897
Working capital	(5,134)	(5,421)
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Cash & cash equivalents	13,637	14,249
Bank loan and loan notes	(5,901)	(6,859)
Pre-LASPO ATE product liability	(6,511)	(12,086)
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Adjusted net cash/(debt)	1,225	(4,696)
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Net assets	36,174	30,151

Excellent cash conversion

£'000	Year to 31 Dec 2014	Year to 31 Dec 2013
Underlying operating profit*	12,713	9,829
Depreciation	212	245
Working capital movements (excluding discontinued operations)	(517)	374
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Net cash flow from operating activities	12,408	10,448
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Cash Conversion	97.6%	106.3%



* Excluding pre-LASPO ATE £9,378,000 and share based payments income of £7,000 for 2013 and share based payments cost of £288,000 and one off items of £652,000 for 2014.

Dividend

	Interim Dividend	Final Dividend	Total Dividend
Dividend per share	5.0p	10.7p	15.7p
Total dividends paid	£2,057,500	£4,403,050	£6,460,550
Share Price at period end*	202.0p	219.5p	219.5p
Dividends as % of share price*	2.5%	4.6%	6.8%

EPS

Pence	Year to 31 Dec 2014	Year to 31 Dec 2013
Continuing Basic EPS (p)	23.0	25.1
Group Basic EPS (p)	20.6	23.0

- Dividend payout reflecting robust cash generation & strong balance sheet
- Policy remains to pay 66% of retained earnings on 1/3rd & 2/3rd basis
- Proposed final dividend to be paid at the end of May to those on register at 24 April

* Based on share price as at 30 June 2014 and 31 December 2014

Growth strategy

Overview

- Online marketing specialists focused on conveyancing and property sector
- Owns & operates four platforms under the Fridaysmove, In-Deed, Homeward Legal & Surveyor Local brands
- NAHL paying up to £4.3m – an initial cash consideration of £3.0m and a further cash of up to £1.3m prior to 31 December 2015 dependent on certain conditions being met
- Acquisition funded from existing cash resources and is expected to be immediately earnings enhancing

Rationale

- **Aligned with strategy** – providing access to a new market within consumer legal services that broadens NAHL's portfolio
- **Significant opportunity to add value** – early stage NAHL model for property law and supporting services
- **Shared skill sets** – digital marketing, consumer contact centre, panel management and product development
- **Highly fragmented market** – significant potential to grow market share and develop new sources of business



fridaysmove

in>deed
we make the legal side simple

HOMeward
LEGAL

SURVEYOR
LOCAL

Goals

Market share development



Panel development



Product and brand extension



Brand Development



Targeted acquisitions



Enablers

- Continue to target controlled share growth in NAH
- Grow market share in Conveyancing sector through operational improvement and enhancing digital marketing

- New partnering relationships with significant PLFs driving increased revenue and better product usage
- Drive further revenue in Fitzalan from existing product offerings and associated products

- Roll out of new ATE, Med Neg ATE and enhanced screening products. Continued growth of Rehab services
- Test and roll out white label opportunity with Fitzalan. Review and test conveyancer exchange proposition

- Broaden the appeal of the NAH brand to more potential claimants
- Retain Underdog with its current direct response focus
- Develop the Fitzalan portfolio

- Consider opportunity provided by consolidating PI market
- Review further opportunities in property law
- Review further legal markets, e.g. wills and probate

Questions