

Our journey to growth



Final Results
2022

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2022 Final Results



Agenda

1. Highlights
2. Financial Review
3. Business Updates
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

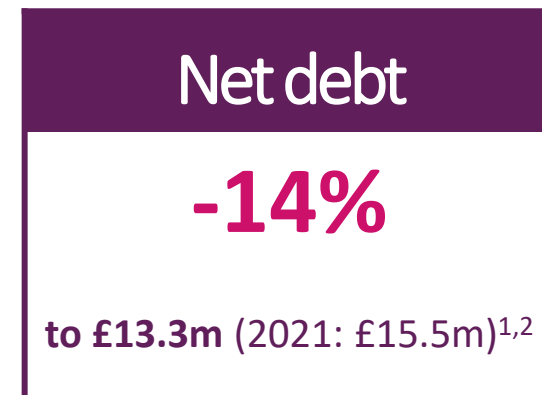
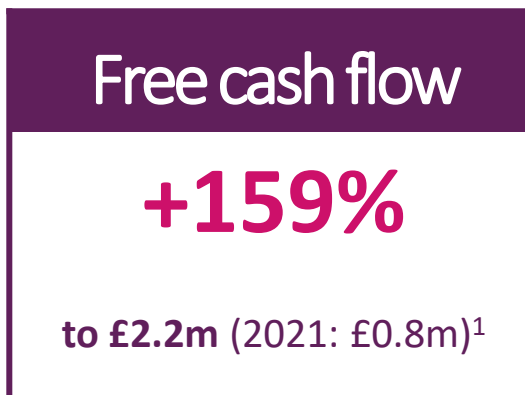
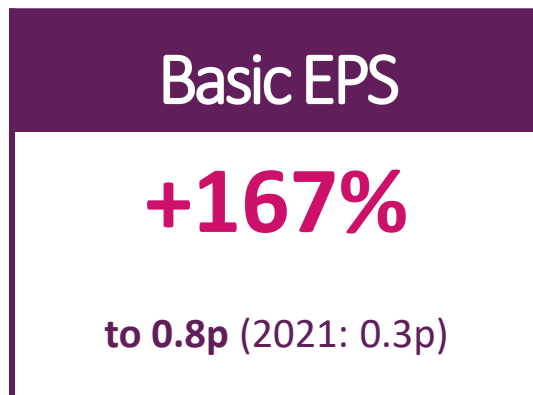
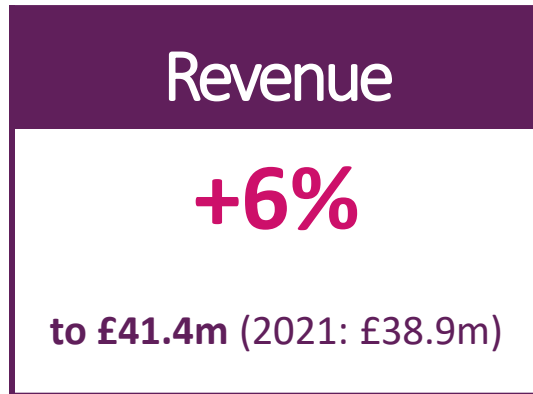
Chris is Chief Financial Officer of the Group, having joined in 2006. His responsibilities include management of the finance function and liaising with the Group's investors and banks.

Highlights



Financial Highlights

Achieving our goals and returning to growth



Operational Highlights

Building a more sustainable and profitable business



- **Both the Consumer Legal Services and Critical Care divisions generated growth and advanced their strategies in the year**
- **In Consumer Legal Services:**
 - National Accident Helpline returned to TV advertising, generated 9% more personal injury enquiries and grew market share
 - National Accident Law (NAL) continued to rapidly scale, won 60% more claims than prior year which generated £3.5m cash from settled claims, 67% more than 2021
 - NAL grew of its book of ongoing claims by 37% to 10,860 claims, worth an estimated future cash value (before processing costs) of £11.2m
- **In Critical Care:**
 - Bush & Co. increased the number of Expert Witness reports it issued by 10%
 - Investments in marketing and business development resulted in an increase in the number of new instructions for Initial Needs Assessments by 14% and expert witness reports by 7%
 - Bush Care Solutions (launched in 2021) delivered revenue growth of 24% to £0.4m
 - Recruited 61 new associates to support growth and enhance Bush & Co.'s proposition

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 the sector's most trusted brand, 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
- 283 employees (31 December)

Review of our Progress

On track to deliver our growth ambitions



Consumer Legal Services

- ✓ Completed transformation in Personal Injury, returning the business to profit and cash generation
- ✓ Working capital investment to scale business complete. Strong future profit and cash returns forecast

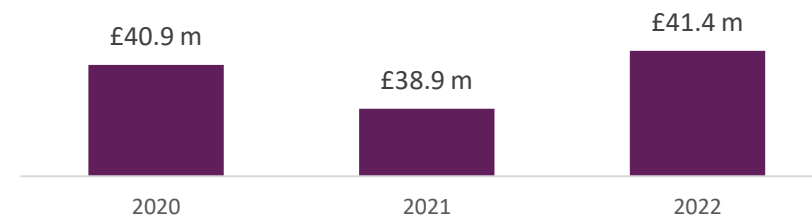
Critical Care

- ✓ Built a strong platform from which to grow and expand into adjacent markets
- ✓ Upgraded technology to drive efficiencies and improve resilience

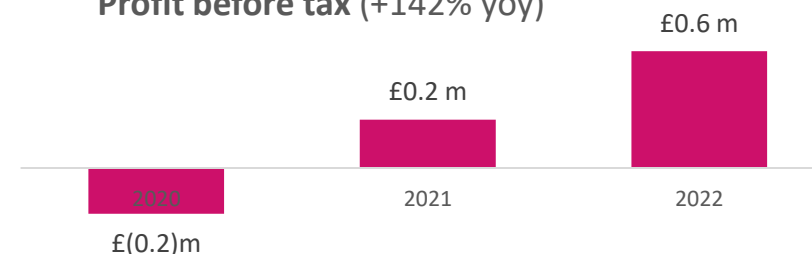
Group

- ✓ Continuing to reduce net debt, now £13.3m from high of £21.0m in December 2019
- ✓ Assembled an experienced and committed leadership team, with a strong company culture to support our growth ambitions

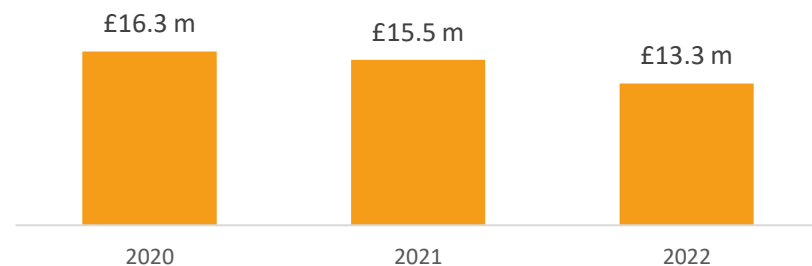
Revenue (+6% yoy)



Profit before tax (+142% yoy)



Net Debt (-14% yoy)



Financial Review



Financial Performance

Building momentum in 2022



£m	2022	2021	+/-	%
Consumer Legal Services	28.3	26.6	1.7	6.3%
Critical Care	13.1	12.3	0.8	6.4%
Revenue	41.4	38.9	2.5	6.4%
Consumer Legal Services	4.2	3.7	0.5	12.2%
Critical Care	3.4	3.3	0.1	4.3%
Shared Services	(1.7)	(1.6)	(0.1)	5.9%
	5.9	5.4	0.5	8.7%
Other items	(1.1)	(1.2)	0.1	-10.2%
Operating profit	4.8	4.2	0.6	14.4%
<i>Operating profit margin</i>	<i>11.5%</i>	<i>10.7%</i>	<i>0.8%</i>	
Non-controlling interests	(3.6)	(3.5)	(0.1)	3.0%
Net interest	(0.6)	(0.5)	(0.1)	-6.3%
Profit before tax	0.6	0.2	0.4	142.1%
Taxation	(0.2)	0.0	(0.2)	132.9%
Profit for the period	0.4	0.2	0.2	146.8%
EPS	0.8p	0.3p	0.5p	166.7%

- **Group revenue increased by 6%** following growth in both divisions
- **Operating profit grew 14%** in line with recently upgraded market expectations
- £2.7m marketing investment made in 8,760 new enquiries allocated to NAL and £0.5m investment in TV in 2022
- **Operating costs carefully controlled**, rising 5.4% in the year but only 1.7% in H2
- Operating profit margin improved by 0.8ppts from 10.7% to 11.5%, as benefits start to be realised from the investments in the Group's Personal Injury business
- Net interest increased due to higher UK interest rates
- **Profit before tax in line with recently upgraded market expectation** at £0.6m

Cash Generation

Accelerating cash collection in NAL; reducing net debt



£m	2022	2021	+/-	%
Personal Injury	5.1	3.5	1.6	45.3%
Residential Property	0.3	0.3	0.0	4.4%
Consumer Legal Services	5.4	3.8	1.6	41.9%
Critical Care	3.1	3.7	(0.6)	-16.0%
Shared Services	(1.7)	(1.6)	(0.1)	7.7%
Cash generated from operations	6.8	5.9	0.9	15.2%
<i>Operating cash conversion</i>	<i>142.9%</i>	<i>150.2%</i>	<i>-7.3%</i>	
Interest paid	(0.6)	(0.4)	(0.2)	-57.6%
Tax paid	(0.2)	(0.4)	0.2	54.7%
Drawings paid to LLP members	(3.3)	(3.4)	0.1	4.1%
Capex, lease and other	(0.5)	(0.9)	0.4	39.2%
Free cash flow	2.2	0.8	1.4	159.1%
Net debt - on 1 January	(15.5)	(16.3)	(0.8)	-5.2%
Net debt - on 31 December	(13.3)	(15.5)	(2.2)	-14.2%

- Strong levels of cash generation throughout the year, with **free cash flow +159% at £2.2m** (2021: £0.8m)
- **Operating cash conversion of 143%** in the year (2021: 150%)
- **Personal Injury business was cash generative in the year** after deducting drawings paid to LLP members
 - NAL grew cash from settlements by 67% to £3.5m (2021: £2.1m)
 - Following investment over several years, the Group's relationships with joint-venture partners are mature and generate strong levels of cash, having delivered £3.3m in year, net of drawings paid to LLP members
- **Net debt reduced to £13.3m (31 Dec 2021: £15.5m). Debt reduction continues to be a key focus in 2023**

Business Review – Consumer Legal Services



Consumer Legal Services

A leader in personal injury legal services



Our Strategy

We aim to develop a sustainable, higher margin business by:

1. Growing the number of accident victims we can support by leveraging the strength of our market-leading brand, National Accident Helpline;
2. Processing an increasing number of those enquiries through our integrated, consumer-focused law firm, National Accident Law (NAL); and
3. Funding our growth and debt reduction through our agile and scalable placement model.

Financial Highlights

- **Revenue increased 6%** to £28.3m
- **Operating profit increased by 12%** to £4.2m
- **Personal Injury returned to profit** after deducting members' non-controlling interests in LLPs of £0.4m (2021: loss of £0.1m)
- **Personal Injury generated £1.8m of cash** from operations after paying drawings to LLP members (2021: £0.1m)

Strategic Progress

- ✓ 9% more personal injury enquiries generated, growing market share
- ✓ National Accident Helpline returned to TV advertising
- ✓ £2.7m invested in 8,760 new enquiries invested in NAL
- ✓ Claims book maturing, with 67% more cash from settlements
- ✓ NAL grew its book of ongoing claims by 37% to 10,860 claims

Personal Injury Market

Claim numbers remain subdued but significant opportunity awaits a firm who can stimulate the market



Claim volumes remain lower than before the pandemic

- Non-RTA volumes in 2022 were 69% of 2019
- RTA volumes in 2022 were 55% of 2019

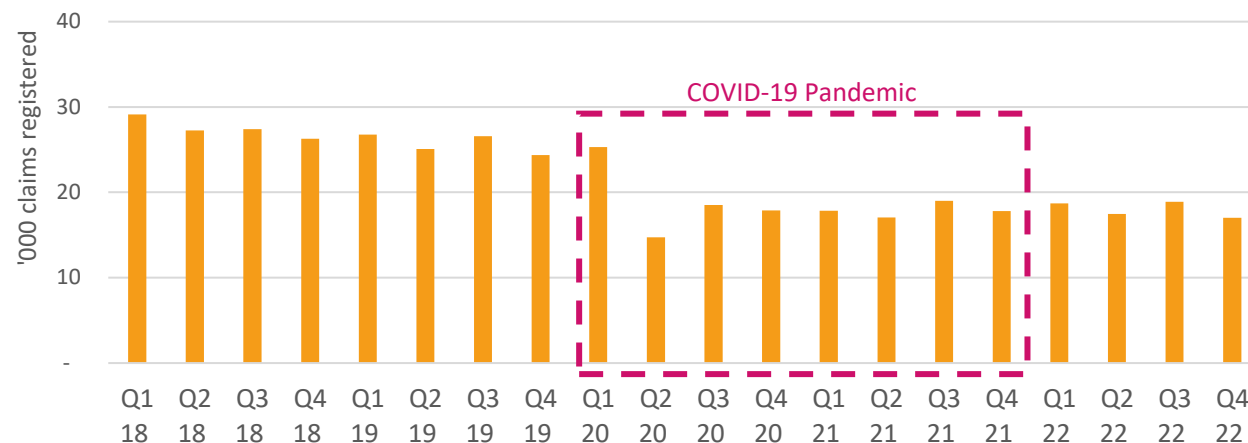
This is caused by three factors:

1. Behavioural changes since COVID-19 pandemic
2. Impact of Civil Liability Act
3. Reduced advertising in market

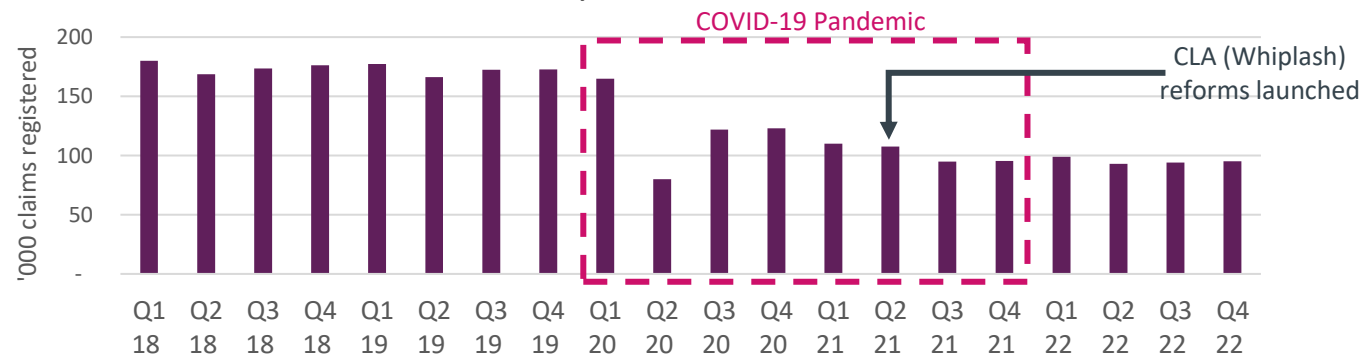
In a £1.1bn* market, there remains a large latent demand that could be unlocked by a firm who can:

- stimulate the market;
- educate customers on their rights; and
- change the perception of claiming.

Non-RTA Volume, by Quarter 2018 - 2022



RTA Volume, by Quarter 2018 - 2022



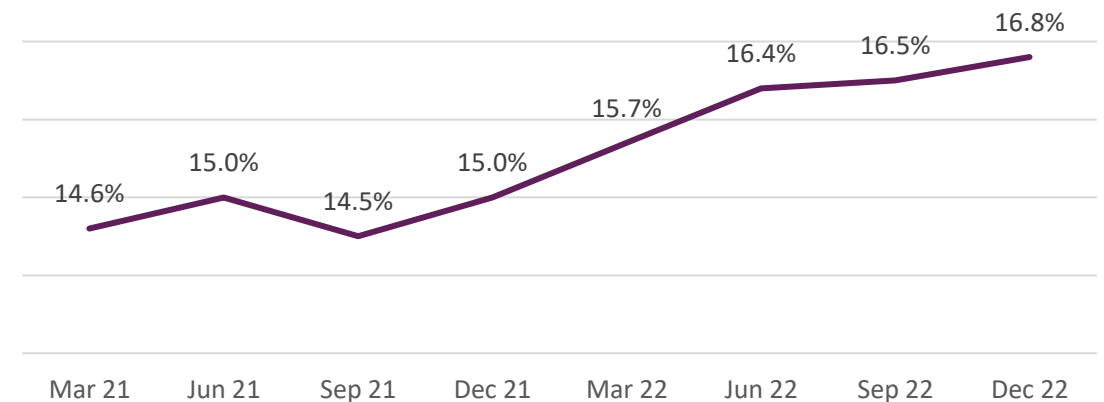
National Accident Helpline

Consistently growing volumes and market share since the pandemic



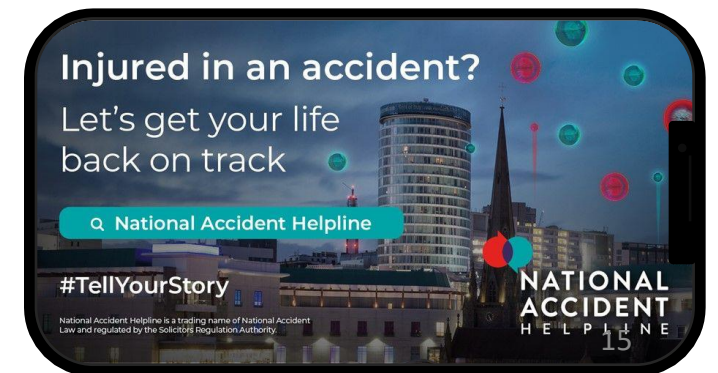
- Generated 34,905 personal injury enquiries in 2022, 9% more than prior year
 - Continue to generate strong mix of claims (51% non-RTA (employers', public and occupier liability), 22% RTA, and 27% specialist)
 - RTA claims are more profitable since the decision to stop processing tariff-only small claims
- National Accident Helpline launched new TV advertising campaign in June 2022 to build engagement and awareness
- According to independent research, National Accident Helpline is the “*first choice for people who have had an accident and want legal representation*”¹
- 9% increase in organic (unpaid) leads generated
- Market share in important non-RTA claims increased to 16.8% at 31 December 2022 (2021: 15.0%)

Non-RTA Market Share - Trailing 12 Months²



¹ Independent Research by The Nursery Research & Planning Ltd, March 2023

² Based on third-party data provided by Claims Portal Ltd. Trailing 12 month calculation removes seasonality

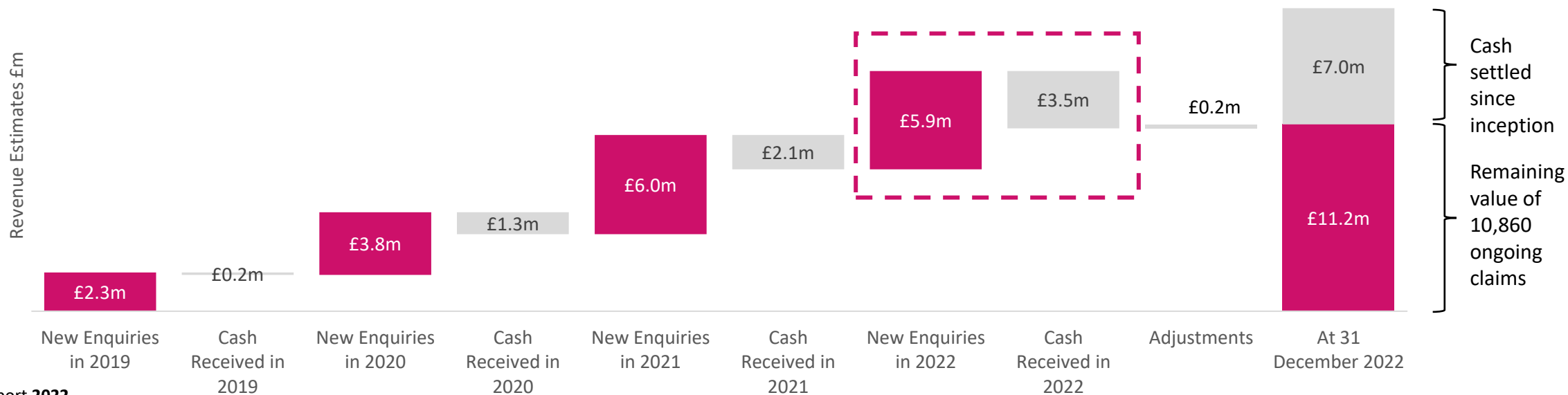


National Accident Law



Winning more settlements; growing the value of its claims book

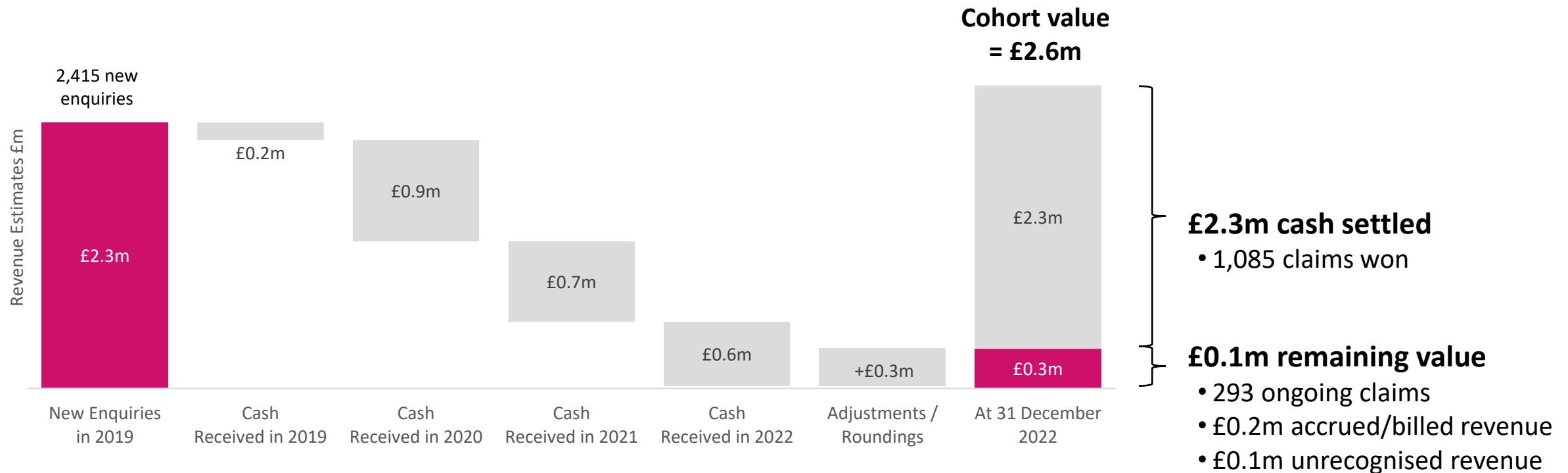
- Total value of all cohorts since inception increased 51% in the year to £18.2m
- 4,115 claims won to date, generating £7.0m of cash from settlements in NAL
- 1,894 claims settled in the year, generating £3.5m in cash – 67% more than last year
- 10,860 ongoing claims, estimated embedded value of £11.2m future cash (£3.0m accrued or billed, £8.2m unrecognised)
- Ongoing claims worth estimated £7.1m of unrecognised gross profit



National Accident Law – Claim Processing



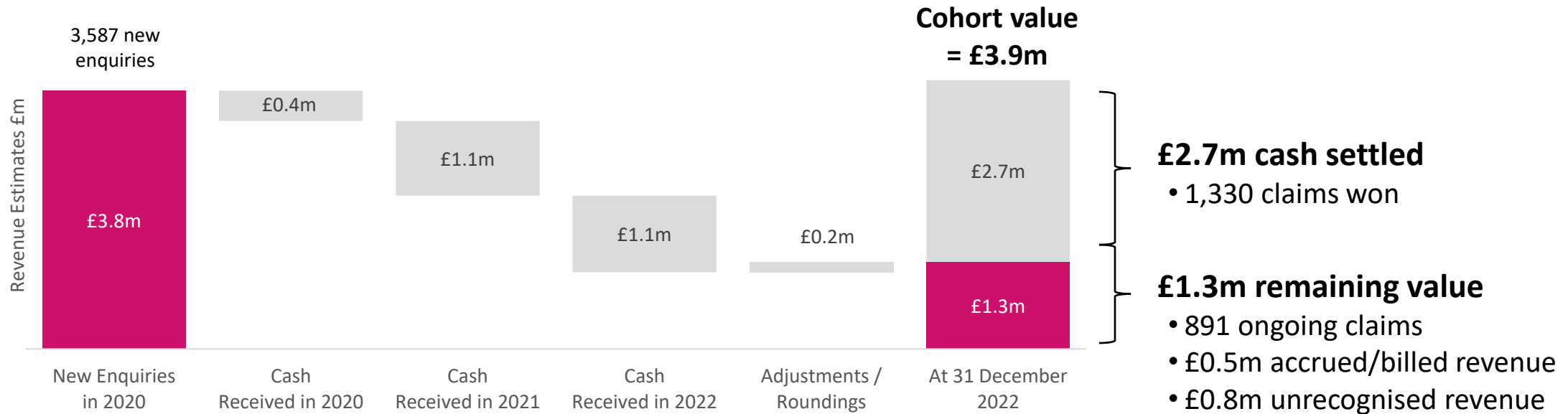
Reviewing the performance of the 2019 cohort of claims



National Accident Law – Claim Processing

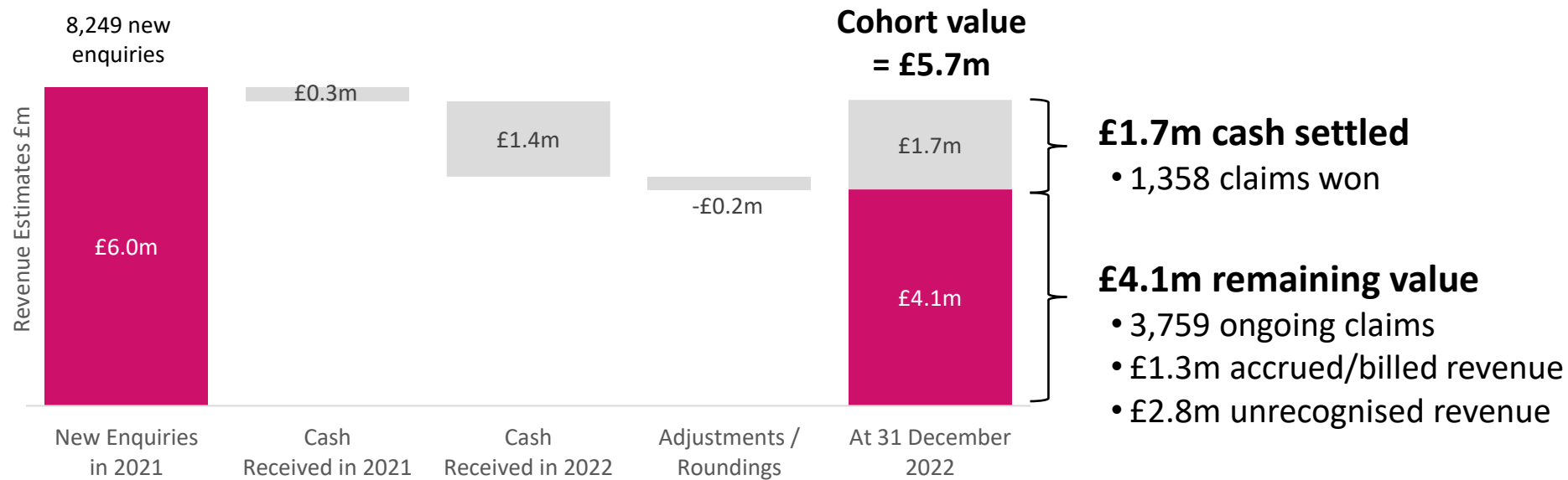


Reviewing the performance of the 2020 cohort of claims



National Accident Law – Claim Processing

Reviewing the performance of the 2021 cohort of claims



Note, 2022 cohort has not been presented given its immaturity, but £0.4m of cash was received in 2022 and £1.0m of accrued/billed revenue was booked in the year against a total cohort value of £5.9m.

Business Review – Critical Care



Critical Care

A leading player in the catastrophic injury market



Our Strategy

Grow share in our market by appealing to a broader customer base, extending our competencies and specialisms and to be more efficient at what we do through the use of technology

Financial Highlights

- **Revenue increased 6%** to £13.1m
- **Operating profit increased 6%** to £3.5m
- **£3.1m of cash from operations** generated in year

Strategic Progress

- ✓ Recruited and trained 61 new associates, including 14 experts in child and young person cases
- ✓ Bush Care Solutions (launched 2021) grew revenues by 24% to £0.4m
- ✓ Successful trial of employed case managers for less complex cases
- ✓ Implemented new finance system and improved processes to drive efficiencies and better reporting

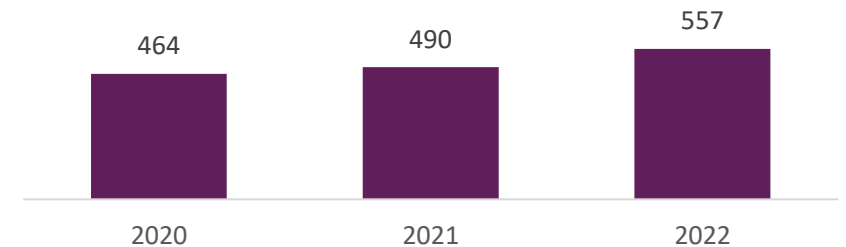
Case Management and Care



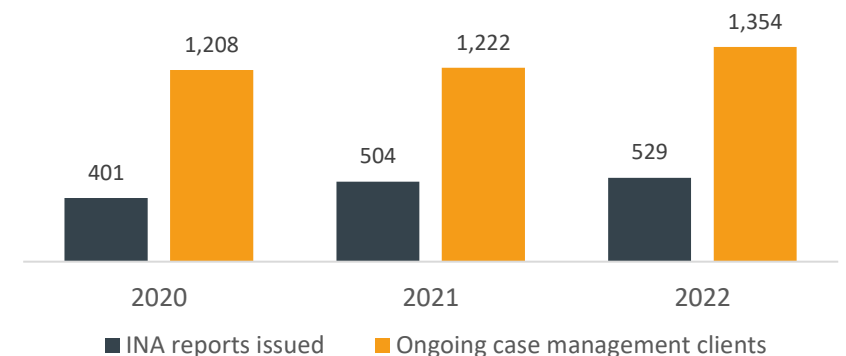
Numbers of ongoing clients growing, generating recurring revenue

- 3% growth in revenues from case management
- 5% growth in number of INA reports issued, many of which go on to become ongoing clients
- 11% growth in number of ongoing clients, generating recurring revenue. Average revenue per client reduced due to changes in working practice across the industry
- 14% growth in INA instructions – our pipeline of future work – as a result of investments in marketing and business development
- Successful trial of new team of employed case managers to service less complex cases. Scaled team from three to seven by year-end and planning to recruit more in 2023. Higher utilisation drives margin expansion
- Bush Care Solutions grew revenue by 24% and was delivering 10 ongoing care packages at 31 December 2022, generating recurring revenue

Number of INA report instructions
(+14% yoy)



Number of INA reports issued (+5% yoy) and ongoing clients (+11% yoy)



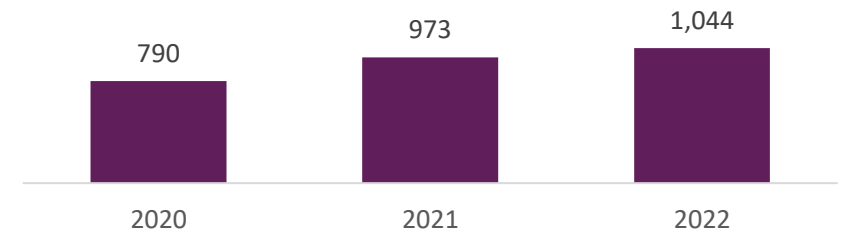
Expert Witness

Another year of strong performance

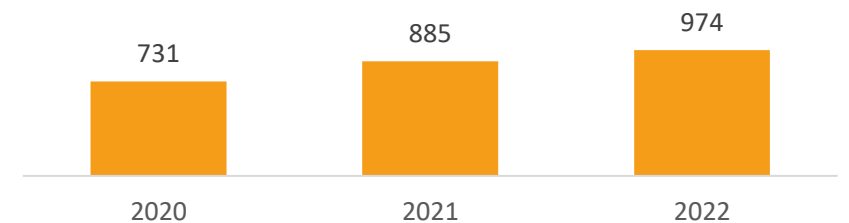


- Expert witness services grew revenues by 14%
- 10% growth in number of reports issued, along with growth in average revenue per report because of a favourable mix and more follow up work requested by customers
- Number of new instructions – our pipeline of future work – remains strong, and grew 7% in year
- Continued investment in digital tools to drive efficiencies and maintain quality

Number of expert witness report instructions (+7% yoy)



Number of expert witness reports issued (+10% yoy)



Summary and Outlook



Summary



In subdued markets, we delivered our financial goals and returned to growth

- **The Group strengthened its financial position, reducing net debt to £13.3m (2022: £15.5m)**
- **Group revenues increased by 6% and operating profits by 14% and we continued to invest for the future**
- **In Consumer Legal Services:**
 - We returned the Personal Injury business to profit and can now start to realise a return on our investment
 - We grew market share and increased the number of personal injury enquiries we generated by 9%
 - We grew the value of our claims book in NAL by 33% and collected 67% more cash from settlements in the year
- **In Critical Care:**
 - We continued to build a strong platform for growth and grew revenues in both case management and expert witness services
 - We expanded into the adjacent care market through our new proposition, Bush Care Solutions
 - We developed our range of specialisms and recruited 61 new associates

Outlook



The Group is well placed to continue its growth and cash generation

- **In Consumer Legal Services**, in the first two months of 2023:
 - National Accident Helpline grew like-for-like¹ personal injury enquiry numbers by 3% compared to last year
 - Increased advertising spend to try to win further market share
 - NAL collected £0.6m of cash from settlements, 89% more than last year
- **In Critical Care**, in the first two months of 2023:
 - Bush & Co. delivered 83 INAs, 8% more than the prior year, and instruction numbers were level with last year
 - In expert witness, 197 reports were issued, 21% more than prior year, and instruction numbers increased by 18%
- UK interest rates likely to remain at higher levels in 2023 leading to higher borrowing costs
- **The Board remains committed to managing net debt and anticipates it reducing further this year**

Questions



Appendix



Personal Injury

A flexible, self-funding business model, purpose built to generate shareholder returns across the cycle

