

Prior to publication, the information contained within this announcement was deemed by the Group to constitute inside information for the purposes of Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations (SI 2019/310). With the publication of this announcement, this information is now considered to be in the public domain.

24 January 2023

NAHL Group PLC
("NAHL" or the "Group")

**Year End Trading Update and
Notice of Results**

Return to growth, reduction in net debt and continued strategic advancements

The Board of NAHL (AIM: NAH), a leading UK marketing and services business focused on the UK consumer legal market, is pleased to provide a trading update for the financial year ended 31 December 2022 (the "Period").

Group financial highlights

Year ended 31 December	FY2022	FY2021	Change
Group Revenue	£41.5m	£38.9m	6.5%
Operating Profit	£4.8m	£4.2m	15.7%
Profit Before Tax	£0.6m	£0.2m	163.8%
Net Debt	£13.3m	£15.5m	-14.1%

Group results

Based on unaudited results, the Board expects to report revenues for the Period of £41.5m (2021: £38.9m), 7% ahead of the prior year, and operating profit is expected to be in line with market expectations at approximately £4.8m (2021: £4.2m), representing growth of more than 15%.

Profit before tax for the Period is expected to be approximately £0.6m (2021: £0.2m). This is ahead of market expectations, albeit from a low base, due to lower than expected profit attributable to non-controlling interests in our LLPs, offset by an increase in borrowing costs due to higher UK interest rates and which the Board expects will continue to have an impact in 2023.

Pleasingly, the Group generated strong levels of cash flow throughout the Period and as a result has been able to significantly reduce net debt from £15.5m at 31 December 2021 (30 June 2022: £14.5m) to £13.3m at 31 December 2022, which is ahead of market expectations of £14.1m.

Divisional performance

Consumer Legal Services

Revenues in the Consumer Legal Services division are expected to be 6% higher than last year at approximately £28.3m (2021: £26.6m) and operating profit 12% higher at £4.2m (2021: £3.7m). These positive results were driven by a strong performance in the Personal Injury business, which grew revenues by 14% year-on-year and operating profit by 17%. Further, the Personal Injury business returned to profit after deducting members' non-controlling interests in LLPs, giving the Board confidence that the Group is on track to build a more sustainable and profitable business in the medium-term.

Throughout the second half of the year, the personal injury market remained subdued but National Accident Helpline continued to take market share and generated nearly 35,000 enquiries in the Period. This was 9% more than the prior year and comprised a more profitable mix than in 2021 resulting from the division's strategy to focus on higher

prior year and comprised a more profitable mix than in 2021 resulting from the divisions strategy to focus on higher value claims.

In line with its stated strategy, the Group continued to grow its fully integrated law firm, National Accident Law ("NAL"), and invested £2.7m in the Period in 8,760 new enquiries, which was 6% more than in 2021. NAL ended the year with a book of 10,860 ongoing claims, 37% ahead of the prior year (2021: 7,918). NAL also collected £3.5m in cash from settlements in the Period, an increase of 65% on the prior year (2021: £2.1m), further demonstrating the growing maturity of the firm.

The division continued to utilise its flexible placement model and enjoyed strong demand for enquiries from its panel of third-party law firms, benefitting cash flow. The Group's joint venture partnerships, which are now mature, performed well and the business distributed a modest number of enquiries into Law Together LLP and no new enquiries into Your Law LLP as planned. Following investment over a number of years, these relationships continue to generate good levels of cash flow and delivered £3.3m in the Period (2021: £3.6m), after deducting drawings to LLP members.

The Consumer Legal Services' Residential Property businesses experienced a slowdown from the second quarter of 2022, in line with the wider market, and revenues were over 20% lower than prior year. Management acted to reduce the cost base in the year, and the business is expected to return a modest profit contribution for 2022.

Critical Care

Revenues in the Critical Care division (Bush & Co.) are expected to be 7% higher than last year at approximately £13.2m (2021: £12.3m) and operating profit for the year is expected to be approximately £3.5m, 6% ahead of the prior year (2021: £3.3m).

This result includes a strong performance in expert witness services, which generated 14% revenue growth. In case management, revenue growth was lower than expected at 3%, partly due to a continuation of lower average revenues per client. As previously highlighted, this results from changes in service delivery practices implemented during the pandemic which meant many of our support meetings went online, and this trend has since become the norm.

Bush Care Solutions, a support and management service for employing care staff, delivered revenue growth of 24% and, whilst currently modest in quantum, management are pleased with the customer response to this new service. Bush & Co. continued to develop its range of specialisms and in 2022 it recruited 61 new associates to support its growth and enhance its proposition.

Notice of final results

NAHL intends to announce its final results for the year ended 31 December 2022 on 22 March 2023.

James Saralis, CEO of NAHL, commented:

"Despite the well-documented headwinds across the economy, I'm really pleased with the financial performance of the Group during the year. NAHL returned to growth, with revenues increasing by 7% and operating profit by 14%, and we continued to invest for the future whilst significantly reducing our debt, which exited 2022 at £13.3m. Both our Consumer Legal Services and Critical Care divisions advanced their strategies, with our Personal Injury business returning to profit. This is an important milestone in our plan to build a more sustainable and profitable business in the medium-term.

"Looking ahead, whilst the personal injury market remains subdued, we are cautiously optimistic that the investments we are making leave us well placed to continue our growth and strong cash generation in 2023. Finally, I would like to take this opportunity to thank all of our people who worked tirelessly throughout the year to strive for the best results for all of our stakeholders."

Notes:

- 1) All full year 2022 numbers remain subject to audit.

For further information please call:

NAHL Group PLC
James Saralis (CEO)
Chris Higham (CFO)

via FTI Consulting
Tel: +44 (0) 20 3727 1000

Allenby Capital (AIM Nominated Adviser & Broker)
Jeremy Porter / Vivek Bhardwaj (Corporate Finance)
Amrit Nahal (Sales & Corporate Broking)

Tel: +44 (0) 207 220 0500

FTI Consulting (Financial PR)
Alex Beagley
Sam Macpherson
Amy Goldup

Tel: +44 (0) 20 3727 1000

Notes to Editors

NAHL Group plc (AIM: NAH) is a leader in the Consumer Legal Services (CLS) market. The Group provides services and products to individuals and businesses in the CLS market through its two divisions:

- **Consumer Legal Services** provides outsourced marketing services to law firms through National Accident Helpline and Homeward Legal; and claims processing services to individuals through Your Law, Law Together and National Accident Law. In addition, it also provides property searches through Searches UK.
- **Critical Care** provides a range of specialist services in the catastrophic and serious injury market to both claimants and defendants through Bush & Co.

More information is available at www.nahlgroupplc.co.uk, www.national-accident-helpline.co.uk and www.bushco.co.uk.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

MSCEAEFDAESDEAA