

FY21 RESULTS

INVESTOR PRESENTATION

August 2021

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ABOUT US

Australia's largest specialised family law firm

We help our customers get superior outcomes by providing counsel and resolution on complex family matters





+15

offices



+80

employees



+50%

revenue growth p.a.¹



~1%

market share



1. FY17-FY21 CAGR (compounded annual growth rate)

Family law is a very large, highly fragmented market

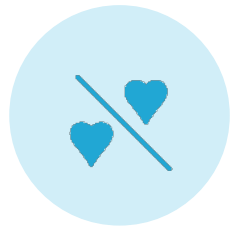
Long-term stable volumes, an increase in defacto relationships and rising net household wealth = attractive market



\$1.1bn
market size



No
national players



+50,000
divorces per annum



3rd
largest personal legal services market

In contrast to personal injury law, there is no dominant or national player in family law. This is despite the fact that the two markets are of a similar size

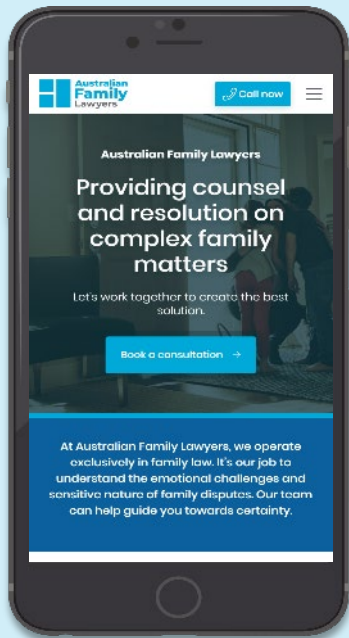
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Big Opportunity

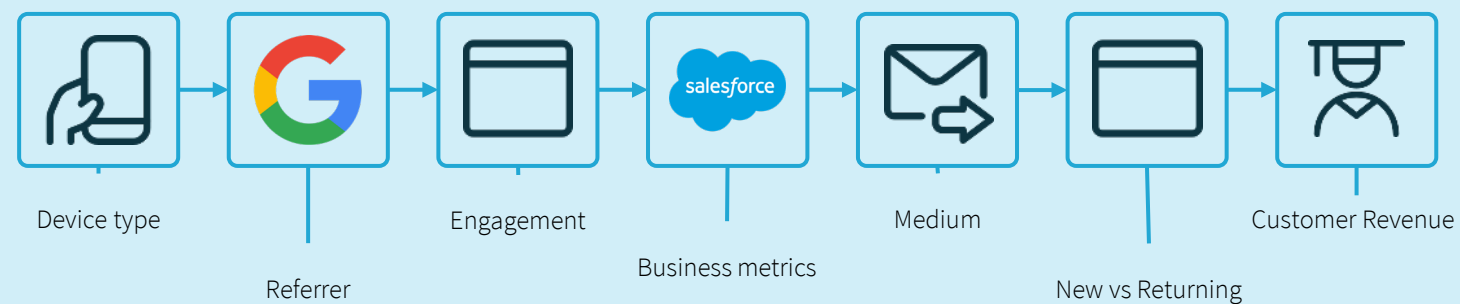
We have disrupted the way law firms find customers...



We utilize digital marketing techniques used in other online industries to attract customers in the family law industry

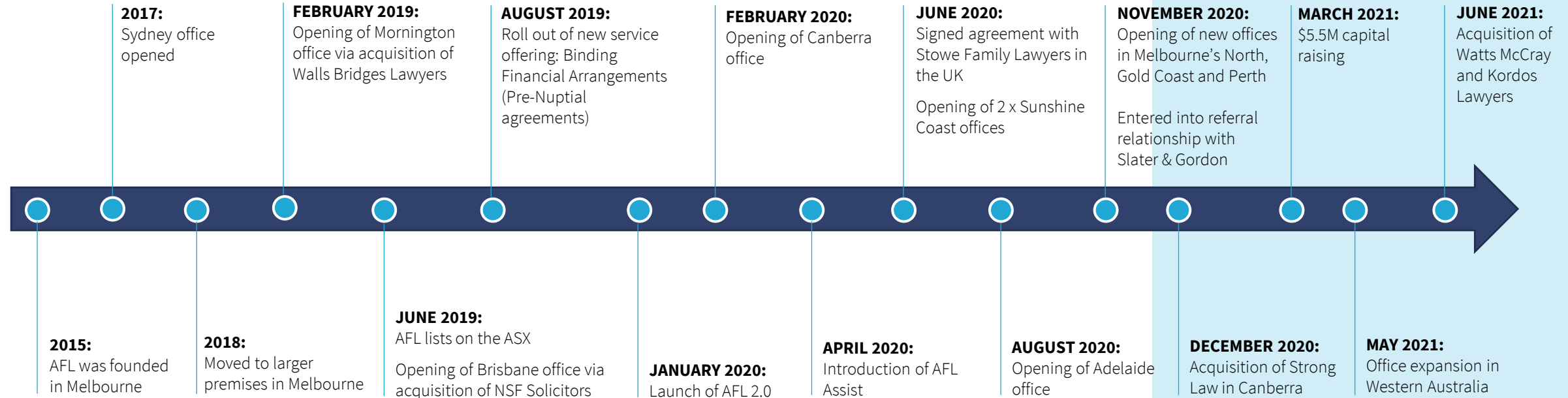


- Mobile first**
An optimised experience for small screens
- Performance**
An architecture built for fast page loads and content delivery
- Technology**
Introducing an ecosystem of world class integrated technology for scalability and business insights
- Insights**
End to end behavioural and sales reporting for ongoing optimisation



Timeline since inception

AFL was founded in 2015 and has rapidly expanded to 15 offices since its IPO in June 2019



What have we achieved since IPO?

Strategic acquisitions completed in FY21 provides the scale to build out the platform in FY22 and beyond



FINANCIAL PERFORMANCE

FY21 Pro Forma **Revenue and Underlying EBITDA of \$16.4m and \$4.7m** respectively

Delivered **strong revenue and underlying EBITDA CAGR growth** since FY17 at 50%+ and 125%+ respectively



NEW OFFICES AND GEOGRAPHIES

Created **13 new offices**: Brisbane, Canberra (2), Sunshine Coast (2), Adelaide, Perth (2), Sydney (2), Melbourne (2) and the Gold Coast



LATERAL HIRES AND ACQUISITIONS

Recruited **7 additional lateral hires** in existing and new offices

Completed **4 strategic acquisitions** in Brisbane, Canberra, Melbourne and Sydney



BEST IN CLASS MARKETING PLATFORM

Launched AFL 2.0 which has driven **improved marketing performance**

Rolled out **referral partnership strategy**

Created **Marketing Advisory Board**



ADDITIONAL SERVICE LINES

Launched **5 x New Service lines** including Binding Financial Arrangements, Corporate Services, AFL Assist, Faculty of Arbitration and Mediation and an international division

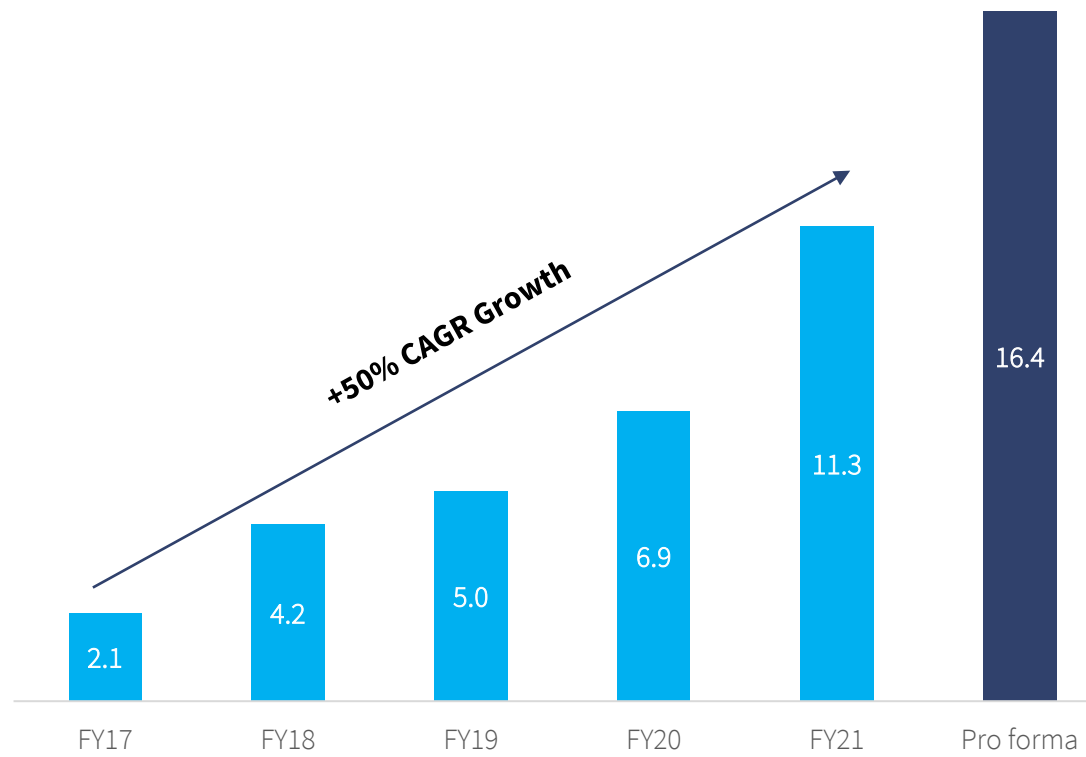


Historical revenue and EBITDA

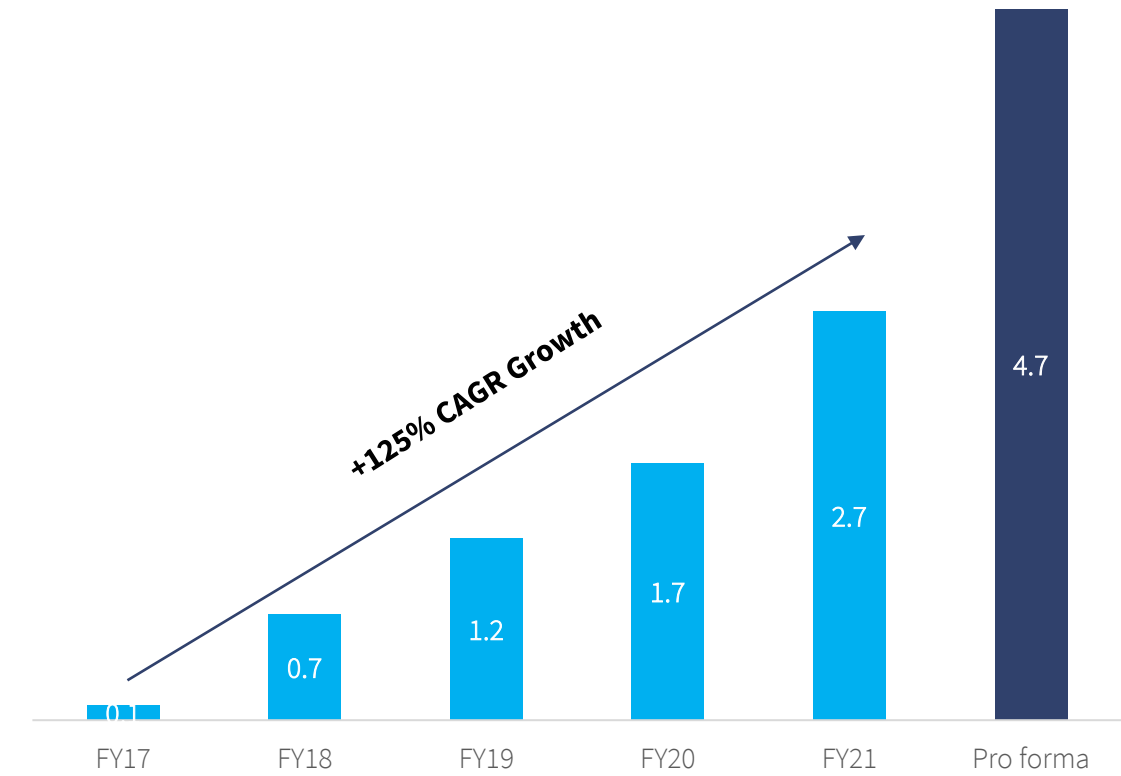


Strong historical CAGR³ growth in both revenue and EBITDA since FY2017

Revenue¹ \$m



Underlying EBITDA² \$m



1. Total revenue has been adjusted to include the removal of non recurring or unusual income items
2. Underlying EBITDA adjusts statutory EBITDA to include the removal of non recurring or unusual costs
3. Compounded annual growth rate from FY17-FY21
4. Pro forma includes the acquisitions of Strong Law, Watts McCray and Kordos Lawyers from 1 July 2021

Investment Highlights



The **largest specialised family law firm in Australia** in less than 5 years



Disrupting the way law firms acquire clients with its proprietary client acquisition engine



First mover advantage in the family law sector with the platform to expand into new personal legal services markets



Very large, **highly fragmented industry** ripe for consolidation with **no national competitors**



Management team / board with **successful track record** in professional services and online technology platform businesses



Strong pipeline of organic and acquisition growth opportunities



\$1.1bn+

potential market opportunity



+125%

EBITDA CAGR (FY17-FY21)



~1%

market share



+50%

Revenue CAGR (FY17-FY21)



Best-in-class

client acquisition engine



Finalist x 2

Australian Legal Awards

02

FY21 RESULTS

Operational highlights

All FY21 objectives were achieved and strategic acquisitions now provide the critical mass to build out the platform



RECORD FINANCIAL PERFORMANCE

- ✓ Pro Forma Revenue and Underlying EBITDA of \$16.4m and \$4.7m respectively
- ✓ Record revenue recorded in June 2021
- ✓ Record Q4 file openings provides strong pipeline for FY22



COMPLETION OF STRATEGIC ACQUISITIONS

- Completed 3 strategic acquisitions:
- ✓ Strong Law in Canberra (December 2020)
 - ✓ Watts McCray in Sydney (June 2021)
 - ✓ Kordos Lawyers in Melbourne (June 2021)



LATERAL HIRE EXPANSION

- Expanded national footprint with 4 lateral hires:
- ✓ Adelaide (August 2020)
 - ✓ Perth (October 2020)
 - ✓ North Melbourne (November 2020)
 - ✓ North Perth (June 2020)



RECORD MARKETING PERFORMANCE

- ✓ Record monthly and quarterly file openings recorded in June 2021 and Q4 respectively
- ✓ Paid and organic lead growth up +158% and +93% respectively versus last year



STRONG GROWTH PIPELINE

- ✓ Strong pipeline of lateral hires and acquisitions are under review / due diligence
- ✓ Detailed market assessment of new jurisdictions, “add on” services and expansion into adjacent sectors is underway

Profit & Loss

Strong underlying financial performance across all metrics with margins being maintained



A\$'000s	Pro Forma ¹	FY21 ²	% change ³
Underlying			
Revenue	16,363	11,123	61%
Gross Profit	7,521	5,145	44%
% Margin	46%	46%	
Operating EBITDA ⁴	5,784	3,727	42%
Margin %	35%	34%	
Underlying EBITDA ⁵	4,731	2,674	54%
Margin %	29%	24%	
Statutory			
EBITDA		771	
NPAT		(482)	

1. Pro Forma Profit & Loss includes the full year contribution from Strong Law, Watts McCray and Kordos Law from 1 July 2020

2. FY21 Profit & Loss includes Strong Law, Watts McCray and Kordos Law from 1 October 2020, 1 January 2021 and 1 April 2021 respectively

3. % change refers to FY21 versus FY20 on the same basis as FY21

4. Operating EBITDA adjusts statutory EBITDA to include the removal of non recurring or unusual costs, removal of head office costs and costs associated with being listed on the ASX

5. Underlying EBITDA adjusts statutory EBITDA to include the removal of non recurring or unusual costs

Commentary

- Pro Forma Profit & Loss includes the full year contribution from Strong Law, Watts McCray and Kordos Law from 1 July 2020 to more accurately reflect the underlying performance of the combined businesses over the last 12 months
- FY21 Profit & Loss includes Strong Law, Watts McCray and Kordos Law from 1 October 2020, 1 January 2021 and 1 April 2021 respectively
- *Underlying EBITDA* removes non recurring or unusual costs to more accurately reflect the underlying operational performance of the business
- *Operating EBITDA* removes head office costs and costs associated with being listed on the ASX to more accurately reflect the underlying operational leverage of the business
- Variance between Statutory EBITDA and Underlying EBITDA is largely due to the acquisitions whose accounts have been adjusted to reflect the underlying financial performance of the acquisitions under AFL's ownership and not private ownership

Balance Sheet

Robust balance sheet, record cash balance and no debt

A\$'000s	30 June 2020	30 June 2021
Cash and cash equivalents	1,555	4,658
Accounts receivable	1,802	2,814
Other current assets	141	698
Total current assets	3,497	8,169
Deferred tax assets	563	774
Plant and equipment	68	455
Intangible assets	6,732	9,564
Right of use assets	727	881
Total assets	11,588	19,843
Trade and other payables	1,470	2,777
Current tax liabilities	479	530
Deferred consideration	274	1,094
Borrowings	21	52
Employee provisions	213	577
Deferred tax liabilities	438	514
Lease liability – non interest bearing	770	1,004
Total liabilities	3,667	6,548
Net assets	7,921	13,294
Issued capital	122,905	128,307
Reserves	369	823
Retained profits	(115,353)	(115,835)
Total equity	7,921	13,294

Commentary

- Consolidated balance sheet includes the acquisitions of Strong Law, Watts McCray and Kordos Law from 1 October 2020, 1 January 2021 and 1 April 2021 respectively
- \$5.5m capital raising was completed in April 2021 to fund strategic acquisitions
- Increase in goodwill resulting from the acquisitions of Strong Law, Kordos Law and Watts McCray
- Deferred consideration relates to performance linked share payments that may be payable to the vendors of Kordos Law and Watts McCray
- Right of Use assets and Lease Liability (non interest bearing) are in relation to existing rental leases
- Bank debt facility of \$0.5m remains available

03

STRATEGY UPDATE

Who are we?



We want to be the largest personal services law firm in the world

CORE PURPOSE



To be Australia's largest Personal Services Law Firm

CORE VALUES



Think Different; Fanatical customer focus; Under promise, over deliver; Act like an owner; Have fun, always

BHAG



First and largest global personal services family law firm

CURRENT SANDBOX



Related family law services

Middle class Australians; capital cities and key regional towns

Limited deferred / contingent matters; no single file more than 5% of revenue

3 YEAR TARGET



~10% market share across more than 10 locations in Australia

Where are we going?

Strategic acquisitions completed in FY21 provides the scale to build out the platform in FY22 and beyond

FY20

- **Launch AFL 2.0 - #1 Priority**
- Expand into (1) new geographic region
- Recruit (2) lateral hires
- Complete acquisition integrations
- Implement salesforce CRM and recruit dedicated sales team
- Establish additional services lines

Launch AFL 2.0



FY21

- **Presence in all state and territories in Australia - #1 Priority**
- Consolidate outcomes from AFL 2.0 to turbo charge organic growth
- Recruit (1) lateral hire per office
- Offshore non legal back of house functions
- Roll out new product and channel offerings (eg. online support, affiliates)

Drive top-line



FY22

- Move into new “add-on” services (eg. funding)
- Expand into adjacent sectors (eg. wills and estates)
- Assess larger scale acquisitions
- Assess new jurisdictions
- ~10% market share of family law market in Australia

Build out platform

THANK YOU

