



# Anexo

## Interim Results FY 2024

Integrated credit hire and legal services group with strong ethical commitment to social justice

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# Presenters

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**Alan Sellers**  
Executive Chairman

- ▶ Founder of the business in 1996
- ▶ Called to the Bar in 1991
- ▶ Expert in civil litigation, personal injury, credit hire and negligence claims
- ▶ Alan's wife, Samantha Moss, is MD of Bond Turner
- ▶ Between them they hold a 34.48% stake in the company



**Mark Bringloe**  
Chief Financial Officer

- ▶ Originally joined the Group as Finance Director in 2009
- ▶ Appointed CFO at IPO in 2018
- ▶ Previous positions with Ernst & Young, Robson Rhodes and BDO

# Business overview

## EDGE

### Credit Hire Division

- ▶ Established in 1996
  - Complete solution for Non-Fault Motorist
- ▶ Three key business units:
  - DAMS – Provision of cars, light commercial vehicles and taxis;
  - McAMS – provision of motorcycles
  - CAMS – provision of bicycles
- ▶ National coverage via sales network
- ▶ Key route to market via c.1,150 local body shops and repairers

## BOND ▼ TURNER

### Legal Services Division

- ▶ Legal practice including:
  - Recovery of hire charges, repair from At Fault Insurer
  - PALS specialist reports
  - Personal Injury / IGCA
  - Housing Disrepair
  - Class Actions incl. Emissions
- ▶ Bond Turner acts on all claims generated by Edge
- ▶ Advocacy led by Alan Sellers

**Anexo Group is an integrated legal services and credit hire business giving the Group a strong business model and competitive advantage**

# Financial highlights: H1 2024

| £'m                                 | H1 2024   | H1 2023   | Movement |
|-------------------------------------|-----------|-----------|----------|
| Revenues <sup>1</sup>               | 68.7      | 77.8      | -11.7%   |
| Credit Hire                         | 35.2      | 28.9      | 21.8%    |
| Other Legal Services <sup>1</sup>   | 26.8      | 48.9      | -45.2%   |
| Housing Disrepair                   | 6.8       | 5.9       | 15%      |
| Operating profit <sup>1</sup>       | 10.3      | 19.3      | -46.6%   |
| Profit before taxation <sup>1</sup> | 5.9       | 15.2      | -61.2%   |
| Cash collections                    | 83.7      | 77.4      | 8.1%     |
| Basic EPS <sup>1</sup>              | 3.7 pence | 8.6 pence | -57%     |

► **Net debt:**

£67.9m (at period end)  
(30 June 23: £61.2m, 31 December 23: £67.9m)

► **Net cash from operating activities:**

£4.6m  
(H1-23 net cash used in operations: £15.7m<sup>1</sup>)

► **Revenue:**

£68.7m  
(H1-23: £77.8m<sup>1</sup>)

► **Cash collections from settled cases:**

£83.7m (8.1% increase)  
(H1-23: £77.4m)

<sup>1</sup> The results for H1 2023 include the impact of the agreement of the VW Emissions Case

# Our differentiators

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- ▶ **Social good** - looking after individuals who would otherwise be deprived of transport or living in substandard accommodation through no fault of their own
- ▶ **“Impecunious” market** - targeting cars (including taxis), motorcycles (couriers) and cycles
- ▶ **Career development** - the Anexo Academy established to nurture junior talent within the legal services division and support their career development through qualification and beyond
- ▶ **Specific expertise** and specialist training not available to High Street solicitors
- ▶ **Effective screening** - in-house databases, less than 2% failure rate of cases at trial where litigation commenced
- ▶ **Quick settlement** - vast majority of cases settle before court appearance
- ▶ **Direct capture** – credit hire customers sourced directly from garages etc., not from insurers / brokers. This network creates considerable barriers to entry
- ▶ **Other customers** - acquired through social media and existing client base

# Credit Hire

## Financials

| £'000s                   | Half year ended | Half Year ended |
|--------------------------|-----------------|-----------------|
|                          | 30 Jun 24       | 30 Jun 23       |
| Total revenues           | 35,205          | 28,856          |
| Profit before taxation   | 4,100           | 2,233           |
| Net cash from operations | 3,806           | 4,153           |

## KPIs

|  | H1 2024 | H1 2023 | Movement |
|--|---------|---------|----------|
| Number of hire cases settled                 | 4,394   | 4,369   | 0.6%     |
| Number of new hire cases funded              | 5,770   | 4,920   | 13.2%    |
| Number of vehicles on hire at the period end | 1,772   | 1,961   | (9.6)%   |

## Market opportunity

- ▶ Anexo has estimated 3% market share or c.22k cases
- ▶ The Gig Economy: 3.7m gig workers involved in driving; forecast to grow 7% pa
- ▶ Licenced vehicles in UK Q1 2024 – 33.7m cars and 1.38m motorcycles
- ▶ A large proportion of the fleet comprises motorcycles
- ▶ Personal injury accidents 2022<sup>1</sup>: 136,000
- ▶ MoJ estimates 2018: 700,000 road accidents in total
- ▶ CMA Review estimates 2014: 300,000 credit hire accidents p.a.

<sup>1</sup>where police are notified

# Other Legal Services and Class Actions

| <b>Financials</b>        | Half year ended  | Half year ended     |
|--------------------------|------------------|---------------------|
| <b>£'000s</b>            | <b>30 Jun 24</b> | <b>30 Jun 23</b>    |
| Total revenues           | 26,760           | 42,968 <sup>1</sup> |
| Profit before taxation   | 1,816            | 11,578 <sup>1</sup> |
| Net cash from operations | 731              | 12,233 <sup>1</sup> |

| <b>KPIs</b>                            | <b>H1 2024</b> | <b>H1 2023</b> | <b>Movement</b> |
|--|----------------|----------------|-----------------|
| Legal staff employed at the period end | 761            | 690            | 10.3%           |

## Market opportunity

- ▶ Emissions litigation – up to 11m vehicles impacted in the UK
- ▶ All acquisition and legal costs of emissions cases are expensed as incurred
- ▶ VW agreement reached in Jun-23 (net cash £7.2m)
- ▶ 12,000 claims against Mercedes
- ▶ c25,000 claims against other manufacturers
- ▶ Clinical and professional negligence including Aston Hall child case and catastrophic injury
- ▶ Thirlwall Inquiry and Doctors Against Long Covid

1. The results for H1 2023 include the impact of the agreement of the VW Emissions Case



# Housing Disrepair

| <b>Financials</b><br>£'000s | Half year ended<br>30 Jun 24 | Half Year ended<br>30 Jun 23 |
|-----------------------------|------------------------------|------------------------------|
| Total revenues              | 6,769                        | 5,946                        |
| Profit before taxation      | 1,475                        | 2,639                        |
| Net cash from operations    | 1,353                        | 372                          |

| <b>KPIs</b>                       | H1 2024 | H1 2023 | Movement |
|-----------------------------------|---------|---------|----------|
| Number of HDR cases at period end | 3,880   | 3,291   | 17.9%    |
| Number of HDR cases settled       | 1,127   | 884     | 27.5%    |

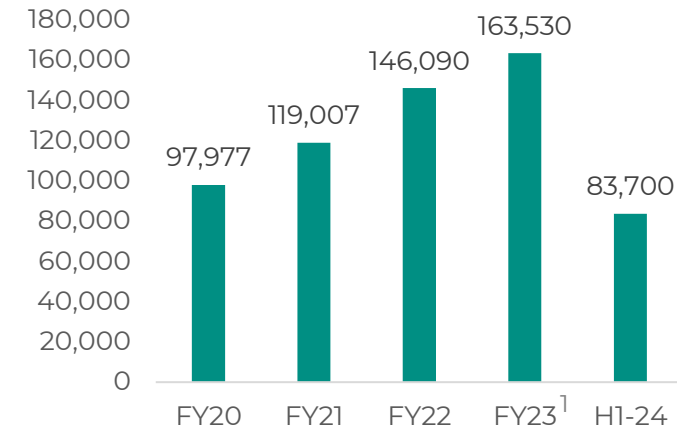
## Market opportunity

- ▶ The Homes Act 2019 ensures rented accommodation is fit for habitation, providing more power to tenants to take action against irresponsible landlords
- ▶ Estimated c.25% of renters will make a damp claim, resulting in potentially 200,000 claims p.a.
- ▶ Estimated c.25% of renters will make a housing claim (*dwelling does not meet the Decent Homes Standard*), resulting in potentially 400,000 p.a.
- ▶ Efficient return on capital and shorter case duration than Credit Hire

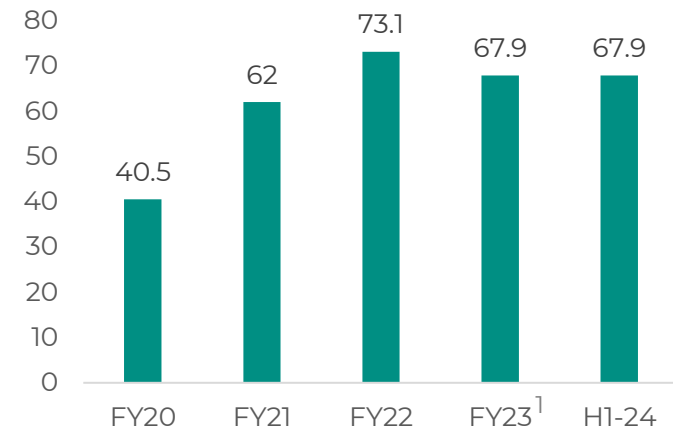
# Working capital

- ▶ Focused on continued growth without the need for significant increases in debt
- ▶ Vehicle numbers carefully managed to maximise efficient use of working capital
- ▶ Investment in fee earners to drive cash collections
- ▶ Increasing focus on HDR claims which have a shorter working capital cycle
- ▶ Credit hire claims deliver higher returns balancing out longer working capital cycle

## ▶ Cash collections from settled cases



## ▶ Net debt



<sup>1</sup> the figure for FY2023 includes the impact of the agreement of the VW emissions case

# Current trading

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- ▶ **Vehicles on hire** - careful management of fleet numbers seeing rise in number of vehicles on the road
- ▶ **Vehicle numbers** – 1,772 vehicles on the road as at 30 June 2024
- ▶ **Motorcycles** - form the majority of the fleet
- ▶ **Housing Disrepair division** - growth in case numbers and settlements
- ▶ **Emissions claims** - currently total c.37,000
- ▶ **Group strategy** – focused on continued growth across all divisions
- ▶ **Debt** - significant reduction in cost of capital following new £30m facility with Callodine LLP and repayment of Blaze Hill
- ▶ **Dividend** - consideration of dividend will follow preparation of full year results

# Appendix

# Share information

▶ **Shares in issue** – 117,990,294

▶ **Significant shareholders**

|  | <b>Number of shares</b> | <b>% held</b> |
|--|-------------------------|---------------|
| DBAY Advisors Ltd                      | 33,640,001              | 28.51         |
| Samantha Moss (Director)               | 20,578,846              | 17.44         |
| Alan Sellers (Director)                | 20,106,169              | 17.04         |
| Gresham House Asset Management Limited | 4,271,015               | 3.62          |
| Premier Miton                          | 3,707,048               | 3.14          |
| Stonehage Fleming                      | 3,611,900               | 3.06          |

# Income Statement for the period ended 30 June 2024

|  | H1 2024 (£000) | H1 2023 (£000) |
|--|----------------|----------------|
| Revenue  | 68,734         | 77,772         |
| Cost of sales  | (18,867)       | (14,712)       |
| <b>Gross profit</b>  | <b>49,867</b>  | <b>63,060</b>  |
| Depreciation & profit/(loss) on disposal   | (4,296)        | (4,574)        |
| Amortisation   | (19)           | (37)           |
| Administrative expenses  | (35,241)       | (39,176)       |
| <b>Operating profit</b>  | <b>10,311</b>  | <b>19,273</b>  |
| Net financing expense  | (4,415)        | (4,085)        |
| <b>Profit before tax</b>   | <b>5,896</b>   | <b>15,188</b>  |
| Taxation   | (1,476)        | (5,110)        |
| Profit and total comprehensive income for the year attributable to the owners of the company | 4,420          | 10,078         |
| <b>Earnings per share</b>  |                |                |
| Basic earnings per share (pence)   | 3.7            | 8.6            |
| Diluted earnings per share (pence)   | 3.7            | 8.6            |

# Balance Sheet for the period ended 30 June 2024

|   | H1 2024 (£000) | H1 2023 (£000) |
|---|----------------|----------------|
| <b>Non-current assets</b>                               |                |                |
| Property, plant and equipment                           | 1,894          | 1,927          |
| Right of use assets                                     | 12,334         | 10,216         |
| Intangible assets                                       | 52             | 66             |
| Deferred tax assets                                     | 112            | 112            |
|   | <u>14,392</u>  | <u>12,321</u>  |
| <b>Current assets</b>                                   |                |                |
| Trade and other receivables                             | 243,187        | 233,501        |
| Corporation tax receivable                              | 533            | 1,161          |
| Cash and cash equivalents                               | 3,157          | 7,362          |
|   | <u>246,877</u> | <u>242,024</u> |
| <b>Total assets</b>                                     | <u>261,269</u> | <u>254,345</u> |
| <b>Equity and liabilities</b>                           |                |                |
| <b>Equity</b>   |                |                |
| Share capital   | 59             | 59             |
| Share premium   | 16,161         | 16,161         |
| Retained earnings                                       | 146,129        | 138,435        |
| <b>Equity attributable to the owners of the Company</b> | <u>162,349</u> | <u>154,655</u> |
| <b>Non-current liabilities</b>                          |                |                |
| Other interest-bearing loans and borrowings             | -              | 27,760         |
| Lease liabilities                                       | 6,539          | 5,842          |
|   | <u>6,539</u>   | <u>33,602</u>  |
| <b>Current liabilities</b>                              |                |                |
| Other interest-bearing loans and borrowings             | 57,392         | 30,074         |
| Lease liabilities                                       | 7,113          | 4,857          |
| Trade and other payables                                | 18,136         | 20,398         |
| Corporation tax liability                               | 9,740          | 10,759         |
|   | <u>92,381</u>  | <u>66,088</u>  |
| <b>Total liabilities</b>                                | <u>98,920</u>  | <u>99,690</u>  |
| <b>Total equity and liabilities</b>                     | <u>261,269</u> | <u>254,345</u> |

# Cashflow for the period ended 30 June 2024

|   | HI 2024 (£000) | HI 2023 (£000) |
|---|----------------|----------------|
| <b>Cash flows from operating activities</b>         |                |                |
| Profit for the year                                 | 4,420          | 10,078         |
| Adjustments for:                                    |                |                |
| Depreciation and profit / loss on disposal          | 4,296          | 4,574          |
| Amortisation  | 19             | 37             |
| Financial expense                                   | 4,415          | 4,085          |
| Taxation  | 1,476          | 5,110          |
|   | 14,626         | 23,884         |
| <b>Working capital adjustments</b>                  |                |                |
| Increase in trade and other receivables             | (8,778)        | (11,229)       |
| Increase in trade and other payables                | 3,325          | 7,173          |
| Cash generated from operations                      | 9,173          | 19,828         |
| <b>Interest paid</b>                                | (4,415)        | (4,085)        |
| <b>Tax paid</b>                                     | (70)           | -              |
| <b>Net cash from operating activities</b>           | 4,688          | 15,743         |
| <b>Cash flows from investing activities</b>         |                |                |
| Proceeds from sale of property, plant and equipment | 860            | 531            |
| Acquisition of property, plant and equipment        | (605)          | (717)          |
| Investment in intangible fixed assets               | (38)           | (31)           |
| Net cash from investing activities                  | 217            | (217)          |
| <b>Cash flows from financing activities</b>         |                |                |
| Proceeds from new loans                             | 4,108          | 8,946          |
| Dividends paid                                      | (1,770)        | (1,770)        |
| Repayment of borrowings                             | (8,240)        | (19,117)       |
| Lease payments                                      | (4,289)        | (5,272)        |
| Net cash from financing activities                  | (10,191)       | (17,213)       |
| Net decrease in cash and cash equivalents           | (5,286)        | (1,687)        |
| <b>Cash and cash equivalents at 1 January</b>       | 8,443          | 9,049          |
| <b>Cash and cash equivalents period end</b>         | 3,157          | 7,362          |





**For investor relations enquiries, please contact:**

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