



A / F L E G A L

ersonal use only

# H1 FY26 Investor Presentation

27 February 2026



# H1 FY26 Highlights



A / F L E G A L

- **Revenue growth** up 40% on prior corresponding period (pcp); up 20% on previous half year (H2 FY25)
  - Q2 FY26 average weekly revenue of \$680k held close on Q1 (\$692k) despite seasonal December slowdown and associated impact of court and office closures
- **Our significant turnaround continues to gain momentum:**
  - **Normalised NPBT attributable** to the owners of AF Legal Group in H1 FY26 of \$1.263m, continuing to exhibit improvement on our full year FY25 underlying profit result of \$1.382m and up \$0.702m or 125% on pcp
  - **EBITDA** of \$2.75 million (15.4%) is up \$1.03m (60%) on pcp (H1 FY25: \$1.72m), also up \$1.21m (70%) on previous half year (H2 FY25: \$1.54m)
- We have transitioned our organisation to one that is **people-first** and **practice-led** and **we are a Great Place to Work®**:
  - **Great Place to Work®** survey results for Nov-25 delivered a pleasing result of 85% (Oct 24: 84%), maintaining our significant uplift achieved in the prior year (Aug-23: 53%)
  - Our people-first, practice-led culture is emerging as **a meaningful competitive advantage**, supporting both attraction and retention of high quality legal talent

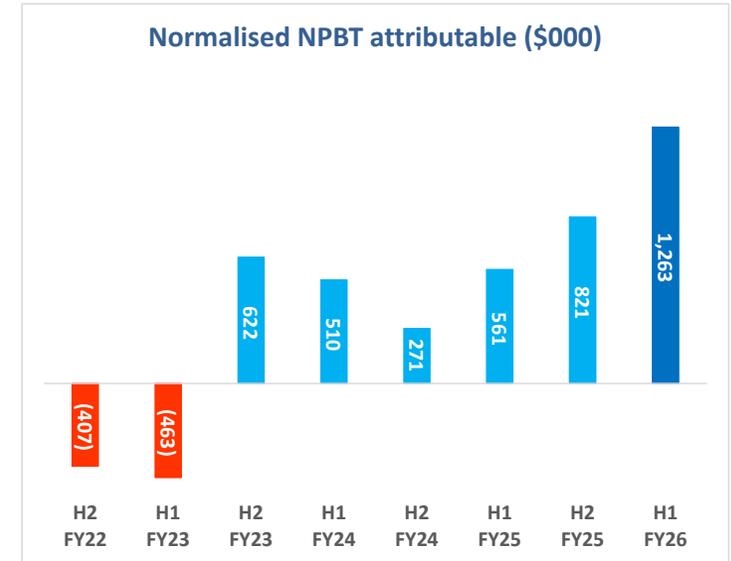
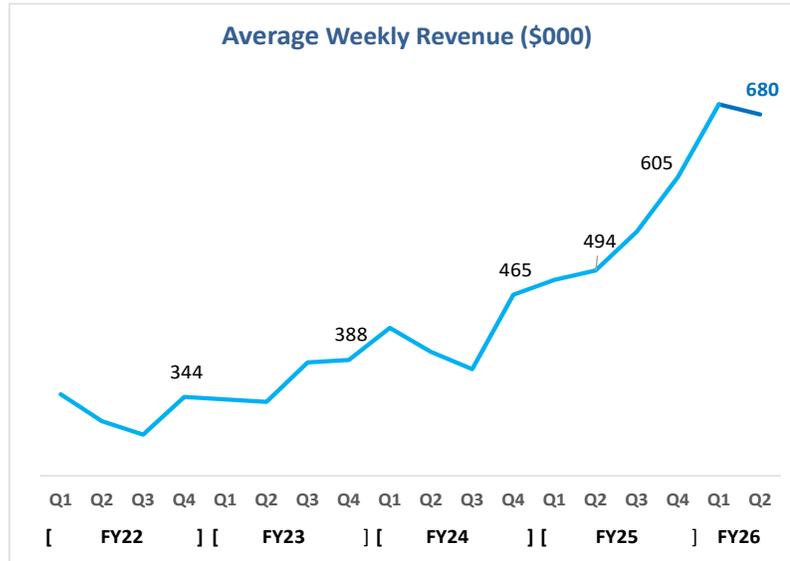
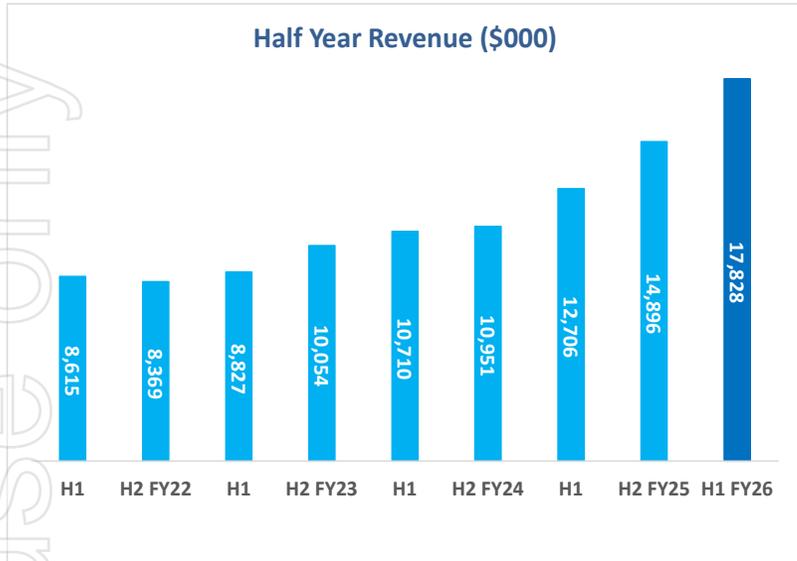


ersonal use only

# Revenue growth accelerating as is profitability



A / F L E G A L



Highest ever half-year revenue on accelerating growth trend



AWR Strength despite seasonality



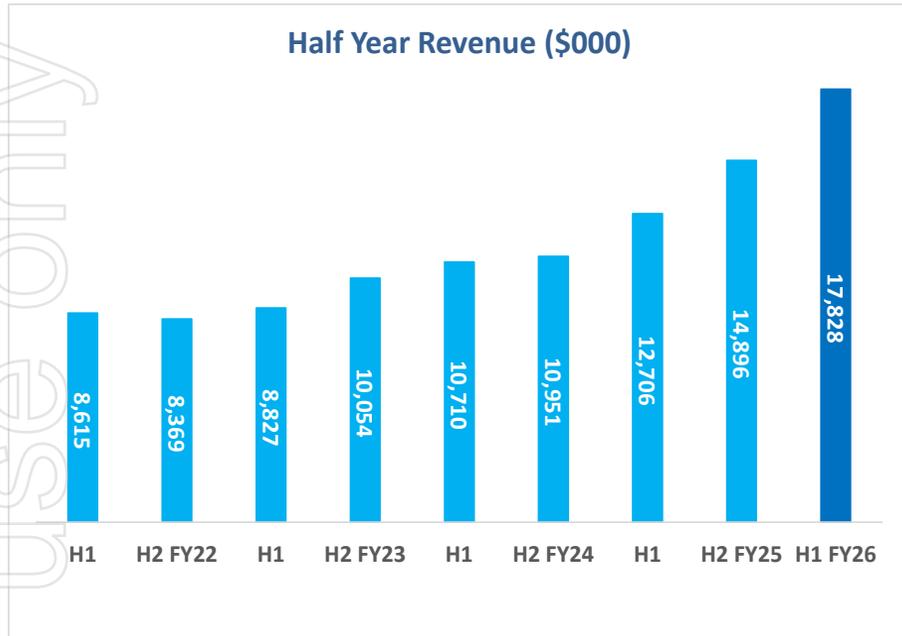
Normalised profitability trend accelerating

ersonal use only

# Revenue growth continues to accelerate



A / F L E G A L



## Revenue trends:

H1 FY26 ↑40% on pcp

H1 FY26 ↑20% on H2 FY25

H2 FY25 ↑17% on H1 FY25

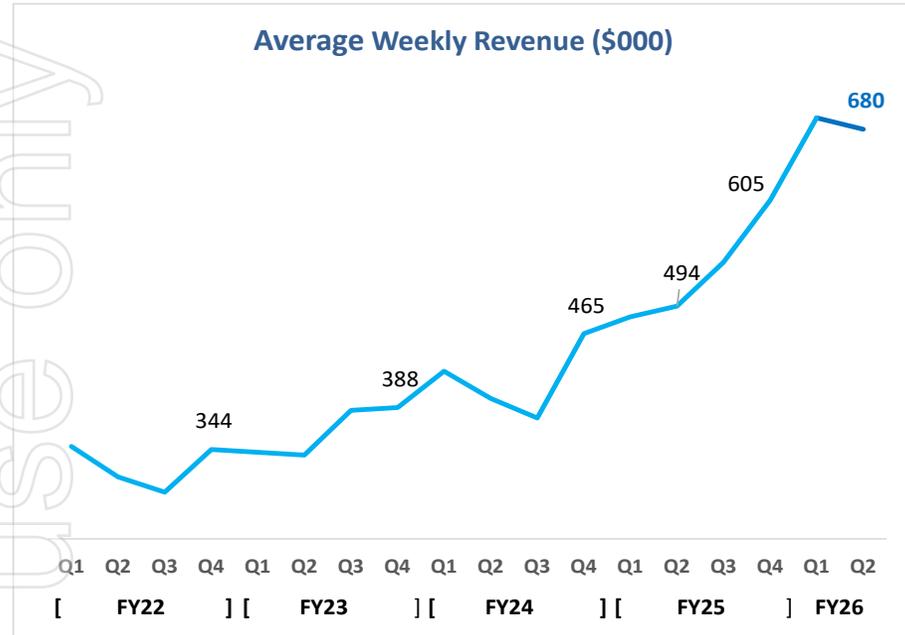
H1 FY25 ↑16% on H2 FY24

- **H1 FY26 Revenue of \$17.8 million** up by \$5.1 million or 40% on the prior corresponding period of H1 FY25 at \$12.7m (pcp)
  - Up 20% on previous high achieved in preceding half (H2 FY25)
  - Armstrong Contested Wills & Estates is strengthening, up 41% on pcp
  - Momentum is building in Family Law which was up 31% on pcp
  - Armstrong Criminal Law non-comparable for the half (acquired end Oct-24) but becomes comparable moving forward
- **Revenue** has more than doubled in three years, up 102% (H1 FY26 v H1 FY23)
  - Last three halves have each exhibited growth on prior period of between 16-20%

# Revenue momentum continued seasonally adjusted



A / F L E G A L



- Average Weekly Revenue (AWR) for Q2 FY26 was \$680k, down slightly on Q1 FY26 of \$692k per week due to seasonal December slowdown and associated impact of court and office closures
  - Q2 slight contraction was flagged in AGM results announcements
  - Nov-Dec AWR was \$747k before the December seasonal impact
- Our **Lawyers** and **Legal Support team** have grown by 32% for H1 relative to pcp
  - Up by 16% relative to the previous half (H2 FY25)
  - H1 saw us attract a further 9 lawyers (with 7 at Senior Associate or above) in addition to a further 2 promoted, with 3 departures

Growing teams are driving our revenue higher

# Leveraging impact on underlying profit becoming clearer



A / F L E G A L

\$'000	H1 FY26	FY25	H2 FY25	H1 FY25	FY24	FY23
<b>Revenue</b>	<b>17,828</b>	<b>27,602</b>	<b>14,896</b>	<b>12,706</b>	<b>21,661</b>	<b>18,881</b>
<b>Average Weekly Revenue [AWR]</b>	<b>686</b>	<b>531</b>	<b>573</b>	<b>489</b>	<b>417</b>	<b>363</b>
<i>AWR Growth on prior Qtr</i>	20%		17%	16%		
<i>AWR Growth on pcp</i>	40%		36%	19%		
<b>NPBT</b>	<b>1,465</b>	<b>896</b>	<b>261</b>	<b>635</b>	<b>1,476</b>	<b>(7,556)</b>
<b>NPBT attributable to the owners of AF Legal Group Limited</b>	<b>774</b>	<b>64</b>	<b>(143)</b>	<b>207</b>	<b>607</b>	<b>(8,256)</b>
Normalisation adjustments	<b>494</b>	1,501	1,054	447	174	8,415
Normalisation adjustments (Attributable)	<b>488</b>	1,318	964	354	174	
<b>Normalised NPBT</b>	<b>1,959</b>	<b>2,397</b>	<b>1,315</b>	<b>1,082</b>	<b>1,650</b>	<b>859</b>
<b>Normalised NPBT attributable to the owners of AF Legal Group Limited</b>	<b>1,263</b>	<b>1,382</b>	<b>821</b>	<b>561</b>	<b>781</b>	<b>159</b>

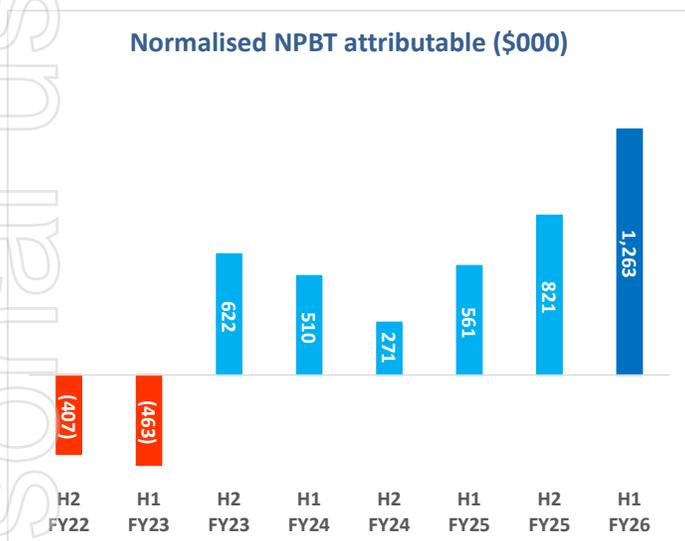
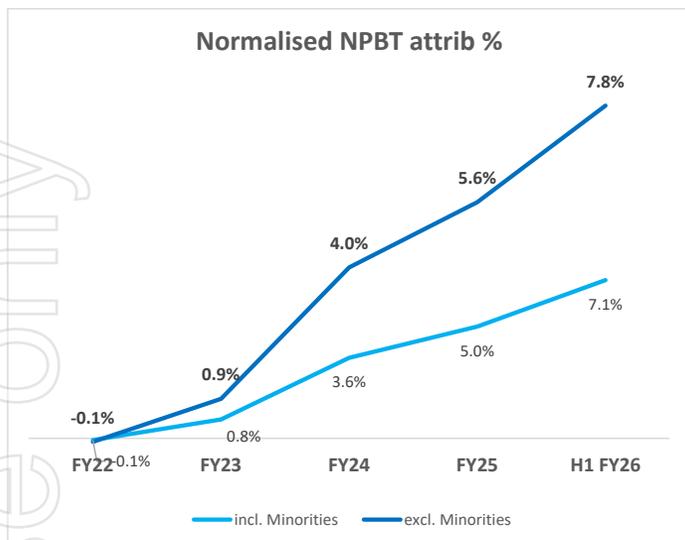
- Normalised NPBT attributable to owners of AF Legal Group of \$1.263 million for H1 FY26 was up \$0.702m or 125% on pcp (H1 FY25: \$0.561m)**
  - H1 FY26 represents 91% of the full year FY25 underlying profit achieved
  - H1 FY26 represents a 54% increase on H2 FY25, far above the half-on-half revenue lift of 20%
- H1 FY26 profit lift predominantly driven by strengthening revenue growth of 40% but with a 125% increase in underlying profit, the **leveraging benefits** associated with additional revenue are clear to see
- The **normalisation costs** for H1 of \$0.494 million relate almost solely to Project Titan costs expensed during the half which we flagged in earlier announcements

ersonal

# Operating leverage growing underlying profit



A / F L E G A L



- Normalised NPBT attributable margin at 7.1%** continues our improving trend in line with our lift towards our short-medium term 10% margin aspiration
  - FY25 was 5.0%
  - Adjusted for the impact of Minority Interest revenue this lifts to 7.8% for H1 FY26 (FY25: 5.6%)
- A relatively fixed cost base including centralised costs, occupancy and other office costs creates the operating leverage that sees bottom line profitability increase above the lift in revenue
  - H1 FY26: Revenue up 40% v Profit up 125%
  - FY25: Revenue up 27% v Profit up 77%
  - FY24: Revenue up 15% v Profit up 391%
- Our short-medium term aspirational target for AF Legal is \$50 million Revenue & \$5 million NPBT attributable*

# Balance Sheet H1 movements



A / F L E G A L

Consolidated Statement of Financial Position  
As at 31 December 2025

	31-Dec-25 \$'000	30-Jun-25 \$'000	Movement \$'000	Movement %
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	2,802	2,213	589	27%
Trade and other receivables	11,845	11,064	781	7%
Other current assets	780	1,035	(255)	(25%)
<b>TOTAL CURRENT ASSETS</b>	<b>15,427</b>	<b>14,312</b>	<b>1,115</b>	<b>8%</b>
<b>NON CURRENT ASSETS</b>				
Deferred tax assets	2,858	2,872	(14)	(0%)
Right of use assets	2,370	2,984	(614)	(21%)
Plant and equipment	795	816	(21)	(3%)
Intangible assets	6,861	6,881	(20)	(0%)
<b>TOTAL NON CURRENT ASSETS</b>	<b>12,884</b>	<b>13,553</b>	<b>(669)</b>	<b>(5%)</b>
<b>TOTAL ASSETS</b>	<b>28,311</b>	<b>27,865</b>	<b>446</b>	<b>2%</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade and other payables	4,050	3,511	539	15%
Current tax liabilities	241	171	70	41%
Deferred consideration	375	375	0	0%
Lease liabilities	1,364	1,330	34	3%
Borrowings	-	-	-	0%
Provisions	-	-	-	0%
Employee benefits	1,454	1,442	12	1%
<b>TOTAL CURRENT LIABILITIES</b>	<b>7,484</b>	<b>6,829</b>	<b>655</b>	<b>10%</b>
<b>NON CURRENT LIABILITIES</b>				
Deferred tax liabilities	2,393	2,318	75	3%
Lease liabilities	1,193	1,816	(623)	(34%)
Deferred consideration	-	0	0	#DIV/0!
Borrowings	6,099	6,523	(424)	(6%)
Provisions	334	329	5	2%
Employee benefits	252	242	10	4%
<b>TOTAL NON CURRENT LIABILITIES</b>	<b>10,271</b>	<b>11,228</b>	<b>(957)</b>	<b>(9%)</b>
<b>TOTAL LIABILITIES</b>	<b>17,755</b>	<b>18,057</b>	<b>(302)</b>	<b>(2%)</b>
<b>NET ASSETS</b>	<b>10,556</b>	<b>9,808</b>	<b>748</b>	<b>8%</b>

- Net Total assets at \$10.6 million increased by \$0.8 million (30 June 2025: \$9.8 million)
- Significant movements were minimal across Q1 FY26:
  - Trade & Other Receivables up by \$0.8 million
    - Increase of 7% is compares favourably to 20% revenue lift half on half reflecting solid cash conversion
    - Debtors Ageing sees >90-day debtors down marginally by \$131k but in percentage terms at 60% unchanged from year end FY25 (60%)
    - Aged component primarily relates to Contested Wills & Estates pay at end of matter and Family Law Deferred Settlement arrangements
  - Cash up by \$0.6 million as outlined on the following slide
  - Borrowings down by \$0.4 million reflecting scheduled repayments
  - Other notable movements included offsetting Right of use asset & Lease liability amounts and a \$0.5 million increase in Trade Payables due primarily to favourable timings

# Strong Operating Cash Flow reflects healthy cash conversion



A / F L E G A L

## Consolidated Statement of Cash Flows

For the half-year ended 31 December 2025

	H1 FY26 \$'000	H1 FY25 \$'000	FY25 \$'000
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	17,047	13,932	26,397
Payments to suppliers and employees	(14,112)	(10,519)	(22,762)
Interest received	0	1	0
Interest expense	(254)	(190)	(443)
Income tax paid	(297)	(210)	(328)
<b>Net cash provided by/(used in) operating activities</b>	<b>2,385</b>	<b>3,014</b>	<b>2,864</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of fixed assets	(176)	(287)	(413)
Payment for internally developed intangible assets	(38)	(37)	(84)
Payment for deferred consideration	0	(625)	(625)
Payment for business acquisition	0	(2,483)	(2,483)
<b>Net cash provided by/(used in) investing activities</b>	<b>(214)</b>	<b>(3,432)</b>	<b>(3,605)</b>
<b>Cash Flows from Financing Activities</b>			
Repayment of lease liabilities	(751)	(634)	(1,356)
Shares Issued	-	-	-
Proceeds of borrowings	(450)	2,301	2,932
Payment of dividends	(381)	(253)	(939)
<b>Net cash provided by/(used in) financing activities</b>	<b>(1,582)</b>	<b>1,414</b>	<b>637</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>589</b>	<b>996</b>	<b>(104)</b>
Cash and cash equivalents at the beginning of the financial period	2,213	2,317	2,317
<b>Cash and cash equivalents at the end of the financial period</b>	<b>2,802</b>	<b>3,313</b>	<b>2,213</b>

- **Operating cash flow** for H1 FY26 was an **inflow of \$2.385 million** (H1 FY25: inflow of \$3.014 million) due in part to:
  - Compares favourably with H1 FY25 Net Profit Before Tax of \$1.465 million (pre normalising adjustments and inclusive of minority interests)
  - Compares favourably with FY25 full year inflow of \$2.864 million
- The overall **outflow from investing activities of \$0.214 million** was due to minor asset purchases
- The **overall outflow from financing activities of \$1.582 million** was due to regular payment of lease liabilities (\$0.751m), scheduled borrowings repayments (\$0.450m) and dividends paid to minorities (\$0.381m)
- Overall, this delivered a net cash inflow for H1 FY26 of \$0.589 million



A / F L E G A L

# Focus and Outlook FY26

ersonal use only

# Focus and Outlook



A / F L E G A L



## People-first culture

- GPTW lift to 85% in Nov-25 (Oct-24: 84%, Aug-23: 53%)
- Focus on onboarding, professional development, mentorship and care for the individual
- Focus on junior lawyers with a clear capability and professional development program and a defined career path
- Greater autonomy and involvement for our Practices & Practice Leaders and a high-performance culture characterised by open communication and mutual respect



## New Client Activity

- Sponsorship & Executive Producer of *Millie Vs – The Film* created by Barrister & Filmmaker Darren Mort
- Increasingly focusing resources on SEO as a driver of digital lead flow
- Business development: Corporate services; new service offerings; maintain leading national media voice
- New Client Enquiry process continues to evolve – promising results so far
- Websites continue to evolve in line with SEO emphasis



## Profitability

- Improving underlying Profitability trend continued in H1 FY26
- High performance culture to drive revenue, incentivised through a more rewarding bonus scheme
- Overhead reduction in percentage terms exhibiting operating leverage and associated profit growth
- Invest in our most important resource, our people. Profitability and growth will naturally follow
- Roll out of Project Titan new PMS & DMS to maximise efficiency and effectiveness by end FY26



## Proven growth model

- Expand into new regions and continue lateral hires as low-risk expansion strategy
- Growing existing practices through increased recruitment activity
- Emphasis on cultural alignment
- NAB acquisition debt facility extended until Jan-27 and drawn down for initial two AL acquisitions
- The Board retains its commitment to our longer-term growth aspirations through a combination of organic and inorganic growth opportunities

# Our Growth Strategy

*Our short-medium term aspirational target for AF Legal is  
\$50 million Revenue & \$5 million NPBT attributable*



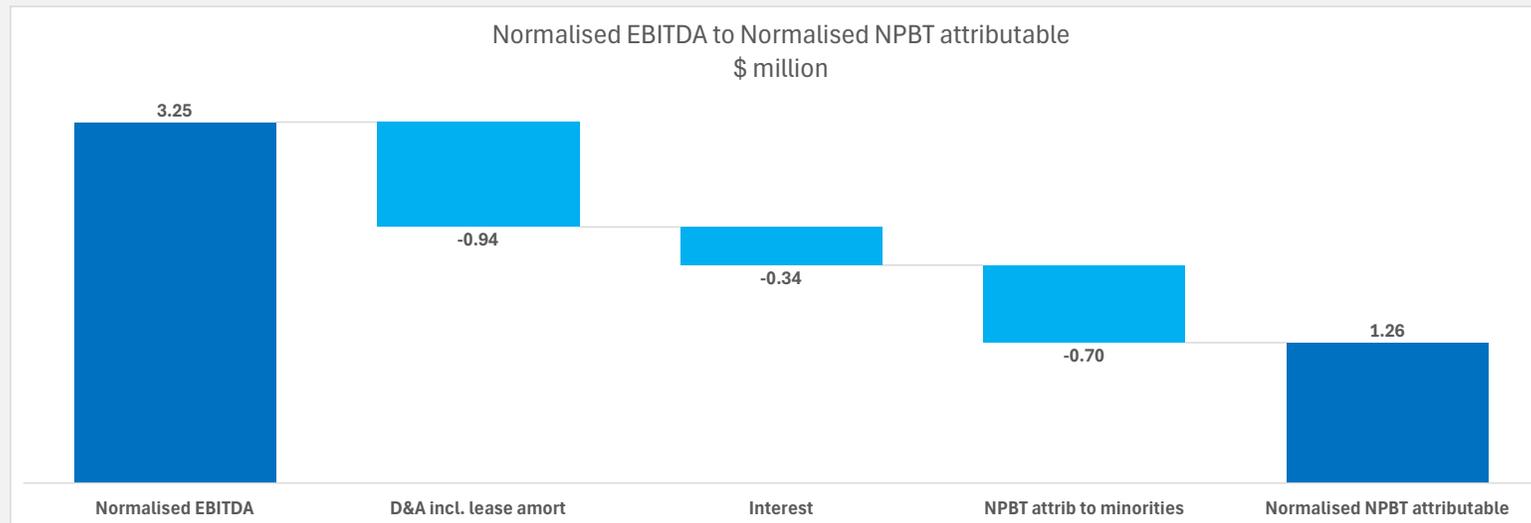
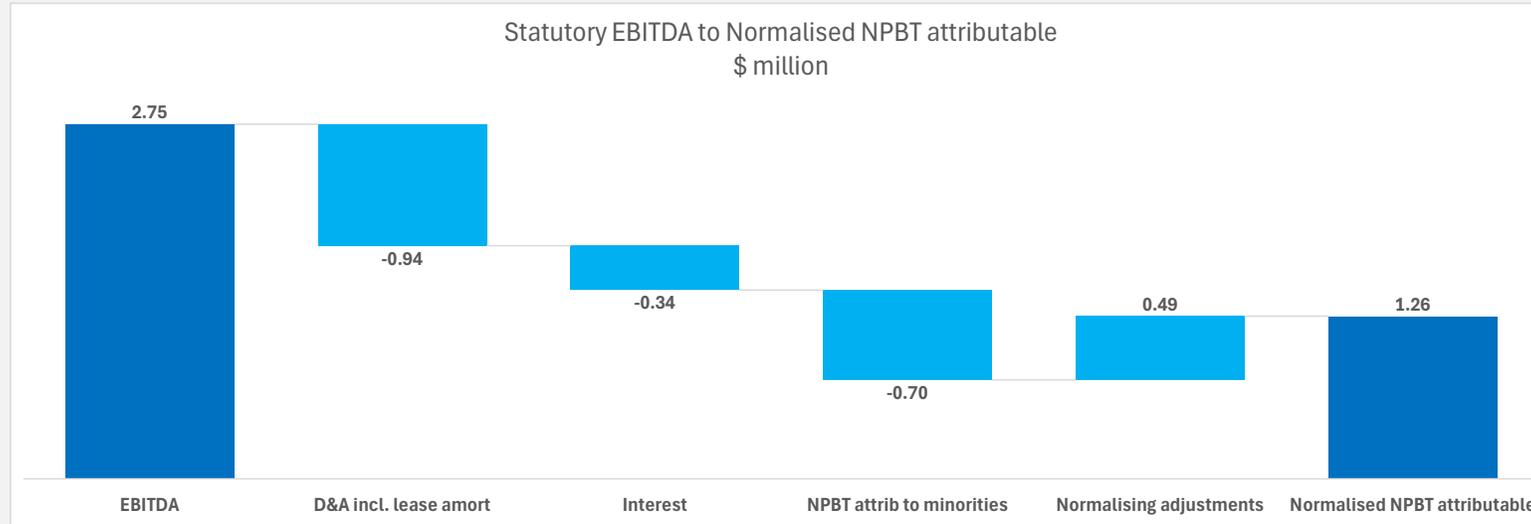
A / F L E G A L

<p>Family Law - Organic</p>	<ul style="list-style-type: none"> <li>Grow existing Family Law practices through team expansion</li> <li>Opening complementary FL practices feeding off existing network, expanding suburban footprint in major cities</li> <li>Future acquisition opportunities in relation to non-controlling interests in existing operations</li> </ul>	<ul style="list-style-type: none"> <li>Entered 2 new markets opening new serviced office locations in Geelong VIC &amp; Cockburn WA in late FY25 and Mornington Peninsular late H1 FY26</li> <li>armstronglegal.com.au website acquisition in Oct-24 is assisting organic growth in FL nationally</li> </ul>
<p>Family Law - Acquisitions</p>	<ul style="list-style-type: none"> <li>Regional expansion and infill opportunities where we currently do not have a presence represent acquisition-based market entry opportunities [e.g. Adelaide, Tasmania, Townsville, <b>Toowoomba</b>, Newcastle, etc.]</li> </ul>	
<p>Complementary Areas of Law – Organic</p>	<ul style="list-style-type: none"> <li>There are complementary areas of law currently under serviced by our existing business model which make sense for an organisation seeking to be more than a Family Law business and more of a business which is <i>Your Family’s Lawyer</i></li> </ul>	<ul style="list-style-type: none"> <li>Some we do in a limited fashion in some locations, but further organic expansion is possible via existing or new lawyers.</li> <li>Future CWE &amp; CL geographic expansion will come through organic leveraging of the existing AF Legal office network</li> </ul>
<p>Complementary Areas of Law - Acquisition</p>	<ul style="list-style-type: none"> <li>Acquire legal businesses complementary to Family Law, which have significant opportunity for growth by leveraging our existing and growing Family Law practice network</li> <li>Armstrong Legal Contested Wills &amp; Estates (CWE) acquisition Apr-24 was our first move into complementary areas of law</li> </ul>	<ul style="list-style-type: none"> <li>Armstrong Legal Criminal Law (CL) acquisition Oct-24</li> <li>Other areas of law will be considered for similar future acquisition-based growth opportunities</li> </ul>
<p>Consultant Model</p>	<ul style="list-style-type: none"> <li>Initial move into consultant model in late FY26.</li> <li>Limited scope initially – only highest quality lawyers bringing own work</li> </ul>	<ul style="list-style-type: none"> <li>More flexible and bespoke than other consultant models with different levels of integration with existing business</li> </ul>

# Appendix – EBITDA to Normalised NPBT attributable



A / F L E G A L



ersonal use only



A / F L E G A L

Thank You

ersonal use only