



# Anexo

## Anexo Group plc 2021 Interim Results September 2021

'Strong post-lockdown recovery offers new opportunities for growth'

# ▼ Presentation team

Alan Sellers  
Executive Chairman



Mark Bringloe  
Chief Financial Officer



# Introduction

## Robust recovery in both credit hire and legal services divisions

Anexo is an integrated credit hire and legal services group which acts for the Non Fault Motorist, particularly ‘impecunious’ claimants, by providing replacement vehicles at commercial credit hire rates.



The Group uses its in-house litigators to recover **hire and repair charges** from the at-fault motorist’s insurers

**Established Direct Capture business model** with operating margins in excess of 20% underpinned by UK case law that has affirmed the impecunious claimants’ legal right to recover credit hire costs.

**H1 2021**  
Turnover £48.3m  
PBT £8.9m

**H1 2021**  
EPS 6.1p  
Interim Dividend 0.5p

# Financial Highlights H1 2021

	H1 2021	H1 2020	Movement
Revenue	£48.3 million	£36.6 million	+31.9%
Operating profit	£10.4 million	£7.5 million	+38.5%
Profit before tax	£8.9 million	£6.3 million	+40.5%
Net assets	£117.8 million	£103.9 million	+13.3%
Cash collection	£56.7 million	£48.0 million	+18.1%
Basic EPS	6.1 pence	4.5 pence	+35.6%

- Proposed final dividend of 0.5p per share (H1 2020: 0.5p per share)
- Net cash inflow from operating activities of £1.5 million (H1 2020: £6.2 million)
- Overall net cash outflow of £6.8 million (H1 2020: net cash inflow £2.4 million)
  - Financing activities accounted for £7.0 million (H1 2020: net cash inflow from financing of £3.8 million)
- Net debt balance at 30 June 2021 was £44.4 million (H1 2020: net debt of £27.1 million, 31 December 2020: £40.5 million)

# KPIs

## for the six months ended 30 June 2021

	H1 2021	H1 2020	Movement
Number of vehicles on hire at the period end	1,740	1,380	+26.1%
Average number of vehicles on hire for the period	1,461	1,286	+13.6%
Completed vehicle hires	4,081	2,953	+38.2%
Number of hire cases settled	2,924	2,622	+11.5%
Cash collections from settled cases (£'000s)	56,665	47,961	+18.1%
Number of new cases funded	4,208	3,025	+39.1%
Legal staff employed at period end	578	450	+28.4%
Number of senior fee earners at period end	175	137	+27.8%
Average number of senior fee earners	164	134	+22.4%

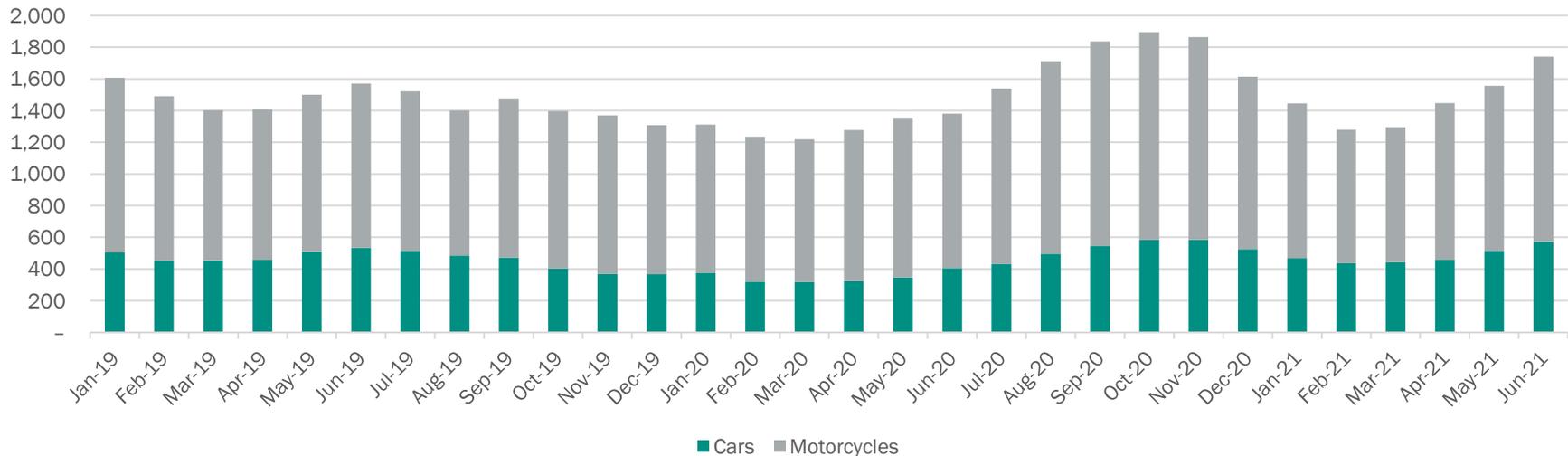
Source: Anexo Group plc – Historical Financial Information

# Credit Hire 2021



- Average number of vehicles on the road 1,461 at end H1 2021 (end H1 2020: 1,286), a 13.6% increase on the previous year
- Completed hires up 38.2% at 4,081 (H1 2020: 2,953)
- Overall vehicle split continues to be roughly one third cars and commercial vehicles and two thirds motorcycles
- Vehicles on hire at end H1 2021 rose 26.1% to 1,740 (H1 2020: 1,380)

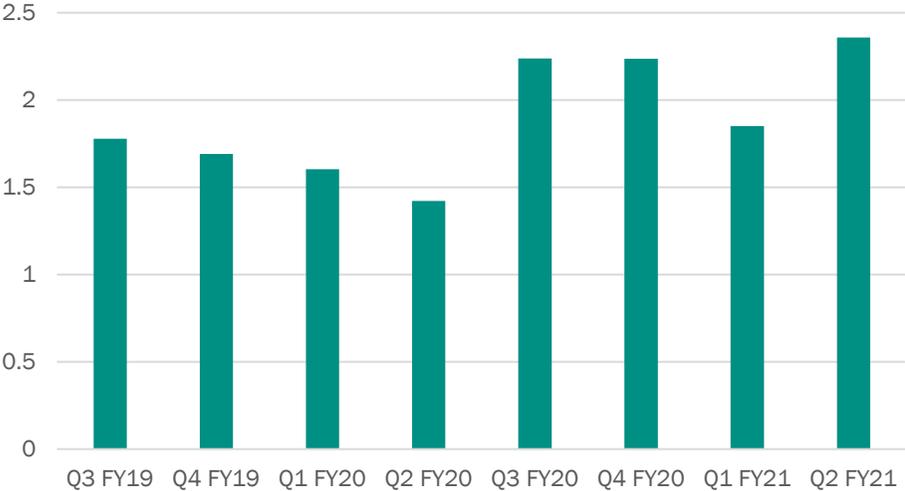
Monthly Vehicles on Hire



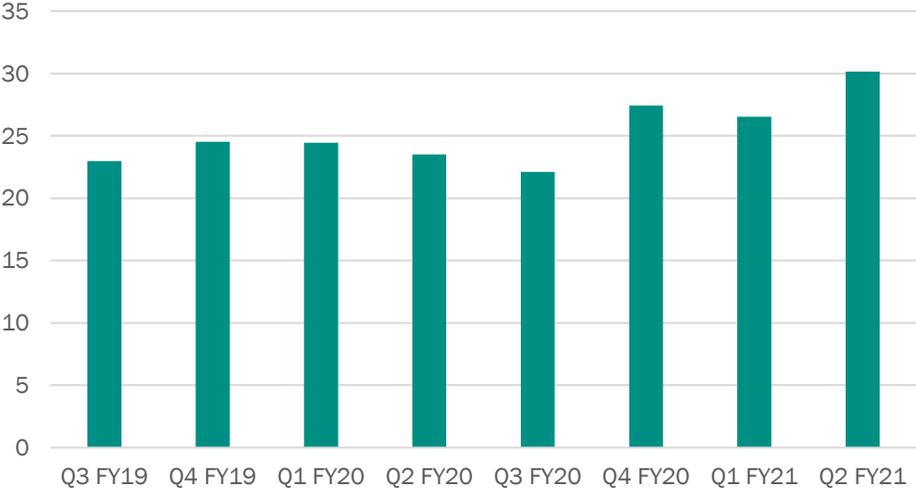


# Claims Funded and Cash Collections

### Quarterly Claims Funded



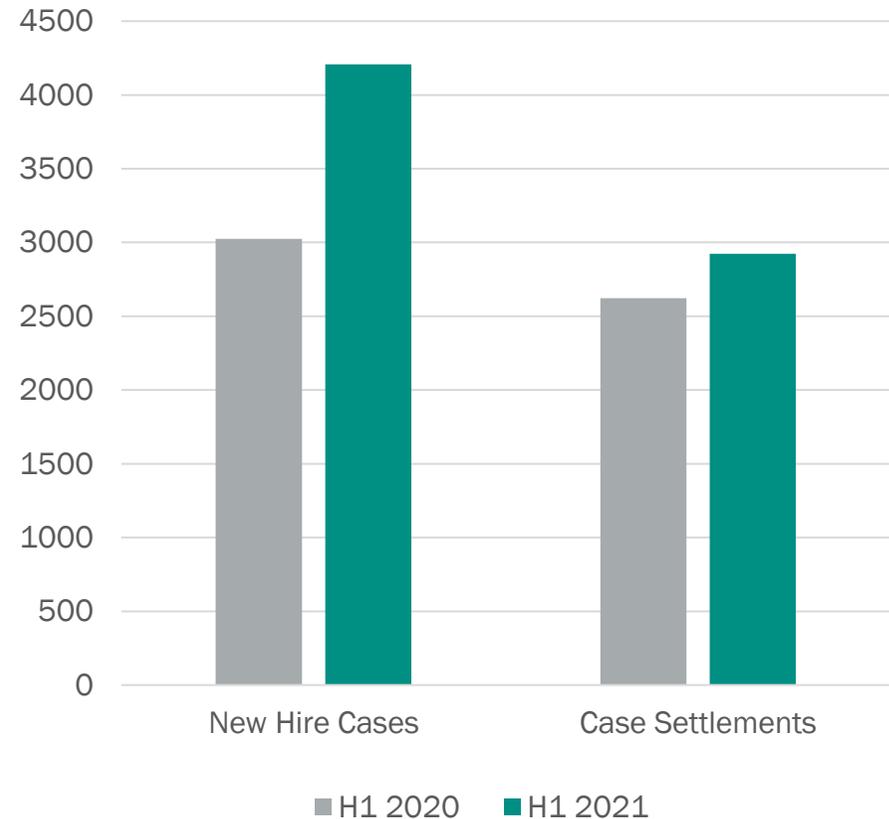
### Quarterly Cash Collections



# Legal Services H1 2021

## BOND ▾ TURNER

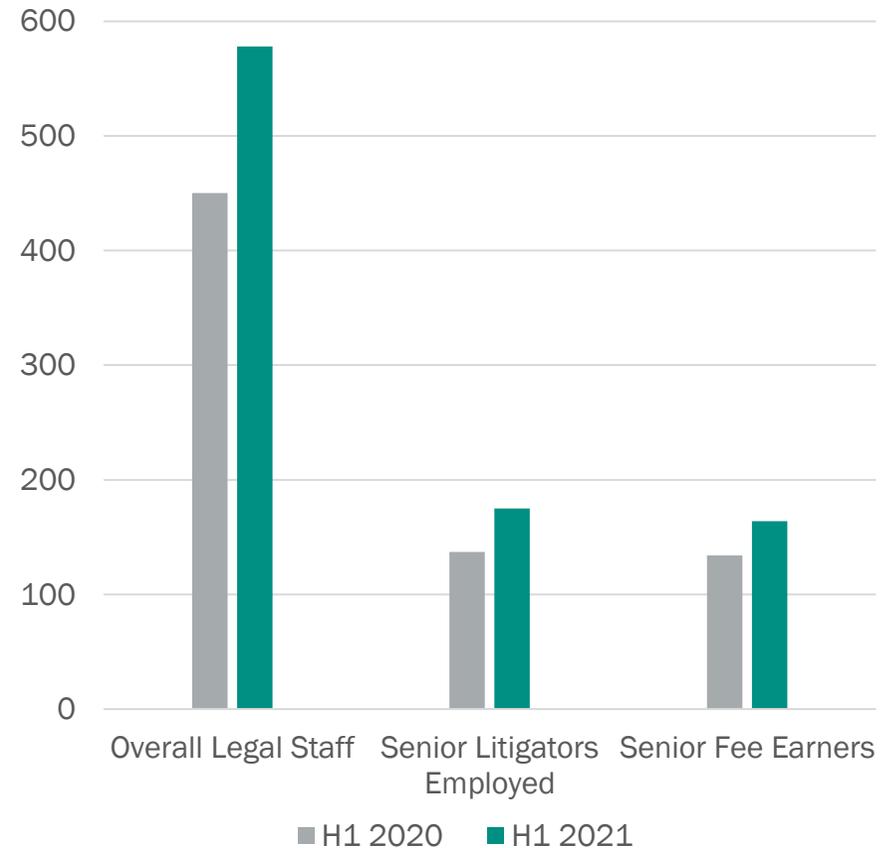
- Number of new hire cases funded in H1 2021 increased by 39.1% to 4,208 (H1 2020: 3,025)
- Bond Turner settled 2,924 hire cases in H1 2021, a monthly average of 487
- Case settlements for H1 2021 increased by 11.5% (H1 2020: 2,622)
- Overall cash collections up 18.1% YOY



# Legal Services H1 2021

## BOND ▼ TURNER

- Senior litigators employed at end H1 2021: 175 vs 137 end H1 2020
- Average number of senior fee earners in H1 2021: 164 vs 134 in H1 2020, an increase of 22.4%
- Overall legal staff numbers rose 28.4% to 578 (H1 2020: 450)
- All staff working from office locations
- Leeds office fully operational



# Current Trading

- Record number of vehicles on the road
- As of 7 September the total stood at 2,023
- Vehicle split: one third cars, two thirds motorcycles
- Case settlements set to increase as courts re-open fully
- Housing Disrepair division seeing growth in case numbers and settlements
- Developments in the VW Emissions case expected in Q4 2021
- Negotiating increases in debt facilities from both our major providers

# Income Statement

for the six months ended 30 June 2021

	H1 2021 (£000)	H1 2020 (£000)
Revenue	48,316	36,625
Cost of sales	(10,668)	(7,560)
<b>Gross profit</b>	<b>37,648</b>	<b>29,065</b>
Depreciation & loss on disposal	(3,809)	(3,163)
Amortisation	(65)	(44)
Administrative expenses before exceptional items	(23,171)	(18,044)
<b>Operating profit before exceptional items</b>	<b>10,603</b>	<b>7,814</b>
Share based payment charge	(236)	(329)
<b>Operating profit</b>	<b>10,367</b>	<b>7,485</b>
Net financing expense	(1,456)	(1,141)
<b>Profit before tax</b>	<b>8,911</b>	<b>6,344</b>
Taxation	(1,810)	(1,374)
Profit and total comprehensive income for the year attributable to the owners of the company	7,101	4,970
<b>Earnings per share</b>		
Basic earnings per share (pence)	6.1	4.5
Diluted earnings per share (pence)	6.0	4.4

# Balance Sheet

for the six months ended 30 June 2021

	H1 2021 (£000)	H1 2020 (£000)
<b>Non-current assets</b>		
Property, plant and equipment	2,217	1,788
Right of use assets	13,337	9,398
Intangible assets	238	191
Deferred tax assets	112	112
	<u>15,904</u>	<u>11,489</u>
<b>Current assets</b>		
Trade and other receivables	160,485	132,266
Corporation tax receivable	439	-
Cash and cash equivalents	1,418	11,211
	<u>162,342</u>	<u>143,477</u>
<b>Total assets</b>	<u>178,246</u>	<u>154,966</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Share capital	58	58
Share premium	16,161	16,180
Share based payments reserve	1,935	1,370
Retained earnings	99,621	86,334
<b>Equity attributable to the owners of the Company</b>	<u>117,775</u>	<u>103,942</u>
<b>Non-current liabilities</b>		
Other interest-bearing loans and borrowings	3,029	2,021
Lease liabilities	7,392	5,576
Deferred tax liabilities	32	-
	<u>10,443</u>	<u>7,597</u>
<b>Current liabilities</b>		
Other interest-bearing loans and borrowings	28,781	26,528
Lease liabilities	6,619	4,204
Trade and other payables	9,108	7,726
Corporation tax liability	5,520	4,969
	<u>50,028</u>	<u>43,427</u>
<b>Total liabilities</b>	<u>60,471</u>	<u>51,024</u>
<b>Total equity and liabilities</b>	<u>178,246</u>	<u>154,966</u>

# Cashflow

for the six months ended 30 June 2021

	H1 2021 (£000)	H1 2020 (£000)
<b>Cash flows from operating activities</b>		
Profit for the year	7,101	4,970
Adjustments for:		
Depreciation and profit / loss on disposal	3,809	3,163
Amortisation	65	44
Financial expense	1,456	1,141
Taxation	1,810	1,374
	<u>14,241</u>	<u>10,692</u>
<b>Working capital adjustments</b>		
(Increase)/decrease in trade and other receivables	(12,577)	(4,611)
(Decrease)/increase in trade and other payables	(160)	137
Cash generated from operations	<u>1,504</u>	<u>6,218</u>
<b>Interest paid</b>	(1,335)	(965)
<b>Tax paid</b>	<u>154</u>	<u>(27)</u>
<b>Net cash from operating activities</b>	<u>323</u>	<u>5,226</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	448	476
Acquisition of property, plant and equipment	(497)	(512)
Investment in intangible fixed assets	(70)	(59)
Receipt of Directors loan receivable	-	-
Net cash from investing activities	<u>(119)</u>	<u>(95)</u>
<b>Cash flows from financing activities</b>		
Net proceeds from the issue of share capital	-	6,947
Proceeds from new loans	908	3,324
Dividends paid	-	-
Repayment of borrowings	(4,171)	(3,170)
Lease payments	(3,743)	(3,291)
Net cash from financing activities	<u>(7,006)</u>	<u>3,810</u>
Net increase/(decrease) in cash and cash equivalents	(6,802)	8,941
<b>Cash and cash equivalents at 1 January</b>	<u>8,220</u>	<u>2,270</u>
<b>Cash and cash equivalents period end</b>	<u>1,418</u>	<u>11,211</u>



# Anexo

## Appendices

# Business Overview

## Credit Hire Division

### EDGE

- Established in 1996
  - complete solution for Non Fault Motorist
- Three key business units:
  - DAMS – Provision of car and light commercial vehicles;
  - McAMS – provision of motorcycles
  - CAMS – provision of bicycles
- National coverage via sales network
- Key route to market via c. 1150 local body shops and repairers

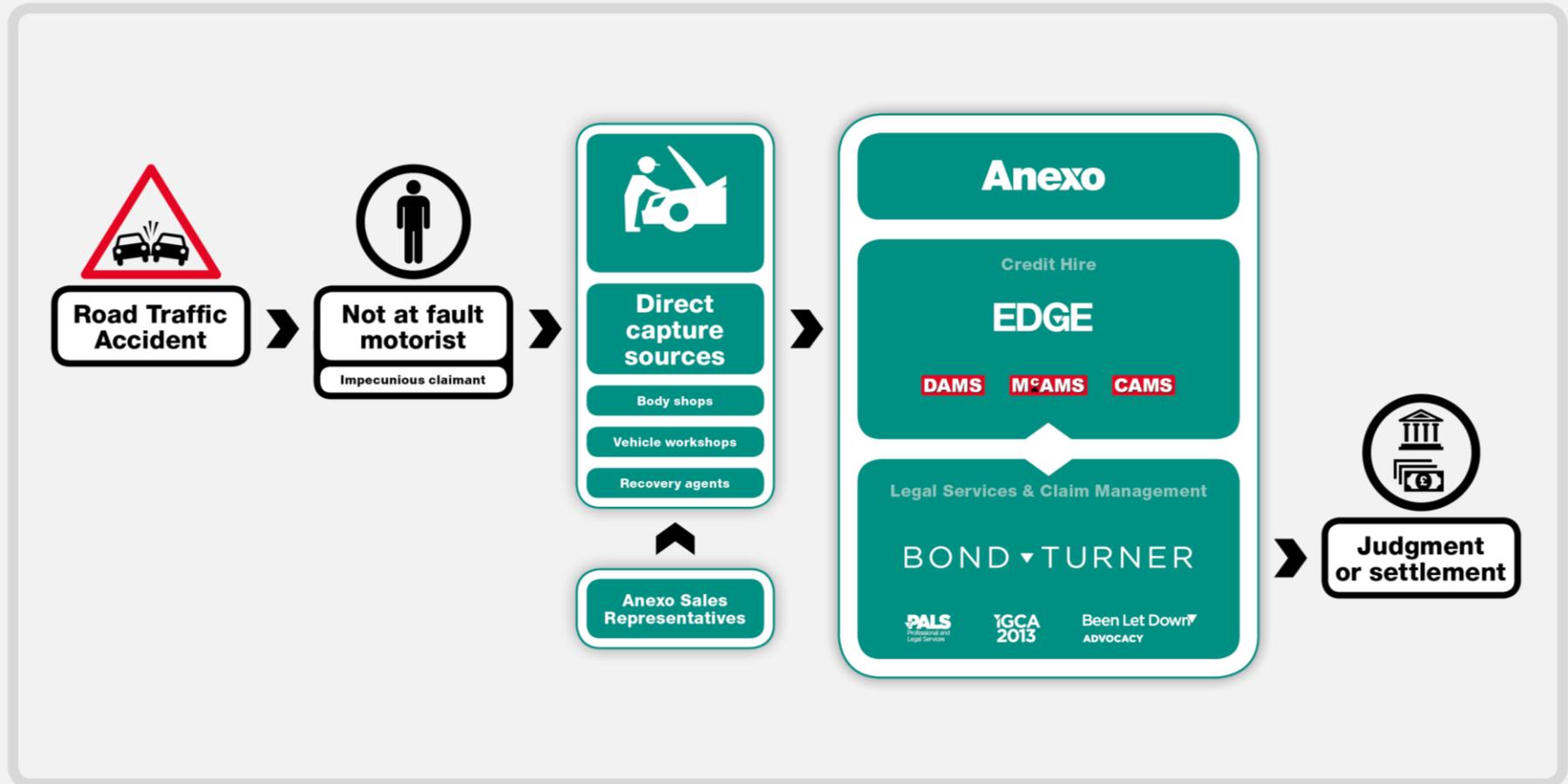
## Legal Services Division

### BOND • TURNER

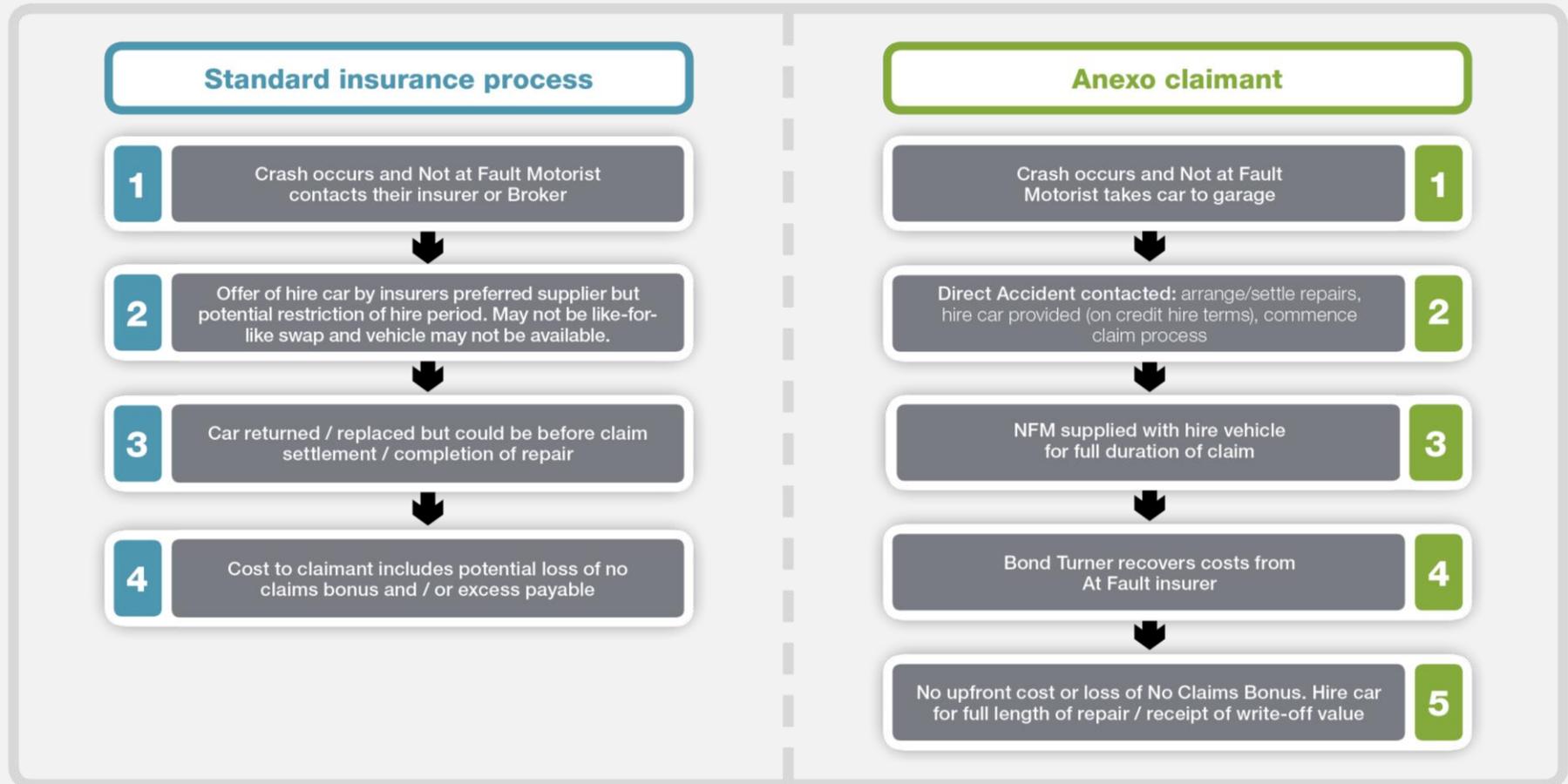
- Legal practice including:
  - Recovery of hire charges, repair from At Fault Insurer
  - PALS specialist reports
  - Personal Injury / IGCA
- Bond Turner acts on all claims generated by Edge
- Advocacy led by Alan Sellers

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

# Anexo: The Direct Capture Model



# Two Different Insurance Processes



# ▼ Anexo's Differentiators

- Direct capture of customer from garages etc. – not from insurers / brokers
- Targeting the “impecunious” market: cars, motorcycles (couriers) and cycles
- Integrated approach more efficient: Credit Hire & Legal Services
- Alan Sellers has pioneered this niche, backed by a highly experienced team
- Effective screening and in-house databases; less than 2% failure rate of cases where litigation commenced
- Vast majority of cases settle before court appearance



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