

28 August 2020

Shine Justice Ltd (SHJ) FY20 Financial Results

Measure	FY20	FY19	% change to PCP ¹
Total revenue	\$183.03m	\$177.90m	↑ 2.9%
Net Profit After Tax (NPAT)	\$21.55m	\$14.03m	↑ 53.6%
NPAT (underlying)	\$21.55m	\$19.03m	↑ 13.2%
EBITDAI ²	\$51.15m	\$47.44m	↑ 7.8%
Underlying EBITDAI	\$42.52m	\$38.33m	↑ 10.9%
Gross Operating Cash Flow (GOCF) ³	\$34.56m	\$31.25m	↑ 10.6%
Total Dividend per share	4.25 cents	3.75 cents	↑ 13.3%
EPS ⁴	12.40 cents	8.06 cents	↑ 53.8%

Financial Performance

The Company today announces the financial results for the financial year ended 30 June 2020.

NPAT was \$21.55 million for the financial year, an increase of 53.6% on the PCP.

EBITDAI was \$51.15 million for the full year, compared with \$47.44 million in the PCP (an increase of 7.8%). Underlying EBITDAI (excluding AASB 16 Leases) was \$42.52 million, in line with FY20 guidance, compared with \$38.33 million in the prior year (an increase of 10.9%).

¹ PCP means Prior Corresponding Period.

² EBITDAI means Earnings Before Interest, Tax, Depreciation, Amortisation and Impairment. EBITDAI is not an IFRS measurement and has not been audited by the Company's auditors.

³ Gross Operating Cash Flow or GOCF means net cash provided by operating activities, excluding finance costs and income tax. GOCF is not an IFRS measurement and has not been audited by the Company's auditors.

⁴ EPS means Earnings per Share.

Business Performance

Managing Director & CEO Simon Morrison, said “Historically, our business has consistently performed well and weathered economic shocks. The challenges posed for business and the entire community by the COVID-19 pandemic in the second half of the financial year were met by the team at Shine Justice with remarkable resilience and we delivered a financial result in accordance with our guidance. The financial performance and outstanding results for our clients demonstrate the Group’s adaptability, innovation and organisational discipline to execute across our business, including Class Actions and Personal Injury, despite the varying conditions. We implemented a range of initiatives to maintain communication, workflow continuity and importantly to ensure our team remained motivated and in good health.

We delivered on our commitments by strengthening the executive team, achieving operational efficiencies and increasing investment in innovation. The impact of COVID-19 accelerated the implementation of digital marketing and user facing client technology. As a result, the Group has made good progress and remains on track to achieve its long-term strategy to expand its capabilities and set a platform for growth.

Milestone Achievements

One outstanding achievement during the year was the successful result in court proceedings in one of Australia’s largest product liability class actions, relating to faulty prolapse mesh and tape implants. The court decision followed a lengthy trial. The decision is subject to an appeal which will be vigorously opposed. The litigation is expected to deliver justice for many thousands of Australian women left with life altering complications from the defective implants.

Settlement was reached in class actions against the Commonwealth Department of Defence for residents in the Queensland town of Oakey and in Katherine in the Northern Territory in relation to claims for property and business losses due to exposure to toxic firefighting chemicals. An action has now also been filed for property losses affecting up to 40,000 residents in seven other affected Australian locations similarly exposed to firefighting chemicals.

A class action was filed in July 2020 on behalf of passengers and their families affected by the deadly outbreak of coronavirus on board the Ruby Princess cruise ship early this year.

I am delighted with the hard work and focus of all the team in a challenging year and remain very confident we are well placed to deliver steady organic growth as well as expanding our offerings and entering new markets that align with our long term strategy.”

Change of Company Name

In March 2020, shareholders approved the change of the Company’s name to Shine Justice Ltd. The change reflects the purpose, culture and values of our Group and its strong commitment to justice by leveraging our brands with one unifying message.

Board Renewal

During the year, the Company welcomed new Board members, including Graham Bradley AM, who assumed the role of Chairman on 1 July 2020.

Mr Bradley said ‘It was a privilege to be invited to join the Board last May and to assume the Chair role on 1 July. I was attracted to Shine as a values-based organisation that champions justice for its clients and for the wider community.

I would like to take this opportunity to thank retiring Directors for their valuable contribution to the Group. Tony Bellas, Carolyn Barker AM and Greg Moynihan have ably guided the business since listing in 2013 and their leadership has left the business with a solid foundation for future growth.

I welcome my new fellow Directors, Teresa Dyson and David Bayes, each of whom brings considerable skills, experience and expertise to the ongoing governance of the Group.’

Dividend

The Board is pleased to declare a final dividend of 2.75 cents per share (unfranked), with a record date of 11 September 2020 and a payment date of 25 September 2020, bringing the total dividend for FY20 to 4.25 cents per share (unfranked), an increase of 13.3% on the previous year.

FY21 Outlook

With respect to initiatives for FY21, Mr Morrison said:

‘Despite prevailing economic uncertainty, Shine Justice is in a strong financial position, with a committed and talented team and the right strategy to deliver improved results, grow in new and existing markets and leverage opportunities with innovation and integration. We are expecting a continuation of EBITDAI growth in FY21, in the order of a high single digit percentage, subject to any material or unforeseen future impacts of the COVID-19 pandemic.’

Annual Report and Presentation

The FY20 accounts and annual results presentation have been lodged with the ASX and can also be found on Shine’s website – www.shinejustice.com.au

The Company will conduct an analyst and investor briefing at 10.30am AEST today. To register for the briefing, please click [this link](#).

Approved for release by the Board



Annette O'Hara

Company Secretary
aohara@shine.com.au
28 August 2020

For more information

Simon Morrison, Managing Director & CEO - Shine Justice Ltd 07 3837 9435
Ravin Raj, Chief Financial Officer - Shine Justice Ltd 07 3006 6050