

ASX ANNOUNCEMENT

24 February 2021

**Shine Justice Ltd (SHJ)
FY21 Half Year Results Investor Presentation**

Attached is a copy of the FY21 Half Year Results Investor Presentation.

Authorised for release by the Board



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Shine Justice Ltd

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FY21

Half Year Results

Investor Presentation

February 2021

Simon Morrison
MANAGING DIRECTOR & CEO

Ravin Raj
CHIEF FINANCIAL OFFICER



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Shine Justice One Unifying Message

Personal Injury

(motor vehicle, workplace, public liability – lean, standard, major claims)

- Shine Lawyers
- Sciacca's (QLD)
- Stephen Browne (WA)
- Bradley Bayly (WA)
- Claimify

Land, Energy & Resources

- Shine Lawyers
- Emanate Legal Services (QLD)

New Practice Areas

- Class actions
- Professional and medical negligence
- Employment Law
- Commercial Litigation
- Superannuation and disability
- Abuse law

Family Law

- Best Wilson Buckley Family Law (QLD)
- Carr & Co (WA)

Loss Adjustment

- Risk Worldwide (NZ)
- My Insurance Claim (NZ)



We are a
Purpose-driven
company



We are relatively
Immune to
economic cycles



We have significant
Growth opportunity

Agenda



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Responding to COVID-19...

Our People, Clients and Community

Despite uncertainty in short term outlook, our core fundamentals remain unchanged

Our People

- Throughout the pandemic, the health and safety of our people has been our highest priority
- Successfully initiated transitional working from home arrangements
- Maintained workforce to support our operations and client service standards
- Successful navigation and management of COVID restrictions ensured minimal effect on client services

Our Operations

- Delivered uninterrupted service to our clients
- Improved remote working capability

Our Clients

- Developed new ways to connect with and serve clients
- Branch operations are returning to full operational capacity in line with health protocols





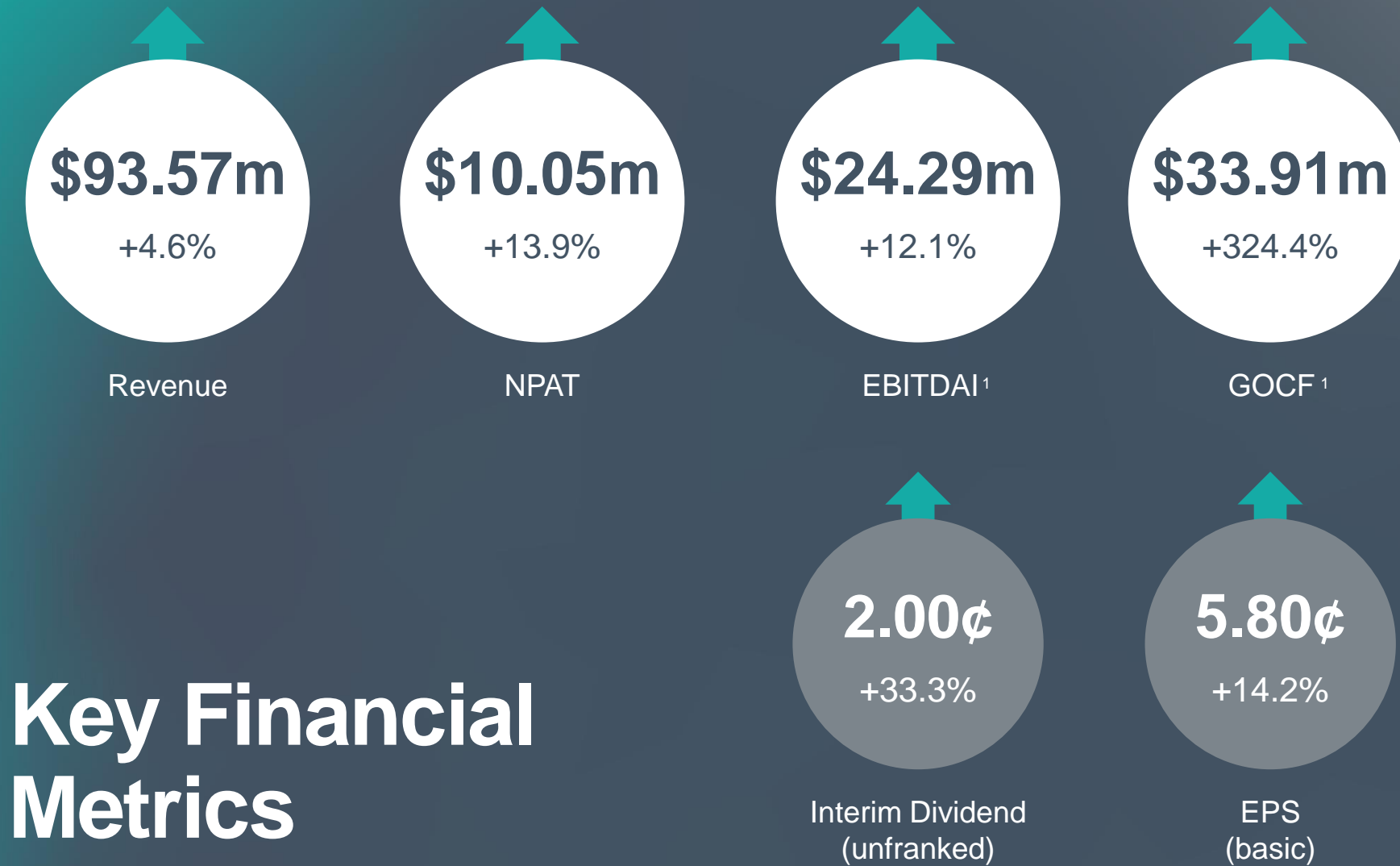
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FY21 H1

Highlights

Simon Morrison

Managing Director & CEO



Key Financial Metrics

¹ EBITDAI and GOCF are not IFRS calculations which appear in the financial statements, and have not been audited.



FY21 H1 in Review

- Half year result reflects resilient nature of business and demonstrated growth despite macroeconomic uncertainty and Covid-19
- FY21 priorities underpin growth and profitability post pandemic
- Underlying profit in line with guidance expectations despite Covid headwinds
- Continue to monitor future government responses and economic conditions
- Pipeline of organic and acquisitive opportunities emerging in core markets
- Continue to balance opportunities with disciplined investment and working capital strategies
- Solid momentum as we continue to invest in technology and innovation in FY21



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FY21 H1

Financial Results

Ravin Raj

Chief Financial Officer

Detailed Profit and Loss

	FY21 H1 (\$m)	FY20 H1 (\$m)	Variance (\$m)	Variance (%)
Revenue	93.57	89.44	+4.13	+4.6
NPAT	10.05	8.83	+1.22	+13.9
EBITDAI ¹	24.29	21.67	+2.62	+12.1
Employee Benefits Expense	49.96	46.25	+3.71	+8.0
Overheads	29.02	30.46	-1.44	-4.7

¹ EBITDAI is not an IFRS calculation which appear in the financial statements, and have not been audited.



PI Revenue – reduction in revenue primarily due to impact of consolidation and restructuring in NSW and Victoria and downsizing of non-performing work types in prior periods



NPA Revenue – increase in revenue due to strong growth supported by Class Actions, Abuse Law, Medical Law and Disability and Superannuation



Improvement in NPAT due to improved margin from NPA businesses



Tight control over overheads and costs

Financial Highlights

	FY21 H1 (\$m)	FY20 H1 (\$m)	Variance (%)
EPS (basic) (cents)	5.80	5.08	+14.2
Interim dividend per share (cents)	2.00	1.50	+33.3



Growth in EPS due to improved profitability



Interim dividend increased as business continues to improve



Dividends unfranked

Balance Sheet

AS AT (\$'000)	31 Dec 20	30 June 20
Cash	49,515	32,812
Receivables	18,951	12,404
Contract assets - work in progress	287,797	305,102
Income tax receivable	-	322
Unbilled disbursements at fair value	95,618	89,268
Other financial assets at amortised cost	4,891	4,698
PP&E and other	6,221	6,217
Intangibles	49,153	48,949
Right of use assets	37,400	40,647
Total assets	549,546	540,419
Trade payables	16,091	16,020
Disbursement creditors	86,968	83,644
Borrowings	50,721	52,499
Lease liabilities	45,584	48,447
Deferred and current tax liabilities	96,269	91,864
Employee benefit obligations	9,038	8,912
Provisions	1,697	1,659
Financial liabilities	192	154
Total liabilities	306,560	303,199
Net assets	242,986	237,220

Cash on hand at 31 December stood at **\$49.5m**

Net WIP reduced primarily from billing of the Mesh Class Action

Unbilled disbursements grew in line with WIP growth (ex Mesh)

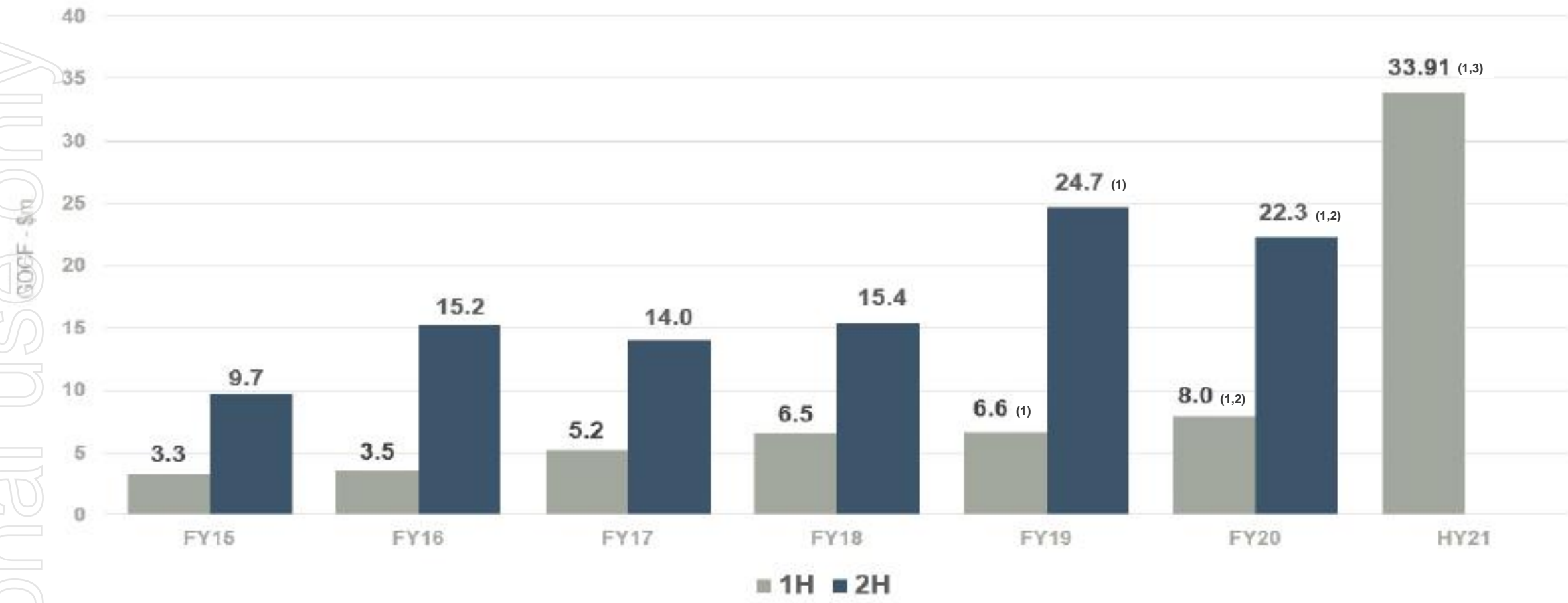
Disbursement creditors growth due to conversion of Shine disbursements being funded by external provider

Deferred tax liability relates primarily to WIP

Marginal decrease in borrowings due to net repayment of bank facilities



Gross Operating Cash Flow

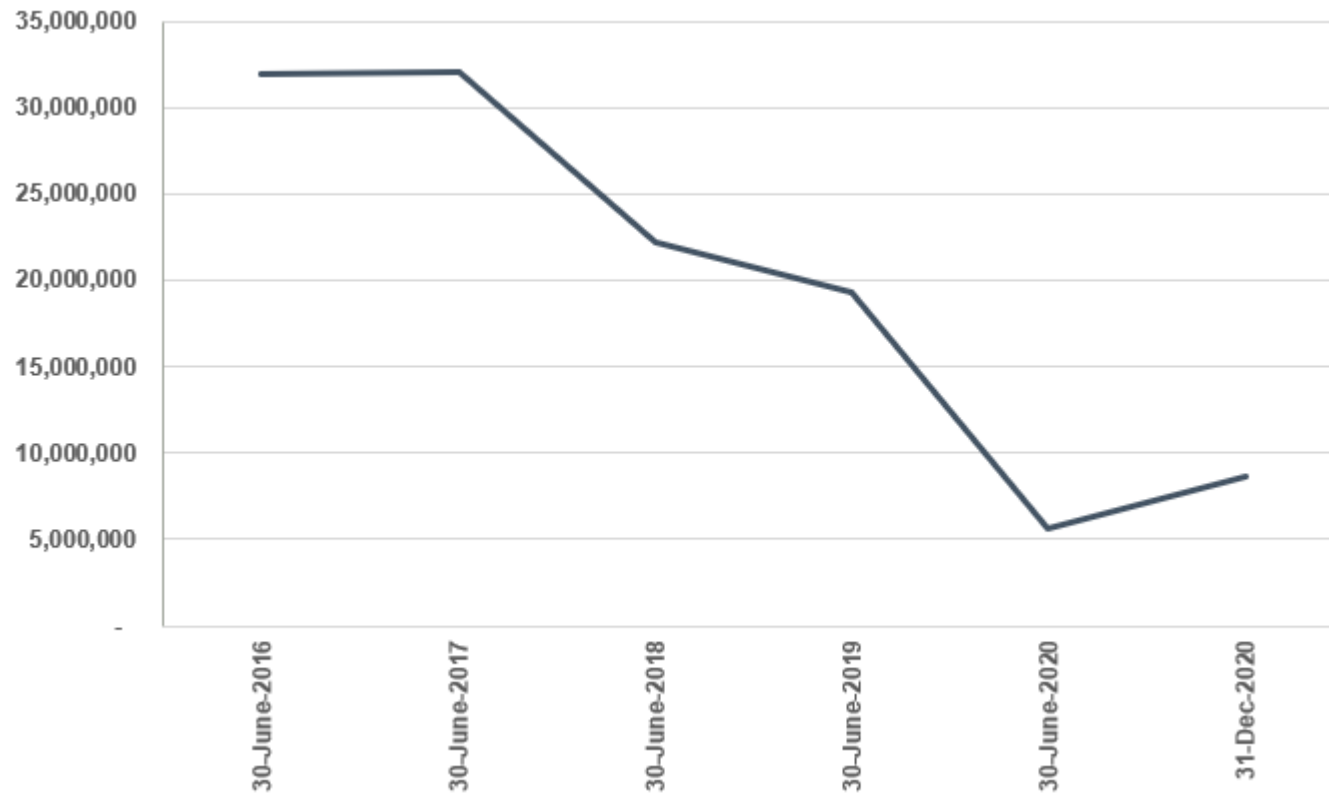


¹ From FY19, the GOCF result improved through adoption of AASB 16
² The FY20 cashflows relating to disbursement funding have been reclassified to be consistent with the current year presentation
³ GOCF includes Mesh class action cash of \$22.9 million



Shine Cash Funded Disbursements (Net)

Shine Equity Funded Disbursements (Net)



- **Cash flow improvement strategy commenced FY17 to secure:**
 - Long term disbursement funder
 - Litigation funding of all new Class Actions
- Return of significant Shine equity funds back into the business
- Medium term aim to improve GOCF to 65 - 75% of EBITDAI on track

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FY21 H1

Investing in Shine Justice & Operating Environment

Simon Morrison
Managing Director & CEO

Why invest in Shine Justice? Well positioned with growth opportunities



We have **37** Class Actions either commenced or in the pipeline

21 Class Actions Pipeline by Sector

6	Banking & Finance consumer claims
3	Indigenous
3	COVID-19 related
3	Telecommunications
2	Travel
2	Employment
2	Medical & Science

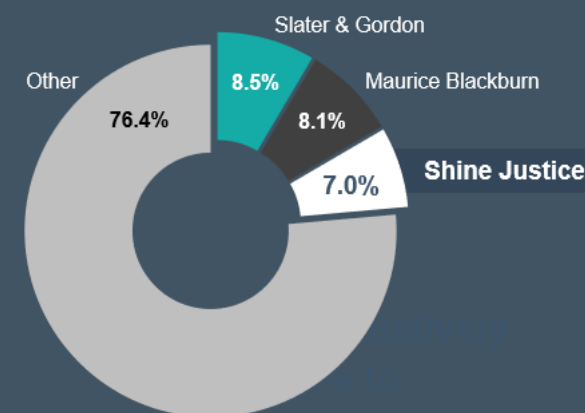
16 Current Filed Class Actions

- | | |
|--|--|
| 1. PFAS (Bullsbrook WA, Darwin NT, Townsville QLD, Richmond NSW, Wagga Wagga NSW, Wodonga VIC, Edinburgh SA) | 10. Iluka |
| 2. Worley Parsons* | 11. Westpac Banker Trust Life |
| 3. BSA Ltd | 12. Oakey & Katherine PFAS |
| 4. Raby Bay | 13. J&J Mesh |
| 5. Wreck Bay PFAS | 14. AMS Mesh |
| 6. AMP | 15. Colonial First State Group Insurance |
| 7. Tandem | 16. IOOF |
| 8. Stolen Wages WA | |
| 9. Ruby Princess | |

* Under appeal

Market share growth opportunities in PI

PI Market Share



Source: IBISWorld Industry Report OD5519: Personal and Workplace Injury Lawyers in Australia June 2020

Our Points of Difference

Strong financial model

- Strong Balance Sheet
- Consistent growth rate > 40 years
- Consistent attractive dividends

Sustainable growth

- Trusted brand leader (Australia and NZ)
- Proven track record
- Second largest plaintiff litigation firm in Australia
- There will always be injustice in the world

Capabilities

- World class technology partners
- The Shine Justice Way
- Leadership
- Deep knowledge and experience
- Innovation
- Capital discipline

Diversified technologies for scale to support long term strategy



Industry trends confirm our strategy and approach



Deliver end-to-end automation across every line of business



Build momentum
Smart engagement



- Simplified assisted on-boarding process
- Easy integration into content management system
- Improve conversion rate and customer experience
- Direct client to branch
- Enable customers to initiate claim 24/7



- Matter management
- Financial management
- Business development
- Risk management



- Solutions to facilitate automation
- Online legal platform with a focus on ease and convenience for the client and internal process optimization
- Artificial intelligence deep learning algorithm that predicts case outcomes
- Online claims portal
- Fixed pricing model

Our strategic partnerships to enhance customer experience



Class Actions – Federal Inquiry

Litigation funding and class actions report recommendations*

- Increased disclosure obligations on funders and law firms
- Court approval of litigation funding agreement to be enforceable
- Adopt 'measured and steady' approach to contingency fees
- Apply financial services regulation to lawyers operating on a contingency fee basis imposed by the AFSL and MIS regimes
- Temporary changes of continuous disclosure regime be made permanent
- Federal Court to resolve competing / multiple class actions
- Review of statutory minimum return to group members

Business Interruption Insurance

High Court Appeal

- Business interruption (BI) insurance during pandemic

* The December 2020 Parliamentary Joint Committee's report contains recommendations and not legislation. Further updates on legislative and policy developments will be provided in 2021-2022

Market Update Class Actions & Reform



2021

Strategic Priorities and Outlook

Shine Justice is a long-term growth-oriented business well positioned to increase market share across our diversified services



Outlook 2021

Our long-term strategy remains unchanged



Grow Shine Justice

- Pursue strategic and value accretive opportunities in PI and Class Actions with disciplined acquisition metrics
- Market consolidation opportunities
- Exploring new service offerings
- Deliver FY21 priorities to position for growth and profitability

Strengthen Shine Justice

- Maintain strong capital management
- Deliver strong cashflow
- Developing new operating model
- Improvements to branch network and grow market share in existing service lines

Innovate Shine Justice

- Continue to invest in innovative solutions and opportunities that enhance our efficiency and resilience
- Align innovation with key opportunities across the business

Champion the Client

- Broaden client offerings, utilise digital platforms
- Improve the customer experience

Guidance

Expected continuation of EBITDAI growth in FY21 in the order of a high single digit percentage increase, subject to unforeseen COVID-19 impacts

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FY21 H1

Questions





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FY21 H1

Appendices

Class Actions

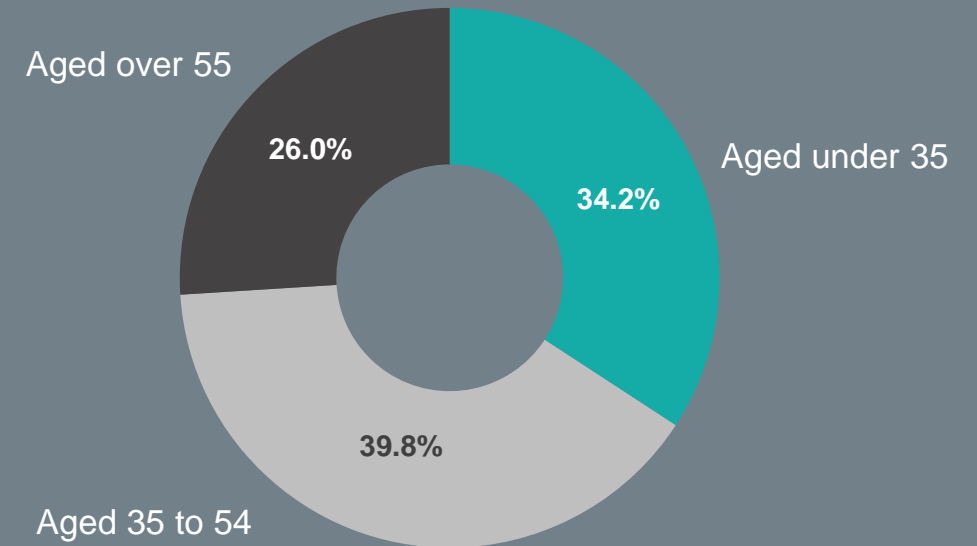
COVID-19

- Workplace / home based incidents expected to increase
- Aged care facilities
- Tourism
- Business interruption

Personal Injury

- Motor vehicle accidents - growth in line with historical trends due to population growth and increase in car ownership
- Workplace Health & Safety - Changes to legislation resulting in stricter health and safety regulation and greater scope for compensation as a result of COVID-19

PI Client Market Segmentation



- 74% of client market < 55 years old – long term sustainable opportunities with greater public understanding and awareness of remedies and anticipated increase in claim frequency
- Competition and marketing costs likely to restrict growth in smaller firms and ability to retain talent

Anticipated Industry Trends 2021+

Sustainability and Community

Social Impact

Social and physical initiatives to improve well being and mental illness.



Shine A Light

Shine A Light Foundation supports charitable organisations that promote prevention, rehabilitation, education and safety programs for people impacted by injury, injustice and adversity.



Actively supporting schools and sporting organisations as part of promoting health and wellness and community spirit.

Energy & Climate

Energy efficiency and alternative sources to minimise our footprint.