SHINE JUSTICE

ASX Announcement

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27 August 2021

Shine Justice Ltd (SHJ)

FY21 Financial Results

Measure	FY21	FY20	% change to PCP[1]
Total revenue	$193.65m	$183.03m	↑5.80%
Net Profit After Tax (NPAT)	$25.59m	$21.55m	↑18.75%
EBITDA[2]	$56.16m	$51.15m	↑9.79%
Underlying EBITDA[3]	$47.44m	$42.52m	↑11.57%
Gross Operating Cash Flow (GOCF)[4]	$54.65m[5]	$34.56m	↑58.13%
Final dividend per share (cents)	3.25	2.75	↑18.18%
Total dividend per share (cents)	5.25	4.25	↑23.53%
Earnings per share (cents)	14.75	12.40	↑18.95%

Financial Performance

The Company today announces the financial results for the financial year ended 30 June 2021.

NPAT was $25.59 million for the financial year, an increase of 18.75% on the PCP. EBITDA was $56.16 million for the full year, compared with $51.15 million in the PCP (an increase of 9.79%), with strong contributions from class actions, abuse law, medical law and disability and superannuation. Underlying EBITDA (excluding AASB 16 *Leases*) was $47.44 million, ahead of FY21 guidance, compared with $42.52 million in the prior year (an increase of 11.57%).

GOCF includes an amount of $20.91 million (excluding GST) received in respect of work in progress following the decision of the Federal Court of Australia in favour of Kathryn Gill, Diane Dawson and Ann Sanders (Applicants) in the class action against Ethicon Sàrl, Ethicon, Inc. and Johnson & Johnson Medical Pty Limited (Respondents) in November 2019 (the Mesh Class Action). An appeal in the matter was unanimously dismissed by the Full Court of the Federal Court of Australia in March this year. The Respondents have applied to the High Court of Australia for special leave to appeal the decision. Any appeal will be vigorously defended.

[1] PCP means Prior Corresponding Period.
[2] EBITDA means Earnings Before Interest, Tax, Depreciation and Amortisation. EBITDA and GOCF are not IFRS measurements and have not been audited by the Company's auditors. EBITDA results improved through the adoption of AASB 16 *Leases* from 1 July 2018
[3] Excludes adoption of AASB 16 *Leases*
[4] Gross Operating Cash Flow or GOCF means net cash provided by operating activities, excluding interest income, finance costs and income tax.
[5] GOCF includes Mesh class action cash of $20.91 million, net of GST.

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Business Performance

Managing Director & CEO Simon Morrison, said 'We are very pleased with our strong market position and solid earnings growth in FY21. Revenue increased, largely due to growth in our new practice areas, including class actions, abuse law, medical law and superannuation and disability. The challenges posed for business and the entire community by the COVID-19 pandemic in FY21 were met by the team at Shine Justice with unwavering commitment to our business and our clients. The financial performance and outstanding results for our clients demonstrate the Group's adaptability, innovation and organisational discipline to execute across our business. Our leadership team continued to strengthen, leading our capable and talented team members. We implemented a range of initiatives to maintain communication, workflow continuity and importantly to ensure our team remained motivated and in good health.

We implemented a body of work to improve consistency of client experience. 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 technological capabilities and continue to grow'.

Milestone Achievements

In addition to two new class actions relating to defective mesh implants, class actions have been filed on behalf of:

- the Wreck Bay Aboriginal Community whose culturally significant land has been contaminated by toxic PFAS chemicals;
- passengers and families affected by the deadly outbreak of coronavirus on board the Ruby Princess cruise ship;
- Indigenous workers who were forced to work in slave-like conditions for minimal or no pay in Western Australia and the Northern Territory;
- Stolen Generation survivors in the Northern Territory;
- workers subject to sham contracting arrangements; and
- insurance customers who received unethical financial advice.

We settled a class action against Westpac Banking Corporation and Westpac Life Insurance Services Limited in relation to financial advice about, and the sale of, allegedly overpriced life insurance products.

We settled our first Super Online claim, after extending our online model to include our Disability and Superannuation practice, and we are expanding our online booking tool.

We extended our abuse practice, which has experienced significant growth, into South Australia where we are fighting for justice for survivors abused in detention.

Board Renewal

In July 2020, the Company was delighted to welcome Graham Bradley AM as its new Chairman, following the appointments of Teresa Dyson and David Bayes in February 2020. In December 2020, the Board renewal process was completed with the appointment of Rod Douglas, an experienced company director with a specialisation in culture, strategy and organisational value. All new Board members are highly experienced, supportive of the Shine Justice Group's values and bring significant skills to the Board in their respective areas of expertise.

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Dividend

The Board is pleased to declare a final dividend of 3.25 cents per share (unfranked), with a record date of 24 September 2021 and a payment date of 8 October 2021.

FY22 Outlook

With respect to initiatives for FY22, Mr Morrison said 'Despite economic uncertainty in FY21, Shine Justice is in a strong financial position, with a committed and talented team and the right strategy to deliver continually improving results, grow in new and existing markets and leverage opportunities with innovation and integration. We are expecting increasing EBITDA growth in FY22, in the order of a low double digit percentage, subject to any material or unforeseen future impacts of the COVID-19 pandemic.'

The FY21 accounts and investor presentation have been lodged with the ASX and can also be found on the Company'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 here.

Approved for release by the Board

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For more information

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