

ASX ANNOUNCEMENT

27 August 2021

**Shine Justice Ltd (SHJ)
FY21 Results Presentation**

Attached is Shine Justice Ltd's full year results presentation for the financial year ended 30 June 2021.

Authorised for release by the Board



Annette O'Hara
Company Secretary
Shine Justice Ltd

Tel: 07 3837 9448
aohara@shine.com.au

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



Shine Justice Ltd

FY21

Results

Investor Presentation

August 2021

Simon Morrison
MANAGING DIRECTOR & CEO

Ravin Raj
CHIEF FINANCIAL OFFICER

ABN 93 162 817 905



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Shine Justice – One Unifying Message

Personal Injury

(motor vehicle, workplace, public liability, head trauma)

- Shine Lawyers
- Sciaccas (QLD)
- Stephen Browne (WA)
- Bradley Bayly (WA)
- Claimify

New Practice Areas

- Shine Lawyers
 - Class actions
 - Abuse law
 - Superannuation and disability
 - Dust diseases
 - Professional and medical negligence
 - Employment law
 - Commercial litigation
 - Estate and Land litigation

Family Law

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

Loss Adjustment

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

Land, Energy & Resources

- Shine Lawyers
- Emanate Legal Services (QLD)



Strong base established for future **Growth**



Business **Resilient** in economic cycles

Agenda

1 FY21
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2 FY21
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3 Investing in
Shine Justice
& Operating
Environment

4 FY22 Strategic
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Outlook

5 Questions

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FY21 Highlights

Simon Morrison Managing Director & CEO

Key Financial Metrics

Revenue

↑ \$193.65m

+5.80%

NPAT

↑ \$25.59m

+18.75%

Underlying EBITDA¹

↑ \$47.44m

+11.57%

GOCF^{1,2}

↑ \$54.65m

+58.13%

EBITDA

↑ \$56.16m

+9.79%

Final Dividend
(unfranked)

↑ 3.25c

+18.18%

EPS (basic)

↑ \$14.75c

+18.95%

¹ EBITDA and GOCF are not IFRS calculations which appear in the financial statements, and have not been audited. EBITDA results improved through adoption of AASB 16 Leases from 1 July 2018. Underlying EBITDA excludes the impact of AASB 16 Leases

² Includes \$20.9m (excluding GST) Mesh Class Action funds received in December 2020.

FY21 Highlights

Resilient performance in a tough market

Strong market position and diversification strategy achieves solid earnings growth and delivery on guidance despite COVID-19 challenges

PI segment result reflects finalisation of reorganisation and rationalisation; Reset for growth in FY22

Diversification of services and geography continues to underpin sustainable growth strategy

Growth in key operational metrics of client enquiries and leads

Mesh class action. Expected recovery of costs following High Court judgment during FY22

Assessment of Mesh class action group member claims expected to follow for a number of years

Robust class-action pipeline

Increased online offerings

Organic growth strategy commenced with new office in Adelaide

FY21 Financial Results

Ravin Raj Chief Financial Officer

FY21 Financial Results: Detailed Profit & Loss

	FY21 (\$m)	FY20 (\$m)	Variance (\$m)	Variance (%)
Revenue	193.65	183.03	↑10.62	↑5.80
NPAT	25.59	21.55	↑4.04	↑18.75
EBITDA ¹	56.16	51.15	↑5.01	↑9.79
Underlying EBITDA ²	47.44	42.52	↑4.92	↑11.57
Employee Benefits Expense	100.78	92.11	↑8.67	↑9.41
Overheads	55.97	58.73	↓2.77	↓4.71

- Improvement in revenue mainly due to growth in NPA segment
- Growth in NPAT due to revenue growth and lower tax rate compared with pcp
- Growth in staff numbers particularly in Class Actions and Abuse law business
- Overheads costs structure maintained in FY21

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

² Excludes impact of AASB16 Leases

FY21 Financial Results: Financial Highlights

	FY21	FY20	Variance	Variance (%)
Earnings per share (cents)	14.75	12.40	↑2.35	↑18.95
Final dividend per share (cents)	3.25	2.75	↑0.50	↑18.18
Full year dividend per share (cents)	5.25	4.25	↑1.00	↑23.53

- EPS growth reflects growth in NPAT
- Final and full year dividend payout ratio increased as outlook for business is strong
- Dividends unfranked

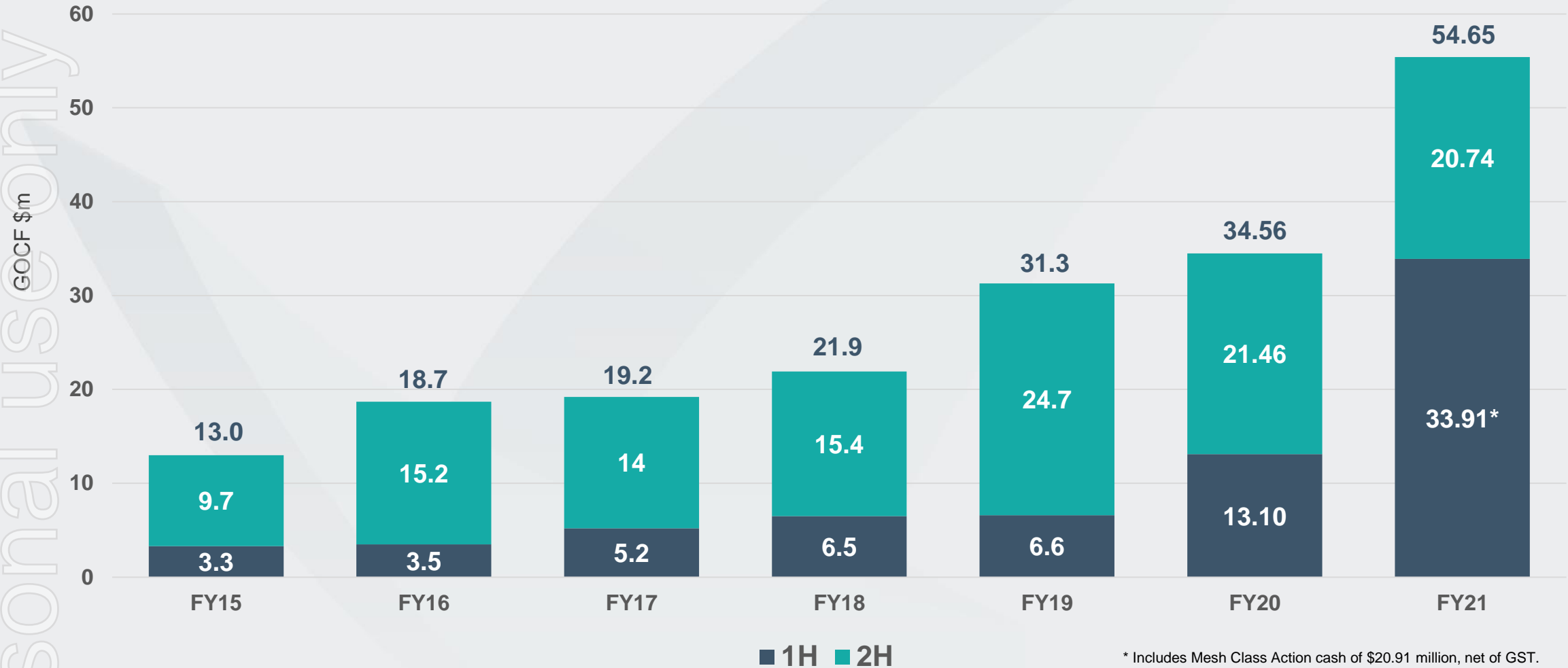
FY21 Financial Results: Balance Sheet

AS AT (\$'000)	30 June 21	30 June 20
Cash	55,992	32,812
Receivables	15,272	12,404
Work in progress	299,312	305,102
Unbilled disbursements	106,890	89,268
PP&E and other	12,596	11,237
Intangibles	48,578	48,949
Right of Use Assets	34,551	40,647
Total assets	573,191	540,419
Trade payables	18,568	16,020
Disbursement creditors	91,081	83,644
Borrowings	50,383	52,499
Lease liabilities	42,943	48,447
Deferred and current tax liabilities	103,039	91,864
Provisions and other	1,892	1,813
Employee liabilities	10,144	8,912
Total liabilities	318,050	303,199
Net assets	255,141	237,220

- Cash on hand includes Mesh class action funds received in December 2020
- WIP levels sustained even disregarding receipt of partial Mesh class action funds in December 2020
- Growth in Unbilled Disbursements and Disbursement creditors relate mainly to capitalisation of Mesh disbursement interest
- Right of Use Assets mainly property leases
- Drop in Borrowings reflects normal amortisation
- Lease liabilities relate to property leases (Right of Use Assets above)
- Increase in Deferred tax liabilities partially due to absorption of tax losses in FY21
- Increase in Employee liabilities reflecting COVID-19 impact

FY21 Financial Results: Gross Operating Cash Flow

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* Includes Mesh Class Action cash of \$20.91 million, net of GST.

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FY21 Investing in Shine Justice & Operating Environment

Simon Morrison Managing Director & CEO

Key Financial Highlights

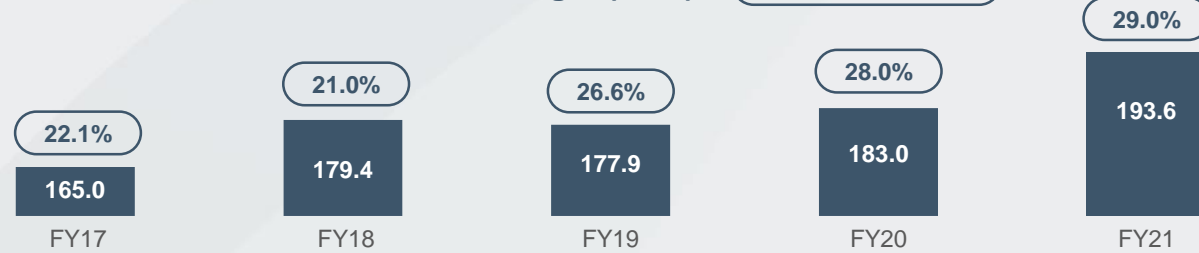
A defensive and scalable business over 45 years

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- Resilience
- Performed strongly throughout COVID-19 headwinds

Revenue and EBITDA¹ Margin (A\$m)

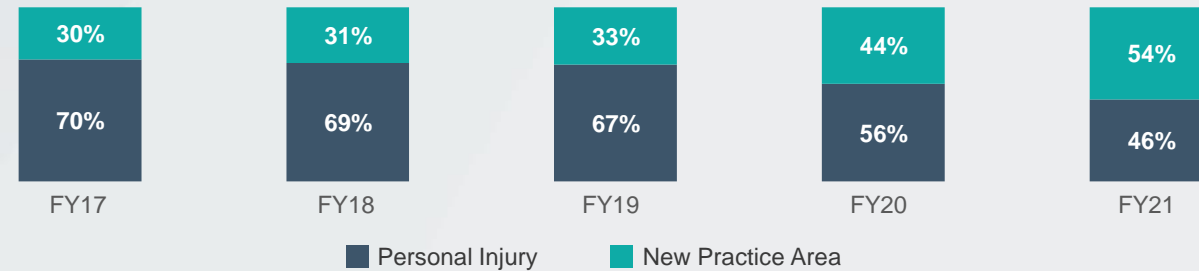
EBITDA Margin



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- Diversifying revenue and mitigating risk remain a priority
- Consistent growth rate

Revenue Composition (%)

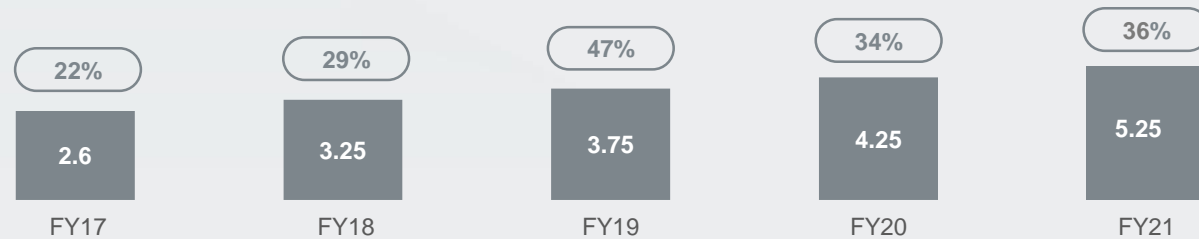


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- Track record of paying increasing dividends

Dividend per Share (cents per share)

% of NPAT



Source: Company filings

1. Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

Class Actions Initiatives & Update

- Litigation funding utilised in majority of class actions
- Expected improvement in FY22 gross operating cashflow
- Historically WIP absorbed until completion of class action but now monthly invoicing and cash collections for all funded matters
- Competitive advantage being large firm with scale and resources
- Litigation funders and AFSL framework to consolidate market and increase constraints for small class actions firms, allowing larger firms to grow further

We have **41** **Class Actions** either commenced or in the pipeline

Class Actions Pipeline by Sector

6	Banking & Finance consumer
4	Securities and Shareholder
4	Indigenous/Human Rights
3	Employment
3	Medical and Science
2	COVID-19 related

Current Filed Class Actions

- | | |
|---|---|
| 1. AMP | 15. Boston Mesh |
| 2. Tandem/ISGM | 16. AMS Mesh |
| 3. Westpac | 17. Multi-Site PFAS
(This class action includes all 30,000 property owners across the seven sites we're investigating including; Residents of Wagga Wagga, Richmond (NSW), Wodonga (VIC), Darwin (NT), Townsville (QLD), Edinburgh (SA) and Bullsbrook (WA)) |
| 4. Colonial First State Group Insurance | |
| 5. Worley Parsons | |
| 6. Iluka | |
| 7. IOOF | |
| 8. Stolen Wages WA | |
| 9. Stolen Wages NT | |
| 10. Stolen Gen NT | |
| 11. Ruby Princess | |
| 12. BSA | 18. Wreck Bay PFAS |
| 13. JJ Mesh | 19. Redlands Council |
| 14. Post 4 July Mesh | |

FY22 Strategic Priorities and Outlook



Outlook FY22

Well positioned to increase market share across our diversified services

Champion the Client

- Implement online tracker solution for client cases
- Rollout improved client experience initiatives across Group

Prioritise People

- Increased Manager and Specialist training being introduced
- EVP initiatives to be enhanced
- Career development programs being improved
- Continuing to build on increasing engagement and retention results

Grow Shine Justice

- Investment in new and improved marketing processes and new technology
- Pursue organic and acquisition growth opportunities that meet investment criteria
- Investing to improve our national footprint in FY22
- Consolidate market leadership in PI, Class Actions, Abuse, Medical Negligence, Head Trauma & Dust

Strengthen Shine Justice

- Maintain strong capital management
- Leverage strong market share, underpinned by new practice area opportunities
- Continuous improvement of processes, including automation
- Focus on company wide consistency program

Innovate Shine Justice

- Commitment to long term innovation that will open markets and increase scalability and automation
- Invest in learning and development strategies for employees and integrating work from home initiatives
- Continued rollout of clever technologies that improve access to justice

Guidance

Increasing EBITDA growth in FY22 in the order of a low double digit percentage increase, subject to unforeseen COVID-19 impacts

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Appendices

Our People and Shine Justice

Australia & New Zealand

- **10 business divisions** across the Group
- **978 staff** in Qld, NSW, Vic, WA, SA and NZ
- Long standing executive team
- Cultural alignment across Shine Justice
- A culture that is natural, authentic, inclusive, effective and enthused

Learning & Development

- Long term investment approach in learning and capabilities
- Continuous learning and wellbeing initiatives during COVID-19 and Work from Home

Social Equality & Justice

- Always standing up for the little guy and shining a light on injustice
- Historic decisions in State and Federal Courts
- Right Wrong is in our DNA



Sustainability and Community

Supporting Community

We actively support charitable and not-for-profit organisations that deliver meaningful contributions to communities and align with the Group's Purpose and Values. This includes:

- Major partnership with LifeFlight Australia who are a highly reputable, not-for-profit organisation delivering emergency aeromedical care to seriously ill and injured patients across Queensland
- Continuation of our Shine A Light Foundation, supporting charitable organisations that promote prevention, rehabilitation, education and safety programs for people impacted by injury, injustice and adversity (current partner Indigenous Literacy Foundation)

We ensure communities have access to the justice they deserve through

- bringing Shine's specialist legal experts into regional towns across Australia so communities have no barriers to expert advice
- Delivering accredited legal education to health professionals and organisations that provide support service to the community

Supporting the Environment

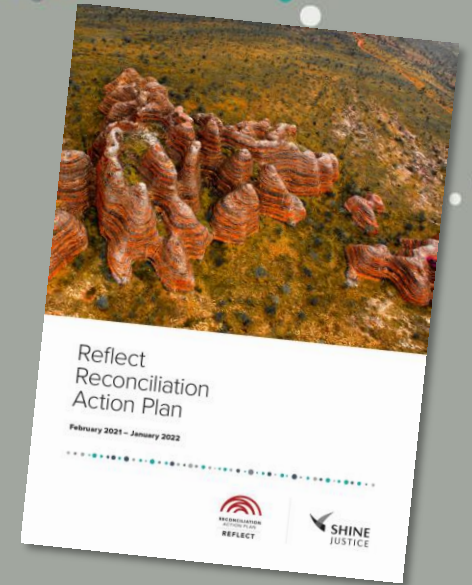
We recognise our activities impact the environment

- We are taking steps to improve energy efficiency in our offices and opting for virtual meetings when possible to reduce business travel and encourage sustainability
- We leverage our legal expertise to support environmental issues and communities impacted



LifeFlight

 **SHINE LAWYERS**



Supporting Reconciliation in Australia

We launched our first Reconciliation Action Plan setting out actions to create a more inclusive business and build strong, respectful and mutually beneficial relationships

COVID-19 Update and Impact

Despite the ongoing challenges in the global economy, our business and core fundamentals are more resilient than ever.

- Provided opportunities to be adaptable and innovative
- Employees have returned to working in the office when possible and flexible work at home arrangements
- Health and safety protocols in place
- Safety work practices while meeting elevated levels of demand from new service offerings to deliver key strategic initiatives
- Reviewing cost savings across the business
- Little or no impact to revenue, cash conversion and new file openings
- Ongoing business and risk mitigation planning
- Prudent cash and expense management
- Continued safety response and focus on lead indicators
- Market has been resilient and supports broader recovery in FY22