

## ASX ANNOUNCEMENT

19 October 2017

### Shine Corporate Ltd (SHJ) Chairman's Address and Managing Director's Presentation

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In accordance with ASX Listing Rule 3.13.3, Shine Corporate Ltd provides the following which will be presented at its Annual General Meeting commencing at 11am (Brisbane time) today:

1. Chairman's Address; and
2. Managing Director's Presentation.



Annette O'Hara  
Company Secretary

Shine Corporate Ltd  
Level 13, 160 Ann Street  
Brisbane QLD 4000  
Tel: 07 3837 9448

**CHAIRMAN'S ADDRESS**  
**SHINE CORPORATE LTD**  
**ANNUAL GENERAL MEETING**  
**19 OCTOBER 2017**

Before Simon presents his summary of the Company's performance over the past year and outlook for the year ahead, I would like to make a few observations of my own.

This was a year of consolidation of our processes, focusing on our core capabilities and building for the future. Importantly for our shareholders, we had a return to more acceptable levels of profitability and improved returns on equity.

We achieved EBITDA of \$36.5 million, an increase of 46 per cent on the previous year. Net profit after tax of \$20.2 million compares with \$14.8 million previously. Pleasingly, gross operating cash flow for the Group of \$19.2 million represents a record outcome for the Group.

The Directors were pleased to declare a fully franked final dividend of 2 cents per Share. This adds to the 0.6 cents per Share unfranked interim dividend declared in February 2017.

These financial results are encouraging and the improvements we have made to the business this year represent a platform from which we can continue to build a profitable business that delivers outstanding outcomes for our clients.

In our core personal injury practice, we settled or resolved more than 5,900 cases for our clients and procured damages exceeding \$645 million.

As well, we continued to execute our strategy to diversify into practice areas in addition to personal injuries, including transport, insolvency, workplace relations, class actions, professional and medical negligence, defamation and commercial litigation.

After the success of the DePuy Class Action relating to faulty hip implants, we commenced court proceedings for one of Australia's largest product liability class actions relating to faulty prolapse mesh implants. We also launched a class action against the Commonwealth Department of Defence in relation to claims for exposing residents of the Queensland town of Oakey to toxic chemicals.

We appeared before the Royal Commission into Institutional Responses to Child Sexual Abuse and represented 326 victims of abuse. We were proud to be associated with "Don't Tell", the motion picture based on founder and major shareholder Stephen Roche's account of one of Australia's most important sexual abuse civil trials.

An important initiative has been the Engine Room project, our new integrated legal management solution enabling us to deliver enhanced service to our clients, with the inclusion of a client portal that provides clients with real-time insights into the progress of their cases. The roll-out of the new system commenced in July 2017 and will be completed across the entire Group by the end of FY18.

Senior management changes have given us the opportunity to renew the leadership team. Simon Morrison, one of the founders and major shareholders of the Company, has returned to the position of Managing Director. Stephen Roche, who has returned in a more active consulting capacity, has worked with Simon and the senior leadership team to strengthen our capability at all levels in the organisation, improve processes and deliver consistent, high quality service across all work types and all regions.

In September we announced that we had received notice that some investors who acquired shares in the Company during the period from August 2014 to January 2016 have decided to take legal action against Shine, alleging various breaches of the law, including the Corporations Act and the Australian Consumer Law. The Company has at all times met its continuous disclosure and other legal obligations. The action will be vigorously defended, but we will not allow it to distract us from our business.

I would like to take this opportunity to thank my fellow Directors for their valuable contribution to the Group and to our shareholders for their ongoing support.

With the dedication of all our people, I am confident that Shine is well placed for the future.

I will now hand over to the Managing Director.



# FY17 Overview

**Simon Morrison**  
**Managing Director**

**19 October 2017**

**IMAGE**

The Darling Downs – the birthplace of Shine – in Southern Queensland

## Disclaimer

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of Shine Corporate Ltd and certain plans and objectives of the management of Shine Corporate Ltd. Such forward-looking statements involve both known and unknown risks, uncertainties, assumptions and other important factors which are beyond the control of Shine Corporate Ltd and could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements. None of Shine Corporate Ltd nor any of its officers, advisers or any other person makes any representation, assurance or guarantee as to the accuracy or likelihood of fulfilment of any forward looking statements or any outcomes expressed or implied by any forward looking statements.

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# Shine Corporate Overview

- ✓ Achieved Guidance
- ✓ Management restructure completed
- ✓ Results underpin long-term sustainability
- ✓ Continue to diversify and grow PI outside QLD
- ✓ Engine Room completed and rollout underway



## QUEENSLAND

Brisbane	Ipswich	
Bundaberg	Helensvale	
Bundall	Logan	
Caboolture	Mackay	
Cairns	Maroochydore	
Carindale	North Lakes	<b>Best Wilson Buckley Family Law</b> Brisbane, Ipswich and Toowoomba
Chermside	Robina	
Dalby	Springwood	<b>Sciaccas Lawyers</b> Brisbane
Gladstone	Stones Corner	
Gympie	Toowoomba	<b>Emanate Legal</b> Townsville and Roma
Hervey Bay	Townsville	

## NEW SOUTH WALES

Fairfield	
Liverpool	
Newcastle	
Parramatta	
Sawtell	
Sydney	

**Shine New Zealand**  
Auckland

## VICTORIA

Ballarat	
Dandenong	
Geelong	
Melbourne	
Reservoir	
Sunshine	

**Risk Worldwide**  
**Shine New Zealand**  
Christchurch

## Shine Lawyers

- Personal Injury (motor vehicle, workplace, public liability):
  - Lean, standard, major claims
  - Super and disability
  - Abuse law
- Emerging Practice Areas:
  - Class actions
  - Professional and medical negligence
  - Insolvency
  - Transport
  - Industrial relations

## Other Subsidiaries

- Personal Injury (motor vehicle, workplace, public liability):
  - Sciaccas (Qld)
  - SB Law /as Stephen Browne (WA)
  - Bradley Bayly (WA)
- Commercial, Land & Environment:
  - Emanate Legal Services (Qld)
- Family Law:
  - Best Wilson Buckley Family Law (Qld)
- Loss Adjustment:
  - Risk Worldwide (NZ) – 100% owned subsidiary September 2016

# FY2017 Highlights

## Group

- Financial results within Guidance
- Engine room to deliver integrated and flexible solutions
- Cash conversion improving
- FY17 2H cost review completed / 2018 plan underway
- Appointment of Ravin Raj as Chief Financial Officer

## Strategy

- Continued focus - inch wide, mile deep strategy
- Develop existing emerging practice areas in marketplace
- Growth opportunities are measured on a value accretive approach

## Financial

- Group revenue 9% higher
- EBITDA up \$11.5m (46%) to \$36.5m
- Profit before tax up \$7m (39%) to \$25.5m
- NPAT up \$5.4m (36%) to \$20.2m
- Final dividend of 2 cps (100% franked)
- EBIT margins 30% improvement
- Gross Operating cash flow up \$0.35m to \$19.25m
- GOCF / EBITDA ratio: 53%

1. EBITDA and GOCF are not an IFRS calculation which appear in the financial statements, and have not been audited.

# FY2017 Highlights



**5912**  
Client  
Matters  
Settled

**\$648m**  
Damages  
for Clients

**Significant  
Australian  
Class  
Action**  
J&J Mesh

**855**  
Employees

**Landmark  
Decision**  
Northern  
Territory  
Asbestos

# FY2017 Highlights – Subsidiaries

Subsidiary	Operational Highlights
Sciaccas	Appointment of Advisory Board in Q4 FY17 to seek new market share; key staff retained
Emanate Legal	Improvement in the CSG sector late FY17 . Business well placed to capitalise on improving economic conditions in mining and infrastructure.
Stephen Browne	Continued strong contribution to Group EBITDA; additional branch office opened in Joondalup WA.
Bradley Bayly	Strong EBITDA and cash flow generation during the year.
Best Wilson Buckley Family Law	Fees billed exceeded budget on the back of organic growth; additional branch office opened in Ipswich QLD.
Risk World Wide NZ	New business opportunities identified in the residential sector of the earthquake claims market.

## Commentary

- Improved 2H performance from Subsidiaries – 2H EBITDA up vs 1H
- Integration plan developed and roll out commenced August FY17
- Two branch offices opened FY17 (WA and QLD)

Sciaccas

emanate  
LEGAL

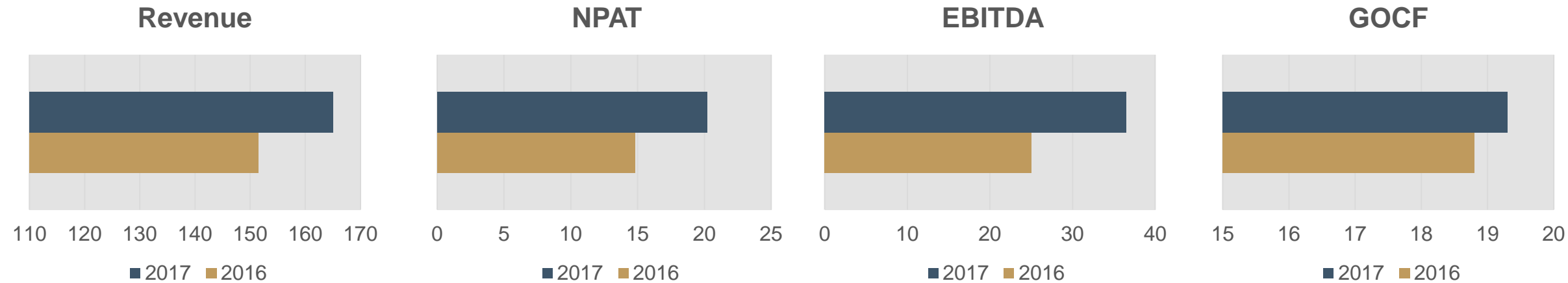
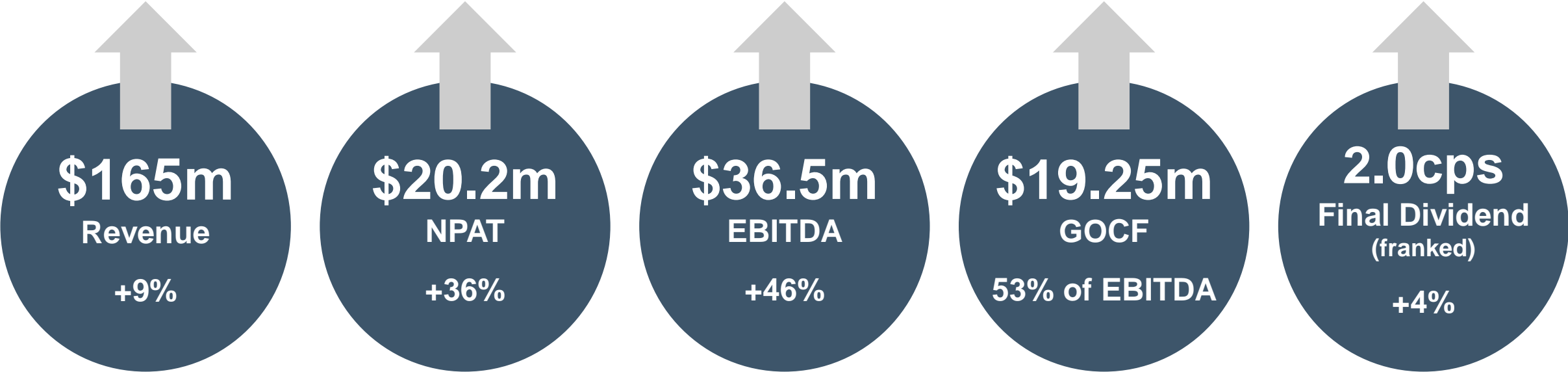
STEPHEN BROWNE  
PERSONAL INJURY LAWYERS

BRADLEY BAYLY LEGAL

bestwilsonbuckley  
FAMILY LAW

RW RiskWorldwide

# Group Results FY2017



1. EBITDA and GOCF are not an IFRS calculation which appear in the financial statements, and have not been audited.

# FY2017 Results: Balance Sheet

As at (\$m)	30-Jun-17	30-Jun-16
Cash & Receivables	33.2	33.0
Work in Progress	226.3	203.0
Unbilled disbursements	64.2	52.9
PP&E and intangibles	57.1	51.1
Other assets	2.1	1.1
<b>Total Assets</b>	<b>382.9</b>	<b>341.1</b>
Trade Payables	16.7	13.3
Disbursement Creditors	32.1	21.0
Borrowings	52.0	32.9
Other Financial Liabilities	3.3	15.1
Current & deferred tax liabilities	65.3	60.0
Provisions	9.0	9.0
<b>Total Liabilities</b>	<b>178.5</b>	<b>151.3</b>
<b>Net Assets</b>	<b>204.4</b>	<b>189.9</b>

- Balance sheet remains strong
- Cash on hand at 30 June 17 was \$14.18m
- Net WIP growth of \$23.3M
- Debt increased \$19.1m to \$52m
- Working capital was \$16.55m, up \$0.626m
- Cash generated from operations was \$19.25m, cash conversion ratio 52.75%
- Vendor liabilities – only 2 payments remaining – approximately \$3.3m
- Debt to equity ratio of 25.4%

# Outlook 2018

## Operations and Financial

Strong balance sheet + substantial unused funding facilities

Improved organic growth and economies of scale across the Group

Sustained focus on gross margins through ongoing improvements in file management

## Opportunities and Growth

Significant investment in business improvement and innovation

Continue to seek value accretive opportunities through organic growth and by acquisition

Strong pipeline for class actions and emerging practice areas

## OUTLOOK

**Modest increase in FY17 EBITDA after allowing for increase in key expenditure on marketing and innovation.**