

## ASX ANNOUNCEMENT

24 October 2019

### 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 10am (Brisbane time) today:

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



Annette O'Hara  
Company Secretary

Shine Corporate Ltd  
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**CHAIRMAN'S ADDRESS**  
**SHINE CORPORATE LTD**  
**ANNUAL GENERAL MEETING**  
**24 OCTOBER 2019**

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.

This was another year of consolidation, strengthening our core capabilities, growing the business and building for the future. Importantly for our shareholders, we continued to deliver more acceptable levels of profitability, improved cash conversion and more acceptable returns on equity.

In terms of financial performance, we achieved EBITDAI of \$47.44 million, compared with \$37.72 million in the previous year. Net profit after tax of \$14.03 million (including a \$5 million impairment in our Land, Energy and Resources business announced in February) compares with \$19.11 million previously. Pleasingly, gross operating cash flow of \$31.25 million represents a solid outcome for the Group.

The adoption of AASB 16 Leases on 1 July 2018 had an impact on EBITDAI and GOCF, resulting in previously reported operating leases now disclosed below EBITDAI as a combination of depreciation and interest. On a like-for-like basis, EBITDAI was \$38.33 million and GOCF was \$22.15 million.

The Directors were pleased to declare a final dividend of 2.5 cents per Share (unfranked). This adds to the 1.25 cents per share unfranked interim dividend declared in February 2019.

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

The Group settled or resolved more than 6000 cases for our clients during the year and procured damages in excess of \$650 million, including a record \$19 million dollar settlement for a single client, a young man who suffered a traumatic head injury.

We continued to execute our strategy to diversify into practice areas other than personal injuries, notably class actions, family law, employment law, professional and medical negligence, dust diseases and abuse law.

Consistent with our growth strategy, we expanded our Class Actions presence in New South Wales through the acquisition of ACA Lawyers, experts in commercial litigation and dispute resolution.

In January, we took a significant step in implementing our goal of building a national family law practice through the acquisition of a majority interest in Carr & Co, a highly respected family law practice in Perth.

In addition to meeting our strategic acquisition criteria, these acquisitions have added experience, broader geographical representation, diversity and capacity.

Our continued investment in traditional advertising, together with increased presence in digital marketing channels, strengthened our brand presence and recognition across all regions. Our media share was significant during the year, with outcomes of small and large matters attracting wide publication. Word of mouth referrals by satisfied clients remain a strong source of new work.

In May 2019, we launched an innovative new product - an online platform servicing small Queensland motor vehicle claims under a separate brand, Claimify. This innovative digital product represents a new way of delivering justice for our clients and we are proud that it is the first of its kind in Australia. Features include self-service online interview, online client dashboard and claims automation. This is the first and most significant step we are taking to be a leader in what will be key disruption in the legal services market. Shine prides itself on being at the forefront of courageous change.

Our leadership team has stabilised, strengthening our capability at all levels in the organisation to deliver consistent, high quality service across all work types and regions.

In November 2018, we appointed Cath Evans as our Group Chief Operating Officer. Cath joined the Shine Group in early 2017 and became Chief Executive Officer of our subsidiary business, Shine Lawyers, later that year. Although Simon Morrison retains chief responsibility for management of the Group, he has been ably assisted by Cath in the achievement of operational and strategic goals. In recognition of Cath's expanded management role, Cath was included as a member of our Key Management Personnel, whose remuneration is included in the Remuneration Report which will be considered today.

Cath's extensive experience in driving business development strategies and managing operations has served us well and will continue to do so. She is a proven CEO and COO, having held management roles in sizeable organisations, both here and in the UK, including Slater & Gordon.

We await judgment in completed court proceedings for one of Australia's largest product liability class actions relating to faulty prolapse mesh implants.

We are preparing for trial 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.

We continued our work to urge political leaders to investigate practices employed in stonemasonry workshops, where dry cutting of artificial stone is exposing workers to the risk of the deadly lung disease, silicosis. Our efforts have resulted in the Queensland Government announcing a ban on dry cutting artificial stone benchtops and urging testing of all workers in the engineered stone industry.

Earlier this year, we made submissions in relation to proposed Queensland legislation to eradicate unscrupulous "claims farming" practices, where anonymous persons contact members of the public to obtain and onsell

details of motor vehicle accidents to legal or other service providers for the purpose of making insurance claims. We welcomed the opportunity to have input as we support the objectives of the Bill, which are consistent with the high ethical standards upheld by the Board and management of the Company.

We are committed to building a diverse workforce with an inclusive culture which reflects the diversity of the clients we serve and the communities in which we operate. We regularly review and refine our diversity targets with a view to supporting the sustainability of our business.

I would like to take this opportunity to thank my fellow Directors for their valuable contribution to the Group. While we plan for Board succession and renewal, we continue to benefit from the skills and experience consistently provided by our dedicated Directors, who have all served the Company since listing. We consider renewal appropriate and have commenced the process to assess suitable candidates for appointment to the Board, informed by the Board skills analysis which we conduct regularly.

With our strong leadership team, ably led by Managing Director Simon Morrison and Group Chief Operating Officer Cath Evans, and the dedication of all our people, I am confident that Shine is well placed for the future.

I thank our shareholders for your ongoing support and will now hand over to the Managing Director.



# Annual General Meeting

24 October 2019

## 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. Shine Corporate Ltd and none 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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# Corporate Overview



## Shine Lawyers

### Personal Injury (motor vehicle, workplace, public liability)

- Lean, standard, major claims
- Superannuation and disability
- Abuse law

### Emerging Practice Areas

- Class actions
- Professional and medical negligence
- Employment Law
- Commercial Litigation

### Personal Injury (motor vehicle, workplace, public liability)

- Sciaccas (QLD)
- Stephen Browne (WA)
- Bradley Bayly (WA)

### Land, Energy & Resources

- Emanate Legal Services (QLD)
- Shine Lawyers

### Family Law

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

### Loss Adjustment

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

- ✓ One of Australia's largest diversified providers of litigation and specialist resolution services
- ✓ Continues an 'inch wide mile deep' strategy of litigation
- ✓ Highly experienced leadership team driving disciplined execution of our proven strategy
- ✓ Organic and acquisition synergistic offering for strong growth opportunities
- ✓ Market and innovation leader with customer-focused technology platform



# Justice for a Better Outcome

## The Year in Review

**6000+**

Client  
Matters  
Settled

Greater than  
**\$650m**  
in damages  
for Clients

**850**

Team  
Members

### Emerging Areas

1. Silicosis
2. Abuse
3. Environmental

**\$19m**  
settlement  
traumatic  
brain injury

**\$1.4m**  
settlement  
workplace  
bullying

- Personal injury (motor vehicle, workplace, public liability)
- Superannuation and disability
- Abuse law

- Class actions
- Product Liability
- Aviation
- Professional and medical negligence
- Bankruptcy and Insolvency

- Transport
- Cycling
- Commercial, land and environment
- Family law
- Insurance and loss adjustment

- Defamation
- Asbestos
- Dust
- Silicosis

## Global and National Issues

### Contamination Class Action

Katherine, Townsville, Oakey, Darwin

### Medical & Professional Negligence

Mesh Class Action, Nursing Homes

### Financial

Banking, Superannuation, Franchise and Wealth Management

### Sexual Abuse

Representing >1000 victims in abuse claims

### Employment and Discrimination

Telecommunications, Contractors & Stolen Wages

### Dust Disease – Lung, Autoimmune & Arthritis

Qld government ban dry cutting artificial stone

# FY19 Highlights

## Group

- Financial results within Guidance
- Class Action and disbursement funding strategy completed
- Shine Corporate Ltd. Class Action settled. No impact to balance sheet or earnings
- Continue to leverage benefits of strong online presence and branch locations
- Practice management system integration completed in Shine Lawyers (Australia) – subsidiary rollout to continue in FY19

## Strategy

- Continuous improvement focus across Group - inch wide, mile deep strategy
- Building key segments and channels
- Leveraged to grow national footprint – Family Law and Class Actions
- Scalable technology to deliver competitive advantage with improved margins
- Targeted high value services and further diversifying across regions and reducing seasonality
- Strategically positioned for sustainable long term growth

## Financial

- EBITDAI<sup>(1)(2)(3)</sup> up 25.8% to \$47.44m
- Underlying EBITDAI<sup>(1)</sup> up 1.6% to \$38.33m
- NPAT down 26.6% to \$14.03m
- Underlying NPAT (excluding \$5m impairment) down 0.4% to \$19.03m
- Total dividend of 3.75 cps up 15% (unfranked)
- Gross Operating Cash Flow (GOCF<sup>(1)(3)</sup>) up 42.9% to \$31.25m
- Underlying Gross Operating Cash Flow up 1.3% to \$22.15m
- Underlying EPS up 6.9% to 11.81 cents (excluding impairment and AASB 16)

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

<sup>2</sup> EBITDAI result improved through adoption of AASB 16

<sup>3</sup> GOCF result improved through adoption of AASB 16

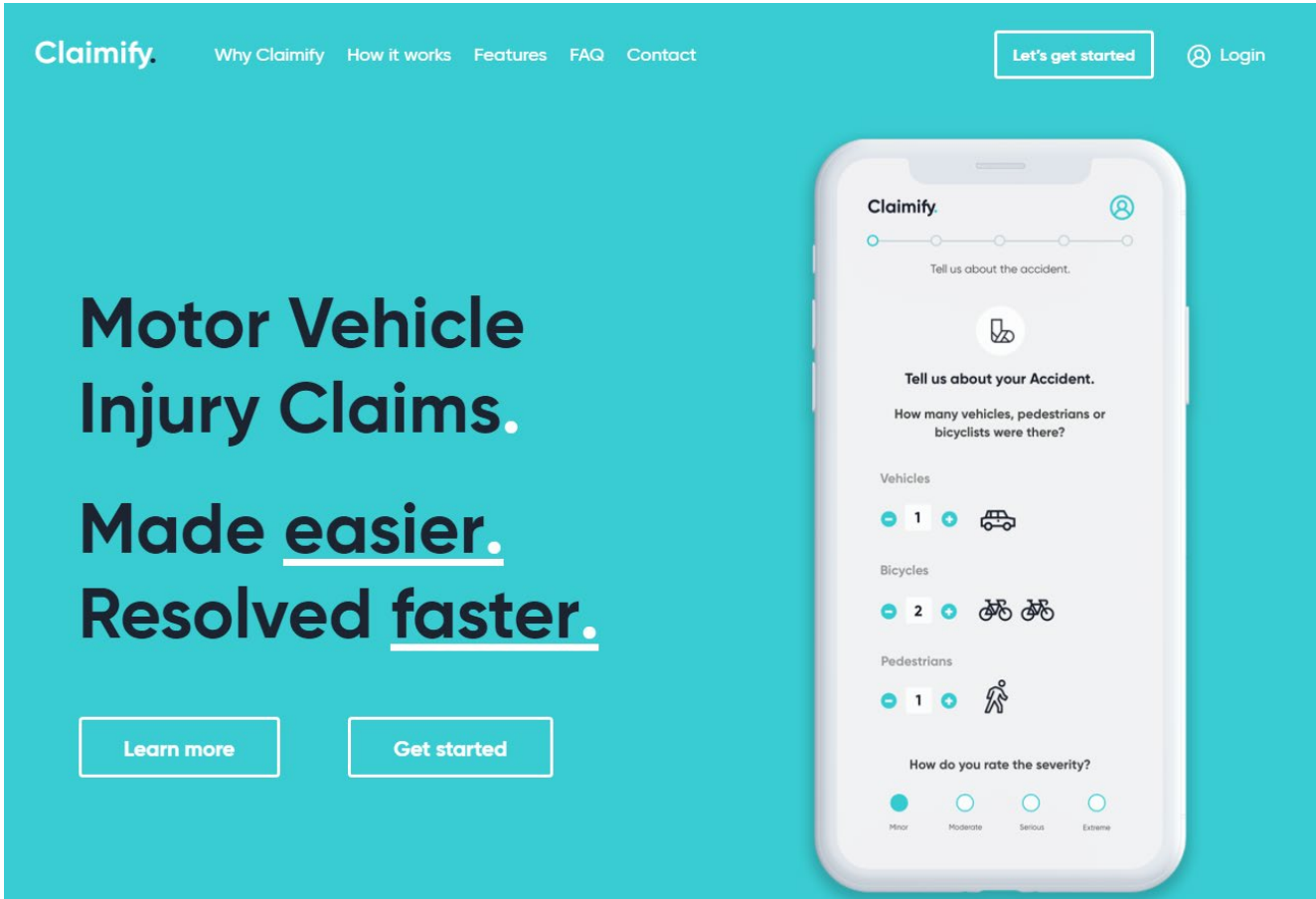
# FY19 Highlights – Subsidiaries & Investments

Subsidiary	Operational Highlights
<b>Sciaccas</b>	Ongoing development in employment and industrial law.
<b>Emanate Legal</b>	Challenging conditions persist. Mining industry and infrastructure initiatives expected in 2020.
<b>Stephen Browne</b>	Consistent and sustained performance in Western Australia. Steadily increasing contribution to Group financial KPI's.
<b>Bradley Bayly</b>	Increase in Abuse cases emerging from the Royal Commission.
<b>Best Wilson Buckley Family Law</b>	Family law services opportunities with healthy pipeline on national basis.

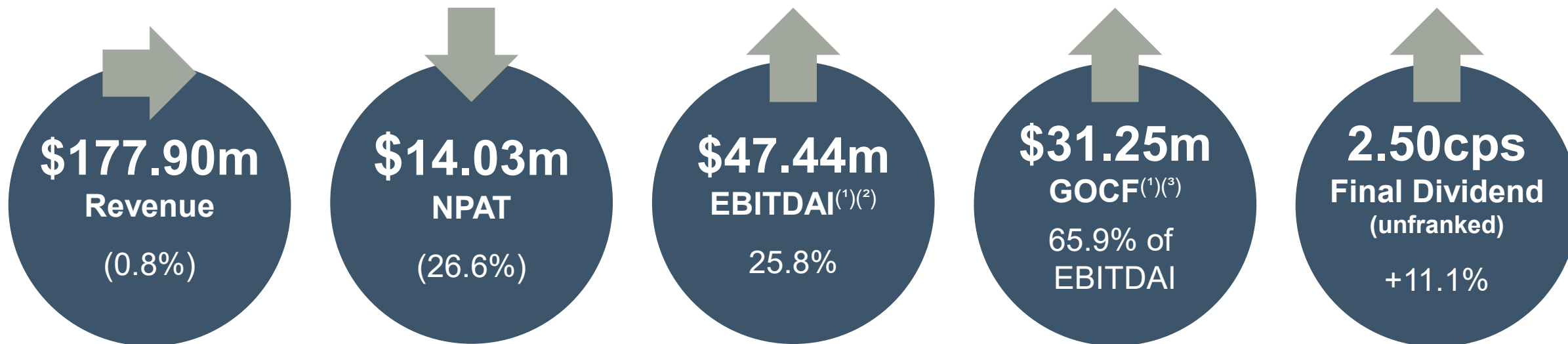


**Our first innovation initiative launched in May 2019.**

- Claimify is an online legal platform designed to create new ways of delivering justice for consumers with a focus on ease and convenience for the client and internal process optimization.
- Features include:
  - Online self serve interview with sentiment capture
  - Artificial intelligence deep learning algorithm that predicts case outcomes
  - Online claims portal
  - Partial claims automation
  - Fixed pricing model
- For our first client, we were able to achieve Claim Lodgement within 5 business days from her first point of contact, a process that can take upwards of a month in a traditional setting



# FY19 Group Results



- Underlying EBITDAI<sup>(1)</sup> up 1.6% to \$38.33m
- Underlying NPAT (excluding \$5m impairment) down 0.4% to \$19.03m
- Total dividend of 3.75 cps up 15% (unfranked)
- Underlying Gross Operating Cash Flow up 1.3% to \$22.15m

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# FY19 Financial Results: Balance Sheet

AS AT (\$'000)	30 June 19	30 June 18
Cash	26,697	22,549
Receivables	15,586	13,424
Work in progress	276,487	257,037
Unbilled disbursements	84,781	78,083
PP&E and other	6,461	10,330
Intangibles	47,944	48,291
Right of Use Assets	47,624	-
<b>Total assets</b>	<b>505,580</b>	<b>429,714</b>
Trade payables	17,018	13,234
Disbursement creditors	65,441	55,930
Borrowings	54,413	52,956
Lease liabilities	54,538	4,774
Deferred and current tax liabilities	81,393	74,786
Provisions	9,279	9,894
Financial liabilities	1090	333
<b>Total liabilities</b>	<b>283,172</b>	<b>211,574</b>
<b>Net assets</b>	<b>222,408</b>	<b>218,140</b>

- Cash on hand at 30 June 2019 was \$26.70m
- Net WIP grew by 7% primarily from organic growth within Shine Lawyers
- Deferred tax liability relates primarily to WIP
- Disbursement creditors grew due to implementation of new disbursement facility
- New class of Right of Use Asset and Lease liabilities created as a consequence of AASB 16
- Marginal increase in borrowings due to Carr & Co acquisition

# FY20 Priorities and Outlook

## Grow Shine

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- Focus on organic growth opportunities
- Maintain considered acquisition strategy
- Expand Family Law
- Deliver on new marketing strategies

## Strengthen Shine

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- Continue to refine reporting processes
- Execute next stage of subsidiary integration
- Build on cost reduction strategies from FY19
- Continue focus on WIP management improvement

## Innovate Shine

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- Complete Phase 2 of Disruption Model Plan

## Champion our Clients

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- Improve client conversion rates
- Focus on customer satisfaction outcomes

## Outlook

Reaffirming FY20 EBITDAI guidance: expecting increase in underlying EBITDAI in the order of 10%