

23 February 2023

ASX Announcement

Shine Justice Ltd (SHJ) FY23 Half Year Results Investor Presentation

Attached is a copy of the FY23 Half Year Results Investor Presentation.

Authorised for release by the Board

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For more information

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Ravin Raj, Chief Financial Officer 07 3006 6010

FY23

Half Year Results

Simon Morrison
Managing Director & CEO

Ravin Raj
Chief Financial Officer

23 February 2023



Shine Justice acknowledges

the Traditional Custodians of the Country throughout Australia and their connections to land, waterways and community.

We pay our respects to Aboriginal and Torres Strait Islander cultures and to Elders past, present and emerging.

Important Notice

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of Shine Justice Ltd and certain plans and objectives of the management of Shine Justice Ltd.

Such forward-looking statements involve both known and unknown risks, uncertainties, assumptions and other important factors which are beyond the control of Shine Justice Ltd and could cause the actual outcomes to be materially different from the events or results expressed or implied by such statements. Shine Justice 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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One Unifying Message to **Right Wrong**

Personal Injury

Motor vehicle, workplace, public liability, abuse

- Shine Lawyers¹
- Sciaccas (QLD)
- Stephen Browne (WA)¹
- Bradley Bayly (WA)
- Claimify

NPA²

Shine Lawyers

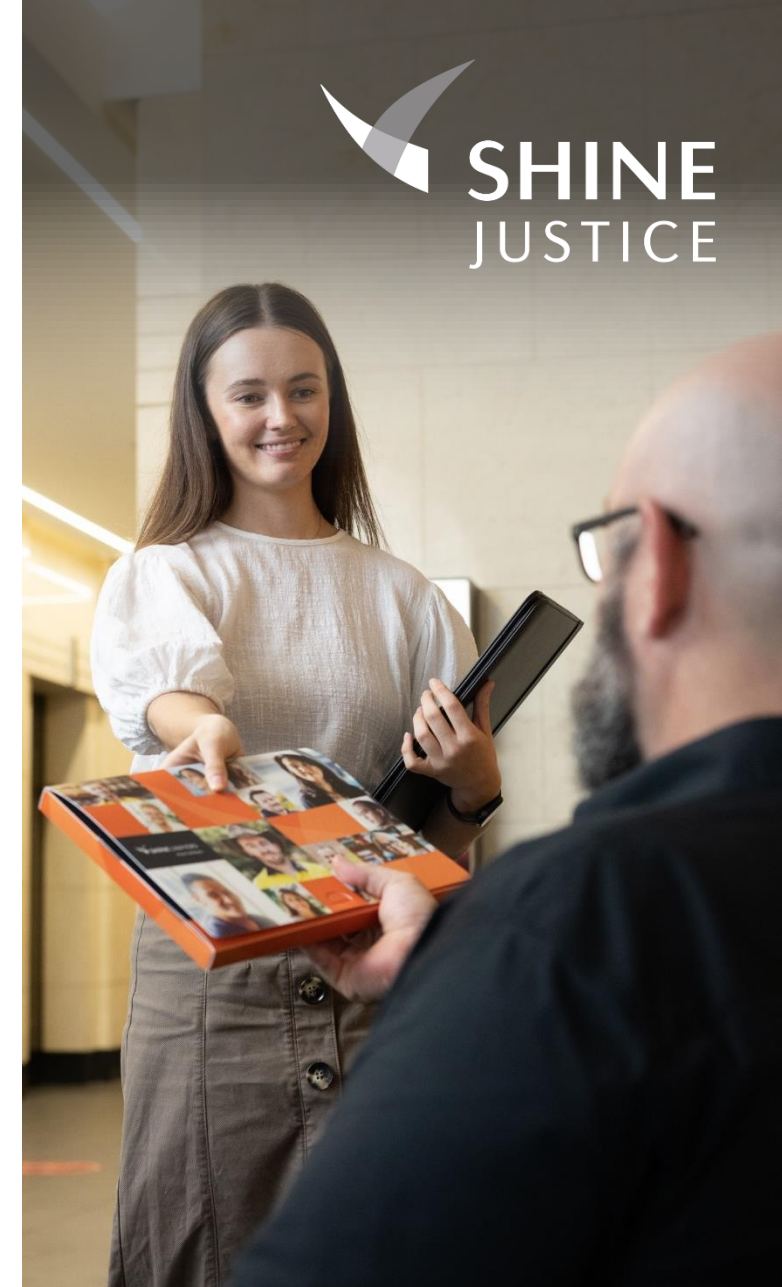
- Class actions
- Superannuation and disability
- Head trauma
- Catastrophic injuries
- Dust disease
- Commercial disputes
- Medical negligence

Family Law

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

¹ Includes Abuse Law from 1 July 2022

² New Practice Areas





FY23H1

Agenda

1 **FY23H1**
Headline
Results

2 **FY23H1**
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Results

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Update

4 Strategic Priorities
and Outlook

5 Questions

FY23H1

Headline Results

Simon Morrison | Managing Director & CEO



FY23H1

Headline Results

Key Financial Metrics¹

Revenue ↑ \$111.21m .v. pcp \$101.76m	NPAT ↓ \$10.65m .v. pcp \$13.05m
EBITDA ↓ \$26.91m .v. pcp \$27.44m	GOCF² ↓ -\$8.91m .v. pcp \$6.68m
Interim Dividend (unfranked) ↓ 1.50c .v. 2.50c	EPS (basic) ↓ 6.18c .v. 7.54c

¹ Discontinued operations (Emanate) eliminated in PCP comparatives.

² GOCF is not an IFRS calculation which appears in the financial statements and has not been audited.

Strong progress of Group's strategy

Resilient in challenging market

- 3 new class actions filed in FY23H1
- 42 new fee earners
- Midway through new marketing platform introduction
- Settled class action against Commonwealth Government for Northern Territory Stolen Generations for \$50 million
- Progressing establishment of US alliance to secure strong class action pipeline
- 2 new offices in Victoria: Pakenham and Melton
- Organic growth and operational support on track in new offices Darwin, Adelaide, Canberra and Wollongong
- Rollout of Shine Case Tracker – new technology allowing clients 24/7 access to their case
- Significant enhancements to technology to service growth in class actions work

FY23H1

Financial Results

Ravin Raj | Chief Financial Officer

Financial Headline Results

	FY23 H1 (\$m)	FY22 H1 (\$m)	Variance (%)
Revenue¹	111.21	101.76	↑ 9.29
EBITDA	26.91	27.44	↓ 1.93
NPAT	10.65	13.05	↓ 18.39
GOCF²	-8.91	6.68	↓ 233.38
Employee Benefits Expense¹	60.50	54.85	↑ 10.30
Overheads¹	34.47	28.52	↑ 20.86

¹ Discontinued operations (Emanate) eliminated in certain PCP comparatives

² GOCF is not an IFRS calculation which appears in the financial statements and has not been audited

Financial Headline Results

	FY23 H1	FY22 H1	Variance (%)
Earnings per share (cents)	6.18	7.54	↓ 18.04
Interim dividend per share (cents)	1.50	2.50	↓ 40.00

- Interim dividend reduced due to lower cash generation in H1
- Dividends unfranked

¹ Discontinued operations (Emanate) eliminated in certain PCP comparatives

² GOCF is not an IFRS calculation which appears in the financial statements and has not been audited

Financial Results – Balance Sheet

AS AT (\$'000)	31 Dec 22	30 June 22
Cash	23,474	51,864
Receivables	15,766	15,754
Work in progress	362,259	332,476
Unbilled disbursements	116,763	104,249
PP&E and other	18,662	15,739
Intangibles	47,681	46,998
Right of Use Assets	40,132	34,108
Financial assets of fair value	11,433	12,156
Total assets	636,170	613,344
Trade payables	11,928	16,203
Disbursement creditors	107,996	99,357
Borrowings	53,307	50,196
Lease liabilities	48,286	42,518
Deferred and current tax liabilities	119,103	114,056
Provisions and other	2,665	1,864
Employee liabilities	11,766	11,346
Total liabilities	355,051	335,540
Net assets	281,119	277,804

- Cash in hand reduced due to use in strategic growth opportunities in new staff, new offices, technology and new marketing platform, as well as operations
- Growth in WIP & Disbursements reflecting reduced number of case resolutions in H1
- Increase in Borrowings due to capex in new offices and new marketing platform
- Net increase in deferred tax liability



FY23H1

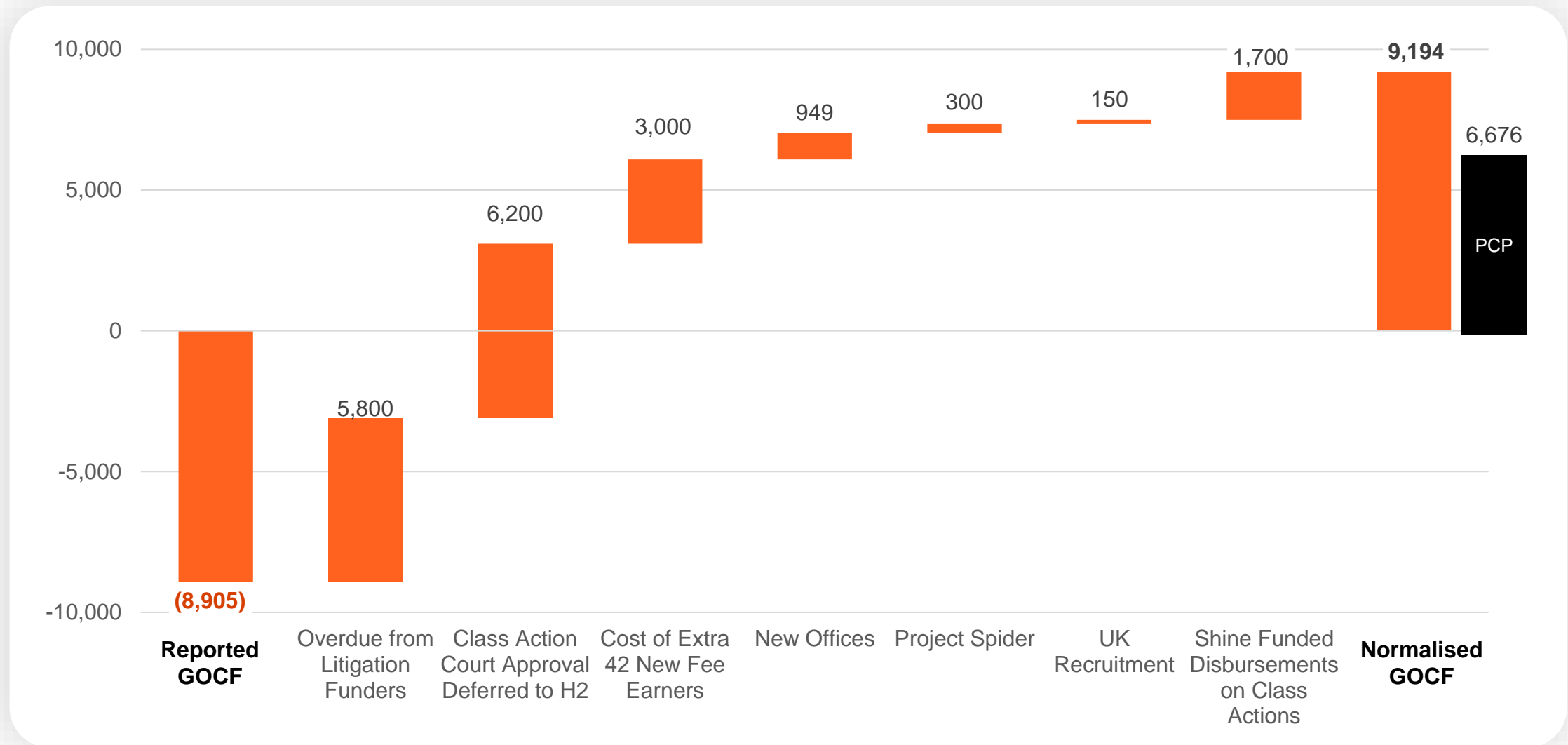
Financial Results – Normalised EBITDA (\$'000)





FY23H1

Financial Results – Normalised GOCF (\$'000)



FY23

Operating Update

Simon Morrison | Managing Director & CEO



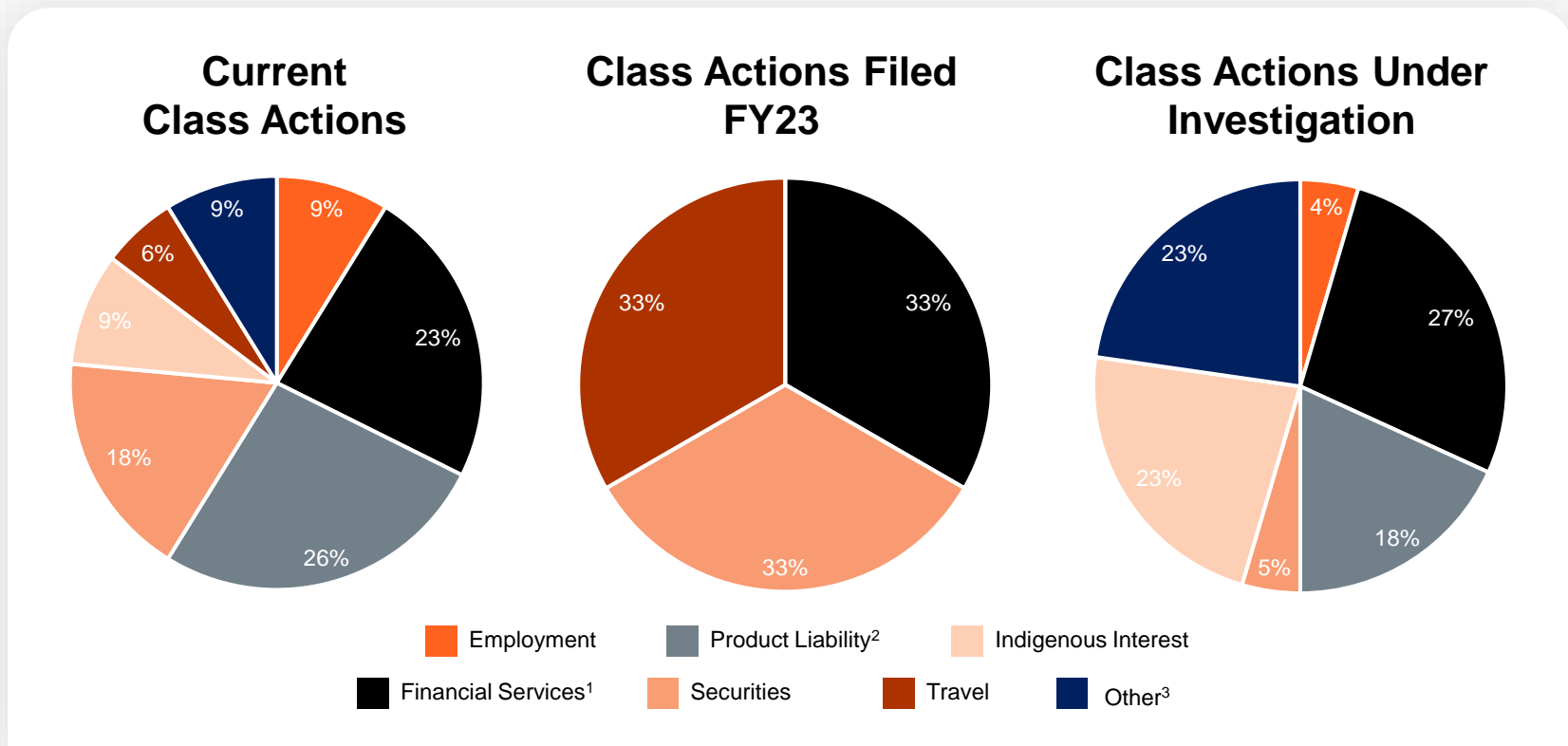
FY23

Update – Class Actions Potential Damages >\$1B

Litigation funding improving cash cycle and Shine’s competitive advantage for growth

- Litigation funding (LF) in class actions improves gross operating cashflow
- Historically, WIP absorbed until completion of class action. LF will improve cash cycle with stable and regular invoicing / collections
- Competitive advantage with scale and resources
- Access to Victorian contingency model and selection criteria / hurdle rates by litigation funders likely to impose constraints for small firms

1. Includes Banking and Super.
 2. Includes Auto.
 3. Includes Competition, Environmental, Government, Privacy & Data and Social Justice / Human Rights.



56 Class Actions commenced, in the pipeline or under investigation

FY23

Strategic Priorities and Outlook



Our Blueprint with **Five Pillar Strategy**

Champion the Client

Prioritise People

Grow Shine

Strengthen Shine

Innovate Shine

Short Term Outlook

- Macro conditions not expected to impact earnings
- Deploy capital for acquisitions and organic growth
- Focus on NSW & Victoria market share
- Earnings contribution from new office openings
- Maintain disciplined approach to capital to respond to current environment
- Focus attention on case execution in H2



Medium Term Outlook

- Ongoing technology improvements
- Well positioned to deliver sustainable performance in the medium term
- Build on our deep expertise and grow market share
- Underpin our strength in business and geographical footprint
- Cost saving initiatives and efficiency
- Strong balance sheet

Guidance

Increasing EBITDA growth in FY23 in the order of a low double digit percentage increase, subject to unforeseen economic conditions

Any Questions?