

22 October 2024

ASX Announcement

Shine Justice Ltd (SHJ) Chairman's Address and Managing Director & CEO's Presentation

In accordance with ASX Listing Rule 3.13.3, Shine Justice Ltd provides the following which will be presented at its Annual General Meeting commencing at 12pm (noon) (Brisbane time) today:

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

Authorised for release by the Board



Annette O'Hara
Company Secretary | General Counsel
aohara@shine.com.au

Shine Justice

CHAIRMAN'S ADDRESS
SHINE JUSTICE LTD
ANNUAL GENERAL MEETING
22 OCTOBER 2024

Year in review

After a disappointing financial result in FY23, we undertook a series of initiatives to reshape our business during FY24. We made the decision to divest non-core work types in order to focus on our personal injuries and class actions practices. We went back to basics in re-evaluating our organisational structure, company overheads and cash flow management and we took a number of difficult decisions to reset the business for the future.

After conducting a review of our practice areas, we ceased our work in employment and travel law and estate and landholder litigation and we sold our Queensland family law practice.

In our personal injury practice, we focused strongly on case execution and file resolution and wrote off time which we determined to be unrecoverable, particularly in abuse and commercial dispute files. In the class actions practice we received strong cash flow from the settlement of several actions, but reversed revenue where we did not recover all of our fees. These measures negatively impacted earnings before interest, tax, depreciation and amortisation (EBITDA) in FY24 but will support growth in FY25 and beyond.

Financial performance

In FY24, EBITDA, adjusted to exclude non-recurring items (the reversal of revenue in the Ethicon and Boston Scientific mesh class actions as a result of the recovery of part only of our fees, fair value losses on deferred consideration and restructuring costs) was \$45 million compared with \$61.4 million in the previous year (which was adjusted to exclude the impact of the fair value adjustment for interest in the Ethicon mesh class action), a decrease of 26.7 percent.

Net profit after tax of \$6.0 million compared with \$3.3 million previously. As a result of our focus on generating cash, our gross operating cash flow (GOCF) rose \$51.8 million, a significant turnaround compared with -\$3.9 million in the previous period.

Highlights

While we faced challenges in FY24, we achieved a number of positive outcomes. Resetting the business while not losing focus on achieving outcomes for our clients is a testament to our people and their resilience, commitment and compassion.

During the year the Group resolved more than 5,000 cases, securing damages in excess of \$810 million for our clients.

Class action settlements totalling \$168.7 million were approved by the court during the financial year, including actions against the Commonwealth Department of Defence for contamination from the use of firefighting foam in a range of sites across Australia, including Wreck Bay in NSW, and an action against Evans Dixon in relation to conflicted investment advice given to clients.

We also received fees from the settlement of the Ethicon and Boston Scientific Mesh class actions and reached agreement to settle a class action for up to \$180.4 million against the Western Australian Government for Stolen Wages on behalf of thousands of Aboriginal Australian workers, subject to court approval.

Class actions were filed during the financial year against KFC for failure to provide paid breaks for employees, Rest Superannuation for wrongful deduction of insurance premiums and Aussie Home Loans for inappropriate advice and insurance policy sales.

We are investigating class actions on behalf of First Nations families who have been subjected to discriminatory practices in several States and have filed complaints with the Australian Human Rights Commission against the New South Wales Department of Communities & Justice and the Western Australian Department of Communities. In addition, we assisted affiliate Shine Lawyers New Zealand to file group actions in New Zealand in relation to loss arising from the Edgecumbe floods and allegedly defective Toyota vehicles.

In an important development, in conjunction with US firm Milberg Coleman Bryson Phillips Grossman, we are investigating whether companies manufacturing and selling proton pump inhibitor drugs failed to inform Australian consumers about medical risks associated with these drugs. We have developed relationships with a number of US law firms and anticipate a future flow of class action cases being initiated in conjunction with them in FY25.

The Board is extremely proud that through our class actions work we secured an historic apology on behalf of the State of Western Australia to Aboriginal and Torres Strait Islander people who worked for little or no wages over a long period last century.

Last month we were pleased to announce that the Commonwealth Government has settled our class action for Stolen Wages on behalf of Aboriginal and Torres Strait Islander Australians who worked in the Northern Territory for up to \$202 million (including legal costs), subject to court approval.

Dividend and Share Buy-Back

The Directors declared a final dividend of 4 cents per Share (unfranked) which was paid last week. When added to the 1.5 cents per Share unfranked interim dividend declared in February 2024, dividends for the year totalled 5.5 cents per Share. The decision to pay this amount was taken in view of strong cash generation in the Financial Year and our confidence in expected earnings in FY25.

As a further capital management initiative, in August we announced an on-market share buy-back for up to 10% of the Company's issued capital as part of the Company's capital management strategy. The buy-back is underway, having commenced last month and will be completed within 12 months. To date we have bought back 176,056 shares.

FY25 Outlook

FY24 saw the implementation of a company-wide cost reduction program which included reduction of overhead costs and rightsizing legal teams. The positive benefits of these changes will flow through to improvements in GOCF and EBITDA in FY25.

Our business as a leading personal injuries and class actions practice is strong, with a committed and talented team who share the strategic focus to deliver improved results and grow earnings in new and existing markets. We have budgeted for growth in both the personal injuries and class actions practices over the next 12 months and are expecting EBITDA in FY25 to exceed FY24 Adjusted EBITDA and also improved GOCF.

Conclusion

Over the eleven years since the Company listed on the ASX, our employee numbers have grown from 615 to 995, our revenue increased from \$105 million to \$199 million, and our branch network expanded from 35 to 51 branches. We acknowledge the hard work behind these accomplishments. The focus of our growth has always been to achieve maximum compensation for our clients through the lens of the three key values that have defined Shine for decades: Always stand up for the little guy, Dare to be different and Ahead of the pack. We are grateful to our talented team members for their dedication during the past year.

I would like to take this opportunity to thank my fellow Directors for their valuable contribution and insights in governing the Group.

Finally I thank our shareholders for their ongoing support.



2024 Annual General Meeting

22 October 2024



FY24 Overview

Simon Morrison

MANAGING DIRECTOR & CEO



PURPOSE DRIVEN, RESILIENT AND
DETERMINED TO SEEK JUSTICE FOR
OUR CLIENTS

Class Actions & NPA¹

Shine Lawyers

- Class actions

Adjacent Legal Services

- Superannuation and disability
- Dust disease
- Medical negligence

Family Law

- Carr & Co (WA)

Personal Injury

Motor vehicle, workplace, public liability, abuse

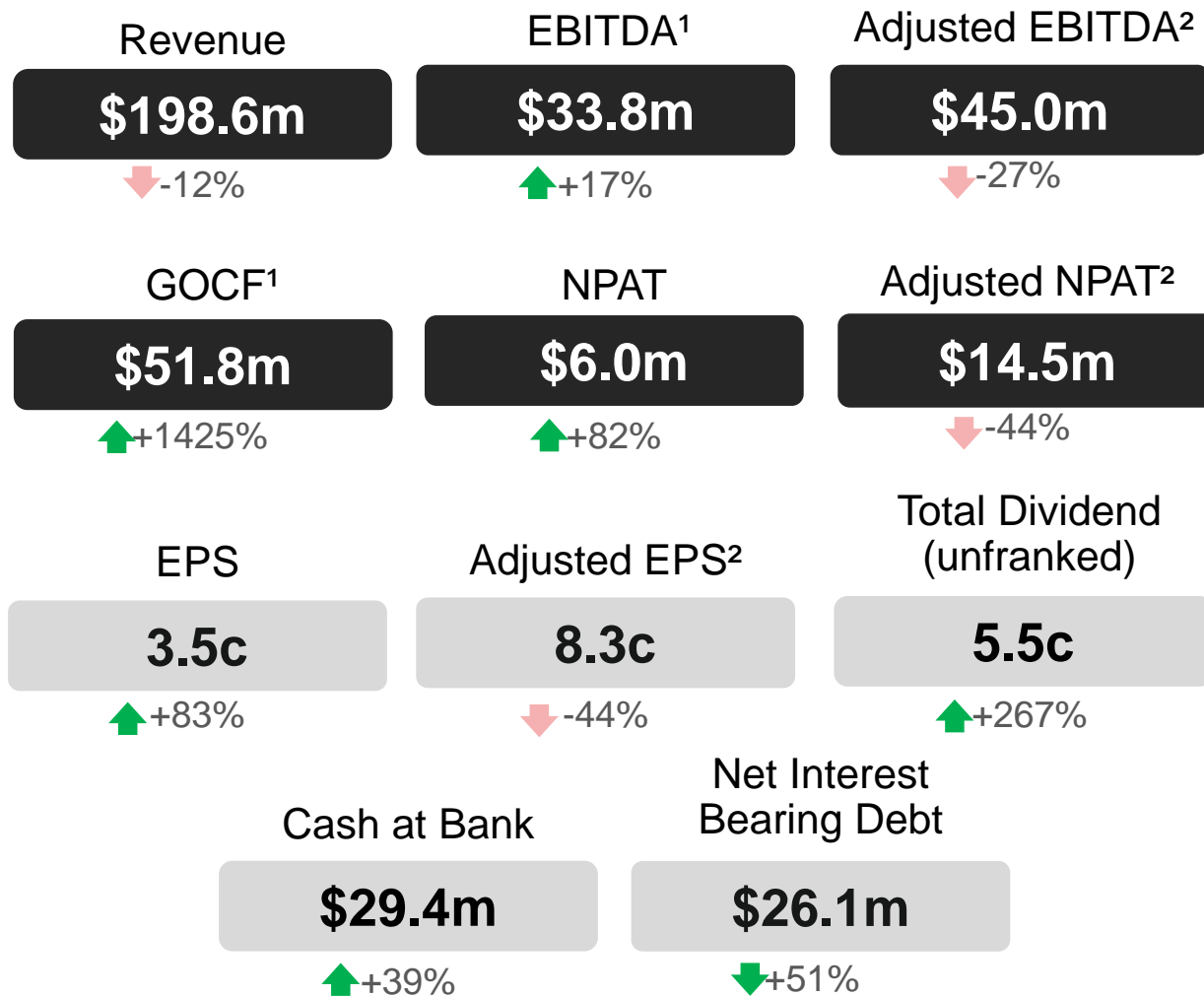
- Shine Lawyers (Eastern seaboard)
- Sciacas (QLD)
- Stephen Browne (WA)
- Bradley Bayly (WA)



¹ New Practice Areas



FY24 Key Highlights



¹EBITDA and GOCF are not IFRS calculations which appear in the Financial Report and accordingly have not been audited.

²Adjusted EBITDA, NPAT and EPS in FY24 exclude non-recurring items (the reversal of revenue in the Ethicon Mesh Class Action and the Boston Scientific Class Action as a result of the recovery of our fees in part only, fair value losses on deferred consideration and restructuring costs).

³Pending final court approval.

Key Achievements

Strategic

- FY24 was a reset year
- Divested non-core businesses
- Simplified focus of business to two main segments in Class Actions and Personal Injury

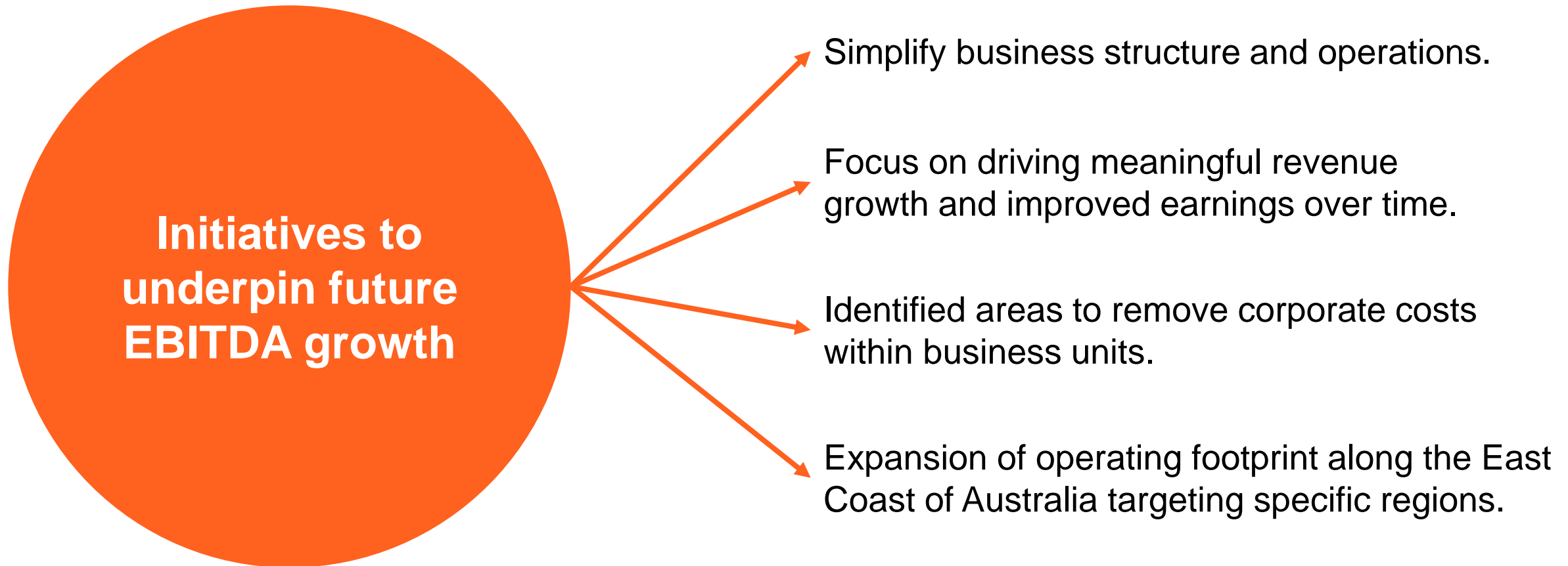
Profitability and Cash

- One of the best cash results in history
- Final dividend reflects confidence in future earnings and cash flow
- Net debt improvement driven by improved cash flow
- Cost reduction program delivered
- Strong emphasis on resolving older PI cases
- Improvement and efficiency in PI process to speed cash conversion

Operational

- Resolved more than 5,000 cases securing damages > \$810 million
- Compensation for workers suffering silicosis and black lung
- Class Action settlements totalling \$171 million against Commonwealth Government for use of fire-fighting foam and Evans Dixon
- Settled Class Action against the WA Government for stolen wages on behalf of Aboriginal workers for up to \$180.4m³
- Filed Class Actions against KFC, Rest, Aussie Home Loans, and (NZ affiliate) Toyota and Edgecombe Floods

FY23 Flagged Initiatives to Reset Cost Base for Growth and Efficiency





FY24 Achievements: Delivered FY23 Initiatives

Investment in our people and culture remains our competitive advantage



Cost Reduction

Cost reduction program in FY24 will deliver inbuilt future cash savings of \$14.7m and expense savings of \$12m. Without FY24 cost reductions the FY25 expense budget would be significantly higher.



Non-Core Businesses

Business restructure including discontinuation or winddown of businesses and practice areas including Commercial disputes, Travel, Estate Litigation, Family Law. Continues into FY25.



Simplified Business

Substantially completed to simplify business into two clear segments i.e. Personal Injury, Class Actions & NPA.

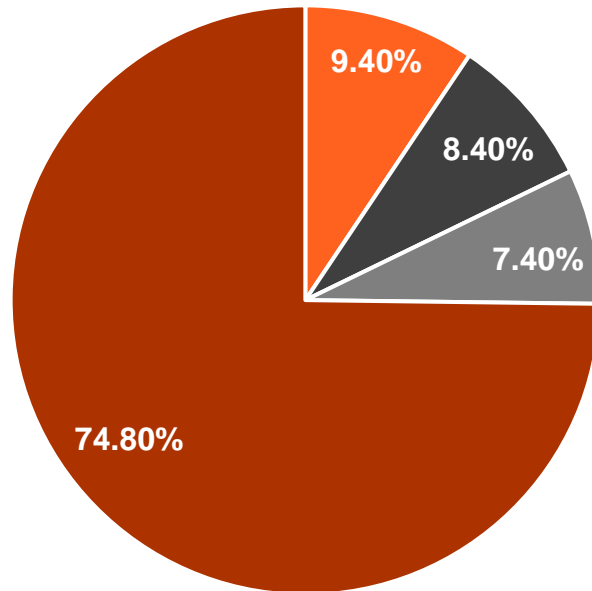


Expansion of Operating Footprint

Personal Injury - number of opportunities exist in the pipeline, but immediate focus in FY25 is organic growth.

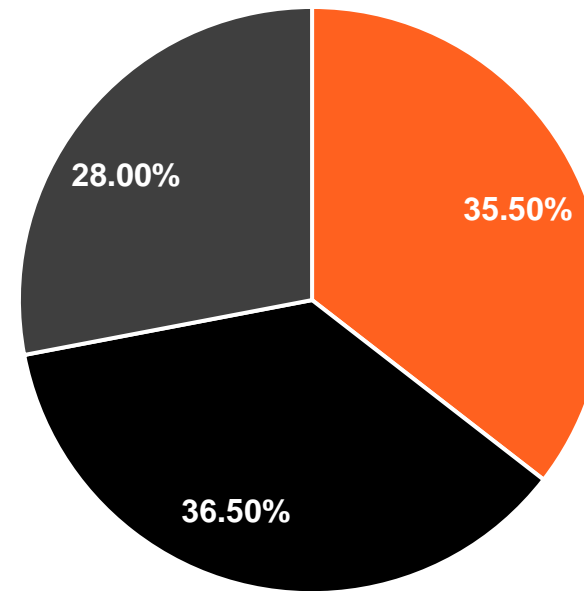
| Personal Injury Market Overview¹

Market Share



- Shine Justice
- Allegro Funds (Slater & Gordon)
- Maurice Blackburn
- Other

Industry Products & Services Segmentation



- Motor Vehicle Accidents
- Workplace Injuries
- Other Personal Injury Claims

| Personal Injury – FY25 Growth Strategy



Marketing effort and expenditure restructured to assist with stronger file growth compared to FY24. Detailed branch-by-branch evaluation to determine the marketing efforts and costs needed to attract new files.



Significant reorganisation of the call centre team to support improved file intake and improve quality of service.



Strategy to drive staff retention in FY25:

- Profit share incentive scheme implemented to more tightly align to cash and EBITDA performance.
- Equity scheme for 154 employees.

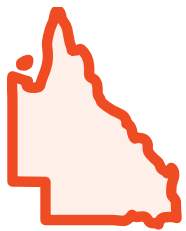


Capacity template model adopted to determine the optimal number of legal staff based on jurisdiction, legal practice area, matter type and new file inflow.

Capacity review will result in better utilisation and opportunity for organic growth.



| Class Actions Overview



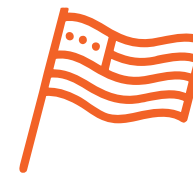
Shine Justice's Class Action business began in QLD and is now located in NSW, VIC and NZ (affiliate).

#2

It is the **2nd largest** Class Actions practice operating in Australia.



Class Actions worktype continues to be one of the **fastest growth opportunities for Shine.**



Relationships established with US law firms which will **accelerate growth** in Class Actions and international mass torts.



Class Actions Portfolio

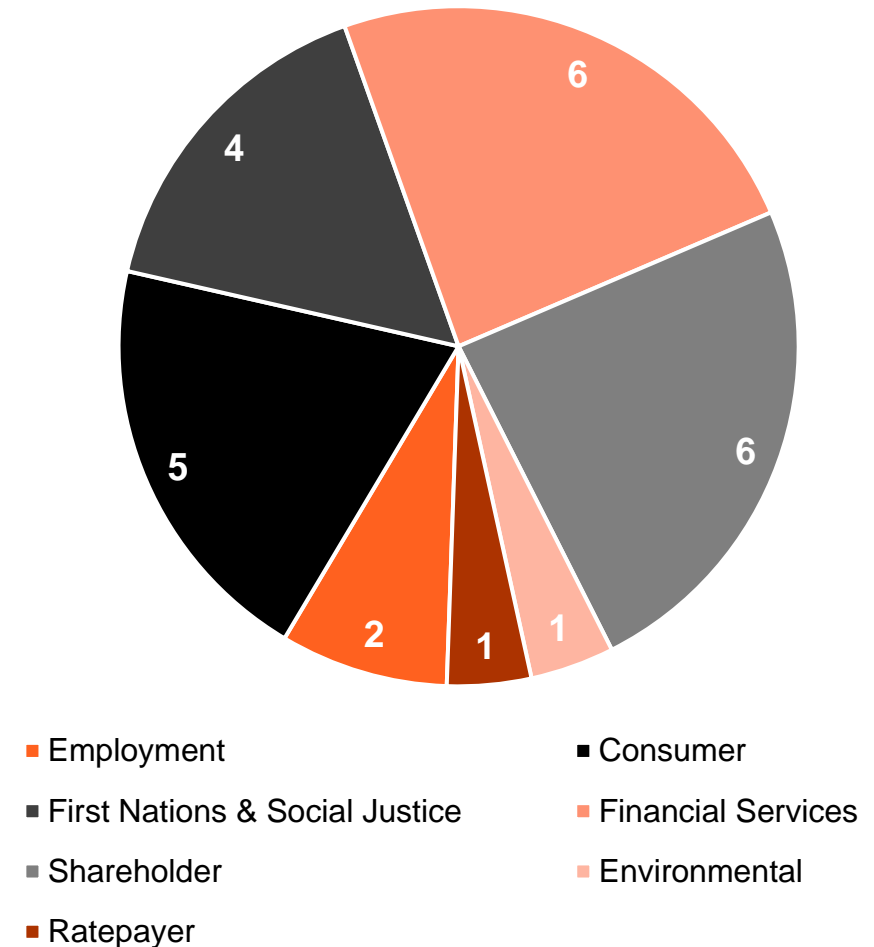
Broad book of cases reflects strong pipeline of future revenue and diversified portfolio.

No single concentrated risk.

Pipeline growing and is continually replenished.

Strong medium term growth prospects in conjunction with US strategy.

Current Class Actions



| Class Actions Strategy



Australian Strategy

The business has sufficient capital and access to Litigation funders to undertake actions:

- Class Actions continue to be one of the fastest growth opportunities for Shine.
- Expanded geographic footprint with the establishment of a Victorian office - an important strategic initiative.
- Grow Class Actions practice in Australia and NZ (affiliate).



USA Strategy

A strategic intention for Shine in FY25 and beyond is to accelerate growth in class actions and international mass torts.

A number of United States originated cases have been identified as having prospects for Shine to undertake in Australia.

Strategic relationships with United States law firms who have proven experience and track records in these cases.



INVEST



GROW



STRENGTHEN



INNOVATE



CHAMPION
THE CLIENT



| FY25 Outlook

Shine is a strong defensive business:



Clearer focus on two operating segments – PI & Class Actions.



Continued focus on expense management.



Organic growth opportunities in both operating segments.



Cash generation continuing priority.



US litigation funding to increase availability of funding sources for Class Actions growth.



Short term GOCF target – 70%+ conversion.

In FY25 we have budgeted for growth in both Personal Injury and Class Actions