

## ASX ANNOUNCEMENT

28 August 2019

### Shine Corporate Ltd (SHJ) FY19 Financial Results

Measure	FY19	FY18	% change to PCP <sup>1</sup>
Total revenue	\$177.90m	\$179.37m	(0.8%)
NPAT <sup>2</sup> (including impairment <sup>3</sup> )	\$14.03m	\$19.11m	(26.6%)
NPAT (pre-impairment, like-for-like)	\$19.03m	\$19.11m	(0.4%)
EBITDAI <sup>4</sup>	\$47.44m	\$37.72m	25.8%
EBITDAI (like-for-like) <sup>5</sup>	\$38.33m	\$37.72m	1.6%
Gross Operating Cash Flow (GOCF) <sup>6</sup>	\$31.25m	\$21.87m	42.9%
GOCF (like-for-like)	\$22.15m	\$21.87m	1.3%
Total Dividend per share	3.75 cents	3.25 cents	15.4%
EPS	8.06 cents	11.04 cents	(27.0%)
EPS (like-for-like, excluding impairment and impact of AASB 16 Leases)	11.81 cents	11.04 cents	6.9%

The Board of Shine Corporate Ltd (the **Company**) today announced the FY19 financial results, with revenue of \$177.90 million compared with \$179.37 million in the prior corresponding period and EBITDAI of \$47.44 million compared with \$37.72 million in the prior corresponding period.

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.

<sup>1</sup> PCP means Prior Corresponding Period.

<sup>2</sup> NPAT means Net Profit After Tax.

<sup>3</sup> Impairment charge on the goodwill attributed to the Land, Energy and Resources business announced on 27 February 2019.

<sup>4</sup> EBITDAI means Earnings Before Interest, Tax, Depreciation, Amortisation and Impairment. EBITDAI is not an IFRS measurement and has not been audited by the Company's auditors.

<sup>5</sup> AASB 16 Leases had an impact on EBITDAI and GOCF, resulting in previously reported operating leases now disclosed below EBITDAI as a combination of depreciation and interest.

<sup>6</sup> Gross Operating Cash Flow or GOCF means net cash provided by operating activities, excluding finance costs and income tax. GOCF is not an IFRS measurement and has not been audited by the Company's auditors.

The Company's statutory NPAT of \$14.03 million (including the \$5 million impairment referred to below) for FY19 compares with NPAT of \$19.11 million for FY18.

Managing Director, Simon Morrison, said "We achieved a result in accordance with our guidance. We delivered on our commitments by strengthening the executive team, achieving operational efficiencies and increasing investment in innovation. The Group has made good progress and remains on track to achieve its long-term strategy to expand its capabilities and set a platform for growth.

We took a significant step in implementing our growth plans in expanding our Class Actions presence in NSW, strengthening our expertise through the employment of key Class Action lawyers with significant commercial litigation experience.

In January, we were pleased to announce the expansion of our family law practice through the acquisition of a majority interest in Carr & Co Divorce & Family Lawyers, a highly respected family law practice in Perth.

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

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.

A practice area that is recovering at a slower than anticipated rate is the Land, Energy and Resources business. Although there has been steady improvement in new file openings in this business, the rate of improvement has been lower than expected. As a result, the Board of Directors decided to take an impairment charge on the goodwill attributed to this business, as announced on 27 February 2019.

I am pleased with the hard work and focus of all the team and remain very confident we will continue to deliver steady organic growth as well as expanding our offerings and entering new markets that align with our long term strategy".

Key achievements for FY19 include:

- A final dividend of 2.50 cents per share (unfranked), with a record date of 13 September 2019 and a payment date of 27 September 2019, bringing the total dividend for FY19 to 3.75 cents per share (unfranked);
- Expansion of our Class Actions and Family Law practices, consistent with our strategic growth strategy;
- Launch of our innovative new brand Claimify;
- Improved brand awareness through investment in traditional and emerging marketing channels;
- Increased utilisation of disbursement funding; and
- Completion of practice management system integration in Shine Lawyers (Australia).

With respect to initiatives for FY20, Mr Morrison said:

"Our goal is to deliver improved results, enable growth in new and existing markets and maintain our focus on innovation and integration. We are expecting an increase in the order of 10% in underlying EBITDAI in FY20."

The FY19 accounts and annual results presentation have been lodged with the ASX and can also be found on Shine's website – [www.shinecorporate.com.au](http://www.shinecorporate.com.au)

The Company will conduct an analyst and investor briefing at 10.30am AEST today. To join the briefing, telephone 1800 908 299 or 1800 455 963 (Australia toll free).



Annette O'Hara

Company Secretary  
28 August 2019

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#### For more information

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