

## ASX ANNOUNCEMENT

27 February 2019

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

Measure	31 Dec 18	31 Dec 17	% change to PCP <sup>1</sup>
Total revenue	\$86.39m	\$88.23m	(2.1%)
EBITDAI <sup>2</sup>	\$19.56m	\$16.48m	+18.7%
NPAT <sup>1</sup> (pre-impairment)	\$7.21m	\$7.82m	(7.9%)
NPAT <sup>3</sup> Post Impairment Charge	\$2.21m	\$7.83m	(71.8%)
Gross Operating Cash Flow (GOCF) <sup>4</sup>	\$6.62m	\$6.49m	+2.0%
Interim Dividend per share	1.25 cents	1.0 cent	+25.0%
EPS <sup>5</sup>	1.28 cents	4.52 cents	(8.0%)

The Board of Shine Corporate Ltd (the Group) today announced the FY2019 Half Year Financial Results for the period ending 31 December 2018.

Group Revenue was marginally down at \$86.39m compared with \$88.23m in the prior corresponding period, due to a combination of factors including lower billing recovery rates in H1.

EBITDAI was \$19.56m for the half year compared with \$16.48m in the prior period. The adoption of AASB16 *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 \$15.15m against \$16.48m in the prior corresponding period (8.1% decrease) and GOCF was \$2.21m against \$6.49m in the prior corresponding period (65.9% decrease).

GOCF was impacted by a delay in the receipt of Class Action billings which were due in December 2018 but not received until January 2019.

Managing Director Simon Morrison said, "The operating performance of the Group was within expectation for H1, albeit behind where we would normally be at this point in the Financial Year. We expect H2 performance consistent with the previous seasonal experience.

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

<sup>2</sup> EBITDAI means Earnings Before Interest, Tax, Depreciation, Amortisation and Impairment. EBITDAI is not an IFRS measurement and has not been reviewed by the Company's auditors.

<sup>3</sup> NPAT means Net Profit After Tax.

<sup>4</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 reviewed by the Company's auditors.

<sup>5</sup> EPS means Earnings Per Share.

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We are pleased with the rate of organic growth of new work the Group has enjoyed in FY19. Shine Lawyers file openings are up 18% on a PCP basis, which is a result of key marketing and distribution changes made last year.

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.

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 less than expected. As a result, the Board of Directors has decided to take an impairment charge on the goodwill attributed to this business.

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”.

The Directors of Shine Corporate have reaffirmed the expectation of a modest increase in EBITDA (excluding Impairment) for the full year over the result for FY18.

The Board of Directors is pleased to declare an interim dividend of 1.25 cents per share (unfranked), with a record date of 8 March 2019 and a payment date of 22 March 2019.

The FY19 H1 accounts and half year results presentation have been lodged with the ASX and can also be found on the Company'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 (Australia toll free) using Conference ID 359468.



Annette O'Hara

Company Secretary  
27 February 2019

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### For more information

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