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# 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.



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# Important Notice

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# One Unifying Message to **Right Wrong**

## Personal Injury

### Motor vehicle, workplace, public liability, abuse

- Shine Lawyers<sup>1</sup>
- Sciaccas (QLD)
- Stephen Browne (WA)<sup>1</sup>
- Bradley Bayly (WA)
- Claimify

## NPA<sup>2</sup>

### Shine Lawyers

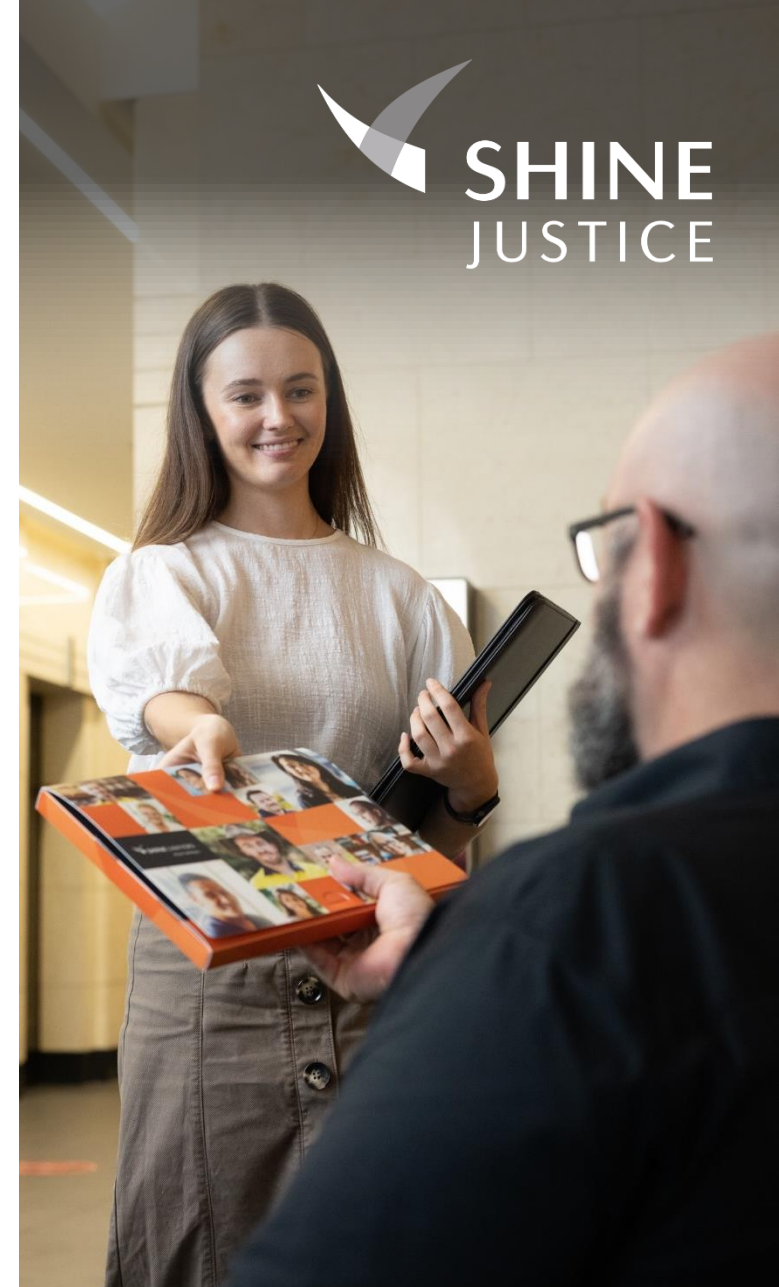
- Class actions
- Superannuation and disability
- Head trauma
- Catastrophic injuries
- Dust disease
- Commercial disputes
- Medical negligence

### Family Law

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

<sup>1</sup> Includes Abuse Law from 1 July 2022

<sup>2</sup> New Practice Areas





**FY23H1**

# Agenda

**1** **FY23H1**  
Headline  
Results

**2** **FY23H1**  
Financial  
Results

**3** **FY23**  
Operating  
Update

**4** Strategic Priorities  
and Outlook

**5** Questions

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# FY23H1

## Headline Results

Simon Morrison | Managing Director & CEO



**FY23H1**

# Headline Results

# Key Financial Metrics<sup>1</sup>

<b>Revenue</b> ↑ \$111.21m .v. pcp \$101.76m	<b>NPAT</b> ↓ \$10.65m .v. pcp \$13.05m
<b>EBITDA</b> ↓ \$26.91m .v. pcp \$27.44m	<b>GOCF<sup>2</sup></b> ↓ -\$8.91m .v. pcp \$6.68m
<b>Interim Dividend (unfranked)</b> ↓ 1.50c .v. 2.50c	<b>EPS (basic)</b> ↓ 6.18c .v. 7.54c

<sup>1</sup> Discontinued operations (Emanate) eliminated in PCP comparatives.

<sup>2</sup> 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



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# FY23H1

## Financial Results

Ravin Raj | Chief Financial Officer

# Financial Headline Results

	FY23 H1 (\$m)	FY22 H1 (\$m)	Variance (%)
<b>Revenue<sup>1</sup></b>	111.21	101.76	↑ 9.29
<b>EBITDA</b>	26.91	27.44	↓ 1.93
<b>NPAT</b>	10.65	13.05	↓ 18.39
<b>GOCF<sup>2</sup></b>	-8.91	6.68	↓ 233.38
<b>Employee Benefits Expense<sup>1</sup></b>	60.50	54.85	↑ 10.30
<b>Overheads<sup>1</sup></b>	34.47	28.52	↑ 20.86

<sup>1</sup> Discontinued operations (Emanate) eliminated in certain PCP comparatives

<sup>2</sup> 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 (%)
<b>Earnings per share (cents)</b>	6.18	7.54	↓ 18.04
<b>Interim dividend per share (cents)</b>	1.50	2.50	↓ 40.00

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

<sup>1</sup> Discontinued operations (Emanate) eliminated in certain PCP comparatives

<sup>2</sup> 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
<b>Total assets</b>	<b>636,170</b>	<b>613,344</b>
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
<b>Total liabilities</b>	<b>355,051</b>	<b>335,540</b>
<b>Net assets</b>	<b>281,119</b>	<b>277,804</b>

- 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**

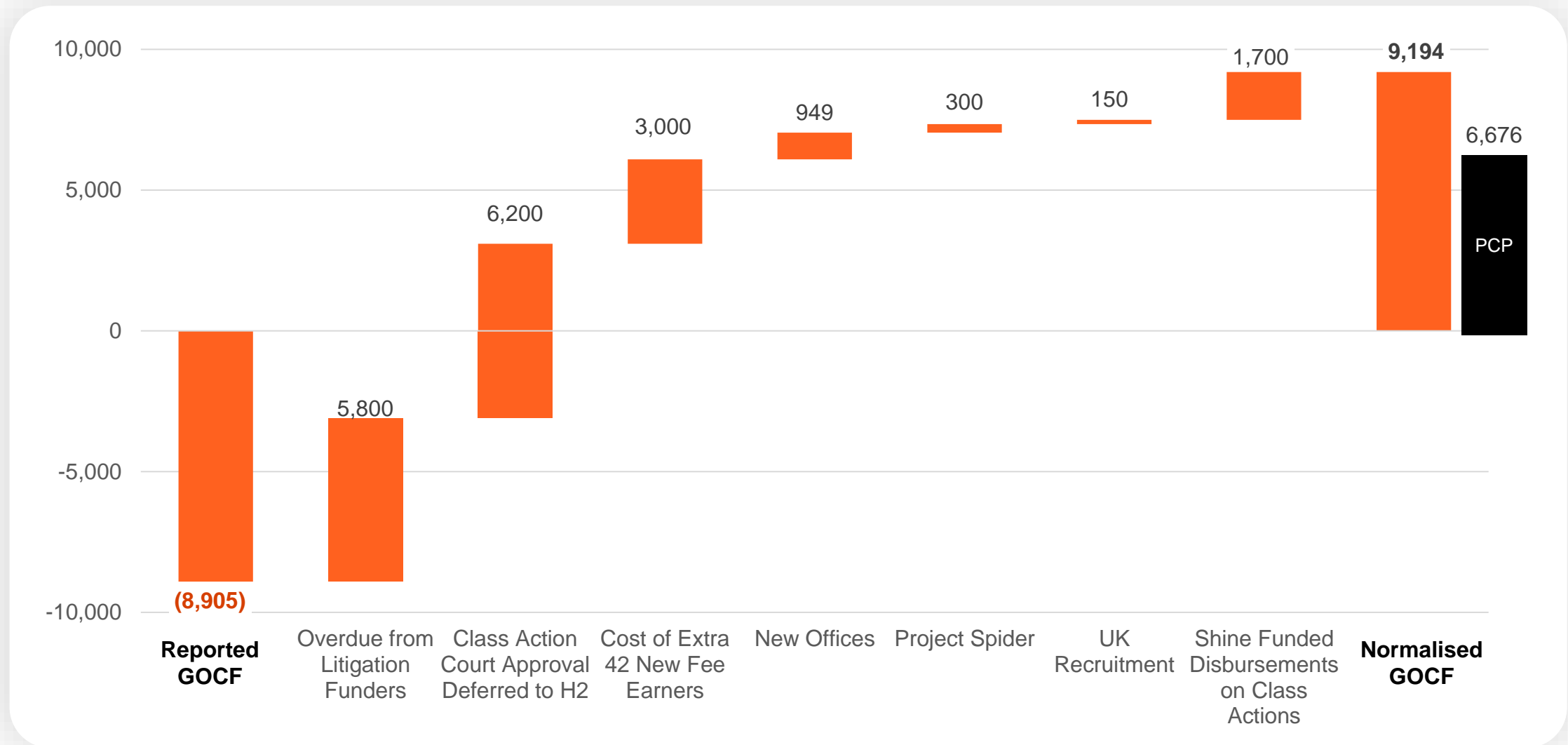
# Financial Results – Normalised EBITDA (\$'000)





**FY23H1**

# Financial Results – Normalised GOCF (\$'000)



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# FY23

## Operating Update

Simon Morrison | Managing Director & CEO



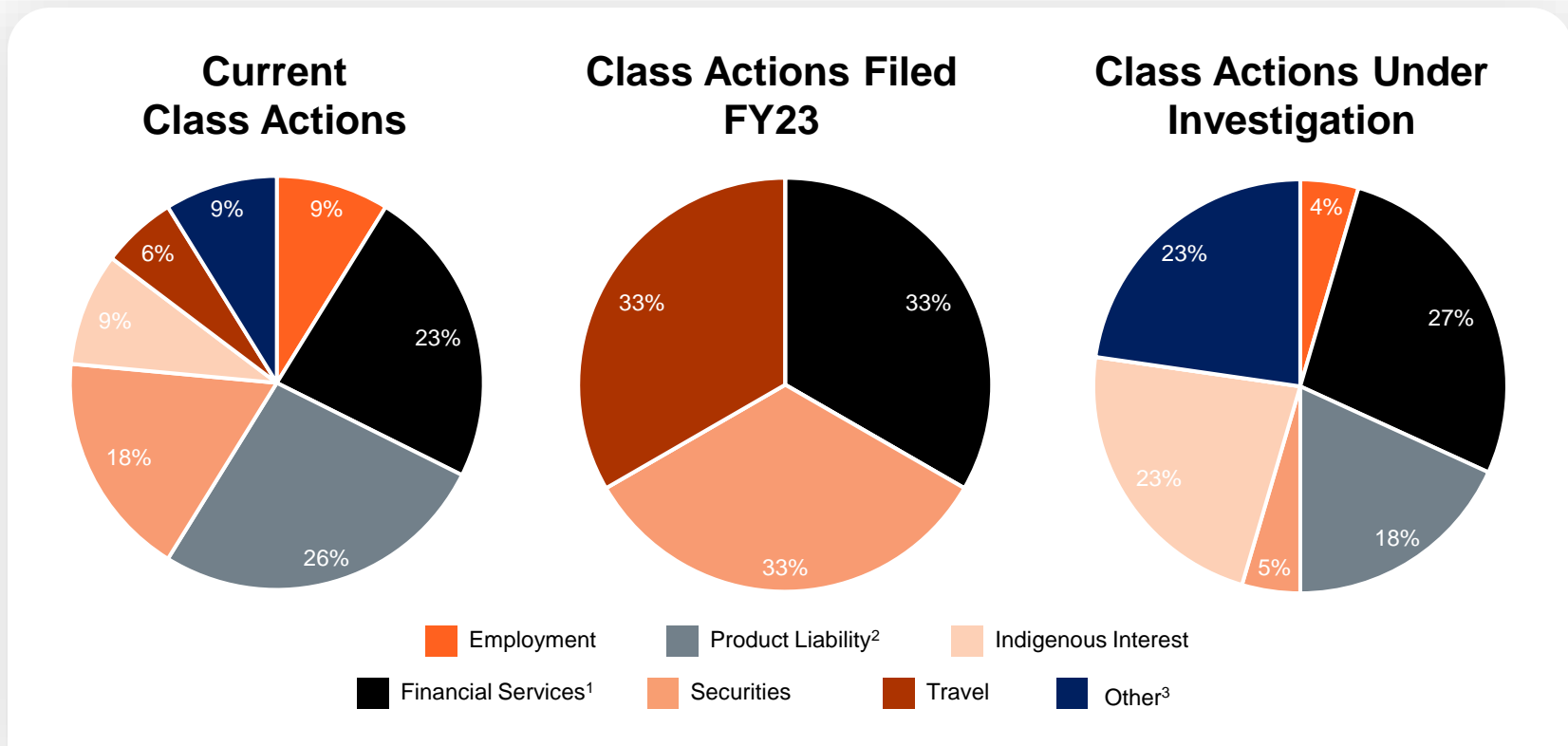
**FY23**

# 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



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# 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

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# Any Questions?