



Shine Corporate Ltd 2018 Full Year Results

Results Presentation

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- 1 2018 Highlights**
- 2 Financial Review**
- 3 2019 Areas of Focus**
- 4 Outlook**
- 5 Questions**

Corporate Overview



WESTERN AUSTRALIA
Perth

**Stephen Browne
Personal Injury Lawyers**
Perth and Joondalup

Bradley Bayly Legal
Perth and Albany

QUEENSLAND

Brisbane
Bundaberg
Bundall
Caboolture
Cairns
Carindale
Chermside
Dalby
Gladstone
Gympie
Hervey Bay

Ipswich
Helensvale
Logan
Mackay
Maroochydore
North Lakes
Robina
Springwood
Stones Corner
Toowoomba
Townsville

Best Wilson Buckley Family Law
Brisbane, Ipswich, Toowoomba and North Lakes

Sciaccas Lawyers
Brisbane

Emanate Legal
Townsville and Roma

NEW SOUTH WALES

Fairfield
Liverpool
Newcastle
Parramatta
Sawtell
Sydney

VICTORIA

Ballarat
Dandenong
Geelong
Melbourne
Reservoir
Sunshine



Shine New Zealand
Auckland

**Risk Worldwide
Shine New Zealand**
Christchurch

Personal Injury

- Shine Lawyers
- Bradley Bayly Legal
- Stephen Browne PI Lawyers
- Sciaccas Lawyers

Emerging Practice Areas

- Shine Lawyers
- Emanate Legal Services
- Best Wilson Buckley Family Law
- Risk Worldwide New Zealand

Justice for a Better Outcome

Global and National Media

Contamination Class Action

Katherine, Townsville, Oakey, Darwin

Medical & Professional Negligence

Mesh Class Action, Silicosis, Quakers Hill Nursing Home Class Action

Financial

AMP, Westpac / Bankwest, Agricultural – Walnut Industry

Sexual Abuse

WA Limitation Laws, New Zealand Abuse

Employment and Discrimination

METOO and NOW Movements, Gold Coast Suns

Property and Tourism

Princess Cruises

6000+
Client
Matters
Settled

Greater
than
\$600m
Damages
for Clients

847
Team
Members

Emerging Areas
• Silicosis
• Contamination
• Abuse Law

- Personal injury (motor vehicle, workplace, public liability)
- Superannuation and disability
- Abuse law
- Class actions
- Product Liability
- Aviation
- Professional and medical negligence
- Bankruptcy and Insolvency
- Transport
- Cycling
- Commercial, land and environment
- Family law
- Insurance and loss adjustment
- Defamation
- Asbestos
- Dust
- Silicosis

FY2018 Highlights

Group

- Financial results within Guidance
- Delivered 2018 commitments on leadership and operational efficiencies
- Innovation and marketing spend on track to deliver 2019 goals
- 51 branches across Australia and New Zealand
- Strong and capable management with industry experience
- Advanced, customer-focused technology platform with further improvements to come

Strategy

- Continuous improvement focus across Group - inch wide, mile deep strategy
- Robust pipeline for organic and acquisitive opportunities
- Scale, brand and disciplined capital spend while maintaining our investment in lower risk strategies
- Now poised for growth

Financial

- Group revenue up 8.69% to \$179.37m
- EBITDA¹ up 3.37% to \$37.72m
- Profit before tax up 12.9% to \$28.76m
- NPAT down 5.16% to \$19.11m
- Final dividend of 2.25 cps (41% franked)
- Gross Operating cash flow (GOCF) up 13.61% to \$21.87m
- GOCF¹ / EBITDA ratio: 58% (FY17: 53%)

1. EBITDA and GOCF are not IFRS calculations which appear in the financial statements, and have not been audited.

FY2018 Highlights – Subsidiaries

Subsidiary	Operational Highlights
Sciaccas	Ongoing development in employment and industrial law.
Emanate Legal	Improving conditions in CSG and Mining sectors - Qld and NSW. Further activities in mining industry and infrastructure expected in 2019.
Stephen Browne	Continuation of solid performance and contribution to Group financial KPI's.
Bradley Bayly	Strong growth with new revenue streams – WA abuse claims.
Best Wilson Buckley Family Law	Continuation of Family Law services expansion with opening of North Lakes office, Queensland.
Risk Worldwide NZ	Growth opportunities in residential sector post earthquake. “Botched repairs”.



Sciaccas

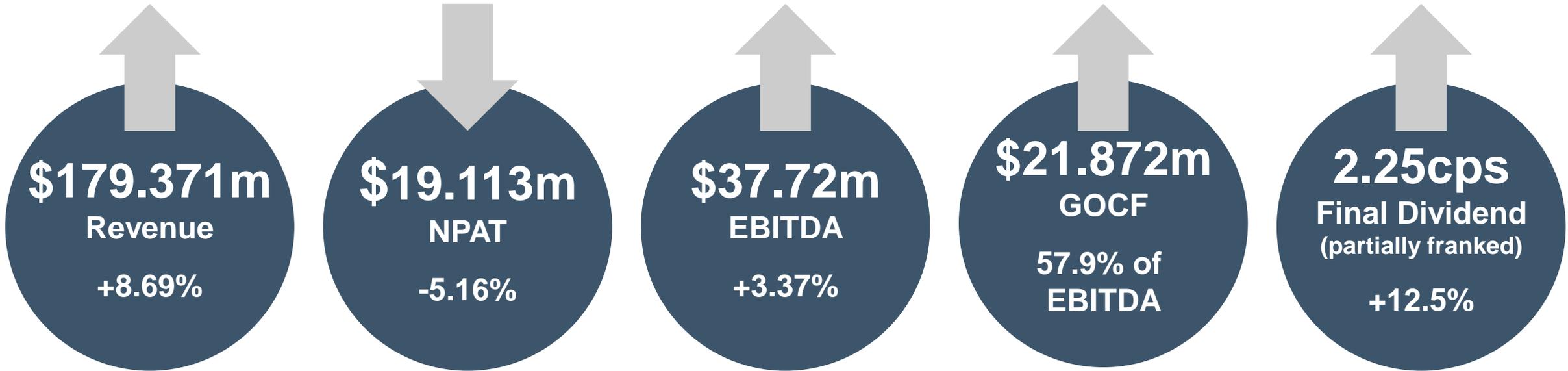




FY2018 Financial Results

Ravin Raj CHIEF FINANCIAL OFFICER

FY18 Group Results

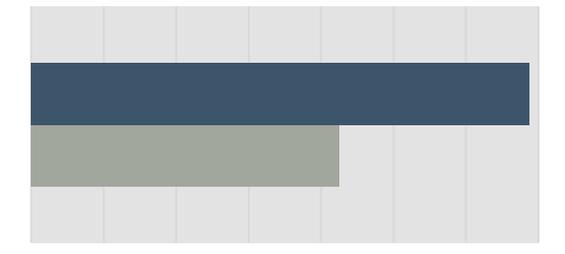
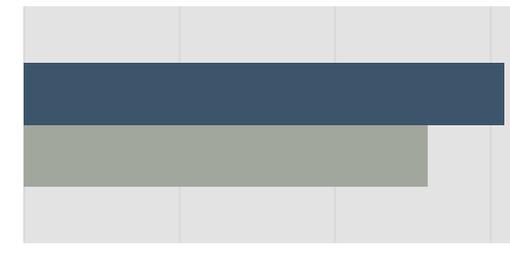
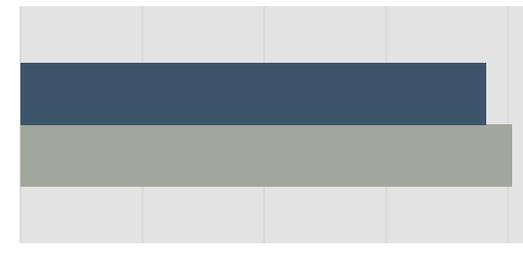
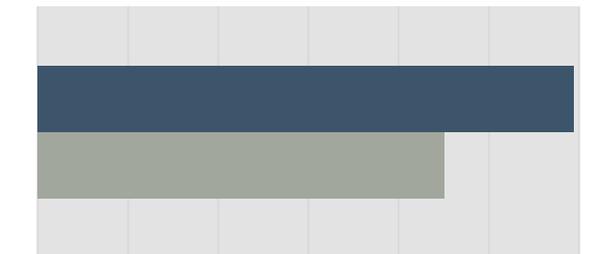


Revenue

NPAT

EBITDA¹

GOCF¹



120 130 140 150 160 170 180

0 5 10 15 20

30 32.5 35 37.5

15 16 17 18 19 20 21 22

■ 2018 ■ 2017

■ 2018 ■ 2017

■ 2018 ■ 2017

■ 2018 ■ 2017

1. EBITDA and GOCF are not IFRS calculations which appear in the financial statements, and have not been audited.

2018 Financial Results: Detailed Profit & Loss

	FY18 (\$m)	FY17 (\$m)	Variance (\$m)	Variance (%)
Revenue	179.37m	165.02m	14.35m	↑ 8.69%
NPAT ¹	19.11m	20.15m	(1.04)m	↓ 5.16%
EBITDA ²	37.72m	36.49m	1.23m	↑ 3.37%
Direct Costs	(90.47)m	(82.13)m	(8.34)m	↑ 10.15%
Overheads	(50.94)m	(48.02)m	(2.92)m	↑ 6.08%

- > Revenue in FY18 grew by \$14.35m (8.69%) compared to FY17, attributable to organic growth and the Mesh Class Action
- > Increase in overheads (flagged earlier) due mainly to increased marketing
- > Direct costs – increase in fee earners in line with increase in revenue and investment in innovation
- > Tax rate normalised in 2018

¹ NPAT means Net Profit After Tax

² EBITDA means Earnings Before Interest, Tax, Depreciation, Amortisation and Impairment. EBITDA is not an IFRS measurement and has not been reviewed by the Group's external auditors.

2018 Financial Results: Financial Highlights

	FY18 (\$m)	FY17 (\$m)	Variance (%)
EBITDA ¹ (\$m)	37.72m	36.49m	↑3.37%
Gross Operating Cash Flow ² (\$m) (GOCF)	21.87m	19.25m	↑13.61%
EPS ³ (cents)	11.04¢	11.64¢	↓5.15%
Interim Dividend per share	1.0¢ (fully franked)	0.6¢ (unfranked)	↑ 66.66%
Final Dividend per share	2.25¢ (partially franked)	2.0¢ (fully franked)	↑12.5%

- > Strategy to increase Gross Operating Cash Flow as percentage of EBITDA
- > FY18 dividend payout reflects positive outlook for FY19

¹ EBITDA means Earnings Before Interest, Tax, Depreciation, Amortisation and Impairment. EBITDA is not an IFRS measurement and has not been reviewed by the Group's external auditors.

² GOCF means Gross Operating Cash Flow (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 Group's external auditors.

³ EPS means Earnings Per Share.

FY18 Financial Results: Balance Sheet

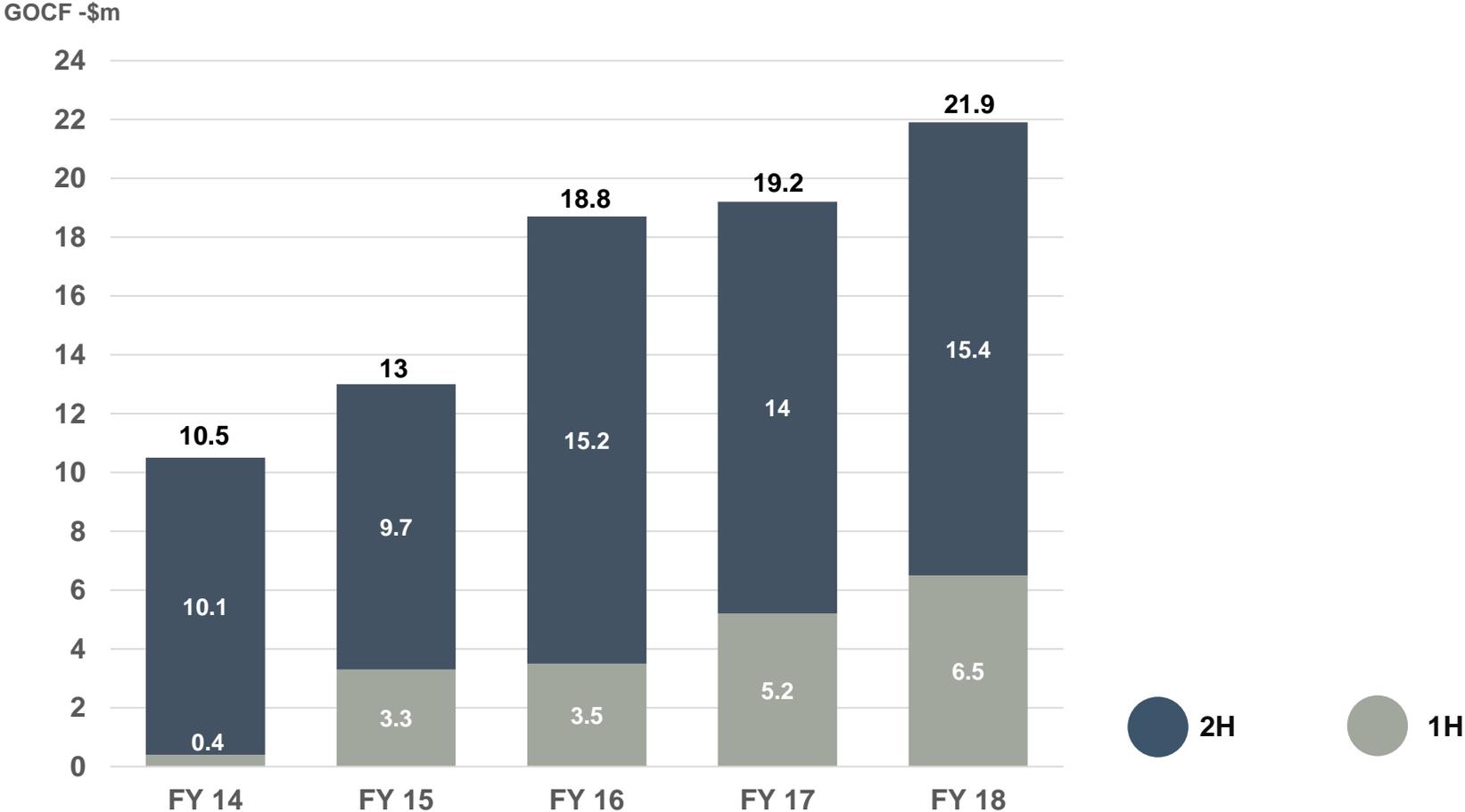
AS AT (\$'000)	30 June 18	30 June 17
Cash	22,549	14,188
Receivables	12,222	15,458
Work in progress	257,037	226,334
Unbilled disbursements	78,083	64,176
PP&E and other	11,532	13,781
Intangibles	48,291	48,997
Total assets	429,714	382,934
Trade payables	13,234	16,143
Disbursement creditors	55,930	32,102
Borrowings	47,732	45,251
Lease liabilities	9,998	7,372
Vendor liabilities	0	3,286
Deferred tax liabilities	74,786	65,259
Provisions	9,894	9,043
Total liabilities	211,574	178,456
Net assets	218,140	204,478

- > Cash on hand at 30 June 2018 was \$22.5m
- > Net WIP grew by 13.7% (\$31m) to \$257m, primarily from organic growth within Shine Lawyers and the Mesh Class Action
- > Shine Lawyers WIP provisions total \$53.2m (19.9%)
- > Marginal increase in borrowings
- > Deferred tax liability relates primarily to WIP
- > Vendor liabilities – final two payments made during the period
- > Disbursement creditors grew due to Mesh Class Action and short-term facility

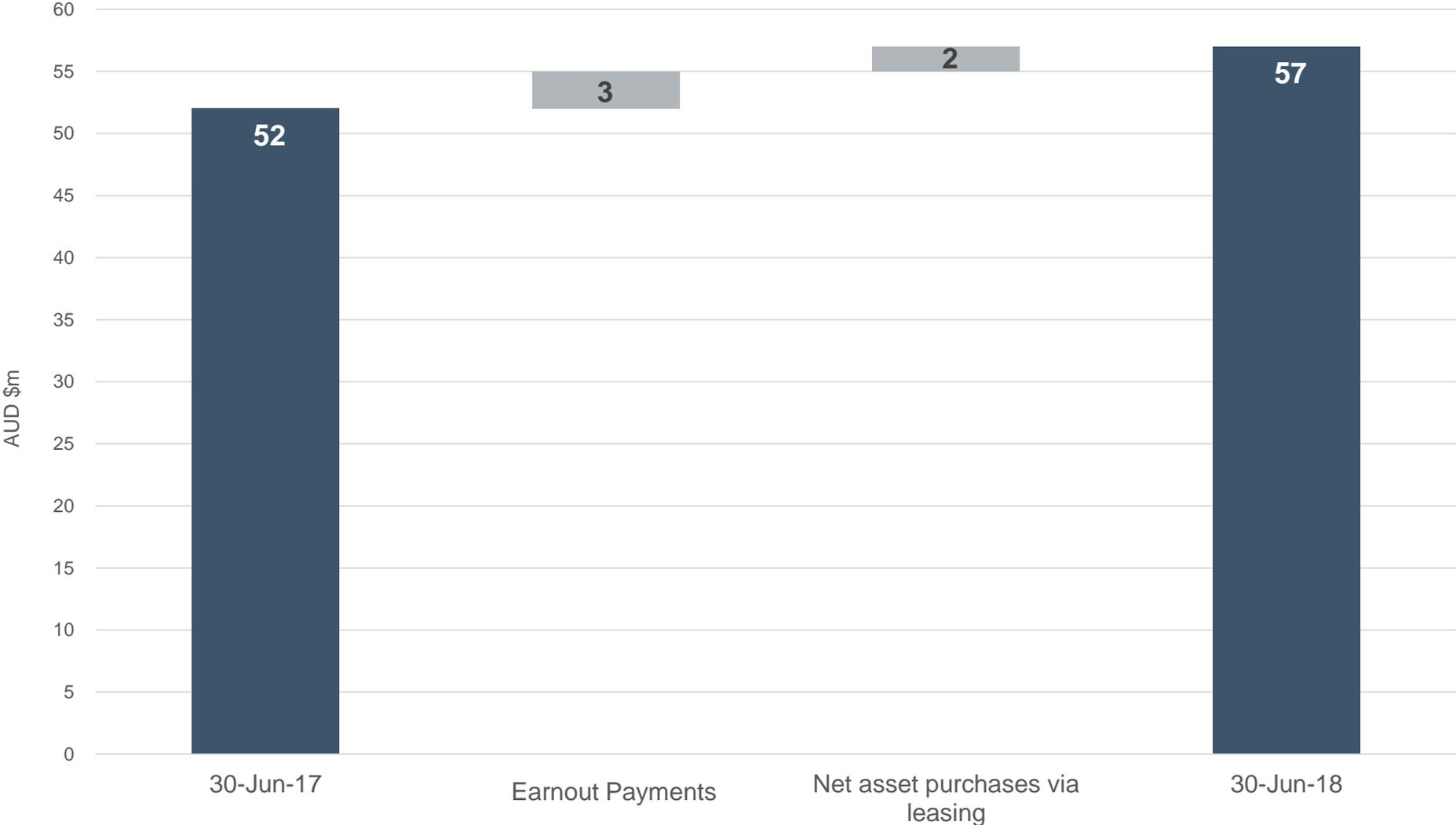
FY18 Financial Results: Gross Operating Cash Flow

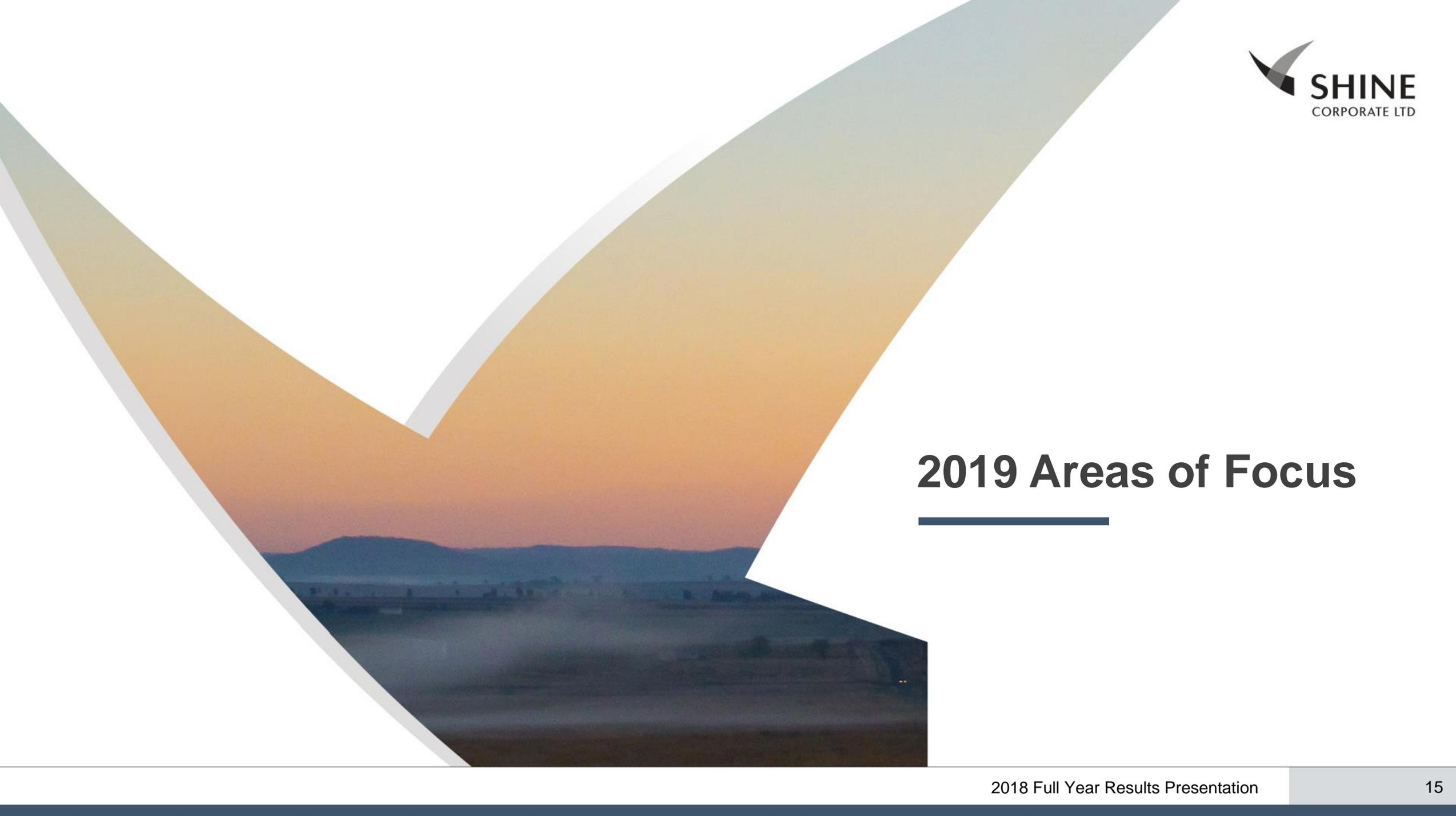


Gross Operating Cash Flow (GOCF)



Debt





2019 Areas of Focus

2019 Areas of Focus



Class Actions

Focus on Banking & Finance Sector
Grow Class Actions &
Land contamination
Realise strong pipeline



Revenue

Diversify PI / EPA
Enhanced digital presence to
drive new revenue
Invest in key EPA markets
Leverage synergies of our brands



Innovation

Rollout Engine Room
Have an integrated legal
management solution
Client Portal Live
Develop the innovation hub



Brand

Improve national presence
Continue national media coverage
Grow national family law practice
Execute strategy as the “trusted
advisor” of choice



External Funding

Leverage 3rd party class action funding
and disbursements



Capital

Deliver consistent cash flows
Strengthen balance sheet
Make selective investments in
fast growing categories



Leadership

Broaden long term incentive plan
Strengthen recruitment
for experience and talent



Operations

Focus on lean integrated structure
Leverage target operating model
Streamline businesses and shared
services support
Focus on key processes



Outlook

2019 Outlook & Priorities

Drive innovation and fuel growth	Leveraging Shine’s scale and capabilities for competitive advantage to win in the marketplace
Capital discipline and resource allocation	Realise benefits in time and cost effectiveness, quality and compliance
EPA pipeline	Strong pipeline and focus on key sectors
Marketing & Branding	Strengthen brands, niche services and marketing strategy. Trusted advisor of choice
Target operating model	National, integrated and highly automated service platform
Long term incentive plan	Secure leadership and emerging talent

Outlook

FY19 EBITDA guidance: continued modest improvement with a further update at the AGM in October.



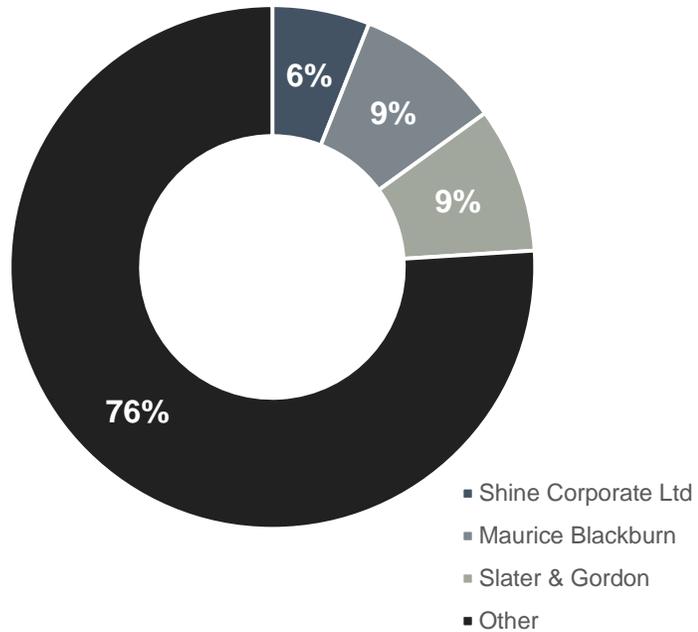
Questions



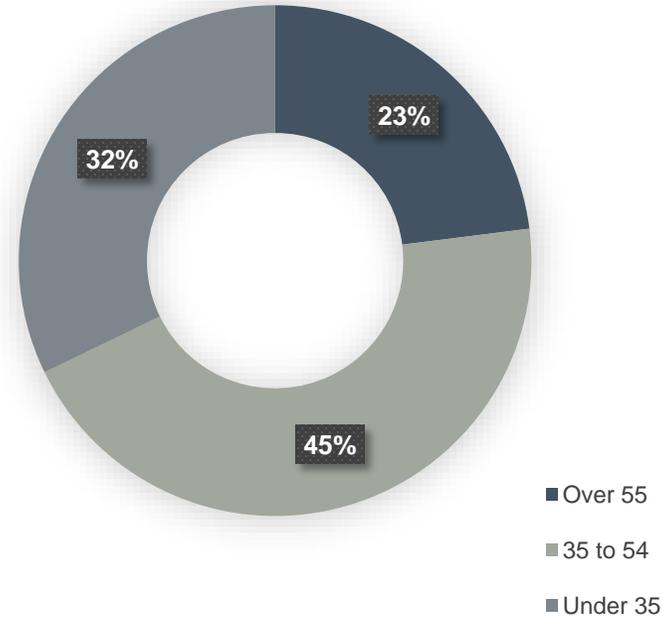
Appendices

PI Market Profile

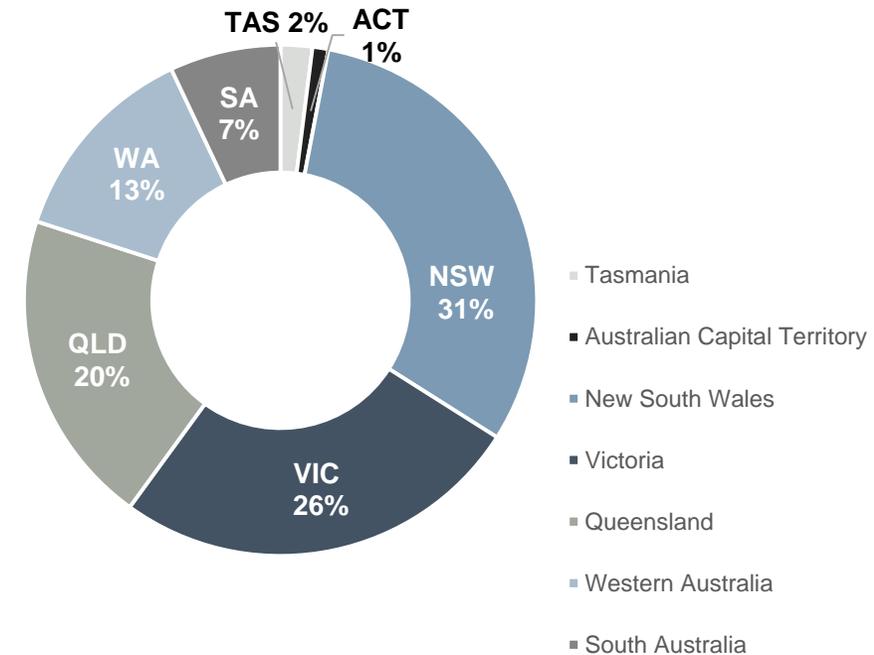
Market Share



Client Market Segmentation



% of Firms / State



Source: IBISWorld Industry Report OD5519: *Personal and Workplace Injury Lawyers in Australia* May 2018

Community and Champions



Erin Brockovich is a proud ambassador for Shine and has been working with us to right wrong since 2007. She is renowned for her courageous work as an environmental crusader, advocate for the people and champion of truth.



Consistent with our commitment to foster community, our philanthropic initiative, the Shine A Light Foundation, awarded a grant to our charity partner, mindDog Australia, assisting mental health sufferers to procure, train and certify an assistance dog.

