



FY24 Results Presentation

29 August 2024



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.



| Important Notice

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The background features a large, dark brown curved shape on the left side. The right side is composed of several overlapping geometric shapes in various shades of orange, including a large light orange triangle and several darker orange triangles and trapezoids, all set against a black background.

Shine Justice Overview



Shine Justice Ltd

Australia's Market Leading Personal Injury Law Firm

ASX debut 2013



2024



2024	Personal Injury	Class Actions	Adjacent Legal
Fee Earners	403	80	50
Offices	51	Included ¹	Included ¹
Market Position	#1 ²	#2 ³	N/A
FY24 Annual Revenue	\$149m	\$21m	\$29m

1. Class action offices are in Brisbane, Sydney and Melbourne. NPA has eastern seaboard operations but mainly Queensland-based.

2. IBIS Report 2023

3. Based on internal assessment of Class Actions revenues by firm



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

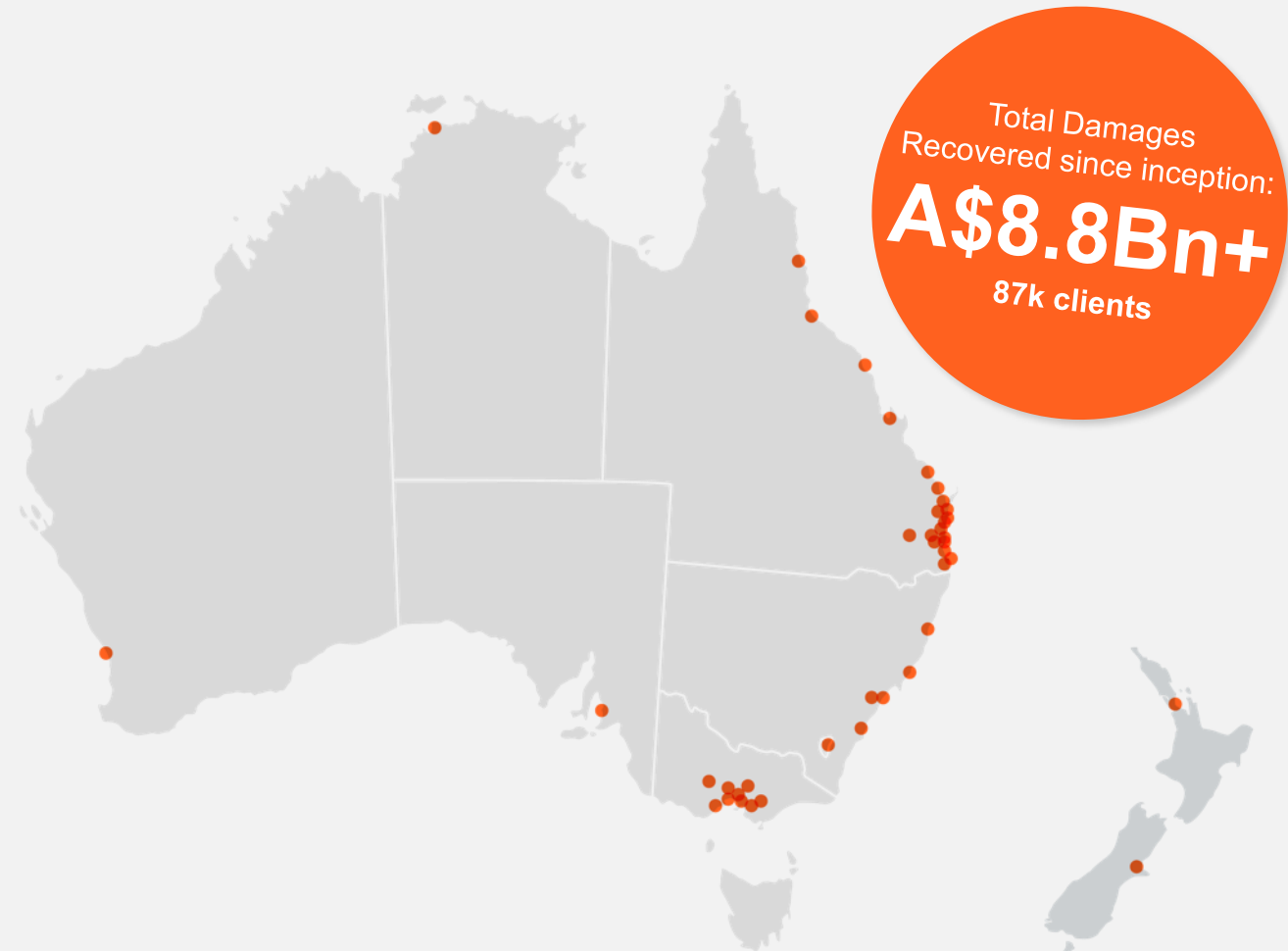
Family Law

- 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



Market Profile

ASX INFORMATION

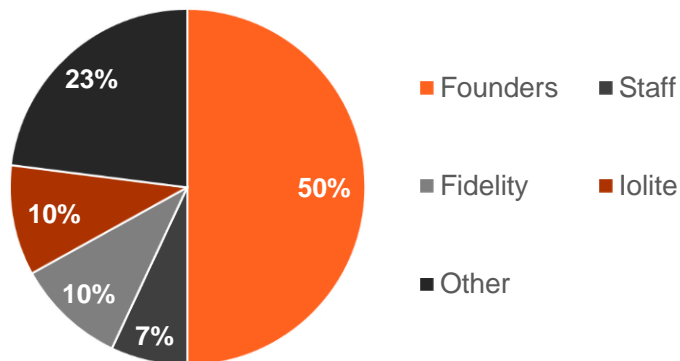
ASX Stock Symbol	SHJ
Shares on Issue (at 30/06/2024)	173,261,812
Share Price (at 30/06/2024)	A\$0.71
Market Capitalisation	A\$123m

BOARD OF DIRECTORS



Graham Bradley AM	Independent Chairman
Teresa Dyson	Non-Executive Director
David Bayes	Non-Executive Director
Rod Douglas	Non-Executive Director

TOP SHAREHOLDERS



MANAGEMENT TEAM



Simon Morrison	Managing Director & CEO
Ravin Raj	Chief Financial Officer ¹
Lisa Flynn	Chief Legal Officer
Jodie Willey	Chief Operating Officer

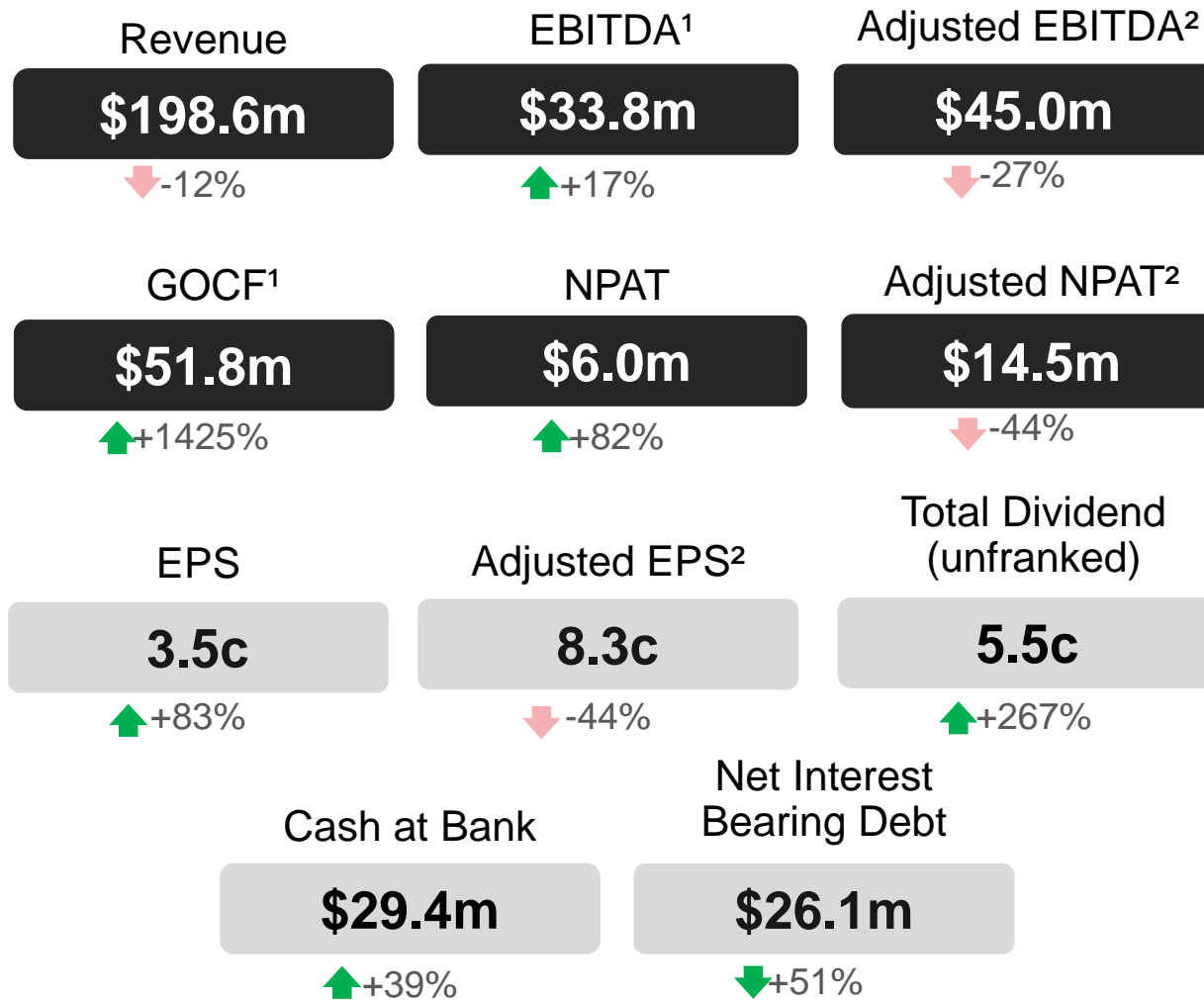
¹Mr. Raj retiring on 27 September 2024. Mr. Marc Devine commencing 23 September

The background features a dark navy blue field with several large, overlapping geometric shapes in various shades of orange. These shapes include triangles and curved segments that create a dynamic, modern aesthetic. The text is positioned on the left side, partially overlapping the dark background.

FY24 Financial Results



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.
- 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 of over \$810 million.
- Achieved compensation for damages for workers suffering silicosis and black lung.
- Achieved Class Action settlements totalling \$171 million against Commonwealth Government for use of fire-fighting foam and Evans Dixon.
- Settled a 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 Toyota and Edgcombe Floods (NZ affiliate).
- Ethicon interest application being prepared to submit to Federal Court.

Profit and Loss Statement

	FY24(\$m)	FY23(\$m)	Variance(\$m)
Revenue	198.6	226.2	(27.6)
Adjusted EBITDA ¹	45.0	61.4	(16.4)
EBITDA ²	33.8	29.0	4.8
Adjusted NPAT ¹	14.5	26.0	(11.5)
NPAT	6.0	3.3	2.7
Employee Benefits Expense	(117.9)	(118.4)	0.5
Overheads (excl. FY23 fair value adjustment)	(71.0)	(69.4)	(1.6)

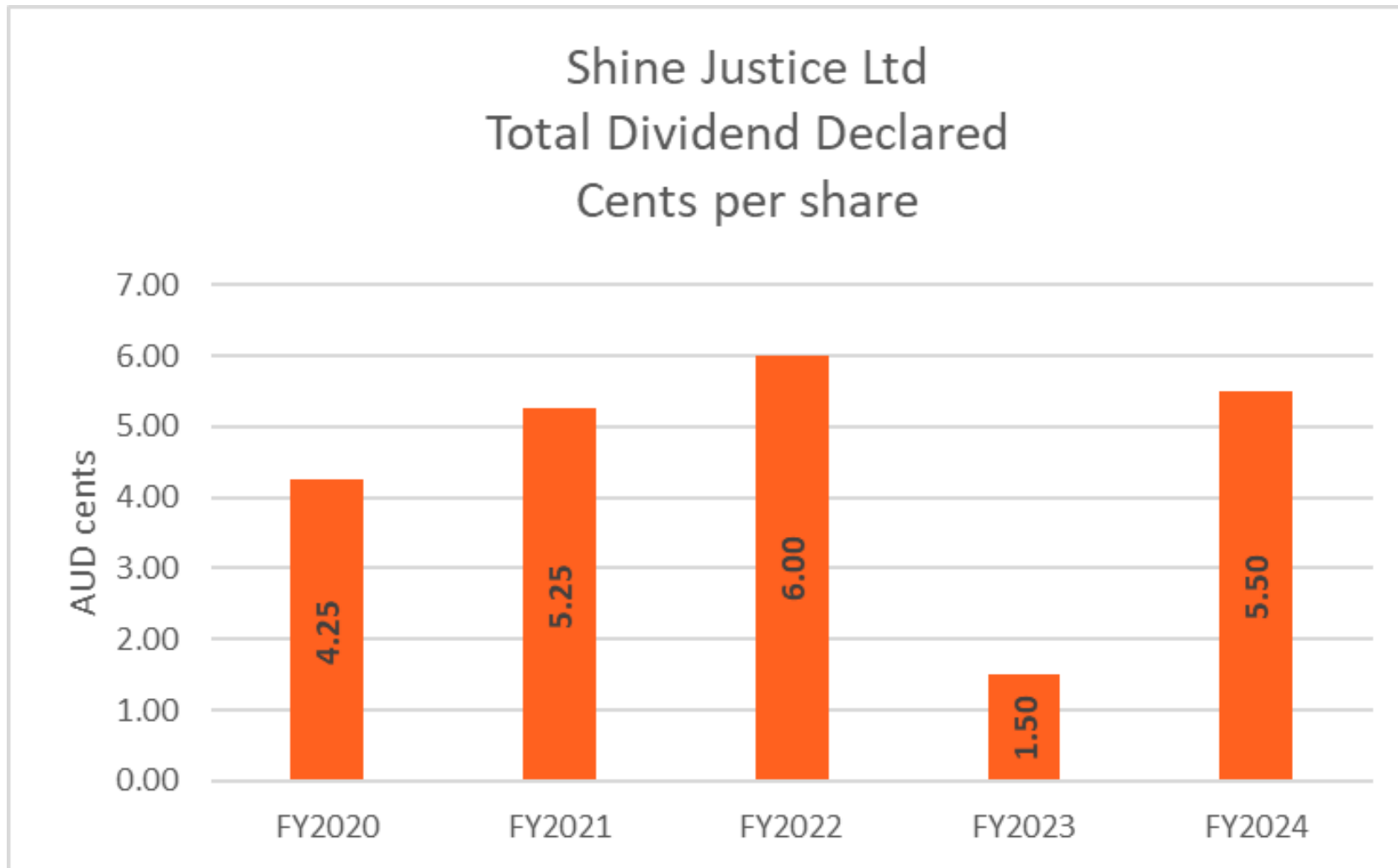
¹Adjusted EBITDA and adjusted NPAT in FY24 exclude non-recurring items (the reversal of revenue in the Ethicon Mesh Class Action and the Boston Scientific Class Action as a result of the recovery of our fees in part only, fair value losses on deferred consideration and restructuring costs).

²EBITDA is not an IFRS calculation.

- Revenue was impacted by:
 - One off reversal of Ethicon and Boston WIP.
 - Lesser fee earners in FY24.
- Tax rate of 37% - impacted by non-deductible Deferred Receivable write-off.



Dividend History & Outlook



- H2 Final Dividend of 4 cents.
- Full-year dividend being 66% of adjusted EPS.
- FY24 Dividend reflects confidence in future earnings and cashflow.
- Board's intention is to pay consistently growing dividends through increasing profit growth and cash flow.



Statement of Cash Flows

	30 Jun 24 \$000	30 Jun 23 \$000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	247,510	202,647
Payments to suppliers and employees (inclusive of GST)	(176,278)	(195,721)
Disbursements recovered	68,544	72,774
Disbursements paid	(83,842)	(67,548)
Interest received	838	623
Finance costs	(8,358)	(5,883)
Income taxes received / (paid)	1,030	(2,072)
Net cash inflow from operating activities	49,444	4,820
Net cash outflow from investing activities	(3,915)	(15,108)
Net cash outflow from financing activities	(37,188)	(20,497)
Net increase/(decrease) in cash and cash equivalents	8,341	(30,785)
Cash and cash equivalents at the beginning of the year	21,088	51,864
Effect of exchange rate changes on cash and cash equivalents	(2)	9
Cash and cash equivalents at the end of the year	29,427	21,088

- Improvement in FY24 cashflows arising from:
 - Increased settlement activity.
 - Reduction in expenses.
- Financing activities reflect use of cash to pay down interest bearing debt.



Financial Results – Balance Sheet

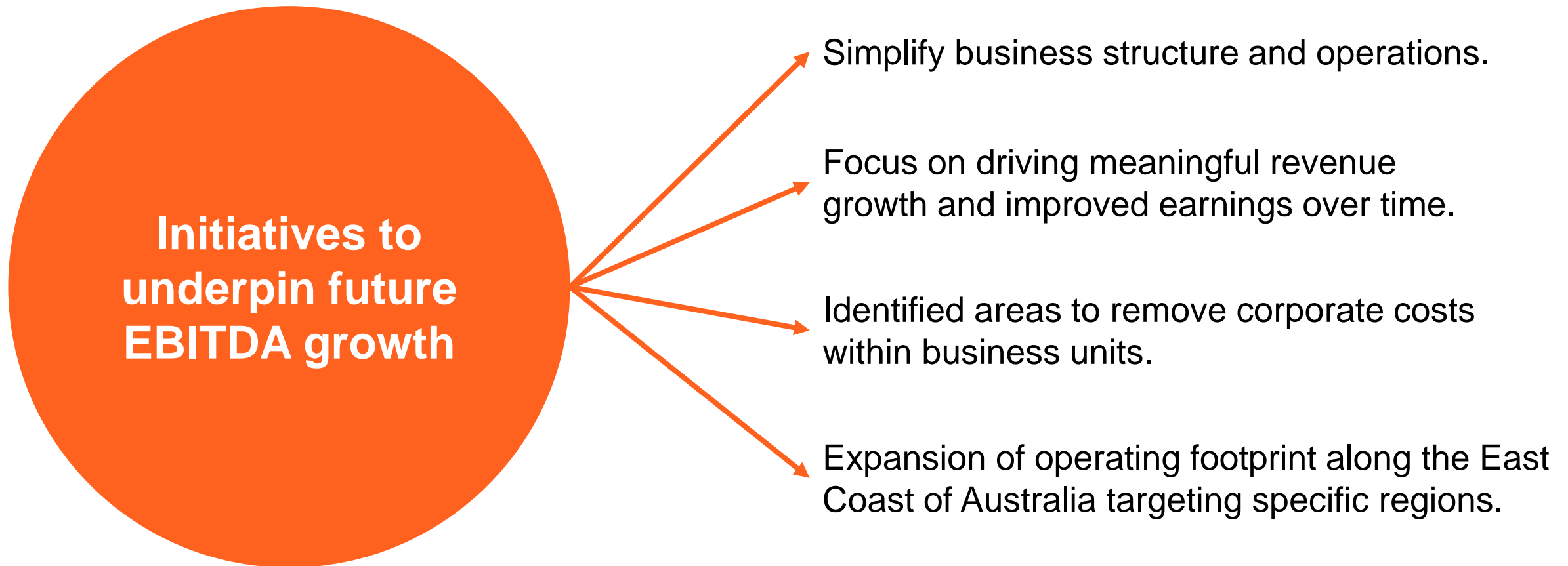
	30 June 24 \$000	30 Jun 23 \$000
Cash	29,427	21,088
Receivables	10,501	13,332
Work in progress	356,372	380,933
Unbilled disbursements	95,412	89,052
PP&E and other	21,087	23,722
Intangibles	43,325	47,068
Right of Use Assets	23,376	31,262
Financial assets of fair value	13,076	11,346
Total assets	592,576	617, 803
Trade payables	13,245	12,886
Disbursement creditors	89,949	94,781
Borrowings	55,530	72,569
Lease liabilities	30,459	39,311
Deferred and current tax liabilities	117,422	116,083
Provisions and other	2,197	2,863
Employee liabilities	11,146	11,960
Total liabilities	319,948	350,453
Net assets	272,628	267,350

- Net debt improvement driven by improved cash flow in H1.
- Reduction of work in progress aligned with strategy to increase rate of case resolutions.
- Group WIP disclosed as net of provision of \$90.4m (FY23 \$82.7m).
- Litigation and disbursements funding strategy to improve cash management.
- Continuous improvement in processes improves quality of WIP.

The background features a dark navy blue field with several large, overlapping geometric shapes in various shades of orange. These shapes include triangles and curved polygons, creating a dynamic, modern aesthetic. The text is positioned on the left side of the frame.

Reset Initiatives

FY23 Flagged Initiatives to Reset Cost Base for Growth and Efficiency



| FY24 Achievements: Delivered FY23 Initiatives



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.



| Debt Profile



| Interest Bearing Debt Profile

\$26.1m
NET DEBT

\$55.5m
GROSS DEBT

Below 21%
DEBT/EQUITY RATIO
Well below industry average

Net debt reduction
BETWEEN FY23 AND FY24 HAS
BEEN THROUGH IMPROVED
CASH CONVERSION IN FY24

47 years with CBA
STRONG LONG-TERM
RELATIONSHIP WITH CBA

7%
AVERAGE
COST OF
DEBT

Capex investment
MAIN INCREASE IN DEBT IN RECENT YEARS
HAS BEEN CAPEX INVESTMENT, WHICH IS
BEING REDUCED THROUGH REPAYMENT
BY 2025

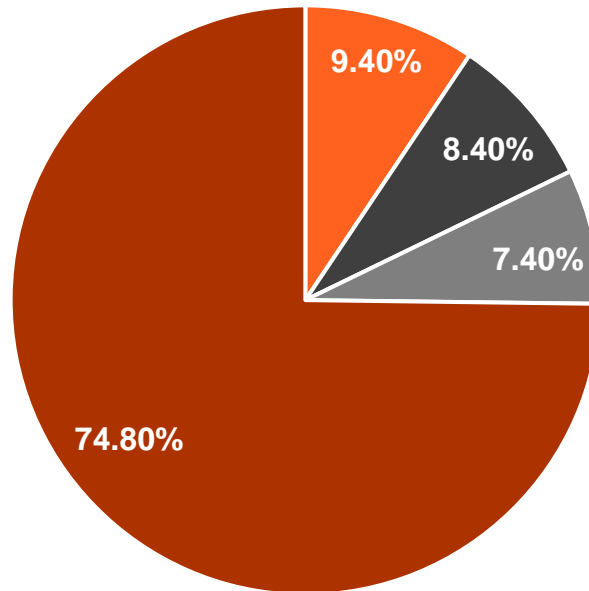
	2021 (\$m)	2022 (\$m)	2023 (\$m)	2024 (\$m)
Gross debt	50.4	50.2	72.6	55.5
Cash	56.0	52.9	21.2	29.4
Net debt	(5.6)	(2.7)	51.4	26.1

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Personal Injury Segment

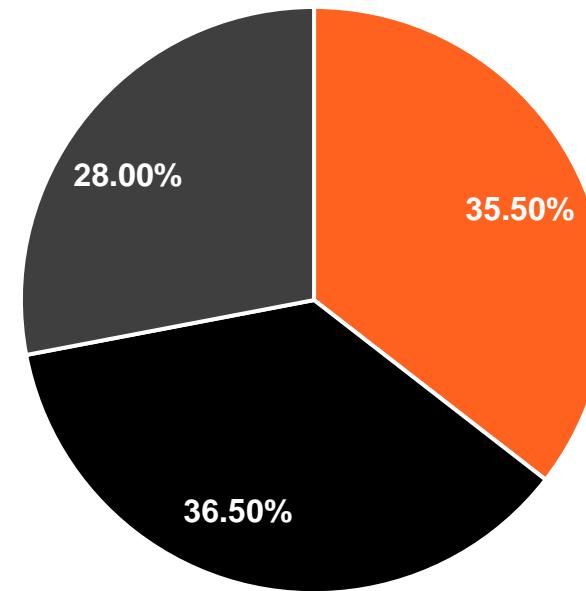
Personal Injury Market Overview¹

Market Share



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

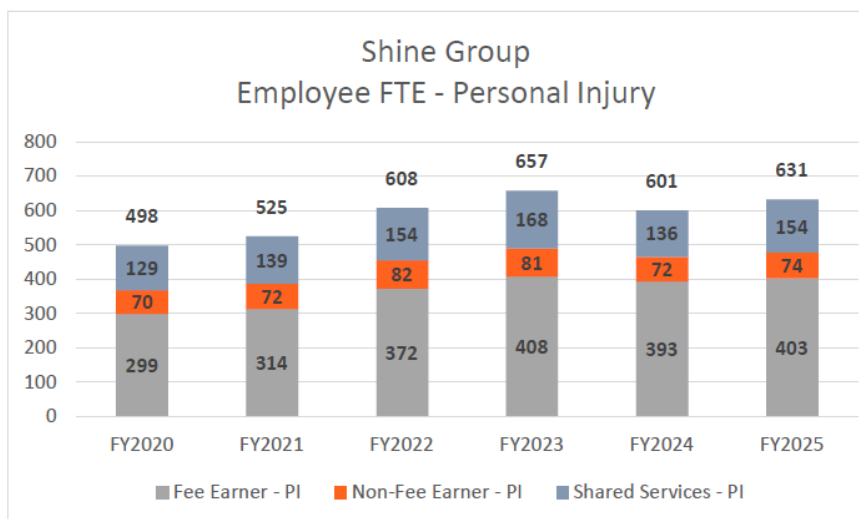
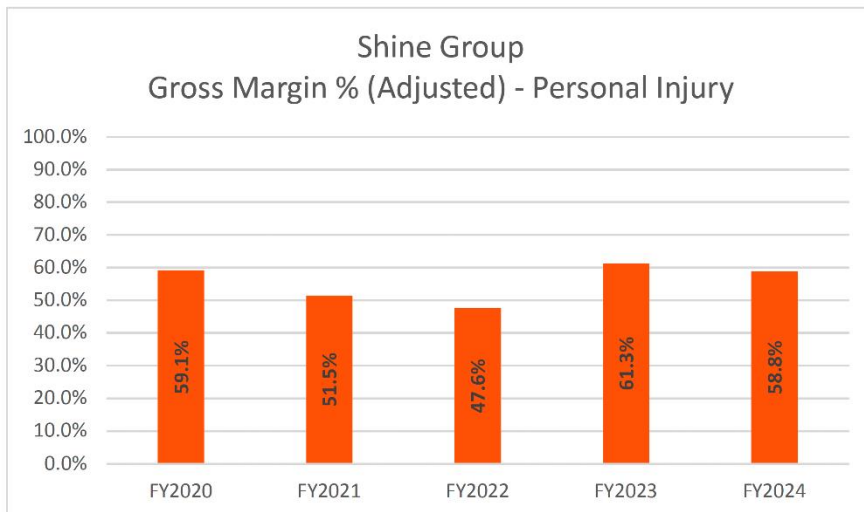
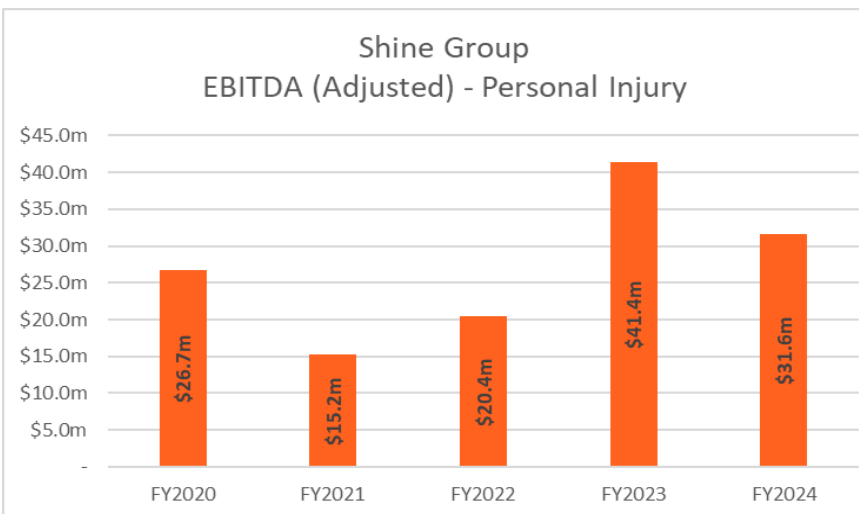
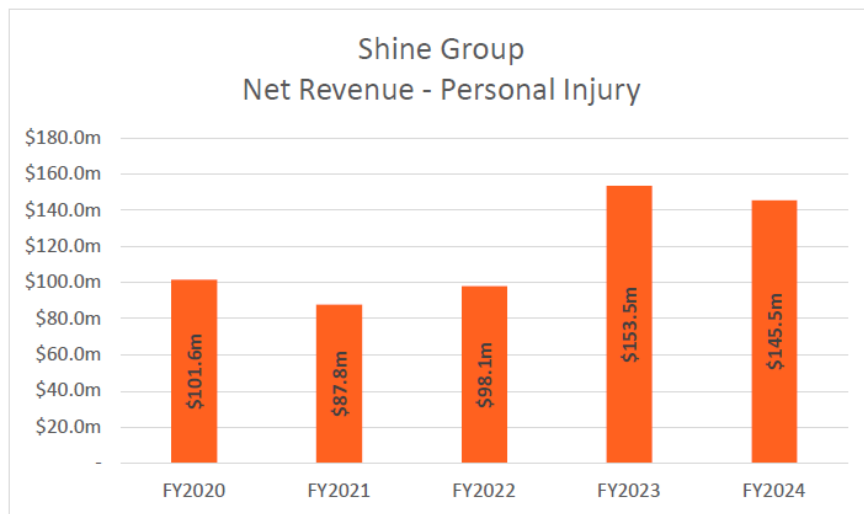
Industry Products & Services Segmentation



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



Personal Injury Financial Performance

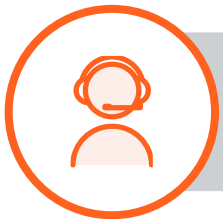


- Annual net revenue now averaging \$150m+.
- Personal Injury contributes 70% of Group Revenue.
- Strong emphasis in FY24 on cash conversion and resolving aging cases.
- Push to resolving older cases increased WIP write-offs and impacted EBITDA.
- Short term outlook is for improvement in revenue and gross margin.
- Data reflects changes in composition of practices in previous years.

| 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.

| Personal Injury – Medium Term Growth Strategy



Organic:

- Organic growth can be achieved by continuing to improve processes which will increase:
 - file intake.
 - revenue and market share.



Acquisition of files:

- Boost to short-term cash flow as file acquisitions have high file velocity.
- Seek to acquire files that are at low completion and maturity.
- Payback / file velocity usually 2 years .
- Cash recycling follows case completion.



Business acquisition:

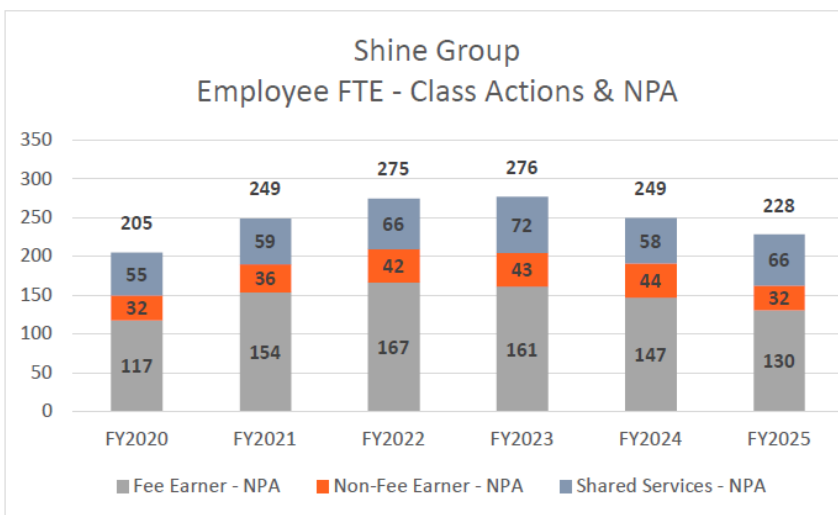
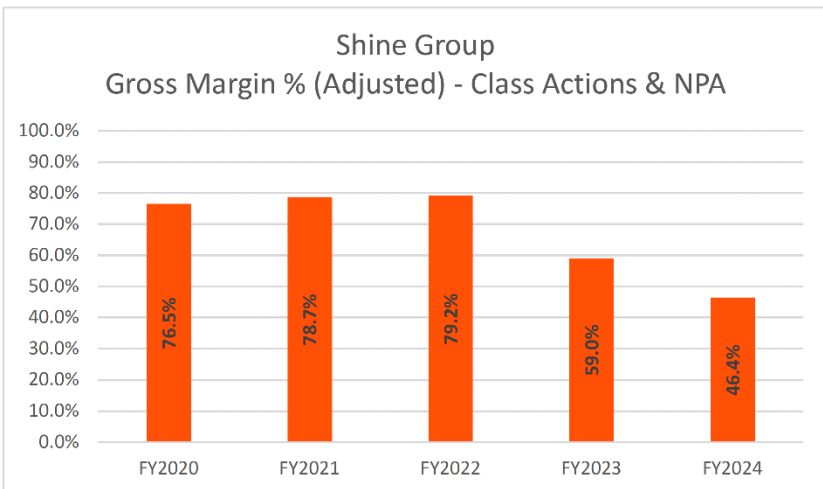
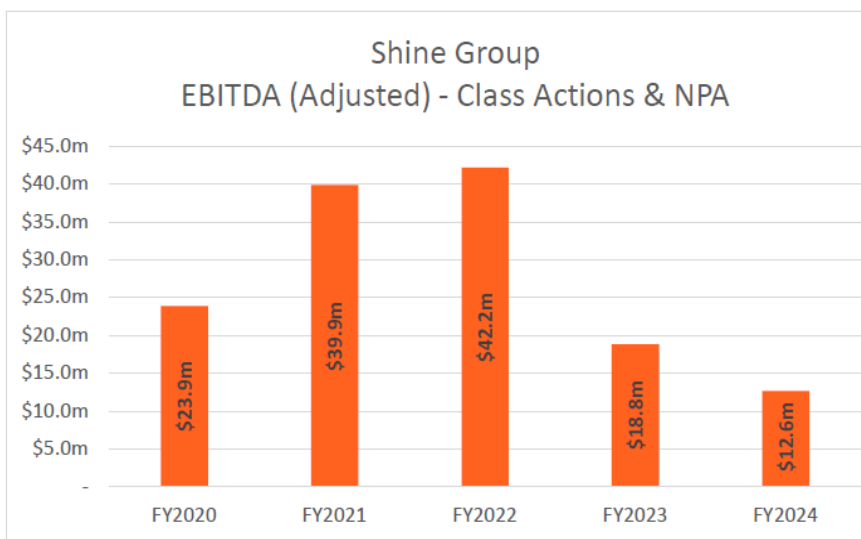
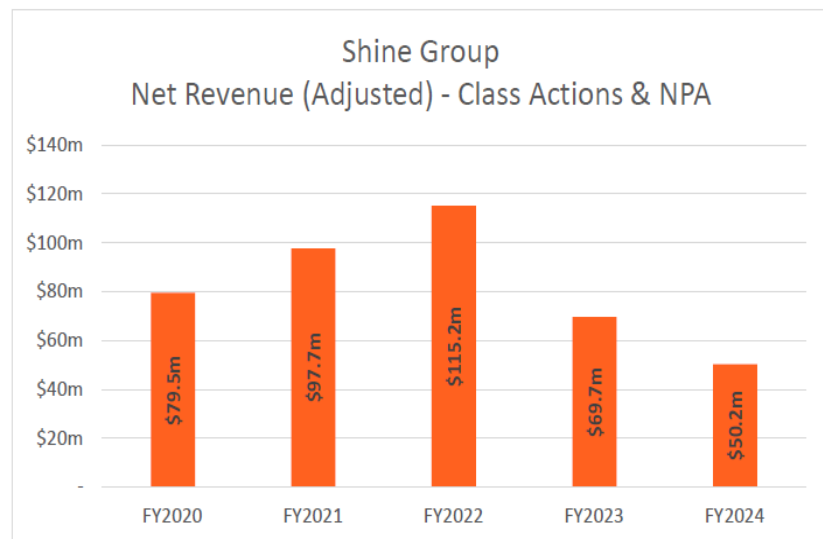
- 74.8% of PI market controlled by second and third tier firms.
- Industry ripe for aggregation.
- Motive is to increase market share (Eastern seaboard).
- Acquisition metric - 3-year payback.

The background features a large, abstract geometric design. It consists of several overlapping triangular and quadrilateral shapes in various shades of orange (from light peach to dark burnt orange) and black. The shapes are arranged in a way that creates a sense of depth and movement, with some areas appearing to be in the foreground and others receding into the background.

Class Actions & NPA Segment



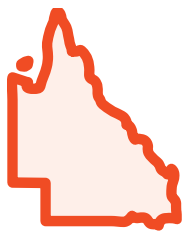
Class Actions & NPA Financial Performance



- Short term strategy is to convert this segment to purely undertake Class Actions.
- Annual contribution to Group Revenue:
 - Class Actions - 17%
 - NPA - 13%
- Strategy is to significantly increase Class Action revenue.
- Short term outlook is for improvement in revenue and gross margin.
- Data reflects changes in composition of practices in previous years.

Refer to previous slides for the definition of 'adjusted'

| 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

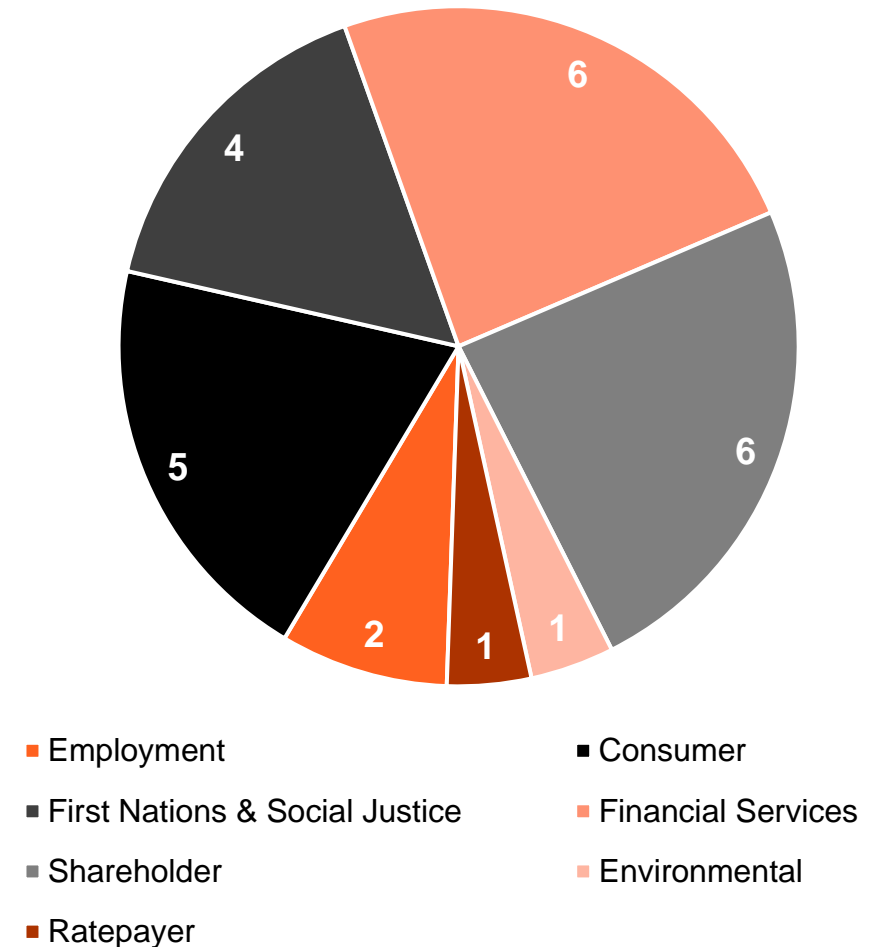
Broad book of cases reflects strong pipeline of future revenue and diversified portfolio.

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 - Litigation Funding

Litigation funding allows Shine to undertake more Class Action cases than it would be able to take on its own balance sheet.

Total number of actions being undertaken – 74% Litigation funded; 17% Shine funded and 9% Group Costs Order.

Litigation funding improves case cashflow and de-risks balance sheet.

Litigation funders typically pay 70%-100% of work performed and 100% of disbursements.

Work performed is billed monthly and paid by litigation funders.

Provisioning applies to all non-funded Class Actions WIP.

Shine is normally required by funders to risk carry up to 30% of WIP. This is usually paid at the end of the case and eligible for a 25% uplift on this component on success.

| 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.



| FY25 Outlook



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.



Thank you