

28 February 2025

# ASX Announcement

Shine Justice Ltd (ASX: SHJ)

**FY25 Half Year Financial Results and CEO Appointment**

- Statutory revenue of \$100.7 million in the half year (H1), up 2.4% from \$98.3 million in the prior corresponding period (PCP)
- Expenses from operations stable at \$96.9 million (PCP: \$97.1 million)
- Net work in progress (WIP) growth of 4.3% to \$371.6 million, up from \$356.4 million
- Large investment in Class Action growth program, both domestically and internationally
- Refinance of disbursement funding to borrowings with significant future interest savings
- Bank facilities renewed, simplified and extended post balance sheet reporting date
- Write down of \$4.1 million in fair value of deferred consideration for previous sale of business in the Group
- Fully franked interim dividend of 1.5 cents per share, first franked dividend since 2018

## Operations

- Statutory revenue for the Group was up 2.4% as a result of increased fee earner utilisation in legal operations
- Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of \$16.2 million (PCP: \$22.2 million)
  - Statutory EBITDA of \$11.9 million was affected by the write down of deferred consideration on a previous sale of a subsidiary business
- Gross operating cashflow of \$4.1 million was achieved in the half year. Cash from approved Class Action settlements in H1 of \$14 million was anticipated in H1 but now expected to be received in the second half (H2)
- Expenses (excluding fair value adjustment on deferred consideration) were steady on PCP: \$96.9 million v \$97.1 million

Managing Director Simon Morrison said 'While the statutory results for the half year were disappointing, with a number of matters impacting the profitability of the Group, the organisation is in a sound position. We are poised for growth, particularly in our Class Actions practice, following our strategic decision to focus on Personal Injury and Class Action litigation across the Group and a period of restructuring. Significant focus in the second half on accelerating resolutions of Personal Injury cases and filing Class Action cases should result in improvement in the Group's performance.'

## Personal Injury Practice

In FY24, Shine increased its market share in Personal Injury litigation in Australia by 8.8%<sup>1</sup>, maintaining its position as the largest Personal Injury firm in the country.

In H1 Shine achieved \$579 million in damages for clients, including \$395 million for personal injury matters. Whilst this was a strong result, the Group expects acceleration of this performance in H2.

The Group introduced a comprehensive client contact system in FY24 which has resulted in a significant increase in enquiry levels, notably in the Personal Injury practice, of 17%. Increased utilisation by fee earner was also achieved in H1.

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<sup>1</sup> IBISWorld Personal and Workplace Injury Lawyers in Australia Industry Reports, June 2023 and June 2024



## **Significant Court Decisions**

In November 2024, the Group achieved a landmark victory in the High Court of Australia overturning earlier decisions that impacted the ability of survivors of abuse to obtain much deserved compensation.

Shine was awarded a record judgment of \$3.2 million in the Dust Diseases Tribunal of New South Wales for its client who suffered from Coal Miners Lung Disease. This major result will now pave the way for many more coal miners nationally to obtain like compensation.

## **Class Action Practice**

A major settlement of up to \$202 million was achieved in H1 in the Stolen Wages Class Action on behalf of Aboriginal and Torres Strait Islander Australians who worked in the Northern Territory between 1933 and 1971.

In addition, the Federal Court of Australia approved the previously settled Stolen Wages Class Action (WA) for up to \$180.4 million, of which up to \$15.4 million in fees was approved to be paid to Shine.

Shine settled the Newmarch House Class Action, subject to court approval, on behalf of 18 individuals whose family members tragically passed away as a result of alleged negligent healthcare arising out of the Covid-19 pandemic.

Shine launched three new Class Action investigations arising out of its international Mass Torts program.

The Group continues to build a significant inflow of Class Actions for investigation and future filing in the Courts.

## **Capital Management**

The Board continues to focus on the Group's capital management and the balance of shorter term returns with longer term capital growth.

As announced in August 2024, we commenced an on-market share buy-back in September 2024. To date 510,776 shares (approximately 0.3% of the Company's issued share capital) have been acquired. It is intended that the buy-back will resume after the release of the half year results, following the Company's securities trading blackout period leading to the release of the results.

## **Fully Franked Interim Dividend**

The Board is pleased to declare a franked dividend for the first time since 2018. A fully franked interim dividend of 1.5 cents per share has been declared with a record date of 8 April 2025 and a payment date of 24 April 2025, noting its expectation of improved earnings and cash flows in H2.



## CEO Appointment

The Company is pleased to announce the appointment of Carolyn Barker AM as Chief Executive Officer with effect from 28 February 2025.

As CEO, Ms Barker will be responsible for providing overall leadership and direction for the Shine Justice Group, working closely with the Managing Director and Board of Directors along with the leadership team to further develop and execute the Group's strategic goals and objectives.

Ms Barker will report to Simon Morrison, who will continue in the role of Managing Director. Mr Morrison will continue the work he has commenced in fostering class action opportunities, in particular those arising from relationships developed with lawyers and funders in the United States.

Carolyn has a long history with the Shine Justice Group. She joined the Group in 2009 and served as a non-executive director of the Company until 2020.

Chairman Graham Bradley AM said 'The Board congratulates Carolyn on her appointment. She has a strong background in executive management and general commercial, strategic marketing, people and culture skills and her personal style reflects the commitment and passion necessary for delivering the best outcome for our clients and shareholders.'

The key terms of Ms Barker's employment contract are:

- Annual base salary of \$430,000 plus statutory superannuation;
- Eligibility to earn an annual short term incentive of up to 30% of base salary, subject to the achievement of targets to be determined by the Board;
- Participation in the Company's Performance Rights Plan up to 20% of base salary; and
- Accommodation allowance of \$1,000 per week.

The contract may be terminated by either party on 6 months' notice or immediately by the Company for cause.

## FY25 Outlook

While the Group was impacted in H1 by a non-cash, non-operating write down in respect to a previous subsidiary sale and an increased WIP constraint based on previously adverse decisions affecting its Abuse Practice, the underlying operating improvement positions the Company for a stronger performance in H2.

The increase in enquiry into the Personal Injury Practice arising from introduction of the client contact system augurs well for future revenue growth in this segment. Increasing its investigation pipeline of new Class Action opportunities also provides greater opportunities for forward revenue in this growing part of the business.

The Group is expecting stronger profitability and cash flow in the second half of the year from both the Class Actions and Personal Injury businesses.



## **Investor Briefing**

The interim report for the half year ended 31 December 2024, investor presentation and this announcement have been lodged with the ASX and can also be found on the Company's website – [www.shinejustice.com.au](http://www.shinejustice.com.au).

The Company will conduct an analyst and investor briefing at 10.30am AEST (Brisbane time) today. To register for the briefing, please [click here](#).

Approved for release by the Board.

### **Annette O'Hara**

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