

25 February 2022

Shine Justice Ltd (SHJ)

FY22

Measure	31 Dec 21	31 Dec 20	% change to PCP ¹
Total revenue	\$105.67m	\$93.57m	↑ 12.93%
Net Profit After Tax (NPAT)	\$13.05m	\$10.05m	↑ 29.85%
EBITDA ²	\$27.91m	\$24.29m	↑ 14.90%
Gross Operating Cash Flow (GOCF) ³	\$6.68m	\$33.07m ⁴	↓ 79.81% ⁵
Interim Dividend per share	2.50 cents	2.00 cents	↑ 25.00%
Earnings per share (basic)	7.54 cents	5.80 cents	↑ 30.00%

Financial Performance

The Company today announces the financial results for the six months ended 31 December 2021. NPAT was \$13.05 million for the half year, an increase of 29.85% on the prior corresponding period (**PCP**). EBITDA was \$27.91 million, compared with \$24.29 million in the PCP (an increase of 14.90%), with strong contributions from class actions, abuse law, medical law and disability and superannuation.

GOCF was \$6.68 million, compared with \$33.07 million in the PCP. GOCF in the PCP was positively impacted by the partial receipt of costs (\$22.99 million including GST) following the decision of the Federal Court of Australia in favour of Kathryn Gill, Diane Dawson and Ann Sanders (**Applicants**) in the class action against Ethicon Sàrl, Ethicon, Inc. and Johnson & Johnson Medical Pty Limited (**Respondents**) in November 2019 (the **Mesh Class Action**). An appeal in the matter was unanimously dismissed by the Full Court of the Federal Court of Australia in March 2021 and in November 2021, we were delighted to announce the High Court of Australia's decision to refuse an application by the Respondents for special leave to appeal, exhausting all avenues of appeal.

GOCF in the half year reflected expenditure in growth activities, including class action investigations and growth in file numbers (particularly abuse matters), compared with case resolution, which was impacted to some extent by disruption and delays due to the COVID-19 pandemic.

Business Performance

Managing Director & CEO Simon Morrison, said 'We are very pleased with our strong market position and solid earnings growth so far in FY22. Revenue increased, due to growth in our new practice areas, including our class actions, abuse, law and superannuation and disability practices as well as strong growth in personal injuries. The challenges posed by the COVID-19 pandemic in the first half of FY22 were met by the team at Shine Justice with consistent commitment to our business and our clients. The financial performance and outstanding results for our clients demonstrate the Group's adaptability, innovation and organisational discipline. We implemented a range of initiatives to maintain communication, workflow continuity and importantly to ensure our team remained motivated and in good health.

¹ PCP means prior corresponding period.

² EBITDA means Earnings Before Interest, Tax, Depreciation and Amortisation.

³ Gross Operating Cash Flow or GOCF means net cash provided by operating activities, excluding interest income, finance costs and income tax. GOCF is not an IFRS measurement and has not been audited by the Company's auditors.

⁴ GOCF includes Mesh class action cash of \$22.9 million (including GST).

⁵ GOCF decreased by 33.66%, excluding Mesh proceeds in the PCP.

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We implemented a body of work to improve client experience. As a result, the Group has made good progress and remains on track to achieve its long-term strategy to expand its technological capabilities and continue to grow'.

Milestone Achievements

We expanded with new offices in Darwin, Canberra and Wollongong, ensuring we are on track with our plans to pursue growth opportunities in new sites and for the first time increased our team to greater than 1,000 members.

We celebrated success in the Mesh Class Action in the High Court of Australia.

We achieved judgement for ratepayers in Redlands who were charged incorrect levies, the first class action decision in the Queensland Supreme Court.

We provisionally settled a class action against BSA Limited in relation to its contracting arrangements for \$20 million, subject to Federal Court approval and other conditions, and received Federal Court approval to settle a class action against Westpac Banking Corporation and Westpac Life Insurance Services Limited (**Westpac Life**) in relation to allegedly overpriced insurance products, for an amount capped at \$30 million, with no admission of liability.

Class actions have been filed on behalf of:

- employees of fast food operator McDonald's who were denied paid food breaks;
- superannuation fund members who were overcharged for life insurance products;
- clients of a financial adviser which provided unsuitable advice; and
- shareholders who were misled by listed companies in the resources, consumer products, payment solutions and data analytics industries.

Dividend

The Board is pleased to declare an interim dividend of 2.5 cents per share (unfranked), with a record date of 11 March 2022 and a payment date of 25 March 2022.

FY22 Outlook

With respect to initiatives for FY22, Mr Morrison said 'Shine Justice is in a strong financial position, with a committed and talented team and the right strategy to deliver improved results, grow in new and existing markets and leverage opportunities with innovation and integration. We are expecting EBITDA growth in FY22 in the order of a low double digit percentage, subject to any material or unforeseen future impacts of the COVID-19 pandemic.'

The FY22 H1 accounts and investor presentation have been lodged with the ASX and can also be found on the Company's website – www.shinejustice.com.au. The Company will conduct an analyst and investor briefing at 10.30am AEST today. To register for the briefing, please click [this link](#).

Approved for release by the Board

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For more information

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