

# ASX Announcement

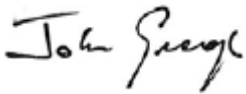
## Shine Corporate Limited (SHJ)

### Annual General Meeting 2014

#### Chairman's Address and Managing Director's Presentation

Attached are the following documents, which will be presented at the Annual General Meeting of Shine Corporate Limited which commences at 10.00am on 22 October 2014, in compliance with listing rule 3.13.3.

1. Copy of Chairman's Address
2. Copy of Managing Director's Presentation



John George  
Company Secretary

Shine Corporate Limited  
Level 6, 30 Makerston Street  
Brisbane QLD 4000

22 October 2014

**CHAIRMAN'S ADDRESS**  
**SHINE CORPORATE LIMITED**  
**ANNUAL GENERAL MEETING**  
**22 OCTOBER 2014**

Before handing over to Simon I would like to make a few comments of my own regarding the performance of the business and the strategic outlook for the company and the industry.

Shine has a strong balance sheet and solid branding in its core markets, and is among the top three plaintiff litigation firms in the country.

The past year has seen the ongoing evolution of the industry as consolidation by merger and acquisition continued. Shine has been part of that trend, consistent with its strategy of geographic and sectoral diversification and the extraction of benefits from the scalability of its business systems and processes.

In the workers' compensation sector in Queensland, the legislative reforms introduced in October 2013 began to have an effect, but this has been well managed and the company continues to enjoy solid growth in revenue and profit.

Whilst plaintiff injury litigation remains the core practice of the company, diversification into our emerging practice areas is on track to deliver a greater share of revenue and profitability into the future.

As well, our joint venture in New Zealand is now maturing as a business and the pipeline of claims we are progressing is beginning to deliver with a number of successful claims delivering positive cash flows. The company is now looking to opportunities to apply this model in other jurisdictions where natural disasters result in claimable damage to property.

As well, our partnership with Erin Brockovich in the United States, to manage enquiries and assist claimants seeking legal remedy, is also beginning to bear fruit and this business model will be further developed in the year ahead.

The board has been solidly engaged over the past year with over 23 regular meetings of the board and board committees and a further 5 unscheduled meetings. As well, the board has participated in separate meetings with the executive on corporate strategy.

Until recently, the Board comprised three independent non-executive directors and two executive directors, Stephen Roche and Simon Morrison. As from July 2014, Stephen Roche has become a non-executive director of the board but remains available to assist the executive on special projects as required under a commercial consulting agreement.

I thank Stephen for the outstanding contribution he has made as a former CEO and as an executive director in guiding the company and successfully driving the growth and profitability of the business. His continuing contribution as a non-executive director is highly valued as is his continued commitment as a major shareholder.

The company is well placed to continue to participate in the growth and consolidation of the industry and the board and executive will work diligently to ensure the company delivers on the expectations of its shareholders, clients and other stakeholders.

I will now hand over to the Managing Director.



# **SHINE CORPORATE LTD**

2014 Annual General Meeting

22 October 2014

# AGENDA

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- **Introduction**
- FY14 Achievements
- FY14 Results
- Key Operational Drivers
- Business Improvement Initiatives
- Acquisition update
- Reform update
- FY15 Priorities and Outlook

# INTRODUCTION

## Group Holding Company

- 3 law firms and other interests
- Ongoing growth – organic and acquisitions
- Diversification into emerging practice litigation
- Continued clear vision and systems to grow



# INTRODUCTION

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- Values driven business – “Right Wrong”
- Decentralised national operation
- Australia’s third largest plaintiff litigation firm founded in 1976
- Customised case selection and case management processes



## INTRODUCTION

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- Personal injury law firm operating in Western Australia since 1983
  - Acquired 1 July 2014
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- Law firm specialising in land owner compensation
  - Offices in Townsville, Roma and Brisbane
  - Acquired 1 July 2014





# INTRODUCTION

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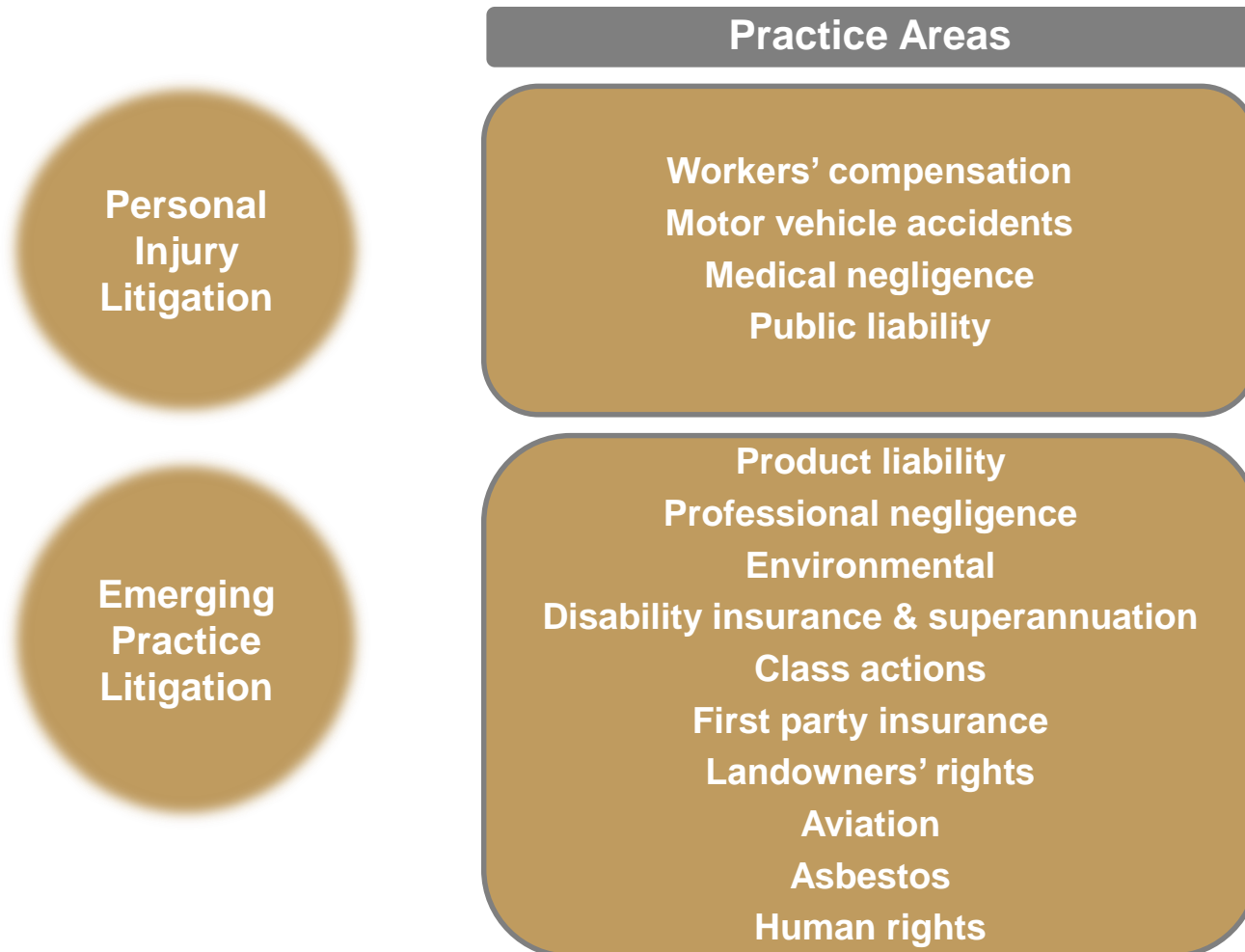
## Other Interests

- RWWNZ - NZ joint venture specialising in disaster recovery claims
- Partnership with Erin Brockovich in the United States managing enquiries and assisting claimants seeking legal remedy where appropriate



# INTRODUCTION – KEY PRACTICE AREAS

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## **FY 14 ACHIEVEMENTS**

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- Exceeded IPO EBITDA forecast in the first full year as an ASX listed company
- Revenue growth of 10% over prior corresponding period
- EBITDA growth of 24% over prior corresponding period
- EBITDA margin at 29.6% up from 26.6% for prior corresponding period
- Overhead control program contributing to improved EBITDA margin – expenses up 5%, compared to revenue growth of 10%
- Personal Injury practice - focus on productivity driving organic growth
- Emerging Practice Areas – revenue growth of 48% from \$12.2m in FY13 to \$18.0m

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## FY14 RESULTS

Measure	FY14	FY13	%change to pcp	FY14 IPO Forecast
Revenue	\$115.5m	\$105.2m	↑ 10%	\$114.8m
EBITDA	\$34.2m	\$27.6m	↑ 24%	\$33.0m
EBITDA Margin	29.6%	26.6%	↑	28.7%
NPAT	\$22.2m	\$17.5m	↑ 27%	\$21.3m
GOCF *	\$10.5m	\$8.1m	↑ 30%	\$12.3m
NOCF #	\$11.3m	\$5.0m	↑ 126%	\$10.7m

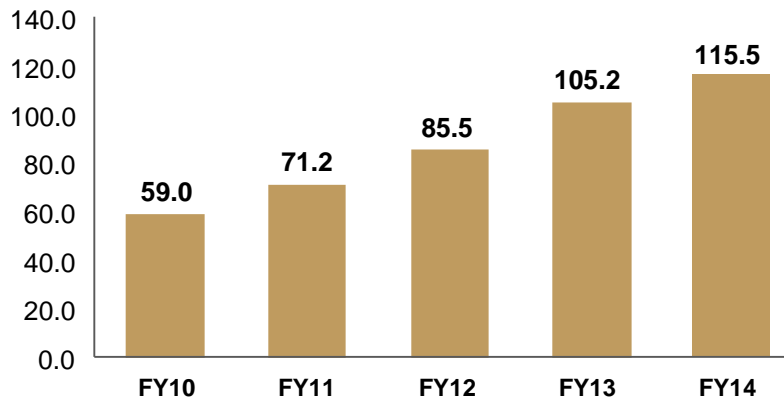
Full year FY14 dividend of 3.50 cents (1.75 cents final dividend and 1.75 cents interim dividend), compares to the FY14 full year IPO forecast dividend of 3.00 cents

\* Gross Operating Cash Flow, # Net Operating Cash Flow

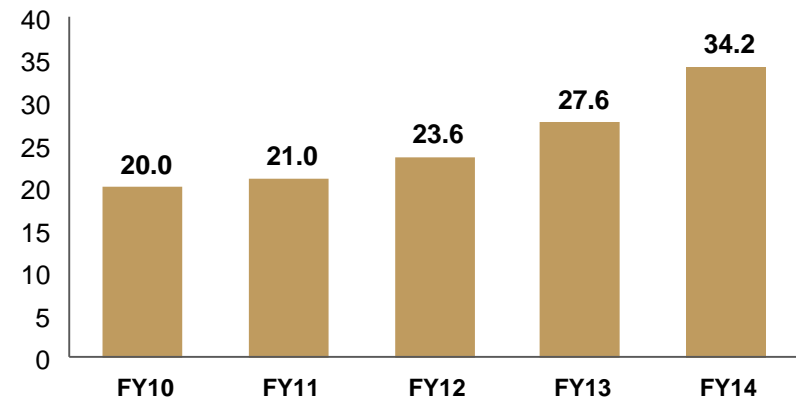
# FY14 RESULTS

## Key Historical Financial Results

Revenue (\$m) FY10 – FY14



EBITDA (\$m) FY10 – FY14



The figures for FY10, FY11 and FY12 shown in the graphs comprise the Company, Shine Partnership and the Service Trust as if they had operated as one entity, as detailed in Shine Corporate Ltd's Prospectus of 28 March 2013. FY13 & FY14 Revenue excludes Interest Revenue

- 4 year compound average growth rate for revenue of 18%
- 4 year compound average growth rate for EBITDA of 14%
- Emerging Practice revenue now at 15% of total revenue (FY13 12%)

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## **FY14 KEY OPERATIONAL DRIVERS**

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- Organic revenue growth:
  - Continued fee earner growth
  - Strong focus on productivity
- Overhead control program:
  - Focus on overhead optimisation
  - Operational efficiencies to reduce support staff
  - Overall 5% increase in expenses, compared to revenue growth of 10%

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# **BUSINESS IMPROVEMENT INITIATIVES**

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- T2 business improvement project progressing
- Continuous improvement to existing Shine Case Management
  - Firm wide review and refinement of key processes
  - Updating of process documentation
  - Re-training in key processes (WIP management, client care)
- External disbursement funding
  - Established in FY14
  - Currently being rolled out
  - Expected benefits to cash flow towards the end of FY15

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## ACQUISITION UPDATE

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- Emanate Legal and Stephen Browne Personal Injury Lawyers
  - Acquisitions announced in June 2014
  - Completed in July 2014
  - Capital raising of \$29.5m via a 1 for 10 entitlement offer completed in July 2014
  - Contributing to earnings and cash flow from 1 July 2014
- Several acquisition prospects in the pipeline
- Continuing to focus on damages based plaintiff litigation - 'Inch wide mile deep' strategy:
  - Widen geographic footprint
  - Continue to grow Emerging Practice Areas
  - Take advantage of scalable model
- File purchases continue with distribution through existing network

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## REFORM UPDATE

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### Workcover Queensland

- Anniversary of legislative changes reached
- Confirm prior disclosure of forecast impact of \$2M to \$2.5M NPAT
- Continuing with offset strategies in FY15

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## **FY15 PRIORITIES AND OUTLOOK**

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- Continuing to review and improve key legal processes supporting WIP management
- Continuing to improve the return on Shine Lawyers brand spend
- Improving the alignment of staff goals to Company performance through the introduction of the short term incentive program and designing a long term incentive program
- Building the next generation of Shine Case Management system - T2
- Continuing to grow Shine organically and through acquisition by continuing to focus on the 'Inch wide mile deep' strategy
- Further overhead expense optimisation
- Based on YTD trading we are tracking within our expectations for the full year

## QUESTIONS?

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For more information please visit:

[www.shine.com.au](http://www.shine.com.au)

THANK YOU

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