



ABN: 53 000 364 465

## **CHAIRMAN'S ADDRESS TO SHAREHOLDERS**

I am pleased to advise Euroz Limited reported a substantial improvement in profitability in the 2017 financial year with a net profit after tax of \$17.9 million up from \$2.56 million in 2016.

The Directors declared a final fully franked dividend of 5.5 cents per share and when combined with the interim dividend of 1.75 cents amounts to a total of 7.25 cents per share fully franked for the year.

This solid increase in reported profitability was largely driven by a strong equity capital market contribution from Euroz Securities which raised \$865 million for our corporate clients during the period.

Our Western Australian focus has delivered excellent returns to shareholders over time and through a number of business cycles. In our 17 year history we have generated significant cash flow and paid over \$193 million in fully franked dividends to our shareholders.

Our twofold diversification strategy remains focused on:

1. Retaining our core team of experienced staff so we can take advantage of the excellent transactional upside all our businesses experience in strong commodities and equities markets.
2. Establishing and growing our recurring revenues from wealth and funds management which will not only protect us during inevitable downturns in our markets but also create significant shareholder value over time.

Financial year highlights include:

- Euroz Securities delivered Equity Capital Market ("ECM") raisings of \$865 million versus \$300 million in the previous year.
- Euroz Securities recognised as number one ECM issuer in WA (WA Business News).
- Euroz Securities FUM growth of 19% to \$237 million.
- Westoz Investment Company Limited (ASX:WIC) and Ozgrowth Limited (ASX:OZG) reported gross investment returns of 20.1% and 19.4% respectively for the financial year.

- Solid initial returns and strong investor interest in Dalton Street Capital.
- Entrust Private Wealth Management successfully integrated, business synergies achieved and strong FUM growth of 23% to \$713 million.
- Total group FUM increased 20% to \$1.2 billion.

### **New Financial Year Trading Update**

The Directors can report a modest start to the first four months of the 2018 financial year with an unaudited net profit after tax of \$8.2 million (28.7% cash/71.3% non-cash).

Euroz Securities has raised \$221 million in headline new equity capital during this period but broking revenues can be volatile and overall are lower than at the same time last year. We are seeing a continuation of improved sentiment in our Western Australian connected markets and are pleased that our Corporate Finance pipeline currently has a slightly stronger outlook than in the past few months.

Total group funds under management has increased from \$1.2 billion at June 30 2016 to \$1.326 billion as at 31 October 2016.

The performance of our various fund investments has been excellent so far this year and we remind shareholders that our mark to market valuations and potential performance fees from the management of these investments can have a material effect on our reported profitability.

### **Summary**

Our business has endured a number of challenging years but now emerges into a new cycle with a strong balance sheet and a more diversified business mix with leverage to an improving Western Australian economy.

Your Directors would like to again thank our staff, clients and shareholders for their significant support during the past financial year. I would also like to thank our recently retired Executive Director Mr Douglas Young for his 14 years of dedicated service to your Company.

-ENDS-

For further information please contact

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