

Investor Presentation

February 2018



EUROZ

Euroz is a growing and diversified financial services company

Group FUM

\$1.4b¹



Market capitalisation

\$191.6m¹



\$196m



**fully franked dividends
in 18 years**

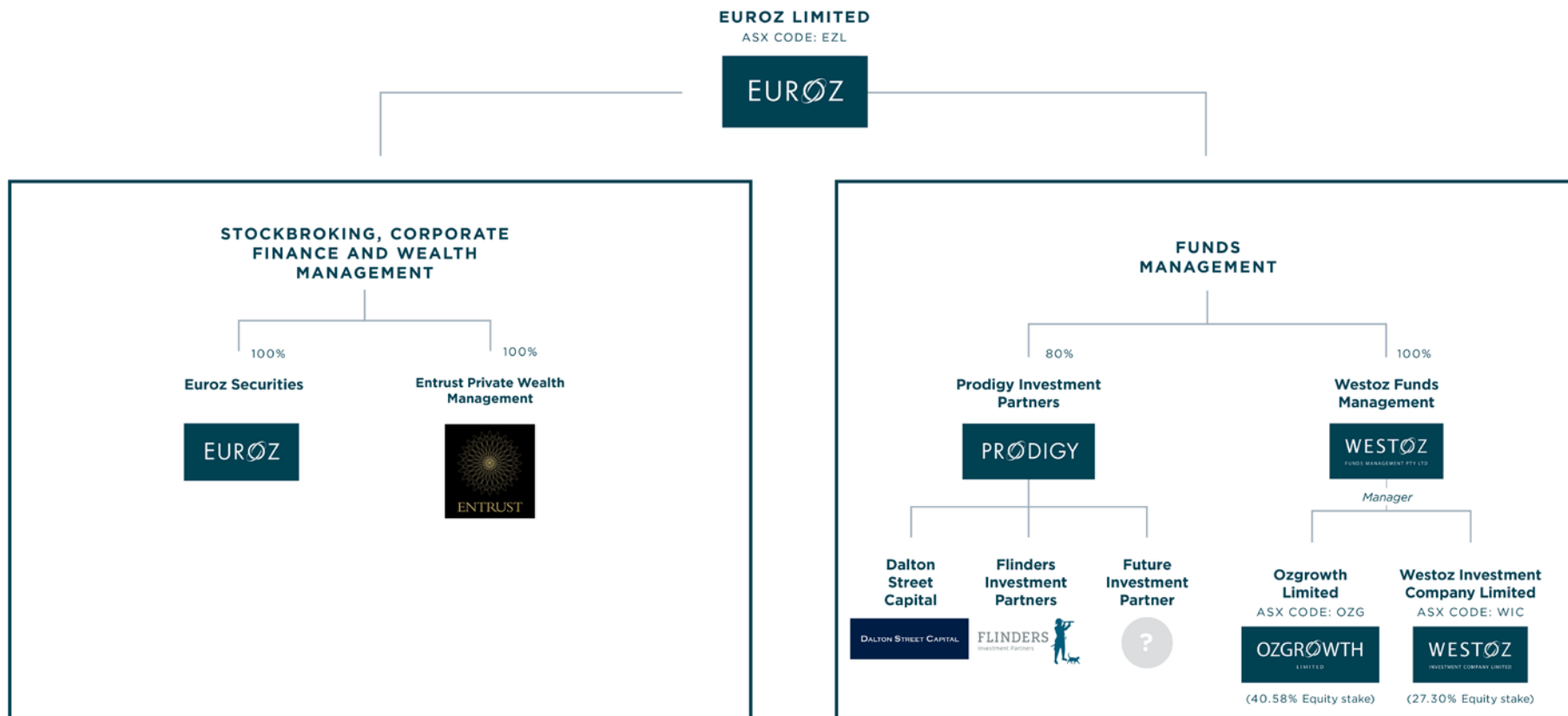
Cash & investments
increasing

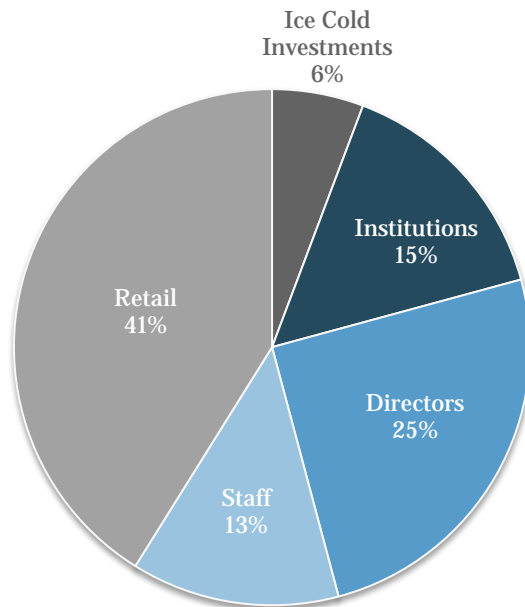
\$122m¹



A strong platform for future diversification and growth

Note 1: As at 31 December 2017





- Staff ownership of 38%
- Increasing institutional ownership
- Improving liquidity
- Performance Rights Plan = ongoing capital management

As at 25 January 2018

High staff ownership = strong alignment with shareholders



Strong balance sheet provides platform for future growth

Profitability driven by increases in WIC and OZG share prices, equity capital markets activity and growth in group FUM

Euroz Securities
equity raisings
\$270m



**WIC investment
performance**

29.3%



22%

OZG investment
performance



Group FUM up
\$1.4 billion



Net profit after tax

\$12.4m – \$12.6m

Euroz ranked top WA broker for 2017 ECM raisings by



THOMSON REUTERS

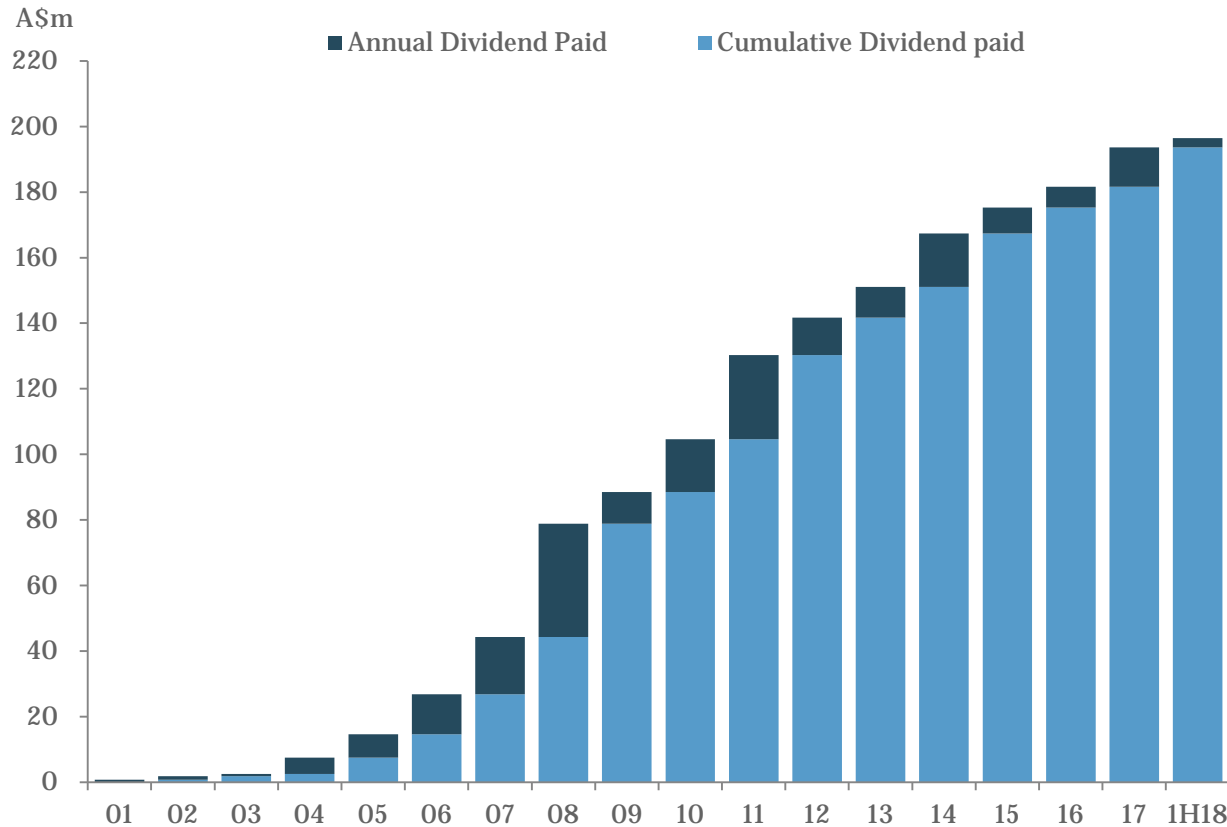
- Strong past correlation to resource markets (Small Resources Index)
- Strategy is to generate diverse revenue streams whilst maintaining traditional upside leverage to resources



Maintain traditional strengths while building new revenue streams

* Unaudited

Euroz has paid \$196 million fully franked dividends over 18 years



Past:

- Paid \$196m dividends over 35 consecutive half year periods
- High payout ratio

Future:

- Aim to increase the base level of dividends through generating recurring revenue streams

Strong dividend history reflects strong cash flow and minimal capital expenditure

Euroz Securities - 18 year history of partnering and supporting clients through research, dealing and corporate finance services

Research

- Quality equities research is the foundation of our business
- Highly rated research from our team of seven analysts

Institutional Sales

- Institutional advisory and equities dealing services
- Team of nine institutional dealers have significant long-term relationships with major institutional investors

Private Client Dealing

- Predominantly high net worth client base
- Significant capacity to support new issues/construct first class share registers
- Expanded wealth management capabilities

Corporate Finance

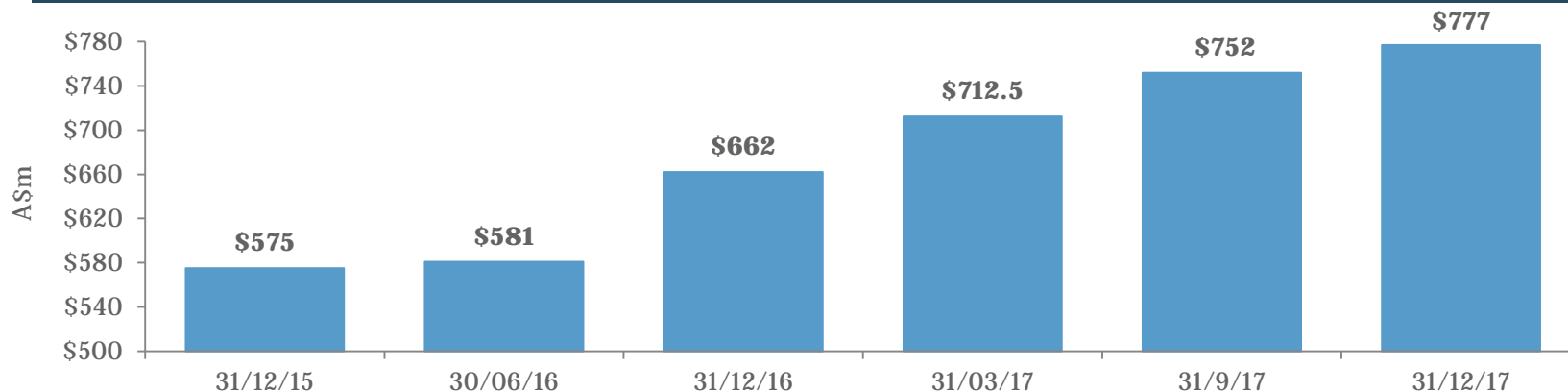
- Specialised corporate advisory services
- Euroz ranked top WA broker for 2017 ECM raisings by Thomson Reuters Corporation

Long term strategy: Leverage deal flow in WA related companies through high quality research, dealing and corporate finance services

Entrust Private Wealth Management - 15 year track record

- Combines its deep knowledge of managed financial planning, discretionary advice and portfolio management with its portfolio administration service to create a comprehensive wealth management solution for each individual client
- Euroz acquired Entrust Private Wealth Management (**Entrust**) in July 2015
- The strategy behind acquiring Entrust was to leverage an established wealth management business with long term ongoing revenues as a platform for further acquisitions and organic growth
- Entrust has a significant high net worth client base with funds under management of \$777 million

Entrust FUM

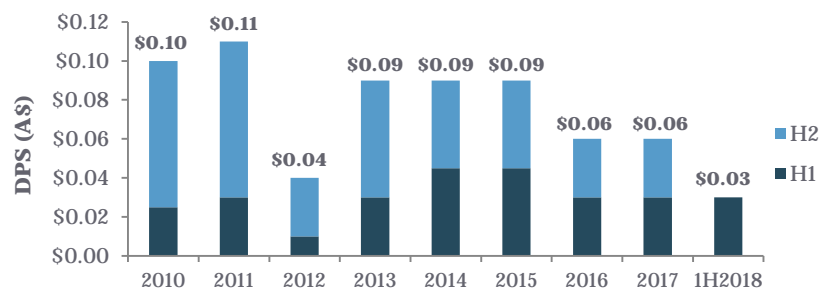


Long term strategy: Grow FUM through organic growth and attracting external wealth advisors to join our wealth platform

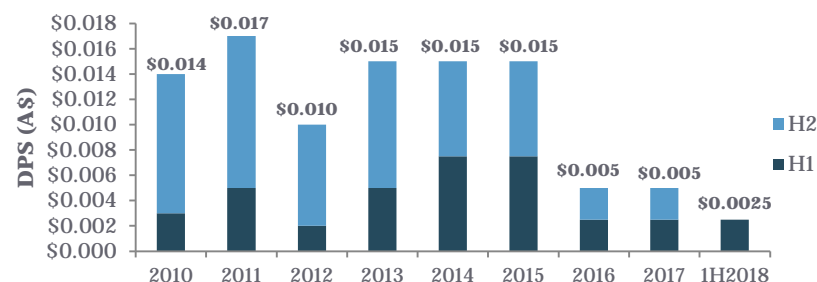
Westoz Funds Management – Western Australian connected investment opportunities

- Westoz Funds Management (WFM) is a 100%-owned subsidiary of Euroz Limited established in 2005
- WFM manages portfolios of Australian equities on behalf of two listed investment companies, Westoz Investment Company Limited (WIC) and Ozgrowth Limited (OZG)
- WIC and OZG have contributed \$37m in dividend income to Euroz Limited since inception
- Euroz owns 27.30% of WIC and 40.58% of OZG
- Investment objective of both portfolios is to generate consistent positive returns over medium long term
- WIC Gross Investment performance of 29.3% for first half FY18
- OZG Gross Investment performance of 22% for first half FY18

Westoz Investment Company Limited (ASX:WIC)



Ozgrowth Limited (ASX:OZG)



Long term strategy: provide a steady base of ongoing management fee revenues with potential performance fee upside

Prodigy Investment Partners – boutique funds management joint venture

- Prodigy Investment Partners (Prodigy) is an 80% – owned joint venture between Euroz Limited and former MLC CEO Steve Tucker
- The first of these new boutique fund management partnerships was announced in July 2015 with Flinders Investment Partners (Flinders) and subsequently Dalton Street Capital (DSC) was launched in May 2016

PRODIGY
INVESTMENT PARTNERS LIMITED

FLINDERS
Investment Partners

DALTON STREET CAPITAL

- Flinders is a specialist small companies investment manager that brings together two of Australia's most experienced small and emerging company investors Andrew Mouchacca (ex - Contango Asset Management) and Richard Macdougall (ex - Perennial Growth)
- Flinders has achieved "Recommended" rating from Lonsec and Independent Investment Research. "Investment grade" rating from Zenith.

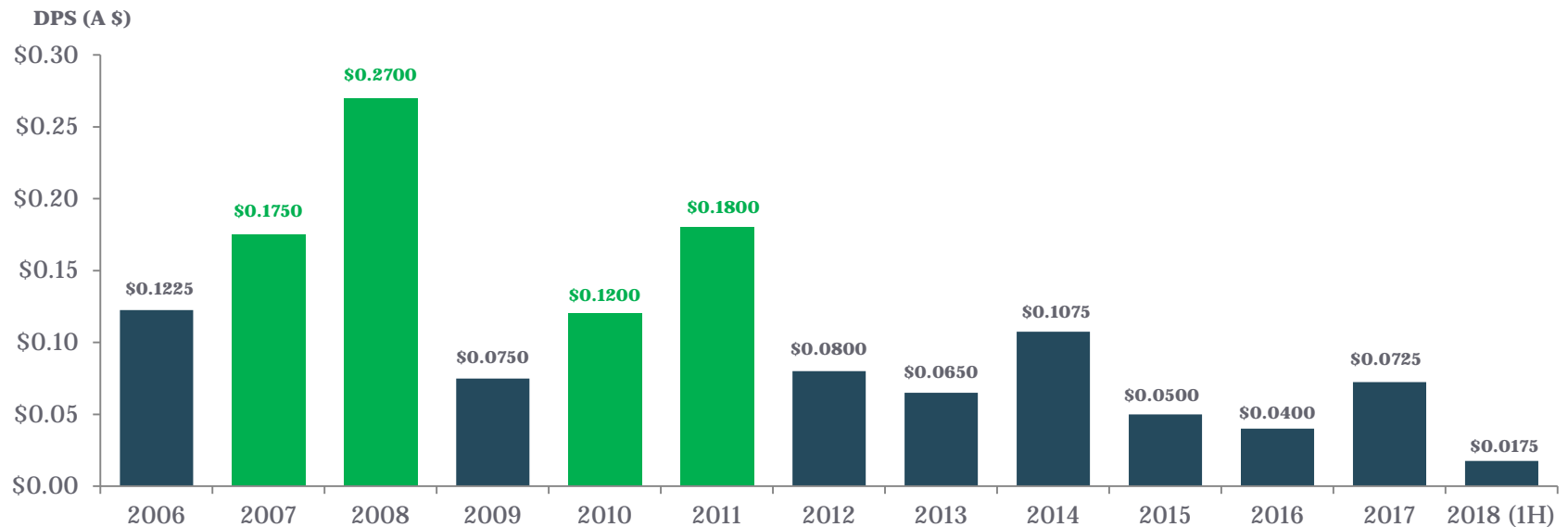
- DSC is a quantitatively driven absolute return manager, using strategic and tactical investment strategies, seeking to deliver superior absolute returns uncorrelated to major asset classes
- DSC's strategy is aimed at giving investors access to strong absolute returns through different market cycles
- The strategy has a 12-year track record of producing positive investment returns over various market cycles
- DSC is headed by Alan Sheen and Nick Selvaratnam. Before joining Prodigy, Alan and Nick worked together at Credit Suisse where Alan was Head of Proprietary Trading and Nick was Head of Equities
- DSC has achieved "superior" fund rating from SQM Research and "approved" from Zenith.

Long term strategy: provide a steady base of diverse ongoing management fee revenues with potential performance fee upside

	Business attributes		
	Base Dividend	Dividend Upside	Market Rating/EV
<p>Stockbroking and Corporate Finance</p> <ul style="list-style-type: none"> Daily brokerage turnover provide a <u>base</u> of revenues <u>High impact</u> (but cyclical) transactional fee upside (ECM/M&A) 	✓	✓	
<p>Wealth Management</p> <ul style="list-style-type: none"> Growing recurring base fee revenue as funds under management increase A platform to attract and acquire new wealth managers 	✓		✓
<p>Funds Management</p> <ul style="list-style-type: none"> Growing recurring base fee revenue as funds under management increase Increased opportunity for high impact performance fees from a diversified range of funds 	✓	✓	✓
Strategy: Building diverse revenue streams			

- The major driver of past dividends have been Corporate Finance fees (equity capital market and M&A) and Funds Management performance fees (WIC and OZG)
- ECM and performance fees have typically occurred together in strong resource markets (2007, 2008, 2010 and 2011)

Strategy: Grow the base level of dividends by building more diverse recurring revenue streams while maintain exposure to an increase range of high impact performance and transactional fees



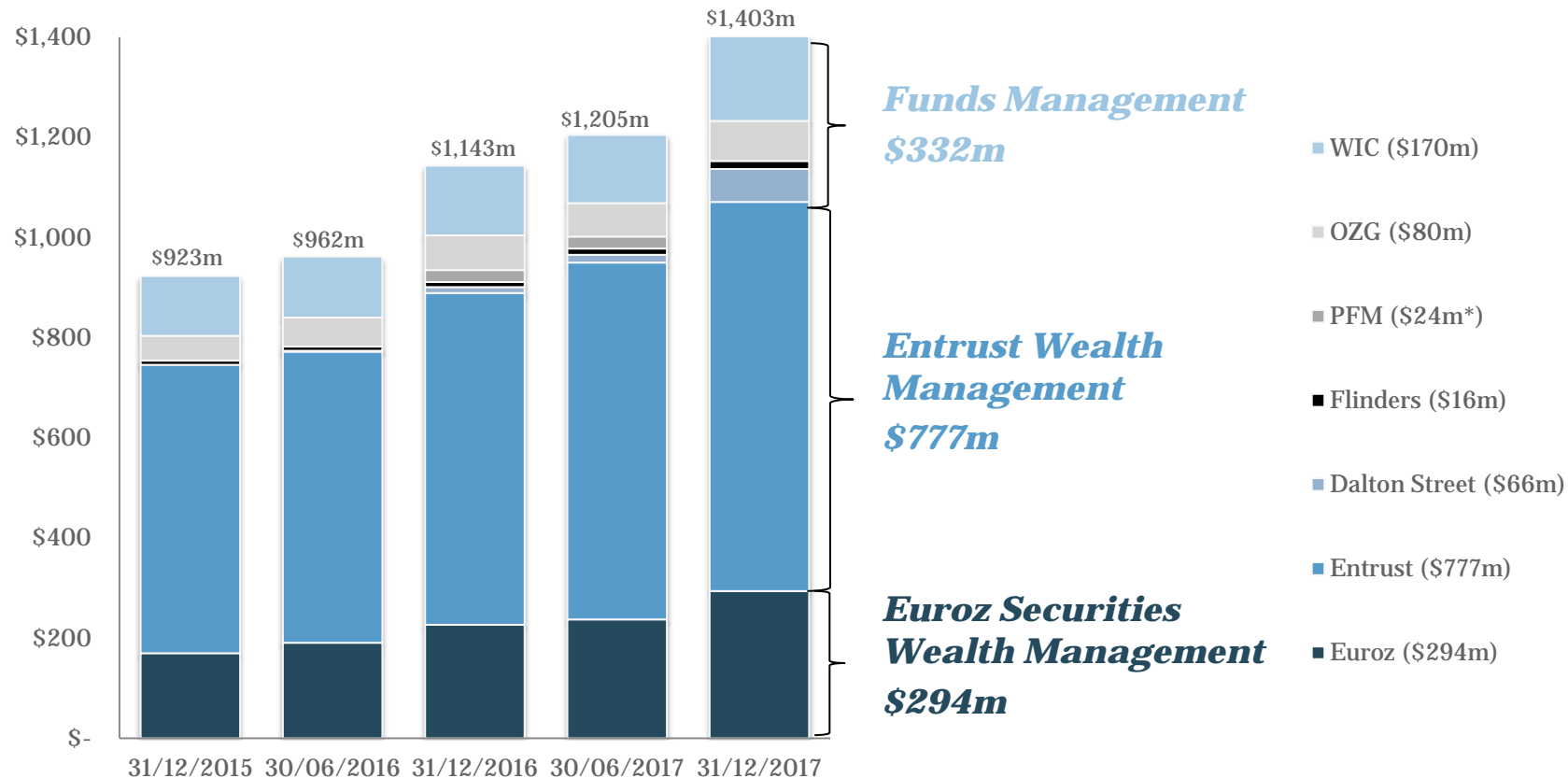
- Strong balance sheet/zero debt
- Deploying modest capital into Prodigy Investment Partners
- Market Valuation: \$65 - \$70m enterprise value.

	Cost	Market	Look through value ¹
Westoz	\$39.0m	\$42.1m	\$42.8m
Ozgrowth	\$27.7m	\$27.0m	\$31.1m
Flinders Investment Partners	\$6.1m	\$8.2m	\$8.2m
Dalton Street Capital	\$2.0m	\$2.3m	\$2.3m
Other Investments	\$7.5m	\$8.5m	\$8.5m
Cash	\$34m	\$34m	\$34m
Total	\$116.3m	\$122.1m	\$126.9m
<i>NTA</i>		<i>\$0.76</i>	<i>\$0.79</i>
Market Capitalisation (\$1.19/share) ²		\$191.6m	\$191.6m
Enterprise Value (approx.)^{1,2}		\$70m	\$65m

Note 1: WIC and OZG valued at NTA

Note 2: As at 31 December 2017

Strong organic FUM growth from a diverse range of businesses



Group FUM of \$1.4 billion

Note: Precision Funds Management removed from 01/07/2017 / no longer an authorised representative

Euroz Group Summary

- Modest first 6 months of the 2018 financial year
- Wealth Management FUM (ESL and Entrust) now over \$1.07 billion
- Unaudited NPAT \$12.4 - \$12.6 million (19% Cash/81% Non-cash)

Euroz Securities

- Positive resources sentiment continues
- Moderate ECM activity but pipeline improving
- FUM \$294m



Entrust Private Wealth Management

- Platform for future wealth management acquisitions and organic growth
- Profitability improving with increased scale
- FUM \$777m

Westoz Funds Management

- Excellent six month gross investment performance
 - WIC 29.3% and FUM \$170m
 - OZG 22% and FUM \$80m

As at 31 December 2017

PRODIGY

INVESTMENT PARTNERS LIMITED

Prodigy Investment Partners

- Sales team making good inroads into retail platform market
- Excellent Dalton Street Capital progress / strong investor interest
- Building good relationships with consultants and platforms

FLINDERS
Investment Partners



Flinders Investment Partners

- Improved 6 month investment performance of 24.8% (6.1% outperformance)
- Minimal FUM growth has been disappointing

DALTON STREET CAPITAL

Dalton Street Capital

- Positive consultant & investor engagement
- 6 month investment performance of 26.9%
- Excellent half year gross investment performance of 14.5%
- Zenith and SQM research ratings
- Strong FUM growth to \$66m (\$25 million in October)

As at 31 December 2017

Euroz is a growing and diversified financial services company

Modest six
month result /
outlook
improving

WA &
commodity
prices volatile
but improving



Ranked #1
in WA based
equity capital
raisings¹



A robust &
growing balance
sheet



Diversification
strategy

Established track
record provides
solid platform
for growth

Source 1: Thomson Reuters Corporation CY2017

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Note, all figures are expressed in Australian dollars unless otherwise stated.

Thank you

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