



ABN 53 000 364 465

17 July 2018

## **Unaudited Annual Results and Dividend**

Euroz Limited (**Euroz**) reports an expected unaudited net profit after tax (attributable to members) of approximately \$31.3 million for the financial year ended 30 June 2018, representing a 61% uplift on the previous years \$19.4 million result.

The Directors have determined to pay a final fully franked dividend of 9.25 cents per share (**cps**) which combined with the interim dividend of 1.75 cps brings the full year dividend to 11 cps (previous year 7.25 cps). This is a 52% increase on the previous full year dividend.

The group experienced broadly similar trading conditions to the previous year with improved performance fees being the driver for increased profitability and dividends.

An improvement in the value of our various investments has seen our total cash and investments increase to \$139.4 million (before final dividend payment).

Group Funds Under Management (**FUM**) has increased by 21.3% to \$1.46 billion from \$1.2 billion last year and we will continue to focus on building these recurring revenue streams.

We provide specific business updates as follows:

### **Euroz Securities**

Solid commodity prices and an improving Western Australian economy have driven another strong contribution from our securities business with brokerage revenues up slightly from previous year. A strong second half equity capital market contribution, with approximately \$837 million of capital raisings completed this financial year, translated to similar overall corporate finance revenues to the previous year.

### **Entrust Private Wealth Management (“Entrust”)**

Entrust has reported a pleasing improvement in profitability versus the previous year driven by good first half FUM growth and cost improvements. Entrust will continue to pursue smaller bolt on acquisitions but sellers current price expectations remain too high in our view.

### **Westoz Funds Management**

Strong investment performance achieved from both the Westoz Investment Company Limited (**Westoz**) and Ozgrowth Limited (**Ozgrowth**) with respective investment performance of 39.1% and 30.7% for the financial year. These excellent returns enabled both funds to provide substantial end of year performance fee income to the manager. In the past 13 years Westoz and Ozgrowth have returned \$147 million in fully franked dividends to their shareholders.

## **Prodigy Investment Partners**

The Directors of Euroz Limited remain committed to our Prodigy joint venture and continue to search for new boutique partners. As Prodigy enters its fourth year we are very pleased with the platform we have developed and excited about the prospects with potential new partners. We currently have two boutique partners:

- **Flinders Investment Partners**

Strong gross investment performance of 34.2% for the financial year and performance since inception of 18.3% p.a. strengthens our commitment to this partnership. Current FUM of \$18 million and as Flinders approach a solid 3 year track record we are pleased to see increased investor engagement and believe the market will better reward their strong investment returns with improved inflows in the coming 12 months.

- **Dalton Street Capital**

Solid gross investment performance of 18.3% for the financial year and performance since inception of 14.8% p.a. Strong support from early adopter research and platform providers continue to underpin consistent monthly FUM growth to \$89 million at 30 June 2018 and we are excited about the FUM growth prospects for this two year old partnership.

## **Summary**

Euroz Limited has pursued a very deliberate and incremental diversification strategy over the past 4 years which combined with a positive resources market has delivered an excellent result to all shareholders this year. Your Directors are very pleased this broad contribution from our various businesses has enabled us to record the best full year dividend since 2011.

When this final dividend is paid next month Euroz Limited will have paid \$211 million in fully franked dividends to shareholders across our 18 year history.

This result is an accumulation of the very significant efforts of our greatest asset, our staff, who as our largest shareholders remain committed to growing this proudly Western Australian diversified financial services company.

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