



ABN 53 000 364 465

15 July 2020

## Unaudited Annual Results and Dividend

Euroz Limited ("**Euroz**") reports a modest unaudited -\$1.4 million net loss for the financial year ended 30 June 2020. The major factor in this headline loss is the previously reported and mostly "non cash" write downs associated with the closure of the Prodigy business.

Our established Euroz Securities, Entrust Wealth Management and Westoz Funds Management businesses have performed well in a volatile market and contributed to solid underlying profitability of \$6.5 million.

Our headline profitability can be summarised as follows: Underlying "cash" profits of approximately \$6.5 million plus \$0.3 million "non-cash" after tax profits from the mark-to-market of investments were offset by -\$8.2 million "non-cash" after tax losses (mostly relating to Prodigy closure costs) resulting in a -\$1.4 million net loss after tax attributable to members.

Solid underlying cash profitability and the realisation of some of our fund investments enables your Directors to declare and pay a final fully franked dividend of 6 cents per share ("**cps**") which combined with the interim dividend of 1.75 cps brings the full year dividend to 7.75 cps (previous year 6.75 cps).

Group Funds Under Management ("**FUM**") remained steady at \$1.55 billion (\$1.58 billion last year). FUM growth was impacted to a degree by the emerging COVID-19 pandemic and the removal of approximately \$119 million of Prodigy related FUM.

We provide specific business updates as follows:

### **Euroz Securities**

Euroz Securities experienced improved profitability on the previous year with brokerage revenues up approximately 25% and strong Equity Capital Market ("**ECM**") raisings of \$1.05 billion versus \$469 million in the prior period. Our private client business contributed strongly to our improved brokerage revenues and reported modest FUM growth to \$370 million at 30 June 2020.

### **Entrust Wealth Management**

Entrust reported a modest improvement in FUM of 10% to \$969 million. We are pleased with the quality and stability of the Entrust offering at a time of significant change in the Wealth Management landscape. Entrust is well positioned for continued growth.

## **Westoz Funds Management**

Westoz Investment Company Limited (“**WIC**”) and Ozgrowth Limited (“**OZG**”) have performed well in challenging and volatile markets. Their respective gross investment performance of -1.7% and 7.0% for the financial year compares to -7.2% for the All Ordinaries Accumulation Index and 1.8% for the Small Resources Accumulation Index for the same period. On payment of final dividends for FY2020 WIC and OZG will have returned \$167 million in fully franked dividends to their shareholders over the past 15 years.

### **Summary**

Euroz Limited now employs 87 staff across our businesses as we continue to pursue our diversification and consolidation strategy. Euroz maintains a strong balance sheet with a cash balance at 30 June 2020 of \$46 million and zero debt.

When this final 6 cps dividend is paid next month, Euroz Limited will have paid \$235 million in fully franked dividends to shareholders across our 20 year history.

I would once again like to sincerely thank our staff for their significant efforts and who as our largest shareholders remain committed to growing this proudly Western Australian diversified financial services company.

For further information please contact:

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*This announcement is authorised for release by the Board of Euroz.*