

An aerial photograph of a harbor filled with numerous white and blue motorboats and sailboats. The water is a vibrant turquoise color, and the sky is a mix of orange, pink, and purple, indicating a sunset. In the background, there is a coastline with green trees and some buildings. A long pier extends into the water on the right side. The overall scene is peaceful and scenic.

EUROZ

ANNUAL GENERAL MEETING PRESENTATION

November 2021

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

# Western Australia's Leading Wealth Management Company

- 
- 1 Combined capability and earnings leverage of WA's two most successful wealth management firms**
  - 2 Strategically located in the global resources hub of Western Australia**
  - 3 Increased focus on growing and diversifying revenue streams**
  - 4 Strong balance sheet provides platform for growth**
  - 5 Solid underlying profitability for the first 4 months of FY21**

# Strategy



## AIM

- Grow Western Australia's leading wealth management business

## PURPOSE

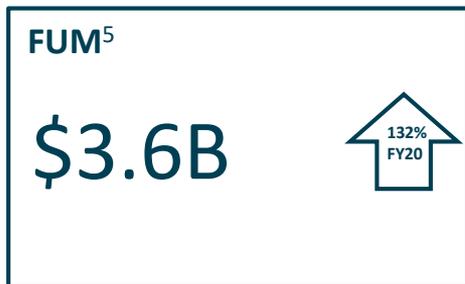
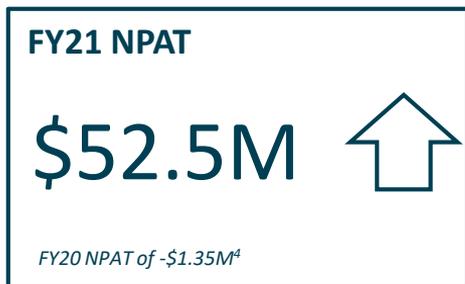
- Building long term relationships and trust with our clients by delivering consistently good outcomes

## CULTURE

- Our clients and staff are our greatest assets
- Develop a deep understanding of our client's needs
- Maintain a high performance culture
- High staff ownership aligns staff and shareholder interests

# Full Year Result – Strong FY21

- Excellent profitability and cash generation for 2021 financial year
- Successful completion of landmark transaction with Hartleys Limited
- Leverage to strong WA economy and commodity prices



Note 1: As at 30 June 2021

Note 2: Capital raised in FY21, including funds raised by Hartleys Limited prior to completion of the merger

Note 3: Fully franked and includes 2H FY21 dividend of 13.5cps and 1H FY21 dividend of 2.5cps

Note 4: Attributable to members

Note 5: As at 31 October 2021

# Corporate Overview – Euroz Limited

## CAPITAL STRUCTURE

**A\$1.73**

Share price (15 Nov 21)

**197M**

Shares on issue

**A\$341M**

Market Capitalisation

**A\$171M**

Cash & Investments<sup>1</sup>

**Nil**

Debt

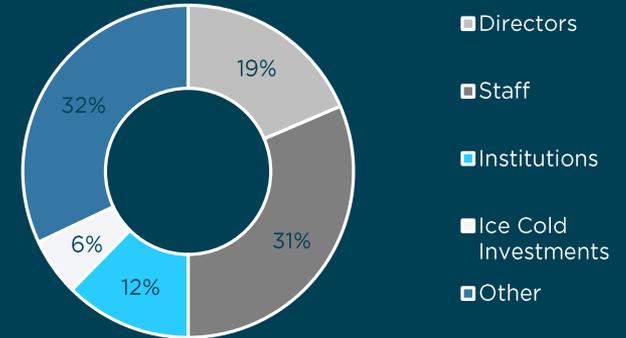
**\$170M**

Enterprise Value<sup>2</sup>

## HISTORICAL SHARE PRICE



## OWNERSHIP

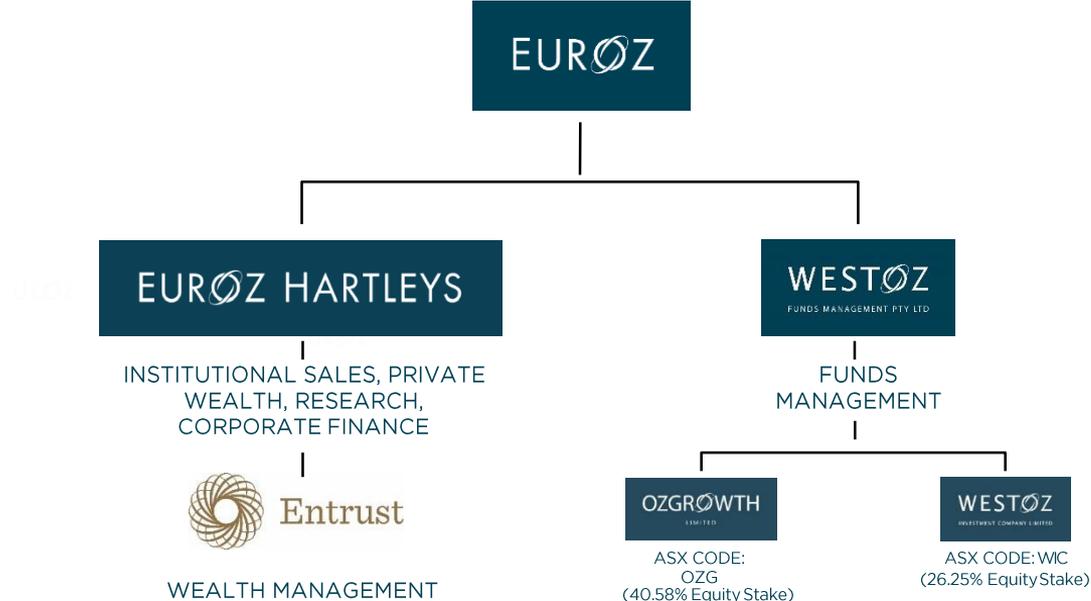


Note 1: As at 31 October 2021

Note 2: Based on market capitalisation at 15 November 2021 and cash & investments at 31 October 2021

# Euroz Limited

Western Australia's leading wealth management company



## Combined capability and earnings leverage of WA's two most successful wealth management firms



Largest Wealth Management Firm in Western Australia



Significant Global & Domestic Distribution Capability



+127 Stocks Under Research Coverage

### FY21 CAPITAL RAISED

~A\$2B<sup>1</sup>

### STAFF

194

#### Corporate Finance

##### 15 CORPORATE FINANCE EXECUTIVES

- Deep relationships and knowledge across WA resources and industrial sectors
- Specialising in:
  - Equity Capital Markets transactions
  - M&A Advisory
  - Strategic Corporate Advisory

#### Research

##### 9 RESEARCH ANALYSTS

- Extensive coverage of ASX small-mid cap resources, energy, mining services and WA industrial companies
- Focus on institutional quality research to a global client base
- Over 127 stocks under research

#### Institutional Sales

##### 10 INSTITUTIONAL SALES ADVISERS

- Largest small-mid cap institutional desk in Australia with specific focus on resources, energy, mining services and WA industrials
- Long term relationships with all key domestic institutional investors
- Targeted global distribution network

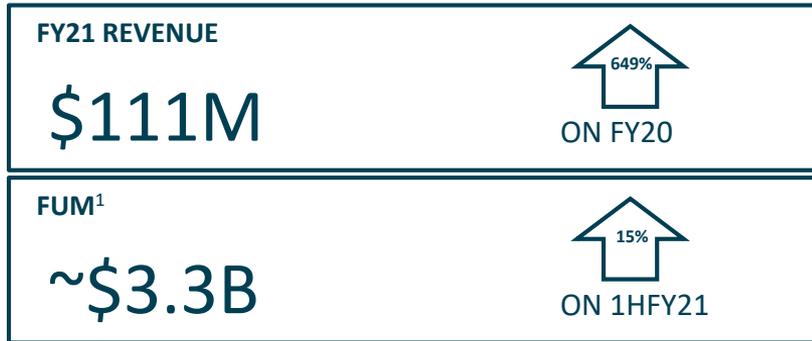
#### Private Wealth

##### 70 PRIVATE CLIENT ADVISERS

- Largest private wealth desk in WA
- FUM of ~\$3.3B<sup>2</sup>
- Extensive high net worth and family office client base
- Focus on providing timely and high quality financial advice to clients

Note 1: Capital raised in FY21, including funds raised by Hartleys Limited prior to completion of the merger

Note 2: As at 31 October 2021

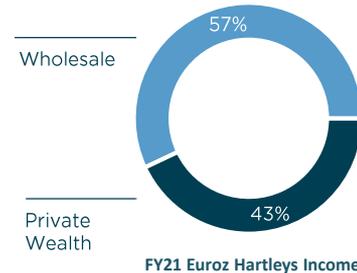


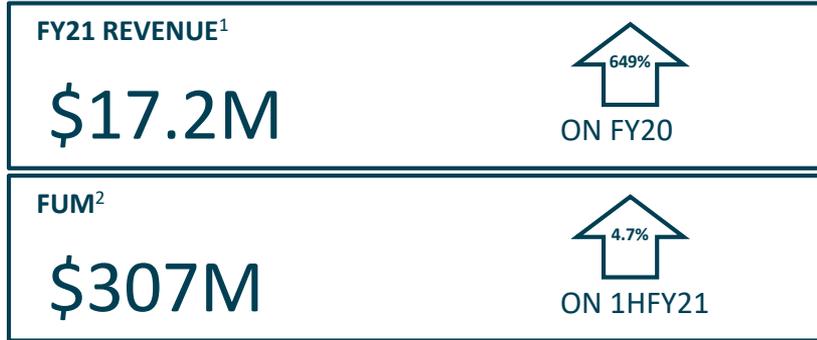
- Strong FY21 performance
- Merger and integration completed
- Strong equity capital market (“ECM”) raisings and brokerage revenues driving underlying cashflow and profitability
- ~\$2 billion in announced gross ECM raisings (July 2020 – June 2021)
- Solid Advisory contribution
- Significant growth in FUM

Note 1: As at 31 October 2021 and includes Entrust Wealth Management



- Entrust has a 19 year history of providing financial strategy and advice to a diverse range of clients
- Managing funds for high net worth individuals, business owners, multi-generational families, self-managed superannuation funds and “not for profit” organisations
- Relationship driven bespoke investment solutions





- Excellent performance from our significant investments in the Westoz Investment Company Limited (“WIC”) and Ozgrowth Limited (“OZG”)
- FY21 gross investment performance of:
  - 34.0% for WIC
  - 62.9% for OZG

- Westoz Funds Management manages portfolios of Australian equities on behalf of two listed investment companies:
  1. Westoz Investment Company Limited (WIC)
  2. Ozgrowth Limited (OZG)
- WIC and OZG have contributed \$46.2m in dividend income to Euroz Limited since inception
- WIC and OZG have paid \$177.8m in fully franked dividends to all shareholders since inception
- Euroz owns 26.25% of WIC and 40.58% of OZG

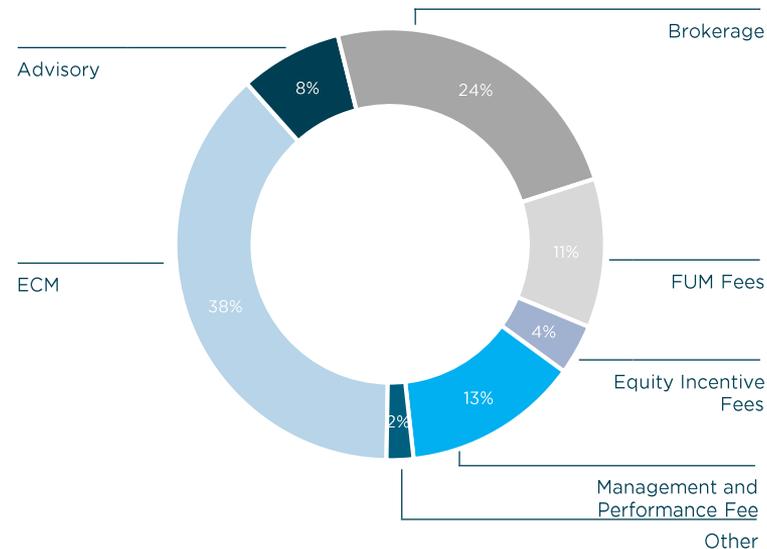


Note 1: As at 30 June 2021  
Note 2: As at 31 October 2021

# Growing and Diverse Revenue Streams

## Increasing contribution of recurring revenue

- \$3.6B<sup>1,2</sup> in combined FUM in Funds and Wealth Management and growing
- Continued focus on growing FUM – increase of +\$1.36B through merger with Hartleys Limited
- Increased scale provides material synergies and an enhanced platform for organic and acquisition growth opportunities
- Entrust now incorporated within Euroz Hartleys licence



**FY21 Euroz Hartleys Income<sup>3</sup>**

Note 1: 'Other' represents historical FUM from Flinders Investment Partners, Dalton Street Capital and Equus Point Capital

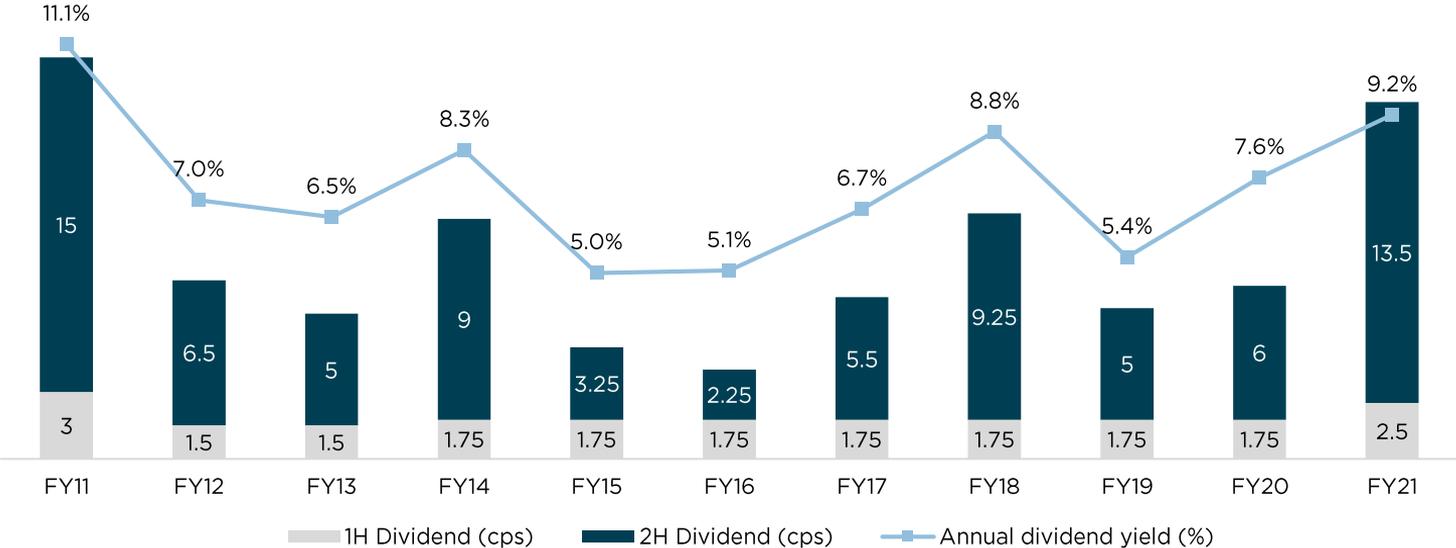
Note 2: Entrust FUM included within Euroz Hartleys from Jun '21 onwards

Note 3: Excludes 3 months of contributions from Hartleys Limited (now Euroz Hartleys Limited)

# Consistent Dividend History

Increasing dividends through growth in recurring revenue streams while maintaining traditional transaction strengths

- Paid \$266m dividends over 43 consecutive half year periods
- Average dividend of 8.3 cents / year over past decade
- Average dividend yield of 7.0% over past decade



## Balance Sheet

- Strong balance sheet with zero debt<sup>1</sup>
- Enterprise value currently \$161m - \$170m

	Cost <sup>1</sup>	Market <sup>1</sup>	Look through value <sup>1</sup>
Westoz	\$39m	\$42m	\$46m
Ozgrowth	\$28m	\$40m	\$45m
Other investments	\$11m	\$24m	\$24m
Cash	\$65m	\$65m	\$65m
<b>Total</b>	<b>\$143m</b>	<b>\$171m</b>	<b>\$180m</b>
Market Capitalisation <sup>2</sup> (A\$1.73/share)		\$341m	\$341m
<b>Enterprise Value (approx.)</b>		<b>\$170m</b>	<b>\$161m</b>

Note 1: As at 31 October 2021

Note 2: As at 15 November 2021

## Four Month Trading Update - Unaudited

### Solid underlying profitability for first 4 months of FY22

- Headline NPAT of \$10.6 million
- Driven by strong performance from Euroz Hartleys Limited and increases in share price of investments in Westoz and Ozgrowth
- Leverage to strong WA economy and commodity prices

#### EUROZ HARTLEYS

- Strong 4 month start to financial year
- Wholesale team executed +\$600m in announced ECM raisings (July – Oct 2021)
- Wholesale team performing and interacting very well
- Appointment of Marc Lincoln as Head of Private Wealth
- Physical and cultural integration of Private Wealth teams complete
- Excellent 4 month revenue and performance from Private Wealth team
- Entrust is performing strongly, excellent pipeline of opportunities, increasing reputation and activity in the Not for Profit (NFP) sector

#### WESTOZ FUNDS MANAGEMENT PTY LTD

- Excellent gross 4 month investment performance:
  - WIC +11.2%                      FUM \$183m<sup>1</sup>
  - OZG +25.1%                      FUM \$124m<sup>1</sup>
- Performance fee opportunity

# Euroz Hartleys Foundation

- Established in 2006 to provide support to worthy charities within our broader community
- Donated over \$2.5m to over 100 individual charities in 14 years
- Staff encouraged to provide their time to support charities in and around their local community
- 2021 Commission for a Cause raised a record breaking \$450,000 for the Perth Children’s Hospital Foundation, WA Cricket Foundation and Women & Infants Research Foundation



The Euroz Hartleys Foundation (formerly Euroz Charitable Foundation) has supported many organisations, including:

Proudly supporting



# Investment Highlights

1

**Largest wealth management firm in Western Australia**

2

**Established platform for diversified and recurring revenue streams**

3

**Continually improving and growing our client offering**

4

**Targeting organic FUM growth and growth by acquisition**

5

**Strong balance sheet**

6

**Well positioned to capitalise on positive WA and commodities outlook**



Thank You

Euroz Limited

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