

# EUROZ HARTLEYS GROUP

ABN 53 000 364 465

2 February 2022

## Unaudited first half result and interim dividend

Euroz Hartleys Group Limited (“Euroz Hartleys”) reports solid profitability for the first half of the 2022 financial year.

Euroz Hartleys is Western Australia’s largest stockbroking and wealth management business and we are proud of the very significant efforts of our 192 staff who are the major driver of our ongoing success and growth.

On a headline basis, Euroz Hartleys expects an unaudited net profit after tax (attributable to members) of approximately \$22.9 million for the 6 months to 31 December 2021, down 8.8% versus the previous corresponding period.

Our headline profitability comprises underlying “cash” profits after tax of \$9.4 million and “non-cash” after tax profits \$13.5 million, mostly from solid investment performance from Westoz Investment Company Limited (“WIC”) and Ozgrowth Limited (“OZG”).

Our balance sheet of \$180.2 million of cash and investments continues to support our activities, differentiates us from many of our competitors and provides confidence to our significant adviser network and their large client base.

The Board welcomes the proposed WAM Capital Limited (“WAM”) schemes offered to all shareholders of WIC and OZG. Since inception, Euroz Hartleys has invested ~\$66.8 million into these listed investment companies and currently owns 26.25% of WIC and 40.58% of OZG.

The Directors are pleased to announce a first half dividend of 2.5 cents per share fully franked, consistent with the previous corresponding period.

### Highlights

- **Solid equity capital market (“ECM”) raisings and brokerage revenues driving underlying cashflow and profitability**
- **Six-month gross ECM raisings of \$743 million**
- **Record group Funds Under Management (“FUM”) of \$3.7 billion**
- **First half gross investment performance of 15.7% for WIC and 32.8% for OZG**
- **Scheme of Arrangement announced by WAM for WIC and OZG**
- **Cash and investments of \$180.2 million**

### Change in Accounting Treatment for WIC and OZG

The Directors highlight that following consultation with our auditors, KPMG, the group will no longer utilise the Investment Entity classification and going forward will equity account our investments in WIC and OZG. Our Consolidated Income Statement now excludes any mark to market movements and dividends received but includes our share of profit in WIC and OZG. At 31 December 2021, these investments are held at their carrying value of \$93.3 million in total.

Euroz Hartleys Executive Chairman, Andrew McKenzie commented:

“We are pleased with the performance of all aspects of our Euroz Hartleys business. Euroz Hartleys has benefited from a rebounding Western Australian economy and strong commodity prices which also have contributed to our share of profits from WIC and OZG. Capital markets activity was still good but somewhat quieter compared to the prior bumper year. Our balance sheet has further strengthened from continued good profitability and an uplift in the value of our many investments, taking our cash and investments to \$180.2 million.”

We remind investors our second half performance and final dividend will be dependent on market sentiment, commodity prices, resulting ECM and corporate advisory activity and the performance of our significant investments.

The relevant dates for the interim dividend are as follows:

<b>Interim Dividend:</b>	<b>2.5 cents per share fully franked</b>
<b>Ex-Dividend Date:</b>	<b>9 February 2022</b>
<b>Record Date:</b>	<b>10 February 2022</b>
<b>DRP Election Date:</b>	<b>11 February 2022</b>
<b>Payment Date:</b>	<b>25 February 2022</b>

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