



EUROZ

ANNUAL GENERAL MEETING PRESENTATION

November 2020

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

# Western Australia's Leading Financial Services Company

- 1 Combined capability and earnings leverage of WA's two most successful broking 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 four month FY21 performance**

# Update on Merger with Hartleys Limited

## Merger completed and integration progressing smoothly

- Merger with Hartleys completed 8 October 2020
- Euroz Hartleys re-branding completed
- Institutional Sales and Research teams fully integrated
- Integration of Private Wealth and Corporate Finance well advanced
- Full integration of staff, platforms and systems on track for April 2021

## EUROZ HARTLEYS



Dominant WA Market Position



Complementary Strengths



Major Operational Scale



Enhanced Retail and Institutional Distribution Capability

### ADDITIONAL FUM

+\$1.2b<sup>1</sup>

### NEW STAFF OWNERSHIP

17%

### NEW EMPLOYEES

+105

# Our Strategy

## OUR VISION

- Continue to grow Western Australia's leading financial services business

## OUR PURPOSE

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

## OUR CULTURE

- Our clients and our staff are our greatest assets
- Develop a deep understanding of our clients needs
- Maintain a high performance staff culture
- High staff ownership to align staff and shareholder interests

# Corporate Overview – Euroz Limited

## CAPITAL STRUCTURE

**A\$1.255**

Share price (17 Nov 20)

**195.5m**

Shares on issue

**A\$245m**

Market Capitalisation

**A\$128m**

Cash & Investments<sup>1</sup>

**Nil**

Debt

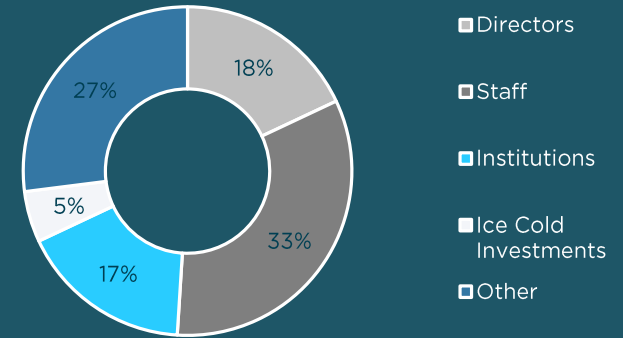
**\$117.5m**

Enterprise Value<sup>2</sup>

## HISTORICAL SHARE PRICE



## OWNERSHIP

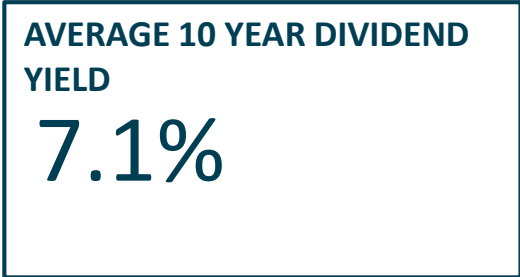
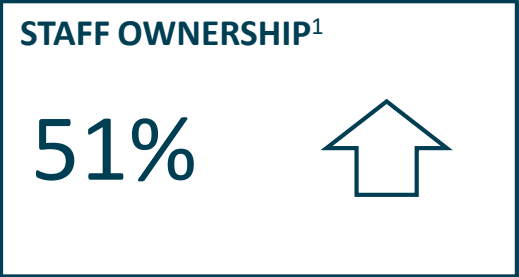
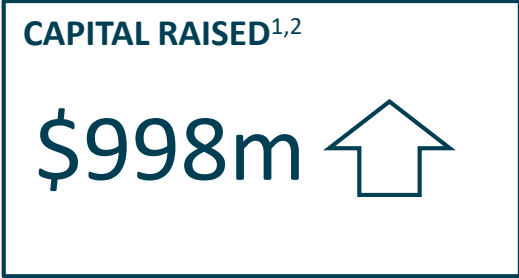
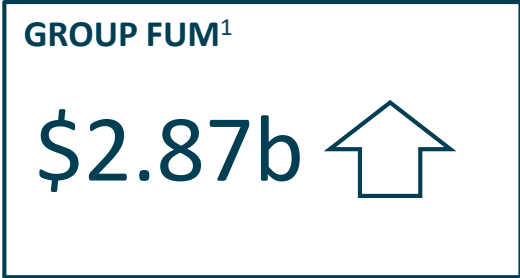


Note 1: As at 31 October 2020

Note 2: Based on market capitalisation at 17 November 2020 and cash & investments at 31 October 2020

# Euroz Limited Snapshot

WA's leading financial services company



Note 1: As at 31 October 2020

Note 2: Capital raised in calendar year 2020 where Euroz Hartleys acted as Lead or Joint Lead Manager, including funds raised by Hartleys Limited prior to completion of the merger

# A Diversified Financial Services Business

EUROZ LIMITED  
ASX CODE: EZL



WEALTH  
MANAGEMENT

STOCKBROKING, CORPORATE FINANCE  
AND PRIVATE WEALTH

FUNDS  
MANAGEMENT

100%

100%

100%

Entrust Wealth Management

Euroz Hartleys

Westoz Funds Management



Manager

Ozgrowth Limited

Westoz Investment  
Company Limited

ASX CODE: OZG

ASX CODE: WIC



(40.58% Equity Stake)

(26.25% Equity Stake)



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

1. LARGEST BROKING FIRM IN WESTERN AUSTRALIA

2. SIGNIFICANT DOMESTIC & GLOBAL DISTRIBUTION CAPABILITY

3. OVER 120 STOCKS UNDER RESEARCH

FUM

~\$1.6b<sup>1</sup>

CAPITAL RAISED

\$998m<sup>1,2</sup>

### Corporate Finance

#### 14 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

- Highly regarded and awarded research team
- Extensive coverage of ASX listed industrials, resources and energy companies
- Focus on institutional quality research to a global client base
- Over 120 stocks under research

### Institutional Sales

#### 12 INSTITUTIONAL SALES ADVISERS

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

### Private Wealth

#### 65 PRIVATE CLIENT ADVISERS

- Largest retail desk in WA
- FUM of +\$1.6b<sup>1</sup>
- Extensive high net worth and family office client base
- Focus on providing timely and high quality financial advice to clients

Note 1: As at 31 October 2020

Note 2: Capital raised in calendar year 2020 where Euroz Hartleys acted as Lead or Joint Lead Manager, including funds raised by Hartleys Limited prior to completion of the merger



# Entrust

## Entrust Wealth Management

### 17 year track record

- Combines its deep knowledge of managed discretionary advice, financial planning and portfolio management with its portfolio administration service to create a comprehensive wealth management solution for each individual client
- Entrust has an extensive high net worth and family office client base

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FUM

\$992m<sup>1</sup>

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STAFF

18<sup>1</sup>

Note 1: As at 31 October 2020

FUNDS MANAGEMENT PTY LTD

## Westoz Funds Management

### “Finding the Best in the West”

- 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 \$43.2m in dividend income to Euroz Limited since inception
- WIC and OZG have paid \$167m in fully franked dividends to shareholders since inception
- Euroz owns 26.25% of WIC and 40.58% of OZG

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WIC FUM

\$149m<sup>1</sup>

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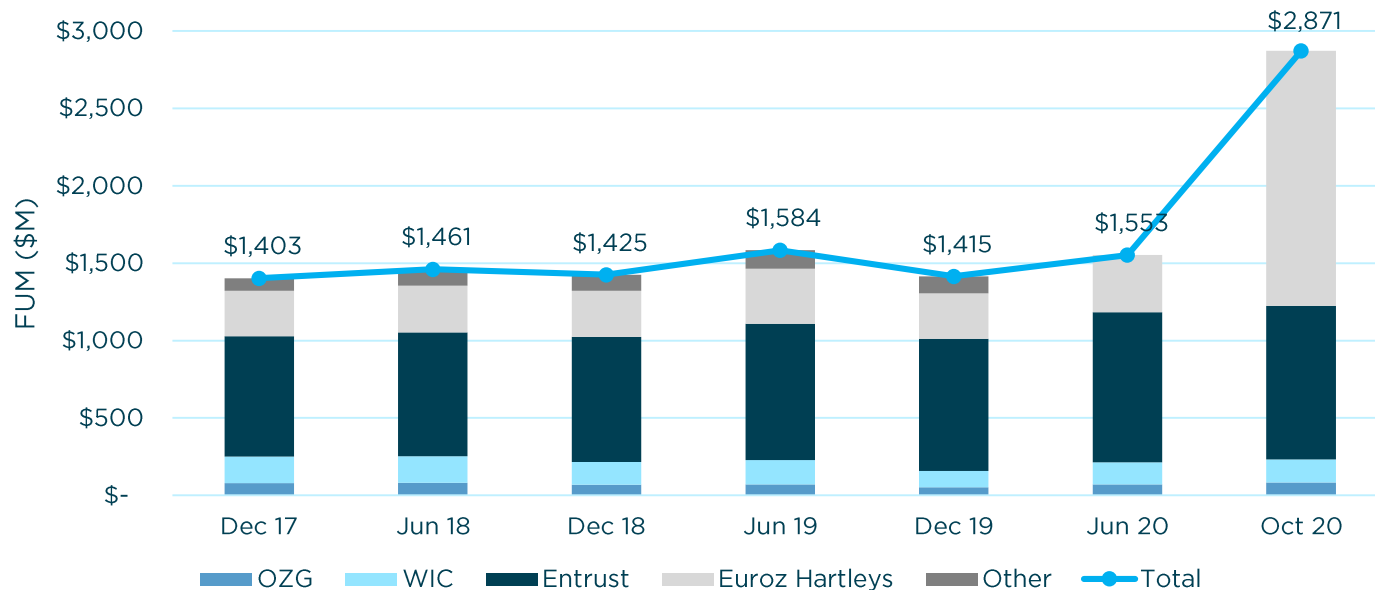
OZG FUM

\$83m<sup>1</sup>

# Group Funds Under Management

## \$2.87b<sup>1</sup> in FUM in Funds and Wealth Management and growing

- Continued focus on growing FUM – increase of +\$1.2b<sup>1</sup> through merger with Hartleys Limited
- Increased scale provides material synergies and an enhanced platform for organic and acquisition growth opportunities



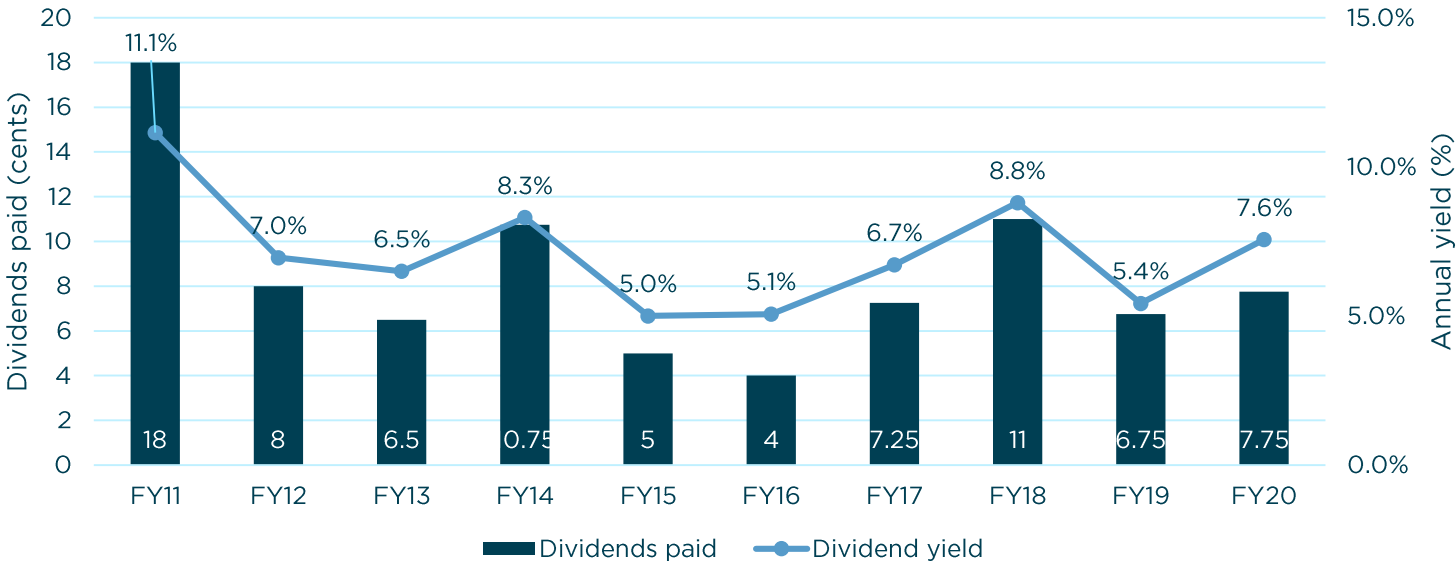
Note 1: As at 31 October 2020

Note 2: 'Other' represents historical FUM from Flinders Investment Partners, Dalton Street Capital and Equus Point Capital

# Consistent Dividend History

Focus on increasing base dividend levels through growth in recurring revenue streams while maintaining traditional transaction strengths

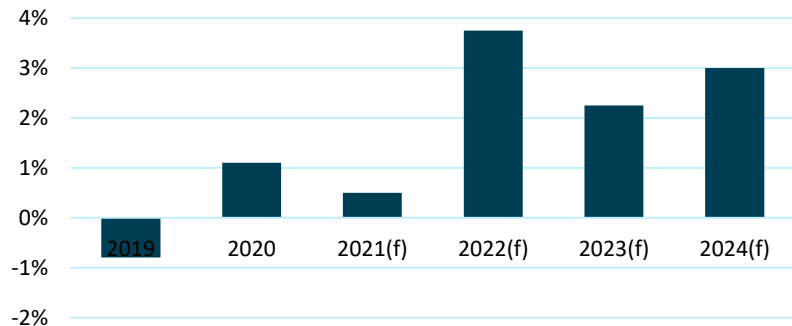
- Paid \$235m dividends over 40 consecutive half year periods
- Average dividend of 8.5 cents / year over past decade
- Average dividend yield of 7.1% over past decade



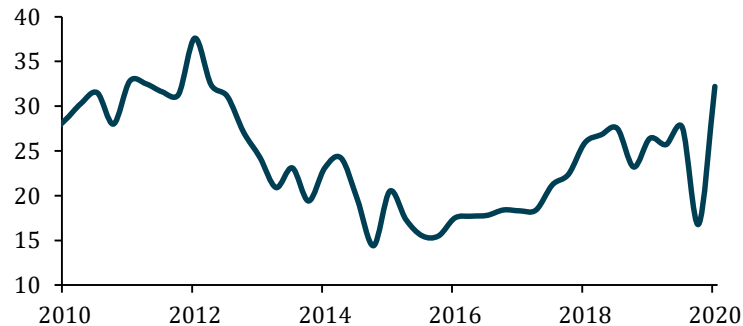
## Strong Leverage to an Improving WA Economy

- Strong economic momentum evident prior to pandemic
- WA resilient to date, only State with positive FY2020 economic growth
- Resources sector and State finances buoyed by good commodity prices
- Construction uplift from resource/infrastructure projects & State/Federal incentives
- Healthy employment market, job vacancies at 8 year highs, border reopening helpful
- Solid growth forecast for Western Australia economy

**STATE FINAL DEMAND GROWTH**



**WA JOB VACANCIES ('000)**



# Four Month Trading Update

## Solid underlying profitability for first 4 months of FY21

- Driven by strong performance from Euroz Hartleys Securities Limited and increases in share price of investments in Westoz and Ozgrowth
- First 4 month unaudited FY21 headline NPAT of \$11.5m (underlying NPAT of \$5.8m) excludes ~\$3m pre-completion contribution from Euroz Hartleys Limited<sup>1</sup>
- Leverage to improving WA economy and commodity prices

|  |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>▪ FUM \$1.65b<sup>2</sup></li> <li>▪ Strong 4 month start to financial year</li> <li>▪ Merger completed and integration progressing smoothly</li> <li>▪ \$658m in announced ECM raisings (July – Oct 2020)</li> </ul>                  |
|  | <ul style="list-style-type: none"> <li>▪ FUM \$992m<sup>2</sup></li> <li>▪ Solid organic growth in FUM</li> <li>▪ Continue to target smaller bolt on acquisition opportunities</li> </ul>   |
|  | <ul style="list-style-type: none"> <li>▪ FUM \$232m<sup>2</sup></li> <li>▪ Excellent gross 4 month investment performance:             <ul style="list-style-type: none"> <li>– WIC +7.3%</li> <li>– OZG +18.9%</li> </ul> </li> <li>▪ Performance fee opportunity</li> </ul> |

Note 1: ~\$3m cash profit from Euroz Hartleys Limited (formerly Hartleys Limited) will flow to Euroz Limited as net cash

Note 2: As at 31 October 2020

# Euroz Charitable Foundation

- Established in 2006 to provide support to worthy charities within our broader community
- Donated over \$2m to over 100 individual charities in 14 years
- Staff encouraged to provide their time to support charities in and around their local community



The Euroz Charitable Foundation has supported many organisations, including:

Proudly supporting



# Investment Highlights

**1**

**Euroz Hartleys now the largest broking firm in Western Australia**

**2**

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

**3**

**Scale and operational synergies from Hartleys merger start in April 2021**

**4**

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

**5**

**Strong balance sheet**

**6**

**FY21 off to strong start and well positioned to capitalise on positive WA outlook**





Thank You

Euroz Limited

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