

EUROZ HARTLEYS GROUP

ABN 53 000 364 465

3 May 2023

Third Quarter Trading Update

Euroz Hartleys Group Limited (“**Euroz Hartleys**”) reports a much improved third quarter and overall solid profitability for the nine months to 31 March 2023.

Euroz Hartleys is Western Australia’s leading private wealth, institutional and corporate finance and funds management business.

We remind investors that the previously announced first half net profit after tax of \$3.1 million represented a particularly challenging half in markets. We can now report a much improved third quarter with net profit after tax (unaudited and attributable to members) of approximately \$4.4 million for this quarter.

This represents total net profit after tax of \$7.5 million for the nine months to 31 March 2023.

The Directors also note that this result is difficult to compare with the previous nine-month net profit after tax of \$26.4 million (down 71%) as this previous period included \$14.9 million of profit related to our Westoz and Ozgrowth investments which have since been unwound.

We are very pleased with the third quarter performance of our underlying business during this inflection point in markets which continued to be affected by rising interest rates and inflationary concerns. The past quarter saw improved relative performance from our wholesale business in particular and reflects a lot of the hard work and change that has been implemented in recent times.

Equity Capital Market (**ECM**) raisings during the March quarter of ~\$612 million were particularly strong as demonstrated by our Number 6 national ranking¹ in capital raised for this period. Advisory revenues for the March quarter were also strong while brokerage revenues remained somewhat subdued.

We remain focused on increasing our proportion of recurring revenues and can report a modest increase in Funds Under Management (FUM) to \$3.4 billion. Our team has spent considerable time and effort in developing new strategies to drive FUM growth and consolidate our wealth offering. We believe the benefits of this complex work will become evident over time.

Euroz Hartleys Executive Chairman, Andrew McKenzie commented:

“We are pleased with the improved performance of our business during the March quarter despite a continuing difficult market. We strongly believe that we have a much-improved business, team focus and market position.

On a relative basis we feel that we enjoyed a good quarter while market volumes and activity for our competitors remained under pressure. The benefits of some purposeful changes to our wholesale team and succession initiatives are now starting to be seen in these improved revenues and profits.

EUROZ HARTLEYS GROUP

ABN 53 000 364 465

Our people are what ultimately drives our success. Our significant reinvestment into our team and our culture will help to ensure growth and resilience in all aspects of our Euroz Hartleys business going forward.

The best measure of a strong business is of course the payment of dividends and we are proud that we have now returned \$331.6 million in fully franked dividends and \$40 million of capital to shareholders across our 23-year history.”

Our current balance sheet of \$97.1 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 extensive client base.

Euroz Hartleys has an excellent track record of counter cyclical and well executed acquisitions in a financial landscape that continues to evolve and we remain interested in further broking, wealth management and adviser specific acquisitions.

We remind investors that our full year performance and final dividend will be dependent on market sentiment, commodity prices, Equity Capital Markets and corporate advisory activity for the remainder of the year.

For further information please contact:

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

¹ Australian Financial Review Street Talk 30 March 2023. Australia ECM volumes at 29 Mar 2023 (Source: DEALOGIC)

EUROZ HARTLEYS

Third Quarter update

May 2023



Disclaimer and disclosure

Euroz Hartleys Group Limited (**ASX:EZL**) and its related entities and each of their respective directors, officers and agents (together the **Disclosers**) have prepared the information contained in these materials in good faith. However, no warranty (express or implied) is made as to the accuracy, completeness or reliability of any statements, estimates or opinions or other information contained in these materials (any of which may change without notice) and to the maximum extent permitted by law, the **Disclosers** disclaim all liability and responsibility (including, without limitation, any liability arising from fault or negligence on the part of any or all of the **Disclosers**) for any direct or indirect loss or damage which may be suffered by any recipient through relying on anything contained in or omitted from these materials. This information has been prepared and provided by Euroz Hartleys Group Limited. To the extent that it includes any financial product advice, the advice is of a general nature only and does not take into account any individual's objectives, financial situation or particular needs. Before making an investment decision an individual should assess whether it meets their own needs and consult a financial advisor. Past performance is not an indication of future performance.

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

IMPORTANT: Figures and information contained on pages 5 and 13 pertain to Euroz Hartleys Group Limited (ACN 000 364 465) on both a consolidated and unconsolidated basis.
Figures and information contained on pages 6, 10 and 11 pertain to Euroz Hartleys Limited (ACN 104 195 057). Euroz Hartleys Limited is a 100% owned subsidiary of Euroz Hartleys Group Limited.
Figures and information contained on pages 8, 9 and 12 pertain to both Euroz Hartleys Group Limited on a consolidated and unconsolidated basis and Euroz Hartleys Limited.

All figures should be read in conjunction with the accompanying note.

Western Australia's trusted financial services business

01.

Western Australia's leading private wealth, institutional and corporate finance business

02.

Strategically located in the global resources hub of Western Australia

03.

Focus on growing both transactional and recurring revenue streams

04.

Strong balance sheet / \$97.1m in cash and investments¹

05.

Track record of excellent long term shareholder returns and capital management

06.

Well positioned to capitalise on positive WA and commodities outlook

Note 1 - Consolidated Euroz Hartleys Group Limited: As at 31 March 2023

Our Vision

Be recognised as Western Australia's leading financial services business

Our Purpose

Create long term shareholder value by consistently delivering exceptional outcomes for our clients

Our Values

RELATIONSHIPS

Strong relationships built on a foundation of trust

ACCOUNTABILITY

Taking responsibility and delivering on our commitments

HIGH PERFORMANCE

Achieving superior client outcomes by pushing our capabilities

INTEGRITY

Acting with integrity and honesty

RESPECT

Embracing teamwork, diversity, humility and openness

Euroz Hartleys Group Limited Corporate Overview

SHARE PRICE¹
(24 APRIL)

A\$1.20

SHARES
ON ISSUE¹

164.4m

MARKET
CAPITALISATION¹

A\$197.2m

CASH &
INVESTMENTS³

A\$97.1m

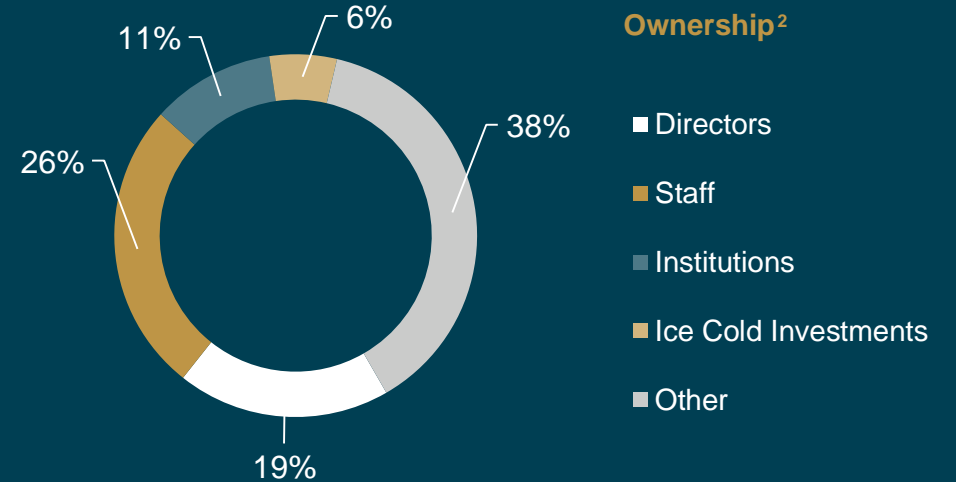
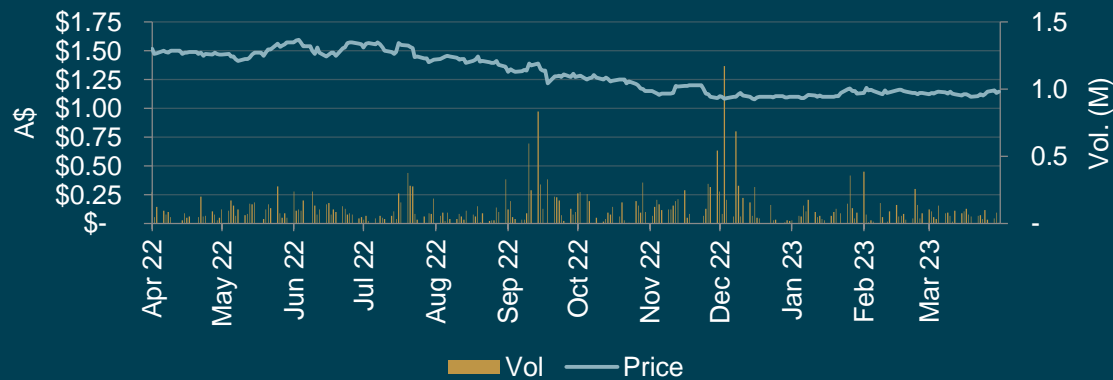
DEBT³

NIL

ENTERPRISE
VALUE

\$100.1m

Historical Share Price



Note 1 - Euroz Hartleys Group Limited: As at 24 April 2023

Note 2 - Euroz Hartleys Group Limited: As at 31 March 2023

Note 3 - Consolidated Euroz Hartleys Group Limited: As at 31 March 2023

Euroz Hartleys Limited Overview

CAPITAL RAISED^{1,2}

+A\$1B

STAFF

186

Western Australia’s trusted financial services business

Significant domestic & global distribution capability

120+ stocks under research coverage

Corporate Finance

EUROZ HARTLEYS

13 Corporate Finance Executives

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

Research

EUROZ HARTLEYS

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 120 stocks under research

Institutional Sales

EUROZ HARTLEYS

10 Institutional Sales Advisers

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

Private Wealth

EUROZ HARTLEYS 

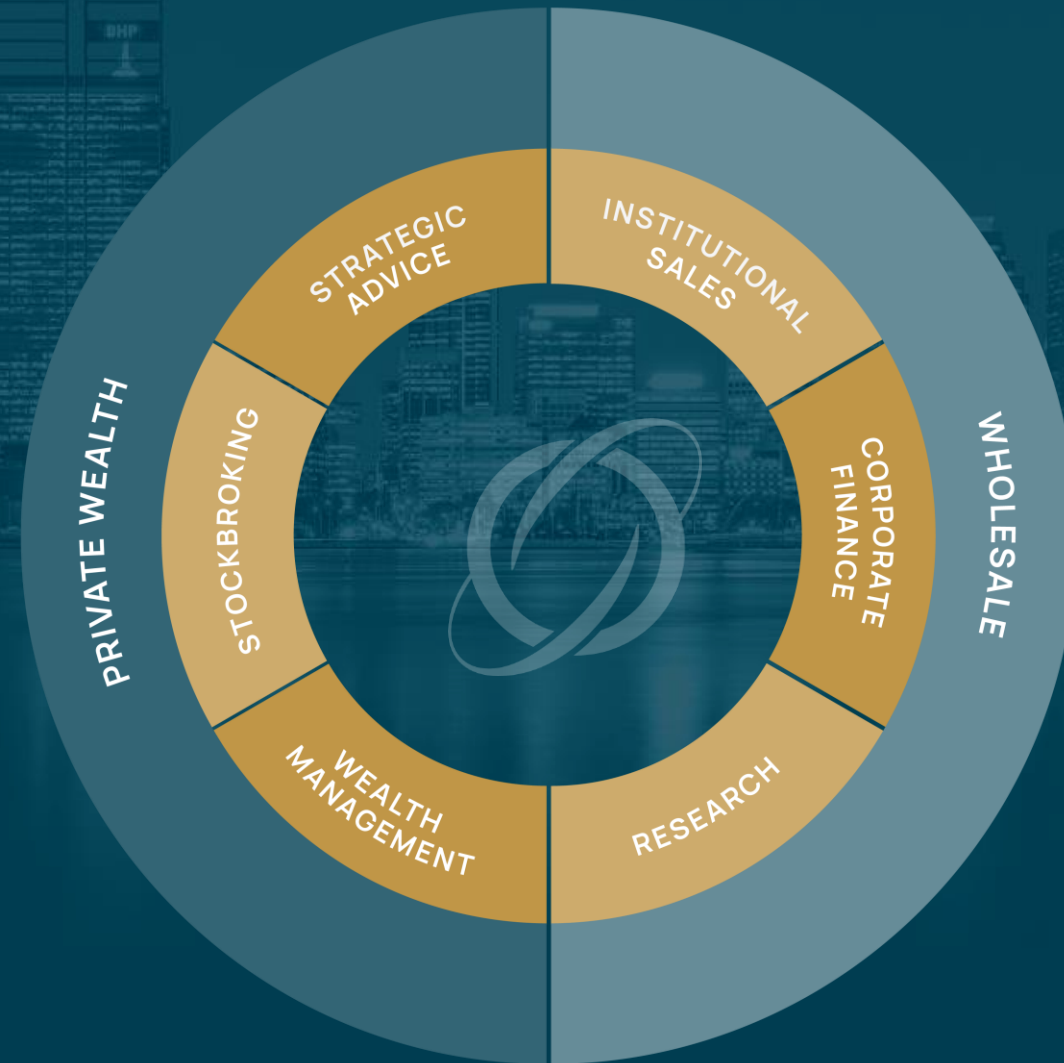
61 Private Wealth Advisers

- Extensive high net worth and family office client base with total FUM of ~\$3.4B²
- A diversified range of highly personalised financial services
- Built on strong relationships and extensive networks

Note 1 - Euroz Hartleys Limited: Capital raising transactions where Euroz Hartleys Limited acted as Lead Manager or Co-Manager

Note 2 - Euroz Hartleys Limited: As at 31 March 2023

Built on relationships
and connected by
our people



Euroz Hartleys Group Limited Half Year result – 1H FY23

Continued profitability and cash generation for first half of FY23 financial year

Weaker half due to increased market volatility / lower trading and capital raising volumes

Returned \$40 million of excess cash to shareholders and simultaneously cancelled ~17% of issued capital

First half dividend of 2.5 cents per share fully franked consistent with the previous corresponding period. Special dividend of 20.27cps paid on 7 October 2022

1H FY23
REVENUE¹

\$40.1M

1H FY23
DIVIDEND²

22.77cps

CASH &
INVESTMENTS¹

\$91.6M

1H FY23
NPAT^{1,3}

\$3.1M

GROUP
FUM⁵

\$3.3B

1H FY23
CAPITAL RAISED^{4,5,6}

\$391.8M

Note 1 - Consolidated Euroz Hartleys Group Limited: As at 31 December 2022

Note 2 - Euroz Hartleys Group Limited: Fully franked and includes special dividend of 20.27cps and 1H FY23 dividend of 2.5cps

Note 3 - Consolidated Euroz Hartleys Group Limited: Attributable to members

Note 4 - Euroz Hartleys Limited: Capital raising transactions where Euroz Hartleys Limited acted as Lead Manager or Co-Manager

Note 5 - Euroz Hartleys Limited: As at 31 December 2022

Note 6 - Euroz Hartleys Limited: Restated

Third Quarter trading update

Stronger third quarter

\$7.5M unaudited NPAT¹

\$1B ECM raisings²

\$3.4B Group FUM²

\$97.1M cash and investments¹

Note 1 - Consolidated Euroz Hartleys Group Limited: Nine months to 31 March 2023

Note 2 - Euroz Hartleys Limited: Nine months to 31 March 2023



Euroz Hartleys Limited Third Quarter commentary

Best quarter this financial year despite a generally soft and volatile overall market

Strong third quarter Equity Capital Market raisings improving underlying cashflow and profitability

Recurring Funds Under Management revenues up modestly in the quarter

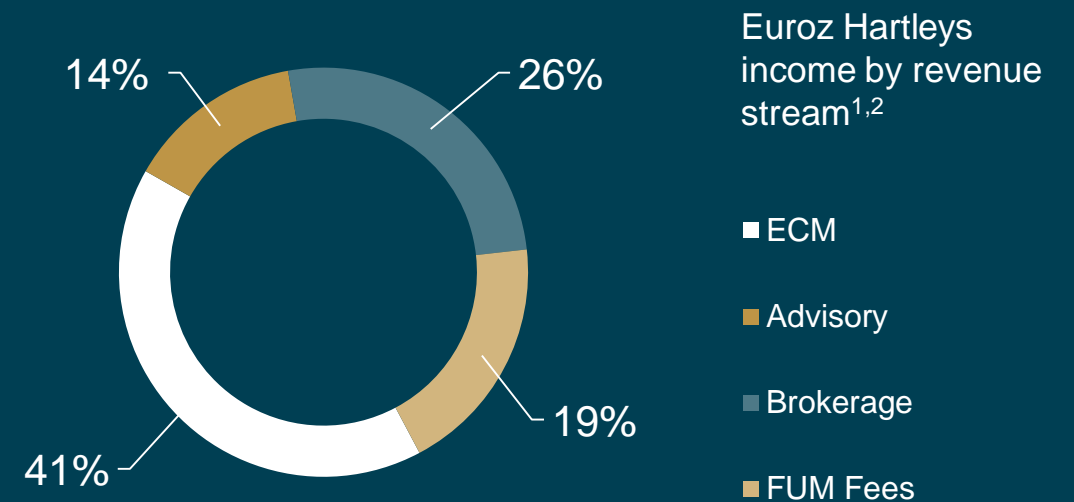
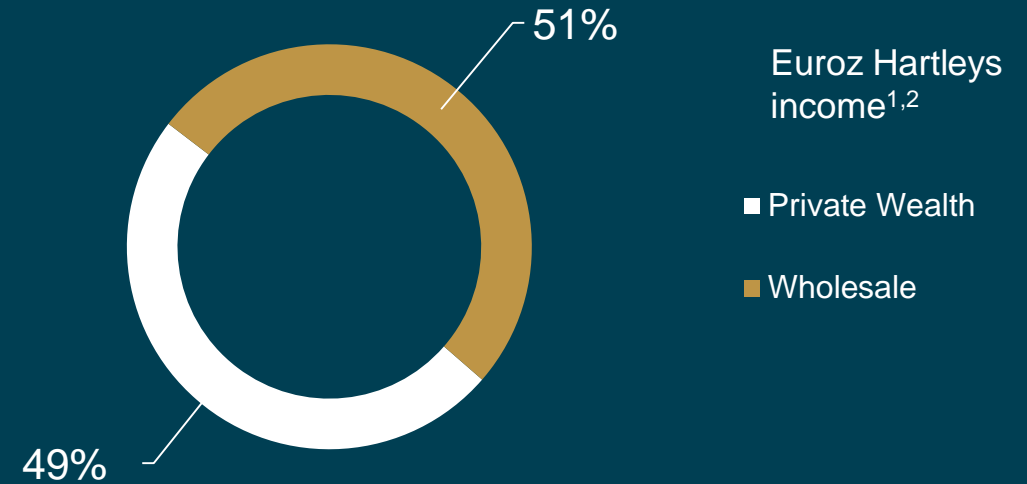
Solid improvement in Corporate Advisory / M&A revenues

Brokerage revenues remain somewhat subdued

Improving brand and market position

Note 1 - Euroz Hartleys Limited: Percentages subject to rounding

Note 2 - Euroz Hartleys Limited: As at 31 March 2023

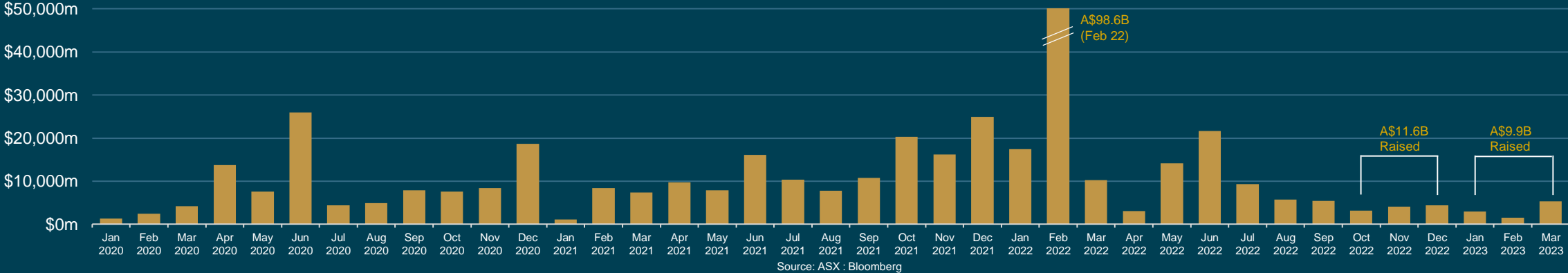


FY23 Equity Capital Markets (ECM) commentary

Euroz Hartleys ECM activity improving despite challenging market conditions

- Excellent 3Q ECM activity
- \$611.8m raised in 3Q (Year to date ~\$1b¹)
- 15 capital raisings in Q3
- Euroz Hartleys ranked #6 nationally in March Quarter ECM rankings²

Total ASX Capital Raised (A\$M)



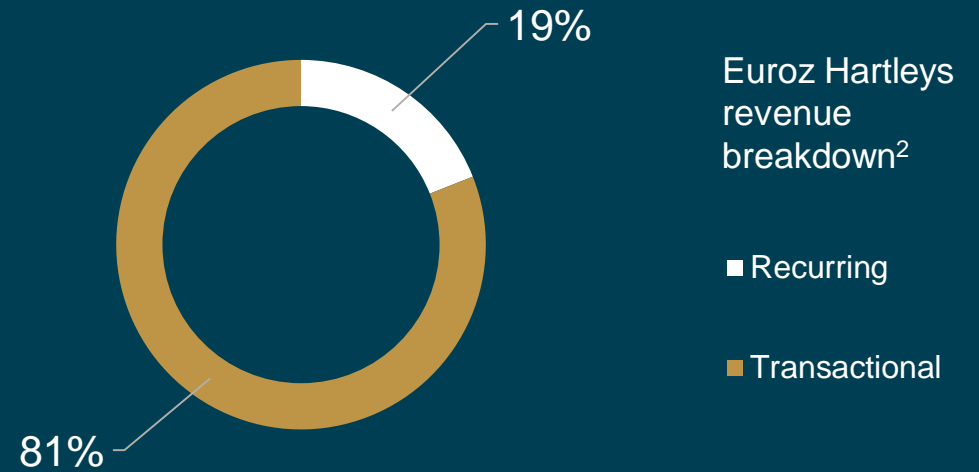
Note 1 - Euroz Hartleys Limited: As at 31 March 2023 - Capital raising transactions where Euroz Hartleys Limited acted as Lead Manager or Co-Manager

Note 2 - Australian Financial Review Street Talk 30 March 2023, Australia ECM volumes at 29 Mar 2023 (Source: DEALOGIC)

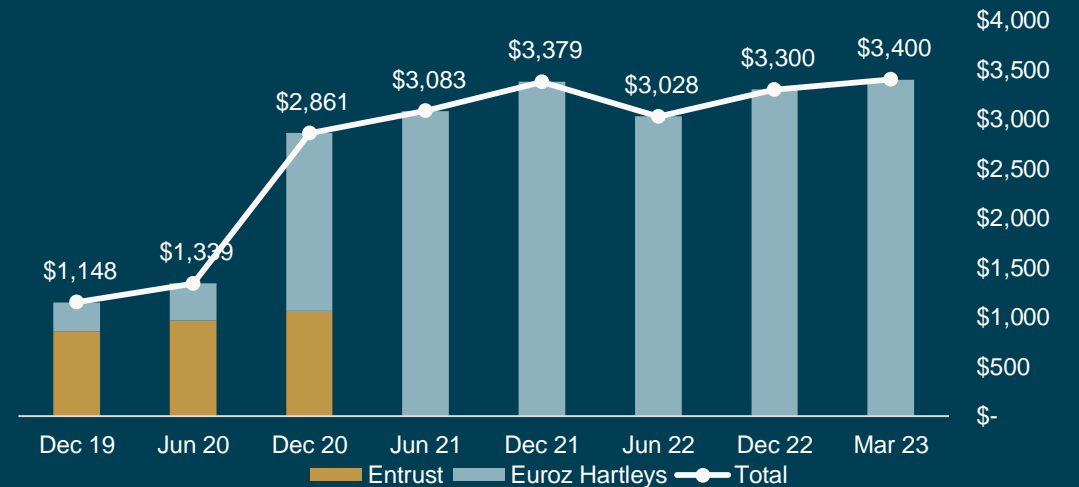
Focus on growing transactional and recurring revenue streams

- ~\$3.4B² in Group FUM
- Building scale is critical
- Developing new strategies for FUM growth
- Aim to increase proportion of recurring revenues over time
- Increased scale provides an enhanced platform for organic and acquisition growth opportunities

Note 1 - Euroz Hartleys Group Limited: Entrust FUM included within Euroz Hartleys from Jun '21 onwards and Hartleys Limited FUM included within Euroz Hartleys from 'Dec 2020 onwards
 Note 2 - Euroz Hartleys Limited: As at 31 March 2023



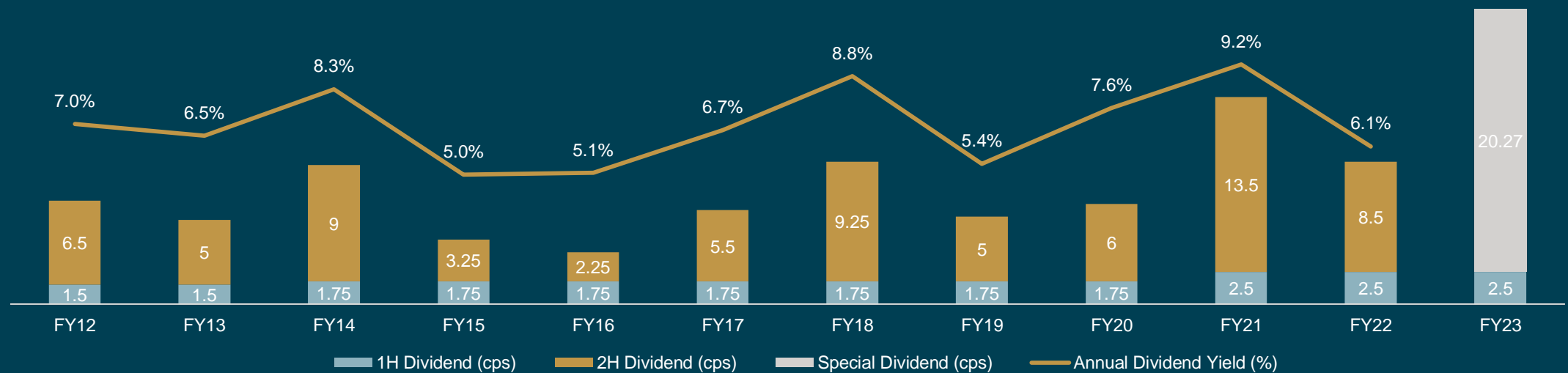
Euroz Hartleys Group FUM (A\$M)¹



Euroz Hartleys Group Limited Long term track record of excellent dividend returns

Focus on maximising dividends through ongoing growth in recurring revenue streams while maintaining traditional transactional strengths

- Returned \$331.6m dividends and cash to shareholders over 46 consecutive half year periods
- Average dividend of 8.6 cents per year over past decade
- Average dividend yield of 6.9% over past decade
- \$44.1M returned to shareholders in H1 FY23 including special dividend
- ~17% share cancellation (via \$40M capital return) to boost future dividend yield



Euroz Hartleys Foundation

- Established in 2006 to provide support to worthy charities within our broader community
- Donated over \$3.3m to over 100 individual charities in 16 years
- Staff encouraged to provide their time to support charities in and around their local community
- June 2022 Commission for a Cause raised \$400,000 for the Perth Children's Hospital Foundation, Lifeline WA, WA Cricket Foundation and Women & Infants Research Foundation



The Euroz Hartleys Foundation has supported many organisations, including:



Summary

- Western Australia's trusted financial services business
- Established platform for recurring and transactional revenue streams
- Continually improving and growing our client offering
- Targeting organic FUM growth and growth by acquisition
- Strong balance sheet and track record of shareholder returns
- ~17% of shares cancelled / ~17% EPS accretion
- Well positioned to capitalise on positive WA and commodities outlook



A photograph of a modern office interior, overlaid with a semi-transparent blue filter. In the foreground, a curved, light-colored reception desk is visible. To the left, a vase holds a bouquet of white flowers and greenery. In the background, a large window looks out onto a green lawn with a circular pattern. The text "Built on relationships and connected by our people" is positioned in the lower right area of the image.

Built on relationships
and connected by
our people

EUROZ HARTLEYS

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